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

## City Seal

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



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

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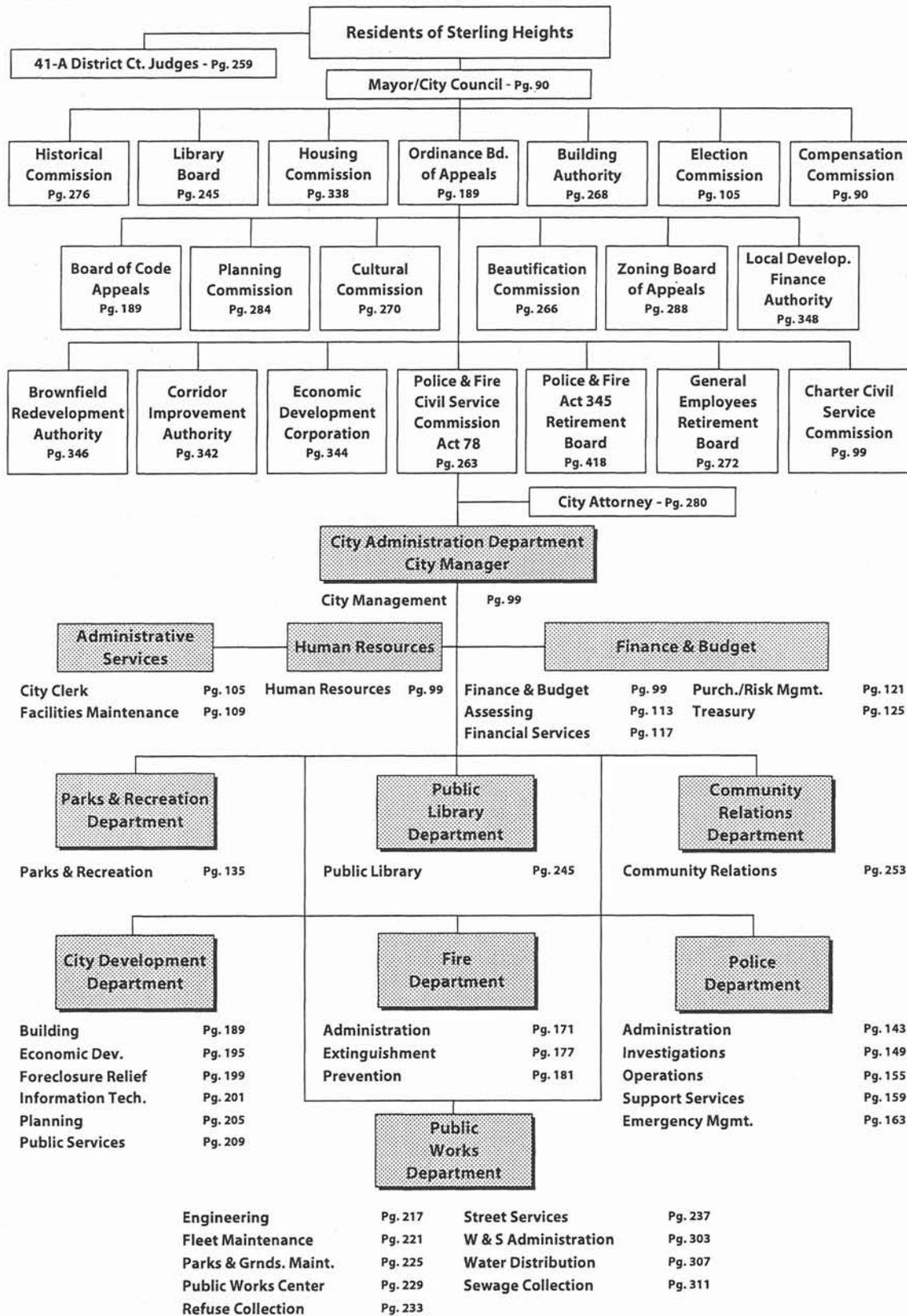
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May, 2010

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

Dear Mayor and Councilmembers,

### ***Overview***

I am pleased to submit the FY2010/11 Budget to you on behalf of all departments. This document reflects the hard work and cooperative efforts of City Council, administration, and staff to produce a budget that reflects a balance between the current economic realities and providing quality services in a cost effective manner.

The budget equates to \$139.6 million and represents a decrease of \$16.8 million from the prior year. This is in addition to last year's budget which decreased by \$7.2 million. The development of this proposed budget was an especially difficult process this year in light of the economic crisis facing all Michigan communities.

### **Economic Challenges**

There are several factors impacting the decline in city revenues:

#### ***Reduced Property Tax Assessments***

Residential property assessments have now declined by 33% in only three years. As a result, property tax revenues, which account for 68.7% of the City's General Fund budget, have decreased. Due to Proposal A, once the gap between assessed value and taxable value has been eliminated, a property's tax bill will decrease by the full assessment decline. Consequently, a vast majority of property owners are paying less in taxes. Further assessment declines will occur in 2012, resulting in even greater tax savings to residents and declining revenues to the City.

Without further action, the City will realize a \$23.3 million cumulative loss in property tax revenue. Unfortunately, even when property values begin to stabilize, Proposal A will limit taxable value increases only to the rate of inflation so the City will permanently lose these tax dollars.

#### ***Revenue Sharing Reductions***

The City's second largest revenue source is

revenue sharing from the State. The State has cut the City's revenue sharing for nine straight years amounting to \$26 million. Revenue sharing used to account for 20% of the City's budget, but today it represents less than 10%. Continued State budget deficits will cause much larger reductions in revenue sharing to occur. It is estimated that in 2011, the City will receive the same amount of revenue sharing from the State that it did in 1991.

### **Expenditure Savings**

As a result of these declining revenues, the City developed a proactive multi-faceted financial strategy to successfully navigate this financial storm. As part of this strategy over the past three years, the City has implemented expenditure program savings, efficiencies, reforms, and the elimination of full-time staff. Expenditure savings achieved to date include:

#### ***Employee Concessions***

The City has achieved significant labor concessions resulting in health care savings of \$1 million annually and \$20 million actuarially over a number of years by reducing retiree health care benefits. The City no longer offers fixed pensions for general employees. Most significantly, in early 2010, all City employees agreed to an equivalent 3% wage concession for the 2010/11 fiscal year. The City has also saved money by limiting overtime and compensatory time, training, cell phones, and professional memberships. The City is continuing to downsize, pursue service sharing agreements with surrounding communities, and outsource services where possible.

#### ***Reduced City Staffing***

With this budget, the City will have eliminated 75 vacant full-time positions, or 12% of its workforce, since 2002, saving over \$5.5 million annually. The City's current staffing level is at its lowest level since the 1970's. Since 1992, the number of full-time employees per 1,000 residents has dropped from 5.5 employees to only 4.5 employees. Our ratio of full-time employees per 1,000 residents is well below any comparable city in Michigan and is lower than 90% of cities across the country.

#### ***Programmatic Changes***

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

- Closing the library on Sundays and Friday mornings
- Consolidating Parks and Recreation programs
- Service sharing with surrounding communities including Troy, Shelby, Utica and other entities
- Privatizing services where possible to supplement areas already privatized including refuse collection, City Attorney, Engineering, right of way maintenance, Schoenherr Tower Management, etc.

### **Use of City Reserves**

Despite the expenditure savings, the budget does include a use of fund balance reserves. The use of these reserves, however, will not compromise the City's superior AA+ bond rating. The City's General Fund fund balance in FY 2011 will equate to \$8.3 million (9.4% of expenditures).

### **Preserving Property Values**

As part of the overall financial strategy, the City is doing all that is possible to preserve property assets in the City by remaining vigilant with property maintenance enforcement. The Neighborhood Stabilization Program (NSP) proved to be very effective in addressing vacant and foreclosed property. In addition, the City has developed a proactive inspection program to ensure that any foreclosed properties are maintained. These programs appear to be working as reflected in the City's low overall foreclosure rate. Even though the City is the second largest in Macomb County, the City has the 17<sup>th</sup> lowest foreclosure rate.

### **Economic Development**

In addition, the City continues to implement an ambitious and proactive economic development program to sustain the viability of the City's economic base and, to the extent possible, grow the base with new and diversified companies. The opening of the Macomb-OU INCubator in Sterling Heights is one example of this effort. The redevelopment of the former TRW site with defense manufacturer BAE is another example. The City is also doing all that is possible to preserve our most important manufacturing asset – the automotive sector.

### **Further Action Needed**

As a result of the aforementioned financial

strategy, the City is much better suited than most to weather the storm. However, despite the actions taken, due to further assessment reductions, State revenue sharing cuts, potential loss of automotive related facilities, as well as stock market losses, the City is facing unprecedented and permanent structural financial challenges which requires further corrective action if City services are to be maintained.

In early 2010, the City and the Community Foundation co-hosted a series of City Summits designed to inform residents of the City's financial status and seek input on City services and programs. In order to maintain City services at current levels and after significant expenditure reductions, the budget includes a 1.9 mill increase from the prior year to recover less than 40% of the City's lost property tax revenue. Even with this millage increase, the City maintains the lowest tax rate of any of its comparable full service communities and one of the lowest throughout the State of Michigan.

Due to continued property assessment declines, 87% of all residents will still see a property tax decline this year even with the millage increase due to estimated assessment declines. Next year it is estimated that 100% of all homeowners will see a property tax decline.

Implementing the overall financial strategy enables the City to continue to provide outstanding City services with an emphasis on maintaining a strong commitment to public safety.

### **2009/2010 Accomplishments**

Despite the financial challenges, the past year was a productive year for the City Council and Administration. The following is a list of the significant accomplishments that were achieved:

- Actively participated in the Mayors and Municipalities Automotive Coalition (MMAC), a national organization whose goal is to support stabilizing the American automotive industry and seek federal economic redevelopment assistance for communities affected by the auto industry downsizing.

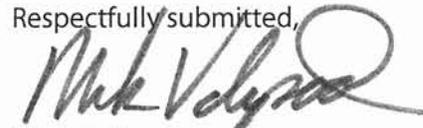
- Through aggressive lobbying efforts, and lengthy negotiations, developed a proposal resulting in Chrysler purchasing the Sterling Assembly Plant for \$20 million. This action saved 1,200 jobs and protects the property taxes derived from Chrysler, making it the single largest taxpayer in the City.
- Due to the City's proactive economic development strategies, named a "top performer at attracting and retaining entrepreneurial firms" by the University of Michigan-Dearborn.
- Developed and opened Macomb County's first SmartZone business incubator to foster growth of startup companies in emerging markets.
- Implemented a new Citizens' Alert Network allowing the Police Department to instantly update residents and businesses about crimes, emergencies and other important information via text message.
- Earned nationwide recognition from the Government Finance Officers' Association for several City financial documents including:
  - Distinguished Budget Award for the 23<sup>rd</sup> consecutive year
  - Certificate of Achievement for Excellence in Financial Reporting for the 22<sup>nd</sup> consecutive year
  - Award for Outstanding Achievement in Popular Financial Reporting for the 11<sup>th</sup> consecutive year.

### **Conclusion**

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

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

Respectfully submitted,



Mark D. Vanderpool  
City Manager

# City of Sterling Heights Fact Sheet

## 2010/11 Budget At A Glance ...

**Richard J. Notte**  
Mayor

**Joseph V. Romano**  
Mayor Pro Tem

**Yvonne D. Kniaz**  
Councilwoman

**Deanna Koski**  
Councilwoman

**Maria G. Schmidt**  
Councilwoman

**Michael C. Taylor**  
Councilman

**Barbara A. Ziarko**  
Councilwoman



**Mark D. Vanderpool**  
City Manager

**Brian S. Baker**  
Finance & Budget  
Director

The City budget of \$139.6 million decreased by \$16.8 million or 10.7% due to numerous cost saving measures, a decrease in federal stimulus road and neighborhood stabilization funds, and savings from the repayment of debt in the prior year.

- The budget maintains vital City services, despite recovering only \$9 million or 38.6% of the \$23.3 million of property tax revenues lost over the past three years. The City's tax base has now dropped back to 2004 levels, due to a 33% three-year decline in residential property assessments. Even with a 1.9 mill adjustment, the average homeowner's total tax bill will decline by \$190 or 7%. Since 2008, the average tax bill has declined by \$260 or 9.4%. The average resident in the Utica Community School District will see their total tax bill fall to its lowest level since 2005, while the tax bill for the average resident in the Warren Consolidated School District will fall back to 2003 levels. City taxes now total only \$75 per month for the average homeowner.

- Despite the continued cuts in State funding back to 1991 levels, the budget maintains the City's excellent bond ratings, as the budget does not incur debt to finance operations and minimizes the use of reserves. The budget funds all critical services, avoids employee layoffs, and continues to reduce tax bills.

- The General Fund budget decreased by \$330,810 or 0.4%. Excluding increased retiree funding needed to offset stock market declines, the budget would have fallen by \$2.2 million or 2.5%. Due to the three-year \$14.3 million property tax loss, an additional 21 full-time positions have been eliminated, saving \$1.6 million. City staffing has now declined by 12% or 75 positions since 2002, saving \$5.5 million annually. City staffing is at its lowest level since 1978. The City's employee per resident ratio has now decreased by nearly 30%.

- The budget includes the 3% labor wage concessions agreed to by all unions, saving \$1.25 million. An additional \$500,000 in savings has been achieved through continued reductions in overtime, a successful vendor savings program and energy cost-saving measures. Overtime

costs have now fallen by nearly \$800,000 or 23% in two years. The City remains committed to seeking further employee savings and reviewing all opportunities to provide services at an even lower cost.

- In addition to lower staffing, the City has saved over \$1 million in employee health care costs and \$20 million in retiree medical liabilities. The City no longer offers fixed pensions to all its general employee groups. By working with all City Departments and labor groups to control discretionary spending, the budget continues to fund outstanding City services, increased economic development efforts, and fully funds the required retiree health care and pension contributions.

- Because of the cost saving efforts and the efficient delivery of services, the City's tax rate remains lower than the vast majority of cities in the State and is the lowest of any Macomb County city. The City's tax rate has decreased by 0.7 mills or by 5.2% since 1988. Had the City continued to levy the same tax rate since 1988, the average resident would have paid \$3,171 more in taxes.

### The budget includes funding for:

- \$10.6 million in necessary infrastructure improvements including repairs to Metropolitan Parkway, intersection improvements at 15 Mile at Schoenherr Road, installation of water & sewer mains, sidewalk gap and repairs, continuation of neighborhood road repairs, the use of federal funds for energy improvements at City facilities, the neighborhood housing stabilization program, the renovation of the Baumgartner Park restroom, and eight park maintenance projects using a portion of past land sale proceeds.

- Seven replacement Police vehicles, a Public Safety Dispatch and Records Management computer system, two salt brine dispensing systems, and grant funds for Police car computers, e-ticket technology, and a replacement Fire Engine.

- Maintaining the lowest residential water & sewer rate of any city in the State with a population over 25,000. Due to a continued low markup on Detroit's rate, City residents will pay only \$35 per month for water & sewer services. ■

## INTRODUCTION

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

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

The General Fund is further divided into major divisions or departments. These departments are comprised of several activities or offices. For example, within the City Administration Department, there are seven offices including City Management, City Clerk, Facilities Maintenance, Assessing, Financial Services, Purchasing/Risk Management, and Treasury.

Each activity (office) in a department contains a:

- Service & Mission Statement
- Performance Objectives and Indicators
- Staffing and Organization Chart
- Summary of Budget Changes

The Service & Mission Statement highlights the types of services each activity provides and annual Key Goals they strive for each year. The Performance Objectives give specific objectives that the activity hopes to achieve in the current year, while the Performance Indicators provide a listing of key measurements of the activity's service, efforts and accomplishments. Each activity's objectives are referenced and linked to the City-wide goals. The Staffing and Organization Chart illustrates the number of budgeted positions and the internal office structure. Finally, the Summary of Budget Changes provides a detailed look at the activity's expenditure history and explains the funding level changes that have taken place.

The Functional Organization Charts, Department At A Glance summaries, and Key Departmental Trends provide a quick overview of the entire department.

**Q:** *Your budget contains a lot of information! How can I quickly find summary information?*

**A:** *The information with the **All Funds Summary** tab provides a quick overview of the City's total budget. It explains how the funds are organized as well as total revenue and expenditure trends. The **Executive Summary** provides a general overview explaining how the City plans to utilize its resources and highlights some of the more significant changes to the City's budget. The information within the **Trends & Summaries** tab also contains a multitude of useful information about the City's largest fund – the General Fund.*

**Q:** *I noticed that each office has a Funding Level Summary. How can I get more detailed expenditure information by account within each office?*

**A:** *The Office of City Management produces a separate line-item budget booklet, which details each office's expenditure accounts. These line-items are not included in the City budget document as our City Council has focused its attention on total office costs and performance measurement information.*

**Q:** *How can I find out information about your Capital Budget?*

**A:** *The Capital Budget is incorporated in the annual budget document. It details the funds appropriated for specific facilities, equipment, vehicles, and improvement projects. A listing, description, and City map geographically depicting the location of all projects can be found within the **Capital Projects** tab.*

**Q:** *How can I quickly find the location of certain offices within the budget document?*

**A:** *The **Table of Contents** at the beginning of the budget lists all offices in the order in which they appear in the document. The **Index** at the end of the document alphabetically lists each office and the corresponding page number. The City's **Organizational Chart** is also cross-referenced to the office's corresponding page number within the document.*

**Q:** *Where can I find out how many employees are within each department and their pay ranges?*

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

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

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

## UNIFORM BUDGETING ACT

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

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

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

## BUDGET PROCESS

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

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

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

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

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

## **BASIS OF BUDGETING**

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

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

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

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

**October**

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

**November**

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

**December**

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

**January**

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

**February**

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

**March**

- Proposed Budget duplicated in Print Shop
- Proposed Budget and Budget Video distributed to City Council

**April**

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

**May**

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

**June - July**

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

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

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

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

Geographically, Sterling Heights is the third largest city in the state, occupying 36.8 square miles. Although much of its land is developed, approximately 5% remains vacant and available for development. The 2010 estimated population of Sterling Heights is 128,500. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. There are approximately 49,735 households in the City and a 38-year old median age. The City's median household income is \$60,494, as last reported in 1999. Of all communities with a population of 100,000 or more, Sterling Heights is one of the top ten wealthiest and safest.

The City is a full-service community with the exception of a public transportation system, which is provided by a regional public transit authority. Sterling Heights offers a wide variety of restaurants, movie theaters, churches, and retail shops. Currently, the City maintains 28 developed park sites, four of which are major parks, and several other undeveloped park properties.



City parks provide a variety of recreational opportunities from baseball diamond complexes to children's tot lots, to miles of developed walking, jogging, and bicycle riding pathways. The Clinton River flows in a southeast direction through the northeast section of the City.

Sterling Heights takes pride in providing various community events throughout the year to its residents. The grand event highlighted each year is the City's "Sterlingfest", which provides the community with the opportunity to take pleasure in the summer festivity of fun, food, arts and crafts, carnival rides, and music.

The City has enjoyed a solid reputation for municipal planning and growth management. The comprehensive Master Land Use Plan has foreseen the Van Dyke corridor and the Lakeside Mall shopping district area as the most significant focal points of the community in terms of industrial and retail development. The commercial and industrial business environment is a mix of services, products, and technological employers. This impressive mix of business opportunities has allowed the City to maintain a relatively low unemployment rate. Principal employers in the City include: Ford Motor Company, Chrysler Corporation, Detroit Newspapers, and General Dynamics.

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

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

## ORGANIZATIONAL OPERATIONS

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

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

## ECONOMIC DEVELOPMENT

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

## PROPERTY VALUE ISSUES

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

## **COMMUNICATIONS & TECHNOLOGY**

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

## **FINANCIAL STABILITY**

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

## **TRANSPORTATION ISSUES**

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

## **NEIGHBORHOOD SAFETY**

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

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

## **RECREATIONAL, CULTURAL, AND LEISURE OPPORTUNITIES**

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

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

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

## **FINANCIAL POLICIES**

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

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

1. The budget will first determine how much money is available, it will then allocate the resources among the highest priority results based on analyses, which determine which programs can best achieve the desired results, and it will use a performance measurement process to annually evaluate the results.
2. Emphasis will be increased on those personnel and management areas of long-term importance: employee relations, work simpler but more effectively, implementation of new technologies, long-term work force planning, and management incentives.
3. Expanding an existing service program or adding a new service program will only be considered when a new revenue source can support all of the ongoing costs; or when the requesting department can identify an existing service which can be reduced or eliminated. Programs financed with grant money shall be budgeted in special funds, and when grant revenues are reduced or eliminated, the service program shall be adjusted accordingly.
4. The budget is balanced and the City will maintain a balanced budget in which estimated revenues and fund balance reserves are equal to or greater than estimated expenditures.
5. The City will maintain a budgetary control system to ensure adherence to the budget and will prepare monthly reports comparing actual revenues and expenditures to budgeted amounts.
6. The City will monitor departmental expenditures on a monthly basis to ensure conformity to budgets and decide on actions to bring the budget into balance, if necessary.
7. The City will integrate performance measurement and productivity indicators within the budget.
8. The City will attempt to avoid layoffs in all actions to balance the budget. Any personnel reductions will be scheduled to come from attrition and where necessary, through bumping actions. Any reductions in positions will be proportionately distributed among various levels of employees.
9. The City will avoid budgetary practices or procedures that balance current period expenditures at the expense of future years' revenues.
10. The budget will provide for the adequate maintenance and orderly replacement of capital facilities and equipment.
11. The budget will provide for adequate levels of funding for all retirement systems.
12. The City will develop and maintain accounting and budgetary control systems to adequately safeguard the assets held in public trust.

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

## **REVENUE POLICIES**

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

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

## **RESERVE POLICIES**

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

## **ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES**

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

## **INVESTMENT POLICIES**

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

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

4. The City's accounting system will provide 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**

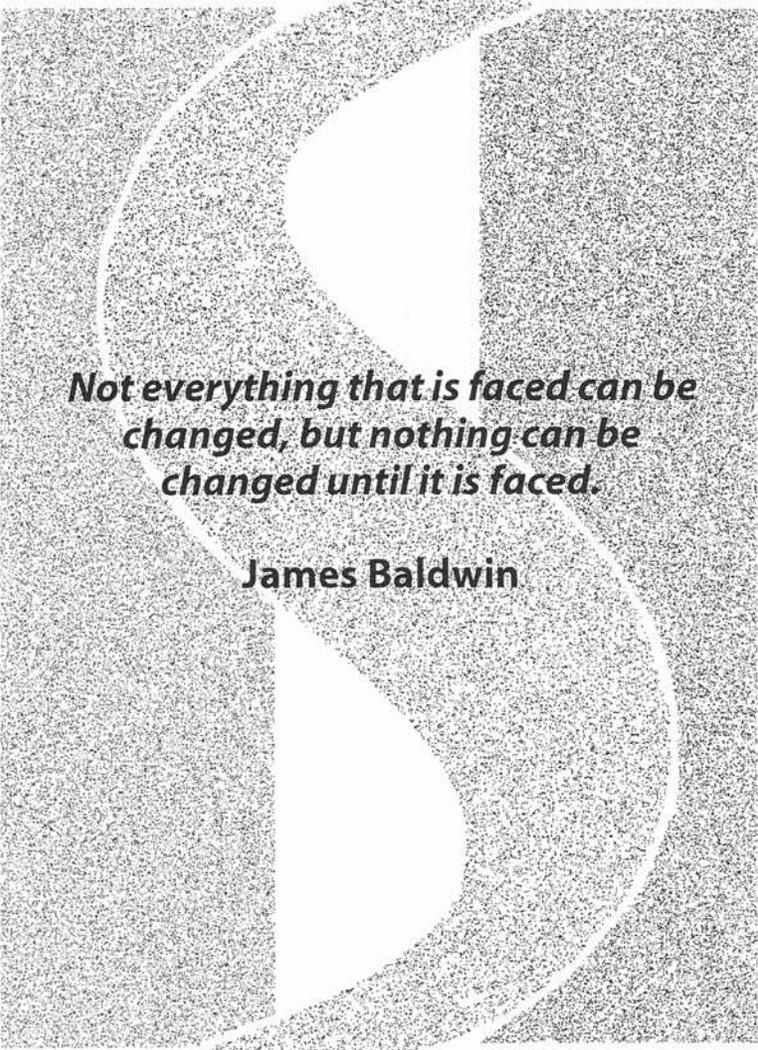
1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. All bonds will be amortized over a period not to exceed the expected useful life of the project.
2. The City will attempt to keep the average maturity of general obligation 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.■

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

**James Baldwin**

## Policy Benchmark

## Status

### Financial Policy

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

- Funding for the continuation of the Information Technology Plan, a Public Safety Dispatch and Records Management System, e-ticket technology, police mobile data computers and replacement personal computers.
- Only City in the nation to receive the GFOA's "Outstanding" budget award in all four categories; GFOA's "Distinguished" budget award for the past 23 years
- Earned GFOA's "Special Recognition" award in five of the past nine years for use of performance measurements
- Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for 11 years
- Participated in ICMA's Center for Performance Measurement – one of 16 cities nationally to receive an Award of Distinction
- Department objectives linked to City goals
- No short-term borrowing for operations
- Second lowest debt of 10 comparable Michigan cities
- No new debt in budget
- Retired \$11.3 million in debt last year
- Municipal Facilities expenditures \$2.7 million
- Vehicle expenditures \$469,000
- Equipment expenditures \$912,990
- Technology improvements \$220,000
- General Employees System 106.2% funded
- Police & Fire Pension System 84.9% funded
- Pre-funding retiree medical past 15 years
- Recent updates to Retiree Medical Actuarial Report; increased funding past seven years to 24.8% of payroll
- Defined Contribution Plan for all new general employees
- Millage rate has decreased by 0.70 mills or 5.2% since 1988, saving average homeowner \$3,171
- Despite a 1.9 mill adjustment, average homeowner's tax bill will decrease next year by \$190 or 7%
- Tax rate lower than 90% of all cities in the State
- Lowest taxes per resident of 10 comparable MI cities
- Residential property assessments have decreased by 33% past three years
- City's total tax base has decreased by 12.8% and has fallen back to 2004 levels
- Lakeside Shopping District Improvements
- LDFA & SmartZone Business Incubator
- Successful efforts to save SHAP

## Policy Benchmark

## Status

### Revenue Policy

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

### Reserve Policy

- 10% minimum unreserved/undesignated General Fund Balance
- 37 days of General Fund operations

### Accounting, Auditing, Financial Reporting Policy

- Produce comprehensive annual reports in accordance with GAAP

### Investment Policy

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

### Debt Policy

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

### Capital Improvement Policy

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

- City's Taxable Value:
  - Residential 61.6%
  - Commercial & Industrial 38.4%
- Third highest property values in State
- Equalization Factor = 1
- Changed to a one-year sales study
- Annual review of rates and fees adjusted for inflation
- Personal Property Tax Audits to ensure fairness
- Higher non-resident fees
- Continued lowest water & sewer rates in State
- 9.4% of 2011 budgeted expenditures
- 34 days of General Fund operations
- Certificate of Achievement for Excellence in Financial Reporting Award for 22 years
- One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
- Maximized Interest on Investment earnings
- Retiree Health Care Fund Investments maximized
- 2008 Fire Station Renovation Bond 15 yrs.
- 2007 Senior Active Life Center/Radio Bond 6 yrs.
- 85% of City debt matures within 10 years
- Refinanced bonds saving \$850,000 and saved \$500,000 due to recent bond rating upgrade
- Paid off settlement bonds six years early
- Highest bond ratings of 10 comparable MI cities
  - Moody's rating Aa2
  - Fitch's rating AAA
  - Standard & Poors' rating AA+
- \$10.6 million in total Capital Improvement Projects
- \$1.1 million in neighborhood street repairs
- \$1.4 million in Major road repairs
- Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

The City participated in the ICMA's Center for Performance Measurement from 1999 – 2003 and then rejoined from 2006 - 2007. The Center was created to help cities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents. Below is a listing of the 2007 fiscal year results showing how Sterling Heights compared to other cities and counties across the country in various performance measurement categories.

Category	Sterling Heights	National Average	National Rank	Rank Percent *
<b>City Administration</b>				
Human Resources FTE's Per 100,000 Residents	1.2	9.0	4/104	4%
Full-time Employee Turnover Rate	0.2%	7.6%	1/115	0%
<b>Risk Management</b>				
Worker's Compensation Expenditures Per FTE	\$480	\$1,354	3/28	11%
Worker's Compensation Claims Per 100 FTE's	13	15	57/91	63%
Work Days Lost Due to Injury Per 100 FTE's	22	65	23/55	42%
<b>Purchasing</b>				
Purchasing Office Expenditures Per Resident	\$2.68	\$3.75	30/77	39%
Purchasing Office FTE's Per 100,000 Residents	2.3	5.4	16/74	22%
Dollar Amount of Purchases Needing Approval by Elected Body	\$10,000	\$67,700	10/99	10%
Days from Requisition to Purchase Order - Formal Bid	30	45	12/40	30%
<b>Parks &amp; Recreation Department</b>				
Parks & Recreation Costs Per Resident	\$29	\$32	44/76	58%
Parks & Recreation FTE's Per 100,000 Residents	44	67	20/61	33%
Total Park Acres Per 1,000 Residents	7.5	21.0	34/133	26%
Parks & Recreation Revenue Per Resident	\$3.6	\$20.1	15/105	14%
Developed Park Acres Per 1,000 Residents	6.4	10.0	61/130	47%
Percent of Park Acres Developed	85%	63%	99/131	76%
<b>Police Department</b>				
Police Operating Expenditures Per Resident	\$199	\$213	47/101	47%
Sworn Police FTE's Per 1,000 Residents	1.4	1.9	28/120	23%
Civilian Police FTE's Per 1,000 Residents	0.4	0.5	43/116	37%
Percent of Sworn Police FTE's to Total Police FTE's	79%	79%	57/117	49%
911 Police Calls Received Per 100 Residents	35	78	26/105	25%
Moving Violation Citations Issued Per 1,000 Residents	127	181	58/137	42%
Traffic Fatalities Per 100,000 Residents	6.3	7.0	83/155	54%
Injury Producing Traffic Accidents Per 100,000 Residents	632	604	89/140	64%
Violent Crimes Reported Per 1,000 Residents	1.7	4.4	46/157	29%
Percent of Violent Crimes Cleared	62%	56%	87/137	64%
Violent Crimes Cleared Per Sworn FTE	0.7	1.3	43/105	41%
Property Crimes Reported Per 1,000 Residents	29	35	70/159	25%
Percent of Property Crimes Cleared	16%	22%	54/133	41%
Property Crimes Cleared Per Sworn FTE	3.2	4.1	43/101	43%
Cost per Property & Violent Crime Cleared	\$35,775	\$30,033	64/84	75%
Total Arrests Per 1,000 Residents	28	58	26/122	21%
DUI Arrests Per 1,000 Residents	2.6	5.7	31/159	19%
Juvenile Arrests as a % of Total Arrests	8%	21%	22/122	18%
Average Age of Police Vehicles (Years)	2.5	3.1	29/94	31%
Average Annual Miles Driven Per Police Vehicle	16,407	16,664	49/78	63%

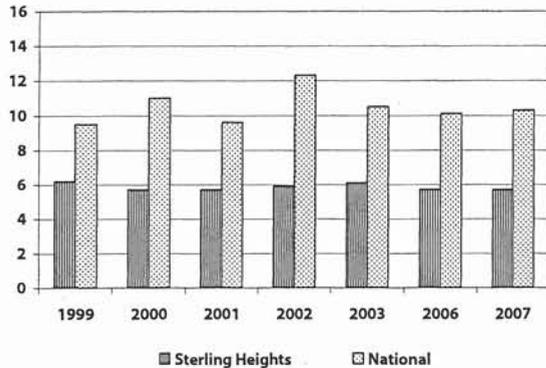
Category	Sterling Heights	National Average	National Rank	Rank Percent *
<b>Fire Department</b>				
Fire Operating Expenses Per Resident	\$116	\$140	19/49	39%
Total Department FTE's Per 1,000 Residents	1.2	2.0	8/59	14%
Fire Incidents Per 100,000 Residents	253	401	39/125	31%
EMS Responses Per 1,000 Residents	59	75	36/104	35%
% of Fire Responses Less Than 5 Minutes (from dispatch)	94%	56%	75/77	97%
Average EMS Response Time (Minutes)	4.1	5.3	10/61	16%
Average Age of Fire Apparatus (Years)	9	10	46/84	55%
Average Annual Miles Driven Per Vehicle	8,548	6,647	45/57	79%
<b>Code Enforcement</b>				
Code Enforcement Operating Expenses Per Resident	\$5.0	\$9.7	27/75	36%
Code Enforcement Violations Per 1,000 Residents	27	49	38/75	51%
Code Enforcement Violations Per FTE	534	574	33/53	62%
<b>Public Works Department</b>				
Fleet Maintenance Expenditures Per Resident	\$14.2	\$15.1	12/28	43%
Fleet Maintenance FTE's Per 100,000 Residents	12	14	38/83	46%
Annual Refuse Tons Collected Per Account	1.1	1.6	27/72	38%
Refuse Collection Costs Per Ton	\$44	\$69	22/58	38%
Recycling Costs Per Ton Recycled	\$35	\$124	4/51	8%
Street Maintenance Expenditures Per Lane Mile	\$1,287	\$3,082	18/95	19%
Street Sweeping Expenditures Per Resident	\$3.27	\$3.20	64/111	58%
<b>Public Library Department</b>				
Library Expenditures Per Registered Borrower	\$53	\$49	45/68	66%
Library FTE's Per 1,000 Residents	0.23	0.46	7/56	13%
Library Circulation Per Resident	5.0	8.3	21/71	30%
Library Visits Per Resident	3.3	5.0	11/62	18%
Library Program Attendance Per 1,000 Residents	200	277	26/66	39%
Percent of Population Who Are Registered Library Borrowers	40%	57%	10/61	16%
Library Material Acquisition Costs Per Resident	\$2.10	\$4.30	7/61	11%
Annual Reference Transactions Per 1,000 Residents	1,040	1,030	38/65	58%
Average Hours of Library Operations Weekly	64	64	30/66	45%
Patron Internet Usage Per Terminal	2,667	2,186	39/55	71%
<b>Facilities Maintenance</b>				
Facilities Maintenance FTE's Per 100,000 Residents	13.6	21.7	28/63	44%
Facilities Maint. Operating & Maint. Costs per Sq. Ft.	\$8.3	\$4.6	49/50	98%
<b>Information Technology</b>				
Information Technology Expenditures Per Resident	\$10	\$29	7/85	8%
Information Technology FTE's Per 100,000 Residents	6.0	18.1	6/52	12%
Ratio of Computer Workstations to FTE	0.70	0.79	33/93	35%
<b>Citywide</b>				
Total Expenditures Per Resident	\$886	\$1,536	25/102	25%
Total Full-time Equivalent Employees (FTE's) Per 1,000 Residents	5.7	10.3	16/110	15%
Fringe Benefit Expenditures Per FTE	\$28,397	\$16,966	90/96	94%
Employee Benefits as a % of Compensation	31%	25%	86/100	86%

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

# ICMA PERFORMANCE MEASUREMENTS

## City Administration Department

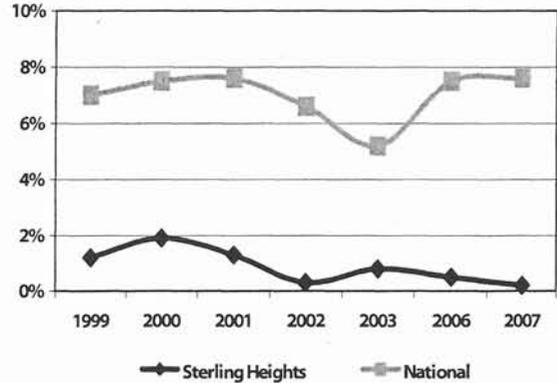
### Total Full-time Employees Per 1,000 Residents



**2007 National Rank: 16<sup>th</sup> out of 110 cities**  
**Rank Percentage: 15%**

The City continues to have fewer full-time equivalent employees per 1,000 residents than the national average. In 2007, the City had 5.7 full-time employees per 1,000 residents versus a national average of 10.3 employees. We rank 16<sup>th</sup> lowest out of 110 cities.

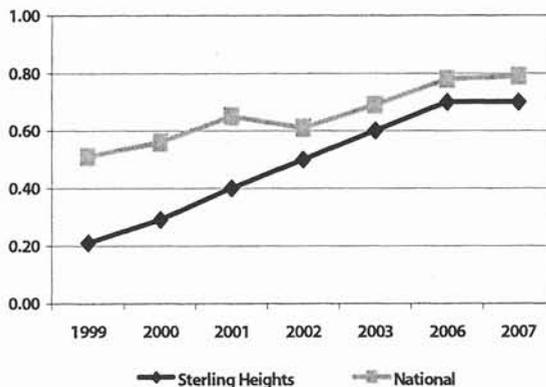
### Full-time Employee Turnover Rate



**2007 National Rank: 1<sup>st</sup> out of 115 cities**  
**Rank Percentage: 0%**

The rate at which the employees leave the City's employment (excluding retirements) continues to be well below the national average. In 2007, only 0.2% of employees left the City versus a 7.6% national average.

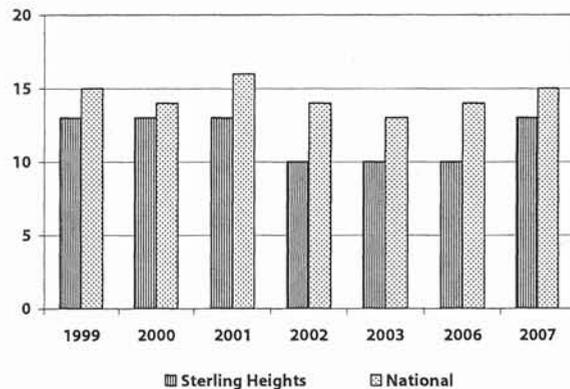
### Ratio of Computers to Employees



**2007 National Rank: 33<sup>rd</sup> out of 93 cities**  
**Rank Percentage: 35%**

The City has more than doubled its ratio of computers to full-time employees as a result of implementing our Information Technology plan. Over the past 9 years, we have narrowed the gap between the City's ratio and the national average.

### Worker's Compensation Claims Per 100 Employees



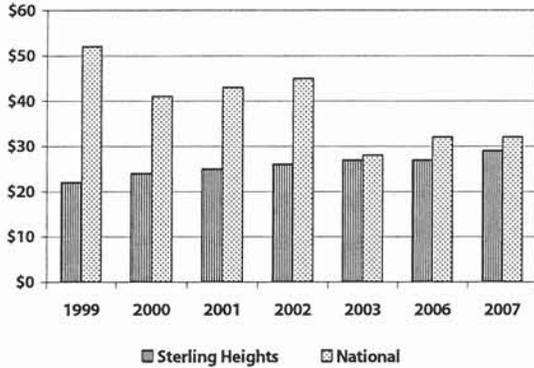
**2007 National Rank: 57<sup>th</sup> out of 91 cities**  
**Rank Percentage: 63%**

The City's worker's compensation claims per 100 full-time equivalent employees (FTE's) has generally decreased over the past 9 years and continues to be below the national average due to our proactive Risk Management program.

# ICMA PERFORMANCE MEASUREMENTS

## Parks & Recreation Department

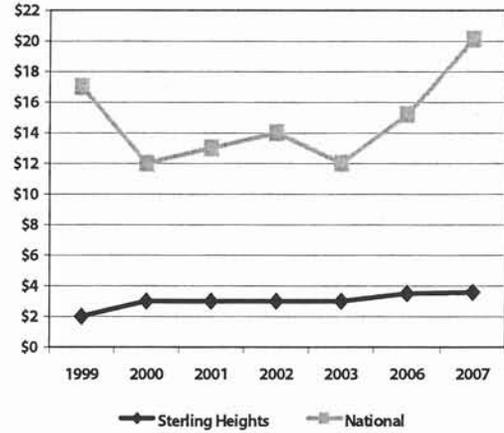
### Parks & Recreation Costs Per Resident



**2007 National Rank: 44<sup>th</sup> out of 76 cities**  
**Rank Percentage: 58%**

The City's total Parks & Recreation cost per resident has increased slightly over the past 9 years. Beginning in 2003, the national average now excludes the cost of municipal golf courses allowing for a more accurate comparison. The City currently ranks 44<sup>th</sup> lowest out of 76 cities nationally.

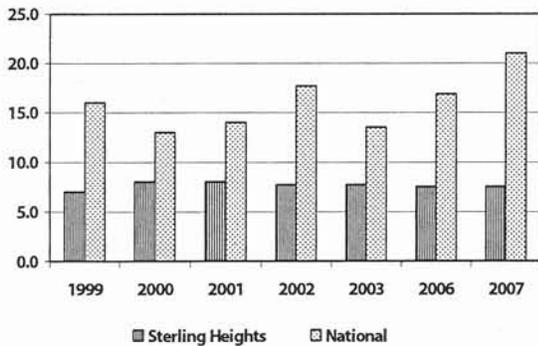
### Parks & Recreation Revenue Per Resident



**2007 National Rank: 15<sup>th</sup> out of 105 cities**  
**Rank Percentage: 14%**

The revenue generated by the Parks & Recreation Department (excluding golf courses) has been below the national average during the past 9 years.

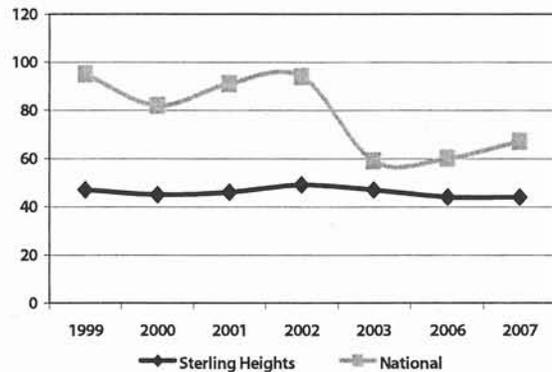
### Park Acres Per 1,000 Residents



**2007 National Rank: 34<sup>th</sup> out of 133 cities**  
**Rank Percentage: 26%**

The number of park acres in the City has increased slightly over the past 9 years. The City continues to be below the national average in park acres per 1,000 residents. The City, however, ranks higher in both developed park acres per resident (47%) and the percent of park acres developed (76%).

### Parks & Recreation Employees Per 100,000 Residents



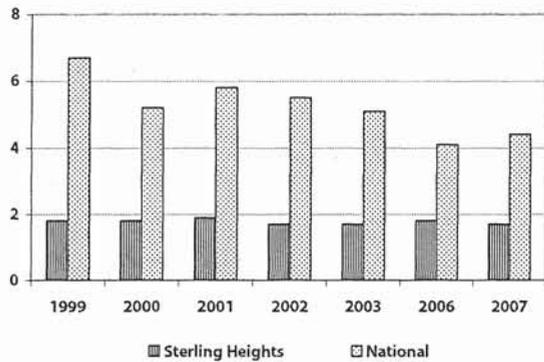
**2007 National Rank: 20<sup>th</sup> out of 61 cities**  
**Rank Percentage: 33%**

The City currently has 44 full-time equivalent employees (FTE's) compared to the national average of 67 FTE's. Beginning in 2003, the national average now excludes the number of municipal golf course FTE's.

# ICMA PERFORMANCE MEASUREMENTS

## Police Department

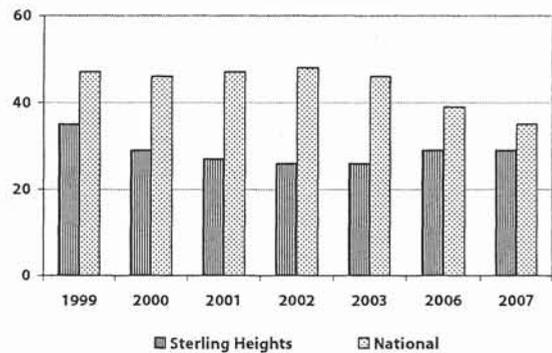
### Violent Crimes Per 1,000 Residents



**2007 National Rank: 46<sup>th</sup> out of 157 cities**  
**Rank Percentage: 29%**

The City currently ranks 46<sup>th</sup> lowest out of 157 cities nationally in Violent Crimes per 1,000 residents. Over the past 9 years, the City has continued to be well below the national average.

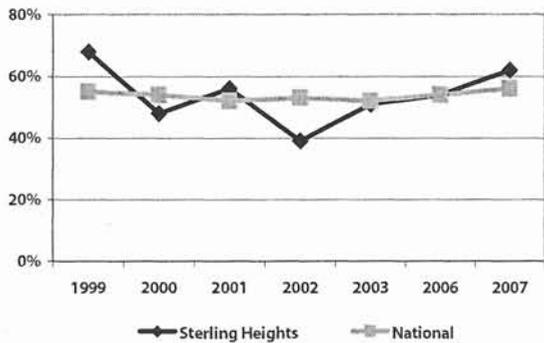
### Property Crimes Per 1,000 Residents



**2007 National Rank: 70<sup>th</sup> out of 159 cities**  
**Rank Percentage: 25%**

The City is also well below the national average in Property Crimes per 1,000 residents. The number of property crimes per resident has generally decreased. The City currently ranks 70<sup>th</sup> lowest out of 159 cities nationally.

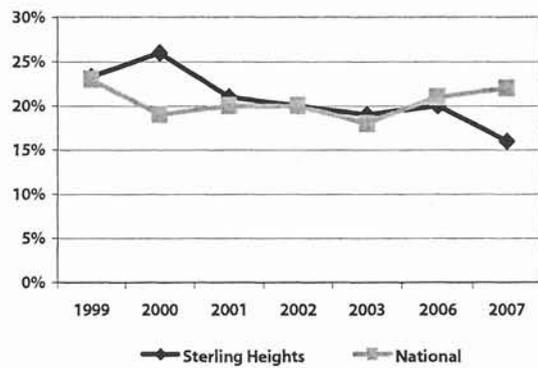
### Percent of Violent Crimes Cleared



**2007 National Rank: 87<sup>th</sup> out of 137 cities**  
**Rank Percentage: 64%**

The Percent of Violent Crimes Cleared, or solved, has increased slightly in the last several years to be above the national average in 2007. In 2007, the City ranked 87<sup>th</sup> out of 137 cities nationally.

### Percent of Property Crimes Cleared



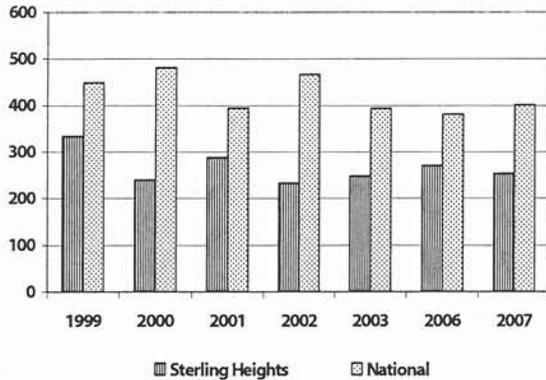
**2007 National Rank: 54<sup>th</sup> out of 133 cities**  
**Rank Percentage: 41%**

The Percent of Property Crimes Cleared, or solved, over the past 9 years continues to be very near the national average. In 2007, the City ranked 54<sup>th</sup> highest out of 133 cities.

# ICMA PERFORMANCE MEASUREMENTS

## Fire Department

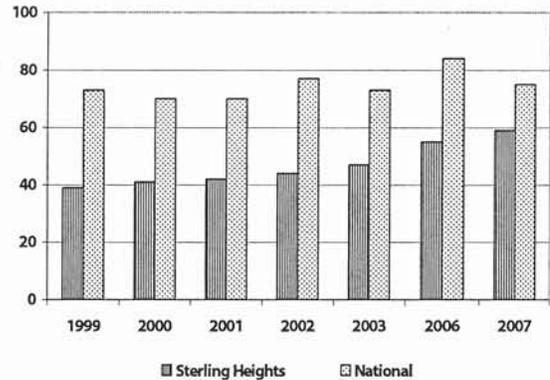
### Fire Incidents Per 100,000 Residents



**2007 National Rank: 39<sup>th</sup> out of 125 cities**  
**Rank Percentage: 31%**

The number of fire incidents in the City continues to be well below the national average for each of the past 9 years. The City currently ranks 39<sup>th</sup> lowest out of 125 cities nationally in the number of fire incidents per resident.

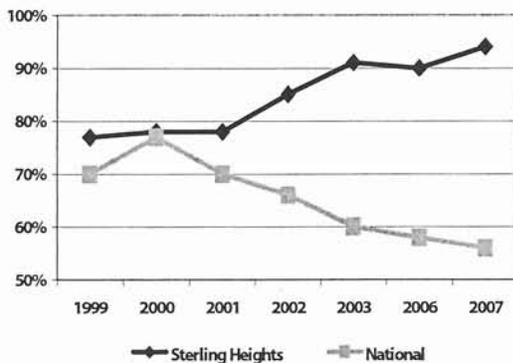
### EMS Responses Per 1,000 Residents



**2007 National Rank: 36<sup>th</sup> out of 104 cities**  
**Rank Percentage: 35%**

The number of EMS responses in the City remains well below the national average for the past 9 years. In 2007, the City ranked 36<sup>th</sup> lowest out of 104 cities reporting. 65% of cities nationally had a higher number of EMS responses per resident.

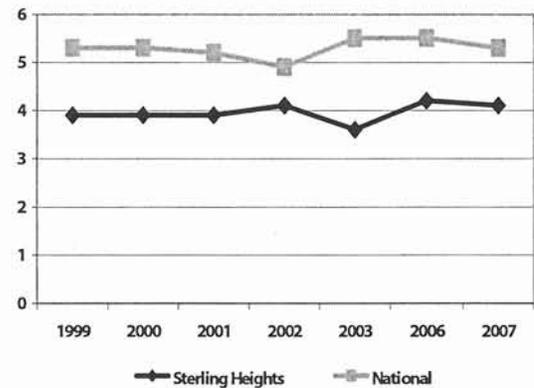
### Percent of Fire Responses Less Than 5 Minutes



**2007 National Rank: 75<sup>th</sup> out of 77 cities**  
**Rank Percentage: 97%**

For the past 9 years, Sterling Heights has had a higher percent of fire responses that took less than 5 minutes to respond, as compared to the national average. Currently, 94% of fire incidents are responded to in 5 minutes or less. Only 2 reporting cities had a higher percent.

### Average EMS Response Time (Minutes)



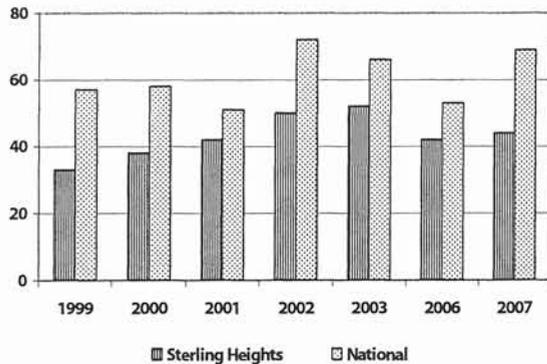
**2007 National Rank: 10<sup>th</sup> out of 61 cities**  
**Rank Percentage: 16%**

The City's average EMS response time is 4.1 minutes, which is well below the national average. We currently rank 10<sup>th</sup> lowest out of 61 cities. In other words, only 16% of the cities nationally had a faster average EMS response time.

# ICMA PERFORMANCE MEASUREMENTS

## Public Works Department

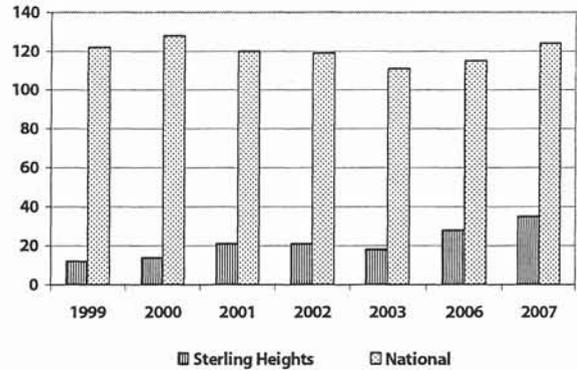
### Refuse Collection Costs Per Ton



**2007 National Rank: 22<sup>nd</sup> out of 58 cities**  
**Rank Percentage: 38%**

Our Refuse Collection Costs per Ton increased from 1999-2003, but fell in 2006 due to a new refuse collection contract. Our costs continue to be below the national average. Our costs ranked 22<sup>nd</sup> lowest out of 58 cities nationally.

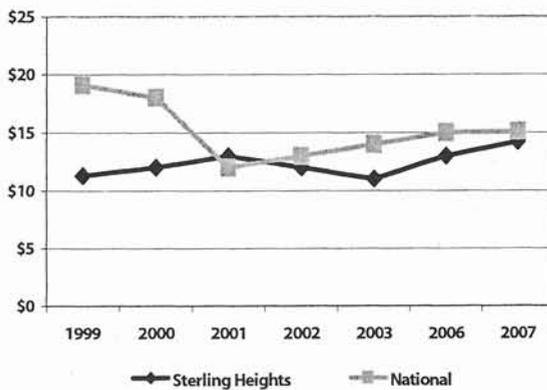
### Recycling Costs Per Ton Recycled



**2007 National Rank: 4<sup>th</sup> out of 51 cities**  
**Rank Percentage: 8%**

The City's Recycling Costs per Ton Recycled are the fourth lowest out of the 51 cities reporting nationally. The City has 3 voluntary drop-off centers, which allows us to be nearly 4 times lower in costs than the national average.

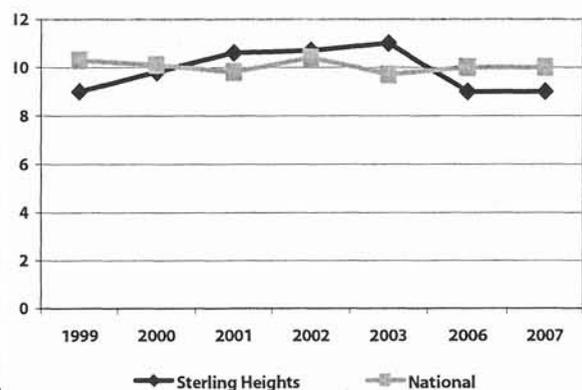
### Fleet Maintenance Expenditures Per Resident



**2007 National Rank: 12<sup>th</sup> out of 28 cities**  
**Rank Percentage: 43%**

The City spends near the national average for operating and maintaining its motor vehicles and equipment. We currently rank 12<sup>th</sup> out of 28 cities nationally.

### Average Age of Fire Apparatus (Years)



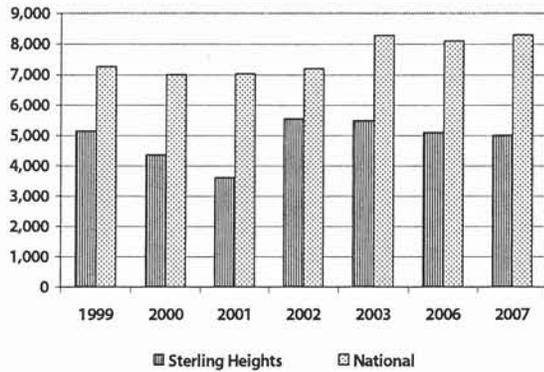
**2007 National Rank: 46<sup>th</sup> out of 84 cities**  
**Rank Percentage: 55%**

Two recently purchased fire vehicles have helped to lower the City's average fire vehicle age down to 9 years. For the second time since 2000, the age of our fire fleet is now below the national average.

# ICMA PERFORMANCE MEASUREMENTS

## Public Library Department

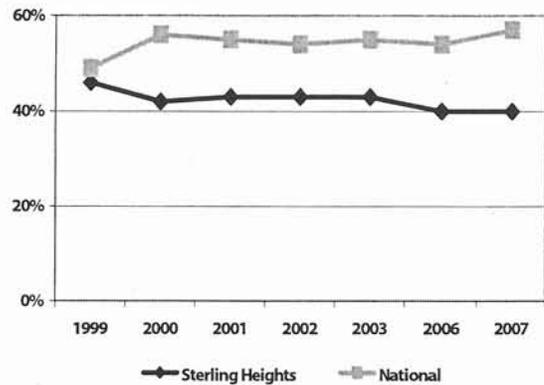
### Library Circulation Per 1,000 Residents



**2007 National Rank: 21<sup>st</sup> out of 71 cities**  
**Rank Percentage: 30%**

From 2000 to 2001, the Library's circulation decreased sharply as the Library was closed for 2-3 months during each fiscal year due to renovations. Since then, the circulation increased above 1999 levels, though it is still below the national average.

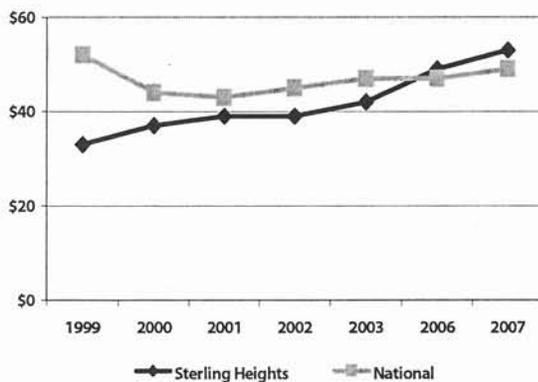
### Registered Borrowers As a % of Population



**2007 National Rank: 10<sup>th</sup> out of 61 cities**  
**Rank Percentage: 16%**

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

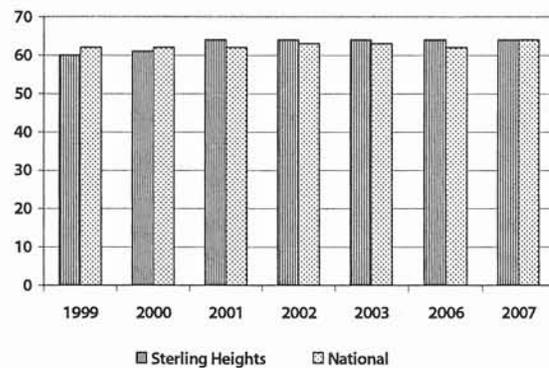
### Library Expenditures Per Registered Borrower



**2007 National Rank: 45<sup>th</sup> out of 68 cities**  
**Rank Percentage: 66%**

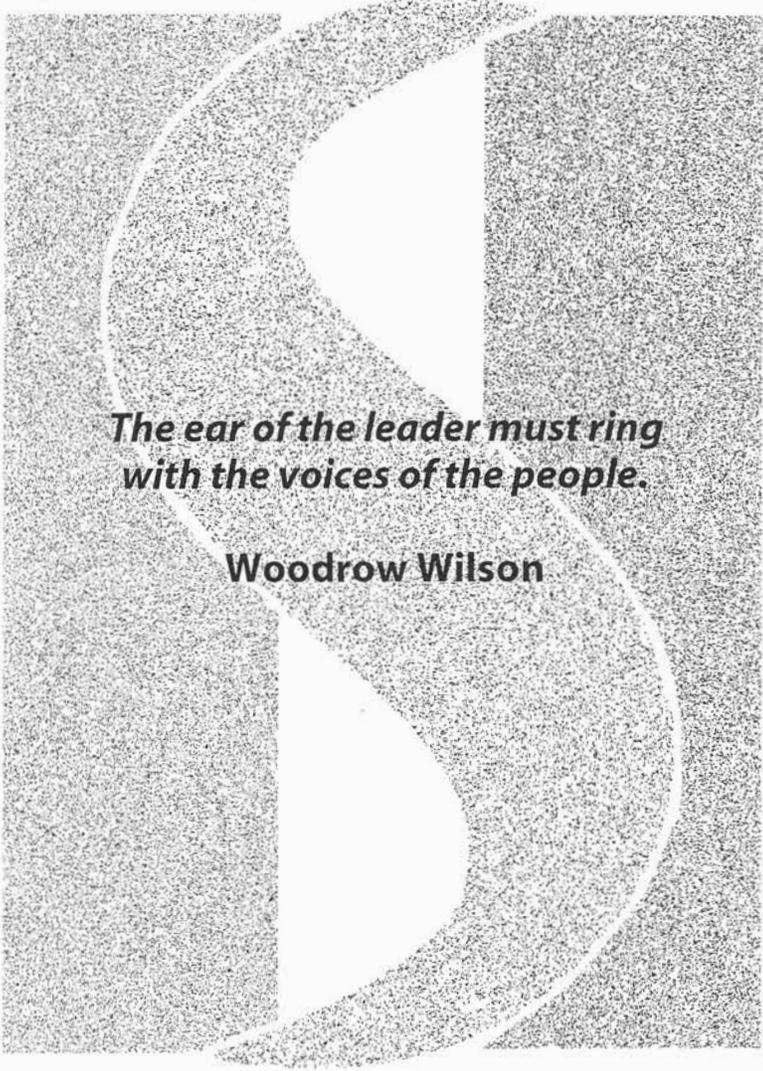
The City's Library Expenditures per Registered Borrower has risen to be slightly above the national average. In 2007, the City spent \$53 per registered borrower compared to an average of \$49 spent nationally. We ranked 45<sup>th</sup> out of 68 cities nationally.

### Average Weekly Hours of Library Operations



**2007 National Rank: 30<sup>th</sup> out of 66 cities**  
**Rank Percentage: 45%**

Over the past 9 years, the City has increased the number of hours that the Library has been open. In 2001, the City opened the Library a half-hour earlier each day. In the late 1990's, the Library added Sunday hours during the school year.



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# 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

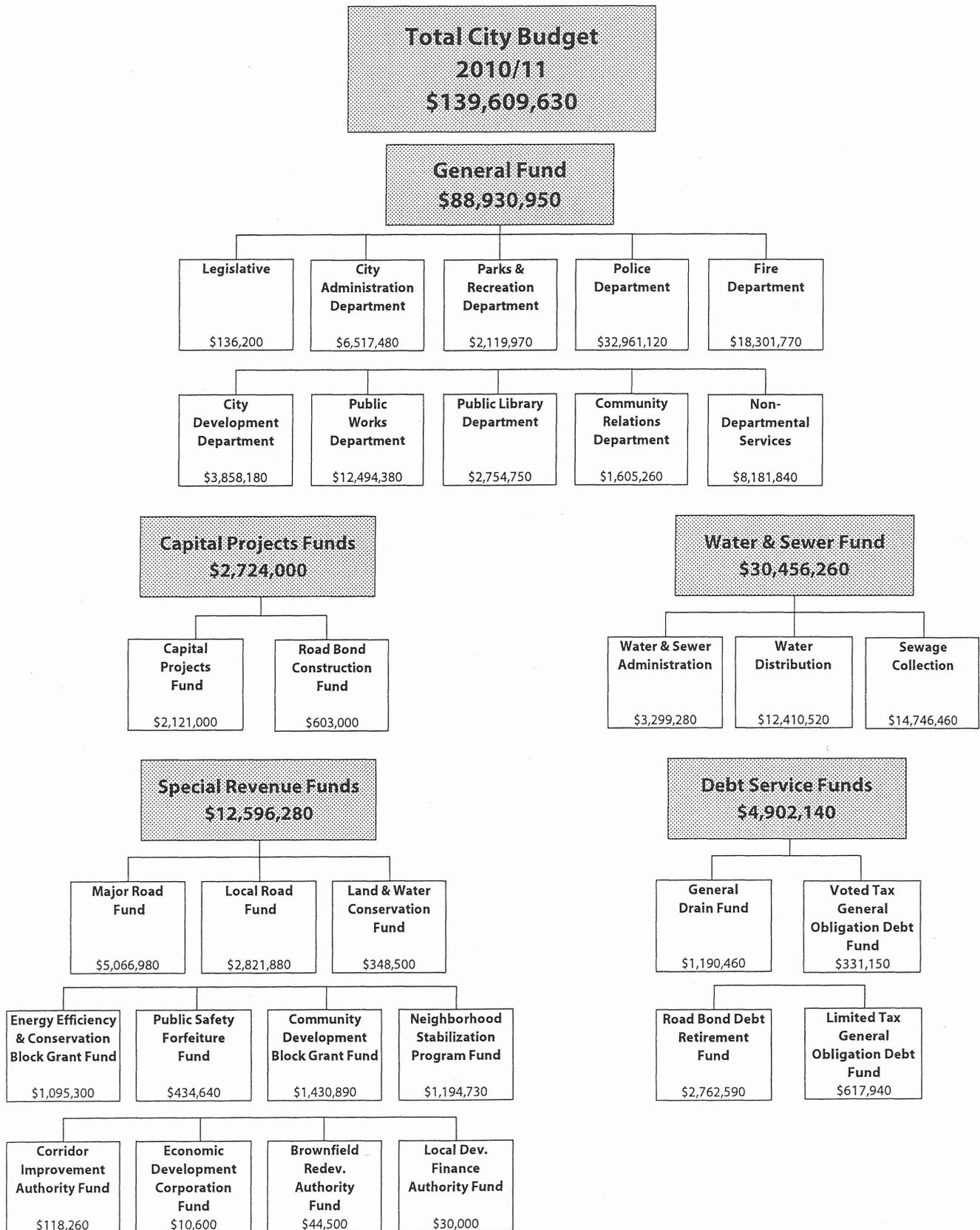


Chart figures correspond to budget tabs and include all transfers.

## INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2010/11 Budget for the City of Sterling Heights. This overview will provide City residents with a comprehensive summary of the plans of the City for the fiscal year. The City Council held several budget hearings throughout the months of April and May in order to review the budget document.

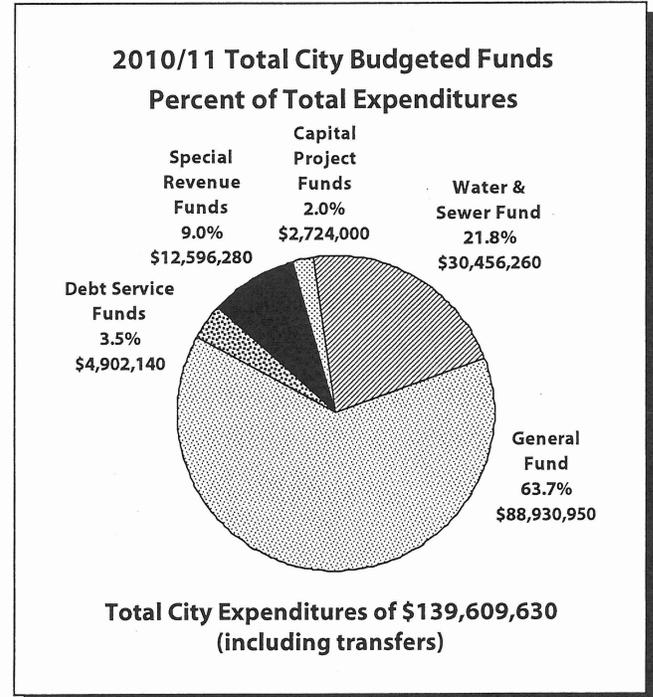
This Executive Summary will briefly introduce you to the City's budget. It will explain how the City plans to utilize its resources and will highlight some of the more significant changes to the City's budget. If a more in-depth understanding of the budget is desired, please take some time to review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

## TOTAL CITY FUNDS

The 2010/11 Budget for all City Funds totals \$139.6 million – down \$16.8 million or 10.7% from the prior year due to numerous cost saving measures, a decrease in federal stimulus road and neighborhood stabilization funds, and savings from the repayment of debt in the prior year.

The City establishes a budget for 19 separate funds or accounting divisions. These 19 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the **General Fund**, which provides \$88.9 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 \$30.5 million in funding for the water distribution and sewage disposal services purchased from the City of Detroit. Both the General and Water & Sewer Funds will be discussed in depth later in this Executive Summary.

The **Special Revenue Funds** provide a total of \$12.6 million for major and local road maintenance and construction, park development, public safety drug forfeiture purchases, funding for economic development and brownfield redevelopment, the



corridor improvement authority and the local development financing authority, and for the federally subsidized Community Development Block Grant, Energy Efficiency & Conservation Block Grant, and the Neighborhood Stabilization programs. Several notable items in the Special Revenue Funds 2010/11 Budget include:

- \$1.2 million in federal neighborhood housing assistance to qualifying low-income residents.
- \$1.1 million in federal energy grants to replace roofs, boilers, and air conditioning units and other energy saving measures including new lights and temperature controls in City facilities.
- Continued funding to assist low and moderate-income families in making minor home repairs, renovation of the Baumgartner Park restroom, and installation of ramped sidewalks.
- Funding for continued efforts to market the City as a defense industry location and operations of the City's new business incubator Smartzone.
- \$348,500 for eight park maintenance projects including a replacement Dodge Park playscape, baseball shelters and soccer field drainage at Baumgartner Park, repairs to light poles and scoreboards at Delia Park, repairs to the Magnolia Park tennis courts, and the relocation of the bike path near eroding sections of the Clinton River.

Due to declining taxable values, funding for the Neighborhood Road Repair Program has been reduced by 7.8%. Funds are budgeted to complete improvements to Shortridge, Idaho, Grand Haven, and Dray Drives. Due to a six-year decline in State gas tax revenues, the City had to reduce the budget for sectional concrete replacement on City streets by \$175,000 or 17.1%.

Due to declining State road funds and federal stimulus dollars, fewer new road projects are budgeted. These limited road improvement projects for next year include:

- Sectional concrete pavement repairs on Metropolitan Parkway from Dequindre to Mound Road and the asphalt resurfacing of Metropolitan Parkway from Mound Road to Conrail.
- Repairs to the 14 Mile Bridge over the Red Run Drain and the replacement of bridge decking on the Van Dyke Bridge over the Clinton River.
- Grant funds for the installation of a center turn lane at the Plumbrook and Utica Road intersection and the installation of right hand turn lanes at 15 Mile and Schoenherr Road.

The **Capital Project Funds** total \$2.7 million for 2010/11. These funds are used for the purchase of capital equipment and vehicles, the repairs to municipal facilities and storm drains, and for road construction financed by the sale of bonds. Notable capital projects in the 2010/11 Budget include:

- \$460,000 for Neighborhood Sidewalk Repairs and \$200,000 for the continuation of the Sidewalk Gap Completion Program.
- \$150,000 to repair pumps and electrical equipment at the Burton Share Industrial retention pond.
- \$600,000 in grant funds for the replacement of Police Mobile Data Computers and new E-ticket technology, and \$10,000 for two DPW salt brine dispensing units on snow removal vehicles.
- A new Public Safety Dispatch and Records Management computer system, and twenty-seven replacement personal computers.
- \$381,000 to replace five police patrol and traffic vehicles, a Fire Engine, and a replacement Engineering vehicle.

Finally, the **Debt Service Funds** total \$4.9 million and provide funding for the debt payments on road

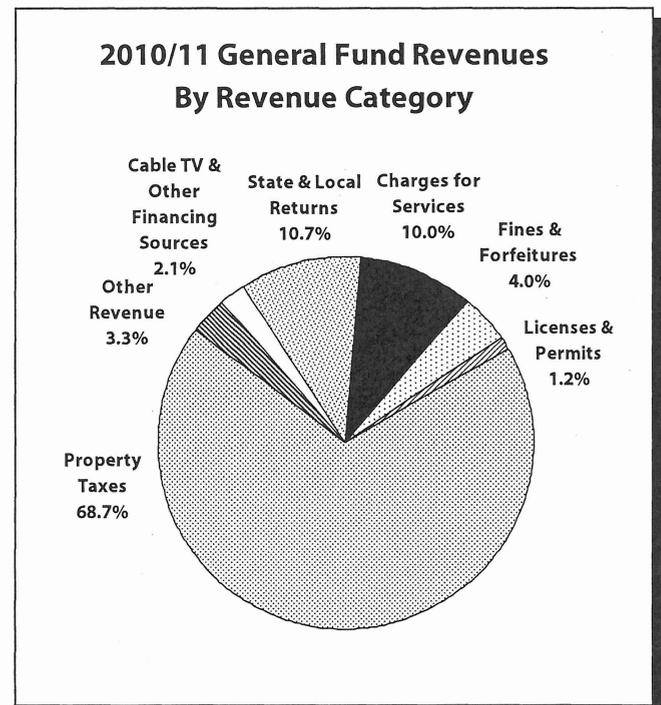
construction projects, the City Center Commons, the public safety radio system, storm drains, and the debt resulting from the voter approved Proposal F. The City has saved over \$1.3 million in future interest payments by refinancing several bonds and due to the last bond rating upgrade.

## GENERAL FUND

The 2010/11 General Fund Budget totals \$88.9 million, a decrease of \$330,810 or 0.4% below the 2009/10 Budget. Absent increased funding for retiree liabilities, the budget would have decreased by \$2.2 million or 2.5%.

## Revenues by Category

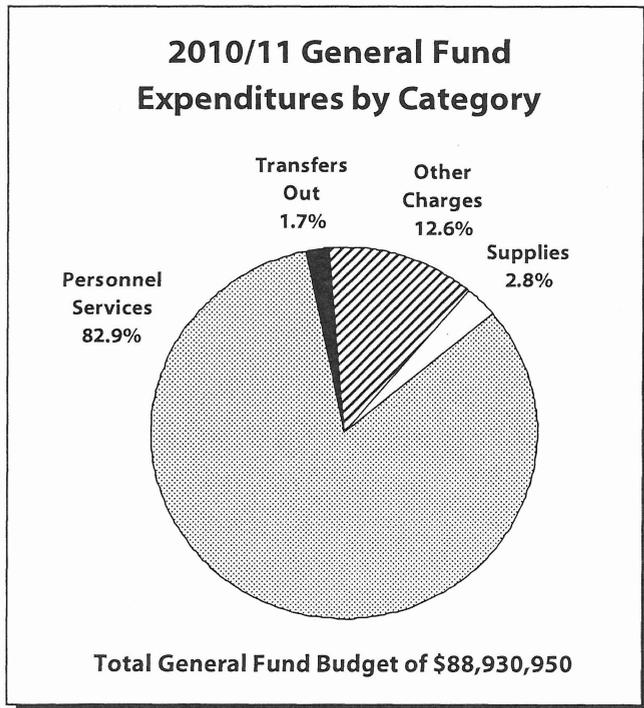
The General Fund derives its revenue from a variety of sources as the graph illustrates. The largest source is from property taxes. The City's tax rate of 12.6858 mills will provide \$58.6 million or 68.7% of the total General Fund budget. Taxes are levied for General Operations, Refuse Collection, Police & Fire Pensions, Public Improvement Proposal F debt, and Drain debt. Due to the third year of declining property assessments, and despite cost saving measures, the budget includes a 1.9 mill adjustment to recover 40% of the taxes lost in the past three years. The City's residential property assessments



have now fallen by 33%, resulting in a 13% decrease in the City's total taxable value. The City's total taxable value has now decreased back to 2004/05 levels. This revenue loss and assessment decline is unprecedented having never before occurred in the City's history. Despite the millage adjustment, the City's total tax rate has still declined by 0.7 mills or 5.2% since 1988 and remains one of the lowest of any city in the area and in the entire State.

To lessen the burden and reliance on property taxes, the General Fund also realizes revenue from a variety of smaller revenue sources: Licenses & Permits comprise 1.2%, State and Local Returns 10.7%, Fines & Forfeitures 4.0%, Charges for Services 10.0%, Other Revenue 3.3%, Cable TV Revenue 2.0%, and Other Financing Sources 0.1%.

Due to a decline in property assessments, continued cuts in State funding, lower development and interest income, coupled with an increase in retirement contributions due to a declining stock market, and despite \$3.4 million in expenditure savings, a \$3.0 million planned use of fund balance reserves is budgeted. As a result, an estimated \$8.3 million or 9.4% of General Fund expenditures will remain available in General Fund reserves.



## Expenditures by Category

The \$88.9 million General Fund budget is comprised of four separate expenditure objects or categories as the graph illustrates. The largest is for Personnel Service costs, which are made up of wages and fringe benefits and comprise 82.7% of the total budget. Supplies, which are made up primarily of operating supplies, fuel, parts for the repair and maintenance of City vehicles, and the purchase of Library books, total 2.8% of the budget. Other Charges total 12.5% of the budget and are primarily used to provide for the refuse collection contract, liability insurance, utility bills, and legal costs. Transfers to other City funds total 2.0% of the General Fund budget.

The total \$330,810 decrease in General Fund expenditures can be explained by the following illustration showing where the expenditure changes have occurred:

	<b>Dollar Change</b>	<b>Percentage Change</b>
Personnel Services	\$773,650	1.1%
Supplies	(118,680)	(4.6%)
Other Charges	(505,910)	(4.3%)
Transfers Out	(479,870)	(24.5%)
<b>Total</b>	<b><u>(\$330,810)</u></b>	<b><u>(0.4%)</u></b>

**Personnel Services** increased \$773,650 or 1.1% over last year's budget. Absent the increased funding for retiree liabilities, personnel costs would have decreased by \$1.1 million or 1.5%. The higher retiree funding is needed to partially offset a declining stock market. The budget does not fund 21 full-time positions saving over \$1.6 million. The budget includes the 3% labor concessions agreed to by all 12 bargaining groups, saving \$1.25 million. Overtime costs will fall by another \$226,000 or 8.3% to total a nearly \$800,000 or 23% reduction over the past two years. Health insurance costs increased by \$121,670 or 2.0%.

The City will again increase its contribution to fund growing retiree medical obligations. An actuarial study has recommended increased funding in order to offset large future liabilities. In the 2010/11 fiscal year, \$11.5 million has been set aside in the General Fund to fully cover these obligations, an increase of \$443,050 or 4.0% over the previous year. In the past seven years, the City has increased its funding by

\$8.8 million and funding now totals the 25% of City payroll recommended by the latest actuarial study.

The budget includes funding for 574 full-time positions – the City’s lowest staffing level since the 1970’s. Due to revenue shortfalls, 21 vacant positions have not been funded, saving \$1.6 million. The City has now reduced funding for 75 vacant full-time positions or 11.6% of its workforce since 2002, saving over \$5.5 million annually. Staffing is down in all City departments. Since 2002, full-time staffing in City Development and Parks & Recreation has fallen by 25%, City Administration is down by 21%, while Public Works staffing has fallen by 14%. Staffing in the 41-A District Court, Community Relations, and the Police & Fire Departments is down between 5% and 7%. The City’s employee per resident ratio has now decreased by 30% since 1978.

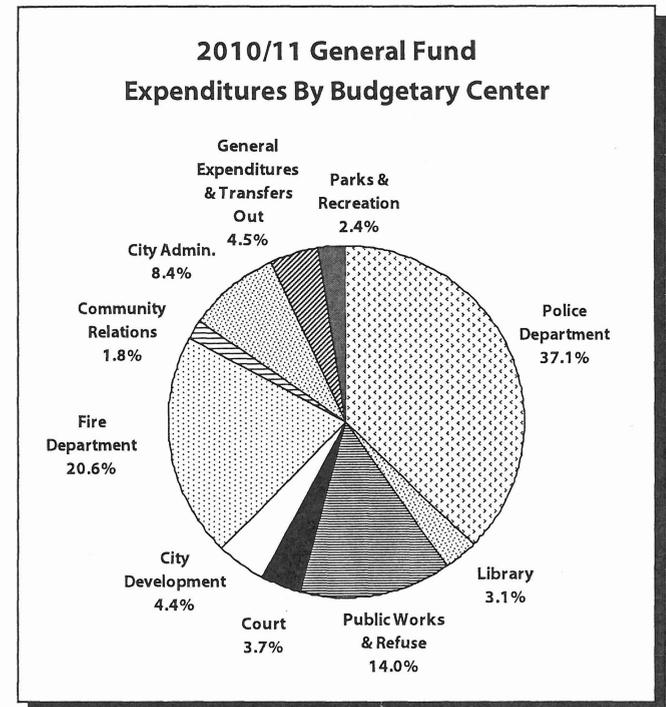
Part-time staffing has decreased by a net of four positions. The budget no longer funds an Intern in City Administration, a Video Technician in Community Relations, a Seasonal Laborer in Public Works, and three Crossing Guards. Two part-time Emergency Dispatchers are budgeted to replace two vacant full-time positions, saving \$50,000.

**Supplies** decreased by \$118,680 or 4.6% due to lower fuel prices, postage savings from eliminating one edition of the City Magazine, and fewer Library book purchases. City departments have continued to reduce their overall discretionary spending by, for example, using networked copy machines as printers, which has resulted in the need for fewer toner printer cartridges.

**Other Charges** decreased by \$505,910 or 4.3%. Liability Insurance costs declined due to the settlement of the insurance litigation case. The City’s energy and utility costs are anticipated to decline by nearly \$100,000 due to lower negotiated rate pricing and greater energy efficiency measures. Medical Services declined by \$38,370 due to the labor concession of reducing the Fire Peer Fitness physical assessments. Printing costs fell by \$37,720, as one fewer City Magazine edition will be printed, and as a result of lower printing costs for the City calendar. City Attorney costs fell by \$37,500 or 5.0% as part of the City’s voluntary Vendor Savings Program. Savings were also realized due to fewer employee memberships, the continued elimination of employee tuition reimbursements, and lower

employee training costs. An additional \$129,240 is budgeted due to higher street lighting costs resulting from a 16% DTE rate increase. Other increases include an additional \$100,000 for tax refunds due to an anticipated increase in property tax appeals, \$49,000 for a Labor Attorney, \$20,000 for increased grass cutting on vacant properties, and contractual services for an automotive personal property appraiser and code inspections.

**Capital Outlay** is budgeted in the Capital Projects Fund. All capital equipment and vehicles used by General Fund departments, with the exception of drug forfeiture purchases, are expensed in the Capital Projects Fund and are funded primarily through a Transfer Out from the General Fund, Capital Project reserves or grant funds. \$600,000 in grant funds is budgeted for Police Department equipment, while \$10,000 is budgeted for capital in Public Works. \$220,000 is budgeted for a new Fire Dispatch and Records Management system and to replace 27 six-year old personal computers as part of the Information Technology Plan. \$381,000 is budgeted for the purchase of five replacement high mileage police vehicles, a Public Works vehicle, and the City’s share of a grant for replacing a 22-year old Fire Engine. **A complete list of all capital equipment, vehicles, and projects is located in the Capital Projects section of this document.**



General Fund **Transfers Out** to other City Funds decreased by \$479,870 or 24.5%. The Transfer to the LTGO Debt Fund decreased by \$429,870 as the 41-A District Court building bond was paid off in the prior year.

## Expenditures by Budgetary Center

The General Fund can be further broken down into the departmental or budgetary center level. These centers comprise the eight City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, nearly 72% 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 2010/11 Budget:

### City Administration Department

- The elimination of the part-time City Management Intern.
- Additional election costs due to the increased workload and higher voter turnout expected for the Gubernatorial election.
- The elimination of a Custodial position, as all building cleaning schedules will be further adjusted.
- The elimination of a Clerk Typist position in Assessing as duties have been reassigned.
- The elimination of the vacant Financial Services Manager, Account Clerk in Financial Services and an Account Clerk in Treasury due to a department reorganization that will further streamline operations.
- Energy and building maintenance savings in Facilities Maintenance and a greater use of in-house scanning of documents to save on microfilming costs.
- Lower overtime costs in City Management, Facilities Maintenance, and Financial Services.
- Lower printing costs for the City's Budget and Financial Audit Report.
- A more cost efficient fixed asset software application and the replacement of 16 six-year old personal computers.
- Savings of over \$75,000 from the recent 5% Vendor Savings Program.

### Parks & Recreation Department

- The elimination of a vacant Recreation Supervisor position due to an internal promotion and the

further redistribution of duties among existing staff.

- A reduction in part-time wages due to the prior consolidation of the summer playground program sites and lower staffing level savings already achieved by the department.
- Lower overtime costs for the entire department.
- Postage and printing savings from the greater use of e-mail and the City's web site for program information.
- Continued program supply savings and increased funding for the popular adult softball program.
- The partial use of prior land sale funds and grant funding for eight park maintenance projects.
- Continued funding for the Senior Center and programming and operations of the Senior Active Life Center Addition.

### Police Department

- A reduction in funding for four vacant full-time positions, including two Police Officers and two Command staff with only minimal impact due to the greater use of technology and the continuation of the fourth overlapping shift schedule that increased the number of officers on the street during peak times and lessened the need for backfill overtime.
- The elimination of a vacant Police Officer assigned to Sterling Estates, which is no longer funding the position.
- The funding for two part-time Dispatchers to replace vacant full-time staff due to a new labor concession agreement.
- A reduction in overtime costs due to savings from the Special Response Team, the new Troy firing range agreement, suspension of the Citizen Police Academy, and refined detective shift schedules.
- Savings from the elimination of costly printer toner cartridges due to the use of network copy machines for department printing.
- Savings from the use of the new radio tower, reduced training costs, and greater energy saving efforts.
- Funding for five replacement high mileage traffic and patrol vehicles, grant funds for mobile data computers and e-ticket technology, and drug forfeiture purchases for a new dispatch and records management system and two replacement detective vehicles.

- Continued deployment of four officers on the Accident Prevention program and continuation of the Weigh Master enforcement program.
- Continuation of the City's Community Emergency Response Team (CERT).

## Fire Department

- A reduction of two Fire Inspector positions, as resources will be redirected toward the high hazard inspections, while the annual inspection cycle will be changed to a biennial cycle.
- A reduction in overtime costs due to more cost effective public education programs, a continuation of the revised fire open house format, the use of grant funds for HazMat training, lower Sterlingfest staffing, a more streamlined resident assistance program and continued savings from the video conferencing training system.
- Savings from the elimination of phone lines due to the use of fiber optic technology, the elimination of peer fitness physicals and fitness assessments, the elimination of the proposed cost recovery billing program, and lower training costs.
- Funding for an integrated Records Management computer system to be shared with the Police Department and grant-match funds to replace a 22-year old Fire Engine.
- The elimination of revenues from both the ALS reimbursement and the auto accident cost recovery response fee and reducing the annual business fire inspection fee to a biennial fee.

## City Development Department

- The elimination of an Electrical and a Mechanical Inspector position due to reduced building and development activity.
- Lower overtime costs as a result of the reduced building activity and a streamlined Ordinance Board of Appeals process.
- Lower part-time wages as less of the original foreclosure relief grant remains available.
- Funding for the purchase of updated inspector code books and increased Board of Appeal mailings.
- Costs for the contracting of specific code enforcement functions.
- The replacement of eight six-year old personal computers in Information Technology.

## Public Works Department

- The elimination of the vacant Engineering Services Manager due to a decrease in construction activity and an internal reorganization where an Engineering Aide will be promoted to a Chief Engineering Inspector.
- The elimination of a vacant Mechanic and Storekeeper position in Fleet Maintenance, which is anticipated to result in only a slight delay in vehicle maintenance and repairs, while the general stores counter will be staffed on a more limited basis.
- Reducing part-time seasonal laborer funding in Fleet Maintenance and Parks & Grounds Maintenance.
- Savings from lower estimated fuel costs in the Fleet Maintenance division, and the planting of fewer annual flowers at municipal sites.
- Continued energy and retention pond maintenance savings, partially offset by the increased demand for cutting vacant or foreclosed properties as part of the City's noxious weed cutting program.
- Funding for the new Refuse Collection contract.
- Funding for repairs to a pump station, two salt brine dispensing systems, and the replacement of a ten-year old Engineering vehicle.

## Public Library Department

- Continued funding for the staffing and operations of the Library due to a service sharing agreement with the Suburban Library Cooperative that will fund a portion of the Library Director's costs, who in return will assist them on a part-time basis.
- The continued elimination of Library Sunday hours during the school year as well as opening the Library later on Fridays.
- \$32,530 in lower funding for Library books, publications, supplies, audio-visual materials and online resources.
- \$7,380 in CDBG funds for the purchase of library books to be delivered to the homebound and senior residences.
- A decrease in Library Cooperative memberships fees, which are tied to lower State aid, and energy saving cost measures.

## Community Relations Department

- The elimination of a vacant part-time Video Technician position.
- A reduction in overtime due to new flextime schedules for taping sports programs, working Sterlingfest and as the Memorial Day parade will no longer be televised.
- Savings from printing and mailing out the City Magazine only three times a year, instead of four.
- Funding for the City Calendar, although in a cost saving measure it will be designed and printed in-house in two colors with limited pictures, but will continue to be mailed upon request.
- The elimination of the Board and Commission biennial banquet as members instead will be honored at a City Council meeting.
- The replacement of three six-year old personal computers.
- Continued Sterlingfest expenditure savings due to a reduction in costs and the sharing of resources with the Chamber of Commerce.

## Non-Departmental Services

- Full year funding for the newly created part-time Deputy Clerk position.
- Savings from cancelling the Police Lieutenant promotional assessment center.
- Continued elimination of the employee tuition reimbursement funding.
- The continued City memberships to the Southeast Michigan Council of Governments (SEMCOG), the Clinton River Watershed Council, 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.

The City purchases its water and sewage services from the City of Detroit, which directly influences the rates we charge. The City of Detroit will increase the water rate it charges the City of Sterling Heights effective July 1, 2010. The Detroit water rate will increase by 8.6%, while the sewage rate is estimated to increase by 10.0%.

As a result of the Detroit increases, a 9.9% water and sewer rate increase must be passed on to our customers in order for the City's Water & Sewer system to break-even next year. The increased rates are necessary due to the rate increases from Detroit, as well as a 13.6% drop in water consumption over the past several years as more homeowners have reduced their outdoor watering needs as a result of the State's economic downturn.

The average Sterling Heights residential customer will pay around \$35 per month for water & sewer services. The City's maximum summer discount will remain at \$26, as this discount was increased a few years ago for the first time in ten years.

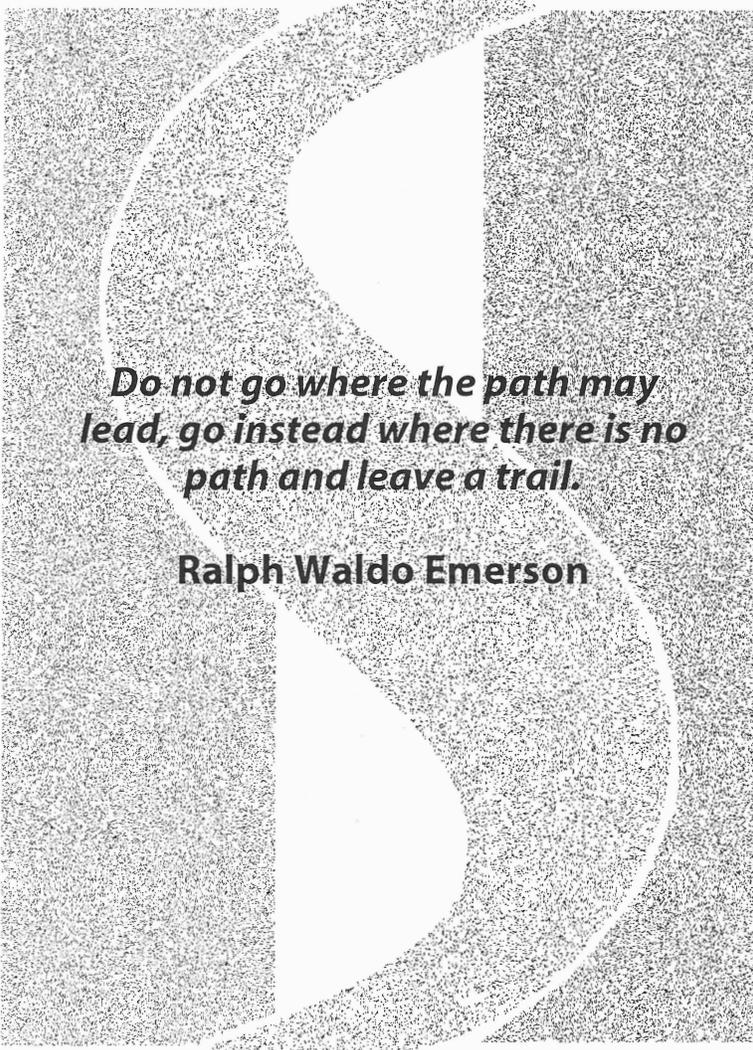
According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City has the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents. Our mark-up on Detroit's water rate is also one of the lowest in the State.

The City continues to control its discretionary costs within this fund while providing the necessary equipment to properly maintain the system. Personnel costs rose by \$54,300 or 1.6%, due to increased funding for pensions and retiree medical liabilities. A vacant Clerk Dispatcher position has been eliminated saving \$50,000. No cost of living wage increases are budgeted due to successful labor concession agreements. Supplies decreased by \$84,050 or 29.1%, as fewer water taps and meter purchases are anticipated. Capital Outlay costs fell by \$411,520 or 85.4% due to the one-time costs in the prior year for the Geographic Information System, the automated commercial water meter reading system, and a Front End Loader.

The 2010/11 Budget includes:

Funding to replace a 35-year old Water Meter at Rudgate Estates, an 11-year old Mini-Van and an 11-year old Pick Up Truck with Plow. ■

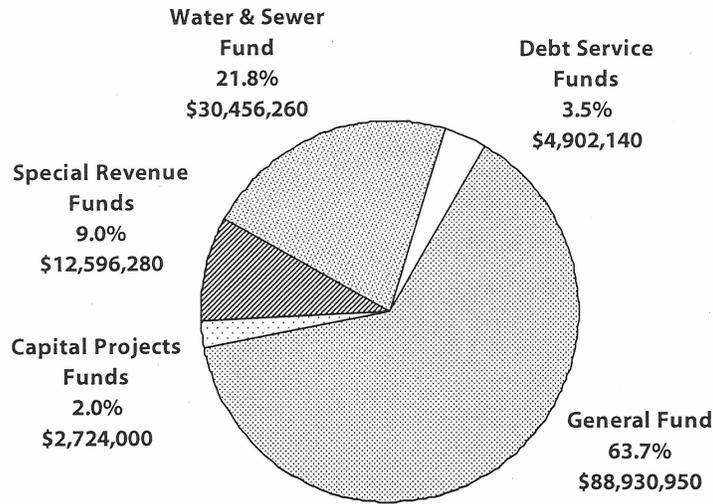
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*Do not go where the path may  
lead, go instead where there is no  
path and leave a trail.*

**Ralph Waldo Emerson**

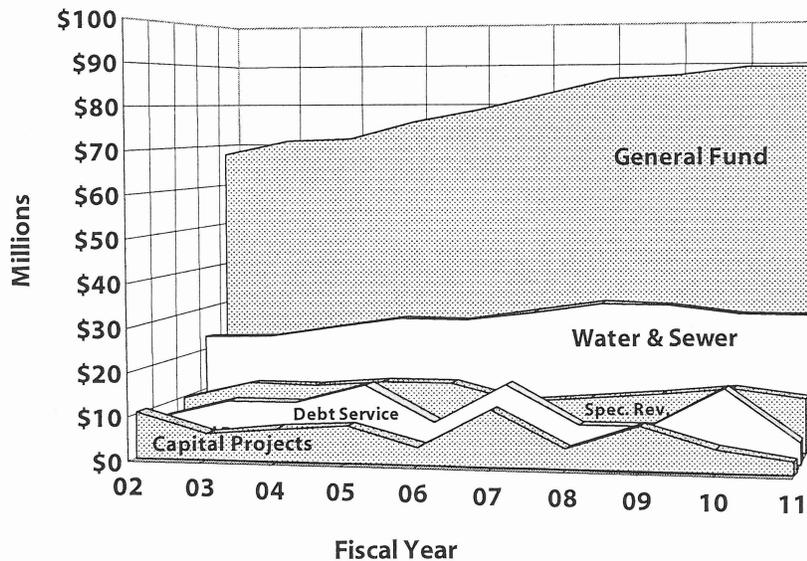
## 2010/11 Total City Budgeted Funds Percent of Total Expenditures



**Total City Expenditures of \$139,609,630  
(including transfers)**

This graph illustrates total fund expenditures as a percent of all City Funds for the 2010/11 fiscal year.

## Total City Budgeted Funds Expenditure History



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

**2010/11 ALL FUNDS COMBINED BUDGET SUMMARY  
OF REVENUES, EXPENDITURES AND FUND BALANCE**

	<b>General</b>	<b>Water &amp; Sewer</b>	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Budget</b>
<b>REVENUES BY SOURCE</b>						
City Property Taxes	\$58,960,390	\$0	\$63,500	\$1,513,610	\$1,000	\$60,538,500
Water & Sewer Service	0	27,962,220	0	0	0	27,962,220
Charges for Services	7,515,370	1,787,750	55,360	0	0	9,358,480
State Revenue Sharing	8,379,510	0	0	0	0	8,379,510
Highway & Street Grants	0	0	6,150,000	0	0	6,150,000
Federal, State & Local Grants	785,190	0	4,252,140	0	753,400	5,790,730
Interfund Transfers In	42,300	0	510,000	3,097,940	351,000	4,001,240
Court & Police Fines and Forf.	3,361,600	0	0	0	0	3,361,600
Miscellaneous Revenue	1,500,200	81,200	251,570	326,710	669,200	2,828,880
Cable Revenue	1,800,000	0	0	0	0	1,800,000
Labor Services Roads	1,100,000	60,000	0	0	0	1,160,000
Rental - Road Equipment	1,000,000	50,000	0	0	0	1,050,000
Licenses & Permits	1,047,500	0	0	0	0	1,047,500
Interest On Investments	287,750	510,000	23,820	3,700	19,000	844,270
Other Fines & Forfeitures	85,000	0	0	0	0	85,000
Sale of Fixed Assets	20,000	0	0	0	0	20,000
Proceeds - Long-term Debt	0	0	0	0	0	0
<b>Total Revenues</b>	<b>85,884,810</b>	<b>30,451,170</b>	<b>11,306,390</b>	<b>4,941,960</b>	<b>1,793,600</b>	<b>134,377,930</b>
<b>EXPENDITURES BY OBJECT</b>						
Personnel Services	73,761,940	3,536,770	3,980	0	0	77,302,690
Other Charges	6,838,870	24,972,990	2,307,240	11,290	0	34,130,390
Capital Improvement Projects	0	0	3,791,370	0	1,513,000	5,304,370
Refuse Collection	4,300,000	0	0	0	0	4,300,000
Interfund Transfers Out	1,478,940	0	2,522,300	0	0	4,001,240
Principal Payments	0	0	315,000	3,670,000	0	3,985,000
Other Services	0	0	3,257,850	0	0	3,257,850
Supplies	2,474,600	204,950	24,580	0	0	2,704,130
Interfund Services	76,600	1,671,300	22,900	0	0	1,770,800
Interest Payments	0	0	30,320	1,220,850	0	1,251,170
Capital Equipment	0	24,250	278,740	0	830,000	1,132,990
Capital Vehicles	0	46,000	42,000	0	381,000	469,000
<b>Total Expenditures</b>	<b>88,930,950</b>	<b>30,456,260</b>	<b>12,596,280</b>	<b>4,902,140</b>	<b>2,724,000</b>	<b>139,609,630</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(3,046,140)</b>	<b>*</b>	<b>(1,289,890)</b>	<b>39,820</b>	<b>(930,400)</b>	<b>(5,226,610)</b>
<b>Beginning Fund Balance</b>	<b>11,389,040</b>	<b>*</b>	<b>4,645,410</b>	<b>388,720</b>	<b>2,403,120</b>	<b>18,826,290</b>
<b>Ending Fund Balance</b>	<b>\$8,342,900</b>	<b>*</b>	<b>\$3,355,520</b>	<b>\$428,540</b>	<b>\$1,472,720</b>	<b>\$13,599,680</b>

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**

	<b>2008/09 Actual</b>	<b>2009/10 Estimate</b>	<b>2010/11 Budget</b>
<b><u>REVENUES BY SOURCE</u></b>			
City Property Taxes	\$57,940,860	\$57,157,680	\$60,538,500
Water & Sewer Service	22,596,410	22,775,040	27,962,220
Charges for Services	8,444,800	9,404,790	9,358,480
State Revenue Sharing	10,487,830	9,058,930	8,379,510
Highway & Street Grants	6,563,780	6,350,000	6,150,000
Federal, State & Local Grants	2,861,820	4,391,020	5,790,730
Interfund Transfers In	11,363,370	16,320,900	4,001,240
Court & Police Fines & Forfeitures	2,758,120	3,488,100	3,361,600
Miscellaneous Revenue	2,789,640	2,338,820	2,828,880
Cable Revenue	1,771,980	1,775,000	1,800,000
Labor Services Roads	1,218,260	1,140,000	1,160,000
Rental - Road Equipment	1,284,960	940,000	1,050,000
Licenses & Permits	960,680	1,177,500	1,047,500
Interest On Investments	2,299,320	960,900	844,270
Other Fines & Forfeitures	78,440	85,000	85,000
Sale of Fixed Assets	187,780	146,580	20,000
Proceeds - Long-term Debt	3,460,000	3,847,970	0
<b>Total Revenues</b>	<b>137,068,050</b>	<b>141,358,230</b>	<b>134,377,930</b>
<b><u>EXPENDITURES BY OBJECT</u></b>			
Personnel Services	73,180,550	74,868,860	77,302,690
Other Charges	34,788,090	30,646,500	34,130,390
Capital Improvement Projects	11,705,850	4,752,120	5,304,370
Refuse Collection	4,122,920	4,300,000	4,300,000
Interfund Transfers Out	8,456,390	5,183,310	4,001,240
Principal Payments	5,735,000	17,442,500	3,985,000
Other Services	3,932,500	3,071,900	3,257,850
Supplies	2,861,500	2,645,010	2,704,130
Interfund Services	1,722,060	1,778,020	1,770,800
Interest Payments	1,993,800	1,636,170	1,251,170
Capital Equipment	959,220	1,672,330	1,132,990
Capital Vehicles	568,780	303,000	469,000
<b>Total Expenditures</b>	<b>150,026,660</b>	<b>148,299,720</b>	<b>139,609,630</b>
<b>Excess of Revenues Over (Under) Expenditures *</b>	<b>(5,891,140)</b>	<b>(4,984,160)</b>	<b>(5,226,610)</b>
<b>Beginning Fund Balance</b>	<b>29,701,590</b>	<b>23,810,450</b>	<b>18,826,290</b>
<b>Ending Fund Balance</b>	<b>\$23,810,450</b>	<b>\$18,826,290</b>	<b>\$13,599,680</b>

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

## REVENUE COMPARISON CITY BUDGETED FUNDS

Fund No.	Fund Name	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget	% Change from 09/10
<b>GENERAL FUND</b>							
1010	General Fund	\$86,091,150	\$87,060,880	\$84,683,400	\$83,436,140	\$85,884,810	1.4%
<b>WATER &amp; SEWER FUND</b>							
5790	Water & Sewer Fund - Operations	28,412,420	25,154,990	30,372,380	25,324,090	30,451,170	0.3%
<b>SPECIAL REVENUE FUNDS</b>							
2010	Budget Stabilization Fund	0	0	0	0	0	0.0%
2020	Major Road Fund	8,834,990	5,440,260	5,513,000	5,494,000	5,046,720	-8.5%
2030	Local Road Fund	3,703,460	3,066,650	2,788,380	2,714,620	2,367,570	-15.1%
2440	Land & Water Conservation Fund	95,690	324,130	133,500	123,580	67,500	-49.4%
2750	Energy Eff. & Cons. Block Grant Fd.	0	0	1,203,800	108,500	1,095,300	-9.0%
2770	Public Safety Forfeiture Fund	333,190	662,180	81,350	145,230	3,810	-95.3%
2780	Comm. Develop. Block Grant Fund	669,550	596,330	1,318,290	696,260	1,430,890	8.5%
2890	Neighborhood Stabilization Fund	0	28,500	2,426,460	1,316,730	1,194,730	-50.8%
8510	Corridor Improvement Auth. Fund	20,580	220,200	26,310	21,580	20,350	-22.7%
8550	Economic Develop. Corp. Fund	8,820	19,170	17,100	17,030	5,030	-70.6%
8560	Brownfield Redevelopment Fund	55,190	48,430	48,930	48,130	44,490	-9.1%
8670	Local Dev. Finance Authority Fund	0	0	30,000	30,010	30,000	0.0%
<b>Total Special Revenue Funds</b>		<b>13,721,470</b>	<b>10,405,850</b>	<b>13,587,120</b>	<b>10,715,670</b>	<b>11,306,390</b>	<b>-16.8%</b>
<b>DEBT SERVICE FUNDS</b>							
3010	General Drain Fund	1,128,770	1,190,800	1,199,520	1,197,320	1,190,460	-0.8%
3050	Voted Gen. Obligation Debt Fund	1,033,150	691,710	185,600	185,130	326,150	75.7%
3160	Settlement Bonds Debt Fund	1,528,300	1,609,090	11,141,810	11,141,810	0	-100.0%
3270	Road Bond Debt Retirement Fund	2,607,530	3,246,650	2,917,100	5,159,790	2,807,410	-3.8%
3690	Ltd. Tax Gen. Obligation Debt Fund	1,313,850	1,384,540	1,047,880	1,047,810	617,940	-41.0%
<b>Total Debt Service Funds</b>		<b>7,611,600</b>	<b>8,122,790</b>	<b>16,491,910</b>	<b>18,731,860</b>	<b>4,941,960</b>	<b>-70.0%</b>
<b>CAPITAL PROJECT FUNDS</b>							
4030	Capital Projects Fund	7,488,840	2,741,380	1,901,020	1,579,470	1,789,600	-5.9%
4280	Road Bond Construction Fund	312,090	3,582,160	1,911,200	1,571,000	4,000	-99.8%
<b>Total Capital Project Funds</b>		<b>7,800,930</b>	<b>6,323,540</b>	<b>3,812,220</b>	<b>3,150,470</b>	<b>1,793,600</b>	<b>-53.0%</b>
<b>Total Revenue</b>		<b>143,637,570</b>	<b>137,068,050</b>	<b>148,947,030</b>	<b>141,358,230</b>	<b>134,377,930</b>	<b>-9.8%</b>
<b>Duplicating Transfers</b>		<b>(9,724,670)</b>	<b>(11,363,370)</b>	<b>(16,360,900)</b>	<b>(16,320,900)</b>	<b>(4,001,240)</b>	<b>-75.5%</b>
<b>Total All Funds</b>		<b>\$133,912,900</b>	<b>\$125,704,680</b>	<b>\$132,586,130</b>	<b>\$125,037,330</b>	<b>\$130,376,690</b>	<b>-1.7%</b>

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

## EXPENDITURE COMPARISON CITY BUDGETED FUNDS

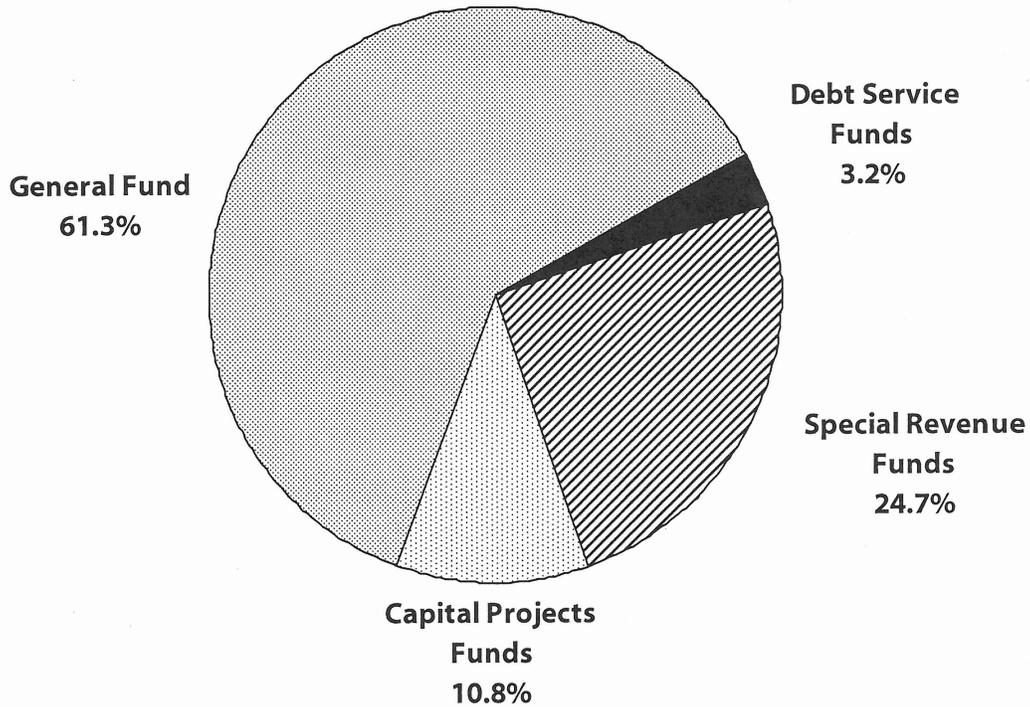
Fund No.	Fund Name	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget	% Change from 09/10
	<b>GENERAL FUND</b>						
1010	General Fund	\$86,516,130	\$87,146,730	\$89,261,760	\$87,254,160	\$88,930,950	-0.4%
	<b>WATER &amp; SEWER FUND</b>						
5790	Water & Sewer Fund - Operations	32,564,240	32,222,460	30,504,980	27,281,420	30,456,260	-0.2%
	<b>SPECIAL REVENUE FUNDS</b>						
2010	Budget Stabilization Fund	0	750,000	0	0	0	0.0%
2020	Major Road Fund	7,260,900	7,726,610	5,974,270	5,606,910	5,066,980	-15.2%
2030	Local Road Fund	3,099,110	3,405,020	3,148,140	2,926,840	2,821,880	-10.4%
2440	Land & Water Conservation Fund	74,370	160,850	15,630	17,130	348,500	2129.7%
2750	Energy Eff. & Cons. Block Grant Fund	0	0	1,203,800	108,500	1,095,300	-9.0%
2770	Public Safety Forfeiture Fund	667,820	268,080	345,970	426,320	434,640	25.6%
2780	Comm. Develop. Block Grant Fund	669,550	596,330	1,318,290	696,260	1,430,890	8.5%
2890	Neighborhood Stabilization Fund	0	28,500	2,426,460	1,316,730	1,194,730	-50.8%
8510	Corridor Improvement Auth. Fund	9,550	12,830	218,480	15,630	118,260	-45.9%
8550	Economic Development Corp. Fund	8,720	19,010	17,100	13,100	10,600	-38.0%
8560	Brownfield Redevelopment Fund	41,650	29,270	81,200	81,200	44,500	-45.2%
8670	Local Dev. Finance Authority Fund	0	0	30,000	30,000	30,000	0.0%
	<b>Total Special Revenue Funds</b>	<b>11,831,670</b>	<b>12,996,500</b>	<b>14,779,340</b>	<b>11,238,620</b>	<b>12,596,280</b>	<b>-14.8%</b>
	<b>DEBT SERVICE FUNDS</b>						
3010	General Drain Fund	1,146,810	1,186,560	1,201,520	1,202,490	1,190,460	-0.9%
3050	Voted Gen. Obligation Debt Fund	989,290	609,960	310,600	309,600	331,150	6.6%
3160	Settlement Bonds Debt Fund	1,526,340	1,609,100	11,144,950	11,144,950	0	-100.0%
3270	Road Bond Debt Retirement Fund	2,636,370	2,931,470	2,855,460	5,127,310	2,762,590	-3.3%
3690	Ltd. Tax Gen. Obligation Debt Fund	1,339,070	1,389,150	1,047,880	1,047,770	617,940	-41.0%
	<b>Total Debt Service Funds</b>	<b>7,637,880</b>	<b>7,726,240</b>	<b>16,560,410</b>	<b>18,832,120</b>	<b>4,902,140</b>	<b>-70.4%</b>
	<b>CAPITAL PROJECT FUNDS</b>						
4030	Capital Projects Fund	3,527,970	6,432,850	3,253,120	2,603,280	2,121,000	-34.8%
4280	Road Bond Construction Fund	862,310	3,501,880	2,044,920	1,090,120	603,000	-70.5%
	<b>Total Capital Project Funds</b>	<b>4,390,280</b>	<b>9,934,730</b>	<b>5,298,040</b>	<b>3,693,400</b>	<b>2,724,000</b>	<b>-48.6%</b>
	<b>Total Expenditures</b>	<b>142,940,200</b>	<b>150,026,660</b>	<b>156,404,530</b>	<b>148,299,720</b>	<b>139,609,630</b>	<b>-10.7%</b>
	<b>Duplicating Transfers</b>	<b>(8,206,330)</b>	<b>(8,456,390)</b>	<b>(5,223,310)</b>	<b>(5,183,310)</b>	<b>(4,001,240)</b>	<b>-23.4%</b>
	<b>Total All Funds</b>	<b>\$134,733,870</b>	<b>\$141,570,270</b>	<b>\$151,181,220</b>	<b>\$143,116,410</b>	<b>\$135,608,390</b>	<b>-10.3%</b>

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

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

Fund No.	Fund Name	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget	% Change from 09/10
<b>GENERAL FUND</b>							
1010	General Fund	\$15,292,910	\$15,207,060	\$10,628,700	\$11,389,040	\$8,342,900	-21.5%
<b>SPECIAL REVENUE FUNDS</b>							
2010	Budget Stabilization Fund	750,000	0	0	0	0	0.0%
2020	Major Road Fund	4,308,990	2,022,640	1,561,370	1,909,730	1,889,470	21.0%
2030	Local Road Fund	1,600,680	1,262,310	902,550	1,050,090	595,780	-34.0%
2440	Land & Water Conservation Fund	591,430	754,710	872,580	861,160	580,160	-33.5%
2750	Energy Eff. & Cons. Block Grant Fund	0	0	0	0	0	0.0%
2770	Public Safety Forfeiture Fund	474,800	868,900	604,280	587,810	156,980	-74.0%
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	11,030	218,400	26,230	224,350	126,440	382.0%
8550	Economic Development Corp. Fund	4,900	5,060	5,060	8,990	3,420	-32.4%
8560	Brownfield Redevelopment Fund	17,180	36,340	4,070	3,270	3,260	-19.9%
8670	Local Dev. Finance Authority Fund	0	0	0	10	10	100.0%
<b>Total Special Revenue Funds</b>		<b>7,759,010</b>	<b>5,168,360</b>	<b>3,976,140</b>	<b>4,645,410</b>	<b>3,355,520</b>	<b>-15.6%</b>
<b>DEBT SERVICE FUNDS</b>							
3010	General Drain Fund	6,490	10,730	8,730	5,560	5,560	-36.3%
3050	Voted General Obligation Debt Fund	54,240	135,990	10,990	11,520	6,520	-40.7%
3160	Settlement Bonds Debt Fund	3,150	3,140	0	0	0	0.0%
3270	Road Bond Debt Retirement Fund	23,750	338,930	400,570	371,410	416,230	3.9%
3690	Limited Tax Gen. Obligation Debt Fund	4,800	190	190	230	230	21.1%
<b>Total Debt Service Funds</b>		<b>92,430</b>	<b>488,980</b>	<b>420,480</b>	<b>388,720</b>	<b>428,540</b>	<b>1.9%</b>
<b>CAPITAL PROJECT FUNDS</b>							
4030	Capital Projects Fund	6,403,790	2,712,320	1,360,220	1,688,510	1,357,110	-0.2%
4280	Road Bond Construction Fund	153,450	233,730	100,010	714,610	115,610	15.6%
<b>Total Capital Project Funds</b>		<b>6,557,240</b>	<b>2,946,050</b>	<b>1,460,230</b>	<b>2,403,120</b>	<b>1,472,720</b>	<b>0.9%</b>
<b>Unappropriated Total - All Funds</b>		<b>\$29,701,590</b>	<b>\$23,810,450</b>	<b>\$16,485,550</b>	<b>\$18,826,290</b>	<b>\$13,599,680</b>	<b>-17.5%</b>

## City Government Funds Percent of Total Reserves 2010/11 Fiscal Year



**Total Government Fund Reserves of \$13,599,680**

This graph illustrates total fund balance reserves for each of the City's Government Funds for the 2010/11 fiscal year.

**YEAR-END  
NET ASSET COMPARISON  
NON-BUDGETARY FUNDS**

<b>Fund No.</b>	<b>Fund Name</b>	<b>2004/05 Actual</b>	<b>2005/06 Actual</b>	<b>2006/07 Actual</b>	<b>2007/08 Actual</b>	<b>2008/09 Actual</b>
<b>PROPRIETARY FUNDS</b>						
<b>ENTERPRISE FUND</b>						
5740	Water & Sewer Improvement Fund	\$32,636,709	\$35,316,776	\$36,581,310	\$36,860,207	\$33,991,681
<b>INTERNAL SERVICE FUND</b>						
6770	Self-Insurance Fund	3,778,841	22,463,966	16,198,640	16,165,248	15,941,054
<b>Total Proprietary Funds</b>		<b>36,415,550</b>	<b>57,780,742</b>	<b>52,779,950</b>	<b>53,025,455</b>	<b>49,932,735</b>
<b>FIDUCIARY FUNDS</b>						
<b>TRUST FUNDS</b>						
7010	Retiree Medical Benefits Fund	8,685,864	10,075,077	14,217,492	18,594,831	20,997,788
7370	General Employees Retirement System	107,762,377	115,605,964	129,442,940	123,949,055	91,705,363
7380	Police & Fire Retirement System	192,699,311	194,849,253	208,600,271	192,914,741	144,978,749
<b>Total Fiduciary Funds</b>		<b>309,147,552</b>	<b>320,530,294</b>	<b>352,260,703</b>	<b>335,458,627</b>	<b>257,681,900</b>
<b>Total All Non-Budgetary Funds</b>		<b>\$345,563,102</b>	<b>\$378,311,036</b>	<b>\$405,040,653</b>	<b>\$388,484,082</b>	<b>\$307,614,635</b>

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

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

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

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# General Fund

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

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

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

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

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\$33.0 million

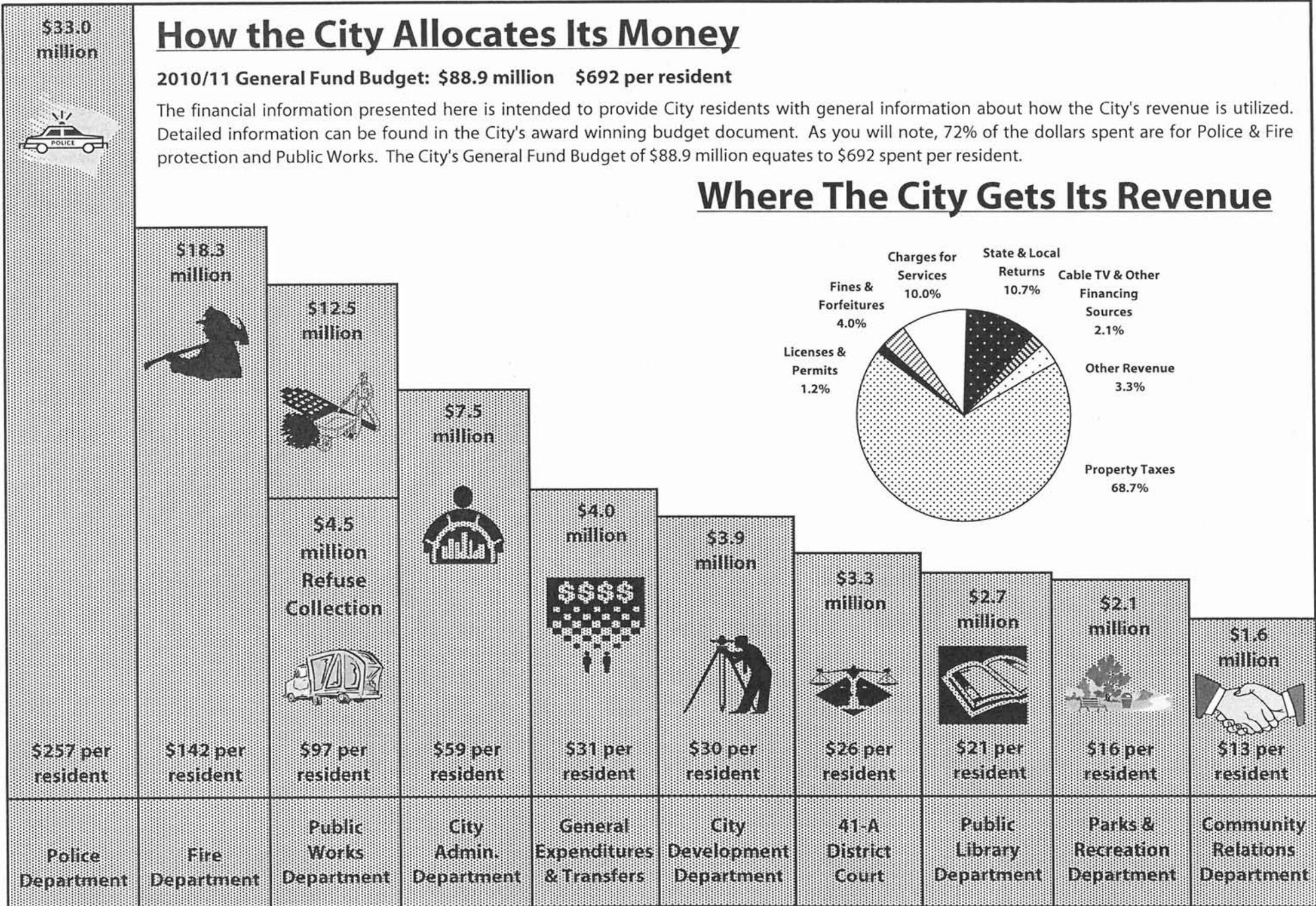
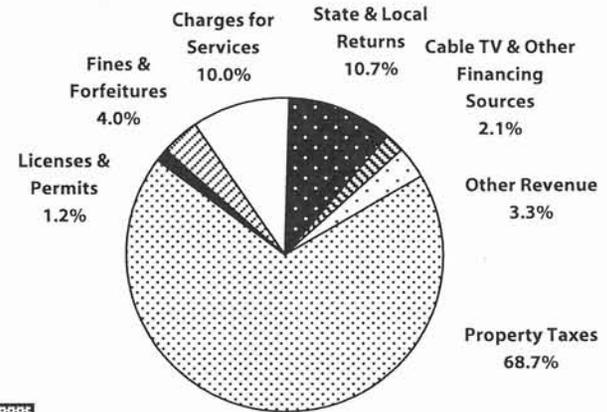


# How the City Allocates Its Money

2010/11 General Fund Budget: \$88.9 million \$692 per resident

The financial information presented here is intended to provide City residents with general information about how the City's revenue is utilized. Detailed information can be found in the City's award winning budget document. As you will note, 72% of the dollars spent are for Police & Fire protection and Public Works. The City's General Fund Budget of \$88.9 million equates to \$692 spent per resident.

## Where The City Gets Its Revenue



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# 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.

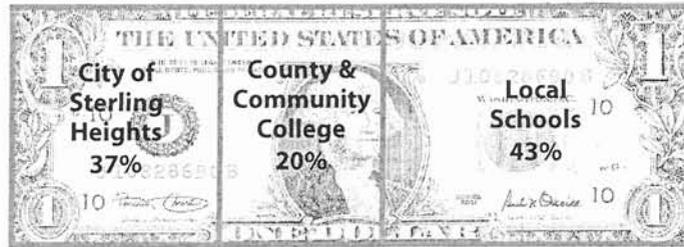
Graphs, tables and schedules numerically depict the relationship between revenues and expenditures. Historical data are presented by budgetary center, activity, and account.

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

The average total residential property tax bill in the City is \$2,310 for those in the Utica Community School district and \$2,701 for those in the Warren Consolidated School district. Of this amount, the City receives less than 40%, or \$905, from the typical resident to pay for all local City services such as police and fire protection, refuse collection, and snow plowing services. This equals about \$75 per month.

	Utica Schools	Warren Schools
<b>Average Residential Total Property Tax Bill:</b> <i>(based on home with a market value of \$145,000 and taxable value of \$71,330)</i>	<b>\$2,310</b>	<b>\$2,701</b>
<b>Average Residential Property Tax (City Portion Only):</b>	<b>\$905</b>	<b>\$905</b>



The City of Sterling Heights spends an average of \$2,095 per parcel on the following general public programs and services. The funds are distributed as follows:

<b>Cost of City Services</b>			
<b>Service</b>	<b>City Average Cost</b>	<b>% of Total</b>	<b>Average Residential Tax Paid Toward Service</b>
Police Department	\$761	36%	\$329
Fire Department	\$423	20%	\$182
Public Works & Refuse	\$288	14%	\$125
City Administration Department	\$174	8%	\$75
General Expenditures & Transfers	\$99	5%	\$43
City Development Department	\$89	4%	\$39
41-A District Court	\$76	4%	\$33
Public Library Department	\$64	3%	\$27
Parks & Recreation	\$49	2%	\$21
Community Relations	\$37	2%	\$16
Debt Service	\$35	2%	\$15
<b>Total Per Parcel</b>	<b>\$2,095</b>	<b>100%</b>	<b>\$905</b>

Because the average amount of residential property tax the City receives is only \$905, you will see that property taxes for most households are not enough to support the services rendered. To make up the difference, the City relies on property taxes from businesses and other revenue sources such as state revenue sharing, grants, engineering and building permits and fees, court fines, and interest on investments.

## MILLAGE RATES FOR CITY RESIDENTS

### (UTICA COMMUNITY SCHOOLS)

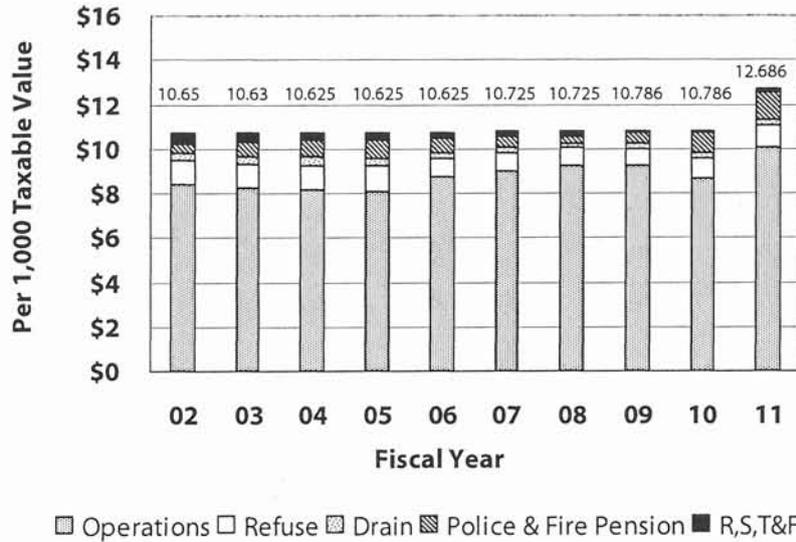
Taxing Entity	2006/07	2007/08	2008/09	2009/10	2010/11*
<b>Tax Rate Shown in Mills</b>					
Utica Community Schools (UCS)	9.500	9.500	9.500	9.500	9.500
Macomb County	4.206	4.206	4.206	4.574	4.574
Macomb Community College (MCC)	1.421	1.421	1.421	1.421	1.421
Macomb Intermediate School District (MISD)	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority (HCMA)	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	0.590	0.590
County Zoo Authority	-	-	0.100	0.100	0.100
Veteran's Operations	-	-	0.040	0.040	0.040
Property Tax Administration Fee	0.189	0.189	0.190	0.302	0.321
<b>STERLING HEIGHTS CITY GOVERNMENT</b>	<b>10.725</b>	<b>10.725</b>	<b>10.786</b>	<b>10.786</b>	<b>12.686</b>
<b>Total Millage Rates</b>	<b>29.788</b>	<b>29.788</b>	<b>29.990</b>	<b>30.470</b>	<b>32.389</b>
Avg. Residential Taxable Property Value	\$81,580	\$84,600	\$83,890	\$81,150	\$71,330
<b>Average Tax Rates Shown in Dollars</b>					
Utica Community Schools	\$775	\$804	\$797	\$771	\$678
Macomb County Government	343	356	353	371	326
Macomb Community College	116	120	119	115	101
Macomb Intermediate School District	240	249	247	239	210
Huron Clinton Metro Authority	18	18	18	17	15
S.M.A.R.T.	48	50	49	48	42
County Zoo Authority	-	-	8	8	7
Veteran's Operations	-	-	3	3	3
Property Tax Administration Fee	15	16	16	24	23
<b>STERLING HEIGHTS CITY GOVERNMENT</b>	<b>875</b>	<b>907</b>	<b>905</b>	<b>875</b>	<b>905</b>
<b>Total Dollars</b>	<b>\$2,430</b>	<b>\$2,520</b>	<b>\$2,516</b>	<b>\$2,473</b>	<b>\$2,310</b>

### (WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2006/07	2007/08	2008/09	2009/10	2010/11*
<b>Tax Rate Shown in Mills</b>					
Warren Consolidated Schools (WCS)	15.829	15.236	14.415	14.928	14.928
Macomb County	4.206	4.206	4.206	4.574	4.574
Macomb Community College (MCC)	1.421	1.421	1.421	1.421	1.421
Macomb Intermediate School District (MISD)	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority (HCMA)	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	0.590	0.590
County Zoo Authority	-	-	0.100	0.100	0.100
Veteran's Operations	-	-	0.040	0.040	0.040
Property Tax Administration Fee	0.252	0.246	0.239	0.356	0.375
<b>STERLING HEIGHTS CITY GOVERNMENT</b>	<b>10.725</b>	<b>10.725</b>	<b>10.786</b>	<b>10.786</b>	<b>12.686</b>
<b>Total Millage Rates</b>	<b>36.181</b>	<b>35.581</b>	<b>34.955</b>	<b>35.952</b>	<b>37.871</b>
Avg. Residential Taxable Property Value	\$81,580	\$84,600	\$83,890	\$81,150	\$71,330
<b>Average Tax Rates Shown in Dollars</b>					
Warren Consolidated Schools	\$1,291	\$1,289	\$1,209	\$1,211	\$1,065
Macomb County Government	343	356	353	371	326
Macomb Community College	116	120	119	115	101
Macomb Intermediate School District	240	249	247	239	210
Huron Clinton Metro Authority	18	18	18	17	15
S.M.A.R.T.	48	50	49	48	42
County Zoo Authority	-	-	8	8	7
Veteran's Operations	-	-	3	3	3
Property Tax Administration Fee	21	21	20	29	27
<b>STERLING HEIGHTS CITY GOVERNMENT</b>	<b>875</b>	<b>907</b>	<b>905</b>	<b>875</b>	<b>905</b>
<b>Total Dollars</b>	<b>\$2,952</b>	<b>\$3,010</b>	<b>\$2,932</b>	<b>\$2,917</b>	<b>\$2,701</b>

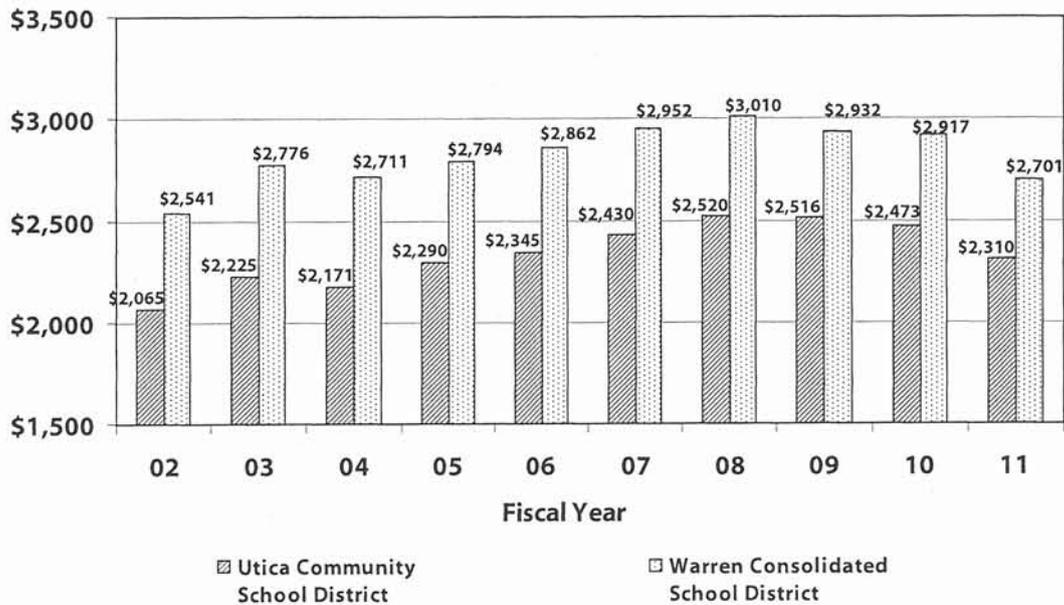
\*Non-City tax rates are estimated. School rates are for Homestead residents only. Totals may not foot due to rounding.

## City of Sterling Heights Millage Rates



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

## Total Property Tax Bill Average Resident

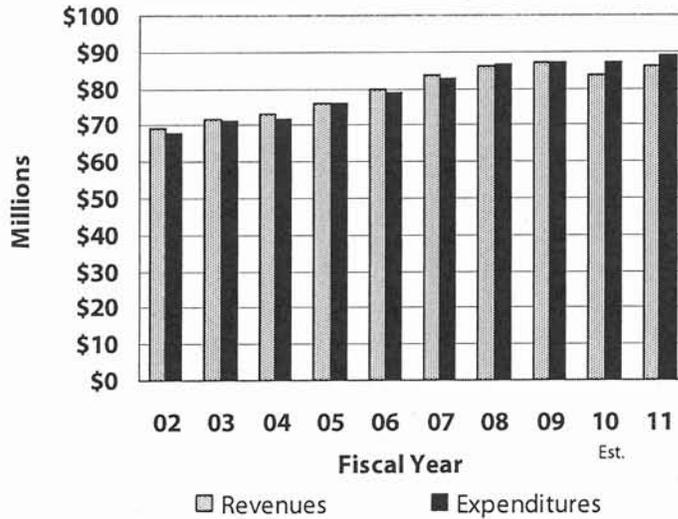


This graph shows the total property tax bill for the average City resident residing in either the Utica Community School District (UCS) or the Warren Consolidated School District (WCS) for the past 10 years.

## GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

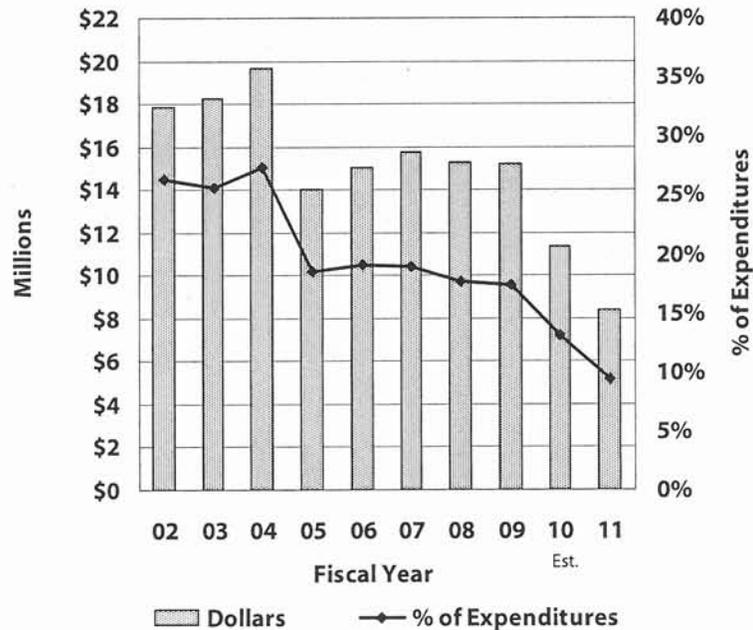
Budgetary Centers	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>REVENUES</b>						
City Operating Taxes	\$50,198,480	\$49,275,430	\$46,218,090	\$46,214,090	\$48,608,400	\$48,608,400
Licenses & Permits	1,352,590	960,680	1,241,000	1,177,500	1,047,500	1,047,500
State and Local Returns	11,663,060	11,409,710	9,899,680	9,873,140	9,164,700	9,164,700
Fines & Forfeitures	2,755,700	2,836,560	3,260,500	3,573,100	3,446,600	3,446,600
Charges For Services	7,988,180	7,896,550	8,993,820	8,651,590	8,615,370	8,615,370
Other Revenue	4,298,090	3,676,210	3,758,700	2,585,110	2,807,950	2,807,950
Cable Revenue	1,671,090	1,771,980	1,725,000	1,775,000	1,800,000	1,800,000
Refuse Tax	4,359,680	4,476,790	4,581,540	4,581,540	4,485,940	4,485,940
Fire & Police Pension Tax	1,707,910	2,594,190	4,925,570	4,925,570	5,866,050	5,866,050
<b>Total Revenues</b>	<b>85,994,780</b>	<b>84,898,100</b>	<b>84,603,900</b>	<b>83,356,640</b>	<b>85,842,510</b>	<b>85,842,510</b>
<b>Other Financing Sources</b>						
Transfers In	96,370	2,162,780	79,500	79,500	42,300	42,300
<b>Total Revenues &amp; Sources</b>	<b>\$86,091,150</b>	<b>\$87,060,880</b>	<b>\$84,683,400</b>	<b>\$83,436,140</b>	<b>\$85,884,810</b>	<b>\$85,884,810</b>
<b>EXPENDITURES</b>						
City Administration Department	\$8,590,120	\$7,992,120	\$7,826,120	\$7,541,180	\$7,543,050	\$7,543,050
Parks & Recreation Department	2,554,030	2,489,620	2,227,140	2,062,370	2,119,970	2,119,970
Police Department	28,531,980	29,502,700	32,374,770	31,913,650	32,977,400	32,961,120
Fire Department	15,703,510	16,686,320	17,741,350	17,297,910	18,301,770	18,301,770
City Development Department	4,106,720	3,905,550	4,011,320	3,796,430	3,871,660	3,871,660
Public Works Department	8,536,780	8,571,070	8,244,500	7,844,390	7,975,440	7,975,440
Refuse Collection	4,206,380	4,337,260	4,614,540	4,526,410	4,518,940	4,518,940
Public Library Department	2,804,790	2,831,660	2,763,080	2,726,020	2,755,600	2,755,600
Community Relations Dept.	1,598,330	1,542,600	1,655,210	1,622,690	1,606,950	1,606,950
41-A District Court	2,974,000	3,150,160	3,213,530	3,213,140	3,290,470	3,290,470
General Expenditures	2,931,290	2,784,520	2,631,390	2,741,160	2,507,040	2,507,040
<b>Total Expenditures</b>	<b>82,537,930</b>	<b>83,793,580</b>	<b>87,302,950</b>	<b>85,285,350</b>	<b>87,468,290</b>	<b>87,452,010</b>
<b>Other Financing Uses</b>						
Transfers Out	3,978,200	3,353,150	1,958,810	1,968,810	1,760,940	1,478,940
<b>Total Expenditures &amp; Uses</b>	<b>\$86,516,130</b>	<b>\$87,146,730</b>	<b>\$89,261,760</b>	<b>\$87,254,160</b>	<b>\$89,229,230</b>	<b>\$88,930,950</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(424,980)</b>	<b>(85,850)</b>	<b>(4,578,360)</b>	<b>(3,818,020)</b>	<b>(3,344,420)</b>	<b>(3,046,140)</b>
<b>Beginning Fund Balance</b>	<b>15,717,890</b>	<b>15,292,910</b>	<b>15,207,060</b>	<b>15,207,060</b>	<b>11,389,040</b>	<b>11,389,040</b>
<b>Ending Fund Balance</b>	<b>\$15,292,910</b>	<b>\$15,207,060</b>	<b>\$10,628,700</b>	<b>\$11,389,040</b>	<b>\$8,044,620</b>	<b>\$8,342,900</b>

## General Fund Revenues vs. Expenditures



The data presented plots revenues vs. expenditures in the General Fund. This graph excludes one-time extraordinary items.

