

Mark D. Vanderpool
Jeffrey A. Bahorski
Michael Viazanko
Dwayne McLachlan
Marc D. Kaszubski
Mark Carufel
Denice Gerstenberg
Jason Castor
Brent S. Bashaw
Chris McLeod
Jennifer Varney
Bridget Doyle
Nick Makie
Melanie Ryska
Brian S. Baker
Christopher Martin
Walter C. Blessed
Steve Deon
Kyle Langlois
John Berg
Tammy L. Turgeon
Mike Moore
James P. Buhlinger

City Manager
Assistant City Manager/Deputy HR Director
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
Controller
Deputy City Clerk
Finance & Budget Director
Fire Chief
Human Resources Director/Assistant City Manager
Information Technology Director
Parks & Recreation Director
Police Chief
Public Library Director
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.

*Click on page number to follow link

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

Section I – All Funds Summary

Financial Organization Chart.....	32
Executive Summary.....	33
All Funds Financial Summary	42

Section II – General Fund

How the City Allocates Its Money	50

Trends and Summaries

Summary of Taxes.....	53
G.F. Revenue, Exp., Fund Balance	55
Revenue Definitions & Assumptions	57
G.F. Revenues by Account	66
G.F. Expenditures by Budgetary Center	70
G.F. Expenditures by Category.....	72
G.F. Expenditures by Account.....	75

Personnel Summary

Trends.....	80
Listing by Department	81

Legislative

City Council	90

City Administration Department

City Management	99
City Clerk	105
Information Technology	109
Assessing.....	113
Financial Services.....	117
Purchasing.....	121
Treasury	125

Community Services Department

Library.....	137
Parks & Recreation	141

Police Department

Police Administration	149
Police Investigations.....	153
Police Operations.....	159
Police Support Services	163

Fire Department

Fire Administration.....	171
Fire Extinguishment.....	177
Fire Prevention.....	181

Public Works Department

Fleet Maintenance	189
Parks & Grounds Maintenance.....	193
Public Works Center	197
Refuse Collection	199
Street Services	203

City Development Department

Building & Facilities Maintenance.....	211
Economic Development.....	217
Engineering.....	221
Neighborhood Services	225
Planning.....	229

Community Relations Department

Community Relations	237

Non-Departmental Services

41-A District Court	243
Act 78 Civil Service Commission	247
Arts Commission	250
Beautification Commission	252
General Employees Retirement Board.....	254
General Expenditures	256
Historical Commission	258
Legal.....	262
Planning Commission	266
Transfers Out.....	268
Zoning Board of Appeals	270
Component Unit Funding	272

*Click on page number to follow link

Section III – Water & Sewer Fund

Water & Sewer Fund Statement	274
Revenues & Expenses Schedule	275
Revenues & Expenses by Account	277
Water & Sewer Administration	285
Water Distribution	289
Sewage Collection	293

Section IV – Special Revenue Funds

Revenues, Expend. & Fund Balance	298
Revenues & Expenditures by Account	305
Major Road Fund	310
Local Road Fund	312
Land & Water Conservation Fund	314
Public Safety Forfeiture Fund	316
Community Dev. Block Grant Fund	318
Local Develop. Finance Authority Fund	320

Section V – Debt Service Funds

Debt Management Program	324
Revenues, Expenditures & Fund Balance	328
Revenues & Expenditures by Account	332
General Drain Fund	334
Voted Tax General Obligation Fund	336
Road Bond Debt Retirement Fund	338
Limited Tax General Obligation Fund	340

Section VI – Capital Projects

Revenues, Expenditures & Fund Balance	344
Revenues & Expenditures by Account	346
Capital Projects Fund	348
Road Bond Construction Fund	350

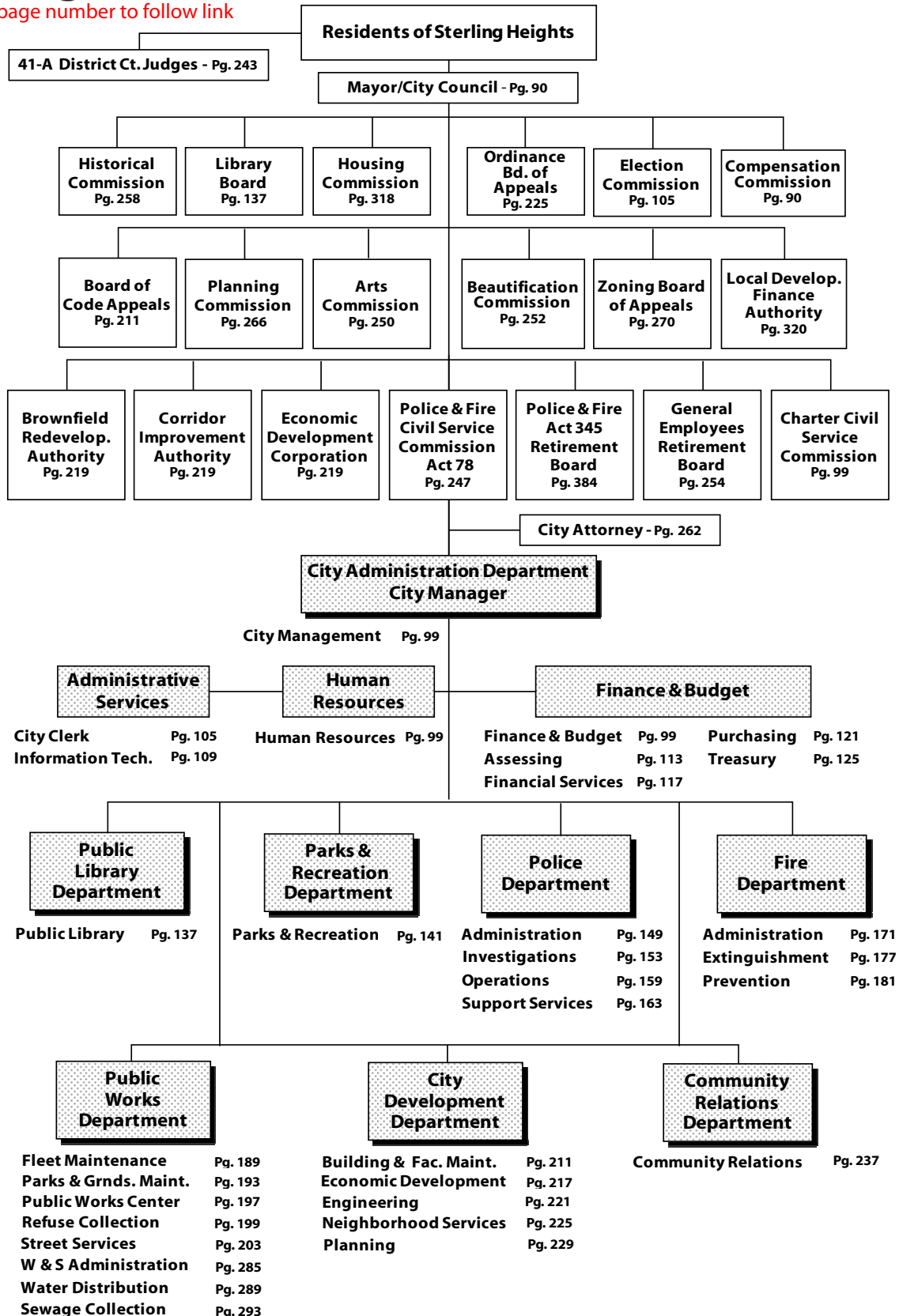
Capital Improvements Program	352
Capital Equipment	355
Information Technology Capital Program	358
Capital Vehicles	359
Capital Projects	360
Storm Drain Improvements	361
Road Bond Construction Fund	361
Major Road Fund	362
Local Road Fund	363
Community Dev. Block Grant Fund	363
Local Develop. Finance Authority Fund	364
Land & Water Conservation Fund	364

Sanitary Sewers	365
Water Mains	365
Capital Improvement Maps	367

Section VII – Supplemental Information

Financial & Demographic Data	375
Labor Agreements	385
Appropriations Ord. & Fee Schedule	388
Glossary	416
Index	421

City Organization Chart



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

July 1, 2016

**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 2016/17 Annual Budget.

Overview

The City experienced impressive growth over the past year with over 100 housing units under construction, while leading the region in home value increases, new manufacturing investments, and significant commercial redevelopment. The City continued its commitment to massive infrastructure improvements with over \$8 million dedicated to neighborhood road improvements, \$40 million to complete the Van Dyke road improvement and almost \$9 million to begin completion of the Dodge Park Road improvement. The City made major progress implementing the Visioning 2030 Plan by launching many place making efforts, including the City's first ever Farmers Market which proved to be a huge success. The City also secured one of its largest grants ever, totaling \$4.5 million to improve the Clinton River Corridor.

Operational improvements included restoring Sunday library hours, continued implementation of the City's Succession Plan, reinvestment in the City's workforce via wage increases, a phase out of unpaid holidays and furlough days, implementation of in-service training days, enhanced security measures, and numerous technology upgrades. The City continued development of its new website and significantly increased outreach efforts through social media.

The Fire Department improved its statewide ranking and now is only one of two departments with an Insurance Services Organization (ISO) rating of 2. The City continues to be one of the safest in the state and country due to outstanding policing efforts and broad-based community support.

The City continues to lead the region in Economic Development with massive manufacturing and commercial development, including Sterling Enterprise Park (formerly Sunnybrook golf course) which will be one of the largest developments in the City's history. The City continued its focus on small business development as well, through the VELOCITY Collaboration Center which launched the region's first Cyber Security Range, available to any business in need of strengthening its software system security.

The progress made in the past year would not have been possible without good financial planning through the budget process. The following is a financial overview of the proposed budget, which will result in another highly successful year for the City.

Revenues and Expenditures

The budget totals \$170.0 million – a decrease of \$7.8 million or 4.4% from the prior year. The budget continues to fund the voter-approved Safe Streets initiative which enables the City to avoid further cuts to public safety staffing, provides for needed community investments, and increases reserves. The budget decrease is a result of one-time capital improvement projects in the prior year including the reconstruction of Dodge Park Road and Van Dyke, grant funds to restore the Clinton River bank, and repairs to the City Hall parking lot. These savings were partially offset by higher water & sewer costs, increased road debt payments, and additional neighborhood street repairs. Additional funds are budgeted for City place making efforts resulting from the Visioning process, needed facility repairs, the early hiring of Police Officers, restoring several positions due to increased service needs, succession planning efforts, contractual employee wage adjustments and reduced unpaid furloughs.

Personnel

The City has excelled over the years because of excellent employees and we must continue to invest in this important asset. With this in mind, the budget includes increased employee compensation and continued reduction of unpaid furlough days. The two-tiered wage structure has been eliminated, allowing new employees to reach the same top wage as existing employees. The budget continues to fund the restored Tuition Reimbursement Program, providing additional training and professional development options.

The budget continues to fund the hiring and training of new Police Officers in advance of upcoming retirements and includes full-year funding for two replacement administrators due to upcoming retirements as part of the City's succession planning efforts. Funds are provided for the manning of the Fire rescue vehicle as an ALS unit, and increased after-hour service demand for Public Works.

The budget funds 449 full-time positions – a net increase of 2 positions. Two part-time staff are being converted to two full-time positions and a new Digital Media Coordinator position is funded, offset by the retirement of the additional City Controller. Three additional part-time clerical and two part-time Code Enforcement officers have been added. The City will again fully fund its actuarially required contribution for current and future retiree medical liabilities.

City Reserves

The fiscal year 2016/17 Budget provides for an increase to General Fund Reserves of \$0.8 million. Funding levels have also increased in other major funds, including the Local Road Fund and the Capital Projects Fund. The Retiree Healthcare Trust Fund is nearly 45% funded with reserves totaling over \$82 million. Due to legacy reforms and the elimination of the benefit for all new hires, the amount the City is required to contribute to fund these liabilities has decreased by \$1.1 million or 9.0% next year. Both the Police & Fire Pension and General Employee Pension Funds slightly increased in funding over the past year. 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 third consecutive year, significant capital expenditures are allocated in the budget to address an aging infrastructure and equipment. The budget includes funding for twelve Police vehicles, a Fire Aerial Ladder Truck, a Street Sweeper, Snow Plow, Fire in-vehicle computers, Fire medical equipment, vehicle repair equipment, GIS and asset management systems, the See Click Fix website application, and replacement personal computers.

The capital infrastructure repairs include replacement of four outdoor emergency warning sirens, a new roof at Fire Station #5, a backup generator for Fire Station #1, repairs to the heating and cooling system at the Police Station, and renovation of the Library's public restrooms.

Neighborhood road funding will equate to \$5.2 million due in large part to the passage of the Safe Streets proposal by the voters in November 2013. The budget includes \$17.8 million in total infrastructure improvements, including \$8.0 million in repairs to major roads such as 14 Mile, 15 Mile Road, the M-59 reconstruction and median improvements, and the widening of Dequindre Road. The budget also funds \$2.0 million to repair City facilities, \$1.6 million for water & sewer mains, and \$1.0 million for park projects including a replacement Dodge Park trail bridge.

Economic Development

The budget includes funding to focus even more effort on Economic Development initiatives. The City has done an outstanding job growing our manufacturing base which fuels commercial and residential development. In addition to Fiat Chryslers Automobiles (FCA) massive \$1 billion investment at Sterling Heights Assembly Plant (SHAP), Ford Motor Company has announced over a \$1 billion investment in its Axle and Transmission facilities in Sterling Heights. Sterling Enterprise Park is currently under development and this mega project will result in hundreds of millions of new high-tech manufacturing investments.

While the City's Economic Development successes are impressive, we must build on this momentum. Over the next year, the City will focus on retail development encouraging reuse, expansion and upgrading of existing commercial centers, while developing a multi-faceted approach to attract unique commercial uses consistent with our Visioning 2030 Plan. A renewed effort is underway in and around the Lakeside area to make sure this important commercial sector is well positioned for future development and prosperity. This same concept will be used in other major commercial areas throughout the City. Marketing of the City's significant commercial assets will be increased as well over the next year.

A strong local economy will continue to fuel the demand for housing and population growth. A housing unit gap of 4,258 is projected for the City, meaning over the next 25 years, the City will need an additional 170 new housing units per year on average. It is easy to see why Sterling Heights will soon be the third largest City in the State as projected by the U.S. Census Bureau.

The Future

The City has achieved financial stability while adding to reserves the last few years. As such, the City is well positioned to continue investing in infrastructure and quality of life services consistent with the Visioning 2030 Plan.

Place Making

Place making is a major component of the Visioning 2030 Plan and involves focusing resources on quality of life services, creating excitement, enjoyment and increasing the love residents have for the "place" they call home. Place making also creates a synergy that attracts new residents to the community, which is critically important for aging communities across the country. Over the next year the City will build on the synergistic momentum created by the Farmers Market, Clinton River Corridor improvements and City Center improvements.

The City has proposed a bold plan with multiple new venues designed to provide all residents year-round "fun." The centerpiece is a new 100,000 square foot community center to be incorporated into the existing City Campus—currently comprised of Dodge Park, the Senior Center and the Richard J. Notte City Center—creating even more synergy for the area. This new venue will replace the 13,000 square foot recreation center originally designed as a senior citizen center and built in the 1970's to serve the City's much smaller population. To meet the recreational needs of a City with more than 130,000 residents, the new community

center will feature four multisport gymnasiums, dedicated dance and fitness rooms, a walking track, a half-dozen meeting and community gathering spaces and much more.

This new facility will not only allow our Parks and Recreation Department to provide better spaces for our successful programs, but there will be room to do more for residents. This community center will offer all of our residents a place to come together and participate in recreational and cultural programs. Bringing our residents together is critical to creating a sense of “place.”

Other exciting place making projects include a splash park, a pavilion to house the new farmers market, ice skating rink, skate park, mini-soccer field, and a long-awaited dog park. In addition, significant capital improvements to the City’s five major and 26 neighborhood parks will be completed. Sterling Heights has beautiful parks that offer our residents access to open green space and recreational opportunities. But after 50 years, there is a critical need to reinvest in the parks in order to maximize their benefit to residents. In order to tap into this potential, a hike/bike trail linking the 110-acre nature preserve to Delia Park promises to create a unique recreational opportunity that few communities can match.

As Sterling Heights begins preparations to celebrate its 50th Anniversary, 2016 will be a defining period that sets the course for the next 50 years. The future for Sterling Heights is exciting!

Due to many years of thoughtful planning, progressive leadership and impressive collaboration, Sterling Heights remains a great place to live, work, and by taking fun to a new level, a great place to play. The City’s new Vision Statement says it best.

“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.”

Conclusion

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

2016/17 Budget At A Glance ...

Michael C. Taylor
Mayor

Joseph V. Romano
Mayor Pro Tem

Deanna Koski
Councilwoman

Maria G. Schmidt
Councilwoman

Nate Shannon
Councilman

Doug Skrzyniarz
Councilman

Barbara A. Ziarko
Councilwoman



Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget
Director

The budget totals \$170.0 million – a decrease of \$7.8 million or 4.4%. The budget continues the Safe Streets initiative which enables the City to avoid further cuts to public safety staffing, provides for needed community investments, and increases reserves.

- The budget decrease is a result of one-time capital improvements in the prior year including the reconstruction of Dodge Park Road and Van Dyke, grant funds to restore the Clinton River corridor, and repairs to the City Hall parking lot. These savings were partially offset by higher water & sewer costs, road debt, and street repairs.
- Additional funds are budgeted for place making efforts resulting from the Visioning process, facility repairs, the early hiring of Police Officers, restoring several positions, and employee wage adjustments and reduced unpaid furloughs.
- The City's taxable value decreased 4.1% due to a reduction in manufacturing personal property that is now exempt from local tax. For existing real property, the 0.3% inflationary adjustment is the lowest increase since Proposal A began and is well below the twenty-one year 2.3% average inflationary rate.
- Despite increases in real property for the past three years, taxable values have fallen by 25.3% since 2008, resulting in a cumulative \$8.0 million loss and a \$106 million loss of tax revenue growth. The State has cut our funding by \$40.5 million 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 legacy costs and from eliminating retiree medical benefits for all new hires. All long-term liability costs are fully funded.
- The average homeowner's tax bill remains \$200 or 7.2% less than nine 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 5.9 mills lower than the average Macomb County city tax rate. City taxes average \$82 per month and will increase only \$0.25 per month next year due to the record low 0.3% inflationary factor.

- The General Fund Budget totals \$92.1 million, an increase of \$0.5 million or 0.6%. The City will save \$1.1 million as a result of past benefit plan changes and the elimination of retiree medical. Lower fuel prices are estimated to save \$275,000. With these savings, the City is able to increase funding for needed capital and road repairs, add limited staff, and continue to restore reserves.
- The budget includes new road debt – the first City debt in seven years. As the City has paid off 13 bonds over the past four years, overall debt remains very low.
- The budget funds 449 full-time positions – a net increase of 2 positions. Two part-time staff are converted to full-time and a new Community Relations position is budgeted, offset by the retirement of the Controller. Three new part-time clerical and two part-time Code Enforcement officers have been funded.
- The City has reduced 200 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 59% since 2004.

The budget includes funding for:

- \$17.8 million in infrastructure improvements including \$8.0 million in repairs to major roads (14 Mile, 15 Mile, M-59, and the widening of Dequindre Road), \$5.2 million for neighborhood road repairs, \$2.0 million to repair City facilities, \$1.6 million for water & sewer mains, and \$1.0 million for park projects.
- Capital funding to replace twelve Police vehicles, a Fire Aerial Ladder Truck, a Street Sweeper, Snow Plow, Fire in-vehicle computers, Fire medical equipment, vehicle repair equipment, GIS and asset management systems, the See Click Fix website application, and replacement personal computers.
- Maintaining the lowest combined water & sewer rate for residential customers, as residents will pay only \$65 per month for water & sewer services. ■

In the middle of difficulty lies opportunity.

~ Albert Einstein ~



INTRODUCTION

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

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

The General Fund is further divided into major divisions or departments. These departments are comprised of several offices. For example, within the City Administration Department, there are seven offices including City Management, 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.

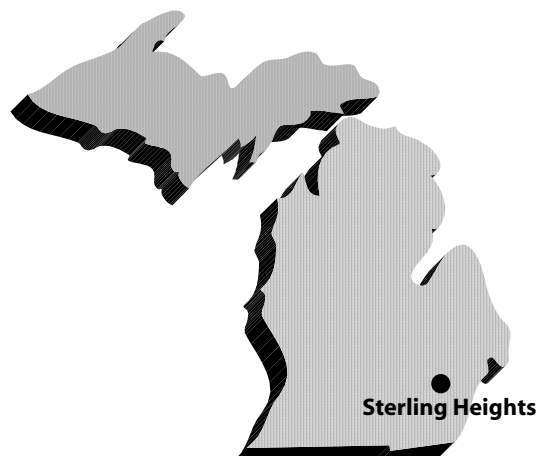
A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

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 2016 estimated population of Sterling Heights is 131,250. 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 51,714 households in the City and a 41-year old median age. The City's median household income is \$58,800. 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, Fiat Chrysler Automobiles, Utica Community Schools, General Dynamics, and Lakeside Associates.

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 ~



<u>Policy Benchmark</u>	<u>Status</u>
<i>Financial Policy</i> Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements	Update of the City's Information Technology Plan and funding to: replace personal computers, network storage and backup devices, Fire in-vehicle computers, Public Works GIS, Asset Management, See Click Fix, and Smartphone Applications
Maintain a budgetary control system to ensure adherence to the budget	Only City in the nation to receive the GFOA's "Outstanding" budget award in all categories; "Distinguished" budget award for the past 29 years
Integrate performance measurement and productivity indicators in the budget	- Earned GFOA's "Special Recognition" award for use of performance measurements - Benchmarking included in the Citizen's Guide to Finances, Performance Scorecard and Dashboard - Participation in ICMA's Center for Performance Measurement – one of 16 cities nationally to receive an Award of Distinction - Department objectives linked to City goals
To avoid practices that balance current expenditures at the expense of future years' revenues	- No short-term borrowing for operations - Lowest government debt of ten comparable MI cities - Avoided borrowing to finance long-term liabilities - Lowest City staffing since 1970's (reduced 200 FT) - Achieved \$32.0 million in operational savings
To provide adequate maintenance and orderly replacement of capital facilities and equipment	- Facilities and park repairs \$2.9 million - Vehicle expenditures \$1.8 million - Equipment & technology \$1.5 million
Maintain adequate level of funding for all retirement systems	- General Employees System 84.8% funded - Police & Fire Pension System 69.3% 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 21 years - Increased retiree medical funding past thirteen years and fully funding contributions; plan 43% funded
Seek property tax relief	- Average total tax bill has declined by \$200 or 7.2% since 2007 - 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 5.9 mills below the average tax rate of all Macomb cities - Lowest taxes per resident of ten comparable MI cities
Enhancement of the property tax base	- City total taxable value has decreased by 25.3% since 2008 - In 2015, City had the highest increase in residential property values in the County; 9.8% increased in 2016 - Over 200% increase in code enforcement properties cleaned up since 2006 - Successful efforts to save Chrysler Plant - Defense Corridor and economic development initiatives - SmartZone and North Van Dyke Corridor Improvements

<u>Policy Benchmark</u>	<u>Status</u>
<i>Revenue Policy</i> - 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	- City's Taxable Value: - Residential 67% - Commercial & Industrial 33% 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 \$65 water & sewer bill
<i>Reserve Policy</i> 10% minimum unreserved/undesignated General Fund Balance (excluding Self-Insurance Fund) 37 days of General Fund operations	12.2% of 2017 budgeted expenditures - Lowest General Fund reserves of ten comparable Michigan cities; adding to reserves for three consecutive years 45 days of General Fund operations
<i>Accounting, Auditing, Financial Reporting Policy</i> Produce comprehensive annual reports in accordance with GAAP	- Certificate of Achievement for Excellence in Financial Reporting Award for 28 years - One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
<i>Investment Policy</i> Analyze market conditions to maximize yields while maintaining the integrity and safety of principal	- Maximized Interest on Investment earnings - Retiree Health Care Fund Investments maximized
<i>Debt Policy</i> - Keep average maturity of general obligation bonds at or below 20 years - Maintain a sound relationship with all bond rating agencies	2016 MTF Road Bond 15 yrs. 2010 MTF Road Bond 15 yrs. 83% of City debt paid off within ten years - Refinanced bonds saving \$1.4 million - City's government debt level at 27-year low - Thirteen bonds fully paid off last four years 3rd highest bond rating of ten comparable MI cities - Fitch's rating AA+ - Moody's rating Aa1 - Standard & Poors' rating AA
<i>Capital Improvement Policy</i> - Make all capital improvements in accordance with an adopted capital acquisition program - Continue to implement a multi-year plan for capital improvements	\$17.8 million in total Capital Improvement Projects \$5.2 million in neighborhood street repairs \$8.0 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	\$2,242
2. Dearborn	2,221
3. Grand Rapids	2,037
4. Southfield	1,997
5. Lansing	1,978
6. Troy	1,894
7. Warren	1,445
8. Livonia	1,407
9. Farmington Hills	1,340
10. Sterling Heights	1,020

Tax Revenue Per Resident

1. Southfield	\$846
2. Dearborn	814
3. Ann Arbor	753
4. Warren	678
5. Grand Rapids	670
6. Lansing	638
7. Troy	583
8. Livonia	557
9. Farmington Hills	491
10. Sterling Heights	401

State Revenue Sharing Per Resident

1. Lansing	\$119
2. Grand Rapids	105
3. Warren	96
4. Dearborn	90
5. Ann Arbor	89
6. Southfield	88
7. Livonia	83
8. Sterling Heights	81
9. Troy	80
10. Farmington Hills	79

Gas Tax (Act 51) Revenue Per Resident

1. Lansing	\$83
2. Grand Rapids	77
3. Dearborn	74
4. Farmington Hills	74
5. Ann Arbor	72
6. Southfield	71
7. Troy	68
8. Livonia	64
9. Warren	64
10. Sterling Heights	58

Comparable City Benchmarks

City Expenditures

Total Expenditures Per Resident

1. Dearborn	\$2,139
2. Ann Arbor	2,075
3. Lansing	1,938
4. Grand Rapids	1,899
5. Southfield	1,897
6. Troy	1,891
7. Farmington Hills	1,396
8. Livonia	1,361
9. Warren	1,293
10. Sterling Heights	1,099

Police Expenditures Per Resident

1. Southfield	\$340
2. Dearborn	339
3. Lansing	306
4. Warren	275
5. Grand Rapids	266
6. Troy	263
7. Sterling Heights	245
8. Farmington Hills	232
9. Livonia	223
10. Ann Arbor	218

Fire Expenditures Per Resident

1. Lansing	\$277
2. Southfield	206
3. Dearborn	198
4. Grand Rapids	160
5. Warren	147
6. Sterling Heights	132
7. Ann Arbor	122
8. Livonia	122
9. Farmington Hills	106
10. Troy	57

Public Works Expenditures Per Resident

1. Lansing	\$210
2. Ann Arbor	156
3. Dearborn	151
4. Farmington Hills	132
5. Livonia	128
6. Warren	119
7. Grand Rapids	102
8. Sterling Heights	100
9. Southfield	94
10. Troy	70

Comparable City Benchmarks

City Expenditures (continued)

Refuse Expenditures Per Resident

1. Troy	\$180
2. Livonia	120
3. Ann Arbor	113
4. Warren	62
5. Dearborn	60
6. Grand Rapids	59
7. Farmington Hills	44
8. Lansing	42
9. Southfield	41
10. Sterling Heights	36

Library Expenditures Per Resident

1. Southfield	\$67
2. Dearborn	50
3. Grand Rapids	49
4. Livonia	37
5. Troy	30
6. Warren	27
7. Sterling Heights	18
8. Ann Arbor*	0
9. Farmington Hills*	0
10. Lansing*	0

**District Library*

Parks & Recreation Expenditures Per Resident

1. Dearborn	\$144
2. Ann Arbor	102
3. Troy	102
4. Farmington Hills	89
5. Southfield	87
6. Lansing	74
7. Livonia	71
8. Warren	51
9. Grand Rapids	38
10. Sterling Heights	13

2014 Revenues Over (Under) Expenditures Per Resident

1. Ann Arbor	\$167
2. Warren	152
3. Grand Rapids	138
4. Southfield	100
5. Dearborn	82
6. Livonia	46
7. Lansing	40
8. Troy	3
9. Farmington Hills	(56)
10. Sterling Heights	(79)

Comparable City Benchmarks

Financial Benchmarks

2014 State Equalized Value (Billions)

1. Ann Arbor	\$6.1
2. Troy	5.3
3. Sterling Heights	5.0
4. Grand Rapids	4.9
5. Livonia	4.4
6. Dearborn	4.0
7. Warren	4.0
8. Farmington Hills	3.6
9. Southfield	2.7
10. Lansing	2.2

Standard & Poor's 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+

General Fund Reserves Per Resident

1. Troy	\$464
2. Warren	344
3. Farmington Hills	311
4. Southfield	297
5. Dearborn	241
6. Ann Arbor	198
7. Grand Rapids	189
8. Livonia	111
9. Lansing	81
10. Sterling Heights	40

2014 Fiscal Health Scores 1 = Best; 10 = Worst

1. Ann Arbor (2012)	1
2. Dearborn	1
3. Farmington Hills	1
4. Livonia (2013)	1
5. Southfield	1
6. Troy (2013)	1
7. Warren (2013)	1
8. Grand Rapids	2
9. Sterling Heights*	3
10. Lansing	4

**Prior to Safe Streets Proposal*

Comparable City Benchmarks

City Pension Plans

Annual Required Contribution Per Resident

1. Lansing	\$180
2. Warren	133
3. Dearborn	130
4. Southfield	124
5. Ann Arbor	99
6. Grand Rapids	83
7. Sterling Heights	82
8. Farmington Hills	57
9. Livonia	37
10. Troy	23

Police & Fire Plan Percent Funded

1. Troy*	101.0
2. Livonia*	98.1
3. Grand Rapids	92.0
4. Ann Arbor*	82.9
5. Farmington Hills*	82.8
6. Dearborn	82.4
7. Southfield	82.2
8. Lansing	77.2
9. Warren	70.0
10. Sterling Heights	67.4

**Includes general employees*

General Employees Plan Percent Funded

1. Troy*	101.0
2. Livonia*	98.1
3. Sterling Heights	84.2
4. Ann Arbor*	82.9
5. Dearborn	82.9
6. Farmington Hills*	82.8
7. Grand Rapids	77.0
8. Southfield	68.1
9. Warren	62.2
10. Lansing	57.3

**Includes police & fire employees*

Unfunded Pension Liability Per Resident

1. Lansing	\$1,910
2. Warren	1,352
3. Southfield	1,164
4. Sterling Heights	855
5. Ann Arbor	786
6. Dearborn	733
7. Grand Rapids	711
8. Farmington Hills	325
9. Livonia	277
10. Troy	(20)

Comparable City Benchmarks

Retiree Health Benefit Plans

Annual Required Contribution Per Resident

1. Lansing	\$271
2. Southfield	232
3. Dearborn	208
4. Warren	150
5. Ann Arbor	107
6. Sterling Heights	89
7. Grand Rapids	73
8. Livonia	73
9. Troy	55
10. Farmington Hills	36

Retiree Health Plan Percent Funded

1. Farmington Hills	73.1
2. Troy	59.1
3. Livonia	46.4
4. Ann Arbor	44.1
5. Sterling Heights	43.0
6. Southfield	22.7
7. Dearborn	18.6
8. Grand Rapids	16.5
9. Warren	13.4
10. Lansing	9.0

Unfunded Health Liability Per Resident

1. Lansing	\$3,778
2. Southfield	3,041
3. Warren	2,052
4. Dearborn	1,853
5. Ann Arbor	1,295
6. Livonia	1,070
7. Sterling Heights	806
8. Grand Rapids	676
9. Troy	569
10. Farmington Hills	107

Retirement Health Benefit Recipients Per 1,000 Residents

1. Warren	11.1
2. Lansing	10.1
3. Dearborn	7.8
4. Southfield	7.3
5. Ann Arbor	7.2
6. Livonia	6.8
7. Sterling Heights	4.4
8. Troy	3.7
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	7.4
3. Dearborn	7.1
4. Southfield	7.1
5. Ann Arbor	6.3
6. Livonia	5.7
7. Warren	5.2
8. Farmington Hills	4.3
9. Troy	4.2
10. Sterling Heights	3.4

Government Debt Per Resident

1. Ann Arbor	\$2,405
2. Dearborn	2,119
3. Lansing	2,078
4. Warren	1,312
5. Southfield	777
6. Livonia	734
7. Troy	431
8. Grand Rapids	417
9. Farmington Hills	305
10. Sterling Heights	137

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

1. Lansing	\$451
2. Southfield	356
3. Dearborn	338
4. Warren	283
5. Ann Arbor	206
6. Sterling Heights	171
7. Grand Rapids	156
8. Livonia	110
9. Farmington Hills	93
10. Troy	78

Average Residential Monthly Water & Sewer Bill

1. Lansing	\$109
2. Southfield	94
3. Dearborn	80
4. Grand Rapids	75
5. Farmington Hills	68
6. Ann Arbor	63
7. Troy	60
8. Livonia	59
9. Warren	57
10. Sterling Heights	57

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

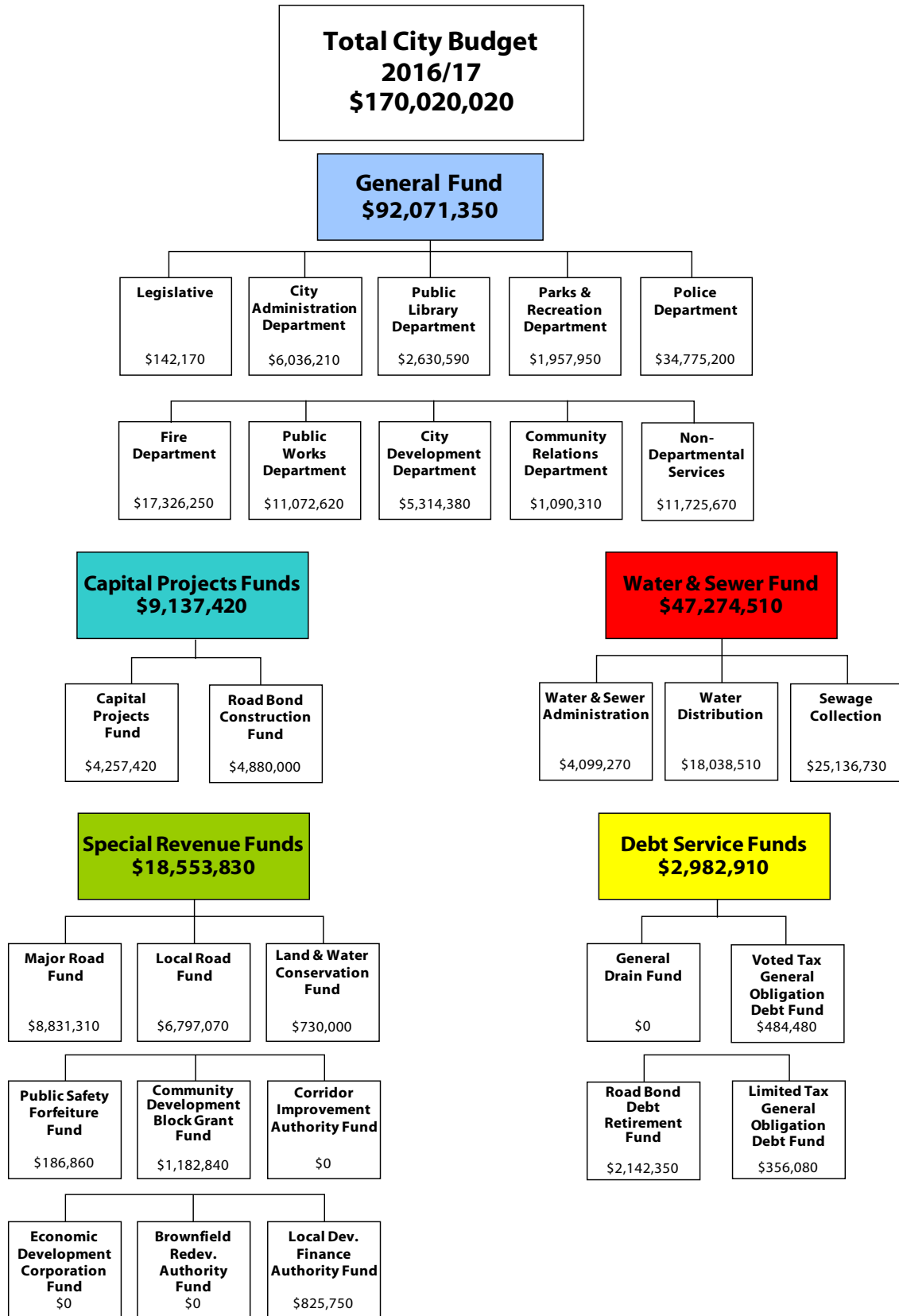


Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

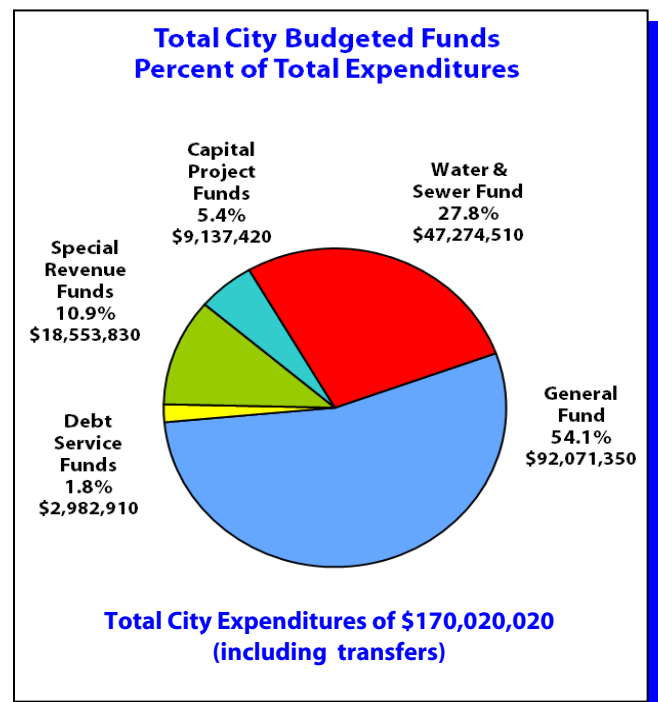
This Executive Summary has been prepared as a general overview to the 2016/17 Budget for the City of Sterling Heights. This overview will provide City residents with a comprehensive summary of the City's plans for the fiscal year. The City Council held several budget hearings throughout the months of 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 2016/17 Budget for all City Funds totals \$170.0 million – a decrease of \$7.8 million or 4.4% from the prior year. The overall decrease is a result of large one-time capital improvement projects in the prior year including the reconstruction of Dodge Park Road and Van Dyke Avenue, the restoration of the Clinton River bank, and repairs to the City Hall parking lot. These savings were partially offset by higher water & sewer costs from the Great Lakes Water Authority and the Macomb County Public Works office, increased road debt payments, and additional neighborhood road repairs. Additional funds are budgeted for City facility repairs, succession planning efforts and contractual employee wage increases and benefit costs.

The City establishes a budget for 14 separate funds or accounting divisions. These 14 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the General Fund, which provides \$92.1 million in funding towards the majority of services available to City residents through the City's eight departments. The second largest fund is the **Water & Sewer Operating Fund**, which provides \$47.3 million in



funding for the water distribution and sewage disposal services purchased from the Great Lakes Water Authority 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 \$18.6 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, LED lighting and audiovisual equipment at the Senior Center, repair Arlingdale 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 entrance drive and redirecting captured BAE funds and from the new Sterling Enterprise Park for future eligible SmartZone uses.

- Increased investment in major and local road maintenance including additional asphalt repairs, right of way mowing, and street sweeping.
- Funds for the replacement of the pedestrian bridge along the Dodge Park trail, and grant match funds for a future City Dog Park and land acquisition on Lakeside Circle for a possible future bridge to Island Park.

Numerous road improvement projects are budgeted next year including:

- Repairs to Mound Road north of 18 Mile Road, Schoenherr Road from 14 Mile to 15 Mile, and the resurfacing of 14 Mile Road from Dequindre to Mound Road.
- Repairs to road bridges on Riverland, 15 Mile Road, and Maple Lane, replacement of the Riverland Pedestrian Bridge, and the installation of sidewalk on Schoenherr Road from Clinton River Road to 17 Mile Road.
- \$1.1 million for the City-wide sectional concrete replacement program and repairs to 19 Mile Road – from Mound to Merrill.
- \$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 and the reconstruction of Sims Road from Mound Road to the Faurecia building.

The Capital Project Funds total \$9.1 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 resurfacing of 15 Mile from Schoenherr Road to past Moravian and 15 Mile from Ryan to Mound Road, the reconstruction of M-59 from M-53 to Hayes Road, median improvements on M-59, and the widening of Dequindre Road from 18 Mile to M-59.
- \$1.7 million for replacement vehicles including an Aerial Ladder Truck, twelve Police vehicles, a Street Sweeper, and a Tandem Axle Snow Plow.
- Replacement of the Fire Station #5 roof, a new generator for Fire Station #1, four replacement emergency warning sirens, repairs to the Police

Station heating and cooling units, and an update to the Library public restrooms.

- \$613,000 for replacement equipment including TV production equipment in the City Council chambers, a DPW Skid Steer, vehicle hoists and lifts, See Click Fix Software, and replacement mobile data computers on all Fire emergency vehicles.
- \$210,500 for Technology upgrades including replacing the City's network infrastructure, a data backup server, an email archiver, and replacement computers for City Development, Human Resources, Building, Information Technology, Purchasing, and Treasury.
- \$520,000 for Neighborhood Sidewalk Repairs, \$370,000 for the Sidewalk Gap Program, and an update to the City's Storm Water Plan.

Finally, the **Debt Service Funds** total \$3.0 million and provide funding for the debt payments on road construction projects, the City Center Commons, and the debt resulting from the voter approved Proposal F. The debt from storm drain improvements was fully retired last year. 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 is very low as 13 existing bonds have been fully paid off over the past four years.

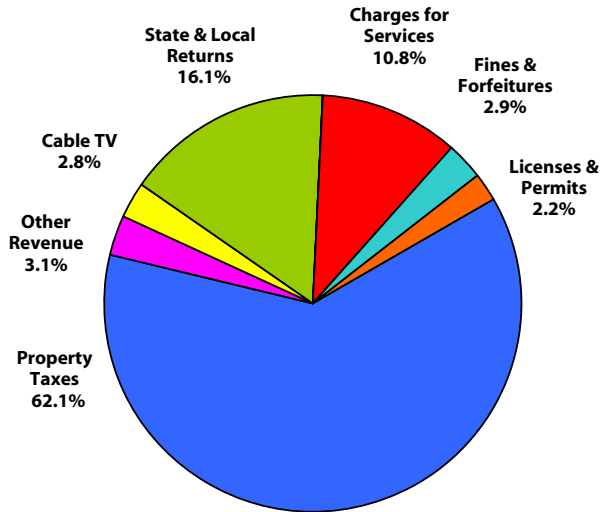
GENERAL FUND

The General Fund expenditure budget totals \$92.1 million, an increase of \$507,700 or 0.6% above the prior year budget. General Fund revenues increased by \$425,790 or 0.5%. The net result is an \$81,910 decreased contribution to reserves. \$0.8 million is budgeted to be added to reserves next year, marking the third 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 \$57.7 million or 62.1% of the total General Fund budget. Taxes are levied for General Operations, Safe Streets, Refuse Collection, Police & Fire Pensions, and Public Improvement Proposal F debt.

General Fund Revenues By Revenue Category



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

The City's total taxable value in 2017 decreased by 4.1% compared to the 2.0% increase last year. Taxable values have now increased only twice in the past nine years. The taxable value decrease next year is due to the elimination of certain manufacturing personal property taxes due to a change in State law. The State will be reimbursing the City for the lost personal property tax revenue. For existing real property, the Proposal A 0.3% inflationary adjustment is the lowest increase in the past 21 years and is well below the 2.3% average inflationary rate. The City's total taxable value has fallen by 25.3% since 2008. As a result, the City has now lost \$106 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 \$8 million in tax revenues. This revenue loss and assessment decline was unprecedented in the City's history.

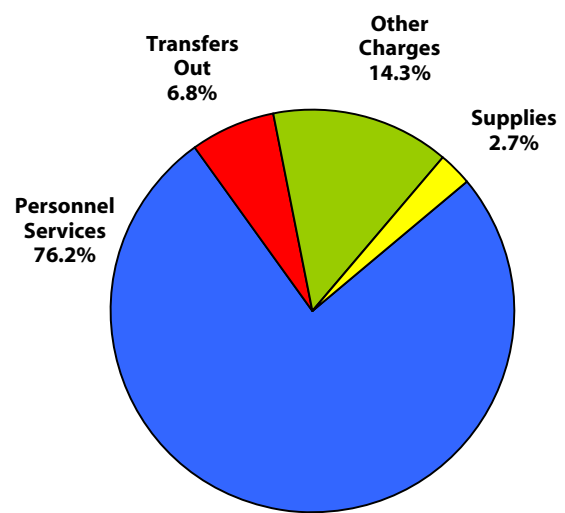
To lessen the burden and reliance on property taxes, the General Fund also realizes revenue from a variety of smaller revenue sources: Licenses & Permits comprise 2.2%, State and Local Returns 16.1%, Fines & Forfeitures 2.9%, Charges for Services 10.8%, Other Revenue 3.1% and Cable TV Revenue 2.8%. No Other Financing Sources are budgeted, as last year a transfer from the Self-insurance Fund was budgeted as a pass through to internally finance needed capital items.

Due to the Safe Streets millage and continued efficiency efforts, \$0.8 million is budgeted to increase depleted General Fund reserves which had dropped to their lowest level since 1987. Reserves are estimated to total \$11.2 million or 12.2% of General Fund expenditures next year.

Expenditures by Category

The \$92.1 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 76.2% 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

General Fund Expenditures by Category



Total General Fund Budget of \$92,071,350

Library books totals 2.7% of the budget. Other Charges totals 14.3% 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 6.8% of the General Fund budget.

The total \$0.5 million increase in General Fund expenditures can be explained by the following illustration showing where the expenditure changes have occurred:

	Dollar Change	Percentage Change
Personnel Services	\$1,005,300	1.5%
Supplies	(154,610)	(5.9%)
Other Charges	(317,170)	(2.3%)
<u>Transfers Out</u>	<u>(25,820)</u>	<u>(0.4%)</u>
Total	<u>\$507,700</u>	<u>0.6%</u>

Personnel Services increased by \$1,005,300 or 1.5% over last year's budget. Wages for full-time employees increased \$794,540 or 2.7% due to contractual wage increases, a reduced number of unpaid furlough days, employee wage-step increases for those not at the top of the wage range, and for several new positions. The budget continues to fund the hiring and training of new Police Officers in advance of upcoming retirements and full-year funding for two replacement administrators due to upcoming retirements. Overtime costs increased \$1.1 million due largely to Police manpower shortage while new officers are being trained, increased Police Court time due to higher traffic enforcement, the manning of the Fire rescue vehicle as an ALS unit, and increased after-hour service demand for Public Works.

The City will again fully fund its actuarially required contribution for current and future retiree medical liabilities. Because of past benefit plan changes as well as eliminating the benefit for all new hires, the amount the City is required to contribute to fund these liabilities has decreased by \$1.1 million or 9.0% next year.

The budget includes funding for 449 full-time positions – a net increase of 2 positions. Two part-time positions (Assessing, Parks & Recreation) are being converted to full-time. A new position in Community Relations is funded, while a Controller position has been eliminated due to a retirement. In

total, the City has reduced funding for 200 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 15 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 two part-time positions. Two part-time positions have been converted to full-time including an Appraiser and a Recreation Supervisor. A part-time City Planner retired. Two new part-time Code Enforcement Officers, a Clerk Typist in City Clerk and in Treasury, and a High School Co-op in Fire Administration are funded due to increased service demands. The number of part-time staff has increased by 50 positions or 63% since 2004.

Supplies decreased by \$154,610 or 5.9%. Due to lower fuel costs, the City saved \$275,000. Funding for vehicle and equipment repairs increased \$25,000. Additional funds are budgeted for new Police Officer uniforms, replacement Library patron tables and chairs, and increased ball field maintenance supplies.

Other Charges decreased by \$317,170 or 2.3%. The overall decrease is largely a result of the prior year funding for a one-time Fire medical grant, an update to the City's Master Plans, a fire consolidation study, and software conversion costs in Neighborhood Services. The budget includes savings from the new refuse contract, lower utility costs, and reduced vacant property mowing needs. Increased funding is budgeted for legal services, the County animal shelter, higher custodial service demands, building maintenance needs, as well as increased retention pond maintenance. Additional funds are budgeted for employee training including Police Command leadership training, and the continued funding of the employee tuition reimbursement program.

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. \$612,920 is budgeted for replacement equipment and \$210,500 for Information Technology upgrades including the replacement of 43 personal computers and network infrastructure. \$1,724,700 is budgeted for the purchase of replacement high mileage police vehicles, a Fire Aerial Ladder Truck, and two DPW Trucks. ***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 \$25,820 or 0.4% primarily due to the one-time funding of the repairs to the City Hall Parking Lot in the prior year. Increased transfers are budgeted to fund both major and local road projects, offset by fewer park projects. Increased funds continue to be budgeted for the necessary replacement of capital equipment, vehicles, and repairs to City facilities that had been reduced during the economic downturn.

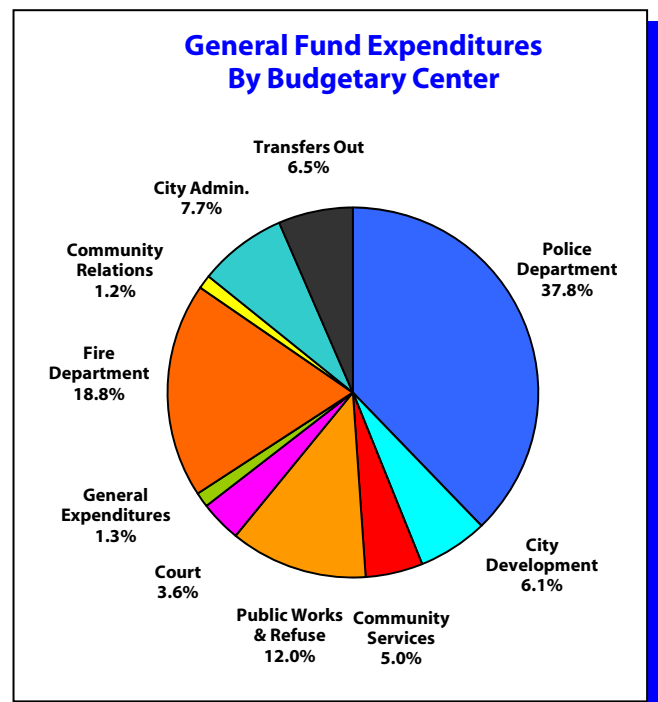
Expenditures by Budgetary Center

The General Fund can be further broken down into the departmental or budgetary center level. These centers are comprised of the eight City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, nearly 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 2016/17 Budget:

City Administration Department

- Full year funding for the early hiring of a Human Resources Director in advance of the upcoming retirement of the current Human Resources Director.
- The replacement of personal computers for Human Resources, Information Technology, Purchasing, and Treasury.
- Full year funding for the early hiring of a City Clerk in advance of the upcoming retirement of the current City Clerk, a new part-time Clerk Typist, and higher personnel and postage costs due to the November 2016 Presidential election.
- Funding for an increase in fiber optic system costs, replacement of the City's Information



Technology network, a backup data server, updates to Microsoft Office software, and an email archiver to better manage the City's email system.

- The conversion of a part-time Appraiser to a full-time position in Assessing and increased education funding as part of the City's succession planning efforts.
- Savings from the retirement of the former City Controller as anticipated in the City's succession plan.
- A part-time Clerk Typist position in Treasury to assist with processing water & sewer bills and staffing the Treasury counter during lunch hours.

Community Services Department

- The continuation of Library Sunday hours, the purchase of replacement Library patron tables and chairs, and repairs and renovations to the Library's public restrooms.
- Continued \$38,000 in additional funding for the purchase of books, publications and audiovisual materials, a new online Consumers Report database, increased staff memberships, and continued CDBG funding for the purchase of senior books.

- In Parks & Recreation, a part-time Recreation Supervisor is funded to become full-time and funding is included due to an increase in the minimum wage for part-time staff.
- \$23,000 in new funding for five additional Music in the Park concerts, continuation of the Dodge Park Farmers Market, additional Sterling Christmas programming, a teen Battle of the Bands contest, a maintenance agreement for the new recreation software, a Nature Center display case, new logo wear for staff and a utility cart.
- Grant match funding for a City Dog Park, replacement of the Clinton River pedestrian bridge in Dodge Park, land acquisition for a future Island Park improvement, and CDBG funded improvements at the Senior Center including the resurfacing of the parking lot, audiovisual upgrades, and LED lighting.

Police Department

- The early hiring and training of new Police Officers in advance of numerous retirements as part of the City's succession planning efforts to ensure an orderly transition.
- Additional overtime to cover staff shortages as the new hires are trained, higher court time due to increased traffic enforcement efforts, and increased investigations.
- Increased command officer training, and the purchase of bullet proof vests, uniforms, firearms and training ammunition needed for the new Police Officer hires.
- Funds to rejoin the County animal shelter and for future capital replacement purchases due to a decline in drug forfeiture revenues.
- Funding for nine replacement high mileage traffic and patrol vehicles, a replacement Special Response Team Tahoe, and two investigative vehicles.
- Capital needs including replacing four emergency warning sirens and repairs to the Police Station heating and cooling system.

Fire Department

- Funds to operate the City's Rescue Vehicle as an ALS unit and continued full staffing of the Fire rescue/ladder vehicles.

- 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, and the one-time purchase of turnout gear for new hires last year.
- Funding for a high school Co-op position to assist the clerical staff.
- The replacement of the roof at Fire Station #5, a replacement backup generator at Station #1, a replacement Aerial Ladder truck, 18 Mobile Data Computers for all emergency vehicles, and a EKG defibrillator for the new ALS vehicle.

Public Works Department

- Savings from lower fuel prices, reduced demand for the grass cutting of vacant properties due to greater voluntary compliance, and lower refuse contract prices.
- Increased overtime for vehicle repairs and parks and road maintenance.
- Increased athletic field repairs and fertilization, park tree plantings, utility costs, and mowing and maintenance of retention ponds.
- Increased funds for vehicle and equipment repairs, a Street Sweeper, Snow Plow, Skid Steer for making pavement repairs, heavy vehicle lifts, two replacement hoists, and an air compressor.

City Development Department

- Continued increased hours for Building Inspectors and overtime funds due to increased permit activity and inspection demand.
- Increased funding for custodial services due to higher demands and from adding Library Sunday hours, and additional funds for building maintenance needs.
- Funds for two additional part-time Code Enforcement Officers and increased overtime for illegal sign enforcement on the weekends.
- The replacement of 18 personal computers in Building, one in Economic Development and one in Neighborhood Services.
- Funds to demolish the house on the City owned property on Dodge Park Road, and to convert the electronic displays signs at City Hall, Nature Center, and the Senior Center to brick signs, and an update to City welcome signs.

- Savings from the one-time software cost which would allow all City Departments to utilize common property information in the prior year and savings from the retirement of the former City Planner.
- Funds for the entrance drive improvements to the Velocity Center and funds for future SmartZone corridor improvements.

Community Relations Department

- A new Digital Content Coordinator position to better market the City and coordinate social media efforts, which is partially offset by lower contractor costs.
- Higher overtime costs due to increased Sterlingfest hours and the videotaping of night meetings, and increased mailing costs for the City Magazine.
- Continued funding for the appreciation banquet for City volunteers and board and commission members and the attendance of 10-20-30 year employees.
- The replacement of television production equipment in the City Council Chambers and a new customer service software system (See Click Fix) to better track and respond to non-emergency service requests.

Non-Departmental Services

- Funding for a vacant part-time Court Security Guard has been transferred to fund an additional part-time Deputy Court Clerk position.
- Increased funding for Court interpreters, higher State computer fees, replacement Court staff and public chairs and to relocate the existing undersized generator from Fire Station #1 to the Court.
- Savings as investment fees are now paid out of money manager fees for the General Employee Retirement system.
- Continued funds for the restored employee tuition reimbursement program, electrical savings from utilizing new LED street lights, a new employee merit-based incentive program, and for future economic development and property acquisitions.
- An increase in costs due to increased legal

activity and increased Planning Commission and Zoning Board cases.

- 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.

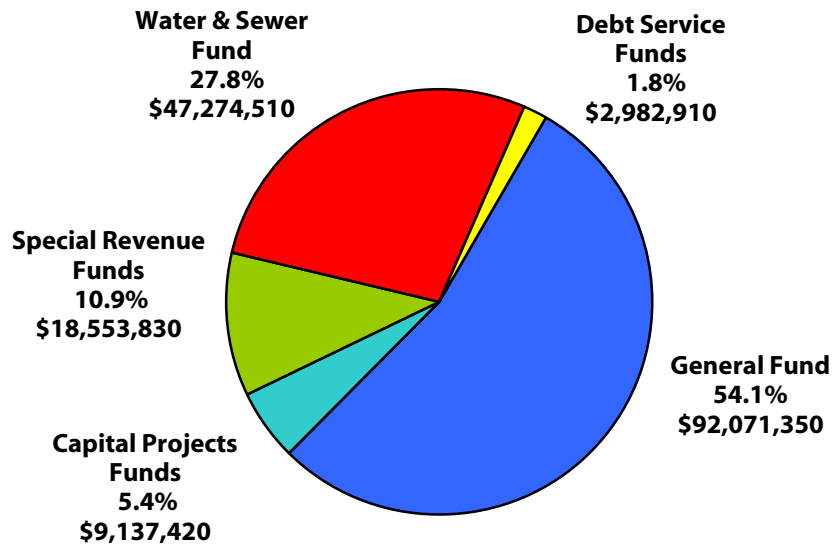
Sterling Heights purchases its water and sewage services from the Great Lakes Water Authority (GLWA) and the Macomb County Public Works office, which directly influences the rates we must charge. Effective July 1, 2016, the cost of water purchased from Detroit and Detroit's fixed charges will increase by 6.7%. Water consumption is estimated to fall by 6.0%, which lowers both water and sewer sale revenues. Macomb's sewer costs are estimated to increase by 10.4%, coupled with a 3.7% increase in debt payments on the District's sewer rehabilitation projects. In addition, Macomb's fixed sewage charge last year was higher than anticipated. The cost of water main repairs, meter replacements, sewer preventative maintenance and cleanings has also risen. As a result, a 9.9% water and 14.9% sewer rate adjustment must be passed on to our customers, resulting in an \$8 per month average increase. Fixed fees per bill are also being adjusted by \$2.75 for residential customers and \$4.00 for commercial users, as 90% of our wholesale costs are now fixed. In addition, the minimum bill will increase from 800 to 900 cubic feet which also better reflects the increased fixed nature of our wholesale costs.

The average Sterling Heights residential customer will pay \$65 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 the GLWA'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. Costs that the City controls fell next year primarily due to a \$130,520 decrease in capital costs. Personnel costs rose only \$62,510 or 1.7%. Supply costs increased \$56,800 due largely to the first year of a water meter replacement program. The City is also funding increased inspection and repair of water main valves. The Capital budget includes GIS hardware and software upgrades, a new asset management program, a Utility Cube Truck, and pressure monitoring system for the booster station. ■

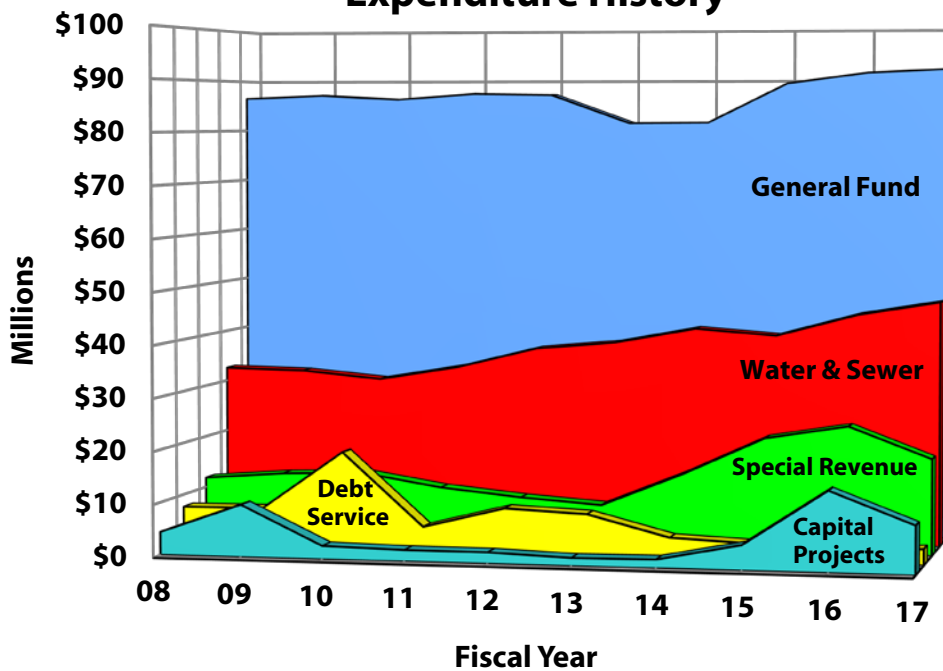
Total City Budgeted Funds Percent of Total Expenditures



**Total City Expenditures of \$170,020,020
(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.

2016/17 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	\$57,645,520	\$0	\$3,233,330	\$464,830	\$0	\$61,343,680
Water & Sewer Service	0	43,102,720	0	0	0	43,102,720
Charges for Services	8,911,620	2,294,560	36,000	0	0	11,242,180
State Revenue Sharing	10,900,000	0	0	0	0	10,900,000
Highway & Street Grants	0	0	9,471,000	0	0	9,471,000
Federal, State & Local Grants	4,037,250	0	1,814,640	56,110	3,080,000	8,988,000
Interfund Transfers In	0	0	2,140,000	2,281,320	4,499,420	8,920,740
Miscellaneous Revenue	1,358,840	1,009,110	306,470	235,290	321,070	3,230,780
Court & Police Fines and Forf.	2,635,000	0	0	0	0	2,635,000
Cable Revenue	2,625,000	0	0	0	0	2,625,000
Licenses & Permits	2,095,000	0	0	0	0	2,095,000
Proceeds - Long-Term Debt	0	0	0	0	1,795,000	1,795,000
Rental - Road Equipment	1,200,000	2,500	0	0	0	1,202,500
Labor Services Roads	1,100,000	13,000	0	0	0	1,113,000
TIF/LDFA - SmartZone Capture	0	0	975,670	0	0	975,670
Interest on Investments	275,000	461,000	19,910	2,050	10,050	768,010
Other Fines & Forfeitures	55,000	0	0	0	0	55,000
Sale of Fixed Assets	20,000	0	0	0	0	20,000
Total Revenues	92,858,230	46,882,890	17,997,020	3,039,600	9,705,540	170,483,280
EXPENDITURES BY OBJECT						
Personnel Services	70,118,500	3,832,860	9,470	0	0	73,960,830
Other Charges	8,860,160	35,554,190	1,523,450	1,930	0	45,939,730
Capital Improvement Projects	0	0	9,570,940	0	6,589,300	16,160,240
Interfund Transfers Out	6,295,500	0	2,925,240	0	0	9,220,740
Principal Payments	0	2,520,080	0	2,280,000	0	4,800,080
Other Services	0	0	4,485,000	0	0	4,485,000
Refuse Collection	4,274,620	0	0	0	0	4,274,620
Supplies	2,453,470	366,300	20,730	0	0	2,840,500
Interest Payments	0	2,125,580	0	700,980	0	2,826,560
Interfund Services	69,100	2,100,000	19,000	0	0	2,188,100
Capital Vehicles	0	52,500	0	0	1,724,700	1,777,200
Capital Equipment	0	723,000	0	0	823,420	1,546,420
Total Expenditures	92,071,350	47,274,510	18,553,830	2,982,910	9,137,420	170,020,020
Excess of Revenues Over (Under) Expenditures	786,880	*	(556,810)	56,690	568,120	854,880
Beginning Fund Balance	10,440,890	*	6,431,170	759,530	675,730	18,307,320
Ending Fund Balance	\$11,227,770	*	\$5,874,360	\$816,220	\$1,243,850	\$19,162,200

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

	2014/15 Actual	2015/16 Estimate	2016/17 Budget
<u>REVENUES BY SOURCE</u>			
City Property Taxes	\$62,231,350	\$63,929,730	\$61,343,680
Water & Sewer Service	33,059,860	37,247,150	43,102,720
Charges for Services	11,271,610	10,882,320	11,242,180
State Revenue Sharing	10,814,540	10,671,520	10,900,000
Highway & Street Grants	7,638,830	7,890,000	9,471,000
Federal, State & Local Grants	4,390,090	8,769,090	8,988,000
Interfund Transfers In	13,594,440	9,861,460	8,920,740
Miscellaneous Revenue	3,516,380	2,981,070	3,230,780
Court & Police Fines and Forfeitures	2,515,530	2,848,000	2,635,000
Cable Revenue	2,533,070	2,600,000	2,625,000
Licenses & Permits	1,800,970	2,414,000	2,095,000
Proceeds - Long-Term Debt	198,630	9,630,000	1,795,000
Rental - Road Equipment	1,239,350	1,102,000	1,202,500
Labor Services Roads	1,250,860	910,000	1,113,000
TIF/LDFA - SmartZone Capture	738,140	743,650	975,670
Interest on Investments	607,720	686,830	768,010
Other Fines & Forfeitures	51,700	55,000	55,000
Sale of Fixed Assets	17,180	185,220	20,000
Total Revenues	157,470,250	173,407,040	170,483,280
<u>EXPENDITURES BY OBJECT</u>			
Personnel Services	71,937,580	71,687,460	73,960,830
Other Charges	44,941,780	43,211,570	45,939,730
Capital Improvement Projects	11,591,750	28,640,460	16,160,240
Interfund Transfers Out	10,794,430	8,801,320	9,220,740
Principal Payments	2,620,000	3,985,960	4,800,080
Other Services	4,410,760	3,967,100	4,485,000
Refuse Collection	4,535,340	4,600,000	4,274,620
Supplies	2,776,310	2,791,410	2,840,500
Interest Payments	2,684,880	2,449,340	2,826,560
Interfund Services	1,997,180	2,090,090	2,188,100
Capital Vehicles	1,224,160	2,512,390	1,777,200
Capital Equipment	1,568,260	700,250	1,546,420
Total Expenditures	161,082,430	175,437,350	170,020,020
Excess of Revenues Over (Under) Expenditures*	4,070,610	2,746,560	854,880
Beginning Fund Balance	11,490,150	15,560,760	18,307,320
Ending Fund Balance	\$15,560,760	\$18,307,320	\$19,162,200

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

REVENUE COMPARISON CITY BUDGETED FUNDS

Fund No.	Fund Name	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget	% Change from 15/16
	<u>GENERAL FUND</u>						
1010	General Fund	\$81,723,290	\$92,599,750	\$92,432,440	\$93,321,940	\$92,858,230	0.5%
	<u>WATER & SEWER FUND</u>						
5790	Water & Sewer Fund - Operations	32,312,360	37,064,540	43,329,160	40,506,860	46,882,890	8.2%
	<u>SPECIAL REVENUE FUNDS</u>						
2020	Major Road Fund	6,416,660	10,601,130	7,363,790	7,522,360	7,799,000	5.9%
2030	Local Road Fund	3,450,770	6,259,620	6,398,410	6,456,520	7,319,800	14.4%
2440	Land & Water Conservation Fund	4,520	221,520	5,238,900	741,000	242,600	-95.4%
2770	Public Safety Forfeiture Fund	775,390	139,030	85,370	146,190	32,210	-62.3%
2780	Comm. Develop. Block Grant Fund	873,270	909,070	1,234,160	998,020	1,182,840	-4.2%
2890	Neighborhood Stabilization Fund	5,010	3,330	0	200	0	0.0%
8510	Corridor Improvement Auth. Fund	10	18,690	18,950	20,690	25,270	33.4%
8550	Economic Develop. Corp. Fund	10	300,390	300,500	301,200	302,150	0.5%
8560	Brownfield Redevelopment Fund	114,070	104,680	0	106,960	88,900	100.0%
8670	Local Dev. Finance Authority Fund	717,180	755,860	1,044,930	758,470	1,004,250	-3.9%
	Total Special Revenue Funds	12,356,890	19,313,320	21,685,010	17,051,610	17,997,020	-17.0%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	824,590	658,760	157,050	165,200	0	-100.0%
3050	Voted Gen. Obligation Debt Fund	412,890	430,760	470,850	473,120	490,150	4.1%
3270	Road Bond Debt Retirement Fund	2,464,960	1,883,910	1,405,710	1,407,920	2,193,370	56.0%
3690	Ltd. Tax Gen. Obligation Debt Fund	297,080	312,670	322,380	322,380	356,080	10.5%
	Total Debt Service Funds	3,999,520	3,286,100	2,355,990	2,368,620	3,039,600	29.0%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	1,172,960	5,206,470	5,312,770	5,897,940	4,825,540	-9.2%
4050	Clinton River Restoration Fund	0	0	0	4,500,000	0	0.0%
4280	Road Bond Construction Fund	30	70	8,280,000	9,760,070	4,880,000	-41.1%
	Total Capital Project Funds	1,172,990	5,206,540	13,592,770	20,158,010	9,705,540	-28.6%
	Total Revenue	131,565,050	157,470,250	173,395,370	173,407,040	170,483,280	-1.7%
	Duplicating Transfers	(5,639,290)	(13,594,440)	(9,465,500)	(9,861,460)	(8,920,740)	-5.8%
	Total All Funds	\$125,925,760	\$143,875,810	\$163,929,870	\$163,545,580	\$161,562,540	-1.4%

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

EXPENDITURE COMPARISON CITY BUDGETED FUNDS

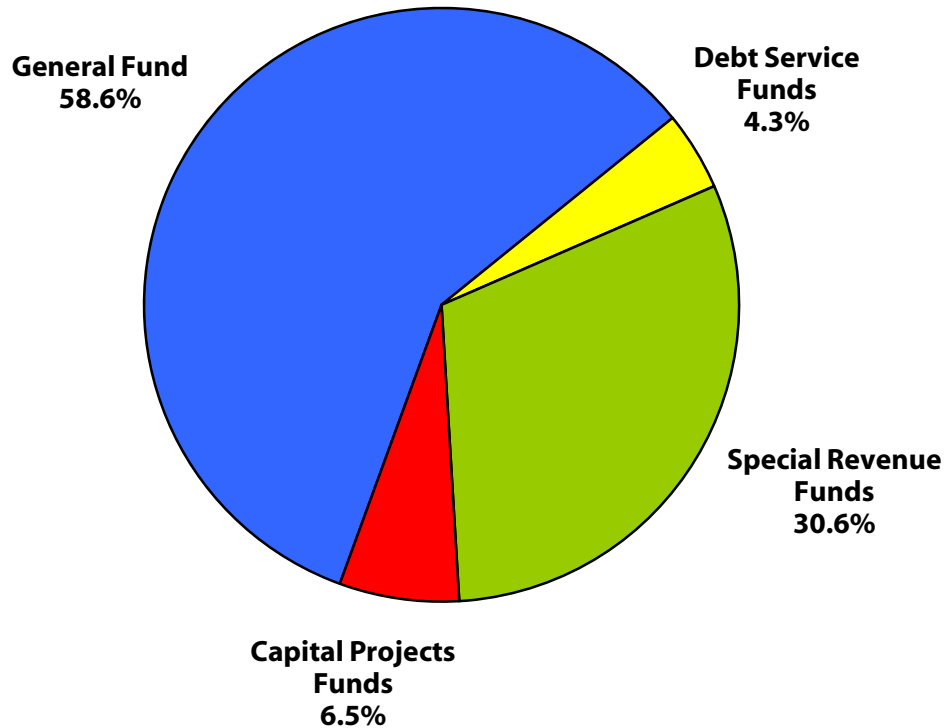
Fund No.	Fund Name	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget	% Change from 15/16
	<u>GENERAL FUND</u>						
1010	General Fund	\$81,742,380	\$90,289,410	\$91,563,650	\$90,420,780	\$92,071,350	0.6%
	<u>WATER & SEWER FUND</u>						
5790	Water & Sewer Fund - Operations	41,645,180	44,747,330	44,685,150	45,283,730	47,274,510	5.8%
	<u>SPECIAL REVENUE FUNDS</u>						
2020	Major Road Fund	8,093,430	9,582,080	9,953,180	9,289,670	8,831,310	-11.3%
2030	Local Road Fund	4,352,070	6,183,600	6,353,310	5,105,250	6,797,070	7.0%
2440	Land & Water Conservation Fund	81,500	664,340	5,319,700	219,560	730,000	-86.3%
2770	Public Safety Forfeiture Fund	513,080	416,990	571,730	446,920	186,860	-67.3%
2780	Comm. Develop. Block Grant Fund	873,270	909,070	1,234,160	998,020	1,182,840	-4.2%
2890	Neighborhood Stabilization Fund	5,010	3,330	0	200	0	0.0%
8510	Corridor Improvement Auth. Fund	1,110	0	0	0	0	0.0%
8560	Brownfield Redevelopment Fund	114,280	104,670	0	(332,560)	0	0.0%
8670	Local Dev. Finance Authority Fund	517,540	695,820	851,920	548,760	825,750	-3.1%
	Total Special Revenue Funds	14,551,290	18,559,900	24,284,000	16,275,820	18,553,830	-23.6%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	822,770	661,150	157,050	157,050	0	-100.0%
3050	Voted Gen. Obligation Debt Fund	413,600	430,480	470,850	470,850	484,480	2.9%
3270	Road Bond Debt Retirement Fund	2,449,420	1,847,580	1,322,040	1,322,040	2,142,350	62.0%
3690	Ltd. Tax Gen. Obligation Debt Fund	297,070	312,670	322,380	322,380	356,080	10.5%
	Total Debt Service Funds	3,982,860	3,251,880	2,272,320	2,272,320	2,982,910	31.3%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	1,527,880	4,233,910	6,777,990	6,924,700	4,257,420	-37.2%
4050	Clinton River Restoration Fund	0	0	0	4,500,000	0	0.0%
4280	Road Bond Construction Fund	127,880	0	8,280,000	9,760,000	4,880,000	-41.1%
	Total Capital Project Funds	1,655,760	4,233,910	15,057,990	21,184,700	9,137,420	-39.3%
	Total Expenditures	143,577,470	161,082,430	177,863,110	175,437,350	170,020,020	-4.4%
	Duplicating Transfers	(4,266,460)	(10,794,430)	(8,201,320)	(8,801,320)	(9,220,740)	12.4%
	Total All Funds	\$139,311,010	\$150,288,000	\$169,661,790	\$166,636,030	\$160,799,280	-5.2%

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

YEAR-END UNAPPROPRIATED FUND BALANCE COMPARISON GOVERNMENTAL FUNDS

Fund No.	Fund Name	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget	% Change from 15/16
	<u>GENERAL FUND</u>						
1010	General Fund	\$5,229,390	\$7,539,730	\$8,408,520	\$10,440,890	\$11,227,770	33.5%
	<u>SPECIAL REVENUE FUNDS</u>						
2020	Major Road Fund	3,098,340	4,117,390	1,528,000	2,350,080	1,317,770	-13.8%
2030	Local Road Fund	170,760	246,780	291,880	1,598,050	2,120,780	626.6%
2440	Land & Water Conservation Fund	528,410	85,590	4,790	607,030	119,630	2397.5%
2770	Public Safety Forfeiture Fund	793,170	515,210	28,850	214,480	59,830	107.4%
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	24,870	43,560	62,510	64,250	89,520	43.2%
8550	Economic Development Corp. Fund	12,700	313,090	613,590	614,290	916,440	49.4%
8560	Brownfield Redevelopment Fund	5,330	5,340	5,340	444,860	533,760	9895.5%
8670	Local Dev. Finance Authority Fund	268,380	328,420	521,430	538,130	716,630	37.4%
	Total Special Revenue Funds	4,901,960	5,655,380	3,056,390	6,431,170	5,874,360	92.2%
	<u>DEBT SERVICE FUNDS</u>						
3010	General Drain Fund	13,570	11,180	11,180	19,330	19,330	72.9%
3050	Voted General Obligation Debt Fund	6,400	6,680	6,680	8,950	14,620	118.9%
3270	Road Bond Debt Retirement Fund	608,700	645,030	728,700	730,910	781,930	7.3%
3690	Limited Tax Gen. Obligation Debt Fund	340	340	340	340	340	0.0%
	Total Debt Service Funds	629,010	663,230	746,900	759,530	816,220	9.3%
	<u>CAPITAL PROJECT FUNDS</u>						
4030	Capital Projects Fund	657,870	1,630,430	165,210	603,670	1,171,790	609.3%
4050	Clinton River Restoration Fund	0	0	0	0	0	0.0%
4280	Road Bond Construction Fund	71,920	71,990	71,990	72,060	72,060	0.1%
	Total Capital Project Funds	729,790	1,702,420	237,200	675,730	1,243,850	424.4%
	Unappropriated Total - All Funds	\$11,490,150	\$15,560,760	\$12,449,010	\$18,307,320	\$19,162,200	53.9%

City Government Funds Percent of Total Reserves



Total Government Fund Reserves of \$19,162,200

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	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual
PROPRIETARY FUNDS						
ENTERPRISE FUND						
5740	Water & Sewer Improvement Fund	\$32,704,205	\$31,595,124	\$29,959,285	\$24,257,254	\$20,469,668
INTERNAL SERVICE FUND						
6770	Self-Insurance Fund	21,490,458	22,581,793	21,465,741	20,028,461	16,013,770
Total Proprietary Funds		54,194,663	54,176,917	51,425,026	44,285,715	36,483,438
FIDUCIARY FUNDS						
TRUST FUNDS						
7010	Retiree Medical Benefits Fund	42,313,534	47,243,195	57,608,594	74,626,106	83,072,213
7370	General Employees Retirement System	111,720,763	104,725,421	107,385,692	118,470,102	114,783,962
7380	Police & Fire Retirement System	171,579,741	163,021,978	175,705,787	203,771,027	203,358,526
Total Fiduciary Funds		325,614,038	314,990,594	340,700,073	396,867,235	401,214,701
Total All Non-Budgetary Funds		\$379,808,701	\$369,167,511	\$392,125,099	\$441,152,950	\$437,698,139

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.

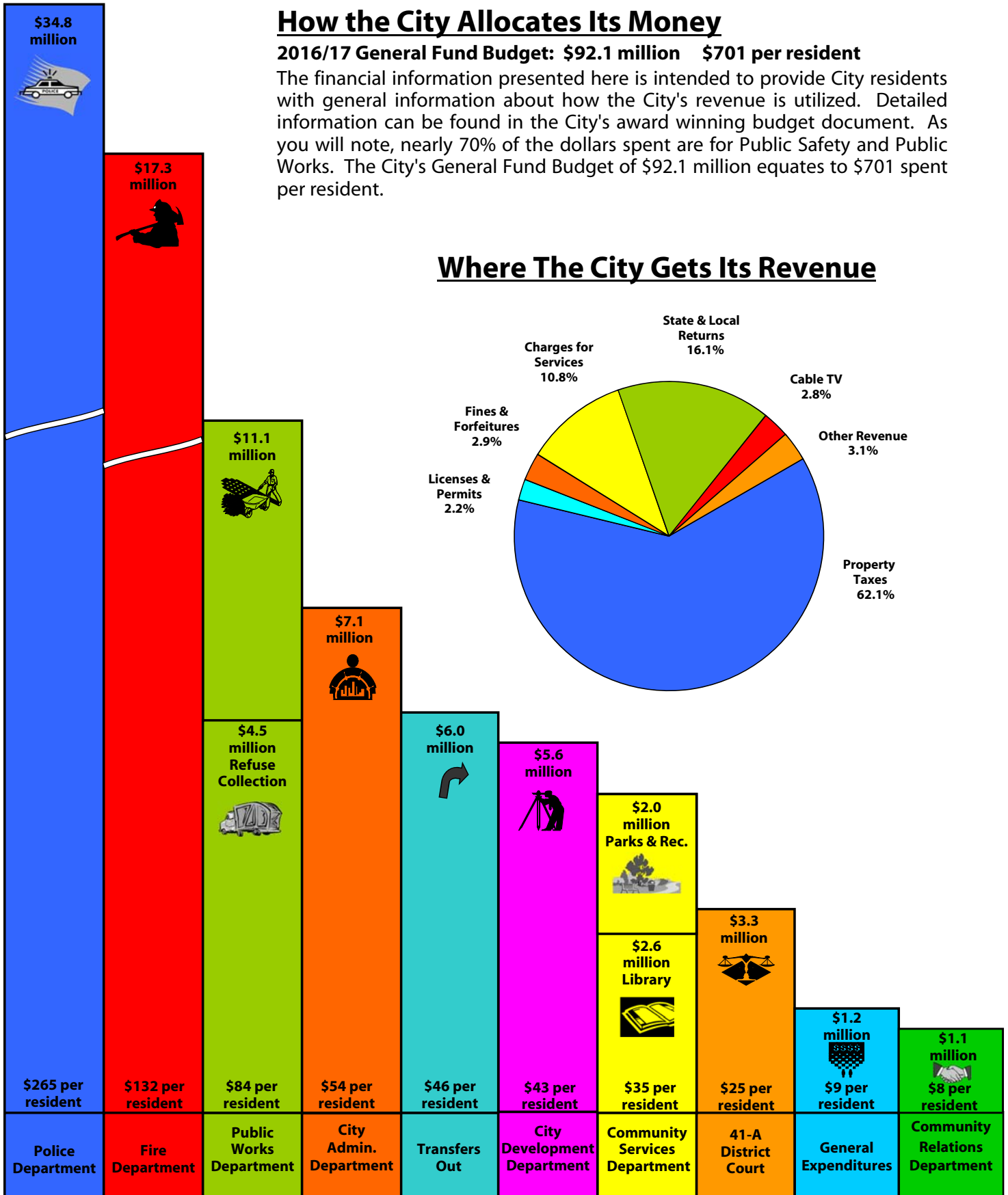
General Fund

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.



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.

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 \$2,340 for those in the Utica Community School district and \$2,789 for those in the Warren Consolidated School district. Of this amount, the City receives 40%, or \$987, 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 \$65,010)</i>	\$2,340	\$2,789
Average Residential Property Tax (City Portion Only):	\$987	\$987



The City of Sterling Heights spends an average of \$2,217 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	\$803	36%	\$357
Fire Department	\$400	18%	\$178
Public Works	\$336	15%	\$150
General Expenditures & Transfers	\$167	8%	\$74
City Administration Department	\$164	7%	\$73
City Development Department	\$130	6%	\$58
Community Services Department	\$106	5%	\$47
41-A District Court	\$75	3%	\$34
Community Relations Department	\$25	1%	\$11
Debt Service	\$11	1%	\$5
Total Per Parcel	\$2,217	100%	\$987

Because the average amount of residential property tax the City receives is only \$987, 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	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Tax Rate Shown in Mills							
Utica Community Schools	9.750	9.850	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	1.571	1.571	1.531	1.526	1.530	1.530
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	1.000	1.000	1.000
County Zoo/Veterans/DIA	0.140	0.140	0.340	0.340	0.340	0.340	0.340
Property Tax Administration Fee	0.323	0.326	0.328	0.327	0.356	0.356	0.356
STERLING HEIGHTS	12.686	12.686	12.686	12.686	15.186	15.186	15.186
Total Millage Rates	32.641	32.894	33.096	33.055	35.989	35.993	35.993
Average Residential Taxable Value	\$70,970	\$66,000	\$61,400	\$62,800	\$63,800	\$64,820	\$65,010
Average Tax Rates Shown in Dollars							
Utica Community Schools	\$692	\$650	\$605	\$619	\$628	\$638	\$640
Macomb County Government	325	302	281	287	292	296	297
Macomb Community College	101	104	96	96	97	99	99
Macomb Intermediate School District	209	194	181	185	188	191	191
Huron Clinton Metro Authority	15	14	13	13	14	14	14
S.M.A.R.T.	42	39	36	37	64	65	65
County Zoo/Veterans/DIA	10	9	21	21	22	22	22
Property Tax Administration Fee	23	21	20	21	23	23	23
STERLING HEIGHTS	900	837	779	797	969	984	987
Total Tax Bill	\$2,317	\$2,171	\$2,032	\$2,076	\$2,296	\$2,333	\$2,340

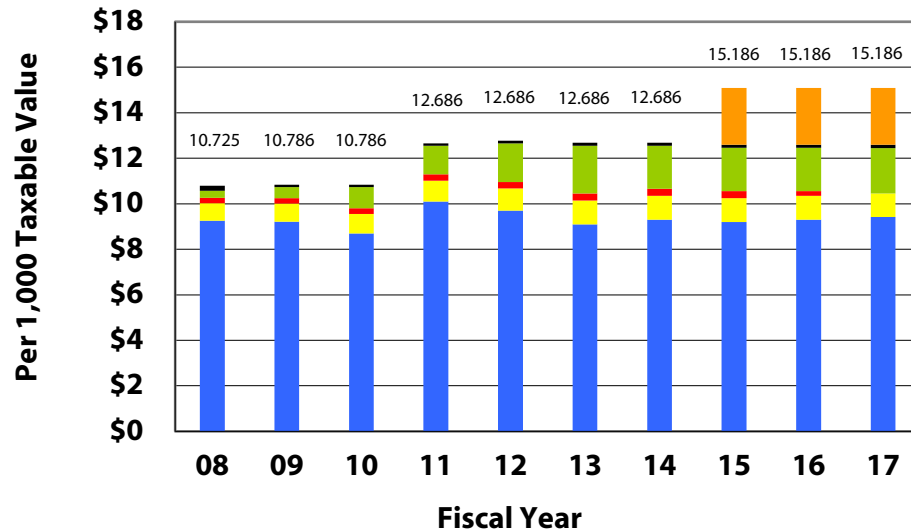
(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Tax Rate Shown in Mills							
Warren Consolidated Schools	16.259	16.842	17.362	17.383	16.760	16.697	16.697
Macomb County	4.574	4.574	4.574	4.574	4.574	4.574	4.574
Macomb Community College	1.421	1.571	1.571	1.531	1.526	1.530	1.530
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	1.000	1.000	1.000
County Zoo/Veterans/DIA	0.140	0.140	0.340	0.340	0.340	0.340	0.340
Property Tax Administration Fee	0.388	0.396	0.403	0.403	0.425	0.425	0.425
STERLING HEIGHTS	12.686	12.686	12.686	12.686	15.186	15.186	15.186
Total Millage Rates	39.215	39.956	40.683	40.664	42.969	42.909	42.909
Average Residential Taxable Value	\$70,970	\$66,000	\$61,400	\$62,800	\$63,800	\$64,820	\$65,010
Average Tax Rates Shown in Dollars							
Warren Consolidated Schools	\$1,154	\$1,112	\$1,066	\$1,092	\$1,069	\$1,082	\$1,085
Macomb County Government	325	302	281	287	292	296	297
Macomb Community College	101	104	96	96	97	99	99
Macomb Intermediate School District	209	194	181	185	188	191	191
Huron Clinton Metro Authority	15	14	13	13	14	14	14
S.M.A.R.T.	42	39	36	37	64	65	65
County Zoo/Veterans/DIA	10	9	21	21	22	22	22
Property Tax Administration Fee	28	26	25	25	27	28	28
STERLING HEIGHTS	900	837	779	797	969	984	987
Total Tax Bill	\$2,783	\$2,637	\$2,498	\$2,554	\$2,741	\$2,781	\$2,789

Average Total Tax Bill	\$2,550	\$2,404	\$2,265	\$2,315	\$2,519	\$2,557	\$2,565

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

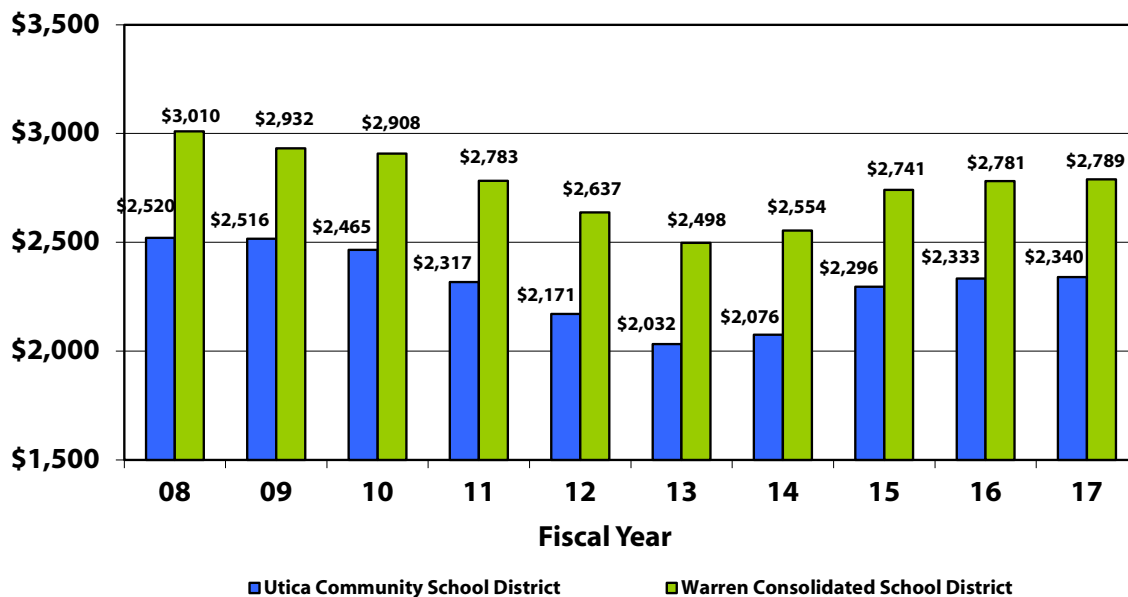
City of Sterling Heights Millage Rates



■ 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

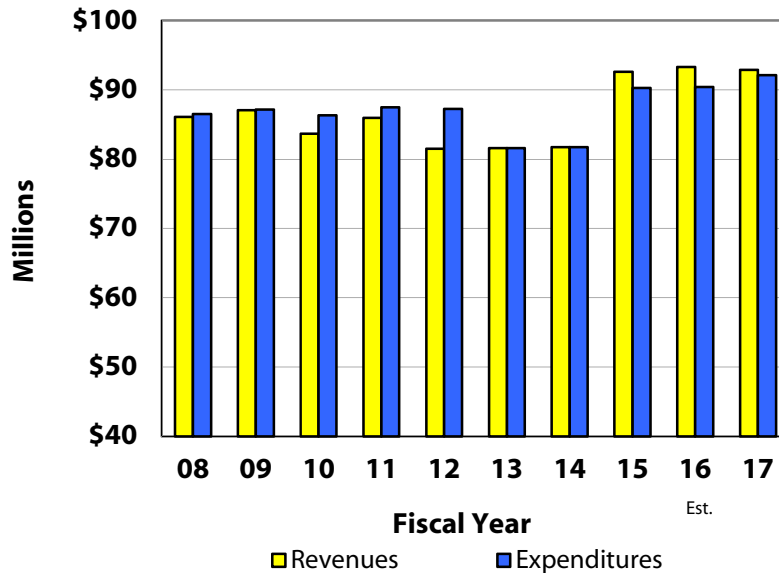


This graph shows the total property tax bill for the average City resident residing in either the Utica Community School District (UCS) or the Warren Consolidated School District (WCS) for the past 10 years.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

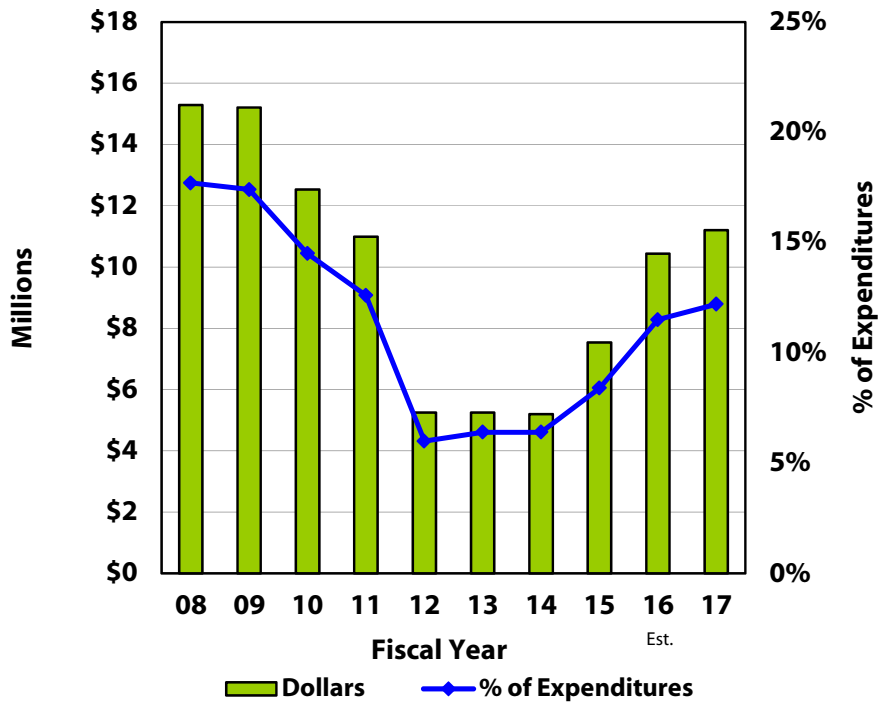
Budgetary Centers	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
REVENUES						
City Operating Taxes	\$38,262,430	\$38,380,860	\$39,678,770	\$39,935,000	\$39,403,810	\$38,313,350
Licenses & Permits	1,735,420	1,800,970	1,805,000	2,414,000	2,095,000	2,095,000
State and Local Returns	11,537,500	11,769,100	11,995,200	11,765,680	14,058,580	14,937,250
Fines & Forfeitures	2,326,870	2,567,230	2,355,000	2,903,000	2,690,000	2,690,000
Charges For Services	9,048,010	10,085,730	9,821,770	9,555,270	10,011,620	10,011,620
Other Revenue	3,252,020	2,872,470	2,845,180	2,827,540	2,853,840	2,853,840
Cable Revenue	2,342,950	2,533,070	2,450,000	2,600,000	2,625,000	2,625,000
Refuse Tax	4,400,850	4,615,660	4,795,150	4,825,000	4,650,190	4,469,150
Police & Fire Pension Tax	7,444,410	7,905,420	7,986,310	7,986,310	7,994,750	7,994,750
Safe Streets Tax	0	6,969,240	7,135,880	7,150,000	7,012,270	6,868,270
Total Revenues	80,350,460	89,499,750	90,868,260	91,961,800	93,395,060	92,858,230
Other Financing Sources						
Transfers In	1,372,830	3,100,000	1,564,180	1,360,140	0	0
Total Revenues & Sources	\$81,723,290	\$92,599,750	\$92,432,440	\$93,321,940	\$93,395,060	\$92,858,230
EXPENDITURES						
City Administration Dept.	\$6,060,340	\$6,577,840	\$6,914,600	\$6,778,260	\$7,086,610	\$7,086,610
Public Library Department	2,335,760	2,409,000	2,604,750	2,529,260	2,631,170	2,631,170
Parks & Recreation Dept.	1,666,730	1,780,470	1,874,390	1,905,710	1,957,950	1,957,950
Police Department	31,498,580	32,155,740	33,948,680	33,090,790	34,775,200	34,775,200
Fire Department	17,078,450	17,369,430	17,395,890	17,238,020	17,326,250	17,326,250
Public Works Department	6,617,190	6,688,430	6,792,820	6,536,130	6,578,470	6,578,470
Refuse Collection	4,697,630	4,744,360	4,817,150	4,823,100	4,675,190	4,494,150
City Development Dept.	4,602,010	5,282,490	5,739,110	5,672,190	5,625,560	5,625,560
Community Relations Dept.	857,680	933,810	1,036,470	1,023,070	1,091,080	1,091,080
41-A District Court	3,078,770	3,087,260	3,202,320	3,208,780	3,271,140	3,271,140
General Expenditures	2,167,780	1,116,140	1,216,150	994,150	1,238,270	1,238,270
Total Expenditures	80,660,920	82,144,970	85,542,330	83,799,460	86,256,890	86,075,850
Other Financing Uses						
Transfers Out	1,081,460	8,144,440	6,021,320	6,621,320	5,995,500	5,995,500
Total Expenditures & Uses	\$81,742,380	\$90,289,410	\$91,563,650	\$90,420,780	\$92,252,390	\$92,071,350
Excess of Revenues Over (Under) Expenditures	(19,090)	2,310,340	868,790	2,901,160	1,142,670	786,880
Beginning Fund Balance	5,248,480	5,229,390	7,539,730	7,539,730	10,440,890	10,440,890
Ending Fund Balance	\$5,229,390	\$7,539,730	\$8,408,520	\$10,440,890	\$11,583,560	\$11,227,770

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. Since 2008, due to overall decreases in taxable values and a declining Operations tax rate, the Operating revenues as a percent of total revenues has declined. Amounts collected in the past four years have increased due to an increasing Operating tax rate and stabilizing taxable values over the past several years.

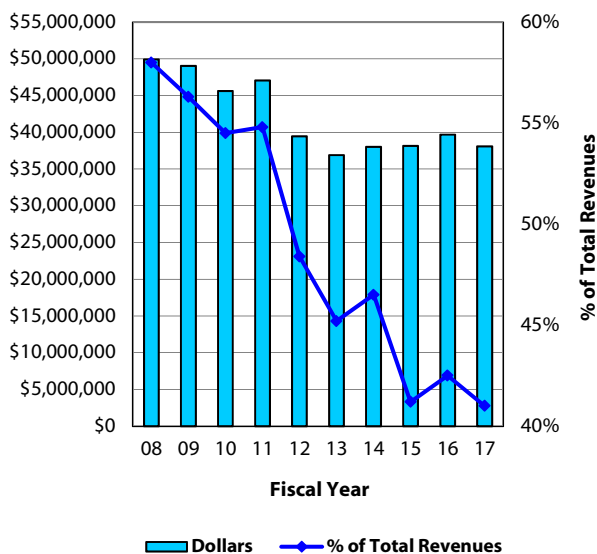
In the 2016/17 Budget, Operating tax revenue represents 41.0% of total revenues, a \$1.6 million or 4.1% decrease from the amount to be collected in 2016. The decrease is a result of an estimated 4.1% decline in the City's taxable value as manufacturing personal property taxes are now exempt from local tax collection due to a change in State law. Tax

refunds, which are recorded as an offset to revenues, are estimated to increase by \$50,000. The City's Operating tax revenues are now \$11.8 million lower than what was collected in 2008.

The Operations tax rate for 2016/17 is 9.4856 mills per \$1,000 Taxable Value, a decrease of 0.0053 mills. The decrease is largely due to an increase in the Police and Fire pension levy. 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 2016/17 declined by 4.1%. Real property increased by 1.9% due to new construction, property turnover leading to the uncapping of assessments, and a 0.3% inflationary factor on all existing properties. The Proposal A inflationary adjustment of only 0.3% is the lowest increase in the past 22 years and is well below the 2.3% average rate. The inflationary adjustment on most existing properties and the slight increase from new development is offset by a 27% decline in personal property assessments. The State has exempted owners of eligible manufacturing personal property purchased prior to 2006 and after 2012 from paying personal property taxes. The City also continues to experience the loss of personal property taxes due to the State law that exempts personal property under \$40,000 in taxable value. As a result, the City's total taxable value has now fallen by 25.3% since 2008.

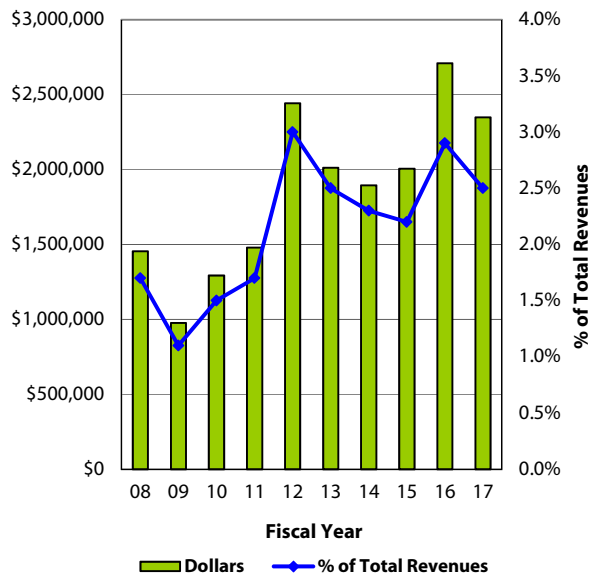
Operating Tax Revenue



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.

Building Revenue



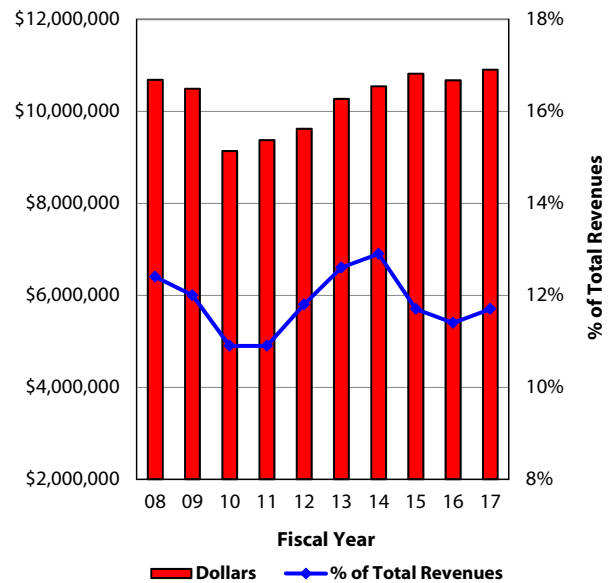
License and Permit revenues are primarily comprised of building revenues. With the State's economic downturn, building revenues fell to a ten-year low in 2009. Fewer new subdivisions, renovations or new commercial sites were developed. In 2012, revenues increased due to one-time large new development projects from BAE and Chrysler. In the past several years, Building revenues have stabilized now due to an uptick in new permit activity. Building revenues are nearing amounts collected back in 2004.

