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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
Engineering Services Manager
Environmental Services Manager
Facilities Maintenance Manager
Finance & Budget Director
Financial Services Manager
Human Resources Director
Information Technology Manager
Interim Fire Chief
Network Administrator
Parks & Recreation Director
Police Chief
Public Library Director
Public Services Manager
Public Works Director
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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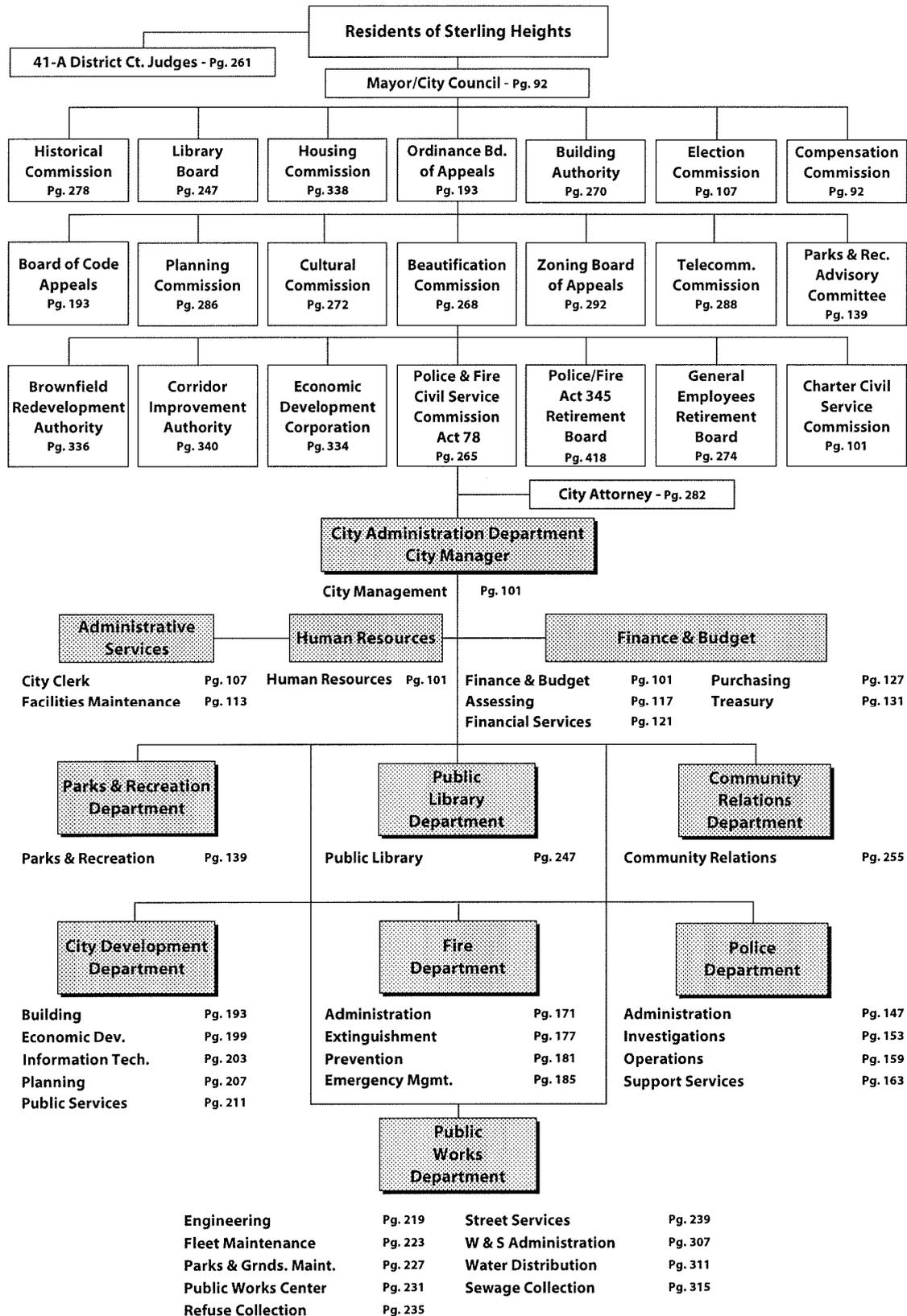
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May, 2008

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

Dear Mayor and Councilmembers,

Overview

On behalf of all departments, I am very pleased and honored to present the FY2008/09 Budget. The total budget equates to \$141.6 million representing a decrease of \$10.4 million or 6.8% over the prior year. This decrease is a result of several large projects that were included in last year's budget including the fire station renovation project and the Lakeside shopping district improvements. The proposed budget enables the City to continue its high level of superior services while maintaining its investment in the City's infrastructure and its low millage rate. The budget maintains the City's excellent bond ratings as the budget does not incur debt to finance operations or projects, and minimizes the use of reserves required to balance the budget this year.

The 2008/09 Budget includes funding for 621 full-time positions, a reduction of nine positions from the prior year saving approximately \$700,000. A majority of these positions are directly related to the reduced workload in the development areas. These personnel freezes will have minimal impact on services. The City has eliminated 28 vacant positions since 2002, saving \$2 million annually. As evidenced by the ICMA's Center for Performance Measurement data, the City has one of the lowest ratios of employees per 1,000 residents, which explains why the City's costs are less than 82% of other cities nationally. These statistics illustrate the high productivity level of our employees in order to achieve high performance results.

The personnel expenditure reductions are necessary to offset in part declining revenues. A decline in housing values, decreased investment income (due to interest rate reductions) and a significant reduction in building permit revenue has placed a strain on revenues. The challenging national economy is trickling down to cities across the country but especially in Michigan. As a result, the City of Sterling Heights will have to continue to explore cost savings over the next few years

while at the same time implement new revenue sources. Over the next few years, it is anticipated that a significant amount of fund balance will also be used to control for declining revenues. This year alone it is estimated that certain revenues will decline by almost \$5 million.

I. General Fund

The General Fund budget increased by \$2.7 million or 3.1% over the prior year. This increase is due to inflationary wage and benefit costs and the Proposal F debt approved by the voters in 2006.

By controlling discretionary spending and implementing cost recovery measures, the budget provides funding to continue outstanding City services, provides necessary capital replacements, enhances economic development efforts, and fully funds retiree medical liabilities, while avoiding employee layoffs.

***II. Non-General Fund
(Non-Departmental Services)***

The rest of the budget includes funds that are not considered part of the City's general operating budget. In most cases, the funds have separate or dedicated revenue sources beyond the general operating millage. Examples of these funds include Water & Sewer, Special Revenue, Debt Service, and the Capital Projects Funds.

The Non-General Fund portion of the budget equates to \$52.7 million, which represents a decrease of \$13.0 million from the prior year. This decrease is mainly attributable to large one-time only projects included in last year's budget.

The City will further lower its markup on Detroit's water rate by passing on only a 3.9% rate adjustment despite a 5.3% water rate and 5.6% sewer rate increase from Detroit. The City will also continue to offer a budget billing option to lessen the impact of high summer water consumption while increasing the maximum summer discount. The City continues to maintain the lowest water and sewer rates for residential customers of any city in the State with a population greater than 25,000.

The budget includes funding for a number of noteworthy projects:

- \$12.1 million in improvements to City infrastructure without incurring debt, including the engineering costs to reconstruct Van Dyke, traffic signal modernizations on Schoenherr and Ryan Roads, installation of water & sewer mains, sidewalk gap and repairs, continuation of the Neighborhood Road Repair Program, a façade assistance program for the North Van Dyke corridor, and the replacement of football bleachers at Delia Park.
- Thirteen replacement Police vehicles, four Public Works vehicles to enhance snow plowing and park maintenance operations, three new Fire Station generators, a new Fire Station video conferencing system, new election voting booths, the creation of a Library café, a Police Station feasibility study, and new police in-car video recorders.
- Funding to establish a community policing initiative in the Sterling Estates Mobile Home Park to reduce crime and improve quality of life standards within this area.
- Technology improvements including 71 replacement computers for Community Relations, Fire, 41-A District Court, six Information Technology file servers, replacement SHTV editing equipment, and a new telephone system for the renovated fire stations.

City Goals and Priorities

While the City's main priority over the next fiscal year is to ensure the same high level of excellent services despite declining revenues, there are a number of projects that will result in service enhancements. These priorities are identified as follows:

1. ***Promote and plan for economic development and redevelopment throughout the City to ensure that property values remain strong:***
 - Research and implement green building initiatives for use throughout the City
 - Develop a reciprocating building inspection agreement with surrounding communities

- Facilitate the redevelopment of known Brownfield properties through the aggressive marketing of the City's brownfield redevelopment tools, and apply for applicable State grants
 - Aggressively market the City to investors, developers, and other real estate professionals to attract new business, increase the tax base, and provide job opportunities
 - Revise Industrial Facilities Exemption Certificate (IFEC) term schedules and letters of agreement to increase the redevelopment of vacant industrial buildings and distressed commercial centers
2. ***Provide for technological advancements to improve efficiencies:***
 - Include innovative media outlets such as My Space, You Tube and other popular Internet sites in the City's marketing plan
 - Scan and index all City Council minutes into a searchable database
 - Replace six file servers to decrease maintenance costs and improve productivity
 - Implement an interactive Geographic Information System (GIS) and create applications for various City departments
 3. ***Provide for enhanced public safety and disaster preparedness:***
 - Develop and present a needs assessment for the renovation and/or reconstruction of the Sterling Heights Police Station outlining the specific building improvements that will be made
 - Ensure the completion of the fire station renovation project within the established timeline and budgetary parameters
 - Implement the expanded Community Emergency Response Team (CERT) to better prepare residents and businesses to assist authorities during an emergency
 - Establish a multi-jurisdictional school safety task force with the City of Utica, Charter Township of Shelby, and Utica

Community Schools addressing issues dealing with school safety

- Conduct an emergency training exercise evaluating the City's communications ability during a disaster

4. ***Enhance safety and aesthetics of the City's rights-of-way:***

- Implement Phase 2 of the Commercial and Industrial Reforestation Plan
- Expand the right-of-way mowing program to include 17 Mile, Schoenherr, and 19 Mile Roads
- Expand the guardrail spraying program to reduce costs and improve aesthetics along major roads
- Establish an inspection and replacement program to ensure that faded street signs are replaced in a timely manner

5. ***Provide excellent recreational and leisure services:***

- Identify and prioritize recreational improvement opportunities within the community by meeting with focus groups, civic organizations, parent volunteer associations, and sports clubs to review community needs and interests
- Through the Sterling Heights Outreach Program (SHOP) reach out to diverse groups and develop strategies to ensure that the City remains a premier community for all
- Establish a membership fee structure for the Senior Activity Center gymnasium by providing a discount for those who use the Center more frequently
- Improve the aesthetics of various park sites by making specific improvements at Beaver Creek, Baumgartner, Delia, and Dodge Parks
- Continue the popular annual Sterlingfest event and concert series with national headliner: "REO Speedwagon"

6. ***Identify cost containment measures and new revenue sources:***

- Ensure quality service delivery despite

declining revenues by identifying new revenues, eliminating inefficient programs, establishing long-term service policies, and promoting economic development and redevelopment

- Develop a plan to address potential further property assessment reductions by seeking legislative remedies to Proposal A and working with departments on contingency plans that would have the least impact on City services
- Conduct a comprehensive study of the number and use of City-owned vehicles to determine the optimum fleet size and if any further efficiencies can be achieved
- Conduct random invoice audits to evaluate purchasing methods and the potential for department savings opportunities
- Conduct an energy audit of all City buildings providing methods to lower energy consumption

While there are a number of exciting and ambitious projects planned for the next fiscal year as outlined, the past year has also been a productive year for the City Council and Administration. The following is a list of the significant accomplishments that were achieved:

2007/2008 Accomplishments

- Continued the City's Commercial Revitalization Program
- Completed the second phase of the Public Safety 800 MHz Radio System
- Opened and established programming and activities for the recently completed 14,000 square foot addition to the Senior Active Life Center including a gymnasium, walking track, and locker room
- Negotiated collective bargaining agreements with labor groups resulting in an eventual \$20 million reduction in retiree health care obligations and \$1 million in medical care savings annually
- Placed into service a new \$420,000 fire engine replacing a 1992 failing engine
- Completed the first phase of the renovation

- project of Fire Stations #2, #3, and #4 as part of the voter approved Proposal F
- Implemented a new budget billing option for residential water and sewer customers
 - Provided additional street level public safety services with the hiring of two new police officers in lieu of a vacant Police Captain position
 - Continued the City's Neighborhood Road Repair and Replacement Program including Algonquin, Evergreen, Heidi, and Juniper Drives as well as joint sealing and sectional concrete replacements on all City streets
 - Completed several road and sidewalk improvement projects including the resurfacing of Foxhill Drive
 - Installed new City entrance signs at Metropolitan Parkway, Dequindre, and Hayes Roads
 - Successfully recovered \$14.6 million in insurance claims as anticipated with the total amount awarded through settlements exceeding \$31 million
 - Sponsored the largest ever Sterlingfest with concerts by "*Dennis DeYoung and the Music of Styx*" and "*Restless Heart*"
 - Expanded the Community Emergency Response Team (CERT) to better prepare residents and the business community to assist authorities in the event of an emergency
 - Improved Library services by installing and networking new copiers resulting in higher quality copies and less waste
 - Implemented a new customer service and inquiry tracking software package to provide quicker responses to general inquiries
 - Completed several major park improvements at Delia, Baumgartner, and Nelson Parks as well as additional tree plantings at Dodge Park
 - Expanded the City's economic development efforts by hosting a manufacturing symposium focused on diversification
 - Formed an international Sister City partnership with Sorsogon City, Phillippines
 - As part of the City's business retention efforts, created and distributed, "sharp", the City's first economic development newsletter

- Offered free drug testing kits for residents who suspect their children might be experimenting with substance abuse
- Several City financial documents also earned nationwide recognition including:
 - Earned an "Outstanding" designation in two categories and a Special Performance Measurement recognition from the Government Finance Officers' Association (GFOA) for the annual budget
 - Recognized by the GFOA for excellence in financial reporting for the 20th consecutive year
 - One of only 16 cities to be recognized by the International City/County Management Association (ICMA) for the City's use of performance data as part of its management system

Conclusion

In closing, I would like to acknowledge the outstanding efforts of the Finance & Budget Division staff: Brian Baker, Janice Schoenrath, and Jodi Verduci, 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 the budget process and continued commitment to service excellence.

I would also like to thank the Mayor and City Council for your leadership and support in planning the financial operations of the City in a responsible and progressive manner during adverse financial conditions throughout the State. Thanks to the Sterling Heights Team, the City has persevered and thrived in many cases. I look forward to working with all City employees as well as the Mayor and City Council over the next fiscal year to continue providing superior services to our residents and businesses.

Respectfully submitted,



Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2008/09 Budget At A Glance ...

Richard J. Notte
Mayor

Deanna Koski
Mayor Pro Tem

Richard L. Bracci
Councilman

Yvonne D. Kniaz
Councilwoman

Joseph V. Romano
Councilman

Maria G. Schmidt
Councilwoman

Barbara A. Ziarko
Councilwoman



Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget
Director

The City budget of \$141.6 million decreased by \$10.4 million or 6.8%. The decrease is a result of several large projects that were included in the prior year budget including the renovations to the three City Fire Stations and improvements in the Lakeside shopping district.

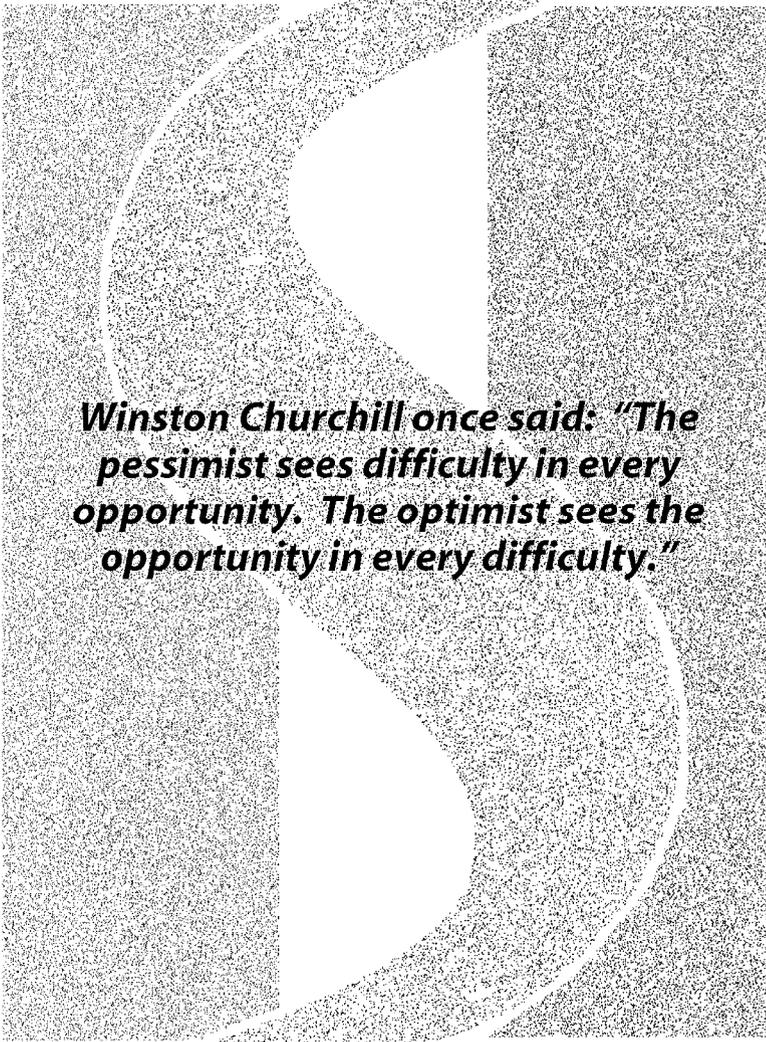
- The budget maintains a high level of superior services and continues the investment in the City's infrastructure. The City's excellent bond ratings are maintained as the budget does not incur debt to finance operations or projects, and minimizes the use of reserves. Despite a loss of property tax revenues for the first time in over 25 years, the budget funds critical services and lowers property tax bills. Despite a tax rate adjustment of 0.0608 mills to fund the 2006 voter-approved Proposal F debt, property owners in total will pay less in taxes due to lower property assessments. The City's tax bill remains lower than all but one of the 77 full service communities within 20 miles of the City.
- The General Fund budget increased by \$2.7 million or 3.1%. If the Proposal F debt were excluded, costs would have risen by only an inflationary 2.7%. Due to a substantial decline in development revenues, interest income, and property assessments, funding for nine vacant full-time positions has been eliminated, saving \$700,000. The City will now have the same number of full-time staff as in 1996. Twenty-eight positions have been eliminated since 2002, saving over \$2 million annually.
- By controlling discretionary spending, the budget provides funding to continue outstanding City services, provides needed capital replacements, enhances economic development efforts, and fully funds retiree medical liabilities, while avoiding employee layoffs.
- The City continues to provide property tax relief. The City's tax rate has decreased by 2.59 mills or by 19.4% since 1988. Had the City continued to levy the 2.59 mills, the average resident would have paid \$2,911 more in taxes over this 21-year period.

The budget includes funding for:

- \$12.1 million in improvements to City

infrastructure without incurring debt, including the engineering costs to reconstruct Van Dyke, traffic signal modernizations on Schoenherr and Ryan Roads, installation of water & sewer mains, sidewalk gap and repairs, continuation of the Neighborhood Road Repair Program, a façade assistance program for the North Van Dyke corridor, and the replacement of football bleachers at Delia Park.

- Thirteen Police vehicles, four Public Works vehicles for snow plowing and park maintenance operations, three new Fire Station generators, a new Fire Station call alerting system, repairs to the Fire Training Tower, a new Fire Safety house, a Fire Station video conferencing training system, new election voting booths, a new Library café, and new Police in-car video recorders.
- A fourth overlapping Police shift schedule increasing the number of officers on the streets during peak times, a community policing program at the Sterling Estates mobile home park, real estate consulting and site selection services and additional brownfield project incentives to better assist the City's economic development efforts, new Green building initiatives, and continued funding for the Community Emergency Response Team (CERT).
- Technology improvements including 71 replacement computers for Fire, 41-A District Court, and Community Relations, six file servers, improved data connection speeds at City Hall, Library, and Fire headquarters, a new telephone system for the renovated Fire Stations, and replacement SHTV editing equipment.
- Maintaining the lowest combined water & sewer rate for residential customers of any city in the State with a population over 25,000. Only a 3.9% rate adjustment is recommended to offset a 5.3% water rate and a 5.6% sewer rate increase from Detroit. In addition, we will increase our maximum summer discount. As a result, we will be able to further lower our markup on Detroit's water rate to only 11%, compared to the average 125% markup of the 126 surrounding communities. ■



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

INTRODUCTION

As you review the City's Budget document, note that it is organized by fund type. These fund types are distinguished by the yellow 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, 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 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 Enterprise 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 Enterprise 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
- Prior year Annual Audit released

November

- Revenue and Expenditure forecast prepared
- Updated Revenue Study of fees and charges 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

- City Management prepares personnel costs for Proposed Budget
- Preparation of the Water Supply & Sewage Disposal System Rate Analysis
- 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 – Capital Improvements
- 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.

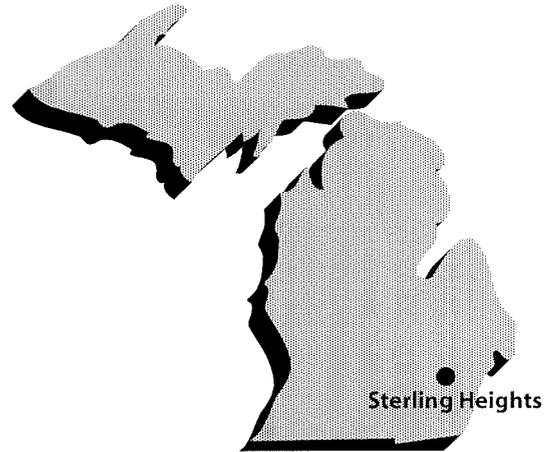
A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

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 2008 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 51,855 households in the City and a 37-year old median age. The City's median household income is \$61,278, as last reported. 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 fully describe the major goals to be achieved and the services and programs 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 enterprise funds 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 an undesignated-unreserved General Fund balance at 15% or in an amount equal to 1.8 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.

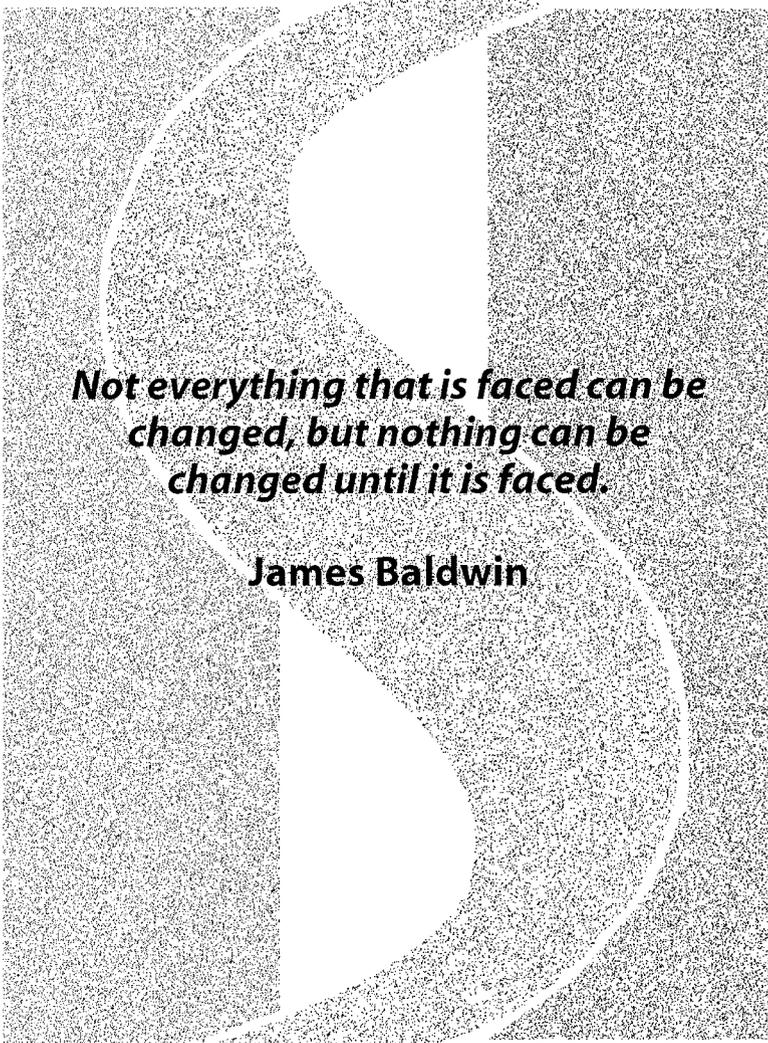
3. The City will analyze market conditions and potential investments to maximize its yield, while maintaining the integrity, diversification, and safety of the principal.
4. The City's accounting system will provide monthly information concerning cash position and investment performance.
5. The City's 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. ■



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

James Baldwin

Policy Benchmark

Financial Policy

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

Status

- Funding for the continuation of the Information Technology Plan, the replacement of personal computers, file servers, high speed fiber cabling and replacement network switches.
- 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 21 years
- Earned GFOA's "Special Recognition" award in five of the past seven years for use of performance measurements
- Benchmarking included in the City calendar which earned the Popular Annual Financial Report (PAFR) for the past 11 years
- Participation in ICMA's Center for Performance Measurement – one of 16 cities nationally to receive an Award of Distinction
- Department objectives linked to City goals
- No short-term borrowing for operations
- Lowest debt ratios of 10 comparable Michigan cities
- No new debt in budget
- Municipal Facilities expenditures \$1.4 million
- Vehicle expenditures \$498,000
- Equipment expenditures \$445,870
- Technology improvements \$214,860
- General Employees System 125.2% funded
- Police & Fire Pension System 124.8% funded
- Pre-funding retiree medical past 13 years
- Recent updates to Retiree Medical Actuarial Report; increased funding past five years to 23.8% of payroll
- Defined Contribution Plan for new employees
- Millage rate has decreased by 2.59 mills or 19.4% since 1988, saving average homeowner \$2,911
- Largest tax rate decrease among all County taxing entities – past 10 years
- Tax rate lower than all but one of the 77 full service communities within 20 miles of City
- Lowest taxes per resident of 10 comparable MI cities
- Major community investments (past 5 years):
 - Ford Motor Company \$427 million investment
 - DaimlerChrysler \$287 million investment
 - Detroit News Plant \$174 million investment
 - ACH/Visteon Plant \$110 million investment
- Corridor Improvement Authority
- Lakeside Shopping District

Policy Benchmark

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

- 15% Unreserved/Undesignated General Fund Balance
- 55 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

Status

- City's Taxable Value:
 - Residential 64.7%
 - Commercial & Industrial 35.3%
- Second 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
- 15.6% unreserved fund balance (2007 Audit)
- 57 days of General Fund operations
- Certificate of Achievement for Excellence in Financial Reporting Award for 20 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.
- 85.5% of City debt matures and will be repaid within 10 years
- Refinanced high interest bonds saving \$775,000
- High bond ratings compared to similar sized communities
- Moody's rating Aa2
- Fitch's rating AA+
- Standard & Poors' rating AA+
- \$12.1 million in total Capital Improvement Projects
- \$1.4 million in neighborhood street repairs
- Renovations to three Fire Stations (Proposal F)
- 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 in 2006. 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 latest 2006 fiscal year results showing how Sterling Heights compares to other cities and counties across the country in various performance measurement categories. We are awaiting the 2007 data from the ICMA.

Category	Sterling Heights	National Average	National Rank	Rank Percent *
City Administration				
Human Resources FTE's Per 100,000 Residents	1.0	8.2	4/86	5%
Full-time Employee Turnover Rate	0.5%	7.5%	1/101	0%
Risk Management				
Worker's Compensation Expenditures Per FTE	\$480	\$1,057	4/17	24%
Worker's Compensation Claims Per 100 FTE's	10	14	14/36	39%
Work Days Lost Due to Injury Per 100 FTE's	92	98	16/25	64%
Purchasing				
Purchasing Office Expenditures Per Resident	\$2.57	\$3.82	36/78	46%
Purchasing Office FTE's Per 100,000 Residents	2.2	4.9	15/72	21%
Dollar Amount of Purchases Needing Approval by Elected Body	\$10,000	\$70,365	10/92	11%
Days from Requisition to Purchase Order - Formal Bid	30	41	15/47	32%
Parks & Recreation Department				
Parks & Recreation Costs Per Resident	\$27	\$32	36/65	55%
Parks & Recreation FTE's Per 100,000 Residents	44	60	34/79	43%
Total Park Acres Per 1,000 Residents	7.5	16.9	35/117	30%
Parks & Recreation Revenue Per Resident	\$3.5	\$15.2	15/94	16%
Developed Park Acres Per 1,000 Residents	6.4	8.6	60/117	51%
Percent of Park Acres Developed	85%	64%	86/118	73%
Police Department				
Police Operating Expenditures Per Resident	\$189	\$202	41/79	52%
Sworn Police FTE's Per 1,000 Residents	1.4	1.9	23/83	28%
Civilian Police FTE's Per 1,000 Residents	0.4	0.6	29/82	35%
Percent of Sworn Police FTE's to Total Police FTE's	78%	78%	39/81	48%
911 Police Calls Received Per 100 Residents	33	74	20/91	22%
Moving Violation Citations Issued Per 100,000 Residents	11,587	15,263	44/103	43%
Traffic Fatalities Per 100,000 Residents	4.7	7.7	45/119	38%
Injury Producing Traffic Accidents Per 100,000 Residents	638	730	59/104	57%
Violent Crimes Reported Per 1,000 Residents	1.8	4.1	29/120	24%
Percent of Violent Crimes Cleared	54%	54%	54/104	52%
Violent Crimes Cleared Per Sworn FTE	0.7	1.1	25/69	36%
Property Crimes Reported Per 1,000 Residents	29	39	46/124	37%
Percent of Property Crimes Cleared	20%	21%	58/101	57%
Property Crimes Cleared Per Sworn FTE	4.1	4.9	39/68	57%
Cost per Property & Violent Crime Cleared	\$28,490	\$30,980	46/66	70%
Total Arrests Per 1,000 Residents	29	61	23/105	22%
DUI Arrests Per 1,000 Residents	3.0	5.5	31/125	25%
Juvenile Arrests as a % of Total Arrests	7%	15%	19/95	20%
Average Age of Police Vehicles (Years)	2.4	3.1	29/89	33%
Average Annual Miles Driven Per Police Vehicle	15,820	16,340	39/71	55%

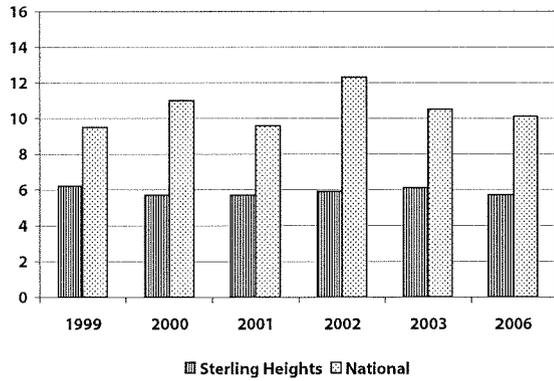
Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	\$111	\$134	23/66	35%
Total Department FTE's Per 1,000 Residents	1.2	1.8	12/54	22%
Fire Incidents Per 100,000 Residents	270	381	29/98	30%
EMS Responses Per 1,000 Residents	55	84	25/90	28%
% of Fire Responses Less Than 5 Minutes (from dispatch)	90%	58%	61/63	97%
Average EMS Response Time (Minutes)	4.2	5.5	6/53	11%
Average Age of Fire Apparatus (Years)	9	10	29/78	37%
Average Annual Miles Driven Per Vehicle	10,120	5,870	41/42	98%
Code Enforcement				
Code Enforcement Operating Expenses Per Resident	\$4.7	\$7.7	25/63	39%
Code Enforcement Violations Per 1,000 Residents	28	42	32/60	53%
Code Enforcement Violations Per FTE	552	867	23/41	56%
Public Works Department				
Fleet Maintenance Expenditures Per Resident	\$13.4	\$15.4	10/27	37%
Fleet Maintenance FTE's Per 100,000 Residents	12.2	15.6	34/82	41%
Annual Refuse Tons Collected Per Account	1.1	1.6	25/63	40%
Refuse Collection Costs Per Ton	\$42	\$53	21/49	43%
Recycling Costs Per Ton Recycled	\$28	\$115	3/43	7%
Street Maintenance Expenditures Per Lane Mile	\$1,917	\$2,968	20/68	29%
Street Sweeping Expenditures Per Resident	\$2.92	\$3.28	50/95	53%
Public Library Department				
Library Expenditures Per Registered Borrower	\$49	\$47	44/67	67%
Library FTE's Per 1,000 Residents	0.25	0.40	8/53	15%
Library Circulation Per Resident	5.1	8.1	24/70	34%
Library Visits Per Resident	3.3	4.9	19/64	30%
Library Program Attendance Per 1,000 Residents	166	300	21/65	32%
Percent of Population Who Are Registered Library Borrowers	40%	54%	11/54	20%
Library Material Acquisition Costs Per Resident	\$2.10	\$4.10	10/65	15%
Annual Reference Transactions Per 1,000 Residents	1,052	956	42/63	67%
Average Hours of Library Operations Weekly	64	62	44/65	68%
Patron Internet Usage Per Terminal	2,448	2,073	36/54	67%
Facilities Maintenance				
Facilities Maintenance FTE's Per 100,000 Residents	15.3	20.4	30/61	49%
Facilities Maint. Operating & Maint. Costs per Sq. Ft.	\$8.4	\$4.9	54/60	90%
Information Technology				
Information Technology Expenditures Per Resident	\$9	\$25	9/84	11%
Information Technology FTE's Per 100,000 Residents	6.0	17.4	6/42	14%
Ratio of Computer Workstations to FTE	0.70	0.78	39/91	43%
Citywide				
Total Expenditures Per Resident	\$847	\$1,468	19/104	18%
Total Full-time Equivalent Employees (FTE's) Per 1,000 Residents	5.7	10.1	10/87	11%
Fringe Benefit Expenditures Per FTE	\$25,348	\$18,370	66/77	86%
Employee Benefits as a % of Compensation	29%	26%	63/83	76%

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

ICMA PERFORMANCE MEASUREMENTS

City Administration Department

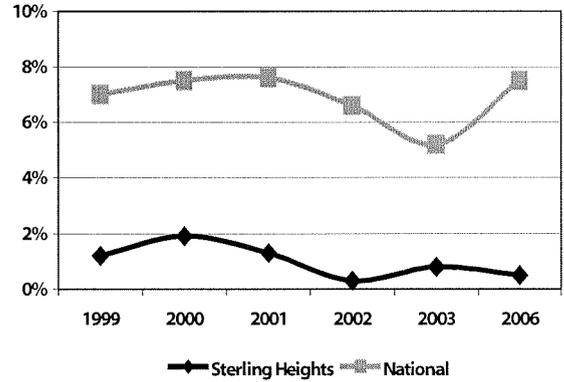
Total Full-time Employees Per 1,000 Residents



2006 National Rank: 10th out of 87 cities
Rank Percentage: 11%

The City continues to have fewer full-time equivalent employees per 1,000 residents than the national average. In 2006, the City had 5.7 full-time employees per 1,000 residents versus a national average of 10.1 employees. We rank 10th lowest out of 87 cities.

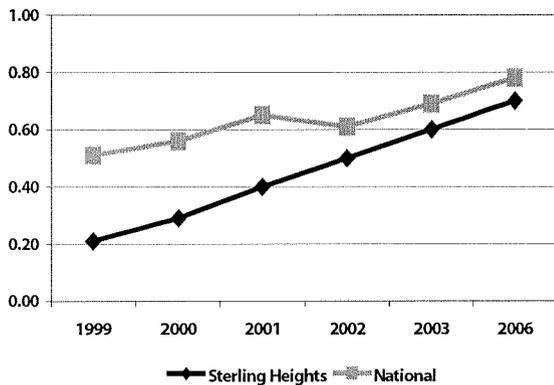
Full-time Employee Turnover Rate



2006 National Rank: 1st out of 101 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 2006, only 0.5% of employees left the City versus a 7.5% national average.

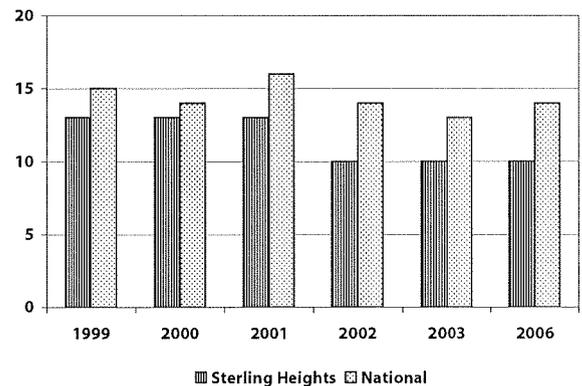
Ratio of Computers to Employees



2006 National Rank: 39th out of 91 cities
Rank Percentage: 43%

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 8 years, we have narrowed the gap between the City's ratio and the national average.

Worker's Compensation Claims Per 100 Employees



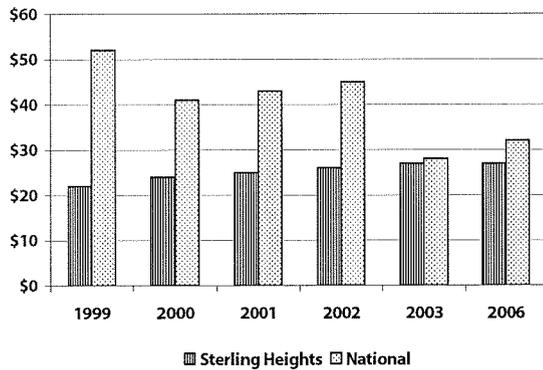
2006 National Rank: 14th out of 36 cities
Rank Percentage: 39%

The City's worker's compensation claims per 100 full-time equivalent employees (FTE's) has decreased over the past 8 years and continues to be below the national average due to our proactive Risk Management program.

ICMA PERFORMANCE MEASUREMENTS

Parks & Recreation Department

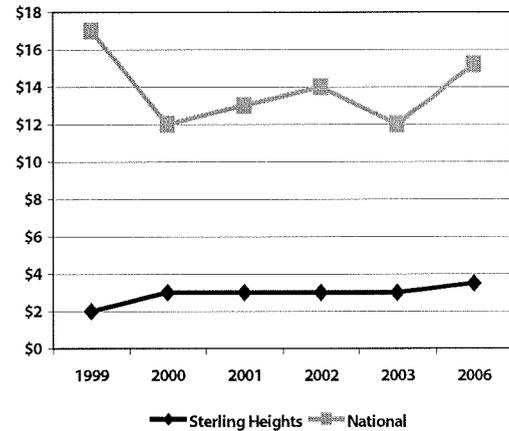
Parks & Recreation Costs Per Resident



2006 National Rank: 36th out of 65 cities
Rank Percentage: 55%

The City's total Parks & Recreation cost per resident has increased slightly over the past 8 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 36th lowest out of 65 cities nationally.

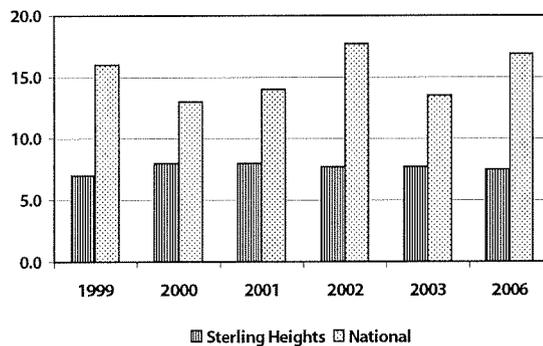
Parks & Recreation Revenue Per Resident



2006 National Rank: 15th out of 94 cities
Rank Percentage: 16%

The revenue generated by the Parks & Recreation Department has been below the national average (excluding golf courses) during the past 8 years.

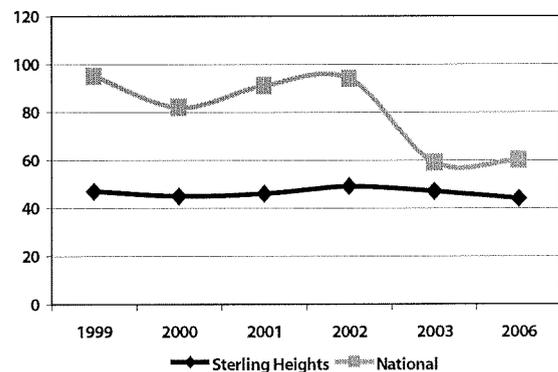
Park Acres Per 1,000 Residents



2006 National Rank: 35th out of 117 cities
Rank Percentage: 30%

The number of park acres in the City has increased slightly over the past 8 years. The City continues to be below the national average in park acres per 1,000 residents. The City, however, is above average in both developed park acres per resident (51%) and the percent of park acres developed (73%).

Parks & Recreation Employees Per 100,000 Residents



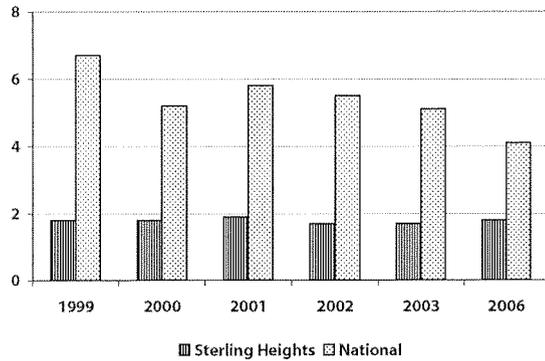
2006 National Rank: 34th out of 79 cities
Rank Percentage: 43%

The City currently has 44 full-time equivalent employees (FTE's) compared to the national average of 60 FTE's. Beginning in 2003, the national average now excludes the number of municipal golf course FTE's.

ICMA PERFORMANCE MEASUREMENTS

Police Department

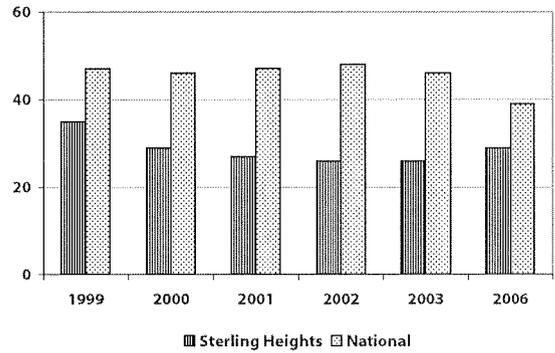
Violent Crimes Per 1,000 Residents



2006 National Rank: 29th out of 120 cities
Rank Percentage: 24%

The City currently ranks 29th lowest out of 120 cities nationally in Violent Crimes per 1,000 residents. Over the past 8 years, the City has continued to be well below the national average.

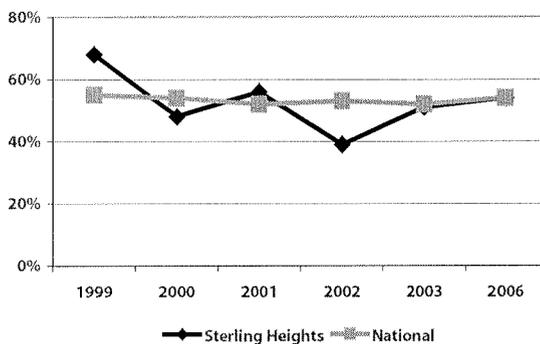
Property Crimes Per 1,000 Residents



2006 National Rank: 46th out of 124 cities
Rank Percentage: 37%

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 46th lowest out of 124 cities nationally.

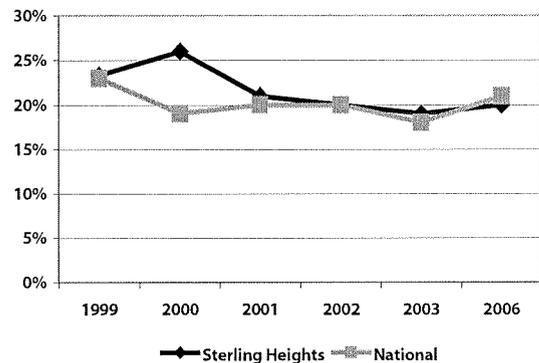
Percent of Violent Crimes Cleared



2006 National Rank: 54th out of 104 cities
Rank Percentage: 52%

The Percent of Violent Crimes Cleared, or solved, has increased slightly in the last several years to be near the national average in 2006. In 2006, the City ranked 54th out of 104 cities nationally.

Percent of Property Crimes Cleared



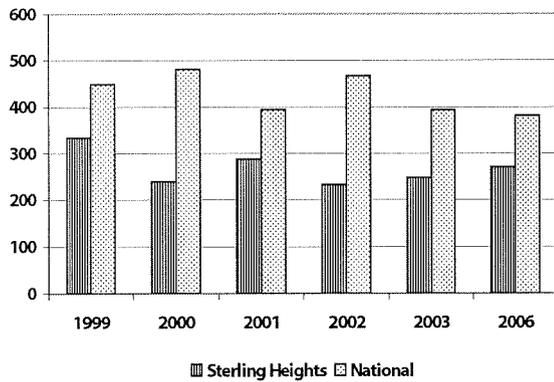
2006 National Rank: 58th out of 101 cities
Rank Percentage: 57%

The Percent of Property Crimes Cleared, or solved, over the past 8 years continues to be at or slightly above the national average. In 2006, the City ranked 58th highest out of 101 cities.

ICMA PERFORMANCE MEASUREMENTS

Fire Department

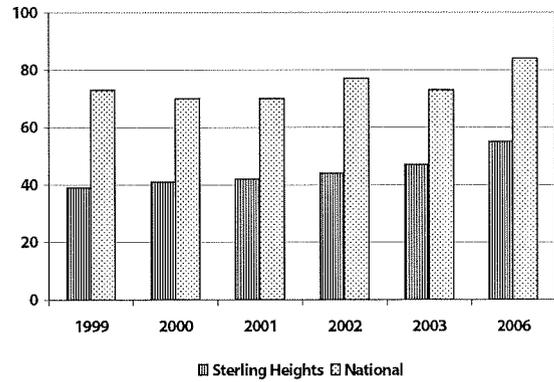
Fire Incidents Per 100,000 Residents



2006 National Rank: 29th out of 98 cities
Rank Percentage: 30%

The number of fire incidents in the City continues to be well below the national average for each of the past 8 years. The City currently ranks 29th lowest out of 98 cities nationally in the number of fire incidents per resident.

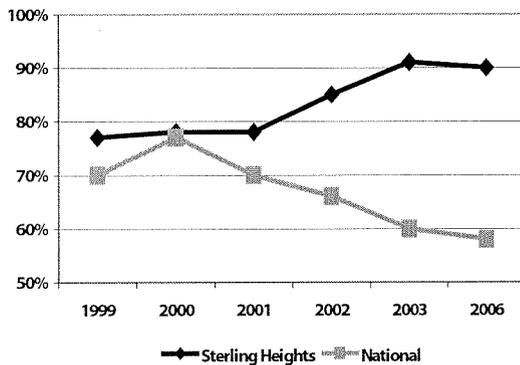
EMS Responses Per 1,000 Residents



2006 National Rank: 25th out of 90 cities
Rank Percentage: 28%

The number of EMS responses in the City remains well below the national average for the past 8 years. In 2006, the City ranked 25th lowest out of 90 cities reporting. 72% of cities nationally had a higher number of EMS responses per resident.

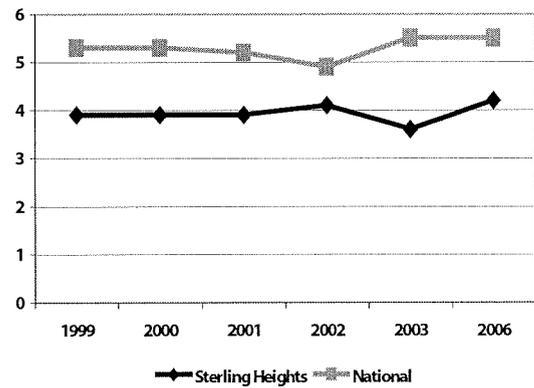
Percent of Fire Responses Less Than 5 Minutes



2006 National Rank: 61st out of 63 cities
Rank Percentage: 97%

For the past 8 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, 90% of fire incidents are responded to in 5 minutes or less. Only 2 reporting cities had a higher percent.

Average EMS Response Time (Minutes)



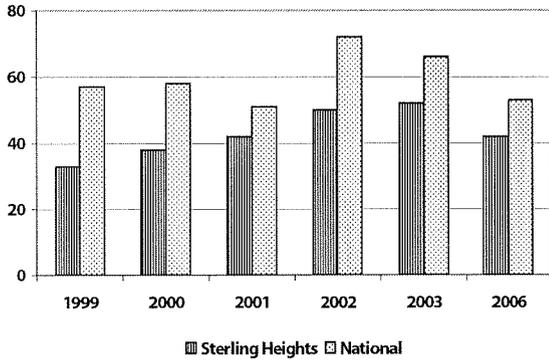
2006 National Rank: 6th out of 53 cities
Rank Percentage: 11%

The City's average EMS response time is 4.2 minutes, which is well below the national average. We currently rank 6th lowest out of 53 cities. In other words, only 11% of the cities nationally had a faster average EMS response time.

ICMA PERFORMANCE MEASUREMENTS

Public Works Department

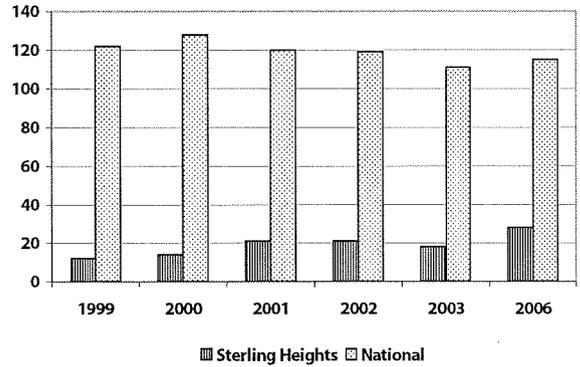
Refuse Collection Costs Per Ton



2006 National Rank: 21st out of 49 cities
Rank Percentage: 43%

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 21st lowest out of 49 cities nationally.

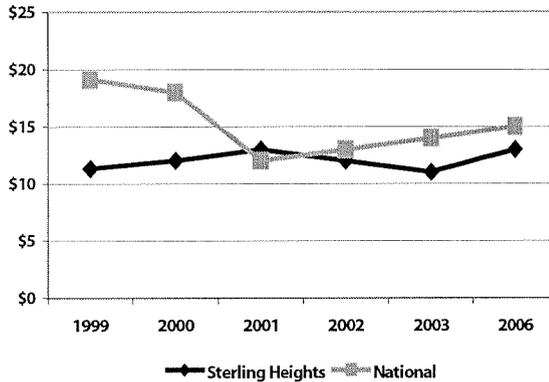
Recycling Costs Per Ton Recycled



2006 National Rank: 3rd out of 43 cities
Rank Percentage: 7%

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

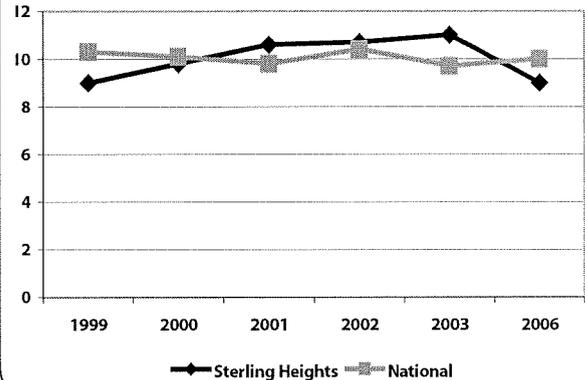
Fleet Maintenance Expenditures Per Resident



2006 National Rank: 10th out of 27 cities
Rank Percentage: 37%

The City spends near the national average for operating and maintaining its motor vehicles and equipment. We currently rank 10th out of 27 cities nationally.

Average Age of Fire Apparatus (Years)



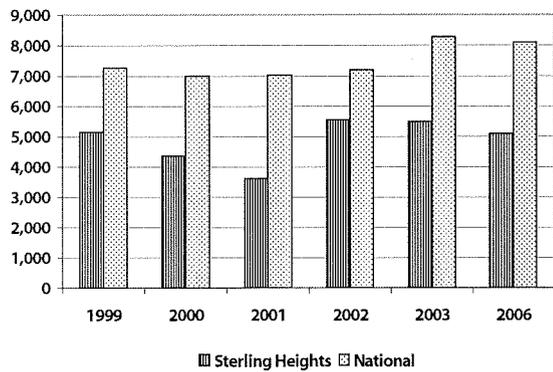
2006 National Rank: 29th out of 78 cities
Rank Percentage: 37%

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

ICMA PERFORMANCE MEASUREMENTS

Public Library Department

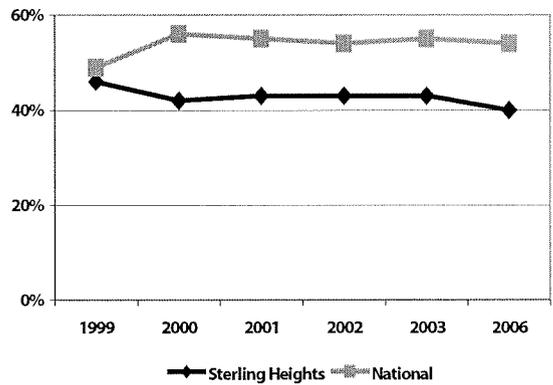
Library Circulation Per 1,000 Residents



2006 National Rank: 24th out of 70 cities
Rank Percentage: 34%

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.

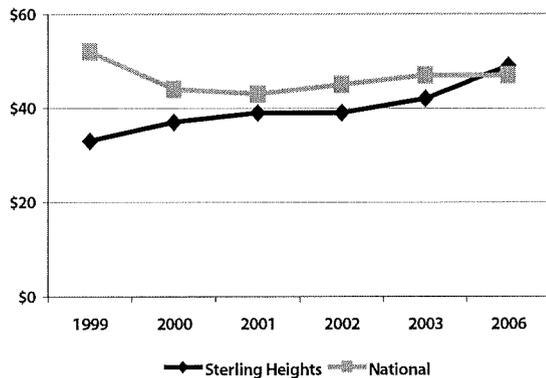
Registered Borrowers As a % of Population



2006 National Rank: 11th out of 54 cities
Rank Percentage: 20%

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.

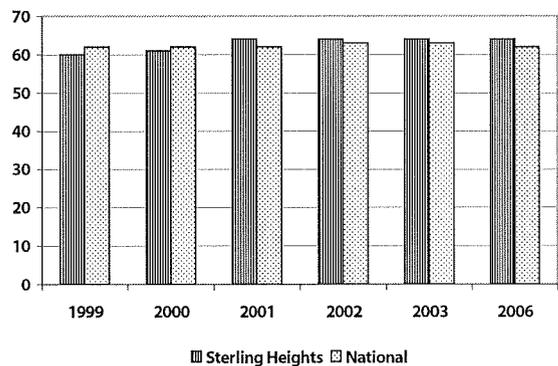
Library Expenditures Per Registered Borrower



2006 National Rank: 44th out of 67 cities
Rank Percentage: 67%

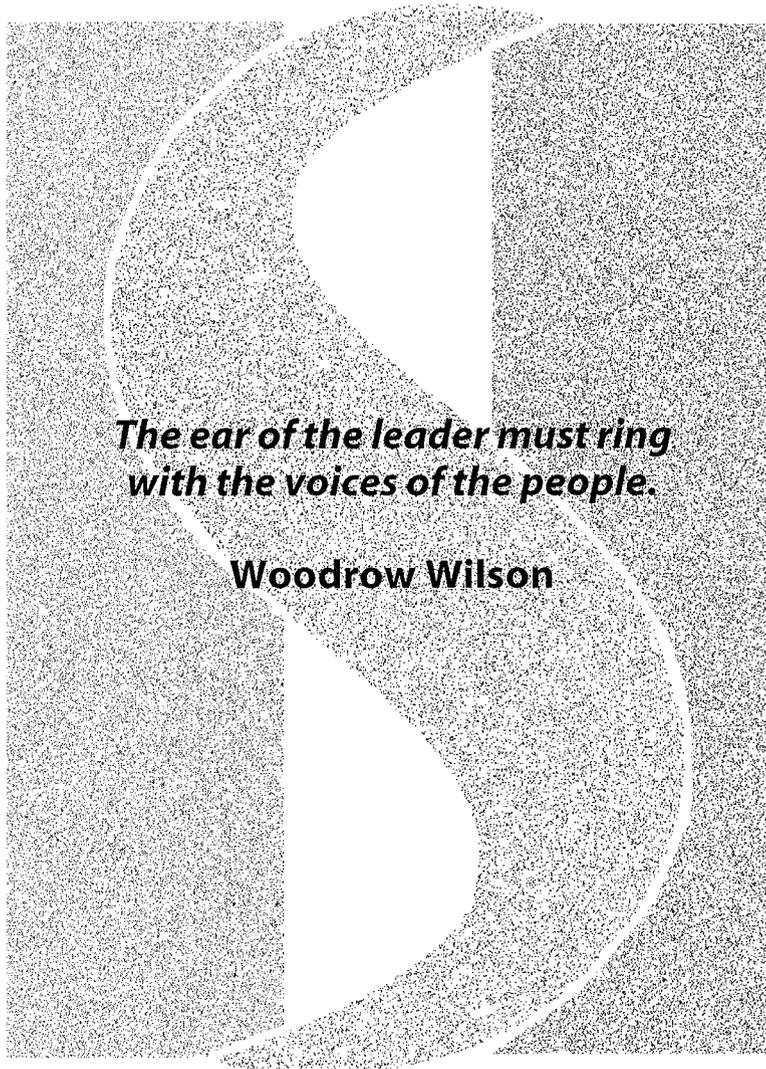
The City's Library Expenditures per Registered Borrower has risen in 2006 to be slightly above the national average. In 2006, the City spent \$49 per registered borrower compared to an average of \$47 spent nationally. We ranked 44th out of 67 cities nationally.

Average Weekly Hours of Library Operations



2006 National Rank: 44th out of 65 cities
Rank Percentage: 68%

Over the past 8 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.



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 changes 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

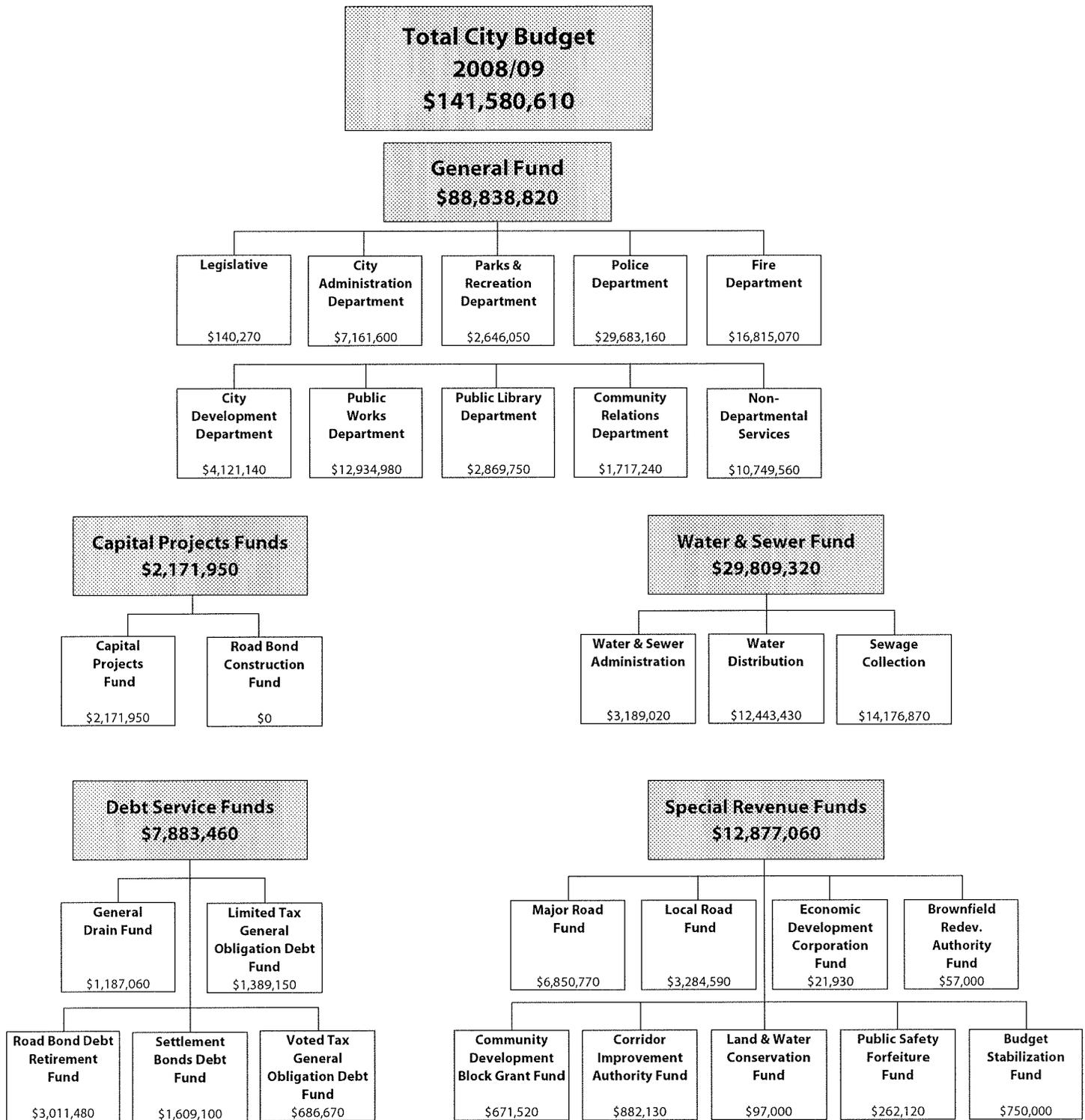


Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

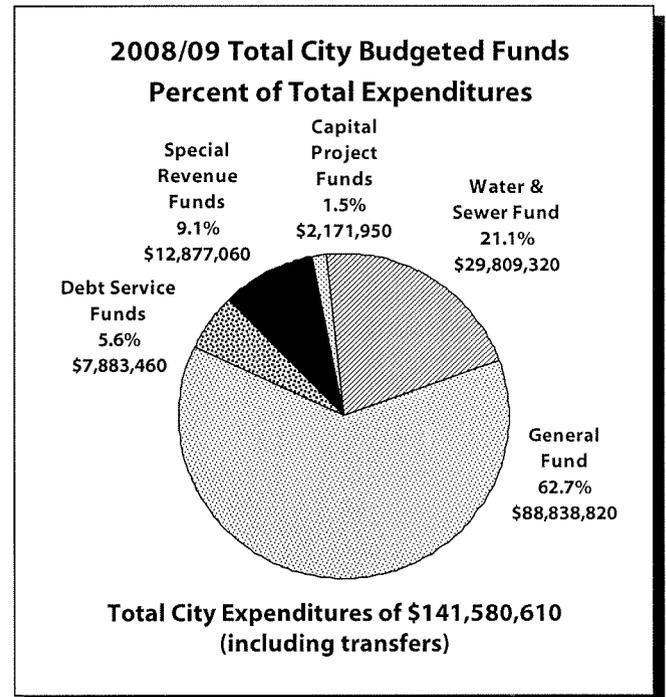
This Executive Summary has been prepared as a general overview to the 2008/09 Budget for the City of Sterling Heights. It is hoped that it will provide City residents with a quick summary of the plans of the City for the fiscal year. The City Council held several budget hearings throughout the months 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), at the City Clerk's office and at the Library.

TOTAL CITY FUNDS

The 2008/09 Budget for all City Funds totals \$141.6 million. The City establishes a budget for 18 separate funds or accounting divisions. These 18 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the **General Fund**, which provides \$88.8 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 \$29.8 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 \$12.9 million for major and local road maintenance and construction, park development, public safety drug forfeiture purchases, funding for economic development, brownfield redevelopment, the corridor improvement authority and for the federally subsidized Community Development Block Grant program. Several notable items in the Special Revenue Funds 2008/09 Budget include:



- \$48,500 for replacement bleachers for the tackle football program at Delia Park, \$23,000 for replacement wall dividers at the Recreation Center, and funding to resurface the tennis courts at Washington Square Park and the parking lot at Beaver Creek Park.
- An additional \$20,000 to assist low and moderate-income families in making minor repairs to their mobile homes, funding to paint and repair the Upton House, and funds to begin a community policing program at Sterling Estates mobile home park.
- \$325,460 in CDBG funding for the second year of debt payments on the new Senior Citizen Active Life Center Addition.
- Funding for real estate consulting and site selection services and additional incentives to lure brownfield redevelopment projects all in order to better assist in the City's economic development efforts.
- Funding for a façade assistance program and improvements to the North Van Dyke corridor.
- Continued funding for the mowing and median maintenance contract on M-59 from Van Dyke to I-94.
- Continued funding for mosquito control in residential street catch basins and the spraying of Dodge Park to combat the spread of the West Nile Virus.

- The use of Budget Stabilization funds due to the first decline in City taxable values since the early 1980's.

The City will continue to fund the Neighborhood Road Repair and Replacement Program and will complete improvements to Faith, Gary, Tricia, Awdey, and Morrison Drives. The City will also continue its increased funding for joint sealing and sectional concrete replacement on all streets within the City.

Other road improvement projects include:

- The City's share of preliminary engineering costs for the reconstruction of Van Dyke from 15 Mile to 18 Mile Road.
- The replacement of the bridge decking on the Van Dyke Bridge over the Clinton River.
- The resurfacing of Riverland Drive from Clinton River Road to the bridge.
- The installation of right hand turn lanes at 15 Mile and Ryan Road.
- The alignment of the 18 Mile and Utica Road intersection and for the design and right of way acquisition for the eventual widening of 18 Mile between Mound and Van Dyke.
- The modernization of traffic signals on Schoenherr and Ryan Roads.
- The creation of a bypass lane and storm drain enclosure on 19 Mile Road near Fire Station #2.
- Improvements to the North Van Dyke corridor using grant funding and new tax increment financing legislation recently approved by the State.

The **Capital Project Funds** total \$2.2 million for 2008/09. These funds are used for the purchase of capital equipment and vehicles, the construction and improvement of municipal facilities and storm drains, and for road construction financed by the sale of bonds. Notable capital projects in the 2008/09 Budget include:

- \$550,000 for Neighborhood Sidewalk Repairs and \$350,000 for the continuation of the Sidewalk Gap Completion Program.
- \$200,000 for three replacement generators for the newly renovated Fire Stations and repairs to the Fire Training Tower at Fire Station #5.
- Repairs to two neighborhood school walkways.
- The creation of a café at the Library and the remodeling of the existing bookstore.

- \$230,090 for replacement capital equipment for City departments.
- \$214,860 for Information Technology hardware and software improvements.
- \$438,000 in capital vehicle replacements including eleven patrol and traffic vehicles.

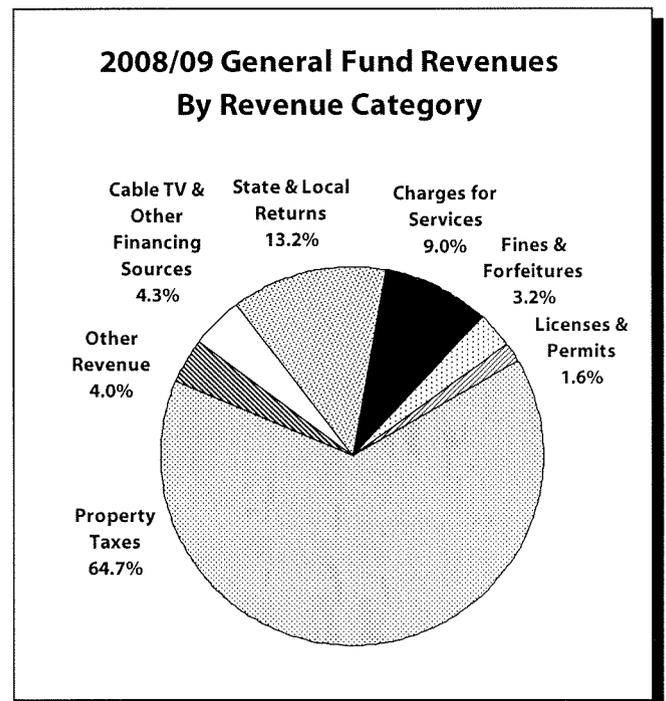
Finally, the **Debt Service Funds** total \$7.9 million and provide funding for the debt payments on road construction projects, the 41-A District Court, the City Center Commons, the public safety radio system, the Senior Life Center Addition, storm drains, litigation settlements, and the debt resulting from the voter approved Proposal R. Beginning this year, debt payments from the 2006 voter approved Proposal F and the Lakeside Special Assessment District have come on line. The City has saved over \$775,000 in future interest payments by refinancing several bonds over the past six years.

GENERAL FUND

The 2008/09 Budget for the General Fund is \$88.8 million, an increase of \$2.7 million or 3.1% above the 2007/08 Budget.

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 10.7858 mills will provide \$56.1 million or 64.7% of the total General Fund budget. Taxes are levied for General Operations, Refuse Collection, Police & Fire Pensions, Public Improvement debt, and Drain debt. The City's millage rate has increased by 0.0608 mills to pay for voter approved Fire Station renovation debt (Proposal F). The City's tax rate has still fallen by 19.4% since 1988. However for the first time since the early 1980's, the City's taxable values have fallen due to declining home prices. After seeing a 4.6% increase in City taxable value last year, total taxable value has decreased by 1.2% for next year due to an average 7.7% reduction in residential property assessments and less new construction and development. As a result, the City will see a reduction in property tax revenues for the first time in over 25 years.

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 1.6%, State and Local Returns 13.2%, Fines & Forfeitures 3.2%, Charges for Services 9.0%, Other Revenue 4.0%, Cable TV Revenue 1.8%, and Other Financing Sources 2.5%.

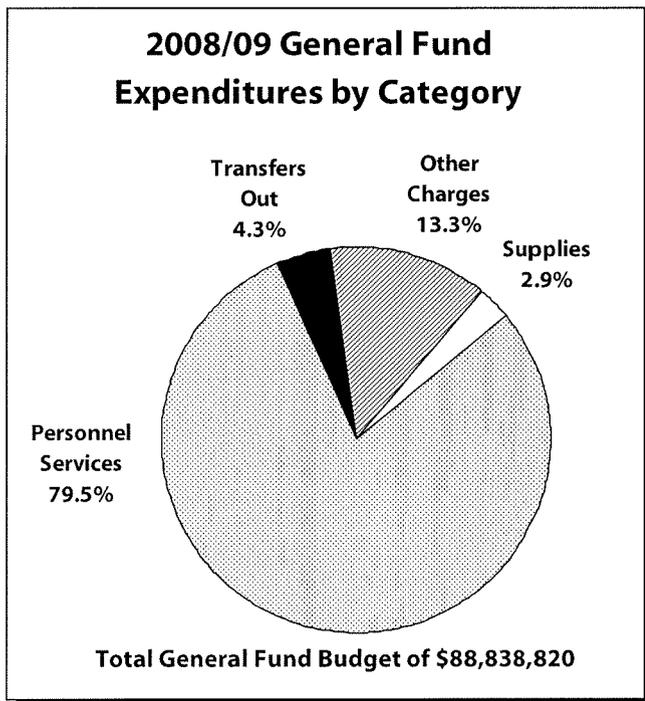
Due to a decline in property assessments and

therefore tax revenues, declining development revenues, and lower interest on investments, a \$1.8 million planned use of fund balance reserves is budgeted. In addition, we estimate having to use the \$750,000 in Budget Stabilization funds. As a result, an estimated \$13.3 million or 15.0% of General Fund expenditures will remain available in General Fund reserves.

Expenditures by Category

The \$88.8 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 79.5% 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 2.9% of the budget. Other Charges total 13.3% 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 4.3% of the General Fund budget.

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



	<u>Dollar Change</u>	<u>Percentage Change</u>
Personnel Services	\$3,066,410	4.5%
Supplies	174,650	7.4%
Other Charges	(420,520)	(3.4%)
Transfers Out	(151,610)	(3.8%)
Total	<u>\$2,668,930</u>	<u>3.1%</u>

Personnel Services increased \$3.1 million or 4.5% over last year's budget. Wages for full-time employees increased by \$918,630 or 2.5%. While most labor groups are budgeted to receive a 3% wage increase, funding for nine vacant full-time positions has been eliminated. Hospitalization costs decreased by \$217,160 or 3.3% due largely to medical savings recently negotiated with several labor groups. Police & Fire Pension costs increased by \$886,280 or 51.9% due to lower than actuarially assumed stock market returns.

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 2008/09 fiscal year, \$10.7 million has been set aside in the General Fund to fully cover these obligations, an increase of \$1.1 million or 12.0% over the previous year. In the past five years, the City has increased its funding by \$8.1 million and funding now totals the 24% of City payroll recommended by the latest actuarial study.

The budget includes funding for 621 full-time positions. Due to revenue shortfalls, nine vacant positions are recommended to be eliminated, saving \$700,000. The City has now eliminated 28 vacant full-time positions since 2002, saving \$2.0 million annually. The City will now have the same number of full-time staffing as thirteen year ago in 1996. However since that time, five positions have been added in the Police Department, four in Community Relations, and two in Information Technology. The Public Works Department has decreased by five positions, while City Administration is down by four.

A total of four part-time positions are being eliminated, however two additional part-time positions are recommended in the Library to help offset the reduced hours as a result of one fewer full-time position.

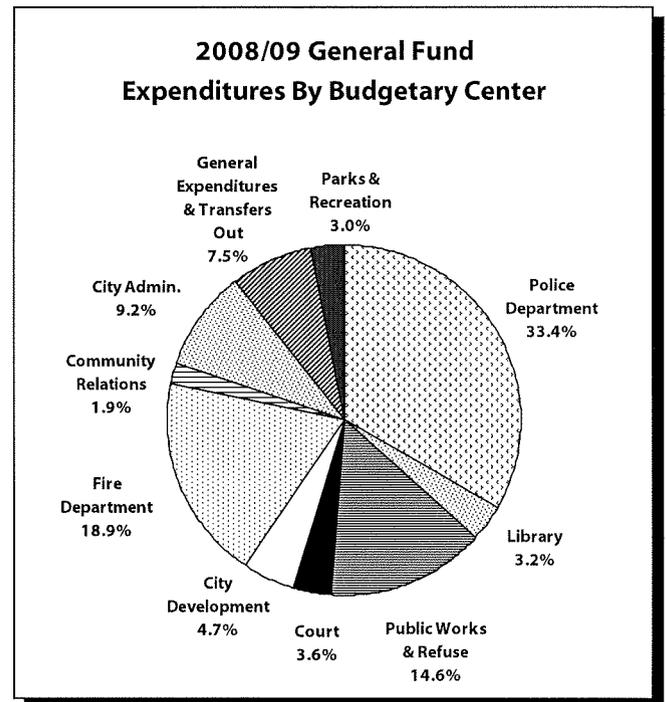
Supplies increased by \$174,650 or 7.4% due mainly to rising fuel prices and vehicle repair costs that have accounted for a \$170,000 increase. Most departments have reduced their discretionary spending on Supplies.

Other Charges decreased by \$420,520 or 3.4%. Contractual services decreased by \$615,410 as the General employees pension system will now pay money manager fees directly out of its investment income as is the practice in the vast majority of other pension systems. This change will allow the City to invest additional funds for retiree medical liabilities. Refunds on tax tribunal adjustments decreased \$100,000 due to a large one-time property tax appeal in the prior year. Rubbish removal costs increased by \$125,200 or 3.0% due to contractual price increases. Medical services increased by \$73,670 due primarily to the new Peer Fitness program in the Fire Department. Electric, heating and water costs rose a combined \$51,700 or 5.4% based on rate increases. Savings were realized in computer consulting, spraying services, and tuition reimbursements,

partially offset by additional funds for Sterlingfest, employee training, and legal costs.

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 funded through a Transfer Out from the General Fund. \$230,090 is budgeted to fund capital equipment, 60% of which is for Fire Department operations. \$214,860 is budgeted for new computer hardware and software as part of the Information Technology Plan. \$438,000 is budgeted for the purchase of 15 replacement vehicles, 12 of which are for the Police Department. **A complete list of all budgeted 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 \$151,610 or 3.8%. Transfers to the Major Road Fund were reduced by \$800,000, while the transfer to the Capital Projects Fund declined by \$244,350. Two new transfers partially offset these reductions. A transfer to the Voted General Obligation Debt Fund for \$325,000 is needed for the first year debt payment on the new Fire Station renovations bond. A \$450,000 transfer to the



Corridor Improvement Fund is needed to pre-fund the City's costs of the streetscape project and the façade assistance program. The General Fund will be repaid for these costs over a ten-year period or sooner, based on future new development in the district.

Expenditures by Budgetary Center

The City's General Fund can be further broken down into the departmental or budgetary center level. These budgetary centers comprise the eight City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, two-thirds 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 2008/09 Budget:

City Administration Department

- Elimination of the City's participation in the ICMA's Center for Performance Measurements.
- Fifty replacement voting booths and additional funding for the 2008 Presidential Election, offset slightly by savings from the use of a permanent absentee voter list.
- The elimination of a vacant Custodian position and the adjustment of daytime cleaning schedules.
- The elimination of a part-time Co-op position in Assessing and the discontinuation of the online comparable assessing database service.
- A new MUNIS database software and file server and the elimination of the MUNIS payroll online program.
- Continued funding for two Finance employees to attend the MUNIS software user's conference.
- The elimination of a vacant Administrative Assistant position in Treasury.

Parks & Recreation Department

- \$97,000 in park improvements including replacement bleachers at Delia Park, wall dividers for the rooms at the Recreation Center, the resurfacing of tennis courts at Washington Square Park, and the resurfacing of the parking lot at Beaver Creek Park.
- Funding for expanded daily programming and operation of the new Senior Active Life Center

Addition.

- A reduction of one of the 15 summer playground sites.
- A new \$1 per adult Sterlingfest bus transportation fee.
- A switch to quarterly Senior dances and birthday parties which will now be held at the Recreation Center.

Police Department

- The continuation of the fourth overlapping patrol shift implemented mid year which will increase the number of officers on the street during peak times and lessen the need for backfill overtime.
- The elimination of a vacant Technical Secretary position.
- A Police Station needs analysis and feasibility study.
- The creation of a community-policing program at the Sterling Estates mobile home park.
- Debt funding for the Public Safety 800 MHz Radio System.
- Eleven replacement patrol and traffic safety vehicles and an Animal Control vehicle.
- The use of drug forfeiture proceeds to replace 12 in-car video recorders, a computer server to automatically download the in-car video recordings, a new cargo training van, and additional taser guns.

Fire Department

- The completion of the renovation and upgrades to Fire Stations #2, #3, and #4 as part of the voter approved Proposal F.
- Funding for medical physicals, fitness assessments, and additional fitness equipment as part of the Peer Fitness Program.
- Replacement data cabling for improved computer connection speed at Fire Station #5, 29 replacement personal computers, a video conferencing system for station training, four self-contained breathing apparatus units, four new station alerting systems, a new Fire Safety house, and repairs to the training tower at Fire Station #5.
- Three larger backup generators and a new fiber optic telephone system for the newly renovated Fire Stations.
- The elimination of a vacant Fire Inspector position.

- Continued funding for the Fire Open House and Civilian Fire Academy.
- Funding for the continuation of the Community Emergency Response Team (CERT) and increased Emergency Manager training.

City Development Department

- The elimination of a vacant Plumbing Inspector and part-time Co-op position in Building.
- The elimination of a vacant Clerk Typist in Planning.
- Funding for nuisance abatement contract costs and higher equipment maintenance costs for the land management computer system.
- Funding for Leed certification, ICMA training, and a US Green Building membership.
- A reduction in computer consultant hours and additional funds to improve the City's Internet bandwidth speed and to purchase six replacement file servers.
- Continued funding for the MUNIS users conference.

Public Works Department

- The elimination of a vacant Engineering Aide and a part-time Co-op position.
- The use of in-house Engineering staff to conduct soil erosion inspections.
- The use of SMART to perform repairs and maintenance of buses and vans for the senior transportation program.
- The elimination of a vacant Laborer position in the Parks & Grounds Maintenance division.
- Continued additional hours for seasonal laborers in Parks & Grounds Maintenance, Refuse, and Street Services to better maintain the City's rights-of-way and to service the three drop-off recycling centers.
- Replacement capital equipment including a gator with plow and salt spreader, a ball diamond maintenance truck, two recycling trailers, a pickup truck with plow, a dump truck with plow, and a chipper.
- The transfer of funding for the noxious weed cutting program from the General Expenditures activity to the Public Works Center.
- Continued funding for the planting of additional neighborhood trees, and the continuation of the West Nile Virus reduction program with the use of longer lasting mosquito briquettes in street

catch basins and spraying in Dodge Park.

- The repairs to two neighborhood school walkways.
- Higher water irrigation costs for several newly developed soccer fields and the Utica Road median.

Public Library Department

- The elimination of a vacant full-time Library Clerk position and additional part-time Library Clerk and Page positions which are needed to adequately staff the Library circulation desk.
- Continued increased funding of \$10,000 approved several years ago for additional Library book and audiovisual material purchases.
- Continued funding to open the Library at 9:30 a.m., one half-hour earlier on Monday through Saturday and continued funding for the staffing of Sunday hours during the school year.
- Senior Executive Institute training for the Library Director.
- A replacement multi-media projector for the Library programming center, three replacement computer network switches to provide more reliable public Internet service, the remodeling of the bookstore and the creation of a Library café.
- Higher utility costs to operate the Library due to rate increases.

Community Relations Department

- The elimination of the vacant part-time Video Production Technician position.
- Increased funding for Sterlingfest.
- Funding for software maintenance on the new Customer Service and Inquiry Tracking system.
- Two replacement SHTV video editing systems and four replacement iMac computers.

Non-Departmental Services

- Funding for 38 replacement personal computers for the 41-A District Court.
- A 50% decrease in employee tuition reimbursement funding.
- The continued City memberships to the Southeast Michigan Council of Governments (SEMCOG) and the Clinton River Watershed Council, and renewed participation in 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 or any other City fund. It is designed to break even and is expressly 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 disposal services from the City of Detroit, which directly influences the rates that we charge our residents. The City of Detroit will increase the water rate it charges the City of Sterling Heights effective July 1, 2008. The Detroit water rate will increase by 5.3% from \$12.05 to \$12.69 per thousand cubic feet. Sewer fees have risen by 5.6% from \$10.96 to \$11.57.

As a result of these Detroit increases, only a 3.9% water and sewer rate increase will be passed on to our customers in order for the City's Water & Sewer system to break-even next year. The average residential customer will pay only \$38.08 per month for water & sewer services. In addition, for the first time in ten years, the City will increase its maximum summer discount by \$1 to \$26.

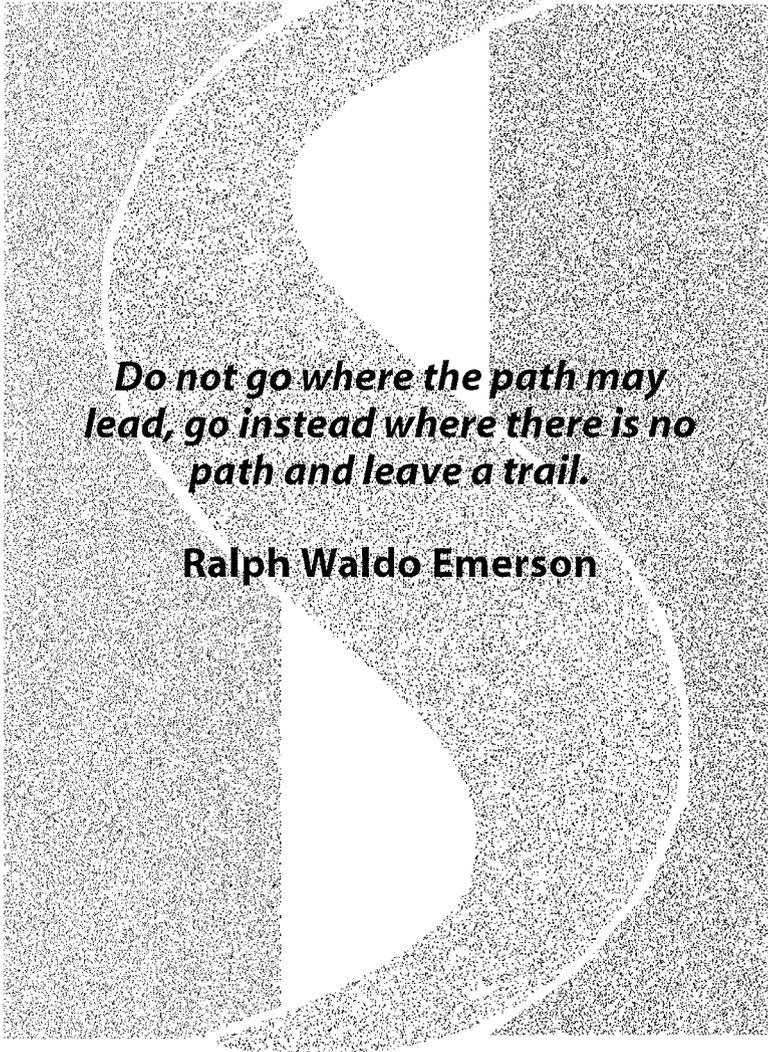
According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City continues to have the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents. Our mark-up on Detroit's water rate is also one of the lowest and has decreased to a low of only 11.0%.

The City continues to control its discretionary costs within this fund while providing the necessary equipment to properly maintain the system. Personnel costs rose \$64,050 or 1.9% due to staff turnover in the prior year and as a result of health insurance savings from a new labor contract. Supplies decreased by \$6,250 or 2.2% despite higher fuel costs, as fewer water meters are anticipated to be purchased. Capital Outlay costs decreased by \$989,850 due to the one-time purchase of the automated commercial meter reading system in the prior year.

The 2008/09 Budget includes:

- Funding to relocate two equipment storage

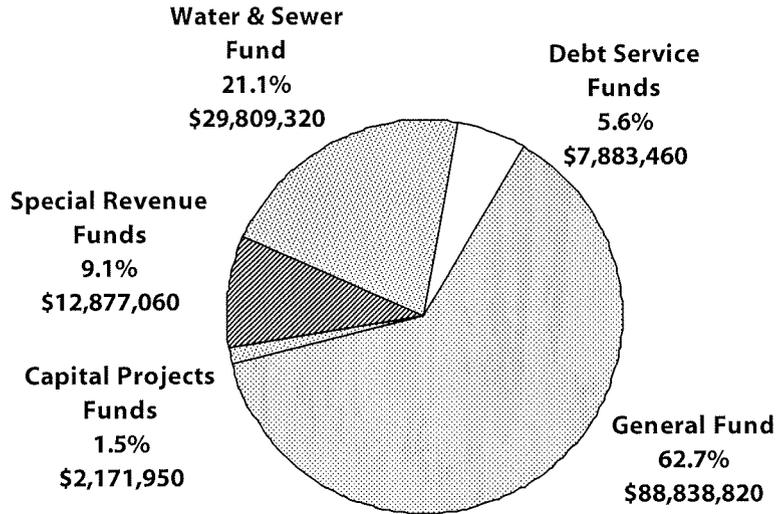
buildings to Public Works once the Fire Station renovations are complete, a dual axle trailer, a lift station pump, cement saw, and a flatbed stake truck. ■



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

Ralph Waldo Emerson

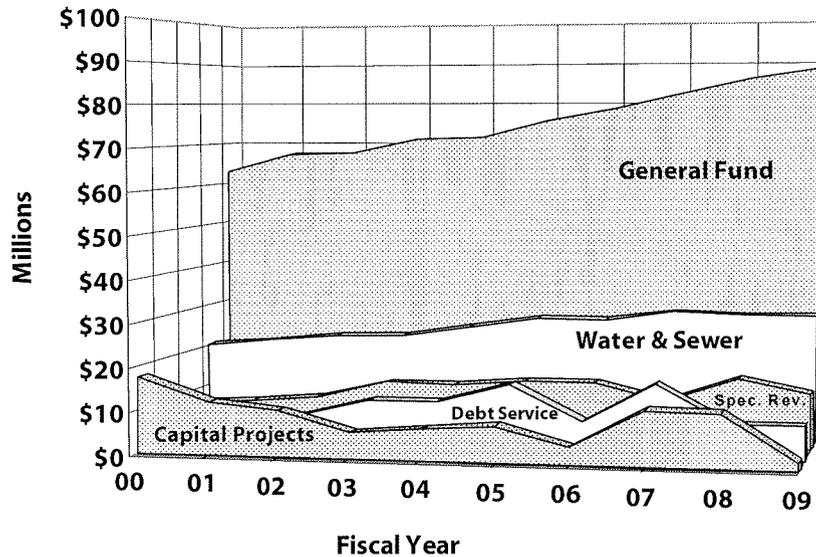
2008/09 Total City Budgeted Funds Percent of Total Expenditures



**Total City Expenditures of \$141,580,610
(including transfers)**

This graph illustrates total fund expenditures as a percent of all City Funds for the 2008/09 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.

**2008/09 ALL FUNDS COMBINED BUDGET SUMMARY
OF REVENUES, EXPENDITURES AND FUND BALANCE**

	General	Water & Sewer	Special Revenue	Debt Service	Capital Projects	Total Budget
REVENUES BY SOURCE						
City Property Taxes	\$56,339,590	\$0	\$68,340	\$1,528,030	\$2,000	\$57,937,960
Water & Sewer Service	0	26,867,360	0	0	0	26,867,360
Interfund Transfers In	2,194,430	0	1,629,000	6,160,560	1,290,150	11,274,140
State Revenue Sharing	10,600,000	0	0	0	0	10,600,000
Charges for Services	6,878,010	1,891,900	20,000	0	0	8,789,910
Highway & Street Grants	0	0	6,835,000	0	0	6,835,000
Court & Police Fines and Forf.	2,677,000	0	0	0	0	2,677,000
Miscellaneous Revenue	953,760	96,200	337,900	357,000	818,900	2,563,760
Federal, State & Local Grants	867,230	0	1,522,480	0	160,000	2,549,710
Interest On Investments	1,470,000	800,000	92,300	37,700	80,000	2,480,000
Cable Revenue	1,525,000	0	0	0	0	1,525,000
Licenses & Permits	1,356,400	0	0	0	0	1,356,400
Rental - Road Equipment	1,100,000	71,000	0	0	0	1,171,000
Labor Services Roads	1,000,000	83,000	0	0	0	1,083,000
Sale of Fixed Assets	4,000	0	145,000	0	0	149,000
Other Fines & Forfeitures	70,000	0	0	0	0	70,000
Total Revenues	87,035,420	29,809,460	10,650,020	8,083,290	2,351,050	137,929,240
EXPENDITURES BY OBJECT						
Personnel Services	70,623,690	3,399,900	5,520	0	0	74,029,110
Other Charges	7,503,840	24,358,260	640,800	12,010	0	32,514,910
Interfund Transfers Out	3,801,150	0	4,569,890	0	0	8,371,040
Principal Payments	0	0	0	5,730,000	0	5,730,000
Capital Improvement Projects	0	50,000	4,020,100	0	1,289,000	5,359,100
Refuse Collection	4,292,250	0	0	0	0	4,292,250
Other Services	0	0	3,466,000	0	0	3,466,000
Supplies	2,544,990	282,000	18,970	0	0	2,845,960
Interest Payments	0	0	0	2,141,450	0	2,141,450
Interfund Services	72,900	1,649,160	0	0	0	1,722,060
Capital Equipment	0	10,000	128,750	0	444,950	583,700
Capital Vehicles	0	60,000	27,030	0	438,000	525,030
Total Expenditures	88,838,820	29,809,320	12,877,060	7,883,460	2,171,950	141,580,610
Excess of Revenues Over (Under) Expenditures	(1,803,400)	*	(2,227,040)	199,830	179,100	(3,651,510)
Beginning Fund Balance	15,090,160	*	7,255,670	38,280	1,310,520	23,694,630
Ending Fund Balance	\$13,286,760	*	\$5,028,630	\$238,110	\$1,489,620	\$20,043,120

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

	2006/07 Actual	2007/08 Estimate	2008/09 Budget
REVENUES BY SOURCE			
City Property Taxes	\$55,658,130	\$58,487,390	\$57,937,960
Water & Sewer Service	23,091,630	25,595,410	26,867,360
Interfund Transfers In	18,466,540	9,525,710	11,274,140
State Revenue Sharing	10,861,810	10,670,000	10,600,000
Charges for Services	9,139,830	8,794,810	8,789,910
Highway & Street Grants	6,901,880	6,870,000	6,835,000
Court & Police Fines & Forfeitures	2,490,810	2,732,500	2,677,000
Miscellaneous Revenue	2,111,220	2,252,960	2,563,760
Federal, State & Local Grants	4,854,760	4,706,200	2,549,710
Interest On Investments	3,660,310	3,416,780	2,480,000
Cable Revenue	1,527,990	1,470,000	1,525,000
Licenses & Permits	1,784,160	1,358,000	1,356,400
Rental - Road Equipment	1,114,050	1,170,000	1,171,000
Labor Services Roads	1,058,060	1,082,000	1,083,000
Sale of Fixed Assets	2,280	11,000	149,000
Other Fines & Forfeitures	72,710	67,000	70,000
Proceeds - Long-term Debt	7,926,820	8,400,000	0
Total Revenues	150,722,990	146,609,760	137,929,240
EXPENDITURES BY OBJECT			
Personnel Services	66,681,760	70,548,680	74,029,110
Other Charges	34,682,400	32,698,560	32,514,910
Interfund Transfers Out	8,689,210	8,007,370	8,371,040
Principal Payments	14,000,000	5,685,000	5,730,000
Capital Improvement Projects	10,894,770	14,095,010	5,359,100
Refuse Collection	3,858,430	4,108,120	4,292,250
Other Services	3,304,660	3,713,500	3,466,000
Supplies	2,795,480	2,896,620	2,845,960
Interest Payments	2,336,750	1,938,410	2,141,450
Interfund Services	1,685,640	1,738,470	1,722,060
Capital Equipment	2,935,390	1,919,900	583,700
Capital Vehicles	916,400	1,620,160	525,030
Total Expenditures	152,780,890	148,969,800	141,580,610
Excess of Revenues Over (Under) Expenditures *	1,655,550	(1,157,770)	(3,651,510)
Beginning Fund Balance	23,196,850	24,852,400	23,694,630
Ending Fund Balance	\$24,852,400	\$23,694,630	\$20,043,120

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

REVENUE COMPARISON CITY BUDGETED FUNDS

Fund No.	Fund Name	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget	% Change from 07/08
GENERAL FUND							
1010	General Fund	\$80,036,050	\$83,443,200	\$86,212,720	\$85,625,210	\$87,035,420	1.0%
WATER & SEWER FUND							
5720	Water & Sewer Fund - Operations	25,625,430	26,511,710	29,350,410	28,881,100	29,809,460	1.6%
SPECIAL REVENUE FUNDS							
2010	Budget Stabilization Fund	0	0	0	0	0	0.0%
2020	Major Road Fund	7,144,740	6,758,150	9,069,560	8,850,520	5,646,960	-37.7%
2030	Local Road Fund	3,673,200	3,736,730	3,736,500	3,684,780	3,138,900	-16.0%
2440	Land & Water Conservation Fund	618,190	297,570	267,300	94,300	250,000	-6.5%
2550	Economic Develop. Corp. Fund	460	8,370	8,850	8,900	19,300	118.1%
2560	Brownfield Redevelopment Fund	3,690	32,880	46,850	54,850	45,260	-3.4%
2770	Public Safety Forfeiture Fund	906,000	839,010	73,540	215,330	0	-100.0%
2780	Comm. Develop. Block Grant Fund	684,130	1,227,590	699,480	790,780	671,520	-4.0%
8510	Corridor Improvement Auth. Fund	0	0	2,893,200	21,530	878,080	-69.7%
Total Special Revenue Funds		13,030,410	12,900,300	16,795,280	13,720,990	10,650,020	-36.6%
DEBT SERVICE FUNDS							
3010	General Drain Fund	1,226,130	1,245,250	1,119,430	1,126,900	1,187,060	6.0%
3050	Voted Gen. Obligation Debt Fund	940,360	1,018,600	980,340	981,400	686,670	-30.0%
3160	Settlement Bonds Debt Fund	1,876,200	11,103,560	1,520,340	1,526,340	1,609,100	5.8%
3270	Road Bond Debt Retirement Fund	2,871,110	2,214,830	2,620,200	2,609,000	3,214,000	22.7%
3690	Ltd. Tax Gen. Obligation Debt Fund	652,800	681,050	1,310,160	1,314,860	1,386,460	5.8%
Total Debt Service Funds		7,566,600	16,263,290	7,550,470	7,558,500	8,083,290	7.1%
CAPITAL PROJECT FUNDS							
4030	Capital Projects Fund	3,837,730	6,881,180	7,580,490	7,412,960	2,351,050	-69.0%
4280	Road Bond Construction Fund	457,160	4,723,310	2,705,000	3,411,000	0	-100.0%
Total Capital Project Funds		4,294,890	11,604,490	10,285,490	10,823,960	2,351,050	-77.1%
Total Revenue		130,553,380	150,722,990	150,194,370	146,609,760	137,929,240	-8.2%
Duplicating Transfers		(9,931,680)	(18,466,540)	(9,491,210)	(9,525,710)	(11,274,140)	18.8%
Total All Funds		\$120,621,700	\$132,256,450	\$140,703,160	\$137,084,050	\$126,655,100	-10.0%

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

EXPENDITURE COMPARISON CITY BUDGETED FUNDS

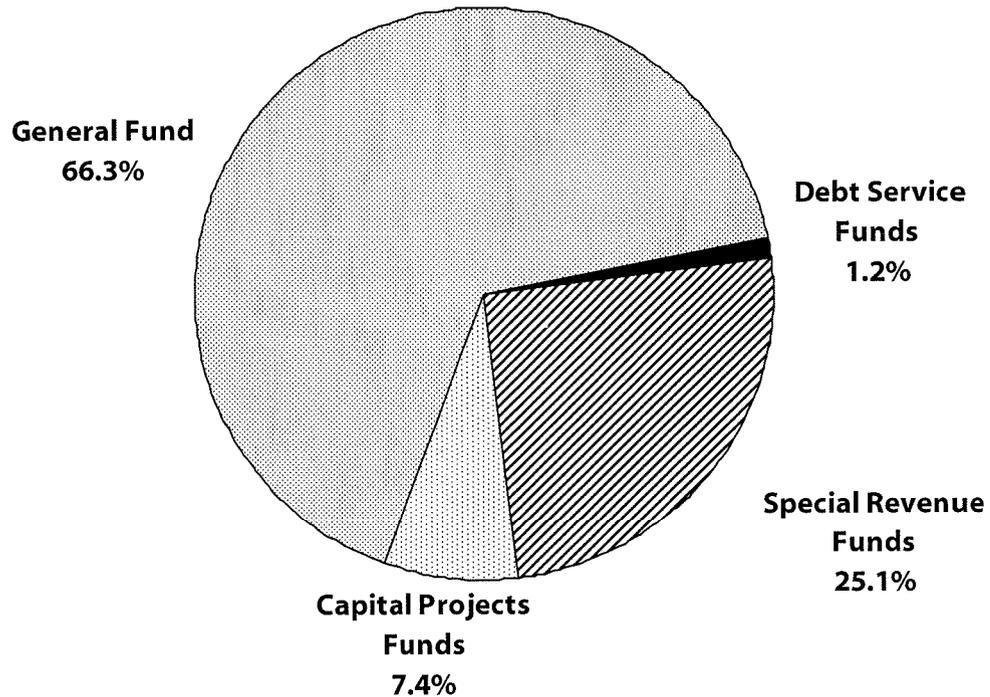
Fund No.	Fund Name	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget	% Change from 07/08
	GENERAL FUND						
1010	General Fund	\$78,986,850	\$82,775,550	\$86,169,890	\$86,252,940	\$88,838,820	3.1%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	28,024,420	30,225,160	29,569,800	30,083,370	29,809,320	0.8%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	0	0	0	0	750,000	100.0%
2020	Major Road Fund	8,080,690	5,629,730	8,085,940	7,319,700	6,850,770	-15.3%
2030	Local Road Fund	3,897,530	3,288,120	3,753,940	3,427,850	3,284,590	-12.5%
2440	Land & Water Conservation Fund	1,556,110	108,680	89,050	74,070	97,000	8.9%
2550	Economic Development Corp. Fund	10,200	9,880	10,700	9,300	21,930	105.0%
2560	Brownfield Redevelopment Fund	580	44,940	42,750	41,750	57,000	33.3%
2770	Public Safety Forfeiture Fund	567,600	367,980	655,370	661,530	262,120	-60.0%
2780	Comm. Develop. Block Grant Fund	701,750	1,227,590	699,480	790,780	671,520	-4.0%
8510	Corridor Improvement Auth. Fund	0	0	2,875,000	9,550	882,130	-69.3%
	Total Special Revenue Funds	14,814,460	10,676,920	16,212,230	12,334,530	12,877,060	-20.6%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,212,860	1,273,890	1,144,430	1,146,680	1,187,060	3.7%
3050	Voted Gen. Obligation Debt Fund	935,720	1,018,180	986,340	989,840	686,670	-30.4%
3160	Settlement Bonds Debt Fund	1,867,950	11,121,760	1,526,340	1,526,340	1,609,100	5.4%
3270	Road Bond Debt Retirement Fund	2,850,290	2,358,490	2,636,670	2,636,670	3,011,480	14.2%
3690	Ltd. Tax Gen. Obligation Debt Fund	652,370	656,660	1,339,380	1,339,400	1,389,150	3.7%
	Total Debt Service Funds	7,519,190	16,428,980	7,633,160	7,638,930	7,883,460	3.3%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	3,497,910	7,980,240	9,162,280	8,772,930	2,171,950	-76.3%
4280	Road Bond Construction Fund	530,750	4,694,040	3,201,790	3,887,100	0	-100.0%
	Total Capital Project Funds	4,028,660	12,674,280	12,364,070	12,660,030	2,171,950	-82.4%
	Total Expenditures	133,373,580	152,780,890	151,949,150	148,969,800	141,580,610	-6.8%
	Duplicating Transfers	(8,071,680)	(8,689,210)	(7,989,870)	(8,007,370)	(8,371,040)	4.8%
	Total All Funds	\$125,301,900	\$144,091,680	\$143,959,280	\$140,962,430	\$133,209,570	-7.5%

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

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

Fund No.	Fund Name	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget	% Change from 07/08
	GENERAL FUND						
1010	General Fund	\$15,050,240	\$15,717,890	\$15,760,720	\$15,090,160	\$13,286,760	-15.7%
	SPECIAL REVENUE FUNDS						
2010	Budget Stabilization Fund	750,000	750,000	750,000	750,000	0	-100.0%
2020	Major Road Fund	1,606,480	2,734,900	3,718,520	4,265,720	3,061,910	-17.7%
2030	Local Road Fund	547,720	996,330	978,890	1,253,260	1,107,570	13.1%
2440	Land & Water Conservation Fund	381,220	570,110	748,360	590,340	743,340	-0.7%
2550	Economic Development Corp. Fund	6,310	4,800	2,950	4,400	1,770	-40.0%
2560	Brownfield Redevelopment Fund	15,700	3,640	7,740	16,740	5,000	-35.4%
2770	Public Safety Forfeiture Fund	338,400	809,430	227,600	363,230	101,110	-55.6%
2780	Comm.Development Block Grant Fund	0	0	0	0	0	0.0%
8510	Corridor Improvement Auth. Fund	0	0	18,200	11,980	7,930	-56.4%
	Total Special Revenue Funds	3,645,830	5,869,210	6,452,260	7,255,670	5,028,630	-22.1%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	53,170	24,530	(470)	4,750	4,750	100.0%
3050	Voted General Obligation Debt Fund	9,960	10,380	4,380	1,940	1,940	-55.7%
3160	Settlement Bonds Debt Fund	19,390	1,190	(4,810)	1,190	1,190	100.0%
3270	Road Bond Debt Retirement Fund	196,250	52,590	36,120	24,920	227,440	529.7%
3690	Limited Tax Gen. Obligation Debt Fund	5,630	30,020	800	5,480	2,790	248.8%
	Total Debt Service Funds	284,400	118,710	36,020	38,280	238,110	561.0%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	3,541,980	2,442,920	861,130	1,082,950	1,262,050	46.6%
4280	Road Bond Construction Fund	674,400	703,670	206,880	227,570	227,570	10.0%
	Total Capital Project Funds	4,216,380	3,146,590	1,068,010	1,310,520	1,489,620	39.5%
	Unappropriated Total - All Funds	\$23,196,850	\$24,852,400	\$23,317,010	\$23,694,630	\$20,043,120	-14.0%

City Government Funds Percent of Total Reserves 2008/09 Fiscal Year



Total Government Fund Reserves of \$20,043,120

This graph illustrates total fund balance reserves for each of the City's Government Funds for the 2008/09 fiscal year.

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

Fund No.	Fund Name	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual
PROPRIETARY FUNDS						
ENTERPRISE FUND						
5740	Water & Sewer Improvement Fund	\$33,441,941	\$32,502,417	\$32,636,709	\$35,316,776	\$36,581,310
INTERNAL SERVICE FUND						
6770	Self-Insurance Fund	5,918,622	5,536,352	3,778,841	22,463,966	16,198,640
Total Proprietary Funds		39,360,563	38,038,769	36,415,550	57,780,742	52,779,950
FIDUCIARY FUNDS						
TRUST FUNDS						
7010	Retiree Medical Benefits Fund	7,156,608	8,067,889	8,685,864	10,075,077	14,217,492
7370	General Employees Retirement System	88,947,257	99,623,148	107,762,377	115,605,964	129,442,940
7380	Police & Fire Retirement System	163,750,721	177,621,481	192,699,311	194,849,253	208,600,271
Total Fiduciary Funds		259,854,586	285,312,518	309,147,552	320,530,294	352,260,703
Total All Non-Budgetary Funds		\$299,215,149	\$323,351,287	\$345,563,102	\$378,311,036	\$405,040,653

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

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

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



General Fund

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

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

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

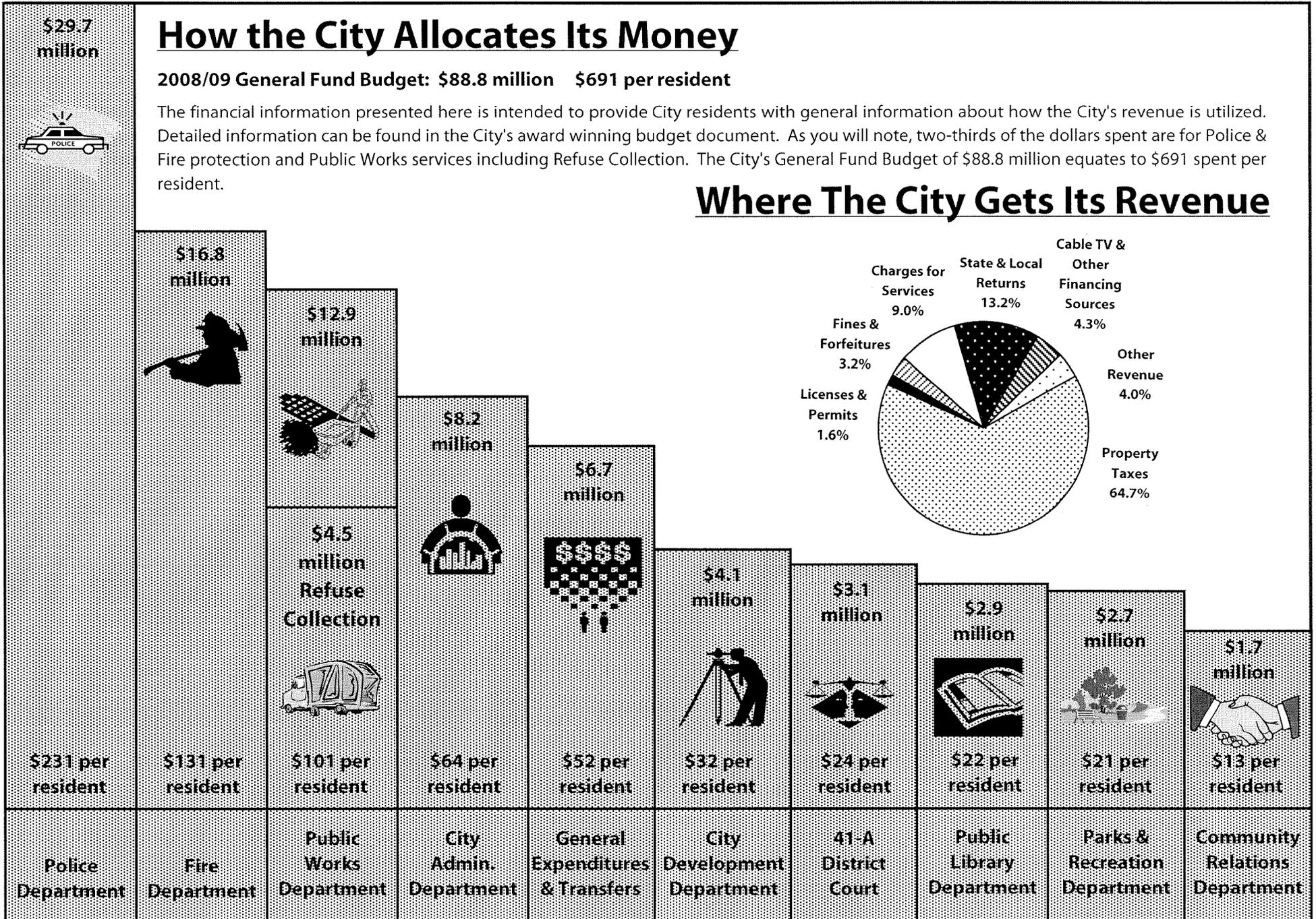
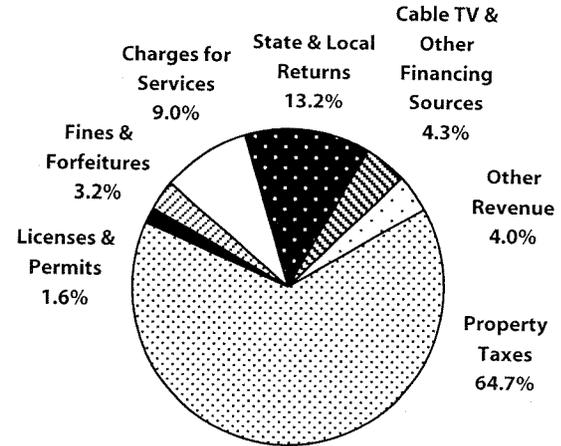
The General Fund also provides for Refuse Collection and Police and Fire Pensions. Revenues to cover these specific expenditures are generated by taxes levied exclusively for these purposes.

How the City Allocates Its Money

2008/09 General Fund Budget: \$88.8 million \$691 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, two-thirds of the dollars spent are for Police & Fire protection and Public Works services including Refuse Collection. The City's General Fund Budget of \$88.8 million equates to \$691 spent per resident.

Where The City Gets Its Revenue





Trends & Summaries

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

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

Have you ever wondered how the property tax you pay relates to the services you receive from the City of Sterling Heights? The average tax bill in the City is \$1,331. Excluding businesses, the average homeowner pays \$906 per year in City taxes. The purpose of this Benefit Statement is to show what the average homeowner is receiving for their tax dollar.

Average City Property Tax Per Parcel: <i>(based on 43,316 residential & business parcels)</i>	\$1,331
Average Residential City Property Tax <i>(based on market value of \$190,000 taxable value of \$84,010)</i>	\$906

The City of Sterling Heights spends an average of \$2,094 per parcel on the following general public programs and services. The funds are distributed as follows:

Cost of City Services			
Service	City Average Cost	% of Total	Average Residential Tax Paid Toward Service
Police Department	\$685	33%	\$297
Fire Department	\$388	18%	\$168
Public Works & Refuse	\$299	14%	\$129
City Administration Department	\$189	9%	\$82
General Expenditures & Transfers	\$145	7%	\$63
City Development Department	\$96	5%	\$41
41-A District Court	\$82	4%	\$35
Public Library Department	\$66	3%	\$29
Parks & Recreation	\$61	3%	\$26
Debt Service	\$43	2%	\$19
Community Relations	\$40	2%	\$17
Total Per Parcel	\$2,094	100%	\$906

Because the average amount of residential property tax that the City receives is only \$906, 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	2004/05	2005/06	2006/07	2007/08	2008/09*
Tax Rate Shown in Mills					
Utica Community Schools (UCS)	9.500	9.500	9.500	9.500	9.500
Macomb County	4.206	4.206	4.206	4.206	4.206
Macomb Community College (MCC)	1.500	1.421	1.421	1.421	1.421
Macomb Intermediate School District (MISD)	2.962	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.	0.595	0.591	0.590	0.590	0.590
Property Tax Administration Fee	0.068	0.189	0.189	0.189	0.189
STERLING HEIGHTS CITY GOVERNMENT	10.625	10.625	10.725	10.725	10.786
Total Millage Rates	29.670	29.690	29.788	29.788	29.849
Avg. Residential Taxable Property Value	\$77,190	\$78,970	\$81,580	\$84,600	\$84,010
Average Tax Rates Shown in Dollars					
Utica Community Schools	\$733	\$750	\$775	\$804	\$798
Macomb County Government	325	332	343	356	353
Macomb Community College	116	112	116	120	119
Macomb Intermediate School District	229	232	240	249	247
Huron Clinton Metro Authority	17	17	18	18	18
S.M.A.R.T.	46	47	48	50	50
Property Tax Administration Fee	5	15	15	16	16
STERLING HEIGHTS CITY GOVERNMENT	820	839	875	907	906
Total Dollars	\$2,290	\$2,345	\$2,430	\$2,520	\$2,508

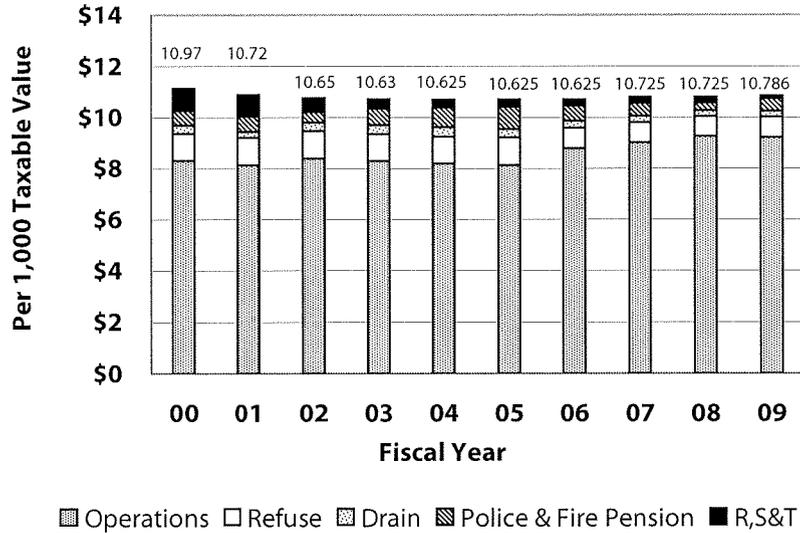
(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2004/05	2005/06	2006/07	2007/08	2008/09*
Tax Rate Shown in Mills					
Warren Consolidated Schools (WCS)	16.043	15.993	15.829	15.236	15.236
Macomb County	4.206	4.206	4.206	4.206	4.206
Macomb Community College (MCC)	1.500	1.421	1.421	1.421	1.421
Macomb Intermediate School District (MISD)	2.962	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.	0.595	0.591	0.590	0.590	0.590
Property Tax Administration Fee	0.050	0.254	0.252	0.246	0.246
STERLING HEIGHTS CITY GOVERNMENT	10.625	10.625	10.725	10.725	10.786
Total Millage Rates	36.196	36.247	36.181	35.581	35.642
Avg. Residential Taxable Property Value	\$77,190	\$78,970	\$81,580	\$84,600	\$84,010
Average Tax Rates Shown in Dollars					
Warren Consolidated Schools	\$1,238	\$1,263	\$1,291	\$1,289	\$1,280
Macomb County Government	325	332	343	356	353
Macomb Community College	116	112	116	120	119
Macomb Intermediate School District	229	232	240	249	247
Huron Clinton Metro Authority	17	17	18	18	18
S.M.A.R.T.	46	47	48	50	50
Property Tax Administration Fee	4	20	21	21	21
STERLING HEIGHTS CITY GOVERNMENT	820	839	875	907	906
Total Dollars	\$2,794	\$2,862	\$2,952	\$3,010	\$2,994

*Non-City tax rates are estimated. School rates are for Homestead residents only.

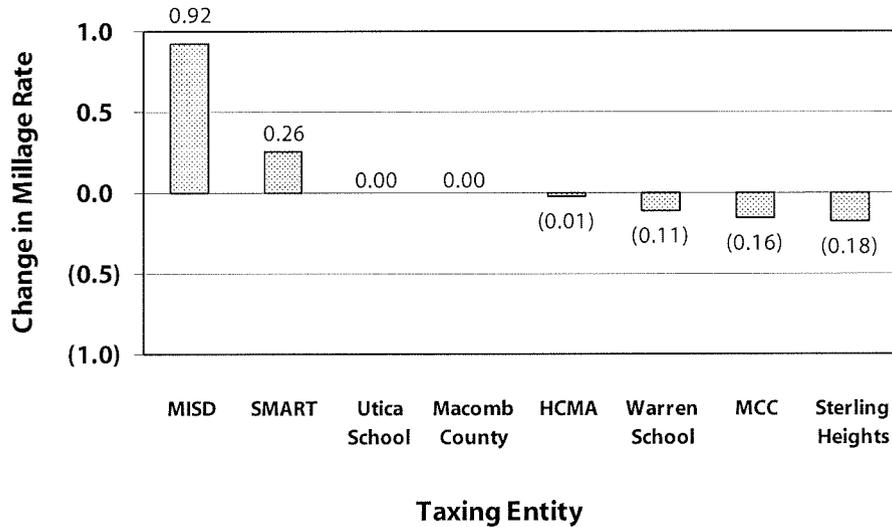
Totals may not foot due to rounding.

City of Sterling Heights Millage Rates



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

Change in Millage Rates by Taxing Entity 2000 - 2009

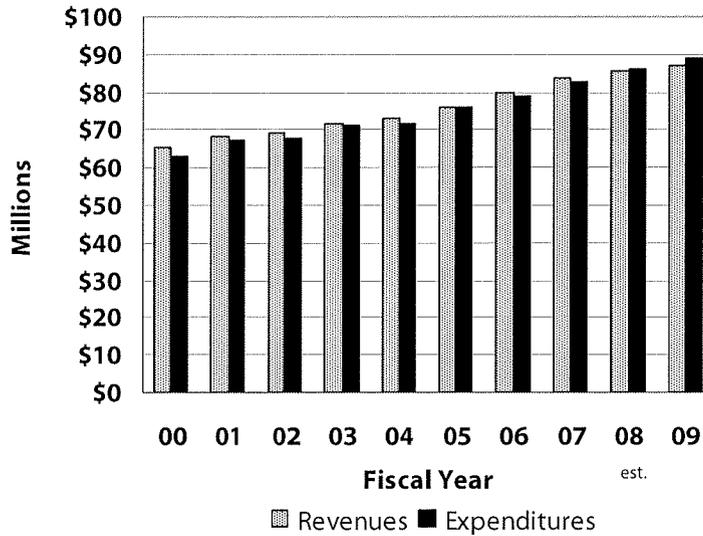


This graph shows the change in property tax rates over the past ten years for each of the government taxing entities to which City residents pay taxes.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

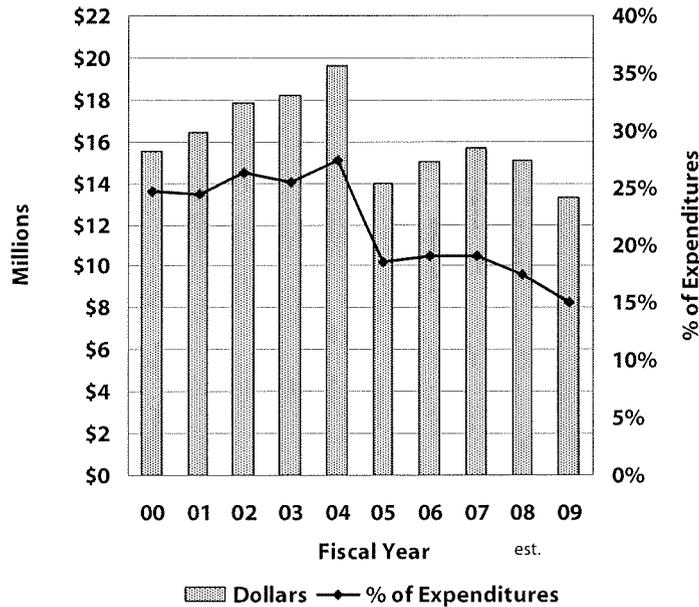
Budgetary Centers	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
REVENUES						
City Operating Taxes	\$43,370,300	\$46,585,170	\$50,247,330	\$50,267,000	\$49,265,210	\$49,265,210
Licenses & Permits	1,986,330	1,784,150	1,884,700	1,358,000	1,356,400	1,356,400
State and Local Returns	12,232,890	11,776,800	11,606,350	11,555,350	11,467,230	11,467,230
Fines & Forfeitures	2,875,170	2,563,520	2,712,000	2,799,500	2,747,000	2,747,000
Charges For Services	7,792,760	8,038,600	8,293,020	7,793,570	7,878,010	7,878,010
Other Revenue	3,249,980	4,223,260	3,871,400	4,204,770	3,527,760	3,527,760
Cable Revenue	1,371,830	1,527,990	1,420,000	1,470,000	1,525,000	1,525,000
Refuse Tax	4,070,410	4,205,470	4,372,600	4,371,700	4,480,190	4,480,190
Fire & Police Pension Tax	2,993,590	2,646,460	1,707,910	1,707,910	2,594,190	2,594,190
Total Revenues	79,943,260	83,351,420	86,115,310	85,527,800	84,840,990	84,840,990
Other Financing Sources						
Transfers In	92,790	91,780	97,410	97,410	2,194,430	2,194,430
Total Revenues & Sources	\$80,036,050	\$83,443,200	\$86,212,720	\$85,625,210	\$87,035,420	\$87,035,420
EXPENDITURES						
City Administration Department	\$7,779,740	\$8,129,520	\$8,556,170	\$8,564,890	\$8,193,650	\$8,193,650
Parks & Recreation Department	2,314,150	2,428,270	2,571,840	2,550,870	2,646,050	2,646,050
Police Department	25,077,390	26,658,770	28,074,980	28,258,260	29,683,160	29,683,160
Fire Department	14,097,340	14,827,970	15,771,580	15,846,240	16,815,070	16,815,070
City Development Department	3,644,160	3,838,950	4,126,080	4,064,570	4,139,650	4,139,650
Public Works Department	7,734,170	7,994,420	8,263,980	8,211,050	8,430,190	8,430,190
Refuse Collection	4,028,320	4,089,430	4,402,600	4,340,420	4,504,790	4,504,790
Public Library Department	2,554,280	2,752,230	2,799,540	2,785,790	2,871,130	2,871,130
Community Relations Dept.	1,423,300	1,459,420	1,603,300	1,610,360	1,720,080	1,720,080
41-A District Court	2,660,590	2,847,110	3,008,790	3,005,620	3,145,260	3,145,260
General Expenditures	3,546,140	3,698,840	3,038,270	3,036,670	2,888,640	2,888,640
Total Expenditures	74,859,580	78,724,930	82,217,130	82,274,740	85,037,670	85,037,670
Other Financing Uses						
Transfers Out	4,127,270	4,050,620	3,952,760	3,978,200	3,801,150	3,801,150
Total Expenditures & Uses	\$78,986,850	\$82,775,550	\$86,169,890	\$86,252,940	\$88,838,820	\$88,838,820
Excess of Revenues Over (Under) Expenditures	1,049,200	667,650	42,830	(627,730)	(1,803,400)	(1,803,400)
Beginning Fund Balance	14,001,040	15,050,240	15,717,890	15,717,890	15,090,160	15,090,160
Ending Fund Balance	\$15,050,240	\$15,717,890	\$15,760,720	\$15,090,160	\$13,286,760	\$13,286,760

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. In most fiscal years, revenues increased less than 5% based on growth in the assessed value and a fluctuating Operations millage rate. In recent years, due to declining State Revenues, Operating Tax revenues have made up a larger share of the City's total General Fund revenues.

In the 2008/09 Budget, Operating City tax revenue represents 56.4% of total revenue sources, a decrease of nearly \$1 million or 2.0% below the amount estimated to be collected in 2008. The decrease is a

result of a slightly lower operating tax rate and a 1.2% decrease in the City's taxable property values.

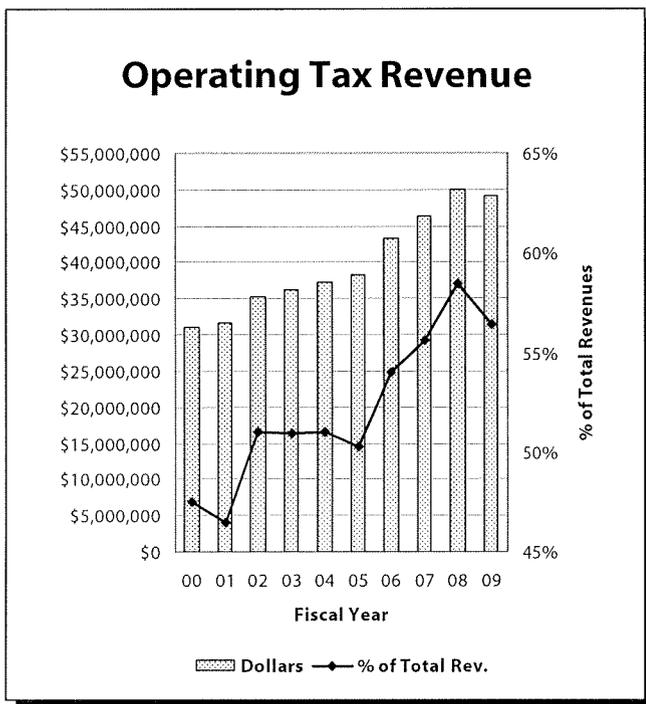
The Operations tax levy for the 2008/09 fiscal year is 9.1777 mills per \$1,000 Taxable Value, a decrease of 0.0479 mills. The decrease is necessary due to higher millage rates needed to fund Police & Fire Pensions, Refuse Collection, and Drain debt. The 0.0608 mills approved by the voter for the first year debt payments on the Fire Station Renovations (Proposal F) is included in the Operations tax levy because the debt will not be outstanding at the time the budget is adopted in early May. It is anticipated that the bond will be sold shortly after the budget is adopted. As a result, beginning next fiscal year, the debt for the Fire Stations will be shown as a separate Proposal F tax levy.

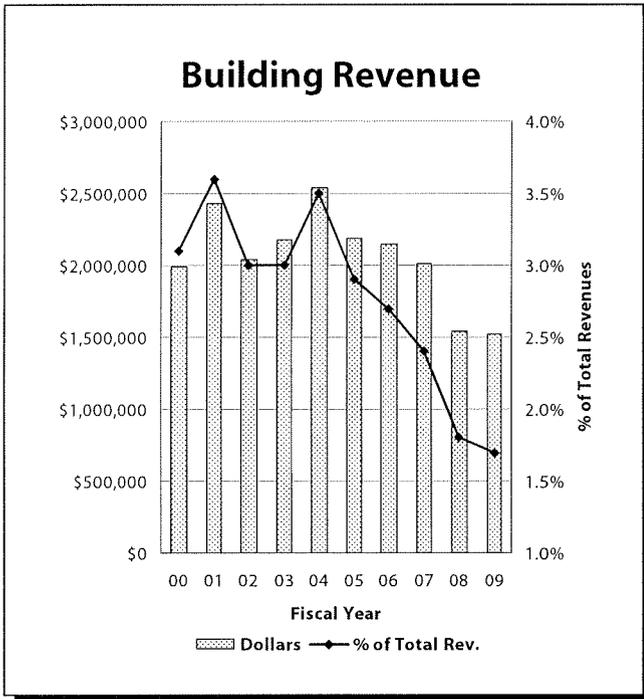
The City's total tax rate has increased from 10.725 to 10.7858 mills, or by 0.0608 mills, as a result of the 2006 voter approved Proposal F tax levy. Despite this increase, the City's total tax rate has declined by 19.4% since 1988 and remains one of the lowest of any city in the area. The operating millage rate continues to be below the 12.0 millage rate limit established by City Charter and below the 10.8395 Headlee maximum allowable levy.