## General Fund Fund Balance



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

## CITY OPERATING TAX

The City's major source of revenue is generated by property taxes. This revenue calculation is based on a relationship between two variables. The first is the assessed property valuation of industrial, commercial, and residential parcels, both real and personal property. This valuation is called the TV – Taxable Valuation. The second variable is the application of a specific tax levy. If either of these variables increase or decrease, a relative change to the City tax revenue will be experienced.

The City has five individual tax levies – the largest is the Operating Tax. Over the past ten years, Operating Tax revenue growth has varied from year to year. From 2002 through 2008, revenues increased less than 5% annually based on inflationary growth in the assessed value and a fluctuating Operation millage rate. Through 2008, due to declining State Revenues, Operating Tax revenues made up a larger share of the City's total General Fund revenues. In 2009 and 2010, due to decreases in taxable values and a declining Operation tax rate, its share of total revenues decreased.

In the 2010/11 Budget, Operating City tax revenue represents 56.1% of total revenues, an increase of

\$2.4 million or 5.2% above the amount estimated to be collected in 2010. The increase is a result of a 16.8% adjustment to the Operating tax rate, offset by a 9.9% decrease in the City's taxable property values.

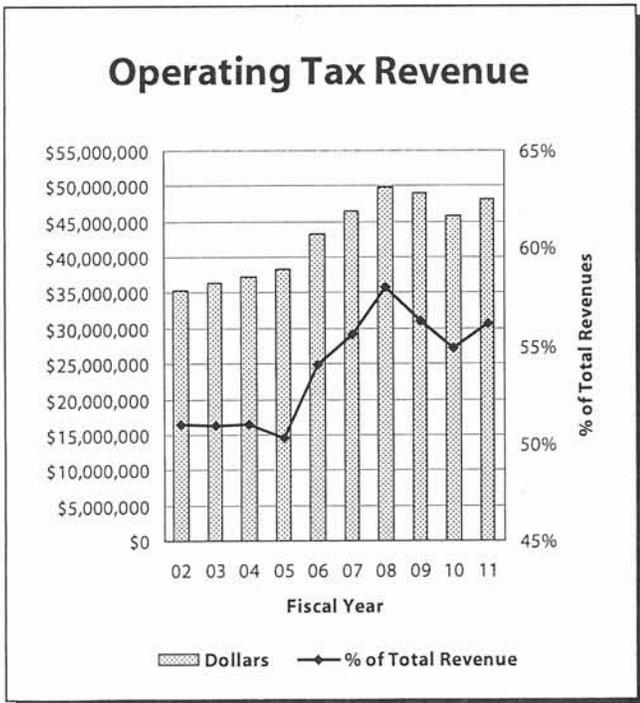
The Operations tax levy for the 2010/11 fiscal year is 10.1811 mills per \$1,000 Taxable Value, an increase of 1.4631 mills. The increase is necessary to offset a 12.8% three-year decrease in taxable values. The City's total taxable value has now fallen back to 2004 levels. Due to the taxable value losses and even with the millage adjustment, total Operating City tax revenue is still \$1.7 million or 3.4% below amounts collected three years ago before taxable values began to decline. The 10.1811 operating millage rate continues to be below the 12.0 millage rate limit established by voter-approved City Charter and is currently 0.66 mills below the 10.8395 State Headlee maximum allowable levy.

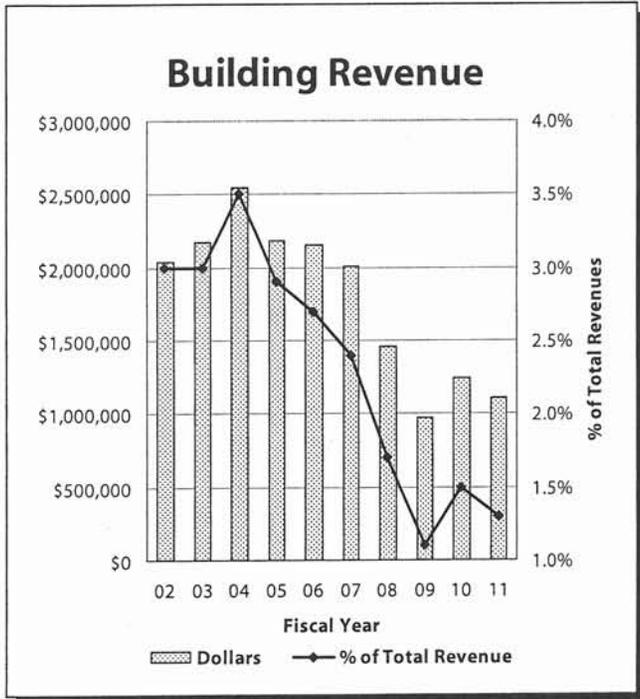
The City's total tax rate has increased by 1.9 mills over last year. Despite the millage adjustment, the City's total tax rate has still declined by 5.2% since 1988 and remains one of the lowest of any city in the area and in the entire State.

## 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.

Licenses and Permit revenues are primarily comprised of building revenues. Building revenue remained relatively constant from 2002 to 2007. Building revenue increased in 2004 due primarily to building fees from large one-time developments including renovations to Lakeside Mall. Beginning with the State's economic downturn in 2008, building revenues have dropped significantly. In 2011, building revenues are estimated to be \$1.4 million below 2004 levels. As a percent of total City revenues, building revenues has dropped from a





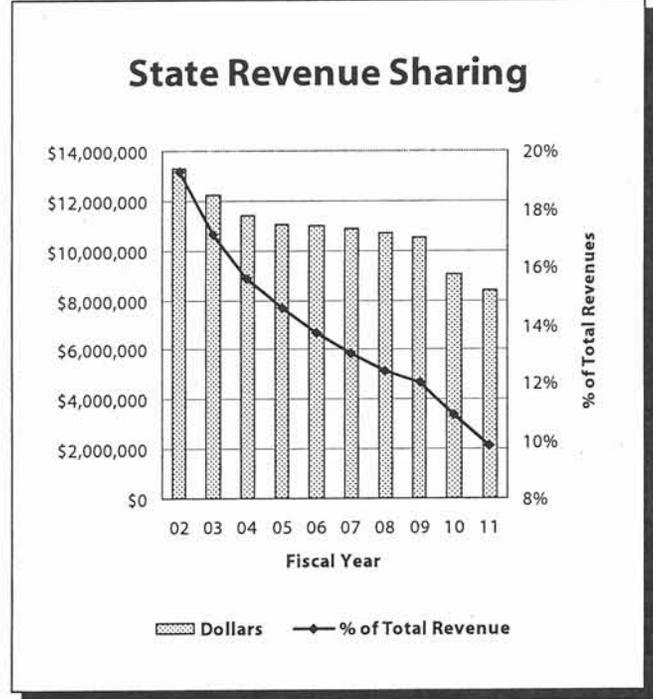
high of 3.5% in 2004 to only 1.3% in 2011.

In the 2010/11 Budget, License and Permit revenues represent 1.2% of total revenue sources, a \$130,000 or 11.0% decrease from what is estimated to be received in 2010 primarily due to the one-time permit revenues from the BAE project. We anticipate the State's economic slow down will continue into 2011.

## STATE AND LOCAL RETURNS

Another major source of revenue to the City is State & Local returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major revenue source is from State Revenue Sharing. Revenue sharing payments, made by the State to communities in Michigan from sales tax receipts, are distributed based on formulas determined by the State. These formulas take into consideration population, government type, and taxable values per capita.

Since 2002, due to a declining economy and State budget reductions, the amount the City has received has fallen dramatically. As a percent of total City revenues, State revenue sharing has fallen from a high of nearly 20% to only 9.8% today.



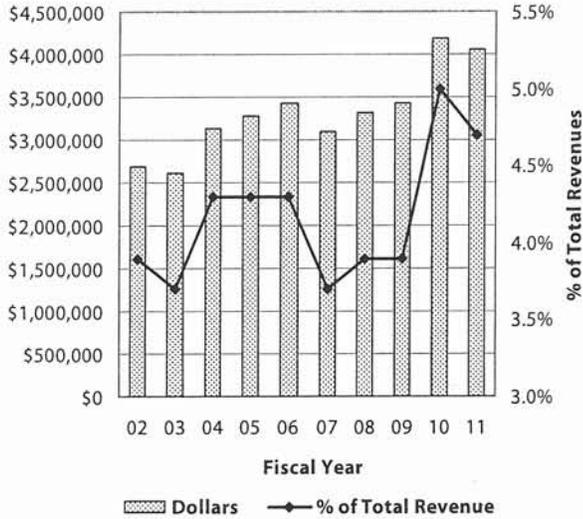
In the 2010/11 Budget, total State & Local Return revenues represent 10.7% of total revenue sources, a decrease of \$708,440 or 7.2% below what is estimated to be received in 2010. State Revenue Sharing payments are estimated to decline by \$680,000 or 7.5% due to the unlikely success of the Governors' plan to implement a State sales tax on services and the anticipated continued decline in constitutional State revenue sharing payments based on lower overall State sales tax receipts. As a result, Revenue Sharing payments are anticipated to fall to their lowest level in twenty years or since 1991.

## FINES & FORFEITURES

Fines and Forfeiture revenues are comprised of payments made by individuals or businesses that have violated various statutes, ordinances, or laws. Included in this revenue center are library fines, court costs, parking fines, bond forfeitures, and default judgment fees. Over 95% of these revenues are generated and collected by the judicial branch of our municipal government, the City's 41-A District Court, working in conjunction with the Police Department.

Historical trends show 41-A District Court revenue generally increasing over the years with the

## 41-A District Court Revenue



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

In the 2010/11 Budget, Fines & Forfeiture revenues represent 4.0% of total revenue sources, a decrease of \$126,500 or 3.5% from what is estimated to be received in 2010. Court Revenues have increased over prior years due to increased police accident prevention efforts and the reinstatement of the Weigh Master Program for overweight commercial vehicles. However, a slight drop-off in these revenues is assumed next year due to the Police Department's greater public education efforts and overall public awareness.

### OTHER FINANCING SOURCES

Other Financing Sources include the proceeds received from long-term debt and for the transfers into the General Fund from other City funds. In the 2010/11 Budget, there are no planned General Fund purchases to be financed using long-term debt.

In the 2010/11 Budget, total revenues generated from Other Financing Sources represent less than 0.1% of total General Fund revenues. The amount budgeted totals \$42,300, which is down slightly from last year. \$42,300 is budgeted for the transfer from

the Brownfield Redevelopment Fund to repay a portion of eligible General Fund costs.

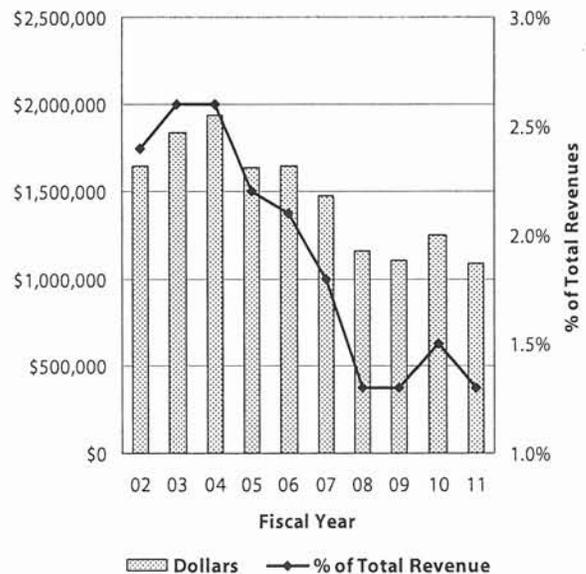
### CHARGES FOR SERVICES

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

Engineering revenues make up the largest source of Charges for Services revenues. Trends show that from 2002 to 2007, Engineering revenues ranged between \$1.5 million and \$1.9 million per year. However, due to a State economic downturn, revenues are estimated to remain low through 2011 and continue to be off nearly \$850,000 from 2004 levels. As a percent of total General Fund revenues, Engineering revenues have decreased from a high of 2.6% in 2004 to only 1.3% in 2011.

In the 2010/11 Budget, Charges for Services revenues represent 10.0% of total revenue sources,

## Engineering Revenue



a decrease of \$36,220 or 0.4% below what is estimated to be received in 2010. Engineering revenues are estimated to fall by \$157,500 or 12.6% due to fewer federal stimulus funded road construction projects. Sterling Estates has elected to no longer fund the community-policing program, while the City has not budgeted revenues for either ALS cost recovery reimbursements or emergency cost recovery programs. The business fire inspection fee has now been changed to only a bi-annual fee, while a notary gun permit fee is proposed.

## OTHER REVENUE

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

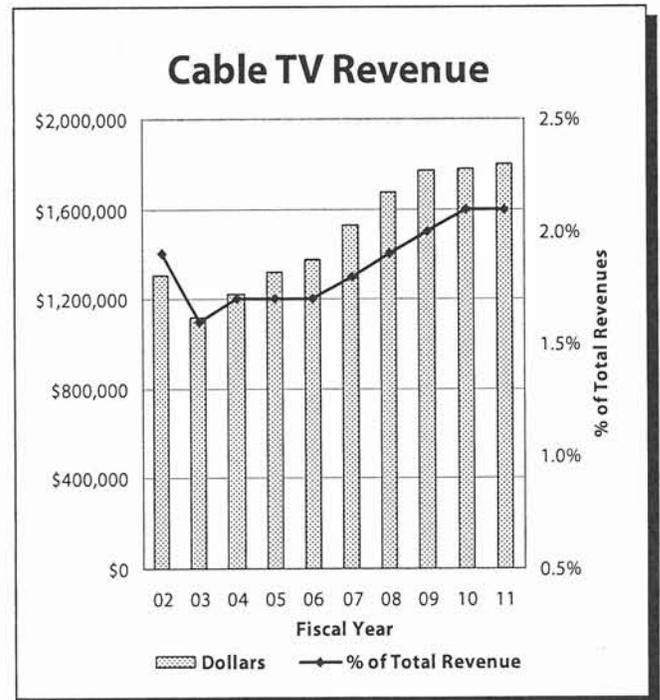
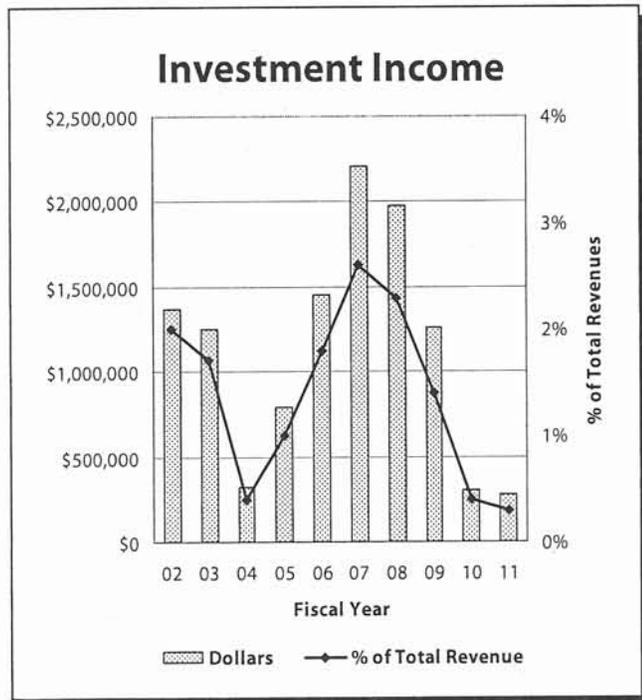
From 2002 to 2004, Interest Income revenues fell due to declining interest rates. In 2004, revenues also declined due to a one-time \$250,000 accounting correction of a prior year entry and as several high paying investments were called. From 2004 to 2007, Investment Income rebounded

primarily due to rising interest rates. However, due to interest rate cuts by the Federal Reserve in 2008 and declining fund balance reserves, Interest on Investments as a percent of total General Fund revenues will fall again to only 0.3%, down from its peak of 2.6% in 2007. As the City's higher yielding investments mature, new investments are achieving much lower returns.

In the 2010/11 Budget, Other Revenues represent 3.3% of total revenue sources, an increase of \$222,840 or 8.6% over what we estimate receiving in 2010, though down \$870,000 from amounts received in 2009. The increase is due to higher estimated road equipment cross charge revenues, the final receipt of the Foreclosure Relief grant, payment from the Suburban Library Cooperative for services performed by the City's Library Director, and higher Sterlingfest 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 16.6% of the fees reimburse the City for its



cost of public access programming.

Cable Revenue has climbed steadily, except for years when the City received one-time only payments as set in the City's former franchise agreements. Beginning in 2003, due to a court ruling, cities were no longer allowed to collect franchise fees on cable modem charges to customers. In the 2010/11 Budget, Cable TV Revenues increased slightly and represents 2.1% of total revenue sources.

## REFUSE TAX

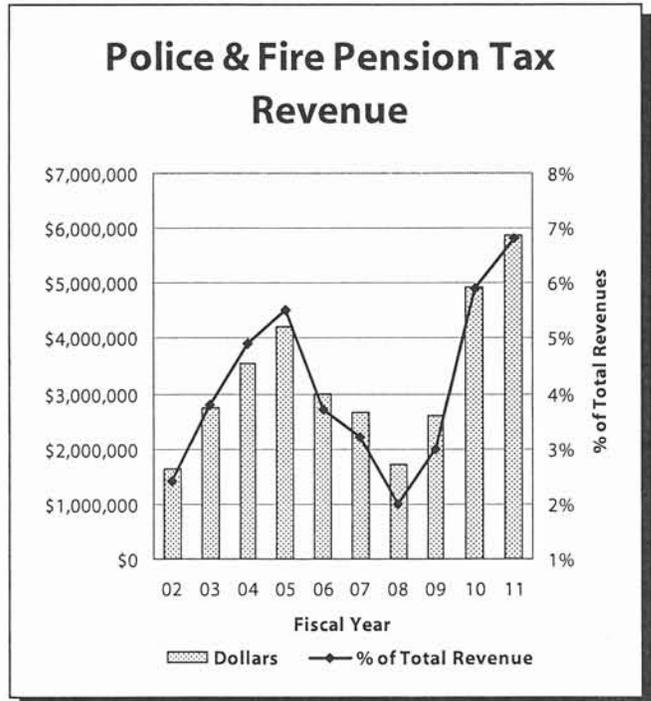
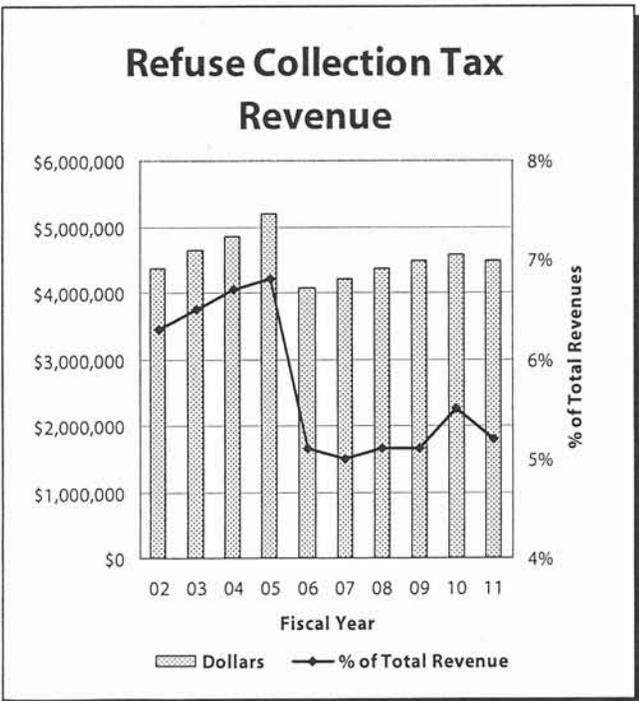
Another significant source of revenue to the City of Sterling Heights is the tax to pay the City's Refuse Collection costs. As discussed earlier, this revenue calculation is based on the relationship between two variables. The Refuse tax strikes a balance between the refuse collection expenditures and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

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

The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. Refuse costs rose from 2002 through 2005. In February 2005, the City Council awarded a five-year refuse contract that was significantly lower than the previous five-year contract. In the 2010/11 Budget, the Refuse Tax represents 5.2% of total revenue sources, a decrease of \$95,600 or 2.1% below what is estimated to be collected in 2010. A new refuse contract is expected to be slightly lower than the current contract. However, due to a 9.9% decrease in the City's taxable values, the Refuse millage rate will increase by 0.0757 mills, from 0.8717 to 0.9474 mills.

## POLICE & FIRE PENSION TAX

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



The revenue increased from 2002 to 2005 as a result of higher required employer pension contributions due to lower market returns on pension plan assets. From 2005 through 2008, the City's costs decreased due to higher stock market returns and as a pension actuarial experience study conducted in late 2004 recommended that the Pension Board change the assumed investment rate of return from 7.5% to 8.0% that decreased the actuarially determined City contribution rate. However, since 2008, due to a weakened stock market and increased pension liabilities, the required employer contribution has increased by nearly \$4.2 million and is now at its highest level.

In the 2010/11 Budget, Police & Fire Pension Tax represents 6.8% of total revenue sources, an increase of \$940,000 or 19.1%. The Police & Fire Pension Tax levy for the 2010/11 fiscal year is 1.2388 mills per \$1,000 Taxable Value, an increase of 0.3016 mills due to the increased required contribution and a 9.9% decrease in the City's taxable values.

## USE OF FUND BALANCE

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

expenditures exceed revenues, a Use of Fund Balance is needed to balance the budget. If revenues exceed expenditures, then a Contribution to Fund Balance exists.

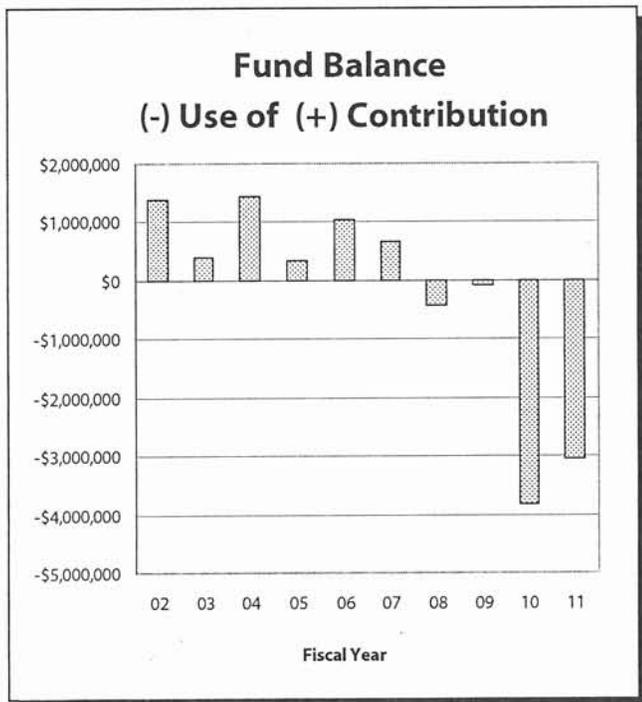
From 2002 to 2007, the City contributed to Fund Balance reserves, excluding the one time use of reserves in 2005 for the final Hillside settlement payment. Due to lower City development revenues, \$425,000 of reserves was used in 2008. Only \$85,850 was used in 2009 due to the use of \$2.1 million in one-time transfers from other city funds despite a 1.1% decrease in taxable values. In 2010, due to a 1.8% decline in taxable values, lower interest income and revenue sharing, and despite continued cost-saving efforts, a \$3.8 million use of reserves is estimated. In 2011, a \$3.0 million use of reserves is budgeted due to a 9.9% decrease in taxable values, despite a 1.9 millage adjustment and continued labor and personnel savings. Total Fund Balance reserves will fall to \$8.3 million, which is 9.4% of expenditure or the equivalent of 1.1 months of General Fund operations.

## OTHER CITY TAXES

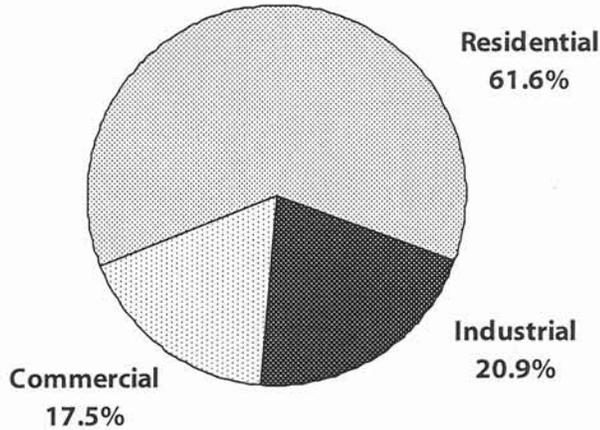
There are also two debt property tax millages levied by the City that are not received in the City's General Fund. They are recorded in the Debt Service Funds.

The Drain millage of 0.2501 is 0.0258 mills higher than what was levied in 2009/10. The millage is used to repay principal and interest on bonds sold to finance drain construction. The drain millage rate increased slightly as a result of a 9.9% decrease in City taxable values.

The Public Improvements (Proposal F – Fire Station Improvements) millage rate increased by 0.0338 mills to 0.0684 mills. The Proposal F millage rate is higher due to the one-time use of reserves last year and a 9.9% decrease in the City's taxable values. The final Proposal R road bonds were retired in 2008/09, the Proposal S debt was paid off in 2001/02, while Proposal T debt was retired in the 1996/97 fiscal year. ■

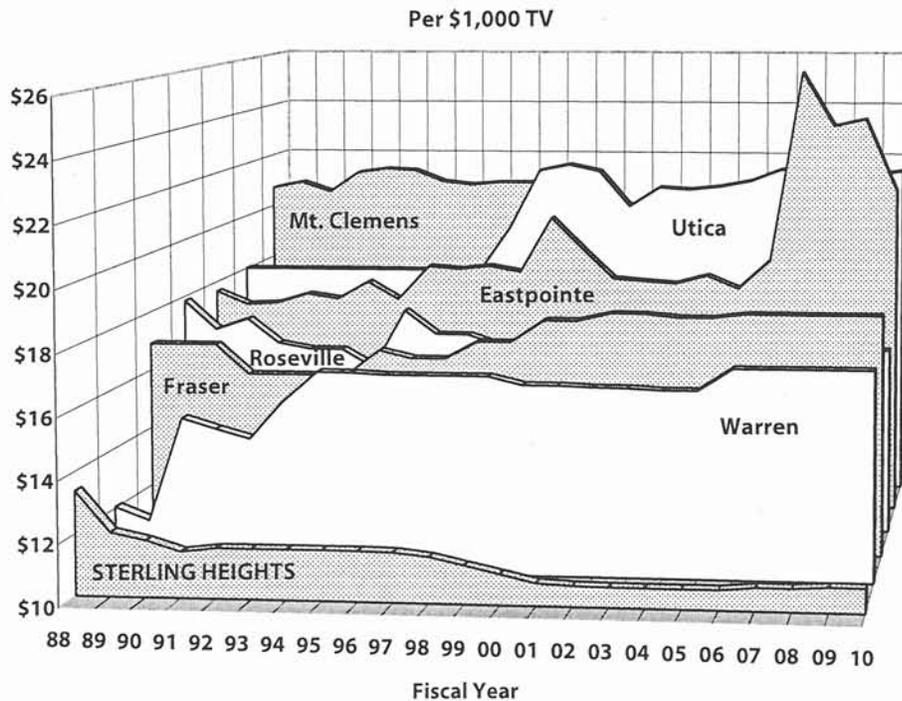


## City of Sterling Heights Share of Taxes



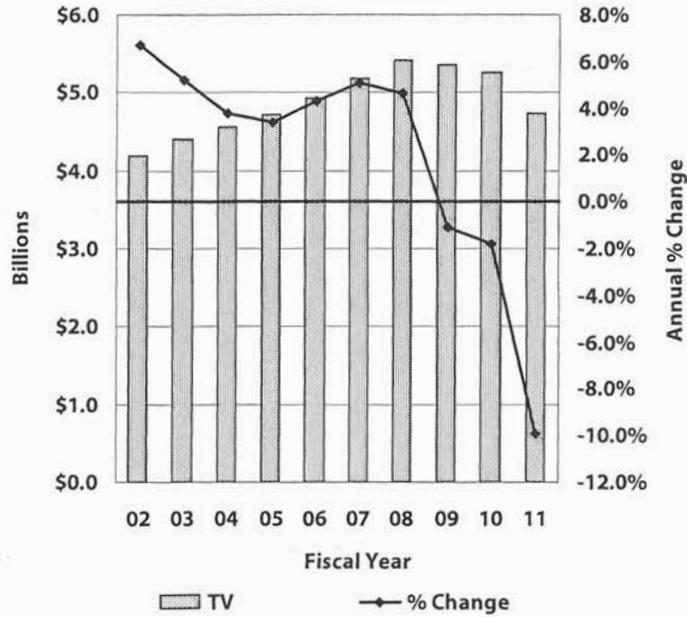
This graph illustrates the taxable value of property in the City as a percent by customer class.

## Comparable Tax Rates of Surrounding Macomb County Cities



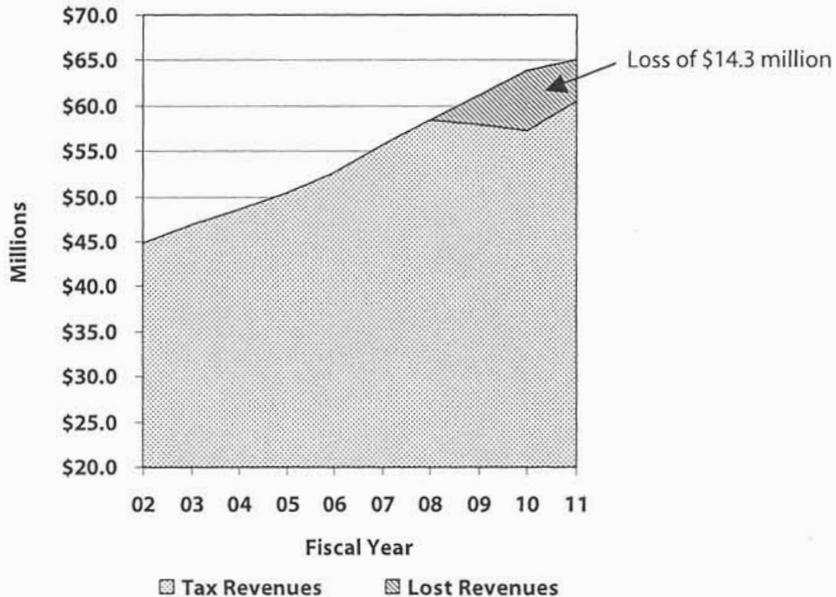
This graph illustrates the taxes levied by Macomb County cities for the past 23 years.

### 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 1.9 mill adjustment in 2011.

**GENERAL FUND  
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
<b>CITY OPERATING TAXES</b>							
404000	City Operating Tax	\$49,024,014	56.31	\$45,819,090	54.11	\$48,208,400	56.13
415000	Delinquent Personal Property Tax	100,307	0.12	100,000	0.12	100,000	0.12
445000	Penalties & Interest	151,107	0.17	299,000	0.35	300,000	0.35
	<b>Total Taxes</b>	<b>49,275,428</b>	<b>56.60</b>	<b>46,218,090</b>	<b>54.58</b>	<b>48,608,400</b>	<b>56.60</b>
<b>LICENSES &amp; PERMITS</b>							
451000	Business Operating License	15,344	0.02	221,000	0.26	20,000	0.02
452000	Mobile / Temporary Vendor	5,086	0.01	6,000	0.01	5,500	0.01
453000	Liquor License	84,013	0.10	82,000	0.10	82,000	0.10
454000	Vending/Amusement Device Fee	17,580	0.02	20,000	0.02	17,000	0.02
461000	Electrical Registration & Permits	128,492	0.15	175,000	0.21	135,000	0.16
462000	Heating Registration & Permits	116,786	0.13	125,000	0.15	125,000	0.15
463000	Plumbing Registration & Permits	73,617	0.08	80,000	0.09	80,000	0.09
464000	Sign Registration & Permits	41,815	0.05	40,000	0.05	42,000	0.05
470000	Building Registration & Permits	436,294	0.50	450,000	0.53	500,000	0.58
471000	Fence Permits	8,544	0.01	8,000	0.01	8,000	0.01
477000	Fire Suppression Permits	10,867	0.01	13,000	0.02	10,000	0.01
478000	Animal Permits	22,245	0.03	21,000	0.02	23,000	0.03
	<b>Total Licenses &amp; Permits</b>	<b>960,683</b>	<b>1.11</b>	<b>1,241,000</b>	<b>1.47</b>	<b>1,047,500</b>	<b>1.22</b>
<b>STATE &amp; LOCAL RETURNS</b>							
529000	Federal Grant - Other	113,425	0.13	36,280	0.04	12,000	0.01
539002	State Grants	7,100	0.01	0	0.00	0	0.00
539302	Criminal Justice Training	44,731	0.05	42,000	0.05	42,000	0.05
539332	Dispatcher Training	20,919	0.02	10,000	0.01	20,000	0.02
543426	Emergency Services Assistance	39,385	0.05	37,000	0.04	39,500	0.05
544000	Drunk Driving Case Flow Assistance	17,788	0.02	15,000	0.02	18,000	0.02
567001	State Aid - Library	78,189	0.09	81,100	0.10	48,860	0.06
569001	Judges Salary Stand Payments	137,172	0.16	137,170	0.16	137,170	0.16
574000	State Revenue Sharing	10,487,825	12.05	9,058,930	10.70	8,379,510	9.76
581001	Municipal Credit Transportation	273,369	0.31	282,000	0.33	281,940	0.33
583000	Macomb Auto Theft Squad - Grant	57,847	0.07	58,400	0.07	58,400	0.07
585000	Drug Enforce. Admin - Federal	16,329	0.02	16,800	0.02	17,320	0.02
587001	County Contrib. - Library Penal Fines	115,627	0.13	125,000	0.15	110,000	0.13
	<b>Total State &amp; Local Returns</b>	<b>11,409,706</b>	<b>13.11</b>	<b>9,899,680</b>	<b>11.69</b>	<b>9,164,700</b>	<b>10.67</b>
<b>FINES &amp; FORFEITURES</b>							
656003	Contempt Court Fines	35,571	0.04	38,000	0.04	47,000	0.05
656004	Ordinance Fines & Costs	2,378,219	2.73	2,775,000	3.28	2,950,000	3.43
656005	Municipal Civil Infractions	6,025	0.01	13,000	0.02	5,000	0.01
657001	Library Fines	72,414	0.08	80,000	0.09	80,000	0.09
658001	Bond Forfeitures	94,908	0.11	100,000	0.12	80,000	0.09
659001	Driver Reinstatement Fee	35,160	0.04	37,000	0.04	37,000	0.04
659002	Default Judgment Fee	206,926	0.24	210,000	0.25	240,000	0.28
659003	Crime Victim Rights Admin. Fee	7,308	0.01	7,500	0.01	7,500	0.01
659004	Forensic Admin Fee	25	0.00	0	0.00	100	0.00
	<b>Total Fines &amp; Forfeitures</b>	<b>2,836,556</b>	<b>3.26</b>	<b>3,260,500</b>	<b>3.85</b>	<b>3,446,600</b>	<b>4.01</b>

**GENERAL FUND  
REVENUE SUMMARY BY ACCOUNT**

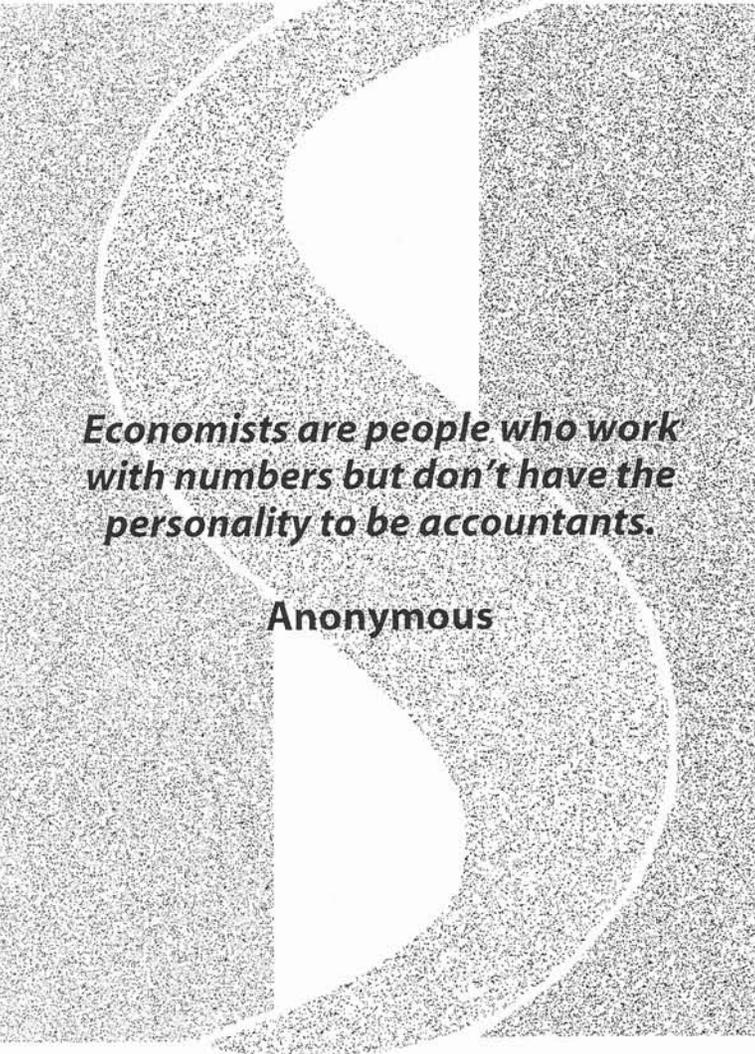
Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
<b>OTHER FINANCING SOURCES</b>							
699201	Tfr. From Budget Stabilization Fund	750,000	0.86	0	0.00	0	0.00
699278	Transfer From CDBG	87,780	0.10	0	0.00	0	0.00
699677	Transfer From Self-Insurance Fund	1,300,000	1.49	0	0.00	0	0.00
699856	Tfr. From Brownfield Redevelop. Fund	25,000	0.03	79,500	0.09	42,300	0.05
<b>Total Other Financing Sources</b>		<b>2,162,780</b>	<b>2.48</b>	<b>79,500</b>	<b>0.09</b>	<b>42,300</b>	<b>0.05</b>
<b>CHARGES FOR SERVICES</b>							
603000	Court Filing Fee	173,526	0.20	175,000	0.21	173,000	0.20
603001	Jury Demand Fee	1,936	0.00	1,500	0.00	2,000	0.00
604000	Probation Oversight	156,695	0.18	165,000	0.19	160,000	0.19
605000	Garnishments - Filing Fee	116,490	0.13	90,000	0.11	125,000	0.15
606000	Split/Combination Fee	3,300	0.00	4,000	0.00	4,000	0.00
607000	Fire Permits, Fees, & Inspections	33,995	0.04	45,000	0.05	112,500	0.13
608000	Encroachment/Deviation Fees	1,280	0.00	1,750	0.00	1,700	0.00
609000	Mobile Home Tax	8,682	0.01	8,300	0.01	9,000	0.01
610000	Vital Statistics	45,147	0.05	48,000	0.06	45,000	0.05
611000	Attorney Fee Reimbursement	25,455	0.03	20,000	0.02	28,000	0.03
612000	Alcohol Assessment Fee	27,275	0.03	27,500	0.03	30,000	0.03
626000	Services - PTAF	1,311,495	1.51	1,825,000	2.16	1,835,830	2.14
627000	Water & Sewer Activity	1,271,400	1.46	1,312,860	1.55	1,307,460	1.52
627444	Administrative Services - Roads	306,446	0.35	270,000	0.32	270,000	0.31
627556	Admin Services-Water Distribution	306,780	0.35	307,200	0.36	304,020	0.35
627574	Admin Services-W&S Improvements	37,440	0.04	127,110	0.15	129,660	0.15
627677	Administrative Services-Self Insurance	257,940	0.30	273,780	0.32	278,100	0.32
627732	Administrative Services-P&F Pension	6,805	0.01	6,500	0.01	7,000	0.01
628001	Voter Lists	1,079	0.00	1,000	0.00	1,000	0.00
629001	Labor Services - Roads	1,188,934	1.37	1,100,000	1.30	1,100,000	1.28
629002	Labor Services - Cross Charges	44,809	0.05	45,000	0.05	45,000	0.05
629003	Labor Services - Fleet Maintenance	62,906	0.07	70,000	0.08	70,000	0.08
631001	Police Service/Schools	171,055	0.20	165,000	0.19	90,000	0.10
631002	Towed Vehicle Impound Fee	0	0.00	48,000	0.06	48,000	0.06
632001	Inspection Services-Projects-Other	159,037	0.18	190,000	0.22	100,000	0.12
632002	Inspection Services-City Projects	392,422	0.45	400,000	0.47	390,000	0.45
632003	Engineering Review Fee	82,740	0.10	75,000	0.09	80,000	0.09
632004	Engineering & Design - Project	400,233	0.46	450,000	0.53	450,000	0.52
632005	Building Number Assignments	376	0.00	1,000	0.00	400	0.00
632006	SESC Review Fee	11,754	0.01	15,000	0.02	14,000	0.02
632007	SESC Inspection Fee	53,830	0.06	60,000	0.07	50,000	0.06
632008	Easement Vacation	1,140	0.00	1,200	0.00	1,200	0.00
632009	ROW Permit Fees	1,350	0.00	7,000	0.01	1,200	0.00
634003	Supplies & Gasoline Revenue	78,876	0.09	100,000	0.12	80,000	0.09
634004	Parts-Vehicle Maintenance	62,726	0.07	55,000	0.06	60,000	0.07
635535	Refuse Collection Fees	31,993	0.04	33,000	0.04	33,000	0.04
636000	Plan Review Fee	44,831	0.05	55,000	0.06	50,000	0.06
636001	Building Department Plan Review	144,244	0.17	200,000	0.24	180,000	0.21
637001	Copies & Forms	24,948	0.03	25,000	0.03	22,000	0.03
637002	Maps	525	0.00	600	0.00	600	0.00

## GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
637003	Police Reports	73,712	0.08	75,000	0.09	82,000	0.10
637004	ALS Fees	0	0.00	132,300	0.16	0	0.00
637005	Fire Reports	1,203	0.00	1,000	0.00	1,200	0.00
637006	PBT User Fee	7,160	0.01	14,000	0.02	6,000	0.01
637007	False Alarm Fees	62,754	0.07	90,000	0.11	75,000	0.09
637008	Emerg Response Cost Recovery	0	0.00	136,420	0.16	0	0.00
637301	Notary Fee	0	0.00	0	0.00	20,000	0.02
638000	Application Fees	7,250	0.01	15,000	0.02	12,000	0.01
639001	Parks & Recreation Fees	492,169	0.57	535,000	0.63	490,000	0.57
639253	Treasury Transfer & Late Fees	54,442	0.06	50,000	0.06	50,000	0.06
640001	5% Cash Deposit	535	0.00	800	0.00	1,000	0.00
640002	Weed Cutting	121,527	0.14	110,000	0.13	150,000	0.17
640003	Board of Zoning Appeals Fees	9,181	0.01	9,000	0.01	9,500	0.01
640005	Ordinance Board of Appeals Fees	14,721	0.02	20,000	0.02	30,000	0.03
	<b>Total Charges for Services</b>	<b>7,896,549</b>	<b>9.07</b>	<b>8,993,820</b>	<b>10.62</b>	<b>8,615,370</b>	<b>10.03</b>
	<b>OTHER REVENUE</b>						
656006	Interpreter Fees	12,789	0.01	12,000	0.01	13,000	0.02
665000	Interest on Investments	1,260,079	1.45	1,108,130	1.31	280,000	0.33
665044	Interest on Advances	6,269	0.01	0	0.00	7,750	0.01
667002	Rental Income - Utica Road	70,980	0.08	63,540	0.08	59,820	0.07
667003	Rental Income - DPS	153,480	0.18	182,760	0.22	156,240	0.18
667005	Rental - DPW - Impound Lot	37,000	0.04	36,000	0.04	39,600	0.05
667007	Rental - Universal Ambulance	5,000	0.01	6,000	0.01	6,000	0.01
667009	Rental - Towers	227,200	0.26	228,760	0.27	236,230	0.28
669001	Rental - Road Equipment	1,260,524	1.45	1,100,000	1.30	1,000,000	1.16
669002	Rental - Equipment - Cross Charges	44,300	0.05	45,000	0.05	40,000	0.05
673000	Sale of Fixed Assets	38,310	0.04	20,000	0.02	20,000	0.02
675000	Contributions & Donations	7,920	0.01	10,000	0.01	10,000	0.01
675001	Donations - Parks & Recreation	7,353	0.01	7,000	0.01	7,000	0.01
675003	Art Fair Revenue	0	0.00	60,750	0.07	100,000	0.12
675290	Dare Donations - Police	10,257	0.01	10,500	0.01	8,000	0.01
676000	Reimbursements	323,801	0.37	408,650	0.48	419,600	0.49
676001	Reimbursements - Legal	1,410	0.00	12,000	0.01	5,000	0.01
679000	Police Auction	37,093	0.04	30,000	0.04	30,000	0.03
679535	Refuse Bag Sales	5,202	0.01	6,000	0.01	4,000	0.00
679792	Library Book Sales	134	0.00	100	0.00	100	0.00
685000	Miscellaneous Revenue	73,913	0.08	80,000	0.09	60,000	0.07
685792	Miscellaneous Revenue - Library	17,633	0.02	22,000	0.03	77,630	0.09
690000	O.U.I.L. Recovery	56,068	0.06	52,000	0.06	58,000	0.07
690002	Warrant Arrest Processing Fee	4,665	0.01	5,000	0.01	4,500	0.01
695000	Insurance Recovery	7,350	0.01	10,000	0.01	7,500	0.01
695414	Foreclosure Relief Recovery	7,485	0.01	242,510	0.29	157,980	0.18
	<b>Total Other Revenue</b>	<b>3,676,215</b>	<b>4.21</b>	<b>3,758,700</b>	<b>4.43</b>	<b>2,807,950</b>	<b>3.27</b>
680000	Cable TV Revenue	1,771,978	2.04	1,725,000	2.04	1,800,000	2.10
405000	City Refuse Tax	4,476,793	5.14	4,581,540	5.41	4,485,940	5.22
406000	P&F Pension Tax	2,594,194	2.98	4,925,570	5.82	5,866,050	6.83
	<b>Total General Fund Revenue</b>	<b>\$87,060,882</b>	<b>100.00</b>	<b>\$84,683,400</b>	<b>100.00</b>	<b>\$85,884,810</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

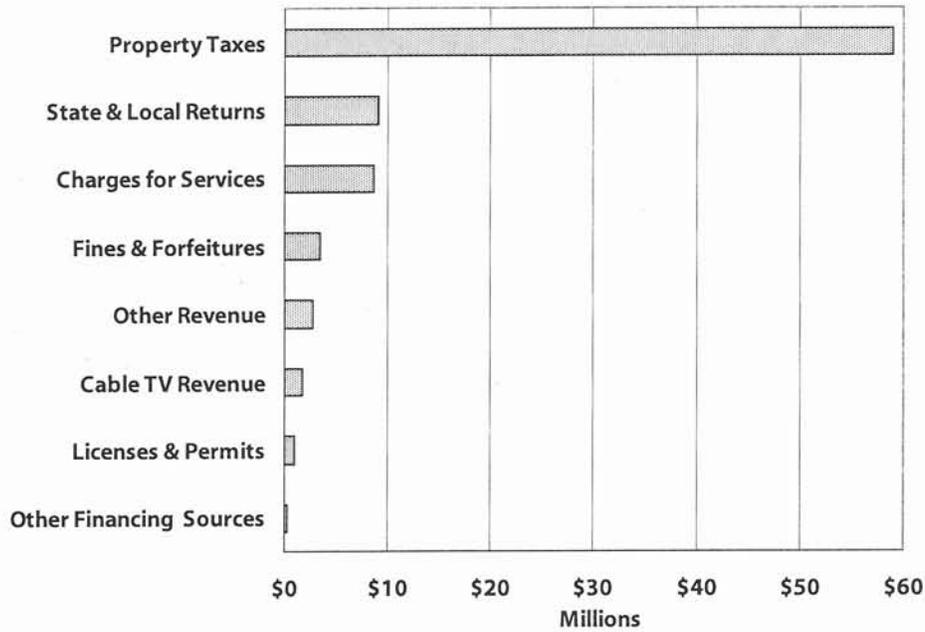
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***Economists are people who work  
with numbers but don't have the  
personality to be accountants.***

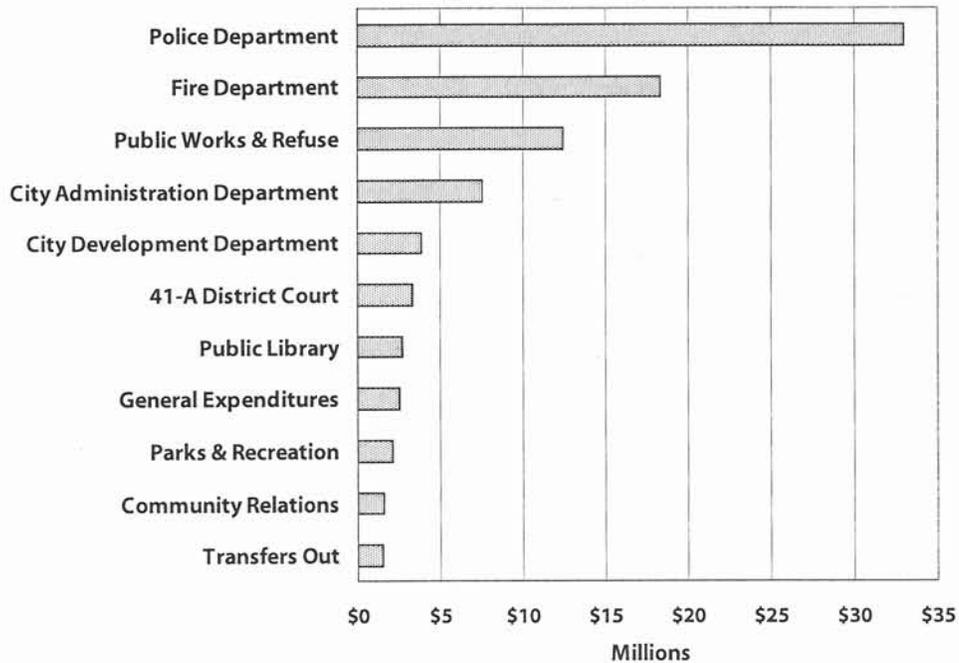
**Anonymous**

### General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted in 2010/11 for each of the revenue categories.

### General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted in 2010/11 for each budgetary center.

**GENERAL FUND EXPENDITURES  
BY BUDGETARY CENTER**

Activity Name	Activity No.	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
<b>LEGISLATIVE</b>					
1. City Council	1010	\$145,470	\$137,010	\$136,200	-0.6%
<b>CITY ADMINISTRATION DEPARTMENT</b>					
1. City Management	1720	908,990	1,009,030	996,750	-1.2%
2. City Clerk	2160	1,045,460	774,940	800,340	3.3%
3. Facilities Maintenance	2650	1,734,820	1,618,350	1,564,140	-3.3%
4. Assessing	2090	881,530	901,040	865,140	-4.0%
5. Financial Services	2010	1,291,000	1,040,880	775,840	-25.5%
6. Purchasing	2330	412,220	373,550	380,880	2.0%
7. Treasury	2530	728,150	1,061,090	1,134,390	6.9%
8. Act 78 - Civil Service Commission	2200	9,460	24,130	5,570	-76.9%
9. Building Authority	2610	430	50	0	-100.0%
10. General Employees Pension Board	2390	88,000	109,950	96,200	-12.5%
11. Legal	2100	746,590	776,100	787,600	1.5%
<b>Total City Administration Department</b>		<b>7,992,120</b>	<b>7,826,120</b>	<b>7,543,050</b>	<b>-3.6%</b>
<b>PARKS &amp; RECREATION DEPARTMENT</b>					
1. Parks & Recreation	7520	2,489,620	2,227,140	2,119,970	-4.8%
<b>Total Parks &amp; Recreation Department</b>		<b>2,489,620</b>	<b>2,227,140</b>	<b>2,119,970</b>	<b>-4.8%</b>
<b>POLICE DEPARTMENT</b>					
1. Police Administration	3050	2,897,130	2,994,560	2,970,180	-0.8%
2. Police Investigations	3100	5,529,240	6,030,960	6,224,050	3.2%
3. Police Operations	3150	17,586,340	19,757,070	20,070,710	1.6%
4. Police Support Services	3260	3,338,480	3,445,280	3,550,890	3.1%
5. Emergency Management	2130	151,510	146,900	145,290	-1.1%
<b>Total Police Department</b>		<b>29,502,700</b>	<b>32,374,770</b>	<b>32,961,120</b>	<b>1.8%</b>
<b>FIRE DEPARTMENT</b>					
1. Fire Administration	3370	1,389,680	1,371,840	1,370,130	-0.1%
2. Fire Extinguishment	3390	14,143,750	15,281,270	16,000,330	4.7%
3. Fire Prevention	3410	1,152,890	1,088,240	931,310	-14.4%
<b>Total Fire Department</b>		<b>16,686,320</b>	<b>17,741,350</b>	<b>18,301,770</b>	<b>3.2%</b>
<b>CITY DEVELOPMENT DEPARTMENT</b>					
1. Building	4120	1,996,460	1,834,960	1,732,730	-5.6%
2. Economic Development	4150	156,410	158,860	161,900	1.9%
3. Foreclosure Relief	4140	7,480	242,510	157,980	-34.9%
4. Information Technology	2580	1,070,300	1,083,460	1,108,050	2.3%
5. Planning	4020	346,240	355,500	363,880	2.4%
6. Public Services	4160	316,400	320,970	333,640	3.9%
7. Planning Commission	4030	6,040	8,000	6,930	-13.4%
8. Zoning Board of Appeals	4130	6,220	7,060	6,550	-7.2%
<b>Total City Development Department</b>		<b>3,905,550</b>	<b>4,011,320</b>	<b>3,871,660</b>	<b>-3.5%</b>

**GENERAL FUND EXPENDITURES  
BY BUDGETARY CENTER**

Activity Name	Activity No.	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
<b>PUBLIC WORKS DEPARTMENT</b>					
1. Engineering	4470	1,626,840	1,662,170	1,583,760	-4.7%
2. Fleet Maintenance	5530	2,734,900	2,807,280	2,611,760	-7.0%
3. Parks & Ground Maintenance	7700	1,414,900	1,427,300	1,421,270	-0.4%
4. Public Works Center	4420	698,700	438,590	406,580	-7.3%
5. Street Services	4440	2,095,730	1,909,160	1,952,070	2.2%
<b>Total Public Works Department</b>		<b>8,571,070</b>	<b>8,244,500</b>	<b>7,975,440</b>	<b>-3.3%</b>
<b>REFUSE COLLECTION</b>					
1. Refuse Collection	5350	4,337,260	4,614,540	4,518,940	-2.1%
<b>Total Refuse Collection</b>		<b>4,337,260</b>	<b>4,614,540</b>	<b>4,518,940</b>	<b>-2.1%</b>
<b>PUBLIC LIBRARY DEPARTMENT</b>					
1. Library	7920	2,830,880	2,762,070	2,754,750	-0.3%
2. Historical Commission	8030	780	1,010	850	-15.8%
<b>Total Public Library Department</b>		<b>2,831,660</b>	<b>2,763,080</b>	<b>2,755,600</b>	<b>-0.3%</b>
<b>COMMUNITY RELATIONS DEPARTMENT</b>					
1. Community Relations	2920	1,541,120	1,652,870	1,605,260	-2.9%
2. Beautification Commission	8060	1,430	2,040	1,490	-27.0%
3. Cultural Commission	7930	50	300	200	-33.3%
<b>Total Community Relations Department</b>		<b>1,542,600</b>	<b>1,655,210</b>	<b>1,606,950</b>	<b>-2.9%</b>
<b>41-A DISTRICT COURT</b>	1360	3,150,160	3,213,530	3,290,470	2.4%
<b>GENERAL EXPENDITURES</b>	8950	2,784,520	2,631,390	2,507,040	-4.7%
<b>TRANSFERS OUT</b>	9660	3,353,150	1,958,810	1,478,940	-24.5%
<b>Total General Fund Expenditures</b>		<b>\$87,146,730</b>	<b>\$89,261,760</b>	<b>\$88,930,950</b>	<b>-0.4%</b>

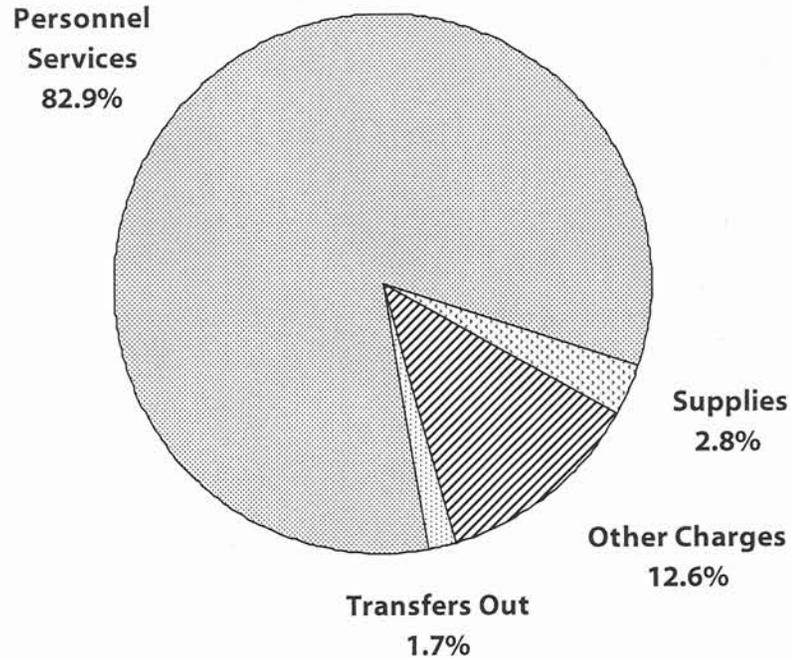
**GENERAL FUND BUDGETARY CENTERS  
EXPENDITURES BY CATEGORY**

<b>Budgetary Center</b>	<b>2006/07 Actual</b>	<b>2007/08 Actual</b>	<b>2008/09 Actual</b>	<b>2009/10 Budget</b>	<b>2010/11 Budget</b>
<b><u>CITY ADMINISTRATION DEPARTMENT</u></b>					
Personnel Services	\$5,756,792	\$6,205,759	\$6,232,092	\$5,998,740	\$5,780,130
Supplies	225,857	261,509	267,253	244,780	239,980
Other Charges	2,146,870	2,122,852	1,492,773	1,582,600	1,522,940
<b>Total</b>	<b>8,129,519</b>	<b>8,590,120</b>	<b>7,992,118</b>	<b>7,826,120</b>	<b>7,543,050</b>
<b><u>PARKS &amp; RECREATION DEPARTMENT</u></b>					
Personnel Services	1,925,904	2,082,879	2,008,341	1,823,310	1,730,490
Supplies	101,711	102,317	88,704	102,040	90,050
Other Charges	400,653	368,836	392,578	301,790	299,430
<b>Total</b>	<b>2,428,268</b>	<b>2,554,032</b>	<b>2,489,623</b>	<b>2,227,140</b>	<b>2,119,970</b>
<b><u>POLICE DEPARTMENT</u></b>					
Personnel Services	25,996,954	27,742,111	28,765,958	31,578,280	32,242,740
Supplies	153,297	165,657	157,042	166,640	157,080
Other Charges	608,490	624,207	579,704	629,850	561,300
<b>Total</b>	<b>26,758,741</b>	<b>28,531,975</b>	<b>29,502,704</b>	<b>32,374,770</b>	<b>32,961,120</b>
<b><u>FIRE DEPARTMENT</u></b>					
Personnel Services	14,024,662	15,022,642	15,958,308	17,007,860	17,633,690
Supplies	197,866	175,449	169,752	162,920	160,310
Other Charges	505,475	505,424	558,262	570,570	507,770
<b>Total</b>	<b>14,728,003</b>	<b>15,703,515</b>	<b>16,686,322</b>	<b>17,741,350</b>	<b>18,301,770</b>
<b><u>CITY DEVELOPMENT DEPARTMENT</u></b>					
Personnel Services	3,471,019	3,728,587	3,558,756	3,635,040	3,457,140
Supplies	25,865	36,277	28,354	28,250	32,290
Other Charges	342,063	341,855	318,444	348,030	382,230
<b>Total</b>	<b>3,838,947</b>	<b>4,106,719</b>	<b>3,905,554</b>	<b>4,011,320</b>	<b>3,871,660</b>
<b><u>PUBLIC WORKS DEPARTMENT</u></b>					
Personnel Services	6,118,086	6,461,320	6,567,866	6,178,550	6,004,300
Supplies	1,363,516	1,614,025	1,485,400	1,511,210	1,456,640
Other Charges	512,816	461,430	517,807	554,740	514,500
<b>Total</b>	<b>7,994,418</b>	<b>8,536,775</b>	<b>8,571,073</b>	<b>8,244,500</b>	<b>7,975,440</b>
<b><u>REFUSE</u></b>					
Personnel Services	137,467	131,293	137,049	137,890	140,840
Supplies	627	594	624	450	450
Other Charges	3,951,334	4,074,497	4,199,582	4,476,200	4,377,650
<b>Total</b>	<b>4,089,428</b>	<b>4,206,384</b>	<b>4,337,255</b>	<b>4,614,540</b>	<b>4,518,940</b>

**GENERAL FUND BUDGETARY CENTERS  
EXPENDITURES BY CATEGORY**

Budgetary Center	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget
<b><u>PUBLIC LIBRARY DEPARTMENT</u></b>					
Personnel Services	2,186,335	2,230,963	2,247,218	2,219,820	2,265,550
Supplies	259,395	256,348	259,749	234,620	211,030
Other Charges	306,499	317,480	324,690	308,640	279,020
<b>Total</b>	<b>2,752,229</b>	<b>2,804,791</b>	<b>2,831,657</b>	<b>2,763,080</b>	<b>2,755,600</b>
<b><u>COMMUNITY RELATIONS DEPARTMENT</u></b>					
Personnel Services	1,292,574	1,413,064	1,372,289	1,445,510	1,447,270
Supplies	43,446	48,426	46,324	77,620	63,770
Other Charges	123,405	136,843	123,984	132,080	95,910
<b>Total</b>	<b>1,459,425</b>	<b>1,598,333</b>	<b>1,542,597</b>	<b>1,655,210</b>	<b>1,606,950</b>
<b><u>41-A DISTRICT COURT</u></b>					
Personnel Services	2,607,926	2,713,173	2,881,045	2,946,790	3,029,790
Supplies	40,520	43,734	44,233	42,000	42,000
Other Charges	198,666	217,093	224,877	224,740	218,680
<b>Total</b>	<b>2,847,112</b>	<b>2,974,000</b>	<b>3,150,155</b>	<b>3,213,530</b>	<b>3,290,470</b>
<b><u>GENERAL EXPENDITURES</u></b>					
Personnel Services	23,185	22,823	21,801	16,500	30,000
Supplies	67,466	70,701	68,813	22,750	21,000
Other Charges	3,608,187	2,837,767	2,693,911	2,592,140	2,456,040
<b>Total</b>	<b>3,698,838</b>	<b>2,931,291</b>	<b>2,784,525</b>	<b>2,631,390</b>	<b>2,507,040</b>
<b><u>TRANSFERS OUT</u></b>					
Transfers Out	4,050,620	3,978,200	3,353,150	1,958,810	1,478,940
<b><u>TOTAL EXPENDITURES BY CATEGORY</u></b>					
Personnel Services	63,540,904	67,754,614	69,750,723	72,988,290	73,761,940
Supplies	2,479,566	2,775,037	2,616,248	2,593,280	2,474,600
Other Charges	12,704,458	12,008,284	11,426,612	11,721,380	11,215,470
Transfers Out	4,050,620	3,978,200	3,353,150	1,958,810	1,478,940
<b>Total General Fund</b>	<b>\$82,775,548</b>	<b>\$86,516,135</b>	<b>\$87,146,733</b>	<b>\$89,261,760</b>	<b>\$88,930,950</b>

## 2010/11 General Fund Expenditures by Expenditure Category



**Total General Fund Budget of \$88,930,950**

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 82.9% of the total General Fund expenditures for 2010/11.

**GENERAL FUND  
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
<b>PERSONNEL SERVICES</b>							
703000	Wages-Elected & Appointed	\$138,193	0.16	\$130,410	0.15	\$135,410	0.15
704000	Wages & Salaries-Permanent	36,101,997	41.43	36,765,140	41.19	36,110,360	40.60
704001	Sick Time Buy Back	596,305	0.68	401,490	0.45	487,410	0.55
704721	Health Insurance Allowance	68,208	0.08	67,500	0.08	61,500	0.07
705000	Wages-Salaries - Temp/Part Time	1,424,787	1.63	1,557,110	1.74	1,494,150	1.68
706000	Wages-Salaries - Occasional	114,732	0.13	78,000	0.09	100,000	0.11
708000	Overtime	2,843,260	3.26	2,731,110	3.06	2,504,650	2.82
708001	Compensatory Time Buy Back	1,788,599	2.05	1,731,530	1.94	1,653,000	1.86
708795	Overtime - F.L.S.A.	227,074	0.26	100,000	0.11	100,000	0.11
709000	Union Contract Reimbursement	439,667	0.50	414,760	0.46	362,850	0.41
710000	Longevity	1,420,852	1.63	1,438,980	1.61	1,477,450	1.66
711000	Holiday Pay	1,093,918	1.26	1,156,630	1.30	1,172,920	1.32
713500	Car Allowance	4,000	0.00	4,000	0.00	4,000	0.00
714000	Food Allowance	124,367	0.14	126,000	0.14	54,000	0.06
715000	Clothing Allowance	429,443	0.49	427,800	0.48	276,200	0.31
717000	FICA	1,897,917	2.18	1,871,060	2.10	1,813,190	2.04
718000	Worker's Compensation	352,599	0.40	334,740	0.38	332,200	0.37
719000	Unemployment Compensation	21,801	0.03	16,500	0.02	30,000	0.03
720000	Pension - General Emp Retirement	0	0.00	181,060	0.20	401,450	0.45
720001	Pension - Police and Fire Retirement	2,594,194	2.98	4,925,570	5.52	6,135,050	6.90
720002	Defined Contribution - Employer	318,723	0.37	304,310	0.34	316,500	0.36
721000	Health Insurance	5,990,565	6.87	6,122,170	6.86	6,243,840	7.02
721001	Health Insurance - Retirees	10,703,290	12.28	11,021,000	12.35	11,464,050	12.89
721003	Retiree Health Savings - City	43,633	0.05	52,550	0.06	57,950	0.07
722000	Dental Insurance	567,011	0.65	570,630	0.64	516,720	0.58
723000	Life Insurance	107,423	0.12	109,610	0.12	109,260	0.12
724000	Eye Care Insurance	43,085	0.05	43,790	0.05	44,520	0.05
725000	Disability Insurance - Long Term	88,308	0.10	91,090	0.10	90,740	0.10
725355	Disability Insurance - Short Term	206,772	0.24	213,750	0.24	212,570	0.24
<b>Total Personnel Services</b>		<b>69,750,723</b>	<b>80.04</b>	<b>72,988,290</b>	<b>81.77</b>	<b>73,761,940</b>	<b>82.94</b>
<b>SUPPLIES</b>							
729000	Postage	285,256	0.33	269,870	0.30	256,310	0.29
730000	Publications	41,740	0.05	32,130	0.04	32,860	0.04
741000	Ammunition	29,478	0.03	15,000	0.02	15,000	0.02
741302	Ammunition - Act 302 Grant	4,800	0.01	5,000	0.01	5,000	0.01
742000	Dog Care Supplies	2,943	0.00	2,600	0.00	2,800	0.00
743000	Prisoners Board	6,311	0.01	7,500	0.01	6,500	0.01
750000	Fuels & Lubricants	580,600	0.67	775,000	0.87	725,000	0.82
750001	Fuel & Lube Inventory	26,414	0.03	18,000	0.02	20,000	0.02
751000	Operating Supplies	569,342	0.65	562,970	0.63	533,760	0.60
751290	Supplies - D.A.R.E.	14,500	0.02	14,500	0.02	14,500	0.02
758000	Computer Software	1,709	0.00	1,250	0.00	1,250	0.00
759000	Parts & Sublet Services	745,316	0.86	600,000	0.67	600,000	0.67
760000	Playground & Athletic Supplies	9,456	0.01	10,000	0.01	10,000	0.01
761000	Program Activity Supplies	42,073	0.05	42,210	0.05	39,000	0.04

**GENERAL FUND  
EXPENDITURE SUMMARY BY ACCOUNT**

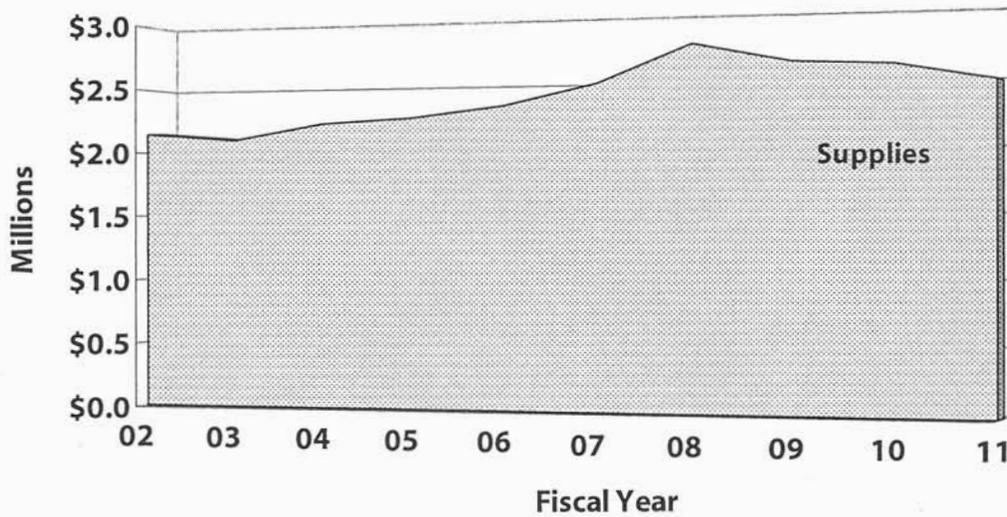
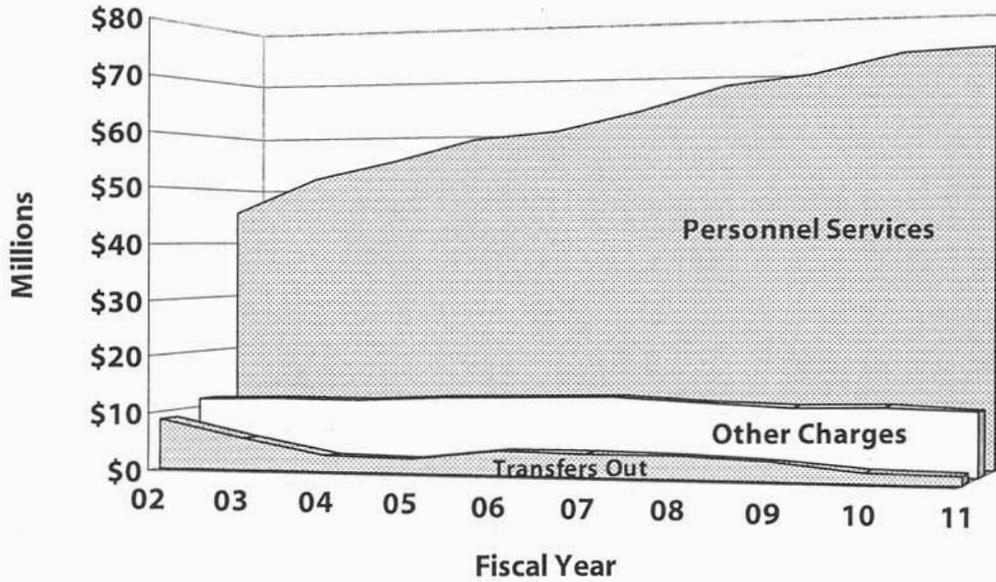
Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
762000	Seniors Program Supplies	24,847	0.03	27,000	0.03	25,000	0.03
769000	Audio Visual Media	34,134	0.04	29,000	0.03	25,500	0.03
783000	Seeding & Planting Supplies	11,947	0.01	10,400	0.01	5,300	0.01
785000	Books	185,382	0.21	170,850	0.19	156,820	0.18
	<b>Total Supplies</b>	<b>2,616,248</b>	<b>3.00</b>	<b>2,593,280</b>	<b>2.91</b>	<b>2,474,600</b>	<b>2.79</b>
	<b>OTHER CHARGES</b>						
802000	Audit & Accounting Services	70,690	0.08	62,280	0.07	57,020	0.06
803000	Computer Consultant Services	53,108	0.06	50,930	0.06	47,950	0.05
806000	Legal Services - Other	34,464	0.04	34,500	0.04	83,500	0.09
806001	Legal Services - City Attorney	726,488	0.83	753,100	0.84	715,600	0.80
807000	Medical Services	71,889	0.08	65,770	0.07	27,400	0.03
808000	Reporting Services	15,002	0.02	15,200	0.02	14,900	0.02
810000	Other Fees	49,108	0.06	64,840	0.07	76,800	0.09
820000	Tree/Weed Cutting	83,044	0.10	65,000	0.07	85,000	0.10
821000	Spraying Services	40,138	0.05	26,040	0.03	26,040	0.03
822000	Rubbish Removal	4,122,924	4.73	4,400,000	4.93	4,300,000	4.84
825000	Animal Collection	18,125	0.02	20,000	0.02	19,000	0.02
826000	Other Contracted Services	564,410	0.65	562,460	0.63	584,220	0.66
826412	Nuisance Abatements	33,189	0.04	45,000	0.05	45,000	0.05
827000	Interfund Services	72,900	0.08	75,100	0.08	76,600	0.09
828000	Auction Expenditures	3,459	0.00	1,500	0.00	1,500	0.00
829000	Hazardous Waste Disposal	292	0.00	1,500	0.00	1,000	0.00
832000	Building Maintenance	138,273	0.16	157,380	0.18	139,000	0.16
833000	Equipment Maintenance	374,615	0.43	375,870	0.42	371,400	0.42
833001	Personal Computer Maintenance	12,013	0.01	10,000	0.01	10,000	0.01
836000	Radio Maintenance	9,031	0.01	9,500	0.01	7,500	0.01
837000	Retention Pond Maintenance	17,038	0.02	50,000	0.06	35,000	0.04
838000	Parks & Grounds Maintenance	42,394	0.05	52,500	0.06	50,000	0.06
902000	Publishing	15,470	0.02	19,950	0.02	16,280	0.02
903000	Printing	183,877	0.21	159,930	0.18	122,210	0.14
913000	Liability Insurance	1,408,597	1.62	1,404,600	1.57	1,004,600	1.13
915000	Other Insurance	19,140	0.02	19,140	0.02	19,240	0.02
921000	Electric	588,297	0.68	606,000	0.68	585,000	0.66
922000	Telephone	276,300	0.32	269,230	0.30	245,080	0.28
922001	Fiber Optic Lease Charges	45,327	0.05	46,000	0.05	45,330	0.05
923000	Gas - Fuel - Oil	323,154	0.37	330,000	0.37	276,000	0.31
924000	Street Lighting	828,411	0.95	840,000	0.94	969,240	1.09
925000	Water	116,469	0.13	124,400	0.14	124,100	0.14
942302	Building Rental - Act 302	13,840	0.02	13,000	0.01	13,000	0.01
944000	Hydrant Rental	177,500	0.20	159,750	0.18	159,750	0.18
945000	Other Rental	298,258	0.34	298,200	0.33	291,120	0.33
949000	Interpreter Fees	16,889	0.02	15,000	0.02	17,000	0.02
950000	Witness Fees	4,351	0.00	5,000	0.01	5,000	0.01
951000	Juror Fees	4,511	0.01	7,000	0.01	5,000	0.01
954000	Mileage	1,378	0.00	1,770	0.00	1,230	0.00
956000	Local Meetings	11,061	0.01	8,870	0.01	7,750	0.01

**GENERAL FUND  
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
956001	Michigan Week Expenses	7,689	0.01	0	0.00	0	0.00
956002	Special Events	37,101	0.04	1,500	0.00	500	0.00
957000	Memberships & Dues	116,673	0.13	117,550	0.13	96,730	0.11
959000	Education & Training	172,826	0.20	128,840	0.14	111,590	0.13
959001	Grant - Education & Training	12,843	0.01	12,290	0.01	0	0.00
959302	Education & Training Act 302	26,091	0.03	24,000	0.03	24,000	0.03
959332	Education & Training Act 32	5,082	0.01	10,000	0.01	10,000	0.01
960000	Donation Expense Non-Capital	6,960	0.01	6,140	0.01	4,000	0.00
961000	Athletic Entry Fees	350	0.00	940	0.00	940	0.00
962000	Miscellaneous Expense	17,059	0.02	10,700	0.01	11,350	0.01
962001	Misc Exp - Cash - Short/Over	(210)	0.00	0	0.00	0	0.00
965000	Refunds on Tribunal Adjustments	138,724	0.16	150,000	0.17	250,000	0.28
969000	Contingency	0	0.00	33,110	0.04	25,000	0.03
	<b>Total Other Charges</b>	<b>11,426,612</b>	<b>13.11</b>	<b>11,721,380</b>	<b>13.13</b>	<b>11,215,470</b>	<b>12.61</b>
	<b>TRANSFERS OUT</b>						
999203	Transfer to Local Road Fund	575,000	0.66	515,000	0.58	475,000	0.53
999244	Transfer to L&W Conservation Fund	85,000	0.10	0	0.00	0	0.00
999305	Transfer to VTGO Debt Fund	325,000	0.37	0	0.00	0	0.00
999369	Transfer to LTGO Debt Fund	1,059,000	1.22	1,047,810	1.17	617,940	0.69
999403	Transfer to Capital Projects Fund	1,290,150	1.48	349,000	0.39	351,000	0.39
999855	Transfer to EDC Fund	19,000	0.02	17,000	0.02	5,000	0.01
999867	Transfer to LDFA Fund	0	0.00	30,000	0.03	30,000	0.03
	<b>Total Transfers Out</b>	<b>3,353,150</b>	<b>3.85</b>	<b>1,958,810</b>	<b>2.19</b>	<b>1,478,940</b>	<b>1.66</b>
	<b>Total General Fund</b>	<b>\$87,146,733</b>	<b>100.00</b>	<b>\$89,261,760</b>	<b>100.00</b>	<b>\$88,930,950</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

## General Fund Expenditure History



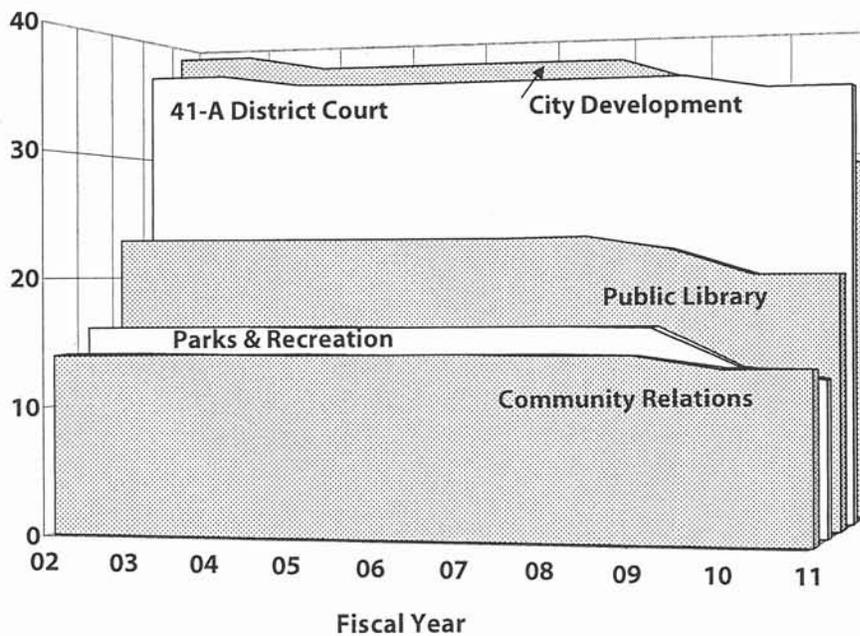
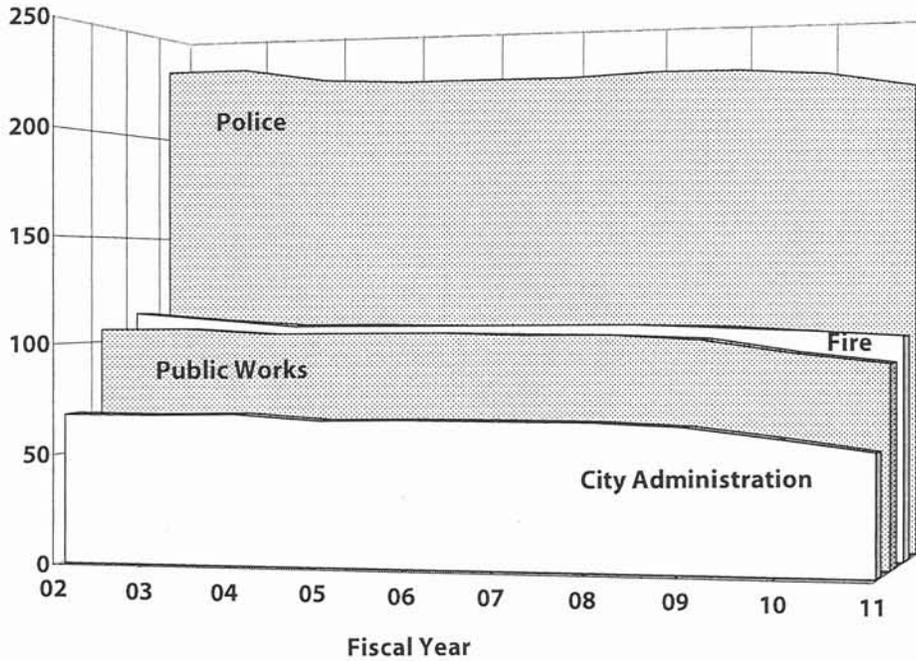
These graphs illustrate the expenditure category history for the General Fund.

# 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

2010/11 Budgeted Pay Ranges	ACTIVITY	Budget 2008/09		Budget 2009/10		Budget 2010/11	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<b>CITY ADMINISTRATION DEPT.</b>						
	<b>CITY MANAGEMENT</b>						
140,207	City Manager	1		1		1	
90,758 - 114,206	Finance & Budget Director	1		1		1	
90,190 - 111,820	Human Resources Director	1		1		1	
57,735 - 64,853	Budget Management Coordinator	1		1		1	
48,038 - 53,691	Management Services Specialist	1		1		1	
43,633 - 50,973	Management Assistant	1		1		1	
38,188 - 44,635	Senior Clerk	0		1		1	
	Management Intern (P.T.)		0		1		0
	<b>Total</b>	<b>6</b>	<b>0</b>	<b>7</b>	<b>1</b>	<b>7</b>	<b>0</b>
	<b>CITY CLERK</b>						
90,758 - 114,206	City Clerk/Assistant City Manager	1		1		1	
	Risk Manager	1		0		0	
43,633 - 50,973	Management Assistant	1		1		1	
42,159 - 49,249	Elections Assistant	1		1		1	
38,188 - 44,635	Senior Clerk	3		2		2	
28,510 - 41,862	Clerk Typist	2		1		1	
	<b>Total</b>	<b>9</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>
	<b>FACILITIES MAINTENANCE</b>						
84,042 - 104,195	Facilities Maintenance Manager	1		1		1	
	Facilities Maintenance Coordinator	1		0		0	
45,117 - 52,336	Facilities Maintenance Mechanic	2		3		3	
30,411 - 49,982	Custodian	13		11		10	
38,188 - 44,635	Senior Clerk	1		1		1	
	<b>Total</b>	<b>18</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>15</b>	<b>0</b>
	<b>ASSESSING</b>						
84,042 - 104,195	City Assessor	1		1		1	
64,153 - 73,132	Appraiser III	3		3		3	
49,608 - 56,550	Appraiser I	2		2		2	
45,273 - 52,891	Appraiser Aide	1		1		1	
	Clerk Typist	1		1		0	
	<b>Total</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>7</b>	<b>0</b>
	<b>FINANCIAL SERVICES</b>						
84,042 - 104,195	Controller	1		1		1	
	Financial Services Manager	1		1		0	
57,735 - 64,853	Accountant	3		3		2	
42,159 - 49,249	Senior Account Clerk	3		2		2	
35,298 - 44,635	Account Clerk	4		2		1	
8,140	Co-op (P.T.)		0		1		1
	<b>Total</b>	<b>12</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>6</b>	<b>1</b>
	<b>PURCHASING/RISK MANAGEMENT</b>						
80,040 - 99,234	Purchasing/Risk Manager	0		1		1	
	Purchasing Manager	1		0		0	
48,746 - 55,298	Purchasing Specialist	1		1		1	
42,159 - 49,249	Administrative Assistant	1		1		1	
	<b>Total</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>

# PERSONNEL SUMMARY

2010/11 Budgeted Pay Ranges	ACTIVITY	Budget 2008/09		Budget 2009/10		Budget 2010/11	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<b>TREASURY</b>						
84,042 - 104,195	City Treasurer	1		1		1	
57,735 - 64,853	Accountant	1		1		2	
42,159 - 49,249	Senior Account Clerk	2		3		3	
35,298 - 44,635	Account Clerk	4		5		4	
	<b>Total</b>	<b>8</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>0</b>
	<b>Total City Administration Department</b>	<b>64</b>	<b>0</b>	<b>59</b>	<b>2</b>	<b>54</b>	<b>1</b>
	<b>PARKS &amp; RECREATION DEPARTMENT</b>						
	Parks & Recreation Director	1		0		0	
64,871 - 80,427	Parks & Recreation Manager	0		1		1	
56,185 - 63,414	Recreation Supervisor	8		7		6	
44,902 - 50,185	Recreation Specialist	1		0		0	
42,159 - 49,249	Administrative Assistant	1		1		1	
38,188 - 44,635	Program & Services Assistant	2		1		1	
38,188 - 44,635	Senior Clerk	1		1		1	
32,935 - 44,411	Lead Bus Driver	1		1		1	
28,510 - 40,936	Clerk Typist	1		1		1	
	<b>Total Parks &amp; Recreation Department</b>	<b>16</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>12</b>	<b>0</b>
	<b>POLICE DEPARTMENT</b>						
	<b>POLICE ADMINISTRATION</b>						
91,834 - 115,271	Chief of Police	1		1		1	
102,610 - 105,295	Captain	1		1		1	
95,048 - 98,002	Lieutenant	2		1		1	
84,733 - 89,160	Sergeant	2		2		2	
47,979 - 74,926	Police Officer	5		5		5	
36,513 - 50,680	Secretary to Chief	1		1		1	
35,513 - 49,680	Administrative Secretary	2		2		2	
25,211 - 43,344	Technical Secretary	2		2		2	
25,211 - 43,344	Property Clerk	1		1		1	
	<b>Total</b>	<b>17</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>0</b>
	<b>POLICE INVESTIGATIONS</b>						
102,610 - 105,295	Captain	0		1		1	
95,048 - 98,002	Lieutenant	2		2		2	
84,733 - 89,160	Sergeant	4		4		4	
47,979 - 74,926	Police Officer	29		27		27	
35,513 - 49,680	Administrative Secretary	2		2		2	
25,211 - 43,344	Technical Secretary	4		3		2	
	<b>Total</b>	<b>41</b>	<b>0</b>	<b>39</b>	<b>0</b>	<b>38</b>	<b>0</b>
	<b>POLICE OPERATIONS</b>						
102,610 - 105,295	Captain	1		1		1	
95,048 - 98,002	Lieutenant	5		5		5	
84,733 - 89,160	Sergeant	17		18		16	
47,979 - 74,926	Police Officer	100		102		99	
35,513 - 49,680	Administrative Secretary	3		3		3	
25,211 - 43,344	Technical Secretary	1		1		1	
165,886	Crossing Guards (P.T.)		33		33		30
	<b>Total</b>	<b>127</b>	<b>33</b>	<b>130</b>	<b>33</b>	<b>125</b>	<b>30</b>

# PERSONNEL SUMMARY

2010/11 Budgeted Pay Ranges	ACTIVITY	Budget 2008/09		Budget 2009/10		Budget 2010/11	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<b>POLICE SUPPORT SERVICES</b>						
	Lieutenant	1		1		0	
84,733 - 89,160	Sergeant	2		1		2	
55,367 - 59,284	Emergency Dispatcher - Shift Leader	4		4		4	
40,969 - 53,894	Emergency Dispatcher	19		19		17	
37,000	Emergency Dispatcher (P.T.)		0		0		2
43,430 - 50,716	Laboratory Technician	1		1		1	
36,513 - 50,680	Evidence Clerk	1		1		1	
35,513 - 49,680	Administrative Secretary	1		2		2	
40,489 - 45,930	Animal Control Officer	3		2		2	
31,894 - 44,955	Data Analyst	1		1		1	
31,894 - 44,955	Terminal Agency Coordinator	1		1		1	
25,211 - 43,344	Technical Secretary	7		6		7	
8,140	Co-op (P.T.)		1		1		1
	<b>Total</b>	<b>41</b>	<b>1</b>	<b>39</b>	<b>1</b>	<b>38</b>	<b>3</b>
	<b>EMERGENCY MANAGEMENT</b>						
64,871 - 80,427	Emergency Manager	1		1		1	
	<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
	<b>Total Police Department</b>	<b>227</b>	<b>34</b>	<b>225</b>	<b>34</b>	<b>218</b>	<b>33</b>
	<b>FIRE DEPARTMENT</b>						
	<b>FIRE ADMINISTRATION</b>						
91,834 - 115,271	Fire Chief	1		1		1	
100,826 - 109,448	Division Chief/Assistant Fire Chief	1		1		1	
92,436 - 100,812	Chief of Training	1		1		1	
90,707 - 94,199	EMS Coordinator	1		1		1	
86,349 - 89,756	Training Officer	1		1		1	
43,633 - 50,973	Management Assistant	1		1		1	
42,159 - 49,249	Administrative Assistant	3		2		2	
	Clerk Typist	1		0		0	
9,750	Clerk (P.T.)		0		2		2
	<b>Total</b>	<b>10</b>	<b>0</b>	<b>8</b>	<b>2</b>	<b>8</b>	<b>2</b>
	<b>FIRE EXTINGUISHMENT</b>						
91,407 - 96,774	Battalion Chief	3		3		3	
88,055 - 93,221	Captain-Advanced Life Support	3		3		3	
83,862 - 88,783	Captain	2		2		2	
79,989 - 85,525	Lieutenant-Advanced Life Support	11		12		12	
76,180 - 81,454	Lieutenant	5		4		4	
76,600 - 78,088	Sergeant - Advanced Life Support	1		1		1	
75,144 - 76,600	Sergeant - Fire Engine Operator	8		8		8	
46,463 - 74,363	Fire Fighter-Advanced Life Support	43		42		42	
45,581 - 72,954	Fire Fighter-Fire Engine Operator	13		13		13	
44,253 - 70,823	Fire Fighter	1		2		2	
	<b>Total</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>0</b>	<b>90</b>	<b>0</b>
	<b>FIRE PREVENTION</b>						
92,436 - 100,812	Fire Marshal	1		1		1	
86,349 - 89,756	Fire Inspector	5		5		3	
	<b>Total</b>	<b>6</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>4</b>	<b>0</b>
	<b>Total Fire Department</b>	<b>106</b>	<b>0</b>	<b>104</b>	<b>2</b>	<b>102</b>	<b>2</b>

# PERSONNEL SUMMARY

2010/11 Budgeted Pay Ranges	ACTIVITY	Budget 2008/09		Budget 2009/10		Budget 2010/11	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
<b>CITY DEVELOPMENT DEPARTMENT</b>							
<b>BUILDING</b>							
90,758 - 114,206	City Development Director/Asst. City Manager	1		1		1	
80,040 - 99,234	Building Services Manager	1		1		1	
72,723 - 76,978	Code Enforcement Coordinator	1		1		1	
62,754 - 69,782	Building Inspector/Code Enforcement Officer	3		3		3	
62,754 - 69,782	Plumbing Inspector/Code Enforcement Officer	1		1		1	
62,754 - 69,782	Electrical Inspector/Code Enforcement Officer	2		2		1	
62,754 - 69,782	Mechanical Inspector/Code Enforcement Officer	2		2		1	
55,612 - 63,390	Code Enforcement Officer	5		1		1	
43,633 - 50,973	Management Assistant	1		1		1	
	Senior Clerk	2		0		0	
28,510 - 41,862	Clerk Typist	2		3		3	
52,220	Foreclosure Relief Code Officers (P.T.)		0		2		2
	<b>Total</b>	<b>21</b>	<b>0</b>	<b>16</b>	<b>2</b>	<b>14</b>	<b>2</b>
<b>ECONOMIC DEVELOPMENT</b>							
80,040 - 99,234	Economic Development Manager	1		1		1	
	<b>Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
<b>INFORMATION TECHNOLOGY</b>							
89,754 - 111,277	Information Technology Manager	1		1		1	
80,040 - 99,234	Network Administrator	1		1		1	
54,015 - 60,372	Information Technology Specialist	6		6		6	
	<b>Total</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>
<b>PLANNING</b>							
89,754 - 111,277	City Planner	1		1		1	
59,020 - 65,966	Planning Coordinator	1		1		1	
42,159 - 49,249	Administrative Assistant	1		1		1	
	<b>Total</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>0</b>
<b>PUBLIC SERVICES</b>							
84,042 - 104,195	Public Services Manager	1		1		1	
51,536 - 58,176	CDBG Specialist	1		1		1	
42,159 - 49,249	Administrative Assistant	1		1		1	
3,690	NSP Intern (P.T.)		1		1		1
	<b>Total</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>
<b>Total City Development Department</b>		<b>36</b>	<b>1</b>	<b>31</b>	<b>3</b>	<b>29</b>	<b>3</b>
<b>PUBLIC WORKS DEPARTMENT</b>							
<b>ENGINEERING</b>							
89,754 - 111,277	City Engineer	1		1		1	
	Engineering Services Manager	1		1		0	
82,510 - 96,413	Civil Engineer III	1		1		1	
67,493 - 78,854	CAD/GIS Coordinator	1		1		1	
72,723 - 76,978	Chief Engineering Inspector	1		0		1	
46,922 - 67,257	Engineering Aide	6		6		5	
55,208 - 64,494	Civil Engineer I	2		2		2	
42,159 - 49,249	Administrative Assistant	1		1		1	
38,188 - 44,635	Senior Clerk	1		1		1	
	G.I.S. Intern (P.T.)		1		0		0
	Co-op (P.T.)		1		0		0
	<b>Total</b>	<b>15</b>	<b>2</b>	<b>14</b>	<b>0</b>	<b>13</b>	<b>0</b>

# PERSONNEL SUMMARY

2010/11 Budgeted Pay Ranges	ACTIVITY	Budget 2008/09		Budget 2009/10		Budget 2010/11	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<b>FLEET MAINTENANCE</b>						
58,963 - 77,723	Division Supervisor	1		1		1	
45,610 - 59,040	Mechanic	11		11		10	
42,835 - 53,772	Storekeeper	2		2		1	
10,940	Seasonal Laborer (P.T.)		1		1		1
	<b>Total</b>	<b>14</b>	<b>1</b>	<b>14</b>	<b>1</b>	<b>12</b>	<b>1</b>
	<b>PARKS &amp; GROUNDS MAINTENANCE</b>						
58,963 - 77,723	Division Supervisor	1		1		1	
42,835 - 53,772	Parks & Grounds Maintenance Worker	6		6		6	
30,628 - 52,226	Laborer	5		5		5	
10,890 - 11,550	Seasonal Laborer (P.T.)		8		8		7
	<b>Total</b>	<b>12</b>	<b>8</b>	<b>12</b>	<b>8</b>	<b>12</b>	<b>7</b>
	<b>PUBLIC WORKS CENTER</b>						
	Environmental Services Manager	1		0		0	
61,832 - 81,521	General Supervisor	1		1		1	
	Custodian	1		0		0	
	<b>Total</b>	<b>3</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>
	<b>REFUSE COLLECTION</b>						
28,510 - 41,862	Clerk Typist	1		1		1	
19,975 - 21,150	Seasonal Laborer (P.T.)		3		3		3
	<b>Total</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>3</b>
	<b>STREET SERVICES</b>						
58,963 - 77,723	Division Supervisor	2		1		1	
47,733 - 59,040	Equipment Operator A	1		1		1	
44,884 - 56,018	Equipment Operator B	7		7		7	
44,884 - 56,018	Traffic Sign Worker	2		2		2	
44,884 - 56,018	Street Services Inspector	1		1		1	
42,835 - 53,772	Equipment Operator C	6		6		6	
30,628 - 52,226	Laborer	2		1		1	
20,060 - 20,650	Seasonal Laborer (P.T.)		2		2		2
	<b>Total</b>	<b>21</b>	<b>2</b>	<b>19</b>	<b>2</b>	<b>19</b>	<b>2</b>
	<b>Total Public Works Department</b>	<b>66</b>	<b>16</b>	<b>61</b>	<b>14</b>	<b>58</b>	<b>13</b>
	<b>PUBLIC LIBRARY DEPARTMENT</b>						
90,190 - 111,820	Public Library Director	1		1		1	
57,735 - 65,494	Library Service Area Coordinator	3		3		3	
54,956 - 62,647	Library Programming Specialist	1		1		1	
53,944 - 60,588	Librarian	7		7		7	
49,608 - 56,550	Circulation Supervisor	1		1		1	
43,633 - 50,973	Management Assistant	1		1		1	
42,159 - 49,249	Library Assistant II	4		4		4	
39,157 - 45,745	Library Assistant I	2		1		1	
35,298 - 41,862	Library Clerk	2		1		1	
16,565 - 24,668	Librarian (P.T.)		8		8		8
10,075 - 13,832	Library Page (P.T.)		10		10		10
7,350 - 12,480	Library Clerk (P.T.)		2		4		4
	<b>Total Public Library Department</b>	<b>22</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>20</b>	<b>22</b>

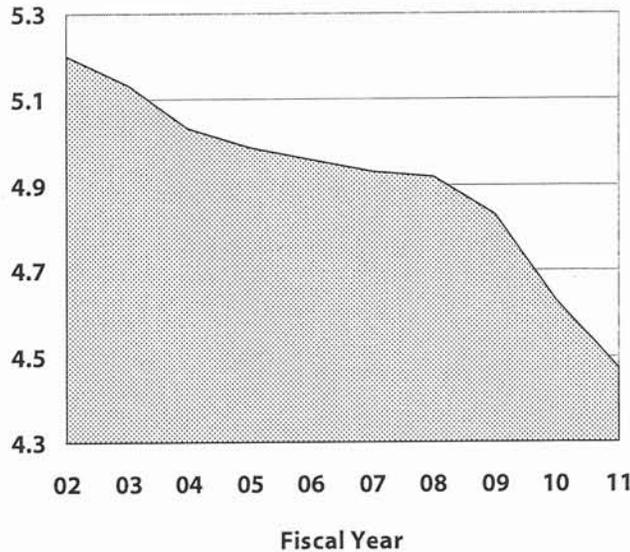
# PERSONNEL SUMMARY

2010/11 Budgeted Pay Ranges	ACTIVITY	Budget 2008/09		Budget 2009/10		Budget 2010/11	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
<b>COMMUNITY RELATIONS DEPARTMENT</b>							
90,753 - 114,206	Community Relations Director	1		1		1	
80,040 - 99,234	Communications Manager	1		1		1	
80,040 - 99,234	Broadcast Services Manager	1		1		1	
51,536 - 58,176	Broadcast Programming Specialist	2		2		2	
47,096 - 52,901	Neighborhood Specialist	1		1		1	
	Communication Specialist	1		0		0	
47,096 - 52,901	Senior Broadcast Production Specialist	1		1		1	
47,096 - 52,638	Citizen Services Specialist	2		2		2	
47,096 - 52,638	Community Relations Specialist	1		1		1	
43,440 - 50,760	Printing Technician II	2		2		2	
42,642 - 47,663	Broadcast Production Specialist	1		1		1	
15,677	Video Production Technician (P.T.)		3		3		2
8,400	Website Specialist (P.T.)		1		1		1
<b>Total Community Relations Department</b>		<b>14</b>	<b>4</b>	<b>13</b>	<b>4</b>	<b>13</b>	<b>3</b>
<b>41-A DISTRICT COURT</b>							
45,724	Judge	3		3		3	
105,561	Magistrate/Director of Probation	1		1		1	
93,933	Court Administrator	1		1		1	
78,552	Clerk of the Court	1		1		1	
68,919	Probation Officer	1		1		1	
56,701	Court Recorder	3		3		3	
52,751	Court Officer	3		3		3	
32,596 - 42,486	Deputy Clerk	23		22		22	
23,660	Deputy Clerk (P.T.)		0		1		1
12,740	Security Guards (P.T.)		4		4		4
<b>Total 41-A District Court</b>		<b>36</b>	<b>4</b>	<b>35</b>	<b>5</b>	<b>35</b>	<b>5</b>
<b>Total General Fund</b>		<b>587</b>	<b>79</b>	<b>561</b>	<b>86</b>	<b>541</b>	<b>82</b>
<b>WATER &amp; SEWER FUND</b>							
<b>WATER &amp; SEWER ADMINISTRATION</b>							
90,758 - 114,206	Public Works Director	1		1		1	
84,042 - 104,195	Public Works Manager	0		0		1	
	Operations Manager	1		1		0	
61,832 - 81,521	General Supervisor	1		1		1	
42,159 - 49,249	Administrative Assistant	1		1		1	
35,298 - 44,635	Account Clerk	2		2		2	
28,358 - 42,596	Clerk Dispatcher	2		2		1	
28,510 - 41,862	Clerk Typist	1		1		1	
<b>Total</b>		<b>9</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>8</b>	<b>0</b>
<b>WATER DISTRIBUTION</b>							
58,963 - 77,723	Division Supervisor	1		1		1	
44,884 - 56,018	Water Inspector	2		2		2	
44,884 - 56,018	Water Service Worker	4		4		4	
42,835 - 53,772	Meter Repair/Installer	2		2		2	
30,628 - 52,226	Laborer	3		2		2	
9,500 - 10,500	Seasonal Laborer (P.T.)		2		2		2
<b>Total</b>		<b>12</b>	<b>2</b>	<b>11</b>	<b>2</b>	<b>11</b>	<b>2</b>

# PERSONNEL SUMMARY

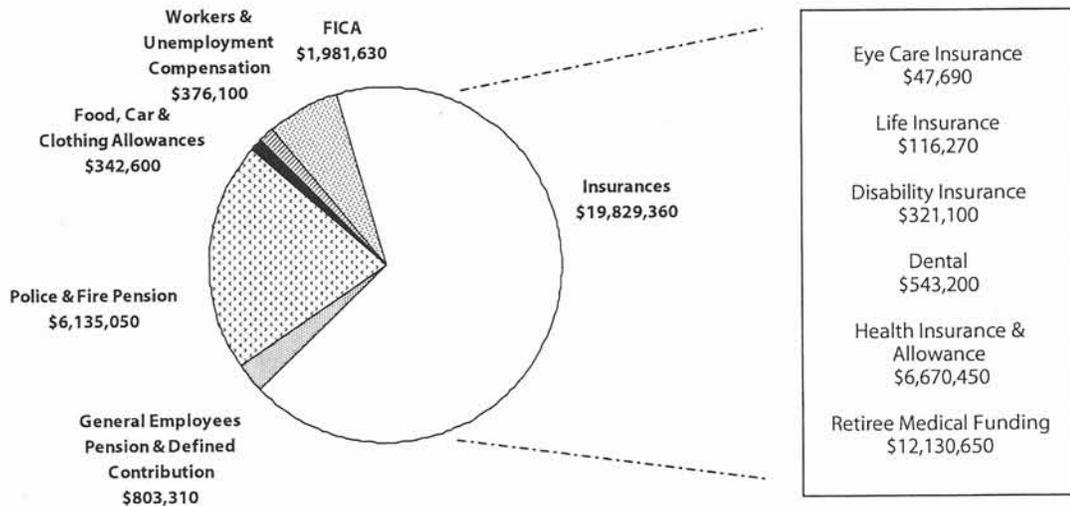
2010/11 Budgeted Pay Ranges	ACTIVITY	Budget 2008/09		Budget 2009/10		Budget 2010/11	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	<b>SEWAGE COLLECTION</b>						
58,963 - 77,723	Division Supervisor	1		1		1	
45,610 - 56,713	Plant Operator/Mechanic	2		2		2	
44,884 - 56,018	Sewer Service Worker (Clean)	2		2		2	
44,884 - 56,018	Water/Sewage Inspector	2		2		2	
42,835 - 54,828	Sewer Service Worker (Maint)	3		3		3	
30,628 - 52,226	Laborer	4		4		4	
8,500	Seasonal Laborer (P.T.)		4		4		4
	<b>Total</b>	<b>14</b>	<b>4</b>	<b>14</b>	<b>4</b>	<b>14</b>	<b>4</b>
	<b>Total Water &amp; Sewer Fund</b>	<b>35</b>	<b>6</b>	<b>34</b>	<b>6</b>	<b>33</b>	<b>6</b>
	<b>Total All Funds</b>	<b>622</b>	<b>85</b>	<b>595</b>	<b>92</b>	<b>574</b>	<b>88</b>

## Full-time Employees per 1,000 Population



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

## Total City Fringe Benefits Fiscal Year 2010/11



**Total City Fringe Benefits for 2010/11 is \$29,468,050**  
Includes the General Fund & Water & Sewer Fund

# Legislative



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

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

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

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

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

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

## KEY GOALS

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

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

## *Did you know?...*

*...the City continues to actively participate in the Mayors and Municipalities Automotive Coalition (MMAC), a national organization whose goal is to support stabilizing the domestic automotive industry and seek federal economic redevelopment tools for expeditiously redeveloping closed facilities?*

# City Council

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
<b>Output</b>	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	3	4	3	4	5	3
	Public Hearings Held	21	17	14	25	25	25
	Ordinances and Amendments Adopted	15	13	13	15	15	15
	Agenda Items Reviewed and Acted Upon	366	370	386	400	336	360
	Education and Training Sessions Attended	7	10	10	10	9	10
	"Nice Neighbor" Awards Presented	19	10	10	20	20	20
<b>Effectiveness</b>	City Council Member Attendance at Council Meetings	97%	97%	97%	100%	98%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	98%	100%
	% Difference from Proposed to Adopted Budget (G.F.)	0.03%	-0.01%	0.00%	0.00%	-0.11%	0.00%
	Total Millage Rate % Reduction Since 1988	-19.8%	-19.8%	-19.4%	-19.4%	-19.4%	-5.2%
	Activity Expenditures as % of General Fund	0.16%	0.16%	0.17%	0.15%	0.16%	0.15%

# City Council

## SUMMARY OF BUDGET CHANGES

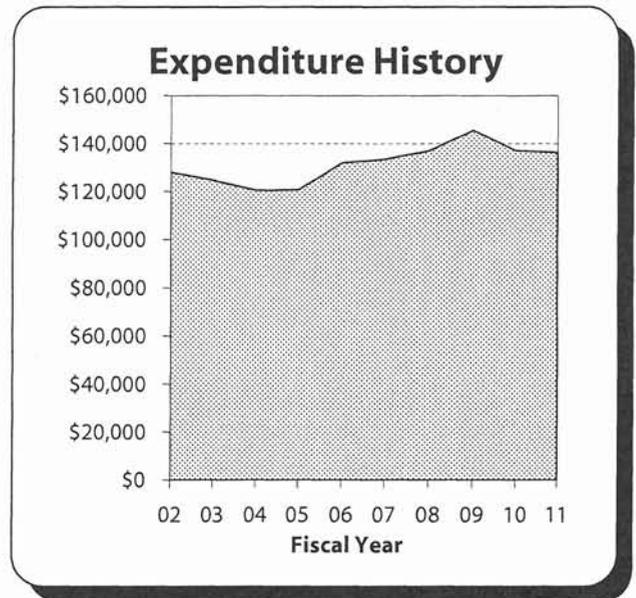
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget remained the same as last year’s budget. The Elected Officials Compensation Commission is next scheduled to meet in February 2011. Wages for the Mayor and City Council members have not been increased since the 2006/07 fiscal year.

**Supplies** – Total Supplies decreased \$500 or 26.3%. \$500 was saved in operating supplies, as less funding for new Council members is needed since next year is not an election year.

**Other Charges** – Total Other Charges decreased \$310 or 3.0%. \$1,200 was saved as advertisements in local newspapers and high school yearbooks and programs will not be published next year. Printing costs decreased \$300 as next year is not an election year and less funding is required. \$200 was saved due to a decrease in costs for the E-Agenda Packet Program. Funding for the rental cost of the Bresser’s Cross Index Directory decreased slightly by \$10. Telephone costs increased \$1,400 due to higher contractual rates as a change in vendors was necessary for improved wireless communications.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

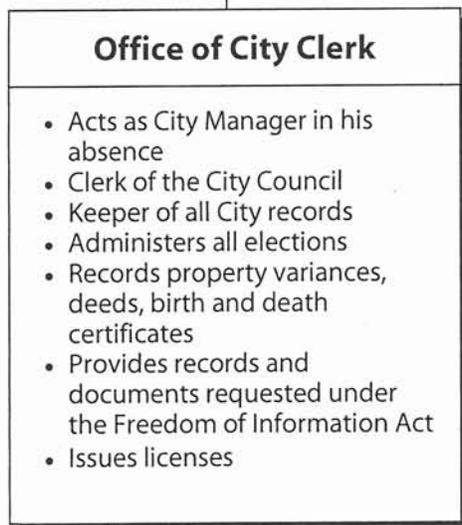
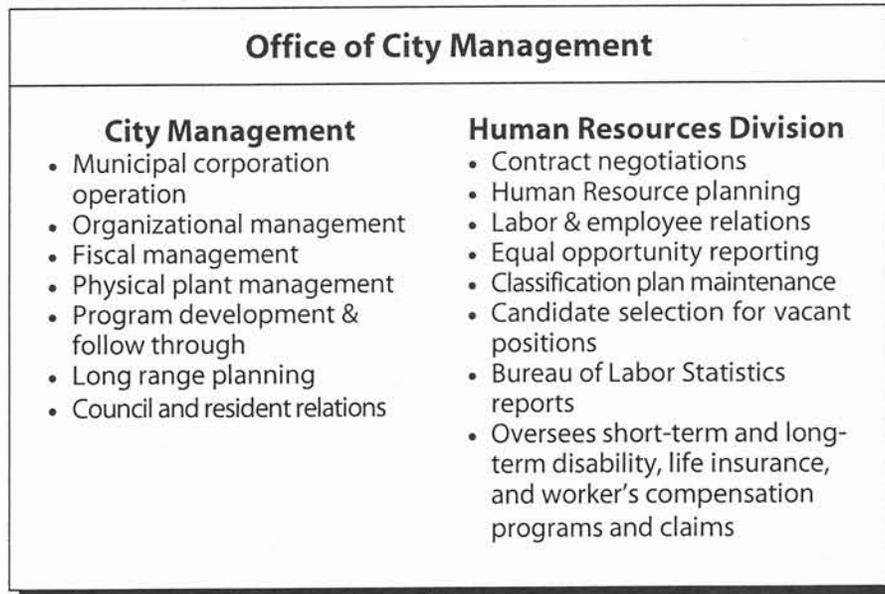
	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$125,114	\$124,630	\$124,630	\$124,630	\$124,630
<b>Supplies</b>	1,557	1,900	1,900	1,400	1,400
<b>Other Charges</b>	18,802	10,480	10,990	10,170	10,170
<b>Total</b>	\$145,473	\$137,010	\$137,520	\$136,200	\$136,200

# 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

The Administration budget decreased by \$261,400 or 3.9%. Personnel costs fell by \$218,560 or 3.7%. Five vacant full-time positions have been eliminated, saving \$372,500. Building cleaning schedules will be adjusted, as a Custodian position will be eliminated. The duties of a vacant Clerk Typist position have been reassigned in Assessing. The Financial Services Manager and Account Clerk positions have been eliminated and duties reassigned. An Accountant has been transferred to Treasury, while a vacant Treasury Account Clerk has been eliminated. The part-time Management Intern has

been eliminated, saving \$10,760. No cost of living wage increases are budgeted due to successful labor concession efforts. Election worker costs increased due to higher voter turnout for the primary and Gubernatorial election. Supplies decreased \$4,160 or 1.7% due to fewer mailings, increased use of online resources, and fewer printer toner cartridges. Other Charges declined by \$38,680 or 5.8% due to energy and building maintenance cost saving measures, printing report covers in-house, and less training. The budget includes the replacement of 16 six-year old computers.

### FUNDING LEVEL SUMMARY

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
City Management	\$922,350	\$908,990	\$1,009,030	\$996,750	-1.2%
City Clerk	1,039,120	1,045,460	774,940	800,340	3.3%
Facilities Maintenance	1,712,020	1,734,820	1,618,350	1,564,140	-3.3%
Assessing	859,440	881,530	901,040	865,140	-4.0%
Financial Services	1,281,810	1,291,000	1,040,880	775,840	-25.5%
Purchasing/Risk Mgmt.	340,750	412,210	373,550	380,880	2.0%
Treasury	787,500	728,150	1,061,090	1,134,390	6.9%
<b>Total Department</b>	<b>\$6,942,990</b>	<b>\$7,002,160</b>	<b>\$6,778,880</b>	<b>\$6,517,480</b>	<b>-3.9%</b>
Personnel Services	\$6,080,620	\$6,106,930	\$5,874,060	\$5,655,500	-3.7%
Supplies	259,110	264,880	242,080	237,920	-1.7%
Other Charges	603,260	630,350	662,740	624,060	-5.8%
<b>Total Department</b>	<b>\$6,942,990</b>	<b>\$7,002,160</b>	<b>\$6,778,880</b>	<b>\$6,517,480</b>	<b>-3.9%</b>

### PERSONNEL SUMMARY

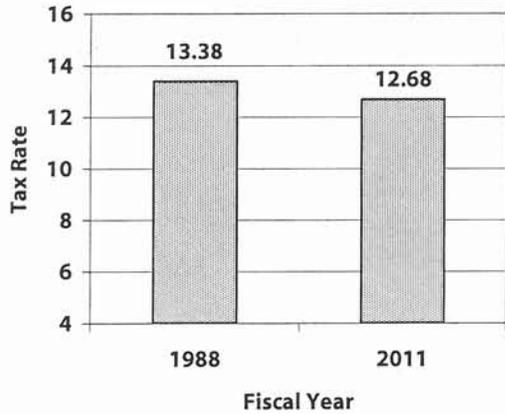
	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
City Management	6	0	6	0	7	1	7	0
City Clerk	9	0	9	0	6	0	6	0
Facilities Maintenance	19	0	18	0	16	0	15	0
Assessing	8	1	8	0	8	0	7	0
Financial Services	12	0	12	0	9	1	6	1
Purchasing/Risk Mgmt.	3	0	3	0	3	0	3	0
Treasury	9	0	8	0	10	0	10	0
<b>Total Department</b>	<b>66</b>	<b>1</b>	<b>64</b>	<b>0</b>	<b>59</b>	<b>2</b>	<b>54</b>	<b>1</b>

Excludes Legal Activity and Boards and Commissions.

# KEY DEPARTMENTAL TRENDS

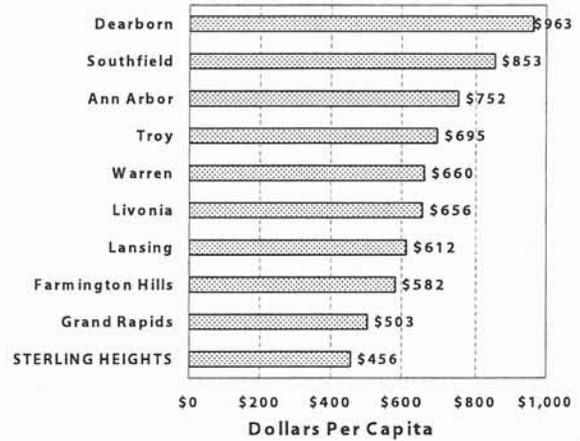
## City Administration Department

### City Property Tax Millage Rate



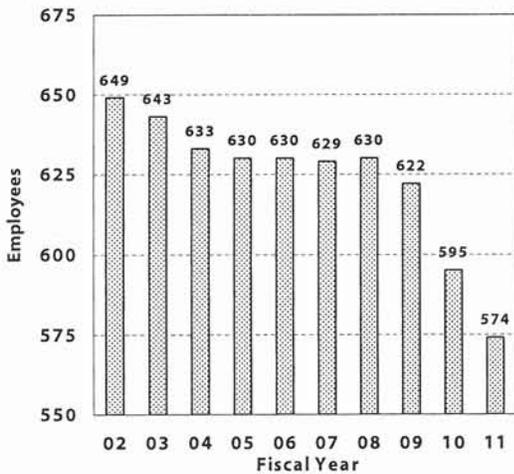
The City's property tax rate has fallen from 13.38 mills in 1988 to 12.68 mills in 2011 – a decrease of 5.2%. Had the City continued to levy the same tax rate since 1988, the average resident would have paid \$3,171 more in taxes. The City's tax rate remains lower than the vast majority of other Michigan cities.

### Property Taxes Paid Per Capita



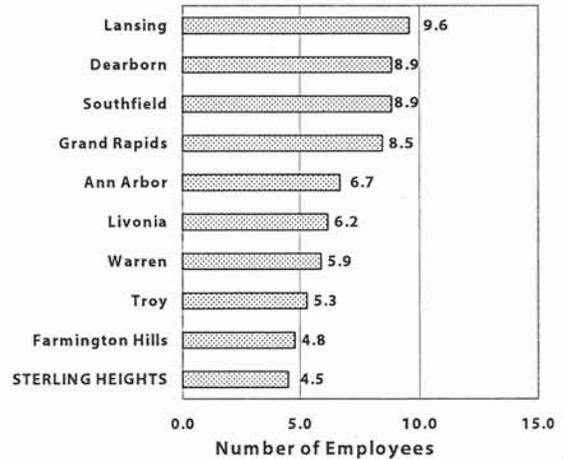
Sterling Heights has the lowest tax bill per resident in comparison to nine comparable Michigan benchmark communities. Based on 2009 tax revenues and the 2000 census population data, Sterling Heights residents pay only \$456. Troy residents pay 52% more than Sterling Heights residents. In addition, both Lansing and Grand Rapids have city income taxes.

### City's Full-time Staffing



Due to a three-year \$14.3 million property tax loss, an additional 21 full-time positions have been eliminated in 2011, saving \$1.6 million. City staffing has now declined by 12%, or 75 positions since 2002, saving \$5.5 million annually. City staffing is at its lowest level since 1978. The City's employee per resident ratio has now decreased by nearly 30%.

### Full-time Employees Per 1,000 Residents

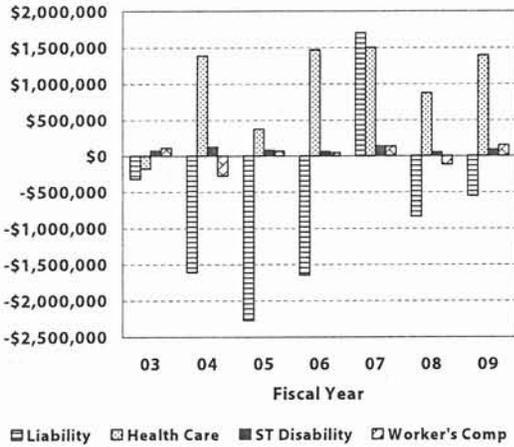


Based on current staffing data and the 2000 census, Sterling Heights has 4.5 full-time employees per 1,000 residents. This rate is lower than any of our benchmark communities. Despite having the third largest population, Sterling Heights has the fewest employees of any of these benchmark cities. Based on a 2007 study of over 140 cities, 85% of communities had a higher number of full-time employees per 1,000 residents.

# KEY DEPARTMENTAL TRENDS

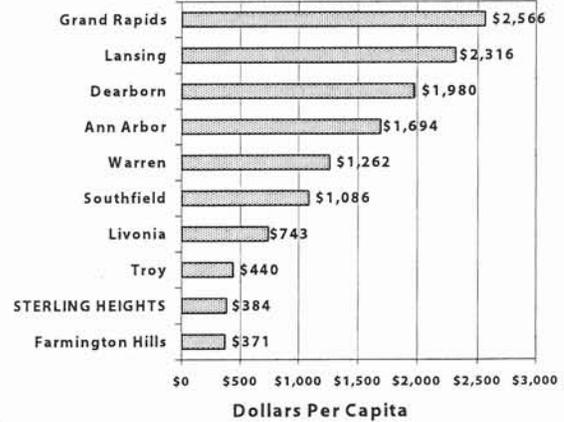
## City Administration Department (continued)

### Income Performance Self-Insurance Program



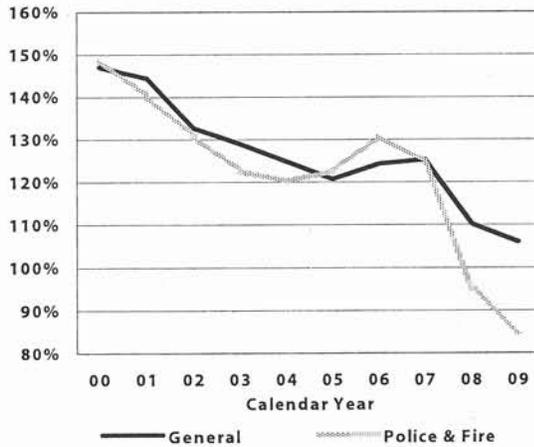
This graph shows the historic net income or loss within the City's Self-Insurance program by major category. Except for losses in the Liability and Litigation Program, most years have shown a positive net income for most programs.

### Total Government Debt Per Capita



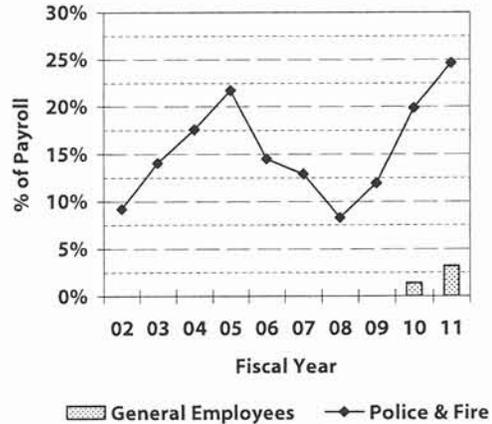
The City has the second lowest debt per resident ratio of the nine comparable Michigan cities. As the City has paid off debt in the current year, the debt ratio will fall even lower next year.

### City Pension Systems Percent Funded



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

### Employer Pension Contributions As % of Payroll



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

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

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

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

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

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

The City's finance and budget function is also located in this office. The Finance & Budget Director oversees the Finance & Budget division offices including Assessing, Financial Services, Purchasing and Treasury. The City's budget is prepared in accordance with the State Budgeting Act. This office monitors the City's financial and service performance through budget amendments, forecasts, quarterly budget reports, and the management of the City's performance measurement program. In addition, salary wage spreads, personnel costs, labor contract analysis, telephone and Internet monitoring reports, travel requests, and insufficient funds purchase orders are processed. The Municipal Improvement Plan (MIP), the Popular Annual Financial Report (PAFR), water and sewer rate studies, capital status reports, financial & demographic trend reviews, department audits, and revenue studies are also prepared.

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

## KEY GOALS

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

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

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

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

### *Did you know?...*

*...the City's current staffing level is at its lowest level since the late 1970's, and the ratio of employees per 1,000 residents has decreased by nearly 20% since 1992?*

# City Management

## 2010/11 INTENTION STATEMENTS

(City Management)

- To evaluate all departments' processes and procedures to achieve a more effective and efficient service level without significantly impacting the programs and services provided to City residents. (City Goal 3, 4, 5, 20)
- To continually update the City's proactive financial strategy as a result of declining revenues affecting the City of Sterling Heights and every other community in Michigan. This strategy includes: reducing operational expenditures, implementing cost saving measures, reducing personnel costs, enhancing economic development strategies, developing and implementing revenue enhancements, and if necessary, utilizing fund balance reserves. (City Goal 1, 3, 4, 20)
- To use the information provided by the City's residents during the recent City Summits to develop a strategic long-range plan for the types of programs and services that the City will provide in the future in light of the State-wide financial crisis. (City Goal 1, 2, 3, 19)
- To continue to work with both the Mayors and Municipalities Automotive Coalition (MMAC) and the City's own internal Manufacturing Strategy Team focusing efforts on business retention, neighborhood and housing maintenance, and quality industrial and commercial developments in order to expand the tax base while retaining and creating jobs. (City Goal 8, 10, 11, 20)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Administrative Policy and Procedure Orders Processed	1	1	2	3	3	3
	Agenda Statements Reviewed	366	370	386	400	336	360
	Special Reports Researched & Written	23	21	21	20	20	20
	Special Projects Researched & Developed	24	22	22	20	20	20
	Policy Resolutions Presented to Council	8	10	9	10	10	10
	Legislative Issues Monitored	8	7	7	10	10	10
	Focus Group Meetings Facilitated	6	3	6	6	10	6
	Intergovernmental Relation Contacts	125	135	135	125	125	125
	New Programs & Policies Developed	9	8	8	8	8	8
	Council Requests Responded to within 30 minutes	100%	100%	100%	100%	100%	100%
	Average Response Time to Council Requests	25 min.	25 min.				
	% Correspondences Responded to within 7 days	100%	100%	100%	100%	100%	100%
	% Agenda Items Given to Council within 28 days	100%	100%	100%	100%	100%	100%
	% of Meetings Attended within 7 Days of Request	100%	100%	100%	100%	100%	100%
Efficiency	Total Millage Rate % Reduction Since 1988	-19.8%	-19.8%	-19.4%	-19.4%	-19.4%	-5.2%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	1.10%	1.07%	1.04%	1.13%	1.12%	1.12%

# City Management

## 2010/11 PERFORMANCE OBJECTIVES

(Finance & Budget)

1. To work with departments on prioritizing services and their associated costs to determine if services can be shared with other cities and to seek alternative cost reduction strategies. (City Goal 1, 2, 3, 4, 5, 20)
2. To update the City's road fund forecast, possibly establish a resident advisory committee, and develop plans to offset falling State gas tax revenues. (City Goal 5, 6, 22)
3. To seek a grant to rejoin the ICMA Center for Performance Measurements, gather the required performance data and prepare a City benchmarking report. (City Goal 3, 5, 20, 21)
4. To evaluate the impact of changing the City's variable water & sewer rate methodology to match the partially fixed wholesale rate structure recently implemented by the City of Detroit. (City Goal 5, 20)
5. To assist Human Resources in developing labor contract goals and cost objectives and in preparing comparable wage and benefit data. (City Goal 3, 4)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	City Budgeted Funds Monitored (Millions)	\$152.8	\$142.9	\$150.0	\$156.4	\$148.3	\$139.6
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	48	68	50	50	40	40
	Management & Labor Cost Studies Conducted	11	10	30	25	40	40
	Years Member of ICMA Center for Perf. Measurement	6	7	7	7	7	8
	City Council Agenda Statements Reviewed	301	298	310	320	280	300
	Semi-Annual Budget Reports Prepared	2	2	2	2	2	2
	Municipal Improvement Plan (MIP) Prepared	1	0	1	1	0	1
	Capital Project Status Reports Produced	1	1	1	1	1	1
	Travel Requests Reviewed for Policy Compliance	255	234	198	190	180	170
	Telephone Call Accounting - Months Monitored	6	3	2	4	4	4
	Employee Internet Usage - Months Monitored	7	5	3	4	4	4
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
	Funding for Retiree Medical Liabilities (% of Payroll)	15.9%	21.9%	24.0%	24.8%	24.8%	24.8%
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa2,AA+,AA	Aa2,AA+,AA+	Aa2,AA+,AA+	Aa2,AA+,AA+	Aa2,AAA,AA+	Aa2,AAA,AA+
	Accuracy Forecasting Expenditures - General Fund	99.9%	99.7%	99.5%	100.0%	97.7%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.8%	99.6%	99.6%	100.0%	98.7%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	20	21	22	23	23	24
	Budget Award - "Outstanding" Categories Earned	3	2	0	2	0	2
	Years Received G.F.O.A. PAFR Award	10	11	11	11	11	11
	Savings from Reviewing Travel Requests	\$2,050	\$5,436	\$3,374	\$3,000	\$2,000	\$2,500
	Years Received ICMA Certificate of Distinction	2	3	3	3	3	4
	Average Cost to Review a Travel Request	\$6.95	\$7.17	\$7.49	*	*	*

# City Management

## 2010/11 PERFORMANCE OBJECTIVES

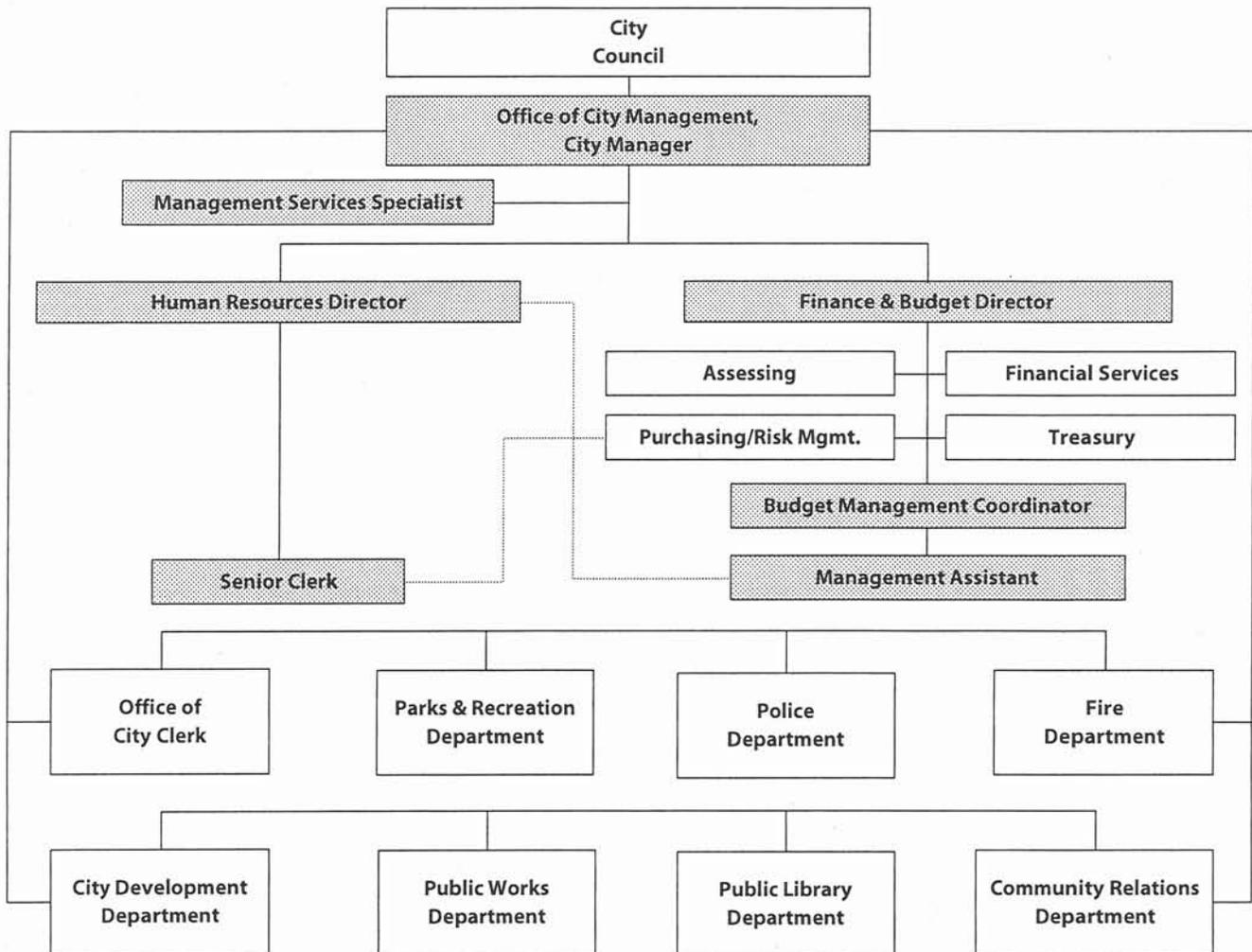
(Human Resources)

1. To continue implementation of the City's comprehensive financial strategy for human resources initiatives as a result of significant revenue decreases. (City Goal 3, 4, 20)
2. To develop a comprehensive labor strategy for the three union groups whose contracts expire on June 30, 2011. (City Goal 3, 4, 20)
3. To update the City's succession plan in anticipation of significant numbers of retirements over the next two years. (City Goal 3, 4, 5)
4. To work with the City's labor attorney to prepare for upcoming labor negotiations. (City Goal 1, 3, 20)
5. To analyze and implement the recommendations presented by the City's new pharmacy benefit manager to reduce the City's prescription costs for active employees and retirees. (City Goal 1, 3, 20)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Promotional Job Postings	34	22	21	20	15	15
	Open Competitive Job Postings	7	6	1	3	1	3
	Applications Reviewed & Processed	642	1,036	842	1,000	800	800
	Employees Hired (Full-time/Part-time)	33/55	36/51	16/98	15/50	6/50	5/50
	Police/Fire Promotional Tests	3	1	1	0	0	1
	Labor Contracts Settled	3	8	0	0	0	3
	Worker's Compensation Incident Reports	29	29	56	25	36	30
	Short-Term Disability Claims Handled	24	32	27	35	30	30
	Open Long-Term Disability Claims	3	3	3	3	5	5
	Life Insurance Claims	0	1	0	2	0	1
	New Worker's Compensation Claims	99	87	58	90	72	70
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	38	36	30	35	30	30
	# Labor Grievances Per 100 Full-time Employees	1.3	1.5	1.3	1.5	2.0	1.5
	Avg. # Work Days to Complete Internal Recruitment	21	20	18	20	20	20
	% of Grievances Resolved Before Arbitration	85%	100%	87%	90%	100%	90%
	Total FTE's Per 1,000 Residents	5.7	5.6	5.2	5.2	5.2	4.9
	Full-time Employee Turnover Rate (Excl. Retirements)	0.2%	0.2%	0.1%	0.2%	0.1%	0.1%
	% Minorities in Work Force	2.0%	2.1%	2.1%	2.0%	2.0%	2.0%
	# of Employees Not Completing Probation	2	3	0	0	1	0
	Cost to Recruit and Hire a Full-time General Employee	\$1,564	\$1,521	\$1,587	*	*	*
	# Worker's Comp Claims Per 100 FTE's	13.6	12.1	8.7	12.6	10.8	11.1
	% Worker's Comp Claims Paying Compensation	4.0%	6.0%	10.0%	6.0%	8.3%	9.0%
W/C Lost Work Days Due to Injury Per 100 FTE's	22	90	61	50	10	40	

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

# City Management



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
City Manager	1	1	1
Finance & Budget Director	1	1	1
Human Resources Director	1	1	1
Budget Management Coordinator	1	1	1
Management Services Specialist	1	1	1
Management Assistant	1	1	1
Senior Clerk	0	1	1
Management Intern (P.T.)	0	1	0
<b>Total</b>	<b>6</b>	<b>8</b>	<b>7</b>

# City Management

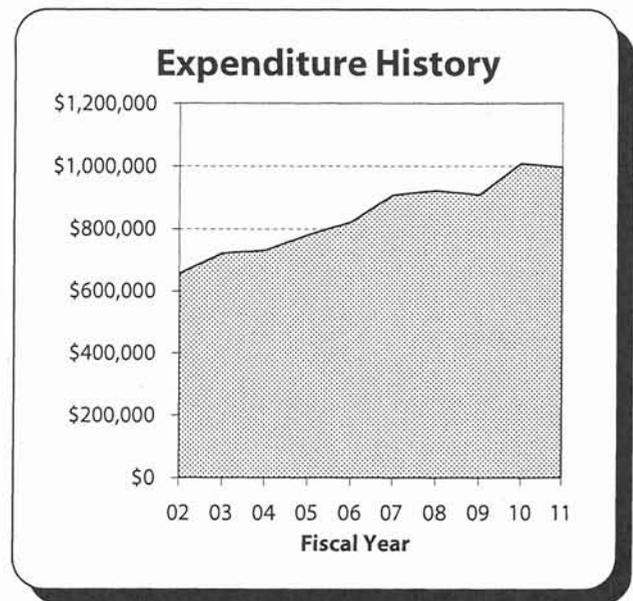
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$7,620 or 0.8%. Despite required increased funding for pension and retiree and employee health insurance costs, overall savings were achieved due to wage concessions, declining overtime and dental insurance costs, and eliminated funding for a part-time Management Intern.

**Supplies** – Total Supplies decreased \$400 or 13.1%. Postage costs decreased \$100, as less correspondence to job applicants will be mailed due to fewer new hires and the increased use of e-mail. \$300 was saved, as fewer toner cartridges will be purchased due to the ability to print more cost-efficiently on the copier.

**Other Charges** – Total Other Charges decreased \$4,260 or 11.0%. The office will save \$2,240, as the Budget tabs, Sterling Vision covers and Budget picture pages will be produced in-house and reused for two years at a cost-savings. The training budget decreased \$1,190 due to the elimination of a Michigan Local Government Management Association (MLGMA) workshop and reduced overnight expenses, as two annual conferences will be held locally next year. \$900 was saved in publishing costs, as fewer classified ads will be required. Funding for pre-employment physical exams also decreased \$250. Local meeting costs decreased \$200 based on the current year’s estimated expenditure level. Telephone costs increased \$500 due to higher contractual rates necessary for improved wireless communications. The increase was partially offset as two Nextel telephones were eliminated.