In the 2016/17 Budget, License and Permit revenues represent 2.2% of total revenue sources, a \$319,000 or 13.2% decline from what is estimated to be collected in 2016. The budget assumes a continuation of upward residential and commercial permits, but assumes a more conservative estimate based on prior year actual revenues. To continue to strengthen and enforce property maintenance standards, the budget includes the fourth 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

State Revenue Sharing

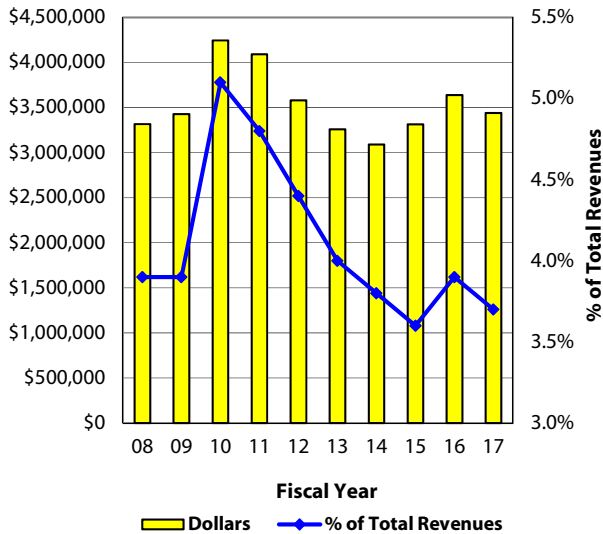


source is from State Revenue Sharing. Revenue sharing payments, made by the State to communities in Michigan from sales tax receipts, are distributed based on formulas that take into consideration population, government type, and taxable values per capita.

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 2017, it is estimated the City will receive \$10.9 million, a decrease of \$2.4 million or 18.0%. While the State has increased revenue sharing payments since 2011, the City has lost \$40.5 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 11.7% today.

In the 2016/17 Budget, State & Local Return revenues represent 16.1% of revenue sources, an increase of \$3.2 million or 27.0% above what is estimated to be received in 2016. The increase is due to the receipt of the State reimbursement of personal property tax revenues that would have been levied from the various General Fund millage rates. State Revenue Sharing payments are estimated to increase by \$228,480 or 2.1% due to an expected continued uptick in State sales tax receipts and continued 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 increasing between 2008 and 2010. Since 2010, revenues decreased, largely as the number of tickets written by the Police Department had fallen. Over the past several years, Court revenues have begun to slightly rebound. Despite the rebound, Court revenues have declined from 5.1% of total City revenues in 2010 to 3.7% in 2017.

In the 2016/17 Budget, Fines & Forfeiture revenues total 2.9% of total revenues. Fines are conservatively estimated to fall by \$213,000 or 7.3% from the higher amounts estimated to be collected in 2016. It is anticipated that Police ticket violations will slightly decrease from current higher levels. Court revenues have now declined by \$800,000 or 18.9% since 2010.

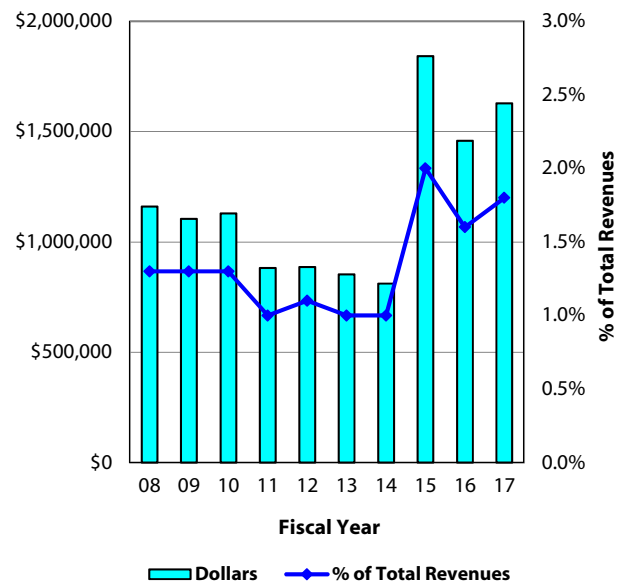
CHARGES FOR SERVICES

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 \$1.2 million in 2008 to \$811,000 in 2014 due to the State's overall economic downturn. 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.

In the 2016/17 Budget, Charges for Services revenues represent 10.8% of total revenue sources, an increase of \$456,350 or 4.8% above what is

Engineering Revenue

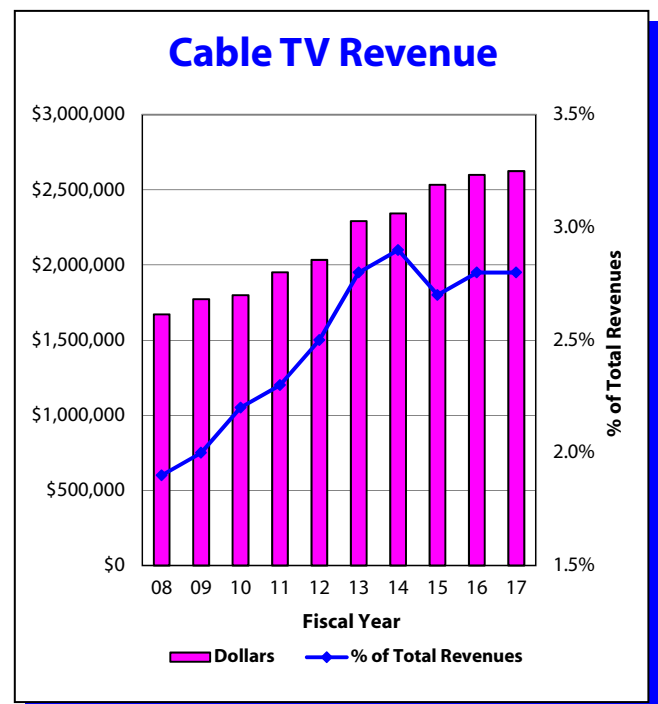
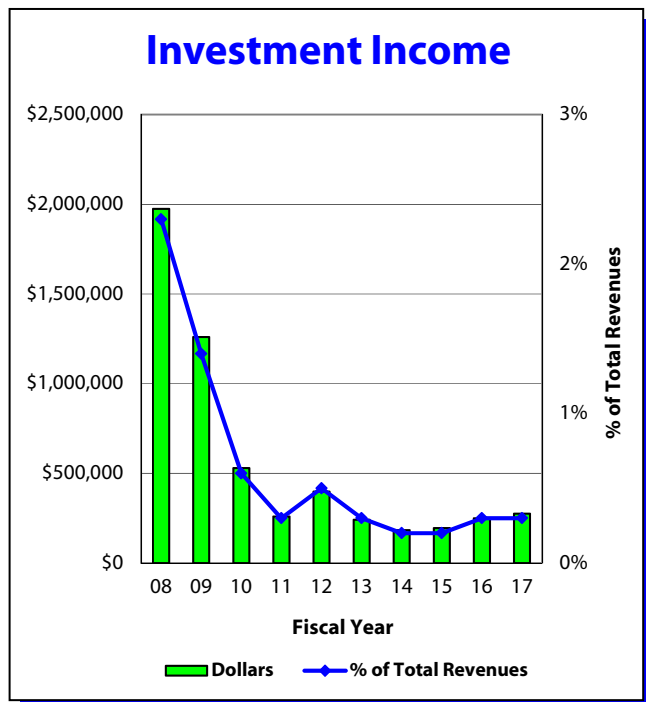


estimated to be received in 2016. Labor cross-charges are expected to increase by \$200,000, due to lower snowfall in the current fiscal year. Engineering revenues are estimated to increase by \$169,300. Property tax administration revenues are estimated to decrease by \$45,000 due to the loss of personal property taxes, while Water & Sewer Fund cross-charge revenues are budgeted to increase by \$96,450.

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.

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 2017 and account for only 0.3% of total General Fund revenues, down from the peak of 2.3% in 2008. As higher yielding investments have matured, new investments are achieving lower returns. In the 2016/17 Budget, Other Revenue represents 3.1% of



revenue sources, an increase of \$26,300 from what we estimate receiving in 2016. Most of the increase is based on higher investment returns due to increasing interest rates and higher 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 2016/17, Cable Revenue is estimated to increase by \$25,000 or 1.0% to total \$2.625 million, or 2.8% 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 2016/17 Budget, the Refuse Tax represents 4.8% of total revenue sources, which is a \$355,850 or 7.4% decrease. The decrease reflects the lower costs for the new refuse contract. The new refuse contract will take effect on May 1, 2016. Due to the cost savings offset by a 4.1% decrease in taxable values, the Refuse millage rate can decline by 0.0362 mills from 1.1424 to 1.1062 mills in order to generate sufficient funds to cover the estimated refuse contract costs.

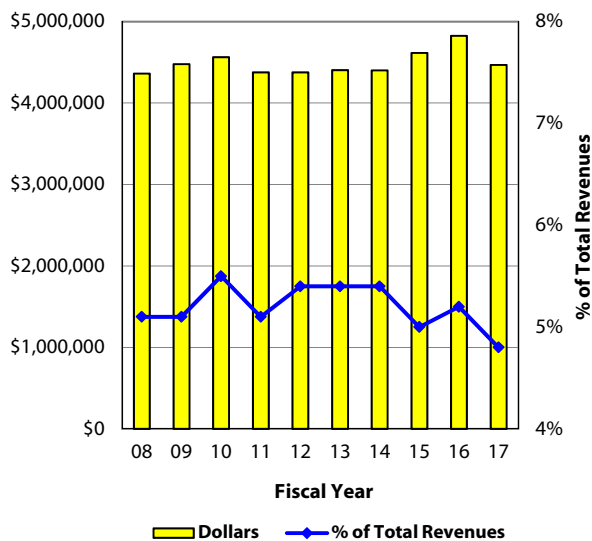
POLICE & FIRE PENSION TAX

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.

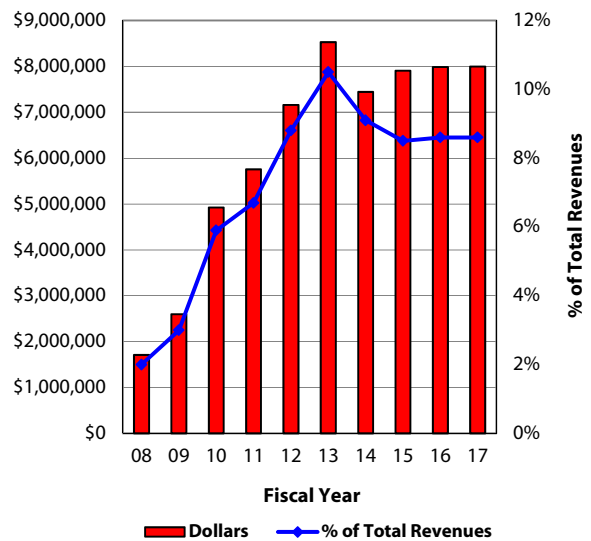
The pension tax revenue increased to match increased required pension contributions as a result of a weakened stock market and increased retirements. Compared to 2008, the required contribution to the pension system has increased to its second highest level and is now \$6.3 million higher than in 2008.

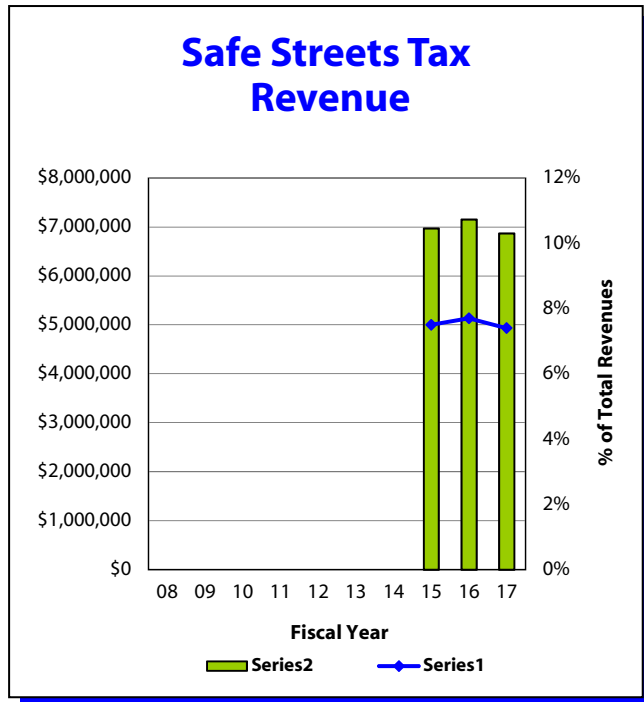
In the 2016/17 Budget, the Police & Fire Pension Tax represents 8.6% of revenue sources, an increase of \$8,440 or 0.1%. The Police & Fire Pension Tax levy for 2016/17 is 1.9788 mills per \$1,000 Taxable Value, an increase of 0.0762 mills. The millage increase is largely due to the 4.1% decrease in City taxable values.

Refuse Collection Tax Revenue



Police & Fire Pension Tax Revenue





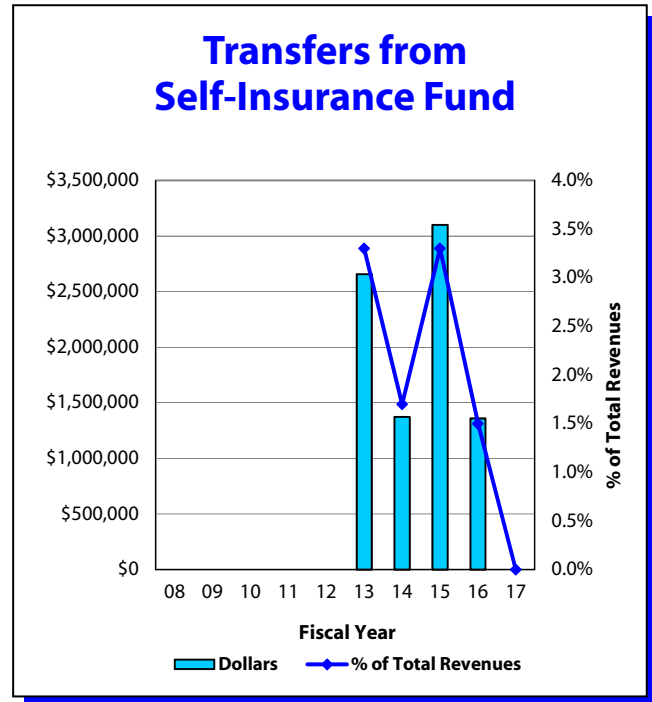
SAFE STREETS TAX

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 \$6.9 million in the General Fund to prevent further staffing cuts to Police and Fire positions. The remaining 0.8 mills will generate \$3.2 million in the Local Road Fund to cover the cost of asphalt and concrete repairs to neighborhood streets.

In the 2016/17 Budget, the Safe Streets Tax decreased by \$281,730 or 3.9% from amounts collected in 2016 due to the decrease in City taxable values. Safe Streets Tax revenue represents 7.4% 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



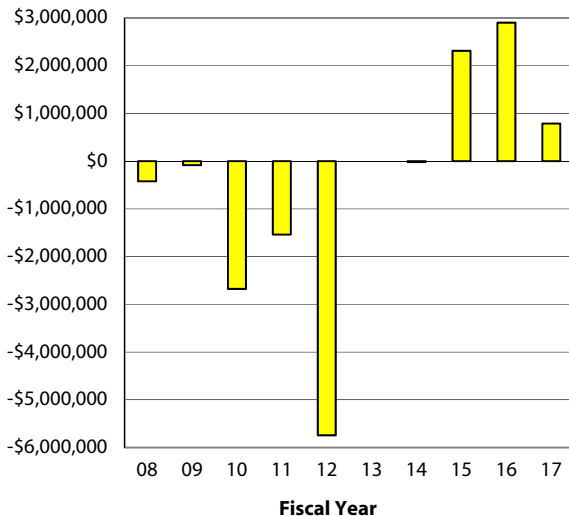
the General Fund from other City funds. There have been no purchases financed using long-term debt over the past ten years.

For the past four years, 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 saved 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. The budget was amended in 2016 to use \$1.4 million for needed capital and parking lot repairs. No transfers from the Self-Insurance Fund are proposed in the 2016/17 budget.

USE OF FUND BALANCE

A budgeted Use of, or Contribution to, Fund Balance exists when there is an inequality

Change in Fund Balance Reserves



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 2008, due to lower development revenues, \$425,000 of reserves was used. 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 \$2.9 million to General Fund

Balance reserves in 2016 and \$0.8 million in the 2016/17 budget bringing total General Fund reserves to \$11.2 million or 12.2% of expenditures at year-end.

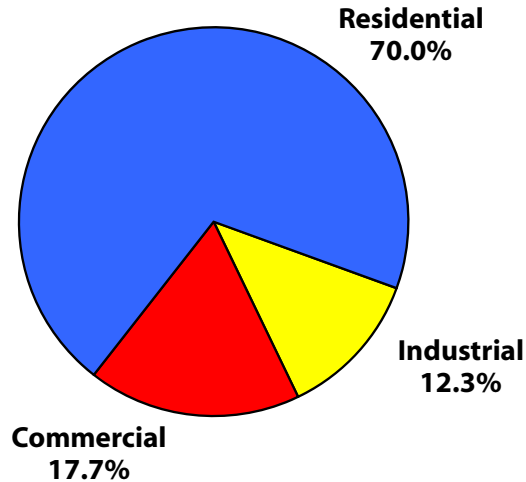
OTHER CITY TAXES

There is one debt property tax millage levied by the City that is recorded in the Debt Service Funds.

The Drain millage for next year can be eliminated as all drain debt has now been retired. The Drain millage was used to repay drain costs and principal and interest on bonds sold to finance drain construction. As a result, the 0.0377 mills for Drain last year can be shifted to cover the needed increase in the Police and Fire Pension millage and maintain the same total City millage rate as last year.

The Public Improvements (Proposal F – Fire Station Improvements) millage rate increased by 0.0030 mills to 0.1152 mills. The Proposal F millage rate is higher due to a 4.1% decrease in the City's taxable values, partially offset by the anticipated receipt of lost personal property tax revenues from the State. 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.■

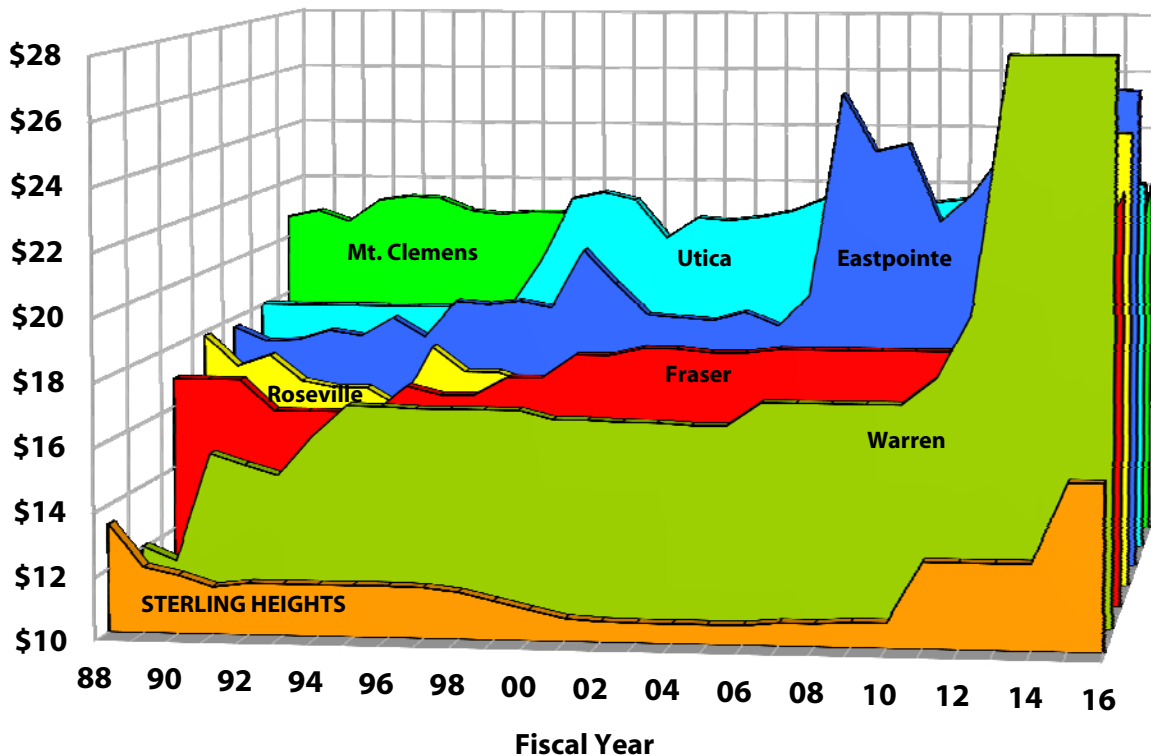
City of Sterling Heights Share of Taxes



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

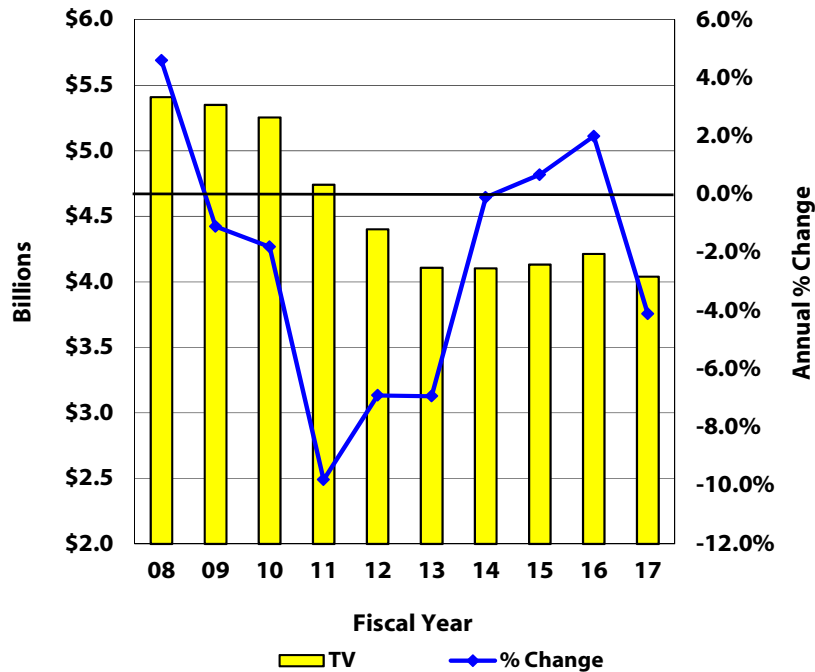
Comparable Tax Rates of Surrounding Macomb County Cities

Per \$1,000 TV



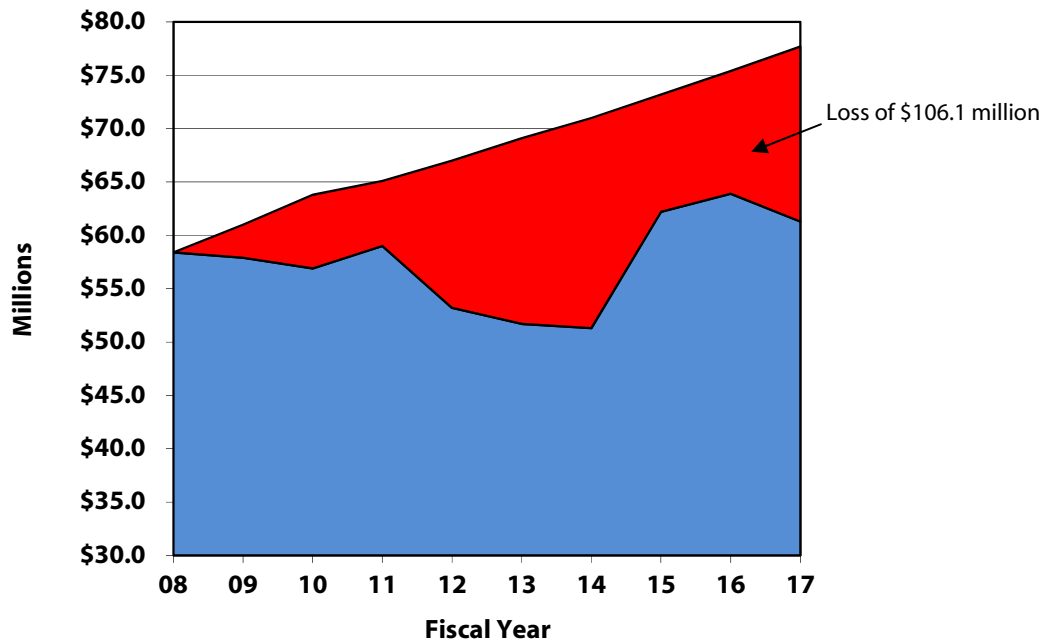
This graph illustrates the taxes levied by Macomb County cities for the past 28 years.

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	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CITY OPERATING TAXES</u>						
404000	City Operating Tax	\$38,449,467	41.52	\$39,838,770	43.10	\$38,323,350	41.27
404001	Property Tax Refunds	(305,939)	-0.33	(400,000)	-0.43	(250,000)	-0.27
415000	Delinquent Personal Property Tax	62,614	0.07	75,000	0.08	65,000	0.07
445000	Penalties & Interest	174,715	0.19	165,000	0.18	175,000	0.19
	Total Taxes	38,380,857	41.45	39,678,770	42.93	38,313,350	41.26
	<u>LICENSES & PERMITS</u>						
451000	Business Operating License	16,320	0.02	10,000	0.01	16,000	0.02
452000	Mobile / Temporary Vendor	7,813	0.01	6,000	0.01	6,000	0.01
453000	Liquor License	94,393	0.10	95,000	0.10	100,000	0.11
454000	Vending/Amusement Device Fee	18,149	0.02	20,000	0.02	15,000	0.02
461000	Electrical Registration & Permits	248,579	0.27	240,000	0.26	245,000	0.26
462000	Heating Registration & Permits	230,124	0.25	250,000	0.27	255,000	0.27
463000	Plumbing Registration & Permits	166,309	0.18	170,000	0.18	190,000	0.20
464000	Sign Registration & Permits	43,488	0.05	45,000	0.05	50,000	0.05
470000	Building Registration & Permits	762,236	0.82	750,000	0.81	1,000,000	1.08
471000	Fence Permits	13,524	0.01	12,000	0.01	13,000	0.01
477000	Fire Suppression Permits	37,128	0.04	40,000	0.04	40,000	0.04
478000	Animal Permits	61,777	0.07	65,000	0.07	60,000	0.06
479401	Non-Homestead Resident Insp. Fee	62,845	0.07	72,000	0.08	65,000	0.07
479402	Re-Inspection Code Enforcement Fee	38,281	0.04	30,000	0.03	40,000	0.04
	Total Licenses & Permits	1,800,966	1.94	1,805,000	1.94	2,095,000	2.26
	<u>STATE & LOCAL RETURNS</u>						
529000	Federal Grant - Other	90,922	0.10	196,700	0.21	65,000	0.07
539002	State Grants	4,017	0.00	0	0.00	0	0.00
539302	Criminal Justice Training	30,459	0.03	0	0.00	0	0.00
539332	Dispatcher Training	2,334	0.00	0	0.00	0	0.00
539378	Act 78 Emergency Telephone Service	248,887	0.27	0	0.00	0	0.00
544000	Drunk Driving Case Flow Assistance	13,124	0.01	12,000	0.01	12,000	0.01
567001	State Aid - Library	76,389	0.08	77,140	0.08	83,010	0.09
569001	Judges Salary Stand Payments	137,172	0.15	137,170	0.15	137,170	0.15
573386	Personal Prop. Tax Reimbursement	0	0.00	153,190	0.17	3,305,070	3.56
574000	State Revenue Sharing	10,814,534	11.68	11,000,000	11.90	10,900,000	11.74
581001	Municipal Credit Transportation	144,792	0.16	250,000	0.27	250,000	0.27
583000	Macomb Auto Theft Squad - Grant	67,746	0.07	63,000	0.07	65,000	0.07
585000	Drug Enforce. Admin. - Federal	16,005	0.02	16,000	0.02	0	0.00
587001	County Contrib. - Library Penal Fines	122,719	0.13	90,000	0.10	120,000	0.13
	Total State & Local Returns	11,769,100	12.71	11,995,200	12.98	14,937,250	16.09
	<u>FINES & FORFEITURES</u>						
656003	Contempt Court Fines	58,955	0.06	55,000	0.06	55,000	0.06
656004	Ordinance Fines & Costs	2,148,837	2.32	1,950,000	2.11	2,250,000	2.42
656005	Municipal Civil Infractions	2,125	0.00	10,000	0.01	3,000	0.00
657001	Library Fines	49,575	0.05	52,000	0.06	52,000	0.06
658001	Bond Forfeitures	90,689	0.10	80,000	0.09	100,000	0.11
659001	Driver Reinstatement Fee	31,061	0.03	30,000	0.03	32,000	0.03
659002	Default Judgment Fee	172,481	0.19	165,000	0.18	185,000	0.20
659003	Crime Victim Rights Admin. Fee	13,366	0.01	13,000	0.01	13,000	0.01
659004	Forensic Admin. Fee	140	0.00	0	0.00	0	0.00
	Total Fines & Forfeitures	2,567,229	2.77	2,355,000	2.55	2,690,000	2.90

GENERAL FUND REVENUE SUMMARY BY ACCOUNT

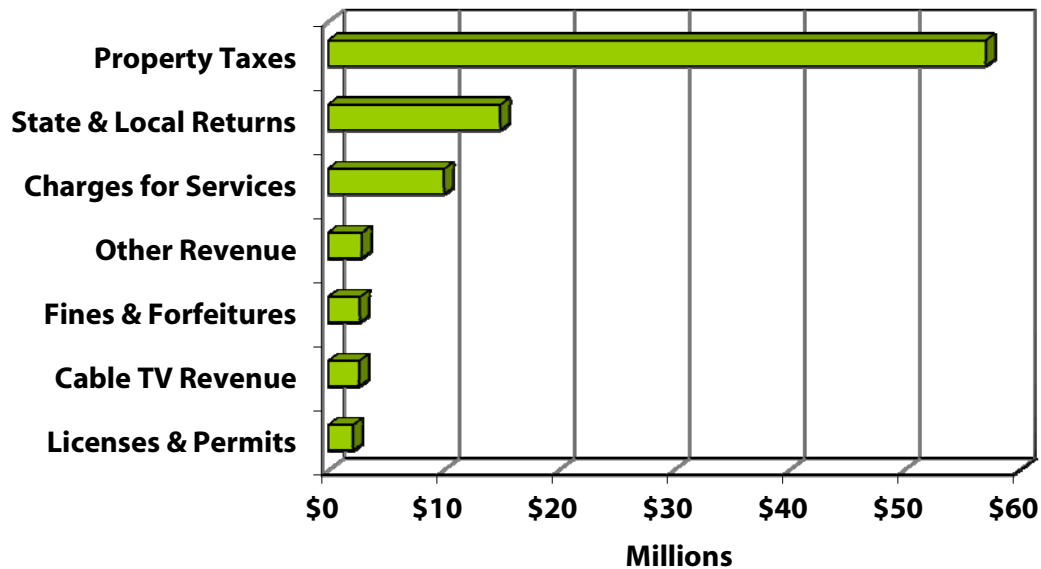
Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>OTHER FINANCING SOURCES</u>						
699677	Transfer From Self-Insurance Fund	3,100,000	3.35	1,564,180	1.69	0	0.00
	Total Other Financing Sources	3,100,000	3.35	1,564,180	1.69	0	0.00
	<u>CHARGES FOR SERVICES</u>						
603000	Court Filing Fee	126,111	0.14	130,000	0.14	120,000	0.13
603001	Jury Demand Fee	4,040	0.00	3,000	0.00	4,000	0.00
604000	Probation Oversight	275,384	0.30	295,000	0.32	280,000	0.30
605000	Garnishments - Filing Fee	136,695	0.15	155,000	0.17	145,000	0.16
606000	Split/Combination Fee	10,052	0.01	7,000	0.01	10,000	0.01
607000	Fire Permits, Fees, & Inspections	28,627	0.03	30,000	0.03	30,000	0.03
608000	Encroachment/Deviation Fees	1,680	0.00	1,000	0.00	1,000	0.00
609000	Mobile Home Tax	9,561	0.01	9,600	0.01	9,600	0.01
610000	Vital Statistics	70,967	0.08	65,000	0.07	75,000	0.08
611000	Attorney Fee Reimbursement	35,464	0.04	33,000	0.04	35,000	0.04
612000	Alcohol Assessment Fee	50,764	0.05	55,000	0.06	50,000	0.05
626000	Services - PTAF	1,727,677	1.87	1,750,000	1.89	1,720,000	1.85
627000	Water & Sewer Activity	1,543,620	1.67	1,621,410	1.75	1,717,860	1.85
627444	Administrative Services - Roads	313,898	0.34	260,000	0.28	270,000	0.29
627556	Admin Services-Water Distribution	322,500	0.35	337,560	0.37	353,970	0.38
627574	Admin Services-W&S Improvements	138,900	0.15	143,070	0.15	147,360	0.16
627677	Administrative Services-Self Insurance	278,280	0.30	296,580	0.32	287,130	0.31
627732	Administrative Services-P&F Pension	5,792	0.01	6,500	0.01	6,500	0.01
628001	Voter Lists	976	0.00	800	0.00	800	0.00
629001	Labor Services - Roads	1,237,417	1.34	1,000,000	1.08	1,100,000	1.18
629002	Labor Services - Cross Charges	42,252	0.05	50,000	0.05	40,000	0.04
629003	Labor Services - Fleet Maintenance	49,569	0.05	75,000	0.08	75,000	0.08
631001	Police & Fire Services	123,904	0.13	120,000	0.13	125,000	0.13
631002	Towed Vehicle Impound Fee	96,693	0.10	80,000	0.09	105,000	0.11
632001	Inspection Services-Projects-Other	201,904	0.22	150,000	0.16	170,000	0.18
632002	Inspection Services-City Projects	379,976	0.41	450,000	0.49	420,000	0.45
632003	Engineering Review Fee	122,714	0.13	120,000	0.13	140,000	0.15
632004	Engineering & Design - Project	1,047,903	1.13	850,000	0.92	800,000	0.86
632005	Building Number Assignments	1,017	0.00	600	0.00	1,000	0.00
632006	SESC Review Fee	25,248	0.03	20,000	0.02	25,000	0.03
632007	SESC Inspection Fee	52,791	0.06	75,000	0.08	65,000	0.07
632008	Easement Vacation	1,214	0.00	1,000	0.00	1,500	0.00
632009	ROW Permit Fees	7,136	0.01	3,000	0.00	4,000	0.00
634003	Supplies & Gasoline Revenue	47,657	0.05	65,000	0.07	45,000	0.05
634004	Parts-Vehicle Maintenance	38,504	0.04	55,000	0.06	55,000	0.06
635535	Refuse Collection Fees	21,886	0.02	22,000	0.02	25,000	0.03
636000	Plan Review Fee	61,486	0.07	45,000	0.05	55,000	0.06
636001	Building Department Plan Review	329,054	0.36	300,000	0.32	375,000	0.40
637001	Copies & Forms	16,010	0.02	18,000	0.02	15,000	0.02
637002	Maps	399	0.00	450	0.00	400	0.00
637003	Police Reports	122,724	0.13	150,000	0.16	120,000	0.13
637005	Fire Reports	1,841	0.00	1,200	0.00	2,000	0.00

GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
637006	PBT User Fee	874	0.00	500	0.00	500	0.00
637007	False Alarm Fees	128,337	0.14	135,000	0.15	135,000	0.15
637301	Notary Fee	1,760	0.00	2,000	0.00	2,000	0.00
638000	Application Fees	3,465	0.00	10,000	0.01	12,000	0.01
639001	Parks & Recreation Fees	493,042	0.53	490,000	0.53	525,000	0.57
639253	Treasury Transfer & Late Fees	76,817	0.08	60,000	0.06	70,000	0.08
640001	5% Cash Deposit	1,988	0.00	2,500	0.00	5,000	0.01
640002	Weed Cutting	180,884	0.20	200,000	0.22	150,000	0.16
640003	Board of Zoning Appeals Fees	17,314	0.02	11,000	0.01	15,000	0.02
640005	Ordinance Board of Appeals Fees	70,961	0.08	60,000	0.06	70,000	0.08
	Total Charges for Services	10,085,729	10.89	9,821,770	10.63	10,011,620	10.78
	OTHER REVENUE						
656006	Interpreter Fees	20,024	0.02	20,000	0.02	22,000	0.02
665000	Interest on Investments	195,396	0.21	200,000	0.22	275,000	0.30
667002	Rental Income - Utica Road	42,960	0.05	43,020	0.05	45,690	0.05
667003	Rental Income - DPS	90,900	0.10	103,890	0.11	117,750	0.13
667005	Rental - DPW - Impound Lot	39,402	0.04	39,600	0.04	45,000	0.05
667007	Rental - Universal Ambulance	6,000	0.01	6,000	0.01	6,000	0.01
667009	Rental - Towers	202,357	0.22	204,120	0.22	174,600	0.19
669001	Rental - Road Equipment	1,239,353	1.34	1,200,000	1.30	1,200,000	1.29
669002	Rental - Equipment - Cross Charges	35,351	0.04	40,000	0.04	35,000	0.04
673000	Sale of Fixed Assets	17,176	0.02	15,000	0.02	20,000	0.02
675000	Contributions & Donations	11,960	0.01	10,000	0.01	10,000	0.01
675001	Donations - Parks & Recreation	20,492	0.02	17,500	0.02	20,000	0.02
675003	Art Fair Revenue	124,592	0.13	120,000	0.13	70,000	0.08
676000	Reimbursements	609,099	0.66	600,000	0.65	600,000	0.65
676001	Reimbursements - Legal	(10,035)	-0.01	3,000	0.00	2,000	0.00
677008	Unrealized Gain/Loss	35,758	0.04	0	0.00	0	0.00
679000	Police Auction	9,084	0.01	20,000	0.02	10,000	0.01
679752	Parks & Recreation Retail Sales	135	0.00	1,500	0.00	750	0.00
679792	Library Book Sales	34	0.00	50	0.00	50	0.00
685000	Miscellaneous Revenue	61,176	0.07	75,000	0.08	70,000	0.08
685792	Miscellaneous Revenue - Library	72,137	0.08	80,000	0.09	80,000	0.09
690000	O.U.I.L. Recovery	43,590	0.05	42,000	0.05	45,000	0.05
690002	Warrant Arrest Processing Fee	4,990	0.01	4,500	0.00	5,000	0.01
695000	Insurance Recovery & Subrogation	543	0.00	0	0.00	0	0.00
	Total Other Revenue	2,872,474	3.10	2,845,180	3.08	2,853,840	3.07
405000	City Refuse Tax	4,615,658	4.98	4,795,150	5.19	4,469,150	4.81
406000	P&F Pension Tax	7,905,424	8.54	7,986,310	8.64	7,994,750	8.61
407000	Safe Streets Tax	6,969,239	7.53	7,135,880	7.72	6,868,270	7.40
680000	Cable TV Revenue	2,533,069	2.74	2,450,000	2.65	2,625,000	2.83
	Total General Fund Revenue	\$92,599,745	100.00	\$92,432,440	100.00	\$92,858,230	100.00

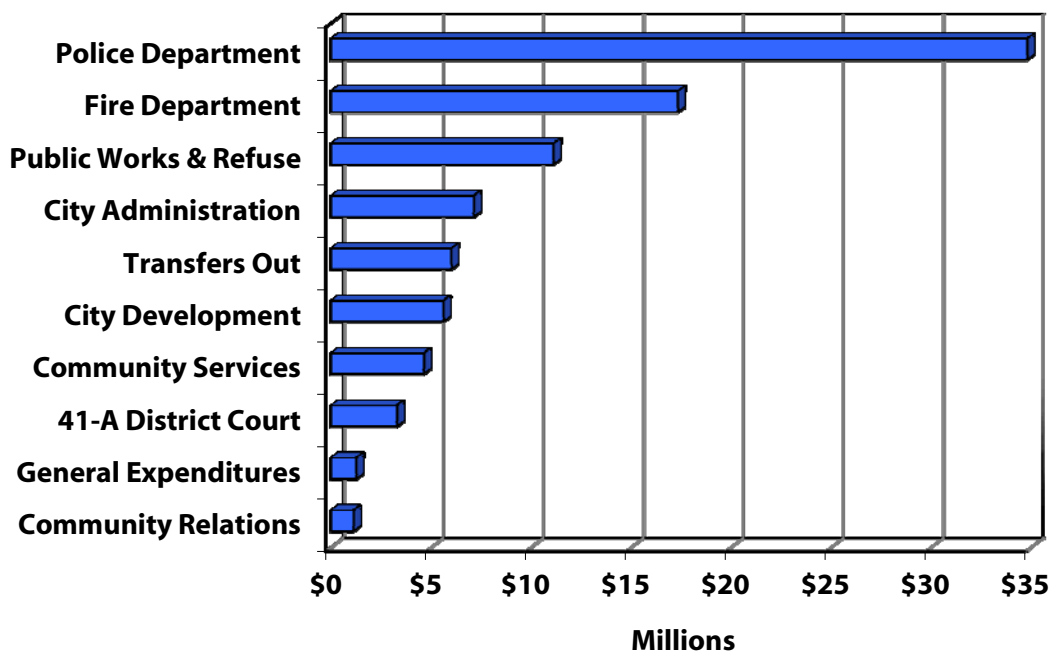
Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

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.	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
LEGISLATIVE					
1. City Council	1010	\$127,360	\$137,050	\$142,170	3.7%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	929,190	1,006,370	1,137,530	13.0%
2. City Clerk	2160	707,340	771,890	854,660	10.7%
3. Information Technology	2580	878,360	908,880	908,010	-0.1%
4. Assessing	2090	844,860	880,940	921,780	4.6%
5. Financial Services	2010	868,810	925,800	767,890	-17.1%
6. Purchasing	2330	311,350	321,910	318,430	-1.1%
7. Treasury	2530	1,044,510	1,087,500	1,127,910	3.7%
8. Act 78 - Civil Service Commission	2200	28,890	20,470	28,120	37.4%
9. General Employees Pension Board	2390	59,490	78,790	55,110	-30.1%
10. Legal	2100	777,680	775,000	825,000	6.5%
Total City Administration Department		6,577,840	6,914,600	7,086,610	2.5%
PUBLIC LIBRARY DEPARTMENT					
1. Library	7920	2,408,630	2,604,180	2,630,590	1.0%
2. Historical Commission	8030	370	570	580	1.8%
Total Public Library Department		2,409,000	2,604,750	2,631,170	1.0%
PARKS & RECREATION DEPARTMENT					
1. Parks & Recreation	7520	1,780,470	1,874,390	1,957,950	4.5%
Total Parks & Recreation Department		1,780,470	1,874,390	1,957,950	4.5%
POLICE DEPARTMENT					
1. Police Administration	3050	3,611,950	4,943,080	5,030,990	1.8%
2. Police Investigations	3100	5,857,000	6,087,200	6,532,510	7.3%
3. Police Operations	3150	19,741,950	21,343,050	21,699,180	1.7%
4. Police Support Services	3260	2,944,840	1,575,350	1,512,520	-4.0%
Total Police Department		32,155,740	33,948,680	34,775,200	2.4%
FIRE DEPARTMENT					
1. Fire Administration	3370	1,387,650	1,623,390	1,379,040	-15.1%
2. Fire Extinguishment	3390	15,180,830	14,711,850	14,890,860	1.2%
3. Fire Prevention	3410	800,950	1,060,650	1,056,350	-0.4%
Total Fire Department		17,369,430	17,395,890	17,326,250	-0.4%

GENERAL FUND EXPENDITURES BY BUDGETARY CENTER

Activity Name	Activity No.	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
<u>PUBLIC WORKS DEPARTMENT</u>					
1. Fleet Maintenance	5530	2,780,650	2,920,420	2,740,180	-6.2%
2. Parks & Grounds Maintenance	7700	1,358,400	1,321,070	1,378,910	4.4%
3. Public Works Center	4420	278,640	277,840	256,000	-7.9%
4. Street Services	4440	2,270,740	2,273,490	2,203,380	-3.1%
Total Public Works Department		6,688,430	6,792,820	6,578,470	-3.2%
<u>REFUSE COLLECTION</u>					
1. Refuse Collection	5350	4,744,360	4,817,150	4,494,150	-6.7%
Total Refuse Collection		4,744,360	4,817,150	4,494,150	-6.7%
<u>CITY DEVELOPMENT DEPARTMENT</u>					
1. Building & Facilities Maintenance	4120	1,893,630	1,907,630	1,978,800	3.7%
2. Economic Development	4150	291,910	314,510	317,510	1.0%
3. Engineering	4470	1,291,350	1,350,000	1,343,450	-0.5%
4. Neighborhood Services	4170	1,318,560	1,542,960	1,515,250	-1.8%
5. Planning	4020	177,000	315,020	159,370	-49.4%
6. Planning Commission	4030	4,500	4,710	5,790	22.9%
7. Zoning Board of Appeals	4130	5,540	4,280	5,390	25.9%
8. Component Unit Funding	9670	300,000	300,000	300,000	0.0%
Total City Development Department		5,282,490	5,739,110	5,625,560	-2.0%
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
1. Community Relations	2920	933,490	1,035,710	1,090,310	5.3%
2. Arts Commission	7930	0	50	50	0.0%
3. Beautification Commission	8060	320	710	720	1.4%
Total Community Relations Department		933,810	1,036,470	1,091,080	5.3%
41-A DISTRICT COURT	1360	3,087,260	3,202,320	3,271,140	2.1%
GENERAL EXPENDITURES	8950	1,116,140	1,216,150	1,238,270	1.8%
TRANSFERS OUT	9660	8,144,440	6,021,320	5,995,500	-0.4%
Total General Fund Expenditures		\$90,289,410	\$91,563,650	\$92,071,350	0.6%

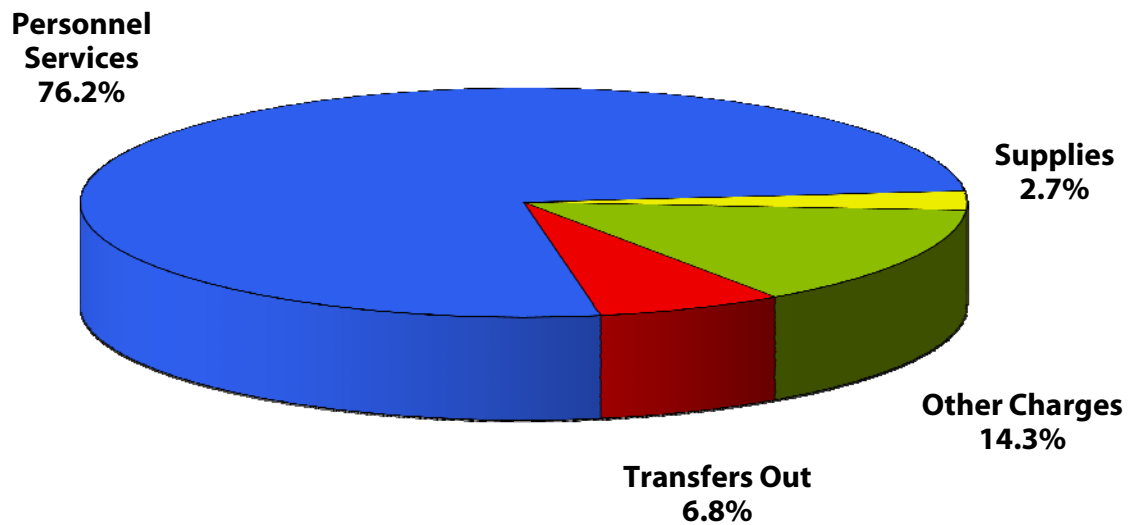
GENERAL FUND BUDGETARY CENTERS EXPENDITURES BY CATEGORY

Budgetary Center	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget
<u>CITY ADMINISTRATION DEPARTMENT</u>					
Personnel Services	\$5,354,397	\$4,613,108	\$4,991,419	\$5,257,020	\$5,381,830
Supplies	201,493	180,845	189,434	201,870	195,200
Other Charges	1,901,181	1,266,388	1,396,990	1,455,710	1,509,580
Total	7,457,071	6,060,341	6,577,843	6,914,600	7,086,610
<u>PUBLIC LIBRARY DEPARTMENT</u>					
Personnel Services	2,019,427	1,906,688	1,946,129	2,121,060	2,133,600
Supplies	181,925	173,733	208,266	210,240	216,670
Other Charges	249,884	255,337	254,600	273,450	280,900
Total	2,451,236	2,335,758	2,408,995	2,604,750	2,631,170
<u>PARKS & RECREATION DEPARTMENT</u>					
Personnel Services	1,537,560	1,330,416	1,417,210	1,484,540	1,542,060
Supplies	62,112	65,550	64,099	72,740	78,000
Other Charges	289,041	270,769	299,163	317,110	337,890
Total	1,888,713	1,666,735	1,780,472	1,874,390	1,957,950
<u>POLICE DEPARTMENT</u>					
Personnel Services	30,535,297	30,357,770	30,483,904	31,025,120	31,544,570
Supplies	55,113	84,016	79,532	137,100	178,930
Other Charges	1,030,293	1,056,797	1,592,300	2,786,460	3,051,700
Total	31,620,703	31,498,583	32,155,736	33,948,680	34,775,200
<u>FIRE DEPARTMENT</u>					
Personnel Services	16,333,914	16,529,831	16,835,642	16,543,670	16,737,970
Supplies	119,776	131,764	132,312	181,980	157,980
Other Charges	429,327	416,851	401,480	670,240	430,300
Total	16,883,017	17,078,446	17,369,434	17,395,890	17,326,250
<u>PUBLIC WORKS DEPARTMENT</u>					
Personnel Services	3,614,072	4,239,264	4,391,242	4,363,040	4,315,880
Supplies	1,681,217	1,647,121	1,524,102	1,660,250	1,472,850
Other Charges	582,214	730,805	773,088	769,530	789,740
Total	5,877,503	6,617,190	6,688,432	6,792,820	6,578,470
<u>REFUSE</u>					
Personnel Services	115,438	126,546	135,702	145,250	147,630
Supplies	593	2,467	3,163	1,500	2,000
Other Charges	4,555,986	4,568,622	4,605,496	4,670,400	4,344,520
Total	4,672,017	4,697,635	4,744,361	4,817,150	4,494,150
<u>CITY DEVELOPMENT DEPARTMENT</u>					
Personnel Services	3,260,740	3,916,254	4,127,504	4,387,420	4,413,380
Supplies	31,093	42,339	42,531	52,540	47,560
Other Charges	87,044	643,420	812,460	999,150	864,620
Transfers Out	0	0	300,000	300,000	300,000
Total	3,378,877	4,602,013	5,282,495	5,739,110	5,625,560

GENERAL FUND BUDGETARY CENTERS EXPENDITURES BY CATEGORY

Budgetary Center	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
Personnel Services	849,995	775,237	817,941	852,220	932,740
Supplies	25,524	28,699	33,902	33,820	44,280
Other Charges	56,873	53,740	81,962	150,430	114,060
Total	932,392	857,676	933,805	1,036,470	1,091,080
<u>41-A DISTRICT COURT</u>					
Personnel Services	2,991,442	2,775,346	2,798,930	2,913,860	2,948,840
Supplies	34,060	38,867	39,558	39,720	42,500
Other Charges	232,861	264,552	248,772	248,740	279,800
Total	3,258,363	3,078,765	3,087,260	3,202,320	3,271,140
<u>GENERAL EXPENDITURES</u>					
Personnel Services	69,655	9,229	8,974	20,000	20,000
Supplies	10,179	16,423	20,020	16,320	17,500
Other Charges	2,159,076	2,142,130	1,087,143	1,179,830	1,200,770
Total	2,238,910	2,167,782	1,116,137	1,216,150	1,238,270
<u>TRANSFERS OUT</u>					
Transfers Out	954,090	1,081,460	8,144,435	6,021,320	5,995,500
<u>TOTAL EXPENDITURES BY CATEGORY</u>					
Personnel Services	66,681,937	66,579,689	67,954,597	69,113,200	70,118,500
Supplies	2,403,085	2,411,824	2,336,919	2,608,080	2,453,470
Other Charges	11,573,780	11,669,411	11,553,454	13,521,050	13,203,880
Transfers Out	954,090	1,081,460	8,444,435	6,321,320	6,295,500
Total General Fund	\$81,612,892	\$81,742,384	\$90,289,405	\$91,563,650	\$92,071,350

General Fund Expenditures by Expenditure Category



Total General Fund Budget of \$92,071,350

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 76.2% of total General Fund expenditures.

GENERAL FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	\$121,555	0.13	\$130,540	0.14	\$134,410	0.15
704000	Wages & Salaries-Permanent	29,000,245	32.12	29,970,260	32.73	30,764,800	33.41
704001	Sick Time Buy Back	577,125	0.64	383,600	0.42	420,450	0.46
704721	Health Insurance Allowance	93,584	0.10	91,250	0.10	109,500	0.12
705000	Wages-Salaries - Temp/Part Time	2,342,724	2.59	2,427,250	2.65	2,443,280	2.65
706000	Wages-Salaries - Occasional	126,500	0.14	95,000	0.10	110,000	0.12
708000	Overtime	2,540,942	2.81	2,205,120	2.41	2,803,750	3.05
708001	Compensatory Time Buy Back	1,367,689	1.51	1,178,140	1.29	1,645,150	1.79
708795	Overtime - F.L.S.A.	61,769	0.07	75,000	0.08	70,000	0.08
709000	Other Benefits/Reimbursements	28,842	0.03	26,200	0.03	27,770	0.03
710000	Longevity	835,322	0.93	773,610	0.84	726,060	0.79
711000	Holiday Pay	955,336	1.06	940,970	1.03	1,010,150	1.10
713500	Car Allowance	1,167	0.00	3,000	0.00	4,000	0.00
714000	Food Allowance	74,583	0.08	75,000	0.08	75,000	0.08
715000	Clothing Allowance	301,559	0.33	317,680	0.35	366,330	0.40
717000	FICA	1,510,787	1.67	1,419,810	1.55	1,498,570	1.63
718000	Worker's Compensation	320,934	0.36	313,910	0.34	330,940	0.36
719000	Unemployment Compensation	8,974	0.01	20,000	0.02	20,000	0.02
720000	Pension - General Emp Retirement	2,129,040	2.36	2,258,500	2.47	2,160,770	2.35
720001	Pension - Police and Fire Retirement	7,953,970	8.81	7,986,310	8.72	7,994,750	8.68
720002	Defined Contribution - Employer	192,203	0.21	207,540	0.23	238,290	0.26
721000	Health Insurance	4,810,998	5.33	5,260,620	5.75	5,304,190	5.76
721001	Health Insurance - Retirees	11,697,480	12.96	11,935,210	13.03	10,861,790	11.80
721003	Retiree Health Savings - City	106,961	0.12	162,180	0.18	182,450	0.20
722000	Dental Insurance	470,115	0.52	523,740	0.57	474,560	0.52
723000	Life Insurance	59,965	0.07	61,970	0.07	66,180	0.07
724000	Eye Care Insurance	38,428	0.04	37,910	0.04	30,760	0.03
725000	Disability Insurance - Long Term	63,956	0.07	66,090	0.07	69,030	0.07
725355	Disability Insurance - Short Term	161,844	0.18	166,790	0.18	175,570	0.19
	Total Personnel Services	67,954,597	75.26	69,113,200	75.48	70,118,500	76.16
	SUPPLIES						
729000	Postage	228,557	0.25	239,810	0.26	253,150	0.27
730000	Publications	21,634	0.02	23,520	0.03	22,750	0.02
741000	Ammunition	18,378	0.02	64,540	0.07	64,830	0.07
741302	Ammunition - Act 302 Grant	26	0.00	0	0.00	0	0.00
742000	Dog Care Supplies	3,341	0.00	1,200	0.00	2,000	0.00
750000	Fuels & Lubricants	595,021	0.66	775,000	0.85	500,000	0.54
750001	Fuel & Lube Inventory	21,238	0.02	25,000	0.03	23,000	0.02
751000	Operating Supplies	372,727	0.41	462,030	0.50	486,540	0.53
751001	Operating Supplies - Federal Funds	1,144	0.00	9,710	0.01	0	0.00
758000	Computer Software	239	0.00	500	0.00	500	0.00
759000	Parts & Sublet Services	803,398	0.89	750,000	0.82	825,000	0.90
760000	Playground & Athletic Supplies	36,571	0.04	15,000	0.02	25,000	0.03
761000	Program Activity Supplies	38,026	0.04	38,400	0.04	43,700	0.05

GENERAL FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
762000	Seniors Program Supplies	9,407	0.01	13,370	0.01	15,000	0.02
769000	Audio Visual Media	24,921	0.03	25,000	0.03	30,000	0.03
783000	Seeding & Planting Supplies	5,591	0.01	8,000	0.01	10,000	0.01
785000	Books	156,700	0.17	157,000	0.17	152,000	0.17
	Total Supplies	2,336,919	2.59	2,608,080	2.85	2,453,470	2.66
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	46,660	0.05	47,600	0.05	55,190	0.06
803000	Computer Consultant Services	9,000	0.01	10,900	0.01	9,000	0.01
806000	Legal Services - Other	71,482	0.08	81,000	0.09	81,000	0.09
806001	Legal Services - City Attorney	714,891	0.79	700,600	0.77	750,600	0.82
807000	Medical Services	31,285	0.03	37,120	0.04	44,300	0.05
807001	Medical Services - Grant	0	0.00	135,540	0.15	0	0.00
808000	Reporting Services	17,068	0.02	13,600	0.01	17,800	0.02
810000	Other Fees	49,409	0.05	49,080	0.05	72,330	0.08
820000	Tree/Weed Cutting	101,861	0.11	105,000	0.11	80,000	0.09
821000	Spraying Services	30,265	0.03	24,400	0.03	30,000	0.03
822000	Rubbish Removal	4,535,335	5.02	4,600,000	5.02	4,274,620	4.64
825000	Animal Collection	8,792	0.01	12,000	0.01	25,000	0.03
826000	Other Contracted Services	2,447,849	2.71	3,884,380	4.24	3,767,500	4.09
826412	Nuisance Abatements	23,112	0.03	50,250	0.05	30,000	0.03
827000	Interfund Services	69,100	0.08	69,100	0.08	69,100	0.08
829000	Hazardous Waste Disposal	2,301	0.00	2,500	0.00	1,300	0.00
830000	Recruiting Costs	4,080	0.00	0	0.00	0	0.00
832000	Building Maintenance	239,688	0.27	164,050	0.18	190,000	0.21
833000	Equipment Maintenance	307,354	0.34	428,000	0.47	353,740	0.38
833001	Personal Computer Maintenance	6,156	0.01	6,000	0.01	6,000	0.01
836000	Radio Maintenance	9,914	0.01	8,500	0.01	7,100	0.01
837000	Retention Pond Maintenance	67,502	0.07	35,400	0.04	70,000	0.08
838000	Parks & Grounds Maintenance	25,623	0.03	30,000	0.03	25,000	0.03
902000	Publishing	15,438	0.02	19,380	0.02	18,480	0.02
903000	Printing	71,425	0.08	82,080	0.09	82,780	0.09
913000	Liability Insurance	5,068	0.01	5,100	0.01	5,100	0.01
915000	Other Insurance	19,260	0.02	19,260	0.02	19,260	0.02
921000	Electric	497,123	0.55	562,000	0.61	536,000	0.58
922000	Telephone	53,058	0.06	81,590	0.09	60,560	0.07
922001	Fiber Optic Lease Charges	45,327	0.05	45,330	0.05	55,750	0.06
923000	Gas - Fuel - Oil	195,115	0.22	223,000	0.24	222,000	0.24
924000	Street Lighting	931,125	1.03	1,002,530	1.09	945,000	1.03
925000	Water	151,601	0.17	161,400	0.18	175,500	0.19
942302	Building Rental - Act 302	22,733	0.03	0	0.00	0	0.00
944000	Hydrant Rental	159,750	0.18	162,950	0.18	166,210	0.18
945000	Other Rental	229,592	0.25	267,190	0.29	260,040	0.28
949000	Interpreter Fees	53,017	0.06	40,000	0.04	53,000	0.06
950000	Witness Fees	4,486	0.00	5,000	0.01	5,000	0.01
951000	Juror Fees	3,872	0.00	3,000	0.00	4,000	0.00

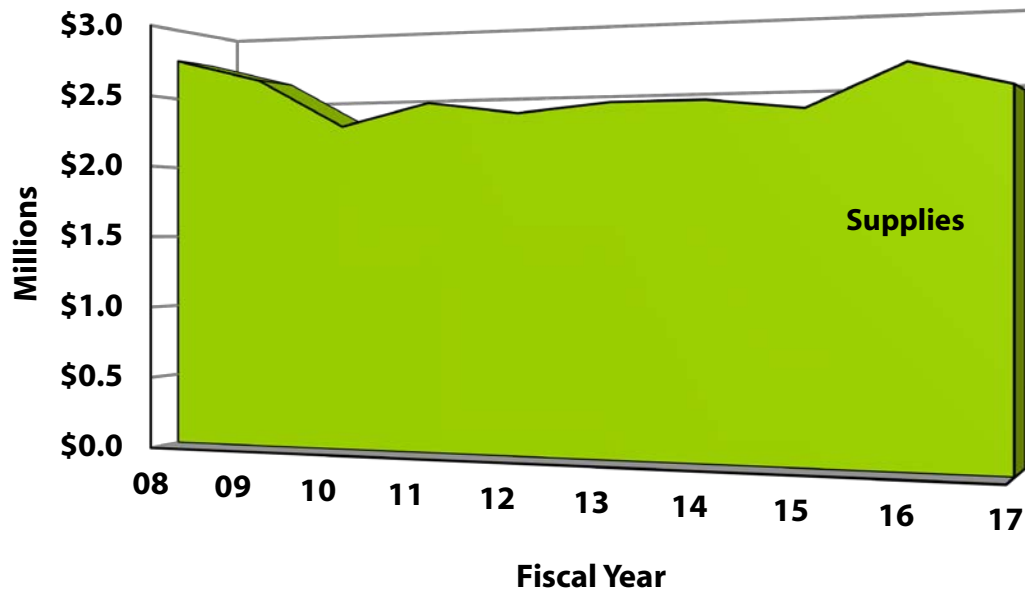
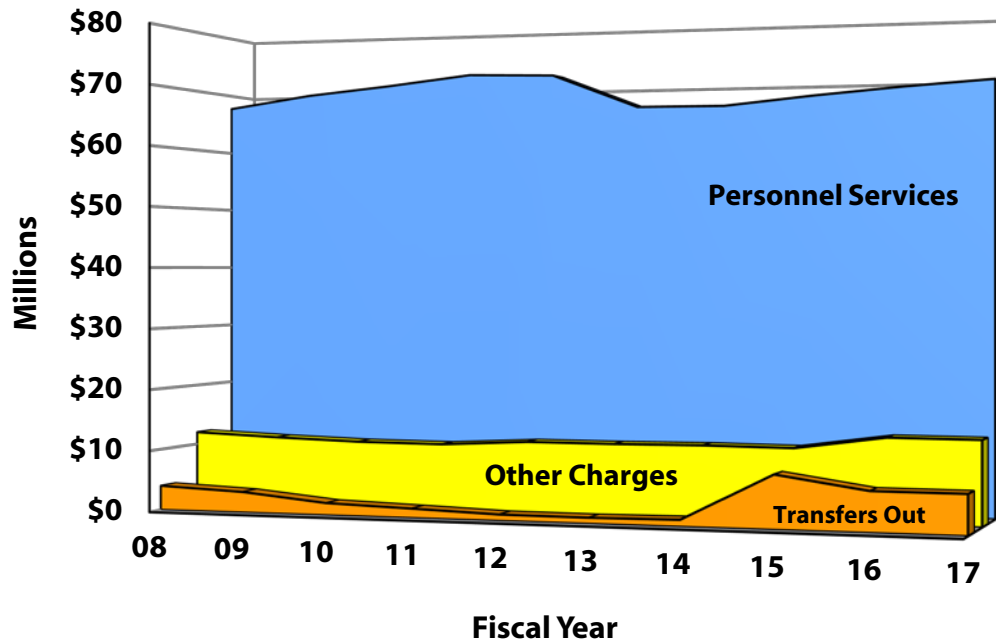
GENERAL FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
954000	Mileage	359	0.00	1,500	0.00	1,500	0.00
956000	Local Meetings	6,065	0.01	5,240	0.01	7,920	0.01
956002	Special Events	41	0.00	290	0.00	250	0.00
957000	Memberships & Dues	103,288	0.11	115,810	0.13	119,370	0.13
959000	Education & Training	106,800	0.12	149,900	0.16	159,730	0.17
959001	Education & Training - Grant	2,275	0.00	0	0.00	0	0.00
959302	Education & Training Act 302	7,700	0.01	0	0.00	0	0.00
959332	Education & Training Act 32	2,334	0.00	0	0.00	0	0.00
960000	Donation Expense Non-Capital	11,935	0.01	4,000	0.00	4,000	0.00
961000	Athletic Entry Fees	0	0.00	320	0.00	200	0.00
962000	Miscellaneous Expense	35,811	0.04	34,850	0.04	92,650	0.10
962001	Misc Exp - Cash - Short/Over	129	0.00	0	0.00	0	0.00
962002	Misc Exp - Police Forfeiture	0	0.00	0	0.00	250,000	0.27
969000	Contingency	0	0.00	34,310	0.04	0	0.00
	Total Other Charges	11,553,454	12.80	13,521,050	14.77	13,203,880	14.34
	TRANSFERS OUT						
999202	Transfer to Major Road Fund	2,800,000	3.10	0	0.00	500,000	0.54
999203	Transfer to Local Road Fund	0	0.00	0	0.00	400,000	0.43
999244	Transfer to L&W Conservation Fund	219,740	0.24	738,700	0.81	240,000	0.26
999369	Transfer to LTGO Debt Fund	312,675	0.35	322,380	0.35	356,080	0.39
999403	Transfer to Capital Projects Fund	4,812,020	5.33	4,960,240	5.42	4,499,420	4.89
999855	Transfer to EDC Fund	300,000	0.33	300,000	0.33	300,000	0.33
	Total Transfers Out	8,444,435	9.35	6,321,320	6.90	6,295,500	6.84
	Total General Fund	\$90,289,405	100.00	\$91,563,650	100.00	\$92,071,350	100.00

Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

General Fund Expenditure History



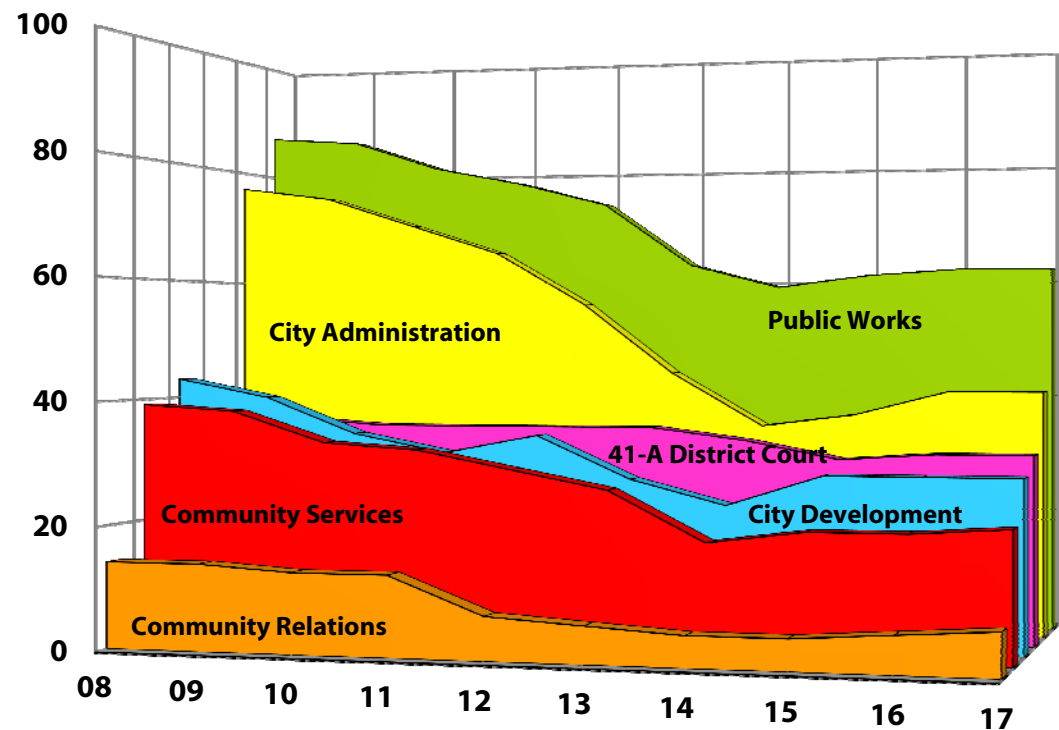
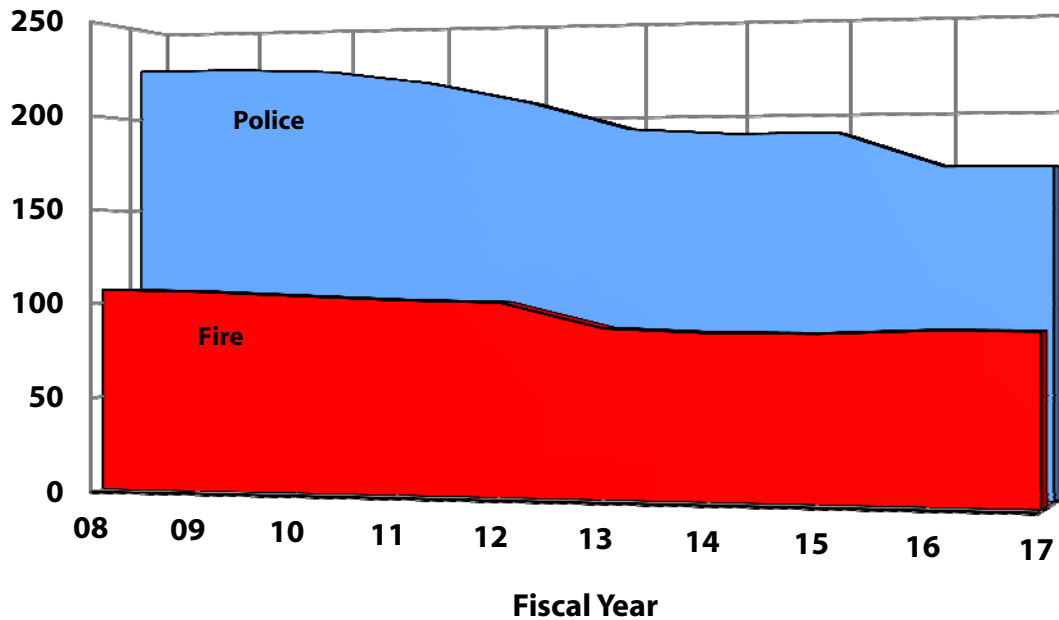
These graphs illustrate the expenditure category history for the General Fund.

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 2014/15		Budget 2015/16		Budget 2016/17	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>CITY ADMINISTRATION DEPARTMENT</u>						
	<u>CITY MANAGEMENT</u>						
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	
132,000	Deputy Human Resources Director	0		1		1	
59,467 - 66,799	Budget Management Coordinator	1		1		1	
42,057 - 47,006	Management Services Specialist	1		1		1	
41,053 - 53,289	Management Assistant	1		1		1	
44,075 - 51,488	Administrative Assistant	1		1		1	
	Administrative Assistant (P.T.)		1		1		0
21,617	Clerk Typist (P.T.)		0		0		1
	Total	7	1	8	1	8	1
	<u>CITY CLERK</u>						
79,402	City Clerk/Risk Manager	1		1		1	
85,395 - 119,396	Deputy City Clerk	0		1		1	
41,053 - 53,289	Management Assistant	2		2		2	
35,932 - 41,998	Senior Clerk	1		1		1	
26,826 - 32,572	Clerk Typist	0		1		1	
21,617	Clerk Typist (P.T.)		1		0		1
	Total	4	1	6	0	6	1
	<u>INFORMATION TECHNOLOGY</u>						
94,290 - 116,903	Information Technology Director	0		0		1	
	Information Technology Manager	1		1		0	
57,860 - 64,669	Senior Systems Analyst	2		2		2	
47,290 - 62,183	Information Technology Specialist	2		2		2	
	Total	5	0	5	0	5	0
	<u>ASSESSING</u>						
87,861 - 108,931	City Assessor	1		1		1	
60,361 - 76,456	Appraiser III	2		2		2	
	Appraiser III (P.T.)		1		1		0
53,346 - 67,571	Appraiser II	1		1		2	
51,862 - 59,120	Appraiser I	1		1		1	
47,331 - 55,296	Appraiser Aide	1		1		1	
21,617	Clerk Typist (P.T.)		1		1		1
	Total	6	2	6	2	7	1
	<u>FINANCIAL SERVICES</u>						
79,074 - 108,931	Controller	1		2		1	
59,467 - 66,799	Accountant	1	2	1		1	
20,040 - 41,621	Accountant (P.T.)				2		2
39,667 - 51,488	Senior Account Clerk	2		2		2	
21,199	Account Clerk (P.T.)		1		2		2
	Co-op (P.T.)		1		0		0
	Total	4	4	5	4	4	4
	<u>PURCHASING</u>						
68,993	Purchasing Manager	1		1		1	
55,635 - 62,183	Purchasing Specialist	1		1		1	
44,075 - 51,488	Administrative Assistant	1		1		1	
	Total	3	0	3	0	3	0

PERSONNEL SUMMARY

	OFFICE	Budget 2014/15		Budget 2015/16		Budget 2016/17	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>TREASURY</u>						
87,861 - 108,931	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	
45,615 - 53,289	Management Assistant	1		1		1	
44,075 - 51,488	Senior Account Clerk	2		2		2	
36,903 - 46,664	Account Clerk	2		2		2	
14,000 - 26,470	Account Clerk (P.T.)		2		2		3
	Total	8	2	8	2	8	3
	Total City Administration Department	37	10	41	9	41	10
	<u>PUBLIC LIBRARY DEPARTMENT</u>						
94,290 - 116,903	Public Library Director	0		0		1	
	Community Service Director/Library Director	1		1		0	
59,467 - 67,460	Library Service Area Coordinator	2		2		2	
57,870 - 65,317	Public Relations & Programs Coordinator	1		1		1	
55,563 - 62,405	Librarian	2		2		2	
24,548 - 38,404	Librarian (P.T.)		8		10		10
51,862 - 59,120	Circulation Supervisor	1		1		1	
45,615 - 53,289	Management Assistant	1		1		1	
44,075 - 51,488	Library Assistant II	3		3		3	
40,936 - 47,824	Library Assistant I	1		1		1	
	Library Clerk	1		0		0	
16,606 - 25,068	Library Clerk (P.T.)		5		6		6
11,739 - 15,101	Library Page (P.T.)		10		10		10
	Total Public Library Department	13	23	12	26	12	26
	<u>PARKS & RECREATION DEPARTMENT</u>						
87,861 - 108,931	Parks & Recreation Director	0		0		1	
	Parks & Recreation Manager	1		1		0	
49,189 - 65,317	Recreation Supervisor	1		2		4	
	Recreation Supervisor (P.T.)		2		1		0
	Recreation Specialist	1		1		0	
44,075 - 51,488	Administrative Assistant	1		1		1	
35,932 - 46,664	Program & Services Assistant	2		2		2	
28,717	Program & Services Assistant (P.T.)		1		1		1
35,932 - 41,998	Senior Clerk	1		1		1	
	Total Parks & Recreation Department	7	3	8	2	9	1
	<u>POLICE DEPARTMENT</u>						
	<u>POLICE ADMINISTRATION</u>						
88,999 - 124,125	Chief of Police	1		1		1	
107,305 - 110,089	Captain	1		1		1	
98,012 - 102,460	Lieutenant	1		1		1	
88,611 - 93,214	Sergeant	2		2		2	
44,705 - 77,553	Police Officer	2		2		2	
37,578 - 52,170	Secretary to Chief	1		1		1	
36,578 - 51,170	Administrative Secretary	4		4		4	
25,968 - 44,645	Technical Secretary	1		1		1	
	Total	13	0	13	0	13	0

PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2014/15		Budget 2015/16		Budget 2016/17	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>POLICE INVESTIGATIONS</u>						
107,655 - 110,089	Captain	0		1		1	
98,012 - 102,460	Lieutenant	2		2		2	
88,611 - 93,214	Sergeant	4		4		4	
44,705 - 77,553	Police Officer	24		24		25	
36,578 - 51,170	Administrative Secretary	2		2		2	
25,968 - 44,645	Technical Secretary	2		2		2	
	Total	34	0	35	0	36	0
	<u>POLICE OPERATIONS</u>						
107,655 - 110,089	Captain	1		1		1	
98,012 - 102,460	Lieutenant	4		4		4	
88,611 - 93,214	Sergeant	16		16		16	
44,705 - 77,553	Police Officer	89		89		88	
36,578 - 51,170	Administrative Secretary	2		2		2	
25,968 - 44,645	Technical Secretary	1		1		1	
158,500	Crossing Guards (P.T.)		30		30		30
	Total	113	30	113	30	112	30
	<u>POLICE SUPPORT SERVICES</u>						
88,611 - 93,214	Sergeant	2		1		1	
	Communications Officer - Shift Leader	4		0		0	
	Communications Officer	16		0		0	
30,589	Laboratory Technician (P.T.)		1		1		1
37,578 - 52,170	Evidence Clerk	1		1		1	
36,578 - 51,170	Administrative Secretary	2		2		2	
36,866 - 41,822	Animal Control Officer	0		2		2	
	Animal Control Officer (P.T.)		2		0		0
32,851 - 46,304	Terminal Agency Coordinator	1		1		1	
25,968 - 44,645	Technical Secretary	3		3		3	
	Total	29	3	10	1	10	1
	Total Police Department	189	33	171	31	171	31
	<u>FIRE DEPARTMENT</u>						
	<u>FIRE ADMINISTRATION</u>						
82,547	Fire Chief	1		1		1	
104,611 - 113,486	Division Chief/Assistant Fire Chief	1		1		1	
95,973 - 104,595	Chief of Training	1		1		1	
94,207 - 97,802	EMS Coordinator	1		1		1	
89,765 - 93,274	Training Officer	1		1		1	
47,331 - 55,296	Fire Services Specialist	1		1		1	
45,615 - 53,289	Management Assistant	1		1		1	
44,075 - 51,488	Administrative Assistant	1		1		1	
8,831	Co-op (P.T.)		0		0		1
	Total	8	0	8	0	8	1
	<u>FIRE EXTINGUISHMENT</u>						
94,094 - 99,615	Battalion Chief	3		3		3	
90,670 - 95,993	Captain-Advanced Life Support	3		5		5	
85,540 - 90,559	Captain	2		0		0	
82,365 - 88,067	Lieutenant-Advanced Life Support	15		13		13	
77,704 - 83,083	Lieutenant	1		3		3	
77,389 - 78,889	Sergeant - Fire Engine Operator	9		9		9	
43,062 - 76,579	Fire Fighter-Advanced Life Support	30		30		30	
42,249 - 75,134	Fire Fighter-Fire Engine Operator	12		12		12	
	Total	75	0	75	0	75	0

PERSONNEL SUMMARY

	OFFICE	Budget 2014/15		Budget 2015/16		Budget 2016/17	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>FIRE PREVENTION</u>						
95,973 - 104,595	Fire Marshal	1		1		1	
89,765 - 93,274	Fire Inspector	1		3		3	
82,356 - 85,575	Fire Prevention Specialist	1		1		1	
	Total	3	0	5	0	5	0
	Total Fire Department	86	0	88	0	88	1
	<u>PUBLIC WORKS DEPARTMENT</u>						
	<u>FLEET MAINTENANCE</u>						
62,259 - 82,068	Division Supervisor	0		0		1	
	Maintenance Supervisor	1		1		0	
48,160 - 62,342	Mechanic	9		9		9	
45,230 - 56,779	Storekeeper	1		1		1	
22,360	Seasonal Laborer (P.T.)		0		1		1
	Total	11	0	11	1	11	1
	<u>PARKS & GROUNDS MAINTENANCE</u>						
62,259 - 82,068	Division Supervisor	1		1		1	
45,230 - 56,779	Parks & Grounds Maintenance Worker	3		3		3	
29,106 - 55,145	Laborer	1		1		1	
4,200 - 24,500	Seasonal Laborer (P.T.)		9		12		12
	Total	5	9	5	12	5	12
	<u>REFUSE COLLECTION</u>						
26,470	Account Clerk (P.T.)		1		1		1
22,880 - 25,480	Seasonal Laborer (P.T.)		4		4		4
	Total	0	5	0	5	0	5
	<u>STREET SERVICES</u>						
62,259 - 82,068	Division Supervisor	1		1		1	
50,401 - 62,342	Equipment Operator A	1		1		1	
47,392 - 59,150	Equipment Operator B	7		7		7	
47,392 - 59,150	Traffic Sign Worker	2		2		2	
47,392 - 59,150	Street Services Inspector	1		1		1	
45,230 - 56,779	Equipment Operator C	2		2		2	
29,106 - 55,145	Laborer	3		5		4	
4,200 - 22,050	Seasonal Laborer (P.T.)		4		6		6
	Total	17	4	19	6	18	6
	Total Public Works Department	33	18	35	24	34	24
	<u>CITY DEVELOPMENT DEPARTMENT</u>						
	<u>BUILDING & FACILITIES MAINTENANCE</u>						
93,834 - 116,335	Building Official/Facilities Maintenance Manager	1		1		1	
81,097 - 85,841	Building Plan Review Coordinator	1		1		1	
62,981 - 77,818	Building Inspector/Code Enforcement Officer	1		1		1	
62,981 - 77,818	Plumbing Inspector/Code Enforcement Officer	1		1		1	
62,981 - 77,818	Electrical Inspector/Code Enforcement Officer	1		1		1	
62,981 - 77,818	Mechanical Inspector/Code Enforcement Officer	1		1		1	
42,418	Building Inspector (P.T.)		0		1		1
51,533 - 60,038	Lead Facilities Maintenance Mechanic	1		1		1	
47,168 - 54,716	Facilities Maintenance Mechanic	2		2		2	
	Total	9	0	9	1	9	1

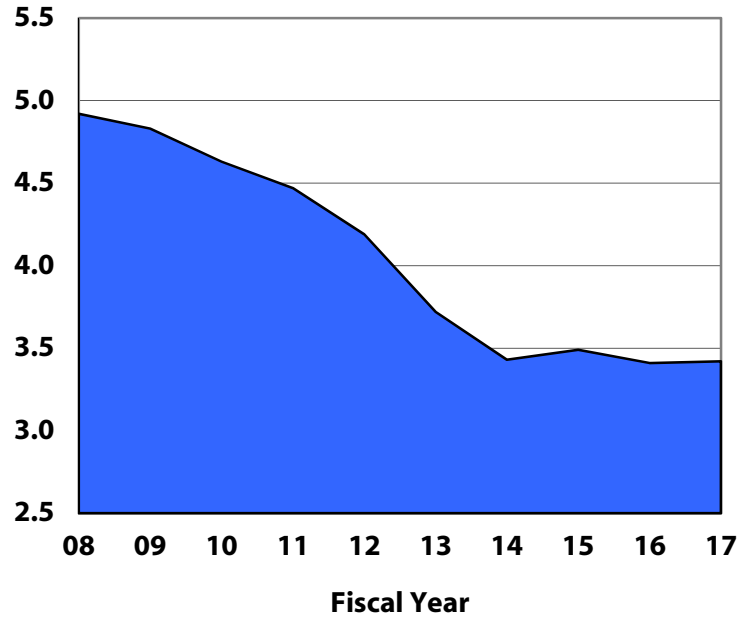
PERSONNEL SUMMARY

Current Pay Range	OFFICE	Budget 2014/15		Budget 2015/16		Budget 2016/17	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
51,862 - 59,120	<u>ECONOMIC DEVELOPMENT</u>						
	Economic Development Manager	1		0		0	
	Building Services Specialist - Velocity	0		0		1	
	Management Assistant	1		1		0	
	Total	2	0	1	0	1	0
	<u>ENGINEERING</u>						
	93,834 - 116,335 City Engineer	1		1		1	
	63,503 - 82,437 Civil Engineer II	2		1		2	
	Civil Engineer I	0		1		0	
	70,560 - 82,437 CAD/GIS Coordinator	1		1		1	
28,847 8,831	50,555 - 71,814 Lead Engineering Inspector	1		1		1	
	49,055 - 70,314 Engineering Aide	3		3		3	
	Engineering Aide (P.T.)		1		1		1
	Co-op (P.T.)		1		1		1
	Total	8	2	8	2	8	2
	<u>NEIGHBORHOOD SERVICES</u>						
	94,883 - 119,396 City Development Director	0		1		1	
	83,677 - 103,744 City Development Manager	1		1		1	
	76,028 - 80,476 Code Enforcement Coordinator	1		1		1	
	55,206 - 62,320 HUD Program Coordinator	1		1		1	
58,140 - 66,271	Neighborhood Property Maintenance Code Officer	1		1		1	
	Neighborhood Liaison Specialist	1		0		0	
	41,053 - 53,289 Management Assistant	2		2		2	
	44,075 - 51,488 Administrative Assistant	1		1		1	
	35,932 - 41,998 Senior Clerk	1		1		1	
	25,061 - 30,995 Code Enforcement Officer (P.T.)		5		6		8
	21,617 Clerk Typist (P.T.)		2		2		2
	8,790 CDBG Intern (P.T.)		1		1		1
	Total	9	8	9	9	9	11
	<u>PLANNING</u>						
79,074 - 108,931	City Planner	0		1		1	
	City Planner (P.T.)		1		1		0
	Total	0	1	1	1	1	0
Total City Development Department		28	11	28	13	28	14
<u>COMMUNITY RELATIONS DEPARTMENT</u>							
85,393 - 113,949	Community Relations Director	1		1		1	
	Broadcast Services Manager (P.T.)		1		0		0
62,488 - 70,700	Broadcast Services Coordinator	1		1		1	
53,082 - 59,921	Broadcast Programming Specialist	0		1		1	
53,082 - 59,921	Digital Content Coordinator	0		0		1	
49,479 - 55,302	Management Services Specialist	1		1		1	
48,510 - 54,217	Citizen Services Specialist	1		1		1	
45,413 - 53,067	Printing Technician II	1		1		1	
30,450	Graphic Specialist (P.T.)		1		1		1
Total Community Relations Department		5	2	6	1	7	1

PERSONNEL SUMMARY

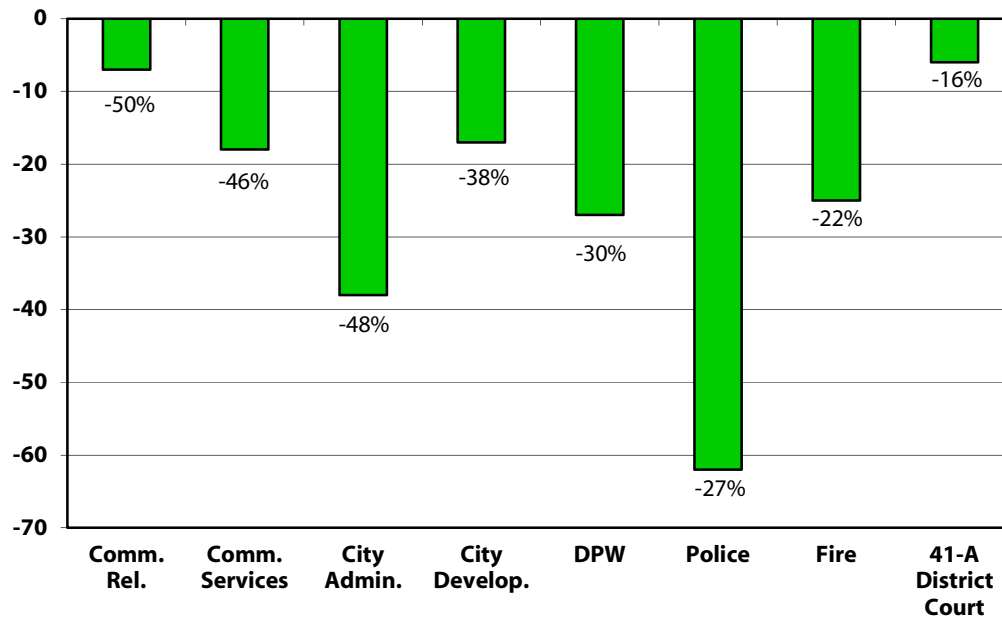
Current Pay Range	OFFICE	Budget 2014/15		Budget 2015/16		Budget 2016/17	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<u>41-A DISTRICT COURT</u>						
45,724	Judge	3		3		3	
121,800	Court Administrator/Magistrate	0		0		1	
	Magistrate/Director of Probation	1		1		0	
	Court Administrator	1		1		0	
71,050	Chief Probation Officer	0		0		1	
65,975	Chief Deputy Clerk	1		1		1	
59,280	Court Recorder	3		3		3	
55,151	Court Officer	3		3		3	
48,213	Probation Officer	1		1		1	
30,669 - 44,860	Deputy Clerk	17		18		18	
16,150 - 22,404	Deputy Clerk (P.T.)		5		6		7
13,074	Security Guards (P.T.)		4		4		3
	Total 41-A District Court	30	9	31	10	31	10
	Total General Fund	428	109	420	116	421	118
	<u>WATER & SEWER FUND</u>						
	<u>WATER & SEWER ADMINISTRATION</u>						
98,888 - 124,125	Public Works Director	1		1		1	
70,511 - 92,998	Operations Manager	1		1		1	
65,289 - 86,079	General Supervisor	1		1		1	
44,075 - 51,488	Senior Account Clerk	1		1		1	
29,944 - 44,976	Clerk Dispatcher	1		1		1	
29,807 - 43,765	Clerk Typist	1		1		1	
4,813	Seasonal Laborer (P.T.)		0		3		3
	Total	6	0	6	3	6	3
	<u>WATER DISTRIBUTION</u>						
	Division Supervisor	1		1		0	
55,246 - 69,758	Maintenance Supervisor	0		0		1	
47,392 - 59,150	Water Inspector	2		2		2	
47,392 - 59,150	Water Service Worker	4		4		4	
45,230 - 56,779	Meter Repair/Installer	2		2		2	
11,250 - 14,700	Seasonal Laborer (P.T.)		3		4		4
	Total	9	3	9	4	9	4
	<u>SEWAGE COLLECTION</u>						
	Division Supervisor	1		1		0	
55,246 - 69,758	Maintenance Supervisor	0		0		1	
48,160 - 59,883	Plant Operator/Mechanic	2		2		2	
47,392 - 59,150	Sewer Service Worker (Clean)	2		2		2	
47,392 - 59,150	Water/Sewage Inspector	2		2		2	
45,230 - 57,894	Sewer Service Worker (Maint.)	1		1		1	
29,106 - 55,145	Laborer	5		4		5	
2,700 - 23,888	Seasonal Laborer (P.T.)		4		5		5
	Total	13	4	12	5	13	5
	Total Water & Sewer Fund	28	7	27	12	28	12
	Total All Funds	456	116	447	128	449	130

Full-time Employees per 1,000 Population



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

Full-time Staffing Reductions By Department Since 2002



The City's full time staffing has decreased by 200 positions or 31% since 2002.

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

~ Aristotle ~



Legislative



The Sterling Heights City Council (L-R)
Councilman Doug Skrzyniarz
Mayor Pro Tem 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 current Mayor and City Council members have a combined total of over 75 years of experience on City Council?

City Council

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	3	4	3	4	4	4
	Public Hearings Held	10	12	5	15	8	10
	Ordinances and Amendments Adopted	16	10	14	15	15	16
	Agenda Items Reviewed and Acted Upon	249	252	279	250	270	270
	City Council Members Attending Training Sessions	1	6	4	6	6	5
	"Nice Neighbor" Awards Presented	9	10	11	12	12	12
Effectiveness	City Council Member Attendance at Council Mtgs.	97%	97%	98%	100%	98%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	100%	100%
	% Diff. from Proposed to Adopted Budget (G.F.)	-0.01%	0.00%	0.02%	0.00%	0.35%	0.00%
	Activity Expenditures as % of General Fund	0.16%	0.16%	0.14%	0.15%	0.15%	0.15%

City Council

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.7%.

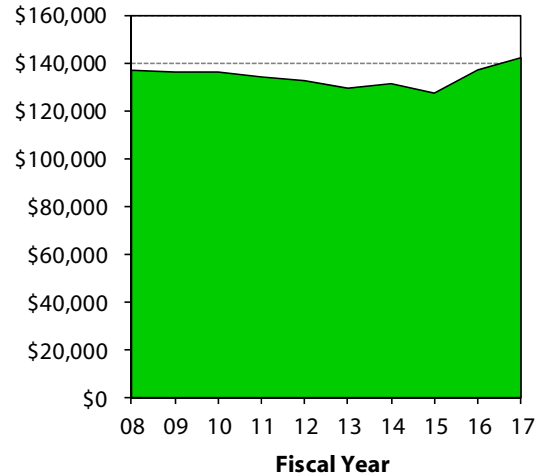
Personnel Services – The total Personnel budget increased by \$3,840 or 3.0% to reflect a slight increase in wages for the Mayor and City Council members as recommended by the Elected Officials Compensation Commission in February 2015.

Supplies – Total Supplies increased \$180 or 17.3%. \$200 was added to the budget based on the higher cost and greater need for operating supplies in recent years. Postage costs can be reduced \$20, as fewer mailings are required.

Other Charges – Total Other Charges increased \$1,100 or 14.4%. The training budget increased \$1,380 due to greater participation and higher costs to attend the annual MML convention on Mackinac Island next year. Funding for local meetings rose \$600 based on recent years' expenditure levels. \$20 was added for the higher rental cost of the Bresser's Cross Index Directory. Telephone costs decreased \$500 based on a more accurate estimate of costs, as a wireless phone was recently eliminated. \$390 was saved, as funding for possible new memberships in the current year has not been needed.

Capital – There is no Capital proposed for this activity.

Expenditure History



FUNDING LEVEL SUMMARY

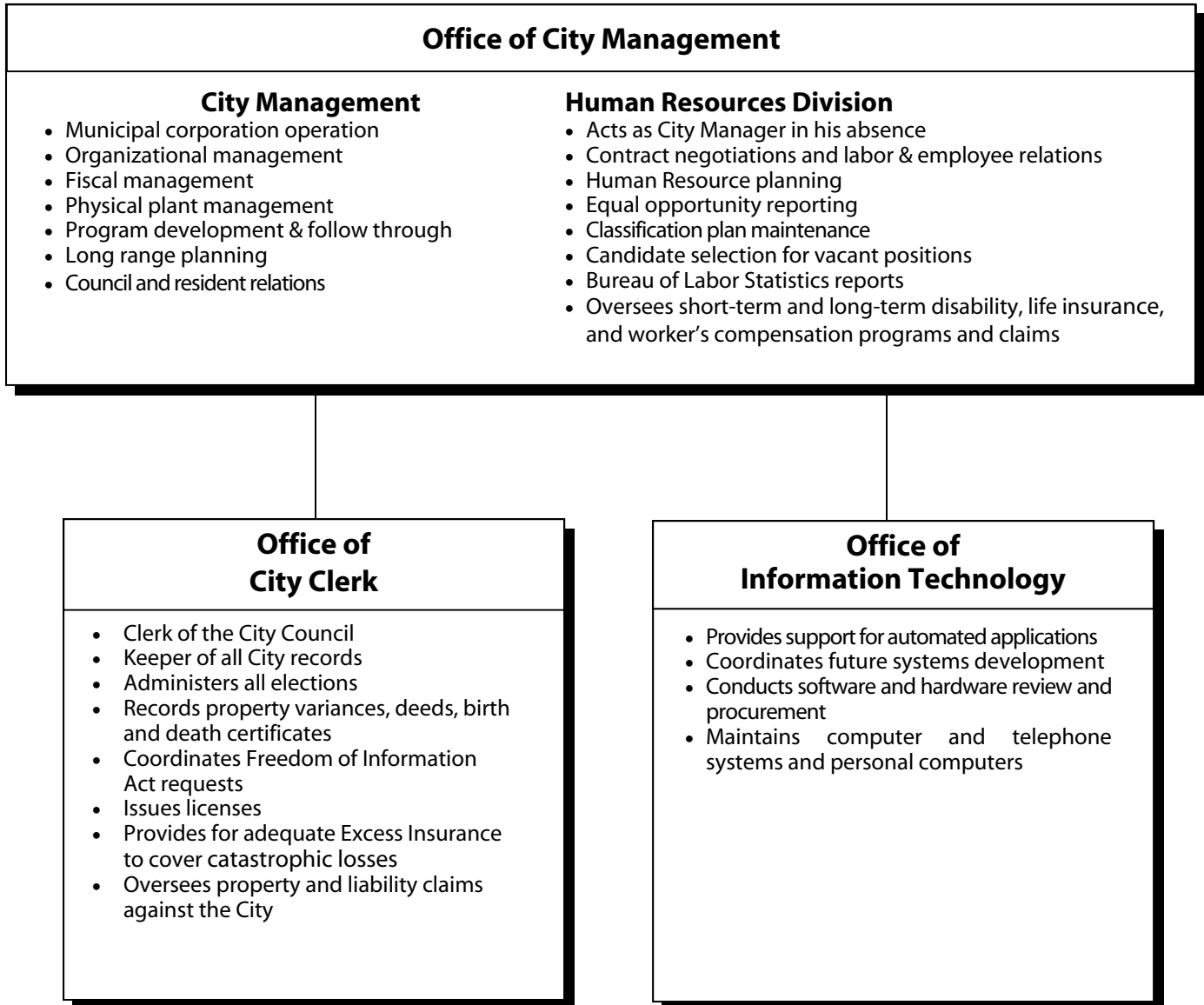
	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$120,383	\$128,380	\$128,380	\$132,220	\$132,220
Supplies	1,186	1,040	1,220	1,220	1,220
Other Charges	5,792	7,630	8,050	8,730	8,730
Total	\$127,361	\$137,050	\$137,650	\$142,170	\$142,170

City Administration Department



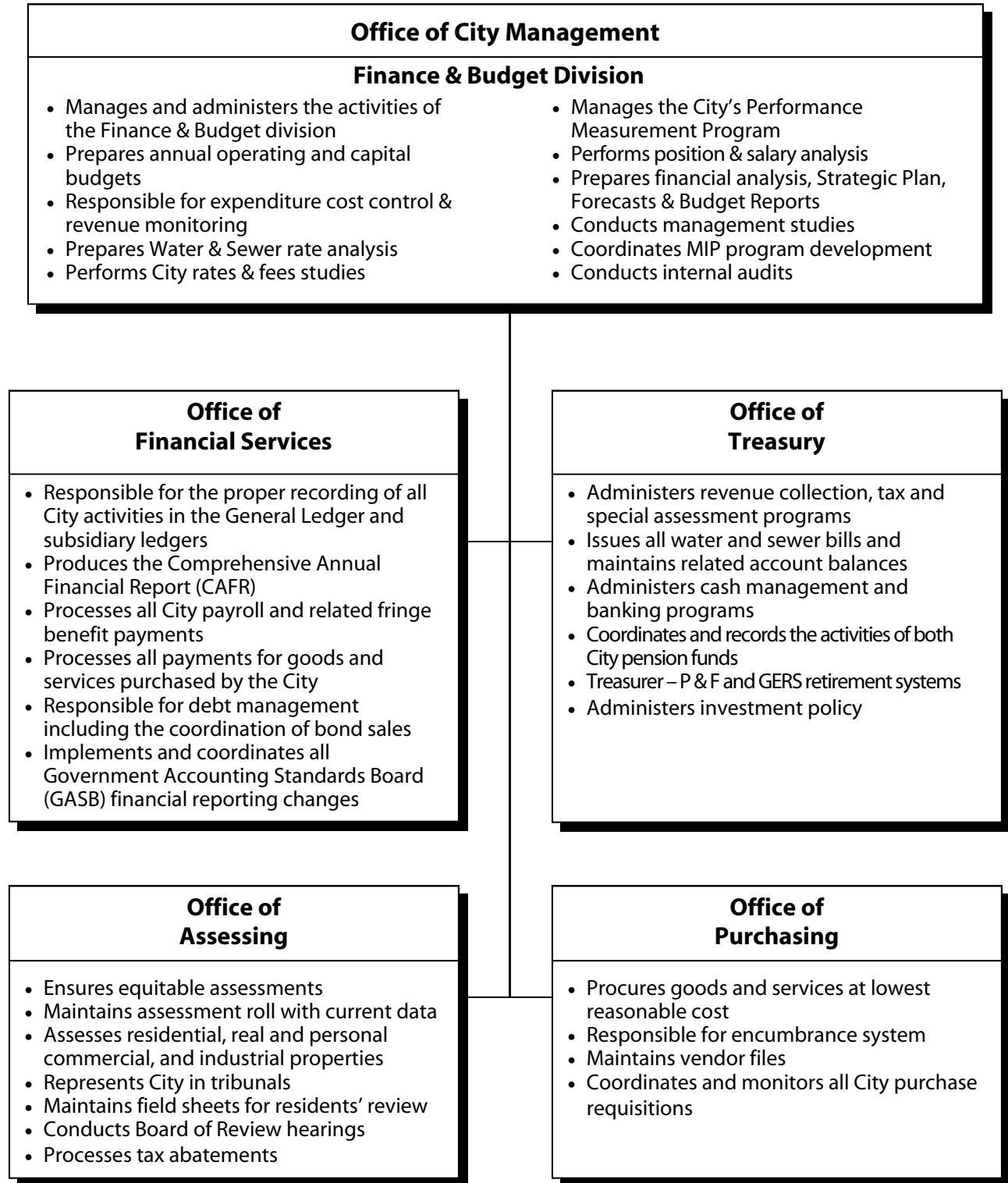
FUNCTIONAL ORGANIZATION CHART

City Administration Department



FUNCTIONAL ORGANIZATION CHART

City Administration Department (continued)



DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

City Administration increased \$132,920 or 2.3%. Personnel costs increased \$120,970 or 2.4%, primarily due to the full year funding for a replacement Human Resources Director and City Clerk, which is part of the City's succession planning efforts. A new full-time Assessing Appraiser position is budgeted in lieu of the previous part-time position. In addition, increased election worker costs are funded as a result of the upcoming Presidential election and a new part-time Clerical position in Treasury for assistance with water and sewer billing issues. Savings due to the recent retirement of a Controller in Financial Services partially offset these costs. Supplies decreased \$6,670 or 3.3% as there will be no City election ballot costs as the County

Clerk's Office will supply the ballots for non-City elections. Other Charges rose \$18,620 or 3.2% primarily due to changes in the way bank fees are expensed, which will be more than fully offset by increased interest revenue. Savings due to the lower cost for the animal licensing contract were partially offset by increased fiber optic networking system lease fees. The Capital Budget funds the replacement of the City's networking infrastructure, a replacement server for storing backup data, an archiver to better store and manage the City's e-mail system, and the replacement of personal computers for Human Resources, Purchasing and Treasury.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
City Management	\$848,150	\$929,190	\$1,006,370	\$1,137,530	13.0%
City Clerk	542,500	707,340	771,890	854,660	10.7%
Information Technology	871,860	878,360	908,880	908,010	-0.1%
Assessing	827,380	844,860	880,940	921,780	4.6%
Financial Services	776,950	868,810	925,800	767,890	-17.1%
Purchasing	274,060	311,350	321,910	318,430	-1.1%
Treasury	1,014,380	1,044,510	1,087,500	1,127,910	3.7%
Total Department	\$5,155,280	\$5,584,420	\$5,903,290	\$6,036,210	2.3%
Personnel Services	\$4,488,330	\$4,871,030	\$5,128,640	\$5,249,610	2.4%
Supplies	179,500	188,060	200,210	193,540	-3.3%
Other Charges	487,450	525,330	574,440	593,060	3.2%
Total Department	\$5,155,280	\$5,584,420	\$5,903,290	\$6,036,210	2.3%

PERSONNEL SUMMARY

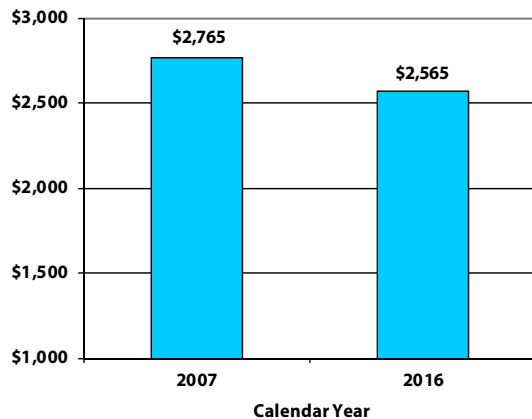
	2013/14		2014/15		2015/16		2016/17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	6	2	7	1	8	1	8	1
City Clerk	3	2	4	1	6	0	6	1
Information Technology	5	0	5	0	5	0	5	0
Assessing	5	3	6	2	6	2	7	1
Financial Services	4	4	4	4	5	4	4	4
Purchasing	2	1	3	0	3	0	3	0
Treasury	8	2	8	2	8	2	8	3
Total Department	33	14	37	10	41	9	41	10

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 \$200 or 7.2% less than it was nine years ago due to lower property assessments. In addition, the inflationary adjustment in taxable value in 2014 and 2015 was only 1.6%, and only 0.3% in 2016 which is the lowest increase in the past 22 years.