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 2001 to 2007. Building revenue increased in 2001 and 2004 due primarily to building fees from large one-time developments including renovations to Lakeside Mall and the expansion of the Detroit News plant. Due to the State's economic downturn in 2008, building revenues are estimated to decrease by





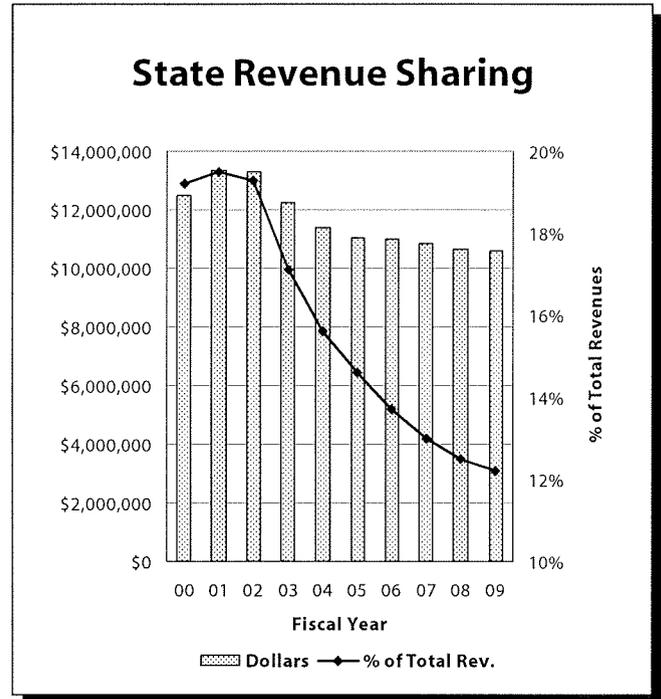
\$470,000 or 23.3%. Building revenues are anticipated to be \$1 million below the amount received in 2004. As a percent of total City revenues, building revenues will drop from a high of 3.5% in 2004 to a ten-year low of only 1.7% in 2009.

In the 2008/09 Budget, License and Permit revenues represent 1.6% of total revenue sources, a decrease of \$1,600 below what we estimate receiving in 2008 as we anticipate the State's economic slow down will continue into 2009.

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 2001, 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 12.2% today.

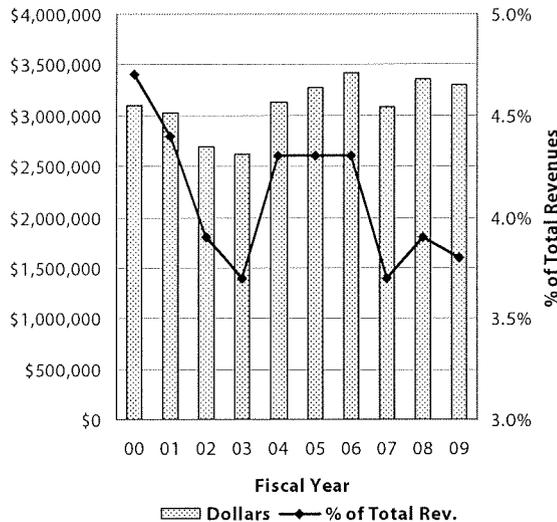
In the 2008/09 Budget, total State & Local Return revenues represent 13.2% of total revenue sources, a decrease of \$88,120 or 0.8% below what we estimate receiving in 2008. The slight decrease is due to an anticipated continued decline in constitutional State revenue sharing payments, despite a 4% statutory increase recommended by the Governor.

FINES & FORFEITURES

Fines and Forfeiture revenues are comprised of payments made by individuals, businesses or corporations who 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 declining in 2002 and 2003, rebounding in 2004 through 2006, with a slight drop off in 2007. Court

41-A District Court Revenue



revenues have generally declined as a percent of total City revenues after reaching a high of 4.7% in 2000.

In the 2008/09 Budget, Fines & Forfeiture revenues represent 3.2% of total revenue sources, a decrease of \$52,500 or 1.9% lower than what we estimate receiving in 2008. Because we budget revenues conservatively, 41-A District Court revenues are projected to decrease slightly by \$60,300 or 1.8%. Drug Forfeiture revenues are no longer realized in the General Fund as a Public Safety Forfeiture Fund has recently been created to record the drug forfeiture receipts and expenditures.

OTHER FINANCING SOURCES

Other Financing Sources include the proceeds received from long-term debt as a result of planned General Fund acquisition by the City. Also included in this revenue center are transfers into the General Fund from other City funds.

In the 2008/09 Budget, there are no planned General Fund purchases to be financed using long-term debt. The amount budgeted for 2008/09 is \$2,194,430. \$750,000 is being transferred from the Budget Stabilization Fund due to reduced General Fund

revenues. \$95,300 is transferred from the Community Development Block Grant Fund to partially reimburse the cost of the Parks & Recreation Special Recreation program and for the reimbursement of CDBG administrative costs. \$1.3 million is being transferred from the Self-Insurance Fund due to positive net income from most self-insured programs.

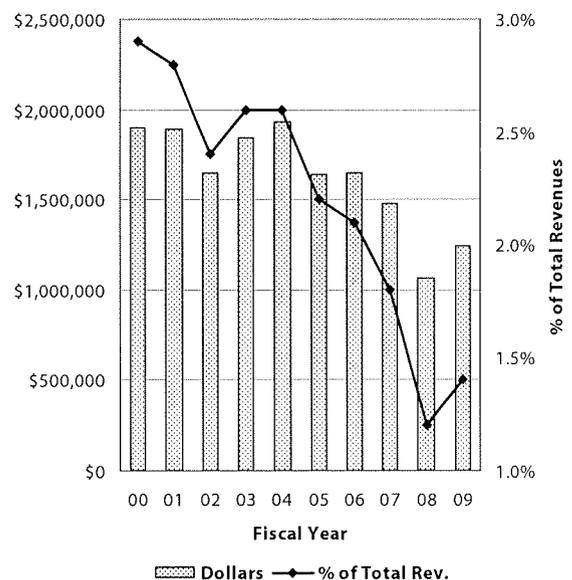
In the 2008/09 Budget, total revenues generated from Other Financing Sources represent 2.5% of total General Fund revenue sources.

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

Engineering Revenue



from 2000 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 fall to under \$1.1 million in 2008, nearly \$870,000 below the amount received in 2004. As a percent of total General Fund revenues, Engineering revenues have steadily decreased from a high of 2.9% in 2000 to a low of 1.2% in 2008.

In the 2008/09 Budget, Charges for Services revenues represent 9.0% of total revenue sources, an increase of \$84,440 or 1.1% above what we estimate receiving in 2008. Engineering revenues have increased by \$177,800 primarily as the City will begin performing Soil Erosion Inspections in-house. Property tax administrative fees decreased due to the new Michigan Business Tax that has decreased school personal property tax payments for businesses.

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,

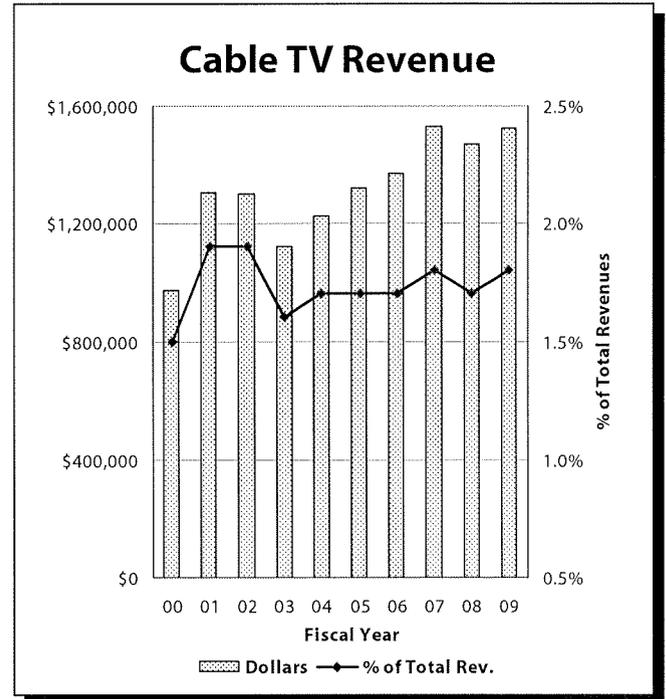
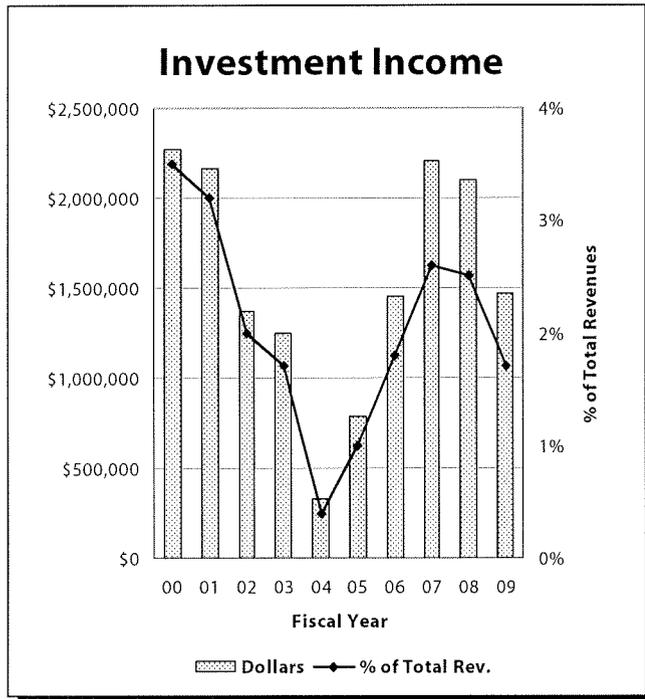
Police Auction revenues, Reimbursements, and OUIL cost recovery fees.

From 2000 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 recent interest rate cuts by the Federal Reserve in 2008, Interest on Investments as a percent of total General Fund revenues will fall again to 1.7%, down from its peak of 3.5% in 2000.

In the 2008/09 Budget, Other Revenues represent 4.0% of total revenue sources, a decrease of \$677,010 or 16.1% below what we estimate receiving in 2008. Interest on Investments revenue is estimated to fall by \$630,000 or 30.0%. Reimbursement revenues fell by \$48,500 due to the one-time reimbursement received last year for the presidential primary election.

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.

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 2008/09 Budget, Cable TV Revenues represent 1.8% of total revenue sources.

REFUSE TAX

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

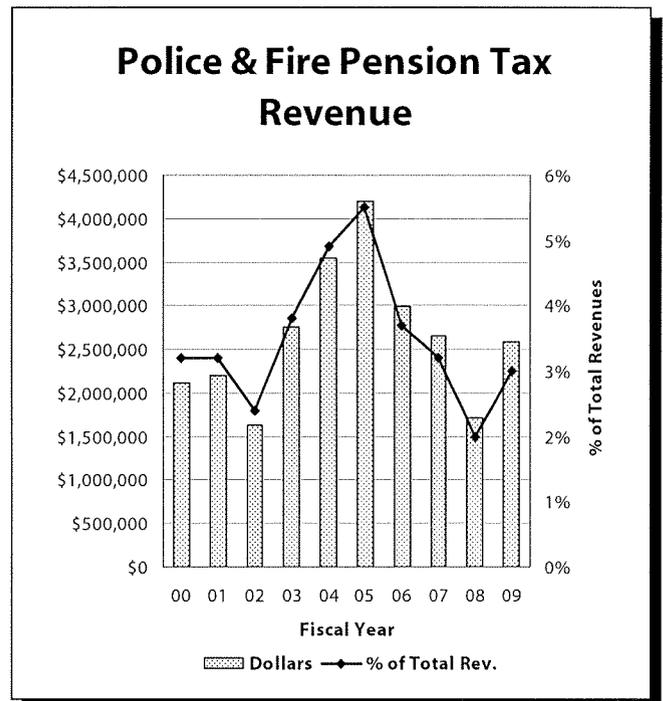
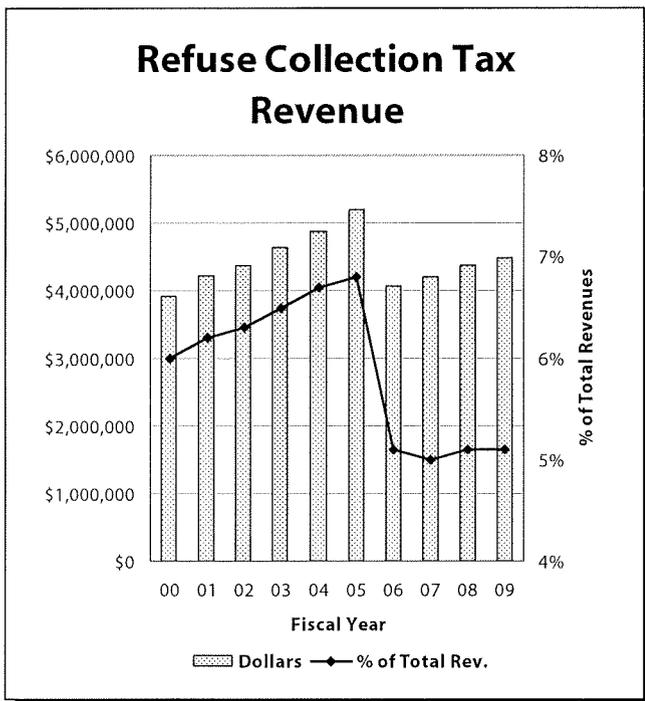
Revenues generated by the refuse collection levy are used to pay for the collection, removal, and recycling of all garbage in the City. The refuse collection millage rate is adjusted annually to cover the

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 2000 through 2005. In February 2005, the City Council awarded a new five-year refuse contract that was significantly lower than the previous five-year contract. As a result of the cost savings, the City's Refuse millage rate has fallen since 2005. In the 2008/09 Budget, the Refuse Tax represents 5.1% of total revenue sources, an increase of \$108,490 or 2.5% above what is estimated to be collected in 2008. Due to a 1.2% decrease in City taxable values, the Refuse millage rate will increase by 0.0324 mills, from 0.8057 mills to 0.8381 mills.

POLICE & FIRE PENSION TAX

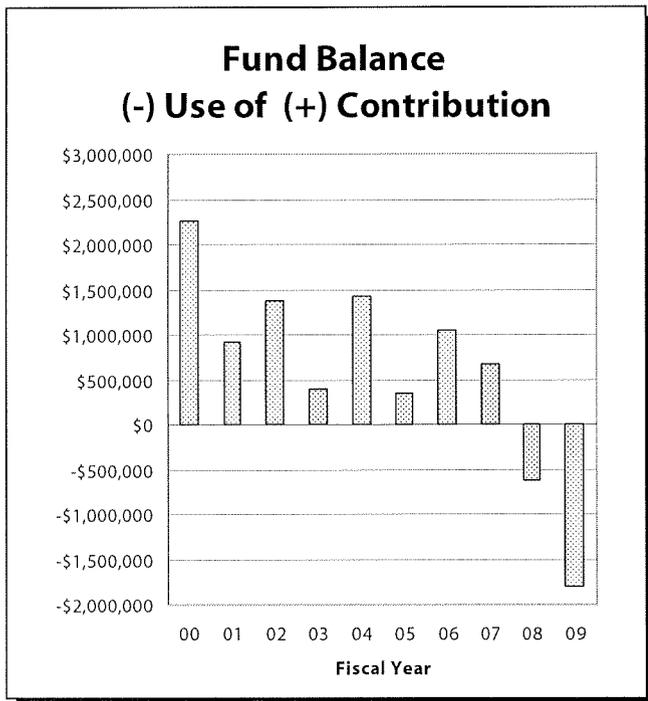
The Police & Fire Pension Tax is another substantial source of revenue to the City. The calculation of this revenue source is much like that of the Refuse Tax. Revenues are generated in an amount sufficient to cover the City's projected costs of Police & Fire pensions. By dividing these projected expenditures 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 decreased from 2000 to 2002 as a result of lower required employer pension contributions due to changes in the actuarial assumptions, lower wage increases, employee turnover, and higher market returns on pension plan assets. From 2002 through 2005, our costs rose due to an underperforming stock market. 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%, resulting in a decrease in the actuarially determined City contribution rate from 2006 through 2008. However due to underperforming investments and increased pension liabilities, the required employer contribution amount rose in 2009 to \$2.6 million.

In the 2008/09 Budget, Police & Fire Pension Tax represents 3.0% of total revenue sources, an increase of \$886,280 or 51.9%. The Police & Fire Pension Tax levy for the 2008/09 fiscal year is 0.4853 mills per \$1,000 Taxable Value, an increase of 0.1706 mills.



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.

Since 2000, the City has 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, we estimated a \$630,000 use of reserves for the 2008 fiscal year. Due to a 1.2% decrease in City taxable values and lower Interest on Investment and Building revenues, a \$1.8 million use of fund balance reserves is anticipated despite eliminating 9 vacant full-time positions saving over \$700,000.

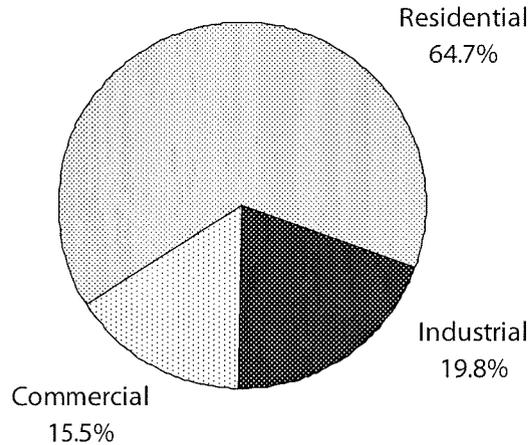
OTHER CITY TAXES

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 0.2180 is 0.0182 mills higher than what was levied in 2007/08. 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 slightly higher debt payments and lower City taxable values.

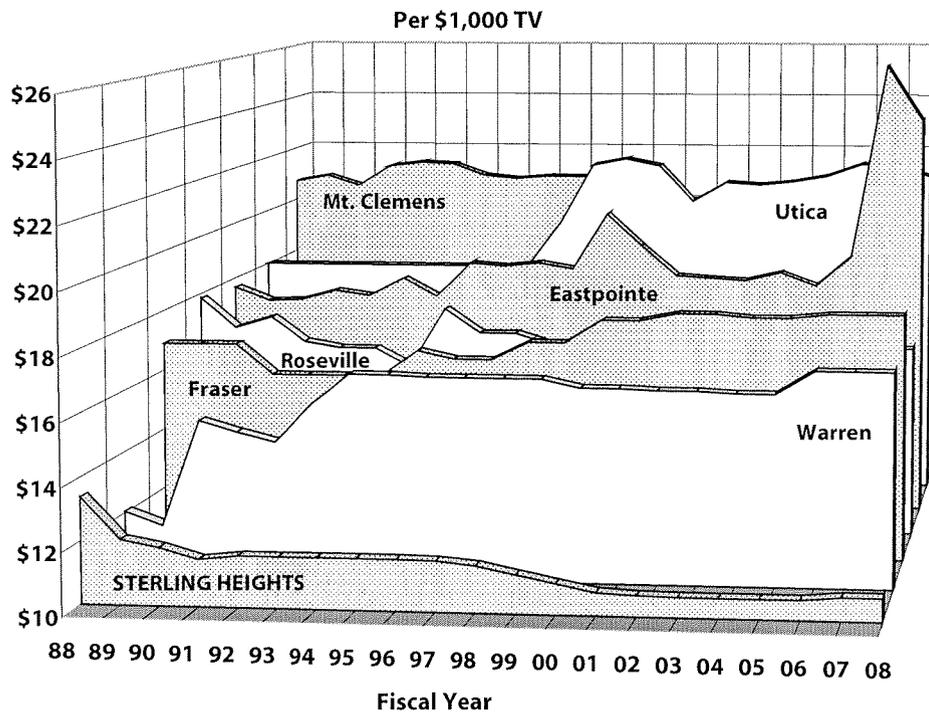
The R, S & T millage rate of 0.0667 mills has decreased by 0.1125 mills as several Proposal R road bonds were retired in the prior year. This is the last year for the Proposal R millage, as all the debt will be fully paid off in the 2008/09 fiscal year. Proposal S debt was paid off in the 2001/02 fiscal year. Proposal T debt was retired in the 1996/97 fiscal year. ■

City of Sterling Heights Share of Taxes



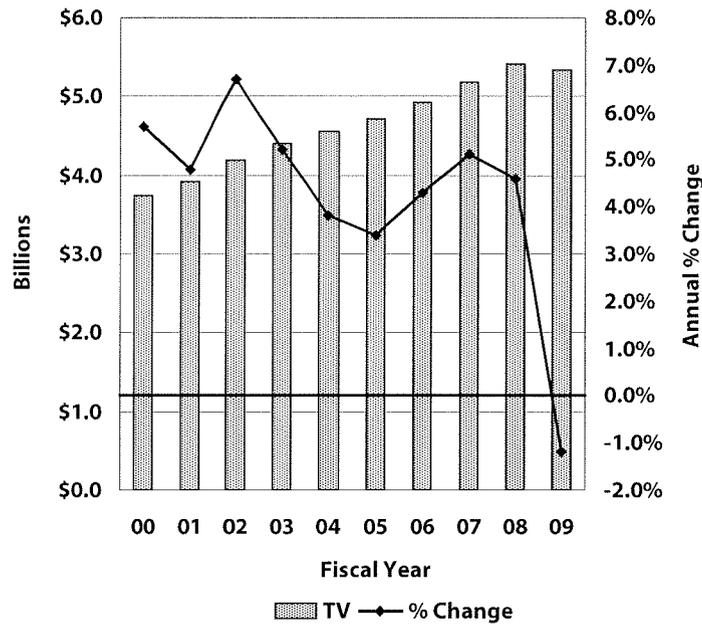
This graph illustrates the taxable value of property in the City as a percent by customer class.

Comparable Tax Rates of Surrounding Macomb County Cities



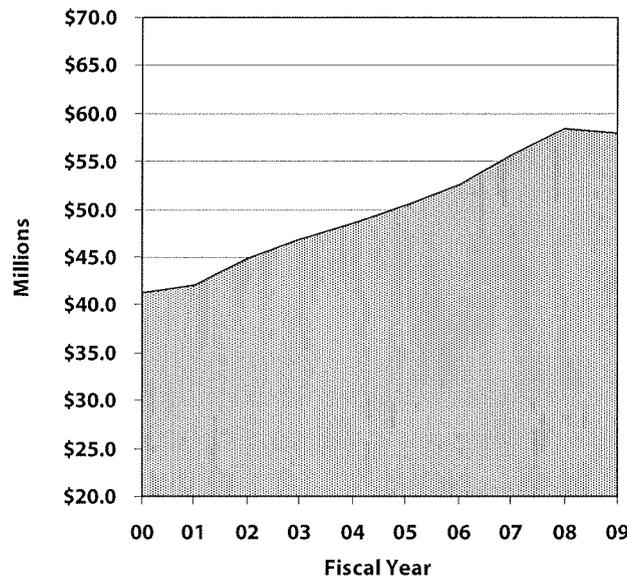
This graph illustrates the taxes levied by Macomb County cities for the past 21 years.

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 total City property tax revenues have increased annually, despite a declining City tax rate, due to inflationary property assessment increases and new development. Property tax revenues will decline for the first time in 2009 due to falling property assessments.

GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CITY OPERATING TAXES						
404000	City Operating Tax	\$46,368,089	55.57	\$50,067,330	58.07	\$49,061,210	56.37
415000	Delinquent Personal Property Tax	99,780	0.12	90,000	0.10	94,000	0.11
445000	Penalties & Interest	117,299	0.14	90,000	0.10	110,000	0.13
	Total Taxes	46,585,168	55.83	50,247,330	58.28	49,265,210	56.60
	LICENSES & PERMITS						
451000	Business Operating License	21,163	0.03	14,500	0.02	22,000	0.03
452000	Mobile / Temporary Vendor	4,757	0.01	5,700	0.01	5,500	0.01
453000	Liquor License	63,906	0.08	75,000	0.09	75,000	0.09
454000	Vending/Amusement Device Fee	18,590	0.02	20,000	0.02	20,500	0.02
461000	Electrical Registration & Permits	276,010	0.33	320,000	0.37	200,000	0.23
462000	Heating Registration & Permits	194,661	0.23	225,000	0.26	130,000	0.15
463000	Plumbing Registration & Permits	145,011	0.17	175,000	0.20	90,000	0.10
464000	Sign Registration & Permits	44,779	0.05	52,000	0.06	25,000	0.03
470000	Building Registration & Permits	959,448	1.15	950,000	1.10	750,000	0.86
471000	Fence Permits	7,304	0.01	7,500	0.01	8,000	0.01
477000	Fire Suppression Permits	28,945	0.03	20,000	0.02	10,000	0.01
478000	Animal Permits	19,581	0.02	20,000	0.02	20,400	0.02
	Total Licenses & Permits	1,784,155	2.14	1,884,700	2.19	1,356,400	1.56
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	68,276	0.08	0	0.00	900	0.00
539002	State Grants	767	0.00	37,500	0.04	7,000	0.01
539302	Criminal Justice Training	48,464	0.06	40,000	0.05	45,000	0.05
539332	Dispatcher Training	17,358	0.02	10,000	0.01	12,000	0.01
543426	Emergency Services Assistance	25,139	0.03	36,000	0.04	36,000	0.04
544000	Drunk Driving Case Flow Assistance	14,875	0.02	13,000	0.02	14,000	0.02
567001	State Aid - Library	98,388	0.12	80,830	0.09	80,780	0.09
569001	Judges Salary Stand Payments	136,722	0.16	137,170	0.16	137,170	0.16
574000	State Revenue Sharing	10,861,805	13.02	10,717,000	12.43	10,600,000	12.18
581001	Municipal Credit Transportation	277,317	0.33	265,000	0.31	291,500	0.33
583000	Macomb Auto Theft Squad - Grant	81,782	0.10	84,350	0.10	86,880	0.10
585000	Drug Enforce. Admin - Federal	13,403	0.02	15,500	0.02	16,000	0.02
587001	County Contrib. - Library Penal Fines	132,506	0.16	170,000	0.20	140,000	0.16
	Total State & Local Returns	11,776,802	14.11	11,606,350	13.46	11,467,230	13.18
	FINES & FORFEITURES						
656003	Contempt Court Fines	41,693	0.05	50,000	0.06	40,000	0.05
656004	Ordinance Fines & Costs	2,140,565	2.57	2,250,000	2.61	2,300,000	2.64
656005	Municipal Civil Infractions	13,975	0.02	3,500	0.00	10,000	0.01
657001	Library Fines	58,738	0.07	57,000	0.07	60,000	0.07
658001	Bond Forfeitures	82,433	0.10	120,000	0.14	110,000	0.13
659001	Driver Reinstatement Fee	32,050	0.04	40,000	0.05	30,000	0.03
659002	Default Judgment Fee	187,225	0.22	185,000	0.21	190,000	0.22
659003	Crime Victim Rights Admin. Fee	6,840	0.01	6,500	0.01	7,000	0.01
	Total Fines & Forfeitures	2,563,519	3.07	2,712,000	3.15	2,747,000	3.16

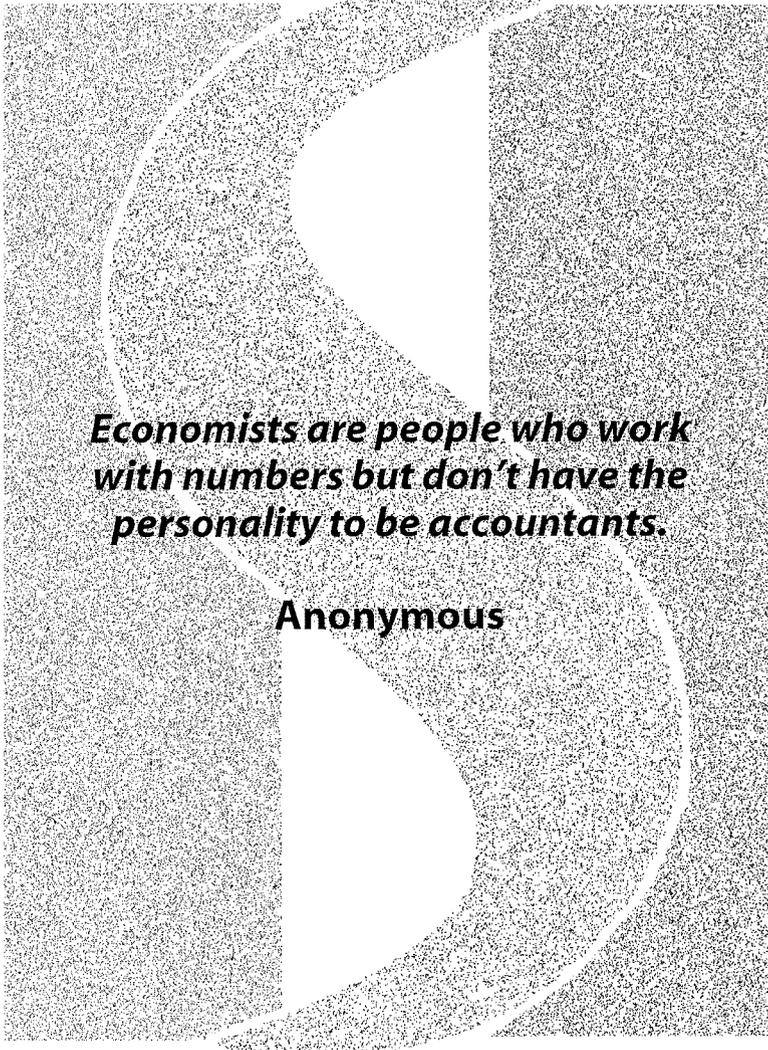
GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
OTHER FINANCING SOURCES							
699201	Tfr. From Budget Stabilization Fund	0	0.00	0	0.00	750,000	0.86
699256	Tfr. From Brownfield Redevelop. Fund	0	0.00	0	0.00	25,000	0.03
699278	Transfer From CDBG	91,780	0.11	97,410	0.11	95,300	0.11
699677	Transfer From Self-Insurance Fund	0	0.00	0	0.00	1,300,000	1.49
699851	Tfr. From Corridor Impr. Auth. Fund	0	0.00	0	0.00	24,130	0.03
Total Other Financing Sources		91,780	0.11	97,410	0.11	2,194,430	2.52
CHARGES FOR SERVICES							
603000	Court Filing Fee	153,538	0.18	140,000	0.16	160,000	0.18
603001	Jury Demand Fee	1,125	0.00	1,500	0.00	1,500	0.00
604000	Probation Oversight	165,833	0.20	160,000	0.19	170,000	0.20
605000	Garnishments - Filing Fee	76,355	0.09	73,000	0.08	80,000	0.09
606000	Split/Combination Fee	6,925	0.01	11,000	0.01	7,000	0.01
607000	Fire Permits, Fees, & Inspections	44,032	0.05	48,000	0.06	36,000	0.04
608000	Encroachment/Deviation Fees	2,880	0.00	3,000	0.00	3,000	0.00
609000	Mobile Home Tax	9,317	0.01	11,000	0.01	11,000	0.01
610000	Vital Statistics	40,424	0.05	41,000	0.05	42,000	0.05
611000	Attorney Fee Reimbursement	18,410	0.02	20,000	0.02	20,000	0.02
612000	Alcohol Assessment Fee	21,330	0.03	30,000	0.03	25,000	0.03
626000	Services - PTAF	1,407,199	1.69	1,470,000	1.71	1,350,000	1.55
627000	Water & Sewer Activity	1,187,310	1.42	1,211,520	1.41	1,271,400	1.46
627275	HAP Administrative Fee	7,057	0.01	0	0.00	0	0.00
627444	Administrative Services - Roads	247,049	0.30	240,000	0.28	248,000	0.28
627556	Admin Services-Water Distribution	343,200	0.41	362,100	0.42	306,780	0.35
627574	Admin Services-W&S Improv. Fund	29,975	0.04	35,100	0.04	37,440	0.04
627677	Administrative Services-Self Insurance	218,100	0.26	245,900	0.29	257,940	0.30
627732	Administrative Services-P&F Pension	6,173	0.01	6,000	0.01	6,200	0.01
628001	Voter Lists	666	0.00	600	0.00	650	0.00
629001	Labor Services - Roads	974,524	1.17	900,000	1.04	1,000,000	1.15
629002	Labor Services - Cross Charges	47,208	0.06	25,000	0.03	40,000	0.05
629003	Labor Services - Fleet Maintenance	64,640	0.08	80,000	0.09	75,000	0.09
631001	Police Service/Schools	99,265	0.12	90,000	0.10	103,000	0.12
632001	Inspection Services-Projects-Other	345,321	0.41	450,000	0.52	225,000	0.26
632002	Inspection Services-City Projects	431,497	0.52	500,000	0.58	400,000	0.46
632003	Engineering Review Fee	167,069	0.20	150,000	0.17	70,000	0.08
632004	Engineering & Design - Project	483,700	0.58	525,000	0.61	400,000	0.46
632005	Building Number Assignments	1,680	0.00	3,000	0.00	3,000	0.00
632006	SESC Review Fee	18,860	0.02	30,000	0.03	20,000	0.02
632007	SESC Inspection Fee	7,844	0.01	10,000	0.01	110,000	0.13
632008	Easement Vacation	3,030	0.00	2,500	0.00	2,000	0.00
632009	ROW Permit Fees	12,621	0.02	15,000	0.02	12,000	0.01
634003	Supplies & Gasoline Revenue	74,599	0.09	60,000	0.07	80,000	0.09
634004	Parts-Vehicle Maintenance	64,527	0.08	50,000	0.06	55,000	0.06
635535	Refuse Collection Fees	31,513	0.04	30,000	0.03	33,000	0.04
636000	Plan Review Fee	78,140	0.09	90,000	0.10	50,000	0.06
636001	Building Department Plan Review	324,510	0.39	300,000	0.35	275,000	0.32

GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
637001	Copies & Forms	19,691	0.02	24,000	0.03	25,000	0.03
637002	Maps	1,157	0.00	1,500	0.00	1,000	0.00
637003	Police Reports	76,511	0.09	80,000	0.09	80,000	0.09
637005	Fire Reports	1,158	0.00	1,000	0.00	1,100	0.00
637006	PBT User Fee	5,784	0.01	5,000	0.01	6,500	0.01
637007	False Alarm Fees	75,029	0.09	60,000	0.07	100,000	0.11
638000	Application Fees	20,850	0.02	20,000	0.02	13,000	0.01
639001	Parks & Recreation Fees	456,116	0.55	536,300	0.62	495,000	0.57
639253	Treasury Transfer & Late Fees	24,657	0.03	20,000	0.02	24,000	0.03
640001	5% Cash Deposit	3,249	0.00	5,000	0.01	2,500	0.00
640002	Weed Cutting	112,002	0.13	95,000	0.11	110,000	0.13
640003	Board of Zoning Appeals Fees	7,940	0.01	10,000	0.01	8,000	0.01
640005	Ordinance Board of Appeals Fees	17,011	0.02	15,000	0.02	25,000	0.03
	Total Charges for Services	8,038,601	9.63	8,293,020	9.62	7,878,010	9.05
	OTHER REVENUE						
656006	Interpreter Fees	11,588	0.01	15,000	0.02	13,000	0.01
665000	Interest on Investments	2,203,591	2.64	1,900,000	2.20	1,470,000	1.69
665010	Contra - Interest on Investment	(390)	0.00	0	0.00	0	0.00
667002	Rental Income - Utica Road	62,520	0.07	69,600	0.08	70,980	0.08
667003	Rental Income - DPS	130,590	0.16	136,320	0.16	153,480	0.18
667005	Rental - DPW - Impound Lot	30,500	0.04	36,000	0.04	36,000	0.04
667007	Rental - Universal Ambulance	6,000	0.01	2,880	0.00	6,000	0.01
667009	Rental - Towers	129,000	0.15	170,000	0.20	178,600	0.21
669001	Rental - Road Equipment	1,038,212	1.24	1,000,000	1.16	1,100,000	1.26
669002	Rental - Equipment - Cross Charges	46,829	0.06	30,000	0.03	40,000	0.05
673000	Sale of Fixed Assets	2,284	0.00	500	0.00	4,000	0.00
675000	Contributions & Donations	8,870	0.01	16,000	0.02	10,000	0.01
675001	Donations - Parks & Recreation	6,237	0.01	6,000	0.01	6,500	0.01
675290	Dare Donations - Police	7,050	0.01	8,000	0.01	10,000	0.01
676000	Reimbursements	300,588	0.36	248,500	0.29	205,000	0.24
676001	Reimbursements - Legal	(3,367)	0.00	12,000	0.01	12,000	0.01
676002	Reimbursements - Computer Crime	0	0.00	2,500	0.00	0	0.00
679000	Police Auction	49,675	0.06	50,000	0.06	45,000	0.05
679292	Community Relations Retail Sales	80	0.00	100	0.00	100	0.00
679792	Library Book Sales	680	0.00	500	0.00	100	0.00
685000	Miscellaneous Revenue	97,702	0.12	80,000	0.09	75,000	0.09
685792	Miscellaneous Revenue - Library	13,194	0.02	13,000	0.02	17,000	0.02
690000	O.U.I.L. Recovery	52,643	0.06	55,000	0.06	55,000	0.06
690002	Warrant Arrest Processing Fee	4,257	0.01	4,500	0.01	5,000	0.01
695000	Insurance Recovery	24,925	0.03	15,000	0.02	15,000	0.02
	Total Other Revenue	4,223,258	5.06	3,871,400	4.49	3,527,760	4.05
680000	Cable TV Revenue	1,527,988	1.83	1,420,000	1.65	1,525,000	1.75
405000	City Refuse Tax	4,205,470	5.04	4,372,600	5.07	4,480,190	5.15
406000	P&F Pension Tax	2,646,459	3.17	1,707,910	1.98	2,594,190	2.98
	Total General Fund Revenue	\$83,443,200	100.00	\$86,212,720	100.00	\$87,035,420	100.00

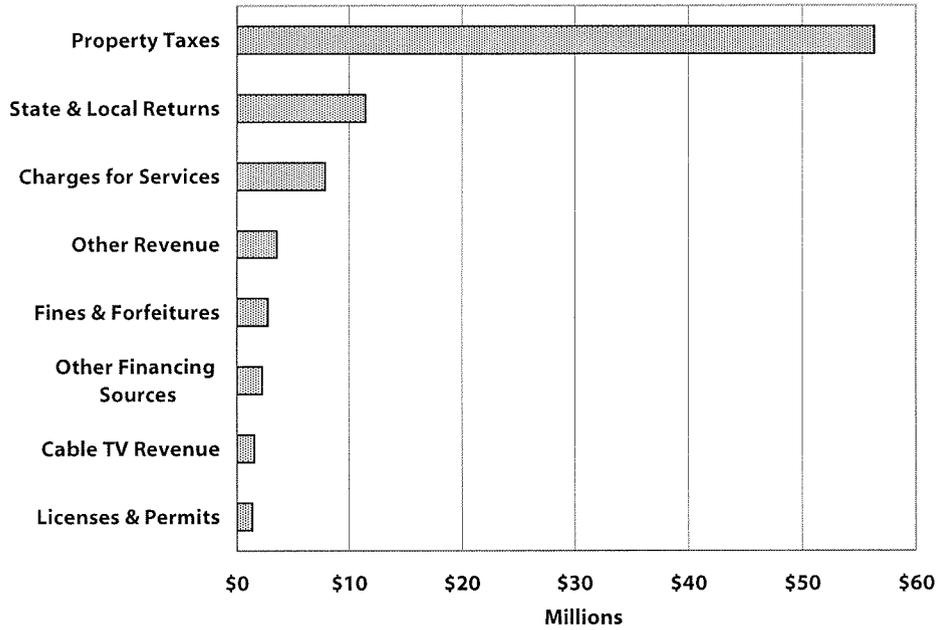
Note: The 2006-2007 Actual Column is rounded to the nearest dollar.



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

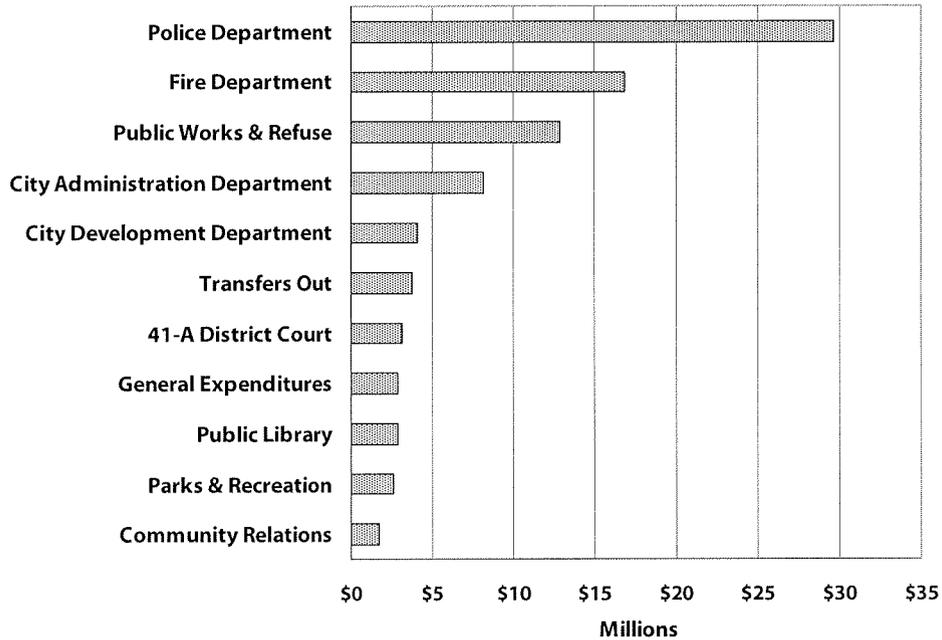
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General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted in 2008/09 for each of the revenue categories.

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted in 2008/09 for each budgetary center.

**GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER**

Activity Name	Activity No.	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
LEGISLATIVE					
1. City Council	1010	\$133,530	\$139,730	\$140,270	0.4%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	907,390	897,990	919,790	2.4%
2. City Clerk	2160	976,440	1,046,910	1,124,880	7.4%
3. Facilities Maintenance	2650	1,571,580	1,692,940	1,752,930	3.5%
4. Assessing	2090	821,610	848,390	874,980	3.1%
5. Financial Services	2010	1,202,740	1,285,410	1,335,700	3.9%
6. Purchasing	2330	341,700	358,350	372,210	3.9%
7. Treasury	2530	754,000	812,160	781,110	-3.8%
8. Act 78 - Civil Service Commission	2200	18,350	39,850	15,700	-60.6%
9. Building Authority	2610	400	400	430	7.5%
10. General Employees Pension Board	2390	671,580	704,040	118,650	-83.1%
11. Legal	2100	730,200	730,000	757,000	3.7%
Total City Administration Department		8,129,520	8,556,170	8,193,650	-4.2%
PARKS & RECREATION DEPARTMENT					
1. Parks & Recreation	7520	2,428,270	2,571,840	2,646,050	2.9%
Total Parks & Recreation Department		2,428,270	2,571,840	2,646,050	2.9%
POLICE DEPARTMENT					
1. Police Administration	3050	3,950,150	2,849,710	2,991,490	5.0%
2. Police Investigations	3100	3,863,410	5,259,850	5,627,640	7.0%
3. Police Operations	3150	15,610,640	16,508,950	17,585,730	6.5%
4. Police Support Services	3260	3,234,570	3,456,470	3,478,300	0.6%
Total Police Department		26,658,770	28,074,980	29,683,160	5.7%
FIRE DEPARTMENT					
1. Fire Administration	3370	1,251,700	1,231,400	1,365,960	10.9%
2. Fire Extinguishment	3390	12,422,880	13,305,840	14,270,300	7.2%
3. Fire Prevention	3410	1,053,420	1,097,100	1,041,150	-5.1%
4. Emergency Management	2130	99,970	137,240	137,660	0.3%
Total Fire Department		14,827,970	15,771,580	16,815,070	6.6%
CITY DEVELOPMENT DEPARTMENT					
1. Building	4120	2,100,770	2,218,910	2,240,900	1.0%
2. Economic Development	4150	136,930	153,350	156,070	1.8%
3. Information Technology	2580	973,220	1,076,020	1,080,270	0.4%
4. Planning	4020	341,600	373,630	341,130	-8.7%
5. Public Services	4160	272,360	284,280	302,770	6.5%
6. Planning Commission	4030	7,440	10,790	10,390	-3.7%
7. Zoning Board of Appeals	4130	6,630	9,100	8,120	-10.8%
Total City Development Department		3,838,950	4,126,080	4,139,650	0.3%

**GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER**

Activity Name	Activity No.	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
PUBLIC WORKS DEPARTMENT					
1. Engineering	4470	1,755,930	1,889,460	1,793,770	-5.1%
2. Fleet Maintenance	5530	2,472,330	2,418,480	2,643,610	9.3%
3. Parks & Ground Maintenance	7700	1,390,520	1,425,360	1,350,530	-5.2%
4. Public Works Center	4420	518,510	571,810	653,070	14.2%
5. Street Services	4440	1,857,130	1,958,870	1,989,210	1.5%
Total Public Works Department		7,994,420	8,263,980	8,430,190	2.0%
REFUSE COLLECTION					
1. Refuse Collection	5350	4,089,430	4,402,600	4,504,790	2.3%
Total Refuse Collection		4,089,430	4,402,600	4,504,790	2.3%
PUBLIC LIBRARY DEPARTMENT					
1. Library	7920	2,750,980	2,798,180	2,869,750	2.6%
2. Historical Commission	8030	1,250	1,360	1,380	1.5%
Total Public Library Department		2,752,230	2,799,540	2,871,130	2.6%
COMMUNITY RELATIONS DEPARTMENT					
1. Community Relations	2920	1,452,190	1,600,310	1,717,240	7.3%
2. Beautification Commission	8060	2,350	2,490	2,490	0.0%
3. Cultural Commission	7930	410	350	350	0.0%
4. Telecommunications Commission	2910	4,470	150	0	-100.0%
Total Community Relations Department		1,459,420	1,603,300	1,720,080	7.3%
41-A DISTRICT COURT	1360	2,847,110	3,008,790	3,145,260	4.5%
GENERAL EXPENDITURES	8950	3,698,840	3,038,270	2,888,640	-4.9%
TRANSFERS OUT	9660	4,050,620	3,952,760	3,801,150	-3.8%
Total General Fund Expenditures		\$82,775,550	\$86,169,890	\$88,838,820	3.1%

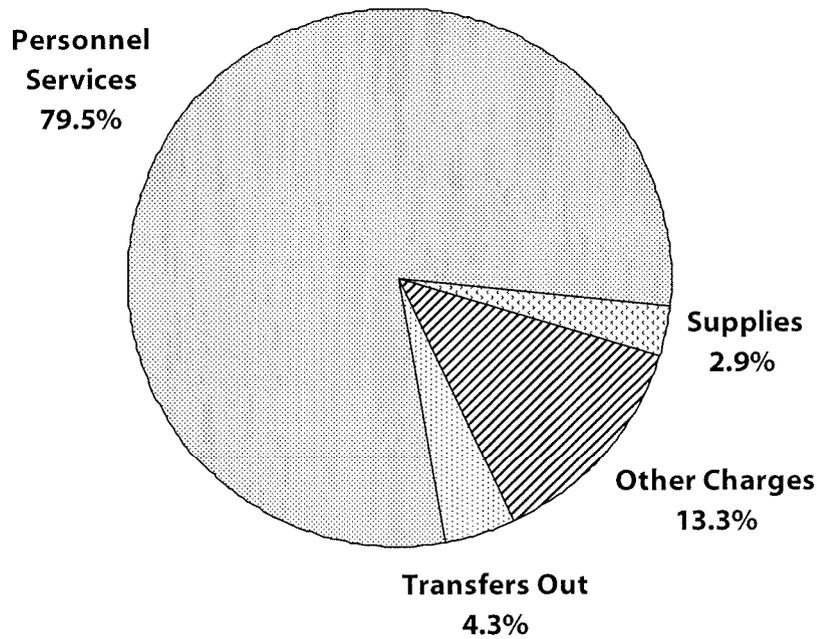
**GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY**

Budgetary Center	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget
CITY ADMINISTRATION DEPARTMENT					
Personnel Services	\$5,199,632	\$5,397,626	\$5,756,792	\$6,172,600	\$6,384,510
Supplies	210,838	224,620	225,857	241,070	254,990
Other Charges	2,162,803	2,157,493	2,146,870	2,142,500	1,554,150
Total	7,573,273	7,779,739	8,129,519	8,556,170	8,193,650
PARKS & RECREATION DEPARTMENT					
Personnel Services	1,704,559	1,832,074	1,925,904	2,062,580	2,142,440
Supplies	111,881	103,817	101,711	113,190	104,100
Other Charges	378,590	378,259	400,653	396,070	399,510
Total	2,195,030	2,314,150	2,428,268	2,571,840	2,646,050
POLICE DEPARTMENT					
Personnel Services	23,860,760	24,337,500	25,911,900	27,354,690	28,933,730
Supplies	140,089	134,473	152,265	175,180	163,050
Other Charges	699,667	605,417	594,604	545,110	586,380
Total	24,700,516	25,077,390	26,658,769	28,074,980	29,683,160
FIRE DEPARTMENT					
Personnel Services	13,117,240	13,406,902	14,109,716	15,090,570	16,068,390
Supplies	153,532	152,984	198,898	180,060	179,480
Other Charges	567,407	537,456	519,361	500,950	567,200
Total	13,838,179	14,097,342	14,827,975	15,771,580	16,815,070
CITY DEVELOPMENT DEPARTMENT					
Personnel Services	3,232,270	3,325,100	3,471,019	3,726,840	3,774,930
Supplies	27,119	29,420	25,865	33,240	30,120
Other Charges	269,450	289,635	342,063	366,000	334,600
Total	3,528,839	3,644,155	3,838,947	4,126,080	4,139,650
PUBLIC WORKS DEPARTMENT					
Personnel Services	6,096,996	5,947,730	6,118,086	6,573,030	6,506,670
Supplies	1,197,536	1,278,191	1,363,516	1,203,400	1,384,890
Other Charges	412,145	508,246	512,816	487,550	538,630
Total	7,706,677	7,734,167	7,994,418	8,263,980	8,430,190
REFUSE					
Personnel Services	128,415	131,360	137,467	136,760	138,590
Supplies	430	465	627	450	450
Other Charges	4,724,304	3,896,493	3,951,334	4,265,390	4,365,750
Total	4,853,149	4,028,318	4,089,428	4,402,600	4,504,790

GENERAL FUND BUDGETARY CENTERS EXPENDITURES BY CATEGORY

Budgetary Center	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget
<u>PUBLIC LIBRARY DEPARTMENT</u>					
Personnel Services	1,943,176	1,999,417	2,186,335	2,238,770	2,290,910
Supplies	245,290	254,899	259,395	256,370	263,520
Other Charges	285,617	299,961	306,499	304,400	316,700
Total	2,474,083	2,554,277	2,752,229	2,799,540	2,871,130
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
Personnel Services	1,174,207	1,198,148	1,292,574	1,425,360	1,485,160
Supplies	50,234	46,447	43,446	53,880	50,390
Other Charges	169,150	178,710	123,405	124,060	184,530
Total	1,393,591	1,423,305	1,459,425	1,603,300	1,720,080
<u>41-A DISTRICT COURT</u>					
Personnel Services	2,252,319	2,410,362	2,607,926	2,755,080	2,881,860
Supplies	35,708	44,566	40,520	42,000	43,000
Other Charges	184,128	205,660	198,666	211,710	220,400
Total	2,472,155	2,660,588	2,847,112	3,008,790	3,145,260
<u>GENERAL EXPENDITURES</u>					
Personnel Services	91,185	84,560	23,185	21,000	16,500
Supplies	69,521	67,075	67,466	71,500	71,000
Other Charges	2,478,568	3,394,510	3,608,187	2,945,770	2,801,140
Total	2,639,274	3,546,145	3,698,838	3,038,270	2,888,640
<u>TRANSFERS OUT</u>					
Transfers Out	2,360,094	4,127,270	4,050,620	3,952,760	3,801,150
<u>TOTAL EXPENDITURES BY CATEGORY</u>					
Personnel Services	58,800,759	60,070,779	63,540,904	67,557,280	70,623,690
Supplies	2,242,178	2,336,957	2,479,566	2,370,340	2,544,990
Other Charges	12,331,829	12,451,840	12,704,458	12,289,510	11,868,990
Transfers Out	2,360,094	4,127,270	4,050,620	3,952,760	3,801,150
Total Expenditures & Uses	75,734,860	78,986,846	82,775,548	86,169,890	88,838,820
Extraordinary Items	6,000,000	0	0	0	0
Total General Fund	\$81,734,860	\$78,986,846	\$82,775,548	\$86,169,890	\$88,838,820

2008/09 General Fund Expenditures by Expenditure Category



Total General Fund Budget of \$88,838,820

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 79.5% of the total General Fund expenditures for 2008/09.

**GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	\$128,103	0.15	\$128,560	0.15	\$130,660	0.15
704000	Wages & Salaries-Permanent	34,327,023	41.47	36,096,050	41.89	37,014,680	41.66
704001	Sick Time Buy Back	380,541	0.46	299,250	0.35	386,750	0.44
704721	Health Insurance Allowance	54,542	0.07	63,750	0.07	64,500	0.07
705000	Wages-Salaries - Temp/Part Time	1,420,020	1.72	1,455,390	1.69	1,435,010	1.62
706000	Wages-Salaries - Occasional	106,045	0.13	97,400	0.11	118,600	0.13
708000	Overtime	3,054,968	3.69	3,012,960	3.50	2,880,100	3.24
708001	Compensatory Time Buy Back	1,716,278	2.07	1,531,090	1.78	1,599,130	1.80
708795	Overtime - F.L.S.A.	89,141	0.11	95,640	0.11	85,000	0.10
709000	Union Contract Reimbursement	318,094	0.38	340,400	0.40	362,870	0.41
710000	Longevity	1,408,332	1.70	1,444,900	1.68	1,461,240	1.64
711000	Holiday Pay	937,847	1.13	1,011,880	1.17	1,124,550	1.27
713500	Car Allowance	2,083	0.00	3,000	0.00	4,000	0.00
714000	Food Allowance	106,100	0.13	108,000	0.13	126,000	0.14
715000	Clothing Allowance	413,289	0.50	397,150	0.46	426,250	0.48
717000	FICA	1,802,930	2.18	1,866,910	2.17	1,901,010	2.14
718000	Worker's Compensation	321,033	0.39	323,290	0.38	332,090	0.37
719000	Unemployment Compensation	18,233	0.02	21,000	0.02	16,500	0.02
720001	Pension - Police and Fire Retirement	2,646,450	3.20	1,707,910	1.98	2,594,190	2.92
720002	Defined Contribution - Employer	273,589	0.33	292,000	0.34	326,130	0.37
721000	Hospitalization	6,374,543	7.70	6,673,460	7.74	6,456,300	7.27
721001	Hospitalization - Retirees	6,610,500	7.99	9,557,270	11.09	10,700,690	12.05
721003	Retiree Health Savings - City	3,449	0.00	11,000	0.01	22,100	0.02
722000	Dental Insurance	571,295	0.69	553,900	0.64	582,160	0.66
723000	Life Insurance	115,360	0.14	116,160	0.13	116,490	0.13
724000	Eye Care Insurance	54,668	0.07	43,470	0.05	45,350	0.05
725000	Disability Insurance - Long Term	87,893	0.11	93,580	0.11	95,420	0.11
725355	Disability Insurance - Short Term	198,555	0.24	211,910	0.25	215,920	0.24
	Total Personnel Services	63,540,904	76.76	67,557,280	78.40	70,623,690	79.50
	SUPPLIES						
729000	Postage	273,796	0.33	284,760	0.33	290,300	0.33
730000	Publications	36,712	0.04	44,730	0.05	38,740	0.04
741000	Ammunition	14,199	0.02	15,000	0.02	15,000	0.02
741302	Ammunition - Act 302 Grant	0	0.00	5,000	0.01	5,000	0.01
742000	Dog Care Supplies	2,448	0.00	2,000	0.00	2,500	0.00
743000	Prisoners Board	7,911	0.01	7,500	0.01	8,000	0.01
750000	Fuels & Lubricants	644,966	0.78	550,000	0.64	700,000	0.79
750001	Fuel & Lube Inventory	18,818	0.02	18,000	0.02	18,000	0.02
751000	Operating Supplies	597,133	0.72	582,040	0.68	594,220	0.67
751001	Operating Supplies - Federal Funds	419	0.00	0	0.00	0	0.00
751290	Supplies - D.A.R.E.	13,426	0.02	15,570	0.02	14,500	0.02
758000	Computer Software	1,049	0.00	1,300	0.00	1,250	0.00
759000	Parts & Sublet Services	561,896	0.68	520,000	0.60	540,000	0.61
760000	Playground & Athletic Supplies	8,467	0.01	6,620	0.01	11,810	0.01
761000	Program Activity Supplies	43,920	0.05	49,370	0.06	44,830	0.05

**GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT**

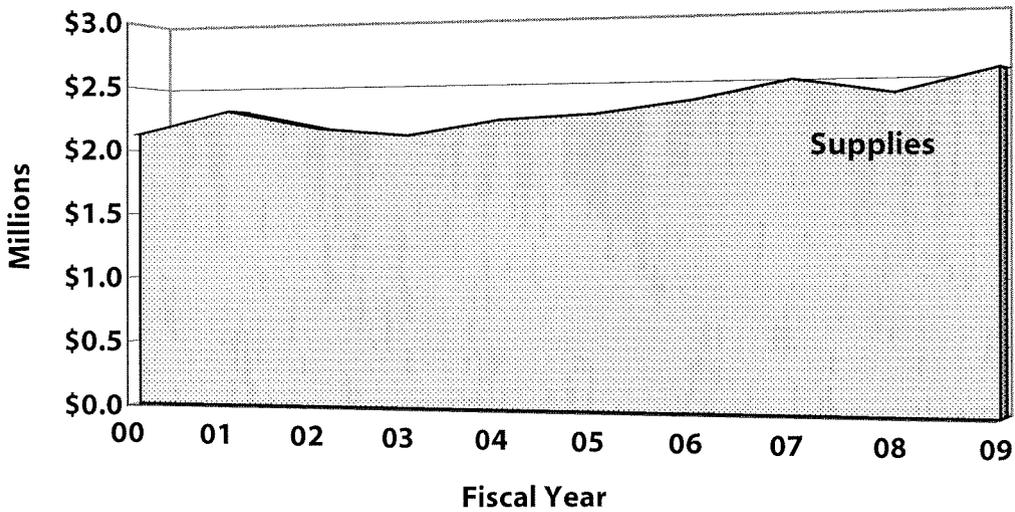
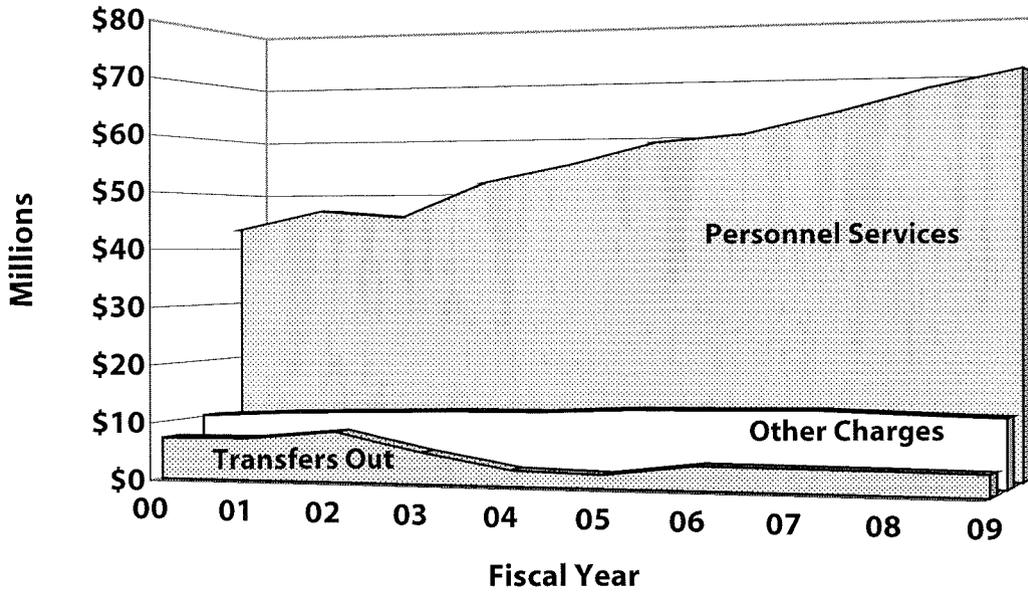
Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
762000	Seniors Program Supplies	28,362	0.03	38,000	0.04	27,000	0.03
769000	Audio Visual Media	32,010	0.04	33,000	0.04	34,000	0.04
783000	Seeding & Planting Supplies	9,485	0.01	11,750	0.01	10,750	0.01
785000	Books	184,549	0.22	185,700	0.22	189,090	0.21
	Total Supplies	2,479,566	3.00	2,370,340	2.75	2,544,990	2.86
	OTHER CHARGES						
802000	Audit & Accounting Services	65,150	0.08	66,150	0.08	72,310	0.08
803000	Computer Consultant Services	74,832	0.09	79,070	0.09	51,950	0.06
806000	Legal Services - Other	33,827	0.04	39,000	0.05	36,350	0.04
806001	Legal Services - City Attorney	704,105	0.85	701,000	0.81	729,500	0.82
807000	Medical Services	57,378	0.07	29,050	0.03	102,720	0.12
808000	Reporting Services	14,261	0.02	16,750	0.02	16,000	0.02
810000	Other Fees	32,925	0.04	33,030	0.04	33,780	0.04
820000	Tree/Weed Cutting	54,949	0.07	50,000	0.06	60,000	0.07
821000	Spraying Services	40,434	0.05	36,000	0.04	26,040	0.03
822000	Rubbish Removal	3,858,427	4.66	4,167,050	4.84	4,292,250	4.83
825000	Animal Collection	18,156	0.02	13,000	0.02	19,000	0.02
826000	Other Contracted Services	1,343,810	1.62	1,275,850	1.48	660,440	0.74
826412	Nuisance Abatements	34,009	0.04	25,000	0.03	30,000	0.03
827000	Interfund Services	92,610	0.11	97,240	0.11	72,900	0.08
828000	Auction Expenditures	1,128	0.00	2,000	0.00	2,000	0.00
829000	Hazardous Waste Disposal	2,085	0.00	1,500	0.00	1,500	0.00
832000	Building Maintenance	171,951	0.21	168,150	0.20	170,000	0.19
833000	Equipment Maintenance	340,201	0.41	315,110	0.37	351,320	0.40
833001	Personal Computer Maintenance	11,493	0.01	11,000	0.01	11,000	0.01
836000	Radio Maintenance	21,928	0.03	13,700	0.02	9,600	0.01
837000	Retention Pond Maintenance	63,840	0.08	59,000	0.07	59,000	0.07
838000	Parks & Grounds Maintenance	56,331	0.07	45,000	0.05	45,000	0.05
902000	Publishing	20,178	0.02	28,100	0.03	22,450	0.03
903000	Printing	195,359	0.24	210,460	0.24	195,900	0.22
913000	Liability Insurance	2,050,886	2.48	1,400,530	1.63	1,404,180	1.58
915000	Other Insurance	18,870	0.02	19,140	0.02	19,140	0.02
921000	Electric	559,845	0.68	558,850	0.65	590,000	0.66
922000	Telephone	285,505	0.34	259,300	0.30	255,420	0.29
922001	Fiber Optic Lease Charges	17,591	0.02	48,000	0.06	48,000	0.05
923000	Gas - Fuel - Oil	292,857	0.35	298,500	0.35	304,500	0.34
924000	Street Lighting	831,003	1.00	851,700	0.99	851,100	0.96
925000	Water	116,519	0.14	104,000	0.12	118,550	0.13
942302	Building Rental - Act 302	14,370	0.02	13,000	0.02	13,000	0.01
944000	Hydrant Rental	174,750	0.21	177,500	0.21	177,500	0.20
945000	Other Rental	295,063	0.36	309,240	0.36	310,910	0.35
949000	Interpreter Fees	14,930	0.02	15,000	0.02	15,000	0.02
950000	Witness Fees	4,788	0.01	5,600	0.01	5,000	0.01
951000	Juror Fees	1,851	0.00	8,000	0.01	7,000	0.01
954000	Mileage	3,033	0.00	2,020	0.00	2,140	0.00
956000	Local Meetings	19,703	0.02	21,180	0.02	19,920	0.02

GENERAL FUND EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
956001	Michigan Week Expenses	16,642	0.02	22,180	0.03	22,000	0.02
956002	Special Events	20,984	0.03	22,500	0.03	77,900	0.09
957000	Memberships & Dues	126,795	0.15	119,110	0.14	120,120	0.14
959000	Education & Training	202,646	0.24	202,240	0.23	189,730	0.21
959001	Grant - Education & Training	9,489	0.01	0	0.00	0	0.00
959302	Education & Training Act 302	34,094	0.04	22,000	0.03	22,000	0.02
959332	Education & Training Act 32	8,425	0.01	10,000	0.01	10,000	0.01
960000	Donation Expense Non-Capital	6,394	0.01	2,500	0.00	2,500	0.00
961000	Athletic Entry Fees	980	0.00	1,000	0.00	1,000	0.00
962000	Miscellaneous Expense	7,150	0.01	11,520	0.01	11,370	0.01
962001	Misc Exp - Cash - Short/Over	(34)	0.00	0	0.00	0	0.00
965000	Refunds on Tribunal Adjustments	259,962	0.31	300,000	0.35	200,000	0.23
969000	Contingency	0	0.00	2,690	0.00	0	0.00
	Total Other Charges	12,704,458	15.35	12,289,510	15.09	11,868,990	13.36
	TRANSFERS OUT						
999202	Transfer to Major Road Fund	1,100,000	1.33	800,000	0.93	0	0.00
999203	Transfer to Local Road Fund	575,000	0.69	575,000	0.67	575,000	0.65
999244	Transfer to L&W Conservation Fund	74,400	0.09	66,300	0.08	85,000	0.10
999255	Transfer to EDC Fund	8,000	0.01	8,500	0.01	19,000	0.02
999305	Transfer To VTGO Debt Fund	40,000	0.05	0	0.00	325,000	0.37
999369	Transfer to LTGO Debt Fund	652,500	0.79	968,460	1.12	1,057,000	1.19
999403	Transfer to Capital Projects Fund	1,600,720	1.93	1,534,500	1.78	1,290,150	1.45
999851	Transfer to CIA Fund	0	0.00	0	0.00	450,000	0.51
	Total Transfers Out	4,050,620	4.89	3,952,760	4.59	3,801,150	4.28
	Total General Fund	\$82,775,548	100.00	\$86,169,890	100.00	\$88,838,820	100.00

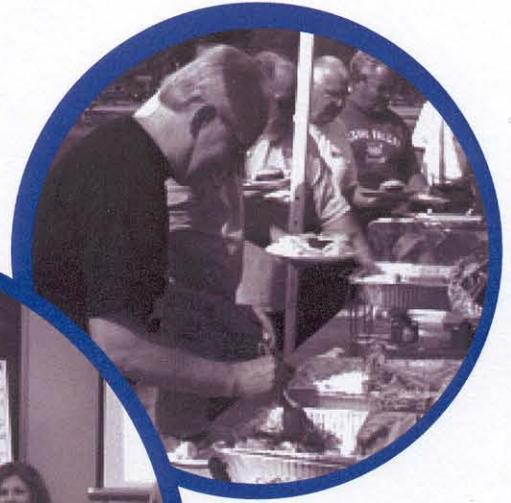
Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

General Fund Expenditure Object History



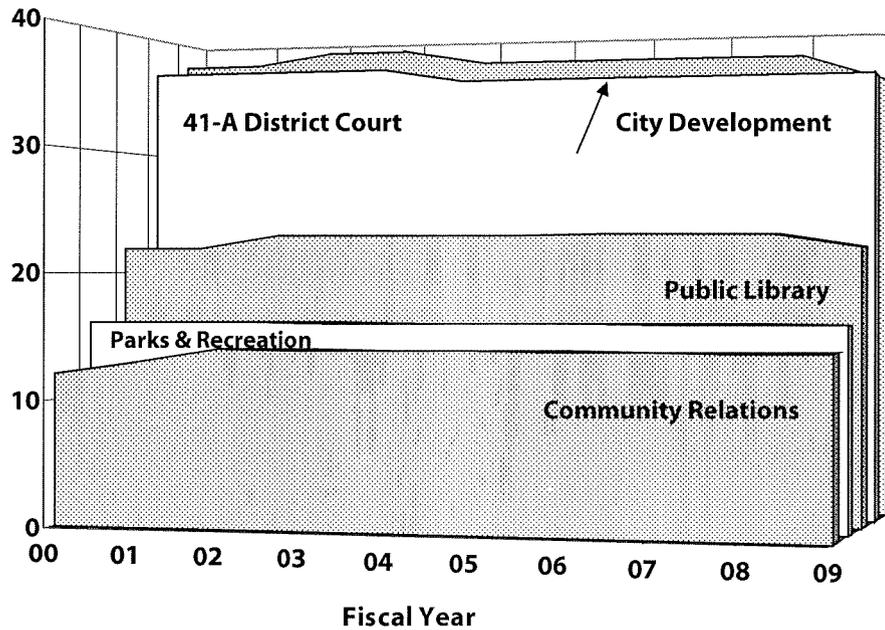
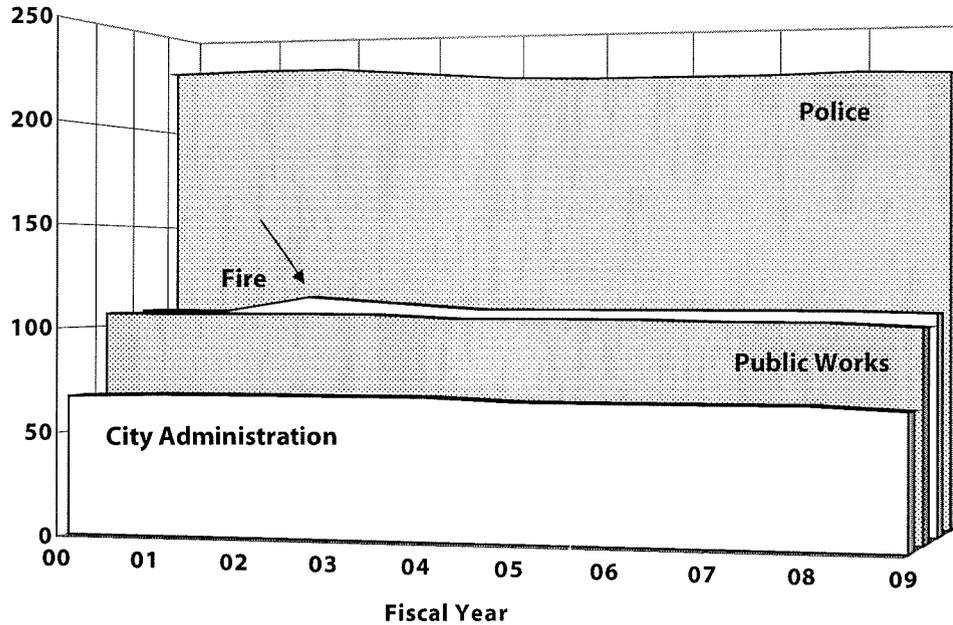
These graphs illustrate the expenditure category history for the General Fund.

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 costs. 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

2008/09 Budgeted Pay Ranges	ACTIVITY	Budget 2006/07		Budget 2007/08		Budget 2008/09	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	CITY ADMINISTRATION DEPT.						
	CITY MANAGEMENT						
145,961	City Manager	1		1		1	
89,194 - 109,499	Finance & Budget Director	1		1		1	
87,563 - 108,563	Human Resources Director	1		1		1	
56,192 - 62,647	Budget Management Coordinator	1		1		1	
46,752 - 51,865	Management Services Specialist	1		1		1	
42,465 - 49,238	Management Assistant	1		1		1	
	Total	6	0	6	0	6	0
	CITY CLERK						
89,194 - 109,499	City Clerk/Assistant City Manager	1		1		1	
77,708 - 96,343	Risk Manager	1		1		1	
42,465 - 49,238	Management Assistant	1		1		1	
41,031 - 47,575	Elections Assistant	1		1		1	
37,167 - 43,116	Risk Management Assistant	1		1		1	
37,167 - 43,116	Senior Clerk	2		2		2	
27,747 - 39,840	Clerk Typist	2		2		2	
	Total	9	0	9	0	9	0
	FACILITIES MAINTENANCE						
81,594 - 101,160	Facilities Maintenance Manager	1		1		1	
53,177 - 58,985	Facilities Maintenance Coordinator	1		1		1	
43,910 - 50,555	Facilities Maintenance Mechanic	2		2		2	
29,597 - 48,280	Custodian	14		14		13	
37,167 - 43,116	Senior Clerk	1		1		1	
	Total	19	0	19	0	18	0
	ASSESSING						
81,594 - 101,160	City Assessor	1		1		1	
62,436 - 70,645	Appraiser III	3		3		3	
48,280 - 54,625	Appraiser I	2		2		2	
44,060 - 51,094	Appraiser Aide	1		1		1	
27,747 - 39,840	Clerk Typist	1		1		1	
	Co-op (P.T.)		1		1		0
	Total	8	1	8	1	8	0
	FINANCIAL SERVICES						
81,594 - 101,160	Controller	1		1		1	
81,594 - 101,160	Financial Services Manager	1		1		1	
56,192 - 62,647	Accountant	3		3		3	
41,031 - 47,575	Senior Account Clerk	3		3		3	
34,353 - 43,116	Account Clerk	4		4		4	
	Total	12	0	12	0	12	0
	PURCHASING						
77,708 - 96,343	Purchasing Manager	1		1		1	
47,441 - 53,418	Purchasing Specialist	1		1		1	
41,031 - 47,575	Administrative Assistant	1		1		1	
	Total	3	0	3	0	3	0

PERSONNEL SUMMARY

2008/09 Budgeted Pay Ranges	ACTIVITY	Budget 2006/07		Budget 2007/08		Budget 2008/09	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	TREASURY						
81,594 - 101,160	City Treasurer	1		1		1	
56,192 - 62,647	Accountant	1		1		1	
41,031 - 47,575	Senior Account Clerk	2		2		2	
	Administrative Assistant	1		1		0	
34,353 - 43,116	Account Clerk	4		4		4	
	Total	9	0	9	0	8	0
	Total City Administration Department	66	1	66	1	64	0
	PARKS & RECREATION DEPARTMENT						
87,563 - 108,563	Parks & Recreation Director	1		1		1	
54,681 - 61,257	Recreation Coordinator	8		8		8	
43,701 - 48,477	Recreation Specialist	1		1		1	
41,031 - 47,575	Administrative Assistant	1		1		1	
37,167 - 43,116	Program & Services Assistant	2		2		2	
37,167 - 43,116	Senior Clerk	1		1		1	
32,054 - 39,840	Bus Driver	1		1		1	
27,747 - 39,840	Clerk Typist	1		1		1	
	Total Parks & Recreation Department	16	0	16	0	16	0
	POLICE DEPARTMENT						
	POLICE ADMINISTRATION						
90,251 - 110,251	Chief of Police	1		1		1	
97,698 - 100,001	Captain	1		1		1	
90,499 - 93,055	Lieutenant	2		2		2	
80,679 - 84,635	Sergeant	3		2		2	
45,225 - 70,654	Police Officer	5		5		5	
35,733 - 49,224	Secretary to Chief	1		1		1	
34,733 - 48,224	Administrative Secretary	3		2		2	
24,654 - 42,073	Technical Secretary	2		2		2	
21,654 - 42,073	Property Clerk	1		1		1	
	Total	19	0	17	0	17	0
	POLICE INVESTIGATIONS						
	Captain	1		0		0	
90,499 - 93,055	Lieutenant	1		2		2	
80,679 - 84,635	Sergeant	4		4		4	
45,225 - 70,654	Police Officer	29		29		29	
34,733 - 48,224	Administrative Secretary	1		2		2	
24,654 - 42,073	Technical Secretary	4		4		4	
	Total	40	0	41	0	41	0
	POLICE OPERATIONS						
97,698 - 100,001	Captain	1		1		1	
90,499 - 93,055	Lieutenant	4		4		5	
80,679 - 84,635	Sergeant	18		18		17	
45,225 - 70,654	Police Officer	97		99		99	
34,733 - 48,224	Administrative Secretary	3		3		3	
24,654 - 42,073	Technical Secretary	1		1		1	
185,000	Crossing Guards (P.T.)		33		33		33
	Total	124	33	126	33	126	33

PERSONNEL SUMMARY

2008/09 Budgeted Pay Ranges	ACTIVITY	Budget 2006/07		Budget 2007/08		Budget 2008/09	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	POLICE SUPPORT SERVICES						
	Captain	1		1		0	
90,499 - 93,055	Lieutenant	1		0		1	
80,679 - 84,635	Sergeant	1		2		2	
52,569 - 54,596	Emergency Dispatcher - Shift Leader	4		4		4	
38,898 - 50,791	Emergency Dispatcher	19		19		19	
34,733 - 48,224	Administrative Secretary	1		1		1	
34,733 - 48,224	Evidence Clerk	1		1		1	
42,267 - 46,881	Laboratory Technician	1		1		1	
39,405 - 44,368	Animal Control Officer	3		3		3	
31,189 - 43,638	Data Analyst	1		1		1	
31,189 - 43,638	Terminal Agency Coordinator	1		1		1	
24,654 - 42,073	Technical Secretary	8		8		7	
7,980	Co-op (P.T.)		1		1		1
	Total	42	1	42	1	41	1
	Total Police Department	225	34	226	34	225	34
	FIRE DEPARTMENT						
	FIRE ADMINISTRATION						
88,565 - 111,715	Fire Chief	1		1		1	
95,792 - 103,920	Division Chief/Assistant Fire Chief	1		1		1	
87,882 - 95,779	Chief of Training	1		1		1	
86,255 - 89,546	EMS Coordinator	1		1		1	
82,147 - 85,359	Fire Instructor	1		1		1	
42,465 - 49,238	Management Assistant	1		1		1	
41,031 - 47,575	Administrative Assistant	3		3		3	
27,747 - 39,840	Clerk Typist	1		1		1	
	Total	10	0	10	0	10	0
	FIRE EXTINGUISHMENT						
86,160 - 91,221	Battalion Chief	3		3		3	
83,000 - 87,872	Captain-Advanced Life Support	3		3		3	
79,049 - 83,687	Captain	2		2		2	
75,397 - 80,615	Lieutenant-Advanced Life Support	10		12		12	
71,807 - 76,777	Lieutenant	6		4		4	
72,203 - 73,606	Sergeant - Advanced Life Support	4		2		2	
70,828 - 72,203	Sergeant - Fire Engine Operator	5		7		7	
43,796 - 70,094	Fire Fighter-Advanced Life Support	28		42		42	
42,963 - 68,766	Fire Fighter-Fire Engine Operator	16		14		14	
41,711 - 66,763	Fire Fighter	13		1		1	
	Total	90	0	90	0	90	0
	FIRE PREVENTION						
87,882 - 95,779	Fire Marshal	1		1		1	
82,147 - 85,359	Fire Inspector	6		6		5	
	Total	7	0	7	0	6	0
	EMERGENCY MANAGEMENT						
62,982 - 78,085	Emergency Management Coordinator	1		1		1	
	Total	1	0	1	0	1	0
	Total Fire Department	108	0	108	0	107	0

PERSONNEL SUMMARY

2008/09 Budgeted Pay Ranges	ACTIVITY	Budget 2006/07		Budget 2007/08		Budget 2008/09	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
CITY DEVELOPMENT DEPARTMENT							
BUILDING							
89,194 - 109,499	City Development Director/Asst. City Manager	1		1		1	
77,708 - 96,343	Building Services Manager	0		1		1	
	Building Plan Review Coordinator	1		0		0	
70,775 - 74,360	Code Enforcement Coordinator	1		1		1	
61,076 - 67,410	Building Inspector	3		3		3	
61,076 - 67,410	Plumbing Inspector	2		2		1	
61,076 - 67,410	Electrical Inspector	2		2		2	
61,076 - 67,410	Mechanical Inspector	2		2		2	
54,124 - 61,235	Code Enforcement Officer	5		5		5	
42,465 - 49,238	Management Assistant	1		1		1	
37,167 - 43,116	Senior Clerk	2		2		2	
27,747 - 39,840	Clerk Typist	2		2		2	
	Co-op (P.T.)		1		1		0
	Total	22	1	22	1	21	0
ECONOMIC DEVELOPMENT							
77,708 - 96,343	Economic Development Manager	1		1		1	
	Total	1	0	1	0	1	0
INFORMATION TECHNOLOGY							
87,139 - 108,037	Information Technology Manager	1		1		1	
77,708 - 96,343	Network Administrator	1		1		1	
52,568 - 58,319	Information Technology Specialist	6		6		6	
	Total	8	0	8	0	8	0
PLANNING							
87,139 - 108,037	City Planner	1		1		1	
57,441 - 63,723	Planning Coordinator	1		1		1	
41,031 - 47,575	Administrative Assistant	1		1		1	
	Clerk Typist	1		1		0	
	Total	4	0	4	0	3	0
PUBLIC SERVICES							
81,594 - 101,160	Public Services Manager	1		1		1	
45,835 - 51,608	CDBG Specialist	1		1		1	
37,167 - 43,116	Senior Clerk	1		1		1	
5,130	CDBG Intern (P.T.)		1		1		1
	Total	3	1	3	1	3	1
Total City Development Department		38	2	38	2	36	1
PUBLIC WORKS DEPARTMENT							
ENGINEERING							
87,139 - 108,037	City Engineer	1		1		1	
81,594 - 101,160	Engineering Services Manager	1		1		1	
80,303 - 93,136	Civil Engineer III	1		1		1	
65,687 - 76,172	CAD/GIS Coordinator	1		1		1	
70,775 - 74,360	Chief Engineering Inspector	1		1		1	
45,667 - 64,968	Engineering Aide	7		7		6	
53,729 - 62,302	Civil Engineer I	2		2		2	
41,031 - 47,575	Administrative Assistant	1		1		1	
37,167 - 43,116	Senior Clerk	1		1		1	
10,250	G.I.S. Intern (P.T.)		1		1		1
7,250	Co-op (P.T.)		2		2		1
	Total	16	3	16	3	15	2

PERSONNEL SUMMARY

2008/09 Budgeted Pay Ranges	ACTIVITY	Budget 2006/07		Budget 2007/08		Budget 2008/09	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	FLEET MAINTENANCE						
57,662 - 73,088	Division Supervisor	1		1		1	
44,281 - 57,320	Mechanic	11		11		11	
41,587 - 52,205	Storekeeper	2		2		2	
17,060	Seasonal Laborer (P.T.)		1		1		1
	Total	14	1	14	1	14	1
	PARKS & GROUNDS MAINTENANCE						
57,662 - 73,088	Division Supervisor	1		1		1	
41,587 - 52,205	Parks & Grounds Maintenance Worker	6		6		6	
29,735 - 50,706	Laborer	6		6		5	
10,890 - 11,550	Seasonal Laborer (P.T.)		8		8		8
	Total	13	8	13	8	12	8
	PUBLIC WORKS CENTER						
85,479 - 105,978	Environmental Services Manager	1		1		1	
60,468 - 76,656	General Supervisor	1		1		1	
29,597 - 42,496	Custodian	1		1		1	
	Total	3	0	3	0	3	0
	REFUSE COLLECTION						
27,747 - 39,840	Clerk Typist	1		1		1	
19,965 - 21,780	Seasonal Laborer (P.T.)		3		3		3
	Total	1	3	1	3	1	3
	STREET SERVICES						
57,662 - 73,088	Division Supervisor	2		2		2	
46,344 - 57,320	Equipment Operator A	1		1		1	
43,576 - 54,387	Equipment Operator B	7		7		7	
43,576 - 54,387	Traffic Sign Worker	2		2		2	
43,576 - 54,387	Street Services Inspector	1		1		1	
41,587 - 52,205	Equipment Operator C	6		6		6	
29,735 - 50,706	Laborer	2		2		2	
19,470 - 20,650	Seasonal Laborer (P.T.)		2		2		2
	Total	21	2	21	2	21	2
	Total Public Works Department	68	17	68	17	66	16
	PUBLIC LIBRARY DEPARTMENT						
87,563 - 108,563	Public Library Director	1		1		1	
56,192 - 63,268	Library Service Area Coordinator	3		3		3	
53,486 - 60,516	Library Programming Specialist	1		1		1	
52,500 - 58,528	Librarian	7		7		7	
48,280 - 54,625	Circulation Supervisor	1		1		1	
42,465 - 49,238	Management Assistant	1		1		1	
41,031 - 47,575	Library Assistant II	4		4		4	
38,109 - 44,190	Library Assistant I	2		2		2	
34,353 - 39,840	Library Clerk	3		3		2	
17,784 - 23,243	Librarian (P.T.)		8		8		8
3,224 - 14,208	Library Page (P.T.)		9		9		10
10,725 - 12,740	Library Clerk (P.T.)		1		1		2
	Total Public Library Department	23	18	23	18	22	20

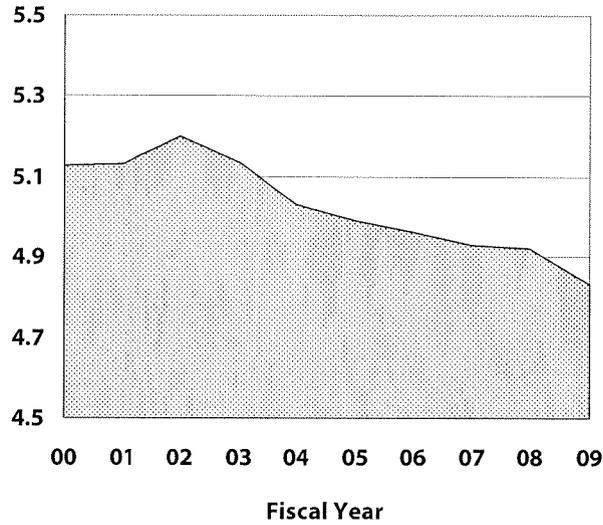
PERSONNEL SUMMARY

2008/09 Budgeted Pay Ranges	ACTIVITY	Budget 2006/07		Budget 2007/08		Budget 2008/09	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
COMMUNITY RELATIONS DEPARTMENT							
88,565 - 108,724	Community Relations Director	1		1		1	
77,708 - 96,343	Communications Manager	1		1		1	
77,708 - 96,343	Broadcast Services Manager	1		1		1	
50,156 - 56,198	Broadcast Programming Specialist	1		2		2	
45,835 - 51,101	Neighborhood Specialist	1		1		1	
45,835 - 51,101	Communication Specialist	1		1		1	
45,835 - 51,101	Senior Broadcast Production Specialist	1		1		1	
45,835 - 50,849	Citizen Services Specialist	1		1		1	
45,835 - 50,849	Community Relations Specialist	1		1		1	
42,276 - 49,033	Printing Technician II	1		1		1	
41,501 - 46,042	Broadcast Production Specialist	2		1		1	
39,039 - 45,263	Printing Technician I	1		1		1	
27,747 - 39,840	Clerk Typist	1		1		1	
13,305 - 13,572	Video Production Technician (P.T.)		2		4		3
12,480	Website Specialist (P.T.)		1		1		1
12,000	Graphic Artist (P.T.)		1		1		1
	Keyline Specialist (P.T.)		1		0		0
Total Community Relations Department		14	5	14	6	14	5
41-A DISTRICT COURT							
45,724	Judge	3		3		3	
102,987	Magistrate/Director of Probation	1		1		1	
91,642	Court Administrator	1		1		1	
76,637	Clerk of the Court	1		1		1	
67,238	Probation Officer	1		1		1	
55,319	Court Recorder	3		3		3	
51,465	Court Officer	3		3		3	
31,646 - 40,840	Deputy Clerk	23		23		23	
12,285 - 12,740	Security Guards (P.T.)		4		4		4
Total 41-A District Court		36	4	36	4	36	4
Total General Fund		594	81	595	82	586	80
WATER & SEWER FUND							
WATER & SEWER ADMINISTRATION							
88,599 - 110,384	Public Works Director	1		1		1	
65,306 - 82,824	Operations Supervisor	1		1		1	
60,468 - 76,656	General Supervisor	1		1		1	
41,031 - 47,575	Administrative Assistant	1		1		1	
34,353 - 43,116	Account Clerk	2		2		2	
27,532 - 41,356	Clerk Dispatcher	2		2		2	
27,747 - 39,840	Clerk Typist	1		1		1	
	Total	9	0	9	0	9	0
WATER DISTRIBUTION							
57,662 - 73,088	Division Supervisor	1		1		1	
43,576 - 54,387	Water Inspector	2		2		2	
43,576 - 54,387	Water Service Worker	4		4		4	
41,587 - 52,205	Meter Repair/Installer	2		2		2	
	Meter Reader	1		0		0	
29,735 - 50,706	Laborer	2		3		3	
9,504 - 10,500	Seasonal Laborer (P.T.)		2		2		2
	Total	12	2	12	2	12	2

PERSONNEL SUMMARY

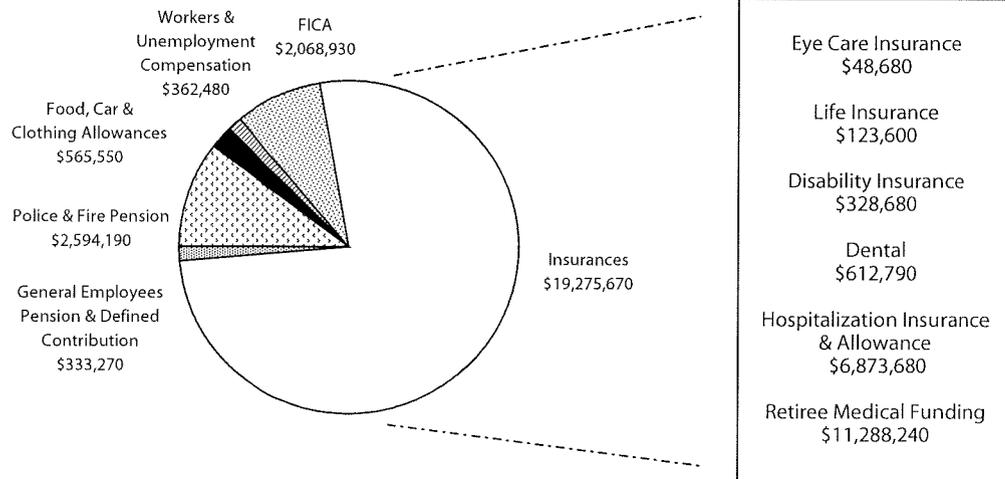
2008/09 Budgeted Pay Ranges	ACTIVITY	Budget 2006/07		Budget 2007/08		Budget 2008/09	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	SEWAGE COLLECTION						
57,662 - 73,088	Division Supervisor	1		1		1	
44,281 - 55,061	Plant Operator/Mechanic	2		2		2	
43,576 - 54,387	Sewer Service Worker (Clean)	2		2		2	
43,576 - 54,387	Water/Sewage Inspector	2		2		2	
41,587 - 53,231	Sewer Service Worker (Maint)	3		3		3	
29,735 - 48,376	Laborer	4		4		4	
8,580 - 8,840	Seasonal Laborer (P.T.)		4		4		4
	Total	14	4	14	4	14	4
	Total Water & Sewer Fund	35	6	35	6	35	6
	Total All Funds	629	87	630	88	621	86

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 2008/09



Total City Fringe Benefits for 2008/09 is \$25,200,090
Includes the General Fund & Water & Sewer Fund

Legislative



The Sterling Heights City Council (L-R)

*Councilman **Joseph V. Romano***

*Councilwoman **Maria G. Schmidt***

*Councilwoman **Yvonne D. Kniaz***

*Mayor **Richard J. Notte***

*Mayor Pro Tem **Deanna Koski***

*Councilwoman **Barbara A. Ziarko***

*Councilman **Richard L. Bracci***

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

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

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

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

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

KEY GOALS

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

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

Did you know?...

...that the City Council actively supports and fosters diversity within the City to ensure that Sterling Heights remains a premier community for everyone to enjoy?

City Council

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	7	4	3	6	4	3
	Public Hearings Held	33	32	21	30	30	30
	Ordinances and Amendments Adopted	23	21	15	25	25	25
	Agenda Items Reviewed and Acted Upon	419	432	366	435	375	375
	Education and Training Sessions Attended	4	6	7	10	6	10
	"Nice Neighbor" Awards Presented	32	21	19	24	24	24
Effectiveness	City Council Member Attendance at Council Meetings	97%	97%	97%	100%	98%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	98%	100%
	% Difference from Proposed to Adopted Budget (G.F.)	0.00%	-0.02%	0.03%	-0.01%	-0.01%	0.00%
	Total Millage % Reduction Since 1988	-20.6%	-20.6%	-19.8%	-19.8%	-19.8%	-19.4%
	Activity Expenditures as % of General Fund	0.16%	0.17%	0.16%	0.16%	0.16%	0.16%

City Council

SUMMARY OF BUDGET CHANGES

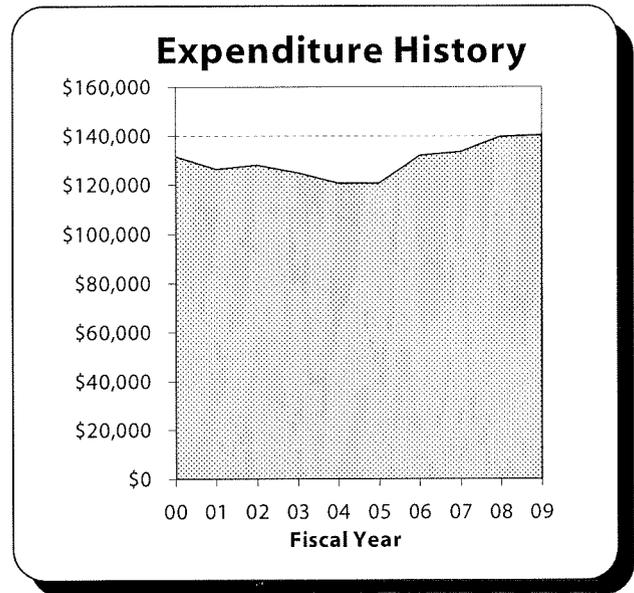
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget remained the same as last year’s budget. In February, 2007 the Local Officer’s Compensation Commission did not recommend a wage adjustment. The Commission is scheduled to meet again in February, 2009.

Supplies – Total Supplies decreased \$1,750 or 53.8%. \$1,500 was saved in operating supplies, as less funding for new Council members is needed since next year is not an election year. Postage costs decreased \$250 as funding can be brought more in line with recent expenditure levels.

Other Charges – Total Other Charges increased \$2,290 or 19.3%. Training funds increased \$2,720 primarily due to the higher costs to attend the annual MML convention next year. Additional funding is included for Council members to attend the Michigan Association of Mayors Conference, which the City will co-host with Utica this summer. Funding for publishing decreased \$300, as prior year funds were not fully spent. Telephone costs decreased \$200 based on recent years’ expenditure usage.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

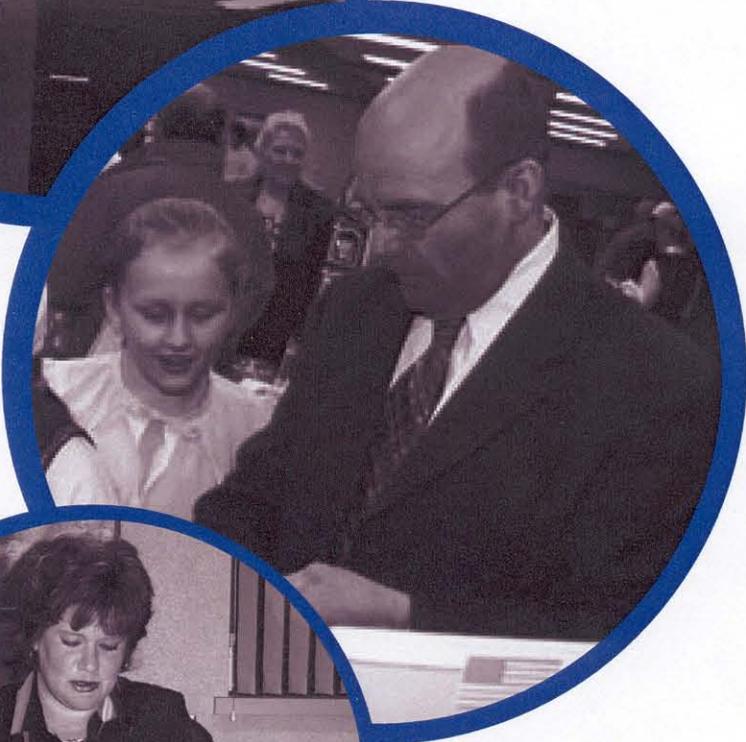
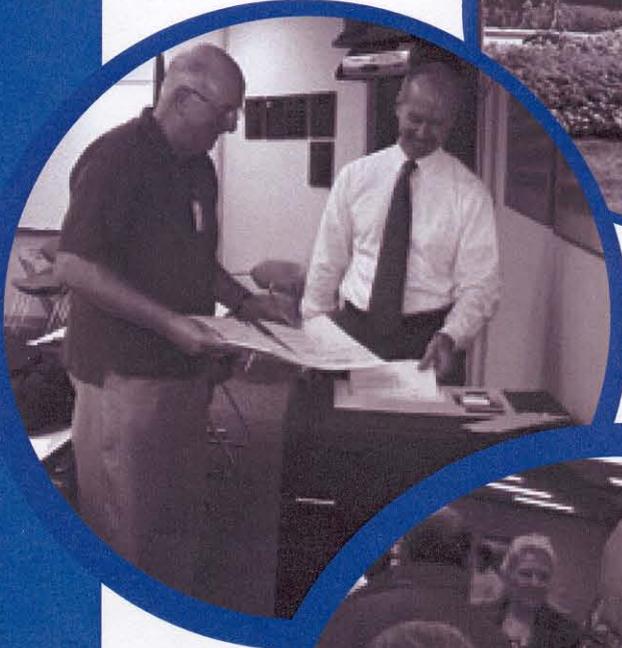
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$122,891	\$124,630	\$124,630	\$124,630	\$124,630
Supplies	807	3,250	2,500	1,500	1,500
Other Charges	9,832	11,850	10,540	14,140	14,140
Total	\$133,530	\$139,730	\$137,670	\$140,270	\$140,270

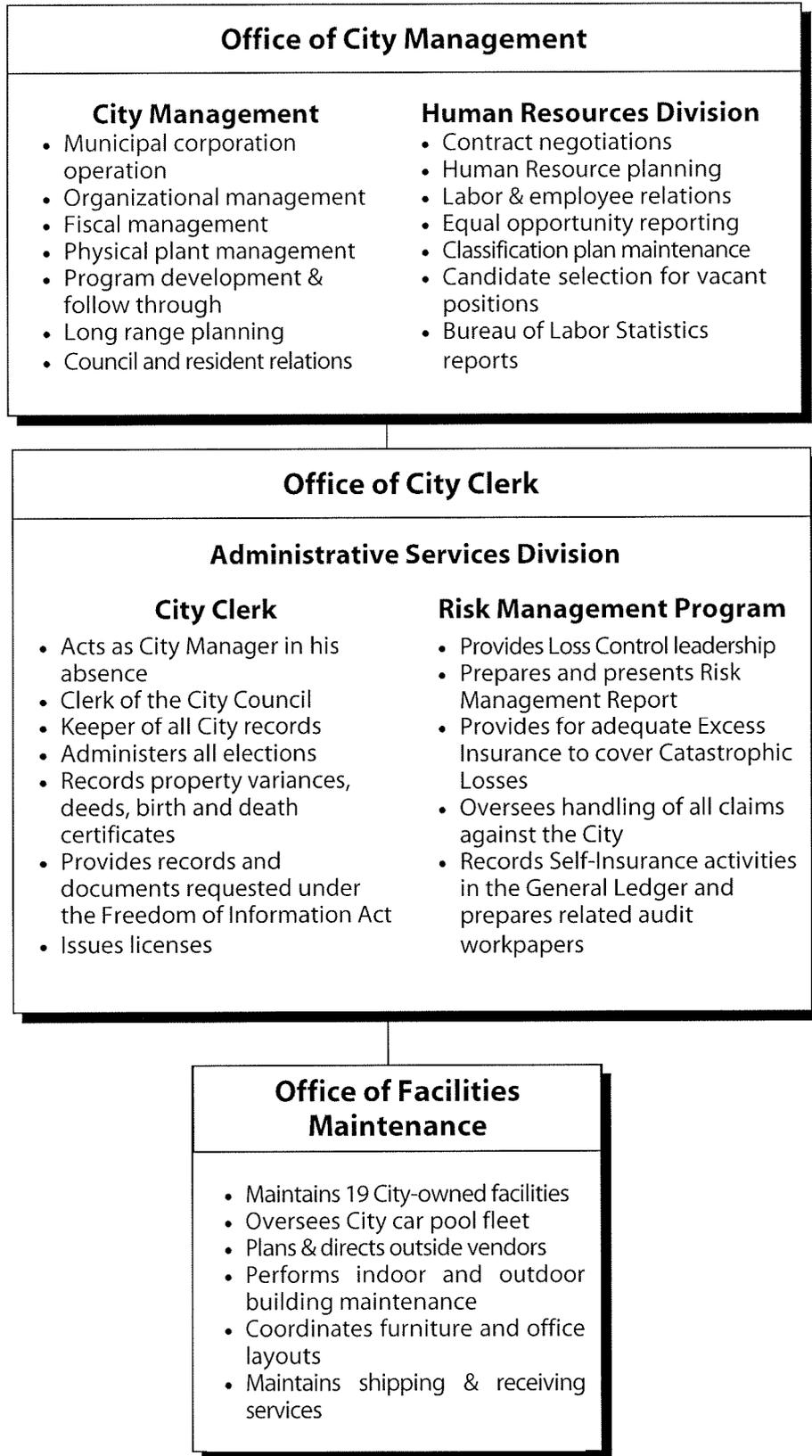
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City Administration Department



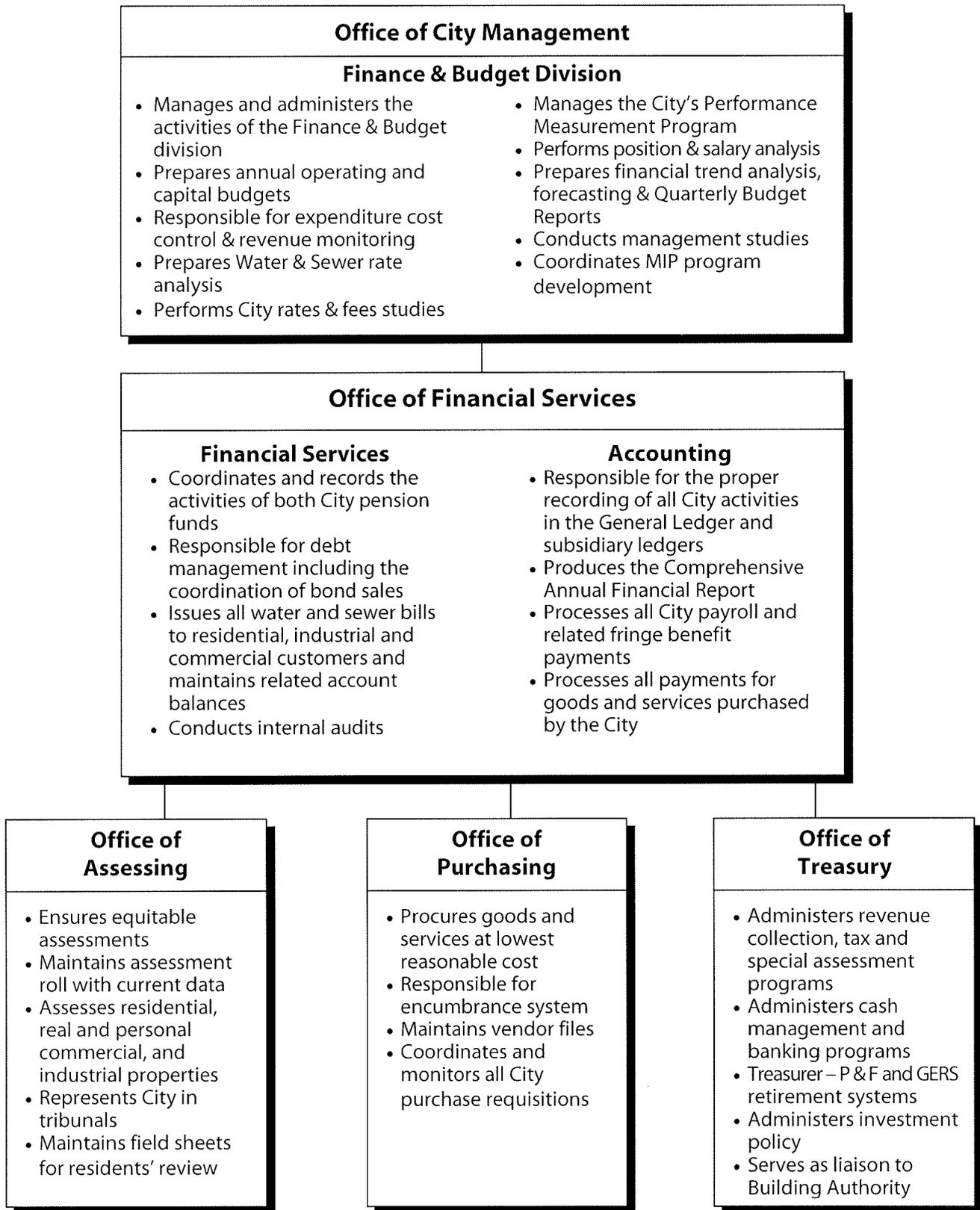
FUNCTIONAL ORGANIZATION CHART

City Administration Department



FUNCTIONAL ORGANIZATION CHART

City Administration Department *(continued)*



DEPARTMENT AT A GLANCE

City Administration Department

BUDGET SUMMARY

The City Administration budget increased by \$219,450 or 3.2%. Personnel costs rose \$211,910 or 3.5%. Personnel costs increased 8.5% in the City Clerk's office due in part to additional election worker and part-time staffing costs as a result of the increased workload and higher expected turnout for the 2008 Presidential election. An additional \$46,480 is budgeted to fund retiree health care obligations. A vacant Custodian in Facilities Maintenance, Administrative Assistant in Treasury, and a part-time Assessing Co-op position are proposed to be eliminated, saving \$141,660. Supplies

increased \$15,870 or 6.7% primarily for 50 replacement election booths and additional election supplies. Other Charges declined by \$8,330 or 1.3% as a result of eliminating the City's membership to the ICMA Center for Performance Measurements, the Assessing Co-Star database, and savings from the use of a permanent absentee voter list. The capital budget includes funding to paint and repair the exterior of the Upton House and to replace a file server and database software that will no longer be supported by MUNIS.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
City Management	\$820,710	\$907,390	\$897,990	\$919,790	2.4%
City Clerk	868,230	976,440	1,046,910	1,124,880	7.4%
Facilities Maintenance	1,526,330	1,571,580	1,692,940	1,752,930	3.5%
Assessing	886,120	821,610	848,390	874,980	3.1%
Financial Services	1,128,160	1,202,740	1,285,410	1,335,700	3.9%
Purchasing	326,680	341,700	358,350	372,210	3.9%
Treasury	713,610	754,000	812,160	781,110	-3.8%
Total Department	\$6,269,840	\$6,575,460	\$6,942,150	\$7,161,600	3.2%
Personnel Services	\$5,278,870	\$5,633,850	\$6,047,920	\$6,259,830	3.5%
Supplies	220,880	224,260	236,770	252,640	6.7%
Other Charges	770,090	717,350	657,460	649,130	-1.3%
Total Department	\$6,269,840	\$6,575,460	\$6,942,150	\$7,161,600	3.2%

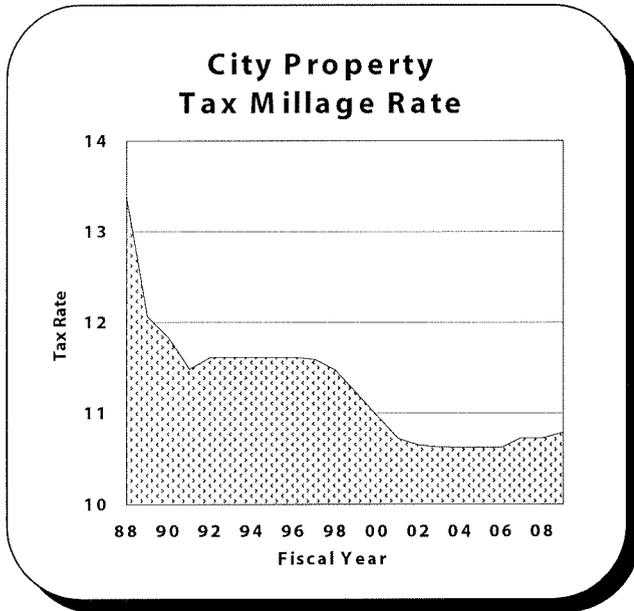
PERSONNEL SUMMARY

	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time						
City Management	6	0	6	0	6	0	6	0
City Clerk	9	0	9	0	9	0	9	0
Facilities Maintenance	19	0	19	0	19	0	18	0
Assessing	8	1	8	1	8	1	8	0
Financial Services	12	0	12	0	12	0	12	0
Purchasing	3	0	3	0	3	0	3	0
Treasury	9	0	9	0	9	0	8	0
Total Department	66	1	66	1	66	1	64	0

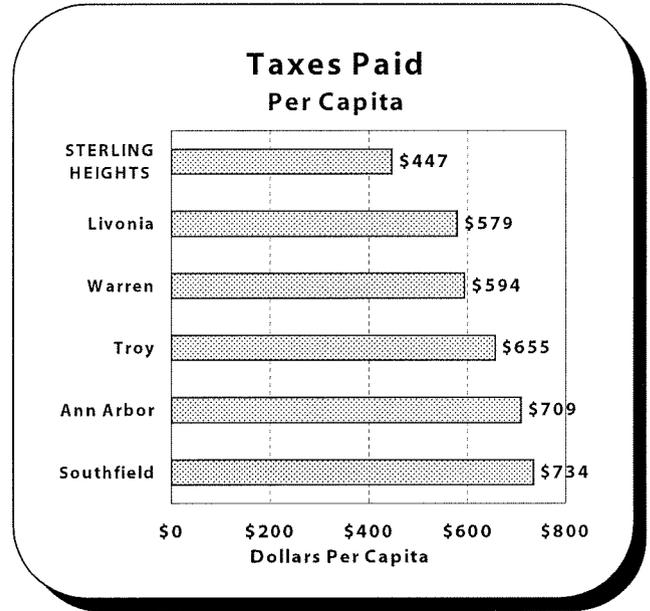
Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

City Administration Department



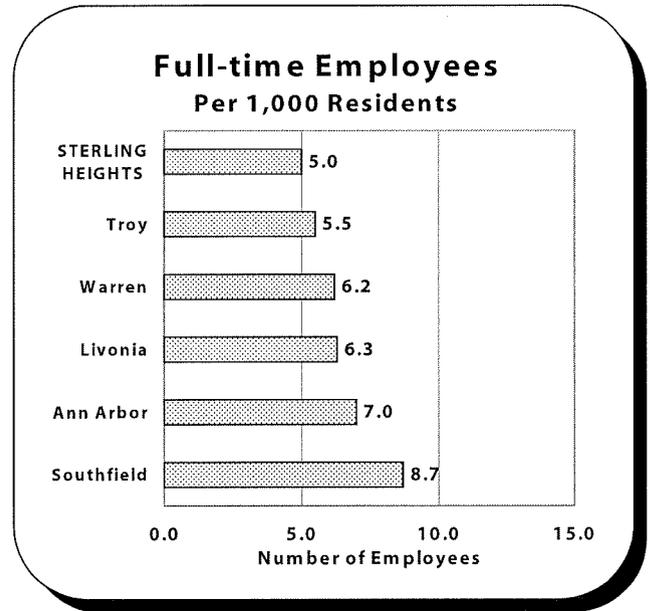
The City's property tax rate has fallen from 13.38 mills in 1988 to 10.786 mills in 2009 – a decrease of 19.4%. The tax rate increased slightly in 2009 for the voter approved renovations to three City Fire Stations (Proposal F).



Sterling Heights has the lowest tax bill per resident in comparison to five comparable Michigan benchmark communities. Based on 2007 tax revenues and the 2000 census population data, Sterling Heights residents pay only \$447. Warren residents pay 33% more than Sterling Heights residents. Southfield residents pay \$734 or 64% more.



The City has eliminated 28 vacant full-time budgeted positions or 4.3% of its workforce since 2002, saving over \$2.0 million annually. In 2009, the City will have the same number of full-time staff as it had 13 years ago, in 1996. Since that time, however, we have added five positions in the Police Department, four in Community Relations, and two in Information Technology. The Public Works department has decreased by five positions, while City Administration is down by four positions.

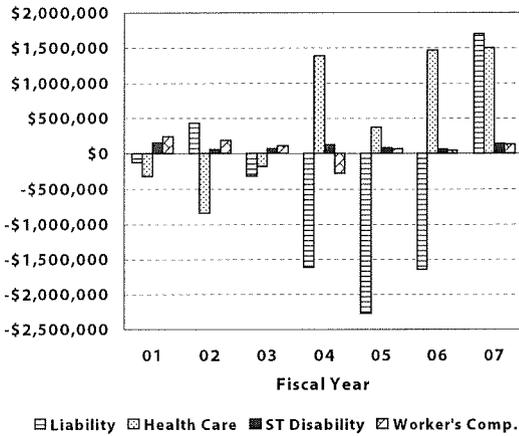


Based on current staffing data and the 2000 census, Sterling Heights has 5.0 full-time employees per 1,000 residents. This rate is lower than any of our benchmark communities and is nearly half the rate of Southfield. Despite having the third largest population, Sterling Heights has the fewest employees of any of these benchmark cities. Based on a 2006 study of over 140 cities, 89% of communities had a higher number of full-time employees per 1,000 residents.

KEY DEPARTMENTAL TRENDS

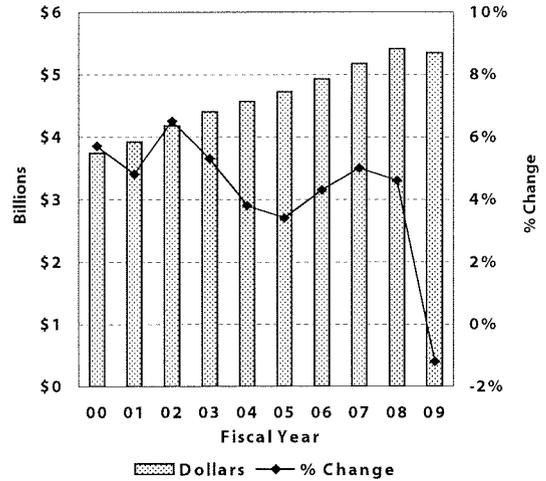
City Administration Department (continued)

Income Performance Self-Insurance Program



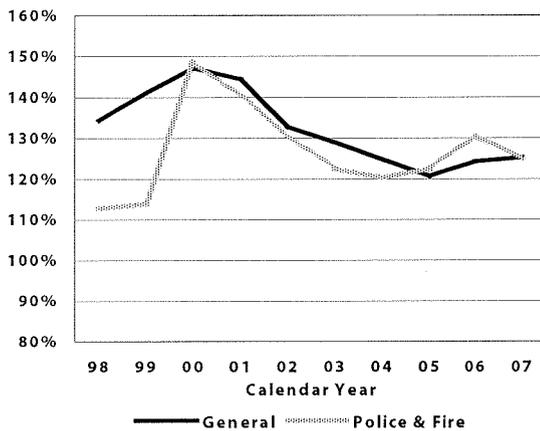
This graph shows the historic net income or loss within the City's Self-Insurance program by major category. Except for recent losses in the Liability program, most years have shown a positive net income for most programs.

Taxable Valuation



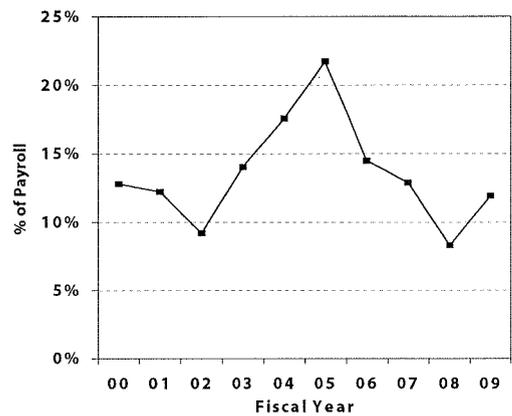
For the past nine years, the City's assessed valuation grew an average of between 3% and 7% annually. In 2009, assessed valuation decreased by 1.2% due to the falling real estate market and less new development in the City.

City Pension Systems Percent Funded



For 2007, Sterling Heights' General Employees Pension System is 125.2% funded – meaning that the City has more than enough funds available to pay for all current pension obligations. For the tenth consecutive year, the Police & Fire Pension System is also more than 100% funded, totaling 124.8% of obligations. Both pension systems have maintained their funding over the past ten years, despite decreases in prior years due to declines in the stock market.

Police & Fire Pension System Employer Contributions



The City's overall contribution to the Police & Fire Pension System, as a percent of payroll, has generally declined over the past ten years due to lower employee wage increases, employee turnover, and a higher return on pension investments. For three years from 2002-2005, however, the required contribution to the system increased largely due to an under-performing stock market. There has not been a 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. New developments in the area of public policy are researched and analyzed to organize a process of program planning 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.

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.*

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

This office is responsible for developing a Human Resource Plan 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 all equal employment requirements by monitoring all areas of employment practices and completing annual State and Federal reporting requirements. ■

Did you know?...

...that as evidenced by the ICMA's Center for Performance Measurements, the City has one of the lowest ratios of employees per 1,000 residents nationwide?

City Management

2008/09 INTENTION STATEMENTS

(City Management)

- To ensure the completion of the fire station renovation project within the established timeline and budgetary parameters. (City Goal 15, 25)
- To develop and present a needs assessment for the renovation and/or reconstruction of the Sterling Heights Police Station outlining the specific building improvements that will be made. (City Goal 15, 25)
- In conjunction with the Parks & Recreation Department, to identify and prioritize recreational improvement opportunities within the community. This will include meeting with focus groups, civic organizations, parent volunteer associations, and sports clubs to review community needs and interests as discussed in the City's Master Recreation Plan. (City Goal 19, 26)
- Through the Sterling Heights Outreach Program (SHOP), to reach out to the community and develop strategies to ensure that the City remains a premier community for all by embracing cultural diversity, allowing for greater efficiencies in the delivery of public services. (City Goal 15, 16, 19)
- To ensure quality service delivery despite declining revenues by identifying new revenues, eliminating inefficient programs, establishing long-term service policies, and promoting economic development and redevelopment. (City Goal 3, 4, 5, 20)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Administrative Policy and Procedure Orders Processed	4	4	1	6	2	5
	Agenda Statements Reviewed	419	432	366	435	375	375
	Special Reports Researched & Written	20	20	23	15	15	15
	Special Projects Researched & Developed	20	20	24	15	15	15
	Policy Resolutions Presented to Council	8	8	8	10	10	10
	Legislative Issues Monitored	8	8	8	15	10	10
	Focus Group Meetings Facilitated	5	6	6	6	6	6
	Intergovernmental Relation Contacts	120	130	125	85	85	85
	New Programs & Policies Developed	9	9	9	8	8	8
	Council Requests Responded to within 30 minutes	100%	100%	100%	100%	100%	100%
	Average Response Time to Council Requests	25 min.	25min.	25 min.	25 min.	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 % Reduction Since 1988	-20.6%	-20.6%	-19.8%	-19.8%	-19.8%	-19.4%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	98%	100%
	Activity Expenditures as % of General Fund	1.03%	1.04%	1.10%	1.04%	1.06%	1.04%

City Management

2008/09 PERFORMANCE OBJECTIVES

(Finance & Budget)

1. To develop a plan to address potential further property assessment reductions by seeking legislative remedies to Proposal A and working with departments on contingency plans that would have the least impact on City services. (City Goal 1, 2, 3, 4, 20)
2. To conduct a comprehensive study of the number and use of City-owned vehicles in all departments to determine the optimum fleet size and if any further efficiencies can be achieved. (City Goal 3, 5, 6)
3. To further improve the quality of all departments' performance measurement indicators by including more outcome, success and efficiency indicators and reducing the number of routine output indicators. (City Goal 5)
4. To conduct random invoice audits to evaluate purchasing methods and the potential for department savings opportunities. (City Goal 3, 5)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	City Budgeted Funds Monitored (Millions)	\$148.8	\$133.4	\$152.8	\$151.9	\$149.0	\$141.6
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	43	39	48	45	50	50
	Management & Labor Cost Studies Conducted	9	9	11	10	10	15
	Years Member of ICMA Center for Perf. Measurement	5	5	6	7	7	7
	City Council Agenda Statements Reviewed	305	312	301	300	280	280
	Semi-Annual Budget Reports Prepared	2	2	2	2	2	2
	Municipal Improvement Plan (MIP) Prepared	1	1	1	1	0	1
	Capital Project Status Reports Produced	1	1	1	1	1	1
	Travel Requests Reviewed for Policy Compliance	283	247	255	260	270	260
	Telephone Call Accounting - Months Monitored	10	8	6	5	5	5
	Employee Internet Usage - Months Monitored	10	10	7	6	6	6
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
	Funding for Retiree Medical Liabilities (% of Payroll)	9.25%	10.70%	15.90%	21.90%	21.90%	23.80%
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa2,AA+,AA	Aa2,AA+,AA	Aa2,AA+,AA	Aa2,AA+,AA	Aa2,AA+,AA+	Aa2,AA+,AA+
	Accuracy Forecasting Expenditures - General Fund	99.3%	100.5%	99.9%	100.0%	100.0%	100.0%
	Accuracy Forecasting Revenues - General Fund	100.1%	100.0%	99.8%	100.0%	99.3%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	18	19	20	21	21	22
	Budget Award - "Outstanding" Categories Earned	4	1	3	3	2	3
	Years Received G.F.O.A. PAFR Award	8	9	10	11	11	12
	Savings from Reviewing Travel Requests	\$6,234	\$8,942	\$2,050	\$2,500	\$4,200	\$3,000
	Years Received ICMA Certificate of Distinction	2	2	2	3	3	3
	Average Cost to Review a Travel Request	\$6.17	\$6.72	\$6.95	*	*	*

City Management

2008/09 PERFORMANCE OBJECTIVES

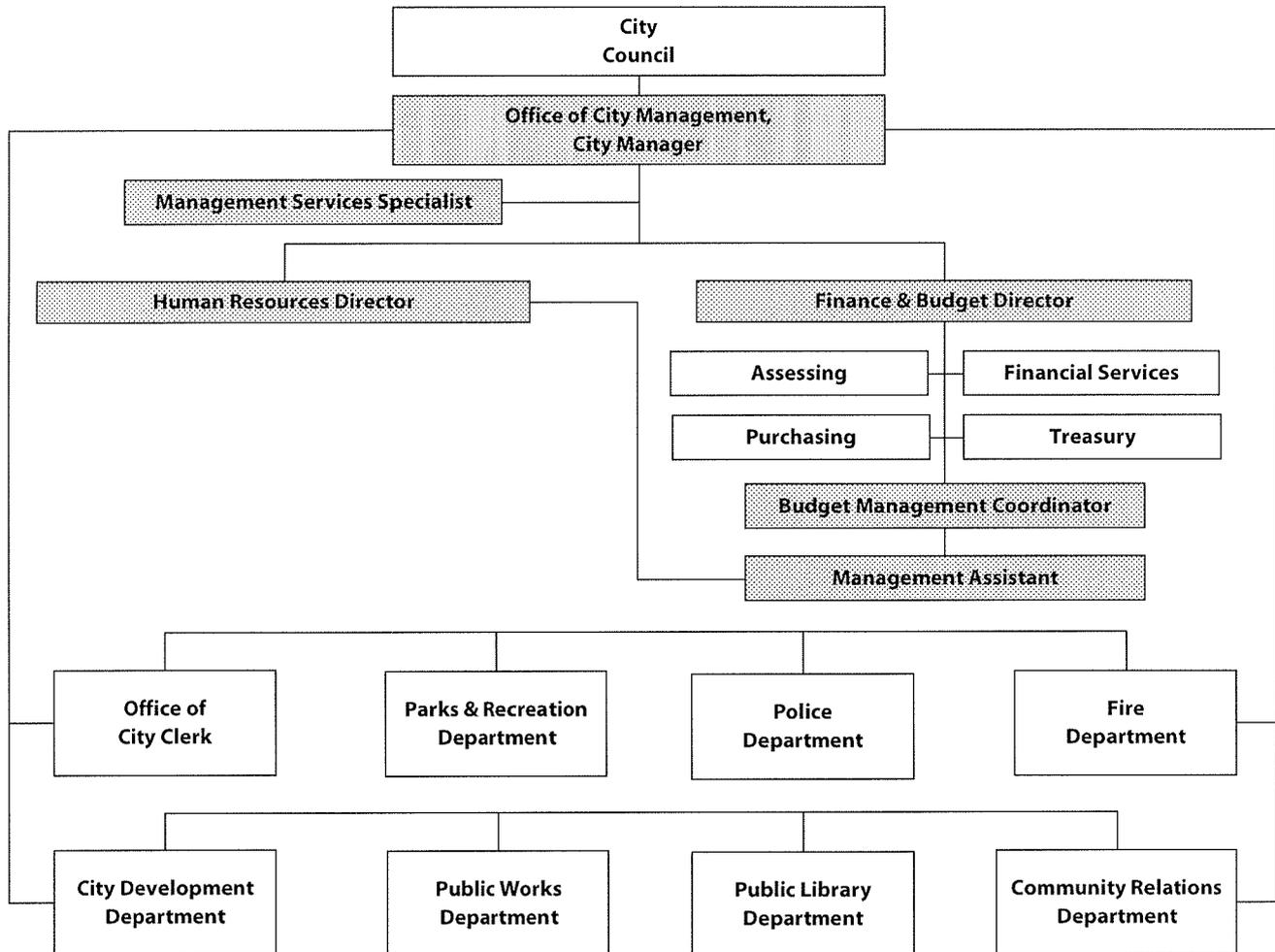
(Human Resources)

- To issue a Request for Proposal (RFP) for medical services including physicals and pre-employment, post offer medical exams. (City Goal 3)
- To reduce the amount of time it takes to complete an external recruitment by seeking enhancements to the on-line job application as well as further investigating the capabilities of the human resources module of MUNIS. (City Goal 17, 18)
- To design a new employee orientation and training program in coordination with the Offices of Risk Management, Community Relations and Information Technology to ensure new employees are provided with the necessary resources to become productive and valuable members of the City staff. (City Goal 3, 7)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Promotional Job Postings	11	28	34	25	30	30
	Open Competitive Job Postings	4	13	7	10	12	10
	Applications Reviewed & Processed	504	1,247	642	900	1,000	1,000
	Applications Received Through Internet/Website	445	1,130	558	700	800	800
	Employees Hired (Full-time/Part-time)	13/41	24/36	33/55	15/45	20/50	15/50
	Reclassification Requests Reviewed/Analyzed	6	9	27	5	10	15
	Police/Fire Promotional Tests	3	2	3	0	1	1
	Labor Contracts Settled	0	0	3	7	9	2
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	35	35	38	35	40	35
	# Labor Grievances Per 100 Full-time Employees	2.0	2.0	1.3	2.0	1.5	1.5
	Avg. # Work Days to Complete Internal Recruitment	17	18	21	18	20	20
	% of Grievances Resolved Before Arbitration	91%	90%	85%	90%	90%	90%
	% of Grievances Responded to within Deadlines	100%	100%	100%	100%	100%	100%
	Total FTE's Per 1,000 Residents	5.6	5.7	5.7	5.6	5.6	5.5
	Full-time Employee Turnover Rate (Excl. Retirements)	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
	% Minorities in Work Force	1.6%	1.5%	2.0%	2.2%	2.0%	2.0%
	Discrimination Complaints Filed	0	0	0	0	0	0
	# of Employees Not Completing Probation	1	1	2	1	2	0
	Human Resource FTE's Per 100,000 Residents	0.97	1.00	1.19	1.20	1.20	1.20
	Cost to Recruit and Hire a Full-time General Employee	\$1,865	\$1,534	\$1,564	*	*	*

* Cost is calculated for "Actual" columns only.