**Capital** – This office is scheduled to receive seven personal computers totaling \$7,000 to replace the existing six-year old units.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$859,166	\$967,350	\$947,800	\$959,730	\$959,730
<b>Supplies</b>	2,753	3,050	2,400	2,650	2,650
<b>Other Charges</b>	47,074	38,630	26,250	34,370	34,370
<b>Total</b>	\$908,993	\$1,009,030	\$976,450	\$996,750	\$996,750

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

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

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

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

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

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

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

## KEY GOALS

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

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

### *Did you know?...*

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

# City Clerk

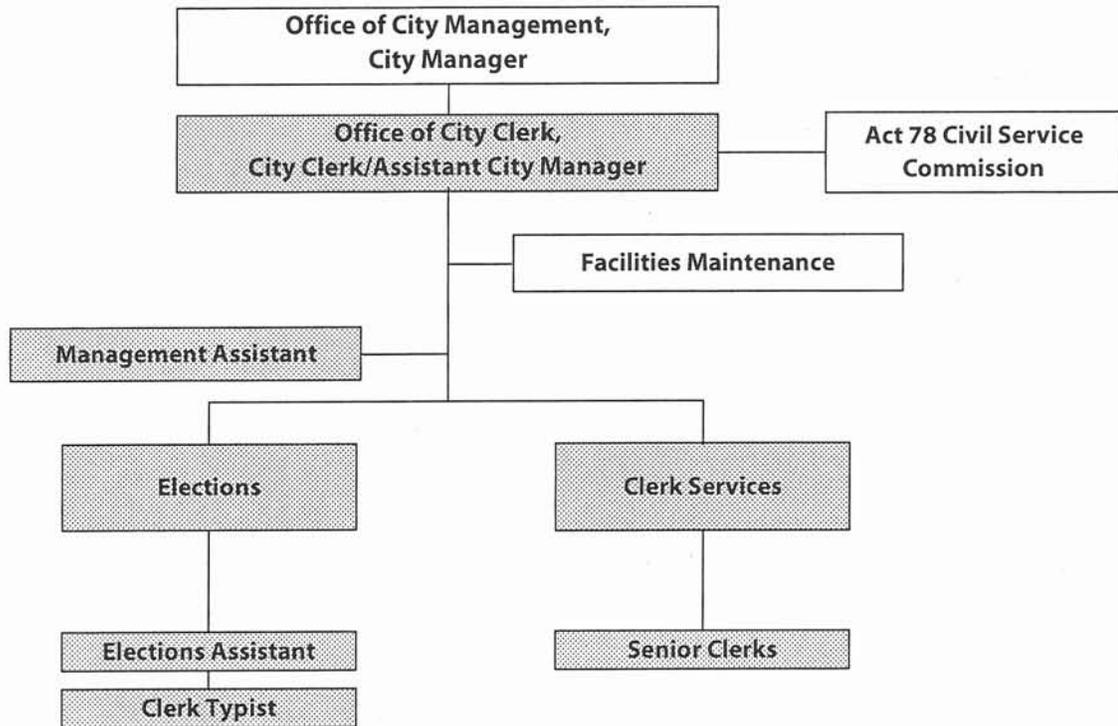
## 2010/11 PERFORMANCE OBJECTIVES

1. To work with the Election Commission to redraw precinct boundaries, notify affected voters, reduce the number of precincts and amend the street listing as a result of the 2010 Census. (City Goal 3, 20)
2. To examine and streamline all office processes in anticipation of staff retirements and the additional reduction in personnel. (City Goal 1, 3, 4, 20)
3. To conduct training of all Election Inspectors for the Gubernatorial election and utilize voter processing improvements to reduce waiting time for voters. (City Goal 3)
4. To develop procedures to implement new federal requirements to electronically transmit absentee ballots and other voter forms to military and overseas voters. (City Goal 3, 17, 18)

Performance Indicators		2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Council Agenda Statements Processed	366	370	386	400	336	360
	Council Actions Correspondence Mailed	659	995	1,538	890	484	570
	New Voter Registrations/Changes Processed	23,206	32,493	25,121	29,995	23,455	26,560
	Elections Conducted	3	3	3	3	3	3
	Election Correspondence/Scheduling	907	1,049	1,099	905	593	920
	Absentee Voter Applications Mailed	23,316	56,628	27,043	24,665	17,092	35,100
	Absentee Voter Ballots Prepared	25,808	25,717	33,568	28,150	20,143	30,220
	Freedom of Information Requests Processed	282	234	243	218	339	310
	Documents Recorded	245	183	184	263	225	230
	Business Registry: New/Closed/Information Changed	3,103	3,170	3,185	3,192	2,919	2,910
	Class C Liquor Licenses Approved (New/Transferred)	0/2	0/6	0/9	0/4	0/8	0/6
	Licenses Issued - (dog, vendors, etc.)	4,891	4,932	5,024	5,053	5,166	5,180
	Pieces of Outgoing Mail Processed	177,261	157,417	165,494	158,120	130,027	130,010
	Birth & Death Certificates Processed	568	560	596	583	561	565
	Board/Commission Applications Processed	241	223	212	221	215	220
	Number of Registered Voters (November)	83,911	84,082	88,258	88,360	85,345	86,110
	Efficiency	% of Residents Applying for City Boards	0.19%	0.18%	0.17%	0.17%	0.17%
% of Registered Voters Voting (November)		55%	14%	69%	17%	21%	56%
% of License Applications Reviewed within 48 Hours		100%	100%	100%	100%	100%	100%
% of FOI Requests Responded to within Legal Limits		100%	100%	100%	100%	100%	100%
Election Cost Per Registered Voter		\$3.23	\$3.11	\$2.88	*	*	*
Activity Expenditures as % of General Fund		1.18%	1.20%	1.20%	0.87%	0.85%	0.90%

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

# City Clerk



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
City Clerk/Assistant City Manager	1	1	1
Risk Manager	1	0	0
Management Assistant	1	1	1
Elections Assistant	1	1	1
Senior Clerk	3	2	2
Clerk Typist	2	1	1
<b>Total</b>	<b>9</b>	<b>6</b>	<b>6</b>

# City Clerk

## SUMMARY OF BUDGET CHANGES

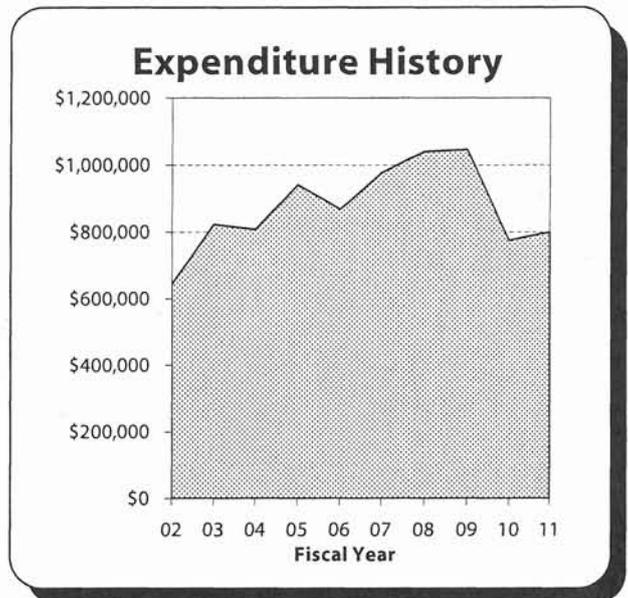
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$37,340 or 5.8%. Part-time costs rose \$24,500 due to the increased workload and higher voter turnout expected for the Gubernatorial Election. Actuarially required pension costs rose \$5,560. Employee health insurance costs rose by 6.2%, or \$3,000, while an additional \$2,900 is budgeted to fund retiree health care liabilities.

**Supplies** – Total Supplies decreased \$6,000 or 10.4%. Postage costs decreased \$4,000 and operating supply costs fell \$2,000, as both can be reduced and brought more in line with the current year’s estimated expenditure usage.

**Other Charges** – Total Other Charges decreased \$5,940 or 8.4%. Funding decreased \$2,980 for memory card programming primarily due to a prior year reappropriated encumbrance. Printing costs fell \$1,950 as Precinct maps can now be accessed on the City’s web site and City maps are printed in alternate years. \$1,000 was saved, as fewer public hearing notices and agendas are anticipated to be published. Funding for City code updates decreased \$200 and document-recording fees fell \$200, both based on historic actual expenditure levels. Telephone costs increased \$350 due to higher contractual rates as a change in vendors was necessary for improved wireless communications.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$923,218	\$646,750	\$622,720	\$684,090	\$684,090
<b>Supplies</b>	74,120	57,500	49,900	51,500	51,500
<b>Other Charges</b>	48,119	70,690	65,610	64,750	64,750
<b>Total</b>	\$1,045,457	\$774,940	\$738,230	\$800,340	\$800,340

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

The Facilities Maintenance staff's primary goal is to maintain all City facilities in a safe, clean, and economical manner for the benefit of the residents and staff of the City of Sterling Heights.

The administration, maintenance, and housekeeping staff of Facilities Maintenance prides itself on the ability to operate efficiently, reduce unnecessary spending, and effectively deliver the services needed to maintain the City's facilities.

The Facilities Maintenance Manager plans and directs the operations of the maintenance and housekeeping staff as well as all outside contracted work and vendors. The overseeing of outside contractors and vendors ensures the quality of workmanship and materials on projects and the adherence of all applicable State and City codes, while meeting all safety standards prescribed by State and federal regulations. The maintenance staff is the "nuts and bolts" component of a wide range of projects that have been constructed and completed in-house.

The maintenance staff also ensures that through preventative maintenance programs, all mechanical, electrical, and plumbing equipment operates at safe and optimum efficiency. The staff maintains all interior and exterior surfaces that require painting throughout the year to ensure that facilities stay attractive year round.

Facilities Maintenance is responsible for housekeeping services at ten City facilities on a daily basis. The staff ensures that residents and employees of Sterling Heights have clean and safe facilities to carry on their day-to-day business as well as maintaining the high level Board of Health standards at a 24-cell detention facility.

The staff assists all departments with furniture transfers and office furniture and equipment layout to help ensure that personnel and equipment are properly and ergonomically situated. Facilities Maintenance is an integral part in the planning, programming, and implementation phases of building modernization and efficiency. ■

## KEY GOALS

- *To operate efficiently, reduce unnecessary spending and effectively maintain the City's facilities.*
- *To oversee outside contractors/ vendors to ensure the quality of materials and workmanship on projects and adherence to all applicable State and City codes.*
- *To meet all safety standards prescribed by State and federal regulations.*
- *To conduct preventative maintenance programs on all mechanical, electrical, and plumbing equipment, to ensure it operates at safe and optimum efficiency.*
- *To guarantee that residents and employees of Sterling Heights have clean and safe facilities to carry on their day-to-day business.*

## *Did you know?...*

*...that Facilities Maintenance will maintain and support over 325,000 square feet of office and building space during the 2010/11 budget year?*

# Facilities Maintenance

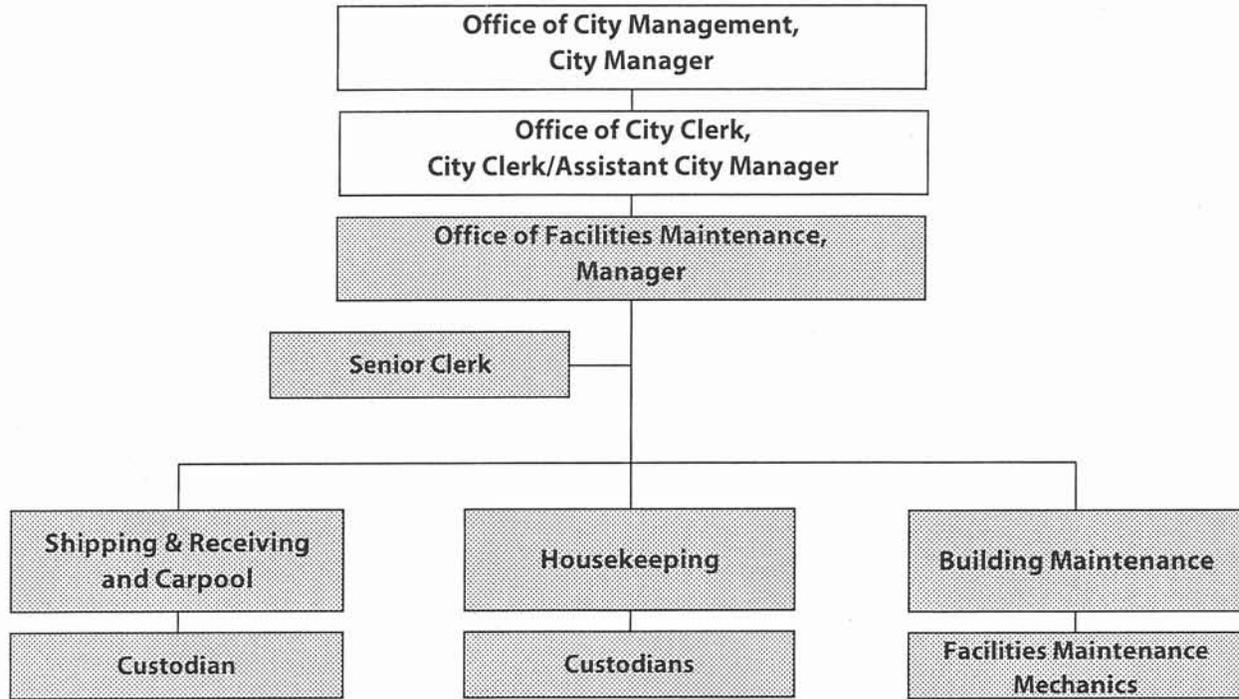
## 2010/11 PERFORMANCE OBJECTIVES

- To review all aspects of the City in regards to opportunities to achieve energy and electrical savings and implement those cost saving options immediately. *(City Goal 3, 18)*
- To develop an operation and maintenance schedule for the new boilers, chillers, and control systems acquired through the Energy Efficiency & Conservation Block Grant program. *(City Goal 3, 18, 21)*
- To implement revised cleaning schedules and work assignments due to the reduction in custodial staff. *(City Goal 1, 3)*
- To review the purchase and usage of cleaning and paper products to determine any cost savings that can be achieved. *(City Goal 3)*
- To explore further cost saving, service sharing and reorganizational savings opportunities. *(City Goal 1, 3)*
- To review the use of City motor pool vehicles to maximize their use and potentially minimize the size of the fleet. *(City Goal 3, 18)*

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	City Facilities Supported - Square Feet	294,911	309,046	320,421	325,421	325,421	325,421
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	227,299	241,434	241,434	246,434	246,434	246,434
	Renovations/Projects Supervised/Coordinated	\$60,734	\$39,410	\$243,844	\$37,880	\$37,880	\$800,000
	Interior Preventive Maintenance Cycles	4	4	4	4	4	4
	Exterior Preventive Maintenance Cycles	2	2	2	2	2	2
	Maintenance/Custodial Service Requests Processed	7,700	7,600	7,500	7,500	7,550	7,600
	Post Office Deliveries & Pick-Ups	440	425	420	435	440	435
	UPS Shipments Prepared	60	40	30	40	35	40
	Deliveries to City Council Members	55	45	45	50	55	55
	Car Pool Vehicles Supervised	46	46	46	34	34	34
	Voting Machines Assembled & Delivered	180	180	180	180	180	180
Efficiency & Effectiveness	% of Emg. Call-Ins Responded to w/i 30 minutes	98%	98%	98%	98%	98%	98%
	% of Service Requests Met Within 15 Days	85%	86%	85%	75%	76%	75%
	Hrs. Spent for Housekeeping Functions Per 1,000 s.f.	131.8	129.5	120.0	118.7	118.0	116.0
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	22.0	20.8	20.6	20.5	20.5	20.0
	Overtime/Comp Hours Worked	900	1,000	910	700	650	650
	Housekeeping Cost Per Square Foot	\$4.97	\$5.04	\$4.88	*	*	*
	Cost to Complete Maintenance Service Requests	\$427,690	\$426,740	\$420,309	*	*	*
	Activity Expenditures as % of General Fund	1.90%	1.98%	1.99%	1.81%	1.81%	1.76%

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

# Facilities Maintenance



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Facilities Maintenance Manager	1	1	1
Facilities Maintenance Coordinator	1	0	0
Facilities Maintenance Mechanic	2	3	3
Custodian	13	11	10
Senior Clerk	1	1	1
<b>Total</b>	<b>18</b>	<b>16</b>	<b>15</b>

# Facilities Maintenance

## SUMMARY OF BUDGET CHANGES

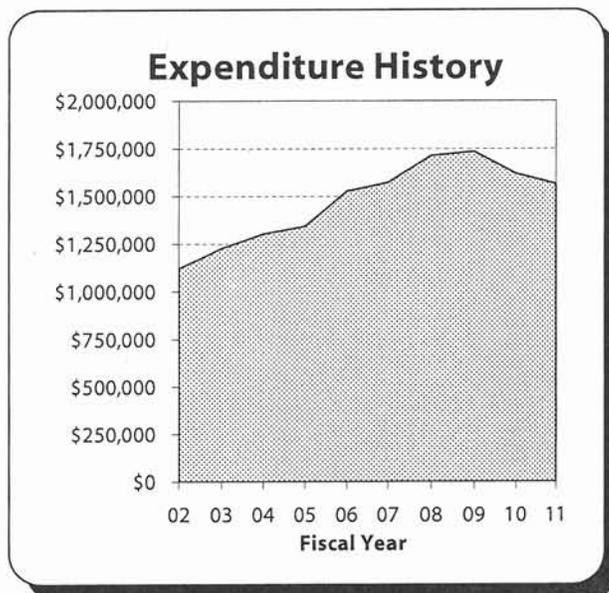
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased \$20,530, or 1.6%. Due to an upcoming transfer, a vacant Custodian position is recommended to be eliminated, saving \$53,000. Daytime and building cleaning cycles will be adjusted to account for the decrease in personnel. Overtime costs fell by 35%. Despite these savings, pension contributions rose \$8,420, while an additional \$5,890 is budgeted to fund retiree health care liabilities. In addition, despite a 3% wage concession, five employees are not at their top step and therefore are budgeted to receive contractual wage step increases.

**Supplies** – Total Supplies decreased \$10 as the postage budget was eliminated as there are no mailings anticipated.

**Other Charges** – Total Other Charges decreased \$33,670 or 11.1%. Building maintenance costs fell \$17,380 based on recent years’ expenditure levels and a prior year reappropriated encumbrance. The City will save \$7,000 in electrical costs due to the implementation of additional energy efficiency cost-saving measures in City buildings. \$10,000 will also be saved in heating costs due to lower natural gas rates and reduced energy consumption as grant funding will be used to replace roofs, make window and lighting improvements, and install new boilers, chillers, and control systems at several City buildings. Telephone costs increased \$700 due to a one-time credit last year.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,385,458	\$1,264,200	\$1,261,500	\$1,243,670	\$1,243,670
<b>Supplies</b>	55,375	50,010	50,000	50,000	50,000
<b>Other Charges</b>	293,984	304,140	270,470	270,470	270,470
<b>Total</b>	\$1,734,817	\$1,618,350	\$1,581,970	\$1,564,140	\$1,564,140

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

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

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

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

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

Assessing information is available on-line via the City's website at [www.sterling-heights.net](http://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 Hickory Heights subdivision, located north of 15 Mile Road and east of Dequindre Road, was platted on March 28, 1923, making it the oldest platted subdivision in Sterling Heights?*

# Assessing

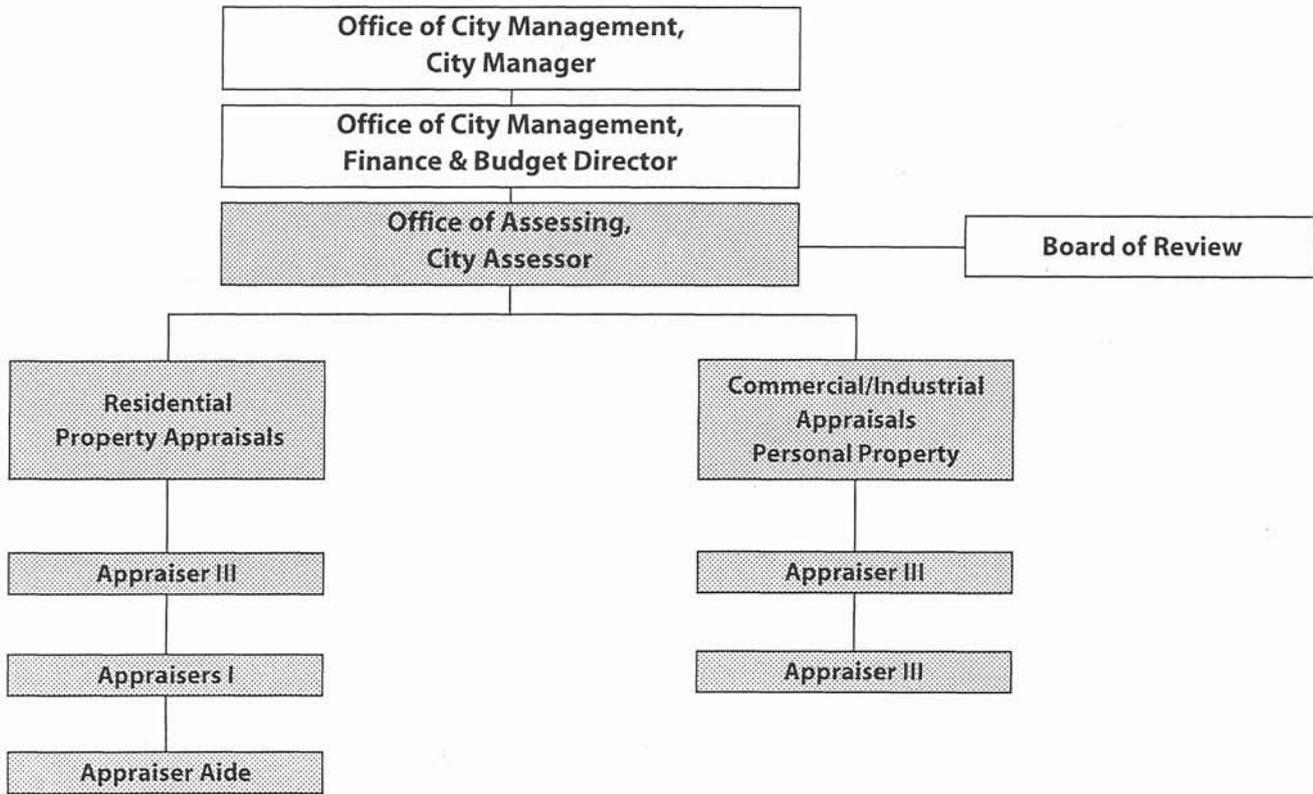
## 2010/11 PERFORMANCE OBJECTIVES

1. To continue a five-year program to reappraise all of the buildings contained on the 815 improved commercial properties in the City. (City Goal 4, 20)
2. To develop an auditing schedule that will increase the frequency of confirming the new job creation figures stated on the IFEC application. (City Goal 10, 11)
3. To seek a long-term solution in valuing all automotive manufacturing equipment in the City's major manufacturing facilities. (City Goal 8, 20)
4. To digitally scan personal property statements and establish a permanent storage database in order to improve the efficiency of future statement processing. (City Goal 4, 17)

	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Assessment Notices Processed - Real/Personal	46,451	46,354	46,275	47,000	46,800	46,800
	Residential Property Appraisals (including Partial)	91	54	19	30	25	35
	Commercial/Industrial Property Appraisals - Real	27	11	9	15	8	15
	Full Tax Tribunal Applications - Businesses	59	43	197	60	200	150
	Board of Review Appeals	828	792	1,658	1,200	1,700	1,500
	Personal Property Audits	24	124	127	150	140	155
	Land Divisions/Combinations Processed	19	18	10	10	12	12
	Resident Tax & Assessing Online Retrievals	296,422	311,035	318,890	312,000	325,000	330,000
	Deeds & Property Owner Updates	3,448	4,515	2,391	1,700	3,700	3,400
	Property Transfer Affidavits Processed	2,371	2,623	2,212	2,000	2,000	2,100
	Homestead Exemption Affidavits Processed	2,529	2,482	2,621	2,000	2,100	2,200
	Industrial Facility Exemption Certifications Approved	7	8	6	6	6	6
	Total Investment Resulting from IFEC's (millions)	\$163	\$82	\$73	\$15	\$21	\$50
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)	5.4%	4.8%	4.5%	4.4%	4.4%	4.2%
	Sales Ratio	50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
	% Site Plans Reviewed within 2 days	90%	90%	90%	90%	90%	90%
	% Land Divisions/Comb. Processed w/i 3 days	90%	90%	90%	90%	90%	90%
	Equalization Factor	1.00	1.00	1.00	1.00	1.00	1.00
	Average Cost to Appraise a Residential Parcel	\$2.34	\$2.69	\$2.72	*	*	*
	Activity Expenditures as % of General Fund	0.99%	0.99%	1.01%	1.01%	0.99%	0.97%

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

# Assessing



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
City Assessor	1	1	1
Appraiser III	3	3	3
Appraiser I	2	2	2
Appraiser Aide	1	1	1
Clerk Typist	1	1	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>7</b>

# Assessing

## SUMMARY OF BUDGET CHANGES

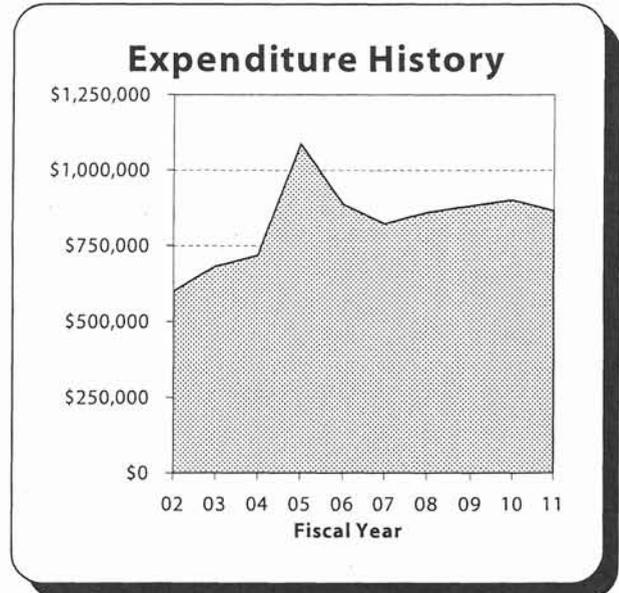
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$35,690, or 4.2%. A vacant Clerk-Typist position is proposed to be eliminated, saving \$62,300. Pension costs rose \$7,400 as a result of a recent actuarial study. Funding for retiree health insurance liabilities rose \$4,160. An additional \$5,500 is budgeted to fund increased Board of Review hours due to the increased number of tax appeals.

**Supplies** – Total Supplies decreased \$700 or 3.1%. Postage funding decreased \$500 based on the recent year’s estimated expenditure usage. Publication costs decreased \$200 due to the one-time purchase of the Detroit Apartment Market Report in the prior year.

**Other Charges** – Total Other Charges increased \$490 or 2.5%. Telephone costs increased \$800 to bring the budget more in line with actual expenditure trends, as the budget was previously reduced to reflect a one-time AT&T credit. \$50 was added for the increased cost of publishing Board of Review notices. \$500 was saved, as fewer Assessing forms will need to be printed next year.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$838,975	\$858,760	\$821,750	\$823,070	\$823,070
<b>Supplies</b>	22,059	22,800	22,280	22,100	22,100
<b>Other Charges</b>	20,498	19,480	19,590	19,970	19,970
<b>Total</b>	\$881,532	\$901,040	\$863,620	\$865,140	\$865,140

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

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

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

Payroll processing and record keeping for all City employees is executed in Financial Services. This processing includes data input and coordination of insurance benefits, withholding and reporting of income taxes, maintenance of records and payment of all other deductions. Payroll processing and record keeping functions are performed for 12 bargaining units and two (2) employee groups, all with unique benefits.

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

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

## KEY GOALS

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

*Did you know?...*

*...the Financial Services office has received no external auditor adjusting journal entries for the past three years?*

# Financial Services

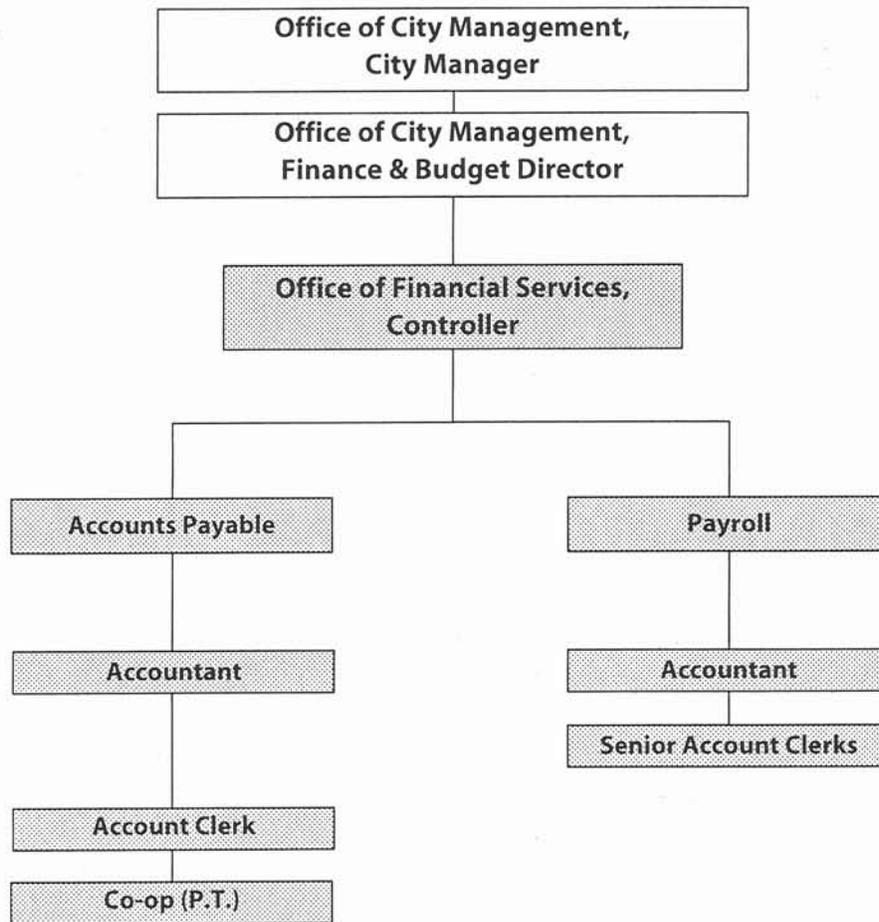
## 2010/11 PERFORMANCE OBJECTIVES

1. To implement Government Accounting Standards Board (GASB) Nos. 51, 53, and 54 into the audited financial statements. (City Goal 3)
2. To evaluate and redesign processes, timing and task assignments to increase efficiencies of the financial audit and office operations. (City Goal 3, 4, 17)
3. To review current collective bargaining agreements to determine possible payroll and employee benefits savings. (City Goal 3, 17)
4. To analyze workflow processes performed by other departments and identify areas with redundant or outdated accounting processes to gain efficiencies such as Police Department timekeeping functions. (City Goal 3, 17)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Bank Statements Reconciled	264	240	241	240	264	264
	Travel Business Reports Reconciled/Processed	255	234	198	190	180	170
	General Journal Entries Processed	1,864	1,865	1,890	1,850	1,850	1,850
	Accounts Payable Invoices Processed	17,122	17,338	17,156	17,200	16,925	16,450
	Accounts Payable Checks Issued	8,014	7,890	7,625	8,000	8,000	7,500
	Payroll Checks & Deposit Notices Generated	21,890	23,100	21,837	22,000	21,500	21,500
	G.F.O.A. CAFR Reviews	4	3	3	2	2	2
	Total Retirees/Beneficiaries Receiving Medical Benefits	387	440	471	480	481	490
	Federal Grants Tracked	26	28	36	20	45	20
	Capital Assets Processed	832	305	264	250	250	200
	Audit Workpapers Prepared	254	227	254	200	260	260
	Depreciable Assets Tracked	N/A	3,744	3,136	4,200	3,300	3,300
	Vendor Files Maintained	4,959	4,018	3,291	4,000	3,925	3,850
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	9.0	9.0	10.0	10.0	10.0	11.0
	% of A/P Checks Issued Without Error	99.0%	99.5%	99.5%	99.5%	99.5%	99.5%
	% of Payroll Checks Issued Without Error	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
	Active Employees Receiving Compensation/Benefits	1,490	1,517	1,454	1,500	1,435	1,425
	Financial Statement Correcting Entries by Auditors	0	0	0	1	1	1
	Financial Administration of Federal Grant Expenditures	\$2,556,331	\$4,728,405	\$4,768,818	\$2,400,000	\$4,800,000	\$2,400,000
	Cost for an Independent Auditor to Perform Audit	\$88,300	\$90,500	\$95,500	\$97,000	\$94,500	\$89,800
	Years Received G.F.O.A. CAFR Award	19	20	21	22	22	23
	Cost to Process an Accounts Payable Invoice	\$9.88	\$9.83	\$10.23	*	*	*
	Cost of Payroll Service Per Employee	\$263	\$264	\$269	*	*	*
Activity Expenditures as % of General Fund	1.45%	1.48%	1.48%	1.17%	1.13%	0.87%	

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

# Financial Services



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Controller	1	1	1
Financial Services Manager	1	1	0
Accountant	3	3	2
Senior Account Clerk	3	2	2
Account Clerk	4	2	1
Co-op (P.T.)	0	1	1
<b>Total</b>	<b>12</b>	<b>10</b>	<b>7</b>

# Financial Services

## SUMMARY OF BUDGET CHANGES

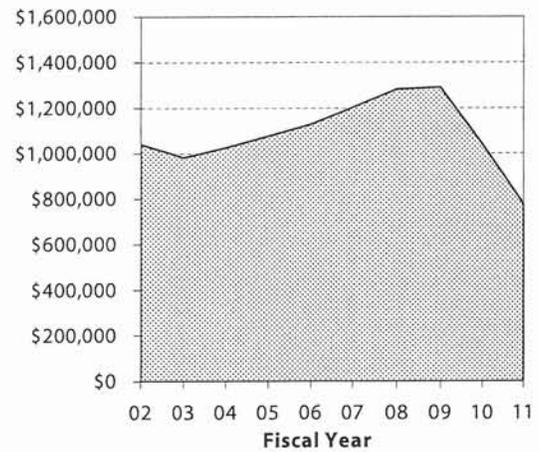
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$263,040, or 27.8%. Due to a recent reorganization, the vacant Financial Services Manager and Account Clerk positions are recommended to be eliminated, saving a total of \$198,600. In addition, an Accountant position has been transferred to Treasury. In the prior year, the utility billing staff was transferred to Treasury in a cost saving measure. An additional \$4,530 is budgeted to fund retiree health care liabilities, while pension costs rose \$7,680.

**Supplies** – Total Supplies increased \$80 or 1.4%. Postage costs increased \$360 based on the recent year’s estimated expenditure usage. Funding for supplies can be reduced by \$280 due to a prior year reappropriated encumbrance and a reduced need for printer toner cartridges as documents are printed more cost-efficiently on the copier.

**Other Charges** – Total Other Charges decreased \$2,080 or 2.3%. Printing costs decreased \$430, as tabs for the audit document will be printed in-house. Educational funding can be reduced by \$500 due to the recent reorganization. Equipment maintenance costs increased \$4,390 primarily due to an increase in the MUNIS licensing and support fees. The increase was partially offset as a more cost-effective fixed assets software application is being used, saving \$6,870. Telephone costs increased \$1,160 as last year’s budget was reduced to reflect a one-time AT&T credit.

### Expenditure History



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

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,106,432	\$944,660	\$893,420	\$681,620	\$681,620
<b>Supplies</b>	67,438	5,760	6,040	5,840	5,840
<b>Other Charges</b>	117,135	90,460	84,490	88,380	88,380
<b>Total</b>	\$1,291,005	\$1,040,880	\$983,950	\$775,840	\$775,840

**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](http://www.mitn.info)).

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

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

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

## KEY GOALS

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

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

## *Did you know?...*

*...the City is a founding member of the Michigan Intergovernmental Trade Network (MITN), which now has over 9,100 vendors registered on the online procurement system?*

# Purchasing/Risk Management

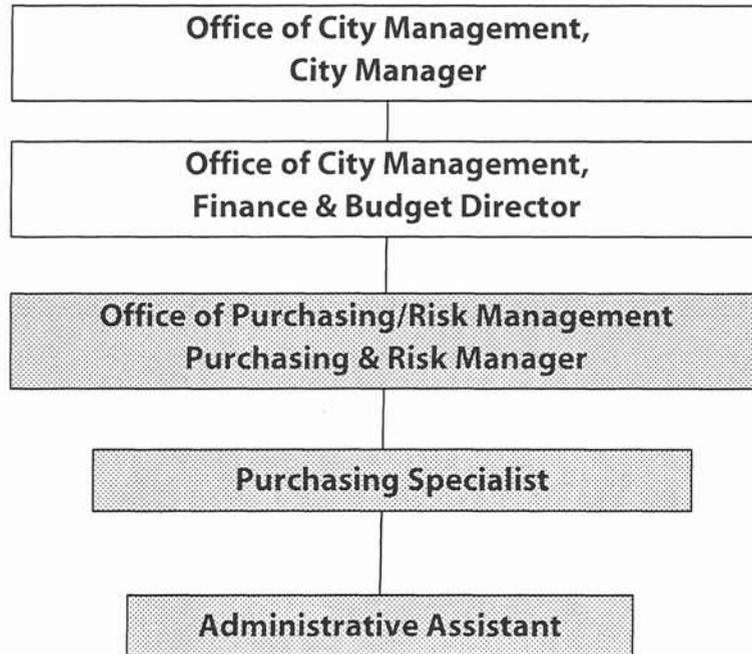
## 2010/11 PERFORMANCE OBJECTIVES

1. To develop a Request for Proposal (RFP) for the purchase of claims administration services for employee and retiree health care. (City Goal 20)
2. To implement new cost saving procedures for the purchase of natural gas and electricity and to reduce the recent 16% increase in street lighting rates by DTE. (City Goal 1, 20)
3. To continue the recently initiated vendor saving program. (City Goal 1, 20)
4. To assist departments in identifying excess City property to be sold via on-line auction and to research the use of alternative on-line auction sites. (City Goal 1, 20)
5. To increase the use of request for proposals to allow for more negotiation of pricing. (City Goal 1, 20)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Purchase Orders Processed	1,064	1,069	1,047	1,100	1,200	1,100
	Bid Solicitation Occurrences	53	48	53	60	55	50
	Bid Responses Reviewed	299	302	350	300	300	300
	Written Quotation Solicitation Occurrences	14	10	11	12	12	12
	Written Quotation Responses Reviewed	117	91	87	80	90	90
	Hours Worked on Requests for Proposals (RFP's)	100	90	95	75	120	120
	Number of Purchasing Card Transactions	2,165	2,037	1,908	2,000	1,900	1,900
	Liability/Property Claims	183	212	165	180	175	190
	Liability/Property Incidents Reports	74	168	134	100	120	125
	New Lawsuits	21	16	14	15	18	20
	Lawsuits Closed	7	9	8	6	8	12
	Litigation Costs for Claims	\$706,686	\$379,883	\$514,111	\$500,000	\$500,000	\$550,000
	Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	92%	95%	95%	95%	97%
% of Bids Issued w/i 30 days of Specifications		85%	85%	85%	85%	88%	85%
Avg. Days to Process a P. O. (informal pricing)		7	7	7	7	7	7
Avg. Days to Process a P. O. (formal pricing)		30	30	30	30	30	30
Online Procurement System - Registered Vendors		5,259	7,017	8,308	8,500	9,126	9,700
Revenue from Sale of Surplus Property		\$51,960	\$46,707	\$75,403	\$50,000	\$60,000	\$60,000
Cost to Issue a Purchase Order		\$82	\$82	\$88	*	*	*
Average Cost to Go Out to Bid		\$1,537	\$1,584	\$1,529	*	*	*
Average % Savings Through Bid Process		25%	25%	25%	35%	25%	30%
# of Accidents Per 100,000 Miles Driven		3.05	3.70	1.55	3.00	2.30	2.30
Accident Cost Per 100,000 Miles Driven		\$3,694	\$3,050	\$1,624	\$2,500	\$2,162	\$2,000
Prop. Insurance Premiums as % of Insured Value		0.09%	0.08%	0.08%	0.08%	0.08%	0.08%
Activity Expenditures as % of General Fund		0.41%	0.39%	0.47%	0.42%	0.42%	0.43%

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

# Purchasing/Risk Management



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Purchasing & Risk Manager	0	1	1
Purchasing Manager	1	0	0
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>

# Purchasing/Risk Management

## SUMMARY OF BUDGET CHANGES

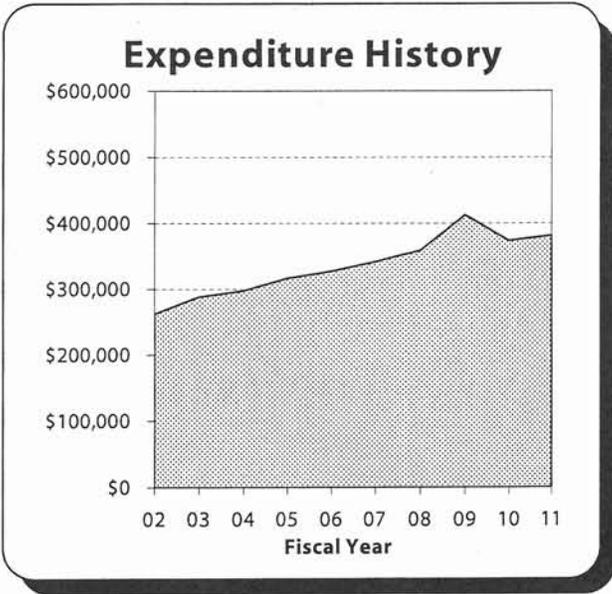
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$10,200 or 3.1%. Despite the 3% wage concessions, one clerical position will receive a wage step increase. Pension costs rose \$2,820 based on a recent actuarial study, while an additional \$1,590 is budgeted to fund retiree health insurance costs. Longevity pay increased as a result of increased years of service for several employees.

**Supplies** – Total Supplies decreased \$200 or 12.3%. Postage funding decreased \$100 based on the recent year’s estimated expenditure usage. \$100 was saved, as fewer toner cartridges will be purchased due to the ability to print documents more cost-efficiently on the new copy machine.

**Other Charges** – Total Other Charges decreased \$2,670 or 6.4%. The City will save \$2,500, as fewer City records will be microfilmed due to the increasing ability to scan documents with the new copiers. Funding decreased \$900 due to the reduced cost of copier rental and usage fees. Publishing costs decreased \$200 based on the current year’s estimated expenditure levels. \$750 was added due to an increase in citywide office equipment repairs. Telephone costs increased \$200 as last year’s budget was reduced to reflect a one-time AT&T credit.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$362,901	\$330,290	\$329,900	\$340,490	\$340,490
Supplies	1,323	1,630	1,530	1,430	1,430
Other Charges	47,992	41,630	38,710	38,960	38,960
<b>Total</b>	<b>\$412,216</b>	<b>\$373,550</b>	<b>\$370,140</b>	<b>\$380,880</b>	<b>\$380,880</b>

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

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

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

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

Monthly water and sewer bills are prepared for over 39,640 residential, industrial and commercial customers. Delinquent account reports are generated and transferred to tax rolls after approval by the City Manager on a semi-annual basis.

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

The Treasurer provides administrative support to the Corridor Improvement Authority (CIA), the Brownfield Redevelopment Authority, and serves as administrative liaison to the Building Authority. The Brownfield Redevelopment Authority reviews and processes applications for potential development on contaminated sites while the CIA works to enhance commercial districts in the City by offering development incentives in order to increase economic vitality within these districts. The Building Authority oversees the construction and related payments of new City facilities. Administrative support is also provided to the Economic Development Corporation (EDC) and Local Development Financing Authority (LDFA).

Treasury is also responsible for the various defined

## 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.*

contribution plans (401(A) and 457 plans) and the defined benefit plan (General Employee's Retirement System or GERS) sponsored by the City. For the defined contribution plans, duties include the day-to-day administration and working with various service providers relative to investment options, coordination of employee education and general employee assistance. Duties related to the GERS include day-to-day administration of the system, preparing agendas and packets for monthly meetings, coordinating with money managers and service providers for quarterly performance meetings, assisting the system's legal actuary and custodial bank to ensure timely and proper benefit payments to retired employees.

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

## *Did you know?...*

*...the Treasury office has put in place new technology City-wide that identifies and removes from circulation any currency that is suspected of being counterfeit?*

# Treasury

## 2010/11 PERFORMANCE OBJECTIVES

1. To investigate the cost effectiveness of implementing an enterprise wide system for all computer software applications through BS&A to save money and allow for the use of a centralized customer identification number (CID). (City Goal 3, 6, 17, 18, 20)
2. To work with Information Technology to comply with the 12 requirements of the new Payment Card Industry (PCI) Security Council. (City Goal 6, 18)

Output	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
	Tax Bill Payments Processed - Manually (incl. partials)	23,194	23,037	22,979	23,000	23,200	24,000
	Tax Bill Payments Processed - Electronically (escrows)	29,625	30,205	30,736	30,700	31,250	31,200
	Tax Bill Payments Processed - Lock Box	36,169	35,890	35,748	36,000	34,716	34,700
	Special Assessment Parcels Billed	122	174	216	220	179	185
	Invoices Billed	3,448	3,823	5,130	5,000	3,900	3,500
	Investments Bought/Sold - Number of Transactions	398	714	718	650	600	650
	Tax Adjustments Processed	1,019	982	1,140	1,100	1,366	1,300
	Resident Tax & Assessing Online Retrievals	296,422	311,035	318,890	312,000	325,000	330,000
	Cash Receipts Processed by Treasury Personnel	68,862	69,702	67,502	66,000	66,550	65,000
	City-Wide Credit Card Payments Received	14,467	17,903	20,238	22,000	22,850	24,000
	Dollar Value of All Credit Card Transactions	2,266,588	2,881,941	2,789,361	2,800,000	2,800,000	2,850,000
	# of Online/IVR Credit Card Tax Payments	331	346	327	345	320	310
	Internal Control Reviews Conducted	3	3	4	4	4	4
	Annual % Change in GERS Market Value - Fiscal Year	11.9%	-3.9%	-25.7%	8.0%	14.0%	8.0%
	Defined Contribution Active Employees	73	82	80	80	78	83
	Defined Benefit Active GERS Employees	263	260	234	222	223	215
	GERS Retirements Processed	22	14	31	15	15	10
	GERS Retirees/Beneficiaries Receiving Benefits	223	254	260	270	273	285
	Pension Calculations Prepared (P&F and GERS)	88	63	87	60	50	60
	Water and Sewer Bills Issued	189,140	188,940	194,060	190,300	193,200	194,000
	Final Water Bills Prepared	1,093	973	987	1,000	1,300	1,300
	Water & Sewer Customer Bill Online Retrievals	21,634	24,348	19,822	20,700	29,400	30,000
	Water & Sewer Auto Pay Customers	2,546	2,650	2,703	2,720	2,770	3,000
	Water & Sewer Budget Billing Customers	60	134	140	150	140	140
	Service Orders Processed by Utility Billing	3,544	3,735	4,393	5,060	5,460	5,460
	Water Bill Adjustments	1,407	1,667	1,734	1,980	1,400	2,000

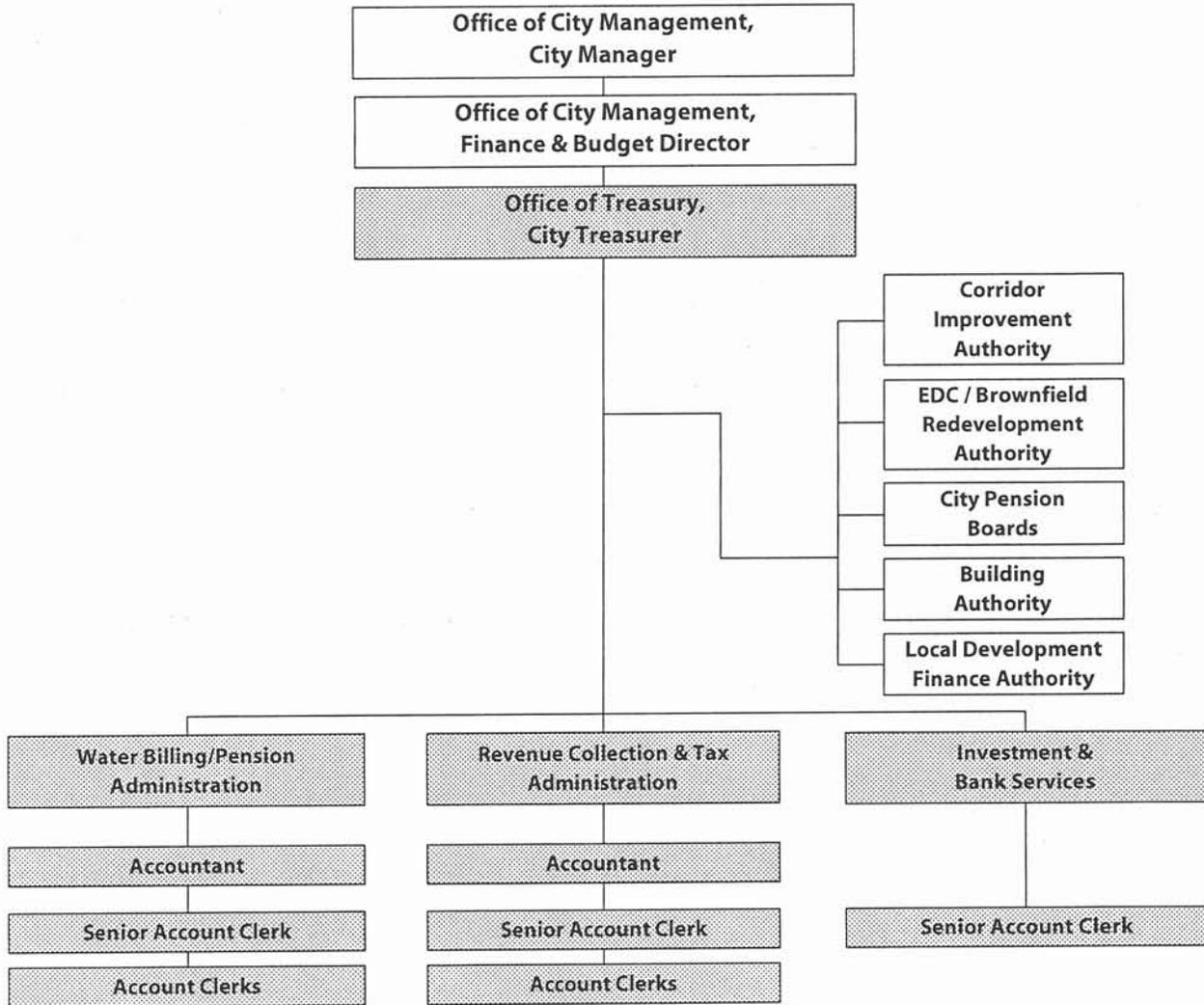
# Treasury

## 2010/11 PERFORMANCE OBJECTIVES

3. To investigate the possibility of consolidating all online payments into one centralized collection point and to begin accepting Court and Library payments online. *(City Goal 1, 3, 18)*
4. To research service sharing opportunities with other cities in the billing and collection of property taxes. *(City Goal 1, 2, 4, 17, 18, 20)*
5. In conjunction with Information Technology and Financial Services, to coordinate the installation, training and implementation of version 7.4 of the MUNIS financial software. *(City Goal 1, 5, 6, 18)*
6. To coordinate the completion of the bi-annual actuarial valuation for the Sterling Heights Other Post Employment Benefits (OPEB) Trust Fund. *(City Goal 1, 20)*
7. To conduct an internal control analysis of overtime equalization as it affects pension and other related City costs. *(City Goal 1, 3, 20)*

	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
Efficiency & Effectiveness	% of Real & Personal City Property Tax Levy Collected	97%	96%	96%	97%	97%	97%
	% of Prop. Tax Parcels Turned Delinquent to County	6.67%	7.14%	7.66%	8.20%	8.00%	8.00%
	Average Rate of Return on Investments	5.52%	4.72%	4.14%	3.00%	2.00%	1.99%
	Average 6 Month T-Bill Rate	5.07%	3.05%	0.84%	2.00%	1.91%	1.50%
	City's Return as a % of 6 Month T-Bill	1.09%	1.55%	4.93%	1.50%	1.05%	1.33%
	% of Portfolio Invested in Active Market	85.4%	84.9%	83.5%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	\$3.6	\$3.3	\$2.3	\$2.0	\$0.9	\$0.8
	Police & Fire Pension System - % Funded	130.7%	124.8%	95.0%	100.0%	84.9%	90.0%
	General Employees Pension System - % Funded	124.2%	125.2%	110.2%	100.0%	106.2%	100.0%
	Ratio of Active GERS Employees to GERS Retirees	1:0.85	1:0.88	1:1.11	1:1.17	1:1.22	1:1.33
	Annual % Change in P&F Market Value - Fiscal Year	7.0%	-7.0%	-24.5%	8.0%	14.0%	8.0%
	Ratio of Active P&F Employees to P&F Retirees	1:0.92	1:0.91	1:0.96	1:0.97	1:0.97	1:0.97
	% of Water & Sewer Bills Adjusted	0.74%	0.88%	0.89%	1.00%	0.74%	1.00%
	Activity Expenditures as % of General Fund	0.91%	0.91%	0.84%	1.19%	1.15%	1.28%

# Treasury



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
City Treasurer	1	1	1
Accountant	1	1	2
Senior Account Clerk	2	3	3
Account Clerk	4	5	4
<b>Total</b>	<b>8</b>	<b>10</b>	<b>10</b>

# Treasury

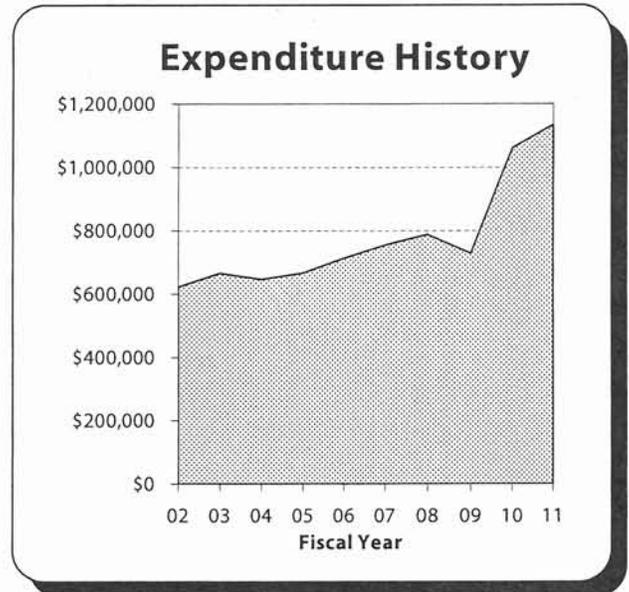
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$60,780, or 7.1%. Most of the increase is a result of transferring the Accountant position from Financial Services due to a recent department reorganization. A vacant Account Clerk is recommended to be eliminated, saving \$58,600. In the prior year, water billing personnel were relocated from Financial Services to Treasury to further streamline operations. Contributions to the pension fund increased by \$7,610. An additional \$4,020 is budgeted to fund retiree health insurance costs. Employee health insurance costs rose \$4,010.

**Supplies** – Total Supplies increased \$3,070 or 3.0%. Postage funding increased \$3,350 due to an increase in the cost of tax bill mailings and a better idea of this office’s projected expenditure usage since Water Billing was transferred to Treasury last year. Funding for supplies can be reduced by \$180, while \$100 was saved in publications due to the increasing availability of online resources.

**Other Charges** – Total Other Charges increased \$9,450 or 9.7%. The budget increased \$10,400 primarily due to an increase in banking service fees and an increase in the volume of lock box payments processed by the bank. Funding for contracted services decreased \$750 as the budget can be reduced and brought more in line with prior year levels. Telephone costs decreased \$510 based on the current year’s estimated expenditure usage and the elimination of a Nextel telephone.



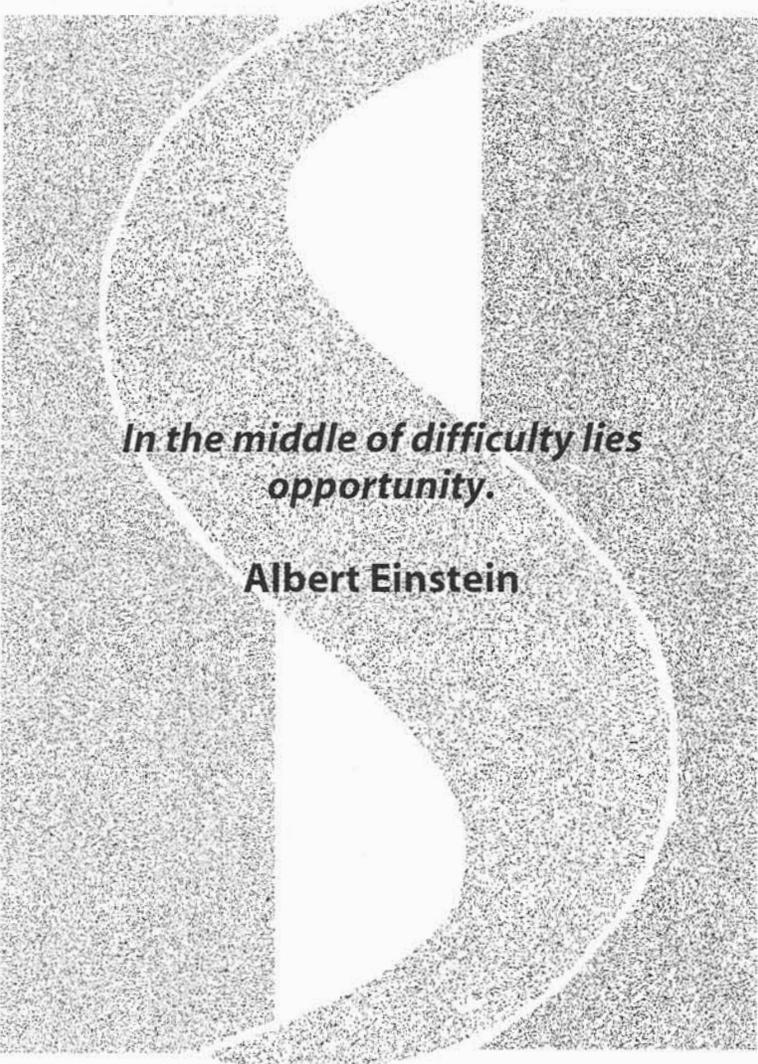
**Capital** – There is no Capital proposed for this activity.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$630,781	\$862,050	\$800,320	\$922,830	\$922,830
<b>Supplies</b>	41,815	101,330	104,350	104,400	104,400
<b>Other Charges</b>	55,550	97,710	100,800	107,160	107,160
<b>Total</b>	\$728,146	\$1,061,090	\$1,005,470	\$1,134,390	\$1,134,390

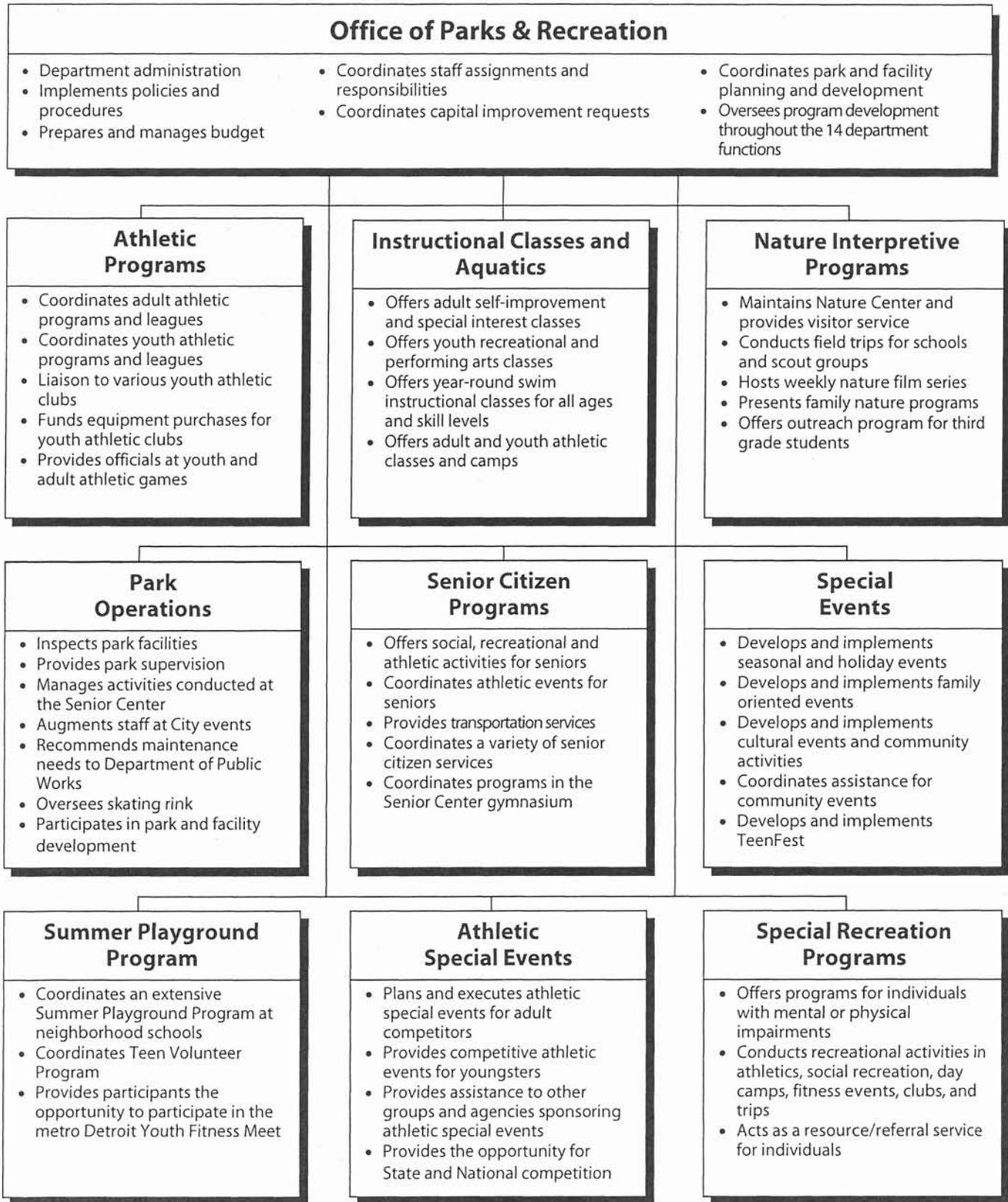


# Parks & Recreation Department



# FUNCTIONAL ORGANIZATION CHART

## Parks & Recreation Department



# DEPARTMENT AT A GLANCE

## Parks & Recreation Department

### BUDGET SUMMARY

The total Parks & Recreation Department's budget decreased by \$107,170 or 4.8%. Personnel costs fell by \$92,820 or 5.1%. A vacant Recreation Supervisor position is not funded saving \$78,400, as duties have been redistributed among other department staff. Part-time wages decreased by \$18,580 due to the prior consolidation of summer playground sites as well as lower staffing needs for various existing programs. Overtime costs fell by nearly \$16,000. No cost of living wage increases are budgeted due to successful labor concession agreements. Supply costs declined by \$11,990 or 11.8% due to the increased use of email and

the City's website for program information. The cost of program supplies also fell. Other Charges decreased by \$2,360 or 0.8% due to energy saving efforts and the elimination of storage rental fees. The department also saved money in printing costs due to the increased use of electronic notifications. Increased funds are budgeted for expansion of the successful adult softball program. The budget continues to fully fund Senior Center programs and the expanded daily programming and operations of the Senior Active Life Center Gym. The capital budget includes funding for eight park maintenance projects totaling \$374,500.

### FUNDING LEVEL SUMMARY

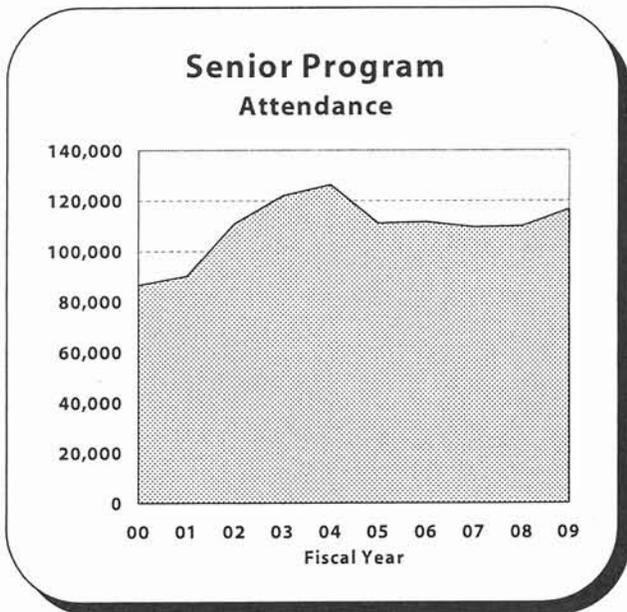
	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Parks & Recreation	\$2,554,030	\$2,489,620	\$2,227,140	\$2,119,970	-4.8%
<b>Total Department</b>	<b>\$2,554,030</b>	<b>\$2,489,620</b>	<b>\$2,227,140</b>	<b>\$2,119,970</b>	<b>-4.8%</b>
Personnel Services	\$2,082,880	\$2,008,340	\$1,823,310	\$1,730,490	-5.1%
Supplies	102,320	88,700	102,040	90,050	-11.8%
Other Charges	368,830	392,580	301,790	299,430	-0.8%
<b>Total Department</b>	<b>\$2,554,030</b>	<b>\$2,489,620</b>	<b>\$2,227,140</b>	<b>\$2,119,970</b>	<b>-4.8%</b>

### PERSONNEL SUMMARY

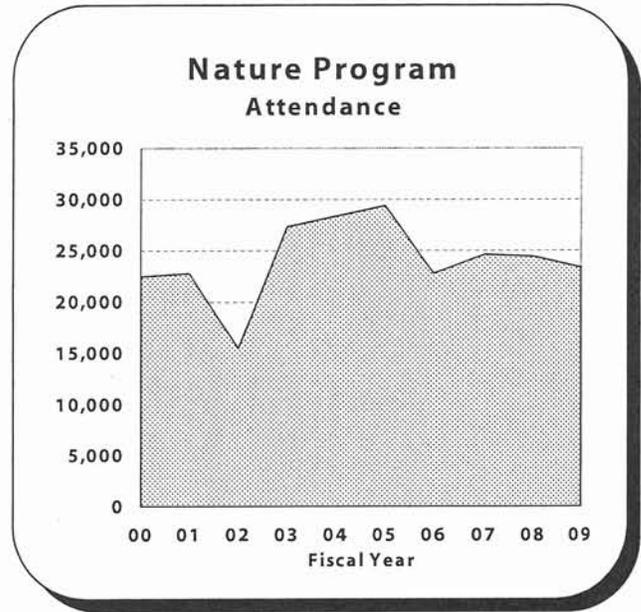
	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Parks & Recreation	16	0	16	0	13	0	12	0
<b>Total Department</b>	<b>16</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>12</b>	<b>0</b>

# KEY DEPARTMENTAL TRENDS

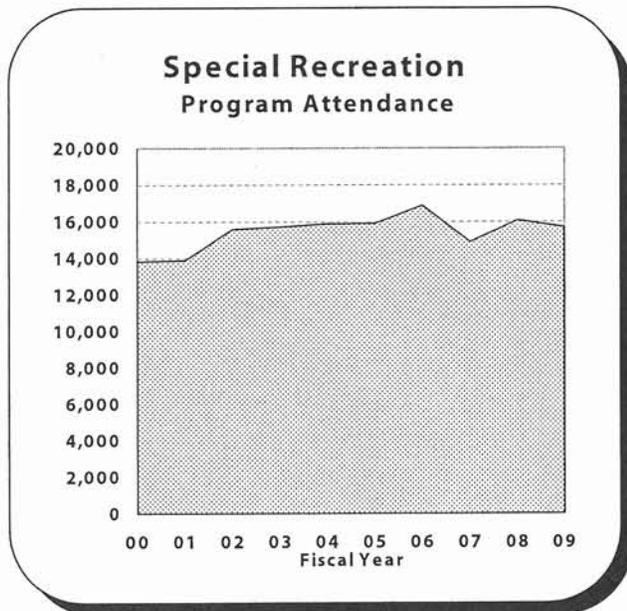
## Parks & Recreation Department



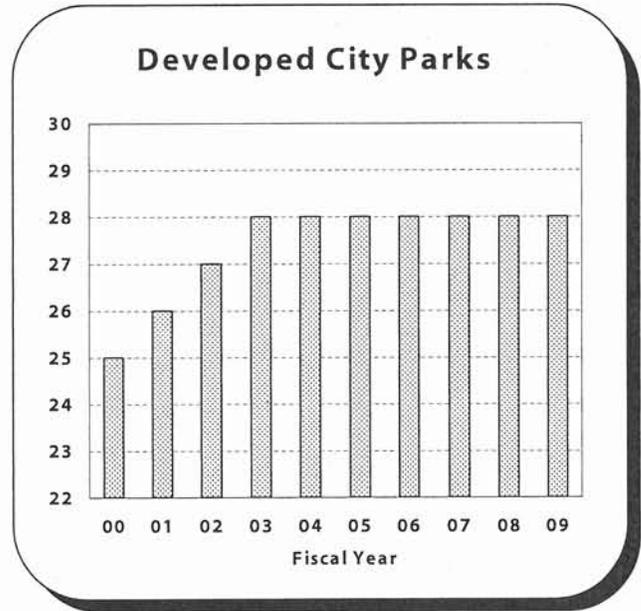
Senior program attendance has increased by 35% over the past ten years from 86,530 to 116,564 participants. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid for with federal CDBG dollars. Both the number of senior and special recreation transportation riders has nearly doubled in the past 10 years.



The City's Nature Center was closed for a portion of 2002 as the City constructed a 2,250 square foot addition. When construction was finished, attendance rebounded to reach a ten-year high of 29,360 visitors in 2005. Attendance decreased slightly to 23,321 participants in 2009.



For the past eight years, attendance at the City's numerous Special Recreation programs and activities has ranged between 15,000 - 17,000 participants annually.



The number of parks has increased by 12% over the past 10 years from 25 in 2000 to 28 in 2009. In the past 8 years Rotary, Moravian, and Avis Drive Parks have been developed increasing the amount of City land devoted to recreational purposes to 820 acres. Over the past several years, the City completed the bike hike trail, paved the Delia Park entrance and south parking lot, repaired the Delia Park tennis courts, and installed three outdoor bocce ball courts at the Senior Center. The City also purchased bleachers and playground equipment and replaced ball diamond fencing at Delia Park and opened the Senior Active Life Center.

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

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

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

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

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

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

Teens can participate in most programs offered including TeenFest and the summer 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 to community groups, exhibits, film/lecture series and more.

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

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

## KEY GOALS

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

The National Gold Medal Award Winning Special Recreation Program offers a variety of recreation activities to the mentally impaired, emotionally impaired, physically challenged, learning disabled, hearing impaired, visually impaired, persons with closed head injuries, and autistic children and young adults. Activities include Summer Day Camps, Athletics, Social Recreation and Special Activities.■

## Did you know?...

*...the Parks & Recreation and City Development Departments updated the City's Recreation 5-year Master Plan in-house, saving approximately \$10,000?*

# Parks & Recreation

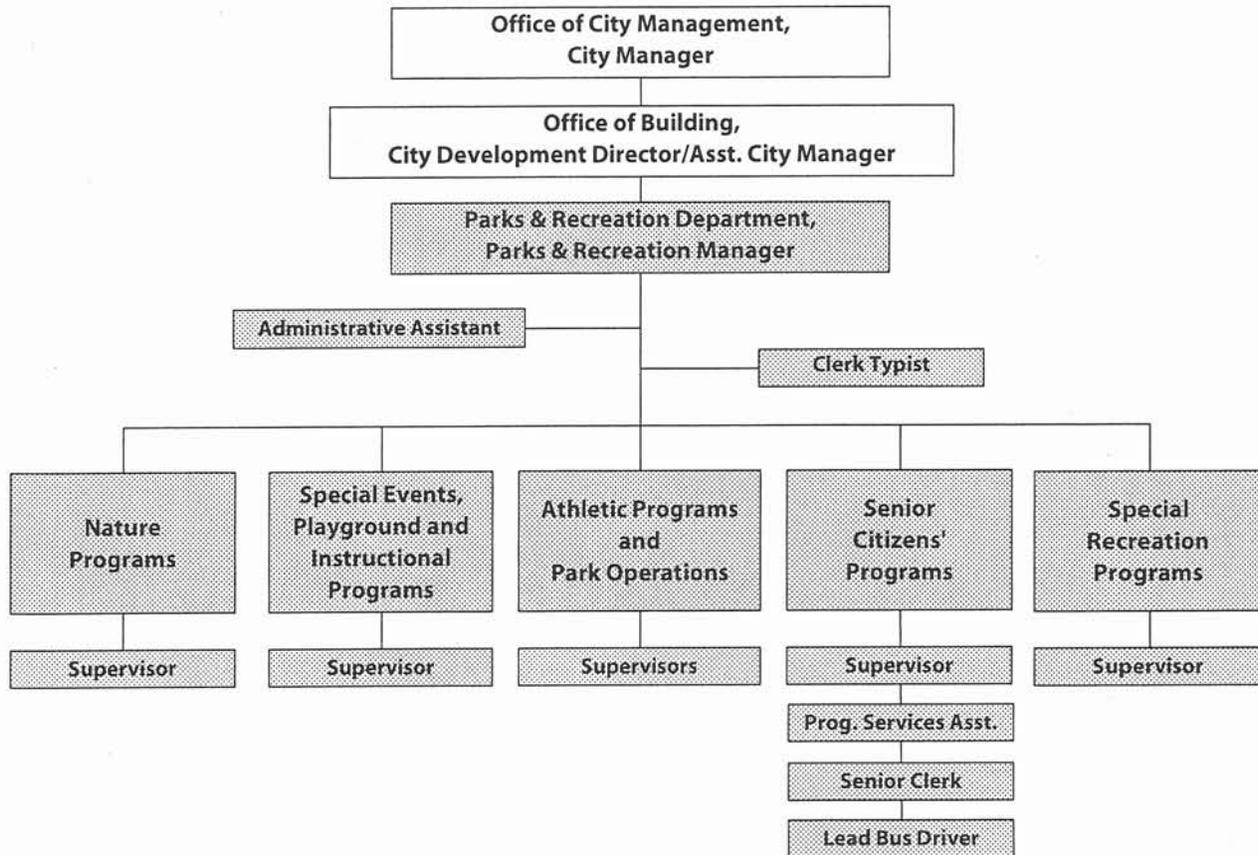
## 2010/11 PERFORMANCE OBJECTIVES

1. To work with Community Relations to develop a marketing plan for the Senior Activity Center including press releases, flyers, newsletters, commercials, and news stories for Sterling Heights Television (SHTV). (City Goal 26, 27)
2. To offer updated and innovative recreational programs and activities to the community that are supported by sustainable revenues. (City Goal 21, 26)
3. To establish a Parks and Recreation departmental website with all new information and to disseminate information in a timely manner and to better market program offerings. (City Goal 17)
4. To investigate options for creating a family friendly use for the open space located near the City Center Complex. (City Goal 26, 27)

Performance Indicators		2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Instructional & Aquatics Class Attendance	35,953	33,236	31,895	31,000	31,794	31,000
	Special Event Participants	73,000	73,100	74,449	75,000	73,521	75,000
	Special Recreation Program Attendance	14,878	16,060	15,679	15,100	11,468	11,400
	Adult & Youth Athletic Attendance (Incl. Practices)	77,556	79,516	78,424	78,000	84,995	80,000
	Nature Program Participants	24,582	24,400	23,321	23,600	25,847	23,600
	Teen Only Program Attendance	1,010	926	790	800	700	800
	Number of Internet Registrations	2,903	3,430	3,374	3,400	3,200	3,200
	Summer Playground Registrations	732	864	515	680	600	580
	Park Playground Equipment Replaced	1	0	1	0	0	1
	Senior Center Activities Attendance (Incl. Transport.)	109,528	109,970	116,564	119,262	115,408	115,000
	Community Center Special Activity Use Attendance	27,889	23,683	14,891	14,000	8,283	8,000
	Senior & Special Recreation Transportation Riders	17,861	17,201	20,166	17,700	25,004	24,000
Efficiency & Effectiveness	P & R Revenue Earned per Capita	\$3.58	\$3.71	\$3.83	\$4.16	\$3.81	\$3.81
	% of Refunds Due to Dissatisfaction	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%
	Developed Park Acres per 1,000 Residents	6.4	6.4	6.4	6.4	6.4	6.4
	% of Park Acres Developed	85.4%	85.4%	85.4%	85.4%	85.4%	85.4%
	FTE's per 100,000 Pop. (Incl. Parks & Grounds Maint.)	44	44	42	41	41	39
	Nature Center Cost per Visitor	\$7.16	\$7.33	\$7.73	*	*	*
	Senior & Special Rec. Transportation Cost per Rider	\$14.87	\$15.21	\$14.07	*	*	*
	Department Cost per Capita	\$19.05	\$19.95	\$19.37	\$17.33	\$16.05	\$16.50
Activity Expenditures as % of General Fund	2.93%	2.95%	2.86%	2.50%	2.36%	2.38%	

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

# Parks & Recreation



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Parks & Recreation Director	1	0	0
Parks & Recreation Manager	0	1	1
Recreation Supervisor	8	7	6
Recreation Specialist	1	0	0
Administrative Assistant	1	1	1
Program & Services Assistant	2	1	1
Senior Clerk	1	1	1
Lead Bus Driver	1	1	1
Clerk Typist	1	1	1
<b>Total</b>	<b>16</b>	<b>13</b>	<b>12</b>

# Parks & Recreation

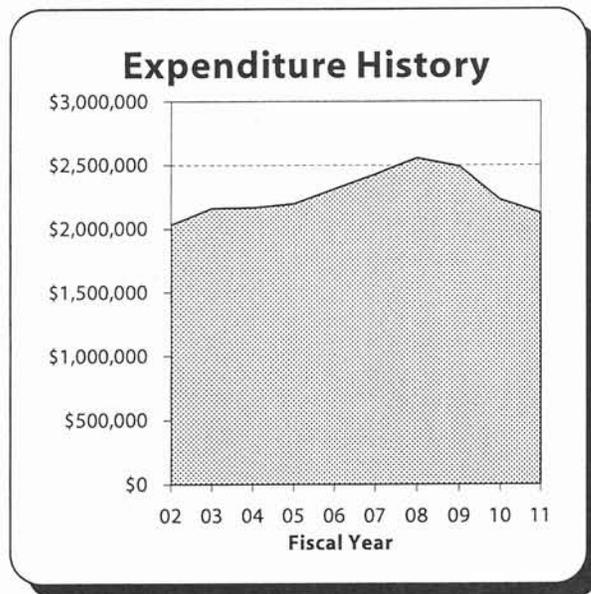
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$92,820 or 5.1%. A vacant Recreation Supervisor position is not recommended to be filled, saving \$78,400. The department has redistributed the duties among other Supervisors and the Manager. Part-time wages decreased \$18,580 due to the prior consolidation of Summer Playground sites and lower staffing levels achieved over the past year. Overtime costs fell by nearly \$16,000. Pension costs rose \$10,770, while an additional \$7,480 is budgeted for retiree medical liabilities.

**Supplies** – Total Supplies decreased \$11,990 or 11.8%. Postage costs decreased \$3,600 due to the increased use of e-mail and the City’s web site for program notifications. Operating supply costs decreased \$3,180 due to a reappropriated encumbrance. Program supply costs decreased \$5,210 based on historic expenditure trends and a reappropriated encumbrance.

**Other Charges** – Total Other Charges decreased \$2,360 or 0.8%. Heating costs decreased \$8,000 due to lower natural gas rates and a new and more efficient boiler. \$4,280 was saved, as storage rental for program supplies will not be needed. The Senior Newsletter is now printed bi-monthly and the use of e-mail for program news has saved \$2,000 in printing costs. A computer scheduling application was eliminated, saving \$420 in software support fees. Despite energy savings, electric costs rose \$10,000 based on recent expenditure trends. \$3,360 in additional funding for the Adult Softball Program is budgeted for an umpire assigner, \$420 for ASA membership fees, and \$100 for increased insurance costs, all due to increased participation.



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

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$2,008,341	\$1,823,310	\$1,686,090	\$1,730,490	\$1,730,490
<b>Supplies</b>	88,704	102,040	92,840	90,050	90,050
<b>Other Charges</b>	392,578	301,790	283,440	299,430	299,430
<b>Total</b>	\$2,489,623	\$2,227,140	\$2,062,370	\$2,119,970	\$2,119,970

# Police Department



# FUNCTIONAL ORGANIZATION CHART

## Police Department

### Police Administration

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

### Police Investigations

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

### Police Operations

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

### Police Support Services

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

### Emergency Management

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

# DEPARTMENT AT A GLANCE

## Police Department

### BUDGET SUMMARY

The Police budget increased by \$586,350 or 1.8%. Higher Personnel costs accounted for the entire increase as costs rose \$664,460 or 2.1%. Pension costs rose \$518,000, while an additional \$210,780 is budgeted to fund retiree health care liabilities. All employee groups gave up the equivalent of a 3% wage increase. Five vacant full-time positions, including three Police Officers and two Command staff, are not funded saving \$368,300. Minimal impact is expected due to the greater use of technology and the continuation of the fourth overlapping shift. One of the positions was assigned to Sterling Estates, which is no longer funding the position. Two part-time Dispatchers are budgeted

to replace vacant full-time staff, saving \$50,000. Due to the closing of three elementary schools by the Utica Community School District, three fewer crossing guards are budgeted, saving \$16,280. Overtime fell by \$59,000 due to savings from the Special Response Team, the use of the Troy firing range, and the suspension of the Citizen Police Academy. Supplies decreased by \$9,560 or 5.7%. Other Charges fell \$68,550 or 10.9% due to savings from the new radio tower, reduced training costs, and energy saving efforts. The budget funds 12 replacement vehicles, grant funds for mobile data computers and e-ticket technology, and a new dispatch and records management system.

### FUNDING LEVEL SUMMARY

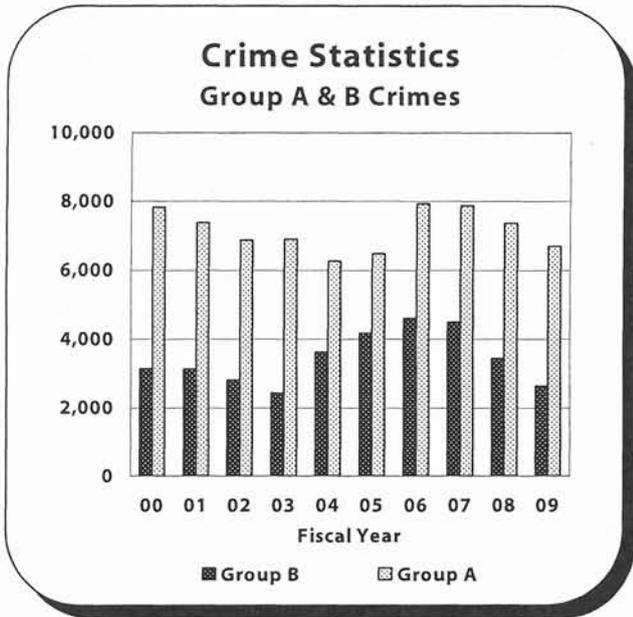
	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Police Administration	\$2,889,810	\$2,897,130	\$2,994,560	\$2,970,180	-0.8%
Police Investigations	5,419,170	5,529,240	6,030,960	6,224,050	3.2%
Police Operations	16,700,240	17,586,340	19,757,070	20,070,710	1.6%
Police Support Services	3,381,110	3,338,480	3,445,280	3,550,890	3.1%
Emergency Management	141,650	151,510	146,900	145,290	-1.1%
<b>Total Department</b>	<b>\$28,531,980</b>	<b>\$29,502,700</b>	<b>\$32,374,770</b>	<b>\$32,961,120</b>	<b>1.8%</b>
Personnel Services	\$27,742,110	\$28,765,960	\$31,578,280	\$32,242,740	2.1%
Supplies	165,660	157,040	166,640	157,080	-5.7%
Other Charges	624,210	579,700	629,850	561,300	-10.9%
<b>Total Department</b>	<b>\$28,531,980</b>	<b>\$29,502,700</b>	<b>\$32,374,770</b>	<b>\$32,961,120</b>	<b>1.8%</b>

### PERSONNEL SUMMARY

	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time						
Police Administration	17	0	17	0	16	0	16	0
Police Investigations	41	0	41	0	39	0	38	0
Police Operations	126	33	127	33	130	33	125	30
Police Support Services	42	1	41	1	39	1	38	3
Emergency Management	1	0	1	0	1	0	1	0
<b>Total Department</b>	<b>227</b>	<b>34</b>	<b>227</b>	<b>34</b>	<b>225</b>	<b>34</b>	<b>218</b>	<b>33</b>

# KEY DEPARTMENTAL TRENDS

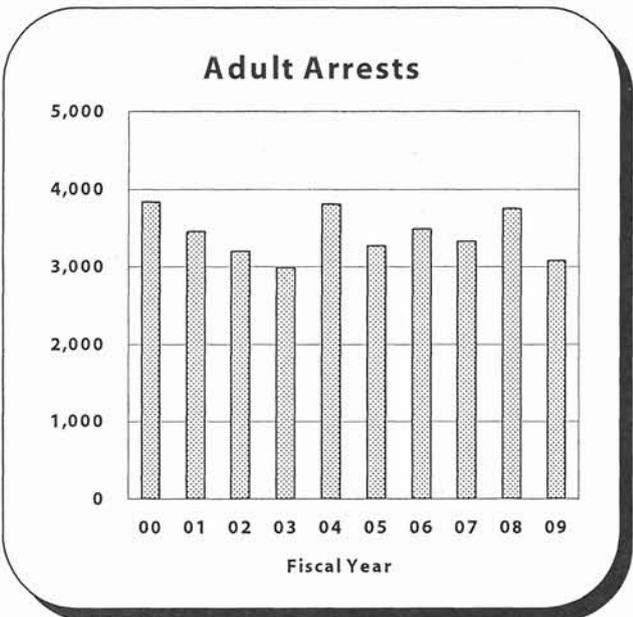
## Police Department



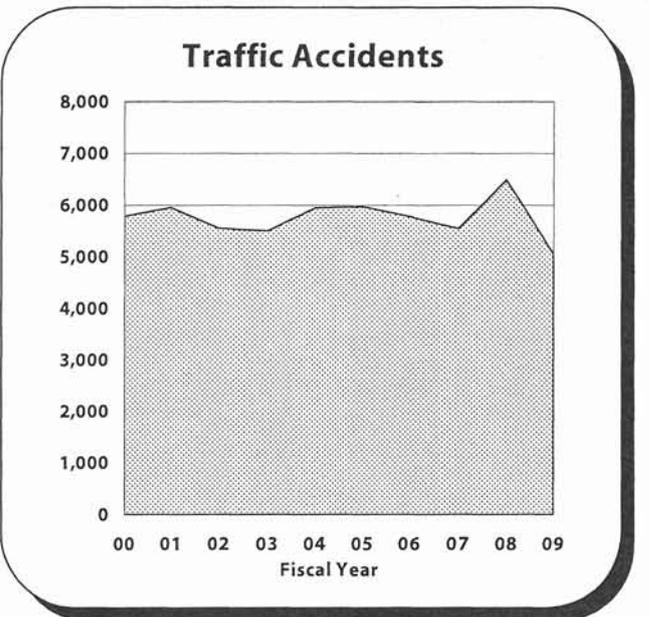
The City's crime rates have fluctuated over the past ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.



Traffic violations decreased by 32% in 2002 after a three-officer selective enforcement unit was disbanded. However, since then, violations have increased, as the department initiated a multi-faceted strategy to increase traffic enforcement by concentrating on high accident areas and those locations where residents have expressed a concern. Additional officers have also become radar certified.



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



Despite an increase in traffic over the past ten years due to the growth in the City and in the surrounding northern communities, traffic accidents have decreased. In 2009, the number of accident reports decreased by 22% - falling to a 10-year low. The number of injury traffic accidents per 100,000 residents decreased by 18% and the number of traffic fatalities per 100,000 residents decreased by 66% - from 4.7 to only 1.6.

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

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

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

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

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

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

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, child protection, and drug abuse.*
- *To coordinate special projects that will provide for a more effective and efficient service to the public.*
- *To coordinate crime fighting efforts with other law enforcement agencies, utilizing the latest in crime analysis software and technology.*

### *Did you know?...*

*...that nine out of ten child restraint systems are installed incorrectly, and the Sterling Heights Police Department offers free instruction on proper installation at no cost to City residents?*

# Police Administration

## 2010/11 PERFORMANCE OBJECTIVES

(Administration)

1. To increase the number of officers trained in patrol rifle operation through the development and implementation of a comprehensive training program. (City Goal 25)
2. To develop and train officers within the department in Tactical Combat Care, which will enable them to administer life saving first aid during tactical situations. (City Goal 25)
3. To develop and implement a summer child safety initiative offered by the Community Services Bureau officers as part of their community policing efforts. (City Goal 24)
4. To improve the current organization and management of equipment within the Police Department by instituting an updated tracking system. (City Goal 17)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
<b>Output</b>	Public Education Programs Presented	612	653	504	728	550	570
	Car Seat Inspections Conducted	154	166	148	230	126	135
	Security/Safety Presentations	322	335	301	370	334	335
	Neighborhood Watch Programs	39	44	38	53	76	76
	Elementary and Middle School Programs	97	108	17	75	14	20
	Hours of D.A.R.E. Instruction	1,492	1,557	1,557	1,700	1,557	1,560
	General Orders Issued or Amended	9	23	28	28	28	28
	School Safety Program - Students Impacted	3,100	3,120	3,327	3,325	3,326	3,326
	Training Seminars Attended - Department-wide	368	375	278	300	324	330
<b>Efficiency &amp; Effectiveness</b>	FT Staff to Workers Comp./Disability Claims Ratio	4.1:1	4.8:1	3.8:1	6.0:1	6.0:1	6.0:1
	% of D.A.R.E. Students Completing Program	99%	100%	99%	99%	99%	99%

# Police Administration

## 2010/11 PERFORMANCE OBJECTIVES

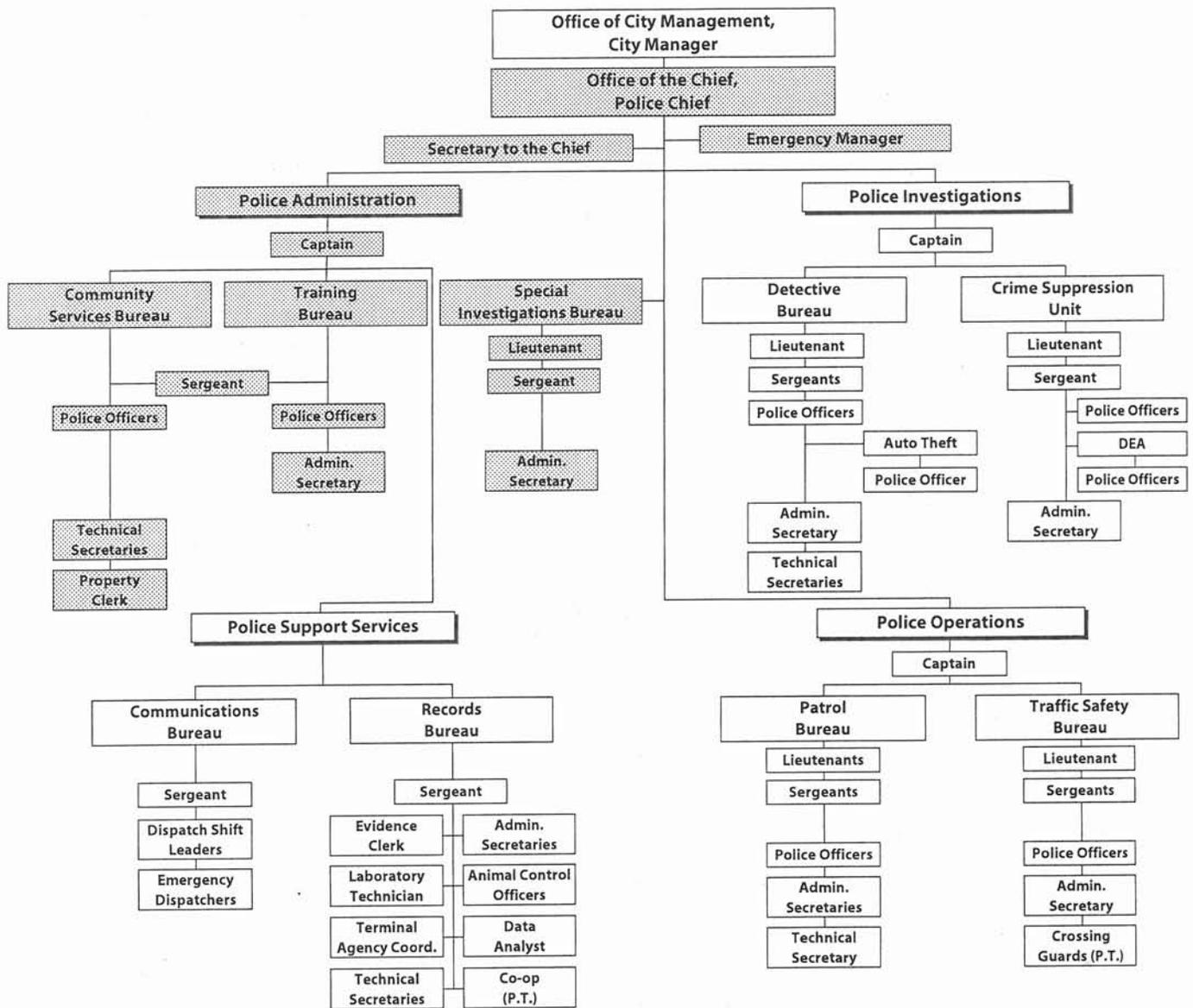
(Special Investigations)

1. To conduct a survey of police agencies who have privatized their detention facilities in order to ascertain the quality and availability of private firms that offer this service, the cost savings, and the reduction of liability. (City Goal 3)
2. To develop and initiate the use of a records storage procedure for the Special Investigations Bureau as an alternative to microfilming reports. (City Goal 17)
3. To implement a web-based alert system, which allows the department to notify residents and other special groups of specific crime trends, road closures, or other events. (City Goal 17, 18)
4. To identify and seek alternative State funding for alcohol related investigations. (City Goal 21)
5. To convert officers' paper activity logs to electronic activity logs, thereby reducing storage and filing needs, and enhancing the compilation of statistics. (City Goal 3, 17)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
<b>Output</b>	Employment Background Investigations	33	41	26	40	15	20
	Internal Affairs Investigations	23	7	24	25	20	20
	Liquor License Background Investigations	18	25	26	35	30	30
	Other Special Investigations Bureau Investigations	399	544	488	500	950	700
	Liquor & Tobacco Inspections/Observations	146	170	213	210	200	210
	Liquor License Violations	14	9	25	40	30	35
<b>Efficiency &amp; Effectiveness</b>	Employment Background Investigations - % Hired	49%	58%	53%	50%	50%	50%
	# of Sustained Complaints per 100 Officers	2.7	0.0	3.5	0.0	3.0	0.0
	Average Cost of an Administrative Investigation	\$631	\$559	\$629	*	*	*
	Average Liquor License or Tobacco Inspection Cost	\$120	\$100	\$88	*	*	*
	Department Cost per Capita	\$209	\$222	\$230	\$252	\$248	\$257
	Division Expenditures as % of General Fund	4.77%	3.34%	3.32%	3.35%	3.33%	3.34%

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

# Police Administration



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Chief	1	1	1
Captain	1	1	1
Lieutenant	2	1	1
Sergeant	2	2	2
Police Officer	5	5	5
Secretary to the Chief	1	1	1
Administrative Secretary	2	2	2
Technical Secretary	2	2	2
Property Clerk	1	1	1
<b>Total</b>	<b>17</b>	<b>16</b>	<b>16</b>

# Police Administration

## SUMMARY OF BUDGET CHANGES

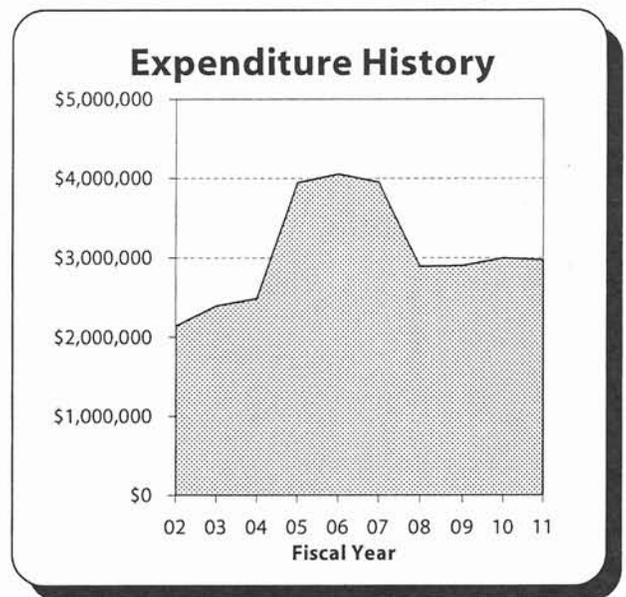
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$51,770 or 2.3%. Pension costs rose \$31,350, while an additional \$14,810 is budgeted to fund retiree medical liabilities. Overtime costs fell by \$5,000 due to the elimination of the Citizens Police Academy, while clothing allowance costs fell \$6,000 due to Police Command labor contract concessions.

**Supplies** – Total Supplies decreased \$9,440 or 5.8%. Funding for operating supplies decreased \$8,640 due to a prior year reappropriated encumbrance and a reduced need for printer toner cartridges as copy machines are now being more cost-efficiently utilized for printing.

**Other Charges** – Total Other Charges decreased \$66,710 or 10.9%. Telephone costs decreased \$20,030 due to a reappropriated encumbrance and the elimination of temporary connection lines needed to operate the 800 MHz Radio System while the radio tower was modified. The City will save \$17,000 in heating costs from a lower alternative natural gas supplier. Electric costs decreased \$8,000 and water costs fell \$1,500, due to lower usage. \$10,000 was saved due to fewer educational courses, some of which will be funded with drug forfeiture monies. Contracted service costs decreased \$2,460 due to a reappropriated encumbrance partially offset by an increase in State radio user fees, as previous State credits have been depleted.

**Capital** – There is no Capital proposed for this activity.



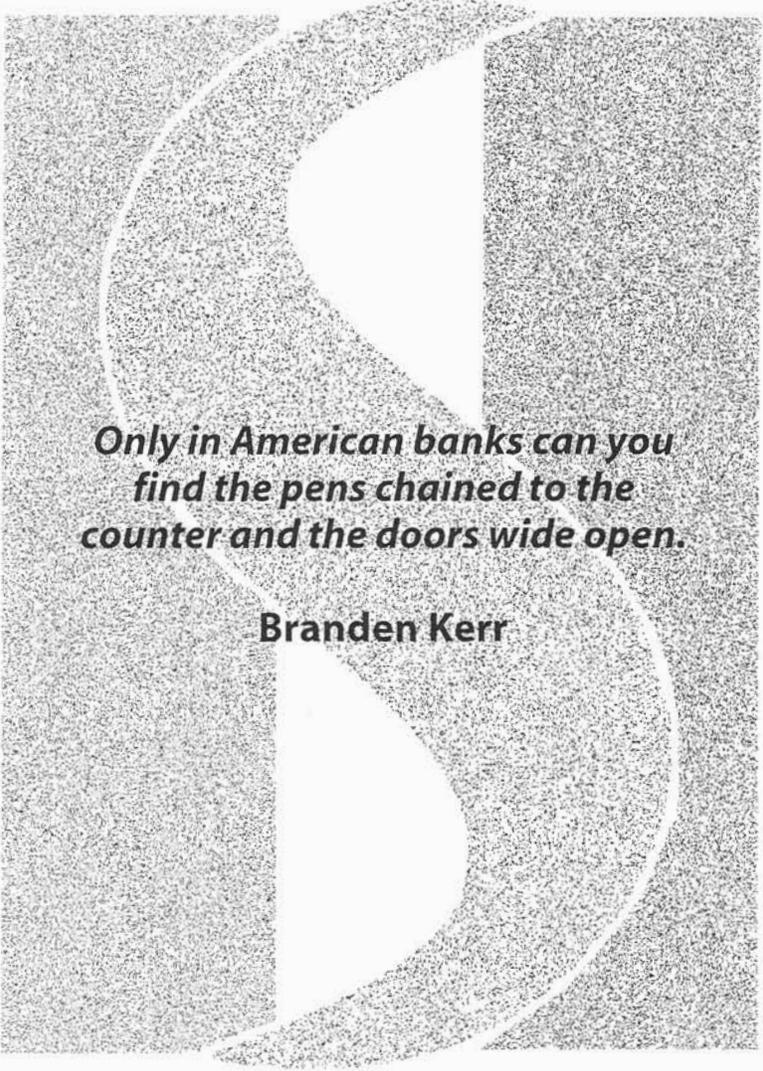
### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$2,195,005	\$2,221,190	\$2,197,300	\$2,272,960	\$2,272,960
<b>Supplies</b>	151,128	163,990	144,750	154,550	154,550
<b>Other Charges</b>	550,993	609,380	562,040	542,670	542,670
<b>Total</b>	\$2,897,126	\$2,994,560	\$2,904,090	\$2,970,180	\$2,970,180

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

**Branden Kerr**

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

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

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

The Youth Bureau examines all law violations involving persons 16 years of age and younger, and works closely with the students, teachers and administrators of the secondary schools. The Youth Bureau is also responsible for the investigation and subsequent prosecution of all cases involving child abuse and neglect. The Youth Bureau also has a school resource officer assigned to Sterling Heights High School.

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

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

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

## KEY GOALS

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

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 and the Macomb County Victims Assistance Unit.■

## *Did you know?...*

*...the Sterling Heights Police Criminal Investigations division conducted 19,564 interviews of suspects, victims and witnesses during the 2008/09 fiscal year?*

# Police Investigations

## 2010/11 PERFORMANCE OBJECTIVES

1. In conjunction with the Training Bureau, to implement a new procedure regarding the coordination of efforts between the newly formed Special Response Team and the Crime Suppression Unit with regards to high risk warrant service. (City Goal 2, 25)
2. To develop and implement a training program that will provide education and training to the staff of the City's three high schools regarding the identification, intervention and reporting of prescription drug abuse to the Police Department. (City Goal 2, 25)

	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Detective Bureau Cases Assigned	3,764	3,554	3,754	4,110	3,916	4,070
	Adult Investigative Cases	2,472	2,312	2,463	2,600	2,638	2,700
	Juvenile Investigative Cases	1,054	919	900	1,100	895	950
	In-Custody Cases	238	323	391	410	383	420
	Total Crime Suppression Unit Cases Assigned	496	526	388	520	506	470
	Auto Theft Investigative Cases	120	116	83	110	116	120
	Narcotic/Vice Investigative Cases	376	410	305	410	390	350
	Total Interviews Conducted	17,853	20,520	19,564	21,500	22,436	21,300
	Suspect Interviews	4,823	6,202	5,012	6,000	5,442	5,600
	Witness & Informant Interviews	6,890	7,537	7,630	8,000	9,107	8,500
	Victim Interviews	6,140	6,781	6,922	7,500	7,887	7,500
	Arrest Warrants Obtained	1,510	1,448	1,642	1,500	1,861	1,700
	Search Warrants Obtained/Executed	205	313	562	500	702	650
	Polygraph Examinations Conducted	37	23	31	25	22	25
	Criminal Surveillances	677	381	700	600	878	700
	Federal Forfeiture Cases Processed	30	13	55	20	56	30
	State Forfeiture Cases Processed	52	57	41	60	45	55
	School Resource Officer - # of Hours at Schools	1,450	1,450	1,450	1,450	1,450	1,450
	# of Students Served by School Resource Officer	1,650	1,650	1,650	1,650	1,650	1,650

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

# Police Investigations

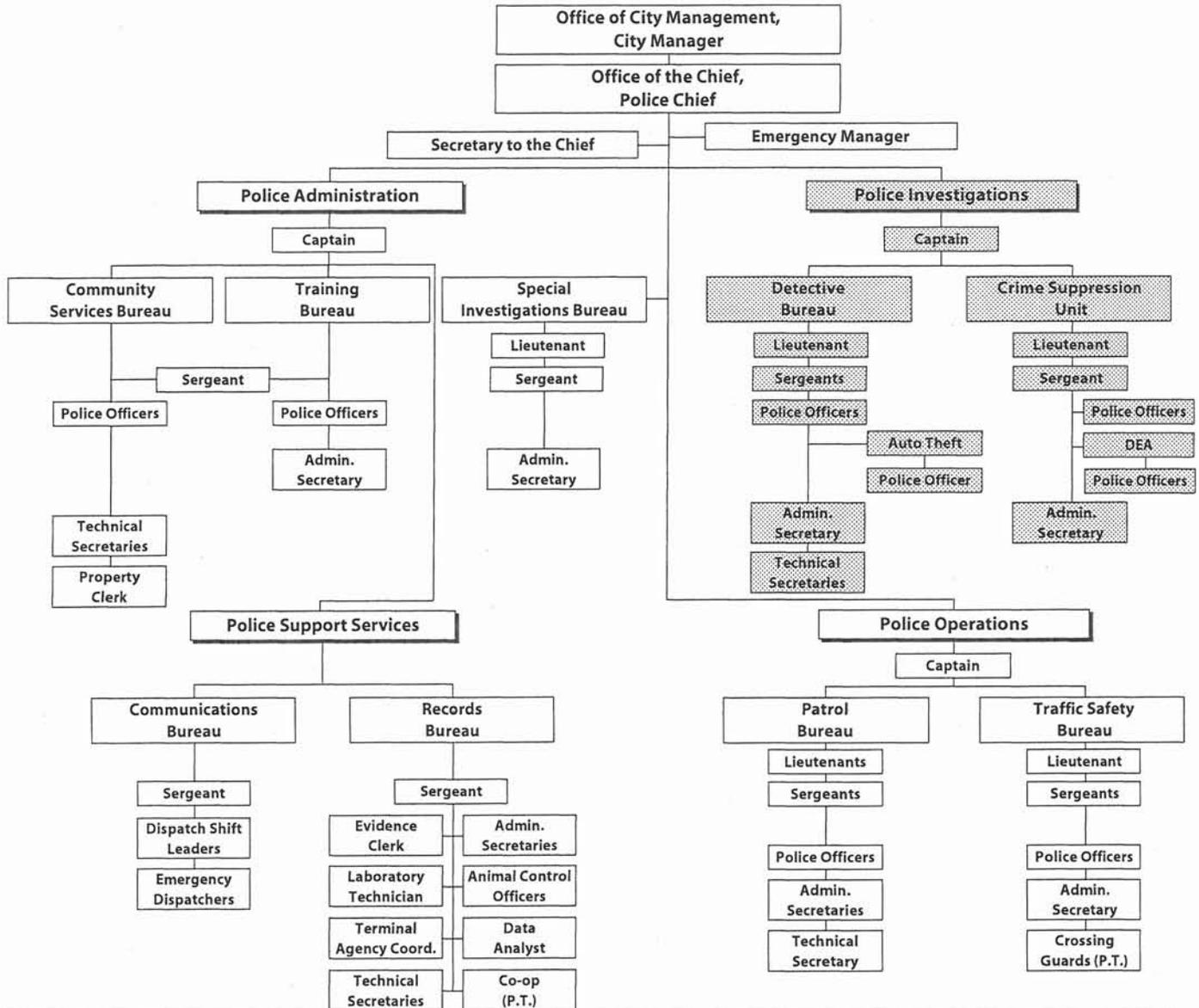
## 2010/11 PERFORMANCE OBJECTIVES

3. To establish and lead a "county-wide" task force to increase communication and facilitate regional information sharing regarding "transient criminals" who victimize City and Macomb County residents. (City Goal 2, 25)
4. To actively review all unsolved or "cold" major cases for any possible investigative leads that may assist in solving these incidents. (City Goal 25)

Efficiency & Effectiveness	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
	% of Petitions Obtained vs. Requested	97%	97%	98%	98%	98%	98%
	% of Arrest Warrants Obtained vs. Requested	92%	90%	92%	90%	92%	91%
	Detective Bureau Cases per Investigator	198	197	209	228	218	226
	Crime Suppression Unit Cases per Investigator	70	75	65	87	84	78
	% of Part 1 Violent Crimes Cleared	61.7%	46.0%	58.0%	60.0%	52.0%	53.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.7	0.6	0.8	1.0	0.6	0.8
	Juvenile Arrests Violent Crimes - % of Total Arrests	0.5%	0.2%	0.1%	0.4%	0.1%	0.1%
	% of Part 1 Property Crimes Cleared	15.8%	20.0%	28.0%	20.0%	26.0%	25.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	3.2	3.9	4.9	3.7	4.8	4.3
	Juvenile Arrests Property Crimes - % of Total Arrests	2.2%	1.1%	1.0%	2.0%	0.9%	0.8%
	Car Theft Ratio Per 1,000 Population	2.5	2.0	1.7	1.5	1.8	1.7
	Average Cost to Conduct a Polygraph Examination	\$322	\$347	\$335	*	*	*
Average Cost to Investigate a Case	\$558	\$572	\$567	*	*	*	
Division Expenditures as % of General Fund	4.67%	6.26%	6.34%	6.76%	6.79%	7.00%	

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

# Police Investigations



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Captain	0	1	1
Lieutenant	2	2	2
Sergeant	4	4	4
Police Officer	29	27	27
Administrative Secretary	2	2	2
Technical Secretary	4	3	2
<b>Total</b>	<b>41</b>	<b>39</b>	<b>38</b>

# Police Investigations

## SUMMARY OF BUDGET CHANGES

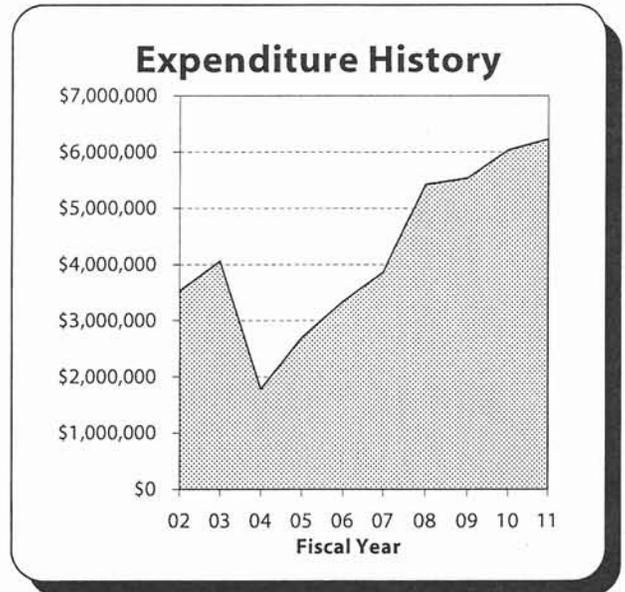
### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$193,090 or 3.2%. The majority of the increase, or \$99,790, is for increased police pension costs based on a recent actuarial study. An additional \$41,380 is budgeted to fund retiree health care liabilities. A Technical Secretary position has been reassigned to the Support Services division. Overtime costs fell by \$10,000 as the department has further refined the detective shift schedules to continue to lessen court overtime costs. Clothing allowance costs fell by \$12,000 as a result of labor contract concessions.

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

**Other Charges** – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. Funding will remain the same at \$1,000.

**Capital** – \$331,240 is budgeted in the Public Safety Forfeiture Fund for equipment and two replacement vehicles utilizing drug forfeiture funds.

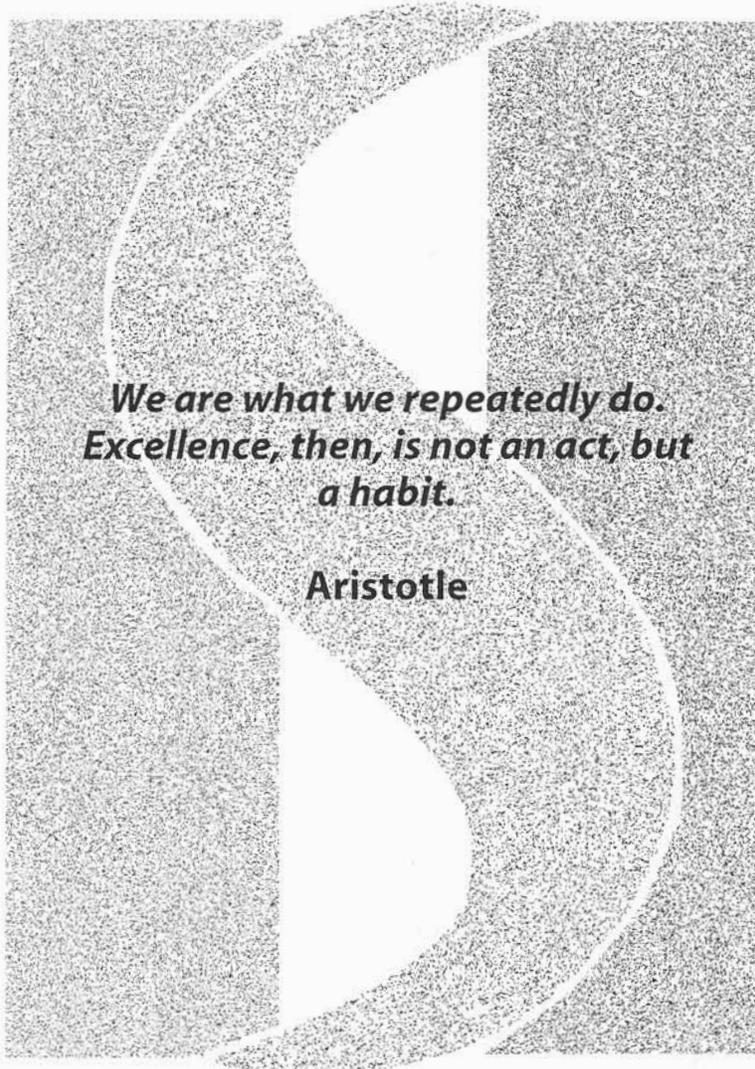


### CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$5,528,176	\$6,029,960	\$5,920,170	\$6,223,050	\$6,223,050
<b>Supplies</b>	0	0	0	0	0
<b>Other Charges</b>	1,065	1,000	1,000	1,000	1,000
<b>Total</b>	\$5,529,241	\$6,030,960	\$5,921,170	\$6,224,050	\$6,224,050



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

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

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

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

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

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

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

## KEY GOALS

- *To suppress criminal activity; respond to crimes and emergencies; conduct preliminary investigations; and collect forensic evidence.*
- *To enforce compliance with State laws, traffic laws, and local ordinances; and to arrest or cite violators as necessary.*
- *To maintain a lockup facility for arrested persons prior to their release or appearance in Court.*
- *To provide a safe environment for vehicular and pedestrian traffic by implementing effective traffic safety strategies and providing traffic and pedestrian safety information.*

### *Did you know?...*

*...the Police Operations division responds to over 50,000 runs a year and makes over 3,000 arrests, continuing to make Sterling Heights one of the safest cities in the country?*

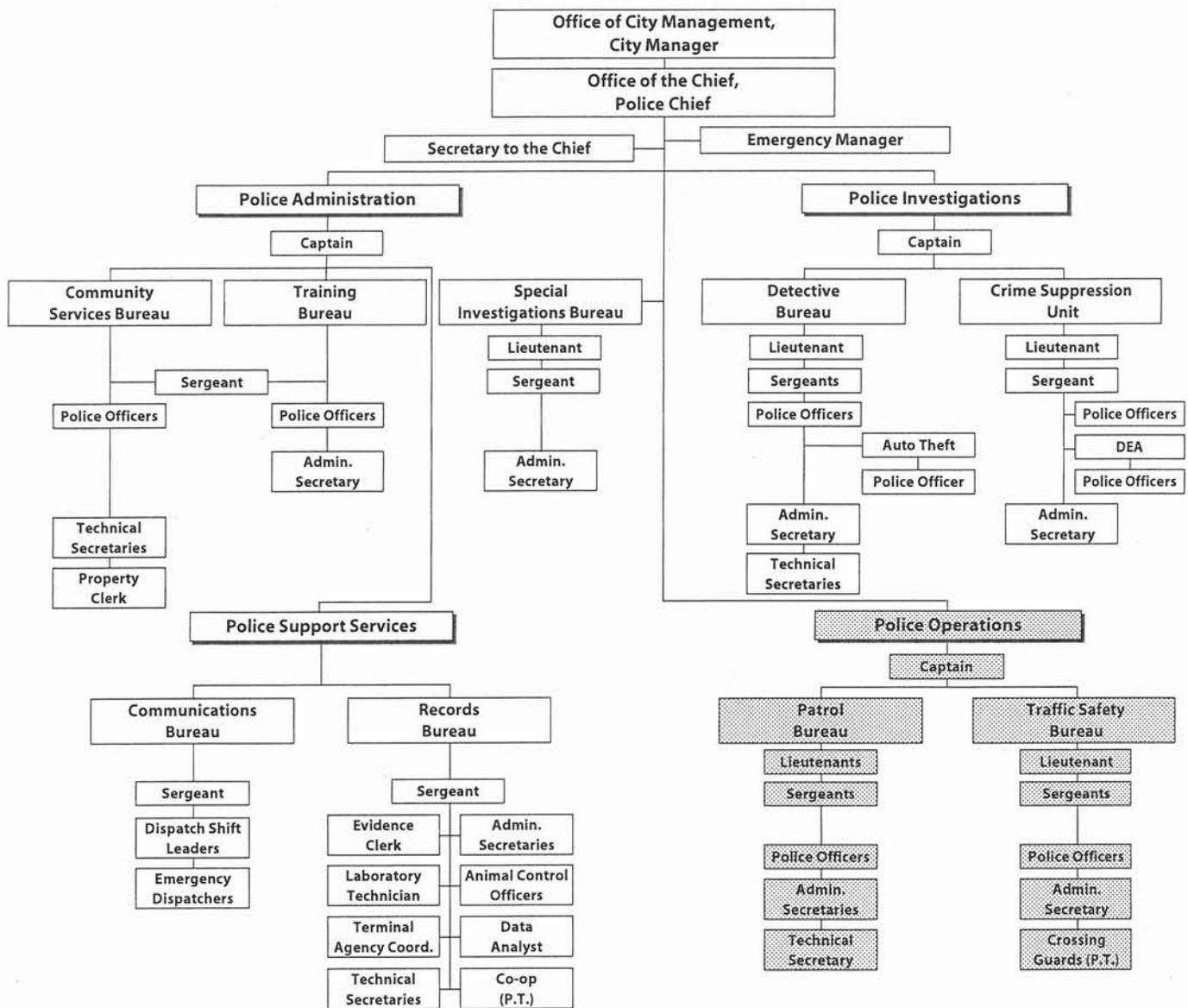
# Police Operations

## 2010/11 PERFORMANCE OBJECTIVES

- To implement a Special Response Team to provide increased safety and security to residents, reduce overtime for call-outs, and institute a shift-level training program. (City Goal 3, 7)
- To increase traffic enforcement in construction zones by 5% and increase traffic officer presence in residential and school zones to reduce accident and traffic violators by 5%. (City Goal 20, 24)
- To develop a system where high mileage patrol and traffic vehicles are being driven more frequently and lower mileage vehicles less frequently to extend their usefulness and reduce costs with new vehicle purchases. (City Goal 25, 7)
- To implement a New World Computer Reporting System to increase officer productivity and reduce response time. (City Goal 5, 18)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Police Incident Reports Completed	54,615	54,405	49,252	54,600	54,290	54,600
	Group A Crime Reports	7,873	7,361	6,686	7,700	7,650	7,700
	Group B Crime Reports	4,491	3,433	2,632	3,100	3,050	3,100
	Vehicular Accident Reports	4,284	4,353	3,837	4,500	4,465	4,200
	All Other Reports	37,967	39,258	36,097	39,300	39,125	39,300
	Adults/Juveniles Arrested	3,326/251	3,747/174	3,079/156	3,900/225	3,820/215	3,800/200
	Total Traffic Violations Issued	29,166	30,484	32,154	35,000	42,000	43,000
	Motor Carrier Violations Issued	N/A	N/A	4	50	375	400
	Residential Traffic Enforcement Violations	3,600	3,219	2,926	4,000	3,875	3,900
	SMART Radar Trailer Deployments	361	353	160	450	195	300
	K-9 Unit Deployments	293	350	234	275	180	250
	OUIL Arrests	328	340	414	370	425	430
	S.W.A.T. Call-outs	6	6	3	6	5	5
	Sterling Estates Policing Program - Hours Worked	N/A	80	2,177	2,500	156	N/A
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	61.7	57.5	52.0	59.9	59.5	59.9
	Group B Crimes Per 1,000 Population	35.2	26.8	20.5	24.1	23.7	24.1
	% of Productive K-9 Deployments	98%	98%	98%	98%	98%	98%
	# of Incident Reports per Sworn Division Personnel	455	446	400	430	431	451
	# of Injury Traffic Accidents per 100,000 Pop.	632	784	641	725	675	650
	# of Traffic Fatalities Per 100,000 Population	6.3	4.7	1.6	3.0	3.1	3.0
	% of Total Sworn Personnel in Traffic & Patrol	71%	72%	73%	73%	73%	71%
	OUIL Arrests Per 1,000 Residents	2.6	2.7	3.2	2.9	3.3	3.3
Division Expenditures as % of General Fund	18.86%	19.30%	20.18%	22.13%	22.31%	22.57%	

# Police Operations



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Captain	1	1	1
Lieutenant	5	5	5
Sergeant	17	18	16
Police Officer	100	102	99
Administrative Secretary	3	3	3
Technical Secretary	1	1	1
Crossing Guard (P.T.)	33	33	30
<b>Total</b>	<b>160</b>	<b>163</b>	<b>155</b>

# Police Operations

## SUMMARY OF BUDGET CHANGES

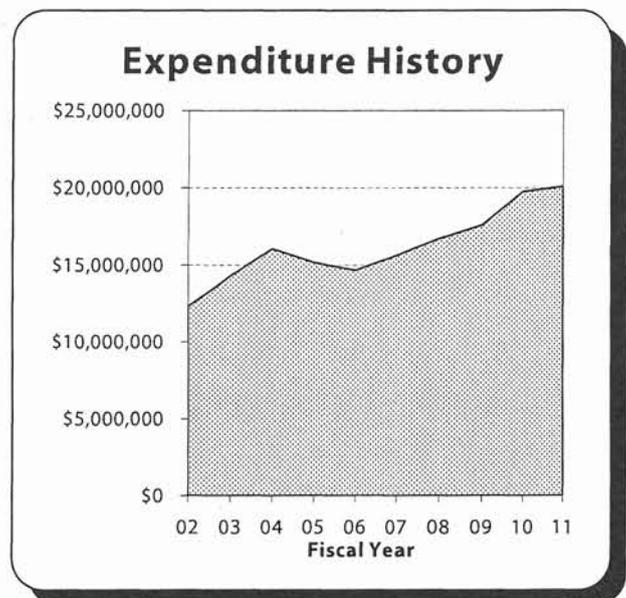
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$329,920 or 1.7%. All of the increase is a result of higher police pension costs, which rose \$347,660, or 16.0%. Retiree medical funding rose \$136,360 to help offset the City’s retiree medical liabilities. Two vacant Police Officer positions are proposed to be eliminated, saving \$139,000. Minimal impact is expected as a result of efficiencies gained from the fourth overlapping shift schedule and through the greater use of technology. In addition, a vacant Police Officer position is being eliminated, as Sterling Estates is no longer funding the position. As a result of the shift schedule, decreased court time, savings from the new Special Response Team and the new firing range agreement with Troy, overtime fell by \$37,000. One Sergeant has been reassigned to the Support Services division, while a vacant Sergeant’s position is proposed to be eliminated due to a reorganization of the Traffic Safety Bureau, which will save \$109,300.

**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 \$2,000.

**Capital** – Total Capital of \$810,000 is proposed for this activity and is budgeted in the Capital Projects Fund. \$210,000 is recommended to replace 10 high mileage patrol and traffic vehicles. \$600,000 in Federal grant



funding will be used for two large purchases. \$350,000 is for 55 replacement In-Car Mobile Computer Terminals (MCT’s). \$250,000 is for 50 E-Ticket Printers that will work in conjunction with the E-Ticket Program and allow officers to print a ticket from their vehicles after electronically generating a violation.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Personnel Services** – Total funding was reduced by \$16,280 due to the elimination of school crossing guards at three elementary schools that will be closed by the Utica Community School District.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$17,584,413	\$19,755,070	\$19,460,150	\$20,084,990	\$20,068,710
<b>Supplies</b>	0	0	0	0	0
<b>Other Charges</b>	1,930	2,000	2,000	2,000	2,000
<b>Total</b>	\$17,586,343	\$19,757,070	\$19,462,150	\$20,086,990	\$20,070,710

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

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

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

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

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

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

## KEY GOALS

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

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

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

## *Did you know?...*

*...the City's 911 Emergency Dispatchers are trained and certified to give CPR instructions over the phone as emergency units are responding to the scene?*

# Police Support Services

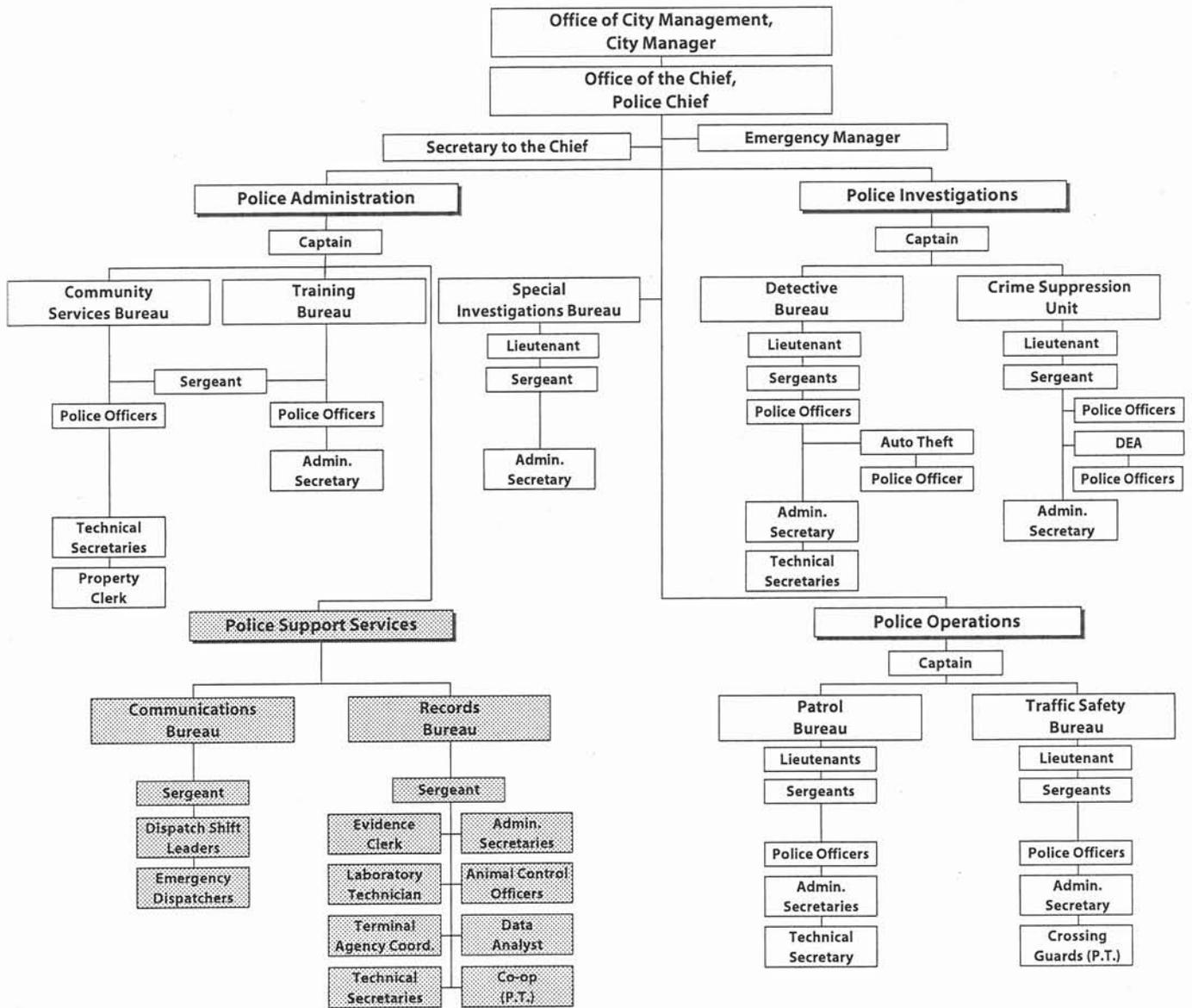
## 2010/11 PERFORMANCE OBJECTIVES

1. To implement the New World CAD system and ensure adequate training and support is provided to the Emergency Dispatchers. (City Goal 1, 6)
2. To research and implement a program in which private investigators would be required to register with the City before conducting business within the City's boundaries. (City Goal 2)
3. To improve the Police Department's records management system by transitioning to the New World System. (City Goal 1, 6)
4. To research and implement a policy concerning the storage of prisoners' personal property. (City Goal 3)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Incidents Processed into Computer	54,615	54,405	49,252	54,600	54,290	54,600
	Police Reports Provided on Request - At Counter	6,422	6,461	4,407	4,000	4,876	5,000
	Total Calls to 911 (Includes Cellular Calls)	44,327	46,211	43,243	46,000	49,672	50,000
	Gun Permits Obtained	1,775	1,930	2,412	1,850	2,208	2,500
	Responses by Animal Control	3,952	2,972	2,677	3,000	2,878	3,000
	Freedom of Information Act Requests	659	550	570	600	580	600
	Criminal Warrants Processed	3,257	3,873	3,249	3,400	3,476	3,500
	Arrests Processed	3,577	3,921	3,235	4,125	4,035	4,000
	Pieces of Evidence Collected	3,047	3,110	2,804	2,920	2,830	3,000
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	32	35	35	35	35	35
	Average Cost of an Animal Control Response	\$54.02	\$53.32	\$38.73	*	*	*
	Average Cost of a FOIA Request	\$36	\$36	\$28	*	*	*
	Dispatch Operations Cost Per Call Dispatched	\$32.60	\$33.06	\$34.93	*	*	*
	Division Expenditures as % of General Fund	3.91%	3.91%	3.83%	3.86%	3.99%	3.99%

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

# Police Support Services



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Lieutenant	1	1	0
Sergeant	2	1	2
Emergency Dispatcher - Shift Leader	4	4	4
Emergency Dispatcher	19	19	17
Emergency Dispatcher (P.T.)	0	0	2
Laboratory Technician	1	1	1
Evidence Clerk	1	1	1
Administrative Secretary	1	2	2
Animal Control Officer	3	2	2
Data Analyst	1	1	1
Terminal Agency Coordinator	1	1	1
Technical Secretary	7	6	7
Co-op (P.T.)	1	1	1
<b>Total</b>	<b>42</b>	<b>40</b>	<b>41</b>

# Police Support Services

## SUMMARY OF BUDGET CHANGES

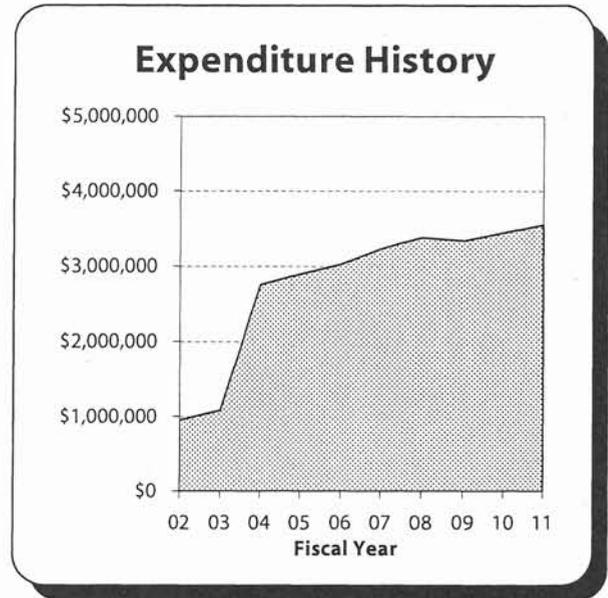
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$105,610 or 3.1% over last year's budget. A vacant Lieutenant's position is proposed to be eliminated, saving \$120,000. A Sergeant's position has been transferred from the Operations division to oversee the Records Bureau. In addition, a Technical Secretary position has been reassigned to this division from the Investigations division. Due to a recent Dispatcher labor contract concession, two full-time Dispatcher positions can be replaced with part-time positions, saving \$50,000. Despite these savings, pension costs rose \$33,660 based on a recent actuarial study, while an additional \$17,630 is budgeted to fund retiree health care liabilities. In addition, three fewer employees have elected to take the health insurance allowance and, due to a rate increase, health insurance costs rose \$37,560.

**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 \$200.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$3,338,291	\$3,445,080	\$3,480,520	\$3,550,690	\$3,550,690
<b>Supplies</b>	0	0	0	0	0
<b>Other Charges</b>	194	200	200	200	200
<b>Total</b>	\$3,338,485	\$3,445,280	\$3,480,720	\$3,550,890	\$3,550,890

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

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

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

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

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

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

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

## KEY GOALS

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

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

## *Did you know?...*

*...that every resident has the ability to contribute to the overall emergency preparedness of themselves and their community as a whole?*

# Emergency Management

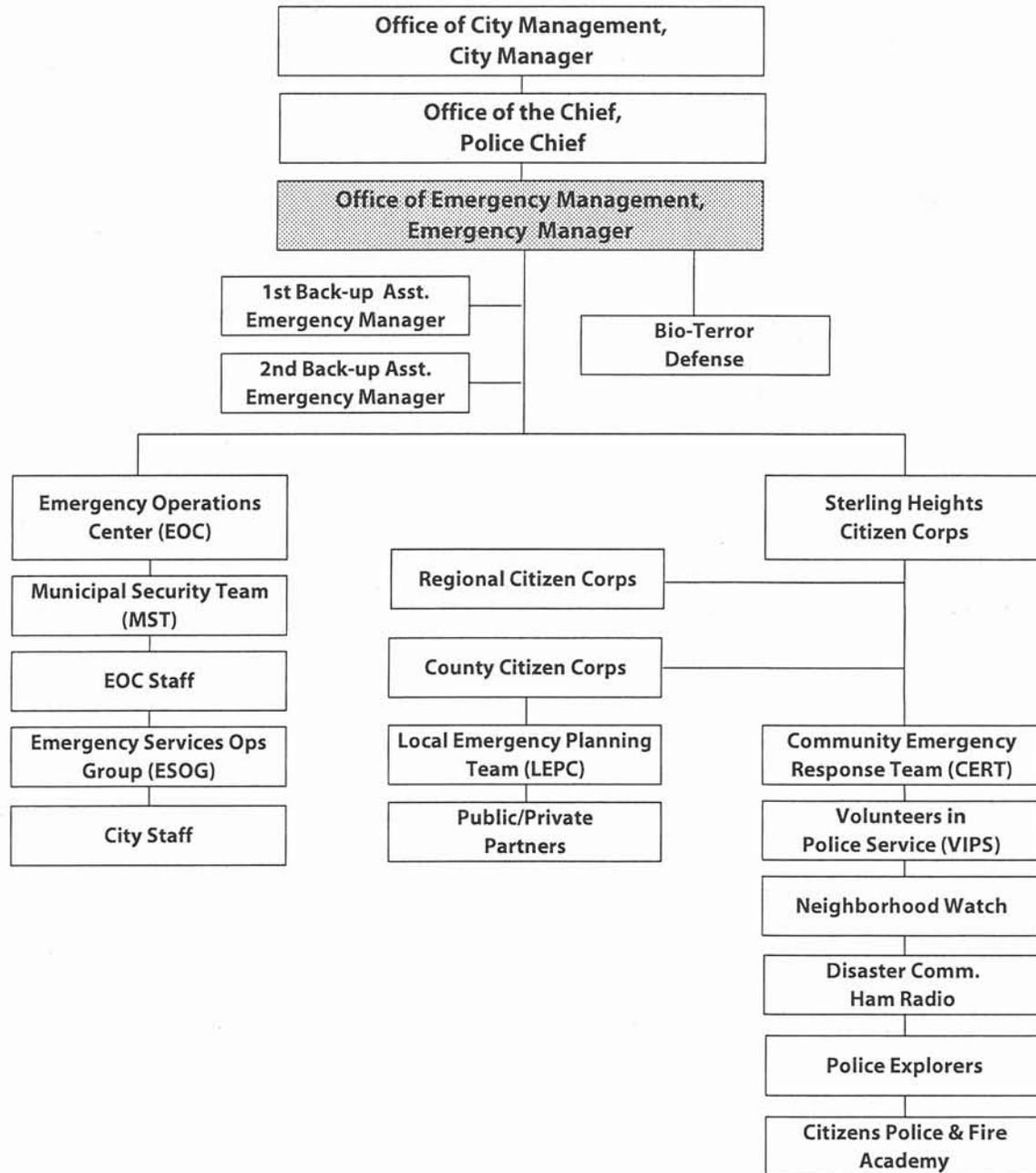
## 2010/11 PERFORMANCE OBJECTIVES

1. To conduct quarterly training exercises in order to improve the City's ability to respond to a major incident or disaster. (City Goal 24, 25)
2. To facilitate training to strengthen each department's ability to communicate during an emergency both within their department and within the Emergency Operations Center (EOC). (City Goal 24, 25)
3. To provide several avenues to facilitate citizen awareness of personal and community preparedness and encourage participation in community preparedness activities. (City Goal 24, 25)
4. To develop and institute a program for people who want to volunteer their time and talents to the Police Department under the concept of Volunteers in Police Service (VIPS). (City Goal 24, 25)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Emergency Responses/EOC Activations	3	3	3	3	3	3
	Training Exercises/Participants	3/100	3/75	6/50	4/50	4/50	4/50
	Testing & Maintenance of Warning Systems (Hours)	19	18	60	20	60	20
	Public Presentations	20	25	28	30	30	30
	Family Protection Workbooks Distributed	5,000	5,000	5,000	5,000	5,000	5,000
	Hours Spent at Disaster Planning Meetings	200	750	750	800	800	800
	New Grants Applied For/Grants Received	3/3	6/6	7/7	4/4	5/5	5/5
	# of Grant Files Closed	2	5	6	4	4	4
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	98%	98%	98%	99%	98%	99%
	% of Time Spent Coordinating/Administering Grants	8%	7%	25%	7%	15%	15%
	% of Time Spent Developing Training & Exercises	20%	15%	25%	20%	20%	20%
	% of Time Spent Developing Emergency Plans	72%	78%	50%	73%	65%	65%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Emergencies Responded to w/i 1 Hour	100%	100%	100%	99%	100%	100%
	People Injured or Killed in City Emergencies	0	0	0	0	0	0
	% Recovered Costs from Emergency Damage	100%	100%	100%	100%	100%	100%
	Average Emergency Response Cost	\$390	\$440	\$449	*	*	*
	Average Cost to Conduct a Training Exercise	\$537	\$554	\$572	*	*	*
	Activity Expenditures as % of General Fund	0.12%	0.16%	0.17%	0.16%	0.17%	0.16%

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

# Emergency Management



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Emergency Manager	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>

# Emergency Management

## SUMMARY OF BUDGET CHANGES

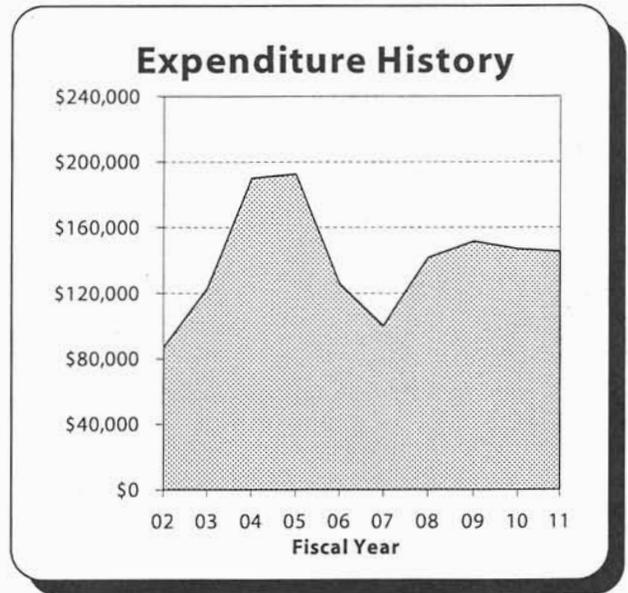
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$350 or 0.3%. Health insurance costs rose \$880, or 6.3%, while an additional \$600 is budgeted to fund retiree medical liabilities. Overtime costs fell by \$1,000 based on historic actual usage, while dental insurance costs fell \$110, or 9.2%, as a result of a rate decrease for next year.