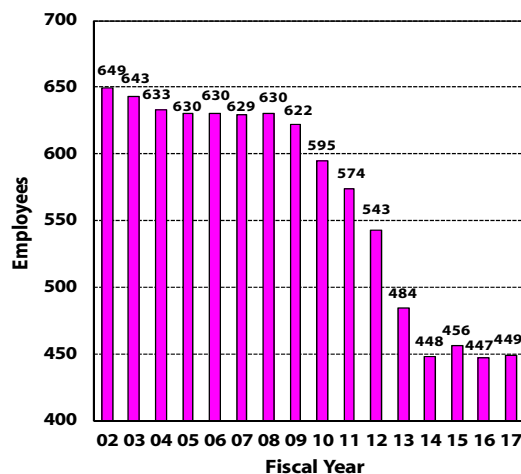
Macomb City Tax Rates

1. Centerline	38.65
2. Warren	27.87
3. Eastpointe	25.96
4. Roseville	24.85
5. Fraser	23.26
6. Utica	22.50
7. Mount Clemens	22.13
8. St. Clair Shores	21.26
9. Richmond	16.65
10. STERLING HEIGHTS	15.19

Macomb Average: 21.10 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 5.9 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 200 positions between 2002 and 2017, saving \$15.6 million annually.

Full-Time Employees Per 1,000 Residents

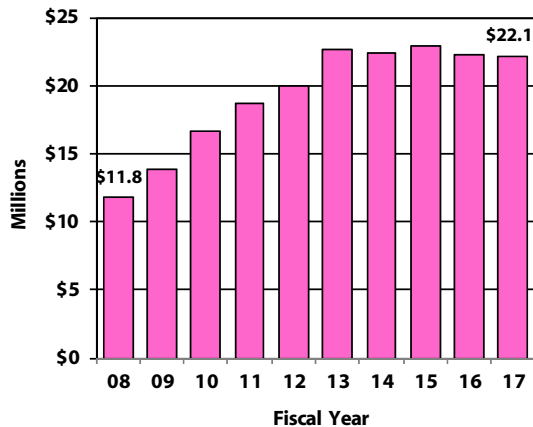
1. Grand Rapids	7.9
2. Lansing	7.4
3. Dearborn	7.1
4. Southfield	7.1
5. Ann Arbor	6.3
6. Livonia	5.7
7. Warren	5.2
8. Farmington Hills	4.3
9. Troy	4.2
10. STERLING HEIGHTS	3.5

Based on current staffing data and the 2010 census, Sterling Heights has 3.5 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

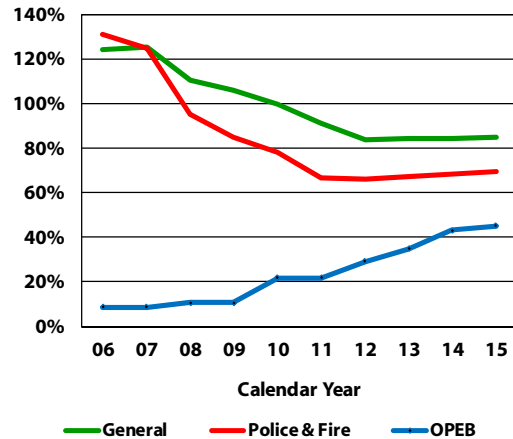
City Administration Department (continued)

Contributions to Fund Retirement Liabilities



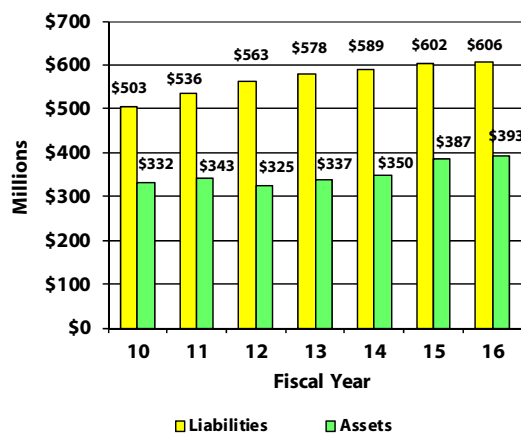
The City annually contributes 100% of the actuarially required funding for all long-term retiree liabilities including police & fire pensions, general employee pensions, and retiree medical. The amounts contributed have increased from \$11.8 million in 2008 to \$22.1 million in 2017. 49% of the increase is to fund police & fire pensions.

City Pension Systems Percent Funded



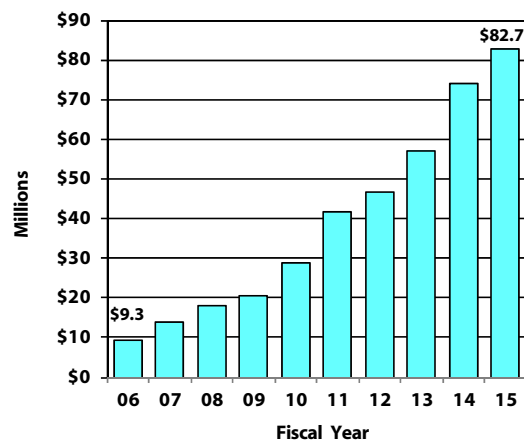
Both the General Employees and Police & Fire pension systems have seen a decrease in funding levels due to prior year declines in the stock market. The General Employees pension system and retiree medical plans are closed to new members. In addition, all employee pensions and medical benefits have been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

Long-Term Retirement Assets vs. Liabilities



\$393 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 has earned the GFOA's Distinguished Budget Presentation Award for the past 29 years?

City Management

2016/17 INTENTION STATEMENTS

(City Management)

1. To provide continued direction to the City's Economic Development Team with focus on the completion of the Industrial Corridor Master Plan and the development of Sterling Enterprise Park, the former Utica Transit site on North Van Dyke, and other major industrial sites. (City Goal 1, 4, 6, 12, 20, 21, 22)
2. To work with City stakeholders and community groups to foster an even stronger understanding of diversity and tolerance under the principles of Welcoming Michigan. (City Goal 19, 24)
3. To ensure that all development projects and major initiatives are consistent with the City's Visioning 2030 Plan. (City Goal 1, 2, 4, 6, 16, 19, 23)
4. To move forward with place making initiatives, including neighborhood park improvements, the potential construction of a new community center, the completion of the Clinton River grant project and implementation of a public art program. (City Goal 2, 14, 16, 18, 19)
5. To strategically focus resources to spur continued retail development in areas such as Lakeside, Mound and M-59, Schoenherr and 14 Mile Road, Ryan and 14 Mile Road, 18 Mile and Dequindre, and other targeted areas of interest. (City Goal 2, 12, 13, 20, 21, 22)
6. To ensure the City's final succession planning phase is implemented, while providing the required training for new and emerging leaders throughout the organization. (City Goal 2, 5)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Admin. Policy and Procedure Orders Processed	4	1	1	3	70	3
	False Alarm Appeals Processed	53	44	45	50	50	50
	Special Reports Researched & Written	17	21	20	20	20	20
	Special Projects Researched & Developed	17	14	15	20	17	17
	Policy Resolutions Presented to Council	8	9	9	10	10	10
	Legislative Issues Monitored	7	5	8	8	12	12
	Neighborhood/Business Meetings Facilitated	6	5	6	6	6	8
	Intergovernmental Relation Contacts	123	130	140	125	125	140
	New Programs & Policies Developed	7	6	6	7	7	6
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%	99%	100%
	% of Meetings Attended within 7 days of Request	100%	100%	100%	100%	100%	100%
	% of Resident Inquiries Responded to w/i 48 hours	N/A	N/A	90%	100%	98%	100%
	Activity Expenditures as % of General Fund	1.34%	1.04%	1.03%	1.10%	1.02%	1.24%

City Management

2016/17 PERFORMANCE OBJECTIVES

(Finance & Budget)

1. To assist in developing financial and millage information and to coordinate the bond financing for a possible Parks & Recreation community investment initiative. (City Goal 4, 8, 16, 19)
2. To conduct a survey of other communities' policies for employee-owned cell and SMART phones used for City business in lieu of City-owned devices, to work with Human Resources, and evaluate the current policy to determine if any user, plan, or reimbursement rate adjustments can be made to achieve further City cost-savings. (City Goal 3, 6)
3. To analyze the potential benefits of participating in a Macomb water authority or partnering with another community as part of the City's upcoming contract reopener for maximum day and peak hour usage factors. (City Goal 3, 4, 6, 16)
4. To improve the look of the City's budget by using more color throughout the document, and to develop hyperlinks for the on-line budget to allow users to better locate key information. (City Goal 23, 24, 25)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	City Budgeted Funds Monitored (Millions)	\$138.1	\$143.6	\$161.1	\$177.9	\$175.4	\$170.0
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	45	26	22	35	25	25
	Management & Labor Cost Studies Conducted	40	35	22	25	20	20
	City Council Agenda Statements Reviewed	249	252	279	250	270	270
	Municipal Improvement Plan (MIP) Prepared	0	0	0	1	0	1
	Travel Requests Reviewed for Policy Compliance	119	137	128	150	140	150
	Years Member of ICMA Center for Perf. Measurement	8	8	8	8	8	8
	G.F.O.A. Budgets Reviewed	5	0	0	0	0	0
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa1,AA+,AA	Aa1,AA+,AA
	City's Fiscal Indicator Score	5	4	3	2	2	2
	General Fund Expenditures Per Capita	\$628	\$626	\$691	\$699	\$690	\$701
	Government Debt Per Capita	\$190	\$160	\$135	\$115	\$115	\$175
	OPEB Ann'l Required Contribution Funded (Millions)	\$12.0	\$12.2	\$12.3	\$11.6	\$11.6	\$11.5
	OPEB Trust Funding Status	29.1%	29.1%	43.0%	47.0%	46.0%	48.0%
	Services Delivered Via Cooperative Venture	55	58	61	64	64	65
	Accuracy Forecasting Expenditures - General Fund	100.1%	99.6%	98.8%	100.0%	98.8%	100.0%
	Accuracy Forecasting Revenues - General Fund	100.1%	99.6%	99.4%	100.0%	101.0%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	26	27	28	29	29	30
	Savings from Reviewing Travel Requests	\$1,214	\$1,084	\$1,565	\$1,200	\$1,000	\$1,200
	Average Cost to Review a Travel Request	\$6.62	\$6.29	\$6.42	*	*	*

*Cost is calculated for "Actual" columns only.

City Management

2016/17 PERFORMANCE OBJECTIVES

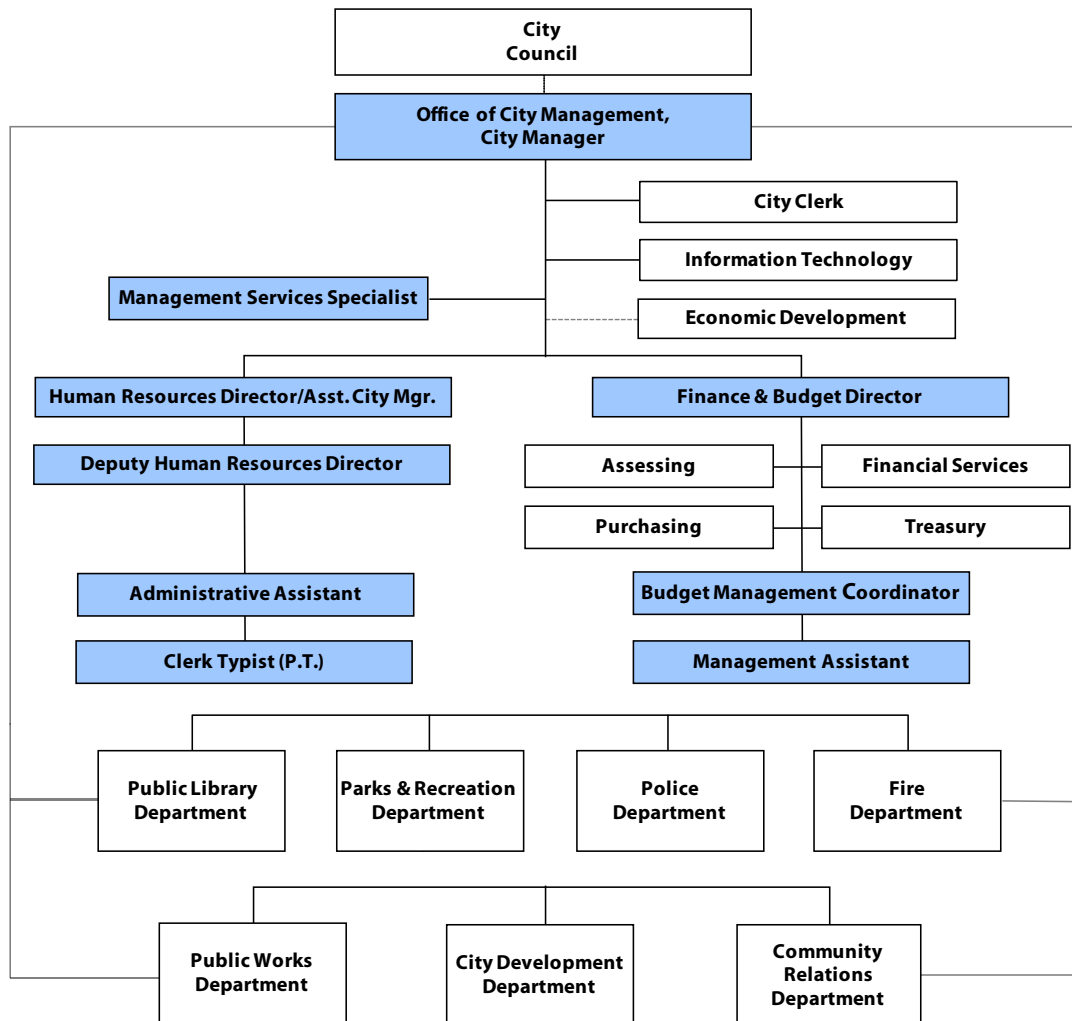
(Human Resources)

1. To negotiate three open labor contracts including DPW Field, DPW Supervisors and Police Officers. (City Goal 2, 4, 6)
2. To implement a succession training program for the Human Resources Director including risk management duties. (City Goal 2, 6)
3. To study the feasibility of implementing an employer sponsored health and wellness center. (City Goal 3, 4, 6)
4. To implement online open enrollment for employee benefits. (City Goal 3, 4, 6, 23)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Promotional Job Postings	22	28	28	18	22	21
	Open Competitive Job Postings	18	5	10	6	10	8
	Applications Reviewed & Processed	836	332	564	420	521	410
	Employees Hired (Full-time/Part-time)	4/90	6/91	27/91	20/90	32/92	22/92
	Police/Fire Promotional Tests	1	1	1	2	3	1
	Labor Contracts Settled (Incl. Re-opened Contracts)	6	2	4	2	2	3
	Worker's Compensation Incident Reports	15	19	29	15	28	21
	Short-Term Disability Claims Handled	16	24	9	25	25	20
	Open Long-Term Disability Claims	0	0	0	2	0	0
	Life Insurance Claims	3	2	0	3	2	2
	New Worker's Compensation Claims	55	74	63	65	75	68
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	30	30	30	30	30	30
	# Labor Grievances Per 100 F.T. Union Employees	2.2	2.5	2.4	2.3	2.4	2.4
	Avg. # Work Days to Complete Internal Recruitment	23	23	23	23	23	23
	% of Grievances Resolved Before Arbitration	100%	95%	90%	100%	80%	95%
	Total FTE's Per 1,000 Residents	4.3	4.2	4.3	4.2	4.2	4.2
	Full-time Employee Turnover Rate (Excl. Retirements)	0.4%	0.4%	0.5%	0.4%	1.1%	1.2%
	% Minorities in Work Force	1.9%	1.9%	2.0%	2.0%	2.0%	2.0%
	# of Employees Not Completing Probation	1	1	1	1	2	2
	Cost to Recruit & Hire a Full-time General Employee	\$1,471	\$1,360	\$847	*	*	*
	# Worker's Comp Claims Per 100 FTE's	9.7	13.5	12.0	11.8	13.6	12.4
	% Worker's Comp Claims Paying Compensation	10.0%	6.7%	7.0%	10.0%	8.0%	8.0%
	W/C Lost Work Days Due to Injury Per 100 FTE's	73	44	62	60	60	60

*Cost is calculated for "Actual" columns only.

City Management



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
City Manager	1	1	1
Human Resources Director/Asst. City Mgr.	1	1	1
Deputy Human Resources Director	0	1	1
Finance & Budget Director	1	1	1
Budget Management Coordinator	1	1	1
Management Services Specialist	1	1	1
Management Assistant	1	1	1
Administrative Assistant	1	1	1
Administrative Assistant (P.T.)	1	1	0
Clerk Typist (P.T.)	0	0	1
Total	8	9	9

City Management

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 13.0%.

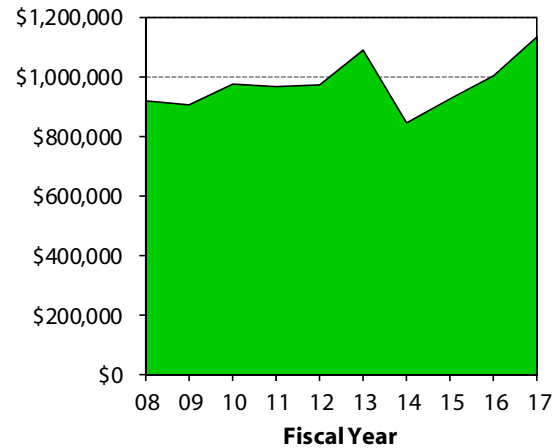
Personnel Services – The total Personnel budget increased \$127,760 or 13.4%. The overall increase is primarily a result of funding a replacement Human Resources Director. No wage or benefit changes are budgeted for the City Manager and Directors. Required funding for long-term retirement liabilities decreased by \$10,850.

Supplies – Total Supplies decreased \$50 or 1.9%, as postage costs can be reduced due to the increased use of email.

Other Charges – Total Other Charges increased \$3,450 or 7.1%. Educational funding increased \$700 for the new Human Resources Director and for the higher costs to attend the annual MML convention on Mackinac Island next year. Additional memberships are also funded for \$2,000 for the new Director. \$800 was added for the City Manager's increased attendance at local City meetings and events. Telephone costs increased \$200 due to the addition of a smartphone for texting Council members. Printing costs increased \$200 for budget tabs, which are produced every two years. Contracted services decreased \$450 due to a prior year reappropriated encumbrance.

Capital – This office is scheduled to receive two new personal computers totaling \$2,200 to replace the existing five-year old units in Human Resources.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$870,066	\$954,920	\$871,950	\$1,082,680	\$1,082,680
Supplies	3,099	2,650	2,500	2,600	2,600
Other Charges	56,024	48,800	52,200	52,250	52,250
Total	\$929,189	\$1,006,370	\$926,650	\$1,137,530	\$1,137,530

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...

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

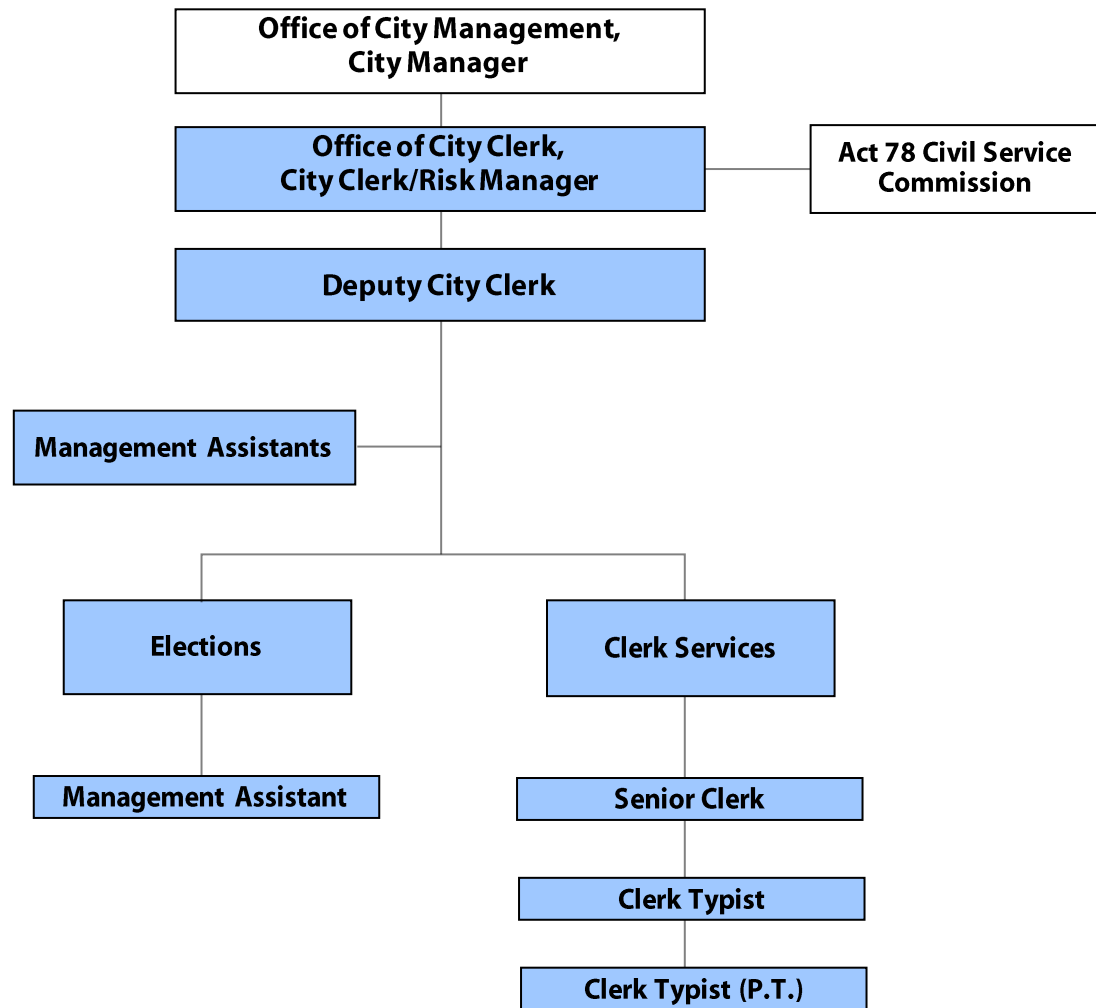
City Clerk

2016/17 PERFORMANCE OBJECTIVES

1. To assist in the training of new employees as part of the succession plan for Human Resource Director and City Clerk. *(City Goal 1, 2, 3, 5)*
2. To investigate and implement electronic record storage procedures to improve retrieval outcomes and reduce the inventory of paper documents stored by the City Clerk. *(City Goal 1, 2, 3, 18)*
3. To evaluate and recommend the purchase of new voting equipment. *(City Goal 1, 2, 3, 23)*
4. To evaluate and implement dual electronic poll books at certain high volume precincts for the November presidential election. *(City Goal 1, 2, 23)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Council Agenda Statements Processed	249	252	279	250	270	250
	Council Actions Correspondence Mailed	645	572	417	550	500	500
	New Voter Registrations/Changes Processed	27,811	20,811	19,827	25,000	25,000	25,000
	Elections Conducted	2	1	3	3	3	2
	Absentee Voter Applications Mailed	14,802	23,236	23,073	23,000	36,000	20,000
	Absentee Voter Ballots Prepared	24,939	9,511	29,049	29,000	27,000	18,000
	Freedom of Information Requests Processed	207	157	139	150	150	150
	Documents Recorded	77	46	77	95	95	75
	Business Registry: New/Closed/Info. Changed	2,471	2,567	2,456	2,600	2,600	2,700
	Class C Liquor Licenses Approved (New/Transferred)	1/9	0/9	1/5	1/6	0/12	1/7
	Licenses Issued (dog, vendors, etc.)	9,024	8,955	7,873	10,000	8,000	7,500
	Pieces of Outgoing Mail Processed	150,848	121,761	149,983	110,000	150,000	150,000
	Birth & Death Certificates Processed	575	672	734	670	725	700
	Board/Commission Applications on File	415	410	420	415	425	425
	Number of Registered Voters (November)	85,436	88,164	87,576	88,000	85,800	89,000
	Liability/Property Claims	117	214	210	150	150	150
	Liability/Property Incident Reports	30	88	87	100	100	100
	New Lawsuits/Lawsuits Closed	9/7	13/9	10/10	9/9	9/9	9/9
Efficiency	% of Residents Applying for City Boards	0.35%	0.35%	0.34%	0.35%	0.33%	0.33%
	% of Registered Voters Voting (November)	66%	24%	43%	25%	19%	62%
	% 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	1.60	1.45	1.77	1.75	1.75	1.75
	Activity Expenditures as % of General Fund	0.82%	0.66%	0.78%	0.84%	0.79%	0.93%

City Clerk



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
City Clerk/Risk Manager	1	1	1
Deputy City Clerk	0	1	1
Management Assistant	2	2	2
Senior Clerk	1	1	1
Clerk Typist	0	1	1
Clerk Typist (P.T.)	1	0	1
Total	5	6	7

City Clerk

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

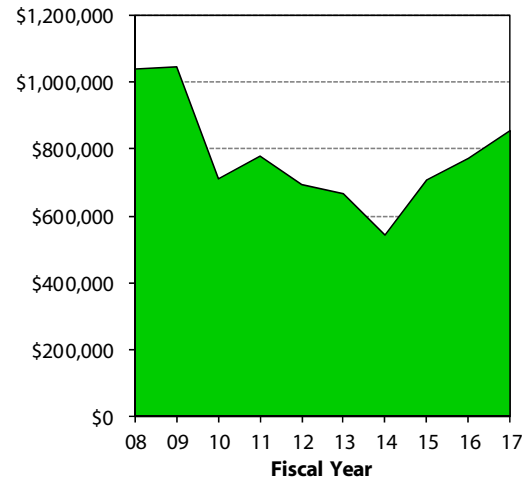
The total budget increased by 10.7%.

Personnel Services – The total Personnel budget increased \$101,760 or 16.3%. The increase is a result of the full-year funding for a replacement City Clerk position, a new part-time Clerk Typist position, as well as higher part-time election worker costs as a result of the November 2016 Presidential election. The new Deputy City Clerk is scheduled to become the City Clerk effective July 2017, when the current City Clerk retires.

Supplies – Total Supplies decreased \$9,290 or 17.7%. Operating supplies decreased \$13,850 based on historic expenditure trends. In addition, there will be no City election ballot costs as the County Clerk supplies ballots for non-City elections. Postage costs rose \$4,560 as a greater number of absentee voter ballots will be mailed for the Presidential election.

Other Charges – Total Other Charges decreased \$9,700 or 10.4%. Contracted services decreased \$7,700 due to lower costs for the PetData animal licensing contract, as the recently implemented, two and three-year dog licensing payment options will result in fewer needed renewals next year. Rental costs decreased \$2,900 based on the current year's estimated expenditure usage. Funding for voting machine programming costs can be reduced by \$1,900. Reporting services increased \$1,100 to bring the budget more in line with the current year's estimated expenditure level. Local meeting costs increased \$1,000 for the new Deputy Clerk training and for providing meals to the Absentee

Expenditure History



Counting Board, as more workers are needed for the Presidential election. Funding increased \$500 due to the higher printing costs for the November election. An additional \$300 —was added for the new Deputy Clerk's attendance at the Michigan Association of Municipal Clerks annual conference.

Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$586,945	\$625,760	\$582,630	\$727,520	\$727,520
Supplies	41,867	52,440	47,340	43,150	43,150
Other Charges	78,533	93,690	83,890	83,990	83,990
Total	\$707,345	\$771,890	\$713,860	\$854,660	\$854,660

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...

...the Office of Information Technology has upgraded the wireless capability as Access Points have been added to all City buildings to provide wireless network and Internet connectivity to employees, vendors, and the public?

Information Technology

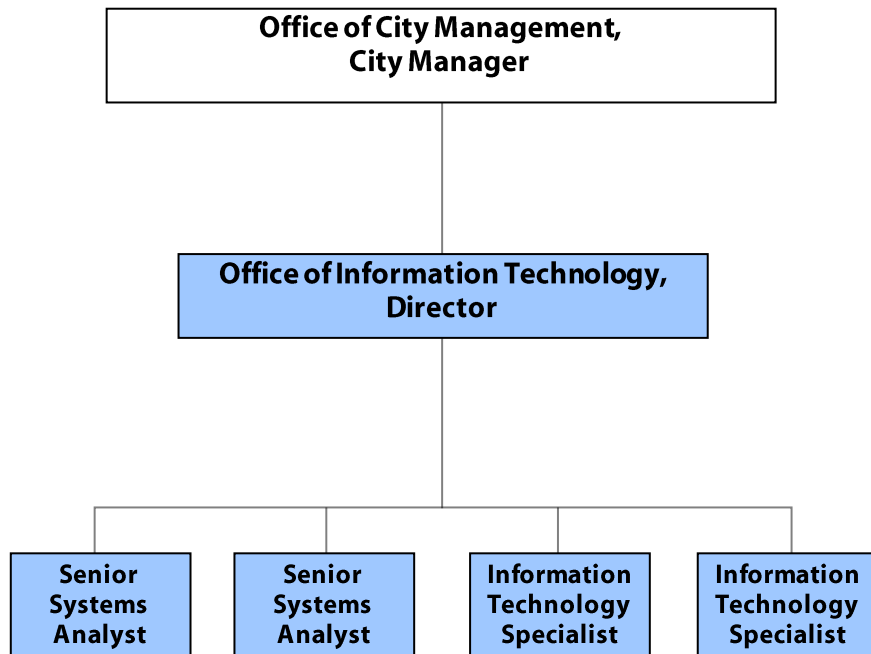
2016/17 PERFORMANCE OBJECTIVES

1. To successfully implement workstation replacements in the offices of Building, City Development, City Management, Information Technology, Purchasing, and Treasury. (City Goal 6, 17, 18)
2. To replace all voice and data communication switches at all remote City buildings. This will upgrade the speed of the voice and data communication backbone from one gigabit to ten gigabits. (City Goal 6, 17, 18)
3. To upgrade the Internet speed capacity to meet the growing demands for Internet access and speed. (City Goal 6, 17, 18)
4. To replace the main voice and data communication switch located in the City Hall data center. This new switch will support the ten gigabit connections to all remote buildings and City Hall campus locations. (City Goal 6, 17, 18)
5. To upgrade the geographic information system (GIS) hardware and infrastructure to support the digitalization of the water, storm, and sanitary systems. A geographic information system is a computer-based tool that analyzes, stores, manipulates, and visualizes geographic information on a map. (City Goal 6, 17, 18)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Hardware Platforms Supported-(Windows, Unix, etc.)	5	5	5	5	5	5
	Applications/Database Systems Supported	33	33	33	33	34	34
	"Help Desk" Communications Received	8,000	8,000	8,100	8,100	8,100	8,100
	Computers Supported (Desk/Laptops)	460	460	475	505	505	512
	MDC's and Tablets Supported	96	115	116	116	128	128
	Printers Supported	74	74	46	60	68	68
	Land Line Telephones Supported	556	556	556	556	556	556
	Mobile Telephones Supported	144	144	157	150	158	158
	E-Mail Accounts Supported	635	650	650	680	680	680
	Servers Maintained	37	38	39	39	42	42
	Network Equipment Maintained (Routers/Switches)	35	35	35	35	35	35
	Wireless Access Point/Infrastructure Maintained	26	26	29	30	36	36
	Hours Spent on Computer Support/Repair	9,000	9,000	9,000	9,100	9,100	9,100
	Hours Spent on Computer Support/Repair	9,000	9,000	9,000	9,100	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	0.98	1.05	1.06	1.13	1.15	1.16
	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	270	270	350	290	350	290
	Average Annual Cost to Support a PC	\$259	\$250	\$245	*	*	*
	Cost to Support User Systems	\$312,737	\$313,165	\$318,077	*	*	*
	Activity Expenditures as % of General Fund	1.18%	1.07%	0.97%	0.99%	0.99%	0.99%

*Cost is calculated for "Actual" columns only.

Information Technology



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Information Technology Director	0	0	1
Information Technology Manager	1	1	0
Senior Systems Analyst	2	2	2
Information Technology Specialist	2	2	2
Total	5	5	5

Information Technology

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 0.1%.

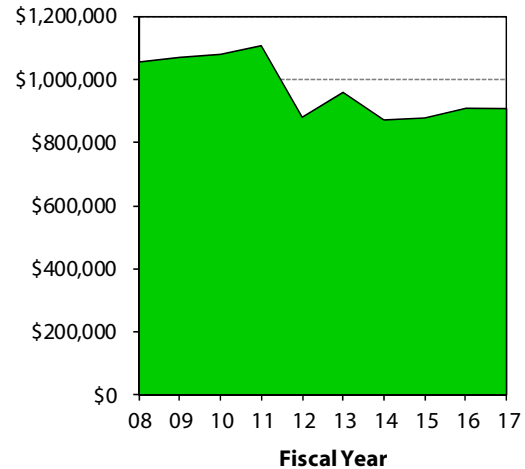
Personnel Services – The total Personnel budget decreased \$8,960 or 1.3%. The decrease is a result of lower required funding for pension and retiree medical liabilities, which declined \$13,980. Staff turnover in the prior year resulted in wage savings due to an employee starting at an entry level step. This was partially offset by higher medical insurance costs from an employee discontinuing receiving the health insurance allowance.

Supplies – Total Supplies is proposed to remain the same at \$2,100.

Other Charges – Total Other Charges increased \$8,090 or 3.7%. \$10,420 was added due to an increase in the fiber optic network system lease fees. Contractual costs rose \$3,430, as various existing software support agreements have multiple year service terms and need renewing next year. \$5,500 was saved as several multiple year equipment maintenance agreements do not need renewing.

Capital – Total Capital of \$210,500 is proposed. \$48,000 is budgeted for 43 personal computers to replace the existing five-year and older units in City Development, Human Resources, Building, Information Technology, Purchasing, and Treasury. \$110,000 is funded to replace the City's network infrastructure, to provide higher performance connectivity between City buildings and support increasing network demands.

Expenditure History



\$18,000 is to upgrade the Replication Server that stores the City's backup data. \$25,500 is to update versions of Microsoft Office software for 93 computers. An Email Archiver is included for \$9,000 to better store and manage the City's email system.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$680,232	\$688,480	\$673,070	\$679,520	\$679,520
Supplies	1,818	2,100	2,100	2,100	2,100
Other Charges	196,312	218,300	216,840	226,390	226,390
Total	\$878,362	\$908,880	\$892,010	\$908,010	\$908,010

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 single family residential home in Sterling Heights in 2015 was \$170,085 and the median sale price was \$164,500 representing a 7% increase from 2014 levels?

Assessing

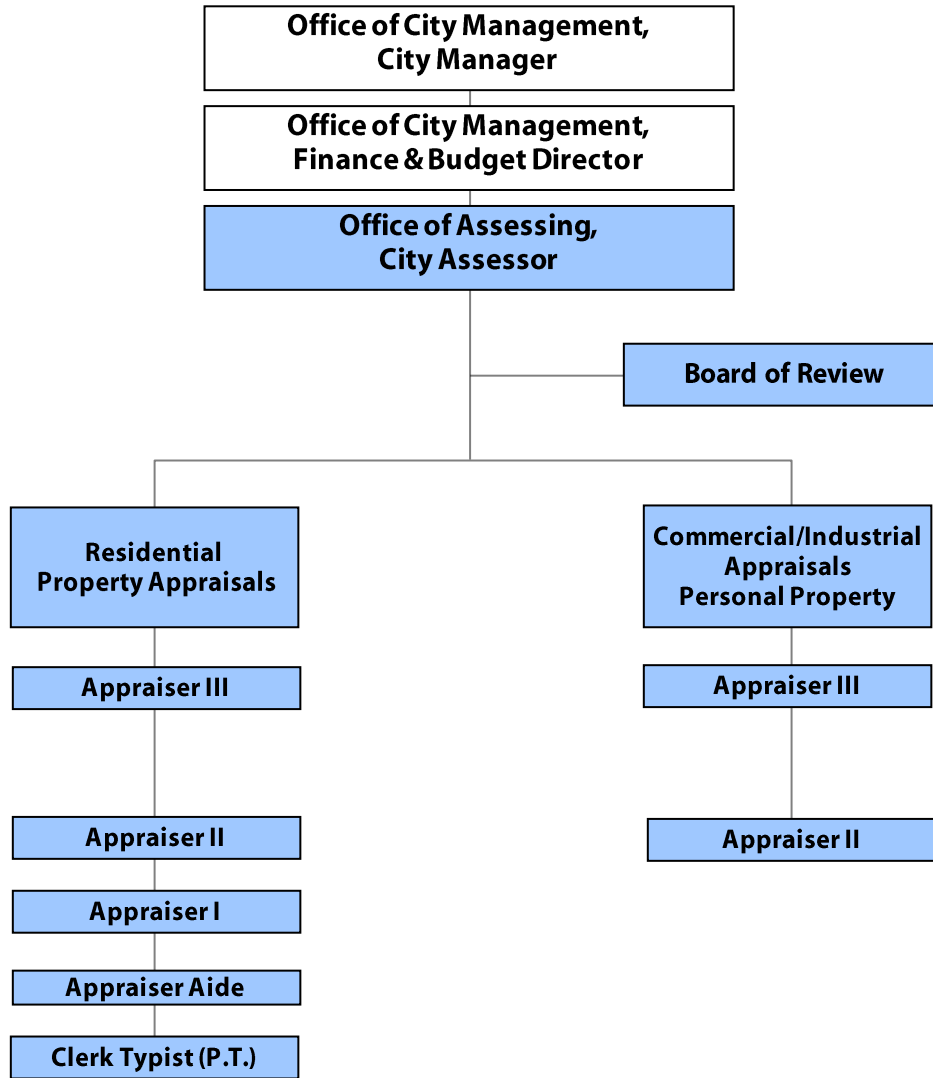
2016/17 PERFORMANCE OBJECTIVES

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 2014 and 2015 Michigan Tax Tribunal (MTT) assessment appeals. *(City Goal 3, 4)*
2. To facilitate and complete integration of Geographic Information System (GIS) components to the City's assessment database. *(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, by incorporating specialized contractor assistance. *(City Goal 14, 18)*
4. To implement Personal Property Tax (PPT) changes as promulgated by the State of Michigan. *(City Goal 3, 7)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Assessment Notices Processed - Real/Personal	47,363	47,649	48,262	48,200	48,400	48,600
	Residential Property Appraisals (including Partial)	77	95	111	200	186	200
	Commercial/Industrial Property Appraisals - Real	6	20	83	50	75	85
	Full Tax Tribunal Applications - Businesses	121	130	75	75	63	65
	Board of Review Appeals	405	624	734	800	700	700
	Personal Property Audits	0	0	0	0	0	0
	Land Divisions/Combinations Processed	11	12	21	15	22	25
	Resident Assessing Online Retrievals	217,096	204,126	149,066	150,000	126,160	130,000
	Deeds & Property Owner Updates	3,579	3,683	4,607	4,800	4,700	4,800
	Property Transfer Affidavits Processed	3,612	3,543	3,516	4,000	3,400	3,600
	Homestead Exemption Affidavits Processed	2,791	3,236	3,423	3,000	3,500	3,600
	Residential Digital Sketches Created	N/A	N/A	61	400	480	700
	IFEC's/328's Personal Property Exemptions Approved	12	7	3	6	2	4
	Total Invest. Resulting from IFEC's/328's (millions)	\$207	\$28	\$28	\$20	\$4	\$5
Efficiency & Effectiveness	I.F.T. Roll & Certif. Status Reported by Deadline	100%	100%	100%	100%	100%	100%
	Total I.F.T. Valuation as a % of City Tax Base (TV)	3.7%	3.7%	2.8%	4.0%	4.0%	4.0%
	% Change in City Tax Base (TV)	-6.90%	-0.10%	0.68%	2.00%	2.00%	-2.10%
	% Site Plans Reviewed within 2 days	90%	95%	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	\$2.62	\$2.50	\$2.41	*	*	*
	Activity Expenditures as % of General Fund	0.93%	1.01%	0.94%	0.96%	0.96%	1.00%

*Cost is calculated for "Actual" columns only.

Assessing



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
City Assessor	1	1	1
Appraiser III	2	2	2
Appraiser III (P.T.)	1	1	0
Appraiser II	1	1	2
Appraiser I	1	1	1
Appraiser Aide	1	1	1
Clerk Typist (P.T.)	1	1	1
Total	8	8	8

Assessing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

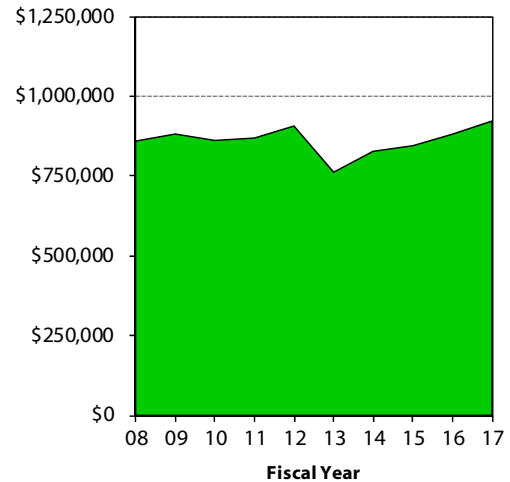
The total budget increased by 4.6%.

Personnel Services – The total Personnel budget increased \$38,480 or 4.6%. Most of the increase is a result of funding a new full-time Appraiser II position in lieu of a part-time position per the union contract. In addition, all employees are budgeted to receive a 1.5% wage increase, as well as a reduction in unpaid furlough days. Required funding for long-term pension and retiree health insurance liabilities declined by \$13,420. Funds are budgeted for the contractual reimbursement of updated apparel for field personnel.

Supplies – Total Supplies increased \$500 or 2.1%, as postage costs rose based on the recent year's estimated expenditure usage.

Other Charges – Total Other Charges increased \$1,860 or 7.7%. Educational funding increased \$1,300 as part of employee succession planning efforts and for additional State-required appraiser certification classes. \$470 was added due to an increase in existing membership fees. Rental costs rose \$240 based on a more accurate estimate of per-page copier print fees. Equipment maintenance costs increased \$200 due to an increase in BS&A and APEX Sketch software maintenance and support fees. \$50 was added for a slight increase in the CoStar contract. \$250 was saved, as fewer local training meetings will be attended. Telephone costs fell \$200, as the budget can be reduced and brought more in line with recent years' expenditure trends.

Expenditure History



Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$799,626	\$833,060	\$823,040	\$871,540	\$871,540
Supplies	23,086	23,600	24,100	24,100	24,100
Other Charges	22,149	24,280	24,510	26,140	26,140
Total	\$844,861	\$880,940	\$871,650	\$921,780	\$921,780

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 received no auditor adjusting journal entries for fiscal year 2015, and only two adjusting entries in the past five fiscal years?

Financial Services

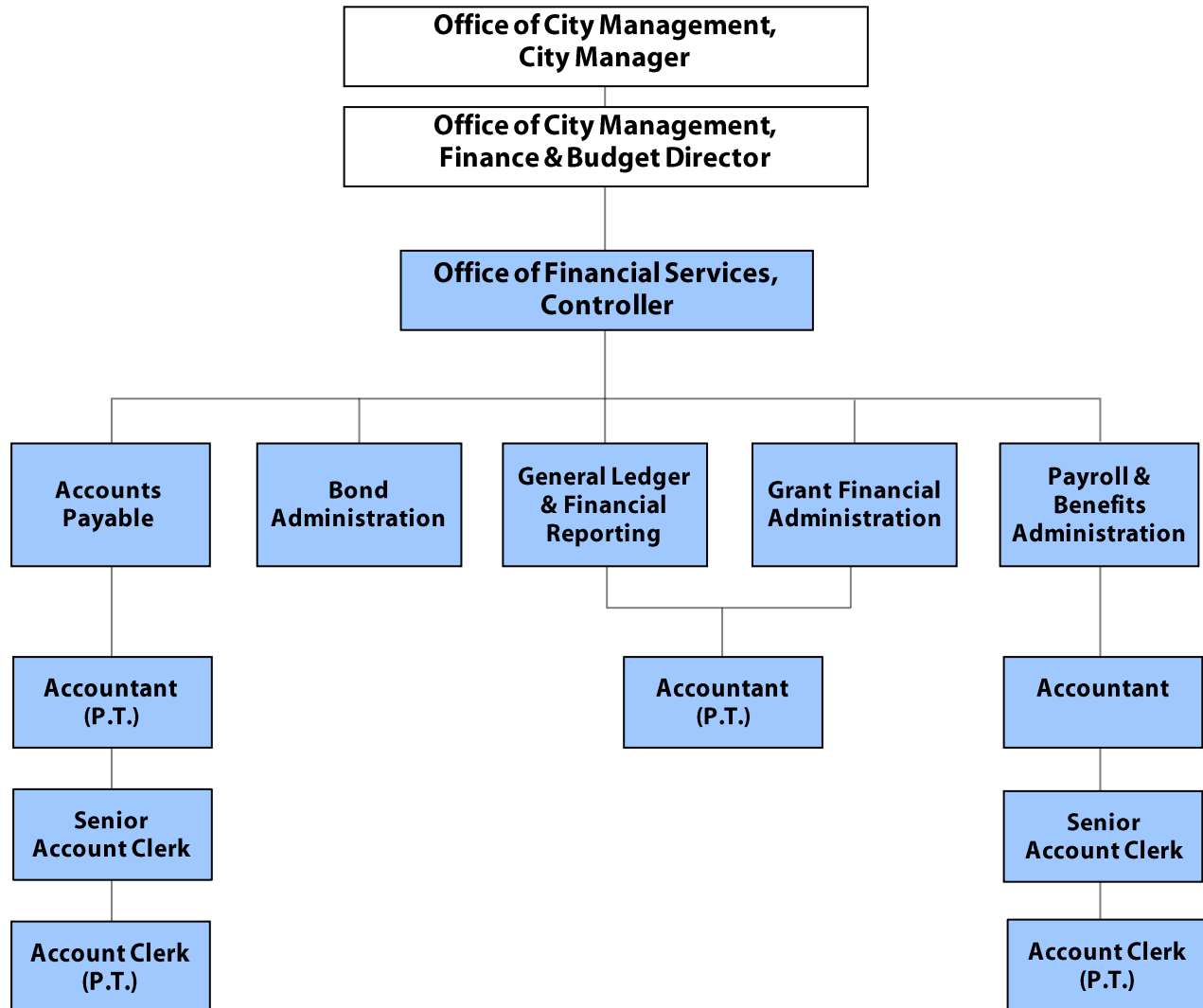
2016/17 PERFORMANCE OBJECTIVES

1. To implement Governmental Accounting Standards Board numbers 72, 73, 76 and 77 into the audited financial statements. *(City Goal 7, 8)*
2. To implement an employee self-service module in the financial reporting system that will facilitate the electronic delivery of payroll documents and assist employees in information gathering. *(City Goal 3, 23)*
3. To assist in the implementation of an online open enrollment system for employee fringe benefits. *(City Goal 2, 3, 23)*
4. To assess, document and transition duties and responsibilities of personnel to ensure continuity of procedures and controls during planned and unplanned staff turnover. *(City Goal 3, 5)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Bank Statements Reconciled	252	252	252	250	250	250
	General Journal Entries Processed	1,733	1,718	1,603	1,750	1,750	1,700
	Accounts Payable Invoices Processed	13,930	14,261	14,353	14,400	14,400	14,800
	Accounts Payable Checks Issued	6,355	6,690	6,437	6,600	6,600	6,800
	Payroll Checks & Deposit Notices Generated	18,064	17,387	17,996	18,500	18,500	18,600
	Accounting Funds Maintained	28	27	27	27	28	28
	Retirees/Beneficiaries Receiving Medical Benefits	572	593	626	610	610	650
	Federal Grants Tracked	35	25	29	35	35	27
	Audit Workpapers Prepared	402	410	400	410	410	400
	Active Assets Tracked	5,374	5,459	5,272	5,600	5,600	5,800
	Vendor Files Maintained	3,048	3,392	3,899	3,800	3,800	3,800
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	14.0	14.3	14.0	14.0	14.0	14.0
	% of A/P Checks Issued Without Error	99.2%	98.2%	99.3%	99.0%	99.0%	99.0%
	% of Payroll Checks Issued Without Error	98.5%	99.5%	99.5%	99.0%	99.0%	99.0%
	Active Employees Receiving Compensation/Benefits	1,409	1,183	1,347	1,300	1,300	1,300
	Financial Statement Correcting Entries by Auditors	0	1	0	0	0	0
	Financial Admin. of Federal Grant Expenditures	\$4,728,725	\$5,541,279	\$5,716,090	\$3,000,000	\$7,500,000	\$3,000,000
	Cost for an Independent Auditor to Perform Audit	\$92,000	\$93,850	\$95,750	\$98,700	\$98,700	\$99,600
	Years Received G.F.O.A. CAFR Award	25	26	27	28	28	29
	Cost to Process an Accounts Payable Invoice	\$9.85	\$9.63	\$9.44	*	*	*
	Cost of Payroll Service Per Employee	\$303	\$318	\$305	*	*	*
	Activity Expenditures as % of General Fund	0.89%	0.95%	0.96%	1.01%	0.98%	0.83%

*Cost is calculated for "Actual" columns only.

Financial Services



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Controller	1	2	1
Accountant	1	1	1
Accountant (P.T.)	2	2	2
Senior Account Clerk	2	2	2
Account Clerk (P.T.)	1	2	2
Co-op (P.T.)	1	0	0
Total	8	9	8

Financial Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 17.1%.

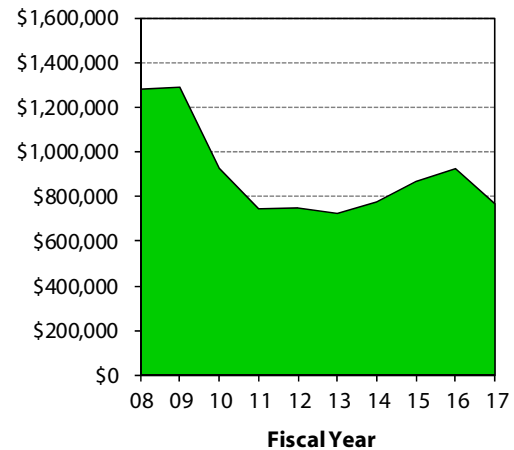
Personnel Services – The total Personnel budget decreased by \$158,460 or 19.2%. The decrease is largely due to the wage and benefit savings as a result of the retirement of the City Controller. The additional Controller position was added last year as part of the City's succession planning efforts. Required funding for long-term liabilities declined \$14,430.

Supplies – Total Supplies increased \$140 or 2.2%. Postage increased \$100 as more payroll related mailings are anticipated. \$40 was added for an inflationary increase in supply costs.

Other Charges – Total Other Charges increased \$410 or 0.4%. Software maintenance costs increased \$3,930 due to an anticipated 5% increase in MUNIS licensing and support fees. \$870 was saved based on lower copier usage and recently reduced per-page print fees. The printing budget can be reduced \$750 due to a prior year reappropriated encumbrance. Educational funding decreased \$700 and membership costs fell \$680, both due to the retirement of the Controller. Telephone costs decreased \$370 due to a revised allocation of citywide telephone expenditures and the elimination of a landline phone.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$777,869	\$827,380	\$792,260	\$668,920	\$668,920
Supplies	6,094	6,230	6,220	6,370	6,370
Other Charges	84,847	92,190	91,740	92,600	92,600
Total	\$868,810	\$925,800	\$890,220	\$767,890	\$767,890

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...

...that a free text or e-mail notice subscription service is available through the City's website for all bid solicitations?

Purchasing

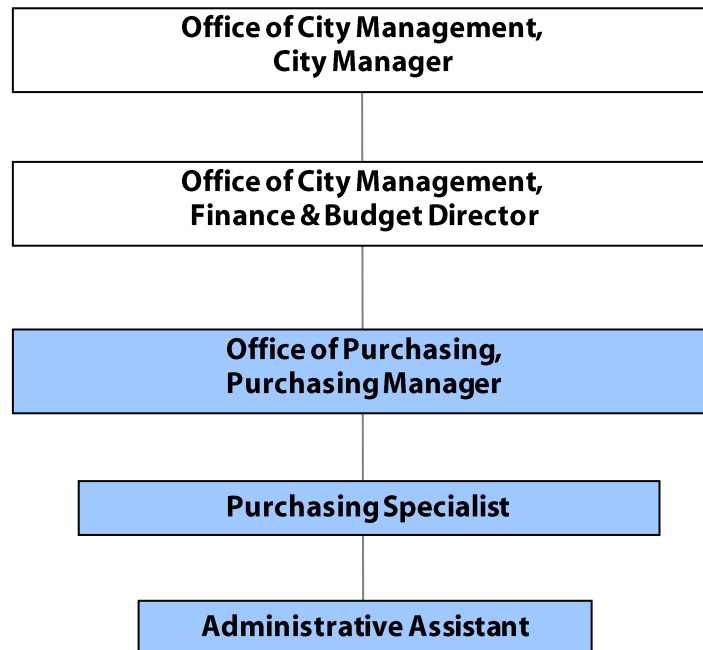
2016/17 PERFORMANCE OBJECTIVES

1. To explore and identify additional competitive bid or competitive auction options for use in the sale and disposition of obsolete or surplus City personal property. *(City Goal 1, 3, 4)*
2. To coordinate and work with City departments for the expedient purchase of capital equipment, projects, and vehicles. *(City Goal 6, 25)*
3. To coordinate, plan, and implement the new 'chip-card' technology for all City-issued PCards thereby maximizing available security measures. *(City Goal 1, 2, 4, 8)*
4. To develop a comprehensive policy and procedures manual for the operations of the Office of Purchasing. *(City Goal 1, 2, 3, 4, 5, 8)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Purchase Orders Processed	899	927	1,055	1,000	1,140	1,100
	Bid Solicitation Occurrences	37	51	34	60	50	50
	Bid Responses Reviewed	139	170	191	200	180	180
	# of Surplus Item Auctions Conducted	64	60	63	80	70	70
	# of Agenda Items Presented to City Council	45	69	90	75	80	80
	# of FedEx/UPS Packages Processed	1,529	1,766	1,611	1,600	1,619	1,631
	Written Quotation Solicitation Occurrences	16	23	2	10	6	10
	Written Quotation Responses Reviewed	86	32	18	40	30	40
	Number of Employees Assigned a Purchasing Card	49	56	58	55	55	55
	Number of Purchasing Card Transactions	1,138	1,247	1,682	1,600	1,800	1,900
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	7,153	7,816	8,298	8,400	8,200	8,200
	Revenue from Sale of Surplus Property	\$42,323	\$40,051	\$35,519	\$40,000	\$50,000	\$50,000
	Dollar Value of Purchasing Card Transactions	\$178,639	\$209,427	\$256,349	\$251,000	\$230,000	\$230,000
	Cost to Issue a Purchase Order	\$95	\$92	\$83	*	*	*
	Average Cost to Go Out to Bid	\$1,497	\$1,391	\$1,425	*	*	*
	Total Dollar Value of Purchase Orders	\$12.4M	\$12.6M	\$17.1M	\$13.0M	\$13.9M	\$14.4M
	Avg. Savings Thru Bid Process/Vendor Savings Prog.	30%	30%	30%	30%	30%	30%
	Activity Expenditures as % of General Fund	0.32%	0.34%	0.34%	0.35%	0.35%	0.35%

*Cost is calculated for "Actual" columns only.

Purchasing



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Purchasing Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	3

Purchasing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 1.1%.

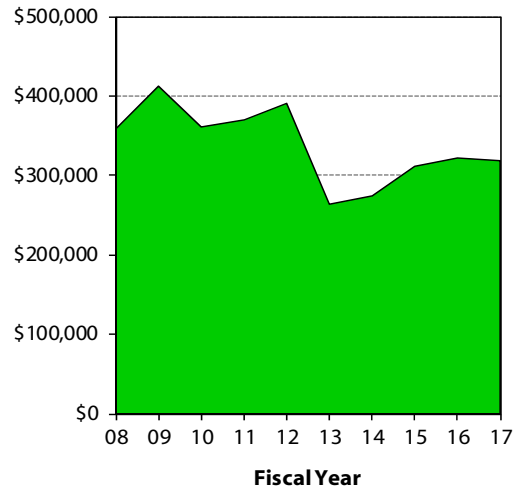
Personnel Services – The total Personnel budget decreased \$3,510 or 1.2%. The overall decrease is the result of lower required funding for retirement liabilities, which saved \$5,130. Wages for two employees increased slightly due to an inflationary wage adjustment, as well as a decrease in the number of unpaid furlough days.

Supplies – Total Supplies increased \$30 or 2.5% due to an inflationary cost increase for the online gasoline price-tracking subscription.

Other Charges – Total Other Charges is proposed to remain the same at \$18,600. There are no proposed funding changes within the Other Charges accounts.

Capital – This office is scheduled to receive two new personal computers totaling \$2,200 to replace the existing five-year old units.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$289,856	\$302,120	\$298,750	\$298,610	\$298,610
Supplies	1,156	1,190	1,190	1,220	1,220
Other Charges	20,334	18,600	18,000	18,600	18,600
Total	\$311,346	\$321,910	\$317,940	\$318,430	\$318,430

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...

...the Treasury Office manually processes more than 20,000 tax payments each year?

Treasury

2016/17 PERFORMANCE OBJECTIVES

1. To research implications of Governmental Accounting Standards Board number 72 (Fair Value Measurement) on reporting of investments and implement changes if necessary. (City Goal 8)
2. To implement Governmental Accounting Standards Board number 74, Other Postemployment Benefits (OPEB) Disclosure. (City Goal 8)

Output	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
	Tax Bill Payments Processed - Manually (incl. partials)	23,349	22,358	21,913	22,400	22,857	22,900
	Tax Bill Payments Processed - Electronically (escrows)	31,928	32,143	32,659	32,700	32,836	32,800
	Tax Bill Payments Processed - Lock Box	31,566	31,805	29,034	29,800	28,295	28,300
	Tax Bill Payments Processed - Online	4,102	4,525	4,499	5,000	4,300	4,500
	Special Assessment Parcels Billed	127	132	81	100	79	80
	Invoices Billed	3,062	4,073	3,206	3,400	3,100	3,200
	Investments Bought/Sold - Number of Transactions	626	364	414	250	300	300
	Tax Adjustments Processed	1,343	1,298	1,032	1,000	986	1,000
	Resident Tax Online Retrievals	70,910	60,355	82,576	75,000	67,000	68,000
	Cash Receipts Processed by Treasury Personnel	60,284	60,578	57,358	60,000	58,000	59,000
	City-Wide Credit Card Payments Received	32,775	37,320	41,630	42,000	45,000	47,000
	Dollar Value of All Credit Card Transactions (Millions)	\$5.4	\$5.6	\$6.6	\$6.2	\$8.0	\$8.5
	Defined Contribution Active Employees	68	76	84	90	90	94
	Defined Benefit Active GERS Employees	134	130	110	105	108	103
	GERS Retirements Processed	23	5	13	5	5	5
	GERS Retirees/Beneficiaries Receiving Benefits	347	349	358	360	358	358
	Pension Calculations Prepared (P&F and GERS)	46	19	30	20	20	20
	Water and Sewer Bills Issued	190,909	190,041	190,284	192,000	191,300	192,000
	Final Water Bills Prepared	1,199	1,158	1,149	1,400	1,300	1,400
	Water & Sewer Customer Bill Online Retrievals	33,100	31,287	36,784	35,000	38,000	39,000
	Water & Sewer Auto Pay Customers	2,348	2,331	2,261	2,400	2,270	2,300
	Water & Sewer Budget Billing Customers	117	111	104	100	95	95
	Service Orders Processed by Utility Billing	2,202	2,403	2,937	3,000	2,400	3,000
	Water Bill Adjustments	1,510	1,844	2,151	2,200	2,260	2,300

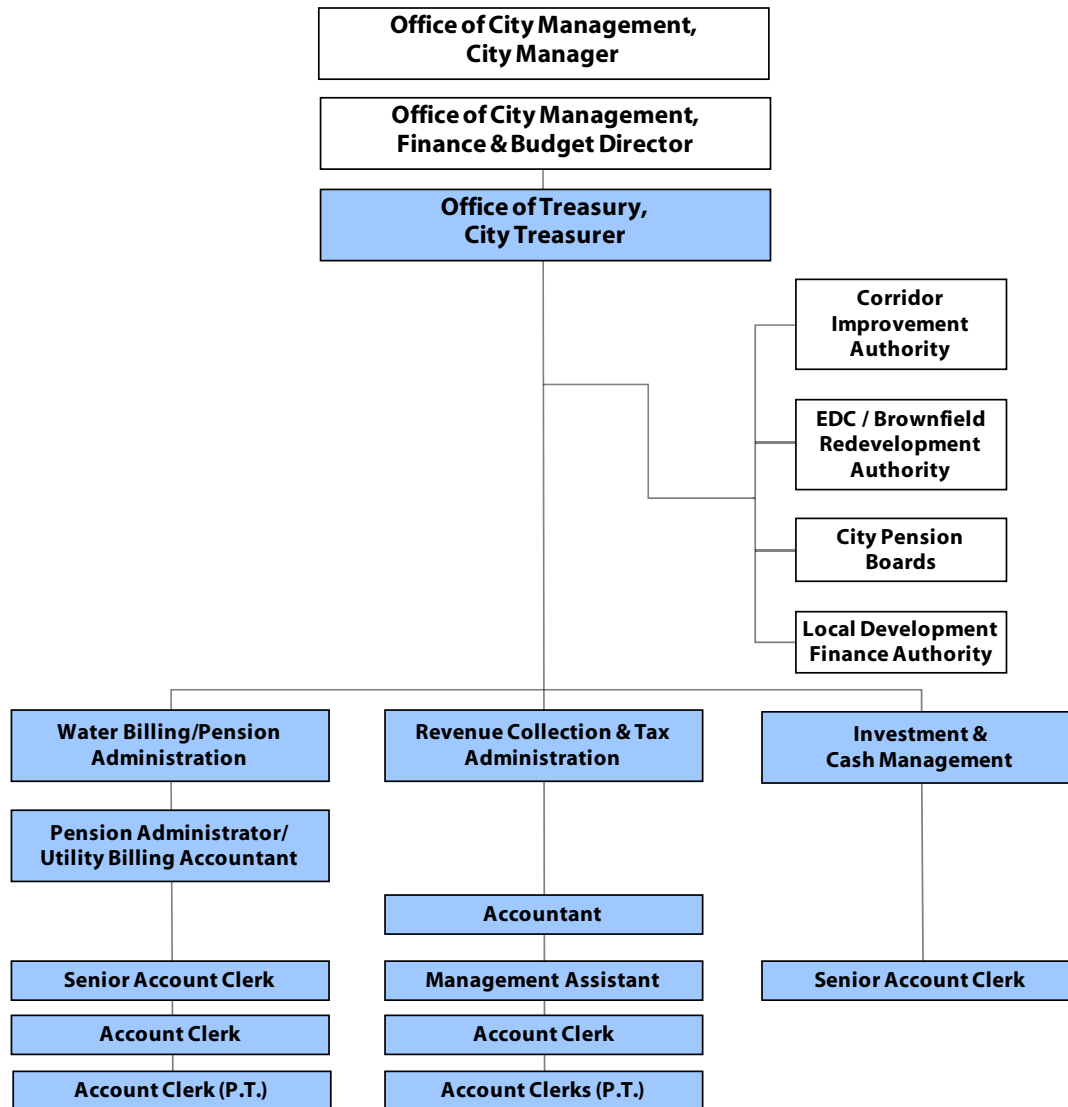
Treasury

2016/17 PERFORMANCE OBJECTIVES

3. To work with Finance and Assessing to implement Governmental Accounting Standards Board number 77, Tax Abatement Disclosure. *(City Goal 8)*
4. To investigate the possibility of accepting credit cards over the counter for property taxes (other than Discover). *(City Goal 1)*

Efficiency & Effectiveness	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
	% of Real & Personal City Prop. Tax Levy Collected	97%	97%	97%	97%	97%	97%
	% of Prop. Tax Parcels Turned Delinquent to County	6.51%	6.10%	5.79%	6.00%	6.00%	6.00%
	Average Rate of Return on Investments	1.10%	1.20%	1.27%	1.20%	1.50%	1.75%
	Average 2-Year T-Note Rate	0.27%	0.32%	0.47%	0.35%	0.75%	1.00%
	City's Return as a % of 2-Year T-Note	407%	375%	270%	343%	200%	175%
	% of Portfolio Invested in Active Market	84.7%	85.2%	83.7%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	\$0.4	\$0.3	\$0.6	\$0.4	\$0.7	\$0.8
	Police & Fire Pension System - % Funded	66.0%	67.4%	68.4%	70.0%	69.3%	69.0%
	General Employees Pension System - % Funded	83.5%	84.2%	84.3%	85.0%	84.8%	84.0%
	Ratio of Active GERS Employees to GERS Retirees	1:2.59	1:2.68	1:3.25	1:3.43	1:3.31	1:3.48
	Annual % Change in GERS Market Value - Fiscal Year	11.0%	18.6%	3.4%	8.0%	3.0%	7.8%
	Annual % Change in P&F Market Value - Fiscal Year	12.6%	18.3%	4.5%	8.0%	3.0%	7.8%
	Ratio of Active P&F Employees to P&F Retirees	1:2.30	1:2.29	1:1.92	1:1.80	1:1.78	1:1.66
	% of Water & Sewer Bills Adjusted	0.79%	0.97%	1.13%	1.15%	1.18%	1.20%
	Activity Expenditures as % of General Fund	1.25%	1.24%	1.16%	1.19%	1.20%	1.23%

Treasury



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
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	3
Total	10	10	11

Treasury

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

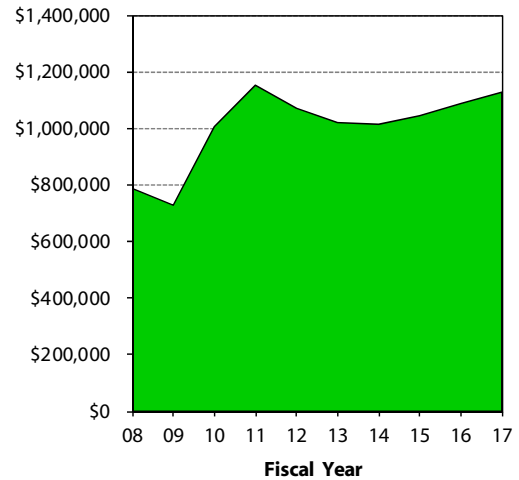
The total budget increased 3.7%.

Personnel Services – The total Personnel budget increased \$23,900 or 2.7%. Full-time wages increased \$25,360 due to a wage adjustment for the City Treasurer, as well as a 1.5% wage increase and the reduction of unpaid furlough days for all employees. An additional \$14,000 is budgeted to fund a part-time Account Clerk position to better assist with processing water & sewer bills and staffing the counters during lunch hours. \$13,180 was saved due to less required funding for long-term retirement liabilities.

Supplies – Total Supplies increased \$2,000 or 1.8%, as postage funding rose due to an increase in the cost of tax and water bill mailings.

Other Charges – Total Other Charges increased \$14,510 or 18.5%. Due to a banking process change, \$15,000 was added for a nightly account funds transfer fee, which will be more than fully offset by an increase in interest revenue. Rental costs increased \$200 due to higher lease costs for the investment tracking software and increased copier usage fees. \$30 was added due to a slight increase in BS&A software support fees. Contracted service costs decreased \$520 due to lower costs for printing tax and water bills. Telephone costs decreased \$200, as the budget can be reduced and brought more in line with recent expenditure levels.

Expenditure History



Capital – This office is scheduled to receive 12 new personal computers totaling \$13,200 to replace the existing five-year old units.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$866,442	\$896,920	\$888,570	\$920,820	\$920,820
Supplies	110,939	112,000	114,000	114,000	114,000
Other Charges	67,131	78,580	81,750	93,090	93,090
Total	\$1,044,512	\$1,087,500	\$1,084,320	\$1,127,910	\$1,127,910

***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

Public Library Department

Library Administration

- Directs the Public Library 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

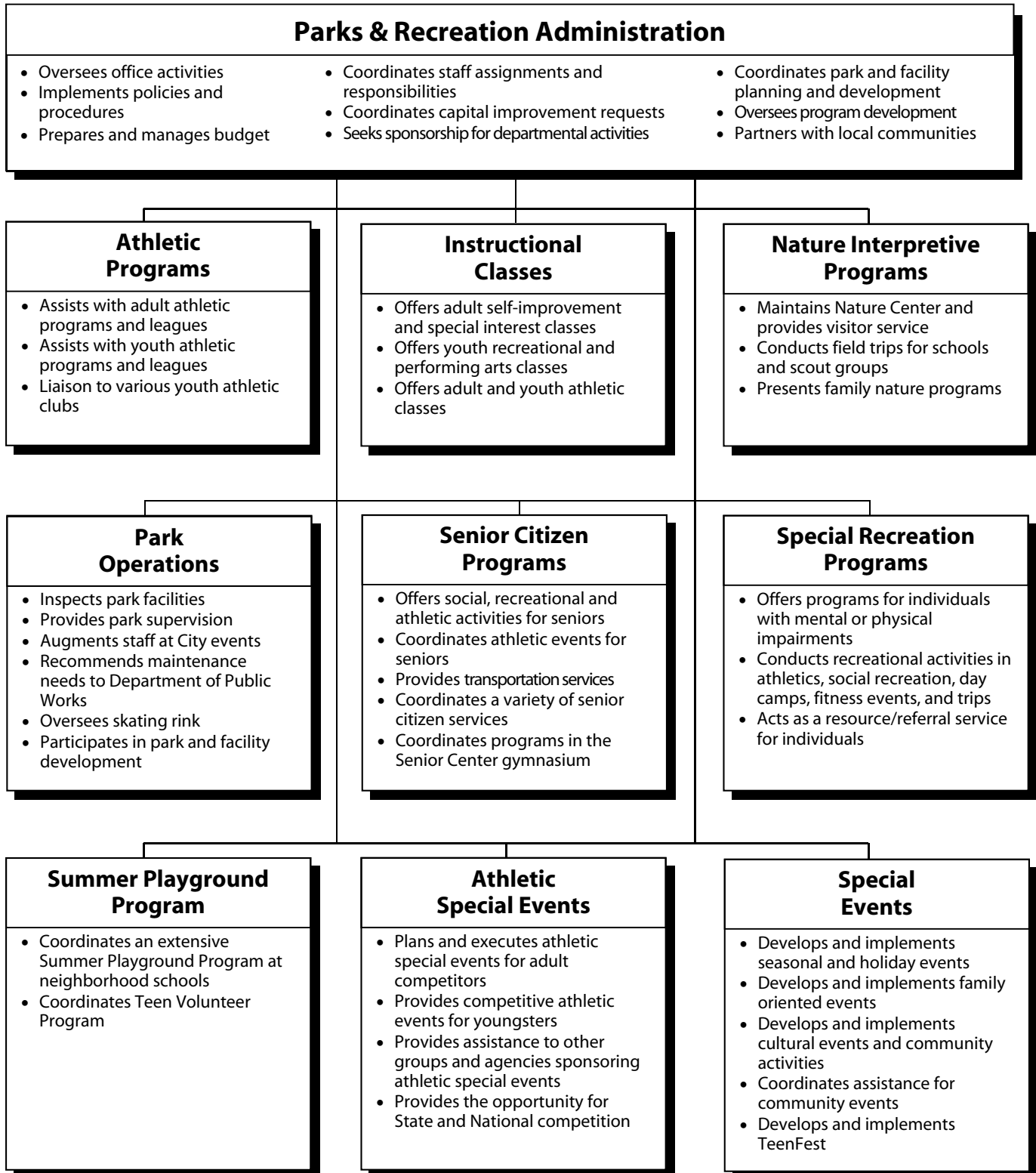
- Reference/information retrieval
- Provides bibliographic instruction
- Collection development and evaluation
- Provides outreach service to senior citizen residences & the homebound
- Processes deposit collections and extension loans
- Shelves materials for user access
- Maintains periodical and newspaper 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

Parks & Recreation Department



DEPARTMENT AT A GLANCE

Community Services Department

BUDGET SUMMARY

The Community Services budget increased \$109,970 or 2.5%. Personnel costs rose \$70,060 or 1.9%, due in part to the conversion of a part-time Recreation Supervisor to a full-time position, as well as a wage adjustment for the Parks & Recreation Director. In addition, part-time wages rose due to an increase in Music in the Park concerts and an increase in the minimum wage. The budget continues to fund Library Sunday hours. Supplies rose \$11,670 or 4.1%, for the purchase of replacement Library patron tables and chairs, program supplies needed for five additional Music in the Park concerts, a display case for the Nature Center, and replacement logo wear for staff. Other Charges increased \$28,240 or 4.8%, primarily for the five

additional Music in the Park concerts, increased Sterling Christmas costs and a new Parks & Recreation software maintenance agreement. Additional funds are budgeted for the Library Cooperative membership fee, additional staff memberships and a new online Consumer Report database. The Capital Budget funds the renovation to the Library Public restrooms, grant-match funding for the Dodge Park Trail Bridge replacement, land acquisition on Lakeside Circle, and a City dog park. CDBG funds are budgeted for the Senior Center parking lot and entrance, as well as audiovisual upgrades and replacement LED lighting at the Senior Center.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
Public Library	\$2,335,380	\$2,408,630	\$2,604,180	\$2,630,590	1.0%
Parks & Recreation	1,666,740	1,780,470	1,874,390	1,957,950	4.5%
Total Department	\$4,002,120	\$4,189,100	\$4,478,570	\$4,588,540	2.5%
Personnel Services	\$3,237,100	\$3,363,340	\$3,605,600	\$3,675,660	1.9%
Supplies	239,000	272,180	282,860	294,530	4.1%
Other Charges	526,020	553,580	590,110	618,350	4.8%
Total Department	\$4,002,120	\$4,189,100	\$4,478,570	\$4,588,540	2.5%

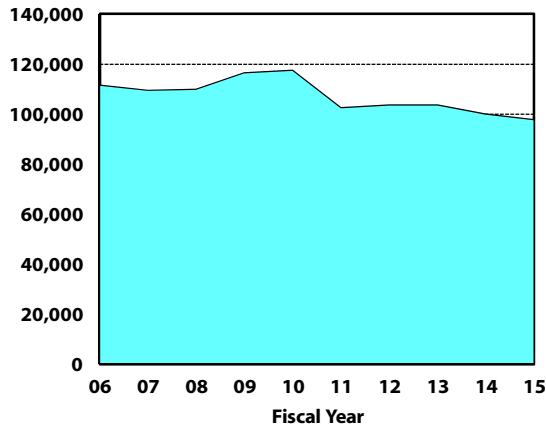
PERSONNEL SUMMARY

	2013/14		2014/15		2015/16		2016/17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	11	25	13	23	12	26	12	26
Parks & Recreation	7	3	7	3	8	2	9	1
Total Department	18	28	20	26	20	28	21	27

KEY DEPARTMENTAL TRENDS

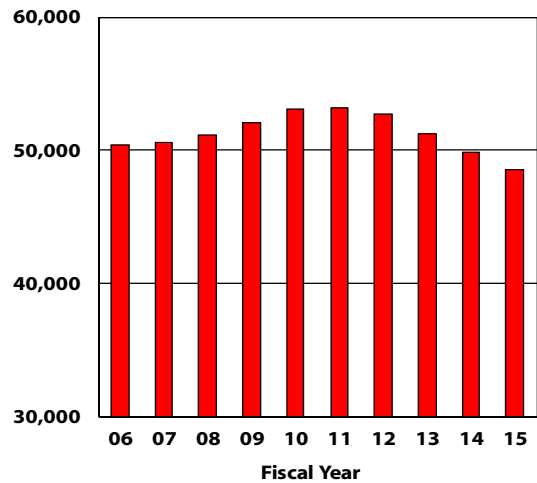
Community Services Department

Senior Center Attendance



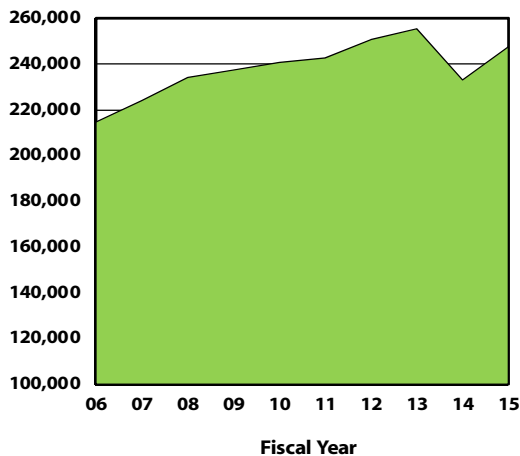
Senior program attendance has been fairly constant, exceeding 100,000 participants each year over the past ten years. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid for with federal CDBG dollars.

Registered Borrowers



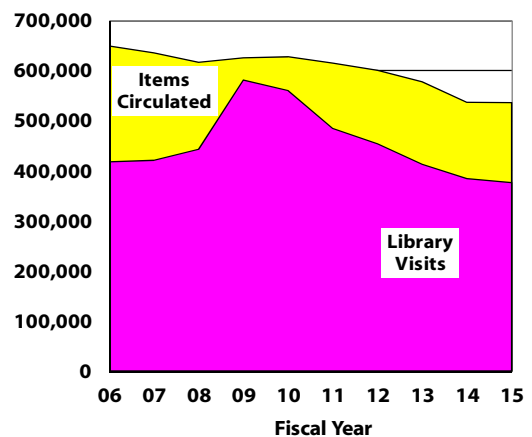
The number of registered borrowers in the City has generally ranged around 50,000 residents over the past ten years as the City regularly updates its registered borrower database.

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 247,485 materials on hand, or an average of 1.9 items per resident. A total of 1.2 million online and electronic database uses were recorded in 2015. Attendance at Library programs has increased since the Library Programming Center was opened in 2001. Attendance in 2015 totaled 16,322 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 2015, 376,000 visits were recorded or an average of 131 visits per hour open. 536,000 items (or an average of 1.4 items per visit) were circulated. Library Sunday hours were restored effective September, 2015.

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 provides wireless Internet access and the service had over 90,000 users last year?

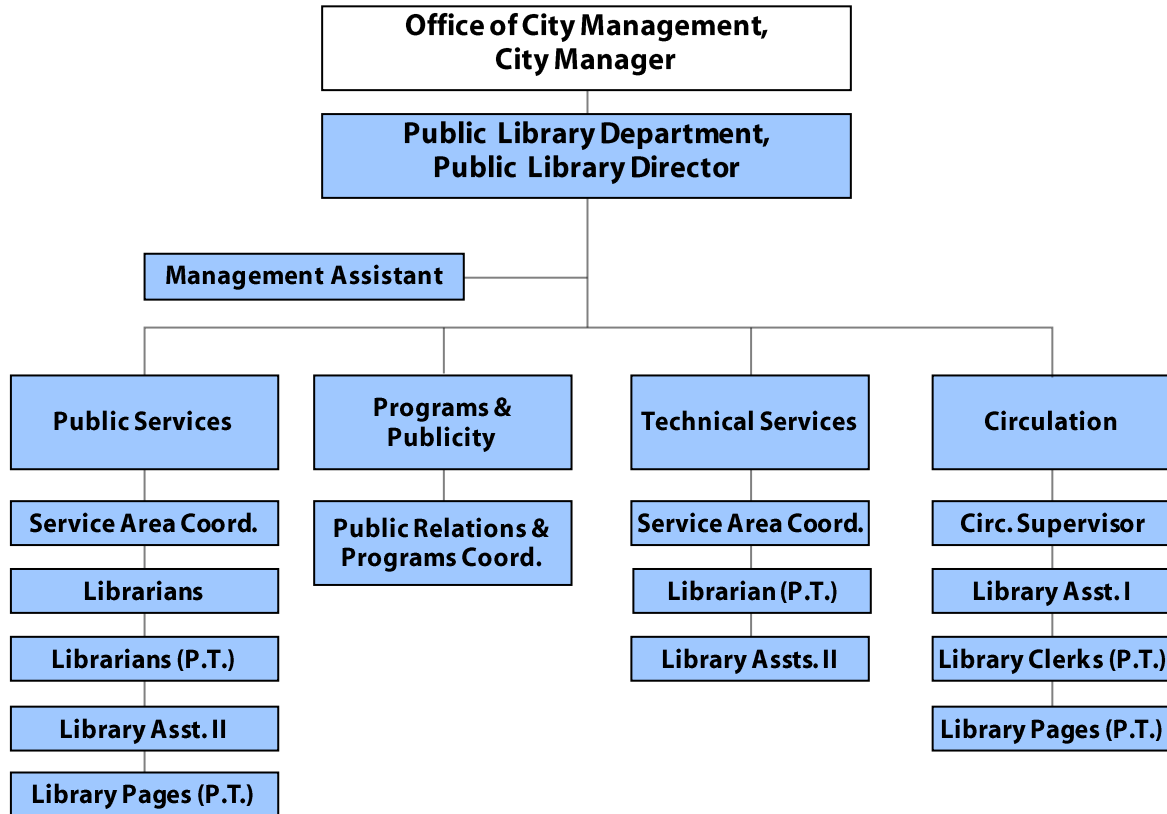
Library

2016/17 PERFORMANCE OBJECTIVES

1. To implement the national "Every Child Ready to Read" program to improve early childhood literacy in the community. *(City Goal 1, 19)*
2. To continue to foster an environment of creativity to preserve and expand quality of life services. *(City Goal 1, 19)*
3. To promote the library as a technology center for the community through programming, hardware, and software improvements for all ages. *(City Goal 1, 19, 23)*
4. To seek grants, community partnerships, and other sources of revenue to improve core library services. *(City Goal 19, 24)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Library Registered Borrowers	51,248	49,863	48,490	48,500	47,000	47,000
	Annual Library Attendance	412,656	384,063	376,007	400,000	390,000	390,000
	Total Collection of Lib. Materials (Excl. magazines)	255,346	233,004	247,485	255,000	255,000	260,000
	Items Circulated	577,448	536,485	536,038	560,000	540,000	540,000
	Program Attendance	15,310	15,196	16,322	16,500	16,500	16,500
	Reference & General Information Requests	83,000	68,052	65,368	70,000	63,000	63,000
	Hours of Library Operation Weekly	57.5	57.5	57.5	61.5	61.5	61.5
	Materials Added to Collection	20,481	19,632	21,257	19,750	20,000	20,000
	In-Library Use of Materials	132,298	82,304	60,279	70,000	60,000	60,000
	Items Processed for Loan to Other Libraries	82,832	79,360	72,109	72,000	72,000	72,000
	Items Processed for Receipt from Other Libraries	90,764	86,950	80,545	80,000	80,000	80,000
	Online & Electronic Database Usage	1,050,062	1,659,105	1,216,053	1,400,000	900,000	900,000
	Wireless Computer Users	N/A	10,876	92,285	85,000	100,000	100,000
	Outreach Loans by Library Van	3,788	3,253	3,259	3,200	2,800	2,800
Efficiency & Effectiveness	Registered Borrowers as a % of Population	39%	38%	37%	37%	36%	36%
	Library Materials per Capita	1.96	1.79	1.89	1.95	1.95	1.98
	Circulation of Materials per 1,000 Population	4,442	4,111	4,100	4,275	4,122	4,115
	% of Hold Material Requests Filled within 30 days	81%	78%	79%	80%	83%	84%
	% of Material Reshelfed within 24 hours	97%	99%	98%	98%	98%	98%
	Full-time Equivalent Staff Per 1,000 Population	0.21	0.18	0.19	0.19	0.19	0.19
	Library Material Acquisition Costs Per Resident	\$1.29	\$1.21	\$1.47	\$1.48	\$1.48	\$1.48
	Library Cost Per Capita	\$18.85	\$17.90	\$18.42	\$19.88	\$19.30	\$20.04
	Total Cost Per Library Registered Borrower	\$47.82	\$46.84	\$49.67	\$53.69	\$53.80	\$55.97
	Activity Expenditures as % of General Fund	3.00%	2.86%	2.67%	2.84%	2.80%	2.86%

Library



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Public Library Director	0	0	1
Community Services/Library Director	1	1	0
Library Service Area Coordinator	2	2	2
Public Relations & Programs Coord.	1	1	1
Librarian	2	2	2
Librarian (P.T.)	8	10	10
Circulation Supervisor	1	1	1
Management Assistant	1	1	1
Library Assistant II	3	3	3
Library Assistant I	1	1	1
Library Clerk	1	0	0
Library Clerk (P.T.)	5	6	6
Library Page (P.T.)	10	10	10
Total	36	38	38

Library

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

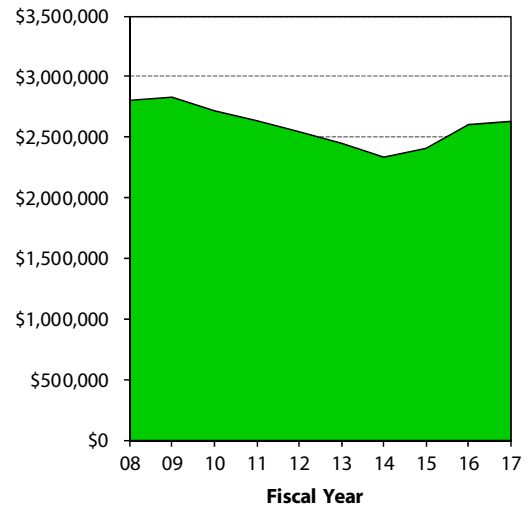
The total budget increased by 1.0%.

Personnel Services – The Personnel budget increased \$12,540 or 0.6%. The overall increase is due to a contractual wage increase and employee wage steps, as well as an increase in the minimum wage for Library Pages. As a result, total wages increased \$41,840. The budget continues to fund Library Sunday hours. Due to benefit plan changes as well as the elimination of retirement medical funding for new hires, actuarial required funding for long-term retirement liabilities has decreased by \$30,450.

Supplies – Total Supplies increased \$6,410 or 3.1%. Operating supply costs increased \$7,000 for the one-time purchase of replacement patron tables and chairs, and the slightly higher costs of book repair supplies and book jackets. Increased funding to expand the Library's audiovisual collection is included for \$5,000, while \$5,000 in fewer books will be purchased. Publication costs decreased primarily due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased \$7,460 or 2.7%. \$3,670 was added due to an increase in the Library Cooperative membership fee, which is tied to higher state aid, and for eight new professional staff memberships to the Michigan Library Association. Funding increased \$3,270 for an online Consumers Reports database. Rental costs increased \$2,620 due to a rate increase from the Cooperative for the Library's computer system and increased copier usage fees.

Expenditure History



Electric costs decreased \$2,000 based on recent expenditure levels.

Capital – Total Capital of \$37,000 is budgeted in the Capital Projects Fund to repair and refresh the Library's Public Restrooms.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,946,128	\$2,121,060	\$2,060,430	\$2,133,600	\$2,133,600
Supplies	208,084	210,120	210,020	216,530	216,530
Other Charges	254,415	273,000	258,240	280,460	280,460
Total	\$2,408,627	\$2,604,180	\$2,528,690	\$2,630,590	\$2,630,590

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, 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 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.

In addition to supporting the functions of the entire department, Park Operations monitors over 610 acres of large urban parks, community parks and sport complexes, as well as over 236 acres of neighborhood parks. It is estimated that over 700,000 people frequent the vast park system annually.

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

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.*

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

The National Gold Medal Award Winning Special Recreation Program offers a variety of recreation activities to the mentally impaired, emotionally impaired, physically challenged, learning disabled, hearing impaired, visually impaired, persons with closed head injuries, and autistic children and young adults. Activities include summer day camps, athletics, social recreation and special activities.

The Parks & Recreation Department continues to be an essential community resource, providing field space for private athletic organizations, as well as hosting events for many charitable organizations. ■

Did you know...

...that through various program offerings, the Parks & Recreation department donated food, blankets, winter accessories, and other items to seven different organizations in 2015?

Parks & Recreation

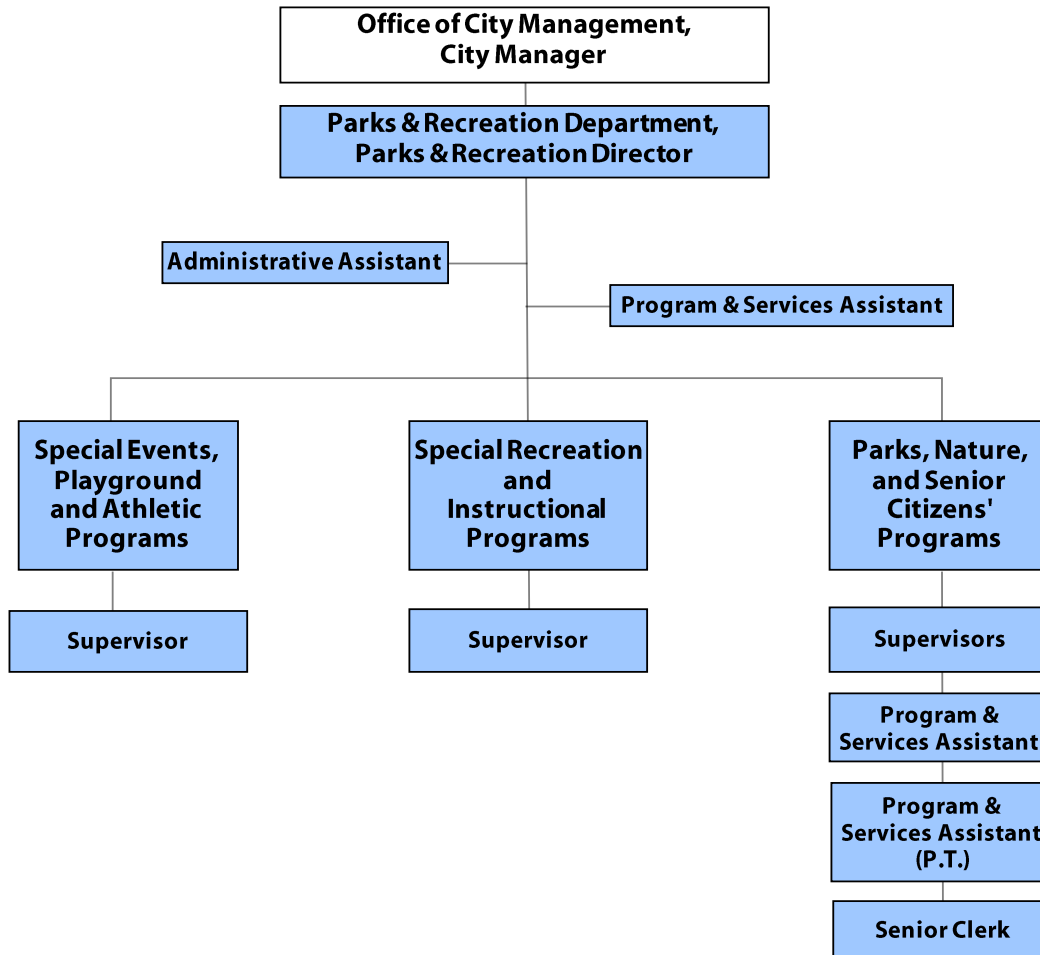
2016/17 PERFORMANCE OBJECTIVES

1. To work with the Public Works Department to formalize an annual maintenance plan for the athletic fields utilizing recently acquired equipment. *(City Goal 6, 16)*
2. To seek a DNR grant for one of the new projects in the department's newly updated master plan. *(City Goal 4, 14)*
3. To plan, implement, and evaluate at least two new teen activities, including Battle of the Bands, to replace the eliminated Teen Fest event. *(City Goal 19)*
4. To continue coordinating efforts with respect to the Parks & Recreation conceptual plan and park initiative. *(City Goal 16, 19)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Instructional Class Attendance	22,666	20,344	23,566	23,000	23,600	23,500
	Spec. Event Participants (Incl. Sterlingfest/Farm. Mkt.)	53,734	46,379	80,680	75,000	112,872	110,000
	Special Recreation Program Attendance	9,895	8,395	8,847	9,000	8,935	9,000
	Adult & Youth Athletic Attendance	27,391	23,442	23,578	27,000	24,015	26,000
	Nature Program Participants	14,582	17,170	15,079	17,000	16,466	17,000
	Teen Only Program Attendance	600	476	372	600	150	700
	Number of Internet Registrations	2,540	2,512	2,969	2,700	1,633	2,800
	Summer Playground Registrations	740	698	691	690	690	690
	Park Playground Equipment Replaced	0	2	1	0	1	0
	Senior Center Activities Attendance (Incl. Transport.)	103,667	100,026	97,769	103,000	97,700	100,000
	Community Center Special Activity Use Attendance	5,828	5,851	5,430	5,500	5,714	5,600
	Senior & Special Recreation Transportation Riders	21,362	19,426	19,281	21,000	20,927	21,000
Efficiency & Effectiveness	P & R Revenue Earned per Capita	\$3.66	\$3.60	\$3.77	\$3.74	\$3.97	\$4.00
	% 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	5.5	5.5	5.5
	% of Park Acres Developed	85.4%	85.4%	85.4%	87.5%	87.5%	87.5%
	FTE's per 100,000 Pop. (Incl. Parks & Grounds Maint.)	30	30	30	31	31	32
	Nature Center Cost per Visitor	\$8.49	\$7.18	\$8.39	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	\$13.74	\$14.85	\$14.27	*	*	*
	Department Cost per Capita	\$14.53	\$12.77	\$13.62	\$14.31	\$14.55	\$14.92
	Activity Expenditures as % of General Fund	2.31%	2.04%	1.97%	2.05%	2.11%	2.13%

*Cost is calculated for "Actual" columns only.

Parks & Recreation



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Parks & Recreation Director	0	0	1
Parks & Recreation Manager	1	1	0
Recreation Supervisor	1	2	4
Recreation Supervisor (P.T.)	2	1	0
Recreation Specialist	1	1	0
Administrative Assistant	1	1	1
Program & Services Assistant	2	2	2
Program & Services Assistant (P.T.)	1	1	1
Senior Clerk	1	1	1
Total	10	10	10

Parks & Recreation

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

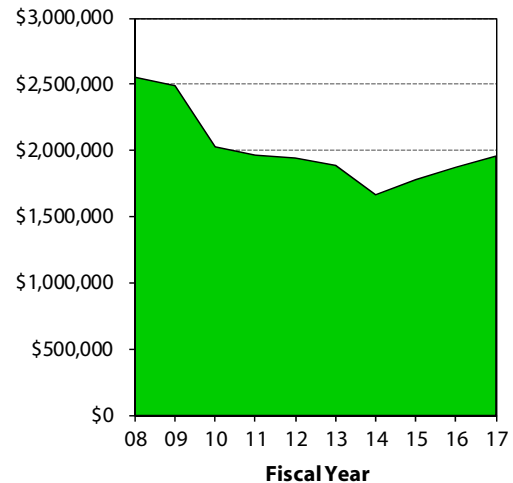
The total budget increased by 4.5%.

Personnel Services – The total Personnel budget increased \$57,520 or 3.9%. Most of the increase is a result of converting a part-time Recreation Supervisor to full-time and a wage adjustment for the Director. The budget includes funding for the increase in the minimum wage and additional part-time employees for Music in the Park concerts. \$22,980 was saved due to lower retirement liabilities.

Supplies – Total Supplies increased \$5,260 or 7.2% to fund program supplies needed for five additional Music in the Park concerts, replacement DVD's and a display case for the Nature Center, City logo-wear for staff, and supplies for cooking classes and senior seasonal parties formerly expensed in an escrow account. Funding for postage decreased \$1,500 to bring the account more in line with recent actual expenditure levels.

Other Charges – Total Other Charges increased \$20,780 or 6.6%. Contracted services increased \$25,800, primarily for five additional Music in the Park concerts, as well as an accounting change for a special recreation Line Dance Instructor, the addition of a contractual Arthritis Exercise Instructor and increased costs for Sterling Christmas. \$5,500 was added for the new RecPro software maintenance agreement. The training budget increased \$580 as additional funds are included for the Director and for staff's attendance at the annual MRPA Conference. Rental costs fell \$8,660 as the Teen Fest will become the Battle of the Bands.

Expenditure History



Capital – Grant match funding of \$640,000 is funded for the Dodge Park Trail Bridge replacement and \$65,000 is for the grant match for land acquisition on Lakeside Circle. \$25,000 is to provide a local grant match for the initial funding of a City Dog Park. \$200,000 in unspent carryover funding is budgeted in the CDBG Fund to complete the resurfacing of the parking lot and repairs to the sidewalk and entrance at the Senior Center. Audiovisual upgrades and replacement LED lighting at the Senior Center are also funded.

FUNDING LEVEL SUMMARY

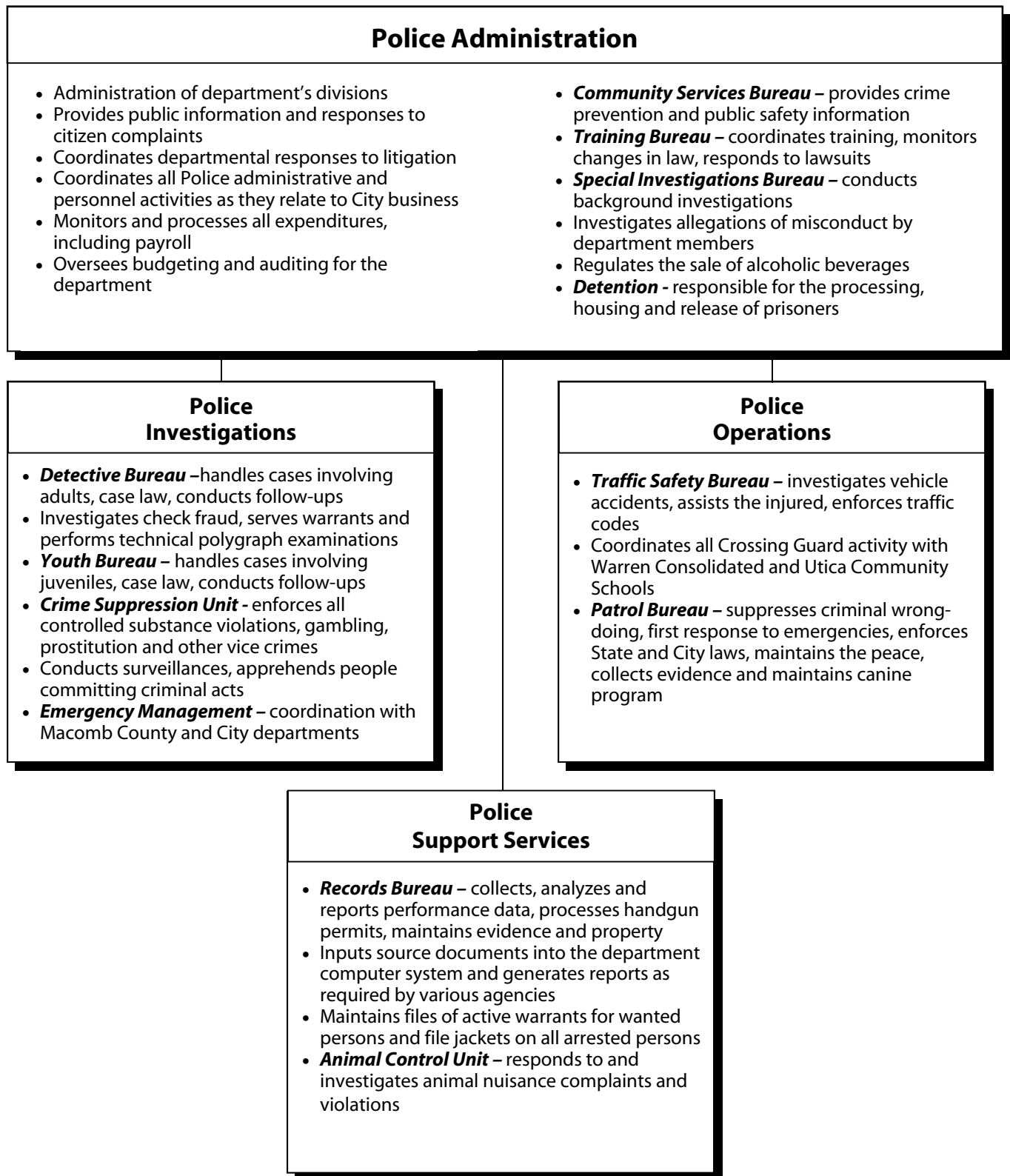
	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,417,210	\$1,484,540	\$1,515,550	\$1,542,060	\$1,542,060
Supplies	64,099	72,740	69,700	78,000	78,000
Other Charges	299,164	317,110	320,460	337,890	337,890
Total	\$1,780,473	\$1,874,390	\$1,905,710	\$1,957,950	\$1,957,950

Police Department



FUNCTIONAL ORGANIZATION CHART

Police Department



DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The Police Department budget increased \$826,520 or 2.4%. Personnel costs increased by \$519,450 or 1.7%, as all sworn officers are budgeted to receive a contractual 2% wage adjustment. Increased funds remain budgeted for the early hiring of additional officers in advance of upcoming retirements. Increased overtime is budgeted for Investigations, to cover staffing shortages as new hires are being trained, as well as increased court time due to additional traffic enforcement. One Police Officer position has been transferred from Police Operations to Investigations. Partially offsetting these increased costs is a reduction in required funding for general employee pension and retiree medical liabilities. Supplies rose \$41,830 or

30.5% primarily for the one-time purchase of bullet proof vests, uniforms and firearms needed for new officers. Other Charges rose \$265,240 or 9.5% due primarily to a decrease in Federal drug forfeiture receipts. Additional command officer training and county animal shelter costs are also funded. The Capital Budget funds the replacement of two Investigative vehicles, nine high-millage traffic and patrol vehicles, and a SRT Tahoe. The budget also includes the replacement of four emergency warning sirens, upgrades to the Police Station heating and cooling system, basement air-conditioning, and repairs to correct the Station's basement drainage problem.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
Police Administration	\$2,988,410	\$3,611,950	\$4,943,080	\$5,030,990	1.8%
Police Investigations	5,624,610	5,857,000	6,087,200	6,532,510	7.3%
Police Operations	19,602,490	19,741,950	21,343,050	21,699,180	1.7%
Police Support Services	3,283,070	2,944,840	1,575,350	1,512,520	-4.0%
Total Department	\$31,498,580	\$32,155,740	\$33,948,680	\$34,775,200	2.4%
Personnel Services	\$30,357,770	\$30,483,910	\$31,025,120	\$31,544,570	1.7%
Supplies	84,010	79,530	137,100	178,930	30.5%
Other Charges	1,056,800	1,592,300	2,786,460	3,051,700	9.5%
Total Department	\$31,498,580	\$32,155,740	\$33,948,680	\$34,775,200	2.4%

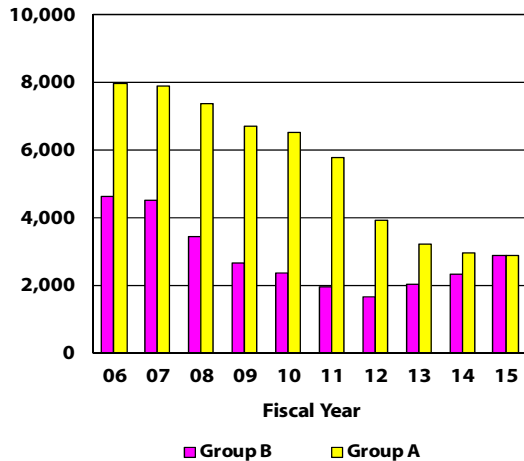
PERSONNEL SUMMARY

	2013/14		2014/15		2015/16		2016/17	
	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	33	0	34	0	35	0	36	0
Police Operations	113	30	113	30	113	30	112	30
Police Support Services	30	3	29	3	10	1	10	1
Total Department	189	33	189	33	171	31	171	31

KEY DEPARTMENTAL TRENDS

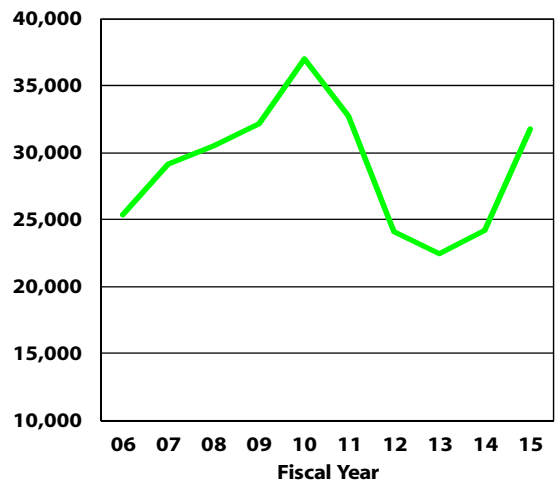
Police Department

Crime Statistics
Group A & B Crimes



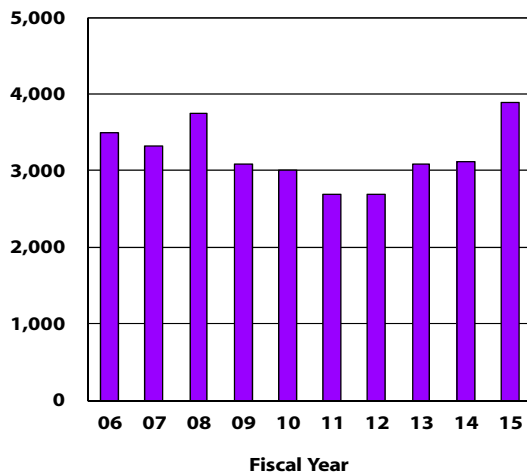
Group A and Group B crimes have decreased over the past ten years. As a result, the City's total crime statistics are at their lowest level in ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family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

Traffic Violations



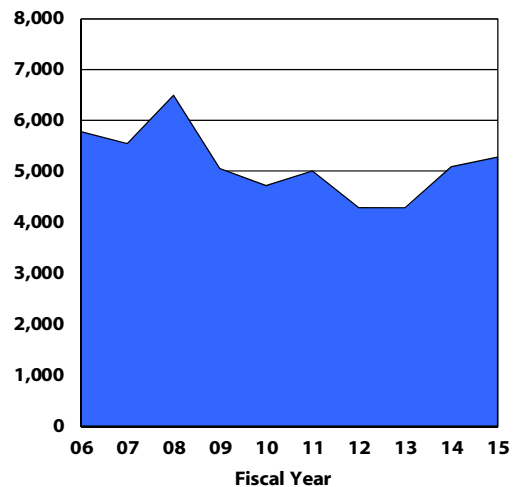
Traffic violations rose as the department initiated a multi-faceted strategy to increase traffic enforcement by concentrating on high accident areas and those locations where residents expressed a concern. Additional officers also became radar certified. For five years violations declined to below 2006 levels, with a recent top tick in 2015.

