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

City Seal

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



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

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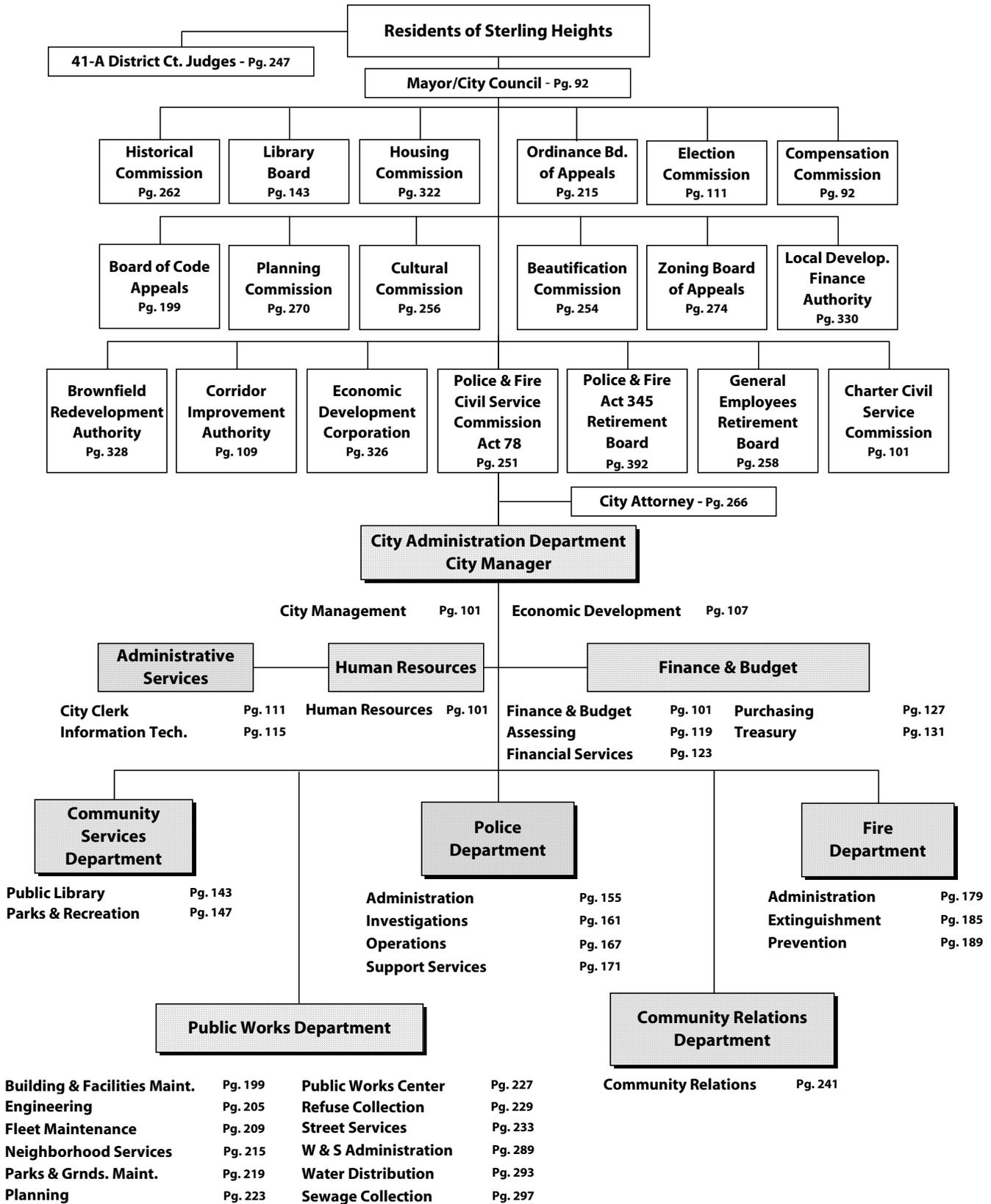
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July 1, 2013

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

Introduction

Submitted for your consideration is the fiscal year 2013/14 annual budget.

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

It is also true the budget is more than numbers on paper. It is a living document that reflects what this community strives to be – a safe, vibrant, and welcoming place to live and work. It is in this spirit that City Administration submits the fiscal year 2013/14 annual budget.

Overview

The budget is reflective of the pervasive economic problems that are now all too well known by the City Council and our businesses and residents. State revenue sharing, the City's second largest revenue source, has been cut by 23% since 2002. The cumulative loss is over \$33 million. Tax revenues have fallen to their lowest level in nine years, as the City's tax base (overall property value) has decreased by 37.1% to its lowest level since 1999. Residential tax bills today remain lower than amounts paid in 2002.

As if these negative influences on City revenues were not enough, the Michigan Legislature pushed through legislation in December, 2012 that eliminates the industrial personal property tax starting in 2016. Although there is a proposed partial replacement revenue included within this legislation, it is not a dollar-for-dollar guarantee; and the City stands to lose over \$13 million during the phase out period.

It will come as no surprise that these negative revenue factors are reflected in the fiscal year 2013/14 budget. This is, on all accounts, a fiscally prudent budget that strives to preserve essential public services on a platform of lower costs.

Revenues

Due to \$21 million in property tax losses and \$46 million in lost tax revenue growth over the past six years, the budget funds only the most vital services. Tax revenues have fallen to their lowest level since 2005, as the City's total tax base has decreased by 37.1% to its lowest level in 15 years. The State has reduced its funding by \$33.1 million or 22.6% since 2002. Other revenues have also decreased, including a 50% reduction in engineering revenues since 2006; a 90% decline in investment income since 2007; and a 19% reduction in court revenues since 2010.

Expenditures

Due to the revenue losses and lower tax bills, the City has successfully reduced \$32.8 million in annual operational costs. Budgeted expenditures for fiscal year 2013/14 total \$133.5 million and represent a

decrease of \$2.0 million from the prior fiscal year. This decrease follows last year's budget reduction of \$4 million, as spending will now fall to its lowest level in ten years.

Use of City Reserves

The fiscal year 2013/14 budget provides for the partial use of fund balance to mitigate the need to make further cuts in public services and personnel. If this supplementation is not included, the City will experience further reductions and elimination of services that will directly impact businesses and residents.

Personnel

Although no lay-offs or further work week reductions are being proposed, the City continues to evaluate every job opening as an opportunity for savings. Through new collective bargaining agreements negotiated with general employees, the City continues to rely more heavily on part-time employees. The fiscal year 2013/14 budget is reflective of this trend with an anticipated reduction in full-time employees of 36 vacant positions and an increase of 20 part-time employees. Unpaid holidays and furlough days will continue in the new fiscal year.

The Future

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

The Structural Imbalance

Despite all of the progress made under the long-term financial plan, the City must close the structural imbalance between revenues and expenditures. While the residential housing market is beginning to improve and home values are increasing, forty percent of the City's tax base is comprised of businesses where we are still seeing property assessment declines. Even though 2015 may bring an end to the period of decline, any projected increase in property values will be small at best. Proposal A limitations ensure that any revenue recovery going forward will be modest and will not recover the revenue losses sustained over the past seven years. The City must also factor in the loss of personal property tax revenue. Although the new legislation may mitigate the amount, the City will sustain yet another significant revenue loss.

On the expenditure side, the City has reduced full-time employee positions by 201 to 1970's levels. Concessionary bargaining with labor unions representing City employees has also yielded substantial savings, both in the short-term (wages and benefits) and long-term (pension and retiree medical). While these concessions have had a positive impact on the City's finances, it is not enough. The City continues to limit capital expenditures, but this short-term savings merely delays the need to replace critical public infrastructure, technology, equipment, and vehicles essential to performing critical public services.

The reality of the City's finances is clear – a permanent loss of revenue that exceeds the remaining ability to restructure costs without reducing public services to levels that will directly impact businesses and residents. For the first time in its history, the City is facing the prospect of permanent reductions in core public services in the very near future. City Council, City Administration, residents, and business owners are faced with the very difficult decision of whether to preserve core public services or allow continued reductions, which will fundamentally change the way the City operates.

There are two options for dealing with this new financial reality. Each option is outlined below.

Option One – Reductions in Personnel / Public Services

To close the aforementioned structural imbalance by fiscal year 2015/16, the City will need to eliminate an additional sixty-five full-time positions. Because general employee positions have already been reduced, the sixty-five position reductions will come from the ranks of the Sterling Heights Police Department and Fire Department.

Implementing this option allows the City to eliminate the use of reserves by fiscal year 2015/16. However, financial stability under this option will come at a cost to core public services. If position reductions beyond the 2013/14 fiscal year occur, it will not be possible to sustain the level of public safety services this community has historically enjoyed.

This reduced level will require the Police Department to operate in a reactive mode rather than a proactive mode. Reductions in the Police Department's youth bureau, detective bureau, narcotics unit, traffic safety bureau, accident prevention unit, and other specialized services will fundamentally change the scope of available police services.

In the case of the Fire Department, the implementation of three-man rigs in fiscal year 2012/13 will be a beginning, not an end point, for service reduction. A projected reduction of another twenty firefighters/paramedics would result in the closure of a fire station in order to adequately staff fire fighting equipment. Response times would be significantly impacted.

In addition, the City would fall further behind on critical public safety equipment replacements including fire engines, police vehicles, computer equipment, and other technology improvements.

Option Two – Revenue Replacement

An alternative to draconian cuts to public safety is a partial revenue replacement generated through a voter-approved public safety millage. This option could be considered by the City's voters as soon as November, 2013.

Revenue replacement, if approved, positively impacts the General Fund. There will be no further projected use of General Fund reserves, and reserves would be maintained at the 15% of expenditure level recommended for the bond rating agencies. Under this option, there is no further reduction in public safety personnel.

The Process

A decision of this magnitude requires significant community input. City Administration has already reached out to residents through a statistically valid survey in an attempt to gauge service performance and service priorities. The City continues to receive high marks on service performance and delivery. This is a significant accomplishment in light of the financial crisis this City has faced over the past seven years and the significant changes in the manner public services are being delivered.

In terms of service priority, the survey clearly indicated that residents continue to place a high value on public safety and do not want to see any further reductions in this area. A majority indicated they would support a public safety millage to avoid further layoffs in public safety.

City Administration is preparing to engage the City Council with further consideration of this option. Due to the need for engagement with our businesses and residents, feedback from the City Council on this option is welcome over the course of the ensuing months.

Conclusion

Though the path forward has not been easy during these challenging economic times, we must remain committed to the City's Vision Statement, which reads: ***It is the mission of the Sterling Heights government to enhance the quality of life by providing outstanding public services in partnership with the community.*** Continuing to make sound and balanced financial decisions on behalf of those we serve will ensure long-term financial stability and ultimately enable the City's Vision to be fulfilled for future generations. Based on the recent community survey, residents believe the City's Financial Plan is working. Over 75% believe the City is headed in the right direction, while 85% rate the quality of life in Sterling Heights favorably.

In closing, I would like to acknowledge the efforts of the Finance & Budget staff: Brian Baker, Janice Schoenrath, and Kerry Majewski, for their hard work and effort during the budget process. The City's department directors and staff are also commended for their team effort during these unprecedented times and continued commitment to service excellence. I am especially grateful for City employees who continue to fill the void of a reduced work force by doing more with less and for making personal sacrifices to help implement the City's Financial Plan.

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

Respectfully submitted,



Mark D. Vanderpool
City Manager

City of Sterling Heights Fact Sheet

2013/14 Budget At A Glance ...

Richard J. Notte
Mayor

Michael C. Taylor
Mayor Pro Tem

Deanna Koski
Councilwoman

Joseph V. Romano
Councilman

Maria G. Schmidt
Councilwoman

Paul M Smith
Councilman

Barbara A. Ziarko
Councilwoman



Mark D. Vanderpool
City Manager

Brian S. Baker
Finance & Budget
Director

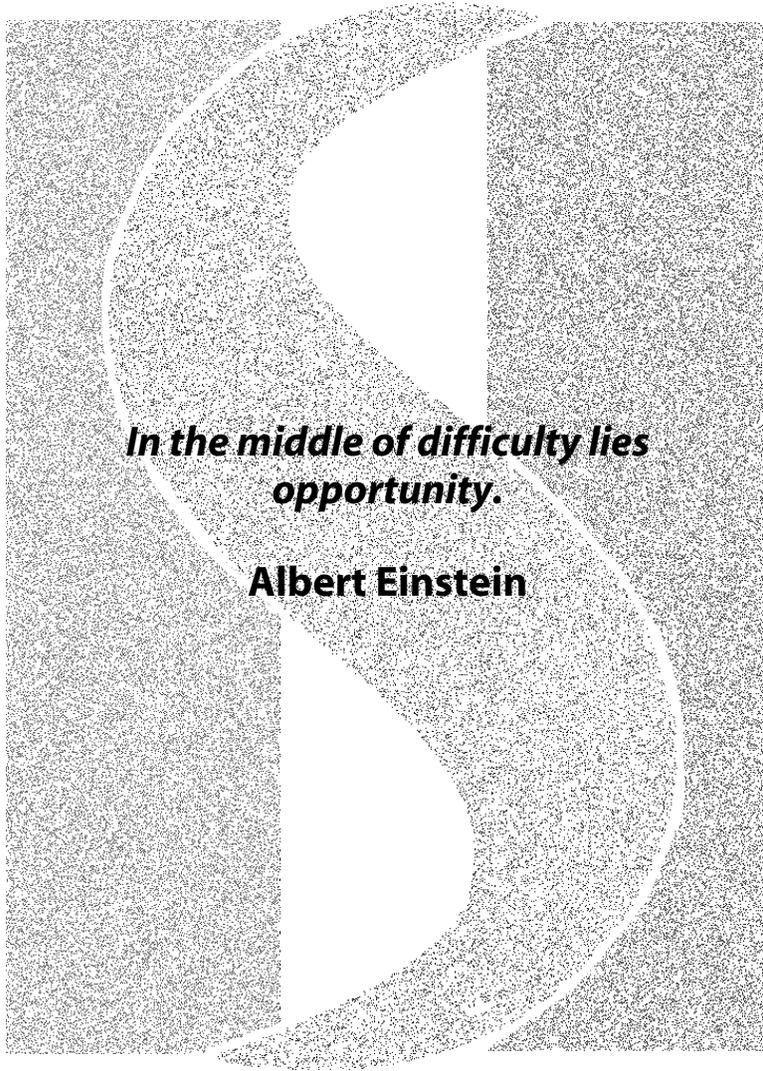
The budget totals \$133.5 million, a decrease of \$2.0 million or 1.5%, as spending will fall to its lowest level in 10 years and lowest in 18 years on an inflation adjusted basis. Due to revenue losses and lower tax bills, the City continues to implement its long-term financial plan of reducing employee costs and streamlining operations, while fully funding and reducing long-term liabilities.