**Supplies** – Total Supplies decreased \$120 or 4.5%. A reduction of \$100 was made for operating supplies and postage costs fell \$20, both based on the current year’s estimated expenditure usage.

**Other Charges** – Total Other Charges decreased \$1,840 or 10.7%. The training budget decreased \$500 based on amounts spent historically. In addition, a one-time \$870 UASI Homeland Security training grant was received in the prior year. \$770 was saved as a digital upgrade and repairs made to the City’s emergency warning sirens in the prior year have reduced the need for siren repairs. Rental costs decreased \$270 due to a necessary one-time adjustment in the prior year and the elimination of a pager. The budget for local meetings was eliminated, saving \$100. \$700 was added for repairs and necessary supplies for the Incident Command Vehicle (ICV).

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

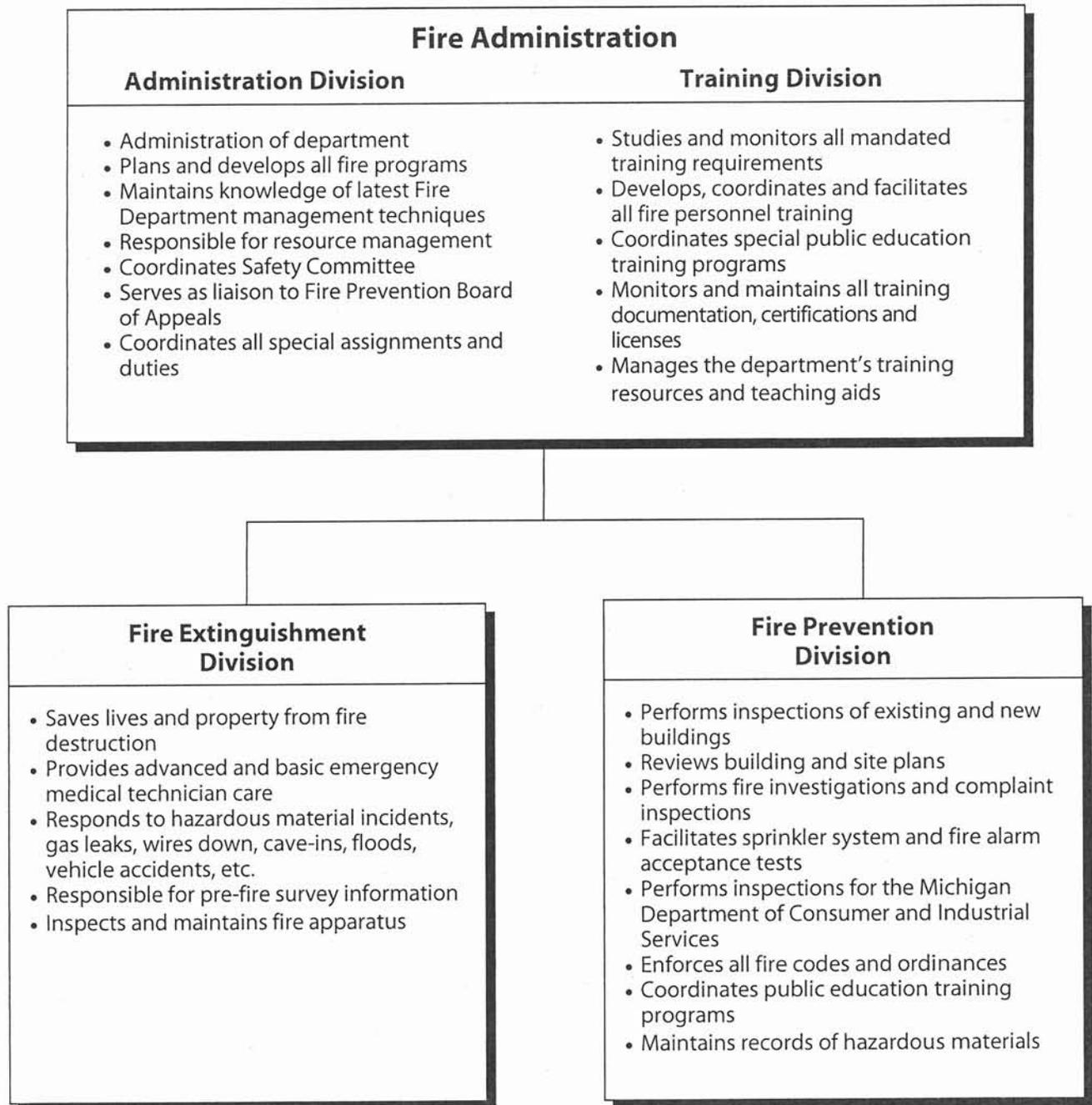
	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$120,073	\$126,980	\$125,800	\$127,330	\$127,330
<b>Supplies</b>	5,914	2,650	2,530	2,530	2,530
<b>Other Charges</b>	25,522	17,270	17,190	15,430	15,430
<b>Total</b>	\$151,509	\$146,900	\$145,520	\$145,290	\$145,290

# Fire Department



# FUNCTIONAL ORGANIZATION CHART

## Fire Department



# DEPARTMENT AT A GLANCE

## Fire Department

### BUDGET SUMMARY

The Fire Department budget increased by \$560,420 or 3.2%. Personnel costs accounted for the entire increase as costs rose \$625,830 or 3.7%. Pension costs increased by \$730,000, while an additional \$117,840 is budgeted to fund retiree health care liabilities. All employee groups in the department gave up the equivalent of a 3% wage increase for next year. Two Fire Inspector positions are proposed to be eliminated, saving \$210,000. Inspection resources will be redirected toward the high hazard inspections, while the annual inspection cycle will be changed to a biennial cycle. Department overtime costs fell by nearly 16% due to more cost effective public education programs, a continuation of the revised fire open house format, the

use of grant funds for HazMat training, lower Sterlingfest staffing, and savings from the new video conferencing training system. The Supplies budget decreased by \$2,610 or 1.6%. Other Charges fell by \$62,800 or 11.0%, from the elimination of several phone lines due to the use of fiber optic technology, the elimination of peer fitness physicals and fitness assessments, the elimination of the proposed cost recovery billing program, and lower training costs. The capital budget includes funding for a new integrated Records Management computer system to be shared with the Police Department and grant-match funds to replace a 22-year old Fire Engine.

### FUNDING LEVEL SUMMARY

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Fire Administration	\$1,270,720	\$1,389,680	\$1,371,840	\$1,370,130	-0.1%
Fire Extinguishment	13,254,450	14,143,750	15,281,270	16,000,330	4.7%
Fire Prevention	1,178,340	1,152,890	1,088,240	931,310	-14.4%
<b>Total Department</b>	<b>\$15,703,510</b>	<b>\$16,686,320</b>	<b>\$17,741,350</b>	<b>\$18,301,770</b>	<b>3.2%</b>
Personnel Services	\$15,022,640	\$15,958,310	\$17,007,860	\$17,633,690	3.7%
Supplies	175,450	169,750	162,920	160,310	-1.6%
Other Charges	505,420	558,260	570,570	507,770	-11.0%
<b>Total Department</b>	<b>\$15,703,510</b>	<b>\$16,686,320</b>	<b>\$17,741,350</b>	<b>\$18,301,770</b>	<b>3.2%</b>

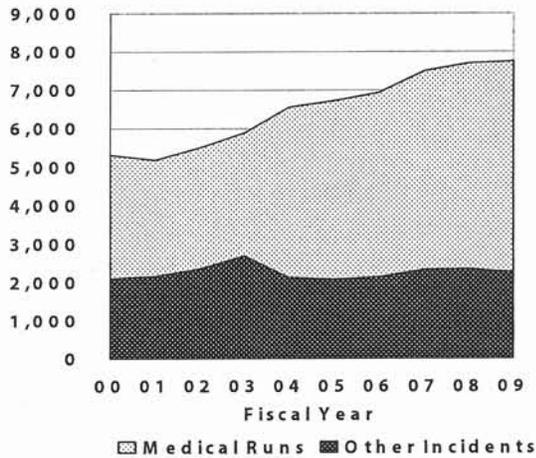
### PERSONNEL SUMMARY

	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	10	0	10	0	8	2	8	2
Fire Extinguishment	90	0	90	0	90	0	90	0
Fire Prevention	7	0	6	0	6	0	4	0
<b>Total Department</b>	<b>107</b>	<b>0</b>	<b>106</b>	<b>0</b>	<b>104</b>	<b>2</b>	<b>102</b>	<b>2</b>

# KEY DEPARTMENTAL TRENDS

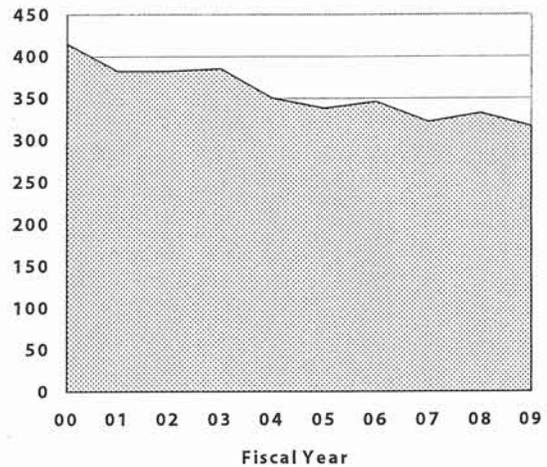
## Fire Department

### Emergency Medical & Other Incidents



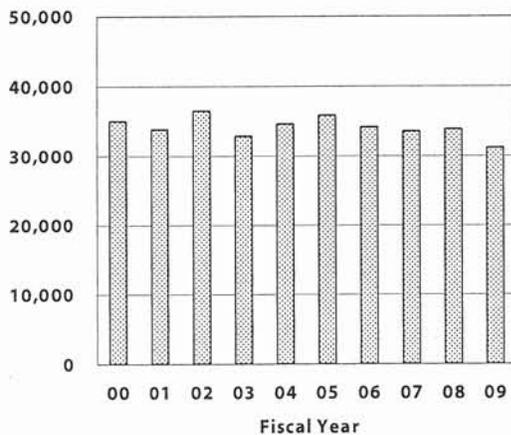
There has been an overall increase in the number of emergency medical runs and other incidents over the past ten years. Since 2000, medical runs have increased by 46% and other incidents have increased by 7%. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 65% of cities nationally had a higher number of EMS responses per resident based on a 2007 ICMA survey. Only 16% of cities had a faster average EMS response time.

### Fire Incidents



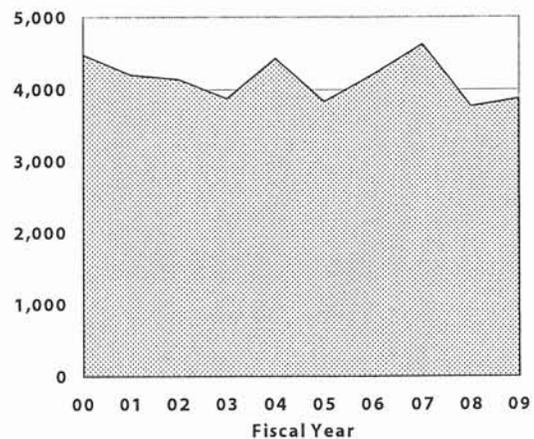
Over the past 10 years, the number of fires has declined by 24%, reaching a low of 316 in 2009. The value of non-residential fire losses totaled less than \$705,000, which is below national, state, and county averages. The City currently averages one fire incident every 6 days at each of the City's five fire stations. 69% of cities nationally had higher fire incidents per resident based on a 2007 ICMA survey. 97% of communities had a slower average fire response time. Over the past several years, the City has made numerous fire vehicle purchases that have improved the condition of the fire fleet.

### Training Hours Completed



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

### Fire Inspections Conducted



The number of fire inspections has generally decreased during periods of employee turnover and the resulting increased training for new employees in the Fire Prevention Division. Fire inspections have generally increased when employee turnover has subsided. In a typical year, the Fire Prevention staff conducts around 4,000 inspections.

**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 Sterling Heights Fire Department is developing Mutual-Aid agreements with Oakland County Fire Departments, including Madison Heights, Hazel Park, Royal Oak and Ferndale, to ensure adequate emergency resources are available for the low frequency and high hazard incidents?*

# Fire Administration

## 2010/11 PERFORMANCE OBJECTIVES

(Administration)

1. To provide a successful transition from the Fire Department's 4D Record Management system to the New World system. (City Goal 7, 17, 18)
2. To pursue additional service sharing opportunities with other area fire departments and within the department in an effort to deliver quality emergency services to residents in the most efficient and cost effective manner. (City Goal 2, 6, 7)
3. To continue the update and development of the Fire Department's Standard Operating Guidelines (SOG's) ensuring all services are delivered in the most efficient and effective manner. (City Goal 2, 6, 7)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
<b>Output</b>	Incident Reports Reviewed for Quality	10,261	10,496	10,480	11,035	10,700	10,860
	Employee Evaluations Conducted/Tracked	130	130	107	125	120	120
	APPO's and Standard Operating Guidelines Reviewed	82	130	140	300	140	200
	FOI Requests Processed	66	58	37	60	60	60
	Staff/Battalion Meetings Conducted	12	11	6	12	13	12
	Presentations to Civic Groups/Organizations	14	8	12	15	13	12
	Employee/Civilian Citations Processed	8	9	6	12	6	12
	Fire-Related Periodical/Journals Reviewed	480	480	480	480	480	480
	Safety Recommendations Implemented	12	8	7	15	6	12
	Hours of Computer Consultant Services Used	N/A	N/A	360	330	330	330
<b>Efficiency &amp; Effectiveness</b>	% 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	\$116	\$123	\$130	\$138	\$135	\$142
	Division Expenditures as % of General Fund	1.51%	1.47%	1.59%	1.54%	1.55%	1.54%

# Fire Administration

## 2010/11 PERFORMANCE OBJECTIVES

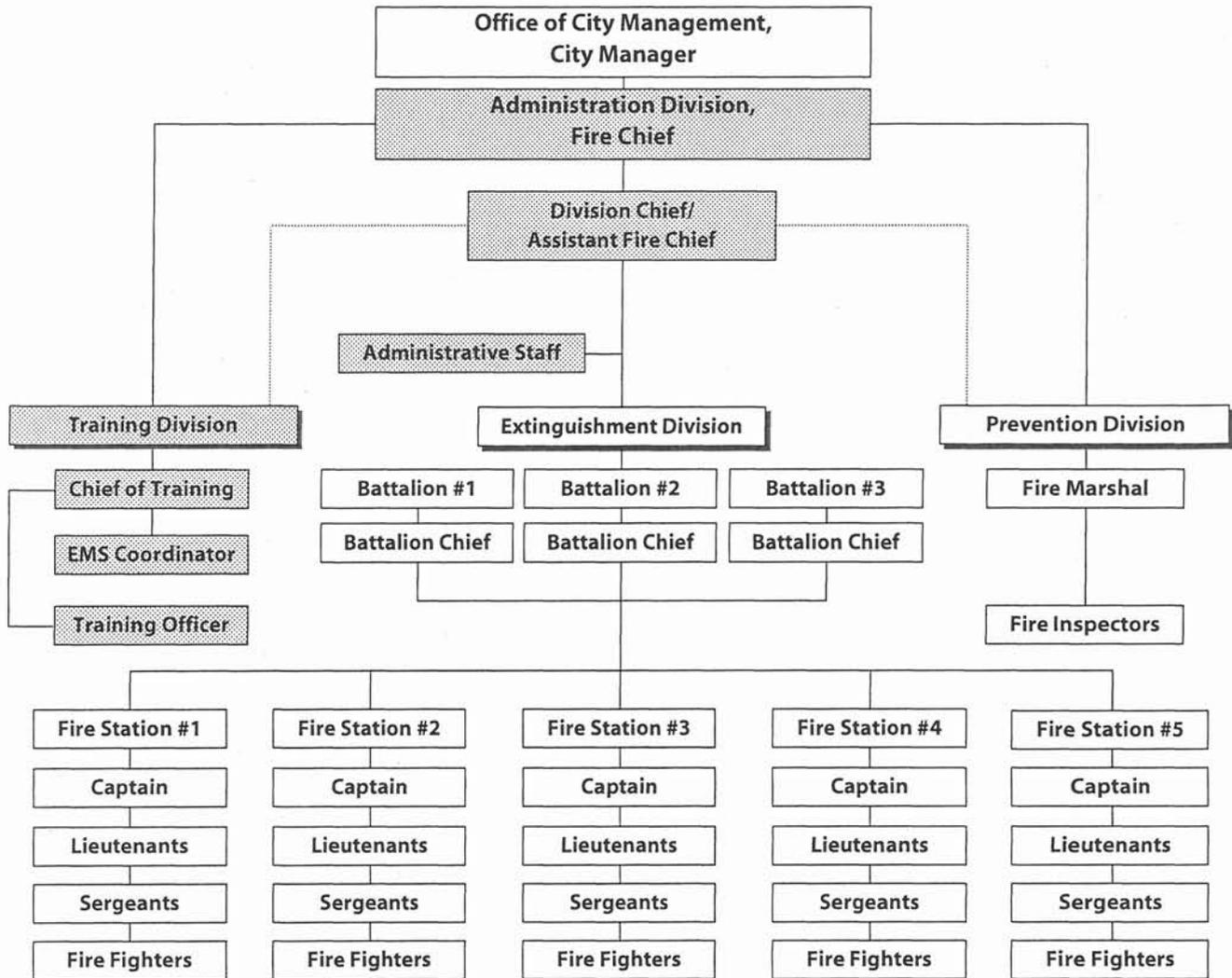
(Training)

1. To establish a comprehensive respiratory emergency assessment training program implementing End-Tidal CO2 monitoring and Continuous Positive Airway Pressure (CPAP) in compliance with the Macomb County EMS System. (City Goal 7, 25)
2. To augment the current flu vaccine program by implementing a comprehensive community flu preparedness program. In addition to vaccination, the program will disseminate timely influenza information, create a partnership with the community's vulnerable population, and develop real-time communications. (City Goal 1, 3, 25)
3. To establish a regional hazardous materials response (Haz Mat) team. This team is a consolidated effort to form one mutual aid group in an effort to streamline the organization, provide better training and response times in Macomb County while avoiding duplication of services, and provide more efficient and effective services to the citizens. (City Goal 2, 3, 25)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Total Formal Training Hours Coordinated	33,538	33,857	31,121	31,400	30,700	31,000
	Hours of Fire Officer Training	397	612	412	500	900	500
	Hours of EMS Training	3,908	4,143	3,957	4,200	4,000	4,250
	Hours of Fire Suppression Training	8,155	11,485	9,988	9,200	9,000	9,250
	Hours of Hazardous Material Training	1,932	1,407	1,637	2,000	1,850	2,000
	Hours of Professional Development Training	2,812	1,929	1,921	2,000	1,850	2,000
	Hours of Physical Fitness Training	9,316	10,667	10,137	9,500	9,500	9,500
	Hours of All Other Training	7,018	3,614	3,069	4,000	3,600	3,500
	Residents Receiving Formal Public Education	10,299	7,922	5,146	3,000	6,000	5,000
	Residents Receiving CPR Instruction	916	793	425	200	200	200
	Paramedic/EMT License Applications Processed	40	32	27	30	40	40
	Procedures Developed and Updated	58	60	45	50	50	50
	Efficiency & Effectiveness	Days of Work Lost Due to Injury	14	191	100	0	50
Sworn Pers. to Workers Comp/Disability Indemnity		102:1	34:1	50.5:1	101:0	50.5:1	99:0
% of Right-to-Know Training Completed		100%	100%	100%	100%	100%	100%
Avg. Training Hrs. Received per Sworn Personnel		329	332	308	311	304	313
Training Division Cost per Fire Fighter		\$3,393	\$3,456	\$3,417	*	*	*

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

# Fire Administration



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Fire Chief	1	1	1
Division Chief/Assistant Fire Chief	1	1	1
Chief of Training	1	1	1
EMS Coordinator	1	1	1
Training Officer	1	1	1
Management Assistant	1	1	1
Administrative Assistant	3	2	2
Clerk Typist	1	0	0
Clerk (P.T.)	0	2	2
<b>Total</b>	<b>10</b>	<b>10</b>	<b>10</b>

# Fire Administration

## SUMMARY OF BUDGET CHANGES

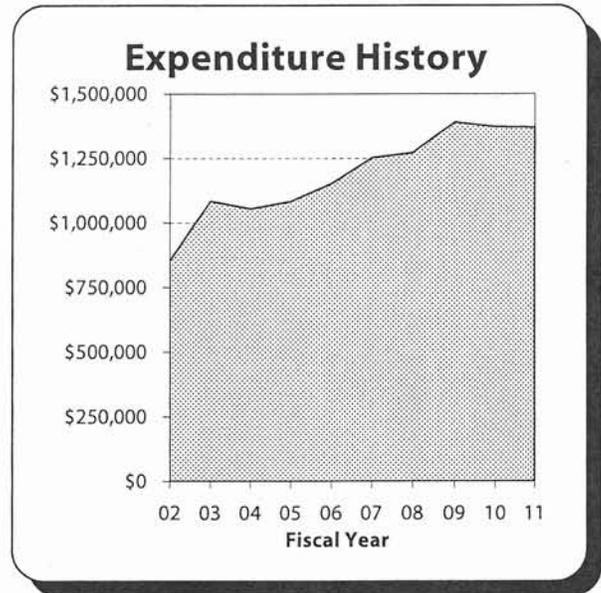
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$52,980 or 4.4%. Fire pension costs rose \$41,650 based on a recent actuarial report. An additional \$7,960 is budgeted to fund retiree health care liabilities and employee health insurance costs rose 6% or \$4,950. Overtime fell \$4,000, while clothing allowance costs decreased \$3,200 as a result of recent labor contract concessions.

**Supplies** – Total Supplies decreased \$100 or 0.4% as funding for postage can be reduced and brought more in line with recent expenditure trends.

**Other Charges** – Total Other Charges decreased \$54,590 or 37.2%. The City will save \$36,000 as physicals and fitness assessments for the Peer Fitness Program were eliminated due to labor contract savings. The training budget decreased \$13,420 primarily due to the one-time receipt of grant funds in the prior year. The budget decreased \$5,610, as funding for the Auto Accident billing program is no longer required since the program has not been implemented. The decrease was partially offset due to an increase in State radio user fees. The Regional Alliance for Firefighter Training (RAFT) membership fee increased \$540.

**Capital** – Total Capital of \$200,000 is proposed for the funding of a Fire Records Management System. Drug forfeiture monies will be used to fund the Police Department’s share of this new system, which will enable communications personnel to dispatch the Fire Department via Mobile Computers, provide the Fire Department with CAD and mobile messaging capabilities, and allow an Automatic Vehicle Locator to be used in routing fire personnel to an emergency



scene. The system will also allow for integrated fire, inspection and medical reporting, replacing the present antiquated system.

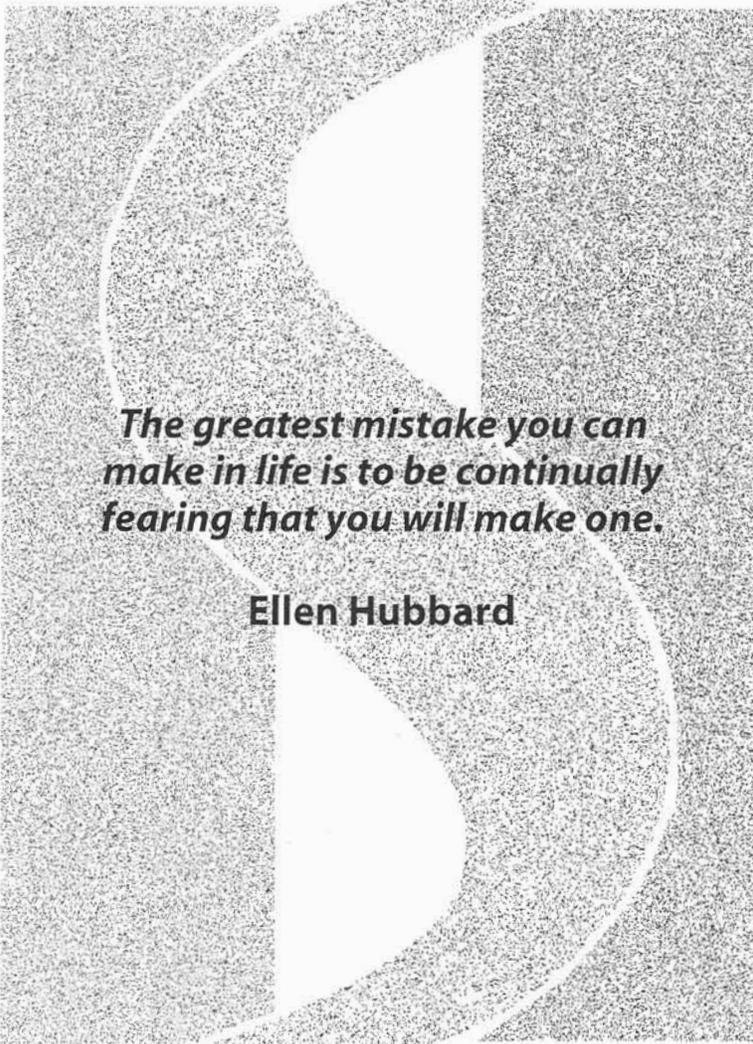
### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,241,539	\$1,197,060	\$1,191,110	\$1,250,040	\$1,250,040
<b>Supplies</b>	30,032	27,970	27,820	27,870	27,870
<b>Other Charges</b>	118,107	146,810	130,210	92,220	92,220
<b>Total</b>	\$1,389,678	\$1,371,840	\$1,349,140	\$1,370,130	\$1,370,130

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

**Ellen Hubbard**

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

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

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

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

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

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

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

## KEY GOALS

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

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

## *Did you know?...*

*...the Sterling Heights Fire Department has been the lead agency to develop a Macomb County Technical Rescue Team to ensure an advanced level of service to the citizens in the most cost effective and efficient manner?*

# Fire Extinguishment

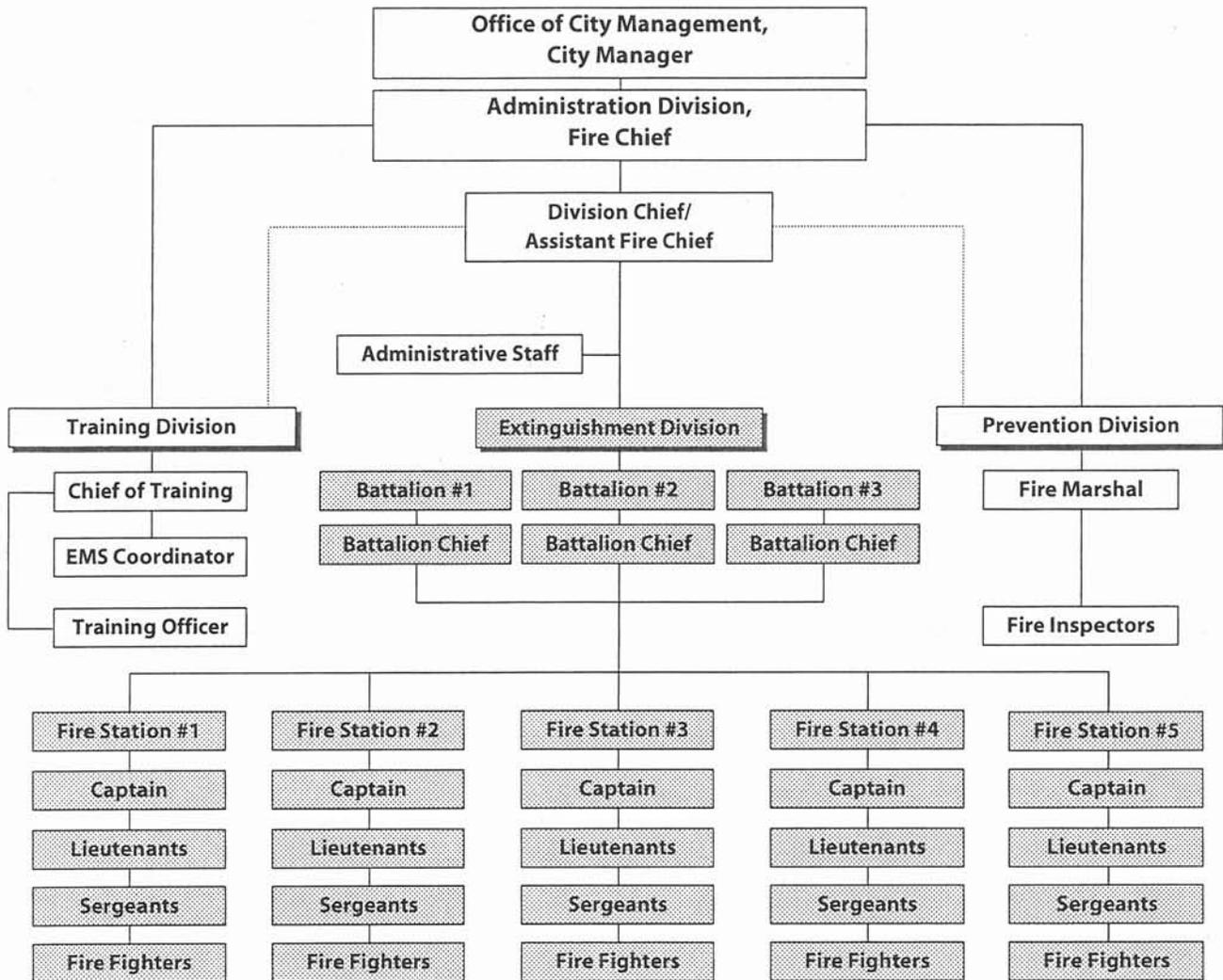
## 2010/11 PERFORMANCE OBJECTIVES

1. To successfully implement the New World Computer Aided Dispatch (CAD) system into daily operations. (City Goal 7, 17, 18)
2. To continue the coordination of the integration of the Sterling Heights Fire Department into the Macomb County Technical Rescue Team in an effort to provide an advanced level of service in the most cost effective and efficient manner. (City Goal 2, 6, 7)
3. To merge the Sterling Heights Hazardous Materials Team into the Macomb County Hazardous Materials Team to reduce service costs while expanding service levels. (City Goal 2, 6, 7)

Performance Indicators		2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Total Fire Department Incidents	10,261	10,496	10,480	11,035	10,700	10,860
	EMS-Related Incidents	7,493	7,691	7,745	7,900	7,900	8,000
	Hazardous Material Incidents	119	134	162	135	130	135
	Fire Incidents	322	332	316	400	315	325
	All Other Incidents	2,327	2,339	2,257	2,600	2,355	2,400
	ALS Patients	3,338	3,353	3,399	3,400	3,400	3,500
	BLS (Priority 3) Patients	3,379	3,946	4,102	4,100	4,220	4,300
	All Other EMS Patients	573	153	157	300	175	250
	Students Receiving Fire Safety Education	10,704	13,420	14,219	10,700	10,600	9,500
	Hours Spent on Vehicle/Station Maintenance	12,981	14,567	14,982	15,000	14,900	15,000
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.1/0.9	1.1/1.0	1.1/1.3	1.0/1.0	1.1/1.0	1.0/1.0
	Fire Fighter Injuries/Deaths	24/0	26/0	9/0	0/0	28/0	0/0
	Civilian Fire Related Injuries/Deaths	32/1	22/1	28/1	0/0	27/1	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	94%/85%	81%/80%	70%/69%	82%/78%	78%/75%	80%/77%
	Average EMS Response Time - Minutes	4.1	4.2	4.3	4.5	4.5	4.2
	Average Cost of an EMS Incident	\$199	\$196	\$197	*	*	*
	Average Cost of a Fire Extinguishment Incident	\$2,408	\$2,398	\$2,407	*	*	*
	Division Expenditures as % of General Fund	15.01%	15.32%	16.23%	17.12%	17.13%	17.99%

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

# Fire Extinguishment



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Battalion Chief	3	3	3
Captain - ALS	3	3	3
Captain	2	2	2
Lieutenant - ALS	11	12	12
Lieutenant	5	4	4
Sergeant - ALS	1	1	1
Sergeant - FEO	8	8	8
Fire Fighter - ALS	43	42	42
Fire Fighter - FEO	13	13	13
Fire Fighter	1	2	2
<b>Total</b>	<b>90</b>	<b>90</b>	<b>90</b>

# Fire Extinguishment

## SUMMARY OF BUDGET CHANGES

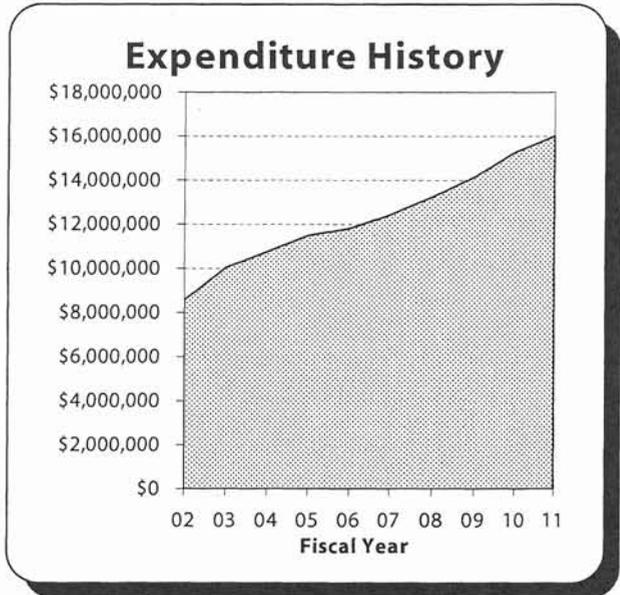
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$729,780 or 5.0%. Pension costs increased \$638,310 based on a recent actuarial report. An additional \$102,240 is budgeted to fund retiree health insurance liabilities, while employee health care costs increased by \$70,120. Due to recent labor contract concessions, funding for food allowances decreased by \$72,000, clothing allowances by \$72,000, while deferred compensation costs fell by \$27,000. Overtime costs fell by 15.2% as a result of cost efficiencies achieved over the past several years.

**Supplies** – Total Supplies decreased \$2,510 or 1.9% due to a reappropriated encumbrance from the prior year.

**Other Charges** – Total Other Charges decreased \$8,210 or 1.9%. Telephone costs decreased \$12,210 as several phone lines at the renovated fire stations were eliminated due to the installation of a fiber optic voice telephone system. Fewer radio repairs are needed, saving \$2,000. Heating costs rose \$3,000 based on the recent year’s estimated expenditure usage. Water costs increased \$3,000 due to higher rates and increased usage.

**Capital** – Total Capital of \$260,000 is proposed for a 50% grant-match to replace a 22-year old Fire Engine with 170,000 miles that is in need of replacement. The City will apply for a grant to fund the remaining 50% cost.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$13,563,881	\$14,722,560	\$14,400,350	\$15,452,340	\$15,452,340
<b>Supplies</b>	139,719	134,950	134,950	132,440	132,440
<b>Other Charges</b>	440,155	423,760	409,550	415,550	415,550
<b>Total</b>	\$14,143,755	\$15,281,270	\$14,944,850	\$16,000,330	\$16,000,330

**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, after conducting preliminary investigations of all fires within the City and after determining an arson has been committed, works in conjunction with the Police Department to prosecute and bring to justice all cases of arson within the City?*

# Fire Prevention

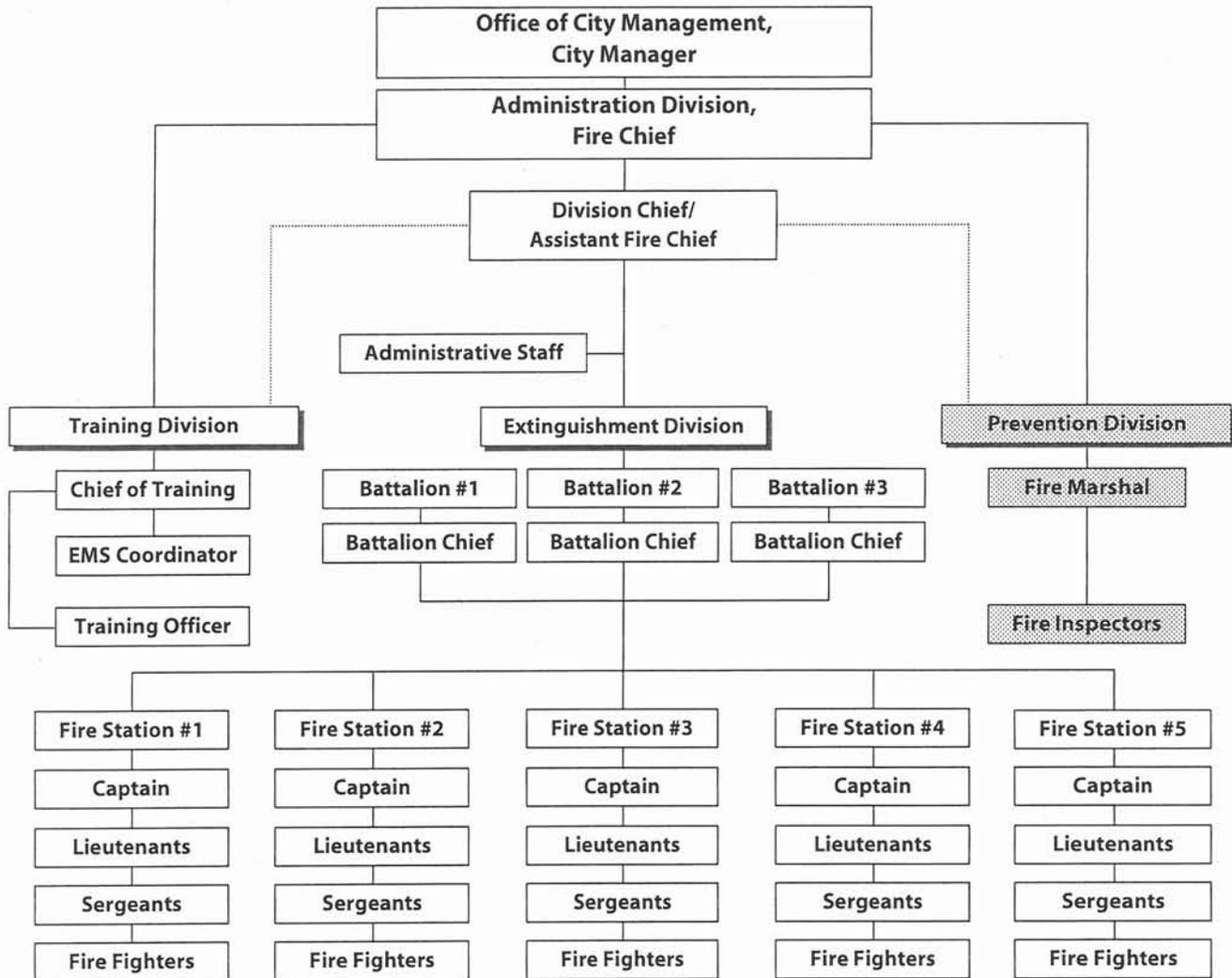
## 2010/11 PERFORMANCE OBJECTIVES

1. To introduce and implement training on the use of the new computer system for all division personnel. (City Goal 6, 17, 18)
2. To re-examine, re-organize and implement new operational guidelines for the purpose of sustaining all key goals of the division with reduced staff. (City Goal 3, 4)
3. To complete training of assigned Fire Inspector for 302 site accountability, files and tracking. (City Goal 3)
4. To enhance storage capabilities and reorganize all informational handouts stored within the Fire Prevention Division. (City Goal 3)

Performance Indicators		2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Total Inspections Conducted	4,624	3,767	3,874	2,970	2,200	2,200
	Annual Building Fire Inspections	1,068	821	1,052	750	450	600
	Special Code or Final Occupancy Inspections	577	512	554	375	200	190
	Liquor Lic., Amusement, & Site Inspections	596	374	369	450	370	350
	Witnessed Acceptance Tests Inspections	204	137	125	120	100	90
	Reinspections of Violations	1,958	1,781	1,693	1,200	1,000	900
	Citizen Assistance Inspections	221	142	81	75	80	70
	Violations Discovered and Issued	10,292	9,391	7,495	5,500	4,000	5,000
	Investigations (Fire and Other)	216	210	133	150	120	150
	Plan Reviews (sites, buildings, alarms)	731	451	298	400	200	300
Efficiency & Effectiveness	% Bus. Receiving Violations during Annual Inspections	95%	95%	95%	95%	95%	95%
	Value of Non-Residential Fire Loss	\$337,952	\$343,026	\$704,662	\$300,000	\$375,000	\$350,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	98%	90%	90%	90%
	% of Inspectable Occupancies Experiencing Fires	0.70%	0.60%	0.60%	0.75%	0.90%	0.75%
	Inspections Conducted Per Inspector/Marshal	661	580	646	495	629	630
	% of Site Plans Reviewed within 20 Days	100%	100%	100%	100%	100%	100%
	Average Fire Inspection Cost	\$345	\$373	\$361	*	*	*
	Average Plan Review Cost	\$165	\$174	\$203	*	*	*
Division Expenditures as % of General Fund	1.27%	1.36%	1.32%	1.22%	1.15%	1.05%	

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

# Fire Prevention



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Fire Marshal	1	1	1
Fire Inspector	5	5	3
<b>Total</b>	<b>6</b>	<b>6</b>	<b>4</b>

# Fire Prevention

## SUMMARY OF BUDGET CHANGES

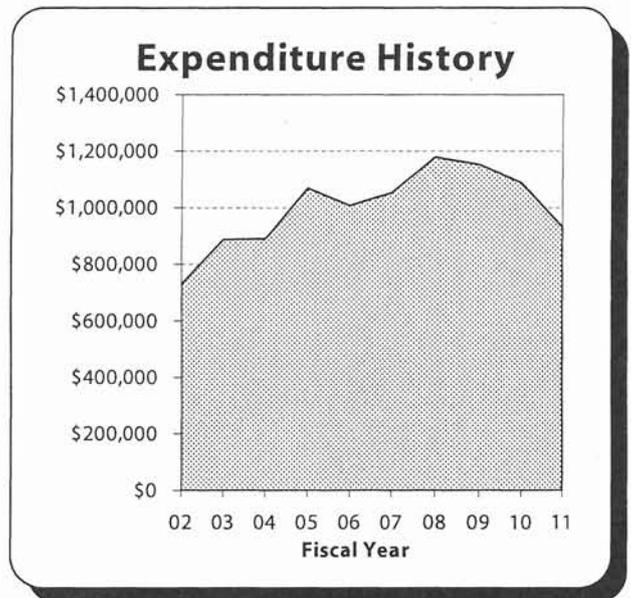
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$156,930 or 14.4% from last year’s budget. Two Fire Inspector positions are proposed to be eliminated, saving a total of \$210,000. Inspection resources will be redirected toward the high hazard inspections, while annual inspection cycles will be increased to a bi-annual cycle. Partially offsetting the savings is a \$47,600 increase in required employer contributions to the pension system based on the latest actuarial report. In addition, funding for retiree medical liabilities rose by \$7,640.

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

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

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$1,152,889	\$1,088,240	\$1,003,920	\$931,310	\$931,310
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
<b>Total</b>	<b>\$1,152,889</b>	<b>\$1,088,240</b>	<b>\$1,003,920</b>	<b>\$931,310</b>	<b>\$931,310</b>

# City Development Department



# FUNCTIONAL ORGANIZATION CHART

## City Development Department



# DEPARTMENT AT A GLANCE

## City Development Department

### BUDGET SUMMARY

The City Development Department's budget decreased by \$138,080 or 3.5%. Personnel costs fell by \$177,900 or 4.9%. Due to reduced building and development activity, two Inspector positions have been eliminated, saving \$165,600. As a result of the reduced building activity and a streamlined Ordinance Board of Appeals process, overtime costs also declined. Less of the original \$250,000 foreclosure relief grant remains unspent, so part-time grant funded personnel costs decreased \$84,730. No cost of living wage increases are budgeted due to successful labor concession

agreements. Pension, and employee and retiree health care costs rose. Supplies increased by \$4,520 or 17.2% primarily due to the purchase of updated inspector code books and increased Board of Appeal mailings. Other Charges increased by \$35,300 or 10.4%, as a portion of the personnel savings will be used to contract out specific code enforcement functions. The capital budget includes funding to replace eight six-year old personal computers in Information Technology.

### FUNDING LEVEL SUMMARY

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Building	\$2,205,160	\$1,996,460	\$1,834,960	\$1,732,730	-5.6%
Economic Development	187,490	156,410	158,860	161,900	1.9%
Foreclosure Relief	0	7,490	242,510	157,980	-34.9%
Information Technology	1,055,560	1,070,300	1,083,460	1,108,050	2.3%
Planning	350,280	346,240	355,500	363,880	2.4%
Public Services	295,050	316,400	320,970	333,640	3.9%
<b>Total Department</b>	<b>\$4,093,540</b>	<b>\$3,893,300</b>	<b>\$3,996,260</b>	<b>\$3,858,180</b>	<b>-3.5%</b>
Personnel Services	\$3,724,030	\$3,553,780	\$3,630,200	\$3,452,300	-4.9%
Supplies	35,010	27,000	26,300	30,820	17.2%
Other Charges	334,500	312,520	339,760	375,060	10.4%
<b>Total Department</b>	<b>\$4,093,540</b>	<b>\$3,893,300</b>	<b>\$3,996,260</b>	<b>\$3,858,180</b>	<b>-3.5%</b>

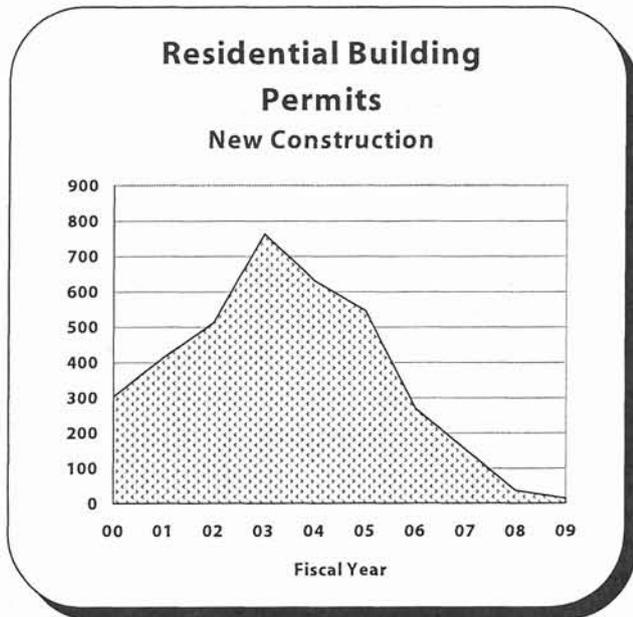
### PERSONNEL SUMMARY

	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building	22	1	21	0	16	0	14	0
Economic Development	1	0	1	0	1	0	1	0
Foreclosure Relief	0	0	0	0	0	2	0	2
Information Technology	8	0	8	0	8	0	8	0
Planning	4	0	3	0	3	0	3	0
Public Services	3	1	3	1	3	1	3	1
<b>Total Department</b>	<b>38</b>	<b>2</b>	<b>36</b>	<b>1</b>	<b>31</b>	<b>3</b>	<b>29</b>	<b>3</b>

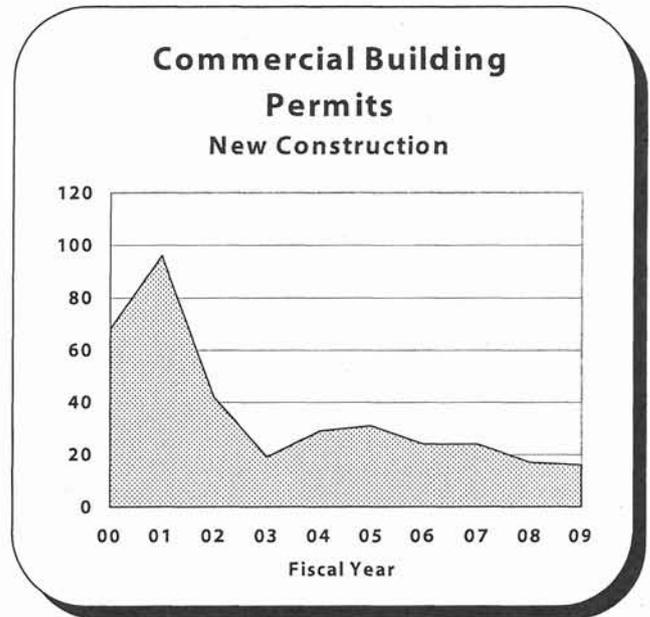
Excludes Boards & Commissions.

# KEY DEPARTMENTAL TRENDS

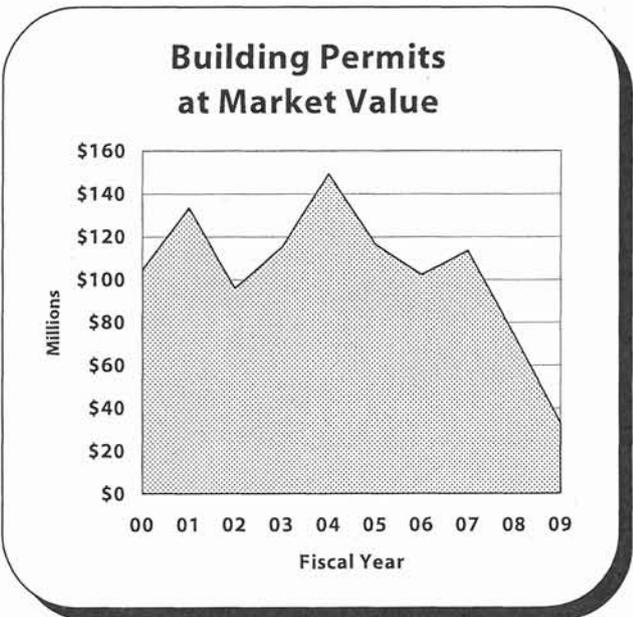
## City Development Department



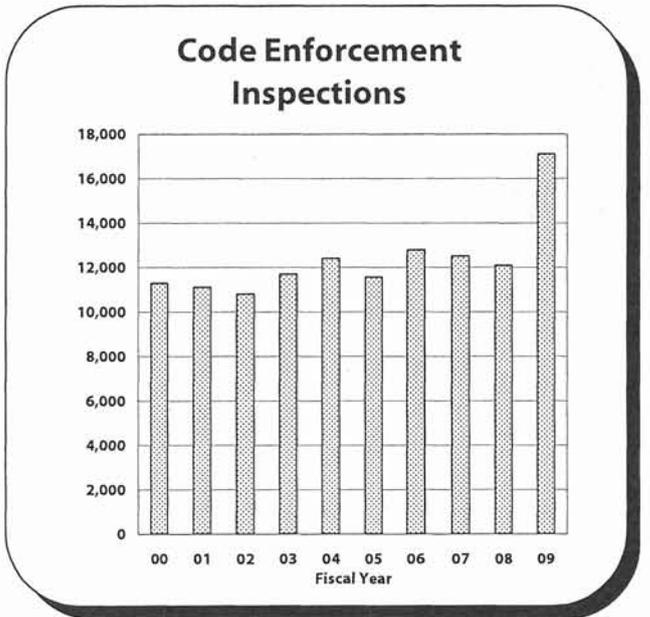
From 2000 to 2003, the number of residential building permits increased, reaching a high of 763 due in part to the increasing number of condominium units and cluster developments. Since 2003, however, the number has declined dramatically and is now at a ten year low of 14 permits.



The number of new commercial building permits reached a high in 2001 when 96 permits were issued. For the past several years, the number has fallen to its lowest level in ten years. In 2009, only 16 new commercial building permits were issued, a decrease from the 24 issued in 2006 and 2007.



The dollars invested in new building construction and improvements has fallen by 78% - from a high of \$149 million in 2004 to a low of only \$33 million five years later in 2009. The number of residential and commercial permits has dramatically declined. After reaching a high of 763 new construction residential permits in 2003, only 14 such permits were issued in 2009 - a decrease of more than 98%. Commercial permits have dropped by 83% since 2001.



The number of code enforcement inspections has increased by 51% since 2000. The City has made a concerted effort to strengthen and vigorously maintain property values by eliminating blighting influences. Starting in 2009, the City's building inspectors began to assist code enforcement officers with code inspections, resulting in a 42% increase in inspections. In 2009, there were 17,096 code enforcement inspections made - 2,849 inspections per officer or 11 inspections per officer per day. 94% of inspections were performed within 48 hours of complaint. 4,329 violations were issued in 2009.

**MISSION STATEMENT:** *To maintain a well-balanced program of monitoring building construction, so that the community may enjoy a safe environment.*

The Building activity vigorously monitors the building and development activities in the City of Sterling Heights. As a result of this well-established procedure, the community enjoys a sound and safe overall living environment while feeling assured that all buildings and structures frequented in the City are well constructed.

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

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

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

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

## KEY GOALS

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

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

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

## *Did you know?...*

*...the Building office has successfully cross-trained all Building trade inspectors to assist in the enforcement of blighted properties throughout the Community?*

# Building

## 2010/11 PERFORMANCE OBJECTIVES

(Building)

1. To expedite the plan review process by developing a pre-submittal plan review committee consisting of Engineering, Planning and Building personnel to assist architects and contractors with proposed future projects. (City Goal 1, 3, 15)
2. To update the current plan review inspection checklist process in compliance with the 2009 Michigan Construction Codes. (City Goal 3, 14)
3. To implement the new State Construction Codes, which incorporate the 2009 edition of the International Code Council family of codes. (City Goal 13, 14)
4. To provide electronic documentation responses to permit applicants in lieu of mailing a hard copy in order to reduce costs and improve efficiencies. (City Goal 3, 4)
5. To oversee and direct the City's energy savings efforts. (City Goal 6, 13, 17, 18)

	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Permits Issued	5,930	5,160	3,609	4,600	4,110	4,300
	Building Permits Issued	2,473	2,369	1,404	2,100	1,560	1,600
	Mechanical Permits Issued	1,285	1,024	840	980	1,060	1,100
	Plumbing Permits Issued	948	729	685	690	700	750
	Electrical Permits Issued	1,224	1,038	680	830	790	850
	Total Inspections Performed	26,888	19,669	14,904	16,100	13,120	13,300
	Building Inspections	11,251	7,972	6,047	6,500	5,930	6,000
	Mechanical Inspections	5,235	3,684	2,602	2,800	2,570	2,600
	Plumbing Inspections	5,287	3,630	2,785	3,000	2,350	2,400
	Electrical Inspections	5,115	4,383	3,470	3,800	2,270	2,300
	Ordinance Complaint Tickets Issued	31	23	0	5	5	5
	Board of Code Appeals Applications	5	6	2	5	4	4
	Board of Ordinance Appeals Hearings	18	23	22	30	16	20
	Number of Streetlight Bills Reviewed & Approved	12	12	12	12	12	12
Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	3	2	2	2	2	2
	% of Inspections Performed on Schedule	95%	95%	95%	95%	95%	95%
	% of Commercial Plans Reviewed w/i 20 days	95%	95%	95%	95%	95%	95%
	% of Residential Plans Reviewed w/i 10 days	95%	95%	95%	95%	95%	95%
	Average No. of Inspections per Budgeted Inspector	2,830	2,070	2,293	3,578	2,916	2,960
	Market Value of Building Permits (Millions)	\$113.6	\$74.0	\$33.0	\$33.0	\$45.0	\$35.0
	Permits Issued via City's Website	26	36	36	34	22	20
	Activity Expenditures as % of General Fund	2.54%	2.55%	2.29%	2.06%	2.03%	1.95%

# Building

## 2010/11 PERFORMANCE OBJECTIVES

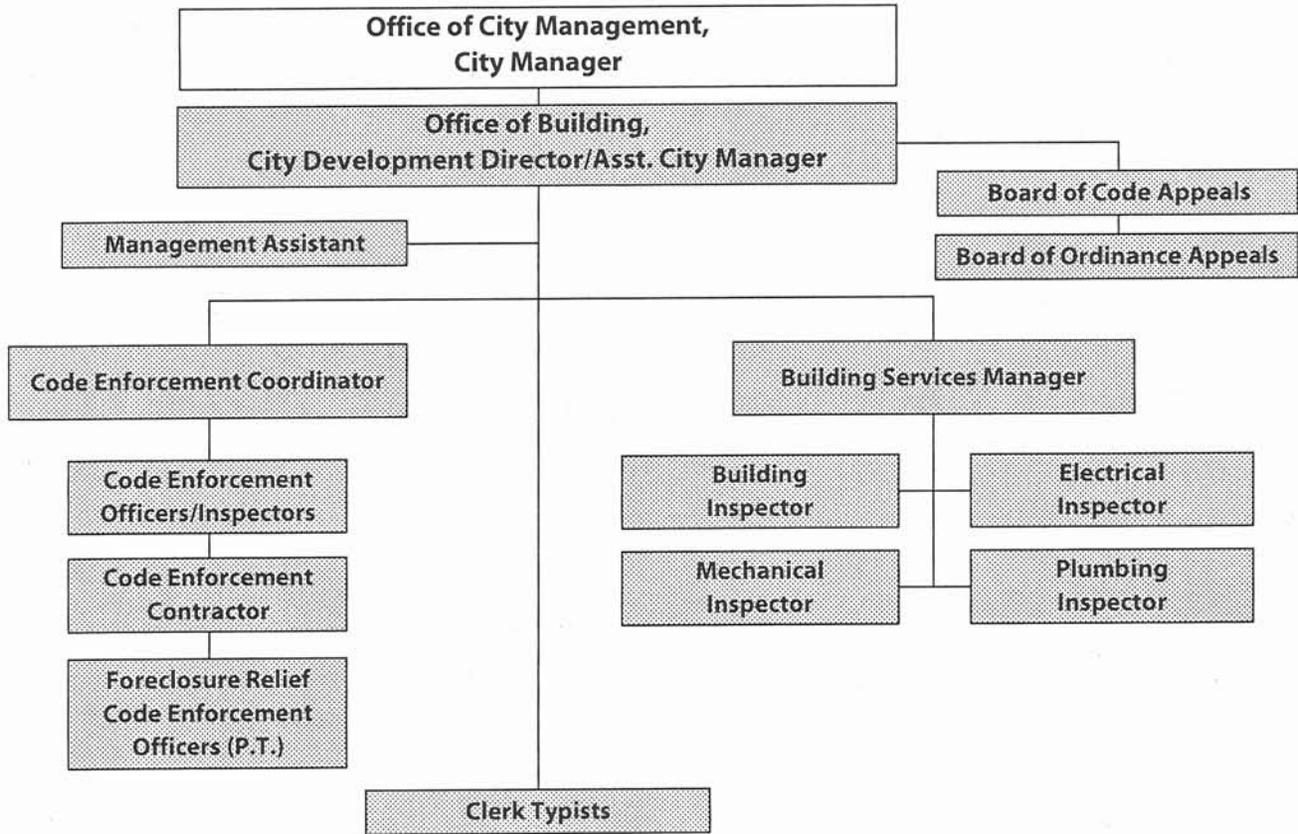
(Code Enforcement)

1. To increase enforcement efforts of signs and banners that have illegally been placed throughout the City. (City Goal 3, 12, 13)
2. To aggressively pursue property maintenance requirements on existing blighted residential and commercial properties. (City Goal 12, 13, 14, 15)
3. To continue to aggressively inspect foreclosed properties through a grant received by the Michigan Attorney General's office. (City Goal 3, 12, 13)
4. To develop a plan to supplement code enforcement efforts through part-time or contractual assistance. (City Goal 3, 12, 13)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
<b>Output</b>	Total Inspections Performed	12,508	12,074	17,096	16,000	24,200	24,500
	Total Code Enforcement Cases	3,399	2,364	4,329	3,650	4,170	4,350
	Public Nuisance Cases	122	69	88	100	200	250
	Illegal Sign Cases	187	88	473	250	500	500
	Trash & Debris Cases	397	173	404	300	350	350
	Junk Vehicle Cases	301	174	260	300	250	300
	Property Maintenance Cases	1,148	1,060	1,974	1,300	2,550	2,600
	Miscellaneous Cases	1,244	800	1,130	1,400	320	350
	Ordinance Board Cases Prepared - Nuisances	212	250	195	225	454	440
	Civil Infraction & Misdemeanor Tickets Issued	223	305	93	300	300	300
<b>Efficiency &amp; Effectiveness</b>	% of Inspections Performed w/i 48 Hours of Complaint	94%	94%	95%	95%	95%	95%
	Avg. Working Days Between Violation & Correction	10	10	10	10	10	10
	% of Violations Corrected Prior to City Action	80%	75%	95%	90%	90%	90%
	Inspections Performed Per Code Insp. & Contractor	2,085	2,012	2,849	2,670	3,025	3,060
	Code Enforcement Cases Per Code Inspector	567	394	722	608	521	620
	Code Enforcement Cases Per 1,000 Residents	26.7	18.5	33.7	28.4	32.5	33.9
	Average Cost to Perform a Code Inspection	\$21.29	\$22.60	\$19.07	*	*	*

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

# Building



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
City Development Director/Asst. City Manager	1	1	1
Building Services Manager	1	1	1
Code Enforcement Coordinator	1	1	1
Building Inspector/Code Enforcement Officer	3	3	3
Electrical Inspector/Code Enforcement Officer	2	2	1
Mechanical Inspector/Code Enforcement Officer	2	2	1
Plumbing Inspector/Code Enforcement Officer	1	1	1
Code Enforcement Officer	5	1	1
Management Assistant	1	1	1
Senior Clerk	2	0	0
Clerk Typist	2	3	3
Foreclosure Relief Code Enforcement Officers (P.T.)	0	2	2
<b>Total</b>	<b>21</b>	<b>18</b>	<b>16</b>

# Building

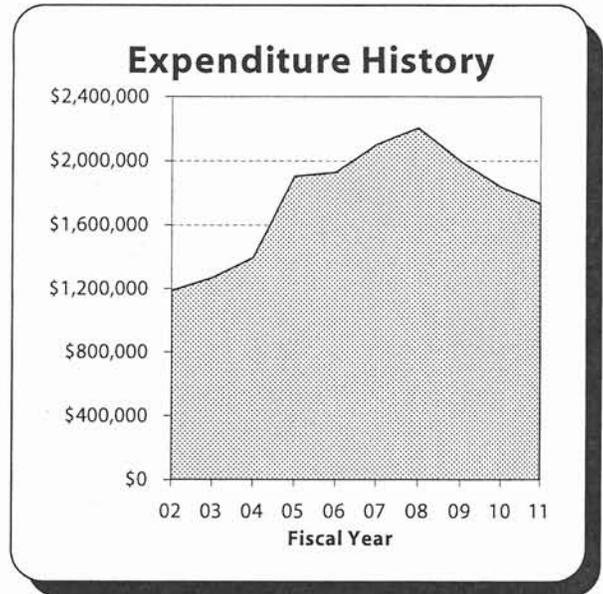
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$141,580 or 8.3%. Due to decreased development activity, funding for an Electrical Inspector and a Mechanical Inspector has been frozen, saving \$165,600. \$40,000 of this savings will be used to contract out specific code inspection duties. Overtime costs fell by \$8,000 due to the reduced building activity. Pension costs rose \$13,330, while an additional \$8,330 is budgeted for retiree medical liabilities.

**Supplies** – Total Supplies increased \$6,300 or 56.3%. Publications increased \$5,400 for the one-time purchase of code books. Postage costs increased \$1,900 due to an increase in certified Ordinance Board of Appeals mailings. The office saved \$1,000 in supply costs, as fewer toner cartridges are needed due to the elimination of three printers.

**Other Charges** – Total Other Charges increased \$33,050 or 29.4%. Contracted service costs increased \$34,170 as partial savings from the elimination of one Inspector will be used to contract out various code enforcement duties. A decrease in the number of building plans to be microfilmed slightly offset the increase. Copier rental fees increased \$2,000 due to the addition of a second copier that replaced three printers. Membership costs decreased \$1,840 as Inspector re-certification is only required once every three years. In addition, fewer memberships are funded based on a reduction in staff. Educational funding decreased \$600 and local meeting costs fell \$200, also due to staff downsizing.



**Capital** – There is no Capital proposed for this activity.

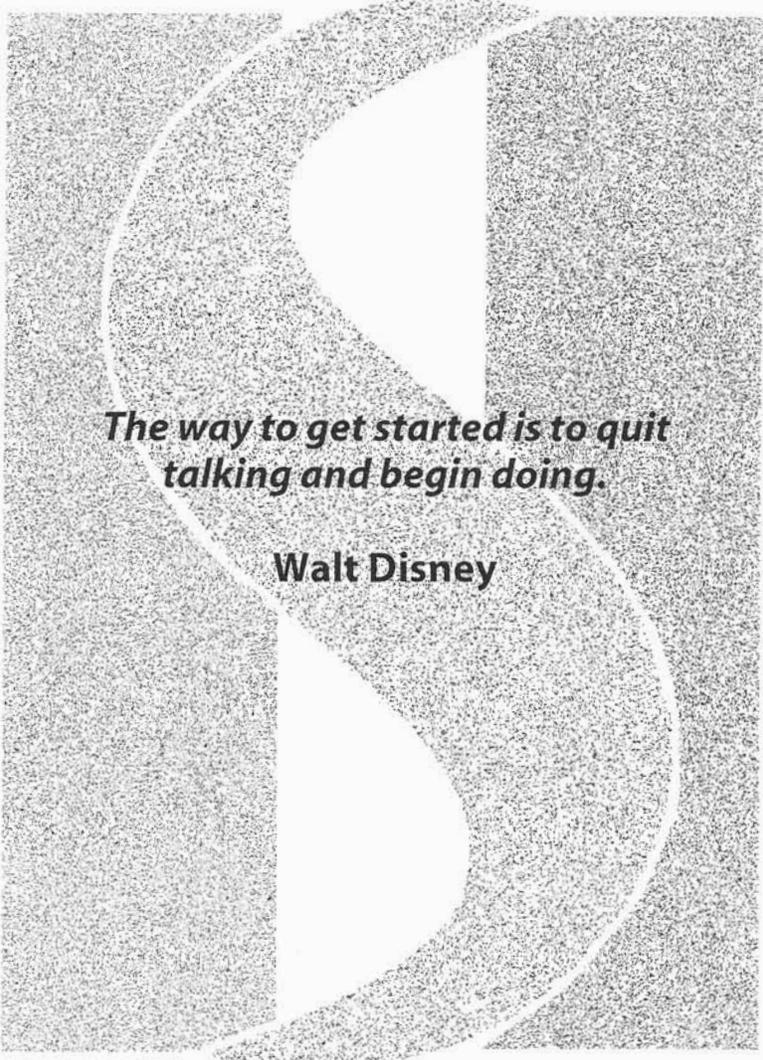
### CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,890,786	\$1,711,160	\$1,648,120	\$1,569,580	\$1,569,580
<b>Supplies</b>	11,970	11,200	11,870	17,500	17,500
<b>Other Charges</b>	93,702	112,600	114,320	145,650	145,650
<b>Total</b>	\$1,996,458	\$1,834,960	\$1,774,310	\$1,732,730	\$1,732,730

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

**Walt Disney**

**MISSION STATEMENT:** *To develop a progressive and proactive economic development program designed to sustain and expand the City's economic and employment base and help retain the City's ranking as one of the nation's premier communities to live, work, play and prosper.*

The Economic Development Office is responsible for all Economic Development functions of the municipal corporation. The primary responsibility of this office is to create and implement a sustainable development strategy that will help increase the City's tax base and keep the community viable and attractive to residents, visitors and businesses.

Specific aspects of this office may be categorized into four related but distinct areas: Business Retention and Expansion, Business Attraction, Community Revitalization, and Economic Development Outreach.

**Business Retention and Expansion** – Through the Economic Development Office, Sterling Heights maintains an active business retention and expansion program that encourages the retention and expansion of existing businesses providing quality jobs, a diverse workforce and expanded tax base.

**Business Attraction** – This program fosters an economic development climate that attracts and encourages the recruitment of businesses to Sterling Heights that will provide quality jobs, diversify the workforce and expand the tax base.

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

**Economic Development Outreach** – Maintaining external relationships with elected officials, business community and real estate development practitioners is a critical function for this office. Public presentations and interaction with a broad segment of the population are equally important. This office offers a professional image that demonstrates responsiveness, integrity and a comprehensive balance of the public benefit and the interests of the City.

Fiscal oversight and management of all economic development projects is handled in a responsible

## KEY GOALS

- *To maintain the City's economic base by fostering the growth and expansion of existing businesses.*
- *To broaden the City's tax base by attracting new development and business to the community to help expand general fund dollars necessary for the City to maintain its high level of services.*
- *To further enhance Sterling Heights' reputation as an outstanding community in which to locate and operate a business.*
- *To provide staff support to the City's Brownfield Redevelopment Authority, Local Development Finance Authority, Corridor Improvement Authority, and Economic Development Corporation.*

manner. Proposing and implementing economic development programs and functions that address the overall goals of the City Council and City Administration are also primary objectives of this office.■

## Did you know?...

*...the City of Sterling Heights was recognized by the University of Michigan-Dearborn as an Entrepreneurial City for being a 2009 top performer at attracting and retaining entrepreneurial firms?*

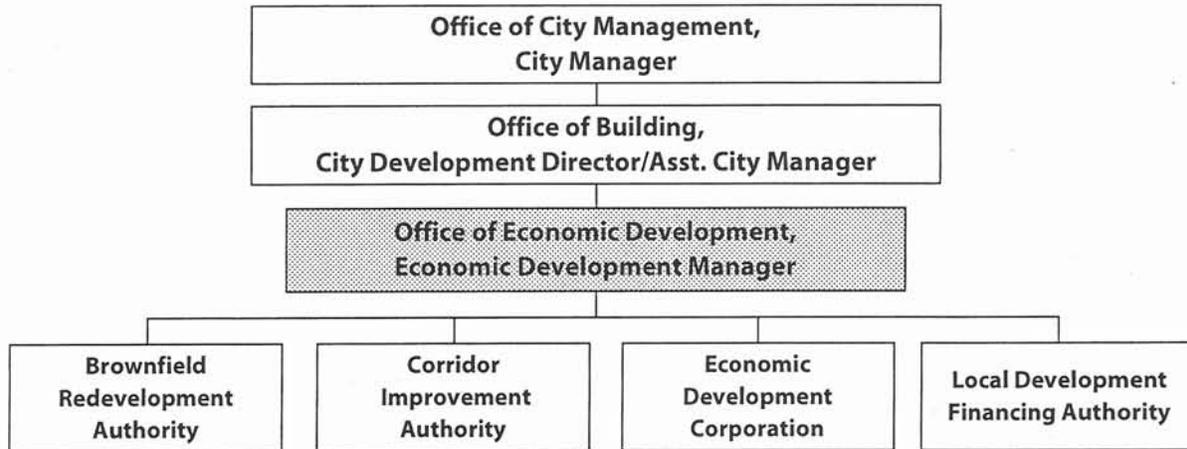
# Economic Development

## 2010/11 PERFORMANCE OBJECTIVES

- To aggressively market the façade improvement program and other incentives available in the Corridor Improvement Authority (CIA) District. (City Goal 8, 9, 10, 11, 13)
- To facilitate the redevelopment of underutilized, contaminated, and functionally obsolete properties through the use of the Local Development Finance Authority and Brownfield Redevelopment Authority, and apply for state grants and loans. (City Goal 10, 21)
- To support the Macomb OU-INCubator and its programs and staff to achieve the ultimate goal of bringing additional companies to the City thereby creating new jobs. (City Goal 8, 10, 13)
- To facilitate growth in the community by reaching out to growing and expanding businesses through the business retention program by creating a business collaborative of eight to ten businesses. (City Goal 8, 10, 13)
- To develop a facility plan for the newly acquired Damman Building and position the facility as a regional Economic Development Asset for Sterling Heights and Macomb County. (City Goal 8, 10, 11, 13)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Brownfield Sites Marketed for Redevelopment	5	5	10	6	4	5
	Redevelopment Projects on Major Corridors	1	1	1	1	1	1
	Retention Calls to Existing Businesses	97	79	65	52	80	60
	Tax Abatements Initiated	4	5	3	5	5	5
	Business Development Contacts Initiated	101	104	100	50	77	100
	Development Opportunities Forum Attendees	N/A	3	30	10	7	20
	Brownfield Applications Processed/Approved	0/0	1/1	1/1	1/1	1/1	1/1
	New Grants Applied For	N/A	1	1	3	2	2
	Façade Grants Applied For	N/A	N/A	N/A	1	0	2
	Regional/State Economic Dev. Committee Meetings	N/A	3	3	3	4	4
	Local Trade Shows Attended	N/A	1	1	3	3	3
	Business Collaborative Meetings Attended	N/A	N/A	N/A	N/A	1	4
	Manufacturing Strategy Meetings Attended	N/A	N/A	6	12	12	6
	Incubator Leadership Meetings Held	N/A	N/A	24	24	24	20
	Corporate Partner Referrals to the Incubator	N/A	N/A	N/A	7	7	5
	Distribution of Marketing Materials	N/A	50	60	70	250	500
	Legislative Contacts	6	6	6	6	6	6
Efficiency & Effectiveness	Value of New Major Comm. Corridor Projects (Millions)	\$13.0	\$41.0	\$0	\$10.0	\$1.7	\$10.0
	Value of Grant Dollars Procured	\$40,000	\$0	\$0	\$1,000,000	\$750,000	\$500,000
	Business Development Meetings Attended	N/A	60	115	40	80	100
	Development Proposals Submitted	N/A	17	25	10	24	24
	Value of Brownfield Investment Approved (Millions)	\$0.0	\$1.6	\$4.9	\$5.0	\$1.7	\$10.0
	Activity Expenditures as % of General Fund	0.17%	0.22%	0.18%	0.18%	0.18%	0.18%

# Economic Development



## STAFFING SUMMARY

Position	2007/08 2008/09	Approved 2009/10	Approved 2010/11
Economic Development Manager	1	1	1
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>

# Economic Development

## SUMMARY OF BUDGET CHANGES

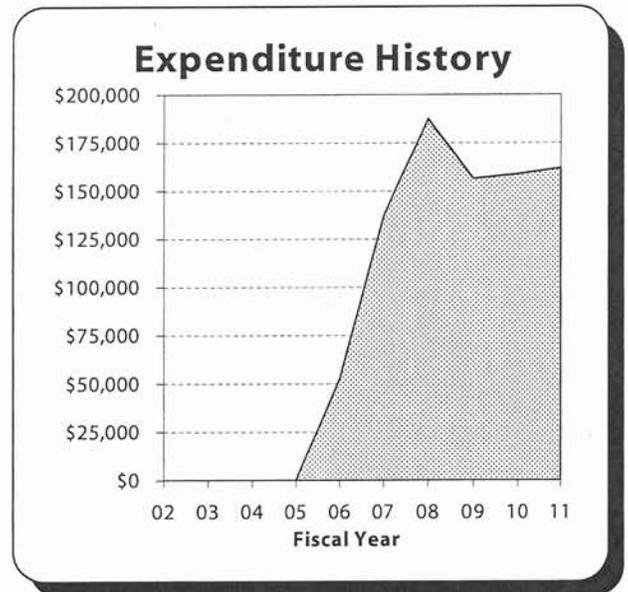
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$3,170 or 2.0% over last year’s budget. An additional \$750 is budgeted to fund retiree medical liabilities, while health insurance costs rose \$710 or 4.9% due to a rate increase. Longevity pay increased, offset by savings in sick time and compensatory time, as well as a decrease in dental insurance costs.

**Supplies** – Total Supplies decreased \$180 or 51.4%. Postage costs decreased \$30 due to the increased use of e-mail and the City’s web site to deliver marketing material. Publication costs decreased \$50 due to the increasing availability of online resources. \$100 was saved, as fewer printer toner cartridges are needed due to the ability to print documents more cost-efficiently on the copier.

**Other Charges** – Total Other Charges increased \$50 or 1.9%. A membership to the International Council of Shopping Centers (ICSC) was added for \$100. Telephone costs increased \$150 based on the current year’s estimated expenditure usage. Funding for printing was eliminated, as marketing messages and presentations will be better delivered utilizing the City’s web site, saving \$200. \$7,500 for the City’s economic development marketing efforts is budgeted in the Economic Development Corporation Fund.

**Capital** – There is no Capital budget for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$151,059	\$155,850	\$154,960	\$159,020	\$159,020
<b>Supplies</b>	249	350	150	170	170
<b>Other Charges</b>	5,102	2,660	2,590	2,710	2,710
<b>Total</b>	\$156,410	\$158,860	\$157,700	\$161,900	\$161,900

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

A \$250,000 grant from the Attorney General of the State of Michigan was awarded to the City of Sterling Heights to combat the residential foreclosure crisis affecting all Michigan communities. It is anticipated, based on this funding level, the overall program strategy will continue until the end of fiscal year 2010/2011. In this time period, foreclosed properties will be identified using lists from tax and mortgage foreclosures, local records, available HUD homes and neighborhood research. These foreclosed properties are then inspected for violations of the City's property maintenance code.

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

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

## KEY GOALS

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

*Did you know?...*

*...through the utilization of a grant from the Attorney General's Office, the City is conducting inspections on foreclosed properties?*

# Foreclosure Relief

## SUMMARY OF BUDGET CHANGES

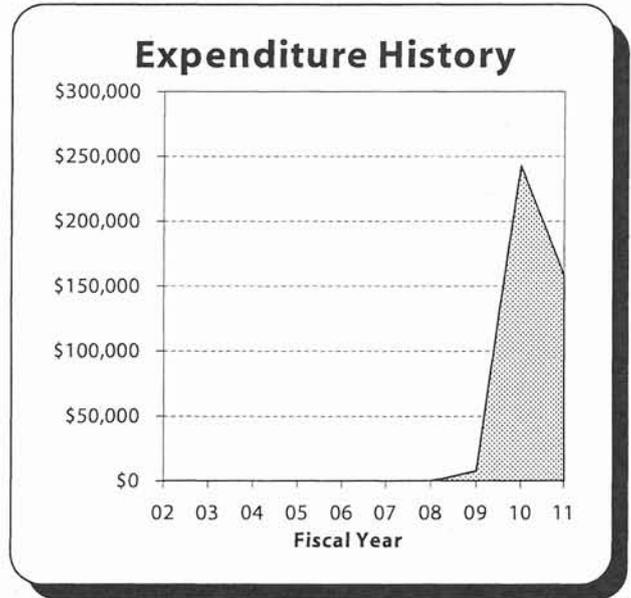
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$84,730 or 42.7%. The decrease is strictly due to the remaining grant funds available under the \$250,000 original foreclosure relief grant. Funding is available for two part-time Code Enforcement Officers to continue inspecting foreclosed properties in the City.

**Supplies** – Total Supplies increased \$100 or 6.7%. Funding for operating supplies increased \$500 as additional letterhead and envelopes are needed due to increased violation activity and notification requirements. Postage costs decreased \$400 as the budget can be reduced and brought more in line with the current year’s projected expenditure level.

**Other Charges** – Total Other Charges increased \$100 or 0.2%. Telephone costs increased \$100 based on the current year’s estimated expenditure usage for two Nextel telephones used by the temporary Code Enforcement Officers.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$6,689	\$198,210	\$82,630	\$113,480	\$113,480
<b>Supplies</b>	722	1,500	1,500	1,600	1,600
<b>Other Charges</b>	74	42,800	400	42,900	42,900
<b>Total</b>	\$7,485	\$242,510	\$84,530	\$157,980	\$157,980

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

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

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

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

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

## KEY GOALS

- *To respond to the needs of end-users in a timely and pleasant manner.*
- *To share query solutions with end-users to encourage self-reliance whenever possible.*
- *To collaborate with user departments to ensure state-of-the-art status on all computer systems.*
- *To standardize workstations throughout the City.*

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

## *Did you know?...*

*...the Office of Information Technology has eliminated the need for T-1 communication lines between City Hall and the Department of Public Works and between City Hall and Fire Station #5?*

# Information Technology

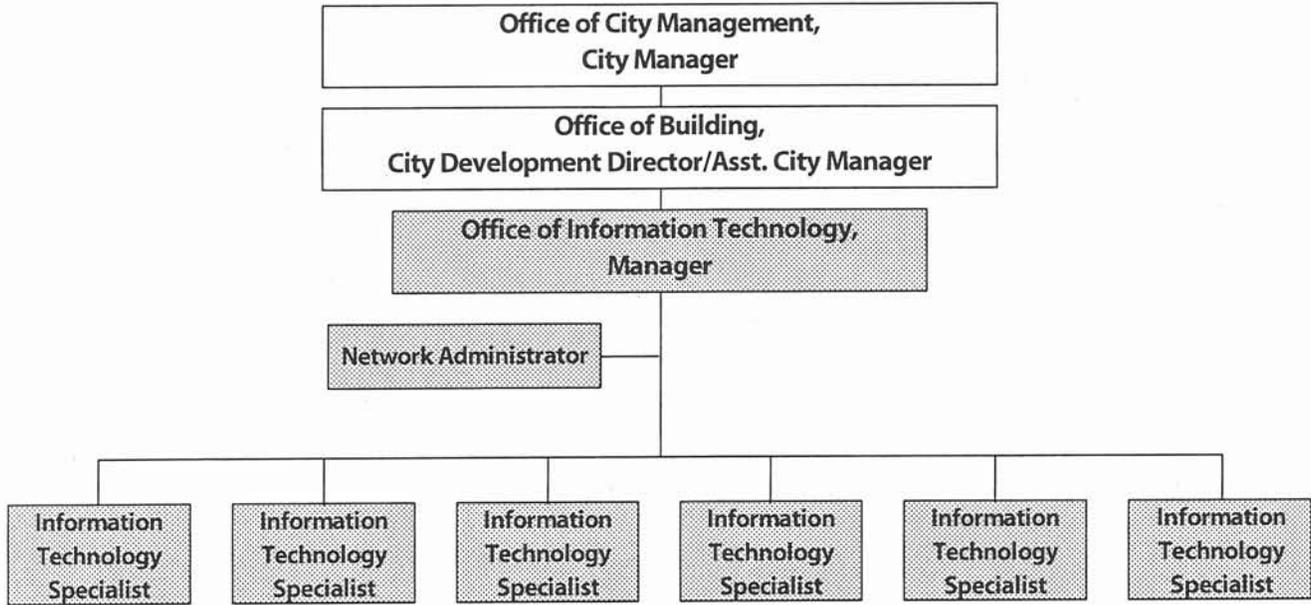
## 2010/11 PERFORMANCE OBJECTIVES

1. To provide technical assistance to the Police and Fire Departments in the implementation and utilization of the New World computer system. (City Goal 17, 18)
2. To assist the Police Department in the successful implementation of the Viper Power 911 application. (City Goal 17, 18)
3. To successfully implement workstation replacements in the offices of City Management, Information Technology, Financial Services, and Community Relations. (City Goal 17, 18)
4. To coordinate the migration of the applications currently residing on the Oracle server to the replacement server. (City Goal 17, 18)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Hardware Platforms Supported - (W2K, MAC, AS400)	4	4	4	4	3	3
	Application Systems Supported - (BS&A, Munis, etc.)	29	29	28	29	29	29
	Software Packages Upgraded	5	5	8	5	5	5
	Hours of Consultant Services Used	625	600	360	0	0	0
	"Help Desk" Calls Received	2,850	2,850	2,800	2,825	2,830	2,830
	Computer Workstations Supported	592	592	598	570	570	560
	Staff Hours Spent Supporting Elections	30	30	35	40	35	35
	Hours Spent on Personal Computer Maintenance	1,220	1,220	1,200	1,200	1,200	1,200
Efficiency & Effectiveness	% of "Help Desk" Calls Resolved within 8 hours	91%	91%	91%	91%	91%	91%
	# of Computer Workstations per FTE	0.82	0.83	0.83	0.85	0.85	0.86
	Telephone System Problems Resolved Within 1 Day	96%	96%	96%	96%	96%	96%
	Staff Training Dollars Expended	\$3,973	\$6,287	\$2,909	\$1,000	\$0	\$0
	% of Revolving 5-year Technology Plan Implemented	58%	80%	85%	90%	90%	90%
	% of Time Computer Network Down	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%
	Overtime/Comp Hours Required to Meet Demand	300	375	200	375	375	375
	Average Annual Cost to Support a PC	\$250	\$275	\$278	*	*	*
	Cost to Support User Systems	\$332,281	\$336,506	\$341,627	*	*	*
	Activity Expenditures as % of General Fund	1.18%	1.22%	1.23%	1.21%	1.24%	1.25%

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

# Information Technology



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Information Technology Manager	1	1	1
Network Administrator	1	1	1
Information Technology Specialist	6	6	6
<b>Total</b>	<b>8</b>	<b>8</b>	<b>8</b>

# Information Technology

## SUMMARY OF BUDGET CHANGES

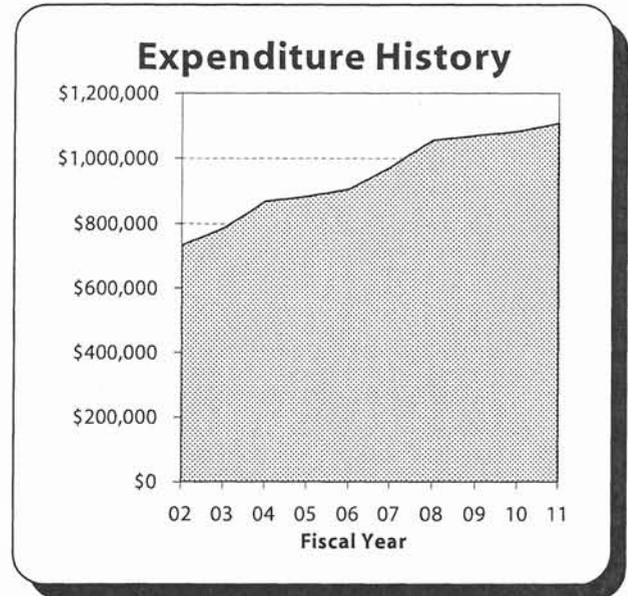
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$23,890 or 2.7%. Employee health insurance costs rose \$10,860 due to a rate increase as well as a change in the number of employee dependents. Pension costs rose \$7,060 and an additional \$4,450 is budgeted to fund retiree medical liabilities.

**Supplies** – Total Supplies decreased \$1,000 or 9.0% due to color printer toner savings.

**Other Charges** – Total Other Charges increased \$1,700 or 1.0%. Contracted service costs increased \$3,550 primarily due to an increase in the maintenance fees for the City’s main servers and higher MUNIS support costs. The increase was partially offset due to a prior year reappropriated encumbrance. Telephone costs increased \$2,000 while equipment maintenance costs fell \$1,780, both based on historic expenditure trends. The training budget decreased \$1,000, as there are no required educational conferences next year. \$670 was saved, as fiber optic lease charges were less than anticipated. A membership was eliminated, saving \$300. Funding for local meetings and printing was eliminated, saving \$100.

**Capital** – Total Capital of \$227,000 is proposed. \$200,000 is for a Fire Records Management System. \$27,000 is for the replacement of 27 six-year old personal computers in the offices of Financial Services, City Management, Community Relations, and Information Technology.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Capital** – Funding was reduced by \$7,000 for the purchase of a maximum of 27 replacement personal computers as a lower per unit cost will be sought or fewer computers will be purchased.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$851,188	\$894,470	\$896,790	\$918,360	\$918,360
<b>Supplies</b>	11,786	11,050	10,200	10,050	10,050
<b>Other Charges</b>	207,329	177,940	176,090	179,640	179,640
<b>Total</b>	\$1,070,303	\$1,083,460	\$1,083,080	\$1,108,050	\$1,108,050

**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.

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

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

## 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.*

decisions, modification, and variance of ordinance requirements, and use variances. The City Planner also serves as liaison to this Board.■

## *Did you know?...*

*...the Office of Planning recently drafted new flexible development and zoning regulations that provide for the economic diversification of distressed and obsolete major industrial sites?*

# Planning

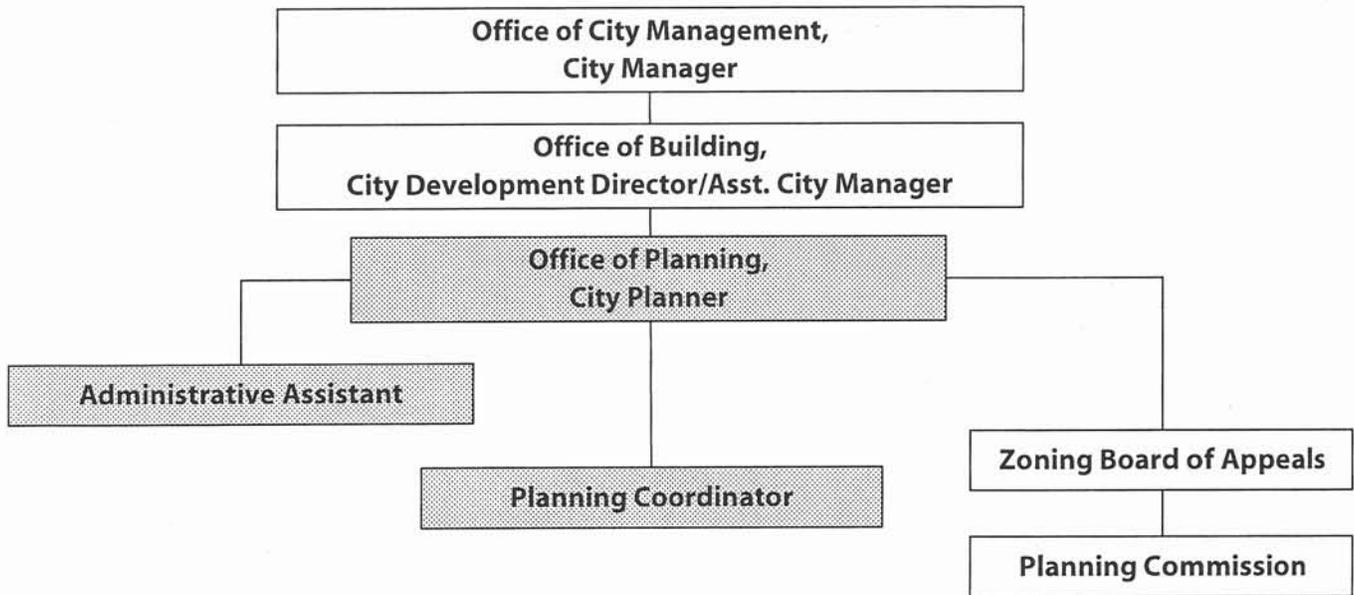
## 2010/11 PERFORMANCE OBJECTIVES

1. To implement Phase IV of the Commercial Reforestation Plan to ensure that these properties are in compliance with City approved landscape plans. (City Goal 13, 15)
2. To promote training programs with the Planning Commission and Zoning Board of Appeals in order to provide up to date information regarding various planning and zoning issues. (City Goal 1, 19)
3. To assist property owners and developers in their efforts to strengthen and redevelop major industrial facilities by following the standards in the newly adopted Major Industrial Facility Redevelopment Options. (City Goal 8, 11)
4. To continue to coordinate the City's Manufacturing Strategy Team meetings. (City Goal 8, 10, 11, 20)
5. To provide technical assistance to the Planning Commission in updating the City's Zoning Ordinance, in order to create opportunities for new or existing businesses, ultimately providing a balanced land use policy. (City Goal 10, 12)
6. To coordinate with Public Works an effort to improve the landscaping maintenance on cul de sac islands in older subdivisions. (City Goal 13, 15)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Site Plans Reviewed	70	109	61	65	45	50
	Land Divisions/Combinations Reviewed	17	19	10	18	12	13
	Rezoning Petitions Processed	7	8	6	8	7	7
	Residential Developments	5	5	3	3	3	2
	Special Approval Land Uses Processed	8	12	6	7	10	10
	Site Inspections Conducted	154	221	294	275	450	425
	Planning Commission Cases Prepared	31	27	17	25	25	24
	Planning Commission Meetings Attended	11	10	9	12	12	12
	Temporary Uses, Variances, & Vacations Reviewed	69	62	62	60	50	50
	Zoning Board of Appeals Cases Prepared	35	27	32	30	30	30
	Zoning Board of Appeals Meetings Held	11	10	11	12	12	12
	City Council Meetings Attended	16	14	13	12	12	13
	Council Agenda Items Prepared	20	21	13	15	12	12
	Zoning Compliance, Use Permits Reviewed	113	364	302	250	250	260
Efficiency	% of Preliminary Site Plans Reviewed w/i 10 days	90%	90%	90%	90%	90%	90%
	% of Final Site Plans Reviewed w/i 3 days	90%	90%	90%	90%	90%	90%
	% of Property Splits Reviewed w/i 2 days	90%	90%	95%	90%	93%	90%
	Average Cost to Review a Site Plan	\$1,578	\$1,219	\$1,518	*	*	*
	Activity Expenditures as % of General Fund	0.41%	0.40%	0.40%	0.40%	0.41%	0.41%

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

# Planning



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
City Planner	1	1	1
Planning Coordinator	1	1	1
Administrative Assistant	1	1	1
<b>Total</b>	<b>3</b>	<b>3</b>	<b>3</b>

# Planning

## SUMMARY OF BUDGET CHANGES

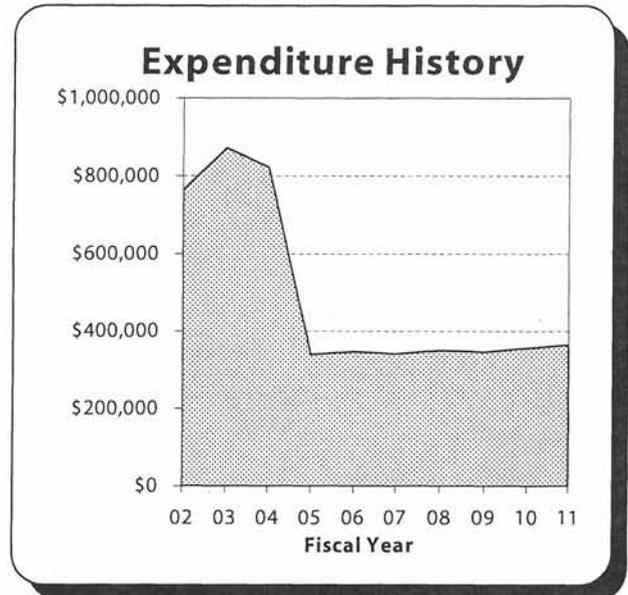
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$8,600 or 2.4%. An additional \$1,890 is budgeted to fund retiree medical liabilities, while pension costs rose \$3,260 based on a recent actuarial report. Employee health insurance costs rose \$1,130 or 5.9% due a rate increase for next fiscal year. Longevity payments rose \$2,740 based on increased years of service for several employees.

**Supplies** – Total Supplies decreased \$340 or 26.2% as fewer toner cartridges are needed due to the elimination of three shared department printers that are no longer needed as the copier is now being used for printing.

**Other Charges** – Total Other Charges increased \$120 or 5.0%. Telephone costs increased \$200 due to a one-time credit in the prior year. \$20 was added due to a slight increase in the American Planning Association (APA) membership fee. Funding for printing and local meeting costs was eliminated, saving \$100, as prior year funds were never needed.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$340,376	\$351,780	\$351,410	\$360,380	\$360,380
<b>Supplies</b>	1,296	1,300	1,000	960	960
<b>Other Charges</b>	4,573	2,420	2,540	2,540	2,540
<b>Total</b>	\$346,245	\$355,500	\$354,950	\$363,880	\$363,880

**MISSION STATEMENT:** *To facilitate the development of a desirable living environment and promote the health, safety and welfare of the community through application of professional principles and the administration of building and zoning codes, engineering standards and City ordinances.*

The Office of Public Services coordinates public services and guides the development of the community in accordance with the goals and objectives established by the City Council and City Manager.

This office coordinates land, easement, and right-of-way acquisitions for public improvements and implements construction of the City's infrastructure scheduled in capital improvement programs and master plans. Grant monies from State, federal and private sources are pursued and closely monitored for park development, roads, tree planting, roadway median landscaping, pedestrian bridges, right-of-way landscaping, bike path construction, and emerald ash borer tree replacement. Public Services provides information to residents regarding water and sanitary sewer connection fees, street lighting, and traffic signs and signals. This office prepares ordinance variance agreements and coordinates activities and decisions involving the City and other agencies such as the Road Commission of Macomb County and the City of Detroit. Multi-jurisdictional contracts are often required with road construction projects. Other activities include the disposal of excess City property, the overseeing of office expenditures, the review of site plans and building plans for appropriate water and sewer connections, the issuance of culvert permits, common area irrigation permits, and monitoring well permits, as well as coordination of traffic engineering studies.

The City's Community Development Block Grant (CDBG) program, which is the annual federal government program that provides grants for community development activities, and the Section 8 Housing Choice Voucher Program, which provides housing and home programs for low-income families, are both administered through Public Services.

In addition, Public Services also administers both the Home Chore and Minor Home Repair Programs

## KEY GOALS

- *To preserve and enhance the City's physical and economic resources.*
- *To promote and support community planning as a guide for resource allocation.*
- *To protect the general public's health, safety, and welfare by developing and enforcing building codes, engineering standards, subdivision regulations, and zoning ordinances.*
- *To provide excellent administrative and support services to boards and commissions.*

utilizing CDBG funds to assist low income seniors with lawn cutting, snow removal, and minor home repairs.

The Public Services Manager serves as liaison to County, State, and federal agencies to synchronize the approval process for orderly and organized project development. The Manager also provides professional, technical and administrative assistance to the Transportation Advisory Committee and serves as Executive Director of the Housing Commission and President of the Schoenherr Towers Resident Advisory Board.■

## *Did you know?...*

*...that Public Services will administer over \$4.5 million American Recovery & Reinvestment Act dollars this year to complete energy efficiency improvements to City buildings and address City foreclosures?*

# Public Services

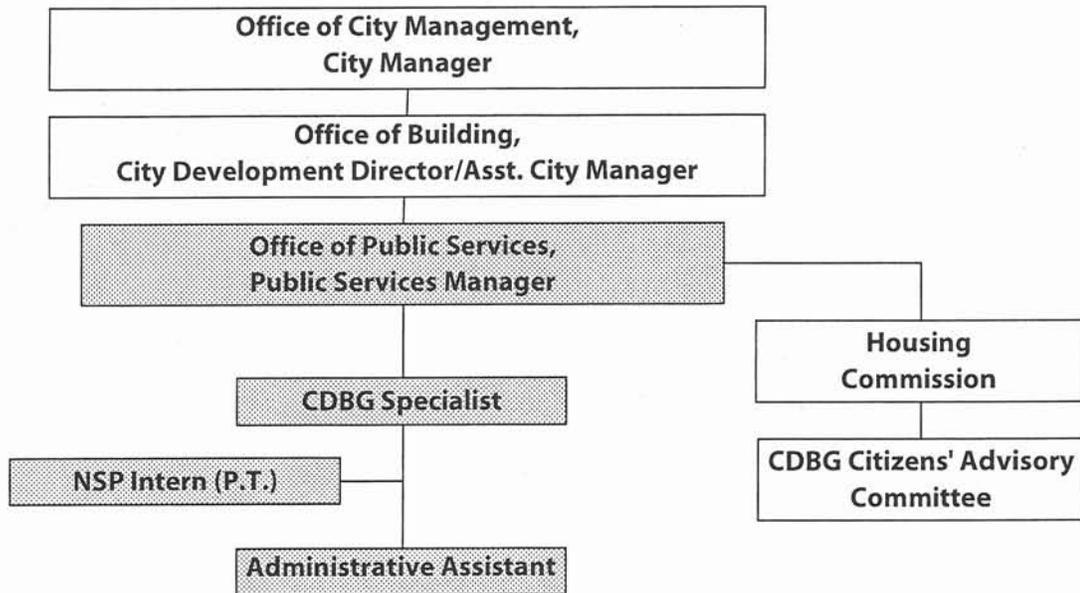
## 2010/11 PERFORMANCE OBJECTIVES

1. To work with the Housing Commission to install a new security system and complete technology upgrades at Schoenherr Towers. (City Goal 13, 15, 16)
2. To administer the Energy Efficiency & Conservation Block Grant program, installing new boilers, chillers, windows, furnaces and roofs at City buildings and to develop a global energy building efficiency plan for all City buildings and City street lighting. (City Goal 6, 13, 17, 18)
3. To assist the Office of Economic Development with its analysis of reinventing the Corridor Improvement Authority District (CIA). (City Goal 8, 9, 10, 11, 13, 14, 15, 26)
4. To utilize grant funds from the Neighborhood Stabilization Program to purchase abandoned commercial property and redevelop the property as a neighborhood park. (City Goal 12, 13, 14, 15)

	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Building Permits & Site Plans Reviewed	300	200	120	100	100	100
	Senior Home Chore Jobs	1,121	1,118	1,120	1,125	1,150	1,150
	W & S Connection Permits Issued (Existing Homes)	9	11	10	10	10	10
	# of CDBG Home Rehab Applications Received	22	16	10	11	20	24
	New Grants Applied For/Grants Received	3/2	1/0	6/5	2/2	8/5	2/2
	Council Meetings Attended	12	10	10	10	8	8
	Housing Commission Meetings Attended	31	26	24	27	25	25
	Rights-of-Way/Easements Acquired	10	27	19	25	19	12
	Citizens Advisory Commission Meetings Attended	6	6	4	6	6	6
	Number of Streetlights in City	2,513	2,520	2,520	2,540	2,520	2,522
	Low/Middle Income Residents Assisted w/CDBG Funds	3,521	3,540	3,772	3,800	3,800	3,850
	Minor Home and Mobile Home Repair Jobs	196	208	220	275	350	350
Efficiency & Effectiveness	% Initial Traffic Requests Responded to w/i 35 days	100%	95%	95%	100%	100%	100%
	% Street Light Problems Addressed w/i 24 Hours	100%	100%	100%	100%	100%	100%
	% of Fire Suppression Plans Reviewed w/i 2 days	100%	100%	100%	100%	100%	100%
	% of W & S Abandonment Requests Issued w/i 1 day	100%	100%	100%	100%	100%	100%
	% of ROW's Acquired Without Condemnation	97%	100%	100%	95%	100%	100%
	% of Easements Acquired Without Condemnation	97%	100%	100%	95%	95%	95%
	% of Grants Successfully Awarded	67%	0%	83%	100%	63%	100%
	% of Substandard Housing Rehab. Contracts Completed	90%	90%	90%	95%	95%	95%
	Avg. Cost to Prepare/Process a Grant Application	\$1,202	\$1,189	\$942	*	*	*
	Avg. Cost to Review a Use Permit Application	\$82	\$94	\$103	*	*	*
	Activity Expenditures as % of General Fund	0.33%	0.34%	0.36%	0.36%	0.38%	0.38%

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

# Public Services



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Public Services Manager	1	1	1
CDBG Specialist	1	1	1
Administrative Assistant	1	1	1
NSP Intern (P.T.)	1	1	1
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>

# Public Services

## SUMMARY OF BUDGET CHANGES

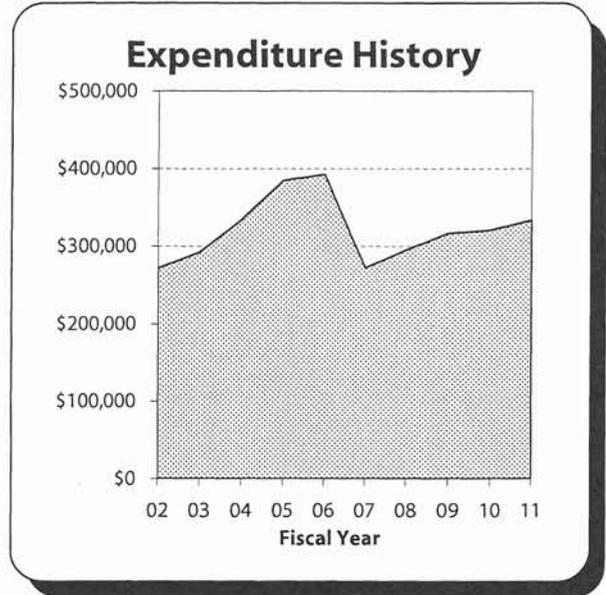
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$12,750 or 4.0%. Wages rose \$5,440 as a position was reclassified in the prior year. Overtime costs rose \$1,950 due to the increased workload from the new Energy Efficiency & Conservation Block Grant and Neighborhood Stabilization programs. An additional \$1,640 is budgeted to fund retiree health insurance obligations, while pension costs rose \$1,610. Employee health insurance costs rose by 6.3% or \$1,590.

**Supplies** – Total Supplies decreased \$360 or 40.0%. \$200 was saved, as documents are now printed more cost-efficiently on the department copier, and printer toner cartridges are no longer needed. Postage costs decreased \$160 as grant applications will be completed on line and e-mail will be used to deliver Housing Commission agenda materials.

**Other Charges** – Total Other Charges increased \$280 or 20.9%. Telephone costs increased \$350 based on recent expenditure trends and a one-time prior year credit. \$10 was added due to a slight increase in the American Public Works Association (APWA) membership fee. The budget for printing and contracted service costs was eliminated, saving \$80, as prior year funds were never needed.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

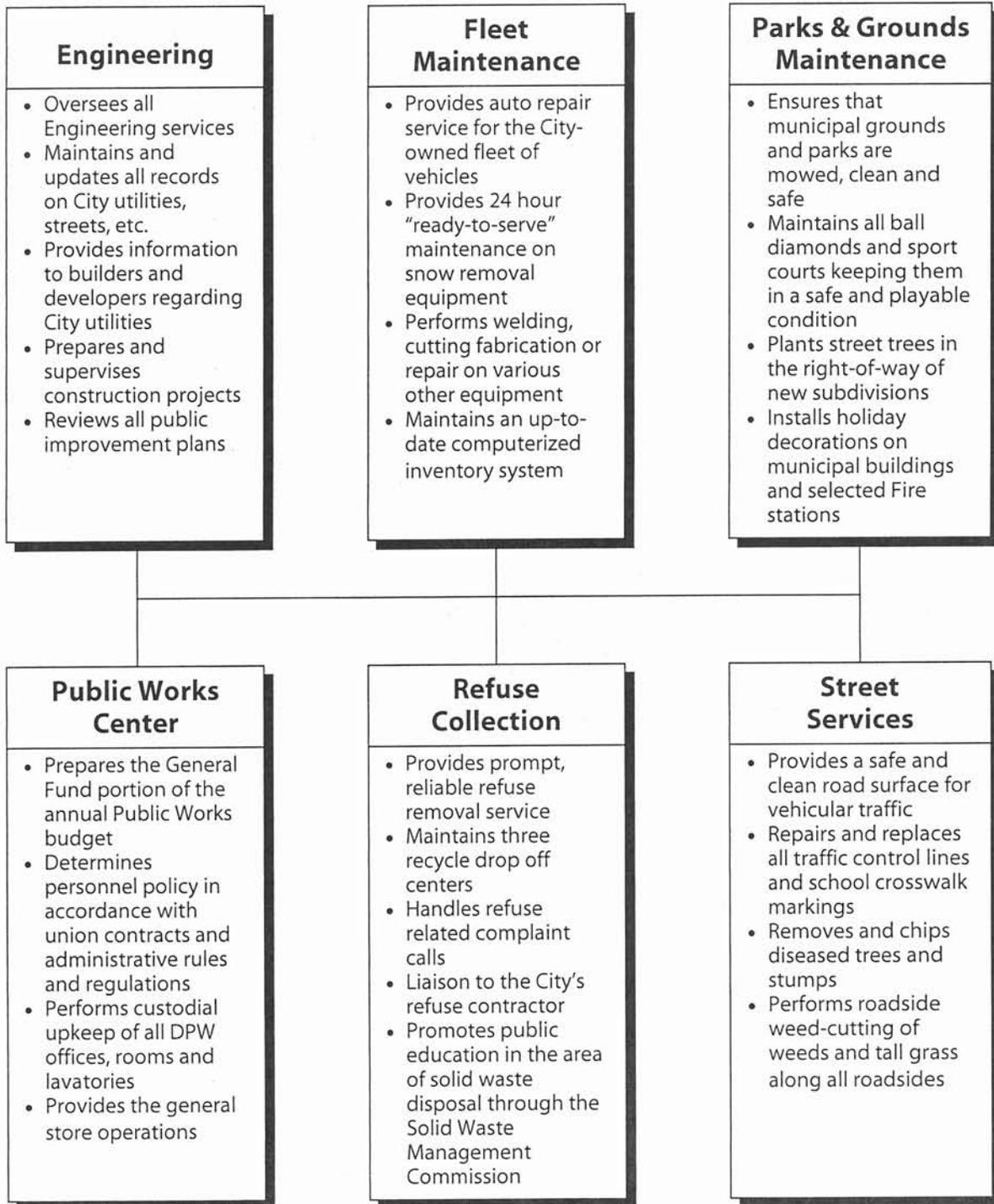
	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$313,680	\$318,730	\$326,430	\$331,480	\$331,480
<b>Supplies</b>	981	900	540	540	540
<b>Other Charges</b>	1,736	1,340	1,520	1,620	1,620
<b>Total</b>	\$316,397	\$320,970	\$328,490	\$333,640	\$333,640

# Public Works Department



# FUNCTIONAL ORGANIZATION CHART

## Public Works Department



# DEPARTMENT AT A GLANCE

## Public Works Department

### BUDGET SUMMARY

The Public Works budget decreased by \$269,060 or 3.3%. Personnel costs fell by \$174,250 or 2.8% as funding for three vacant full-time and one part-time position has been reduced, saving \$263,890. An Engineering Services Manager has been eliminated due to a reorganization, while in Fleet Maintenance a Mechanic and Storekeeper are proposed to be eliminated. The department anticipates only a slight delay in vehicle maintenance and repairs, while the general stores counter will be staffed on a more limited basis. No cost of living wage increases are budgeted

due to successful labor concession agreements. The Supplies budget decreased by \$54,570 or 3.6% due to lower fuel costs and the planting of fewer annual flowers at municipal sites. Other Charges declined by \$40,240 or 7.3% due to energy and retention pond maintenance savings, partially offset by the increased demand for cutting grass at vacant properties. The capital budget includes pump station repairs, two salt brine dispensing systems, a replacement Tandem Axle Dump Truck for the City's snow plowing operations, and a replacement Engineering vehicle.

### FUNDING LEVEL SUMMARY

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Engineering	\$1,701,260	\$1,626,840	\$1,662,170	\$1,583,760	-4.7%
Fleet Maintenance	2,927,750	2,734,900	2,807,280	2,611,760	-7.0%
Parks & Grounds Maint.	1,360,640	1,414,900	1,427,300	1,421,270	-0.4%
Public Works Center	592,450	698,700	438,590	406,580	-7.3%
Street Services	1,954,680	2,095,730	1,909,160	1,952,070	2.2%
<b>Total Department</b>	<b>\$8,536,780</b>	<b>\$8,571,070</b>	<b>\$8,244,500</b>	<b>\$7,975,440</b>	<b>-3.3%</b>
Personnel Services	\$6,461,320	\$6,567,860	\$6,178,550	\$6,004,300	-2.8%
Supplies	1,614,030	1,485,400	1,511,210	1,456,640	-3.6%
Other Charges	461,430	517,810	554,740	514,500	-7.3%
<b>Total Department</b>	<b>\$8,536,780</b>	<b>\$8,571,070</b>	<b>\$8,244,500</b>	<b>\$7,975,440</b>	<b>-3.3%</b>

### PERSONNEL SUMMARY

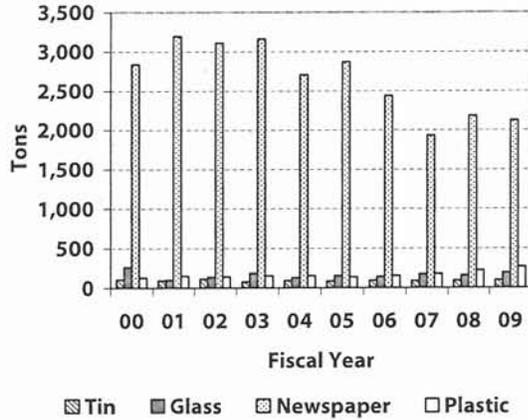
	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time						
Engineering	16	3	15	2	14	0	13	0
Fleet Maintenance	14	1	14	1	14	1	12	1
Parks & Grounds Maint.	13	8	12	8	12	8	12	7
Public Works Center	3	0	3	0	1	0	1	0
Street Services	21	2	21	2	19	2	19	2
<b>Total Department</b>	<b>67</b>	<b>14</b>	<b>65</b>	<b>13</b>	<b>60</b>	<b>11</b>	<b>57</b>	<b>10</b>

Excludes Refuse Collection.

# KEY DEPARTMENTAL TRENDS

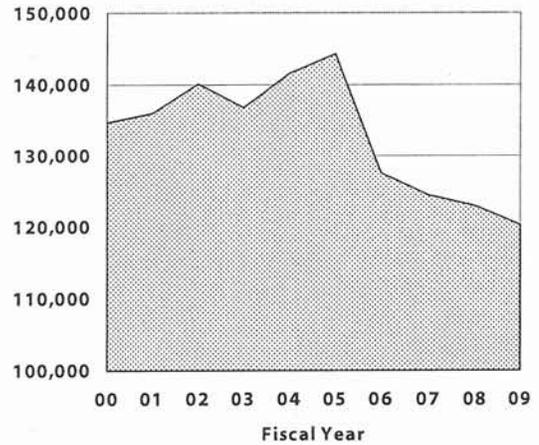
## Public Works Department

### Recycling Center Collections



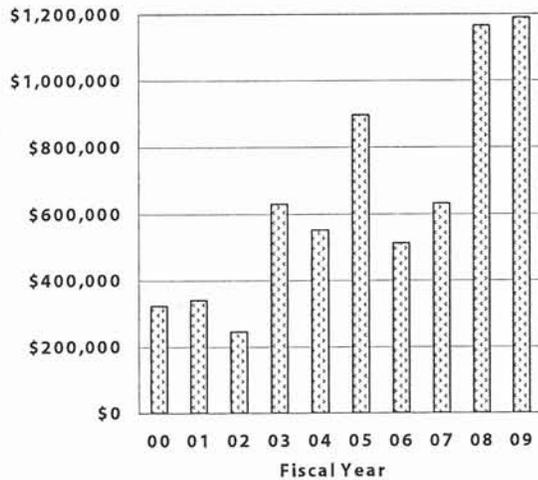
The amount of newspaper recycled at the three drop-off recycling centers has declined due to the growth in the number of non-city newspaper recycling sites. However, the growth in recycling and the composting of yard waste have still allowed the City to reduce the amount of refuse landfilled by 46% over the past 18 years. The average homeowner pays only \$67 per year for trash pickup, which is much lower than most communities. Only three other cities in a recent national study had a lower recycling cost per ton recycled.

### Cubic Yards of Refuse Landfilled



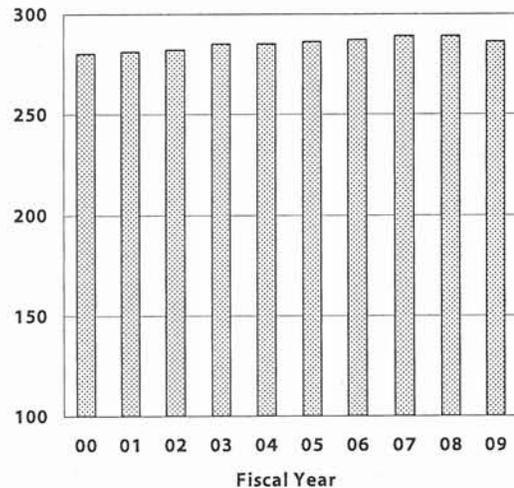
Despite the separate collection of yard waste, which is now composted, and additional Recycling Center collections, the cubic yards of refuse landfilled in the City had generally increased due to overall population growth. Starting in 2006 however, the amount of refuse landfilled started to decline and is now only 120,254 cubic yards in 2009, as fewer apartment complexes and mobile home parks elected to receive City service.

### Snow Removal Costs



The City's snow and ice removal costs have generally been increasing over the past ten years due to growth in the City and an increased number of City streets. Expenditures decreased in some years due to warmer winters or reduced snow falls. Due to heavy snowfall in 2005, costs totaled \$896,000. Due to heavy snowfalls, costs rose again in 2008 and 2009 to nearly \$1.2 million – a ten year high.

### Miles of Secondary Roads



Due to an increasing number of subdivisions in the City, the number of secondary or local roads has been slowly increasing over the past ten years.

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

The Engineering activity falls within the Public Works Department of the City Administration organizational structure. Major responsibilities include the supervision and performance of all engineering services of the City. Engineering is responsible for the development of master plans and programs for public improvements, supervision, and inspection of all improvements constructed by or for the City.

Engineering maintains and updates, on a regular basis, all records of City utilities, streets, properties including parks, zoning changes, rights-of-way and addresses. Updating of Engineering records is necessary when changes are made or become available through other City departments.

Information is provided to prospective developers, builders, and consulting engineers on the availability, size, and location of all City utilities. Information is also provided to residents and other interested parties on scheduled or future public improvements.

Engineering reviews all planned public improvements. The review of these plans generates revenue to the City's General Fund.

The engineering design, administration, and inspection of City projects, City awarded contracts, and subdivision sites generate revenues of nearly \$1.2 million per year.

Engineering prepares the plans and specifications and supervises construction of all projects authorized by City Council.

The Soil Erosion and Sedimentation Control Program is administered by the Engineering Office as required by the State of Michigan and the National Pollutant Discharge Elimination System Program. Plans for private development are submitted to Engineering to review for conformance to City standards and specifications. After plans are approved and implemented by the private developer, inspections are conducted to ensure conformance with City ordinance and the

## 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.*

State of Michigan Soil Erosion and Sedimentation Control Act.■

## *Did you know?...*

*...the Office of Engineering efficiently prepared plans and specifications to become the first local community within Macomb County to begin construction on an American Reinvestment and Recovery Act funded road project - the resurfacing of 15 Mile Road from Mound to Van Dyke?*

# Engineering

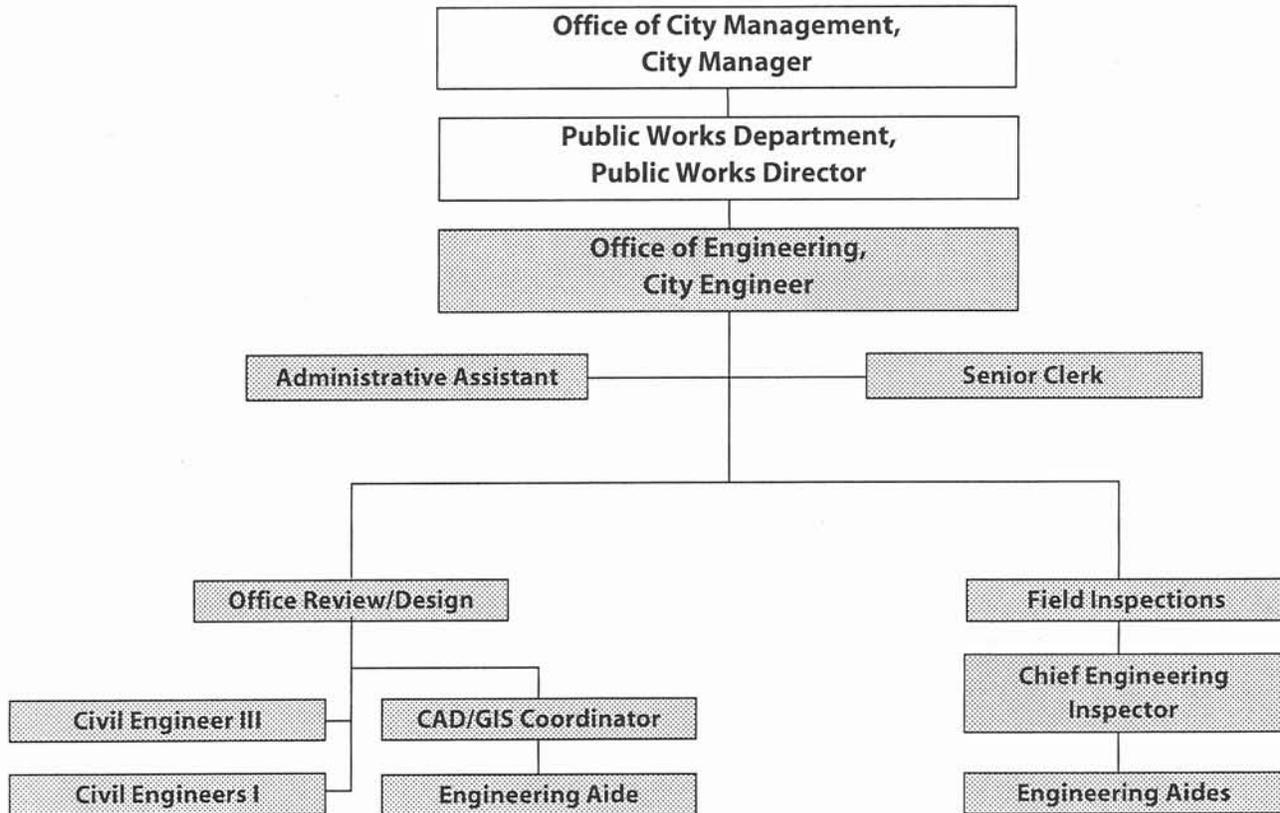
## 2010/11 PERFORMANCE OBJECTIVES

1. To analyze the Gainsley sanitary sewer relief system and flow analysis and to proceed with restoring the road. (City Goal 6, 22)
2. To review the water reliability study and improve the City's water distribution system by implementing projects recommended in the study. (City Goal 6)
3. To continue the implementation of an interactive GIS system and the creation of applications of the system for various City departments. (City Goal 17)
4. To pursue grants to improve traffic flow and safety at major road intersections and soil erosion management for the Clinton River. (City Goal 21)
5. To work with Community Relations to establish a median maintenance sponsorship model for businesses to enhance the aesthetics of the City's road medians, including Van Dyke and Mound Roads. (City Goal 21)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Site Plans Approved	55	32	25	34	28	30
	Subdivision Plans Approved	0	0	0	0	0	0
	Land Divisions Reviewed	25	17	8	12	10	12
	Plot Plan/Grading Plans Approved	9	1	2	4	2	2
	Utility Company Permits Issued	72	82	20	40	40	30
	SESC Permits Issued	50	32	38	32	40	40
	Value of Const. Contracts Awarded & Supervised	\$4.3M	\$5.7M	\$2.0M	\$8.7M	\$4.6M	\$5.7M
	Personnel Contacts with Business - Counter	1,809	1,417	1,150	1,300	1,700	1,500
	Personnel Contacts with Business - Phone	7,459	7,065	4,750	4,500	4,600	4,500
	Miles of Sidewalks In City	607	608	609	611	611	612
	Service Requests Processed	695	611	752	675	620	650
	Inspection Revenues Generated	\$776,818	\$502,307	\$551,459	\$590,000	\$476,000	\$490,000
	SESC Inspection Revenues Generated	\$7,844	\$48,354	\$53,830	\$60,000	\$50,000	\$50,000
	Construction Project Design Revenues	\$483,700	\$508,279	\$400,233	\$450,000	\$600,000	\$450,000
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	81%	97%	88%	90%	80%	90%
	% of Utility Company Permits Reviewed w/i 15 days	72%	80%	90%	90%	90%	90%
	% of Plot or Grading Plans Reviewed w/i 10 days	78%	100%	100%	100%	100%	100%
	% of Capital Projects Completed w/i 5% of Bid Costs	87%	91%	88%	85%	85%	85%
	Engineering Inspection Hrs. Required to Meet Demand	9,022	5,648	6,638	5,000	5,500	5,000
	Engineering Inspection Cost Per Hour	\$86.10	\$88.94	\$83.08	*	*	*
	Activity Expenditures as % of General Fund	2.12%	1.97%	1.87%	1.86%	1.79%	1.78%

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

# Engineering



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
City Engineer	1	1	1
Engineering Services Manager	1	1	0
Civil Engineer III	1	1	1
CAD/GIS Coordinator	1	1	1
Chief Engineering Inspector	1	0	1
Engineering Aide	6	6	5
Civil Engineer I	2	2	2
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
G.I.S. Intern (P.T.)	1	0	0
Co-op (P.T.)	1	0	0
<b>Total</b>	<b>17</b>	<b>14</b>	<b>13</b>

# Engineering

## SUMMARY OF BUDGET CHANGES

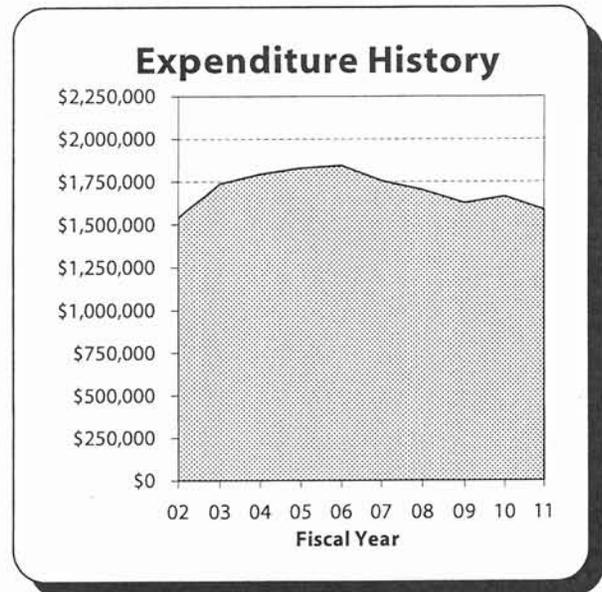
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$74,110 or 4.5%. Due to lower development activity, a vacant Engineering Services Manager position is recommended to be frozen, saving \$120,000. The Chief Engineering Inspector position is recommended to be filled by promoting and not back filling one Engineering Aide position, for a net cost of \$11,000. Pension costs rose \$12,250, while an additional \$8,180 is budgeted to fund retiree medical liabilities. Although no wage increase is budgeted, five positions are not at their top wage step and, as a result, will receive wage step increases.

**Supplies** – Total Supplies decreased \$500 or 5.6% as funding for postage can be reduced and brought more in-line with prior year actual expenditure levels.

**Other Charges** – Total Other Charges decreased \$3,800 or 32.4%. The budget decreased \$3,000 as funding for the Geographical Information System (GIS) software maintenance and support fees is now budgeted in the Water Distribution activity. \$800 was saved due to lower copier rental and usage fees. Funding for training decreased \$250. The local meeting budget of \$50 was eliminated, as prior year funds were not needed. \$240 was added for two required Citywide memberships to the American Public Works Association (APWA). Telephone costs increased \$160 due to a one-time AT&T credit last year.

**Capital** – Total Capital of \$16,000 is proposed for a Mid-Size SUV to replace a ten-year old vehicle with over



100,000 miles that is used to access construction sites and transport survey equipment. This is the first Engineering vehicle purchased in seven years.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,610,342	\$1,641,450	\$1,547,760	\$1,567,340	\$1,567,340
<b>Supplies</b>	8,943	9,000	8,300	8,500	8,500
<b>Other Charges</b>	7,558	11,720	7,880	7,920	7,920
<b>Total</b>	\$1,626,843	\$1,662,170	\$1,563,940	\$1,583,760	\$1,583,760

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

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

The Division is "ready to serve". Twenty-four (24) hour service is available for repairs required on snow removal equipment during a snow emergency, pumps during flood control operations, or Fire Department equipment at a fire scene.

This program includes the maintenance and repair of the City-owned fleet of vehicles and equipment on an as-needed basis. Approximately 48 pieces of heavy equipment, 275 pieces of various equipment ranging from chainsaws to tractors and 250 cars and trucks are repaired. Preventative maintenance is performed on approximately 660 vehicles or pieces of equipment. Also included is the repair and preventative maintenance on over 50 Fire Department emergency vehicles, as well as numerous miscellaneous emergency equipment. Fleet Maintenance provides road call service to vehicles in the field to minimize down time. Fleet Maintenance performs welding, cutting, fabrication, repair of park gates, play apparatus, bike racks, bleachers, retention pond gates, pumping stations, and many other repair projects. This Division repairs heating-cooling and exhaust systems, bridges, and guardrails. This involves the planning and designing of modifications performed on various pieces of equipment.

Another responsibility of Fleet Maintenance is to maintain an up-to-date inventory of frequently used parts and a computerized inventory system. This inventory system ensures that a sufficient quantity of proper parts, tools, and materials are stocked. This Division also distributes parts and tools as necessary.

Fleet Maintenance maintains its own records and files. On a daily basis, a record of fuel being dispensed from the pumping facilities is maintained to ensure sufficient availability.

## KEY GOALS

- *To provide an effective vehicle/equipment repair program in order to maintain a full complement of vehicles/equipment in service.*
- *To maintain an adequate parts inventory to minimize downtime.*
- *To provide a preventative maintenance program on a scheduled basis consistent with manufacturer's recommendations and professional standards.*
- *To provide preseason maintenance and winterization programs for spring/winter equipment.*
- *To recommend specifications for the purchase of vehicles/equipment and the economical replacement of the City fleet.*

This Division also performs an annual physical inventory to count and record each stock item by identifying quantity, location, and price. ■

### *Did you know?...*

*...that Fleet Maintenance performs preventative maintenance on more than 300 vehicles and pieces of equipment, and last fiscal year they completed 626 comprehensive vehicle maintenance requests?*

# Fleet Maintenance

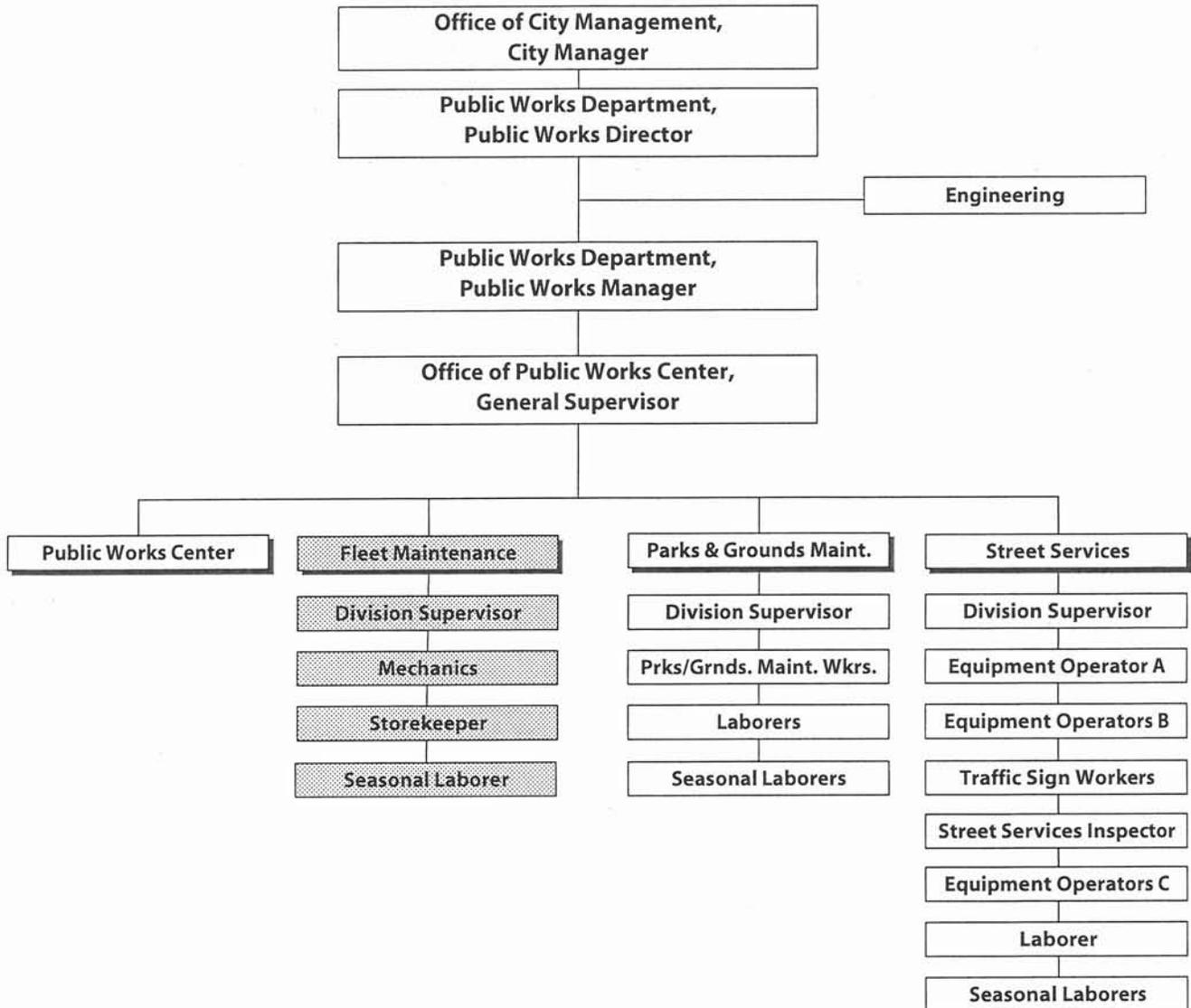
## 2010/11 PERFORMANCE OBJECTIVES

1. To investigate the feasibility of using synthetic lubricants to extend the recommended interval between vehicle preventive maintenance. (City Goal 3)
2. To convert all police patrol and traffic units to the new hard drive video recorders, eliminating costly repairs and reducing vehicle downtime and to install replacement mobile computer terminals. (City Goal 3)
3. To monitor the recently revised City car wash policy. (City Goal 3)
4. To explore further Fleet Maintenance service sharing opportunities in order to reduce costs. (City Goal 2, 3)
5. To continue reviewing the size of the City's vehicle fleet for optimal efficiency. (City Goal 3, 5)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Full Service Preventive Maintenances Performed	697	656	626	700	636	650
	Preseason Maintenance - Trucks with Plows	38	40	42	43	43	43
	Preseason Maintenance - Tractors/Flail Mowers	13/13	13/13	13/13	13/13	13/13	13/13
	Preseason Maintenance - Snow Plows	38	40	42	43	43	43
	Preseason Maintenance - Salt Spreaders	21	23	23	23	23	23
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	49	50	50	50	49	49
	Fire Trucks Prepared & Pump Tested	10	10	10	10	10	10
	Vehicle Tires Replaced	579	623	597	650	620	600
	Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	87%	88%	89%	90%	88%
Avg. Time to Perform Maintenance on a Car (Mins.)		48	48	48	48	48	55
Average Age of Police Vehicles (Years)		2.5	2.4	2.5	2.6	2.6	2.6
Average Age of Fire Vehicles (Years)		9.5	9.0	9.5	10.0	10.0	10.0
% of Snow Removal Vehicles & Equipment Available		97%	95%	96%	99%	94%	95%
% of Snow Vehicles & Equip. Prepared by Nov. 15		98%	99%	98%	100%	96%	100%
% of Front Line Fire Pumper Trucks Avail. for Service		95%	96%	95%	98%	97%	99%
% of Actual Inventory to Inventory Ledger		98%	98%	96%	99%	98%	99%
Cost of a Passenger Car Oil Change		\$20.69	\$21.89	\$22.92	*	*	*
Preventive Maintenance Cost of a Passenger Car		\$56.74	\$57.17	\$58.26	*	*	*
Activity Expenditures as % of General Fund		2.99%	3.38%	3.14%	3.14%	2.96%	2.94%

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

# Fleet Maintenance



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Division Supervisor	1	1	1
Mechanic	11	11	10
Storekeeper	2	2	1
Seasonal Laborer	1	1	1
<b>Total</b>	<b>15</b>	<b>15</b>	<b>13</b>

# Fleet Maintenance

## SUMMARY OF BUDGET CHANGES

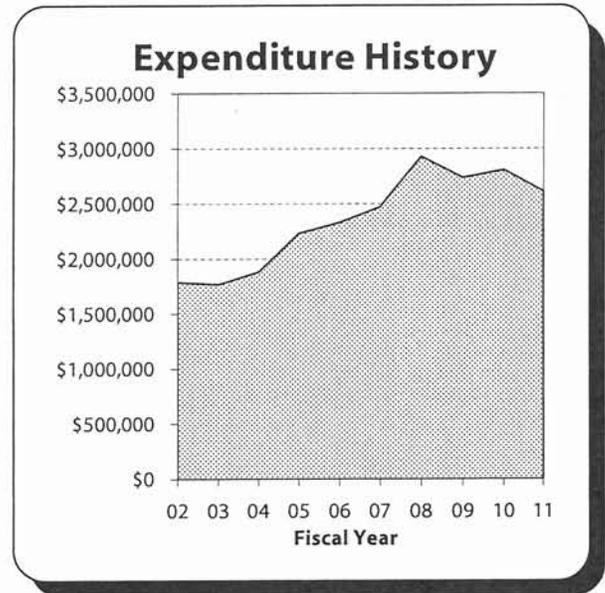
### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$147,030 or 10.8%. A vacant Mechanic position is proposed to be eliminated, saving \$70,000 in wage and benefit costs. Only a slight delay in vehicle repairs is expected. In addition, a vacant Storekeeper position has been eliminated, saving \$63,000. The general stores parts counter will be staffed on a more limited basis. Funding for a part-time Seasonal Laborer position has been reduced by \$6,120, as other City staff will assist in picking up vehicle parts. Pension costs rose \$11,360, while an additional \$6,470 is budgeted to fund retiree medical liabilities.

**Supplies** – Total Supplies decreased \$48,000 or 3.4%. Fuel costs decreased \$50,000 to bring the budget more in line with prior year actual expenditure trends. \$2,000 was added to the budget due to increased costs of vehicle fluids and lubricants.

**Other Charges** – Total Other Charges decreased \$490 or 3.9%. Hazardous waste disposal costs decreased \$500, as prior year funds were never fully spent. \$10 was added due to a slight increase in existing American Public Works Association (APWA) membership fees.