City Management



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
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
Total	6	6	6

City Management

SUMMARY OF BUDGET CHANGES

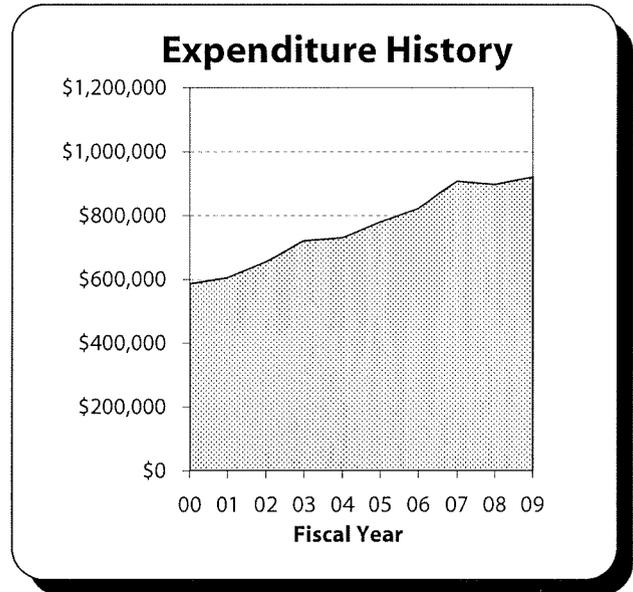
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget increased by \$24,600 or 2.9%. Overtime costs fell by \$1,000 due to increased productivity in the office. Health insurance costs increased \$5,770 or 8.4% due to a rate increase for next fiscal year. Dental insurance costs rose 5.3%.

Supplies – Total Supplies is proposed to remain the same at \$3,750. Postage costs increased \$50 and publication costs decreased \$50, both based on the recent year’s estimated expenditure usage.

Other Charges – Total Other Charges decreased \$2,800 or 5.2%. \$5,500 was saved, as the City’s membership to the ICMA’s Center for Performance Measurement is proposed to be eliminated. Telephone costs decreased \$800 due to lower AT&T rates for local calls. Publishing costs decreased \$500 due to increased online recruitment and less need for paid advertising. Contracted service costs increased \$3,000 to bring the budget more in line with the current year’s estimated expenditures for arbitration and examination costs for new hires and promotions. A potential cost savings will be realized, as all personnel recruitments will be conducted internally rather than utilizing a professional consultant. \$400 was added for pre-employment comprehensive physicals for entry-level Custodians and Laborers.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$805,434	\$840,690	\$848,510	\$865,290	\$865,290
Supplies	3,168	3,750	3,700	3,750	3,750
Other Charges	98,790	53,550	59,780	50,750	50,750
Total	\$907,392	\$897,990	\$911,990	\$919,790	\$919,790

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.

Risk Management includes loss control and risk funding functions. Since not all losses can be

KEY GOALS

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

avoided, the appropriate funding of these losses must be obtained. Management of risks includes general liability, property, automobile, worker's compensation, disability, health, and life claims administration and funding. It also includes procuring appropriate insurance certificates and performance bonds.■

Did you know?...

...that the City Clerk's office offers a link through the City's web page so voters for any election can find voting information such as precinct location, a map to the precinct, and sample ballot information?

City Clerk

2008/09 PERFORMANCE OBJECTIVES

(City Clerk)

- To scan and index all City Council minutes into a searchable database for improved efficiencies. (City Goal 1, 6, 17, 18)
- To conduct voter registration drives at local high schools and speak at area senior facilities to provide absentee voter information in preparation for the 2008 presidential election. (City Goal 2, 3)
- To train four administrators as election supervisors and train ten employees as emergency precinct workers for the 2008 presidential election. (City Goal 2)
- To provide and distribute request forms to affected voters through mail, website, and the City magazine to add voters to the new Permanent Absent Voters List. (City Goal 3, 18, 20)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Council Agenda Statements Processed	419	432	366	435	375	375
	Council Actions Correspondence Mailed	1,041	832	659	985	878	885
	New Voter Registrations/Changes Processed	25,254	28,311	23,206	25,030	30,250	28,331
	Elections Conducted	2	2	3	4	3	3
	Election Correspondence/Scheduling	900	869	907	1,010	1,120	922
	Absentee Voter Applications Mailed	38,960	60,265	23,316	84,490	55,300	29,311
	Absentee Voter Ballots Prepared	28,984	15,023	25,808	31,600	25,300	33,100
	Freedom of Information Requests Processed	302	299	282	300	296	298
	Documents Recorded	281	350	245	275	276	281
	Business Registry: New/Closed/Information Changed	2,938	3,199	3,103	3,015	3,154	3,181
	Class C Liquor Licenses Approved (New/Transferred)	1/6	0/3	0/2	1/4	0/6	1/3
	Licenses Issued - (dog, vendors, etc.)	4,897	4,962	4,891	4,900	4,938	4,951
	Pieces of Outgoing Mail Processed	188,302	186,036	177,261	187,040	173,311	181,551
	Birth & Death Certificates Processed	558	589	568	580	570	575
	Board/Commission Applications Processed	288	280	241	250	231	243
Number of Registered Voters (November)	83,461	83,910	83,911	83,930	83,575	84,721	
Efficiency	% of Residents Applying for City Boards	0.23%	0.21%	0.19%	0.21%	0.19%	0.20%
	% of Registered Voters Voting (November)	72%	18%	55%	18%	14%	75%
	% 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	\$3.13	\$3.03	\$3.23	*	*	*
	Activity Expenditures as % of General Fund	1.24%	1.10%	1.18%	1.21%	1.20%	1.27%

* Cost is calculated for "Actual" columns only.

City Clerk

2008/09 PERFORMANCE OBJECTIVES

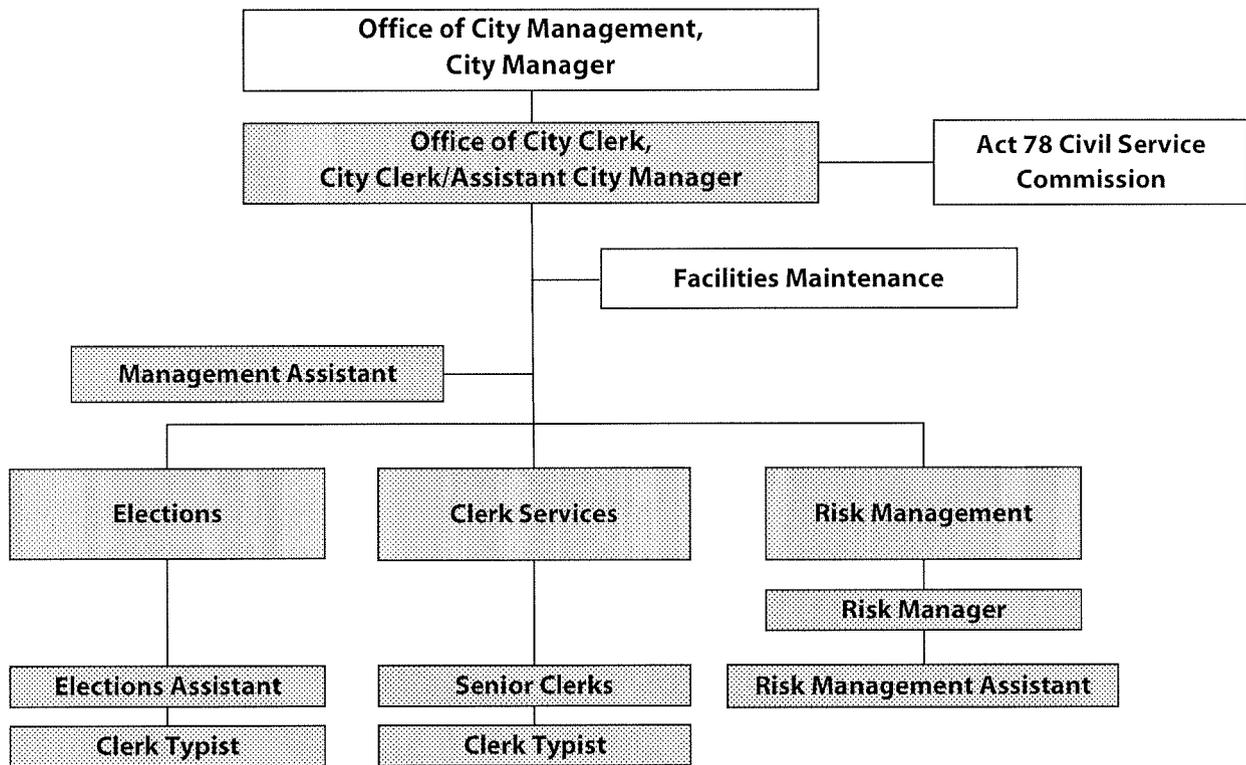
(Risk Management)

1. To conduct a defensive driving course for civilian employees who routinely operate a motor vehicle in the course of employment in order to reduce accidents and thereby reduce costs. (City Goal 3, 4, 20)
2. To obtain claim and administrative cost information from the City's three medical providers (BCBSM, HAP and COPS Trust), in anticipation of compliance with the newly enacted "Public Employee Health Benefit Act" (PA 106 of 2007). (City Goal 3, 20)
3. To update the subrogation and claim recovery process to include coordination with Police, District and Circuit Courts and Probation offices to ensure proper notice, documentation, and recovery of valid claims. (City Goal 3, 4, 20)
4. To research revising the Employee Rules of Conduct to better ensure employee accountability and to promote accident prevention and employee safety. (City Goal 3, 5)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Liability/Property Claims	181	135	183	180	200	190
	Liability/Property Incident Reports	125	79	74	100	150	125
	Worker's Compensation Incident Reports	40	22	29	35	35	35
	Short-Term Disability Claims Handled	39	33	24	35	40	35
	Open Long-Term Disability Claims	3	4	3	4	3	4
	Life Insurance Claims	5	4	0	4	2	3
	Open Lawsuits - Monthly Average	17	14	15	16	15	17
	Lawsuits Closed	16	8	7	8	6	7
	Litigation Costs for Claims	\$1,042,213	\$1,278,361	\$706,686	\$600,000	\$400,000	\$500,000
	New Workers Compensation Claims	84	74	99	85	100	100
Efficiency & Effectiveness	# Workers Comp Claims Per 100 FTE	11.4	10.2	13.6	12.0	13.8	12.0
	% Workers Comp Claims Paying Compensation	8.3%	5.4%	4.0%	10.0%	6.0%	6.0%
	# of Accidents Per 100,000 Miles Driven	3.05	2.17	3.05	3.00	3.50	2.50
	Accident Cost Per 100,000 Miles Driven	\$2,935	\$1,925	\$3,694	\$3,000	\$5,000	\$2,000
	Prop. Insurance Premiums as % of Insured Value	0.14%	0.14%	0.09%	0.14%	0.08%	0.09%
	W/C Prem. Or Self-Insurance Cost Per \$100 Payroll	\$0.81	\$0.73	\$0.59	\$0.65	\$0.65	\$0.70
	W/C Lost Work Days Due to Injury Per 100 FTE	51	92	23	80	31	50
	Cost of Risk Management Administrative Function	\$222,470	\$226,674	\$231,604	*	*	*

* Cost is calculated for "Actual" columns only.

City Clerk



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
City Clerk/Assistant City Manager	1	1	1
Risk Manager	1	1	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Risk Management Assistant	1	1	1
Senior Clerk	2	2	2
Clerk Typist	2	2	2
Total	9	9	9

City Clerk

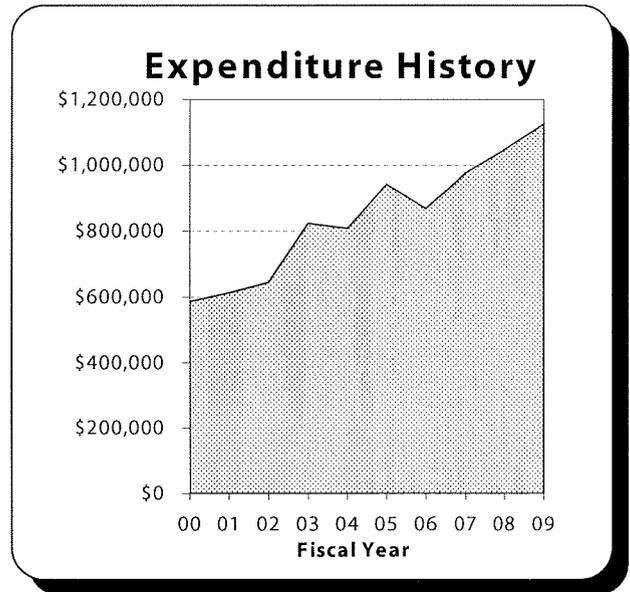
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The Personnel budget increased by \$77,890 or 8.5%. Election worker costs rose \$21,200 and part-time staffing and overtime costs rose due to the increased workload and higher expected turn-out for the 2008 Presidential Election. Full-time wages rose \$18,320. An additional \$12,550 is budgeted to fund retiree health care liabilities. Health insurance costs rose \$8,940 or 8.4%.

Supplies – Total Supplies increased \$12,140 or 21.1%. \$11,000 is for 50 new voting booths and additional supplies for the Presidential election. Postage costs rose \$3,400 as a greater number of absentee voter applications and ballots will be mailed for the Presidential election. The City will save money by mailing applications to only those voters electing to be on a permanent absentee voter list.

Other Charges – Total Other Charges decreased \$12,060 or 16.5%. Printing costs can be reduced \$8,400 as the prior year included funding for Precinct and City maps, which are printed in alternate years, and because fewer ballots are needed as one additional election was budgeted last year. A savings will also be realized, as the use of a permanent absent voter list will reduce the number of applications printed. Funding decreased \$5,120 as the County will pay for memory card programming for the May election. Reporting services decreased \$900 and publishing costs fell \$2,000, both based on historic actual expenditure levels. \$500 will be saved in telephone costs due to lower local call telephone rates. The training budget decreased \$310 as two Risk Management seminars were eliminated. \$4,290 was added for the maintenance of Accuvote



machines, as the State warranty has expired.

Capital – There is no Capital proposed for this activity.

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

Personnel Services – Council made no adjustments to Personnel Services.

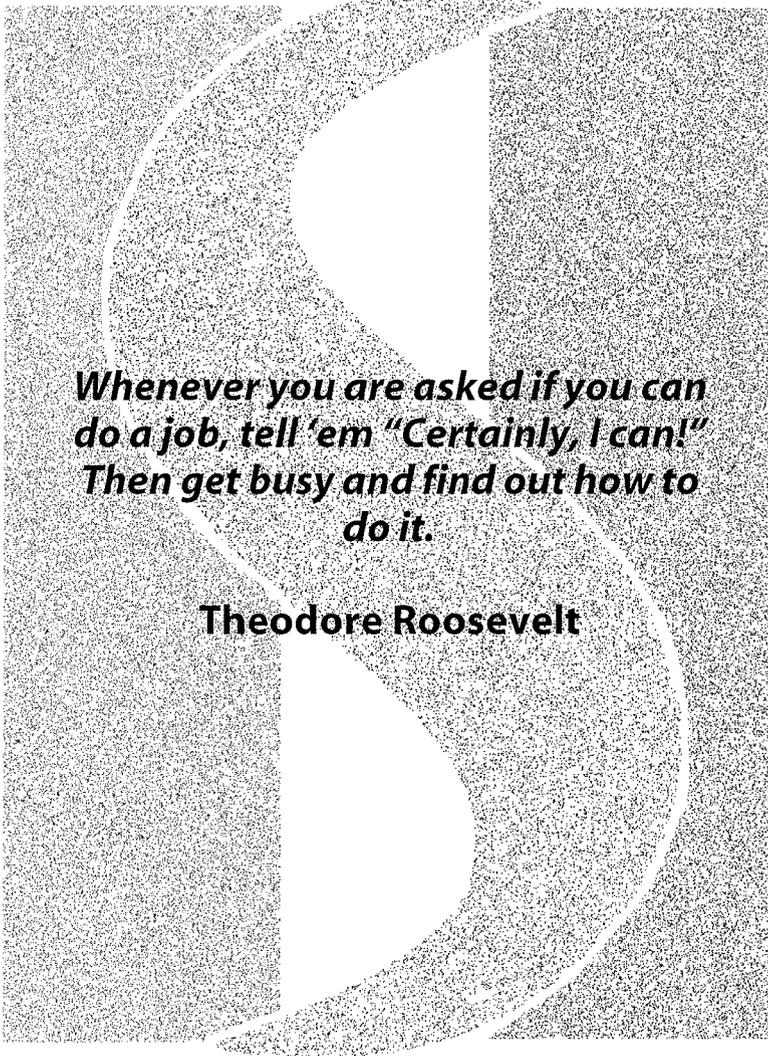
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$878,435	\$916,540	\$913,670	\$994,430	\$994,430
Supplies	40,207	57,460	59,600	69,600	69,600
Other Charges	57,798	72,910	65,240	60,850	60,850
Total	\$976,440	\$1,046,910	\$1,038,510	\$1,124,880	\$1,124,880



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

Theodore Roosevelt

MISSION STATEMENT: *To 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 320,000 sq. ft. of office and building space by the end of 2008?

Facilities Maintenance

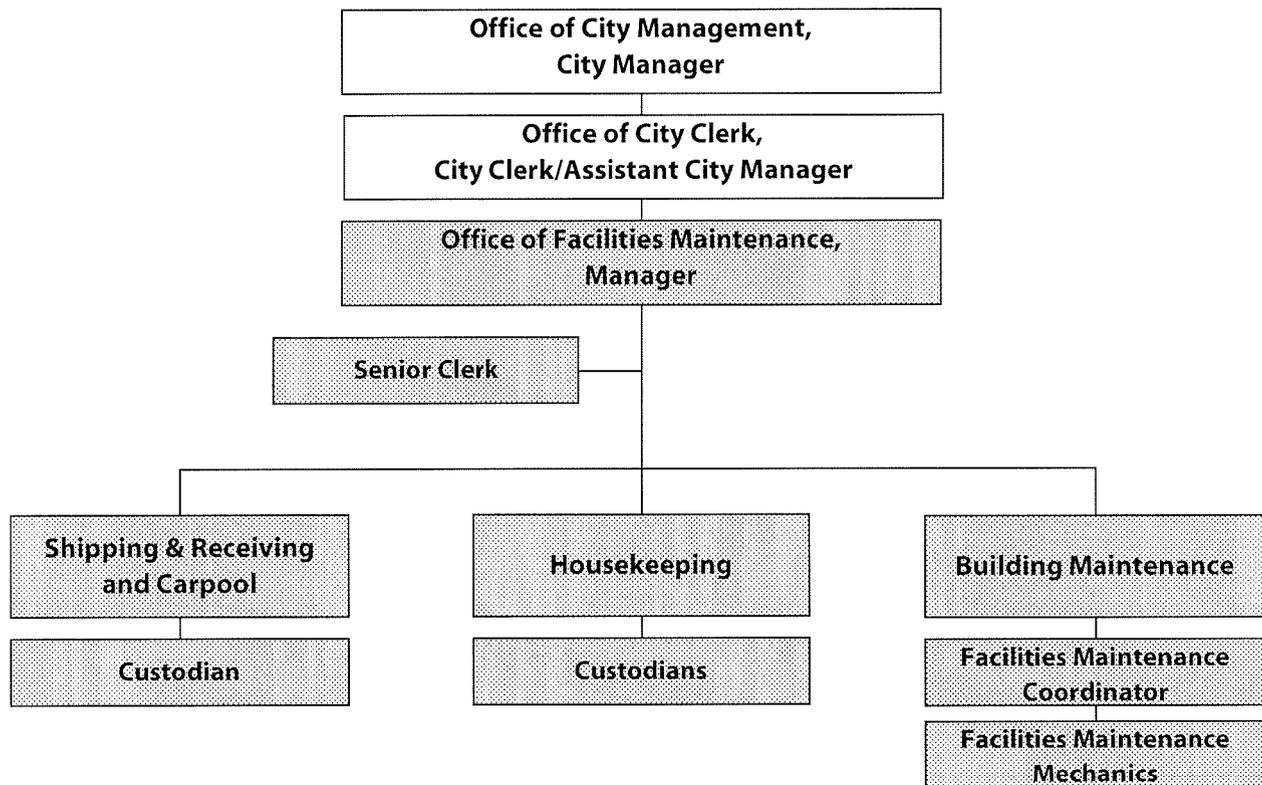
2008/09 PERFORMANCE OBJECTIVES

1. To prepare and implement a maintenance schedule for the new HVAC equipment that will be installed at Fire Stations #2, #3 and #4. (City Goal 1, 3, 6)
2. To improve communication with City departments on the status of requests for service through the use of e-mail and other information sources. (City Goal 1, 3, 6)
3. To provide a smooth transition of moving personnel and equipment from the temporary fire stations to the newly renovated stations. (City Goal 1, 3, 6)
4. To reduce the high cost of cleaning supplies and products by experimenting with new and innovative products. (City Goal 1, 3, 6)
5. To conduct an energy audit of all City buildings and provide a report to the City Manager on ways we can possibly lower energy consumption. (City Goal 3,6)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	City Facilities Supported - Square Feet	280,776	280,776	294,911	294,911	309,046	320,421
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	213,164	213,164	227,299	227,299	241,434	241,434
	Renovations/Projects Supervised/Coordinated	\$29,200	\$67,206	\$60,734	\$60,000	\$60,000	\$204,000
	Interior Preventive Maintenance Cycles	4	4	4	4	4	4
	Exterior Preventive Maintenance Cycles	2	2	2	2	2	2
	Maintenance/Custodial Service Requests Processed	7,600	7,650	7,700	7,600	7,500	7,750
	Post Office Deliveries & Pick-Ups	430	435	440	445	400	425
	UPS Shipments Prepared	55	60	60	60	45	45
	Deliveries to City Council Members	94	60	55	45	50	50
	Car Pool Vehicles Supervised	39	42	43	43	43	43
	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	80%	80%	85%	85%	80%	80%
	Hrs. Spent for Housekeeping Functions Per 1,000 s.f.	130.1	132.2	131.8	130.0	129.5	120.9
	Hrs. Spent for Building Maintenance Per 1,000 s.f.	22.6	22.9	22.0	21.0	20.8	20.6
	Overtime/Comp Hours Worked	780	950	900	870	1,000	930
	Housekeeping Cost Per Square Foot	\$4.85	\$4.83	\$4.97	*	*	*
	Cost to Complete Maintenance Service Requests	\$424,097	\$425,406	\$427,690	*	*	*
Activity Expenditures as % of General Fund	1.77%	1.93%	1.90%	1.96%	1.97%	1.97%	

* Cost is calculated for "Actual" columns only.

Facilities Maintenance



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Facilities Maintenance Manager	1	1	1
Facilities Maintenance Coordinator	1	1	1
Facilities Maintenance Mechanic	2	2	2
Custodian	14	14	13
Senior Clerk	1	1	1
Total	19	19	18

Facilities Maintenance

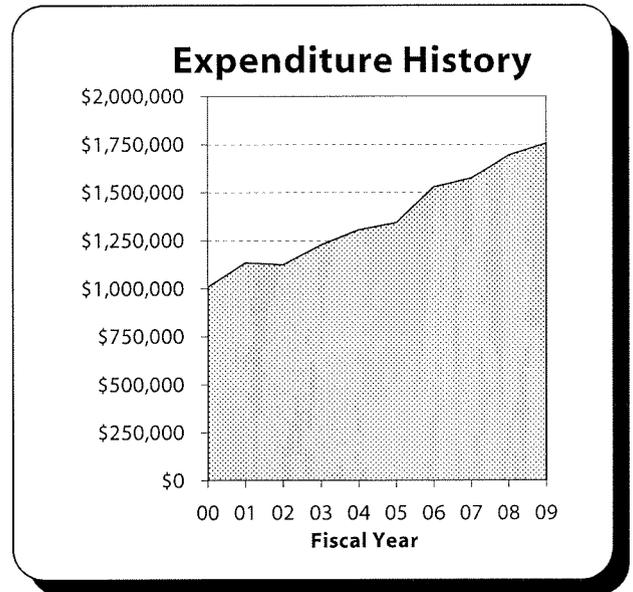
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$47,730 or 3.6%. Staff turnover in the prior year has resulted in higher health (\$34,740) and dental (\$2,590) insurance costs. An additional \$13,370 is budgeted to fund the City's retiree health care obligations. An anticipated promotion to the Public Works Department will allow a vacant Custodian position to be eliminated saving \$62,230. Daytime cleaning cycles will be adjusted to account for the shift in personnel.

Supplies – Total Supplies increased \$610 or 1.2%. Funding for the supplies used to maintain City facilities increased \$610 based on historic actual expenditure usage and inflationary cost increases, offset by a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased \$11,650 or 3.9%. Electric costs increased \$11,000 to bring the budget more in line with recent expenditure trends. Building maintenance costs increased \$3,050 primarily due to the higher costs to maintain the City's heating and cooling equipment, offset by a prior year reappropriated encumbrance. \$500 is needed to fund higher equipment maintenance costs and additional lamp ballasts that will be needed for the City buildings, including the larger Fire Stations. Heating costs decreased \$2,000 as the City continues to implement an energy conservation program on nights and weekends in City Hall to help reduce rising utility costs. Rental costs decreased \$500, as prior year funds were not fully spent. The City will save \$400 in telephone costs due to lower AT&T rates for local calls.



Capital – \$14,000 is budgeted in the Community Development Block Grant Fund for the exterior painting and repair of decorative wood trim at the City's Upton House.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,205,119	\$1,344,150	\$1,340,830	\$1,391,880	\$1,391,880
Supplies	58,974	49,400	50,010	50,010	50,010
Other Charges	307,484	299,390	305,020	311,040	311,040
Total	\$1,571,577	\$1,692,940	\$1,695,860	\$1,752,930	\$1,752,930

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. This allows those with access to the Internet the ability to search by parcel number, property address, or comparable building attribute, in order to obtain general assessment, building appraisal and tax information 24 hours a day.

KEY GOALS

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

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

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

Did you know?...

...that based on the Assessing Office's annual canvass, 121 businesses moved out of the City, but 156 businesses moved into Sterling Heights in 2007, for a net gain of 35 businesses?

Assessing

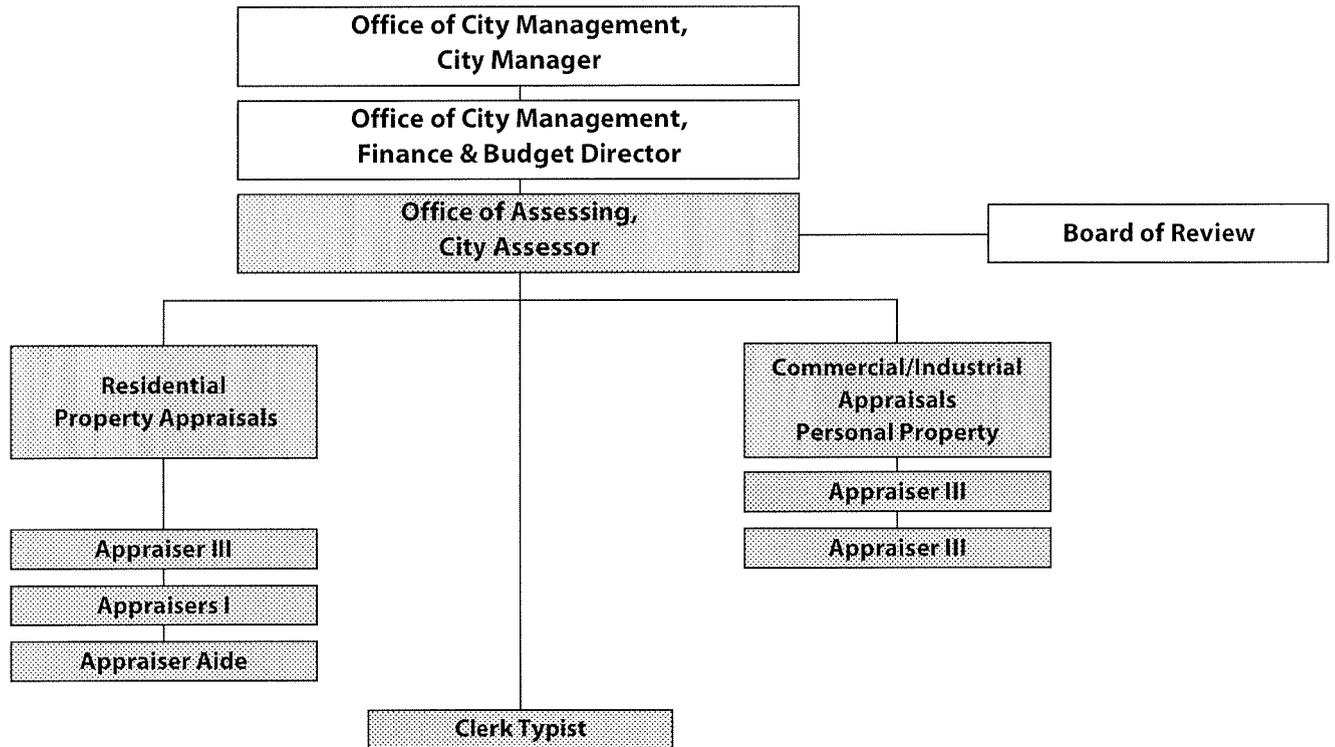
2008/09 PERFORMANCE OBJECTIVES

1. To continue with the third year of a four-year project to take exterior digital photographs of all residential and commercial buildings in the City and have them accessible on the City's website (www.sterling-heights.net). (City Goal 17, 18)
2. To complete the reappraisal of all existing industrial buildings located in the City. (City Goal 4, 20)
3. To revise IFEC term schedules to better reflect current economic conditions and to revise the IFEC Letter of Agreement to increase the likelihood of the redevelopment of vacant industrial buildings in the future. (City Goal 8, 10)
4. To perform an industrial vacancy study to help determine future assessments and assist in economic development efforts. (City Goal 10, 11)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Assessment Notices Processed - Real/Personal	45,671	46,061	46,451	46,900	46,350	47,000
	Residential Property Appraisals (including Partial)	207	437	91	250	125	150
	Commercial/Industrial Property Appraisals - Real	25	15	27	30	15	15
	Full Tax Tribunal Applications - Businesses	29	41	59	50	42	50
	Board of Review Appeals	621	703	828	675	1,000	1,200
	Personal Property Audits (Contracted & In-House)	519	147	24	100	100	120
	Land Divisions/Combinations Processed	34	34	19	25	18	15
	Resident Tax & Assessing Online Retrievals	216,555	272,121	296,422	282,000	289,326	293,000
	Deeds & Property Owner Updates	3,133	6,140	3,448	4,000	3,600	3,400
	Property Transfer Affidavits Processed	3,542	3,099	2,371	3,400	2,800	2,650
	Homestead Exemption Affidavits Processed	4,498	3,621	2,529	3,700	2,800	2,650
	Industrial Facility Exemption Certifications Approved	9	11	7	10	9	6
	Total Investment Resulting from IFEC's (millions)	\$553	\$36	\$163	\$150	\$75	\$50
	Efficiency & Effectiveness	I.F.T. Roll & Certif. Status Reported by Deadline	100%	100%	100%	100%	100%
Total I.F.T. Valuation as a % of City Tax Base (TV)		4.5%	4.3%	5.4%	5.0%	4.8%	5.0%
Sales Ratio		50.0%	50.0%	50.0%	50.0%	50.0%	50.0%
% Site Plans Reviewed within 2 days		90%	90%	90%	95%	90%	95%
% Land Divisions/Comb. Processed w/i 3 days		90%	90%	90%	95%	90%	90%
Equalization Factor		1.00	1.00	1.00	1.00	1.00	1.00
Average Cost to Appraise a Residential Parcel		\$2.41	\$2.44	\$2.34	*	*	*
Activity Expenditures as % of General Fund		1.44%	1.12%	0.99%	0.98%	0.98%	0.98%

* Cost is calculated for "Actual" columns only.

Assessing



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
City Assessor	1	1	1
Appraiser III	3	3	3
Appraiser I	2	2	2
Appraiser Aide	1	1	1
Clerk Typist	1	1	1
Co-op (P.T.)	1	1	0
Total	9	9	8

Assessing

SUMMARY OF BUDGET CHANGES

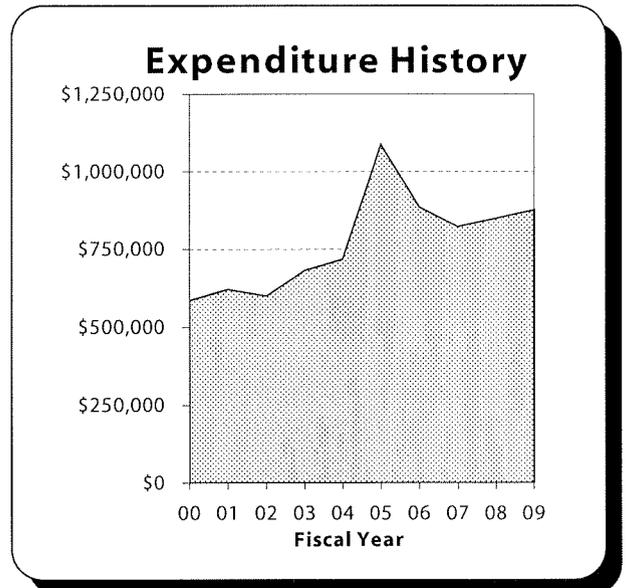
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services - The total Personnel budget increased by \$28,970 or 3.6%. Wages for full-time employees rose \$18,370. A part-time high school Co-op position is recommended to be eliminated, saving \$7,790. Board of Review wages rose \$2,100 as a result of the increased number of meetings. Funding for retiree health insurance liabilities rose \$10,850.

Supplies - Total Supplies increased \$1,500 or 7.1%. Postage costs increased \$1,800 due to a greater number of Board of Review mailings and sales affidavits to new owners of previously foreclosed properties. Funding for operating supplies decreased \$350 due to a prior year one-time adjustment to purchase hanging file folders, slightly offset by an increase in the cost of toner cartridges.

Other Charges - Total Other Charges decreased \$3,880 or 15.5%. Contracted service costs decreased \$4,500, as the CoStar Comparable Professional Service contract that was funded on a trial basis, will not be renewed. A current City Appraiser will also continue to perform personal property audits, saving the potential cost of paying an outside company. Telephone costs were reduced by \$620 due to lower AT&T contractual telephone rates for local calls. Educational funding increased \$1,150 as a one-time adjustment was made in the prior year. \$130 was added to the budget due to an increase in BS&A software support fees.

Capital - There is no Capital proposed for this activity.



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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$743,231	\$802,230	\$800,910	\$831,200	\$831,200
Supplies	20,176	21,100	21,040	22,600	22,600
Other Charges	58,204	25,060	25,040	21,180	21,180
Total	\$821,611	\$848,390	\$846,990	\$874,980	\$874,980

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, bond sale activity, water and sewer billing, payroll, accounts payable and pension activity functions.

Financial Services develops and maintains tracking systems for funds, projects, grants, capital assets and other financial needs. This office prepares the Comprehensive Annual Financial Report (CAFR) and compliance reports for State and federal 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 14 separate 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.

Monthly water and sewer bills are prepared for over 38,000 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.

Project 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, and capital projects ensuring that the City fulfills bond covenants and arbitrage rebate requirements.

The Financial Services office is also responsible for the pension administration functions within the City. Duties include providing data to the actuaries for both pension systems, preparing estimated benefit calculations for employees, acting as the financial accountant for both systems, and assisting employees in the preparation of the necessary paperwork to receive retirement benefits. Financial

KEY GOALS

- *To meet all payroll and related reporting deadlines on a timely basis with a tolerance of zero defects.*
- *To serve all water and sewer customers with accurate and timely billing and collections.*
- *To provide timely payments to vendors after appropriate internal approvals have been granted.*
- *To provide efficient administrative services to both pension systems so that employees and residents are assured that accurate pension benefits are being paid.*
- *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.*

Services also serves as the pension administrator for the General Employees Retirement System. This includes the day-to-day administration of the system, preparing agendas and packets for the monthly meetings, coordinating with money managers and service providers for quarterly and annual progress report meetings, assisting the system's legal counsel and working with the custodial bank to ensure timely and proper benefit payments to retired employees. ■

Did you know?...

...that City residents now have the option of paying their water and sewer bills using a budget payment method that smoothes the bills over a one-year period, thereby reducing the impact of high summer bills due to increased irrigation demands?

Financial Services

2008/09 PERFORMANCE OBJECTIVES

(Accounting)

- To coordinate the documentation of primary internal control processes of City departments as mandated by new auditing standards for the external audit. (City Goal 1, 3, 20)
- To implement new accounting standards, Statements 43 (other post-employment benefits) and 50 (pension disclosures), in the financial statements. (City Goal 20)
- To improve the recording of fixed assets by implementing the capital asset module in MUNIS. (City Goal 3)
- To further cross-train employees on our financial applications to ensure complete coverage of daily functions. (City Goal 1, 3)
- To improve the employee open enrollment process in coordination with Human Resources. (City Goal 1, 3, 17, 20)

	Performance Indicators	2004/05	2005/06	2006/07	2007/08	2007/08	2008/09
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Bank Statements Reconciled	300	299	264	240	240	240
	Travel Business Reports Reconciled/Processed	283	247	255	260	270	260
	Correcting Journal Entries Prepared	40	53	46	80	55	60
	Accounts Payable Invoices Processed	17,992	17,219	17,122	18,000	17,580	17,500
	Accounts Payable Checks Issued	8,884	8,896	8,014	8,800	8,650	8,000
	Payroll Checks & Deposit Notices Generated	22,350	21,507	21,890	22,000	21,940	22,050
	G.F.O.A. CAFR Reviews	2	4	4	2	2	2
	Total Retirees/Beneficiaries Receiving Medical Benefits	359	382	387	424	424	439
	Federal Grants Tracked	24	30	26	20	22	20
	Capital Assets Processed	394	286	832	250	440	250
Audit Workpapers Prepared	175	182	254	175	200	200	
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	9.0	9.0	9.0	9.0	9.0	9.0
	% of A/P Invoices Processed within 30 days	99.0%	99.0%	99.0%	99.3%	99.3%	99.3%
	% of A/P Checks Issued Without Error	99.8%	98.9%	99.0%	99.8%	99.8%	99.8%
	% of Payroll Checks Issued Without Error	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%
	Employees/Retirees Receiving Compensation/Benefits	810	828	834	828	828	825
	Financial Statement Correcting Entries by Auditors	1	1	0	1	0	1
	Financial Administration of Federal Grant Expenditures	\$2,062,355	\$3,030,744	\$2,556,331	\$3,000,000	\$3,500,000	\$1,500,000
	Cost for an Independent Auditor to Perform Audit	\$91,710	\$86,900	\$88,300	\$90,500	\$90,500	\$97,500
	Years Received G.F.O.A. CAFR Award	17	18	19	20	20	21
	Cost to Process an Accounts Payable Invoice	\$9.00	\$9.85	\$9.88	*	*	*
Cost of Payroll Service Per Employee	\$268	\$273	\$263	*	*	*	

* Cost is calculated for "Actual" columns only.

Financial Services

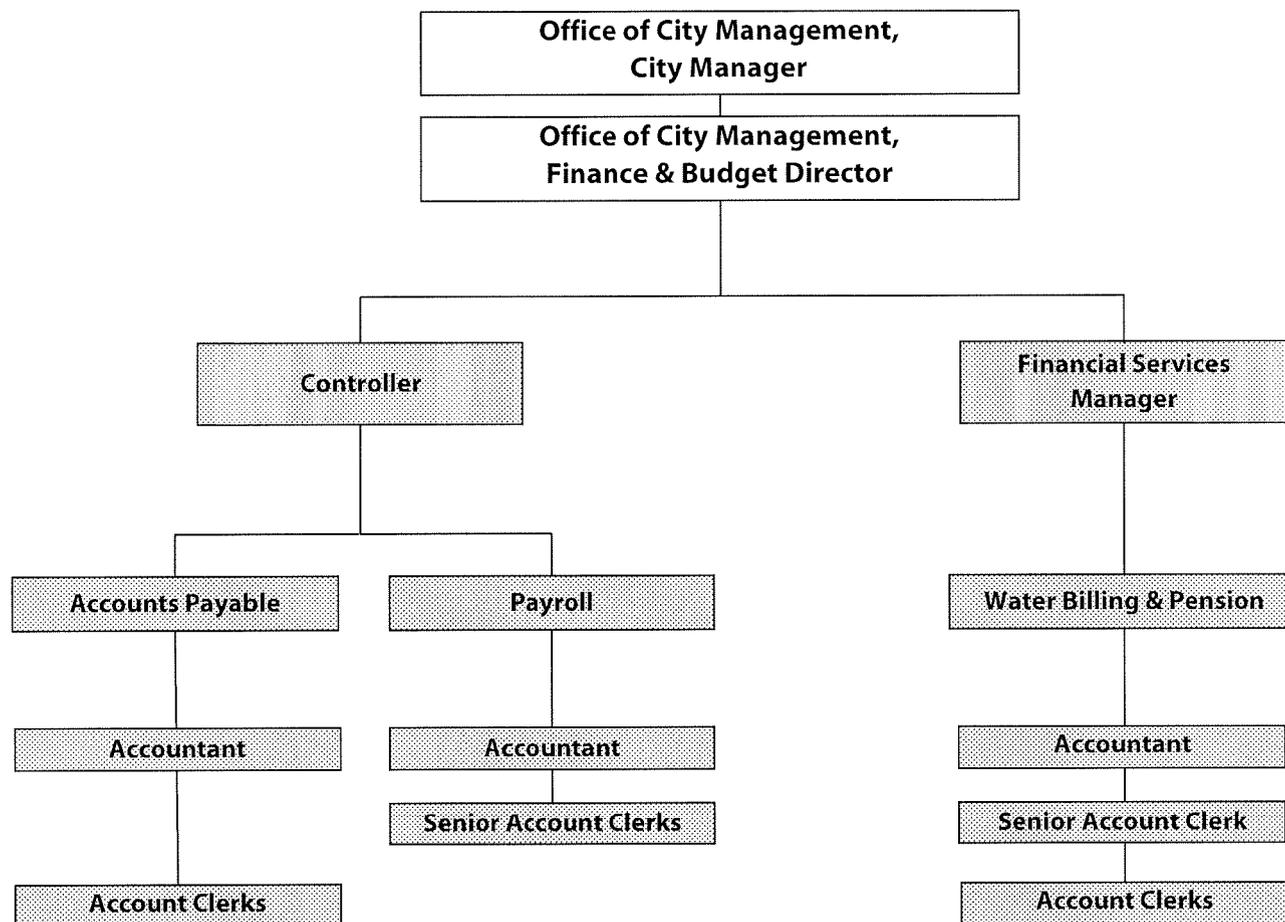
2008/09 PERFORMANCE OBJECTIVES

(Financial Services)

- To educate all City departments on the new mandated auditing standards used by the City's external auditors. (City Goal 1, 20)
- To coordinate an analysis of the General Employees Retirement System as an open versus a closed plan relative to future actuary valuation methods and assumptions. (City Goal 1, 5, 20)
- To develop a quarterly investment report in compliance with Michigan Public Act 213 of 2007. (City Goal 1, 5, 20)
- To implement the new deferred compensation and post employment health care savings plans required under recently ratified labor agreements. (City Goal 1, 5, 20)
- To coordinate completion of the mandated bi-annual retiree health care benefits actuarial valuation. (City Goal 1, 5, 20)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Water and Sewer Bills Issued	184,792	188,129	189,140	190,000	190,400	191,000
	Final Water Bills Prepared	1,582	1,387	1,093	1,430	1,100	1,200
	Water & Sewer Customer Bill Online Retrievals	10,902	18,364	21,634	22,700	25,200	27,700
	Water & Sewer Auto Pay Customers	2,398	2,470	2,546	2,600	2,650	2,700
	Water & Sewer Budget Billing Customers	N/A	N/A	60	80	130	150
	Service Orders Processed by Utility Billing	2,781	3,233	3,544	3,400	3,700	4,100
	Water Bill Adjustments	1,921	1,654	1,407	1,500	2,000	2,200
	Internal Control Reviews Conducted	3	3	3	2	4	4
	Annual % Change in GERS Market Value - Fiscal Year	9.6%	7.0%	11.9%	8.0%	7.7%	8.0%
	3-Year Avg. Return on GERS Investments - Fiscal Year	9.5%	12.0%	11.6%	8.0%	11.8%	8.0%
	Defined Contribution Active Employees	62	63	73	85	77	85
	Defined Benefit Active GERS Employees	293	281	263	259	260	245
	GERS Retirements Processed	4	18	22	24	20	15
	GERS Retirees/Beneficiaries Receiving Benefits	182	201	223	230	230	240
	Pension Calculations Prepared (P&F and GERS)	28	54	88	60	75	60
Efficiency & Effectiveness	General Employees Pension System - % Funded	124.8%	120.7%	124.2%	120.0%	125.2%	122.0%
	GERS Asset Allocation - Domestic Equities	48.9%	47.1%	48.1%	47.0%	47.9%	47.0%
	GERS Asset Allocation - Fixed Income	29.5%	31.3%	30.8%	32.0%	31.1%	32.0%
	GERS Asset Allocation - International Equities	16.1%	16.6%	17.7%	17.0%	17.8%	17.0%
	GERS Asset Allocation - Real Estate (REIT)	5.5%	5.0%	3.4%	4.0%	3.2%	4.0%
	Ratio of Active GERS Employees to GERS Retirees	1:0.62	1:0.72	1:0.85	1:0.89	1:0.88	1:0.98
	% of Water & Sewer Bills Adjusted	1.04%	0.88%	0.74%	0.75%	1.05%	1.15%
	Activity Expenditures as % of General Fund	1.42%	1.43%	1.45%	1.49%	1.49%	1.50%

Financial Services



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Controller	1	1	1
Financial Services Manager	1	1	1
Accountant	3	3	3
Senior Account Clerk	3	3	3
Account Clerk	4	4	4
Total	12	12	12

Financial Services

SUMMARY OF BUDGET CHANGES

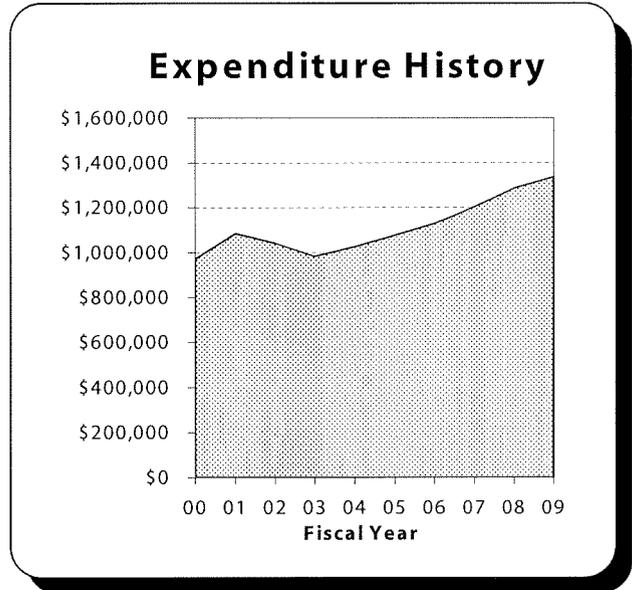
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$45,150 or 4.1%. Wages for full-time employees increased \$16,110 or 2.3% due to staff turnover in the prior year. Overtime and compensatory time costs decreased \$2,410 as a result of increased efficiencies. Hospitalization costs rose \$16,680 or 11.2% due to a rate increase as well as a result of staff turnover in the prior year. An additional \$12,270 is to fund retiree health care liabilities.

Supplies – Total Supplies increased \$2,570 or 4.2%. Postage costs increased \$2,500 to be brought more in line with actual expenditures.

Other Charges – Total Other Charges increased \$2,570 or 2.2%. Equipment maintenance costs increased \$3,840 due to an increase in the MUNIS licensing, software support and maintenance fees. The City continues to receive lower annual cost increases by participating in a MUNIS product advisory group that provides feedback on software product developments. Telephone costs decreased \$700 due to lower AT&T contractual rates for local calls. A slight savings in citywide Nextel costs has been realized due to this office’s continued management of Nextel service plans. Membership costs decreased \$400 as State renewal fees for two CPA licenses were paid last year on a two-year basis. Funding for educational conferences decreased \$190, as overnight lodging for the MGFOA Conference is not required next year.

Capital – Total Capital of \$25,000 is proposed and is



budgeted in the Information Technology Capital budget for the replacement of the MUNIS database software and File Server that will no longer be supported by MUNIS.

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

Personnel Services – Council made no adjustments to Personnel Services.

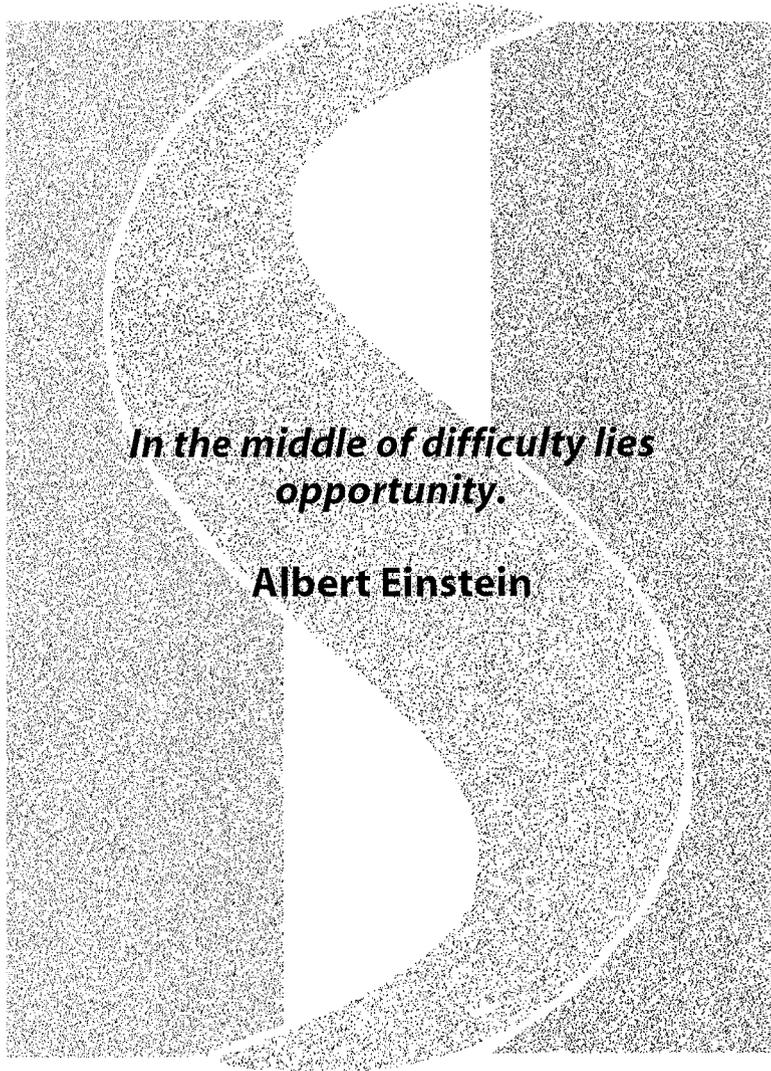
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,030,537	\$1,106,960	\$1,106,880	\$1,152,110	\$1,152,110
Supplies	61,115	61,920	63,560	64,490	64,490
Other Charges	111,092	116,530	116,700	119,100	119,100
Total	\$1,202,744	\$1,285,410	\$1,287,140	\$1,335,700	\$1,335,700



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 mission of the Office of Purchasing is to procure goods and services at the lowest competitive price and to maintain quality standards in those purchases 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 of these alternative methods 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.

The issues involving ethical standards of purchasing are continually monitored to maintain the highest level of standards.

The establishment of policies and procedures, preparation of specifications, and the testing and inspection of materials and supplies purchased by and for the City are responsibilities of the Purchasing Manager.

Purchasing is also responsible for encumbering and monitoring all purchase requisitions through an encumbrance module in 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, use of purchasing cards, Internet purchases of office supplies, and coordinating all office, cable television, and Print Shop equipment maintenance. Determination is made for

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.*

equipment replacement, service contracts, and/or vendor performance. The Purchasing Office also provides microfilming services for most City departments.■

Did you know?...

...that the Purchasing office was involved in a Reverse Trade Show on May 9, 2008, with several other Michigan communities, to promote vendor awareness on "How to do Business with Sterling Heights"?

Purchasing

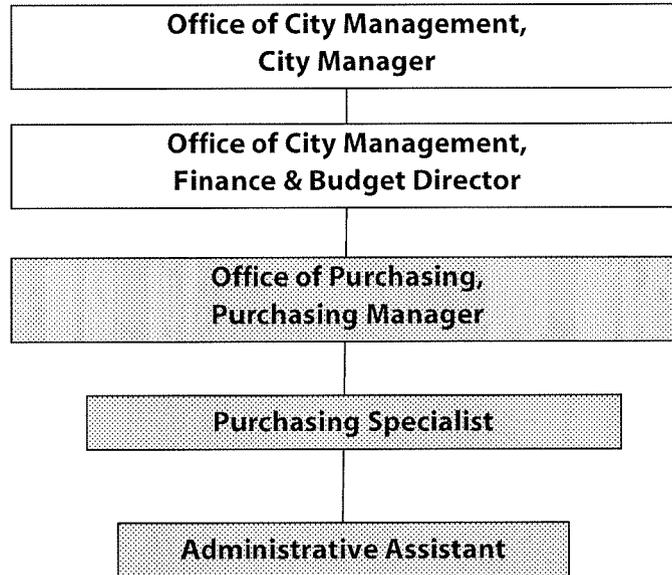
2008/09 PERFORMANCE OBJECTIVES

1. To research and develop procedures to allow vendors to submit bids electronically through the MITN website. *(City Goal 17, 18)*
2. To review and update the list of available emergency contractors to be used in the event of an emergency or disaster. *(City Goal 25)*
3. To work more closely with departments in the initial planning of the procurement process to ensure value-added efficiencies are gained. *(City Goal 3)*
4. To educate departments on the availability of online auctions to sell surplus City property and equipment. *(City Goal 2)*

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Purchase Orders Processed	1,199	1,073	1,064	1,100	1,050	1,000
	Bid Solicitation Occurrences	73	59	53	70	60	60
	Bid Responses Reviewed	505	386	299	420	350	350
	Written Quotation Solicitation Occurrences	18	18	14	25	12	18
	Written Quotation Responses Reviewed	114	112	117	125	125	125
	Hours Worked on Requests for Proposals (RFP's)	181	159	100	175	50	75
	Number of Purchasing Card Transactions	1,936	1,891	2,165	2,000	1,458	1,500
	Purchasing Card Transaction Volume	\$284,081	\$273,587	\$334,134	\$300,000	\$214,349	\$225,000
	Equipment Repairs Scheduled	69	65	75	70	75	75
	Hours of Job Training Received	35	33	39	64	82	40
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	90%	88%	92%	92%	92%	92%
	% of P.O.'s Issued Under \$500	35%	22%	22%	20%	15%	15%
	% of Bids Issued w/i 30 days of Specifications	85%	85%	85%	85%	85%	85%
	Avg. Days to Process a P. O. (informal pricing)	7	7	7	7	7	7
	Avg. Days to Process a P. O. (formal pricing)	30	30	30	30	30	30
	Online Procurement System - Registered Vendors	4,741	4,786	5,259	5,500	5,387	5,400
	Revenue from Sale of Surplus Property	\$120,235	\$55,859	\$51,960	\$50,500	\$51,000	\$49,000
	Cost to Issue a Purchase Order	\$72	\$79	\$82	*	*	*
	Average Cost to Go Out to Bid	\$1,549	\$1,409	\$1,537	*	*	*
	Average % Savings Through Bid Process	25%	25%	25%	35%	30%	30%
Activity Expenditures as % of General Fund	0.42%	0.41%	0.41%	0.42%	0.41%	0.42%	

* Cost is calculated for "Actual" columns only.

Purchasing



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Purchasing Manager	1	1	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	1
Total	3	3	3

Purchasing

SUMMARY OF BUDGET CHANGES

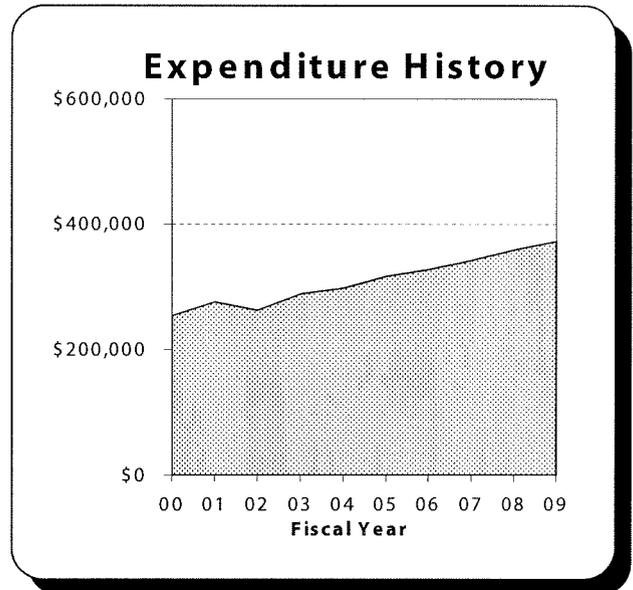
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$15,860 or 5.1%. Employee wages rose \$5,860 or 3.0%. Higher retiree medical obligations resulted in a \$4,700 increase. Health insurance costs rose by \$1,500.

Supplies – Total Supplies decreased \$20 or 1.2% as funding for written publications can be reduced and brought more in line with prior year actual expenditure levels.

Other Charges – Total Other Charges decreased \$1,980 or 4.2%. \$1,000 was added to the budget due to an increase in citywide office equipment repairs, partially offset by a prior year reappropriated encumbrance. A savings of \$2,000 was made as fewer City records are anticipated to be microfilmed due to the scanning of additional accounting documents through the MUNIS computer system. Publishing costs decreased \$400 based on the recent year’s estimated expenditure usage. Membership costs decreased \$390 due to a prior year one-time membership, slightly offset by an increase in existing membership fees. \$100 will be saved in telephone costs due to lower citywide AT&T local call telephone rates.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$295,760	\$309,700	\$301,470	\$325,560	\$325,560
Supplies	1,329	1,650	1,630	1,630	1,630
Other Charges	44,609	47,000	51,630	45,020	45,020
Total	\$341,698	\$358,350	\$354,730	\$372,210	\$372,210

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

Established by the City Charter, the mission and functions of Treasury, under the direction of the City Treasurer, are well documented. The City Charter grants the office the authority to collect revenue and perform related activities.

Treasury is solely responsible for the receipt, deposit, control, and disbursement of all receipts (taxes 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.

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.

Treasury has adopted a strategy to decrease costs, improve interest earnings, and operate more efficiently. By adopting advanced technology, several areas in the Office of Treasury have undergone significant improvements.

KEY GOALS

- *To effectively administer tax programs in accordance with all applicable laws.*
- *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 administering the debt program.*
- *To assist in developing and implementing programs to reduce costs, increase revenues, and add efficiencies.*

To increase interest earnings, the cash management function was improved by bidding consolidated banking services, streamlining stop payment procedures, and utilizing zero percent CD's for compensating balances.

The revenue collection function was also made more efficient with the implementation of a lock box for property taxes. This lock box expedites the handling and deposit of property tax payments thus eliminating the backlog of received but unprocessed tax bills.

Treasury's objective is to reduce manual workload and increase interest earnings through further automation.■

Did you know?...

...that Treasury's initiative to launch a lock box for collecting property taxes has resulted in over 74% of all non-escrow paid property tax bills being routed to the lock box, making the processing procedures more efficient and thereby eliminating 99% of the office overtime?

Treasury

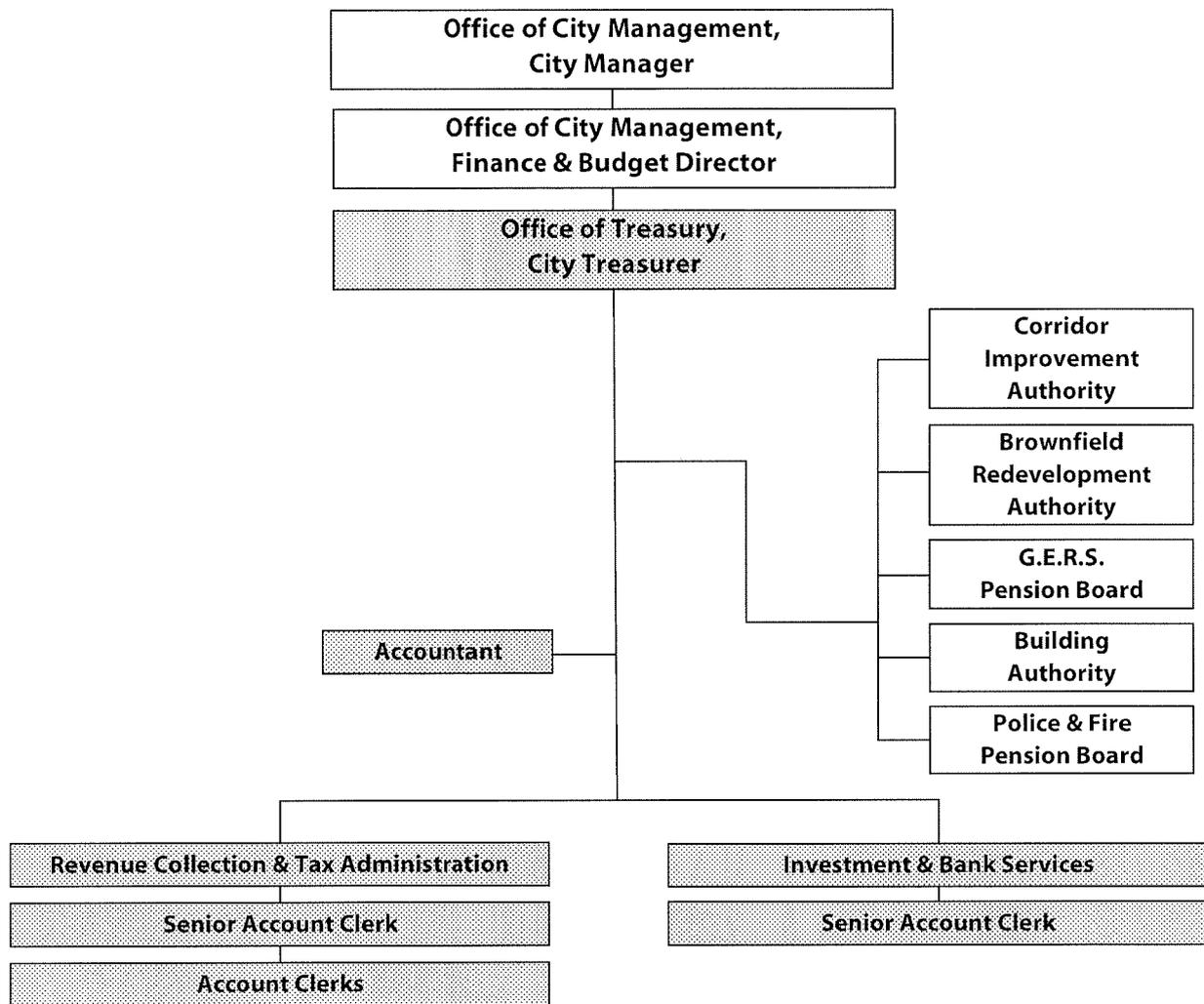
2008/09 PERFORMANCE OBJECTIVES

1. To reduce the manual handling and processing of City bill payments received through a customer's online banking program by exploring the use of an electronic lock box. (City Goal 1, 6, 17)
2. To review, identify and redistribute personnel assignments and responsibilities within the office due to the reduction of one full-time position. (City Goal 3, 4)
3. To conduct a cost benefit analysis of discontinuing the mailing and processing of diminutive winter tax bills. (City Goal 1, 20)
4. To review all Treasury security operations and internal controls to ensure continued compliance with best practices. (City Goal 1)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Tax Bill Payments Processed - Manually (incl. partials)	18,555	23,969	23,194	23,000	23,260	22,800
	Tax Bill Payments Processed - Electronically	28,604	28,952	29,625	29,700	30,205	30,200
	Tax Bill Payments Processed - Lock Box	38,486	37,033	36,169	37,000	36,775	37,000
	Special Assessment Parcels Billed	251	185	122	100	179	180
	Invoices Billed	3,626	4,912	3,448	4,000	4,000	4,000
	Investments Bought/Sold - Number of Transactions	299	329	398	300	500	450
	Tax Adjustments Processed	1,652	1,245	1,019	1,000	896	900
	Resident Tax & Assessing Online Retrievals	216,555	272,121	296,422	282,000	289,326	293,000
	Cash Receipts Processed by Treasury Personnel	68,795	71,875	68,862	71,000	72,742	73,000
	City-wide Credit Card Payments Received	9,572	12,688	14,467	14,500	16,600	18,000
	Dollar Value of All Credit Card Transactions	\$1,337,809	\$2,054,716	\$2,266,588	\$2,500,000	\$2,900,000	\$3,100,000
	# of Online/IVR Credit Card Tax Payments	199	301	331	310	340	360
	Summer Tax Deferments	208	247	366	400	366	402
	Efficiency & Effectiveness	% of Real & Personal City Property Tax Levy Collected	97%	97%	97%	97%	97%
% of Prop. Tax Parcels Turned Delinquent to County		5.44%	5.85%	6.67%	7.00%	7.42%	7.50%
Average Rate of Return on Investments		2.34%	4.69%	5.52%	5.25%	5.00%	3.50%
Average 6 Month T-Bill Rate		1.80%	4.40%	5.07%	4.90%	4.00%	3.00%
City's Return as a % of 6 Month T-Bill		1.30%	1.07%	1.09%	1.07%	1.25%	1.17%
% of Portfolio Invested in Active Market		78.5%	81.7%	85.4%	85.0%	85.0%	85.0%
Total Interest Earnings - Budgeted Funds (Millions)		\$1.4	\$2.5	\$3.6	\$3.4	\$3.4	\$2.5
Police & Fire Pension System - % Funded		120.2%	122.5%	130.7%	125.0%	124.8%	125.0%
Ratio of Active P&F Employees to P&F Retirees		1:0.82	1:0.84	1:0.92	1:0.91	1:0.91	1:0.95
Average Cost to Process a Billing Invoice		\$5.03	\$4.97	\$5.77	*	*	*
Activity Expenditures as % of General Fund		0.88%	0.90%	0.91%	0.94%	0.92%	0.88%

* Cost is calculated for "Actual" columns only.

Treasury



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
City Treasurer	1	1	1
Accountant	1	1	1
Senior Account Clerk	2	2	2
Administrative Assistant	1	1	0
Account Clerk	4	4	4
Total	9	9	8

Treasury

SUMMARY OF BUDGET CHANGES

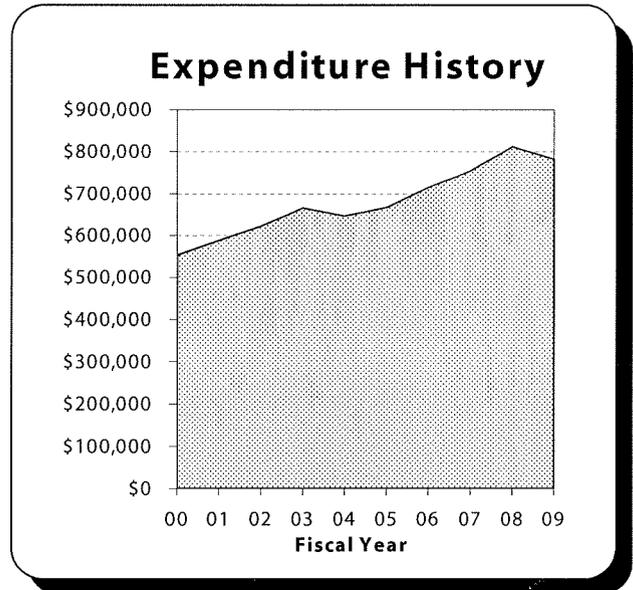
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget decreased by \$28,290 or 3.9%. A vacant Administrative Assistant position is proposed to be eliminated, saving \$71,640. Wage and fringe benefits for the remaining employees in this office increased by \$43,350 due to a 3% wage increase, as well as higher health insurance costs.

Supplies – Total Supplies decreased \$930 or 2.2% as the quarterly investment rating guide is now provided free of charge.

Other Charges – Total Other Charges decreased \$1,830 or 4.3%. Rental costs decreased \$1,200 as the prior year budgeted increase for the annual lease payment on the investment tracking and reporting software program is still pending. Credit card fees decreased \$1,000 as the budget can be brought more in line with actual costs experienced over the past several years. Telephone costs decreased \$550 due to lower citywide AT&T local telephone rates. \$550 was added to the budget due to an increase in existing BS&A and false alarm billing software support fees. Funding increased \$340 for the printing of additional checks and notices of deposit.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

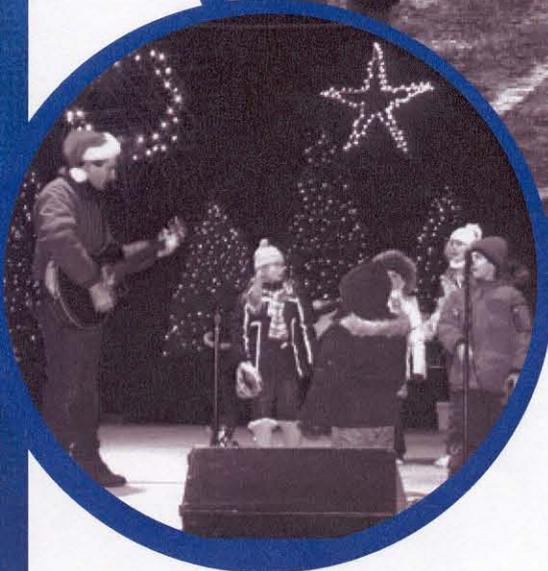
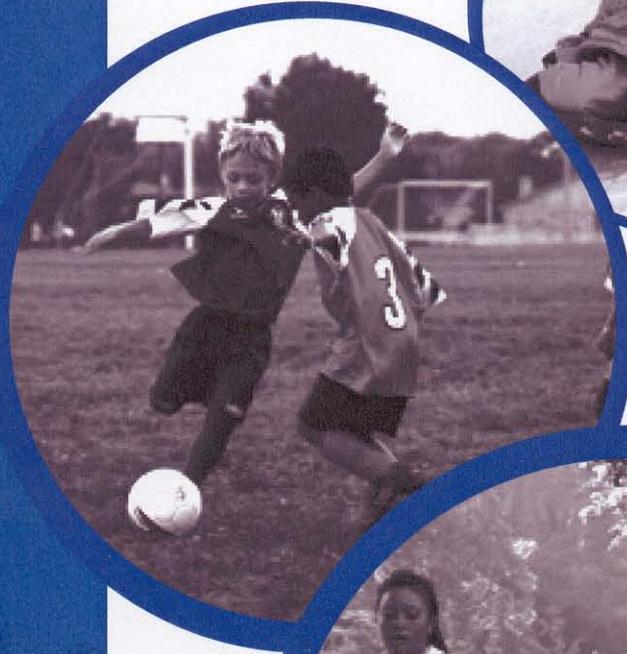
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$675,337	\$727,650	\$712,960	\$699,360	\$699,360
Supplies	39,292	41,490	40,760	40,560	40,560
Other Charges	39,371	43,020	40,860	41,190	41,190
Total	\$754,000	\$812,160	\$794,580	\$781,110	\$781,110

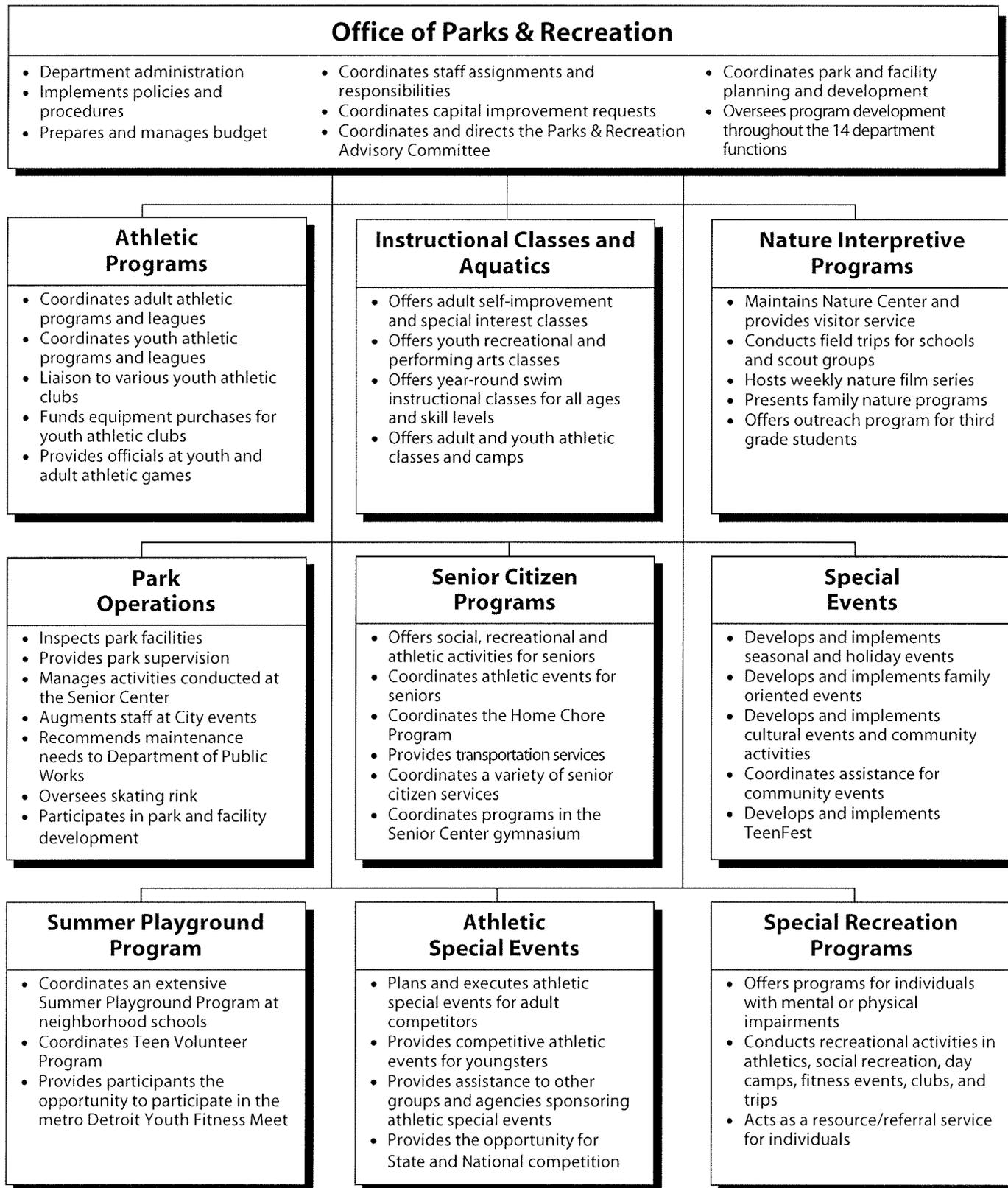
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Parks & Recreation Department



FUNCTIONAL ORGANIZATION CHART

Parks & Recreation Department



DEPARTMENT AT A GLANCE

Parks & Recreation Department

BUDGET SUMMARY

The total Parks & Recreation Department's budget increased by \$74,210 or 2.9%. Personnel costs rose \$79,860 or 3.9%. Wages for full-time employees rose \$30,480, while health insurance costs rose \$14,210. An additional \$27,560 is budgeted for higher retiree medical costs. Part-time wages remained the same due in part to a consolidation of one out of 15 summer playground sites. Supply costs declined by \$9,090 or 8.0% as funding for senior program supplies can be brought more in line with actual expenditure trends experienced the last several years. Other Charges

increased by \$3,440 or 0.9% due to higher costs for sports officials, instructors, and the rental of school pool facilities. The capital budget includes funding for replacement bleachers for the Tackle Football Program at Delia Park, replacement wall dividers at the Recreation Center, Delia park tree plantings, and the resurfacing of the Washington Square Park tennis courts and the Beaver Creek parking lot.

FUNDING LEVEL SUMMARY

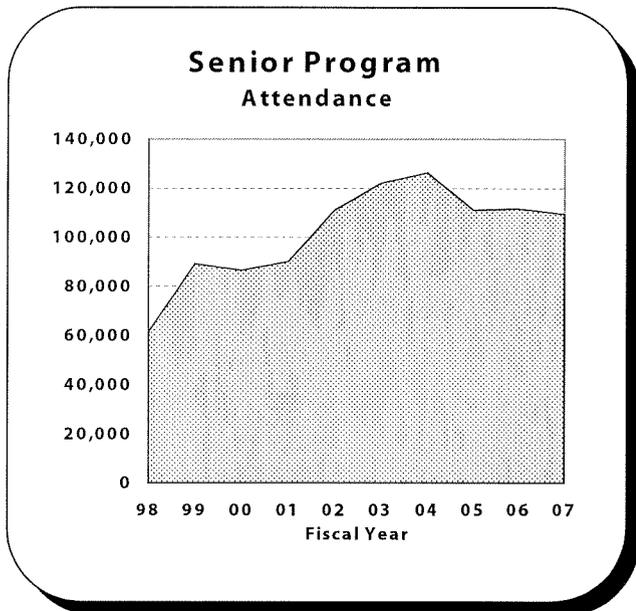
	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Parks & Recreation	\$2,314,150	\$2,428,270	\$2,571,840	\$2,646,050	2.9%
Total Department	\$2,314,150	\$2,428,270	\$2,571,840	\$2,646,050	2.9%
Personnel Services	\$1,832,070	\$1,925,910	\$2,062,580	\$2,142,440	3.9%
Supplies	103,820	101,710	113,190	104,100	-8.0%
Other Charges	378,260	400,650	396,070	399,510	0.9%
Total Department	\$2,314,150	\$2,428,270	\$2,571,840	\$2,646,050	2.9%

PERSONNEL SUMMARY

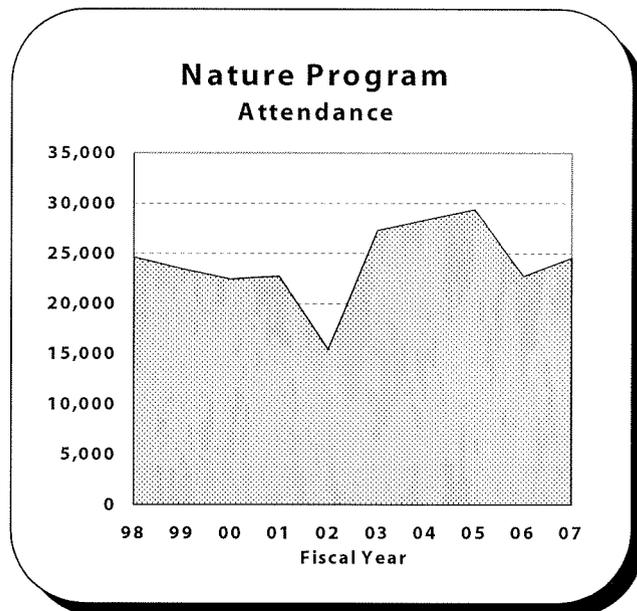
	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Parks & Recreation	16	0	16	0	16	0	16	0
Total Department	16	0	16	0	16	0	16	0

KEY DEPARTMENTAL TRENDS

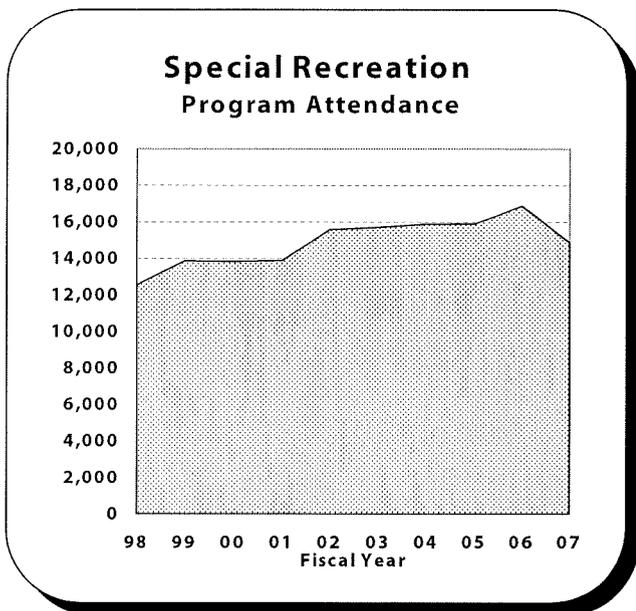
Parks & Recreation Department



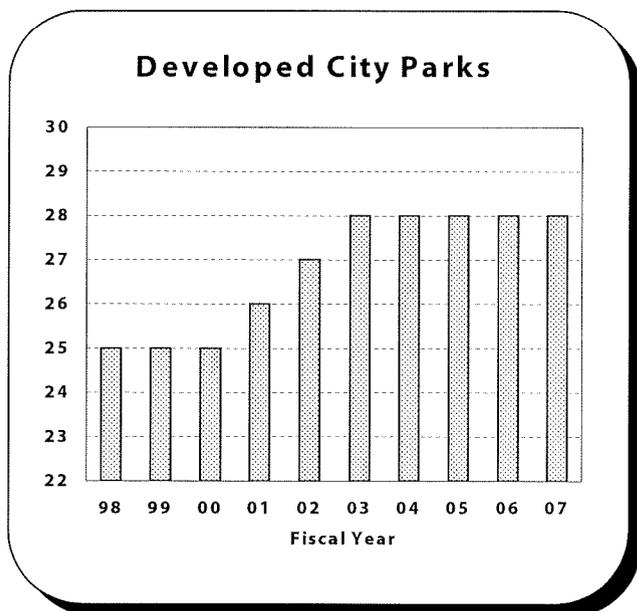
Senior program attendance has increased over the past 10 years by 79%, from 61,348 to 109,528 participants. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid for with federal CDBG dollars. Both the number of senior and special recreation transportation 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 to 24,582 participants in 2007.



For the past six years, attendance at the City's numerous Special Recreation programs and activities has ranged between 15,000 - 16,000 participants annually.



The number of parks has increased by 12% over the past 10 years from 25 in 1998 to 28 in 2007. In the past six years Rotary, Moravian, and Avis Drive Parks have been developed increasing the amount of land devoted to recreational purposes to 820 acres. In 2006, we completed the bike hike trail from Riverland Drive to Van Dyke, paved the Delia Park entrance and south parking lot, repaired the Delia Park tennis courts, installed three outdoor bocce ball courts at the Senior Center, and replaced the Imus Park sign. In 2007, we purchased bleachers 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 Easter Egg Scramble, Halloween Party, A Sterling Christmas, Music in the Park, TeenFest, Sterlingfest, Acoustic Coffeehouse, Daddy/Daughter Dance, Dance Recital, Mother/Son Mini-Golf Tournament, Treasure Hunters' Market and Kite Building Clinic.

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 six-week program offers sports, crafts, field trips, and much more.

Teens can participate in most programs offered including TeenFest and the summer Volunteer Teen 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, the Home Repair and Chore Program, 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.

The Parks & Recreation Director is the liaison to the Parks & Recreation Development Advisory Committee. This seven-member committee, established in 2005, studies, advises, and makes recommendations to City Council regarding the development of parks and facilities using the Major Parks and Facilities Conceptual Development Plan. ■

Did you know?...

...that Delia Park will be the host for the 2008 ASA Men's Class C State Softball Championships in July where over 15 teams will be traveling from all over the State to participate?

Parks & Recreation

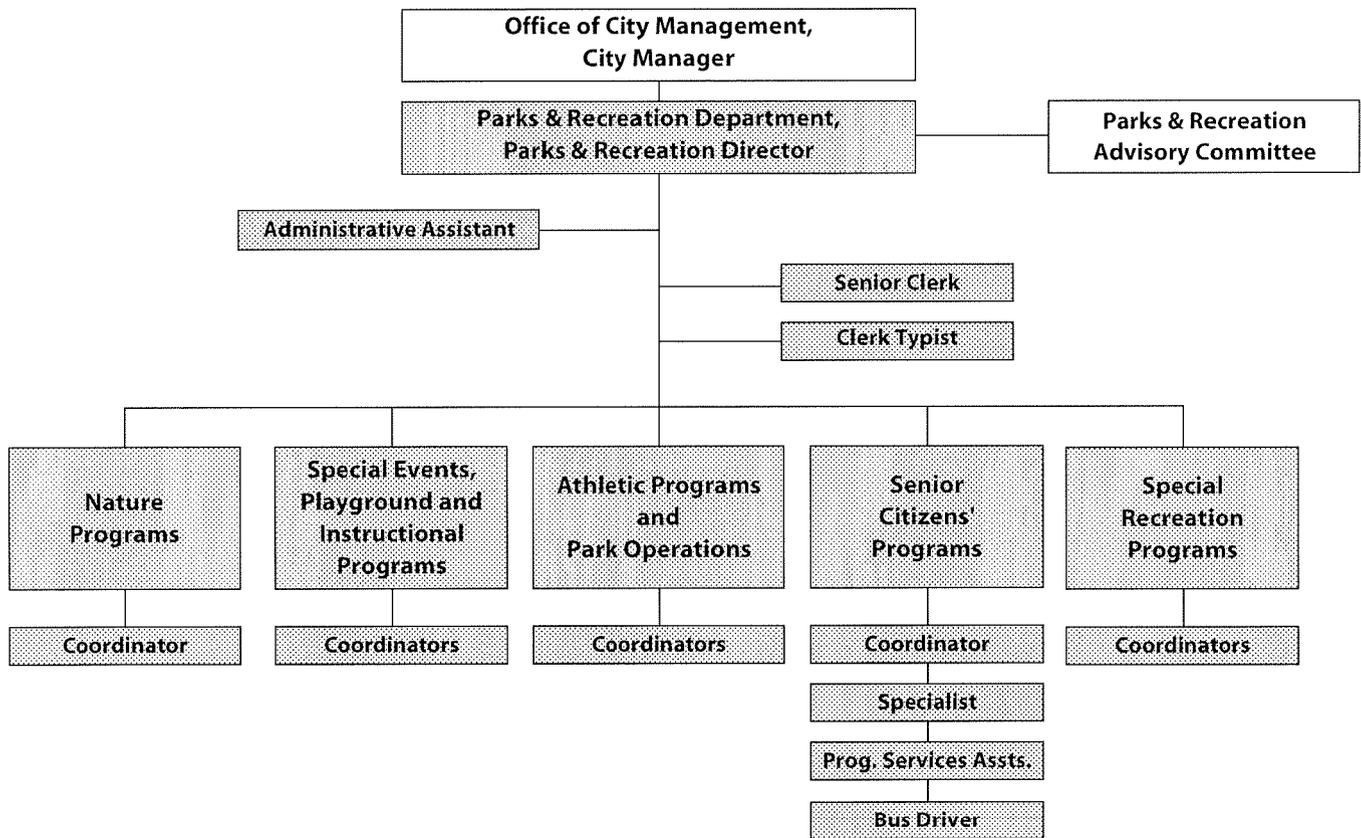
2008/09 PERFORMANCE OBJECTIVES

1. To rebuild and expand the men's softball program by becoming more involved with local, state and national tournaments. *(City Goal 1, 14, 26)*
2. To provide new and expanded instructional classes to enhance the choices currently offered based on community interests. *(City Goal 1, 14, 26)*
3. To establish a membership fee structure for the Senior Activity Center gymnasium by providing a discount for those who use the Center frequently. *(City Goal 1, 14, 26, 27)*
4. To better accommodate the more active 50 and older seniors by increasing the number of programs offered at the Senior Activity Center gymnasium. *(City Goal 1, 14, 26, 27)*
5. In conjunction with City Management and Community relations, to identify and prioritize recreational opportunities within the community. *(City Goal 1, 14, 26, 27)*

Performance Indicators		2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Instructional & Aquatics Class Attendance	34,560	36,970	35,953	35,000	36,000	36,100
	Special Event Participants	71,930	72,725	73,000	74,000	73,200	73,300
	Special Recreation Program Attendance	15,895	16,870	14,878	16,400	15,200	15,500
	Adult & Youth Athletic Program Attendance	69,150	68,960	72,760	72,000	72,900	73,000
	Nature Program Participants	29,360	22,750	24,582	22,800	25,000	25,100
	Teen Only Program Attendance	853	820	1,010	820	1,000	1,100
	Number of Internet Registrations	1,961	2,513	2,903	3,100	3,200	3,300
	Summer Playground Registrations	748	723	732	1,000	948	950
	Park Playground Equipment Replaced	2	1	1	0	0	0
	Senior Center Activities Attendance	111,020	111,610	109,528	132,000	117,000	125,000
	Community Center Special Activity Use Attendance	22,580	25,370	27,889	25,000	28,000	28,200
	Senior Home Chore & Repair Jobs	1,776	1,490	976	1,500	1,060	1,100
	Senior & Special Recreation Transportation Riders	18,948	18,400	17,861	20,000	18,000	18,200
	Efficiency & Effectiveness	P & R Revenue Earned per Capita	\$3.36	\$3.56	\$3.58	\$4.19	\$3.59
% of Refunds Due to Dissatisfaction		1.1%	1.1%	1.1%	1.0%	1.0%	1.0%
Developed Park Acres per 1,000 Residents		6.5	6.4	6.4	6.5	6.5	6.5
% of Park Acres Developed		85.4%	85.4%	85.4%	85.4%	85.4%	85.4%
Full-time Equivalent Staff per 100,000 Population		44	44	44	44	44	44
Nature Center Cost per Visitor		\$6.29	\$7.43	\$7.16	*	*	*
Senior & Special Rec. Transportation Cost per Rider		\$14.32	\$14.55	\$14.87	*	*	*
Department Cost per Capita		\$17.39	\$18.22	\$19.05	\$20.09	\$19.93	\$20.59
Activity Expenditures as % of General Fund		2.90%	2.93%	2.93%	2.98%	2.96%	2.98%

* Cost is calculated for "Actual" columns only.

Parks & Recreation



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Parks & Recreation Director	1	1	1
Recreation Coordinator	8	8	8
Recreation Specialist	1	1	1
Administrative Assistant	1	1	1
Program & Services Assistant	2	2	2
Senior Clerk	1	1	1
Bus Driver	1	1	1
Clerk Typist	1	1	1
Total	16	16	16

Parks & Recreation

SUMMARY OF BUDGET CHANGES

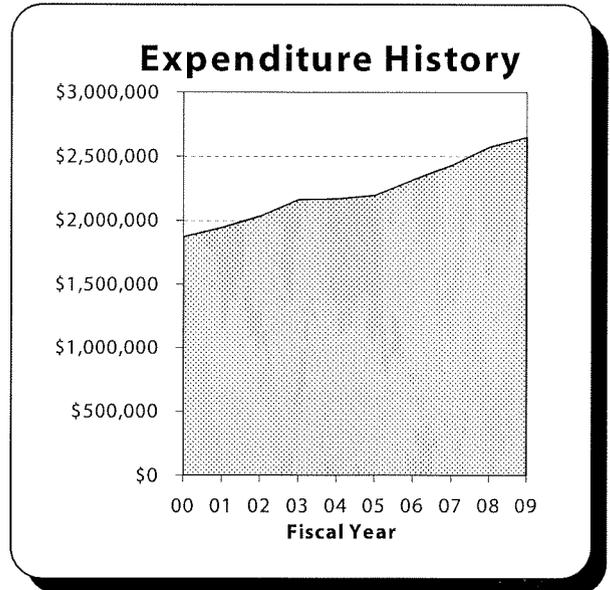
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$79,860 or 3.9%. Wages for full-time employees rose \$30,480. Part-time wages remained the same, as this account assumes one fewer summer playground site next year. Health insurance costs rose \$14,210 or 7.5% due to a rate increase. An additional \$27,560 is funded for retiree health insurance liabilities.

Supplies – Total Supplies decreased \$9,090 or 8.0%. The budget for senior program supplies decreased \$11,000 based on recent years’ expenditure levels and the lower cost of providing senior dances, which due to declining attendance, will be held quarterly at the Senior Center rather than monthly at more expensive catering halls. Senior birthday parties will also be held in-house. The fees for these events will correspondingly decrease.

Other Charges – Total Other Charges increased \$3,440 or 0.9%. \$8,000 was added due to a slight wage increase for sports officials and higher instructor costs, as more programs and classes will be offered. Funding is also included for cable service at the Senior Center that was previously provided at no cost. \$4,020 was added for the increased rental costs of school pools and supplies for various City programs, offset by a savings of \$1,300 in bus rental costs due to one less summer playground site. Water costs rose \$1,000 due to increased rates and higher usage. Telephone costs decreased \$4,450 due to lower citywide AT&T contractual telephone rates.

Capital – Total Capital of \$97,000 is proposed. \$48,500 is for the replacement of bleachers for the Tackle Football Program at Delia Park. \$12,000 is for tree plantings at Delia Park and Fire Stations #2, #3, and #4.



\$23,000 is for the replacement of divider walls at the Recreation Center. \$5,500 is for parking lot and entrance resurfacing at Beaver Creek Park. \$8,000 is for the resurfacing of two tennis courts at Washington Square Park.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

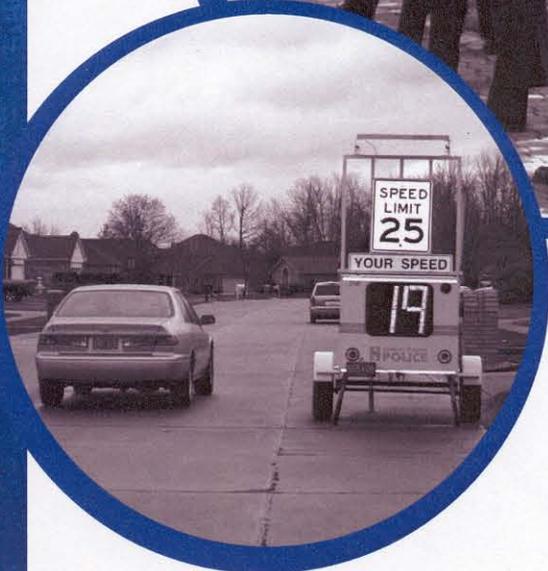
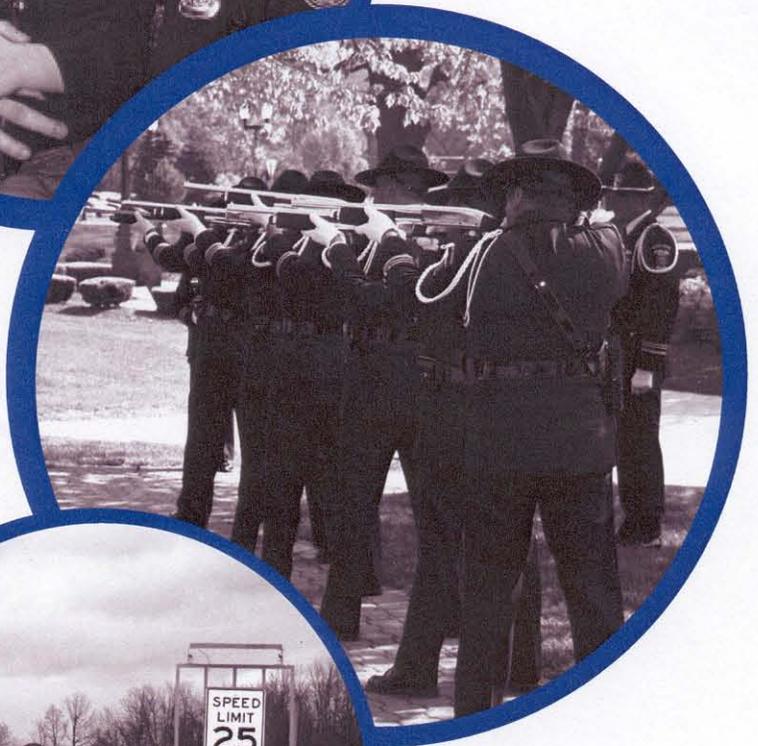
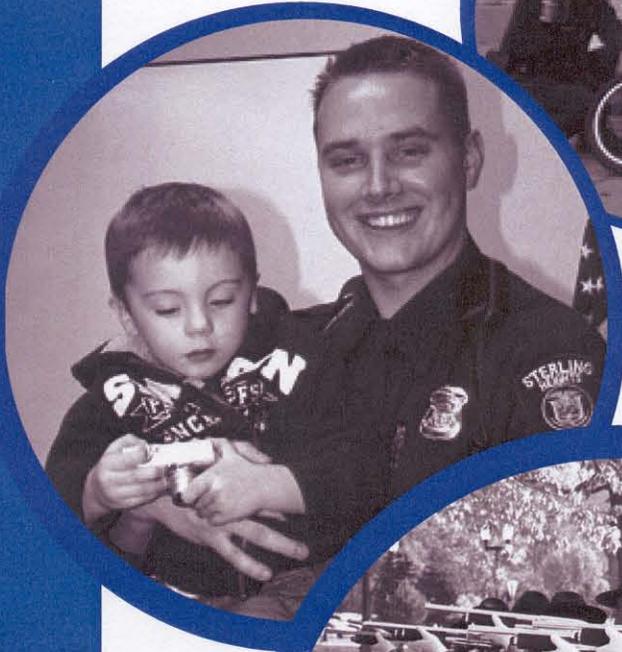
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,925,904	\$2,062,580	\$2,062,410	\$2,142,440	\$2,142,440
Supplies	101,711	113,190	103,690	104,100	104,100
Other Charges	400,653	396,070	384,770	399,510	399,510
Total	\$2,428,268	\$2,571,840	\$2,550,870	\$2,646,050	\$2,646,050

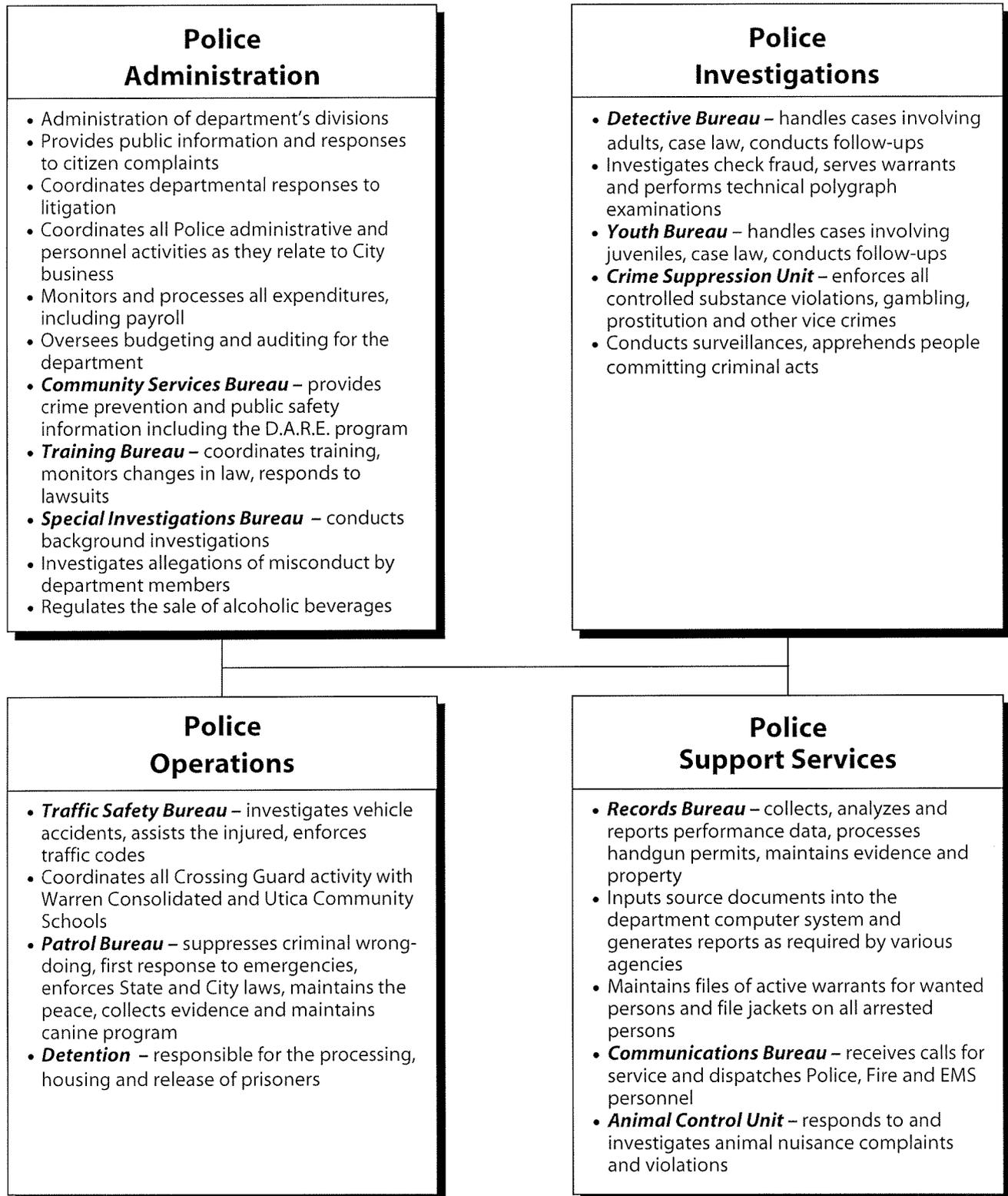
Police Department

08 09



FUNCTIONAL ORGANIZATION CHART

Police Department



DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The Police Department budget increased by \$1.6 million or 5.7%. Personnel costs rose 5.8%. Wages increased by \$434,360 as all employees are budgeted to receive a 3% wage increase. The budget includes an additional \$546,510 to fully fund the Department's retiree medical obligations. Actuarially determined employer contributions to the pension system increased by \$541,120. Health insurance costs declined by \$70,570 as several new labor contracts lowered health care premiums. A vacant Technical Secretary position in Support Services is proposed to be eliminated, saving \$70,010. A new fourth overlapping shift schedule will

place additional officers on the street during peak times and will reduce overtime costs. A new community-policing program in Sterling Estates is budgeted using federal CDBG funds. Supplies decreased by \$12,130 or 6.9% due to a prior year reappropriated encumbrance. Other Charges increased by \$41,270 or 7.6% due to higher utility costs and CLEMIS and 800 MHz radio user fees. The capital budget includes funding for eleven replacement traffic and patrol vehicles, an Animal Control Van, a Police Station feasibility study, and \$155,780 in drug forfeiture capital purchases including in-car video recorders and a training van.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Police Administration	\$4,050,940	\$3,950,150	\$2,849,710	\$2,991,490	5.0%
Police Investigations	3,337,330	3,863,410	5,259,850	5,627,640	7.0%
Police Operations	14,662,390	15,610,640	16,508,950	17,585,730	6.5%
Police Support Services	3,026,730	3,234,570	3,456,470	3,478,300	0.6%
Total Department	\$25,077,390	\$26,658,770	\$28,074,980	\$29,683,160	5.7%
Personnel Services	\$24,337,500	\$25,911,900	\$27,354,690	\$28,933,730	5.8%
Supplies	134,470	152,270	175,180	163,050	-6.9%
Other Charges	605,420	594,600	545,110	586,380	7.6%
Total Department	\$25,077,390	\$26,658,770	\$28,074,980	\$29,683,160	5.7%

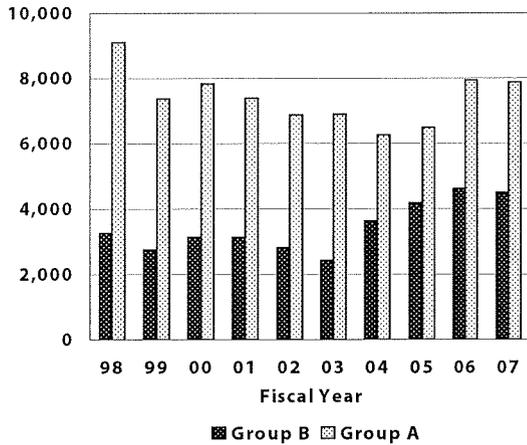
PERSONNEL SUMMARY

	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administration	31	0	19	0	17	0	17	0
Police Investigations	28	0	40	0	41	0	41	0
Police Operations	124	33	124	33	126	33	126	33
Police Support Services	42	1	42	1	42	1	41	1
Total Department	225	34	225	34	226	34	225	34

KEY DEPARTMENTAL TRENDS

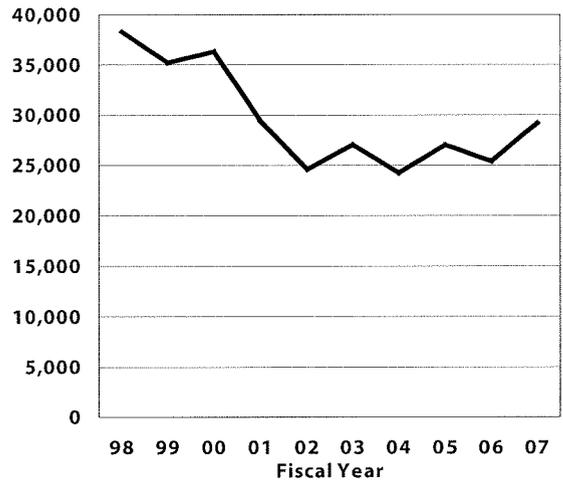
Police Department

Crime Statistics Group A & B Crimes



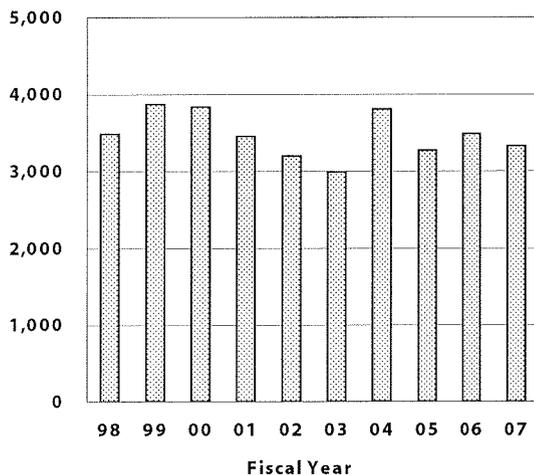
The City's crime rates have generally decreased over the past ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family trouble, OUIL and disorderly conduct.

Traffic Violations



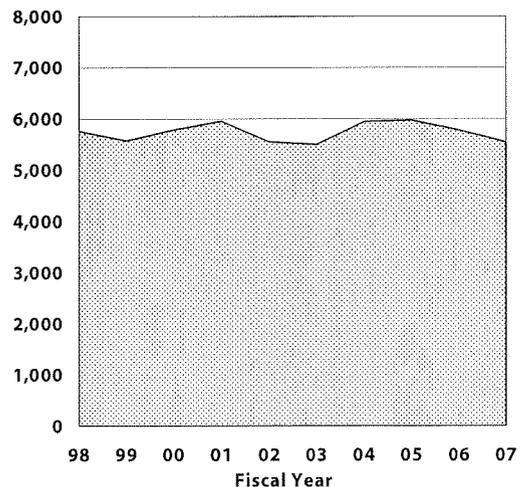
From 1998 to 2001, a three-officer selective enforcement unit targeted traffic violations to lower speeds on our highways and residential streets. When these officers were reassigned to other duties, the number of traffic violations decreased. However, due to other department efforts, the number of traffic violations today is still 71% higher than in the year before the selective enforcement unit was started.

Adult Arrests



This graph reflects the number of incidents where an arrest occurred for 1998 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.

Traffic Accidents



The total number of accidents over the past ten years has decreased slightly despite the high growth in traffic volumes. The growth in the City and in the surrounding northern communities has added to the traffic volume, especially during the work time commute. In 2007, accident reports fell by 4.1%. The number of injury traffic accidents per 100,000 residents decreased by 0.9% in 2007, while the number of traffic fatalities per 100,000 residents increased from 4.7 to 6.3.

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

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

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

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

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

The Division's Community Services Bureau provides 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 his 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 the Police Department has taught the DARE program to over 40,000 children since its implementation in 1991?

Police Administration

2008/09 PERFORMANCE OBJECTIVES

(Administration)

- To provide radar and laser certification to patrol officers and supervisors to enhance traffic enforcement throughout the City. (City Goal 24)
- To provide state of the art identification procedures for identifying and prosecuting persons attempting to conceal their identities through fraudulent identification, i.e. drivers' licenses, passports, work visa, etc. (City Goal 24)
- To establish a Volunteers in Police Service (VIPS) program, which will provide volunteer opportunities for residents to assist the department during various emergency and non-emergency events. (City Goal 25)
- To provide training to residents in Sterling Estates Mobile Home Park on topics such as crime prevention and drug awareness as well as provide additional enforcement in the area through Community Development Block Grant (CDBG) funds. (City Goal 24)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Public Education Programs Presented	787	772	1,012	1,255	1,418	1,465
	Car Seat Inspections Conducted	232	200	154	125	160	170
	Security/Safety Presentations	386	387	722	1,000	1,100	1,125
	Neighborhood Watch Programs	28	35	39	30	44	50
	Elementary and Middle School Programs	141	150	97	100	114	120
	Hours of D.A.R.E. Instruction	1,403	1,259	1,492	1,600	1,650	1,650
	General Orders Issued or Amended	6	5	9	15	25	25
	School Safety Program - Students Instructed	7,727	5,025	5,100	5,000	5,150	5,200
	Training Seminars Attended - Department-wide	395	353	368	400	400	400
Efficiency & Effectiveness	FT Staff to Workers Comp./Disability Claims Ratio	4.3:1	4.7:1	4.1:1	4.5:1	4.9:1	5.0:1
	% of D.A.R.E. Students Completing Program	99%	99%	99%	99%	99%	99%

Police Administration

2008/09 PERFORMANCE OBJECTIVES

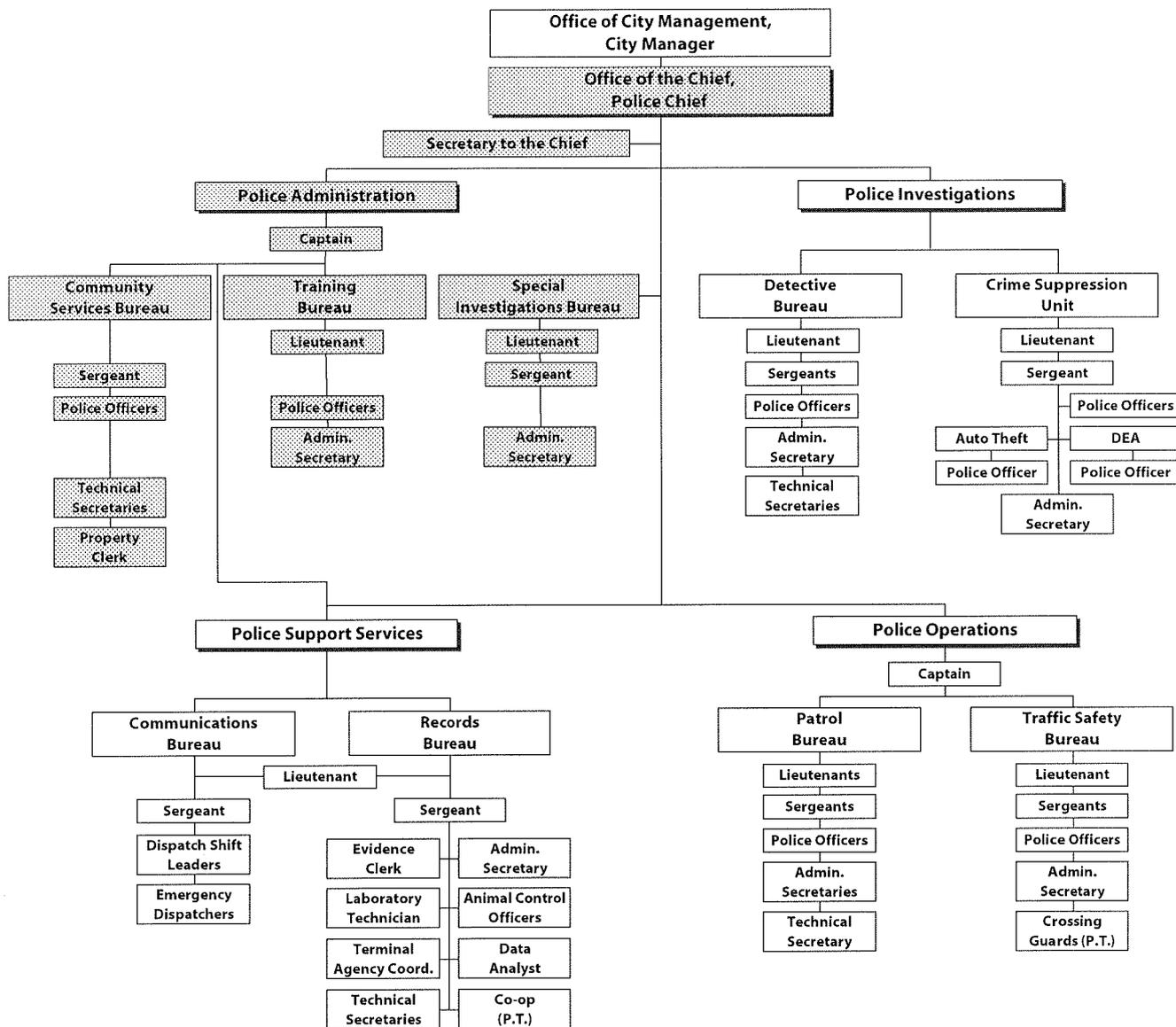
(Special Investigations)

1. To form a multi-jurisdictional school safety task force with the City of Utica, Charter Township of Shelby, and Utica Community Schools addressing issues dealing with student safety and school violence. (City Goal 2, 25)
2. To create a computerized tracking system to assist the Chief's office in tracking annual police officer evaluations. (City Goal 18)
3. To develop and implement procedures to ensure all major policy violation complaints are fully investigated within 45 days. (City Goal 3)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Employment Background Investigations	29	35	33	30	40	40
	Internal Affairs Investigations	17	12	23	22	24	25
	Liquor License Background Investigations	29	13	18	24	44	50
	Other Special Investigations Bureau Investigations	372	269	399	306	250	300
	Liquor & Tobacco Inspections/Observations	183	173	146	200	184	200
	Liquor License Violations	21	5	14	20	16	25
Efficiency & Effectiveness	Employment Background Investigations - % Hired	30%	14%	49%	33%	68%	50%
	# of Sustained Complaints per 100 Officers	0.0	0.0	2.7	0.0	1.2	1.2
	Average Cost of an Administrative Investigation	\$667	\$701	\$631	*	*	*
	Average Liquor License or Tobacco Inspection Cost	\$90	\$93	\$120	*	*	*
	Department Cost per Capita	\$196	\$197	\$209	\$219	\$221	\$231
	Division Expenditures as % of General Fund	5.20%	5.13%	4.77%	3.31%	3.37%	3.37%

* Cost is calculated for "Actual" columns only.

Police Administration



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Chief	1	1	1
Captain	1	1	1
Lieutenant	2	2	2
Sergeant	3	2	2
Police Officer	5	5	5
Secretary to the Chief	1	1	1
Administrative Secretary	3	2	2
Technical Secretary	2	2	2
Property Clerk	1	1	1
Total	19	17	17

Police Administration

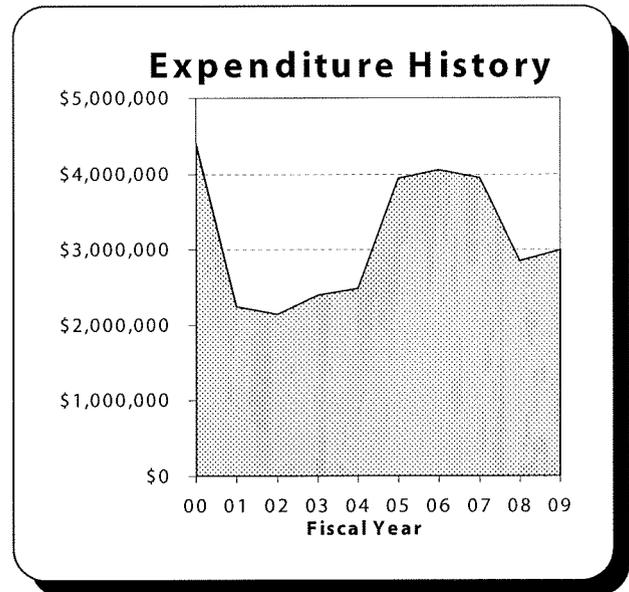
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$112,640 or 5.3%. Wages rose 3% or \$34,970. Police & Fire Pension costs rose \$32,780 based on the updated actuarial report. An additional \$43,530 is budgeted for retiree health care liabilities. Health insurance costs rose only 2.8% as the result of the new Police Command and Clerical labor contracts which lowered City health care premiums.

Supplies – Total Supplies decreased \$12,130 or 6.9%. Operating supplies decreased \$12,080 due to a prior year reappropriated encumbrance, slightly offset by an inflationary cost increase. Postage costs decreased \$1,000 to bring the budget more in line with recent expenditure trends. \$500 was added for dog care supplies.

Other Charges – Total Other Charges increased \$41,270 or 7.6%. Electric costs rose \$12,000 and heating costs rose \$8,000, both due to higher rates. Telephone costs increased \$7,690 primarily due to an increase in the mobile computer CLEMIS fees and for the temporary connection fees necessary to operate the 800 MHz Radio System until the new microwave radio tower is installed. Animal collection fees increased \$6,000 as humane euthanasia of sick and injured wildlife will now be performed by the County rather than in-house. \$5,730 was added for State radio user fees for the 800 MHz radio system. Equipment maintenance costs rose \$5,350 primarily to pay the maintenance fees for the Alternate Dispatch Center’s 911 system.



Capital – There is no Capital proposed for this activity.

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

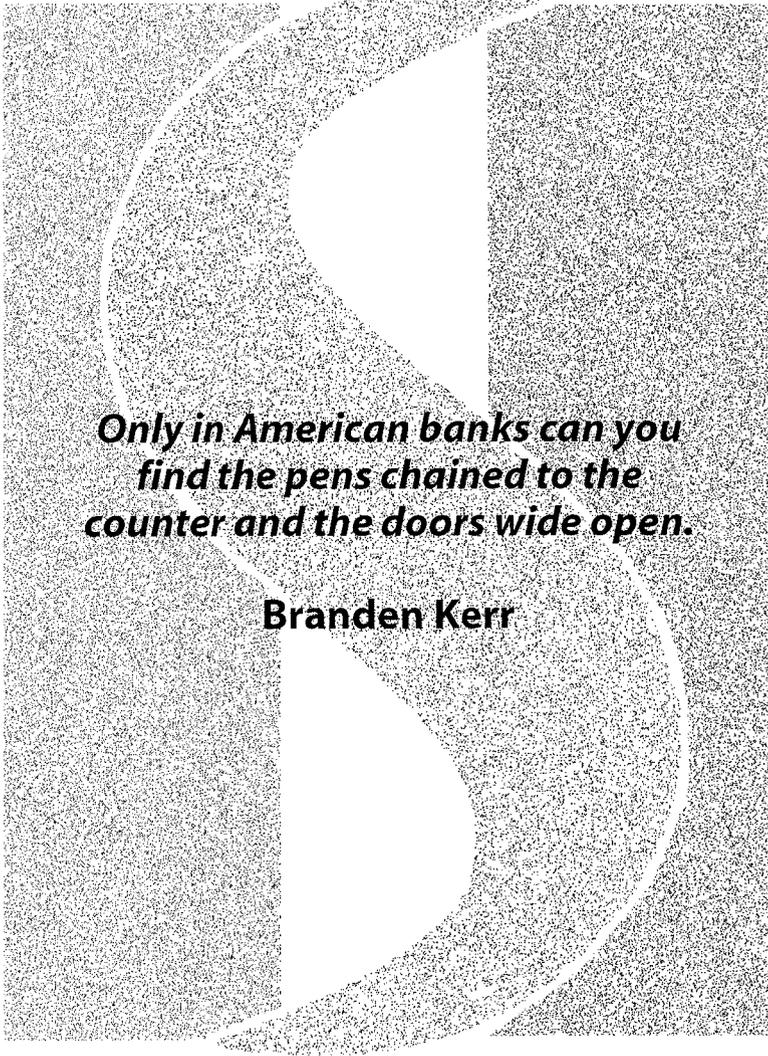
Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$3,206,340	\$2,132,620	\$2,136,280	\$2,245,260	\$2,245,260
Supplies	152,265	175,180	184,600	163,050	163,050
Other Charges	591,541	541,910	589,820	583,180	583,180
Total	\$3,950,146	\$2,849,710	\$2,910,700	\$2,991,490	\$2,991,490



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

Branden Kerr

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

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

The Investigations Division consists of three squads of detectives. The Detective Bureau consists of two adult squads that investigate criminal activity involving persons 17 years of age or older. This includes the processing of arrest warrants, and the presentation of evidence in court as the prosecution moves forward. The Detective Bureau also has personnel assigned to the Macomb Auto Theft Squad (MATS), the U.S. Marshal's Detroit Fugitive Apprehension Team (DFAT), 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. This squad 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) and the Oakland/Macomb Interdiction Team (OMIT).

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 investigations, including: interviewing, legal update, violent crimes and the utilization of computers as investigative tools. This training is

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 provide accurate and timely information to various entities in accordance with State statutes.*

necessary to maintain and enhance the skills of the investigators.

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

Did you know?...

...that the Police Investigations division has personnel assigned to three federal and two State task forces and coordinates monthly intelligence meetings with investigators from the entire tri-county area?

Police Investigations

2008/09 PERFORMANCE OBJECTIVES

1. To improve the sharing of criminal intelligence information with the City's Eyes and Ears Program. (City Goal 14, 24)
2. To utilize available technology to implement a paperless environment for case assignments, documentation, and submission. (City Goal 17, 18)

	Performance Indicators	2004/05	2005/06	2006/07	2007/08	2007/08	2008/09
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Detective Bureau Cases Assigned	4,172	3,883	3,764	4,300	4,100	4,210
	Adult Investigative Cases	2,728	2,520	2,472	2,870	2,600	2,650
	Juvenile Investigative Cases	938	1,047	1,054	1,100	1,100	1,150
	In-Custody Cases	506	316	238	330	400	410
	Total Crime Suppression Unit Cases Assigned	482	488	496	505	505	520
	Auto Theft Investigative Cases	169	159	120	170	120	120
	Narcotic/Vice Investigative Cases	313	329	376	335	385	400
	Total Interviews Conducted	18,512	17,167	17,853	18,575	20,200	20,550
	Suspect Interviews	4,614	4,548	4,823	4,700	5,373	5,450
	Witness & Informant Interviews	7,549	6,894	6,890	7,710	7,665	7,800
	Victim Interviews	6,349	5,725	6,140	6,165	7,162	7,300
	Arrest Warrants Obtained	1,138	1,257	1,510	1,450	1,304	1,330
	Search Warrants Obtained/Executed	202	246	205	200	243	250
	Polygraph Examinations Conducted	68	55	37	60	30	35
	Criminal Surveillances	597	615	677	600	555	620
	Federal Forfeiture Cases Processed	26	15	30	40	12	15
	State Forfeiture Cases Processed	79	62	52	60	59	60
	School Resource Officer - # of Hours at Schools	400	1,000	1,450	1,450	1,450	1,450
	# of Students Served by School Resource Officer	1,500	1,600	1,650	1,650	1,650	1,650

* Cost is calculated for "Actual" columns only.

Police Investigations

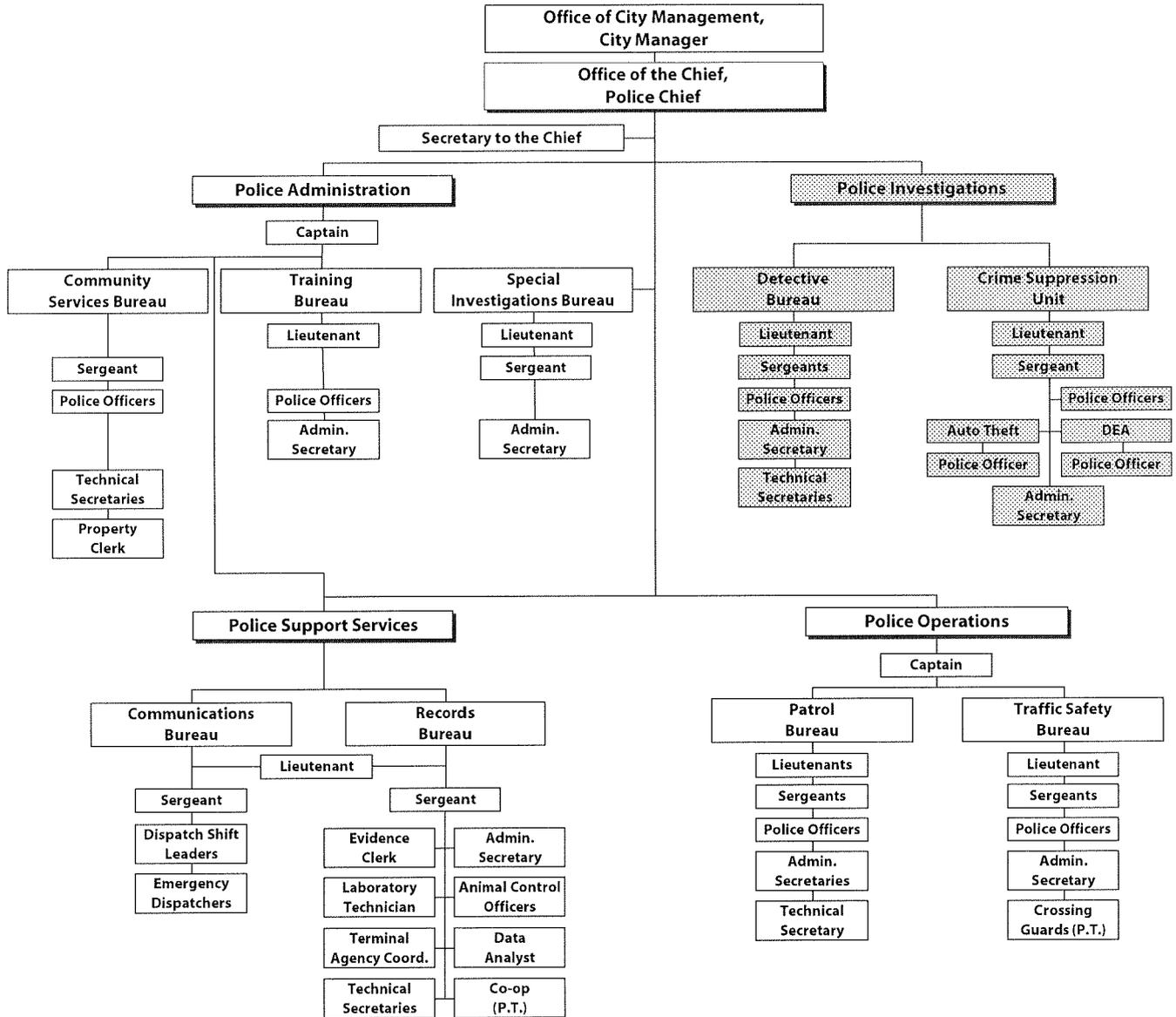
2008/09 PERFORMANCE OBJECTIVES

3. To design and implement a cost recovery program for undercover narcotic purchase funds within the court process. *(City Goal 20)*
4. To work in conjunction with federal agencies to discover and seize illegally gained assets of narcotic traffickers. *(City Goal 20)*

Efficiency & Effectiveness	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
	% of Petitions Obtained vs. Requested	97%	96%	97%	97%	98%	98%
	% of Arrest Warrants Obtained vs. Requested	92%	93%	92%	95%	89%	92%
	Detective Bureau Cases per Investigator	181	185	198	205	195	200
	Crime Suppression Unit Cases per Investigator	60	70	70	72	72	74
	% of Part 1 Violent Crimes Cleared	49.0%	53.5%	61.7%	50.0%	59.0%	60.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.6	0.7	0.7	0.6	1.5	1.5
	Juvenile Arrests Violent Crimes - % of Total Arrests	7%	7%	15%	12%	7%	10%
	% of Part 1 Property Crimes Cleared	19.5%	19.7%	15.8%	18.0%	20.0%	20.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	3.8	4.1	3.2	3.0	3.5	3.5
	Juvenile Arrests Property Crimes - % of Total Arrests	13%	17%	12%	17%	11%	12%
	Car Theft Ratio Per 1,000 Population	1.3	1.3	2.5	1.5	1.0	1.0
	Average Cost to Conduct a Polygraph Examination	\$262	\$287	\$322	*	*	*
Average Cost to Investigate a Case	\$543	\$532	\$558	*	*	*	
Division Expenditures as % of General Fund	3.56%	4.23%	4.67%	6.10%	6.15%	6.33%	

* Cost is calculated for "Actual" columns only.