- The budget funds only the most vital services due to \$21 million in property tax losses and \$46 million in lost tax revenue growth over the past six years. Tax revenues have fallen to their lowest level in nine years, as the City's total tax base has decreased by 37.1% to its lowest level since 1999. The State has reduced its funding by \$33.1 million or 22.6% since 2002. Other revenues have also decreased including a 50% reduction in engineering revenues since 2006, a 90% decline in investment income since 2007, and a 19% reduction in court revenues since 2010.
- Due to the revenue losses and lower tax bills, the City has successfully reduced \$32.8 million in annual operational costs. Despite the savings, the City's bond rating was recently downgraded, as General Fund reserves have fallen for the past seven years to a 27-year low.
- The spending plan reflects the savings from successfully negotiating new labor contracts that achieved 15% employee wage and benefit concessions and reduced retirement benefits. Overtime costs have fallen by 44% over the past six years. Employee costs are also reduced due to the greater use of technology, part-time and volunteer staffs, privatization, and over 50 service sharing partnerships.
- Due to property assessment declines, the average homeowner's tax bill has decreased by \$449 or 16.2% since 2007. Tax bills today remain lower than amounts paid 12 years ago in 2002. City taxes now average only \$66 per month – lower than most other monthly household bills.
- Because of cost saving efforts, the City's tax rate has declined by 5.2% since 1988. Had the City continued to levy the same rate since 1988, the average resident would have paid \$3,302 more in taxes. The City's tax rate is lower than 90% of cities in the State and 2.5 mills lower than any city in Macomb County.

- The General Fund Budget decreased \$2.0 million or 2.4% and will fall to its lowest level since 2006. Absent increased contributions to the retirement systems, due in part to stock market declines, the budget would have fallen to its lowest level in 14 years. City bonded debt has fallen to a 25-year low.
- Due to continued revenue losses, the budget eliminates funding for 36 vacant full-time positions, saving \$3.3 million. An additional 20 part-time positions have been funded, for a net \$2.6 million savings. Full-time staffing has fallen by 201 positions or 31% since 2002, saving \$15.9 million. Staffing is at its lowest level since the 1970's, while the employee per resident ratio has decreased by 44%.
- The City continues to have the lowest employee to resident ratio of any city in the State. Public Safety staffing has declined by only 20%, compared to a 50% reduction in other City departments. As a result, Public Safety and Public Works now make up over 82% of the General Fund budget.

The budget includes funding for:

- \$9.5 million in improvements to City infrastructure including repairs to the 17 Mile Road Bridge, Ryan Road, Merrill Road, Amsterdam Drive, 15 Mile Road turn lanes, Van Dyke streetscape design, installation of water & sewer mains, sidewalk repairs, sectional neighborhood road repairs, the reconstruction of four and the resurfacing of three local streets, and improvements to Beaver Creek Park.
- Limited capital funding to replace only six Police vehicles, two Public Work trucks with snow plows, road asphaltting equipment, grant funded Fire medical monitors, a Police online reporting system, field inspection computers, and functionality upgrades to the City's website.
- Maintaining the lowest combined water & sewer rate for residential customers. The City is again passing on only a portion of the Detroit rate increases. In fact, residents will see the lowest rate adjustment in 14 years. As a result, City residents will pay only \$45 per month for water & sewer services. ■



INTRODUCTION

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

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

The General Fund is further divided into major divisions or departments. These departments are comprised of several offices. For example, within the City Administration Department, there are eight offices including City Management, Economic Development, City Clerk, Information Technology, Assessing, Financial Services, Purchasing, and Treasury.

Each office in a department contains a:

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

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

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

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

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

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

A: *The Office of City Management produces a separate line-item budget booklet, which details each office's expenditure accounts. These line-items are not included in the City budget document. The City budget document is more focused on total City-wide costs and in the results achieved with the dollars spent. Regardless, each fund and office budget includes a detailed **Summary of Budget Changes** which provides expenditure account information.*

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

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

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

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

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

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

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

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

UNIFORM BUDGETING ACT

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

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

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

BUDGET PROCESS

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

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

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

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

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

BASIS OF BUDGETING

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

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

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

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

October

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

November

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

December

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

January

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

February

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

March

- Proposed Budget printed
- 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.

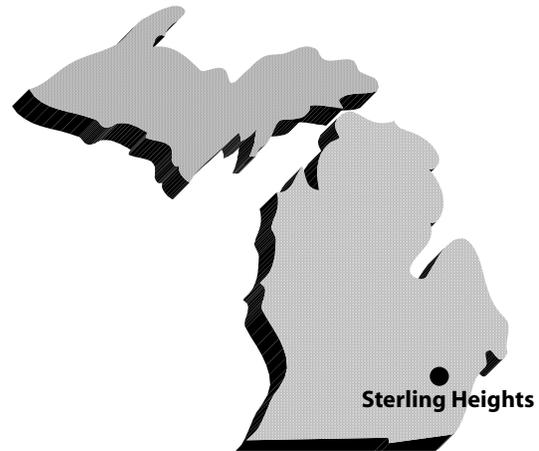
A northeast suburb of Detroit, Sterling Heights is located six miles west of Lake St. Clair and 24 miles from the Detroit Metropolitan Airport.

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 2013 estimated population of Sterling Heights is 130,500. In terms of population, the City is the fourth largest city in Michigan.

Sterling Heights has primarily developed into a residential community. There are approximately 49,576 households in the City and a 40-year old median age. The City's median household income is \$57,272. Of all communities with a population of 100,000 or more, Sterling Heights is one of the top ten safest.

The City is a full-service community with the exception of a public transportation system, which is provided by a regional public transit authority. Sterling Heights offers a wide variety of restaurants, movie theaters, churches, and retail shops. Currently, the City maintains 29 developed park sites, four of which are major parks, and several other undeveloped park properties. City parks provide a variety of recreational



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

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

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

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

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

ORGANIZATIONAL OPERATIONS

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

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

ECONOMIC DEVELOPMENT

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

PROPERTY VALUE ISSUES

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

COMMUNICATIONS & TECHNOLOGY

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

FINANCIAL STABILITY

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

TRANSPORTATION ISSUES

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

NEIGHBORHOOD SAFETY

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

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

RECREATIONAL, CULTURAL, AND LEISURE OPPORTUNITIES

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

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

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

FINANCIAL POLICIES

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

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

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

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

REVENUE POLICIES

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

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

RESERVE POLICIES

1. The City will strive to maintain a minimum General Fund and Self-Insurance Fund reserve of 10% or in an amount equal to 1.2 months of operational expenditures.

ACCOUNTING, AUDITING, AND FINANCIAL REPORTING POLICIES

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

INVESTMENT POLICIES

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

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

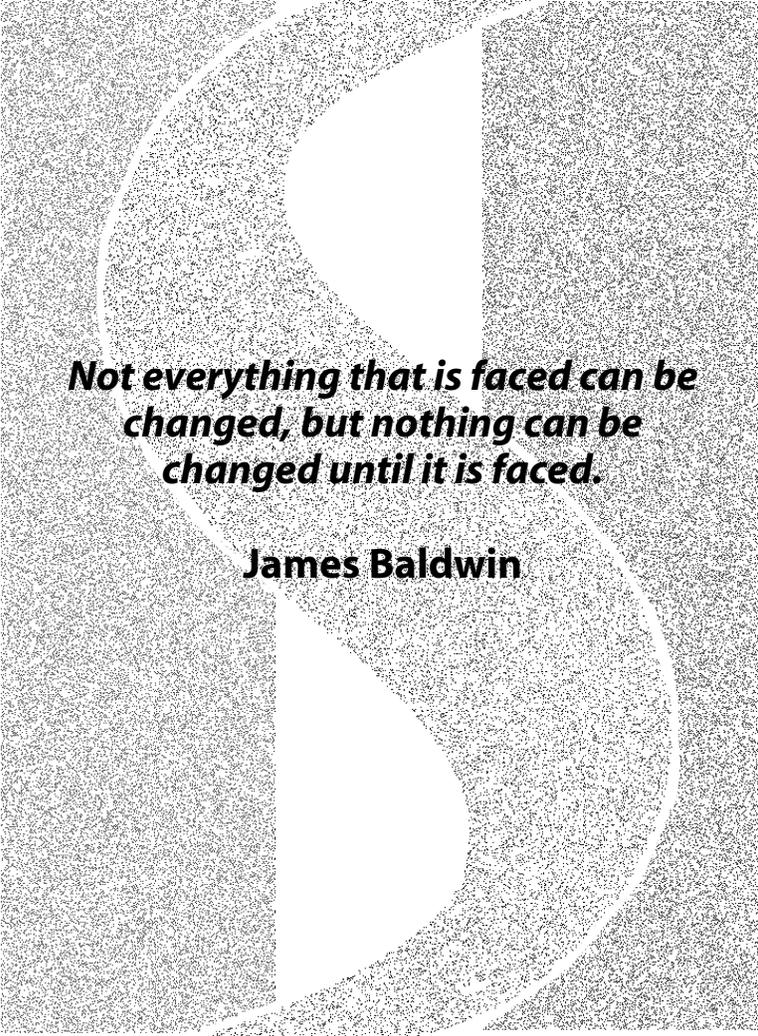
4. The City's accounting system will provide monthly information concerning cash position and investment performance.
5. The City's Investment Officer will quarterly report the portfolio holdings by type, the average maturity, earnings and any other information necessary to allow the City Council and Investment Committee to confirm compliance with the adopted investment policy.

DEBT POLICIES

1. The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues. All bonds will be amortized over a period not to exceed the expected useful life of the project.
2. The City will attempt to keep the average maturity of general obligation and all types of revenue bonds at or below 20 years.
3. When possible, the City will use special assessment, revenue, tax increment, or other self-supporting bonds. These bonds may be backed by the limited full faith and credit of the City to achieve a lower interest cost.
4. The City will not incur long-term debt to support current operations.
5. The City will maintain a sound relationship with all bond-rating agencies and will keep them informed about our current capital projects.
6. The City will only use water and/or sewer revenue bonds to finance capital improvements and projects for enterprise activities.
7. The City will annually review all outstanding debt for potential refunding. Outstanding debt will be refunded only when a net savings greater than 1.5% can be achieved.
8. The City will not issue general obligation debt in excess of 10% of the current state equalized value of real and personal property. Additionally, the City will attempt to maintain the per capita debt, for all types of debt, at or below \$2,500.

CAPITAL IMPROVEMENT BUDGET POLICIES

1. The fiscal integrity of the City's operating debt service and capital improvement budgets will be maintained in order to provide services, construct and maintain public facilities, streets, and utilities.
2. The City shall make all capital improvements in accordance with an adopted capital acquisition program.
3. The City will annually update its multi-year capital improvements plan including proposed funding sources.
4. The City will coordinate decision making for the capital improvement budget with the operating budget to make effective use of the City's limited resources for operating and maintaining existing services and facilities.
5. The City will attempt to maintain all its assets at a level adequate to protect the City's capital investment and to minimize future maintenance and replacement costs.
6. The City will use intergovernmental assistance to finance only those capital improvements that are consistent with the adopted capital improvement plan, City priorities, and for which operating and maintenance costs have been included in the operating budget.
7. Capital investments will foster Sterling Heights' goal of preserving its infrastructure.
8. The City will minimize long-term interest expense when financing capital improvements by maintaining an ongoing systematic bonding program, which spreads the costs of the improvements to the benefiting residents. ■



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

James Baldwin

<u>Policy Benchmark</u>	<u>Status</u>
<p>Financial Policy</p> <ul style="list-style-type: none"> • Emphasis on areas of long-term importance such as efficiency, effectiveness, employee relations, automation, and technology improvements 	<ul style="list-style-type: none"> • Continuation of the Information Technology Plan: including the Public Safety Records Management System, e-ticket and accident reporting, COP Logic online public access, mobile data computers, field reporting tablets, updated City website and E-newsletter communications
<ul style="list-style-type: none"> • Maintain a budgetary control system to ensure adherence to the budget 	<ul style="list-style-type: none"> • Only City in the nation to receive the GFOA's "Outstanding" budget award in all categories; "Distinguished" budget award for the past 26 years
<ul style="list-style-type: none"> • Integrate performance measurement and productivity indicators in the budget 	<ul style="list-style-type: none"> • Earned GFOA's "Special Recognition" award for use of performance measurements • Benchmarking included in the Citizen's Guide to Finances, Performance Scorecard and Dashboard • Participation in ICMA's Center for Performance Measurement – one of 16 cities nationally to receive an Award of Distinction • Department objectives linked to City goals
<ul style="list-style-type: none"> • To avoid practices that balance current expenditures at the expense of future years' revenues 	<ul style="list-style-type: none"> • No short-term borrowing for operations • Lowest government debt of 10 comparable MI cities • No new debt in last 4 budgets • Lowest City staffing since 1970's (reduced 201 FT) • Achieved \$32.8 million in operational savings
<ul style="list-style-type: none"> • To provide adequate maintenance and orderly replacement of capital facilities and equipment 	<ul style="list-style-type: none"> • Facilities and park repairs \$435,100 • Vehicle expenditures \$211,600 • Equipment & technology \$503,200
<ul style="list-style-type: none"> • Maintain adequate level of funding for all retirement systems 	<ul style="list-style-type: none"> • General Employees System 83.5% funded • Police & Fire Pension System 66.0% funded • 401(k) Plan for all new general employees; reduced fixed pensions for all existing employees • Eliminated Police & Fire DROP program • Eliminated retiree medical for new hires • Pre-funding retiree medical past 18 years • Increased retiree medical funding past ten years and fully funding contributions
<ul style="list-style-type: none"> • Seek property tax relief 	<ul style="list-style-type: none"> • Millage rate has decreased by 0.70 mills or 5.2% since 1988, saving average homeowner \$3,302 • Average tax bill has declined by \$449 or 16.2% since 2008 • Tax bills lower than amounts paid 12 years ago • City tax rate lower than 90% of all cities in the State and 2.5 mills lower than any Macomb County city • Lowest taxes per resident of 10 comparable MI cities
<ul style="list-style-type: none"> • Enhancement of the property tax base 	<ul style="list-style-type: none"> • City total tax base has decreased by 37.1%, falling to lowest level since 1999 • Residential property assessments have decreased by 36.0% past six years, while residential taxable values have dropped by 25.7% • Successful efforts to save Chrysler Plant • Defense Corridor and economic development initiatives