Adult Arrests



This graph reflects the number of arrests in the City. After declining for four years, the number of arrests increased over the past three years returning back to above 2008 levels.

Traffic Accidents



Despite an increase in traffic over the past ten years due to the growth in the City and in the surrounding northern communities, traffic accidents fell in 2012 to a 10-year low. The number of accidents increased slightly in 2014 and 2015.

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...

...that Police Administration is responsible to oversee the in-car cameras that are installed in all of the department's over 50 marked or semi-marked vehicles?

Police Administration

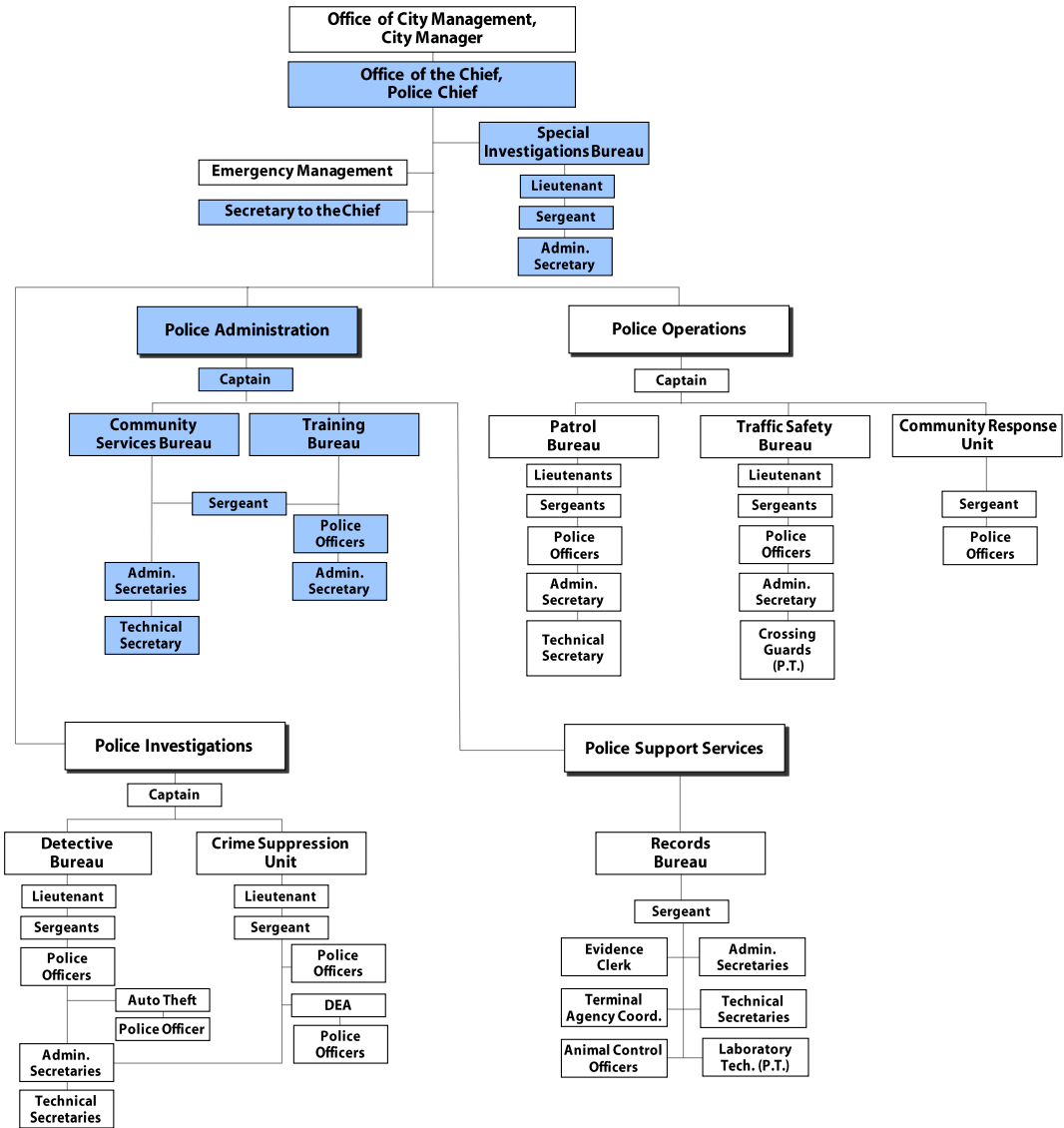
2016/17 PERFORMANCE OBJECTIVES

1. To improve communications with temporary liquor license recipients by ensuring their expectations are understood prior to the date of their event through verbal instructions. *(City Goal 10, 24)*
2. To increase liquor license law compliance through an increase in decoy operations. *(City Goal 10)*
3. To improve staff communication and workflow through use of the Outlook calendar. *(City Goal 3)*
4. To improve communication and morale of staff with regular meetings covering concerns. *(City Goal 2)*
5. To improve the effectiveness of discipline by including in-house or off-site training with any formal discipline that results in time off. *(City Goal 3)*
6. To conduct all mandatory department training through the training bureau rather than on the patrol shifts, to ensure more consistent instruction is received. *(City Goal 2)*
7. To conduct joint training with the Fire Department to provide more effective response to active shooter incidents. *(City Goal 1, 11)*
8. To offer active shooter training to local businesses and their staff. *(City Goal 4, 10)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Public Education Programs Presented	18	23	9	10	2	0
	Security/Safety Presentations	6	11	4	4	2	0
	Neighborhood Watch Programs	6	6	1	4	0	0
	Elementary and Middle School Programs	6	6	4	3	0	0
	General Orders Issued or Amended	28	16	7	15	21	20
	School Safety Program - Students Impacted	770	6,484	850	50	50	0
	Training Seminars Attended - Department-wide	212	258	201	300	315	350
	Employment Background Investigations	77	102	109	140	100	100
	Internal Affairs Investigations	65	60	51	60	50	50
	Liquor License Background Investigations	13	15	11	12	20	18
	Other Special Investigations Bureau Investigations	1,429	1,210	1,270	1,200	1,232	1,240
	Liquor & Tobacco Inspections/Observations	235	130	123	130	130	130
	Liquor License Violations	8	1	1	8	1	5
	Citizen Observer Web-based Alert System Recipients	N/A	N/A	315	320	379	400
Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	5.3:1	3.4:1	4.0:1	5.5:1	5.0:1	5.0:1
	Employment Background Investigations - % Hired	79%	84%	61%	80%	80%	80%
	# of Complaints per Officer	0.4	0.4	0.3	0.0	0.3	0.0
	Average Cost of an Administrative Investigation	\$487	\$550	\$497	*	*	*
	Average Liquor License or Tobacco Inspection Cost	\$81	\$94	\$96	*	*	*
	Department Cost per Capita	\$243	\$241	\$246	\$259	\$253	\$265
	Division Expenditures as % of General Fund	3.80%	3.66%	4.00%	5.40%	5.37%	5.46%

* Cost is calculated for "Actual" columns only.

Police Administration



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
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	4	4	4
Technical Secretary	1	1	1
Total	13	13	13

Police Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

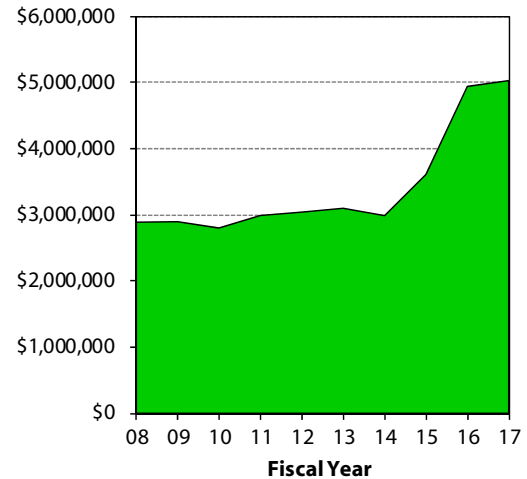
The total budget increased by 1.8%.

Personnel Services – The total Personnel budget increased \$30,640 or 1.5%. The increase is primarily a result of increased wage and benefit costs for the new Police Chief position. In addition, all sworn Officers are budgeted to receive a 2% wage increase. Partially offsetting these increased costs is a \$37,570 reduction in required funding for general employee pension and retiree medical liabilities.

Supplies – Total Supplies increased \$41,830 or 30.5% primarily for the one-time purchase of bullet proof vests, uniforms, and firearms needed for new Officers. \$800 was added for additional dog care supplies. Funding decreased \$9,710 due to the one-time receipt of grant funds in the prior year to purchase Special Response Team (SRT) supplies.

Other Charges – Total Other Charges increased \$15,440 or 0.6%. Contracted services increased \$45,100 primarily due to higher Macomb County Dispatch and detention facility contract costs, partially offset by a decrease in State radio fees. \$13,000 was added for the cost of animal housing to be contracted out through the Macomb County Animal Shelter rather than housed at the Police Station. The training budget increased \$7,000 for additional Command Officer training that will be needed due to staff turnover. Utility costs decreased \$21,500 based on recent expenditure trends. \$16,700 was saved due to lower maintenance costs for the recently upgraded security camera system.

Expenditure History



Telephone costs decreased \$10,000 to bring the budget in line with the current year's estimated expenditure usage.

Capital – There is no Capital proposed for this division.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,941,393	\$2,021,670	\$2,023,290	\$2,052,310	\$2,052,310
Supplies	79,532	137,100	162,930	178,930	178,930
Other Charges	1,591,022	2,784,310	2,668,390	2,799,750	2,799,750
Total	\$3,611,947	\$4,943,080	\$4,854,610	\$5,030,990	\$5,030,990

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.

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 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.*

The investigators assigned to this Division continually pursue training in all aspects of criminal investigation including: interviewing, legal update, violent crimes and the utilization of computers as investigative tools. This training is necessary to maintain and enhance the skills of the investigators. Victim assistance and citizen satisfaction are key objectives to our approach toward lessening the effects of crime on our community. Detectives work in close partnership with social response agencies, such as Turning Point, Macomb County Victims Assistance Unit, Forensics Nurses Examiner Program, and Crime Stoppers.■

Did you know...

...the Sterling Heights Police Department is the only Municipal Department in Macomb County that has a full-time Computer Forensic Investigator?

Police Investigations

2016/17 PERFORMANCE OBJECTIVES

1. To provide technological training to as many detectives as possible in the area of capturing and preserving criminal evidence on personal hand-held computer devices. *(City Goal 9, 10)*
2. To work in conjunction with Operations staff through training and constant feedback to improve the quality of incident reports in an effort to aid detectives and prosecutors in securing warrants and prosecuting cases. *(City Goal 2, 9)*

Output	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
	Total Detective Bureau Cases Assigned	4,149	3,828	3,719	4,015	3,517	4,020
	Adult Investigative Cases	3,031	2,388	2,703	3,075	2,580	3,000
	Juvenile Investigative Cases	764	1,147	694	630	635	700
	In-Custody Cases	354	293	322	310	302	320
	Total Crime Suppression Unit Cases Assigned	677	670	702	740	692	750
	Auto Theft Investigative Cases	182	181	148	140	162	170
	Theft from Auto Invest. Cases (Incl. Parts/Access.)	163	141	141	100	100	140
	Narcotic/Vice Investigative Cases	332	348	413	500	430	440
	Total Interviews Conducted	26,979	26,615	26,430	27,600	26,050	27,000
	Suspect Interviews	5,580	5,454	5,174	5,600	4,442	5,200
	Witness & Informant Interviews	12,887	12,723	12,542	13,000	12,708	12,700
	Victim Interviews	8,512	8,438	8,714	9,000	8,900	9,100
	Arrest Warrants Obtained	1,438	1,410	1,241	1,440	1,482	1,500
	Search Warrants Obtained/Executed	432	472	551	530	624	642
	Polygraph Examinations Conducted	11	7	3	8	0	0
	Criminal Surveillances	2,689	2,620	2,779	2,780	2,724	2,750
	Federal Forfeiture Cases Processed	89	67	5	15	14	10
	State Forfeiture Cases Processed	61	58	60	60	62	64
	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	1,600	1,600	1,600
	COPS Program Participants	22	25	25	25	25	25

Police Investigations

2016/17 PERFORMANCE OBJECTIVES

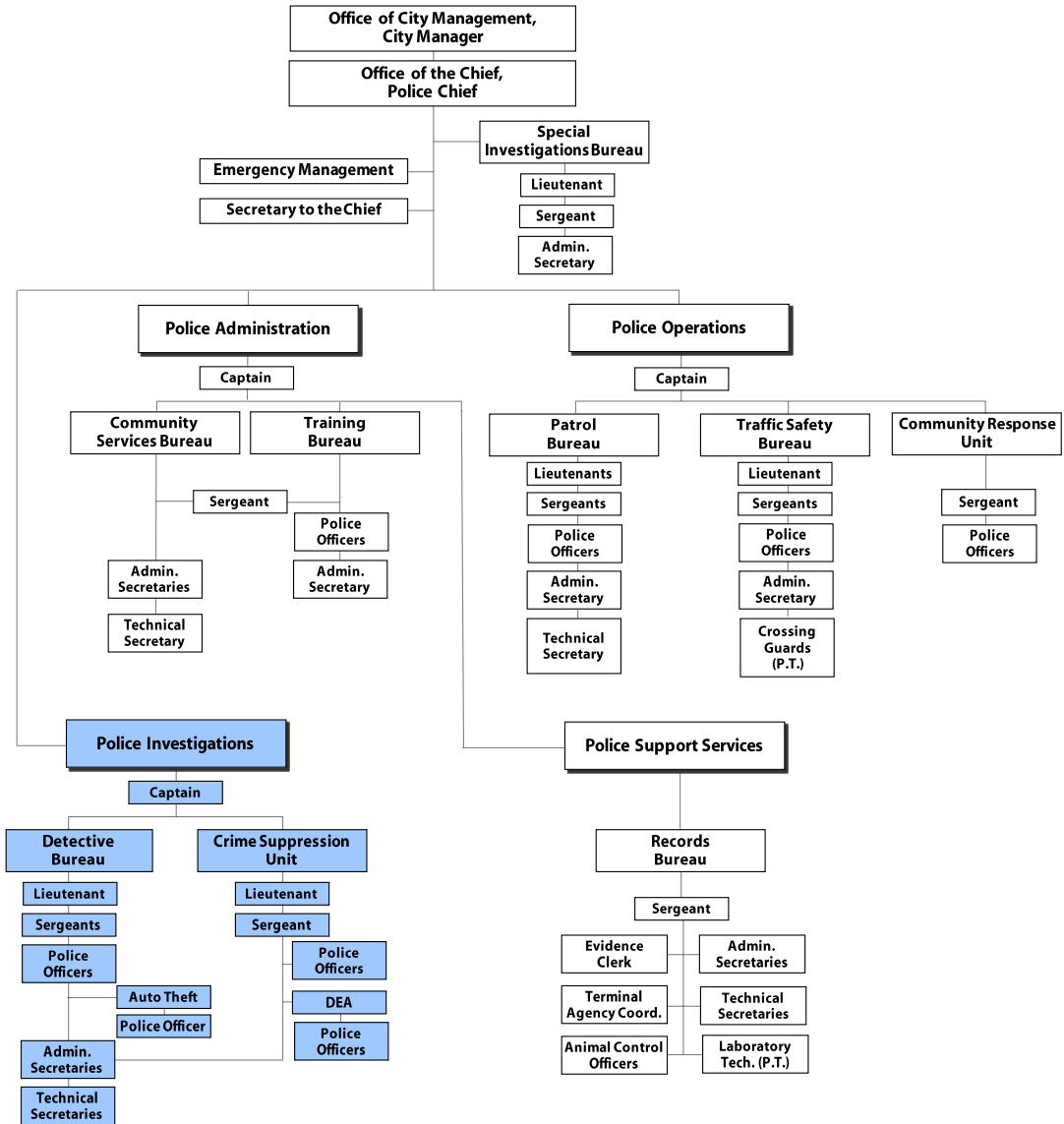
3. To assign a detective to the Macomb County/F.B.I. violent crimes task force to aid in investigating, apprehending, and prosecuting violent offenders. (City Goal 9, 10, 11)
4. To implement a program to address and reduce acute stress related incidents common to first responders. (City Goal 9, 10, 11)
5. To increase public presentations on awareness and prevention of juvenile involved computer sex crimes. (City Goal 4, 10)

Efficiency & Effectiveness	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
	% of Petitions Obtained vs. Requested	94%	94%	96%	95%	96%	96%
	% of Arrest Warrants Obtained vs. Requested	88%	87%	84%	90%	83%	85%
	Detective Bureau Cases per Investigator	259	255	248	268	234	268
	Crime Suppression Unit Cases per Investigator	113	112	117	123	115	125
	% of Part I Violent Crimes Cleared**	70.2%	56.0%	59.0%	60.0%	59.0%	60.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.9	0.7	0.8	0.8	0.9	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**	62.3%	60.0%	60.0%	60.0%	40.0%	50.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	6.1	5.1	5.3	5.5	4.5	5.0
	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	1.4	0.7	0.9	1.1	1.2	1.3
	Average Cost to Conduct a Polygraph Examination	\$375	\$393	\$436	*	*	*
	Average Cost to Investigate a Case	\$537	\$554	\$559	*	*	*
	Division Expenditures as % of General Fund	7.03%	6.88%	6.49%	6.65%	6.92%	7.10%

*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 2014/15	Budget 2015/16	Budget 2016/17
Captain	0	1	1
Lieutenant	2	2	2
Sergeant	4	4	4
Police Officer	24	24	25
Administrative Secretary	2	2	2
Technical Secretary	2	2	2
Total	34	35	36

Police Investigations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

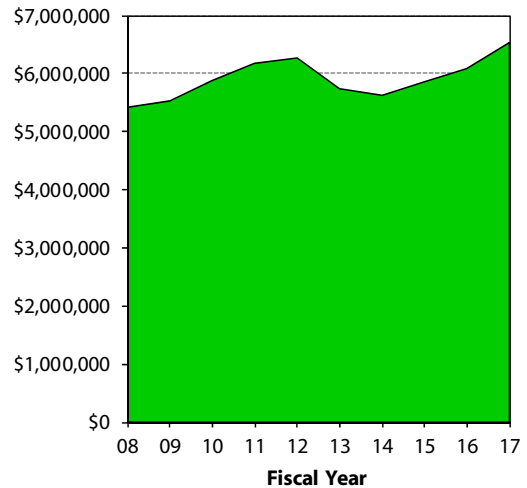
The total budget increased by 7.3%.

Personnel Services – The total Personnel budget increased \$195,310 or 3.2%. Wages rose \$132,890 due to a 2% wage increase for all sworn personnel, as well the transfer of one Police Officer position from Police Operations. An additional \$110,000 is budgeted for increased overtime and compensatory time due to increased Police investigations. Health insurance costs rose \$26,380. Due to plan benefit changes made over the past several years, including the elimination of retiree medical benefits for new hires, required funding of retiree medical liabilities fell \$100,390.

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. An additional \$250,000 is budgeted for possible drug forfeiture-related miscellaneous expenses, primarily due to the U.S. Department of Justice's action to cease all new federal equitable sharing payments to local law enforcement agencies for the foreseeable future, and a new civil asset forfeiture law that increases the burden of proof required for law enforcement agencies to keep confiscated property from forfeiture cases.

Expenditure History



Capital – Total Capital of \$48,000 is proposed for two mid-size Investigative Vehicles to replace 12 and 13-year old high-mileage vehicles.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$5,856,054	\$6,086,250	\$6,257,030	\$6,281,560	\$6,281,560
Supplies	0	0	0	0	0
Other Charges	944	950	580	250,950	250,950
Total	\$5,856,998	\$6,087,200	\$6,257,610	\$6,532,510	\$6,532,510

***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 Police Department has a Community Response Unit that patrols areas in the City that may have experienced increased criminal activity and that these officers wear plain clothes and drive both marked and unmarked police cars?

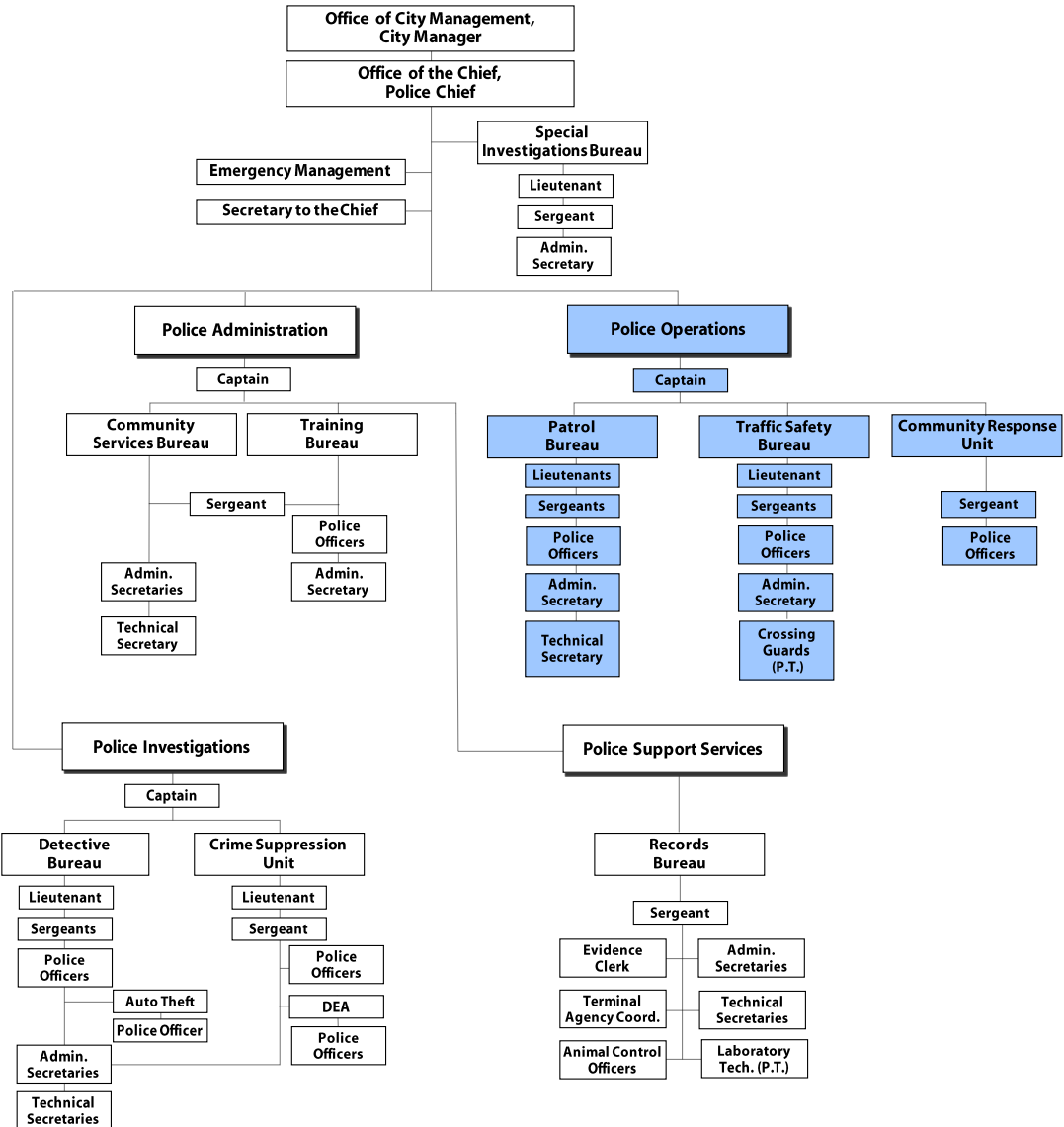
Police Operations

2016/17 PERFORMANCE OBJECTIVES

1. To increase the presence and visibility of police in all City parks and non-motorized trails, through the use of patrol cars, bicycles and motorcycles. Enforcement efforts will focus on quality of life issues for our residents who enjoy public recreation areas. *(City Goal 9, 19)*
2. To start a liaison program with our ethnic community, and with the help of our ethnic residents and business owners, partnerships will be looked at and brokered to assist with any special needs or concerns from our ethnic community. *(City Goal 10, 24)*
3. To improve and expand the in-house training program so new Command Officers can be properly trained to effectively take over command positions, as 16 Command Officers will be retiring over the next 12 months. *(City Goal 2)*
4. To train Officers in the deployment of Narcan medications in order to reduce opiate overdoses. *(City Goal 2, 9)*
5. To work with Community Relations to better promote the community policing efforts of the department. *(City Goal 9,19)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Police Incident Reports Completed	49,633	54,139	51,796	55,000	52,868	52,109
	Group A Crime Reports	3,216	2,926	2,885	3,000	3,008	3,009
	Group B Crime Reports	2,030	2,306	2,867	2,700	3,052	2,564
	Vehicular Accident Reports	4,170	4,354	4,577	4,600	4,796	4,474
	All Other Rpts. (incl. cases prev. not given case #)	40,217	44,553	41,467	44,700	42,012	42,062
	Adults/Juveniles Arrested	3,083/195	3,113/190	3,882/219	3,500/210	3,770/180	3,640/200
	Total Traffic Violations Issued	22,428	24,142	31,777	30,000	36,294	30,000
	Motor Carrier Violations Issued	204	202	640	500	212	315
	Residential Traffic Enforcement Violations	1,617	1,647	2,060	2,000	1,722	1,762
	SMART Radar Trailer Deployments	118	87	333	500	690	450
	K-9 Unit Deployments	293	411	257	200	228	297
	OUIL Arrests	220	183	204	205	188	199
	SWAT/SRT Call-outs	16	19	8	17	10	13
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	24.7	22.4	22.1	22.9	23.0	22.9
	Group B Crimes per 1,000 Population	15.6	17.7	21.9	20.6	23.3	19.5
	% of Productive K-9 Deployments	98%	98%	98%	98%	98%	98%
	# of Incident Reports per Sworn Division Personnel	443	492	471	500	481	478
	# of Injury Traffic Accidents per 100,000 Pop.	460	659	728	683	793	660
	# of Traffic Fatalities Per 100,000 Population	3.8	4.6	5.0	3.0	10.0	5.9
	% of Total Sworn Personnel in Traffic & Patrol	74%	74%	74%	73%	75%	74%
	OUIL Arrests Per 1,000 Residents	1.7	1.4	1.6	1.6	1.4	1.5
	Division Expenditures as % of General Fund	23.89%	23.98%	21.87%	23.31%	22.62%	23.57%

Police Operations



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Captain	1	1	1
Lieutenant	4	4	4
Sergeant	16	16	16
Police Officer	89	89	88
Administrative Secretary	2	2	2
Technical Secretary	1	1	1
Crossing Guard	30	30	30
Total	143	143	142

Police Operations

SUMMARY OF BUDGET CHANGES

IGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 1.7%.

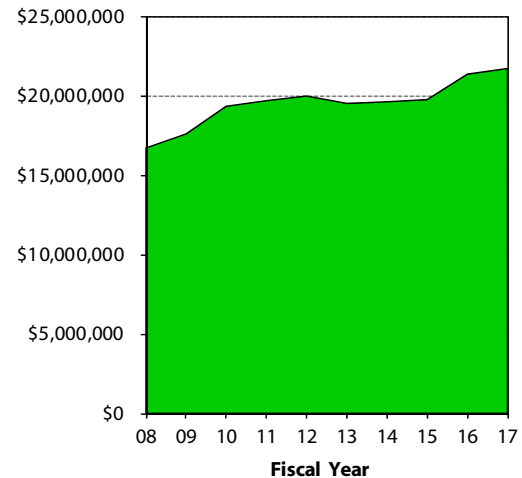
Personnel Services – The total Personnel budget increased \$356,330 or 1.7%. A Police Officer's position is being transferred to Police Investigations. Funding remains budgeted for the early hiring of Police Officers in advance of upcoming retirements. Despite a 2% wage increase for all sworn personnel, total wages budgeted remains relatively flat due to upcoming retirements, which will allow officers to be hired at a lower starting wage. An additional \$505,000 is budgeted for increased overtime to cover staffing shortages as new hires are being trained, as well as increased Court time due to additional ticket production. Health Insurance costs rose \$139,550. Due to benefit plan changes and the elimination of retiree medical benefits for new hires, funding for retiree medical liabilities declined by \$335,350.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. These costs decreased \$200 or 16.7%, as the budget can be reduced and brought more in line with recent actual expenditure levels.

Capital – Total Capital of \$293,700 is proposed. \$227,700 is budgeted to replace nine high mileage traffic and patrol vehicles. \$30,000 is for new vehicle

Expenditure History



lightbars and equipment mounts as the new patrol vehicles will be SUV's. \$36,000 is proposed for one SUV Tahoe to replace a Special Response Team (SRT) vehicle that will have over 115,000 miles at the time of purchase.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$19,741,616	\$21,341,850	\$20,450,140	\$21,698,180	\$21,698,180
Supplies	0	0	0	0	0
Other Charges	334	1,200	350	1,000	1,000
Total	\$19,741,950	\$21,343,050	\$20,450,490	\$21,699,180	\$21,699,180

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

KEY GOALS

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

Did you know...

...that traffic accident reports can now be obtained online for a small fee at ecrash.lexisnexis.com/search?

Police Support Services

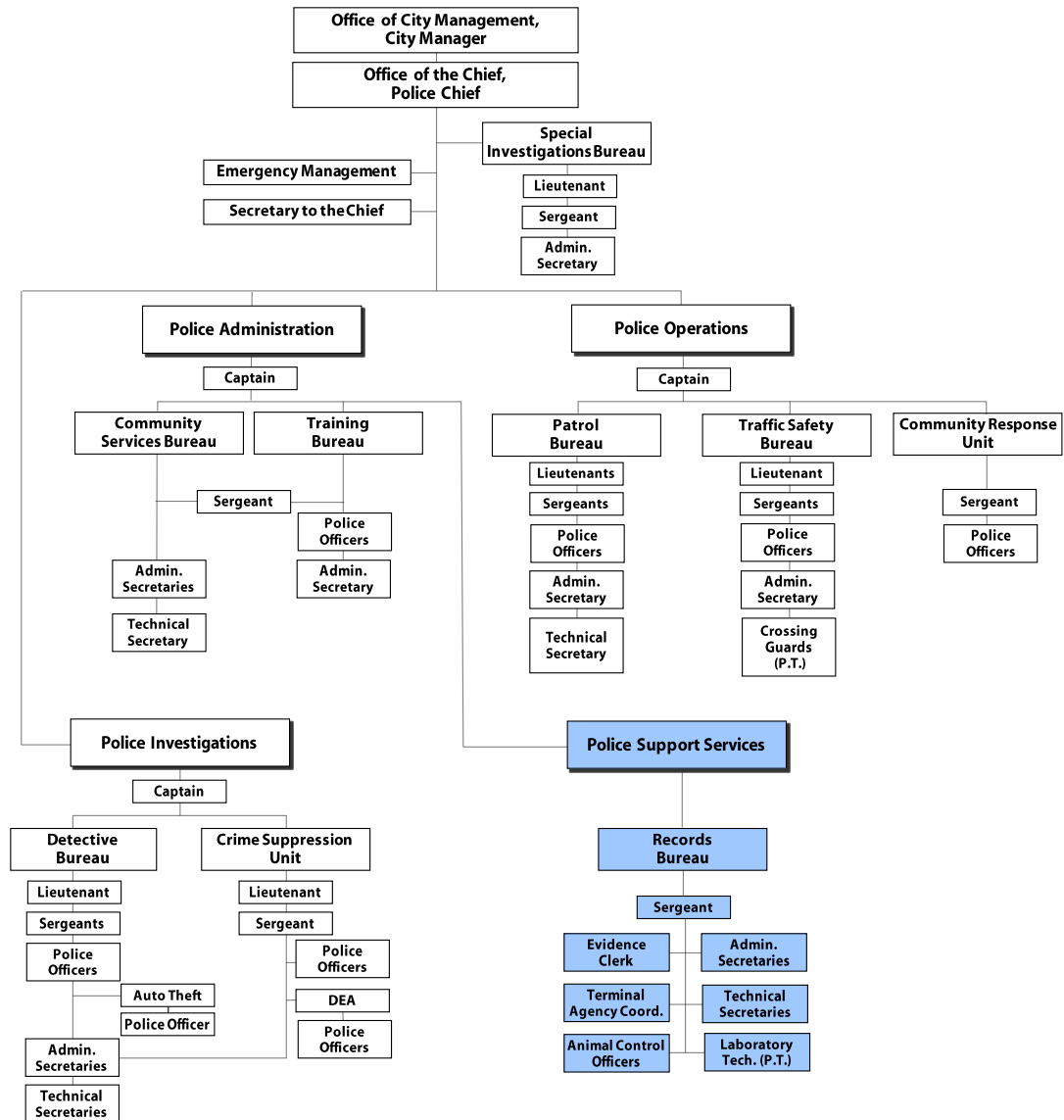
2016/17 PERFORMANCE OBJECTIVES

1. To create an updated policy and procedure for the release of vehicles from the evidence lot. (City Goal 7)
2. To research and provide alternative means for the care and safety of incoming domestic dogs and cats. (City Goal 11)
3. To create a method to allow Officers to observe our animal guests at the Officer's location while working the front desk. (City Goal 3)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Incidents Processed into Computer	49,633	54,139	51,796	55,000	52,868	52,109
	Police Reports Provided on Request	11,798	11,322	7,537	8,020	9,152	9,426
	Total Calls to 911 (Includes Cellular Calls)	58,770	58,580	48,886	56,000	50,000	50,000
	Gun Permits Obtained	3,816	3,096	3,333	3,200	3,490	3,594
	Responses by Animal Control	1,977	2,172	1,974	2,140	2,214	2,147
	Freedom of Information Act Requests	516	805	789	810	1,152	1,267
	Criminal Warrants Processed (now 41-A Court)	2,164	2,053	N/A	N/A	N/A	N/A
	Arrests Processed	3,278	3,303	4,098	3,710	3,950	3,840
	Pieces of Evidence Collected	2,666	2,810	2,880	2,830	2,904	2,816
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	\$33.18	\$31.07	\$32.44	*	*	*
	Average Cost of a FOIA Request	\$37	\$36	\$32	*	*	*
	Dispatch Operations Cost Per Call Dispatched	\$35.21	\$32.53	\$34.83	*	*	*
	Emerg. Responses/EOC Activations/Train. Exercises	2	2	2	2	2	2
	Testing & Maintenance of Warning Systems (Hours)	20	20	20	20	20	20
	Division Expenditures as % of General Fund	4.02%	4.02%	3.26%	1.72%	1.69%	1.64%

Cost is calculated for "Actual" columns only.

Police Support Services



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Sergeant	2	1	1
Communications Officer - Shift Leader	4	0	0
Communications Officer	16	0	0
Laboratory Technician (P.T.)	1	1	1
Evidence Clerk	1	1	1
Administrative Secretary	2	2	2
Animal Control Officer	0	2	2
Animal Control Officer (P.T.)	2	0	0
Terminal Agency Coordinator	1	1	1
Technical Secretary	3	3	3
Total	32	11	11

Police Support Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 4.0%.

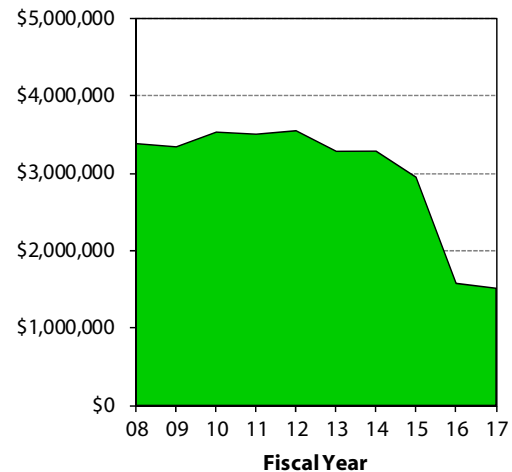
Personnel Services – The total Personnel budget decreased \$62,830 or 4.0%. Full-time wages rose \$31,870 as sworn personnel are budgeted to receive a 2% wage increase, as well as a reduction in the number of unpaid furlough days for non-sworn staff. In addition, wage costs rose due to the transfer of a Technical Secretary position into this division from another office in the current year. Overtime costs decreased 30,000 as additional overtime for clerical staff added last year has been reallocated among all divisions of the Police Department. Less actuarial funding is needed for the general employees' pension system which fell \$12,090, and \$42,770 was saved in retiree medical liabilities due to benefit changes, as well as the elimination of benefits for new hires.

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.

Capital – Total Capital of \$204,300 is proposed. Four Emergency Warning Sirens are budgeted for \$108,000 to replace sirens that require frequent repairs and are no longer dependable. \$51,000 is for new energy efficient Motors and Controls to replace the existing equipment in the Police Station's heating and cooling system that has passed its life expectancy and for which

Expenditure History



repair parts are no longer available. \$32,000 is for an Air Conditioning system to be installed in the basement of the Police Station, where the employee lounge and locker rooms are located. Installation of a Waterproofing System is funded for \$9,600 to correct basement drainage problems. \$3,700 is for an Employee Entrance Door to replace the current door that is rusted and does not function properly.

FUNDING LEVEL SUMMARY

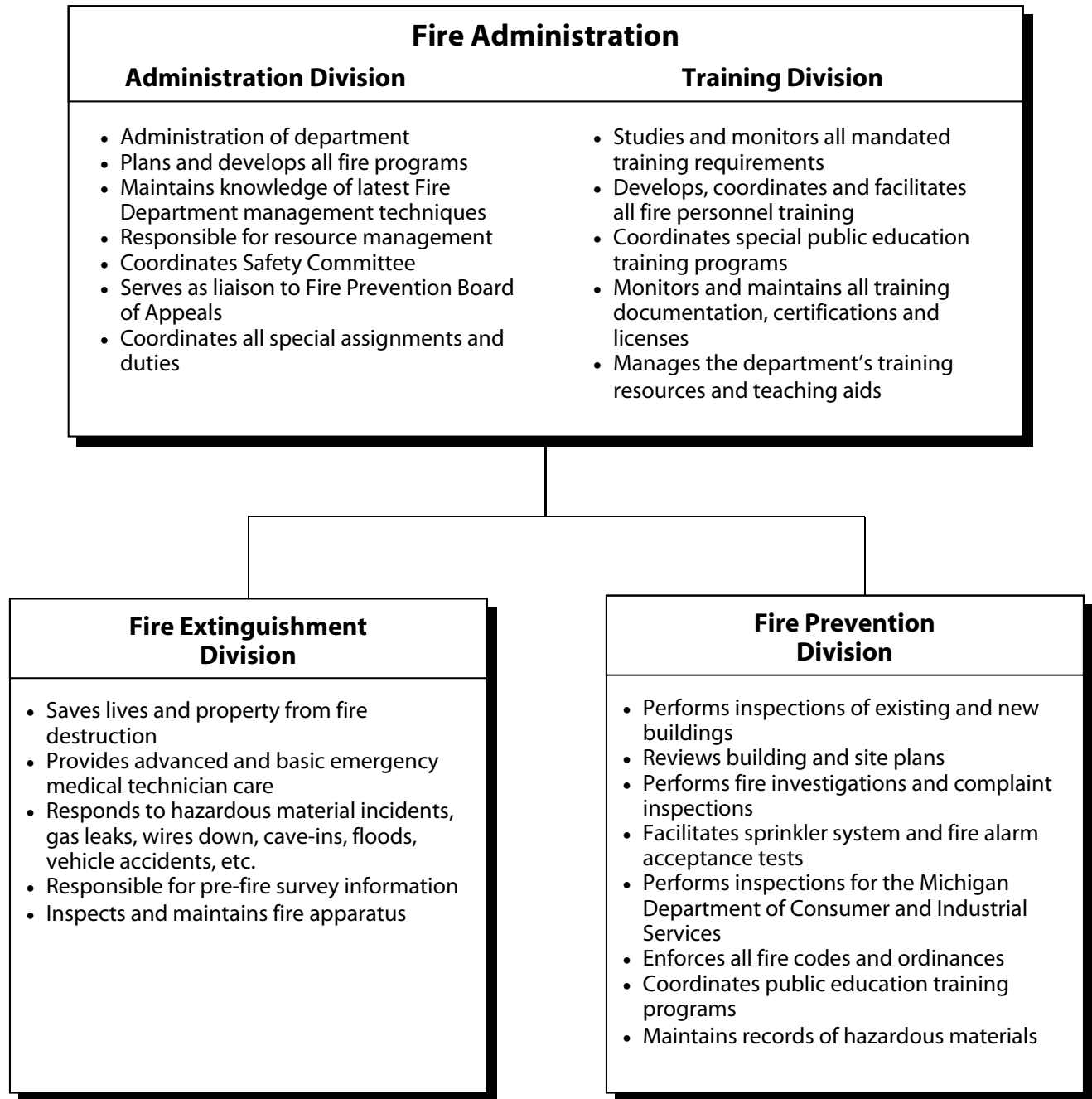
	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$2,944,841	\$1,575,350	\$1,528,080	\$1,512,520	\$1,512,520
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$2,944,841	\$1,575,350	\$1,528,080	\$1,512,520	\$1,512,520

Fire Department



FUNCTIONAL ORGANIZATION CHART

Fire Department



DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget declined \$69,640, or 0.4%. Personnel costs rose \$194,300 or 1.2%. Full-time wages rose due to a contractual 2% wage increase for all firefighters and a 1.5% wage increase for all clerical staff, as well as a decrease in unpaid furlough days. Overtime costs went up \$375,000 primarily to increase staffing to three firefighters on the ALS rescue vehicles, manpower shortages due to firefighters on disability, and as new hires receive wage step increases. A part-time High School Co-op position is funded to assist the clerical staff. Reduced funding for required retiree medical insurance liabilities partially offset other costs.

Supplies decreased \$24,000 or 13.2% due to the one-time cost of replacement face masks and turnout gear in the prior year. Total Other Charges declined \$239,940 or 35.8% due to the one-time receipt of fitness and medical grant funds and a County shared services feasibility study budgeted in the prior year. The Capital Budget funds the replacement of a 26-year old aerial ladder truck, 18 mobile data computers, a new EKG defibrillator needed to upgrade the ALS rescue vehicle, the replacement of the roof at Fire Station #5, and a replacement backup generator for Fire Station #1.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
Fire Administration	\$1,469,690	\$1,387,650	\$1,623,390	\$1,379,040	-15.1%
Fire Extinguishment	14,806,220	15,180,830	14,711,850	14,890,860	1.2%
Fire Prevention	802,540	800,950	1,060,650	1,056,350	-0.4%
Total Department	\$17,078,450	\$17,369,430	\$17,395,890	\$17,326,250	-0.4%
Personnel Services	\$16,529,830	\$16,835,640	\$16,543,670	\$16,737,970	1.2%
Supplies	131,770	132,310	181,980	157,980	-13.2%
Other Charges	416,850	401,480	670,240	430,300	-35.8%
Total Department	\$17,078,450	\$17,369,430	\$17,395,890	\$17,326,250	-0.4%

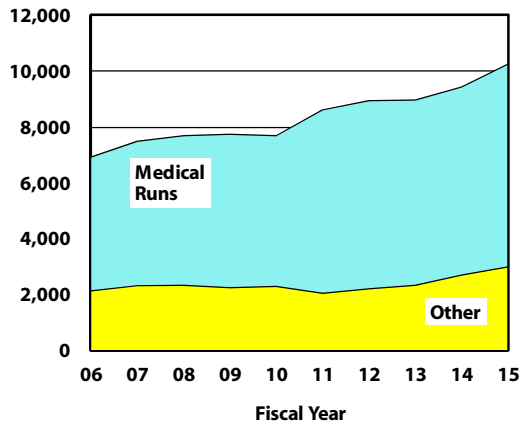
PERSONNEL SUMMARY

	2013/14		2014/15		2015/16		2016/17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	8	0	8	0	8	0	8	1
Fire Extinguishment	76	0	75	0	75	0	75	0
Fire Prevention	2	0	3	0	5	0	5	0
Total Department	86	0	86	0	88	0	88	1

KEY DEPARTMENTAL TRENDS

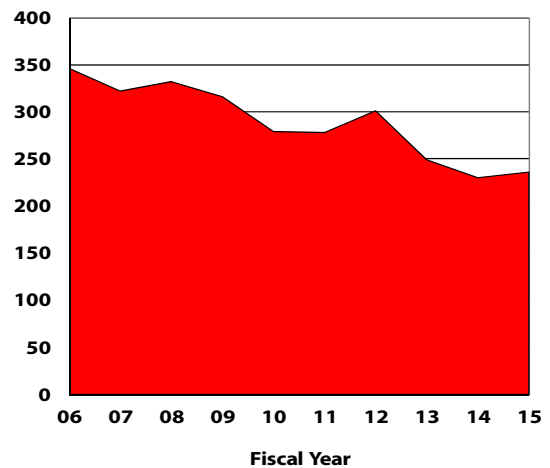
Fire Department

Emergency Medical & Other Incidents



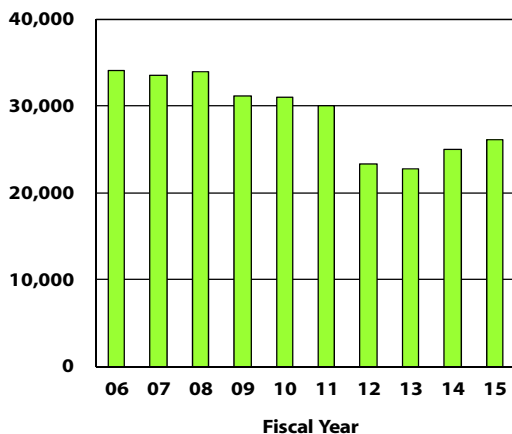
There has been an overall increase in the number of emergency medical runs and other incidents over the past ten years. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 76% of cities nationally 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.

Fire Incidents



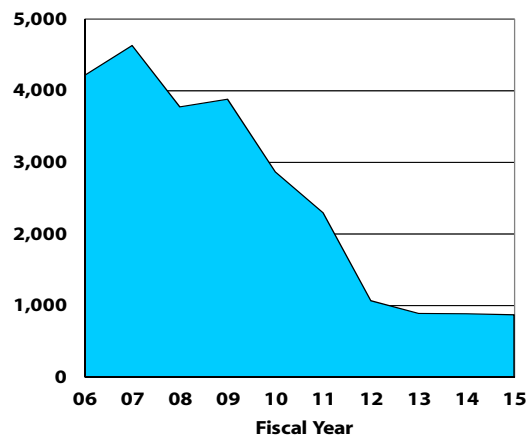
Over the past 10 years, the number of fires has declined by 32%, reaching a low of 230 in 2014. The value of non-residential fire losses is \$753,000, which is below national, state, and county averages. The City currently averages fewer than one fire incident per week at each of the City's five fire 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.

Training Hours Completed



The City's firefighters devote many hours during the year toward in-house formalized training provided by the Fire Training division. In recent years, 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.

Fire Inspections Conducted



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 also began limited in-company inspections performed by firefighters during their shift. In 2016, two additional Fire Inspectors were budgeted.

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 recently went through an ISO review, the first in over 20 years, and the City's rating improved from a four to a two?

Fire Administration

2016/17 PERFORMANCE OBJECTIVES

(Administration)

1. To review the recent ISO evaluation to determine changes that can be implemented, in a cost effective manner, to improve the current rating. (City Goal 1, 4, 5, 7, 9, 11)
2. To work with the Department of Public Works and the County to obtain GPS positions of all fire hydrants and input the information into the mapping system to be viewed on every fire apparatus. (City Goal 1, 6, 9, 11)
3. To ensure redundancies in job duties do not exist within every function of the department. (City Goal 1, 2, 3, 5, 6, 11)
4. To review the consolidation feasibility study to identify and implement improvements that can increase the efficiency of Fire Department operations. (City Goal 1, 3, 5, 9, 11)
5. To develop and deliver an educational tool for the Senior Living Facilities to highlight the proper use of Fire Department resources and how to best contact them depending on the situation. (City Goal 1, 3, 9, 10, 11, 24)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Incident Reports Reviewed for Quality	11,653	12,451	13,588	13,500	14,164	14,100
	Employee Evaluations Conducted/Tracked	86	86	82	88	88	88
	APPO's and Standard Operating Guidelines Reviewed	147	159	172	200	185	200
	Freedom of Information Act Requests	51	34	42	50	51	50
	Staff/Battalion Meetings Conducted	12	12	12	12	12	12
	Presentations to Civic Groups/Organizations	7	20	14	10	9	10
	Employee/Civilian Citations Processed	23	22	18	20	35	30
	Safety Recommendations Implemented	6	6	7	8	7	8
	Hours of Computer Consultant Services Used	116	0	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	\$130	\$131	\$133	\$133	\$132	\$132
	Division Expenditures as % of General Fund	1.73%	1.80%	1.54%	1.77%	1.74%	1.50%

Fire Administration

2016/17 PERFORMANCE OBJECTIVES

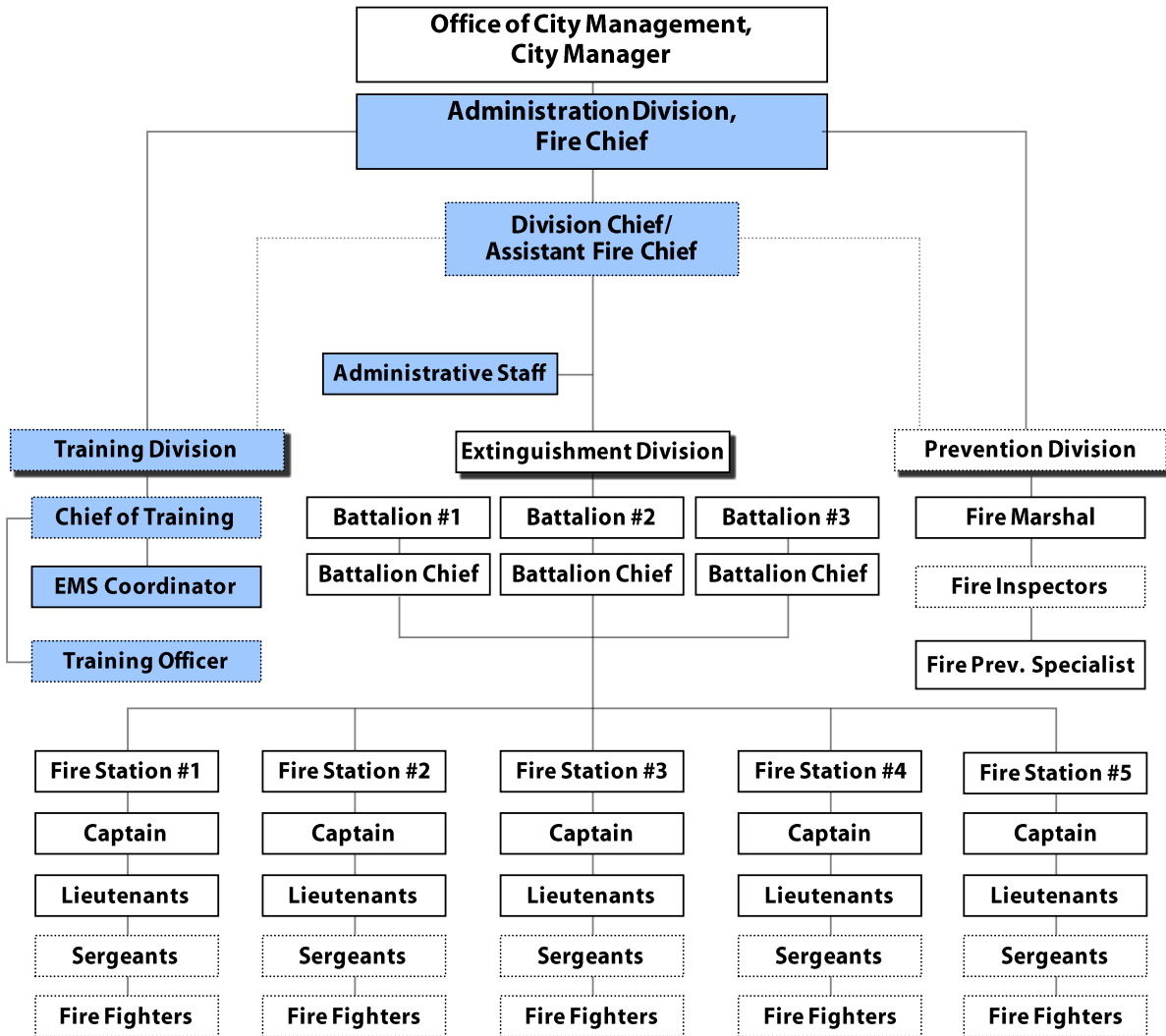
(Training)

1. To train fire personnel to be competent in the management of pediatric patients with a broad spectrum of illnesses and injuries, as evidenced by performance based tasks. (City Goal 2, 4, 7)
2. To review, identify, and train in operational approaches to an active shooter within the City related to Fire Department, Police Department and other City interests. (City Goal 2, 3, 4, 5, 6, 9, 10, 11, 24)
3. To take an active approach in the community for public access to CPR, AED, and First Aid Training, guided by the Fire Department. (City Goal 2, 6, 9, 10, 24, 25, 26)
4. To train fire personnel in operational approaches to the most current techniques of swift water rescue related to the expansion and increased use of the Clinton River, through Dodge Park, by water enthusiasts. (City Goal 2, 3, 4, 5, 6, 9, 11, 24, 25)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Total Formal Training Hours Coordinated	22,790	24,994	26,086	24,600	29,876	22,900
	Hours of Fire Officer Training	2,183	3,082	1,622	3,500	3,680	1,960
	Hours of EMS Training	1,940	1,938	4,656	2,200	3,874	2,400
	Hours of Fire Suppression Training	5,818	6,046	4,762	6,000	7,000	4,780
	Hours of Hazardous Materials Training	834	864	964	800	946	980
	Hours of Professional Development Training	889	1,343	1,436	800	1,000	1,020
	Hours of Physical Training	7,578	7,865	8,760	7,500	7,500	7,500
	Hours of Technical Rescue Training	616	1,544	1,794	800	2,176	2,140
	Hours of All Other Training	2,932	2,312	2,092	3,000	3,700	2,120
	Residents Receiving Formal Public Education	478	480	515	450	485	450
	Individuals Receiving CPR Instruction	47	146	127	60	294	275
	Paramedic/EMT License Applications Processed	31	25	32	30	29	30
	Procedures Developed and Updated	38	51	47	80	72	60
Efficiency & Effectiveness	Days of Work Lost Due to Injury	292	142	60	125	30	100
	Sworn Pers. to Workers Comp/Disability Indemnity	21:1	83:1	42:1	85:0	85:1	85:0
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	271	301	314	289	351	269
	Training Division Cost per Fire Fighter	\$2,974	\$2,994	\$2,960	*	*	*

*Cost is calculated for "Actual" columns only.

Fire Administration



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
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
Co-op (P.T.)	0	0	1
Total	8	8	9

Fire Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

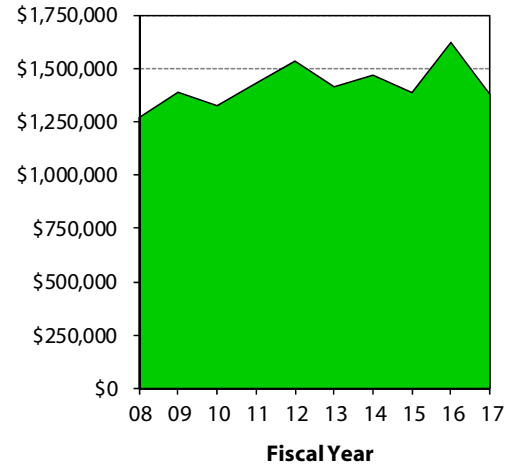
The total budget decreased by 15.1%.

Personnel Services – The total Personnel budget decreased \$2,470 or 0.2%. The overall decrease is a result of lower required funding for retiree medical liabilities, which declined by \$19,320. An additional \$10,910 was budgeted for employee wage increases as sworn staff is budgeted to receive a 2% wage adjustment, while clerical staff is budgeted for a 1.5% increase as well as a decrease in unpaid furlough days. \$8,830 is funded for a part-time High School Co-Op position needed to assist the clerical staff.

Supplies – Total Supplies decreased \$2,750 or 10.4%. Funding for operating supplies decreased \$2,760 due to a prior year reappropriated encumbrance, partially offset by an inflationary cost increase adjustment.

Other Charges – Total Other Charges decreased \$239,130 or 79.5%. Medical services decreased \$132,410, primarily due to the one-time receipt of grant funds in the prior year. Contracted services declined \$73,890 due to the one-time funding of a County shared services feasibility study, and a decrease in State radio fees. \$34,310 was budgeted in the prior year to reflect the pension cost for the additional Fire Inspector position, which will be expensed beginning in this upcoming fiscal year. The budget for local meeting costs can be reduced slightly, and continues to fund local Fire Inspector classes required by the National Fire Protection Association (NFPA) for recertification. Membership costs increased \$890 for Inspector

Expenditure History



licensure renewals. \$560 was added due to higher training costs.

Capital – Total Capital of \$372,000 is proposed. \$350,000 is for roof replacement at Fire Station #5. \$22,000 is for a back-up Generator to replace an under-powered generator at Fire Station #1 which will be relocated to the 41-A District Court.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,319,636	\$1,295,980	\$1,279,560	\$1,293,510	\$1,293,510
Supplies	15,230	26,460	26,400	23,710	23,710
Other Charges	52,785	300,950	264,250	61,820	61,820
Total	\$1,387,651	\$1,623,390	\$1,570,210	\$1,379,040	\$1,379,040

***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...

...that due to the increased number of calls for Emergency Medical Services (EMS), the heavy rescue vehicle was upgraded to a paramedic unit, providing more efficient and effective care to cardiac arrest victims?

Fire Extinguishment

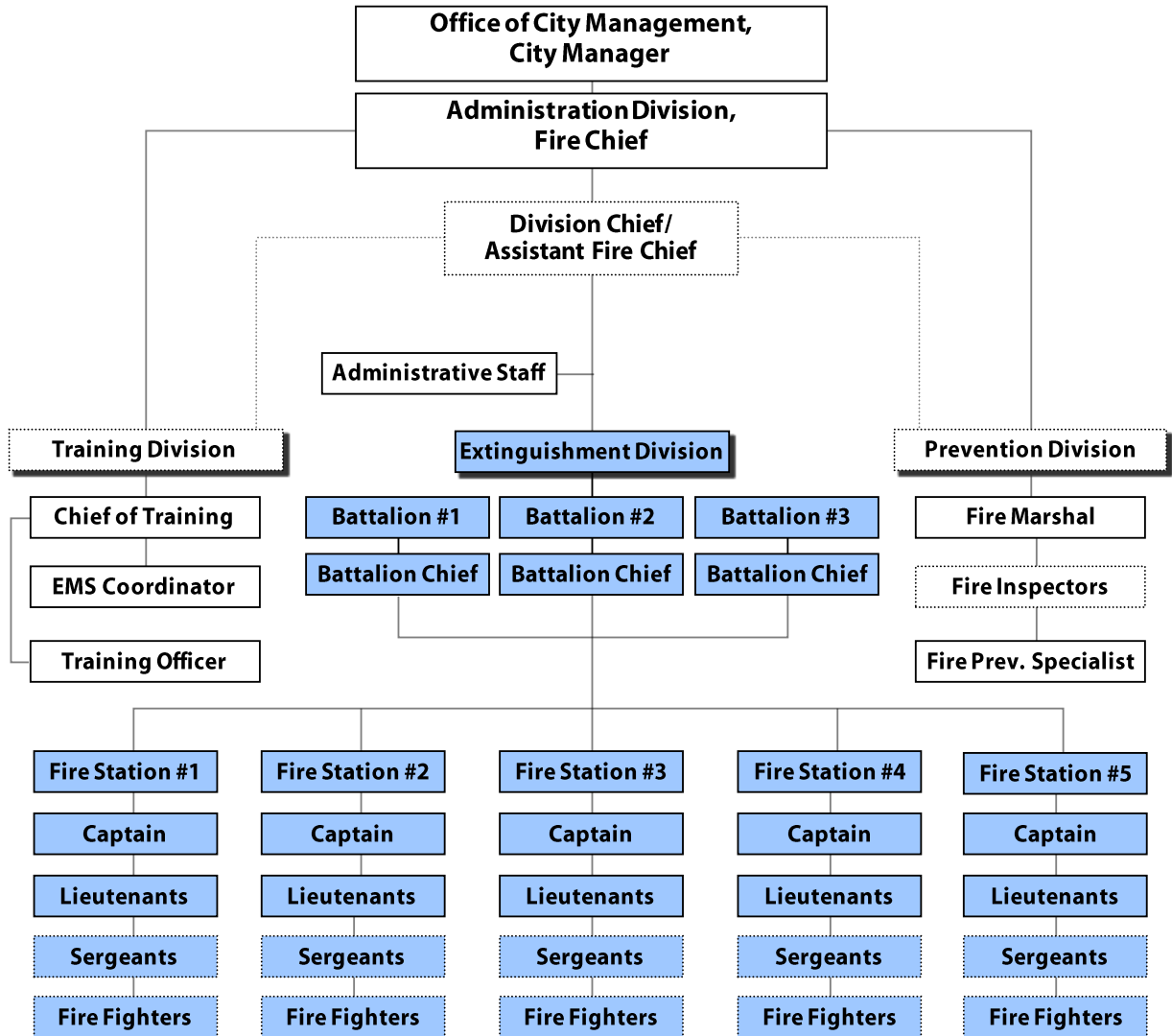
2016/17 PERFORMANCE OBJECTIVES

1. To develop and train firefighters who are competent in the management of pediatric patients of all ages with a broad spectrum of illnesses and injuries as evidenced by performance based tasks. *(City Goal 2, 4, 6, 7, 25)*
2. To take an active approach in the community for public awareness of the newly created residential lock box program which will assist Firefighters and Paramedics in gaining rapid entry into homes in the event of an emergency, saving time and property by eliminating the need for forced entry. *(City Goal 2, 6, 9, 10, 11, 24, 25)*
3. To review, identify, and develop operational approaches to the identified high rise buildings within the City related to water supply, functionality of fire protection systems, fire attack, and occupant evacuation. *(City Goal 2, 3, 6, 10, 11, 13)*
4. To review and revise operational approaches and train personnel in the most current techniques of swift water rescue related to the expansion and increased use of the Clinton River, through Dodge Park, by water enthusiasts. *(City Goal 2, 3, 5, 6, 11, 17)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Total Fire Department Incidents	11,653	12,451	13,588	13,500	14,164	14,100
	EMS-Related Incidents	8,969	9,435	10,253	10,000	10,498	10,500
	Hazardous Material Incidents	95	79	98	75	110	80
	Fire Incidents	249	230	236	275	262	275
	All Other Incidents	2,340	2,707	3,001	3,150	3,294	3,245
	ALS Patients	3,582	4,481	5,106	4,700	5,646	5,200
	BLS (Priority 3) Patients	4,450	4,608	4,859	4,800	4,672	5,100
	All Other EMS Patients	119	156	169	160	180	200
	Mutual Aid Provided/Received (Man Hours)	120/12	85/27	172/15	300/20	88/22	200/20
	Students Receiving Fire Safety Tours	3,510	3,612	3,572	3,000	3,151	3,000
	Hours Spent on Vehicle/Station Maintenance	11,333	11,238	11,312	11,400	11,388	11,400
Efficiency & Effectiveness	Average Scene Time (Hours) per Fire/ALS Incident	.70/.27	.73/.30	.85/.30	.80/.30	.62/.32	.80/.30
	Fire Fighter Injuries/Deaths	26/0	26/0	44/0	0/0	48/0	0/0
	Civilian Fire Related Injuries/Deaths	13/0	7/0	11/1	0/0	10/0	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	75%/77%	79%/71%	80%/76%	76%/71%	78%/77%	78%/77%
	Average EMS Response Time - Minutes	4.5	4.5	4.8	4.9	5.0	5.0
	Average Cost of an EMS Incident	\$158	\$150	\$139	*	*	*
	Average Cost of a Fire Extinguishment Incident	\$2,513	\$2,673	\$2,552	*	*	*
	Division Expenditures as % of General Fund	18.06%	18.11%	16.81%	16.07%	16.17%	16.17%

*Cost is calculated for "Actual" columns only.

Fire Extinguishment



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Battalion Chief	3	3	3
Captain - ALS	3	5	5
Captain	2	0	0
Lieutenant - ALS	15	13	13
Lieutenant	1	3	3
Sergeant - FEO	9	9	9
Fire Fighter - ALS	30	30	30
Fire Fighter - FEO	12	12	12
Total	75	75	75

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

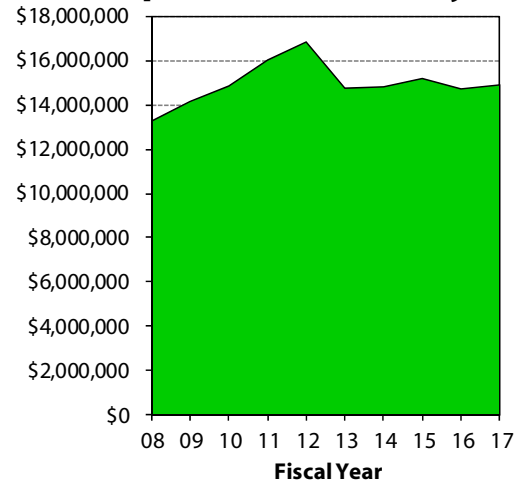
The total budget increased by 1.2%.

Personnel Services – The Personnel budget increased \$201,070 or 1.4%. Overtime costs went up \$375,000 primarily to increase staffing to three firefighters on the ALS Rescue vehicle. Overtime also rose due to the increased number of firefighters on disability, and as new hires are continuing to receive wage step increases. Holiday pay is up \$27,680 as a result of the new firefighter labor agreement. Full-time wages rose \$86,800 due to a contractual 2% wage increase. Reduced required retiree medical insurance funding partially offset other costs, which saved \$248,060. Health insurance costs declined \$62,150 as many new hires have only single coverage.

Supplies – Total Supplies decreased \$21,250 or 13.7% as operating supplies decreased due to a prior year reappropriated encumbrance. The decrease was slightly offset by inflationary cost increases and the funding of a modem for the new EKG monitor.

Other Charges – Total Other Charges decreased \$810 or 0.2%. Telephone costs decreased \$5,000 and electric costs fell \$1,000, as both can be reduced based on recent years' expenditure levels. Fire hydrant rental costs went up \$3,260, as the number of hydrants in the City has increased. Water costs increased \$1,000 due to higher rates. \$260 was added for a video conference system maintenance agreement, as a greater number of repairs are required. The increase was offset as funding for fitness equipment repairs is now budgeted in Purchasing.

Expenditure History



Capital – Total Capital of \$941,300 is proposed. \$825,000 is proposed to replace a 26-year old Aerial Ladder Truck that is in need of replacement. \$81,000 is budgeted for 18 Mobile Data Computers (MDC's) to replace the five-year old units that do not fully support the New World software system. \$35,300 is for an EKG Monitor/Defibrillator that is needed to upgrade and operate the current Rescue Vehicle as an Advanced Life Support unit.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$14,715,055	\$14,187,040	\$14,115,200	\$14,388,110	\$14,388,110
Supplies	117,082	155,520	155,520	134,270	134,270
Other Charges	348,694	369,290	354,130	368,480	368,480
Total	\$15,180,831	\$14,711,850	\$14,624,850	\$14,890,860	\$14,890,860

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

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

Inspections:

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

Plan Reviews:

1. Site
2. Buildings
3. Fire systems

Fire Investigations:

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

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

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

State Inspections:

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

Public Fire Education:

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

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

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

KEY GOALS

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

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

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

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

Did you know...

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

Fire Prevention

2016/17 PERFORMANCE OBJECTIVES

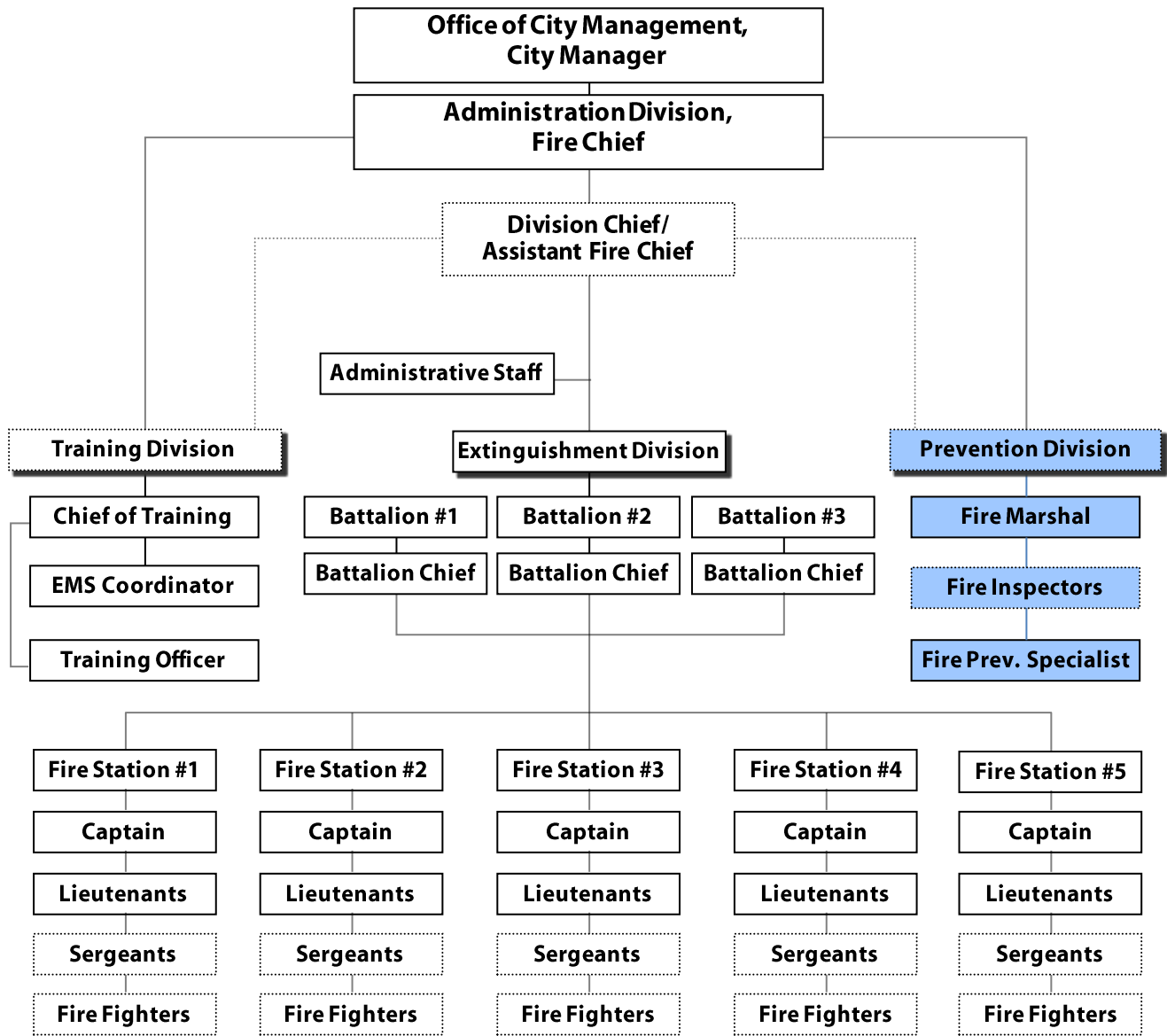
1. To develop and implement a commercial Knox Box Rapid Entry System which will assist firefighters in gaining rapid entry into a commercial building in the event of an emergency, saving time and property by eliminating the need for forced entry. (City Goal 1, 2, 6, 9, 10, 11, 25)
2. To develop, implement, and advertise a residential lock box program that will assist firefighters/paramedics in gaining rapid entry into a home in an emergency, saving time and property by eliminating the need for forced entry. (City Goal 1, 2, 6, 9, 10, 11, 25)
3. To develop pre-incident plans for access on mobile data computers (MDCs) to help firefighters effectively manage emergencies and maximize protection for occupants, responding personnel, property, and the environment. (City Goal 2, 3, 6, 9, 10, 11, 23)
4. To revamp and revitalize the comprehensive Juvenile Firesetting Prevention and Intervention Program to combat the misuse of fire and incendiary devices by juveniles. (City Goal 2, 6, 9, 10, 11, 24, 25)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Total Inspections Conducted	882	878	863	1,760	1,315	1,925
	Use Permit or Final Occupancy Inspections	262	399	345	320	410	400
	Special Event/Annual License Inspections	39	41	62	40	36	40
	Liquor Lic. Amusement, & Hazardous Bldg. Insp.	117	48	32	60	26	40
	Witnessed Acceptance Test Inspections	108	91	99	100	109	100
	Reinspections of Violations	287	191	194	480	259	375
	Citizen Assistance Inspections	69	50	47	60	114	70
	In-Service Company Inspections	N/A	58	84	300	127	300
	General Inspections/High Risk Occupancies	N/A	N/A	N/A	400	234	600
	Violations Discovered and Issued	1,670	1,020	1,215	1,600	1,296	1,800
	Investigations (Fire and Other)	39	26	29	30	24	30
	Plan Reviews (sites, buildings, alarms)	211	321	106	250	166	200
	% Bus. Receiving Violations during Inspections	99%	99%	99%	99%	99%	99%
Efficiency & Effectiveness	Value of Non-Residential Fire Loss	\$675,000	\$615,000	\$753,000	\$500,000	\$835,000	\$600,000
	% of Solicited Inspections Performed w/i 1 Day	60%	60%	80%	80%	80%	80%
	% of Inspectable Occupancies Experiencing Fires	0.37%	0.55%	0.32%	0.40%	0.80%	0.50%
	Inspections Conducted Per Inspector/Marshal**	441	410	390	420	339	460
	% of Site Plans Reviewed within 20 Days	10%	80%	90%	80%	100%	100%
	Average Plan Review Cost	\$187	\$175	\$225	*	*	*
	Division Expenditures as % of General Fund	0.89%	0.98%	0.89%	1.16%	1.15%	1.15%

*Cost is calculated for "Actual" columns only.

**Excludes In-Service Company Inspections.

Fire Prevention



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Fire Marshall	1	1	1
Fire Inspector	1	3	3
Fire Prevention Specialist	1	1	1
Total	3	5	5

Fire Prevention

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 0.4%.

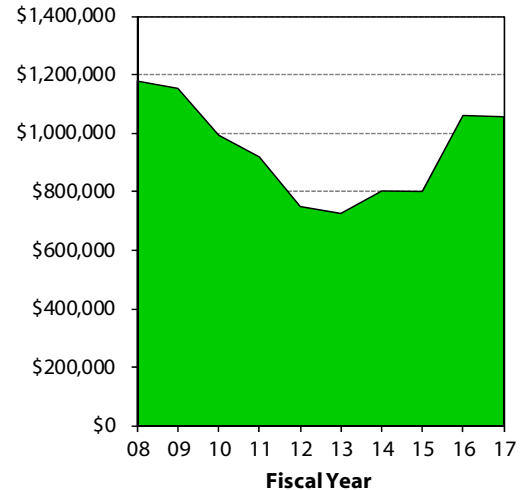
Personnel Services – The total Personnel budget decreased \$4,300 or 0.4%. The overall decrease is the result of an \$18,550 savings in the amount required to fund retiree medical liabilities. Wages rose \$11,650 due to a contractual 2% wage increase and wage step increases for those who are not yet at the top of the wage step. An additional \$1,500 is budgeted for increased overtime and compensatory time. Longevity costs rose \$3,160 due to increased years of service for several employees.

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.

Expenditure History



FUNDING LEVEL SUMMARY

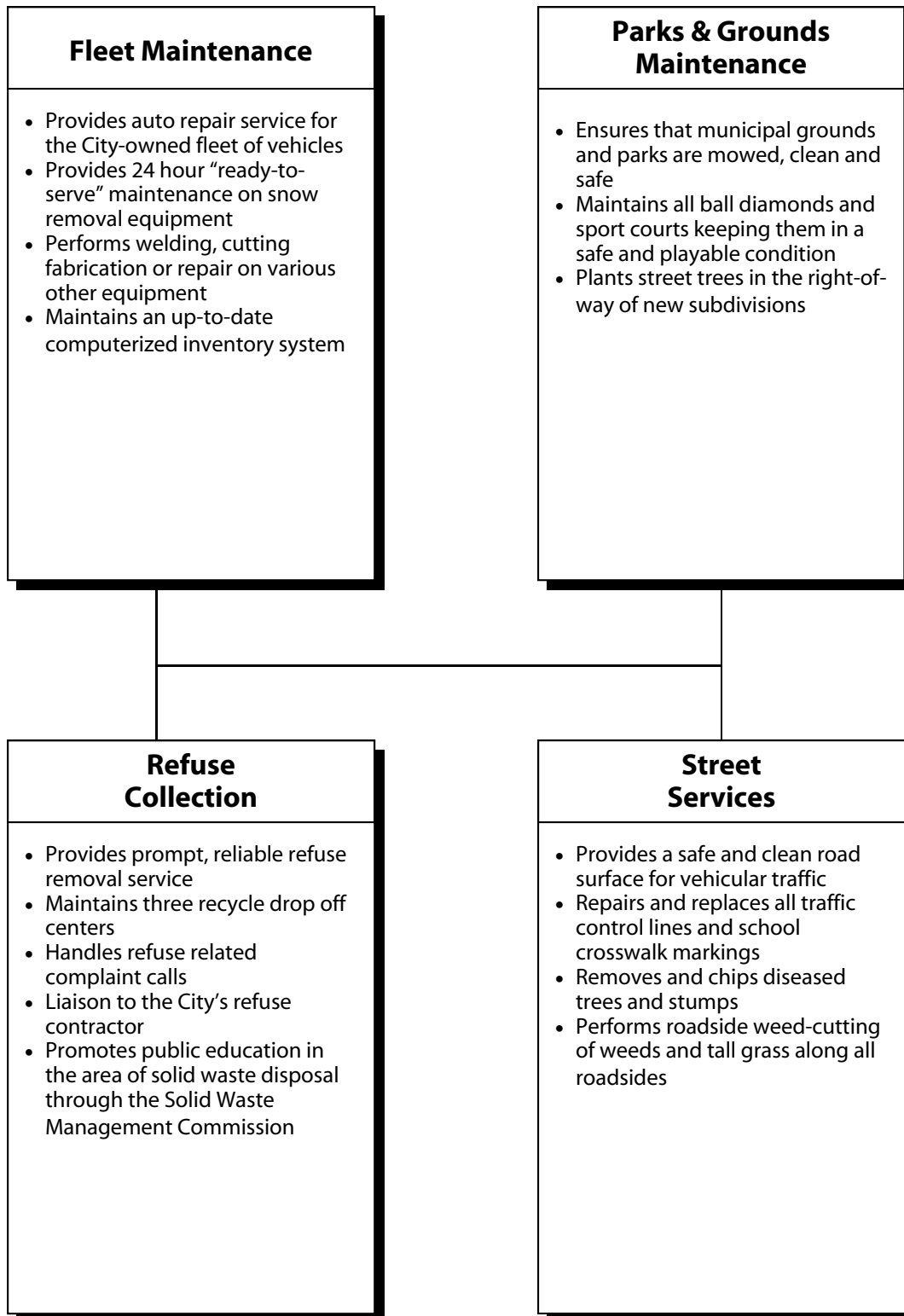
	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$800,952	\$1,060,650	\$1,042,960	\$1,056,350	\$1,056,350
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$800,952	\$1,060,650	\$1,042,960	\$1,056,350	\$1,056,350

Public Works Department



FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works budget decreased by \$214,350 or 3.2%. The overall decrease is a result of estimated lower fuel prices, saving the City \$275,000. Personnel costs fell \$47,160 or 1.1% primarily as a result of transferring a Laborer position from Street Services to the Sewage Collection division due to increased sewage cleaning demands. Full-time wages rose due to wage step increases for employees not at the top of their wage scales, as well as a 1.0% contractual wage increase for DPW staff. Increased overtime is budgeted to assist the department with a backlog of vehicle repairs, and for increased roads and park maintenance efforts. Supplies decreased \$187,400 or 11.3% due to the fuel

savings, partially offset by the increased cost of City vehicle and equipment repairs, and increased funding for ballfield maintenance. Other Charges increased \$20,210 or 2.6% for increased contractual maintenance of retention ponds, higher utility costs, and additional weed control for athletic fields, partially offset by reduced vacant property mowing costs as a result of greater homeowner compliance. The Capital Budget includes new heavy vehicle mobile lifts, a replacement air compressor, two in-ground hoists, a skid steer, street sweeper, and tandem axle snow dump truck with a plow.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
Fleet Maintenance	\$2,857,030	\$2,780,650	\$2,920,420	\$2,740,180	-6.2%
Parks & Grounds Maint.	1,318,490	1,358,400	1,321,070	1,378,910	4.4%
Public Works Center	270,850	278,640	277,840	256,000	-7.9%
Street Services	2,170,820	2,270,740	2,273,490	2,203,380	-3.1%
Total Department	<u>\$6,617,190</u>	<u>\$6,688,430</u>	<u>\$6,792,820</u>	<u>\$6,578,470</u>	<u>-3.2%</u>
Personnel Services	\$4,239,260	\$4,391,240	\$4,363,040	\$4,315,880	-1.1%
Supplies	1,647,120	1,524,100	1,660,250	1,472,850	-11.3%
Other Charges	730,810	773,090	769,530	789,740	2.6%
Total Department	<u>\$6,617,190</u>	<u>\$6,688,430</u>	<u>\$6,792,820</u>	<u>\$6,578,470</u>	<u>-3.2%</u>

PERSONNEL SUMMARY

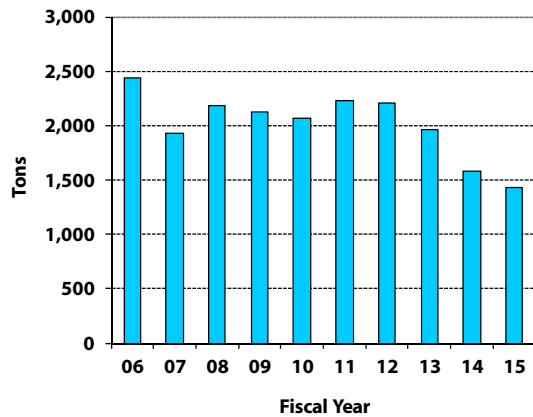
	2013/14		2014/15		2015/16		2016/17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fleet Maintenance	10	2	11	0	11	1	11	1
Parks & Grounds Maint.	5	8	5	9	5	12	5	12
Street Services	15	3	17	4	19	6	18	6
Total Department	<u>30</u>	<u>13</u>	<u>33</u>	<u>13</u>	<u>35</u>	<u>19</u>	<u>34</u>	<u>19</u>

Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

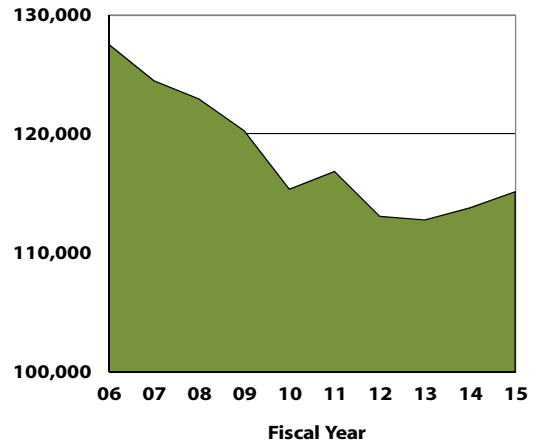
Public Works Department

Recycling Center Newspaper Collections



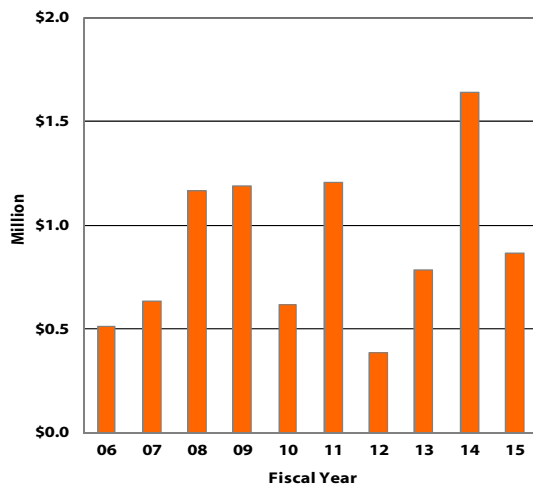
The amount of newspaper recycled at the three drop-off recycling centers has declined due to the growth in the number of non-city newspaper recycling sites and the subscription based curbside recycling program initiated in 2013. The average homeowner pays only \$74 per year for trash pickup, which is 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



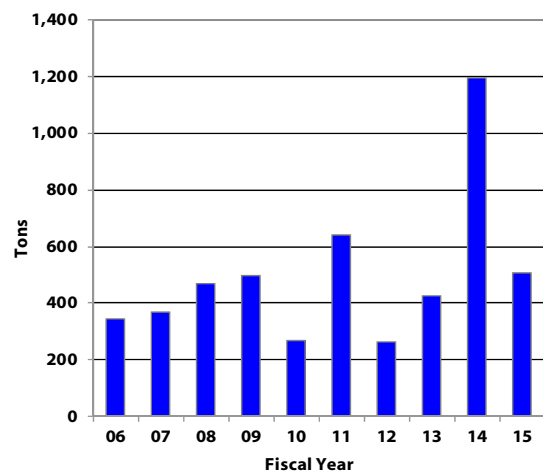
Starting in 2006, the cubic yards of refuse landfilled began to decline, reaching a low of 112,750 cubic yards in 2013. Fewer apartment complexes and mobile home parks have elected to receive City refuse service. The separate collection of yard waste, which is now composted, and additional Recycling 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 increase the amount of road patch needed since 2006 in order to repair City roads due to the loss of State gas tax revenues, which has limited the City's abilities to reconstruct major roads.

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 Mechanics in the Fleet Maintenance division have over 215 years of combined experience in servicing and maintaining vehicles and equipment?

Fleet Maintenance

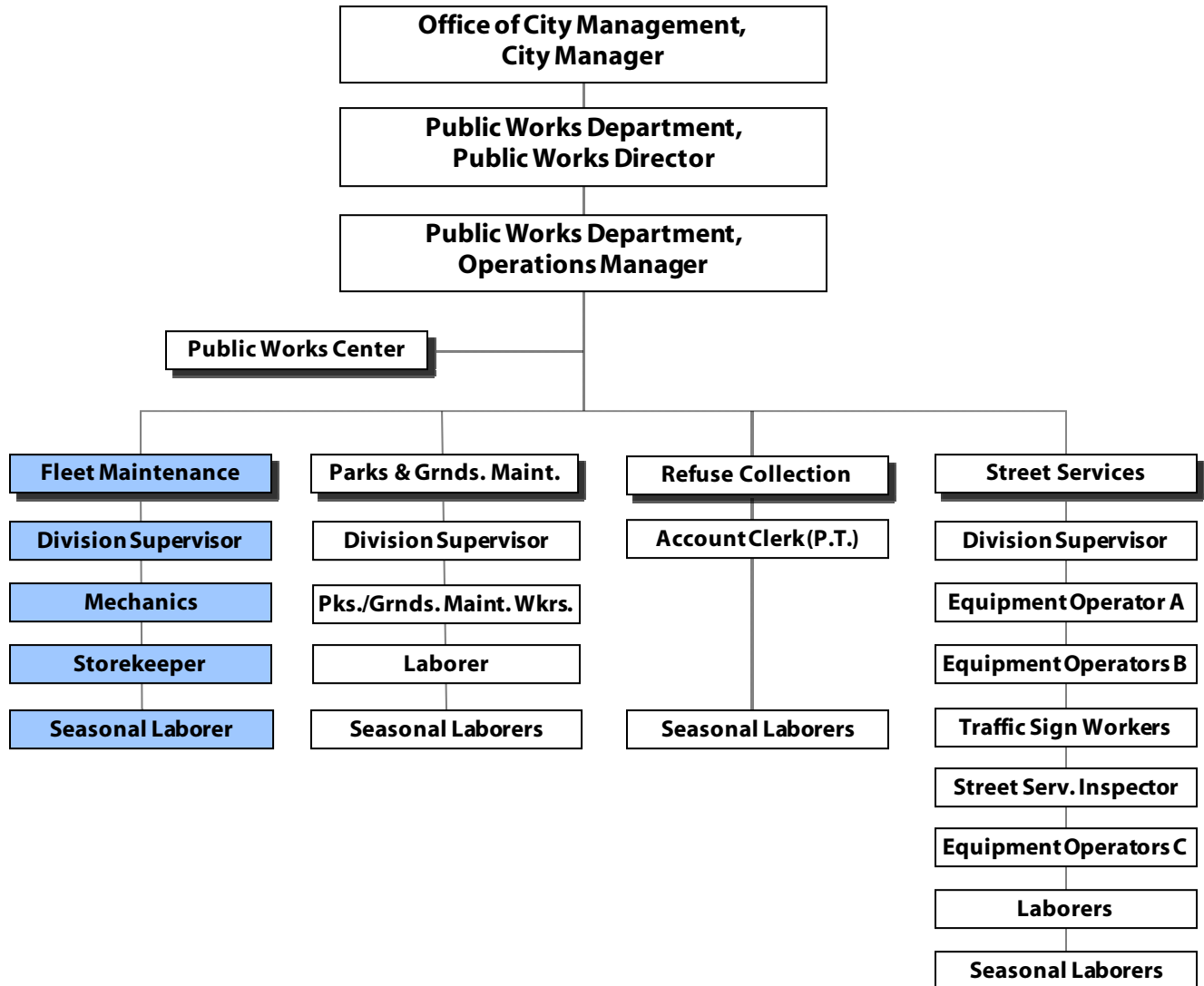
2016/17 PERFORMANCE OBJECTIVES

1. To decrease the time required to prep new Police vehicles by utilizing new wiring methods and equipment. *(City Goal 3)*
2. To utilize City Works software and the new fuel management system to better track fleet vehicles and preventative maintenance intervals. *(City Goal 4)*
3. To streamline parts inventory by eliminating old stock and using same day parts delivery to our advantage. *(City Goal 1)*
4. To utilize newly acquired mobile column lifts to service more City owned equipment in-house that previously could not be lifted. *(City Goal 2)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Full Service Preventive Maintenances Performed	492	441	397	475	500	450
	Preseason Maintenance - Trucks with Plows	43	47	44	53	50	50
	Preseason Maintenance - Tractors/Flail Mowers	12/12	0/0	0/0	0/0	0/0	0/0
	Preseason Maintenance - Snow Plows	43	47	44	53	50	50
	Preseason Maintenance - Salt Spreaders	22	21	21	21	21	21
	Preseason Maintenance - Street Sweepers	3	3	3	3	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	452	422	476	500	485	500
	Safety Inspections Conducted on Hoists	10	10	10	10	10	10
	Material Safety Data Sheets Maintained	410	400	400	400	400	400
Efficiency & Effectiveness	% of Preventive Maint. Performed on Schedule	85%	85%	85%	85%	85%	85%
	Avg. Time to Perform Maintenance on a Car (Mins.)	50	50	50	50	50	50
	Avg. # of Vehicles/Equip. Maintained Per Mechanic	84	86	88	88	88	87
	Average Age of Police Vehicles (Years)	3.7	4.0	4.0	4.0	4.0	4.0
	Average Age of Fire Engines (Years)	11.0	12.0	14.0	12.0	12.0	13.0
	% of Snow Removal Vehicles & Equipment Available	95%	95%	95%	95%	95%	95%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	100%	100%	100%	100%	100%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	99%	99%	99%	99%	99%	99%
	% of Actual Inventory to Inventory Ledger	92%	91%	91%	95%	95%	95%
	Cost of a Passenger Car Oil Change	\$23.59	\$24.93	\$25.46	*	*	*
	Preventive Maintenance Cost of a Passenger Car	\$59.34	\$58.26	\$60.35	*	*	*
	Activity Expenditures as % of General Fund	3.42%	3.50%	3.08%	3.19%	3.03%	2.98%

*Cost is calculated for "Actual" columns only.

Fleet Maintenance



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Division Supervisor	0	0	1
Maintenance Supervisor	1	1	0
Mechanic	9	9	9
Storekeeper	1	1	1
Seasonal Laborer	0	1	1
Total	11	12	12

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 6.2%.

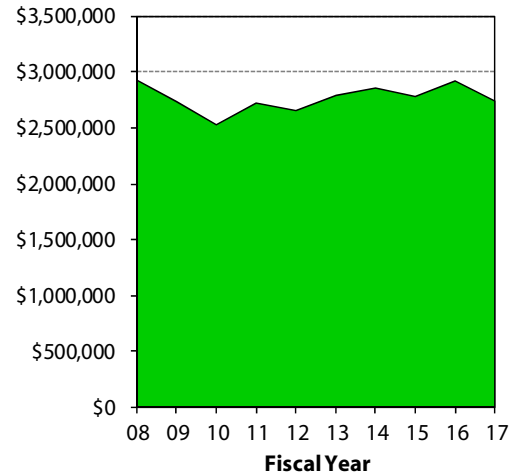
Personnel Services – The total Personnel budget increased \$21,860 or 1.7%. Full-time wages rose \$21,940 due to wage step increases for several employees not at the top of the wage scale, as well as a 1% contractual wage increase. In addition, due to retirements, the Maintenance Supervisor position is now a Division Supervisor. Overtime funding has risen by \$20,000, to assist the department with the backlog of vehicle repairs. Required funding for pension and retiree medical liabilities has decreased by \$20,810.

Supplies – Total Supplies decreased \$199,400 or 12.5%. Less budgeted funding is needed for fuel due to lower gasoline prices, saving the City \$275,000. Funding for vehicle fluids and lubricants decreased \$2,000 based on recent expenditure usage. \$75,000 was added for the increased cost of City vehicle and equipment repairs and parts. Operating supply costs rose \$2,500, as more small hand tools and fasteners need to be replenished.

Other Charges – Total Other Charges decreased \$2,700 or 12.6%. \$1,500 was saved, as fewer repairs are anticipated on department radios. Lower hazardous waste disposal costs are anticipated as a result of the department's new fuel dispensing system, saving \$1,200.

Capital – Total Capital of \$100,500 is budgeted in the Capital Projects Fund. \$60,000 is for six Mobile Column Lifts that will be used to safely lift the heaviest and

Expenditure History



longest pieces of city-owned equipment that cannot be lifted with the current hoists. \$22,000 is to replace an Air Compressor that is deteriorating and for which replacement parts are unavailable. \$18,500 is for two replacement In-ground Hoists that are used by Mechanics to lift vehicles for repair.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,303,753	\$1,303,780	\$1,322,920	\$1,325,640	\$1,325,640
Supplies	1,460,786	1,595,250	1,398,350	1,395,850	1,395,850
Other Charges	16,108	21,390	19,390	18,690	18,690
Total	\$2,780,647	\$2,920,420	\$2,740,660	\$2,740,180	\$2,740,180

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 & Grounds Maintenance division maintains over 820 acres of parkland, 11 municipal building sites, and over 50 athletic fields with one full-time employee per nine square miles?

Parks & Grounds Maintenance

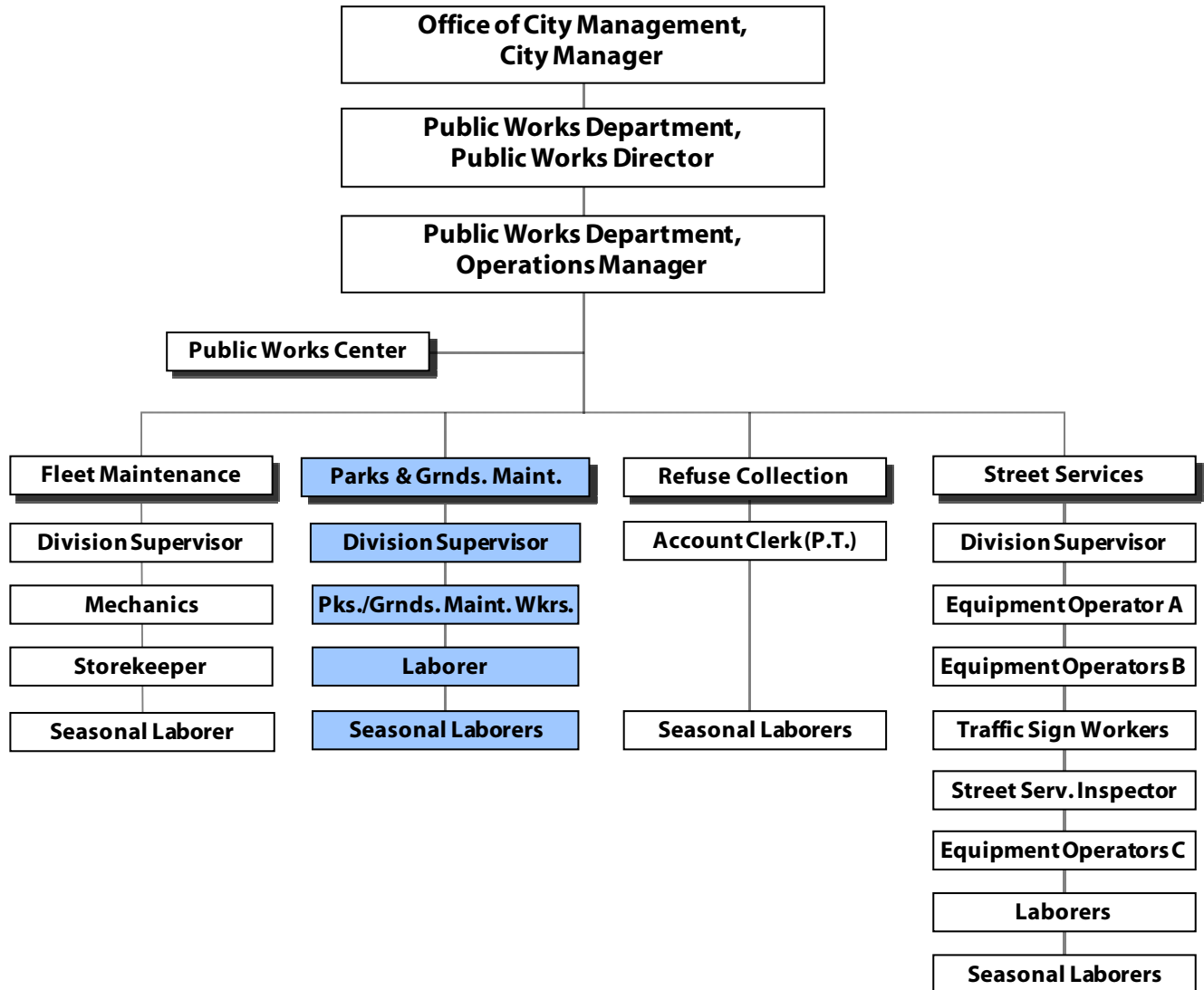
2016/17 PERFORMANCE OBJECTIVES

1. To apply red infield conditioner to the Delia Park and L.W. Baumgartner Park baseball diamond infields to create a safer and more aesthetically pleasing playing surface. *(City Goal 16)*
2. To rehabilitate existing soccer/football/baseball fields with the new top dresser and over seeder to make safer, more durable playing fields for our programs. *(City Goal 18)*
3. To install crushed concrete along the sides of the trails throughout the Clinton River trail system to help fortify the sides of our asphalt path and remove any hazards. *(City Goal 16, 17, 18)*
4. To trim trees and remove any dead trees at all City sites. *(City Goal 16, 17, 18)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Street Trees Trimmed (In-House)	1,834	2,905	992	1,500	2,500	2,500
	Cuttings/Trimmings - 31 Parks (559 of the 826 Acres)	19	22	23	25	28	28
	Cuttings/Trimmings - 9 Mun. Sites (Subcontracted)	30	30	30	30	30	30
	Ball Diamond Maint. Performed (Incl. UCS & WCS)	1,150	1,252	1,241	1,150	1,200	1,200
	Soccer/Football Fields Relined	245	475	417	400	450	450
	Snow/Ice Control Call-Ins	17	23	18	20	20	20
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenance/Repairs Made	146	139	121	150	150	150
	Cleaning of Restroom Facilities (Subcontracted)	861	742	751	850	900	850
	Trash Collection Days-Parks & Municipal Sites	200	235	231	250	250	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 Total Easement Trees Insp. due to Complaints	10%	10%	10%	10%	10%	10%
	Cost to Mow an Acre of Parkland	\$32.98	\$30.58	\$33.22	*	*	*
	Activity Expenditures as % of General Fund	1.36%	1.61%	1.50%	1.44%	1.55%	1.50%

*Cost is calculated for "Actual" columns only.