Police Investigations



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Captain	1	0	0
Lieutenant	1	2	2
Sergeant	4	4	4
Police Officer	29	29	29
Administrative Secretary	1	2	2
Technical Secretary	4	4	4
Total	40	41	41

Police Investigations

SUMMARY OF BUDGET CHANGES

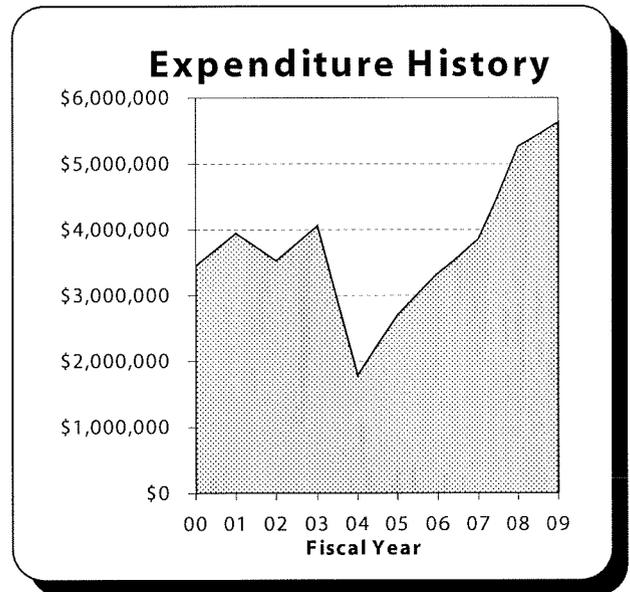
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget increased by \$367,790 or 7.0%. All employees are budgeted to receive a 3% wage increase. An additional \$120,400 is budgeted for retiree health care liabilities. Police & Fire Pension costs rose \$114,380 based on a recent actuarial study. Overtime and compensatory time costs rose \$55,000 based on additional hours needed to investigate cases. Health insurance costs rose only 0.2% as a result of new labor contracts for the Police Command and Clerical bargaining groups which lowered City health care premiums.

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 – \$155,780 is budgeted in the Public Safety Forfeiture Fund for new equipment and a vehicle utilizing drug forfeiture funds.



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

Personnel Services – Council made no adjustments to Personnel Services.

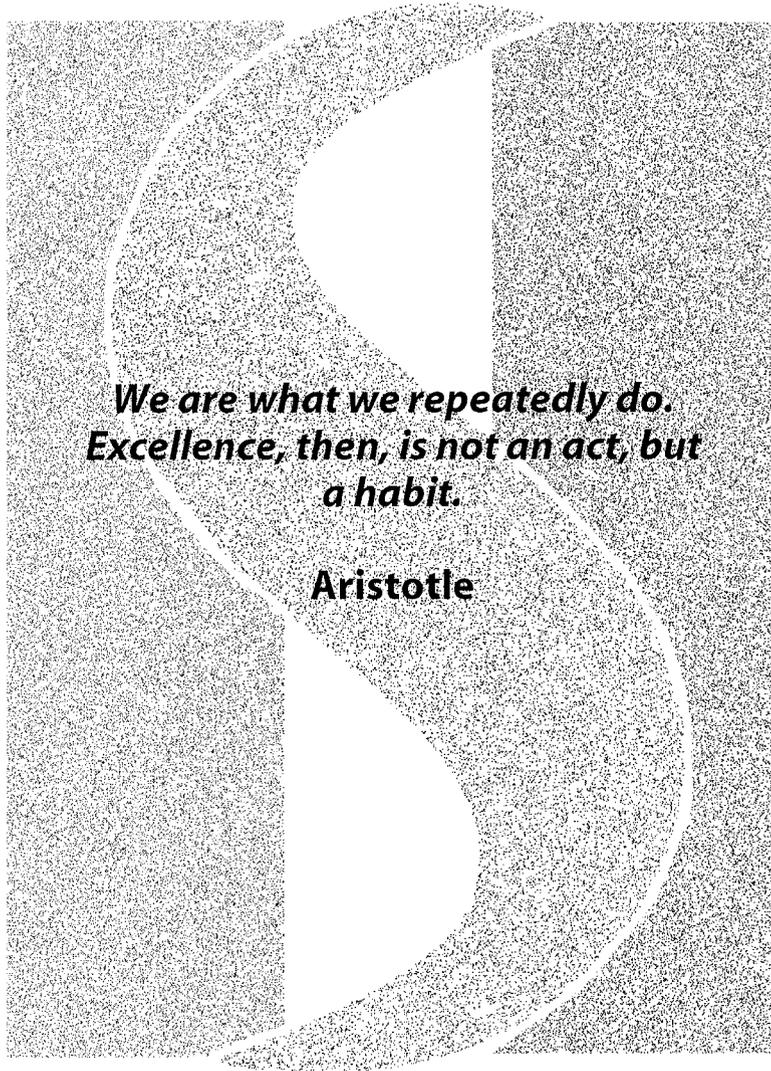
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$3,862,423	\$5,258,850	\$5,302,390	\$5,626,640	\$5,626,640
Supplies	0	0	0	0	0
Other Charges	982	1,000	1,000	1,000	1,000
Total	\$3,863,405	\$5,259,850	\$5,303,390	\$5,627,640	\$5,627,640



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

Aristotle

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

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

The Patrol Bureau is responsible for the suppression of all criminal wrongdoing. Patrol personnel are the first responders to most emergency situations. They conduct the initial investigation of all reported incidents of crime. The Evidence Technicians from within this Bureau locate and collect forensic evidence in support of criminal cases. Other responsibilities 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. Once this is accomplished, they properly document the incident through a Michigan State Accident Report provided by the Department of State Police. Further, this Bureau is the primary traffic enforcement agency for the myriad of state and local traffic codes.

This Bureau trains and maintains a cadre of 33 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?...

...that the Police Department recently implemented a new overlapping 4th shift patrol schedule that will reduce personnel shortage overtime and increase the number of Police Officers on the road at critical times?

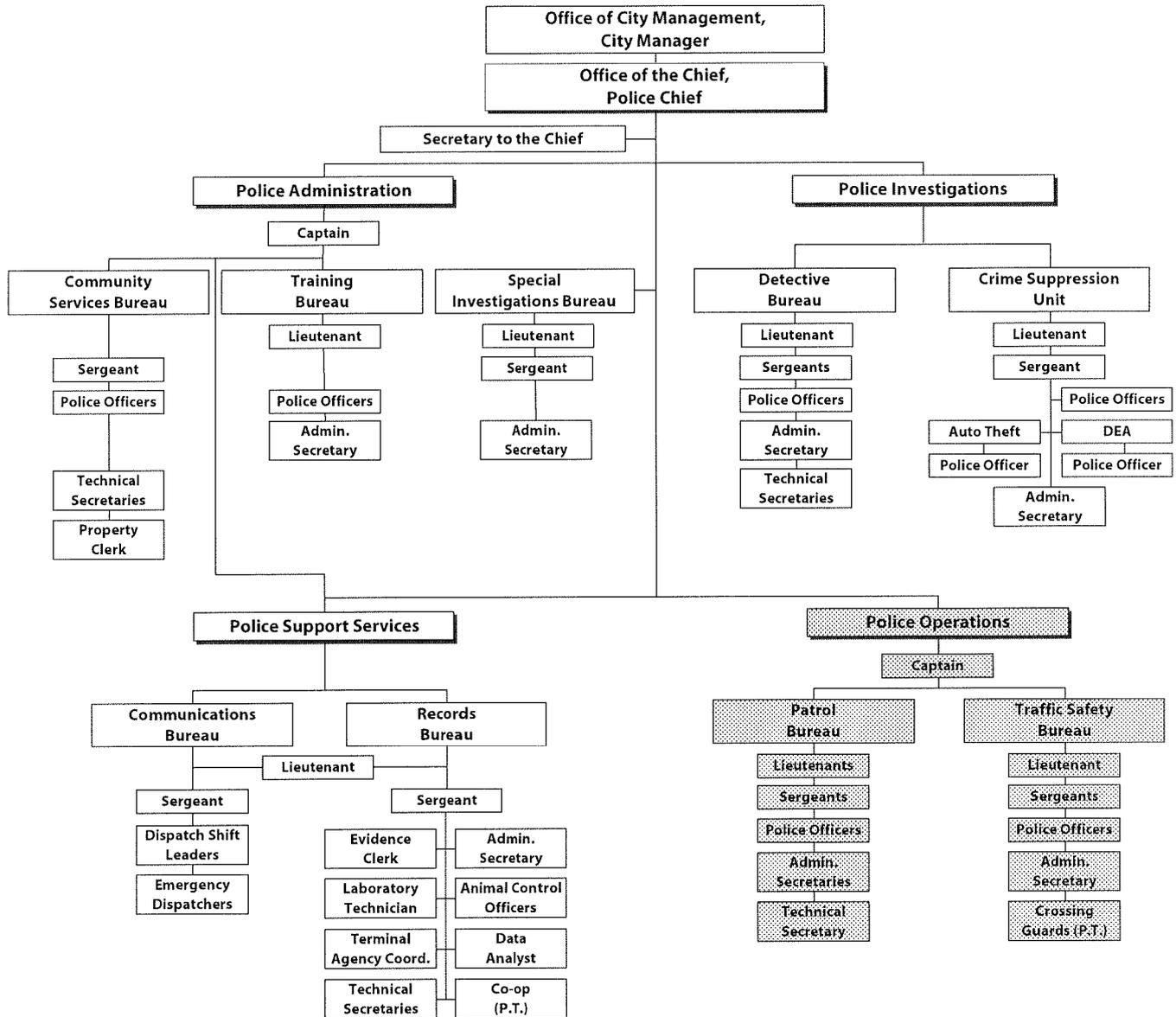
Police Operations

2008/09 PERFORMANCE OBJECTIVES

1. To research and identify the most effective and efficient in-car, hard drive recording system that allows for wireless transfer of all recordings. (City Goal 17, 18, 25)
2. To reduce the amount of Police Officer court time by 10% by working with the Macomb County Prosecutor's Office in eliminating the excessive amount of case adjournments. (City Goal 3)
3. To create a procedures manual for Police Operations to ensure that all duties, responsibilities and direction within Police Operations, that are not specifically covered within the department general orders, are described. (City Goal 25)
4. To increase drunk driving enforcement by 10% by targeting high-traffic corridors during the hours of opportunity. (City Goal 24)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Police Incident Reports Completed	51,324	50,872	54,615	52,000	55,410	56,800
	Group A Crime Reports	6,474	7,926	7,873	8,400	7,880	8,000
	Group B Crime Reports	4,170	4,609	4,491	4,600	4,142	4,300
	Vehicular Accident Reports	4,529	4,525	4,284	4,000	4,308	4,500
	All Other Reports	36,151	33,812	37,967	35,000	39,080	40,000
	Adults/Juveniles Arrested	3,267/190	3,486/243	3,326/251	3,400/300	3,648/192	3,800/225
	Traffic Violations Issued	26,972	25,379	29,166	28,000	27,766	28,500
	Residential Traffic Enforcement Violations	4,014	3,737	3,600	4,000	3,168	3,400
	SMART Radar Trailer Deployments	327	342	361	375	386	392
	K-9 Unit Deployments	248	239	293	210	296	325
	OUIL Arrests	361	377	328	350	334	370
	S.W.A.T. Call-outs	9	6	6	8	4	6
	Efficiency & Effectiveness	Group A Crimes per 1,000 Population	51.3	62.4	61.7	65.6	61.6
Group B Crimes Per 1,000 Population		33.0	36.3	35.2	35.9	32.4	33.5
% of Productive K-9 Deployments		98%	98%	98%	98%	98%	98%
# of Incident Reports per Sworn Division Personnel		428	424	455	426	454	462
# of Injury Traffic Accidents per 100,000 Pop.		683	638	632	750	802	750
# of Traffic Fatalities Per 100,000 Population		2.4	4.7	6.3	3.5	4.7	3.0
% of Total Sworn Personnel in Traffic & Patrol		70%	69%	71%	69%	71%	71%
OUIL Arrests Per 1,000 Residents		2.9	3.0	2.6	2.7	2.6	2.9
Division Expenditures as % of General Fund		20.03%	18.56%	18.86%	19.16%	19.31%	19.80%

Police Operations



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Captain	1	1	1
Lieutenant	4	4	5
Sergeant	18	18	17
Police Officer	97	99	99
Administrative Secretary	3	3	3
Technical Secretary	1	1	1
Crossing Guard (P.T.)	33	33	33
Total	157	159	159

Police Operations

SUMMARY OF BUDGET CHANGES

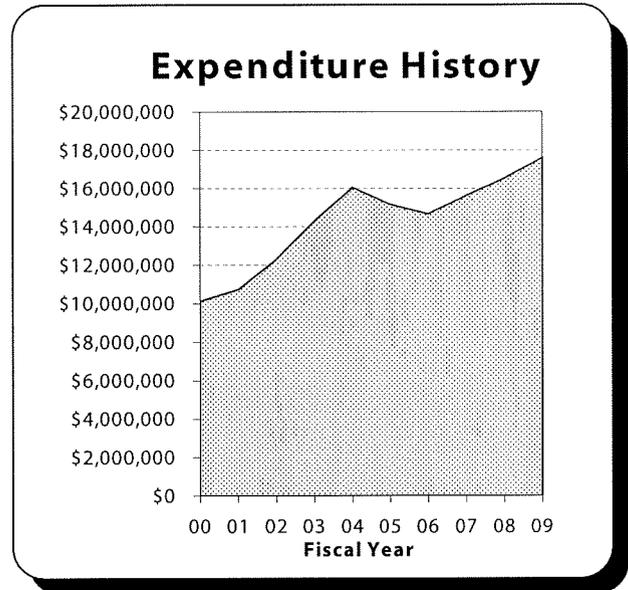
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased \$1,076,780 or 6.5%. Full-time wages rose \$339,090 as all employees are budgeted to receive a 3% wage increase. An additional Lieutenant position was created mid-year as a result of a new 4th overlapping patrol shift, which allowed additional Police Officers to be assigned more efficiently during peak times. As a result of this new Lieutenant, a vacant Sergeant position is proposed to be eliminated. The two additional Police Officer positions funded last year, as a result of eliminating a vacant Captain position, continue to be budgeted. Retiree medical funding rose \$342,100 to help offset the City's growing retiree medical liabilities. Police & Fire Pension costs increased \$382,240 based on the results of a recent actuarial study. Employee medical insurance costs fell by \$36,520 as a result of recent changes to employee labor contracts.

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 \$246,000 is proposed for this activity and is budgeted in the Capital Projects Fund. \$231,000 is recommended to replace 11 high mileage patrol and traffic vehicles. \$15,000 is for a Police Station needs analysis and feasibility study. \$10,000 is



budgeted in the Community Development Block Grant Fund for a Community Policing Program to be conducted in the Sterling Estates Mobile Home Park.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$15,608,765	\$16,506,950	\$16,650,360	\$17,583,730	\$17,583,730
Supplies	0	0	0	0	0
Other Charges	1,880	2,000	2,000	2,000	2,000
Total	\$15,610,645	\$16,508,950	\$16,652,360	\$17,585,730	\$17,585,730

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

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

The Communications Bureau is responsible for processing all public requests for service via the 911 emergency system, dispatching the proper police/fire response, monitoring units in the field

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.*

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?...

...that the Sterling Heights Police Department recovers approximately 150 bicycles every year but can only return 1% of them as the bicycles have not been registered with the Police Department?

Police Support Services

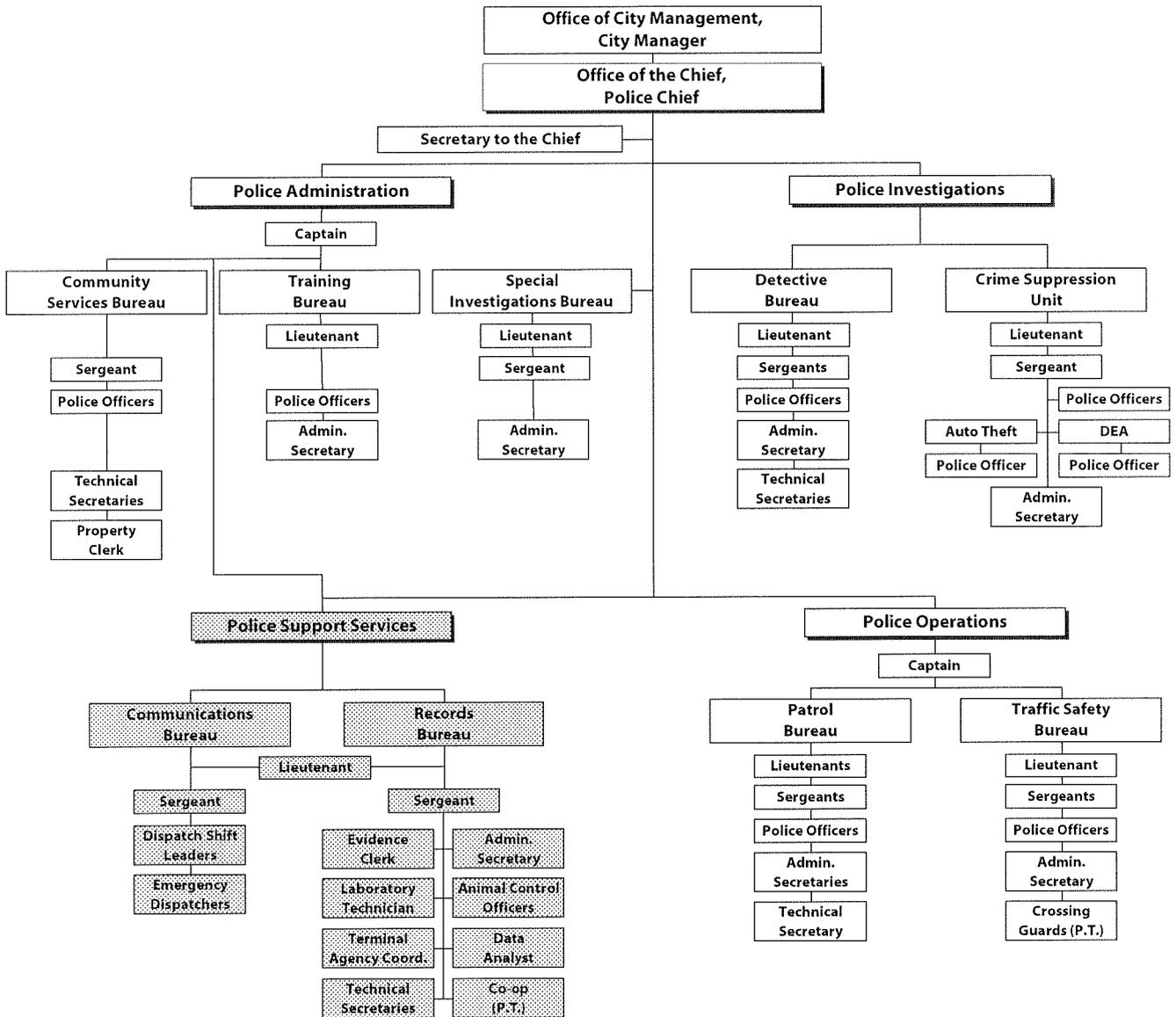
2008/09 PERFORMANCE OBJECTIVES

1. To create an operations and users manual that will encompass the many computer programs that are utilized in the Communications Center. (City Goal 3, 18)
2. To work with the State to decrease the wait time for copies of accident reports and to better promote the State website and the Traffic Crash Purchasing System. (City Goal 1, 3, 17)
3. To create much needed space for the storage of reports, arrest jackets and tickets by evaluating and re-organizing the Records Bureau through the implementation of the NetRMS report writing system. (City Goal 4, 17)
4. To work with Community Relations to develop a public information program regarding animal control issues such as coyotes, feral cats, traps, etc. (City Goal 14)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Incidents Processed into Computer	51,324	50,872	54,615	52,000	55,410	56,800
	Police Reports Provided on Request	7,144	7,069	6,422	6,520	6,400	6,600
	Total Calls to 911 (Includes Cellular Calls)	44,544	41,599	44,327	44,710	44,000	45,500
	Gun Permits Obtained	1,477	1,687	1,775	1,700	1,800	1,850
	Responses by Animal Control	4,018	3,896	3,952	4,000	3,200	4,000
	Freedom of Information Act Requests	562	612	659	660	500	525
	Criminal Warrants Processed	2,716	3,307	3,257	3,220	3,600	3,700
	Arrests Processed	3,457	3,729	3,577	3,700	3,840	4,025
	Pieces of Evidence Collected	2,930	2,892	3,047	3,120	3,150	3,250
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	34	45	32	32	35	35
	Average Cost of an Animal Control Response	\$54.50	\$54.63	\$54.02	*	*	*
	Average Cost of a FOIA Request	\$23	\$30	\$36	*	*	*
	Dispatch Operations Cost Per Call Dispatched	\$32.58	\$34.04	\$32.60	*	*	*
	Division Expenditures as % of General Fund	3.82%	3.83%	3.91%	4.01%	3.93%	3.92%

* Cost is calculated for "Actual" columns only.

Police Support Services



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Captain	1	1	0
Lieutenant	1	0	1
Sergeant	1	2	2
Emergency Dispatcher - Shift Leader	4	4	4
Emergency Dispatcher	19	19	19
Administrative Secretary	1	1	1
Evidence Clerk	1	1	1
Laboratory Technician	1	1	1
Animal Control Officer	3	3	3
Data Analyst	1	1	1
Terminal Agency Coordinator	1	1	1
Technical Secretary	8	8	7
Co-op (P.T.)	1	1	1
Total	43	43	42

Police Support Services

SUMMARY OF BUDGET CHANGES

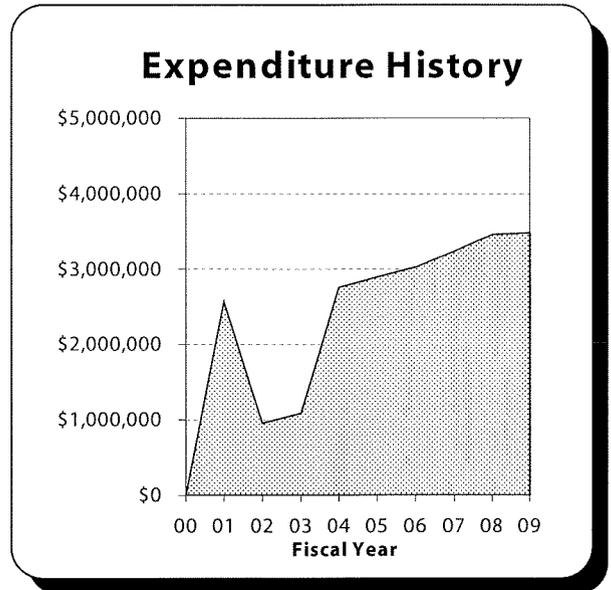
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget increased by \$21,830 or 0.6% over last year’s budget. Due to a retirement and an internal department reorganization, the Captain in Police Administration will oversee this division with the assistance of a newly created Lieutenant position. A vacant Technical Secretary position is proposed to be eliminated, saving \$70,010. The City will realize a personnel time savings in filing and retrieving police reports due to a new Clemis application. In addition, a new in-car video system will allow for automated video downloads to a computer server which will free up clerical staff time. Retiree medical funding costs rose \$40,480, which is needed to fund the City’s retiree medical liabilities. The City’s required contribution to the Police & Fire Pension System will increase by \$11,720 as a result of a recent actuarial study.

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 – Total Capital of \$30,000 is proposed for this activity and is budgeted in the Capital Projects Fund. \$30,000 is for an Animal Control Van with Equipment to replace a vehicle with over 100,000 miles that is utilized in daily operations.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

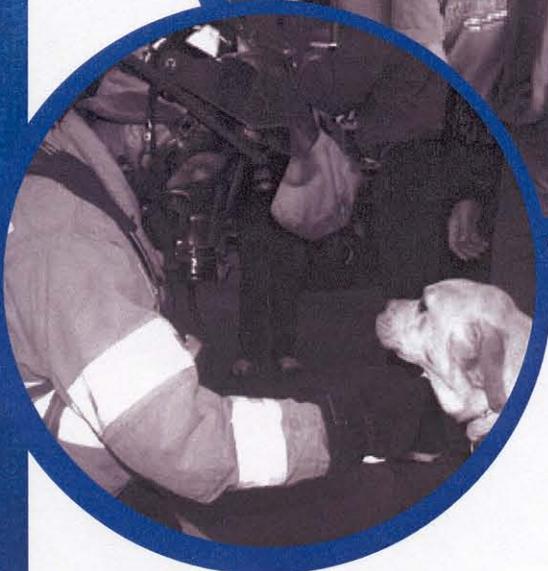
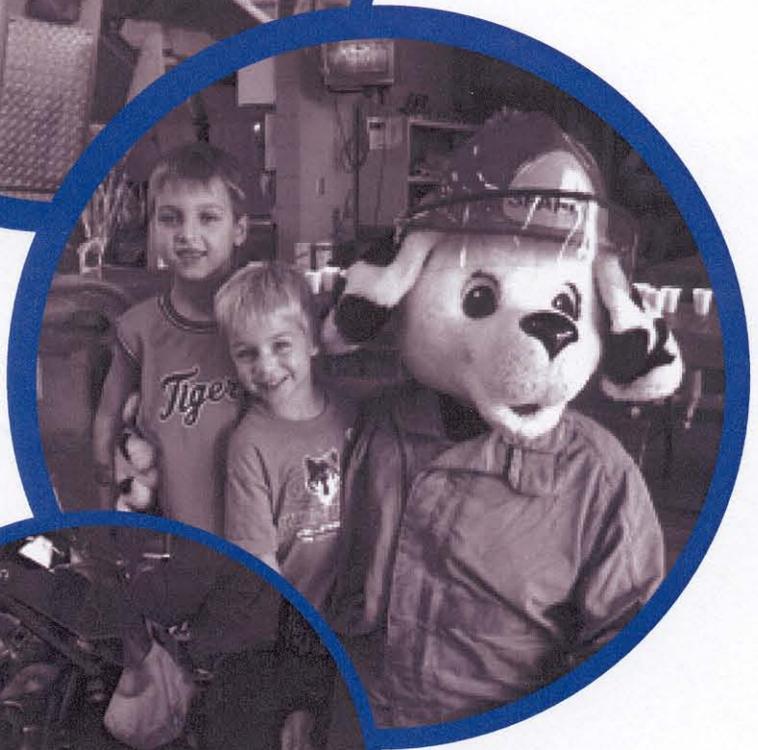
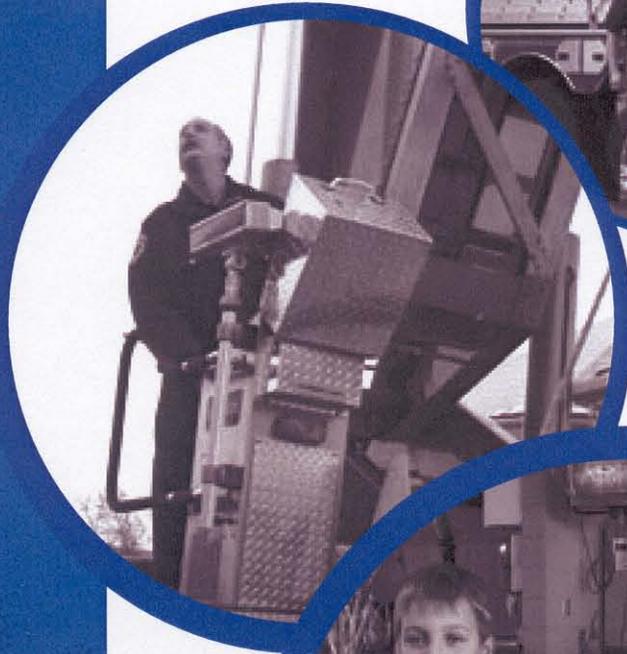
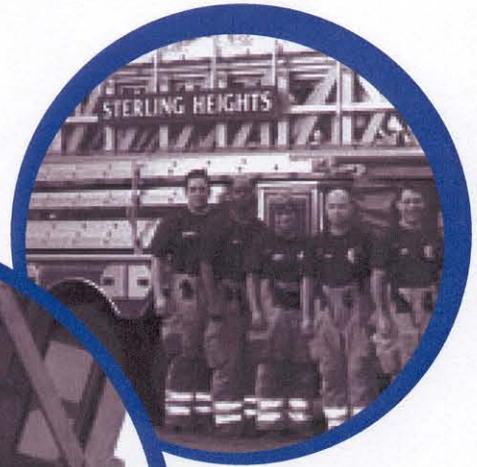
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$3,234,372	\$3,456,270	\$3,391,610	\$3,478,100	\$3,478,100
Supplies	0	0	0	0	0
Other Charges	200	200	200	200	200
Total	\$3,234,572	\$3,456,470	\$3,391,810	\$3,478,300	\$3,478,300

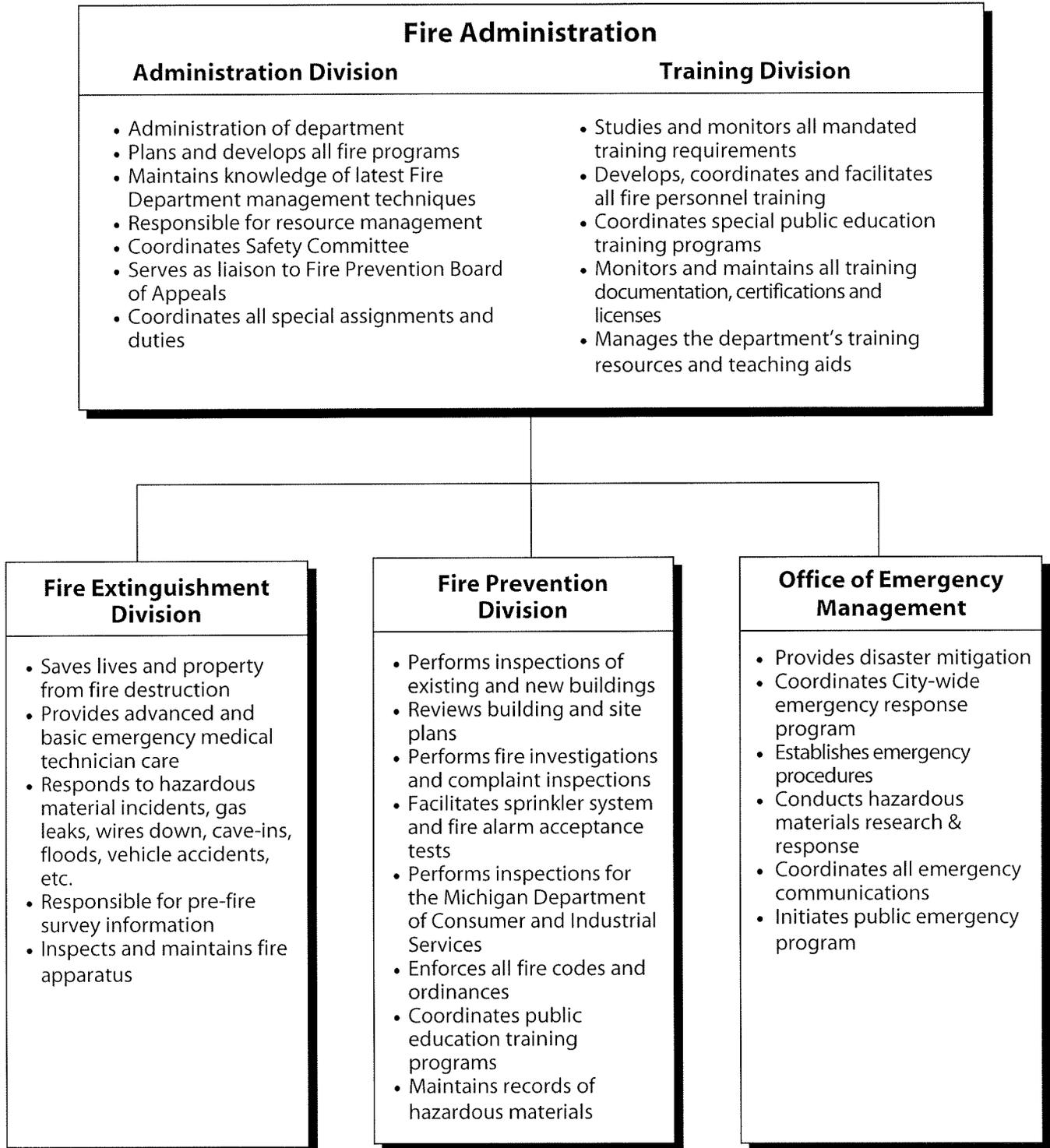
Fire Department

08 09



FUNCTIONAL ORGANIZATION CHART

Fire Department



DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget increased by \$1.0 million or 6.6%. Wages increased by \$322,030. The budget includes an additional \$333,210 to fully fund the Department's retiree medical obligations. Actuarial determined employer contributions to the pension system rose by \$345,160. Health insurance costs declined by \$193,910 as a new labor contract lowered health care premiums. Funding for a vacant Fire Inspector position has been frozen, saving \$146,810. The Fire Open House, Civilian Fire Academy and the CERT Team are all funded. The Supplies budget decreased by \$580 or 0.3% due to one-time grant

funding last year, partially offset by an inflationary increase in operating supplies. Other Charges increased by \$66,250 or 13.2% primarily for the Firefighter's new medical fitness and assessment program and 800 MHz radio user fees. Funds are included in the capital budget for three station generators, replacement personal computers, fiber data cabling to improve computer connection speed, repairs to the training tower, new station alerting equipment, a new phone system for the renovated stations, four breathing apparatus, a video conferencing system for enhanced training, and a new Fire Safety House, pending the approval of grant funds.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Fire Administration	\$1,152,080	\$1,251,700	\$1,231,400	\$1,365,960	10.9%
Fire Extinguishment	11,811,670	12,422,880	13,305,840	14,270,300	7.2%
Fire Prevention	1,007,800	1,053,420	1,097,100	1,041,150	-5.1%
Emergency Management	125,790	99,970	137,240	137,660	0.3%
Total Department	\$14,097,340	\$14,827,970	\$15,771,580	\$16,815,070	6.6%
Personnel Services	\$13,406,900	\$14,109,710	\$15,090,570	\$16,068,390	6.5%
Supplies	152,980	198,900	180,060	179,480	-0.3%
Other Charges	537,460	519,360	500,950	567,200	13.2%
Total Department	\$14,097,340	\$14,827,970	\$15,771,580	\$16,815,070	6.6%

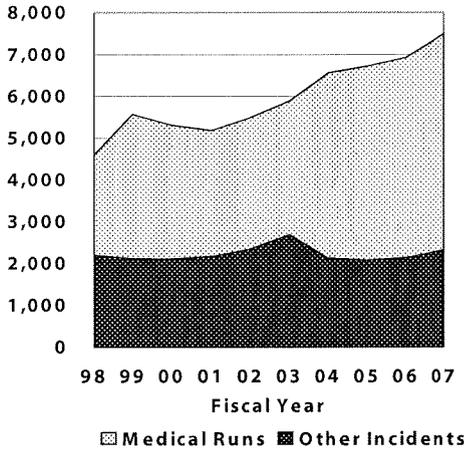
PERSONNEL SUMMARY

	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	10	0	10	0	10	0	10	0
Fire Extinguishment	90	0	90	0	90	0	90	0
Fire Prevention	7	0	7	0	7	0	6	0
Emergency Management	1	0	1	0	1	0	1	0
Total Department	108	0	108	0	108	0	107	0

KEY DEPARTMENTAL TRENDS

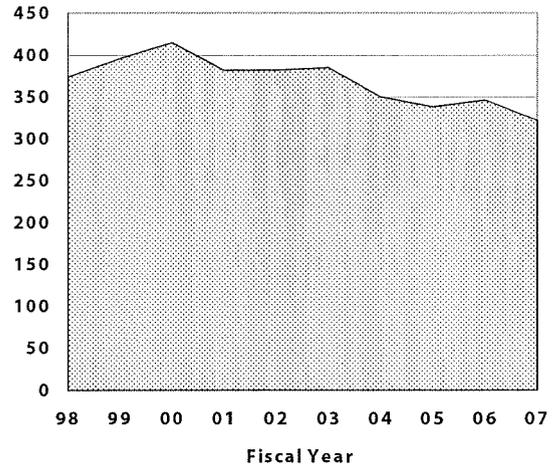
Fire Department

Emergency Medical & Other Incidents



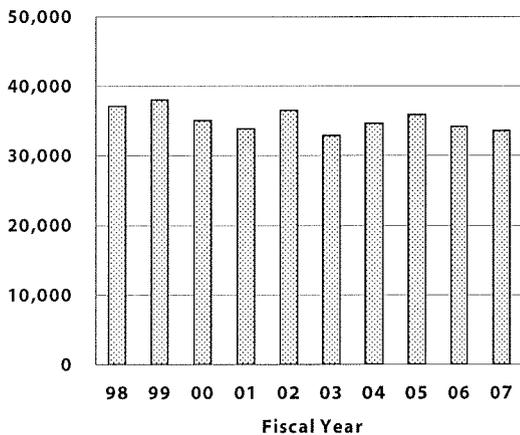
There has been an overall increase in the number of emergency medical runs and other incidents occurring in Sterling Heights over the past ten years. Since 1998, medical runs have increased by 63% and other incidents have increased by 58%. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 72% of cities nationally had a higher number of EMS responses per resident. Only 11% of cities had a faster average EMS response time.

Fire Incidents



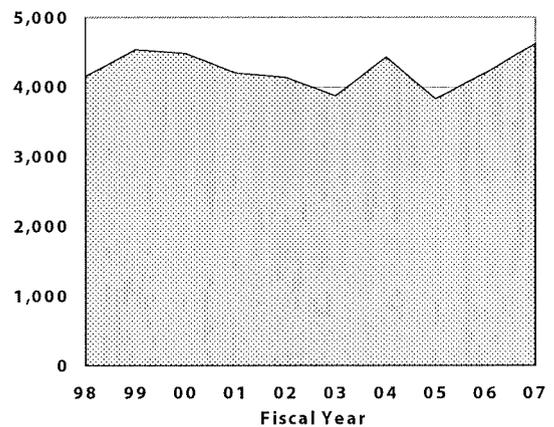
The number of fires in the City has declined, reaching a low of 322 in 2007. The value of non-residential fire losses totaled less than \$340,000, which is below national, state, and county averages. The City currently averages less than one fire incident every 6th day at each of the City's five fire stations. 70% of cities nationally had higher fire incidents per resident. Only 3% had faster average fire response times. 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.

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

The Training Division develops, coordinates, facilitates, and conducts training to ensure that all personnel are proficient in the operation of all departmental equipment and technical skills. The State and federal governments, and the fire fighters' collective bargaining agreement have mandated new programs and standards. With these new standards, there are certain training packages that must be delivered, certification processes that must be met, standards that must be adhered to, and accurate documentation that must be prepared for all aspects of these programs.

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

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.*

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.■

Did you know?...

...that the Fire Training division delivered over 33,000 hours of training to Fire Department personnel during the past fiscal year?

Fire Administration

2008/09 PERFORMANCE OBJECTIVES

(Administration)

- To form a Macomb County based Incident Management Team, in conjunction with the Macomb County Chiefs Association, for large-scale events, using NIMS as a guide. (City Goal 1, 2, 3, 25)
- To refine the Department's incident reporting system to better reflect today's data gathering requirements. (City Goal 18, 24)
- To develop a redundancy for the Fire Department's customized training records management. (City Goal 17, 18)
- To complete the fire station upgrades project on time and within budget. (City Goal 6)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Incident Reports Reviewed for Quality	9,292	9,573	10,261	10,175	10,380	10,650
	Employee Evaluations Conducted/Tracked	132	130	130	140	140	140
	APPO's and Standard Operating Guidelines Reviewed	60	62	82	410	70	410
	FOI Requests Processed	64	62	66	60	50	60
	Staff/Battalion Meetings Conducted	14	11	12	18	12	12
	Presentations to Civic Groups/Organizations	16	12	14	20	14	20
	Employee/Civilian Citations Processed	12	12	8	12	10	12
	Fire-Related Periodical/Journals Reviewed	480	480	480	480	480	480
	Safety Recommendations Implemented	16	18	12	20	18	20
Efficiency & Effectiveness	% of Incident Reports Reviewed for Quality	100%	100%	100%	100%	100%	100%
	% Employee Evaluations Conducted on Time	100%	100%	100%	100%	100%	100%
	% of Service Complaints Responded to w/i 48 Hours	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Processed within 72 Hours	100%	100%	100%	100%	100%	100%
	% of Safety Suggestions Acted Upon within 90 Days	100%	100%	100%	100%	100%	100%
	Department Cost Per Capita	\$110	\$111	\$116	\$123	\$124	\$131
	Division Expenditures as % of General Fund	1.43%	1.46%	1.51%	1.43%	1.43%	1.54%

Fire Administration

2008/09 PERFORMANCE OBJECTIVES

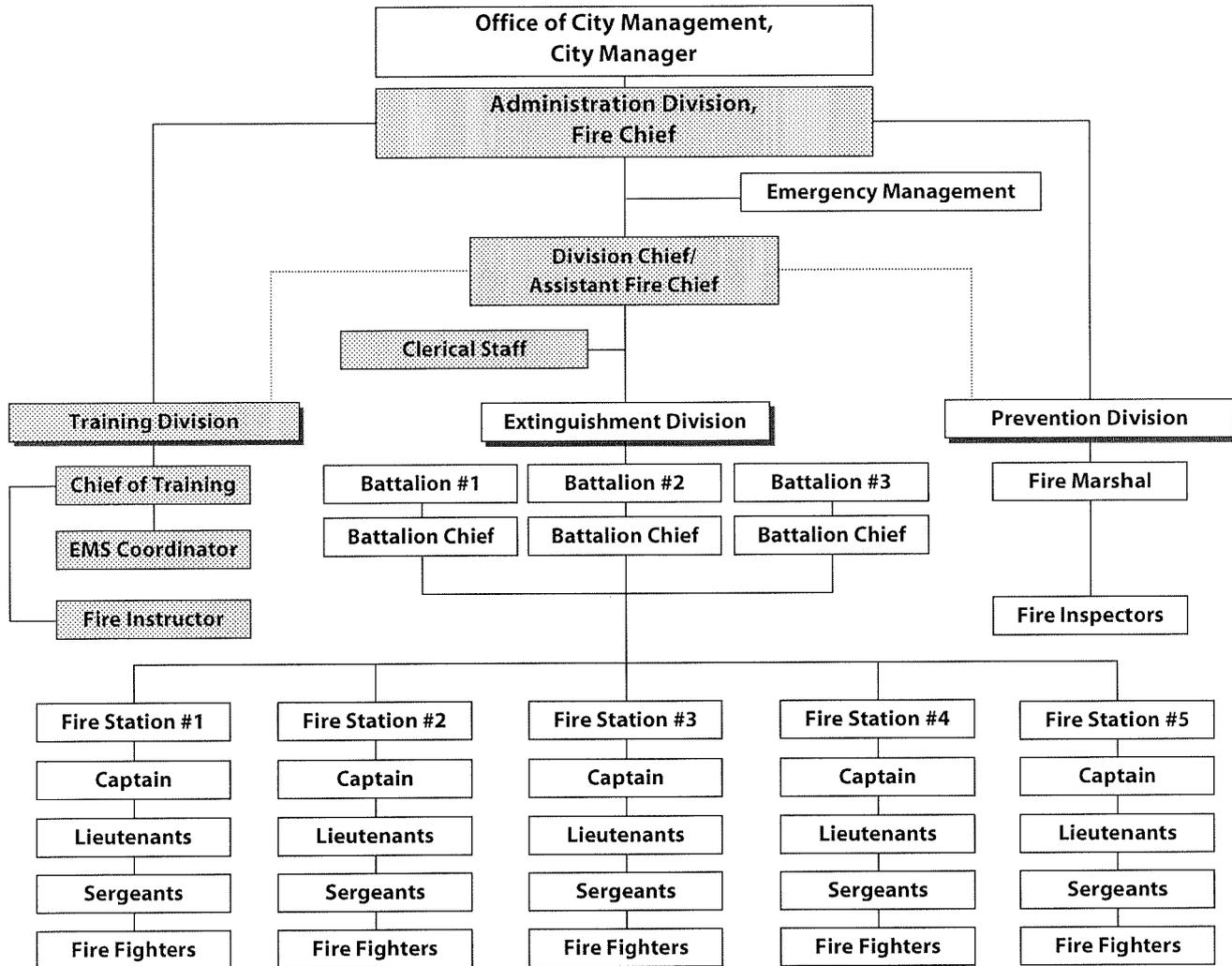
(Training)

- To achieve Building Collapse Rescue certification with in-house training to reach the operational level of response, meeting the requirements of National Fire Protection Association (NFPA) Standard 1670 and the Michigan Urban Search and Rescue (MUSAR) for technical rescue response. (City Goal 25)
- To ensure that all applicable personnel are in compliance with the federal National Incident Management System (NIMS) mandates. (City Goal 21, 25)
- To develop and implement a "PEER" fitness program as recommended by the NFPA required by the collective bargaining agreement. (City Goal 7, 25)
- To develop and implement an EMS practical skill validation program that meets all National Registry Standards. (City Goal 25)
- To develop and implement a fire-based practical skill assurance program that meets all requirements of NFPA 1500 and the Firefighter Training Council. (City Goal 25)

	Performance Indicators	2004/05	2005/06	2006/07	2007/08	2007/08	2008/09
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Formal Training Hours Coordinated	35,809	34,124	33,538	36,600	36,100	35,400
	Hours of Fire Officer Training	441	384	397	600	700	600
	Hours of EMS Training	3,872	3,741	3,908	4,800	4,200	4,500
	Hours of Fire Suppression Training	10,638	9,397	8,155	11,000	11,800	9,700
	Hours of Hazardous Material Training	2,567	1,439	1,932	2,500	2,700	2,700
	Hours of Professional Development Training	2,730	2,562	2,812	2,700	3,000	3,200
	Hours of Physical Fitness Training	9,391	9,607	9,316	9,500	9,400	10,000
	Hours of All Other Training	6,170	6,994	7,018	5,500	4,300	4,700
	Residents Receiving Formal Public Education	7,893	9,607	10,299	9,000	10,500	9,500
	Residents Receiving CPR Instruction	1,050	944	916	1,000	900	950
	License/Certification Applications Processed	51/69	48/67	50/58	50/60	55/57	50/60
	Procedures Developed and Updated	58	54	58	60	65	80
Efficiency & Effectiveness	Days of Work Lost Due to Injury	23	90	14	40	72	0
	Sworn Pers. to Workers Comp/Disability Indemnity	102:0	102:0	102:0	102:1	102:0	102:1
	% of Right-to-Know Training Completed	100%	100%	100%	100%	100%	100%
	Avg. Training Hrs. Received per Sworn Personnel	351	335	329	360	354	347
	Training Division Cost per Fire Fighter	\$3,388	\$3,406	\$3,393	*	*	*

* Cost is calculated for "Actual" columns only.

Fire Administration



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Fire Chief	1	1	1
Division Chief/Assistant Fire Chief	1	1	1
Chief of Training	1	1	1
EMS Coordinator	1	1	1
Fire Instructor	1	1	1
Management Assistant	1	1	1
Administrative Assistant	3	3	3
Clerk Typist	1	1	1
Total	10	10	10

Fire Administration

SUMMARY OF BUDGET CHANGES

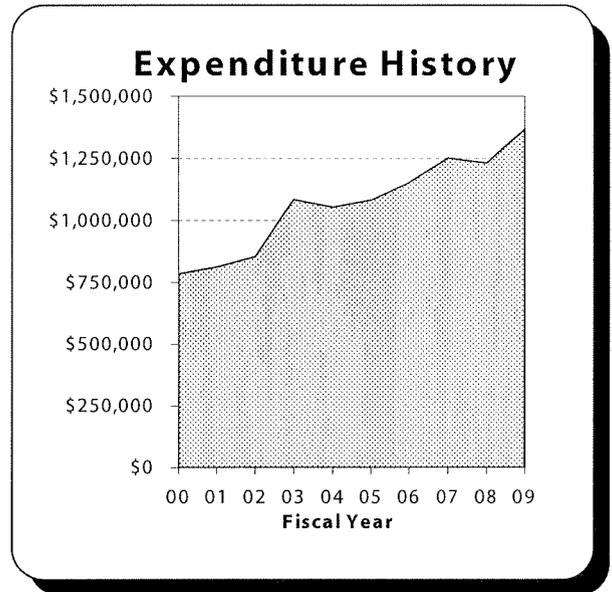
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget rose by \$75,450 or 6.6%. Full-time wages increased by \$35,350. Pension costs rose by \$15,400, while higher retiree medical liabilities resulted in a \$30,970 increase. Health insurance costs declined by \$12,240, as a transferred employee elects to receive the health insurance allowance.

Supplies – Total Supplies increased \$40 or 0.1%. Funding for operating supplies increased \$3,040 due to an inflationary cost increase and a one-time prior year adjustment necessary to purchase updated reference manuals and training publications for new Fire Inspectors. Next year, fewer publications will be needed for a savings of \$2,900.

Other Charges – Total Other Charges increased \$59,070 or 95.5% primarily due to the funding of medical physicals and fitness assessments as part of the PEER Fitness Program that is now included in the new Fire Fighters’ labor agreement. \$3,490 was added for State user fees for the new 800 MHz radio system and for the existing cable service at the Emergency Operations Center (EOC) that was previously provided at no cost. The training budget increased slightly by \$640.

Capital – Total Capital of \$51,800 is proposed for this activity. \$17,000 is for the replacement of the computer data cabling at Fire Station #5 that is obsolete and incapable of supporting advance bandwidth requirements of the department. The Fire Department



is scheduled to receive 29 personal computers totaling \$34,800 to replace the existing five-year old units.

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

Personnel Services – Council made no adjustments to Personnel Services.

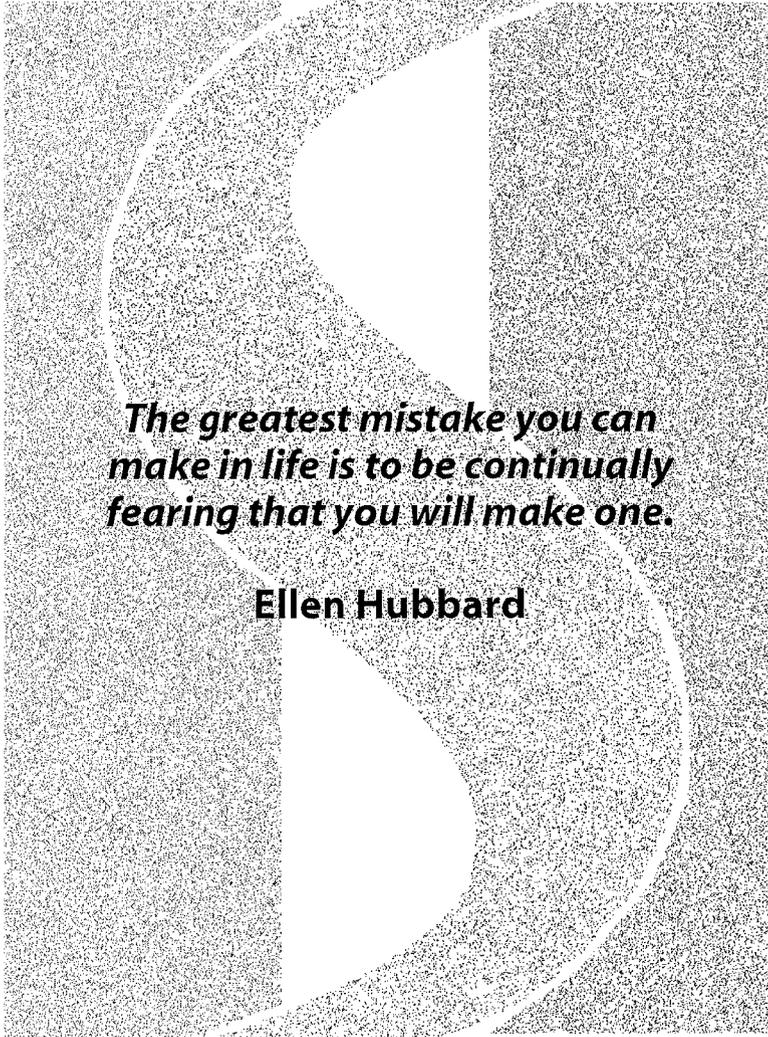
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,150,329	\$1,137,940	\$1,140,120	\$1,213,390	\$1,213,390
Supplies	31,072	31,600	34,800	31,640	31,640
Other Charges	70,295	61,860	61,530	120,930	120,930
Total	\$1,251,696	\$1,231,400	\$1,236,450	\$1,365,960	\$1,365,960



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

Ellen Hubbard

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

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

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

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

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

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

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

KEY GOALS

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

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

Did you know?...

...that the City and the Sterling Heights Fire Fighters' Union have developed a peer fitness initiative, which will improve the health and fitness of fire personnel and will eventually lead to healthcare cost savings?

Fire Extinguishment

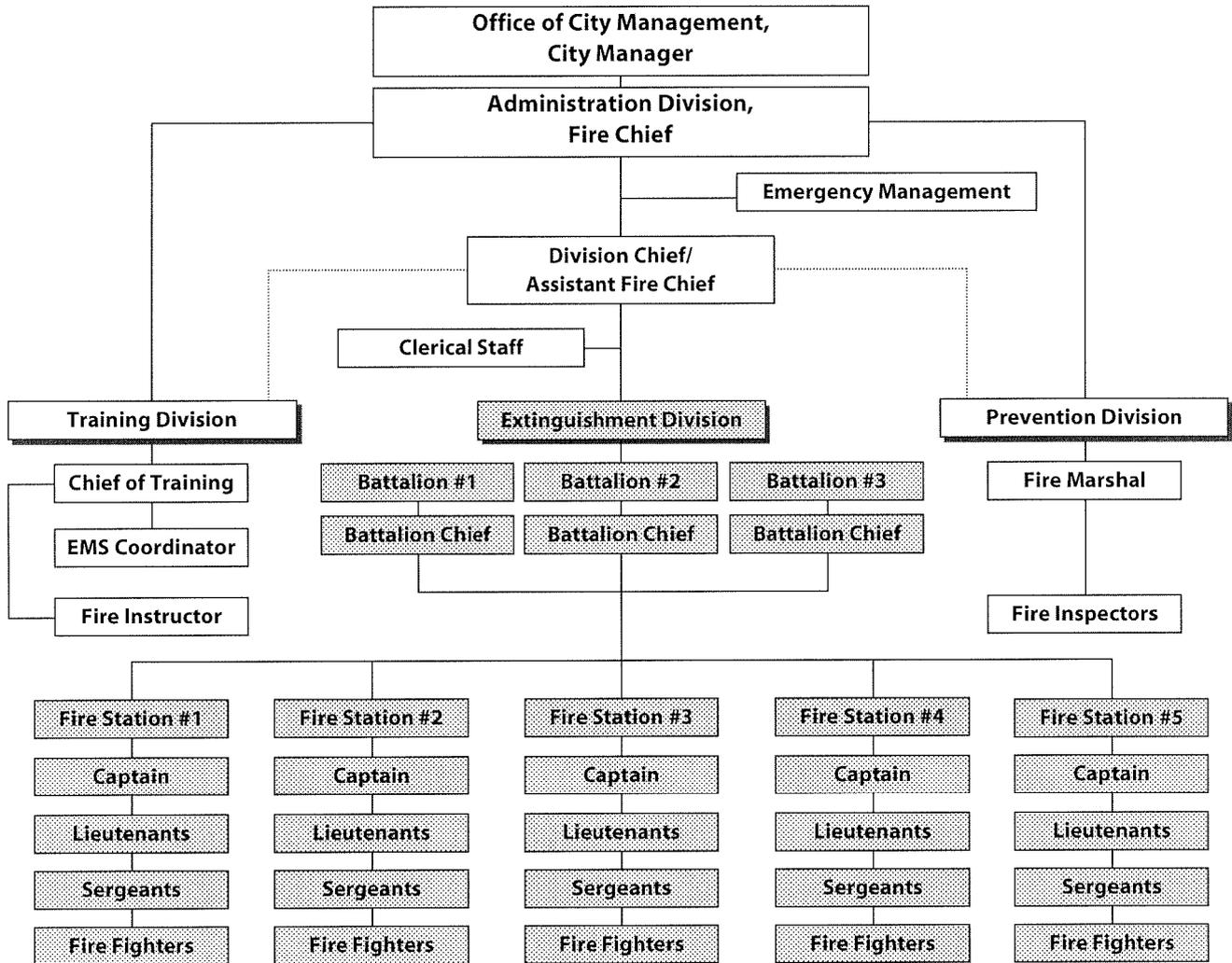
2008/09 PERFORMANCE OBJECTIVES

1. To perform a comprehensive review of all operational and maintenance functions to insure continued cost efficiency. (City Goal 1, 2, 3)
2. To assure a smooth transition of moving personnel and equipment into the temporary fire station facilities and back to the newly renovated fire stations when completed, without interruption to service delivery. (City Goal 6, 25)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Total Fire Department Incidents	9,292	9,573	10,261	10,175	10,380	10,650
	EMS-Related Incidents	6,719	6,927	7,493	7,300	7,500	7,600
	Hazardous Material Incidents	158	160	119	175	140	150
	Fire Incidents	338	346	322	400	400	400
	All Other Incidents	2,077	2,140	2,327	2,300	2,340	2,500
	ALS Patients	3,129	3,015	3,338	3,200	3,260	3,300
	BLS (Priority 3) Patients	2,755	2,474	3,379	2,800	3,725	4,000
	All Other EMS Patients	108	128	573	775	300	300
	Students Receiving Fire Safety Education	22,434	15,509	10,704	11,000	11,000	11,000
	Hours Spent on Vehicle/Station Maintenance	13,170	13,183	12,981	15,000	14,050	14,500
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.1/1.0	1.0/0.9	1.1/0.9	1.0/0.8	1.1/0.9	1.0/1.0
	Fire Fighter Injuries/Deaths	20/0	13/0	24/0	0/0	34/0	0/0
	Civilian Fire Related Injuries/Deaths	23/2	22/2	32/1	0/0	40/1	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	95%/96%	90%/86%	94%/85%	95%/96%	90%/80%	93%/85%
	Average EMS Response Time - Minutes	3.6	4.2	4.1	4.0	4.7	4.5
	Average Cost of an EMS Incident	\$209	\$205	\$199	*	*	*
	Average Cost of a Fire Extinguishment Incident	\$2,319	\$2,349	\$2,408	*	*	*
	Division Expenditures as % of General Fund	15.18%	14.95%	15.01%	15.44%	15.48%	16.06%

* Cost is calculated for "Actual" columns only.

Fire Extinguishment



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Battalion Chief	3	3	3
Captain - ALS	3	3	3
Captain	2	2	2
Lieutenant - ALS	10	12	12
Lieutenant	6	4	4
Sergeant - ALS	4	2	2
Sergeant - FEO	5	7	7
Fire Fighter - ALS	28	42	42
Fire Fighter - FEO	16	14	14
Fire Fighter	13	1	1
Total	90	90	90

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

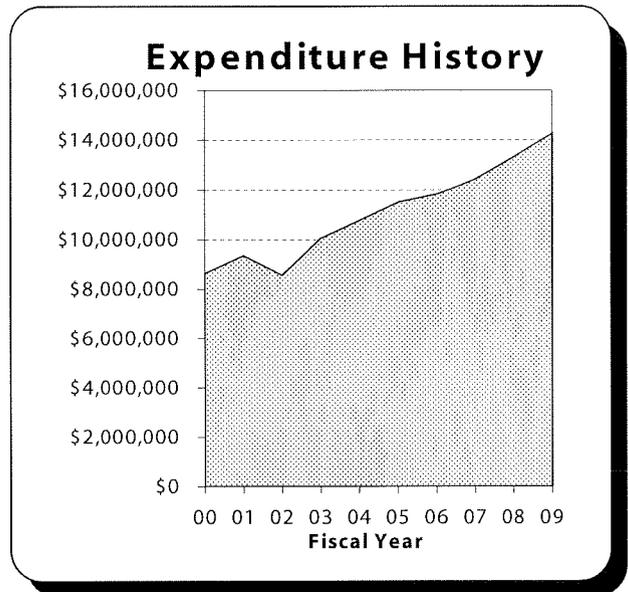
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$952,070 or 7.5%. Wages rose by \$339,510. Pension costs increased \$302,970 based on a recent actuarial report. Retiree medical insurance obligations rose \$299,900. Health insurance costs declined \$158,170 or 13.1% as a result of the new Fire Fighters’ labor contract.

Supplies – Total Supplies increased \$5,000 or 3.6% due to an inflationary cost increase for operating supplies.

Other Charges – Total Other Charges increased \$7,390 or 1.7%. Telephone costs increased \$6,190 based on the recent years’ estimated expenditures, offset by lower AT&T telephone rates and fewer lines in service during renovations at three fire stations. Water costs increased \$1,500 due to higher rates, slightly offset as lawn irrigation will be suspended during renovations. \$700 was added due to higher maintenance costs for the gas detection sensor units. Fewer radio repairs are needed saving \$1,000.

Capital – Total Capital of \$367,460 is proposed. \$18,000 is for the replacement of four Self-Contained Breathing Apparatus Units. Four Westnet Fire Station Alerting Systems are funded for \$58,000 to replace equipment that is not compatible with the new 800 MHz Radio System. \$50,000 is for the City’s share of a grant that will fund a Video Conferencing System to link the main training center at Fire Station #5 with all Fire Stations and regional training locations. \$3,000 is for two Leg Press Machines. \$23,460 is to relocate the new Fiber Optic Voice Telephone System from the temporary station locations to Stations #2 and #4, and to purchase additional handsets to fully update the



renovated stations. \$200,000 is for three replacement Back-up Generators for the renovated fire stations. \$15,000 is for Training Tower Structure Repairs at Fire Station #5.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$11,820,909	\$12,738,670	\$12,778,310	\$13,690,740	\$13,690,740
Supplies	166,794	140,000	140,000	145,000	145,000
Other Charges	435,180	427,170	433,510	434,560	434,560
Total	\$12,422,883	\$13,305,840	\$13,351,820	\$14,270,300	\$14,270,300

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.*
- *To ensure all buildings are built in accordance with current codes and technology thereby making the built up environment safer for the occupants and the City's brave fire fighters in the event of fires in these buildings.*

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?...

...that the Fire Prevention division has developed a Juvenile Firesetter Intervention Program that provides invaluable direction and education for children and families who exhibit unusual and unhealthy behaviors towards fire?

Fire Prevention

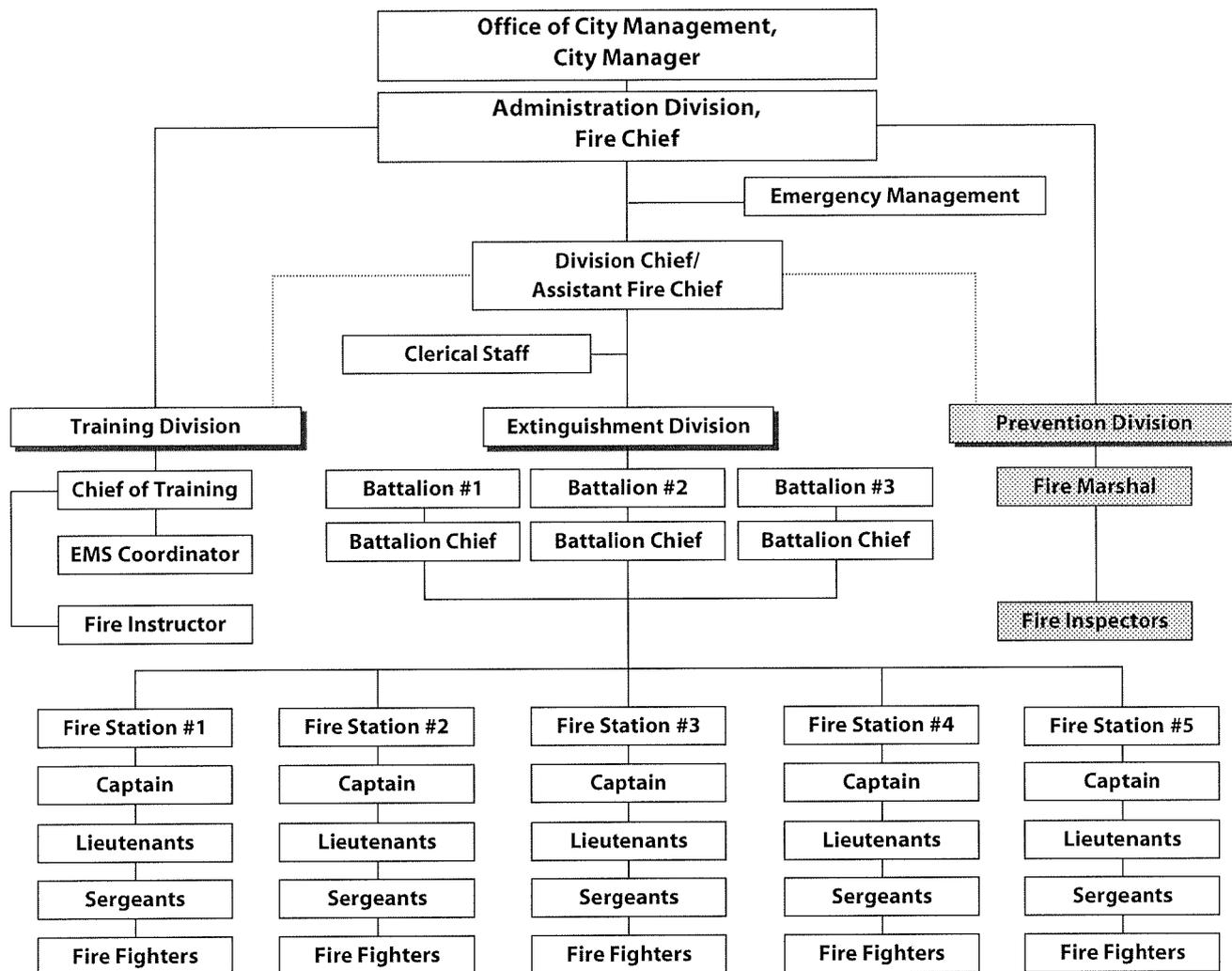
2008/09 PERFORMANCE OBJECTIVES

1. To develop and implement a Juvenile Fire Setters Intervention database to provide a computerized reference point. (City Goal 3, 17, 18, 24)
2. To develop and implement an in-house National Association of Fire Investigators (NAFI) continuing education and certification course to improve fire investigation skills and obtain national certifications. (City Goal 3, 7, 17)
3. To computerize and manage the NFIRS arson and Juvenile Fire Setters forms so that they are recorded and included in national statistics. (City Goal 3, 17, 18)
4. To clean, organize, and file all books and reference materials by accepted library standards in the department library. (City Goal 18)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Total Inspections Conducted	3,832	4,204	4,624	4,400	4,200	3,880
	Annual Building Fire Inspections	590	1,000	1,068	1,000	960	860
	Special Code or Final Occupancy Inspections	490	458	577	500	570	430
	Liquor Lic., Amusement, & Site Inspections	1,069	620	596	800	550	700
	Witnessed Acceptance Tests Inspections	237	226	204	200	150	180
	Reinspections of Violations	1,280	1,700	1,958	1,700	1,800	1,540
	Citizen Assistance Inspections	166	200	221	200	170	170
	Violations Discovered and Issued	8,395	9,030	10,292	9,000	11,000	9,430
	Investigations (Fire and Other)	165	170	216	175	220	190
	Plan Reviews (sites, buildings, alarms)	994	850	731	850	550	500
Efficiency & Effectiveness	% Bus. Receiving Violations during Annual Inspections	91%	96%	95%	93%	95%	95%
	Value of Non-Residential Fire Loss	\$572,700	\$219,703	\$337,952	\$100,000	\$582,678	\$300,000
	% of Solicited Inspections Performed w/i 1 Day	98%	98%	98%	98%	98%	84%
	% of Inspectable Occupancies Experiencing Fires	0.60%	0.70%	0.70%	0.50%	0.30%	0.70%
	Inspections Conducted Per Inspector/Marshal	547	601	661	629	600	647
	% of Site Plans Reviewed within 20 Days	100%	100%	100%	100%	100%	88%
	Average Fire Inspection Cost	\$348	\$353	\$345	*	*	*
	Average Plan Review Cost	\$147	\$153	\$165	*	*	*
Division Expenditures as % of General Fund	1.41%	1.28%	1.27%	1.27%	1.30%	1.17%	

* Cost is calculated for "Actual" columns only.

Fire Prevention



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Fire Marshal	1	1	1
Fire Inspector	6	6	5
Total	7	7	6

Fire Prevention

SUMMARY OF BUDGET CHANGES

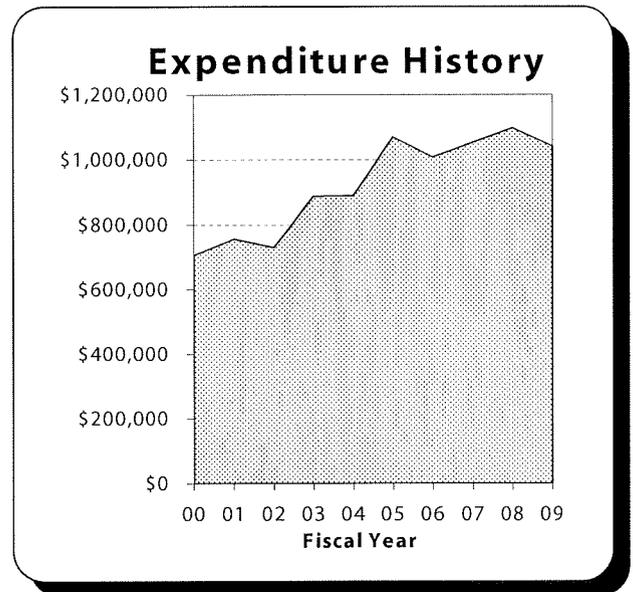
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget decreased by \$55,950 or 5.1% from last year's budget. A vacant Fire Inspector position is proposed to be eliminated saving \$146,810. Wage and fringe benefit costs for the remaining employees in this division increased as a result of the new Fire Fighters' labor contract. Pension costs rose by \$26,790 based on the result of the latest actuarial study.

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 – Total Capital of \$10,400 is proposed for this activity and is budgeted in the Capital Projects Fund. \$10,400 is recommended for the City's 20% cost share of a possible grant that may be used to replace the current 20-year old Fire Safety House and equipment, which is utilized to enhance fire safety educational programs in the community and has reached the end of its useful life.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,053,425	\$1,097,100	\$1,123,270	\$1,041,150	\$1,041,150
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$1,053,425	\$1,097,100	\$1,123,270	\$1,041,150	\$1,041,150

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, Information Technology and Risk Management 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 will continue into 2008/09 on a regional basis, to provide needed funding for emergency service related training and coordination. Grants provide the additional

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.*

funding many local jurisdictions cannot provide because of decreases in outside funding sources. Emergency services in Sterling Heights are well equipped and trained to respond and recover from chemical, biological, radiological, nuclear and explosive events. In this ever changing and challenging time, every jurisdiction requires the appropriate personnel and equipment that will protect the majority of the population and property when disaster strikes. It is critical that the City is prepared for these hazards.■

Did you know?...

... that the main hazard for Sterling Heights is severe weather with the number one hazard being thunderstorms?

Emergency Management

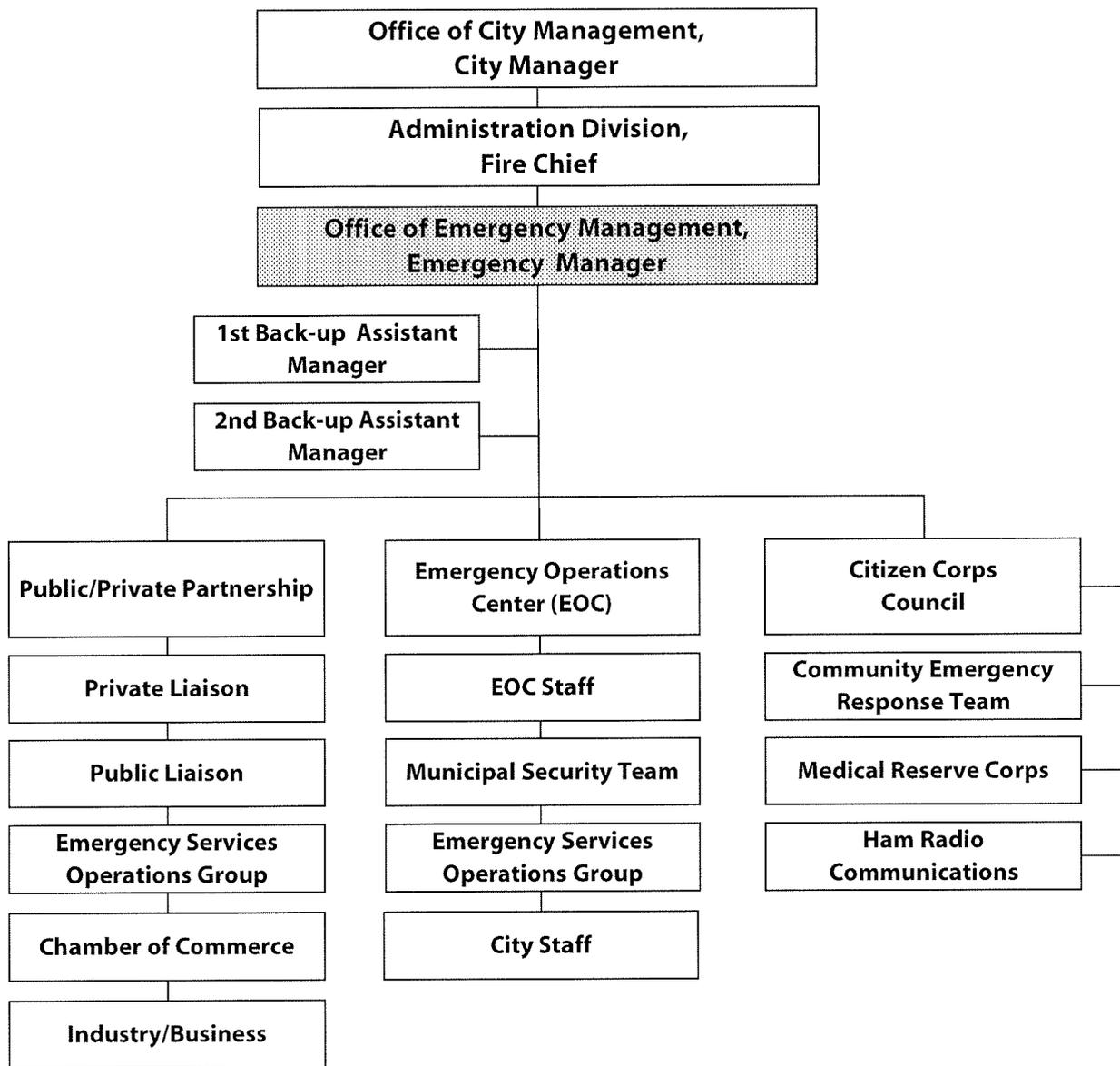
2008/09 PERFORMANCE OBJECTIVES

1. To provide continued education and training to the Community Emergency Response Team (CERT) to further its mission of providing individuals with the skills necessary to assist their families and neighbors following a large-scale emergency event; promoting emergency preparedness to individuals within the City; and assisting first responders when requested. *(City Goal 24, 25)*
2. To conduct an emergency management exercise that evaluates the City's ability to communicate with the State via the interoperable web-based program, "E-Team", during an emergency incident. *(City Goal 24, 25)*
3. To strengthen the City's position within the Urban Area Security Initiative (UASI) Region of southeast Michigan by serving on UASI committees and State advisory committees. *(City Goal 24, 25)*
4. To further develop the established Citizen Corps Council by adding representation from applicable private entities and organizations in addition to the current City representation. *(City Goal 24, 25)*
5. To hold quarterly tabletop exercises or drills for the Municipal Security Team (MST) and the Emergency Services Operation Group (ESOG) to ensure continued operational readiness. *(City Goal 25)*

Performance Indicators		2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Emergency Responses/EOC Activations	6	2	3	6	4	3
	Training Exercises/Participants	3/50	3/75	3/100	3/100	4/100	3/50
	Testing & Maintenance of Warning Systems (Hours)	18	19	19	20	19	20
	Public Presentations	6	20	20	30	30	30
	Family Protection Workbooks Distributed	500	1,000	5,000	5,000	5,000	5,000
	Hours Spent at Disaster Planning Meetings	55	65	200	150	500	800
	New Grants Applied For/Grants Received	4/4	2/2	3/3	1/1	5/5	3/3
	# of Grant Files Closed	3	3	2	1	5	3
Efficiency & Effectiveness	% of Public Information Requests Filled w/i 24 Hours	98%	99%	98%	99%	98%	98%
	% of Time Spent Coordinating/Administering Grants	50%	25%	8%	5%	8%	5%
	% of Time Spent Developing Training & Exercises	10%	10%	20%	20%	15%	15%
	% of Time Spent Developing Emergency Plans	15%	50%	72%	75%	77%	80%
	% of Grants Successfully Awarded	100%	100%	100%	100%	100%	100%
	% of Emergencies Responded to w/i 1 Hour	98%	99%	100%	100%	99%	99%
	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	\$404	\$463	\$390	*	*	*
	Average Cost to Conduct a Training Exercise	\$485	\$514	\$537	*	*	*
	Activity Expenditures as % of General Fund	0.25%	0.16%	0.12%	0.16%	0.16%	0.15%

* Cost is calculated for "Actual" columns only.

Emergency Management



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Emergency Manager	1	1	1
Total	1	1	1

Emergency Management

SUMMARY OF BUDGET CHANGES

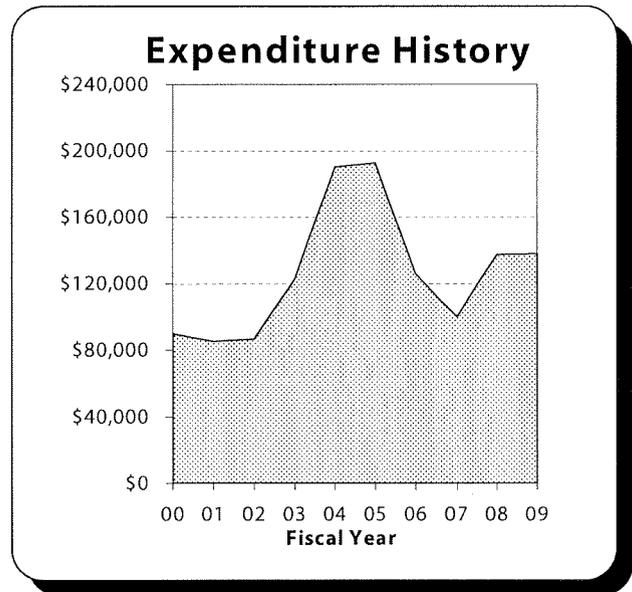
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$6,250 or 5.3%. Wages increased by \$4,470 as a result of a wage step increase. An additional \$1,780 is budgeted for retiree health care liabilities. Health insurance costs rose only \$290 or 2.2% reflecting a continued savings from the new labor contract approved in the prior year.

Supplies – Total Supplies decreased \$5,620 or 66.4% due to the prior year one-time funding of higher start-up costs for the newly established Community Emergency Response Team (CERT). In fiscal year 2008/09, \$2,000 is budgeted for the continued operation of the CERT program.

Other Charges – Total Other Charges decreased \$210 or 1.8%. The training budget decreased \$350 as less funding is required for the Manager to continue attending Professional Emergency Manager (PEM) certification courses, which were not completed in the prior year due to time constraints. Telephone costs decreased \$200 based on the current year’s estimated expenditure usage. A reduction of \$100 was made, as fewer radio repairs are needed. \$250 was added for State radio user fees for the new 800 MHz radio system. \$190 was added for the Manager’s increased attendance at local Homeland Security meetings.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

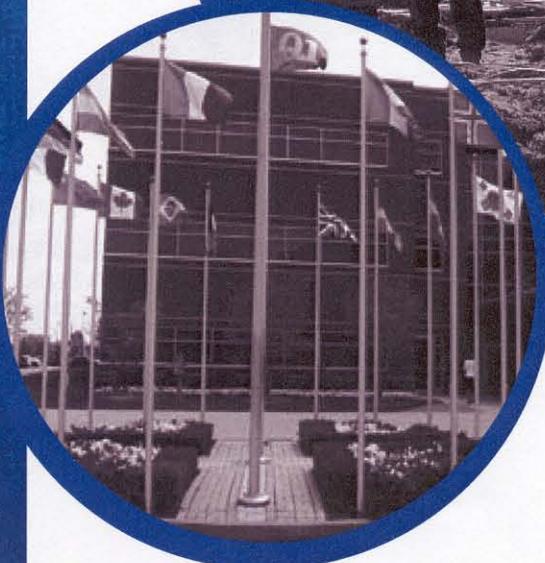
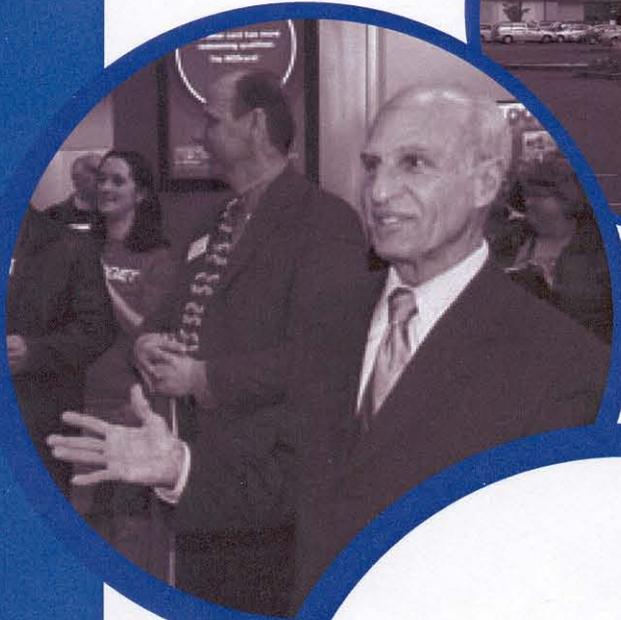
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$85,054	\$116,860	\$116,660	\$123,110	\$123,110
Supplies	1,032	8,460	8,310	2,840	2,840
Other Charges	13,886	11,920	9,730	11,710	11,710
Total	\$99,972	\$137,240	\$134,700	\$137,660	\$137,660

08 09

City Development Department



FUNCTIONAL ORGANIZATION CHART

City Development Department



DEPARTMENT AT A GLANCE

City Development Department

BUDGET SUMMARY

The City Development Department's budget increased by \$14,950 or 0.4%. Personnel costs rose only \$48,150 or 1.3%. Due to reduced development activity, a vacant Plumbing Inspector and part-time Co-op position in Building and a Clerk Typist in Planning, are proposed to be eliminated, saving \$157,320. The budget includes an additional \$35,040 to fully fund the Department's retiree medical obligations. Supplies decreased by \$3,050 or 9.8% due to the one time purchase of updated inspector code books in the prior year. Other Charges decreased by \$30,150 due to a reduction in computer

consultant hours, the elimination of the MUNIS payroll online program and the transfer of the City's web-site software support fees to the Community Relations budget. Partially offsetting these changes were higher land management software maintenance, the cost of the Green building membership and Leed certification, and funding to increase the City's Internet bandwidth speed. The capital budget includes funding for six replacement Information Technology file servers.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Building	\$1,929,030	\$2,100,770	\$2,218,910	\$2,240,900	1.0%
Economic Development	52,540	136,930	153,350	156,070	1.8%
Information Technology	906,720	973,220	1,076,020	1,080,270	0.4%
Planning	347,030	341,600	373,630	341,130	-8.7%
Public Services	392,520	272,360	284,280	302,770	6.5%
Total Department	\$3,627,840	\$3,824,880	\$4,106,190	\$4,121,140	0.4%
Personnel Services	\$3,319,930	\$3,466,270	\$3,721,130	\$3,769,280	1.3%
Supplies	27,650	24,250	31,030	27,980	-9.8%
Other Charges	280,260	334,360	354,030	323,880	-8.5%
Total Department	\$3,627,840	\$3,824,880	\$4,106,190	\$4,121,140	0.4%

PERSONNEL SUMMARY

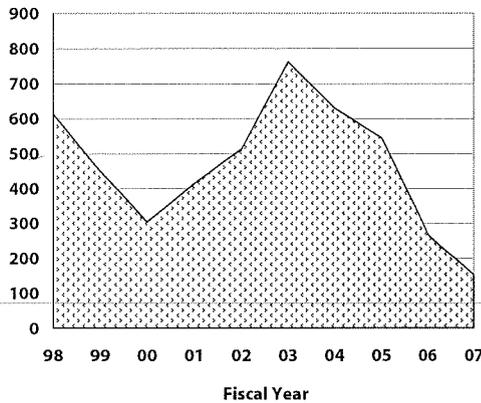
	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building	22	1	22	1	22	1	21	0
Economic Development	0	0	1	0	1	0	1	0
Information Technology	8	0	8	0	8	0	8	0
Planning	4	0	4	0	4	0	3	0
Public Services	4	1	3	1	3	1	3	1
Total Department	38	2	38	2	38	2	36	1

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

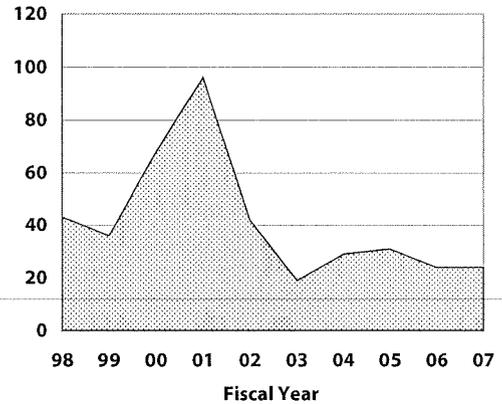
City Development Department

**Residential Building Permits
New Construction**



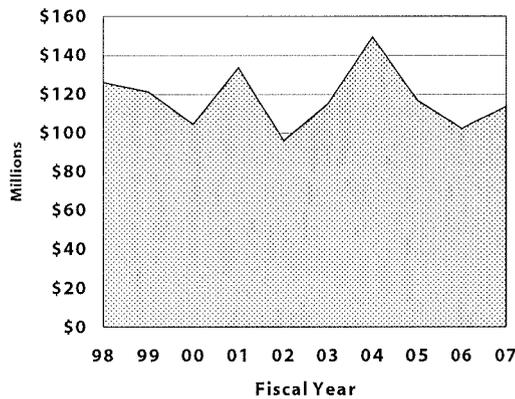
From 1998 to 2000, the number of residential building permits dropped to 304. Over the next three years, the numbers increased, reaching a high of 763 in 2003 due in part to the increasing number of condominium units and cluster developments. Since 2003, the number has again declined and is now at a ten year low of 152 permits.

**Commercial Building Permits
New Construction**



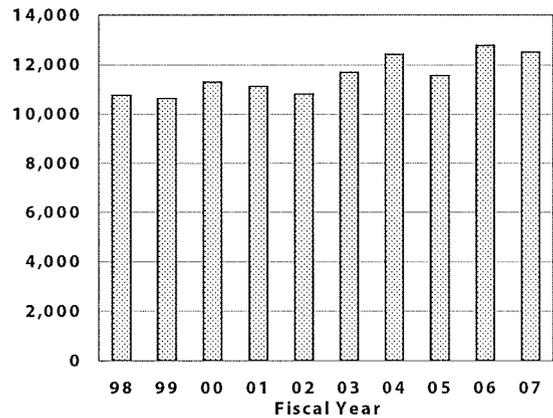
The number of new commercial building permits rose and reached a high in 2001 when 96 permits were issued. For the past several years, the number has fallen to its lowest level in ten years. In 2006 and 2007, 24 new commercial building permits were issued, a decrease from the 31 issued in 2005.

Building Permits at Market Value



The dollars invested in new building construction and improvements over the past ten years have ranged from a low of \$96 million to a high of \$149 million. There has been a reduction in the number and the market value of residential permits. While the number of commercial permits has declined slightly, the value of the total dollars invested has remained relatively strong. When adjusted for real estate inflation, there has been a general lessening of new growth in the City over the past 10 years as the amount of vacant land available for new subdivisions has declined.

Code Enforcement Inspections



The number of code enforcement inspections performed has increased by 16% since 1998. The City has made an effort to strengthen and vigorously maintain its property values by eliminating blighting influences. In 2007, there were 12,508 code enforcement inspections made, 2,085 inspections per officer or more than 8 inspections per officer per day. 94% of inspections were performed within 48 hours of complaint. A total of 3,399 violations were issued in 2007, an increase of 86% since 1998.

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

Did you know?...

...that the Code Enforcement Officers assisted the Police Department in issuing 134 tickets for vehicles parked in the street during a recent snow emergency?

Building

2008/09 PERFORMANCE OBJECTIVES

(Building)

1. To cross-train and/or reassign inspectors for increased code enforcement efforts throughout the community. (City Goal 1, 4)
2. To cross-train clerical personnel to provide integrated services between the Building and Planning Offices. (City Goal 1, 4)
3. To update the current plan review inspection checklist process in compliance with the 2006 Michigan Construction Codes. (City Goal 14)
4. To develop a mutual aid or reciprocating inspection agreement with surrounding communities. (City Goal 2, 3, 4)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Total Permits Issued	7,445	7,898	5,930	7,600	5,454	5,500
	Building Permits Issued	2,249	2,962	2,473	2,600	2,362	2,300
	Mechanical Permits Issued	1,893	2,058	1,285	1,700	1,190	1,200
	Plumbing Permits Issued	1,838	1,242	948	1,500	762	800
	Electrical Permits Issued	1,465	1,636	1,224	1,800	1,140	1,200
	Total Inspections Performed	35,156	30,071	26,888	31,900	22,556	22,100
	Building Inspections	13,468	11,129	11,251	14,000	9,790	8,900
	Mechanical Inspections	8,435	7,737	5,235	6,500	4,322	4,500
	Plumbing Inspections	8,124	6,835	5,287	6,000	4,084	4,200
	Electrical Inspections	5,129	4,370	5,115	5,400	4,360	4,500
	Ordinance Complaint Tickets Issued	23	24	31	50	15	30
	Board of Code Appeals Applications	8	5	5	12	12	12
	Board of Ordinance Appeals Hearings	32	16	18	30	20	30
	Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	3	3	3	3	2
% of Inspections Performed on Schedule		94%	95%	95%	95%	95%	95%
% of Commercial Plans Reviewed w/i 20 days		94%	95%	95%	95%	95%	95%
% of Residential Plans Reviewed w/i 10 days		94%	95%	95%	95%	95%	95%
Average No. of Inspections per Budgeted Inspector		3,516	3,165	2,830	3,358	2,374	2,600
Market Value of Building Permits (Millions)		\$116.6	\$102.2	\$113.6	\$125.0	\$80.0	\$80.0
Permits Issued via City's Website		12	57	26	50	40	40
Activity Expenditures as % of General Fund		2.52%	2.44%	2.54%	2.58%	2.56%	2.52%

Building

2008/09 PERFORMANCE OBJECTIVES

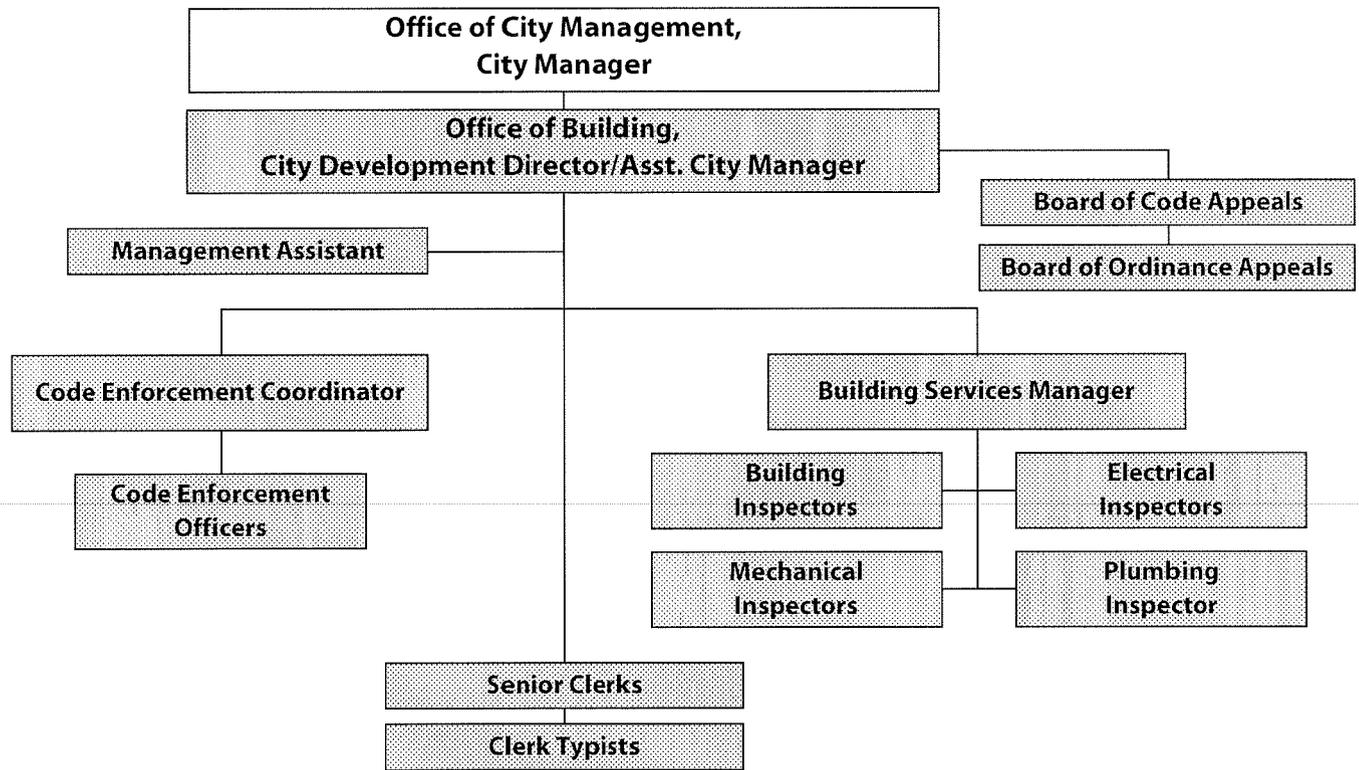
(Code Enforcement)

1. To implement Phase II of the Commercial and Industrial Reforestation Plan to ensure that these properties are in compliance with City approved landscape plans. (City Goal 13)
2. To develop an inspection program for amusement devices allowing the Police Department to redirect its resources. (City Goal 14)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Total Inspections Performed	11,560	12,782	12,508	13,000	17,712	18,500
	Total Code Enforcement Cases	3,647	3,495	3,399	3,500	3,564	4,250
	Public Nuisance Cases	789	365	122	200	94	200
	Illegal Sign Cases	355	287	187	300	156	250
	Trash & Debris Cases	525	401	397	400	248	400
	Junk Vehicle Cases	308	319	301	300	250	300
	Property Maintenance Cases	1,103	1,253	1,148	1,300	1,482	1,600
	Miscellaneous Cases	567	870	1,244	1,000	1,334	1,500
	Ordinance Board Cases Prepared - Nuisances	165	225	212	300	260	300
	Civil Infraction & Misdemeanor Tickets Issued	11	42	223	150	268	300
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	91%	93%	94%	95%	95%	95%
	Avg. Working Days Between Violation & Correction	10	10	10	10	10	10
	% of Violations Corrected Prior to City Action	94%	90%	80%	95%	90%	90%
	Inspections Performed Per Code Inspector	1,926	2,130	2,085	2,167	2,952	3,083
	Code Enforcement Cases Per Code Inspector	608	583	567	583	594	708
	Code Enforcement Cases Per 1,000 Residents	28.9	27.5	26.7	27.3	27.8	33.1
	Average Cost to Perform a Code Inspection	\$20.68	\$20.48	\$21.29	*	*	*

* Cost is calculated for "Actual" columns only.

Building



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
City Development Director/Asst. City Manager	1	1	1
Building Services Manager	0	1	1
Building Plan Review Coordinator	1	0	0
Code Enforcement Coordinator	1	1	1
Building Inspector	3	3	3
Electrical Inspector	2	2	2
Mechanical Inspector	2	2	2
Plumbing Inspector	2	2	1
Code Enforcement Officer	5	5	5
Management Assistant	1	1	1
Senior Clerk	2	2	2
Clerk Typist	2	2	2
Co-op (P.T.)	1	1	0
Total	23	23	21

Building

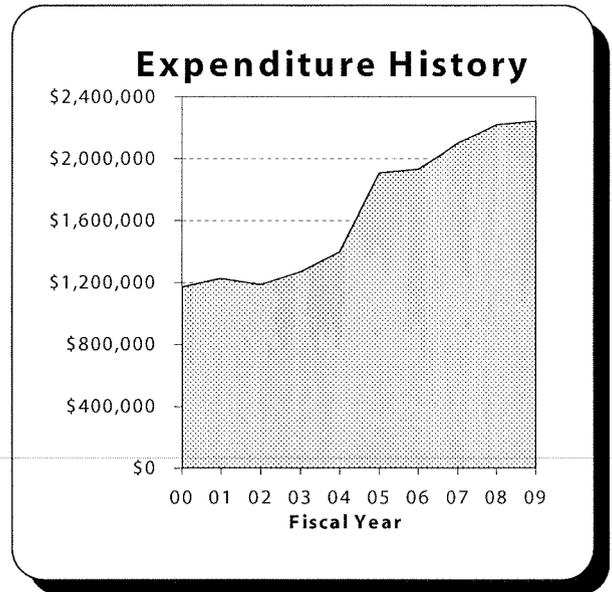
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$17,640 or 0.8%. A vacant Plumbing Inspector position is proposed to be eliminated saving \$104,200. In addition, the part-time Co-op position has been eliminated saving \$8,400. The positions have been reduced due to decreased building activity in the community. Wages and fringe benefits for remaining employees increased.

Supplies – Total Supplies decreased \$2,500 or 17.6% as funding for written publications decreased due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased \$6,850 or 7.7%. \$30,000 is budgeted for nuisance abatement contract costs, which remain as costs to the City until the property owner pays the invoice for cleanup services or the lien resulting from an unpaid invoice is satisfied. \$7,150 was added due to an increase in the maintenance contracts for the Land Management and automated telephone building permit software systems. The budget increased \$1,380 for new memberships to the U.S. Green Buildings and the ICMA for the City Development Director. The training budget decreased \$5,190 primarily due to the one-time funding for the Senior Executive Institute and the U.S. Green Building conference in the prior year. The decrease was partially offset, as new funding is included for Leed certified accreditation training and the ICMA national conference for the Director next year. Telephone costs decreased \$1,600 due to lower telephone rates for local calls.



Capital – There is no Capital proposed for this activity.

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

Personnel Services – Council made no adjustments to Personnel Services.

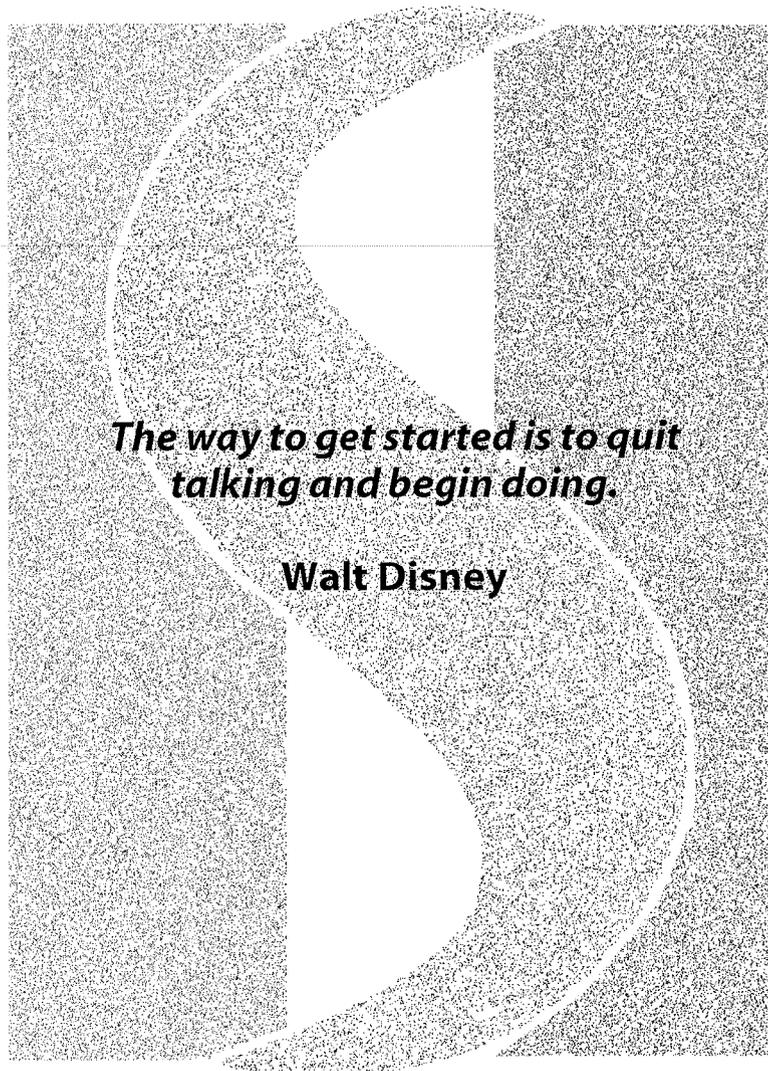
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,972,193	\$2,115,980	\$2,086,460	\$2,133,620	\$2,133,620
Supplies	11,664	14,230	14,030	11,730	11,730
Other Charges	116,915	88,700	104,890	95,550	95,550
Total	\$2,100,772	\$2,218,910	\$2,205,380	\$2,240,900	\$2,240,900



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, promotes stable residential neighborhoods and maintains the City as an attractive location for working, living and entertaining. 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, the Economic Development Corporation, and the Corridor Improvement Authority.*

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?...

...that the Economic Development office formed a strategic partnership with Automation Alley, Macomb County Planning and Economic Development, and the Sterling Heights Chamber of Commerce to create educational programming for businesses that are interested in diversifying?

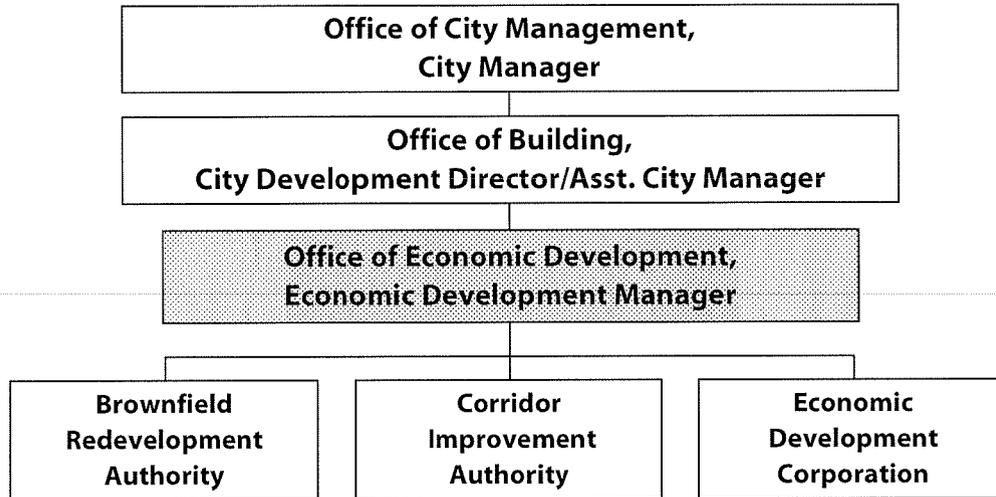
Economic Development

2008/09 PERFORMANCE OBJECTIVES

1. To aggressively market the Corridor Improvement Authority (CIA) district and begin to utilize the tools provided through the authority. *(City Goal 8, 9, 10, 11)*
2. To facilitate the redevelopment of known Brownfield properties through the aggressive marketing of the City's Brownfield Redevelopment tools, and apply for applicable State grants and loans. *(City Goal 10, 21)*
3. To market the City to investors, developers, and other real estate professionals in order to attract new business, increase tax base, and provide job opportunities. *(City Goal 8, 10, 11)*
4. To continue to reach out to growing and expanding businesses through the business retention program and facilitate growth in Sterling Heights. *(City Goal 8, 10, 11)*
5. To team with the Community Relations Department to enhance promotion of the business community through various City media such as the website and Sterling Heights Television (SHTV). *(City Goal 8, 10, 13)*

Performance Indicators		2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Brownfield Sites Marketed for Redevelopment	N/A	3	5	6	6	6
	Redevelopment Projects on Major Corridors	N/A	0	1	1	0	1
	Retention Calls to Existing Businesses	N/A	26	97	52	75	52
	Tax Abatements Initiated	N/A	3	4	5	5	5
	Developer Contacts Initiated	N/A	21	101	50	112	50
	Brownfield Applications Processed/Approved	0/0	0/0	0/0	2/2	1/1	1/1
	Development Opportunities Forum Attendees	N/A	N/A	N/A	20	10	10
Efficiency & Effectiveness	Value of New Major Comm. Corridor Projects (Millions)	N/A	\$0.0	\$13.0	\$5.0	\$5.0	\$5.0
	Value of Grant Dollars Procured	N/A	\$0	\$40,000	\$500,000	\$0	\$1,000,000
	Business Development Meetings Attended	N/A	N/A	N/A	35	40	35
	Development Proposals Submitted	N/A	N/A	N/A	15	16	10
	Value of Brownfield Investment Approved (Millions)	\$0.0	\$0.0	\$0.0	\$1.0	\$0.0	\$1.0
	Activity Expenditures as % of General Fund	0.00%	0.07%	0.17%	0.18%	0.17%	0.18%

Economic Development



STAFFING SUMMARY

<u>Position</u>	<u>Approved 2006/07</u>	<u>Approved 2007/08</u>	<u>Approved 2008/09</u>
<u>Economic Development Manager</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	1	1	1

Economic Development

SUMMARY OF BUDGET CHANGES

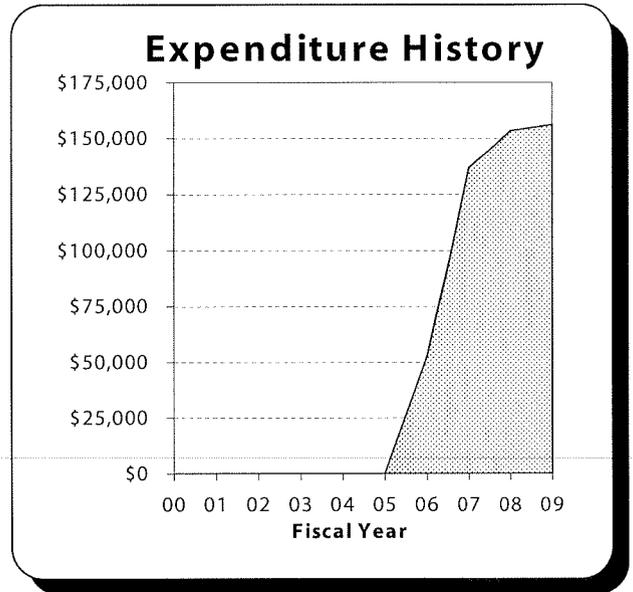
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget increased \$4,930 or 3.4% over last year’s budget. An additional \$1,950 is budgeted to fund increasing retiree medical liabilities. Part-time wages declined by \$940 due to the one-time use of an intern in the prior year. Compensatory time decreased as a result of fewer after hour meetings.

Supplies – Total Supplies decreased \$450 or 24.3%. Funding for operating supplies decreased \$300 as the budget can be reduced and brought more in line with the current year’s estimated expenditure usage. Postage costs decreased \$100 and publishing costs decreased \$50, both based on recent actual expenditure levels.

Other Charges – Total Other Charges decreased \$1,760 or 34.0%. \$1,100 was saved as fewer and less costly educational conferences are budgeted. \$870 is budgeted for economic development certification training. Local meeting costs decreased \$990 as the City received a one-time donation to sponsor a Manufacturer’s Symposium in the prior year. \$250 was added to the budget for the printing of additional presentation and promotional materials. Telephone costs increased \$120 based on the current year’s estimated expenditure usage, partially offset due to lower AT&T contractual telephone rates.

Capital – There is no Capital budget for this fund.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$131,329	\$146,330	\$144,100	\$151,260	\$151,260
Supplies	1,422	1,850	1,250	1,400	1,400
Other Charges	4,177	5,170	5,530	3,410	3,410
Total	\$136,928	\$153,350	\$150,880	\$156,070	\$156,070

MISSION STATEMENT: *To efficiently and effectively coordinate the analysis, development and support of application and operating software, computer hardware, voice and data networking, as well as voice communication related activities for the City.*

The goals and objectives of the Information Technology Division are approved by the City Manager and established by prioritizing the technology needs of the operating departments of the City.

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. This section is also responsible for all security, configuration and back up of permanent data files.

The second area is the Maintenance section. This section is responsible for changes 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 workstation hardware and software, wherever possible. The trend has been to acquire third-party packaged software rather than develop applications in-house.

The third area is the Operations section. This section provides support to all workstations, printers and telephone equipment.

KEY GOALS

- *To respond to the needs of end-users in a timely and pleasant manner.*
- *To share query solutions with end-users to encourage self-reliance whenever possible.*
- *To collaborate with user departments to ensure state-of-the-art status on all computer systems.*
- *To standardize workstations throughout the City.*

Did you know?...

...that the Office of Information Technology assisted in the automation of the Citizen's Contact Center application where concerns that are expressed to the City via the Web, "We Want to Know" postcards, telephone or in person, are tracked and monitored from the initial point of contact through successful resolution?

Information Technology

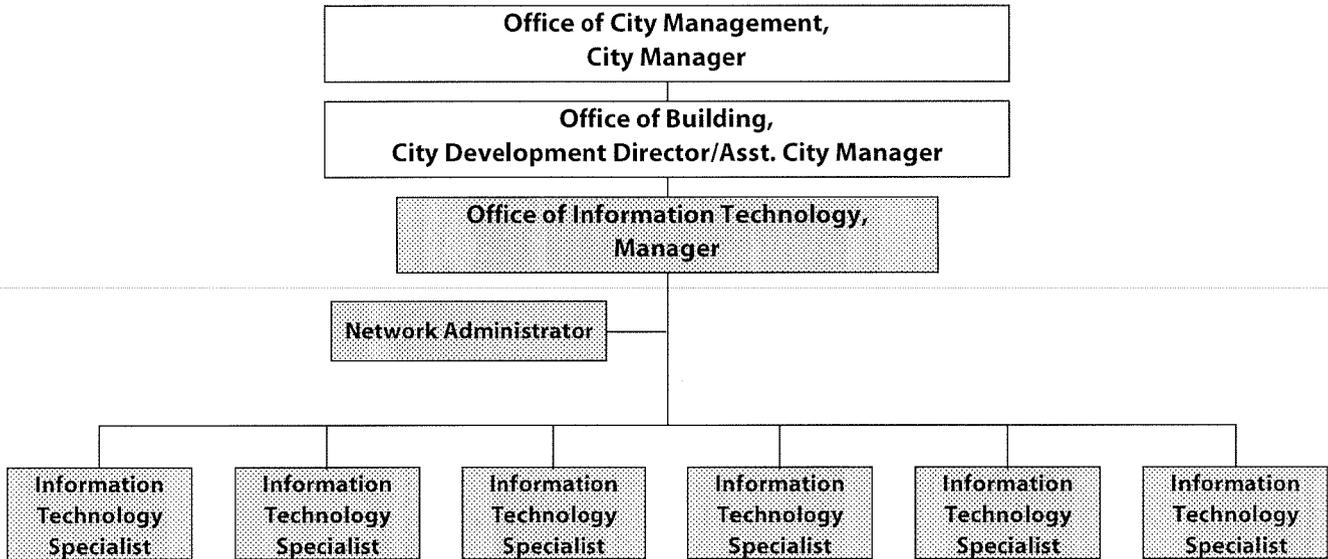
2008/09 PERFORMANCE OBJECTIVES

- To replace existing workstations in the 41-A District Court, Fire and Community Relations Departments in accordance with the City's five-year replacement program. (City Goal 18)
- To allow Fire headquarters to communicate at a higher bandwidth by enhancing the facility's existing infrastructure. (City Goal 18)
- To ensure a smooth and uninterrupted upgrade for the City's core financial software by replacing the MUNIS server. (City Goal 17, 18)
- To replace five servers in order to decrease maintenance costs and improve productivity. (City Goal 18)

Performance Indicators		2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Hardware Platforms Supported - (W2K, MAC, HP, AS400)	4	4	4	4	4	4
	Application Systems Supported - (BS&A, Munis, etc.)	29	29	29	29	29	29
	Software Packages Upgraded	5	5	5	5	5	5
	Hours of Consultant Services Used	670	600	625	625	625	350
	"Help Desk" Calls Received	2,700	2,750	2,850	2,800	2,800	2,800
	Computer Workstations Supported	500	505	592	590	590	590
	Staff Hours Spent Supporting Elections	45	30	30	30	30	40
	Hours Spent on Personal Computer Maintenance	1,200	1,200	1,220	1,200	1,250	1,200
Efficiency & Effectiveness	% of "Help Desk" Calls Resolved within 8 hours	89%	89%	91%	90%	90%	90%
	# of Computer Workstations per FTE	0.67	0.70	0.82	0.81	0.81	0.81
	Telephone System Problems Resolved Within 1 Day	90%	93%	96%	95%	95%	95%
	Staff Training Dollars Expended	\$2,366	\$3,852	\$3,973	\$2,700	\$2,540	\$2,750
	% of Revolving 5-year Technology Plan Implemented	95%	95%	58%	70%	80%	90%
	% of Time Computer Network Down	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
	Overtime/Comp Hours Required to Meet Demand	350	325	300	350	350	350
	Average Annual Cost to Support a PC	\$305	\$286	\$250	*	*	*
	Cost to Support User Systems	\$325,789	\$327,561	\$332,281	*	*	*
Activity Expenditures as % of General Fund	1.17%	1.15%	1.18%	1.25%	1.22%	1.22%	

* Cost is calculated for "Actual" columns only.

Information Technology



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Information Technology Manager	1	1	1
Network Administrator	1	1	1
Information Technology Specialist	6	6	6
Total	8	8	8

Information Technology

SUMMARY OF BUDGET CHANGES

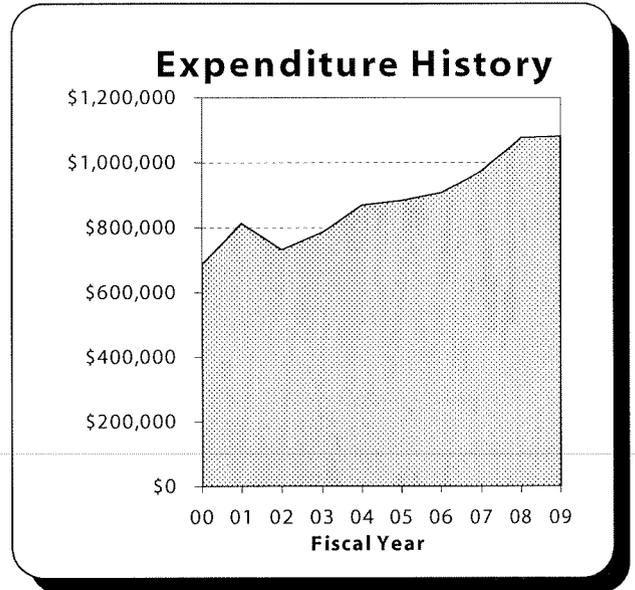
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$38,740 or 4.8%. Wages for full-time employees rose \$11,710 or 2.2% due to staff turnover. Health insurance costs rose \$9,690. An additional \$10,680 is budgeted to fund retiree medical liabilities. A new employee will be eligible for the defined contribution plan resulting in a \$4,080 increase.

Supplies – Total Supplies is proposed to remain the same at \$12,100.

Other Charges – Total Other Charges decreased \$34,490 or 13.5%. The City will save \$22,000 due to a 40% reduction in computer consultant services necessary as a result of revenue shortfalls, as well as a reduced need for service now that most of the Fire Department’s reporting software upgrades have been completed. Contracted service costs decreased \$13,140 based on recent expenditure trends and a reappropriated encumbrance. In addition, the MUNIS Payroll Online is no longer funded, and the City’s web site software support is now budgeted in Community Relations. The decrease was slightly offset for funding to increase the City’s Internet bandwidth speed. Telephone costs were reduced by \$1,400 due to lower rates. Equipment maintenance costs increased \$2,000 for additional Server and Firewall support fees.

Capital – Total Capital of \$214,860 is proposed. \$88,400 is for the replacement of 71 computers for the 41-A District Court, Fire Department, and Community Relations Department. \$75,000 is for the replacement of six File Servers and the MUNIS database software. \$23,460 is for the relocation of a new Fiber Optic Voice/Data System and telephone handsets for the



renovated Fire Stations. \$11,000 is for the replacement of three Library Network Switches. \$17,000 is for the replacement of the data network cabling at Fire Station #5.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$755,190	\$809,270	\$799,650	\$848,010	\$848,010
Supplies	8,943	12,100	11,720	12,100	12,100
Other Charges	209,087	254,650	242,370	220,160	220,160
Total	\$973,220	\$1,076,020	\$1,053,740	\$1,080,270	\$1,080,270

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 Municipal Planning Act, Public Act 285 of 1932, as amended. 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 207 of the Public Acts of 1921, 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?...

...that the Office of Planning has already begun working with the U.S. Census Bureau on the 2010 census, which will determine Congressional representation and federal funding?

Planning

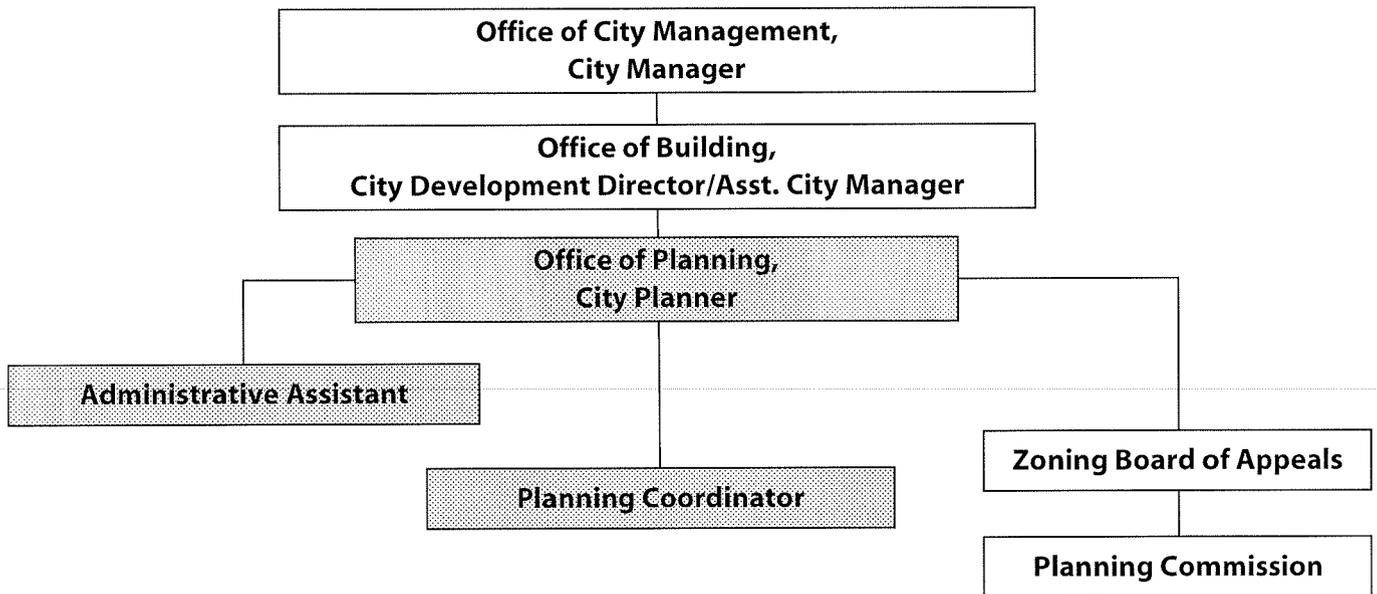
2008/09 PERFORMANCE OBJECTIVES

1. To promote and provide assistance to developers and property owners in utilizing innovative development standards to strengthen and/or expand existing developments and encourage sustainability. (City Goal 8, 9)
2. To track various office trends and occupancy rates to ensure that a variety of viable office types are available that appeal to a wide tenant base. (City Goal 10)
3. To provide technical assistance to the Planning Commission by monitoring various trends that may require updates to the City's zoning ordinance, ultimately providing a balanced land use policy. (City Goal 13, 15)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Site Plans Reviewed	66	84	70	55	60	60
	Land Divisions/Combinations Reviewed	34	35	17	25	20	20
	Rezoning Petitions Processed	17	13	7	10	10	10
	Residential Developments	10	6	5	7	8	4
	Special Approval Land Uses Processed	3	16	8	8	4	5
	Special Inspections Conducted	172	166	154	150	155	160
	Planning Commission Cases Prepared	37	34	31	28	30	35
	Planning Commission Meetings Attended	12	12	11	12	12	12
	Temporary Uses, Variances, & Vacations Reviewed	86	74	69	71	68	70
	Zoning Board of Appeals Cases Prepared	47	48	35	40	25	30
	Zoning Board of Appeals Meetings Held	12	12	11	12	11	12
	City Council Meetings Attended	23	24	16	18	15	15
	Council Agenda Items Prepared	29	29	20	25	19	20
	Zoning Compliance, Use Permits Reviewed	127	118	113	105	100	125
Efficiency & Effectiveness	% 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	88%	90%	90%	90%	90%	90%
	Average Cost to Review a Site Plan	\$1,338	\$1,456	\$1,578	*	*	*
	Activity Expenditures as % of General Fund	0.45%	0.44%	0.41%	0.43%	0.40%	0.38%

* Cost is calculated for "Actual" columns only.

Planning



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
City Planner	1	1	1
Planning Coordinator	1	1	1
Administrative Assistant	1	1	1
Clerk Typist	1	1	0
Total	4	4	3

Planning

SUMMARY OF BUDGET CHANGES

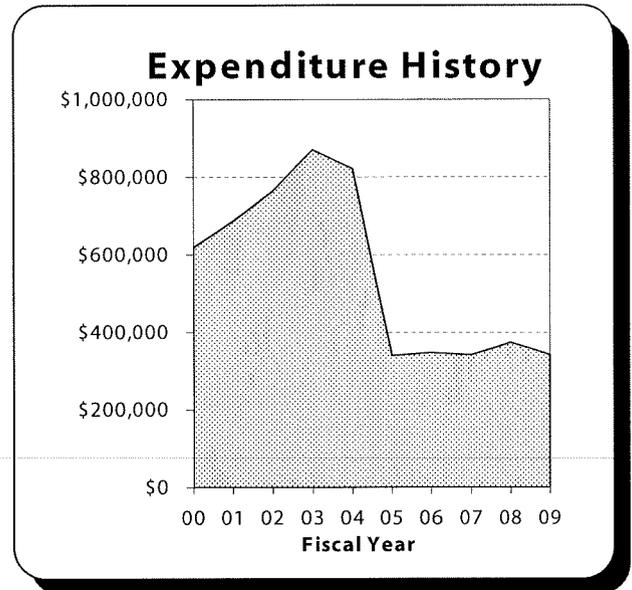
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget decreased by \$31,900 or 8.7% from last year’s budget. A vacant Clerk Typist position is proposed to be eliminated as a result of less new development activity in the City, saving \$44,720. This office will now utilize Building clerical staff for assistance, if necessary in addition to the office’s Administrative Assistant position.

Supplies – Total Supplies decreased \$100 or 5.9% as the postage budget has been brought more in line with recent actual expenditure levels.

Other Charges – Total Other Charges decreased \$500 or 13.9%. \$500 will be saved in telephone costs due to lower citywide AT&T contractual telephone rates for local calls.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$337,761	\$368,330	\$341,720	\$336,430	\$336,430
Supplies	1,272	1,700	1,350	1,600	1,600
Other Charges	2,565	3,600	3,490	3,100	3,100
Total	\$341,598	\$373,630	\$346,560	\$341,130	\$341,130

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.

The Public Services Manager serves as liaison to County, State, and federal agencies to synchronize

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.*

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 the Office of Public Services works with the Macomb County Health Department to ensure that inoperative septic fields are abandoned properly?

Public Services

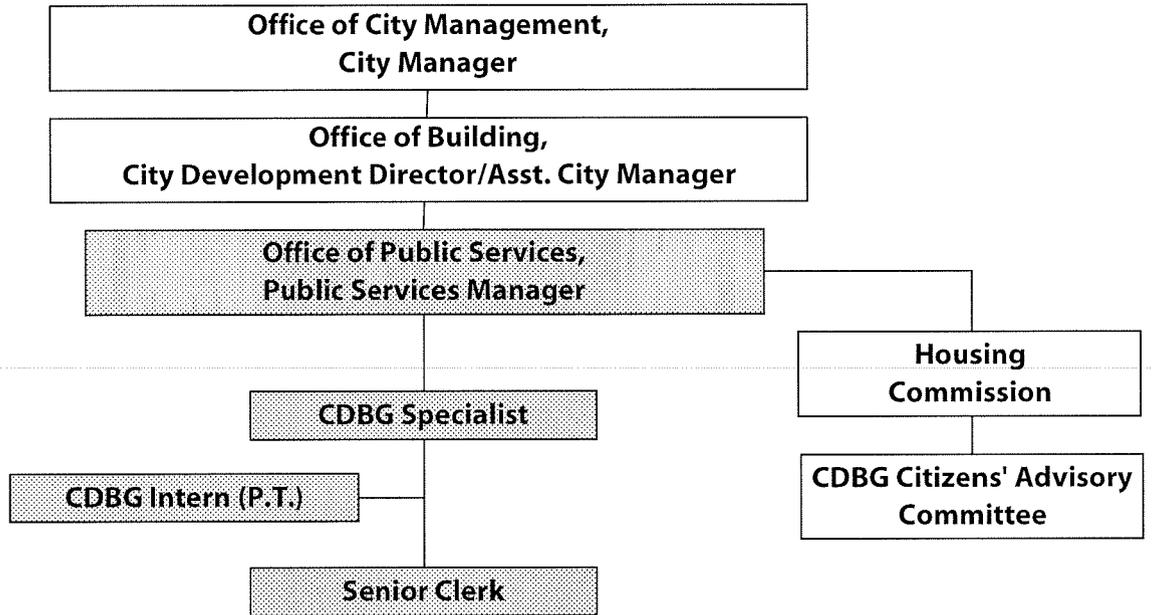
2008/09 PERFORMANCE OBJECTIVES

- To complete renovations to Fire Stations #2, #3 and #4, which were approved under Proposal F. (City Goal 13, 15)
- To work with the Housing Commission to replace appliances and carpet within individual apartments and remodel the laundry room and beauty salon at Schoenherr Towers. (City Goal 13, 15, 16)
- To hire an architect and complete a needs analysis for the renovation of the existing Police Station. (City Goal 13, 15)
- To work with the Citizens Advisory Committee to establish two new Community Development Block Grant (CDBG) programs: a community policing initiative within Sterling Estates Mobile Home Park and a Minor Home Repair program specifically for mobile home park residents. (City Goal 12, 13, 14, 15, 16, 25)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Building Permits & Site Plans Reviewed	420	400	300	250	220	200
	Use Permits Reviewed	80	30	25	20	15	15
	W & S Connection Permits Issued (Existing Homes)	32	26	9	25	12	12
	Special Projects Administered	7	7	7	8	8	7
	New Grants Applied For/Grants Received	5/5	3/3	3/2	3/3	3/2	3/3
	Council Meetings Attended	30	15	12	10	10	10
	Housing Commission Meetings Attended	12	15	31	15	27	27
	Rights-of-Way/Easements Acquired	15	61	10	60	10	60
	Citizens Advisory Commission Meetings Attended	6	6	6	6	6	6
	Number of Streetlights in City	2,472	2,508	2,513	2,520	2,520	2,530
	Number of Streetlight Bills Reviewed & Approved	12	12	12	12	12	12
Efficiency & Effectiveness	% Initial Traffic Requests Responded to w/i 35 days	100%	100%	100%	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	90%	97%	97%	95%	95%	95%
	% of Easements Acquired Without Condemnation	90%	97%	97%	95%	95%	95%
	% of Grants Successfully Awarded	100%	100%	67%	100%	67%	100%
	% of Substandard Housing Rehab. Contracts Completed	45%	85%	90%	95%	95%	95%
	Avg. Cost to Prepare/Process a Grant Application	\$1,011	\$1,108	\$1,202	*	*	*
	Avg. Cost to Review a Use Permit Application	\$69	\$75	\$82	*	*	*
	Activity Expenditures as % of General Fund	0.51%	0.50%	0.33%	0.33%	0.34%	0.34%

* Cost is calculated for "Actual" columns only.