<u>Policy Benchmark</u>	<u>Status</u>
<p>Revenue Policy</p> <ul style="list-style-type: none"> Maintain a diversified and stable taxable revenue base Maintain sound appraisal procedures and practices to reflect accurate property values Review fees and charges to assure the cost of providing the service is appropriately charged 	<ul style="list-style-type: none"> City's Taxable Value: <ul style="list-style-type: none"> Residential 61.4% Commercial & Industrial 38.6% 4th highest property values in State Equalization Factor = 1 Continuation of the one-year sales study Annual review of rates and fees Higher non-resident fees Continued lowest water & sewer rates in State Average \$66 monthly tax bill and \$45 water & sewer bill
<p>Reserve Policy</p> <ul style="list-style-type: none"> 10% minimum unreserved/undesignated General Fund Balance (excluding Self-Insurance Fund) 37 days of General Fund operations 	<ul style="list-style-type: none"> 6.5% of 2014 budgeted expenditures Lowest General Fund reserves of 10 comparable Michigan cities 24 days of General Fund operations
<p>Accounting, Auditing, Financial Reporting Policy</p> <ul style="list-style-type: none"> Produce comprehensive annual reports in accordance with GAAP 	<ul style="list-style-type: none"> Certificate of Achievement for Excellence in Financial Reporting Award for 25 years One of first in State to implement GASB 34, earned recognition award from Governmental Accounting Standards Board
<p>Investment Policy</p> <ul style="list-style-type: none"> Analyze market conditions to maximize yields while maintaining the integrity and safety of principal 	<ul style="list-style-type: none"> Maximized Interest on Investment earnings Retiree Health Care Fund Investments maximized
<p>Debt Policy</p> <ul style="list-style-type: none"> Keep average maturity of general obligation bonds at or below 20 years Maintain a sound relationship with all bond rating agencies 	<ul style="list-style-type: none"> 2010 BAB MTF Road Bond 15 yrs. 2007 Senior Active Life Center/Radio Bond 6 yrs. 92.0% of City debt paid off within 10 years Refinanced bonds saving \$1.4 million City's government debt level at 25-year low Five bonds fully paid off last year 2nd highest bond rating of 10 comparable MI cities Fitch's rating AA+ Moody's rating Aa1 Standard & Poors' rating AA+
<p>Capital Improvement Policy</p> <ul style="list-style-type: none"> Make all capital improvements in accordance with an adopted capital acquisition program Continue to implement a multi-year plan for capital improvements 	<ul style="list-style-type: none"> \$9.5 million in total Capital Improvement Projects \$1.6 million in neighborhood street repairs \$2.6 million in Major road improvements Municipal Improvement Plan incorporated in the Sterling Vision and budget documents

The City has participated in the ICMA's Center for Performance Measurement from 1999 – 2003, 2006 – 2007 and in 2010. The Center was created to help cities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents. Below is a listing of the 2010 fiscal year results showing how Sterling Heights compared to other cities and counties across the country in various performance measurement categories.

Category	Sterling Heights	National Average	National Rank	Rank Percent *
City Administration				
Human Resources FTE's Per 100,000 Residents	0.9	9.1	4/87	5%
Full-time Employee Turnover Rate	0.3%	6.5%	1/88	0%
Risk Management				
Worker's Compensation Claims Per 100 FTE's	10	12	26/60	43%
Work Days Lost Due to Injury Per 100 FTE's	39	51	23/40	58%
Purchasing				
Purchasing Office Expenditures Per Resident	\$2.81	\$3.76	23/46	50%
Purchasing Office FTE's Per 100,000 Residents	2.3	4.4	14/44	32%
Dollar Amount of Purchases Needing Approval by Elected Body	\$10,000	\$59,190	6/65	9%
Days from Requisition to Purchase Order - Formal Bid	30	52	10/28	36%
Parks & Recreation				
Parks & Recreation Costs Per Resident	\$26	\$36	29/60	48%
Parks & Recreation FTE's Per 100,000 Residents	37	79	9/50	18%
Total Park Acres Per 1,000 Residents	7.5	19.8	24/94	26%
Parks & Recreation Revenue Per Resident	\$3.8	\$23.0	11/86	13%
Developed Park Acres Per 1,000 Residents	6.4	11.1	38/98	39%
Percent of Park Acres Developed	85%	68%	58/92	63%
Police Department				
Police Operating Expenditures Per Resident	\$233	\$222	47/79	59%
Sworn Police FTE's Per 1,000 Residents	1.4	1.9	17/84	20%
Civilian Police FTE's Per 1,000 Residents	0.4	0.5	31/83	37%
Percent of Sworn Police FTE's to Total Police FTE's	79%	80%	36/84	43%
911 Police Calls Received Per 100 Residents	33	69	21/82	26%
Moving Violation Citations Issued Per 1,000 Residents	170	182	60/91	66%
Traffic Fatalities Per 100,000 Residents	3.9	4.3	50/100	50%
Injury Producing Traffic Accidents Per 100,000 Residents	548	536	64/101	63%
Violent Crimes Reported Per 1,000 Residents	1.5	3.4	35/91	38%
Percent of Violent Crimes Cleared	49%	64%	21/78	27%
Violent Crimes Cleared Per Sworn FTE	0.5	0.9	33/75	44%
Property Crimes Reported Per 1,000 Residents	22	32	30/88	34%
Percent of Property Crimes Cleared	30%	27%	62/90	69%
Property Crimes Cleared Per Sworn FTE	4.9	4.5	48/72	67%
Cost per Property & Violent Crime Cleared	\$31,498	\$30,825	47/69	68%
Total Arrests Per 1,000 Residents	25	50	14/89	16%
DUI Arrests Per 1,000 Residents	3.1	5.2	24/109	22%
Juvenile Arrests as a % of Total Arrests	5%	14%	13/83	16%
Average Age of Police Vehicles (Years)	2.6	3.7	14/87	16%
Average Annual Miles Driven Per Police Vehicle	16,351	15,607	44/69	64%

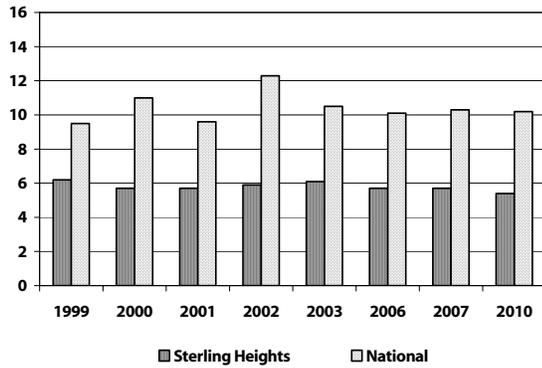
Category	Sterling Heights	National Average	National Rank	Rank Percent *
Fire Department				
Fire Operating Expenses Per Resident	\$134	\$159	21/59	36%
Total Department FTE's Per 1,000 Residents	1.1	2.2	4/46	9%
Fire Incidents Per 100,000 Residents	217	311	34/93	37%
EMS Responses Per 1,000 Residents	60	83	19/78	24%
% of Fire Responses Less Than 5 Minutes (from dispatch)	87%	61%	46/51	90%
Average EMS Response Time (Minutes)	4.5	5.2	15/49	31%
Average Age of Fire Apparatus (Years)	10	9.5	41/71	58%
Average Annual Miles Driven Per Vehicle	5,817	4,964	36/54	67%
Code Enforcement				
Code Enforcement Operating Expenses Per Resident	\$6.6	\$8.5	41/71	58%
Code Enforcement Violations Per 1,000 Residents	37	50	43/74	58%
Code Enforcement Violations Per FTE	791	680	44/60	73%
Public Works Department				
Fleet Maintenance Expenditures Per Resident	\$14.6	\$13.8	13/24	54%
Fleet Maintenance FTE's Per 100,000 Residents	10	14	21/66	32%
Annual Refuse Tons Collected Per Account	1.1	1.3	30/64	47%
Refuse Collection Costs Per Ton	\$52	\$75	20/53	38%
Recycling Costs Per Ton Recycled	\$30	\$137	5/43	12%
Street Maintenance Expenditures Per Lane Mile	\$1,985	\$3,588	34/85	40%
Street Sweeping Expenditures Per Resident	\$2.20	\$2.96	38/86	44%
Public Library				
Library Expenditures Per Registered Borrower	\$49	\$52	25/45	56%
Library FTE's Per 1,000 Residents	0.22	0.47	6/44	14%
Library Circulation Per Resident	4.9	10.3	10/50	20%
Library Visits Per Resident	4.4	6.4	15/47	32%
Library Program Attendance Per 1,000 Residents	246	332	25/47	53%
Percent of Population Who Are Registered Library Borrowers	41%	62%	5/45	11%
Library Material Acquisition Costs Per Resident	\$1.82	\$4.23	11/49	22%
Annual Reference Transactions Per 1,000 Residents	1,020	995	27/45	60%
Average Hours of Library Operations Weekly	58	61	15/43	35%
Patron Internet Usage Per Terminal	2,005	1,806	27/39	69%
Facilities Maintenance				
Facilities Maintenance FTE's Per 100,000 Residents	10.2	16.8	24/50	48%
Facilities Maint. Operating & Maint. Costs per Sq. Ft.	\$6.2	\$4.6	42/50	84%
Information Technology				
Information Technology Expenditures Per Resident	\$9	\$29	9/59	15%
Information Technology FTE's Per 100,000 Residents	6.0	18.3	7/43	16%
Ratio of Computer Workstations to FTE	0.85	0.89	33/71	46%
Citywide				
Total Expenditures Per Resident	\$933	\$1,624	19/91	21%
Total Full-time Equivalent Employees (FTE's) Per 1,000 Residents	5.4	10.2	10/91	11%
Employee Benefits as a % of Compensation (incl. retiree healthcare)	31%	27%	62/82	76%

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

ICMA PERFORMANCE MEASUREMENTS

City Administration Department

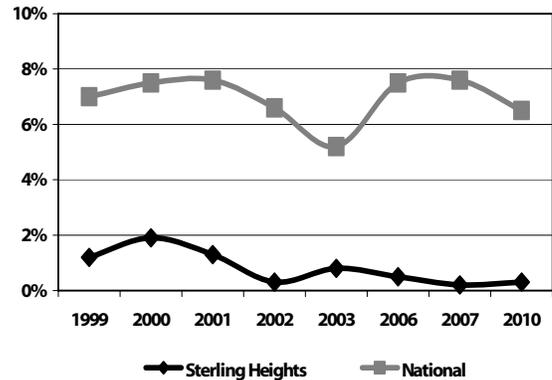
Total Full-time Employees Per 1,000 Residents



2010 National Rank: 10th out of 91 cities
Rank Percentage: 11%

The City continues to have fewer full-time equivalent employees per 1,000 residents than the national average. In 2010, the City had 5.4 full-time employees per 1,000 residents versus a national average of 10.2 employees. We rank 10th lowest out of 91 cities.

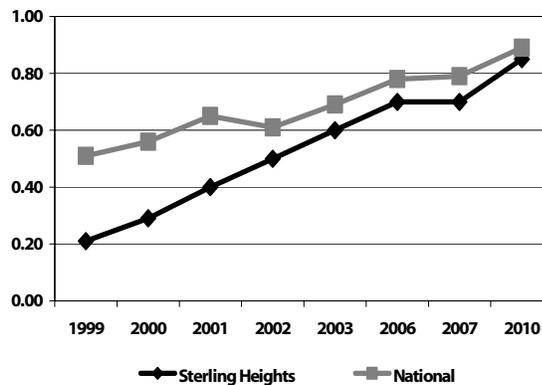
Full-time Employee Turnover Rate



2010 National Rank: 1st out of 88 cities
Rank Percentage: 0%

The rate at which the employees leave the City's employment (excluding retirements) continues to be well below the national average. In 2010, only 0.3% of employees left the City versus a 6.5% national average.

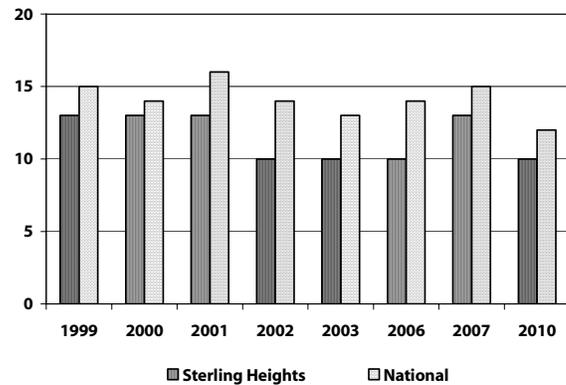
Ratio of Computers to Employees



2010 National Rank: 33rd out of 71 cities
Rank Percentage: 46%

The City has increased its ratio of computers to full-time employees as a result of implementing our Information Technology plan. Over the past 11 years, we have narrowed the gap between the City's ratio and the national average.

Worker's Compensation Claims Per 100 Employees



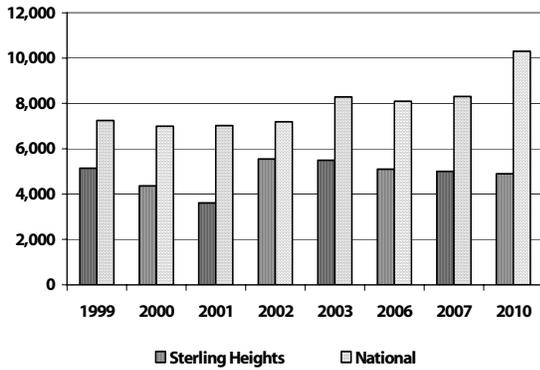
2010 National Rank: 26th out of 60 cities
Rank Percentage: 43%

The City's worker's compensation claims per 100 full-time equivalent employees (FTE's) has generally decreased over the past 11 years and continues to be below the national average due to our proactive Risk Management program.