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Division Supervisor	1	1	1
Parks & Grounds Maintenance Worker	3	3	3
Laborer	1	1	1
Seasonal Laborer	9	12	12
Total	14	17	17

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR BUDGET

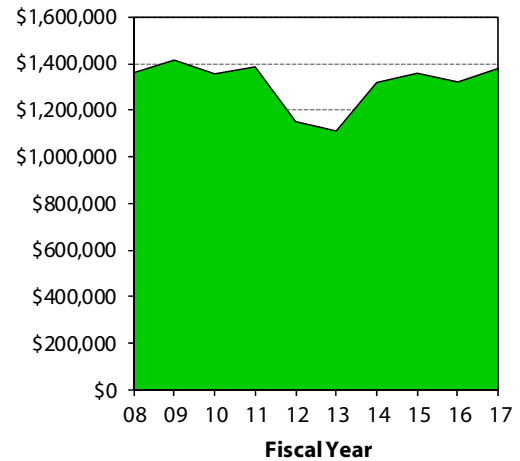
The total budget increased by 4.4%.

Personnel Services – The Personnel budget decreased \$1,410 or 0.2%. The overall reduction is a result of less actuarial required funding for pension and retiree medical liabilities, which decreased by \$16,760. Full-time wages rose \$7,780 as a result of settled DPW labor contracts, while overtime costs rose \$10,000 due to increased service demands.

Supplies – Total Supplies increased \$12,500 or 27.8%. An additional \$10,000 is budgeted for athletic supplies and materials needed to further maintain the City's ball fields. \$2,000 was added for the planting of additional trees and shrubs at parks and other municipal sites. Operating supply costs increased \$500, as more small hand tools and materials are needed to maintain the City's parks, grounds, and playground equipment.

Other Charges – Total Other Charges increased \$46,750 or 10.1%. \$34,600 was added for the increased contractual mowing and maintenance of all retention ponds. Utility costs rose \$18,000 due to higher rates and greater usage. \$5,600 was added for additional fertilization and herbicide spraying of City athletic fields. Funding for the mowing of parks and municipal grounds decreased \$5,200 based on recent expenditure levels. Less budgeted funding is needed for parks and grounds maintenance materials and rental equipment for park projects, saving \$6,200.

Expenditure History



Capital – There is no Capital proposed for this division.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$830,739	\$811,420	\$822,860	\$810,010	\$810,010
Supplies	50,837	45,000	61,000	57,500	57,500
Other Charges	476,821	464,650	520,150	511,400	511,400
Total	\$1,358,397	\$1,321,070	\$1,404,010	\$1,378,910	\$1,378,910

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 169 residential homes and 182 vacant fields in violation of the Noxious Weed Ordinance in 2015?

Public Works Center

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 7.9%.

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

Supplies – Total Supplies increased \$500 or 12.5% due to an increase in the cost of light bulbs, paint, hand tools, and other supplies needed to maintain the Public Works facility.

Other Charges – Total Other Charges decreased \$22,340 or 8.2%. Funding for the noxious weed cutting program decreased \$25,000, as fewer cuttings of high grass on vacant or foreclosed properties are needed due to greater compliance. Less budgeted funding is needed for State radio fees, saving \$2,700. Building maintenance costs increased to fund additional building and electrical repairs needed at the Public Works facility, partially offset by a decrease due to a prior year reappropriated encumbrance. Electric costs increased \$1,000 due to higher rates. Funding for medical exams increased \$500 to bring the budget more in line with the current year's estimated expenditure usage.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	6,426	4,000	4,500	4,500	4,500
Other Charges	272,218	273,840	229,500	251,500	251,500
Total	\$278,644	\$277,840	\$234,000	\$256,000	\$256,000

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 General Supervisor serves as the City's liaison with the refuse contractor to ensure the contractor is performing in accordance with the contract and City ordinance. The handling and resolution of more difficult complaints and the provision of information and reports is accomplished through this area. The clerical support staff verifies the contractor's monthly invoices, prepares requests for payment and monthly reports, maintains all refuse 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 over 6,929 tons of grass and leaves were separately collected for composting and diverted from landfill disposal sites during the 2015 fiscal year?

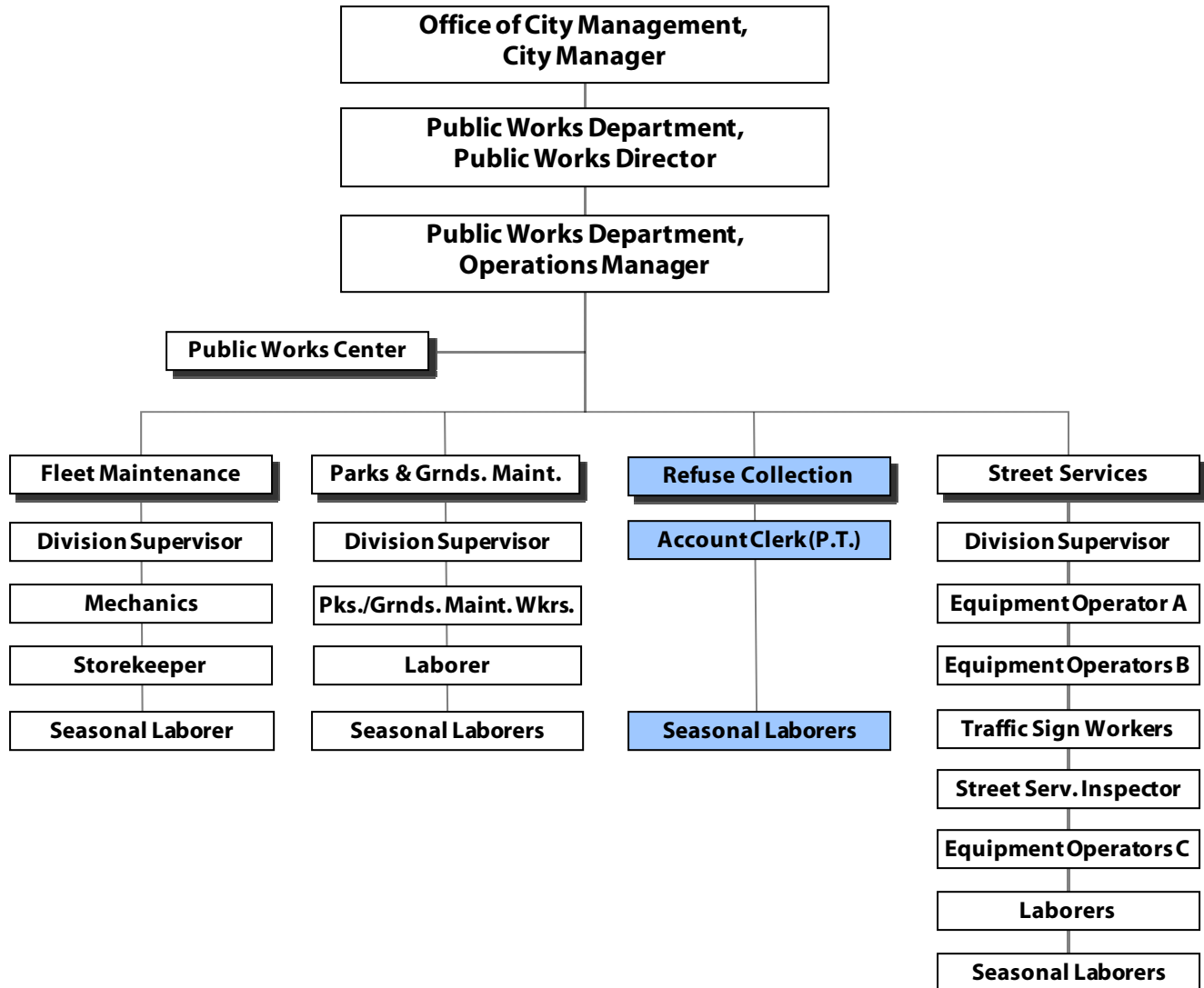
Refuse Collection

2016/17 PERFORMANCE OBJECTIVES

1. To monitor the daily operation of the voluntary curbside recycling program to ensure customer service expectations are met. *(City Goal 1, 14)*
2. To manage the Cost Recovery Program, providing dumpster service to apartments which choose to participate in the program. *(City Goal 1, 3)*
3. To coordinate with the Solid Waste Management Commission, the annual Free Shred Day and Electronic Recycle Day events. *(City Goal 1, 14)*
4. 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	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Curbside Refuse Collection Points (Per Week)	39,656	39,669	39,598	39,730	39,700	39,700
	Cubic Yards of Refuse Landfilled	112,750	113,767	115,122	115,000	115,000	115,000
	Tons of Yard Waste Composted/Diverted	10,650	11,234	9,018	10,000	11,000	10,000
	Christmas Trees Chipped and Composted	3,260	3,170	3,012	2,500	1,000	1,000
	Cubic Yards of Plastics Recycled (Recycling Center)	301	324	315	270	300	300
	Tons of Paper Recycled (Recycling Center)	1,962	1,578	1,430	1,500	1,300	1,500
	Gallons of Used Oil Recycled (Recycling Center)	24,200	20,075	18,725	20,000	20,000	20,000
	Curbside Recycling Subscribers	4,200	5,367	5,372	5,400	5,500	5,500
	Curbside Recycling Volume (tons)	520	1,560	1,572	1,500	1,500	1,500
Efficiency & Effectiveness	Refuse Violations Tagged by Contractor	22	27	19	20	20	20
	% of Refuse Collection Stops Making Complaints	0.10%	0.10%	0.17%	0.10%	0.10%	0.10%
	% of Trouble Calls Remedied within 24 Hours	95%	98%	96%	99%	99%	99%
	Reduction in Landfill Volume vs. 1989/1990	49.0%	48.5%	47.9%	48.0%	48.0%	48.0%
	Refuse Collection Costs per Capita	\$35.94	\$36.00	\$36.29	\$36.77	\$36.82	\$34.24
	Refuse Collection Millage Rate	1.08	1.09	1.13	1.14	1.14	1.11
	Refuse Cost for Average Homeowner	\$66	\$68	\$72	\$74	\$74	\$72
	Total Cost to Operate Three Recycling Centers	\$121,580	\$122,510	\$123,900	\$124,000	\$125,000	\$125,000
	Recycling Costs Per Ton Recycled	\$32.70	\$33.84	\$34.08	\$36.00	\$37.00	\$37.00
	Cost to Collect/Dispose of Refuse (1 cubic yard)	\$41.44	\$41.29	\$41.21	\$41.89	\$41.94	\$39.08
	Activity Expenditures as % of General Fund	5.72%	5.75%	5.25%	5.26%	5.33%	4.88%

Refuse Collection



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Account Clerk (P.T.)	1	1	1
Seasonal Laborer	4	4	4
Total	5	5	5

Refuse Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

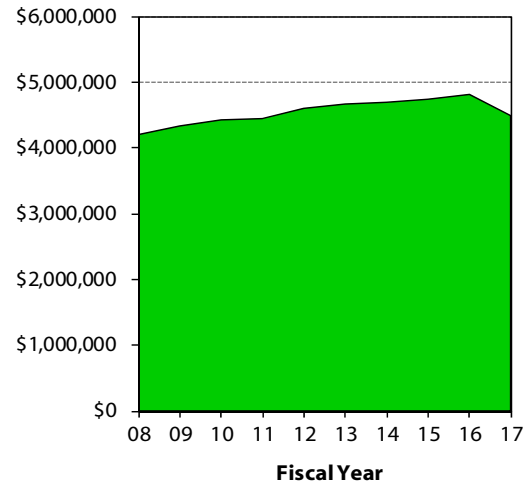
The total budget decreased by 6.7%.

Personnel Services – The total Personnel budget decreased \$72,620 or 50.0%. Funding for three part-time Seasonal Laborer positions have been eliminated, as the budget assumes the new refuse contractor will operate the City's three recycling centers. The costs of operating the recycling centers will now be in the Other Charges account.

Supplies – Total Supplies increased \$500 or 33.3%, as more supplies and small tools need to be replenished.

Other Charges – Total Other Charges decreased \$69,840 or 1.5%. The proposed budget is based on the lowest priced base services bid received in February, 2016. As a result, the budget declines \$69,340 based on an estimated contractual price for a new five-year refuse contract that will go into effect May 1st, 2016. The cost of operating the City's three recycling centers is now included in the contractual cost. Contract savings were also realized from a lower fuel adjustment due to falling gasoline prices. The budget assumes the continuation of the voluntary subscription-based curbside recycling program and does not include new trash carts. \$500 was saved, as emergency recycling equipment repairs will be covered under the new contract agreement.

Expenditure History



Capital – There is no Capital proposed for this division.

CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Personnel Services – Total funding increased \$75,000 as the City will continue to maintain the three voluntary Recycling Drop-Off Centers rather than the refuse provider.

Other Charges – Total Other Charges decreased by \$256,040 as a result of refuse contract savings.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$135,702	\$145,250	\$132,000	\$72,630	\$147,630
Supplies	3,163	1,500	2,000	2,000	2,000
Other Charges	4,605,496	4,670,400	4,689,100	4,600,560	4,344,520
Total	\$4,744,361	\$4,817,150	\$4,823,100	\$4,675,190	\$4,494,150

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 milled and repaired 31,000 feet of roadway, the equivalent of almost six miles of road surface in fiscal year 2015?

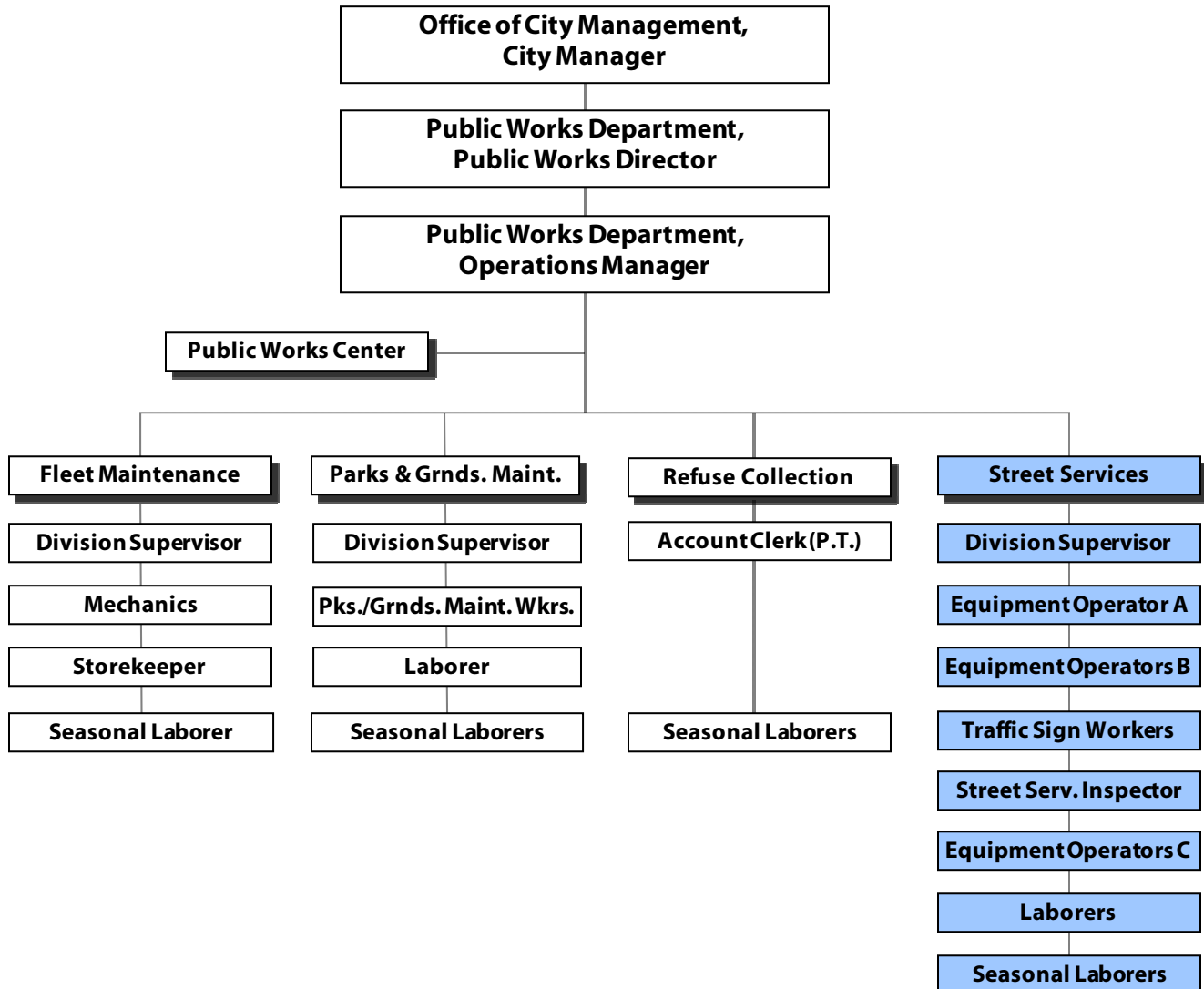
Street Services

2016/17 PERFORMANCE OBJECTIVES

1. To plant trees along City owned rights-of-way to enhance our green space. *(City Goal 12, 14, 16, 18)*
2. To continue to repair roads with new long lasting repair techniques developed from recently purchased road equipment. *(City Goal 16,17)*
3. To rent equipment to reestablish the engineered design of dirt roads for better drainage. *(City Goal 16,17)*
4. To continue to establish a street tree inventory to help diversify our urban forest. *(City Goal 14,18)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Miles of Roads in City (Major & Local)	349	349	349	349	349	349
	After Hours Snow Removal Occurrences	29	41	31	30	30	30
	Tons of Road Salt Used	5,826	15,338	7,503	10,000	5,000	10,000
	Miles of Snow Fence Installation or Removal	2.0	2.1	2.1	2.0	2.0	2.0
	Pothole Patching - Tons of Patch Used	428	1,196	506	500	500	500
	Sidewalk Patching - Number of Locations	118	82	91	100	250	250
	Street Sweeping - Rotation (395 miles)	4	3	3	4	5	5
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	14	6	9	10	10	10
	Right-of-Way Mowing - Revolution (357 miles)	10	13	10	10	10	10
	Storm Catch Basin Cleaning-Number of Locations	1,349	953	635	1,000	1,000	1,000
	Street Trees Removed (In-House/Contractor)	113/210	148/146	137/254	200/400	200/400	200/400
	Street Trees Planted (Subcontracted)	252	49	175	250	250	250
	Street Trees Pruned (Subcontracted)	1,872	3,536	4,903	4,000	4,000	4,000
	Homeowner Tree Inquiries/Inspection Responses	4,674	3,536	1,946	2,500	1,500	1,500
	Res. Tree/Branch Chipping Req. Filled (Incl. ROW's)	884	1,770	945	1,000	1,000	1,000
	Traffic Sign Repairs or Replacements	540	557	366	550	550	550
	Gravel Roads - Lane Miles Graded	34	35	28	40	40	40
	Dust Control - Gallons Calcium Chloride Applied	45,200	45,800	26,200	50,000	45,000	45,000
	Signs Installed for Adopt-A-Road	0	0	0	2	2	2
	Refuse Pick-Ups Made from Adopt-A-Road	68	74	15	50	45	45
Efficiency	% of Tree Chipping Requests Completed w/i 1 week	98%	98%	99%	99%	99%	99%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	\$200	\$1,200	\$700	\$1,000	\$750	\$750
	Street Services Cost Per Capita	\$13.41	\$16.63	\$17.37	\$17.35	\$16.47	\$16.79
	Activity Expenditures as % of General Fund	2.14%	2.66%	2.52%	2.48%	2.39%	2.39%

Street Services



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
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	3	5	4
Seasonal Laborer	4	6	6
Total	21	25	24

Street Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

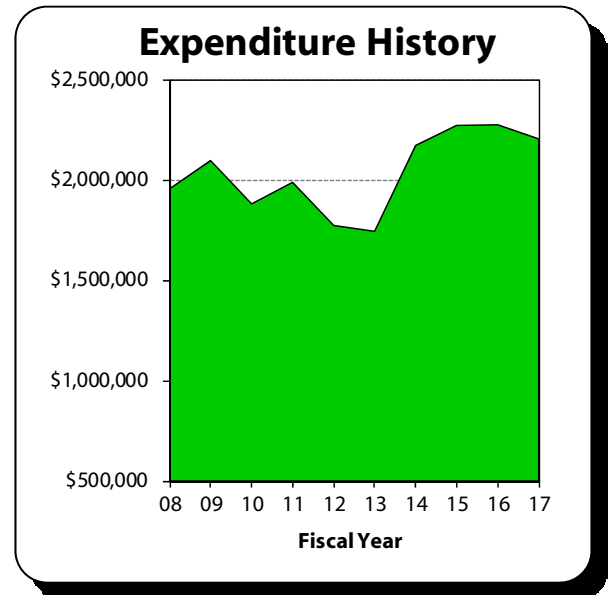
The total budget decreased by 3.1%.

Personnel Services – The Personnel budget decreased \$67,610 or 3.0%. The overall reduction is primarily a result of transferring a Laborer position to the Sewage Collection division based on increased sewer cleaning demands. In addition, \$29,370 was saved due to less actuarially required funding for pension and retiree medical liabilities. An additional \$25,000 in overtime is budgeted due to increased road maintenance efforts.

Supplies – Total Supplies decreased \$1,000 or 6.3%, as fewer signage materials and traffic control materials are needed.

Other Charges – Total Other Charges decreased \$1,500 or 15.5%. Training costs fell \$1,300 due to the one-time funding of aerial platform training in the current year. Additional funding is included for tree chipper training next year. \$150 was saved, as a membership to the International Society of Arboriculture has not been needed. Work order and complaint forms will not need to be printed next year, saving \$50.

Capital – Total Capital of \$710,000 is budgeted in the Capital Projects Fund. \$160,000 is proposed for a Skid Steer that will be used by maintenance crews for sidewalk and road repairs and to repair areas holding ice or water to improve drainage issues. \$300,000 is for a Waterless Combination Street Sweeper utilized in daily operations and road clean-up emergencies. It will replace a 1996 sweeper with excessive breakdowns and

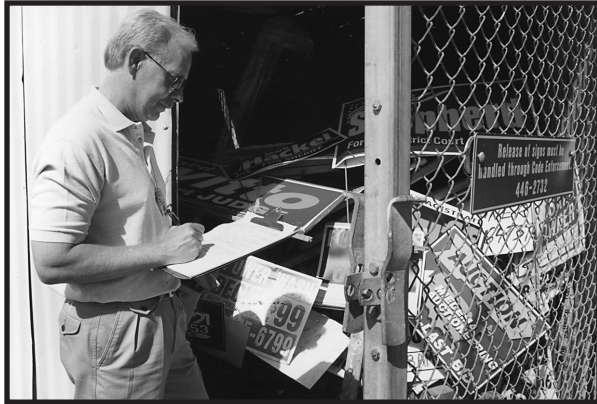


down time. \$250,000 is for a Tandem Axle Dump Truck with Plow to replace a 16-year old truck used for snow and tree removal, road grading and paving projects, and other road maintenance duties.

FUNDING LEVEL SUMMARY

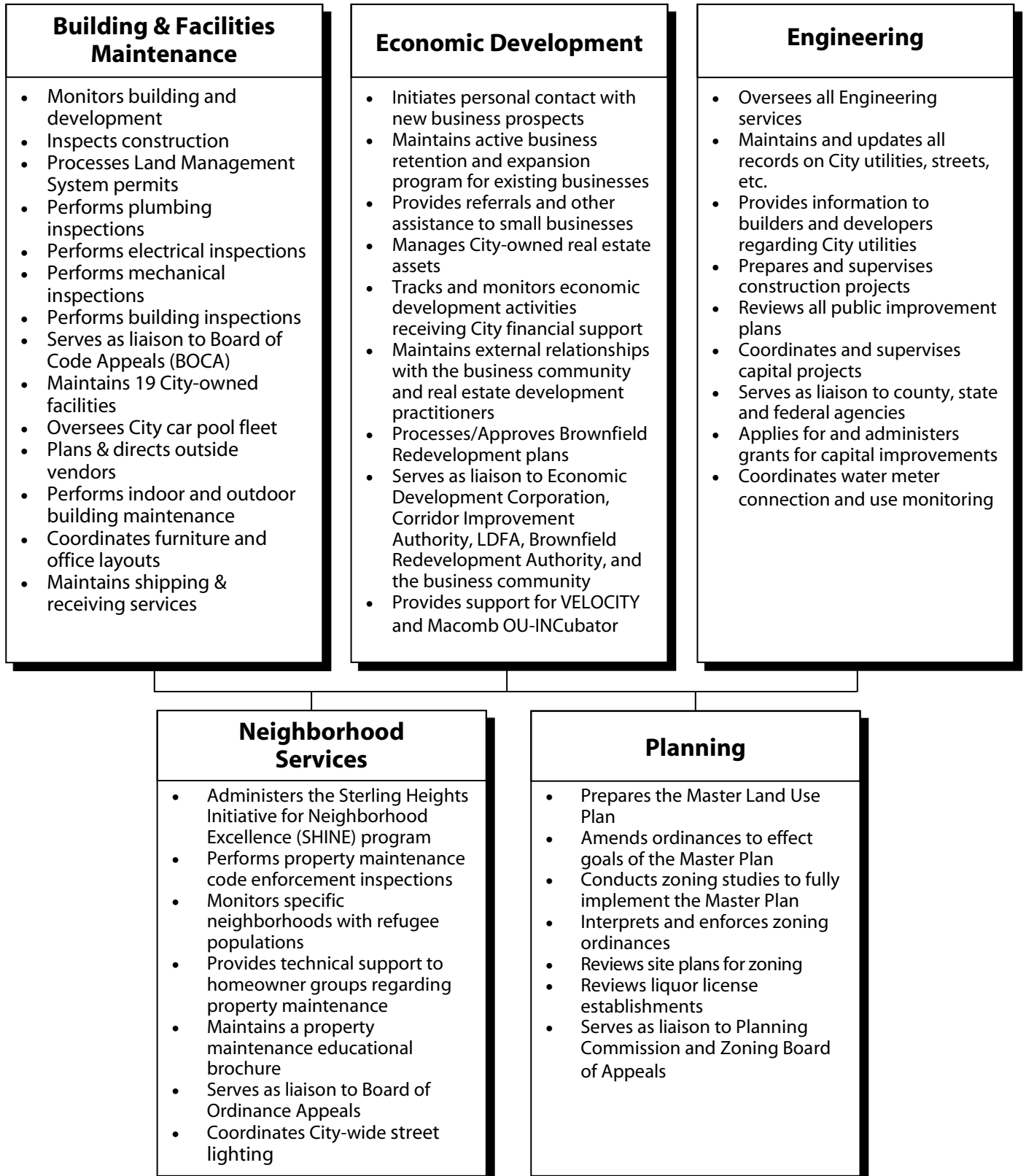
	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$2,256,750	\$2,247,840	\$2,129,980	\$2,180,230	\$2,180,230
Supplies	6,053	16,000	15,000	15,000	15,000
Other Charges	7,941	9,650	12,480	8,150	8,150
Total	\$2,270,744	\$2,273,490	\$2,157,460	\$2,203,380	\$2,203,380

City Development Department



FUNCTIONAL ORGANIZATION CHART

City Development Department



DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development Department budget decreased \$115,740 or 2.1%, due primarily to the one-time funding for the Master Plan and software modifications in the prior year. Personnel costs rose \$24,990 or 0.6%, to fund a 1.5% wage increase, reduced unpaid furlough days, and two additional part-time Code Officer positions. Savings were realized due to the retirement of the former City Planner, as well as lower required funding for pension and retiree medical liabilities. Supplies decreased \$5,050 or 9.8% due to the one-time funding of updated building code books in the prior year and

lower needed facility maintenance supplies. Other Charges declined \$135,680 or 13.6% due to the one-time software and Master Plan costs, partially offset by increased contractual building cleaning demands. The Capital Budget funds the replacement of 20 personal computers, demolition of a house on Dodge Park Road near City Hall, conversion of electric display signs, repairs to the Police Station heating and cooling system, and a storm water plan update.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
Building & Facilities Maint.	\$1,781,940	\$1,893,630	\$1,907,630	\$1,978,800	3.7%
Economic Development	257,590	291,910	314,510	317,510	1.0%
Engineering	1,172,660	1,291,350	1,350,000	1,343,450	-0.5%
Neighborhood Services	1,278,560	1,318,560	1,542,960	1,515,250	-1.8%
Planning	104,560	177,000	315,020	159,370	-49.4%
Total Department	<u>\$4,595,310</u>	<u>\$4,972,450</u>	<u>\$5,430,120</u>	<u>\$5,314,380</u>	<u>-2.1%</u>
Personnel Services	\$3,913,380	\$4,123,530	\$4,383,760	\$4,408,750	0.6%
Supplies	41,570	41,370	51,570	46,520	-9.8%
Other Charges	640,360	807,550	994,790	859,110	-13.6%
Total Department	<u>\$4,595,310</u>	<u>\$4,972,450</u>	<u>\$5,430,120</u>	<u>\$5,314,380</u>	<u>-2.1%</u>

PERSONNEL SUMMARY

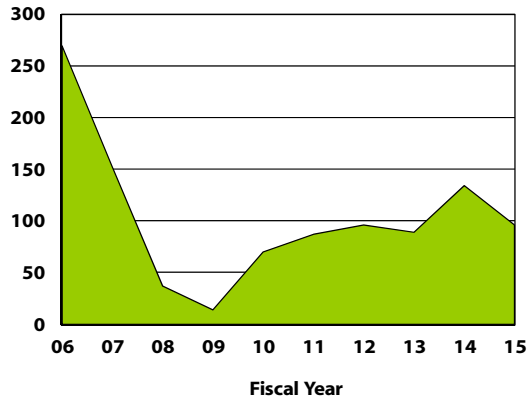
	2013/14		2014/15		2015/16		2016/17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building & Facilities Maint.	9	0	9	0	9	1	9	1
Economic Development	2	0	2	0	1	0	1	0
Engineering	7	1	8	2	8	2	8	2
Neighborhood Services	7	7	9	8	9	9	9	11
Planning	0	1	0	1	1	1	1	0
Total Department	<u>25</u>	<u>9</u>	<u>28</u>	<u>11</u>	<u>28</u>	<u>13</u>	<u>28</u>	<u>14</u>

Excludes Boards and Commissions.

KEY DEPARTMENTAL TRENDS

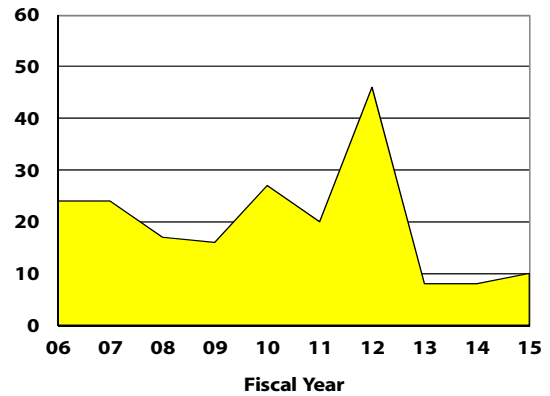
City Development Department

**Residential Building Permits
New Construction**



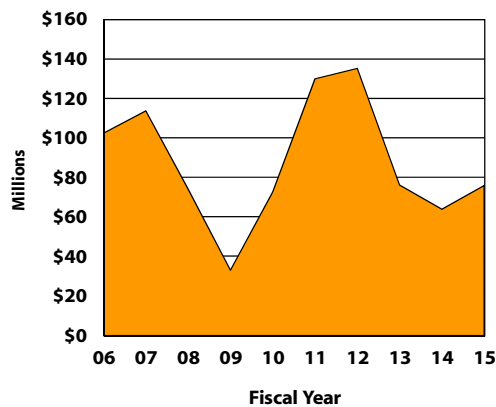
The number of residential building permits reached a high of 269 in 2006 due in part to the increasing number of condominium units and cluster developments. Since 2006, however, the number declined to a ten year low in 2009 as only 14 permits were issued. The number of permits issued has increased slightly over the past six years.

**Commercial Building Permits
New Construction**



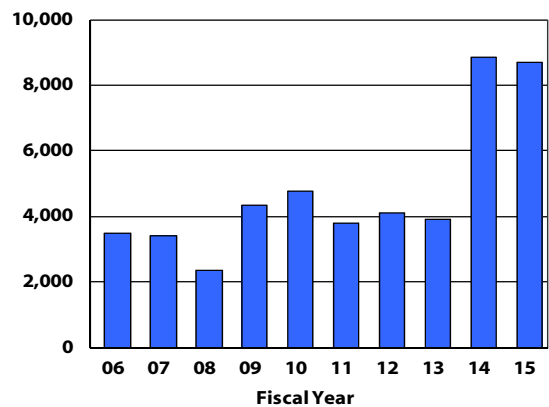
The number of new commercial building permits has decreased over the past three years to reach a ten-year low.

**Building Permits
at Market Value**



The dollars invested in new building construction and improvements fell from \$102 million in 2006 to a low of \$33 million in 2009. The number of residential permits dramatically declined. 269 new construction residential permits were issued in 2006, compared to only 96 permits in 2015 – a 64% decrease. The market value of commercial permits rose in 2011, 2012, and 2015 due to several large projects, including BAE and Chrysler.

**Code Enforcement
Properties Cleaned**



The number of code enforcement cases have dramatically increased since 2006. 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 Department worked collaboratively with communities to create an approved statewide residential deck construction document?

Building & Facilities Maintenance

2016/17 PERFORMANCE OBJECTIVES

(Building)

1. To host a code updating seminar at City Hall or Velocity for registered inspectors and contractors for new Michigan Residential Code and Energy Code. (City Goal 1, 2, 25)
2. To update plan review checklists for the BS&A residential plan review to include the 2015 residential code and to standardize language and enforcement of code provisions. (City Goal 2, 4)
3. To create a handout for businesses wanting to open up in the City of Sterling Heights so they are aware of all the City's requirements. (City Goal 1, 2, 20)
4. To work with BS&A to implement additional permits that can be obtained on-line in lieu of applying in person. (City Goal 1, 2, 5)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Total Permits Issued	4,533	5,921	5,391	6,230	7,000	7,750
	Building Permits Issued	1,274	1,644	1,844	2,100	2,550	2,800
	Mechanical Permits Issued	1,577	2,395	1,534	1,700	1,950	2,100
	Plumbing Permits Issued	688	847	890	1,100	1,200	1,400
	Electrical Permits Issued	994	1,035	1,123	1,330	1,300	1,450
	Total Inspections Performed	13,432	13,602	14,373	15,400	17,000	17,100
	Building Inspections	6,538	5,909	6,187	6,700	8,300	8,400
	Mechanical Inspections	2,981	3,185	3,070	3,170	3,200	3,200
	Plumbing Inspections	1,813	2,267	2,538	2,700	2,800	2,800
	Electrical Inspections	2,100	2,241	2,578	2,830	2,700	2,700
	Ordinance Complaint Tickets Issued	0	1	2	1	0	0
	Board of Code Appeals Applications	4	2	4	4	4	4
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	2	3	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%	100%	100%	100%
	% of Residential Plans Reviewed w/i 10 days	95%	90%	95%	95%	95%	98%
	Average No. of Inspections per Budgeted Inspector	2,686	2,720	2,875	2,800	3,090	3,110
	Market Value of Building Permits (Millions)	\$76.1	\$63.8	\$75.8	\$75.0	\$90.0	\$98.0
	Permits Issued via City's Website	117	210	297	275	300	325
	Activity Expenditures as % of General Fund	1.68%	2.18%	2.10%	2.08%	2.15%	2.15%

Building & Facilities Maintenance

2016/17 PERFORMANCE OBJECTIVES

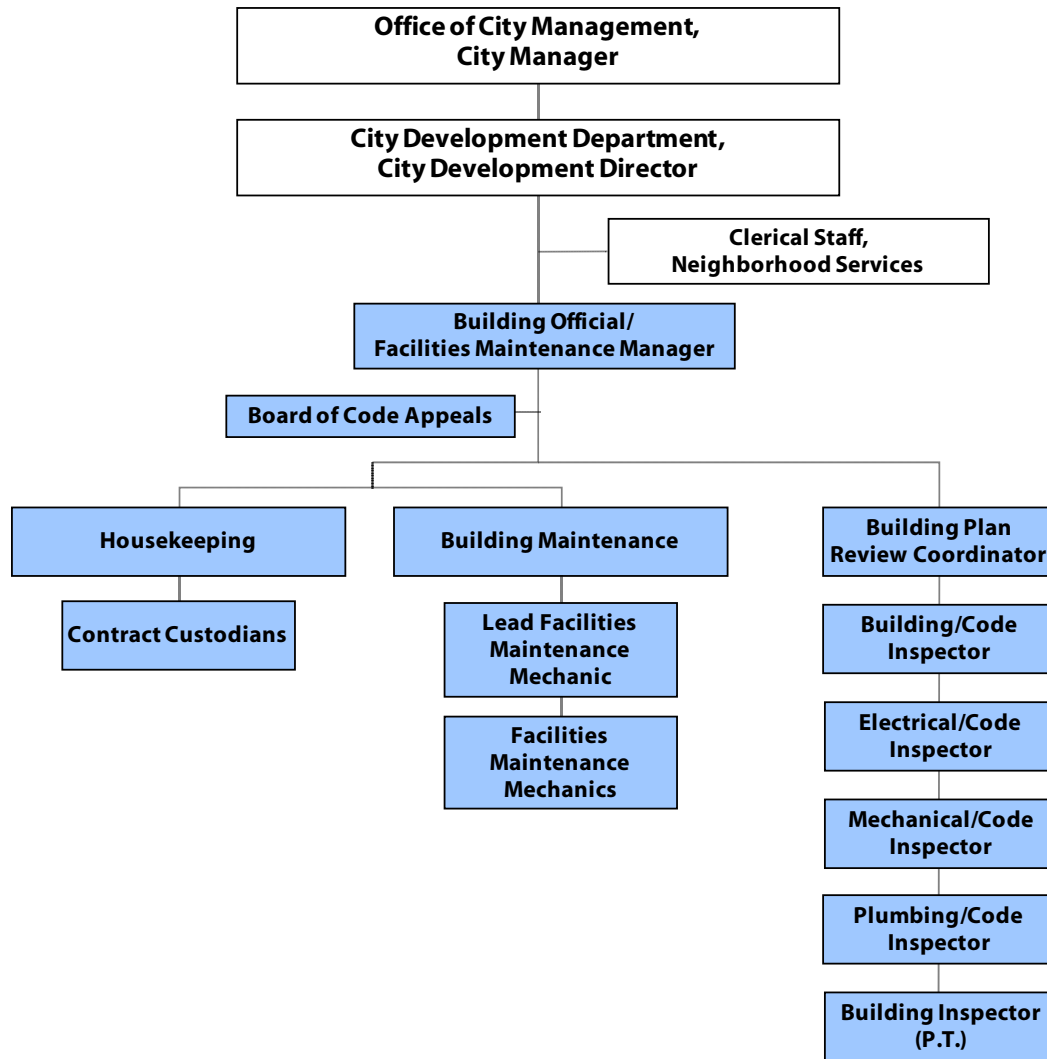
(Facilities Maintenance)

1. To convert obsolete lighting fixtures in the City's larger buildings from T-12 to the available T-8 until a complete retrofit can be done. (City Goal 1, 3)
2. To continue to have staff attend training opportunities offered on-line or by the utility companies to keep up to date with industry changes. (City Goal 4, 7)
3. To work with the Parks & Grounds Maintenance division to improve the exterior aesthetics of the City Hall Commons. (City Goal 3, 5)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 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	\$3,400	\$222,550	\$149,630	\$117,000	\$229,530	\$509,300
	Interior Preventive Maintenance Cycles	4	4	4	6	6	6
	Exterior Preventive Maintenance Cycles	4	4	4	4	4	4
	Maintenance/Custodial Service Requests Processed	1,000	1,050	1,300	1,320	1,400	1,400
	Deliveries to City Council Members	55	55	55	55	55	55
	Car Pool Vehicles Supervised	37	37	36	37	37	2
	Voting Machines Assembled & Delivered	1,000	1,000	1,400	1,400	1,400	2,100
Efficiency & Effectiveness	% of Emg. Call-Ins Reported to w/i 30 minutes	98%	98%	98%	98%	98%	98%
	% of Service Requests Met Within 15 Days	80%	90%	95%	98%	98%	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	140	120	140	130	250	230
	Cost to Complete Maintenance Service Requests	\$413,959	\$408,006	\$389,420	*	*	*
	Activity Expenditures as % of General Fund	1.21%	0.00%	0.00%	0.00%	0.00%	0.00%

*Cost is calculated for "Actual" columns only.

Building & Facilities Maintenance



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
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	1	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	10	10

Building & Facilities Maintenance

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

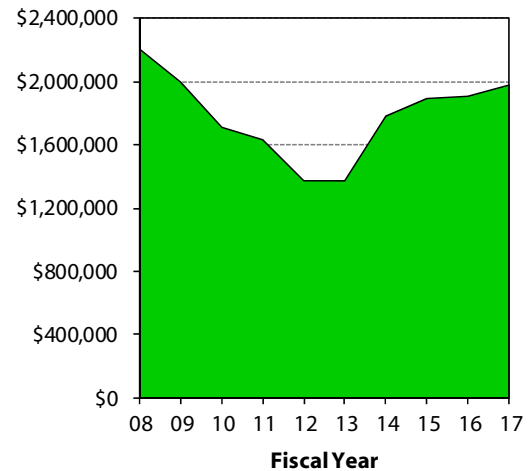
The total budget increased by 3.7%.

Personnel Services – The Personnel budget increased \$10,810 or 0.8%. Full-time wages rose \$31,010 due to a 1.5% wage increase, and as several employees are not yet at the top of the wage scale. Overtime increased by \$7,000 due to an increase in building inspections and permit activity. \$25,170 was saved due to lower required pension and retiree medical liabilities.

Supplies – Total Supplies decreased \$5,020 or 13.3%. Funding for operating supplies fell \$4,920, as the budget can be reduced and brought more in line with recent expenditure trends. Publication costs decreased \$600 due to the one-time funding of updated residential building and energy code books in the prior year. Postage costs increased \$500 for increased mailings of permits that are applied for by mail.

Other Charges – Total Other Charges increased \$65,380 or 11.2%. The budget increased \$45,000 for the custodial contract due to increased requests, extra services provided at City events, and additional cleaning services for Library Sunday hours. \$22,090 was added for increased building maintenance needs. \$5,000 is included for membership to an online building standards reference service that is required by the State. Equipment maintenance costs increased \$2,740 for an increase in the BS&A software support fees and to upgrade five municipal building key safes. Electric costs decreased \$7,000 and telephone costs fell \$900, both based on recent expenditure levels.

Expenditure History



Membership costs decreased \$1,050, as Inspector recertification is only required once every three years.

Capital – This office is scheduled to receive 18 personal computers totaling \$19,800 to replace the existing five-year old units.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,215,769	\$1,286,250	\$1,286,530	\$1,297,060	\$1,297,060
Supplies	29,431	37,800	29,400	32,780	32,780
Other Charges	648,431	583,580	630,960	648,960	648,960
Total	\$1,893,631	\$1,907,630	\$1,946,890	\$1,978,800	\$1,978,800

***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 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's Economic Development team partners with the Michigan Economic Development Corporation and Macomb County Planning and Economic Development Department to meet with close to 70 manufacturing companies located within the City each year?

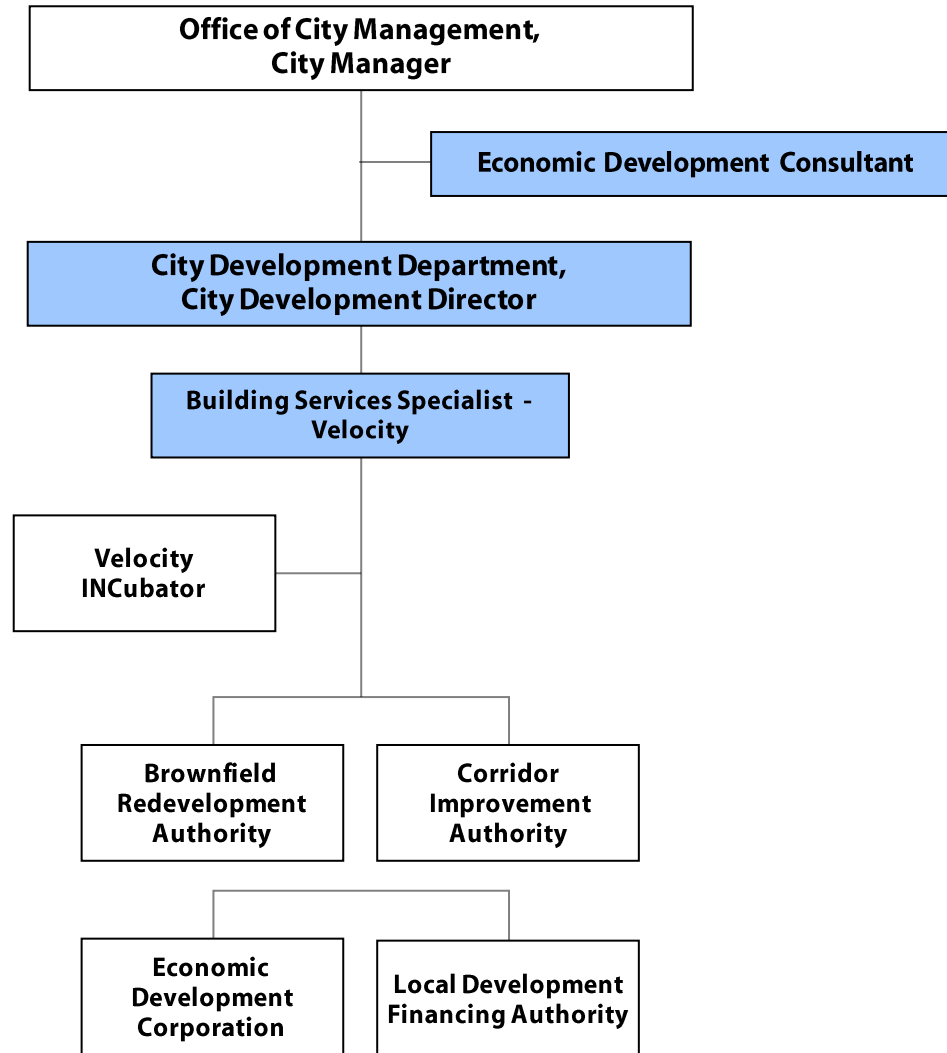
Economic Development

2016/17 PERFORMANCE OBJECTIVES

1. To partner with the Sterling Heights Chamber of Commerce and Industry to host the first ever Manufacturing Engagement Program. (City Goal 3, 6, 20, 21, 22)
2. To partner with the Sterling Heights Chamber of Commerce and Industry to present the new Continuous Innovation Leadership Speakers series program. (City Goal 3, 6, 20, 21, 22)
3. To work with City Development Department to create and implement a strategy for reinvestment into the Industrial Corridor (City Goal 3, 6, 20, 21, 22)
4. To coordinate with the Macomb County Economic Development Department, the improvements to the M-59 corridor. (City Goal 3, 6, 20, 21, 22)
5. To collaborate with the Michigan Economic Development Corporation and Macomb County Planning and Economic Development on business outreach efforts. (City Goal 3, 6, 20, 21, 22)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Business Retention/Attraction Contacts Made	120	84	41	75	67	75
	Redevelop. Projects (Comm. >20K s.f. & Ind. >\$500K)	17	12	0	6	3	5
	State & Federal Legislative Contacts Made	6	6	2	6	6	5
	Banking & Real Estate Contacts Made	6	12	32	10	120	100
	LDFA Meetings Held	10	3	8	3	10	10
	Meetings with Chambers of Commerce	14	24	4	10	5	5
	Targeted Industry Events Attended	6	6	1	6	5	5
	Velocity Partner Meetings Held	20	12	10	10	10	10
	Economic Development Partner Meetings	50	50	26	40	71	50
	Velocity Events & Meetings Held	180	165	147	130	110	120
	Business Awards Presented	5	5	5	5	5	5
	Hits on City's Economic Development Website	11,550	20,782	16,981	15,000	15,000	15,000
	City's Econ. Develop. Followers on Social Media	20	20	56	100	100	100
Effectiveness	Velocity Center Number of Businesses	N/A	13	21	18	20	20
	Velocity Center Occupancy Rate	N/A	95%	95%	90%	90%	90%
	Businesses and/or Participants at Velocity Events	3,850	3,200	3,265	3,000	3,000	3,000
	Value of Redevelop. Projects & New Investments	\$237M	\$36M	\$48M	\$35M	\$35M	\$35M
	Grant Dollars Provided to Small Businesses	N/A	\$283,000	\$103,505	\$100,000	\$100,000	\$100,000
	Industrial Vacancy Rate	N/A	N/A	2.30%	2.00%	2.30%	2.50%
	Retail Vacancy Rate	N/A	N/A	7.70%	7.50%	7.00%	7.50%
	City Unemployment Rate (April)	6.7%	5.8%	4.7%	5.0%	5.0%	5.0%
	Activity Expenditures as % of General Fund	0.35%	0.32%	0.32%	0.34%	0.37%	0.34%

Economic Development



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Economic Development Manager	1	0	0
Building Services Specialist - Velocity	0	0	1
Management Assistant	1	1	0
Total	2	1	1

Economic Development

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 0.6%.

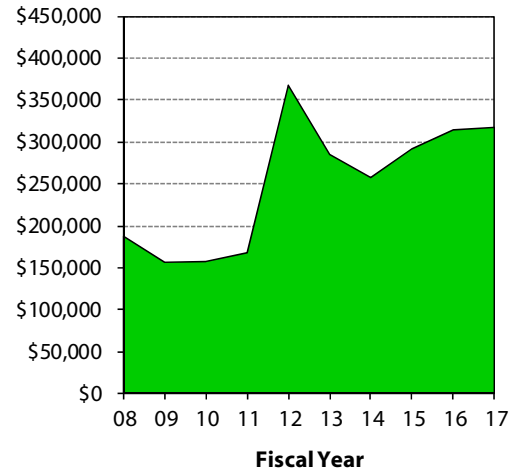
Personnel Services – The total Personnel budget increased by \$2,060 or 1.3%. The overall increase is the result of reclassifying the Management Assistant position to a Building Services Specialist position. \$6,510 was saved due to lower required funding for long-term retirement liabilities.

Supplies – Total Supplies decreased \$30 or 7.9%. Postage decreased \$20 and operating supply costs fell \$10, as both can be reduced and brought more in line with recent expenditure trends.

Other Charges – Total Other Charges increased \$970 or 0.6%. Contracted service costs increased \$1,500 to include funding for the use of additional web-based economic development marketing services and increased advertising costs. Local meeting costs rose \$400 due to a greater number of City training events held at Velocity. Two memberships have been eliminated, saving \$700. Mileage costs decreased \$100 and printing costs fell \$100, as both can be reduced based on the current year's estimated expenditure usage. Telephone costs decreased \$30 due to a revised allocation of citywide telephone expenditures.

Capital – This office is scheduled to receive one personal computer totaling \$1,100 to replace the existing five-year old unit at Velocity.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$202,428	\$153,000	\$158,350	\$155,060	\$155,060
Supplies	162	380	300	350	350
Other Charges	89,321	161,130	174,280	162,100	162,100
Total	\$291,911	\$314,510	\$332,930	\$317,510	\$317,510

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 has administered \$10.3 million in neighborhood road improvement contracts since the passing of the Safe Streets proposal, of which \$6.6 million derived from millage?

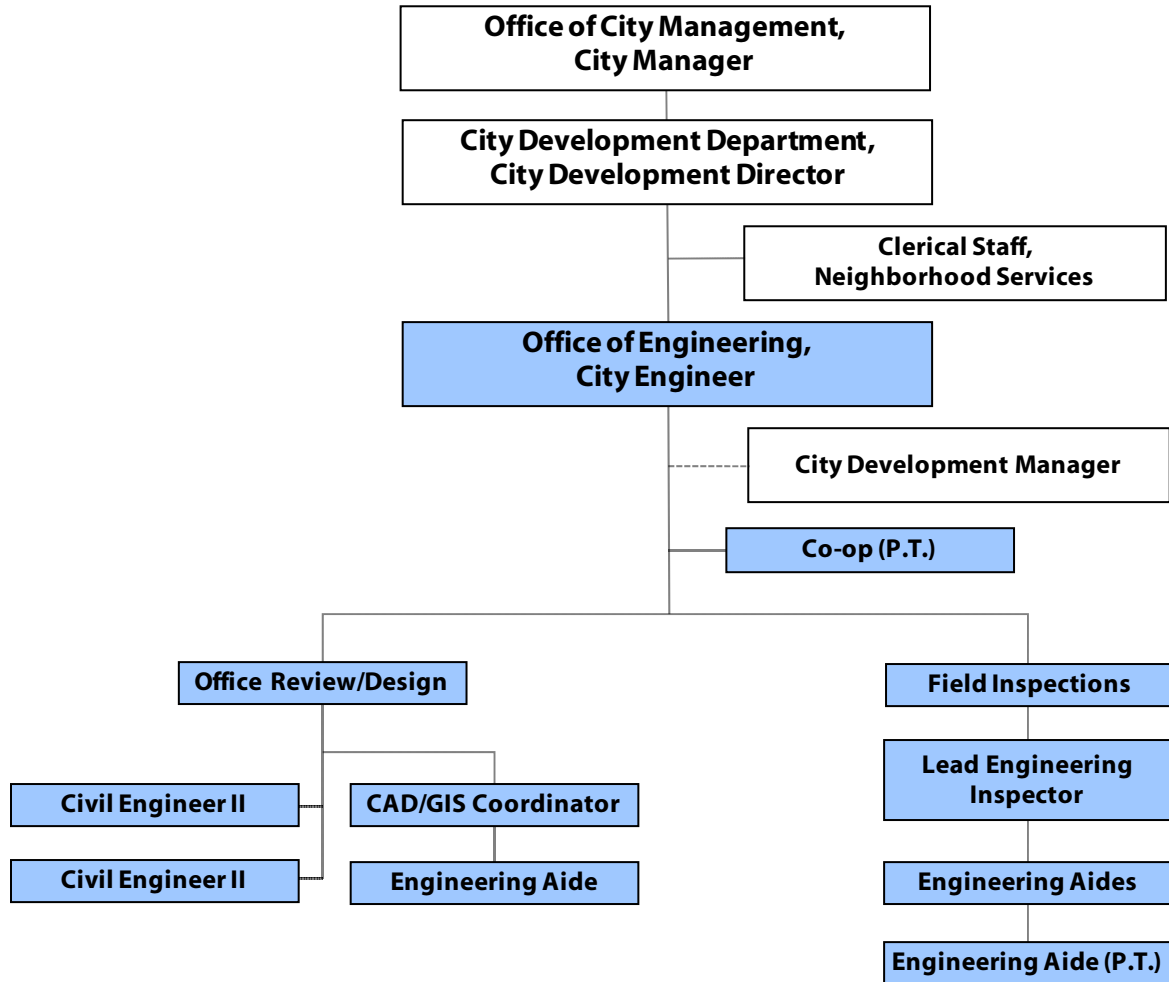
Engineering

2016/17 PERFORMANCE OBJECTIVES

1. To incorporate the guiding principles of the 2030 Visioning Plan into designs of infrastructure improvements such as the Richard J. Notte Civic Improvements and Dodge Park Road Reconstruction and to complete these high impact projects while minimizing disruption and providing excellent communication. *(City Goal 17, 18)*
2. To create plans and specifications, and administer contracts for various capital improvement projects including water main, sanitary sewer, drain, road and sidewalk projects. *(City Goal 6, 22)*
3. 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)*
4. 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)*
5. To coordinate with the County Road Commission on future County road improvements in the City including Mound, Schoenherr, 14 Mile, Metroparkway, and 18 Mile. *(City Goal 17,18)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Site Plans Approved	18	20	42	30	35	35
	Land Divisions Reviewed	8	16	13	16	14	16
	Plot Plans/Grading Plans Approved	99	109	79	60	85	70
	Utility Company Permits Issued	30	29	50	30	65	60
	SESC Permits Issued	120	127	104	100	100	100
	W & S Connection Permits Issued (Existing Homes)	8	6	10	15	10	10
	Value of Const. Contracts Awarded & Supervised	\$3.2M	\$10.9M	\$7.5M	\$13.7M	\$14.0M	\$8.0M
	Miles of Sidewalks in City	611	612	615	615	616	617
	Service Requests Processed	338	283	430	600	600	700
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	93%	53%	58%	90%	70%	80%
	% 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	85%	90%	85%	90%	90%	90%
	% of Plot or Grading Plans Reviewed w/i 10 days	80%	80%	85%	90%	85%	85%
	% of Capital Projects Completed w/i 5% of Bid Costs	100%	88%	100%	90%	90%	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	7%,82%,11%	7%,82%,11%	9%,81%,10%	10%,81%,9%	10%,81%,9%	11%,81%,8%
	Eng. Inspection Hrs. Required to Meet Demand	3,939	5,817	7,236	7,000	7,000	7,000
	Activity Expenditures as % of General Fund	1.40%	1.43%	1.43%	1.47%	1.46%	1.46%

Engineering



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
City Engineer	1	1	1
Civil Engineer II	2	1	2
Civil Engineer I	0	1	0
CAD/GIS Coordinator	1	1	1
Lead Engineering Inspector	1	1	1
Engineering Aide	3	3	3
Engineering Aide (P.T.)	1	1	1
Co-op (P.T.)	1	1	1
Total	10	10	10

Engineering

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 0.5%.

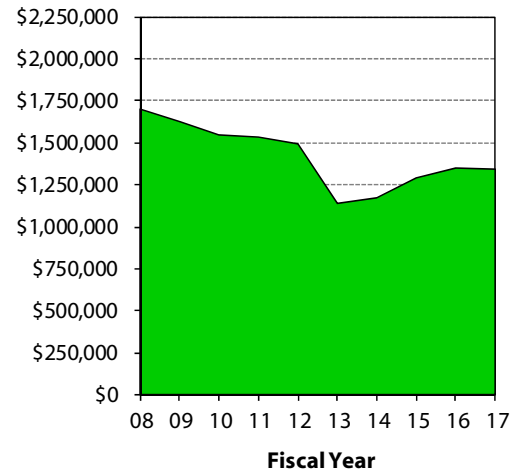
Personnel Services – The total Personnel budget decreased \$6,120 or 0.5%. The overall reduction is a result of a \$25,350 decrease in the actuarially required contribution to cover pension and retiree medical liabilities. Wages increased \$30,360 due to a 1.5% contractual wage increase, wage step increases for several employees, and a reduction in unpaid furlough days.

Supplies – Total Supplies decreased \$30 or 0.5%. Postage costs decreased \$150 as the budget can be reduced and brought more in line with recent expenditure trends. Operating supply costs increased \$120, as more small tools and land survey materials need to be replenished.

Other Charges – Total Other Charges decreased \$400 or 6.3%, as the budget for telephone costs can be reduced based on the current year's estimated expenditure usage.

Capital – There is no Capital proposed for this office.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,281,546	\$1,337,810	\$1,310,230	\$1,331,690	\$1,331,690
Supplies	6,523	5,870	5,640	5,840	5,840
Other Charges	3,283	6,320	5,720	5,920	5,920
Total	\$1,291,352	\$1,350,000	\$1,321,590	\$1,343,450	\$1,343,450

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 City Development 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.

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

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 – 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.*

The City Development Director 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...

...that Code Enforcement Officers write violations for nearly 300 junk vehicles each year?

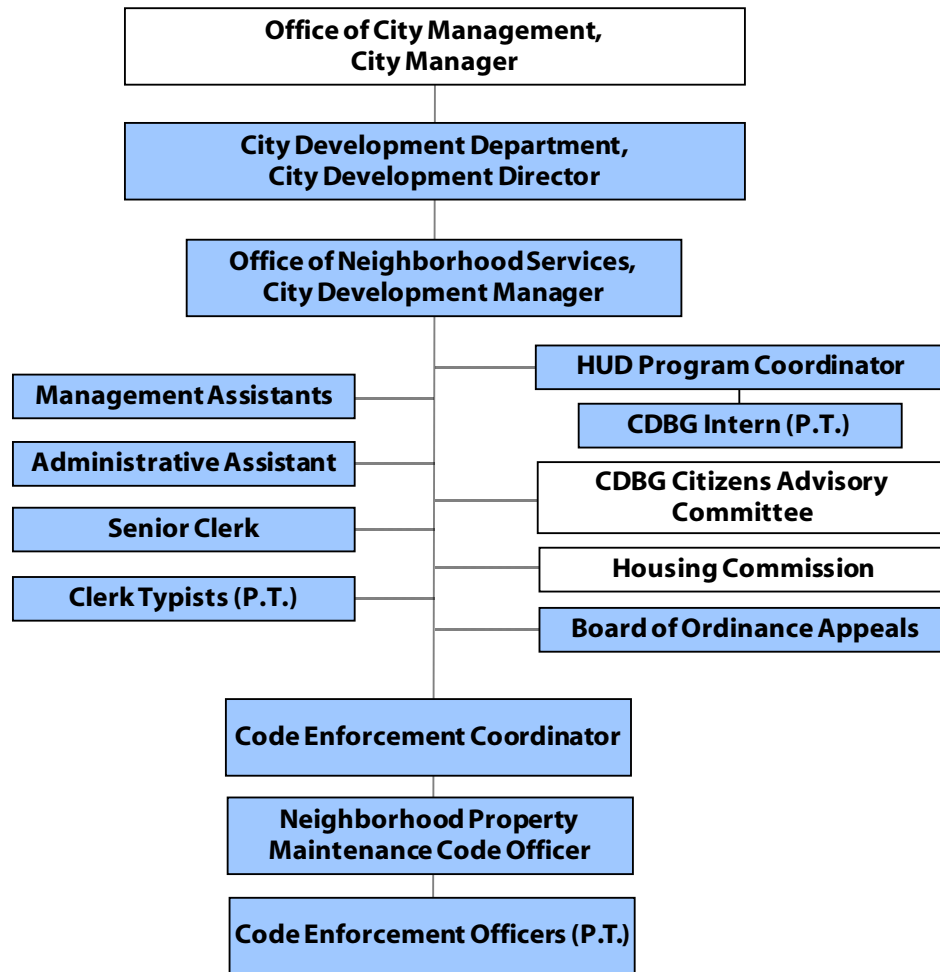
Neighborhood Services

2016/17 PERFORMANCE OBJECTIVES

1. To coordinate the replacement of existing obsolete City signs. *(City Goal 12, 16)*
2. To work with Planning to revise the existing commercial and industrial landscaping guidelines. *(City Goal 12, 14, 20, 21, 22)*
3. To develop the LDFA/SmartZone corridor plan with unique signage and landscaping. *(City Goal 12, 14, 20, 21, 22)*
4. To market the City's Innovating Redevelopment Strategies and Efficient Development Strategies. *(City Goal 18, 19, 21)*
5. 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)*
6. To coordinate the sale of three City-owned single-family residential lots located on Dundee Street. *(City Goal 15)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Total Inspections Performed	15,340	15,667	16,935	18,000	18,000	18,000
	Total Code Enforcement Cases/Properties Cleaned	3,900	8,851	8,684	8,500	10,900	10,900
	# of Proactive Code Enforcements (City Observed)	N/A	6,260	5,941	6,000	8,000	8,000
	# of Code Complaints Received	3,900	2,591	2,743	2,500	2,900	2,900
	Board of Ordinance Appeals Hearings	23	25	26	26	26	26
	Ordinance Board Cases Prepared - Nuisances	394	361	360	350	300	300
	Civil Infraction & Misdemeanor Tickets Issued	800	895	362	400	300	400
	# of Illegal Signs Removed from ROW	N/A	2,576	2,352	2,600	2,900	2,900
	# of Dangerous Dog Cases Reviewed	5	3	2	3	2	2
	Neighborhood Clean Up Events Scheduled (SHINE)	2	2	6	2	5	5
	# of SHINE Tags Issued	N/A	122	35	50	90	90
	Volunteer Corps Membership	220	302	300	280	250	250
	# of CDBG Home Rehab Applications Received	17	19	15	14	14	14
Efficiency & Effectiveness	% of Insp. Performed w/i 48 Hours of Complaints	95%	95%	95%	95%	95%	95%
	Avg. Days Between Violation Notice & 1st Inspection	10	8	8	8	8	8
	% of Violations Corrected Prior to City Action	90%	98%	98%	95%	95%	95%
	Inspections Performed Per Inspector (FTE's)	3,933	2,901	2,646	2,400	2,400	2,400
	Code Enforcement Cases Per Inspector (FTE's)	1,000	1,639	1,357	1,130	1,450	1,450
	Code Enforcement Cases Per 1,000 Residents	30.0	67.8	66.4	64.9	83.2	83.0
	Activity Expenditures as % of General Fund	0.42%	1.56%	1.46%	1.69%	1.65%	1.65%

Neighborhood Services



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
City Development Director	0	1	1
City Development Manager	1	1	1
Code Enforcement Coordinator	1	1	1
HUD Program Coordinator	1	1	1
Neighborhood Prop. Maint. Code Officer	1	1	1
Neighborhood Liaison Specialist	1	0	0
Management Assistant	2	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	6	8
CDBG Intern (P.T.)	1	1	1
Total	17	18	20

Neighborhood Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

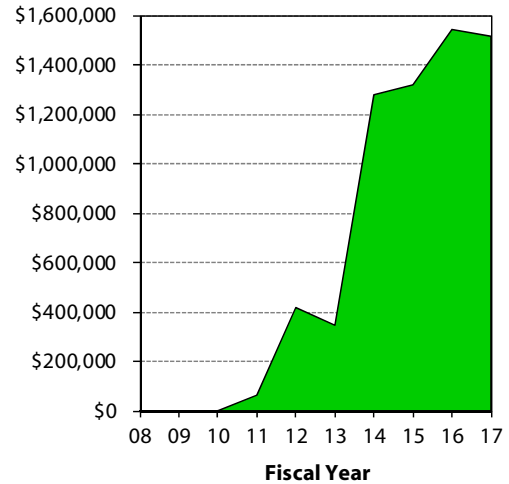
The total budget decreased by 1.8%.

Personnel Services – The total Personnel budget increased \$73,880 or 5.3%. Part-time wage rose \$55,380 to fund two additional Code Officer positions. Full-time wages rose \$36,120 due to a 1.5% wage adjustment, wage step increases for several employees and reduced furlough days. Overtime costs rose \$3,500 due to increased illegal sign enforcement on the weekends. \$25,170 was saved due to lower pension and retiree medical liabilities.

Supplies – Total Supplies is proposed to remain the same at \$7,100. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$101,590 or 71.4%. Equipment maintenance costs decreased \$79,710, as the prior year budget included the one-time funding to link property information in several City software systems to one information storage platform that can be accessed by all City departments and additional BS&A software modifications and enhancements. Funding for nuisance abatement contract costs decreased \$20,250 due to a prior year reappropriated encumbrance. Funding for wireless service for the field inspection tablets decreased \$1,500 due to a cost savings from a new shared data plan. An additional \$350 was saved based on lower copier usage resulting from the recent conversion to the BS&A system. \$110 was added for the Director's attendance at a seminar.

Expenditure History



Capital – This office is scheduled to receive one personal computer totaling \$1,100 to replace an existing five-year old unit. \$12,000 is proposed for the house demolition on Dodge Park Road. \$100,000 is budgeted for the conversion of the electronic display signs at the City Hall, Fire Station #1, Senior Center, and Nature Center, with stagnant brick signs that are easier to maintain, as well as an update to City welcome signs.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,280,862	\$1,393,550	\$1,440,920	\$1,467,430	\$1,467,430
Supplies	4,817	7,100	7,100	7,100	7,100
Other Charges	32,881	142,310	40,250	40,720	40,720
Total	\$1,318,560	\$1,542,960	\$1,488,270	\$1,515,250	\$1,515,250

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...

...that in 2016, the City will adopt its first new Master Land Use Plan since 2005?

Planning

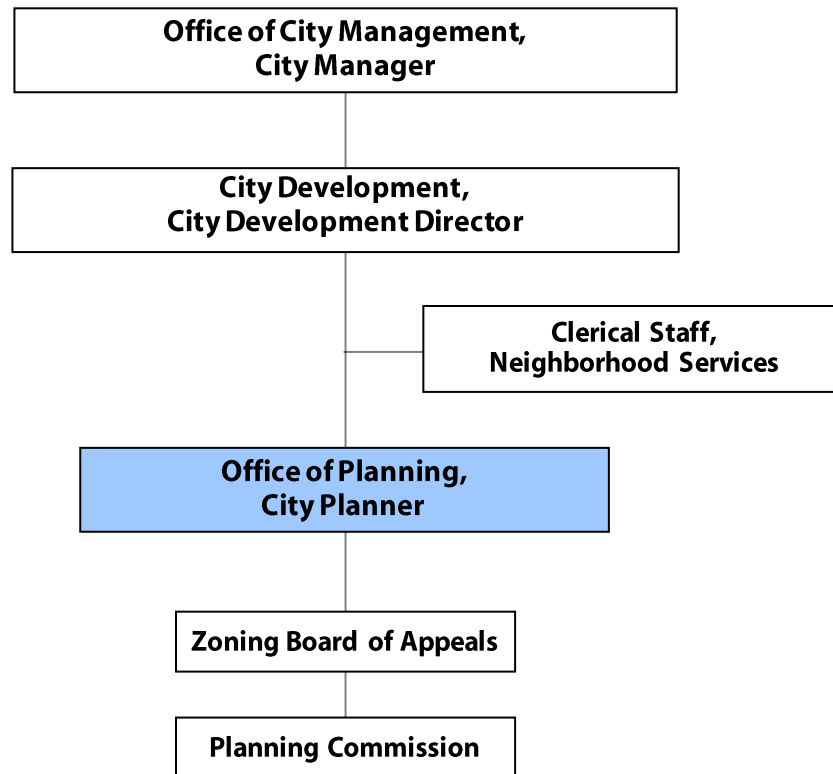
2016/17 PERFORMANCE OBJECTIVES

1. To adopt the 2016 update for the City of Sterling Heights Master Land Use Plan. *(City Goal 4, 12, 22)*
2. To assist the Parks & Recreation Department in adopting the Parks & Recreation Master Plan and implementation of targeted projects. *(City Goal 4, 19, 22)*
3. To develop revised landscaping and place making regulations for non-residential development to further the City's Master Land Use Plan, Place Making and Public Art efforts. *(City Goal 12, 18, 19, 22)*
4. To assist the Planning Commission with the review and updating of the Zoning Ordinance to help implement the City's Master Land Use Plan. *(City Goal 13, 20)*
5. To digitize and attach all new applications, site plans, and planning information to the appropriate parcels in BS&A. *(City Goal 2, 5, 6)*
6. To streamline existing Planning policies and procedures for cost effectiveness, efficiency and necessity, and implement technology improvement strategies where appropriate. *(City Goal 23)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Site Plans Reviewed	51	72	96	80	75	80
	Rezoning Petitions Processed	5	1	8	8	6	10
	Residential Developments	5	8	13	5	5	4
	Special Approval Land Uses Processed	4	4	6	6	5	10
	Site Inspections Conducted	259	335	265	360	330	350
	Planning Commission Cases Prepared	15	12	17	13	15	20
	Planning Commission Meetings Attended	8	7	8	8	10	11
	Temporary Uses, Variances, & Vacations Reviewed	57	53	38	50	50	55
	Zoning Board of Appeals Cases Prepared	19	12	25	17	31	30
	Zoning Board of Appeals Meetings Held	8	5	10	10	10	11
	Council Agenda Items Prepared	11	8	9	9	10	10
	Zoning Compliance, Use Permits Reviewed	283	254	296	300	300	300
Efficiency	% of Preliminary Site Plans Reviewed w/i 10 days	93%	92%	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	\$1,240	\$1,080	\$950	*	*	*
	Activity Expenditures as % of General Fund	0.29%	0.13%	0.20%	0.34%	0.30%	0.17%

*Cost is calculated for "Actual" columns only.

Planning



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
City Planner	0	1	1
City Planner (P.T.)	1	1	0
Total	1	2	1

Planning

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 49.4%.

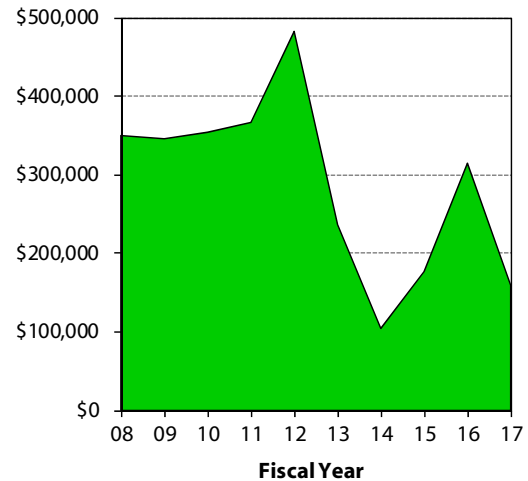
Personnel Services – The total Personnel budget decreased by \$55,640 or 26.1%. Due to the retirement of the former City Planner, part-time wages decreased \$77,520. Full-time wages rose \$18,360 for the full-year funding of the new City Planner. Benefit costs also increased as the City did not provide benefits for the former City Planner.

Supplies – Total Supplies increased \$30 or 7.1%. Postage costs rose \$80 due to increased mailings. Operating supply costs decreased \$50, as fewer office supplies need to be replenished.

Other Charges – Total Other Charges decreased \$100,040 or 98.6%. Contracted services decreased \$99,210 due to the prior year one-time funding of \$15,000 for consultant services needed to provide conceptual redevelopment alternatives for the Lakeside Mall area and a reappropriated encumbrance for the Master Plan Update. Membership costs decreased \$430 and training costs fell \$200, as additional funding added in the prior year as part of the City's succession plan is no longer required. Funds for the City Planner to attend a State Planning Conference are budgeted. Telephone costs decreased \$200, as the budget can be reduced and brought more in line with recent expenditure trends.

Capital – There is no Capital proposed for this office.

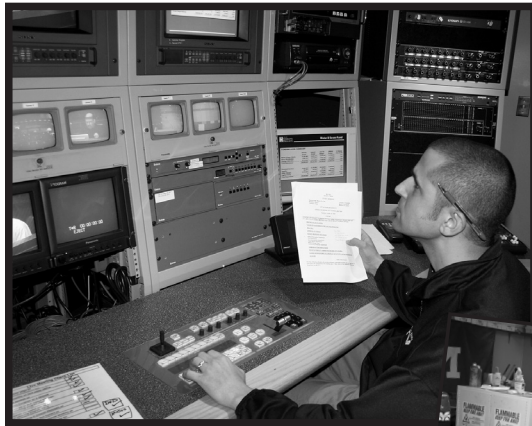
Expenditure History



FUNDING LEVEL SUMMARY

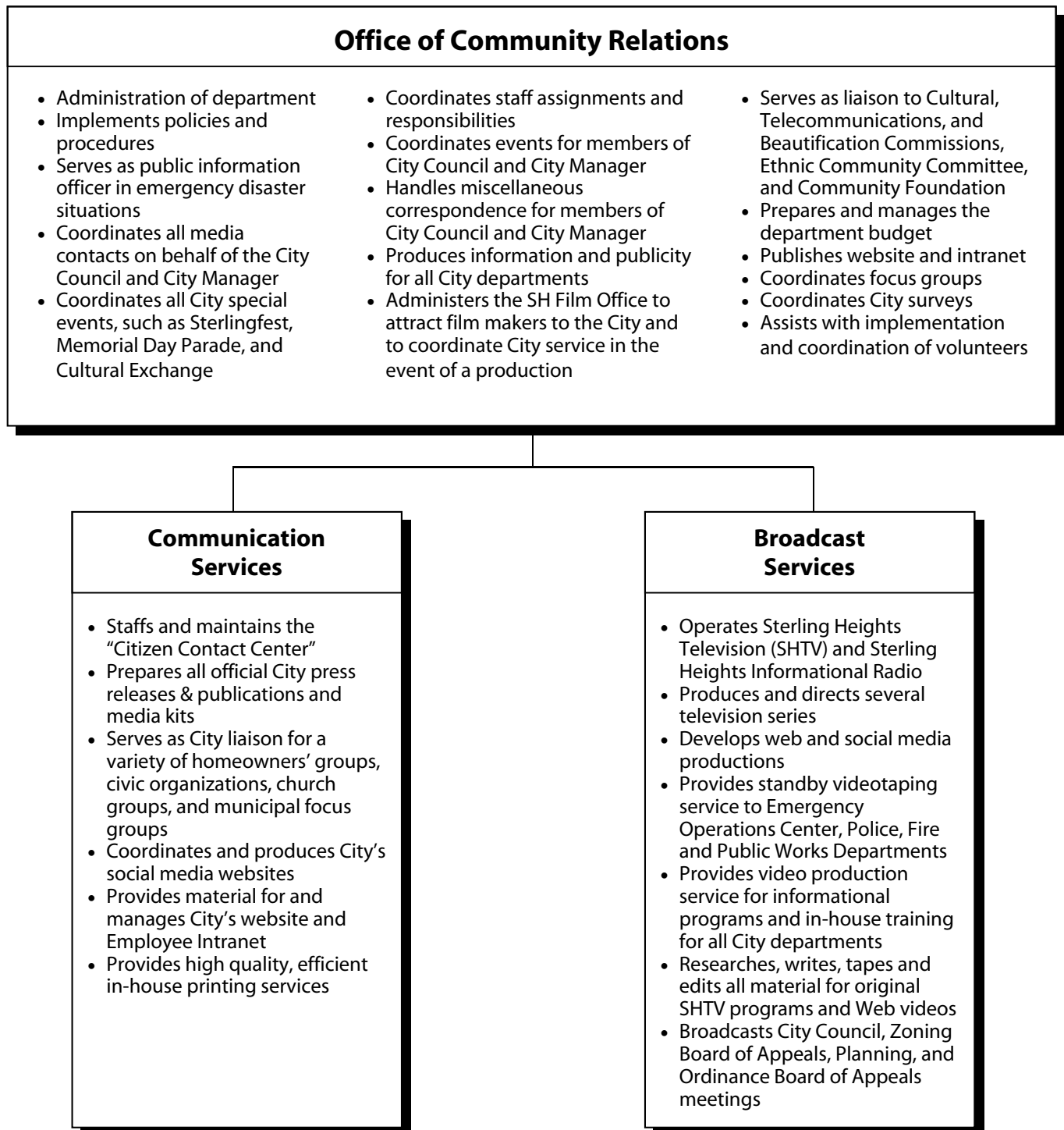
	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$142,927	\$213,150	\$170,080	\$157,510	\$157,510
Supplies	434	420	550	450	450
Other Charges	33,641	101,450	100,230	1,410	1,410
Total	\$177,002	\$315,020	\$270,860	\$159,370	\$159,370

Community Relations Department



FUNCTIONAL ORGANIZATION CHART

Community Relations Department



DEPARTMENT AT A GLANCE

Community Relations Department

BUDGET SUMMARY

The Community Relations Department budget increased \$54,600 or 5.3%. The Personnel budget rose \$80,520 or 9.4%. Most of the increase is a result of funding a new full-time Digital Content Coordinator position to better market the City and to coordinate social media efforts. Overtime costs rose \$16,000, while \$19,890 was saved due to lower required contributions to fund retirement liabilities. Supplies increased \$10,450 or 31.5%, as a result of increased postage costs for mailing the City Magazine and informational brochures. Funds are also budgeted to purchase additional SHTV editing drive storage. Other Charges

declined \$36,370 or 24.2% as less contractual funding is needed due to the hiring of a new full-time Digital Content Coordinator. The Capital Budget funds the replacement of 16-year old television production equipment in the City Council Chambers, which has reached the end of its useful life. Funds are also budgeted for a citizen interactive customer service software system, which will be utilized to record and track non-emergency resident requests.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
Community Relations	\$856,940	\$933,490	\$1,035,710	\$1,090,310	5.3%
Total Department	\$856,940	\$933,490	\$1,035,710	\$1,090,310	5.3%
Personnel Services	\$775,230	\$817,940	\$852,220	\$932,740	9.4%
Supplies	28,050	33,660	33,200	43,650	31.5%
Other Charges	53,660	81,890	150,290	113,920	-24.2%
Total Department	\$856,940	\$933,490	\$1,035,710	\$1,090,310	5.3%

PERSONNEL SUMMARY

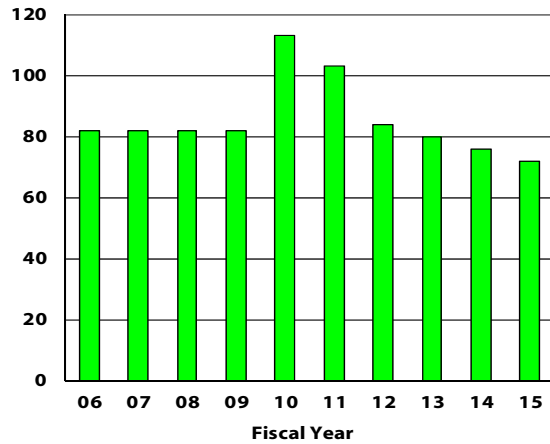
	2013/14		2014/15		2015/16		2016/17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	5	2	5	2	6	1	7	1
Total Department	5	2	5	2	6	1	7	1

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

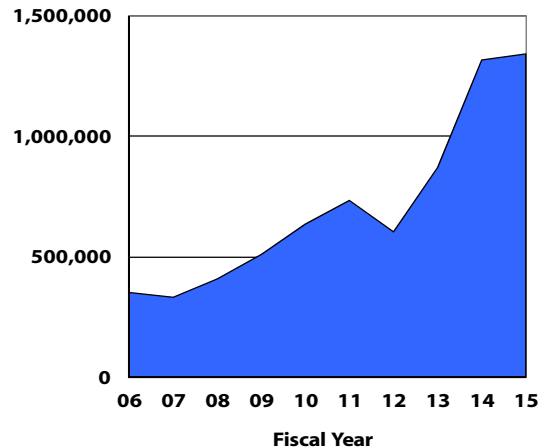
Community Relations Department

**SHTV - Weekly
Hours of Programming**



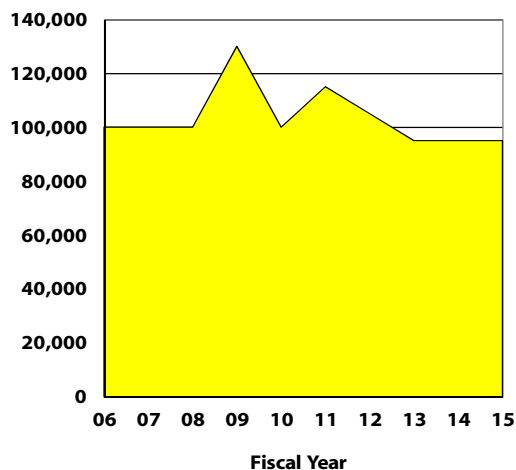
Sterling Heights Television viewers saw a rise in the total hours of programming. Hours increased in 2010 for the additional overnight programming. Hours have since declined due to a reduction in sports programming and bi-weekly newscasts.

**Customer Service
Contacts**



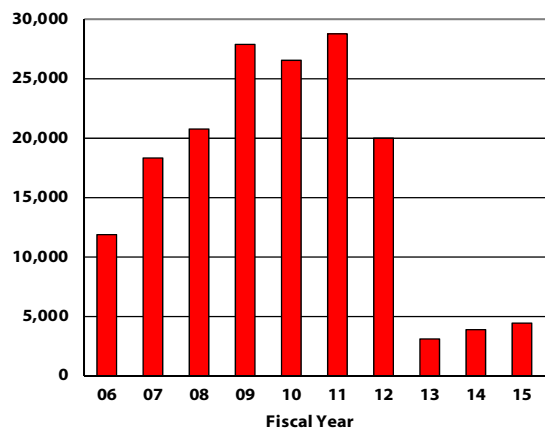
City Website visits account for 99% of total service contacts. Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents, e-mails and additional electronic feedback programs.

Sterlingfest Attendance



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.

**City Information
E-Mail Subscriptions**



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 e-mail service in 2013 required all existing e-mail 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...

...that Community Relations unveiled a new City website in May 2015 for the first time in a decade?

Community Relations

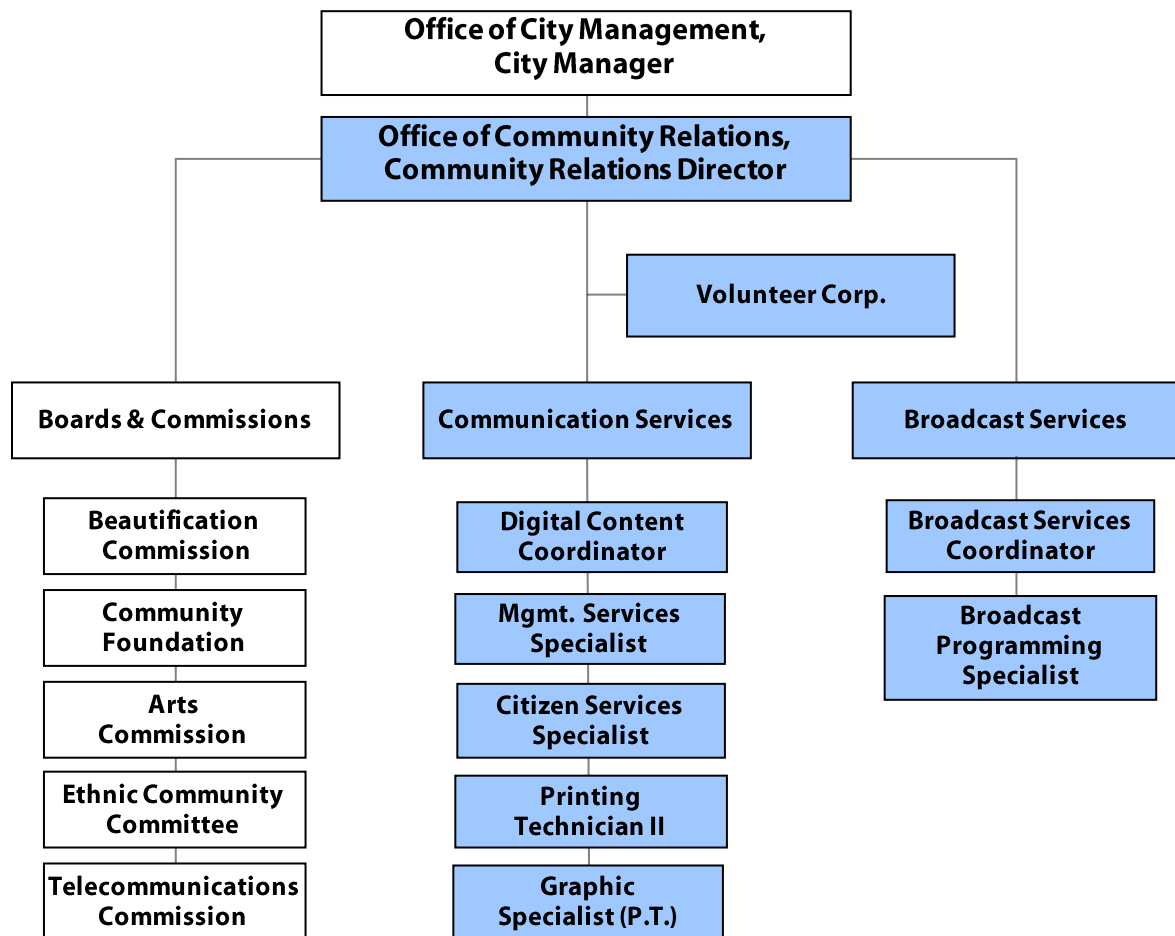
2016/17 PERFORMANCE OBJECTIVES

1. To reimagine customer service quality with more digital contact and digital follow-ups utilizing the See Click Fix Software application and City website. *(City Goal 24)*
2. To reinvigorate Sterlingfest and other City events with increased and refreshed marketing and new sponsorships. *(City Goal 25)*
3. To further develop the City's long-term marketing strategy. *(City Goal 24, 25)*
4. To produce more SHTV original content, geared toward the City's You Tube Channel and engaging young audiences. *(City Goal 25)*
5. To host the City's first-ever "State of the City" event and better tell our government's story to residents and businesses. *(City Goal 24)*
6. To work more actively with Economic Development and Building to showcase new development projects in the City. *(City Goal 24)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Total Customer Service Contacts	869,262	1,330,110	1,342,810	1,353,050	1,352,400	1,412,790
	Citizen Action Center Calls/Walk-ins	8,807	12,512	10,000	10,000	10,000	10,000
	E-Mail Requests	2,007	2,801	2,810	2,200	2,400	2,790
	"We Want to Know" Postcards	16	2	0	0	0	0
	Sterling Heights Website Home Page Views	858,432	1,314,795	1,330,000	1,340,850	1,340,000	1,400,000
	Total Tapings & Programs Aired	170	224	216	150	221	200
	SHTV Hours of Programming (Weekly)	80	76	72	80	74	80
	City Council, Board & Commission Live Broadcasts	63	68	73	75	77	75
	Press Releases Produced	190	184	173	150	150	150
	Employee Newsletters	48	42	32	48	36	36
	City Magazine/Brochures Produced	15	19	21	25	30	30
	Typesetting/Graphic Design Projects	157	250	470	290	300	300
	City Information E-mail Subscription Recipients	3,103	3,797	4,432	5,600	5,000	5,200
	Facebook Followers	3,051	3,660	4,470	4,860	7,500	8,500
	Twitter Followers	563	816	1,145	1,270	1,800	2,000
	Sterlingfest & Memorial Day Parade Attendance	100,000	100,000	100,000	100,000	100,000	100,000
	Beautification Awards Presented	57	61	55	60	60	60
	Print Requests Completed	270	281	285	250	260	260
	Stockroom Requests Completed	127	134	140	160	175	175
Efficiency	% of Citizen Inquiries Resolved w/i 48 hrs.	88%	90%	89%	88%	90%	90%
	Cost per Citizen Contact Center Call Received	\$3.02	\$2.85	\$2.96	*	*	*
	Average Cost to Televiser a Public Meeting	\$1,045	\$968	\$976	*	*	*
	Activity Expenditures as % of General Fund	1.14%	1.05%	1.03%	1.13%	1.13%	1.18%

*Cost is calculated for "Actual" columns only.

Community Relations



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Community Relations Director	1	1	1
Broadcast Services Manager (P.T.)	1	0	0
Broadcast Services Coordinator	1	1	1
Broadcast Programming Specialist	0	1	1
Digital Content Coordinator	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	8

Community Relations

SUMMARY OF BUDGET CHANGES

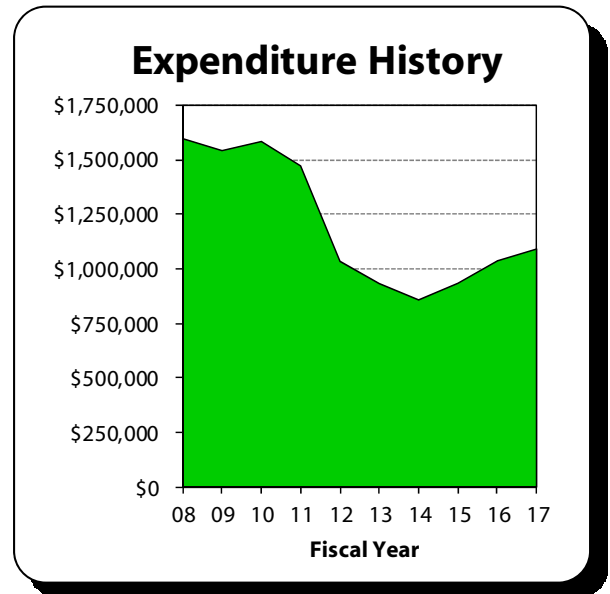
SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 5.3%.

Personnel Services – The Personnel budget increased \$80,520 or 9.4%. Most of the increase is a result of funding a new full-time Digital Content Coordinator position to better market the City and coordinate social media efforts. Overtime costs rose \$16,000 due to increased Sterlingfest hours and the videotaping of night meetings. \$19,890 was saved due to lower required contributions to fund retirement liabilities.

Supplies – Total Supplies increased \$10,450 or 31.5%. Postage costs increased \$8,000 for the increased cost of mailing the City Magazine to residents and for increased mailings of informational brochures. \$2,450 is budgeted to fund the purchase of additional SHTV editing drive storage.

Other Charges – Total Other Charges decreased \$36,370 or 24.2%. The City will save \$38,000 as less contractual funding is needed for social media services. Funding remains budgeted for an online email marketing service, an Adobe software service for graphic design, video editing, website development, and professional assistance to manage the City's social media accounts until the full-time Digital Content Coordinator is hired. Funding for the City's annual appreciation banquet decreased \$2,000 and telephone costs fell \$700, as both can be reduced and brought more in line with the current year's estimated expenditure levels. \$2,990 was added for higher video equipment maintenance fees. \$1,000 was added for



increased printing costs for City Magazines and brochures.

Capital – Total Capital of \$236,120 is proposed. \$215,000 is budgeted to replace the 16-year old Television Production Equipment in the City Council Chambers, which is failing and has reached the end of its useful life. \$21,120 is for a citizen-interactive Customer Service Software system (See, Click, Fix) that will be utilized for reporting and tracking non-emergency service requests.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$817,941	\$852,220	\$861,620	\$932,740	\$932,740
Supplies	33,653	33,200	41,200	43,650	43,650
Other Charges	81,892	150,290	119,490	113,920	113,920
Total	\$933,486	\$1,035,710	\$1,022,310	\$1,090,310	\$1,090,310

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...

...the 41-A District Court performs almost 200 weddings annually, in addition to its criminal and civil caseloads?

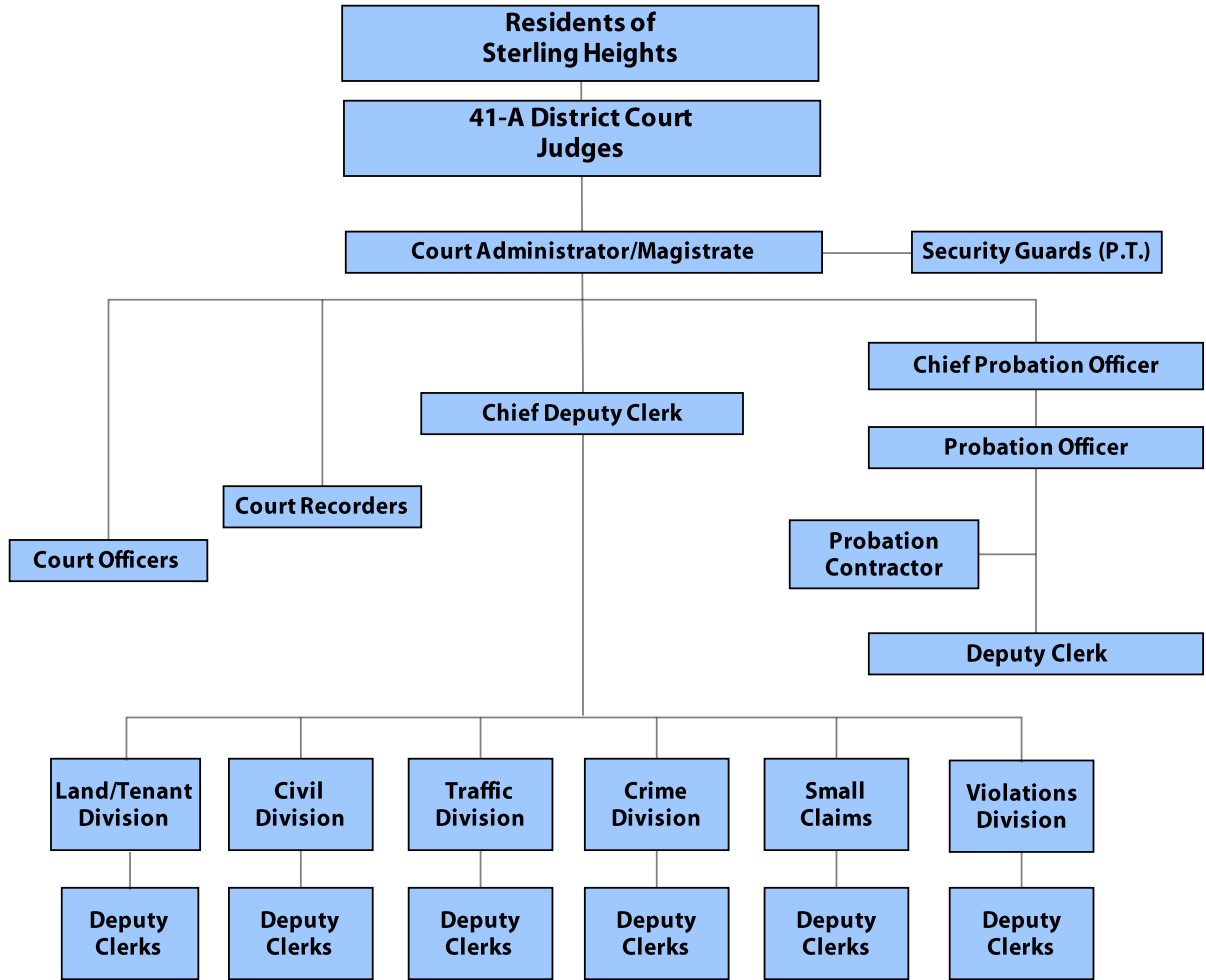
41-A District Court

2016/17 PERFORMANCE OBJECTIVES

1. To implement the immediate scheduling and issuance of Court notices on all files rather than issuing them in the mail. *(City Goal 1)*
2. To create a fine schedule attachment for traffic tickets, and/or revise the current tickets, in an attempt to reduce the number of callers to the Court inquiring about fines. *(City Goal 1)*
3. To eliminate hard copies of court notices and replace them with digitally stored copies. *(City Goal 1)*
4. To develop a community service program for those unable to pay fines/costs. *(City Goal 1)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Total Active Caseload	40,185	40,118	44,709	42,000	42,000	44,000
	Total New Cases	32,421	31,804	35,374	34,450	34,450	35,400
	Traffic Cases	21,845	20,710	24,565	23,000	24,000	25,000
	Parking Cases	1,044	1,840	1,322	1,000	1,000	1,000
	Misdemeanor Cases	2,842	3,233	3,652	3,600	3,600	3,600
	Felony Cases	566	580	627	700	700	700
	General Civil Cases	3,546	2,550	2,652	2,400	2,400	2,400
	Small Claims Cases	313	400	333	350	350	400
	Landlord/Tenant Cases	2,265	2,491	2,223	2,400	2,400	2,300
	Magistrate Dispositions	7,281	6,903	8,188	7,600	7,650	8,000
	Jury/Bench Verdicts	6,545	7,013	9,058	8,200	8,200	8,500
	Guilty/Admissions/Default - By Party	19,826	17,827	18,673	18,000	18,200	19,000
	Dismissals - By Court or Party	6,312	6,788	7,218	6,500	6,500	6,500
	Probation Caseload (includes Shelby)	1,524	1,390	1,354	1,400	1,400	1,350
	Criminal Warrants Processed	N/A	N/A	2,283	2,200	2,200	2,200
Efficiency & Effectiveness	% of Imposed Revenue Collected	96%	96%	96%	96%	96%	96%
	Court Revenue Collected by Collection Agency	\$13,880	\$5,683	\$2,811	\$2,000	\$2,000	\$1,000
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	\$25.06	\$23.59	\$23.61	\$24.45	\$24.49	\$24.92
	Cost per Active Case	\$81	\$77	\$69	\$76	\$76	\$74
	# of Active Cases per FT Employee	1,148	1,216	1,490	1,355	1,355	1,420
	Activity Expenditures as % of General Fund	3.99%	3.77%	3.42%	3.50%	3.55%	3.55%

41-A District Court



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Judge	3	3	3
Court Administrator/Magistrate	0	0	1
Magistrate/Director of Probation	1	1	0
Court Administrator	1	1	0
Chief Probation Officer	0	0	1
Chief Deputy Clerk	1	1	1
Court Reporter	3	3	3
Court Officer	3	3	3
Probation Officer	1	1	1
Deputy Clerk	17	18	18
Deputy Clerk (P.T.)	5	6	7
Security Guard (P.T.)	4	4	3
Total	39	41	41

41-A District Court

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

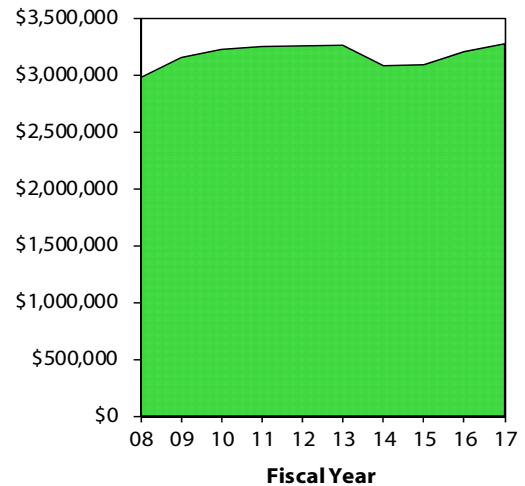
The total budget increased by 2.1%.