Public Services



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Public Services Manager	1	1	1
CDBG Specialist	1	1	1
Senior Clerk	1	1	1
CDBG Intern (P.T.)	1	1	1
Total	4	4	4

Public Services

SUMMARY OF BUDGET CHANGES

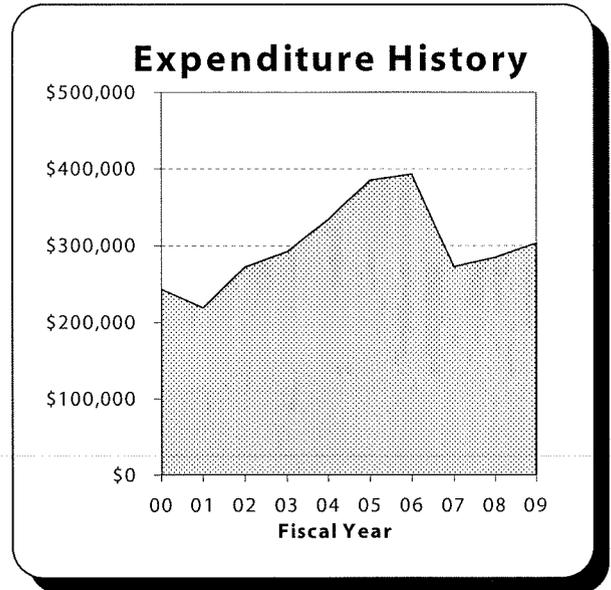
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget increased by \$18,740 or 6.7%. Wages rose \$10,390 as a result of a 3% wage increase and a wage adjustment for one position in the prior year. An additional \$5,060 is budgeted to fund increasing retiree health insurance obligations. Compensatory time buy-back increased by \$1,000 as a result of overseeing the Fire Station renovations project next fiscal year.

Supplies – Total Supplies is proposed to remain the same at \$1,150. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$250 or 13.1%. Contracted service costs decreased \$300 based on recent expenditure trends, as it is now less costly to perform some title searches by using Macomb County’s online Land Access System rather than requesting them from a title company. Telephone costs increased \$50 based on the current year’s estimated expenditure usage, partially offset by a savings due to lower citywide AT&T contractual telephone rates for local calls.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

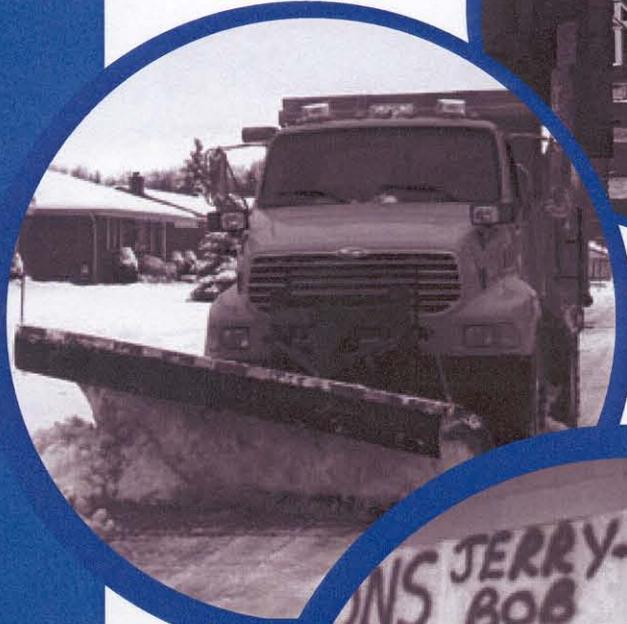
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$269,796	\$281,220	\$289,630	\$299,960	\$299,960
Supplies	952	1,150	1,000	1,150	1,150
Other Charges	1,610	1,910	2,110	1,660	1,660
Total	\$272,358	\$284,280	\$292,740	\$302,770	\$302,770

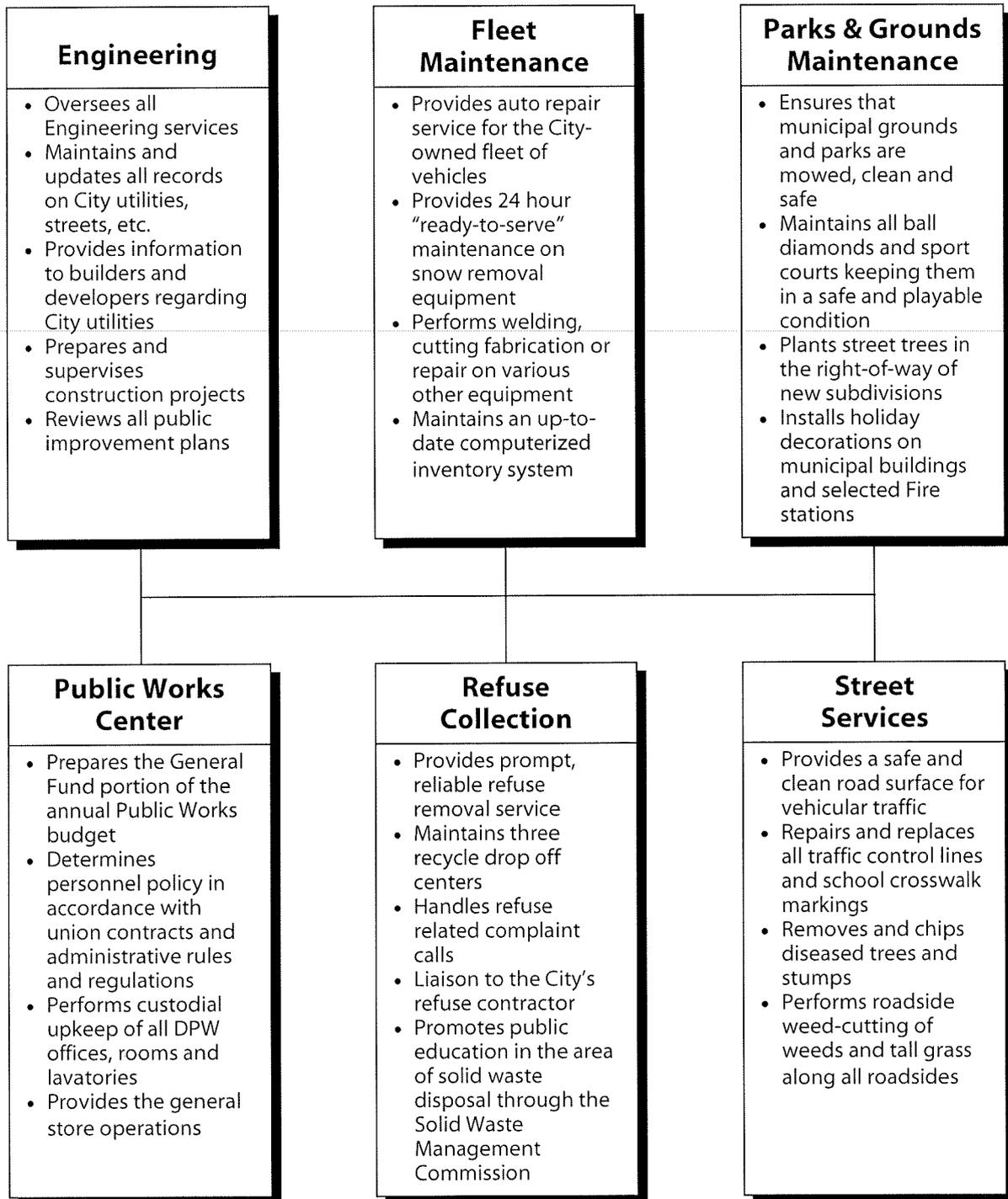
Public Works Department

08 09



FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works Department budget increased by \$166,210 or 2.0%. Personnel costs fell by \$66,360 or 1.0% due to the elimination of a vacant Engineering Aide, a part-time Engineering Co-op, and a Parks & Grounds Laborer position, saving a combined \$176,620. Health insurance costs declined by \$56,980 as two new labor contracts will increase employee deductibles and co-pays, thereby lowering City health care premiums. Funding for retiree medical obligations increased by \$62,450. The Supplies budget increased by \$181,490 or 15.1% due primarily to higher fuel costs in the Fleet

Maintenance division. Other Charges increased by \$51,080 or 10.5% as the cost of the noxious weed cutting program will now be expensed in the Public Works Center division instead of the General Expenditures cost center. Cost savings were realized in mosquito spraying services and the municipal grounds mowing contract. The capital budget includes funding for a replacement dump truck, pickup truck, and gator for snowplowing operations, a chipper, a ball diamond maintenance truck, and the repairs to two school walkways.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Engineering	\$1,843,940	\$1,755,930	\$1,889,460	\$1,793,770	-5.1%
Fleet Maintenance	2,331,180	2,472,330	2,418,480	2,643,610	9.3%
Parks & Grounds Maint.	1,317,990	1,390,520	1,425,360	1,350,530	-5.2%
Public Works Center	513,650	518,510	571,810	653,070	14.2%
Street Services	1,727,410	1,857,130	1,958,870	1,989,210	1.5%
Total Department	\$7,734,170	\$7,994,420	\$8,263,980	\$8,430,190	2.0%
Personnel Services	\$5,947,730	\$6,118,080	\$6,573,030	\$6,506,670	-1.0%
Supplies	1,278,190	1,363,520	1,203,400	1,384,890	15.1%
Other Charges	508,250	512,820	487,550	538,630	10.5%
Total Department	\$7,734,170	\$7,994,420	\$8,263,980	\$8,430,190	2.0%

PERSONNEL SUMMARY

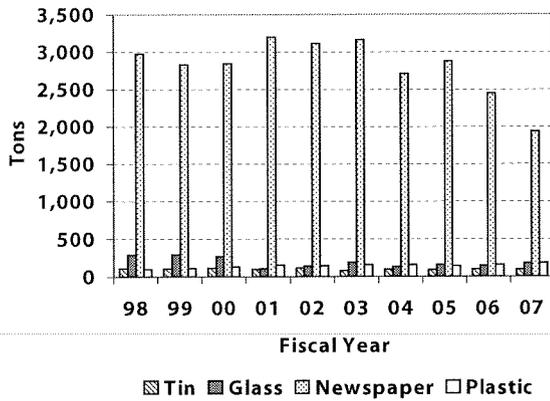
	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Engineering	17	2	16	3	16	3	15	2
Fleet Maintenance	14	1	14	1	14	1	14	1
Parks & Grounds Maint.	13	8	13	8	13	8	12	8
Public Works Center	3	0	3	0	3	0	3	0
Street Services	21	2	21	2	21	2	21	2
Total Department	68	13	67	14	67	14	65	13

Excludes Refuse Collection.

KEY DEPARTMENTAL TRENDS

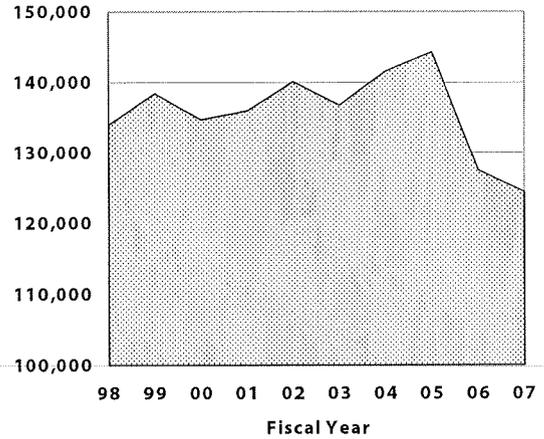
Public Works Department

Recycling Center Collections



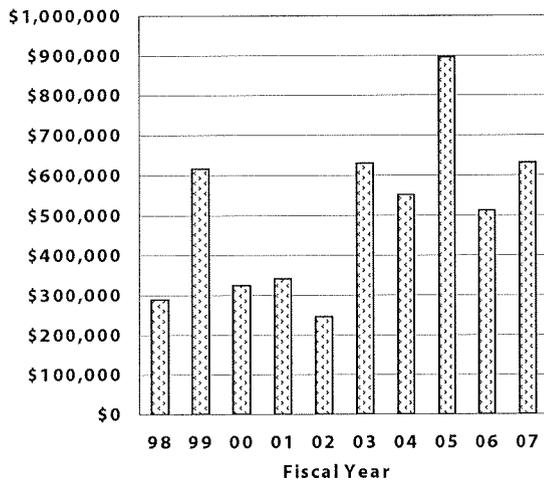
The amount of newspaper recycled at the City's three drop-off recycling centers has declined over the past several years due to the growth in the number of non-city newspaper recycling sites. However, the growth in recycling and the composting of yard waste have still allowed the City to reduce the amount of refuse landfilled by 44% over the past 16 years. The average homeowner in the City pays \$70 per year for trash pickup, which is much lower than most other communities. Only two cities in a recent national study had a lower recycling cost per ton recycled.

Cubic Yards of Refuse Landfilled



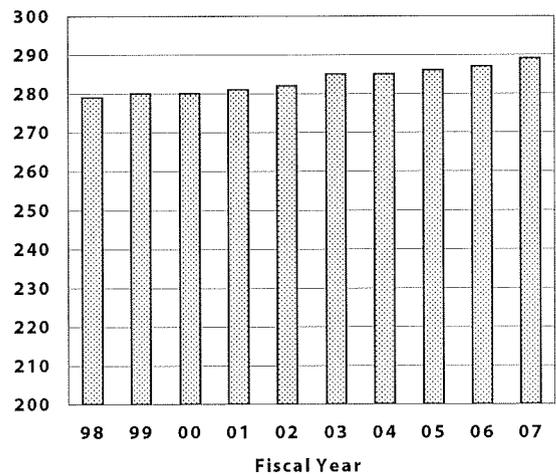
Despite the separate collection of yard waste, which is now composted, and additional Recycling Center collections, the cubic yards of refuse landfilled in the City had generally increased due to overall population growth. Starting in 2006 however, the amount of refuse landfilled started to decline and is now only 124,460 cubic yards in 2007, 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 five of the ten years due to warmer winters or reduced snow falls. Due to heavy snowfall in 2005, costs totaled \$896,000 – a ten year high. Costs are estimated to total over \$1.0 million in 2008.

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?...

...that the City has installed over 1,100 visually contrasting sidewalk curb ramps as a result of a Department of Justice American's with Disabilities mandate which applies to all local governments?

Engineering

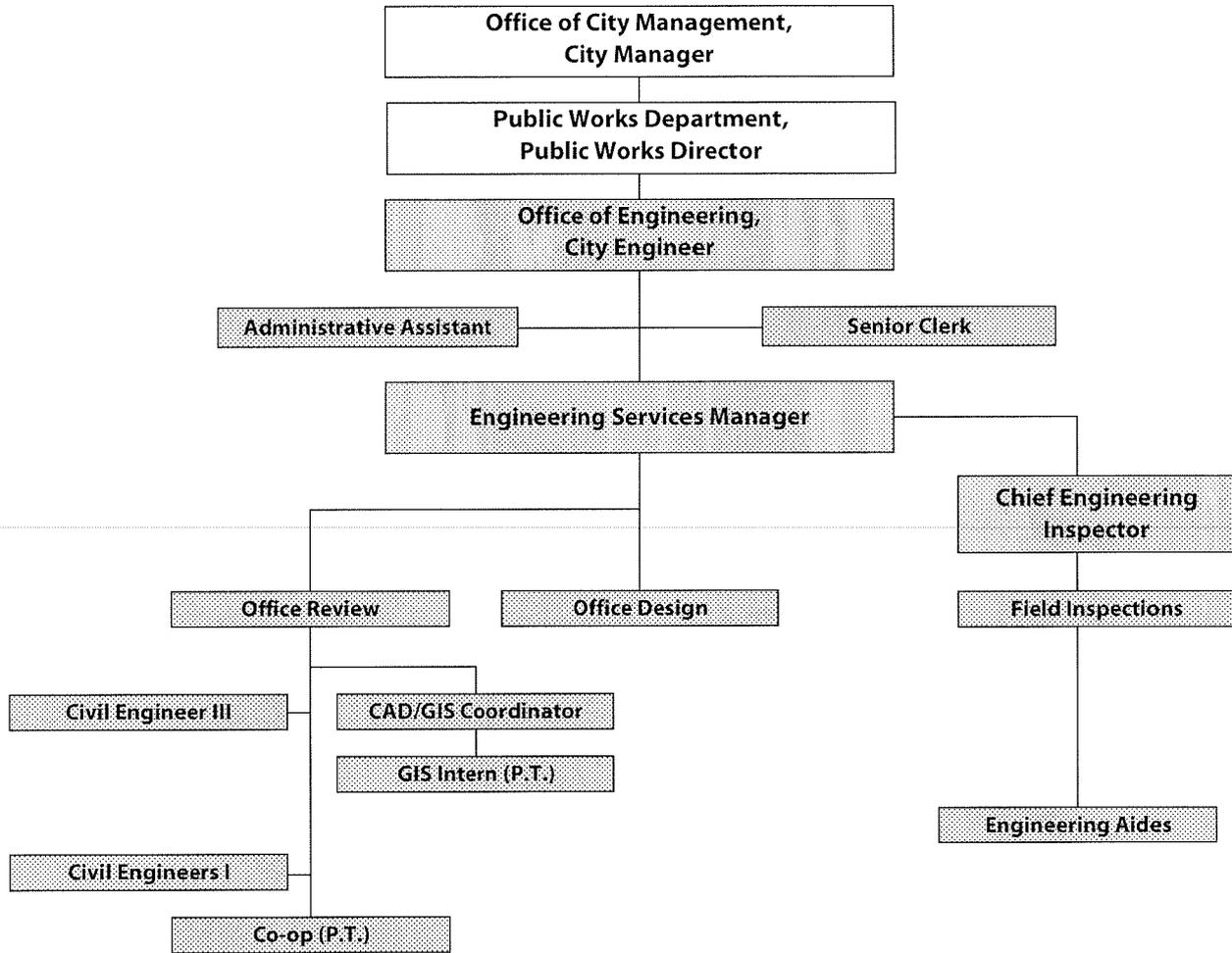
2008/09 PERFORMANCE OBJECTIVES

1. To create plans and specifications and administer contracts for various capital improvement projects including water main, sanitary sewer, drain, road and sidewalk projects. (City Goal 6, 22)
2. To implement an interactive Geographic Information System (GIS) and create applications for various City departments. (City Goal 17)
3. To pursue grant funds to improve traffic flow and safety at the City's major road intersections. (City Goal 21)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Site Plans Approved	67	78	55	65	40	40
	Subdivision Plans Approved	1	0	0	1	0	0
	Land Divisions Reviewed	34	50	25	30	20	20
	Plot Plan/Grading Plans Approved	71	27	9	30	3	5
	Utility Company Permits Issued	121	54	72	60	60	60
	SESC Permits Issued	130	56	50	60	25	30
	Value of Const. Contracts Awarded & Supervised	\$5.5M	\$9.3M	\$4.3M	\$6.8M	\$7.7M	\$7.3M
	Personnel Contacts with Business - Counter	3,740	3,144	1,809	2,500	1,700	2,500
	Personnel Contacts with Business - Phone	10,898	9,516	7,459	7,000	7,000	7,500
	Miles of Sidewalks In City	566	605	608	620	609	610
	Service Requests Processed	717	555	695	800	900	800
	Inspection Revenues Generated	\$904,199	\$933,683	\$776,818	\$950,000	\$550,000	\$625,000
	SESC Inspection Revenues Generated	\$11,085	\$11,126	\$7,844	\$10,000	\$60,000	\$110,000
	Construction Project Design Revenues	\$520,072	\$307,350	\$483,700	\$525,000	\$350,000	\$400,000
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	71%	73%	81%	90%	95%	90%
	% of Utility Company Permits Reviewed w/i 15 days	88%	85%	72%	85%	85%	85%
	% of Plot or Grading Plans Reviewed w/i 10 days	73%	75%	78%	90%	100%	95%
	% of Capital Projects Completed w/i 5% of Bid Costs	80%	85%	87%	90%	85%	90%
	Engineering Inspection Hrs. Required to Meet Demand	10,751	10,150	9,022	10,500	5,500	7,000
	Engineering Inspection Cost Per Hour	\$84.10	\$91.99	\$86.10	*	*	*
	Activity Expenditures as % of General Fund	2.42%	2.33%	2.12%	2.19%	2.00%	2.02%

* Cost is calculated for "Actual" columns only.

Engineering



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
City Engineer	1	1	1
Engineering Services Manager	1	1	1
Civil Engineer III	1	1	1
CAD/GIS Coordinator	1	1	1
Chief Engineering Inspector	1	1	1
Engineering Aide	7	7	6
Civil Engineer I	2	2	2
Administrative Assistant	1	1	1
Senior Clerk	1	1	1
G.I.S. Intern (P.T.)	1	1	1
Co-op (P.T.)	2	2	1
Total	19	19	17

Engineering

SUMMARY OF BUDGET CHANGES

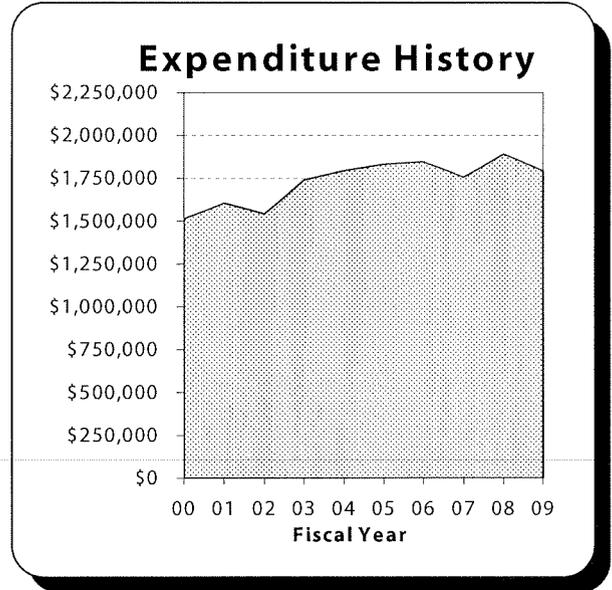
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget decreased by \$95,550 or 5.1%. Due to lower development activity, a vacant Engineering Aide position is recommended to be eliminated saving \$101,060. A part-time Co-op position is also recommended to be eliminated saving \$7,850. This position was added several years ago to improve office response times due to higher development activity. Overtime costs fell by \$77,000 due to a decline in construction activity. In addition to these savings, the office will no longer contract out for soil erosion inspections and will now perform these inspections in-house with existing staff. This change will result in an additional \$100,000 in inspection revenue to the City.

Supplies – Total Supplies is proposed to remain the same at \$11,800. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$140 or 1.1%. The City will save \$300 in telephone costs due to lower citywide AT&T contractual telephone rates for local calls. The budget for copy machine rental and usage costs can be reduced by \$100 based on recent actual expenditure levels. Funding for training increased \$250 for staff members to attend Microsoft Access training, partially offset as fewer employees will need to attend SESC training next year.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,731,654	\$1,865,090	\$1,697,410	\$1,769,540	\$1,769,540
Supplies	12,007	11,800	11,300	11,800	11,800
Other Charges	12,266	12,570	13,020	12,430	12,430
Total	\$1,755,927	\$1,889,460	\$1,721,730	\$1,793,770	\$1,793,770

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 657 vehicles or pieces of equipment. Also included is the repair and preventative maintenance on 51 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 stocks and inventories more than 10,800 individual parts needed to maintain and repair the City's fleet?

Fleet Maintenance

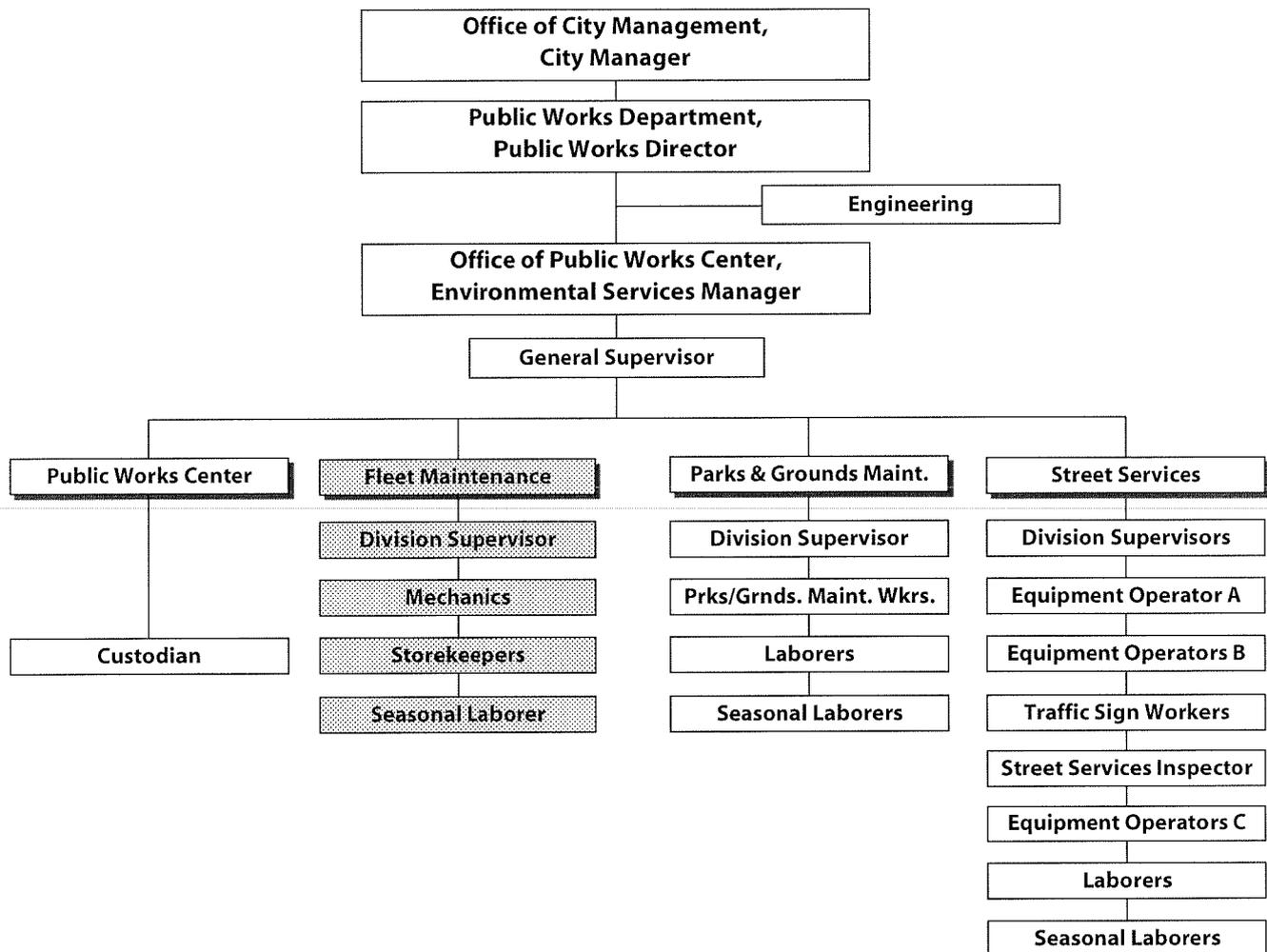
2008/09 PERFORMANCE OBJECTIVES

1. To improve the physical inventory process by investigating the cost of purchasing and programming an additional hand-held tablet that works with the "Faster" program. (City Goal 6)
2. To monitor SMART's ability to promptly repair and maintain the City's fleet of buses and ensure costs are acceptable. (City Goal 1, 2)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Full Service Preventive Maintenances Performed	777	732	697	750	680	750
	Preseason Maintenance - Trucks with Plows	37	38	38	39	39	40
	Preseason Maintenance - Tractors/Flail Mowers	12/12	12/12	13/13	13/13	13/13	13/13
	Preseason Maintenance - Snow Plows	37	38	38	39	39	40
	Preseason Maintenance - Salt Spreaders	21	21	21	22	22	23
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	49	49	49	49	50	50
	Fire Trucks Prepared & Pump Tested	10	10	10	10	10	10
	Vehicle Tires Replaced	692	682	579	700	580	650
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	89%	89%	87%	90%	88%	90%
	Avg. Time to Perform Maintenance on a Car (Mins.)	48	48	48	48	48	48
	Average Age of Police Vehicles (Years)	2.5	2.4	2.5	2.4	2.4	2.5
	Average Age of Fire Vehicles (Years)	10.2	9.0	9.5	9.0	9.0	9.5
	% of Snow Removal Vehicles & Equipment Available	97%	96%	97%	99%	97%	99%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	96%	98%	98%	100%	97%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	94%	96%	95%	97%	96%	97%
	% of Actual Inventory to Inventory Ledger	99%	98%	98%	99%	98%	99%
	Cost of a Passenger Car Oil Change	\$18.27	\$19.64	\$20.69	*	*	*
	Preventive Maintenance Cost of a Passenger Car	\$54.47	\$56.63	\$56.74	*	*	*
	Activity Expenditures as % of General Fund	2.95%	2.95%	2.99%	2.81%	3.10%	2.98%

* Cost is calculated for "Actual" columns only.

Fleet Maintenance



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Division Supervisor	1	1	1
Mechanic	11	11	11
Storekeeper	2	2	2
Seasonal Laborer	1	1	1
Total	15	15	15

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

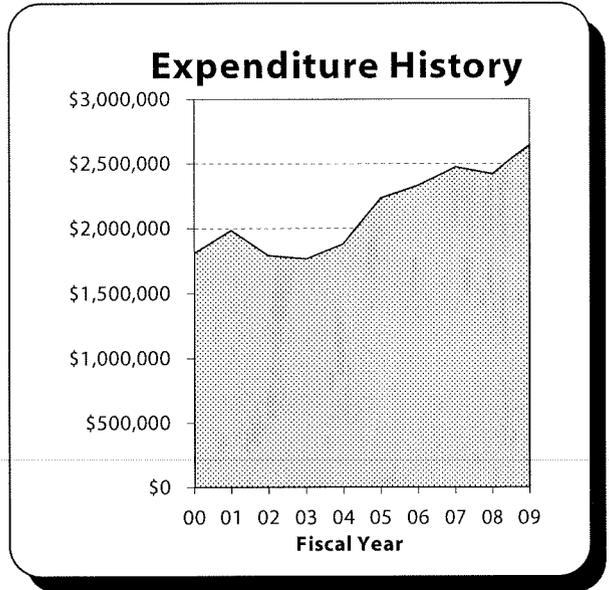
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget rose by \$56,630 or 4.4%. Wages for full-time employees increased by \$33,410. As a result of proposed new labor contracts, health insurance costs declined by \$14,760, due to an increase in employee deductibles and co-pays, which will lower City premium costs. An additional \$20,480 is budgeted to fund growing retiree medical liabilities. SMART will begin to perform maintenance and repairs to the City’s senior and special recreation vans and buses at no labor charge, which will free up Fleet Maintenance staff to perform additional maintenance on City-owned vehicles and equipment.

Supplies – Total Supplies increased \$167,000 or 14.8%. Fuel costs increased \$150,000 to bring the budget more in line with recent cost trends. \$20,000 was added to the budget due to the increased cost of repair parts and services for the maintenance of all City vehicles. Funding for operating supplies decreased \$3,000 based on lower historic actual expenditure levels.

Other Charges – Total Other Charges increased \$1,500 or 13.6%. Funding for equipment maintenance increased \$1,500 based on the recent year’s estimated expenditure usage.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,194,351	\$1,279,190	\$1,316,520	\$1,335,820	\$1,335,820
Supplies	1,260,932	1,128,230	1,345,230	1,295,230	1,295,230
Other Charges	17,051	11,060	12,560	12,560	12,560
Total	\$2,472,334	\$2,418,480	\$2,674,310	\$2,643,610	\$2,643,610

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.

Parks & Grounds' goal is to plant an average of 500 trees in the street rights-of-way with two plantings typically scheduled to be performed, one in the spring and one in the fall. City street trees are trimmed from January to late March. About five sections of the City are trimmed each year. This

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.*

activity is also responsible for issuing violations of the tree and shrub ordinance.

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.■

Did you know?...

...that the Parks & Grounds Maintenance division installs over 70,000 miniature lights in the City Center Commons and Dodge Park trees for the Christmas holiday and for Parks and Recreation's "A Sterling Christmas"?

Parks & Grounds Maintenance

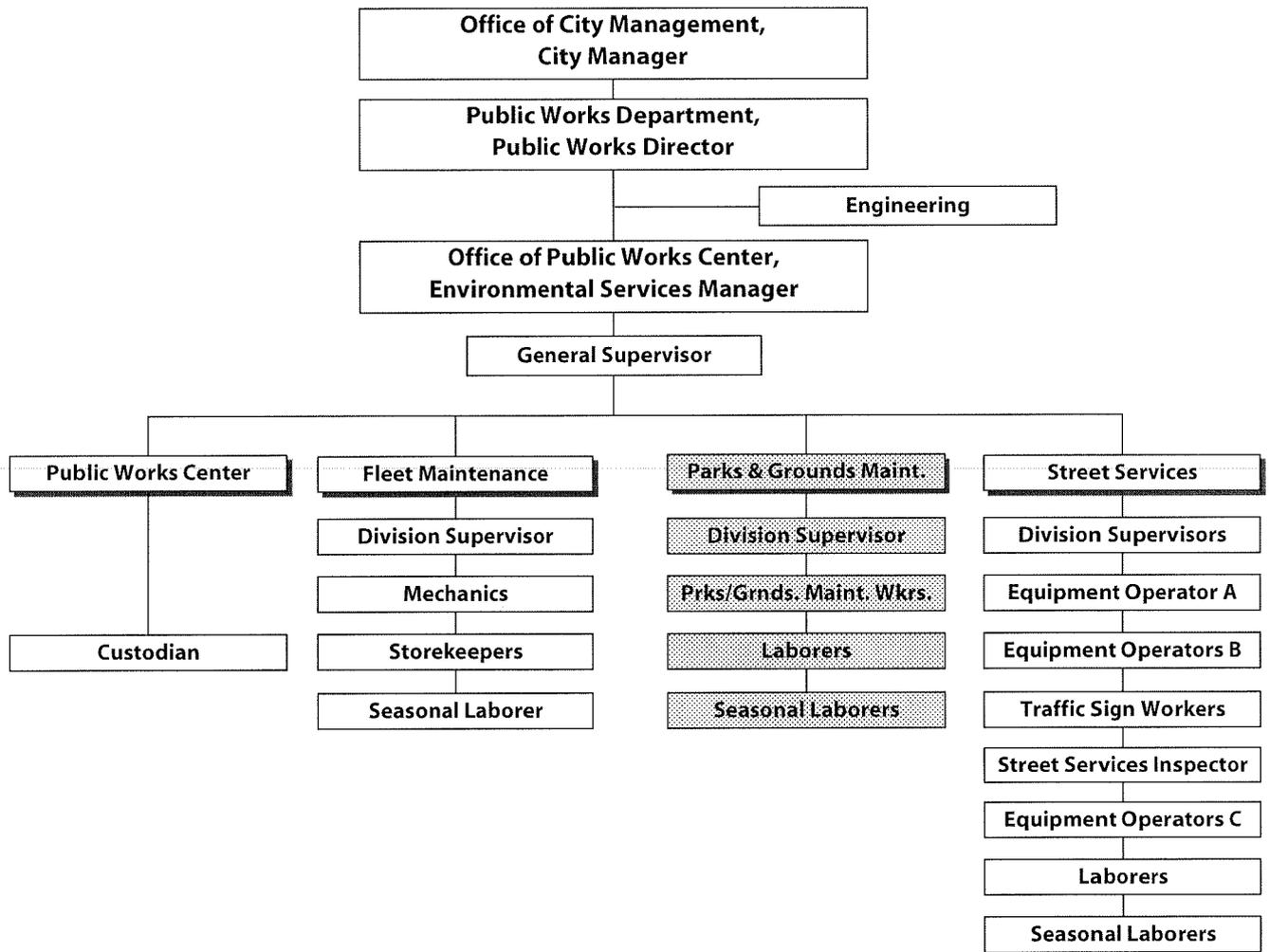
2008/09 PERFORMANCE OBJECTIVES

- To make necessary repairs at Beaver Creek Park including repairs to the softball diamond backstop, replacing the fence fabric and painting the frame posts, repairing the basketball backboards and rims and painting the posts, removing and replacing the mulch around the play structure, and repairing the asphalt parking lot. (City Goal 3)
- To remove and replace the roofing shingles on the restroom/concession building and repair the ticket and scorers booths at Baumgartner Park. (City Goal 3)
- To improve the aesthetics of Delia Park by painting the exterior trims of the baseball restroom/concession building and adding additional drainage to the south side of the building to remove standing water. (City Goal 3)
- To improve pedestrian safety by removing and replacing the wood decking on the pedestrian bridge over the Clinton River in Dodge Park. (City Goal 3)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Street Trees Planted	1,200	582	389	1,000	350	500
	Street Trees Trimmed (Subcontracted)	0	1,540	7,028	5,500	4,500	4,500
	Street Trees Trimmed (In-House)	0	550	485	1,500	1,000	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	1,100	1,000	1,125	1,000	1,000	1,000
	Soccer/Football Fields Relined	250	250	247	250	250	250
	Snow/Ice Control Call-Ins	14	19	12	15	15	15
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	88	92	73	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
% of Hazardous Apparatus Responded to w/i 24 hrs.		100%	100%	100%	100%	100%	100%
% of City Easement Trees Routinely Maintained		0%	20%	20%	20%	20%	20%
Cost to Mow an Acre of Parkland		\$41.92	\$42.11	\$42.79	*	*	*
Activity Expenditures as % of General Fund		1.70%	1.67%	1.68%	1.65%	1.61%	1.52%

* Cost is calculated for "Actual" columns only.

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Division Supervisor	1	1	1
Parks & Grounds Maintenance Worker	6	6	6
Laborer	6	6	5
Seasonal Laborer	8	8	8
Total	21	21	20

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

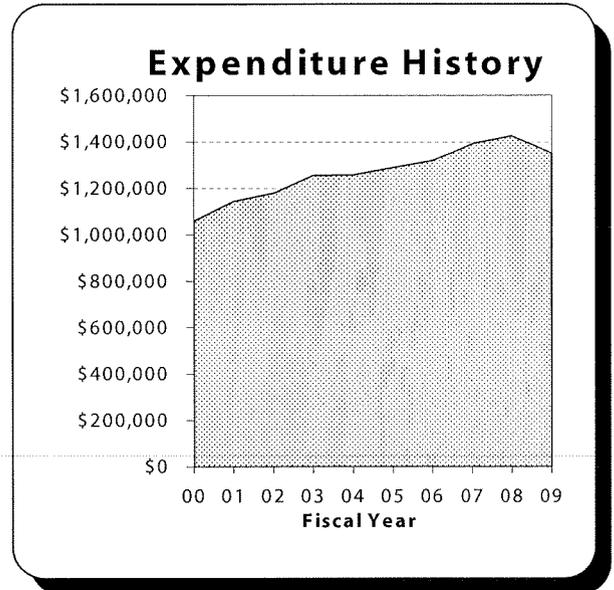
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget decreased by \$73,990 or 6.6%. A vacant Laborer position is recommended to be eliminated, saving \$67,710. The overtime budget increased by \$5,000 to allow for additional park maintenance. In addition, this division will re-direct the seasonal staffing operations to incorporate the annual painting of equipment, tables, fencing, buildings and other structures throughout the City’s parks system.

Supplies – Total Supplies increased \$11,190 or 27.5%. Funding for operating supplies increased \$7,000 due to the increased costs of tools and materials needed to maintain the City’s parks. \$5,190 was added due to the higher cost of paints and supplies needed for the lining of athletic fields.

Other Charges – Total Other Charges decreased \$12,030 or 4.7%. The City will save \$9,960 as the mosquito control spraying program will be eliminated in Nelson, Baumgartner, and Delia Parks. Contracted services decreased \$8,370 due to a prior year reappropriated encumbrance and lower contract costs for the mowing of municipal grounds. Water costs rose \$7,000 due to higher rates and increased irrigation at City parks.

Capital – Total Capital of \$32,500 is proposed. \$12,500 is for a Gator with Plow and Salt Spreader to replace a 1995 unit used to plow snow, line athletic fields, and clean park trails. \$20,000 is to replace a 1997 4 x 2 Ball Diamond Maintenance Truck that lacks dependability



and is used to maintain athletic fields.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,049,915	\$1,126,830	\$1,085,660	\$1,052,840	\$1,052,840
Supplies	59,918	40,620	46,620	51,810	51,810
Other Charges	280,682	257,910	256,070	245,880	245,880
Total	\$1,390,515	\$1,425,360	\$1,388,350	\$1,350,530	\$1,350,530

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 Environmental Services Manager 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.*

The Custodial Services function involves the general housekeeping required at the Public Works Facility. This includes the custodial upkeep of all administrative offices, main office area, conference room, multi-purpose room, locker rooms and lavatories. Delivery and pickup of interdepartmental mail and correspondence from the municipal building and fire stations lies within this program.■

Did you know?...

...that the Public Works Center, working with the Street Services sign shop, fabricated, constructed and installed Clinton River Watershed "Ours to Protect" public information signage at every drain, creek, and river location that intersects major roads throughout the City?

Public Works Center

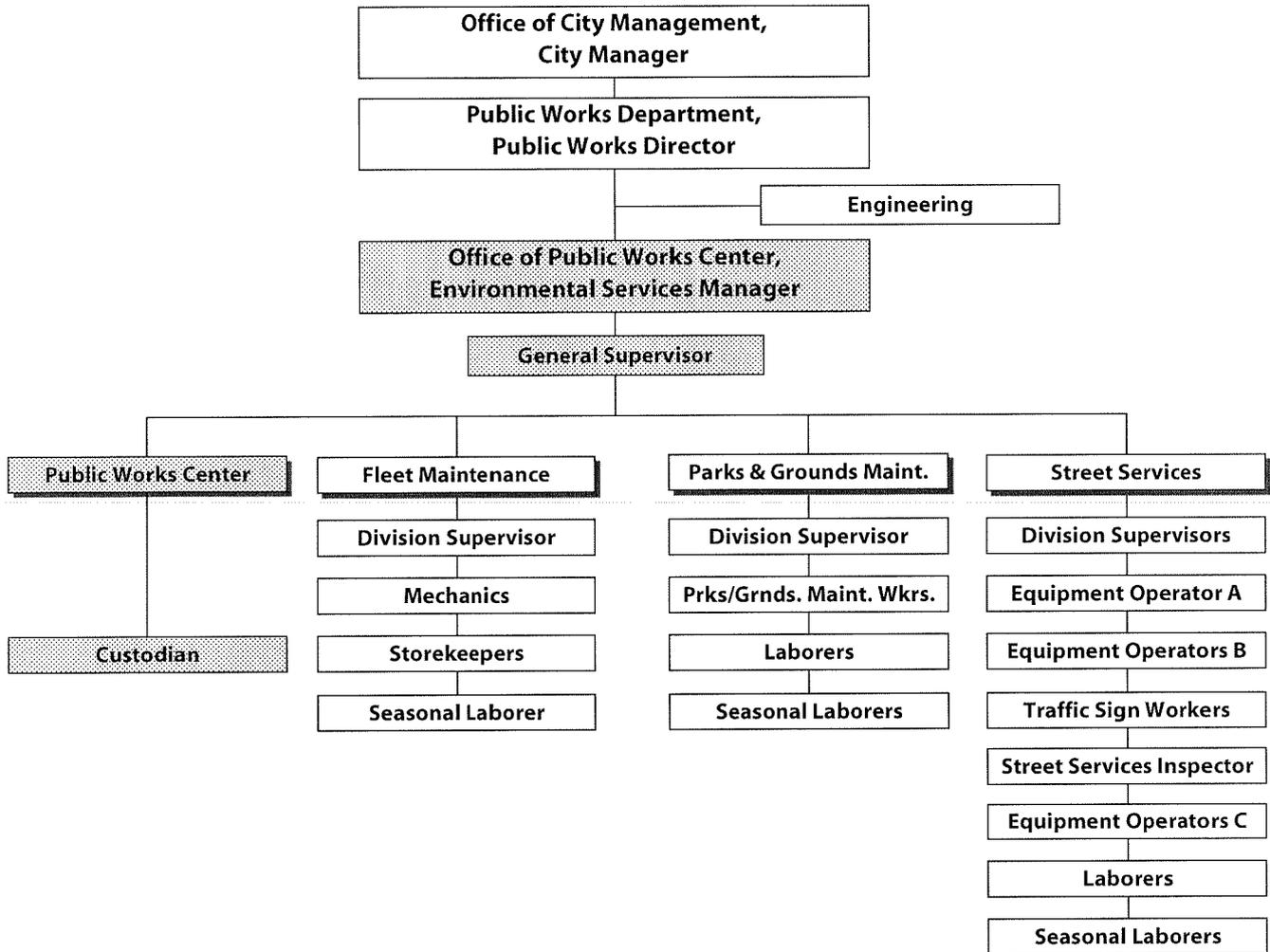
2008/09 PERFORMANCE OBJECTIVES

1. To upgrade the turf and planting beds on the M-59 median with applications of mulch and removal of dead or diseased trees. *(City Goal 14)*
2. To expand the right-of-way mowing program by adding the following mowing areas: 17 Mile Road from Schoenherr to Mound Roads, Schoenherr Road from 14 Mile to 16 Mile Road, and the new 19 Mile Road median from Mound to Ryan Roads. *(City Goal 14)*
3. To evaluate and provide additional areas to the guardrail spraying program to minimize weed whipping and the associated personnel costs. *(City Goal 14)*
4. To gather storm water quality information from the City's consulting engineers, the Clinton River Watershed Council, Michigan Municipal League, and other sources for posting on the City's website and printing in the City's magazine. *(City Goal 19)*

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 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	15	21	13	18	20	20
	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	2,840	2,845	2,862	2,850	2,860	2,850
	Culvert Permits Issued & Inspected	1	4	4	4	4	4
	Signs Installed for Adopt-A-Road	2	2	3	10	5	8
	Refuse Pick-Ups Made from Adopt-A-Road	37	47	35	25	25	25
	Outfalls Sampled for Stormwater Discharge	0	52	51	50	50	50
	Landscape Median Mowing - Revolutions	25	26	26	27	27	27
	Number of Parts Issued by General Stores	26,815	30,093	29,307	30,000	30,000	30,000
Efficiency	% of Outfalls Sampled w/no Water Discharge	N/A	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.67%	0.65%	0.63%	0.66%	0.67%	0.74%

* Cost is calculated for "Actual" columns only.

Public Works Center



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Environmental Services Manager	1	1	1
General Supervisor	1	1	1
Custodian	1	1	1
Total	3	3	3

Public Works Center

SUMMARY OF BUDGET CHANGES

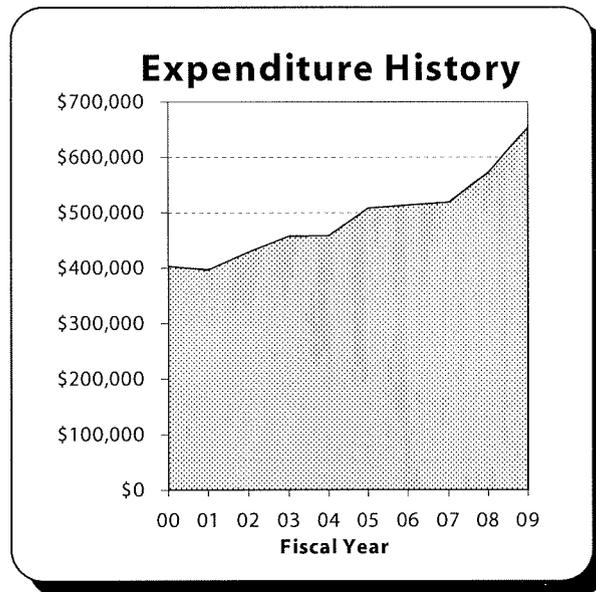
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$18,470 or 5.1%. Wages for full-time employees increased by \$7,120. Health insurance costs declined by \$2,310, as a result of a proposed new labor contract. An additional \$6,010 is budgeted to help fund the City’s growing retiree medical obligations. Overtime costs increased \$2,000, while Longevity pay increased \$3,980 as a result of a new labor contract and increased years of service for several employees.

Supplies – Total Supplies increased \$1,000 or 10.0% due to an increase in the cost of light bulbs, paint, hand tools, and various other supplies needed to maintain and operate the Public Works facility.

Other Charges – Total Other Charges increased \$61,790 or 31.2%. \$60,000 for the noxious weed cutting program will now be expensed in this activity instead of in General Expenditures to provide a better means of monitoring future costs. Water costs increased \$3,000 due to higher rates and increased usage. Funding was reduced \$1,200 due to a decrease in building maintenance costs and as a result of a prior year reappropriated encumbrance.

Capital – Total Capital of \$28,000 is proposed for this activity and is budgeted in the Capital Projects Fund. \$28,000 is for a ¾ Ton Pickup Truck with Plow to replace a 1997 vehicle with over 110,000 miles that is in need of constant repair and is no longer reliable.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$314,465	\$363,930	\$369,630	\$382,400	\$382,400
Supplies	9,255	10,050	12,050	11,050	11,050
Other Charges	194,793	197,830	197,020	259,620	259,620
Total	\$518,513	\$571,810	\$578,700	\$653,070	\$653,070

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, mobile home parks, and schools 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 holiday trees for composting is also provided.

Three voluntary Recycling Drop-Off Centers are also maintained in order to provide residents with the opportunity to recycle.

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 correspondence is 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 types all related correspondence.

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.*

The Solid Waste Management Commission is funded in the Refuse activity. The Public Works Director 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 and Parks & Grounds Maintenance programs especially relating to tree planting, tree removal (including street trees that are infested with the emerald ash borer), trimming, and information requests. ■

Did you know?...

...that one ton of recycled paper saves approximately 17 trees? So, in 2007, Sterling Heights residents saved 34,680 trees by recycling over 2,040 tons of newspaper, magazines, junk mail, cardboard, office paper and telephone books.

Refuse Collection

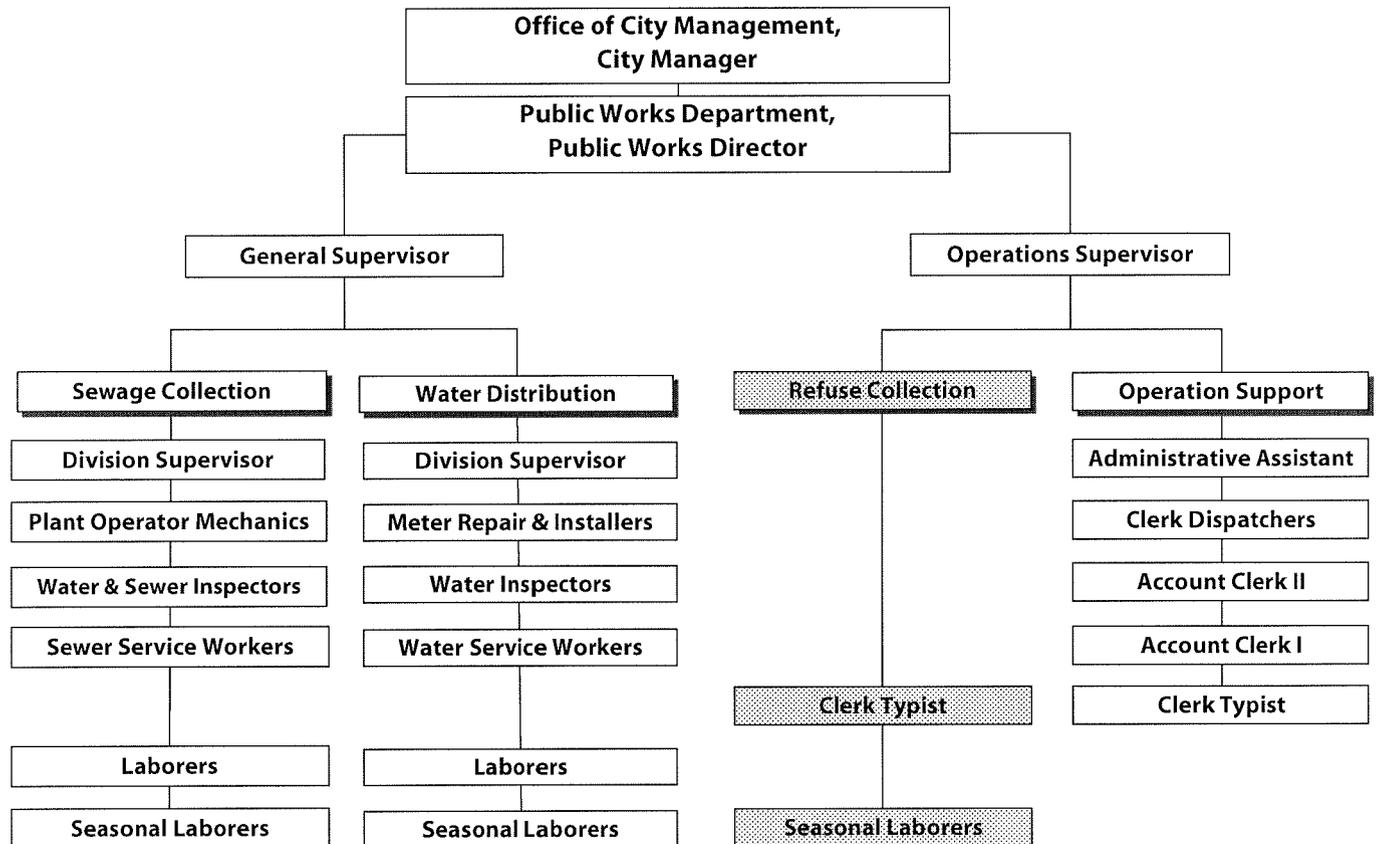
2008/09 PERFORMANCE OBJECTIVES

1. To manage the Cost Recovery Program and provide dumpster collection service to the 13 apartment complexes that participate in the program, if they continue to pay the City in advance for the full cost of the service plus the administrative fee. (City Goal 1, 3)
2. To ensure quality refuse collection service and contract compliance by aggressively monitoring the refuse collection contractor and issuing violations for various performance problems resulting in the assessment of fees or charges against the contractor. (City Goal 1, 13, 14)
3. To aggressively tag and inform residents who have placed their refuse out too early for collection or have placed it out improperly. (City Goal 13, 14)
4. To work with the Community Relations Department and Information Technology Office to fully implement and utilize all features of the new BS&A Complaint Tracking System, in an attempt to resolve and reduce recurring refuse and yard waste collection problems. (City Goal 3, 5, 18)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Curbside Refuse Collection Points (Per Week)	38,844	39,210	39,440	40,500	39,900	40,500
	Cubic Yards of Refuse Landfilled	144,305	127,520	124,460	130,000	128,000	130,000
	Cubic Yards Recycled at Drop-Off Centers	13,984	13,520	12,640	12,500	12,500	12,500
	Tons of Yard Waste Composted/Diverted	13,443	10,895	14,384	13,200	12,500	13,000
	Christmas Trees Chipped and Composted	2,850	2,406	2,413	2,300	2,200	2,000
	Tons of Scrap Metal Recycled	455	300	150	250	85	85
	Gallons of Used Oil Recycled	33,500	34,600	30,500	34,500	32,200	34,000
Efficiency & Effectiveness	Refuse Violation Citations Issued	15	15	20	20	20	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	32.9%	42.7%	44.0%	41.0%	42.0%	41.0%
	Refuse Collection Costs per Capita	\$38.46	\$31.72	\$32.07	\$34.40	\$33.91	\$35.06
	Refuse Collection Millage Rate	1.11	0.83	0.81	0.81	0.81	0.84
	Annual Refuse Cost for \$190,000 Home (\$84,000 TV)	\$92.86	\$69.78	\$68.39	\$67.68	\$67.68	\$70.40
	Total Cost to Operate Three Recycling Centers	\$68,756	\$80,060	\$84,110	\$85,000	\$84,000	\$82,000
	Recycling Costs Per Ton Recycled	\$20.16	\$26.54	\$33.92	\$30.00	\$33.40	\$32.00
	Cost to Collect/Dispose of Refuse (1 cubic yard)	\$33.63	\$31.59	\$32.86	\$33.87	\$33.91	\$34.65
	Activity Expenditures as % of General Fund	6.41%	5.10%	4.94%	5.11%	5.03%	5.07%

* Cost is calculated for "Actual" columns only.

Refuse Collection



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Clerk Typist	1	1	1
Seasonal Laborer	3	3	3
Total	4	4	4

Refuse Collection

SUMMARY OF BUDGET CHANGES

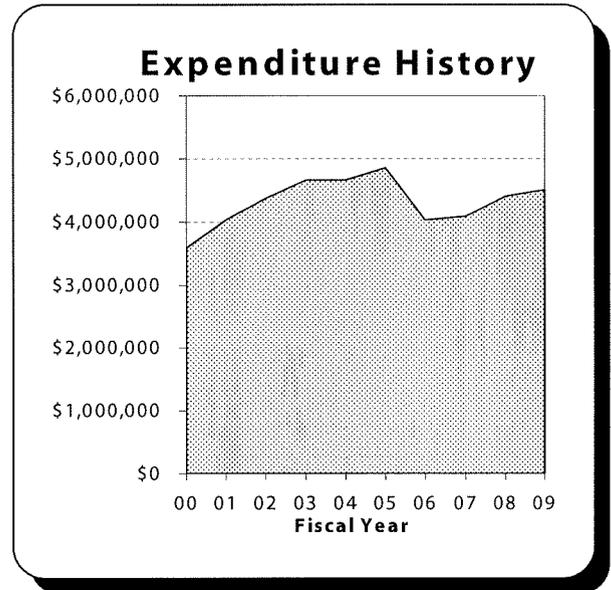
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$1,830 or 1.3%. Wages for full-time employees increased by \$1,160 or 3.0%. Part-time wages declined \$1,210 as a result of employee turnover in the prior year. Health insurance costs rose \$980 or 6.5% due to a rate increase for next fiscal year. Funding for retiree medical liabilities increased by \$830.

Supplies – Total Supplies is proposed to remain the same at \$450.

Other Charges – Total Other Charges increased \$100,360 or 2.4%. Rubbish removal costs rose \$125,200 due to contractual price increases, including a fuel adjustment of \$75,000. The increase was slightly offset based on higher estimated recycling center revenues. Funding for interfund service costs decreased \$24,340 due to revised allocation of personnel time and costs for those employees budgeted in the Water & Sewer Fund who manage the refuse program. The City has contracted a hauling and disposal company for street sweeping materials who can provide services at a lower cost.

Capital – Total Capital of \$8,400 is proposed to replace two 17 year-old unsafe Recycling Trailers that are in need of repair and are utilized at the City’s drop-off sites.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$137,467	\$136,760	\$134,010	\$138,590	\$138,590
Supplies	627	450	450	450	450
Other Charges	3,951,334	4,265,390	4,205,960	4,365,750	4,365,750
Total	\$4,089,428	\$4,402,600	\$4,340,420	\$4,504,790	\$4,504,790

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 five 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?...

...that since 2006, the Street Services division has lost six seniority personnel due to retirement, who had a combined 162 years of Public Works experience?

Street Services

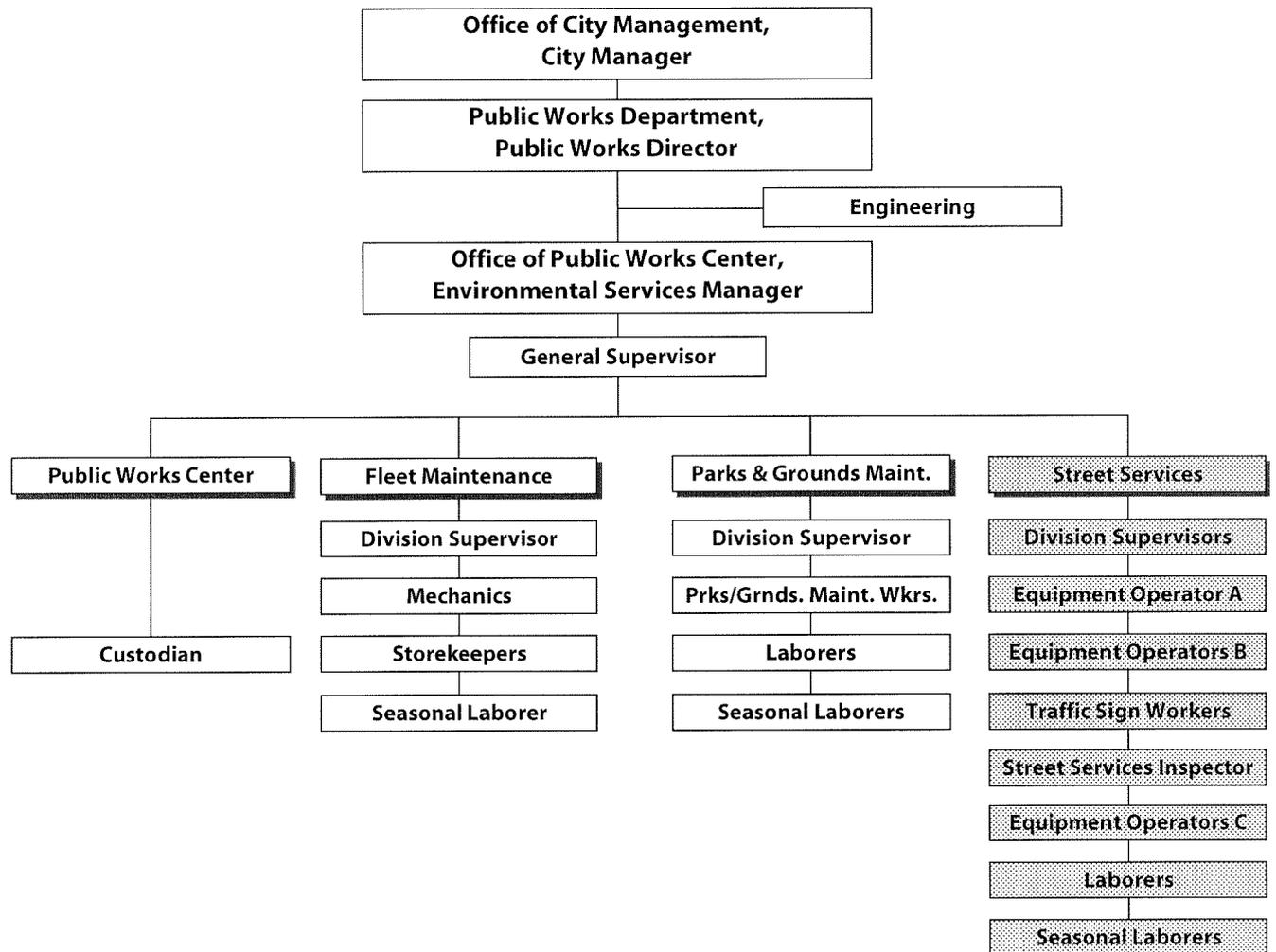
2008/09 PERFORMANCE OBJECTIVES

- To improve snow removal capabilities and reduce incidental property damages through increased employee training and education. *(City Goal 3)*
- To establish and enforce an inspection and replacement program to ensure that faded street signs are replaced in a timely manner. *(City Goal 3)*
- To provide a continuing employee education program with an emphasis on the inherent hazards of high voltage wires, and the costs incurred from damaging cable and fiber-optic lines. *(City Goal 3)*

	Performance Indicators	2004/05	2005/06	2006/07	2007/08	2007/08	2008/09
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Miles of Roads in City (Major & Local)	345	347	349	349	349	349
	Miles of Sidewalks in City	566	605	608	620	609	610
	After Hours Snow Removal Occurrences	41	35	32	35	40	35
	Miles of Snow Fence Installation or Removal	1.16	5.00	5.00	5.00	4.00	4.00
	Pothole Patching - Tons of Patch Used	549	346	367	400	425	400
	Sidewalk Patching - Number of Locations	343	267	159	350	250	300
	Street Sweeping - Rotation (395 miles)	4	4	4	4	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	15	14	21	12	21	17
	Right of Way Mowing - Revolution (357 miles)	9	10	10	10	10	10
	Storm Catch Basin Cleaning-Number of Locations	580	762	1,026	900	1,000	900
	Number of Street Trees Removed In-House	227	463	376	700	200	500
	Number of Street Trees Removed by Contractor	8,249	838	353	125	350	125
	Homeowner Tree Inquiries/Inspection Responses	4,968	5,072	3,666	4,500	4,000	4,500
	Residential Tree/Branch Chipping Requests Filled	3,202	5,681	3,452	5,000	5,000	5,000
	Number of Streetlights in City	2,472	2,508	2,513	2,520	2,520	2,530
	Traffic Sign Repairs or Replacements	5,486	4,364	4,568	4,200	4,200	4,200
	Gravel Roads - Lane Miles Graded	29	32	36	32	32	32
	Dust Control - Gallons Calcium Chloride Applied	15,962	38,196	47,617	40,000	40,000	40,000
Efficiency & Effectiveness	% of Tree Chipping Requests Completed w/i 1 week	99%	99%	99%	95%	99%	99%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	\$1,780	\$1,859	\$1,250	\$1,000	\$1,000	\$1,000
	Street Services Cost Per Capita	\$14.66	\$13.60	\$14.57	\$15.30	\$14.44	\$15.48
	Average Cost to Sweep a Lane Mile of Major Road	\$482	\$478	\$490	*	*	*
	Activity Expenditures as % of General Fund	2.44%	2.19%	2.24%	2.27%	2.14%	2.24%

* Cost is calculated for "Actual" columns only.

Street Services



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Division Supervisor	2	2	2
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	2	2
Seasonal Laborer	2	2	2
Total	23	23	23

Street Services

SUMMARY OF BUDGET CHANGES

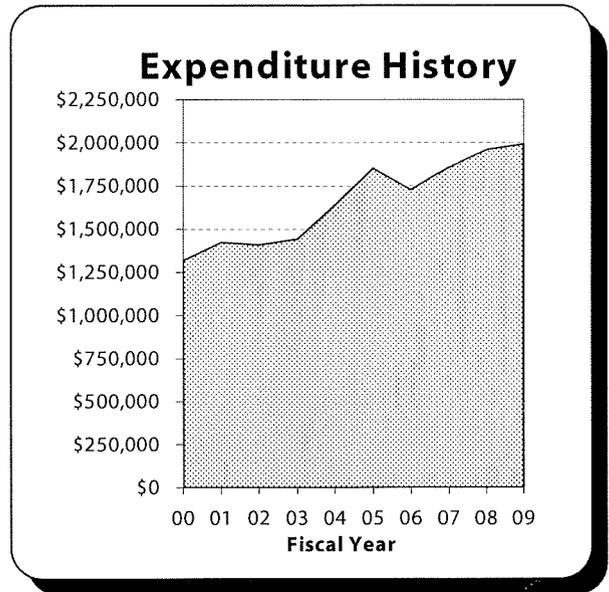
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$28,080 or 1.4%. Due to staff turnover in the prior year, wages for full-time employees increased only \$21,370 or 1.9%. Due to a proposed new labor contract and an additional employee electing to receive the health insurance allowance, health insurance costs declined \$34,810. An additional \$24,680 is budgeted to fund retiree medical liabilities.

Supplies – Total Supplies increased \$2,300 or 18.1%. Funding increased \$2,300 due to the higher cost and greater need for signage materials and traffic control supplies.

Other Charges – Total Other Charges decreased \$40 or 0.5%. Funding decreased \$150 for storm water discharge sampling, as the budget can be reduced and brought more in line with prior year actual expenditure levels. Printing costs increased \$100, as additional work order forms are needed. \$10 was added due to a slight increase in existing American Public Works Association (APWA) membership fees.

Capital – Total Capital of \$170,000 is proposed for this activity and is budgeted in the Capital Projects Fund. \$36,000 is to replace an 18 year-old Chipper used for daily tree trimming and branch chipping operations. \$129,000 is for a Single Axle Dump Truck with Plow to be used for snow and tree removal, road patching and other road maintenance duties. This truck will replace a vehicle that is 17-years old. \$5,000 is for the repair of School Walkways near Coachwood and Clifford Drives.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

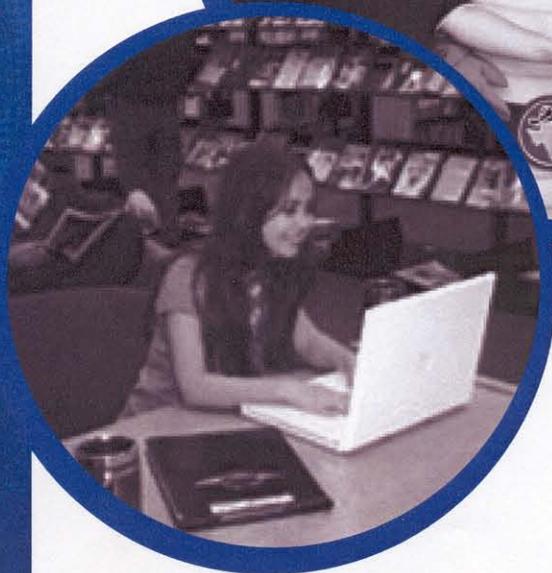
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,827,701	\$1,937,990	\$1,824,820	\$1,966,070	\$1,966,070
Supplies	21,404	12,700	15,000	15,000	15,000
Other Charges	8,024	8,180	8,140	8,140	8,140
Total	\$1,857,129	\$1,958,870	\$1,847,960	\$1,989,210	\$1,989,210

Public Library Department

08 09



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
- 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
- Periodical and newspaper maintenance
- Readers' Advisory Services
- Online database selection
- Coordinates Internet access and instruction
- Online database searching 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, holds, deposit collections, and extension loans
- 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
- Compiles and maintains statistical records
- 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 SIRSI 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 increased by \$71,570 or 2.6%. Personnel costs rose \$52,140 or 2.3%. Funding for a vacant full-time Library Clerk position is proposed to be eliminated. As a result, an additional part-time Library Clerk and Library Page are recommended in order to provide adequate staffing at the circulation desk. This change will result in a \$28,830 net savings. Supplies increased by \$7,090 or 2.8% due primarily to an inflationary increase in funding for books and audiovisual materials. The CDBG budget

includes \$7,000 for the purchase of library books to be delivered to the homebound and senior residences. Other Charges increased by \$12,340 or 4.1% due to higher utility and online database costs, as well as the City's continued participation at the Senior Executive Institute. The capital budget includes funding for three replacement network switches to ensure reliable public Internet access, a replacement multi-media projector for public presentations, and the creation of a Library café and the remodeling of the existing bookstore.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Public Library	\$2,552,980	\$2,750,980	\$2,798,180	\$2,869,750	2.6%
Total Department	\$2,552,980	\$2,750,980	\$2,798,180	\$2,869,750	2.6%
Personnel Services	\$1,999,420	\$2,186,330	\$2,238,770	\$2,290,910	2.3%
Supplies	254,630	258,660	256,130	263,220	2.8%
Other Charges	298,930	305,990	303,280	315,620	4.1%
Total Department	\$2,552,980	\$2,750,980	\$2,798,180	\$2,869,750	2.6%

PERSONNEL SUMMARY

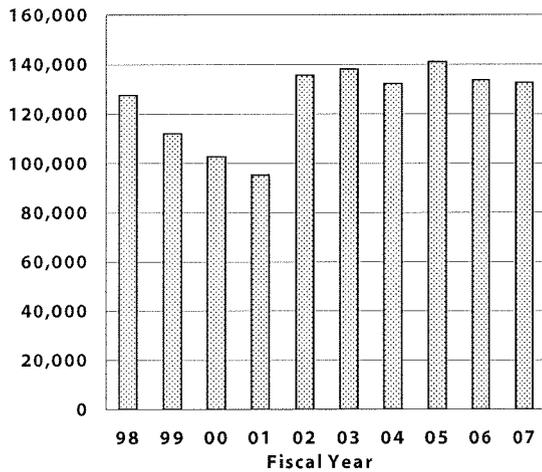
	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	23	18	23	18	23	18	22	20
Total Department	23	18	23	18	23	18	22	20

Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

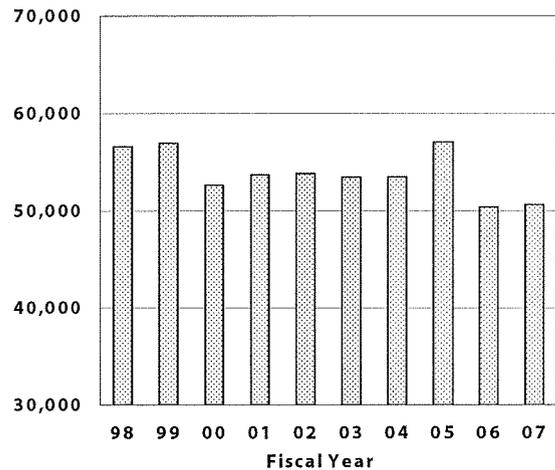
Public Library Department

Reference Questions



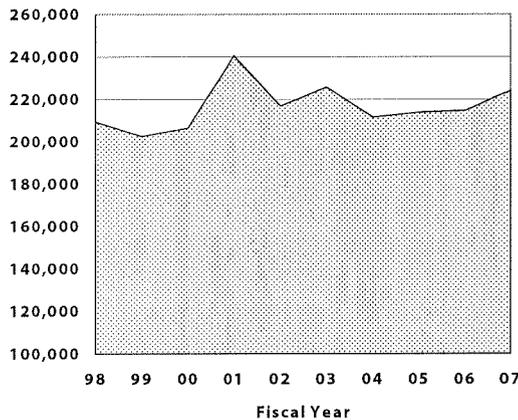
The number of questions at the City Library's Reference Desk has increased after reaching a low in 2001 as the Library was closed for several months due to a renovation and expansion project.

Registered Borrowers



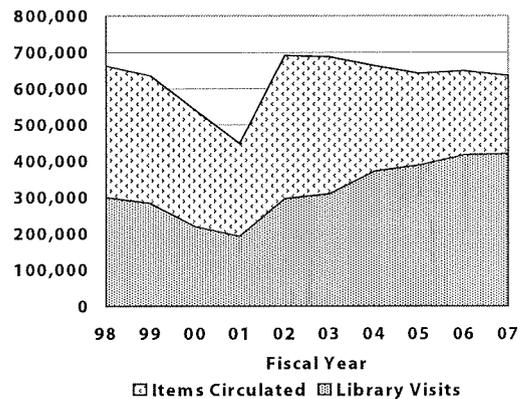
The number of registered borrowers has decreased slightly over the past ten years primarily because the City regularly updates its registered borrower database.

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 1999, 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 223,984 materials on hand, or an average of 1.7 collections per resident. A total of 500,000 online and electronic database uses were experienced in 2007. Attendance at Library programs has increased by more than 80% since the new Library Programming Center was opened in 2001.

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 five years, while attendance has continued to increase. In 2007, 421,000 visits were recorded or an average of 131 visits per hour open. 635,000 items were circulated or an average of 1.5 items per visit.

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 and youth summer reading programs, computer and Internet training, 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, electronic resources and audiovisual material provide residents with excellent educational opportunities.

Computerized information retrieval is offered with online catalogs 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 a self check-out station, full-text online magazine and newspaper databases, Internet access at public workstations, wireless Internet access, area newspapers on microfilm, and a Youth Computer Homework Center with CD-ROM software.

The Library's web site, www.shpl.net, serves as an effective guide to the wealth of resources provided by the Library in addition to an introduction to the vast resources of the Internet providing access to thousands of full-text electronic books and downloadable audiobooks via the Michigan e-Library (MeL), 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 12½ hours of quality educational programs Monday through Friday. 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?...

...that the Sterling Heights Public Library has an average of 133 visitors per hour?

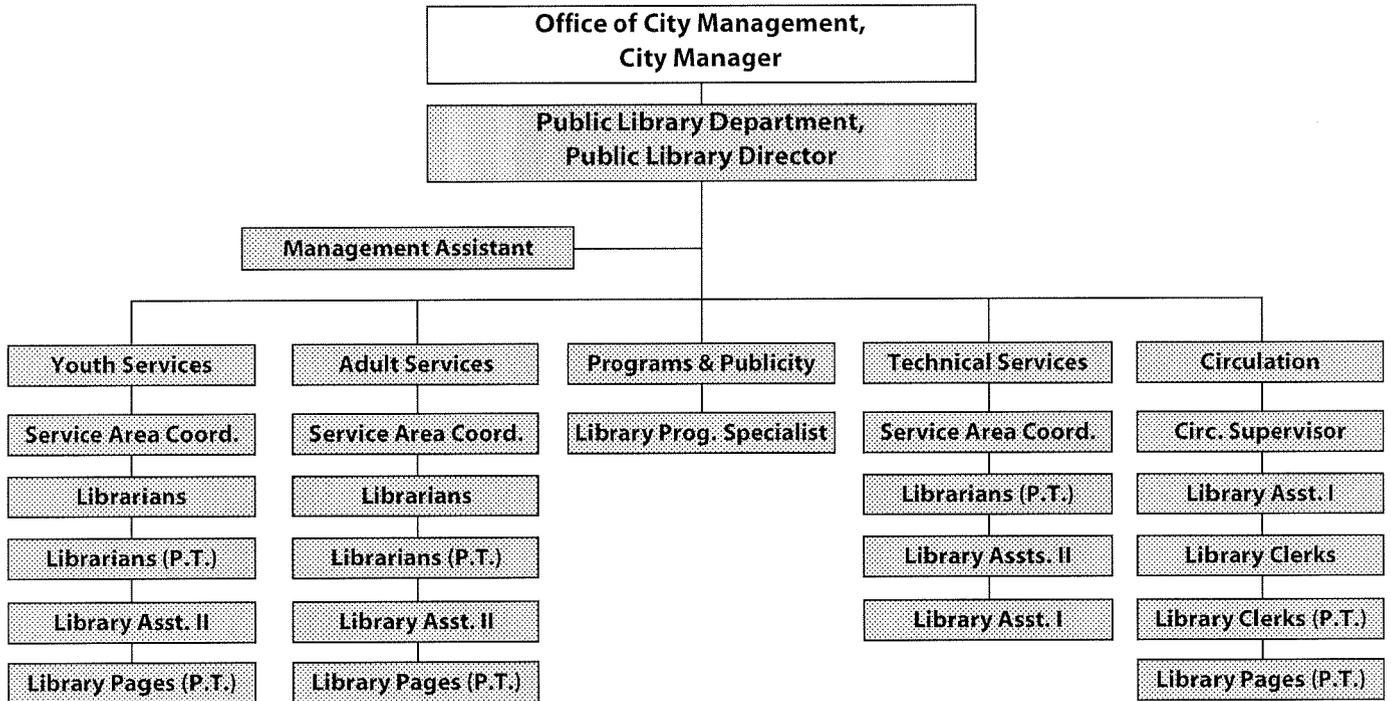
Library

2008/09 PERFORMANCE OBJECTIVES

1. To enrich the library experience for teen residents and enhance their knowledge of the library and its resources, the library will increase teen focused programming by 75%. (City Goal 26)
2. To seek grants, community partnerships, and other sources of revenue to improve core library services. (City Goal 21, 26)
3. To conduct an efficiency review process of the Technical Services and Circulation Divisions focusing on workflow and job tasks. (City Goal 3, 4)

Performance Indicators		2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Library Registered Borrowers	57,050	50,390	50,599	51,000	51,000	51,500
	Annual Library Attendance	388,706	417,601	420,716	414,000	420,000	421,000
	Total Collection of Library Materials	213,759	214,567	223,984	230,000	240,000	250,000
	Items Circulated	641,730	648,967	635,425	660,000	635,000	640,000
	Program Attendance	22,780	21,275	25,470	23,500	26,000	27,000
	Reference & General Information Requests	141,056	133,617	132,557	135,000	133,000	135,000
	Hours of Library Operations Weekly	64	64	64	64	64	64
	Materials Added to Collection (including e-books)	21,703	20,110	32,903	30,000	30,000	30,000
	In-Library Use of Materials	139,897	140,033	144,698	142,000	146,000	150,000
	Items Processed for Loan to Other Libraries	89,405	100,260	109,814	105,000	110,000	120,000
	Items Processed for Receipt from Other Libraries	99,078	109,995	120,393	107,000	120,000	120,000
	Self Check-out Circulations	15,476	16,279	17,424	17,000	17,500	18,000
	Online & Electronic Database Usage	441,111	456,752	492,979	474,000	490,000	495,000
	Outreach Loans by Library Van	12,844	12,820	11,242	12,000	11,000	12,000
Hours of Library Cable Programming	3,125	2,829	3,319	3,600	3,600	3,600	
Efficiency & Effectiveness	Registered Borrowers as a % of Population	45%	40%	40%	40%	40%	40%
	Library Materials per Capita	1.76	1.67	1.76	1.80	1.88	1.95
	Circulation of Materials per 1,000 Population	5,085	5,110	4,984	5,156	4,960	4,980
	% of Hold Material Requests Filled within 30 days	76%	78%	79%	76%	79%	79%
	% of Material Reshelfed within 24 hours	80%	77%	80%	77%	80%	80%
	Full-time Equivalent Staff Per 1,000 Population	0.25	0.25	0.23	0.25	0.25	0.25
	Library Material Acquisition Costs Per Resident	\$1.78	\$1.84	\$2.12	\$1.87	\$1.87	\$1.90
	Library Cost Per Capita	\$19.59	\$20.10	\$21.58	\$21.86	\$21.76	\$22.33
	Total Cost Per Library Registered Borrower	\$43.33	\$50.66	\$54.37	\$54.87	\$54.60	\$55.72
Activity Expenditures as % of General Fund	3.26%	3.23%	3.32%	3.25%	3.23%	3.23%	

Library



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
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	2	2
Library Clerk	3	3	2
Librarian (P.T.)	8	8	8
Library Page (P.T.)	9	9	10
Library Clerk (P.T.)	1	1	2
Total	41	41	42

Library

SUMMARY OF BUDGET CHANGES

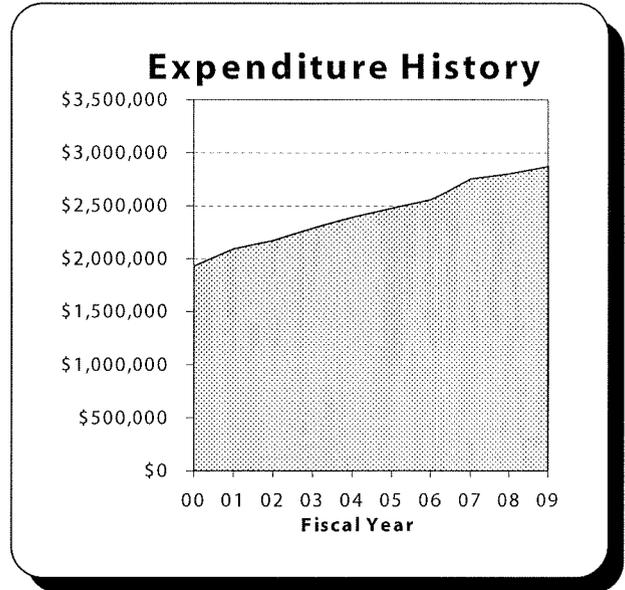
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$52,140 or 2.3%. A vacant full-time Library Clerk position at the circulation desk is recommended to be eliminated. An additional part-time Library Clerk and a Library Page are recommended to be added so the circulation desk will be adequately staffed. This change from full-time to part-time staffing will save \$28,830. Wages and fringe benefit increases for existing employees accounted for the remaining overall increase.

Supplies – Total Supplies increased \$7,090 or 2.8%. Book funding increased \$3,390 and audiovisual material increased \$1,000 to fund the purchase of additional circulation materials. Funding is also included for the purchase of children’s picture books, as CDBG funding is no longer available for these books. \$2,500 was added for additional material processing supplies and library cards, partially offset by a savings in printer cartridges as the Library’s computers are now networked with the copy machines.

Other Charges – Total Other Charges increased \$12,340 or 4.1%. \$5,550 was added, as the Library Director will attend the Senior Executive Institute. Electric costs increased \$5,000 and heating costs increased \$500. \$1,530 was added due to an increase in online database costs. \$200 was added for credit card fees as the Library now accepts credit card payments for overdue fines and lost materials.

Capital – Total Capital of \$19,250 is proposed. \$4,250 is for a Multi-Media Projector to replace a 10-year old projector used in the Library’s Programming Center. \$11,000 is for three replacement Network Switches



needed to direct computer network traffic and provide reliable Internet access. \$4,000 is to create a Library Café and remodel the Bookstore.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

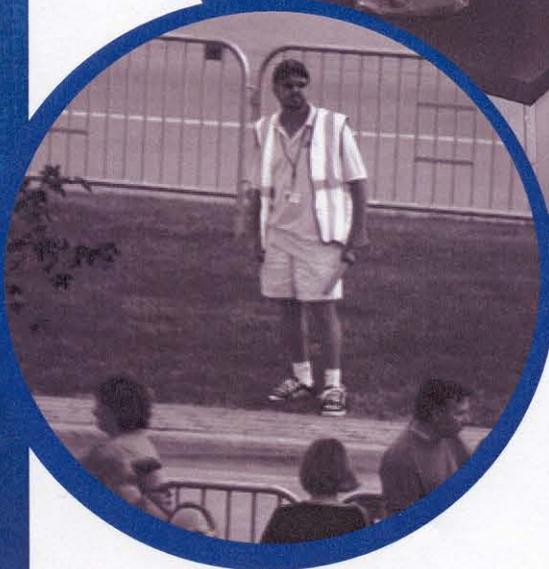
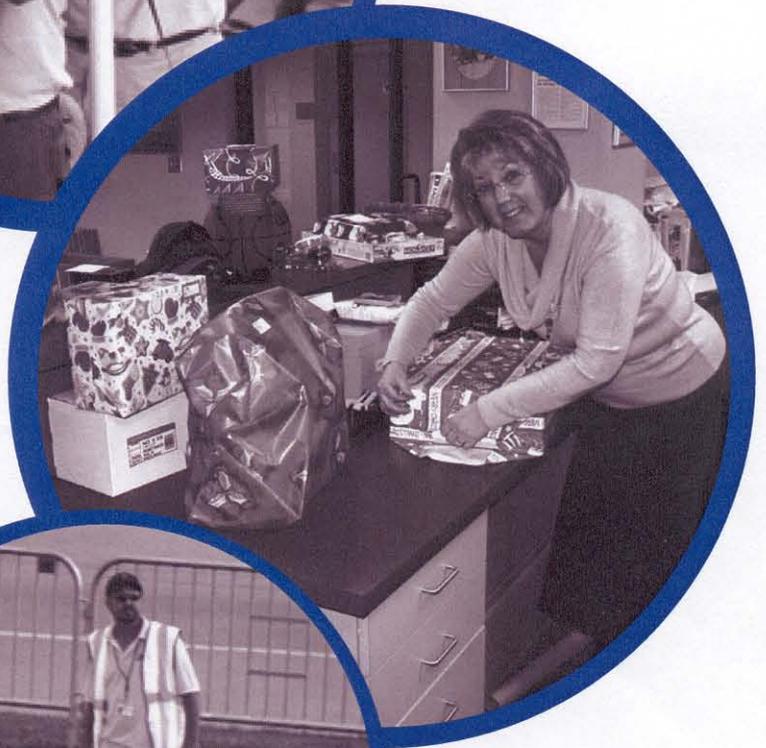
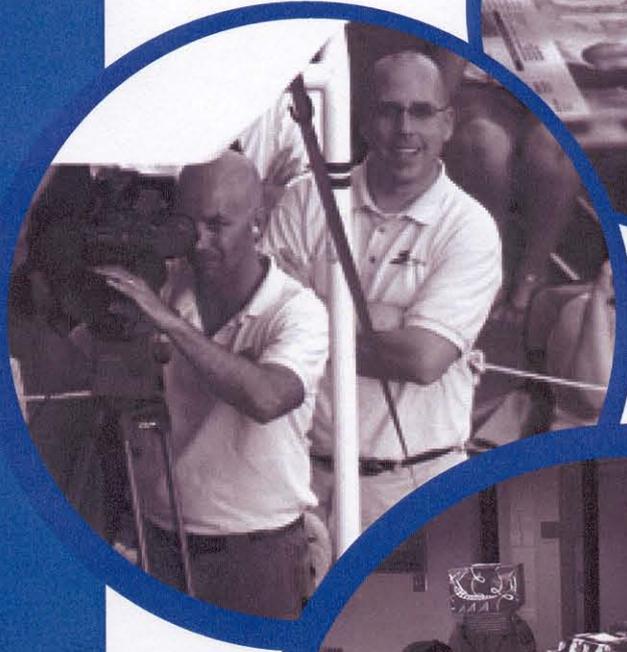
Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$2,186,335	\$2,238,770	\$2,220,850	\$2,290,910	\$2,290,910
Supplies	258,657	256,130	255,830	263,220	263,220
Other Charges	305,991	303,280	308,050	315,620	315,620
Total	\$2,750,983	\$2,798,180	\$2,784,730	\$2,869,750	\$2,869,750

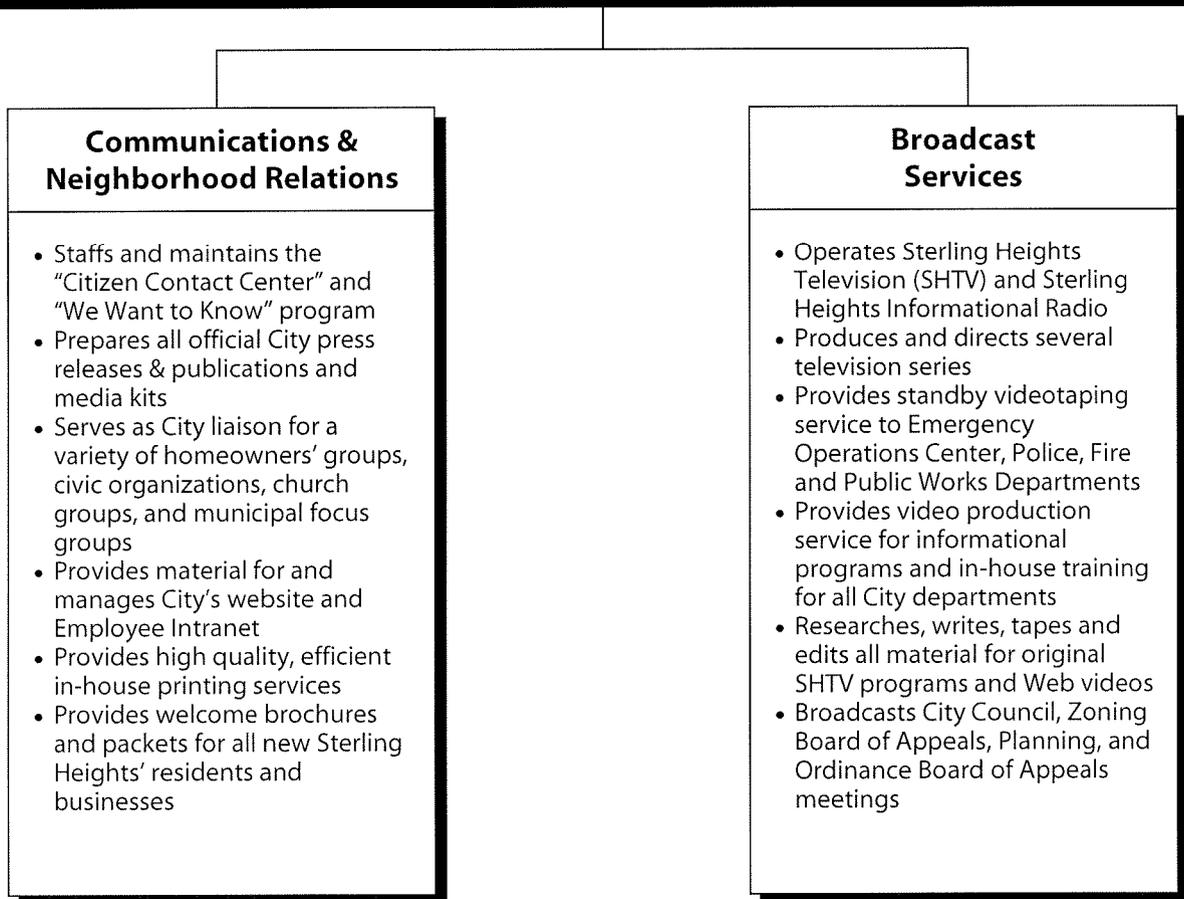
08 09

Community Relations Department



FUNCTIONAL ORGANIZATION CHART

Community Relations Department



DEPARTMENT AT A GLANCE

Community Relations Department

BUDGET SUMMARY

The Community Relations Department budget increased by \$116,930 or 7.3%. Personnel costs rose by \$59,800 due to higher wage and fringe benefit costs. Wages for full-time employees increased by \$36,990, while health insurance costs rose \$12,170. An additional \$19,720 is needed to fully fund retiree health care obligations. Funding for a vacant part-time Video Production Technician working two days per week has been eliminated, saving \$14,640. Supplies decreased by \$3,490 or 6.8% due to a prior year reappropriated encumbrance. Other Charges increased by \$60,620 or 49.1%. Funding for Sterlingfest increased by \$55,400 as

a result of higher entertainment and sound costs and a decrease in anticipated corporate donations. A proposed \$1 per adult shuttle bus fee is proposed to cover a portion of the increased costs. Funding is also included for the software maintenance fees on the new complaint tracking system and for the City's web site application support costs that were previously budgeted in Information Technology. The capital budget includes funding for two replacement SHTV editing systems and four replacement iMac personal computers.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Community Relations	\$1,408,370	\$1,452,190	\$1,600,310	\$1,717,240	7.3%
Total Department	\$1,408,370	\$1,452,190	\$1,600,310	\$1,717,240	7.3%
Personnel Services	\$1,198,150	\$1,292,570	\$1,425,360	\$1,485,160	4.2%
Supplies	43,930	41,370	51,580	48,090	-6.8%
Other Charges	166,290	118,250	123,370	183,990	49.1%
Total Department	\$1,408,370	\$1,452,190	\$1,600,310	\$1,717,240	7.3%

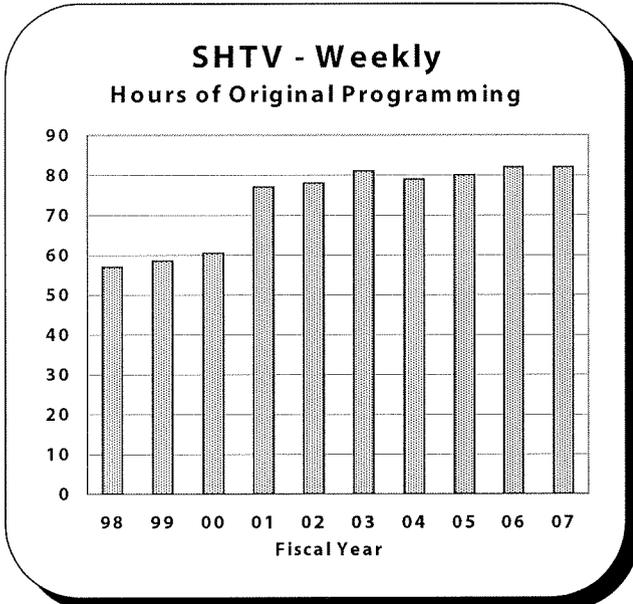
PERSONNEL SUMMARY

	2005/06		2006/07		2007/08		2008/09	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	14	5	14	5	14	6	14	5
Total Department	14	5	14	5	14	6	14	5

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

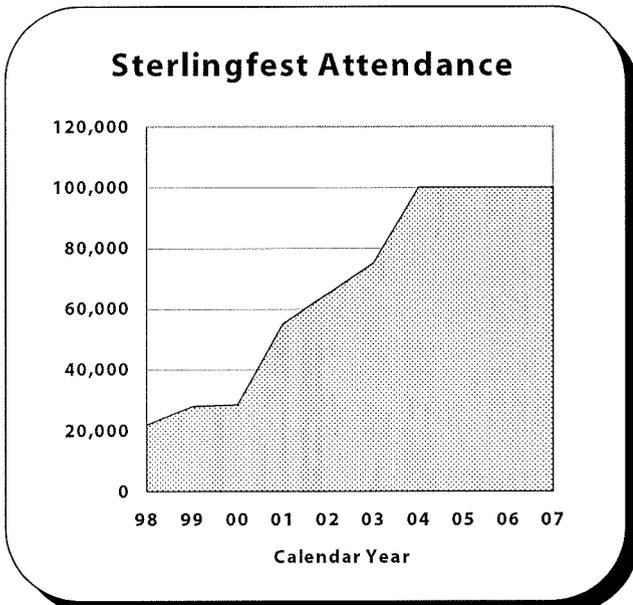
Community Relations Department



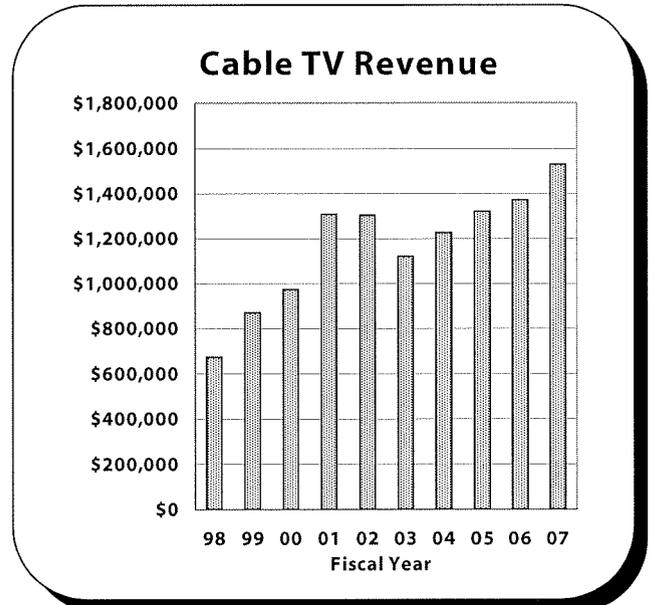
Sterling Heights Television viewers have seen a rise in the total hours of original programming over the past 10 years. SHTV's "PowerBlock" of government-related programs debuted in 1998 causing an increase in programming. The increased hours of programming continued in 2001 when the City installed an 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 1999, a community-wide survey was conducted which resulted in 18,536 responses. 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 1998. Since 2001, attendance has dramatically increased as the new Sterlingfest now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with major headliners, and art and jazzfest areas during the three-day event.



The City receives cable franchise revenues from Comcast, AT&T, and Wide Open West (WOW), which provide funding for the City's cable television station. Cable revenue has steadily climbed in most years. In 2001, the City received a one-time payment resulting in the large increase. Cable revenue increases have recently lessened, as franchise fees are no longer received on cable modems and as some subscribers have switched to satellite TV systems.

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, quarterly City Magazine, press releases, advertisements, brochures, pamphlets, and service directories. This division also maintains and updates information on the City's website at www.sterling-heights.net, and employee news and information on the City's Intranet.

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. The City's Print Shop is responsible for printing all City publications.

One of the City's most unique programs is the "Citizen Contact Center." A Citizen Services Specialist is available for residents to contact regarding any concern or need for City information. These referrals are documented and followed up with a telephone call. Residents are also welcome to voice their input on the City's website or self-addressed "We Want to Know!" card.

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 12½ hours of original and syndicated programming per week, produced in conjunction with Library staff.

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.*

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. In furtherance of this goal, Community Relations has partnered with Economic Development to support the activities of the Brownfield Redevelopment Authority, the Corridor Improvement Authority, and the Lakeside Shopping District. ■

Did you know?...

...that in 2007, the City of Sterling Heights' website had over 1.8 million unique page visits?

Community Relations

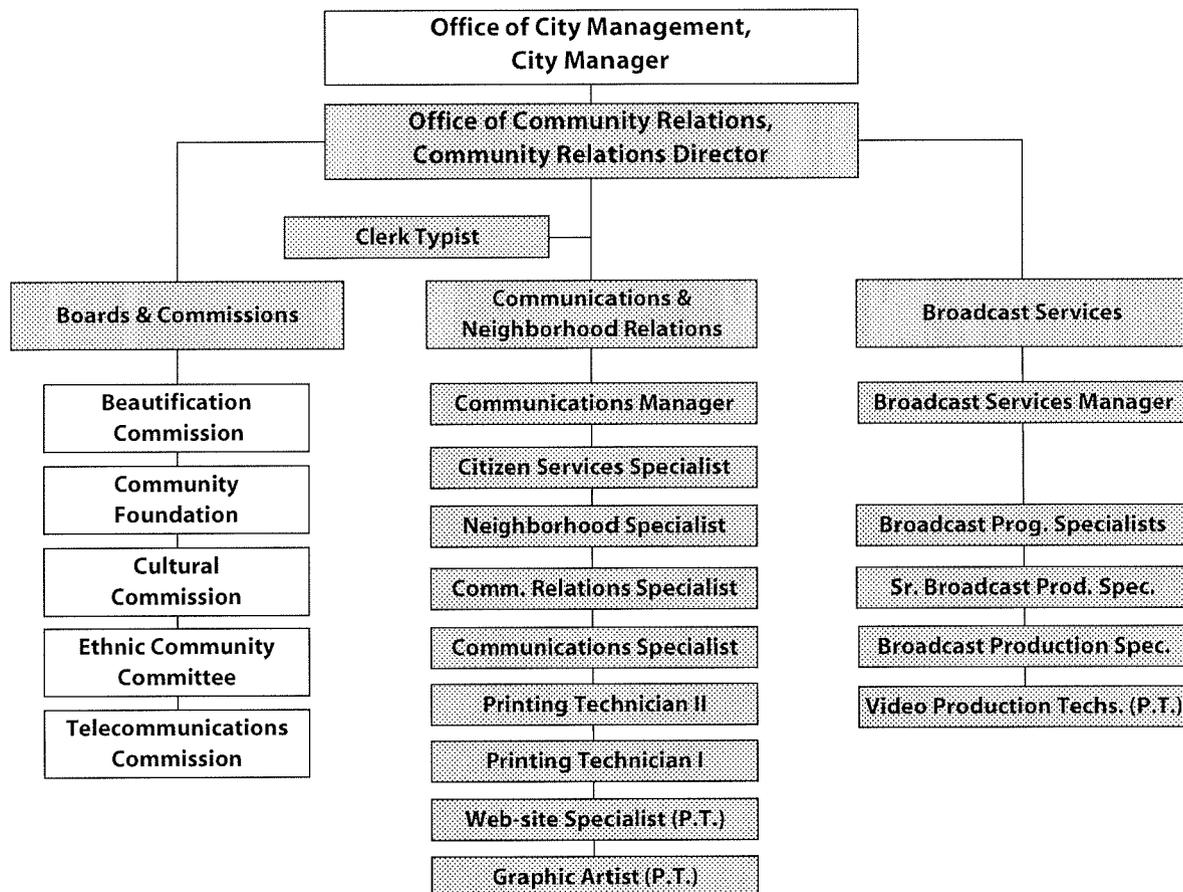
2008/09 PERFORMANCE OBJECTIVES

1. To expand the City's marketing plan to include innovative media such as My Space, You Tube and other current popular methods of receiving information via the Internet. (City Goal 15)
2. To expand the number of adult and children's library programs videotaped and aired by Sterling Heights Television (SHTV). (City Goal 26)
3. In conjunction with City Management and the Parks and Recreation Department, to identify and prioritize recreational opportunities within the community by holding meetings with community groups. (City Goal 1, 14, 26, 27)
4. To establish a youth consortium to provide the City's youth with the opportunity to voice their opinions and become an integral part of the community's future. (City Goal 19)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Total Customer Service Contacts	281,721	351,580	331,770	332,000	356,000	361,000
	Citizen Action Center Calls/Walk-ins	30,948	24,036	30,648	28,000	28,000	28,000
	E-Mail Requests	1,924	2,341	1,918	2,000	2,000	2,000
	"We Want to Know" Postcards	611	802	984	1,000	1,000	1,000
	Sterling Heights Website Visits	248,238	324,401	298,220	301,000	325,000	330,000
	Total Tapings & Programs Aired	653	672	693	680	680	680
	SHTV Hours of Original Programming (Weekly)	80	82	82	82	82	82
	City Council, Board & Commission Meetings Taped	80	82	76	82	82	82
	Press Releases Produced	162	156	158	165	165	165
	Take 10 Issues Produced	5	4	3	6	4	0
	Employee Intranet Updates	N/A	N/A	N/A	400	400	800
	Calendar/City Magazine/Brochures Produced	21	23	45	15	50	45
	Typesetting/Graphic Design Projects	112	182	205	100	110	115
	Electronic Newsletter Recipients	8,495	11,853	18,240	22,500	23,000	24,000
	Welcome Packets Distributed	495	332	194	250	700	725
	Sterlingfest & Memorial Day Parade Attendance	105,000	105,000	105,000	105,000	105,000	105,000
	Beautification Awards Presented	120	116	177	100	100	100
	Print Requests Completed	354	360	375	350	360	370
	Stockroom Requests Completed	261	271	280	250	260	270
Efficiency	% Homes/Bus. Receiving Annual Report/Calendar	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Resolved w/i 48 hrs.	98%	98%	98%	98%	98%	98%
	Cost per Citizen Contact Center Call Received	\$2.30	\$2.76	\$2.31	*	*	*
	Cost to Televisе a Public Meeting	\$1,003	\$996	\$1,053	*	*	*
	Activity Expenditures as % of General Fund	1.83%	1.78%	1.75%	1.86%	1.86%	1.93%

* Cost is calculated for "Actual" columns only.

Community Relations



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Community Relations Director	1	1	1
Communications Manager	1	1	1
Broadcast Services Manager	1	1	1
Broadcast Programming Specialist	1	2	2
Citizen Services Specialist	1	1	1
Neighborhood Specialist	1	1	1
Community Relations Specialist	1	1	1
Senior Broadcast Production Specialist	1	1	1
Printing Technician II	1	1	1
Communications Specialist	1	1	1
Broadcast Production Specialist	2	1	1
Printing Technician I	1	1	1
Clerk Typist	1	1	1
Video Production Technician (P.T.)	2	4	3
Web-site Specialist (P.T.)	1	1	1
Graphic Artist (P.T.)	1	1	1
Keyline Specialist (P.T.)	1	0	0
Total	19	20	19

Community Relations

SUMMARY OF BUDGET CHANGES

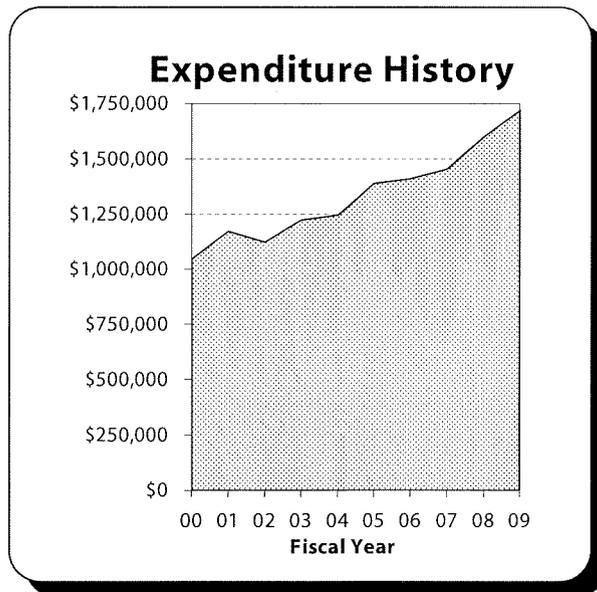
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$59,800 or 4.2%. Wages for full-time employees rose \$36,990, due to a 3% wage increase, one position upgrade, as well as staff turnover in the prior year. One vacant part-time Video Production Technician position working 2 days per week is proposed to be eliminated, saving \$14,640. Health insurance costs rose \$12,170 or 7.1%. An additional \$19,720 is budgeted to fund retiree medical liabilities.

Supplies – Total Supplies decreased \$3,490 or 6.8% due to a prior year reappropriated encumbrance.

Other Charges – Total Other Charges increased \$60,620 or 49.1%. Funding for Sterlingfest increased \$55,400 based on the current year’s actual expenditure costs as well as higher costs next year for entertainment acts, sound, and lower anticipated corporate donations. The increase was partially offset, as an additional \$11,850 in revenue is anticipated from a proposed \$1 shuttle bus fee. \$8,070 was added for the new BS&A Complaint Tracking software maintenance and for the City’s web site application support costs, which were previously budgeted in Information Technology. \$770 is included for cable service, which was previously provided at no cost. The City will save \$2,100 in telephone costs due to a recent change in a Nextel service plan, as well as lower AT&T local call rates. Printing costs decreased \$700 as the employee Take Ten editions are now posted on the City’s Intranet.

Capital – Total Capital of \$37,540 is proposed. \$29,540



is for a Video Editing System to replace an older system that is obsolete. \$8,000 is for the replacement of four iMac computers that are 5 years-old.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

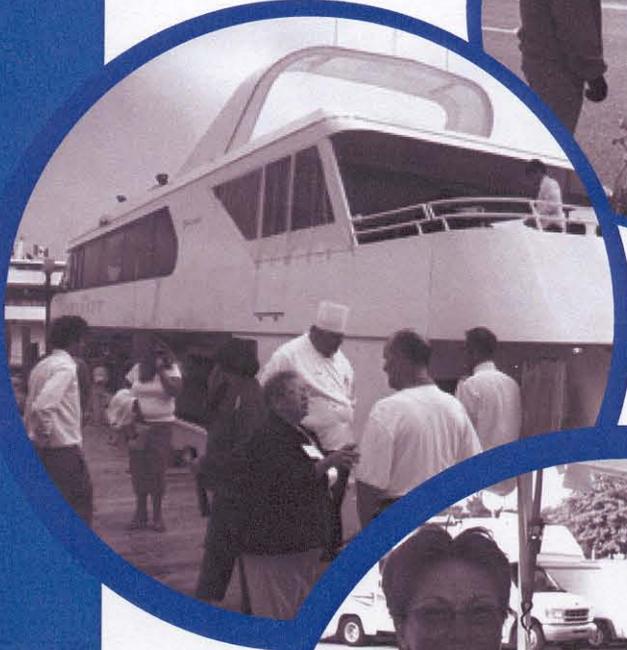
Capital – Council made no adjustments to Capital.

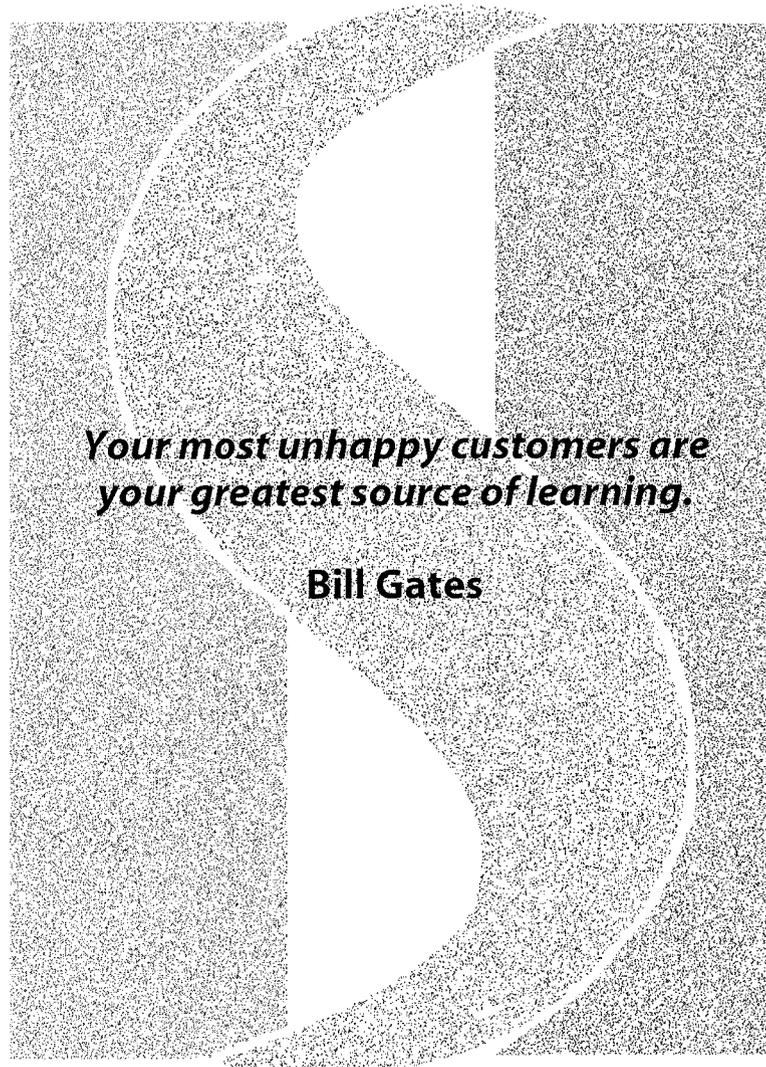
FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,292,574	\$1,425,360	\$1,424,220	\$1,485,160	\$1,485,160
Supplies	41,367	51,580	46,090	48,090	48,090
Other Charges	118,246	123,370	137,610	183,990	183,990
Total	\$1,452,187	\$1,600,310	\$1,607,920	\$1,717,240	\$1,717,240

08 09

Non-Departmental Services





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 civil infraction violators who have not paid their assessed fines and costs are scheduled for a Show Cause hearing, which provides one more opportunity for payment, and that failure to appear at that hearing results in a bench warrant for the violator's arrest?

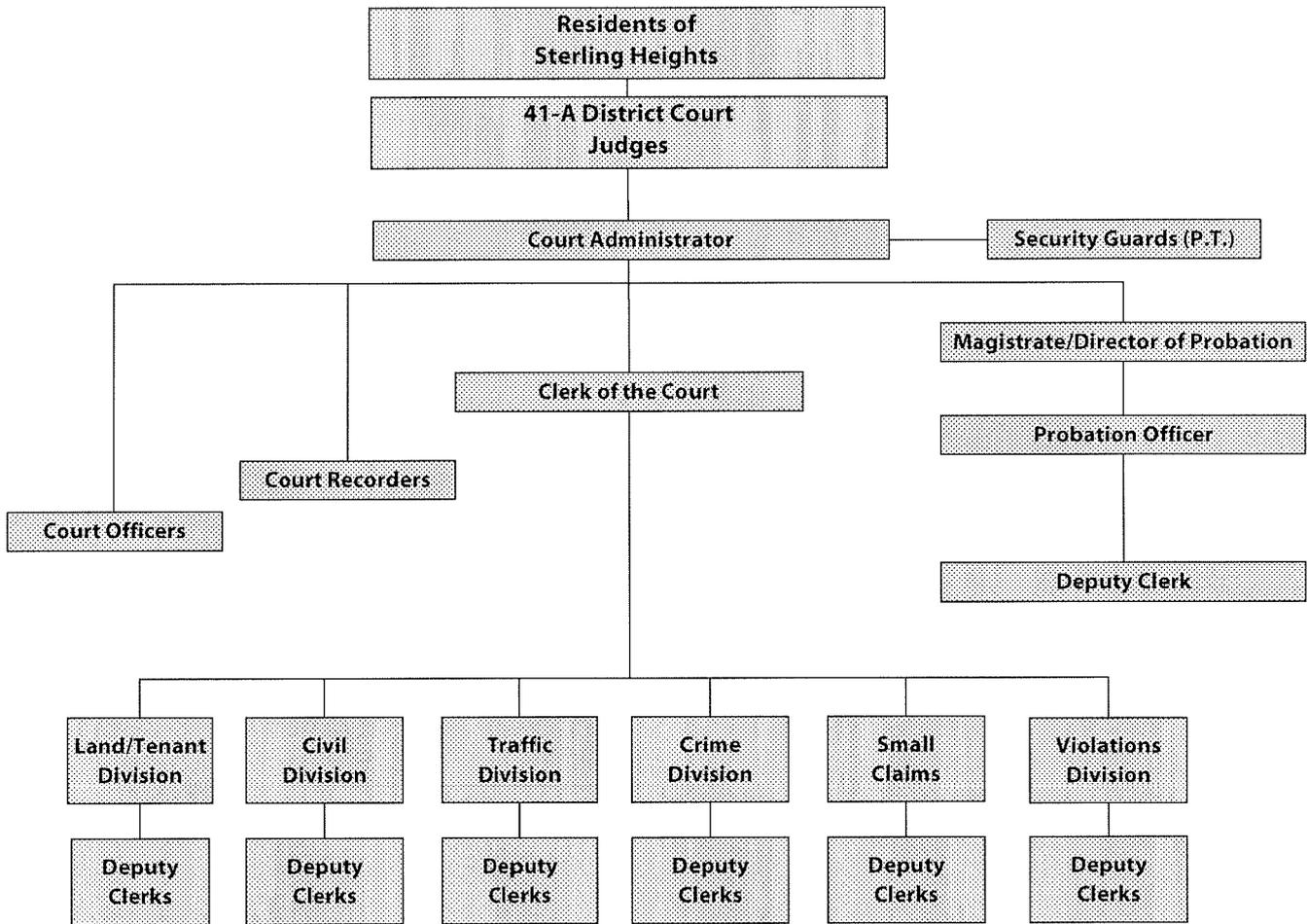
41-A District Court

2008/09 PERFORMANCE OBJECTIVES

1. To complete a thorough review of all stored court files and determine which files can be deleted or purged. (City Goal 3)
2. To research the cost of training and supplies required to implement the State licensed collections software program. (City Goal 17, 18)
3. To develop and implement increased screening and procedures for misdemeanants requesting court-appointed counsel. (City Goal 3)
4. To establish procedures for an effective and efficient in-house recycling program. (City Goal 3)
5. To identify a model District Court that successfully collects court fines online and determine the feasibility of utilizing a similar system in the City. (City Goal 17, 18)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Total Active Caseload	42,848	43,323	46,482	42,000	46,000	46,000
	Total New Cases	34,757	34,043	37,780	36,000	38,050	39,250
	Traffic Cases	23,485	22,385	25,078	24,000	25,000	26,000
	Parking Cases	1,853	1,871	2,065	2,200	1,800	1,800
	Misdemeanor Cases	3,333	3,497	3,821	3,500	4,000	4,000
	Felony Cases	661	714	712	700	750	750
	General Civil Cases	2,709	2,862	3,239	2,800	3,700	3,800
	Small Claims Cases	513	488	432	500	500	500
	Landlord/Tenant Cases	2,203	2,226	2,433	2,300	2,300	2,400
	Magistrate Dispositions	7,829	8,500	8,382	8,300	8,700	8,500
	Jury/Bench Verdicts	7,035	9,794	8,150	8,000	8,200	8,200
	Guilty/Admissions/Default - By Party	19,489	20,074	21,823	20,000	21,200	21,000
	Dismissals - By Court or Party	6,529	7,525	7,082	6,100	7,000	7,000
	Probation Caseload	825	850	820	800	800	800
Efficiency & Effectiveness	% of Imposed Revenue Collected	99%	97%	95%	95%	97%	97%
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	\$19.59	\$20.95	\$22.33	\$23.51	\$23.48	\$24.48
	Cost Per Active Case	\$58	\$61	\$61	\$72	\$65	\$68
	# of Active Cases per FT Employee	1,190	1,203	1,291	1,170	1,280	1,280
	Activity Expenditures as % of General Fund	3.26%	3.37%	3.44%	3.49%	3.48%	3.54%

41-A District Court



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
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	23	23
Security Guard (P.T.)	4	4	4
Total	40	40	40

41-A District Court

SUMMARY OF BUDGET CHANGES

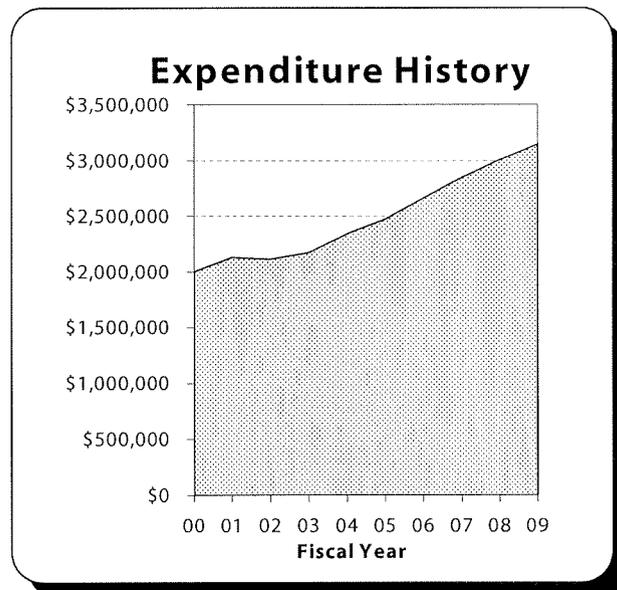
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$126,780 or 4.6%. Wages for full-time employees increased \$51,910 as all employees are budgeted to receive a 3% wage increase. Health insurance costs rose only \$6,950 or 2% as a result of the new labor contract. Funding for retiree medical liabilities increased \$47,760. Longevity pay rose \$14,250 based on increased years of service for many employees.

Supplies – Total Supplies increased \$1,000 or 2.4% for the purchase of two replacement printers needed to print Court forms and documents.

Other Charges – Total Other Charges increased \$8,690 or 4.1%. Electric costs rose \$5,000 due to higher electric rates. The budget increased \$3,650 for court liability insurance costs. Greater use of credit cards to pay court fines has led to a \$1,000 increase in credit card fees. Printing costs increased \$1,000, as more judicial forms are needed. Funding for replacement court reporting services increased \$1,000. \$900 was added based on higher State computer maintenance and annual support costs. An increase in existing Bar Association membership fees accounted for a \$330 increase. The City will save \$2,200 in telephone costs due to lower AT&T local call rates. Juror fees decreased \$1,000 and witness fees decreased \$600, both based on recent actual expenditure trends.

Capital – The Court is scheduled to receive 38 replacement personal computers to replace the



existing five-year old units.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$2,607,926	\$2,755,080	\$2,744,550	\$2,881,860	\$2,881,860
Supplies	40,520	42,000	42,000	43,000	43,000
Other Charges	198,666	211,710	219,070	220,400	220,400
Total	\$2,847,112	\$3,008,790	\$3,005,620	\$3,145,260	\$3,145,260

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 promotion within the Police and Fire Departments.*

Did you know?...

...that the Act 78 Civil Service Commission oversees the Assessment Center promotional exams for Police Lieutenant and Police Captain?

Act 78 – Civil Service Commission

2008/09 PERFORMANCE OBJECTIVES

1. To conduct a Police Officer recruitment to establish a new one-year eligibility list. (City Goal 4)
2. To conduct a Firefighter recruitment to establish a new two-year eligibility list. (City Goal 4)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Minutes of Act 78 Meetings Recorded	6	5	8	5	4	4
	Police Officer Eligibility List Applications	257	120	149	135	150	168
	Fire Fighter Eligibility List Applications	0	69	0	68	37	45
	Written Tests - Police Officer Eligibility List	139	97	123	115	110	125
	Written Tests - Fire Fighter Eligibility List	0	0	31	45	19	26
	Oral Interviews - Police Officer Eligibility List	57	27	0	38	47	53
	Oral Interviews - Fire Fighter Eligibility List	0	0	25	28	16	21
	Physical/Psychological Test - Police/Fire Candidates	7	7	17	10	16	11
	Appointment Notices - Police/Fire New Hires	7	5	15	9	13	11
	Police/Fire Personnel Files Maintained	105	112	110	122	120	121
	Maintained Files (hiring procedures/legal opinions,etc.)	80	112	100	87	87	90
Effectiveness	Number of Appeals by Candidates	5	9	6	8	3	4
	Activity Expenditures as % of General Fund	0.02%	0.04%	0.02%	0.05%	0.05%	0.02%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

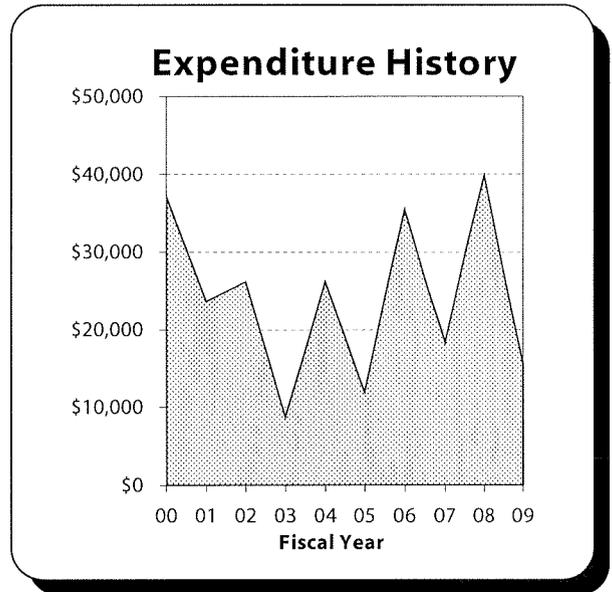
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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 \$150 or 27.3% as the budget for postage can be reduced and brought more in line with prior year actual expenditures.

Other Charges – Total Other Charges decreased \$24,000 or 61.1%. Funding decreased \$26,070 as only Police Officer and Fire Fighter written testing need to be administered in the 2008/09 fiscal year. Police Officer and Fire Fighter written testing and Assessment Centers for Police Lieutenant and Police Captain were all budgeted in the prior year. Publishing costs decreased \$750 as Police Officer and Fire Fighter recruitment notices will need to be published in only one newspaper next year due to increased advertising on various web sites. Printing costs decreased \$130, as prior year funds were not spent. \$2,950 was added to the budget as more pre-employment physical and psychological exams for new hires will be needed due to anticipated retirements.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	336	550	350	400	400
Other Charges	18,012	39,300	41,610	15,300	15,300
Total	\$18,348	\$39,850	\$41,960	\$15,700	\$15,700

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 the Beautification Commission will host the summer quarterly meeting of the Beautification Council of Southeastern Michigan in June 2008, which includes a tour of the Senior Center and new gymnasium, and will feature speakers from the Nature Center and local nurseries?

Beautification Commission

SUMMARY OF BUDGET CHANGES

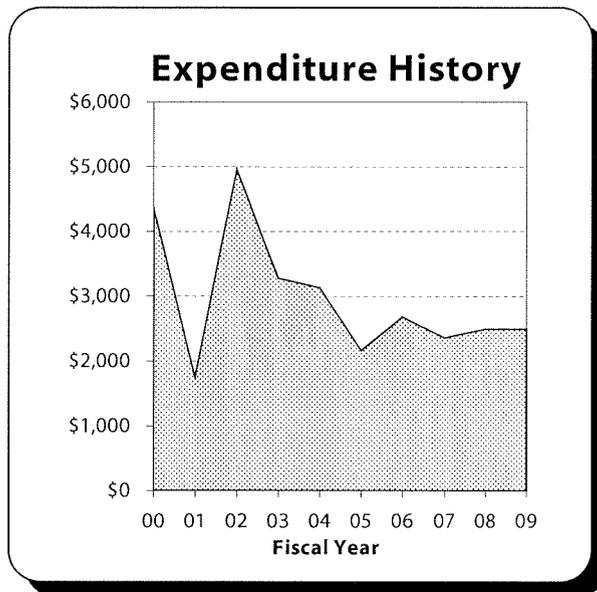
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Supplies – Total Supplies is proposed to remain the same at \$2,150. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges is proposed to remain the same at \$340. There are no proposed changes within the Other Charges accounts.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	1,969	2,150	1,750	2,150	2,150
Other Charges	384	340	340	340	340
Total	\$2,353	\$2,490	\$2,090	\$2,490	\$2,490

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 non-construction, the Building Authority members meet once a year to pay debt service, elect officers, and review financial reports. 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 the Building Authority serves in an advisory capacity to the City Council and during times of non-construction, the Building Authority approves principal and interest debt service payments?

Building Authority

SUMMARY OF BUDGET CHANGES

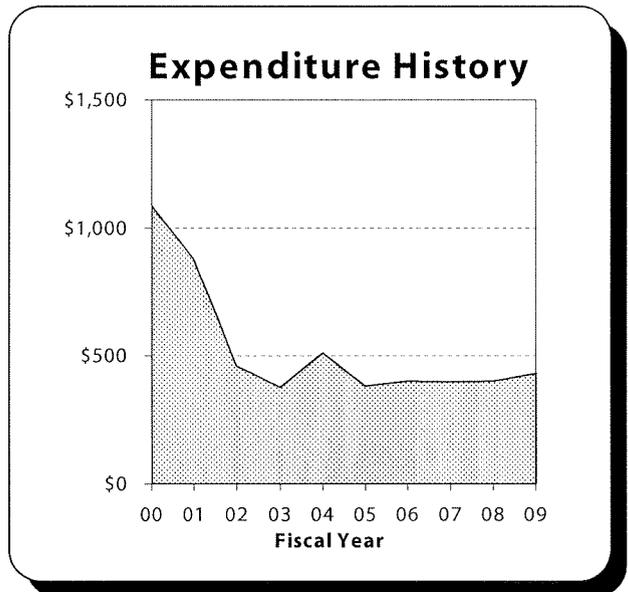
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget remained the same as the prior year. Funding is budgeted for one meeting so the three members of the Building Authority can approve the annual debt payment.

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges increased \$30 or 8.6%. \$30 was added due to higher audit costs, as audit time is expected to increase as a result of new auditing standards.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$48	\$50	\$30	\$50	\$50
Supplies	0	0	0	0	0
Other Charges	350	350	350	380	380
Total	\$398	\$400	\$380	\$430	\$430

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 & Jazz 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 ongoing 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?...