ICMA PERFORMANCE MEASUREMENTS

Community Services - Public Library

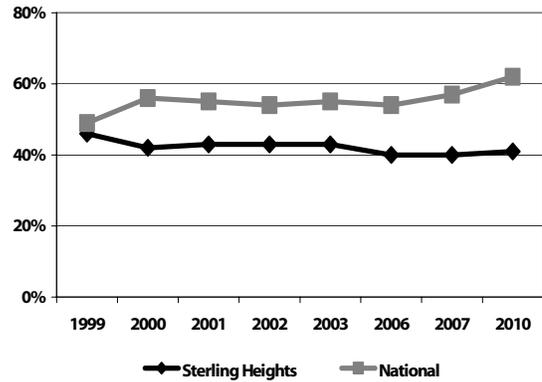
Library Circulation Per 1,000 Residents



2010 National Rank: 10th out of 50 cities
Rank Percentage: 20%

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

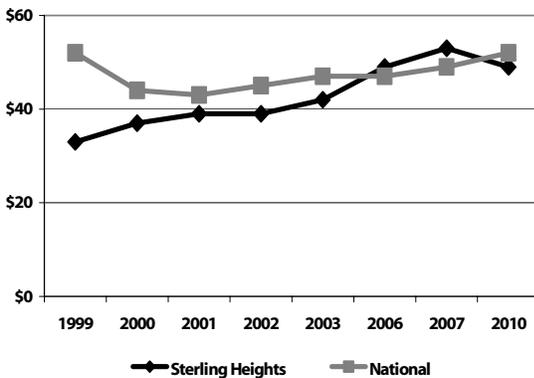
Registered Borrowers As a % of Population



2010 National Rank: 5th out of 45 cities
Rank Percentage: 11%

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

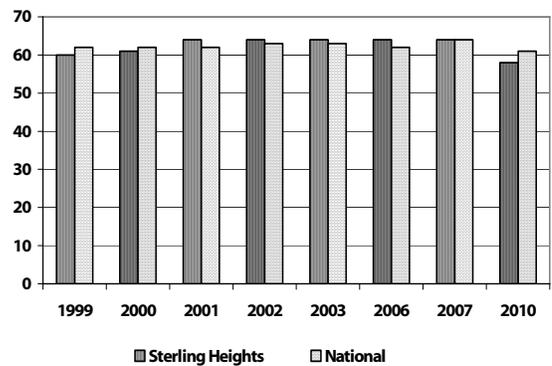
Library Expenditures Per Registered Borrower



2010 National Rank: 25th out of 45 cities
Rank Percentage: 56%

The City's Library Expenditures per Registered Borrower has decreased and is now slightly below the national average. In 2010, the City spent \$49 per registered borrower compared to an average of \$52 spent nationally. We ranked 25th out of 45 cities nationally.

Average Weekly Hours of Library Operations



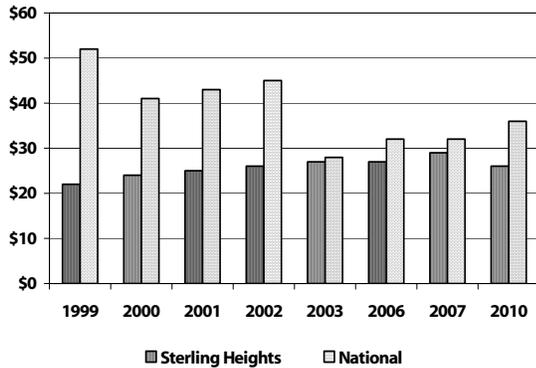
2010 National Rank: 15th out of 43 cities
Rank Percentage: 35%

After an increase in the number of hours the Library was open, in 2010 the number decreased due to the elimination of Library Sunday hours during the school year and the opening of the Library at 1 p.m. on Fridays.

ICMA PERFORMANCE MEASUREMENTS

Community Services - Parks & Recreation

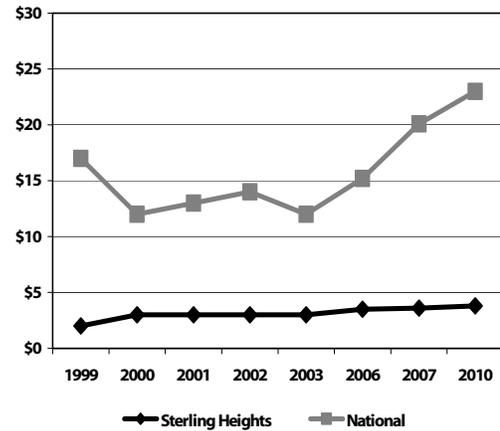
Parks & Recreation Costs Per Resident



2010 National Rank: 29th out of 60 cities
Rank Percentage: 48%

The City's total Parks & Recreation cost per resident has recently decreased. Beginning in 2003, the national average now excludes the cost of municipal golf courses allowing for a more accurate comparison. The City currently ranks 29th lowest out of 60 cities nationally.

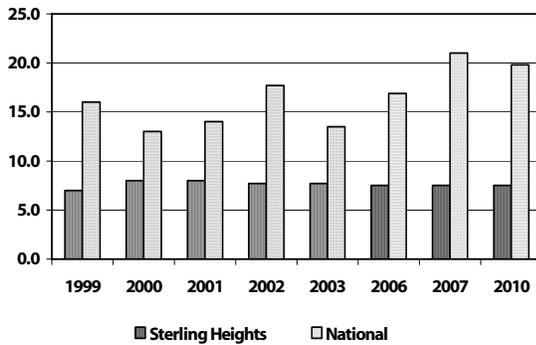
Parks & Recreation Revenue Per Resident



2010 National Rank: 11th out of 86 cities
Rank Percentage: 13%

The revenue generated by Parks & Recreation (excluding golf courses) has been well below the national average during the past 11 years.

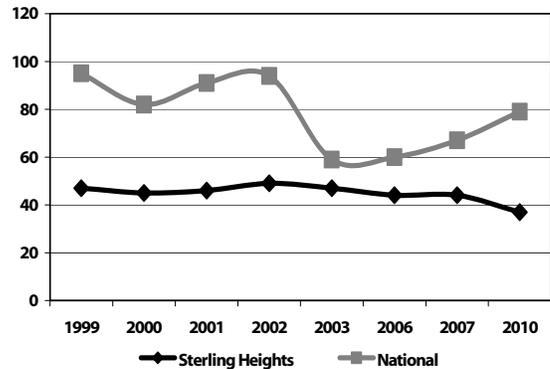
Park Acres Per 1,000 Residents



2010 National Rank: 24th out of 94 cities
Rank Percentage: 26%

The number of park acres in the City has increased slightly over the past 11 years. The City continues to be below the national average in park acres per 1,000 residents. The City, however, ranks higher in both developed park acres per resident (39%) and the percent of park acres developed (63%).

Parks & Recreation Employees Per 100,000 Residents



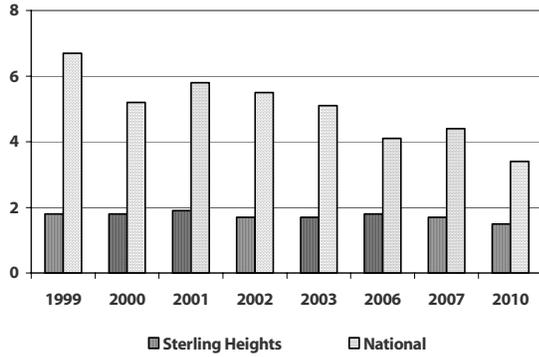
2010 National Rank: 9th out of 50 cities
Rank Percentage: 18%

The City currently has 37 full-time equivalent employees (FTE's) compared to the national average of 79 FTE's. Beginning in 2003, the national average now excludes the number of municipal golf course FTE's.

ICMA PERFORMANCE MEASUREMENTS

Police Department

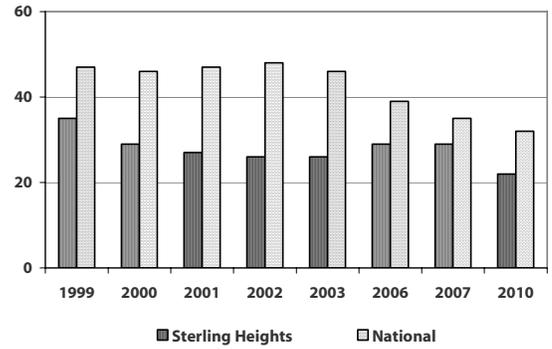
Violent Crimes Per 1,000 Residents



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

The City currently ranks 35th lowest out of 91 cities nationally in Violent Crimes per 1,000 residents. Over the past 11 years, the City has continued to be well below the national average.

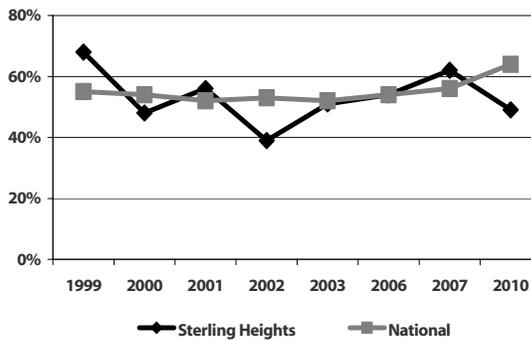
Property Crimes Per 1,000 Residents



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

The City is also well below the national average in Property Crimes per 1,000 residents. The number of property crimes per resident has generally decreased. The City currently ranks 30th lowest out of 88 cities nationally.

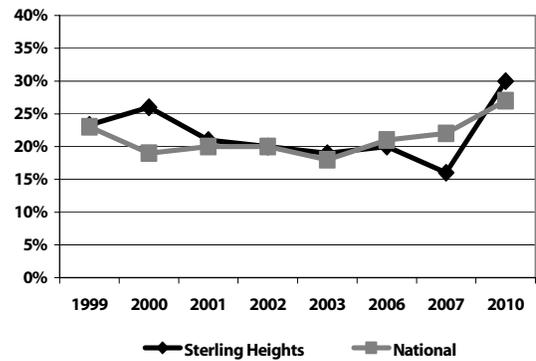
Percent of Violent Crimes Cleared



2010 National Rank: 21st out of 78 cities
Rank Percentage: 27%

The Percent of Violent Crimes Cleared, or solved, has decreased slightly below the national average. In 2010, the City ranked 21st out of 78 cities nationally.

Percent of Property Crimes Cleared



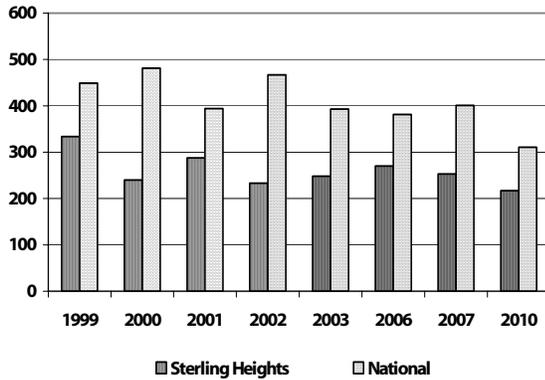
2010 National Rank: 62nd out of 90 cities
Rank Percentage: 69%

In 2010, the Percent of Property Crimes Cleared, or solved, increased above the national average. The City currently ranks 62nd highest out of 90 cities.

ICMA PERFORMANCE MEASUREMENTS

Fire Department

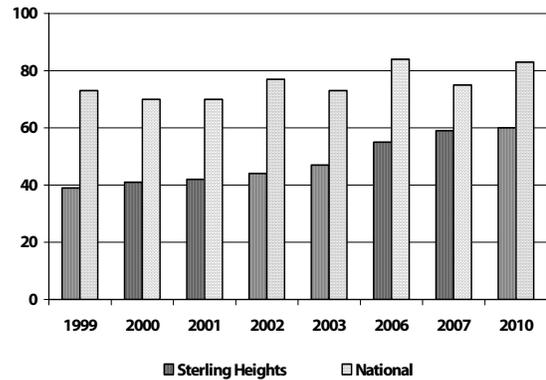
Fire Incidents Per 100,000 Residents



2010 National Rank: 34th out of 93 cities
Rank Percentage: 37%

The number of fire incidents in the City continues to be well below the national average for each of the past 11 years. The City currently ranks 34th lowest out of 93 cities nationally in the number of fire incidents per resident.

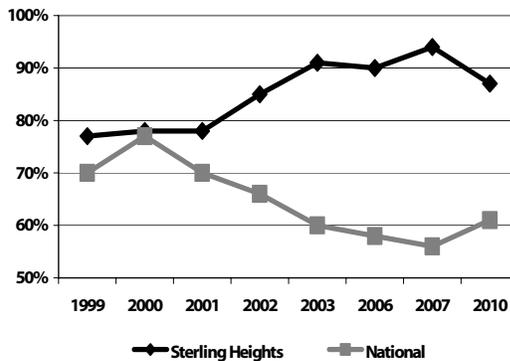
EMS Responses Per 1,000 Residents



2010 National Rank: 19th out of 78 cities
Rank Percentage: 24%

The number of EMS responses in the City remains well below the national average for the past 11 years. In 2010, the City ranked 19th lowest out of 78 cities reporting. 76% of cities nationally had a higher number of EMS responses per resident.

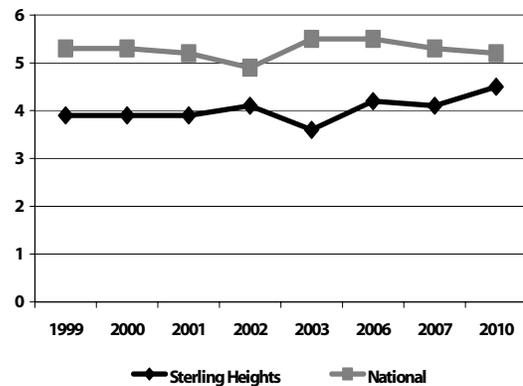
Percent of Fire Responses Less Than 5 Minutes



2010 National Rank: 46th out of 51 cities
Rank Percentage: 90%

For the past 11 years, Sterling Heights has had a higher percent of fire responses that took less than 5 minutes to respond, as compared to the national average. Currently, 87% of fire incidents are responded to in 5 minutes or less. Only 5 reporting cities had a higher percent.

Average EMS Response Time (Minutes)



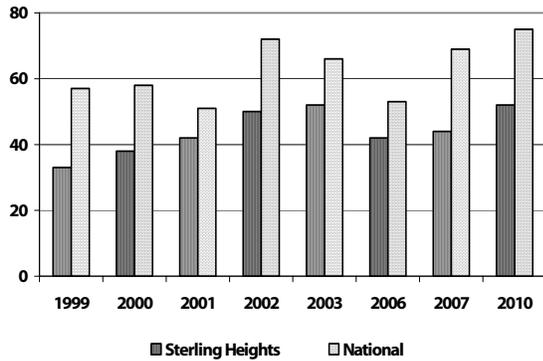
2010 National Rank: 15th out of 49 cities
Rank Percentage: 31%

The City's average EMS response time is 4.5 minutes, which is below the national average. We currently rank 15th lowest out of 49 cities. In other words, 69% of the cities nationally had a slower average EMS response time.