Personnel Services – The total Personnel budget increased \$34,980 or 1.2%. Full-time wages rose \$51,610 due to a 1.5% contractual wage increase, wage step adjustments for employees not at their top step, as well as a reduction in unpaid furlough days. With the retirement of the former Court Administrator, duties have shifted to the Magistrate and Chief Probation Officer. Part-time wages rose \$14,300 as funding for a vacant Security Guard has been reallocated to a part-time Deputy Clerk position. Required contributions to fund pension and retiree medical liabilities decreased by \$47,150.

Supplies – Total Supplies increased \$2,780 or 7.0%. Operating supply costs increased \$2,000 for the purchase of replacement chairs for staff and public use. Postage costs rose \$500 for increased court mailings. \$280 was added for the higher cost of publications.

Other Charges – Total Other Charges increased \$31,060 or 12.5%. \$13,000 was added for the increased use of interpreters, as the Court is now required to provide interpreters. Equipment maintenance costs rose \$12,500 based on higher State computer maintenance and annual support costs. Water costs rose \$4,500 due to higher rates and greater usage. Credit card fees increased \$3,200 due to greater public use of credit cards for payments. Reporting services increased \$2,000 due to the increased use of outside Court recorders. \$1,290 was added for increased copier

Expenditure History



usage fees. Electric costs fell \$5,000, heating costs fell \$1,000, and telephone costs decreased \$1,000, as each can be reduced and brought more in line with recent actual expenditure levels.

Capital – \$4,000 is proposed to relocate the existing undersized Generator from Fire Station #1 to the Court to improve operations due to a loss of power.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$2,798,930	\$2,913,860	\$2,893,940	\$2,948,840	\$2,948,840
Supplies	39,559	39,720	39,720	42,500	42,500
Other Charges	248,772	248,740	275,120	279,800	279,800
Total	\$3,087,261	\$3,202,320	\$3,208,780	\$3,271,140	\$3,271,140

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?

Act 78 - Civil Service Commission

2016/17 PERFORMANCE OBJECTIVES

1. To conduct a Police Officer recruitment to establish a new one-year eligibility list. (City Goal 1, 2, 3)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Minutes of Act 78 Meetings Recorded	0	4	4	3	3	2
	Police Officer Eligibility List Applications	0	0	95	100	93	90
	Fire Fighter Eligibility List Applications	0	52	125	0	0	0
	Written Tests - Police Officer Eligibility List	0	0	95	100	93	90
	Written Tests - Fire Fighter Eligibility List	0	52	125	0	0	0
	Oral Interviews - Police Officer Eligibility List	0	0	87	75	69	60
	Oral Interviews - Fire Fighter Eligibility List	0	50	50	0	0	0
	Physical/Psychological Test - Police/Fire Candidates	0	0	36	18	21	23
Effectiveness	# of Appeals by Candidates/ Terminated Employees	0	0	1	0	1	0
	Activity Expenditures as % of General Fund	0.00%	0.03%	0.03%	0.02%	0.06%	0.03%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

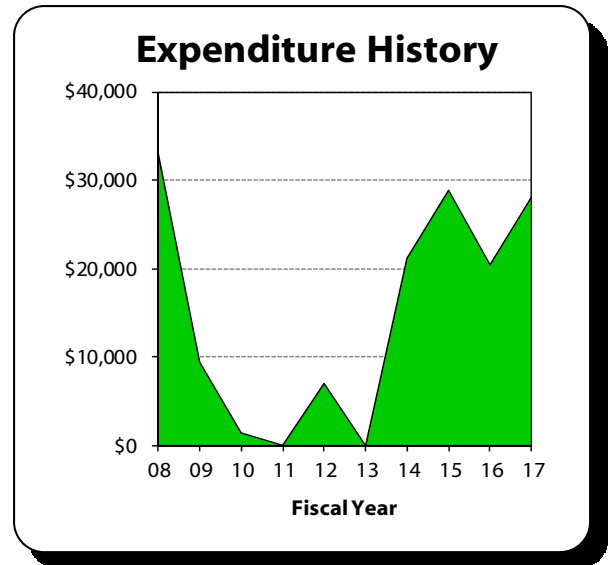
The total budget increased by 37.4%.

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

Supplies – Total Supplies decreased \$200 or 54.1%, as postage funding can be reduced and brought more in line with the current year's estimated expenditure usage.

Other Charges – Total Other Charges increased \$7,850 or 39.1%. The budget increased \$5,250 for the cost of Firefighter and Police Officer pre-employment physical and psychological exams for anticipated new hires due to upcoming retirements. \$2,600 was added, as funding for pre-employment background investigation packets will be needed.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	370	170	170	170
Other Charges	28,892	20,100	53,300	27,950	27,950
Total	\$28,892	\$20,470	\$53,470	\$28,120	\$28,120

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...

...that City Council adopted the name change from the Cultural Commission to the Arts Commission in March 2015?

Arts Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 0.0%.

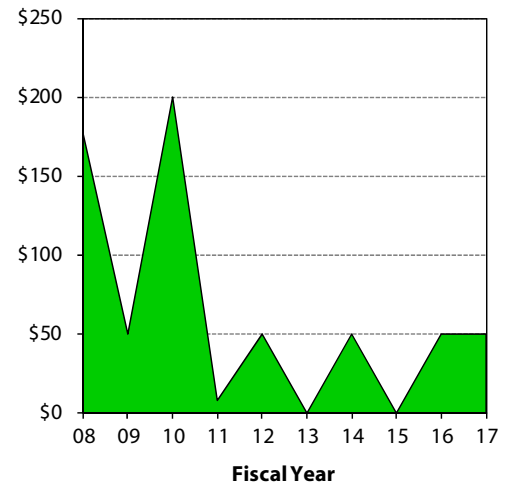
Personnel Services – There is no Personnel budget for this commission.

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.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	0	50	50	50	50
Total	\$0	\$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...

...that in 2015, City of Sterling Heights was named a "Tree City USA" by The Arbor Day Foundation, for the 30th consecutive year?

Beautification Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 1.4%.

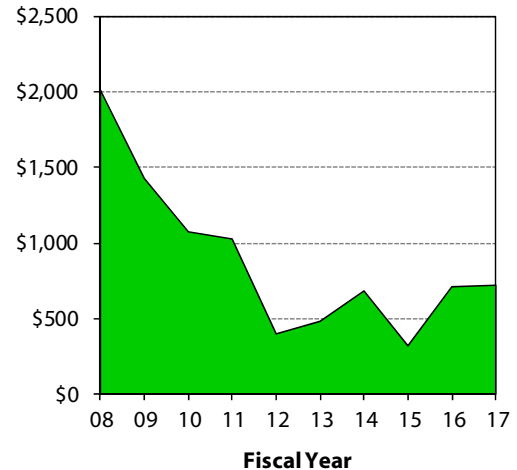
Personnel Services – There is no Personnel budget for this commission.

Supplies – Total Supplies increased \$10 or 1.6%. \$10 was added for the inflationary cost increase of beautification plaques and certificates.

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.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	249	620	620	630	630
Other Charges	70	90	90	90	90
Total	\$319	\$710	\$710	\$720	\$720

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 June 30, 2015 total a market value of \$114,783,963 while the City's contribution for the 2016/17 fiscal year will be \$2,648,960. The fund is now 84.8% 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 356 retirees receiving benefits from the fund and 110 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 June 30, 2015, 107 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 agendas and minutes from the General Employees' Retirement Board meetings are available online on the City's website?

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 30.1%.

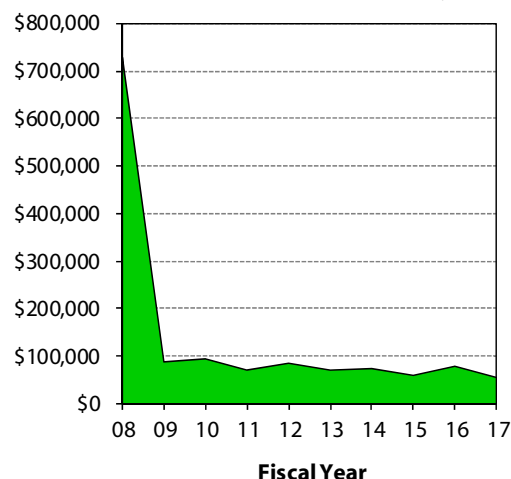
Personnel Services – There is no Personnel budget for this board.

Supplies – Total Supplies rose \$20 or 8.0%, as postage funding increased to bring the budget in line with the current year's estimated expenditure level.

Other Charges – Total Other Charges decreased \$23,700 or 30.2%. Contracted services decreased \$23,700 as Morgan Stanley investment fees are now paid out of the system's assets as part of manager fees rather than expensed in the General Fund.

Capital – There is no Capital proposed for this board.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	189	250	270	270	270
Other Charges	59,298	78,540	55,220	54,840	54,840
Total	\$59,487	\$78,790	\$55,490	\$55,110	\$55,110

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 – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 1.8%.

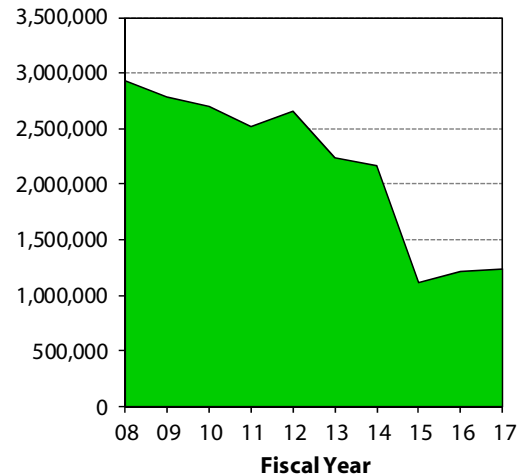
Personnel Services – The total Personnel budget remains the same as the prior year. There are no changes in unemployment compensation costs anticipated.

Supplies – Total Supplies increased \$1,180 or 7.2% due to the increased cost and use of citywide copy paper.

Other Charges – Total Other Charges increased \$20,940 or 1.8%. \$60,000 was added for a possible employee merit-based incentive program. Contracted service costs increased \$10,000 for consultant services that may be utilized for potential future projects. Funding increased \$7,560 due to a slight increase and revised allocation of audit costs. Rental costs rose \$2,680 based on the current year's estimated expenditure usage, as per-page print fees are higher than anticipated. Existing membership fees increased by \$230. Street lighting costs decreased \$57,530 mainly due to further savings from the installation of energy-saving LED streetlights and a prior year reappropriated encumbrance, partially offset by an anticipated DTE rate increase. Funding for executive physical exams decreased \$2,000, as prior year funds were not spent.

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

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$8,974	\$20,000	\$20,000	\$20,000	\$20,000
Supplies	20,020	16,320	17,140	17,500	17,500
Other Charges	1,087,142	1,179,830	957,010	1,200,770	1,200,770
Total	\$1,116,136	\$1,216,150	\$994,150	\$1,238,270	\$1,238,270

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

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

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

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

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

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

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

KEY GOALS

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

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

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

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

Did you know...

...the Sterling Heights Historical Commission is currently working on publishing a book about the City of Sterling Heights that will be available in 2018 to coincide with the City's 50th anniversary?

Historical Commission

2016/17 PERFORMANCE OBJECTIVES

1. To work with the library staff to author a book about the City of Sterling Heights. *(City Goal 19)*
2. To provide tours of the Upton House during the Sterlingfest, Sterling Christmas, and as requested by residents. *(City Goal 19)*
3. To investigate establishing a fund for the restoration and upkeep of the Upton House. *(City Goal 19)*
4. To host a historical program of interest to Sterling Heights residents yearly. *(City Goal 19)*

Output	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
	Meetings Held	4	4	4	4	4	4
	Local History Exhibits and Displays	2	2	2	2	2	2
	Programs/Lectures on Local History Topics	1	1	1	1	1	1
	Professional Memberships	2	2	3	3	3	3
	Historic Photographs and Memorabilia Collected	3	500	15	5	5	5
	Program/Exhibit Attendance	1,708	1,110	1,194	1,200	1,200	1,200

Historical Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 1.8%.

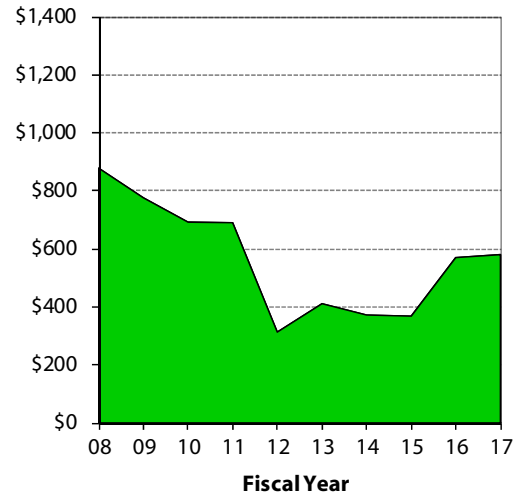
Personnel Services – There is no Personnel budget for this commission.

Supplies – Total Supplies increased \$20 or 16.7%. Operating supply costs increased \$10, as more supplies need to be replenished for the display of donated local historic photos. Funding for postage increased \$10 based on the current year's estimated expenditure level.

Other Charges – Total Other Charges decreased \$10 or 2.2%. Contracted service costs decreased slightly, as it is estimated that fewer donated historic photographs will be archived next year.

Capital – There is no Capital proposed for this commission.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	183	120	140	140	140
Other Charges	185	450	430	440	440
Total	\$368	\$570	\$570	\$580	\$580

***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 Marc D. Kaszubski was appointed as City Attorney effective June 7, 2016?

Legal

2016/17 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	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	District Court Cases	3,551	3,982	5,574	5,000	7,000	6,800
	Legal Opinions Rendered	4	2	5	5	10	8
	Ordinances and Amendments Prepared	15	11	13	12	12	12
	Commission Meetings Attended	49	46	54	40	27	30
	Council Meetings Attended	27	27	26	26	26	26
	Number of Open Lawsuits	16	17	17	15	17	17
	Number of Closed Lawsuits	9	24	11	10	15	15
	Number of Files Opened	36	53	58	45	45	50
	Number of Files Closed	128	101	53	60	60	50
	Legislative Issues Reviewed	80	75	70	75	75	75
	Hours Spent on City Business	6,739	6,120	7,100	7,000	7,100	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	0.94%	0.83%	0.86%	0.85%	0.92%	0.90%

Legal

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 6.5%.

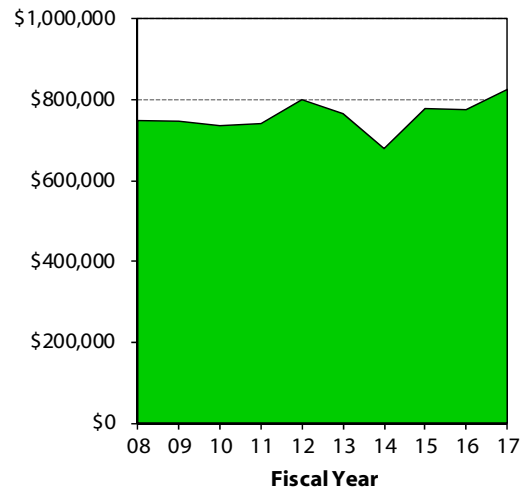
Personnel Services – There is no Personnel budget for this cost center.

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

Other Charges – Total Other Charges increased \$50,000 or 6.5%. Funding for City Attorney legal services increased \$50,000 to bring the budget more in line with the current year's estimated expenditure usage, which reflected an increase in billable hours. No hourly rate change is proposed for next year.

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

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	777,679	775,000	835,000	825,000	825,000
Total	\$777,679	\$775,000	\$835,000	\$825,000	\$825,000

***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 has been aiding in the development of a new Master Land Use Plan for the entire City?

Planning Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 22.9%.

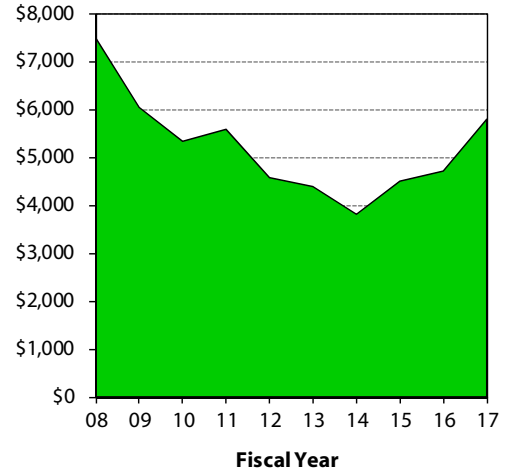
Personnel Services – The total Personnel budget increased \$440 or 21.6% due to an increasing number of Planning Commission meetings.

Supplies – Total Supplies increased \$20 or 3.5%. \$10 was added for operating supplies due to an inflationary cost increase. Postage funding also increased slightly by \$10.

Other Charges – Total Other Charges increased \$620 or 29.5%. The budget increased \$600 for reporting services, as more Planning Commission meetings with longer agendas are anticipated due to increased development. \$10 was added due to an increase in the Michigan Association of Planning membership fee. Publishing costs increased \$10.

Capital – There is no Capital proposed for this commission.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$2,002	\$2,040	\$2,690	\$2,480	\$2,480
Supplies	435	570	540	590	590
Other Charges	2,063	2,100	2,940	2,720	2,720
Total	\$4,500	\$4,710	\$6,170	\$5,790	\$5,790

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, five transfers are budgeted from the General Fund totaling \$5,995,500. They include a transfer to the Capital Projects Fund, the Limited Tax General Obligation Debt Service Fund, the Land & Water Conservation Fund, the Major Road Fund, and the Local Road Fund.

The \$4,499,420 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 \$356,080 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 \$240,000 General Fund transfer to the Land & Water Conservation Fund will be used to help fund the City's grant match to replace the pedestrian bridge in Dodge Park and the grant match for possible land acquisition on Lakeside Circle.

The Transfer Out to the Major Road Fund totals \$500,000, as additional funding is needed for major road repairs until the State gas tax revenues fully increase.

The \$400,000 Transfer Out to the Local Road Fund will be used for neighborhood road projects, as additional funding is needed pending the full State gas tax increase and to offset a possible rollback in the Safe Streets millage due to the loss of personal property tax revenues.■

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 – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

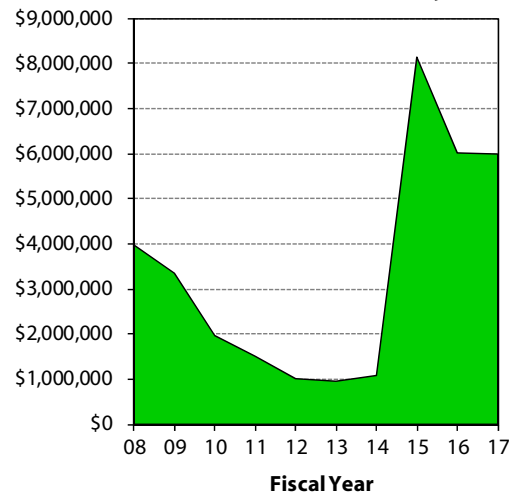
The total budget decreased by 0.4%.

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 \$5,995,000. Transfers to the Capital Projects Fund totals \$4,499,420 for the funding of equipment, vehicles, information technology capital items, and capital projects. Additional funding is also being set aside in reserves to fund unplanned capital needs throughout the year including repairs to the City's Storm Sewer System. ***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 \$356,080. This transfer will fund the principal and interest payments on the City Center Commons bond. Transfers to the Land & Water Conservation Fund totals \$240,000 to help fund the City's grant match to replace the pedestrian bridge in Dodge Park and the grant match for possible land acquisition on Lakeside Circle. Transfers to the Major Road Fund totals \$500,000 as additional City funding is needed until the State gas tax revenues fully increase. Transfers to the Local Road Fund totals \$400,000, as funding is needed for neighborhood road projects pending the full State gas tax increase and to offset a possible rollback in the Safe

Expenditure History



Streets millage due to the loss of personal property tax revenues.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfer Out	8,144,435	6,021,320	6,621,320	5,995,500	5,995,500
Total	\$8,144,435	\$6,021,320	\$6,621,320	\$5,995,500	\$5,995,500

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 can provide relief to businesses trying to redevelop their sites by modifying City Zoning Ordinance requirements when justified?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 25.9%.

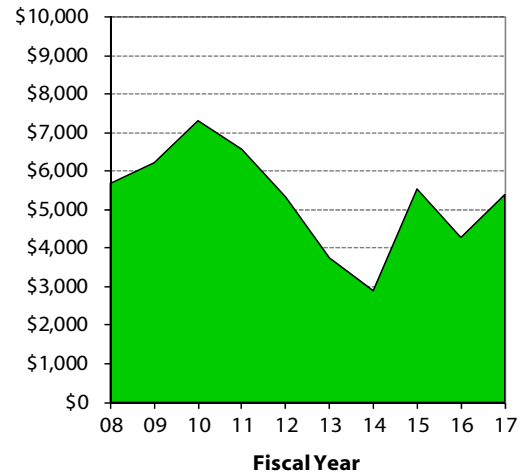
Personnel Services – The total Personnel budget increased \$530 or 32.7% to more accurately reflect the increased number of Zoning Board of Appeals meetings.

Supplies – Total Supplies rose \$50 or 12.5%, as postage funding increased based on a greater number of legal notification mailings required in recent years.

Other Charges – Total Other Charges increased \$530 or 23.5%. The budget increased \$500 for reporting services, as more meetings with longer agendas are anticipated due to increased development. Publishing costs increased \$20, as a greater number of newspaper notices have been required. \$10 was added due to a slight increase in the Michigan Association of Planning membership fee.

Capital – There is no Capital proposed for this board.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,970	\$1,620	\$2,150	\$2,150	\$2,150
Supplies	729	400	550	450	450
Other Charges	2,841	2,260	2,780	2,790	2,790
Total	\$5,540	\$4,280	\$5,480	\$5,390	\$5,390

Component Unit Funding

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

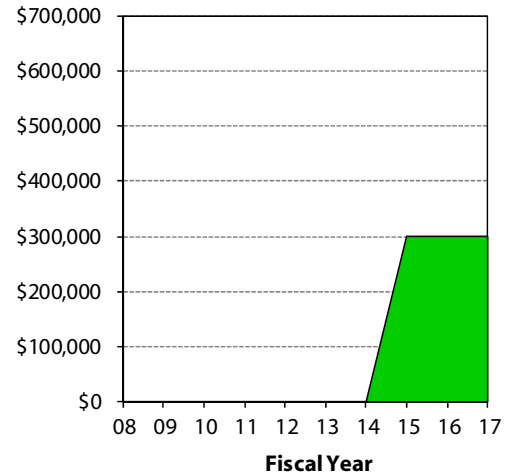
The total budget increased by 0.0%.

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.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfer Out	300,000	300,000	300,000	300,000	300,000
Total	\$300,000	\$300,000	\$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 22 years, Detroit has increased its rates by an average of 7.4% per year, while Sterling Heights has increased its rates by only 6.2% 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, Sterling Heights 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 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. Fixed fees per billing period increased by \$1 for residential users and \$2 for commercial users to become more in-line with Detroit's increasing fixed rate structure.

In 2016/17, the cost of water from the Great Lakes Water Authority (GLWA) increased by 6.7% in fixed and variable charges. Macomb's sewage costs are estimated to increase 10.4%. Debt payments on the District's sewer rehabilitation projects are also increasing by 3.7%. In addition, Macomb's actual fixed sewage charge increase last year was higher than anticipated, and a charge for unpaid Highland Park debt must now also be factored into the City's sewer rate. As a result of these increases, the City must pass along a 9.9% water and 14.9% sewer rate adjustment to its customers. Fixed fees per bill are being adjusted by \$2.75 for residential customers and \$4.00 for commercial users to further reflect the increased fixed costs billed to the City. The consumption amount for the minimum bill also increased from 800 to 900 cubic feet, which still remains lower than the minimum consumption amount billed in 2012.■

Did you know...

...the City of Sterling Heights continues to have one of the lowest markups in the State on the GLWA's water rate?

WATER & SEWER SYSTEM OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
<u>REVENUES</u>						
Water & Sewer Service	\$29,001,810	\$33,059,860	\$39,916,350	\$37,247,150	\$43,102,720	\$43,102,720
Penalties & Interest	593,990	587,130	640,000	600,000	650,000	650,000
Hydrant Rental	159,750	159,750	162,950	162,950	166,210	166,210
Interfund Service	86,540	83,320	91,850	82,100	86,350	86,350
Tap and Meter Revenue	461,000	504,140	475,000	590,000	515,000	515,000
Repair and Service	44,770	50,970	45,000	75,000	60,000	60,000
Inspection Fees	11,740	9,070	11,000	15,000	13,000	13,000
Turn-On Charge	19,530	19,450	17,500	19,000	20,000	20,000
Ind./Pollution Surcharge	996,370	989,420	1,100,000	650,000	800,000	800,000
Miscellaneous	782,210	603,880	656,510	654,660	610,610	610,610
Interest on Investments	154,650	394,810	213,000	411,000	461,000	461,000
Federal Grant	0	602,740	0	0	398,000	398,000
Total Revenues	\$32,312,360	\$37,064,540	\$43,329,160	\$40,506,860	\$46,882,890	\$46,882,890
<u>EXPENDITURES</u>						
<u>WATER & SEWER ADMIN.</u>						
Personnel Services	\$1,003,150	\$1,031,290	\$1,016,330	\$1,010,130	\$994,610	\$994,610
Supplies	6,050	13,040	6,500	7,300	7,300	7,300
Other Charges	7,938,540	7,922,510	2,352,010	2,404,930	2,474,360	2,474,360
Capital Outlay	0	0	0	315,000	623,000	623,000
Total Expenses	8,947,740	8,966,840	3,374,840	3,737,360	4,099,270	4,099,270
<u>WATER DISTRIBUTION</u>						
Personnel Services	1,307,390	1,348,780	1,257,240	1,225,790	1,262,030	1,262,030
Supplies	265,230	283,870	244,000	273,000	315,000	315,000
Other Charges	12,641,190	13,206,090	15,640,730	15,095,070	16,308,980	16,308,980
Capital Outlay	0	0	50,000	49,190	152,500	152,500
Total Expenses	14,213,810	14,838,740	17,191,970	16,643,050	18,038,510	18,038,510
<u>SEWAGE COLLECTION</u>						
Personnel Services	1,530,350	1,602,900	1,496,780	1,556,910	1,576,220	1,576,220
Supplies	67,910	50,910	59,000	40,000	44,000	44,000
Other Charges	15,184,620	17,231,630	17,227,960	18,279,660	18,870,850	18,870,850
Capital Outlay	0	0	856,020	861,790	0	0
Debt Service	1,700,750	2,056,310	4,478,580	4,164,960	4,645,660	4,645,660
Total Expenses	18,483,630	20,941,750	24,118,340	24,903,320	25,136,730	25,136,730
Total Operating Expenses	\$41,645,180	\$44,747,330	\$44,685,150	\$45,283,730	\$47,274,510	\$47,274,510

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 2016/17 Budget, Charges for Services revenue represents 96.9% of total revenue sources, an increase of \$2,956,380.

The 2016/17 Budget recommends a 9.9% increase on water rates and a 14.9% increase on sewage rates charged to our resident and corporate customers. These increases are the result of an increase in the Great Lakes Water Authority's (GLWA) water rates 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, Macomb's actual fixed sewage charge increase last year was higher than anticipated and water consumption has decreased, which lowers both water and sewer sale revenues. The average residential customer will pay approximately \$65 per month for water and sewer services.

The average residential customer will pay approximately \$65 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.

In 2016/17, fixed fees per bill are being adjusted by \$2.75 for residential customers and \$4.00 for commercial users, to further reflect the increased fixed costs billed to the City. As system users continue to reduce consumption and the GLWA'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. The consumption amount for the minimum bill also increased from 800 to 900 cubic feet.

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, Federal Grants, and Miscellaneous Revenue.

In the 2016/17 Budget, Other Revenues represents 3.1% of total revenue sources, an increase of \$597,350. This increase is due to higher interest on investments and the one-time receipt of grant monies to help fund two capital projects.

In the 2016/17 Budget, Other Revenues represents 3.1% of total revenue sources, an increase of \$597,350.

USE OF NET ASSETS

A budgeted Use of Net Assets exists when expenses exceed revenues provided that funds are available.

In the 2016/17 Budget, expenditures exceed revenues by \$391,620, resulting in a one-time use of net assets to help avoid higher rate increases. 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	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CHARGES FOR SERVICES						
627531	Administrative Services - Refuse	\$69,100	0.19	\$69,100	0.16	\$69,100	0.15
629001	Labor Services - Roads	13,448	0.04	15,000	0.03	13,000	0.03
629002	Labor Services Cross Charges	772	0.00	1,000	0.00	500	0.00
633001	Water Tap Fees	90,665	0.24	125,000	0.29	125,000	0.27
633002	Sewer Tap Fees	80,850	0.22	30,000	0.07	40,000	0.09
633003	Meter Charges	332,631	0.90	320,000	0.74	350,000	0.75
633004	Inspection	9,070	0.02	11,000	0.03	13,000	0.03
633005	Water & Sewer Services	50,967	0.14	45,000	0.10	60,000	0.13
633006	Hydrant Rental - Fire Department	159,750	0.43	162,950	0.38	166,210	0.35
633009	Turn-On Charge	19,446	0.05	17,500	0.04	20,000	0.04
634001	Materials/Supplies Cross Charges	0	0.00	1,000	0.00	750	0.00
643000	Water Services	13,486,840	36.39	16,107,950	37.18	16,880,150	36.00
644000	Collections - Sewer	19,573,018	52.81	23,808,400	54.95	26,222,570	55.93
645000	Penalties - Water & Sewer	587,126	1.58	640,000	1.48	650,000	1.39
646000	Industrial & Pollution Surcharge	989,421	2.67	1,100,000	2.54	800,000	1.71
	Total Charges for Services	35,463,104	95.68	42,453,900	97.98	45,410,280	96.86
	OTHER REVENUE						
529000	Federal Grant - Other	602,738	37.64	0	0.00	398,000	27.03
665000	Interest on Investments	384,378	1.04	200,000	0.46	450,000	0.96
665445	Interest & Penalties - Tax Roll	10,436	0.03	13,000	0.03	11,000	0.02
669001	Rental - Road Equipment	0	0.00	5,000	0.01	2,500	0.01
669002	Rental/Equipment Cross Charges	0	0.00	750	0.00	500	0.00
676000	Reimbursements	414,618	1.12	446,510	1.03	410,610	0.88
677008	Unrealized Gain/Loss	33,284	0.09	0	0.00	40,000	0.09
685000	Miscellaneous Revenue	155,980	0.42	200,000	0.46	150,000	0.32
695000	Insurance Recovery	0	0.00	10,000	0.02	10,000	0.02
	Total Other Revenue	1,601,434	4.32	875,260	2.02	1,472,610	3.14
	Total Water & Sewer Fund	\$37,064,538	100.00	\$43,329,160	100.00	\$46,882,890	100.00

Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

WATER & SEWER FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
704000	Wages & Salaries - Permanent	\$1,692,633	3.78	\$1,672,770	3.74	\$1,734,180	3.67
704001	Sick Time Buy Back	7,946	0.02	10,500	0.02	9,000	0.02
704721	Health Insurance Allowance	5,000	0.01	4,500	0.01	6,000	0.01
705000	Wages-Salaries - Temp/Part-Time	134,249	0.30	133,390	0.30	136,230	0.29
708000	Overtime	333,701	0.75	205,000	0.46	280,000	0.59
708001	Compensation Time Buy Back	7,349	0.02	7,350	0.02	7,220	0.02
709000	Union Contract Reimbursements	8,664	0.02	7,650	0.02	7,950	0.02
710000	Longevity	47,687	0.11	43,010	0.10	41,440	0.09
715000	Clothing Allowance	7,398	0.02	5,600	0.01	6,300	0.01
717000	FICA	175,123	0.39	157,310	0.35	168,450	0.36
718000	Worker's Compensation	18,842	0.04	18,160	0.04	19,050	0.04
720000	Pension - General Emp Retirement	586,548	1.31	510,290	1.14	488,190	1.03
720002	Defined Contribution - Employer	11,709	0.03	12,590	0.03	12,890	0.03
721000	Health Insurance	260,270	0.58	281,500	0.63	274,360	0.58
721001	Health Insurance - Retirees	636,890	1.42	649,620	1.45	591,160	1.25
721003	Retiree Health Savings - City	1,808	0.00	2,000	0.00	2,000	0.00
722000	Dental Insurance	25,987	0.06	27,540	0.06	26,190	0.06
723000	Life Insurance	4,292	0.01	4,390	0.01	4,490	0.01
724000	Eye Care Insurance	1,901	0.00	1,900	0.00	2,050	0.00
725000	Disability Insurance - Long Term	3,757	0.01	3,830	0.01	3,930	0.01
725355	Disability Insurance - Short Term	11,221	0.03	11,450	0.03	11,780	0.02
	Total Personnel Services	3,982,975	8.89	3,770,350	8.44	3,832,860	8.11
	<u>SUPPLIES</u>						
729000	Postage	7,231	0.02	1,500	0.00	2,000	0.00
750000	Fuels & Lubricants	47,657	0.11	74,500	0.17	43,300	0.09
751000	Operating Supplies	45,078	0.10	39,500	0.09	41,000	0.09
770000	Water Meters - Assembled	96,025	0.21	85,000	0.19	140,000	0.30
771000	Fire Hydrant Parts	9,697	0.02	9,000	0.02	10,000	0.02
772000	Tap-In Materials - Water	52,468	0.12	50,000	0.11	50,000	0.11
774000	Water Meter Parts	89,659	0.20	50,000	0.11	80,000	0.17
	Total Supplies	347,815	0.78	309,500	0.69	366,300	0.77
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	40,910	0.09	41,740	0.09	37,180	0.08
806000	Legal Services - Other	102	0.00	100	0.00	100	0.00
806001	Legal Services - City Attorney	42	0.00	2,000	0.00	2,000	0.00
807000	Medical Services	1,070	0.00	1,500	0.00	1,500	0.00
810000	Other Fees	92,558	0.21	100,600	0.23	110,750	0.23
824000	Water Tap Installation - Contractor	32,458	0.07	40,000	0.09	45,000	0.10
826000	Other Contracted Services	114,478	0.26	83,260	0.19	124,800	0.26
827000	Interfund Services	1,909,080	4.27	2,001,990	4.48	2,100,000	4.44
832000	Building Maintenance	2,359	0.01	1,200	0.00	1,200	0.00
833000	Equipment Maintenance	114,041	0.25	75,150	0.17	78,500	0.17

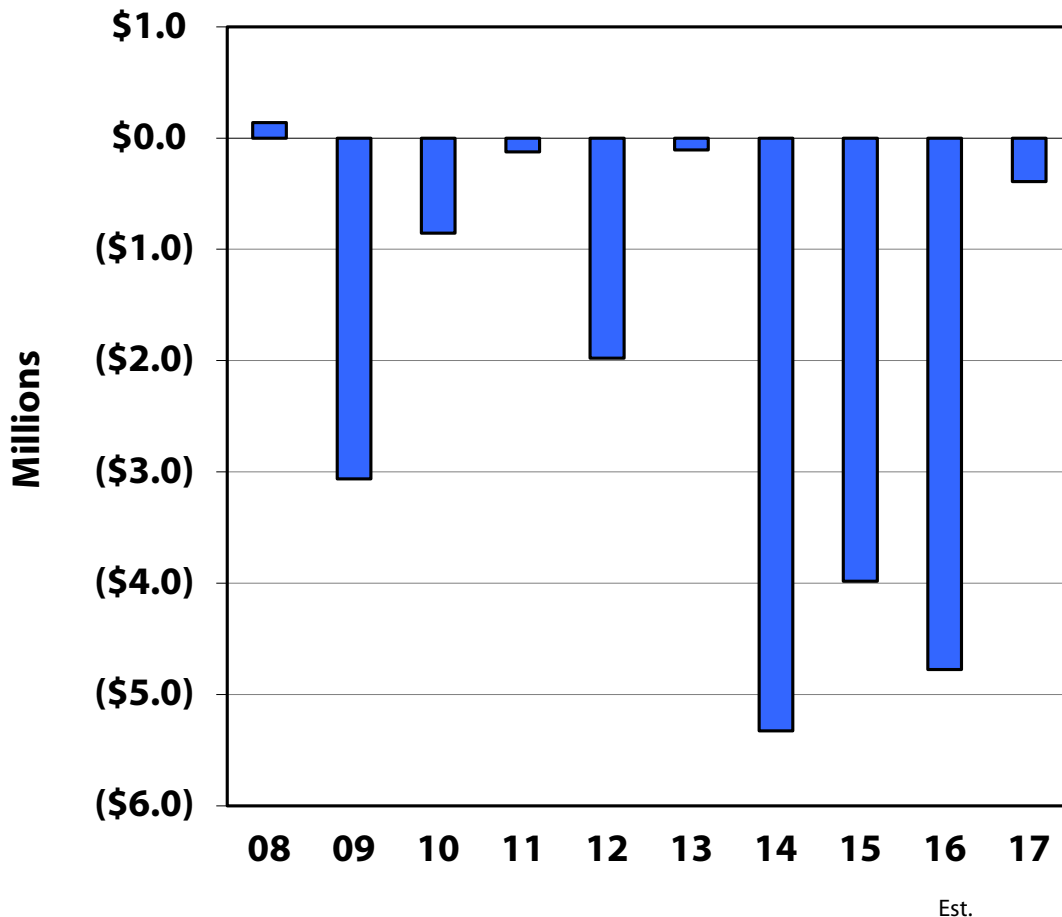
WATER & SEWER FUND

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
835000	Vehicle Maintenance	90,586	0.20	153,500	0.34	144,000	0.30
840000	Water Main Repair	260,560	0.58	300,000	0.67	285,000	0.60
841000	Distribution Line Repair	169,130	0.38	180,000	0.40	270,000	0.57
842000	Sewer Main Repair	671,027	1.50	30,000	0.07	30,000	0.06
903000	Printing	53	0.00	600	0.00	150	0.00
915000	Other Insurance	2,460	0.01	2,460	0.01	2,460	0.01
921000	Electric	21,814	0.05	27,400	0.06	23,600	0.05
922000	Telephone	3,267	0.01	4,600	0.01	3,300	0.01
923000	Gas - Fuel - Oil	9,941	0.02	7,700	0.02	9,300	0.02
931000	Water Purchased	12,650,771	28.27	15,032,000	33.64	15,630,300	33.06
932000	Sewage Disposal Services	15,915,580	35.57	16,523,060	36.98	18,241,470	38.59
934000	Industrial & Pollution Surcharge	482,627	1.08	480,000	1.07	375,000	0.79
945000	Other Rental	126,722	0.28	115,960	0.26	113,560	0.24
956000	Local Meetings	0	0.00	50	0.00	50	0.00
957000	Memberships & Dues	569	0.00	630	0.00	870	0.00
959000	Education & Training	3,669	0.01	5,200	0.01	6,100	0.01
962264	Misc - Maple Lane Pkg Lot Repair	222	0.00	0	0.00	0	0.00
964000	Refunds & Rebates	15,967	0.04	10,000	0.02	18,000	0.04
968000	Depreciation	5,628,163	12.58	0	0.00	0	0.00
	Total Other Charges	38,360,226	85.73	35,220,700	78.82	37,654,190	79.65
	<u>CAPITAL OUTLAY</u>						
981000	Electronic Equipment	0	0.00	0	0.00	125,000	0.26
982000	Machinery & Equipment	0	0.00	107,080	0.24	598,000	1.26
984000	Vehicles	0	0.00	798,940	1.79	52,500	0.11
	Total Capital Outlay	0	0.00	906,020	2.03	775,500	1.64
	<u>DEBT SERVICE</u>						
992000	Principal	0	0.00	2,389,580	5.35	2,520,080	5.33
993001	Interest - Oakland-Macomb Intcpt.	376,463	0.84	444,030	0.99	530,780	1.12
993002	Interest - Macomb Interceptor	1,144,514	2.56	1,125,080	2.52	1,100,950	2.33
993003	Interest - North Gratiot Interceptor	120,363	0.27	116,440	0.26	106,410	0.23
993005	Interest - Clintondale Pump Station	414,974	0.93	403,450	0.90	387,440	0.82
	Total Debt Service	2,056,314	4.60	4,478,580	10.02	4,645,660	9.83
	Total Water & Sewer Fund	\$44,747,330	100.00	\$44,685,150	100.00	\$47,274,510	100.00

Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

Water & Sewer Net Income from Operations

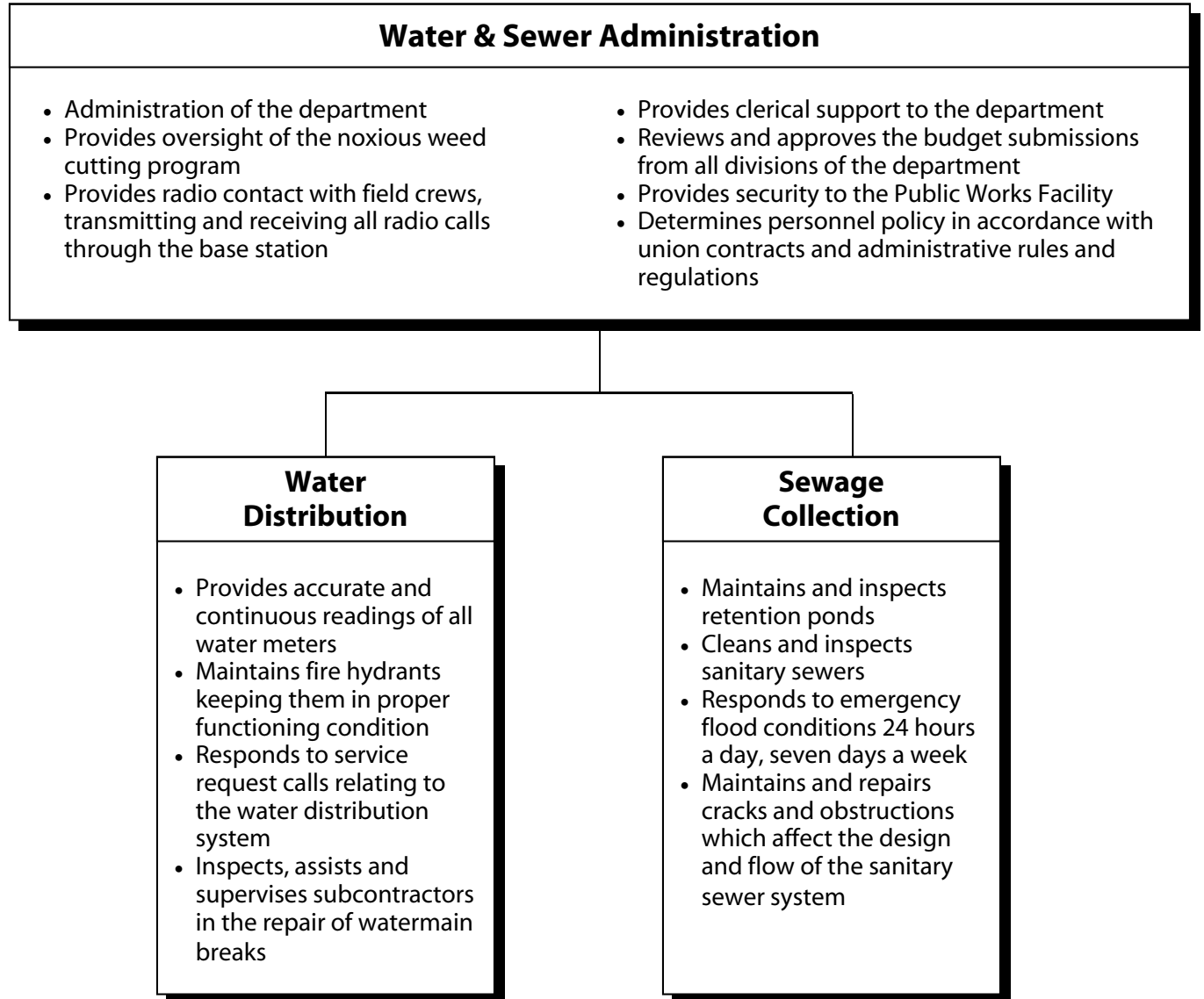


This graph illustrates the net income from operations in the Water & Sewer fund. These numbers reflect the truest picture of the results of Water & Sewer fund operating performance upon which the City's water & sewer rates are established.

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)



DEPARTMENT AT A GLANCE

Water & Sewer Fund

BUDGET SUMMARY

The Water & Sewer Fund increased \$2.6 million or 5.8%. As the City purchases its water and sewer services from the Great Lakes Water Authority (GLWA) and Macomb County Public Works Office, their costs directly impact the City's rates. The water costs from GLWA will increase 6.7%; however, water consumption is estimated to decline further by 6.0%, which will lower water sales revenue. Sewage disposal costs from Macomb are estimated to increase by 10.4%, while the City's share of the District debt has increased by 3.7%. In addition, Macomb's actual fixed sewer charge increase last year was higher than anticipated. The combined total sewer increase from Macomb is 12.0%. Due to these factors and a lower sales volume, the City is passing on a 9.9% water and 14.9% sewer rate adjustment to its customers. Costs that the City controls actually fell next

year, primarily due to a \$130,520 or a 14.4% decrease in capital costs. Personnel costs rose only \$62,510 or 1.7% as a full-time Laborer position transferred from the Streets division to assist in additional Sewage cleaning. Supplies rose \$56,800 or 18.4% for the first year of a new water meter replacement program. The City is also funding the increased inspection and repair of City water main valves and fire hydrants as part of the ten year preventative maintenance program. The Capital Budget includes GIS hardware and software upgrades, a new asset management program, replacement cube truck, and a pressure monitoring system for the Dobry Drive booster station. The average Sterling Heights residential customer will pay only \$65 per month for water and sewer services which compares very favorably to other cities in the State.

FUNDING LEVEL SUMMARY

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget	% Change from 15/16
Water & Sewer Admin.	\$8,947,740	\$8,966,840	\$3,374,840	\$4,099,270	21.5%
Water Distribution	14,213,800	14,838,740	17,191,970	18,038,510	4.9%
Sewage Collection	18,483,630	20,941,750	24,118,340	25,136,730	4.2%
Total Department	\$41,645,170	\$44,747,330	\$44,685,150	\$47,274,510	5.8%
Personnel Services	\$3,840,880	\$3,982,980	\$3,770,350	\$3,832,860	1.7%
Supplies	339,190	347,810	309,500	366,300	18.4%
Other Charges	35,764,350	38,360,230	35,220,700	37,654,190	6.9%
Capital Outlay	0	0	906,020	775,500	-14.4%
Debt Service	1,700,750	2,056,310	4,478,580	4,645,660	3.7%
Total Department	\$41,645,170	\$44,747,330	\$44,685,150	\$47,274,510	5.8%

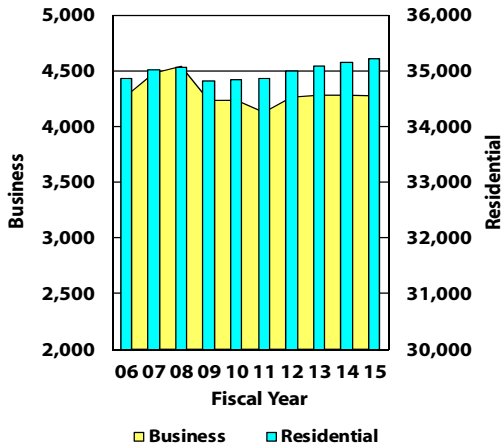
PERSONNEL SUMMARY

	2013/14		2014/15		2015/16		2016/17	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	6	0	6	0	6	3	6	3
Water Distribution	11	2	9	3	9	4	9	4
Sewage Collection	12	4	13	4	12	5	13	5
Total Department	29	6	28	7	27	12	28	12

KEY FUND TRENDS

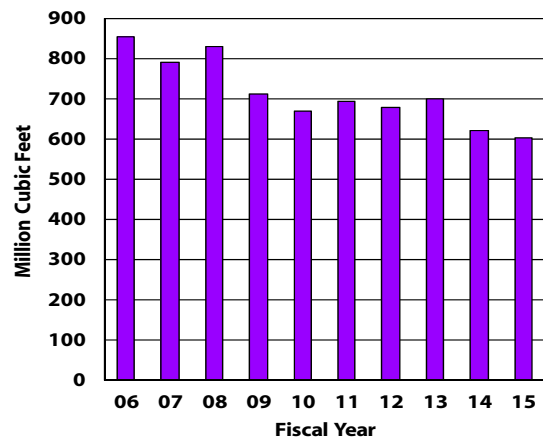
Water & Sewer Fund

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 29.3% since 2006.

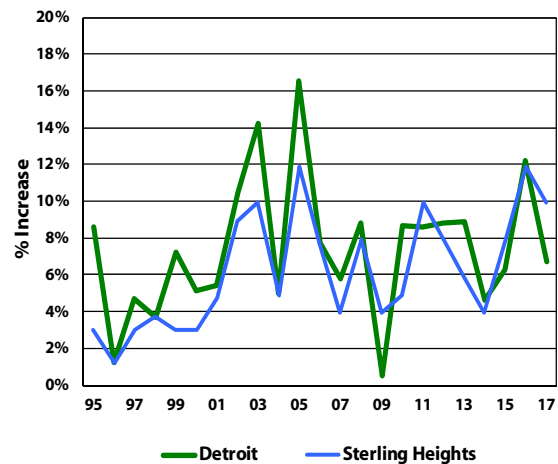
Average Residential Monthly Water & Sewer Bill

1. Lansing	\$109
2. Southfield	\$94
3. Dearborn	\$80
4. Grand Rapids	\$75
5. Farmington Hills	\$68
6. Ann Arbor	\$63
7. Troy	\$60
8. Livonia	\$59
9. Warren	\$57
10. STERLING HEIGHTS	\$57

Rates as of 10/15 using 12,000 cf.

The City purchases its water and sewer services through the City of Detroit. The average resident pays \$57 per month for such services. This amount compares very favorably to all communities. 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 22 years. Sterling Heights has increased its rates by 6.2% 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?

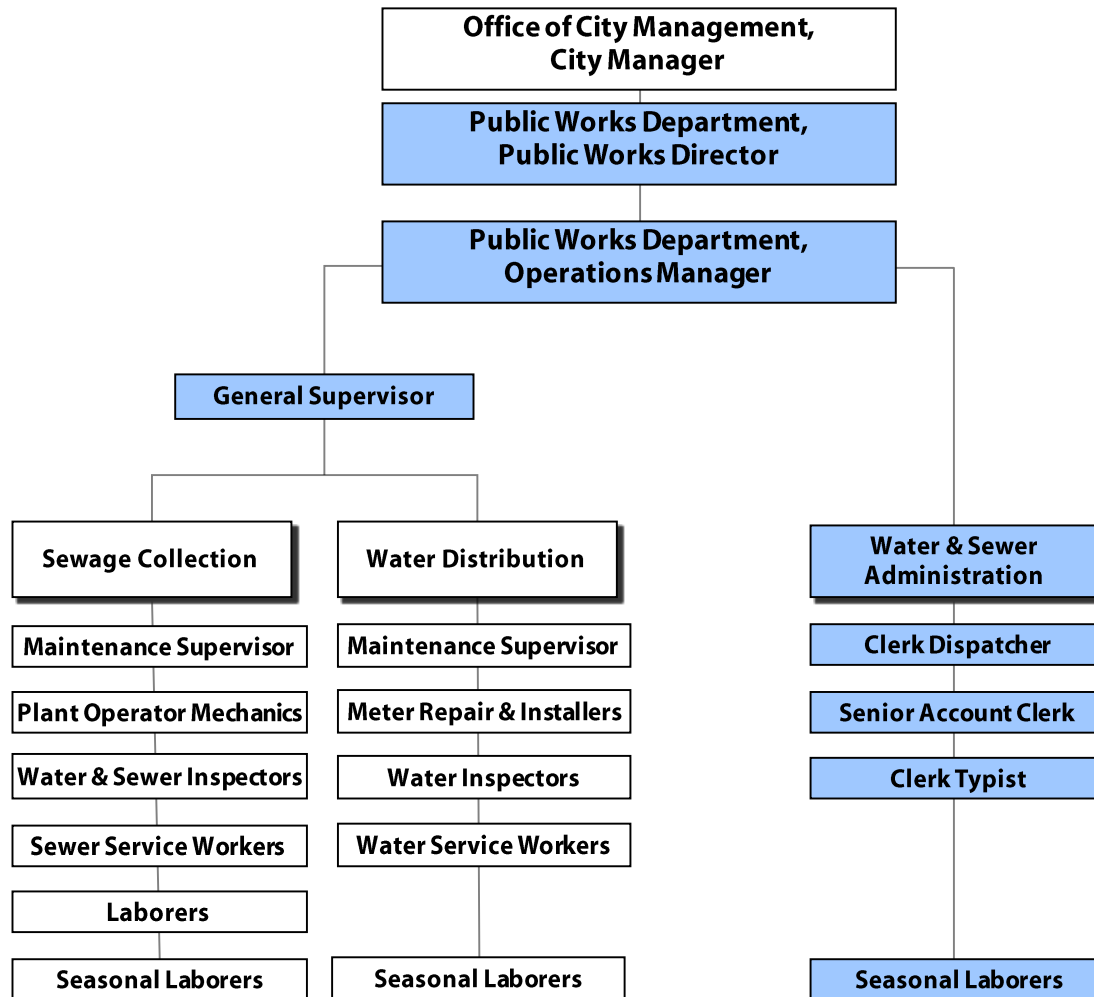
Water & Sewer Administration

2016/17 PERFORMANCE OBJECTIVES

1. To install new computer software to better identify underground water and sewer assets and improve interaction with residents and businesses. *(City Goal 1, 2, 3, 16, 23)*
2. To increase promotion of the 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, 16)*
3. To develop training classes to increase employee safety and awareness. *(City Goal 2)*
4. To prepare the 2015 Sterling Heights Annual Water Quality Report in accordance with EPA and MDEQ requirements, advising residents about the source of their water, results of water quality testing and other information related to safe drinking water. *(City Goal 14, 16)*
5. To become an accredited Public Works Department through the American Public Works Association (APWA) by performing a self-assessment and complying with the nationally recommended practices. *(City Goal 1, 4, 6)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Water & Sewer Customers	39,353	39,435	39,497	39,700	39,500	39,500
	Customer Service Requests (Permits Plus)	6,396	7,329	6,936	7,500	6,000	6,500
	Res./Commercial Sanitary Sewer Tap Connections	98	114	94	100	105	100
	Residential/Commercial Water Taps	86	106	77	115	148	120
	Res./Comm. Water Meter Installations (new & repl.)	490	639	636	550	750	1,000
	Tall Grass/Weed Cutting Revolutions (317 acres)	6	6	6	6	6	6
	Vacant Parcels Cut - Tall Grass/Weed Program	340	491	416	400	200	200
	Parcels Cut - Occupied Res. Homes/Businesses	845	647	457	600	200	200
	Backflow Preventer Testing Compliance Letters	743	1,427	1,229	1,000	1,500	1,250
	Site Plans Reviewed	26	37	42	50	40	40
	Vehicles/Equipment Specifications Prepared	6	12	10	10	35	10
	Materials/Supplies/Services Specifications Prepared	22	24	25	25	26	25
	Hours of Safety Training	454	443	450	450	400	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	83/3	68/3	67/0	60/3	60/3	60/3
	Landscape Median Mowing - Revolutions	25	25	26	25	25	25
Efficiency	Ratio of FT Employees to Workers Comp. Claims	10:1	6:1	5:1	10:1	10:1	10:1
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	Annual Residential Water & Sewer Bill (12,000 cfs)	\$517	\$540	\$599	\$683	\$683	\$781
	Monthly Residential Water & Sewer Bill (12,000 cfs)	\$43	\$45	\$50	\$57	\$57	\$65
	City's Fixed Charge as a % of Total W&S Bill	4.6%	4.9%	5.5%	4.4%	4.8%	5.6%
	% of Outfalls Sampled with no Water Discharge	95%	95%	N/A	95%	95%	95%

Water & Sewer Administration



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
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	3	3
Total	6	9	9

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

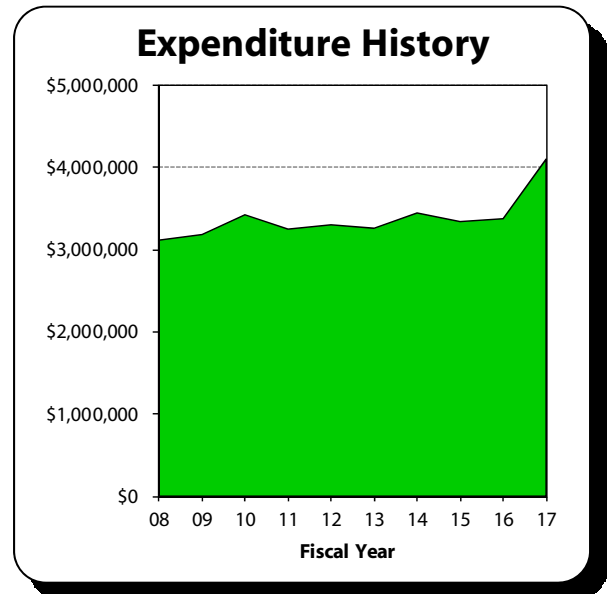
The total budget increased by 21.5%.

Personnel Services – The Personnel budget decreased \$21,720 or 2.1%. \$24,730 was saved due to lower required funding for long-term retirement liabilities. Due to several retirements, wages fell by \$4,310 as several employees are not yet at their top wage steps. Funding for overtime rose \$15,000 to reflect increased after-hour call-ins.

Supplies – Total Supplies increased \$800 or 12.3%. Supply costs increased \$500 and postage rose \$500, based on the current year's expenditure levels. \$200 was saved, as less funding is required for vehicle fuel.

Other Charges – Total Other Charges increased \$122,350 or 5.2%. Interfund service costs rose \$98,010 due to higher General Fund administrative costs for time spent on Water & Sewer related functions. Credit card fees increased \$10,000 due to a higher number of credit card water bill payments. \$8,000 was added for increased hydrant permit deposit refunds. Annual licensing and support fees for the GIS and MUNIS Utility software increased by \$3,000. Contracted service costs rose \$1,540 for increased rodent control services, partially offset by a decrease in State radio fees.

Capital – Total Capital of \$623,000 is proposed. \$80,000 is for a Geographical Information System (GIS) hardware and software upgrade. \$418,000 is to integrate the sanitary sewer, storm sewer, and water systems to the GIS, which will improve asset



management and allow multiple departments to easily access utility information. \$398,000 for these two projects will be funded by a grant. \$125,000 is for a Cityworks Software System that will replace an outdated system and be used in conjunction with the GIS system to manage and track utility assets and workflows.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,031,292	\$1,016,330	\$1,010,130	\$994,610	\$994,610
Supplies	13,036	6,500	7,300	7,300	7,300
Other Charges	7,922,510	2,352,010	2,404,930	2,474,360	2,474,360
Capital Outlay	0	0	315,000	623,000	623,000
Total	\$8,966,838	\$3,374,840	\$3,737,360	\$4,099,270	\$4,099,270

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 6,000 service request calls are responded to annually.

Inspections and reinspections are conducted at approximately 600 commercial and industrial establishments. Citations are issued to those in violation of City ordinance and/or State rules and regulations. Residents' water shut-off boxes are checked and repaired if necessary. City-owned gatewells, valves, and meter pits are inspected for repairs, cleaning, and electrical functioning. This Division also inspects and repairs water services, damaged water shut-offs, leaking curb stop boxes as well as supervises and assists subcontractors in water main break repairs.

An inventory is maintained of all materials used in the operation of the Water Distribution program. The upkeep of the divisional garage area, storage area, and meter shop, as well as the operator/driver maintenance of vehicles and equipment is performed.

Assistance is provided in the Tall Grass/Weed Cutting Program through inspection of lots or acreage cut by the subcontractor. This Division prepares all necessary paperwork, work orders, and reports; assists in responding to complaints; and participates in the snow emergency program when required.

Residential water meters for approximately 35,000 customers are read quarterly. Commercial and industrial water meters for nearly 4,500 customers are all read on a monthly basis via a fixed network

KEY GOALS

- *To provide efficient and economical maintenance and repair of the water distribution system.*
- *To ensure accurate and continuous reading of residential, commercial and industrial water meters.*
- *To maintain all fire hydrants in a properly functioning condition to support fire fighting throughout the City.*
- *To inspect commercial/industrial establishments for cross connections and proper backflow prevention in order to protect the water system from contamination.*
- *To review construction plans for future development of the water system and inspect new connections for proper installation.*

radio meter reading system, which is able to pick up the transmission of water meter readings and transmit the readings to a central computer. Personnel read and perform rechecks as requested by homeowners and customers to check for high, low, or questionable reads. All new or replacement water meters are tested for accuracy prior to installation to ensure that high volume users are billed correctly. One-half of all compound water meters are tested and repaired annually.■

Did you know...

...the City's Water Distribution division repairs over 99% of water main breaks within 24 hours of being reported?

Water Distribution

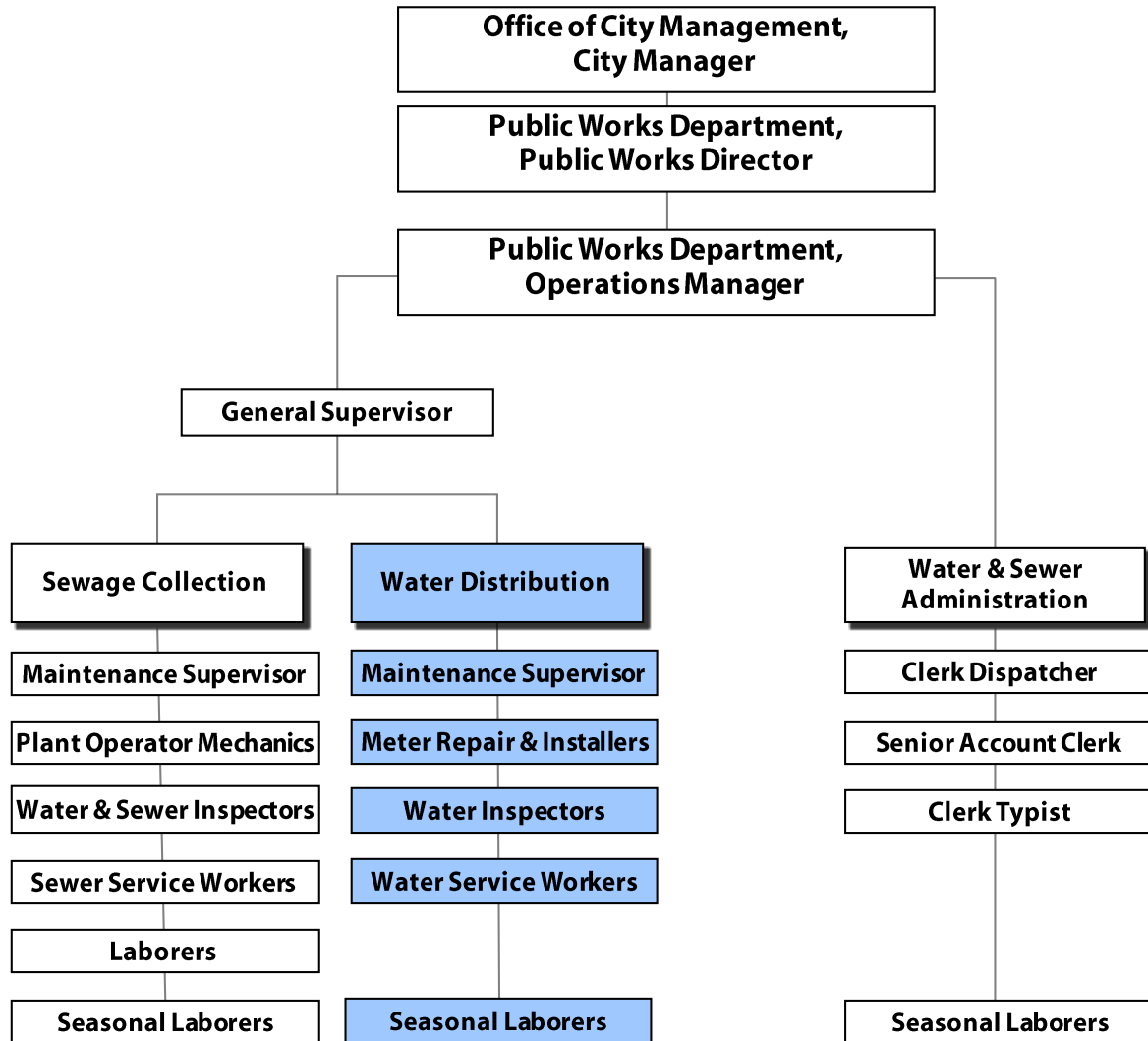
2016/17 PERFORMANCE OBJECTIVES

1. To implement a State mandated residential cross connection program utilizing a contracted service to be billed to each affected homeowner. *(City Goal 16)*
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 16)*
3. To utilize Cityworks Software in updating the water infrastructure and water billings accounts, utilizing Cityworks will also manage workflows, repairs, and improvements to the water system. *(City Goals 1, 2, 16, 23)*
4. To monitor the testing by private contractors of 1,400 backflow preventers annually at various commercial, industrial, and residential sites. *(City Goal 16)*

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Miles of Water Mains in City	576	576	576	576	576	576
	Citizen Inquiries/Service Requests Responded To	4,292	4,596	4,937	5,500	6,500	6,500
	Water Meter Manual Reads - Residential & Comm.	137,291	141,252	140,550	142,000	138,500	138,000
	Water Meter Automated Reads - Res. & Comm.	64,181	66,268	67,182	67,000	69,930	70,000
	Water Main Breaks	62	155	100	100	120	125
	Miss Dig Stakeouts of Utilities Performed	7,032	7,449	7,452	7,000	7,500	7,500
	Water Meters Installed - Residential/Comm. (new)	65/12	65/23	69/27	100/25	110/32	100/30
	Water Meters Replaced	413	551	540	500	625	600
	Water Taps Installed - Residential/Commercial	64/22	84/22	72/19	100/15	110/38	100/20
	Cross Connection Inspections/Reinspections	532	365	521	500	480	500
	Compound Meters Tested	160	130	174	300	150	300
	Gatewells Inspected	306	310	256	300	350	300
	Businesses Monitored - Backflow Compliance	743	1,427	1,161	1,000	1,400	1,400
	Fire Hydrants Replaced	8	6	2	5	3	5
	Fire Hydrants Painted	431	639	547	500	385	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)	4.0	3.9	3.8	4.0	4.0	4.0
	Miles of Water Main Maintained per FT Employee	52.4	52.4	64.0	64.0	64.0	64.0
	Water Meter Manual Reads per Reader	54,916	56,501	56,220	56,800	55,400	55,200
	Water Purchased from Detroit (1,000 cubic feet)	678,000	614,039	603,378	670,000	625,420	630,000
	Cost of 1,000 Cubic Feet of Water from Detroit	\$9.48*	\$9.92*	\$10.54*	\$9.45*	\$9.45*	\$10.05*
	Detroit Water Fixed Charge	\$5,662,140	\$5,923,824	\$6,291,168	\$8,700,500	\$8,648,200	\$9,298,800
	Water Fixed Charge as a % of Total Costs	46.8%	49.3%	49.7%	57.9%	59.3%	59.5%

*Does not include fixed water costs.

Water Distribution



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Division Supervisor	1	1	0
Maintenance Supervisor	0	0	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Seasonal Laborer	3	4	4
Total	12	13	13

Water Distribution

SUMMARY OF BUDGET CHANGES

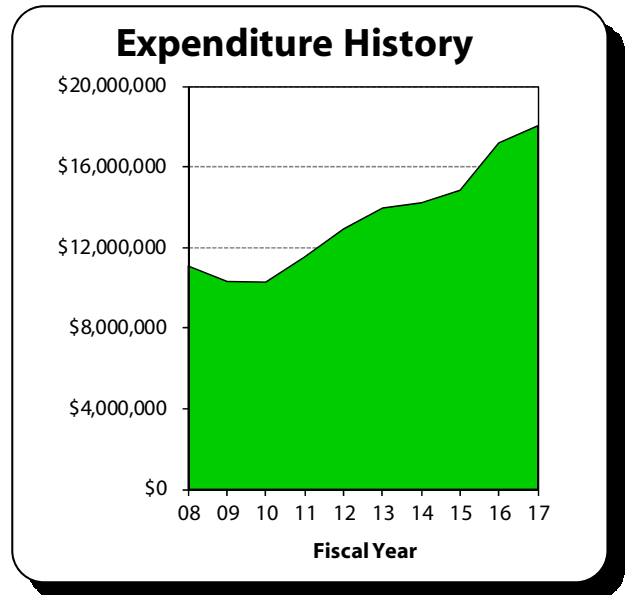
SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 4.9%.

Personnel Services – The Personnel budget increased \$4,790 or 0.4%. Full-time wages declined \$4,810 due to the retirement of the Division Supervisor. \$26,140 was saved due to lower required funding for long-term retirement liabilities. Overtime funding rose \$35,000 due to the increased need for after-hour water main repairs.

Supplies – Total Supplies increased \$71,000 or 29.1%. \$55,000 was added for additional new water meters needed for the first year of a water meter replacement program. \$30,000 was added for water meter replacement parts, as a greater number of meter transmitting units are needed to replace failing obsolete models. Fuel costs decreased \$15,000 due to lower gas prices.

Other Charges – Total Other Charges increased \$668,250 or 4.3%. The cost of water from the GLWA increased \$598,300 due to a 6.7% increase in fixed and variable charges. The amount of water purchased is anticipated to decline by 6.0%, which due to only a 40% variable rate basis, lowers the total water budget increase to 4.0%. \$50,000 was added for the funding of a contractor to assist with inspection and repair of water main valves and fire hydrants in the City as part of a 10-year preventative maintenance program. Funding increased \$43,000 due to compliance with federal mandates. Water main repair costs fell \$15,000, as fewer repairs have been needed. Vehicle



maintenance costs decreased \$10,000 and electric costs fell \$3,000.

Capital – Total Capital of \$152,500 is proposed. \$52,500 is to replace a 17-year old one-ton Utility Cube Truck that is used by to transport tools and equipment when repairing and maintaining the water system. \$100,000 is for upgrades to the Dobry Drive booster station monitoring system that is used to help identify and correct issues that could potentially lead to pressure losses and water system breakdowns.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,348,781	\$1,257,240	\$1,225,790	\$1,262,030	\$1,262,030
Supplies	283,871	244,000	273,000	315,000	315,000
Other Charges	13,206,089	15,640,730	15,095,070	16,308,980	16,308,980
Capital Outlay	0	50,000	49,190	152,500	152,500
Total	\$14,838,741	\$17,191,970	\$16,643,050	\$18,038,510	\$18,038,510

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 Sewage Collection division has four sanitary jet trucks cleaning sewers on a daily basis to eliminate any blockages, and cleans an average of 1.5 million feet of sanitary sewers every year?

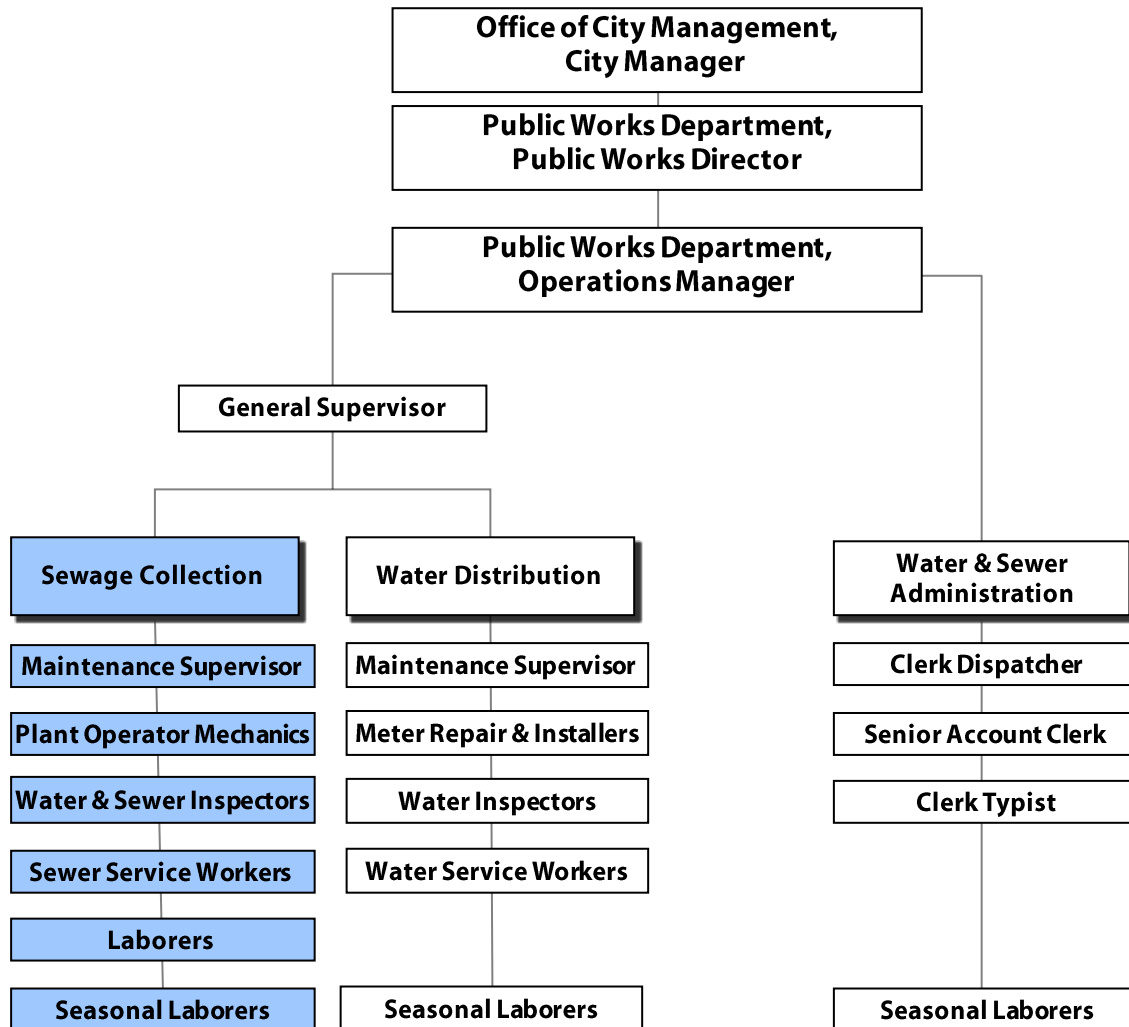
Sewage Collection

2016/17 PERFORMANCE OBJECTIVES

1. 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*)
2. To inspect all City-owned detention and retention ponds for needed repairs and updates in order to prioritize future capital improvements. (*City Goal 16, 18*)
3. To develop and institute a plan to fix and repair one-third of the 600 City structures and utilities that have been inspected and are deemed in need of repair. (*City Goal 16*)
4. To maintain an annual grease trap inspection program with increased inspections for repeat violators. (*City Goal 16*)

	Performance Indicators	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Budget
Output	Miles of Sanitary Sewers in City	430	430	430	430	430	430
	Sewer Inquiries Received & Resolved	2,218	2,124	1,578	2,000	1,700	2,000
	Sewer Inspections	352	294	292	350	300	300
	Water Inspections	82	99	77	75	80	80
	Certificate of Occupancy Inspections	49	39	59	50	100	75
	Sanitary Sewer Cleaned - Feet	1,049,300	805,510	299,450	1,500,000	1,250,000	1,500,000
	Utility Structures Restored	88	60	205	150	200	200
	Flags of Sidewalk Replaced	49	53	41	75	80	80
	Sections of Street/Approaches Replaced	40/18	28/17	182/23	100/25	160/20	100/25
	Sod Replaced - Yards	705	664	315	1,000	1,000	1,000
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	15	7	8	15	15	15
	Grease Trap Program Inspections	65	201	82	345	300	300
	Sewer Main Blockages	9	9	14	6	10	8
Efficiency & Effectiveness	% 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	33.1	35.8	33.1	35.8	35.8	33.1
	Sewage Fixed Charge as a % of Total Costs	37.4%	35.3%	100.0%	100.0%	100.0%	100.0%
	Sewage Disposal System Look-Back Adjustment	\$62,402	\$1,188,370	\$737,641	\$737,650	\$737,580	\$237,670
	Sewage Metered Flow Differential Adjustment	\$241,829	\$215,604	N/A	N/A	N/A	N/A

Sewage Collection



STAFFING SUMMARY

Position	Budget 2014/15	Budget 2015/16	Budget 2016/17
Division Supervisor	1	1	0
Maintenance Supervisor	0	0	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	5	4	5
Seasonal Laborer	4	5	5
Total	17	17	18

Sewage Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

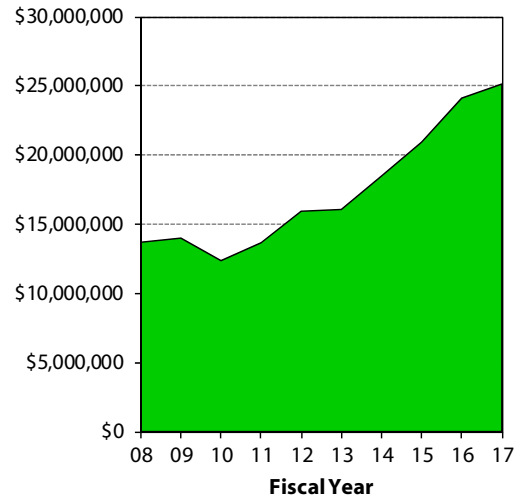
The total budget increased by 4.2%.

Personnel Services – The Personnel budget increased \$79,440 or 5.3%. A full-time Laborer has been transferred from the Streets division to assist in additional sewer cleanings. A Maintenance Supervisor will fill the Division Supervisor position due to a retirement. Overtime funding rose \$25,000 due to increased call-in hours. Lower required funding for long-term retirement liabilities saved \$29,690.

Supplies – Total Supplies decreased \$15,000 or 25.4%, as fuel costs decreased due to lower gas prices. \$1,000 was added for personal protective gear.

Other Charges – Total Other Charges increased \$1,642,890 or 9.5%. Sewage disposal costs from Macomb are estimated to increase \$1.7 million or 10.4%. The City's share of the District's debt increased \$167,080 or 3.7%. In addition, Macomb's actual fixed sewage charge increase last year was higher than anticipated. A \$240,000 charge for unpaid Highland Park debt must now also be factored into the City's sewer rate. These increases have all resulted in the City's need to pass on a 14.9% sewer rate adjustment. Distribution line repair costs increased \$40,000, as the number of sanitary and storm structures and surrounding street and sidewalk areas needing repair has increased. Industrial waste control charges by Detroit that are passed through to non-residential customers for monitoring waste flows decreased by \$105,000.

Expenditure History



Capital – There is no Capital proposed for this division.

Debt Service – Total Debt Service increased \$167,080 or 3.7% to cover the City's share of the District's sewer rehabilitation payments.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$1,602,905	\$1,496,780	\$1,556,910	\$1,576,220	\$1,576,220
Supplies	50,906	59,000	40,000	44,000	44,000
Other Charges	17,231,627	17,227,960	18,279,660	18,870,850	18,870,850
Capital Outlay	0	856,020	861,790	0	0
Debt Service	2,056,314	4,478,580	4,164,960	4,645,660	4,645,660
Total	\$20,941,752	\$24,118,340	\$24,903,320	\$25,136,730	\$25,136,730

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	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
MAJOR ROAD FUND						
REVENUES						
Federal & State Grants	\$513,720	\$1,665,780	\$1,371,790	\$1,371,790	\$0	\$0
Gas & Weight Tax	5,461,370	5,575,630	5,600,000	5,750,000	6,911,000	6,911,000
Metro Act	243,590	217,080	250,000	220,000	220,000	220,000
Other Revenue	197,980	342,640	142,000	180,570	168,000	168,000
Transfer from General Fund	0	2,800,000	0	0	500,000	500,000
Total Revenues	6,416,660	10,601,130	7,363,790	7,522,360	7,799,000	7,799,000
EXPENDITURES						
Administration	228,780	161,720	130,610	75,610	131,070	131,070
Major Street Maintenance	2,721,930	2,580,950	2,252,500	2,161,100	2,637,000	2,637,000
Major Street Improvements	1,957,720	4,489,410	5,820,070	5,302,960	2,900,000	3,138,000
Transfer to Local Road Fund	1,025,000	750,000	750,000	750,000	1,000,000	1,000,000
Tfr. to Road Bond Debt Fund	2,160,000	1,600,000	1,000,000	1,000,000	2,000,000	1,925,240
Total Expenditures	8,093,430	9,582,080	9,953,180	9,289,670	8,668,070	8,831,310
Excess of Revenues Over (Under) Expenditures	(1,676,770)	1,019,050	(2,589,390)	(1,767,310)	(869,070)	(1,032,310)
Beginning Fund Balance	4,775,110	3,098,340	4,117,390	4,117,390	2,350,080	2,350,080
Ending Fund Balance	\$3,098,340	\$4,117,390	\$1,528,000	\$2,350,080	\$1,481,010	\$1,317,770
LOCAL ROAD FUND						
REVENUES						
Property Taxes	\$0	\$3,271,160	\$3,376,400	\$3,395,800	\$3,301,200	\$3,233,330
State Grants	124,070	0	0	0	136,000	0
Gas & Weight Tax	2,020,460	2,063,210	2,100,000	2,140,000	2,560,000	2,560,000
Metro Act	90,100	80,290	90,000	80,000	80,000	80,000
Charges for Services	41,700	33,500	40,000	45,000	36,000	36,000
Other Revenue	149,440	61,460	42,010	45,720	10,470	10,470
Transfer from General Fund	0	0	0	0	400,000	400,000
Transfer from Major Road Fund	1,025,000	750,000	750,000	750,000	1,000,000	1,000,000
Total Revenues	3,450,770	6,259,620	6,398,410	6,456,520	7,523,670	7,319,800
EXPENDITURES						
Administration	199,070	139,500	160,310	140,310	155,070	155,070
Local Street Maintenance	1,697,070	1,829,810	1,536,000	1,806,000	1,848,000	1,848,000
Local Street Improvements	2,455,930	4,214,290	4,657,000	3,158,940	4,794,000	4,794,000
Total Expenditures	4,352,070	6,183,600	6,353,310	5,105,250	6,797,070	6,797,070
Excess of Revenues Over (Under) Expenditures	(901,300)	76,020	45,100	1,351,270	726,600	522,730
Beginning Fund Balance	1,072,060	170,760	246,780	246,780	1,598,050	1,598,050
Ending Fund Balance	\$170,760	\$246,780	\$291,880	\$1,598,050	\$2,324,650	\$2,120,780

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
LAND & WATER FUND						
REVENUES						
Federal & State Grants	\$0	\$0	\$4,500,000	\$0	\$0	\$0
Other Revenue	4,520	1,780	200	2,300	2,600	2,600
Transfer from General Fund	0	219,740	738,700	738,700	240,000	240,000
Total Revenues	4,520	221,520	5,238,900	741,000	242,600	242,600
EXPENDITURES						
Land Acquisition	0	0	0	0	65,000	65,000
Land Improvements	81,500	664,340	5,319,700	219,560	665,000	665,000
Total Expenditures	81,500	664,340	5,319,700	219,560	730,000	730,000
Excess of Revenues Over (Under) Expenditures	(76,980)	(442,820)	(80,800)	521,440	(487,400)	(487,400)
Beginning Fund Balance	605,390	528,410	85,590	85,590	607,030	607,030
Ending Fund Balance	\$528,410	\$85,590	\$4,790	\$607,030	\$119,630	\$119,630
PUBLIC SAFETY FORF. FUND						
REVENUES						
Federal Forfeitures & Income	\$542,020	\$48,320	\$16,170	\$16,170	\$0	\$0
Treasury Forfeitures & Income	63,870	0	0	0	0	0
State Forfeitures & Income	134,310	67,170	33,460	91,000	1,000	1,000
OWI Forfeitures	14,650	20,500	4,500	9,450	0	0
Gambling Forfeitures	20,200	1,820	0	0	0	0
Act 302 Training Funds	0	0	30,800	28,960	30,800	30,800
Other Revenue	340	1,220	440	610	410	410
Total Revenues	775,390	139,030	85,370	146,190	32,210	32,210
EXPENDITURES						
Federal Forfeiture Expenditures	266,700	261,230	409,480	292,050	117,320	117,320
Treasury Forf. Expenditures	63,880	10	0	0	0	0
State Forfeiture Expenditures	162,740	126,720	80,160	69,150	21,240	21,240
Gambling Forf. Expenditures	1,590	0	8,830	15,300	7,000	7,000
OWI Forfeiture Expenditures	18,170	29,030	42,460	41,460	10,500	10,500
Act 302 Training Funds	0	0	30,800	28,960	30,800	30,800
Total Expenditures	513,080	416,990	571,730	446,920	186,860	186,860
Excess of Revenues Over (Under) Expenditures	262,310	(277,960)	(486,360)	(300,730)	(154,650)	(154,650)
Beginning Fund Balance	530,860	793,170	515,210	515,210	214,480	214,480
Ending Fund Balance	\$793,170	\$515,210	\$28,850	\$214,480	\$59,830	\$59,830

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	\$787,710	\$809,660	\$1,209,160	\$918,020	\$1,125,780	\$1,142,840
Revenue Direct Loans	85,560	99,410	25,000	80,000	40,000	40,000
Total Revenues	873,270	909,070	1,234,160	998,020	1,165,780	1,182,840
EXPENDITURES						
Community Development	873,270	909,070	1,234,160	998,020	1,165,780	1,182,840
Principal	0	0	0	0	0	0
Interest	0	0	0	0	0	0
Total Expenditures	873,270	909,070	1,234,160	998,020	1,165,780	1,182,840
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
NEIGHBORHOOD STABILIZATION FUND						
REVENUES						
Federal Grants	\$5,010	\$3,330	\$0	\$200	\$0	\$0
Total Revenues	5,010	3,330	0	200	0	0
EXPENDITURES						
Acquisition/Redevelopment	3,800	2,150	0	0	0	0
Administration Costs	1,210	1,180	0	200	0	0
Total Expenditures	5,010	3,330	0	200	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Property Taxes	\$0	\$18,680	\$18,940	\$20,640	\$25,170	\$25,170
Other Revenue	10	10	10	50	100	100
Total Revenues	10	18,690	18,950	20,690	25,270	25,270
EXPENDITURES						
Other Charges	1,110	0	0	0	0	0
Total Expenditures	1,110	0	0	0	0	0
Excess of Revenues Over (Under) Expenditures	(1,100)	18,690	18,950	20,690	25,270	25,270
Beginning Fund Balance	25,970	24,870	43,560	43,560	64,250	64,250
Ending Fund Balance	\$24,870	\$43,560	\$62,510	\$64,250	\$89,520	\$89,520

SPECIAL REVENUE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

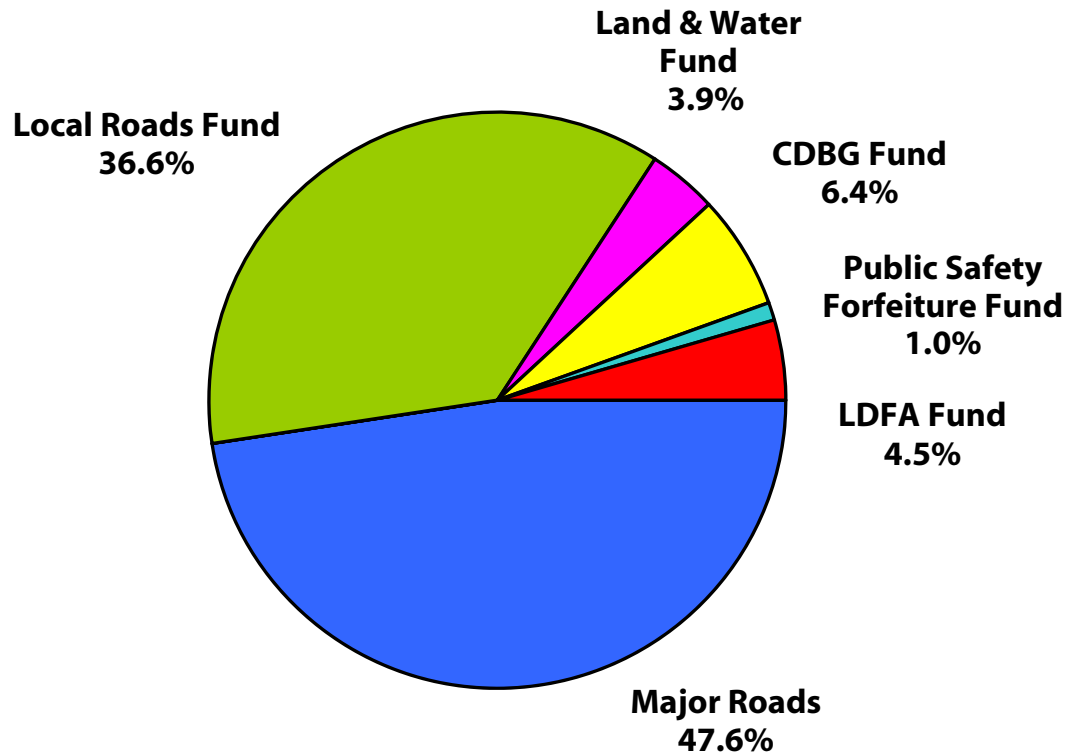
Special Revenue Funds	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Funding from General Gov't	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Other Revenue	10	390	500	1,200	2,150	2,150
Total Revenues	10	300,390	300,500	301,200	302,150	302,150
EXPENDITURES						
Miscellaneous	0	0	0	0	0	0
Total Expenditures	0	0	0	0	0	0
Excess of Revenues Over (Under) Expenditures	10	300,390	300,500	301,200	302,150	302,150
Beginning Fund Balance	12,690	12,700	313,090	313,090	614,290	614,290
Ending Fund Balance	\$12,700	\$313,090	\$613,590	\$614,290	\$916,440	\$916,440
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$113,960	\$104,380	\$0	\$106,060	\$87,600	\$87,600
Other Revenue	110	300	0	900	1,300	1,300
Total Revenues	114,070	104,680	0	106,960	88,900	88,900
EXPENDITURES						
Other Charges	114,280	104,670	0	(332,560)	0	0
Total Expenditures	114,280	104,670	0	(332,560)	0	0
Excess of Revenues Over (Under) Expenditures	(210)	10	0	439,520	88,900	88,900
Beginning Fund Balance	5,540	5,330	5,340	5,340	444,860	444,860
Ending Fund Balance	\$5,330	\$5,340	\$5,340	\$444,860	\$533,760	\$533,760
LOCAL DEVELOPMENT FINANCE AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$111,530	\$115,090	\$116,980	\$0	\$0	\$0
LDFA SmartZone Capture	500,000	500,000	500,000	616,950	862,900	862,900
Other Revenue	105,650	140,770	427,950	141,520	141,350	141,350
Total Revenues	717,180	755,860	1,044,930	758,470	1,004,250	1,004,250
EXPENDITURES						
Incubator Operations	405,910	580,440	851,920	840,640	824,750	824,750
BAE Reimbursement	111,630	115,380	0	(327,880)	0	0
Corridor Improvements	0	0	0	36,000	1,000	1,000
Total Expenditures	517,540	695,820	851,920	548,760	825,750	825,750
Excess of Revenues Over (Under) Expenditures	199,640	60,040	193,010	209,710	178,500	178,500
Beginning Fund Balance	68,740	268,380	328,420	328,420	538,130	538,130
Ending Fund Balance	\$268,380	\$328,420	\$521,430	\$538,130	\$716,630	\$716,630

***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 \$18,553,830 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 \$4,209,000 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 2016/17 Budget, State and Local Return revenues represent 62.7% of total revenue sources, a decrease of \$4,245,240. The decrease is primarily due to a decrease in federal grants for the Major Road Fund and Land & Water Conservation Fund, partially offset by an increase in Act 51 Funds.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Transfers In from other funds. This revenue center will receive a transfer from the General Fund and the Major Road Fund next year.

In 2016/17, revenues generated from Other Financing Sources represent 11.9% of total revenue sources, an increase of \$651,300. The increase is primarily due to the necessary transfer from the General Fund to the Major Road Fund, as additional City funding is needed until the State gas tax revenues fully increase, and to the Local Road Fund for Neighborhood Road projects, also pending the full State gas tax increase and to offset a possible rollback in the Safe Streets millage due to the loss of personal property tax revenues. A transfer from the Major Road Fund to the Local Road Fund totals \$1,000,000.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting and Chipping Fees. In the 2016/17 Budget, Charges for Services represents 0.2% of total revenue sources, a decrease of \$4,000. This decrease is primarily due to a decrease in tree chipping revenues.

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 2016/17, Other Revenues represent 1.8% of total revenue sources, a decrease of \$286,730. The decrease is primarily due to a one-time budgeted contribution in the prior year.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2016/17 Budget, expenditures exceed revenues by \$556,810. A draw down of funds is planned, as additional funding is needed primarily in the Major Road Fund for major road maintenance and construction.■

SPECIAL REVENUE FUNDS REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>TAXES</u>						
404001	Property Tax Refunds	(\$13,877)	-0.07	(\$15,000)	-0.07	(\$20,000)	-0.11
407000	Safe Streets Tax	3,279,642	16.98	3,360,000	15.49	3,232,130	17.96
415000	Delinquent Personal Property Tax	0	0.00	16,400	0.08	15,900	0.09
420000	Property Taxes - TIF - CIA	18,673	0.10	18,940	0.09	25,170	0.14
420010	Property Taxes - TIF - BAE	219,467	1.14	116,980	0.54	87,600	0.49
422000	LDFA - SmartZone Capture	500,000	2.59	500,000	2.31	862,900	4.79
445000	Penalties and Interest	5,396	0.03	15,000	0.07	5,300	0.03
	Total Taxes	4,009,301	20.76	4,012,320	18.50	4,209,000	23.39
	<u>STATE & LOCAL RETURNS</u>						
529000	Federal Grant - Other	1,109,323	5.74	5,873,760	27.09	1,142,840	6.35
529002	Federal Program Income	3,169	0.02	0	0.00	0	0.00
529003	Revenue Direct Loans	99,410	0.51	25,000	0.12	40,000	0.22
529100	Federal Forfeiture Grants	48,314	0.25	16,170	0.07	0	0.00
529101	Federal Forfeiture Program Income	10	0.00	0	0.00	0	0.00
539002	State Grants	1,366,279	7.07	1,207,190	5.57	0	0.00
539200	State Forfeiture Grants	53,099	0.27	28,460	0.13	0	0.00
539201	State Forfeiture Program Income	14,065	0.07	5,000	0.02	1,000	0.01
539300	Gambling Forfeitures	1,820	0.01	0	0.00	0	0.00
539348	Metro Act	297,379	1.54	340,000	1.57	300,000	1.67
539400	OWI Forfeitures	20,500	0.11	4,500	0.02	0	0.00
539500	Act 302 Training Funds	0	0.00	30,800	0.14	30,800	0.17
546000	Highway & Street Grants	7,638,835	39.55	7,700,000	35.51	9,471,000	52.63
549101	Funding from General Gov't	300,000	1.55	300,000	1.38	300,000	1.67
573386	Act 78 LCSA	0	0.00	0	0.00	0	0.00
	Total State & Local Returns	10,952,203	56.71	15,530,880	71.62	11,285,640	62.71
	<u>OTHER FINANCING SOURCES</u>						
699101	Transfer from General Fund	3,019,740	15.64	738,700	3.41	1,140,000	6.33
699202	Transfer from Major Road Fund	750,000	3.88	750,000	3.46	1,000,000	5.56
	Total Other Financing Sources	3,769,740	19.52	1,488,700	6.87	2,140,000	11.89
	<u>CHARGES FOR SERVICES</u>						
640004	Tree Sales & Planting	26,690	0.14	30,000	0.14	30,000	0.17
640010	Chipping Fee	6,809	0.04	10,000	0.05	6,000	0.03
	Total Charges for Services	33,499	0.17	40,000	0.18	36,000	0.20
	<u>OTHER REVENUE</u>						
665000	Interest on Investments	12,292	0.06	10,860	0.05	19,500	0.11
665100	Interest Income - Federal Forfeiture	1,107	0.01	300	0.00	300	0.00
665130	Interest Income - Treas. Forfeiture	7	0.00	10	0.00	0	0.00
665200	Interest Income - State Forfeiture	42	0.00	60	0.00	30	0.00
665300	Interest Income - Gamble Forf.	19	0.00	20	0.00	20	0.00
665400	Interest Income - OWI Forfeiture	46	0.00	50	0.00	40	0.00
665500	Interest Income - Act 302 Training	0	0.00	0	0.00	20	0.00
665715	Interest Income - LDFA TIF	284	0.00	200	0.00	0	0.00
667716	Rental Income Smart Incubator	140,208	0.73	100,000	0.46	140,000	0.78
672000	Special Assessment Revenue	51,756	0.27	35,050	0.16	3,780	0.02
672445	SA Delinquent Interest & Penalties	205	0.00	110	0.00	150	0.00
672665	Special Assessment Interest	7,917	0.04	5,850	0.03	3,540	0.02
675000	Contributions & Donations	1,280	0.01	327,600	1.51	2,000	0.01
676000	Reimbursements	153,550	0.80	125,000	0.58	150,000	0.83
685000	Miscellaneous Revenue	6,804	0.04	8,000	0.04	7,000	0.04
695000	Insurance Recovery	173,058	0.90	0	0.00	0	0.00
	Total Other Revenue	548,575	2.84	613,110	2.83	326,380	1.81
	Total Special Revenue Funds	\$19,313,318	100.00	\$21,685,010	100.00	\$17,997,020	100.00

Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

SPECIAL REVENUE FUNDS EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
705000	Wages - Salaries - Temp/Part-time	\$0	0.00	\$8,790	0.04	\$8,790	0.05
717000	FICA	0	0.00	670	0.00	670	0.00
718000	Worker's Compensation	0	0.00	10	0.00	10	0.00
	Total Personnel Services	0	0.00	9,470	0.04	9,470	0.05
	<u>SUPPLIES</u>						
729000	Postage	253	0.00	1,100	0.00	1,100	0.01
741000	Ammunition	0	0.00	2,800	0.01	2,800	0.02
751000	Operating Supplies	85,345	0.46	69,850	0.29	10,800	0.06
785000	Books	5,981	0.03	6,000	0.02	6,030	0.03
	Total Supplies	91,579	0.49	79,750	0.32	20,730	0.11
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	900	0.00	920	0.00	1,140	0.01
805000	Administrative Services	525,046	2.83	509,280	2.10	516,420	2.78
805100	Management Services	223,762	1.21	180,000	0.74	200,000	1.08
806000	Legal Services - Other	0	0.00	2,230	0.01	3,000	0.02
806001	Legal Services - City Attorney	1,191	0.01	1,500	0.01	1,500	0.01
826000	Other Contracted Services	201,194	1.08	527,500	2.17	357,970	1.93
826900	Subrecipient Funding	78,671	0.42	82,970	0.34	88,500	0.48
827000	Interfund Services	19,000	0.10	19,000	0.08	19,000	0.10
832000	Building Maintenance	21,138	0.11	30,000	0.12	30,000	0.16
833000	Equipment Maintenance	5,354	0.03	7,980	0.03	8,340	0.04
880000	Community Promotion	1,550	0.01	2,000	0.01	1,000	0.01
902000	Publishing	633	0.00	1,800	0.01	1,800	0.01
913000	Liability Insurance	9,544	0.05	10,000	0.04	11,000	0.06
921000	Electric	66,187	0.36	65,000	0.27	70,000	0.38
922000	Telephone	53,800	0.29	65,060	0.27	66,000	0.36
923000	Gas - Fuel - Oil	36,763	0.20	37,000	0.15	38,000	0.20
925000	Water	5,868	0.03	10,000	0.04	8,000	0.04
942000	Building Rent	0	0.00	16,000	0.07	20,000	0.11
945000	Other Rental	1,367	0.01	1,400	0.01	0	0.00
957000	Memberships & Dues	4,425	0.02	4,740	0.02	4,680	0.03
959000	Education & Training	19,834	0.11	34,260	0.14	28,500	0.15
962000	Miscellaneous Expense	682	0.00	1,740	0.01	32,600	0.18
962010	Miscellaneous Expense - BAE	220,045	1.19	0	0.00	0	0.00
962200	Miscellaneous Expense - Investigations	30,277	0.16	20,000	0.08	0	0.00
963900	Miscellaneous - Capital Program	30,074	0.16	91,170	0.38	35,000	0.19
	Total Other Charges	1,557,305	8.39	1,721,550	7.09	1,542,450	8.31
	<u>OTHER SERVICES</u>						
886162	Access Road Maintenance	33,171	0.18	35,000	0.14	40,000	0.22
887000	Bridge Maintenance	26,711	0.14	20,000	0.08	20,000	0.11
888000	Surface Maintenance	1,405,504	7.57	1,000,000	4.12	1,500,000	8.08

SPECIAL REVENUE FUNDS

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
888001	Surface Maintenance - County	730	0.00	0	0.00	0	0.00
888262	2014 Joint Sealing Program	121,557	0.65	130,000	0.54	0	0.00
888272	2015 Joint Sealing Program	0	0.00	0	0.00	150,000	0.81
889000	Shoulder Maintenance	124,314	0.67	28,000	0.12	40,000	0.22
890000	Sweeping & Flushing	209,520	1.13	250,000	1.03	275,000	1.48
890001	Sweeping & Flushing - County	52,041	0.28	35,000	0.14	45,000	0.24
890002	Sweeping & Flushing - State	5,994	0.03	6,000	0.02	6,000	0.03
891000	Grass & Weed Control	189,375	1.02	190,000	0.78	195,000	1.05
891001	Grass & Weed Control - County	177,726	0.96	185,000	0.76	190,000	1.02
891002	Grass & Weed Control - State	99,666	0.54	90,000	0.37	125,000	0.67
892000	Roadside Cleanup	5,423	0.03	7,000	0.03	7,000	0.04
892001	Roadside Cleanup - County	2,752	0.01	5,000	0.02	4,000	0.02
892002	Roadside Cleanup - State	3,275	0.02	2,500	0.01	3,000	0.02
893000	Curb & Gutter Maintenance	633	0.00	2,500	0.01	2,500	0.01
894000	Storm Drain Maintenance	60,264	0.32	115,000	0.47	135,000	0.73
894001	Storm Drain Maintenance - County	2,995	0.02	0	0.00	0	0.00
895000	Tree & Shrub Maintenance	600,884	3.24	450,000	1.85	440,000	2.37
895001	Tree & Shrub Maintenance - County	5,031	0.03	7,000	0.03	5,000	0.03
895002	Tree & Shrub Maintenance - State	1,800	0.01	2,500	0.01	2,500	0.01
897000	Snow & Ice Removal	866,481	4.67	900,000	3.71	900,000	4.85
898000	Traffic Signs & Signals	333,415	1.80	240,000	0.99	310,000	1.67
898001	Traffic Signs & Signals - County	2,208	0.01	8,000	0.03	5,000	0.03
899000	Pavement Markings	79,291	0.43	80,000	0.33	85,000	0.46
	Total Other Services	4,410,761	23.76	3,788,500	15.60	4,485,000	24.17
	<u>CAPITAL OUTLAY</u>						
971000	Land Acquisition	0	0.00	0	0.00	65,000	0.35
972000	Land Improvements	27,974	0.15	109,700	0.45	0	0.00
972237	2013 Park Improvements	55,473	0.30	0	0.00	0	0.00
972333	Delia Park Improvements	554,237	2.99	0	0.00	0	0.00
972334	Sport Courts & Path Resurfacing	6,500	0.04	25,000	0.10	25,000	0.13
972795	Park Improvements	1,297	0.01	0	0.00	0	0.00
975000	Buildings & Improvements	56,531	0.30	480,230	1.98	267,000	1.44
977000	Furniture	3,964	0.02	0	0.00	0	0.00
979000	Computer Equipment	2,525	0.01	3,410	0.01	0	0.00
981000	Electronic Equipment	40,019	0.22	242,660	1.00	0	0.00
982000	Machinery & Equipment	64,963	0.35	27,200	0.11	0	0.00
984000	Vehicles	49,342	0.27	0	0.00	0	0.00
985000	Weapons & Protective Gear	6,135	0.03	7,690	0.03	0	0.00
988000	Construction	378,372	2.04	6,433,730	26.49	3,893,940	20.99
988206	Utica/Van Dyke - Park	2,154	0.01	0	0.00	0	0.00
988232	Gardner Street Paving	6,045	0.03	0	0.00	0	0.00
988233	15 Mile Turn Lanes - Dodge/Maple	47,778	0.26	0	0.00	0	0.00
988234	Delco Blvd Resurfacing	5,856	0.03	0	0.00	0	0.00
988235	17 Mile Bridge Replace - Conrail	851,633	4.59	173,370	0.71	0	0.00

SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT

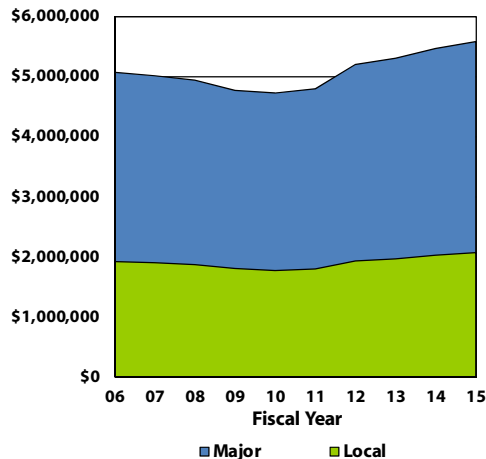
Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
988243	2013 Asphalt Pavement Repair	24,555	0.13	0	0.00	0	0.00
988246	Van Dyke Streetscape Design	492,696	2.65	2,969,300	12.23	0	0.00
988247	Indigo Dr & Elmcrest Dr Reconstr	231,625	1.25	10,810	0.04	0	0.00
988248	2014 Concrete Replacement Pgrm	1,556,270	8.39	0	0.00	0	0.00
988249	2014 Asphalt Pavement Repair	1,376,363	7.42	0	0.00	0	0.00
988250	2014 Concrete Reconstruction	2,057,670	11.09	150,000	0.62	0	0.00
988254	Dodge Park - Metro to Utica Reconstr	61,701	0.33	88,300	0.36	0	0.00
988255	RRR 19-1/2 Mile - Merrill to Utica	624,324	3.36	657,370	2.71	0	0.00
988256	Velocity Parking Lot	1,746	0.01	250,000	1.03	255,000	1.37
988263	2014 Beaver Creek Path	326,453	1.76	15,960	0.07	0	0.00
988265	2015 Concrete Replacement Pgrm	1,197,381	6.45	2,275,000	9.37	1,825,000	9.84
988266	2015 Concrete Reconstruction	23,057	0.12	2,100,000	8.65	2,600,000	14.01
988277	Dodge Park Trail Bridge	15,621	0.08	465,000	1.91	640,000	3.45
988700	Dequindre Road - 18 Mile to M-59	0	0.00	450,000	1.85	0	0.00
	Total Capital Outlay	10,150,260	54.70	16,934,730	69.74	9,570,940	51.59
	TRANSFERS OUT						
999203	Transfer to Local Road Fund	750,000	4.04	750,000	3.09	1,000,000	5.39
999327	Transfer to Road Bond Debt Fund	1,600,000	8.62	1,000,000	4.12	1,925,240	10.38
	Total Transfers Out	2,350,000	12.66	1,750,000	7.21	2,925,240	15.77
	Total Special Revenue Funds	\$18,559,905	100.00	\$24,284,000	100.00	\$18,553,830	100.00

Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

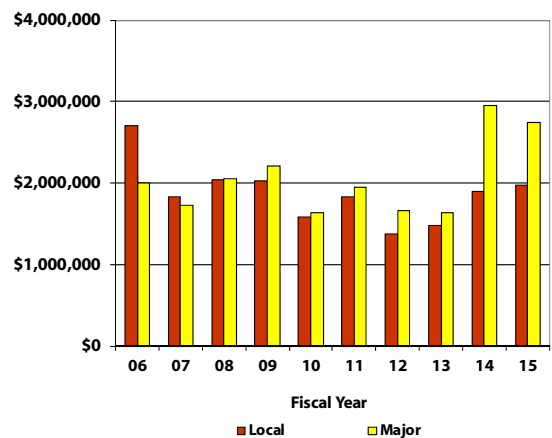
Special Revenue Funds

**Gas & Weight Tax Revenue
Road Funds**



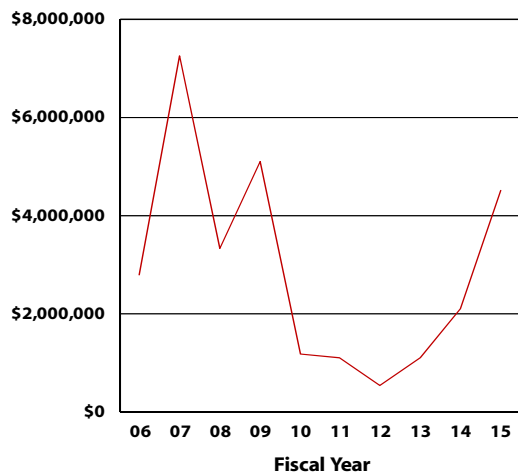
Gas tax revenues fell from 2006 to 2010 due to the economy, higher gas prices and the use of more fuel-efficient vehicles, which lessened gas consumption. The State's gas tax of 19 cents per gallon has increased once in the past 31 years. Since 2004, the City cumulatively lost \$3.4 million in State gas tax revenues.