**Capital** – There is no Capital proposed for this activity.



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

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,328,043	\$1,365,570	\$1,275,550	\$1,218,540	\$1,218,540
<b>Supplies</b>	1,390,930	1,429,150	1,290,140	1,381,150	1,381,150
<b>Other Charges</b>	15,927	12,560	13,010	12,070	12,070
<b>Total</b>	\$2,734,900	\$2,807,280	\$2,578,700	\$2,611,760	\$2,611,760

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

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

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

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

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

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

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

## KEY GOALS

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

## *Did you know?...*

*...the Parks and Grounds Maintenance division cuts and trims over 10,000 acres of park land each year in the City's 28 developed major and neighborhood parks?*

# Parks & Grounds Maintenance

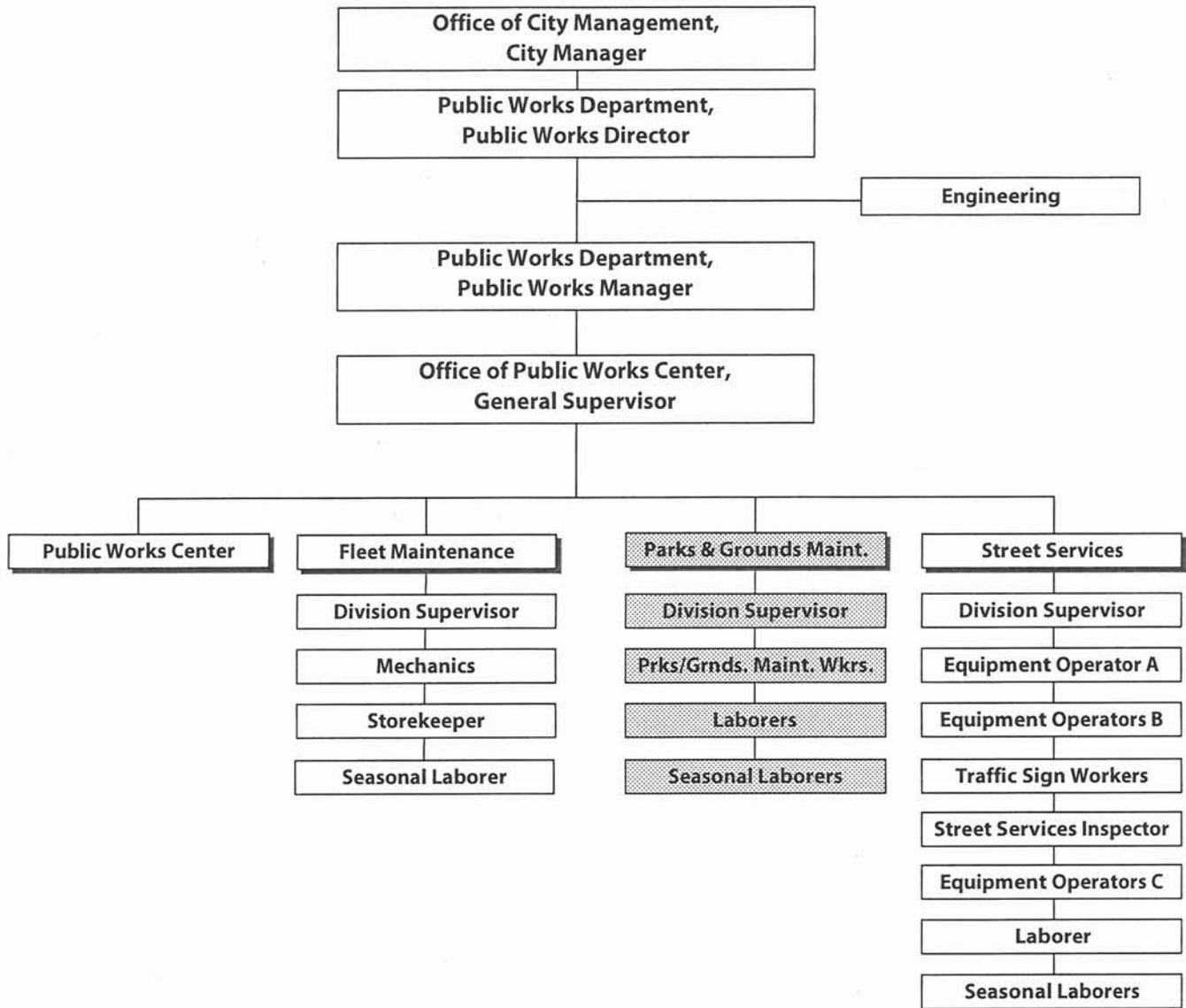
## 2010/11 PERFORMANCE OBJECTIVES

1. To replenish decomposing fibar wood mulch material around park play apparatus in order to maintain a safe, cushioned play surface. (City Goal 3)
2. To improve parking lot safety at Hampton Park so as to improve the safety of park users and enhance the overall park aesthetics. (City Goal 3)
3. To enhance the restroom facilities at the City's major parks by replacing obsolete equipment and painting the inside and outside of buildings. (City Goal 3)
4. To improve the entrances leading into Nelson Park, Riverland Park, and the Delia Park tennis court area through enhanced plantings and landscaping. (City Goal 3)
5. To research further park maintenance cost saving measures and service sharing and contractual service opportunities. (City Goal 2, 3)
6. To develop a formal maintenance schedule and plan for all City parks. (City Goal 20, 27)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Street Trees Planted	389	325	154	400	190	200
	Street Trees Trimmed (Subcontracted)	7,028	5,260	4,400	3,500	3,500	0
	Street Trees Trimmed (In-House)	485	240	310	1,000	1,860	1,000
	Cuttings/Trimming - 28 Parks (559 of the 820 Acres)	19	19	19	19	19	19
	Cuttings/Trimming - 9 Municipal Sites (Subcontracted)	30	30	30	30	30	30
	Ball Diamond Maintenances Performed	1,125	1,028	1,325	1,000	1,000	1,000
	Soccer/Football Fields Relined	247	250	162	250	250	250
	Snow/Ice Control Call-Ins	12	14	26	15	10	15
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	73	118	112	80	80	80
	Cleaning of Restroom Facilities	880	880	880	880	880	880
	Trash Collection Days-Parks & Municipal Sites	200	200	200	200	200	200
Efficiency & Effectiveness	Injuries Claimed to be Fault of Grounds or Equipment	0	0	0	0	0	0
	% of Hazardous Apparatus Responded to w/i 24 hrs.	100%	100%	100%	100%	100%	100%
	% of City Easement Trees Routinely Maintained	20%	20%	20%	10%	10%	10%
	Cost to Mow an Acre of Parkland	\$42.79	\$42.24	\$43.04	*	*	*
	Activity Expenditures as % of General Fund	1.68%	1.57%	1.62%	1.60%	1.60%	1.60%

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

# Parks & Grounds Maintenance



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Division Supervisor	1	1	1
Parks & Grounds Maintenance Worker	6	6	6
Laborer	5	5	5
Seasonal Laborer	8	8	7
<b>Total</b>	<b>20</b>	<b>20</b>	<b>19</b>

# Parks & Grounds Maintenance

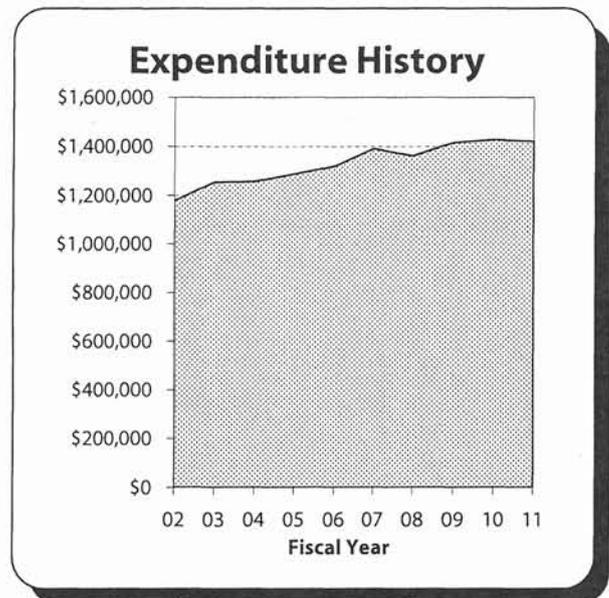
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$27,720 or 2.4%. Wages rose \$14,110 as five employees are not yet at the top wage step. An additional \$5,220 is budgeted to fund retiree health insurance obligations, while \$9,140 is for higher pension contributions. Employee health insurance costs rose \$11,370. One part-time Seasonal Laborer position is proposed to be eliminated, saving \$10,890

**Supplies** – Total Supplies decreased \$6,020 or 12.3%. Funding for operating supplies decreased \$1,020 due to a prior year reappropriated encumbrance and a cost savings from calcium chloride pellets and salt. \$5,000 was saved as staff will transfer and plant perennials in place of many annuals at City buildings.

**Other Charges** – Total Other Charges decreased \$27,730 or 11.3%. Funding for retention pond maintenance can be reduced \$15,000, as this is now being performed more cost-efficiently in conjunction with retention pond grass cuttings. Contracted service costs decreased \$5,000 based on recent expenditure trends and lower contract costs for the mowing of municipal grounds. Electric costs decreased \$4,000 as the City switched from an electric pump to gravity drainage at one of its pump stations. Funding for parks and grounds maintenance costs decreased \$2,500 based on historic actual expenditure levels. Water costs decreased by \$1,000. \$110 was saved as the Michigan Turf Grass Foundation membership was eliminated. Educational funding decreased \$100.



**Capital** – There is no Capital proposed for this activity.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,154,117	\$1,131,910	\$1,132,040	\$1,159,630	\$1,159,630
<b>Supplies</b>	54,522	49,010	44,010	42,990	42,990
<b>Other Charges</b>	206,259	246,380	220,780	218,650	218,650
<b>Total</b>	\$1,414,898	\$1,427,300	\$1,396,830	\$1,421,270	\$1,421,270

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

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

The Public Works Center provides the general stores operations, parts and operating supplies storage and distribution, building and facility maintenance, and inventory and custodial services.

The General Stores function covers the purchase, distribution, storage, inventory, and security control of small hand tools, materials, and supplies. Records of all purchases as well as disbursement transactions are maintained and updated daily. Material safety data sheets are recorded, filed, and displayed according to Environmental Protection Agency (EPA) guidelines. An annual physical inventory is conducted to verify actual stock on hand as it compares to inventory ledgers.

The Facility Maintenance and Repair Program includes the facilitation of required repairs and maintenance of the Public Works Facility including general cleaning, internal and external electrical and lighting repairs, minor plumbing repairs, vehicle door repair, and maintenance of facility equipment. This program also includes the preventive maintenance contract on the furnaces and air conditioning equipment at the Public Works Facility. ■

## KEY GOALS

- *To identify service priorities and establish procedures that effectively utilizes departmental resources to accomplish the goals and objectives.*
- *To ensure accountability and monitor the status of departmental performance relative to the goals and objectives.*
- *To provide for storage and distribution of a practical supply inventory for all DPW divisions and other City departments.*
- *To ensure a safe work environment, schedule training, and improve safety awareness.*
- *To maintain a positive, competitive, service-oriented public image.*

### *Did you know?...*

*...that a Public Works Center employee oversees the Median Mowing Contract, contracted Tree Removal Program, Mosquito Spraying Program, and Stormwater Discharge Program?*

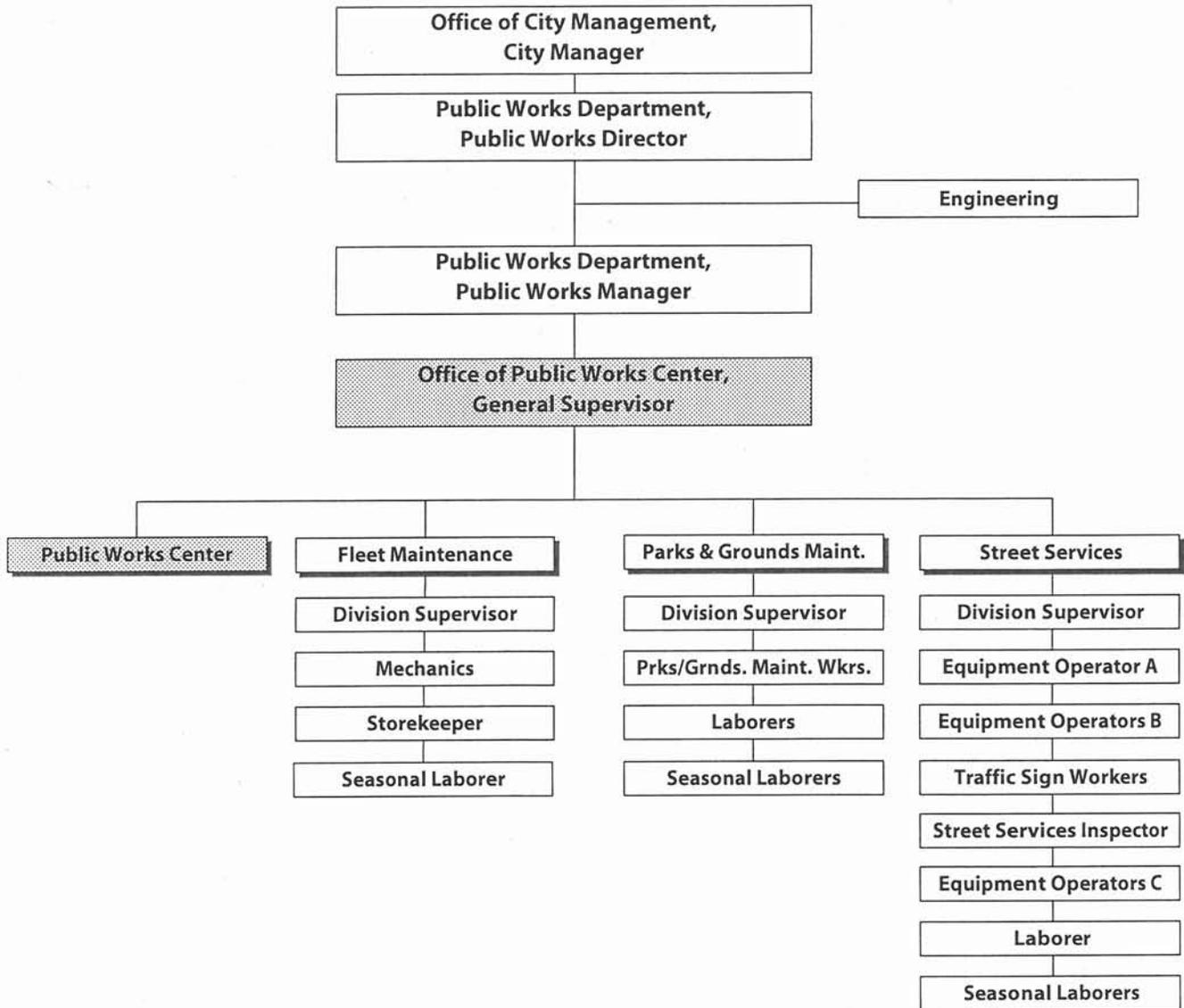
# Public Works Center

## 2010/11 PERFORMANCE OBJECTIVES

1. To continue reviewing the maintenance levels of the turf and plant beds on the M-59 median regardless of reductions in Michigan Department of Transportation (MDOT) reimbursements. *(City Goal 14)*
2. To continue reviewing the maintenance levels of the Macomb County road rights-of-way within our community using reduced cutting rotations. *(City Goal 14)*
3. To continue the Herbicide Spraying Program to include guardrails and sign posts allowing a redirection of the seasonal workforce towards other areas of maintenance. *(City Goal 14)*
4. To oversee the NPDES Stormwater Discharge Permit by providing education, dry weather field screening, investigation of illegal dumping and illicit connections, etc. and providing the necessary reports to the Michigan Department of Environmental Quality (MDEQ). *(City Goal 15)*

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Safety Inspections Conducted on Hoists	10	10	10	10	10	10
	Monthly Act 51 Reports Generated	12	12	12	12	12	12
	Monthly Public Works Cross-Charge Reports	12	12	12	12	12	12
	Personnel Receiving Snow Removal Training	13	12	9	12	5	6
	Activity Budgets Prepared & Recommended	4	4	4	4	4	4
	Billings Prepared for State Highway Maintenance	4	4	4	4	4	4
	Material Safety Data Sheets Maintained	2,862	2,876	2,881	2,895	2,897	2,895
	Culvert Permits Issued & Inspected	4	1	5	3	0	2
	Signs Installed for Adopt-A-Road	3	5	2	8	6	5
	Refuse Pick-Ups Made from Adopt-A-Road	35	57	42	25	31	30
	Outfalls Sampled for Stormwater Discharge	51	20	0	50	20	20
	Landscape Median Mowing - Revolutions	26	27	25	27	26	20
	Number of Parts Issued by General Stores	29,307	29,260	29,671	30,000	29,320	29,000
Efficiency	% of Outfalls Sampled w/no Water Discharge	100%	100%	N/A	100%	100%	100%
	Activity Expenditures as % of General Fund	0.63%	0.68%	0.80%	0.49%	0.48%	0.46%

# Public Works Center



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Environmental Services Manager	1	0	0
General Supervisor	1	1	1
Custodian	1	0	0
<b>Total</b>	<b>3</b>	<b>1</b>	<b>1</b>

# Public Works Center

## SUMMARY OF BUDGET CHANGES

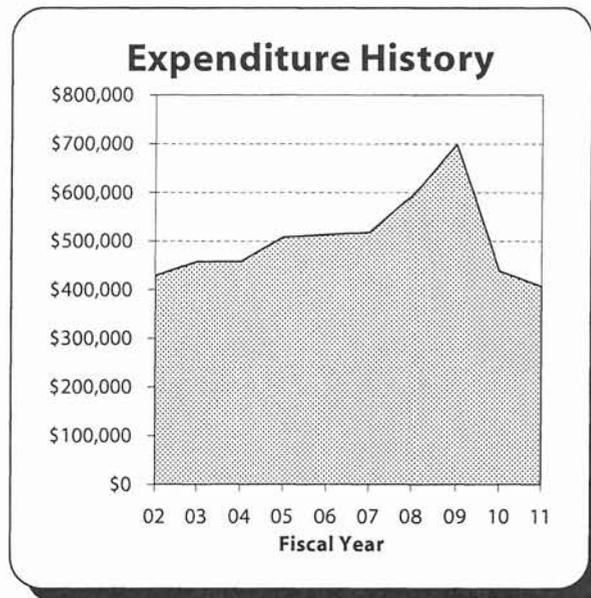
### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** - The total Personnel Services budget decreased by \$23,780 or 15.4%. Wages fell by \$21,660 as a result of an employee retirement. As a result, next year's budget includes funding for this position at an entry-level wage. Due to the employee turnover, most of the other fringe benefit accounts decreased as well, including longevity pay. Due to prior years' stock market declines, required pension contributions increased by \$2,710.

**Supplies** - Total Supplies decreased \$50 or 0.5%, as the budget for written publications was eliminated due to the increased availability of online resources.

**Other Charges** - Total Other Charges decreased \$8,180 or 3.0%. The City will save \$15,000 in heating costs due to lower natural gas rates from an alternative natural gas supplier. Electric costs decreased \$10,000 based on recent years' expenditure trends and additional energy cost saving measures. Telephone costs decreased \$2,100 based on lower AT&T bills and one less Nextel telephone. Funding decreased \$1,000 for building maintenance costs and \$1,000 for contracted service costs, as both can be reduced and brought more in line with recent actual expenditure levels. Due to the economy, \$20,000 was added for the increased cutting of high grass on vacant or foreclosed properties. The cost for this program is recovered through fees charged to the property owners. Water costs rose \$1,000 due to higher rates and increased usage.

**Capital** - There is no Capital proposed for this activity.



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

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$405,239	\$154,340	\$154,280	\$130,560	\$130,560
<b>Supplies</b>	13,251	10,050	10,000	10,000	10,000
<b>Other Charges</b>	280,215	274,200	257,600	266,020	266,020
<b>Total</b>	\$698,705	\$438,590	\$421,880	\$406,580	\$406,580

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

Refuse Collection provides prompt, reliable, and efficient refuse collection by a private contractor weekly from residential homes, condominiums, commercial pick ups at curbside, and City dumpster pick ups.

Through the cost recovery program, apartment complexes are eligible for City-provided collection if they pay for the cost of collection, plus an administrative fee.

A separate collection of yard waste is made from early April through early December from all curbside collection stops. Yard waste is composted and diverted from landfill disposal. A separate collection of Christmas trees for composting is also provided.

Three voluntary Recycling Drop-Off Centers are maintained in order to provide residents with the opportunity to recycle in a cost effective manner.

Refuse Collection includes pick up of bulky items on regularly scheduled collection days as well as the separate collection of "white" goods, i.e. stoves, refrigerators, etc. These white goods are delivered to a scrap metal recycler for reuse. All refuse related files and correspondences are maintained in this activity.

The Operations Manager serves as the City's liaison with the refuse contractor to ensure the contractor is performing in accordance with the contract and City ordinance. The handling and resolution of more difficult complaints and the provision of information and reports is accomplished through this area.

The clerical support staff receives approximately 5,000 refuse collection information and requests for service calls annually. The support staff verifies the contractor's monthly invoices, prepares requests for payment, prepares monthly reports detailing all stops, and maintains all refuse related files and

## KEY GOALS

- *To ensure that all properly placed waste is collected on a weekly basis by the City's private contractor and transported and disposed of at an approved facility.*
- *To provide recycling and composting opportunities in a cost-effective manner.*
- *To assist the Solid Waste Management Commission in its continual review of the City's solid waste collection, recycling, composting and waste reduction efforts.*
- *To maintain and supervise the City's three recycling centers.*
- *To continually review the status of the various solid waste management legislation.*

types all related correspondence.

The Solid Waste Management Commission is funded in the Refuse activity. The Operations Manager serves as the liaison to the Commission. The Commission serves in an advisory capacity to the City Council and Administration. The Commission's responsibility is to continually review and update the City's position regarding solid waste disposal activities.

Clerical support is also provided to the Tall Grass/Weed Cutting Program, tree planting, tree removal, trimming, and information requests.■

### *Did you know?...*

*...that 10,709 tons of grass and leaves were separately collected for composting and were diverted from landfill disposal during 2009?*

# Refuse Collection

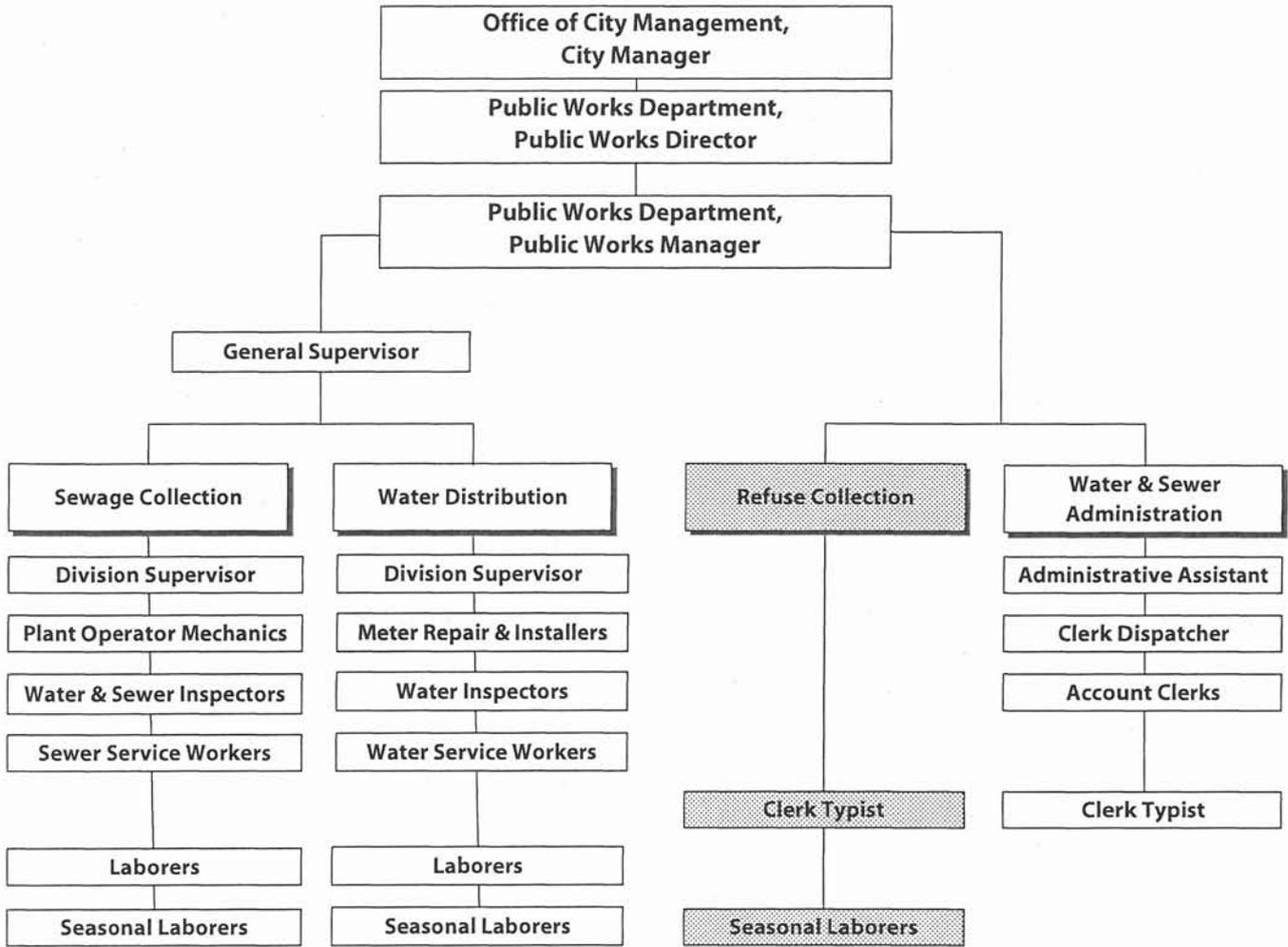
## 2010/11 PERFORMANCE OBJECTIVES

1. To provide a smooth transition into the new refuse collection contract by developing and coordinating required public education regarding potential changes in the refuse service; i.e. route changes, etc. (City Goal 12, 14)
2. To continue to manage the service sharing program and to provide dumpster collection service to the 13 apartment complexes that participate in the program, by paying the City in advance for the full cost of the service plus an administrative fee. (City Goal 1, 3)
3. To aggressively tag and inform residents who have placed their refuse out too early or improperly for collection. (City Goal 13, 14)
4. To ensure quality refuse collection service and contract compliance by aggressively monitoring the refuse collection contractor and issuing violations for various performance problems. (City Goal 1, 13, 14)
5. To resolve and reduce recurring refuse and yard waste collection problems through full implementation and utilization of a computerized complaint tracking system. (City Goal 3, 5, 18)

Performance Indicators		2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Curbside Refuse Collection Points (Per Week)	39,440	39,526	39,542	39,800	39,700	39,800
	Cubic Yards of Refuse Landfilled	124,460	122,920	120,254	125,000	121,000	123,000
	Cubic Yards Recycled at Drop-Off Centers	12,640	13,550	15,230	14,000	14,200	14,500
	Tons of Yard Waste Composted/Diverted	14,384	12,594	10,709	12,500	11,500	12,000
	Christmas Trees Chipped and Composted	2,413	1,843	2,485	2,000	2,100	2,200
	Tons of Scrap Metal Recycled	150	79	97	85	100	110
	Gallons of Used Oil Recycled	30,500	28,100	28,794	32,000	29,500	31,000
Efficiency & Effectiveness	Refuse Violation Citations Issued	20	30	35	50	45	50
	% Refuse Collection Stops Making Complaints	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
	% of Trouble Calls Remedied within 24 Hours	95%	95%	95%	95%	95%	95%
	Reduction in Landfill Volume vs. 1989/1990	44.0%	45.0%	46.0%	44.0%	46.0%	45.0%
	Refuse Collection Costs per Capita	\$32.07	\$32.86	\$33.75	\$35.91	\$35.23	\$35.17
	Refuse Collection Millage Rate	0.81	0.81	0.84	0.87	0.87	0.95
	Refuse Cost for Average Homeowner	\$66.42	\$68.16	\$70.31	\$70.74	\$70.74	\$67.58
	Total Cost to Operate Three Recycling Centers	\$84,110	\$78,935	\$87,095	\$90,000	\$84,000	\$88,000
	Recycling Costs Per Ton Recycled	\$33.92	\$31.39	\$31.87	\$33.50	\$32.10	\$33.60
	Cost to Collect/Dispose of Refuse (1 cubic yard)	\$32.86	\$34.22	\$36.07	\$36.92	\$37.41	\$36.74
	Activity Expenditures as % of General Fund	4.94%	4.86%	4.98%	5.17%	5.19%	5.08%

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

# Refuse Collection



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Clerk Typist	1	1	1
Seasonal Laborer	3	3	3
<b>Total</b>	<b>4</b>	<b>4</b>	<b>4</b>

# Refuse Collection

## SUMMARY OF BUDGET CHANGES

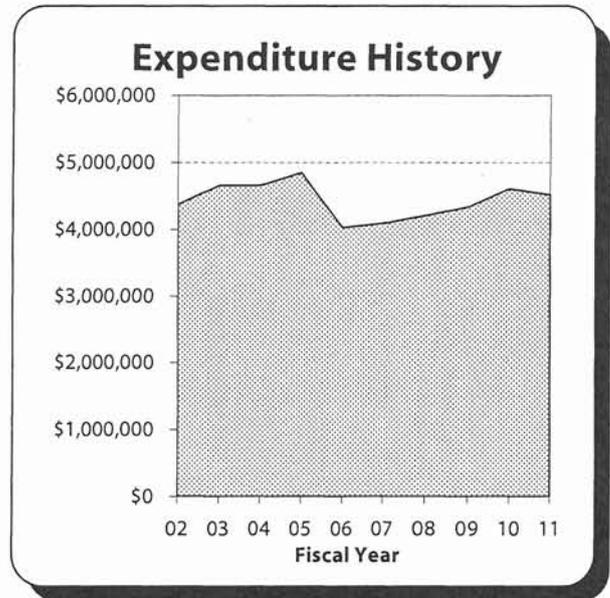
### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$2,950 or 2.1%. An additional \$1,180 is budgeted for part-time wages to operate the three drop-off recycling centers. Health insurance costs rose \$880 or 6.3% due to a rate increase for next year. Funding for retiree medical liabilities rose \$320, while required employer pension contributions rose \$570 based on a recent actuarial study.

**Supplies** – Total Supplies is proposed to remain the same at \$450. There are no proposed changes within the Supplies account.

**Other Charges** – Total Other Charges decreased \$98,550 or 2.2%. The City will save \$100,000 for rubbish removal costs based on the estimated contractual price for the new five-year refuse contract that will go into effect May 1<sup>st</sup>, 2010. In addition, contract savings were achieved from a revised fuel adjustment clause. The City will continue with its Cost Recovery Program, which has reduced the number of curbside stops and dumpsters collected by eliminating mechanical dumpster collection at apartment complexes, schools, and mobile home parks. Fewer printed forms are needed, for a savings of \$50. \$1,500 was added for interfund service costs due to higher refuse personnel costs for those employees budgeted in the Water & Sewer Fund.

**Capital** – There is no Capital proposed for this activity.



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

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$137,049	\$137,890	\$147,320	\$140,840	\$140,840
<b>Supplies</b>	624	450	410	450	450
<b>Other Charges</b>	4,199,582	4,476,200	4,378,680	4,377,650	4,377,650
<b>Total</b>	\$4,337,255	\$4,614,540	\$4,526,410	\$4,518,940	\$4,518,940

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

Three specific programs set up within this Public Works division detail the mission of the Street Services activity. Roads and Streets Maintenance, Supplementary Roadside Maintenance, and Snow and Ice Control programs provide excellent care to the City's streets. Street Services provides a safe and clean road surface for vehicular traffic, adequate visual direction and a safe, maintained, and unobstructed roadside environment on more than 349 miles of City roads.

The Roads and Streets Maintenance program strives to maintain safe road surfaces for vehicular and pedestrian traffic by ensuring adequate pavement markings. One-third of all school crosswalks and stop bar pavement markings are repaired or replaced every year. Traffic control lines are painted and athletic courts are taped throughout the City.

Street sweeping of all paved road surfaces occurs at least four times per year on 395 miles of major, local, and county roads. This activity is responsible for road patching and shoulder grading to maintain safe roads.

The Supplementary Roadside Maintenance program provides a safe, well-maintained roadside environment. Cutting of weeds and tall grass along all roadsides, ditches, and medians is done five times per year. Dead leaves are removed from along curbsides throughout the leaf drop season.

Support activities include the installation of new street signs, maintenance and repair of existing signs, and the installation of informational signs for the municipal sites and 28 developed parks. Another support activity of Street Services is the detection, removal, and chipping of diseased trees and stumps. Tree branches are removed and chipped from approximately 5,000 locations.

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

## KEY GOALS

- *To provide a safe and clean road surface for vehicular traffic.*
- *To provide adequate visual direction to regulate, warn, or guide vehicular and pedestrian traffic through proper signage and pavement markings.*
- *To provide a safe, well-maintained and unobstructed roadside environment.*
- *To provide effective storm water runoff without damaging our stream ecology.*
- *To provide an organized snow and ice control program based on designated priorities in order to maintain safe, passable streets.*

maintained to ensure adequate capacity for storm runoff.

During a declared Snow Emergency, the Snow and Ice Control program ensures an organized procedure for snow removal of all City roads within 36 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 chipped over 3,100 jobs between the two windstorms that occurred last summer?*

# Street Services

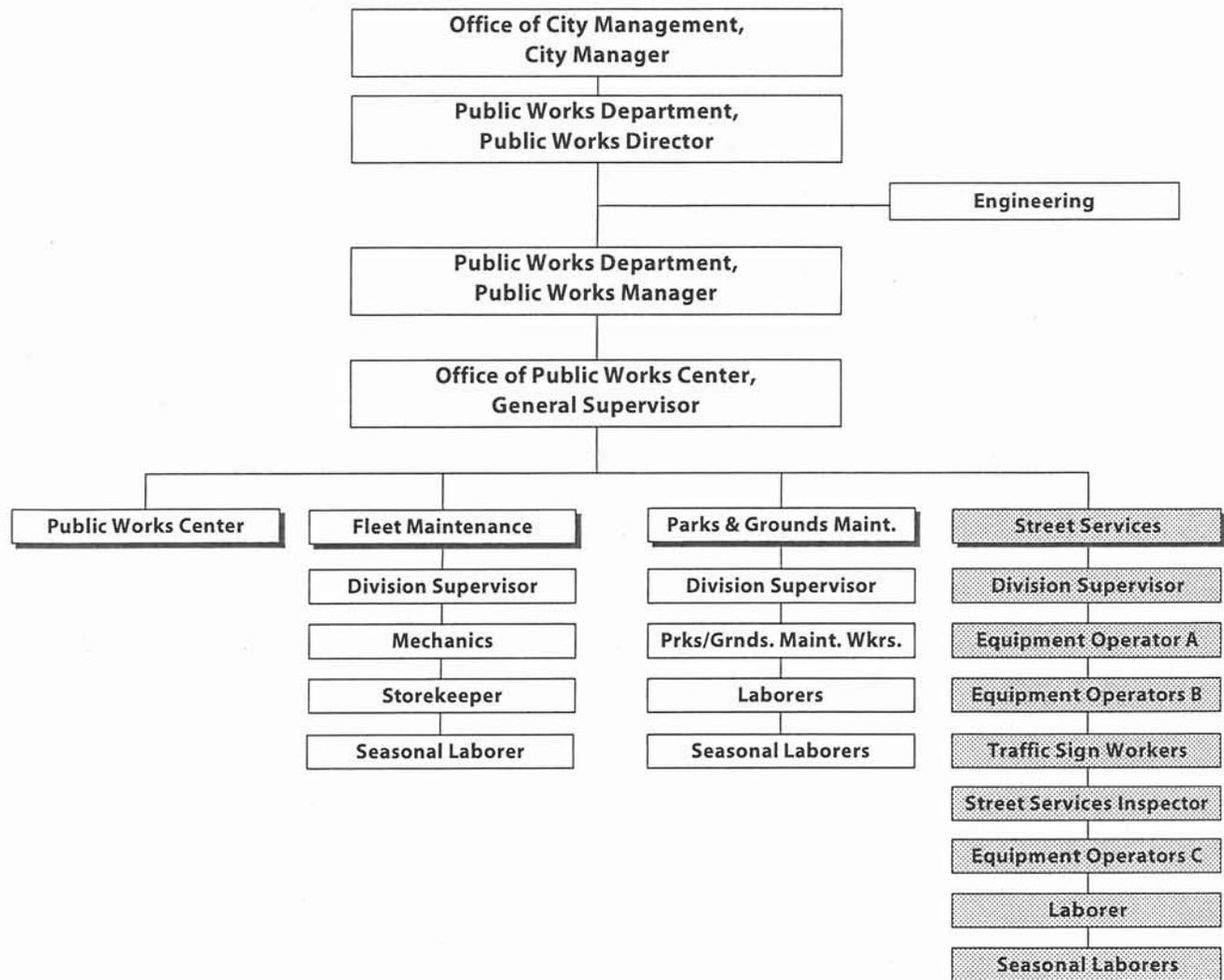
## 2010/11 PERFORMANCE OBJECTIVES

- To de-scale loose concrete from the under side of the 17 Mile bridge until permanent repairs can be made. (City Goal 12, 13)
- To improve road conditions during a snowfall event through the use of a new tailgate mounted brine system for pre-wetting salt. (City Goal 3, 25)
- To conduct a cost-benefit analysis of contracting out the sweeping of County, State and City roads to better redirect City resources. (City Goal 1, 15, 22)
- To conduct a pilot test study to determine the efficiency of using beet juice brine for snow and ice control on City roadways. (City Goal 3, 17, 18)

Performance Indicators		2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Miles of Roads in City (Major & Local)	349	349	349	349	349	349
	Miles of Sidewalks in City	607	608	609	611	611	612
	After Hours Snow Removal Occurrences	32	53	44	35	25	35
	Miles of Snow Fence Installation or Removal	5.0	4.0	4.0	4.0	4.0	4.0
	Pothole Patching - Tons of Patch Used	367	468	499	400	420	400
	Sidewalk Patching - Number of Locations	159	82	124	200	175	200
	Street Sweeping - Rotation (395 miles)	4	4	4	4	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	21	30	40	30	40	30
	Right-of-Way Mowing - Revolution (357 miles)	10	10	10	8	10	8
	Storm Catch Basin Cleaning-Number of Locations	1,026	379	742	900	2,000	1,500
	Number of Street Trees Removed (In-House)	376	66	320	400	200	300
	Number of Street Trees Removed (Contractor)	353	456	146	1,000	300	400
	Homeowner Tree Inquiries/Inspection Responses	3,666	1,129	3,257	4,000	3,700	4,000
	Residential Tree/Branch Chipping Requests Filled	3,452	4,582	6,834	2,000	4,900	2,000
	Number of Streetlights in City	2,513	2,520	2,520	2,540	2,520	2,522
	Traffic Sign Repairs or Replacements	4,568	4,469	4,179	4,200	4,000	4,200
	Gravel Roads - Lane Miles Graded	36	53	38	40	40	40
	Dust Control - Gallons Calcium Chloride Applied	47,617	42,300	40,600	40,000	42,000	40,000
Efficiency & Effectiveness	% of Tree Chipping Requests Completed w/i 1 week	99%	98%	98%	99%	99%	99%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	\$1,250	\$7,593	\$2,347	\$1,500	\$1,000	\$1,500
	Street Services Cost Per Capita	\$14.57	\$15.27	\$16.31	\$14.86	\$14.65	\$15.19
	Average Cost to Sweep a Lane Mile of Major Road	\$490	\$496	\$503	*	*	*
	Activity Expenditures as % of General Fund	2.24%	2.26%	2.40%	2.14%	2.16%	2.20%

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

# Street Services



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Division Supervisor	2	1	1
Equipment Operator A	1	1	1
Equipment Operator B	7	7	7
Traffic Sign Worker	2	2	2
Street Services Inspector	1	1	1
Equipment Operator C	6	6	6
Laborer	2	1	1
Seasonal Laborer	2	2	2
<b>Total</b>	<b>23</b>	<b>21</b>	<b>21</b>

# Street Services

## SUMMARY OF BUDGET CHANGES

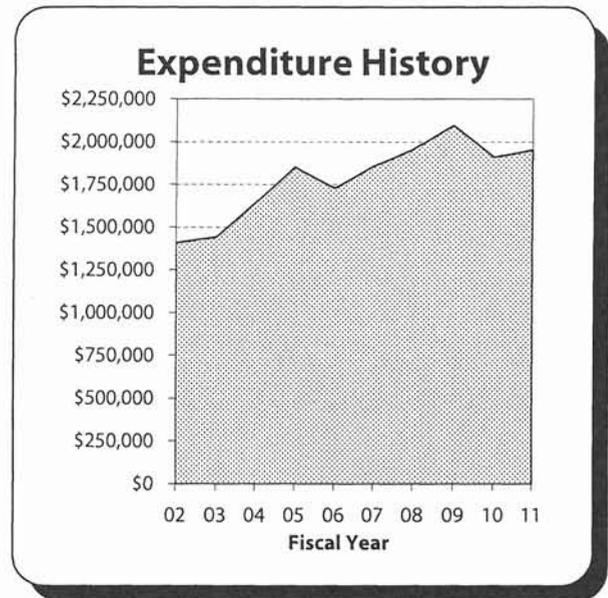
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$42,950 or 2.3%. Wages for full-time employees rose \$4,380 or 0.4% as several recent hires are eligible for wage step increases. Based on a recent actuarial study, City contributions to the pension fund increased \$16,030, while an additional \$9,140 is budgeted to fund retiree medical liabilities. Longevity pay increased \$7,850 based on increased years of services for several employees, while employee health insurance costs rose \$6,880.

**Supplies** – Total Supplies is proposed to remain the same at \$14,000. There are no proposed changes within the Supplies account.

**Other Charges** – Total Other Charges decreased \$40 or 0.4%. Funding decreased \$50 for contracted service costs, as the budget can be reduced and brought more in line with prior year actual expenditure levels. \$10 was added due to a slight increase in existing American Public Works Association (APWA) membership fees.

**Capital** – Total Capital of \$180,000 is proposed for this activity and is budgeted in the Capital Projects Fund. \$10,000 is recommended for two Salt Brine Liquid Dispensing Systems that will be used during snow and ice removal operations to help keep more salt on the road as it is spread, thereby melting the snow faster and reducing salt usage. \$170,000 is for a Tandem Axle Dump Truck with Plow to be used for snow and tree removal, road patching, and other road maintenance duties. This truck will replace an 18-year old vehicle.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$2,070,125	\$1,885,280	\$1,859,180	\$1,928,230	\$1,928,230
<b>Supplies</b>	17,754	14,000	14,000	14,000	14,000
<b>Other Charges</b>	7,848	9,880	9,860	9,840	9,840
<b>Total</b>	\$2,095,727	\$1,909,160	\$1,883,040	\$1,952,070	\$1,952,070

# Public Library Department



# FUNCTIONAL ORGANIZATION CHART

## Public Library Department

### Library Administration

- Prepares and administers library's budget
- Recommends and implements policies
- Coordinates and evaluates activities of staff
- Formulates and develops service programs and priorities; assesses long-range needs
- Coordinates and administers grants
- Directs the operations of the library
- Compiles and maintains statistical records
- Provides administrative support for activities of Friends
- Guides and directs activities of the Library Board of Trustees
- Guides and directs activities of the Historical Commission
- Represents and promotes the library to the community
- Serves as liaison to the Suburban Library Cooperative

### Adult Services

- Reference/information retrieval
- Bibliographic instruction
- Collection development and evaluation
- Outreach service to senior citizen residences & the homebound
- Process deposit collections and extension loans
- Shelves materials
- Periodical and newspaper maintenance
- Readers' Advisory Services
- Online reference source selection
- Coordinates Internet access and instruction
- Young Adult Services

### Circulation Services

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

### Youth Services

- Reference/information retrieval
- Bibliographic instruction
- Collection development and evaluation
- Youth programming and seasonal activities
- Outreach service to daycare centers/preschools
- Shelves materials for user access
- Readers' Advisory Services
- Youth Volunteer Activities
- School tours and site visits
- Creates exhibits, displays, and information packets

### Library Programming & Community Services

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

### Technical Services

- Acquisition and processing of materials
- Cataloging and classification
- Bindery of materials
- Administration of online catalog and Internet systems
- Processes and routes donations
- Maintains online catalogs and equipment
- Ongoing collection inventory and statistical analysis
- Processes items and donations for Upton House Historical Collection
- Installs and maintains software for homework and reference center workstations

# DEPARTMENT AT A GLANCE

## Public Library Department

### BUDGET SUMMARY

The Public Library Department's budget decreased by \$7,320 or 0.3%. Personnel costs increased by \$45,730 or 2.1% due to higher pension, as well as employee and retiree health insurance costs. The Suburban Library Cooperative will fund a portion of the Library Director's costs, who in return will assist them on a part-time basis. This example of greater service sharing will prevent further Library staffing or service reductions. No cost of living wage increases are budgeted due to successful labor concession agreements. The Supplies

budget decreased by \$23,530 or 10.0%, as fewer library books, publications, and audiovisual materials will be purchased. The CDBG budget includes \$7,000 for the purchase of library books to be delivered to the homebound and senior residences. Other Charges decreased by \$29,520 or 9.6% due to lower Library Cooperative memberships fees, which are tied to lower State aid, fewer online resources, and energy saving cost measures.

### FUNDING LEVEL SUMMARY

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Public Library	\$2,803,910	\$2,830,880	\$2,762,070	\$2,754,750	-0.3%
<b>Total Department</b>	<b>\$2,803,910</b>	<b>\$2,830,880</b>	<b>\$2,762,070</b>	<b>\$2,754,750</b>	<b>-0.3%</b>
Personnel Services	\$2,230,960	\$2,247,220	\$2,219,820	\$2,265,550	2.1%
Supplies	256,250	259,640	234,410	210,880	-10.0%
Other Charges	316,700	324,020	307,840	278,320	-9.6%
<b>Total Department</b>	<b>\$2,803,910</b>	<b>\$2,830,880</b>	<b>\$2,762,070</b>	<b>\$2,754,750</b>	<b>-0.3%</b>

### PERSONNEL SUMMARY

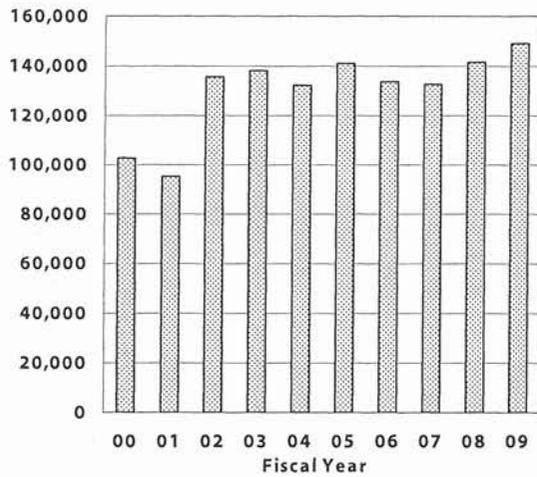
	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	23	18	22	20	20	22	20	22
<b>Total Department</b>	<b>23</b>	<b>18</b>	<b>22</b>	<b>20</b>	<b>20</b>	<b>22</b>	<b>20</b>	<b>22</b>

Excludes Historical Commission.

# KEY DEPARTMENTAL TRENDS

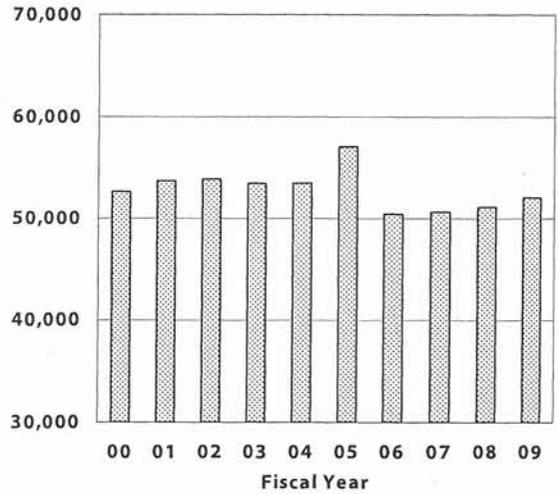
## Public Library Department

### Reference Questions



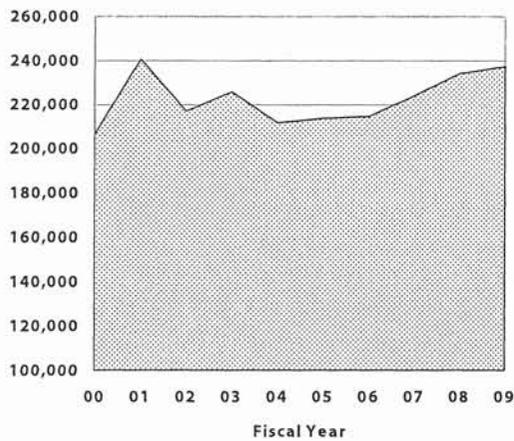
The number of questions at the City Library's Reference Desk has increased after reaching a low in 2001 as the Library was closed for several months due to a renovation and expansion project.

### Registered Borrowers



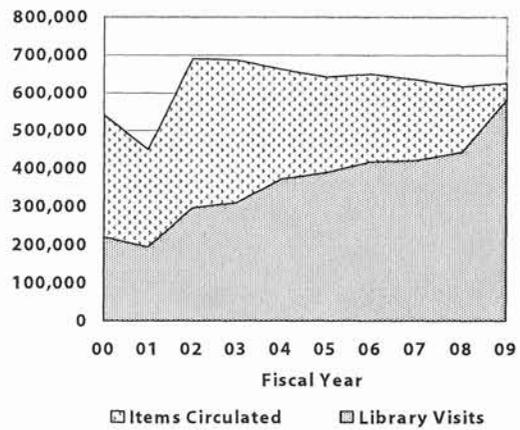
The number of registered borrowers has decreased slightly over the past ten years primarily because the City regularly updates its registered borrower database.

### Total Collection of Library Materials



The size of the Library's collections, including books, audiovisual, and software materials, has grown over the past ten years. In 2002 and 2004, the collection decreased slightly as outdated books were removed. In 2001, additional funds were spent to add to the book collection. There are currently 237,312 materials on hand, or an average of 1.8 items per resident. A total of 552,500 online and electronic database uses were experienced in 2009. Attendance at Library programs has dramatically increased since the Library Programming Center was opened in 2001. Attendance reached a high of 37,600 participants in 2009.

### Library Visits & Items Circulated



In 2000 and 2001, the number of people visiting the Library and the number of items circulated both decreased sharply as the Library was closed for renovation between two and three months of each fiscal year. Since 2001, the numbers have increased to levels above the pre-renovation numbers. Items circulated have moderated over the past seven years, while attendance has continued to increase, especially in 2009. In 2009, a record 581,000 visits were recorded or an average of 181 visits per hour open. 625,500 items (or an average of 1.1 items per visit) were circulated.

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

The Sterling Heights Public Library offers a full range of services for all community residents. Activities such as preschool story times, adult, teen and youth summer reading programs, computer and Internet demonstrations, film festivals, book talks, author visits, consumer interest programs, reference and readers' advisory services, educational cable programming, CD-ROM software, an oral history collection, and a wide selection of books, online reference sources, and audiovisual materials provide residents with excellent educational opportunities.

Computerized information retrieval is offered with the online catalog of 20 libraries in the Suburban Library Cooperative. The Digital Media Archives section of the online catalog includes hundreds of digital photographs of Sterling Township farms and families from the 1860's. The library also participates in the MeLCat statewide catalog and delivery system, allowing Sterling Heights residents to borrow materials from hundreds of public, school and academic libraries throughout Michigan. Other library services include full-text online magazine and newspaper reference sources, Internet access at public workstations, wireless Internet access, area newspapers on microfilm, and a Youth Computer Homework Center with CD-ROM software.

The Library's web site, [www.shpl.net](http://www.shpl.net), serves as an effective guide to the wealth of resources provided by the Library in addition to an introduction to the vast resources of the Internet providing access to thousands of full-text electronic books and downloadable audiobooks via the Michigan e-Library (MeL), MLC Digital Library/Overdrive, and Net Library. Technology training sessions are regularly offered to allow residents to make optimal use of the Library's computerized resources. A van delivers a wide selection of materials, including large print books, directly to the homebound, nursing homes, and senior citizen housing units. The van also delivers books to day care centers and nursery schools.

The Library has an international language collection of popular fiction and magazines in 22 languages, and a unique collection of English as a second language materials designed to improve English language skills.

## KEY GOALS

- *To provide up-to-date information for residents in their pursuit of educational, job-related, and personal goals.*
- *To provide access to information and resources beyond the Library's in-house collection through interlibrary loan, interlibrary cooperation, online databases, programming, and outreach services.*
- *To maintain a high standard of friendly and professional assistance in providing reference, information, referral, and circulation services.*
- *To provide high demand, high interest popular materials in a variety of formats and in a timely manner for residents of all ages.*
- *To provide materials and services which promote learning and reading for children.*

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

Additionally, the Library's cable channel broadcasts ten (10) hours of quality educational programs daily. These programs feature topics in literacy, arts and history, science, cultural enrichment, and youth and teen issues. At other times, the channel lists current library events, programs, and collections.

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

### *Did you know?...*

*...the Library had 581,046 visitors last fiscal year, which equates to 181 people each hour the library was open?*

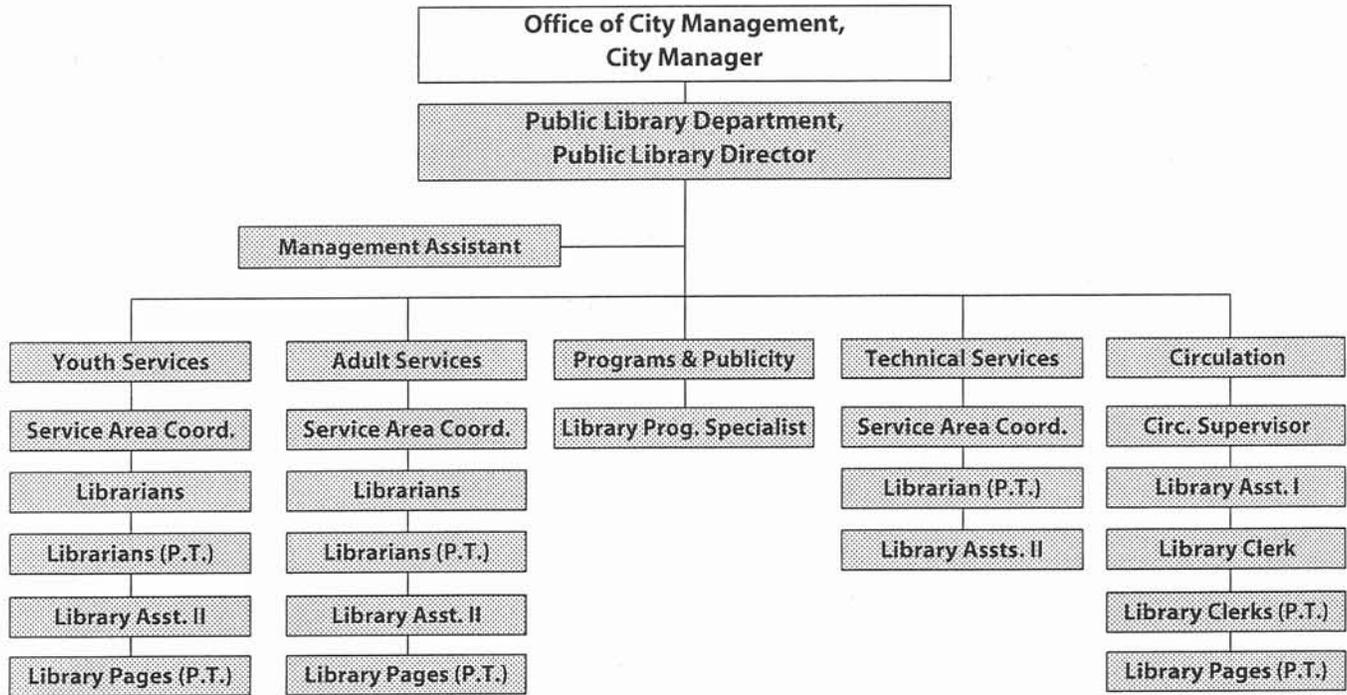
# Library

## 2010/11 PERFORMANCE OBJECTIVES

1. To conduct a full inventory of the Library's collection using the recently implemented Radio Frequency Identification (RFID) system. (City Goal 18)
2. To collaborate with the SHTV staff to increase educational program content for the SHTV library channel. (City Goal 26)
3. To seek grants, community partnerships, and other sources of revenue to improve core library services. (City Goal 21, 26)
4. To finalize and implement the service sharing agreement with the Suburban Library Cooperative. (City Goal 1, 2, 21)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Library Registered Borrowers	50,599	51,098	52,043	52,000	52,500	52,750
	Annual Library Attendance	420,716	442,768	581,046	430,000	500,000	500,000
	Total Collection of Library Materials (Excl. magazines)	223,984	234,031	237,312	245,000	240,000	240,000
	Items Circulated	635,425	616,323	625,688	625,000	620,000	620,000
	Program Attendance	25,470	36,204	37,639	35,000	35,000	35,000
	Reference & General Information Requests	132,557	141,610	148,978	140,000	135,000	135,000
	Hours of Library Operations Weekly	64.0	64.0	64.0	57.5	57.5	57.5
	Materials Added to Collection	32,903	20,849	21,174	18,000	20,000	20,000
	In-Library Use of Materials	144,698	139,973	121,907	135,000	100,000	100,000
	Items Processed for Loan to Other Libraries	109,814	113,947	117,671	110,000	110,000	110,000
	Items Processed for Receipt from Other Libraries	120,393	123,142	125,167	110,000	115,000	110,000
	Self Check-out Circulations	17,424	17,642	5,999	0	0	0
	Online & Electronic Database Usage	492,979	514,794	552,503	500,000	575,000	575,000
	Outreach Loans by Library Van	11,242	9,318	8,818	10,000	8,500	8,500
	Hours of Library Cable Programming	3,319	3,660	3,650	3,600	3,650	3,650
Efficiency & Effectiveness	Registered Borrowers as a % of Population	40%	40%	41%	40%	41%	41%
	Library Materials per Capita	1.76	1.83	1.85	1.91	1.87	1.87
	Circulation of Materials per 1,000 Population	4,984	4,815	4,868	4,864	4,825	4,825
	% of Hold Material Requests Filled within 30 days	79%	74%	75%	80%	75%	75%
	% of Material Reshelfed within 24 hours	80%	80%	89%	80%	90%	90%
	Full-time Equivalent Staff Per 1,000 Population	0.23	0.25	0.25	0.24	0.24	0.24
	Library Material Acquisition Costs Per Resident	\$2.12	\$1.86	\$1.86	\$1.65	\$1.69	\$1.52
	Library Cost Per Capita	\$21.58	\$21.91	\$22.03	\$21.49	\$21.21	\$21.44
	Total Cost Per Library Registered Borrower	\$54.37	\$54.87	\$54.40	\$53.12	\$51.91	\$52.22
	Activity Expenditures as % of General Fund	3.32%	3.24%	3.25%	3.09%	3.12%	3.10%

# Library



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Public Library Director	1	1	1
Library Service Area Coordinator	3	3	3
Library Programming Specialist	1	1	1
Librarian	7	7	7
Circulation Supervisor	1	1	1
Management Assistant	1	1	1
Library Assistant II	4	4	4
Library Assistant I	2	1	1
Library Clerk	2	1	1
Librarian (P.T.)	8	8	8
Library Page (P.T.)	10	10	10
Library Clerk (P.T.)	2	4	4
<b>Total</b>	<b>42</b>	<b>42</b>	<b>42</b>

# Library

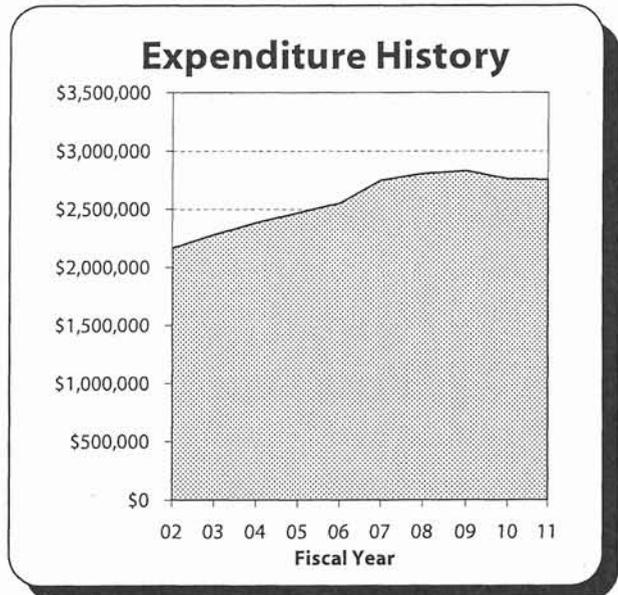
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$45,730 or 2.1%. The only change in staffing is a slight reduction in part-time Librarian hours, saving \$6,370. Pension costs rose \$16,320, while an additional \$9,530 is budgeted to fund retiree medical liabilities. Employee health insurance costs rose \$14,390 as a result of a rate increase for next year. Funding for full-time wages rose only \$2,400 or 0.2%, as several new employees have wage step increases. The Library Director is proposed to assist the Library Cooperative as a service sharing arrangement in return for nearly \$60,000, which will also prevent further Library downsizing.

**Supplies** – Total Supplies decreased \$23,530 or 10.0%. \$21,530 was saved, as fewer library books, publications, and audio-visual materials will be purchased. \$2,000 was saved, as fewer material processing supplies will be needed.

**Other Charges** – Total Other Charges decreased \$29,520 or 9.6%. Due to a reduction in the Library Cooperative membership fee, which is tied to lower State aid, costs fell \$15,990. Fewer on-line resources will be purchased, saving \$9,500. The City will save \$3,000 in heating costs due to lower citywide natural gas rates. Educational funding decreased \$300, as fewer local workshops will be attended. Telephone costs increased \$700 due to a one-time credit last year, offset by a slight decrease due to the elimination of the Director’s Nextel telephone. Water costs rose \$700 due to higher rates.



**Capital** – There is no Capital proposed for this activity.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$2,247,218	\$2,219,820	\$2,207,700	\$2,265,550	\$2,265,550
<b>Supplies</b>	259,637	234,410	234,410	210,880	210,880
<b>Other Charges</b>	324,026	307,840	283,010	278,320	278,320
<b>Total</b>	\$2,830,881	\$2,762,070	\$2,725,120	\$2,754,750	\$2,754,750

# Community Relations Department



# FUNCTIONAL ORGANIZATION CHART

## Community Relations Department

### Office of Community Relations

- Administration of department
- Implements policies and procedures
- Serves as public information officer in emergency disaster situations
- Coordinates all media contacts on behalf of the City Council and City Manager
- Coordinates all City special events, such as Sterlingfest, Memorial Day Parade, and Cultural Exchange
- Coordinates staff assignments and responsibilities
- Coordinates events for members of City Council and City Manager
- Handles miscellaneous correspondence for members of City Council and City Manager
- Produces information and publicity for all City departments
- Administers the SH Film Office to attract film makers to the City and to coordinate City service in the event of a production
- Serves as liaison to Cultural, Telecommunications, and Beautification Commissions, Youth Consortium, Ethnic Community Committee, and Community Foundation
- Prepares and manages the department budget
- Monitors website and intranet
- Coordinates focus groups
- Coordinates City surveys

### Communications & Neighborhood Relations

- Staffs and maintains the "Citizen Contact Center" and "We Want to Know" program
- Prepares all official City press releases & publications and media kits
- Serves as City liaison for a variety of homeowners' groups, civic organizations, church groups, and municipal focus groups
- Provides material for and manages City's website and Employee Intranet
- Provides high quality, efficient in-house printing services
- Provides welcome brochures and packets for all new Sterling Heights' residents and businesses

### Broadcast Services

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

# DEPARTMENT AT A GLANCE

## Community Relations Department

### BUDGET SUMMARY

The Community Relations Department budget decreased by \$47,610 or 2.9%. Personnel costs increased by \$1,760 or 0.1% due to higher actuarial pension costs and increased funding for retiree medical liabilities. A vacant part-time Video Technician position has been eliminated, saving \$12,750. Overtime costs fell by \$21,500 due to new flextime schedules for taping sports programs, as well as lower Sterlingfest overtime costs. No cost of living wage increases are budgeted due to successful labor concession agreements. Supplies decreased by \$13,350 or 17.6% due to postage savings from mailing out the City Magazine only three

times a year, instead of four. Other Charges decreased \$36,020 or 27.4% due to the savings from printing one fewer edition of the City Magazine. In addition, the City Calendar will be designed and printed in-house with limited pictures. The City Calendar will continue to be mailed upon request. Funding for the Board and Commission biennial banquet has been eliminated saving \$6,500. Members instead will be honored at a City Council meeting. The capital budget includes funding to replace three six-year old personal computers.

### FUNDING LEVEL SUMMARY

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Community Relations	\$1,596,140	\$1,541,120	\$1,652,870	\$1,605,260	-2.9%
<b>Total Department</b>	<b>\$1,596,140</b>	<b>\$1,541,120</b>	<b>\$1,652,870</b>	<b>\$1,605,260</b>	<b>-2.9%</b>
Personnel Services	\$1,413,060	\$1,372,290	\$1,445,510	\$1,447,270	0.1%
Supplies	46,710	44,990	75,820	62,470	-17.6%
Other Charges	136,370	123,840	131,540	95,520	-27.4%
<b>Total Department</b>	<b>\$1,596,140</b>	<b>\$1,541,120</b>	<b>\$1,652,870</b>	<b>\$1,605,260</b>	<b>-2.9%</b>

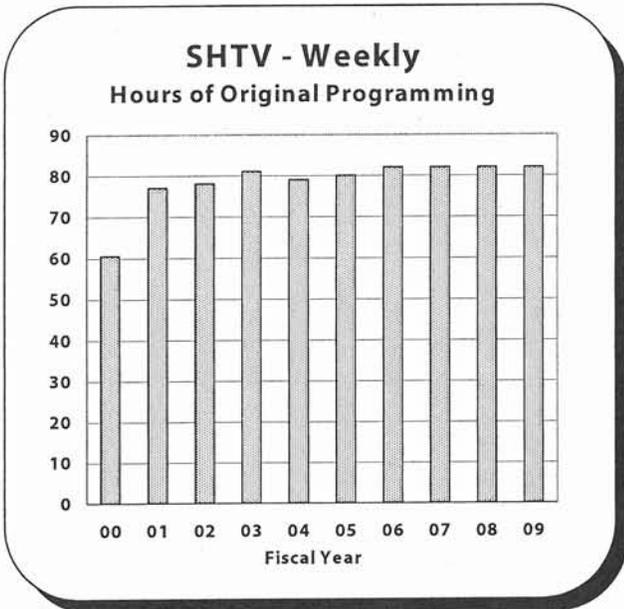
### PERSONNEL SUMMARY

	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	14	5	14	4	13	4	13	3
<b>Total Department</b>	<b>14</b>	<b>5</b>	<b>14</b>	<b>4</b>	<b>13</b>	<b>4</b>	<b>13</b>	<b>3</b>

Excludes Boards & Commissions.

# KEY DEPARTMENTAL TRENDS

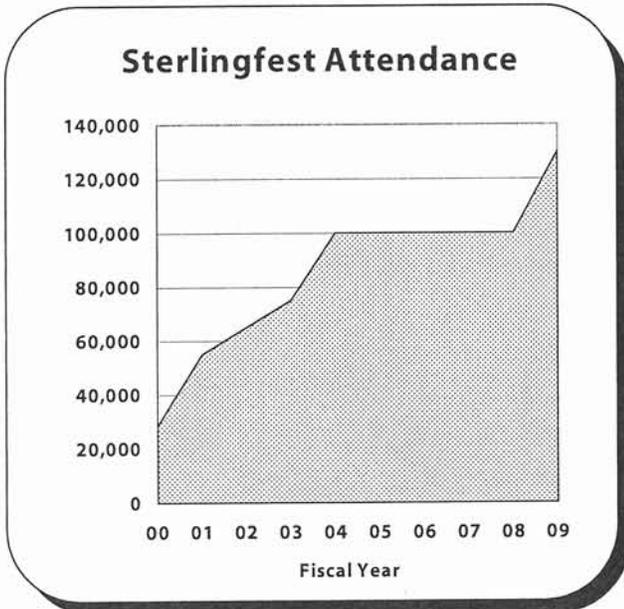
## Community Relations Department



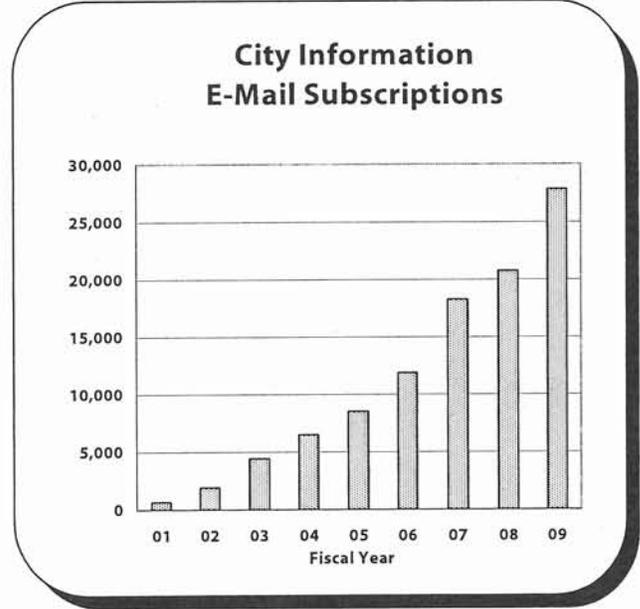
Sterling Heights Television viewers have seen a rise in the total hours of original programming over the past 10 years. The hours of programming rose in 2001 when the City installed an automatic playback system allowing for early morning, late night and weekend programming. Hours increased slightly in 2002 for the airing of county government meetings.



Community Relations has increased its customer service contacts through Citizen Contact Center calls received from residents, e-mails, and "We Want to Know" postcards returned from the community. In 2002, Community Relations began tracking city Website visits, which now account for more than 90% of total service contacts. In 2007, customer service tracking software was purchased to help better track and respond to service requests.



Attendance for the Sterlingfest Art and Jazz Fair has risen steadily since 2000. Since 2001, attendance has dramatically increased as the new Sterlingfest now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with local headliners, and art and jazzfest areas during the three-day event.



In 2001, the City began offering a free e-mail subscription service where residents can sign up to receive information about City meetings, events, job postings, garage sales, public safety updates, SHTV programming, the SHARP economic newsletter, and the latest City news and information. The number of residents signing up for the service has now risen to nearly 28,000 participants.

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

Under the leadership of the Community Relations Director, the Community Relations Department provides accurate information to the public through all means of communication. The Community Relations Office is subdivided into three divisions: Communications, Citizen Contact Center and Sterling Heights Television. Each division has separate and distinct duties and responsibilities.

The Communications Division prepares publications such as the annual Report/City Calendar, 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](http://www.sterling-heights.net), and employee news and information on the City's Intranet. The City's Print Shop is responsible for printing all City publications.

Community Relations serves as the public information contact in the event of Emergency Operation Center activation. It is responsible for emergency press releases, speeches, press conferences, and coordination of a rumor control hotline.

One of the City's most unique programs is the "Citizen Contact Center." Citizen Services Specialists are available for residents to contact regarding any concern or need for City information. These referrals are documented and followed up with a telephone call. Residents are also welcome to voice their input on the City's website, self-addressed "We Want to Know!" card, or by phone at (586) 446-CITY.

The Sterling Heights Television Division is responsible for the City Hall and Library public access channels. Each station offers residents an alternative to keep informed of the workings of Sterling Heights government. The City Hall Channel airs eight hours of original programming per day. The Library Channel airs ten (10) hours of original and syndicated programming per week, produced in conjunction with Library staff. This division also

## 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.*

compiles multi-media productions for broadcast on the Internet.

A "Film Office" has been formed to coordinate City services in the event a production or film studio seeks to produce a movie within Sterling Heights.

The Community Relations Director assists the Economic Development Manager with the activities of the Economic Development Corporation, which was established to promote economic development in the City and propose policies which produce a better community in which to live, work, and play. ■

## *Did you know?...*

*...the City held four City Summits discussing the City's financial update, which attracted nearly 500 residents and 400 contacts?*

# Community Relations

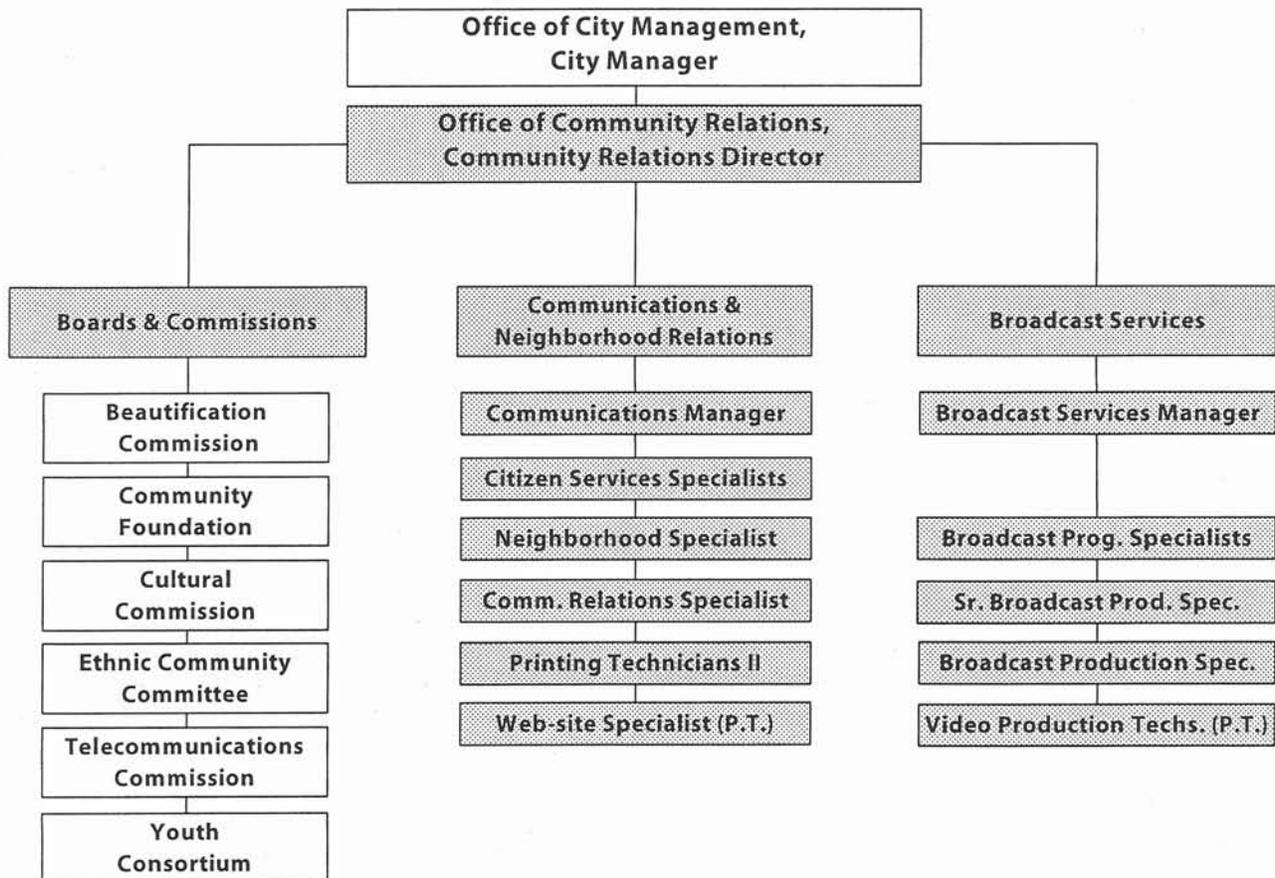
## 2010/11 PERFORMANCE OBJECTIVES

- To streamline the City magazine, providing the needed information for the residents and businesses while reducing pages and using two-color processing for a more cost effective publication. (City Goal 1, 3)
- To develop an alternative approach to honor board and commission volunteers and anniversary dates of employees. (City Goal 7)
- To enhance the educational aspect of SHTV programming by adding library programs such as home safety and investment seminars and creating a new program, "Getting to Know Your Neighbor," aimed at bridging the cultural gap by inviting guests to discuss their heritage and culture. (City Goal 14, 19)
- To modify and enhance the Complaint Tracking Permits Plus System to provide monthly City-wide reporting of inquiries and requests for service. (City Goal 17, 18)
- To develop a report to determine possible service sharing and contractual service opportunities. (City Goal 2, 3)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Total Customer Service Contacts	331,770	407,927	509,107	553,600	629,425	679,500
	Citizen Action Center Calls/Walk-ins	30,648	31,226	26,424	25,000	26,000	26,000
	E-Mail Requests	1,918	2,054	2,747	2,400	2,700	2,800
	"We Want to Know" Postcards	984	756	728	1,200	725	700
	Sterling Heights Website Visits	298,220	373,891	479,208	525,000	600,000	650,000
	Total Tapings & Programs Aired	693	683	638	650	640	640
	SHTV Hours of Original Programming (Weekly)	82	82	82	82	82	82
	City Council, Board & Commission Meetings Taped	76	78	75	82	74	74
	Press Releases Produced	158	183	185	125	120	110
	Employee Intranet Updates	N/A	309	607	500	450	400
	Calendar/City Magazine/Brochures Produced	45	42	32	35	30	25
	Typesetting/Graphic Design Projects	205	119	108	110	100	100
	City Information E-mail Subscription Recipients	18,240	20,756	27,953	28,000	30,000	35,000
	Welcome Packets Distributed	194	672	742	700	850	800
	Sterlingfest & Memorial Day Parade Attendance	105,000	105,000	135,000	105,000	105,000	105,000
	Beautification Awards Presented	177	149	100	100	100	100
	Print Requests Completed	375	381	386	375	380	390
	Stockroom Requests Completed	280	286	290	275	280	290
Efficiency	% of Citizen Inquiries Resolved w/i 48 hrs.	98%	98%	98%	98%	98%	98%
	Cost per Citizen Contact Center Call Received	\$2.31	\$2.23	\$2.60	*	*	*
	Cost to Televisе a Public Meeting	\$1,053	\$997	\$1,033	*	*	*
	Activity Expenditures as % of General Fund	1.75%	1.84%	1.77%	1.85%	1.86%	1.81%

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

# Community Relations



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Community Relations Director	1	1	1
Communications Manager	1	1	1
Broadcast Services Manager	1	1	1
Broadcast Programming Specialist	2	2	2
Citizen Services Specialist	2	2	2
Neighborhood Specialist	1	1	1
Community Relations Specialist	1	1	1
Senior Broadcast Production Specialist	1	1	1
Printing Technician II	2	2	2
Communications Specialist	1	0	0
Broadcast Production Specialist	1	1	1
Video Production Technician (P.T.)	3	3	2
Web-site Specialist (P.T.)	1	1	1
<b>Total</b>	<b>18</b>	<b>17</b>	<b>16</b>

# Community Relations

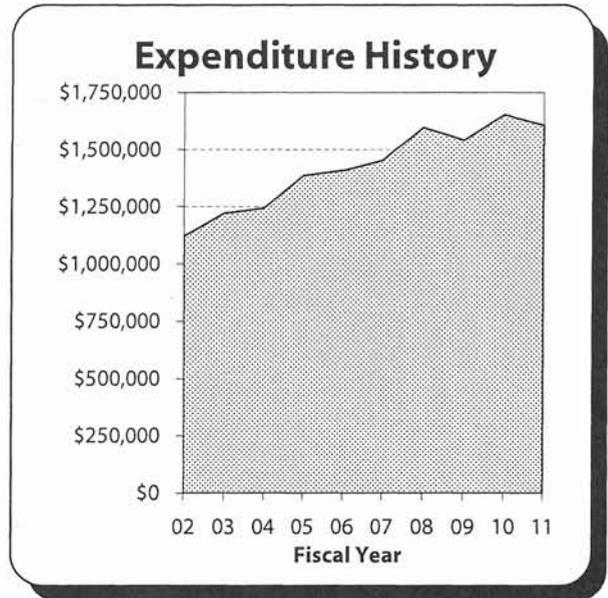
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased \$1,760 or 0.1%. A vacant part-time Video Technician position has been eliminated, saving \$12,750. Overtime decreased \$21,500 from implementing new flextime schedules for Sterlingfest and the taping of the Memorial Day Parade and sports programs. Full-time wages rose \$6,310 due to wage step increases for three positions. Pensions costs rose \$11,880, while an additional \$6,960 is budgeted to fund retiree medical liabilities.

**Supplies** – Total Supplies decreased \$13,350 or 17.6%. Postage costs decreased \$9,400, as the City Magazine will now be mailed three times per year rather than four. \$3,850 was saved, as fewer videotapes are needed due to an aggressive reuse policy and the utilization of a tapeless digital video camera.

**Other Charges** – Other Charges decreased \$36,020 or 27.4%. The City will save \$27,560, as the City Magazine will now be printed only three times per year with fewer colors and pages. In addition, the two-color City Calendar will be printed in-house with limited photos. Contracted service costs decreased \$8,500, as the Calendar will also be designed in-house. Funding for the Board & Commission members' biennial banquet was eliminated, saving \$6,500. Instead, members will be honored at a City Council meeting. Plaques for honored employees as well as retiree gift books are no longer funded, saving \$1,000. Fewer local business meetings will be attended, saving \$300. Telephone costs rose \$1,470 due to a one-time prior year credit, partially offset by a decrease based on a revised Nextel rate plan.



**Capital** – Community Relations is scheduled to receive three personal computers to replace the existing 6-year old units.

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

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

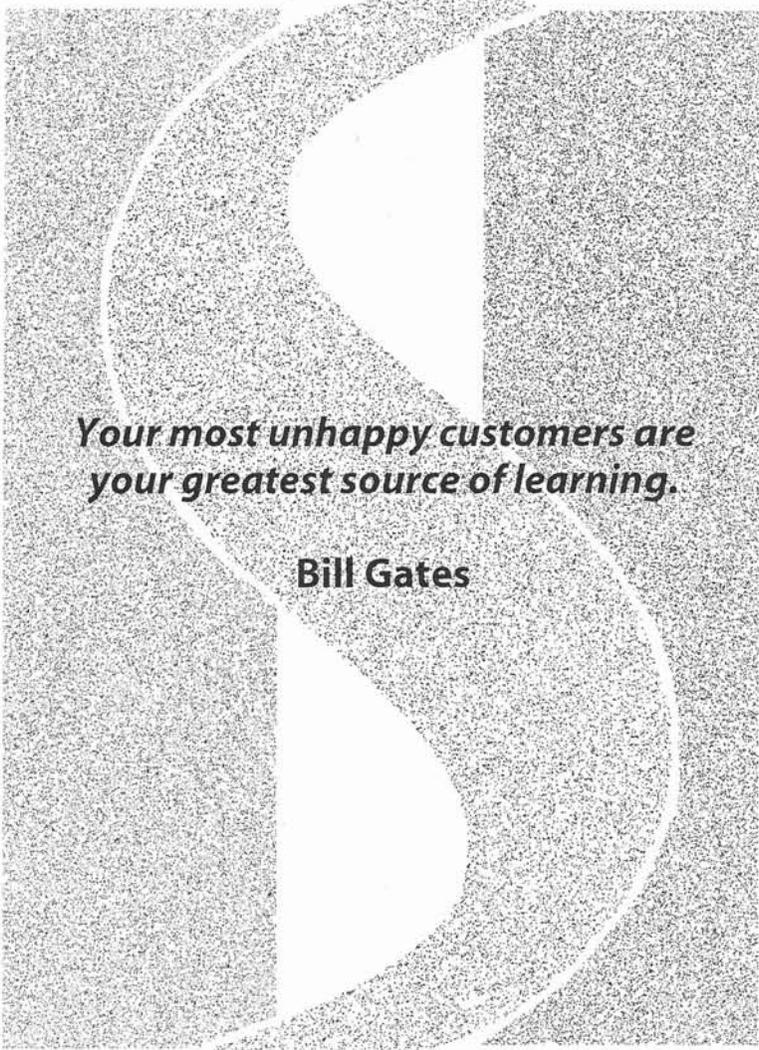
	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,372,289	\$1,445,510	\$1,411,670	\$1,447,270	\$1,447,270
<b>Supplies</b>	44,991	75,820	75,890	62,470	62,470
<b>Other Charges</b>	123,840	131,540	132,790	95,520	95,520
<b>Total</b>	\$1,541,120	\$1,652,870	\$1,620,350	\$1,605,260	\$1,605,260

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# Non-Departmental Services



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*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. Computers continue to improve staff efficiency while a metal detector provides increased security.

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

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

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

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

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

The Small Claims Division hears civil cases, which are below \$3,000 and require no attorney.

The Violations Bureau handles all non-court traffic and ordinance violations. These infractions can be resolved without a court appearance by the involved parties.

## KEY GOALS

- *To provide a safe and secure environment for the people involved in all dispute resolutions within our jurisdiction.*
- *To provide an unbiased climate for resolving disputes in the areas of Civil, Criminal, Traffic and Ordinance, Landlord/Tenant, Small Claims, and non-court traffic and ordinance violations.*
- *To assist sentencing decisions through the use of a Probation Division by providing personalized analysis, special reports, and rehabilitation programs.*

The Probation Division is responsible for providing services to judges and probationary clients. The Probation Officer provides special reports and analyses to the judges for assistance on sentencing decisions. The Court's "Alternatives to Incarceration Program" is one example of how the community may benefit from cost savings and community service work when this option is appropriate. The services provided to probationary clients include securing employment, school, or training and referrals to rehabilitation programs to assist those with drug, alcohol, or emotional problems.■

*Did you know?...*

*...that in 2009, the 41-A District Court issued 661 Orders for Eviction, which is a 13% increase over 2008?*

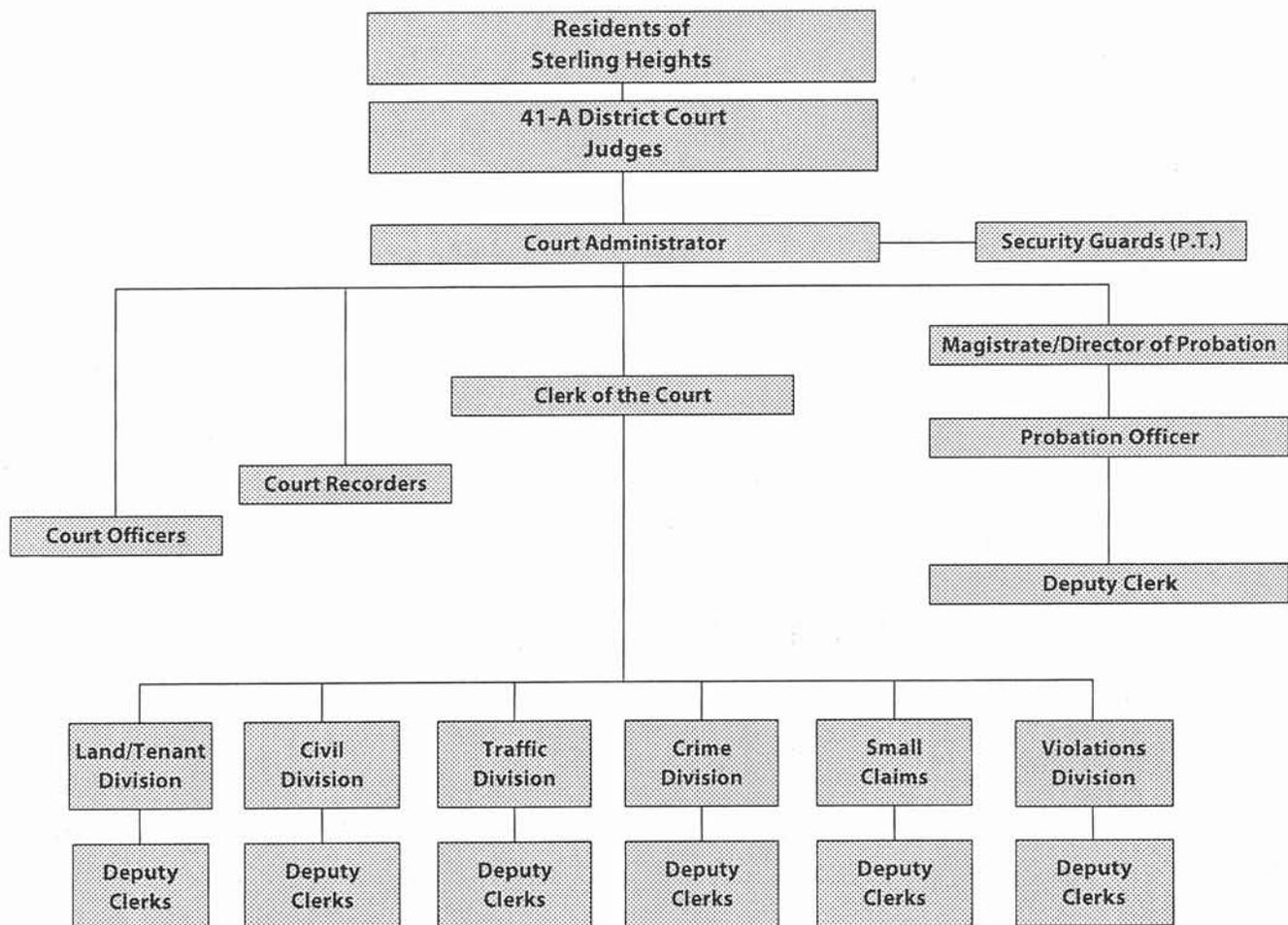
# 41-A District Court

## 2010/11 PERFORMANCE OBJECTIVES

1. To reduce fixed water costs by limiting sprinkling system usage to two times per week rather than every other day. (City Goal 3)
2. To research alternative methods of paying juror fees in order to provide for a more efficient process. (City Goal 2, 3, 17)
3. To form a labor and management committee to review staff cost efficiency ideas and to develop modified workflow processes, including the use of online payments, a customer drop box, and automated computer employee forms. (City Goal 4, 7, 17, 18)
4. To conduct an inventory of all supplies and equipment and sell any identified excess property through an on-line auction. (City Goal 3, 17)
5. To aggressively pursue and collect outstanding civil infraction and misdemeanor fines and costs through income tax garnishments. (City Goal 1, 18, 20)
6. In conjunction with the Police Department, to develop and implement an e-citation program through the New World Records Management System. (City Goal 3, 17)

Performance Indicators		2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Total Active Caseload	46,482	51,176	54,349	56,000	59,800	59,000
	Total New Cases	37,780	40,149	42,468	47,000	48,350	48,450
	Traffic Cases	25,078	25,922	28,317	33,000	34,000	34,000
	Parking Cases	2,065	1,787	2,105	2,100	2,400	2,400
	Misdemeanor Cases	3,821	4,887	4,125	4,200	4,200	4,200
	Felony Cases	712	790	797	800	750	750
	General Civil Cases	3,239	3,867	3,947	3,900	3,900	4,000
	Small Claims Cases	432	425	524	500	500	500
	Landlord/Tenant Cases	2,433	2,471	2,653	2,500	2,600	2,600
	Magistrate Dispositions	8,382	10,360	10,393	10,000	11,000	11,000
	Jury/Bench Verdicts	8,150	9,230	10,489	9,000	11,500	11,000
	Guilty/Admissions/Default - By Party	21,823	23,747	24,739	24,000	24,000	24,000
	Dismissals - By Court or Party	7,082	8,279	7,900	7,500	7,500	7,500
	Probation Caseload	820	800	800	800	800	900
Efficiency & Effectiveness	% of Imposed Revenue Collected	95%	96%	96%	97%	97%	97%
	# of Court Cases Given to Collection Agency	N/A	N/A	1,600	1,000	2,700	2,600
	Court Revenue Collected by Collection Agency	N/A	N/A	N/A	\$100,000	\$55,000	\$25,000
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	\$22.33	\$23.23	\$24.51	\$25.01	\$25.01	\$25.61
	Cost Per Active Case	\$61	\$58	\$58	\$57	\$54	\$56
	# of Active Cases per Employee	1,291	1,422	1,501	1,560	1,661	1,640
	Activity Expenditures as % of General Fund	3.44%	3.44%	3.61%	3.60%	3.68%	3.70%

# 41-A District Court



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Judge	3	3	3
Magistrate/Director of Probation	1	1	1
Court Administrator	1	1	1
Clerk of the Court	1	1	1
Probation Officer	1	1	1
Court Recorder	3	3	3
Court Officer	3	3	3
Deputy Clerk	23	22	22
Deputy Clerk (P.T.)	0	1	1
Security Guard (P.T.)	4	4	4
<b>Total</b>	<b>40</b>	<b>40</b>	<b>40</b>

# 41-A District Court

## SUMMARY OF BUDGET CHANGES

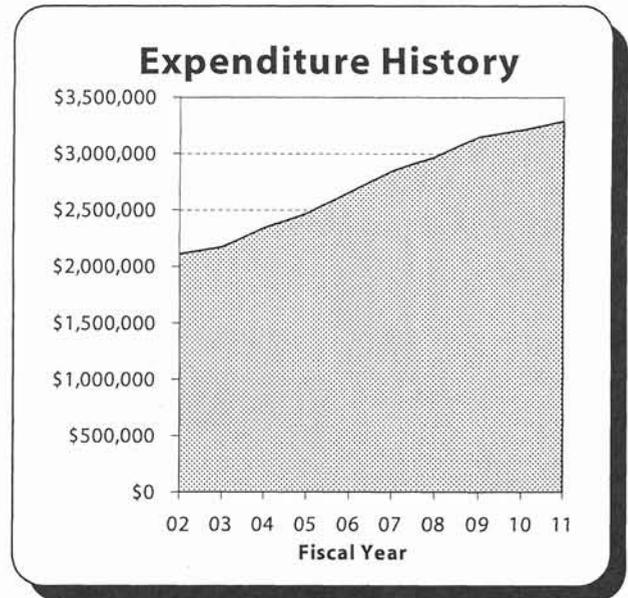
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$83,000 or 2.8%. Full-time wages rose \$6,080 or 0.4% as seven positions have budgeted wage step increases. Full year funding for the part-time Deputy Clerk position is budgeted resulting in an \$11,830 increase. Funding for pension liabilities increased \$22,110, while an additional \$16,340 has been budgeted for retiree medical liabilities. Employee health insurance costs rose \$18,450 or 5.4%.

**Supplies** – Total Supplies is proposed to remain the same at \$42,000.

**Other Charges** – Total Other Charges decreased \$6,060 or 2.7%. The City will save \$4,000 in heating costs due to lower natural gas rates. \$2,500 will be saved, as lawn irrigation will be limited to two times per week. Electric costs decreased \$2,000 based on recent years’ expenditure trends. Juror fees decreased \$2,000, while interpreter fees increased \$2,000, both based on historic actual expenditure levels. State computer maintenance and annual support costs fell \$800. Audit costs decreased \$210 as part of the recently initiated vendor savings program. Greater use of credit cards to pay court fines has led to a \$1,500 increase in credit card fees. Telephone costs increased \$1,500 due to a one-time prior year credit. \$450 was added to the budget for increased postage meter and scale rental fees, partially offset by a decrease in copier rental costs.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$2,881,045	\$2,946,790	\$2,948,750	\$3,029,790	\$3,029,790
<b>Supplies</b>	44,233	42,000	44,000	42,000	42,000
<b>Other Charges</b>	224,877	224,740	220,390	218,680	218,680
<b>Total</b>	\$3,150,155	\$3,213,530	\$3,213,140	\$3,290,470	\$3,290,470

**MISSION STATEMENT:** *To govern the testing for appointment, employment, and promotion of Police and Fire personnel.*

The Act 78 Civil Service Commission is a General Fund activity and is budgeted and accounted in a manner similar to other General Fund activities. The plan of Civil Service as established by Act No. 78 of the Public Acts of 1935, as amended, is incorporated in the Charter of the City and can be changed only by a formal amendment to the City Charter.

The City Clerk acts as ex officio liaison to the Commission and provides the necessary administrative and clerical support.

The Commission governs all aspects of the testing procedures for Police and Fire personnel. From the physical and agility aptitude exams to the written, oral, physiological, and psychological examinations, the Commission has a hands-on interface with the selection of examiners, criteria for examination, and selection of final evaluators. This important role of the Act 78 Civil Service Commission ensures the best candidates are selected for employment. The three members of the Commission serve without compensation during their term.

As the City grows older, more retirements will open new positions and the job of the Commission will proceed into the forefront.■

## KEY GOALS

- *To set requirements for Police Officer and Firefighter applicants that will best serve the interest and well-being of the residents of Sterling Heights.*
- *To keep Police Officer and Firefighter eligibility lists current by initiating the application process in a timely fashion.*
- *To monitor the testing process for new hires and personnel who have applied for certain promotions within the Police and Fire Departments.*

*Did you know?...*

*...the Act 78 Civil Service Commission requires post-offer, pre-employment physical and psychological examinations to ensure Police Officer and Firefighter new hires are fit for duty?*

# Act 78 – Civil Service Commission

## 2010/11 PERFORMANCE OBJECTIVES

1. To initiate Police Officer recruitment to establish a new two-year eligibility list. (City Goal 4)
2. To complete the Firefighter recruitment to establish a new two-year eligibility list. (City Goal 4)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
<b>Output</b>	Minutes of Act 78 Meetings Recorded	8	2	2	3	2	2
	Police Officer Eligibility List Applications	149	186	128	147	0	151
	Fire Fighter Eligibility List Applications	0	88	0	51	90	0
	Written Tests - Police Officer Eligibility List	123	0	146	127	124	0
	Written Tests - Fire Fighter Eligibility List	31	57	0	39	58	0
	Oral Interviews - Police Officer Eligibility List	0	47	35	38	32	0
	Oral Interviews - Fire Fighter Eligibility List	25	16	26	0	0	28
	Physical/Psychological Test - Police/Fire Candidates	17	14	11	7	0	4
	Appointment Notices - Police/Fire New Hires	15	13	10	7	0	4
	Police/Fire Personnel Files Maintained	110	120	120	120	120	120
Maintained Files (hiring procedures/legal opinions,etc.)	100	95	90	90	90	90	
<b>Effectiveness</b>	Number of Appeals by Candidates	6	0	0	3	0	0
	Activity Expenditures as % of General Fund	0.02%	0.04%	0.01%	0.03%	0.00%	0.01%

# Act 78 – Civil Service Commission

## SUMMARY OF BUDGET CHANGES

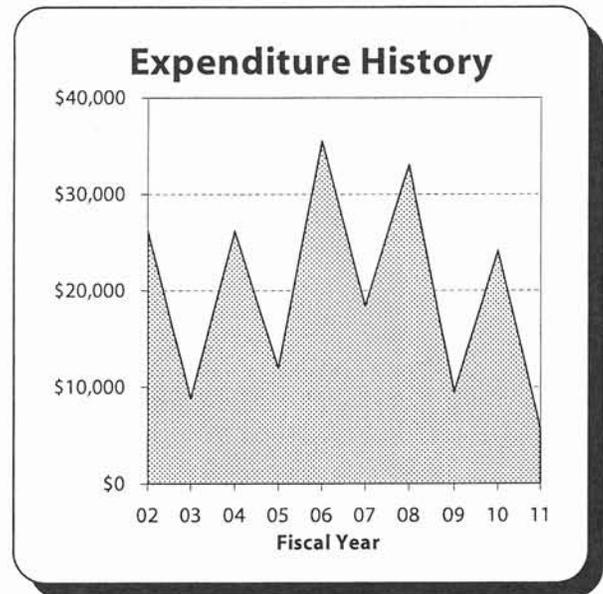
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – There is no Personnel Services budget for this activity. Any overtime costs that are needed for the recruitment activities planned for next fiscal year will be charged to the City Clerk’s office.

**Supplies** – Total Supplies decreased \$140 or 35.0% as funding for postage can be reduced and brought more in line with the recent year’s estimated expenditure usage.

**Other Charges** – Total Other Charges decreased \$18,420 or 77.6%. Funding decreased \$15,150, as Police Officer and Fire Fighter written testing and a Police Lieutenant Assessment Center were all budgeted in the prior year. As part of a labor contract savings, the Police Lieutenant Assessment Center was cancelled for 2009/10. There are no Assessment Centers needed or written tests to be administered next year. Fewer pre-employment physical and psychological exams will be needed, as there are fewer anticipated new hires, resulting in a savings of \$2,930. Job advertising costs decreased \$400 as only Police Officer recruitment notices will need to be published. Printing costs increased \$60 as additional employment applications and recruitment materials will be needed.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	326	400	260	260	260
Other Charges	9,138	23,730	2,520	5,310	5,310
<b>Total</b>	<b>\$9,464</b>	<b>\$24,130</b>	<b>\$2,780</b>	<b>\$5,570</b>	<b>\$5,570</b>

**MISSION STATEMENT:** *To promote public interest in the general improvement of the City's appearance.*

Residents and owners of all property within the City of Sterling Heights are encouraged to accept basic responsibilities in preserving and enhancing the beauty of public and private properties. An annual awards program assists the Beautification Commission in promoting its mission throughout the City. Nominations are submitted annually for properties in Sterling Heights that exemplify the enhancement of both public and private properties. The Commission reviews these nominations and those that are worthy of the award receive City-wide recognition.

Special projects are organized and coordinated to lead the way for residents to follow suit. Environmental awareness education for residents tops the list of priorities. The Beautification Commission initially proposed the City's recycling centers. This landmark project has gained City-wide acceptance and resident participation.

The Beautification Commission recommends the planting and preservation of trees, flowers, plants, and shrubbery, as well as the placing of other ornamentation throughout the City, such as the annual decoration of the municipal grounds gazebo. The Beautification Commission also promotes public education for the disposal of litter in our community through its contacts with schools, scouting troops and businesses. This is accomplished through programs such as "Adopt a City Road".

The 12 member Commission includes a variety of City residents appointed by the City Council. The Community Relations Director serves as staff liaison to the Beautification Commission, coordinating its activities within City guidelines. The Commission was established pursuant to Ordinance No. 145. The Commission sets a specific budget for purposes of funding programs and projects. ■

## KEY GOALS

- *To recognize and honor those individuals who take the initiative to beautify their properties.*
- *To sponsor educational programs to teach students how to beautify their City.*

**Did you know?...**

**...that Sterling Heights has been named a Tree City USA annually since 1985 by the Arbor Day Foundation?**

# Beautification Commission

## SUMMARY OF BUDGET CHANGES

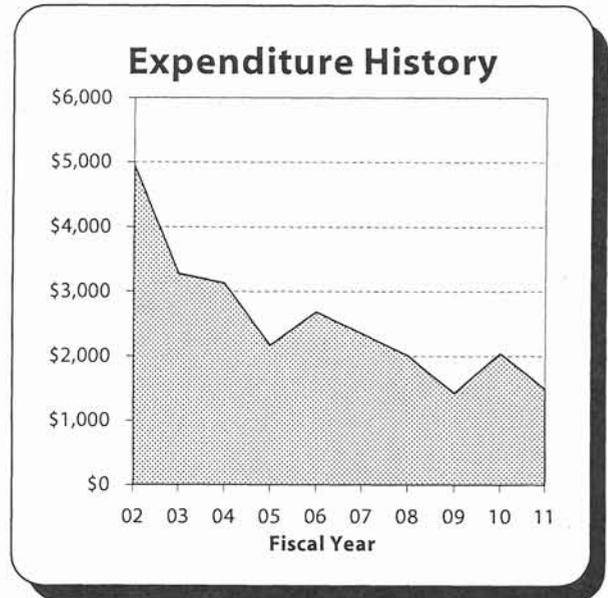
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Supplies** – Total Supplies decreased \$450 or 26.5%. The City will save \$100 in planting supplies, as the planting of more perennial plants at City Hall will reduce the need to plant annuals every year. The Commission will save \$350 in operating supplies by presenting beautification awards to recipients more prominently during a regularly scheduled City meeting, rather than holding a separate event.

**Other Charges** – Total Other Charges decreased \$100 or 29.4%, as fewer refreshments will be required at local meetings and events.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	1,333	1,700	1,700	1,250	1,250
Other Charges	95	340	340	240	240
<b>Total</b>	<b>\$1,428</b>	<b>\$2,040</b>	<b>\$2,040</b>	<b>\$1,490</b>	<b>\$1,490</b>

**MISSION STATEMENT:** *To oversee the construction and related payments of needed City facilities.*

The Building Authority activity was established pursuant to Public Act 31 of 1948. The Authority consists of three members. The mission of the activity is to manage the affairs of the Authority including financing and building City projects. The Building Authority is available to the City Council as a funding source, if needed.

In 1969, the Building Authority entered into an irrevocable lease purchase agreement with the City. The City Hall lease expired in 2000 terminating the purchase agreement. The bonding documents associated with the City Center Commons project required a new lease agreement be entered into between the City and the Building Authority for a period of 20 years. This lease agreement provides for rent payments in the amount of the annual debt service requirements.

The Building Authority was activated in 1990 to manage the construction of the Judicial Services Center. Bonds were sold to finance the construction and will be retired by lease payments from the General Fund to the Building Authority Receiving Fund. The project was completed six weeks ahead of schedule and \$125,000 under budget.

In 1996, City Council directed the Building Authority to begin acquisition, construction, furnishing and equipping of a new Senior Citizens Activity Center. The project was completed on schedule and within budget. The bonds that were issued to finance the project were repaid in full in 2002 using annual debt payments from the Community Development Block Grant (CDBG) Fund.

Most recently, the Building Authority provided oversight for the City Center Commons project. The project included the expansion of the Library and City Hall along with the remodeling of the existing structures and the surrounding campus.

The Building Authority recently participated in the refunding of two bond issues. Conditions in the bond market improved such that the 1990 Judicial Center Limited Tax General Obligation (LTGO) Bonds and the 1993 Judicial Center Refunding

## KEY GOALS

- *To construct needed facilities at or under budget.*
- *To construct needed facilities on time or ahead of schedule.*
- *To make debt service payments accurately and on time.*

Bonds could be refunded at a considerable savings. Given the City's exemplary external bond ratings provided by Moody's (Aa2), Standard & Poor's (AA+) and Fitch (AA+), the City was able to realize a net savings in excess of \$70,500 with interest rates between 2.0% to 2.75% over the six year refunding bond period.

During periods of construction, the members meet a minimum of once a month to oversee the construction project, pay invoices, and make other critical project decisions. Building Authority members receive \$15 per meeting to retire debt and \$20 per special meeting during a building project.

The Building Authority Receiving Fund is set up according to bond covenants to retire debt. The operating budget for the Building Authority resides in the General Fund. ■

## *Did you know?...*

*...that in 2009, the Building Authority pre-approved all remaining future debt service payments, thereby eliminating the need to meet annually for that purpose?*

# Building Authority

## SUMMARY OF BUDGET CHANGES

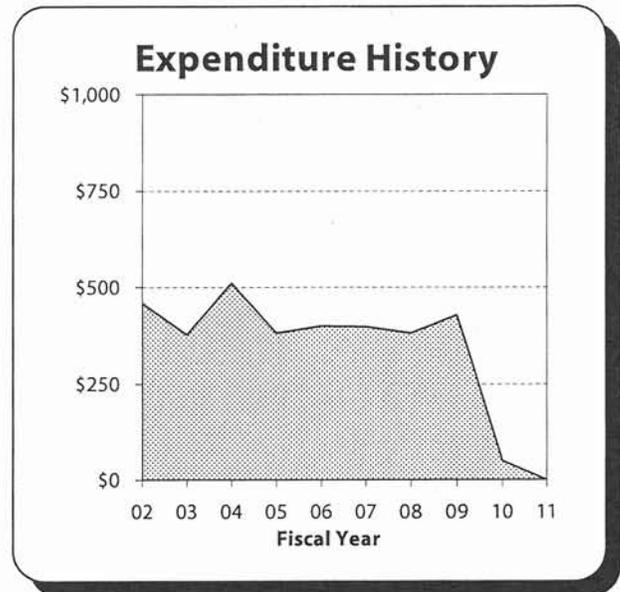
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased by \$50 or 100%. The Building Authority met in the prior year to approve all future annual debt payments, thereby eliminating the need to meet annually in the future.

**Supplies** – There is no Supplies budget for this activity.

**Other Charges** – There is no Other Charges budget for this activity. Previous funding for audit and accounting services is included in the General Expenditures activity where the majority of General Fund audit costs are charged.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$48	\$50	\$50	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	380	0	0	0	0
<b>Total</b>	<b>\$428</b>	<b>\$50</b>	<b>\$50</b>	<b>\$0</b>	<b>\$0</b>

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

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

The Cultural Commission's primary responsibility is to consider, study and recommend City-wide cultural programs. Culture reflects the act of developing social, moral, and intellectual faculties through education. The Commission promotes, coordinates and develops the performing and creative arts by recommending cultural programs and opportunities.

The "Artist of the Month" program reinforces the attitude expressed by the Commission that culture should be appreciated. Every month a local artist is chosen to professionally display his or her art in a public forum.

The "Sterlingfest Art & Music Festival" and the accompanying food festival, held in Dodge Park in August, brings thousands of area residents together. This festive and family-friendly atmosphere is conducive to good times and the appreciation of the performing, visual and culinary arts.

The annual "Memorial Day Ceremony & Parade" honors those men and women who gave their lives for our American freedom. The Cultural Commission sponsors this event as well as Best Float and Band awards for those groups who best display their creativity during the parade event.

The Cultural Commission continues to celebrate its project, "SterlingScapes". This program brings together the works of several renowned sculptors and showcases them on the civic center grounds while enhancing the City's appreciation of public sculpture.

The 12 members of the Cultural Commission are appointed by the City Council and serve without compensation. The Community Relations Director serves as the liaison. ■

## KEY GOALS

- *To promote and administer programs that benefit the community, i.e., "SterlingScapes", an outdoor sculpture display.*
- *To sponsor City events, such as "Sterlingfest", that showcase various forms of the performing and visual arts and encourages family entertainment.*

## ***Did you know?...***

***...the Artist of the Month program has expanded to include a Library exhibit, giving artists twice the display area and audience for their work?***

# Cultural Commission

## SUMMARY OF BUDGET CHANGES

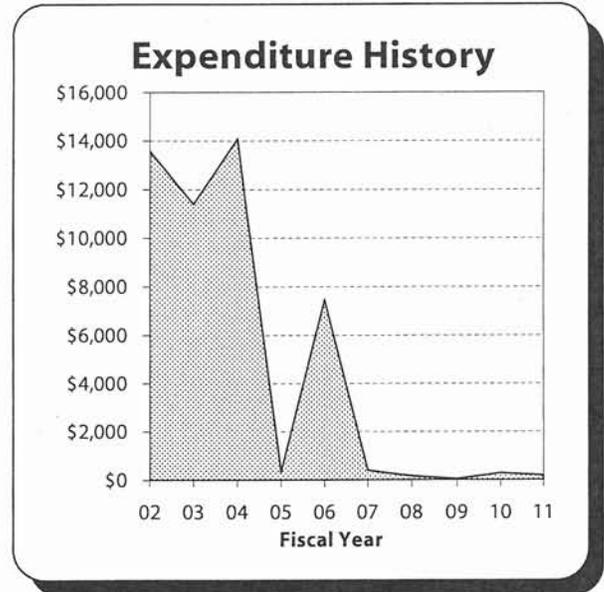
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Supplies** – Total Supplies decreased \$50 or 50.0% as fewer plaques, certificates, and award program supplies are required next year.

**Other Charges** – Total Other Charges decreased \$50 or 25.0% as funding for commission memberships can be reduced and brought more in line with prior year actual expenditures.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	100	100	50	50
Other Charges	50	200	200	150	150
<b>Total</b>	<b>\$50</b>	<b>\$300</b>	<b>\$300</b>	<b>\$200</b>	<b>\$200</b>

**MISSION STATEMENT:** *To invest plan assets prudently while meeting or exceeding actuarial liabilities, while insuring timely and proper distribution of benefits to which plan participants are entitled.*

The General Employees Retirement Board activity was established with the authority to administer, manage, and operate the retirement system following the provisions established by the retirement ordinance referenced in the City Charter and Code of Ordinances. The mission of the General Employees Retirement Board is to ensure that the assets of the retirement fund are invested in a safe and prudent manner, yielding the highest possible return on the investment of the funds. The Board is also responsible for calculation of retiree benefits. Board meetings are held on the third Thursday of every month at 1:30 p.m. in City Hall. These are public meetings with the agenda posted by the end of the week prior to each meeting.

Assets in the fund as of December 31, 2009 total a market value of \$105,315,988 while the City's contribution for the 2010/11 fiscal year will be \$486,096. The fund is now 106.2% funded, which means that valuation assets exceed actuarial accrued liabilities by 6.2%.

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 262 retirees receiving benefits from the fund and 235 active members of the system who pay 5% of gross wages into the system. Retirement benefits vest after five or ten years of service depending on the participant's labor agreement. As of December 31, 2009, 161 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

**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.*

system and asset custodian. A resident is appointed by City Council to serve on the Board while two employee representatives are elected for staggered three-year terms by members of the General Employees Retirement System. An attorney designated by the Board acts as legal advisor while the Pension Accountant serves as the pension board liaison. ■

**Did you know?...**

**...there was no required City contribution to the General Employees Retirement System from fiscal years 1999 to 2008 due to positive investment returns?**

# General Employees Retirement Board

## SUMMARY OF BUDGET CHANGES

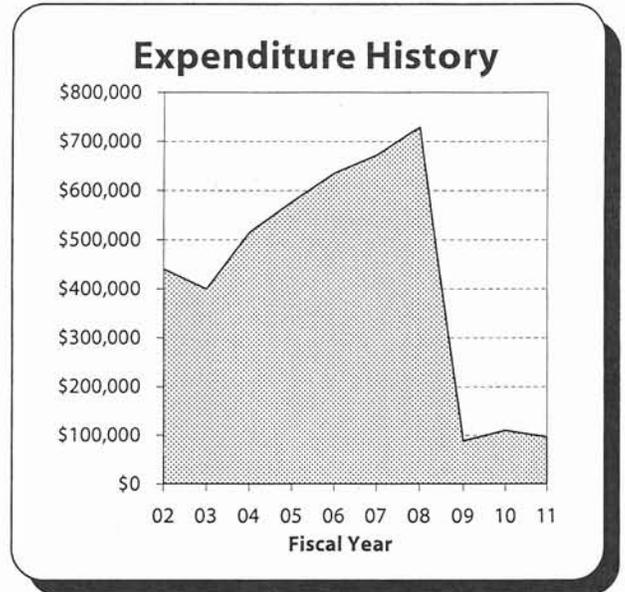
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Supplies** – Total Supplies is proposed to remain the same at \$400. There are no proposed changes within the Supplies accounts.

**Other Charges** – Total Other Charges decreased \$13,750 or 12.6%. Funding decreased \$13,250 as the money manager fees for the City’s pension investments have decreased due to a lower market value of the portfolio. In addition, a fee savings was realized as a result of the Board’s decision to change money managers for certain equities. Funding for educational conferences decreased \$500 as the budget can be reduced and brought more in line with historic actual expenditure usage.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	487	400	400	400	400
Other Charges	87,513	109,550	98,500	95,800	95,800
<b>Total</b>	<b>\$88,000</b>	<b>\$109,950</b>	<b>\$98,900</b>	<b>\$96,200</b>	<b>\$96,200</b>

**MISSION STATEMENT:** *To budget and account for general expenditures not assigned to specific users within the City due to their subjective nature.*

The General Expenditures activity of the General Fund is used to budget and account for all general expenditures that are incurred throughout the fiscal year. This activity is a budgetary center within the General Fund. Expenditures are charged to this activity because of the inability to properly reflect the expenditures in any other activity. This situation exists when an expenditure is incurred by the City in which benefit is realized by more than one activity. Rather than allocate the expense over the many activities in the City, it is much simpler and more auditable to charge it to an activity specifically set up for this type of expenditure – the General Expenditures activity.

Examples of these types of expenditures include postage for City publications and miscellaneous bulk mailings, and operating supplies for the copiers used throughout the City.

Other Charges, such as audit and accounting services for the annual year-end financial report, and contracted services for potential studies and surveys are included in this activity. City street lighting, all liability and property insurance for the City, refunds on tribunal adjustments and City memberships and dues are other items of interest found in this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, approval must be received from City Council before the adjustment is made. This budgetary center rarely requires any formal budget amendment.■

## KEY GOALS

- *To provide a means of accounting for certain unallocable City-wide expenditures which benefit all City departments or the public at large.*
- *To provide a means of accounting for certain benefits to residents such as street lighting, weed cutting, and the quarterly City magazine.*
- *To provide a means of budgeting and accounting for City-wide liability insurance coverage.*

## *Did you know?...*

*...that many of the activities previously recorded in the General Expenditures activity have been assigned to various departments during the last three years in order to increase control and reduce or eliminate the cost associated with the activity?*

# General Expenditures

## SUMMARY OF BUDGET CHANGES

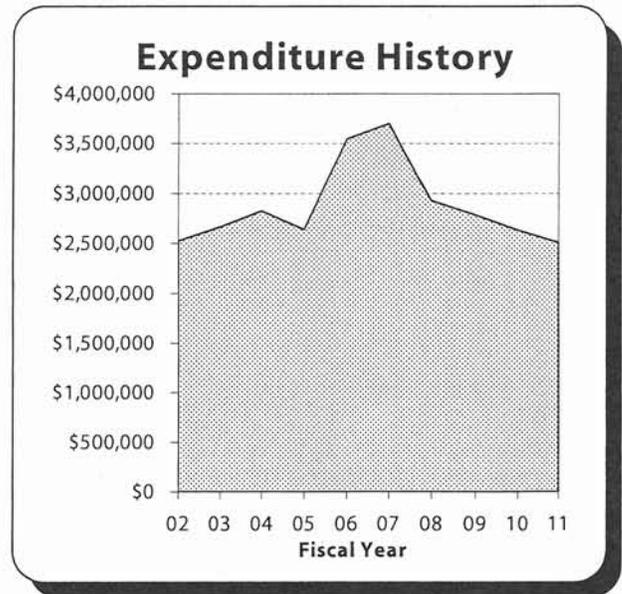
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$13,500 or 81.8% due to increased unemployment insurance rates.

**Supplies** – Total Supplies decreased \$1,750 or 7.7% as the budget for copy paper can be reduced slightly and brought more in line with prior year actual expenditure levels.

**Other Charges** – Total Other Charges decreased \$136,100 or 5.3%. Liability insurance costs decreased \$400,000 as the City is able to reduce its funding to the Self-Insurance Fund due to recent insurance recoveries and lower liability costs. Audit costs decreased \$5,050 as part of the recently initiated vendor savings program to reduce City vendor costs by 5%. Membership costs decreased \$3,840 due to lower than anticipated costs for the MML and SEMCOG memberships. \$3,420 was saved due to lower monthly maintenance costs for the City’s large copy machines. Funding for tax tribunal adjustments increased \$100,000 as a higher number of tax appeals is anticipated due to the State’s economy. Street lighting costs increased \$129,240 due to higher DTE electricity rates. Contracted service costs increased \$45,000 for the one-time funding of an Appraiser to conduct automotive personal property evaluations. This increase was slightly offset by a decrease due to the elimination of funding for the Center for Automotive Research (CAR).

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$21,801	\$16,500	\$23,000	\$30,000	\$30,000
Supplies	68,813	22,750	21,000	21,000	21,000
Other Charges	2,693,911	2,592,140	2,697,160	2,456,040	2,456,040
<b>Total</b>	<b>\$2,784,525</b>	<b>\$2,631,390</b>	<b>\$2,741,160</b>	<b>\$2,507,040</b>	<b>\$2,507,040</b>

**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; 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. The Commission collects and exhibits items reflecting life and times in our community since its inception as a township in 1835.

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

The Commission, in partnership with the Friends of the Library, produced a book on local history entitled, *Seven Miles from Home: An Oral History of Sterling Township, a Michigan Farm Community*. In

## KEY GOALS

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

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 Library Director is the staff liaison, relating the activities of the Commission to City Administration.■

## *Did you know?...*

*...the Sterling Heights Historical Commission has a local history area on the second floor of the Sterling Heights Public Library?*

# Historical Commission

## 2010/11 PERFORMANCE OBJECTIVES

1. To submit an article on a historical topic for each Sterling Heights City Magazine issue. *(City Goal 27)*
2. To promote the new Local History area in the Sterling Heights Public Library through local media including SHTV. *(City Goal 26, 27)*
3. To provide more access to the City's Historic Photograph Collection by rotating the photos from the Upton House to the Sterling Heights Public Library. *(City Goal 27)*

Output	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
	Meetings Held	3	4	4	4	4	4
	Local History Exhibits and Displays	2	2	2	2	2	2
	Programs/Lectures on Local History Topics	1	1	1	1	1	1
	Professional Memberships	3	3	3	3	3	3
	Historic Photographs and Memorabilia Collected	55	42	35	5	5	5
	Program/Exhibit Attendance	1,334	1,204	1,217	1,350	2,400	1,800

# Historical Commission

## SUMMARY OF BUDGET CHANGES

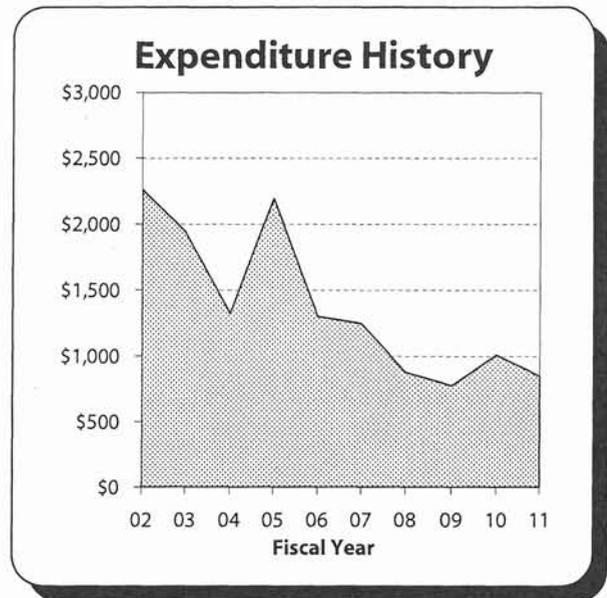
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Supplies** – Total Supplies decreased \$60 or 28.6%. Funding for operating supplies decreased \$50 and postage costs decreased \$10, as both can be reduced and brought more in line with historic actual expenditure levels.

**Other Charges** – Total Other Charges decreased \$100 or 12.5%. Contracted service costs decreased \$100 as it is estimated that fewer donated historic photographs will be archived.

**Capital** – There is no Capital proposed for this activity.



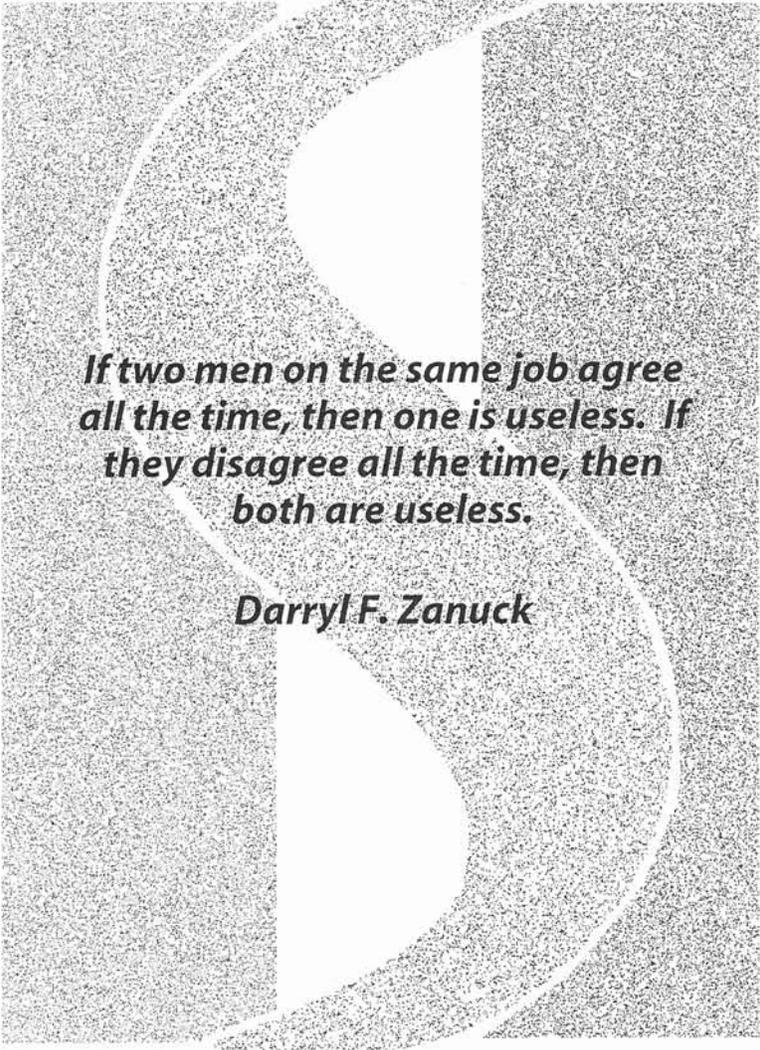
### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	112	210	200	150	150
Other Charges	664	800	700	700	700
<b>Total</b>	<b>\$776</b>	<b>\$1,010</b>	<b>\$900</b>	<b>\$850</b>	<b>\$850</b>

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***If two men on the same job agree  
all the time, then one is useless. If  
they disagree all the time, then  
both are useless.***

***Darryl F. Zanuck***

**MISSION STATEMENT:** *To provide all legal services, legal support, and advice to the City Council, City Manager, and City employees in a prompt professional manner.*

The Legal activity is used to account for all legal services charged to the General Fund.

The City Attorney is appointed by the City Council and serves as legal advisor and counsel for the City Council and City Manager. When requested, he advises City department directors and administrators on legal matters.

The City Attorney prosecutes District Court ordinance and traffic violations and represents the City in court cases and other legally constituted tribunals as the City Council may request. The City Clerk keeps copies of all written legal opinions, records, and files relating to City matters.

The City Attorney prepares and reviews all ordinances, contracts, bonds, and other written instruments that are submitted by either the City Council or City Manager. All new and modified matters of law and changes in the developments affecting the City are called to the attention of the City Council and City Manager after review by the City Attorney's office.

The City Attorney bills the City on a monthly basis for services rendered. These itemized billings are distributed to those activities that received benefit from the legal services. Administrators review the bills for accuracy and seek clarification from the Financial Services office if discrepancies arise. The General Fund charges will be ultimately expended to the Legal activity in the Legal Services – City Attorney account. This method of accounting for legal services has been determined to be superior to the past practice of recording expenditures in each specific activity. Centralized monitoring is more practical using the current method.

Anticipated payment for outside legal services is also budgeted in this activity. These services include court appointed attorneys, services provided by the public defender, a labor attorney, and fees paid to visiting judges.■

## KEY GOALS

- *To provide legal services in an efficient, competent and cost effective manner.*
- *To identify key legal priorities of the City.*
- *To assist the City Council and other Boards and Commissions regarding legal issues that may arise at meetings.*
- *To establish legal procedures, guidelines and standards in support of the City Council and City Administration's missions and goals.*
- *To provide advice and counsel regarding developing state and federal legislation, as well as recent court decisions.*

*Did you know?...*

*...that Jeffrey A. Bahorski was appointed as City Attorney effective January 20, 2004?*

# Legal

## 2010/11 PERFORMANCE OBJECTIVES

1. To provide legal services and guidance in support of the City initiatives to preserve and enhance the commercial and industrial tax base and assure rapid redevelopment of closed facilities during this period of economic contraction. *(City Goal 9, 10, 11)*
2. To implement new strategies and diligently monitor general legal counsel services in order to ensure the delivery of such services is optimally efficient and within budgeted amounts. *(City Goal 20)*
3. To vigorously defend major tax appeals filed in the Michigan Tax Tribunal in order to preserve the City's tax base and prevent further revenue losses. *(City Goal 10, 11, 12)*
4. To provide legal guidance on intergovernmental service sharing and other initiatives undertaken by the City to streamline and deliver governmental services in the most efficient manner. *(City Goal 3, 4, 14, 20)*

	Performance Indicators	2006/07	2007/08	2008/09	2009/10	2009/10	2010/11
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	District Court Cases	5,912	4,886	6,322	6,250	5,950	6,000
	Legal Opinions Rendered	3	4	2	4	5	4
	Ordinances and Amendments Prepared	25	16	16	25	25	20
	Commission Meetings Attended	45	38	47	45	48	45
	Council Meetings Attended	26	28	26	27	27	27
	Number of Open Lawsuits	19	17	29	18	32	30
	Number of Closed Lawsuits	24	13	15	20	10	12
	Numbers of Files Opened	120	85	158	75	90	95
	Number of Files Closed	157	85	81	90	60	70
	Legislative Issues Reviewed	94	90	97	95	99	95
	Hours Spent on City Business	6,550	7,527	7,899	7,600	7,700	7,800
Efficiency & Effectiveness	% Opinions Replied to on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Resolutions Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Contracts Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.88%	0.86%	0.86%	0.87%	0.90%	0.89%

# Legal

## SUMMARY OF BUDGET CHANGES

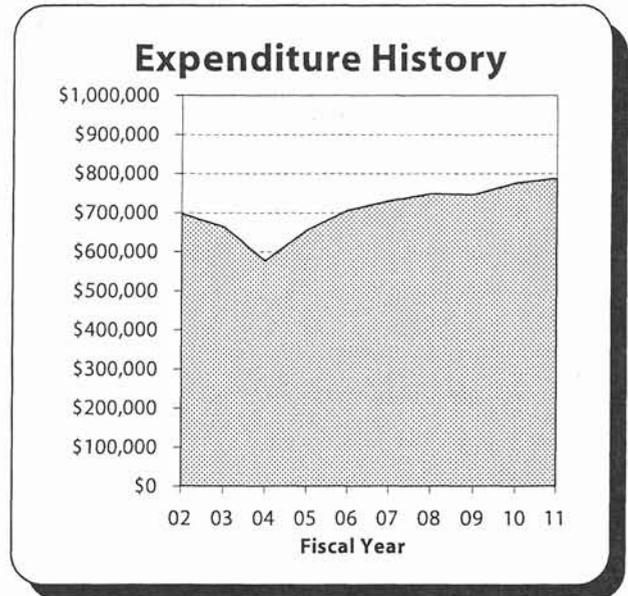
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Supplies** – There is no Supplies budget for this activity.

**Other Charges** – Total Other Charges increased \$11,500 or 1.5%. \$49,000 was added to the budget for a labor attorney to assist with further employee concessions and the negotiations of new collective bargaining agreements that are scheduled with three of the City’s bargaining units next year. City Attorney legal funding decreased \$37,500 or 5%, primarily due to the recently initiated vendor savings program as part of the City’s overall cost-saving financial strategy. The City Attorney has approved a 5% across the board reduction in the amount of the annual retainer and the hourly rates charged for all legal services for the next two years.

**Capital** – There is no Capital proposed for this activity.



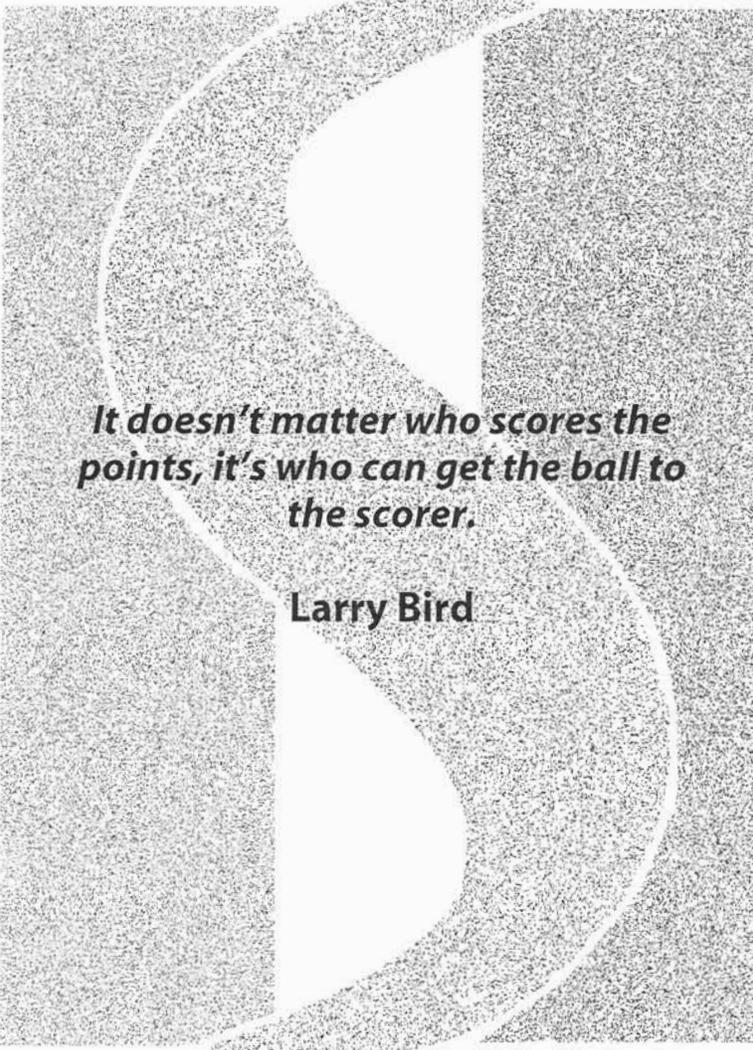
### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	746,589	776,100	782,100	787,600	787,600
<b>Total</b>	<b>\$746,589</b>	<b>\$776,100</b>	<b>\$782,100</b>	<b>\$787,600</b>	<b>\$787,600</b>

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*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. The Commission is an activity within the General Fund charged with several key responsibilities. The mission of the Planning Commission involves the preparation of a Master Land Use Plan for the physical development of the City. In furthering the policies and objectives of the adopted Master Land Use Plan, the Planning Commission is also empowered to review and approve a comprehensive Municipal Improvement Program for public structures and improvements.

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

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

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

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

## KEY GOALS

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

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

## *Did you know?...*

*...that in order to protect public health, safety and welfare, the Planning Commission assisted in preparing amendments to 23 Land Use Articles throughout the Zoning Ordinance?*

# Planning Commission

## SUMMARY OF BUDGET CHANGES

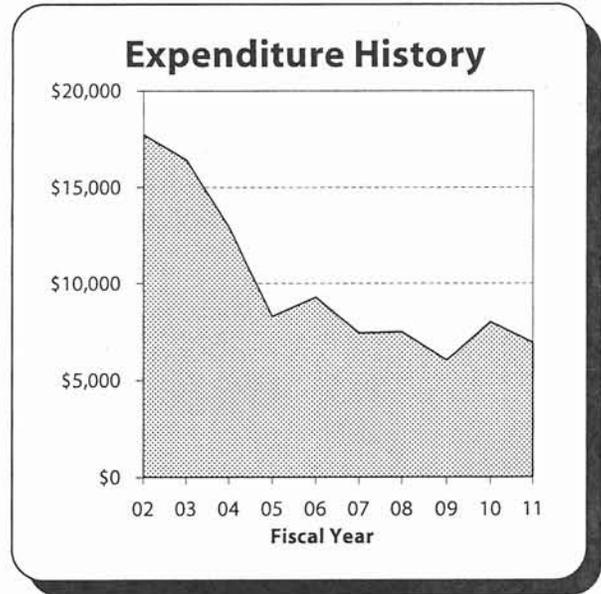
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget remained the same at \$2,690. The budget assumes the same number of Planning Commission meetings as in the prior year.

**Supplies** – Total Supplies decreased \$270 or 29.7%. Postage costs decreased \$100 and publication costs declined \$170, both based on prior year actual expenditure usage.

**Other Charges** – Total Other Charges decreased \$800 or 18.2%. Funding for reporting services was reduced by \$300, as less time is required to transcribe meeting minutes. \$300 was saved due to the printing of fewer special studies in recent years. Funding for educational training decreased \$200 as prior year funds were never fully spent.

**Capital** – There is no Capital proposed for this activity.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$2,618	\$2,690	\$2,690	\$2,690	\$2,690
Supplies	633	910	630	640	640
Other Charges	2,786	4,400	3,400	3,600	3,600
<b>Total</b>	<b>\$6,037</b>	<b>\$8,000</b>	<b>\$6,720</b>	<b>\$6,930</b>	<b>\$6,930</b>

**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 \$1,478,940. They include a transfer to the Capital Projects Fund, the Economic Development Corporation Fund, the Limited Tax General Obligation Debt Service Fund, the Local Road Fund, and the Local Development Finance Authority Fund.

The \$351,000 Transfer Out to the Capital Projects Fund will be used for the funding of budgeted equipment, vehicles, and Information Technology Capital items.

The \$617,940 General Fund transfer to the Limited Tax General Obligation Debt Service Fund will be used for the debt payments on the City Center Commons and the Public Safety Radio System Equipment bonds.

The \$475,000 General Fund transfer to the Local Road Fund is to finance the Neighborhood Road Repair & Replacement Program. The City is continuing to levy a 0.10 millage approved by the voters in 1996 for Proposal N as the Local Road Fund does not have sufficient funds available due to the costs of removing emerald ash borer infested trees in prior years.

The \$5,000 Transfer Out to the Economic Development Corporation Fund is to fund marketing and research tools that will help attract and assist businesses looking to locate in the City, and continue to promote citywide economic development and redevelopment issues.

The \$30,000 General Fund Transfer to the Local Development Finance Authority Fund will be used to fund the City's operational costs for the new SmartZone business incubators.

## KEY GOALS

- *To provide a system to track monies out of one fund and into another.*
- *To accurately transfer out monies in order to provide the appropriate level of funding to allow the receiver fund to pay its obligations.*

The policy on General Fund transfers is to keep such transfers to a minimum. Financial support provided by the General Fund to other City funds may be required when improvements and additions made to General Fund facilities are prohibited by accounting practices from being expensed out of the General Fund.■

### *Did you know?...*

*...the monies for equipment and vehicles for the General Fund offices are transferred out and accounted for in the Capital Projects Fund?*

# Transfers Out

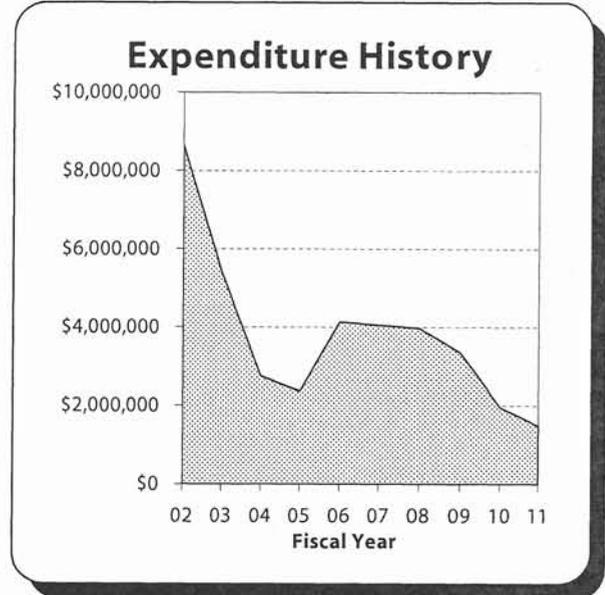
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Other Charges** – There is no Other Charges budget for this activity.