ICMA PERFORMANCE MEASUREMENTS

Public Works Department

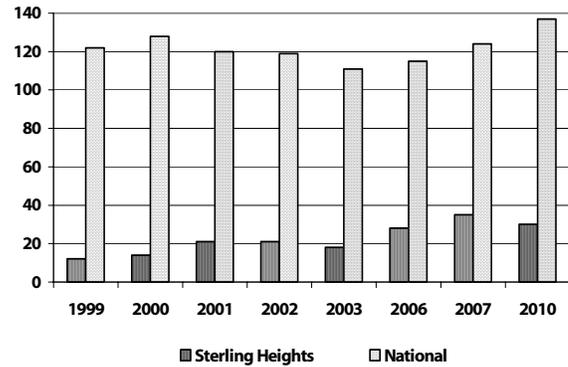
Refuse Collection Costs Per Ton



2010 National Rank: 20th out of 53 cities
Rank Percentage: 38%

Our Refuse Collection Costs per Ton continue to be below the national average. Our costs ranked 20th lowest out of 53 cities nationally.

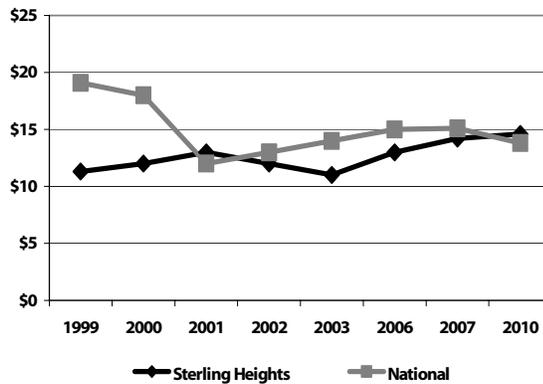
Recycling Costs Per Ton Recycled



2010 National Rank: 5th out of 43 cities
Rank Percentage: 12%

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

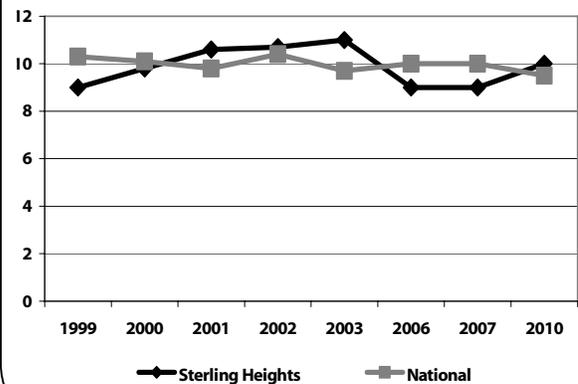
Fleet Maintenance Expenditures Per Resident



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

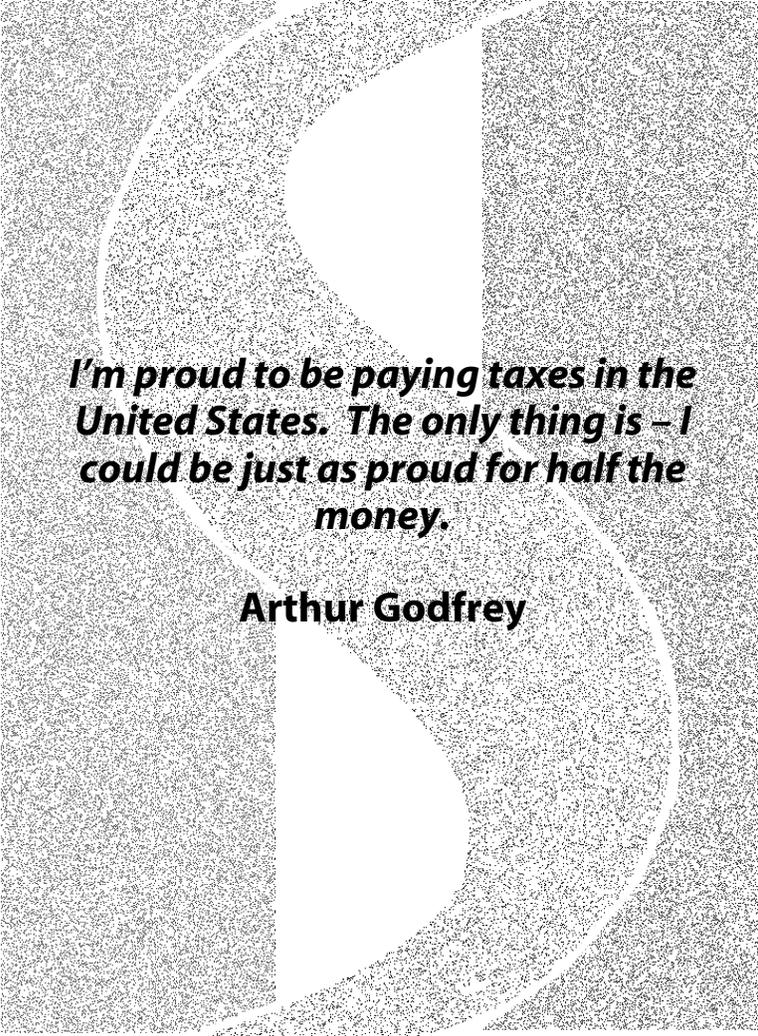
The City spends near the national average for operating and maintaining its motor vehicles and equipment. We currently rank 13th out of 24 cities nationally.

Average Age of Fire Apparatus (Years)



2010 National Rank: 41st out of 71 cities
Rank Percentage: 58%

The age of our fire fleet continues to remain very close to the national average.



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

Arthur Godfrey

All Funds Summary

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

Financial Organization Chart

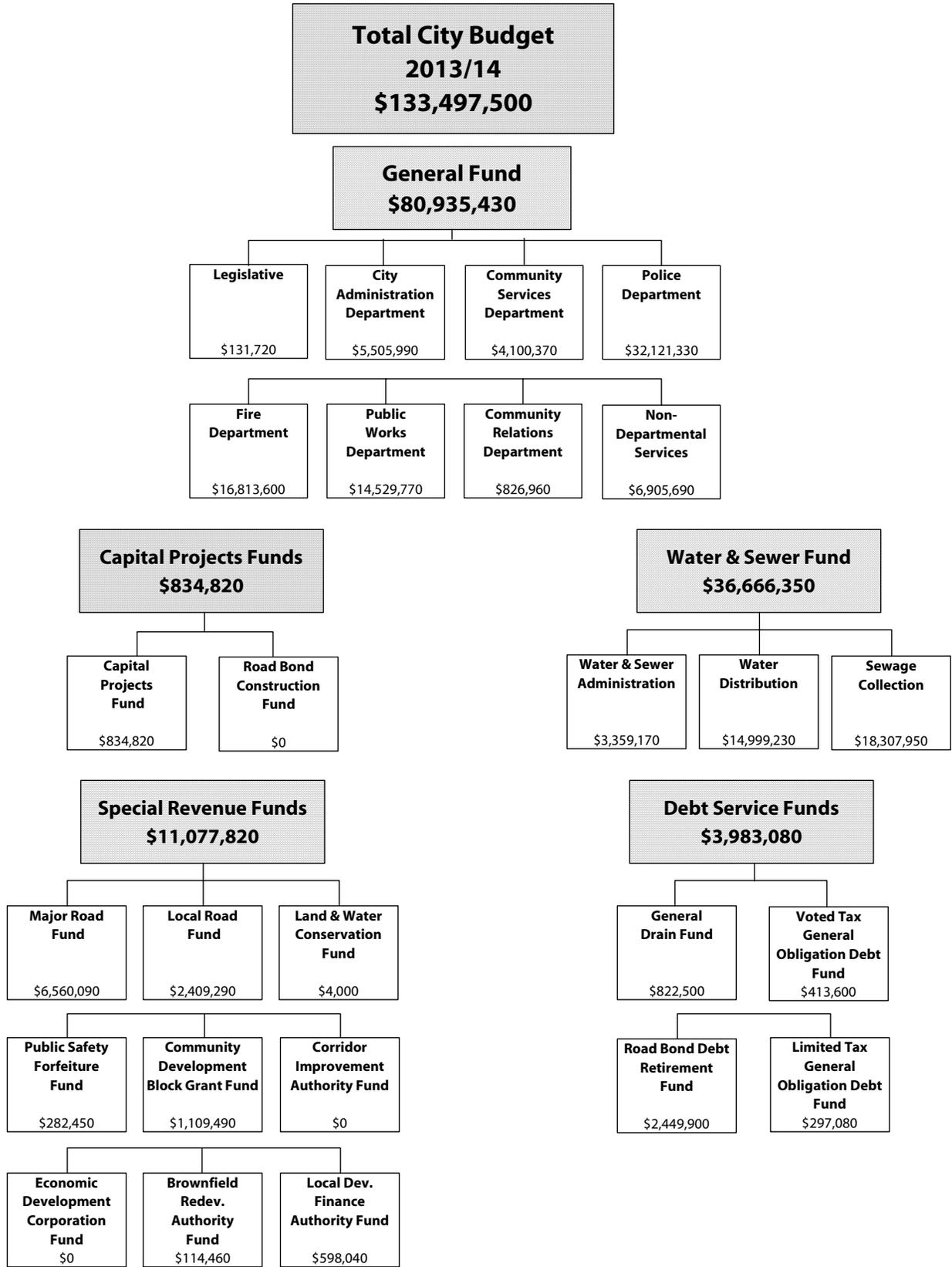


Chart figures correspond to budget tabs and include all transfers.

INTRODUCTION

This Executive Summary has been prepared as a general overview to the 2013/14 Budget for the City of Sterling Heights. This overview will provide City residents with a comprehensive summary of the City's plans for the fiscal year. The City Council held several budget hearings throughout the months of April and May in order to review the budget document.

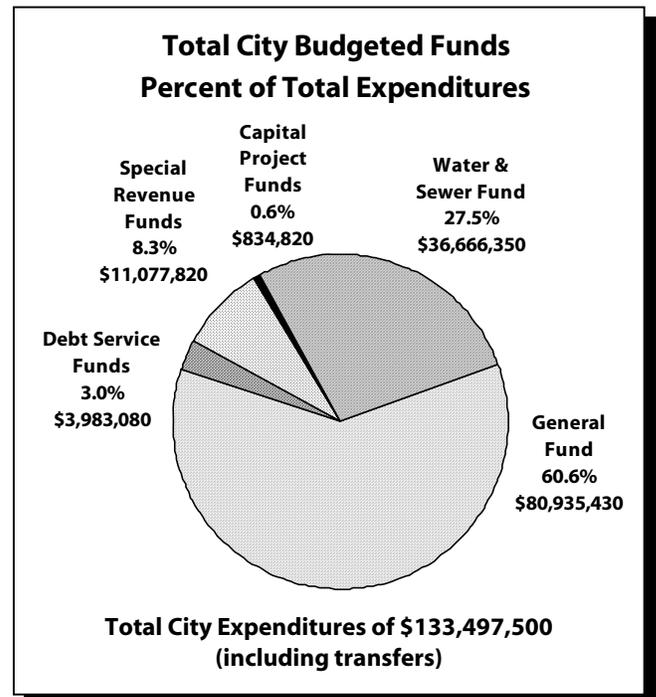
This Executive Summary will briefly introduce you to the City's budget. It will explain how the City plans to utilize its resources and will highlight some of the more significant changes to the City's budget. If a more in-depth understanding of the budget is desired, please take some time to review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

TOTAL CITY FUNDS

The 2013/14 Budget for all City Funds totals \$133.5 million – down \$2.0 million or 1.5% from the prior year due to numerous cost saving measures, a fourth year of employee wage and benefit concessions, lower staffing levels, falling debt payments, and a decrease in one-time federal funding for road improvements, public safety equipment, and neighborhood stabilization funds.

The City establishes a budget for 15 separate funds or accounting divisions. These 15 funds can be further grouped into five major fund categories as the accompanying graph illustrates. The largest is the **General Fund**, which provides \$80.9 million in funding towards the majority of services available to City residents through the City's six departments. The second largest fund is the **Water & Sewer Operating Fund**, which provides \$36.7 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 \$11.1 million for major and local road maintenance and construction, park development, public safety drug forfeiture purchases, brownfield redevelopment, the



local development financing authority, and for the federally subsidized Community Development Block Grant. Several notable items in the Special Revenue Funds Budget include:

- CDBG funding to assist low and moderate-income families in making minor home repairs, for increased property maintenance code enforcement efforts, neighborhood street repairs, funding for not-for-profit service organizations, and funding for senior center staffing and the Special Recreation program.
- Increased funding for continued operation of the business incubator and reimbursement of eligible brownfield and LDFA expenses resulting from the BAE project.
- Park maintenance projects at several neighborhood parks including playground equipment repairs at Ben Hadley Park and improvements to Big Beaver Park.

Because the City has lost \$4 million in State gas tax revenues since 2004, coupled with reduced federal stimulus dollars, fewer new road projects are budgeted than in previous years. The road improvement projects for next year include:

- Concrete repairs to Tyler, Sanford, and Indigo Drives and West Elmcrest, using federal CDBG Funds.

- The asphalt resurfacing of Wheaton, Fortner, Amsterdam, and Gainsley Drives.
- Neighborhood road sectional concrete and asphalt repairs and funding for both major and local road surfacing maintenance and joint sealing repairs.
- The reconstruction of the 17 Mile Road Bridge over the railroad tracks.
- Sectional repairs to Ryan Road from 14 Mile to 15 Mile Road and Merrill Road from 19 Mile to M59.
- The streetscape design costs for the future road improvement project on Van Dyke from 15 Mile to 18 Mile Road.
- The use of grant monies to fund the installation of right hand turn lanes on 15 Mile Road at Dodge Park Road and Maple Lane.

The **Capital Project Funds** total \$834,820. These funds are used for the purchase of capital equipment and vehicles, the repairs to municipal facilities and storm drains, and for road construction financed by the sale of bonds. Notable capital projects include:

- \$155,000 for Neighborhood Sidewalk Repairs and \$120,000 for the Sidewalk Gap Program.
- \$205,510 in grant funded Fire medical monitors, a DPW Asphalt Hot Box for road repairs, and Information Technology upgrades including twenty-two replacement personal computers, fire inspection and E-agenda computer tablets, and funding to increase the functionality of the City's website.
- \$211,600 to replace only six high mileage police patrol and traffic vehicles and one DPW pickup truck.

Finally, the **Debt Service Funds** total \$4.0 million and provide funding for the debt payments on road construction projects, the City Center Commons, storm drains, and the debt resulting from the voter approved Proposal F. The City has saved over \$1.9 million in future interest payments by refinancing several bonds and due to the last bond rating upgrade. The City's outstanding government debt has dropped to its lowest level since 1989. Debt continued to decline this year, as five existing bonds have been fully paid off.