**Major & Local Road
Maintenance Costs**



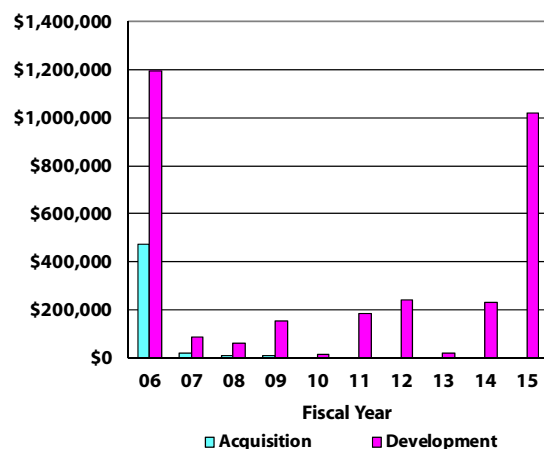
The cost of major and local road maintenance has increased over the past ten years as a result of the increased number of roads, the removal of street trees due to the emerald ash borer in 2006, and fluctuating snow removal costs.

**Major Road Construction Costs
Total City**



\$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 for several years due to declining City revenues, offset by the one-time use of federal stimulus funds. Costs rose in 2015 for the resurfacing of several neighborhood major roads and the reconstruction of Van Dyke.

**City Park Costs
Acquisition & Development**



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.

\$131,070 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 \$2,637,000, which is primarily used for major road maintenance, snow removal, and grass and weed control.

The 2016/17 Capital Outlay budget includes funding of \$900,000 for the asphalt resurfacing of 14 Mile Road from Dequindre to Mound Road. \$330,000 is for Mound Road repairs from 18 Mile Road to M-59. \$390,000 is budgeted for sidewalk construction along Schoenherr from Clinton River Road to 17 Mile. Also included is \$330,000 for the replacement of the Riverland Drive Pedestrian Bridge and \$300,000 for bridge rehabilitation projects on Riverland, 15 Mile, and Maple Lane. \$325,000 is for citywide concrete replacement on 19 Mile from Mound to Merrill and \$513,000 is for pavement repairs on Schoenherr Road from 14 Mile to 15 Mile Road. \$50,000 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 2016/17, \$1,925,240 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 \$1,000,000.

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 – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 11.3%.

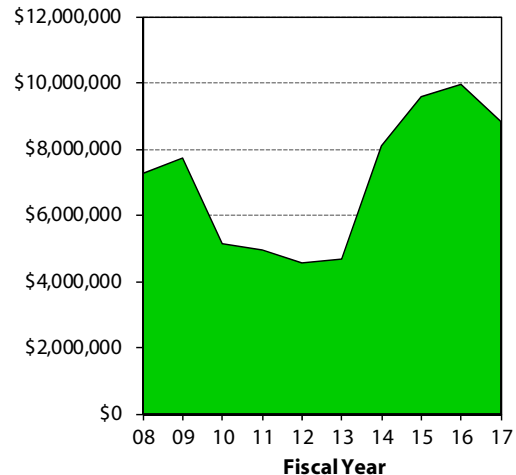
Other Charges – Other Charges increased \$460 or 0.4% due to a revised allocation of audit costs.

Other Services – Other Services increased \$384,500 or 17.1%. The budget rose \$250,000 for increased asphalt road maintenance repairs, utilizing the City's new road repair equipment, \$57,000 for additional traffic signal maintenance, \$55,000 for grass and weed cutting, and \$20,000 for joint sealing repairs, all due to higher costs and greater service demands in recent years.

Capital – Total Capital of \$2,900,000 is proposed. \$900,000 is for the asphalt resurfacing of 14 Mile Road from Dequindre to Mound Road. \$330,000 is for Mound Road repairs from 18 Mile Road to M-59. Sidewalk construction along Schoenherr Road from Clinton River Road to 17 Mile is funded for \$390,000. \$330,000 is for the replacement of the Riverland Drive Pedestrian Bridge. \$300,000 is for bridge rehabilitation projects on Riverland, 15 Mile, and Maple Lane. \$325,000 is for citywide concrete replacement on 19 Mile from Mound to Merrill. \$275,000 is for pavement repairs on Schoenherr Road from 15 Mile Road to the Red Run Bridge. \$50,000 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 – Total Transfers Out increased \$1,250,000 or 71.4%. Transfers to the Road Bond Debt Retirement Fund increased \$1,000,000 as a result of the \$9.63 million road bond anticipated to be sold in the spring of 2016 and higher debt payments on existing road bonds. A transfer to the Local Road Fund is

Expenditure History



budgeted for \$1,000,000, as funding is needed for the Citywide Sectional Concrete Replacement Program and other planned local road projects.

CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Capital – Total Capital increased \$238,000 for repairs to Schoenherr Road from 14 Mile to 15 Mile Road.

Transfers Out – Transfers Out to the Road Bond Debt Retirement Fund decreased \$74,760 to reflect a savings from a lower interest rate on the recent sale of MTF bonds for City road improvements.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Other Charges	\$161,725	\$130,610	\$75,610	\$131,070	\$131,070
Other Services	2,580,947	2,252,500	2,161,100	2,637,000	2,637,000
Capital Outlay	4,489,416	5,820,070	5,302,960	2,900,000	3,138,000
Transfers Out	2,350,000	1,750,000	1,750,000	3,000,000	2,925,240
Total	\$9,582,088	\$9,953,180	\$9,289,670	\$8,668,070	\$8,831,310

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.

\$155,070 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 \$1,848,000 and are allocated primarily for local road and storm drain maintenance, snow removal, and tree and shrub maintenance.

In fiscal year 2016/17, \$4,794,000 of capital is budgeted for this fund. \$3,350,000 is funded for local road repairs, which includes \$750,000 for the citywide Sectional Concrete Replacement Program and \$2,600,000 for the

concrete reconstruction of Locust Court, Linsdale Court, Balsam Way, Adele, Idaho, Dryden, Holmes, Clifton, King Richard, Greendale, Hemlock, Salem, and Waltham 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. \$319,000 is for the reconstruction of Sims Road from Mound Road to the Faurecia plant, of which \$220,000 is to be financed by grant monies.

For fiscal year 2016/17, 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 – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 7.0%.

Other Charges – Total Other Charges decreased \$5,240 or 3.3%. \$15,000 was saved, as less funding is needed for contracted snow removal services to assist the City's plowing efforts during snow emergencies. \$240 was saved based on a revised allocation of audit costs. Funding increased \$10,000 due to higher General Fund administrative costs for time spent on Local Road projects.

Other Services – Total Other Services increased \$312,000 or 20.3%. An additional \$250,000 is budgeted for increased road maintenance repairs. \$25,000 was added for increased storm drain maintenance, \$25,000 for street sweeping, and \$12,000 for shoulder maintenance costs, all due to higher costs and greater demands. \$10,000 was added for additional traffic signal maintenance. \$10,000 was saved, as less funding is needed for grass and weed control costs.

Capital – Total Capital of \$4,794,000 is proposed. \$3,350,000 is budgeted for local road repairs, which includes \$750,000 for the citywide Sectional Concrete Replacement Program and \$2,600,000 for the concrete reconstruction of Locust Court, Linsdale Court, Balsam Way, Adele, Idaho, Dryden, Holmes, Clifton, King Richard, Greendale, Hemlock, Salem, and Waltham Drives. These neighborhood repair projects are funded by the 0.8 mill Safe Streets millage, which was approved by the voters in November, 2013. In addition, \$750,000 continues to be funded for the citywide Sectional

Expenditure History



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. \$319,000 is for the reconstruction of Sims Road from Mound Road to the Faurecia plant, of which \$220,000 is to be financed by grant monies.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Other Charges	\$139,500	\$160,310	\$140,310	\$155,070	\$155,070
Other Services	1,829,814	1,536,000	1,806,000	1,848,000	1,848,000
Capital Outlay	4,214,286	4,657,000	3,158,940	4,794,000	4,794,000
Total	\$6,183,600	\$6,353,310	\$5,105,250	\$6,797,070	\$6,797,070

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 2016/17, the funding from the prior sale of City-owned properties and General Fund monies will be used to finance three projects totaling \$730,000. \$25,000 is budgeted to provide a local grant match for the initial funding of the future City Dog Park project. \$640,000 is proposed for the City's grant match to replace the Dodge Park Trail Bridge and \$65,000 is funded for the grant match for land acquisition on Lakeside Circle for a possible future bridge connection to Island Park.

For a complete list of all park improvement projects, please refer to the Capital Improvement schedule in the Capital Improvement section of this document. ■

Did you know...

...the City is currently updating its Master Recreation Plan?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

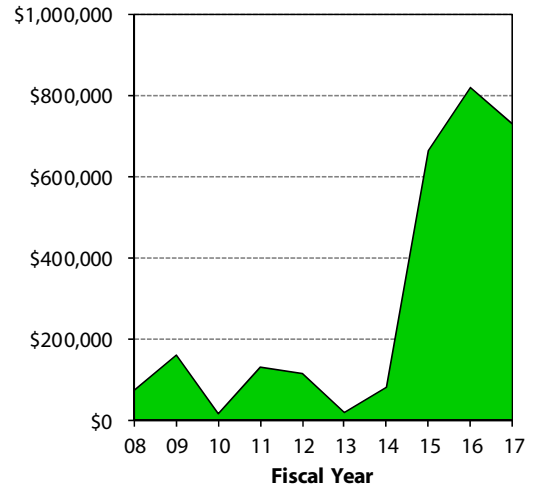
The total budget decreased by 86.3%.

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 \$730,000 is proposed for this fund. \$640,000 is proposed for the City's grant match to replace the Dodge Park Trail Bridge and \$65,000 is funded for the grant match for land acquisition on Lakeside Circle for a possible future bridge connection to Island Park. \$25,000 is budgeted to provide a local grant match for the initial funding of a City Dog Park. ***The Capital Improvement section of this document provides a breakout of each project's cost and funding source.***

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Capital Outlay	664,338	5,319,700	219,560	730,000	730,000
Total	\$664,338	\$5,319,700	\$219,560	\$730,000	\$730,000

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 December 2015, the U.S. Department of Justice ceased all new equitable sharing payments to local law enforcement agencies through the federal asset forfeiture program due to budget cuts. As a result, reduced available funding of \$186,860 is budgeted for 2016/17. \$117,320 is included for Federal Forfeiture related expenditures, \$21,240 is allocated for State Forfeiture permitted uses, \$10,500 is budgeted for O.W.I. Forfeiture related purchases, and \$7,000 is funded for Gambling Forfeiture expenses. In addition, \$30,800 is included for grant-funded training related costs.

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. ■

***Did you know...
...that Public Safety forfeiture funds enhance local law enforcement?***

Public Safety Forfeiture Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

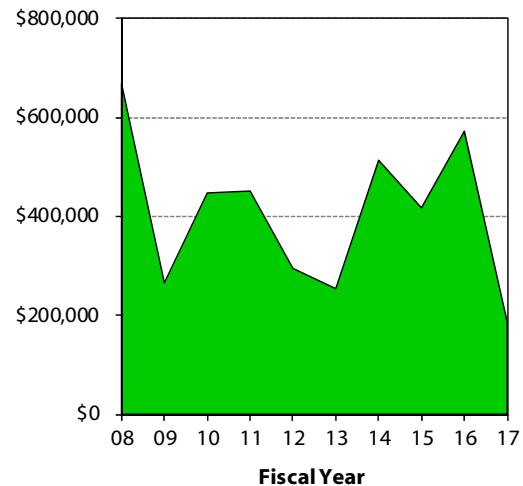
The total budget decreased by 67.3%.

Supplies – Total Supplies decreased \$59,050 or 90.9%. The U.S. Department of Justice has recently ceased all new equitable sharing payments to local law enforcement agencies through the federal asset forfeiture program due to budget cuts. As a result, there is no funding allocated to help cover the cost of training ammunition or drug test kits that will need to be purchased this upcoming year. The needed cost for these items will be funded in the General Fund.

Other Charges – Total Other Charges decreased \$44,860 or 19.9%. Contracted service costs decreased \$54,570 due to a decrease in State radio fees and the department elimination of a Citizen Observer Alerting software subscription that is no longer needed and a prepaid maintenance plan that is no longer required for an investigative software application. The training budget decreased \$5,760 based on recent expenditure trends. \$10,860 was added for higher undercover investigative costs. Building rental costs for firearms training increased \$4,000 due to higher rental fees and increased usage. Wireless telephone costs rose \$940.

Capital – There is no Capital proposed to be purchased with proceeds from the Public Safety Forfeiture Fund due to reduced available funding next year. As a result, all needed capital will be funded with General Fund dollars next year. The prior year budget included the cost of new in-car computers.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Supplies	\$82,260	\$64,950	\$8,880	\$5,900	\$5,900
Other Charges	145,343	225,820	191,060	180,960	180,960
Capital Outlay	189,391	280,960	246,980	0	0
Total	\$416,994	\$571,730	\$446,920	\$186,860	\$186,860



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 2016/17, \$200,000 in unspent carryover funding is budgeted to complete the resurfacing of the parking lot and repairs to the sidewalk and entrance at the Senior Center. \$17,000 for audiovisual upgrades and \$50,000 for replacement LED lighting at the Senior Center are also funded. Concrete replacement on Arlingdale Drive is funded for \$386,940.■

Did you know...

...that CDBG funds are being used for interior and exterior improvements to the City's Senior Center?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 4.2%.

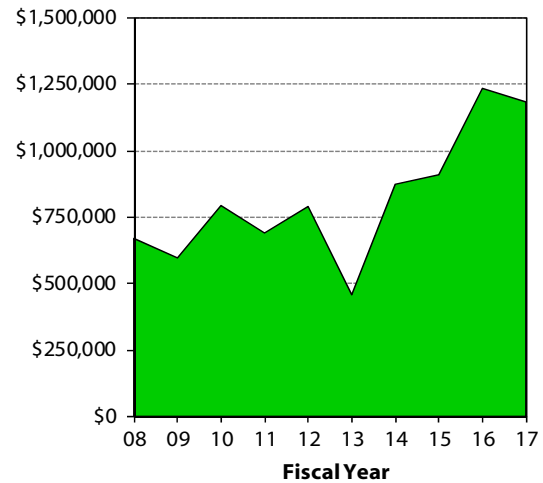
Personnel Services – The Personnel budget remains the same as last year as funding continues to be available to fill a vacant part-time CDBG Intern position to provide clerical assistance to help administer the CDBG program.

Supplies – Total Supplies is proposed to remain the same at \$8,300. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$123,090 or 20.2%. Housing rehabilitation decreased \$89,960 and minor home repair funding fell \$8,000, both due to a greater budgeted one-time use of unspent carryover funding in the prior year. Code Enforcement funding is budgeted for \$35,000, a decrease of \$26,550. The funding in these areas for next year remains sufficient to maintain the current year's level of activity. \$105,900 is budgeted to reimburse the costs of City personnel administering the CDBG program. The budget includes \$19,000 for the Special Recreation Program. Donations to service organizations increased \$3,000, as funding for the Macomb Homeless Coalition is now budgeted as a donation instead of a contracted service.

Capital – Total Capital of \$661,710 is proposed for this fund. \$200,000 in unspent carryover funding is budgeted to complete the resurfacing of the parking lot and repairs to the sidewalk and entrance at the Senior Center. \$17,000 for audiovisual upgrades and

Expenditure History



\$33,000 for replacement LED lighting at the Senior Center are also funded. Concrete replacement on Arlingdale Drive is budgeted for \$411,710.

CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Supplies – Total funding increased \$30 based on a higher approved final CDBG funding level.

Other Charges – Total funding increased \$24,800 based on a higher final funding level.

Capital – Total Capital decreased \$7,770 based on the approved final allocation of CDBG funding.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$9,470	\$9,470	\$9,470	\$9,470
Supplies	6,444	8,300	8,300	8,300	8,330
Other Charges	313,695	609,390	609,390	486,300	511,100
Capital Outlay	588,933	607,000	370,860	661,710	653,940
Total	\$909,072	\$1,234,160	\$998,020	\$1,165,780	\$1,182,840

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 2016/17, \$824,750 is budgeted for the operational costs associated with the Macomb-OU INCubator, which will be funded by LDFA increment financing revenues. \$1,000 is also funded for professional aerial videography and photographs to be taken of the Sterling Enterprise Park redevelopment project in the City's commercial corridor district. Funds have been set aside from BAE and captured Sterling Enterprise Park revenues to fund future corridor improvements. 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 Macomb-OU INCubator has constructed a new unclassified hub of the Michigan Cyber Range, being the first of its kind connected to an incubator targeting startup and emerging companies?

Local Development Finance Authority Fund

SUMMARY OF BUDGET CHANGES

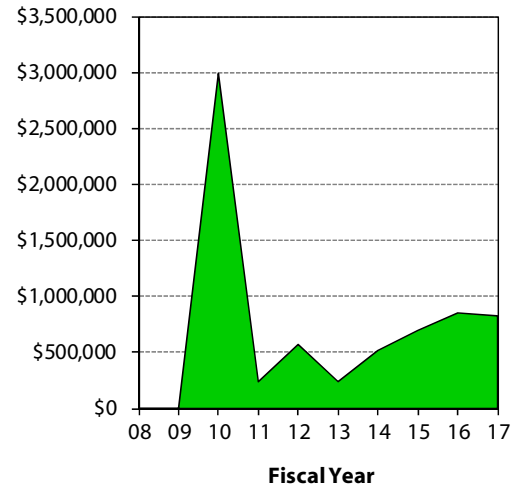
SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 3.1%.

Supplies – Total Supplies is proposed to remain the same at \$6,500. There are no proposed funding changes to the operating supplies account.

Other Charges – Total Other Charges decreased \$31,170 or 5.2%, largely due to a decrease in one-time funding for business incubator building repairs and improvements last year. A total of \$824,750 is budgeted for operation 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. \$116,000 is for utility costs including heat, electricity, and water. \$200,000 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. \$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. Business incubator building repairs and improvements are funded for \$35,000. The budget includes \$44,000 for telephone costs and \$30,000 in building maintenance costs. In addition, \$1,000 is budgeted for professional aerial videography and photographs to be taken of a redevelopment project in the City's commercial corridor district. Funds have been set aside from BAE and captured Sterling Enterprise Park

Expenditure History



revenues to fund future corridor improvements. Once the improvements are better defined, these unspent funds will be formally appropriated.

Capital – Total Capital of \$255,000 is budgeted for entrance drive improvements to the Velocity Collaboration Center.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Supplies	\$2,875	\$6,500	\$6,500	\$6,500	\$6,500
Other Charges	691,194	595,420	269,140	564,250	564,250
Capital Outlay	1,746	250,000	273,120	255,000	255,000
Total	\$695,815	\$851,920	\$548,760	\$825,750	\$825,750

***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 2016 State Equalized Valuation plus the assessed value of abated property is \$5,071,013,677. Therefore, the City's debt limit is \$507,101,367 or 10% of total valuation. The City's population estimate is 131,250. The outstanding Net Direct Bonded Debt for the City as

of June 30, 2016 is shown here as a ratio of debt to state equalized value and debt per capita.

	Debt Out- standing 6/30/16	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	\$4,600,000	0.09%	\$35

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. 82.9% 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 = 82.9%

BOND RATINGS

Standard & Poors	Moody's Investor Service	Fitch
AAA	Aaa	AAA
AA+	→ Aa1	→ AA+
→ AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-
BBB+	Baa1	BBB+
BBB	Baa2	BBB
BBB-	Baa3	BBB-
BB+	Ba1	BB+
BB	Ba2	BB
BB-	Ba3	BB-
B+	B1	B+
B	B2	B
B-	B3	B-
CCC+	Caa1	CCC+
CCC	Caa2	CCC
CCC-	Caa3	CCC-
	Ca	CC
	C	C
		DDD
		DD
		D

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2016, the principal and interest payments required for fiscal 2016/17, and the funding source is included within this Debt Service section. Total indebtedness is \$77,653,260. Total principal payment is \$4,800,080 and the interest payment is \$2,826,560. 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 \$1,200,000. Total principal payment is \$305,000 and interest is \$50,850.

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. \$484,130 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 \$15,995,000. The Principal payment is \$1,475,000 and interest is \$418,400.

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 \$97,600 is funded through special assessments.

MACOMB COUNTY DRAINS

The City was under contract with Macomb County to pay the debt for Chapter 20 drains. The final debt payment for the Central Fire Station Drain bond was made in 2015/16. All City issued drain debt has been paid in full.

WATER & SEWER FUND

In 2016/17, total principal of \$2,520,080 and interest of \$2,125,580 is budgeted for the City's portion of the District's debt for the Interceptor Rehabilitation project. Total indebtedness is \$54,658,260. ■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/16	2016/17		Total
			Principal	Interest	
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	\$1,200,000	\$305,000	\$50,850	\$355,850
VOTED TAX GENERAL OBLIGATION DEBT FUND					
2008 Fire Station Improvement Bonds (F)	VTGO Fund	3,400,000	350,000	134,130	484,130
Total Debt Fund Direct Debt Service		4,600,000	655,000	184,980	839,980
ROAD BOND DEBT RETIREMENT FUND					
2010 Build America Bonds	Major Rds	1,375,000	50,000	74,730	124,730
2012 MI Transportation Refunding Bonds	Major Rds	2,120,000	475,000	75,100	550,100
2013 MI Transportation Refunding Bonds	Major Rds	2,870,000	430,000	54,430	484,430
2016 MI Transportation Bonds	Major Rds	9,630,000	520,000	214,140	734,140
Special Assessment Bonds	S/A - RBDF	2,400,000	150,000	97,600	247,600
Total Road Bond Debt Service		18,395,000	1,625,000	516,000	2,141,000
WATER & SEWER FUND					
Sewer District Rehabilitation Bonds	W&S Fund	54,658,260	2,520,080	2,125,580	4,645,660
Total Debt Service		\$77,653,260	\$4,800,080	\$2,826,560	\$7,626,640

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
City Center Commons	296,850	312,450	322,150	322,150	355,850	355,850
Total General Fund Debt Service	296,850	312,450	322,150	322,150	355,850	355,850
VOTED TAX GENERAL OBLIGATION DEBT FUND						
Fire Station Improvements (F)	413,250	430,130	470,500	470,500	484,130	484,130
Total VTGO Fund Debt Service	413,250	430,130	470,500	470,500	484,130	484,130
GENERAL DRAIN FUND	821,050	659,790	156,750	156,750	0	0
Total Tax Supported Debt Service	\$1,531,150	\$1,402,370	\$949,400	\$949,400	\$839,980	\$839,980

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	2016 M.T.F. Bonds	2008 S.A.D. Bonds			Total
2016/17	124,725	550,100	484,427	734,143	247,600			2,140,995
2017/18	122,500	555,850	470,664	750,675	241,600			2,141,289
2018/19	168,937	611,000	551,029	754,975	235,600			2,321,541
2019/20	163,987	608,400	535,522	758,975	229,600			2,296,484
2020/21	183,219		515,170	762,675	272,600			1,733,664
2021/22	200,950		495,022	771,075	264,550			1,731,597
2022/23	241,300			779,075	256,450			1,276,825
2023/24	229,850			781,675	248,150			1,259,675
2024/25	218,050			788,975	239,650			1,246,675
2025/26	206,050			795,875	231,050			1,232,975
2026/27				802,375	222,350			1,024,725
2027/28				805,000	213,500			1,018,500
2028/29				808,550	204,500			1,013,050
2029/30				806,350				806,350
2030/31				808,550				808,550
Total	\$1,859,568	\$2,325,350	\$3,051,834	\$11,708,943	\$3,107,200			\$22,052,895

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
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	\$1,317,725	\$3,990,125						\$5,307,850

DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

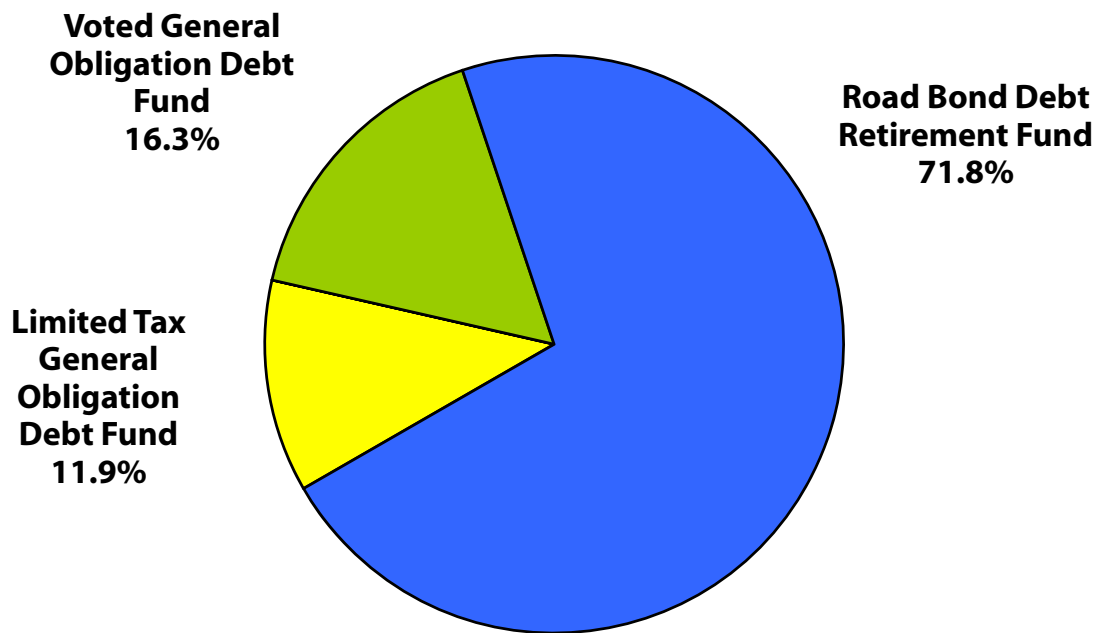
Debt Service Funds	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
GENERAL DRAIN FUND						
<u>REVENUES</u>						
Property Taxes	\$823,760	\$658,450	\$156,850	\$165,000	(\$100)	(\$100)
Interest Income	830	310	200	200	100	100
Total Revenues	824,590	658,760	157,050	165,200	0	0
<u>EXPENDITURES</u>						
Principal	750,000	625,000	150,000	150,000	0	0
Interest	71,050	34,790	6,750	6,750	0	0
Other Charges	1,720	1,360	300	300	0	0
Total Expenditures	822,770	661,150	157,050	157,050	0	0
Excess of Revenues Over (Under) Expenditures	1,820	(2,390)	0	8,150	0	0
Beginning Fund Balance	11,750	13,570	11,180	11,180	19,330	19,330
Ending Fund Balance	\$13,570	\$11,180	\$11,180	\$19,330	\$19,330	\$19,330
VOTED TAX GENERAL OBLIGATION DEBT FUND						
<u>REVENUES</u>						
Property Taxes	\$412,580	\$430,570	\$470,650	\$472,620	\$464,930	\$464,930
State/Local Returns	0	0	0	0	19,100	24,770
Interest Income	310	190	200	500	450	450
Total Revenues	412,890	430,760	470,850	473,120	484,480	490,150
<u>EXPENDITURES</u>						
Principal	250,000	275,000	325,000	325,000	350,000	350,000
Interest	163,250	155,130	145,500	145,500	134,130	134,130
Other Charges	350	350	350	350	350	350
Total Expenditures	413,600	430,480	470,850	470,850	484,480	484,480
Excess of Revenues Over (Under) Expenditures	(710)	280	0	2,270	0	5,670
Beginning Fund Balance	7,110	6,400	6,680	6,680	8,950	8,950
Ending Fund Balance	\$6,400	\$6,680	\$6,680	\$8,950	\$8,950	\$14,620

DEBT SERVICE FUNDS

REVENUES, EXPENDITURES & FUND BALANCES

Debt Service Funds	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
ROAD BOND DEBT RETIREMENT FUND						
<u>REVENUES</u>						
Special Assessment Revenue	\$158,500	\$145,750	\$145,750	\$147,510	\$145,450	\$145,450
Federal Interest Rebates	33,040	32,720	31,990	31,990	31,340	31,340
Interest Income	113,420	105,440	97,970	98,420	91,340	91,340
Trfr. from Major Roads Fund	2,160,000	1,600,000	1,000,000	1,000,000	2,000,000	1,925,240
Trfr. from Rd Bond Const Fund	0	0	130,000	130,000	0	0
Total Revenues	2,464,960	1,883,910	1,405,710	1,407,920	2,268,130	2,193,370
<u>EXPENDITURES</u>						
Principal	2,020,000	1,480,000	990,000	990,000	1,625,000	1,625,000
Interest	428,020	366,200	330,940	330,940	590,760	516,000
Other Charges	1,400	1,380	1,100	1,100	1,350	1,350
Total Expenditures	2,449,420	1,847,580	1,322,040	1,322,040	2,217,110	2,142,350
Excess of Revenues Over (Under) Expenditures	15,540	36,330	83,670	85,880	51,020	51,020
Beginning Fund Balance	593,160	608,700	645,030	645,030	730,910	730,910
Ending Fund Balance	\$608,700	\$645,030	\$728,700	\$730,910	\$781,930	\$781,930
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
<u>REVENUES</u>						
Transfer from General Fund	\$297,080	\$312,670	\$322,380	\$322,380	\$356,080	\$356,080
Total Revenues	297,080	312,670	322,380	322,380	356,080	356,080
<u>EXPENDITURES</u>						
Principal	215,000	240,000	260,000	260,000	305,000	305,000
Interest	81,850	72,450	62,150	62,150	50,850	50,850
Other Charges	220	220	230	230	230	230
Total Expenditures	297,070	312,670	322,380	322,380	356,080	356,080
Excess of Revenues Over (Under) Expenditures	10	0	0	0	0	0
Beginning Fund Balance	330	340	340	340	340	340
Ending Fund Balance	\$340	\$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 \$2,982,910 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 2016/17, General Drain Tax revenue decreased \$157,050 due to the retirement of the Central Fire Station Drain bond in the prior year. All City issued drain debt has been paid in full.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund and Major Road Fund provide revenue to the Debt Service Funds through this revenue center.

In 2016/17, revenues generated from Other Financing Sources represent 75.1% of total revenue sources, an increase of \$828,940. The transfer from the Major Road Fund to the Road Bond Debt Retirement Fund increased as a result of the \$9.63 million road bond anticipated to be sold in the spring of 2016 and higher debt payments on existing road bonds. Transfers from the General Fund to the Limited Tax General Obligation Debt Fund increased, as the principal payment on the existing City Center Commons refunding bond is higher next fiscal year. The increase was partially offset by a decrease, as a transfer from the Road Bond Construction Fund was budgeted in the prior year to move the Lisa Marie Drive land sale proceeds to the Road Bond Debt Fund, as a previous 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 \$31,340 is anticipated to be refunded next fiscal year for the 2010 Michigan Transportation Fund (MTF) Build America Bond. A reimbursement due to a decline in the debt millage tax revenue from lost personal property taxes is also budgeted for \$24,770.

OTHER REVENUE

Other Revenue consists of revenue from Interest on Investments and Special Assessment revenue. In the 2016/17 Budget, Other Revenues represent 7.8% of total revenue sources, a decrease of \$6,780. 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 2016/17, the millage rate is 0.1152 mills, an increase of 0.0030 mills.

In 2016/17, Public Improvement Tax revenue represents 15.3% of total revenue sources, a decrease of \$5,620. This decrease is due to lower personal property tax revenues.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted use of fund balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2016/17 Budget, revenues exceed expenditures by \$56,690, allowing for a contribution to Fund Balance reserves mainly in the Road Bond Debt Retirement Fund.■

DEBT SERVICE FUNDS REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
404000	City Operating Tax	\$658,458	20.04	\$158,350	6.72	\$0	0.00
404001	Property Tax Refunds	(4,456)	-0.14	(4,700)	-0.20	(2,400)	-0.08
415000	Delinquent Personal Property Tax	1,973	0.06	1,750	0.07	750	0.02
445000	Penalties & Interest	2,046	0.06	1,100	0.05	1,100	0.04
	Total Taxes	658,021	20.02	156,500	6.64	(550)	-0.02
	OTHER FINANCING SOURCES						
699101	Transfer From General Fund	312,675	9.52	322,380	13.68	356,080	11.71
699202	Transfer From Major Road Fund	1,600,000	48.69	1,000,000	42.45	1,925,240	63.34
699428	Transfer From Rd Bond Const Fund	0	0.00	130,000	5.52	0	0.00
	Total Other Financing Sources	1,912,675	58.21	1,452,380	61.65	2,281,320	75.05
	STATE & LOCAL RETURNS						
573386	Act 86 LCSA	0	0.00	0	0.00	24,770	0.81
529004	Federal - Interest Rebates	32,717	1.00	31,990	1.36	31,340	1.03
	Total State & Local Returns	32,717	1.00	31,990	1.36	56,110	1.85
	OTHER REVENUE						
665000	Interest on Investments	996	0.03	1,000	0.04	2,050	0.07
672000	Special Assessment Revenue	145,749	4.43	145,750	6.19	145,450	4.79
672445	S.A. Delinquent Interest & Penalties	110	0.00	20	0.00	160	0.01
672665	Special Assessment Interest	104,840	3.19	97,350	4.13	89,680	2.95
	Total Other Revenue	251,695	7.65	244,120	10.36	237,340	7.81
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	5	0.00	0	0.00	0	0.00
419000	Proposal F Debt Levy	430,986	13.12	471,000	19.99	465,380	15.31
	Total Public Improvements Tax	430,991	13.12	471,000	19.99	465,380	15.31
	Total Debt Service Funds	\$3,286,099	100.00	\$2,355,990	100.00	\$3,039,600	100.00

Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

DEBT SERVICE FUNDS EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER CHARGES						
810000	Other Fees	\$3,315	0.10	\$1,980	0.09	\$1,930	0.06
	Total Other Charges	3,315	0.10	1,980	0.09	1,930	0.06
	DEBT SERVICE						
992000	Principal	2,620,000	80.57	1,725,000	75.91	2,280,000	76.44
993000	Interest	628,563	19.33	545,340	24.00	700,980	23.50
	Total Debt Service	3,248,563	99.90	2,270,340	99.91	2,980,980	99.94
	Total Debt Service Funds	\$3,251,878	100.00	\$2,272,320	100.00	\$2,982,910	100.00

Note: The 2014-2015 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+

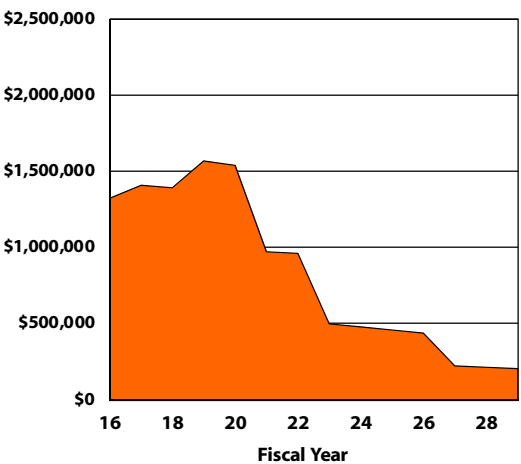
The City's AA bond rating from Standard & Poor's Rating Service ranks higher than most of our other comparable communities' rankings. Sterling Heights maintains a very high Aa1 rating from Moody's and an AA+ rating from Fitch Investor's Rating Service due to the City's low costs and proactive response to changing economic conditions.

Government Debt Per Capita

1. Ann Arbor	\$2,405
2. Dearborn	\$2,119
3. Lansing	\$2,078
4. Warren	\$1,312
5. Southfield	\$777
6. Livonia	\$734
7. Troy	\$431
8. Grand Rapids	\$417
9. Farmington Hills	\$305
10. STERLING HEIGHTS	\$137

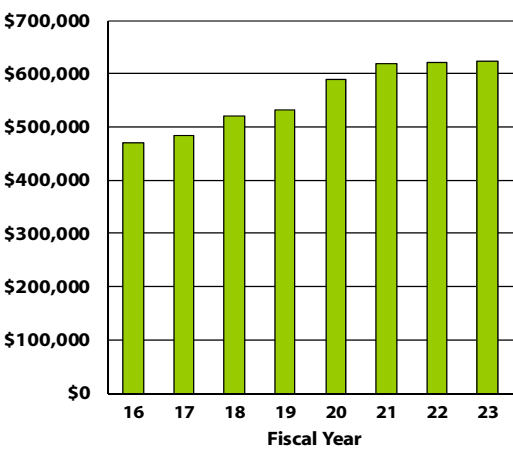
The City has the lowest direct government debt per resident of the nine comparable Michigan cities. The City's debt per resident has declined to its lowest level since 1989.

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 County is the focal point for the overall drainage system and allocates debt payments based on established methods.

For 2016/17, nothing is budgeted for interest and principal payments on drains within the City. The final bond payment for the Central Fire Station Drain was made in 2015/16. All City issued drain debt has been paid in full.

Revenues to support 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 has fluctuated from year to year as the debt payments on the bond issues have fluctuated.■

***Did you know...
...that all existing General County Drain debt
will be fully paid by the end of fiscal 2015/16?***

General Drain Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

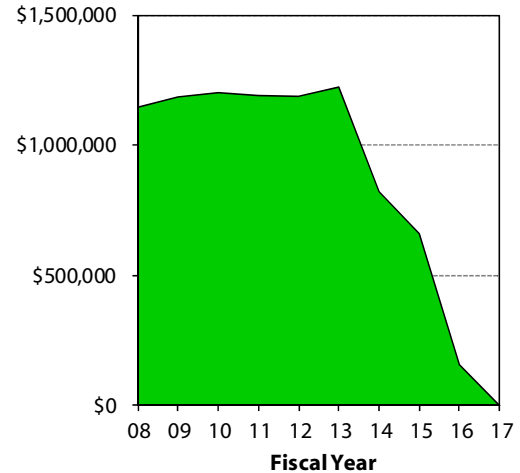
The total budget decreased by 100.0%.

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

Other Charges – There is no Other Charges budget for this fund. Bond paying agent fees decreased \$300 or 100%, as the final drain bond was retired in the prior year.

Debt Service – Total Debt Service decreased \$156,750 or 100%. Total principal payments decreased \$150,000 and interest payments decreased \$6,750 due to the retirement of the Central Fire Station Drain bond, which was paid off in the prior year. All City issued drain debt has been paid in full. No new drain project debt is scheduled for next fiscal year.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	1,365	300	300	0	0
Debt Services	659,788	156,750	156,750	0	0
Total	\$661,153	\$157,050	\$157,050	\$0	\$0

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 2016/17, principal and interest payments for Proposal F total \$484,130.■

Did you know...

...the 2008 Proposal F bonds, used to remodel three City Fire Stations, are now more than 50% paid off?

Voted Tax General Obligation Debt Fund

SUMMARY OF BUDGET CHANGES

IGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

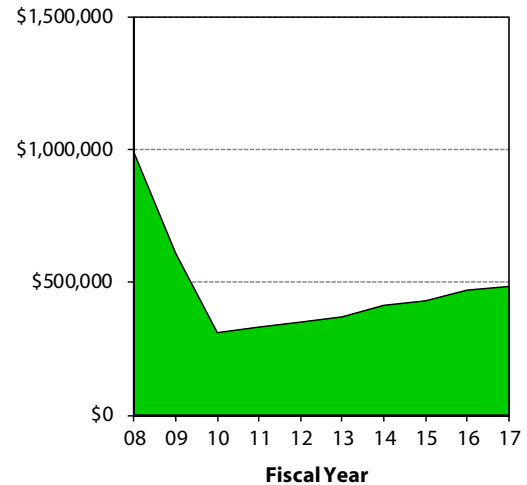
The total budget increased by 2.9%.

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 \$13,630 or 2.9% 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.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	350	350	350	350	350
Debt Service	430,125	470,500	470,500	484,130	484,130
Total	\$430,475	\$470,850	\$470,850	\$484,480	\$484,480

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 2016/17, the Major Road Fund transfer represents 63% 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 2016/17 totals \$2,141,000, which is comprised of \$1,625,000 toward principal and \$516,000 in interest payments on 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. A \$9.63 million MTF bond is scheduled to be sold in the spring of 2016. The debt for this bond will come online in the 2016/17 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 – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

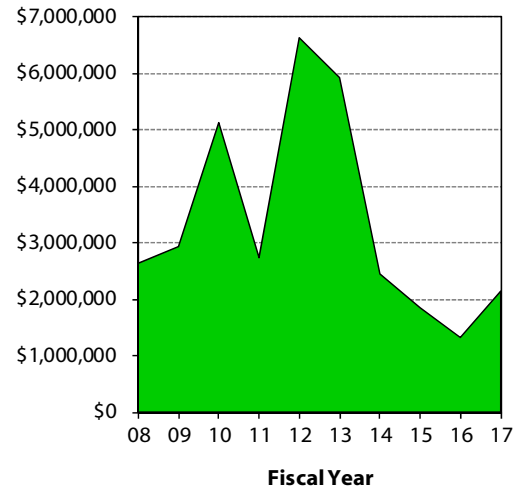
The total budget increased by 62.0%.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased \$250 or 22.7% as bond paying agent fees increased due to the anticipated issuance of the \$9.63 million 2016 MTF bond in the spring of 2016.

Debt Service – Total Debt Service is proposed to increase \$894,820 or 67.7%. Total principal payments increased \$635,000 as a result of the new 2016 MTF Bond. The principal payments on two existing MTF bond issues also increased. Total interest payments increased \$259,820 also due to the new 2016 MTF bond issue. The increase was offset slightly by lower interest payments on all existing bonds.

Expenditure History



CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Debt Service – Total Debt Service decreased by \$74,760. Interest payments decreased \$74,760 due to a lower interest rate on the recently sold 2016 MTF bond.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	1,375	1,100	1,100	1,350	1,350
Debt Service	1,846,200	1,320,940	1,320,940	2,215,760	2,141,000
Total	\$1,847,575	\$1,322,040	\$1,322,040	\$2,217,110	\$2,142,350

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 2016/17 totals \$355,850. Principal payments total \$305,000 and interest payments amount to \$50,850.■

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 – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

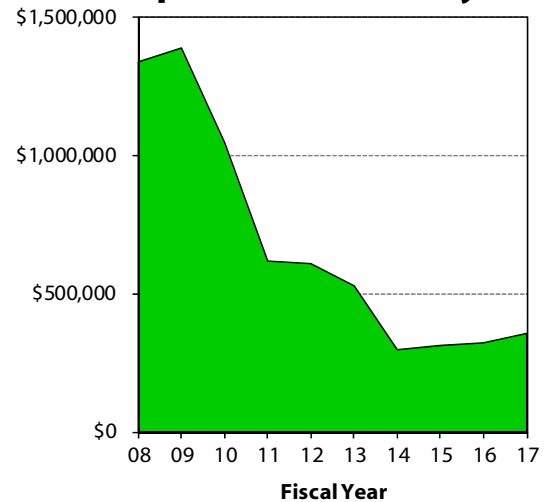
The total budget increased by 10.5%.

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 \$33,700 or 10.5% due to a \$45,000 increase in the scheduled principal payment on the existing 2005 City Center Commons refunding bond. The principal increase was partially offset by a decline in interest payments of \$11,300, as less debt is outstanding.

Expenditure History



FUNDING LEVEL SUMMARY

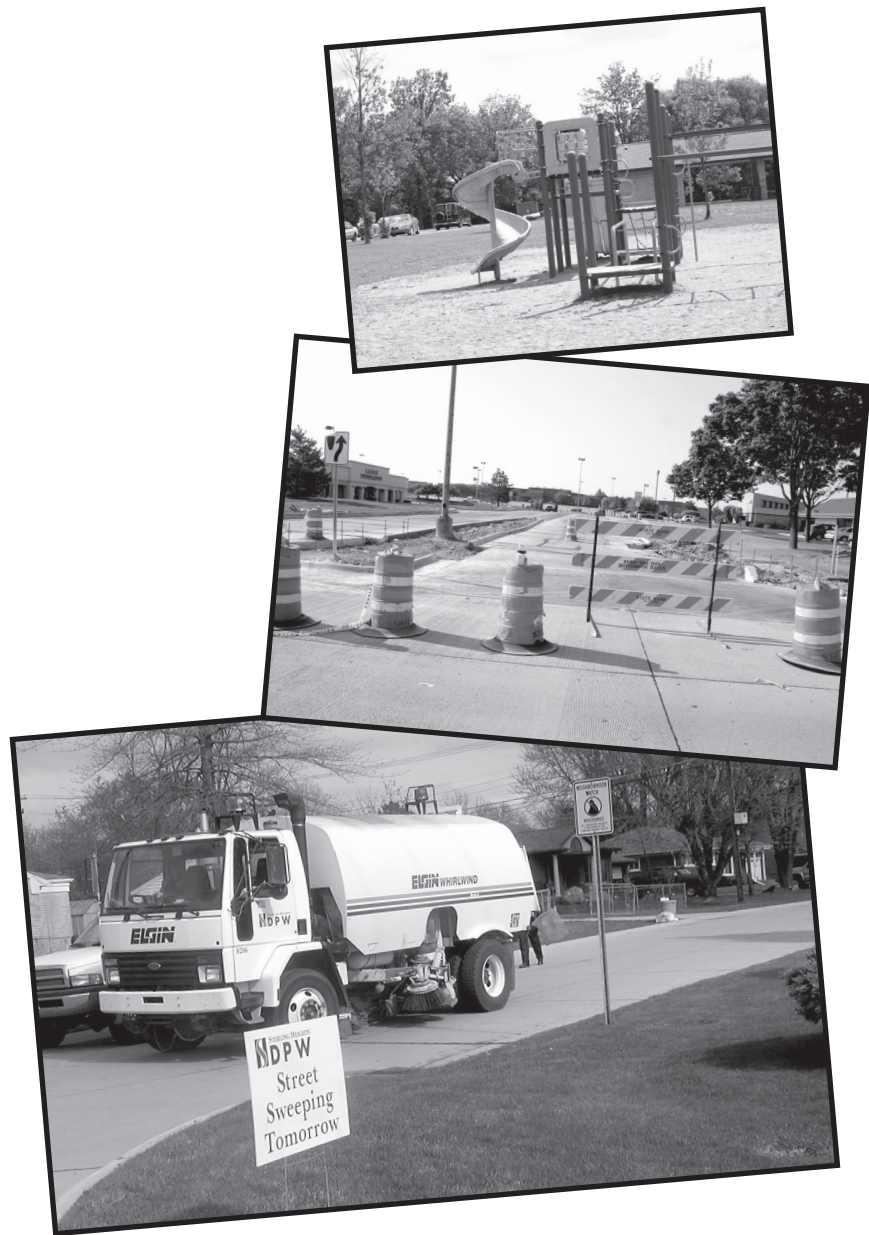
	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	225	230	230	230	230
Debt Service	312,450	322,150	322,150	355,850	355,850
Total	\$312,675	\$322,380	\$322,380	\$356,080	\$356,080

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	2013/14 Actual	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Budget
CAPITAL PROJECTS FUND						
<u>REVENUES</u>						
Other Revenue	\$388,580	\$394,450	\$352,530	\$337,700	\$276,120	\$326,120
Transfer from General Fund	784,380	4,812,020	4,960,240	5,560,240	4,499,420	4,499,420
Total Revenues	1,172,960	5,206,470	5,312,770	5,897,940	4,775,540	4,825,540
<u>EXPENDITURES</u>						
Capital Equipment	803,830	1,450,650	386,220	322,270	823,420	823,420
Capital Vehicles	313,780	1,174,820	1,727,350	1,732,410	1,716,700	1,724,700
Capital Projects	410,270	1,608,440	4,664,420	4,870,020	1,659,300	1,709,300
Total Expenditures	1,527,880	4,233,910	6,777,990	6,924,700	4,199,420	4,257,420
Excess of Revenues Over (Under) Expenditures	(354,920)	972,560	(1,465,220)	(1,026,760)	576,120	568,120
Beginning Fund Balance	1,012,790	657,870	1,630,430	1,630,430	603,670	603,670
Ending Fund Balance	\$657,870	\$1,630,430	\$165,210	\$603,670	\$1,179,790	\$1,171,790
CLINTON RIVER RESTORATION FUND						
<u>REVENUES</u>						
Federal Grants	\$0	\$0	\$0	\$4,500,000	\$0	\$0
Total Revenues	0	0	0	4,500,000	0	0
<u>EXPENDITURES</u>						
Capital Projects	0	0	0	4,500,000	0	0
Total Expenditures	0	0	0	4,500,000	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
ROAD BOND CONSTRUCTION FUND						
<u>REVENUES</u>						
Federal Grants	\$0	\$0	\$0	\$0	\$3,080,000	\$3,080,000
Other Revenue	30	70	130,000	130,070	5,000	5,000
Proceeds Long-Term Debt	0	0	8,150,000	9,630,000	1,795,000	1,795,000
Total Revenues	30	70	8,280,000	9,760,070	4,880,000	4,880,000
<u>EXPENDITURES</u>						
Capital Improvements	127,880	0	8,150,000	9,630,000	4,880,000	4,880,000
Tfr. to Road Bond Debt Fund	0	0	130,000	130,000	0	0
Total Expenditures	127,880	0	8,280,000	9,760,000	4,880,000	4,880,000
Excess of Revenues Over (Under) Expenditures	(127,850)	70	0	70	0	0
Beginning Fund Balance	199,770	71,920	71,990	71,990	72,060	72,060
Ending Fund Balance	\$71,920	\$71,990	\$71,990	\$72,060	\$72,060	\$72,060

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 2016/17, \$3,080,000 is budgeted.

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 2016/17 Budget, revenues generated from Other Financing Sources represent 46.4% of total revenue sources, a decrease of \$460,820. The transfer from the General Fund to the Capital Projects Fund decreased, due to the large one-time City Hall parking lot repair project in the prior year. Funds continue to be budgeted to restore funding for the replacement of capital vehicles, equipment, and needed facility repairs which had been delayed due to past funding cuts.

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 2016/17 Budget, Other Revenues represent 21.9% of total revenue sources, a decrease of \$6,479,060. This decrease is primarily due to a decrease in proceeds from long-term debt, as less funding is needed for capital projects.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

A budgeted Use of Fund Balance exists when expenditures exceed revenues, provided that fund balance is available.

In the 2016/17 Budget, revenues exceed expenditures by \$568,120, allowing the City to increase reserves in the Capital Projects Fund for future capital needs.■

CAPITAL PROJECTS FUNDS

REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	89,443	1.72	16,900	0.12	3,080,000	31.73
539002	State Grants	0	0.00	10,450	0.08	0	0.00
	Total State & Local Returns	89,443	1.72	27,350	0.20	3,080,000	31.73
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	4,812,020	92.42	4,960,240	36.49	4,499,420	46.36
	Total Other Financing Sources	4,812,020	92.42	4,960,240	36.49	4,499,420	46.36
	OTHER REVENUE						
665000	Interest on Investments	2,647	0.05	1,000	0.01	10,000	0.10
665445	Interest & Penalties - Tax Roll	67	0.00	0	0.00	50	0.00
672000	Special Assessment Revenue	15,322	0.29	14,190	0.10	540	0.01
672445	SA Delinquent Interest & Penalties	467	0.01	230	0.00	450	0.00
672665	Special Assessment Interest	1,382	0.03	940	0.01	80	0.00
673000	Sale of Fixed Assets	0	0.00	155,220	1.14	0	0.00
675000	Contributions & Donations	0	0.00	22,500	0.17	0	0.00
676000	Reimbursements	3,802	0.07	180,000	1.32	250,000	2.58
677008	Unrealized Gain/Loss	(4)	(0.00)	0	0.00	0	0.00
685015	Miscellaneous Revenue - MCPWC	78,562	1.51	60,000	0.44	60,000	0.62
686000	Contributions-Drain Improvements	0	0.00	0	0.00	0	0.00
695000	Insurance Recovery	4,200	0.08	21,100	0.16	10,000	0.10
698000	Proceeds Long-Term Debt	0	0.00	8,150,000	59.96	1,795,000	18.49
698002	Proceeds - Capital Lease	198,633	3.82	0	0.00	0	0.00
	Total Other Revenue	305,078	5.86	8,605,180	63.31	2,126,120	21.91
	Total Capital Projects Funds	\$5,206,541	100.00	\$13,592,770	100.00	\$9,705,540	100.00

Note: The 2014-2015 Actual Column is rounded to the nearest dollar.

CAPITAL PROJECT FUNDS

EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2014-2015 Actual		2015-2016 Budget		2016-2017 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CAPITAL OUTLAY</u>						
971000	Land Acquisition	\$0	0.00	\$120,000	0.80	\$12,000	0.13
975000	Building & Improvements	93,221	2.20	90,850	0.60	153,300	1.68
975010	Municipal Building Modernization	4,293	0.10	110,000	0.73	155,000	1.70
975020	Library Renovations	0	0.00	0	0.00	37,000	0.40
975130	Civic Center Concrete Replacement	444,176	10.49	2,820,820	18.73	0	0.00
975140	Miscellaneous DPW Improvements	96,444	2.28	51,250	0.34	0	0.00
975220	Misc. Fire Station Improvements	290,568	6.86	84,430	0.56	372,000	4.07
979000	Computer Equipment	124,230	2.93	62,500	0.42	137,000	1.50
979080	Microsoft Office - Software	29,520	0.70	14,700	0.10	25,500	0.28
979150	Financial System - Hardware	114,055	2.69	97,690	0.65	48,000	0.53
979300	Tax & Assessing - Software	73,265	1.73	0	0.00	0	0.00
979305	Police Department - Hardware	59,941	1.42	18,140	0.12	0	0.00
979450	Fleet Maintenance - Hardware	660	0.02	0	0.00	0	0.00
979600	Parks & Recreation - Software	0	0.00	90,000	0.60	0	0.00
979850	Fire Department - Hardware	21,786	0.51	0	0.00	0	0.00
981000	Electronic Equipment	342,878	8.10	8,260	0.05	317,120	3.47
982000	Machinery & Equipment	554,001	13.08	59,420	0.39	260,500	2.85
982001	Machinery & Equipment - Grant	97,138	2.29	9,550	0.06	0	0.00
983000	Fire Equipment	33,178	0.78	25,960	0.17	35,300	0.39
984000	Vehicles	0	0.00	580,000	3.85	0	0.00
984310	Vehicles - Police Investigations	0	0.00	0	0.00	48,000	0.53
984315	Vehicles - Police Operations	293,625	6.94	228,570	1.52	293,700	3.21
984339	Vehicles - Fire Extinguishment	535,451	12.65	570,000	3.79	825,000	9.03
984412	Vehicles - Building & Facilities Maint	0	0.00	61,360	0.41	0	0.00
984444	Vehicles - Street Services	345,746	8.17	208,200	1.38	550,000	6.02
984447	Vehicles - Engineering	0	0.00	79,220	0.53	0	0.00
984752	Vehicles - Parks & Recreation	0	0.00	0	0.00	8,000	0.09
986000	Major Drain Improvements	78,562	1.86	60,000	0.40	60,000	0.66
988000	Construction	13,055	0.31	7,320,190	48.61	5,800,000	63.48
988236	2014 Sidewalk Replacement Program	199,079	4.70	5,920	0.04	0	0.00
988258	Canal Rd Storm - Sterritt/Morang	389,042	9.19	60,960	0.40	0	0.00
988271	15 Mile Resurfacing - Dequindre/Ryan	0	0.00	1,600,000	10.63	0	0.00
988275	Replacement Fuel Dispensing System	0	0.00	490,000	3.25	0	0.00
	Total Capital Outlay	4,233,914	100.00	14,927,990	99.14	9,137,420	100.00
	<u>TRANSFERS OUT</u>						
999327	Tfr to Road Bond Debt Retirement Fund	0	0.00	130,000	0.86	0	0.00
	Total Transfers Out	0	0.00	130,000	0.86	0	0.00
	Total Capital Projects Fund	4,233,914	100.00	15,057,990	100.00	9,137,420	100.00

Note: The 2014-2015 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 2016/17 totals \$4,257,420. Of the total, \$1,709,300 is to fund 15 improvement projects for facilities and/or infrastructure. \$520,000 is included for the City Sidewalk Repair Program, \$370,000 for the Sidewalk Gap Completion Program, \$30,000 for the cost of a storm water plan update, \$12,000 for a house demolition on Dodge Park Road, \$108,000 for the replacement of four emergency warning sirens, police station improvements including \$32,000 for a basement air conditioning system, \$9,600 for a basement waterproofing system, \$3,700 for a replacement employee entrance door, and \$51,000 for new energy efficient heating and cooling system motors and controls, \$4,000 to relocate a generator from Fire Station #1 to the Court

building, \$100,000 for the replacement of four City electronic display signs and City welcome sign updates, \$37,000 for Library restroom upgrades, \$350,000 for roof replacement at Fire Station #5, \$22,000 for a replacement backup generator at Fire Station #1, and \$60,000 for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total \$823,420 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total \$1,724,700 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 614 miles of sidewalk and 2,535 street lights in the City?***

Capital Projects Fund

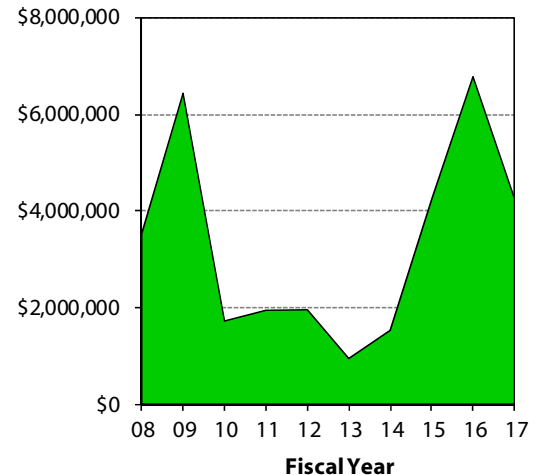
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 37.2%.

Capital – Total Capital of \$4,199,420 is proposed for next fiscal year. \$612,920 is for capital equipment, \$1,716,700 for capital vehicles, and \$210,500 for the Information Technology Capital Program. ***The significant notes for equipment, vehicles, and Information Technology Capital can be found in the General Fund activity in which the Capital will be utilized.*** In addition, fifteen (15) Capital Projects totaling \$1,659,300 are proposed. \$520,000 is funded for the City Sidewalk Repair Program and \$320,000 for the Sidewalk Gap Completion Program, for which prior year budgeted funds are carried over for both projects. Also funded is \$30,000 for the cost of a storm water plan update, \$12,000 for a house demolition on Dodge Park Road, \$108,000 for the replacement of four emergency warning sirens, police station improvements including \$32,000 for a basement air conditioning system, \$9,600 for a basement waterproofing system, \$3,700 for a replacement employee entrance door, and \$51,000 for new energy efficient heating and cooling system motors and controls, \$4,000 to relocate a generator from Fire Station #1 to the Court building, \$100,000 for the replacement of four City electronic display signs and City welcome sign updates, \$37,000 for Library restroom upgrades, \$350,000 for roof replacement at Fire Station #5, \$22,000 for a replacement backup generator at Fire Station #1, and \$60,000 for the ongoing maintenance of storm drains in the City. ***For a list of all Capital Equipment, Vehicles, and Projects,***

Expenditure History



please refer to the schedules on the following pages.

CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Capital – Total Capital increased by \$58,000 as \$50,000 was added to eliminate sidewalk gaps on Clinton River Road and \$8,000 was added for a Parks & Recreation utility cart.

FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	4,233,910	6,777,990	6,924,700	4,199,420	4,257,420
Transfers Out	0	0	0	0	0
Total	\$4,233,910	\$6,777,990	\$6,924,700	\$4,199,420	\$4,257,420

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 2016/17, five projects are budgeted and will be funded with proceeds from the sale of road bonds sold in the spring of 2016 and 2017. The resurfacing of 15 Mile Road is funded from Schoenherr Road to past Moravian Drive for \$1,400,000 and from Ryan to Mound Road for \$1,300,000. \$980,000 is funded for the reconstruction of M-59 from M-53 to Hayes Road. Median improvements on M-59 are budgeted for \$400,000 and the widening of

Dequindre Road from 18 Mile Road to M-59 is funded for \$800,000.

Additional information regarding the projects undertaken in the Road Bond Construction Fund can be found in the Capital Projects section of this document. ■

Did you know...

...the City will sell a \$9.6 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 – 2016/17 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 41.1%.

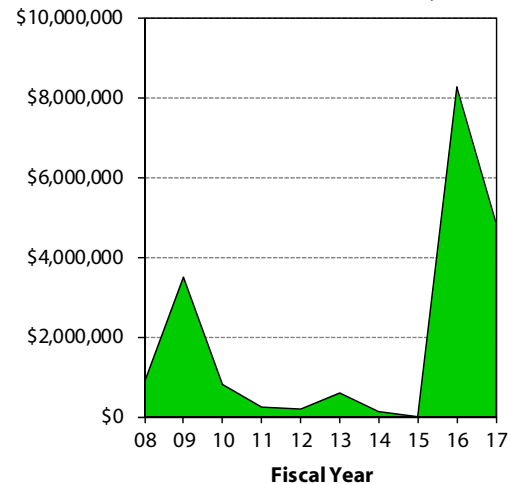
Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – \$4,880,000 is proposed for five projects in the 2016/17 fiscal year. The resurfacing of 15 Mile Road is proposed from Schoenherr Road to past Moravian Drive for \$1,400,000 and from Ryan to Mound Road for \$1,300,000. \$980,000 is funded for the reconstruction of M59 from M53 to Hayes Road. Median improvements on M59 are budgeted for \$400,000. \$800,000 is funded for the widening of Dequindre Road from 18 Mile Road to M59. Bonds sold in the spring of 2016 and 2017 will fund the cost of these projects.

Transfers Out – Total Transfers Out decreased \$130,000, as there are no Transfers Out proposed for the 2016/17 fiscal year. A transfer of funds was made in the prior year 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.

Expenditure History



FUNDING LEVEL SUMMARY

	2014/15 Actual	2015/16 Budget	2015/16 Estimate	2016/17 Proposed	2016/17 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Capital Outlay	0	8,150,000	9,630,000	4,880,000	4,880,000
Transfers Out	0	130,000	130,000	0	0
Total	\$0	\$8,280,000	\$9,760,000	\$4,880,000	\$4,880,000

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-eight (48) years after its incorporation, the City has matured into a community serving approximately 131,250 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. 2015/16 is the first year of the MIP. The second year (2016/17) 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 2016/17, the City’s total capital funding is \$21,113,860. Of the total, \$17,790,240 is budgeted for improvements, \$1,335,920 is for equipment, \$1,777,200 is for vehicles, and \$210,500 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. 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 2016/17 is \$1,709,300.

The Road Bond Construction Fund is used to account for transactions relating to road construction, paving, or storm drain activities financed by special assessments. Road construction projects financed wholly or in part by bond issues are also accounted for in this fund. In fiscal year 2016/17, the budgeted expenditures for the Road Bond Construction Fund total \$4,880,000.

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 \$3,138,000 are budgeted for fiscal year 2016/17.

Transportation projects scheduled in 2016/17 are categorized as County road improvements, resurfacing projects, traffic controls & intersection improvements, bridge rehabilitation, pedestrian bridge replacement, and sidewalk construction.

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 \$4,794,000 are budgeted for fiscal year 2016/17.

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 2016/17, 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 2016/17, \$653,940 is budgeted for audiovisual upgrades, replacement LED lighting, and repairs to the sidewalk and entrance at the Senior Center, and concrete replacement on Arlingdale Drive.

The Local Development Finance Authority Fund is utilized for the improvements and operational costs associated with the business incubator and redevelopment in the City's commercial corridor district. In 2016/17, \$255,000 is budgeted for entrance drive improvements to the Velocity Collaboration Center.

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 2016/17 total \$730,000 include the funding of a local grant match for the initial costs of the future City Dog Park project, the City's grant match to replace the Dodge Park Trail Bridge, and the grant match for land acquisition on Lakeside Circle for a possible future bridge connection to Island Park.

The primary funding sources for Water & Sewer Fund improvements and replacement projects are fees charged for connections into the existing system and funding from special assessments. Sanitary sewer projects totaling \$325,000 and water main expenditures of \$1,145,000 are programmed. \$10,000 is budgeted for the Fire Hydrant Replacement and Gatewell Valve Maintenance Program and \$150,000 is included for a by-pass system for the Dobry Drive booster station.■

***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 2015/16	Qty.	Proposed Budget 2016/17	Qty.	Approved Budget 2016/17
<u>City Administration Department</u>								
<u>City Clerk</u>								
Voting Booths - ADA Compliant	981	Electronic Fingerprint -Grant	1	8,260				
Total			1	8,260				
<u>Community Services Department</u>								
<u>Public Library</u>								
Outside Drop Box	982	Machinery & Equipment	1	6,700				
Total			1	6,700				
<u>Police Department</u>								
<u>Police Administration</u>								
Weight Room Equipment	982	Machinery & Equipment	1	50,220				
Total			1	50,220				
<u>Police Operations</u>								
Special Response Team Equipment	982.001	Machinery & Equip. - Grant	1	6,510				
Total			1	6,510				
<u>Fire Department</u>								
<u>Fire Extinguishment</u>								
Fire Exercise Equipment - Grant	982.001	Machinery & Equip. - Grant	1	3,040				
Thermal Imaging Camera	983	Fire Equipment	2	13,300				
Portable Gas Monitor	983	Fire Equipment	2	12,660				
EKG Monitor/Defibrillator	983	Fire Equipment			1	35,300	1	35,300
Mobile Data Computers	981	Electronic Equipment			18	81,000	18	81,000
Total			5	29,000	19	116,300	19	116,300
<u>Public Works Department</u>								
<u>Fleet Maintenance</u>								
Inground Hoist	982	Machinery & Equipment			2	18,500	2	18,500
Mobile Column Lift	982	Machinery & Equipment			6	60,000	6	60,000
Air Compressor	982	Machinery & Equipment			1	22,000	1	22,000
Total					9	100,500	9	100,500
<u>Street Services</u>								
Skid Steer	982	Machinery & Equipment			1	160,000	1	160,000
Total					1	160,000	1	160,000

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2015/16	Qty.	Proposed Budget 2016/17	Qty.	Approved Budget 2016/17
<u>City Development Department</u>								
<u>Facilities Maintenance</u>								
Sewer Snake Machine	982	Machinery & Equipment	1	2,500				
Total			1	2,500				
<u>Community Relations</u>								
Council Chambers TV Production Equipment	981	Electronic Equipment			1	215,000	1	215,000
SeeClickFix Software	981	Electronic Equipment			1	21,120	1	21,120
Total					2	236,120	2	236,120
Total Capital Projects Fund Equipment								
			10	103,190	31	612,920	31	612,920
<u>Water & Sewer Fund</u>								
<u>Water & Sewer Administration</u>								
City Works Asset Management Program	981	Electronic Equipment			1	125,000	1	125,000
GIS Infrastructure Upgrade - \$80K Grant	982	Machinery & Equipment			1	80,000	1	80,000
GIS Utility Integration - \$318K Grant	982	Machinery & Equipment			1	418,000	1	418,000
Total					3	623,000	3	623,000
<u>Water Distribution</u>								
Booster Station Upgrade	982	Machinery & Equipment			1	100,000	1	100,000
Total					1	100,000	1	100,000
<u>Sewer Collection</u>								
Backup Generator - Lift Station	982	Machinery & Equipment	1	37,080				
Trailer Mounted Trash Pump	982	Machinery & Equipment	1	45,000				
Sewer Jet Camera	982	Machinery & Equipment	1	13,000				
Trench Box	982	Machinery & Equipment	1	12,000				
Total			4	107,080				
Total Water & Sewer Fund Equipment								
			4	107,080	4	723,000	4	723,000
<u>Public Safety Forfeiture Fund</u>								
<u>Federal Forfeitures</u>								
Crime Unit Computer Upgrades	979	Computer Equipment	1	1,230				
In Car Computers	981	Electronic Equipment	58	232,000				
Night Vision Goggles & Thermal Camera (Lease)	982	Machinery & Equipment	1	900				
Total			60	234,130				

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2015/16	Qty.	Proposed Budget 2016/17	Qty.	Approved Budget 2016/17
<u>Gambling Forfeitures</u>								
Glock Firearms	985	Weapons & Gear	35	7,690				
Total			35	7,690				
<u>OWI Forfeitures</u>								
Radar Unit	981	Electronic Equipment	5	10,660				
Police Vehicle Mounts, Lightbars, Push Bumpers	982	Machinery & Equipment	8	20,800				
			13	31,460				
<u>State Forfeitures</u>								
Forensics Evidence Finder Software	979	Computer Equipment	1	2,180				
Shot Gun Sling	982	Machinery & Equipment	51	5,500				
Total			52	7,680				
Total Public Safety Forfeiture Fund Equipment			160	280,960	0	0	0	0
Total City Equipment			174	\$ 491,230	35	1,335,920	35	1,335,920

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2015/16	Estimated Budget 2015/16	Proposed Budget 2016/17	Approved Budget 2016/17
<u>CAPITAL PROJECTS FUND</u>								
<u>Information Technology</u>								
Police Department	979.305	Computer Equipment	1	Security Video Camera Storage System	18,140	18,140		
Information Technology	979.000	Computer Equipment	1	Technology Plan Consultant	25,000	28,000		
Information Technology	979.000	Computer Equipment	1	Network Disk Storage Expansion	19,500	19,500		
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	14,700	14,700		
City Management/Human Resources	979.150	Computer Equipment	1	Employee ID Printer	2,000	0		
41 A District Court	979.150	Computer Equipment	35	Replacement Personal Computer	37,630	37,630		
Community Relations	979.150	Computer Equipment	9	Replacement Personal Computer (MAC)	27,000	17,300		
Financial Services	979.150	Computer Equipment	7	Replacement Personal Computer	7,530	7,530		
City Management	979.150	Computer Equipment	5	Replacement Personal Computer	5,380	5,380		
Information Technology	979.150	Computer Equipment	9	Replacement Personal Computer	13,030	13,030		
Neighborhood Services	979.150	Computer Equipment	2	Replacement Personal Computer	2,370	2,370		
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	30,970		
Information Technology	979.000	Computer Equipment	1	Network Infrastructure Replacement			110,000	110,000
Information Technology	979.000	Computer Equipment	1	Replication Server Upgrade			18,000	18,000
City Development	979.150	Computer Equipment	2	Replacement Personal Computer			2,200	2,200
City Management/Human Resources	979.150	Computer Equipment	2	Replacement Personal Computer			2,200	2,200
Building	979.150	Computer Equipment	18	Replacement Personal Computer			19,800	19,800
Information Technology	979.150	Computer Equipment	7	Replacement Personal Computer			8,400	8,400
Purchasing	979.150	Computer Equipment	2	Replacement Personal Computer			2,200	2,200
Treasury	979.150	Computer Equipment	12	Replacement Personal Computer			13,200	13,200
Information Technology	979.080	Computer Equipment	93	Microsoft Office Update			25,500	25,500
Information Technology	979.000	Computer Equipment	1	E-mail Archiver			9,000	9,000

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2015/16	Qty.	Proposed Budget 2016/17	Qty.	Approved Budget 2016/17
<u>CAPITAL PROJECTS FUND</u>								
<u>Motor Vehicles & Equipment - 9010</u>								
Replacement Motor Pool Vehicle	984000	City Fleet Pool	25	580,000				
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	7	194,930	9	227,700	9	227,700
Police Vehicle Mounts, Light Bars, Push Bumpers	984315	Police Operations			9	30,000	9	30,000
Full-Size SUV Tahoe - Evidence Tech./SRT	984315	Police Operations	1	33,640	1	36,000	1	36,000
3/4 Ton 4 x 4 Pickup Truck with Plow	984444	Street Services	1	31,000				
Single Axle Dump Truck	984444	Street Services	1	177,200				
Fire Engine	984339	Fire Extinguishment	1	570,000				
3/4 Ton Pickup Truck with Plow	984447	Engineering	3	79,220				
Compact Vehicle - Out of Town Pool Car	984412	Facilities Maintenance	2	32,820				
4 x 4 SUV - City Manager	984412	Facilities Maintenance	1	28,540				
Utility Cart	984752	Parks & Recreation					1	8,000
Mid-Size Investigative Vehicle	984310	Police Investigations			2	48,000	2	48,000
Aerial Ladder Truck	984339	Fire Extinguishment			1	825,000	1	825,000
Waterless Combination Street Sweeper	984444	Street Services			1	300,000	1	300,000
Tandem Axle Dump Truck	984444	Street Services			1	250,000	1	250,000
Total Capital Projects Fund Vehicles			42	1,727,350	24	1,716,700	25	1,724,700
<u>WATER & SEWER FUND</u>								
<u>Water Distribution - 5560</u>								
One Ton Utility/Cube Truck	984000	Water Distribution	1	50,000	1	52,500	1	52,500
Total			1	50,000	1	52,500	1	52,500
<u>Sewage Collection - 5580</u>								
Vactor Jet Combination Sewer Cleaner	984000	Sewage Collection	1	404,020				
Sewer Jet Truck	984000	Sewage Collection	1	189,920				
Crane Truck	984000	Sewage Collection	1	155,000				
Total			3	748,940				
Total Water & Sewer Fund Vehicles			4	798,940	1	52,500	1	52,500
Total City Vehicles			46	\$ 2,526,290	25	\$ 1,769,200	26	\$ 1,777,200

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2016/17	Approved Budget 2016/17	Proposed Method of Financing	Estimated Prior Yr. 2014/15	Estimated Current Yr. 2015/16	Budget Year 2016/17	Future Years		
			Budget 2015/16	Estimate 2015/16							2017/18	2018/19	2019/20
	CAPITAL PROJECTS FUND												
971000	Property Acquisition/House Demolition Dodge Park Road	132,000 GF	120,000	125,000	12,000	12,000	GF	0	500	500	500	500	500
975000	Replacement Air Conditioning System - 41 A-District Court	21,180 GF	21,180	21,180			GF	1,000	0	0	0	0	0
975000	Chiller & Boiler Repairs - City Hall	18,580 CPF	18,580	18,850			GF	500	500	0	0	0	0
975000	Flag Pole Replacement - City Hall	7,990 CPF	7,990	7,990			GF	0	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	0	0	0	0	0	0
975000	Replacement Floor Covering - City Hall Lower Level	21,100 INS	21,100	21,100			GF	0	0	0	0	0	0
975000	Electronic Door Locking Upgrades - City Buildings	43,410 GF	0	43,410			GF	0	200	200	200	200	200
975000	(4) Replacement Emergency Warning Sirens	108,000 GF			108,000	108,000	GF	1,000	1,000	0	0	0	0
975000	Police Station Basement Air Conditioning	32,000 GF			32,000	32,000	GF	0	0	600	600	600	600
975000	Police Station Basement Waterproofing	9,600 GF			9,600	9,600	GF	500	500	0	0	0	0
975000	Police Station Employee Entrance Door Replacement	3,700 GF			3,700	3,700	GF	0	0	0	0	0	0
975010	City Hall - Replacement Electrical Service Panels	110,000 GF	110,000	110,000			GF	1,000	500	0	0	0	0
975010	Police Station HVAC Motors/Fan/Controls	51,000 GF			51,000	51,000	GF	500	500	100	100	100	100
975010	District Court Generator - Relocated from Fire Station #1	4,000 GF			4,000	4,000	GF	0	0	200	200	200	200
975010	Electronic Sign Conversion, Welcome Sign Updates	100,000 GF			100,000	100,000	GF	0	0	0	0	0	0
975020	Library Restroom Upgrades	37,000 GF			37,000	37,000	GF	500	500	0	0	0	0
975130	Parking Lot Repairs - City Hall Westside Parking Lot, Flood Mitigation, Retaining Wall (Phase I)	3,200,000 GF	1,426,510	1,450,000			GF	10,000	10,000	0	0	0	0
	City Hall Eastside Parking Lot, Blvd. Redesign, Landscaping, Plaza, Lighting (Phase II)	GF	1,394,310	2,000,000			GF	10,000	10,000	0	0	0	0
975140	Streetlight LED Energy Savings Project	51,250 GF GRANT	40,800 10,450	40,800 10,450			GF	0	0	(5,000)	(5,000)	(5,000)	(5,000)
975210	Fire Station #5 Roof Replacement	350,000 GF			350,000	350,000	GF	5,000	5,000	0	0	0	0
975220	Fire Station #1 Backup Generator	22,000 GF			22,000	22,000	GF	0	0	500	500	500	500

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2016/17	Approved Budget 2016/17	Proposed Method of Financing	Estimated Prior Yr. 2014/15	Estimated Current Yr. 2015/16	Budget Year 2016/17	Future Years		
			Budget 2015/16	Estimate 2015/16							2017/18	2018/19	2019/20
975220	Concrete Parking Lot Repairs - Fire Station #5	375,000 CPF	84,430	84,430			GF	5,000	0	0	0	0	0
986000	County Drain Maintenance	120,000 CPF	60,000	60,000	60,000	60,000	GF	0	0	0	0	0	0
988000	Brentwood & Pond View Retention Pond Repairs	85,500 GF	85,550	85,550			GF	2,000	2,000	0	0	0	0
988000	Storm Sewer Repairs - Red Run Street	80,700 GF	80,700	80,700			GF	1,000	1,000	0	0	0	0
988000	Pinebrook Retention Pond Repairs	27,740 GF	0	27,740			GF	0	0	0	0	0	0
988000	City-wide Pedestrian Bridge Inspection Program	15,000 CPF	15,000	15,000			GF	0	0	0	0	0	0
988000	Sterling Drive South Retention Pond Improvements	50,000 CPF	38,940	38,940			GF	500	500	0	0	0	0
988000	Pinebrook Retention Pond Repairs - Culvert Pipe	50,000 CPF	0	50,000			GF	500	5,000	0	0	0	0
988000	Sidewalk Gap Program including: 14 Mile Road - Hayes to Schoenherr Canal Road - East of Schoenherr Clinton River Rd. - E. of Schoenherr to Hayes	370,000 CPF SAD (CPF)	120,000 0 200,000	0 0 0	120,000 200,000	120,000 250,000	GF	0	0	1,000	1,000	1,000	1,000
988236	Miscellaneous City Sidewalk Repair Program	525,920 CPF	5,920	5,920			GF	3,000	0	0	0	0	0
988000	2014: Section 24	CPF/GF	70,000	0	200,000	200,000	GF	3,000	3,000	0	0	0	0
988000	2015: Section 14 (portion)	SAD (CPF)	160,000	0	320,000	320,000	GF	3,000	3,000	0	0	0	0
988258	Canal Road Storm Sewer Repairs - Sterritt to Morang Drive	451,330 CPF	60,960	60,960			GF	5,000	0	0	0	0	0
988275	DPW Replacement Fuel Dispensing System	805,000 GF	490,000	490,000			GF	5,000	5,000	1,000	1,000	1,000	1,000
988000	Storm Water Plan Update	30,000 GF			30,000	30,000	GF	0	0	0	0	0	0
	Total Capital Projects Fund	\$7,331,000	\$4,664,420	\$4,870,020	\$1,659,300	\$1,709,300		\$55,000	\$45,700	(\$900)	(\$900)	(\$900)	(\$900)
988000	ROAD BOND CONSTRUCTION FUND												
988000	Ryan Road Concrete Repairs - 15 Mile Road to Metropolitan Parkway (MTFB-16)	870,000 RBCF	720,000	870,000			MRF	10,000	10,000	75,000	75,000	75,000	75,000
988000	15 Mile Road Resurfacing - Schoenherr to past Moravian (MTFB-16)	1,400,000 RBCF			1,400,000	1,400,000	MRF	20,000	20,000	150,000	150,000	150,000	150,000
988000	15 Mile Road Resurfacing - Ryan to Mound Road (MTFB-16)	1,300,000 RBCF			1,300,000	1,300,000	MRF	15,000	15,000	140,000	140,000	140,000	140,000
988000	M59 Reconstruction - M53 to Hayes Road (MTFB-16,17)	980,000 RBCF			980,000	980,000	MRF	0	0	85,000	85,000	85,000	85,000
988000	M59 Regional Median Improvements (MTFB-17)	400,000 RBCF			400,000	400,000	MRF	0	0	35,000	35,000	35,000	35,000
988000	Dequindre Road Widening - 18 Mile Road to M59 (MTFB-17)	800,000 RBCF			800,000	800,000	MRF	0	0	70,000	70,000	70,000	70,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2016/17	Approved Budget 2016/17	Proposed Method of Financing	Estimated Prior Yr. 2014/15	Estimated Current Yr. 2015/16	Budget Year 2016/17	Future Years		
			Budget 2015/16	Estimate 2015/16							2017/18	2018/19	2019/20
988254	Dodge Park Road Reconstruction - Metroparkway to Utica Road (MTFB-16)	6,770,000 RBCF RBCF (FED)	2,950,000 2,880,000	3,690,000 3,080,000			MRF	20,000	20,000	300,000	300,000	300,000	300,000
988271	15 Mile Road Resurfacing - Dequindre Road to Ryan Road (MTFB-16)	1,990,000 RBCF	1,600,000	1,990,000			MRF	20,000	20,000	175,000	175,000	175,000	175,000
	Total Road Bond Construction Fund	\$14,510,000	\$8,150,000	\$9,630,000	\$4,880,000	\$4,880,000		\$85,000	\$85,000	\$1,030,000	\$1,030,000	\$1,030,000	\$1,030,000
	MAJOR ROAD FUND STATE/COUNTY ROADS												
988000	Traffic Signals	50,000 MRF	40,000	25,000	25,000	25,000	MRF	500	500	500	500	500	500
988000	Schoenherr Road - Payment Repairs 14 Mile to Moravian	113,000 MRF	113,000	113,000			MRF	0	0	0	0	0	0
988000	Mound Road Repairs - North/South 18 Mile Road to M-59	631,000 MRF	301,000	301,000	330,000	330,000	MRF	0	0	0	0	0	0
988000	18 Mile Road Resurfacing - East of Mound Road to Plumbrook Drain	147,600 MRF	12,730	12,730			MRF	0	0	0	0	0	0
988000	Schoenherr Road Sidewalk/Bridge Retrofit - Clinton River Road to 17 Mile	390,000 MRF	390,000	0	390,000	390,000	MRF	0	0	0	0	0	0
988000	Schoenherr Road Pavement Repairs - 14 Mile to 15 Mile Road	513,000 MRF			275,000	513,000	MRF	0	0	0	0	0	0
988000	14 Mile Road Resurfacing- Dequindre to Mound Road	900,000 MRF			900,000	900,000	MRF	0	0	0	0	0	0
988246	Van Dyke Reconstruction - 15 Mile to 18 Mile Road - including Mile Road Monuments	3,341,200 MRF	2,969,300	2,969,300			MRF	0	0	30,000	30,000	30,000	30,000
988700	Dequindre Road - 18 Mile Road to M59 Prelim. Engineering & ROW	450,000 MRF	450,000	450,000			MRF	0	0	0	0	0	0
	Total State/County Roads	\$6,535,800	\$4,276,030	\$3,871,030	\$1,920,000	\$2,158,000		\$500	\$500	\$30,500	\$30,500	\$30,500	\$30,500
	CITY ROADS												
988000	15 Mile Road Repair at Dodge Park Road	200,000 MRF	200,000	200,000			MRF	0	0	0	0	0	0
988000	Bridge Rehabilitation Engineering/Repairs (Riverland, 15 Mile, Maple Lane Bridges)	350,000 MRF	50,000	50,000	300,000	300,000	MRF	1,000	1,000	0	0	0	0
988000	Riverland Drive Pedestrian Bridge Replacement	330,000 MRF			330,000	330,000	MRF	0	0	2,000	2,000	2,000	2,000
988235	17 Mile Road Bridge Over Conrail Reconstruction	1,400,000 MRF	173,370	173,370			MRF	5,000	0	0	0	0	0
988254	Dodge Park Road Reconstruction Design - Metroparkway to Utica Road	500,000 MRF	88,300	88,300			MRF	0	0	0	0	0	0
988255	19 1/2 Mile Road Reconstruction - Merrill to Utica Road	1,281,690 MRF	657,370	800,000			MRF	10,000	5,000	0	0	0	0
988265	City-wide Sectional Concrete Replacement - (Pondview, 19 Mile - Mound to Merrill)	600,000 MRF	275,000	60,260	325,000	325,000	MRF	5,000	5,000	0	0	0	0
	TRAFFIC CONTROLS	100,000											
988000	a) Miscellaneous Locations	MRF	25,000	0	25,000	25,000	MRF	300	300	300	300	300	300
	b) LED Lighting City-wide Bulb Replacement Energy Savings Project		60,000	60,000			MRF	0	0	(5,000)	(5,000)	(5,000)	(5,000)
	c) 15 Mile & Chrysler Signal (Completed)		15,000	0			MRF	0	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2016/17	Approved Budget 2016/17	Proposed Method of Financing	Estimated Prior Yr. 2014/15	Estimated Current Yr. 2015/16	Budget Year 2016/17	Future Years		
			Budget 2015/16	Estimate 2015/16							2017/18	2018/19	2019/20
	Total City Major Road	\$4,761,690	\$1,544,040	\$1,431,930	\$980,000	\$980,000		\$21,300	\$11,300	(\$2,700)	(\$2,700)	(\$2,700)	(\$2,700)
	Total Major Road Fund	\$11,297,490	\$5,820,070	\$5,302,960	\$2,900,000	\$3,138,000		\$21,800	\$11,800	\$27,800	\$27,800	\$27,800	\$27,800
988000	LOCAL ROAD FUND												
	City Roadway Asset Management Plan	32,000 LRF	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	5,000	5,000	1,000	1,000	1,000	1,000
988000	Sims Road Reconstruction - Mound Road to Faurecia	319,000 LRF GRANT			99,000 220,000	99,000 220,000	LRF	1,000	1,000	0	0	0	0
988265	City-wide Sectional Concrete Replacement Program	750,000 LRF	750,000	0	750,000	750,000	LRF	0	0	0	0	0	0
988250	Neighborhood Road Repairs - (Safe Streets Proposal)												
	Concrete Reconstruction - Faith Drive	6,344,300 SSP	150,000	150,000			LRF	0	0	0	0	0	0
988266	2015: Arcola, Austin, Baker, Barrington, Deville, Diane, Irvall, Jerome, Wayne, Windy Cove Court, Davenport Court	SSP SSP	2,100,000	2,076,940	2,600,000	2,600,000	LRF	0	0	0	0	0	0
988265	2016: Balsam, Adele, Idaho, Dryden, Locust, Holmes, Linsdale, Clifton, King Richard, Greendale, Hemlock, Salem, Waltham												
	Sectional Concrete Replacement - Misc. Locations	SSP	1,250,000	900,000	750,000	750,000	LRF	0	0	0	0	0	0
	Total Local Road Fund	\$7,820,300	\$4,657,000	\$3,158,940	\$4,794,000	\$4,794,000		\$6,000	\$6,000	\$1,000	\$1,000	\$1,000	\$1,000
975000	COMMUNITY DEVELOPMENT BLOCK GRANT FUND												
	Senior Center Parking Lot Resurfacing	323,810 CDBG	323,810	163,810	160,000	160,000	GF	1,000	1,000	0	0	0	0
975000	Senior Center Sidewalk & Entrance - Concrete Repairs	91,000 CDBG	91,000	51,000	40,000	40,000	GF	0	0	0	0	0	0
975000	Senior Center Replacement Carpet	35,420 CDBG	35,420	26,050			GF	500	500	0	0	0	0
975000	Senior Center Replacement Partition Walls	30,000 CDBG	30,000	30,000			GF	0	0	0	0	0	0
975000	Senior Center Audiovisual Upgrade	17,000 CDBG			17,000	17,000	GF	0	0	0	0	0	0
975000	Senior Center Replacement LED Lighting	50,000 CDBG			33,000	50,000	GF	0	0	(3,000)	(3,000)	(3,000)	(3,000)
988000	Concrete Replacement - Comstock Drive	100,000 CDBG	100,000	100,000			LRF	1,000	1,000	0	0	0	0
988000	Arlingdale Drive - Concrete Replacement	386,940 CDBG			411,710	386,940	LRF	2,000	2,000	0	0	0	0
988247	Indigo Drive & West Elmcrest - Concrete Replacement	396,460 CDBG	10,810	0			LRF	0	0	0	0	0	0

CAPITAL IMPROVEMENTS

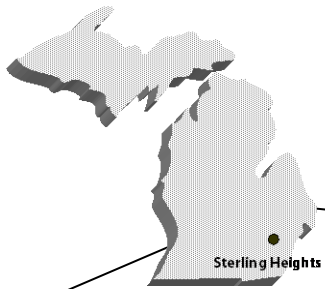
Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2016/17	Approved Budget 2016/17	Proposed Method of Financing	Estimated Prior Yr. 2014/15	Estimated Current Yr. 2015/16	Budget Year 2016/17	Future Years		
			Budget 2015/16	Estimate 2015/16							2017/18	2018/19	2019/20
988263	Beaver Creek Park - Walking Path, Park Benches, Trash Receptacles, Bike Racks, Play Structure, Parking Lot Bollards	171,500 CDBG	15,960	0			GF	2,000	2,000	2,000	2,000	2,000	2,000
	Total C.D.B.G. Fund	\$1,602,130	\$607,000	\$370,860	\$661,710	\$653,940		\$6,500	\$6,500	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
	LOCAL DEVELOPMENT FINANCING AUTHORITY FUND												
988256	Velocity Parking Lot Repairs - South End, Entrance Improvements	505,000 LDFA	250,000	238,120	255,000	255,000	LDFA	1,000	0	0	0	0	0
988280	Van Dyke LDFA Master Plan	35,000 LDFA	0	35,000			LDFA	0	0	0	0	0	0
	Total L.D.F.A. Fund	\$540,000	\$250,000	\$273,120	\$255,000	\$255,000		\$1,000	\$0	\$0	\$0	\$0	\$0
	LAND & WATER CONSERVATION FUND LAND DEVELOPMENT												
971000	Land Acquisition - Lakeside Circle Grant Match	65,000 GF/LWCF			65,000	65,000	GF	0	0	1,000	1,000	1,000	1,000
972000	LED Lights & Replacement Safety Fixtures - Park Pavilions	41,200 LAND SALE	41,200	41,200			GF	0	1,000	1,000	1,000	1,000	1,000
972000	Baumgartner Park - Replacement Scoreboards	61,000 LAND SALE	61,000	40,200			GF	0	0	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 LWCF	2,500	3,160			GF	0	(5,000)	(5,000)	(5,000)	(5,000)	(5,000)
972334	Dog Park - Local Grant Match	31,500 GF/LWCF	25,000	0	25,000	25,000	GF	0	0	5,000	5,000	5,000	5,000
975000	Innovating Recreation Feasibility Study	50,000 GF	0	50,000			GF	0	0	0	0	0	0
988000	Clinton River Bank Restoration	4,500,000 GRANT	4,500,000	0			GF	0	0	0	0	0	0
988000	Riverland Pedestrian Bridge Repairs (Project in MRF)	220,000 GF	220,000	0			GF	0	0	0	0	0	0
988277	Dodge Park Trail - Bridge Replacement & Enhancements - Grant Match	640,000 GF/LWCF	465,000	80,000	640,000	640,000	GF	2,000	2,000	500	500	500	500
	Total Land & Water Conserv. Fund	\$6,170,440	\$5,319,700	\$219,560	\$730,000	\$730,000		\$2,000	(\$2,000)	\$2,500	\$2,500	\$2,500	\$2,500
	CLINTON RIVER RESTORATION FUND												
988278	Clinton River Bank Restoration	4,500,000 GRANT	0	4,500,000			GF	0	0	0	0	0	0
	Total Great Lakes Program Fund	\$4,500,000	\$0	\$4,500,000				\$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 2016/17	Approved Program 2016/17	Proposed Method of Financing	Estimated Prior Yr. 2014/15	Estimated Current Yr. 2015/16	Program Year 2016/17	Future Years		
			Program 2015/16	Estimate 2015/16							2017/18	2018/19	2019/20
	WATER & SEWER IMPROVEMENT FUND												
	SANITARY SEWERS												
	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	1,000	1,000	1,000	1,000
	Saal Road - North of Longview	58,000 W&S	58,000	0			W&S	0	0	0	0	0	0
	Sewer Infiltration Program - 19 Mile Road - East of Clinton River Road	190,000 W&S	190,000	0			W&S	0	0	0	0	0	0
	Miscellaneous Sanitary Sewer Repairs												
	Cherry Creek Lane, Ledgate Drive, Spicemill Drive, 19 Mile Road east of Rhineland, 17 Mile Road at Van Dyke, Irving Drive Manhole	465,000 W&S	465,000	465,000			W&S	10,000	10,000	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	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	10,000	0	0	0	0	0
	Irval Drive - Sanitary Lead Replacement	20,000 W&S	20,000	0			W&S	500	0	0	0	0	0
	<u>Sanitary Sewer Lining & Rehabilitation</u> - Woodvilla Drive, Waltham Drive, Linsdale Court, Ebony Court, Tarpon Drive, Serra Drive, Koper Drive	450,000 W&S	320,000	450,000			W&S	5,000	0	0	0	0	0
	Total Sanitary Sewer	\$2,503,000	\$2,373,000	\$1,910,000	\$325,000	\$325,000		\$25,500	\$10,000	\$1,000	\$1,000	\$1,000	\$1,000
	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
	15 Mile Road - South Side, at Davison Street	60,000 W&S	60,000	0	60,000	60,000	W&S	0	0	0	500	500	500
	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
	Water Reliability Study	30,000 W&S	30,000	0	30,000	30,000	W&S	0	0	0	200	200	200
	Wilshire Court - Water Main Repair	105,000 W&S	105,000	0	105,000	105,000	W&S	500	500	0	0	0	0
	Clinton River Road - East of Saal Road	50,000 W&S				50,000	W&S	0	0	0	0	0	0
	Total Water Mains	1,245,000	\$1,195,000	\$100,000	\$1,095,000	\$1,145,000		\$500	\$500	\$0	\$3,000	\$3,000	\$3,000
	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

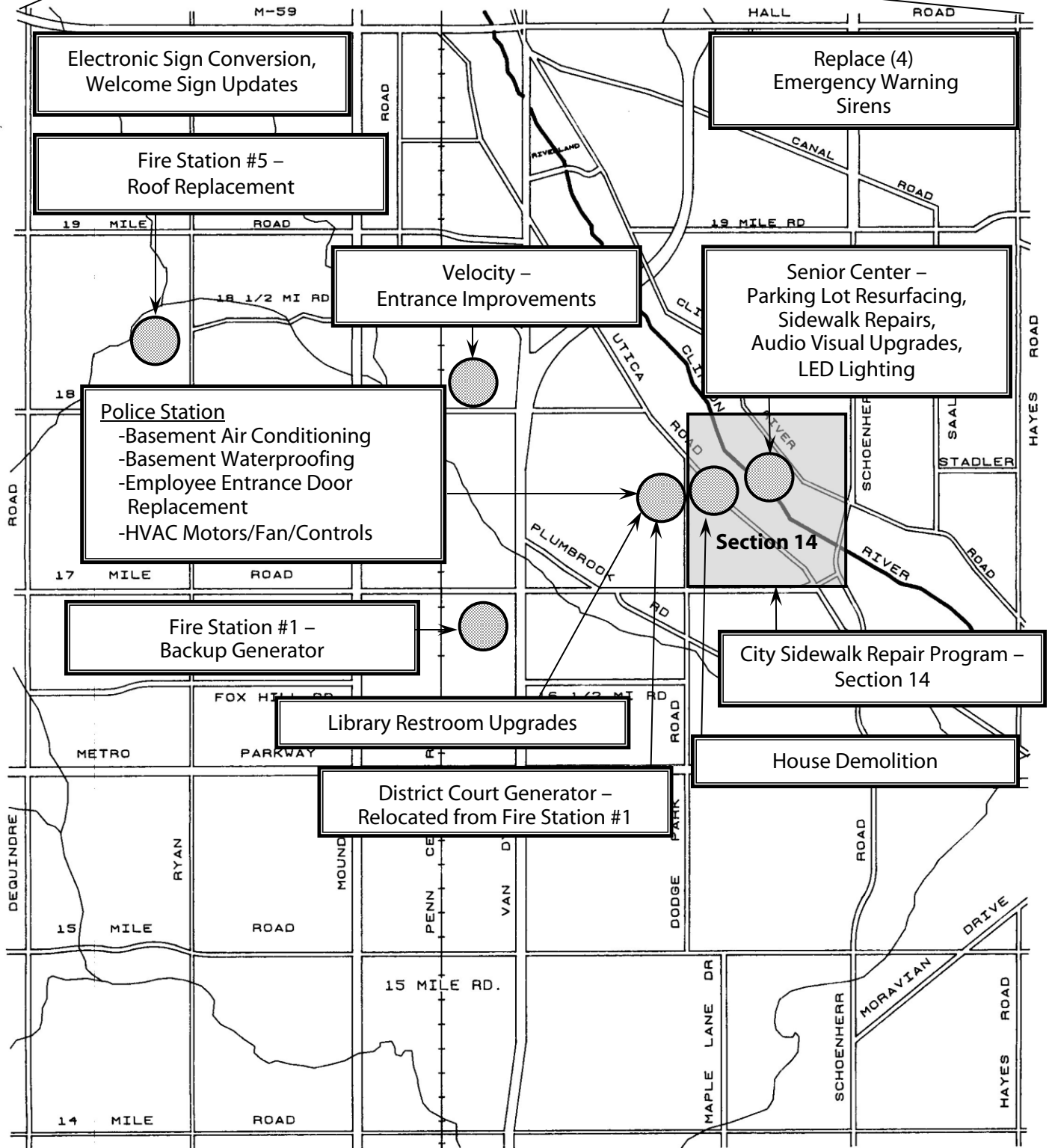
CAPITAL IMPROVEMENTS

[illegible]