**Transfers Out** – Transfers Out to other City funds totals \$1,760,940. Transfers to the Local Road Fund totals \$475,000, as the City is planning to continue to levy the 0.10 millage approved by the voters in 1996 for Proposal N in order to fund the City’s Neighborhood Road Repair and Replacement Program. Transfers to the Economic Development Corporation Fund totals \$5,000. Transfers to the Capital Projects Fund totals \$633,000 for the funding of equipment, vehicles, and information technology capital items. The City will use reserves from the Capital Projects Fund to fund the City’s share of capital projects and the City’s grant match for the proposed replacement fire engine. ***A listing of all proposed equipment, vehicles, and projects can be found in the Capital schedules within the Capital Projects section of this budget document.*** Transfers to the Limited Tax General Obligation Debt Service Fund totals \$617,940. This transfer will fund the principal and interest payments on the City Center Commons and the Public Safety Radio System Equipment bonds. The final debt payment on the Judicial Services Center was made in the prior year. Transfers to the Local Development Financing Authority Fund totals \$30,000 to fund the City’s operational costs for the SmartZone business incubators.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Transfers Out** – Transfers Out to the Capital Projects Fund decreased \$282,000, as funding was reduced by \$7,000 for the purchase of 27 replacement personal computers, \$170,000 for a tandem dump truck in Street Services was eliminated, and five fewer traffic and patrol vehicles are funded in Police Operations, for a savings of \$105,000.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$0	\$0	\$0	\$0	\$0
<b>Other Charges</b>	0	0	0	0	0
<b>Transfers Out</b>	3,353,150	1,958,810	1,968,810	1,760,940	1,478,940
<b>Total</b>	\$3,353,150	\$1,958,810	\$1,968,810	\$1,760,940	\$1,478,940

**MISSION STATEMENT:** *To hear and act upon appeals on various zoning matters related to the development and use of land in the City and to provide ordinance interpretation.*

The Zoning Board of Appeals was established in accordance with Zoning Ordinance No. 278. The Board performs its duties and exercises its powers as provided in Act 110 of the Public Acts of 2006, as amended. Execution of its duties are performed in such a way that the objectives of the Zoning Ordinance shall be observed and met, public safety secured, and substantial justice done. The Zoning Board of Appeals consists of seven members appointed by City Council for a term of three years.

The Zoning Board of Appeals enjoys all the powers granted to it by both State law and Ordinance No. 278, which includes certain specific powers. Ordinance and map interpretations, modification of height, wall, buffering, screening and landscape requirements, modification of vehicle parking stalls, loading area and placement regulations, and the granting of use variances are specific examples of power granted to this Board.

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

Zoning Board of Appeals meetings are open to the public except those authorized to be conducted in closed session pursuant to the Open Meetings Act. The public is afforded the opportunity to speak at any public hearing in accordance with the Rules of Procedure and Bylaws of the Board. No business is conducted unless a majority of the members are present.

If the Board approves a variance, it shall remain in effect only as long as the facts and circumstances, as presented, continue to exist and conditions attached to the approval are satisfied and maintained. If the variance is not exercised within 12 months from the date it was granted, the variance shall lapse.

The appeal process begins by filing a notice of appeal accompanied by an application fee. The

## KEY GOALS

- *To review and act upon use and dimensional variances to the City's Zoning Ordinance.*
- *To hear appeals in regard to special land uses and planned unit developments.*
- *To hear and act upon appeals made from a review, order, requirement, decision or determination made by a public body or official administering the Zoning Ordinance.*
- *To hear and act upon questions referred to the Board that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.*

notice of appeal must specify the requirement from which a variance is sought and the nature and extent of such variance. An official record is prepared for each appeal upon which the Board has based a decision. ■

## *Did you know?...*

*...the Zoning Board of Appeals heard over 30 cases last fiscal year that sought relief from the literal provisions of the City's Zoning Ordinance?*

# Zoning Board of Appeals

## SUMMARY OF BUDGET CHANGES

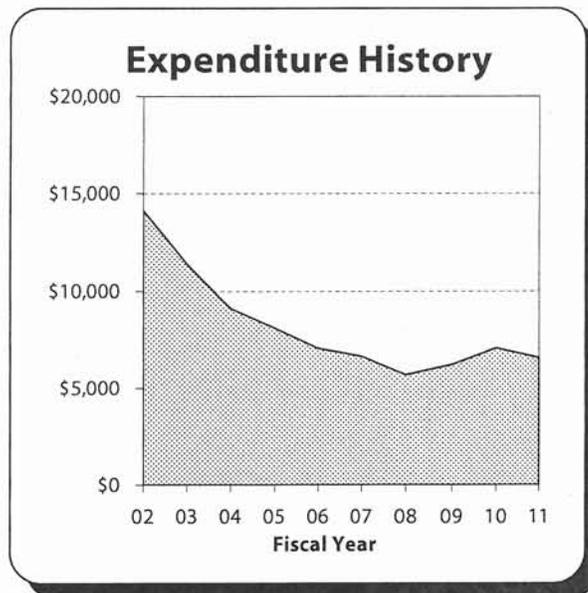
### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget remained the same at \$2,150. The budget assumes the same number of Zoning Board of Appeals meetings as in the prior year.

**Supplies** – Total Supplies decreased \$210 or 20.2% as the budget for operating supplies decreased due to a reappropriated encumbrance in the prior year.

**Other Charges** – Total Other Charges decreased \$300 or 7.8%. Funding for educational training decreased \$300 based on historic actual expenditure levels and a prior year reappropriated encumbrance.

**Capital** – There is no Capital proposed for this activity.

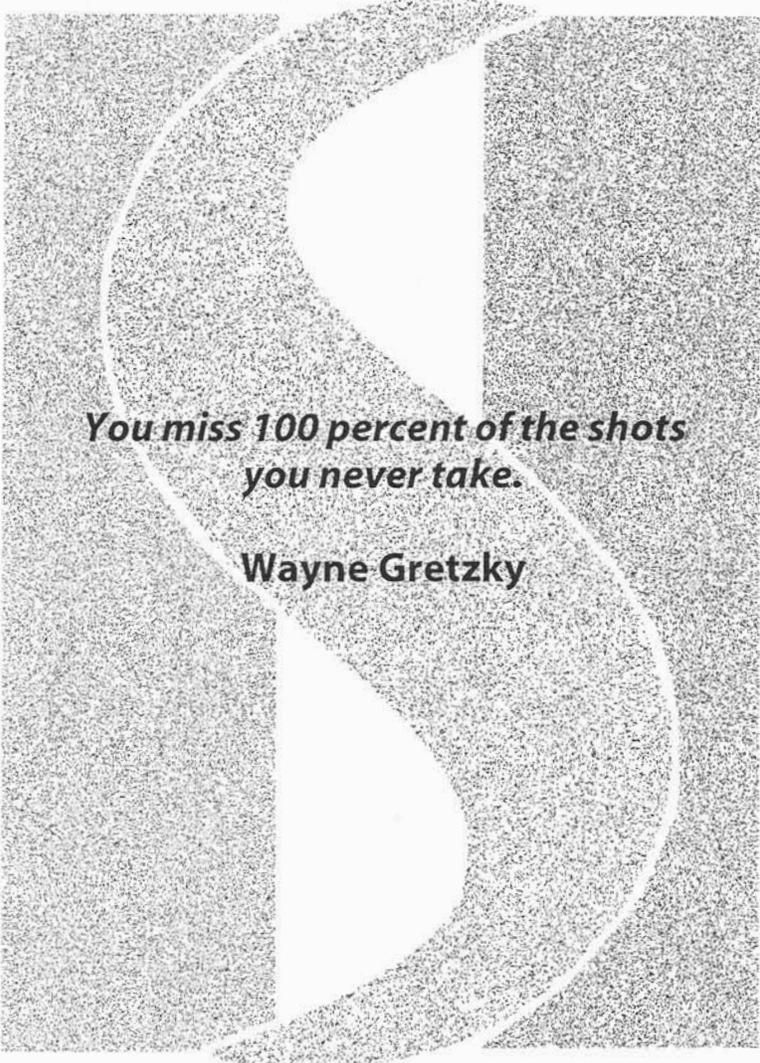


### CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$2,359	\$2,150	\$2,150	\$2,150	\$2,150
Supplies	716	1,040	1,030	830	830
Other Charges	3,142	3,870	3,470	3,570	3,570
<b>Total</b>	<b>\$6,217</b>	<b>\$7,060</b>	<b>\$6,650</b>	<b>\$6,550</b>	<b>\$6,550</b>



# 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 17 years, Detroit has increased its rates by an average of 7.2% per year, while Sterling Heights has increased its rates by only 5.6% per year. In addition, the City has made several adjustments to its rate structure as a direct result of changes in the way the City is billed for water and sewage disposal costs.

For example, in 1998/99, Macomb County increased its administrative fee from \$.08 to \$.10 per mcf. Detroit also increased its water and sewage rates by 7.2% and 4.1%, respectively. The City passed along only a 3% increase, but the third tier sewage rate rose 6.5% to fully cover our cost. The summer discount also increased from a maximum of \$15 to \$25.

In 2001/02, Detroit increased the fixed direct charge by 48.4% and raised its water and sewage rates 10.5% and 0.8%, respectively. Detroit also replaced their sewage meters, resulting in a 6.3% increase in volumes. Sterling Heights passed along an 8.9% water rate increase and a 9.9% sewage rate increase.

In 2003/04, Detroit increased its water and sewage rates 5.0% and 8.6%, respectively. The fixed direct charge decreased slightly due to lower sewage volumes, as Detroit tested their new meters and adjusted volumes downward. Sterling Heights passed along a 4.9% water rate increase and a 6.9% sewage rate increase to its customers. The City also implemented a single-tier rate structure.

In 2004/05, Detroit implemented a new computerized meter reading system to accurately obtain the maximum peak usage of water. As a result, Detroit increased its water rate 16.5% and its sewage rate 4.4%. The City passed along an 11.9% water and sewage rate increase to its customers.

In 2005/06, Detroit's sewage fees increased a total of 8.9%, to include charges for the 15 Mile sewer repair and a slight rate increase. Detroit's water rate also increased 7.7%. Sterling Heights passed along the same rate increases. The City also changed from a single-tier to an inclining two-tier water rate structure to help reduce maximum day and peak hour usage and lessen future water cost increases from Detroit.

In 2008/09, the Detroit water and sewage rates increased by 0.5% and 5.6% respectively. Sterling Heights passed along only a 3.9% water and sewage rate increase to its customers. In addition, for the first time in 10 years, the City increased its maximum summer discount by \$1 to \$26.

In 2009/10, Detroit increased its water rate 8.7%, though the estimated water volume purchases declined 3.6%. Sewage disposal fees increased 2.3% due to a slight increase in the sewage rate and to include charges for the North Gratiot interceptor project. As a result, the City passed along a 4.9% water and a 6.9% sewer rate increase to its customers.

In 2010/11, the Detroit water rate is increasing by 8.6% and the sewage rate is estimated to increase by 10.0%. As a direct result of Detroit's increases and lower projected water consumption volumes over the past several years due to the economy, the City of Sterling Heights is passing along a 9.9% water and sewer rate increase to its customers. ■

***Did you know?...***

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

**WATER & SEWER SYSTEM  
OPERATING FUND REVENUES & EXPENSES**

<b>Budgetary Centers</b>	<b>2007/08 Actual</b>	<b>2008/09 Actual</b>	<b>2009/10 Budget</b>	<b>2009/10 Estimate</b>	<b>2010/11 Manager</b>	<b>2010/11 Approved</b>
<b>REVENUES</b>						
Water & Sewer Service	\$25,475,190	\$22,596,410	\$27,526,330	\$22,775,040	\$27,962,220	\$27,962,220
Penalties & Interest	426,420	459,860	475,000	500,000	500,000	500,000
Hydrant Rental	177,500	177,500	159,750	159,750	159,750	159,750
Building Rental	1,200	1,200	1,200	1,200	1,200	1,200
Interfund Service	311,490	171,310	350,100	220,100	276,000	276,000
Tap and Meter Revenue	324,710	332,080	424,000	330,000	330,000	330,000
Repair and Service	11,190	7,000	8,000	8,000	8,000	8,000
Inspection Fees	5,380	3,350	4,000	5,000	5,000	5,000
Turn-On Charge	8,560	13,330	9,000	15,000	14,000	14,000
Ind./Pollution Surcharge	611,780	606,800	600,000	650,000	625,000	625,000
Miscellaneous	87,870	82,580	60,000	60,000	60,000	60,000
Interest on Investments	971,130	703,570	755,000	600,000	510,000	510,000
<b>Total Revenues</b>	<b>\$28,412,420</b>	<b>\$25,154,990</b>	<b>\$30,372,380</b>	<b>\$25,324,090</b>	<b>\$30,451,170</b>	<b>\$30,451,170</b>
<b>EXPENDITURES</b>						
<b>WATER &amp; SEWER ADMIN.</b>						
Personnel Services	\$925,000	\$961,860	\$983,250	\$971,820	\$967,470	\$967,470
Supplies	11,900	14,740	12,500	11,450	11,950	11,950
Other Charges	6,853,770	6,937,780	2,341,540	2,331,650	2,311,860	2,311,860
Capital Outlay	0	0	104,630	104,630	8,000	8,000
<b>Total Expenses</b>	<b>7,790,670</b>	<b>7,914,380</b>	<b>3,441,920</b>	<b>3,419,550</b>	<b>3,299,280</b>	<b>3,299,280</b>
<b>WATER DISTRIBUTION</b>						
Personnel Services	1,117,930	1,221,010	1,149,560	1,128,000	1,162,210	1,162,210
Supplies	139,390	128,820	210,000	131,000	133,000	133,000
Other Charges	9,820,660	8,959,950	11,027,080	9,203,230	11,082,060	11,082,060
Capital Outlay	0	0	326,900	326,900	33,250	33,250
<b>Total Expenses</b>	<b>11,077,980</b>	<b>10,309,780</b>	<b>12,713,540</b>	<b>10,789,130</b>	<b>12,410,520</b>	<b>12,410,520</b>
<b>SEWAGE COLLECTION</b>						
Personnel Services	1,200,780	1,244,880	1,349,660	1,325,340	1,407,090	1,407,090
Supplies	72,420	69,010	66,500	55,000	60,000	60,000
Other Charges	12,422,390	12,684,410	12,883,120	11,642,320	13,250,370	13,250,370
Capital Outlay	0	0	50,240	50,080	29,000	29,000
<b>Total Expenses</b>	<b>13,695,590</b>	<b>13,998,300</b>	<b>14,349,520</b>	<b>13,072,740</b>	<b>14,746,460</b>	<b>14,746,460</b>
<b>Total Operating Expenses</b>	<b>\$32,564,240</b>	<b>\$32,222,460</b>	<b>\$30,504,980</b>	<b>\$27,281,420</b>	<b>\$30,456,260</b>	<b>\$30,456,260</b>

Note: Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue, Penalties & Interest on Special Assessments, 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 2010/11 Budget, Charges for Services revenue represents 97.89% of total revenue sources, an increase of \$353,790.

The 2010/11 Budget recommends a 9.9% increase on water and sewage rates charged to our resident and corporate customers. These increases are a direct result of the City of Detroit's increase in water and sewage rates it charges the City of Sterling Heights as well as a reduction in water consumption volumes over the past several years, as more homeowners have reduced their outdoor watering needs.

In 2005/06, the City changed its water rate system from a single tier rate structure to an inclining two-tier rate structure. In order to lessen higher future water costs from Detroit, the City began charging a slightly higher water rate for above average water consumption. This rate plan lowered the water rate increase that had to be passed on to the average city resident. The average residential customer will pay approximately \$35.40 per month for water and sewer services and will continue to save money as a result of the inclining two-tier rate structure. This plan helps to encourage water conservation and allows us to better recover our costs from the systems larger users, thereby helping to maintain our low rates for all customers.

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***The average residential customer will pay approximately \$35.40 per month for water & sewer services and will continue to save money as a result of the inclining two-tier rate structure.***

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## OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Rental Income, and Miscellaneous Revenue.

In the 2010/11 Budget, Other Revenues represents 2.11% of total revenue sources, a decrease of \$275,000 below the 2009/10 Budget. This decrease is mostly due to a decrease in Interest on Investment revenues.

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***In the 2010/11 Budget, Other Revenues represents 2.11% of total revenue sources, a decrease of \$275,000 below the 2009/10 Budget.***

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## USE OF NET ASSETS

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

In the 2010/11 Budget, expenditures slightly exceed revenues, resulting in a \$5,090 use of net assets. 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	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<b>CHARGES FOR SERVICES</b>						
627444	Administrative Services - Roads	6,885	0.03	20,000	0.07	15,000	0.05
627531	Administrative Services - Refuse	72,900	0.29	75,100	0.25	76,000	0.25
629001	Labor Services - Roads	29,328	0.12	80,000	0.26	60,000	0.20
629002	Labor Services Cross Charges	12,048	0.05	40,000	0.13	30,000	0.10
633001	Water Tap Fees	49,230	0.20	120,000	0.40	50,000	0.16
633002	Sewer Tap Fees	6,650	0.03	4,000	0.01	5,000	0.02
633003	Meter Charges	276,204	1.10	300,000	0.99	275,000	0.90
633004	Inspection	3,348	0.01	4,000	0.01	5,000	0.02
633005	Water & Sewer Services	6,996	0.03	8,000	0.03	8,000	0.03
633006	Hydrant Rental - Fire Department	177,500	0.71	159,750	0.53	159,750	0.52
633009	Turn-On Charge	13,327	0.05	9,000	0.03	14,000	0.05
634001	Materials/Supplies Cross Charges	16,643	0.07	35,000	0.12	25,000	0.08
643000	Water Services	9,976,354	39.66	12,044,330	39.66	12,217,820	40.12
644000	Collections - Sewer	12,620,052	50.17	15,482,000	50.97	15,744,400	51.70
645000	Penalties - Water & Sewer	459,861	1.83	475,000	1.56	500,000	1.64
646000	Industrial & Pollution Surcharge	606,805	2.41	600,000	1.98	625,000	2.05
	<b>Total Charges for Services</b>	<b>24,334,131</b>	<b>96.74</b>	<b>29,456,180</b>	<b>96.98</b>	<b>29,809,970</b>	<b>97.89</b>
	<b>OTHER REVENUE</b>						
665000	Interest on Investments	703,573	2.80	755,000	2.49	510,000	1.67
667006	Building Rental - Garage	1,200	0.00	1,200	0.00	1,200	0.00
669001	Rental - Road Equipment	24,435	0.10	70,000	0.23	50,000	0.16
669002	Rental/Equipment Cross Charges	9,068	0.04	30,000	0.10	20,000	0.07
685000	Miscellaneous Revenue	82,580	0.33	60,000	0.20	60,000	0.20
	<b>Total Other Revenue</b>	<b>820,856</b>	<b>3.26</b>	<b>916,200</b>	<b>3.02</b>	<b>641,200</b>	<b>2.11</b>
	<b>Total Water &amp; Sewer Fund</b>	<b>\$25,154,987</b>	<b>100.00</b>	<b>\$30,372,380</b>	<b>100.00</b>	<b>\$30,451,170</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

**WATER & SEWER FUND  
EXPENDITURE SUMMARY BY ACCOUNT**

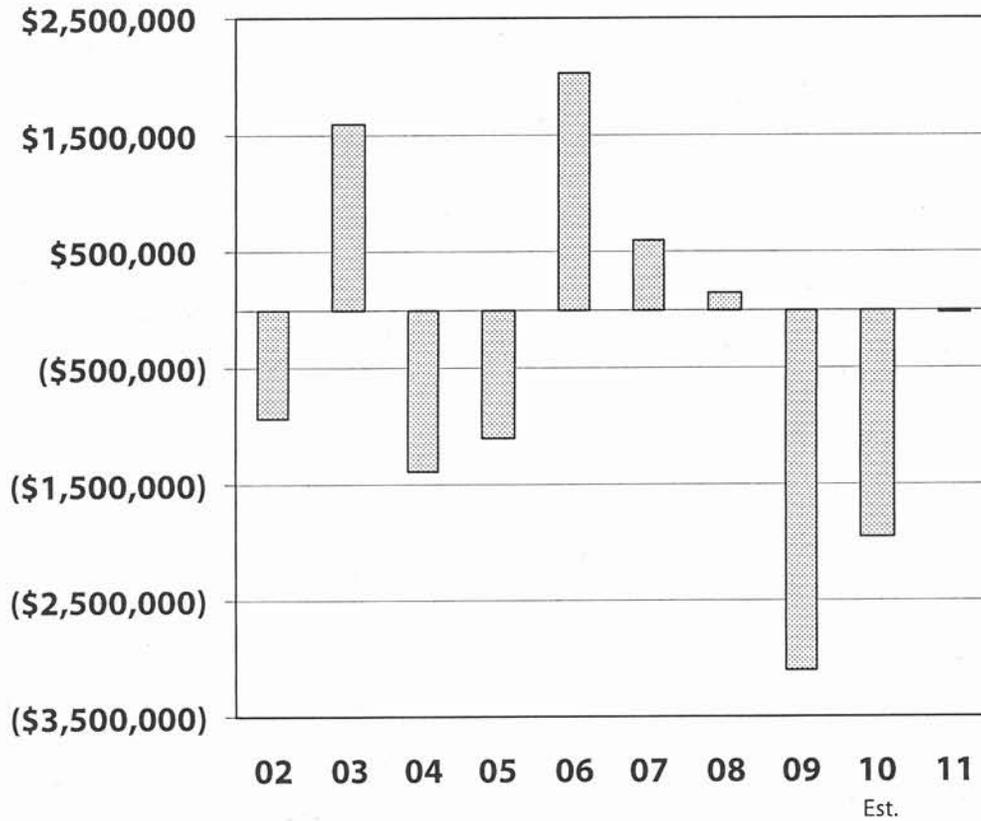
Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<b>PERSONNEL SERVICES</b>						
704000	Wages & Salaries - Permanent	\$1,833,576	5.69	\$1,885,060	6.18	\$1,872,130	6.15
704001	Sick Time Buy Back	9,764	0.03	3,250	0.01	4,250	0.01
704721	Health Insurance Allowance	1,875	0.01	3,000	0.01	1,500	0.00
705000	Wages-Salaries - Temp/Part-Time	68,948	0.21	54,840	0.18	54,320	0.18
708000	Overtime	265,852	0.83	188,000	0.62	180,000	0.59
708001	Compensation Time Buy Back	15,879	0.05	15,000	0.05	15,000	0.05
709000	Union Contract Reimbursements	34,762	0.11	33,300	0.11	33,550	0.11
710000	Longevity	82,280	0.26	82,150	0.27	73,210	0.24
715000	Clothing Allowance	9,384	0.03	9,100	0.03	8,400	0.03
717000	FICA	166,555	0.52	170,820	0.56	168,440	0.55
718000	Worker's Compensation	15,819	0.05	13,630	0.04	13,900	0.05
720000	Pension - General Emp Retirement	0	0.00	22,940	0.08	79,760	0.26
720002	Defined Contribution - Employer	5,536	0.02	7,160	0.02	5,600	0.02
721000	Health Insurance	301,709	0.94	351,620	1.15	363,610	1.19
721001	Health Insurance - Retirees	562,450	1.75	583,200	1.91	606,650	1.99
721003	Retiree Health Savings - City	1,677	0.01	2,000	0.01	2,000	0.01
722000	Dental Insurance	27,066	0.08	30,180	0.10	26,480	0.09
723000	Life Insurance	6,094	0.02	6,690	0.02	7,010	0.02
724000	Eye Care Insurance	2,749	0.01	3,130	0.01	3,170	0.01
725000	Disability Insurance - Long Term	4,209	0.01	4,650	0.02	4,750	0.02
725355	Disability Insurance - Short Term	11,561	0.04	12,750	0.04	13,040	0.04
	<b>Total Personnel Services</b>	<b>3,427,745</b>	<b>10.64</b>	<b>3,482,470</b>	<b>11.42</b>	<b>3,536,770</b>	<b>11.61</b>
	<b>SUPPLIES</b>						
729000	Postage	1,450	0.00	1,500	0.00	1,450	0.00
750000	Fuels & Lubricants	78,877	0.24	89,500	0.29	75,000	0.25
751000	Operating Supplies	62,788	0.19	35,000	0.11	38,500	0.13
770000	Water Meters - Assembled	34,109	0.11	125,000	0.41	50,000	0.16
771000	Fire Hydrant Parts	18,276	0.06	10,000	0.03	15,000	0.05
772000	Tap-In Materials - Water	12,033	0.04	25,000	0.08	20,000	0.07
774000	Water Meter Parts	5,032	0.02	3,000	0.01	5,000	0.02
	<b>Total Supplies</b>	<b>212,565</b>	<b>0.66</b>	<b>289,000</b>	<b>0.94</b>	<b>204,950</b>	<b>0.68</b>
	<b>OTHER CHARGES</b>						
802000	Audit & Accounting Services	14,930	0.05	24,350	0.08	23,440	0.08
806000	Legal Services - Other	122	0.00	200	0.00	200	0.00
806001	Legal Services - City Attorney	3,802	0.01	10,000	0.03	7,500	0.02
807000	Medical Services	2,449	0.01	2,000	0.01	2,000	0.01
810000	Other Fees	56,604	0.18	70,600	0.23	79,000	0.26
823000	Hydrant Moves - Contractor	1,694	0.01	1,000	0.00	1,000	0.00
824000	Water Tap Installation - Contractor	12,795	0.04	30,000	0.10	15,000	0.05
826000	Other Contracted Services	36,221	0.11	45,000	0.15	41,000	0.13
827000	Interfund Services	1,649,160	5.12	1,683,600	5.52	1,671,300	5.49
832000	Building Maintenance	41	0.00	2,000	0.01	1,500	0.00

**WATER & SEWER FUND  
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
833000	Equipment Maintenance	63,472	0.20	83,000	0.27	99,370	0.33
835000	Vehicle Maintenance	146,202	0.45	145,000	0.48	145,000	0.48
840000	Water Main Repair	116,615	0.36	120,000	0.39	120,000	0.39
841000	Distribution Line Repair	148,085	0.46	160,000	0.52	130,000	0.43
842000	Sewer Main Repair	15,086	0.05	20,000	0.07	18,000	0.06
903000	Printing	700	0.00	800	0.00	800	0.00
913000	Liability Insurance	260,000	0.81	267,800	0.88	267,800	0.88
915000	Other Insurance	2,390	0.01	2,460	0.01	2,460	0.01
921000	Electric	38,044	0.12	38,900	0.13	46,100	0.15
922000	Telephone	4,767	0.01	4,300	0.01	4,630	0.02
923000	Gas - Fuel - Oil	16,056	0.05	17,500	0.06	13,800	0.05
931000	Water Purchased	8,578,660	26.62	10,659,600	34.94	10,720,280	35.20
932000	Sewage Disposal Services	12,192,948	37.84	12,351,860	40.49	12,742,400	41.84
934000	Industrial & Pollution Surcharge	324,912	1.01	315,000	1.03	325,000	1.07
945000	Other Rental	156,780	0.49	188,190	0.62	159,370	0.52
956000	Local Meetings	278	0.00	220	0.00	220	0.00
957000	Memberships & Dues	782	0.00	1,160	0.00	1,120	0.00
959000	Education & Training	2,701	0.01	3,200	0.01	3,500	0.01
964000	Refunds & Rebates	2,244	0.01	4,000	0.01	2,500	0.01
968000	Depreciation	4,733,605	14.69	0	0.00	0	0.00
	<b>Total Other Charges</b>	<b>28,582,145</b>	<b>88.70</b>	<b>26,251,740</b>	<b>86.06</b>	<b>26,644,290</b>	<b>87.48</b>
	<b>CAPITAL OUTLAY</b>						
975000	Buildings & Improvements	0	0.00	4,630	0.02	0	0.00
979000	Computer Equipment	0	0.00	100,000	0.33	0	0.00
982000	Machinery & Equipment	0	0.00	358,900	1.18	24,250	0.08
984000	Vehicles	0	0.00	18,240	0.06	46,000	0.15
	<b>Total Capital Outlay</b>	<b>0</b>	<b>0.00</b>	<b>481,770</b>	<b>1.58</b>	<b>70,250</b>	<b>0.23</b>
	<b>Total Water &amp; Sewer Fund</b>	<b>\$32,222,455</b>	<b>100.00</b>	<b>\$30,504,980</b>	<b>100.00</b>	<b>\$30,456,260</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

## Water & Sewer Net Income from Operations

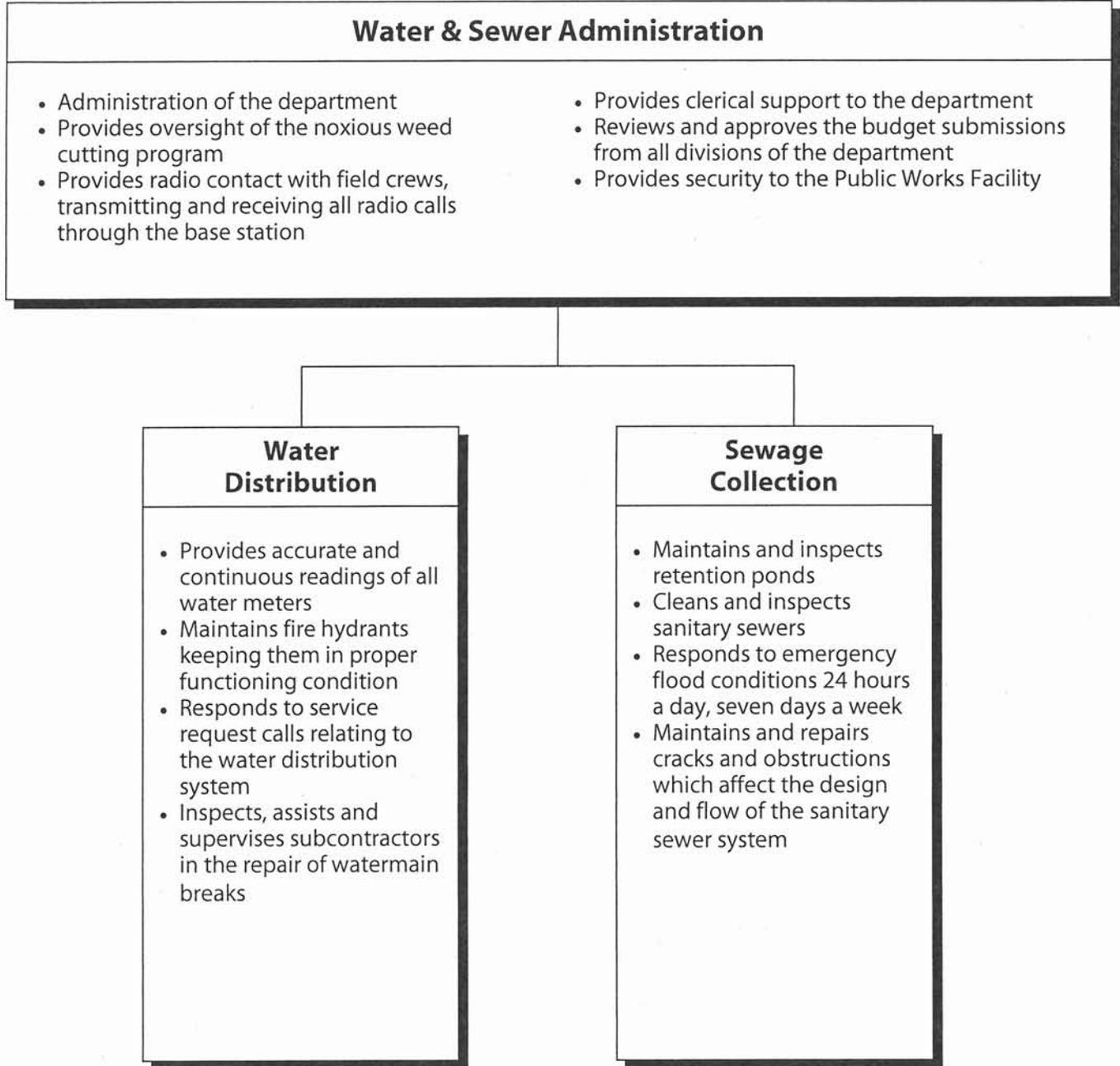


This graph illustrates the net income from operations in the Water & Sewer fund. These numbers reflect the truest picture of the results of Water & Sewer fund operating performance upon which the City's water & sewer rates are established.

*Revenue includes interest on investments for both the Water & Sewer Operating and Receiving funds. Expenses exclude depreciation costs and include capital outlay costs.*

# FUNCTIONAL ORGANIZATION CHART

## *Water & Sewer Fund (Public Works Department)*



# DEPARTMENT AT A GLANCE

## Water & Sewer Fund

### BUDGET SUMMARY

The Water & Sewer Fund budget decreased by \$48,720 or 0.2%. The overall decrease is a result of the one-time capital costs for the new Geographic Information System, the automated commercial water meter reading system, and a Front End Loader in the prior year. As a result, Capital Outlay costs fell by \$411,520 or 85.4%. Personnel costs rose by \$54,300 or 1.6%, due to increased funding for pensions and retiree medical liabilities. A vacant Clerk Dispatcher position in Water & Sewer Administration has been eliminated, saving \$50,000. No cost of living wage increases are budgeted due to successful labor concession agreements.

Supplies decreased by \$84,050 or 29.1%, as fewer water taps and meter purchases are anticipated. Other Charges increased by \$392,550. The City of Detroit has increased the City's water rate by 8.6%, while water volumes are estimated to decline by 7.4%. Sewage disposal costs have risen due to an estimated 10% sewer rate increase from Detroit, offset slightly by a 3% drop in estimated treated sewage flow volumes. As a result, in order for the City's water & sewer system to break even next year, a 9.9% water and sewer adjustment is needed to fully offset current and past Detroit rate increases and lower water sales revenues.

### FUNDING LEVEL SUMMARY

	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget	% Change from 09/10
Water & Sewer Admin.	\$7,790,670	\$7,914,380	\$3,441,920	\$3,299,280	-4.1%
Water Distribution	11,077,980	10,309,770	12,713,540	12,410,520	-2.4%
Sewage Collection	13,695,590	13,998,300	14,349,520	14,746,460	2.8%
<b>Total Department</b>	<b>\$32,564,240</b>	<b>\$32,222,450</b>	<b>\$30,504,980</b>	<b>\$30,456,260</b>	<b>-0.2%</b>
Personnel Services	\$3,243,700	\$3,427,740	\$3,482,470	\$3,536,770	1.6%
Supplies	223,710	212,560	289,000	204,950	-29.1%
Other Charges	29,096,830	28,582,150	26,251,740	26,644,290	1.5%
Capital Outlay	0	0	481,770	70,250	-85.4%
<b>Total Department</b>	<b>\$32,564,240</b>	<b>\$32,222,450</b>	<b>\$30,504,980</b>	<b>\$30,456,260</b>	<b>-0.2%</b>

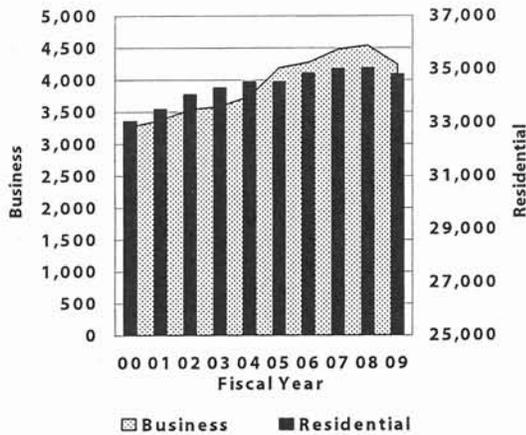
### PERSONNEL SUMMARY

	2007/08		2008/09		2009/10		2010/11	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Water & Sewer Admin.	9	0	9	0	9	0	8	0
Water Distribution	12	2	12	2	11	2	11	2
Sewage Collection	14	4	14	4	14	4	14	4
<b>Total Department</b>	<b>35</b>	<b>6</b>	<b>35</b>	<b>6</b>	<b>34</b>	<b>6</b>	<b>33</b>	<b>6</b>

# KEY FUND TRENDS

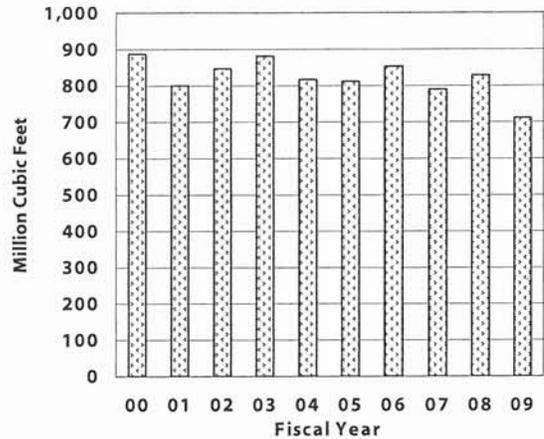
## Water & Sewer Fund

### Water & Sewer Customers



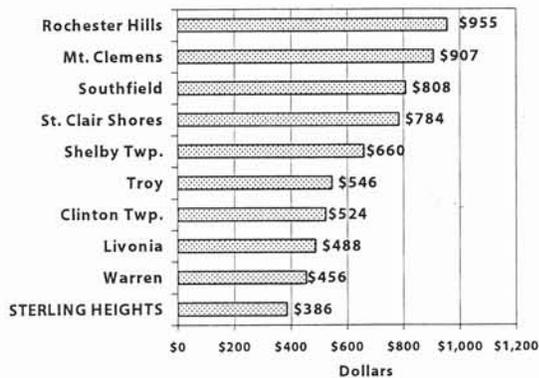
The number of both business and residential Water & Sewer customers has increased over the past ten years due to continued growth and development in the City.

### Water Sold to Residents



Over the past ten years, 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.

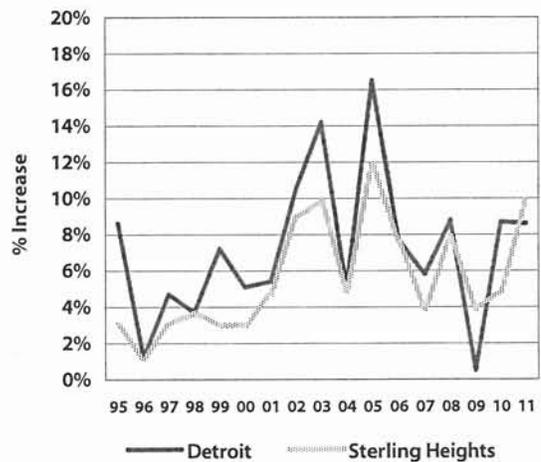
### Average Residential Annual Water & Sewer Bill



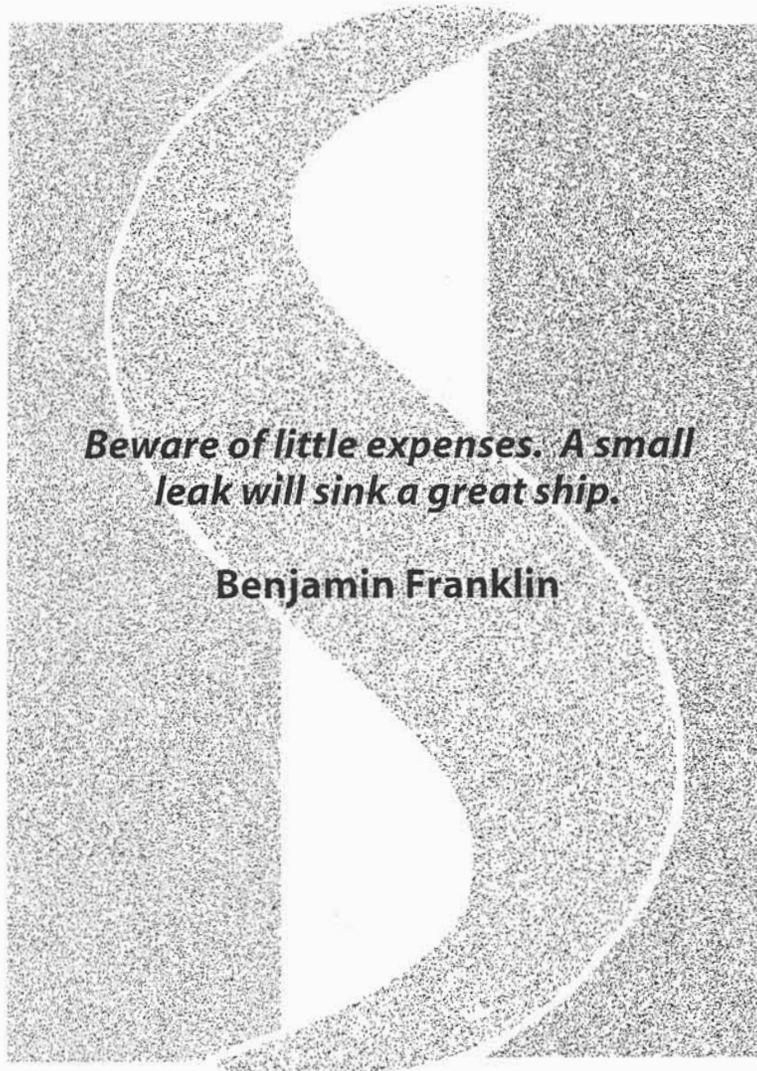
Rates as of 10/09 using 12,000 cf.

The City purchases its water and sewer services through the City of Detroit. The average resident pays \$386 annually or \$32 per month for such services. This amount compares very favorably to all nearby communities. In fact, our residents pay 16% less than the next lowest city (Warren) and almost two times less than the highest (Rochester Hills). We recently changed to an inclining two-tier rate structure that benefited many residential users. According to independent studies conducted in 1995, 2000, and 2003, Sterling Heights continues to have the lowest residential water and sewer rate of any city in the state with more than 25,000 residents.

### 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 7.2% per year over the past 17 years. Sterling Heights has increased its rates by 5.6% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.



**MISSION STATEMENT:** *To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.*

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the tall grass/weed cutting program of the Public Works Department.

The staff of the Public Works Department responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, tree branch chipping, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also to provide these services in the most cost efficient manner. Reports, correspondence, and responses to residents and users concerning activities of the various divisions are provided through this activity. Specifications are developed, analyzed and prepared for the timely bidding of capital equipment, vehicles, materials, supplies, and subcontracted services.

This Division provides clerical support to the Public Works operation including preparation of specialized reports and correspondence, assistance in budget preparation, and response to resident inquiries and service requests over the telephone, via e-mail and at the counter. Staff schedules water and sewer inspections, Miss Dig stake-outs for City water and sewer lines, tree branch chipping, and tree removal and planting.

Staff has constant and immediate radio contact with field crews during regular duty hours, by transmitting and receiving all radio calls to the base station. The communication system also provides immediate 24 hours, seven days a week communication between administration, supervisors, and staff. Internal calls are evaluated and relayed to the appropriate division.

Residents can also obtain information on services or submit a service request after hours through the

## KEY GOALS

- *To preserve the investment made in the City's infrastructure through a continual proactive maintenance program.*
- *To provide continual high levels of safety, convenience and health protection to the public in the use of roads, water, sewers, parks, grounds, vehicles, equipment and refuse collection.*
- *To establish priorities and monitor the department's performance plan and standards.*
- *To create, develop and maintain a positive, competent, service-oriented public image.*

Clerk/Dispatch Program. In an emergency situation, appropriate personnel are contacted to respond. Examples of such emergencies include flood conditions, snow removal, tree damage due to storms, water main breaks, and other emergency conditions, which require personnel to report to work on other than regular duty hours. Radio contact is maintained with field crews, messages are received and relayed, and specific field operations are recorded. A daily log of shift activities, information, service calls, and emergencies is compiled.

The Police Department's Emergency Dispatchers handle many of the off-duty hour calls in case of an emergency. A tape-recorded message advises callers to contact the Police Department if their call involves an emergency. The DPW provides the Dispatch Center with a list of emergency scenarios and a list of supervisors to contact for each emergency.■

### *Did you know?...*

*...the City of Sterling Heights has the lowest combined water and sewer rates for residential customers in the State for communities that have a population greater than 25,000?*

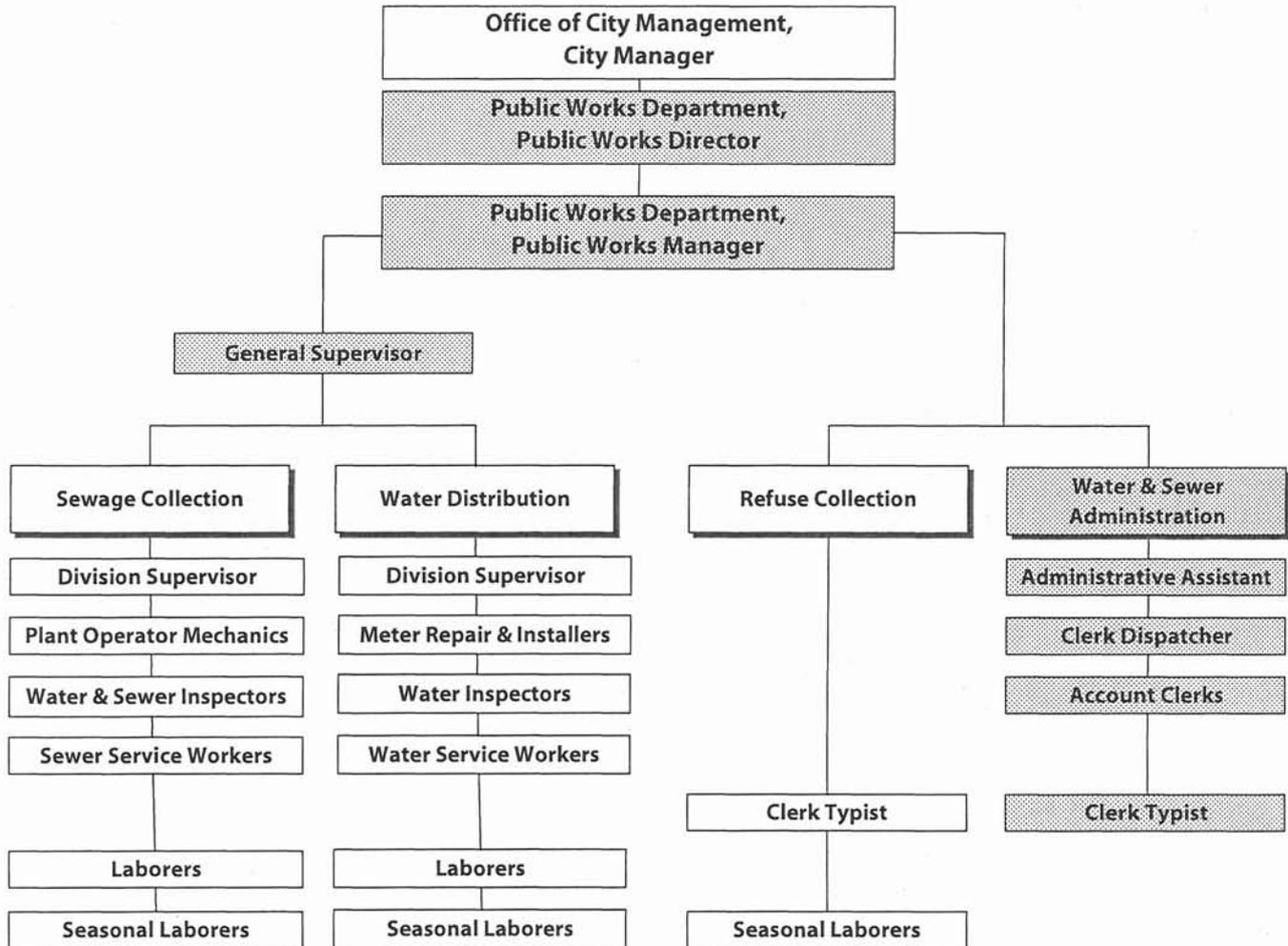
# Water & Sewer Administration

## 2010/11 PERFORMANCE OBJECTIVES

1. To increase promotion of the voluntary odd/even water use restrictions during the months of June, July, and August in order to spread out the use of water and reduce the maximum day usage of water; thereby helping to keep down future water rate increases. (City Goal 14)
2. To prepare the 2010 Sterling Heights Annual Water Quality Report in accordance with EPA and M-DEQ requirements advising residents about the source of their water, results of water quality testing and other information related to safe drinking water. (City Goal 12, 14)
3. To aggressively enforce the City's tall grass and weed ordinance by sending violation letters and cutting properties when necessary, in order to maintain the aesthetics of the City, especially in our residential neighborhoods. (City Goal 12, 13, 14)
4. To electronically monitor customer service requests that pertain to DPW related operations through the full implementation of a computerized complaint tracking system. (City Goal 3, 5 18)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Water & Sewer Customers	39,100	39,119	39,044	39,300	39,100	39,200
	Customer Service Requests/Inquiries Received	31,200	30,900	31,500	30,200	30,500	30,000
	Res./Commercial Sanitary Sewer Tap Connections	183	95	88	80	70	90
	Residential/Commercial Water Taps	142	57	35	50	40	50
	Residential/Commercial Water Meter Installations	164	106	54	90	50	60
	Tall Grass/Weed Cutting Revolutions (317 acres)	5	5	5	5	5	5
	Vacant Parcels Cut - Tall Grass/Weed Program	986	748	720	650	783	800
	Parcels Cut - Residential Homes/Businesses	384	493	796	500	982	900
	Backflow Preventer Testing Compliance Letters	542	630	698	600	625	700
	Site Plans Reviewed	45	39	45	40	25	30
	Vehicles/Equipment Specifications Prepared	15	11	10	5	5	4
	Materials/Supplies/Services Specifications Prepared	16	15	13	18	15	12
	Activity Budgets Prepared	4	4	4	4	4	4
	Hours of Safety Training	260	280	240	300	200	240
Efficiency & Effectiveness	Ratio of FT Employees to Worker Comp. Claims	52:1	41:1	40:1	95:1	48:1	92:0
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	% of Weed Violations Corrected by Owner	81%	68%	63%	75%	63%	70%
	Residential Water & Sewer Bill (12,000 cfs)	\$323	\$349	\$363	\$386	\$386	\$425
	Activity Expenditures as % of Enterprise Fund	11.85%	11.17%	11.57%	11.28%	12.53%	10.83%

# Water & Sewer Administration



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Public Works Director	1	1	1
Public Works Manager	0	0	1
Operations Supervisor	1	1	0
General Supervisor	1	1	1
Administrative Assistant	1	1	1
Clerk Dispatcher	2	2	1
Account Clerk	2	2	2
Clerk Typist	1	1	1
<b>Total</b>	<b>9</b>	<b>9</b>	<b>8</b>

# Water & Sewer Administration

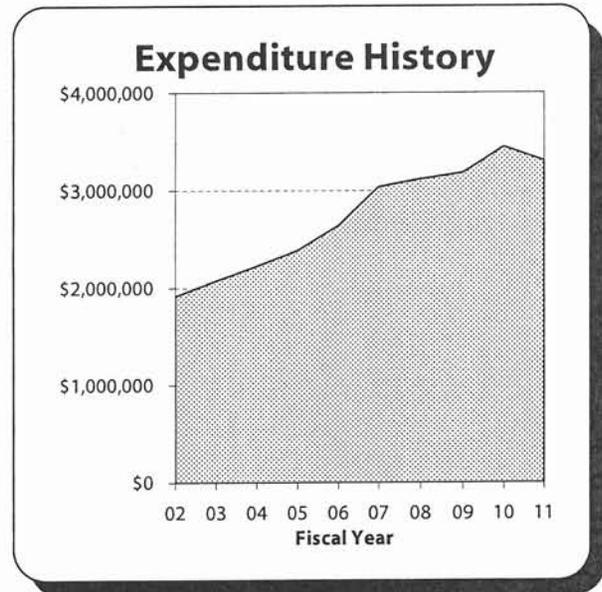
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget decreased \$15,780 or 1.6%. A Clerk Dispatcher position is proposed to be eliminated, saving \$50,000. Due to a department reorganization, a new Public Works Manager position is budgeted to replace the Operations Supervisor and the former Environmental Services Manager positions. Higher retiree medical obligations have resulted in a \$6,880 increase, while pension costs rose \$8,190.

**Supplies** – Total Supplies decreased \$550 or 4.4%. Funding for fuel and lubricants decreased \$500 and postage costs decreased \$50, both based on the current year's estimated expenditure levels.

**Other Charges** – Total Other Charges decreased \$29,680 or 1.3%. Facility rental costs decreased \$28,820 primarily due to lower operational costs in the Public Works center as a result of employee turnover. Interfund service costs decreased \$12,300 due to lower General Fund administrative costs for time spent on all water and sewer related functions. The City will save \$2,500 in heating costs due to lower natural gas rates. Contracted service costs decreased \$4,000 and funding for legal services fell \$2,500, both based on recent actual expenditure levels. Lower audit fees saved \$910. \$12,870 was added for the annual licensing and support fees for the City's new Geographical Information System (GIS). Support for the existing MUNIS Utility software increased. Credit card fees rose \$9,400 due to an increase in credit card water bill payments. Electric costs increased \$1,000 due to higher rates. Telephone costs increased \$330 due to higher rates necessary for improved wireless communications.



**Capital** – Total Capital of \$8,000 is proposed for a Hand-held GPS Asset Tracking System to tag City infrastructure assets for the new GIS system.

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

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$961,856	\$983,250	\$971,820	\$967,470	\$967,470
<b>Supplies</b>	14,738	12,500	11,450	11,950	11,950
<b>Other Charges</b>	6,937,784	2,341,540	2,331,650	2,311,860	2,311,860
<b>Capital Outlay</b>	0	104,630	104,630	8,000	8,000
<b>Total</b>	\$7,914,378	\$3,441,920	\$3,419,550	\$3,299,280	\$3,299,280

**MISSION STATEMENT:** *To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.*

The Water Distribution Division ensures the accurate and continuous reading of residential, commercial, and industrial water meters, and the maintenance and service of water meters.

Personnel respond promptly to numerous service request calls regarding the water distribution system in order to assist the residential and business community.

Fire hydrants are maintained to ensure that they are properly functioning. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 10,000 service request calls are responded to annually.

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

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

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

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

## 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.*

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

## *Did you know?...*

*...the City has 575 miles of various sized water mains that deliver clean water to serve the community's residential, commercial and industrial needs?*

# Water Distribution

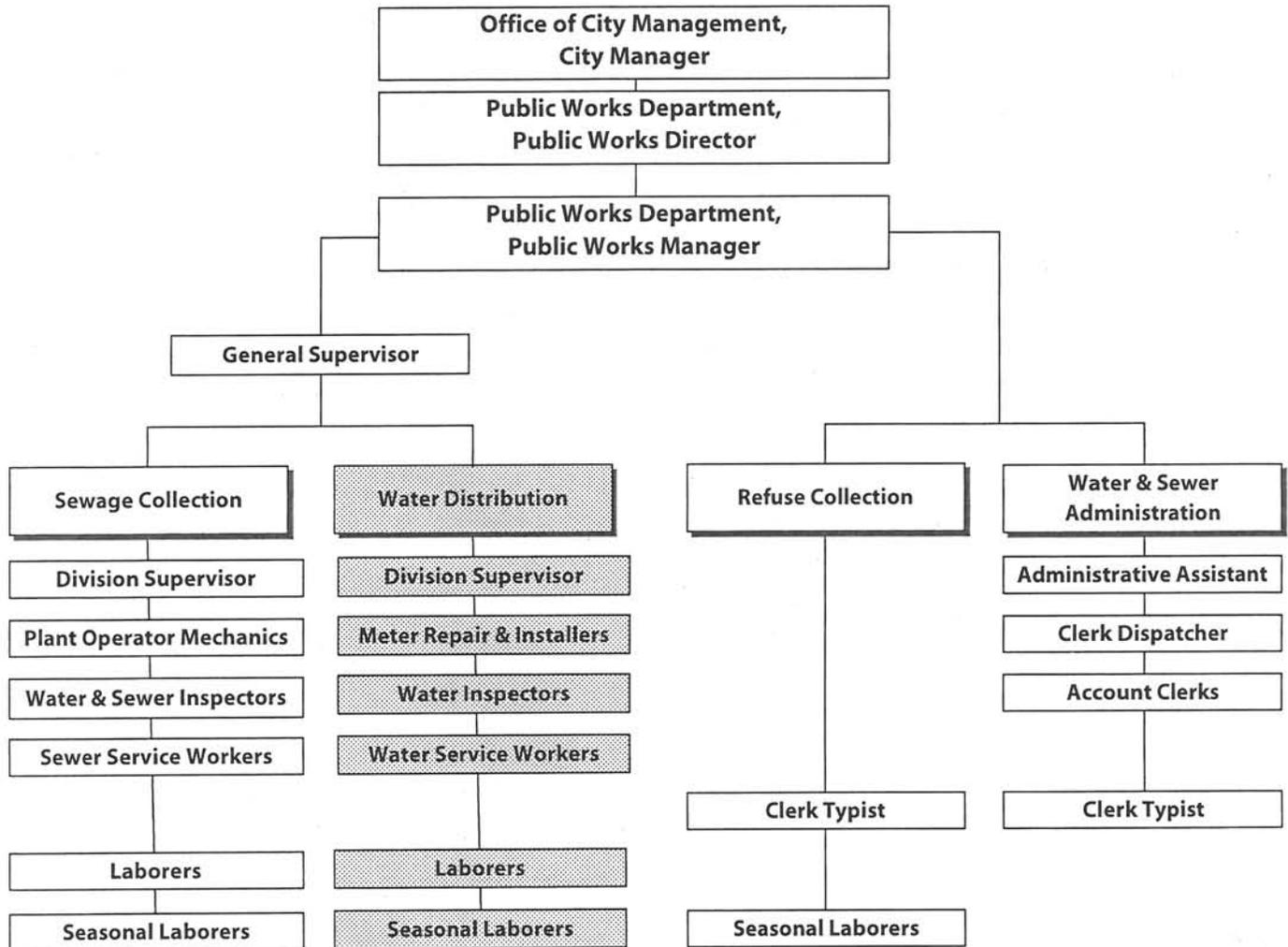
## 2010/11 PERFORMANCE OBJECTIVES

- To test/repair approximately 300 large water meters 2" and larger, utilizing a subcontractor at commercial and industrial sites to assure correct revenues are being realized from high-volume users. (City Goal 1)
- To perform a gateway and valve inspection program of 350 valves annually, which will improve our ability to isolate and fix broken water mains and affect less customers being out of water. (City Goal 1, 3)
- To respond to approximately 6,700 "Miss Dig" requests for the staking of water mains and water service, in order to protect our water system and prevent damage when excavation is performed. (City Goal 1, 12)
- To monitor the testing of approximately 700 backflow preventers performed by private contractors at commercial/industrial sites, apartment complexes, churches and schools to assure their proper functioning. (City Goal 1, 12)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Miles of Water Mains in City	570	573	574	575	575	576
	Citizen Inquiries/Service Requests Responded To	8,408	7,670	7,432	7,800	7,400	7,400
	Water Meter Manual Reads - Residential & Comm.	193,230	193,290	143,661	143,880	143,000	141,000
	Water Meter Automated Reads - Commercial	N/A	N/A	48,310	49,620	48,700	51,000
	Miss Dig Stakeouts of Utilities Performed	8,660	7,260	6,688	6,800	6,500	6,700
	Water Meters Installed - Residential/Commercial	89/75	54/52	16/38	30/60	20/30	25/35
	Meters/Remote Boxes Checked/Repaired	2,710	2,820	3,624	2,800	2,900	2,900
	Water Taps Installed - Residential/Commercial	82/60	39/18	19/16	20/30	22/18	25/25
	Cross Connection Inspections/Reinspections	580	620	601	620	610	620
	Compound Meters Tested	390	220	360	300	300	300
	Gatewells Inspected	378	360	411	350	320	350
	Businesses Monitored - Backflow Compliance	542	630	698	600	625	700
	Fire Hydrants Replaced	4	9	9	10	7	10
	Fire Hydrants Winterized	7,075	7,160	7,203	7,220	7,240	7,260
	Fire Hydrants Painted	1,900	1,450	1,295	1,400	1,800	1,500
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	98%	99%	99%	99%	99%	99%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4.7	4.6	4.5	4.4	4.2	4.3
	Miles of Water Main Maintained per FT Employee	47.5	47.8	52.2	52.3	52.3	52.4
	Water Meter Manual Reads per Reader	64,383	64,410	57,464	57,550	57,200	56,400
	Water Purchased from Detroit (1,000 cubic feet)	775,817	786,726	709,423	810,000	670,000	750,000
	Cost of 1,000 Cubic Feet of Water from Detroit	\$11.08	\$12.05	\$12.11	\$13.16	\$13.16	\$12.54*
	Detroit Water Direct Charge	N/A	N/A	N/A	N/A	N/A	\$1,315,280
	Activity Expenditures as % of Enterprise Fund	41.65%	39.72%	37.51%	41.68%	39.55%	40.75%

\*Does not include fixed water costs.

# Water Distribution



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Division Supervisor	1	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Laborer	3	2	2
Seasonal Laborer	2	2	2
<b>Total</b>	<b>14</b>	<b>13</b>	<b>13</b>

# Water Distribution

## SUMMARY OF BUDGET CHANGES

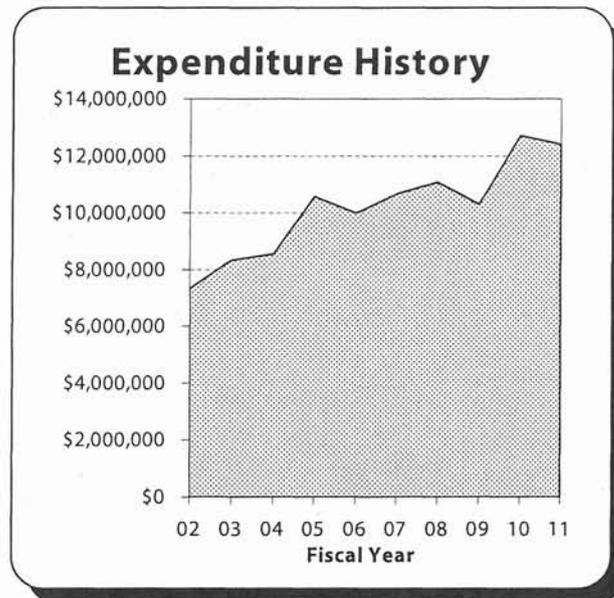
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$12,650 or 1.1%. Full-time wages decreased \$16,260, while longevity pay declined by \$9,560 due to turnover in four positions in the prior year. An additional \$7,710 is budgeted for retiree medical liabilities, while pension costs rose \$22,620 as a result of a recent actuarial study. Health insurance costs rose \$21,340.

**Supplies** – Total Supplies decreased \$77,000 or 36.7%. The budget decreased \$75,000 as fewer new water meters are anticipated to be purchased. Fewer materials are needed to install new water taps due to a decline in building activity, saving \$5,000. Funding for fuel and lubricants decreased \$4,000. \$7,000 was added for the increased costs of water meter and fire hydrant repair parts.

**Other Charges** – Total Other Charges increased \$54,980 or 0.5%. The cost of water purchased from Detroit increased \$60,680 due to an 8.6% Detroit water rate increase, offset by lower projected water consumption volumes. Although Detroit has reduced its variable water rate, it has implemented a new fixed rate structure, which now includes an annual fixed \$1.3 million cost. Electric costs increased \$6,000 based on recent expenditure levels. \$5,000 was added for increased compound meter testing and repairs. Funding for new water tap installations decreased \$15,000 due to a decline in building activity. Heating costs for the booster station decreased \$1,200.

**Capital** – Total Capital of \$33,250 is proposed. \$16,250 is to replace a 35-year old Water Meter that frequently needs repairs at the Rudgate Estates mobile home park.



\$17,000 is for a Mini-Van to replace a 1999 vehicle with over 100,000 miles that is used to transport equipment for the Miss Dig and vacant lot weed cutting programs.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,221,006	\$1,149,560	\$1,128,000	\$1,162,210	\$1,162,210
<b>Supplies</b>	128,815	210,000	131,000	133,000	133,000
<b>Other Charges</b>	8,959,954	11,027,080	9,203,230	11,082,060	11,082,060
<b>Capital Outlay</b>	0	326,900	326,900	33,250	33,250
<b>Total</b>	\$10,309,775	\$12,713,540	\$10,789,130	\$12,410,520	\$12,410,520

**MISSION STATEMENT:** *To maintain the sanitary and storm sewer systems to ensure that they are properly functioning in accordance with designed capacities.*

The Sewage Collection Division is responsible for maintaining designed sewerage flows through maintenance of the City-owned sanitary and storm sewer systems to ensure proper functioning.

Staff conducts thorough and responsible sewer and utility inspections. Crews of this Division continually repair and restore damaged utility structures, sewer lines, and replace the concrete required by these repairs. Included among the duties of this Division is the maintenance of retention ponds to assure proper functioning for the temporary retention of storm water drainage.

A three-year preventative maintenance program cleans 33% of the sanitary system each year. Specific trouble spots in the sanitary sewer system are cleaned on a quarterly basis to avoid unnecessary problems. Debris is removed from the system to prevent blockages. Cracked or broken pipes, roots or other problems are located and resolved.

This Division responds to calls regarding sewer back-ups and/or blockages. Blockages are investigated, located, and relieved through sewer cleaning. If internal plumbing problems or sump pump malfunction is the cause, advice and assistance is provided. Residential and commercial sewer tap installations and utility structures (sanitary manholes, storm manholes, and gatewells) are inspected prior to the issuance of final occupancy permits.

Sanitary, water, and storm structures are rebuilt or repaired on a priority basis. Repairs to sanitary and storm sewers are initiated as required. Sewage Collection personnel also resod or reseed areas due to utility structure repair, water main breaks, and snow/ice control activities.

Emergency flooding conditions are responded to 24 hours a day, seven days a week. Known sanitary sewer system and lift station problem areas are checked for surcharging and proper operation during heavy rainfall.

## KEY GOALS

- *To provide a systematic preventative maintenance sanitary sewer cleaning program to prevent sewer blockages.*
- *To provide efficient and economical maintenance, repair and restoration of the City's sanitary and storm sewer systems.*
- *To provide an efficient, competent and responsible sewer connection and utility inspection program.*
- *To ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.*
- *To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.*

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for proper operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

## *Did you know?...*

*...that it costs the average Sterling Heights homeowner approximately two cents to flush their toilet?*

# Sewage Collection

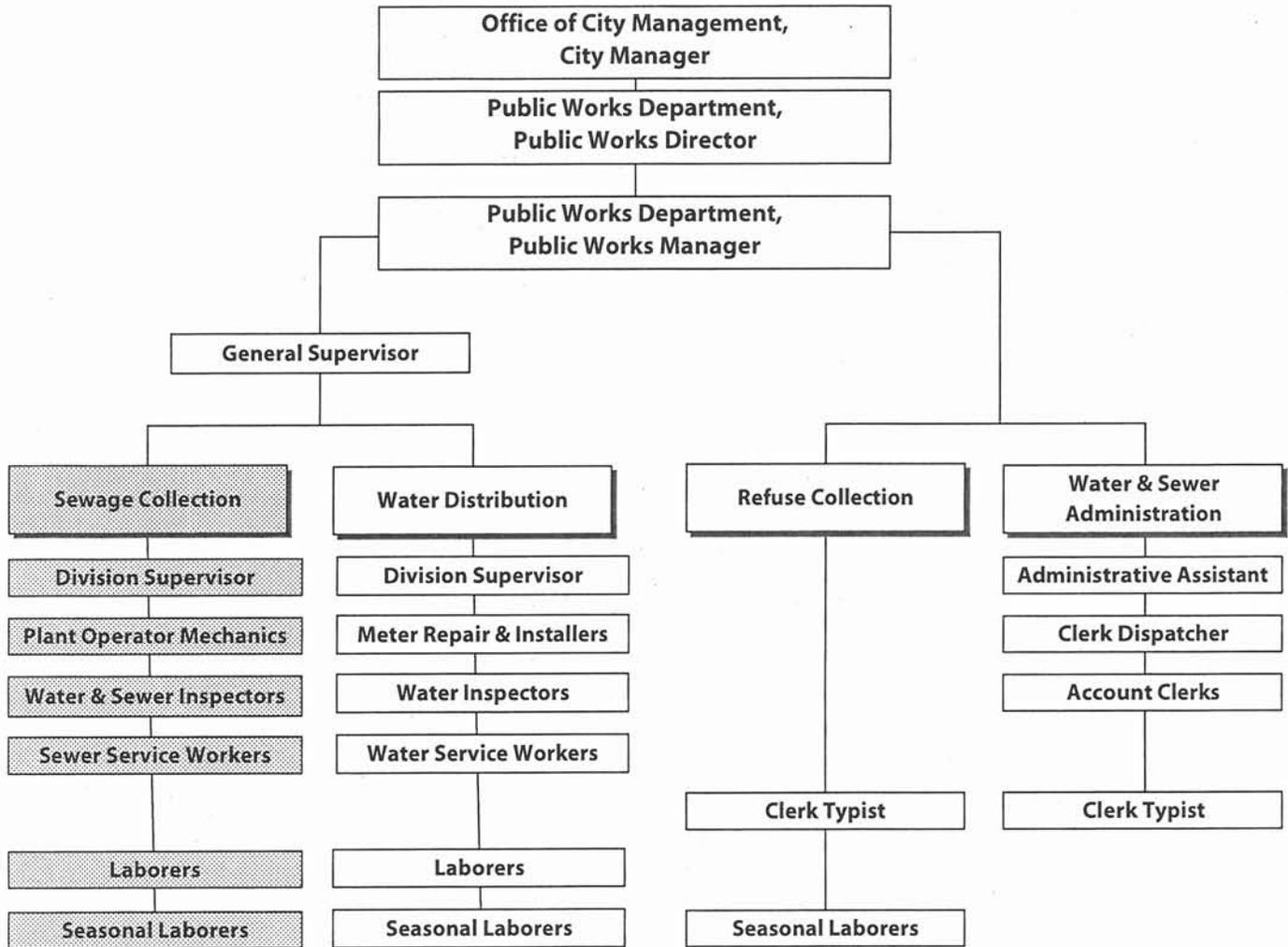
## 2010/11 PERFORMANCE OBJECTIVES

1. To rebuild and repair 140 utility structures in order to eliminate all known hazards (trip, street collapse, etc.) and reduce infiltration into the sanitary and storm system, helping to reduce blockages and backups. (City Goal 12)
2. To clean the wet wells and lift stations twice a year to ensure properly flowing sewerage and storm water and reduce the amount of sands and sediment flushed into downstream ditches. (City Goal 6, 12)
3. To provide a comprehensive confined space entry training program to all employees due to work performed inside wet wells, sanitary and storm structures, and sanitary lift stations. (City Goal 4, 25)

	Performance Indicators	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Budget
Output	Miles of Sanitary Sewers in City	429	430	430	430	430	430
	Sewer Inquiries Received & Resolved	1,202	855	942	1,000	1,100	1,000
	Sewer Inspections	183	95	88	80	70	90
	Water Inspections	94	31	25	60	25	25
	Certificate of Occupancy Inspections	424	334	186	300	60	50
	Sanitary Sewer Cleaned - Feet	597,420	772,475	940,750	800,000	920,000	920,000
	Utility Structures Restored	117	88	88	150	140	140
	Flags of Sidewalk Replaced	107	88	93	100	100	100
	Sections of Street/Approaches Replaced	85/27	49/32	67/20	100/50	120/20	120/20
	Sod Replaced - Yards	2,374	3,589	2,884	2,800	3,000	3,000
	Detroit Sewage Meter Pit Readings	104	624	624	624	624	624
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	4	3	4	10	10	10
Efficiency & Effectiveness	Sewer Main Blockages	15	4	11	10	20	20
	% of Emergencies Responded to within 45 Minutes	100%	100%	100%	100%	100%	100%
	% of Trouble Mains Cleaned a Minimum of 4 Times	100%	100%	100%	100%	100%	100%
	Miles of Sanitary Sewer Maintained per FT Employee	30.6	30.7	30.7	30.7	30.7	30.7
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	\$10.80*	\$10.96*	11.58*	\$11.75*	\$11.76*	\$12.93*
	Macomb County Sewage Direct Charge	\$2,904,501	\$3,632,637	\$3,771,454	\$3,884,160	\$3,521,090	\$3,800,000
	Sewage Disposal System Look-Back Adjustment	(\$259,632)	\$933,803	\$0	\$0	(\$162,500)	\$0
	Activity Expenditures as % of Enterprise Fund	46.50%	49.11%	50.92%	47.04%	47.92%	48.42%

\* Does not include fixed combined sewer overflow costs.

# Sewage Collection



## STAFFING SUMMARY

Position	Approved 2008/09	Approved 2009/10	Approved 2010/11
Division Supervisor	1	1	1
Plant Operator Mechanic	2	2	2
Sewer Worker (Clean)	2	2	2
Water & Sewer Inspector	2	2	2
Sewer Worker (Maintenance)	3	3	3
Laborer	4	4	4
Seasonal Laborer	4	4	4
<b>Total</b>	<b>18</b>	<b>18</b>	<b>18</b>

# Sewage Collection

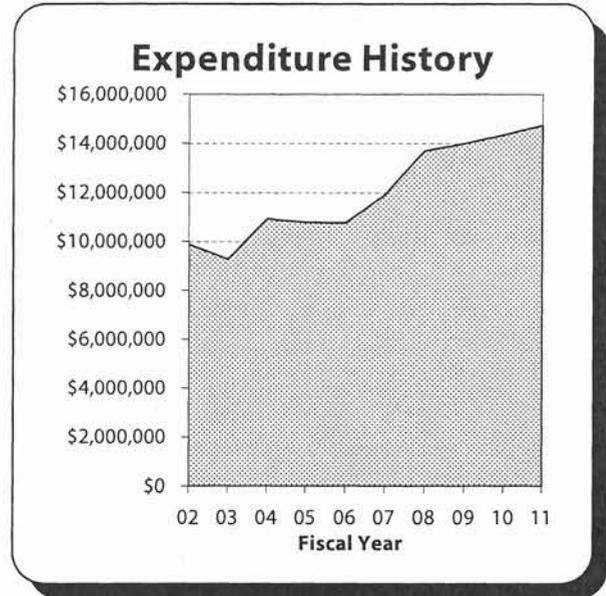
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget increased by \$57,430 or 4.3%. Wages for full-time employees rose \$17,130 as eight employees are not at their top wage step. Pension costs rose \$26,010, while an additional \$8,860 is budgeted to fund retiree medical liabilities.

**Supplies** – Total Supplies decreased \$6,500 or 9.8%. Fuel costs decreased \$10,000 to bring the budget more in line with the current year’s estimated expenditure levels. \$3,500 was added due to the increased costs of lumber and electrical supplies for the City’s lift stations and retention ponds.

**Other Charges** – Total Other Charges increased \$367,250. The cost of sewage disposal services from Detroit increased \$390,540 as the sewage rate from Detroit is estimated to increase by 10% from \$11.76 to \$12.93 per mcf. Estimated sewage flow volume has fallen by 2.9%. Fixed sewage costs are estimated to decrease \$84,160 or 2.2%, while the City’s debt payment for the District’s North Gratiot Interceptor project decreased \$92,700. Distribution line repair costs decreased 30,000 and sewer main repair costs decreased \$2,000, both based on prior year actual expenditure levels. Funding decreased \$1,500 for the maintenance and repair of sanitary sewer lift stations as fewer repairs have been needed in recent years. \$10,000 was added due to an increase in the industrial waste control costs charged by Detroit for monitoring non-residential waste flows.



**Capital** – Total Capital of \$29,000 is proposed for a 4x4 Pick-Up Truck with Plow to replace an 11-year old, 105,000-mile vehicle used for snow plowing and transporting heavy equipment.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,244,880	\$1,349,660	\$1,325,340	\$1,407,090	\$1,407,090
<b>Supplies</b>	69,007	66,500	55,000	60,000	60,000
<b>Other Charges</b>	12,684,413	12,883,120	11,642,320	13,250,370	13,250,370
<b>Capital Outlay</b>	0	50,240	50,080	29,000	29,000
<b>Total</b>	\$13,998,300	\$14,349,520	\$13,072,740	\$14,746,460	\$14,746,460

# Special Revenue Funds



Special Revenue Funds are used to detail transactions in which the funding source is legally restricted to be spent for specific purposes. Included in this section are Major and Local Roads, Economic Development Corporation, Community Development Block Grant and Neighborhood Stabilization Programs, Brownfield Redevelopment Authority, Local Development Finance Authority, Corridor Improvement Authority, Land & Water Conservation Fund, Public Safety Forfeiture Fund and Energy Efficiency & Conservation Block Grant Fund.

**SPECIAL REVENUE FUNDS  
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>MAJOR ROAD FUND</b>						
<b>REVENUES</b>						
Federal Grants	\$2,440,410	\$19,900	\$33,000	\$156,000	\$158,720	\$158,720
Gas & Weight Tax	4,933,090	4,763,220	4,650,000	4,600,000	4,450,000	4,450,000
Metro Act	219,020	232,630	215,000	225,000	225,000	225,000
Other Revenue	442,470	224,510	265,000	213,000	213,000	213,000
Transfer from General Fund	800,000	0	0	0	0	0
Tfr. from Rd. Bond Constr. Fund	0	200,000	350,000	300,000	0	0
<b>Total Revenues</b>	<b>8,834,990</b>	<b>5,440,260</b>	<b>5,513,000</b>	<b>5,494,000</b>	<b>5,046,720</b>	<b>5,046,720</b>
<b>EXPENDITURES</b>						
Administration	143,150	152,140	130,730	115,730	130,410	130,410
Major Street Maintenance	1,914,640	2,062,490	1,720,000	1,544,700	1,680,750	1,660,350
Major Street Improvements	1,402,910	1,796,980	1,288,540	1,111,480	796,220	796,220
Transfer to Local Road Fund	1,000,000	500,000	250,000	250,000	0	0
Tfr. to Road Bond Debt Fund	2,600,200	2,915,000	2,585,000	2,585,000	2,480,000	2,480,000
Tfr. to Road Bond Constr. Fund	200,000	300,000	0	0	0	0
<b>Total Expenditures</b>	<b>7,260,900</b>	<b>7,726,610</b>	<b>5,974,270</b>	<b>5,606,910</b>	<b>5,087,380</b>	<b>5,066,980</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,574,090</b>	<b>(2,286,350)</b>	<b>(461,270)</b>	<b>(112,910)</b>	<b>(40,660)</b>	<b>(20,260)</b>
<b>Beginning Fund Balance</b>	<b>2,734,900</b>	<b>4,308,990</b>	<b>2,022,640</b>	<b>2,022,640</b>	<b>1,909,730</b>	<b>1,909,730</b>
<b>Ending Fund Balance</b>	<b>\$4,308,990</b>	<b>\$2,022,640</b>	<b>\$1,561,370</b>	<b>\$1,909,730</b>	<b>\$1,869,070</b>	<b>\$1,889,470</b>
<b>LOCAL ROAD FUND</b>						
<b>REVENUES</b>						
Gas & Weight Tax	\$1,864,420	\$1,800,560	\$1,790,000	\$1,750,000	\$1,700,000	\$1,700,000
Metro Act	82,820	87,920	83,000	85,000	85,000	85,000
Charges for Services	21,470	28,790	80,000	60,000	55,000	55,000
Other Revenue	159,750	74,380	70,380	54,620	52,570	52,570
Transfer from General Fund	575,000	575,000	515,000	515,000	475,000	475,000
Transfer from Major Road Fund	1,000,000	500,000	250,000	250,000	0	0
<b>Total Revenues</b>	<b>3,703,460</b>	<b>3,066,650</b>	<b>2,788,380</b>	<b>2,714,620</b>	<b>2,367,570</b>	<b>2,367,570</b>
<b>EXPENDITURES</b>						
Administration	153,210	151,580	149,640	134,640	149,380	149,380
Local Street Maintenance	1,889,020	1,870,010	1,733,500	1,527,200	1,637,500	1,597,500
Local Street Improvements	1,056,880	1,383,430	1,265,000	1,265,000	1,075,000	1,075,000
<b>Total Expenditures</b>	<b>3,099,110</b>	<b>3,405,020</b>	<b>3,148,140</b>	<b>2,926,840</b>	<b>2,861,880</b>	<b>2,821,880</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>604,350</b>	<b>(338,370)</b>	<b>(359,760)</b>	<b>(212,220)</b>	<b>(494,310)</b>	<b>(454,310)</b>
<b>Beginning Fund Balance</b>	<b>996,330</b>	<b>1,600,680</b>	<b>1,262,310</b>	<b>1,262,310</b>	<b>1,050,090</b>	<b>1,050,090</b>
<b>Ending Fund Balance</b>	<b>\$1,600,680</b>	<b>\$1,262,310</b>	<b>\$902,550</b>	<b>\$1,050,090</b>	<b>\$555,780</b>	<b>\$595,780</b>

**SPECIAL REVENUE FUNDS  
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>LAND &amp; WATER FUND</b>						
<b>REVENUES</b>						
Federal & State Grants	\$3,000	\$0	\$3,000	\$2,000	\$62,500	\$62,500
Other Revenue	26,390	239,130	130,500	121,580	5,000	5,000
Transfer from General Fund	66,300	85,000	0	0	0	0
<b>Total Revenues</b>	<b>95,690</b>	<b>324,130</b>	<b>133,500</b>	<b>123,580</b>	<b>67,500</b>	<b>67,500</b>
<b>EXPENDITURES</b>						
Land Acquisitions	10,750	7,410	0	0	0	0
Land Improvements	63,620	153,440	15,630	17,130	374,500	348,500
<b>Total Expenditures</b>	<b>74,370</b>	<b>160,850</b>	<b>15,630</b>	<b>17,130</b>	<b>374,500</b>	<b>348,500</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>21,320</b>	<b>163,280</b>	<b>117,870</b>	<b>106,450</b>	<b>(307,000)</b>	<b>(281,000)</b>
<b>Beginning Fund Balance</b>	<b>570,110</b>	<b>591,430</b>	<b>754,710</b>	<b>754,710</b>	<b>861,160</b>	<b>861,160</b>
<b>Ending Fund Balance</b>	<b>\$591,430</b>	<b>\$754,710</b>	<b>\$872,580</b>	<b>\$861,160</b>	<b>\$554,160</b>	<b>\$580,160</b>
<b>ENERGY EFFICIENCY &amp; CONS. BLOCK GRANT FUND</b>						
<b>REVENUES</b>						
Federal & State Grants	\$0	\$0	\$1,203,800	\$108,500	\$1,095,300	\$1,095,300
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>1,203,800</b>	<b>108,500</b>	<b>1,095,300</b>	<b>1,095,300</b>
<b>EXPENDITURES</b>						
Other Charges	0	0	32,260	27,500	4,760	4,760
Capital Improvements	0	0	1,171,540	81,000	1,090,540	1,090,540
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>1,203,800</b>	<b>108,500</b>	<b>1,095,300</b>	<b>1,095,300</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>PUBLIC SAFETY FORF. FUND</b>						
<b>REVENUES</b>						
Federal Forfeitures & Income	\$36,880	\$359,760	\$7,610	\$40,000	\$0	\$0
Treasury Forfeitures & Income	20,230	62,010	23,050	25,000	0	0
State Forfeitures & Income	225,310	199,320	32,950	60,900	0	0
OWI Forfeitures	24,200	29,980	9,000	15,000	0	0
Other Revenue	26,570	11,110	8,740	4,330	3,810	3,810
<b>Total Revenues</b>	<b>333,190</b>	<b>662,180</b>	<b>81,350</b>	<b>145,230</b>	<b>3,810</b>	<b>3,810</b>
<b>EXPENDITURES</b>						
Federal Forfeiture Expenditures	290,590	73,550	128,770	125,810	340,240	329,740
Treasury Forf. Expenditures	92,590	2,690	0	0	0	0
State Forfeiture Expenditures	229,520	187,090	215,820	298,330	98,800	98,800
Gambling Forf. Expenditures	26,000	0	0	0	0	0
OWI Forfeiture Expenditures	29,120	4,750	1,380	2,180	6,100	6,100
<b>Total Expenditures</b>	<b>667,820</b>	<b>268,080</b>	<b>345,970</b>	<b>426,320</b>	<b>445,140</b>	<b>434,640</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(334,630)</b>	<b>394,100</b>	<b>(264,620)</b>	<b>(281,090)</b>	<b>(441,330)</b>	<b>(430,830)</b>
<b>Beginning Fund Balance</b>	<b>809,430</b>	<b>474,800</b>	<b>868,900</b>	<b>868,900</b>	<b>587,810</b>	<b>587,810</b>
<b>Ending Fund Balance</b>	<b>\$474,800</b>	<b>\$868,900</b>	<b>\$604,280</b>	<b>\$587,810</b>	<b>\$146,480</b>	<b>\$156,980</b>

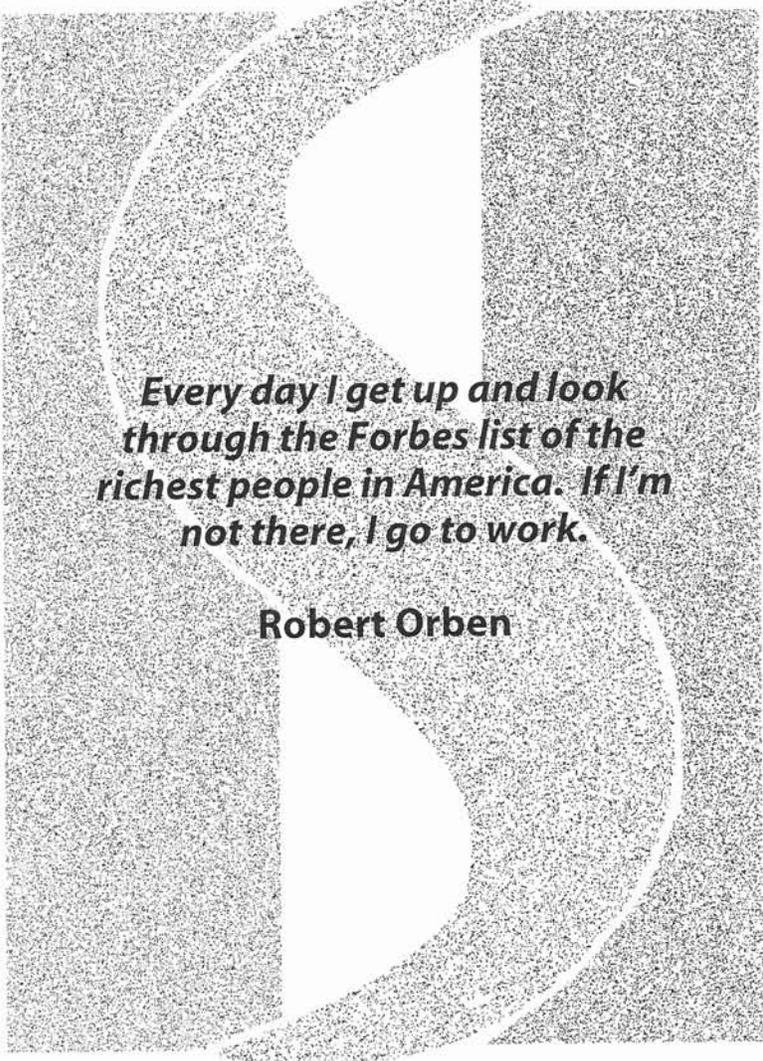
**SPECIAL REVENUE FUNDS  
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>						
<b>REVENUES</b>						
Federal Grants	\$548,990	\$495,920	\$1,237,320	\$615,260	\$1,332,030	\$1,349,890
Revenue Direct Loans	120,560	100,410	80,970	81,000	81,000	81,000
<b>Total Revenues</b>	<b>669,550</b>	<b>596,330</b>	<b>1,318,290</b>	<b>696,260</b>	<b>1,413,030</b>	<b>1,430,890</b>
<b>EXPENDITURES</b>						
Community Development	241,620	183,090	1,004,030	382,000	1,085,470	1,103,330
Principal	0	0	280,000	280,000	305,000	305,000
Interest	0	0	34,260	34,260	22,560	22,560
Transfer to General Fund	96,370	87,780	0	0	0	0
Transfer to LTGO Debt Fund	331,560	325,460	0	0	0	0
<b>Total Expenditures</b>	<b>669,550</b>	<b>596,330</b>	<b>1,318,290</b>	<b>696,260</b>	<b>1,413,030</b>	<b>1,430,890</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>NEIGHBORHOOD STABILIZATION FUND</b>						
<b>REVENUES</b>						
Federal Grants	\$0	\$28,500	\$2,426,460	\$1,316,730	\$1,194,730	\$1,194,730
<b>Total Revenues</b>	<b>0</b>	<b>28,500</b>	<b>2,426,460</b>	<b>1,316,730</b>	<b>1,194,730</b>	<b>1,194,730</b>
<b>EXPENDITURES</b>						
Downpayment & Rehab. Assist.	0	0	800,000	370,000	270,000	270,000
Acquisition, Rehab. & Resale	0	60	613,680	521,560	363,620	363,620
Acquisition/Redevelopment	0	100	695,620	281,500	414,120	414,120
Demolition	0	0	100,000	35,000	30,000	30,000
Administration Costs	0	28,340	217,160	108,670	116,990	116,990
<b>Total Expenditures</b>	<b>0</b>	<b>28,500</b>	<b>2,426,460</b>	<b>1,316,730</b>	<b>1,194,730</b>	<b>1,194,730</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>CORRIDOR IMPROVEMENT AUTHORITY FUND</b>						
<b>REVENUES</b>						
Property Taxes - TIF	\$20,080	\$15,410	\$21,310	\$20,480	\$19,450	\$19,450
Other Revenue	500	204,790	5,000	1,100	900	900
<b>Total Revenues</b>	<b>20,580</b>	<b>220,200</b>	<b>26,310</b>	<b>21,580</b>	<b>20,350</b>	<b>20,350</b>
<b>EXPENDITURES</b>						
Other Charges	9,550	1,560	2,850	0	500	500
Capital Improvements	0	0	200,000	0	200,000	100,000
Principal	0	5,000	7,500	7,500	10,000	10,000
Interest	0	6,270	8,130	8,130	7,760	7,760
<b>Total Expenditures</b>	<b>9,550</b>	<b>12,830</b>	<b>218,480</b>	<b>15,630</b>	<b>218,260</b>	<b>118,260</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>11,030</b>	<b>207,370</b>	<b>(192,170)</b>	<b>5,950</b>	<b>(197,910)</b>	<b>(97,910)</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>11,030</b>	<b>218,400</b>	<b>218,400</b>	<b>224,350</b>	<b>224,350</b>
<b>Ending Fund Balance</b>	<b>\$11,030</b>	<b>\$218,400</b>	<b>\$26,230</b>	<b>\$224,350</b>	<b>\$26,440</b>	<b>\$126,440</b>

**SPECIAL REVENUE FUNDS  
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>ECONOMIC DEVELOPMENT CORPORATION FUND</b>						
<b>REVENUES</b>						
Transfer from General Fund	\$8,500	\$19,000	\$17,000	\$17,000	\$5,000	\$5,000
Other Revenue	320	170	100	30	30	30
<b>Total Revenues</b>	<b>8,820</b>	<b>19,170</b>	<b>17,100</b>	<b>17,030</b>	<b>5,030</b>	<b>5,030</b>
<b>EXPENDITURES</b>						
Miscellaneous	8,720	19,010	17,100	13,100	10,600	10,600
<b>Total Expenditures</b>	<b>8,720</b>	<b>19,010</b>	<b>17,100</b>	<b>13,100</b>	<b>10,600</b>	<b>10,600</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>100</b>	<b>160</b>	<b>0</b>	<b>3,930</b>	<b>(5,570)</b>	<b>(5,570)</b>
<b>Beginning Fund Balance</b>	<b>4,800</b>	<b>4,900</b>	<b>5,060</b>	<b>5,060</b>	<b>8,990</b>	<b>8,990</b>
<b>Ending Fund Balance</b>	<b>\$4,900</b>	<b>\$5,060</b>	<b>\$5,060</b>	<b>\$8,990</b>	<b>\$3,420</b>	<b>\$3,420</b>
<b>BROWNFIELD REDEVELOP. AUTHORITY FUND</b>						
<b>REVENUES</b>						
Property Taxes - TIF	\$54,250	\$48,190	\$48,330	\$47,680	\$44,050	\$44,050
Charges for Services	350	0	350	350	360	360
Other Revenue	590	240	250	100	80	80
<b>Total Revenues</b>	<b>55,190</b>	<b>48,430</b>	<b>48,930</b>	<b>48,130</b>	<b>44,490</b>	<b>44,490</b>
<b>EXPENDITURES</b>						
Other Charges	41,650	4,270	1,700	1,700	2,200	2,200
Transfer to General Fund	0	25,000	79,500	79,500	42,300	42,300
<b>Total Expenditures</b>	<b>41,650</b>	<b>29,270</b>	<b>81,200</b>	<b>81,200</b>	<b>44,500</b>	<b>44,500</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>13,540</b>	<b>19,160</b>	<b>(32,270)</b>	<b>(33,070)</b>	<b>(10)</b>	<b>(10)</b>
<b>Beginning Fund Balance</b>	<b>3,640</b>	<b>17,180</b>	<b>36,340</b>	<b>36,340</b>	<b>3,270</b>	<b>3,270</b>
<b>Ending Fund Balance</b>	<b>\$17,180</b>	<b>\$36,340</b>	<b>\$4,070</b>	<b>\$3,270</b>	<b>\$3,260</b>	<b>\$3,260</b>
<b>LOCAL DEVELOPMENT FINANCE AUTHORITY FUND</b>						
<b>REVENUES</b>						
Transfer from General Fund	\$0	\$0	\$30,000	\$30,000	\$30,000	\$30,000
Other Revenue	0	0	0	10	0	0
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>30,010</b>	<b>30,000</b>	<b>30,000</b>
<b>EXPENDITURES</b>						
Miscellaneous - SmartZone	0	0	30,000	30,000	30,000	30,000
<b>Total Expenditures</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>	<b>30,000</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>	<b>10</b>
<b>Ending Fund Balance</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10</b>	<b>\$10</b>	<b>\$10</b>
<b>BUDGET STABILIZATION FUND</b>						
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	0	750,000	0	0	0	0
<b>Beginning Fund Balance</b>	<b>750,000</b>	<b>750,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$750,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

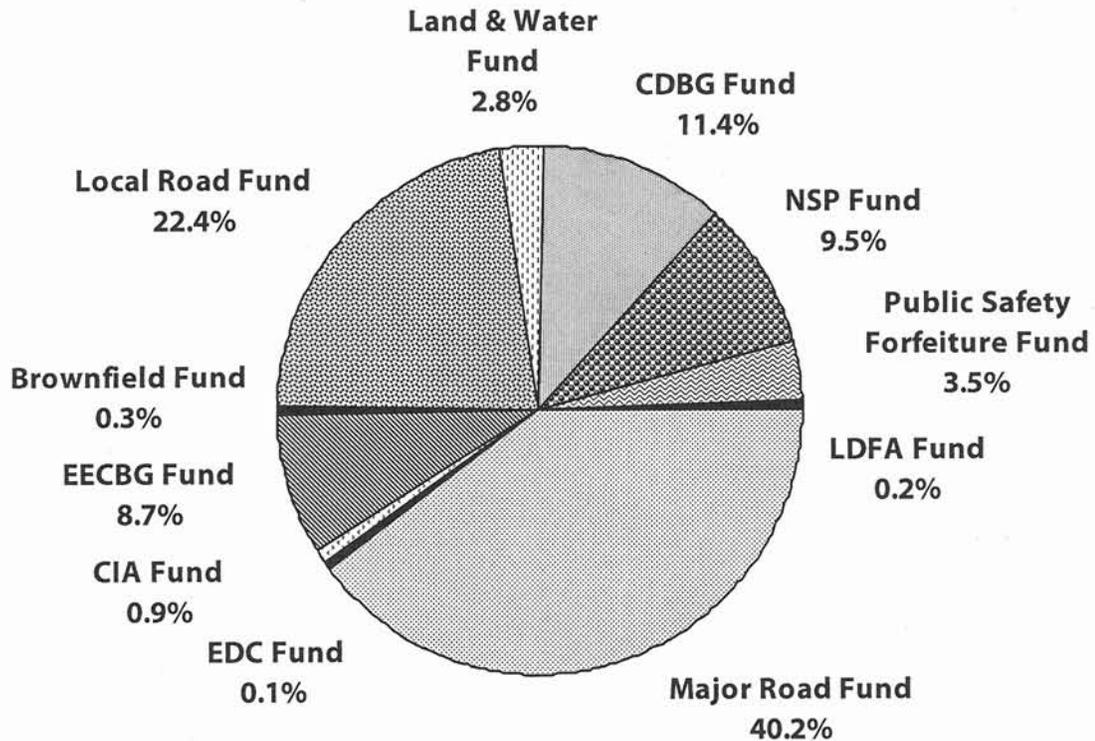
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***Every day I get up and look  
through the Forbes list of the  
richest people in America. If I'm  
not there, I go to work.***

**Robert Orben**

## 2010/11 Special Revenue Funds Percent of Total Expenditures



This graph illustrates expenditures for each Special Revenue Fund as a percent of the total Special Revenue Funds budget.

## TAXES

This revenue source is from tax increment financing (TIF) revenues resulting from the Brownfield Redevelopment and Corridor Improvement Authorities. A total of \$63,500 is anticipated next fiscal year.

## STATE & LOCAL RETURNS

The major source of revenue to the Special Revenue Funds is State & Local Returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major sources of revenue in this revenue center are Federal Grants and Highway & Street Grants or more commonly known as Act 51 Funds. The Act 51 funds are distributed to communities based on predetermined Michigan Department of Transportation formulas.

In the 2010/11 Budget, State and Local Return revenues represent 92.00% of total revenue sources, a decrease of \$1,393,020 below the 2009/10 Budget. The decrease is primarily due to a decrease in Federal Grants for the Neighborhood Stabilization program. Revenue from Act 51 funds also decreased slightly.

## OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Transfers In from other funds. This revenue center will only receive transfers from the General Fund next year.

In 2010/11, revenues generated from Other Financing Sources represent 4.51% of total revenue sources, a decrease of \$652,000 below the 2009/10 Budget. This decrease is primarily due to a decrease in Transfers In from the General Fund as well as the one-time necessary transfers from the Major Road Fund and Road Bond Construction Fund in the prior year. The General Fund transfer to the Local Road Fund totals \$475,000 as the City is continuing to levy a 0.10 millage approved by the voters in 1996 for Proposal N in order to continue the City's Neighborhood Road Repair and Replacement Program. The General Fund transfer to the Local Development Financing Authority Fund for \$30,000 will be used to fund the City's operational costs for the SmartZone business incubators. The transfer from the General Fund to the Economic Development Corporation Fund totals \$5,000.

## CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting, Chipping Fees, and Application Fees. In the 2010/11 Budget, Charges for Services represents 0.49% of total revenue sources, a decrease of \$24,990 below the 2009/10 Budget.

## OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Miscellaneous Revenue, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2010/11, Other Revenues represent 2.44% of total revenue sources, a decrease of \$204,580 below the 2009/10 Budget. This decrease is primarily due to the prior year, one-time receipt of revenue from the sale of city-owned property and a decrease in Interest on Investments.

## EXCESS REVENUE OVER (UNDER) EXPENDITURES

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

In the 2010/11 Budget, expenditures exceed revenue sources by \$1,289,890. A draw down of funds is needed due to declining road funds, the partial use of prior land sale proceeds for needed park maintenance projects, and as funding for the Public Safety Forfeiture Fund does not take into consideration the revenue from future anticipated receipts. ■

**SPECIAL REVENUE FUNDS  
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<b>TAXES</b>						
420000	Property Taxes - TIF	\$63,599	0.61	\$69,640	0.51	\$63,500	0.56
	<b>Total Taxes</b>	<b>63,599</b>	<b>0.61</b>	<b>69,640</b>	<b>0.51</b>	<b>63,500</b>	<b>0.56</b>
	<b>STATE &amp; LOCAL RETURNS</b>						
529000	Federal Grant - Other	544,324	5.23	4,900,580	36.07	3,798,640	33.60
529003	Revenue Direct Loans	100,408	0.96	80,970	0.60	81,000	0.72
529100	Federal Forfeiture Grants	359,762	3.46	7,610	0.06	0	0.00
529200	Treasury Forfeiture	62,010	0.60	23,050	0.17	0	0.00
539002	State Grants	0	0.00	3,000	0.02	62,500	0.55
539200	State Forfeiture Grants	198,438	1.91	32,740	0.24	0	0.00
539201	State Forfeiture Program Income	882	0.01	210	0.00	0	0.00
539348	Metro Act	320,549	3.08	298,000	2.19	310,000	2.74
539400	OWI Forfeitures	29,975	0.29	9,000	0.07	0	0.00
546000	Highway & Street Grants	6,563,778	63.08	6,440,000	47.40	6,150,000	54.39
	<b>Total State &amp; Local Returns</b>	<b>8,180,126</b>	<b>78.61</b>	<b>11,795,160</b>	<b>86.82</b>	<b>10,402,140</b>	<b>92.00</b>
	<b>OTHER FINANCING SOURCES</b>						
698000	Proceeds - Long Term Debt	200,000	1.92	0	0.00	0	0.00
699101	Transfer from General Fund	679,000	6.53	562,000	4.14	510,000	4.51
699202	Transfer from Major Road Fund	500,000	4.80	250,000	1.84	0	0.00
699428	Tfr. from Road Bond Constr. Fund	200,000	1.92	350,000	2.58	0	0.00
	<b>Total Other Financing Sources</b>	<b>1,579,000</b>	<b>15.17</b>	<b>1,162,000</b>	<b>8.55</b>	<b>510,000</b>	<b>4.51</b>
	<b>CHARGES FOR SERVICES</b>						
638000	Application Fees	0	0.00	350	0.00	360	0.00
640004	Tree Sales & Planting	28,787	0.28	20,000	0.15	25,000	0.22
640010	Chipping Fee	0	0.00	60,000	0.44	30,000	0.27
	<b>Total Charges for Services</b>	<b>28,787</b>	<b>0.28</b>	<b>80,350</b>	<b>0.59</b>	<b>55,360</b>	<b>0.49</b>
	<b>OTHER REVENUE</b>						
665000	Interest on Investments	103,207	0.99	98,350	0.72	20,010	0.18
665100	Interest Income - Federal Forfeiture	2,946	0.03	3,000	0.02	1,200	0.01
665130	Interest Income - Treas. Forfeiture	304	0.00	500	0.00	200	0.00
665200	Interest Income - State Forfeiture	7,622	0.07	5,000	0.04	2,300	0.02
665300	Interest Income - Gambling Forf.	24	0.00	40	0.00	10	0.00
665400	Interest Income - OWI Forfeiture	213	0.00	200	0.00	100	0.00
672000	Special Assessment Revenue	34,135	0.33	34,000	0.25	34,130	0.30
672445	SA Delinquent Interest & Penalties	0	0.00	0	0.00	150	0.00
672665	Special Assessment Interest	16,385	0.16	16,380	0.12	12,290	0.11
673000	Sale of Fixed Assets	149,466	1.44	117,500	0.86	0	0.00
675000	Contributions & Donations	70,000	0.67	0	0.00	0	0.00
676000	Reimbursements	158,914	1.53	200,000	1.47	200,000	1.77
685000	Miscellaneous Revenue	11,118	0.11	5,000	0.04	5,000	0.04
	<b>Total Other Revenue</b>	<b>554,334</b>	<b>5.33</b>	<b>479,970</b>	<b>3.53</b>	<b>275,390</b>	<b>2.44</b>
	<b>Total Special Revenue Funds</b>	<b>\$10,405,846</b>	<b>100.00</b>	<b>\$13,587,120</b>	<b>100.00</b>	<b>\$11,306,390</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

**SPECIAL REVENUE FUNDS  
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
<b>PERSONNEL SERVICES</b>							
705000	Wages - Salaries - Temp/Part-time	\$1,935	0.01	\$10,660	0.07	\$3,690	0.03
717000	FICA	148	0.00	820	0.01	290	0.00
<b>Total Personnel Services</b>		<b>2,083</b>	<b>0.01</b>	<b>11,480</b>	<b>0.08</b>	<b>3,980</b>	<b>0.03</b>
<b>SUPPLIES</b>							
729000	Postage	1,476	0.01	2,000	0.01	1,600	0.01
730000	Publications	703	0.01	0	0.00	100	0.00
751000	Operating Supplies	23,520	0.18	66,150	0.45	15,500	0.12
785000	Books	6,998	0.05	6,240	0.04	7,380	0.06
<b>Total Supplies</b>		<b>32,697</b>	<b>0.25</b>	<b>74,390</b>	<b>0.50</b>	<b>24,580</b>	<b>0.20</b>
<b>OTHER CHARGES</b>							
802000	Audit & Accounting Services	10,260	0.08	10,370	0.07	9,790	0.08
805000	Administrative Services	312,708	2.41	578,990	3.92	501,370	3.98
806000	Legal Services - Other	948	0.01	10,000	0.07	0	0.00
806001	Legal Services - City Attorney	9,864	0.08	11,000	0.07	11,230	0.09
810000	Other Fees	0	0.00	0	0.00	170	0.00
826000	Other Contracted Services	234,185	1.80	2,758,000	18.66	1,650,500	13.10
827000	Interfund Services	0	0.00	19,320	0.13	22,900	0.18
880000	Community Promotion	1,085	0.01	13,000	0.09	7,500	0.06
881000	Downpayment Assistance	0	0.00	200,000	1.35	60,000	0.48
902000	Publishing	1,243	0.01	1,250	0.01	1,050	0.01
922000	Telephone	18,256	0.14	19,440	0.13	18,000	0.14
956000	Local Meetings	0	0.00	100	0.00	0	0.00
957000	Memberships & Dues	1,675	0.01	2,500	0.02	2,500	0.02
959000	Education & Training	1,242	0.01	4,960	0.03	11,730	0.09
962000	Miscellaneous Expense	845	0.01	4,200	0.03	3,400	0.03
962200	Miscellaneous Expense - Investigations	23,290	0.18	53,500	0.36	30,000	0.24
<b>Total Other Charges</b>		<b>615,601</b>	<b>4.74</b>	<b>3,686,630</b>	<b>24.94</b>	<b>2,330,140</b>	<b>18.50</b>
<b>OTHER SERVICES</b>							
886162	Access Road Maintenance	0	0.00	50,000	0.34	50,000	0.40
887000	Bridge Maintenance	59,746	0.46	11,000	0.07	10,000	0.08
887001	Bridge Maintenance - County	0	0.00	1,000	0.01	500	0.00
888000	Surface Maintenance	478,669	3.68	250,000	1.69	250,000	1.98
888001	Surface Maintenance - County	1,222	0.01	1,500	0.01	1,500	0.01
888182	2008 Joint Sealing Program	177,806	1.37	0	0.00	0	0.00
888198	2009 Joint Sealing Program	0	0.00	175,000	1.18	175,000	1.39
889000	Shoulder Maintenance	32,747	0.25	33,000	0.22	30,000	0.24
889001	Shoulder Maintenance - County	71	0.00	1,000	0.01	750	0.01
890000	Sweeping & Flushing	251,347	1.93	275,000	1.86	250,000	1.98
890001	Sweeping & Flushing - County	68,094	0.52	63,000	0.43	55,000	0.44
890002	Sweeping & Flushing - State	5,205	0.04	15,000	0.10	12,000	0.10
891000	Grass & Weed Control	166,074	1.28	200,000	1.35	180,000	1.43
891001	Grass & Weed Control - County	175,811	1.35	151,000	1.02	144,600	1.15

**SPECIAL REVENUE FUNDS  
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
891002	Grass & Weed Control - State	117,213	0.90	150,000	1.01	140,000	1.11
892000	Roadside Cleanup	17,920	0.14	17,500	0.12	10,000	0.08
892001	Roadside Cleanup - County	20,428	0.16	12,000	0.08	12,500	0.10
892002	Roadside Cleanup - State	17,134	0.13	8,000	0.05	15,000	0.12
893000	Curb & Gutter Maintenance	2,573	0.02	6,000	0.04	5,500	0.04
894000	Storm Drain Maintenance	196,400	1.51	300,000	2.03	248,000	1.97
894001	Storm Drain Maintenance - County	0	0.00	1,500	0.01	1,000	0.01
895000	Tree & Shrub Maintenance	638,565	4.91	510,000	3.45	510,000	4.05
895001	Tree & Shrub Maintenance - County	16,997	0.13	15,000	0.10	15,000	0.12
895002	Tree & Shrub Maintenance - State	5,445	0.04	7,000	0.05	7,000	0.06
897000	Snow & Ice Removal	1,185,760	9.12	875,000	5.92	825,000	6.55
897001	Snow & Ice Removal - County	4,451	0.03	2,000	0.01	2,000	0.02
898000	Traffic Signs & Signals	221,278	1.70	240,000	1.62	230,000	1.83
898001	Traffic Signs & Signals - County	2,981	0.02	13,000	0.09	7,500	0.06
899000	Pavement Markings	68,563	0.53	70,000	0.47	70,000	0.56
	<b>Total Other Services</b>	<b>3,932,500</b>	<b>30.26</b>	<b>3,453,500</b>	<b>23.37</b>	<b>3,257,850</b>	<b>25.86</b>
	<b>CAPITAL OUTLAY</b>						
971000	Land Acquisition	6,969	0.05	0	0.00	0	0.00
971002	Land Acq - Nature Preserve Sec 6	442	0.00	0	0.00	0	0.00
972000	Land Improvements	38,979	0.30	9,500	0.06	252,000	2.00
972008	Land Imp-Neighbrhd Prks-Play Equip	78,020	0.60	0	0.00	150,000	1.19
972333	Delia Park Improvements	36,443	0.28	0	0.00	38,500	0.31
972334	Sport Courts & Path Resurfacing	0	0.00	6,130	0.04	78,000	0.62
972945	Baumgartner Park Improvements	0	0.00	0	0.00	40,000	0.32
972985	Baumgartner Park - Soccer Fields	0	0.00	0	0.00	30,000	0.24
975000	Buildings & Improvements	3,032	0.02	1,188,270	8.04	1,090,540	8.66
977000	Furniture	0	0.00	28,520	0.19	0	0.00
979000	Computer Equipment	10,456	0.08	1,280	0.01	275,140	2.18
981000	Electronic Equipment	113,027	0.87	29,370	0.20	0	0.00
982000	Machinery & Equipment	749	0.01	3,270	0.02	3,600	0.03
984000	Vehicles	0	0.00	68,000	0.46	42,000	0.33
985000	Weapons & Protective Gear	30,590	0.24	3,000	0.02	0	0.00
988000	Construction	557,086	4.29	1,135,650	7.68	1,257,330	9.98
988118	Schoenherr Landscape 14-16 Mile Rd.	6,864	0.05	0	0.00	0	0.00
988135	2005 Bridge Maintenance Program	4,594	0.04	2,000	0.01	0	0.00
988158	Gardner Dr. W. Asphalt Resurfacing	20,304	0.16	0	0.00	0	0.00
988159	Dodge Park Widen 16 Mile/Utica Rd.	182,730	1.41	0	0.00	0	0.00
988175	Riverland Drive Resurfacing	47,560	0.37	2,600	0.02	0	0.00
988176	15 Mile/Ryan Rd. Intersection Impr.	2,189	0.02	305,500	2.07	0	0.00
988177	19 Mile Rd. Impr. at Fire Station #2	113,751	0.88	6,250	0.04	0	0.00
988178	2008 Local Road Resurfacing	578,022	4.45	0	0.00	0	0.00
988180	Fox Hill Drive Resurfacing	174,631	1.34	6,370	0.04	0	0.00
988181	2008 Concrete Repl. Program	970,759	7.47	0	0.00	0	0.00
988185	2008 Concrete Pavement Repair	466,046	3.59	0	0.00	0	0.00
988192	2009 Local Road Construction	160	0.00	515,000	3.48	0	0.00
988195	17 Mile Rd Bridge Safety Impr.	25,181	0.19	0	0.00	0	0.00

**SPECIAL REVENUE FUNDS  
EXPENDITURE SUMMARY BY ACCOUNT**

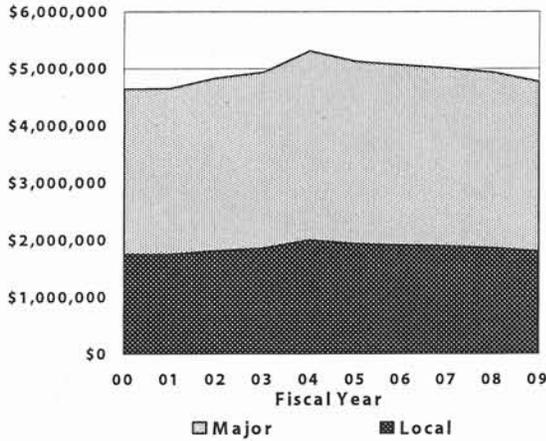
Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
988199	2009 Concrete Replacement Pgrm.	214	0.00	987,500	6.68	850,000	6.75
988684	Green Drain Extension	128	0.00	0	0.00	0	0.00
988700	Dequindre Rd - 16-18 Mile Road	0	0.00	10,000	0.07	5,000	0.04
988701	M-59 - Delco to Hayes	14,192	0.11	0	0.00	0	0.00
988852	Utica Road Boulevard	3,999	0.03	740	0.01	0	0.00
988863	Dequindre Rd - Ent Ramp to M-59	449	0.00	0	0.00	0	0.00
988982	Metropolitan Parkway Landscaping	11,549	0.09	0	0.00	0	0.00
<b>Total Capital Outlay</b>		<b>3,499,115</b>	<b>26.92</b>	<b>4,308,950</b>	<b>29.16</b>	<b>4,112,110</b>	<b>32.65</b>
<b>DEBT SERVICE</b>							
992000	Principal	5,000	0.04	287,500	1.95	315,000	2.50
993000	Interest	6,269	0.05	42,390	0.29	30,320	0.24
<b>Total Debt Service</b>		<b>11,269</b>	<b>0.09</b>	<b>329,890</b>	<b>2.23</b>	<b>345,320</b>	<b>2.74</b>
<b>TRANSFERS OUT</b>							
999101	Transfer to General Fund	862,780	6.64	79,500	0.54	42,300	0.34
999203	Transfer to Local Road Fund	500,000	3.85	250,000	1.69	0	0.00
999327	Transfer to Road Bond Debt Fund	2,915,000	22.43	2,585,000	17.49	2,480,000	19.69
999369	Transfer to LTGO Debt Fund	325,459	2.50	0	0.00	0	0.00
999428	Transfer to Road Bond Constr. Fund	300,000	2.31	0	0.00	0	0.00
<b>Total Transfers Out</b>		<b>4,903,239</b>	<b>37.73</b>	<b>2,914,500</b>	<b>19.72</b>	<b>2,522,300</b>	<b>20.02</b>
<b>Total Special Revenue Funds</b>		<b>\$12,996,504</b>	<b>100.00</b>	<b>\$14,779,340</b>	<b>100.00</b>	<b>\$12,596,280</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

# KEY FUND TRENDS

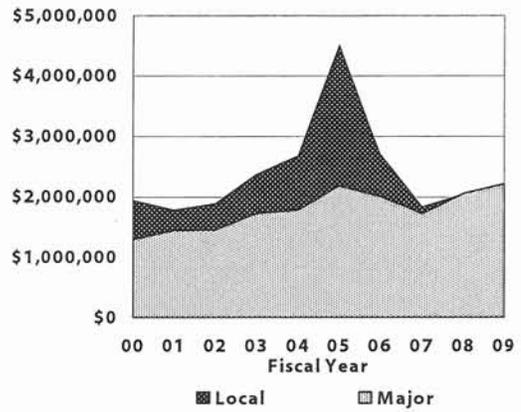
## Special Revenue Funds

### Gas & Weight Tax Revenue Road Funds



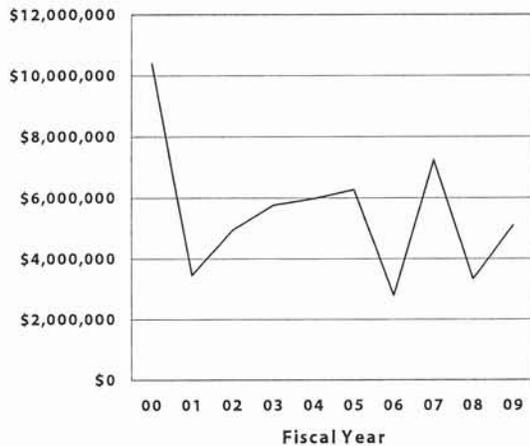
Gas tax receipts have fallen recently due to higher gas prices and the use of more fuel efficient vehicles, which have lessened gas consumption and the corresponding tax revenue. The State's gas tax of 19 cents per gallon has increased once in the past 25 years.

### Major & Local Road Maintenance & Administration Costs



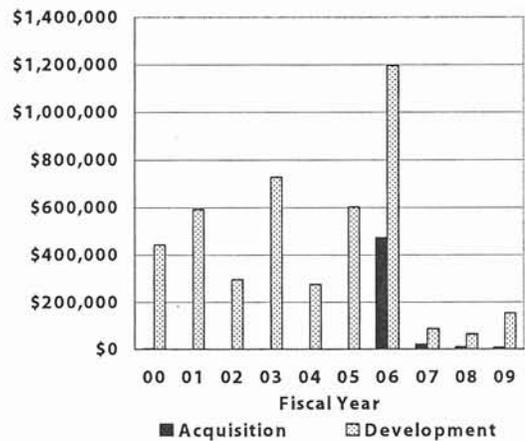
The cost of major and local road maintenance has increased over the past ten years as a result of the increased number of roads and more recently, for the removal of street trees due to the emerald ash borer and higher snow removal costs. Starting in 2007, \$750,000 in Local and \$275,000 in Major Road Fund maintenance is now reclassified as construction costs.

### Major Road Construction Costs Total City



With the completion of Ryan Road in 2000, costs dropped to \$3.4 million in 2001. We spent \$6 million in 2004 for improvements to Plumbrook, Maple Lane, Oleander, and 18½ Mile Road. \$6.3 million was spent in 2005 on the 18½ Mile Road connector, repairs to the 17 Mile Road bridge, and widening Dequindre Road. \$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.

### City Park Costs Acquisition & Development



The City continues to spend limited funds to develop City parks and provide the necessary path systems, restroom, ball field lighting, soccer fields, bleachers, parking lot paving, park signage, and replacement playground equipment. The funds spent for land acquisition have been primarily to obtain land for the City's Nature Preserve and for future development plans. The costs exclude the \$2.1 million Senior Gymnasium addition to the Senior Center in 2007.

The Major Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. The motor fuel taxes are earmarked, by law and the State Constitution, for street and highway purposes that are described in detail by the Michigan Department of Transportation.

This Fund receives Act 51 revenues paid to Sterling Heights by the State and accounts for the construction, maintenance, and other authorized operations pertaining to all streets classified as major streets within the City. In addition, this Fund receives monies paid to Sterling Heights for trunk line contracts and accounts for monies transferred to other City funds. This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51.

The City's share of the construction of State and County road improvements and the cost of City major road capital improvements, including the payment of debt, are paid through the Major Road Fund.

The 2010/11 Capital Outlay budget includes funding of \$5,000 for the preliminary engineering and right-of-way costs for the widening of Dequindre Road from 18 Mile Road to M-59. \$10,000 is included for the deck repairs to the 14 Mile Road bridge over Big Beaver Creek. Also included is \$250,000 for the continuation of the concrete replacement program. \$51,500 is budgeted for the center turn lane intersection improvements at Plumbrook and Utica Road. Intersection improvements are funded at 15 Mile Road and Schoenherr for \$279,720. \$200,000 is budgeted for various traffic signal improvements.

Total Other Services are budgeted in the amount of \$1,660,350, which is primarily used for major road maintenance, snow removal, and grass and weed control.

\$130,410 is included for Other Charges, which is funded primarily for the cost of administrative time spent on Major Road Fund projects.

The remaining expenditure accounts will be utilized for the transfer of resources to other City

funds. In fiscal year 2010/11, \$2,480,000 is programmed for transfer to the Road Bond Debt Retirement Fund to pay the debt from the sale of Michigan Transportation Fund bonds.

***Additional information on projects in the Major Road Fund can be found in the Capital Projects section of this document. ■***

***Did you know?...***

***...the average motorist pays \$90 per year in State gas taxes to maintain and improve all Michigan roads and this rate has been increased only once in the past 25 years?***

# Major Road Fund

## SUMMARY OF BUDGET CHANGES

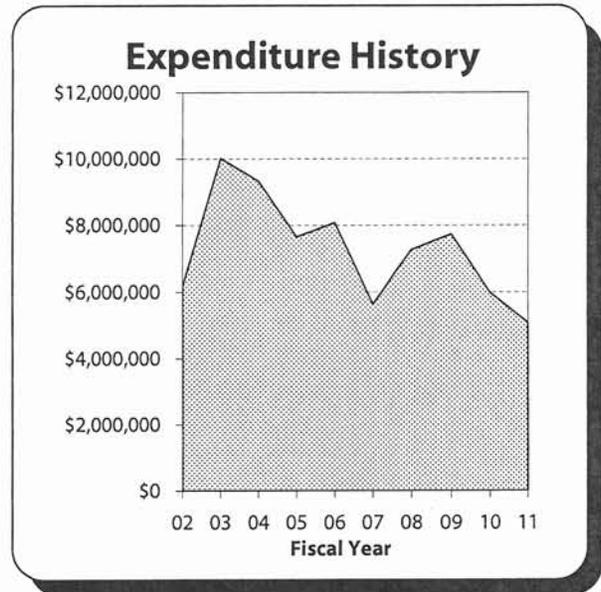
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Other Charges** – Total Other Charges decreased \$320 or 0.2% due to a 5% vendor savings from the City’s auditors.

**Other Services** – Total Other Services decreased \$39,250 or 2.3%. Funding decreased \$26,000 for grass and weed control based on the current year’s projected expenditure usage. Street sweeping funds fell by \$16,000. The budget decreased \$5,500 for traffic signs and signals, \$3,250 for shoulder maintenance, and \$2,500 for storm drain maintenance, all to reflect recent expenditure trends. Funding increased \$15,000 for roadside litter pickup, due to increased cleanup efforts.

**Capital** – Total Capital of \$796,220 is proposed. \$5,000 is for the preliminary engineering and right-of-way costs for the widening of Dequindre Road from 18 Mile Road to M-59. \$10,000 is for the deck repairs to the 14 Mile Road bridge over Big Beaver Creek. \$250,000 is for the continuation of the concrete replacement program. \$51,500 is for intersection improvements at Plumbrook and Utica Road. Intersection improvements are proposed at 15 Mile Road and Schoenherr for \$279,720. \$200,000 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 decreased \$355,000 or 12.5%. Transfers Out to the Road Bond Debt Retirement Fund decreased \$105,000 due to lower debt payments on existing bonds. There is no



budgeted transfer to the Local Road Fund, as less funding is available and more is needed for major road maintenance and construction.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Other Services** – Total funding decreased by \$20,400 as funding for roadside litter pickup was reduced by \$15,000 and brought back to the 2009/10 fiscal year’s budget due to the use of volunteers or minimum security County inmates. \$5,400 was eliminated for fertilization costs to allow for only one weed control application on non-irrigated major road rights-of-way.

### FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Other Charges	\$152,140	\$130,730	\$115,730	\$130,410	\$130,410
Other Services	2,062,490	1,720,000	1,544,700	1,680,750	1,660,350
Capital Outlay	1,796,977	1,288,540	1,111,480	796,220	796,220
Tranfers Out	3,715,000	2,835,000	2,835,000	2,480,000	2,480,000
<b>Total</b>	<b>\$7,726,607</b>	<b>\$5,974,270</b>	<b>\$5,606,910</b>	<b>\$5,087,380</b>	<b>\$5,066,980</b>

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.

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***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.***

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In fiscal year 2010/11, a total of \$2,821,880 is budgeted for this fund. \$475,000 is included for local road repairs, which includes the asphalt resurfacing of Shortridge, Idaho, Grand Haven, and Dray Drives. These neighborhood road repair projects are funded by the Proposal N millage. The continuation of the sectional Concrete Replacement Program is also included for \$600,000.

Total Other Services in this fund total \$1,597,500 and are allocated primarily for local road and storm drain maintenance, snow removal, and tree and shrub maintenance.

\$149,380 is budgeted for Other Charges, which is used primarily to fund the cross-charged administrative time spent on Local Road Fund projects.

For fiscal year 2010/11, there are no Transfers Out proposed for this fund. The road bond debt from past Local Road projects was retired in the 2005/06 fiscal year.

***Specific capital projects in the Local Road Fund are detailed in the Capital Projects section of this document.■***

***Did you know?...***

***...that a reconstructed road can last up to 25 years while resurfacing that same road will last roughly 10 years?***

# Local Road Fund

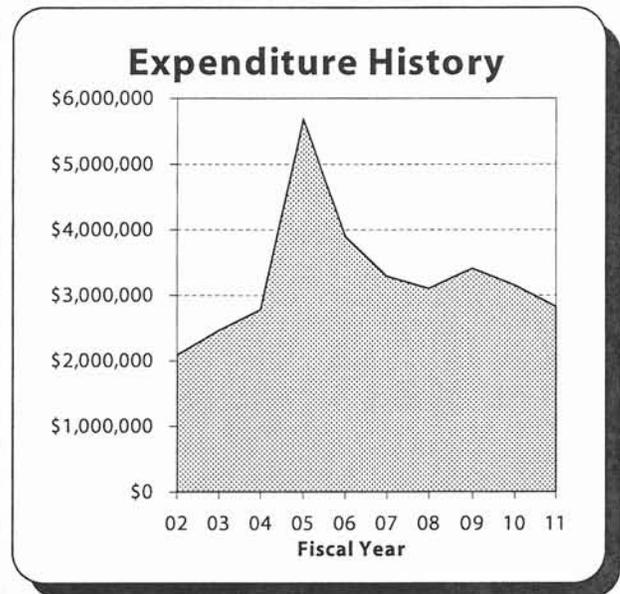
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Other Charges** – Total Other Charges decreased \$260 or 0.2%, as the City will save in audit costs due to the 5% vendor savings program.

**Other Services** – Total Other Services decreased \$96,000 or 5.5%. Snow and ice removal costs decreased \$50,000 due to recent lower snowfalls and snow plowing cost saving measures. \$50,000 was saved, as less funding is needed for storm drain maintenance. The budget decreased \$20,000 for street sweeping and \$10,000 for traffic signs and signals, both to reflect more recent actual expenditure trends. Funding decreased \$5,000 for grass and weed control costs due to the greater use of guardrail herbicides. The budget for bridge maintenance was eliminated, saving \$1,000, as there have been no service demands in recent years. Funding increased \$40,000 for residential tree removals due to recent higher costs and greater activity levels, partially offset by a decline in the contracted tree trimming program.

**Capital** – Total Capital of \$1,075,000 is proposed. \$475,000 is budgeted for local road repairs, which includes the asphalt resurfacing of Shortridge, Idaho, Grand Haven, and Dray Drives. These neighborhood road repair projects are funded by the Proposal N millage. \$600,000 is for the City-wide Concrete Replacement Program to fund repairs to all streets throughout the City. Funding for this program has been reduced by \$150,000 due to the decline in State gas tax revenues over the past five years.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Other Services** – Funding for contractual tree trimming costs declined by \$40,000 as the proposed increased funding was reduced back to the 2009/10 fiscal year’s budget level.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Other Charges</b>	\$151,582	\$149,640	\$134,640	\$149,380	\$149,380
<b>Other Services</b>	1,870,011	1,733,500	1,527,200	1,637,500	1,597,500
<b>Capital Outlay</b>	1,383,434	1,265,000	1,265,000	1,075,000	1,075,000
<b>Total</b>	\$3,405,027	\$3,148,140	\$2,926,840	\$2,861,880	\$2,821,880

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.

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***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.***

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In fiscal year 2010/11, a portion of the funding from the prior sale of City-owned properties will be used to finance eight projects totaling \$348,500. \$150,000 is included for a replacement Dodge Park playscape with a poured surface (\$60,000 is to be financed by a grant). \$12,000 is budgeted for the installation of new wood mulch around the playscape areas at 21 City Parks. New dugout shelters and replacement benches at L.W. Baumgartner Park are funded for \$40,000 (\$2,500 is to be financed by a grant). \$33,000 is included for the repair of rotted light poles at the Delia Park ball fields. \$5,500 is budgeted for repairs to the baseball and flag football scoreboards at Delia Park. \$8,000 is included for repairs and resurfacing of the asphalt tennis court at Magnolia Park. \$70,000 is funded to relocate sections of the bike/hike path away from eroding

land near the Clinton River. \$30,000 is allocated for the installation of an edge drain system for the soccer field at Baumgartner Park.

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

***Did you know?...***

***...the City has received grants valued at over \$172,000 since 2001 to plant trees along major roads and within City parks?***

# Land & Water Conservation Fund

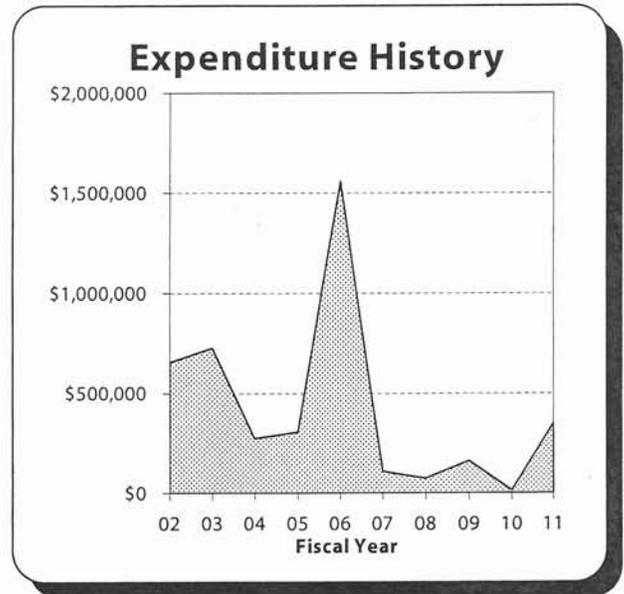
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Supplies** – There is no Supplies budget for this fund.

**Other Charges** – There is no Other Charges budget for this fund.

**Capital** – Total Capital of \$374,500 is proposed for this fund. A portion of the funding from the prior sale of City-owned properties will be used to finance eight (8) projects next fiscal year. \$150,000 is proposed for a replacement playscape with poured surface in Dodge Park, of which \$60,000 is to be financed by grant monies. \$38,000 is for the installation of playscape edging and ramps used to access the playscape areas at 21 City Parks. New dugout shelters and replacement benches at L. W. Baumgartner Park are proposed for \$40,000, of which \$2,500 is to be financed by grant monies. \$33,000 is for the repair of rotted light poles at the Delia Park ball fields. \$5,500 is for repairs to the baseball and flag football scoreboards at Delia Park. \$8,000 is for the repairs and resurfacing of the asphalt tennis court at Magnolia Park. \$70,000 is funded to relocate sections of the bike/hike path away from eroding land near the Clinton River. The installation of an edge drain system for the soccer field at Baumgartner Park is proposed for \$30,000. **The Capital Improvement section of this document provides a breakout of each project’s cost and funding source.**



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Capital** – Total Capital declined by \$26,000 as funding for the installation of playscape edging and ramps in 21 City parks was eliminated. \$12,000 remains budgeted for the required safety wood chip materials.

FUNDING LEVEL SUMMARY					
	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	160,853	15,630	17,130	374,500	348,500
Transfers Out	0	0	0	0	0
<b>Total</b>	<b>\$160,853</b>	<b>\$15,630</b>	<b>\$17,130</b>	<b>\$374,500</b>	<b>\$348,500</b>

The American Recovery & Reinvestment Act of 2009 appropriated federal funding for the Department of Energy (DOE) to issue grants under the Energy Efficiency & Conservation Block Grant (EECBG). The purpose of the grant program is to stimulate the economy and to create and retain jobs by reducing fossil fuel emissions and total energy use and improving energy efficiency.

DOE developed the following core principles to guide entities during the program and project planning process: 1) prioritize energy efficiency and conservation programs and projects by the least costly, cleanest and fastest ways to meet energy demand; 2) maximize benefits over the longest possible terms and look for ways to link the entity's efforts to its long-term priorities; and 3) invest funds in programs and projects that create and/or retain jobs and stimulate the economy while meeting long term energy goals.

Desired outcomes of the program include increased energy efficiency and reduced energy consumptions and costs through efficiency improvements; new jobs and increased productivity to spur economic growth and community development; accelerated deployment of market-ready distributed renewable energy technologies; improved air quality and related environmental health indicators associated with the reduction of fossil fuel emissions; improved coordination of energy-related policies; increased security, resilience and reliability of energy generation and transmission infrastructure; leveraging of other resources to maximize benefits; and the widespread use of innovative financial mechanisms that transform markets.

With these principles and outcomes in mind, the City of Sterling Heights applied for and received \$1,203,800 in EECBG funds in October 2009. The remaining unspent grant funding of \$1,095,300 is budgeted for fiscal year 2010/11. \$1,090,540 is allocated for the replacement of the existing roofing at the Police Station, Library, and 41-A District Court; a new office furnace and improved lighting at the Public Works building; replacement boilers at the Police Station, Library, City Hall and Recreation Center; replacement

chillers at the Police Station and Library; installation of boiler controls and replacement windows at Fire Station #5 and hand dryers at Fire Stations #2, #3, and #4; replacement of the City Center parking lot lighting with LED lighting; and Nature Center energy improvements.

Total Other Charges in this fund total \$4,760 and are allocated for program administrative costs. ■

***Did you know?...***

***...the boilers to be replaced in the City Hall, Police Station, Library and Parks & Recreation buildings will reduce air pollution that is equivalent to removing 600 cars from the road for one year?***

# Energy Efficiency & Conservation Block Grant Fund

## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Supplies** – There is no Supplies budget for this fund.

**Other Charges** – Total Other Charges decreased \$27,500 or 85.2% to reflect grant funding that was allocated and spent in the prior year for program administrative costs, pre-award costs, and an energy audit of the City’s Nature Center.

**Capital** – Total Capital of \$1,090,540 is proposed for this fund. Funds are budgeted for the replacement of the existing roofing at the Police Station, Library, and 41-A District Court; a new office furnace and improved lighting at the Public Works building; replacement boilers at the Police Station, Library, City Hall and Recreation Center; replacement chillers at the Police Station and Library; installation of boiler controls and replacement windows at Fire Station #5 and hand dryers at Fire Stations #2, #3, and #4; replacement of the City Center parking lot lighting with LED lighting; and Nature Center energy improvements. *The Capital Improvement section of this document provides a breakout of each project’s cost and funding source.*



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Other Charges	\$0	\$32,260	\$27,500	\$4,760	\$4,760
Capital Outlay	0	1,171,540	81,000	1,090,540	1,090,540
Transfers Out	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$1,203,800</b>	<b>\$108,500</b>	<b>\$1,095,300</b>	<b>\$1,095,300</b>

The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the federal government issues a check to the City's Police Department for our equitable share of money or property that was seized during a federal investigation in which a Sterling Heights police officer took part. The City currently has two police officers assigned to Drug Enforcement Administration (D.E.A.) task forces. Therefore, the Department is entitled to a percentage, relative to these Officers' involvement in an investigation.

The federal guidelines allow for the proceeds to be used to enhance overall law enforcement efforts, whereas the State limits their use to narcotics law enforcement efforts only. Some examples of Federal Forfeiture permitted uses include the purchase of new equipment, improvements to police facilities, law enforcement training, and the funding of drug education programs such as D.A.R.E.

Gambling Forfeiture revenue is generated from seized money or property that is directly related to illegal gambling activities. Seized property is later sold at auction and the proceeds from the auctioned items, along with any forfeited cash, are used to enhance the future enforcement of gambling statutes.

Persons involved in serious Operating While Intoxicated (O.W.I.) arrests or those with a prior O.W.I. conviction are subject to having their vehicles seized. Upon arrest, an offender's vehicle is impounded and either a settlement is paid or the vehicle is forfeited. Forfeited vehicles are then sold at auction and the proceeds are used to enhance traffic enforcement and education.

In fiscal year 2010/11, a total of \$434,640 is budgeted for this fund. \$329,740 is included for Federal Forfeiture related expenditures, \$98,800 is allocated for State Forfeiture permitted uses, and \$6,100 is budgeted for O.W.I. Forfeiture related purchases. There are no funds budgeted for Gambling Forfeiture related expenditures next year. Following State guidelines, the budget for this fund is based on existing year-to-date revenue and does not take into consideration the revenue from future anticipated receipts.

***For additional information regarding the City's use of Federal and State forfeiture revenue, refer to the Summary of Budget Changes on the following page. A complete list of budgeted capital outlay for this fund can be found in the Capital Projects section of this document. ■***

***Did you know?...***

***...the City's entire fleet of undercover detective vehicles has been purchased with proceeds from the Public Safety Forfeiture Fund?***

# Public Safety Forfeiture Fund

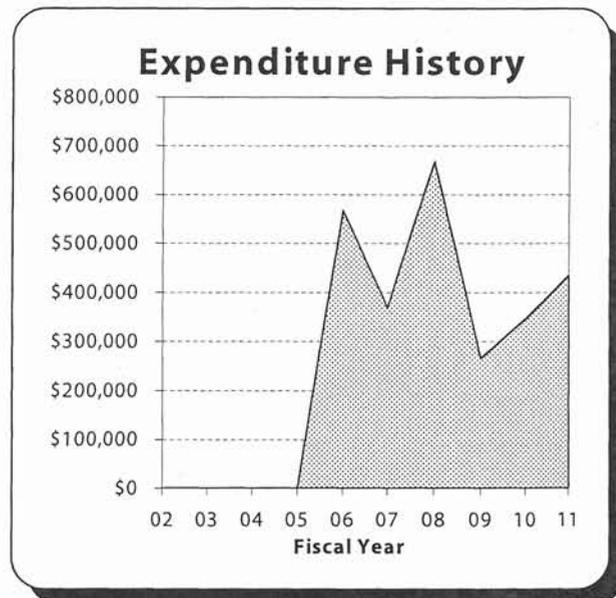
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Supplies** – Total Supplies decreased \$49,820 or 79.8%, primarily due to the one-time costs of ammunition and various supplies in the prior year.

**Other Charges** – Total Other Charges decreased \$32,080 or 24.1%. Funding for undercover investigative costs decreased \$24,300 based on the current year’s estimated expenditure levels. \$10,000 was saved, as the budget for legal services was not needed. Contracted service costs decreased \$1,880, as a two-year subscription to the Citizen Observer Alerting software application was funded in the prior year. The decrease was offset by an increase for the annual maintenance fees for 20 in-car video systems, as the original warranties have expired. Funding is also included for Cyber Crime software support and license renewal fees, previously funded by a grant. Wireless telephone costs decreased \$1,440. The training budget increased \$5,540 for several narcotics training courses.