GENERAL FUND

The General Fund Budget totals \$80.9 million, a decrease of \$2.0 million or 2.4% below the prior year budget. The General Fund budget has now fallen to

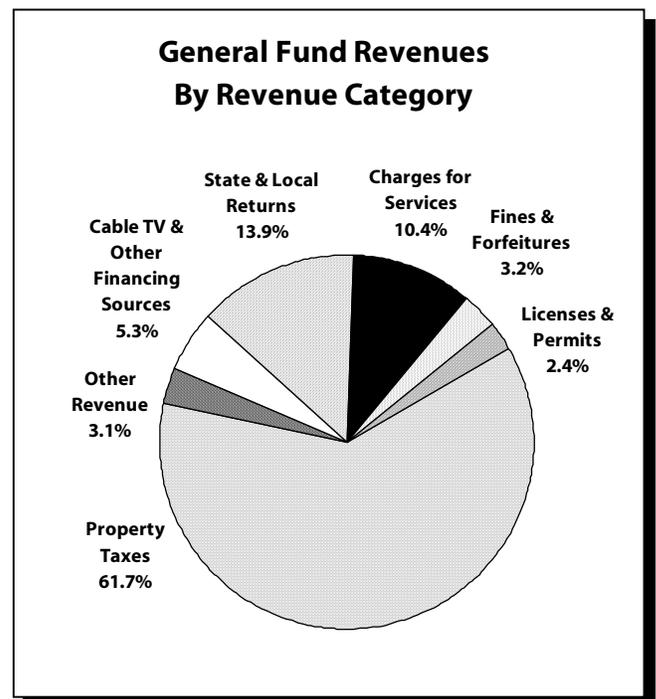
its lowest level since 2006. Absent increased contributions to the retirement systems, the budget would have fallen to its lowest level in 14 years. General Fund revenues, absent the transfer of Self-insurance Fund reserves, have dropped to their lowest level since 2005.

Revenues by Category

The General Fund derives its revenue from a variety of sources as the graph illustrates. The largest source is from property taxes. The City's tax rate of 12.6858 mills will provide \$51.4 million or 61.7% of the total General Fund budget. Taxes are levied for General Operations, Refuse Collection, Police & Fire Pensions, Public Improvement Proposal F debt, and Drain debt.

The City's total millage rate of 12.6858 mills remains the same as last year. Since 1988, the City's total tax rate has declined by 5.2% and remains one of the lowest of any city in the area and lower than 90% of other cities in the entire State.

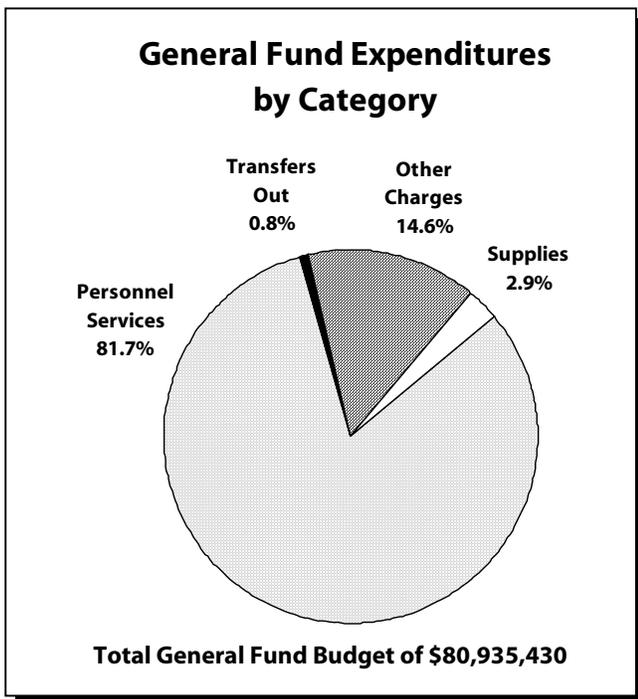
Due to declining property assessments since 2008, the City's total assessed value has dropped by 37.1%, while the total taxable value has decreased by 24.2%. Residential assessed values alone have declined by 36.0%, while residential taxable values have decreased by 25.7%. The City's total taxable



property value has now fallen to its lowest level since 2001, while assessed values are at their lowest level since 1999. As a result, due to a sixth year of declining property assessments, the City has now lost \$67.2 million in lower property tax revenues compared to receipts in a normal housing market. Excluding inflation and a normal housing market, the City has lost \$20.5 million in tax revenues since 2008. This revenue loss and assessment decline is unprecedented in the City's history. Total property tax receipts have now fallen to their lowest level in nine years or since 2005.

To lessen the burden and reliance on property taxes, the General Fund also realizes revenue from a variety of smaller revenue sources: Licenses & Permits comprise 2.4%, State and Local Returns 13.9%, Fines & Forfeitures 3.2%, Charges for Services 10.4%, Other Revenue 3.1%, Cable TV Revenue 2.7%, and Other Financing Sources 2.6%, including a transfer from the Self-insurance Fund reserves.

Due to continued declining revenues and despite \$4.3 million in expenditure savings, a \$2.1 million transfer of Self-insurance Fund reserves is needed to balance the budget. No further use of General Fund reserves is planned, leaving an estimated \$5.2 million or 6.5% of General Fund expenditures available in reserves. General Fund reserves are now at their lowest level in 27 years.



Expenditures by Category

The \$80.9 million General Fund budget is comprised of four separate expenditure objects or categories as the graph illustrates. The largest is for Personnel Service costs, which are made up of wages and fringe benefits and comprise 81.7% of the total budget. Supplies, which are made up primarily of operating supplies, fuel, parts for the repair and maintenance of City vehicles, and the purchase of Library books, total 2.9% of the budget. Other Charges total 14.6% of the budget and is primarily for the refuse, detention facility, and custodial contract costs, liability insurance, utility bills, and legal costs. Transfers to other City funds total 0.8% of the General Fund budget.

The total \$2.0 million decrease in General Fund expenditures can be explained by the following illustration showing where the expenditure changes have occurred:

	<u>Dollar Change</u>	<u>Percentage Change</u>
Personnel Services	(\$2,158,510)	(3.2%)
Supplies	59,690	2.7%
Other Charges	420,450	3.7%
<u>Transfers Out</u>	<u>(298,860)</u>	<u>(31.3%)</u>
Total	<u>(\$1,977,230)</u>	<u>(2.4%)</u>

Personnel Services decreased by nearly \$2.2 million or 3.2% from last year's budget. Due to revenue shortfalls, the budget does not fund 36 vacant full-time positions saving \$3.3 million. Unlike last year, the budget does not include any layoffs. The budget also reflects the fourth year of employee wage and benefit concessions that have been achieved in new employee labor agreements that has lowered longevity, compensatory time, deferred compensation, and health insurance costs. Overtime costs will fall by \$450,850 or 13.6% and have now declined by over \$2.3 million or 44% over the past six years. Funding for the closed general employee pension system increased by \$770,840, as past years' stock market losses are still being recognized.

The City will again fully fund its actuarially required contribution for current and future retiree medical liabilities. In 2013/14, an additional \$200,000 or \$11.6 million in total has been set-aside in the General Fund to fully cover these obligations. In the

past ten years, the City has increased this funding by \$9.0 million.

The budget includes funding for 448 full-time positions – the City’s lowest staffing level since the 1970’s. The City has now reduced funding for 201 full-time positions or 31% of its workforce since 2002, saving \$15.9 million annually. The City’s employee per resident ratio has decreased by 44%. The City has worked hard to reduce the staffing impact to the Police and Fire Departments. As a result, in the past 12 years, public safety staffing is down only 20% compared to a 50% reduction in other City departments. As a percent of the budget, Public Safety and Public Works funding now make up over 82% of spending.

Recent employee labor contract changes have allowed for a greater use of part-time staff. Due to full-time retirements, an additional 20 part-time positions are funded in the budget. Most of these positions are budgeted to work 1,500 hours per year, but receive no paid benefits. Three additional part-time code enforcement officers and a clerical position have been added to the budget and will be funded with a new residential non-homestead inspection fee.

Supplies increased by \$59,690 or 2.7% due to the continued higher cost of fuel and repairs of City vehicles and equipment. The supplies budget for most departments, however, has continued to fall. Departments, for example, are using a contractor to maintain laser printers, thereby eliminating the need to purchase toner cartridges. The greater use of online resources has reduced postage costs. In addition, fewer recreation supplies and Library materials are being purchased.

Other Charges increased by \$420,450 or 3.7%. Most of the increase is to cover the one-time payout of Emergency Dispatcher unused leave time banks and separation costs when they transition to the County Dispatch Center at the end of the fiscal year. Additional contractual services are budgeted for the Special Recreation program, recreational newsletters, park maintenance, and an extension of the yard waste refuse collection schedule. Costs rose due to the field inspection computer start-up costs for the new company Fire inspection and residential property maintenance initiatives. Savings were achieved in lower legal costs, bank fees, and Internet data charges.

Capital Outlay is budgeted in the Capital Projects Fund. All capital equipment and vehicles used by General Fund departments, with the exception of drug forfeiture purchases, are expensed in the Capital Projects Fund and are funded primarily through a Transfer Out from the General Fund, Capital Project reserves or grant funds. \$205,510 is budgeted for new equipment and \$102,110 for Information Technology upgrades including new fire inspection computer tablets, an upgrade to the City’s website, and the replacement of 22 six-year old personal computers. \$182,600 is budgeted for the purchase of only six replacement high mileage police vehicles and a DPW Pickup Truck. **A complete list of all capital equipment, vehicles, and projects is located in the Capital Projects section of this document.**

General Fund **Transfers Out** to other City Funds decreased by \$298,860 or 31.3% due to lower debt payments, less funding for capital equipment purchases, and savings in the Economic Development Fund.

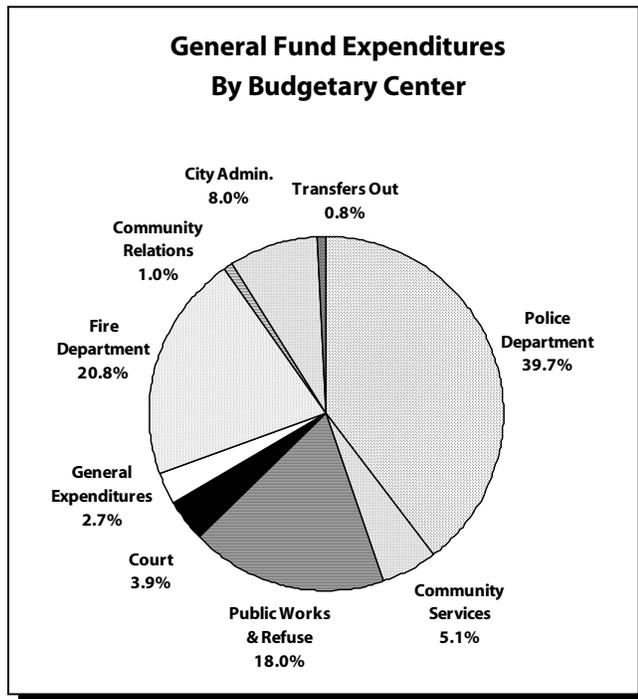
Expenditures by Budgetary Center

The General Fund can be further broken down into the departmental or budgetary center level. These centers comprise the six City operating departments as well as other ancillary expenditure cost centers. As you will note on the graph, over 80% 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 2013/14 Budget:

City Administration Department

- Due to a retirement, a full-time position in City Management will become part-time and a new part-time position is budgeted in Human Resources to provide assistance with benefit administration.
- The reassignment of an Economic Development position to Neighborhood Services to oversee the new residential property maintenance program.
- A vacant full-time Clerk Typist in the City Clerk’s office has been filled with a part-time position, lower election costs due to last year’s Presidential election, and funding for the new PetData animal licensing contract.



- The elimination of a vacant part-time Facilities Maintenance clerical position and the transfer of the maintenance staff and custodial costs to the Public Works Department.
- The consolidation of Information Technology duties due to the retirement of an IT Specialist, savings from software support agreements, and lower Internet data connection costs.
- Due to retirements, two full-time Assessing Appraiser positions have been replaced with part-time positions and a high school Co-op position is funded.
- A vacant Account Clerk in Finance has been filled with a part-time position and savings have resulted from the elimination of the MUNIS animal licensing software.
- Savings from the retirement of two Purchasing staff and the transfer of Risk Management duties to the City Clerk's office.
- The filling of a vacant Treasury Account Clerk with a part-time position, the elimination of budgeted funds for a proposed bank deposit armored car service, and a decrease in bank and credit card processing fees.

Community Services Department

- Three additional part-time positions and an increase of 3,000 in part-time Librarian hours

have been budgeted to offset the loss of five full-time Library staff due to retirements. No change in Library hours is proposed.

- The continued service sharing agreement between the City and the Suburban Library Cooperative that funds a portion of the Community Services Director's costs, who in return assists them on a part-time basis.
- A 3.4% reduction in funding for Library books, publications and audiovisual materials and continued CDBG funding for the purchase of senior books.
- \$12,770 in Library copier rental savings, partially offset by an increase in the Library Cooperative membership fees that are tied to higher population based State aid.
- In Parks & Recreation, due to the retirement of four positions, two positions are being transferred from Planning, and increased funding is budgeted for a part-time Recreation Supervisor, a part-time clerical position, and bus driver hours.
- A contractor is funded to assist in operating Special Recreation programs, in creating department newsletters, and care for Nature Center animals.
- Additional funds are budgeted for popular yoga and Zumba classes, while fewer gymnastic classes will be offered as well as reduced participation in the Treasurer Hunter's Market, Youth Golf League and Coffeehouse concert series.
- The scheduled replacement of 22 personal computers at the Senior Center, Nature Center, and Parks & Recreation office, repairs to playground equipment at Ben Hadley Park, and improvements to Beaver Creek Park.

Police Department

- The elimination of one vacant Police Lieutenant position due to a reorganization in the command ranks.
- The elimination of a clerical position in Support Services as the new in-car E-ticketing software, New World records management system, and the closing of the records counter on Fridays have resulted in greater efficiencies.
- The filling of a vacant Animal Control Officer position on a part-time basis.
- The elimination of four vacant part-time Dispatch positions due to the transfer of

Dispatch staffing to the County at the end of the fiscal year.

- Savings from the new Police Officer labor contract that lowered overtime, longevity, pension and health insurance costs.
- The greater use of drug forfeiture funds to pay for State radio user fees, radar and security camera repairs, and E-ticketing software maintenance costs.
- Funding for only six replacement high mileage traffic and patrol vehicles, and the drug forfeiture purchase of replacement vehicle equipment as the Crown Victoria police cruiser model is no longer in production.
- The use of drug funds for equipment lockers for the Special Response Team, replacement personal computers for the detectives, and an online police reporting system that allows residents to report and obtain information from the Police Department twenty-four hours a day.