...that the City's public outdoor sculpture exhibit, SterlingScapes V, will debut in 2008 featuring the works of several Michigan artists?

Cultural Commission

SUMMARY OF BUDGET CHANGES

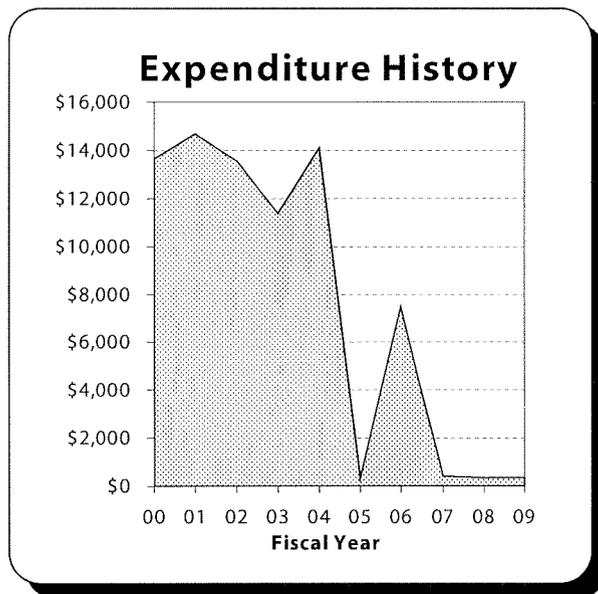
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Supplies – Total Supplies is proposed to remain the same at \$150. There are no proposed changes within the Supplies account.

Other Charges – Total Other Charges is proposed to remain the same at \$200 as no additional memberships are proposed.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	110	150	150	150	150
Other Charges	300	200	200	200	200
Total	\$410	\$350	\$350	\$350	\$350

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, 2007 total a market value of \$132,657,242 while the City's contribution rate for the 2008/09 fiscal year is 0% of payroll. The fund is now 125.2% funded, which means that valuation assets exceed actuarial accrued liabilities by 25.2%.

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 223 retirees receiving benefits from the fund and 263 active members of the system who pay from 3% to 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, 2007, 166 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 Financial Services Manager serves as the Pension Administrator.■

Did you know?...

...that over the ten year period ended June 30, 2007, the General Employees Retirement System earned an average of 8.8% annually on its investments, which ranked second highest when compared to other public funds?

General Employees Retirement Board

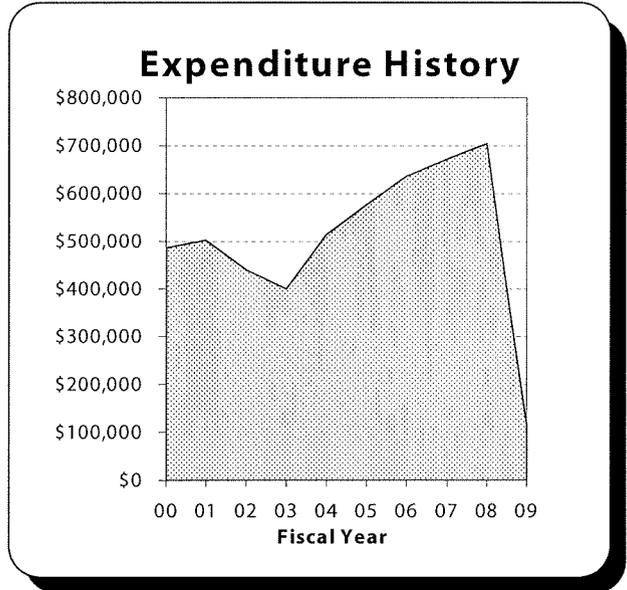
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Supplies – Total Supplies decreased \$50 or 10.0% as the budget for postage can be reduced slightly and brought more in line with prior year actual expenditures.

Other Charges – Total Other Charges decreased \$585,340 or 83.2%. The budget decreased \$584,830, as the City is proposing to now use excess investment earnings from the assets of the pension system to directly pay the money manager investment fees. This payment method is used by most cities, as well as the City’s Police & Fire retirement system. Due to historically higher than actuarially assumed investment earnings, this change should have no impact on the contribution rate to the pension system or its funding level. The General Fund savings for the money manager fees will now be used to increase funding for retiree health care obligations budgeted in each City office’s budget. A decrease of \$650 was made for legal services provided to the Board based on the current year’s billings. \$60 was saved as funding for local meeting costs can be reduced and brought more in line with recent expenditure levels. \$200 was added to the budget for a pension administration staff member to attend an in-state MAPERS conference.



Capital – There is no Capital proposed for this activity.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY					
	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	451	500	450	450	450
Other Charges	671,134	703,540	711,630	118,200	118,200
Total	\$671,585	\$704,040	\$712,080	\$118,650	\$118,650

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 the City's membership to SEMCOG, MML, Clinton River Watershed Council, Chamber of Commerce, and the Traffic Safety Association of Macomb is paid through the General Expenditures activity?

General Expenditures

SUMMARY OF BUDGET CHANGES

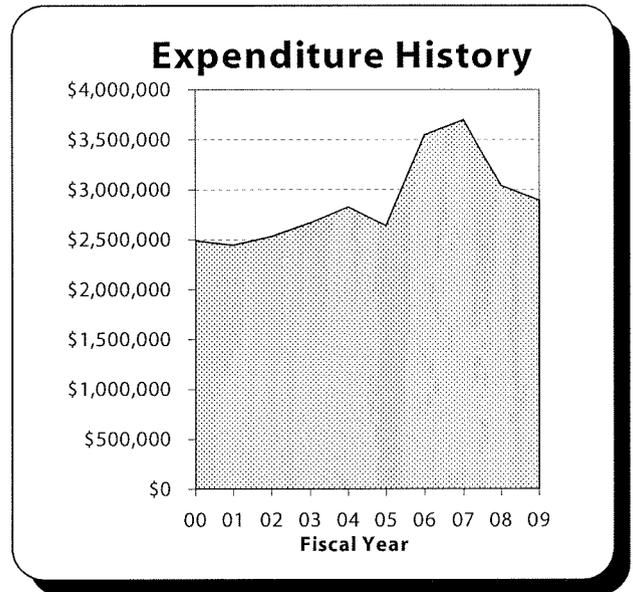
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The Personnel budget decreased by \$4,500 or 21.4%. The budget for Unemployment Compensation can be decreased by \$4,500 based on actual historic claims paid.

Supplies – Total Supplies decreased \$500 or 0.7% as funding for postage can be reduced slightly and brought more in line with prior year actual expenditure levels.

Other Charges – Total Other Charges decreased \$144,630 or 4.9%. Funding decreased \$100,000 due to a one-time large tribunal refund to Chrysler last year. Funding was reduced by \$50,000 as the budget for tree and weed cutting was assigned to the Public Works Center to provide a better means of monitoring program costs. Funding for the employee tuition reimbursement program is proposed to decrease \$16,000, or 50% of the current year’s estimated program costs, as less funding is available due to revenue shortfalls. Printing costs were reduced by \$4,200 due to lower contract costs for the printing of the City’s quarterly newsletter. Funding for physical exams increased \$15,000 due to an increase in the number of eligible employee groups next year. \$6,080 was added due to increased audit costs. Funding for City memberships increased \$5,090 for a new membership to the Traffic Association of Macomb, as well as inflationary cost increases for most existing City-wide memberships.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$23,185	\$21,000	\$16,500	\$16,500	\$16,500
Supplies	67,466	71,500	70,000	71,000	71,000
Other Charges	3,608,187	2,945,770	2,950,170	2,801,140	2,801,140
Total	\$3,698,838	\$3,038,270	\$3,036,670	\$2,888,640	\$2,888,640

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.

Finally, 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*

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.*

Community. In addition, in partnership with the Public Library, the Commission authored *Sterling Township: 1875 – 1968*, a pictorial history.

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

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

Did you know?...

...that the Sterling Heights Historical Commission has interviewed 13 local veterans for the Veterans History Project at the Library of Congress?

Historical Commission

2008/09 PERFORMANCE OBJECTIVES

1. To submit an article on a historical topic in each issue of the Sterling Heights Magazine. *(City Goal 27)*
2. To update the Historical Commission website with Edgerton and Sterling Grove Cemetery inventories and relevant historical information. *(City Goal 27)*
3. To sponsor two themed exhibits of historic value in the Upton House and one program on local history or preservation issues. *(City Goal 27)*

Output	Performance Indicators	2004/05	2005/06	2006/07	2007/08	2007/08	2008/09
		Actual	Actual	Actual	Budget	Estimate	Budget
	Meetings Held	4	4	3	4	4	4
	Local History Exhibits and Displays	2	2	2	2	2	2
	Programs/Lectures on Local History Topics	3	1	1	1	1	1
	Professional Memberships	4	3	3	3	3	3
	Historic Photographs and Memorabilia Collected	23	74	55	5	5	5
	Program/Exhibit Attendance	1,487	1,408	1,334	1,200	1,300	1,350

Historical Commission

SUMMARY OF BUDGET CHANGES

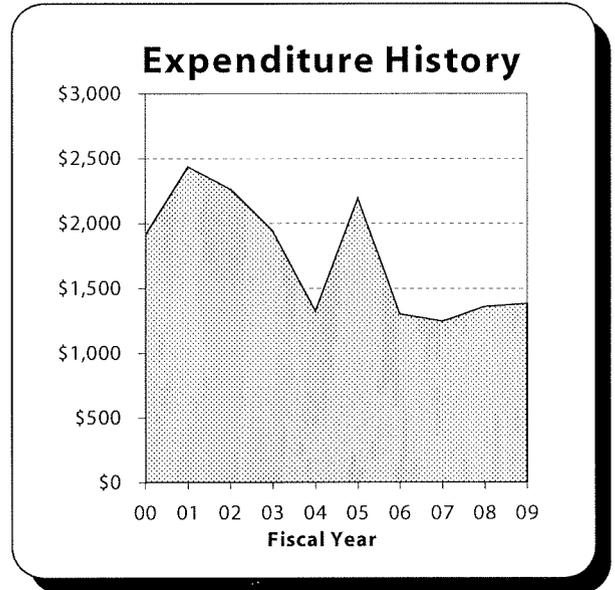
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Supplies – Total Supplies increased \$60 or 25.0%. Funding for operating supplies increased \$40 due to a one-time necessary adjustment of funds in the prior year for postage costs to begin mailing the Commission members a monthly informational packet containing local and national historical information. An additional \$20 was added to the postage budget next year to continue the monthly mailings for the full year.

Other Charges – Total Other Charges decreased \$40 or 3.6%, as it is estimated that fewer donated local historic photos will be archived.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

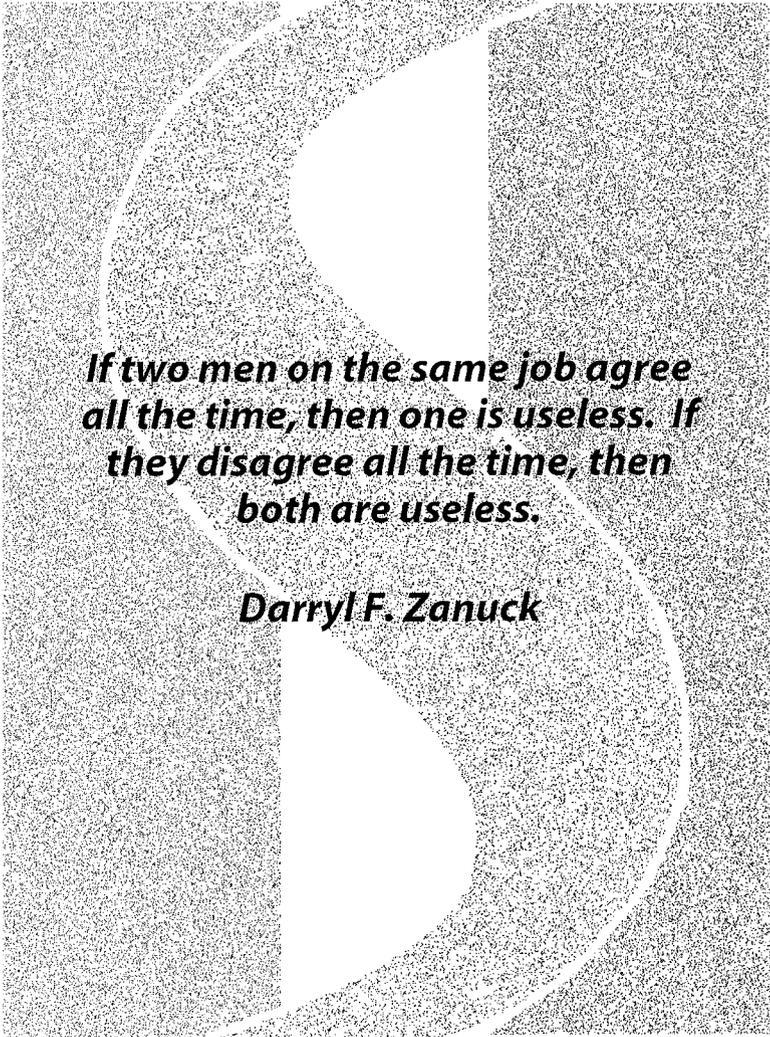
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	738	240	240	300	300
Other Charges	508	1,120	820	1,080	1,080
Total	\$1,246	\$1,360	\$1,060	\$1,380	\$1,380



*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 to him 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, 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

2008/09 PERFORMANCE OBJECTIVES

1. To provide legal support services and guidance for new economic development initiatives, such as long-range planning for industrial redevelopment. *(City Goal 9, 10, 11)*
2. To assist in community outreach initiatives designed to ensure that the City is well positioned to deal effectively with future economic and population trends. *(City Goal 11, 12)*
3. To continue the established practice of aggressively defending against and minimizing the exposure to all liability claims made against the City by working with all offices and departments to decrease the risk of litigation through planning and early intervention. *(City Goal 20)*
4. To diligently prosecute all ordinance violations to ensure that the interests of public safety are served and offenders pay all assessed fines and costs. *(City Goal 1, 24)*

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	District Court Cases	7,781	8,132	5,912	6,500	5,400	5,600
	Legal Opinions Rendered	3	10	3	10	10	10
	Ordinances and Amendments Prepared	31	25	25	30	25	25
	Commission Meetings Attended	50	51	45	40	45	45
	Council Meetings Attended	27	27	26	27	26	27
	Number of Open Lawsuits	14	14	19	15	14	15
	Number of Closed Lawsuits	25	27	24	20	6	20
	Numbers of Files Opened	101	105	120	125	100	100
	Number of Files Closed	108	86	157	75	92	90
	Legislative Issues Reviewed	80	95	94	100	95	90
	Hours Spent on City Business	6,276	7,428	6,550	6,500	6,300	6,750
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	99%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.87%	0.89%	0.88%	0.85%	0.86%	0.85%

Legal

SUMMARY OF BUDGET CHANGES

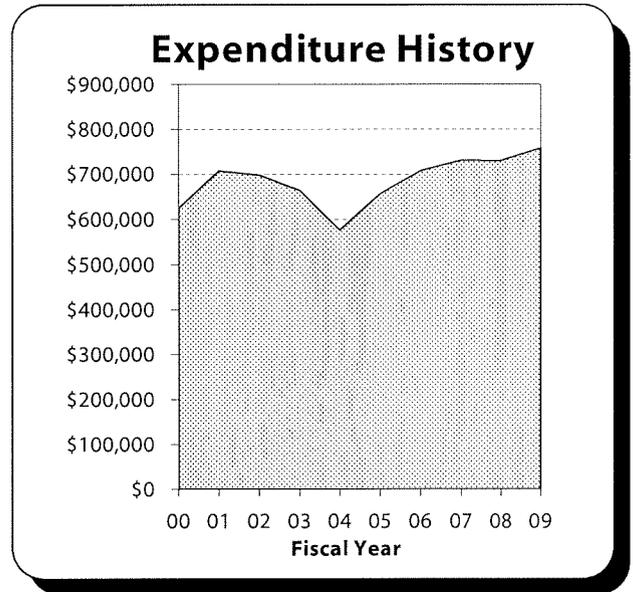
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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 \$27,000 or 3.7%. \$29,000 was added to the budget for City Attorney legal funding due to a 2% increase in hours of service based on the current year’s level of activity and a proposed 2% increase in the City Attorney’s hourly rate. This is the first rate increase in two years or since July 1, 2006. Funding decreased \$2,000 for court-appointed attorneys, visiting judges, and public defender costs based on recent years’ expenditure levels.

Capital – There is no Capital proposed for this activity.



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

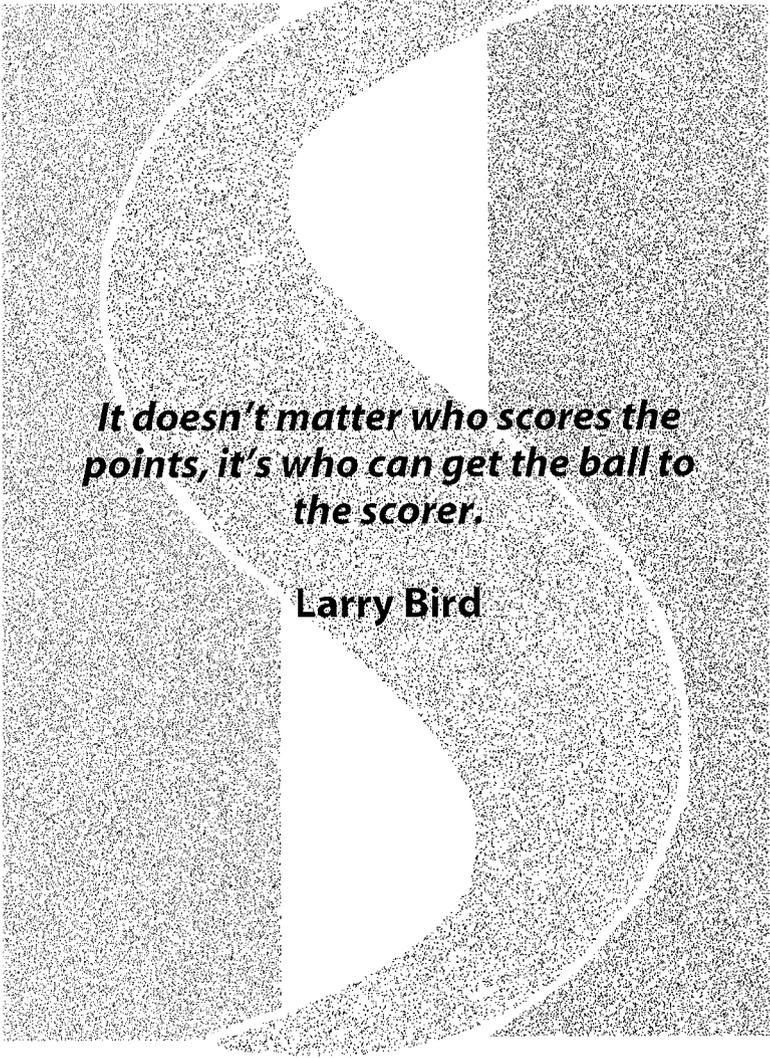
Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	730,195	730,000	743,000	757,000	757,000
Total	\$730,195	\$730,000	\$743,000	\$757,000	\$757,000



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

Larry Bird

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

Ordinance No. 113 adopted in August of 1968 established the Planning Commission. The City Council appointed Commission consists of nine members who serve terms not exceeding three years. 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 approve a capital improvement program of new or reconditioned public structures and improvements including proposed methods of financing.*
- *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 July, 1987 with amendments made in February, 1989; January, 1993; and April, 1995. In addition, a comprehensive Master Land Use Plan update was adopted in 2005. ■

Did you know?...

...that the Planning Commission granted site plan approval to Beaumont Hospital East Campus, paving the way for a \$53 million expansion ensuring significant healthcare facilities for years to come?

Planning Commission

SUMMARY OF BUDGET CHANGES

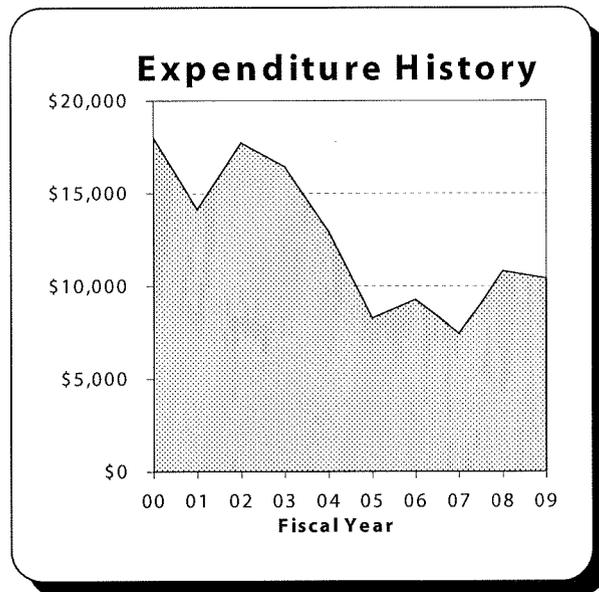
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget decreased by \$60 or 1.8% as the amount budgeted for FICA payments can be decreased slightly. The budget for the wages paid to the Planning Commissioners remains the same as the prior year.

Supplies – Total Supplies decreased \$70 or 5.5%. Funding decreased \$80, as the postage budget has been brought more in line with recent actual expenditure levels. \$10 was added for the inflationary cost increase on existing publications.

Other Charges – Total Other Charges decreased \$270 or 4.3%. \$100 was saved as fewer newspaper ads are anticipated to be published. Funding for reporting services was reduced by \$100, as less time is required to transcribe meeting minutes. Funding for educational conferences decreased \$100 as prior year funds were not fully spent. Funding is included for one new Commissioner to attend a required training workshop next year. Existing membership costs increased by \$30.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$2,618	\$3,290	\$3,230	\$3,230	\$3,230
Supplies	1,005	1,280	1,020	1,210	1,210
Other Charges	3,817	6,220	4,700	5,950	5,950
Total	\$7,440	\$10,790	\$8,950	\$10,390	\$10,390

MISSION STATEMENT: *To regulate guidelines for the use of government and library access programming.*

The Telecommunications Commission was originally established (as the Cable Communications Commission) in 1984. The name of the Commission was subsequently changed to the "Telecommunications Commission" in 1996 to better reflect the scope of its initial responsibilities, which included overseeing the City's franchise agreements with cable companies operating in the City and monitoring the activities of cable service as they pertained to ordinance compliance.

However, effective January 1, 2007, Public Act 480 of 2006 eliminated local cable control and turned over all regulatory power to the Michigan Public Service Commission thereby eliminating the Commission's original mission of monitoring local franchise activities.

The Telecommunication Commission continues to act in its role of overseeing the guidelines for Sterling Heights Television's (SHTV's) government and library access programming. Currently, SHTV airs approximately 60 hours of original programming weekly on the government channel and 12½ hours of original and syndicated programming per week on the Library channel.

The Commission is made up of five members appointed by City Council, who serve without compensation and meet as needed.

The Commission has established guidelines for sponsorships of SHTV programs. These sponsorships will help to ensure the City's goal of promoting and showcasing City events, programs, and services in a televised manner so that residents continue to stay informed.

The Community Relations Director is the administrative staff liaison ensuring that all activities of the Commission are within the City's requirements, including budgetary constraints as well as policy and procedure issues. ■

KEY GOALS

- *To oversee and define the community programming role of the government and library access channels operated by Community Relations.*

Did you know?...

...that Public Act 480 removed all municipal control of cable service and now residents should make complaints about their cable service to the Michigan Public Service Commission?

Telecommunications Commission

SUMMARY OF BUDGET CHANGES

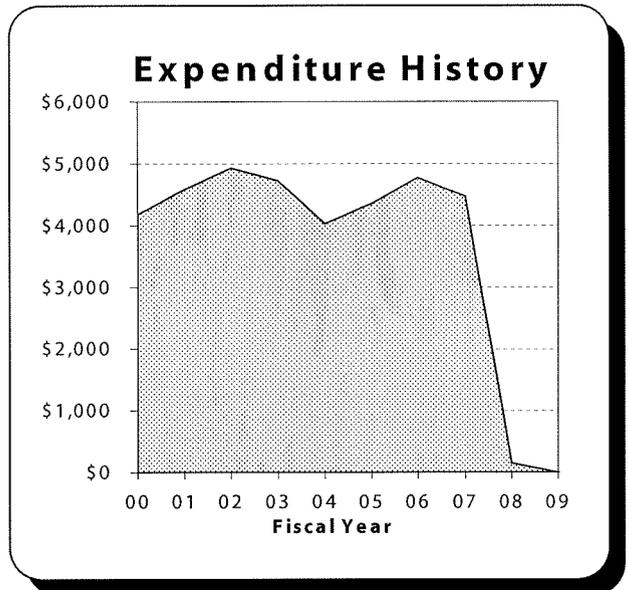
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Supplies – There is no Supplies budget for this activity.

Other Charges – There is no Other Charges budget for this activity. Funding for reporting services is no longer needed and as a result, decreased \$150 or 100%. Any meeting minutes will now be taken by City staff. A recent bill passed by the state of Michigan transferred the regulation of cable franchises from the local community to the Michigan Public Service Commission. As a result, the Telecommunications Commission has lost its regulatory power and is no longer responsible for cable television regulation. The Commissioners will continue to regulate guidelines for the use of government and library access programming.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	4,475	150	0	0	0
Total	\$4,475	\$150	\$0	\$0	\$0

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, seven transfers are budgeted from the General Fund totaling \$3,801,150. They include a transfer to the Capital Projects Fund, the Economic Development Corporation Fund, the Land & Water Conservation Fund, the Limited Tax General Obligation Debt Service Fund, the Local Road Fund, the Voted Tax General Obligation Debt Fund, and the Corridor Improvement Authority Fund.

The \$1,290,150 Transfer Out to the Capital Projects Fund will be used to help fund the budgeted equipment, vehicles, Information Technology Capital items, and projects. The projects include miscellaneous sidewalk repair, replacement generators at Fire Stations #2, #3, and #4, a Police Station needs analysis and feasibility study, a Library Café and Bookstore remodel, training tower repairs at Fire Station #5, the continuation of the Sidewalk Gap Completion Program, and school walkway repairs near Coachwood and Clifford Drives.

The \$1,057,000 General Fund transfer to the Limited Tax General Obligation Debt Service Fund will be used for the debt payments on the Judicial Services Center, the City Center Commons, and the Public Safety Radio System Equipment bonds.

The \$575,000 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 recent years.

The \$85,000 Transfer Out to the Land & Water Conservation Fund is to finance the parking lot and entrance resurfacing at Beaver Creek Park, tennis

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.*

court resurfacing at Washington Square Park, replacement divider walls at the Recreation Center, and replacement bleachers used for the Tackle Football Program at Delia Park.

The \$19,000 Transfer Out to the Economic Development Corporation Fund is to help replenish declining fund reserves, and to fund future 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 \$450,000 General Fund transfer to the Corridor Improvement Authority Fund is to pre-fund the City's cost for Phase I of the North Van Dyke Streetscape Improvement project and the new Façade Assistance Program. The Corridor Improvement Authority will reimburse the General Fund over a 10-year period or sooner, depending on future new developments.

The \$325,000 General Fund Transfer to the Voted Tax General Obligation Debt Fund will be used for the first year debt payments on the new Proposal F Fire Station Renovation bonds.

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?...

...that the monies for equipment and vehicles for the General Fund offices are transferred out and accounted for in the Capital Projects Fund?

Transfers Out

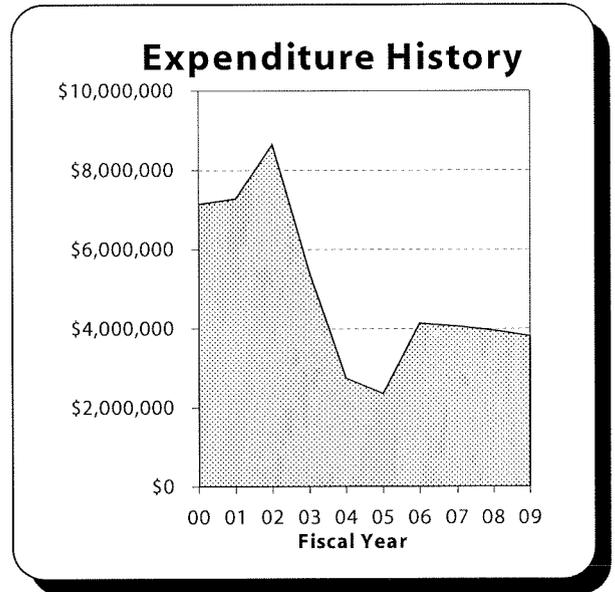
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 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 \$3,801,150. Transfers to the Local Road Fund totals \$575,000, as the City is continuing 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 Land & Water Conservation Fund totals \$85,000 to fund parking lot and entrance resurfacing at Beaver Creek Park, tennis court resurfacing at Washington Square Park, replacement divider walls at the Recreation Center, and replacement tackle football bleachers at Delia Park. Transfers to the Economic Development Corporation Fund totals \$19,000. Transfers to the Voted General Obligation Debt Fund totals \$325,000 for the first year debt payments on the new Proposal F Fire Station Renovation Bonds. \$450,000 is recommended to be transferred to the Corridor Improvement Authority Fund to pre-fund the City’s cost for Phase I of the North Van Dyke Streetscape Improvement project and the new Façade Assistance Program. The Corridor Improvement Authority will reimburse the General Fund over a 10-year period or sooner. Transfers to the Capital Projects Fund totals \$1,290,150 for the funding of equipment, vehicles, information technology capital items, and capital projects. ***A listing of all proposed equipment, vehicles, and projects can be found in the Capital schedules within the Capital Projects section***



of this budget document. Transfers to the Limited Tax General Obligation Debt Service Fund totals \$1,057,000 for the principal and interest payments on the Judicial Services Center, the City Center Commons, and the Public Safety Radio System Equipment bonds.

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

Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfers Out	4,050,620	3,952,760	3,978,200	3,801,150	3,801,150
Total	\$4,050,620	\$3,952,760	\$3,978,200	\$3,801,150	\$3,801,150

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 207 of the Public Acts of 1921, 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?...

...that the Zoning Board of Appeals recently reviewed and approved development plans for extensive renovations to three fire stations in the City, in accordance with a recent bond proposal approved by voters?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

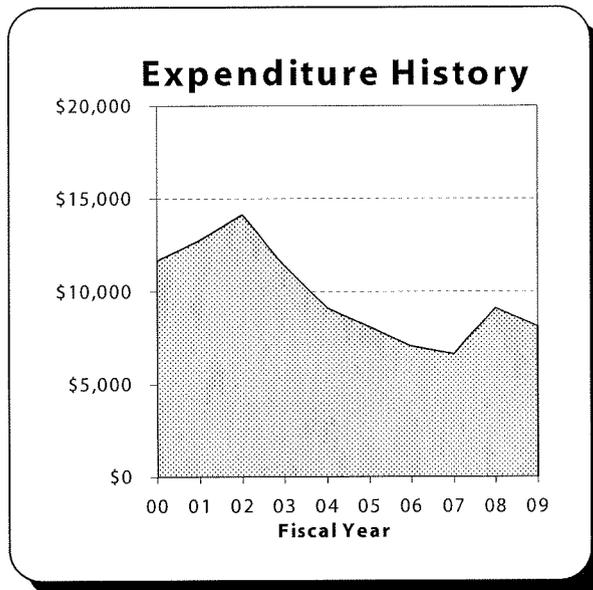
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel Services budget remains unchanged from the prior year, as the same number of Board meetings is assumed.

Supplies – Total Supplies is proposed to remain the same at \$930. There are no proposed changes within the Supplies accounts.

Other Charges – Total Other Charges decreased \$980 or 17.0%. Funding for reporting services was reduced by \$600, as less time is required to transcribe meeting minutes. \$300 was saved as fewer newspaper ads are anticipated to be published. Funding for educational conferences decreased \$100 as prior year funds were not fully spent. Existing membership costs increased by \$20.

Capital – There is no Capital proposed for this activity.



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

Personnel Services – Council made no adjustments to Personnel Services.

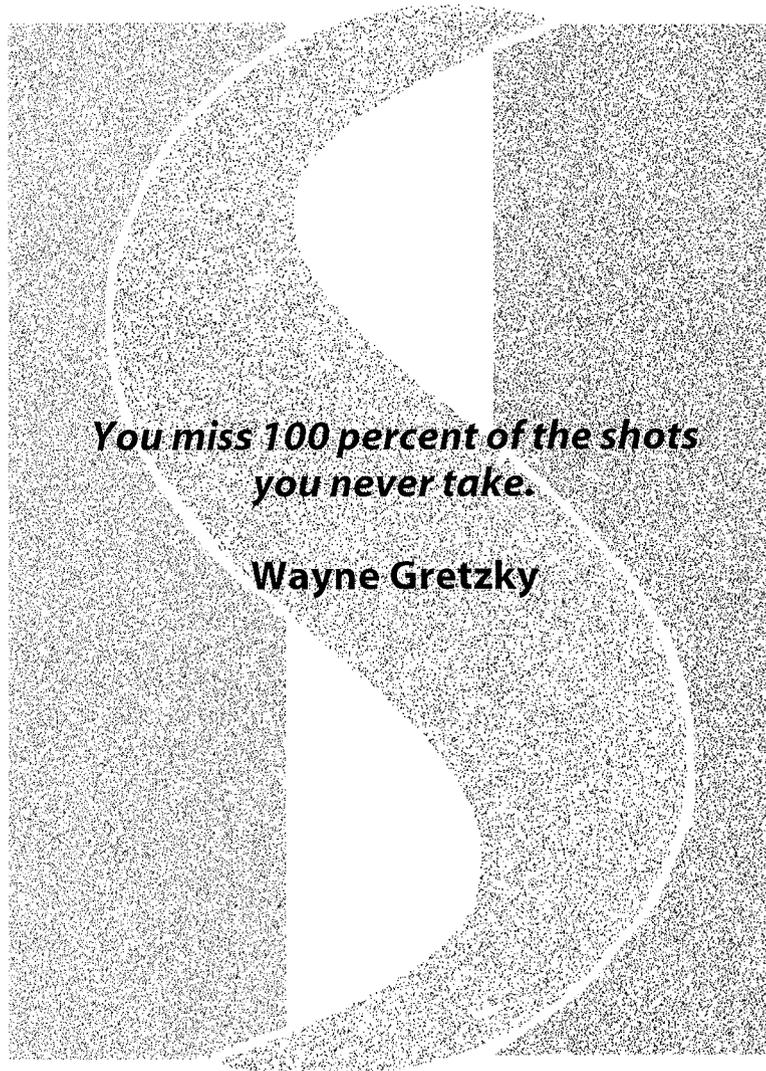
Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

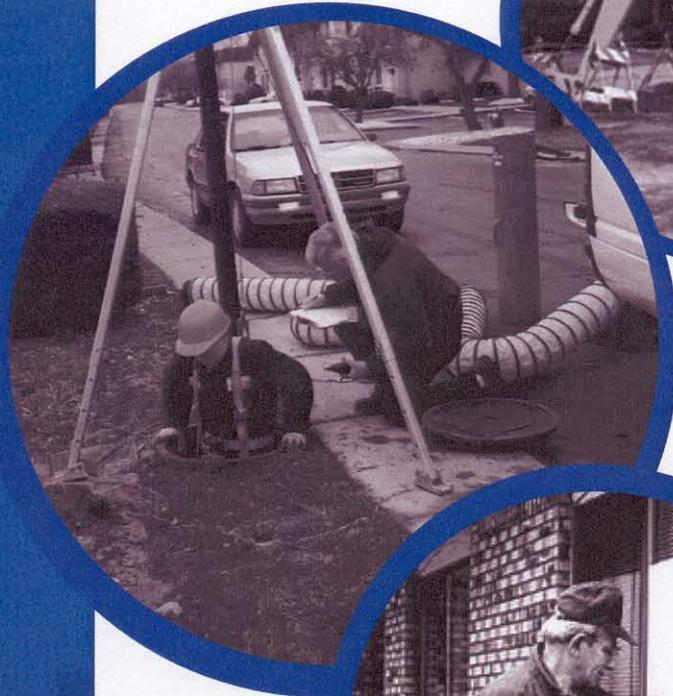
FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$2,133	\$2,420	\$2,420	\$2,420	\$2,420
Supplies	608	930	730	930	930
Other Charges	3,890	5,750	3,170	4,770	4,770
Total	\$6,631	\$9,100	\$6,320	\$8,120	\$8,120



Water & Sewer Fund

08 09



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 that the fund will remain financially sound.

Due to a surplus in the Water & Sewer System, the City was able to absorb the rate increases from Detroit until it became clear that the diminishing returns on investments were an unreliable source of revenue to fully offset the higher costs of doing business. In 1992, it became necessary for the City to raise its water and sewage rates as a direct result of the increases from Detroit.

Historically, Sterling Heights has not passed on the full City of Detroit water and sewage rate increases. Over the past 15 years, Detroit has increased its rates by an average of 7.3% per year, while Sterling Heights has increased its rates by only 5.4% 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 charge from \$.08 to \$.10 per mcf. Detroit also increased its water and sewage rates by 7.2% and 4.1%, respectively. Sterling Heights passed along only a 3% increase, but the third tier sewage rate rose 6.5% to fully cover our sewage cost. The City also increased the summer discount from a maximum of \$15 to \$25.

In 2000/01, Detroit decreased its sewage rate 6.6%. The decrease, however, was offset by a yearly fixed direct charge for treating inflow and infiltration. As a result, the City passed along a 4.9% sewage rate increase to its customers.

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 completed the replacement of 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 to its customers.

In 2003/04, Detroit increased its water and sewage rates 5.0% and 8.6%, respectively. The fixed direct charge decreased slightly due to lower sewage volumes, as Detroit dye tested their new meters and adjusted volumes downward. Sterling Heights passed along a 4.9% water rate increase and a 6.9% sewage rate increase to its customers. The City also implemented a single-tier rate structure.

In 2004/05, Detroit implemented a new computerized meter reading system to accurately obtain the maximum day and peak hour usage of water. As a result, Detroit increased its water rate 16.5%. In addition, the City was billed a 6.9% one-time water true-up cost for the previous year's new meter data. Detroit also increased its sewage rate 4.4%. Sterling Heights passed along an 11.9% water and sewage rate increase to its customers.

In 2005/06, sewage disposal fees from Detroit increased a total of 8.9%, to include charges for the 15 Mile sewer repair and a slight sewage rate increase. Detroit also raised its water rate 7.7%. Sterling Heights passed along these same rate increases to its customers. 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 2007/08, the water rate from Detroit increased by 8.8%. Detroit's sewage disposal fees increased a total of 7.8% due to a slight increase in the sewage rate, as well as an increase in fixed charges resulting from the repairs to the 15 Mile Road sinkhole. Sterling Heights passed along a 7.9% water rate increase and a 6.9% sewage rate increase to its customers.

For 2008/09, the Detroit water and sewage rates are increasing by 5.3% and 5.6% respectively. The City of Sterling Heights is able to pass along only a 3.9% water rate increase and a 3.9% sewage rate increase to its customers. In addition, for the first time in 10 years, the City will also increase its maximum summer discount by \$1 to \$26. ■

Did you know?...

...that the City's markup on Detroit's water rate has decreased to a low of only 11.0%, compared to the average 125% markup of the 126 surrounding communities?

**WATER & SEWER SYSTEM
OPERATING FUND REVENUES & EXPENSES**

Budgetary Centers	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
REVENUES						
Water & Sewer Service	\$22,908,170	\$23,091,630	\$26,030,970	\$25,595,410	\$26,867,360	\$26,867,360
Penalties & Interest	195,170	445,720	300,000	450,000	425,000	425,000
Hydrant Rental	171,000	174,750	177,500	177,500	177,500	177,500
Building Rental	1,200	1,200	1,200	1,200	1,200	1,200
Interfund Service	396,820	411,990	397,240	389,240	371,900	371,900
Tap and Meter Revenue	488,160	539,890	636,000	480,000	480,000	480,000
Repair and Service	144,470	20,760	30,000	10,000	10,000	10,000
Inspection Fees	17,400	10,480	15,000	7,500	7,500	7,500
Turn-On Charge	3,190	3,980	2,500	4,000	4,000	4,000
Ind./Pollution Surcharge	518,560	628,880	550,000	640,000	600,000	600,000
Miscellaneous	72,900	64,290	70,000	126,250	65,000	65,000
Interest on Investments	708,390	1,118,140	1,140,000	1,000,000	800,000	800,000
Total Revenues	\$25,625,430	\$26,511,710	\$29,350,410	\$28,881,100	\$29,809,460	\$29,809,460
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	\$769,240	\$835,170	\$882,450	\$880,510	\$909,210	\$909,210
Supplies	13,730	17,360	13,000	11,700	12,500	12,500
Other Charges	6,479,320	6,780,640	2,148,420	2,166,080	2,217,310	2,217,310
Capital Outlay	0	0	1,750	76,400	50,000	50,000
Total Expenses	7,262,290	7,633,170	3,045,620	3,134,690	3,189,020	3,189,020
WATER DISTRIBUTION						
Personnel Services	1,057,760	1,115,610	1,173,040	1,087,640	1,180,450	1,180,450
Supplies	197,710	218,240	227,250	188,000	213,000	213,000
Other Charges	8,734,230	9,340,220	10,638,030	10,511,250	11,047,180	11,047,180
Capital Outlay	0	0	796,800	799,800	2,800	2,800
Total Expenses	9,989,700	10,674,070	12,835,120	12,586,690	12,443,430	12,443,430
SEWAGE COLLECTION						
Personnel Services	1,167,300	1,179,520	1,280,360	1,220,320	1,310,240	1,310,240
Supplies	55,040	55,450	48,000	61,500	56,500	56,500
Other Charges	9,550,090	10,682,950	12,049,400	12,768,870	12,742,930	12,742,930
Capital Outlay	0	0	311,300	311,300	67,200	67,200
Total Expenses	10,772,430	11,917,920	13,689,060	14,361,990	14,176,870	14,176,870
Total Operating Expenses	\$28,024,420	\$30,225,160	\$29,569,800	\$30,083,370	\$29,809,320	\$29,809,320

Note: Interest on Investments is restated to include both Water & Sewer Operating & Receiving Funds. 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 2008/09 Budget, Charges for Services revenue represents 96.76% of total revenue sources, an increase of \$803,050.

The 2008/09 Budget recommends a 3.9% increase on water rates and a 3.9% increase on sewage rates charged to our resident and corporate customers. These increases are a result of the City of Detroit's increase in water and sewage rates it charges the City of Sterling Heights.

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 new rate plan lowers the water rate increase that has to be passed on to the average city resident. The average residential customer will pay \$38.08 per month for water and sewer services and will save money as a result of the inclining two-tier rate structure. This plan helps to encourage water conservation and allows us to better recover our costs from the systems larger users, thereby helping to maintain our low rates for all customers.

The average residential customer will pay \$38.08 per month for water & sewer services and will save money as a result of the inclining two-tier rate structure.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Rental Income, and Miscellaneous Revenue.

In the 2008/09 Budget, Other Revenues represents 3.24% of total revenue sources, a decrease of \$344,000 below the 2007/08 Budget. This decrease is mostly due to a decrease in Interest on Investment revenues.

In the 2008/09 Budget, Other Revenues represents 3.24% of total revenue sources, a decrease of \$344,000 below the 2007/08 Budget.

USE OF NET ASSETS

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

In the 2008/09 Budget, there is no use of net assets, as revenues slightly exceed expenses by \$140. 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	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CHARGES FOR SERVICES						
627444	Administrative Services - Roads	21,942	0.08	20,000	0.07	20,000	0.07
627531	Administrative Services - Refuse	92,610	0.35	97,240	0.33	72,900	0.24
629001	Labor Services - Roads	83,541	0.32	80,000	0.27	83,000	0.28
629002	Labor Services Cross Charges	49,834	0.19	45,000	0.15	50,000	0.17
633001	Water Tap Fees	181,695	0.69	200,000	0.68	125,000	0.42
633002	Sewer Tap Fees	8,590	0.03	11,000	0.04	5,000	0.02
633003	Meter Charges	349,606	1.32	425,000	1.45	350,000	1.17
633004	Inspection	10,486	0.04	15,000	0.05	7,500	0.03
633005	Water & Sewer Services	20,760	0.08	30,000	0.10	10,000	0.03
633006	Hydrant Rental - Fire Department	174,750	0.66	177,500	0.60	177,500	0.60
633009	Turn-On Charge	3,982	0.02	2,500	0.01	4,000	0.01
634001	Materials/Supplies Cross Charges	52,434	0.20	55,000	0.19	45,000	0.15
643000	Water Services	10,133,651	38.22	11,509,570	39.21	11,863,080	39.80
644000	Collections - Sewer	12,957,977	48.88	14,521,400	49.48	15,004,280	50.33
645000	Penalties - Water & Sewer	445,718	1.68	300,000	1.02	425,000	1.43
646000	Industrial & Pollution Surcharge	628,881	2.37	550,000	1.87	600,000	2.01
	Total Charges for Services	25,216,457	95.11	28,039,210	95.53	28,842,260	96.76
	OTHER REVENUE						
665000	Interest on Investments	1,118,137	4.22	1,140,000	3.88	800,000	2.68
667006	Building Rental - Garage	1,200	0.00	1,200	0.00	1,200	0.00
669001	Rental - Road Equipment	75,838	0.29	70,000	0.24	71,000	0.24
669002	Rental/Equipment Cross Charges	35,790	0.13	30,000	0.10	30,000	0.10
685000	Miscellaneous Revenue	64,285	0.24	70,000	0.24	65,000	0.22
	Total Other Revenue	1,295,250	4.89	1,311,200	4.47	967,200	3.24
	Total Water & Sewer Fund	\$26,511,707	100.00	\$29,350,410	100.00	\$29,809,460	100.00

Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

**WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT**

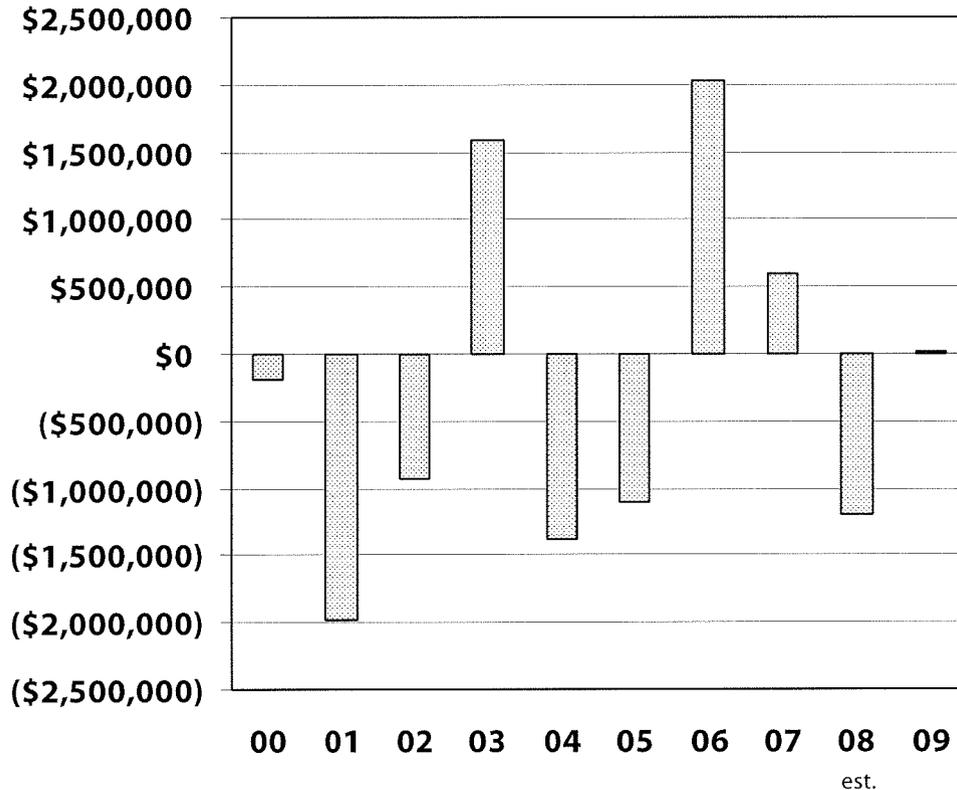
Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
704000	Wages & Salaries - Permanent	\$1,772,655	5.86	\$1,823,390	6.17	\$1,854,270	6.22
704001	Sick Time Buy Back	16,816	0.06	2,100	0.01	2,700	0.01
704721	Health Insurance Allowance	0	0.00	1,500	0.01	1,500	0.01
705000	Wages-Salaries - Temp/Part-Time	62,599	0.21	56,680	0.19	54,580	0.18
708000	Overtime	161,494	0.53	180,000	0.61	180,000	0.60
708001	Compensation Time Buy Back	12,056	0.04	12,000	0.04	12,000	0.04
709000	Union Contract Reimbursements	22,324	0.07	22,850	0.08	33,550	0.11
710000	Longevity	83,053	0.27	82,950	0.28	87,810	0.29
715000	Clothing Allowance	9,140	0.03	9,400	0.03	9,300	0.03
717000	FICA	161,266	0.53	164,040	0.55	167,920	0.56
718000	Worker's Compensation	13,203	0.04	14,090	0.05	13,890	0.05
720002	Defined Contribution - Employer	0	0.00	0	0.00	7,140	0.02
721000	Hospitalization	343,192	1.14	405,550	1.37	351,380	1.18
721001	Hospitalization - Retirees	417,910	1.38	504,110	1.70	562,450	1.88
721003	Retiree Health Savings - City	0	0.00	0	0.00	3,000	0.01
722000	Dental Insurance	28,406	0.09	29,620	0.10	30,630	0.10
723000	Life Insurance	6,542	0.02	7,070	0.02	7,110	0.02
724000	Eye Care Insurance	3,721	0.01	3,240	0.01	3,330	0.01
725000	Disability Insurance - Long Term	4,362	0.01	4,730	0.02	4,760	0.02
725355	Disability Insurance - Short Term	11,556	0.04	12,530	0.04	12,580	0.04
	Total Personnel Services	3,130,295	10.36	3,335,850	11.28	3,399,900	11.40
	SUPPLIES						
729000	Postage	1,310	0.00	2,000	0.01	1,500	0.01
750000	Fuels & Lubricants	74,599	0.25	64,500	0.22	79,500	0.27
751000	Operating Supplies	38,306	0.13	29,500	0.10	33,000	0.11
770000	Water Meters - Assembled	137,162	0.45	140,000	0.47	125,000	0.42
771000	Fire Hydrant Parts	5,469	0.02	10,000	0.03	10,000	0.03
772000	Tap-In Materials - Water	30,741	0.10	39,250	0.13	30,000	0.10
774000	Water Meter Parts	3,466	0.01	3,000	0.01	3,000	0.01
	Total Supplies	291,053	0.96	288,250	0.97	282,000	0.95
	OTHER CHARGES						
802000	Audit & Accounting Services	13,750	0.05	14,000	0.05	14,930	0.05
806000	Legal Services - Other	224	0.00	200	0.00	200	0.00
806001	Legal Services - City Attorney	8,769	0.03	3,000	0.01	10,000	0.03
807000	Medical Services	2,050	0.01	1,500	0.01	2,000	0.01
810000	Other Fees	36,754	0.12	39,000	0.13	45,000	0.15
823000	Hydrant Moves - Contractor	0	0.00	500	0.00	1,000	0.00
824000	Water Tap Installation - Contractor	50,465	0.17	80,000	0.27	50,000	0.17
826000	Other Contracted Services	27,266	0.09	44,000	0.15	35,000	0.12
827000	Interfund Services	1,593,030	5.27	1,643,220	5.57	1,649,160	5.53
832000	Building Maintenance	809	0.00	3,000	0.01	3,000	0.01
833000	Equipment Maintenance	76,513	0.25	59,490	0.20	80,000	0.27

**WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
835000	Vehicle Maintenance	149,689	0.50	135,000	0.46	149,000	0.50
840000	Water Main Repair	115,627	0.38	105,000	0.36	120,000	0.40
841000	Distribution Line Repair	157,371	0.52	165,000	0.56	170,000	0.57
842000	Sewer Main Repair	11,896	0.04	30,000	0.10	25,000	0.08
903000	Printing	849	0.00	1,000	0.00	1,000	0.00
913000	Liability Insurance	325,000	1.08	250,000	0.85	260,000	0.87
915000	Other Insurance	2,270	0.01	2,340	0.01	2,390	0.01
921000	Electric	30,362	0.10	27,600	0.09	32,400	0.11
922000	Telephone	4,879	0.02	5,000	0.02	5,000	0.02
923000	Gas - Fuel - Oil	15,441	0.05	17,000	0.06	17,000	0.06
931000	Water Purchased	8,971,599	29.68	10,242,500	34.64	10,659,600	35.76
932000	Sewage Disposal Services	10,149,585	33.58	11,501,210	38.90	12,189,680	40.89
934000	Industrial & Pollution Surcharge	315,732	1.04	310,000	1.05	315,000	1.06
945000	Other Rental	133,870	0.44	141,850	0.48	159,010	0.53
956000	Local Meetings	298	0.00	270	0.00	270	0.00
957000	Memberships & Dues	1,352	0.00	1,090	0.00	1,090	0.00
959000	Education & Training	5,245	0.02	5,080	0.02	4,690	0.02
964000	Refunds & Rebates	5,678	0.02	8,000	0.03	6,000	0.02
968000	Depreciation	4,597,436	15.21	0	0.00	0	0.00
Total Other Charges		26,803,809	88.68	24,835,850	84.00	26,007,420	87.25
CAPITAL OUTLAY							
975000	Buildings & Improvements	0	0.00	0	0.00	50,000	0.17
982000	Machinery & Equipment	0	0.00	739,050	2.50	10,000	0.03
984000	Vehicles	0	0.00	370,800	1.25	60,000	0.20
Total Capital Outlay		0	0.00	1,109,850	3.75	120,000	0.40
Total Water & Sewer Fund		\$30,225,157	100.00	\$29,569,800	100.00	\$29,809,320	100.00

Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

Water & Sewer Net Income from Operations

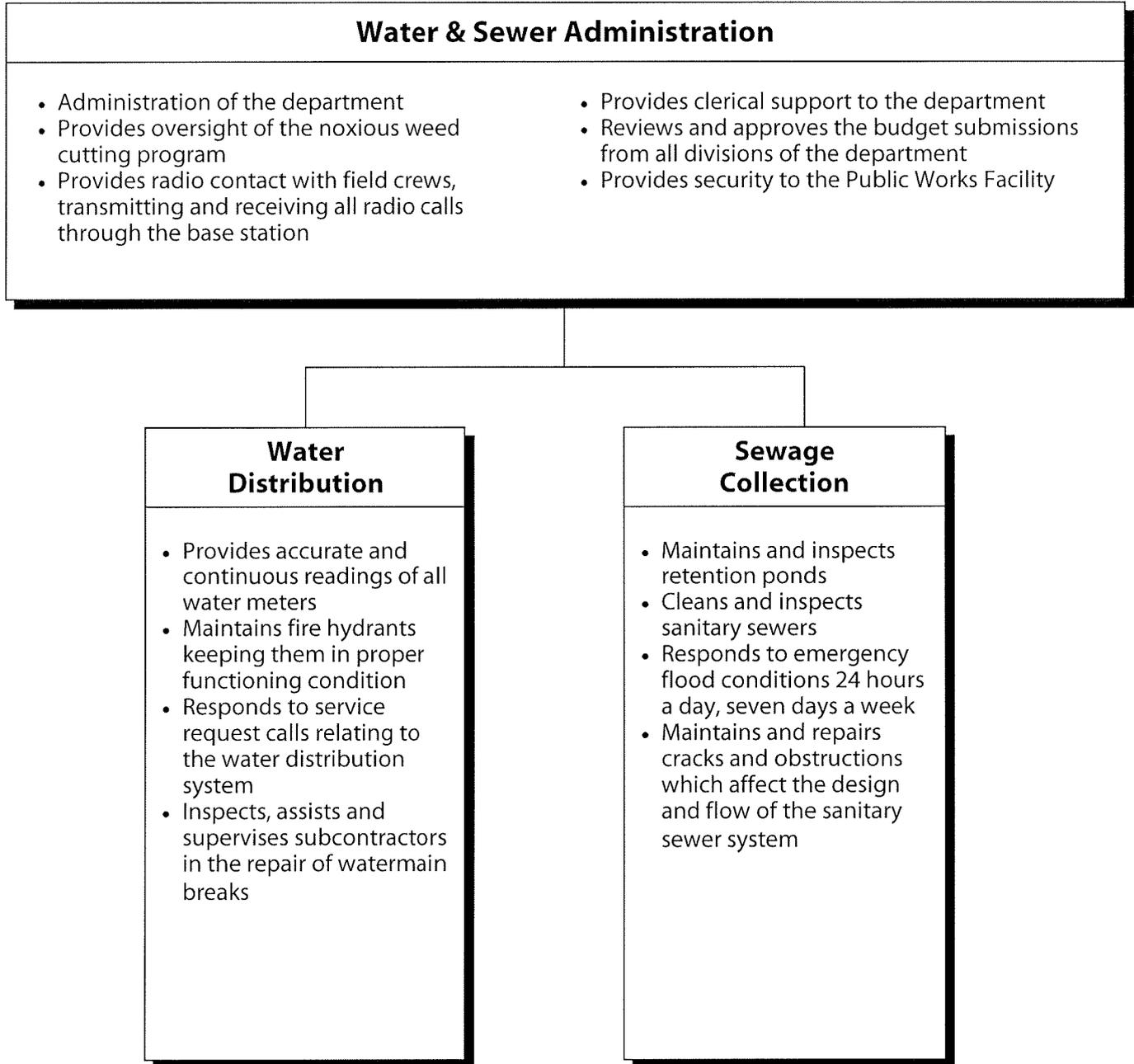


This graph illustrates the net income from operations in the Water & Sewer fund. These numbers reflect the truest picture of the results of Water & Sewer fund operating performance upon which our water & sewer rates are established.

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 increased by \$239,520 or 0.8%. Personnel costs rose by \$64,050 or 1.9% as funding for retiree medical liabilities increased by \$58,340. Health insurance costs declined by \$54,170 or 13.4%, as two new labor contracts will increase employee deductibles and co-pays, thereby lowering City health care premiums. Wages for full-time employees increased by only 1.7% due to staff turnover in the prior year. Supply costs decreased by \$6,250 or 2.2% as fewer water taps and meter purchases are anticipated. These savings were partially offset by higher fuel costs. Other Charges increased \$1.2 million

or 4.7%. A 5.3% water rate increase from the City of Detroit, offset by slightly lower estimated water consumption, has increased our water costs by \$417,100. Sewage disposal costs have risen by \$688,470 due to a 5.6% Detroit rate increase. Capital Outlay costs decreased by \$989,850 as the prior year budget included funding for the automated commercial water meter reading system.

FUNDING LEVEL SUMMARY

	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget	% Change from 07/08
Water & Sewer Admin.	\$7,262,290	\$7,633,170	\$3,045,620	\$3,189,020	4.7%
Water Distribution	9,989,700	10,674,070	12,835,120	12,443,430	-3.1%
Sewage Collection	10,772,430	11,917,920	13,689,060	14,176,870	3.6%
Total Department	\$28,024,420	\$30,225,160	\$29,569,800	\$29,809,320	0.8%
Personnel Services	\$2,994,290	\$3,130,300	\$3,335,850	\$3,399,900	1.9%
Supplies	266,490	291,050	288,250	282,000	-2.2%
Other Charges	24,763,640	26,803,810	24,835,850	26,007,420	4.7%
Capital Outlay	0	0	1,109,850	120,000	-89.2%
Total Department	\$28,024,420	\$30,225,160	\$29,569,800	\$29,809,320	0.8%

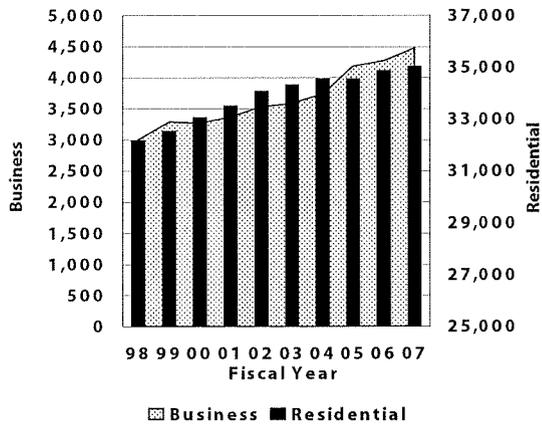
PERSONNEL SUMMARY

	2005/06		2006/07		2007/08		2008/09	
	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	9	0
Water Distribution	12	2	12	2	12	2	12	2
Sewage Collection	14	4	14	4	14	4	14	4
Total Department	35	6	35	6	35	6	35	6

KEY FUND TRENDS

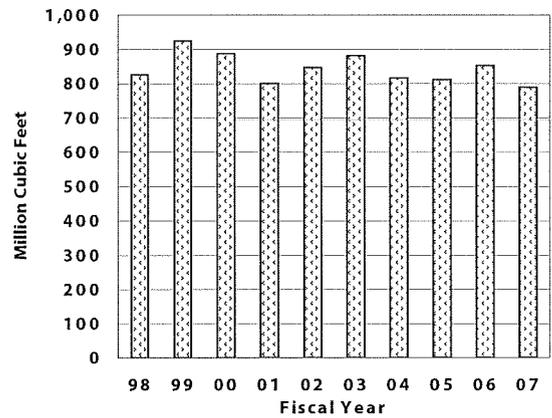
Water & Sewer Fund

Water & Sewer Customers



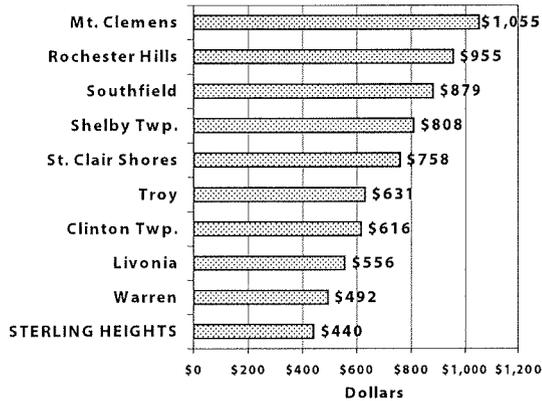
The number of both business and residential Water & Sewer customers has steadily increased over the past ten years due to continued growth and development in the City.

Water Sold to Residents



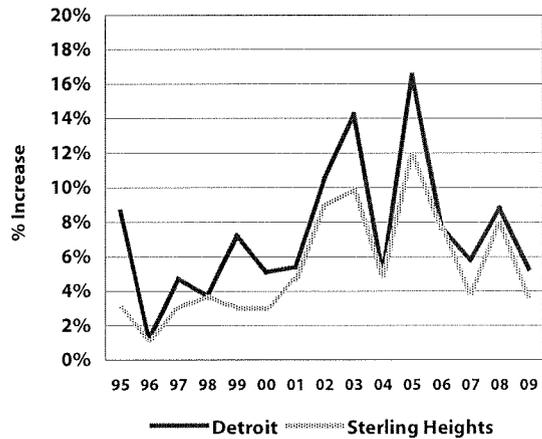
Over the past ten fiscal years, the City has sold a fluctuating amount of water to our residents and business community. The decrease in some years is largely a result of increased rainfall, which lowers the demand for irrigation.

Average Residential Annual Water & Sewer Bill

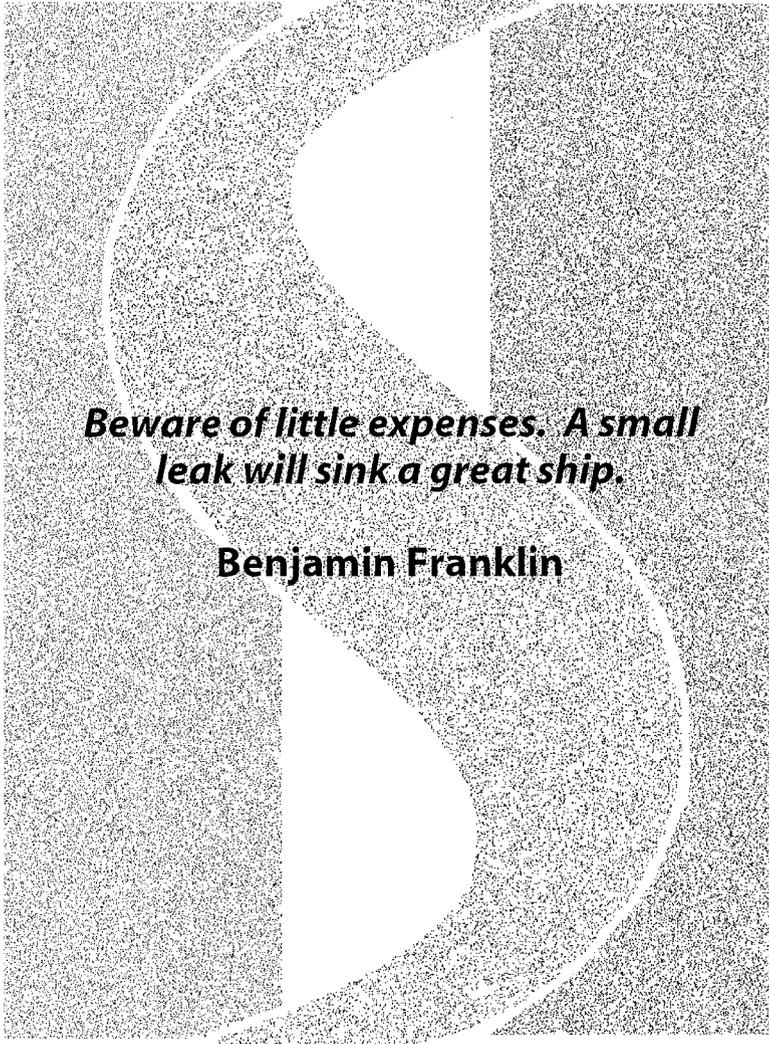


The City purchases its water and sewer services through the City of Detroit. The average resident pays \$440 annually or \$37 per month for such services. This amount compares very favorably to all nearby communities. In fact, our residents pay 12% less than the next lowest city (Warren) and almost 2.5 times less than the highest (Mt. Clemens). 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 1999, Detroit increased our rates by 14.2%, we passed on only 3%. In 2003, Detroit increased its rates by an average of 7.3% per year over the past 15 years. Sterling Heights has increased its rates by only 5.4% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.



***Beware of little expenses. A small
leak will sink a great ship.***

Benjamin Franklin

MISSION STATEMENT: *To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.*

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the tall grass/weed cutting program of the Public Works Department.

The staff of the Public Works Department responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, tree branch chipping, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also 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, 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 Clerk/Dispatch Program. In an emergency

KEY GOALS

- *To preserve the investment made in the City's infrastructure through a continual proactive maintenance program.*
- *To provide continuing 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.*

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.■

Did you know?...

...that the City of Sterling Heights has the lowest combined water and sewer rates for residential customers in the State of Michigan for communities that have a population greater than 25,000?

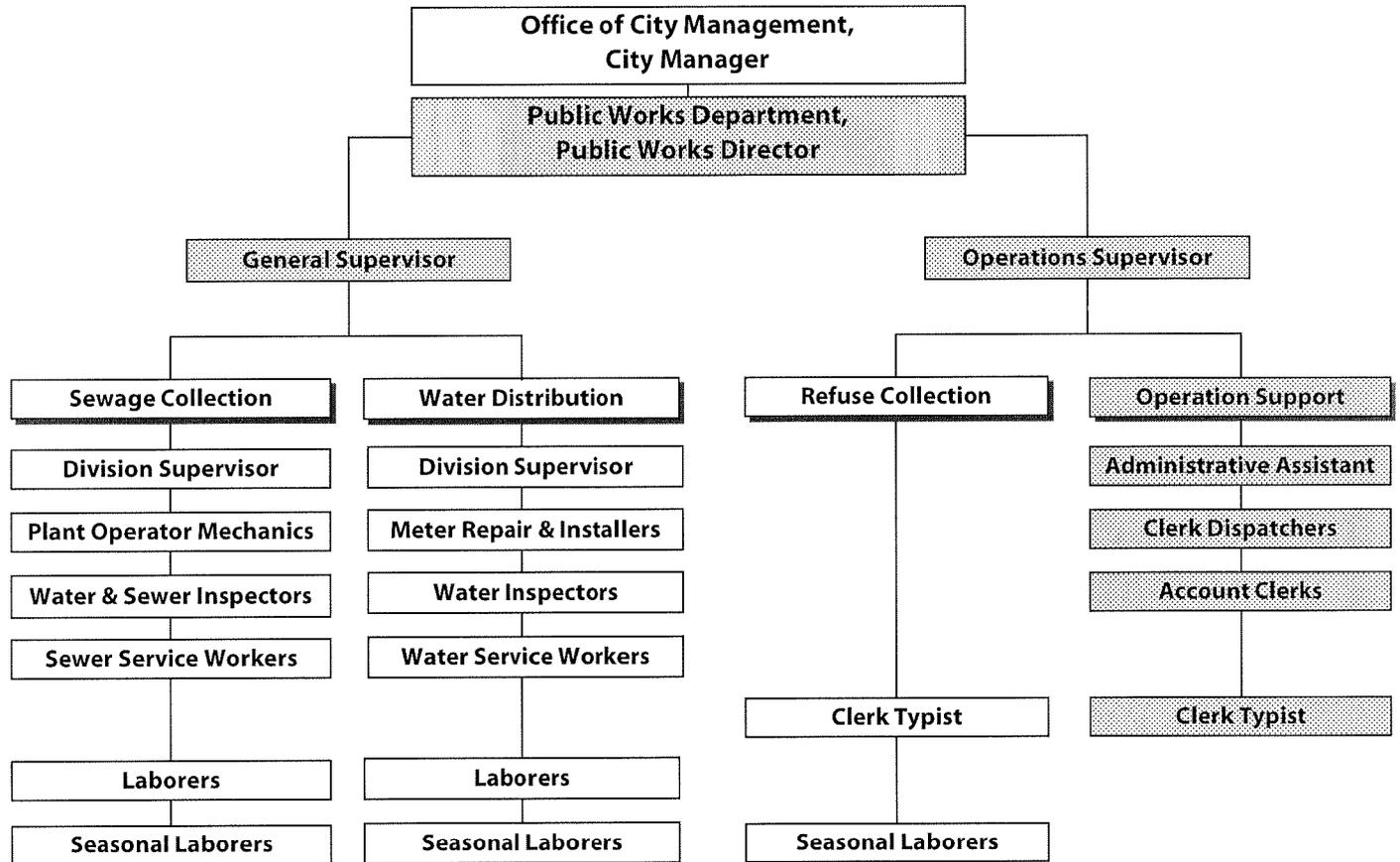
Water & Sewer Administration

2008/09 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 contain future water rate increases. *(City Goal 14)*
2. To prepare the 2008 Sterling Heights Annual Water Quality Report in accordance with EPA and M-DEQ requirements. This report, included in the Sterling Heights magazine, advises 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/weed ordinance in order to maintain the aesthetics of the City, especially in our residential neighborhoods. *(City Goal 12, 13, 14)*
4. In conjunction with the Community Relations Department and Information Technology Office, to fully implement and utilize all features of the new BS&A Complaint Tracking System allowing staff to electronically monitor customer service requests pertaining to DPW operations. *(City Goal 3, 5, 18)*

	Performance Indicators	2004/05	2005/06	2006/07	2007/08	2007/08	2008/09
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Water & Sewer Customers	38,720	39,122	39,100	39,600	39,410	39,500
	Customer Service Requests/Inquiries Received	32,500	31,750	31,200	30,000	31,000	30,500
	Res./Commercial Sanitary Sewer Tap Connections	250	265	183	260	90	80
	Residential/Commercial Water Taps	298	295	142	260	90	90
	Residential/Commercial Water Meter Installations	311	290	164	240	150	150
	Tall Grass/Weed Cutting Revolutions (317 acres)	6	6	5	6	5	6
	Vacant Parcels Cut - Tall Grass/Weed Program	1,356	1,382	986	1,200	750	1,000
	Parcels Cut - Residential Homes/Businesses	154	235	384	400	400	425
	Backflow Preventer Testing Compliance Letters	242	519	542	400	500	520
	Site Plans Reviewed	90	117	45	70	40	50
	Vehicles/Equipment Specifications Prepared	16	14	15	9	12	10
	Materials/Supplies/Services Specifications Prepared	18	17	16	18	20	18
	Activity Budgets Prepared	4	4	4	4	4	4
	Hours of Safety Training	497	290	260	300	310	300
Efficiency & Effectiveness	Ratio of FT Employees to Worker Comp. Claims	104:1	104:1	52:1	52:1	35:1	52:1
	% Water Samples Meeting Federal/State Standards	100%	100%	100%	100%	100%	100%
	% of Weed Violations Corrected by Owner	86%	88%	81%	90%	70%	80%
	Meter Reads Per Reader	64,297	64,383	64,410	64,500	64,440	64,500
	Residential Water & Sewer Bill (15,000 cfs)	\$357	\$385	\$408	\$440	\$440	\$457
	Activity Expenditures as % of Enterprise Fund	10.04%	11.29%	11.85%	10.30%	10.42%	10.70%

Water & Sewer Administration



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Public Works Director	1	1	1
Operations Supervisor	1	1	1
General Supervisor	1	1	1
Administrative Assistant	1	1	1
Clerk Dispatcher	2	2	2
Account Clerk	2	2	2
Clerk Typist	1	1	1
Total	9	9	9

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

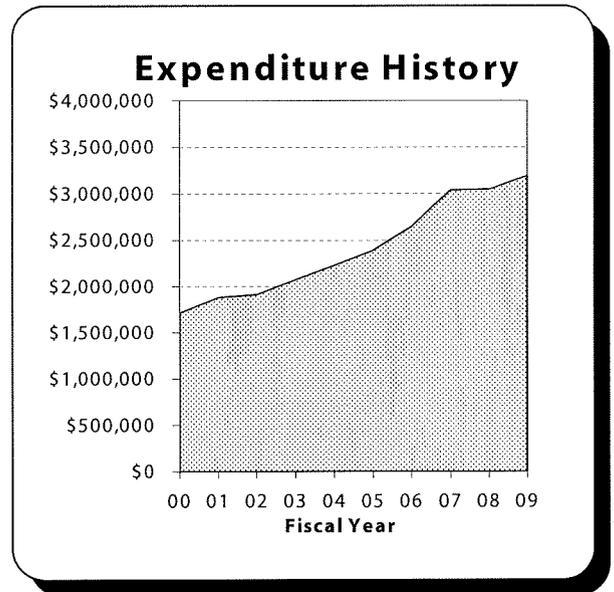
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$26,760 or 3.0%. Wages for full-time employees increased only \$5,610 or 1.1% as a result of staff turnover in the prior year. Higher retiree medical obligations have resulted in a \$17,090 increase. Health insurance costs declined by \$8,700 as a result of a new labor contract, as well as staff turnover.

Supplies – Total Supplies decreased \$500 or 3.8% as the budget for postage can be reduced and brought more in line with prior year actual expenditures.

Other Charges – Total Other Charges increased \$68,890 or 3.2%. Facility rental costs increased \$17,160 due to the higher General Fund building operational costs at the Public Works facility. \$10,510 was added for the maintenance agreement for the City’s new fixed network automatic meter read system and an increase in the existing MUNIS Utility software support and maintenance fees. Funding for liability insurance rose \$10,000 due to an inflationary cost increase. Credit card fees rose \$7,000, as there are a greater number of credit card water bill payments. \$7,000 was added for State radio user fees for the new 800 MHz radio system and the increased costs of contracted engineering consulting services.

Capital – Total Capital of \$50,000 is proposed to relocate two equipment storage shelter buildings from the City’s temporary Fire Stations to the DPW and Parks and Grounds facilities once the Fire Station renovations are complete.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$835,170	\$882,450	\$880,510	\$909,210	\$909,210
Supplies	17,360	13,000	11,700	12,500	12,500
Other Charges	6,780,644	2,148,420	2,166,080	2,217,310	2,217,310
Capital Outlay	0	1,750	76,400	50,000	50,000
Total	\$7,633,174	\$3,045,620	\$3,134,690	\$3,189,020	\$3,189,020

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 35,021 customers are read quarterly while commercial and industrial water meters for 4,477 customers are all read on a monthly basis. Personnel read and perform

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.*

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?...

... that the City has over 570 miles of water mains that deliver clean water to serve the community's needs for residential, commercial and industrial uses?

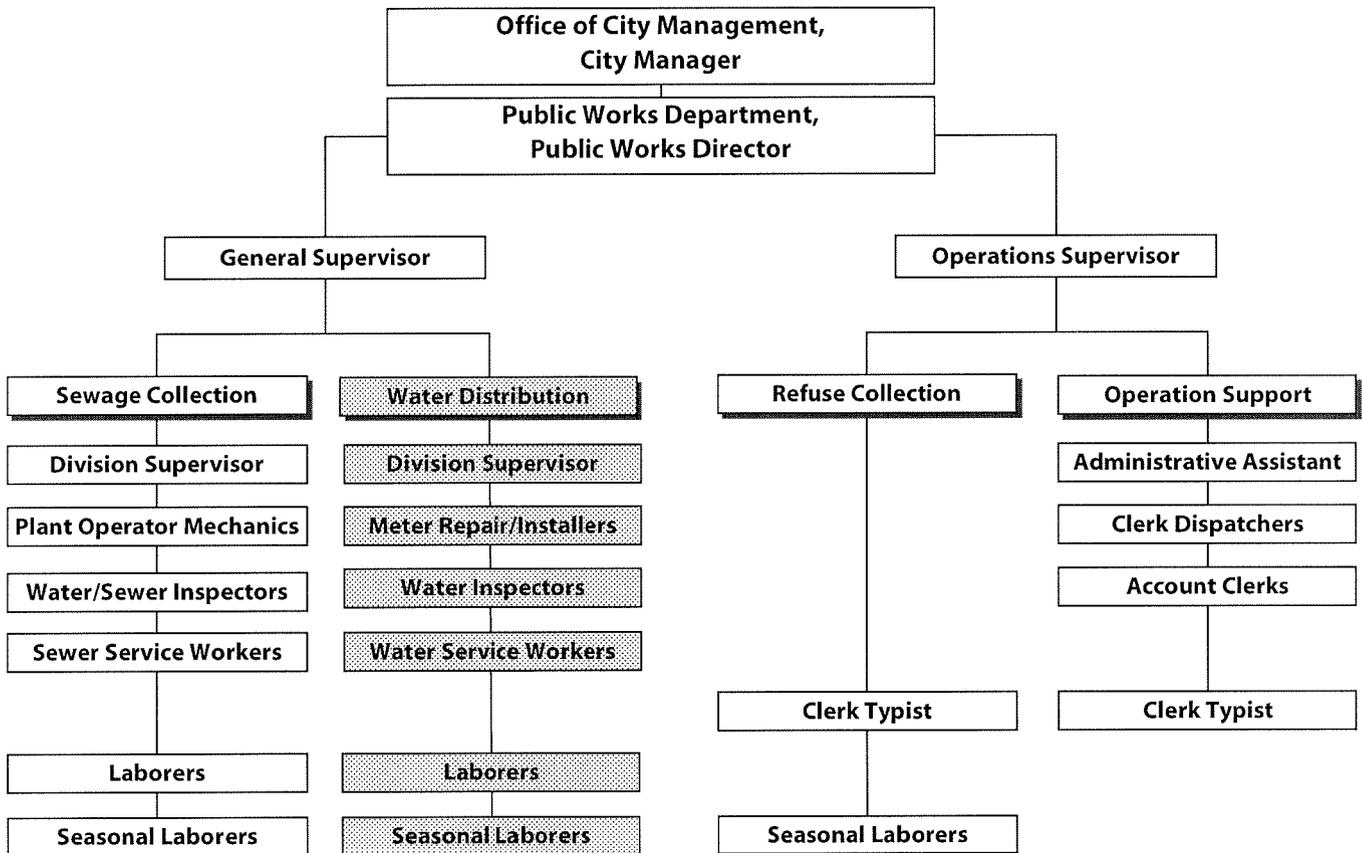
Water Distribution

2008/09 PERFORMANCE OBJECTIVES

1. To convert the City's 4,000 commercial water accounts from the current remote handheld meter-reading system to a fixed network automated radio meter-reading system. (City Goal 6, 17, 18)
2. To oversee the subcontracted bi-monthly monitoring program of the water distribution system, which includes sampling at 16 locations, laboratory testing of samples and submitting Distribution System Evaluation Reports to the EPA in order to comply with new federal Safe Water Drinking Regulations. (City Goal 1, 12)
3. To test/repair approximately 320 large water meters 2" and larger, utilizing a subcontractor at commercial and industrial sites to assure that correct revenues are being realized from high-volume users. (City Goal 1)
4. To perform a gateway and valve inspection program of 300 valves each year, which will improve our ability to isolate the system to fix broken water mains or make repairs and affect less customers being out of water. (City Goal 1, 3)

Performance Indicators		2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Miles of Water Mains in City	563	569	570	575	570	571
	Citizen Inquiries/Service Requests Responded To	8,420	8,464	8,408	8,500	8,100	8,500
	Water Meter Reads - Residential & Commercial	192,890	193,150	193,230	193,450	193,320	193,450
	Miss Dig Stakeouts of Utilities Performed	9,490	9,400	8,660	9,500	8,500	8,500
	Water Meters Installed - Residential/Commercial	216/95	140/150	89/75	180/60	100/50	100/50
	Meters/Remote Boxes Checked/Repaired	2,965	2,780	2,710	2,900	2,800	2,900
	Water Taps Installed - Residential/Commercial	209/89	135/160	82/60	190/70	70/20	70/20
	Cross Connection Inspections/Reinspections	463	450	580	500	500	500
	Compound Meters Tested	299	255	390	280	300	320
	Gatewells Inspected	407	365	378	300	300	300
	Businesses Monitored - Backflow Compliance	242	519	542	400	500	520
	Water Samples Tested for Lead/Copper	20	0	0	0	0	0
	Fire Hydrants Replaced	4	5	4	8	8	7
	Fire Hydrants Winterized	6,932	7,015	7,075	7,120	7,120	7,120
Fire Hydrants Painted	1,290	1,500	1,900	1,500	1,600	1,500	
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	100%	99%	99%	99%	99%	99%
	% of Miss Dig Stakeouts Completed w/i 48 hours	99%	99%	98%	99%	99%	99%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4.7	4.6	4.7	4.5	4.5	4.5
	Miles of Water Main Maintained per FT Employee	46.9	47.4	47.5	47.9	47.5	47.6
	Water Purchased from Detroit (1,000 cubic feet)	867,931	803,969	775,817	850,000	840,000	840,000
	Cost of 1,000 Cubic Feet of Water from Detroit	\$9.72	\$10.47	\$11.08	\$12.05	\$12.05	\$12.69
	Activity Expenditures as % of Enterprise Fund	44.55%	42.68%	41.65%	43.41%	41.84%	41.74%

Water Distribution



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Division Supervisor	1	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Meter Reader	1	0	0
Laborer	2	3	3
Seasonal Laborer	2	2	2
Total	14	14	14

Water Distribution

SUMMARY OF BUDGET CHANGES

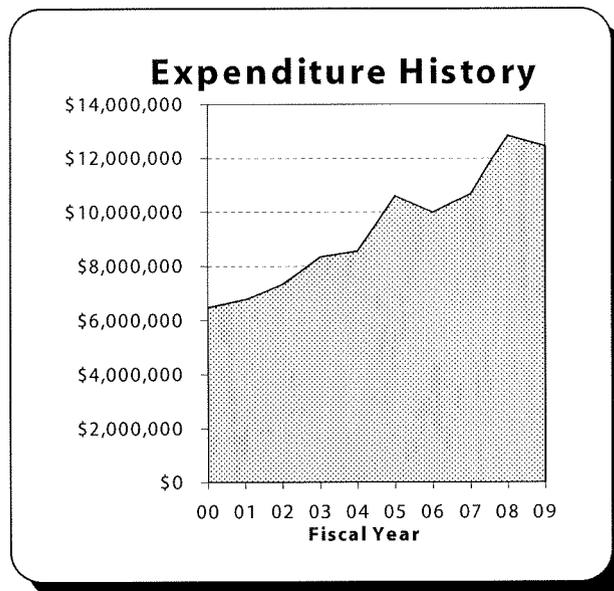
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services – The total Personnel budget increased by \$7,410 or 0.6%. Wages for full-time employees increased only \$12,840 or 2.1% as a result of staff turnover in the prior year. This staff turnover, as well as new labor contracts, have resulted in a \$27,170 savings to health insurance costs. Higher retiree medical liabilities have resulted in a \$19,360 increase. Overtime costs fell \$5,000.

Supplies – Total Supplies decreased \$14,250 or 6.3%. The City will save \$15,000 as fewer water meters are anticipated to be purchased. Less funding is needed for materials to install new water taps, saving \$9,250. Funding for fuel and lubricants increased \$8,000 based on the current year’s estimated expenditure usage. \$2,000 was added for the increased cost of hand tools and supplies needed to repair broken water meters.

Other Charges – Total Other Charges increased \$409,150 or 3.8%. The cost of water purchased from Detroit increased \$417,100 due to a 5.3% Detroit rate increase, offset by slightly lower projected water consumption. Water main repair costs increased \$15,000 and distribution line repair costs rose \$10,000, both due to the higher cost of materials and supplies to maintain the water system. \$10,000 was added for increased compound meter testing and repairs. Contract costs for new water tap installations decreased \$30,000 based on recent actual expenditure levels. A decrease of \$16,000 was made, as less funding is required for the bi-monthly testing of the City’s water system to comply with new federal mandates.

Capital – Total Capital of \$2,800 is proposed for a Dual Axle Utility Trailer to replace a 28 year-old trailer that is



used to transport heavy equipment when maintaining and repairing the water distribution system.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,115,609	\$1,173,040	\$1,087,640	\$1,180,450	\$1,180,450
Supplies	218,240	227,250	188,000	213,000	213,000
Other Charges	9,340,218	10,638,030	10,511,250	11,047,180	11,047,180
Capital Outlay	0	796,800	799,800	2,800	2,800
Total	\$10,674,067	\$12,835,120	\$12,586,690	\$12,443,430	\$12,443,430

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 the Sewer Collection division maintains two sewage lift stations, one on Riverland Drive, east of Van Dyke, the other on Viceroy Drive, north of 14 Mile Road? Both of these stations are located at low points within the sewer system where it is necessary to pump sewage up to a main at a higher elevation so that the sewage can continue downstream to the Detroit Water and Sewerage Department's (DWSD) interceptor.

Sewage Collection

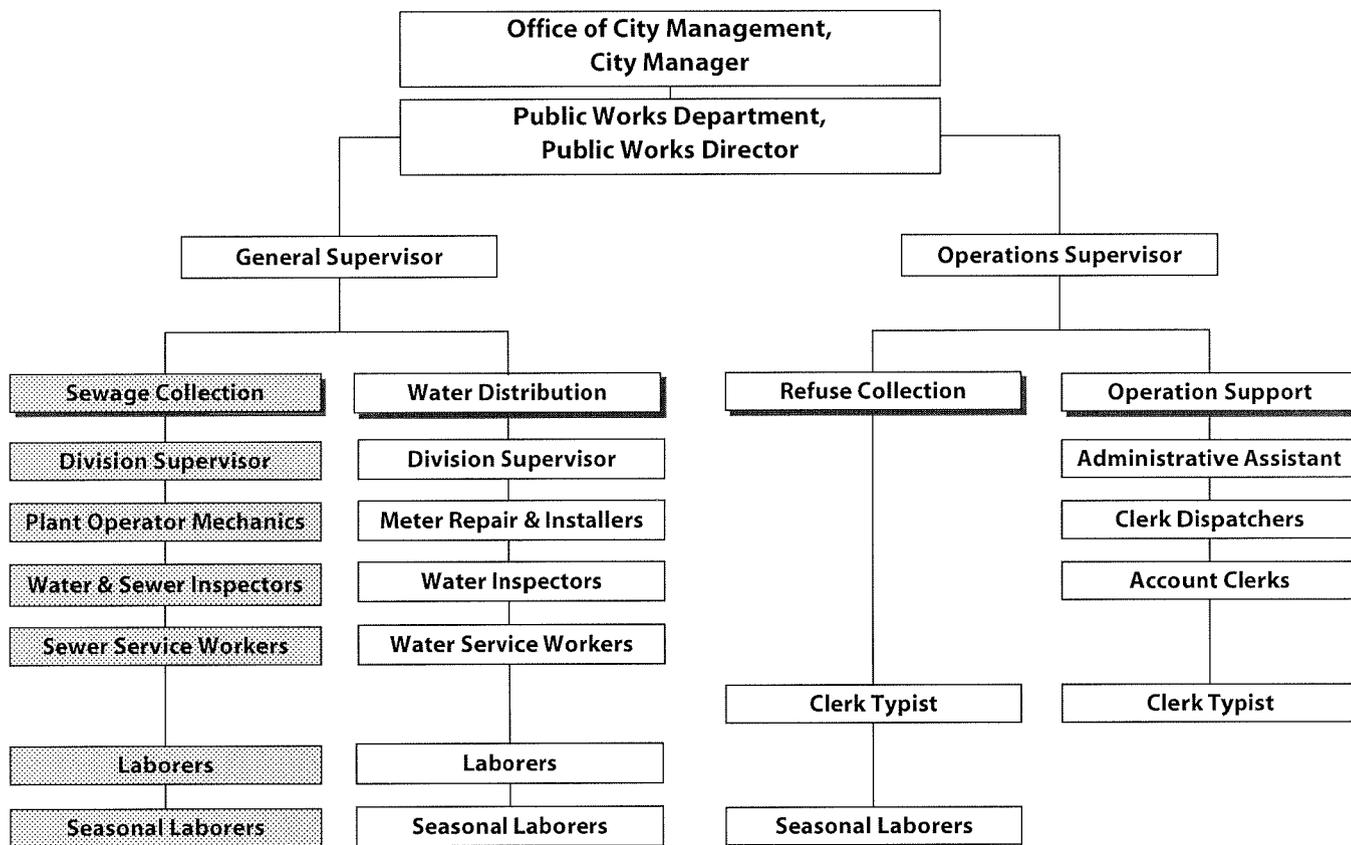
2008/09 PERFORMANCE OBJECTIVES

- To maintain a properly functioning sewer system and prevent sewer system blockages by cleaning 740,000 feet or 138 miles of the City's sanitary sewer system. (City Goal 12)
- To dye test for illegal taps into the sanitary or storm sewer systems. (City Goal 12)
- To inspect all City-owned detention and retention ponds for needed repairs and updates in order to prioritize future capital improvements. (City Goal 6)
- To document information obtained from grease trap inspections in order to determine if expanded inspection and/or enforcement procedures are necessary. (City Goal 12)

	Performance Indicators	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Budget
Output	Miles of Sanitary Sewers in City	424	428	429	432	430	430
	Sewer Inquiries Received & Resolved	548	1,050	702	1,000	500	500
	Sewer Inspections	250	265	183	260	90	80
	Water Inspections	215	203	94	200	50	75
	Certificate of Occupancy Inspections	862	776	424	600	300	300
	Sanitary Sewer Cleaned - Feet	628,000	824,900	597,420	740,000	700,000	740,000
	Utility Structures Restored	175	200	117	200	125	150
	Flags of Sidewalk Replaced	138	64	107	125	100	125
	Sections of Street/Approaches Replaced	72/42	95/53	85/27	100/50	75/45	100/50
	Sod Replaced - Yards	2,618	1,944	2,374	2,000	2,800	2,800
	Detroit Sewage Meter Pit Readings	260	260	104	150	260	260
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	16	16	4	15	10	10
Efficiency & Effectiveness	Sewer Main Blockages	11	11	15	10	10	10
	% of Emergencies Responded to within 45 Minutes	100%	100%	100%	100%	100%	100%
	% of Trouble Mains Cleaned a Minimum of 4 Times	100%	100%	100%	100%	100%	100%
	Miles of Sanitary Sewer Maintained per FT Employee	30.3	30.6	30.6	30.9	30.7	30.7
	Disposal Cost Per 1,000 Cubic Feet of Waste Water	*\$10.30	*\$10.32	*\$10.80	*\$10.94	*10.96	*11.57
	Macomb County Sewage Direct Charge	\$1,656,478	\$2,398,391	\$2,904,501	\$3,815,010	\$3,787,930	\$3,974,980
	Sewage Disposal System Look-Back Adjustment	(\$264,656)	(\$108,660)	(\$259,632)	(\$300,000)	\$933,800	\$0
	Activity Expenditures as % of Enterprise Fund	45.41%	46.03%	46.50%	46.29%	47.74%	47.56%

* Does not include fixed combined sewer overflow costs.

Sewage Collection



STAFFING SUMMARY

Position	Approved 2006/07	Approved 2007/08	Approved 2008/09
Division Supervisor	1	1	1
Plant Operator Mechanic	2	2	2
Sewer Worker (Clean)	2	2	2
Water & Sewer Inspector	2	2	2
Sewer Worker (Maintenance)	3	3	3
Laborer	4	4	4
Seasonal Laborer	4	4	4
Total	18	18	18

Sewage Collection

SUMMARY OF BUDGET CHANGES

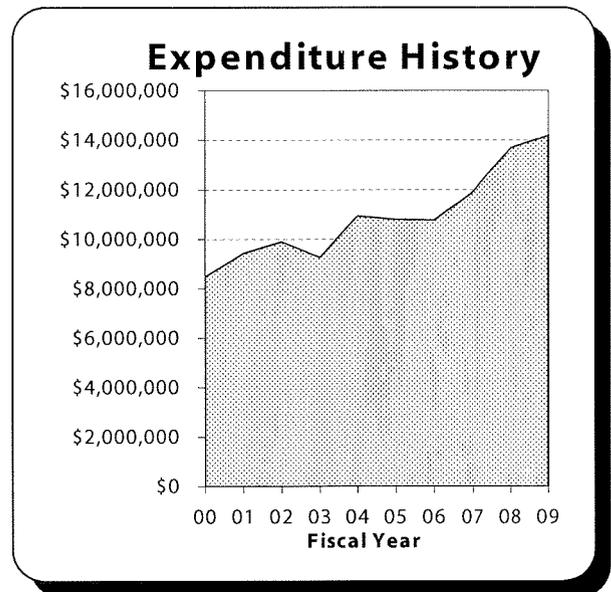
SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2007/08 BUDGET

Personnel Services - The total Personnel budget increased by \$29,880 or 2.3%. Wages for full-time employees rose only \$12,430 or 1.8% due to employee turnover. Due to new labor contracts, health insurance costs decreased by \$18,300. Higher retiree medical liabilities have resulted in a \$21,890 increase. As a result of a new labor contract, two recently filled positions will participate in the defined contribution pension plan instead of the defined benefit plan, resulting in a \$4,760 increase.

Supplies - Total Supplies increased \$8,500 or 17.7%. Fuel costs increased \$7,000 to bring the budget more in line with recent cost trends. \$1,500 was added for the increased costs of lumber and concrete finishing tools.

Other Charges - Total Other Charges increased \$693,530 or 5.8%. The cost of sewage disposal services from Detroit increased \$688,470. The sewage rate from Detroit increased by 5.6% from \$10.96 to \$11.57 per mcf. Fixed sewage costs increased \$159,970 or 4.2%. \$10,000 was added due to higher costs for vehicle maintenance and repairs. \$5,000 was added due to an increase in the industrial waste control costs charged by the City of Detroit for monitoring non-residential waste flows. Distribution line repair costs decreased \$5,000 and sewer main repair costs decreased \$5,000, both based on recent actual expenditure levels.

Capital - Total Capital of \$67,200 is proposed. \$4,700 is for a Submersible Trash Pump to replace an existing pump that is used to help maintain safe sewage levels at the Riverland Lift Station. \$2,500 is for a more reliable replacement Cement Saw used for cutting sidewalks and drive approaches. \$60,000 is for a



Flatbed Stake Truck with Lift Gate to replace a 1992 vehicle that has no gate lift and only short side panels that does not safely transport barricades, barrels, and other various sewer equipment.

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

Personnel Services - Council made no adjustments to Personnel Services.

Supplies - Council made no adjustments to Supplies.

Other Charges - Council made no adjustments to Other Charges.

Capital - Council made no adjustments to Capital.

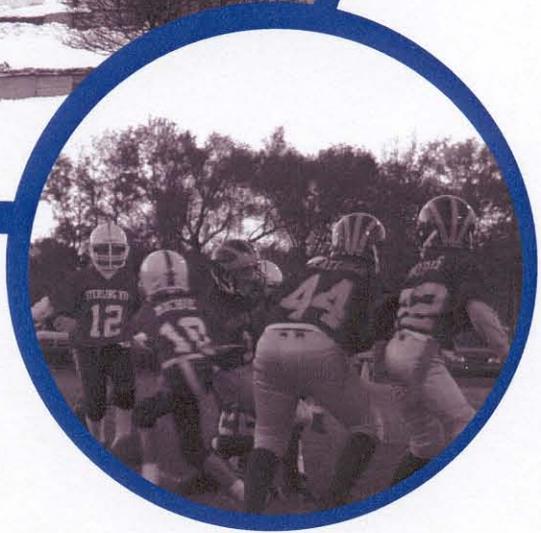
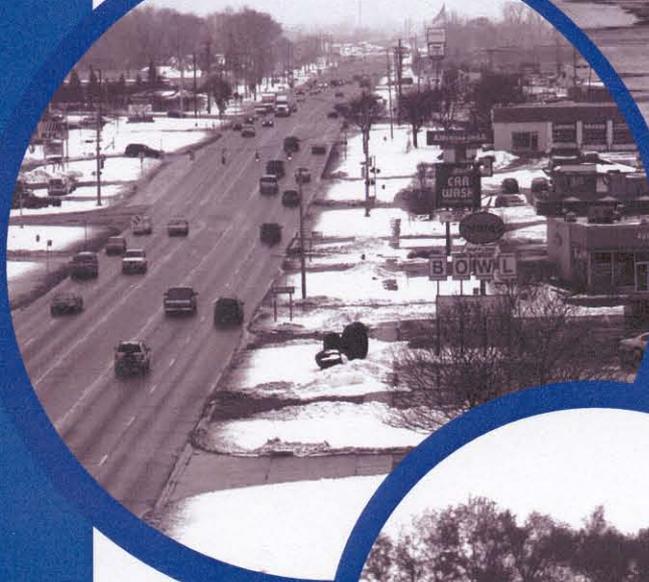
FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$1,179,516	\$1,280,360	\$1,220,320	\$1,310,240	\$1,310,240
Supplies	55,454	48,000	61,500	56,500	56,500
Other Charges	10,682,945	12,049,400	12,768,870	12,742,930	12,742,930
Capital Outlay	0	311,300	311,300	67,200	67,200
Total	\$11,917,915	\$13,689,060	\$14,361,990	\$14,176,870	\$14,176,870

Special Revenue Funds

08

09



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 Program, Brownfield Redevelopment Authority, Corridor Improvement Authority, Land & Water Conservation Fund, Public Safety Forfeiture Fund, and Budget Stabilization Fund.

SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES

Special Revenue Funds	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
MAJOR ROAD FUND						
REVENUES						
Federal Grants	\$200,000	\$113,420	\$2,488,390	\$2,374,350	\$133,960	\$133,960
Gas & Weight Tax	5,063,170	5,006,830	5,100,000	4,990,000	4,975,000	4,975,000
Metro Act	226,100	224,280	225,000	225,000	225,000	225,000
Charges for Services	2,360	(230)	0	0	0	0
Other Revenue	303,110	313,850	456,170	461,170	313,000	313,000
Transfer from General Fund	1,350,000	1,100,000	800,000	800,000	0	0
Total Revenues	7,144,740	6,758,150	9,069,560	8,850,520	5,646,960	5,646,960
EXPENDITURES						
Administration	118,680	109,030	111,400	113,400	116,170	116,170
Major Street Maintenance	1,885,790	1,617,610	1,703,500	1,857,500	1,729,500	1,729,500
Major Street Improvements	2,251,220	703,090	2,670,840	1,748,600	1,655,100	1,655,100
Transfer to Local Road Fund	1,000,000	1,000,000	1,000,000	1,000,000	500,000	500,000
Tfr. to Road Bond Debt Fund	2,825,000	2,200,000	2,600,200	2,600,200	2,850,000	2,850,000
Total Expenditures	8,080,690	5,629,730	8,085,940	7,319,700	6,850,770	6,850,770
Excess of Revenues Over (Under) Expenditures	(935,950)	1,128,420	983,620	1,530,820	(1,203,810)	(1,203,810)
Beginning Fund Balance	2,542,430	1,606,480	2,734,900	2,734,900	4,265,720	4,265,720
Ending Fund Balance	\$1,606,480	\$2,734,900	\$3,718,520	\$4,265,720	\$3,061,910	\$3,061,910
LOCAL ROAD FUND						
REVENUES						
Gas & Weight Tax	\$1,914,710	\$1,895,050	\$1,920,000	\$1,880,000	\$1,860,000	\$1,860,000
Metro Act	84,820	84,860	85,000	85,000	85,000	85,000
Charges for Services	56,820	34,690	50,000	25,000	20,000	20,000
Other Revenue	26,850	147,130	106,500	119,780	98,900	98,900
Transfer from General Fund	590,000	575,000	575,000	575,000	575,000	575,000
Transfer from Major Road Fund	1,000,000	1,000,000	1,000,000	1,000,000	500,000	500,000
Total Revenues	3,673,200	3,736,730	3,736,500	3,684,780	3,138,900	3,138,900
EXPENDITURES						
Administration	136,900	148,170	144,900	144,650	148,090	148,090
Local Street Maintenance	2,561,550	1,687,050	1,674,000	1,856,000	1,736,500	1,736,500
Local Street Improvements	1,172,460	1,452,900	1,935,040	1,427,200	1,635,000	1,400,000
Tfr. to Road Bond Debt Fund	26,620	0	0	0	0	0
Total Expenditures	3,897,530	3,288,120	3,753,940	3,427,850	3,519,590	3,284,590
Excess of Revenues Over (Under) Expenditures	(224,330)	448,610	(17,440)	256,930	(380,690)	(145,690)
Beginning Fund Balance	772,050	547,720	996,330	996,330	1,253,260	1,253,260
Ending Fund Balance	\$547,720	\$996,330	\$978,890	\$1,253,260	\$872,570	\$1,107,570

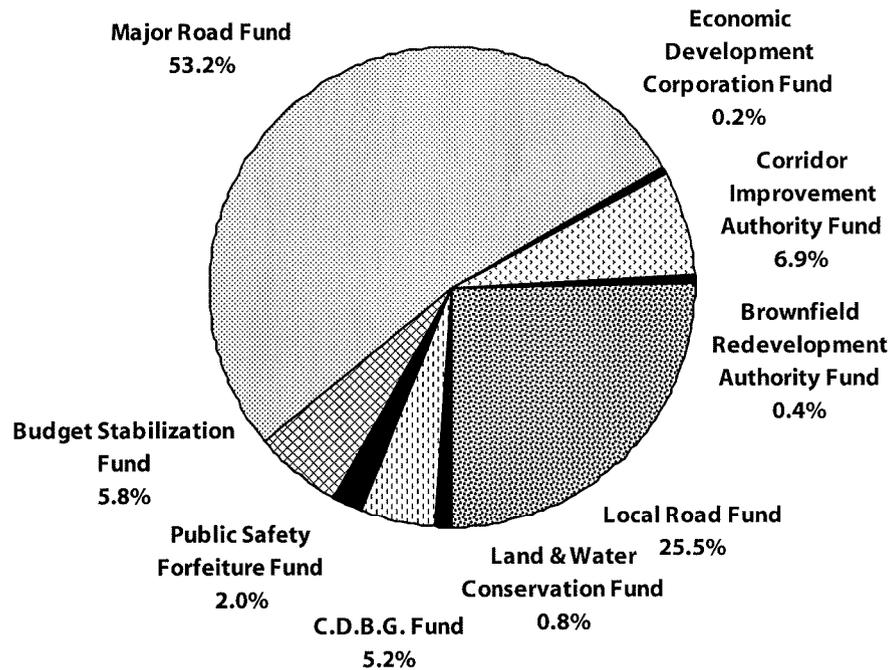
**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	\$0	\$8,000	\$8,500	\$8,500	\$19,000	\$19,000
Other Revenue	460	370	350	400	300	300
Total Revenues	460	8,370	8,850	8,900	19,300	19,300
EXPENDITURES						
Miscellaneous	10,200	9,880	10,700	9,300	21,930	21,930
Total Expenditures	10,200	9,880	10,700	9,300	21,930	21,930
Excess of Revenues Over (Under) Expenditures	(9,740)	(1,510)	(1,850)	(400)	(2,630)	(2,630)
Beginning Fund Balance	16,050	6,310	4,800	4,800	4,400	4,400
Ending Fund Balance	\$6,310	\$4,800	\$2,950	\$4,400	\$1,770	\$1,770
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$3,130	\$32,230	\$46,150	\$54,250	\$44,760	\$44,760
Other Revenue	560	650	700	600	500	500
Total Revenues	3,690	32,880	46,850	54,850	45,260	45,260
EXPENDITURES						
Other Charges	580	44,940	42,750	41,750	32,000	32,000
Transfer to General Fund	0	0	0	0	25,000	25,000
Total Expenditures	580	44,940	42,750	41,750	57,000	57,000
Excess of Revenues Over (Under) Expenditures	3,110	(12,060)	4,100	13,100	(11,740)	(11,740)
Beginning Fund Balance	12,590	15,700	3,640	3,640	16,740	16,740
Ending Fund Balance	\$15,700	\$3,640	\$7,740	\$16,740	\$5,000	\$5,000
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	\$596,910	\$1,196,140	\$699,480	\$699,480	\$671,520	\$671,520
Revenue Direct Loans	87,220	26,870	0	91,300	0	0
Other Revenue	0	4,580	0	0	0	0
Total Revenues	684,130	1,227,590	699,480	790,780	671,520	671,520
EXPENDITURES						
Community Development	608,960	1,135,810	262,570	361,810	250,760	250,760
Transfer to General Fund	92,790	91,780	97,410	97,410	95,300	95,300
Transfer to LTGO Debt Fund	0	0	339,500	331,560	325,460	325,460
Total Expenditures	701,750	1,227,590	699,480	790,780	671,520	671,520
Excess of Revenues Over (Under) Expenditures	(17,620)	0	0	0	0	0
Beginning Fund Balance	17,620	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
BUDGET STABILIZATION FUND						
Total Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	0	0	0	0	750,000	750,000
Beginning Fund Balance	750,000	750,000	750,000	750,000	750,000	750,000
Ending Fund Balance	\$750,000	\$750,000	\$750,000	\$750,000	\$0	\$0

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$0	\$0	\$17,700	\$21,230	\$23,580	\$23,580
Federal Grants	0	0	1,875,000	0	404,000	404,000
Other Revenue	0	0	500	300	500	500
Proceeds - Long Term Debt	0	0	1,000,000	0	0	0
Transfer from General Fund	0	0	0	0	450,000	450,000
Total Revenues	0	0	2,893,200	21,530	878,080	878,080
EXPENDITURES						
Other Charges	0	0	0	9,550	4,000	4,000
Capital Improvements	0	0	2,875,000	0	854,000	854,000
Transfer to General Fund	0	0	0	0	24,130	24,130
Total Expenditures	0	0	2,875,000	9,550	882,130	882,130
Excess of Revenues Over (Under) Expenditures	0	0	18,200	11,980	(4,050)	(4,050)
Beginning Fund Balance	0	0	0	0	11,980	11,980
Ending Fund Balance	\$0	\$0	\$18,200	\$11,980	\$7,930	\$7,930
LAND & WATER FUND						
REVENUES						
Federal & State Grants	\$20,300	\$199,690	\$6,000	\$3,000	\$3,000	\$3,000
Other Revenue	597,890	23,480	195,000	25,000	162,000	162,000
Transfer from General Fund	0	74,400	66,300	66,300	85,000	85,000
Total Revenues	618,190	297,570	267,300	94,300	250,000	250,000
EXPENDITURES						
Land Acquisitions	471,590	21,230	10,750	10,750	0	0
Land Improvements	1,084,520	87,450	78,300	63,320	97,000	97,000
Total Expenditures	1,556,110	108,680	89,050	74,070	97,000	97,000
Excess of Revenues Over (Under) Expenditures	(937,920)	188,890	178,250	20,230	153,000	153,000
Beginning Fund Balance	1,319,140	381,220	570,110	570,110	590,340	590,340
Ending Fund Balance	\$381,220	\$570,110	\$748,360	\$590,340	\$743,340	\$743,340
PUBLIC SAFETY FORF. FUND						
REVENUES						
Federal Forfeitures & Income	\$471,100	\$275,160	\$4,730	\$40,000	\$0	\$0
Treasury Forfeitures & Income	0	92,010	0	0	0	0
State Forfeitures & Income	414,210	401,120	40,260	135,550	0	0
Gambling Forfeitures	0	26,800	0	0	0	0
OWI Forfeitures	0	12,940	15,650	21,500	0	0
Other Revenue	20,690	30,980	12,900	18,280	0	0
Total Revenues	906,000	839,010	73,540	215,330	0	0
EXPENDITURES						
Federal Forfeiture Expenditures	298,510	169,760	263,490	277,190	186,210	186,210
Treasury Forf. Expenditures	0	0	68,700	68,700	0	0
State Forfeiture Expenditures	269,090	197,010	278,770	271,230	75,910	75,910
Gambling Forf. Expenditures	0	1,210	26,000	26,000	0	0
OWI Forfeiture Expenditures	0	0	18,410	18,410	0	0
Total Expenditures	567,600	367,980	655,370	661,530	262,120	262,120
Excess of Revenues Over (Under) Expenditures	338,400	471,030	(581,830)	(446,200)	(262,120)	(262,120)
Beginning Fund Balance	0	338,400	809,430	809,430	363,230	363,230
Ending Fund Balance	\$338,400	\$809,430	\$227,600	\$363,230	\$101,110	\$101,110

2008/09 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 \$68,340 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 source of revenue in this revenue center is the Highway & Street Grants or more commonly known as Act 51 Funds. These funds are distributed to communities based on predetermined Michigan Department of Transportation formulas.

In the 2008/09 Budget, State and Local Return revenues represent 78.47% of total revenue sources, a decrease of \$4,102,030 below the 2007/08 Budget. The decrease is primarily due to a decrease in Federal Grant funding. Revenue from Act 51 funds also decreased slightly.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Long Term Debt Proceeds and Transfers In from other funds. This revenue center will receive transfers from the General Fund and the Major Road Fund.

In 2008/09, revenues generated from Other Financing Sources represent 15.30% of total revenue sources, a decrease of \$1,820,800 below the 2007/08 Budget. This decrease is primarily due to a decrease in long-term debt proceeds, as well as a decrease in Transfers In from the General Fund and Major Road Fund. The General Fund transfer to the Local Road Fund totals \$575,000 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 Land & Water Conservation Fund for \$85,000 will be used to fund parking lot and entrance resurfacing at Beaver Creek Park, tennis court resurfacing at Washington Square Park, replacement divider walls at the Recreation Center, and replacement tackle football bleachers at Delia Park.

The transfer from the General Fund to the Economic Development Corporation Fund totals \$19,000. The General Fund transfer to the Corridor Improvement Authority Fund for \$450,000 will be used to pre-fund the City's cost for Phase I of the North Van Dyke Streetscape Improvement project and the new Façade Assistance Program. A transfer from the Major Road Fund to the Local Road Fund is budgeted for \$500,000.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting. In the 2008/09 Budget, Charges for Services represents 0.19% of total revenue sources, a decrease of \$30,000 below the 2007/08 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, Sale of Fixed Assets, Miscellaneous Revenue, and Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2008/09, Other Revenues represent 5.40% of total revenue sources, a decrease of \$196,920 below the 2007/08 Budget. This decrease is primarily due to a decrease in Miscellaneous revenue and lower 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 2008/09 Budget, expenditures exceed revenue sources by \$2,227,040. A draw down of funds is planned as additional funding is needed primarily in the Major Road Fund due to a decrease in federal grant funding. Also, the General Fund is no longer subsidizing the major road projects. ■

**SPECIAL REVENUE FUNDS
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
420000	Property Taxes - TIF	\$32,232	0.25	\$63,850	0.38	\$68,340	0.64
	Total Taxes	32,232	0.25	63,850	0.38	68,340	0.64
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	1,309,564	10.15	5,062,870	30.14	1,209,480	11.36
529003	Revenue Direct Loans	26,868	0.21	0	0.00	0	0.00
529100	Federal Forfeiture Grants	275,156	2.13	4,730	0.03	0	0.00
529200	Treasury Forfeiture	92,011	0.71	0	0.00	0	0.00
539002	State Grants	199,694	1.55	6,000	0.04	3,000	0.03
539200	State Forfeiture Grants	399,824	3.10	39,870	0.24	0	0.00
539201	State Forfeiture Program Income	1,292	0.01	390	0.00	0	0.00
539300	Gambling Forfeitures	26,804	0.21	0	0.00	0	0.00
539348	Metro Act	309,135	2.40	310,000	1.85	310,000	2.91
539400	OWI Forfeitures	12,935	0.10	15,650	0.09	0	0.00
546000	Highway & Street Grants	6,901,885	53.50	7,020,000	41.80	6,835,000	64.18
	Total State & Local Returns	9,555,168	74.07	12,459,510	74.18	8,357,480	78.47
	OTHER FINANCING SOURCES						
698000	Proceeds - Long Term Debt	0	0.00	1,000,000	5.95	0	0.00
699101	Transfer from General Fund	1,757,400	13.62	1,449,800	8.63	1,129,000	10.60
699202	Transfer from Major Road Fund	1,000,000	7.75	1,000,000	5.95	500,000	4.69
	Total Other Financing Sources	2,757,400	21.37	3,449,800	20.54	1,629,000	15.30
	CHARGES FOR SERVICES						
640004	Tree Sales & Planting	34,465	0.27	50,000	0.30	20,000	0.19
	Total Charges for Services	34,465	0.27	50,000	0.30	20,000	0.19
	OTHER REVENUE						
665000	Interest on Investments	89,852	0.70	136,550	0.81	92,300	0.87
665100	Interest Income - Federal Forfeiture	13,918	0.11	4,760	0.03	0	0.00
665130	Interest Income - Treas. Forfeiture	1,552	0.01	1,140	0.01	0	0.00
665200	Interest Income - State Forfeiture	14,086	0.11	6,180	0.04	0	0.00
665300	Interest Income - Gambling Forf.	1,364	0.01	650	0.00	0	0.00
665400	Interest Income - OWI Forfeiture	62	0.00	170	0.00	0	0.00
672000	Special Assessment Revenue	106,711	0.83	60,000	0.36	34,000	0.32
672665	Special Assessment Interest	3,814	0.03	0	0.00	19,400	0.18
673000	Sale of Fixed Assets	0	0.00	145,000	0.86	145,000	1.36
676000	Reimbursements	275,422	2.14	265,000	1.58	265,000	2.49
685000	Miscellaneous Revenue	14,258	0.11	152,670	0.91	19,500	0.18
	Total Other Revenue	521,039	4.04	772,120	4.60	575,200	5.40
	Total Special Revenue Funds	\$12,900,304	100.00	\$16,795,280	100.00	\$10,650,020	100.00

Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
PERSONNEL SERVICES							
705000	Wages - Salaries - Temp/Part-time	\$9,787	0.09	\$8,990	0.06	\$5,130	0.04
717000	FICA	774	0.01	690	0.00	390	0.00
Total Personnel Services		10,561	0.10	9,680	0.06	5,520	0.04
SUPPLIES							
729000	Postage	455	0.00	350	0.00	550	0.00
730000	Publications	63	0.00	390	0.00	0	0.00
751000	Operating Supplies	14,340	0.13	30,660	0.19	11,420	0.09
785000	Books	10,000	0.09	9,950	0.06	7,000	0.05
Total Supplies		24,858	0.23	41,350	0.26	18,970	0.14
OTHER CHARGES							
802000	Audit & Accounting Services	9,400	0.09	9,800	0.06	10,260	0.08
804000	Engineering Consultants	0	0.00	500	0.00	15,000	0.12
805000	Administrative Services	247,802	2.32	240,000	1.48	248,000	1.93
806000	Legal Services - Other	28,796	0.27	10,000	0.06	10,000	0.08
806001	Legal Services - City Attorney	6,545	0.06	7,000	0.04	6,500	0.05
826000	Other Contracted Services	219,635	2.06	260,210	1.61	254,500	1.98
880000	Community Promotion	9,681	0.09	1,770	0.01	3,000	0.02
902000	Publishing	361	0.00	1,150	0.01	1,250	0.01
922000	Telephone	17,826	0.17	22,500	0.14	19,000	0.15
956000	Local Meetings	0	0.00	100	0.00	100	0.00
957000	Memberships & Dues	2,745	0.03	2,500	0.02	2,500	0.02
959000	Education & Training	6,172	0.06	4,080	0.03	2,690	0.02
962000	Miscellaneous Expense	44,275	0.41	44,350	0.27	18,000	0.14
962200	Miscellaneous Expense - Investigations	32,718	0.31	50,000	0.31	50,000	0.39
Total Other Charges		625,956	5.86	653,960	4.03	640,800	4.99
OTHER SERVICES							
887000	Bridge Maintenance	12,810	0.12	12,500	0.08	12,000	0.09
887001	Bridge Maintenance - County	0	0.00	1,000	0.01	1,000	0.01
888000	Surface Maintenance	258,021	2.42	300,000	1.85	300,000	2.33
888001	Surface Maintenance - County	261	0.00	3,000	0.02	2,500	0.02
888167	2007 Joint Sealing Program	344	0.00	125,000	0.77	125,000	0.97
889000	Shoulder Maintenance	41,737	0.39	32,000	0.20	33,000	0.26
889001	Shoulder Maintenance - County	0	0.00	1,000	0.01	1,000	0.01
890000	Sweeping & Flushing	310,516	2.91	250,000	1.54	280,000	2.17
890001	Sweeping & Flushing - County	84,929	0.80	80,000	0.49	80,000	0.62
890002	Sweeping & Flushing - State	21,407	0.20	15,000	0.09	20,000	0.16
891000	Grass & Weed Control	163,400	1.53	178,000	1.10	195,000	1.51
891001	Grass & Weed Control - County	198,560	1.86	200,000	1.23	200,000	1.55
891002	Grass & Weed Control - State	156,551	1.47	150,000	0.93	160,000	1.24
892000	Roadside Cleanup	22,557	0.21	23,500	0.14	23,500	0.18
892001	Roadside Cleanup - County	18,215	0.17	15,000	0.09	15,000	0.12
892002	Roadside Cleanup - State	7,600	0.07	10,000	0.06	8,000	0.06

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
893000	Curb & Gutter Maintenance	8,625	0.08	9,000	0.06	9,000	0.07
894000	Storm Drain Maintenance	402,016	3.77	350,000	2.16	330,000	2.56
894001	Storm Drain Maintenance - County	0	0.00	2,500	0.02	2,000	0.02
895000	Tree & Shrub Maintenance	620,866	5.82	525,000	3.24	555,000	4.31
895001	Tree & Shrub Maintenance - County	21,517	0.20	20,000	0.12	20,000	0.16
895002	Tree & Shrub Maintenance - State	8,858	0.08	7,000	0.04	7,000	0.05
897000	Snow & Ice Removal	631,083	5.91	700,000	4.32	725,000	5.63
897001	Snow & Ice Removal - County	447	0.00	3,000	0.02	2,000	0.02
898000	Traffic Signs & Signals	265,330	2.49	265,000	1.63	255,000	2.06
898001	Traffic Signs & Signals - County	17,469	0.16	15,000	0.09	15,000	0.12
899000	Pavement Markings	31,539	0.30	85,000	0.52	80,000	0.62
	Total Other Services	3,304,658	30.95	3,377,500	20.83	3,466,000	26.92
	CAPITAL OUTLAY						
888989	2004 Concrete Pavement Replace	(3,112)	-0.03	0	0.00	0	0.00
971000	Land Acquisition	20,670	0.19	10,750	0.07	0	0.00
971002	Land Acquisition - Nature Preserve	559	0.01	0	0.00	0	0.00
972000	Land Improvement	18,828	0.18	12,000	0.07	40,500	0.31
972008	Land Imp-Neighbrhd Prks-Play Equip	79,595	0.75	0	0.00	0	0.00
972333	Delia Park Improvements	68,078	0.64	66,300	0.41	48,500	0.38
972334	Sport Courts & Path Resurfacing	0	0.00	0	0.00	8,000	0.06
972845	Bike Path - Riverland to Van Dyke	501	0.00	0	0.00	0	0.00
972934	Nelson Park Soccer Fields	46	0.00	0	0.00	0	0.00
975000	Buildings & Improvements	850	0.01	0	0.00	0	0.00
977000	Furniture	1,557	0.01	0	0.00	0	0.00
979000	Computer Equipment	45,022	0.42	101,550	0.63	0	0.00
981000	Electronic Equipment	15,889	0.15	32,600	0.20	0	0.00
982000	Machinery & Equipment	124,811	1.17	203,990	1.26	88,000	0.68
984000	Vehicles	49,402	0.46	137,210	0.85	27,030	0.21
985000	Weapons & Protective Gear	6,220	0.06	47,350	0.29	40,750	0.32
988000	Construction	7,488	0.07	4,790,630	29.55	2,677,600	20.79
988101	18 Mile Relocation at Utica Road	0	0.00	210,000	1.30	220,500	1.71
988107	Sterling Manor Sub/Lane Taper	(183)	0.00	0	0.00	0	0.00
988108	Plumbrook - 17 Mile Rd to Van Dyke	460,741	4.32	0	0.00	0	0.00
988114	2006 Local Road Asphalt Paving	813,044	7.61	0	0.00	0	0.00
988116	Senior Citizen Active Life Center	434,334	4.07	0	0.00	0	0.00
988118	Schoenherr Landscape 14-16 Mile Rd	82,190	0.77	7,780	0.05	0	0.00
988120	2006 Concrete Replacement Program	704,628	6.60	0	0.00	0	0.00
988135	2005 Bridge Maintenance Program	21,397	0.20	48,600	0.30	0	0.00
988140	Fox Hill Asphalt Paving	539	0.01	380,000	2.34	0	0.00
988143	Lin Drive Pavement Reconstruction	146,076	1.37	0	0.00	0	0.00
988151	2007 Local Paving Program	530	0.00	575,000	3.55	0	0.00
988163	2007 Concrete Pavement Replace	583	0.01	1,025,000	6.32	1,025,000	7.96
988166	19 Mile Rd Blvd Ryan to Dequindre	104,400	0.98	195,600	1.21	0	0.00
988700	Dequindre Rd - 16-18 Mile Road	22,401	0.21	15,000	0.09	0	0.00
988852	Utica Road Boulevard	15,020	0.14	0	0.00	0	0.00

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

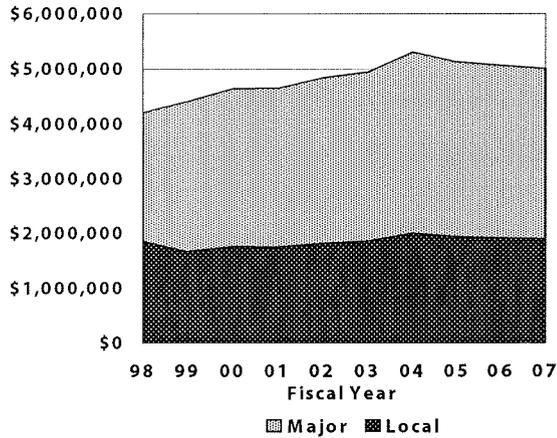
Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
988880	Elmridge Drive Paving & SS	4,406	0.04	0	0.00	0	0.00
988897	Lisa Marie Drive Extension Section 6	6,249	0.06	225,040	1.39	0	0.00
988915	Shadow Creek Drive Extension	41	0.00	0	0.00	0	0.00
988928	Metro Parkway - Dodge to Utica	277	0.00	0	0.00	0	0.00
988943	19 Mile/Canal/Saal Improvement	35,178	0.33	0	0.00	0	0.00
988971	Count Court Pavement Replacement	63,187	0.59	0	0.00	0	0.00
988982	Metropolitan Parkway Landscaping	67,670	0.63	8,230	0.05	0	0.00
Total Capital Outlay		3,419,112	32.03	8,092,630	49.92	4,175,880	32.42
TRANSFERS OUT							
999101	Transfer to General Fund	91,780	0.86	97,410	0.60	894,430	6.95
999203	Transfer to Local Road Fund	1,000,000	9.37	1,000,000	6.17	500,000	3.88
999327	Transfer to Road Bond Debt Fund	2,200,000	20.61	2,600,200	16.04	2,850,000	22.13
999369	Transfer to LTGO Debt Fund	0	0.00	339,500	2.09	325,460	2.53
Total Transfers Out		3,291,780	30.83	4,037,110	24.90	4,569,890	35.49
Total Special Revenue Funds		\$10,676,925	100.00	\$16,212,230	100.00	\$12,877,060	100.00

Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

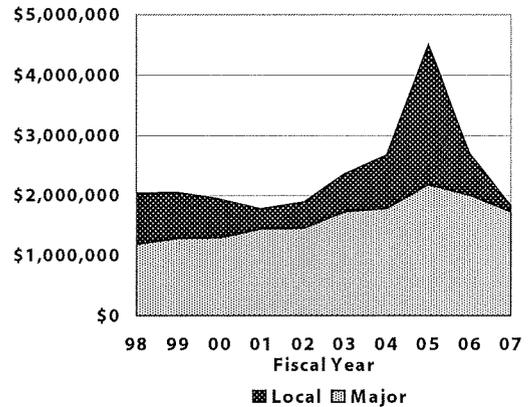
Special Revenue Funds

Gas & Weight Tax Revenue Road Funds



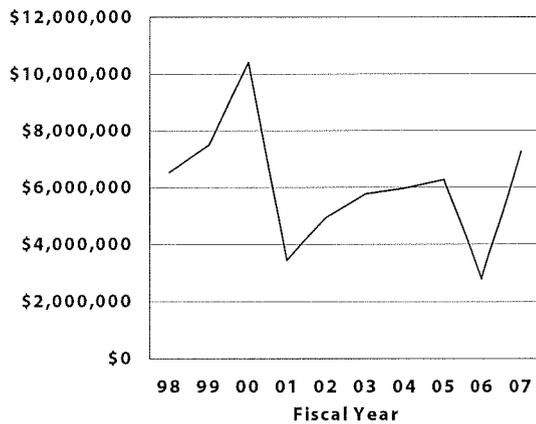
Gas tax receipts have fallen recently due to higher gas prices, which have lessened gas consumption and the corresponding tax revenue. The State's gas tax has increased once in the past 23 years.

Major & Local Road Maintenance & Administration Costs



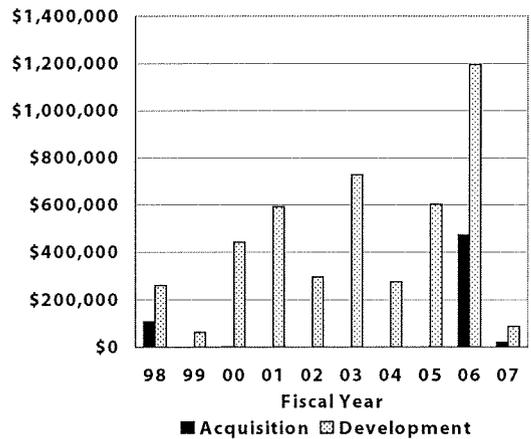
The cost of major and local road maintenance has increased over the past ten years as a result of the increased number of roads and more recently, for the removal of street trees due to the emerald ash borer and higher snow removal costs. In 2007, \$750,000 in Local and \$275,000 in Major Road Fund maintenance 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.

City Park Costs Acquisition & Development



The City continues to spend 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 2008/09 Capital Outlay budget includes funding of \$200,000 for the design and right-of-way costs for the widening of 18 Mile Road from Mound Road to Van Dyke. \$65,000 is included for the construction of a bypass lane and storm drain enclosure on 19 Mile Road at Fire Station #2. Also included is \$80,000 for the preliminary engineering of Van Dyke reconstruction from 15 Mile Road to 18 Mile Road. \$33,600 is budgeted for the deck replacement of the Van Dyke Bridge over the Clinton River. The resurfacing of Riverland Drive from Clinton River Road to the Riverland Bridge is included for \$100,000. \$275,000 is budgeted for the continuation of the Concrete Replacement Program. The intersection alignment of 18 Mile Road and Utica Road is funded for \$220,500. Right-hand turn lane intersection improvements are budgeted at 15 Mile and Ryan Road for \$195,000. \$336,000 is funded for traffic signal improvements on Schoenherr Road, Ryan Road, 15 Mile Road at the Chrysler Plant, and other various locations. \$150,000 is funded for other various intersections, rights-of-way, and traffic signal improvements.

Total Other Services are budgeted in the amount of \$1,729,500, which is primarily used for major road maintenance, snow removal, and grass and weed control.