**Capital** – Total Capital of \$331,240 is proposed for this fund. \$271,240 is for a new Police Dispatch/Records Management System to replace the current CLEMIS system. This system will reduce time spent on filing police reports, better facilitate dispatching the larger number of emergency calls, improve our records management system and facilitate the new E-ticket program. The Fire Department’s cost for this new system is budgeted in the Information Technology Capital budget. Seven Intensive Use Chairs for the Dispatch area are funded for \$10,500. \$3,900 is for



Forensic Video/Photo Software. \$2,500 is for an Investigations Trailer used to transport equipment to an accident or crime scene. \$1,100 is for a Gas Generator used to power high output lights and charge electronic equipment. \$42,000 is funded to replace two high mileage 1998 Detective vehicles.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Capital** – Total Capital decreased by \$10,500 as seven intensive use chairs for the Dispatch area were eliminated.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Supplies</b>	\$23,032	\$62,420	\$25,660	\$12,600	\$12,600
<b>Other Charges</b>	87,190	133,380	99,790	101,300	101,300
<b>Capital Outlay</b>	155,164	150,170	300,870	331,240	320,740
<b>Total</b>	\$265,386	\$345,970	\$426,320	\$445,140	\$434,640

The Community Development Block Grant Fund serves many facets of the Sterling Heights community. In 1974, the Congress of the United States initiated the C.D.B.G. program. This program was designed to replace existing categorical programs identified with city development or redevelopment, namely: Urban Renewal and Neighborhood Development Programs, Model Cities Program, Neighborhood Facilities Programs, Open Space Acquisition, and Rehabilitation Loans.

One of the primary functions of the Community Development Act is to allow local communities the opportunity to structure the program to their own specific needs. This concept was unique at the time and offered local communities far greater flexibility than was present in the categorical programs.

Monies under this program may be spent on activities which are directed to fulfilling specific objectives: elimination of slums and blight, elimination of conditions which are detrimental to health, safety, and public welfare through code enforcement, conservation and expansion of the nation's housing stock in order to provide a decent home for all persons, expansion and improvement of community services principally for persons of low and moderate income, provide a more rational use of land, develop and improve neighborhoods, restore and preserve properties with historical value, and economically develop activities which aid in the revitalization of the community.

Block Grant funds also provide library books for low and moderate-income seniors at senior housing units. These book collections include large-print and "talking books" (books on tape).

The City of Sterling Heights uses Block Grant funds to defer 100% of the special assessments that would be levied against a property within the neighborhood where these improvements occur. Households meeting the low and moderate income criteria may qualify for a total relief of the special assessments because a rule of the program is when capital improvements are made to a neighborhood, you may not

negatively impact low and moderate income families. The Housing Commission administers this program on behalf of the City Council.

Examples of activities undertaken in past years include the Upton House purchase and renovation, improvements to Nelson Park, SMART Bus Stop Improvements along north Van Dyke, housing rehabilitation, Minor Home Repair Program, Handicapped Recreation Program, the Home Chore Program, and meeting the federally mandated Americans With Disabilities Act requirements.

In fiscal year 2006/07, \$400,000 was budgeted toward the construction of the \$2.2 million Senior Active Life Center addition. The proceeds from a bond sale in the spring of 2007 were used to fund the remaining \$1.8 million construction cost. Block Grant capital funds are now being used to fund the debt payments on the Senior gymnasium addition.

For fiscal year 2010/11, \$141,110 is budgeted for the continued installation of ramped sidewalks with curb cuts at major road intersections. \$240,000 is funded for improvements to the restroom facility at L.W. Baumgartner Park. \$327,560 is budgeted for the debt payments on the Senior Active Life Center bond. ■

***Did you know?...***

***...the CDBG program provides minor home repair assistance to income eligible senior citizens and mobile home owner-occupants?***

# Community Development Block Grant Fund

## SUMMARY OF BUDGET CHANGES

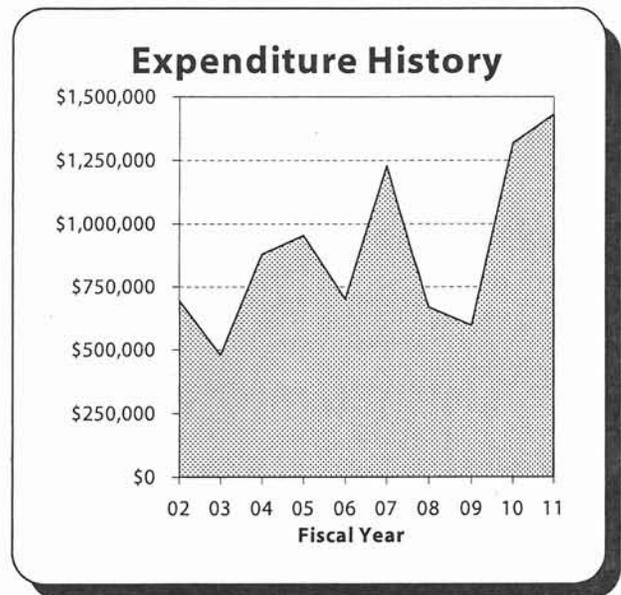
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Supplies** – Total Supplies increased \$330 or 3.2%. Funding increased \$760 for the purchase of audio books and special large print books to service the needs of the homebound senior and handicapped residents. Operating Supplies decreased \$430.

**Other Charges** – Total Other Charges decreased \$81,930 or 10.6%, primarily due to the budgeting of large unspent housing rehabilitation and minor home repair program income in the prior year. Despite the decrease, the funding remains sufficient to maintain the present activity levels. Funding for the Sterling Estates policing program was eliminated, while donations to most existing service organizations increased slightly. The budget includes \$20,000 for the Special Recreation Program and \$122,530 for reimbursing the General Fund for personnel costs of City staff.

**Capital** – Total Capital of \$381,110 is proposed for this fund. \$240,000 is for improvements to the restroom facility at Baumgartner Park. \$141,110 is for the continued installation of ramped sidewalks with curb cuts at major road intersections.

**Debt Service** – Total Debt Service increased \$13,300 or 4.2%. Total principal payments on the Senior Active Life Center bond increased \$25,000, while the interest payments decreased \$11,700.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Supplies** – Total funding increased \$380 based on a higher approved final CDBG funding level.

**Other Charges** – Total funding increased \$17,480 based on a higher final funding level.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$337	\$0	\$0	\$0	\$0
Supplies	8,713	10,170	8,170	10,500	10,880
Other Charges	174,042	775,790	296,870	693,860	711,340
Capital Outlay	0	218,070	76,960	381,110	381,110
Debt Service	0	314,260	314,260	327,560	327,560
Transfers Out	413,239	0	0	0	0
<b>Total</b>	<b>\$596,331</b>	<b>\$1,318,290</b>	<b>\$696,260</b>	<b>\$1,413,030</b>	<b>\$1,430,890</b>

The Neighborhood Stabilization Program Fund is a Special Revenue Fund of the City of Sterling Heights. This HUD program will provide emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provides grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program was authorized under Title III of the Housing and Economic Recovery Act of 2008.

NSP guidelines allow each entitlement community to develop programs to address the problem of foreclosed homes in their own community. NSP grantees must use at least 25% of the funds appropriated for the purchase and redevelopment of abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of the area median income. In addition, all activities funded by NSP must benefit low-, moderate-, and middle-income residents whose income does not exceed 120% of area median income.

In January 2009, the City of Sterling Heights was authorized to receive \$2,454,960 through the Neighborhood Stabilization Program (NSP). The remaining unspent grant funding of \$1,189,650 is budgeted for fiscal year 2010/11. This program's continued planned activities include down-payment assistance and housing rehabilitation, demolition of blighted structures, acquisition/resale including housing rehabilitation and redevelopment of vacant or demolished properties.

The down-payment assistance and housing rehabilitation program will provide income eligible homebuyers with down payment and closing cost assistance to purchase a foreclosed or abandoned home. Additional funds will be provided to bring the property up to the City's rehabilitation standards. Only abandoned and foreclosed homes located in the City's designated

areas of greatest needs are eligible for assistance under this program. A loan will be secured by a second lien for the amount of the NSP investment. The assistance the homebuyer receives from the City will be subject to recapture during an affordability period. The program will help stabilize neighborhoods by encouraging homebuyers to be owner-occupants of abandoned and foreclosed homes. It will also provide the new homeowner with financial resources to make the homes safe for occupancy.

Demolition of blighted structures through the Neighborhood Stabilization Program will result in an area-wide benefit. In addition, the activity will benefit NSP income eligible households by demolishing unsafe structures that might otherwise be rented or sold to homebuyers who are unprepared financially to make the structure safe and sanitary. To be considered a "blighted structure" the property must meet one of the following criteria: 1) uninhabitable or useless structure; 2) dwellings out of repair; 3) partially completed structures; and 4) unprotected vacant buildings in residential areas.

The City will work with agencies such as the Macomb Homeless Coalition, Sterling Heights Housing Commission, or Habitat for Humanity to create an acquisition, rehabilitation, and resale program that meets the low-income housing requirement for those with household incomes below 50% of the area median income. Homes will be sold at a discount to eligible households. All NSP funds associated with the project will be subject to recapture and secured through a second loan on the property.

The final activity involves redeveloping demolished or vacant properties located within the City's areas of greatest need. Redevelopment will be in the form of new home construction or a public facility.■

***Did you know?...***

***...the City of Sterling Heights has worked with Macomb Habitat for Humanity to provide housing for low-income residents?***

# Neighborhood Stabilization Program Fund

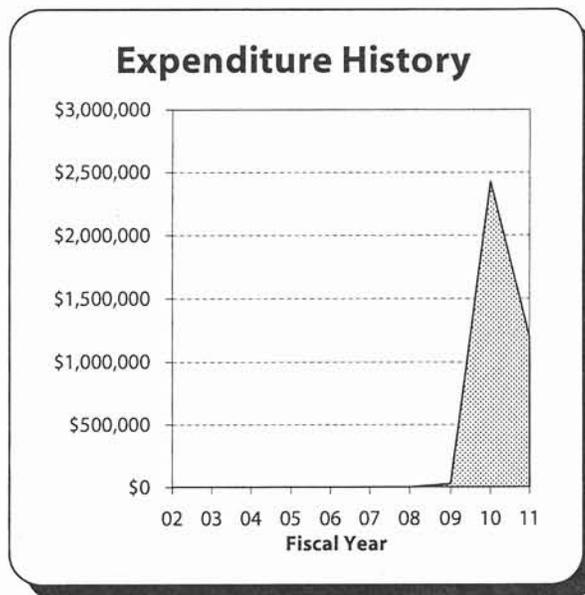
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – The total Personnel Services budget of \$3,980 is for a part-time Intern to assist in the grant-funded Neighborhood Stabilization Program.

**Supplies** – Total Supplies decreased \$700 or 38.9%. \$1,100 is budgeted for postage costs and operating supplies needed for the operation of the grant-funded Neighborhood Stabilization Program.

**Other Charges** – Total Other Charges decreased \$1,223,530 or 50.7% as the prior year unspent grant funding of \$1,189,650 is budgeted for the 2010/11 fiscal year. \$270,000 will be used to provide down payment and housing rehabilitation assistance to eligible homebuyers. \$363,620 is included for the Acquisition, Rehabilitation and Resale program to acquire and rehabilitate abandoned or foreclosed properties to be utilized as housing to benefit qualified low-income individuals. \$414,120 is budgeted for the Acquisition and Redevelopment program to acquire vacant or demolished properties for new home construction or a public facility. The Demolition program includes \$30,000 for the demolition of blighted structures. \$111,910 is funded for administration costs, including a \$104,080 cross-charge for the wage and benefit costs of existing employees administering the Neighborhood Stabilization Program, \$4,000 to provide homebuyer group counseling services, \$3,730 for legal services, and \$100 for the publishing of legal notices in local newspapers.



**Capital** – There is no Capital budget for this fund.

### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$1,746	\$11,480	\$3,770	\$3,980	\$3,980
<b>Supplies</b>	951	1,800	700	1,100	1,100
<b>Other Charges</b>	25,804	2,413,180	1,312,260	1,189,650	1,189,650
<b>Capital</b>	0	0	0	0	0
<b>Total</b>	\$28,501	\$2,426,460	\$1,316,730	\$1,194,730	\$1,194,730

The Corridor Improvement Authority (CIA) Fund is a Special Revenue Fund of the City of Sterling Heights. Established in 2006, the Authority allows the City to identify commercial districts in the City and utilize tax incrementing financing to make public improvements and offer development incentives in order to increase economic vitality within these districts.

The CIA currently includes one District located in the north central portion of Sterling Heights. The District consists of properties bordering Van Dyke Avenue between 18½ Mile Road to the north City limit and along Utica Road between Van Dyke Avenue and Triangle Drive.

The Primary Goals for the District are (1) to enhance the public spaces within the District; (2) to delineate the District by developing a consistent beautification and landscape style along its rights-of-way; (3) to provide a unified building style through the development and redevelopment of properties within the District; and (4) to spur economic growth and increase property values within the District's borders.

As a necessary prerequisite to achieve these goals, both a Development Plan and a Tax Increment Finance Plan have been prepared. The Development Plan outlines the improvements proposed within the District, while the Tax Increment Finance Plan identifies the funding mechanism that will be utilized to finance the proposed improvements.

The Streetscape Design Guidelines prepared for the District include select specifications for paving, decorative lighting, site furnishings, and landscaping. These amenities are intended to be constructed within the Van Dyke Avenue and Utica Road rights-of-way as well as on private property as part of future development and redevelopment within the District.

The Development Plan also includes potential façade improvements with selected styles and material specifications, access management improvements, property acquisition, floodplain/wetland mitigation, park space improvements, general infrastructure

improvements, and a business recruitment and retention program. The CIA Master Plan provides for approximately \$20 million worth of improvements in the District over a 20-year period.

The Economic Development Manager serves as the City's liaison to the Corridor Improvement Authority Board.

In fiscal year 2010/11, a total of \$118,260 is budgeted for this fund. \$100,000 is funded for the Façade Assistance Program designed to help initiate economic revitalization in the Corridor Improvement Authority District.

\$500 is budgeted for Other Charges, which is used to fund City Attorney legal services.

\$17,760 is budgeted for the repayment to the General Fund for the prior years' advanced funding of the Façade Assistance Program.■

***Did you know?...***

***...the Corridor Improvement Authority created façade design guidelines to help create a uniform look throughout the CIA district?***

# Corridor Improvement Authority Fund

## SUMMARY OF BUDGET CHANGES

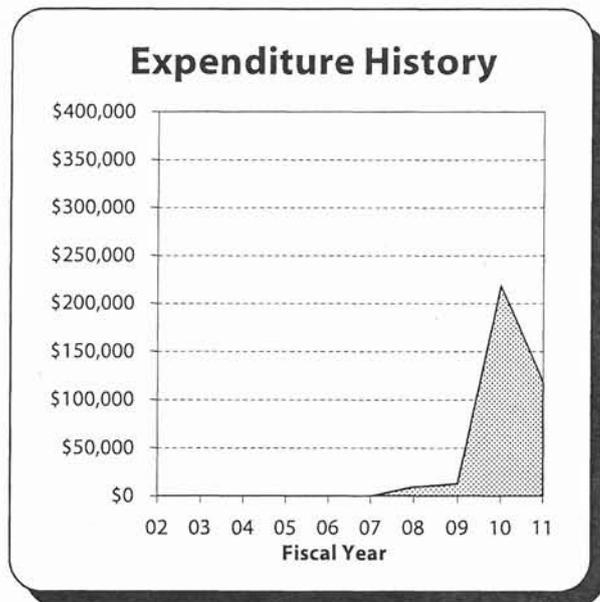
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Supplies** – There is no Supplies budget for this fund.

**Other Charges** – Total Other Charges decreased \$2,350 or 82.5%. The budget decreased \$1,850 due to the prior year one-time funding of a professional consultant to aid the City with the review of design standards for the façade improvement plans. Funding for legal services decreased \$500 based on historic actual expenditure levels.

**Capital** – Total Capital of \$200,000 is proposed for the Façade Assistance Program designed to help initiate economic revitalization in the Corridor Improvement Authority District by assisting property owners with funding for exterior property improvements.

**Debt Service** – Total Debt Service increased \$2,130 or 13.6%. Total principal payments increased \$2,500 for the repayment to the General Fund for the prior years’ advance funding of the Façade Assistance Program. Total interest decreased \$370 or 4.6%, as less interest is owed on the declining outstanding principal balance.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

**Capital** – Total funding decreased \$100,000 as funding for the Façade Improvement Program was reduced by half due to fewer than anticipated program applicants.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Other Charges</b>	\$1,565	\$2,850	\$0	\$500	\$500
<b>Capital Outlay</b>	0	200,000	0	200,000	100,000
<b>Debt Service</b>	11,269	15,630	15,630	17,760	17,760
<b>Total</b>	\$12,834	\$218,480	\$15,630	\$218,260	\$118,260

The Economic Development Corporation Fund of the City of Sterling Heights has been established and organized, pursuant to Act 388 of the Public Acts of 1974, to achieve essential public objectives of the City. Its objectives are to alleviate and prevent conditions of unemployment, and to assist and retain local industries and commercial enterprise in order to strengthen and revitalize the economy of the City. The Economic Development Corporation also provides the means for encouragement and assistance of industrial and research enterprises, and provides needed services or facilities to the City by constructing, acquiring through gift or purchase, reconstructing, improving, maintaining, repairing and acquiring land for planned improvements suitable for use by any industrial or research enterprise.

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***The Economic Development Corporation provides the means and methods for encouragement and assistance of industrial and research enterprises...***

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To accomplish these objectives, the Economic Development Corporation is allowed to borrow money and issue its revenue bonds or revenue notes to finance all or part of the cost of the acquisition, purchase, construction, reconstruction, or improvements of any project or any part of that project. Additionally, the Economic Development Corporation may enter into leases, lease purchase agreements, or installment sales contracts with any person, firm, or corporation for the use or sale of projects.

The Economic Development Corporation functions as a nine member appointed Board and generates revenues by assessing fees on a particular bond and project improvement program.

Using promotional ads, marketing brochures, and television advertising, the Economic Development Corporation seeks to identify industries and research enterprises that may be

considering expansion or relocation to the Detroit Metropolitan area. City Administration assists interested parties in locating properties, securing financing and obtaining information about the City of Sterling Heights. The Economic Development Manager is the City's liaison to the Economic Development Corporation.

The Economic Development Corporation has been given the additional responsibility of the Brownfield Redevelopment Authority. Their tasks include making recommendations to the City Council on Brownfield plans. Brownfield Redevelopment has a positive impact on the community by providing a cleaner and safer environment.■

***Did you know?...***

***...the Economic Development Corporation funds the City's participation in local industry trade shows?***

# Economic Development Corporation Fund

## SUMMARY OF BUDGET CHANGES

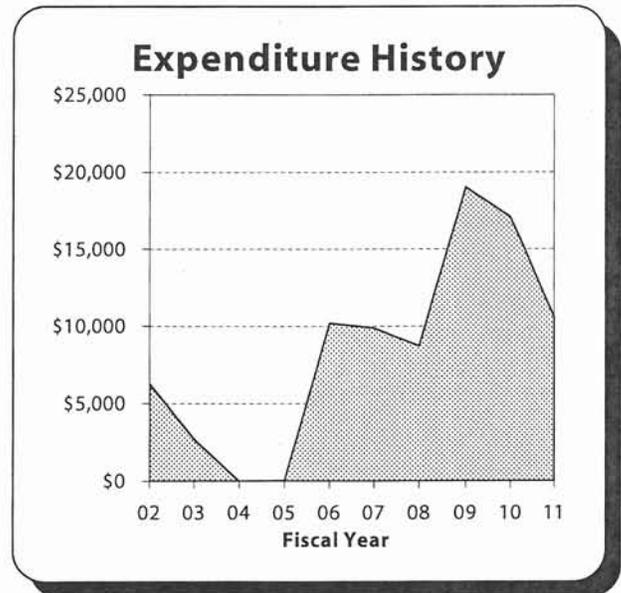
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – There is no Personnel Services budget for this fund. The Economic Development Corporation members serve as volunteers without compensation.

**Supplies** – There is no Supplies budget for this fund.

**Other Charges** – Total Other Charges decreased \$6,500 or 38.0%. Contracted service costs decreased \$1,000 as pricing for the property management service used to access sale and lease information on commercial and industrial properties was less than anticipated. Funding for community promotion costs decreased \$5,500, as fewer new marketing and trade show materials are needed. The City can continue to use previously produced materials. \$7,500 is included next year for the City’s economic development marketing efforts, including assistance with grant writing services.

**Capital** – There is no Capital budget for this fund.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	19,013	17,100	13,100	10,600	10,600
<b>Total</b>	<b>\$19,013</b>	<b>\$17,100</b>	<b>\$13,100</b>	<b>\$10,600</b>	<b>\$10,600</b>

The Brownfield Redevelopment Authority Fund is a Special Revenue Fund of the City of Sterling Heights. The Authority was established in 2000 to offer private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties, as well as remediate those properties that may be contaminated.

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***The Authority offers private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties.***

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The goals of the Brownfield Redevelopment Authority are to clean up environmentally questionable properties, maximize land use in relation to the appropriate zoning district, reduce the blighting influence of underutilized or obsolete properties, create new job opportunities for residents of Sterling Heights, stimulate new investment in the City by wisely using all of our resources, and control urban sprawl by reusing sites with existing infrastructure.

The City of Sterling Heights, through the Brownfield Redevelopment Authority uses promotional advertising to encourage new investment in existing properties and assists developers in obtaining financial assistance through grant programs, tax credits, and tax increment financing.

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***The Brownfield Redevelopment Authority encourages new investment in existing properties.***

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The Brownfield Redevelopment Authority's tasks include making recommendations to City Council on future Brownfield plans, coordinating environmental inspections of possible Brownfield

sites, and providing technical assistance, including zoning and infrastructure information and guidance to those parties that are redeveloping land in the City. Overall, Brownfield Redevelopment will have a positive impact on the Community by providing a cleaner and safer environment.

The Economic Development Manager is the City's liaison to the Brownfield Redevelopment Authority, whose nine members are the same as the Economic Development Corporations' members.■

***Did you know?...***

***...the Brownfield Redevelopment Authority has approved four brownfield plans redeveloping 100 acres of property, creating 860 new jobs, and spurring \$58 million in new investments?***

# Brownfield Redevelopment Authority Fund

## SUMMARY OF BUDGET CHANGES

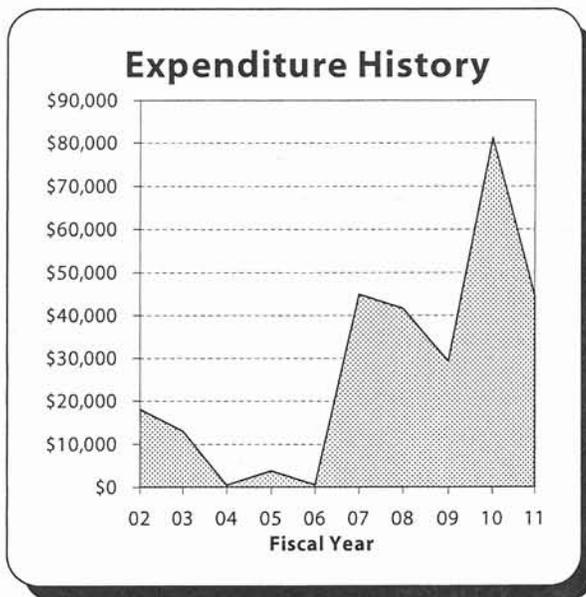
### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Personnel Services** – There is no Personnel Services budget for this fund. The Brownfield Redevelopment Authority members serve as volunteers without compensation.

**Other Charges** – Total Other Charges increased \$500 or 29.4%. Funding for City Attorney legal services increased \$500 due to increased Brownfield redevelopment activity.

**Capital** – There is no Capital budget for this fund.

**Transfers Out** – Total Transfers Out decreased \$37,200 or 46.8%. Transfers Out to the General Fund decreased \$37,200 as the final reimbursement to the General Fund for the prior years' Brownfield Redevelopment project costs was made in the prior fiscal year. Project costs were pre-funded by the General Fund before tax increment financing began. A transfer for \$42,300 is budgeted next year to reimburse the General Fund for a portion of the Economic Development Manager's salary.



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

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	4,267	1,700	1,700	2,200	2,200
Capital Outlay	0	0	0	0	0
Transfers Out	25,000	79,500	79,500	42,300	42,300
<b>Total</b>	<b>\$29,267</b>	<b>\$81,200</b>	<b>\$81,200</b>	<b>\$44,500</b>	<b>\$44,500</b>

Public Act No. 281 of 1986, entitled The Local Development Financing Act, is intended to encourage local development to prevent unemployment and promote economic growth. These objectives are achieved under the Act by establishing local development finance authorities that create and implement development plans through tax increment financing.

The Act establishes the process for forming a Local Development Finance Authority (LDFA). This process is initiated by the municipality's governing body declaring by resolution its intention to create and provide for the operation of an authority.

The LDFA provides development incentives to companies that fall in the following categories: defense, high technology, alternative energy, agricultural processing, and automotive. The development incentives include reimbursing eligible entities for costs such as roads, water, sanitary and storm sewer, environmental remediation, demolition, and utilities.

As a prerequisite to achieving these goals, a Development Plan and Tax Increment Finance Plan are prepared. The Development Plan outlines the improvements proposed within the District, and the Tax Increment Finance Plan identifies the funding mechanism utilized to finance the proposed improvements.

The impetus for establishing the City's LDFA was the redevelopment of the former TRW site by BAE Systems located on the west side of Van Dyke Avenue, between 14 Mile Road and 15 Mile Road. This parcel will be the first authority district in which the LDFA board will exercise its powers.

BAE Systems will construct a 175,000 square feet, state of the art business development and technology center based on the requirements of the United States Department of Defense and its worldwide allies. This new technology center will focus on and facilitate the integration of the technical, business and

program management teams dedicated to the design and development of tactical wheeled and combat vehicles in support of the next generation of combat systems, while enhancing the capabilities of the current combat systems of the United States and its allies. The capital investment by BAE Systems in real and personal property is projected to be \$73 million.

The State of Michigan designated the City's LDFA as a SmartZone. This designation allows the LDFA to operate a business incubator. A SmartZone plan is required to describe the operation of the business incubator and how tax dollars will be used to fund its activities.

In fiscal year 2010/11, \$30,000 is budgeted for the contracted service costs associated with the new Macomb-OU INCubator. In future years, a portion of the tax increment financing from the BAE project will be able to fund the SmartZone operations. ■

***Did you know?...***

***...the Macomb-OU INCubator is located in the City's Local Development Finance Authority, also known as the Technology Advancement SmartZone of Sterling Heights?***

# Local Development Finance Authority Fund

## SUMMARY OF BUDGET CHANGES

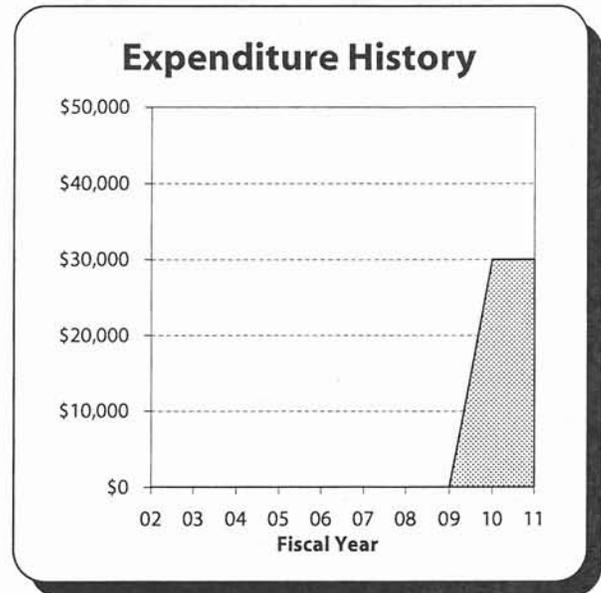
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Supplies** – There is no Supplies budget for this fund.

**Other Charges** – Total Other Charges is proposed to remain the same at \$30,000. \$30,000 is budgeted for the contracted service costs associated with the new Macomb OU-Incubator. The costs will be paid with General Fund monies that are available, as the Brownfield Redevelopment Authority Fund has begun to partially reimburse the General Fund for a portion of the Economic Development Manager’s personnel costs. Starting next year, a portion of the tax increment financing from the BAE project will be able to fund the SmartZone operations.

**Capital** – There is no Capital budget for this fund.



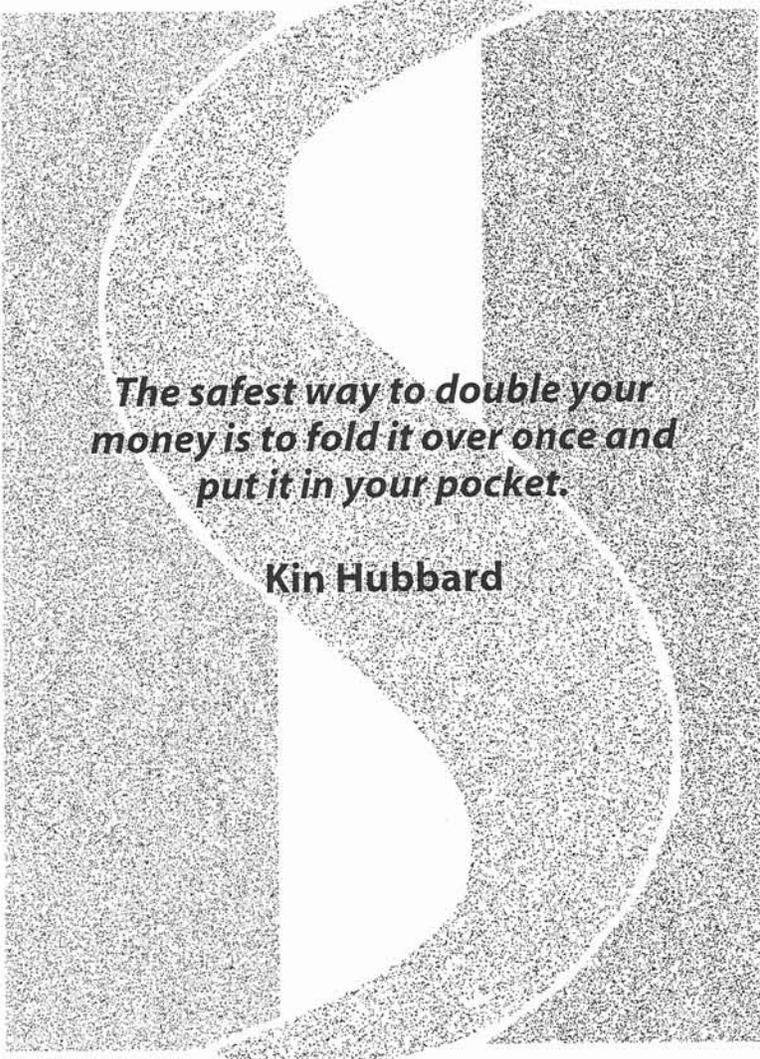
### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Other Charges	\$0	\$30,000	\$30,000	\$30,000	\$30,000
Capital Outlay	0	0	0	0	0
Transfers Out	0	0	0	0	0
<b>Total</b>	<b>\$0</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$30,000</b>

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

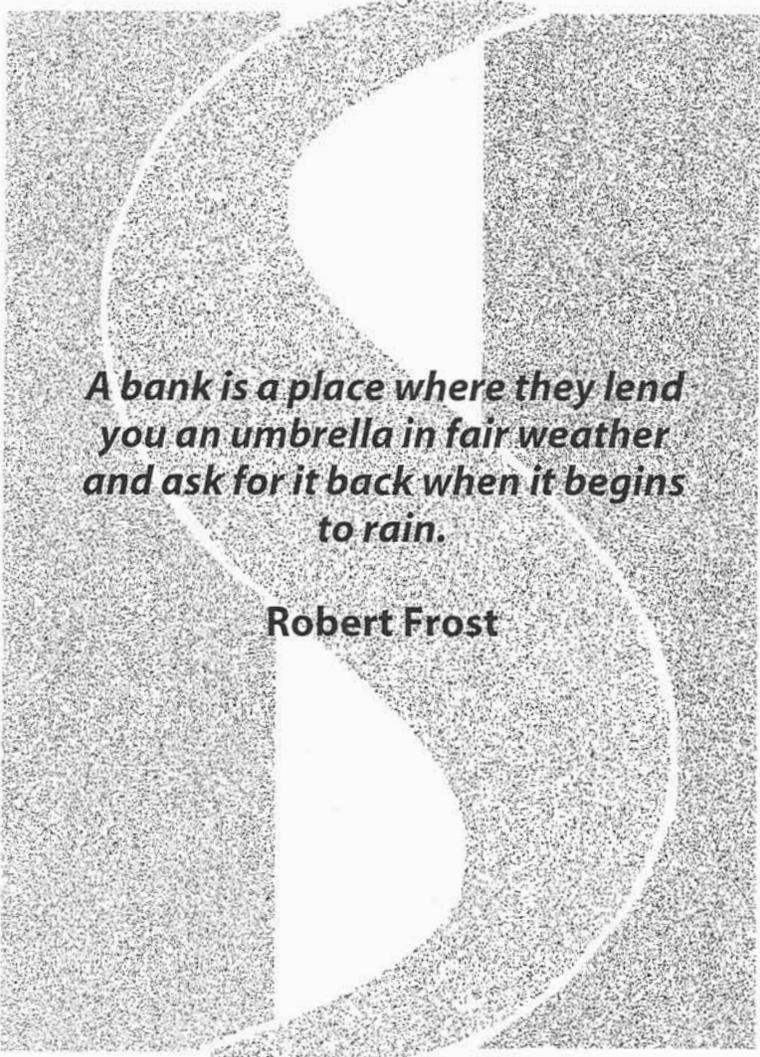
**Kin Hubbard**

# 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.

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*A bank is a place where they lend  
you an umbrella in fair weather  
and ask for it back when it begins  
to rain.*

**Robert Frost**

## GENERAL OBLIGATION

Section 11.01 of the Sterling Heights City Charter outlines the City's general borrowing power. It states that Council, by ordinance or resolution, may authorize the borrowing of money, the issuance of bonds, or other evidences of indebtedness, subject to State law and Charter provisions. The City may pledge its full faith credit and resources for the payment of the obligation created.

The Charter further states that the City may borrow money, within provisions stipulated by State law, in anticipation of the payment of special assessments made for defraying any public improvement costs and can issue revenue or other types of bonds. This borrowing authority is limited, however. The net bonded indebtedness incurred for all public purposes cannot exceed 10% of the assessed value of all real and personal property in the City subject to taxation. In the case of fire, flood or other disaster requiring an emergency fund for the relief of City inhabitants, or for the repair or rebuilding of municipal buildings, infrastructure, bridges, or streets, the City's legislative body may borrow money for up to five years and in the amount not exceeding three-eighths of one percent of the assessed valuation of all property in the City, notwithstanding such loan may increase the indebtedness beyond the limitation fixed in the Charter.

Some bonds are not included in the computation of net bond indebtedness including bonds issued in anticipation of the payment of special assessments, mortgage bonds that are secured only by a mortgage on the property or franchise of a public utility, Michigan Transportation Fund (MTF) road construction bonds, and bonds issued to refund monies advanced or paid on special assessments for water main extensions. The resources of the sinking fund pledged for the retirement of any outstanding bonds shall also be deducted from the amount of the bonded indebtedness.

The City's 2010 State Equalized Valuation plus the assessed value of abated property is \$5,102,857,880. Therefore, the City's debt limit is \$510,285,788 or 10% of total valuation. The City's population estimate is 128,500. The outstanding Net Direct Bonded Debt for the City as of June 30, 2010 is shown here as a ratio of debt to state equalized value and debt per capita.

	Debt Out- standing 6/30/10	Debt to Assessed Value	Debt Per Capita
<b>Net Direct Bonded Debt</b>	\$13,455,000	0.26%	\$105

The City's Debt Management Program is the product of over 30 years of deliberate decision-making by our community's leaders. The City has made judicious use of its authorities to sell bonds or otherwise incur debt. Our current bond ratings are an AAA from Fitch, AA+ from Standard & Poors, and an Aa2 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. 84.5% of the City's total 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 = 84.5%**

## 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, 2010, the principal and interest payments required for fiscal 2010/11, and the funding source is included within this Debt Service section. Total indebtedness is \$32,937,500. Total principal payment is \$3,985,000 and the interest payment is \$1,251,170. Brief descriptions of each type of debt incurred by the City are stated below followed by debt summary schedules.

## **LIMITED TAX GENERAL OBLIGATION DEBT FUND**

Some of the City's debt service is financed indirectly through lease with the City's Building Authority, which was created for the purpose of acquiring and leasing City property.

The bonding for the Judicial Services Center was approved by City Council in 1989. The final debt payment on the Judicial Services Center was made in the 2009/10 fiscal year.

In 1999/00, a \$3.7 million bond was sold for the City Center Commons development. The debt was refunded in 2004/05, saving \$118,500. Total outstanding debt is \$2,520,000. Total principal payment is \$190,000 and interest is \$106,110.

In 2007, a \$3.25 million Improvement Bond was issued for the new Senior Active Life Center and the new public safety 800 MHz Radio System. In 2010/11, \$321,440 is budgeted in the Transfers Out activity for the debt payments on the Radio System bonds. The principal payment is \$295,000 and the interest is \$26,440. \$327,560 is budgeted in the Community Development Block Grant Fund for the debt payments on the Senior Active Life Center. Total principal payment is \$305,000 and interest is \$22,560.

## **VOTED TAX GENERAL OBLIGATION DEBT FUND**

In November 1988, the City's residents approved the sale of bonds for the construction of Road Improvements, a Fire Station, and Fire Equipment (Public Improvements R, S & T). The final debt for completed projects under Proposal R was retired in fiscal year 2008/09.

In the spring of 2008, a \$5.0 million General Obligation bond was issued for improvements at three of the City's fire stations (Public Improvement F), which was approved by the voters in November, 2006. \$329,500 is budgeted for the debt payments on the Fire Station Improvement bonds.

## **SETTLEMENT BONDS DEBT FUND**

In March 2004, the City Council approved a \$31 million settlement due to the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex. To fund the payment of the settlement, the City sold General Obligation Judgment Funding Bonds. The remainder of the settlement was funded by reserves, which would be reimbursed through insurance claims. In 2009/10, the City received the proceeds from the third and final insurance carrier and paid off the remaining \$9.7 million in outstanding judgment bonds.

## **MAJOR ROAD IMPROVEMENTS**

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness is \$16,135,000. The Principal payment is \$1,955,000 and interest is \$582,340.

## **SPECIAL ASSESSMENTS**

In 2008, a \$3.26 million Special Assessment bond was issued to finance improvements within the Lakeside Shopping Center District. Total principal payment of \$100,000 and interest of \$123,400 is funded through special assessments.

## **MACOMB COUNTY DRAINS**

The City is under contract with Macomb County to pay the debt for Chapter 20 drains. Indebtedness to Macomb County is \$4,635,000. Principal is \$980,000 and interest is \$203,060.

## **CORRIDOR IMPROVEMENT AUTHORITY FUND**

In 2010/11, total principal of \$10,000 and interest of \$7,760 is budgeted for the repayment to the General Fund for funding the Façade Assistance Program. ■

## DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/10	2010/11		Total
			Principal	Interest	
<b>LIMITED TAX GENERAL OBLIGATION DEBT FUND</b>					
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	\$2,520,000	\$190,000	\$106,110	\$296,110
LTGO Bonds - Radio System Equipment	Gen Fund	808,530	295,000	26,440	321,440
<b>VOTED TAX GENERAL OBLIGATION DEBT FUND</b>					
2008 Fire Station Improvement Bonds (F)	Gen Fund	4,775,000	150,000	179,500	329,500
<b>GENERAL DRAIN FUND</b>					
Contractual Obligations Macomb County	Drain Fund	4,635,000	980,000	203,060	1,183,060
<b>Total Debt Fund Direct Debt Service</b>		<b>12,738,530</b>	<b>1,615,000</b>	<b>515,110</b>	<b>2,130,110</b>
<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>					
LTGO Bonds - Senior Active Life Center	CDBG Fund	716,470	305,000	22,560	327,560
<b>Total Direct Debt Service</b>		<b>13,455,000</b>	<b>1,920,000</b>	<b>537,670</b>	<b>2,457,670</b>
<b>ROAD BOND DEBT RETIREMENT FUND</b>					
2003 MI Transportation Bonds	Major Rds	995,000	500,000	24,880	524,880
2005 MI Transportation Refunding Bonds	Major Rds	2,425,000	425,000	83,690	508,690
2005 MI Transportation Bonds	Major Rds	4,600,000	300,000	181,190	481,190
2007 MI Transportation Bonds	Major Rds	4,300,000	200,000	164,200	364,200
2010 MI Transportation Refunding Bonds	Major Rds	2,245,000	530,000	43,340	573,340
2010 Build America Bonds	Major Rds	1,570,000	0	85,040	85,040
Special Assessment Bonds	S/A - RBDF	3,160,000	100,000	123,400	223,400
<b>Total Road Bond Debt Service</b>		<b>19,295,000</b>	<b>2,055,000</b>	<b>705,740</b>	<b>2,760,740</b>
<b>CORRIDOR IMPROVEMENT AUTHORITY FUND</b>					
2008 General Fund Loan	CIA Fund	187,500	10,000	7,760	17,760
<b>Total Debt Service</b>		<b>\$32,937,500</b>	<b>\$3,985,000</b>	<b>\$1,251,170</b>	<b>\$5,236,170</b>

## GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2009/10 Manager	2010/11 Approved
<b>LIMITED TAX GENERAL OBLIGATION DEBT FUND</b>						
Judicial Center	\$348,390	\$395,420	\$400,430	\$400,430	\$0	\$0
City Center Commons	306,930	322,320	313,430	313,430	296,110	296,110
Radio System Equipment	356,500	345,040	333,240	333,240	321,440	321,440
Senior Active Life Center	326,530	325,460	0	0	0	0
<b>Total General Fund Debt Service</b>	<b>1,338,350</b>	<b>1,388,240</b>	<b>1,047,100</b>	<b>1,047,100</b>	<b>617,550</b>	<b>617,550</b>
<b>COMM. DEV. BLOCK GRANT FUND</b>						
Senior Active Life Center	0	0	314,260	314,260	327,560	327,560
<b>Total CDBG Fund Debt Service</b>	<b>0</b>	<b>0</b>	<b>314,260</b>	<b>314,260</b>	<b>327,560</b>	<b>327,560</b>
<b>CORR. IMPROVEMENT AUTH. FUND</b>						
General Fund Loan	0	11,270	15,630	15,630	17,760	17,760
<b>Total CIA Fund Debt Service</b>	<b>0</b>	<b>11,270</b>	<b>15,630</b>	<b>15,630</b>	<b>17,760</b>	<b>17,760</b>
<b>VOTED TAX GENERAL OBLIGATION DEBT FUND</b>						
Road Improvements (R)	984,210	357,180	0	0	0	0
Fire Station Improvements (F)	0	251,070	308,250	308,250	329,500	329,500
<b>Total VTGO Fund Debt Service</b>	<b>984,210</b>	<b>608,250</b>	<b>308,250</b>	<b>308,250</b>	<b>329,500</b>	<b>329,500</b>
<b>GENERAL DRAIN FUND</b>						
<b>Total Tax Supported Debt Service</b>	<b>1,139,750</b>	<b>1,182,630</b>	<b>1,197,090</b>	<b>1,197,090</b>	<b>1,183,060</b>	<b>1,183,060</b>
<b>Total Tax Supported Debt Service</b>	<b>\$3,462,310</b>	<b>\$3,190,390</b>	<b>\$2,882,330</b>	<b>\$2,882,330</b>	<b>\$2,475,430</b>	<b>\$2,475,430</b>

**SCHEDULE OF PRINCIPAL & INTEREST  
GENERAL FUND, CDBG, AND CIA FUND SUPPORTED DEBT**

Fiscal Year	2005 City Center Refunding Bonds	2007 Radio System Equipment Bonds	2007 Senior Active Live Center Bonds	2008 General Fund Loan to CIA Fund	Total
2010/11	296,112	321,441	327,559	17,756	962,868
2011/12	298,650	309,641	315,359	19,778	943,428
2012/13	305,450	222,898	108,602	21,694	658,644
2013/14	296,850			25,950	322,800
2014/15	312,450			29,994	342,444
2015/16	322,150			33,825	355,975
2016/17	355,850			37,444	393,294
2017/18	337,250			40,850	378,100
2018/19	322,250				322,250
2019/20	302,375				302,375
<b>Total</b>	<b>\$3,149,387</b>	<b>\$853,980</b>	<b>\$751,520</b>	<b>\$227,291</b>	<b>\$4,982,178</b>

**VOTED GENERAL OBLIGATION DEBT FUND**

Fiscal Year	2008 Proposal F Bonds				Total
2010/11	329,500				329,500
2011/12	350,000				350,000
2012/13	369,750				369,750
2013/14	413,250				413,250
2014/15	430,125				430,125
2015/16	470,500				470,500
2016/17	484,125				484,125
2017/18	521,000				521,000
2018/19	531,000				531,000
2019/20	589,000				589,000
2020/21	619,000				619,000
2021/22	622,000				622,000
2022/23	624,000				624,000
<b>Total</b>	<b>\$6,353,250</b>				<b>\$6,353,250</b>

**SCHEDULE OF PRINCIPAL & INTEREST  
ROAD BOND DEBT RETIREMENT FUND**

Fiscal Year	2003 M.T.F. Bonds	2005 M.T.F. Refunding	2005 M.T.F. Bonds	2007 M.T.F. Bonds	2010 M.T.F. Refunding	2010 B.A. Bonds	2008 S.A.D. Bonds	Total
2010/11	524,883	508,688	481,188	364,200	573,342	85,042	223,400	2,760,743
2011/12	263,039	567,625	520,688	356,200	549,100	121,400	220,400	2,598,452
2012/13	249,410	550,125	533,438	348,200	622,850	124,938	227,250	2,656,211
2013/14		530,938	545,313	438,200	595,900	147,500	263,163	2,521,014
2014/15		510,313	579,313	426,650		144,250	258,288	1,918,814
2015/16			586,313	415,475		141,000	253,225	1,396,013
2016/17			592,313	502,250		137,750	247,600	1,479,913
2017/18			597,313	486,950		134,500	241,600	1,460,363
2018/19			651,313	569,500		179,625	235,600	1,636,038
2019/20			651,563	549,875		173,125	229,600	1,604,163
2020/21				530,000		190,812	272,600	993,412
2021/22				510,000		206,875	264,550	981,425
2022/23						245,500	256,450	501,950
2023/24						232,500	248,150	480,650
2024/25						219,500	239,650	459,150
2025/26						206,500	231,050	437,550
2026/27							222,350	222,350
2027/28							213,500	213,500
2028/29							204,500	204,500
<b>Total</b>	<b>\$1,037,332</b>	<b>\$2,667,689</b>	<b>\$5,738,755</b>	<b>\$5,497,500</b>	<b>\$2,341,192</b>	<b>\$2,690,817</b>	<b>\$4,552,926</b>	<b>\$24,526,211</b>

**GENERAL DRAIN FUND**

Fiscal Year	Seventeen Mile Road Drain	Busch Drain	Hawken Drain	Hayes Drain	Plumbrook Drain	Central Fire Station Drain	Sterling Relief Drain	Total
2010/11	310,255	120,163	65,525	128,950	286,000	162,100	110,070	1,183,063
2011/12	290,595	115,763	63,025	124,150	299,750	182,100	111,428	1,186,811
2012/13	300,875	136,313	60,475	144,250	287,250	176,100	117,243	1,222,506
2013/14		130,688	82,875	137,938	299,750	169,800		821,051
2014/15			78,938	131,500	286,000	163,350		659,788
2015/16						156,750		156,750
<b>Total</b>	<b>\$901,725</b>	<b>\$502,927</b>	<b>\$350,838</b>	<b>\$666,788</b>	<b>\$1,458,750</b>	<b>\$1,010,200</b>	<b>\$338,741</b>	<b>\$5,229,969</b>

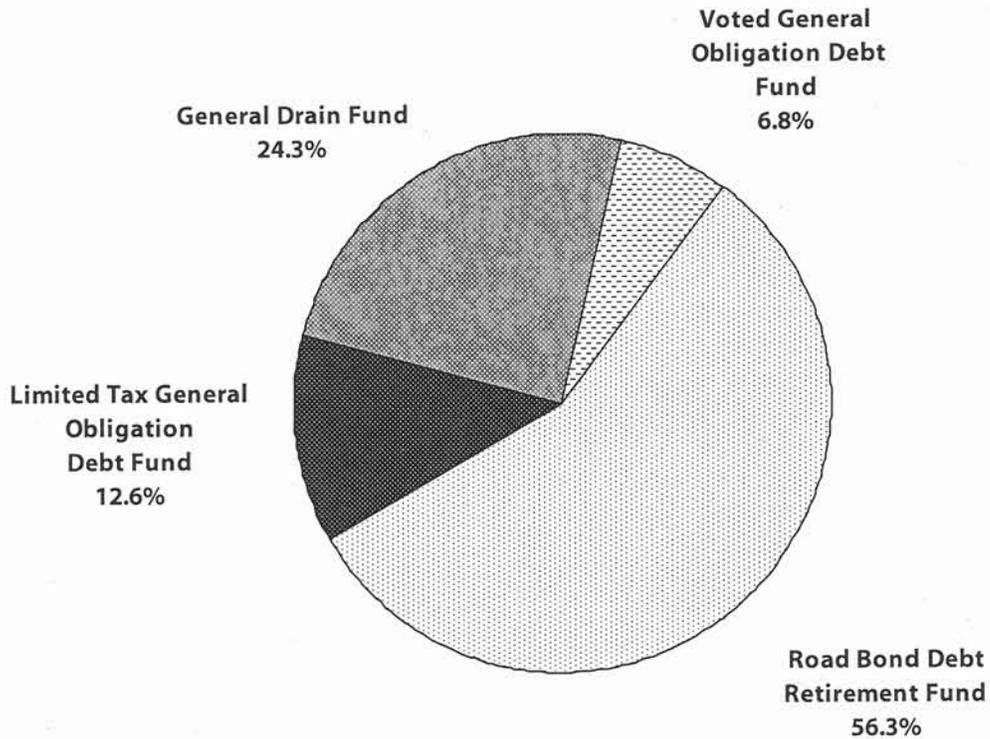
**DEBT SERVICE FUNDS  
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>GENERAL DRAIN FUND</b>						
<b>REVENUES</b>						
Property Taxes	\$1,089,260	\$1,169,600	\$1,184,520	\$1,183,320	\$1,188,460	\$1,188,460
Interest Income	24,510	21,200	15,000	4,000	2,000	2,000
Transfer from General Fund	15,000	0	0	10,000	0	0
<b>Total Revenues</b>	<b>1,128,770</b>	<b>1,190,800</b>	<b>1,199,520</b>	<b>1,197,320</b>	<b>1,190,460</b>	<b>1,190,460</b>
<b>EXPENDITURES</b>						
Principal	830,000	905,000	955,000	955,000	980,000	980,000
Interest	309,750	277,630	242,090	242,090	203,060	203,060
Other Charges	7,060	3,930	4,430	5,400	7,400	7,400
<b>Total Expenditures</b>	<b>1,146,810</b>	<b>1,186,560</b>	<b>1,201,520</b>	<b>1,202,490</b>	<b>1,190,460</b>	<b>1,190,460</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(18,040)</b>	<b>4,240</b>	<b>(2,000)</b>	<b>(5,170)</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>24,530</b>	<b>6,490</b>	<b>10,730</b>	<b>10,730</b>	<b>5,560</b>	<b>5,560</b>
<b>Ending Fund Balance</b>	<b>\$6,490</b>	<b>\$10,730</b>	<b>\$8,730</b>	<b>\$5,560</b>	<b>\$5,560</b>	<b>\$5,560</b>
<b>VOTED TAX GENERAL OBLIGATION DEBT FUND</b>						
<b>REVENUES</b>						
Property Taxes	\$976,360	\$359,930	\$183,600	\$184,000	\$325,150	\$325,150
Interest Income	4,150	6,780	2,000	1,130	1,000	1,000
Transfer from General Fund	52,640	325,000	0	0	0	0
<b>Total Revenues</b>	<b>1,033,150</b>	<b>691,710</b>	<b>185,600</b>	<b>185,130</b>	<b>326,150</b>	<b>326,150</b>
<b>EXPENDITURES</b>						
Principal	950,000	450,000	125,000	125,000	150,000	150,000
Interest	34,210	158,240	183,250	183,250	179,500	179,500
Other Charges	5,080	1,720	2,350	1,350	1,650	1,650
<b>Total Expenditures</b>	<b>989,290</b>	<b>609,960</b>	<b>310,600</b>	<b>309,600</b>	<b>331,150</b>	<b>331,150</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>43,860</b>	<b>81,750</b>	<b>(125,000)</b>	<b>(124,470)</b>	<b>(5,000)</b>	<b>(5,000)</b>
<b>Beginning Fund Balance</b>	<b>10,380</b>	<b>54,240</b>	<b>135,990</b>	<b>135,990</b>	<b>11,520</b>	<b>11,520</b>
<b>Ending Fund Balance</b>	<b>\$54,240</b>	<b>\$135,990</b>	<b>\$10,990</b>	<b>\$11,520</b>	<b>\$6,520</b>	<b>\$6,520</b>
<b>SETTLEMENT BONDS DEBT FUND</b>						
<b>REVENUES</b>						
Other Revenues	\$9,960	\$2,110	\$4,220	\$4,220	\$0	\$0
Transfer from Self-Ins. Fund	1,518,340	1,606,980	11,137,590	11,137,590	0	0
<b>Total Revenues</b>	<b>1,528,300</b>	<b>1,609,090</b>	<b>11,141,810</b>	<b>11,141,810</b>	<b>0</b>	<b>0</b>
<b>EXPENDITURES</b>						
Principal	930,000	1,045,000	10,870,000	10,870,000	0	0
Interest	596,090	563,850	272,780	272,780	0	0
Other Charges	250	250	2,170	2,170	0	0
<b>Total Expenditures</b>	<b>1,526,340</b>	<b>1,609,100</b>	<b>11,144,950</b>	<b>11,144,950</b>	<b>0</b>	<b>0</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>1,960</b>	<b>(10)</b>	<b>(3,140)</b>	<b>(3,140)</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>1,190</b>	<b>3,150</b>	<b>3,140</b>	<b>3,140</b>	<b>0</b>	<b>0</b>
<b>Ending Fund Balance</b>	<b>\$3,150</b>	<b>\$3,140</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**DEBT SERVICE FUNDS  
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>ROAD BOND DEBT RETIREMENT FUND</b>						
<b>REVENUES</b>						
Special Assessment Revenue	\$0	\$163,090	\$163,000	\$149,830	\$149,830	\$149,830
Interest Income	7,330	168,560	169,100	146,990	139,310	139,310
Other Revenues	0	0	0	0	38,270	38,270
Proceeds Long-term Debt	0	0	0	2,245,000	0	0
Bond Premiums	0	0	0	32,970	0	0
Trfr. from Major Roads Fund	2,600,200	2,915,000	2,585,000	2,585,000	2,480,000	2,480,000
<b>Total Revenues</b>	<b>2,607,530</b>	<b>3,246,650</b>	<b>2,917,100</b>	<b>5,159,790</b>	<b>2,807,410</b>	<b>2,807,410</b>
<b>EXPENDITURES</b>						
Principal	1,900,000	2,175,000	2,115,000	4,315,000	2,055,000	2,055,000
Interest	735,010	754,570	738,560	738,560	705,740	705,740
Other Charges	1,360	1,900	1,900	73,750	1,850	1,850
<b>Total Expenditures</b>	<b>2,636,370</b>	<b>2,931,470</b>	<b>2,855,460</b>	<b>5,127,310</b>	<b>2,762,590</b>	<b>2,762,590</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(28,840)</b>	<b>315,180</b>	<b>61,640</b>	<b>32,480</b>	<b>44,820</b>	<b>44,820</b>
<b>Beginning Fund Balance</b>	<b>52,590</b>	<b>23,750</b>	<b>338,930</b>	<b>338,930</b>	<b>371,410</b>	<b>371,410</b>
<b>Ending Fund Balance</b>	<b>\$23,750</b>	<b>\$338,930</b>	<b>\$400,570</b>	<b>\$371,410</b>	<b>\$416,230</b>	<b>\$416,230</b>
<b>LIMITED TAX GENERAL OBLIGATION DEBT FUND</b>						
<b>REVENUES</b>						
Other Revenues	\$5,890	\$80	\$70	\$0	\$0	\$0
Transfer from General Fund	976,400	1,059,000	1,047,810	1,047,810	617,940	617,940
Transfer from CDBG Fund	331,560	325,460	0	0	0	0
<b>Total Revenues</b>	<b>1,313,850</b>	<b>1,384,540</b>	<b>1,047,880</b>	<b>1,047,810</b>	<b>617,940</b>	<b>617,940</b>
<b>EXPENDITURES</b>						
Principal	1,075,000	1,155,000	890,000	890,000	485,000	485,000
Interest	263,350	233,240	157,100	157,100	132,550	132,550
Other Charges	720	910	780	670	390	390
<b>Total Expenditures</b>	<b>1,339,070</b>	<b>1,389,150</b>	<b>1,047,880</b>	<b>1,047,770</b>	<b>617,940</b>	<b>617,940</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(25,220)</b>	<b>(4,610)</b>	<b>0</b>	<b>40</b>	<b>0</b>	<b>0</b>
<b>Beginning Fund Balance</b>	<b>30,020</b>	<b>4,800</b>	<b>190</b>	<b>190</b>	<b>230</b>	<b>230</b>
<b>Ending Fund Balance</b>	<b>\$4,800</b>	<b>\$190</b>	<b>\$190</b>	<b>\$230</b>	<b>\$230</b>	<b>\$230</b>

## 2010/11 Debt Service Funds Percent of Total Expenditures



**This graph reflects budgeted Debt Service Funds expenditures as a percent of all total Debt Service Funds budget.**

## GENERAL DRAIN TAXES

A substantial source of revenue to the Debt Service Funds is generated by property taxation. This revenue calculation is based on a relationship between two variables. The first is the taxable property valuation of industrial, commercial, and residential parcels, both real and personal property. The second variable is the expected principal and interest debt payments for drain program projects.

In the 2010/11 Budget, General Drain Tax revenue represents 24.07% of total revenue sources, an increase of \$3,640 above the 2009/10 Budget. This is due to a use of Drain Fund reserves in the prior year. For 2010/11, the millage rate is 0.2501 mills, an increase of 0.0258 mills above 2009/10.

## OTHER FINANCING SOURCES

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

In the 2010/11 Budget, revenues generated from Other Financing Sources represent 62.69% of total revenue sources, a decrease of \$11,672,460 below the 2009/10 Budget. This decrease is primarily due to a decrease in transfers from the Self-Insurance Fund to the Settlement Bonds Debt Fund as the City received the proceeds from the third and final insurance carrier and paid off the remaining \$9.7 million in outstanding judgment bonds in the prior year. In addition, the Transfer from the General Fund to the Limited Tax General Obligation Debt Fund decreased due to the retirement of the Judicial Center bonds in the prior year. The transfer from the Major Road Fund to the Road Bond Debt Retirement Fund decreased slightly due to lower principal payments on existing road bonds.

## OTHER REVENUE

Other Revenue consists of revenue from Interest on Investments, Reimbursements and Special Assessment revenue. In the 2010/11 Budget, Other Revenues represent 6.69% of total revenue sources, a decrease of \$22,980 below the 2009/10 Budget. This decrease is primarily due to lower special assessment revenue due to revised assessments on several properties for the Lakeside Special Assessment District bonds.

## 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 2010/11, the millage rate is 0.0684 mills, an increase of 0.0338 mills above 2009/10.

In 2010/11, Public Improvement Tax revenue represents 6.55% of total revenue sources, an increase of \$141,850 above the 2009/10 Budget. This increase is due to higher debt payments on the Proposal F bond and the one-time use of reserves in the prior year.

## EXCESS REVENUE OVER (UNDER) EXPENDITURES

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

In the 2010/11 Budget, revenues exceed expenditures by \$39,820, allowing for a contribution to Fund Balance reserves exclusively in the Road Bond Debt Retirement Fund.■

**DEBT SERVICE FUNDS  
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<b>TAXES</b>						
404000	City Operating Tax	\$1,164,287	14.33	\$1,179,020	7.15	\$1,184,160	23.96
415000	Delinquent Personal Property Tax	4,302	0.05	4,000	0.02	2,800	0.06
445000	Penalties & Interest	3,877	0.05	3,100	0.02	2,800	0.06
	<b>Total Taxes</b>	<b>1,172,466</b>	<b>14.43</b>	<b>1,186,120</b>	<b>7.19</b>	<b>1,189,760</b>	<b>24.07</b>
	<b>OTHER FINANCING SOURCES</b>						
699101	Transfer From General Fund	1,384,000	17.04	1,047,810	6.35	617,940	12.50
699202	Transfer From Major Road Fund	2,915,000	35.89	2,585,000	15.67	2,480,000	50.18
699278	Transfer From CDBG Fund	325,459	4.01	0	0.00	0	0.00
699677	Transfer From Self-Insurance Fund	1,606,980	19.78	11,137,590	67.53	0	0.00
	<b>Total Other Financing Sources</b>	<b>6,231,439</b>	<b>76.72</b>	<b>14,770,400</b>	<b>89.56</b>	<b>3,097,940</b>	<b>62.69</b>
	<b>OTHER REVENUE</b>						
665000	Interest on Investments	31,131	0.38	22,790	0.14	3,700	0.07
672000	Special Assessment Revenue	163,096	2.01	163,000	0.99	149,830	3.03
672665	Special Assessment Interest	167,598	2.06	167,600	1.02	138,610	2.80
676000	Reimbursements	0	0.00	0	0.00	38,270	0.77
	<b>Total Other Revenue</b>	<b>361,825</b>	<b>4.45</b>	<b>353,390</b>	<b>2.15</b>	<b>330,410</b>	<b>6.69</b>
	<b>PUBLIC IMPROVEMENTS TAX</b>						
417000	Proposal R Debt Levy	357,061	4.40	0	0.00	0	0.00
419000	Proposal F Debt Levy	0	0.00	182,000	1.10	323,850	6.55
	<b>Total Public Improvements Tax</b>	<b>357,061</b>	<b>4.40</b>	<b>182,000</b>	<b>1.10</b>	<b>323,850</b>	<b>6.55</b>
	<b>Total Debt Service Funds</b>	<b>\$8,122,791</b>	<b>100.00</b>	<b>\$16,491,910</b>	<b>100.00</b>	<b>\$4,941,960</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

**DEBT SERVICE FUNDS  
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<b>OTHER CHARGES</b>						
810000	Other Fees	\$5,337	0.07	\$7,130	0.04	\$5,990	0.12
965000	Refunds on Tribunal Adjustments	3,376	0.04	4,500	0.03	5,300	0.11
	<b>Total Other Charges</b>	<b>8,713</b>	<b>0.11</b>	<b>11,630</b>	<b>0.07</b>	<b>11,290</b>	<b>0.23</b>
	<b>DEBT SERVICE</b>						
992000	Principal	5,730,000	74.16	14,955,000	90.31	3,670,000	74.87
993000	Interest	1,987,532	25.72	1,593,780	9.62	1,220,850	24.90
	<b>Total Debt Service</b>	<b>7,717,532</b>	<b>99.89</b>	<b>16,548,780</b>	<b>99.93</b>	<b>4,890,850</b>	<b>99.77</b>
	<b>Total Debt Service Funds</b>	<b>\$7,726,245</b>	<b>100.00</b>	<b>\$16,560,410</b>	<b>100.00</b>	<b>\$4,902,140</b>	<b>100.00</b>

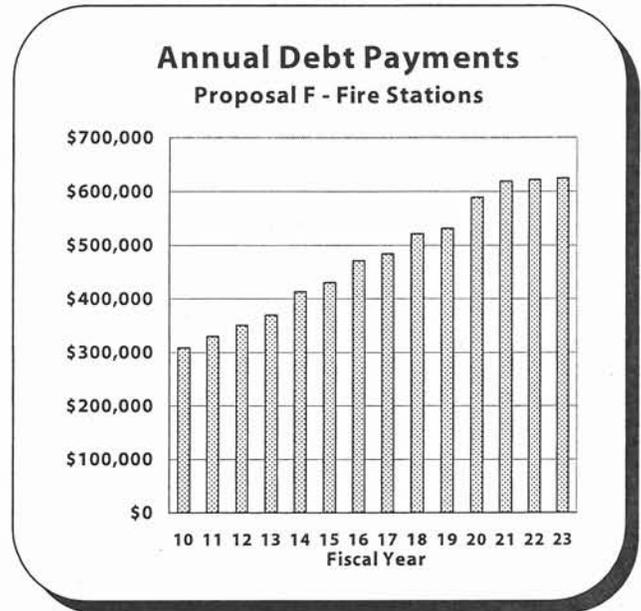
Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

# KEY FUND TRENDS

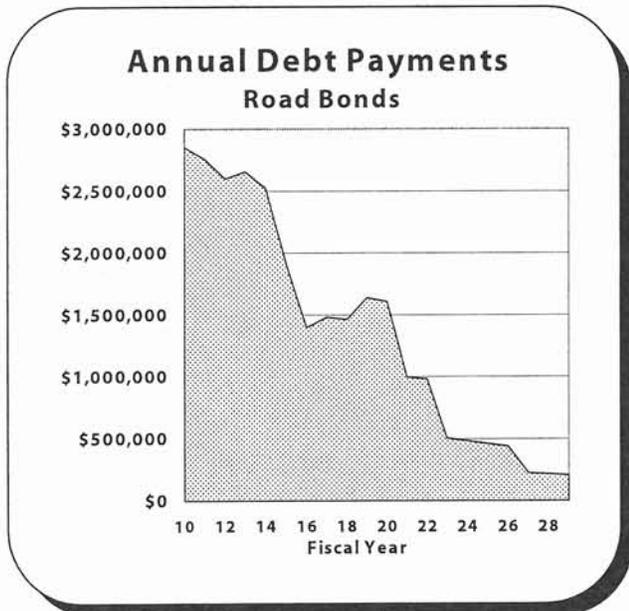
## Debt Service Funds



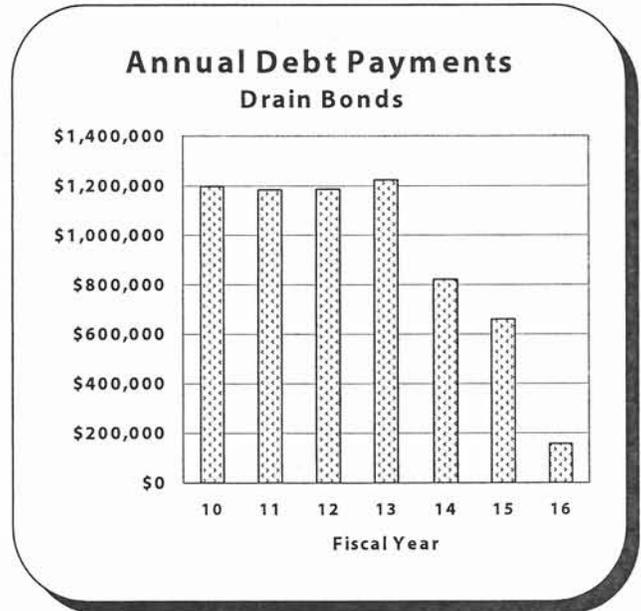
Debt payments will fall in 2011 as the 41-A District Court bonds were retired in 2010. The debt will fall in 2014 when the Public Safety Radio and the Senior Gym debt is paid off. From 2014 to 2020, the remaining debt will be primarily for the City Center Common bonds.



Voted Tax General Obligation Debt from the Fire Station Renovations (Proposal F) continues through 2023.



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.



Total Drain debt slowly decreases over the next 7 years as the Sterling Relief and 17 Mile Drain debt is paid off in 2013 and the Central Fire Station drain debt is completed in 2016.

The General Drain Fund is very specific in the way in which it operates within the City of Sterling Heights. The explanation for this fund can be easily summarized by saying that all debt incurred in the construction and maintenance of the City's major drain system is serviced or paid by this fund.

The City's Drain Program is tied to the County Drain Program, which is administered by the Macomb County Public Works Commission. Most city drains serve the county and some of the larger drains help to also serve a neighboring county. The County is the focal point for the overall drainage system and allocates debt payments based on established methods.

The City is currently paying off debt for the Busch, Hawken, Hayes, Plumbrook, 17 Mile Road, Central Fire Station, and the Sterling Relief Lateral 12B Drains.

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

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For 2010/11, \$1,183,060 is budgeted for the interest and principal payments on all drains within the City.

Revenues to support the budgeted debt payments and Other Charges are generated from a specific millage levied to all real and personal property. This millage is an amount calculated to meet the demand of the budgeted expenditures for principal, interest, and paying agent fees. This millage will fluctuate from year to year as the debt payments on the bond issues fluctuate.■

***Did you know?...  
...that all existing General Drain debt will be fully paid by the end of fiscal year 2016?***

# General Drain Fund

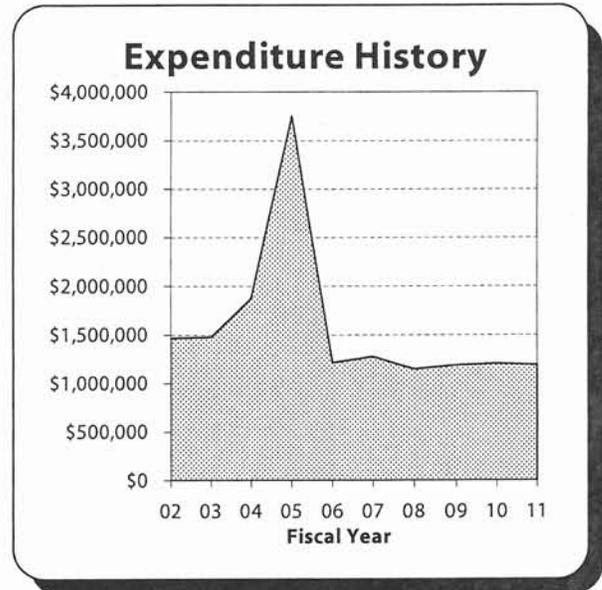
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

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

**Other Charges** – Total Other Charges increased \$2,970 or 67.0%. \$1,470 was added to the budget for bank fees the County is now passing through to the City due to reduced interest earnings on deposits. Refunds on tax tribunal adjustments increased \$1,500 as a greater number of tax appeals are anticipated next year.

**Debt Service** – Total Debt Service is proposed to decrease \$14,030 or 1.2%. Total principal payments increased \$25,000 due to an increase in scheduled principal payments on two existing General Drain bonds. The increase was slightly offset by a decrease in the principal payment on the 2004 17 Mile Road Drain bond issue. Total interest payments decreased \$39,030, as less interest is owed on all existing General Drain bond issues. No new drain project debt is scheduled for next fiscal year.



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

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$0	\$0	\$0	\$0	\$0
<b>Other Charges</b>	3,934	4,430	5,400	7,400	7,400
<b>Debt Service</b>	1,182,628	1,197,090	1,197,090	1,183,060	1,183,060
<b>Total</b>	\$1,186,562	\$1,201,520	\$1,202,490	\$1,190,460	\$1,190,460

The voter approved General Obligation Debt Fund was created in 1993/94 to provide a formal mechanism of accounting for tax millage revenue and expenditures dedicated and used for the repayment of voter approved debt to finance various public improvements. A specific millage, as approved by the voters, is levied each year to retire the annual principal, interest and paying agent fee associated with each bond issued.

Each public improvement debt has its own activity and its own budgetary center within the fund. Thus, no budget adjustment can be made between budgetary centers without City Council authorization.

Proposal R authorized \$21 million of bonds to finance various road improvements. All road improvements have been completed and include Ryan Road from 14 Mile Road to M-59 Highway, Dodge Park Road from 15 Mile to 16 Mile Road, 15 Mile Road from Maple Lane to Schoenherr Road, 19 Mile Road from Saal to Canal Road, and 17 Mile Road from east of Mound Road to Dequindre Road. The bonds were issued in a series starting in 1990 and ending in 1999. The debt for "R" was retired in fiscal year 2008/09.

Proposal S authorized \$3,000,000 for the construction of the City's fifth fire station located in the northwest quadrant of the City. This station houses the Fire Department's administrative offices, classrooms for training and the fire garage. The debt for "S" was retired in fiscal year 2000/01.

Proposal T authorized \$900,000 for the purchase of a new ladder truck and related equipment. This capital was used to make the fifth fire station serviceable. The debt was retired in fiscal year 1996/97.

In November 2006, the voters approved Proposal F authorizing \$5 million for improvements to three of the City's fire stations. The improvements began in the spring of 2008 and include modernization of the work areas, updating of the heating and cooling systems, and expansion of the facilities for both equipment storage and personnel quarters. In conjunction with the start of the project, bonds were issued to provide financing for the public improvements. The bonds have a 15-year life with the final payment being made in fiscal year 2022/23.

For 2010/11, principal payments for Proposal F total \$150,000 and interest payments amount to \$179,500.■

***Did you know?...***

***...the Voted General Obligation Debt Fund only accounts for the debt approved by the City residents at an election?***

# Voted Tax General Obligation Debt Fund

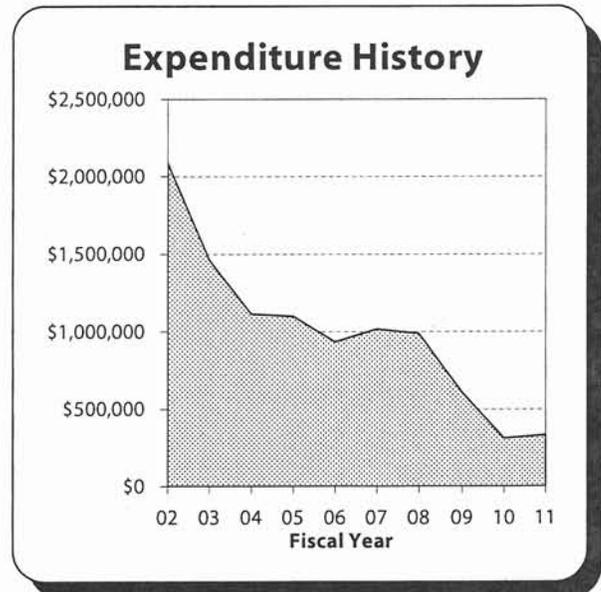
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

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

**Other Charges** – Total Other Charges decreased \$700 or 29.8% as there will be less Proposal R tax tribunal refunds as the Proposal R millage rate is no longer levied.

**Debt Service** – Total Debt Service increased \$21,250 or 6.9%. Total principal payments increased \$25,000 due to an increase in the scheduled principal payment on the 2008 Proposal F bond issue. Total interest decreased \$3,750 due to lower interest payments on the Proposal F bond. There is no outstanding debt for Proposals R, S, & T as the debt was retired in prior years. The only debt we are currently paying off is the debt from the Fire Station Improvements – Proposal F.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	1,719	2,350	1,350	1,650	1,650
Debt Service	608,244	308,250	308,250	329,500	329,500
<b>Total</b>	<b>\$609,963</b>	<b>\$310,600</b>	<b>\$309,600</b>	<b>\$331,150</b>	<b>\$331,150</b>

The Settlement Bonds Debt Fund was created in 2004/05 to account for the payment of principal and interest on the debt portion of General Obligation Judgment Funding Bonds issued by the City in June 2004. These fixed rate bonds were issued to fund the payment of a litigation settlement in the total amount of \$31 million, as set forth in a consent judgment entered in the United States District Court on March 22, 2004. The consent judgment was entered into by the City with various adverse parties to dispose of all claims raised in state and federal court proceedings arising out of the City's revocation of a special land use permit for the use of a county park as an outdoor entertainment complex and related actions by City agencies and officials. The consent judgment requires both the settlement payments by the City and various remedial actions by certain parties.

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***The Settlement Bonds Debt Fund was created in 2004/05 to account for the payment of principal and interest on the debt portion of General Obligation Judgment Funding bonds issued by the City in June 2004.***

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The portion of the settlement that was financed by the bonds included amounts previously paid by the City from available funds and additional amounts that were paid in June 2004, for a total of \$25 million. In January 2005, the City used cash on hand to pay the remaining balance of \$6 million, which would be fully reimbursed through insurance claims.

In fiscal year 2006/07, insurance proceeds were used to partially refund the outstanding Settlement Bond debt. During fiscal year 2009/10, insurance proceeds from the third and final insurance carrier were received and used to pay off the remaining \$9.7 million in outstanding judgment bonds. As a result, the City saved \$251,580 in interest payments that would have been due in April 2010.

The Settlement Bonds Debt Fund received its revenue through a transfer of reserves from the City's Self-Insurance Fund until the City received the final insurance proceeds.■

***Did you know?...***  
***...the Settlement Bonds were fully paid off during the 2009/10 fiscal year?***

# Settlement Bonds Debt Fund

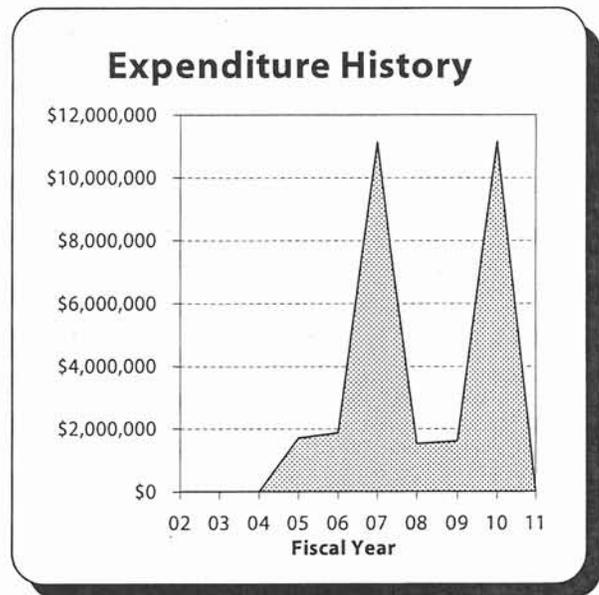
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

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

**Other Charges** – Total Other Charges decreased \$2,170 or 100.0% as bond paying agent fees are no longer needed as the 2004 Settlement bond issue was retired in fiscal year 2009/10.

**Debt Service** – Total Debt Service decreased \$11,142,780 or 100.0%. Total principal payments decreased \$10,870,000 and interest costs fell by \$272,780, as the City received the proceeds from the third and final insurance carrier and paid off the remaining \$9.7 million in outstanding judgment bonds in the prior year. As a result of paying off the bonds, the City saved \$251,580 in interest payments that would have been due in April 2010.



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

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	250	2,170	2,170	0	0
Debt Service	1,608,850	11,142,780	11,142,780	0	0
<b>Total</b>	<b>\$1,609,100</b>	<b>\$11,144,950</b>	<b>\$11,144,950</b>	<b>\$0</b>	<b>\$0</b>

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 2010/11, the Major Road Fund transfer represents nearly 88% of total Road Bond Debt Retirement Fund revenues. This is evident of the fact that most of the bonded road construction projects are considered major roads and that Public Act 51 guidelines allow for such transfer payments for major road construction and debt payments. Other sources of revenue include Interest on Investments, Reimbursements and Special Assessment revenue.

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***The most significant revenue source of this fund is through a transfer from the Major Road Fund.***

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This Fund's debt budgeted to be paid in fiscal year 2010/11 totals \$2,760,740, which is comprised of \$2,055,000 toward principal and \$705,740 in interest payments on outstanding Michigan Transportation Fund (MTF) bonds and the Lakeside Special Assessment bond that was issued in the spring of 2008. The Special Assessment bond was issued to finance various improvements within the Lakeside Shopping Center district. The improvements included road repairs, landscape improvements, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center. The debt repayment for this project will be funded through assessments on the affected property owners.

A \$1.57 million MTF bond is scheduled to be sold in the spring of 2010 to finance various road projects including concrete sectional repairs and to recover other road project engineering costs. The debt for this bond will come online in the 2010/11 fiscal year. The debt, budgeted for

2010/11, also includes funding for the principal and interest payments on the \$2.245 million 2010 Refunding bond, which was sold to refinance a 1999 MTF bond.

The principal and interest payments for the road bond projects are amortized based on the estimated total cost of the project times the interest rate for a fixed period of time – usually 10-15 years.

***Road bond projects to be retired through this fund are specified on the Road Bond Construction Fund schedule located in the Capital Projects section of this document. ■***

***Did you know?...***

***...the outstanding balance of the 1999 MTF bonds was refinanced, saving the City \$73,500, without extending the final payment date on the bond issue?***

# Road Bond Debt Retirement Fund

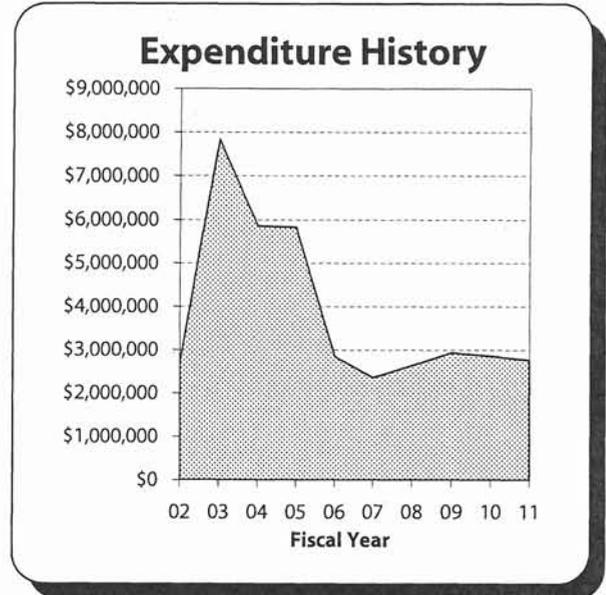
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Supplies** – There is no Supplies budget for this fund.

**Other Charges** – Total Other Charges decreased \$50 or 2.6%. Overall, bond paying agent fees decreased due to the retirement of the 2002 MTF bond, which was paid off in the prior year. The decrease was partially offset by agent fees for the \$1.57 million 2010 MTF bond in the spring of 2010.

**Debt Service** – Total Debt Service is proposed to decrease \$92,820 or 3.3%. Total principal payments decreased \$60,000 due to the retirement of the 2002 MTF bond in the prior year. The decrease was partially offset by an increase due to higher scheduled principal payments on several existing MTF bond issues and the issuance of the 2010 MTF bond. Total interest payments decreased \$32,820 due to lower scheduled interest payments on all existing MTF and Special Assessment bonds, the retirement of the 2002 MTF bond and the refunding of the 1999 MTF bond, which saved the City \$73,500 in future interest payments over the next four years. The interest decrease was partially offset by the new 2010 MTF bond, which will be sold in the spring of 2010.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	1,900	1,900	73,750	1,850	1,850
Debt Service	2,929,573	2,853,560	5,053,560	2,760,740	2,760,740
<b>Total</b>	<b>\$2,931,473</b>	<b>\$2,855,460</b>	<b>\$5,127,310</b>	<b>\$2,762,590</b>	<b>\$2,762,590</b>

The Limited Tax General Obligation Fund is a Debt Service Fund that is used to account for the bond payments related to the construction and financing of City buildings and equipment. The City is currently paying off debt for the expansion and remodeling of the buildings in the City Center Commons and the public safety 800 MHz radio system. This Fund also accounts for the leasing of the buildings to the City. The prior debt for the Judicial Services Center was retired in 2009/10, and the bond payments for the Senior Active Life Center are now accounted for in the Community Development Block Grant (CDBG) Fund.

The Limited Tax General Obligation Fund receives revenue for operations as a result of receiving cash rental payments transferred from the General Fund for the City Center Commons project and the Public Safety Radio System.

The construction of the Judicial Services Center was financed with limited tax general obligation bonds issued in 1990. This debt was retired in fiscal year 2009/10.

The City Center Commons project was financed with Building Authority limited tax general obligation bonds originally issued in 2000 and refunded in 2005. This debt is scheduled to be retired in fiscal year 2019/20. The transfer necessary for debt repayment in 2010/11 totals \$296,110. Principal payments total \$190,000 and interest payments amount to \$106,110.

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 is scheduled to be retired in fiscal year 2012/13. In 2010/11, the transfer necessary for debt repayment for the Public Safety Radio System totals \$321,440. Principal payments total \$295,000 and interest payments amount to \$26,440. Community Development Block Grant funds will be utilized for the debt payments on the Senior Active Life Center and, as such, the debt payments are recorded in the CDBG Fund.

Total 2010/11 debt repayment for the fund amounts to \$617,550.■

***Did you know?...***

***...the outstanding bonds on the 41-A District Court building were paid in full during the 2010 fiscal year?***

# Limited Tax General Obligation Fund

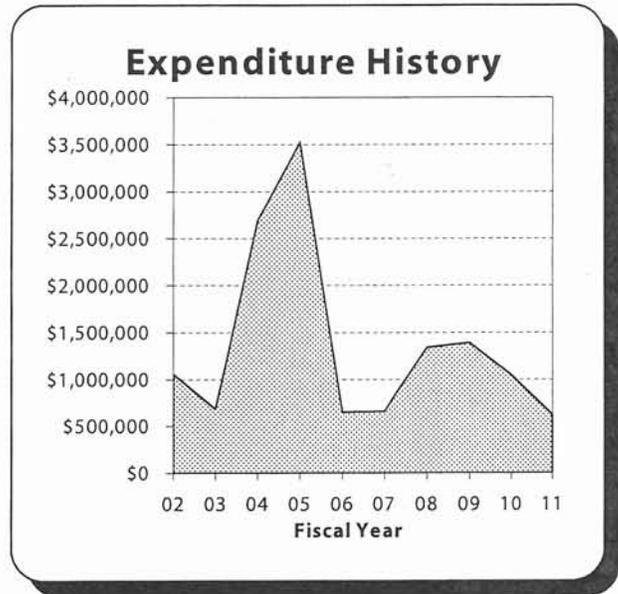
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

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

**Other Charges** – Total Other Charges decreased \$390 or 50.0% as bond paying agent fees decreased due to the retirement of the 2003 Judicial Center Limited Tax General Obligation (LTGO) bond issue, which was paid off in the prior year. In addition, the bond paying agent fee for the 2007 Senior Active Life Center bond is now funded in the Community Development Block Grant Fund (CDBG) where the debt is also being paid.

**Debt Service** – Total Debt Service decreased \$429,550 or 41.0%. Total principal payments decreased \$405,000 due to the retirement of the Judicial Center bonds in the prior year and a lower principal payment on the existing 2005 City Center Commons Refunding bond. Total interest payments decreased \$24,550 due to the retirement of the Judicial Center bonds and lower interest payments on all existing bond issues. Funding for the principal and interest payments on the 2007 Senior Active Life Center bond continues to be budgeted in the CDBG Fund, where it was also paid during the prior year.

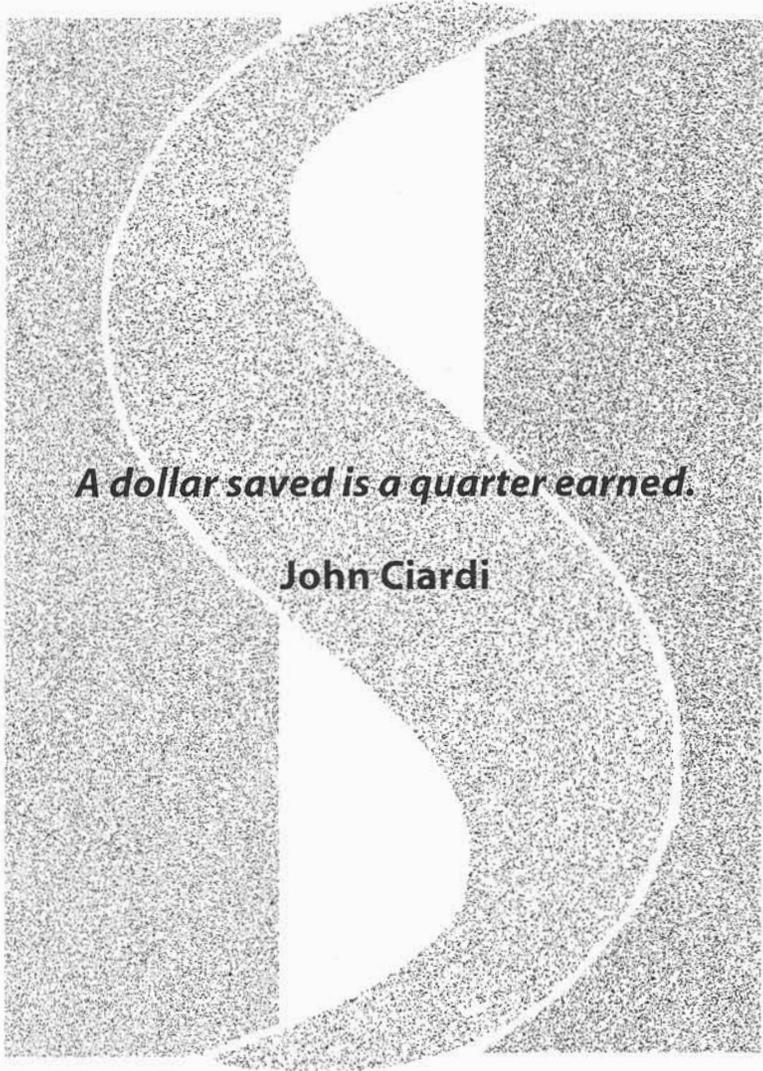


### CITY COUNCIL'S ADJUSTMENTS TO THE MANAGER'S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Personnel Services</b>	\$0	\$0	\$0	\$0	\$0
<b>Other Charges</b>	913	780	670	390	390
<b>Debt Service</b>	1,388,238	1,047,100	1,047,100	617,550	617,550
<b>Total</b>	\$1,389,151	\$1,047,880	\$1,047,770	\$617,940	\$617,940



# 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	2007/08 Actual	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>CAPITAL PROJECTS FUND</b>						
<b>REVENUES</b>						
Other Revenue	\$954,340	\$1,451,230	\$1,552,020	\$1,230,470	\$1,438,600	\$1,438,600
Proceeds Long-term Debt	5,000,000	0	0	0	0	0
Transfer from General Fund	1,534,500	1,290,150	349,000	349,000	633,000	351,000
<b>Total Revenues</b>	<b>7,488,840</b>	<b>2,741,380</b>	<b>1,901,020</b>	<b>1,579,470</b>	<b>2,071,600</b>	<b>1,789,600</b>
<b>EXPENDITURES</b>						
Capital Equipment	499,990	804,390	947,090	999,660	837,000	830,000
Capital Vehicles	962,090	568,780	216,990	214,550	656,000	381,000
Capital Projects	2,065,890	5,059,680	2,089,040	1,389,070	910,000	910,000
<b>Total Expenditures</b>	<b>3,527,970</b>	<b>6,432,850</b>	<b>3,253,120</b>	<b>2,603,280</b>	<b>2,403,000</b>	<b>2,121,000</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>3,960,870</b>	<b>(3,691,470)</b>	<b>(1,352,100)</b>	<b>(1,023,810)</b>	<b>(331,400)</b>	<b>(331,400)</b>
<b>Beginning Fund Balance</b>	<b>2,442,920</b>	<b>6,403,790</b>	<b>2,712,320</b>	<b>2,712,320</b>	<b>1,688,510</b>	<b>1,688,510</b>
<b>Ending Fund Balance</b>	<b>\$6,403,790</b>	<b>\$2,712,320</b>	<b>\$1,360,220</b>	<b>\$1,688,510</b>	<b>\$1,357,110</b>	<b>\$1,357,110</b>
<b>ROAD BOND CONSTRUCTION FUND</b>						
<b>REVENUES</b>						
Proceeds Long-term Debt	\$0	\$3,260,000	\$1,901,200	\$1,570,000	\$0	\$0
Other Revenue	112,090	22,160	10,000	1,000	4,000	4,000
Transfer from Major Roads Fund	200,000	300,000	0	0	0	0
<b>Total Revenues</b>	<b>312,090</b>	<b>3,582,160</b>	<b>1,911,200</b>	<b>1,571,000</b>	<b>4,000</b>	<b>4,000</b>
<b>EXPENDITURES</b>						
Capital Improvements	862,310	3,301,880	1,694,920	790,120	603,000	603,000
Transfer to Major Roads Fund	0	200,000	350,000	300,000	0	0
<b>Total Expenditures</b>	<b>862,310</b>	<b>3,501,880</b>	<b>2,044,920</b>	<b>1,090,120</b>	<b>603,000</b>	<b>603,000</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(550,220)</b>	<b>80,280</b>	<b>(133,720)</b>	<b>480,880</b>	<b>(599,000)</b>	<b>(599,000)</b>
<b>Beginning Fund Balance</b>	<b>703,670</b>	<b>153,450</b>	<b>233,730</b>	<b>233,730</b>	<b>714,610</b>	<b>714,610</b>
<b>Ending Fund Balance</b>	<b>\$153,450</b>	<b>\$233,730</b>	<b>\$100,010</b>	<b>\$714,610</b>	<b>\$115,610</b>	<b>\$115,610</b>

## TAXES

This source of revenue includes penalties and interest on delinquent special assessments for City sidewalks. In 2010/11, \$1,000 is budgeted.

## 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 2010/11, \$753,400 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 2010/11 Budget, revenues generated from Other Financing Sources represent 19.57% of total revenue sources, a decrease of \$1,899,200 below the 2009/10 Budget. This decline is due to a decrease in proceeds from long-term debt from the financing of road improvement projects in the prior year. No new debt is proposed for next year. The transfer from the General Fund increased slightly, as more funding is needed for capital items.

## OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Reimbursements, Miscellaneous Revenue, and Insurance Recovery Revenue.

In the 2010/11 Budget, Other Revenues represent 38.37% of total revenue sources, a decrease of \$18,100 below the 2009/10 Budget. This decrease is primarily due to a decline in Interest on Investments and Special Assessment Revenue.

## EXCESS REVENUE OVER (UNDER) EXPENDITURES

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

In the 2010/11 Budget, Use of Fund Balance as a revenue source totals \$930,400. This is primarily due to a planned draw down of reserves to fund the City's share of capital projects and the City's grant match for the proposed replacement fire engine.■

**CAPITAL PROJECTS FUNDS  
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<b>TAXES</b>						
445000	Penalties & Interest	\$1,322	0.02	\$1,900	0.05	\$1,000	0.06
	<b>Total Taxes</b>	<b>1,322</b>	<b>0.02</b>	<b>1,900</b>	<b>0.05</b>	<b>1,000</b>	<b>0.06</b>
	<b>STATE &amp; LOCAL RETURNS</b>						
529000	Federal Grant - Other	180,159	2.85	707,430	18.56	610,400	34.03
539378	Act 78 Emergency Phone Service	143,442	2.27	140,000	3.67	143,000	7.97
581001	Municipal Credit Transportation	0	0.00	6,390	0.17	0	0.00
	<b>Total State &amp; Local Returns</b>	<b>323,601</b>	<b>5.12</b>	<b>853,820</b>	<b>22.40</b>	<b>753,400</b>	<b>42.00</b>
	<b>OTHER FINANCING SOURCES</b>						
698000	Proceeds - Long Term Debt	3,260,000	51.55	1,901,200	49.87	0	0.00
699101	Transfer from General Fund	1,290,150	20.40	349,000	9.15	351,000	19.57
699202	Transfer from Major Roads Fund	300,000	4.74	0	0.00	0	0.00
	<b>Total Other Financing Sources</b>	<b>4,850,150</b>	<b>76.70</b>	<b>2,250,200</b>	<b>59.02</b>	<b>351,000</b>	<b>19.57</b>
	<b>OTHER REVENUE</b>						
665000	Interest on Investments	183,947	2.91	60,000	1.57	19,000	1.06
672000	Special Assessment Revenue	45,891	0.73	25,400	0.67	16,290	0.91
672445	SA Delinquent Interest & Penalties	0	0.00	0	0.00	100	0.01
672665	Special Assessment Interest	4,108	0.06	5,900	0.15	2,810	0.16
675000	Contributions & Donations	131,101	2.07	0	0.00	0	0.00
676000	Reimbursements	768,176	12.15	500,000	13.12	540,000	30.11
685015	Miscellaneous Revenue - MCPWC	9,599	0.15	100,000	2.62	100,000	5.58
686000	Contributions-Drain Improvements	5,640	0.09	5,000	0.13	0	0.00
695000	Insurance Recovery	0	0.00	10,000	0.26	10,000	0.56
	<b>Total Other Revenue</b>	<b>1,148,462</b>	<b>18.16</b>	<b>706,300</b>	<b>18.53</b>	<b>688,200</b>	<b>38.37</b>
	<b>Total Capital Projects Funds</b>	<b>\$6,323,535</b>	<b>100.00</b>	<b>\$3,812,220</b>	<b>100.00</b>	<b>\$1,793,600</b>	<b>100.00</b>

Note: The 2008-2009 Actual Column is rounded to the nearest dollar.

**CAPITAL PROJECT FUNDS  
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2008-2009 Actual		2009-2010 Budget		2010-2011 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<b>CAPITAL OUTLAY</b>						
975000	Building & Improvements	\$30,000	0.30	\$0	0.00	\$0	0.00
975010	Municipal Building Modernization	2,278	0.02	12,720	0.24	0	0.00
975020	Library Renovations	3,544	0.04	10,000	0.19	0	0.00
975130	Civic Center Concrete Replacement	8,656	0.09	0	0.00	0	0.00
975140	Miscellaneous DPW Improvements	0	0.00	250,000	4.72	150,000	5.51
975210	Fire Station Renovations	4,069,827	40.97	219,650	4.15	0	0.00
975220	Misc. Fire Station Improvements	238,430	2.40	1,870	0.04	0	0.00
979000	Computer Equipment	16,272	0.16	209,550	3.96	0	0.00
979100	Financial System - Software	17,787	0.18	0	0.00	0	0.00
979150	Financial System - Hardware	50,148	0.50	10,000	0.19	20,000	0.73
979292	Community Relations - Equipment	7,689	0.08	0	0.00	0	0.00
979330	Police Department - Software	1,706	0.02	5,120	0.10	0	0.00
979350	41A District Court - Hardware	36,609	0.37	0	0.00	0	0.00
979700	Library - Computer Equipment	10,414	0.10	0	0.00	0	0.00
979800	Fire Department - Software	12,834	0.13	0	0.00	200,000	7.34
979850	Fire Department - Hardware	27,795	0.28	0	0.00	0	0.00
981000	Electronic Equipment	349,930	3.52	191,670	3.62	0	0.00
981001	Electronic Equipment - Grant	0	0.00	179,130	3.38	600,000	22.03
982000	Machinery & Equipment	121,102	1.22	154,180	2.91	10,000	0.37
982001	Machinery & Equipment - Grant	7,200	0.07	119,610	2.26	0	0.00
982009	Machinery & Equipment - U.D. Grant	2,520	0.03	0	0.00	0	0.00
983000	Fire Equipment	84,002	0.85	34,800	0.66	0	0.00
983001	Fire Equipment - Grant	58,388	0.59	43,030	0.81	0	0.00
984265	Vehicles - Facilities Maintenance	12,550	0.13	0	0.00	0	0.00
984315	Vehicles - Police Operations	253,296	2.55	189,000	3.57	105,000	3.85
984326	Vehicles - Police Support Services	48,410	0.49	0	0.00	0	0.00
984339	Vehicles - Fire Extinguishment	0	0.00	0	0.00	260,000	9.54
984442	Vehicles - Public Works	27,039	0.27	0	0.00	0	0.00
984444	Vehicles - DPW Street Services	158,026	1.59	0	0.00	0	0.00
984447	Vehicles - Engineering	0	0.00	0	0.00	16,000	0.59
984752	Vehicles - Parks & Recreation	0	0.00	6,390	0.12	0	0.00
984770	Vehicles - Parks & Grounds	69,459	0.70	21,600	0.41	0	0.00
986000	Major Drain Improvements	12,509	0.13	241,830	4.56	100,000	3.67
988000	Construction	49,164	0.49	1,681,480	31.74	1,263,000	46.37
988116	Senior Citizen Active Life Center	7,031	0.07	8,640	0.16	0	0.00
988122	2007 Sidewalk Replacement Program	130,660	1.32	5,010	0.09	0	0.00
988123	Red Run Resurfacing	35	0.00	0	0.00	0	0.00
988138	Laurel Meadows Pump Station	11,206	0.11	75,400	1.42	0	0.00
988159	Dodge Park Widen 16 Mile/Utica Rd	164,094	1.65	0	0.00	0	0.00
988160	19 Mile Rd Landscape - Mound to Ryan	219	0.00	0	0.00	0	0.00
988162	Lakeside Shop Dist SAD Improvements	3,024,836	30.45	75,160	1.42	0	0.00
988164	Jaycee Park Storm Outlet Repair	1,577	0.02	88,230	1.67	0	0.00
988171	2008 Sidewalk Replacement Program	535,789	5.39	14,210	0.27	0	0.00
988187	2009 Sidewalk Replacement Program	0	0.00	550,000	10.38	0	0.00
988189	15 Mile Road Reconstruction	10,241	0.10	549,760	10.38	0	0.00
988194	Saal Road Resurfacing	58,906	0.59	0	0.00	0	0.00
988986	19 Mile Reconst - Mound to Dequindre	2,553	0.03	0	0.00	0	0.00
	<b>Total Capital Outlay</b>	<b>9,734,731</b>	<b>97.99</b>	<b>4,948,040</b>	<b>93.39</b>	<b>2,724,000</b>	<b>100.00</b>
	<b>TRANSFERS OUT</b>						
999202	Transfer to Major Roads Fund	200,000	2.01	350,000	6.61	0	0.00
	<b>Total Capital Projects Fund</b>	<b>\$9,934,731</b>	<b>100.00</b>	<b>\$5,298,040</b>	<b>100.00</b>	<b>\$2,724,000</b>	<b>100.00</b>

The City of Sterling Heights uses a Capital Projects Fund to account for the development, improvement, and repair of capital facilities, and the purchase of capital vehicles and equipment, not financed by other funds. The receipt and disbursement of resources to be utilized for the construction or acquisition of capital facilities, and the performance of activities financed by governmental funds, is accounted for by capital funds. Receipts for such purposes arise from the sale of general obligation bonds, grants from other governmental units, transfers from other funds, or gifts from individuals or organizations.

The reason for creating a fund to account for capital projects, vehicles and equipment, is to provide a formal mechanism that enables administrators to ensure that revenues dedicated to a certain purpose are used for that purpose and no other. This fund enables administrators to report to creditors and other grantors of capital projects fund resources that their requirements regarding the use of the resources were met.

As with all governmental funds, the Capital Projects Fund concentrates on inflows and outflows of available, spendable resources. Therefore, the Capital Projects Fund uses the modified accrual basis of accounting. The Capital Projects Fund has the authority to continue expenditures within prescribed limits until a project is completed.

Funding for Capital in fiscal year 2010/11 totals \$2,121,000. Of the total, \$910,000 is funded for four improvement projects for facilities and/or infrastructure. \$460,000 is included for the Miscellaneous City Sidewalk Repair Program. \$200,000 is programmed for the continuation of the Sidewalk Gap Completion Program. \$150,000 is budgeted for Pump Station repairs at the Burton Share Industrial Subdivision storm sewer retention pond. \$100,000 is funded for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total \$830,000 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total \$381,000 and

are detailed in the General Fund activity in which the vehicle will be utilized.

***For a complete list of all equipment, vehicles and projects, please refer to the Capital schedules on the following pages.■***

***Did you know?...***  
***...there are 609 miles of sidewalks in the City?***

# Capital Projects Fund

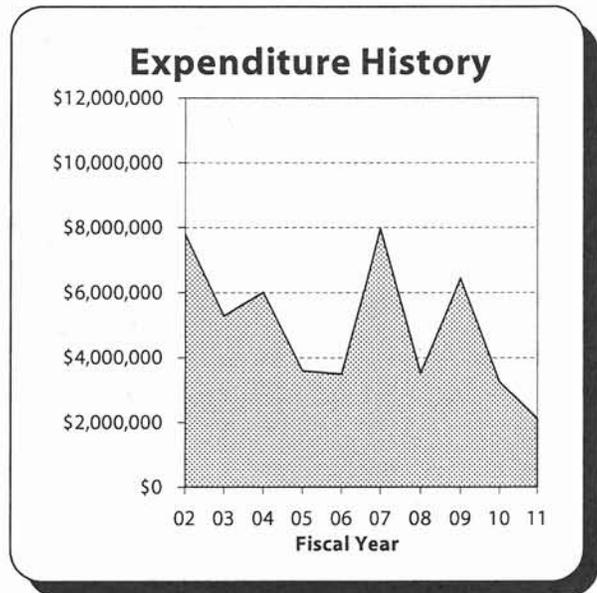
## SUMMARY OF BUDGET CHANGES

### SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2009/10 BUDGET

**Other Charges** – There is no Other Charges budget for this fund.

**Capital** – Total Capital of \$2,403,000 is proposed for next fiscal year. \$610,000 is for capital equipment, \$656,000 for capital vehicles, and \$227,000 for the Information Technology Capital Program. *The significant notes for equipment, vehicles, and Information Technology Capital can be found in the General Fund activity in which the Capital will be utilized.* In addition, four (4) Capital Projects totaling \$910,000 are proposed. \$460,000 is for the City Sidewalk Repair Program, \$150,000 for Pump Station repairs at the Burton Share Industrial Subdivision storm sewer retention pond, \$200,000 for the continuation of the Sidewalk Gap Completion Program, and \$100,000 for the ongoing maintenance of storm drains in the City. *For a list of all Capital Equipment, Vehicles, and Projects, please refer to the schedules on the following pages.*

**Transfers Out** – There are no Transfers Out proposed for the 2010/11 fiscal year.



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

**Capital** – Total Capital was reduced by \$282,000 as \$170,000 was eliminated for a replacement tandem axle dump truck in Street Services and \$105,000 was saved as five fewer patrol and traffic vehicles are funded in Police Operations. Funding for the purchase of up to 27 replacement personal computers was reduced by \$7,000.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	6,432,853	3,253,120	2,603,280	2,403,000	2,121,000
Transfers Out	0	0	0	0	0
<b>Total</b>	<b>\$6,432,853</b>	<b>\$3,253,120</b>	<b>\$2,603,280</b>	<b>\$2,403,000</b>	<b>\$2,121,000</b>

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.

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***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.***

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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 2010/11, four projects are funded with either federal stimulus funds or funding from the sale of a road bond in May 2010. \$173,000 is funded for concrete sectional pavement repairs to Metropolitan Parkway from Dequindre to Mound Road. \$100,000 is proposed for repairs to the 14 Mile Road bridge at the Red Run Drain. \$130,000 is funded for the Van Dyke bridge deck replacement over the

Clinton River. \$200,000 is budgeted for the asphalt resurfacing of Metropolitan Parkway from Mound Road to the Conrail tracks.

***Additional information regarding the projects undertaken in the Road Bond Construction Fund can be found in the Capital Projects section of this document. ■***

***Did you know?...***

***...the City received over \$2.6 million dollars in American Recovery & Reinvestment Funds to resurface 15 Mile Road between Maple Lane and Mound Road?***

# Road Bond Construction Fund

## SUMMARY OF BUDGET CHANGES

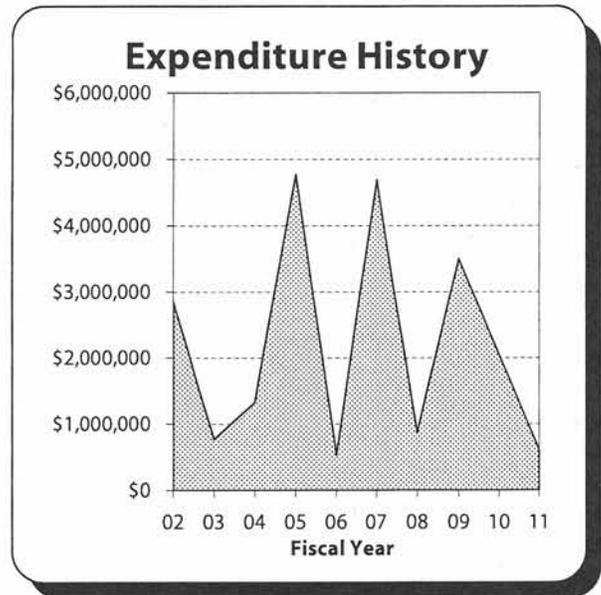
### SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2009/10 BUDGET

**Supplies** – There is no Supplies budget for this fund.

**Other Charges** – There is no Other Charges budget for this fund.

**Capital** – \$603,000 is proposed for four projects in the 2010/11 fiscal year. \$173,000 is proposed for concrete sectional pavement repairs to Metropolitan Parkway from Dequindre to Mound Road, while \$100,000 is recommended for repairs to the 14 Mile Road Bridge at the Red Run Drain. \$130,000 is funded for the deck replacement of the Van Dyke Bridge over the Clinton River, while \$200,000 is budgeted for the asphalt resurfacing of Metropolitan Parkway from Mound Road to Conrail. All of these projects are funded with either federal stimulus funds or from the sale of a road bond in May of 2010.

**Transfers Out** – Total Transfers Out decreased \$350,000, as there are no Transfers Out proposed for the 2010/11 fiscal year. A transfer of funds was made in the prior year to reimburse the Major Road Fund for advanced funding of engineering design costs for several construction projects that were not approved for federal economic stimulus funds, including Dodge Park and Saal Roads.



### CITY COUNCIL’S ADJUSTMENTS TO THE MANAGER’S RECOMMENDED BUDGET

No City Council adjustments were made.

## FUNDING LEVEL SUMMARY

	2008/09 Actual	2009/10 Budget	2009/10 Estimate	2010/11 Manager	2010/11 Approved
<b>Supplies</b>	\$0	\$0	\$0	\$0	\$0
<b>Capital Outlay</b>	3,301,876	1,694,920	790,120	603,000	603,000
<b>Transfers Out</b>	200,000	350,000	300,000	0	0
<b>Total</b>	\$3,501,876	\$2,044,920	\$1,090,120	\$603,000	\$603,000

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-two (42) years after its incorporation, the City has matured into a community serving approximately 128,500 residents. Coupled with the City's rapid growth has been a desire to provide top quality city services with an emphasis on roads, beautiful parks and safe neighborhoods.

Along with the desire to provide for quality service is the realization that needs always exceed resources. In order to ensure that all facets of a Capital Improvements Program were addressed, City Council in 1987 approved the creation of a Citizen's Executive Committee to consider and prioritize hundreds of proposed projects to be undertaken over the next ten (10) years. The results of this effort by the Executive Committee have been used in concert with updated information to provide the backbone for the Municipal Improvement Program (MIP), a five-year capital planning program.

The development of this program document marks the continuation of a capital improvement planning process for the City. The need for establishing a multi-year municipal improvement program and a planning process became increasingly evident as the City continued to grow into the new millennium. The goal in developing a municipal improvement program is to plan for and guide needed capital improvements and expenditures in a fiscally sound manner and to ensure that these improvements are consistent with the goals and policies of the City Council and the residents of Sterling Heights.

The multi-year Municipal Improvement Program alternatives and financing options are not intended to preclude other combinations or initiatives, but rather may provide a framework within which beneficial solutions may be forged.

The development of a comprehensive MIP is a vital and essential tool for planning and development of the social, physical, and economic well being of the City of Sterling Heights. This program is a necessary step in an organized effort to strengthen the quality of public facilities and services and will provide a framework for the realization of community goals and objectives and a sound basis on which to build a healthy and vibrant community.

The Municipal Improvement Program relies heavily upon the established groundwork already set in motion. Master Plans specific to unique areas have completed the preliminary stages necessary for a municipal improvement program to be successful. An introduction and brief overview to these master plans will establish a foundation upon which the Municipal Improvement Program will expound.

The complexity of each master plan demands thorough investigation for precise answers to specific questions. Information has been extracted from all of the original master plans and compiled into one document for enhanced readability. The improvements are justified when reviewed in concert with the specific master plans of the City.

The continuous relationship exists between the Municipal Improvement Program and the Budget Document. As mentioned above, the MIP entails a five (5) year overview of capital needs of the City. 2009/10 is the first year of the MIP. The second year (2010/11) 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 2010/11, the City's total capital funding is \$12,250,660. Of the total, \$10,648,670 is budgeted for improvements, \$954,990 is for equipment, \$427,000 is for vehicles, and \$220,000 is for the Information Technology Capital Program.

The following schedules detail specific projects to be undertaken by major category. The first three sets of schedules presented in the Capital Improvement Program detail the equipment, technology improvements, and vehicles that are budgeted. These categories of capital are usually funded utilizing General Fund Tax Revenue. Capital equipment and vehicles are budgeted in the Capital Projects Fund with the exception of drug forfeiture purchases, which are budgeted and expensed in the Public Safety Forfeiture Fund. The Water & Sewer Fund equipment, vehicles, and technology improvements are budgeted within the respective Water & Sewer division. The fourth and last set of schedules detail capital improvement costs, future years operating costs, including debt costs for each project and the proposed method of funding these costs.

The Capital Projects Fund is also used to account for the development of capital facilities other than those financed by the Enterprise Fund. The budget for facility improvements in the Capital Projects Fund for fiscal year 2010/11 is \$910,000.

The Road Bond Construction Fund is used to account for transactions relating to road construction, paving, or storm drain activities financed by special assessments. Road construction projects financed wholly or in part by bond issues are also accounted for in this fund. In fiscal year 2010/11, the budgeted expenditures for the Road Bond Construction Fund total \$603,000.

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. Gas & Weight tax revenues are generated by the tax on gasoline & vehicle sales. These funds are distributed to each community based on population, miles, and classification of road types. These funds are commonly referred to as Act 51 Funds. Major Road Fund street improvements totaling \$796,220 are budgeted for fiscal year 2010/11.

Transportation projects scheduled as part of the 2010/11 budget are categorized as County road improvements, resurfacing projects, various traffic controls & intersection improvements, and right-of-way acquisition.

The Local Road Fund provides for the construction, maintenance, traffic services, and snow & ice control for streets classified as "local" within the City. Local Road Fund street improvements totaling \$1,075,000 are budgeted for fiscal year 2010/11.

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 2010/11, 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 2010/11, \$381,110 is budgeted for restroom facility improvements at Baumgartner Park and the

continued installation of ramped sidewalks with curb cuts at major road intersections.

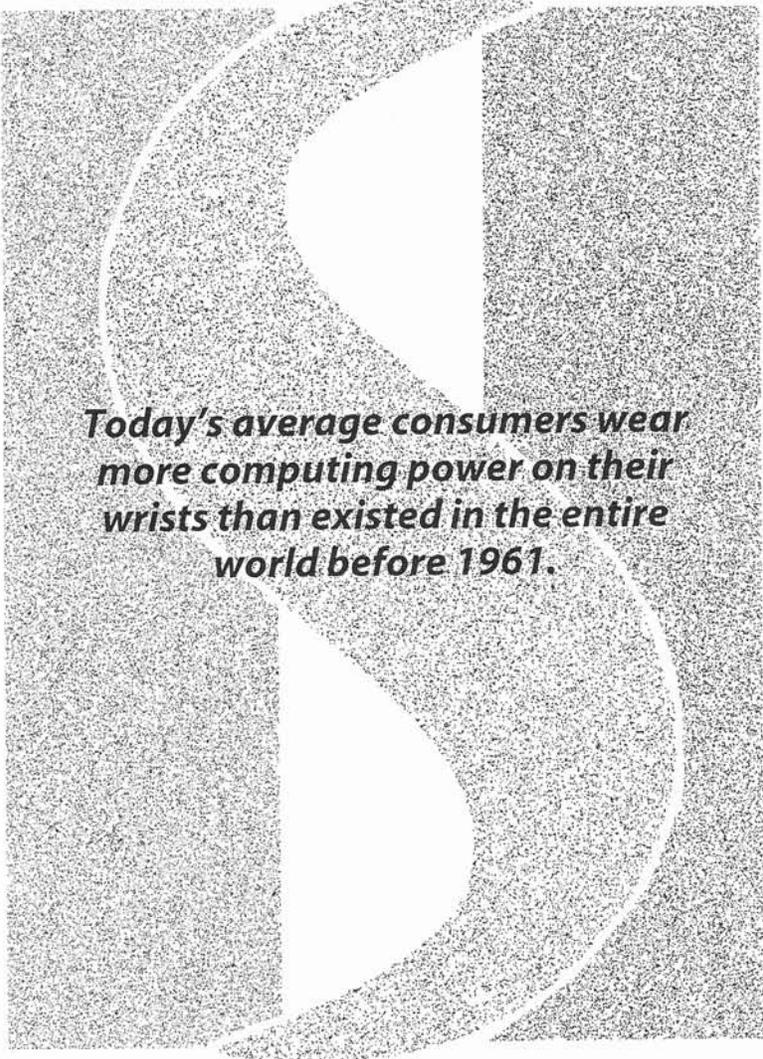
The Energy Efficiency & Conservation Block Grant Fund has been established to account for grant-funded improvement projects designed to increase energy efficiency and reduce energy consumption and costs. In fiscal year 2010/11, \$1,090,540 is funded for replacement roofing, boilers, and air conditioning units and other energy saving measures, including new lights and temperature controls in City facilities.

The Corridor Improvement Authority Fund is used to account for public improvements that are made utilizing tax increment financing. In 2010/11 public improvements for this Fund total \$100,000 for the Façade Assistance Program.

The Land & Water Conservation Fund is used to reflect all activities related to the acquisition and development of parks. These activities for the most part have been financed through Land & Water Conservation and Michigan Land Trust Fund grants and the sale of excess City property. The grants have been provided to the City on a matching basis with the General Fund typically providing the match. This year, park projects will be funded with grants and a portion of the funding from the prior sale of City-owned properties. Projects for 2010/11 include a replacement playscape with poured surface in Dodge Park; installation of new wood mulch at 21 City parks; new dugout shelters and replacement benches at Baumgartner Park; repair of rotted light poles at the Delia Park ball fields; repairs to the baseball and flag football scoreboards at Delia Park; repairs and resurfacing of the asphalt tennis court at Magnolia Park; installation of an edge drain system for the soccer field at Baumgartner Park; and relocating sections of the bike/hike path away from eroding land near the Clinton River. These expenditures total \$348,500.