Fire Department

- The elimination of funding for a vacant Fire Fighter position which will allow the department to operate three-man medic engines. Three vacant Fire Fighter positions were also eliminated mid year.
- Savings from the new Fire Fighter labor contract that lowered overtime, longevity, sick time, holiday pay, pension and health insurance costs.
- A reduction in funding by not filling a vacant clerical position in Fire Administration.
- Increased grant-funded Fire Officer training and supply savings from the need to purchase fewer replacement turnout gear.
- Funding for 12 Fire Inspection computer tablets and software for the new Company fire inspection program.
- Grant funds to purchase five replacement electronic medical monitors and cardiac defibrillators.

Public Works Department

- The transfer of the Facilities Maintenance staff and the custodial contractor costs to the newly combined Building & Facilities Maintenance office.
- The consolidation and transfer of Code Enforcement and clerical staff to the Neighborhood Services office that will be

overseen by a former Economic Development manager.

- Funding in Neighborhood Services for three new part-time Code Officers, a part-time clerical position, and start-up computer and supply costs as part of the City's new residential non-homestead property maintenance initiative.
- The transfer of a Neighborhood Specialist to Community Relations.
- The replacement of a vacant full-time Engineering Aid with a part-time position, the elimination of a vacant Civil Engineer position and the transfer of a Civil Engineer from Water & Sewer Administration.
- The assignment of a Division Supervisor to oversee both Fleet and Parks & Grounds Maintenance.
- The transfer of a Fleet Maintenance Seasonal Laborer from Refuse Collection, as the vacant storekeeper duties do not need to be contracted out, and due to the success of the voluntary curbside recycling program.
- An increase in funding for the rising cost of fuel and repair parts for City vehicles and equipment.
- The reassignment of three full-time positions from Street Services to Parks & Grounds Maintenance and increased contracted park maintenance funding.
- The elimination of a vacant full-time Street Services position and a new part-time Seasonal Laborer.
- The transfer of two Planning positions to Parks & Recreation and wage and benefit savings from utilizing a part-time City Planner.
- Savings from filling a vacant full-time Refuse Collection clerical position with part-time staff, and the use of the Waste Management call center to handle the daily refuse related phone calls.
- Capital funding for the replacement of a 12-year old pickup truck with plow, an asphalt hot box for increased road repairs, and drainage repairs to the City Hall boiler room.

Community Relations Department

- Savings from filling a vacant Broadcast Services Manager with a part-time position, the elimination of the vacant Broadcast Services Coordinator, and the addition of a Citizen Services Specialist from Neighborhood Services.

- A reduction due to the one-time funding of a community survey last year that rated and prioritized City services.
- Funding to redesign, transfer data, and increase the functionality of the City's website as the current 13-year old software is no longer supported.

Non-Departmental Services

- The elimination of two full-time Deputy Court Clerks due to retirements and funding for an additional part-time Court position.
- Savings from a reduction in District Court credit card processing fees, as payments will now be accepted at a public access terminal in the Court lobby.
- Funding in the Act 78 Civil Service Commission for a Police Lieutenant promotional assessment center.
- Money manager search fee savings in the General Employee Retirement Board.
- The establishment of a non-management employee training program to encourage employees to further their job-related skills for potential future career advancement within the organization.
- Lower unemployment compensation costs, as no employee layoffs are budgeted.
- The continued City memberships to the Southeast Michigan Council of Governments (SEMCOG), the Clinton River Watershed Council, Michigan Municipal League, Mayors and Municipalities Automotive Coalition, and the Traffic Association of Macomb.

WATER & SEWER FUND

The Water & Sewer Fund is a completely self-supporting activity that does not receive funding from property taxes. It is designed to break even and is solely for the purpose of providing water distribution and sewage disposal services to the City of Sterling Heights' residents.

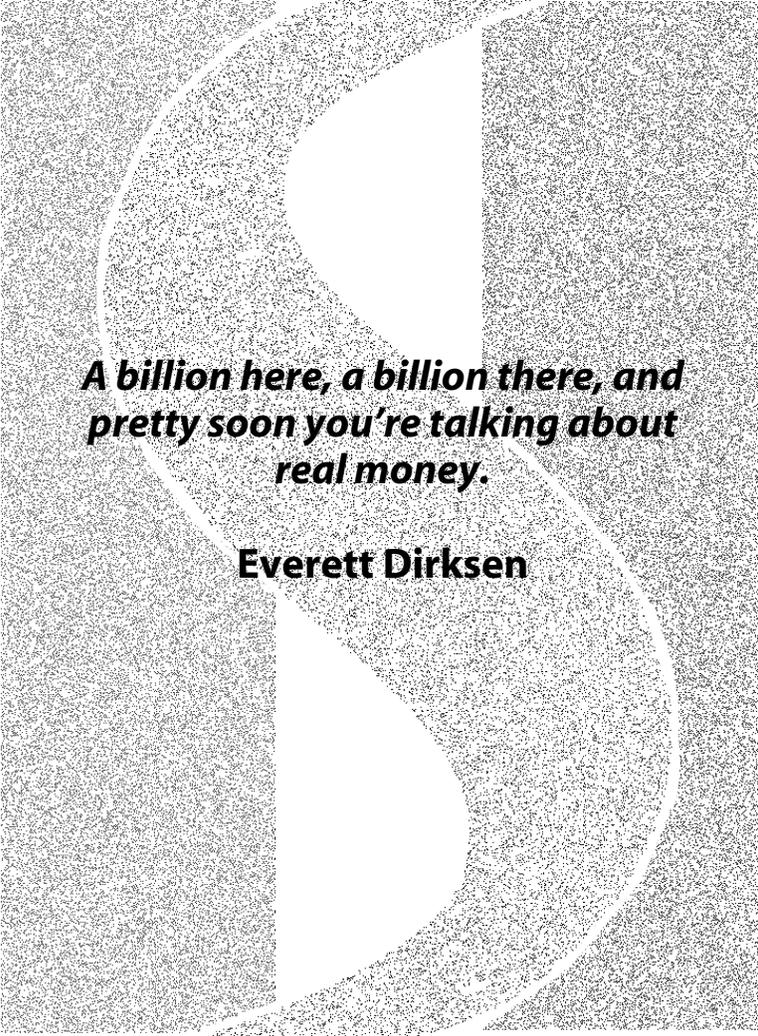
Sterling Heights purchases its water and sewage services from the City of Detroit, which directly influences the rates we must charge. Effective July 1, 2013, the cost of water purchased from Detroit will increase by 4.6%. Sewer rates are estimated to increase by 3.7%, coupled with a 2.5% increase in treated sewage volumes, and an 11.1% increase in debt payments on the District's sewer rehabilitation

projects. As a result of these increases, only a 3.9% water and 4.9% sewer rate adjustment must be passed on to our customers in order for the City's system to break-even. The rate adjustment is the lowest in the past 14 years. The City will not pass on an increase in fixed fees.

The average Sterling Heights residential customer will pay \$45 per month for water & sewer services. The City's maximum summer discount will remain at \$26, as this discount was increased a few years ago for the first time in ten years. According to a Michigan Water & Sewer Rate survey conducted by Black and Veatch in 1995, 2000, and 2003, the City has the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents. Our mark-up on Detroit's water rate is also one of the lowest in the State.

The City continues to control its discretionary costs within this fund while providing the necessary equipment to properly maintain the system. Personnel costs rose only \$51,120 or 1.4% primarily due to increased long-term retirement funding, as two fewer full-time positions are budgeted. Savings has been achieved from transferring a Civil Engineer to the Engineering office and by not filling a vacant full-time Sewer position. Additional savings were realized from the fourth year of City employee wage and benefit reductions as part of the new DPW labor contract agreements. Supply costs rose due to higher fuel prices, and the cost of needed water meters and replacement parts.

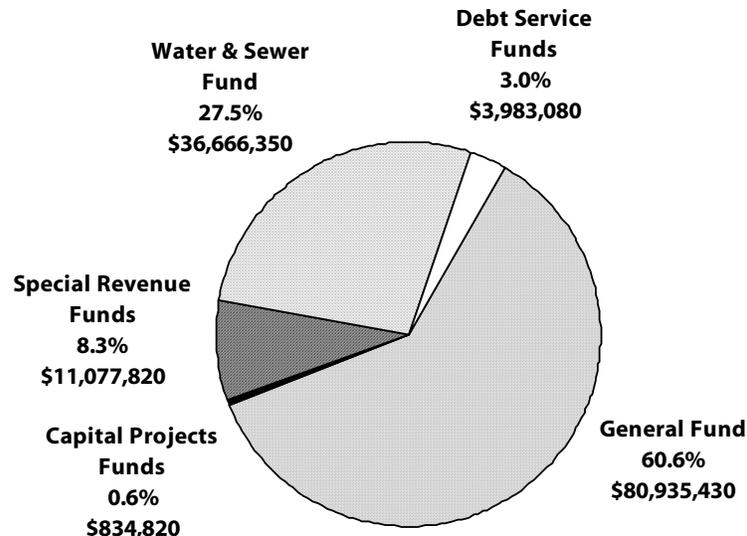
The Capital budget includes a replacement meter reading system, a replacement pickup truck with plow, and an emergency backup pump. Capital purchases declined by \$470,830 due to the purchase of a Vactor Jet and Sewer Inspection Camera System in the prior year. ■



***A billion here, a billion there, and
pretty soon you're talking about
real money.***

Everett Dirksen

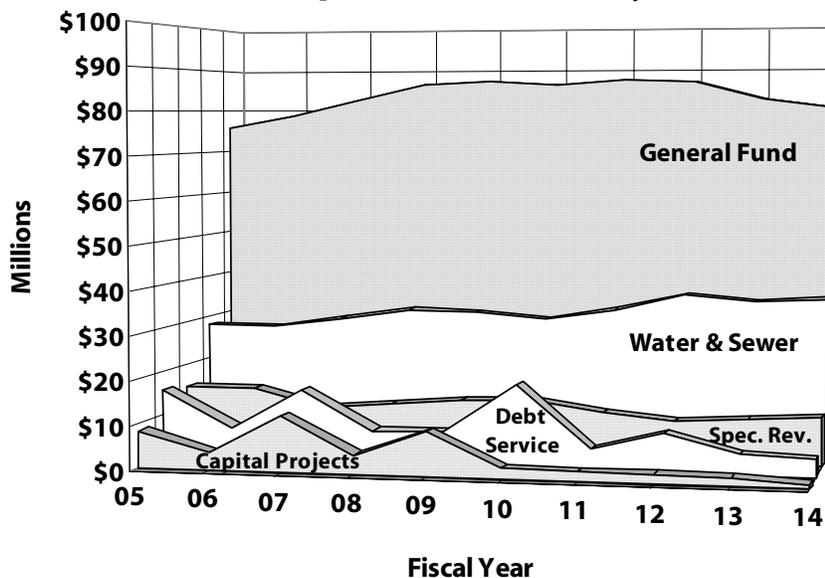
Total City Budgeted Funds Percent of Total Expenditures



**Total City Expenditures of \$133,497,500
(including transfers)**

This graph illustrates total fund expenditures
as a percent of all City Funds.

Total City Budgeted Funds Expenditure History



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

2013/14 ALL FUNDS COMBINED BUDGET SUMMARY OF REVENUES, EXPENDITURES AND FUND BALANCE

	General	Water & Sewer	Special Revenue	Debt Service	Capital Projects	Total Budget
REVENUES BY SOURCE						
City Property Taxes	\$49,906,280	\$0	\$225,550	\$1,235,250	\$0	\$51,367,080
Water & Sewer Service	0	33,620,420	0	0	0	33,620,420
State Revenue Sharing	10,300,000	0	0	0	0	10,300,000
Charges for Services	7,477,630	2,175,850	52,000	0	0	9,705,480
Highway & Street Grants	0	0	7,250,000	0	0	7,250,000
Interfund Transfers In	2,056,050	0	0	2,457,080	358,150	4,871,280
Federal, State & Local Grants	957,360	0	1,723,490	35,900	140,410	2,857,160
Miscellaneous Revenue	1,340,890	532,900	227,470	259,740	289,290	2,650,290
Court & Police Fines and Forf.	2,551,020	0	0	0	0	2,551,020
Cable Revenue	2,200,000	0	0	0	0	2,200,000
Licenses & Permits	1,926,200	0	0	0	0	1,926,200
Rental - Road Equipment	975,000	15,000	0	0	0	990,000
Labor Services Roads	950,000	20,000	0	0	0	970,000
Interest On Investments	200,000	300,000	11,370	1,150	2,550	515,070
LDFA - SmartZone Capture	0	0	500,000	0	0	500,000
Sale of Fixed Assets	25,000	0	0	0	160,000	185,000
Other Fines & Forfeitures	70,000	0	0	0	0	70,000
Total Revenues	80,935,430	36,664,170	9,989,880	3,989,120	950,400	132,529,000
EXPENDITURES BY OBJECT						
Personnel Services	66,129,620	3,669,080	9,840	0	0	69,808,540
Other Charges	7,477,120	27,635,700	1,458,720	3,910	0	36,575,450
Principal Payments	0	1,439,820	0	3,235,000	0	4,674,820
Refuse Collection	4,300,000	0	0	0	0	4,300,000
Capital Improvement Projects	0	0	4,317,000	0	344,600	4,661,600
Other Services	0	0	2,919,500	0	0	2,919,500
Interfund Transfers Out	655,230	0	2,160,000	0	0	2,815,230
Supplies	2,304,360	260,900	27,040	0	0	2,592,300
Interest Payments	0	1,784,910	0	744,170	0	2,529,080
Interfund Services	69,100	1,800,440	36,640	0	0	1,906,180
Capital Equipment	0	46,500	149,080	0	307,620	503,200
Capital Vehicles	0	29,000	0	0	182,600	211,600
Total Expenditures	80,935,430	36,666,350	11,077,820	3,983,080	834,820	133,497,500
Excess of Revenues Over (Under) Expenditures	0	*	(1,087,940)	6,040	115,580	(966,320)
Beginning Fund Balance	5,248,480	*	6,017,600	606,630	934,130	12,806,840
Ending Fund Balance	\$5,248,480	*	\$4,929,660	\$612,670	\$1,049,710	\$11,840,520