\$116,170 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 2008/09, \$500,000 is to be transferred to the Local Road Fund as additional funding is needed for local road maintenance and construction. \$2,850,000 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?...

...that the City received grant monies to plant 190 trees on Metropolitan Parkway, east of Dodge Park Road?

Major Road Fund

SUMMARY OF BUDGET CHANGES

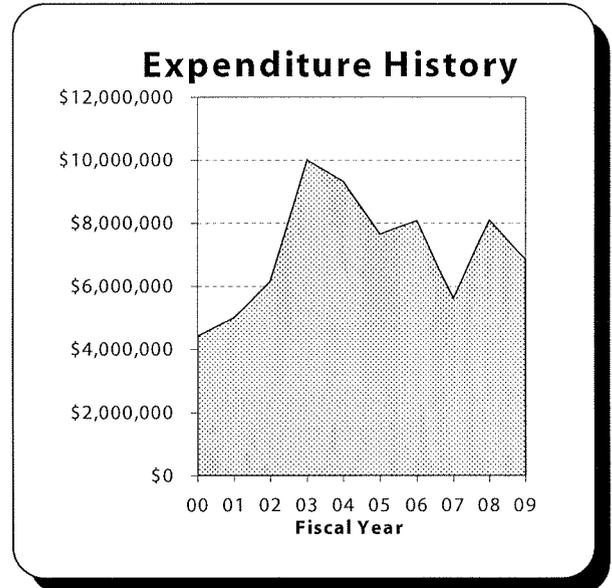
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Other Charges – Total Other Charges increased \$4,770 or 4.3% due to higher General Fund administrative costs for time spent on Major Road Fund projects.

Other Services – Total Other Services increased \$26,000 or 1.5%. Snow and ice removal costs increased \$24,000. \$20,000 was added for grass and weed control and \$5,000 for road sweeping. Storm drain maintenance costs decreased \$20,500 based on the current year’s projected expenditure usage.

Capital – Total Capital of \$1,655,100 is proposed. \$200,000 is for the design and right-of-way costs for the widening of 18 Mile from Mound to Van Dyke. \$80,000 is for the preliminary engineering of Van Dyke reconstruction from 15 Mile to 18 Mile Road. \$65,000 is for the construction of a bypass lane and storm drain enclosure on 19 Mile Road at Fire Station #2. \$33,600 is for the deck replacement of the Van Dyke Bridge over the Clinton River. \$100,000 is for the resurfacing of Riverland Drive from Clinton River Road to the Riverland Bridge. \$275,000 is for the continuation of the concrete replacement program. \$220,500 is for the intersection alignment of 18 Mile and Utica Road. Intersection improvements are proposed at 15 Mile and Ryan Road for \$195,000. \$150,000 is for other various rights-of-way and intersection improvements. \$336,000 is for traffic signal improvements on Schoenherr Road, Ryan Road, 15 Mile Road, and other various locations. **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 \$250,200 or 6.9%. Transfers Out to the Local Road Fund



declined \$500,000 as less funding is needed for local road construction. Transfers to the Road Bond Debt Retirement Fund increased \$249,800 for higher principal payments on existing bonds.

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

Other Charges – Council made no adjustments to Other Charges.

Other Services – Council made no adjustments to Other Services.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Other Charges	\$109,030	\$111,400	\$113,400	\$116,170	\$116,170
Other Services	1,617,615	1,703,500	1,857,500	1,729,500	1,729,500
Capital Outlay	703,091	2,670,840	1,748,600	1,655,100	1,655,100
Tranfers Out	3,200,000	3,600,200	3,600,200	3,350,000	3,350,000
Total	\$5,629,736	\$8,085,940	\$7,319,700	\$6,850,770	\$6,850,770

The Local Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. These taxes are earmarked, by law and the State Constitution for street and highway purposes that are described in detail by the Michigan Department of Transportation.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow and ice control on all streets classified as local roads within the City. This Fund also accounts for the money raised by special assessing property owners for street improvements as provided by Act 51 of the Public Acts of 1951, as amended, and for the transfers into this Fund from other City funds.

This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51 of the Public Acts of 1951, as amended.

The Local Road Fund receives all local road revenue paid to Sterling Heights by the State, and accounts for the construction, maintenance, traffic services, and snow & ice control on all streets classified as local roads within the City.

In fiscal year 2008/09, a total of \$3,284,590 is budgeted for this fund. \$650,000 is included for local road repairs, which include the asphalt resurfacing of Faith, Gary, Tricia, Awdey, and Morrison 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 \$750,000.

Total Other Services in this fund total \$1,736,500 and are allocated primarily for local road and storm drain maintenance, snow removal, and tree and shrub maintenance.

\$148,090 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 2008/09, 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 the City received grant monies to replace almost 500 trees that were destroyed by the Emerald Ash Borer?

Local Road Fund

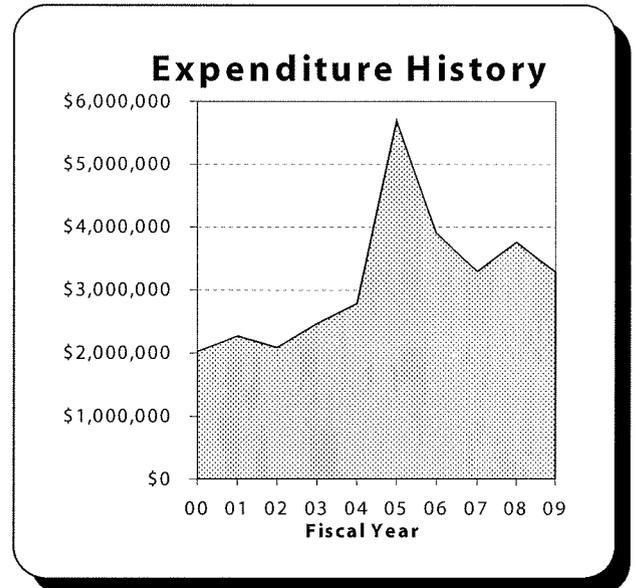
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Other Charges – Total Other Charges increased \$3,190 or 2.2% primarily due to an increase in General fund administrative costs for time spent on Local Road Fund issues. \$190 was added due to increased audit costs.

Other Services – Total Other Services increased \$62,500 or 3.7%. Funding increased \$30,000 for tree and shrub maintenance and \$30,000 for street sweeping, both due to higher costs and greater service demands in recent years. Funding for grass and weed control increased \$7,000 to reflect more recent actual expenditure trends. \$1,000 was added for shoulder maintenance due to higher costs in recent years. \$5,000 was saved, as less funding is needed for pavement markings.

Capital – Total Capital of \$1,635,000 is proposed. \$650,000 is budgeted for local road repairs, which include the asphalt resurfacing of Faith, Gary, Tricia, Awdey, and Morrison Drives. These neighborhood road repair projects are funded by the Proposal N millage. \$235,000 is for the concrete paving and storm sewer installation on Lisa Marie Drive. \$750,000 is for the continuation of the Concrete Replacement Program, as the City continues to fund these sectional repairs to all neighborhood streets throughout the City.



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

Other Charges – Council made no adjustments to Other Charges.

Other Services – Council made no adjustments to Other Services.

Capital – Total Capital decreased by \$235,000 to eliminate funding for the Lisa Marie Drive project and to utilize these funds for additional future local road maintenance.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Other Charges	\$148,173	\$144,900	\$144,650	\$148,090	\$148,090
Other Services	1,687,048	1,674,000	1,856,000	1,736,500	1,736,500
Capital Outlay	1,452,906	1,935,040	1,427,200	1,635,000	1,400,000
Total	\$3,288,127	\$3,753,940	\$3,427,850	\$3,519,590	\$3,284,590

The Economic Development Corporation Fund of the City of Sterling Heights has been established and organized, pursuant to Act 388 of the Public Acts of 1974, to achieve essential public objectives of the City. Its objectives are to alleviate and prevent conditions of unemployment, and to assist and retain local industries and commercial enterprise in order to strengthen and revitalize the economy of the City. The Economic Development Corporation also provides the means for encouragement and assistance of industrial and research enterprises, and provides needed services or facilities to the City by constructing, acquiring through gift or purchase, reconstructing, improving, maintaining, repairing and acquiring land for planned improvements suitable for use by any industrial or research enterprise.

The Economic Development Corporation provides the means and methods for encouragement and assistance of industrial and research enterprises...

To accomplish these objectives, the Economic Development Corporation is allowed to borrow money and issue its revenue bonds or revenue notes to finance all or part of the cost of the acquisition, purchase, construction, reconstruction, or improvements of any project or any part of that project. Additionally, the Economic Development Corporation may enter into leases, lease purchase agreements, or installment sales contracts with any person, firm, or corporation for the use or sale of projects.

The Economic Development Corporation functions as a nine member appointed Board and generates revenues by assessing fees on a particular bond and project improvement program.

Using promotional ads, marketing brochures, and television advertising, the Economic Development Corporation seeks to identify industries and research enterprises that may be

considering expansion or relocation to the Detroit Metropolitan area. City Administration assists interested parties in locating properties, securing financing and obtaining information about the City of Sterling Heights. The Economic Development Manager is the City's liaison to the Economic Development Corporation.

The Economic Development Corporation has been given the additional responsibility of the Brownfield Redevelopment Authority. Their tasks include making recommendations to the City Council on Brownfield plans. Brownfield Redevelopment has a positive impact on the community by providing a cleaner and safer environment.■

Did you know?...

...that the Economic Development Corporation can issue an Industrial Development Revenue bond on behalf of a qualifying business to assist in the acquisition of real estate and machinery and equipment?

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

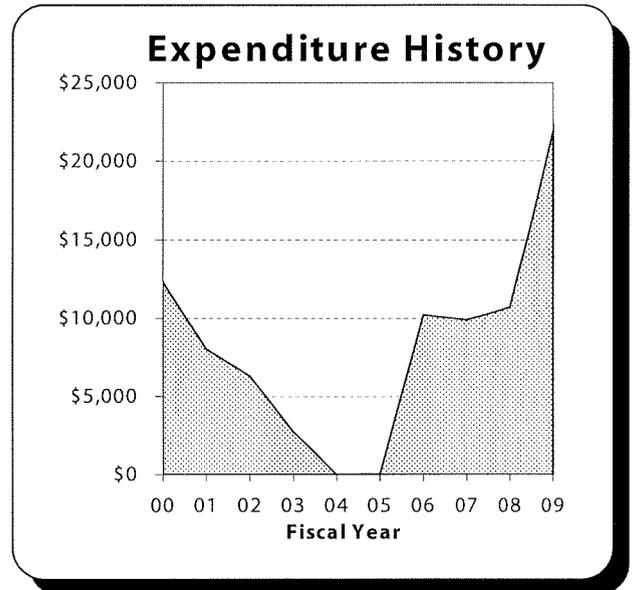
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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 increased \$11,230 or 105.0%. Funding increased \$11,000 primarily for the cost of a real estate consulting service to provide the Economic Development Manager with comparative City demographic and statistical information to better market the City to potential commercial and industrial businesses. Funding is also included for the cost of the Site Selection Network service. This service will notify the City of companies looking to expand or relocate in the area. The increase was partially offset by a decrease of \$2,400 due to the elimination of the Dunn & Bradstreet online database service, as Library business databases will now be utilized. Increased funding of \$1,230 was added for community promotion and economic development web-based advertising costs. The budget decreased \$1,000 for City Attorney legal services based on historic actual expenditure levels.

Capital – There is no Capital budget for this fund.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	9,883	10,700	9,300	21,930	21,930
Total	\$9,883	\$10,700	\$9,300	\$21,930	\$21,930

The Brownfield Redevelopment Authority Fund is a Special Revenue Fund of the City of Sterling Heights. The Authority was established in 2000 to offer private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties, as well as remediate those properties that may be contaminated.

The Authority offers private developers an opportunity to take advantage of tax incentives and grant programs to redevelop underutilized and obsolete properties.

The goals of the Brownfield Redevelopment Authority are to clean up environmentally questionable properties, maximize land use in relation to the appropriate zoning district, reduce the blighting influence of underutilized or obsolete properties, create new job opportunities for residents of Sterling Heights, stimulate new investment in the City by wisely using all of our resources, and control urban sprawl by reusing sites with existing infrastructure.

The City of Sterling Heights, through the Brownfield Redevelopment Authority uses promotional advertising to encourage new investment in existing properties and assists developers in obtaining financial assistance through grant programs, tax credits, and tax increment financing.

The Brownfield Redevelopment Authority encourages new investment in existing properties.

The Brownfield Redevelopment Authority's tasks include making recommendations to City Council on future Brownfield plans, coordinating environmental inspections of possible Brownfield

sites, and providing technical assistance, including zoning and infrastructure information and guidance to those parties that are redeveloping land in the City. Overall, Brownfield Redevelopment will have a positive impact on the Community by providing a cleaner and safer environment.

The Economic Development Manager is the City's liaison to the Brownfield Redevelopment Authority, whose nine members are the same as the Economic Development Corporations' members. ■

Did you know?...

...that the Brownfield Redevelopment Authority has applied to the United States Environmental Protection Agency for a grant to assist developers in cleaning up contaminated sites?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

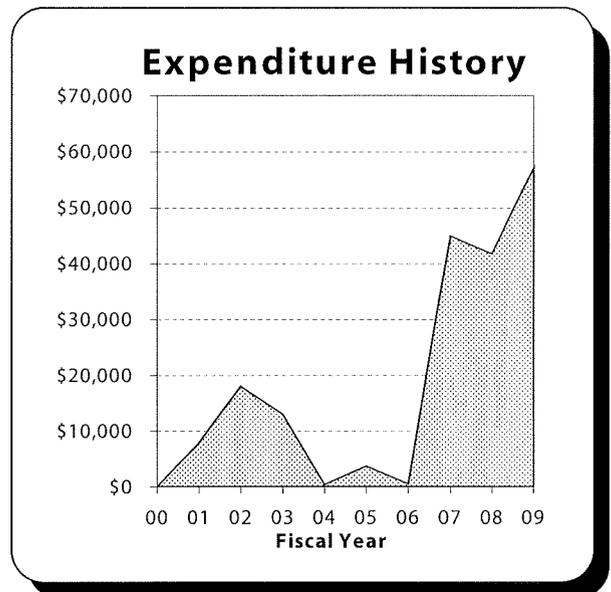
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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 decreased \$10,750 or 25.1%. Funding decreased \$25,250 as the final reimbursement of eligible project costs to the developer of the Sims Drive project was made in the prior year. The decrease was partially offset as the budget now includes funding to offer developers incentives for future new Brownfield projects. As a result, \$14,500 is funded for engineering consultant fees associated with environmental site assessments of potential new Brownfield sites.

Capital – There is no Capital budget for this fund.

Transfers Out – A transfer for \$25,000 is budgeted to begin reimbursing the General Fund for the pre-funding of prior years’ costs for Brownfield Redevelopment projects, until the tax increment financing began.



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

Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	44,942	42,750	41,750	32,000	32,000
Capital Outlay	0	0	0	0	0
Transfers Out	0	0	0	25,000	25,000
Total	\$44,942	\$42,750	\$41,750	\$57,000	\$57,000

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 moderate and low-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, 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. In 2007/08, all Block Grant capital funds were used for the first year debt payment on the Senior gymnasium addition.

For fiscal year 2008/09, the exterior painting and repair of decorative wood trim at the City's Upton House is budgeted for \$14,000. The remaining capital funds will be used for the second year debt payment on the Senior Active Life Center bond.

A transfer to the General Fund is budgeted for \$95,300 to reimburse the City for the wages and fringe benefit costs of the CDBG Specialist, and to assist in the funding of the City's Special Recreation Program. \$325,460 is budgeted to be transferred to the Limited Tax General Obligation Debt Fund for the debt payments on the Senior Active Life Center bond.■

Did you know?...

...that membership in the Macomb HOME Consortium has provided the City of Sterling Heights with additional funding for housing programs?

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

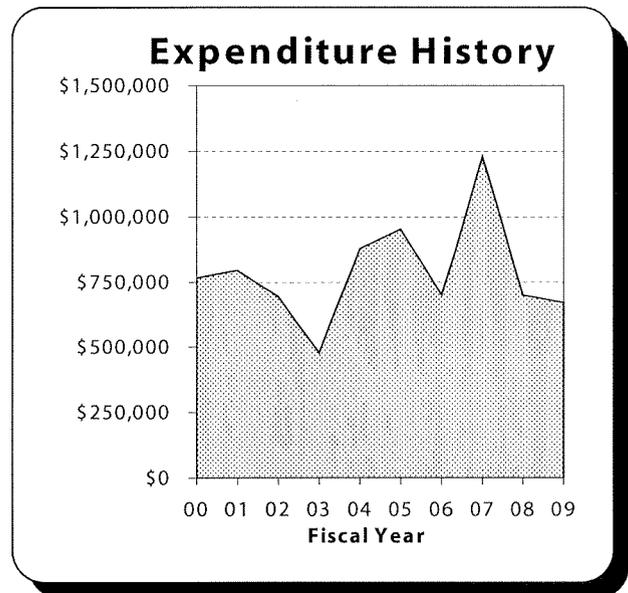
Personnel Services – The total Personnel budget decreased by \$4,160 or 43.0%. Fewer part-time hours will be needed next year to assist the full-time CDBG Specialist.

Supplies – Total Supplies decreased \$2,670 or 24.5%. The budget was reduced by \$2,950, as the children’s picture book collection at the Library can no longer be funded due to the changing demographics of the nursery schools that are served. Postage costs increased \$200 to bring the budget more in line with the current year’s estimated expenditure usage.

Other Charges – Total Other Charges decreased \$18,980 or 7.8%. Housing Rehabilitation funding decreased \$39,480 due to a reduction in grant monies and the reallocation of funds. \$20,000 is now budgeted for the Mobile Home Minor Repair Assistance Program and \$10,000 to provide a new Community Policing Program at the Sterling Estates Mobile Home Park, which will provide increased police presence and assistance with initiating resident safety programs. Donations to most existing service organizations decreased slightly. \$1,000 was added for one additional organization – Macomb County Warming Center & Ray of Hope.

Capital – Total Capital of \$14,000 is proposed for the exterior painting and repair of decorative wood trim at the City’s Upton House.

Transfers Out – Transfers Out to other City funds totals \$420,760. A transfer to the General Fund for \$95,300 is budgeted to reimburse the City for the wages and fringe benefit costs of the CDBG Specialist, and to partially fund the City’s Special Recreation Program.



\$325,460 is for the debt payments on the Senior Active Life Center bond.

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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$10,561	\$9,680	\$7,530	\$5,520	\$5,520
Supplies	10,876	10,900	11,000	8,230	8,230
Other Charges	203,685	241,990	343,280	223,010	223,010
Capital Outlay	910,690	0	0	14,000	14,000
Transfers Out	91,780	436,910	428,970	420,760	420,760
Total	\$1,227,592	\$699,480	\$790,780	\$671,520	\$671,520

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 2008/09, a total of \$882,130 is budgeted for this fund. \$200,000 is proposed for a new Façade Assistance Program designed to help initiate economic revitalization in the Corridor Improvement Authority District. \$654,000 is funded for Phase I of the North Van Dyke Streetscape Project from the Van Dyke traffic circle to south of M-59. The City has applied for a grant to finance \$404,000 of the project's cost.

\$4,000 is budgeted for Other Charges, which is primarily used to fund a professional planning service to aid the City with the review of future façade improvement projects.

A transfer to the General Fund is budgeted for \$24,130 for the first year's reimbursement payment for the advance funding of the Façade Assistance Program and the City's grant match cost for Phase I of the North Van Dyke Streetscape Improvements.■

Did you know?...

...that the Corridor Improvement Authority has plans to implement a Façade Assistance Program to help spur economic revitalization?

Corridor Improvement Authority Fund

SUMMARY OF BUDGET CHANGES

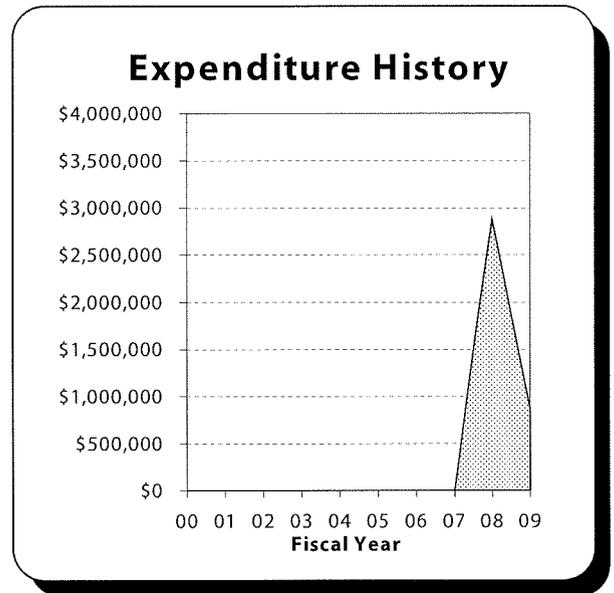
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges of \$4,000 is proposed. The budget includes \$3,000 to fund a professional planning service to aid the City with the review of future façade improvement plans as part of the new Façade Assistance Program. \$1,000 is funded for City Attorney legal services.

Capital – Total Capital of \$854,000 is proposed for this fund. \$200,000 is proposed for the new 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. \$654,000 is for Phase I of the North Van Dyke Streetscape Improvements from the Van Dyke traffic circle to south of M-59. The improvements will include the installation of pedestrian respite stations, trash receptacles, decorative street lighting, and plantings. The City has applied for a grant to finance \$404,000 of the project’s cost.

Transfers Out – Transfers Out to other City funds totals \$24,130. A transfer of \$24,130 is budgeted for the first year’s reimbursement payment to the General Fund for the advance funding of the Façade Assistance Program and the City’s grant match cost for Phase I of the North Van Dyke Streetscape Improvements. The Corridor Improvement Authority will repay the loan over a 10-year period or sooner, depending on future new developments.



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

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Other Charges	\$0	\$0	\$9,550	\$4,000	\$4,000
Capital Outlay	0	2,875,000	0	854,000	854,000
Transfers Out	0	0	0	24,130	24,130
Total	\$0	\$2,875,000	\$9,550	\$882,130	\$882,130

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

The use of the Land & Water Conservation Fund is limited to the length of time required to construct, develop, or acquire any parkland or park system. The balance is normally transferred to the Debt Service Fund if and when a bond issue is involved. Money for the operation of the Fund is usually supplied by the sale of General Obligation Bonds, State or Federal grants, a special voted tax, proceeds from the sale of excess City property and/or other restricted contributions.

The Land & Water Conservation Fund of the City of Sterling Heights is a Special Revenue Fund and is used to record the receipts and expenditures for the construction, development, and acquisition of land for the City's park system.

In fiscal year 2008/09, a total of \$97,000 is budgeted for this fund. \$48,500 is included for the replacement of bleachers used for the Tackle Football Program at Delia Park. \$12,000 is programmed for tree plantings at Delia Park and Fire Stations #2, #3, and #4. \$23,000 is budgeted for the replacement of portable divider walls at the Recreation Center. \$5,500 is funded for parking lot and entrance resurfacing at Beaver Creek Park. \$8,000 is included for the resurfacing of two tennis courts at Washington Square 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?...

...that the monies from the prior sale of three City-owned properties are not budgeted to be spent, and have been placed into reserves for future use as to be determined by the City Council?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

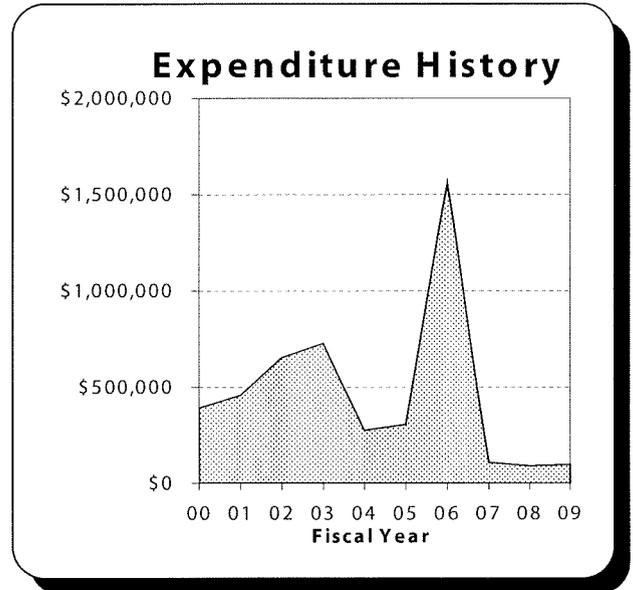
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of \$97,000 is proposed for this fund. \$48,500 is proposed for the replacement of bleachers used for the Tackle Football Program at Delia Park. \$12,000 is funded for tree plantings at Delia Park and Fire Stations #2, #3, and #4, of which 50% is to be financed by grant monies. The replacement of portable divider walls at the Recreation Center is proposed for \$23,000. \$5,500 is for parking lot and entrance resurfacing at Beaver Creek Park. \$8,000 is for the resurfacing of two tennis courts at Washington Square Park. ***The Capital Improvement section of this document provides a breakout of each project’s cost and funding source.*** The budget does not propose to expend any funds from the prior sale of City-owned properties.



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

Personnel Services – Council made no adjustments to Personnel Services.

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	108,683	89,050	74,070	97,000	97,000
Transfers Out	0	0	0	0	0
Total	\$108,683	\$89,050	\$74,070	\$97,000	\$97,000

The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper Federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the Federal Government issues a check to the City's Police Department for our equitable share of money or property that was seized during a Federal investigation in which a Sterling Heights police officer took part. The City currently has one police officer assigned to a Drug Enforcement Administration (D.E.A.) task force. Therefore, the Department is entitled to a percentage, relative to this Officer's 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 2008/09, a total of \$262,120 is budgeted for this fund. \$186,210 is included for Federal Forfeiture related expenditures and \$75,910 is allocated for State Forfeiture permitted uses. There are no funds budgeted for Gambling or O.W.I. 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?...

...that the City's entire fleet of undercover detective vehicles has been purchased with proceeds from the Public Safety Forfeiture Fund?

Public Safety Forfeiture Fund

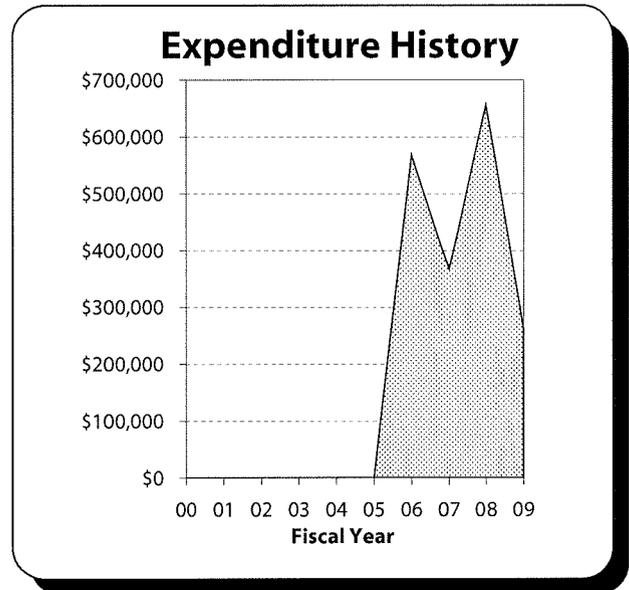
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Supplies – Total Supplies decreased \$19,710 or 64.7%. The budget decreased \$19,320 primarily due to the one-time costs of various operating supplies including taser cartridges, radio earpieces, and safety vests needed in the prior year. \$390 will be saved in publication costs.

Other Charges – Total Other Charges decreased \$6,620 or 6.5%. Wireless telephone costs decreased \$3,500 and contracted service costs decreased \$630, both based on the current year’s estimated expenditure usage. The training budget decreased \$1,390 primarily due to the funding of a staff member’s attendance at the FBI National Training Academy in the prior year. Funding for undercover investigative costs decreased \$1,100 due to the prior year one-time purchase of a police narcotics dog and to bring the budget more in line with recent expenditure trends.

Capital – Total Capital of \$155,780 is proposed for this fund. \$65,000 is for 12 In-Car DVD Video Recorders with new hard-drive storage capabilities to replace 5-year old units that have excessive breakdowns and have become outdated. \$23,000 is for a Computer Server used to store and access all police in-car video recordings. \$27,030 is for a Cargo Training Van used to transport weapons and equipment to offsite training locations. \$40,750 is funded for 50 additional Taser Guns, as one will now be assigned to each individual Police Officer.



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

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Supplies	\$13,983	\$30,450	\$31,610	\$10,740	\$10,740
Other Charges	110,243	102,220	92,250	95,600	95,600
Capital Outlay	243,752	522,700	537,670	155,780	155,780
Total	\$367,978	\$655,370	\$661,530	\$262,120	\$262,120

The Budget Stabilization Fund is a Special Revenue Fund of the City of Sterling Heights and serves as a rainy day fund to prevent General Fund deficits, revenue shortfalls, reductions in services, or to cover expenses arising from natural disasters.

Each fiscal year, the governing body of the municipality may appropriate all or part of a surplus in the General Fund resulting from an excess of revenue in comparison to expenses, to this fund. However, the amount of money in the fund shall not exceed either 15% of the municipality's most recent General Fund budget, as originally adopted, or 15% of the average of the municipality's five most recent General Fund budgets, as amended, whichever is less. If the money in the fund exceeds that permitted, the excess money is appropriated in the next General Fund budget.

The Budget Stabilization Fund serves as a rainy day fund to prevent future deficits, revenue shortfalls, reductions in services, or to cover expenses arising from natural disasters.

As stated above, the Budget Stabilization Fund may be created and appropriated for many reasons. First, this Fund can be used to prevent a reduction in the level of public services or in the number of employees at any time in a fiscal year when budgeted revenue is not being collected in an amount sufficient to cover budgeted expenses. Or, when preparing the budget for the next fiscal year, if estimated revenue does not appear sufficient to cover estimated expenses, money in this Fund may be appropriated. Next, this Fund may be utilized to cover a General Fund deficit, when the municipality's annual audit reveals such a deficit. Finally, this Fund may be used to cover expenses arising because of a natural disaster, including a flood, fire, or tornado.

Upon City Council's review and approval, the Budget Stabilization Fund was established during the final budget amendment in June of 1998. During the 1998/1999 fiscal year there was a residual equity transfer into this fund, and in the 1999/2000 budget, General Fund revenues exceeded expenditures, which allowed for a transfer to the newly established Budget Stabilization Fund. In fiscal year 2000/01 another transfer was made from the General Fund to counter possible future economic downturns or the need for a future tax increase. Due to revenue shortfalls, there has since been no additional contributions made to this fund.

For fiscal year 2008/09, the existing fund balance of \$750,000 is budgeted to be transferred to the General Fund due to revenue shortfalls, and is needed to help cover budgeted expenses and prevent reductions to City services and personnel.■

Did you know?...

...that for the first time since the establishment of the Budget Stabilization Fund in 1998, a draw down of funds is planned to help cover General Fund expenses and prevent reductions to City services and personnel?

Budget Stabilization Fund

SUMMARY OF BUDGET CHANGES

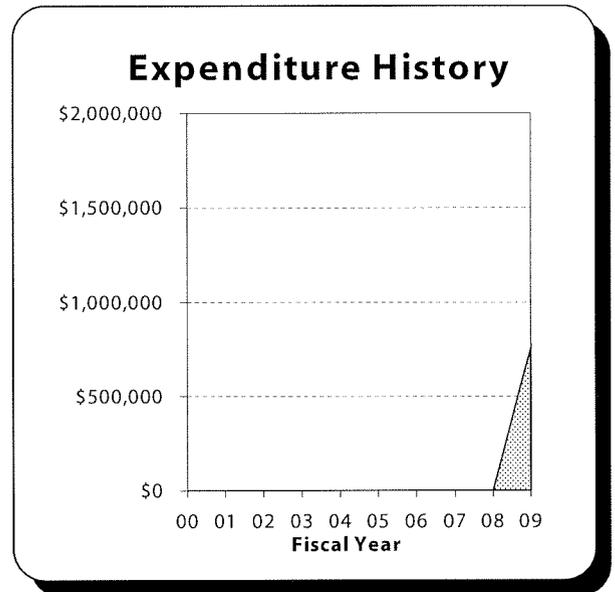
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – There is no Capital budget for this fund.

Transfers Out – Transfers Out to other City funds totals \$750,000. A transfer to the General Fund for \$750,000 is proposed due to revenue shortfalls and is needed to help cover budgeted expenses and prevent reductions to City services and personnel.



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

Supplies – Council made no adjustments to Supplies.

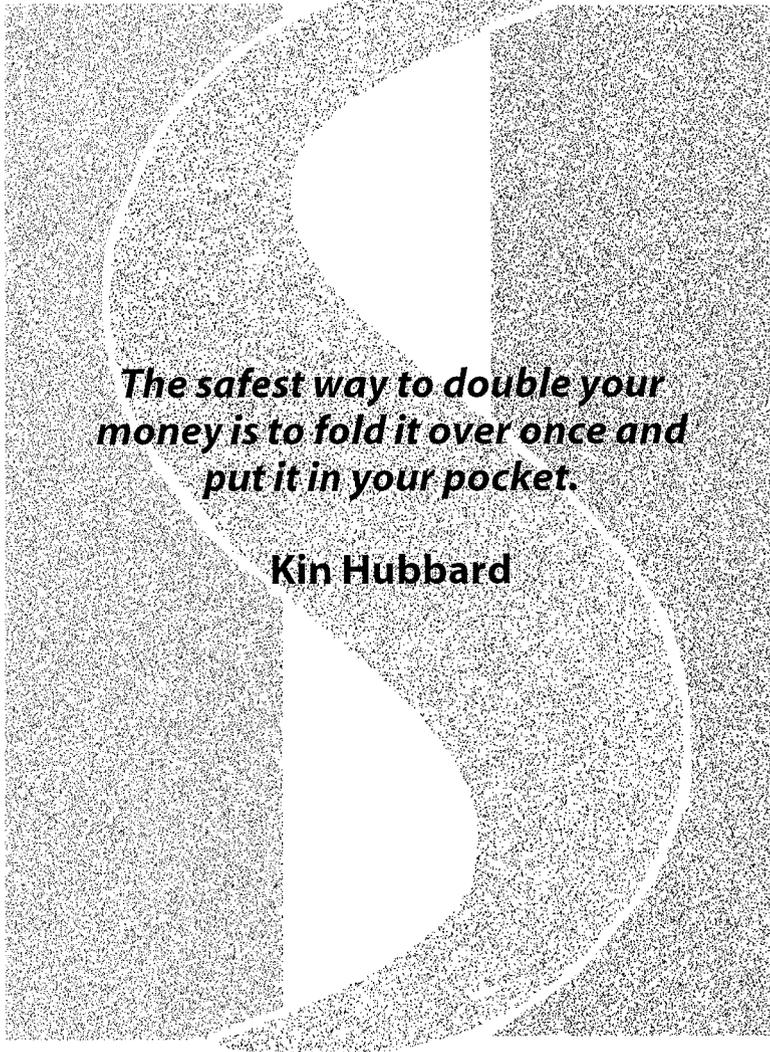
Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

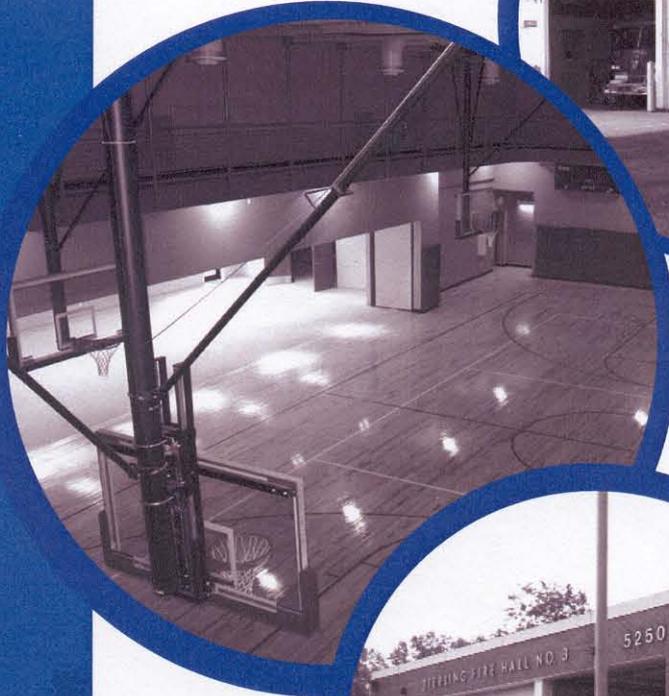
	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	0	0	0	0	0
Transfers Out	0	0	0	750,000	750,000
Total	\$0	\$0	\$0	\$750,000	\$750,000



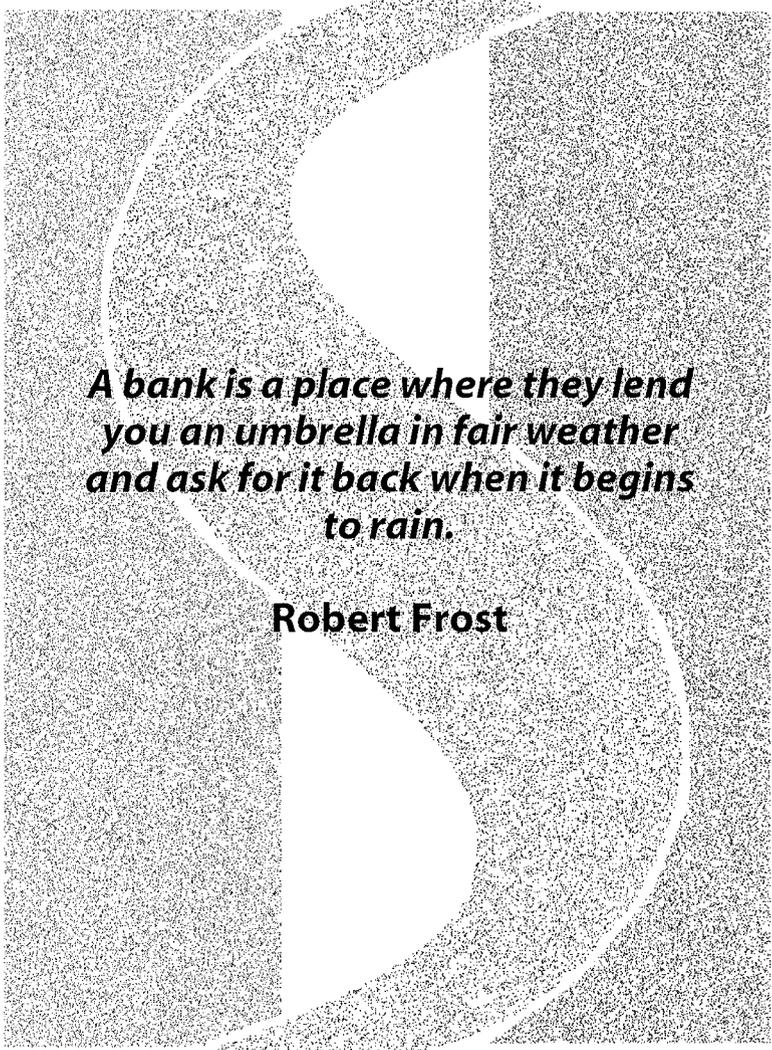
***The safest way to double your
money is to fold it over once and
put it in your pocket.***

Kin Hubbard

Debt Service Funds



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, Settlement Bond Debt Fund and the Voted General Obligation Debt Fund.



***A bank is a place where they lend
you an umbrella in fair weather
and ask for it back when it begins
to rain.***

Robert Frost

GENERAL OBLIGATION

Section 11.01 of the Sterling Heights City Charter outlines the City's general borrowing power. It states that Council, by ordinance or resolution, may authorize the borrowing of money, the issuance of bonds, or other evidences of indebtedness, subject to State law and Charter provisions. The City may pledge its full faith credit and resources for the payment of the obligation created.

The Charter further states that the City may borrow money, within provisions stipulated by State law, in anticipation of the payment of special assessments made for defraying any public improvement costs and can issue revenue or other types of bonds.

This borrowing authority is limited, however. The net bonded indebtedness incurred for all public purposes can not 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 (3/8) 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 2008 State Equalized Valuation plus the assessed value of abated property is \$6,195,784,200. Therefore, the City's debt limit is \$619,578,420 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, 2008 is shown below as a ratio of debt to state

equalized value and debt per capita.

	Debt Out- standing 6/30/08	Debt to Assessed Value	Debt Per Capita
Net Direct Bonded Debt	\$30,130,000	0.49%	\$234

Total Debt Maturity within 10 Years = 85.5%

BOND RATINGS

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

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 AA+ 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, increasing reserves, and financial flexibility based on a relatively large operating tax rate margin. The City anticipates maintaining its low debt position, due to a modest debt burden and a rapid debt amortization. 85.5% of the City's total debt is scheduled to be repaid within ten years. Favorable credit ratings and low debt service will permit the City to incur additional debt in the future.

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2008, the principal and interest payments required for fiscal 2008/09, and the funding source is included within this Debt Service section. Total indebtedness is \$52,240,000. Total principal payment is \$5,730,000 and the interest payment is \$2,141,450.

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 including the Judicial Services Center and the City Center Commons.

The bonding for the Judicial Services Center was approved by City Council in 1989. The debt as of June 30, 2008 is \$775,000. Total principal payment is \$380,000 and the interest is \$15,420.

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 \$2,920,000. Total principal payment is \$200,000 and interest is \$122,320.

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. For fiscal year 2008/09, \$345,040 is budgeted in the Transfers Out activity for the principal and interest payments on the Radio System bonds. The principal payment is \$295,000 and the interest is \$50,040. \$325,460 is budgeted for the debt payments on the Senior Active Life Center utilizing CDBG funds. Total principal payment is \$280,000 and interest is \$45,460.

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). Indebtedness for completed projects under Proposal R is \$350,000.

In the spring of 2008, a \$5.0 million General Obligation bond will be issued for renovations at three of the City's fire stations (Public Improvement F), which was approved by the voters in November, 2006. \$325,000 is budgeted for the first year's debt payment.

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. The City is expected to be reimbursed through insurance claims.

In 2006/07, insurance proceeds were used to partially refund the debt. The debt outstanding is \$11.915 million. For 2008/09, the principal payment on the remaining debt is \$1,045,000 and interest is \$563,850. The City's Self-Insurance Fund transfers monies to this fund to pay the required debt until the City receives the final insurance proceeds.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness is \$18,710,000. The Principal payment is \$2,175,000 and interest is \$681,550.

SPECIAL ASSESSMENTS

In the spring of 2008, a \$3.4 million Special Assessment bond is scheduled to be issued to finance improvements within the Lakeside Shopping Center District. \$153,000 in interest will be 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 \$6,495,000. Principal is \$905,000 and interest is \$277,630. ■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/08	2008/09		Total
			Principal	Interest	
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Building Authority Bonds - Court	Gen Fund	\$775,000	\$380,000	\$15,420	\$395,420
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	2,920,000	200,000	122,320	322,320
LTGO Bonds - Radio System Equipment	Gen Fund	1,398,530	295,000	50,040	345,040
LTGO Bonds - Senior Active Life Center	CDBG Fund	1,276,470	280,000	45,460	325,460
VOTED TAX GENERAL OBLIGATION DEBT FUND					
1999 Road Improvement Bonds (R)	VTGO Fund	350,000	350,000	7,180	357,180
2008 Fire Station Improvement Bonds (F)	Gen Fund	5,000,000	100,000	225,000	325,000
SETTLEMENT BONDS DEBT FUND					
2004 Litigation Settlement Bonds	Self Ins Fund	11,915,000	1,045,000	563,850	1,608,850
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	6,495,000	905,000	277,630	1,182,630
Total Direct Debt Service		30,130,000	3,555,000	1,306,900	4,861,900
ROAD BOND DEBT RETIREMENT FUND					
1999 MI Transportation Bonds	Major Rds	3,000,000	400,000	124,300	524,300
2002 MI Transportation Bonds	Major Rds	1,080,000	750,000	23,930	773,930
2003 MI Transportation Bonds	Major Rds	1,925,000	470,000	51,030	521,030
2005 MI Transportation Refunding Bonds	Major Rds	3,180,000	330,000	111,780	441,780
2005 MI Transportation Bonds	Major Rds	4,975,000	125,000	194,310	319,310
2007 MI Transportation Bonds	Major Rds	4,550,000	100,000	176,200	276,200
Special Assessment Bonds	S/A - RBDF	3,400,000	0	153,000	153,000
Total Road Bond Debt Service		22,110,000	2,175,000	834,550	3,009,550
Total Debt Service		\$52,240,000	\$5,730,000	\$2,141,450	\$7,871,450

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
Judicial Center	\$336,010	\$339,910	\$348,390	\$348,390	\$395,420	\$395,420
City Center Commons	315,630	315,700	306,930	306,930	322,320	322,320
Radio System Equipment	0	0	343,530	343,530	345,040	345,040
Senior Active Life Center	0	0	339,500	339,500	325,460	325,460
Total General Fund Debt Service	651,640	655,610	1,338,350	1,338,350	1,388,240	1,388,240
VOTED TAX GENERAL OBLIGATION DEBT FUND						
Road Improvements (R)	933,500	972,810	984,210	984,210	357,180	357,180
Fire Station Improvements (F)	0	0	0	0	325,000	325,000
Total Voted Gen. Obligation Fund	933,500	972,810	984,210	984,210	682,180	682,180
GENERAL DRAIN FUND	1,208,470	1,250,880	1,139,750	1,139,750	1,182,630	1,182,630
Total Tax Supported Debt Service	\$2,793,610	\$2,879,300	\$3,462,310	\$3,462,310	\$3,253,050	\$3,253,050

**SCHEDULE OF PRINCIPAL & INTEREST
GENERAL FUND, CDBG, AND SELF-INSURANCE FUND SUPPORTED DEBT**

Fiscal Year	2000 City Center Bonds	2003 41-A Court Bonds	2004 Litigation Settlement Bonds	2005 City Center Refunding Bonds	2007 Radio System Equipment Bonds	2007 Senior Active Live Center Bonds	Total
2008/09	179,703	395,423	1,608,850	142,613	345,041	325,459	2,997,089
2009/10		400,431	1,694,356	313,425	333,241	314,259	3,055,712
2010/11			1,779,581	296,112	321,441	327,559	2,724,693
2011/12			1,873,216	298,650	309,641	315,359	2,796,866
2012/13			1,968,138	305,450	222,898	108,602	2,605,088
2013/14			2,063,834	296,850			2,360,684
2014/15			2,168,263	312,450			2,480,713
2015/16			1,427,356	322,150			1,749,506
2016/17				355,850			355,850
2017/18				337,250			337,250
2018/19				322,250			322,250
2019/20				302,375			302,375
Total	\$179,703	\$795,854	\$14,583,594	\$3,605,425	\$1,532,262	\$1,391,238	\$22,088,076

VOTED GENERAL OBLIGATION DEBT FUND

Fiscal Year	1999 Proposal R Bonds	2008 Proposal F Bonds					Total
2008/09	357,175	325,000					682,175
2009/10		345,500					345,500
2010/11		364,875					364,875
2011/12		383,125					383,125
2012/13		400,250					400,250
2013/14		441,250					441,250
2014/15		455,000					455,000
2015/16		492,625					492,625
2016/17		503,000					503,000
2017/18		537,250					537,250
2018/19		544,250					544,250
2019/20		600,125					600,125
2020/21		627,625					627,625
2021/22		627,875					627,875
2022/23		627,000					627,000
Total	\$357,175	\$7,274,750					\$7,631,925

SCHEDULE OF PRINCIPAL & INTEREST ROAD BOND DEBT RETIREMENT FUND

Fiscal Year	1999 M.T.F. Bonds	2002 M.T.F. Bonds	2003 M.T.F. Bonds	2005 M.T.F. Refunding	2005 M.T.F. Bonds	2007 M.T.F. Bonds	2008 S.A.D. Bonds		Total
2008/09	524,300	773,925	521,033	441,775	319,313	276,200	153,000		3,009,546
2009/10	507,600	335,775	498,833	523,563	439,938	321,200	299,625		2,926,534
2010/11	588,325		524,883	508,688	481,188	364,200	292,875		2,760,159
2011/12	566,325		263,039	567,625	520,688	356,200	286,125		2,560,002
2012/13	641,550		249,410	550,125	533,438	348,200	279,375		2,602,098
2013/14	613,950			530,938	545,313	438,200	297,063		2,425,464
2014/15				510,313	579,313	426,650	289,188		1,805,464
2015/16					586,313	415,475	281,313		1,283,101
2016/17					592,313	502,250	273,438		1,368,001
2017/18					597,313	486,950	265,563		1,349,826
2018/19					651,313	569,500	257,688		1,478,501
2019/20					651,563	549,875	249,813		1,451,251
2020/21						530,000	241,938		771,938
2021/22						510,000	234,063		744,063
2022/23							226,188		226,188
2023/24							242,750		242,750
2024/25							233,750		233,750
2025/26							224,750		224,750
2026/27							240,188		240,188
2027/28							230,063		230,063
Total	\$3,442,050	\$1,109,700	\$2,057,198	\$3,633,027	\$6,498,006	\$6,094,900	\$5,098,756		\$27,933,637

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
2008/09	312,468	128,813	70,375	111,075	282,250	171,788	105,860		1,182,629
2009/10	324,518	124,513	67,975	107,513	297,250	167,100	108,219		1,197,088
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
Total	\$1,538,711	\$756,253	\$489,188	\$885,376	\$2,038,250	\$1,349,088	\$552,820		\$7,609,686

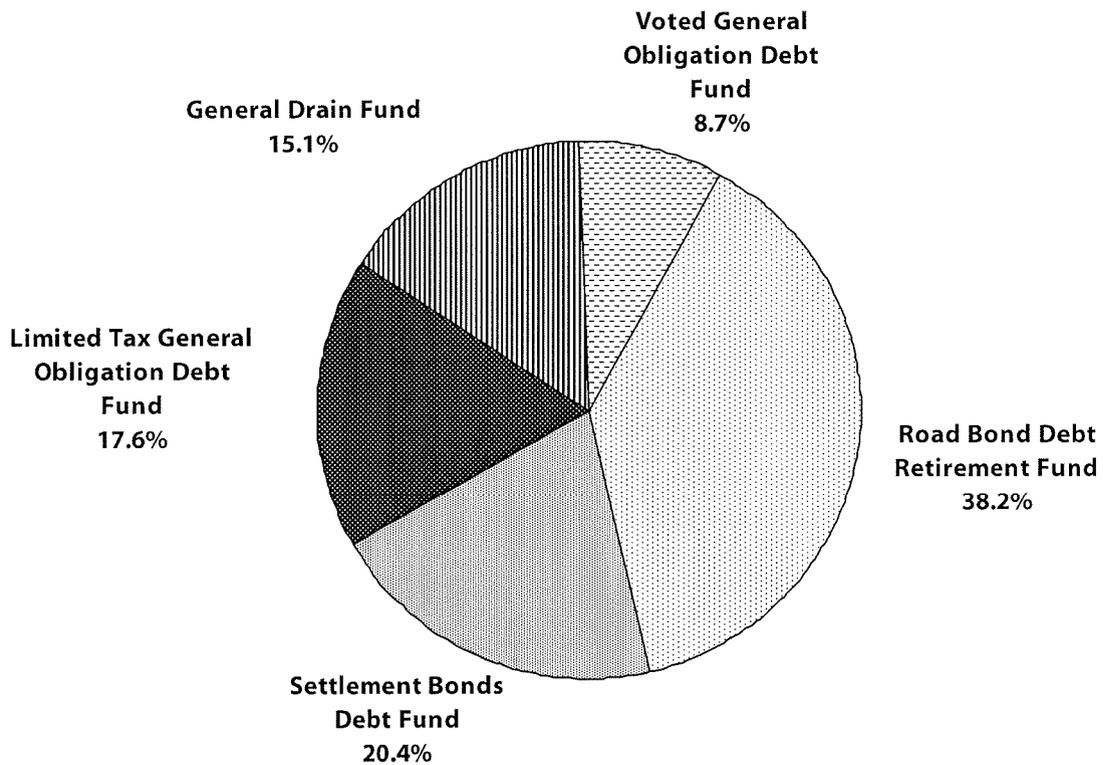
**DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	\$1,202,640	\$1,214,130	\$1,089,430	\$1,087,900	\$1,169,060	\$1,169,060
Interest Income	23,490	31,120	30,000	24,000	18,000	18,000
Transfer from General Fund	0	0	0	15,000	0	0
Total Revenues	1,226,130	1,245,250	1,119,430	1,126,900	1,187,060	1,187,060
EXPENDITURES						
Principal	830,000	905,000	830,000	830,000	905,000	905,000
Interest	378,470	345,880	309,750	309,750	277,630	277,630
Other Charges	4,390	23,010	4,680	6,930	4,430	4,430
Total Expenditures	1,212,860	1,273,890	1,144,430	1,146,680	1,187,060	1,187,060
Excess of Revenues Over (Under) Expenditures	13,270	(28,640)	(25,000)	(19,780)	0	0
Beginning Fund Balance	39,900	53,170	24,530	24,530	4,750	4,750
Ending Fund Balance	\$53,170	\$24,530	(\$470)	\$4,750	\$4,750	\$4,750
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Other Revenues	\$1,880	\$1,740	\$2,200	\$6,900	\$4,000	\$4,000
Transfer from General Fund	650,920	652,500	968,460	976,400	1,057,000	1,057,000
Transfer from CDBG Fund	0	0	339,500	331,560	325,460	325,460
Tfr. from Capital Projects Fund	0	26,810	0	0	0	0
Total Revenues	652,800	681,050	1,310,160	1,314,860	1,386,460	1,386,460
EXPENDITURES						
Principal	475,000	485,000	1,075,000	1,075,000	1,155,000	1,155,000
Interest	176,640	170,610	263,350	263,350	233,240	233,240
Other Charges	730	1,050	1,030	1,050	910	910
Total Expenditures	652,370	656,660	1,339,380	1,339,400	1,389,150	1,389,150
Excess of Revenues Over (Under) Expenditures	430	24,390	(29,220)	(24,540)	(2,690)	(2,690)
Beginning Fund Balance	5,200	5,630	30,020	30,020	5,480	5,480
Ending Fund Balance	\$5,630	\$30,020	\$800	\$5,480	\$2,790	\$2,790
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	\$0	\$0	\$0	\$0	\$357,000	\$357,000
Interest Income	19,460	14,830	20,000	8,800	7,000	7,000
Penalties & Interest	30	0	0	0	0	0
Transfer from Major Roads Fund	2,825,000	2,200,000	2,600,200	2,600,200	2,850,000	2,850,000
Transfer from Local Roads Fund	26,620	0	0	0	0	0
Total Revenues	2,871,110	2,214,830	2,620,200	2,609,000	3,214,000	3,214,000
EXPENDITURES						
Principal	2,170,000	1,730,000	1,900,000	1,900,000	2,175,000	2,175,000
Interest	678,070	626,670	735,010	735,010	834,550	834,550
Other Charges	2,220	1,820	1,660	1,660	1,930	1,930
Total Expenditures	2,850,290	2,358,490	2,636,670	2,636,670	3,011,480	3,011,480
Excess of Revenues Over (Under) Expenditures	20,820	(143,660)	(16,470)	(27,670)	202,520	202,520
Beginning Fund Balance	175,430	196,250	52,590	52,590	24,920	24,920
Ending Fund Balance	\$196,250	\$52,590	\$36,120	\$24,920	\$227,440	\$227,440

**DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
SETTLEMENT BONDS DEBT FUND						
REVENUES						
Other Revenues	\$16,200	\$6,240	\$19,000	\$8,000	\$6,000	\$6,000
Transfer from Self-Insurance Fund	1,860,000	9,777,320	1,501,340	1,518,340	1,603,100	1,603,100
Tfr. from Capital Projects Fund	0	1,320,000	0	0	0	0
Total Revenues	1,876,200	11,103,560	1,520,340	1,526,340	1,609,100	1,609,100
EXPENDITURES						
Principal	730,000	9,980,000	930,000	930,000	1,045,000	1,045,000
Interest	1,137,700	1,120,780	596,090	596,090	563,850	563,850
Other Charges	250	20,980	250	250	250	250
Total Expenditures	1,867,950	11,121,760	1,526,340	1,526,340	1,609,100	1,609,100
Excess of Revenues Over (Under) Expenditures	8,250	(18,200)	(6,000)	0	0	0
Beginning Fund Balance	11,140	19,390	1,190	1,190	1,190	1,190
Ending Fund Balance	\$19,390	\$1,190	(\$4,810)	\$1,190	\$1,190	\$1,190
VOTED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Property Taxes	\$937,050	\$973,390	\$975,540	\$975,400	\$358,970	\$358,970
Interest Income	3,310	5,210	4,800	3,500	2,700	2,700
Transfer from General Fund	0	40,000	0	2,500	325,000	325,000
Total Revenues	940,360	1,018,600	980,340	981,400	686,670	686,670
EXPENDITURES						
Principal	825,000	900,000	950,000	950,000	450,000	450,000
Interest	108,500	72,800	34,210	34,210	232,180	232,180
Other Charges	2,220	45,380	2,130	5,630	4,490	4,490
Total Expenditures	935,720	1,018,180	986,340	989,840	686,670	686,670
Excess of Revenues Over (Under) Expenditures	4,640	420	(6,000)	(8,440)	0	0
Beginning Fund Balance	5,320	9,960	10,380	10,380	1,940	1,940
Ending Fund Balance	\$9,960	\$10,380	\$4,380	\$1,940	\$1,940	\$1,940

2008/09 Debt Service Funds Percent of Total Expenditures



This graph reflects budgeted Debt Service Funds expenditures as a percent of all Debt Service Funds for the 2008/09 fiscal year.

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 2008/09 Budget, General Drain Tax revenue represents 14.49% of total revenue sources, an increase of \$78,930 above the 2007/08 Budget. This is due to an increase in debt payments on existing drain bond issues. For 2008/09, the millage rate is 0.2180 mills, an increase of 0.0182 mills above 2007/08.

OTHER FINANCING SOURCES

Other Financing Sources in the Debt Service Funds represent the Transfers In from other funds. The General Fund, Major Road Fund, Community Development Block Grant Fund and Self-Insurance Fund provide revenue to the Debt Service Funds through this revenue center.

In the 2008/09 Budget, revenues generated from Other Financing Sources represent 76.22% of total revenue sources, an increase of \$751,060 above the 2007/08 Budget. This increase is primarily due to an increase in transfers from the General Fund to the Voted Tax General Obligation Debt Fund for the first year debt payments on the new Proposal F Fire Station Renovation bonds. In addition, the transfer from the Major Road Fund to the Road Bond Debt Retirement Fund increased due to higher principal payments on existing road bonds.

OTHER REVENUE

Other Revenue consists of revenue from Interest on Investments and Special Assessment revenue. In the 2008/09 Budget, Other Revenues represent 4.88% of total revenue sources, an increase of \$318,700 above the 2007/08 Budget. This increase is due to an increase in special assessment revenue resulting from the issuance of the Lakeside Special Assessment District bonds in the spring of 2008.

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 2008/09, the millage rate is 0.0667 mills, a decrease of 0.1125 mills below 2007/08.

In 2008/09, Public Improvement Tax revenue represents 4.41% of total revenue sources, a decrease of \$615,870 below the 2007/08 Budget. This decrease is due to the retirement of two Proposal R bonds 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 2008/09 Budget, revenues exceed expenditures by \$199,830 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	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
404000	City Operating Tax	\$1,208,787	7.43	\$1,084,430	14.36	\$1,165,160	14.41
415000	Delinquent Personal Property Tax	4,832	0.03	5,000	0.07	3,800	0.05
445000	Penalties & Interest	4,702	0.03	3,200	0.04	2,600	0.03
	Total Taxes	1,218,321	7.49	1,092,630	14.47	1,171,560	14.49
	OTHER FINANCING SOURCES						
699101	Transfer From General Fund	692,500	4.26	968,460	12.83	1,382,000	17.10
699202	Transfer From Major Road Fund	2,200,000	13.53	2,600,200	34.44	2,850,000	35.26
699278	Transfer From CDBG Fund	0	0.00	339,500	4.50	325,460	4.03
699403	Transfer From Capital Project Fund	1,346,815	8.28	0	0.00	0	0.00
699677	Transfer From Self-Insurance Fund	9,777,320	60.12	1,501,340	19.88	1,603,100	19.83
	Total Other Financing Sources	14,016,635	86.19	5,409,500	71.64	6,160,560	76.22
	OTHER REVENUE						
665000	Interest on Investments	59,134	0.36	76,000	1.01	37,700	0.47
672000	Special Assessment Revenue	0	0.00	0	0.00	170,000	2.10
672665	Special Assessment Interest	0	0.00	0	0.00	187,000	2.31
	Total Other Revenue	59,134	0.36	76,000	1.01	394,700	4.88
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	969,199	5.96	972,340	12.88	356,470	4.41
	Total Public Improvements Tax	969,199	5.96	972,340	12.88	356,470	4.41
	Total Debt Service Funds	\$16,263,289	100.00	\$7,550,470	100.00	\$8,083,290	100.00

Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

**DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER CHARGES						
810000	Other Fees	\$27,101	0.16	\$6,550	0.09	\$5,510	0.07
965000	Refunds on Tribunal Adjustments	65,144	0.40	3,200	0.04	6,500	0.08
	Total Other Charges	92,245	0.56	9,750	0.13	12,010	0.15
	DEBT SERVICE						
992000	Principal	14,000,000	85.22	5,685,000	74.48	5,730,000	72.68
993000	Interest	2,336,740	14.22	1,938,410	25.39	2,141,450	27.16
	Total Debt Service	16,336,740	99.44	7,623,410	99.87	7,871,450	99.85
	Total Debt Service Funds	\$16,428,985	100.00	\$7,633,160	100.00	\$7,883,460	100.00

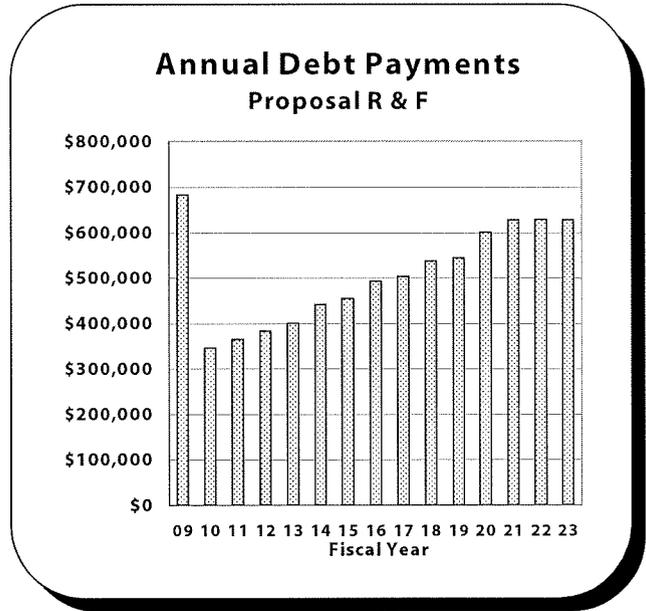
Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

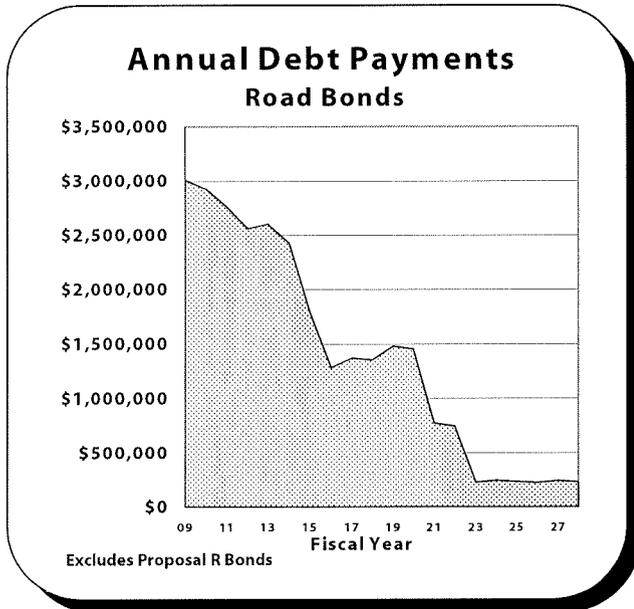
Debt Service Funds



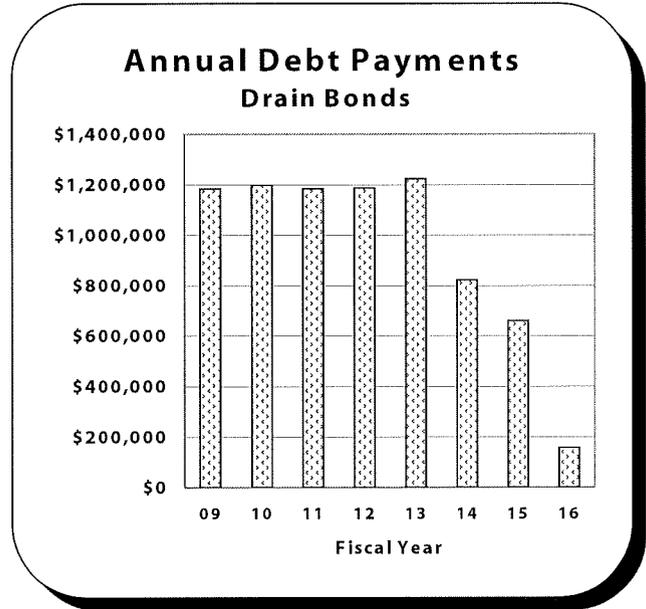
Debt payments will be \$3 million for the next two fiscal years until the 41-A District Court bonds are retired in 2010. The debt will fall in 2014 when the Public Safety Radio and the Senior Gym debt is paid off. In 2017, debt will decline when the Settlement bonds are retired. This debt will be paid off earlier upon the receipt of the final insurance proceeds. From 2017 to 2020, the only remaining debt will be for the City Center Common bonds.



Voted Tax General Obligation Debt payments will decrease in 2010 as the final Proposal R Road bonds will be retired in 2009. Debt from the Fire Station Renovations (Proposal F) will begin in 2009 and continue through 2023.



Road Bond Debt payments will decrease through 2022 as six Michigan Transportation Funds (MTF) bonds are retired. The Lakeside Special Assessment bond is scheduled to be retired in 2028.



Total Drain debt slowly decreases over the next 8 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. In 2006/07, the final debt payment for the Green Drain Enclosure was made.

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

For 2008/09, \$1,182,630 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 drain bonds are issued by the Macomb County Drain Commission, on behalf of the City, when financing for a drain project is required?

General Drain Fund

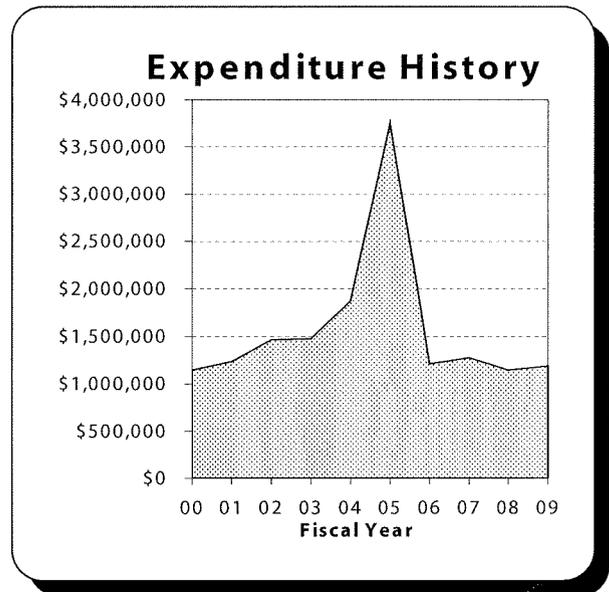
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Other Charges – Total Other Charges decreased \$250 or 5.3%. Bond paying agent fees decreased \$1,050, as the Macomb County Public Works Department has not passed through bank fees to the City as anticipated. Funding for refunds on tribunal adjustments increased \$800 based on recent years’ expenditure levels.

Debt Service – Total Debt Service is proposed to increase \$42,880 or 3.8%. Total principal payments increased \$75,000 due to an increase in scheduled principal payments on several existing General Drain bonds. Total interest payments decreased \$32,120, 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

Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	23,011	4,680	6,930	4,430	4,430
Debt Service	1,250,883	1,139,750	1,139,750	1,182,630	1,182,630
Total	\$1,273,894	\$1,144,430	\$1,146,680	\$1,187,060	\$1,187,060

The Building Authority was originally created in 1967 to oversee the financing and construction of the City Hall Municipal Building. In 1989 the Building Authority approved the financing and construction of a new Judicial Services Center. In 1996 a \$1.85 million bond was sold to finance the construction of a new Senior Center, and in 2000, a \$3.7 million bond was sold to help finance the expansion and remodeling of the buildings in the City Center Commons. This Fund currently accounts for the leasing of these buildings to the City and for the bond payments related to the financing of the buildings.

Construction of the Judicial Services Center was completed in 1991. This facility was financed with limited tax general obligation bonds issued in 1990. These bonds were partially refinanced in 1993 and all bonds related to the Judicial Services Center were fully refinanced in 2003/04. This debt is scheduled to be retired in fiscal year 2009/10.

The City constructed a new Senior Center building, which was financed in 1996. This facility was financed with bonds paid for with Community Development Block Grant funds. The debt was retired in fiscal year 2001/02.

The plans for the development of the City Center Commons project began in fiscal year 1998/99. This project was financed with Building Authority limited tax general obligation bonds issued in 2000. This debt was refunded in 2004/05, and is scheduled to be retired in fiscal year 2019/20.

In the spring of 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.

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 Judicial Services Center, the City Center Commons project, and the Public Safety Radio System.

The transfer necessary for debt repayment for the Judicial Services Center totals \$395,420, \$380,000 toward principal and \$15,420 in interest.

The transfer necessary for debt repayment for the City Center Commons project totals \$322,320. Principal payments total \$200,000 and interest payments amount to \$122,320.

The transfer necessary for debt repayment for the Public Safety Radio System totals \$345,040. Principal payments total \$295,000 and interest payments amount to \$50,040.

Community Development Block Grant funds will be utilized for the debt payments on the Senior Active Life Center. For 2008/09, principal payments total \$280,000 and interest payments amount to \$45,460.

Total 2008/09 debt repayment for this fund amounts to \$1,388,240.■

Did you know?...
...that the bonds used to finance construction of the 41-A District Court will be paid off in the 2009/10 fiscal year?

Limited Tax General Obligation Fund

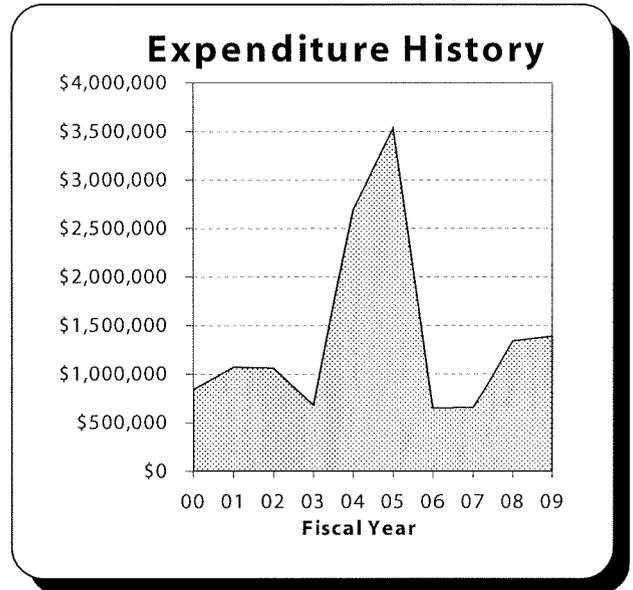
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Other Charges – Total Other Charges decreased \$120 or 11.7% as bond paying agent fees decreased on the 2000 LTGO City Center Commons bond issue, which will be fully paid off in the 2008/09 fiscal year. The decrease was slightly offset by an increase in bond paying agent fees on the 2007 LTGO 800 MHz and Senior Gymnasium bonds.

Debt Service – Total Debt Service increased \$49,890 or 3.7%. Total principal payments increased \$80,000 due to an increase in principal payment on the 2000 City Center Commons bond and the 2003 Judicial Center Refunding bond. Total interest payments decreased \$30,110 as less interest is owed on all existing LTGO bond issues. No new debt is budgeted in this fund for next year.



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

Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	<u>2006/07 Actual</u>	<u>2007/08 Budget</u>	<u>2007/08 Estimate</u>	<u>2008/09 Manager</u>	<u>2008/09 Approved</u>
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	1,050	1,030	1,050	910	910
Debt Service	655,614	1,338,350	1,338,350	1,388,240	1,388,240
Total	\$656,664	\$1,339,380	\$1,339,400	\$1,389,150	\$1,389,150

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 2008/09, the Major Road Fund transfer represents nearly 90% 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, Special Assessment revenue, and the use of Fund Balance.

This Fund's debt budgeted to be paid in fiscal year 2008/09 totals \$3,009,550, which is comprised of \$2,175,000 toward principal and \$834,550 in interest payments on existing Michigan Transportation Fund (MTF) bonds and a new \$3.4 million Special Assessment bond that is scheduled to be issued in the spring of 2008. The bond is being issued to finance various improvements within the Lakeside Shopping Center district. The improvements will include 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. No new MTF bonds are scheduled to be sold next year. The final principal and interest payment to retire the 2000 MTF bond was made in the 2007/08 fiscal year.

The most significant revenue source of this fund is through a transfer from the Major Road Fund.

The principal and interest payments for the road bond projects are amortized based on the estimated total cost of the project times the

interest rate for a fixed period of time – usually 10-15 years.

Road bond projects to be retired through this fund are specified on the Road Bond Construction Fund schedule located in the Capital Projects section of this document. ■

Did you know?...

...that the 2008 Lakeside Special Assessment Bond will be the first special assessment bond issued by the City since 1997?

Road Bond Debt Retirement Fund

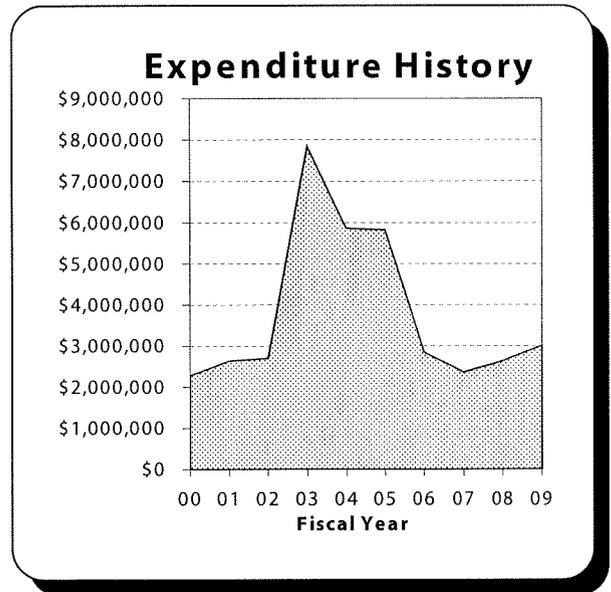
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges increased \$270 or 16.3% as bond paying agent fees increased due to the anticipated issuance of the \$3.4 million 2008 Special Assessment bonds in the Spring of 2008, for the Lakeside Shopping Center area improvements. The increase was offset by a decrease in bond paying agent fees due to the retirement of the 2000 MTF bond, which was paid off in the prior year.

Debt Service – Total Debt Service increased \$374,540 or 14.2%. Total principal payments increased \$275,000 due to higher principal payments on several existing MTF bond issues. The increase was partially offset by a decline due to the retirement of the 2000 MTF bond in the prior year. Total interest payments increased \$99,540 as a result of the new 2008 Lakeside Special Assessment bonds. The increase was offset by lower interest payments on all existing bonds as well as the retirement of the 2000 MTF bond in the prior year. A total of \$153,000 in Lakeside Special Assessment debt is budgeted for next year, which will be funded through assessments on the affected property owners.



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

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	1,825	1,660	1,660	1,930	1,930
Debt Service	2,356,666	2,635,010	2,635,010	3,009,550	3,009,550
Total	\$2,358,491	\$2,636,670	\$2,636,670	\$3,011,480	\$3,011,480

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.

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.

The portion of the settlement being financed by the bonds includes 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. The City is expected to be fully reimbursed through insurance claims.

In fiscal year 2006/07, insurance proceeds were used to partially refund the outstanding Settlement Bond debt. As of June 30, 2008, the debt outstanding is \$11,915,000. For 2008/09, the budget for this fund's debt repayment totals \$1,608,850, which is comprised of \$1,045,000 toward principal and \$563,850 in interest payments. The final payment to retire the debt from this bond issue is scheduled to be made in fiscal year 2015/16.

The Settlement Bonds Debt Fund will receive its revenue through a transfer of reserves from the City's Self-Insurance Fund until the City receives the final insurance proceeds. ■

Did you know?...

...that the City has received a favorable Court judgment against the final insurance carrier for \$14.6 million, a portion of which will be used to refund all outstanding settlement bonds when it is received?

Settlement Bonds Debt Fund

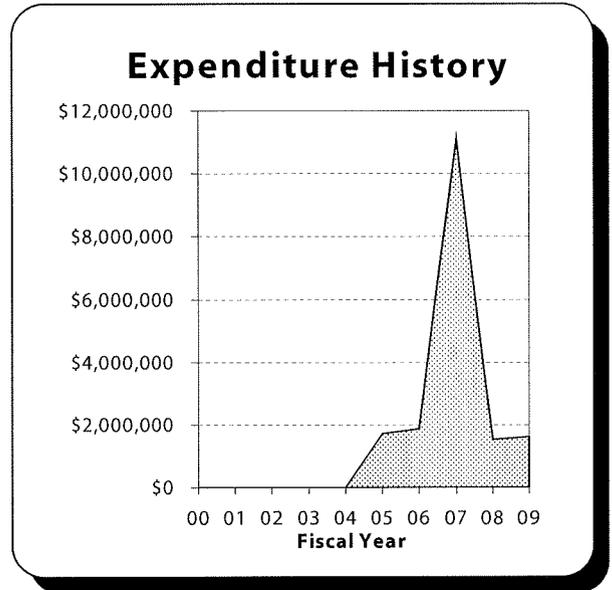
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

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

Other Charges – Total Other Charges is proposed to remain the same at \$250. There are no proposed changes within the Other Charges account.

Debt Service – Total Debt Service increased \$82,760 or 5.4%. Total principal payments on the 2004 Settlement bond issue increased \$115,000, while the interest payments decreased \$32,240. The City’s Self-Insurance Fund will transfer monies to this fund to pay the required annual debt payments next year until the City receives the final insurance proceeds.



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

Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	20,980	250	250	250	250
Debt Service	11,100,789	1,526,090	1,526,090	1,608,850	1,608,850
Total	\$11,121,769	\$1,526,340	\$1,526,340	\$1,609,100	\$1,609,100

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 included 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.

In fiscal 2008/09, the final principal and interest payments totaling \$357,180 will be made to retire this Fund's Proposal R debt.

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 will begin 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 will

be issued to provide financing for the public improvements. The bonds will have a 15-year life with the final payment being made in fiscal year 2022/23.

For 2008/09, principal payments for Proposal F total \$100,000 and interest payments amount to \$225,000. ■

Did you know?...
...that the final Proposal R bond will be fully paid off in the 2008/09 fiscal year?

Voted Tax General Obligation Debt Fund

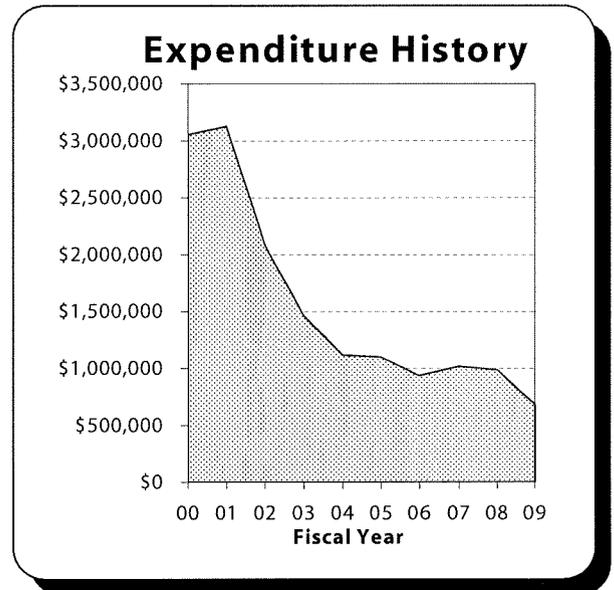
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES - MANAGER'S BUDGET COMPARED TO 2007/08 BUDGET

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

Other Charges – Total Other Charges increased \$2,360 or 110.8%. Refunds on tribunal adjustments increased \$2,500 based on recent years' actual expenditures and the Spring, 2008 issuance of the \$5.0 million 2008 Proposal F General Obligation bond, which was approved by the voters in November of 2006 for renovations to three of the City's fire stations. Bond paying agent fees decreased \$140 due to the retirement of the 1997 and 1998 Proposal R bonds in the prior year. The decrease in fees however, was offset by an increase in bond paying agent fees resulting from the new 2008 Proposal F bond issue.

Debt Service – Total Debt Service decreased \$302,030 or 30.7%. Total principal payments decreased \$500,000 due to the retirement of two Proposal R bonds in the prior year. The decrease was partially offset as a result of the new 2008 Proposal F bonds, as well as an increase in principal payment on the last remaining 1999 Proposal R bond issue. Total interest increased \$197,970 due to the new 2008 Proposal F bond issue. The interest increase was partially offset due to the retirement of two Proposal R bonds and lower interest payments on the final Proposal R bond. There is no debt for Proposals S & T as the debt was retired in prior years. A total of \$325,000 in Proposal F debt is budgeted for next year.



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

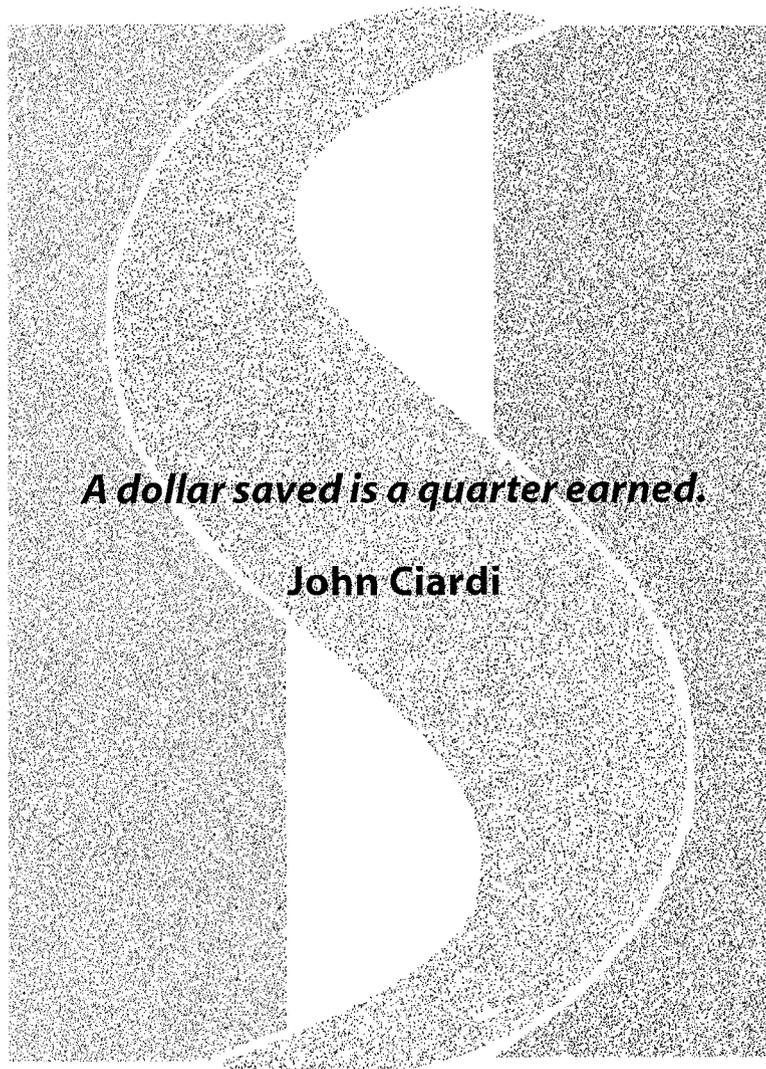
Personnel Services – Council made no adjustments to Personnel Services.

Other Charges – Council made no adjustments to Other Charges.

Debt Service – Council made no adjustments to Debt Service.

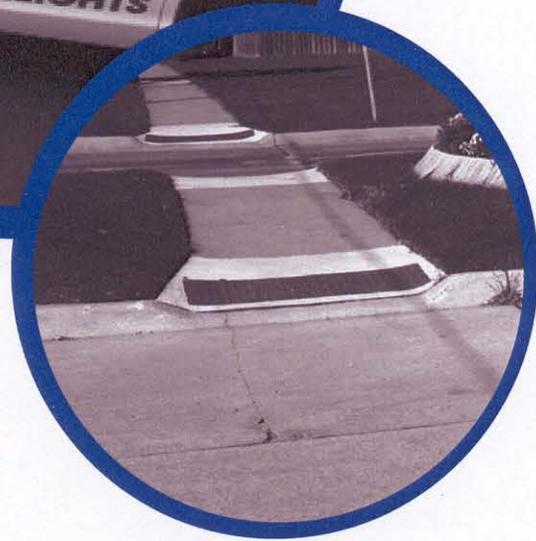
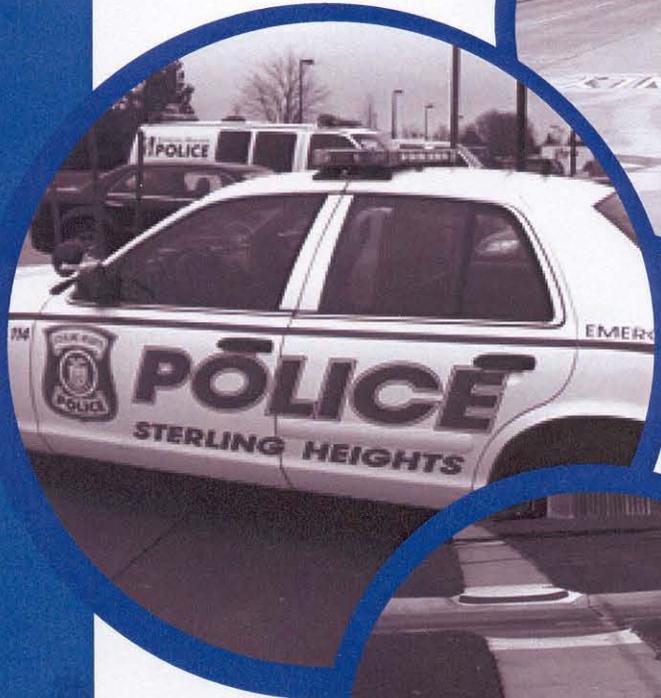
FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	45,381	2,130	5,630	4,490	4,490
Debt Service	972,806	984,210	984,210	682,180	682,180
Total	\$1,018,187	\$986,340	\$989,840	\$686,670	\$686,670



08 09

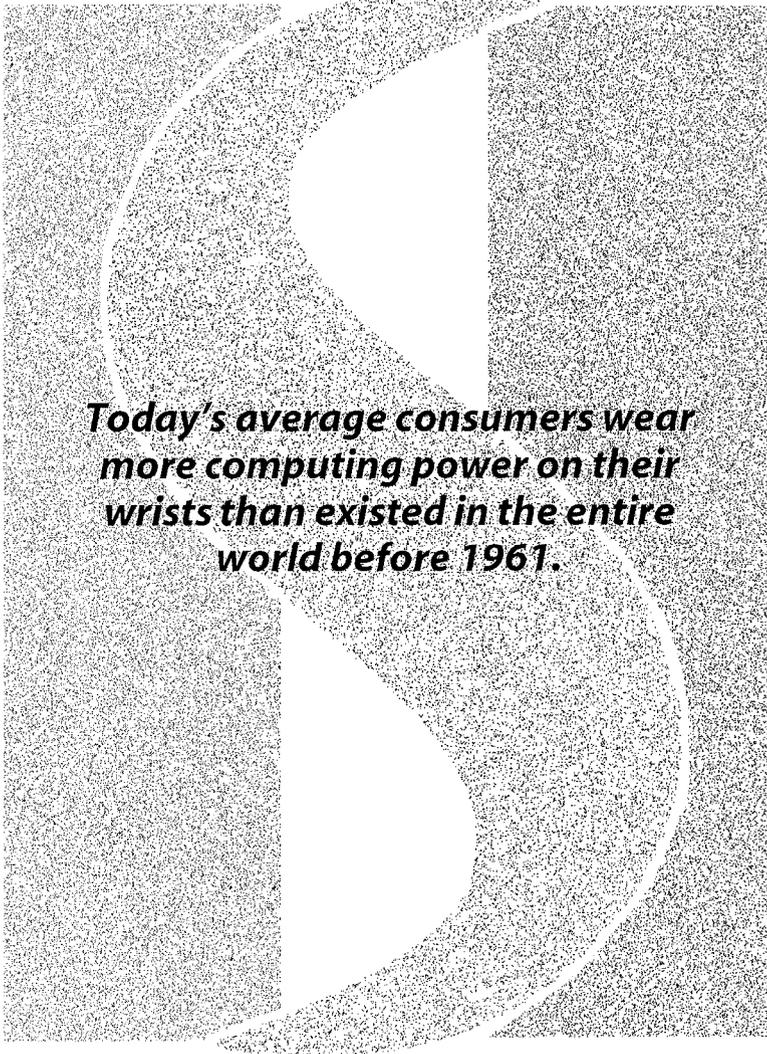
Capital Projects



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	2005/06 Actual	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	\$2,301,380	\$2,003,640	\$1,045,990	\$878,460	\$1,060,900	\$1,060,900
Proceeds Long-term Debt	0	3,250,000	5,000,000	5,000,000	0	0
Bond Premiums	0	26,820	0	0	0	0
Transfer from General Fund	1,536,350	1,600,720	1,534,500	1,534,500	1,290,150	1,290,150
Total Revenues	3,837,730	6,881,180	7,580,490	7,412,960	2,351,050	2,351,050
EXPENDITURES						
Capital Equipment	1,530,650	2,741,900	837,650	775,800	444,950	444,950
Capital Vehicles	534,200	867,000	1,117,550	1,113,650	438,000	438,000
Capital Projects	1,433,060	3,024,520	7,207,080	6,883,480	1,289,000	1,289,000
Tfr. to Settlement Bonds Debt Fund	0	1,320,000	0	0	0	0
Transfer to LTGO Debt Fund	0	26,820	0	0	0	0
Total Expenditures	3,497,910	7,980,240	9,162,280	8,772,930	2,171,950	2,171,950
Excess of Revenues Over (Under) Expenditures	339,820	(1,099,060)	(1,581,790)	(1,359,970)	179,100	179,100
Beginning Fund Balance	3,202,160	3,541,980	2,442,920	2,442,920	1,082,950	1,082,950
Residual Equity Transfer	0	0	0	0	0	0
Ending Fund Balance	\$3,541,980	\$2,442,920	\$861,130	\$1,082,950	\$1,262,050	\$1,262,050
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Federal Grants	\$401,380	\$0	\$0	\$0	\$0	\$0
Proceeds Long-term Debt	0	4,650,000	2,700,000	3,400,000	0	0
Other Revenue	55,780	73,310	5,000	11,000	0	0
Total Revenues	457,160	4,723,310	2,705,000	3,411,000	0	0
EXPENDITURES						
Capital Improvements	530,750	4,694,040	3,201,790	3,887,100	0	0
Total Expenditures	530,750	4,694,040	3,201,790	3,887,100	0	0
Excess of Revenues Over (Under) Expenditures	(73,590)	29,270	(496,790)	(476,100)	0	0
Beginning Fund Balance	747,990	674,400	703,670	703,670	227,570	227,570
Ending Fund Balance	\$674,400	\$703,670	\$206,880	\$227,570	\$227,570	\$227,570



Today's average consumers wear more computing power on their wrists than existed in the entire world before 1961.

TAXES

This source of revenue includes penalties and interest on delinquent special assessments for City sidewalks. In 2008/09, \$2,000 is budgeted.

STATE & LOCAL RETURNS

This source of revenue is primarily comprised of grants from the Federal, State, and County levels of government. In fiscal year 2008/09, \$160,000 is budgeted.

OTHER FINANCING SOURCES

Other Financing Sources include all proceeds received from long-term debt as a result of planned Capital Project construction and/or acquisition by the City. Also included in this revenue center are bond premiums and transfers into the Capital Project Funds from other funds. In the 2008/09 Budget, as in past years, Other Financing Sources comprise the majority of revenues for the Capital Project Funds.

In the 2008/09 Budget, as in past years, Other Financing Sources comprise the majority of revenues for the Capital Project Funds.

In the 2008/09 Budget, revenues generated from Other Financing Sources represent 54.88% of total revenue sources, a decrease of \$7,944,350 below the 2007/08 Budget. This decrease is primarily due to a decrease in proceeds from long-term debt as the renovations to three older City Fire Stations and the special assessment improvements to the Lakeside Shopping Center district were financed by the sale of bonds during the 2007/08 fiscal year. In addition, the transfer from the General Fund decreased, as less funding is needed for capital projects.

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 Contributions – Drain Improvements.

In the 2008/09 Budget, Other Revenues represent 38.22% of total revenue sources, an increase of \$36,580 above the 2007/08 Budget. This increase is due to an increase in Special Assessment Revenue and Reimbursements.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

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

In the 2008/09 Budget, revenues exceed expenditures by \$179,100 allowing for a contribution to Fund Balance reserves. This is primarily due to the timing of sidewalk special assessment receipts.■

**CAPITAL PROJECTS FUNDS
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
445000	TAXES Penalties & Interest	\$1,283	0.01	\$3,000	0.03	\$2,000	0.09
	Total Taxes	1,283	0.01	3,000	0.03	2,000	0.09
529000	STATE & LOCAL RETURNS Federal Grant - Other	929,256	8.01	68,670	0.67	40,000	1.70
539378	Act 78 Emergency Phone Service	357,223	3.08	117,000	1.14	120,000	5.10
	Total State & Local Returns	1,286,479	11.09	185,670	1.81	160,000	6.81
698000	OTHER FINANCING SOURCES Proceeds - Long Term Debt	7,900,000	68.08	7,700,000	74.86	0	0.00
698001	Bond Premiums	26,815	0.23	0	0.00	0	0.00
699101	Transfer From General Fund	1,600,720	13.79	1,534,500	14.92	1,290,150	54.88
	Total Other Financing Sources	9,527,535	82.10	9,234,500	89.78	1,290,150	54.88
665000	OTHER REVENUE Interest on Investments	159,008	1.37	105,000	1.02	80,000	3.40
672000	Special Assessment Revenue	23,371	0.20	7,320	0.07	19,500	0.83
672665	Special Assessment Interest	3,605	0.03	0	0.00	4,400	0.19
676000	Reimbursements	393,258	3.39	540,000	5.25	600,000	25.52
685000	Miscellaneous Revenue	51,577	0.44	0	0.00	0	0.00
685015	Miscellaneous Revenue - MCPWC	130,837	1.13	200,000	1.94	190,000	8.08
686000	Contributions-Drain Improvements	15,960	0.14	10,000	0.10	5,000	0.21
695000	Insurance Recovery	11,572	0.10	0	0.00	0	0.00
	Total Other Revenue	789,188	6.80	862,320	8.38	898,900	38.22
	Total Capital Projects Funds	\$11,604,485	100.00	\$10,285,490	100.00	\$2,351,050	100.00

Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

**CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CAPITAL OUTLAY						
975000	Building & Improvements	\$47,761	0.38	\$60,000	0.49	\$0	0.00
975010	Municipal Building Modernization	0	0.00	70,000	0.57	15,000	0.69
975020	Library Renovations	0	0.00	0	0.00	4,000	0.18
975070	Sidewalk Installation	0	0.00	550,000	4.45	0	0.00
975130	Civic Center Concrete Replacement	0	0.00	100,000	0.81	0	0.00
975140	Miscellaneous DPW Improvements	26,148	0.21	164,400	1.33	0	0.00
975210	Fire Station Renovations	29,025	0.23	4,970,970	40.20	0	0.00
975220	Misc. Fire Station Improvements	12,973	0.10	0	0.00	215,000	9.90
975820	Sidewalk Gap Completion Program	56,773	0.45	0	0.00	0	0.00
975855	Fire Station #1	6,500	0.05	0	0.00	0	0.00
979000	Computer Equipment	195,437	1.54	119,750	0.97	17,000	0.78
979100	Financial System - Software	0	0.00	4,700	0.04	25,000	1.15
979150	Financial System - Hardware	0	0.00	30,000	0.24	50,000	2.30
979292	Community Relations - Equipment	0	0.00	0	0.00	8,000	0.37
979305	Police Department - Equipment	0	0.00	104,400	0.84	0	0.00
979350	41A District Court - Hardware	0	0.00	0	0.00	45,600	2.10
979650	Parks & Recreation - Hardware	0	0.00	34,800	0.28	0	0.00
979700	Library - Computer Equipment	0	0.00	1,200	0.01	11,000	0.51
979800	Fire Department - Software	0	0.00	0	0.00	23,460	1.08
979850	Fire Department - Hardware	0	0.00	1,200	0.01	34,800	1.60
981000	Electronic Equipment	1,657,938	13.08	465,750	3.77	83,790	3.86
982000	Machinery & Equipment	473,611	3.74	53,170	0.43	70,300	3.24
983000	Fire Equipment	32,136	0.25	22,680	0.18	76,000	3.50
983001	Fire Equipment Grant	382,774	3.02	0	0.00	0	0.00
984265	Vehicles - Facilities Maintenance	23,913	0.19	26,600	0.22	0	0.00
984315	Vehicles - Police Operations	246,008	1.94	278,000	2.25	231,000	10.64
984326	Vehicles - Police Support Services	0	0.00	30,000	0.24	30,000	1.38
984337	Vehicles - Fire Administration	21,625	0.17	22,480	0.18	0	0.00
984339	Vehicles - Fire Extinguishment	391,501	3.09	420,000	3.40	0	0.00
984442	Vehicles - Public Works	0	0.00	0	0.00	28,000	1.29
984444	Vehicles - DPW Street Services	156,200	1.23	261,470	2.11	129,000	5.94
984752	Vehicles - Parks & Recreation	0	0.00	16,000	0.13	0	0.00
984770	Vehicles - Parks & Grounds	27,753	0.22	63,000	0.51	20,000	0.92
986000	Major Drain Improvements	148,226	1.17	555,000	4.49	150,000	6.91
988000	Construction	45,592	0.36	164,630	1.33	905,000	41.67
988103	2005/06 Sidewalk Gap Program	296,919	2.34	20,000	0.16	0	0.00
988116	Senior Citizen Active Life Center	1,487,254	11.73	64,220	0.52	0	0.00
988119	2006 Sidewalk Replacement Program	759,781	5.99	120,000	0.97	0	0.00
988122	2007 Sidewalk Replacement Program	5,364	0.04	350,000	2.83	0	0.00
988123	Red Run Resurfacing	26,270	0.21	351,960	2.85	0	0.00
988128	Baumgartner Parking Lot Improvements	102,141	0.81	17,860	0.14	0	0.00
988130	19 Mile Rd Imprvmt - Schoenherr to Saal	547,316	4.32	30,500	0.25	0	0.00
988160	19 Mile Rd Landscape - Mound to Ryan	115,299	0.91	33,500	0.27	0	0.00
988162	Lakeside Shop Dist SAD Improvements	0	0.00	2,700,000	21.84	0	0.00
988858	18-1/2 Mile Connect Mound to Van Dyke	73,616	0.58	61,830	0.50	0	0.00
988876	1998 Bridge Inv - 17 Mile Rd/Conrail	1,716	0.01	0	0.00	0	0.00
988956	Dobry Resurfacing - Dequindre to Ryan	548,006	4.32	0	0.00	0	0.00
988986	19 Mile Reconst-Mound to Dequindre	3,381,818	26.68	24,000	0.19	0	0.00
988995	2005 Sidewalk Replacement	67	0.00	0	0.00	0	0.00
	Total Capital Outlay	11,327,461	89.37	12,364,070	100.00	2,171,950	100.00

**CAPITAL PROJECT FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2006-2007 Actual		2007-2008 Budget		2008-2009 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TRANSFERS OUT						
999316	Transfer to Settlement Bonds Debt Fund	1,320,000	10.42	0	0.00	0	0.00
999369	Transfer to LTGO Debt Fund	26,815	0.21	0	0.00	0	0.00
	Total Transfers Out	1,346,815	10.63	0	0.00	0	0.00
	Total Capital Projects Fund	\$12,674,276	100.00	\$12,364,070	100.00	\$2,171,950	100.00

Note: The 2006-2007 Actual Column is rounded to the nearest dollar.

The City of Sterling Heights uses a Capital Projects Fund to account for the development, improvement, and repair of capital facilities, and the purchase of capital vehicles and equipment, not financed by other funds. The receipt and disbursement of resources to be utilized for the construction or acquisition of capital facilities, and the performance of activities financed by governmental funds, is accounted for by capital funds. Receipts for such purposes arise from the sale of general obligation bonds, grants from other governmental units, transfers from other funds, or gifts from individuals or organizations.

The reason for creating a fund to account for capital projects, vehicles and equipment, is to provide a formal mechanism that enables administrators to ensure that revenues dedicated to a certain purpose are used for that purpose and no other. This fund enables administrators to report to creditors and other grantors of capital projects fund resources that their requirements regarding the use of the resources were met.

As with all governmental funds, the Capital Projects Fund concentrates on inflows and outflows of available, spendable resources. Therefore, the Capital Projects Fund uses the modified accrual basis of accounting. The Capital Projects Fund has the authority to continue expenditures within prescribed limits until a project is completed.

Funding for Capital in fiscal year 2008/09 totals \$2,171,950. Of the total, \$1,289,000 is funded for eight improvement projects for facilities and infrastructure. \$550,000 is included for the Miscellaneous City Sidewalk Repair Program. \$350,000 is programmed for the continuation of the Sidewalk Gap Completion Program. \$200,000 is budgeted for the replacement of generators at Fire Stations #2, #3, and #4. \$15,000 is included for a Police Station Needs Analysis and Feasibility Study. \$4,000 is budgeted for the creation of a café at the Library and the remodeling of the existing bookstore. \$15,000 is appropriated for repairs to the Fire Training Tower at Fire Station #5. \$5,000 is budgeted for School Walkway repairs near Coachwood and Clifford Drives.

\$150,000 is funded for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total \$444,950 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total \$438,000 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?...

...that the renovation and upgrades to Fire Stations #2, #3, and #4, as part of the voter approved Proposal F, are scheduled to begin in April, 2008?

Capital Projects Fund

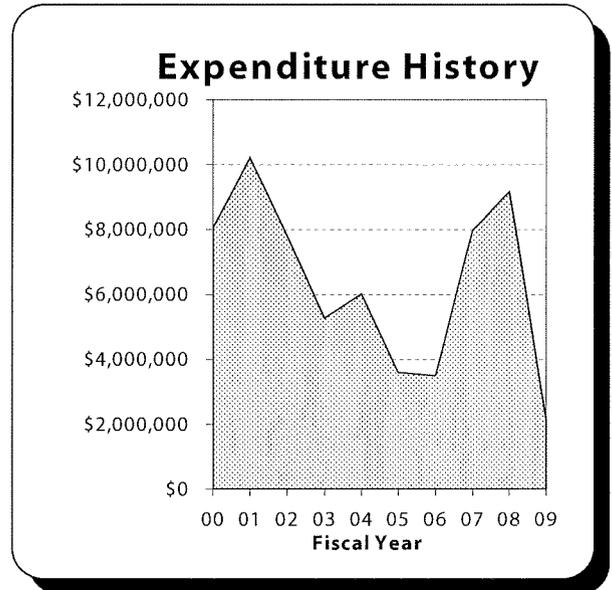
SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of \$2,171,950 is proposed for next fiscal year. \$230,090 is for capital equipment, \$438,000 for capital vehicles, and \$214,860 for the Information Technology Capital Program. *The significant notes for equipment, vehicles, and Information Technology Capital can be found in the General Fund activity in which the Capital will be utilized.* In addition, eight (8) Capital Projects totaling \$1,289,000 are proposed. \$550,000 is for the City Sidewalk Repair Program, \$200,000 for replacement generators at Fire Stations #2, #3, and #4, \$15,000 for a Police Station needs analysis and feasibility study, \$4,000 for a Library Café and Bookstore remodel, \$15,000 for Fire Station #5 Training Tower repairs, \$350,000 for the continuation of the Sidewalk Gap Completion Program, \$5,000 for School Walkway repairs near Coachwood and Clifford Drive, and \$150,000 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 2008/09 fiscal year.



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

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	6,633,419	9,162,280	8,772,930	2,171,950	2,171,950
Transfers Out	1,346,815	0	0	0	0
Total	\$7,980,234	\$9,162,280	\$8,772,930	\$2,171,950	\$2,171,950

The Road Bond Construction Fund is a Capital Projects Fund that was established in compliance with Government Accounting Standards Board (GASB) No. 6. Proceeds from the Long-Term Debt account are the most significant revenue source for this Fund.

The Road Bond Construction Fund is used to account for transactions relating to road construction costs, paving, or storm drain activities financed by special assessments or long-term bonds. Other transactions, which are accounted for in this Fund, are associated road construction costs such as engineering costs, legal fees, advertising costs for bids, and rights-of-way acquisition costs.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects as described below.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects as described below.

Proposal R, Michigan Transportation Fund and Special Assessment Bonds are sold to finance the cost of the road construction projects within this Fund.

For fiscal year 2008/09, there are no capital projects budgeted for this fund. \$2,700,000 was funded in the prior year for the special assessment improvements to the Lakeside Shopping Center Area, which includes road repairs, landscaping, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center.

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?...
...that the new 19 Mile Boulevard between Mound Road and Ryan Road is capable of safely moving approximately 60,000 vehicles per day?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

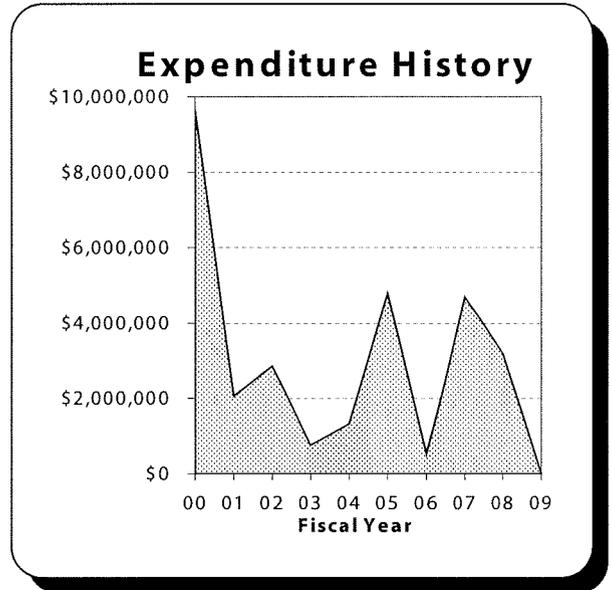
SIGNIFICANT NOTES – MANAGER’S BUDGET COMPARED TO 2007/08 BUDGET

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – There is no Capital budget for this fund next year, as no projects are anticipated to be financed with bonds. All planned road projects are budgeted in the Major Road Fund using reserves and Act 51 gas tax revenues. In the prior year, \$2,700,000 was budgeted for the Lakeside Shopping Center Area Improvements, which includes road repairs, landscape improvements, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center. An assessment of property owners in the district will finance the special assessment bonds required to fund this project.

Transfers Out – There are no Transfers Out proposed for the 2008/09 fiscal year.



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

Supplies – Council made no adjustments to Supplies.

Other Charges – Council made no adjustments to Other Charges.

Capital – Council made no adjustments to Capital.

Transfers Out – Council made no adjustments to Transfers Out.

FUNDING LEVEL SUMMARY

	2006/07 Actual	2007/08 Budget	2007/08 Estimate	2008/09 Manager	2008/09 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Capital Outlay	4,694,040	3,201,790	3,887,100	0	0
Transfers Out	0	0	0	0	0
Total	\$4,694,040	\$3,201,790	\$3,887,100	\$0	\$0

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 (40) 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 of Sterling Heights. The need for establishing a multi-year municipal improvement program and a planning process has become 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. City 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. General information has been extracted from all of the original master plans and compiled into a single 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. 2007/08 is the first year of the MIP. The second year (2008/09) 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 2008/09, the City's total capital funding is \$13,196,030. Of the total, \$12,037,300 is budgeted for improvements, \$445,870 is for equipment, \$498,000 is for vehicles, and \$214,860 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 2008/09 is \$1,289,000.

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 2008/09 there are no road projects anticipated to be financed with bonds. All planned road projects are budgeted in the Major Road Fund.

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 \$1,655,100 are budgeted for fiscal year 2008/09.

Transportation projects scheduled as part of the 2008/09 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 \$1,400,000 are budgeted for fiscal year 2008/09.

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 utilization of 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 transfers from the General

Fund. The funds from the City's most recent sale of City-owned properties are once again not budgeted to be spent, and will remain in reserves for future use. Projects for 2008/09 include tree plantings at Delia Park and Fire Stations #2, #3, and #4, the replacement of bleachers used for the Tackle Football Program at Delia Park, the replacement of portable divider walls at the Recreation Center, parking lot and entrance resurfacing at Beaver Creek Park, and the resurfacing of two tennis courts at Washington Square Park. These expenditures total \$97,000.

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 of Sterling Heights. In 2008/09, 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 2008/09, \$14,000 is budgeted for the exterior painting and repair of decorative wood trim at the City's Upton House.

The Corridor Improvement Authority Fund is used to account for public improvements that are made utilizing tax increment financing. In 2008/09 public improvements for this Fund total \$854,000 and include Phase I of the North Van Dyke Streetscape Project from the Van Dyke traffic circle to south of M-59 and the new Façade Assistance Program, designed to help initiate economic revitalization in the Corridor Improvement Authority District.