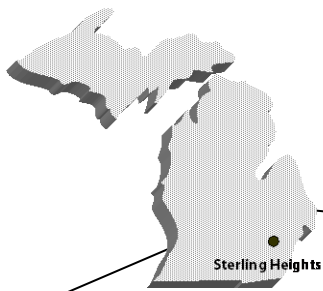


2016/17 MUNICIPAL FACILITIES

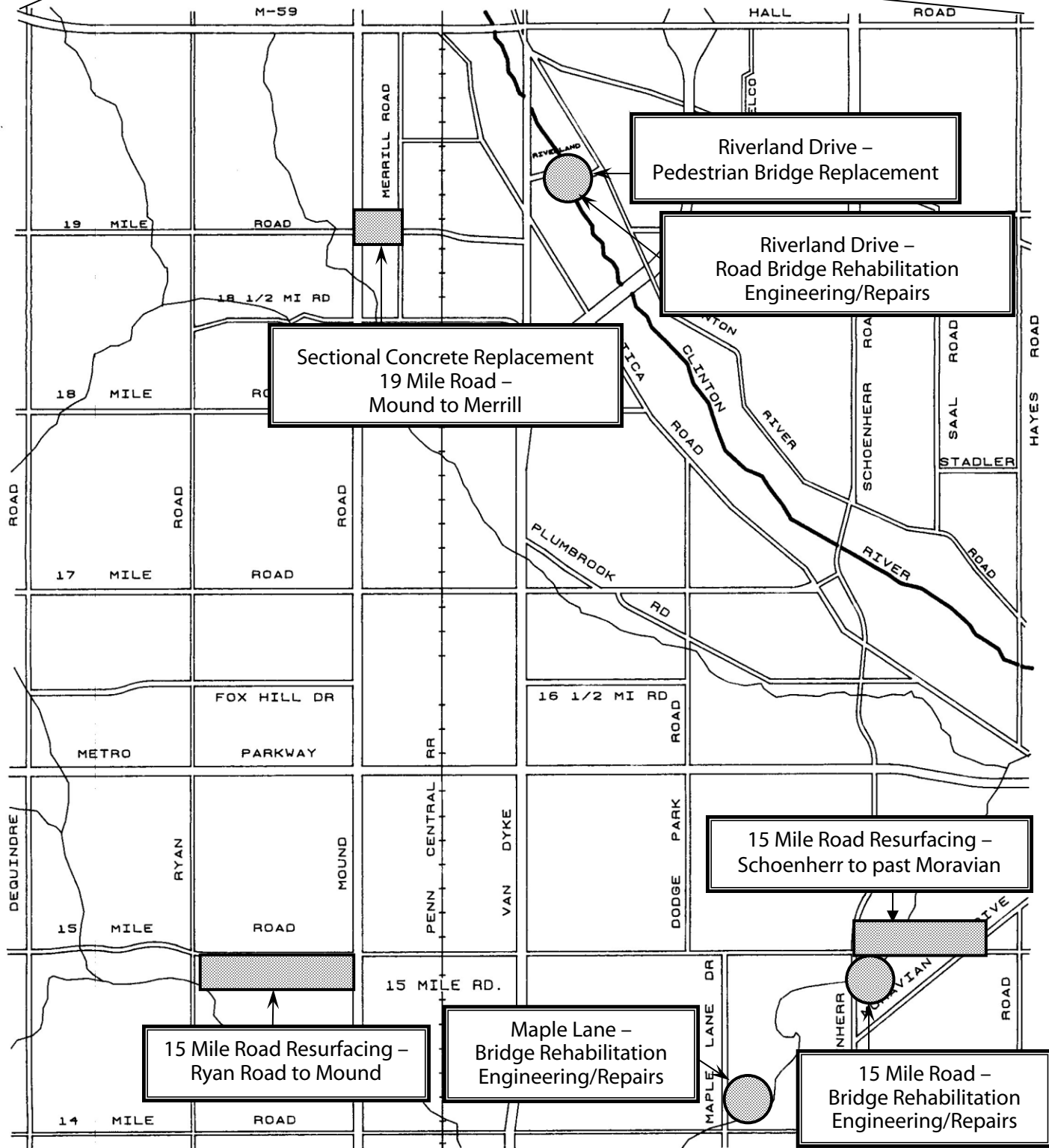
City Sidewalk
Gap Completion Program



2016/17 MAJOR ROADS



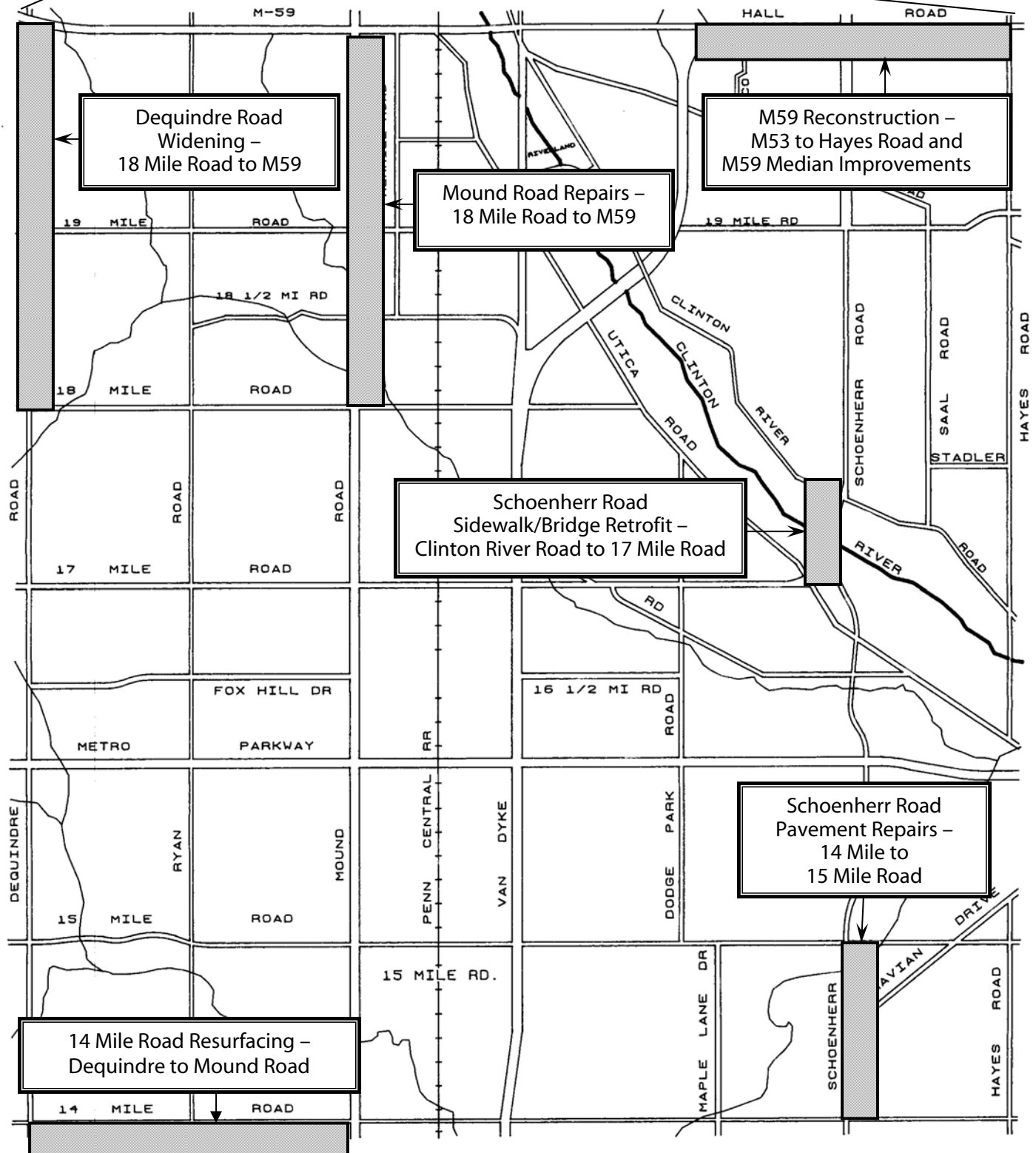
Miscellaneous Traffic Signals



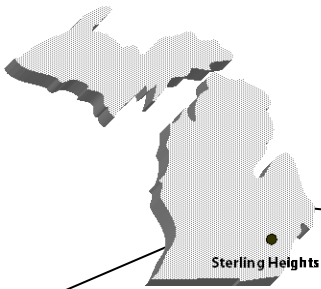


2016/17 COUNTY & STATE ROAD PLANS

Miscellaneous Traffic Signals

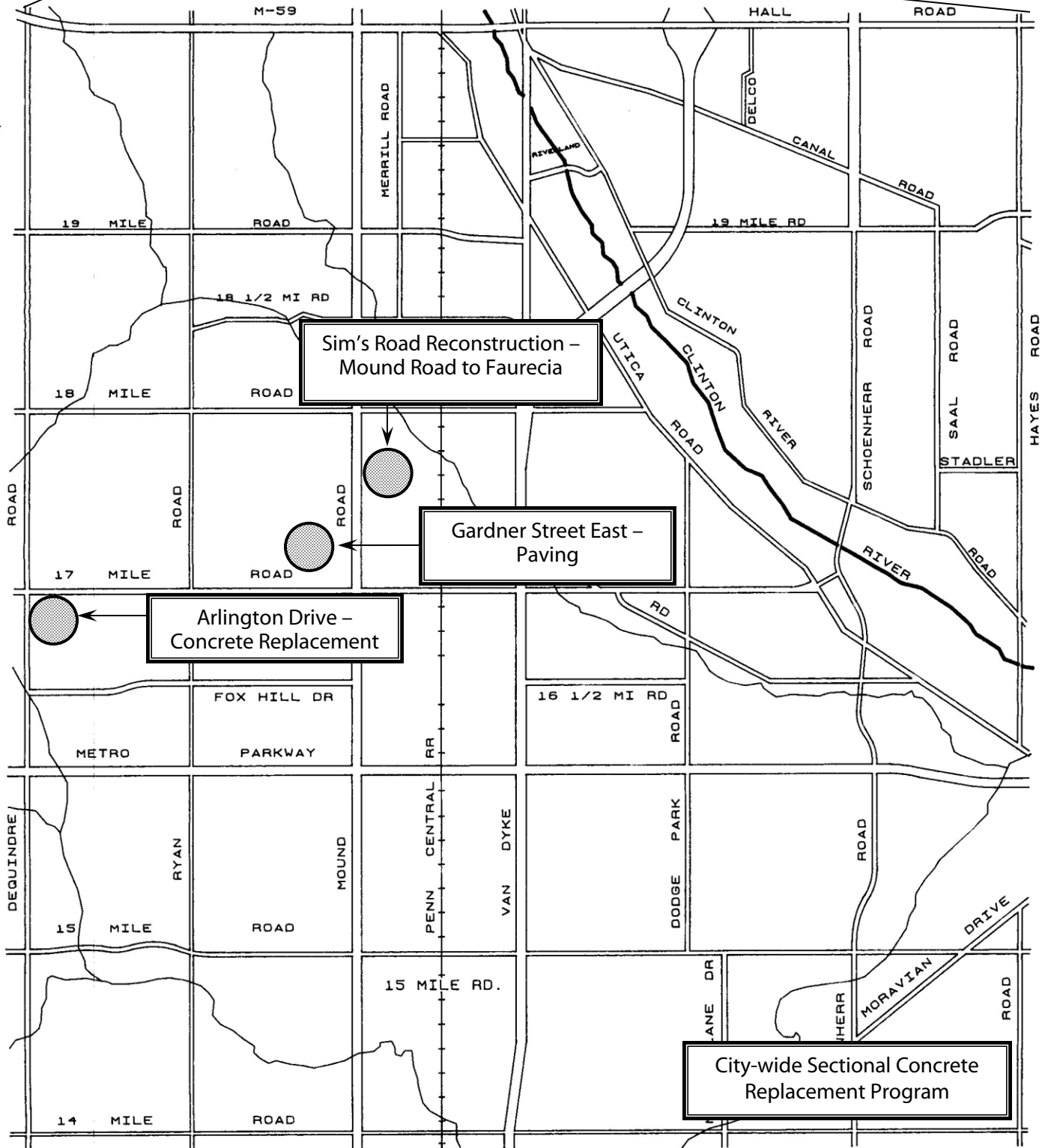


2016/17 LOCAL ROADS



Sterling Heights

Neighborhood Road Repairs – (Safe Streets Proposal)
including: Concrete Reconstruction and Miscellaneous
Sectional Concrete Repairs

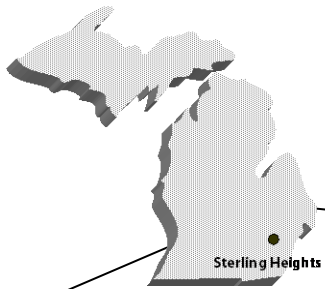


Sim's Road Reconstruction –
Mound Road to Faurecia

Gardner Street East –
Paving

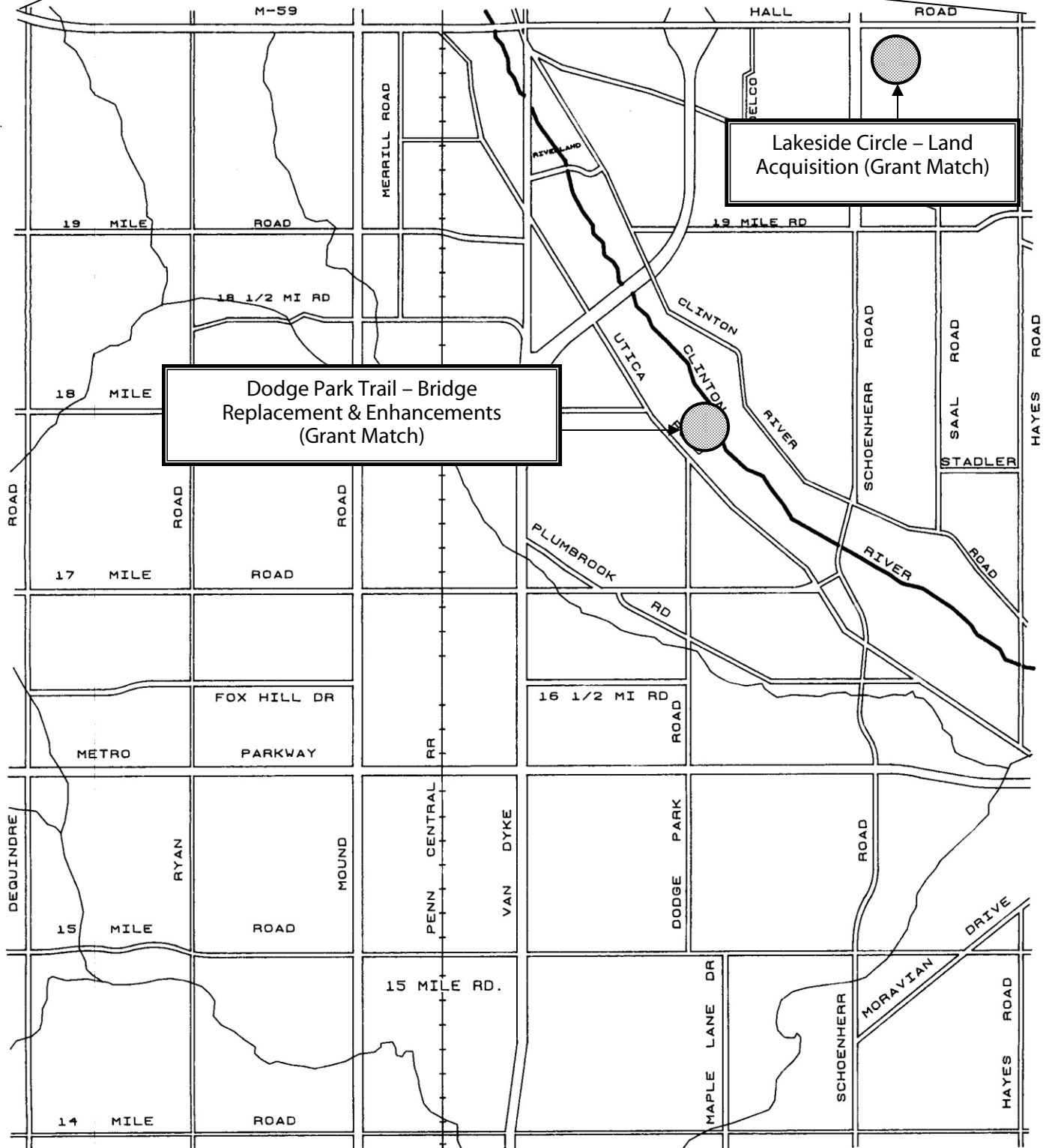
Arlington Drive –
Concrete Replacement

City-wide Sectional Concrete
Replacement Program

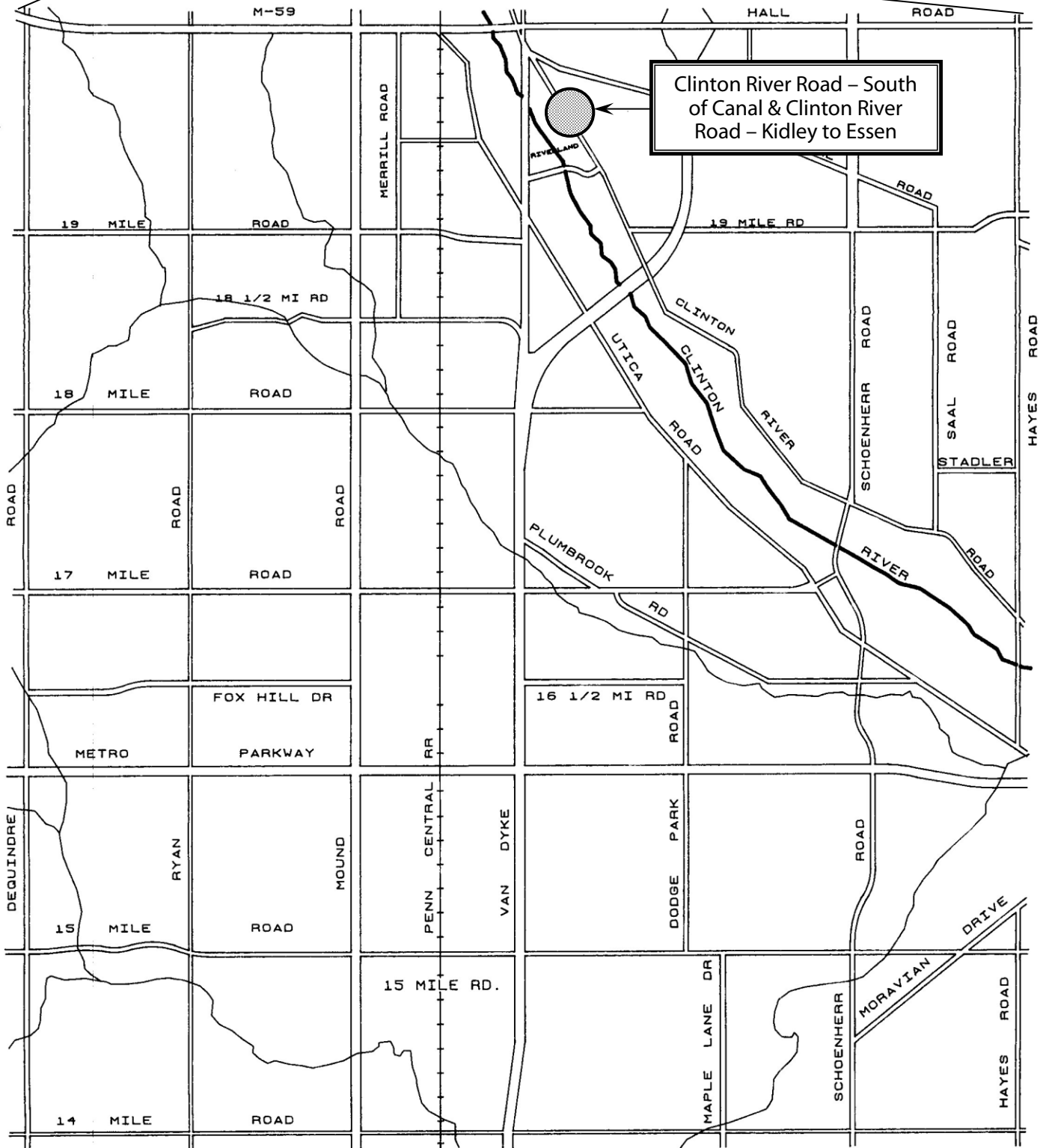
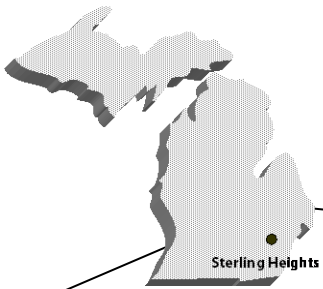


2016/17 MUNICIPAL PARKLANDS

Dog Park – Local Grant Match
Location TBD

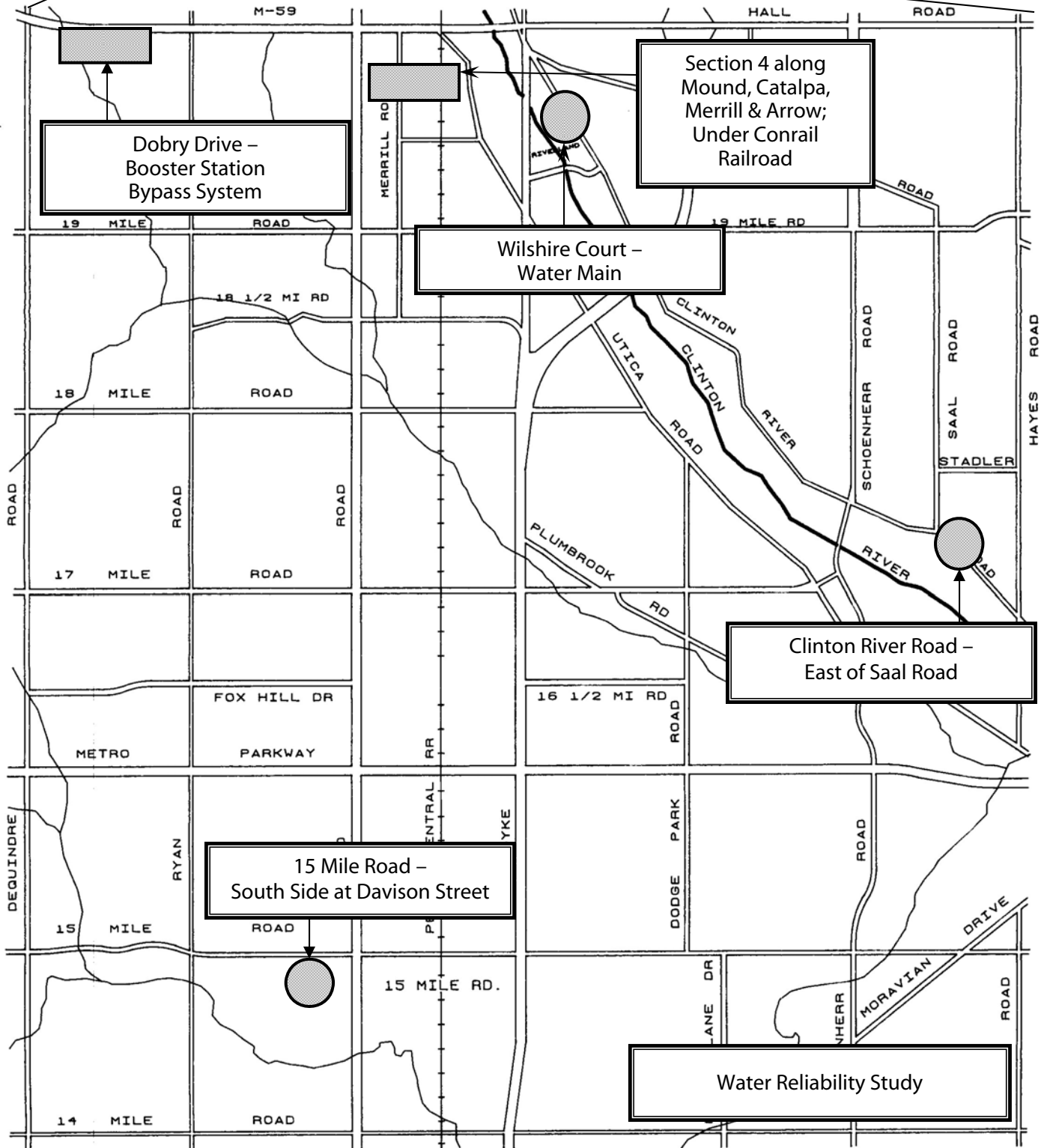


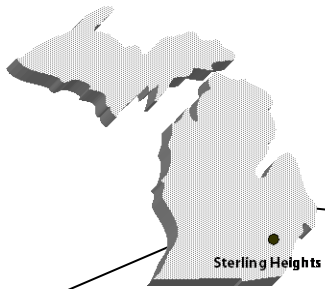
2016/17 SANITARY SEWERS



2016/17 WATER MAINS

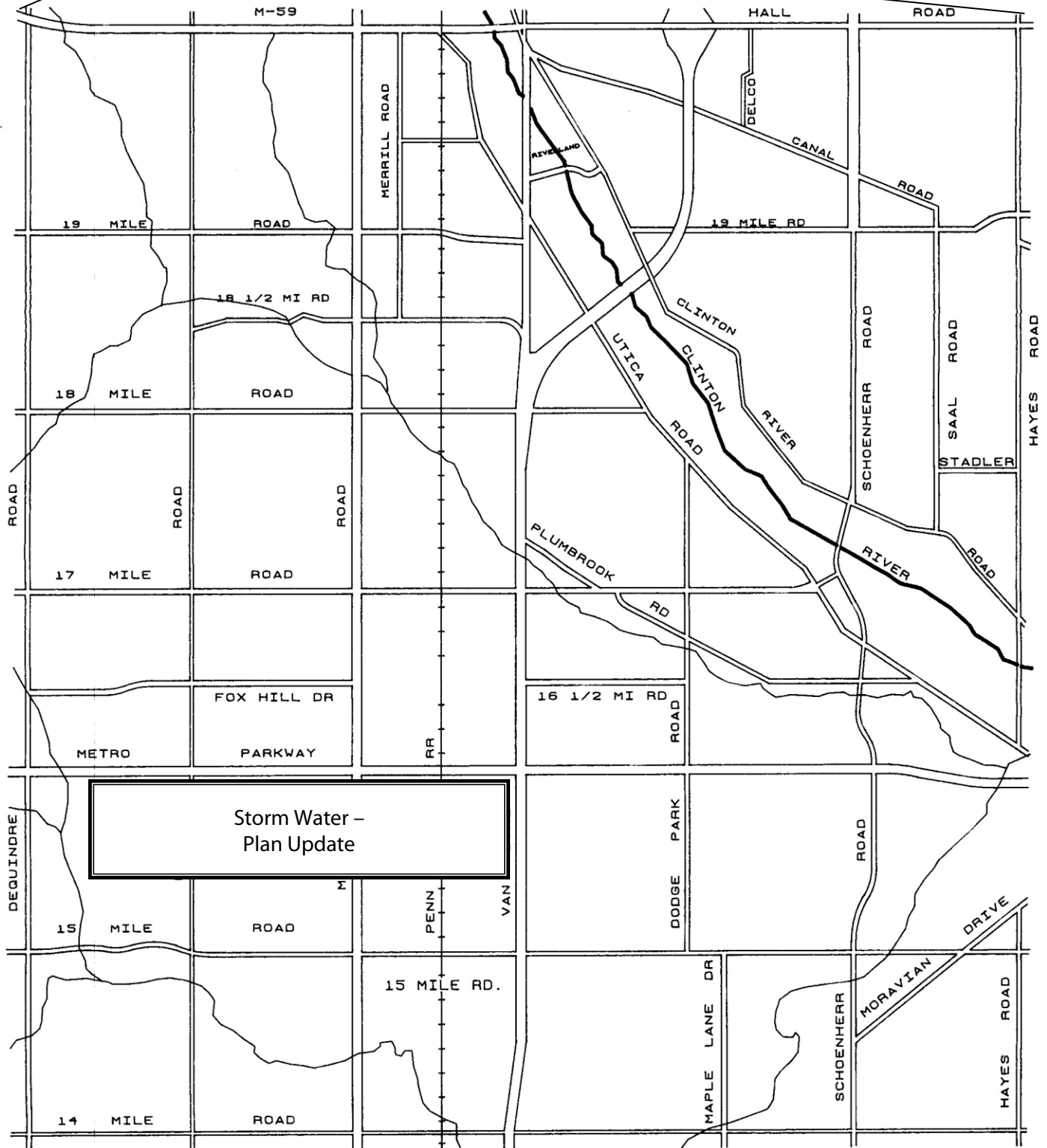
Fire Hydrant Replacement/
Gatewell Valve Maintenance Program





2016/17 STORM DRAINS

Storm Drain Maintenance – County



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Taxes	\$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	\$62,231,352
Fees & Permits	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	1,800,968
Federal Sources	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	1,456,596
State & Local Sources	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	21,054,148
Fines & Forfeitures	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	2,567,229
Charges For Services	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	10,085,731
Interest Income	1,788,092	2,511,234	2,316,653	1,580,754	582,435	308,422	672,239	58,534	257,632	247,437
Special Assessments	28,017	130,082	92,745	243,123	215,118	203,298	254,977	206,501	314,871	212,828
Rental Income	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	1,829,381
Cable Revenue	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	2,533,069
Reimb of Advance Rd Const	0	0	2,440,414	0	0	0	0	0	0	0
Other	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	1,414,282
Total Revenues	94,442,051	97,784,677	100,374,258	96,896,419	96,041,396	98,364,313	93,876,557	89,998,123	92,782,130	105,433,021
Expenditures										
General Government	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	7,803,567
41A District Court	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	3,087,262
Public Safety	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	49,752,772
Public Works	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	21,450,688
Recreation & Culture	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	4,189,468
General Expenditures	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	1,119,452
Capital Outlay	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	14,388,416
Debt Service - Principal	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	2,620,000
Debt Service - Interest	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	628,563
Total Expenditures	97,266,709	113,819,730	102,118,193	109,330,718	110,794,155	101,027,192	99,372,874	92,423,943	97,032,894	105,040,188
Other Financing Sources										
Long-term Financing	0	7,900,000	5,000,000	3,260,000	3,810,000	0	3,780,000	3,275,000	0	198,633
Proceeds-Sale of Fixed Assets	550,074	0	0	149,466	115,724	0	0	0	0	0
Bond Premium	0	26,815	50,143	0	33,935	0	274,196	9,311	0	0
Payments to Escrow Agents	0	0	0	0	(2,200,000)	0	(3,950,000)	(3,100,000)	0	0
Transfers In	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	13,594,435
Transfers Out	(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)	(10,494,435)
Total Other Fin. Sources	2,410,074	17,704,135	6,568,483	6,316,446	12,897,244	0	104,196	2,842,516	1,372,830	3,298,633
Net Change in Fund Balance	(\$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)	\$3,691,466

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget
City Council	\$134,150	\$132,600	\$129,410	\$131,330	\$127,360	\$137,050	\$142,170
City Management	970,180	975,970	1,092,740	848,150	929,190	1,006,370	1,137,530
Public Services	339,940	0	0	0	0	0	0
City Clerk	778,610	693,460	666,050	542,500	707,340	771,890	854,660
Facilities Maintenance	1,311,110	1,358,360	987,750	0	0	0	0
Information Technology	1,107,470	880,370	959,460	871,860	878,360	908,880	908,010
Assessing	868,780	906,340	761,840	827,390	844,860	880,940	921,780
Financial Services	745,810	749,690	725,110	776,950	868,810	925,800	767,890
Purchasing	369,710	390,590	263,640	274,060	311,350	321,910	318,430
Treasury	1,152,570	1,070,960	1,020,450	1,014,380	1,044,510	1,087,500	1,127,910
Act 78 - Civil Service Commission	30	7,030	0	21,230	28,890	20,470	28,120
General Employees Pension Board	70,770	85,150	70,670	73,800	59,490	78,790	55,110
Legal	740,410	799,720	765,090	678,690	777,680	775,000	825,000
Total City Administration Dept.	8,589,540	8,050,240	7,442,210	6,060,340	6,577,840	6,914,600	7,086,610
Library	2,637,150	2,544,980	2,450,830	2,335,380	2,408,630	2,604,180	2,630,590
Historical Commission	690	310	410	370	370	570	580
Total Library Department	2,637,840	2,545,290	2,451,240	2,335,750	2,409,000	2,604,750	2,631,170
Parks & Recreation	1,965,270	1,943,880	1,888,710	1,666,740	1,780,470	1,874,390	1,957,950
Total Parks & Recreation Dept.	1,965,270	1,943,880	1,888,710	1,666,740	1,780,470	1,874,390	1,957,950
Police Administration	2,990,520	3,042,380	3,099,570	2,988,410	3,611,950	4,943,080	5,030,990
Police Investigations	6,176,120	6,268,090	5,738,130	5,624,610	5,857,000	6,087,200	6,532,510
Police Operations	19,679,700	19,971,990	19,501,000	19,602,490	19,741,950	21,343,050	21,699,180
Police Support Services	3,502,360	3,546,890	3,282,000	3,283,070	2,944,840	1,575,350	1,512,520
Emergency Management	134,990	151,390	0	0	0	0	0
Total Police Department	32,483,690	32,980,740	31,620,700	31,498,580	32,155,740	33,948,680	34,775,200
Fire Administration	1,431,620	1,535,680	1,414,940	1,469,690	1,387,650	1,623,390	1,379,040
Fire Extinguishment	16,009,530	16,830,110	14,742,310	14,806,220	15,180,830	14,711,850	14,890,860
Fire Prevention	918,880	749,770	725,770	802,540	800,950	1,060,650	1,056,350
Total Fire Department	18,360,030	19,115,560	16,883,020	17,078,450	17,369,430	17,395,890	17,326,250

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2010/11 Actual	2011/12 Actual	2012/13 Actual	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Budget
Fleet Maintenance	2,722,390	2,655,030	2,790,250	2,857,030	2,780,650	2,920,420	2,740,180
Parks & Grounds Maintenance	1,385,790	1,150,800	1,110,640	1,318,490	1,358,400	1,321,070	1,378,910
Public Works Center	285,890	237,750	233,330	270,850	278,640	277,840	256,000
Street Services	1,986,930	1,772,690	1,743,280	2,170,820	2,270,740	2,273,490	2,203,380
Total Public Works Department	6,381,000	5,816,270	5,877,500	6,617,190	6,688,430	6,792,820	6,578,470
Refuse Collection	4,450,360	4,605,880	4,672,020	4,697,630	4,744,360	4,817,150	4,494,150
Total Refuse Collection	4,450,360	4,605,880	4,672,020	4,697,630	4,744,360	4,817,150	4,494,150
Building & Facilities Maintenance	1,632,160	1,373,570	1,373,140	1,781,940	1,893,630	1,907,630	1,978,800
Economic Development	167,830	367,830	285,330	257,590	291,910	314,510	317,510
Engineering	1,534,690	1,494,210	1,139,250	1,172,660	1,291,350	1,350,000	1,343,450
Foreclosure Relief	87,470	77,310	4,410	0	0	0	0
Neighborhood Services	63,270	417,580	346,260	1,278,550	1,318,560	1,542,960	1,515,250
Planning	367,020	483,010	237,210	104,560	177,000	315,020	159,370
Planning Commission	5,580	4,570	4,390	3,810	4,500	4,710	5,790
Zoning Board of Appeals	6,570	5,330	3,750	2,900	5,540	4,280	5,390
Component Unit Funding	0	0	0	0	300,000	300,000	300,000
Total City Development Dept.	3,864,590	4,223,410	3,393,740	4,602,010	5,282,490	5,739,110	5,625,560
Community Relations	1,470,780	1,033,780	931,910	856,950	933,490	1,035,710	1,090,310
Arts Commission	10	50	0	50	0	50	50
Beautification Commission	1,020	400	480	680	320	710	720
Total Community Relations Dept.	1,471,810	1,034,230	932,390	857,680	933,810	1,036,470	1,091,080
41-A District Court	3,246,810	3,252,850	3,258,360	3,078,770	3,087,260	3,202,320	3,271,140
General Expenditures	2,519,540	2,657,510	2,238,910	2,167,780	1,116,140	1,216,150	1,238,270
Transfers Out	1,509,940	1,010,670	954,090	1,081,460	8,144,440	6,021,320	5,995,500
Total General Fund	\$87,480,420	\$87,236,530	\$81,612,890	\$81,742,380	\$90,289,410	\$91,563,650	\$92,071,350

**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
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%
2015	7,539,734	90,289,405	8.35%

(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)
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%
2015	3,564,635,642	714,092,150	4,278,727,792	50%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 2005 TVs (stated above in the 2006 row) were used to generate tax revenue for the year ended June 30, 2006.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

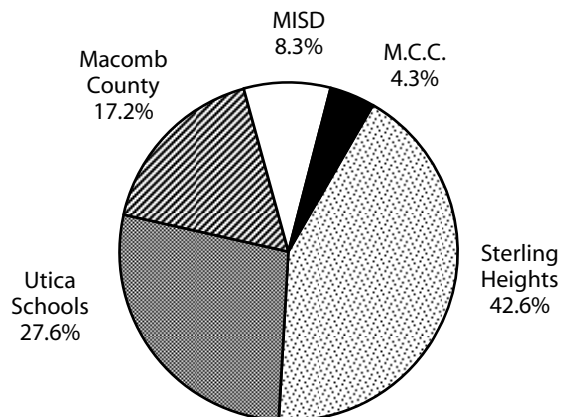
HOMESTEAD PROPERTY TAX RATES **DIRECT AND OVERLAPPING GOVERNMENTS** **(PER \$1,000 OF TAXABLE VALUATION)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City of Sterling Heights										
Operating (1)	8.76420	8.97760	9.22560	9.17770	8.71800	10.18110	9.66170	9.14280	9.47030	9.37010
Refuse	0.82660	0.81420	0.80570	0.83810	0.87170	0.94740	0.99990	1.08380	1.08790	1.12670
Police & Fire Pension	0.60490	0.51180	0.31470	0.48530	0.93720	1.23880	1.66940	2.06690	1.82250	1.92380
Public Improvements	0.18800	0.18750	0.17920	0.06670	0.03460	0.06840	0.08130	0.09030	0.10180	0.10470
Drain	0.24130	0.23390	0.19980	0.21800	0.22430	0.25010	0.27350	0.30200	0.20330	0.16050
Safe Streets	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	2.50000
Total	10.62500	10.72500	10.72500	10.78580	10.78580	12.68580	12.68580	12.68580	12.68580	15.18580
Overlapping Governments										
Macomb County	4.20580	4.20550	4.20550	4.20550	4.57350	4.57350	4.57350	4.57350	4.57350	4.57350
Utica Comm. Schools	3.50000	3.50000	3.50000	3.50000	3.50000	3.75000	3.85000	3.85000	3.85000	3.85000
Warren Consol. Schools	9.99300	9.82940	9.23580	8.41520	8.92780	10.25900	10.84210	11.36240	11.38290	10.76030
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	1.42120	1.42120	1.42120	1.42120	1.42120	1.42120	1.57120	1.57120	1.53120	1.52620
M.I.S.D.	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300
Huron/Clinton Metro Auth.	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460
S.M.A.R.T.	0.59120	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000	1.00000
County Zoo Authority	0.00000	0.00000	0.00000	0.10000	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	0.20000	0.20000	0.20000
Veterans Operations	0.00000	0.00000	0.00000	0.04000	0.04000	0.04000	0.04000	0.04000	0.04000	0.04000
Total	29.50080	29.59930	29.59930	29.80010	30.16810	32.31810	32.56810	32.76810	32.72810	35.63310
Utica Schools (2)	29.50080	29.59930	29.59930	29.80010	30.16810	32.31810	32.56810	32.76810	32.72810	35.63310
Total										
Warren Schools (2)	35.99380	35.92870	35.33510	34.71530	35.59590	38.82710	39.56020	40.28050	40.26100	42.54340

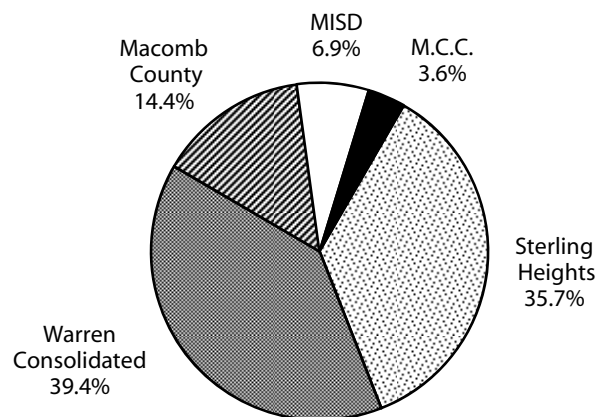
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) Sterling Heights taxable valuation is based on 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2015.

City of Sterling Heights **2014/15 Distribution of Homestead Taxes**



Utica Community Schools

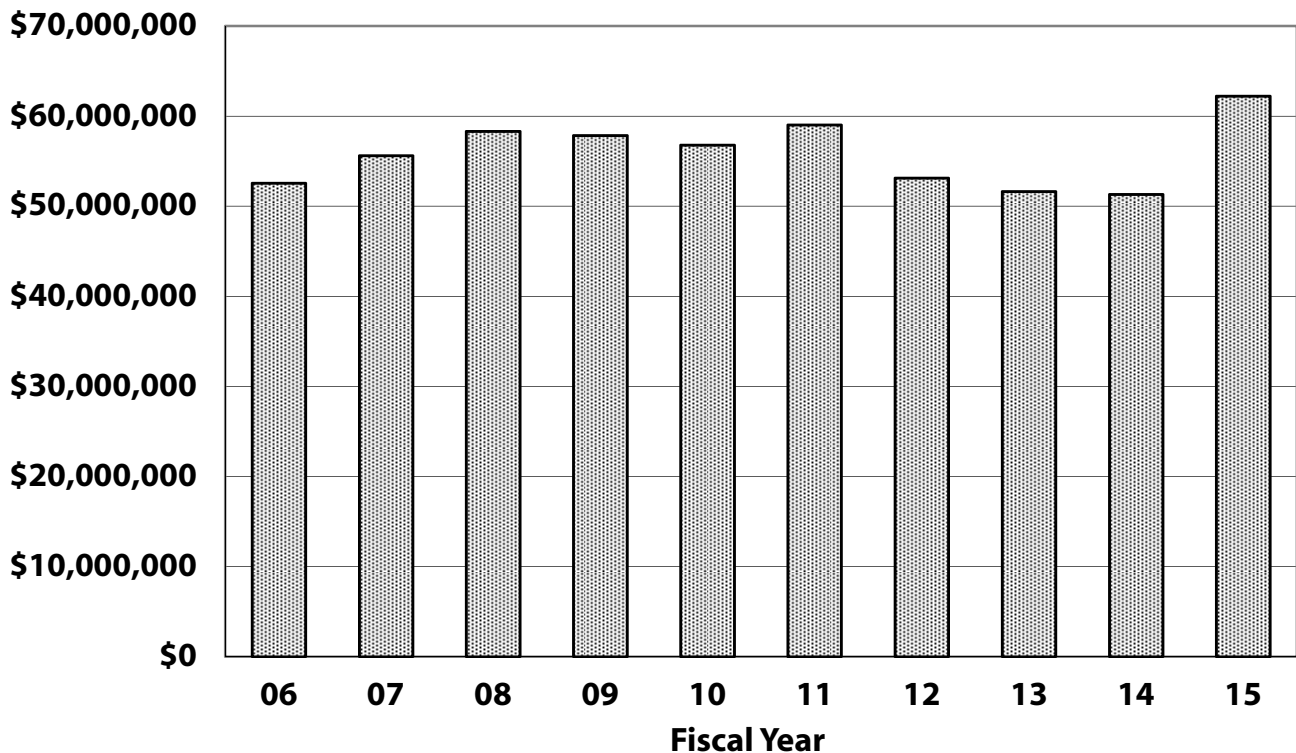


Warren Consolidated Schools

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Property Taxes					Local Rds Prop Taxes	Debt Service Funds Prop Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Safe Streets	Total	Safe Streets	General Drain	Voted Tax General Obligation	Total	
2006	43,370,304	4,070,410	2,993,592	0	50,434,306	0	1,202,642	937,052	2,139,694	52,574,000
2007	46,585,168	4,205,469	2,646,459	0	53,437,096	0	1,214,130	973,391	2,187,521	55,624,617
2008	50,198,476	4,359,680	1,707,910	0	56,266,066	0	1,089,261	976,355	2,065,616	58,331,682
2009	49,275,429	4,476,793	2,594,194	0	56,346,416	0	1,169,602	359,924	1,529,526	57,875,942
2010	45,954,154	4,561,110	4,925,570	0	55,440,834	0	1,178,018	182,454	1,360,472	56,801,306
2011	47,431,652	4,377,125	5,753,668	0	57,562,445	0	1,164,592	318,171	1,482,763	59,045,208
2012	40,120,585	4,376,626	7,157,201	0	51,654,412	0	1,150,140	345,161	1,495,301	53,149,713
2013	37,142,292	4,403,288	8,529,892	0	50,075,472	0	1,224,522	365,934	1,590,456	51,665,928
2014	38,262,436	4,400,850	7,444,408	0	50,107,694	0	823,757	412,574	1,236,331	51,344,025
2015	38,380,857	4,615,657	7,905,424	6,969,239	57,871,177	3,271,161	658,448	430,566	1,089,014	62,231,352

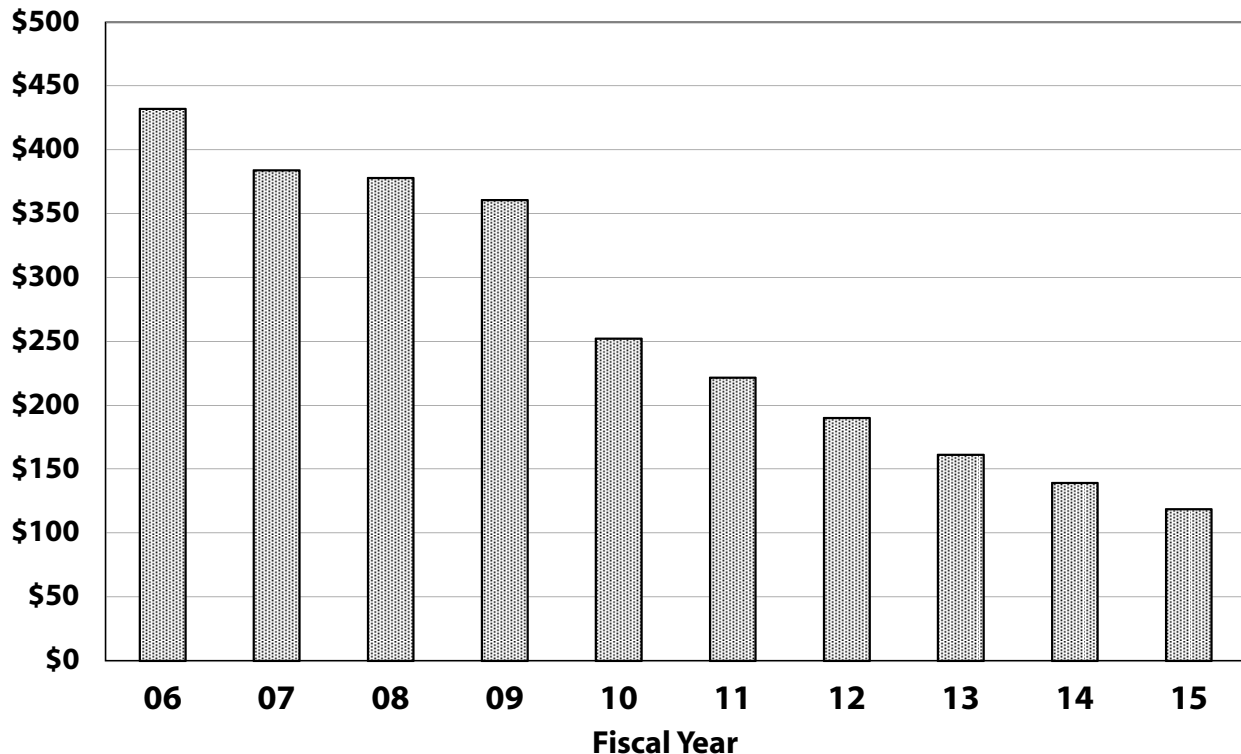
Property Tax Revenue



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			
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	5,777,683	8,811,416	2,700,000	775,000	34,264,780	2,548,452	11,703,389	66,580,720	2.12%	129,699	139.28
2015	5,253,950	7,465,086	2,550,000	150,000	33,071,724	4,098,344	17,592,684	70,181,788	2.23%	129,699	118.88

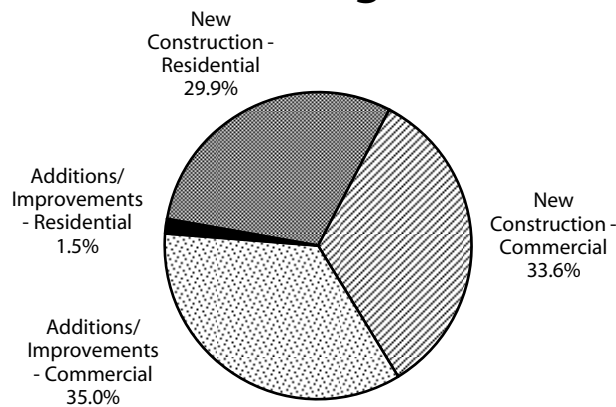
Outstanding Debt Per Capita



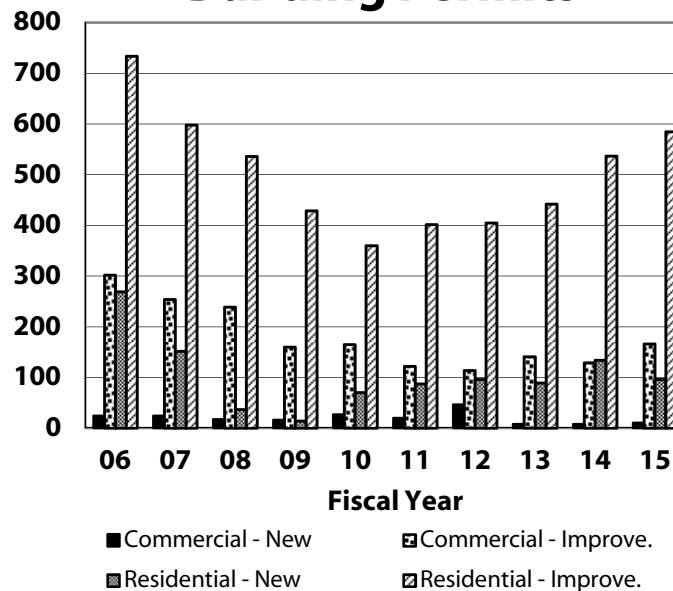
BUILDING PERMITS AT MARKET VALUE LAST TEN FISCAL YEARS

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	
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
2015	96	22,656,130	585	1,126,895	23,783,025	10	25,455,891	166	26,570,017	52,025,908

Market Value of 2015 Building Permits



Building Permits



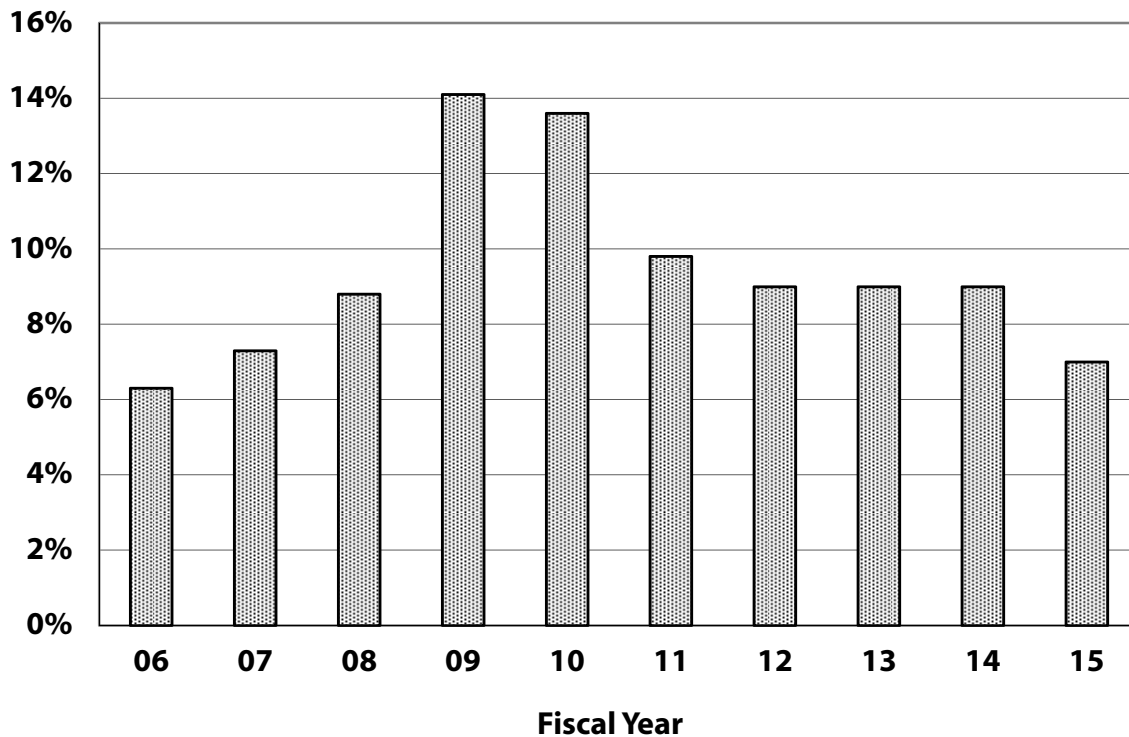
DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

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					
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%
2015	129,699 (1)	40-44	86.4%	22.9%	25,194	3,140,402	49,576	53,390	7.0%

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 Technology, Management & Budget

City of Sterling Heights Unemployment Rate



2016/17 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2014/15 Actual	2015/16 Budget	2015/16 To 12/31	2015/16 Estimate	2016/17 Budget
	Supplies					
729.000	Postage	\$554	\$650	\$0	\$650	\$650
751.000	Operating Supplies	245	160	278	280	200
758.000	Computer Software	<u>0</u>	<u>0</u>	<u>3,468</u>	<u>3,470</u>	<u>0</u>
	Total Supplies	799	810	3,746	4,400	850
	Other Charges					
802.000	Audit & Accounting Services	24,892	25,000	25,121	28,000	25,000
806.000	Legal Services	13,448	12,000	0	12,000	12,000
807.000	Medical Services	725	1,000	0	0	2,000
826.000	Other Contracted Services	1,032,585	1,460,000	647,506	1,300,000	1,400,000
903.000	Printing	173	200	41	200	200
922.000	Telephone	339	360	178	360	420
957.000	Memberships & Dues	100	100	100	100	100
959.000	Education & Training	<u>3,838</u>	<u>7,550</u>	<u>3,475</u>	<u>7,550</u>	<u>8,000</u>
	Total Other Charges	1,076,100	1,506,210	676,421	1,348,210	1,447,720
	Capital Outlay					
979.000	Computer Equipment	<u>1,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	Total Capital Outlay	1,500	0	0	0	0
Total Activity		\$1,078,399	\$1,507,020	\$680,167	\$1,352,610	\$1,448,570

NOTE: The "2014/15 Actual" & "2015/16 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	6/30/2018	84	
Technical/Office - MAPE	6/30/2018	58	27*
DPW Field - Teamsters Local 214	6/30/2017	52	
Police Command Officers - COA	6/30/2018	33	
Professional/Technical - UAW Local 412	6/30/2016	27	13
Court Clerical - AFSCME Local 1884	6/30/2018	18	7
Police Clerical - MAP	6/30/2016	20	
Supervisory - MAPE	6/30/2018	11	
Executive Group - SHEG	6/30/2018	9	
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	2	

* Includes eight 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.....	\$164,500
Total Housing Units.....	51,714
Houses.....	34,183
Condominiums	6,567
Apartments	9,257
Mobile Homes	1,707

Major Employers

Company/Employees	
Fiat Chrysler Automobiles.....	4,000
Ford Motor Company	3,600
General Dynamics.....	2,000
Lakeside Associates.....	2,000
Utica Community Schools	1,150
Detroit Media Partnership	1,000
KUKA Systems Corporation	1,000
Warren Consolidated Schools	790
U.S. Farathane Corporation	750
Henry Ford Health System	600

Employment Status²

Population 16 years & over	107,272
In labor force	68,287
Civilian labor force	68,203
Employed	61,217
Unemployed	6,986
Percent of civilian labor force	10.2
Armed Forces.....	84
Not in labor force	38,985

Occupation²

Employed civilian population 16 yrs. & over	61,217
Management, professional & related occupations.....	22,086
Service occupations	10,700
Sales & office occupations	15,888
Natural resources, construction, & maintenance occupations	3,762
Production, transportation & material moving occupations	8,781

Industry²

Agriculture, forestry, fishing and hunting, & mining	120
Construction	2,399
Manufacturing.....	12,213
Wholesale trade	1,394
Retail trade.....	7,976
Transportation and warehousing & utilities.....	2,162
Information.....	1,141
Finance, insurance, real estate & rental and leasing	3,568
Professional, scientific, management, administrative & waste management.....	5,849
Educational, health & social services.....	12,529
Arts, entertainment, recreation, accommodation & food services	5,761
Other services (except public administration)...	3,450
Public administration.....	2,655

School Enrollment²

Population 3 yrs. & over enrolled in school	32,590
Nursery school, preschool.....	1,619
Kindergarten.....	1,312
Elementary (grades 1-8).....	12,304
High School (grades 9-12)	7,050
College or graduate school	10,305

Streets & Sidewalks

Miles of City Streets:	
Primary	63
Secondary	286
Estimated Sidewalks in Miles	614
Bridges	11
Street Lights	2,535

Police Protection

Group A offenses ³	2,885
Group B offenses ⁴	2,867
Injury Accidents	952
Property Damage	3,625
Private Property Damage	700
Total Traffic Violations	31,777
Civil Infractions	27,031
Parking Violations	1,282
Adult Arrests	3,882
Juvenile Arrests	219
OUIL Arrests	204

Fire Protection

Stations	5
Emergency Alarms Answered	13,588
Medical Emergencies	10,253
Fire Inspections Conducted	863
Inspection Violations Issued	945
Training Hours Completed	26,086

41-A District Court

Cases Handled:	
Civil	2,652
Criminal	4,279
Traffic	25,887
Landlord & Tenant	2,223
Small Claims	333

Election Data

Registered Voters	87,655
Voters at Polls	26,444
Absentee Ballots	11,862
Percent Voting	43.00%

Parks & Recreation

Acres	820
Developed Parks	28
Adult Athletics Attendance	19,006

Instructional Rec. Attendance	23,566
Nature Program Attendance	15,079
Senior Program Attendance	97,769
Special Event Attendance	80,680
Summer Playground Attendance	12,765
Special Rec. Program Attendance	8,847

Library

Registered Borrowers	48,490
Book Collections	196,437
Other Collections ⁵	57,623
Items Circulated	536,038
Reference Transactions	65,368
Program Attendance	16,322
Library Visits	376,007
Interlibrary Loan Requests	80,545
Book Van Deliveries	3,259
Online Computer Users	1,216,053

Water & Sewer Services

Customers:	
Residential	35,223
Commercial/Industrial	4,274
Miles of Water Mains	576
Miles of Sanitary Sewers	430
Fire Hydrants	7,281
Water (in thousand cubic feet):	
Purchased from Detroit	603,378
Sold to Residents	602,994
Rates:	
1,000 Cubic Feet (water and sewer)	\$55.37
Sewer Only – Per Billing	\$70.00

¹ Source: U.S. Census Bureau, Census 2010

² Source: 2014 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. 446**

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 2016/17; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2016/17; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2016/17.

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, 2016 through June 30, 2017. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2016/17.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net General Tax Revenue	~~\$39,403,810~~	38,313,350	
Licenses and Permits	2,095,000		
State and Local Returns	~~14,058,580~~	14,937,250	
Fines and Forfeitures	2,690,000		
Charges for Services	10,011,620		
Other Revenue	2,853,840		
Cable Revenue	2,625,000		
Use of Fund Balance	<u>0</u>		

Total General Revenue		~~73,737,850~~	73,526,060

Refuse Tax Revenue	~~4,650,190~~	4,469,150	
Police & Fire Pension Tax Revenue	7,994,750		
Safe Streets Tax Revenue	~~7,012,270~~	6,868,270	
Total Other Tax Revenue		~~19,657,210~~	19,332,170
Total Revenues		~~93,395,060~~	92,858,230

OTHER FINANCING SOURCES

Transfers In	<u>0</u>		
Total Other Financing Sources		<u>0</u>	

Total Revenues & Other Financing Sources		<u>~~\$93,395,060~~</u>	<u>\$92,858,230</u>

and does hereby designate ~~\$39,413,810~~ \$38,323,350 to be raised by ~~9.5074~~ 9.4856 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 \$7,994,750 to be raised by ~~1.9382~~ 1.9788 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 ~~\$4,650,190~~ \$4,469,150 to be raised by ~~1.1274~~ 1.1062 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 ~~\$7,012,270~~ \$6,868,270 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	\$7,086,610		
Public Library Department	2,631,170		
Parks & Recreation Department	1,957,950		
Police Department	34,775,200		
Fire Department	17,326,250		
Public Works Department	6,578,470		
Refuse Collection	~~4,675,190~~	4,494,150	
City Development Department	5,625,560		
Community Relations Department	1,091,080		
41-A District Court	3,271,140		
General Expenditures	1,238,270		
Contribution to Fund Balance	<u>~~1,142,670~~</u>	786,880	
Total Expenditures		<u>87,399,560</u>	86,862,730

OTHER FINANCING USES

Transfers Out	<u>5,995,500</u>		
Total Other Financing Uses		<u>5,995,500</u>	

Total General Fund		<u>\$93,395,060</u>	<u>\$92,858,230</u>

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES

Operating Revenues	\$46,882,890
Use of Net Assets	<u>391,620</u>

Total Operating Revenues	<u>\$47,274,510</u>

OPERATING EXPENSES

Administration	\$4,099,270
Water Distribution	18,038,510
Sewage Collection	<u>25,136,730</u>

Total Water & Sewer Operating Fund	<u>\$47,274,510</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, 2016.

WATER RATES

Consumption Charges Per Billing Period:	Rate Per <u>Thousand Cubic Ft.</u>
First 3,000 cubic feet or less	\$22.67
All over 3,000 cubic feet	28.34
Fixed GLWA fee (single-family residential customers)	\$5.00
Fixed GLWA fee (all other customers)	7.00
 Meter Charges Per Billing Period	
1 ½"	4.90
2"	12.69
3"	23.28
4"	30.54
6"	48.32
8"	76.95
10"	101.07
16"	115.50

SEWER RATES

This charge shall be based on the amount of water used per billing period:	Rate Per <u>Thousand Cubic Ft.</u>
Per 1,000 cubic feet	\$39.92
Fixed Macomb County fee (single-family residential customers)	\$6.25
Fixed Macomb County fee (all other customers)	9.00

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 900 cubic feet of water usage per billing cycle. There will be an \$80.00 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**

Fund Balance	~~\$869,070~~	\$1,032,310	
Federal Grants	0		
State Sources	7,131,000		
Other Revenue	<u>168,000</u>		
Total Revenues		~~8,168,070~~	8,331,310

OTHER FINANCING SOURCES

Transfer from General Fund	<u>500,000</u>		
Total Other Financing Sources		<u>500,000</u>	

Total Revenues & Other Financing Sources

\$8,668,070 **\$8,831,310**

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Administration Expenses	\$131,070		
Major Street Maintenance	2,637,000		
Major Street Improvements	~~2,900,000~~	3,138,000	
Contribution to Fund Balance	<u>0</u>		
Total Expenditures		~~5,668,070~~	5,906,070

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	~~2,000,000~~	1,925,240	
Transfer to Local Road Fund	<u>1,000,000</u>		
Total Other Financing Uses		<u>3,000,000</u>	2,925,240

Total Major Road Fund

\$8,668,070 **\$8,831,310**

Sec. 2.04**LOCAL ROAD FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Net Property Taxes	~~\$3,301,200~~	\$3,233,330	
State Sources	~~2,776,000~~	2,640,000	
Charges for Services	36,000		
Other Revenue	<u>10,470</u>		
Total Revenues		~~6,123,670~~	5,919,800

OTHER FINANCING SOURCES

Transfer from General Fund	400,000		
Transfer from Major Road Fund	<u>1,000,000</u>		
Total Other Financing Sources		<u>1,400,000</u>	

Total Revenues & Other Financing Sources

\$7,523,670 **\$7,319,800**

and does hereby designate ~~\$3,300,000~~ \$3,232,130 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	\$155,070		
Local Street Maintenance	1,848,000		
Local Street Improvements	4,794,000		
Contribution to Fund Balance	<u>726,600</u>	522,730	
Total Expenditures		<u>7,523,670</u>	7,319,800

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	<u>0</u>		
Total Other Financing Uses		<u>0</u>	

Total Local Road Fund

\$7,523,670 **\$7,319,800**

Sec. 2.05**LAND & WATER CONSERVATION FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$487,400		
Federal & State Sources	0		
Other Revenue	<u>2,600</u>		
Total Revenues		490,000	

OTHER FINANCING SOURCES

Transfer from General Fund	<u>240,000</u>		
Total Other Financing Sources		<u>240,000</u>	

Total Revenues & Other Financing Sources

\$730,000

EXPENDITURES

Land Acquisition	\$65,000		
Land Improvements	<u>665,000</u>		

Total Land & Water Conservation Fund

\$730,000

Sec. 2.06**PUBLIC SAFETY FORFEITURE FUND BUDGET:****REVENUES**

Fund Balance	\$154,650		
Federal Forfeitures	0		
Treasury Forfeitures	0		
State Forfeitures	1,000		
Gambling Forfeitures	0		
Operating While Intoxicated Forfeitures	0		
Act 302 Training Funds	30,800		
Interest Income	<u>410</u>		

Total Revenues

\$186,860

EXPENDITURES

Federal Forfeitures	\$117,320		
Treasury Forfeitures	0		
State Forfeitures	21,240		
Gambling Forfeitures	7,000		
Operating While Intoxicated Forfeitures	10,500		
Act 302 Training Funds	<u>30,800</u>		

Total Public Safety Forfeiture Fund

\$186,860

Sec. 2.07**COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:****REVENUES**

Community Development Block Grant	\$1,165,780	1,182,840

Total Revenues**\$1,165,780****\$1,182,840****EXPENDITURES**

Administrative Expenses	\$157,100	179,370
Books	6,000	6,030
Senior Citizens Home Chore Program	21,000	20,000
Single Parent Education Program	13,000	
Minor Home Repair	26,000	
Handicapped Recreation Program	19,000	
Housing Rehabilitation Program	210,000	
Contributions to Non-Profit Organizations	51,970	55,500
Capital & Other Improvements	661,710	653,940

Total Community Development Block Grant Fund**\$1,165,780****\$1,182,840****Sec. 2.08****CORRIDOR IMPROVEMENT AUTHORITY FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Property Taxes	\$25,170	
Federal Grants	0	
Other Revenue	100	
Total Revenues		25,270

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources**\$25,270****EXPENDITURES**

Miscellaneous	\$0
Contribution to Fund Balance	25,270

Total Corridor Improvement Authority Fund**\$25,270****Sec. 2.09****ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Funding from General Government	\$300,000	
Other Revenue	2,150	
Total Revenues		302,150

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources**\$302,150**

EXPENDITURES

Miscellaneous	\$0
Contribution to Fund Balance	<u>302,150</u>

Total Economic Development Corporation Fund	<u>\$302,150</u>

Sec. 2.10**BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Property Taxes	\$87,600	
Charges for Services	0	
Other Revenue	<u>1,300</u>	
Total Revenues		88,900

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources	<u>\$88,900</u>

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Miscellaneous	\$0	
Contribution to Fund Balance	<u>88,900</u>	
Total Expenditures		88,900

OTHER FINANCING USES

Transfer to General Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Brownfield Redevelopment Authority Fund	<u>\$88,900</u>

Sec. 2.11**LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Federal Grants	\$0	
Property Taxes	862,900	
Other Revenue	<u>141,350</u>	
Total Revenues		1,004,250

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources	<u>\$1,004,250</u>

EXPENDITURES

Incubator Renovations	\$0
Incubator Operations	824,750
SmartZone Improvements	1,000
Contribution to Fund Balance	<u>178,500</u>

Total Local Development Finance Authority Fund	<u>\$1,004,250</u>

Sec. 2.12**GENERAL DRAIN FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Net Drain Tax Revenue	(\$900)	
Delinquents & Penalties	800	
Other Revenue	<u>100</u>	
Total Revenues		0

OTHER FINANCING SOURCES

Bond Proceeds – Refunding	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$0**

EXPENDITURES

Other Charges	\$0
Principal	0
Interest	<u>0</u>

Total Drain Fund **\$0**

Sec. 2.13**VOTED TAX GENERAL OBLIGATION DEBT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Delinquents & Penalties	\$1,050		
Other Revenue	450		
Federal & State Sources	~~19,100~~	24,770	
Net Proposal F Tax Revenue	<u>463,880</u>		
Total Revenues		~~484,480~~	490,150

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>		
Total Other Financing Sources		<u>0</u>	

Total Revenues & Other Financing Sources **\$484,480** **\$490,150**

and does hereby designate \$465,380 to be raised by ~~0.1128~~ 0.1152 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	\$484,480		
Contribution to Fund Balance	<u>0</u>	5,670	

Total Voted Tax General Obligation Debt Fund **\$484,480** **\$490,150**

Sec. 2.14**ROAD BOND DEBT RETIREMENT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Special Assessment Revenue	\$145,450	
Interest Income	91,340	
Federal Interest Rebates	<u>31,340</u>	
Total Revenues		268,130

OTHER FINANCING SOURCES

Transfer from Major Road Fund	~~2,000,000~~	1,925,240
Transfer from Road Bond Construction Fund	<u>0</u>	
Total Other Financing Sources		<u>2,000,000</u> 1,925,240

Total Revenues & Other Financing Sources	<u>~~\$2,268,130~~</u>	<u>\$2,193,370</u>

EXPENDITURES

Principal	\$1,625,000	
Interest	~~590,760~~	516,000
Other Fees	1,350	
Contribution to Fund Balance	<u>51,020</u>	

Total Road Bond Debt Retirement Fund	<u>~~\$2,268,130~~</u>	<u>\$2,193,370</u>

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>356,080</u>	
Total Other Financing Sources		<u>356,080</u>

Total Revenues & Other Financing Sources	<u>\$356,080</u>	

EXPENDITURES

Principal	\$305,000	
Interest	50,850	
Other Fees	<u>230</u>	

Total Limited Tax General Obligation Debt Fund	<u>\$356,080</u>	

Sec. 2.16**CAPITAL PROJECTS FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$0		
State & Local Returns	0		
Other Revenue	<u>276,120</u>	326,120	
Total Revenues		<u>276,120</u>	326,120

OTHER FINANCING SOURCES

Transfer from General Fund	<u>4,499,420</u>		
Total Other Financing Sources		<u>4,499,420</u>	

Total Revenues & Other Financing Sources

\$4,775,540 **\$4,825,540**

EXPENDITURES

Capital Equipment	\$823,420		
Capital Vehicles	<u>1,716,700</u>	1,724,700	
Capital Projects	<u>1,659,300</u>	1,709,300	
Contribution to Fund Balance	<u>576,120</u>	568,120	

Total Capital Projects Fund

\$4,775,540 **\$4,825,540**

Sec. 2.17**ROAD BOND CONSTRUCTION FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$0		
Other Revenue	5,000		
Federal Grants	<u>3,080,000</u>		
Total Revenues		3,085,000	

OTHER FINANCING SOURCES

Proceeds from Long-Term Debt	1,795,000		
Transfer from Major Road Fund	<u>0</u>		
Total Other Financing Sources		<u>1,795,000</u>	

Total Revenues & Other Financing Sources

\$4,880,000

EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Construction	<u>\$4,880,000</u>		
Total Expenditures		4,880,000	

OTHER FINANCING USES

Transfer to Major Road Fund	<u>0</u>		
Total Other Financing Uses		<u>0</u>	

Total Road Bond Construction Fund

\$4,880,000

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, 2016 through June 30, 2017. 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.....	560.00
Lot Combinations	460.00
Processing Labels (per page).....	1.35
Resident Field Sheet Fee	2.00
Apartment Listing (Names/Sidwells/Assessments).....	65.00
Shopping Center List	65.00
Section or Subdivision Listing (per page)	1.00
Assessing, Board of Review, & Sales Information (first page)	2.00
Additional Pages.....	0.30
Plat Map.....	135.00
Custom Assessment Information Report	55.00
IFEC Extension Application Fee	585.00
IFEC Request for Extension to Complete Project Application Fee.....	585.00
IFEC Request for Revision of Final Project Cost Application Fee.....	585.00
Application to Establish a Speculative Building Designation Fee	585.00
Tax Hardship Income Limits:	
1 Person	14,250.00
2 Person	16,250.00
3 Person	20,090.00
4 Person	24,250.00
5 Person	28,410.00
6 Person	32,570.00
7 Person	36,730.00
8 Person	40,890.00
Each Additional Person	4,160.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit.....	39.00
Fence Permit – Masonry, Separation	118.00
Board of Code Appeals	231.00
Reestablish Expired Permit Fee	68.00
Overtime Inspections, Each Hour (4 hour minimum).....	91.00
Special Inspections, Each Trade (Residential).....	52.00
Special Inspections, Each Trade (Commercial)	74.00
Building Code Publication	Cost + 14.00 Administration fee
Building Moving Permit.....	303.00
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)	37.00
Permit fee (minimum)	49.00
Electrical Contractor's Registration	27.00
Fire Alarm Contractor's Registration	27.00
Sign Contractor's Registration	27.00
Furnace Wiring	28.00
Air Conditioner Reconnect	28.00
Circuits: Each (new or extended)	22.00
Fixtures: Each 25	22.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP	28.00
Each 11 to 30 HP	33.00
Each 31 to 50 HP	38.00
Each 51 to 60 HP	44.00
Each 61 and over	58.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less)	51.00
Refrigeration Units:	
Air Conditioning (residential)	28.00
Interruptible Service	28.00
Air Conditioning (commercial):	
Up to 5 Tons	33.00
5 to 40 Tons	51.00
Over 40 Tons	76.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type	28.00
Swimming Pools/Hot Tubs (all)	57.00
Service (Lights, Heat, and Power):	
100 Ampere or less	28.00
101 to 500 Ampere	38.00
501 to 900 Ampere	51.00
900 Ampere or more	63.00
Signs: Sign Circuit	44.00
Sign Tag Inspection	66.00
Sign Connection	71.00
General Repair & Alterations (per hour or fraction thereof)	59.00
Generator Connection	51.00
Motion Picture Apparatus	51.00
Special Inspections not specifically covered:	
Festivals	134.00
Carnivals	134.00
Circuses	134.00
Shop Inspection	75.00
Theatrical Road Show	75.00
Christmas Tree Lot	75.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft.	68.00
Over 100,000 to 200,000 sq. ft.	126.00
Over 200,000 to 300,000 sq. ft.	151.00
Over 300,000 to 400,000 sq. ft.	223.00
Over 400,000 sq. ft.	298.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet	75.00
Mobile Home and Trailer Park Inspections (minimum)	52.00
Fire Alarm Inspection (minimum)	72.00
Plan Review Fee	99.00
Manual Pull Station	13.00
A/V, Strobe, Voice Speaker	13.00
Water Flow/Tamper Switch	13.00
Heat or Smoke Detector	13.00

Flame, Duct Detector	13.00
Auxiliary Panel	13.00
Electric Door Release.....	13.00
Elevator Recall Status.....	13.00
Fire Alarm Circuit.....	21.00
Alterations to existing system.....	59.00
Reinspection Fee.....	59.00
Miscellaneous Fire Alarm Fee	59.00

Plumbing Work

Application Fee (Non-refundable).....	41.00
Permit Fee (minimum)	49.00
Plumber's Registration.....	1.00
Journeyman Plumber's Registration.....	0.50
Fixture Inspection: (New and Replacement)	
New Installation (minimum).....	49.00
New Stack or Stack Alteration	19.00
Air Admittance Valve	19.00
Roof conductor	19.00
Sump or interceptor	19.00
Backflow preventor	19.00
Pump or Water Lift.....	19.00
Hose connection (sillcocks)	19.00
Water treatment device	19.00
Water closets.....	19.00
Shower traps	19.00
Baths.....	19.00
Water heater.....	33.00
Tankless water heater	33.00
Basement Waterproofing.....	49.00
Sinks (any description)	19.00
Lavatories	19.00
Laundry trays	19.00
Floor drains.....	19.00
Ice Maker	19.00
Back Water Valve	19.00
Thermal Expansion Tank.....	19.00
Bidet	19.00
Dental Chair.....	19.00
Grease or Oil Interceptor	19.00
Drinking fountains.....	19.00
Soda fountains/bars	19.00
Waste opening	19.00
Humidifiers	19.00
Food waste grinders.....	19.00
Dishwashers	19.00
Urinals.....	19.00
Whirlpools	38.00
Lawn Sprinkler Systems	44.00
All other fixtures not mentioned	19.00
Reinspection Fee.....	59.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum).....	33.00
Each additional.....	19.00
Building Sewer Connection – sump connection.....	51.00
Drains:	
Storm drains to catch basin for main storm sewer.....	298.00
Lines less than 4" in diameter	29.00
Lines less than 6" in diameter	34.00
Lines less than 8" in diameter	45.00
Lines less than 10" in diameter.....	59.00

Lines less than 12" in diameter.....	75.00
Lines less than 14" in diameter.....	89.00
Lines less than 16" in diameter.....	105.00
Lines less than 18" in diameter.....	120.00
Lines exceeding 18" in diameter (per inch).....	17.00
Water Distribution System:	
3/4"	23.00
1"	34.00
1 1/4"	39.00
1 1/2"	52.00
2"	68.00
2 1/2"	98.00
3"	112.00
4"	126.00
Exceeding 4"	150.00
Replace piping, no increase in size	39.00
Mechanical Work	
Application Fee (Non-refundable).....	37.00
Permit Fee (minimum)	49.00
License/Registration	15.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000	51.00
75,001 to 500,000.....	58.00
500,001 – 1,000,000.....	102.00
1,000,001 – 2,000,000	116.00
2,000,001 – 3,000,000	145.00
over 3,000,000	174.00
Air Handlers:	
Up to 2,000 CFM	51.00
Over 2,000 CFM.....	102.00
Duct Work	51.00
Hydronic Piping	59.00
Gas Piping:	
Mains up to 2"	44.00
Mains 2 1/2" to 4"	58.00
Mains over 4"	72.00
Each Opening off of Main.....	16.00
Factory Built Chimneys:	
Up to 8"	22.00
9" to 12"	33.00
Over 12"	44.00
Pre-Fab Fireplace.....	58.00
Flue Liner	38.00
Exhaust Fans:	
Up to 400 cfm	17.00
401 cfm to 1,000 cfm.....	22.00
1,001 cfm to 4,000 cfm	33.00
Over 4,000 cfm	44.00
Dryer Vents.....	22.00
Kitchen Hood and Duct (UL300/FM200)	52.00
Spray Booth Hood and Duct	52.00
Alterations to existing installations.....	59.00
Alterations to existing boilers	59.00
Reinspection Fee	59.00
Refrigeration Systems –	
Self Contained:	
2 Tons or Less, each.....	44.00
Over 2 to 5 Tons, each	51.00
Alterations to each system	59.00

Remote Systems:	
5 Tons or Less, each.....	51.00
Over 5 to 50 Tons, each.....	72.00
Over 50 Tons, each	116.00
Alterations to each system	59.00
Cooling Towers	72.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4" diameter.....	45.00
Riser pipe up to 6" diameter.....	75.00
Riser pipe up to 8" diameter.....	105.00
Riser pipe 8" or more diameter	223.00
Each suppression opening (each head of the system).....	5.50
Alteration to existing system	59.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons	51.00
Tanks under 5,000 Gallons	66.00
Tanks under 20,000 Gallons	87.00
Tanks under 50,000 Gallons	102.00
Tanks under 200,000 Gallons.....	116.00
Tanks over 200,000 Gallons.....	217.00
Buildings	
Application Fee (Non-refundable).....	37.00
Plan Review Deposits (Non-refundable):	
Single Family Residential.....	560.00
Commercial Alteration	223.00
New Commercial/Industrial Building.....	1,115.00
Commercial/Industrial Addition	560.00
Building Permit Fees (all use groups):	
Valuation to \$1,000.....	57.00
Valuation \$1,001 to \$10,000.....	57.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000.....	226.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000	952.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over	4,130.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained)	520.00
Temporary C/O Refundable Bond	540.00
Multi-Family Bond (5% Retained)	780.00
Commercial Bond (5% Retained).....	1,580.00
Industrial Bond (5% Retained).....	3,140.00
Mobile Homes	152.00
Plan Review Fee:	
Valuation \$0 - \$500,000	0.0040 of valuation but not less than 100.00
Valuation over \$500,000.....	2,420.00 + 0.0015 of valuation over 500,000.00
Residential Plan Review: If Plan Number is on File	112.00
Additional Expedited Commercial Interior Alteration Plan Review Fee.....	204.00
Miscellaneous Plan Review.....	68.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs).....	68.00
Pigeon Loft Inspection.....	68.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner.....	37.00
Use Permit (tenant space).....	98.00
Fire Repair/Water Repair	236.00
Fire Inspection Fee (New City Businesses).....	92.00
Reinspection Fee	59.00
Demolition:	
Plan review and administration base fee	68.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground	72.00
Below Ground.....	145.00
Signs:	
Application Fee (non-refundable).....	37.00
Plan Review Fee	68.00

Permanent	150.00
Temporary	68.00
Contractor Registration Fee	27.00
Residential Basement Finish	236.00
Residential Interior Finish	236.00
Minor Commercial Alterations under 400 sq. ft.	223.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:

Types A & B	965.00 + 63.00 per device
Renewal Fee	197.00 + 37.00 per device
Type C	965.00
Renewal Fee	198.00

Attorney Services	Attorney fees & costs
Auction Sales License (per day)	25.00
Auctioneer License	58.00
Business Registry License	48.00
Carnival/Festival License	76.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License	67.00 + 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 57.00

Replacement Dog Tag..... 4.50

Fire Inspection Fee (new City businesses – charged by Building) 92.00

Going Out of Business Sales License..... 50.00

Renewal Fee 50.00

House Moving License..... 76.00

Industrial Development District Filing Fee..... 1,000.00

Industrial Facilities Exemption Certificate Filing Fee..... 2,100.00

Industrial Facilities Exemption Certificate Application Amendment Fee 1,000.00

Industrial Facilities Exemption Certificate Transfer Fee..... 1,000.00

New Personal Property Exemption Fee 2,100.00

Junk Yard License..... 280.00

Medical Marijuana Location Registration Fee 355.00

Mobile Vending License 193.00

Pawnbroker License..... 500.00

Refuse Collection License 101.00 + 7.00 each truck

Secondhand Goods Merchant Registration Fee	106.00
Snow Removal License	197.00
Solicitor/Peddler License.....	126.00
Tattoo Permit.....	580.00
Taxi License (annual fee)	99.00+ 12.00 per vehicle
Massage Establishment License	665.00
Renewal Fee Massage Establishment License.....	335.00
Precinct Map.....	5.00
City Street Map	6.00
Zoning Map.....	5.00
City Budget.....	53.00
Municipal Improvement Program	33.00
City Financial Audit	33.00
Collective Bargaining Agreement.....	6.30
Election Results.....	9.80
Voter and Business Registry Labels (per page)	1.35
Voter and Business Registry Lists (per computer hour).....	Payroll + 0.05/page
Voter Data CD.....	30.00
Liquor License: Class C	2,120.00
Tavern	2,120.00
SDD & SDM	2,120.00
Entertainment and/or Dance Permit	2,120.00
Extended Hours Permit	2,120.00
Shareholder Partial Transfer	1,050.00
Hotel/Motel License.....	2,120.00
Renewal Fee Hotel/Motel License.....	1,050.00
Certifications.....	6.00
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).....	5.60
Recording Fee (formerly Encroachment Fee).....	40.00
Notary Fee.....	10.00
Audio Tape Recordings - prepay minimum (Non-FOIA)	20.00
Fireworks Display Permit.....	730.00
Close Proximity Pyrotechnic Display Permit.....	730.00
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	665.00
“Taste of the Town” Sterlingfest Booth - Restaurateurs	1,515.00
DVD Dubs	
Resident (Non-FOIA).....	27.00
Non-Resident (Non-FOIA)	37.00
Gazebo Rental (per event):	
Resident	60.00
Non-Resident	92.00
Gazebo Rental for Photographs Only (per 1 hour rental):	
Resident	33.00
Non-Resident	46.00
Upton House Rental – (per 4 hour rental):	
Resident	60.00
Non-Resident	92.00
Sterling Heights Magazine Advertisement Fees:	
Full Page Ad (Full Color).....	1,569.00
Full Page Ad (Two Color)	1,344.00
One-Half Page Ad (Full Color)	897.00
One-Half Page Ad (Two Color).....	784.00
One-Fourth Page Ad (Full Color)	506.00

Private Development Engineering Consultant Fee	Consultant Fee +10%
Sidewalk Repair and Gap Programs	Cost +20%
Easement Vacations	Attorney fee+ 245.00
Easement Encroachments	265.00
Building Number Assignments (per address)	23.00
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	71.00
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	105.00
Public Services Agreement Execution Fee	34.00
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)	10.00 each
Topographic Map 36" x 36" (blueline)	43.00 each
Planimetric Map 36" x 36" (blueline)	26.00 each
Overall Watermain Map (blueline)	9.00 each
Overall Sanitary Sewer Map (blueline)	9.00 each
Overall Storm Sewer Map (blueline)	9.00 each
Master Storm Sewer Plan (book form)	50.00 each
Master Watermain Plan (book form)	38.00 each
Master Sanitary Sewer Plan (book form)	38.00 each
Master Road Plan (book form) 1998 HRC	50.00 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)	12.00
Additional Pages (Non-FOIA)	1.00
Digital Photographs:	
5" x 7" Color Print (Non-FOIA)	33.00
8" x 10" Color Print (Non-FOIA)	33.00
8" x 10" Contact Sheet (Non-FOIA)	33.00
Compact Disc (Non-FOIA)	26.00
Burning Permit	205.00
Fireworks Sales Permit	730.00
Fireworks Display Permit	730.00
Close Proximity Pyrotechnic Display Permit	730.00
Board of Code Appeals	245.00

Witnessed Acceptance Test Fee	173.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum)	797.00
Each additional hour	266.00
Reinspection Fee for Witnessed Acceptance Test	173.00
Phase I Site Inspection (1 hour minimum)	61.00 + 36.00 per hour
Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets)	
Each Inspection	188.00
Each Re-Inspection	188.00
Off-Hour Inspection (3 hour minimum)	266.00
Each Additional Hour	78.00
Off-Hour Re-Inspection (3 hour minimum)	266.00
Each Additional Hour	78.00
Plan Review Fee	163.00
Resubmitted Plan Review Fee	54.00
Explosive Materials Permit Fee	200.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.)	Cost + 30%
Reinspection Fees:	
First Reinspection	No Fee
Second and Subsequent Reinspections	116.00
False Alarm Fees: (within a 12 month period)	
First Response	No Fee
Second Response	155.00
Third Response	325.00
Fourth and Subsequent Responses	655.00
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)	130.00
Nuisance Abatement Administrative Fee	25%
Nuisance Abatement Agreement Execution Fee	Attorney Fee + 25%
Sidewalk Snow Removal Fee	Cost + 25% + 59.00
Claimed Signs:	
16 sq. ft. or less	5.00 each
17 – 31 sq. ft.	25.00 each
32 sq. ft. and over	120.00 each
Code Enforcement Inspection	58.00
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)	68.00
(Non-Resident)	102.00
Weekend (Resident)	91.00
(Non-Resident)	136.00
Picnic Kits:	
Weekday (Resident)	11.00
(Non-Resident)	16.00
Weekend (Resident)	31.00
(Non-Resident)	46.00
Nature Center Classes:	
School Field Trips (WCS/UCS Schools)	31.00
(All Other Districts per class)	46.00
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)	51.00
(Non-Resident)	76.00
2 Children Per Family (Resident)	57.00
(Non-Resident)	86.00
Summer Playground:	
Resident	106.00
Non-Resident	159.00
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)	159.00
(Non-Resident)	239.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident)	268.00
(Non-Resident)	402.00
Mentally Impaired (M.I.) – Individual (Resident)	159.00
(Non-Resident)	239.00
Mentally Impaired (M.I.) – Family (Resident)	268.00
(Non-Resident)	402.00
Special Recreation:	
Crafts (Resident)	8.00
(Non-Resident)	12.00
Creative Cooking (Resident)	8.00
(Non-Resident)	12.00
Line Dance Exercise (Resident)	45.00
(Non-Resident)	67.00
Softball – Individual (Resident)	50.00
(Non-Resident)	65.00
Softball – 2nd player - Same Family (Resident)	40.00
(Non-Resident)	55.00
Softball – 3rd player - Same Family (Resident)	30.00
(Non-Resident)	45.00

Farmers Market:	
Advanced Pay-Full Season	332.00
Per-Day Rate	23.00
Electricity (Additional Fee Per Day)	5.00
Vendor Alcohol Permit Per Day.....	5.00
Vendor Alcohol Permit Full Season	51.00
Coffeehouse Tickets:	
Advance Tickets (Resident).....	15.00
(Non-Resident)	19.00
Subscription (Resident)	25.00
(Non-Resident)	33.00
At the Door Sales (Resident).....	16.00
(Non-Resident).....	21.00
Karate:	
Resident	51.00
Non-Resident	66.00
Yoga/Fitness Classes:	
Resident	43.00
Non-Resident	56.00
Zumba:	
Resident	61.00
Non-Resident	79.00
Men's Gym:	
Resident	46.00
Non-Resident	59.00
Senior Boys Basketball	500.00
Men's Softball	908.00
Co-ed Softball	592.00
Women's Softball	592.00
Ball Field Rental Fees – Seasonal:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams.....	398.00
All Other Users	423.00
All Users – Lighted Fields Additional Fee (per day).....	63.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams.....	275.00
All Other Users	300.00
Ball Field Rental Fees – Daily:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams.....	69.00
All Other Users	79.00
All Users – Lighted Fields Additional Fee (per day).....	64.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams.....	47.00
All Other Users	57.00
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	570.00
Seasonal 4-7 days/week	870.00
Camp/Other	
Weekly (one week only).....	204.00
Daily	85.00
Sand Volleyball League.....	233.00
Daddy/Daughter Dance:	
Resident Couple.....	46.00
Non-Resident Couple.....	60.00
Additional Resident Daughter.....	20.00
Additional Non-Resident Daughter.....	25.00
Mother/Son Cookout:	
Resident Couple.....	18.00
Non-Resident Couple.....	24.00

Gymnastics:	
One-half Hour Class (Resident).....	46.00
(Non-Resident)	69.00
One Hour Class (Resident).....	57.00
(Non-Resident)	85.00
Dance:	
Fall Session (Resident)	53.00
(Non-Resident).....	68.00
Winter/Spring Session (Resident).....	85.00
(Non-Resident)	110.00
30 Minute Dance Classes:	
Fall Session (Resident)	42.00
(Non-Resident).....	54.00
Winter/Spring Session (Resident).....	54.00
(Non-Resident)	70.00
Ballroom:	
Resident	41.00
Non-Resident	61.00
Senior Center Activities:	
Arthritis Exercise (Resident).....	5.00
(Non-Resident).....	7.00
Exercise (Resident)	6.00
(Non-Resident).....	9.00
Golf League (Resident)	17.00
(Non-Resident)	25.00
Line Dance (Resident).....	5.00
(Non-Resident).....	7.00
Senior News Subscription per year (Resident)	15.00
(Non-Resident).....	22.50
Stained Glass Class (Resident)	7.00
(Non-Resident).....	10.50
Tai Chi (Resident).....	6.00
(Non-Resident).....	9.00
Zumba Gold (Resident)	5.00
(Non-Resident).....	7.00
Senior Bus Trip:	
1 day.....(Resident).....	8.00
(Non-Resident)	12.00
2-4 days....(Resident).....	15.50
(Non-Resident)	23.25
Extended..(Resident)	34.00
(Non-Resident)	51.00
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:	
Track Usage Fee – After Hours (Resident)	1.00
(Non-Resident).....	1.50
Gymnasium Usage Fee – After Hours (Resident).....	2.00
(Non-Resident).....	3.00
Parks and Recreation Plan	9.00

Sec. 3.09

PLANNING:

Special Approval Land Use.....	580.00
Temporary Use.....	424.00
Administrative Review.....	260.00
Temporary Use Vendor License.....	50.00
Variances to Subdivision Regulations	424.00

Right-of-Way Vacations	640.00
Rezoning Petition:	
First Acre	1,805.00
Additional Acre	70.00
Public Hearing Postponements (Petitioner Requested)	47.00
Ordinance Text Amendment	1,805.00
Subdivision Plat	1,415.00
Each lot over 100 lots	9.50
Subdivision Open Space and One-Family Cluster Development	790.00
Tree Preservation – Site Plans and Plats	895.00
Tree Preservation – Single Family Lot (less than one acre)	195.00
Tree Preservation Administrative Fee	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection)	Payroll + 175%
No Tree Affidavit	126.00
Site Plan Review:	
First Acre	433.00
Additional Acre	72.00
Site Plan Review by Planning Commission:	
First Acre	581.00
Additional Acre	72.00
As Built Revisions	256.00
Master Land Use Report	40.00
Master Land Use Map	12.75
Subdivision Plat Print (per sheet)	12.75
Subordination of Lien	150.00
Zoning Board of Appeals:	
Regular Meeting	430.00
Special Meeting	855.00
Zoning Compliance Letter	63.00
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)	12.00
Additional Pages (Non-FOIA)	2.00
Clearance Letter	17.00
Noncriminal Fingerprint Card	26.00
Photos: 8" x 10" Color (Non-FOIA)	34.00
5" x 7" Color (Non-FOIA)	32.00
8" x 10" Contact Sheet (Non-FOIA)	32.00
Compact Disc (Non-FOIA)	47.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN	24.00
Reports on TR-52 Tracking	29.00
Administration and Presence at Auction	600.00
Audio Tape Duplication Fee (Non-FOIA)	43.00
Video Tape, DVD, CD Duplication Fee (Non-FOIA)	47.00
Animal Give-up Fee:	
No Euthanasia	40.00
Euthanasia	75.00
Animal Impoundment Fee (Released from Station)	32.00
Macomb County Daily Animal Care Fee	21.00
Animal Trap Rental Fee (per 5 days)	50.00
Animal 10-Day Quarantine Fee	250.00

Rabies Testing:	
Euthanasia Not Required	77.00
Euthanasia Required	152.00
Treatment Rendered to an Animal	Cost
Use of Tranquilizer Equipment	155.00
County Animal Control Officer Fee	Cost
Personal Breathalyzer Test (PBT)	25.00
Booking Photo (Non-FOIA)	11.00
Notary Fee for Gun Permits	10.00
Park Alcohol Permit Fee	35.00
Temporary Liquor License Application Fee	35.00
Outdoor Service Permit	263.00
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)	36.00
Third Response (Non-Residential)	101.00
Fourth Response (Residential)	68.00
Fourth Response (Non-Residential)	205.00
Fifth and Subsequent Responses (Residential)	135.00
Fifth and Subsequent Responses (Non-Residential)	405.00
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
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.....	105.00
Sewer Tap.....	1,150.00
Sewer Capital/Unit	
Residential.....	855.00
Commercial/Industrial (per 1,000 sq. ft.)	440.00
Sewer Frontage (per front ft.)	71.00
Sewage Disposal Service Only (per billing)	80.00
Residential and Commercial Water Meters:	
¾" Remote.....	395.00
1" Remote.....	450.00
1 ½" Remote	770.00
2" Compound Remote.....	2,000.00
3" Compound Remote.....	3,530.00
4" Compound Remote.....	4,950.00
6" Compound Remote.....	7,340.00
Double Check Detector Assembly with Meter:	
3"	1,970.00
4"	2,070.00
6"	2,970.00
8"	5,380.00
10"	7,830.00
Water Inspection	105.00
Water Tap	
1"	1,090.00
1 ½"	1,490.00
2"	1,740.00
3"	3,490.00
4"	3,770.00
6"	4,310.00
Additional Charge for 86 ft. wide street:	
1"	350.00
1 ½"	400.00
2"	540.00
Additional Charge for 120 ft. wide street:	
1"	690.00
1 ½"	890.00
2"	1,150.00
Additional Charge for 204 ft. wide street:1,440.00	
1"	1,640.00
1 ½"	2,090.00
2"	2,980.00
Water Capital/Unit:	
Residential.....	670.00
Commercial/Industrial (per 1,000 sq. ft.)	360.00
Water Frontage (per front ft.)	40.00
Monitor Surcharge.....	per City of Detroit Industrial Waste Control Rate Structure
Water Turn On Fee.....	91.00
Water Service Fee (avoidable & repeat visits).....	91.00
Water Service Abandonment Fee:	
Residential.....	470.00
Commercial	Contract Costs + 940.00
Sewer Service Abandonment Fee.....	105.00
Water Service Re-Use Fee	
Residential.....	470.00
Commercial	Contract Costs + 940.00
Sewer Service Re-Use Fee	105.00
Water Meter Testing Fee	104.00
Water Meter Rescheduling Fee.....	91.00
Non-Compliance with Back Flow Fee.....	214.00

Automatic Fixed Network Meter Read Permit	174.00
Final Water Meter Read.....	35.00
Final Water & Sewer Bill Preparation Fee	14.00
Citizen Water Service Request – after hours	91.00
Public Works Services Provided.....	Cost + 25%
Water Meter Removal/Reinstallation for common area irrigation system	199.00
Landlord/Tenant Affidavit Filing Fee	155.00
Fire Hydrant Rental – Payable by City	26.50
Private Use of Fire Hydrant:	
Per Hydrant.....	110.00 per month + 330.00 water usage deposit
Bypass Inspection Fee	Back bill + 140.00
Common Area Irrigation System Permit	390.00
Planting of tree in right-of-way	205.00
Culvert installation permit	94.00
Ditch enclosure permit	94.00
Monitoring well installation permit	450.00
Sewer connection to discharge treated ground water.....	450.00
Cutting of noxious weeds.....	Contract costs + 60% administrative fee + 34.00 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	65.00
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%
Attorney Review Fee for Liens or Discharges	79.00
Subordination of Lien.....	510.00
Annual Lien Penalty	6% + lien filing costs
O.U.I.L./O.U.I.D.	325.00 + 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, 2016.

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.

GLWA – Great Lakes Water Authority

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

Act 78 – Civil Service Commission	247
All Funds Financial Summary	42
Arts Commission	250
Appropriations Ordinance.....	388
Assessing.....	113

B

Beautification Commission	252
Building & Facilities Maintenance.....	211
Budget Calendar	14
Budget Message	5
Budget Policies	18

C

Capital Equipment.....	355
Capital Improvement Maps	367
Capital Projects Fund.....	348
Capital Projects Fund Improvements.....	360
Capital Projects Funds Revenues	345
Capital Vehicles.....	359
City Clerk	105
City Council	90
City Goals & Objectives	16
City Management	99
Comm. Develop. Block Grant Fund.....	318
Community Profile	15
Community Relations.....	237
Comparable City Benchmarks.....	24
Component Unit Funding	272

D

Debt Management Program	324
Debt Service Funds Revenues.....	331
Departments At a Glance	
City Administration	96
City Development	209
Community Relations	235
Community Services.....	135
Fire.....	169
Police	147
Public Works	187
Water & Sewer Fund	282

E

Economic Development.....	217
Engineering	221
Executive Summary.....	33

F

Fact Sheet.....	9
Fee Schedule.....	398
Financial Services	117
Financial Organization Chart	32
Fire Administration.....	171
Fire Extinguishment	177
Fire Prevention.....	181
Fleet Maintenance	189
41-A District Court	243

G

General Drain Fund	334
General Employees Retirement Board	254
General Expenditures	256
General Fund Revenues.....	57
Glossary	416

H

Historical Commission.....	258
How The City Allocates Its Money	50

I

Information Technology.....	109
Information Tech. Capital Program	358

L

Labor Agreements	385
Land & Water Capital Improvements	364
Land & Water Conservation Fund	314
Legal.....	262
Limited Tax General Obligation Fund	340
Local Develop. Finance Authority Fund	320
Local Road Fund	312
Local Road Improvements.....	363

M

Macomb County Comparable Tax Rates.....	64
Major Road Fund	310
Major Road Fund Improvements	362
Millage Rates	53

N

Neighborhood Services	225

O

Ordinance Board of Appeals	225
Organizational Chart	4

P

Parks & Grounds Maintenance	193
Parks & Recreation	141
Personnel by Departments	81
Planning	229
Planning Commission	266
Police Administration	149
Police Investigations	153
Police Operations	159
Police Support Services	163
Property Tax Benefit Statement	52
Public Library	137
Public Safety Forfeiture Fund	316
Public Works Center	197
Purchasing	121

R

Readers' Guide	11
Refuse Collection	199
Risk Management	105
Road Bond Construction Fund	350
Road Bond Debt Retirement Fund	338
Road Bond Improvements	361

S

Sanitary Sewer Main Improvements	365
Sewage Collection	293
SHINE	225
Solid Waste Management Commission	199
Special Revenue Funds Revenues	304
Street Services	203

T

Table of Contents	2
Transfers Out	268
Treasury	125

V

Voted Tax General Obligation Fund	336

W

Water & Sewer Administration	285
Water & Sewer Fund Revenues	276
Water & Sewer Rates	378
Water Distribution	289
Water Main Improvements	365

Z

Zoning Board of Appeals	270