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 \$2,949,800 are programmed. Water main expenditures of \$2,384,500 are programmed. \$10,000 is budgeted for the Fire Hydrant Replacement Program. ■

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***Today's average consumers wear  
more computing power on their  
wrists than existed in the entire  
world before 1961.***

# CAPITAL EQUIPMENT

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Activity Name	Account	Account Name	Qty.	Budget 2009/10	Qty.	Manager Recomm. Budget 2010/11	Qty.	Council Approved Budget 2010/11
<b><i>Police Department</i></b>								
<b><i>Police Operations</i></b>								
In Car Video Recorders	981001	Electronic Equip - Grant	25	135,440				
Personal Protective Equipment	981001	Electronic Equip - Grant	15	10,730				
Shooting Training System	981001	Electronic Equip - Grant	1	32,960				
Bulletproof Vest	982	Machinery & Equipment	1	260				
Underage Drinking Enforcement Equipment	982001	Machinery & Equip - Grant	1	2,500				
In Car Mobile Computer Terminals	981001	Electronic Equip - Grant			55	350,000	55	350,000
E-Ticket Printers with Accessories	981001	Electronic Equip - Grant			50	250,000	50	250,000
<b>Total</b>			<b>43</b>	<b>181,890</b>	<b>105</b>	<b>600,000</b>	<b>105</b>	<b>600,000</b>
<b><i>Police Support Services</i></b>								
911 Telephone Server Upgrade - 911 Funds	979	Computer Equipment	1	166,250				
911 Personal Computer - 911 Funds	979	Computer Equipment	6	30,000				
Computer Aided Dispatch Computer - 911 Funds	979	Computer Equipment	7	10,500				
Dispatch Monitor - 911 Funds	979	Computer Equipment	14	2,800				
Radio Tower with Microwave Dish - Grant	981	Electronic Equipment	1	191,670				
Backup Dispatch Center Radio System - Grant	982	Machinery & Equipment	1	143,520				
<b>Total</b>			<b>30</b>	<b>544,740</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Emergency Management</i></b>								
Emergency Operations Center Laptop	982001	Machinery & Equip - Grant	7	10,110				
Emergency Sirens - Digital Upgrade	982001	Machinery & Equip - Grant	1	107,000				
<b>Total</b>			<b>8</b>	<b>117,110</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Fire Department</i></b>								
<b><i>Fire Extinguishment</i></b>								
Westnet Fire Station Alert System	983	Fire Equipment	4	34,800				
Rapid Response Team Equipment	983001	Fire Equipment - Grant	1	15,000				
800 MHZ Radio	983001	Fire Equipment	10	28,030				
<b>Total</b>			<b>15</b>	<b>77,830</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Fire Prevention</i></b>								
Fire Prevention Safety House - Grant	982	Machinery & Equipment	1	10,400				
<b>Total</b>			<b>1</b>	<b>10,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><i>Public Works Department</i></b>								
<b><i>Street Services</i></b>								
Salt Brine Liquid Dispensing System	982	Machinery & Equipment			2	10,000	2	10,000
<b>Total</b>			<b>0</b>	<b>0</b>	<b>2</b>	<b>10,000</b>	<b>2</b>	<b>10,000</b>

# CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2009/10	Qty.	Manager Recomm. Budget 2010/11	Qty.	Council Approved Budget 2010/11
<b>Total Capital Projects Fund Equipment</b>			<b>97</b>	<b>931,970</b>	<b>107</b>	<b>610,000</b>	<b>107</b>	<b>610,000</b>
<b><u>Water &amp; Sewer Fund</u></b>								
<b><u>Water &amp; Sewer Administration</u></b>								
Equipment Storage Shelter Relocation	975	Buiding & Improvements	1	4,630				
Hand-held GPS Asset Tracking System	982	Machinery & Equipment			1	8,000	1	8,000
<b>Total</b>			<b>1</b>	<b>4,630</b>	<b>1</b>	<b>8,000</b>	<b>1</b>	<b>8,000</b>
<b><u>Water Distribution</u></b>								
Front End Loader	982	Machinery & Equipment	1	220,000				
Fixed Network Automatic Meter Reading System	982	Machinery & Equipment	1	97,100				
Salt Brine Holding Tank System	982	Machinery & Equipment	1	9,800				
Replacement Water Meter - Rudgate	982	Machinery & Equipment			1	16,250	1	16,250
<b>Total</b>			<b>3</b>	<b>326,900</b>	<b>1</b>	<b>16,250</b>	<b>1</b>	<b>16,250</b>
<b><u>Sewage Collection</u></b>								
Trailer Mounted Diesel Pump	982	Machinery & Equipment	1	32,000				
<b>Total</b>			<b>1</b>	<b>32,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Water &amp; Sewer Fund Equipment</b>			<b>5</b>	<b>363,530</b>	<b>2</b>	<b>24,250</b>	<b>2</b>	<b>24,250</b>
<b><u>Public Safety Forfeiture Fund</u></b>								
<b><u>Federal Forfeitures</u></b>								
Dispatch Countertop	975	Building Improvements	1	850				
Replacement Carpeting	975	Building Improvements	1	15,520				
Electrical Repairs	975	Building Improvements	1	360				
Replacement Workstations, Tables, Chairs	977	Furniture	18	28,520				
Incident Command Vehicle Satellite	981	Electronic Equipment	1	1,920				
DVD Duplicator/Labeler	982	Machinery & Equipment	1	2,000				
SUV Tahoe - Crime Suppression	984	Vehicles	1	26,000				
Dispatch Chair	977	Furniture			7	10,500		
Police Dispatch/Records Management System	979	Computer Equipment			1	271,240	1	271,240
Forensic Video/Photo Software	979	Computer Equipment			1	3,900	1	3,900
<b>Total</b>			<b>24</b>	<b>75,170</b>	<b>9</b>	<b>285,640</b>	<b>2</b>	<b>275,140</b>
<b><u>OUIL Forfeitures</u></b>								
Laser Traffic Device	981	Electronic Equipment	1	1,220				
Accident/Crime Scene Investigations Trailer	982	Machinery & Equipment			1	2,500	1	2,500
Gas Generator	982	Machinery & Equipment			1	1,100	1	1,100
<b>Total</b>			<b>1</b>	<b>1,220</b>	<b>2</b>	<b>3,600</b>	<b>2</b>	<b>3,600</b>

# CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2009/10	Qty.	Manager Recomm. Budget 2010/11	Qty.	Council Approved Budget 2010/11
<b>State Forfeitures</b>								
Fax/Copy Machine	979	Computer Equipment	1	1,280				
Surveillance Camera	981	Electronic Equipment	1	3,650				
In-Car Video Recorder	981	Electronic Equipment	3	15,540				
Shooting Training System	981	Electronic Equipment	1	7,040				
Shredder	982	Machinery & Equipment	1	1,270				
Investigative Vehicle	984	Vehicles	2	42,000	2	42,000	2	42,000
Guns	985	Weapons	7	3,000				
<b>Total</b>			<b>16</b>	<b>73,780</b>	<b>2</b>	<b>42,000</b>	<b>2</b>	<b>42,000</b>
<b>Total Public Safety Forfeiture Fund Equipment</b>								
			<b>41</b>	<b>150,170</b>	<b>13</b>	<b>331,240</b>	<b>6</b>	<b>320,740</b>
<b>Total City Equipment</b>								
			<b>143</b>	<b>\$ 1,445,670</b>	<b>122</b>	<b>\$ 965,490</b>	<b>115</b>	<b>\$ 954,990</b>

# INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2009/10	Estimated Budget 2009/10	Manager Recomm. Budget 2010/11	Council Approved Budget 2010/11
<b><u>CAPITAL PROJECTS FUND</u></b>								
<b>Information Technology</b>								
Financial Services	979.100	Computer Equipment	1	Fixed Asset Software	0	1,860		
Information Technology	979.150	Computer Equipment	1	Replacement File Server	10,000	10,090		
Police Department	979.330	Computer Equipment	1	911 Dispatch Locator Software	5,120	5,120		
Community Relations	979.150	Computer Equipment	3	Replacement Personal Computers			3,000	2,220
Financial Services	979.150	Computer Equipment	9	Replacement Personal Computers			9,000	6,670
City Management	979.150	Computer Equipment	7	Replacement Personal Computers			7,000	5,190
Information Technology	979.150	Computer Equipment	8	Replacement Personal Computers			8,000	5,920
Fire Department	979.800	Computer Software	1	Fire Records Management System			200,000	200,000
<b>Total Capital Projects Fund</b>			<b>30</b>		<b>15,120</b>	<b>17,070</b>	<b>227,000</b>	<b>220,000</b>
<b><u>WATER &amp; SEWER FUND</u></b>								
<b>Water &amp; Sewer Administration</b>								
Water & Sewer Administration	979.000	Computer Equipment	1	Geographic Information System	100,000	100,000		
<b>Total Water &amp; Sewer</b>			<b>1</b>		<b>100,000</b>	<b>100,000</b>	<b>0</b>	<b>0</b>
<b>Total City Technology</b>			<b>31</b>		<b>\$ 115,120</b>	<b>\$ 117,070</b>	<b>\$ 227,000</b>	<b>\$ 220,000</b>

# CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2009/10	Qty.	Manager Recomm. Budget 2010/11	Qty.	Council Approved Budget 2010/11
<b><u>CAPITAL PROJECTS FUND</u></b>								
<b>Motor Vehicles &amp; Equipment - 9010</b>								
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	9	189,000	10	210,000	5	105,000
Smart Bus	984752	Parks & Recreation	2	6,390				
Dump Truck Chassis	984770	Parks & Grounds Maintenance	1	21,600				
Fire Engine	984339	Fire Extinguishment - Grant			1	260,000	1	260,000
Tandem Axle Dump Truck with Plow	984444	Street Services			1	170,000		
Mid-Size SUV	984447	Engineering			1	16,000	1	16,000
<b>Total Capital Projects Fund Vehicles</b>			<b>12</b>	<b>216,990</b>	<b>13</b>	<b>656,000</b>	<b>7</b>	<b>381,000</b>
<b><u>WATER &amp; SEWER FUND</u></b>								
<b>Water Distribution - 5560</b>								
Mini Van	984000	Water Distribution			1	17,000	1	17,000
<b>Total</b>			<b>0</b>	<b>0</b>	<b>1</b>	<b>17,000</b>	<b>1</b>	<b>17,000</b>
<b>Sewage Collection - 5580</b>								
Dump Truck Body	984000	Sewage Collection	1	18,240				
4x4 Extended Cab Pick-Up Truck with Plow	984000	Sewage Collection			1	29,000	1	29,000
<b>Total</b>			<b>1</b>	<b>18,240</b>	<b>1</b>	<b>29,000</b>	<b>1</b>	<b>29,000</b>
<b>Total Water &amp; Sewer Fund Vehicles</b>			<b>1</b>	<b>18,240</b>	<b>2</b>	<b>46,000</b>	<b>2</b>	<b>46,000</b>
<b>Total City Vehicles</b>			<b>13</b>	<b>\$ 235,230</b>	<b>15</b>	<b>\$ 702,000</b>	<b>9</b>	<b>\$ 427,000</b>

# CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Budget 2010/11	Council Approved Budget 2010/11	Proposed Method of Financing	Estimated Prior Yr. 2008/09	Estimated Current Yr. 2009/10	Budget Year 2010/11	Future Years		
			Budget 2009/10	Estimate 2009/10							2011/12	2012/13	2013/14
<b>975010</b>	<b>CAPITAL PROJECTS FUND</b> Sustainability/Green Initiative Projects in City Buildings	15,000 CPF	12,720	12,720			GF	0	(500)	(1,000)	(1,000)	(1,000)	(1,000)
<b>975020</b>	Library Lobby Improvements	10,000 DONATION	10,000	10,000			GF	0	0	0	0	0	0
<b>975140</b>	Pump Station Repairs - Fairfield	100,000 CPF	100,000	100,000			GF	500	500	0	0	0	0
<b>975140</b>	Pump Station Repairs - Wall Street Burton Share Industrial Subdivision	150,000 GF/CPF	150,000	0	150,000	150,000	GF	500	500	500	0	0	0
<b>975210</b>	Fire Station Renovations - Fire Stations #2, #3, #4 (Prop. F-08)	5,000,000 CPF	219,650	219,650			GF/Prop F	250,000	350,000	375,000	400,000	425,000	450,000
<b>975220</b>	Fire Training Tower Repairs - Fire Station #5	15,000 CPF	1,870	1,870			GF	0	0	0	0	0	0
<b>986000</b>	County Drain Maintenance - Including Red Run Drain	200,000 CPF	150,000	100,000	100,000	100,000	GF	0	0	0	0	0	0
<b>986000</b>	Gibson Drain Bank Erosion Restoration	117,830 GRANT CPF	40,000 51,830	40,000 51,830			GF	0	0	0	0	0	0
<b>988122</b>	<b>Sidewalk Gap Completion Program</b> 2008: Gap Program ROW	455,010 CPF	5,010	5,040			GF	0	0	0	0	0	0
<b>988000</b>	2009: Gap Program & ROW (includes CIA)	CPF SAD (CPF)	100,000 250,000	30,000 220,000			GF	0	0	0	0	0	0
<b>988000</b>	2010: Gap Program	CPF SAD (CPF)	250,000	0	25,000 175,000	25,000 175,000	GF	0	0	0	0	0	0
<b>988000</b>	Master Retention Pond and Storm Sewer Plan Update	100,000 CPF	11,480	11,480			GF	0	0	0	0	0	0
<b>988116</b>	Senior Active Life Center Addition - Construction (LTGO-07)	2,000,000 CPF	8,640	8,640			GF	72,000	74,000	76,000	78,000	80,000	82,000
<b>988138</b>	Pump Station Repairs - Laurel Meadows	75,400 CPF	75,400	75,400			GF	500	500	0	0	0	0
<b>988164</b>	Jaycee Park - Storm Sewer Outlet Repair	118,230 GRANT CPF	40,000 48,230	40,000 48,230			GF	500	500	0	0	0	0
<b>988171</b>	<b>Miscellaneous City Sidewalk Repair Program</b> 2008-09: Sections 18, 19	874,210 CPF	14,210	14,210			GF	2,000	0	0	0	0	0
<b>988187</b>	2009-10: Sections 8, 17	CPF SAD (CPF)	180,000 370,000	180,000 220,000			GF	2,000	2,000	0	0	0	0
<b>988000</b>	2010-11: Sections 5, 6, 7	CPF SAD (CPF)			90,000 370,000	90,000 370,000	GF	2,000	2,000	2,000	0	0	0
	<b>Total Capital Projects Fund</b>	<b>\$9,230,680</b>	<b>\$2,089,040</b>	<b>\$1,389,070</b>	<b>\$910,000</b>	<b>\$910,000</b>		<b>\$330,000</b>	<b>\$429,500</b>	<b>\$452,500</b>	<b>\$477,000</b>	<b>\$504,000</b>	<b>\$531,000</b>

# CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)							
		Total Cost/ Funding Source			Manager Recomm. Budget 2010/11	Council Approved Budget 2010/11	Proposed Method of Financing	Estimated Prior Yr. 2008/09	Estimated Current Yr. 2009/10	Budget Year 2010/11	Future Years			
			Budget 2009/10	Estimate 2009/10							2011/12	2012/13	2013/14	
	<b>ROAD BOND</b>													
	<b>CONSTRUCTION FUND</b>													
988000	18 Mile Road Widening - Mound Road to Van Dyke - Engineering, ROW & Construction from 2 Lanes to 5 Lanes	770,000 RBCF	770,000	0			MRF	0	0	0	0	0	0	0
988000	Concrete Sectional Pavement Repairs - Metroparkway - Van Dyke to Utica Road	278,200 RBCF	300,000	105,200										
	Metroparkway - Dequindre to Mound Road (MTFB-10)	RBCF			173,000	173,000	MRF	5,000	5,000	15,000	25,000	25,000	25,000	
988000	17 Mile Road Bridge Repairs - Possible Stimulus Project (MTFB-10)	400,000 RBCF	0	60,000			MRF	5,000	5,000	5,000	5,000	5,000	5,000	5,000
988000	14 Mile at Red Run Drain - Bridge Repairs (MTFB-10)	100,000 RBCF			100,000	100,000	MRF	1,000	1,000	7,500	10,000	10,000	10,000	
988000	Asphalt Resurfacing - Metroparkway - Mound to Conrail (MTFB-10)	200,000 RBCF			200,000	200,000	MRF	2,000	2,000	16,000	16,000	16,000	16,000	
988000	Bridge Deck Replacement - Van Dyke Bridge over Clinton River (MTFB-10)	130,000 RBCF			130,000	130,000	MRF	2,000	2,000	10,000	10,000	10,000	10,000	
988162	Lakeside Shopping Center Special Assessment Improvements (SAD-08)	3,355,000 SAD (RBCF)	75,160	75,160			GF/MRF	10,000	50,000	50,000	50,000	50,000	50,000	50,000
988189	15 Mile Road Resurfacing - Maple Lane to Mound Road (MTFB-10)	2,650,000 RBCF	549,760	549,760			MRF	25,000	50,000	50,000	50,000	50,000	50,000	50,000
	<b>Total Road Bond Construction Fund</b>	<b>\$7,883,200</b>	<b>\$1,694,920</b>	<b>\$790,120</b>	<b>\$603,000</b>	<b>\$603,000</b>		<b>\$50,000</b>	<b>\$115,000</b>	<b>\$153,500</b>	<b>\$166,000</b>	<b>\$166,000</b>	<b>\$166,000</b>	
	<b>MAJOR ROAD FUND</b>													
	<b>STATE/COUNTY ROADS</b>													
988000	Traffic Signals	200,000												
	a) Miscellaneous Locations	MRF	150,000	100,000	100,000	100,000	MRF	500	500	500	500	500	500	500
	b) Schoenherr Modernization - (County Funding) (Moravian, 15 Mile Road, Canterbury) - No City share		25,750	0										
988000	Bridge Deck Replacement - Van Dyke Bridge over the Clinton River	34,600 MRF	34,600	0			MRF	0	0	0	0	0	0	0
988000	Noise Abatement Wall - M53 Highway - 18 1/2 Mile to Utica Road	64,300 MRF	0	64,300			MRF	0	0	0	0	0	0	0
988000	M-53 Highway Resurfacing - 18 Mile to M-59	200,000 MRF	64,810	90,000			MRF	0	0	0	0	0	0	0
988000	Van Dyke Resurfacing - 15 Mile to 18 Mile	273,700 MRF	24,190	24,190			MRF	1,000	500	500	500	500	500	500
988000	Bridge Deck Repairs - 14 Mile Bridge over Big Beaver Creek	10,000 MRF			10,000	10,000	MRF	0	0	0	0	0	0	0

# CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Budget 2010/11	Council Approved Budget 2010/11	Proposed Method of Financing	Estimated Prior Yr. 2008/09	Estimated Current Yr. 2009/10	Budget Year 2010/11	Future Years		
			Budget 2009/10	Estimate 2009/10							2011/12	2012/13	2013/14
988000	M59 Widening - Ryan Road to Dequindre Road	84,000 MRF	84,000	84,000			MRF	0	0	1,000	1,000	1,000	1,000
988700	Dequindre Road - 18 Mile Road to M-59 Prelim. Engineering & ROW	83,730 MRF	10,000	5,000	5,000	5,000	MRF	0	0	0	0	0	0
988852	Utica Road Boulevard	2,100,000 MRF	740	740			MRF	0	0	0	0	0	0
	<b>Total State/County Roads</b>	<b>\$3,050,330</b>	<b>\$394,090</b>	<b>\$368,230</b>	<b>\$115,000</b>	<b>\$115,000</b>		<b>\$1,500</b>	<b>\$1,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>
	<b>CITY RESURFACING PROGRAM</b>												
988175	Riverland Drive Resurfacing - Clinton River Road to the Riverland Bridge	51,000 MRF	2,600	260			MRF	0	0	0	0	0	0
988180	Foxhill Drive Resurfacing - Calka Drive to Hanson Drive	181,000 MRF	6,370	450			MRF	0	0	0	0	0	0
	<b>OTHER IMPROVEMENTS</b>												
988000	Plumbrook Road & Utica Road - Center Turn Lane Intersection Improvements	51,500 GRANT MRF	36,050 15,450	0 0	36,050 15,450	36,050 15,450	MRF	0	0	500	500	500	500
988000	15 Mile & Schoenherr Intersection Improvements - Installation of Right-Turn Lanes	279,720 GRANT MRF			158,720 121,000	158,720 121,000	MRF	0	0	0	2,000	2,000	2,000
988135	Bridge Maintenance Program - Culvert Cleanout - 15 Mile over Big Beaver Drain, Ryan Road over Big Beaver Drain (Project Cancelled)	70,000 MRF	2,000	2,000			MRF	0	0	0	0	0	0
988176	15 Mile & Ryan Road Intersection Improvements - Installation of Right-Turn Lanes	305,500 GRANT MRF	156,000 149,500	156,000 149,500			MRF	0	2,000	2,000	2,000	2,000	2,000
988177	19 Mile Road at Fire Station #2 - Bypass Lane & Storm Drain Enclosure	120,000 MRF	6,250	8,310			MRF	0	0	0	0	0	0
988199	Misc. City-wide Concrete Replacement Program - 15 Mile - Ryan to Mound	495,000 MRF	237,500	245,000	250,000	250,000	MRF	0	0	0	0	0	0
988000	<b>TRAFFIC CONTROLS</b>	281,730											
	a) Miscellaneous Locations	MRF	100,000	50,000	100,000	100,000	MRF	500	500	500	500	500	500
	b) 15 Mile Road & Chrysler Plant		36,000	0									
	c) 17 Mile Road & Dodge Park Road		63,230	63,230									
	d) Ryan Road Modernization (14, 15 & 17 Mile Roads)		75,000	60,000									
	e) 15 Mile & Viceroy - Pedestrian		8,500	8,500									
	<b>Total City Major Road</b>	<b>\$1,835,450</b>	<b>\$894,450</b>	<b>\$743,250</b>	<b>\$681,220</b>	<b>\$681,220</b>		<b>\$500</b>	<b>\$2,500</b>	<b>\$3,000</b>	<b>\$5,000</b>	<b>\$5,000</b>	<b>\$5,000</b>
	<b>Total Major Road Fund</b>	<b>\$4,885,780</b>	<b>\$1,288,540</b>	<b>\$1,111,480</b>	<b>\$796,220</b>	<b>\$796,220</b>		<b>\$2,000</b>	<b>\$3,500</b>	<b>\$5,000</b>	<b>\$7,000</b>	<b>\$7,000</b>	<b>\$7,000</b>

# CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Budget 2010/11	Council Approved Budget 2010/11	Proposed Method of Financing	Estimated Prior Yr. 2008/09	Estimated Current Yr. 2009/10	Budget Year 2010/11	Future Years		
			Budget 2009/10	Estimate 2009/10							2011/12	2012/13	2013/14
	<b>LOCAL ROAD FUND</b>												
988000	Neighborhood Road Repair Program - Asphalt Resurfacing Shortridge, Idaho, Grand Haven, Dray Drives	950,000 GF			475,000	475,000	LRF	1,000	1,000	500	0	0	0
988192	Vine, Lorman, Koper, Sterling Pond Drives	GF	515,000	475,000			LRF	1,000	500	0	0	0	0
988199	Miscellaneous City-wide Concrete Replacement Program	1,390,000 LRF	750,000	790,000	600,000	600,000	LRF	0	0	0	0	0	0
	<b>Total Local Road Fund</b>	<b>\$2,340,000</b>	<b>\$1,265,000</b>	<b>\$1,265,000</b>	<b>\$1,075,000</b>	<b>\$1,075,000</b>		<b>\$2,000</b>	<b>\$1,500</b>	<b>\$500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
	<b>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</b>												
972000	Baumgartner Park - Restroom Facility Improvements	240,000 CDBG			240,000	240,000	GF	0	0	0	500	500	500
988000	SMART Bus Stop Improvements - Van Dyke	41,680 CDBG	41,680	41,680			MRF	0	0	0	0	0	0
988000	Ramped Sidewalk Installation with Curb Cuts - Major Road Intersections	176,390 CDBG	176,390	35,280	141,110	141,110	MRF	0	0	0	0	0	0
	<b>Total C.D.B.G. Fund</b>	<b>\$458,070</b>	<b>\$218,070</b>	<b>\$76,960</b>	<b>\$381,110</b>	<b>\$381,110</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500</b>	<b>\$500</b>	<b>\$500</b>
	<b>ENERGY EFFICIENCY &amp; CONSERVATION BLOCK GRANT FUND</b>												
975000	Roof, Boiler/Chiller, Window & Lighting Improvements	1,171,540 EECBG	1,171,540	81,000	1,090,540	1,090,540	GF	0	0	(25,000)	(40,000)	(40,000)	(40,000)
	<b>Total E.E.C.B.G. Fund</b>	<b>\$1,171,540</b>	<b>\$1,171,540</b>	<b>\$81,000</b>	<b>\$1,090,540</b>	<b>\$1,090,540</b>		<b>\$0</b>	<b>\$0</b>	<b>(\$25,000)</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>	<b>(\$40,000)</b>
	<b>CORRIDOR IMPROVEMENT AUTHORITY FUND</b>												
988000	Facade Assistance Program	100,000 CIA (GF)	200,000	0	200,000	100,000	CIA	10,000	12,000	7,500	10,000	12,500	15,000
	<b>Total Corridor Imp. Authority Fund</b>	<b>\$100,000</b>	<b>\$200,000</b>	<b>\$0</b>	<b>\$200,000</b>	<b>\$100,000</b>		<b>\$10,000</b>	<b>\$12,000</b>	<b>\$7,500</b>	<b>\$10,000</b>	<b>\$12,500</b>	<b>\$15,000</b>
	<b>LAND &amp; WATER CONSERVATION FUND LAND DEVELOPMENT</b>												
972000	Miscellaneous Tree Planting - Delia Park	4,000 GRANT LWCF	3,000 5,000	2,000 2,000			GF	0	0	0	0	0	0
972000	Soccer Field Turf Maintenance - Baumgartner, Delia Parks	1,500 LWCF	1,500	1,500			GF	0	0	0	0	0	0
972333	Ballfield Lightpole Safety Evaluation - Delia Park	5,500 LAND SALE	0	5,500			GF	0	0	0	0	0	0
972334	Tennis Court Resurfacing - Washington Square Park	6,130 LWCF	6,130	6,130			GF	0	0	0	0	0	0
972000	Installation of New Wood Mulch - 21 City Parks	12,000 LAND SALE			38,000	12,000	GF	0	0	0	(1,000)	(1,000)	(1,000)

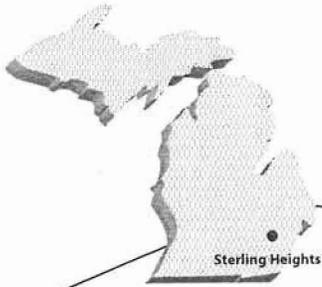
# CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Budget 2010/11	Council Approved Budget 2010/11	Proposed Method of Financing	Estimated Prior Yr. 2008/09	Estimated Current Yr. 2009/10	Budget Year 2010/11	Future Years		
			Budget 2009/10	Estimate 2009/10							2011/12	2012/13	2013/14
972008	Playscape with Poured Surface - Dodge Park	150,000 GRANT LAND SALE			60,000 90,000	60,000 90,000	GF	0	0	0	0	0	0
972333	Ballfield Lightpole Repairs - Delia Park	33,000 LAND SALE			33,000	33,000	GF	0	0	0	0	0	0
972333	Baseball/Flag Football Scoreboard Repairs - Delia Park	5,500 LAND SALE			5,500	5,500	GF	0	0	0	0	0	0
972334	Bike/Hike Path Relocation - Dodge Park & Clinton River Park	70,000 LAND SALE			70,000	70,000	GF	0	0	0	0	0	0
972334	Tennis Court Resurfacing & Repair - Magnolia Park	8,000 LAND SALE			8,000	8,000	GF	0	0	0	0	0	0
972945	Baseball Dugout Covers & Replacement Benches - Baumgartner Park	40,000 GRANT LAND SALE			2,500 37,500	2,500 37,500	GF	0	0	0	500	500	500
972985	Soccer Field Edge Drain System - Baumgartner Park	30,000 LAND SALE			30,000	30,000	GF	0	0	0	0	0	0
<b>Total Land &amp; Water Conserv. Fund</b>		<b>\$365,630</b>	<b>\$15,630</b>	<b>\$17,130</b>	<b>\$374,500</b>	<b>\$348,500</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$500)</b>	<b>(\$500)</b>	<b>(\$500)</b>

# CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Program 2010/11	Council Approved Program 2010/11	Proposed Method of Financing	Estimated Prior Yr. 2008/09	Estimated Current Yr. 2009/10	Program Year 2010/11	Future Years		
			Program 2009/10	Estimate 2009/10							2011/12	2012/13	2013/14
	<b>WATER &amp; SEWER IMPROVEMENT FUND</b>												
	<b>SANITARY SEWERS</b>												
	Moravian Road, South Side Hayes to East of 15 Mile Road	309,000 W&S	309,000	0	309,000	309,000	W&S	0	0	0	500	500	500
	Hayes Road - Moravian Road to Bartola Subdivision	156,600 W&S	156,600	0	156,600	156,600	W&S	0	0	0	300	300	300
	Utica Road - Hamilton East Drive to Irvial, East Side (including ROW)	432,600 W&S	432,600	0	432,600	432,600	W&S	0	0	0	600	600	600
	Utica Road - Plumbrook to Puritan, East Side (including ROW)	226,600 W&S	226,600	0	226,600	226,600	W&S	0	0	0	400	400	400
	Clinton River Road - South of Canal & Clinton River Road - Kidley to Essen	325,000 W&S			325,000	325,000	W&S	0	0	0	500	500	500
	Wilshire Court - (Project Postponed)	0 W&S	125,700	0			W&S	0	0	0	0	0	0
	Canal Road near Clinton River Road Sewer Repair	55,000 W&S	55,000	55,000			W&S	200	200	0	0	0	0
	Saal Road - North of Longview	58,000 W&S	58,000	58,000			W&S	0	0	200	200	200	200
	Mayhew Drive - (Project Postponed)	0 W&S	247,000	0			W&S	0	0	0	0	0	0
	Harvey Court - (Project Postponed)	0 W&S	185,500	0			W&S	0	0	0	0	0	0
	19 Mile Road at Fire Station #2 - Sanitary Sewer Repairs	130,000 W&S	130,000	130,000			W&S	100	100	0	0	0	0
	Sections 2 & 11 Sanitary Sewer Relief System (Gainsley Drive) Includes Road Restoration	1,500,000 W&S			1,500,000	1,500,000	W&S	20,000	20,000	10,000	0	0	0
	<b>Total Sanitary Sewer</b>	<b>\$3,192,800</b>	<b>\$1,926,000</b>	<b>\$243,000</b>	<b>\$2,949,800</b>	<b>\$2,949,800</b>		<b>\$20,300</b>	<b>\$20,300</b>	<b>\$10,200</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>
	<b>WATER MAINS</b>												
	Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad	575,000 W&S	575,000	575,000			W&S	0	0	600	600	600	600
	Dequindre & 14 Mile Road - Sections 30 & 31	2,384,500 W&S	2,384,500	0	2,384,500	2,384,500	W&S	0	0	0	2,000	2,000	2,000
	Mound Road - 17 Mile to 18 1/2 Mile Road	1,817,000 W&S	1,817,000	1,817,000			W&S	0	0	2,000	2,000	2,000	2,000
	<b>Total Water Mains</b>	<b>4,776,500</b>	<b>4,776,500</b>	<b>\$2,392,000</b>	<b>\$2,384,500</b>	<b>\$2,384,500</b>		<b>\$0</b>	<b>\$0</b>	<b>\$2,600</b>	<b>\$4,600</b>	<b>\$4,600</b>	<b>\$4,600</b>





# 2010/11 MUNICIPAL FACILITIES

Miscellaneous City Sidewalk Repair  
& Gap Completion Programs

Roof, Boiler/Chiller, Window & Lighting  
Improvements at various City buildings

Pump Station Repairs –  
Wall Street Burton Share  
Industrial Subdivision

Storm Drain Maintenance –  
County



# 2010/11 MAJOR ROADS



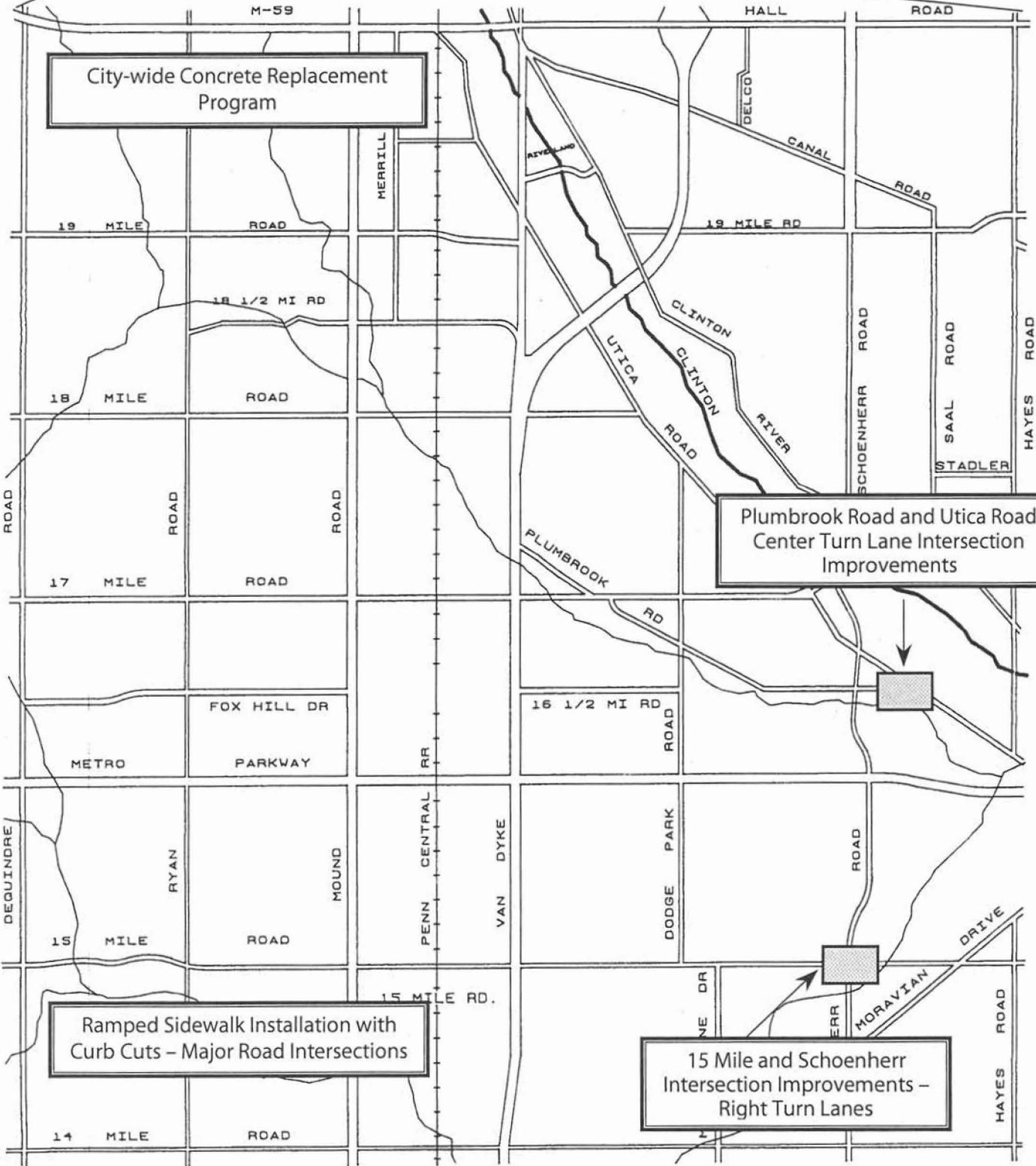
Miscellaneous Traffic Signals

City-wide Concrete Replacement Program

Plumbrook Road and Utica Road Center Turn Lane Intersection Improvements

Ramped Sidewalk Installation with Curb Cuts – Major Road Intersections

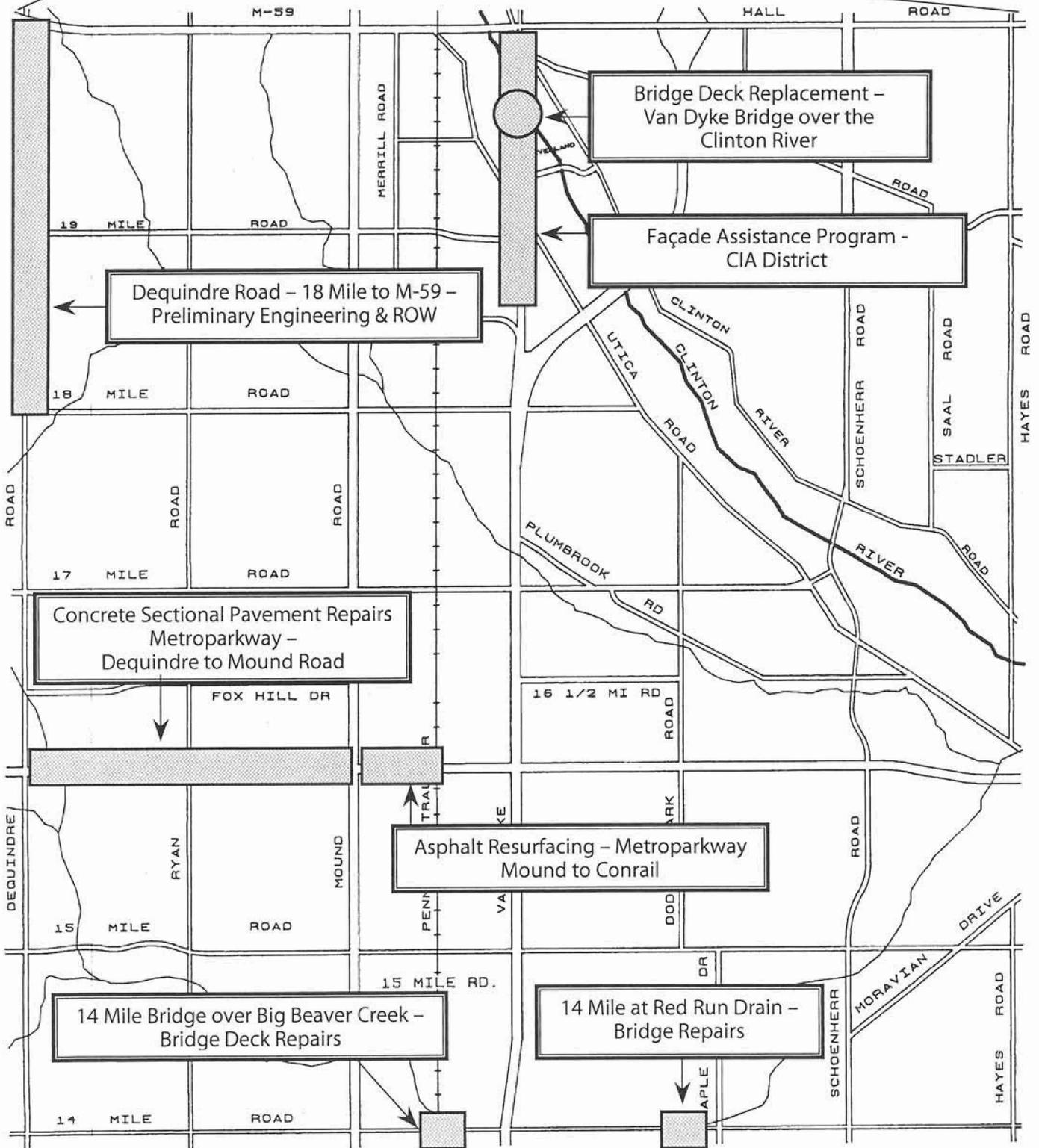
15 Mile and Schoenherr Intersection Improvements – Right Turn Lanes



# 2010/11 COUNTY & STATE ROAD PLANS

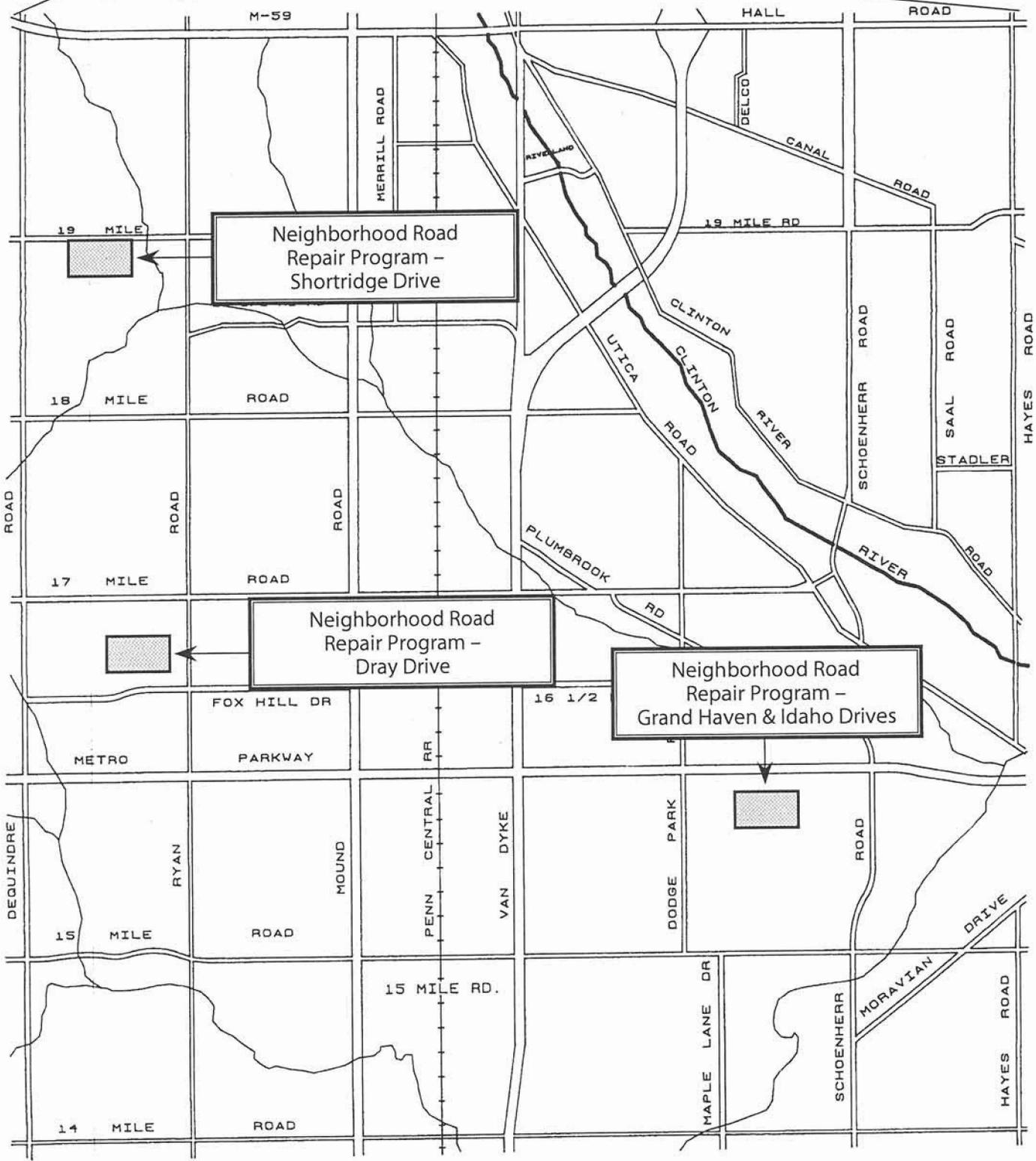


Miscellaneous Traffic Signals



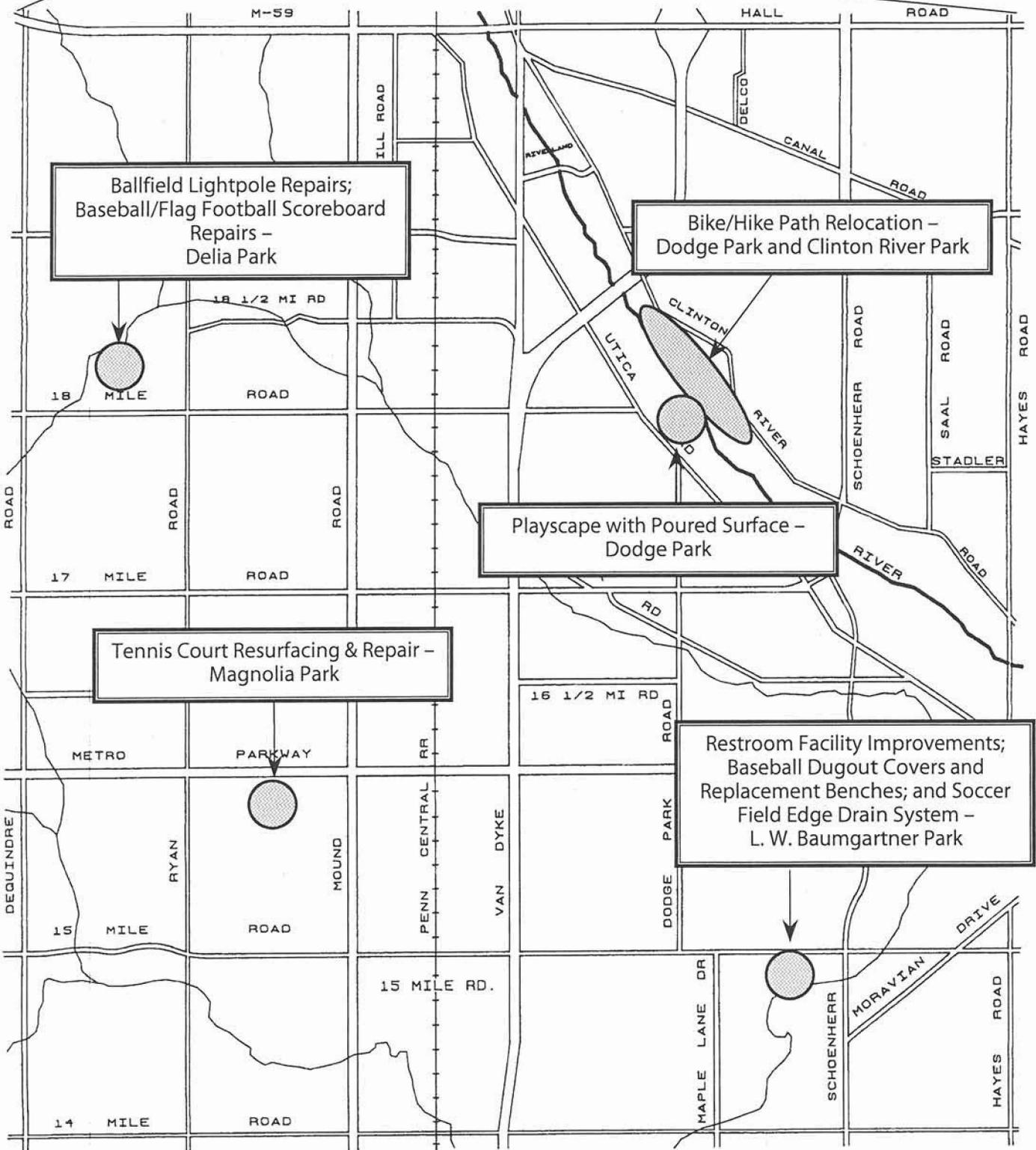
# 2010/11 LOCAL ROADS

City-wide Concrete Replacement Program

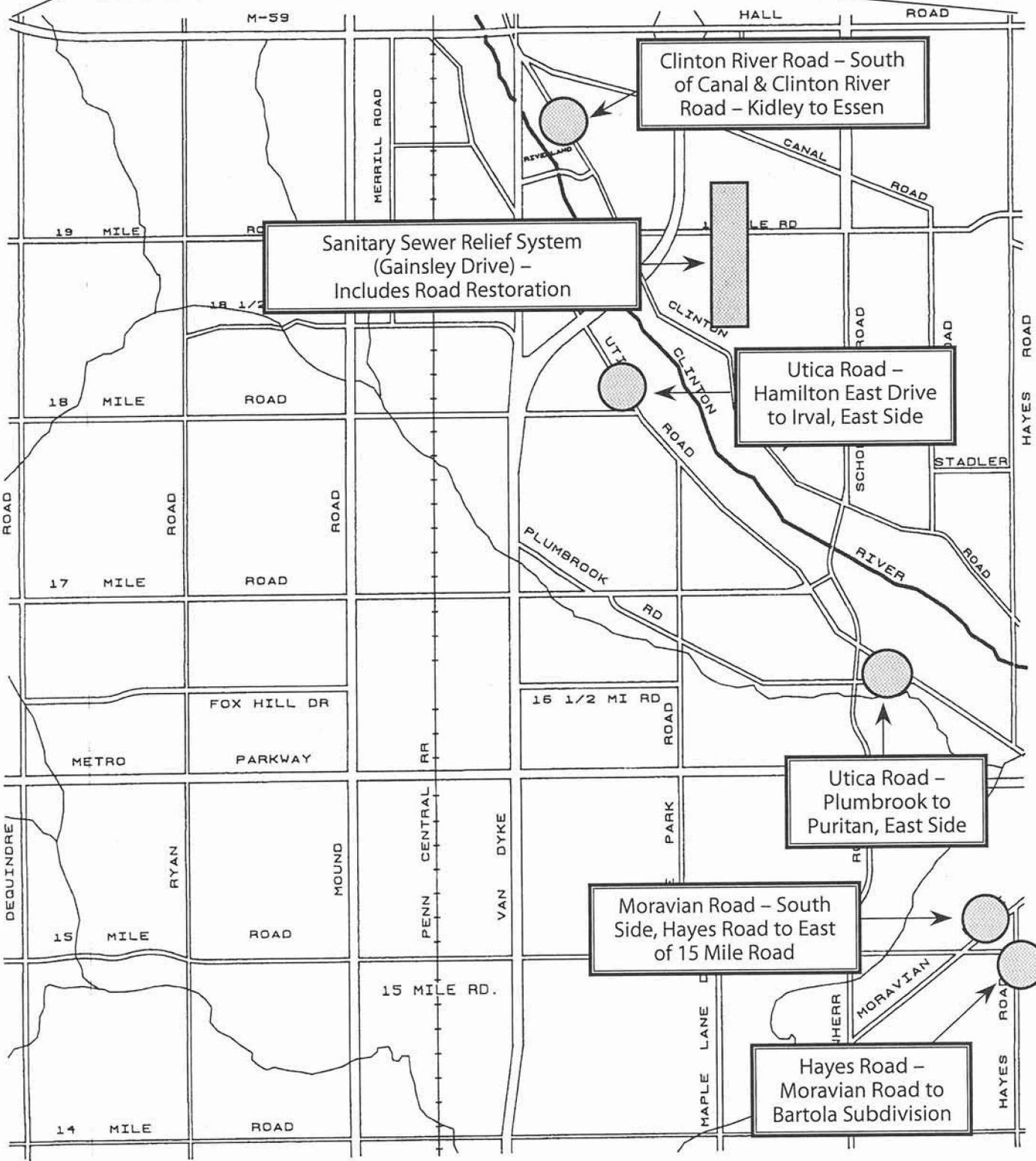
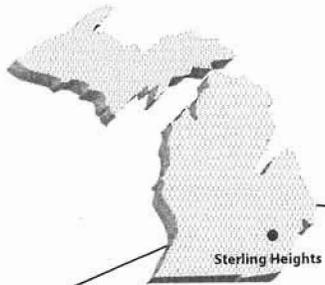


# 2010/11 MUNICIPAL PARKLANDS

Installation of New Wood Mulch -  
21 City Parks

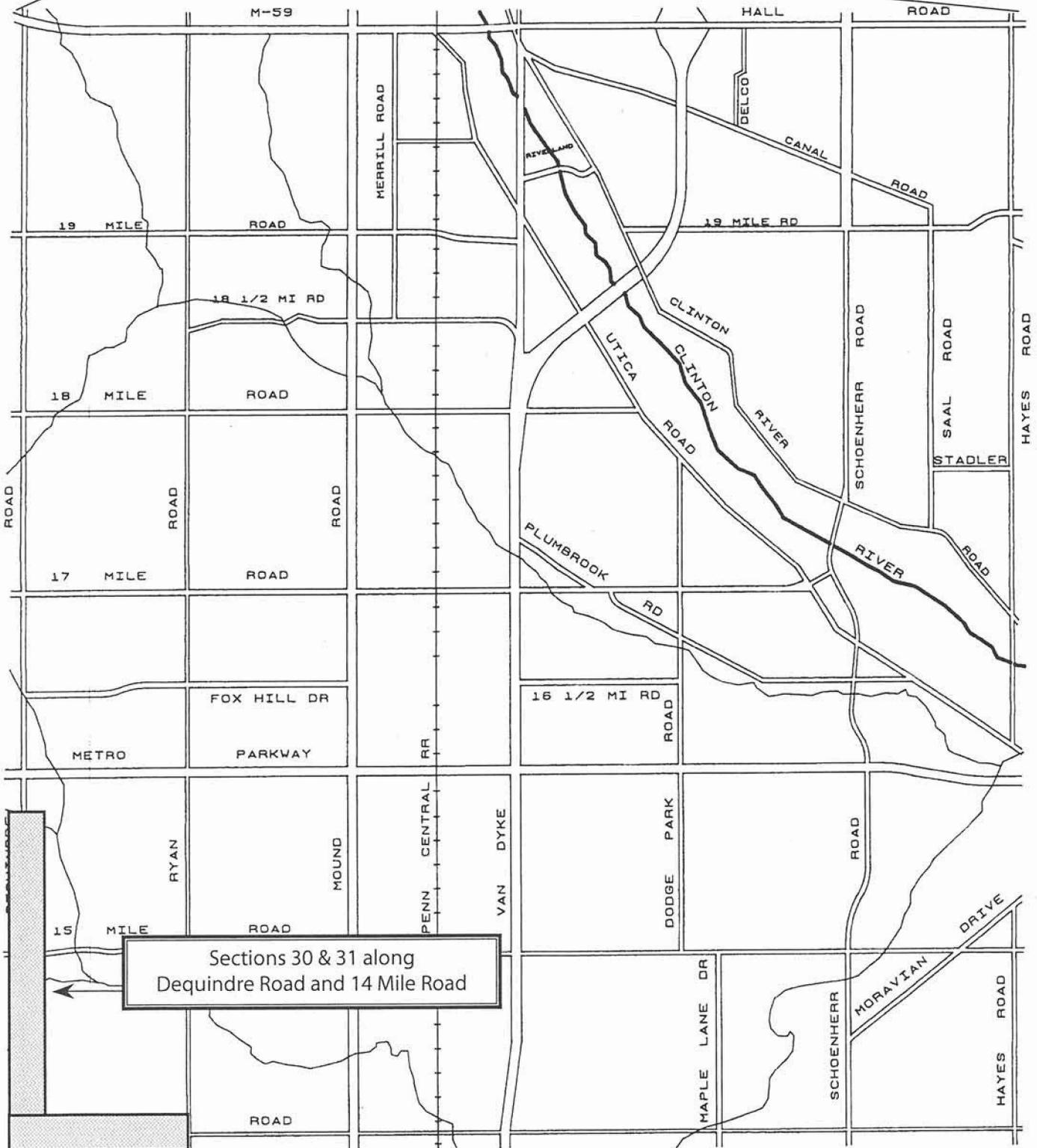
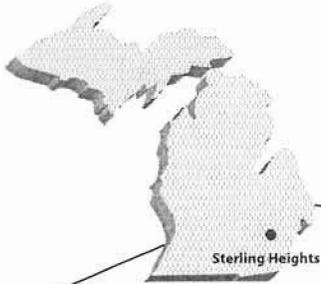


# 2010/11 SANITARY SEWERS

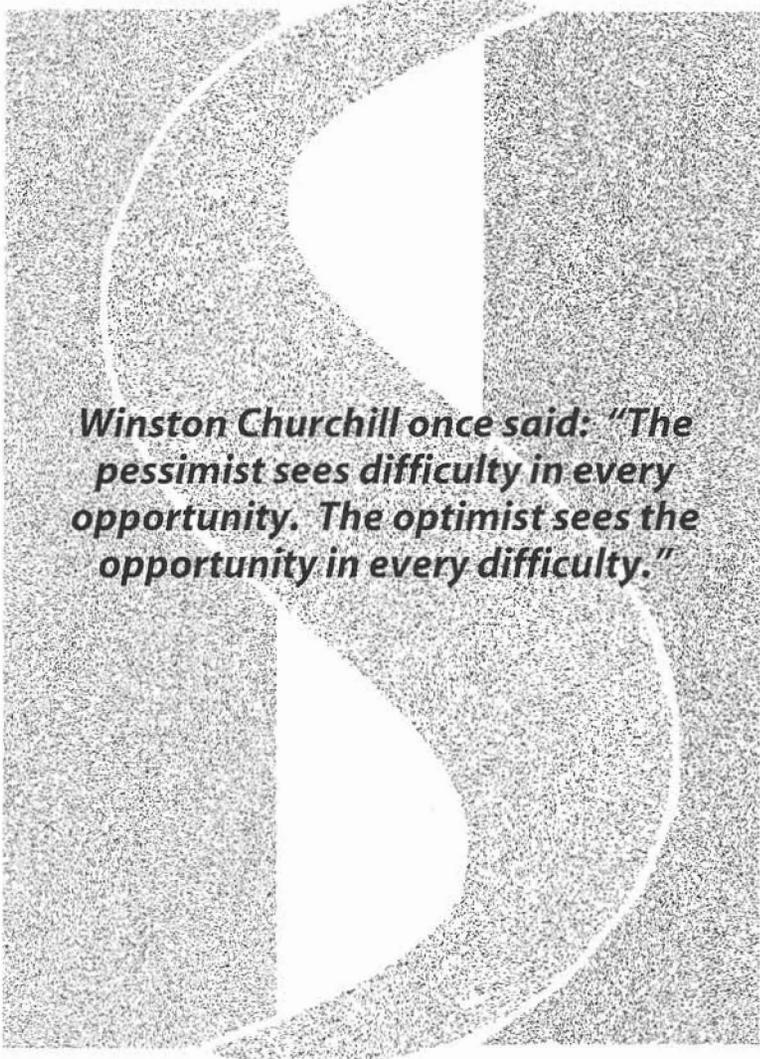


# 2010/11 WATER MAINS

Fire Hydrant Replacement Program -  
10 - 30 Hydrants



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

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	2000	2001	2002 (1)	2003	2004	2005	2006	2007	2008	2009
<b>Revenues</b>										
Property Taxes	\$41,266,995	\$42,155,402	\$44,773,685	\$46,791,310	\$48,495,510	\$50,357,630	\$52,574,000	\$55,624,617	\$58,331,682	\$57,875,942
Fees & Permits	1,855,159	2,253,273	1,916,542	2,036,864	2,318,120	2,012,360	1,986,333	1,784,156	1,352,594	960,683
Federal Sources	1,178,322	1,657,762	1,280,774	752,977	1,629,936	2,069,321	3,198,148	2,755,145	1,001,641	1,419,052
State & Local Sources	19,281,979	20,293,929	20,676,922	20,161,887	20,176,008	19,607,043	19,721,028	19,894,287	18,939,977	18,505,491
Fines & Forfeitures	2,798,853	2,781,114	2,299,389	2,587,756	3,069,824	2,995,613	2,890,745	2,563,520	2,755,701	2,836,556
Charges For Services	5,451,881	5,791,473	5,514,851	5,875,269	6,334,722	6,695,039	7,795,120	8,038,601	7,988,183	7,896,549
Interest Income	3,424,163	3,509,122	1,921,851	1,760,354	567,049	977,664	1,788,092	2,511,234	2,316,653	1,580,754
Special Assessments	319,727	164,086	179,973	68,497	372,917	73,776	28,017	130,082	92,745	243,123
Rental Income	1,035,063	1,240,272	1,047,761	1,253,148	1,298,796	1,566,845	1,357,037	1,443,651	1,727,929	1,798,484
Cable Revenue	972,802	1,264,214	1,302,183	1,120,768	1,224,778	1,319,937	1,371,831	1,527,988	1,671,094	1,771,978
Reimb of Advance Rd Const	0	0	0	0	0	0	0	0	2,440,414	0
Other	1,388,993	1,110,088	2,074,758	1,927,055	2,758,591	1,980,022	1,731,700	1,511,396	1,755,645	2,007,807
<b>Total Revenues</b>	<b>78,973,937</b>	<b>82,220,735</b>	<b>82,988,689</b>	<b>84,335,885</b>	<b>88,246,251</b>	<b>89,655,250</b>	<b>94,442,051</b>	<b>97,784,677</b>	<b>100,374,258</b>	<b>96,896,419</b>
<b>Expenditures</b>										
General Government	7,663,131	8,368,507	8,550,972	8,733,703	9,091,026	10,042,438	10,109,764	10,562,158	11,244,018	9,534,712
41A District Court	1,999,838	2,131,093	2,178,525	2,173,817	2,342,220	2,472,160	2,660,587	2,847,111	2,974,001	3,150,155
Public Safety	28,089,598	30,386,650	30,913,608	33,857,315	35,779,556	38,346,169	39,440,275	41,610,977	44,435,670	46,327,145
Public Works	15,456,764	16,492,407	16,910,029	18,334,751	18,280,775	21,418,948	18,545,503	18,734,562	20,134,496	21,273,705
Recreation & Culture	3,795,871	4,035,209	4,323,476	4,447,809	4,553,035	4,669,116	4,868,429	5,180,497	5,358,825	5,321,281
General Expenditures	2,505,031	2,454,301	2,539,196	2,771,249	3,388,336	2,651,054	3,555,955	3,791,084	2,945,761	2,793,240
Capital Outlay	18,815,645	14,107,920	13,053,333	11,763,846	13,041,634	12,476,405	10,576,821	14,756,585	7,402,019	13,212,947
Debt Service - Principal	5,299,440	5,667,440	5,051,381	4,466,382	4,436,681	5,056,539	5,030,000	14,000,000	5,685,000	5,735,000
Debt Service - Interest	1,994,942	2,380,172	2,243,791	1,968,669	1,827,203	2,334,584	2,479,375	2,336,756	1,938,403	1,982,533
<b>Total Expenditures</b>	<b>85,620,260</b>	<b>86,023,699</b>	<b>85,764,311</b>	<b>88,517,541</b>	<b>92,740,466</b>	<b>99,467,413</b>	<b>97,266,709</b>	<b>113,819,730</b>	<b>102,118,193</b>	<b>109,330,718</b>
<b>Other Financing Sources</b>										
Long-term Financing	7,859,080	4,421,872	1,725,000	4,916,772	30,355,000	13,720,000	0	7,900,000	5,000,000	3,260,000
Proceeds-Sale of Fixed Assets	0	0	1,338,442	0	0	476,081	550,074	0	0	149,466
Bond Premium	0	0	0	0	975,374	91,759	0	26,815	50,143	0
Payments to Escrow Agents	0	0	0	(4,916,772)	(5,075,000)	(8,511,067)	0	0	0	0
Transfers In	10,050,315	10,389,950	12,319,565	8,807,280	6,462,170	8,354,684	9,931,683	18,458,535	9,716,170	11,319,369
Transfers Out	(10,050,315)	(10,389,950)	(12,319,565)	(8,807,280)	(6,462,170)	(6,639,684)	(8,071,683)	(8,681,215)	(8,197,830)	(8,412,389)
<b>Total Other Fin. Sources</b>	<b>7,859,080</b>	<b>4,421,872</b>	<b>3,063,442</b>	<b>0</b>	<b>26,255,374</b>	<b>7,491,773</b>	<b>2,410,074</b>	<b>17,704,135</b>	<b>6,568,483</b>	<b>6,316,446</b>
Net Change in Fund Balance Before Extraordinary Items	1,212,757	618,908	287,820	(4,181,656)	21,761,159	(2,320,390)	(414,584)	1,669,082	4,824,548	(6,117,853)
Extraordinary Items	0	0	0	0	(25,000,000)	(6,000,000)	0	0	0	0
<b>Net Change in Fund Balance</b>	<b>\$1,212,757</b>	<b>\$618,908</b>	<b>\$287,820</b>	<b>(\$4,181,656)</b>	<b>(\$3,238,841)</b>	<b>(\$8,320,390)</b>	<b>(\$414,584)</b>	<b>\$1,669,082</b>	<b>\$4,824,548</b>	<b>(\$6,117,853)</b>

(1) Information presented prior to the implementation of GASB No. 34 has been combined to reflect such activity.

## GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget
City Council	\$120,720	\$131,940	\$133,530	\$136,940	\$145,470	\$137,010	\$136,200
City Management	779,370	820,710	907,390	922,350	908,990	1,009,030	996,750
City Clerk	940,690	868,230	976,440	1,039,120	1,045,460	774,940	800,340
Facilities Maintenance	1,341,170	1,526,330	1,571,580	1,712,020	1,734,820	1,618,350	1,564,140
Assessing	1,087,380	886,120	821,610	859,440	881,530	901,040	865,140
Financial Services	1,075,920	1,128,160	1,202,740	1,281,810	1,291,000	1,040,880	775,840
Purchasing	316,250	326,680	341,700	340,750	412,220	373,550	380,880
Treasury	666,630	713,610	754,000	787,500	728,150	1,061,090	1,134,390
Act 78 - Civil Service Commission	11,930	35,490	18,350	33,070	9,460	24,130	5,570
Building Authority	380	400	400	380	430	50	0
General Employees Pension Board	576,680	635,270	671,580	728,760	88,000	109,950	96,200
Legal	656,150	706,800	730,200	747,980	746,590	776,100	787,600
<b>Total City Administration Dept.</b>	<b>7,573,270</b>	<b>7,779,740</b>	<b>8,129,520</b>	<b>8,590,120</b>	<b>7,992,120</b>	<b>7,826,120</b>	<b>7,543,050</b>
Parks & Recreation	2,195,030	2,314,150	2,428,270	2,554,030	2,489,620	2,227,140	2,119,970
<b>Total Parks &amp; Recreation Dept.</b>	<b>2,195,030</b>	<b>2,314,150</b>	<b>2,428,270</b>	<b>2,554,030</b>	<b>2,489,620</b>	<b>2,227,140</b>	<b>2,119,970</b>
Police Administration	3,940,350	4,050,940	3,950,150	2,889,810	2,897,130	2,994,560	2,970,180
Police Investigations	2,694,650	3,337,330	3,863,410	5,419,170	5,529,240	6,030,960	6,224,050
Police Operations	15,168,690	14,662,390	15,610,640	16,700,240	17,586,340	19,757,070	20,070,710
Police Support Services	2,896,830	3,026,730	3,234,570	3,381,110	3,338,480	3,445,280	3,550,890
Emergency Management	192,530	125,790	99,970	141,650	151,510	146,900	145,290
<b>Total Police Department</b>	<b>24,893,050</b>	<b>25,203,180</b>	<b>26,758,740</b>	<b>28,531,980</b>	<b>29,502,700</b>	<b>32,374,770</b>	<b>32,961,120</b>
Fire Administration	1,081,970	1,152,080	1,251,700	1,270,720	1,389,680	1,371,840	1,370,130
Fire Extinguishment	11,494,370	11,811,670	12,422,880	13,254,450	14,143,750	15,281,270	16,000,330
Fire Prevention	1,069,310	1,007,800	1,053,420	1,178,340	1,152,890	1,088,240	931,310
<b>Total Fire Department</b>	<b>13,645,650</b>	<b>13,971,550</b>	<b>14,728,000</b>	<b>15,703,510</b>	<b>16,686,320</b>	<b>17,741,350</b>	<b>18,301,770</b>
Building	1,904,890	1,929,030	2,100,770	2,205,160	1,996,460	1,834,960	1,732,730
Economic Development	0	52,540	136,930	187,490	156,410	158,860	161,900
Foreclosure Relief	0	0	0	0	7,480	242,510	157,980
Information Technology	883,050	906,720	973,220	1,055,560	1,070,300	1,083,460	1,108,050
Planning	339,640	347,030	341,600	350,280	346,240	355,500	363,880
Public Services	384,870	392,520	272,360	295,050	316,400	320,970	333,640
Planning Commission	8,280	9,260	7,440	7,490	6,040	8,000	6,930
Zoning Board of Appeals	8,110	7,060	6,630	5,690	6,220	7,060	6,550
<b>Total City Development Dept.</b>	<b>3,528,840</b>	<b>3,644,160</b>	<b>3,838,950</b>	<b>4,106,720</b>	<b>3,905,550</b>	<b>4,011,320</b>	<b>3,871,660</b>

**GENERAL FUND  
EXPENDITURE HISTORY BY ACTIVITY**

Activity Name	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Actual	2008/09 Actual	2009/10 Budget	2010/11 Budget
Engineering	1,829,900	1,843,940	1,755,930	1,701,260	1,626,840	1,662,170	1,583,760
Fleet Maintenance	2,231,510	2,331,180	2,472,330	2,927,750	2,734,900	2,807,280	2,611,760
Parks & Grounds Maintenance	1,287,290	1,317,990	1,390,520	1,360,640	1,414,900	1,427,300	1,421,270
Public Works Center	507,670	513,650	518,510	592,450	698,700	438,590	406,580
Street Services	1,850,310	1,727,410	1,857,130	1,954,680	2,095,730	1,909,160	1,952,070
<b>Total Public Works Department</b>	<b>7,706,680</b>	<b>7,734,170</b>	<b>7,994,420</b>	<b>8,536,780</b>	<b>8,571,070</b>	<b>8,244,500</b>	<b>7,975,440</b>
Refuse Collection	4,853,150	4,028,320	4,089,430	4,206,380	4,337,260	4,614,540	4,518,940
<b>Total Refuse Collection</b>	<b>4,853,150</b>	<b>4,028,320</b>	<b>4,089,430</b>	<b>4,206,380</b>	<b>4,337,260</b>	<b>4,614,540</b>	<b>4,518,940</b>
Library	2,471,890	2,552,980	2,750,980	2,803,910	2,830,880	2,762,070	2,754,750
Historical Commission	2,190	1,300	1,250	880	780	1,010	850
<b>Total Public Library Department</b>	<b>2,474,080</b>	<b>2,554,280</b>	<b>2,752,230</b>	<b>2,804,790</b>	<b>2,831,660</b>	<b>2,763,080</b>	<b>2,755,600</b>
Community Relations	1,386,740	1,408,370	1,452,190	1,596,140	1,541,120	1,652,870	1,605,260
Beautification Commission	2,160	2,680	2,350	2,010	1,430	2,040	1,490
Cultural Commission	330	7,470	410	180	50	300	200
Telecommunications Commission	4,360	4,780	4,470	0	0	0	0
<b>Total Community Relations Dept.</b>	<b>1,393,590</b>	<b>1,423,300</b>	<b>1,459,420</b>	<b>1,598,330</b>	<b>1,542,600</b>	<b>1,655,210</b>	<b>1,606,950</b>
41-A District Court	2,472,160	2,660,590	2,847,110	2,974,000	3,150,160	3,213,530	3,290,470
General Expenditures	2,639,270	3,546,140	3,698,840	2,931,290	2,784,520	2,631,390	2,507,040
Transfers Out	2,360,090	4,127,270	4,050,620	3,978,200	3,353,150	1,958,810	1,478,940
<b>Total Expenditures &amp; Uses</b>	<b>75,734,860</b>	<b>78,986,850</b>	<b>82,775,550</b>	<b>86,516,130</b>	<b>87,146,730</b>	<b>89,261,760</b>	<b>88,930,950</b>
Extraordinary Items	6,000,000	0	0	0	0	0	0
<b>Total General Fund Expenditures</b>	<b>\$81,734,860</b>	<b>\$78,986,850</b>	<b>\$82,775,550</b>	<b>\$86,516,130</b>	<b>\$87,146,730</b>	<b>\$89,261,760</b>	<b>\$88,930,950</b>

**GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES  
AND OTHER FINANCING USES  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Reserved Fund Balance</b>	<b>Unreserved Fund Balance</b>	<b>Annual Expenditures &amp; Other Uses</b>	<b>Unreserved Balances as % of Expenditures &amp; Other Uses</b>
2000	617,242	14,915,455	62,928,897	23.70%
2001	528,424	15,923,759	67,374,288	23.63%
2002	489,404	17,346,558	70,500,575	24.60%
2003	580,930	17,641,156	71,069,534	24.82%
2004	593,593	19,057,927	71,974,280	26.48%
2005	655,400	13,345,638	75,734,862	17.62%
2006	662,581	14,387,663	78,986,850	18.22%
2007	679,962	15,037,933	82,775,550	18.17%
2008	643,564	14,649,346	86,516,140	16.93%
2009	767,986	14,439,075	87,146,732	16.57%

**ASSESSED & ESTIMATED ACTUAL VALUATION  
OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30</b>	<b>Real Assessed Valuation (1)</b>	<b>Personal Assessed Valuation (1)</b>	<b>Total Valuation</b>	<b>Percent of True Value (2)</b>
2000	2,974,814,700	949,326,300	3,924,141,000	50%
2001	3,145,249,054	979,571,300	4,124,820,354	50%
2002	3,356,956,900	1,086,927,400	4,443,884,300	50%
2003	3,587,248,700	1,071,358,000	4,658,606,700	50%
2004	3,764,758,000	1,025,224,600	4,789,982,600	50%
2005	3,970,808,500	968,119,700	4,938,928,200	50%
2006	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%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 1999 TVs (stated above in the 2000 row) were used to generate tax revenue for the year ended June 30, 2000.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

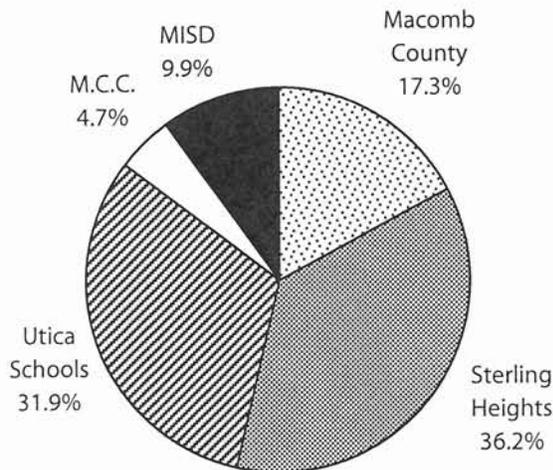
## HOMESTEAD PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF TAXABLE VALUATION)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>City of Sterling Heights</b>										
Operating (1)	8.26879	8.08550	8.43430	8.29230	8.19630	8.09570	8.76420	8.97760	9.22560	9.17770
Refuse	1.04657	1.07470	1.04670	1.05870	1.06960	1.10550	0.82660	0.81420	0.80570	0.83810
Police & Fire Pension	0.56364	0.56070	0.37610	0.62400	0.78090	0.89050	0.60490	0.51180	0.31470	0.48530
Public Improvements	0.79958	0.78840	0.48590	0.32860	0.24160	0.23170	0.18800	0.18750	0.17920	0.06670
Drain	0.29142	0.21070	0.30700	0.32640	0.33660	0.30160	0.24130	0.23390	0.19980	0.21800
<b>Total</b>	<b>10.97000</b>	<b>10.72000</b>	<b>10.65000</b>	<b>10.63000</b>	<b>10.62500</b>	<b>10.62500</b>	<b>10.62500</b>	<b>10.72500</b>	<b>10.72500</b>	<b>10.78580</b>
<b>Overlapping Governments</b>										
Macomb County	4.20800	4.20700	4.20600	4.20580	4.20580	4.20580	4.20580	4.20550	4.20550	4.20550
Utica Comm. Schools	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000
Warren Consol. Schools	9.34560	8.81630	8.89710	10.96260	10.68060	10.04260	9.99300	9.82940	9.23580	8.41520
State Education	6.00000	6.00000	6.00000	6.00000	5.00000	6.00000	6.00000	6.00000	6.00000	6.00000
Macomb Comm. College	1.58400	1.51400	1.67070	1.69250	1.58590	1.50020	1.42120	1.42120	1.42120	1.42120
M.I.S.D.	2.02100	2.02100	2.00330	2.98630	2.97290	2.96150	2.94300	2.94300	2.94300	2.94300
Huron/Clinton Metro Auth.	0.22180	0.22020	0.22020	0.21700	0.21610	0.21540	0.21460	0.21460	0.21460	0.21460
S.M.A.R.T.	0.32730	0.32730	0.32730	0.60000	0.59730	0.59490	0.59120	0.59000	0.59000	0.59000
County Zoo Authority	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.10000
Veterans Operations	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.04000
<b>Total</b>										
<b>Utica Schools (2)</b>	<b>28.83210</b>	<b>28.50950</b>	<b>28.57750</b>	<b>29.83160</b>	<b>28.70300</b>	<b>29.60280</b>	<b>29.50080</b>	<b>29.59930</b>	<b>29.59930</b>	<b>29.80010</b>
<b>Total</b>										
<b>Warren Schools (2)</b>	<b>34.67770</b>	<b>33.82580</b>	<b>33.97460</b>	<b>37.29420</b>	<b>35.88360</b>	<b>36.14540</b>	<b>35.99380</b>	<b>35.92870</b>	<b>35.33510</b>	<b>34.71530</b>

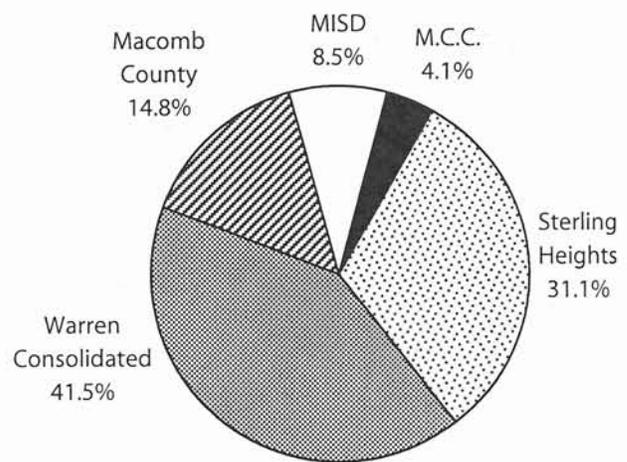
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) Sterling Heights taxable valuation is based on 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2009.

### City of Sterling Heights 2008/09 Distribution of Homestead Taxes



**Utica Community Schools**

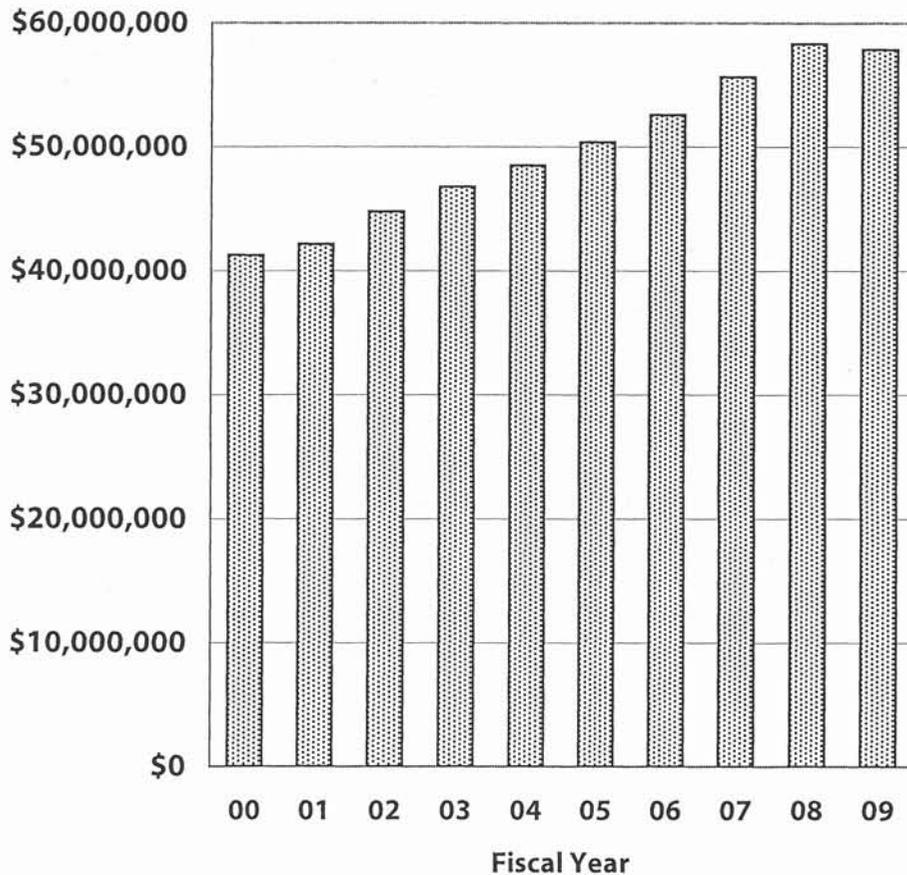


**Warren Consolidated Schools**

## GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Property Taxes				Debt Service Funds Property Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Total	General Drain	Voted Tax General Obligation	Total	
2000	31,106,672	3,937,131	2,120,379	37,164,182	1,096,095	3,006,718	4,102,813	41,266,995
2001	31,836,229	4,231,574	2,207,727	38,275,530	818,785	3,061,087	3,879,872	42,155,402
2002	35,424,907	4,396,245	1,579,658	41,400,810	1,295,294	2,077,581	3,372,875	44,773,685
2003	36,500,172	4,660,074	2,746,657	43,906,903	1,435,644	1,448,763	2,884,407	46,791,310
2004	37,409,166	4,881,818	3,564,147	45,855,131	1,536,014	1,104,365	2,640,379	48,495,510
2005	38,420,002	5,203,504	4,204,831	47,828,337	1,429,947	1,099,346	2,529,293	50,357,630
2006	43,370,304	4,070,410	2,993,592	50,434,306	1,202,642	937,052	2,139,694	52,574,000
2007	46,585,168	4,205,469	2,646,459	53,437,096	1,214,130	973,391	2,187,521	55,624,617
2008	50,198,476	4,359,680	1,707,910	56,266,066	1,089,261	976,355	2,065,616	58,331,682
2009	49,275,429	4,476,793	2,594,194	56,346,416	1,169,602	359,924	1,529,526	57,875,942

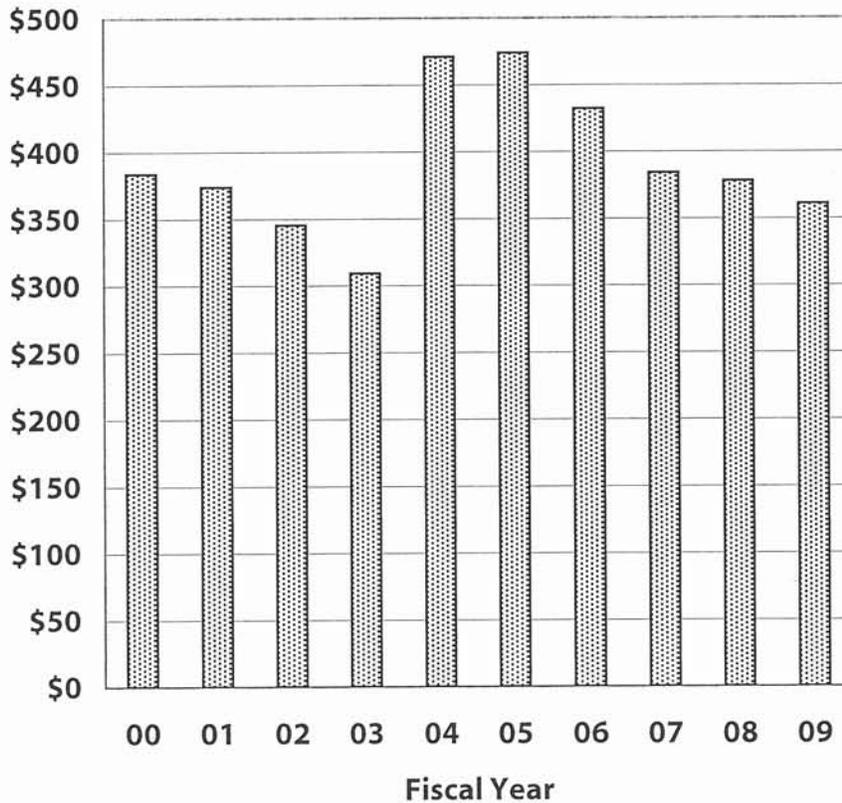
### Property Tax Revenue



## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Primary Government Outstanding Debt Total	Percentage of Personal Income	Pop.	Debt Per Capita
	General Obligation Bonds	Michigan Transport. Bonds	Special Assessment Bonds	County Issued Bonds				
2000	18,090,000	21,960,000	1,175,000	6,528,423	47,753,423	1.54%	124,471	383.65
2001	14,680,000	20,635,000	975,000	10,485,984	46,775,984	1.50%	125,140	373.79
2002	12,180,000	19,175,000	775,000	11,319,602	43,449,602	1.38%	125,800	345.39
2003	9,125,000	18,995,000	575,000	10,403,220	39,098,220	1.24%	126,470	309.15
2004	33,745,000	15,910,000	350,000	9,936,539	59,941,539	1.89%	127,270	470.98
2005	31,735,000	19,735,000	125,000	9,060,000	60,655,000	1.91%	128,026	473.77
2006	29,705,000	17,690,000	-	8,230,000	55,625,000	1.74%	128,692	432.23
2007	21,590,000	20,610,000	-	7,325,000	49,525,000	1.54%	128,914	384.17
2008	23,635,000	18,710,000	-	6,495,000	48,840,000	1.52%	129,200	378.02
2009	20,985,000	16,535,000	3,260,000	5,590,000	46,370,000	1.44%	128,500	360.86

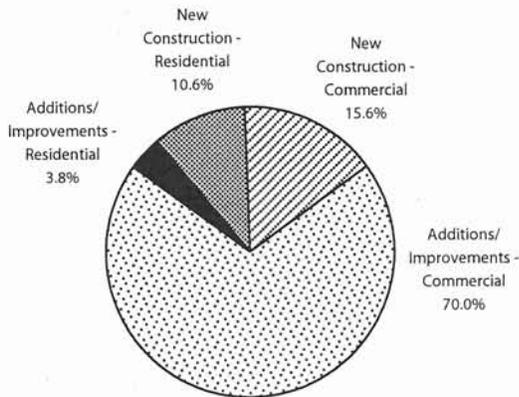
### Outstanding Debt Per Capita



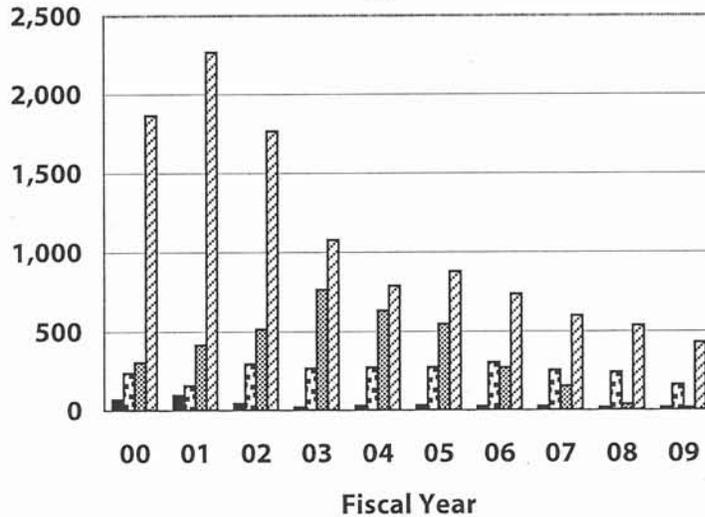
## BUILDING PERMITS AT MARKET VALUE LAST TEN FISCAL YEARS

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	
2000	304	38,156,806	1,864	6,261,197	44,418,003	68	31,976,338	237	28,031,281	60,007,619
2001	414	63,789,140	2,266	9,055,033	72,844,173	96	40,493,780	156	20,199,408	60,693,188
2002	513	51,306,550	1,766	2,737,615	54,044,165	42	25,736,795	295	16,143,812	41,880,607
2003	763	76,609,958	1,078	3,017,213	79,627,171	19	17,228,169	265	18,095,804	35,323,973
2004	631	59,756,113	787	2,218,100	61,974,213	29	28,123,162	272	59,264,545	87,387,707
2005	546	54,325,044	876	1,830,299	56,155,343	31	34,143,253	271	26,257,489	60,400,742
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

### Market Value of 2009 Building Permits



### Building Permits



Commercial - New
  Commercial - Improve.

Residential - New
  Residential - Improve.

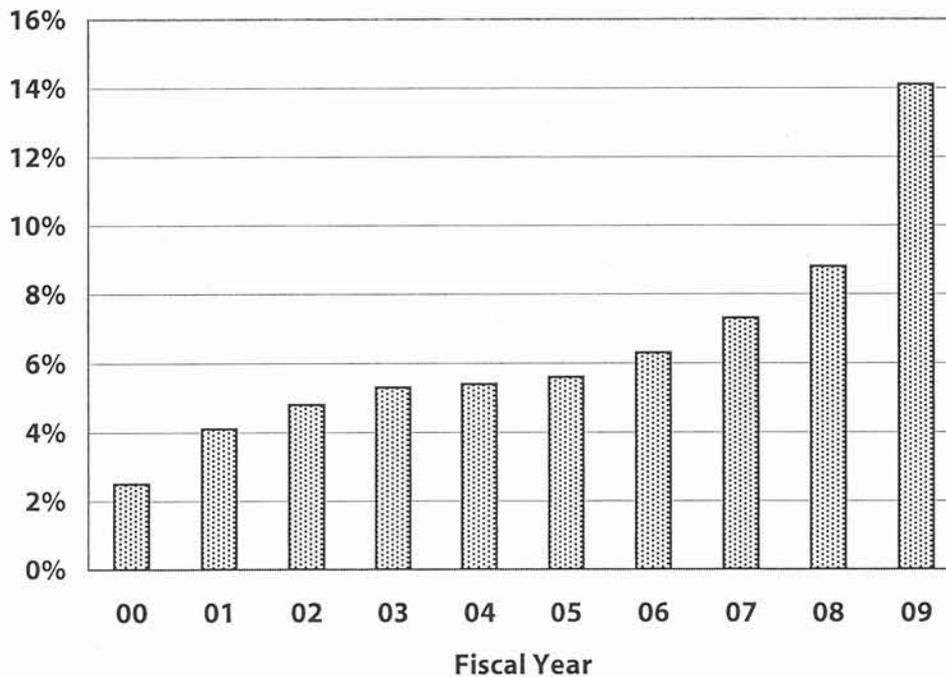
## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population	Median Age (2)	Age 25 or Older (2)		Per Capita Income (2)	Income in Thousands	Number of Households (3)	Median Household Income (3) (1999 dollars)	Sterling Heights Unemployment Rate (4)
			High School Graduate or Higher	Bachelor's Degree or Higher					
2000	124,471 (1)	37	84.0%	23.0%	24,958	3,106,547	45,594	60,494	2.5%
2001	125,140 (1)	N/A	N/A	N/A	N/A	3,123,244	46,072	60,494	4.1%
2002	125,800 (1)	N/A	N/A	N/A	N/A	3,139,716	48,775	62,274	4.8%
2003	126,470 (1)	N/A	N/A	N/A	N/A	3,156,438	48,990	62,274	5.3%
2004	127,270 (1)	N/A	N/A	N/A	N/A	3,176,405	49,260	62,274	5.4%
2005	128,026 (1)	N/A	N/A	N/A	N/A	3,195,273	49,405	62,274	5.6%
2006	128,692 (1)	N/A	N/A	N/A	N/A	3,211,895	49,871	62,274	6.3%
2007	128,914 (1)	N/A	N/A	N/A	N/A	3,217,436	50,761	62,274	7.3%
2008	128,500 (1)	N/A	N/A	N/A	N/A	3,224,574	50,375	60,494	8.8%
2009	128,500 (1)	N/A	N/A	N/A	N/A	3,231,712	49,735	60,494	14.1%

Sources:

- (1) City of Sterling Heights
- (2) United States Census Bureau - 2000 Census (last reported)
- (3) Southeast Michigan Council of Governments (SEMCOG)
- (4) Michigan Department of Labor and Economic Growth

### City of Sterling Heights Unemployment Rate

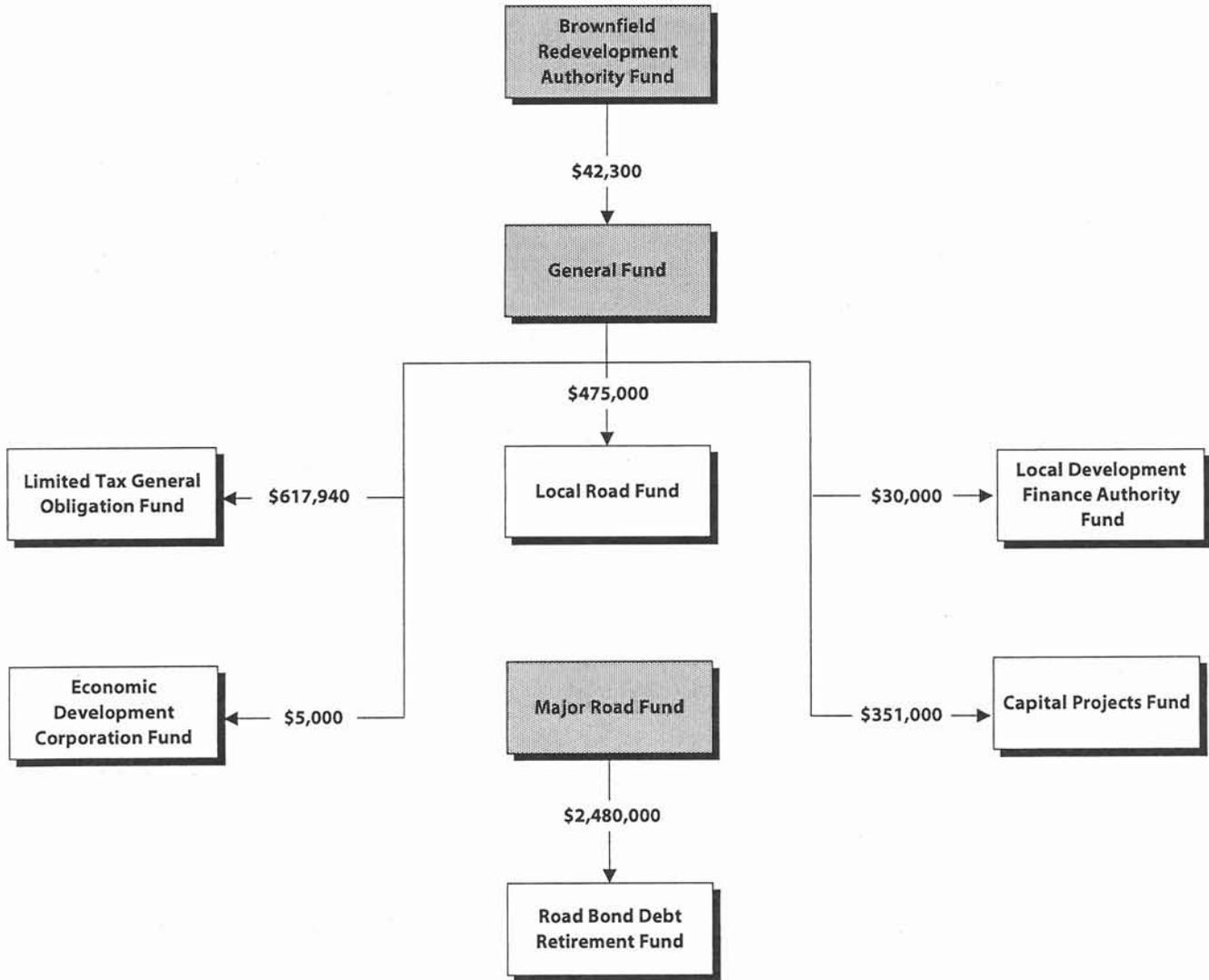


<b>Account</b>	<b>Description</b>	<b>2010/11 Budget</b>
<b>General Fund</b>		
574000	State Revenue Sharing	\$8,379,510
581001	SMART funding for senior citizen and special recreation transportation services	281,940
569001	State funding to reimburse City for Judges salaries	137,170
587001	Library funding from State assessed penal fines	110,000
583000	State funding for portion of cost of Police Officer assigned to Macomb Auto Theft Squad	58,400
567001	State Aid for Library services	48,860
539302	State funding for Police training	42,000
543426	State funding for portion of cost of Emergency Manager position	39,500
539332	State funding for Dispatcher training	20,000
544000	State revenue assistance for drunk driving 41-A District Court cases	18,000
585000	Reimbursement of Police OT resulting from federal task force operations	17,320
529000	Federal funding for underage alcohol traffic safety & drunk driving enforcement	8,000
529000	Federal funding for task force participation wage reimbursement	4,000
	<b>Total General Fund</b>	<b>9,164,700</b>
<b>Major Road Fund</b>		
546000	State Gas & Weight Tax	4,450,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	225,000
529000	Federal funding for 15 Mile & Schoenherr intersection improvements	158,720
	<b>Total Major Road Fund</b>	<b>4,833,720</b>
<b>Local Road Fund</b>		
546000	State Gas & Weight Tax	1,700,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	85,000
	<b>Total Local Road Fund</b>	<b>1,785,000</b>
<b>Community Development Block Grant Fund</b>		
529000	Federal funding for CDBG programs	1,349,890
529003	CDBG Program Income	81,000
	<b>Total Community Development Block Grant Fund</b>	<b>1,430,890</b>
<b>Neighborhood Stabilization Program Fund</b>		
529000	Federal funding for NSP programs	1,194,730
<b>Energy Efficiency &amp; Conservation Block Grant Fund</b>		
529000	Federal funding for EECBG programs	1,095,300
<b>Capital Projects Fund</b>		
529000	Federal funding for Police equipment - (55) In-car Mobile Computer Terminals (MCT's)	350,000
529000	Federal funding for Police equipment - (50) E-ticket printers	250,000
539378	State funding from cell phone surcharges for enhancing police communication centers	143,000
529000	Federal funding for fire safety trailer	10,400
	<b>Total Capital Projects Fund</b>	<b>753,400</b>
<b>Land &amp; Water Conservation Fund</b>		
539002	State funding for Dodge Park playscape with poured surface	60,000
539002	State funding for Baumgartner Park baseball dugout covers & replacement benches	2,500
	<b>Total Land &amp; Water Conservation Fund</b>	<b>62,500</b>
	<b>Total State &amp; Federal Revenue</b>	<b>\$20,320,240</b>

NOTE: The 2009/10 budget figures include funding from Federal, State, and Local Grants, Highway and Street Grants, and State Revenue Sharing.

## 2010/11 Interfund Transfers

The following flowchart illustrates the transfer of monies among all City funds. The shaded boxes contain the funds that will transfer out dollars. The arrows indicate the direction of the transfers. Under the governmental accounting system, a Transfer Out is classified as an expenditure, while a Transfer In is classified as revenue.



## 2010/11 BUDGET

**Activity Name**  
**Police & Fire Pension Board**

**Activity**  
**2380**

Account Number	Account Name	2008/09 Actual	2009/10 Budget	2009/10 To 12/31	2009/10 Estimate	2010/11 Budget
Supplies						
729.000	Postage	\$798	\$500	\$0	\$500	\$500
730.000	Publications	0	350	0	350	350
751.000	Operating Supplies	434	500	200	500	500
758.000	Computer Software	0	500	0	500	500
	<b>Total Supplies</b>	<b>1,232</b>	<b>1,850</b>	<b>200</b>	<b>1,850</b>	<b>1,850</b>
Other Charges						
802.000	Audit & Accounting Services	17,344	15,300	10,294	15,300	18,300
806.000	Legal Services	20,846	10,000	2,640	10,000	10,000
807.000	Medical Services	0	1,000	0	0	1,000
826.000	Other Contracted Services	858,864	1,173,000	407,232	900,000	1,000,000
903.000	Printing	510	350	0	350	350
922.000	Telephone	378	400	174	400	400
956.000	Local Meetings	29	100	8	100	100
957.000	Memberships & Dues	200	200	200	200	200
959.000	Education & Training	8,844	19,000	2,026	4,100	5,650
	<b>Total Other Charges</b>	<b>907,015</b>	<b>1,219,350</b>	<b>422,574</b>	<b>930,450</b>	<b>1,036,000</b>
Capital Outlay						
979.000	Computer Equipment	0	0	0	0	0
	<b>Total Capital Outlay</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Activity</b>		<b>\$908,247</b>	<b>\$1,221,200</b>	<b>\$422,774</b>	<b>\$932,300</b>	<b>\$1,037,850</b>

NOTE: The "2008/09 Actual" & "2009/10 to 12/31" columns are rounded to the nearest dollar.

<u>NAME</u>	<u>CONTRACT EXPIRATION DATE</u>	<u>NUMBER OF BUDGETED EMPLOYEES</u>
<b><u>Union Employees</u></b>		
Technical/Office Union, Michigan Association of Public Employees (MAPE)	06/30/12	87
MAP Police Clerical Employees Association	06/30/11	26
POAM Dispatchers (includes Part-time)	06/30/12	23
DPW Field, Teamsters, Local 214	06/30/12	64
DPW Supervisors, AFSCME, Local 1917	06/30/12	7
Sterling Heights Fire Fighters, Local 1557	06/30/12	98
Michigan Association of Police Officers	06/30/11	131
Sterling Heights Police Command Officers	06/30/12	35
AFSCME Local 1884, Council 25 (includes Part-time)	06/30/11	23
UAW Supervisory Employees Unit 41, Local 412	06/30/12	19
UAW Professional & Technical Employees Unit 40, Local 412 (includes Part-time)	06/30/13	53
Sterling Heights Executive Employees Union – Michigan Association of Public Employees	06/30/13	7
<b><u>Non-Union Employees</u></b>		
Ordinance Employees	N/A	1
41-A District Court Judges	N/A	3
41-A District Court Administration	N/A	10

## Population <sup>1</sup>

Total Population ..... 124,471

### **Gender**

Male.....60,970

Female.....63,501

### **Age**

Under 5 years ..... 7,729

5 to 9 years..... 8,326

10 to 14 years..... 8,758

15 to 19 years..... 8,153

20 to 24 years..... 7,595

25 to 34 years..... 17,786

35 to 44 years.....20,087

45 to 54 years..... 18,621

55 to 59 years..... 7,462

60 to 64 years..... 5,316

65 to 74 years..... 7,266

75 to 84 years..... 5,398

85 years and older..... 1,974

### **Racial Makeup**

White..... 112,899

African American ..... 1,614

American Indian & Alaska Native.....260

Asian..... 6,123

Native Hawaiian & Other Pacific Islander..... 45

Other Race .....418

Two or more races..... 3,112

## Housing

Median Housing Value ..... \$168,300

Total Housing Units .....49,735

Houses.....32,864

Condominiums ..... 6,339

Apartments..... 8,900

Mobile Homes ..... 1,632

## Major Employers

### **Company/Employees**

Ford Motor Company ..... 3,300

General Dynamics ..... 2,700

Chrysler Group LLC..... 2,450

Lakeside Associates..... 2,000

Detroit News Agency ..... 1,200

Utica Community Schools..... 1,150

Warren Consolidated Schools ..... 790

City of Sterling Heights ..... 606

Miliken Millwork.....500

Kuka Flexible Production Systems, Inc. ....450

## Employment Status <sup>1</sup>

Population 16 years & over .....97,973

In labor force .....66,726

Civilian labor force .....66,659

Employed .....64,340

Unemployed.....2,319

Percent of civilian labor force..... 3.5

Armed Forces.....67

Not in labor force.....31,247

## Occupation <sup>1</sup>

Employed civilian population 16 yrs. & over ....64,340

Management, professional & related occupations .....22,844

Service occupations..... 7,889

Sales & office occupations.....19,213

Farming, fishing & forestry occupations ..... 51

Construction, extraction & maintenance occupations.....4,927

Production, transportation & material moving occupations.....9,416

## Industry <sup>1</sup>

Agriculture, forestry, fishing and hunting, & mining ..... 53

Construction.....3,226

Manufacturing .....16,639

Wholesale trade .....2,471

Retail trade.....9,105

Transportation and warehousing & utilities ..... 1,583

Information..... 1,475

Finance, insurance, real estate & rental and leasing.....4,091

Professional, scientific, management, administrative & waste management.....6,774

Educational, health & social services .....9,651

Arts, entertainment, recreation, accommodation & food services .....4,777

Other services (except public administration) ...2,372

Public administration.....2,123

## School Enrollment <sup>1</sup>

Population 3 yrs. & over enrolled in school.....33,141

Nursery school, preschool .....2,024

Kindergarten ..... 1,588

Elementary (grades 1-8).....13,955

High School (grades 9-12) .....7,401

College or graduate school..... 8,173

## Streets & Sidewalks

Miles of City Streets:	
Primary .....	63
Secondary.....	286
Estimated Sidewalks in Miles .....	609
Bridges .....	11
Street Lights .....	2,520

## Police Protection

Group A offenses <sup>2</sup> .....	6,686
Group B offenses <sup>3</sup> .....	2,632
Injury Accidents .....	824
Property Damage .....	3,191
Private Property Damage .....	1,037
Total Traffic Violations .....	32,154
Civil Infractions .....	29,855
Parking Violations.....	1,702
Adult Arrests.....	3,079
Juvenile Arrests .....	156
OUIL Arrests.....	414

## Fire Protection

Stations .....	5
Emergency Alarms Answered .....	10,480
Medical Emergencies .....	7,745
Fire Inspections Conducted.....	3,874
Inspection Violations Issued.....	7,495
Training Hours Completed.....	31,121

## 41-A District Court

Cases Handled:	
Civil .....	3,947
Criminal .....	4,922
Traffic .....	30,422
Landlord & Tenant.....	2,653
Small Claims .....	524

## Election Data

Registered Voters .....	88,258
Voters at Polls .....	44,074
Absentee Ballots .....	16,972
Percent Voting.....	69.17%

## Parks & Recreation

Acres.....	820
Developed Parks.....	28
Adult Athletics Attendance .....	17,125
Youth Athletics Attendance .....	61,299

Instructional Swim Attendance.....	7,100
Instructional Rec. Attendance.....	24,795
Nature Program Attendance.....	23,321
Senior Program Attendance.....	116,564
Special Event Attendance .....	74,449
Summer Playground Attendance.....	11,370
Special Rec. Program Attendance .....	15,679

## Library

Registered Borrowers.....	52,043
Book Collections .....	199,968
Other Collections <sup>4</sup> .....	37,344
Items Circulated .....	625,688
Reference Transactions .....	148,978
Program Attendance.....	37,639
Library Visits .....	581,046
Interlibrary Loan Requests .....	125,167
Book Van Deliveries .....	8,818
Online Computer Users.....	552,503

## Water & Sewer Services

Customers:	
Residential.....	34,811
Commercial/Industrial.....	4,233
Miles of Water Mains .....	574
Miles of Sanitary Sewers.....	430
Fire Hydrants.....	7,203
Water (in thousand cubic feet):	
Purchased from Detroit.....	709,423
Sold to Residents.....	711,126
Rates:	
1,000 Cubic Feet (water and sewer).....	\$31.94
Sewer Only – Per Billing .....	\$35.00

<sup>1</sup> Source: U.S. Census Bureau, Census 2000

<sup>2</sup> Murder, criminal sexual conduct, robbery, aggravated assault, burglary, larceny, arson, motor vehicle theft, damage to property, retail fraud, etc.

<sup>3</sup> Disorderly conduct, assault, family trouble, negligent homicide, obstructing justice, OUIL, etc.

<sup>4</sup> Art prints, audio/video cassettes, compact discs, software discs, puppets, and posters.

**CITY OF STERLING HEIGHTS  
MACOMB COUNTY, MICHIGAN  
ORDINANCE NO. 409**

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 2010/11; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2010/11; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2010/11.

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, 2010 through June 30, 2011. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2010/11.

**Sec. 2.01**

**GENERAL FUND BUDGET:**

**REVENUES & OTHER FINANCING SOURCES**

**REVENUES**

General Ad Valorem Tax	\$48,608,400		
Licenses and Permits	1,047,500		
State and Local Returns	9,164,700		
Fines and Forfeitures	3,446,600		
Charges for Services	8,615,370		
Other Revenue	2,807,950		
Cable Revenue	1,800,000		
Use of Fund Balance	<u>3,344,420</u>	<u>3,046,140</u>	
 Total General Revenue		 78,834,940	 78,536,660
 Refuse Tax	 4,485,940		
Fire & Police Pension Tax	<u>5,866,050</u>		
Total Refuse and Pension Tax		<u>10,351,990</u>	
Total Revenues		<u>89,186,930</u>	88,888,650

**OTHER FINANCING SOURCES**

Transfers In	<u>42,300</u>		
Total Other Financing Sources		<u>42,300</u>	
 <b>Total Revenues &amp; Other Financing Sources</b>		 <b><u>\$89,229,230</u></b>	 <b><u>\$88,930,950</u></b>

and does hereby designate \$48,208,400 to be raised by 10.1811 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 \$5,866,050 to be raised by 1.2388 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 \$4,485,940 to be raised by 0.9474 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of the collection and removal of garbage and trash of the City as authorized by MCL 123.261, et. seq.

and directs the Treasurer to add a collection fee of one-half (1/2) percent per month to all taxes, charges and assessments paid after September 1, and further, upon all taxes, charges and assessments returned to the County Treasurer upon any delinquent tax roll, a charge of three percent (3%) shall be added and the same shall be collected by the County Treasurer in like manner as and together with the taxes, charges and assessments so returned.

**EXPENDITURES & OTHER FINANCING USES**

**EXPENDITURES**

City Administration Department	\$7,543,050		
Parks & Recreation Department	2,119,970		
Police Department	<u>32,977,400</u>	32,961,120	
Fire Department	18,301,770		
City Development Department	3,871,660		
Public Works Department	7,975,440		
Refuse Collection	4,518,940		
Public Library Department	2,755,600		
Community Relations Department	1,606,950		
41-A District Court	3,290,470		
General Expenditures	<u>2,507,040</u>		
Total Expenditures		87,468,290	87,452,010

**OTHER FINANCING USES**

Transfers Out	<u>1,760,940</u>	1,478,940	
Total Other Financing Uses		<u>1,760,940</u>	1,478,940

**Total General Fund** \$89,229,230 \$88,930,950

**Sec. 2.02**

**WATER & SEWER OPERATING FUND:**

**OPERATING REVENUES**

Operating Revenues	\$30,451,170	
Use of Net Assets	<u>5,090</u>	
<b>Total Operating Revenues</b>		<b><u>\$30,456,260</u></b>

**OPERATING EXPENSES**

Administration	\$3,299,280	
Water Distribution	12,410,520	
Sewage Collection	<u>14,746,460</u>	
<b>Total Water &amp; Sewer Operating Fund</b>		<b><u>\$30,456,260</u></b>

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, 2010.

**WATER RATES**

Consumption Charges Per Billing Period	<u>Rate Per Thousand Cubic Ft.</u>
First 3,000 cubic feet or less.....	\$15.91
All over 3,000 cubic feet.....	17.01
 Meter Charges Per Billing Period	
1 1/2" .....	\$4.45
2" .....	11.54
3" .....	21.16
4" .....	27.76
6" .....	43.93
8" .....	69.95
10" .....	91.88
16" .....	105.00

**SEWER RATES**

This charge shall be based on the amount of water used per billing period:

	<u>Rate Per Thousand Cubic Ft.</u>
Per 1,000 cubic feet.....	\$21.31

**BILLING**

Bills for water and sewer service shall be rendered periodically as set forth in this article. The billing period for single-family residential customers is quarterly, all other customers are billed monthly. All bills shall be due and payable twenty (20) days from the date thereon. A penalty of six percent (6%) of the amount of the unpaid portion of each current bill shall be added to each bill not paid on or before the due date. An additional penalty of seventeen percent (17%) of the total of the unpaid balance and the six percent (6%) penalty shall be added at the time the delinquent bill is entered upon the tax roll, pursuant to section 35-6 (a) of the Sterling Heights City Code. The City shall establish a minimum water and sewer bill, which shall be based on 1,000 cubic feet of water usage per billing cycle. There will be a \$45.00 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	\$40,660	20,260	
Federal Grants	158,720		
State Sources	4,675,000		
Other Revenue	<u>213,000</u>		
Total Revenues		5,087,380	5,066,980

**OTHER FINANCING SOURCES**

Transfer from Road Bond Construction Fund

0

Total Other Financing Sources

0**Total Revenues & Other Financing Sources****\$5,087,380****\$5,066,980****EXPENDITURES & OTHER FINANCING USES****EXPENDITURES**

Administration Expenses

\$130,410

Major Street Maintenance

1,680,750

1,660,350

Major Street Improvements

796,220

Total Expenditures

2,607,380

2,586,980

**OTHER FINANCING USES**

Transfer to Road Bond Debt Retirement Fund

2,480,000

Total Other Financing Uses

2,480,000**Total Major Road Fund****\$5,087,380****\$5,066,980****Sec. 2.04****LOCAL ROAD FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance

\$494,310

454,310

Federal Grants

0

State Sources

1,785,000

Charges for Services

55,000

Other Revenue

52,570

Total Revenues

2,386,880

2,346,880

**OTHER FINANCING SOURCES**

Transfer from General Fund

475,000

Total Other Financing Sources

475,000**Total Revenues & Other Financing Sources****\$2,861,880****\$2,821,880****EXPENDITURES & OTHER FINANCING USES****EXPENDITURES**

Administration Expenses

\$149,380

Local Street Maintenance

1,637,500

1,597,500

Local Street Improvements

1,075,000

Total Expenditures

2,861,880

2,821,880

**OTHER FINANCING USES**

Transfer to Road Bond Debt Retirement Fund

0

Total Other Financing Uses

0**Total Local Road Fund****\$2,861,880****\$2,821,880**

**Sec. 2.05**

**LAND & WATER CONSERVATION FUND BUDGET:**

**REVENUES & OTHER FINANCING SOURCES**

**REVENUES**

Fund Balance	\$307,000	281,000	
Federal & State Sources	62,500		
Other Revenue	<u>5,000</u>		
Total Revenues		374,500	348,500

**OTHER FINANCING SOURCES**

Transfer from General Fund	<u>0</u>		
Total Other Financing Sources		<u>0</u>	

**Total Revenues & Other Financing Sources**

**\$374,500      \$348,500**

**EXPENDITURES**

Land Improvements	<u>\$374,500</u>	<u>348,500</u>	
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**Total Land & Water Conservation Fund**

**\$374,500      \$348,500**

**Sec. 2.06**

**ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT FUND BUDGET:**

**REVENUES**

Federal Grants	<u>\$1,095,300</u>		
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**Total Revenues**

**\$1,095,300**

**EXPENDITURES**

Administrative & Capital Expenses	<u>\$1,095,300</u>		
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**Total Energy Efficiency & Conservation Block Grant Fund**

**\$1,095,300**

**Sec. 2.07**

**PUBLIC SAFETY FORFEITURE FUND BUDGET:**

**REVENUES**

Fund Balance	\$441,330	430,830	
Federal Forfeitures	0		
State Forfeitures	0		
Gambling Forfeitures	0		
Operating While Intoxicated Forfeitures	0		
Interest Income	<u>3,810</u>		

**Total Revenues**

**\$445,140      \$434,640**

**EXPENDITURES**

Federal Forfeitures	\$340,240	329,740	
State Forfeitures	98,800		
Gambling Forfeitures	0		
Operating While Intoxicated Forfeitures	<u>6,100</u>		

**Total Public Safety Forfeiture Fund**

**\$445,140      \$434,640**

**Sec. 2.08**

**COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:**

<b>REVENUES</b>			
Community Development Block Grant	<u>\$1,413,030</u>	<u>1,430,890</u>	
<b>Total Revenues</b>		<b><u>\$1,413,030</u></b>	<b><u>\$1,430,890</u></b>
<b>EXPENDITURES</b>			
Administrative Expenses	\$131,780		
Books	7,000	7,380	
Senior Citizens Home Chore Program	25,000	25,870	
Single Parent Education Program	30,000	29,960	
Minor Home Repair	25,000		
Handicapped Recreation Program	20,000	22,900	
Housing Rehabilitation Program	438,230	453,410	
Contributions to Non-Profit Organizations	27,350	25,920	
Capital & Other Improvements	381,110		
Principal	305,000		
Interest	<u>22,560</u>		
<b>Total Community Development Block Grant Fund</b>		<b><u>\$1,413,030</u></b>	<b><u>\$1,430,890</u></b>

**Sec. 2.09**

**NEIGHBORHOOD STABILIZATION PROGRAM FUND BUDGET:**

<b>REVENUES</b>			
Federal Grants	<u>\$1,194,730</u>		
<b>Total Revenues</b>		<b><u>\$1,194,730</u></b>	
<b>EXPENDITURES</b>			
Downpayment & Rehabilitation Assistance	\$270,000		
Acquisition, Rehabilitation & Resale	363,620		
Acquisition/Redevelopment	414,120		
Demolition	30,000		
Administration Costs	<u>116,990</u>		
<b>Total Neighborhood Stabilization Program Fund</b>		<b><u>\$1,194,730</u></b>	

**Sec. 2.10**

**CORRIDOR IMPROVEMENT AUTHORITY FUND:**

<b>REVENUES &amp; OTHER FINANCING SOURCES</b>			
<b>REVENUES</b>			
Fund Balance	\$197,910	97,910	
Property Taxes	19,450		
Federal Grants	0		
Other Revenue	<u>900</u>		
<b>Total Revenues</b>		<b>218,260</b>	<b>118,260</b>
<b>OTHER FINANCING SOURCES</b>			
Transfer from General Fund	<u>0</u>		
<b>Total Other Financing Sources</b>		<b><u>0</u></b>	
<b>Total Revenues &amp; Other Financing Sources</b>		<b><u>\$218,260</u></b>	<b><u>\$118,260</u></b>



**Sec. 2.13**

**LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:**

**REVENUES & OTHER FINANCING SOURCES**

**OTHER FINANCING SOURCES**

Transfer from General Fund \$30,000

**Total Revenues & Other Financing Sources \$30,000**

**EXPENDITURES**

Other Contracted Services \$30,000

**Total Local Development Finance Authority Fund \$30,000**

**Sec. 2.14**

**GENERAL DRAIN FUND:**

**REVENUES & OTHER FINANCING SOURCES**

**REVENUES**

Required Drain-at-Large Levy \$1,184,160

Delinquents & Penalties 4,300

Other Revenue 2,000

Total Revenues 1,190,460

**OTHER FINANCING SOURCES**

Bond Proceeds – Refunding 0

Total Other Financing Sources 0

**Total Revenues & Other Financing Sources \$1,190,460**

and does hereby designate \$1,184,160 to be raised by 0.2501 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City for the purpose of defraying the several costs of the drains in the General Drain Budget.

**EXPENDITURES**

Other Charges \$7,400

Principal 980,000

Interest 203,060

**Total Drain Fund \$1,190,460**

**Sec. 2.15**

**VOTED TAX GENERAL OBLIGATION DEBT FUND:**

**REVENUES & OTHER FINANCING SOURCES**

**REVENUES**

Fund Balance \$5,000

Delinquents & Penalties 300

Other Revenue 1,000

Proposal F Levy 324,850

Total Revenues 331,150

**OTHER FINANCING SOURCES**

Transfer from General Fund	0	
Total Other Financing Sources		0

<b>Total Revenues &amp; Other Financing Sources</b>		<b><u>\$331,150</u></b>
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and does hereby designate \$324,850 to be raised by 0.0684 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for public improvement debt service as authorized by the electors of the City in approving Proposal F in 2006.

**EXPENDITURES**

Proposal R Expenditures	\$300	
Proposal F Expenditures	<u>330,850</u>	

<b>Total Voted Tax General Obligation Debt Fund</b>		<b><u>\$331,150</u></b>
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**Sec. 2.16****ROAD BOND DEBT RETIREMENT FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Special Assessment Revenue	\$149,830	
Interest Income	139,310	
Other Revenue	<u>38,270</u>	
Total Revenues		327,410

**OTHER FINANCING SOURCES**

Transfer from Major Road Fund	<u>2,480,000</u>	
Total Other Financing Sources		<u>2,480,000</u>

<b>Total Revenues &amp; Other Financing Sources</b>		<b><u>\$2,807,410</u></b>
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**EXPENDITURES**

Principal	\$2,055,000	
Interest	705,740	
Other Fees	1,850	
Contribution to Fund Balance	<u>44,820</u>	

<b>Total Road Bond Debt Retirement Fund</b>		<b><u>\$2,807,410</u></b>
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**Sec. 2.17****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>617,940</u>	
Total Other Financing Sources		<u>617,940</u>

<b>Total Revenues &amp; Other Financing Sources</b>		<b><u>\$617,940</u></b>
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**EXPENDITURES**

Principal	\$485,000
Interest	132,550
Other Fees	<u>390</u>

**Total Limited Tax General Obligation Debt Fund****\$617,940****Sec. 2.18****CAPITAL PROJECTS FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$331,400	
State & Local Returns	753,400	
Other Revenue	684,200	
Penalties & Interest	<u>1,000</u>	
Total Revenues		1,770,000

**OTHER FINANCING SOURCES**

Transfer from General Fund	<u>633,000</u>	<u>351,000</u>	
Total Other Financing Sources		633,000	351,000

**Total Revenues & Other Financing Sources****\$2,403,000****\$2,121,000****EXPENDITURES**

Capital Equipment	\$837,000	830,000
Capital Vehicles	656,000	381,000
Capital Projects	<u>910,000</u>	

**Total Capital Projects Fund****\$2,403,000****\$2,121,000****Sec. 2.19****ROAD BOND CONSTRUCTION FUND:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$599,000	
Other Revenue	<u>4,000</u>	
Total Revenues		603,000

**OTHER FINANCING SOURCES**

Proceeds from Long-Term Debt	<u>0</u>	
Total Other Financing Sources		<u>0</u>

**Total Revenues & Other Financing Sources****\$603,000****EXPENDITURES & OTHER FINANCING USES****EXPENDITURES**

Construction	<u>\$603,000</u>	
Total Expenditures		603,000

**OTHER FINANCING USES**

Transfer to Major Road Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

**Total Road Bond Construction Fund****\$603,000**

**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, 2010 through June 30, 2011. 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.....	485.00
Lot Combinations.....	385.00
Processing Labels (per page) .....	1.05
Resident Field Sheet Fee.....	1.00
Apartment Listing (Names/Sidwells/Assessments).....	50.00
Shopping Center List.....	50.00
Section or Subdivision Listing (per page).....	0.75
Assessing, Board of Review, & Sales Information (first page).....	1.75
Additional Pages .....	0.30
Plat Map .....	110.00
Custom Assessment Information Report.....	40.00
Speculative Building Designation Filing Fee.....	500.00
Project Extension Application Fee .....	500.00
Project Cost Revision Application Fee .....	500.00
IFEC Extension Application Fee.....	500.00
Tax Hardship Income Limits:	
1 Person.....	19,880.00
2 Person .....	22,720.00
3 Person .....	25,560.00
4 Person .....	28,400.00
5 Person .....	30,680.00
6 Person .....	32,960.00
7 Person .....	35,200.00
8 Person .....	37,480.00

**Sec. 3.02**

**BUILDING OFFICE:**

Fence Permit.....	33.00
Fence Permit – Masonry, Separation.....	50.00
Board of Code Appeals.....	203.00
Board of Ordinance Appeals .....	203.00
Overtime Inspections, Each Hour (4 hour minimum) .....	79.00
Special Inspections, Each Trade (Residential) .....	46.00
Special Inspections, Each Trade (Commercial).....	66.00
Quarterly Inspection Fees under Derelict Building Provision.....	711.00
Reinspection Fee under Derelict Building Provision (each visit) .....	51.00
Rehabilitation and Re-Occupancy Fee .....	194.00
Re-Review Fee for Rehabilitation Plan (each review).....	98.00
Derelict Building Registration Fee.....	114.00
Building Code Publication.....	Cost + 10.00 Administration fee

Building Moving Permit .....	265.00
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
<b>Electrical Work</b>	
Application Fee (Non-refundable) .....	31.00
Permit fee (minimum).....	43.00
Electrical Contractor's Registration.....	21.00
Fire Alarm Contractor's Registration .....	21.00
Sign Contractor's Registration.....	21.00
Furnace Wiring .....	22.00
Circuits: Each (new or extended).....	16.00
Fixtures: Each 25 .....	16.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP .....	22.00
Each 11 to 30 HP.....	27.00
Each 31 to 50 HP.....	32.00
Each 51 to 60 HP.....	38.00
Each 61 and over .....	51.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less).....	45.00
Refrigeration Units:	
Air Conditioning (residential) .....	22.00
Interruptible Service .....	22.00
Air Conditioning (commercial):	
Up to 5 Tons.....	27.00
5 to 40 Tons.....	45.00
Over 40 Tons.....	68.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type .....	22.00
Swimming Pools/Hot Tubs (all).....	50.00
Service (Lights, Heat, and Power):	
100 Ampere or less.....	22.00
101 to 500 Ampere.....	32.00
501 to 900 Ampere.....	45.00
900 Ampere or more.....	56.00
Signs: Sign Circuit .....	38.00
Sign Tag Inspection.....	58.00
Sign Connection.....	63.00
General Repair & Alterations (per hour or fraction thereof) .....	52.00
Generator Connection.....	45.00
Motion Picture Apparatus .....	45.00
Special Inspections not specifically covered:	
Festivals .....	116.00
Carnivals.....	116.00
Circuses.....	116.00
Shop Inspection.....	67.00
Theatrical Road Show.....	67.00
Christmas Tree Lot.....	67.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft. ....	60.00
Over 100,000 to 200,000 sq. ft.....	112.00
Over 200,000 to 300,000 sq. ft.....	132.00
Over 300,000 to 400,000 sq. ft.....	196.00
Over 400,000 sq. ft.....	260.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet .....	67.00

Mobile Home and Trailer Park Inspections (minimum) .....	46.00
Fire Alarm Inspection (minimum).....	64.00
Plan Review Fee.....	86.00
Manual Pull Station .....	9.00
A/V, Strobe, Voice Speaker .....	9.00
Water Flow/Tamper Switch.....	9.00
Heat or Smoke Detector .....	9.00
Flame, Duct Detector.....	9.00
Auxiliary Panel.....	9.00
Electric Door Release .....	9.00
Elevator Recall Status .....	9.00
Fire Alarm Circuit.....	15.00
Alterations to existing system .....	52.00
Reinspection Fee.....	52.00
Miscellaneous Fire Alarm Fee.....	52.00

**Plumbing Work**

Application Fee (Non-refundable) .....	35.00
Permit Fee (minimum).....	43.00
Plumber's Registration .....	1.00
Journeyman Plumber's Registration .....	0.50
Fixture Inspection: (New and Replacement)	
New Installation (minimum) .....	43.00
New Stack or Stack Alteration .....	13.00
Air Admittance Valve .....	13.00
Roof conductor .....	13.00
Sump or interceptor .....	13.00
Backflow preventor .....	13.00
Pump or Water Lift .....	13.00
Hose connection (sillcocks).....	13.00
Water treatment device.....	13.00
Water closets .....	13.00
Shower traps.....	13.00
Baths .....	13.00
Water heater .....	27.00
Sinks (any description) .....	13.00
Lavatories.....	13.00
Laundry trays.....	13.00
Floor drains.....	13.00
Ice Maker .....	13.00
Back Water Valve.....	13.00
Thermal Expansion Tank.....	13.00
Bidet.....	13.00
Dental Chair .....	13.00
Grease or Oil Interceptor.....	13.00
Drinking fountains.....	13.00
Soda fountains/bars.....	13.00
Waste opening.....	13.00
Humidifiers .....	13.00
Food waste grinders .....	13.00
Dishwashers.....	13.00
Urinals .....	13.00
Whirlpools.....	32.00
Lawn Sprinkler Systems.....	38.00
All other fixtures not mentioned.....	13.00
Reinspection Fee.....	52.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum) .....	27.00
Each additional .....	13.00

Building Sewer Connection – sump connection .....	45.00
Drains:	
Storm drains to catch basin for main storm sewer.....	260.00
Lines less than 4" in diameter.....	23.00
Lines less than 6" in diameter.....	28.00
Lines less than 8" in diameter.....	39.00
Lines less than 10" in diameter.....	52.00
Lines less than 12" in diameter.....	67.00
Lines less than 14" in diameter.....	78.00
Lines less than 16" in diameter.....	92.00
Lines less than 18" in diameter.....	106.00
Lines exceeding 18" in diameter (per inch).....	11.00
Water Distribution System:	
¾" .....	17.00
1" .....	28.00
1 ¼".....	33.00
1 ½".....	46.00
2" .....	60.00
2 ½".....	85.00
3" .....	98.00
4" .....	112.00
Exceeding 4" .....	131.00
Replace piping, no increase in size.....	33.00
<b>Mechanical Work</b>	
Application Fee (Non-refundable) .....	31.00
Permit Fee (minimum).....	43.00
License/Registration.....	18.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000.....	45.00
75,001 to 500,000.....	51.00
500,001 – 1,000,000.....	89.00
1,000,001 – 2,000,000.....	102.00
2,000,001 – 3,000,000.....	126.00
over 3,000,000.....	153.00
Duct Work.....	45.00
Gas Piping:	
Mains up to 2" .....	38.00
Mains 2 ½" to 4" .....	51.00
Mains over 4" .....	64.00
Each Opening off of Main .....	11.00
Factory Built Chimneys:	
Up to 8".....	16.00
9" to 12".....	27.00
Over 12".....	38.00
Pre-Fab Fireplace.....	51.00
Flue Liner .....	32.00
Exhaust Fans:	
Up to 400 cfm.....	11.00
401 cfm to 1,000 cfm.....	16.00
1,001 cfm to 4,000 cfm.....	27.00
Over 4,000 cfm.....	38.00
Dryer Vents.....	16.00
Kitchen Hood and Duct (UL300/FM200).....	46.00
Spray Booth Hood and Duct.....	46.00
Alterations to existing installations .....	52.00
Reinspection Fee.....	52.00
Refrigeration Systems –	
Self Contained:	
2 Tons or Less, each .....	38.00
Over 2 to 5 Tons, each.....	45.00

Alterations to each system .....	52.00
Remote Systems:	
5 Tons or Less, each .....	45.00
Over 5 to 50 Tons, each .....	64.00
Over 50 Tons, each .....	102.00
Alterations to each system .....	52.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4" diameter .....	39.00
Riser pipe up to 6" diameter .....	67.00
Riser pipe up to 8" diameter .....	92.00
Riser pipe 8" or more diameter .....	196.00
Each suppression opening (each head of the system) .....	3.00
Alteration to existing system .....	52.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons .....	45.00
Tanks under 5,000 Gallons .....	58.00
Tanks under 20,000 Gallons .....	75.00
Tanks under 50,000 Gallons .....	89.00
Tanks under 200,000 Gallons .....	102.00
Tanks over 200,000 Gallons .....	190.00
<b>Buildings</b>	
Application Fee (Non-refundable) .....	31.00
Building Permit Fees (all use groups):	
Valuation to \$1,000 .....	51.00
Valuation \$1,001 to \$10,000 .....	51.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000 .....	215.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000 .....	900.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over .....	3,910.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained) .....	460.00
Multi-Family Bond (5% Retained) .....	690.00
Commercial Bond (5% Retained) .....	1,380.00
Industrial Bond (5% Retained) .....	2,750.00
Mobile Homes .....	133.00
Plan Review Fee:	
Valuation \$0 - \$500,000 .....	0.0040 of valuation but not less than 100.00
Valuation over \$500,000 .....	2,240.00 + 0.0015 of valuation over 500,000.00
Plan Review: If Plan Number is on File .....	98.00
Miscellaneous Plan Review .....	60.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs) .....	60.00
Pigeon Loft Inspection .....	60.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner .....	31.00
Use Permit (tenant space) .....	85.00
Fire Repair .....	195.00
Fire Inspection Fee (New City Businesses) .....	80.00
Reinspection Fee .....	52.00
Demolition:	
Plan review and administration base fee .....	60.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground .....	64.00
Below Ground .....	126.00
Signs:	
Application Fee (non-refundable) .....	31.00
Plan Review Fee .....	60.00
Permanent .....	131.00
Temporary .....	60.00
Contractor Registration Fee .....	21.00
Residential Basement Finish .....	189.00
Residential Interior Finish .....	189.00
Minor Commercial Alterations under 400 sq. ft. ....	195.00

**Code Enforcement**

Nuisance Abatement Administrative Fee .....	25%
Nuisance Abatement Agreement Execution Fee .....	Attorney Fee + 25%
Sidewalk Snow Removal Fee .....	Cost + 25% + 32.00
Claimed Signs:	
16 sq. ft. or less .....	3.00 each
17 – 31 sq. ft. ....	21.00 each
32 sq. ft. and over .....	107.00 each
Special Code Enforcement Inspection .....	32.00
Municipal Civil Infraction (Residential Parking and Signs):	
Each Violation.....	100.00
First Repeat Offense.....	250.00
Second and Subsequent Repeat Offenses .....	500.00

**Sec. 3.03****CITY ADMINISTRATION:**

Amusement Device License:	
Types A & B.....	855.00 + 56.00 per device
Renewal Fee .....	173.00 + 31.00 per device
Type C.....	855.00
Renewal Fee .....	174.00
Attorney Services.....	Attorney fees & costs
Auction Sales License (per day).....	26.00
Auctioneer License.....	51.00
Business Registry License .....	41.00
Carnival/Festival License.....	68.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License.....	59.00 + 6.00 each additional machine
Death and Birth Certificate.....	19.50
Additional Copies .....	7.50
Dog License	
Prior to April 1 (all dogs).....	6.00
April 1 to October 31 (dog) .....	8.00
April 1 to October 31 (puppy) .....	6.00
November 1 to December 31 (all dogs) .....	5.00
Replacement Dog Tag .....	1.70
Fire Inspection Fee (New City Businesses) .....	80.00
Going Out of Business Sales License .....	50.00
Renewal Fee .....	50.00
House Moving License.....	68.00
Industrial Development District Filing Fee .....	1,000.00
Industrial Facilities Exemption Certificate Filing Fee .....	1,750.00
Industrial Facilities Exemption Certificate Application Amendment Fee .....	1,000.00
Industrial Facilities Exemption Certificate Transfer Fee .....	1,000.00
Junk Yard License .....	246.00
Landscaper License (Non-resident) .....	61.00
Mobile Vending License.....	169.00
Passport Processing Fee.....	25.00
Pawnbroker License .....	500.00
Refuse Collection License.....	88.00 + 7.00 each truck
Snow Removal License .....	173.00
Solicitor/Peddler License .....	112.00
Tattoo Permit .....	510.00
Taxi License (annual fee).....	86.00 + 12.00 per vehicle
Temporary Use Vendor License .....	44.00
Wrecker Driver License (Towing Contractor) .....	109.00
Renewal Fee Wrecker Driver License (Towing Contractor) .....	55.00
Massage Establishment License.....	585.00
Renewal Fee Massage Establishment License .....	293.00
Precinct Map.....	7.00
City Street Map .....	4.40

Zoning Map .....	5.60
City Budget .....	47.00
Municipal Improvement Program.....	27.00
City Financial Audit.....	27.00
Collective Bargaining Agreement .....	5.50
Election Results .....	8.50
Voter and Business Registry Labels (per page).....	1.05
Voter and Business Registry Lists (per computer hour) .....	Payroll + 0.05/page
Magnetic Voter Tape .....	103.00
with own tape .....	64.00
Voter Data Diskette.....	24.00
Liquor License: Class C.....	1,850.00
Tavern.....	1,850.00
SDD & SDM.....	1,850.00
Entertainment and/or Dance Permit.....	1,850.00
Extended Hours Permit.....	1,850.00
Shareholder Partial Transfer .....	920.00
Temporary Liquor License Application Fee .....	29.00
Outdoor Service Permit .....	230.00
Hotel/Motel License.....	1,850.00
Renewal Fee Hotel/Motel License .....	920.00
Certifications .....	4.50
Photo Copies .....	1.75
Additional Pages .....	0.30
Microfilm Copies (per page) .....	4.90
Recording Fee (formerly Encroachment Fee) .....	40.00
Notary Fee.....	4.40
Audio Tape Recordings (prepay minimum) .....	16.00
Fireworks Display Permit .....	650.00
Close Proximity Pyrotechnic Display Permit .....	650.00
Sterlingfest Art Fair Applications.....	200.00
Double Booth Fee.....	375.00
Corner Booth Additional Charge .....	30.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable).....	15.00
"Taste of the Town" Sterlingfest Booth – Food Cart Vendors.....	600.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs.....	1,350.00
Sterlingfest Beer Tent Cover Charge (Adult 21 & Over) .....	2.00
VHS Tape Dubs .....	31.00
DVD Dubs .....	
Resident.....	21.00
Non-Resident.....	31.00
Gazebo Rental (per event): .....	
Resident.....	53.00
Non-Resident.....	80.00
Gazebo Rental for Photographs Only (per 1 hour rental): .....	
Resident.....	27.00
Non-Resident.....	40.00
Upton House Rental – (per 4 hour rental): .....	
Resident.....	53.00
Non-Resident.....	80.00
SHTV Sports Programming Sponsorship Fees (City businesses, residents, or service clubs): .....	
One Quarter (Football).....	77.00
One Half (Football, Basketball, Soccer) .....	102.00
One Inning (Baseball/Softball) .....	26.00
Entire Game.....	153.00
SHTV Non-Sports Programming Sponsorship Fees (City businesses, residents, or service clubs): .....	
Half-hour Program.....	77.00
One hour Program.....	128.00
Environmental Recovery Fee .....	Cost + 25% Administrative Fee
Municipal Civil Infraction: .....	
Each Violation.....	150.00
First Repeat Offense.....	375.00



Planimetric Map 36" x 36" (blueline) .....	20.00 each
Overall Watermain Map (blueline) .....	7.00 each
Overall Sanitary Sewer Map (blueline) .....	7.00 each
Overall Storm Sewer Map (blueline) .....	7.00 each
Master Storm Sewer Plan (book form) .....	44.00 each
Master Watermain Plan (book form) .....	32.00 each
Master Sanitary Sewer Plan (book form) .....	32.00 each
Master Road Plan (book form) 1998 HRC .....	44.00 each
Municipal Civil Infraction for Various Soil Erosion and Sedimentation Control Regulations:	
First and Subsequent Repeat Offenses .....	750.00
Municipal Civil Infraction for Unabated Knowing Violations of City Code Chapter 17:	
Each Violation .....	5,000.00
First Repeat Offense .....	7,500.00
Second and Subsequent Repeat Offenses .....	10,000.00
Municipal Civil Infraction for Unabated Knowing Violations After a Notice of Determination:	
Each Violation .....	10,000.00
First Repeat Offense .....	15,000.00
Second and Subsequent Repeat Offenses .....	20,000.00
* Class 1 projects include drain enclosures, channel improvements, sanitary sewer, water main, and pavement overlay.	
** Class 2 projects include new road construction or reconstruction, bridges, pumping stations, etc.	

### **Sec. 3.06**

#### **FIRE DEPARTMENT:**

Fire Reports: First Page .....	9.00
Additional Pages .....	1.00
Digital Photographs:	
5" x 7" Color Print .....	27.00
8" x 10" Color Print .....	27.00
8" x 10" Contact Sheet .....	27.00
Compact Disc .....	14.00
Burning Permit .....	175.00
Fireworks Sales Permit .....	650.00
Fireworks Display Permit .....	650.00
Close Proximity Pyrotechnic Display Permit .....	650.00
Board of Code Appeals .....	215.00
Witnessed Acceptance Test Fee .....	152.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum) .....	698.00
Each additional hour .....	233.00
Reinspection Fee for Witnessed Acceptance Test .....	152.00
Phase I Site Inspection (1 hour minimum) .....	54.00+30 per hour
Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets)	
Each Inspection .....	164.00
Each Re-Inspection .....	164.00
Off-Hour Inspection (3 hour minimum) .....	233.00
Each Additional Hour .....	69.00
Off-Hour Re-Inspection (3 hour minimum) .....	233.00
Each Additional Hour .....	69.00
Plan Review Fee .....	86.00
Heart Saver (CPR) Program Fee .....	42.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.) .....	Cost + 30%
Biennial Fire Inspection Fee (All City Businesses) .....	80.00
Reinspection Fees:	
First Reinspection .....	No Fee
Second and Subsequent Reinspections .....	102.00
False Alarm Fees: (within a 12 month period)	
First Response .....	No Fee
Second Response .....	125.00

Third Response .....	285.00
Fourth and Subsequent Responses .....	580.00
Municipal Civil Infraction:	
First Office Each Violation .....	150.00
First Repeat Offense .....	375.00
Second Repeat Offense .....	750.00
Third and Subsequent Repeat Offenses .....	1,500.00
Municipal Civil Infraction for Violation of a Stop Work Order:	
First Offense Each Violation .....	150.00
First Repeat Offense .....	375.00
Second Repeat Offense .....	750.00
Third and Subsequent Repeat Offenses .....	1,500.00

**Sec. 3.07**

**PARKS & RECREATION:**

Pavilion Rental:	
Weekday (Resident) .....	57.00
(Non-Resident) .....	86.00
Weekend (Resident) .....	79.00
(Non-Resident) .....	119.00
Nature Center Classes:	
School Field Trips (Sterling Heights Schools) .....	25.00
(Non-Sterling Heights Schools per class) .....	37.00
Children's Nature Classes (Resident) .....	5.00
(Non-Resident) .....	7.50
Scout Badge Classes (Resident) .....	6.00
(Non-Resident) .....	9.00
Parent & Tot Classes:	
1 Child Per Family (Resident) .....	45.00
(Non-Resident) .....	68.00
2 Children Per Family (Resident) .....	50.00
(Non-Resident) .....	75.00
Summer Playground:	
Resident .....	82.00
Non-Resident .....	123.00
Field Trip Bus Fee (Per Person) .....	7.00
Instructional Swim Classes:	
Resident .....	57.00
Non-Resident .....	86.00
Tennis Classes:	
Resident .....	49.00
Non-Resident .....	74.00
Tennis League:	
Resident .....	16.00
Non-Resident .....	24.00
Three Mile Run:	
Pre-Registered 16 years old and younger (Resident) .....	16.00
(Non-Resident) .....	24.00
Pre-Registered 17 years old and older (Resident) .....	18.00
(Non-Resident) .....	27.00
Race Day Registration .....	Add \$5.00 fee to above
Golf Tournament:	
Youth (Resident) .....	11.00
(Non-Resident) .....	16.50
Golf League:	
Resident .....	42.00
Non-Resident .....	63.00

Special Recreation Dances:	
Pre-Registered (Resident) .....	6.00
(Non-Resident) .....	9.00
Registration at the Door (Resident).....	8.00
(Non-Resident) .....	12.00
Staff Registration.....	1.00
Prom Dance – Individual (Resident).....	16.00
(Non-Resident).....	24.00
Special Recreation Playgrounds:	
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident).....	138.00
(Non-Resident) .....	207.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident).....	234.00
(Non-Resident) .....	351.00
Mentally Impaired (M.I.) – Individual (Resident).....	138.00
(Non-Resident).....	207.00
Mentally Impaired (M.I.) – Family (Resident).....	234.00
(Non-Resident) .....	351.00
Special Recreation:	
Early On Parent & Tot (Resident) .....	27.00
(Non-Resident).....	41.00
Crafts (Resident) .....	8.00
(Non-Resident) .....	12.00
Creative Cooking (Resident) .....	8.00
(Non-Resident).....	12.00
Martial Arts (Resident) .....	151.00
(Non-Resident) .....	227.00
Line Dance Exercise (Resident) .....	39.00
(Non-Resident) .....	59.00
Children’s Line Dance (Resident) .....	27.00
(Non-Resident).....	41.00
Softball – Individual (Resident).....	55.00
(Non-Resident).....	83.00
Softball – Family (Resident).....	95.00
(Non-Resident).....	143.00
Fitness Classes:	
Resident.....	45.00
Non-Resident.....	68.00
Coffeehouse Tickets:	
Advance Tickets (Resident) .....	12.00
(Non-Resident) .....	18.00
Subscription (Resident) .....	11.00
(Non-Resident) .....	17.00
At the Door Sales (Resident) .....	13.00
(Non-Resident).....	20.00
Co-Ed Volleyball:	
Resident.....	40.00
Non-Resident.....	60.00
Men’s Gym:	
Resident.....	40.00
Non-Resident.....	60.00
Golf Lessons – Adult:	
Resident.....	56.00
Non-Resident.....	84.00
Senior Boys Basketball .....	500.00
Men’s Softball.....	787.00
Co-ed Softball .....	519.00
Women’s Softball.....	519.00
Ball Field Rental Fees – Seasonal:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams .....	383.00
All Other Users.....	408.00
All Users – Lighted Fields Additional Fee (per day) .....	61.00

All Other Parks (per field per day):	
MABF Teams/Church Teams .....	281.00
All Other Users .....	306.00
Ball Field Rental Fees – Daily:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams .....	61.00
All Other Users .....	71.00
All Users – Lighted Fields Additional Fee (per day) .....	61.00
All Other Parks (per field per day):	
MABF Teams/Church Teams .....	41.00
All Other Users .....	51.00
Soccer Field Rental Fees (per field per season):	
AYSO .....	1,530.00
Other Clubs:	
Seasonal 1-3 days/week .....	510.00
Seasonal 4-7 days/week .....	765.00
Camp/Other	
Weekly (one week only) .....	179.00
Daily .....	77.00
Sand Volleyball League .....	204.00
Treasure Hunters Market:	
Resident .....	22.00
Non-Resident .....	33.00
Snowmobile Safety (Resident) .....	13.00
(Non-Resident) .....	20.00
Gymnastics:	
One-half Hour Class (Resident) .....	40.00
(Non-Resident) .....	60.00
One Hour Class (Resident) .....	50.00
(Non-Resident) .....	75.00
Dance:	
Fall Session (Resident) .....	47.00
(Non-Resident) .....	71.00
Winter/Spring Session (Resident) .....	74.00
(Non-Resident) .....	111.00
Senior Center Activities:	
Birthday Party (Resident) .....	5.00
(Non-Resident) .....	7.50
Dance (Resident) .....	16.00
(Non-Resident) .....	24.00
Exercise (Resident) .....	4.00
(Non-Resident) .....	6.00
Golf League (Resident) .....	13.00
(Non-Resident) .....	20.00
Line Dance (Resident) .....	5.00
(Non-Resident) .....	7.50
Movie (Resident) .....	1.75
(Non-Resident) .....	2.50
Painting (Resident) .....	9.00
(Non-Resident) .....	13.50
Senior News Subscription per year (Resident) .....	12.00
(Non-Resident) .....	18.00
Softball Player Fee (Resident) .....	29.00
(Non-Resident) .....	43.00
Stained Glass Class (Resident) .....	6.00
(Non-Resident) .....	9.00
Tai Chi (Resident) .....	5.00
(Non-Resident) .....	7.50
Volleyball Player Fee (Resident) .....	29.00
(Non-Resident) .....	44.00
Yoga (Resident) .....	7.00
(Non-Resident) .....	10.50

Senior Bus Trip:	
1 day (Resident) .....	6.00
(Non-Resident).....	9.00
3-5 days (Resident) .....	12.00
(Non-Resident).....	18.00
Extended (Resident).....	28.00
(Non-Resident).....	42.00
Senior Activity Fee - per day (Resident) .....	0.25
(Non-Resident).....	0.50
Senior Center Gymnasium Activities:	
Men's Drop-in Basketball Program (Resident) .....	48.00
(Non-Resident).....	72.00
Co-ed Volleyball (Resident) .....	22.00
(Non-Resident).....	33.00
Co-ed Pickleball (Resident).....	22.00
(Non-Resident).....	33.00
Badminton (Resident) .....	22.00
(Non-Resident) .....	33.00
Open Basketball (Resident) .....	25.00
(Non-Resident).....	38.00
Track Usage Fee – After Hours (Resident).....	1.50
(Non-Resident) .....	2.25
Gymnasium Usage Fee – After Hours (Resident) .....	5.50
(Non-Resident).....	8.00
Parks and Recreation Plan .....	7.50

**Sec. 3.08**

**PLANNING:**

Special Approval Land Use .....	508.00
Temporary Use .....	372.00
Administrative Review .....	230.00
Variances to Subdivision Regulations.....	372.00
Right-of-Way Vacations.....	560.00
Rezoning Petition:	
First Acre.....	1,590.00
Additional Acre .....	62.00
Public Hearing Postponements (Petitioner Requested) .....	41.00
Ordinance Text Amendment .....	1,590.00
Subdivision Plat.....	1,250.00
Each lot over 100 lots .....	8.20
Subdivision Open Space and One-Family Cluster Development.....	690.00
Tree Preservation – Site Plans and Plats.....	790.00
Tree Preservation – Single Family Lot (less than one acre).....	167.00
Tree Preservation Administrative Fee.....	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection).....	Payroll + 175%
No Tree Affidavit .....	112.00
Site Plan Review:	
First Acre.....	379.00
Additional Acre .....	64.00
Site Plan Review by Planning Commission:	
First Acre.....	509.00
Additional Acre .....	64.00
As Built Revisions .....	224.00
Master Land Use Report.....	34.00
Master Land Use Map.....	11.20
Subdivision Plat Print (per sheet) .....	11.20

Zoning Board of Appeals:	
Regular Meeting.....	370.00
Special Meeting.....	750.00
Zoning Compliance Letter .....	56.00
Landscape Plan Inspection .....	25% of site plan fees
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense .....	750.00
Third or Subsequent Repeat Offenses .....	1,500.00

**Sec. 3.09**

**POLICE DEPARTMENT:**

Police Reports:	
First Page.....	9.00
Additional Pages .....	1.00
Clearance Letter .....	14.00
Noncriminal Fingerprint Card .....	20.00
Photos:	
8" x 10" Color.....	27.00
5" x 7" Color .....	27.00
8" x 10" Contact Sheet .....	27.00
Compact Disc.....	14.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN .....	18.00
Reports on TR-52 Tracking .....	23.00
Administration and Presence at Auction.....	530.00
Audio Tape Duplication Fee .....	38.00
Video Tape, DVD, CD Duplication Fee .....	42.00
Animal Give-up Fee .....	65.00
Animal Impoundment Fee (Released from Station).....	26.00
Animal Impoundment Fee (Taken to County).....	65.00
Animal Trap Rental Fee (per 5 days).....	25.00
Animal 10-Day Quarantine Fee .....	145.00
Bail Bond Arrest Warrant Fee .....	10.00
Personal Breathalyzer Test (PBT).....	20.00
Booking Photo .....	8.00
Notary Fee for Gun Permits .....	10.00
Park Alcohol Permit Fee .....	29.00
Vehicle Inspection Fee.....	30.00
Requested Police Services (Schools, Businesses, Hazmat Incidents, etc.) .....	Cost + 30%
Towed Vehicle Impound Fee .....	20.00
Correctable Traffic Violation.....	10.00
Warrant Fee (SHPD Warrants) .....	10.00
False Alarm Fees: (within a 12 month period)	
First Response .....	No fee
Second Response.....	No fee
Third Response (Residential) .....	30.00
Third Response (Non-Residential) .....	88.00
Fourth Response (Residential) .....	60.00
Fourth Response (Non-Residential) .....	179.00
Fifth and Subsequent Responses (Residential).....	117.00
Fifth and Subsequent Responses (Non-Residential) .....	354.00
Municipal Civil Infraction (including Animal Control Regulations):	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense .....	750.00
Third and Subsequent Repeat Offenses.....	1,500.00

Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation.....	75.00
First Repeat Offense.....	100.00
Second and Subsequent Repeat Offenses.....	125.00
Municipal Civil Infraction for Youth Curfew Violations:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses.....	100.00
Municipal Civil Infraction for Violation of Bicycle Regulations (City Parks):	
Each Violation.....	10.00
First Repeat Offense.....	25.00
Second and Subsequent Repeat Offenses.....	50.00

**Sec. 3.10**

**PUBLIC LIBRARY:**

Overdue fines (per day):	
Hardcover Books (maximum \$15.00).....	0.25
Paperback Books (maximum \$5.00).....	0.25
Magazines (maximum \$5.00).....	0.25
Audios (maximum \$15.00).....	0.25
Compact Discs (maximum \$15.00).....	0.25
Videocassettes (maximum \$15.00).....	0.25
Computer CD Software (maximum \$15.00).....	0.25
DVD's (maximum \$15.00).....	0.25
Replacement Library Card.....	3.00
Copy/Print System Card.....	0.50
Black & White Copy/Computer Print.....	0.10
Color Copy/Computer Print.....	1.00
Microfilm/Microfiche Print (per copy).....	0.20
Internet Use Without Library Card (per day).....	2.00
Municipal Civil Infraction:	
Each Violation.....	75.00
First Repeat Offense.....	150.00
Second or Subsequent Repeat Offenses.....	300.00

**Sec. 3.11**

**PUBLIC SERVICES OFFICE:**

Permit Revision Review Fee.....	92.00
Public Services Agreement Execution Fee.....	28.00
Recording Fee.....	40.00
Attorney Review Fee for Liens or Discharges.....	70.00
Subordination of Lien.....	255.00
Water & Sewer Debt Service Agreement Finance Charge.....	30%

**Sec. 3.12**

**PUBLIC WORKS DEPARTMENT:**

Sewer Inspection.....	92.00
Sewer Tap.....	1,010.00
Sewer Capital/Unit	
Residential.....	750.00
Commercial/Industrial (per 1,000 sq. ft.).....	375.00
Sewer Frontage (per front ft.).....	63.00

Sewage Disposal Service Only (per billing).....	45.00
Residential and Commercial Water Meters:	
3/4" Remote .....	360.00
1" Remote .....	400.00
1 1/2" Remote.....	690.00
2" Compound Remote .....	1,785.00
3" Compound Remote .....	3,150.00
4" Compound Remote .....	4,150.00
6" Compound Remote .....	6,560.00
Double Check Detector Assembly with Meter:	
3" .....	1,750.00
4" .....	1,840.00
6" .....	2,650.00
8" .....	4,790.00
10" .....	7,000.00
Water Inspection.....	92.00
Water Tap	
1" .....	950.00
1 1/2" .....	1,300.00
2" .....	1,530.00
3" .....	3,060.00
4" .....	3,300.00
6" .....	3,770.00
Additional Charge for 86 ft. wide street:	
1" .....	290.00
1 1/2" .....	340.00
2" .....	480.00
Additional Charge for 120 ft. wide street:	
1" .....	610.00
1 1/2" .....	770.00
2" .....	1,010.00
Additional Charge for 204 ft. wide street:1,440.00	
1" .....	1,440.00
1 1/2" .....	1,820.00
2" .....	2,600.00
Water Capital/Unit:	
Residential .....	590.00
Commercial/Industrial (per 1,000 sq. ft.) .....	300.00
Water Frontage (per front ft.).....	34.00
Monitor Surcharge .....	per City of Detroit Industrial Waste Control Rate Structure
Water Turn On Fee .....	45.00
Water Service Abandonment Fee .....	410.00
Sewer Service Abandonment Fee .....	92.00
Water Service Re-Use Fee .....	224.00
Sewer Service Re-Use Fee.....	92.00
Water Meter Testing Fee.....	43.00
Water Meter Rescheduling Fee .....	45.00
Automatic Fixed Network Meter Read Permit.....	153.00
Final Water Meter Read .....	29.00
Final Water & Sewer Bill Preparation Fee.....	11.00
Citizen Water Service Request – after hours.....	53.00
Water Meter Removal/Reinstallation for common area irrigation system .....	170.00
Landlord/Tenant Affidavit Filing Fee .....	125.00
Fire Hydrant Rental – Payable by City.....	22.50
Private Use of Fire Hydrant:	
One Hydrant .....	110.00 per month + 275.00 water usage deposit
More Than One Hydrant.....	220.00 per month + 545.00 water usage deposit
Bypass Inspection Fee.....	Back bill + 110.00
Common Area Irrigation System Permit.....	335.00
Planting of tree in right-of-way.....	180.00
Culvert installation permit .....	82.00
Ditch enclosure permit.....	82.00

Monitoring well installation permit.....	390.00
Sewer connection to discharge treated ground water .....	390.00
Cutting of noxious weeds .....	Contract costs + 60% administrative fee +28.00 fine
Additional refuse collection .....	Contract costs + 25% administrative fee
Refuse Collection Fees (Schools) .....	Contract costs
Refuse Collection Fees (Mobile Home Parks and Apartment Complexes) .....	Contract costs
.....	+ 5% administrative fee – refuse taxes paid
Debris Removal Fee .....	Contract Costs + 25% administrative fee
Tree Branch Chipping Fee.....	31.00
Fleet Services Requested by Other Cities .....	Cost + 30%
<b>Municipal Civil Infraction:</b>	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense .....	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
<b>Municipal Civil Infraction for Trash Placed at Curb Outside of Permitted Hours:</b>	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses .....	100.00
<b>Municipal Civil Infraction for Violation of a Mandatory Water Restriction:</b>	
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.....	70.00
Subordination of Lien .....	255.00
Annual Lien Penalty.....	6% + lien filing costs
O.U.I.L./O.U.I.D.....	305.00 + additional reimbursements
Property Tax Administration Fee (P.T.A.F.).....	1%
<b>Municipal Civil Infraction for Failure to Pay Police or Fire False Alarm Invoices:</b>	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense .....	750.00
Third and Subsequent Repeat Offenses.....	1,500.00

**ARTICLE IV**

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is hereby authorized to establish City programs which are a de minimis, but necessary expenditure for the benefit of the recipient employee and funded through appropriations in this ordinance; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

**ARTICLE V**

**SEVERABILITY**

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

**ARTICLE VI**

**EFFECTIVE DATE**

This ordinance shall become effective July 1, 2010.

**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 1<sup>st</sup> and ends June 30<sup>th</sup>.

**FIXED ASSETS** – Fixed assets are equipment and other capital items used in governmental fund type operations and are accounted for in the General Fixed Assets Group of Accounts rather than in the government funds. Such assets, which are recorded as expenditures at the time of purchase, do not include certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, and lighting systems. No depreciation has been provided on general fixed assets.

**FUND** – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

**FUND ACCOUNTING** – The accounts of the City are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

**FUND BALANCE** – The excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

## G

**GAAP** – Generally Accepted Accounting Principles. The guiding conventions, rules, and procedures that define accepted accounting practice at a particular time in the United States.

**GENERAL FUND** – The City's major operating fund to account for all financial resources except those required to be accounted for in another fund.

**GROUP A CRIME OFFENSE** – A more serious group of crimes such as larceny, robbery, murder, or gambling.

**GROUP B CRIME OFFENSE** – A less serious group of crimes such as solicitation, trespassing, or disorderly conduct.

## I

**ICMA** – International City/County Management Association.

**ICMA CENTER FOR PERFORMANCE MEASUREMENT** – Center created to help communities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents.

**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 ongoing 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.

**SMART** – Suburban Mobility Authority for Regional Transportation.

**SERVICE STATEMENT** – A statement of general and specific service deliveries rendered by an activity for the community.

**SINKING FUND** – A special reserve account created by a bond issuer. The issuer promises to put money into the account at regular intervals and to use the cash that accumulates to redeem the bonds.

**SPECIAL ASSESSMENT** – A tax or levy imposed against specific parcels of real estate that will benefit from a proposed public improvement like a street or sewer.

**SPECIAL REVENUE FUND** – A fund to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

**SUPPLIES** – An expenditure object within an activity which includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$1,000.

**SURPLUS** – An excess of the assets of a fund over its liabilities and reserves.

## **T**

**TRANSFERS-IN/OUT** – A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

**TRUST & AGENCY FUND** – Trust & Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds. These include the Retirement Systems and the Agency Funds. The Retirement Systems are accounted for in the same manner as a proprietary fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

## **W**

**WATER & SEWER FUND** – This enterprise fund accounts for the operation of a combined water and sewer system. The revenues consist of charges for services from City businesses and residences which are used to pay for all water and sewer related expenses.

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