The primary funding sources for Water & Sewer Fund improvements and replacement projects are fees charged for connections into the existing system and funding from special assessments. Sanitary sewer projects totaling \$1,753,000 are programmed. Water main expenditures in the amount of \$4,934,000 are programmed. \$15,000 is budgeted for the Fire Hydrant Replacement Program. The Geographic Information System Pilot Program is funded in the amount of \$26,200. ■

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2007/08	Qty.	Manager Recomm. Budget 2008/09	Qty.	Council Approved Budget 2008/09
<i>Police Department</i>								
<i>Police Operations</i>								
Mobile Data Computer In-Car Mounts	981	Electronic Equipment	1	440				
Weapon Cleaning System, ArmorVests, First Aid Kits	982	Machinery & Equip. - Grant	1	28,670				
Total			2	29,110	0	0	0	0
<i>Police Support Services</i>								
800 MHz Public Safety Radio System	981	Electronic Equipment	1	36,310				
Radio Tower with Microwave Dish - E911 Funds	981	Electronic Equipment	1	400,000				
Total			2	436,310	0	0	0	0
<i>Fire Department</i>								
<i>Fire Extinguishment</i>								
Cardiac Defibrillator Upgrade	981	Electronic Equipment	2	6,000				
Self-Contained Breathing Apparatus - Cylinders	983	Fire Equipment	1	1,680				
EKG Monitor/Cardiac Defibrillator	981	Electronic Equipment	1	19,000				
Self-Contained Breathing Apparatus	983	Fire Equipment	5	21,000	4	18,000	4	18,000
Video Conferencing System - Grant	981	Electronic Equipment			1	50,000	1	50,000
Leg Press Machine	982	Machinery & Equipment			2	3,000	2	3,000
Westnet Fire Station Alert System	983	Fire Equipment			4	58,000	4	58,000
Total			9	47,680	11	129,000	11	129,000
<i>Fire Prevention</i>								
Digital Camera	981	Electronic Equipment	2	4,000				
Fire Prevention Safety House - Grant	982	Machinery & Equipment			1	10,400	1	10,400
Total			2	4,000	1	10,400	1	10,400
<i>Public Works Department</i>								
<i>Fleet Maintenance</i>								
On Vehicle Brake Lathe	982	Machinery & Equipment	1	6,000				
Total			1	6,000	0	0	0	0
<i>Parks & Grounds Maintenance</i>								
72" Riding Mower with Plow	982	Machinery & Equipment	1	15,000				
Dual Axle Trailer	982	Machinery & Equipment	1	3,500				
Gator with Plow & Salt Spreader	982	Machinery & Equipment			1	12,500	1	12,500
Total			2	18,500	1	12,500	1	12,500

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2007/08	Qty.	Manager Recomm. Budget 2008/09	Qty.	Council Approved Budget 2008/09
Refuse Collection								
Recycling Trailer	982	Machinery & Equipment			2	8,400	2	8,400
Total			0	0	2	8,400	2	8,400
Street Services								
Chipper	982	Machinery & Equipment			1	36,000	1	36,000
Total			0	0	1	36,000	1	36,000
Public Library Department								
Library								
Multimedia Projector	981	Electronic Equipment			1	4,250	1	4,250
Total			0	0	1	4,250	1	4,250
Community Relations Dept.								
Community Relations								
Customer Service/Complaint Tracking System	979	Computer Equipment	1	13,200				
Avid Video Editing System	981	Electronic Equipment			2	29,540	2	29,540
Total			1	13,200	2	29,540	2	29,540
Total Capital Projects Fund Equipment			19	554,800	19	230,090	19	230,090
Water & Sewer Fund								
Water & Sewer Administration								
Portable Mig Welder	982	Machinery & Equipment	1	1,750				
Equipment Storage Shelter Relocation	975	Buildings & Improvements			1	50,000	1	50,000
Total			1	1,750	1	50,000	1	50,000
Water Distribution								
Asphalt Hot Box	982	Machinery & Equipment	1	20,000				
Truck Mounted Traffic Safety Device	982	Machinery & Equipment	1	26,000				
Fixed Network Automatic Meter Reading System	982	Machinery & Equipment	1	600,000				
Dual Axle Utility Trailer	982	Machinery & Equipment			1	2,800	1	2,800
Total			3	646,000	1	2,800	1	2,800
Sewage Collection								
Backhoe Loader & Excavator	982	Machinery & Equipment	1	91,300				
Cement Saw	982	Machinery & Equipment			1	2,500	1	2,500
Submersible Trash Pump	982	Machinery & Equipment			1	4,700	1	4,700
Total			1	91,300	2	7,200	2	7,200
Total Water & Sewer Fund Equipment			5	739,050	4	60,000	4	60,000

CAPITAL EQUIPMENT

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Activity Name	Account	Account Name	Qty.	Budget 2007/08	Qty.	Manager Recomm. Budget 2008/09	Qty.	Council Approved Budget 2008/09
<u>Public Safety Forfeiture Fund</u>								
<u>Federal Forfeitures</u>								
Wireless Connectivity - Detective Laptop Computers	979	Computer Equipment	30	2,460				
GPS Antenna	979	Computer Equipment	1	2,950				
Investigative Recording System	979	Computer Equipment	1	39,420				
Document Scanner	979	Computer Equipment	4	3,580				
Multi-Media Presentation System	981	Electrical Equipment	1	10,850				
Scanner Programming	981	Electrical Equipment	1	1,650				
Motorola Headset Adapter	981	Electrical Equipment	1	490				
Television with DVD/VCR	981	Electrical Equipment	1	300				
Simunition Conversion Kits	982	Machinery & Equipment	15	10,350				
Digital Surveillance Camera	982	Machinery & Equipment	1	3,200				
Night Vision Instrument	982	Machinery & Equipment	1	3,500				
Ammunition	982	Machinery & Equipment	1	16,390				
Ultraviolet Light Evidence Kit	982	Machinery & Equipment	1	5,180				
Accident Reconstruction Equipment	982	Machinery & Equipment	1	15,220				
Radar Unit	982	Machinery & Equipment	7	15,320				
Air Conditioning Unit - Dispatch	982	Machinery & Equipment	1	5,730				
In-Car Video Recorder	982	Machinery & Equipment			12	65,000	12	65,000
Computer Server - In-Car Video System	982	Machinery & Equipment			1	23,000	1	23,000
Chevrolet Tahoe - Police Operations	984	Vehicles	2	57,710				
Cargo Training Van	984	Vehicles			1	27,030	1	27,030
Taser Repair and Replacement	985	Weapons	1	8,250				
Patrol Rifle	985	Weapons	7	7,770				
Taser Gun	985	Weapons			50	40,750	50	40,750
Total			78	210,320	64	155,780	64	155,780
<u>State Forfeitures</u>								
Bar Code Scanner	979	Computer Equipment	1	330				
Laptop Computer - DARE, Training	979	Computer Equipment	4	6,100				
Digital Camera	981	Electrical Equipment	2	630				
GPS Navigation System	981	Electrical Equipment	1	490				
Mobile Workstation, Radio, In-Car Video System	982	Electrical Equipment	4	61,600				
Monoculars & Lenses	982	Machinery & Equipment	14	3,180				
Shredder	982	Machinery & Equipment	1	1,510				
Robot Surveillance System	982	Machinery & Equipment	1	9,730				
Camera	982	Machinery & Equipment	4	8,520				
Investigative Vehicles	984	Vehicles	4	79,500				
Raid Vest	985	Weapons	15	27,900				
Total			51	199,490	0	0	0	0

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2007/08	Qty.	Manager Recomm. Budget 2008/09	Qty.	Council Approved Budget 2008/09
Gambling Forfeitures								
Tactical Armor System	982	Machinery & Equipment	1	26,000				
Total			1	26,000	0	0	0	0
Treasury Forfeitures								
Laptop Computers - Detectives	979	Computer Equipment	30	46,710				
Tactical Armor System	982	Machinery & Equipment	1	18,560				
Balistic Helmet	985	Weapons	10	3,430				
Total			41	68,700	0	0	0	0
OWI Forfeitures								
LED Mirror Lights	981	Electrical Equipment	1	1,520				
Radar Unit	981	Electrical Equipment	6	16,670				
Total			7	18,190	0	0	0	0
Total Public Safety Forfeiture Fund Equipment			178	522,700	64	155,780	64	155,780
Total City Equipment			202	\$1,816,550	87	\$445,870	87	\$445,870

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2007/08	Estimated Budget 2007/08	Manager Recomm. Budget 2008/09	Council Approved Budget 2008/09
<i>Capital Projects Fund *</i>								
Information Technology	979.000	Computer Equipment	1	PBX Telephone Software Upgrade	98,630	98,630		
Information Technology	979.000	Computer Equipment	1	Fiberoptic Network - Nature Center	1,920	1,970		
Information Technology	979.000	Computer Equipment	1	Color Printer/Copier/Scanner	6,000	9,000		
Information Technology	979.000	Computer Equipment	1	Laptop Computer - Council Chambers	0	1,410		
Information Technology	979.000	Computer Equipment	1	Web-based Email Server, Software	0	3,740		
Information Technology	979.100	Computer Equipment	3	Database Conversion Upgrades	4,700	4,700		
Information Technology	979.150	Computer Equipment	3	Replacement File Servers	30,000	33,630		
Police Department	979.305	Computer Equipment	87	Replacement Personal Computers	104,400	97,510		
Parks & Rec./Senior/Nature Center	979.650	Computer Equipment	29	Replacement Personal Computers	34,800	34,800		
Public Library	979.700	Computer Equipment	1	Replacement Laptop Computer	1,200	1,400		
Emergency Management	979.850	Computer Equipment	1	Replacement Personal Computer	1,200	0		
Fire Department - Station #5	979.000	Computer Equipment	1	Fiber Cabling Infrastructure			17,000	17,000
Finance Department	979.100	Computer Equipment	1	MUNIS Database & Server Replacement			25,000	25,000
Information Technology	979.150	Computer Equipment	5	Replacement File Servers			50,000	50,000
Community Relations	979.292	Computer Equipment	4	Replacement Personal Computers			8,000	8,000
41-A District Court	979.350	Computer Equipment	38	Replacement Personal Computers			45,600	45,600
Library	979.700	Computer Equipment	3	Network Switches			11,000	11,000
Fire Department - Stations #2, #3, #4	979.800	Computer Equipment	1	Fiber Voice/Telephone System	0	17,830	23,460	23,460
Fire Department	979.850	Computer Equipment	29	Replacement Personal Computers			34,800	34,800
Total Capital Projects Fund			211		282,850	304,620	214,860	214,860

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**All of the Capital Projects Fund computer equipment is budgeted in the Information Technology activity.*

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2007/08	Qty.	Manager Recomm. Budget 2008/09	Qty.	Council Approved Budget 2008/09
<u>CAPITAL PROJECTS FUND</u>								
<u>Motor Vehicles & Equipment - 9010</u>								
Mid-Size 4 Door Passenger Vehicle	984265	Facilities Maintenance	2	26,600				
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	12	252,000	11	231,000	11	231,000
SUV Tahoe - Evidence Technician	984315	Police Operations	1	26,000				
Animal Control Van & Equipment	984326	Police Support Services	1	30,000	1	30,000	1	30,000
4 x 4 Pick-up Truck	984337	Fire Training	1	22,480				
Fire Engine	984339	Fire Extinguishment	1	420,000				
3/4 Ton Pickup Truck with Plow	984442	Public Works Center			1	28,000	1	28,000
Platform Sign Truck	984444	Street Services	1	111,690				
Single Axle Dump Truck with Plow	984444	Street Services	1	120,780	1	129,000	1	129,000
Pick-up Truck 4 x 4 with Plow	984444	Street Services	1	29,000				
Cube Van	984770	Parks & Grounds Maintenance	1	33,000				
4 x 4 Crew Cab ¾ Ton Pick-up Truck w/Plow	984770	Parks & Grounds Maintenance	1	30,000				
4 x 2 Ball Diamond Maintenance Truck	984770	Parks & Grounds Maintenance			1	20,000	1	20,000
½ Ton Pick-up Truck	984752	Parks & Recreation	1	16,000				
Total Capital Projects Fund Vehicles			24	1,117,550	15	438,000	15	438,000
<u>WATER & SEWER FUND</u>								
<u>Water Distribution - 5560</u>								
Tandem Axle Dump Truck with Plow	984000	Water Distribution	1	131,100				
One Ton Extended Van	984000	Water Distribution	1	19,700				
Total			2	150,800	0	0	0	0
<u>Sewage Collection - 5580</u>								
Vac All Sewer Cleaner	984000	Sewage Collection	1	220,000				
Flatbed Stake Truck with Liftgate	984000	Sewage Collection			1	60,000	1	60,000
Total			1	220,000	1	60,000	1	60,000
Total Water & Sewer Fund Vehicles			3	370,800	1	60,000	1	60,000
Total City Vehicles			27	1,488,350	16	498,000	16	498,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager	Council	Proposed Method of Financing	Estimated Prior Yr. 2006/07	Estimated Current Yr. 2007/08	Budget Year 2008/09	Future Years		
			Budget 2007/08	Estimate 2007/08	Budget 2008/09	Budget 2008/09					2009/10	2010/11	2011/12
975000	CAPITAL PROJECTS FUND Replacement Carpeting - 41A District Ct.	60,000 GF	60,000	60,000			GF	100	100	0	0	0	0
975010	City Entrance Signs 14 Mile Road & Van Dyke Metropolitan Parkway & Dequindre Metropolitan Parkway & Hayes	70,000 GF/CPF	70,000	70,000			GF	0	100	100	100	100	100
975010	Police Station Needs Analysis/Feasibility Study	15,000 GF			15,000	15,000	GF	0	0	0	0	0	0
975020	Library Café and Bookstore Remodeling	4,000 GF			4,000	4,000	GF	0	0	50	50	50	50
988128	Municipal Facility Parking Lot Repairs - 2007: Baumgartner Park	118,260 GF/CPF	17,860	17,860									
975130	2008: City Hall Parking Lot	GF	100,000	100,400			GF	1,000	1,000	500	500	500	500
975140	Pump Station Repairs - Laurel Meadows	75,400 CPF	75,400	75,400			GF	500	500	0	0	0	0
975140	Pump Station Repairs - Fairfield	100,000 GF	89,000	100,000			GF	500	500	0	0	0	0
975210	Fire Station Renovations - Fire Stations #2, #3, #4 (Prop. F-08)	5,000,000 CPF	4,970,970	4,970,970			GF/Prop F	0	0	375,000	400,000	425,000	450,000
975220	Replacement Generators - Fire Stations #2, #3, #4	200,000 GF			200,000	200,000	GF	500	500	100	100	100	100
975220	Fire Training Tower Repairs - Fire Station #5	15,000 GF			15,000	15,000	GF	0	0	0	0	0	0
988103	Sidewalk Gap Completion Program 2006: Gap Program & ROW	720,000 CPF	20,000	20,000			GF	0	0	0	0	0	0
988122	2007: Gap Program & ROW	GF/CPF SAD (CPF)	100,000 250,000	100,000 250,000			GF	0	0	0	0	0	0
988000	2008: Gap Program & ROW (includes CIA)	GF SAD (CPF)			100,000 250,000	100,000 250,000	GF	0	0	0	0	0	0
986000	Drain Maintenance - County	300,000 CPF	150,000	150,000	150,000	150,000	GF	0	0	0	0	0	0
986000	Schuer Drain on Metropolitan Parkway	330,000 SAD (CPF)	330,000	0			GF	0	0	0	0	0	0
986000	Gibson Drain Bank Erosion Restoration	90,000 COUNTY CPF	40,000 35,000	40,000 35,000			GF	0	0	0	0	0	0
988000	School Walkway Repairs - 2008: Poinciana, North Central 2009: Coachwood, Clifford	10,000 GF GF	10,000	5,000	5,000	5,000	GF	500	500	0	0	0	0
988000	Master Retention Pond and Storm Sewer Plan Update	100,000 CPF	67,000	67,000			GF	0	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)							
		Total Cost/ Funding Source			Manager	Council	Proposed Method of Financing	Estimated Prior Yr. 2006/07	Estimated Current Yr. 2007/08	Budget Year 2008/09	Future Years			
			Budget 2007/08	Estimate 2007/08	Budget 2008/09	Council Approved Budget 2008/09					2009/10	2010/11	2011/12	
988000	Jaycee Park - Storm Sewer Outlet Repair	100,000 GRANT CPF	40,000 47,630	40,000 47,630										
988116	Senior Active Life Center Addition - Construction (LTGO-07)	2,000,000 CPF	64,220	64,220										
988119	Miscellaneous City Sidewalk Repair Program 2007: Sections 20, 29	1,220,000 CPF	120,000	120,000										
975070	2008: Section 19	GF SAD (CPF)	125,000 425,000	125,000 425,000										
988000	2009: Section 18	GF SAD (CPF)			125,000 425,000	125,000 425,000								
Total Capital Projects Fund		\$10,527,660	\$7,207,080	\$6,883,480	\$1,289,000	\$1,289,000		\$9,600	\$79,700	\$449,750	\$476,750	\$503,750	\$530,750	
ROAD BOND CONSTRUCTION FUND														
988123	Red Run/Moravian Drive Resurfacing - 14 Mile to Schoenherr Road (MTFB-07)	378,230 RBCF	351,960	351,960										
988130	19 Mile Road Widening - 5 lanes Schoenherr to West of Saal (MTFB-07)	575,000 RBCF	30,500	30,500										
988160	19 Mile Road Landscaping - Mound Road to Ryan Road (MTFB-07)	140,000 RBCF	33,500	33,810										
988162	Lakeside Shopping Center Special Assessment Improvements (SAD-08)	3,400,000 SAD (RBCF)	2,700,000	3,400,000										
988858	18-1/2 Mile Road Connector - Mound Road to Van Dyke (MTFB-05)	4,560,000 RBCF	61,830	45,000										
988986	19 Mile Road Boulevard Widening - Mound Road to Ryan Road (MTFB-07)	3,574,890 RBCF	24,000	25,830										
Total Road Bond Construction Fund		\$12,628,120	\$3,201,790	\$3,887,100	\$0	\$0		\$452,000	\$722,000	\$882,000	\$1,047,000	\$1,047,000	\$1,047,000	
MAJOR ROAD FUND COUNTY ROADS														
988000	Intersection Improvements (Unspecified)	255,000 MRF	100,000	50,000	100,000	100,000								
988000	Traffic Signals a) Miscellaneous Locations b) Schoenherr & Southcove c) Schoenherr Modernization (Moravian, 15 Mile Road, Canterbury)	255,000 MRF	70,000 30,000	0 80,000	150,000 25,000	150,000 25,000								
988000	Van Dyke Reconstruction - 15 Mile to 18 Mile Road - Preliminary Engineering	80,000 MRF			80,000	80,000								
988000	Bridge Deck Replacement - Van Dyke Bridge over the Clinton River	33,600 MRF	32,000	0	33,600	33,600								

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Budget 2008/09	Council Approved Budget 2008/09	Proposed Method of Financing	Estimated Prior Yr. 2006/07	Estimated Current Yr. 2007/08	Budget Year 2008/09	Future Years		
			Budget 2007/08	Estimate 2007/08							2009/10	2010/11	2011/12
988000	18 Mile Road Widening - Mound Road to Van Dyke - Design & ROW	200,000 MRF	200,000	0	200,000	200,000	MRF	0	0	0	0	0	0
988000	Schoenherr Road Pavement Improvements Utica Road to Clinton River Road	161,370 MRF	104,760	161,370			MRF	0	0	0	0	0	0
988000	Miscellaneous Right-of-Way Acquisition - County	134,870 MRF	134,870	134,870			MRF	0	0	0	0	0	0
988101	18 Mile Road & Utica Road - Intersection Alignment	220,500 MRF	210,000	0	220,500	220,500	MRF	0	0	0	0	0	0
988118	Schoenherr Road Landscaping - 14 Mile Road to Metropolitan Parkway	89,970 MRF	7,780	7,780			MRF	0	1,000	1,000	1,000	1,000	1,000
988700	Dequindre Road - 18 Mile Road to M-59 Prelim. Engineering & ROW	83,730 MRF	15,000	15,000			MRF	0	0	0	0	0	0
988982	Metropolitan Parkway Blvd. Landscaping - Dodge Park Road to Utica Road	75,900 MRF	8,230	8,230			MRF	0	1,000	1,000	1,000	1,000	1,000
	Total County Roads	\$1,589,940	\$912,640	\$457,250	\$809,100	\$809,100		\$500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
	CITY RESURFACING PROGRAM												
988000	Riverland Drive Resurfacing - Clinton River Road to the Riverland Bridge	100,000 MRF			100,000	100,000	MRF	1,000	1,000	1,000	1,000	1,000	1,000
988140	Foxhill Drive Resurfacing - Mound Road to Carpathia	339,350 MRF	380,000	339,350			MRF	1,500	1,500	0	0	0	0
	OTHER IMPROVEMENTS												
988000	18 1/2 Mile Roundabout Landscaping (MDOT to pay for expanded project)	21,000 GRANT MRF	14,700 6,300	0 0			MRF	0	0	0	0	0	0
988000	Plumbrook Road & Utica Road - Center Turn Lane Intersection Improvements	50,000 GRANT MRF	35,000 15,000	0 50,000			MRF	0	0	0	200	200	200
988000	19 Mile Road & Van Dyke - Intersection Improvements	608,000 GRANT MRF	405,000 203,000	0 0			MRF	0	0	0	0	0	0
988000	15 Mile & Ryan Road Intersection Improvements - Installation of Right-Turn Lanes	195,000 GRANT MRF			156,000 39,000	156,000 39,000	MRF	0	0	0	500	500	500
988000	19 Mile Road at Fire Station #2 - Bypass Lane & Storm Drain Enclosure	65,000 MRF			65,000	65,000	MRF	0	0	0	100	100	100
988135	Bridge Maintenance Program - Culvert Cleanout - 15 Mile over Big Beaver Drain, Ryan Road over Plumbrook Drain, Dodge Park Road over Plumbrook Drain	70,000 MRF	48,600	48,600			MRF	0	0	0	0	0	0
988163	Miscellaneous City-wide Concrete Replacement Program	550,000 MRF	275,000	275,000	275,000	275,000	MRF	0	0	0	0	0	0

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Budget 2008/09	Council Approved Budget 2008/09	Proposed Method of Financing	Estimated Prior Yr. 2006/07	Estimated Current Yr. 2007/08	Budget Year 2008/09	Future Years		
			Budget 2007/08	Estimate 2007/08							2009/10	2010/11	2011/12
988166	19 Mile Road Widening - Ryan to Dequindre Road - Design	300,000 MRF	195,600	195,600			MRF	0	0	0	0	0	0
988000	TRAFFIC CONTROLS a) Miscellaneous Locations b) 15 Mile Road & Chrysler Plant c) 17 Mile Road & Dodge Park Road d) Ryan Road Modernization (14, 15 & 17 Mile Roads)	268,800 MRF	30,000 100,000	0 107,800	65,000 35,000 61,000	65,000 35,000 61,000	MRF	500	500	500	500	500	500
988000	NON-MOTORIZED IMPROVEMENTS Miscellaneous Right-Of-Way Acquisition, Master Road Plan Update	75,000 MRF	50,000	25,000	50,000	50,000	MRF	0	0	0	0	0	0
988000	Dodge Park Road - Utica Road to Metropolitan Parkway - ROW	250,000 MRF	0	250,000			MRF	0	0	0	0	0	0
Total City Major Road		\$2,892,150	\$1,758,200	\$1,291,350	\$846,000	\$846,000		\$3,000	\$3,000	\$1,500	\$2,300	\$2,300	\$2,300
Total Major Road Fund		\$4,482,090	\$2,670,840	\$1,748,600	\$1,655,100	\$1,655,100		\$3,500	\$5,500	\$4,000	\$4,800	\$4,800	\$4,800
988000	LOCAL ROAD FUND Gardner Street Asphalt Paving - Ryan Road to Hampton Park (Project Pending)	325,000 LRF SAD (LRF)	50,000 275,000	50,000 275,000			LRF	1,000	1,000	0	0	0	0
988000	Dawn Drive Asphalt Paving - Van Dyke to Utica Road	60,000 LRF SAD (LRF)	10,000 50,000	0 0			LRF	500	500	500	500	500	500
988151	Neighborhood Road Asphalt Resurfacing Program Algonquin, Evergreen, Heidi, Juniper, Vineyards Blvd., Buckthorn Ct.	1,000,000 GF	575,000	350,000			LRF	1,000	500	0	0	0	0
988000	Faith, Gary, Tricia, Awdey, Morrison	GF/LRF			650,000	650,000	LRF	1,000	1,000	0	0	0	0
988163	Miscellaneous City-wide Concrete Replacement Program	1,500,000 LRF	750,000	752,000	750,000	750,000	LRF	0	0	0	0	0	0
988897	Lisa Marie Drive - Concrete Paving, Storm Sewer	235,000 LRF SAD (LRF)	119,920 105,120	200 0	125,000 110,000	0 0	LRF	0	0	0	500	500	500
Total Local Road Fund		\$3,120,000	\$1,935,040	\$1,427,200	\$1,635,000	\$1,400,000		\$3,500	\$3,000	\$500	\$1,000	\$1,000	\$1,000
988000	COMMUNITY DEVELOPMENT BLOCK GRANT FUND Upton House - Exterior Painting & Wood Repairs	14,000 CDBG			14,000	14,000	GF	200	200	0	0	0	0
Total C.D.B.G. Fund		\$14,000	\$0	\$0	\$14,000	\$14,000		\$200	\$200	\$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 2008/09	Council Approved Budget 2008/09	Proposed Method of Financing	Estimated Prior Yr. 2006/07	Estimated Current Yr. 2007/08	Budget Year 2008/09	Future Years		
			Budget 2007/08	Estimate 2007/08							2009/10	2010/11	2011/12
988000	CORRIDOR IMPROVEMENT AUTHORITY FUND												
	North Van Dyke CIA Improvements - Traffic Circle to City Limits Streetscape Project - (Phase I) (18) Respite Stations, Trees, Lighting, Receptacles	654,000 GRANT CIA (GF)	1,875,000 0 1,000,000	0 0	404,000 250,000	404,000 250,000	CIA	0	0	5,000	18,000	20,000	25,000
	988000	Façade Assistance Program	200,000 CIA (GF)		200,000	200,000	CIA	0	0	10,000	12,000	15,000	20,000
Total Corridor Imp. Authority Fund		\$854,000	\$2,875,000	\$0	\$854,000	\$854,000		\$0	\$0	\$15,000	\$30,000	\$35,000	\$45,000
971000	LAND & WATER CONSERVATION FUND												
	LAND ACQUISITION												
	City Property Building Demolition - 40202 Dodge Park Road	10,750 LWCF	10,750	10,750			GF	0	0	500	500	500	500
972000	LAND DEVELOPMENT												
	Miscellaneous Tree Planting - 2008: Delia Park 2009: Fire Stations #2, #3, #4	12,000 LWCF GRANT	6,000 6,000	0 0	6,000 6,000	6,000 6,000	GF GF	0 0	0 0	0 0	0 0	0 0	0 0
	972000	Replacement Divider Walls - Recreation Center	23,000 GF		23,000	23,000	GF	300	300	0	0	0	0
972000	Parking Lot & Drive Resurfacing - Beaver Creek Park	5,500 GF		5,500	5,500	GF	200	200	0	0	0	0	
972333	Ball Diamond Replacement Fencing - Delia Park - (Phase II)	63,320 GF/CPF	66,300	63,320			GF	0	0	0	0	0	
972333	Replacement Bleachers Tackle Football - Delia Park	48,500 GF			48,500	48,500	GF	0	0	0	0	0	
972334	Tennis Court Resurfacing - Washington Square Park	8,000 GF			8,000	8,000	GF	0	0	0	0	0	
Total Land & Water Conserv. Fund		\$171,070	\$89,050	\$74,070	\$97,000	\$97,000		\$500	\$500	\$500	\$500	\$500	\$500

CAPITAL IMPROVEMENTS

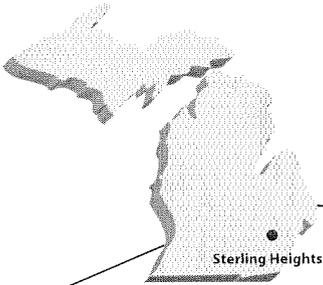
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Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Program 2008/09	Council Approved Program 2008/09	Proposed Method of Financing	Estimated Prior Yr. 2006/07	Estimated Current Yr. 2007/08	Program Year 2008/09	Future Years		
			Program 2007/08	Estimate 2007/08							2009/10	2010/11	2011/12
	WATER & SEWER IMPROVEMENT FUND												
	SANITARY SEWERS												
	Utica Road, East of Walnut Lane, Walnut Lane	370,000 W&S	370,000	370,000			W&S	0	0	500	500	500	500
	Maple Lane - 14 Mile Road to Volpe Road, East Side	195,000 W&S	195,000	0			W&S	0	0	0	0	0	0
	Moravian Road, South Side Hayes to East of 15 Mile Road	300,000 W&S	285,000	0	300,000	300,000	W&S	0	0	0	500	500	500
	Hayes Road - Moravian Road to Bartola Subdivision	152,000 W&S	145,000	0	152,000	152,000	W&S	0	0	0	300	300	300
	Utica Road - Hamilton East Drive to Irvial, East Side (including ROW)	420,000 W&S	420,000	420,000			W&S	0	0	600	600	600	600
	Utica Road - Plumbrook to Puritan, East Side (including ROW)	220,000 W&S	210,000	0	220,000	220,000	W&S	0	0	0	400	400	400
	Sanitary Sewer Repairs - Kidley Drive	25,000 W&S	25,000	25,000			W&S	200	200	0	0	0	0
	Clinton River Road - South of Canal	150,000 W&S	30,000	0	150,000	150,000	W&S	0	0	0	300	300	300
	Lisa Marie Drive	72,000 SAD W&S	33,120 36,320	0 0	34,000 38,000	0 0	W&S	0	0	0	100	100	100
	Wilshire Court	122,000 W&S	116,000	0	122,000	122,000	W&S	0	0	0	200	200	200
	Canal Road near Clinton River Road Sewer Repair	100,000 W&S	100,000	100,000			W&S	300	300	0	0	0	0
	Dodge Park Road - Utica Road to Metropolitan Parkway - ROW	150,000 W&S	150,000	0			W&S	0	0	0	0	0	0
	Schoenherr Road, East Side - Butler to the North	84,000 W&S	80,000	0	84,000	84,000	W&S	0	0	0	200	200	200
	Saal Road - North of Longview	170,000 W&S	169,000	70,000	100,000	100,000	W&S	0	0	300	300	300	300
	Mayhew Drive	240,000 W&S			240,000	240,000	W&S	0	0	0	400	400	400
	Harvey Court	180,000 W&S			180,000	180,000	W&S	0	0	0	300	300	300
	Clinton River Road - Kidley to Essen	160,000 W&S			160,000	160,000	W&S	0	0	0	300	300	300
	19 Mile Road at Fire Station #2 - Sanitary Sewer Repairs	45,000 W&S			45,000	45,000	W&S	200	200	200	0	0	0
	Total Sanitary Sewer	\$3,155,000	\$2,364,440	\$985,000	\$1,825,000	\$1,753,000		\$700	\$700	\$1,600	\$4,400	\$4,400	\$4,400

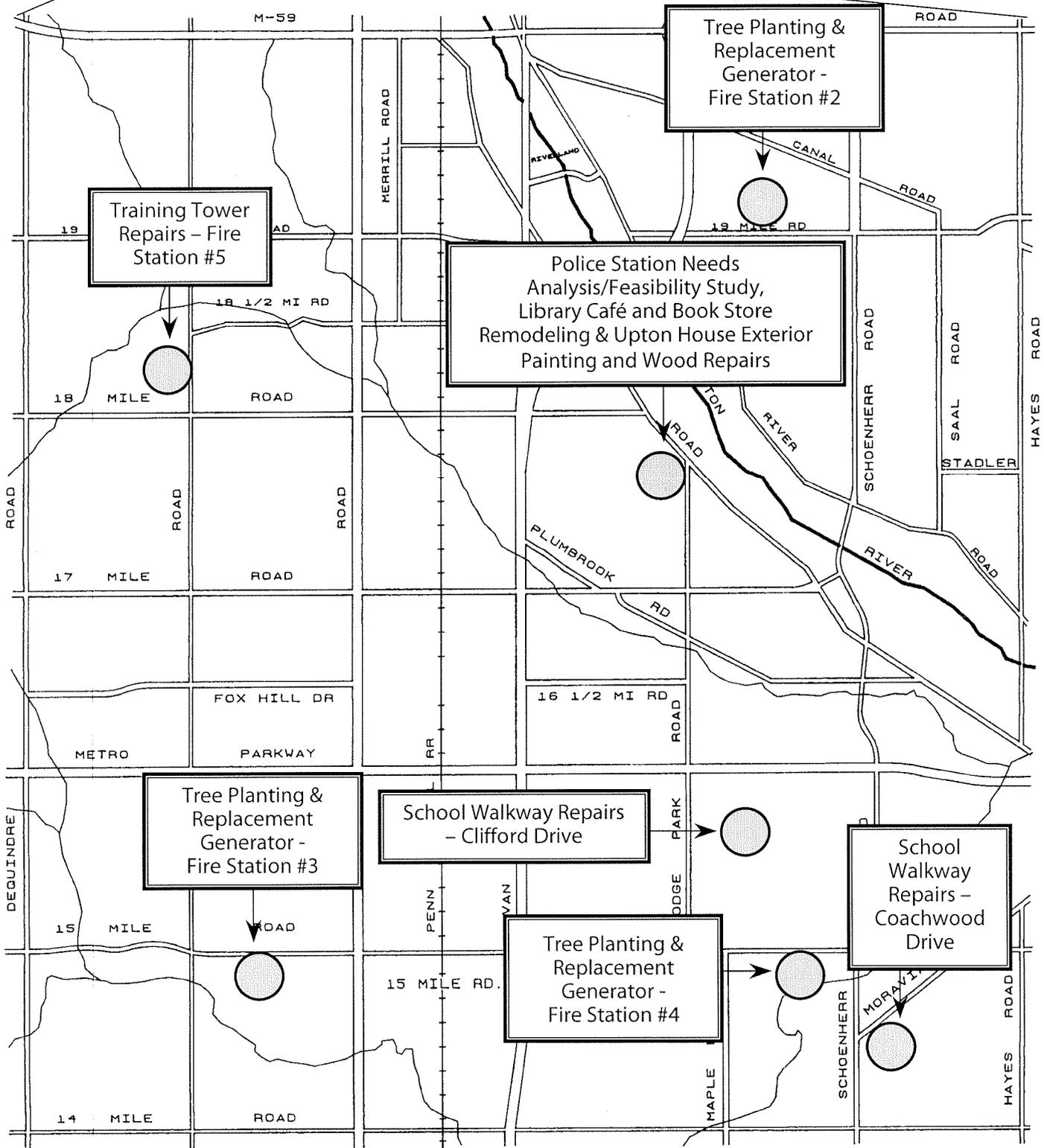
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Manager Recomm. Program 2008/09	Council Approved Program 2008/09	Proposed Method of Financing	Estimated Prior Yr. 2006/07	Estimated Current Yr. 2007/08	Program Year 2008/09	Future Years		
			Program 2007/08	Estimate 2007/08							2009/10	2010/11	2011/12
	WATER MAINS												
	Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad	575,000 W&S	551,000	0	575,000	575,000	W&S	0	0	0	600	600	600
	Dequindre & 14 Mile Road - Sections 30 & 31	2,415,000 W&S	2,300,000	0	2,415,000	2,415,000	W&S	0	0	0	2,000	2,000	2,000
	Mound Road - 17 Mile to 18 1/2 Mile Road	1,764,000 W&S	1,680,000	0	1,764,000	1,764,000	W&S	0	0	0	2,000	2,000	2,000
	Lisa Marie Drive	37,000 SAD W&S	13,660	0	14,000	0							
	17 Mile Road - Dodge Park Road to Theresa Court	130,000 W&S	130,000	130,000			W&S	0	0	300	300	300	300
	Total Water Mains	4,921,000	4,696,600	\$130,000	\$4,791,000	\$4,754,000		\$0	\$0	300	5,000	5,000	5,000
	GENERAL IMPROVEMENTS												
	Geographic Information System Pilot Program/System Enhancement	52,400 W&S	26,200	26,200	26,200	26,200	W&S	0	0	0	0	0	0
	Total General Improvements	\$52,400	\$26,200	\$26,200	\$26,200	\$26,200		\$0	\$0	\$0	\$0	\$0	\$0
	WATER & SEWER REPLACEMENT MAINS												
	Fire Hydrant Replacement Program - 10-30 Hydrants per year	30,000 W&S	15,000	15,000	15,000	15,000	W&S	300	300	300	300	300	300
	Defour Drive - Water Main Replacement	180,000 W&S			180,000	180,000	W&S	500	500	500	0	0	0
	Total Replacement Fund	\$210,000	\$15,000	\$15,000	\$195,000	\$195,000		\$800	\$800	\$800	\$300	\$300	\$300
	Total Water & Sewer Funds	\$8,338,400	\$7,102,240	\$1,156,200	\$6,837,200	\$6,728,200		\$1,500	\$1,500	\$2,700	\$9,700	\$9,700	\$9,700
	Total City Capital Improvements	\$40,135,340	\$25,081,040	\$15,176,650	\$12,381,300	\$12,037,300		\$470,800	\$812,400	\$1,354,450	\$1,569,750	\$1,601,750	\$1,638,750

2008/09 MUNICIPAL FACILITIES

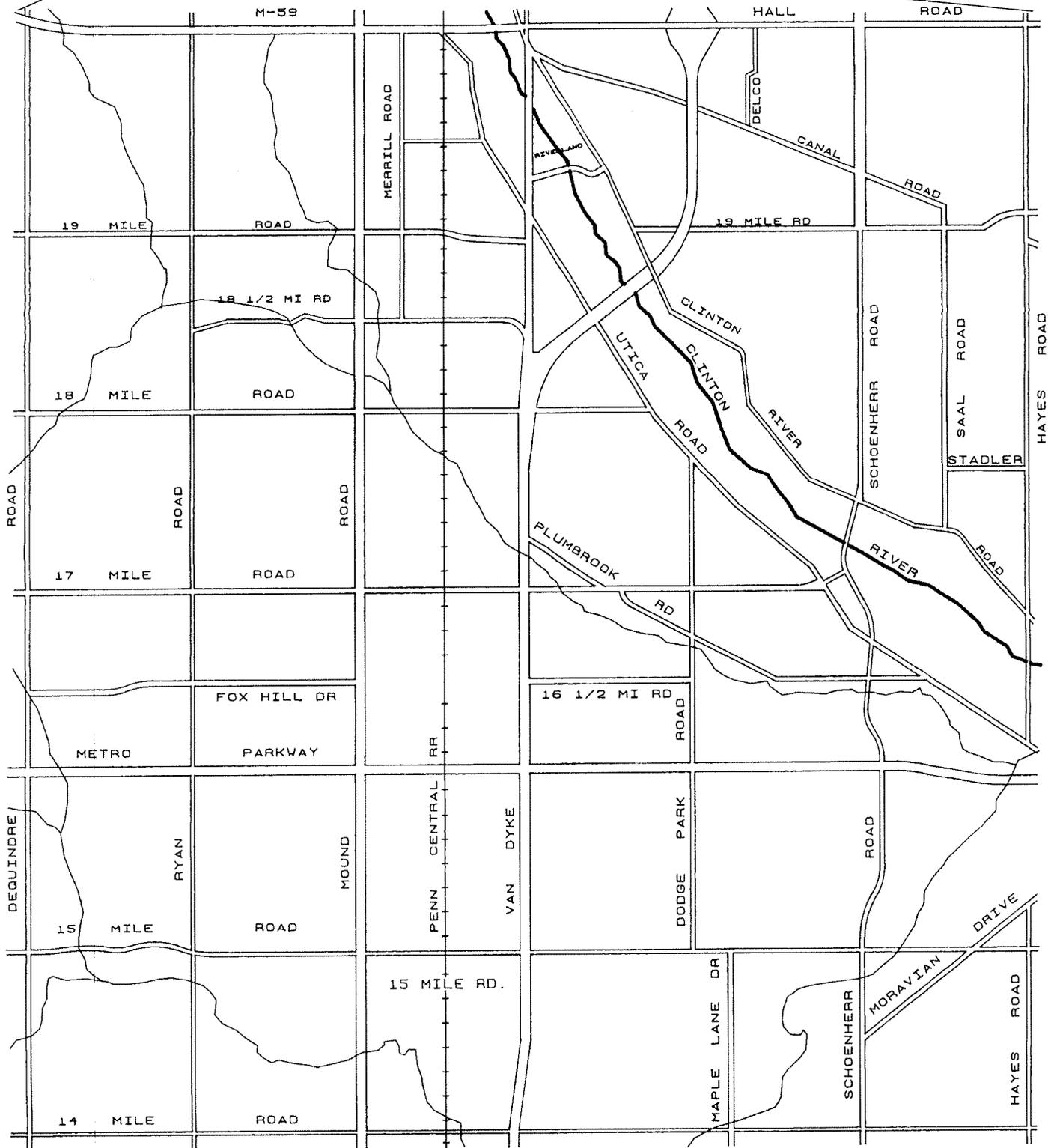


Miscellaneous City Sidewalk Repair
& Gap Completion Programs

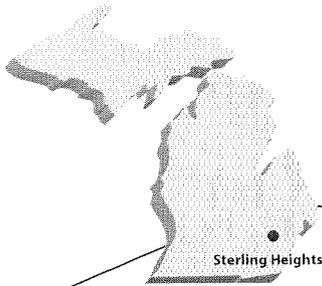


2008/09 STORM DRAINS

Storm Drain Maintenance - County



2008/09 MAJOR ROADS



Miscellaneous Traffic Signals & Ryan Road Signal Modernization (14, 15, & 17 Mile Roads)

19 Mile Road at Fire Station #2 - Bypass Lane & Storm Drain Enclosure

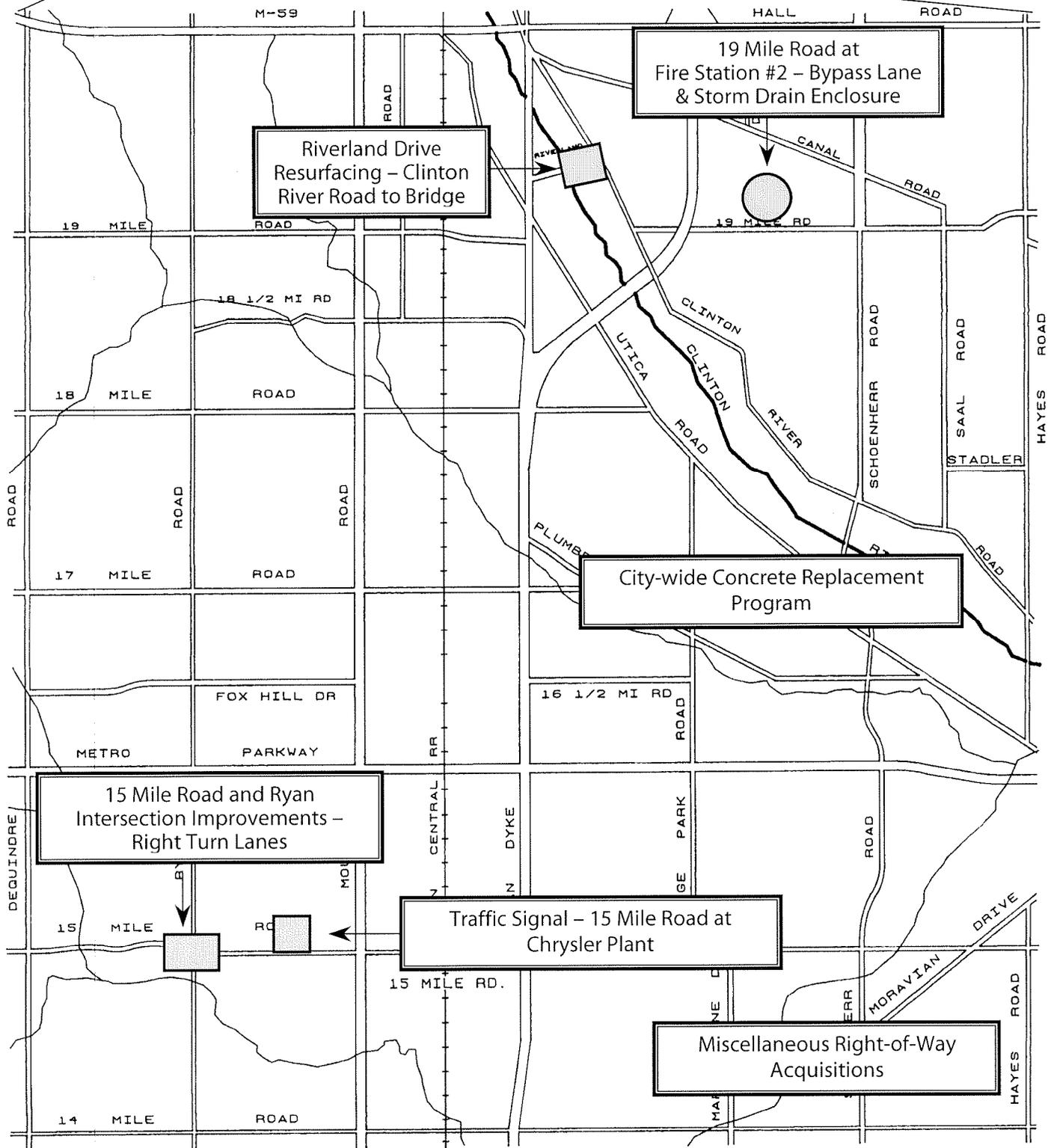
Riverland Drive Resurfacing - Clinton River Road to Bridge

City-wide Concrete Replacement Program

15 Mile Road and Ryan Intersection Improvements - Right Turn Lanes

Traffic Signal - 15 Mile Road at Chrysler Plant

Miscellaneous Right-of-Way Acquisitions



2008/09 COUNTY & STATE ROAD PLANS



Miscellaneous Traffic Signals & Schoenherr Signal Modernization (Moravian, 15 Mile Road, Canterbury)

North Van Dyke CIA Streetscape Improvements - Phase I & Façade Assistance Program

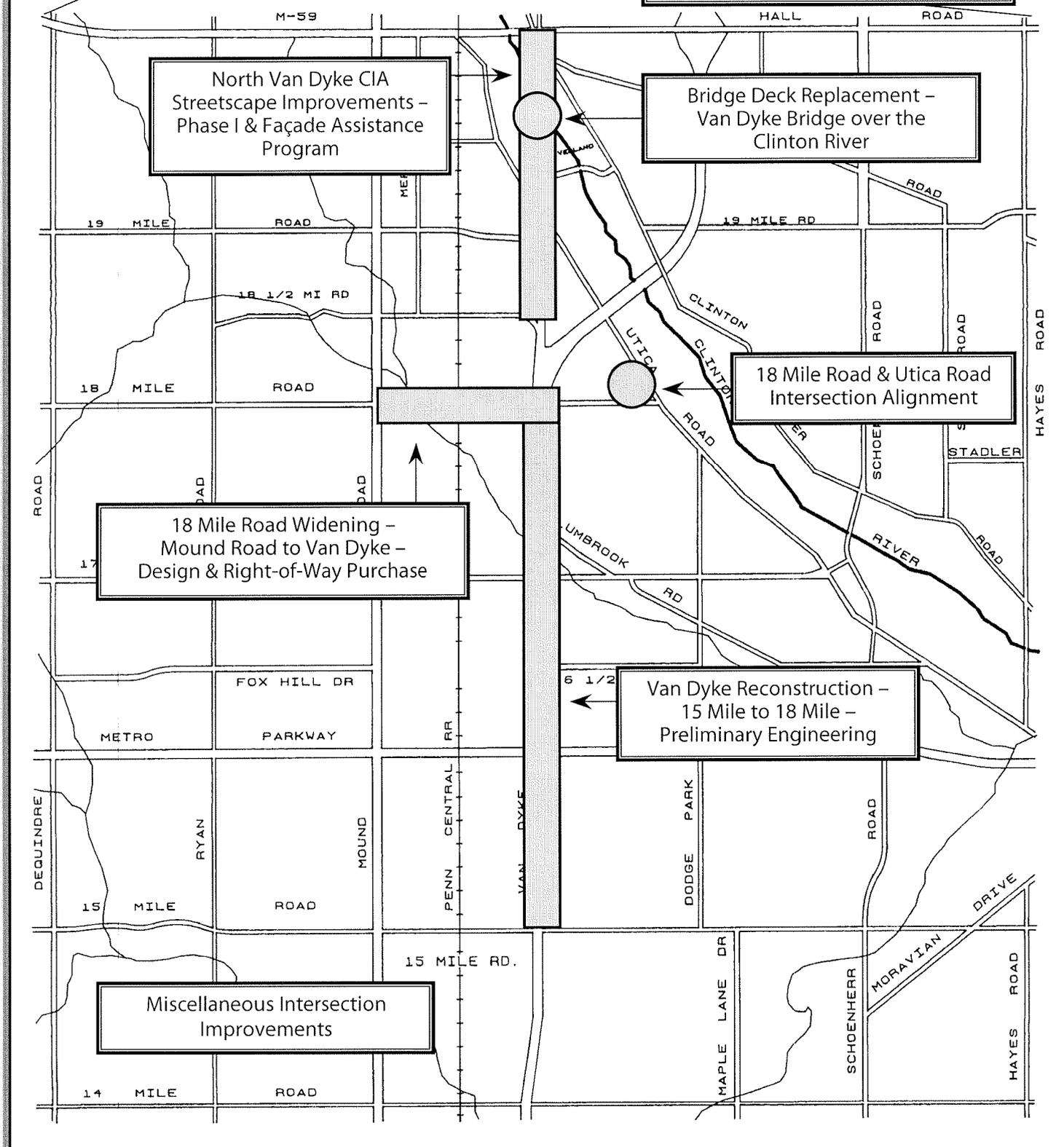
Bridge Deck Replacement - Van Dyke Bridge over the Clinton River

18 Mile Road & Utica Road Intersection Alignment

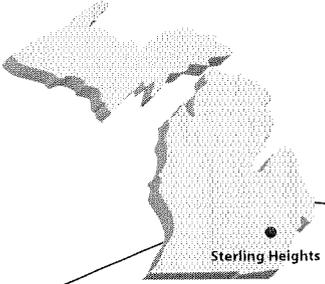
18 Mile Road Widening - Mound Road to Van Dyke - Design & Right-of-Way Purchase

Van Dyke Reconstruction - 15 Mile to 18 Mile - Preliminary Engineering

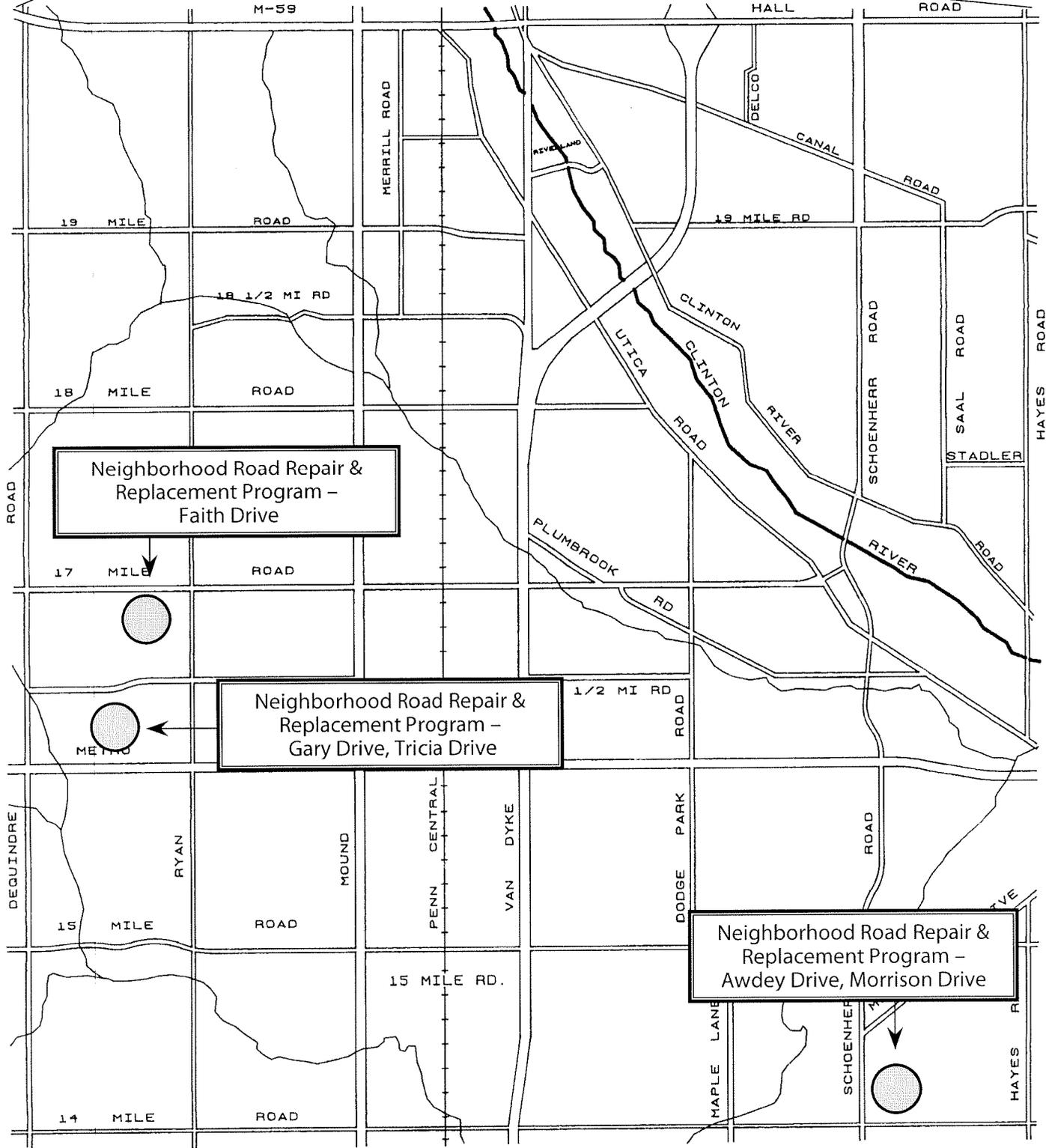
Miscellaneous Intersection Improvements



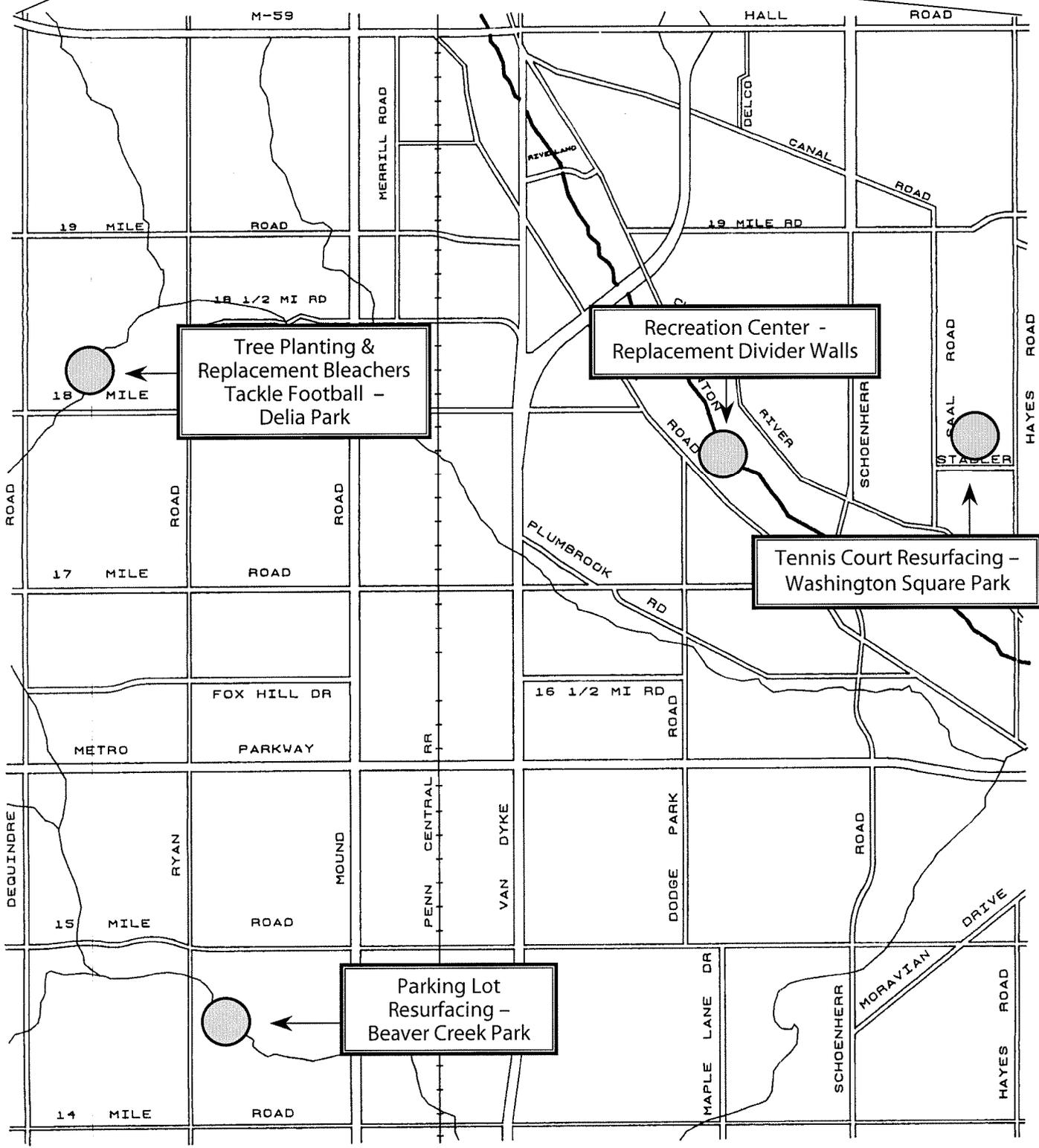
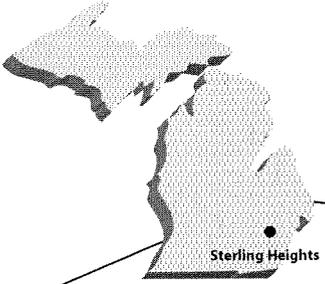
2008/09 LOCAL ROADS



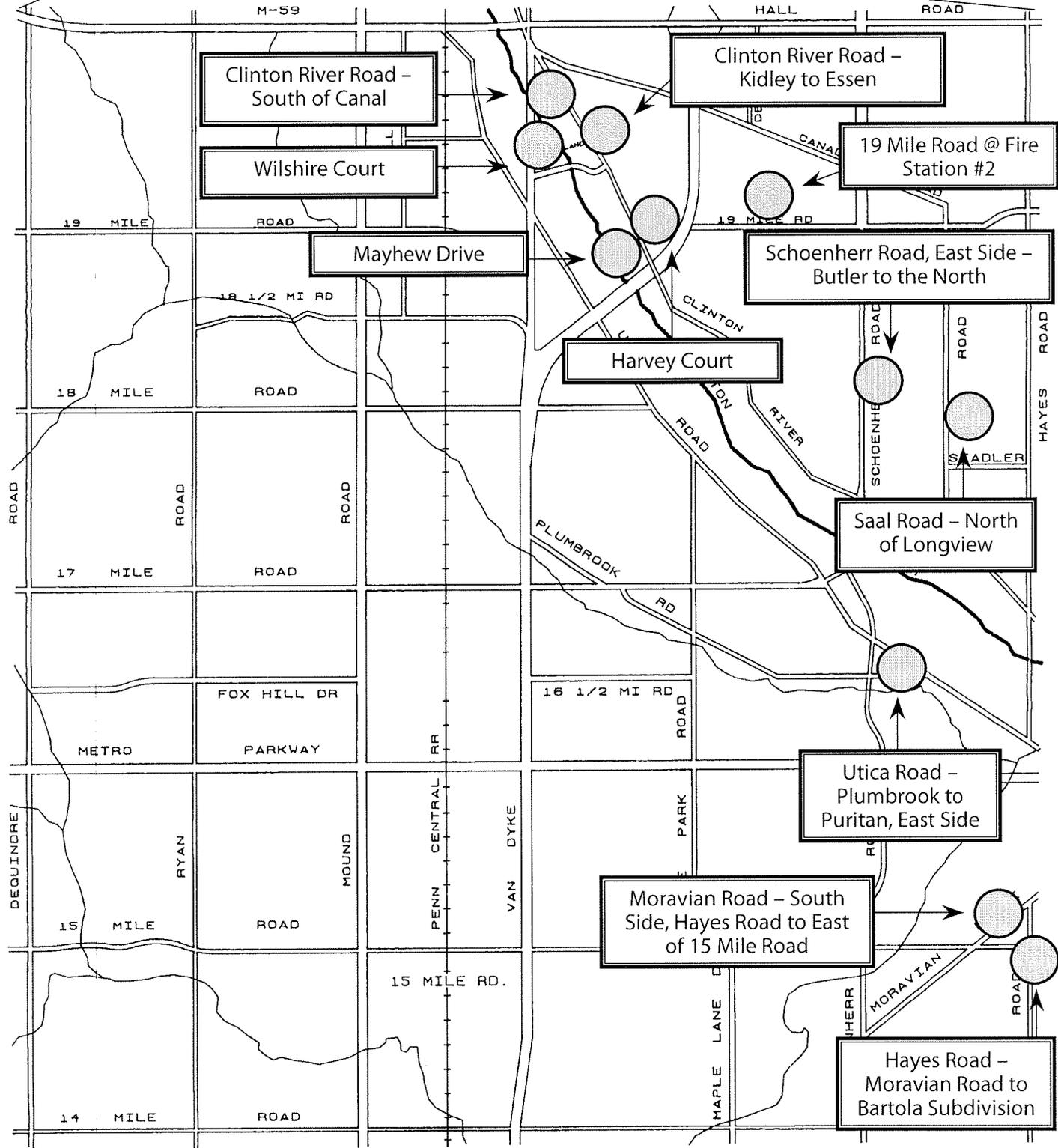
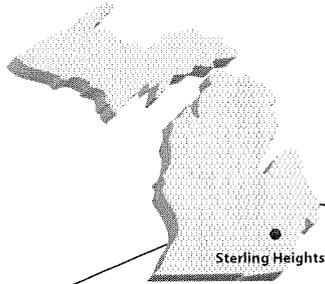
City-wide Concrete Replacement Program



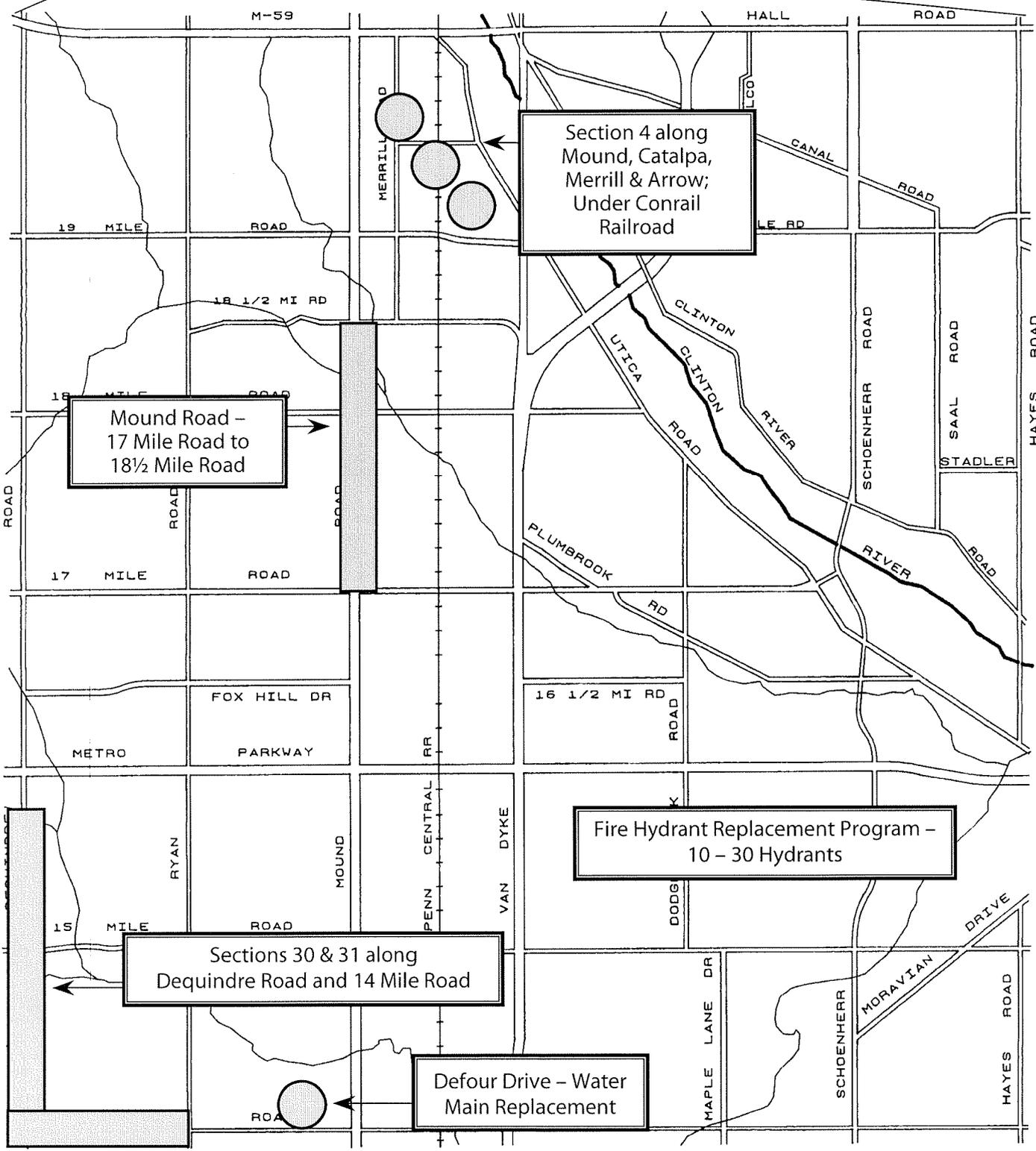
2008/09 MUNICIPAL PARKLANDS



2008/09 SANITARY SEWERS



2008/09 WATER MAINS



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	1998	1999	2000	2001	2002 (1)	2003	2004	2005	2006	2007
Revenues										
Property Taxes	\$38,377,602	\$39,847,195	\$41,266,995	\$42,155,402	\$44,773,685	\$46,791,310	\$48,495,510	\$50,357,630	\$52,574,000	\$55,624,617
Fees & Permits	1,927,254	1,950,414	1,855,159	2,253,273	1,916,542	2,036,864	2,318,120	2,012,360	1,986,333	1,784,156
Federal Sources	1,749,186	1,016,601	1,178,322	1,657,762	1,280,774	752,977	1,629,936	2,069,321	3,198,148	2,755,145
State & Local Sources	18,040,933	18,653,817	19,281,979	20,293,929	20,676,922	20,161,887	20,176,008	19,607,043	19,721,028	19,894,287
Fines & Forfeitures	2,608,848	2,776,653	2,798,853	2,781,114	2,299,389	2,587,756	3,069,824	2,995,613	2,890,745	2,563,520
Charges For Services	5,097,114	5,371,619	5,451,881	5,791,473	5,514,851	5,875,269	6,334,722	6,695,039	7,795,120	8,038,601
Interest Income	2,394,710	2,692,819	3,424,163	3,509,122	1,921,851	1,760,354	567,049	977,664	1,788,092	2,511,234
Special Assessments	437,830	443,641	319,727	164,086	179,973	68,497	372,917	73,776	28,017	130,082
Rental Income	944,852	1,075,936	1,035,063	1,240,272	1,047,761	1,253,148	1,298,796	1,566,845	1,357,037	1,443,651
Cable Revenue	673,080	868,817	972,802	1,264,214	1,302,183	1,120,768	1,224,778	1,319,937	1,371,831	1,527,988
Other	1,944,402	1,231,428	1,388,993	1,110,088	2,074,758	1,927,055	2,758,591	1,980,022	1,731,700	1,511,396
Total Revenues	74,195,811	75,928,940	78,973,937	82,220,735	82,988,689	84,335,885	88,246,251	89,655,250	94,442,051	97,784,677
Expenditures										
General Government	6,938,739	7,030,523	7,663,131	8,368,507	8,550,972	8,733,703	9,091,026	10,042,438	10,109,764	10,562,158
41A District Court	2,072,201	2,044,259	1,999,838	2,131,093	2,178,525	2,173,817	2,342,220	2,472,160	2,660,587	2,847,111
Public Safety	27,118,090	26,932,023	28,089,598	30,386,650	30,913,608	33,857,315	35,779,556	38,346,169	39,440,275	41,610,977
Public Works	14,503,055	14,885,110	15,456,764	16,492,407	16,910,029	18,334,751	18,280,775	21,418,948	18,545,503	18,734,562
Recreation & Culture	3,633,902	3,619,970	3,795,871	4,035,209	4,323,476	4,447,809	4,553,035	4,669,116	4,868,429	5,180,497
General Expenditures	2,313,442	2,438,087	2,505,031	2,454,301	2,539,196	2,771,249	3,388,336	2,651,054	3,555,955	3,791,084
Capital Outlay	11,658,975	12,500,787	18,815,645	14,107,920	13,053,333	11,763,846	13,041,634	12,476,405	10,576,821	14,756,585
Debt Service - Principal	4,106,116	4,857,770	5,299,440	5,667,440	5,051,381	4,466,382	4,436,681	5,056,539	5,030,000	14,000,000
Debt Service - Interest	1,980,260	1,975,190	1,994,942	2,380,172	2,243,791	1,968,669	1,827,203	2,334,584	2,479,375	2,336,756
Total Expenditures	74,324,780	76,283,719	85,620,260	86,023,699	85,764,311	88,517,541	92,740,466	99,467,413	97,266,709	113,819,730
Other Financing Sources										
Long-term Financing	4,811,775	9,120,500	7,859,080	4,421,872	1,725,000	4,916,772	30,355,000	13,720,000	0	7,900,000
Proceeds-Sale of Fixed Assets	0	0	0	0	1,338,442	0	0	476,081	550,074	0
Bond Premium	0	0	0	0	0	0	975,374	91,759	0	26,815
Payments to Escrow Agents	0	0	0	0	0	(4,916,772)	(5,075,000)	(8,511,067)	0	0
Transfers In	9,329,011	10,546,430	10,050,315	10,389,950	12,319,565	8,807,280	6,462,170	8,354,684	9,931,683	18,458,535
Transfers Out	(9,329,011)	(10,546,430)	(10,050,315)	(10,389,950)	(12,319,565)	(8,807,280)	(6,462,170)	(6,639,684)	(8,071,683)	(8,681,215)
Total Other Fin. Sources	4,811,775	9,120,500	7,859,080	4,421,872	3,063,442	0	26,255,374	7,491,773	2,410,074	17,704,135
Net Change in Fund Balance Before Extraordinary Items	4,682,806	8,765,721	1,212,757	618,908	287,820	(4,181,656)	21,761,159	(2,320,390)	(414,584)	1,669,082
Extraordinary Items	0	0	0	0	0	0	(25,000,000)	(6,000,000)	0	0
Net Change in Fund Balance	\$4,682,806	\$8,765,721	\$1,212,757	\$618,908	\$287,820	(\$4,181,656)	(\$3,238,841)	(\$8,320,390)	(\$414,584)	\$1,669,082

(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	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget
City Council	\$124,820	\$120,680	\$120,720	\$131,940	\$133,530	\$139,730	\$140,270
City Management	721,450	730,470	779,370	820,710	907,390	897,990	919,790
City Clerk	823,510	807,950	940,690	868,230	976,440	1,046,910	1,124,880
Facilities Maintenance	1,225,680	1,303,160	1,341,170	1,526,330	1,571,580	1,692,940	1,752,930
Assessing	681,760	717,560	1,087,380	886,120	821,610	848,390	874,980
Financial Services	981,620	1,025,590	1,075,920	1,128,160	1,202,740	1,285,410	1,335,700
Purchasing	288,440	297,190	316,250	326,680	341,700	358,350	372,210
Treasury	665,440	646,070	666,630	713,610	754,000	812,160	781,110
Act 78 - Civil Service Commission	8,750	26,190	11,930	35,490	18,350	39,850	15,700
Building Authority	380	510	380	400	400	400	430
General Employees Pension Board	399,740	514,610	576,680	635,270	671,580	704,040	118,650
Legal	663,460	576,740	656,150	706,800	730,200	730,000	757,000
Total City Administration Dept.	6,585,050	6,766,720	7,573,270	7,779,740	8,129,520	8,556,170	8,193,650
Parks & Recreation	2,161,920	2,165,260	2,195,030	2,314,150	2,428,270	2,571,840	2,646,050
Total Parks & Recreation Dept.	2,161,920	2,165,260	2,195,030	2,314,150	2,428,270	2,571,840	2,646,050
Police Administration	2,394,110	2,484,860	3,940,350	4,050,940	3,950,150	2,849,710	2,991,490
Police Investigations	4,058,990	1,783,260	2,694,650	3,337,330	3,863,410	5,259,850	5,627,640
Police Operations	14,303,650	16,051,110	15,168,690	14,662,390	15,610,640	16,508,950	17,585,730
Police Support Services	1,083,020	2,756,790	2,896,830	3,026,730	3,234,570	3,456,470	3,478,300
Total Police Department	21,839,770	23,076,020	24,700,520	25,077,390	26,658,770	28,074,980	29,683,160
Fire Administration	1,084,110	1,053,610	1,081,970	1,152,080	1,251,700	1,231,400	1,365,960
Fire Extinguishment	10,045,670	10,759,740	11,494,370	11,811,670	12,422,880	13,305,840	14,270,300
Fire Prevention	887,760	890,180	1,069,310	1,007,800	1,053,420	1,097,100	1,041,150
Emergency Management	122,740	190,070	192,530	125,790	99,970	137,240	137,660
Total Fire Department	12,140,280	12,893,600	13,838,180	14,097,340	14,827,970	15,771,580	16,815,070
Building	1,267,100	1,396,070	1,904,890	1,929,030	2,100,770	2,218,910	2,240,900
Economic Development	0	0	0	52,540	136,930	153,350	156,070
Information Technology	785,560	868,970	883,050	906,720	973,220	1,076,020	1,080,270
Planning	871,560	822,880	339,640	347,030	341,600	373,630	341,130
Public Services	292,120	334,110	384,870	392,520	272,360	284,280	302,770
Planning Commission	16,440	12,930	8,280	9,260	7,440	10,790	10,390
Zoning Board of Appeals	11,380	9,120	8,110	7,060	6,630	9,100	8,120
Total City Development Dept.	3,244,160	3,444,080	3,528,840	3,644,160	3,838,950	4,126,080	4,139,650

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2002/03 Actual	2003/04 Actual	2004/05 Actual	2005/06 Actual	2006/07 Actual	2007/08 Budget	2008/09 Budget
Engineering	1,738,620	1,793,290	1,829,900	1,843,940	1,755,930	1,889,460	1,793,770
Fleet Maintenance	1,767,860	1,880,350	2,231,510	2,331,180	2,472,330	2,418,480	2,643,610
Parks & Grounds Maintenance	1,254,140	1,256,910	1,287,290	1,317,990	1,390,520	1,425,360	1,350,530
Public Works Center	457,530	458,060	507,670	513,650	518,510	571,810	653,070
Street Services	1,441,110	1,640,170	1,850,310	1,727,410	1,857,130	1,958,870	1,989,210
Total Public Works Department	6,659,260	7,028,780	7,706,680	7,734,170	7,994,420	8,263,980	8,430,190
Refuse Collection	4,658,800	4,659,240	4,853,150	4,028,320	4,089,430	4,402,600	4,504,790
Total Refuse Collection	4,658,800	4,659,240	4,853,150	4,028,320	4,089,430	4,402,600	4,504,790
Library	2,283,950	2,386,450	2,471,890	2,552,980	2,750,980	2,798,180	2,869,750
Historical Commission	1,940	1,330	2,190	1,300	1,250	1,360	1,380
Total Public Library Department	2,285,890	2,387,780	2,474,080	2,554,280	2,752,230	2,799,540	2,871,130
Community Relations	1,220,980	1,244,000	1,386,740	1,408,370	1,452,190	1,600,310	1,717,240
Beautification Commission	3,270	3,130	2,160	2,680	2,350	2,490	2,490
Cultural Commission	11,380	14,100	330	7,470	410	350	350
Telecommunications Commission	4,730	4,030	4,360	4,780	4,470	150	0
Total Community Relations Dept.	1,240,360	1,265,260	1,393,590	1,423,300	1,459,420	1,603,300	1,720,080
41-A District Court	2,173,820	2,342,220	2,472,160	2,660,590	2,847,110	3,008,790	3,145,260
General Expenditures	2,665,340	2,825,010	2,639,270	3,546,140	3,698,840	3,038,270	2,888,640
Transfers Out	5,414,890	2,752,040	2,360,090	4,127,270	4,050,620	3,952,760	3,801,150
Total Expenditures & Uses	71,069,540	71,606,010	75,734,860	78,986,850	82,775,550	86,169,890	88,838,820
Extraordinary Items	0	25,368,270	6,000,000	0	0	0	0
Total General Fund Expenditures	\$71,069,540	\$96,974,280	\$81,734,860	\$78,986,850	\$82,775,550	\$86,169,890	\$88,838,820

**GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
AND OTHER FINANCING USES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Reserved Fund Balance	Unreserved Fund Balance	Annual Expenditures & Other Uses	Unreserved Balances as % of Expenditures & Other Uses
1998	613,308	14,482,786	59,074,524	24.52%
1999	581,251	16,687,536	60,994,024	27.36%
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%

**ASSESSED & ESTIMATED ACTUAL VALUATION
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Assessed Valuation (1)	Personal Assessed Valuation (1)	Total Valuation	Percent of True Value (2)
1998	2,671,587,302	790,037,000	3,461,624,302	50%
1999	2,826,351,500	874,346,800	3,700,698,300	50%
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%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 1997 TVs (stated above in the 1998 row) were used to generate tax revenue for the year ended June 30, 1998.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

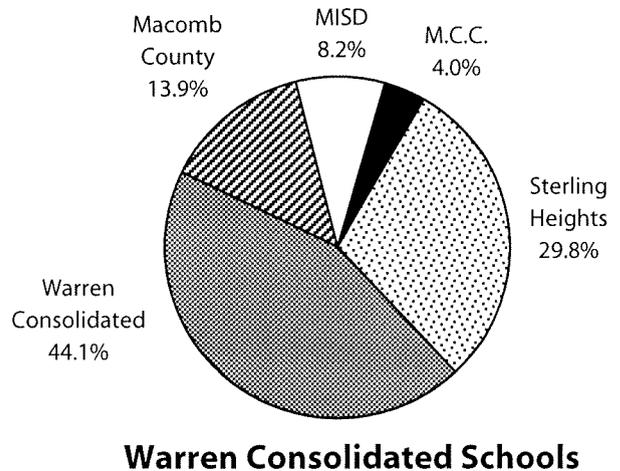
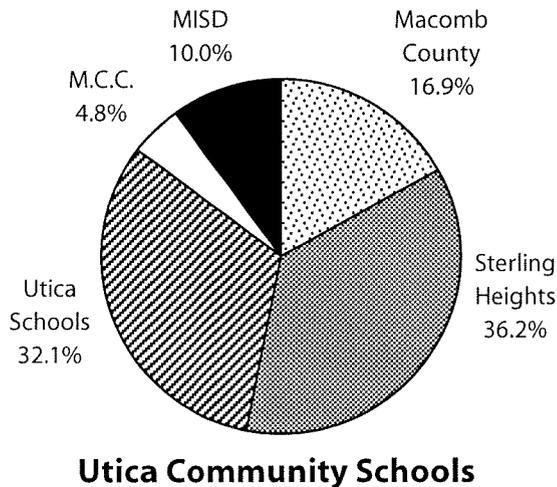
HOMESTEAD PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF TAXABLE VALUATION)

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
City of Sterling Heights										
Operating (1)	8.60204	8.47965	8.26879	8.08550	8.43430	8.29230	8.19630	8.09570	8.76420	8.97760
Refuse	1.03121	1.00665	1.04657	1.07470	1.04670	1.05870	1.06960	1.10550	0.82660	0.81420
Police & Fire Pension	0.96462	0.70797	0.56364	0.56070	0.37610	0.62400	0.78090	0.89050	0.60490	0.51180
Public Improvements	0.66067	0.73343	0.79958	0.78840	0.48590	0.32860	0.24160	0.23170	0.18800	0.18750
Drain	0.21146	0.29230	0.29142	0.21070	0.30700	0.32640	0.33660	0.30160	0.24130	0.23390
Total	11.47000	11.22000	10.97000	10.72000	10.65000	10.63000	10.62500	10.62500	10.62500	10.72500
Overlapping Governments										
Macomb County	4.20800	4.20800	4.20800	4.20700	4.20600	4.20580	4.20580	4.20580	4.20580	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	9.82660	9.77760	9.34560	8.81630	8.89710	10.96260	10.68060	10.04260	9.99300	9.82940
State Education	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	5.00000	6.00000	6.00000	6.00000
Macomb Comm. College	1.65390	1.61340	1.58400	1.51400	1.67070	1.69250	1.58590	1.50020	1.42120	1.42120
M.I.S.D.	2.03670	2.03630	2.02100	2.02100	2.00330	2.98630	2.97290	2.96150	2.94300	2.94300
Huron/Clinton Metro Auth.	0.22360	0.22350	0.22180	0.22020	0.22020	0.21700	0.21610	0.21540	0.21460	0.21460
S.M.A.R.T.	0.33000	0.32990	0.32730	0.32730	0.32730	0.60000	0.59730	0.59490	0.59120	0.59000
Total										
Utica Schools (2)	29.42220	29.13110	28.83210	28.50950	28.57750	29.83160	28.70300	29.60280	29.50080	29.59930
Warren Schools (2)	35.74880	35.40870	34.67770	33.82580	33.97460	37.29420	35.88360	36.14540	35.99380	35.92870

(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, 2007.

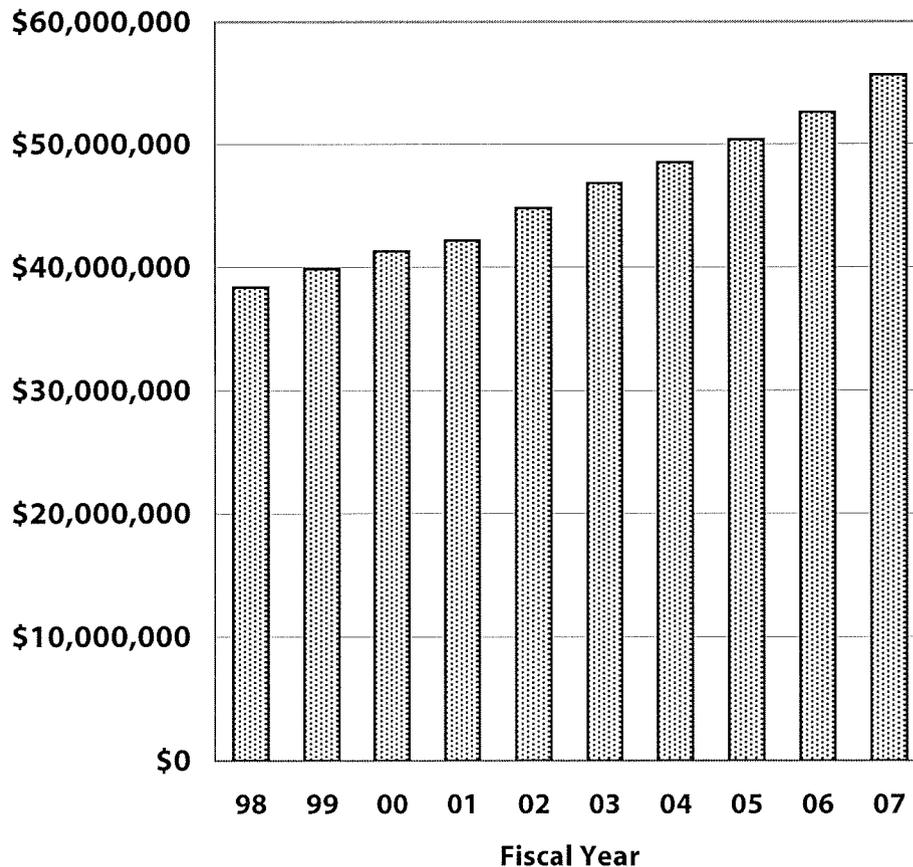
City of Sterling Heights 2006/07 Distribution of Homestead Taxes



GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Property Taxes				Debt Service Funds Property Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Total	General Drain	RS&T Debt Service	Total	
1998	28,788,728	3,451,184	3,228,325	35,468,237	706,307	2,203,057	2,909,364	38,377,601
1999	30,117,888	3,575,404	2,514,557	36,207,849	1,036,993	2,602,354	3,639,347	39,847,196
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

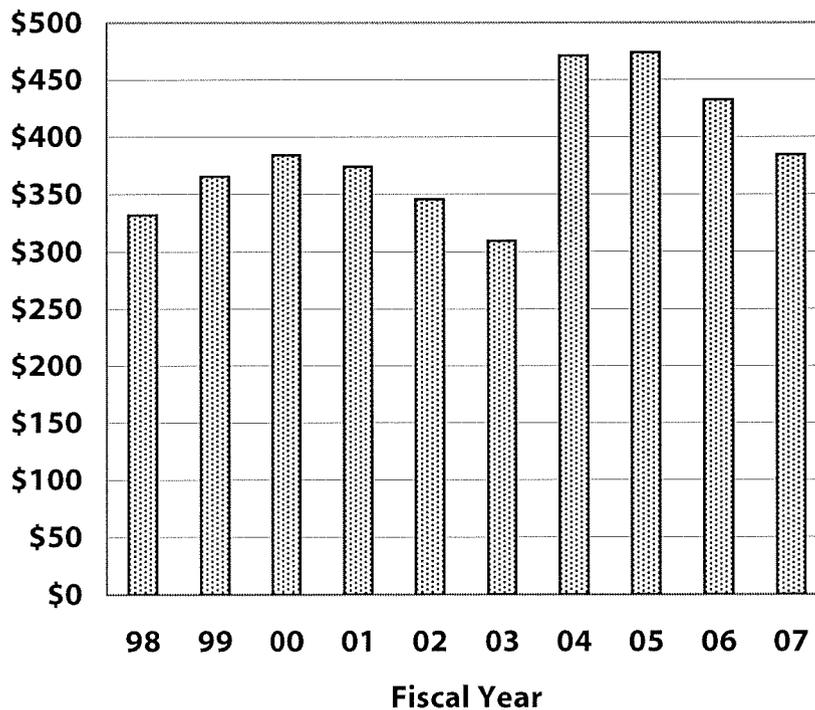
Property Tax Revenue



RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities	Primary Government	Percentage of Personal Income	Pop.	Debt Per Capita
	General Obligation Bonds	Michigan Transport. Bonds	Special Assessment Bonds	County Issued Bonds	Special Assessment Bonds	Outstanding Debt Total			
1998	17,961,770	14,450,000	1,490,000	6,883,858	-	40,785,628	N/A	122,900	331.86
1999	17,510,000	18,885,000	1,340,000	7,392,862	-	45,127,862	N/A	123,530	365.32
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

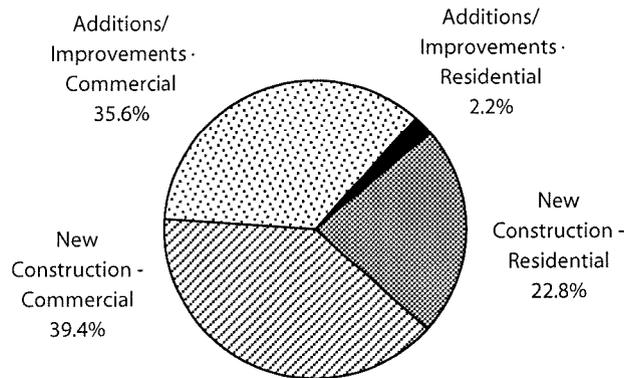
Outstanding Debt Per Capita



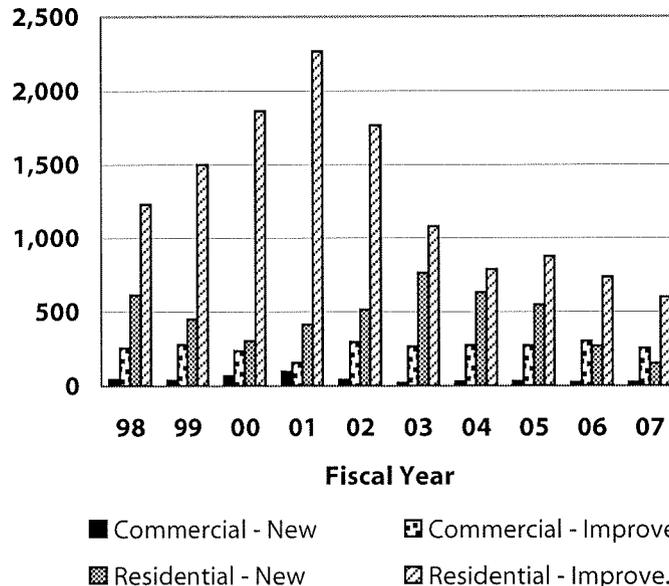
BUILDING PERMITS AT MARKET VALUE LAST TEN FISCAL YEARS

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	
1998	613	70,925,657	1,229	5,018,127	75,943,784	43	28,833,159	255	21,239,729	50,072,888
1999	450	55,025,833	1,499	5,170,833	60,196,666	36	39,098,478	277	22,097,699	61,196,177
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

Market Value of 2007 Building Permits



Building Permits



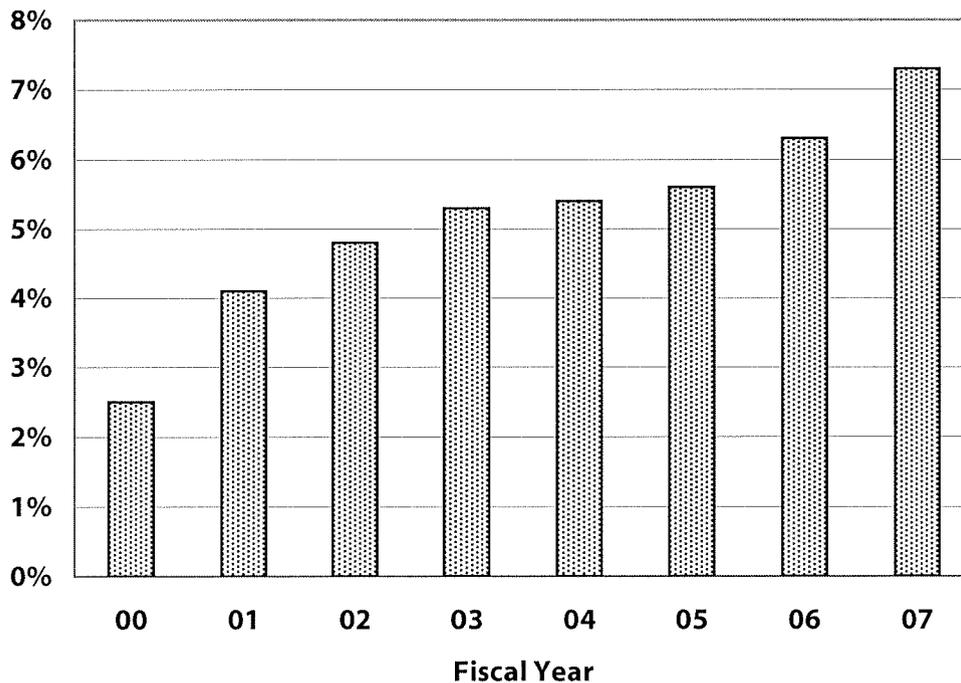
DEMOGRAPHIC AND ECONOMIC STATISTICS LAST EIGHT FISCAL YEARS

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 (2)	37	84.0%	23.0%	\$24,958	3,106,547	45,594	62,274	2.5%
2001	125,140 (1)	N/A	N/A	N/A	N/A	3,123,244	46,072	62,274	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%

Sources:

- (1) City of Sterling Heights
- (2) United States Census Bureau - 2000 Census (last reported)
- (3) Southeast Michigan Council of Governments (SEMCOG)
- (4) Michigan Department of Labor and Economic Growth

City of Sterling Heights Unemployment Rate

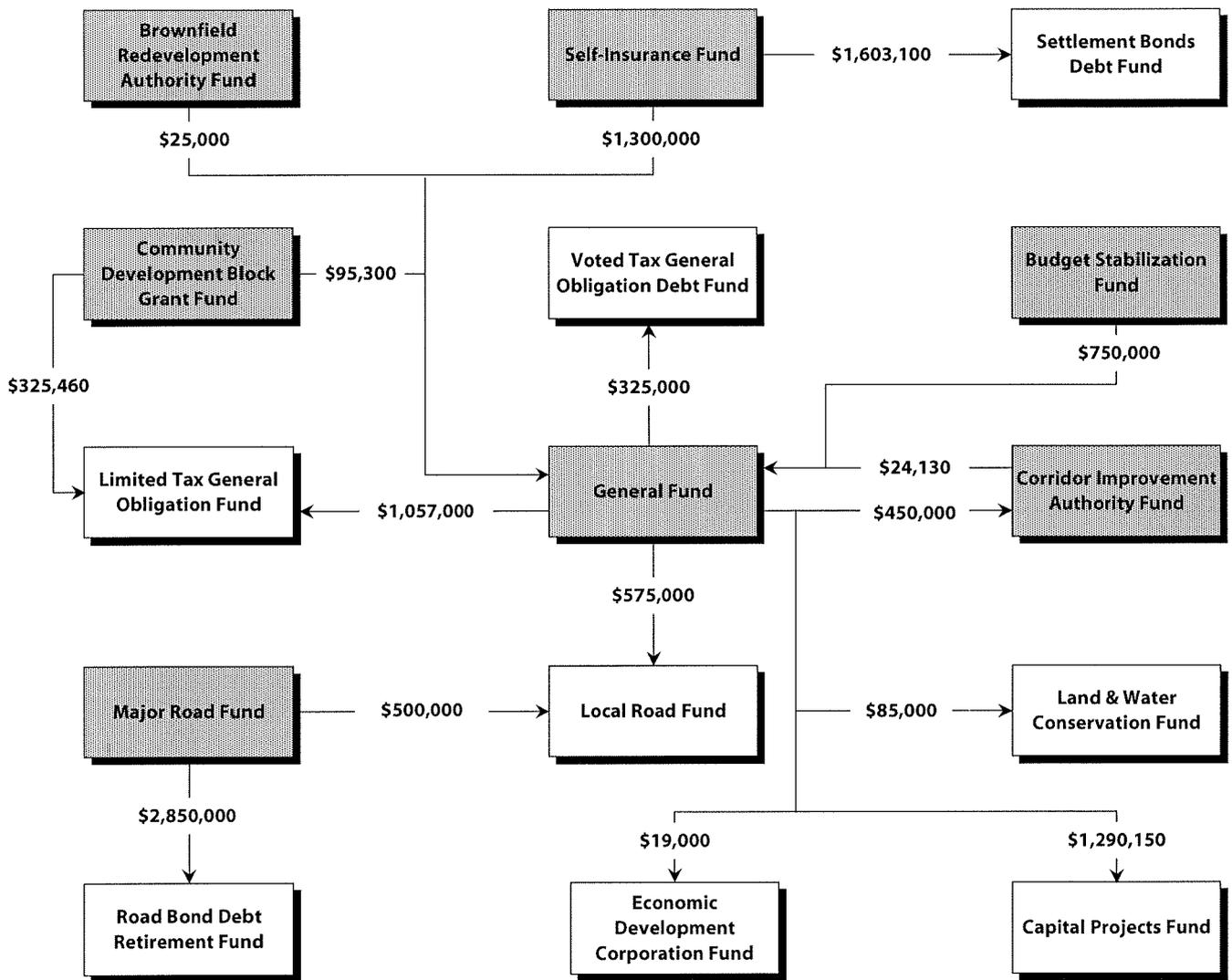


Account	Description	2008/09 Budget
General Fund		
574000	State Revenue Sharing	\$10,600,000
581001	SMART funding for senior citizen and special recreation transportation services	291,500
587001	Library funding from State assessed penal fines	140,000
569001	State funding to reimburse City for Judges salaries	137,170
583000	State funding for portion of cost of Police Officer assigned to Macomb Auto Theft Squad	86,880
567001	State Aid for Library services	80,780
539302	State funding for Police training	45,000
543426	State funding for portion of cost of Emergency Manager position	36,000
585000	Reimbursement of Police OT resulting from federal task force operations	16,000
544000	State revenue assistance for drunk driving 41-A District Court cases	14,000
539332	State funding for Dispatcher training	12,000
539002	Federal MCACA grant for Sterlingfest	7,000
529000	Federal MCACA grant for Sterlingfest	900
	Total General Fund	11,467,230
Major Road Fund		
546000	State Gas & Weight Tax	4,975,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	225,000
529000	Federal reimbursement for 19 Mile Road widening from Mound Road to Ryan Road	113,960
529000	Grant funding to replace emerald ash borer infested trees	20,000
	Total Major Road Fund	5,333,960
Local Road Fund		
546000	State Gas & Weight Tax	1,860,000
539348	State funding from telecommunication provider fees for use of City's rights-of-way	85,000
	Total Local Road Fund	1,945,000
Community Development Block Grant Fund		
529000	Federal funding for CDBG programs	671,520
Corridor Improvement Authority Fund		
529000	Federal ISTEA grant for corridor improvement authority projects	404,000
Land & Water Conservation Fund		
539002	Detroit Edison State tree funding grant	3,000
Capital Projects Fund		
539378	State funding from cell phone surcharges for enhancing police communication centers	120,000
529000	Federal reimbursement for Jaycee Park storm sewer outlet repair	40,000
	Total Capital Projects Fund	160,000
	Total State & Federal Revenue	\$19,984,710

NOTE: The 2008/09 budget figures include funding from Federal, State, and Local Grants, Highway and Street Grants, and State Revenue Sharing.

2008/09 Interfund Transfers

The following flowchart illustrates the transfer of monies between 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.



2008/09 BUDGET

Activity Name							Activity
Police & Fire Pension Board							2380
Account Number	Account Name	2006/07 Actual	2007/08 Budget	2007/08 To 12/31	2007/08 Estimate	2008/09 Budget	
	Supplies						
729.000	Postage	\$99	\$450	\$333	\$450	\$450	
730.000	Publications	249	350	0	350	350	
751.000	Operating Supplies	173	300	116	300	500	
758.000	Computer Software	139	500	0	500	500	
	Total Supplies	660	1,600	449	1,600	1,800	
	Other Charges						
802.000	Audit & Accounting Services	14,873	15,000	7,092	15,000	15,300	
806.000	Legal Services	9,711	7,000	5,007	10,000	10,000	
807.000	Medical Services	0	1,000	0	0	1,000	
826.000	Other Contracted Services	1,106,579	1,150,000	569,014	1,150,000	1,173,000	
903.000	Printing	330	200	0	350	350	
922.000	Telephone	364	360	195	390	400	
956.000	Local Meetings	0	200	19	100	100	
957.000	Memberships & Dues	200	200	150	200	200	
959.000	Education & Training	11,219	19,000	5,406	12,500	19,000	
	Total Other Charges	1,143,276	1,192,960	586,883	1,188,540	1,219,350	
	Capital Outlay						
979.000	Computer Equipment	0	1,000	394	1,000	2,000	
	Total Capital Outlay	0	1,000	394	1,000	2,000	
Total Activity		\$1,143,936	\$1,195,560	\$587,726	\$1,191,140	\$1,223,150	

NOTE: The "2006/07 Actual" & "2007/08 to 12/31" columns are rounded to the nearest dollar.

<u>NAME</u>	<u>CONTRACT EXPIRATION DATE</u>	<u>NUMBER OF BUDGETED EMPLOYEES</u>
<u>Union Employees</u>		
Technical/Office Union, Michigan Association of Public Employees (MAPE)	06/30/12	109
MAP Police Clerical Employees Association	06/30/11	27
POAM Dispatchers Unit	06/30/12	23
DPW Field, Teamsters, Local 214	06/30/12	69
DPW Supervisors, AFSCME, Local 1917	06/30/12	9
Sterling Heights Fire Fighters, Local 1557	06/30/12	100
Michigan Association of Police Officers	06/30/11	133
Sterling Heights Police Command Officers	06/30/12	37
AFSCME Local 1884, Council 25	06/30/11	23
UAW Supervisory Employees Unit 41, Local 412	06/30/12	22
UAW Professional & Technical Employees Unit 40, Local 412 (includes Part-time)	06/30/13	59
Sterling Heights Executive Employees Union – Michigan Association of Public Employees	06/30/13	7
<u>Non-Union Employees</u>		
Ordinance Employees	N/A	1
41-A District Court Judges	N/A	3
41-A District Court Administration	N/A	10

Population ¹

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	\$201,600
Total Housing Units	51,855
Houses.....	34,265
Condominiums	6,608
Apartments.....	9,280
Mobile Homes	1,702

Major Employers

Company/Employees

DaimlerChrysler	6,875
Utica Community Schools.....	4,150
Lakeside Mall.....	2,500 – 4,000
Warren Consolidated Schools	2,200
General Dynamics	1,425
Ford Motor Company	1,250
The Detroit News.....	1,200
MNP Corporation	580
Cadillac Products, Inc.....	750
City of Sterling Heights	637

Employment Status ¹

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 ¹

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 ¹

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 ¹

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	60
Secondary.....	289
Estimated Sidewalks in Miles	608
Bridges	11
Street Lights	2,513

Police Protection

Group A offenses ²	7,873
Group B offenses ³	4,491
Injury Accidents	806
Property Damage	3,415
Private Property Damage	1,322
Total Traffic Violations	29,166
Civil Infractions.....	26,582
Parking Violations.....	2,016
Adult Arrests.....	3,326
Juvenile Arrests	251
OUIL Arrests.....	328

Fire Protection

Stations	5
Emergency Alarms Answered	10,261
Medical Emergencies	7,493
Fire Inspections Conducted.....	4,624
Inspection Violations Issued	10,292
Training Hours Completed.....	33,538

41-A District Court

Cases Handled:	
Civil	3,239
Criminal	4,532
Traffic	27,143
Landlord & Tenant.....	2,433
Small Claims	432

Election Data

Registered Voters	83,911
Voters at Polls	34,405
Absentee Ballots	11,904
Percent Voting.....	55.37%

Parks & Recreation

Acres.....	820
Developed Parks	28
Adult Athletics Attendance	18,782
Youth Athletics Attendance	53,978

Instructional Swim Attendance.....	9,386
Instructional Rec. Attendance.....	26,567
Nature Program Attendance	24,582
Senior Program Attendance	109,528
Special Event Attendance.....	73,000
Summer Playground Attendance.....	11,025
Special Rec. Program Attendance	14,878

Library

Registered Borrowers.....	50,599
Book Collections	199,164
Other Collections ⁴	24,820
Items Circulated	635,425
Reference Transactions	132,557
Program Attendance.....	25,470
Library Visits.....	420,716
Interlibrary Loan Requests	120,393
Book Van Deliveries	11,242
Online Computer Users.....	492,979

Water & Sewer Services

Customers:	
Residential.....	35,021
Commercial/Industrial	4,477
Miles of Water Mains	570
Miles of Sanitary Sewers.....	429
Fire Hydrants	7,050
Water (in thousand cubic feet):	
Purchased from Detroit.....	811,686
Sold to Residents	789,033
Rates:	
1,000 Cubic Feet (water and sewer).....	\$28.64
Sewer Only – Per Billing.....	\$25.00

¹ Source: U.S. Census Bureau, Census 2000

² Murder, criminal sexual conduct, robbery, aggravated assault, burglary, larceny, arson, motor vehicle theft, damage to property, retail fraud, etc.

³ Disorderly conduct, assault, family trouble, negligent homicide, obstructing justice, OUIL, etc.

⁴ Art prints, audio/video cassettes, compact discs, software discs, puppets, and posters.

**CITY OF STERLING HEIGHTS
MACOMB COUNTY, MICHIGAN
ORDINANCE NO. 395**

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 2008/09; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2008/09; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2008/09.

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, 2008 through June 30, 2009. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2008/09.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

General Ad Valorem Tax	\$49,265,210	
Licenses and Permits	1,356,400	
State and Local Returns	11,467,230	
Fines and Forfeitures	2,747,000	
Charges for Services	7,878,010	
Other Revenue	3,527,760	
Cable Revenue	1,525,000	
Use of Fund Balance	<u>1,803,400</u>	

Total General Revenue 79,570,010

Refuse Tax	4,480,190	
Fire & Police Pension Tax	<u>2,594,190</u>	
Total Refuse and Pension Tax		<u>7,074,380</u>
Total Revenues		86,644,390

OTHER FINANCING SOURCES

Transfers In	<u>2,194,430</u>	
Total Other Financing Sources		<u>2,194,430</u>

Total Revenues & Other Financing Sources \$88,838,820

and does hereby designate \$49,061,210 to be raised by 9.1777 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 \$2,594,190 to be raised by 0.4853 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 \$4,480,190 to be raised by 0.8381 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 city taxes, charges and assessments returned to the County Treasurer upon any delinquent tax roll, a charge of three percent (3%) shall be added and the same shall be collected by the County Treasurer in like manner as and together with the taxes, charges and assessments so returned.

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

City Administration Department	\$8,193,650	
Parks & Recreation Department	2,646,050	
Police Department	29,683,160	
Fire Department	16,815,070	
City Development Department	4,139,650	
Public Works Department	8,430,190	
Refuse Collection	4,504,790	
Public Library Department	2,871,130	
Community Relations Department	1,720,080	
41-A District Court	3,145,260	
General Expenditures	<u>2,888,640</u>	
Total Expenditures		85,037,670

OTHER FINANCING USES

Transfers Out	<u>3,801,150</u>	
Total Other Financing Uses		<u>3,801,150</u>

Total General Fund **\$88,838,820**

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES

Operating Revenues	<u>\$29,809,460</u>	
Total Operating Revenues		<u>\$29,809,460</u>

OPERATING EXPENSES

Administration	\$3,189,020	
Water Distribution	12,443,430	
Sewage Collection	14,176,870	
Contribution to Retained Earnings	<u>140</u>	
Total Water & Sewer Operating Fund		<u>\$29,809,460</u>

and does hereby designate the rates to be charged for water and sewage disposal services to be as follows for all bills rendered on or after July 1, 2008.

WATER RATES

Consumption Charges Per Billing Period	Rate Per <u>Thousand Cubic Ft.</u>
First 3,000 cubic feet or less	\$13.80
All over 3,000 cubic feet.....	14.76
 Meter Charges Per Billing Period	
1 ½"	\$4.45
2"	11.54
3"	21.16
4"	27.76
6"	43.93
8"	69.95
10"	91.88
16"	105.00

SEWER RATES

This charge shall be based on the amount of water used per billing period:

	Rate Per <u>Thousand Cubic Ft.</u>
Per 1,000 cubic feet	\$18.14

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 \$35.00 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	\$1,203,810	
Federal Grants	133,960	
State Sources	5,200,000	
Other Revenue	<u>313,000</u>	
Total Revenues		6,850,770

OTHER FINANCING SOURCES

Transfer from General Fund	_____ 0	
Total Other Financing Sources		_____ 0

Total Revenues & Other Financing Sources		<u>\$6,850,770</u>
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EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Administration Expenses	\$116,170	
Major Street Maintenance	1,729,500	
Major Street Improvements	<u>1,655,100</u>	
Total Expenditures		3,500,770

OTHER FINANCING USES

Transfer to Local Road Fund	500,000	
Transfer to Road Bond Debt Retirement Fund	<u>2,850,000</u>	
Total Other Financing Uses		<u>3,350,000</u>

Total Major Road Fund		<u>\$6,850,770</u>
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Sec. 2.04**LOCAL ROAD FUND BUDGET:****REVENUES & OTHER FINANCING SOURCES****REVENUES**

Fund Balance	\$380,690	145,690	
Federal Grants	0		
State Sources	1,945,000		
Charges for Services	20,000		
Other Revenue	<u>98,900</u>		
Total Revenues		2,444,590	2,209,590

OTHER FINANCING SOURCES

Transfer from Major Road Fund	500,000	
Transfer from General Fund	<u>575,000</u>	
Total Other Financing Sources		<u>1,075,000</u>

Total Revenues & Other Financing Sources		<u>\$3,519,590</u>	<u>\$3,284,590</u>
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EXPENDITURES & OTHER FINANCING USES**EXPENDITURES**

Administration Expenses	\$148,090	
Local Street Maintenance	1,736,500	
Local Street Improvements	<u>1,635,000</u>	
Total Expenditures		3,519,590
		3,284,590

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	_____ 0	
Total Other Financing Uses		_____ 0

Total Local Road Fund		<u>\$3,519,590</u>	<u>\$3,284,590</u>
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Sec. 2.05

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$2,630	
Other Revenue	<u>300</u>	
Total Revenues		2,930

OTHER FINANCING SOURCES

Transfer from General Fund	<u>19,000</u>	
Total Other Financing Sources		<u>19,000</u>

Total Revenues & Other Financing Sources \$21,930

EXPENDITURES

Miscellaneous	<u>\$21,930</u>	
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Total Economic Development Corporation Fund \$21,930

Sec. 2.06

BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$11,740	
Property Taxes	44,760	
Other Revenue	<u>500</u>	
Total Revenues		57,000

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources \$57,000

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Miscellaneous	<u>\$32,000</u>	
Total Expenditures		32,000

OTHER FINANCING USES

Transfer to General Fund	<u>25,000</u>	
Total Other Financing Uses		<u>25,000</u>

Total Brownfield Redevelopment Authority Fund \$57,000

Sec. 2.07

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES

Community Development Block Grant	<u>\$671,520</u>	
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Total Revenues \$671,520

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Administrative Expenses	\$11,700	
Books	7,000	
Senior Citizens Home Chore Program	24,000	
Single Parent Education Program	25,000	
Minor Home Repair	30,000	
Minor Home Repair – Mobile Home Assistance	20,000	
Housing Rehabilitation Program	84,410	
SHPD Community Policing – Sterling Estates	10,000	
Contributions to Non-Profit Organizations	24,650	
Capital Improvements	<u>14,000</u>	
Total Expenditures		250,760

OTHER FINANCING USES

Transfer to General Fund	95,300	
Transfer to Limited Tax Debt Fund	<u>325,460</u>	
Total Other Financing Uses		<u>420,760</u>

Total Community Development Block Grant Fund \$671,520

Sec. 2.08

CORRIDOR IMPROVEMENT AUTHORITY FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$4,050	
Property Taxes	23,580	
Federal Grants	404,000	
Other Revenue	<u>500</u>	
Total Revenues		432,130

OTHER FINANCING SOURCES

Transfer from General Fund	<u>450,000</u>	
Total Other Financing Sources		<u>450,000</u>

Total Revenues & Other Financing Sources \$882,130

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Miscellaneous	\$4,000	
Capital Improvements	<u>854,000</u>	
Total Expenditures		858,000

OTHER FINANCING USES

Transfer to General Fund	<u>24,130</u>	
Total Other Financing Uses		<u>24,130</u>

Total Corridor Improvement Authority Fund \$882,130

Sec. 2.09

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Federal & State Sources	\$3,000	
Other Revenue	<u>162,000</u>	
Total Revenues		165,000

OTHER FINANCING SOURCES

Transfer from General Fund	<u>85,000</u>	
Total Other Financing Sources		<u>85,000</u>

Total Revenues & Other Financing Sources **\$250,000**

EXPENDITURES

Land Improvements	\$97,000	
Contribution to Fund Balance	<u>153,000</u>	

Total Land & Water Conservation Fund **\$250,000**

Sec. 2.10

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES

Fund Balance	\$262,120	
Federal Forfeitures	0	
State Forfeitures	0	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	0	
Interest Income	<u>0</u>	

Total Revenues **\$262,120**

EXPENDITURES

Federal Forfeitures	\$186,210	
State Forfeitures	75,910	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	<u>0</u>	

Total Public Safety Forfeiture Fund **\$262,120**

Sec. 2.11

BUDGET STABILIZATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

OTHER FINANCING SOURCES

Fund Balance	<u>\$750,000</u>	
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Total Revenues & Other Financing Sources **\$750,000**

EXPENDITURES & OTHER FINANCING USES

OTHER FINANCING USES

Transfer to General Fund	<u>\$750,000</u>	
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Total Budget Stabilization Fund **\$750,000**

Sec. 2.12

VOTED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Delinquents & Penalties	\$2,500	
Other Revenue	2,700	
Proposal R Levy	<u>356,470</u>	
Total Revenues		361,670

OTHER FINANCING SOURCES

Transfer from General Fund	<u>325,000</u>	
Total Other Financing Sources		<u>325,000</u>

Total Revenues & Other Financing Sources **\$686,670**

and does hereby designate \$356,470 to be raised by 0.0667 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 R in 1988.

EXPENDITURES

Proposal R Expenditures	\$359,820
Proposal F Expenditures	<u>326,850</u>

Total Voted Tax General Obligation Debt Fund **\$686,670**

Sec. 2.13

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Special Assessment Revenue	\$357,000	
Other Revenue	<u>7,000</u>	
Total Revenues		364,000

OTHER FINANCING SOURCES

Transfer from Major Road Fund	<u>2,850,000</u>	
Total Other Financing Sources		<u>2,850,000</u>

Total Revenues & Other Financing Sources **\$3,214,000**

EXPENDITURES

Principal	\$2,175,000
Interest	834,550
Other Fees	1,930
Contribution to Fund Balance	<u>202,520</u>

Total Road Bond Debt Retirement Fund **\$3,214,000**

Sec. 2.14

LIMITED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$2,690	
Other Revenue	<u>4,000</u>	
Total Revenues		6,690

OTHER FINANCING SOURCES

Transfer from General Fund	1,057,000	
Transfer from Comm. Dev. Block Grant Fund	<u>325,460</u>	
Total Other Financing Sources		<u>1,382,460</u>

Total Revenues & Other Financing Sources **\$1,389,150**

EXPENDITURES

Principal	\$1,155,000	
Interest	233,240	
Other Fees	<u>910</u>	

Total Limited Tax General Obligation Debt Fund **\$1,389,150**

Sec. 2.15

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Required Drain-at-Large Levy	\$1,165,160	
Delinquents & Penalties	3,900	
Other Revenue	<u>18,000</u>	
Total Revenues		1,187,060

OTHER FINANCING SOURCES

Bond Proceeds – Refunding	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$1,187,060**

and does hereby designate \$1,165,160 to be raised by 0.2180 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	\$4,430	
Principal	905,000	
Interest	<u>277,630</u>	

Total Drain Fund **\$1,187,060**

Sec. 2.16

SETTLEMENT BONDS DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	\$6,000	
Total Revenue		6,000

OTHER FINANCING SOURCES

Transfer from Self-Insurance Fund	1,603,100	
Total Other Financing Sources		1,603,100

Total Revenues & Other Financing Sources **\$1,609,100**

EXPENDITURES

Other Charges	\$250	
Principal	1,045,000	
Interest	563,850	

Total Settlement Bonds Debt Fund **\$1,609,100**

Sec. 2.17

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	\$1,058,900	
Penalties & Interest	2,000	
Total Revenues		1,060,900

OTHER FINANCING SOURCES

Transfer from General Fund	1,290,150	
Total Other Financing Sources		1,290,150

Total Revenues & Other Financing Sources **\$2,351,050**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Capital Equipment	\$444,950	
Capital Vehicles	438,000	
Capital Projects	1,289,000	
Contribution to Fund Balance	179,100	
Total Expenditures		2,351,050

OTHER FINANCING USES

Transfer to Settlement Bonds Debt Fund	0	
Total Other Financing Uses		0

Total Capital Projects Fund **\$2,351,050**

Sec. 2.18

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	\$0	
Total Revenues		0

OTHER FINANCING SOURCES

Proceeds from Long-Term Debt	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources **\$0**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Construction	\$0	
Total Expenditures		0

OTHER FINANCING USES

Transfer to Local Road Fund	0	
Total Other Financing Uses		0

Total Road Bond Construction Fund **\$0**

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, 2008 through June 30, 2009. 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.....	450.00
Lot Combinations.....	350.00
Processing Labels (per page)	1.00
Resident Field Sheet Fee.....	1.00
Apartment Listing (Names/Sidwells/Assessments)	40.00
Shopping Center List.....	40.00
Section or Subdivision Listing (per page).....	0.70
Assessing, Board of Review, & Sales Information (first page).....	1.65
Additional Pages	0.30
Plat Map	100.00
Custom Assessment Information Report.....	30.00
Speculative Building Designation Filing Fee.....	450.00
Project Extension Application Fee	450.00
Project Cost Revision Application Fee	450.00

Tax Hardship Income Limits:

1 Person	19,560.00
2 Person	22,360.00
3 Person	25,160.00
4 Person	27,960.00
5 Person	30,200.00
6 Person	32,440.00
7 Person	34,680.00
8 Person	36,920.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit.....	31.00
Fence Permit – Masonry, Separation.....	47.00
Board of Code Appeals.....	191.00
Board of Ordinance Appeals	191.00
Overtime Inspections, Each Hour (4 hour minimum)	74.00
Special Inspections, Each Trade (Residential).....	43.00
Special Inspections, Each Trade (Commercial).....	63.00
Quarterly Inspection Fees under Derelict Building Provision.....	670.00
Reinspection Fee under Derelict Building Provision (each visit).....	48.00
Rehabilitation and Re-Occupancy Fee	183.00
Re-Review Fee for Rehabilitation Plan (each review).....	92.00
Derelict Building Registration Fee.....	108.00
Building Code Publication.....	Cost + 9.00 Administration fee
Building Moving Permit	250.00
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third or Subsequent Repeat Offenses	1,500.00

Electrical Work

Application Fee (Non-refundable)	29.00
Permit fee (minimum).....	40.00
Electrical Contractor’s Registration.....	20.00
Fire Alarm Contractor’s Registration	20.00
Sign Contractor’s Registration	20.00
Furnace Wiring	20.00
Circuits: Each (new or extended)	14.00
Fixtures: Each 25	14.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP	20.00
Each 11 to 30 HP.....	25.00
Each 31 to 50 HP.....	30.00
Each 51 to 60 HP.....	36.00
Each 61 and over	48.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less).....	42.00
Refrigeration Units:	
Air Conditioning (residential).....	20.00
Interruptible Service	20.00
Air Conditioning (commercial):	
Up to 5 Tons.....	25.00
5 to 40 Tons.....	42.00
Over 40 Tons.....	64.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type	20.00

Swimming Pools/Hot Tubs (all).....	47.00
Service (Lights, Heat, and Power):	
100 Ampere or less.....	20.00
101 to 500 Ampere.....	30.00
501 to 900 Ampere.....	42.00
900 Ampere or more.....	53.00
Signs: Sign Circuit.....	36.00
Sign Tag Inspection.....	55.00
Sign Connection.....	60.00
General Repair & Alterations (per hour or fraction thereof).....	49.00
Generator Connection.....	42.00
Motion Picture Apparatus.....	42.00
Special Inspections not specifically covered:	
Festivals.....	63.00
Carnivals.....	63.00
Circuses.....	63.00
Shop Inspection.....	63.00
Theatrical Road Show.....	63.00
Christmas Tree Lot.....	63.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft.....	57.00
Over 100,000 to 200,000 sq. ft.....	106.00
Over 200,000 to 300,000 sq. ft.....	124.00
Over 300,000 to 400,000 sq. ft.....	185.00
Over 400,000 sq. ft.....	245.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet.....	63.00
Mobile Home and Trailer Park Inspections (minimum).....	43.00
Fire Alarm Inspection (minimum).....	61.00
Plan Review Fee.....	81.00
Manual Pull Station.....	8.00
A/V, Strobe, Voice Speaker.....	8.00
Water Flow/Tamper Switch.....	8.00
Heat or Smoke Detector.....	8.00
Flame, Duct Detector.....	8.00
Auxiliary Panel.....	8.00
Electric Door Release.....	8.00
Elevator Recall Status.....	8.00
Fire Alarm Circuit.....	14.00
Alterations to existing system.....	49.00
Reinspection Fee.....	49.00
Plumbing Work	
Application Fee (Non-refundable).....	33.00
Permit Fee (minimum).....	40.00
Plumber’s Registration.....	1.00
Journeyman Plumber’s Registration.....	0.50
Fixture Inspection: (New and Replacement)	
New Installation (minimum).....	40.00
New Stack or Stack Alteration.....	11.00
Air Admittance Valve.....	11.00
Roof conductor.....	11.00
Sump or interceptor.....	11.00
Backflow preventor.....	11.00
Pump or Water Lift.....	11.00
Hose connection (sillcocks).....	11.00
Water treatment device.....	11.00
Water closets.....	11.00
Shower traps.....	11.00
Baths.....	11.00
Water heater.....	25.00

Sinks (any description).....	11.00
Lavatories.....	11.00
Laundry trays.....	11.00
Floor drains.....	11.00
Ice Maker.....	11.00
Back Water Valve.....	11.00
Thermal Expansion Tank.....	11.00
Bidet.....	11.00
Dental Chair.....	11.00
Grease or Oil Interceptor.....	11.00
Drinking fountains.....	11.00
Soda fountains/bars.....	11.00
Waste opening.....	11.00
Humidifiers.....	11.00
Food waste grinders.....	11.00
Dishwashers.....	11.00
Urinals.....	11.00
Whirlpools.....	30.00
Lawn Sprinkler Systems.....	36.00
All other fixtures not mentioned.....	11.00
Reinspection Fee.....	49.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum).....	25.00
Each additional.....	11.00
Building Sewer Connection – sump connection.....	42.00
Drains:	
Storm drains to catch basin for main storm sewer.....	245.00
Lines less than 4" in diameter.....	21.00
Lines less than 6" in diameter.....	26.00
Lines less than 8" in diameter.....	37.00
Lines less than 10" in diameter.....	49.00
Lines less than 12" in diameter.....	63.00
Lines less than 14" in diameter.....	73.00
Lines less than 16" in diameter.....	87.00
Lines less than 18" in diameter.....	100.00
Lines exceeding 18" in diameter (per inch).....	9.00
Water Distribution System:	
¾".....	15.00
1".....	26.00
1 ¼".....	31.00
1 ½".....	43.00
2".....	57.00
2 ½".....	80.00
3".....	92.00
4".....	106.00
Exceeding 4".....	123.00
Replace piping, no increase in size.....	31.00
Mechanical Work	
Application Fee (Non-refundable).....	29.00
Permit Fee (minimum).....	40.00
License/Registration.....	17.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000.....	42.00
75,001 to 500,000.....	48.00
500,001 – 1,000,000.....	84.00
1,000,001 – 2,000,000.....	96.00
2,000,001 – 3,000,000.....	119.00
over 3,000,000.....	144.00
Duct Work.....	42.00

Gas Piping:	
Mains up to 2"	36.00
Mains 2 ½" to 4"	48.00
Mains over 4"	61.00
Each Opening off of Main	9.00
Factory Built Chimneys:	
Up to 8"	14.00
9" to 12"	25.00
Over 12"	36.00
Pre-Fab Fireplace	48.00
Flue Liner	30.00
Exhaust Fans:	
Up to 400 cfm	9.00
401 cfm to 1,000 cfm	14.00
1,001 cfm to 4,000 cfm	25.00
Over 4,000 cfm	36.00
Dryer Vents	14.00
Kitchen Hood and Duct (UL300/FM200)	43.00
Spray Booth Hood and Duct	43.00
Alterations to existing installations	49.00
Reinspection Fee	49.00
Refrigeration Systems –	
Self Contained:	
2 Tons or Less, each	36.00
Over 2 to 5 Tons, each	42.00
Alterations to each system	49.00
Remote Systems:	
5 Tons or Less, each	42.00
Over 5 to 50 Tons, each	61.00
Over 50 Tons, each	96.00
Alterations to each system	49.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4" diameter	37.00
Riser pipe up to 6" diameter	63.00
Riser pipe up to 8" diameter	87.00
Riser pipe 8" or more diameter	185.00
Each suppression opening (each head of the system)	2.00
Alteration to existing system	49.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons	42.00
Tanks under 5,000 Gallons	55.00
Tanks under 20,000 Gallons	71.00
Tanks under 50,000 Gallons	84.00
Tanks under 200,000 Gallons	96.00
Tanks over 200,000 Gallons	179.00

Buildings

Application Fee (Non-refundable)	29.00
Building Permit Fees (all use groups):	
Valuation to \$1,000	48.00
Valuation \$1,001 to \$10,000	48.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000	205.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000	845.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over	3,680.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained)	430.00
Multi-Family Bond (5% Retained)	650.00
Commercial Bond (5% Retained)	1,300.00
Industrial Bond (5% Retained)	2,600.00
Mobile Homes	125.00
Plan Review Fee:	
Valuation \$0 - \$500,000	0.0040 of valuation but not less than 100.00
Valuation over \$500,000	2,200 + 0.0015 of valuation over 500,000.00

Plan Review: If Plan Number is on File.....	92.00
Miscellaneous Plan Review.....	57.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs).....	57.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner.....	No Fee
Use Permit (tenant space).....	80.00
Fire Repair.....	184.00
Reinspection Fee.....	49.00
Demolition:	
Plan review and administration base fee.....	57.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground.....	61.00
Below Ground.....	119.00
Signs:	
Application Fee (non-refundable).....	29.00
Plan Review Fee.....	57.00
Permanent.....	123.00
Temporary.....	57.00
Contractor Registration Fee.....	19.00
Residential Basement Finish.....	178.00
Residential Interior Finish.....	178.00

Code Enforcement

Nuisance Abatement Administrative Fee.....	25%
Nuisance Abatement Agreement Execution Fee.....	Attorney Fee + 25%
Sidewalk Snow Removal Fee.....	Cost + 25% + 30.00
Claimed Signs:	
16 sq. ft. or less.....	2.00 each
17 – 31 sq. ft.....	20.00 each
32 sq. ft. and over.....	100.00 each
Special Code Enforcement Inspection.....	30.00
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.....	810.00 + 55.00 per device
Renewal Fee.....	164.00 + 30.00 per device
Type C.....	810.00
Renewal Fee.....	164.00
Attorney Services.....	Attorney fees & costs
Auction License.....	41.00
Business Registry License.....	38.00
Carnival/Festival License.....	64.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License.....	56.00 + 6.00 each additional machine
Death and Birth Certificate.....	18.00
Additional Copies.....	7.00
Dog License	
Prior to April 1 (all dogs).....	5.50
April 1 to October 31 (dog).....	7.50
April 1 to October 31 (puppy).....	5.50
November 1 to December 31 (all dogs).....	4.50
Replacement Dog Tag.....	1.65
Going Out of Business License.....	140.00
House Moving License.....	64.00
Industrial Development District Filing Fee.....	1,000.00

Industrial Facilities Exemption Certificate Filing Fee	1,600.00
Industrial Facilities Exemption Certificate Transfer Fee	1,000.00
Junk Yard License	232.00
Mobile Vending License.....	160.00
Passport Processing Fee.....	30.00
Pawnbroker License	500.00
Refuse Collection License.....	83.00 + 6.00 each truck
Snow Removal License.....	163.00
Solicitor/Peddler License	106.00
Taxi License (annual fee).....	81.00 + 11.00 per vehicle
Temporary Use Vendor License	41.00
Wrecker Driver License (Towing Contractor)	103.00
Renewal Fee Wrecker Driver License (Towing Contractor)	52.00
Massage Establishment License.....	552.00
Each Massologist.....	232.00
Renewal Fee Massage Establishment License	276.00
Renewal Fee Each Massologist	46.00
Precinct Map.....	6.60
City Street Map	4.10
Zoning Map	5.30
City Budget	44.00
Risk Management Report.....	25.00
Municipal Improvement Program.....	25.00
City Financial Audit.....	25.00
Collective Bargaining Agreement	5.15
Election Results	8.00
Voter and Business Registry Labels (per page).....	1.00
Voter and Business Registry Lists (per computer hour)	Payroll + 0.05/page
Magnetic Voter Tape	97.00
with own tape	61.00
Voter Data Diskette.....	22.00
Liquor License: Class C.....	1,740.00
Tavern.....	1,740.00
SDD & SDM.....	1,740.00
Entertainment and/or Dance Permit.....	1,740.00
Extended Hours Permit.....	1,740.00
Shareholder Partial Transfer	870.00
Temporary Liquor License Application Fee	27.00
Outdoor Service Permit	217.00
Hotel/Motel License.....	1,740.00
Renewal Fee Hotel/Motel License	870.00
Certifications	4.20
Photo Copies	1.65
Additional Pages	0.30
Microfilm Copies (per page)	4.60
Recording Fee (formerly Encroachment Fee)	40.00
Notary Fee	4.20
Audio Tape Recordings (prepay minimum)	15.00
Fireworks Display Permit	590.00
Close Proximity Pyrotechnic Display Permit	590.00
Sterlingfest Art Fair Applications.....	200.00
Double Booth Fee.....	375.00
Corner Booth Additional Charge	25.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable).....	15.00
"Taste of the Town" Sterlingfest Booth – Food Cart Vendors.....	550.00
"Taste of the Town" Sterlingfest Booth - Restaurateurs.....	1,100.00
VHS Tape Dubs	28.00
DVD Dubs	20.00
Gazebo Rental (per event):	
Resident.....	50.00
Non-Resident.....	75.00

S.E.S.C. Review Fee for:	
Commercial, Industrial, Multi-Family, Subdivision	¼ of 1% of first \$500,000.00
.....	+1/8 of 1% over \$500,000.00 (50.00 minimum)
Single-Family Residential House	60.00
Underground Private Utility.....	0.05 linear foot (50.00 minimum)
S.E.S.C. Inspection Fees.....	Payroll + 180%
S.E.S.C. Inspection by Consultant	Consultant fee +25%
S.E.S.C. Permit Renewal Fee (\$50 min.).....	10% of Permit Fee
Document Copying for:	
24" x 36" Prints (Xerox 2510 or blueline).....	6.70 each
34" x 34" Prints (Xerox 2510 or blueline).....	6.70 each
Larger than 34" x 34" (Xerox 2510 or blueline).....	6.70 each
Detail Sheets (Mylar).....	7.70 each
Topographic Map 36" x 36" (blueline)	35.00 each
Planimetric Map 36" x 36" (blueline)	18.00 each
Overall Watermain Map (blueline)	6.70 each
Overall Sanitary Sewer Map (blueline).....	6.70 each
Overall Storm Sewer Map (blueline).....	6.70 each
Master Storm Sewer Plan (book form).....	41.00 each
Master Watermain Plan (book form)	30.00 each
Master Sanitary Sewer Plan (book form).....	30.00 each
Master Road Plan (book form) 1998 HRC.....	41.00 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.....	8.00
Additional Pages.....	1.00
Photo Prints: (12, 24, or 36 exposures)	Print costs + 25% administrative fee
Digital Photographs:	
5" x 7" Color Print.....	25.00
8" x 10" Color Print	25.00
8" x 10" Contact Sheet	25.00
Compact Disc	13.00
Burning Permit	165.00
Fireworks Sales Permit.....	590.00
Fireworks Display Permit.....	590.00
Close Proximity Pyrotechnic Display Permit	590.00
Board of Code Appeals.....	200.00
Special Events Fee:	
Temporary Special Amusement Building	220.00
All Other Special Events.....	149.00
Witnessed Acceptance Test Fee.....	143.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum)	658.00

Each additional hour	220.00
Reinspection Fee for Witnessed Acceptance Test.....	143.00
Phase I Site Inspection (1 hour minimum)	51.00+28 per hour
Special Fire Prevention Inspection (festivals, art fairs, promotional balloons, etc.)	
Each Inspection	50.00
Each Re-Inspection	50.00
Off-Hour Inspection (3 hour minimum)	230.00
Each Additional Hour	75.00
Off-Hour Re-Inspection (3 hour minimum)	230.00
Each Additional Hour	75.00
Plan Review Fee	81.00
Heart Saver (CPR) Program Fee	39.00
False Alarm Fees: (within a 12 month period)	
First Response	No Fee
Second Response	115.00
Third Response	270.00
Fourth and Subsequent Responses	550.00
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00
Municipal Civil Infraction for Violation of a Stop Work Order:	
First Offense	100.00

Sec. 3.07

PARKS & RECREATION:

Pavilion Rental:	
Weekday (Resident)	54.00
(Non-Resident).....	69.00
Weekend (Resident).....	74.00
(Non-Resident)	99.00
Nature Center Classes:	
School Field Trips (Sterling Heights Schools)	No fee
(Non-Sterling Heights Schools per class).....	29.00
Children's Nature Classes (Resident)	4.00
(Non-Resident)	5.00
Scout Badge Classes (Resident)	5.00
(Non-Resident)	6.00
Parent & Tot Classes:	
1 Child Per Family (Resident)	42.00
(Non-Resident).....	49.00
2 Children Per Family (Resident)	47.00
(Non-Resident)	57.00
Summer Playground:	
Resident.....	50.00
Non-Resident.....	70.00
Field Trip Bus Fee (Per Person).....	5.00
Instructional Swim Classes:	
Resident.....	52.00
Non-Resident.....	62.00
Tennis Classes:	
Resident.....	46.00
Non-Resident.....	56.00
Tennis League:	
Resident.....	15.00
Non-Resident.....	17.00

Tennis Tournament:	
Singles (Adult).....	16.00
(Youth).....	13.00
Doubles (Adult).....	30.00
(Youth).....	21.00
Three Mile Run:	
Pre-Registered 16 years old and younger (Resident).....	13.00
(Non-Resident).....	16.00
Pre-Registered 17 years old and older (Resident).....	15.00
(Non-Resident).....	18.00
Race Day Registration	Add \$1 fee to above
Golf Tournament:	
Adult (Resident).....	16.00
(Non-Resident).....	19.00
Youth (Resident).....	10.00
(Non-Resident).....	13.00
Golf League:	
Resident.....	39.00
Non-Resident.....	46.00
Special Recreation Dances:	
Pre-Registered (Resident).....	5.00
(Non-Resident).....	6.00
Registration at the Door (Resident).....	7.00
(Non-Resident).....	8.00
Staff Registration.....	1.00
Prom Dance – Individual (Resident).....	15.00
(Non-Resident).....	17.00
Special Recreation Playgrounds:	
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident).....	130.00
(Non-Resident).....	140.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident).....	220.00
(Non-Resident).....	240.00
Mentally Impaired (M.I.) – Individual (Resident).....	130.00
(Non-Resident).....	140.00
Mentally Impaired (M.I.) – Family (Resident).....	220.00
(Non-Resident).....	240.00
Special Recreation:	
Rec + Club (Resident).....	25.00
(Non-Resident).....	28.00
Physically or Otherwise Health Impaired (P.O.H.I.) Teen Club (Resident).....	25.00
(Non-Resident).....	28.00
Diner’s Club (Resident).....	25.00
(Non-Resident).....	28.00
Early On Parent & Tot.....	25.00
Socialization Station (Resident).....	26.00
(Non-Resident).....	28.00
Crafts (Resident).....	7.00
(Non-Resident).....	8.00
Creative Cooking (Resident).....	7.00
(Non-Resident).....	8.00
Sports Night (Resident).....	37.00
(Non-Resident).....	42.00
Sports Training (Resident).....	37.00
(Non-Resident).....	42.00
Martial Arts (Resident).....	142.00
(Non-Resident).....	147.00
Line Dance Exercise (Resident).....	37.00
(Non-Resident).....	44.00
Children’s Line Dance (Resident).....	25.00
(Non-Resident).....	30.00
Wheelchair Basketball (Resident).....	37.00
(Non-Resident).....	42.00

Zoning Compliance Letter	53.00
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.....	8.00
Additional Pages	1.00
Clearance Letter	13.00
Noncriminal Fingerprint Card	19.00
Photos:	
8" x 10" Color.....	25.00
5" x 7" Color	25.00
8" x 10" Contact Sheet.....	25.00
Compact Disc.....	13.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN	17.00
Reports on TR-52 Tracking.....	22.00
Administration and Presence at Auction.....	500.00
Audio Tape Duplication Fee.....	36.00
Video Tape, DVD, CD Duplication Fee	39.00
Animal Give-up Fee	60.00
Animal Trap Rental Fee (per 5 days)	11.00
Bail Bond Arrest Warrant Fee	10.00
Personal Breathalyzer Test (PBT).....	12.00
Booking Photo	8.00
Park Alcohol Permit Fee	27.00
Vehicle Inspection Fee.....	28.00
False Alarm Fees: (within a 12 month period)	
First Response	No fee
Second Response.....	No fee
Third Response (Residential)	28.00
Third Response (Non-Residential)	83.00
Fourth Response (Residential)	57.00
Fourth Response (Non-Residential)	168.00
Fifth and Subsequent Responses (Residential).....	111.00
Fifth and Subsequent Responses (Non-Residential)	334.00
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 \$10.00)	0.20
Paperback Books (maximum \$3.00).....	0.20
Magazines (maximum \$3.00)	0.20
Audios (maximum \$10.00)	0.20
Compact Discs (maximum \$10.00).....	0.20
Videocassettes (maximum \$10.00)	0.20
Computer CD Software (maximum \$10.00).....	0.20
DVD's (maximum \$10.00)	0.20
Magnifier	1.00
Polaroid Camera.....	1.00
Engraver	1.00
Material Holder	1.00
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 Print (per copy).....	0.20
Microfiche print (per copy)	0.15
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	84.00
Public Services Agreement Execution Fee.....	26.00
Recording Fee	40.00
Water & Sewer Debt Service Agreement Finance Charge	30%

Sec. 3.12

PUBLIC WORKS DEPARTMENT:

Sewer Inspection	84.00
Sewer Tap	950.00
Sewer Capital/Unit:	
Residential	710.00
Commercial/Industrial (per 1,000 sq. ft.).....	355.00
Sewer Frontage (per front ft.).....	60.00
Sewage Disposal Service Only (per billing).....	35.00
Residential and Commercial Water Meters:	
¾" Remote	340.00
1" Remote	380.00
1 ½" Remote.....	650.00
2" Compound Remote	1,680.00
3" Compound Remote	2,970.00
4" Compound Remote	3,910.00
6" Compound Remote	6,180.00
Double Check Detector Assembly with Meter:	
3"	1,650.00
4"	1,730.00
6"	2,500.00
8"	4,520.00

10".....	6,600.00
Water Inspection.....	84.00
Water Tap	
1".....	900.00
1 1/2".....	1,220.00
2".....	1,440.00
3".....	2,880.00
4".....	3,120.00
6".....	3,560.00
Additional Charge for 86 ft. wide street:	
1".....	270.00
1 1/2".....	320.00
2".....	450.00
Additional Charge for 120 ft. wide street:	
1".....	580.00
1 1/2".....	720.00
2".....	950.00
Additional Charge for 204 ft. wide street:	
1".....	1,360.00
1 1/2".....	1,710.00
2".....	2,450.00
Water Capital/Unit:	
Residential.....	560.00
Commercial/Industrial (per 1,000 sq. ft.).....	280.00
Water Frontage (per front ft.).....	32.00
Water Turn On Fee.....	42.00
Water Service Abandonment Fee.....	390.00
Sewer Service Abandonment Fee.....	84.00
Water Service Re-Use Fee.....	212.00
Sewer Service Re-Use Fee.....	84.00
Water Meter Testing Fee.....	40.00
Water Meter Rescheduling Fee.....	42.00
Final Water Meter Read.....	27.00
Final Water & Sewer Bill Preparation Fee.....	10.00
Citizen Water Service Request – after hours.....	50.00
Water Meter Removal/Reinstallation for common area irrigation system.....	160.00
Landlord/Tenant Affidavit Filing Fee.....	110.00
Fire Hydrant Rental – Payable by City.....	25.00
Private Use of Fire Hydrant:	
One Hydrant.....	105.00 per month + 260.00 water usage deposit
More Than One Hydrant.....	210.00 per month + 515.00 water usage deposit
Bypass Inspection Fee.....	Back bill + 105.00
Common Area Irrigation System Permit.....	320.00
Planting of tree in right-of-way.....	175.00
Culvert installation permit.....	76.00
Ditch enclosure permit.....	76.00
Monitoring well installation permit.....	370.00
Sewer connection to discharge treated ground water.....	370.00
Cutting of noxious weeds.....	Contract costs + 60% administrative fee + 26.00
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
.....	+ administrative fee – refuse taxes paid
Debris Removal Fee.....	Contract Costs + 25% administrative fee
Municipal Civil Infraction:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses.....	1,500.00

Municipal Civil Infraction for Trash Placed at Curb Outside of Permitted Hours:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses	100.00
Municipal Civil Infraction for Violation of a Mandatory Water Restriction:	
Each Violation.....	25.00
First Repeat Offense.....	50.00
Second and Subsequent Repeat Offenses	100.00

Sec. 3.13

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%
Annual Lien Penalty.....	6% + lien filing costs
O.U.I.L./O.U.I.D.....	290.00 + additional reimbursements
Property Tax Administration Fee (P.T.A.F.).....	1%
Municipal Civil Infraction for Failure to Pay Police or Fire False Alarm Invoices:	
Each Violation.....	150.00
First Repeat Offense.....	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses.....	1,500.00

ARTICLE IV

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is hereby authorized to establish City programs which are a de minimis, but necessary expenditure for the benefit of the recipient employee and funded through appropriations in this ordinance; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

ARTICLE V

SEVERABILITY

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2008.

BY ORDER OF CITY COUNCIL

**ADOPTED:
PUBLISHED:
EFFECTIVE:**

A

ACCRUAL BASIS – Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 – Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

ACT 78 CIVIL SERVICE COMMISSION – Established by Act No. 78 of the Michigan Public Acts of 1935 and incorporated into the City Charter. A General Fund Activity which governs the testing for appointment, employment, promotion, transfer, suspension, reinstatement, and discharge of all Police and Fire personnel.

ACTIVITY – An office within a department to which specific expenses are to be allocated.

APPROPRIATION – An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

APPROPRIATIONS ORDINANCE – The official enactment by the City Council establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

APPO – Administrative Policies & Procedures Order. Promulgation of orders to help ensure efficiency, effectiveness or fiscal responsibility in municipal operations.

ASSET – Anything owned by an individual or a business, which has commercial exchange value. Assets may consist of specific property or claims against others, in contrast to obligations due others.

B

BALANCED BUDGET – A budget in which estimated revenues and use of reserves are equal to or greater than estimated expenditures.

BUDGET MESSAGE – A written policy and financial overview of the City as presented by the City Manager.

BUDGETARY CENTER – A grouping of offices' or activities' budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

C

CCW – Carrying of a concealed weapon. Permission for carrying of a concealed weapon is granted through an application process.

CAPITAL OUTLAY – A disbursement of money which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$1,000 to be a capital item.

CAPITAL PROJECTS FUND – A fund to account for the development of municipal capital facilities other than those financed by the Enterprise Fund.

COMPENSATED ABSENCE – An absence for which an employee is paid, such as vacation, holiday, or sick leave.

CONTINGENCY – An estimated amount of funds needed for deficiency, contingent or emergency purposes.

D

DPW – Department of Public Works.

DEBT SERVICE FUND – A fund to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

DEFERMENT – A form filed by qualifying residents allowing a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

DEFICIT – An excess of liabilities and reserves of a fund over its assets.

DEPARTMENTAL MISSION STATEMENT – A mission statement provides the full range of activities that will be used in the results oriented budget format to link the municipal purpose with the financial resources of the department.

DEPRECIATION – The amount of expense charged against earnings by a company to write off the cost of an asset over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.

E

EPA – Environmental Protection Agency.

EFFICIENCY PERFORMANCE INDICATOR – The quantifying of the relationship between input and output.

EFFECTIVENESS PERFORMANCE INDICATOR – The measure of results, accomplishments, or quality of the item or service provided.

ENCUMBRANCE – An anticipated expenditure, or funds restricted for anticipated expenditures, such as for outstanding purchase orders.

ENTERPRISE FUND – A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e., the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (Water & Sewer is an example of an enterprise fund.)

EQUALIZATION FACTOR – A multiplier that is applied to the Assessed Value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50% of the true cash value of that class.

EXPENDITURE – The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

EXPENDITURE OBJECT – An expenditure object is a specific classification of expenditure accounts which includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects include personnel services, supplies, other charges, capital outlay, debt service, and transfers out.

F

FOI – Freedom of Information.

FTE – The amount of funding for full-time positions and part-time positions converted to the decimal equivalent of a full-time position (based on 2,080 hours per year, as set by the ICMA Center for Performance Measurement).

FISCAL YEAR – An accounting period of twelve months. The City's fiscal year begins July 1st and ends June 30th.

FIXED ASSETS – Fixed assets are equipment and other capital items used in governmental fund type operations and are accounted for in the 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.

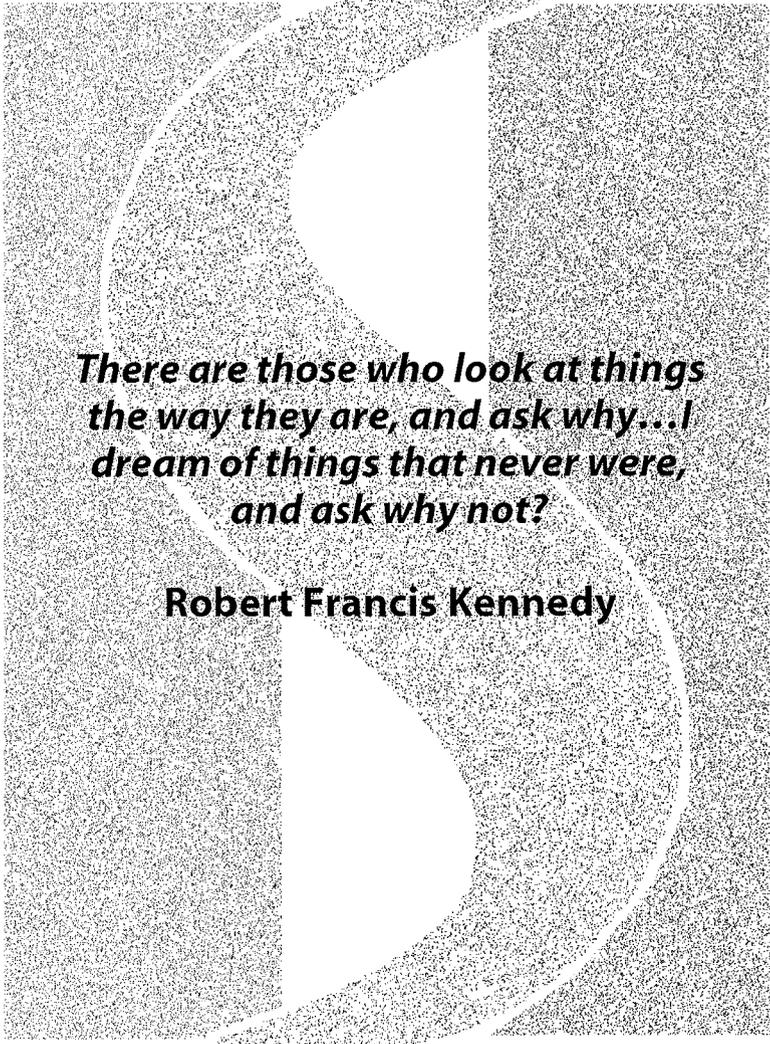
T

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.



*There are those who look at things
the way they are, and ask why...I
dream of things that never were,
and ask why not?*

Robert Francis Kennedy

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