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**

	2011/12 Actual	2012/13 Estimate	2013/14 Budget
<u>REVENUES BY SOURCE</u>			
City Property Taxes	\$53,241,930	\$51,503,120	\$51,367,080
Water & Sewer Service	28,368,650	32,679,480	33,620,420
State Revenue Sharing	9,615,530	10,361,140	10,300,000
Charges for Services	9,822,090	9,664,300	9,705,480
Highway & Street Grants	7,118,380	7,250,000	7,250,000
Interfund Transfers In	3,602,970	5,743,230	4,871,280
Federal, State & Local Grants	4,401,060	2,615,310	2,857,160
Miscellaneous Revenue	3,694,160	2,838,180	2,650,290
Court & Police Fines & Forfeitures	2,704,050	2,437,020	2,551,020
Cable Revenue	2,033,750	2,200,000	2,200,000
Licenses & Permits	2,271,970	2,248,000	1,926,200
Rental - Road Equipment	962,720	1,015,000	990,000
Labor Services Roads	813,050	910,000	970,000
Interest On Investments	697,000	566,290	515,070
LDFA - SmartZone Capture	19,710	70,720	500,000
Sale of Fixed Assets	14,110	15,000	185,000
Other Fines & Forfeitures	66,110	67,000	70,000
Proceeds - Long-term Debt	4,054,200	3,275,000	0
Total Revenues	133,501,440	135,458,790	132,529,000
<u>EXPENDITURES BY OBJECT</u>			
Personnel Services	75,719,530	69,929,680	69,808,540
Other Charges	38,966,160	35,131,970	36,575,450
Principal Payments	7,890,000	8,657,690	4,674,820
Refuse Collection	4,386,580	4,260,000	4,300,000
Capital Improvement Projects	2,814,640	3,580,560	4,661,600
Other Services	2,834,990	2,957,330	2,919,500
Interfund Transfers Out	3,602,970	3,564,200	2,815,230
Supplies	2,684,250	2,638,900	2,592,300
Interest Payments	2,555,280	2,354,540	2,529,080
Interfund Services	1,798,090	1,767,900	1,906,180
Capital Equipment	747,010	605,380	503,200
Capital Vehicles	814,220	890,310	211,600
Total Expenditures	144,813,720	136,338,460	133,497,500
Excess of Revenues Over (Under) Expenditures *	(5,365,140)	(925,540)	(966,320)
Beginning Fund Balance	19,097,520	13,732,380	12,806,840
Ending Fund Balance	\$13,732,380	\$12,806,840	\$11,840,520

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

REVENUE COMPARISON CITY BUDGETED FUNDS

Fund No.	Fund Name	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget	% Change from 12/13
	GENERAL FUND						
1010	General Fund	\$85,942,710	\$81,493,800	\$83,201,440	\$81,193,790	\$80,935,430	-2.7%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	28,496,090	31,359,580	35,320,340	35,777,440	36,664,170	3.8%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	5,212,690	5,598,080	5,561,900	5,706,500	5,979,000	7.5%
2030	Local Road Fund	2,460,520	2,374,890	2,071,770	2,133,280	2,156,550	4.1%
2440	Land & Water Conservation Fund	5,250	5,450	8,000	6,100	1,400	-82.5%
2750	Energy Eff. & Cons. Block Grant Fd.	476,800	525,300	0	0	0	0.0%
2770	Public Safety Forfeiture Fund	225,070	310,820	64,600	142,010	620	-99.0%
2780	Comm. Develop. Block Grant Fund	690,020	789,370	1,179,830	705,600	1,109,490	-6.0%
2890	Neighborhood Stabilization Fund	813,600	412,530	284,710	262,280	0	-100.0%
8510	Corridor Improvement Auth. Fund	100	20	20	20	20	0.0%
8550	Economic Develop. Corp. Fund	6,000	21,010	19,010	19,010	10	-99.9%
8560	Brownfield Redevelopment Fund	48,890	70,520	125,180	127,360	113,980	-8.9%
8670	Local Dev. Finance Authority Fund	257,930	592,820	257,570	232,470	628,810	144.1%
	Total Special Revenue Funds	10,196,870	10,700,810	9,572,590	9,334,630	9,989,880	4.4%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,194,670	1,196,590	1,224,440	1,222,040	822,500	-32.8%
3050	Voted Gen. Obligation Debt Fund	330,740	352,860	365,100	365,350	413,600	13.3%
3270	Road Bond Debt Retirement Fund	2,791,730	6,710,610	2,634,540	6,008,990	2,455,940	-6.8%
3690	Ltd. Tax Gen. Obligation Debt Fund	617,950	608,680	528,740	528,740	297,080	-43.8%
	Total Debt Service Funds	4,935,090	8,868,740	4,752,820	8,125,120	3,989,120	-16.1%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	1,553,190	1,045,030	678,210	822,100	790,200	16.5%
4280	Road Bond Construction Fund	3,340	33,480	288,310	205,710	160,200	-44.4%
	Total Capital Project Funds	1,556,530	1,078,510	966,520	1,027,810	950,400	-1.7%
	Total Revenue	131,127,290	133,501,440	133,813,710	135,458,790	132,529,000	-1.0%
	Duplicating Transfers	(4,032,240)	(3,602,970)	(8,254,460)	(5,743,230)	(4,871,280)	-41.0%
	Total All Funds	\$127,095,050	\$129,898,470	\$125,559,250	\$129,715,560	\$127,657,720	1.7%

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

EXPENDITURE COMPARISON CITY BUDGETED FUNDS

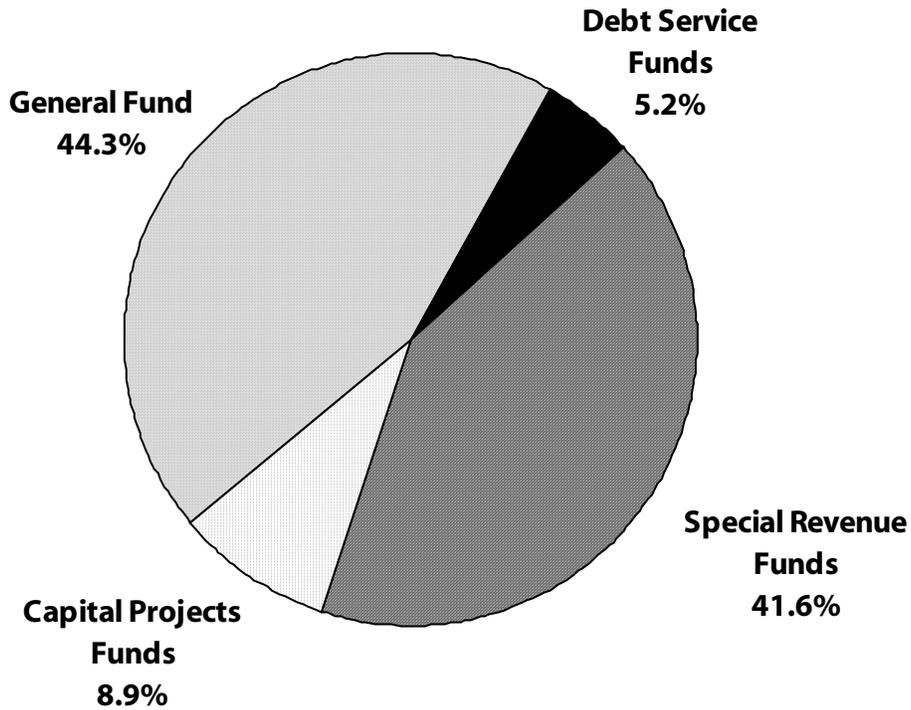
Fund No.	Fund Name	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget	% Change from 12/13
	GENERAL FUND						
1010	General Fund	\$87,480,420	\$87,236,530	\$82,912,660	\$81,193,790	\$80,935,430	-2.4%
	WATER & SEWER FUND						
5790	Water & Sewer Fund - Operations	33,432,950	37,306,720	35,706,870	35,731,570	36,666,350	2.7%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	4,952,830	4,559,050	5,306,130	5,096,670	6,560,090	23.6%
2030	Local Road Fund	2,923,640	1,995,980	2,507,180	2,464,140	2,409,290	-3.9%
2440	Land & Water Conservation Fund	131,240	115,440	223,560	123,590	4,000	-98.2%
2750	Energy Eff. & Cons. Block Grant Fund	476,800	525,300	0	0	0	0.0%
2770	Public Safety Forfeiture Fund	451,020	294,640	376,870	414,010	282,450	-25.1%
2780	Comm. Develop. Block Grant Fund	690,020	789,370	1,179,830	705,600	1,109,490	-6.0%
2890	Neighborhood Stabilization Fund	813,600	412,530	284,710	262,280	0	-100.0%
8510	Corridor Improvement Auth. Fund	190,320	8,470	0	0	0	0.0%
8550	Economic Development Corp. Fund	11,260	8,420	28,050	24,900	0	-100.0%
8560	Brownfield Redevelopment Fund	43,540	69,810	131,370	132,010	114,460	-12.9%
8670	Local Dev. Finance Authority Fund	238,160	570,680	257,570	242,140	598,040	132.2%
	Total Special Revenue Funds	10,922,430	9,349,690	10,295,270	9,465,340	11,077,820	7.6%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	1,191,730	1,188,740	1,224,440	1,224,440	822,500	-32.8%
3050	Voted Gen. Obligation Debt Fund	331,630	350,350	370,100	370,100	413,600	11.8%
3270	Road Bond Debt Retirement Fund	2,734,980	6,629,830	2,600,080	5,924,530	2,449,900	-5.8%
3690	Ltd. Tax Gen. Obligation Debt Fund	617,940	608,680	528,740	528,740	297,080	-43.8%
	Total Debt Service Funds	4,876,280	8,777,600	4,723,360	8,047,810	3,983,080	-15.7%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	1,942,830	1,952,470	997,380	1,159,950	834,820	-16.3%
4280	Road Bond Construction Fund	242,470	190,710	887,110	740,000	0	-100.0%
	Total Capital Project Funds	2,185,300	2,143,180	1,884,490	1,899,950	834,820	-55.7%
	Total Expenditures	138,897,380	144,813,720	135,522,650	136,338,460	133,497,500	-1.5%
	Duplicating Transfers	(4,032,240)	(3,602,970)	(3,564,200)	(3,564,200)	(2,815,230)	-21.0%
	Total All Funds	\$134,865,140	\$141,210,750	\$131,958,450	\$132,774,260	\$130,682,270	-1.0%

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

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

Fund No.	Fund Name	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget	% Change from 12/13
	GENERAL FUND						
1010	General Fund	\$10,991,210	\$5,248,480	\$5,537,260	\$5,248,480	\$5,248,480	-5.2%
	SPECIAL REVENUE FUNDS						
2020	Major Road Fund	2,690,090	3,729,120	3,984,890	4,338,950	3,757,860	-5.7%
2030	Local Road Fund	726,260	1,105,170	669,760	774,310	521,570	-22.1%
2440	Land & Water Conservation Fund	733,570	623,580	408,020	506,090	503,490	23.4%
2750	Energy Eff. & Cons. Block Grant Fund	0	0	0	0	0	0.0%
2770	Public Safety Forfeiture Fund	581,990	598,170	285,900	326,170	44,340	-84.5%
2780	Comm.Development Block Grant Fund	0	0	0	0	0	0.0%
2890	Neighborhood Stabilization Fund	0	0	0	0	0	0.0%
8510	Corridor Improvement Auth. Fund	34,400	25,950	25,970	25,970	25,990	0.1%
8550	Economic Development Corp. Fund	1,580	14,170	5,130	8,280	8,290	61.6%
8560	Brownfield Redevelopment Fund	9,520	10,230	4,040	5,580	5,100	26.2%
8670	Local Dev. Finance Authority Fund	19,780	41,920	41,920	32,250	63,020	50.3%
	Total Special Revenue Funds	4,797,190	6,148,310	5,425,630	6,017,600	4,929,660	-9.1%
	DEBT SERVICE FUNDS						
3010	General Drain Fund	3,060	10,910	10,910	8,510	8,510	-22.0%
3050	Voted General Obligation Debt Fund	8,560	11,070	6,070	6,320	6,320	4.1%
3270	Road Bond Debt Retirement Fund	426,310	507,090	541,550	591,550	597,590	10.3%
3690	Limited Tax Gen. Obligation Debt Fund	250	250	250	250	250	0.0%
	Total Debt Service Funds	438,180	529,320	558,780	606,630	612,670	9.6%
	CAPITAL PROJECT FUNDS						
4030	Capital Projects Fund	2,113,710	1,206,270	887,100	868,420	823,800	-7.1%
4280	Road Bond Construction Fund	757,230	600,000	1,200	65,710	225,910	100.0%
	Total Capital Project Funds	2,870,940	1,806,270	888,300	934,130	1,049,710	18.2%
	Unappropriated Total - All Funds	\$19,097,520	\$13,732,380	\$12,409,970	\$12,806,840	\$11,840,520	-4.6%

City Government Funds Percent of Total Reserves



Total Government Fund Reserves of \$11,840,520

This graph illustrates total fund balance reserves for each of the City's Government Funds.

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

Fund No.	Fund Name	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual
	PROPRIETARY FUNDS					
	ENTERPRISE FUND					
5740	Water & Sewer Improvement Fund	\$36,860,207	\$33,991,681	\$34,041,578	\$32,704,205	\$31,595,124
	INTERNAL SERVICE FUND					
6770	Self-Insurance Fund	16,165,248	15,941,054	21,695,945	21,490,458	22,581,793
	Total Proprietary Funds	53,025,455	49,932,735	55,737,523	54,194,663	54,176,917
	FIDUCIARY FUNDS					
	TRUST FUNDS					
7010	Retiree Medical Benefits Fund	18,594,831	20,997,788	29,553,841	42,313,534	47,243,195
7370	General Employees Retirement System	123,949,055	91,705,363	98,979,076	111,720,763	104,725,421
7380	Police & Fire Retirement System	192,914,741	144,978,749	148,433,306	171,579,741	163,021,978
	Total Fiduciary Funds	335,458,627	257,681,900	276,966,223	325,614,038	314,990,594
	Total All Non-Budgetary Funds	\$388,484,082	\$307,614,635	\$332,703,746	\$379,808,701	\$369,167,511

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

In accordance with the State's Uniform Budgeting Act and the City Charter, the City produces a budget for the required governmental fund types including the General Fund and Special Revenue Funds. Though not required, we also produce a budget for the Debt Service Funds, Capital 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 from the General Fund and Water & Sewer Operating Fund. The Trust Funds are managed based on actuarial methods and assumptions approved by their fiduciary boards and by approved labor contracts. The Trust Funds' net assets, however, have not been netted against long-term actuarial determined liabilities. Trust Fund net assets are restricted for future benefit payments. The net assets in the Retiree Medical Benefits Fund exclude the provision for uninsured liabilities in order to reflect the amount of funds available to pay benefits as calculated in the retiree health actuarial study. The Water & Sewer Improvement Fund is used to record water & sewer main improvements as adopted by the City Council and found in the City's Capital Improvement Plan. The net assets shown for the Water & Sewer Improvement Fund exclude investments in capital assets and are available to fund the completion of the City's water & sewer main system and for future infrastructure replacement needs as the City matures.

General Fund

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

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

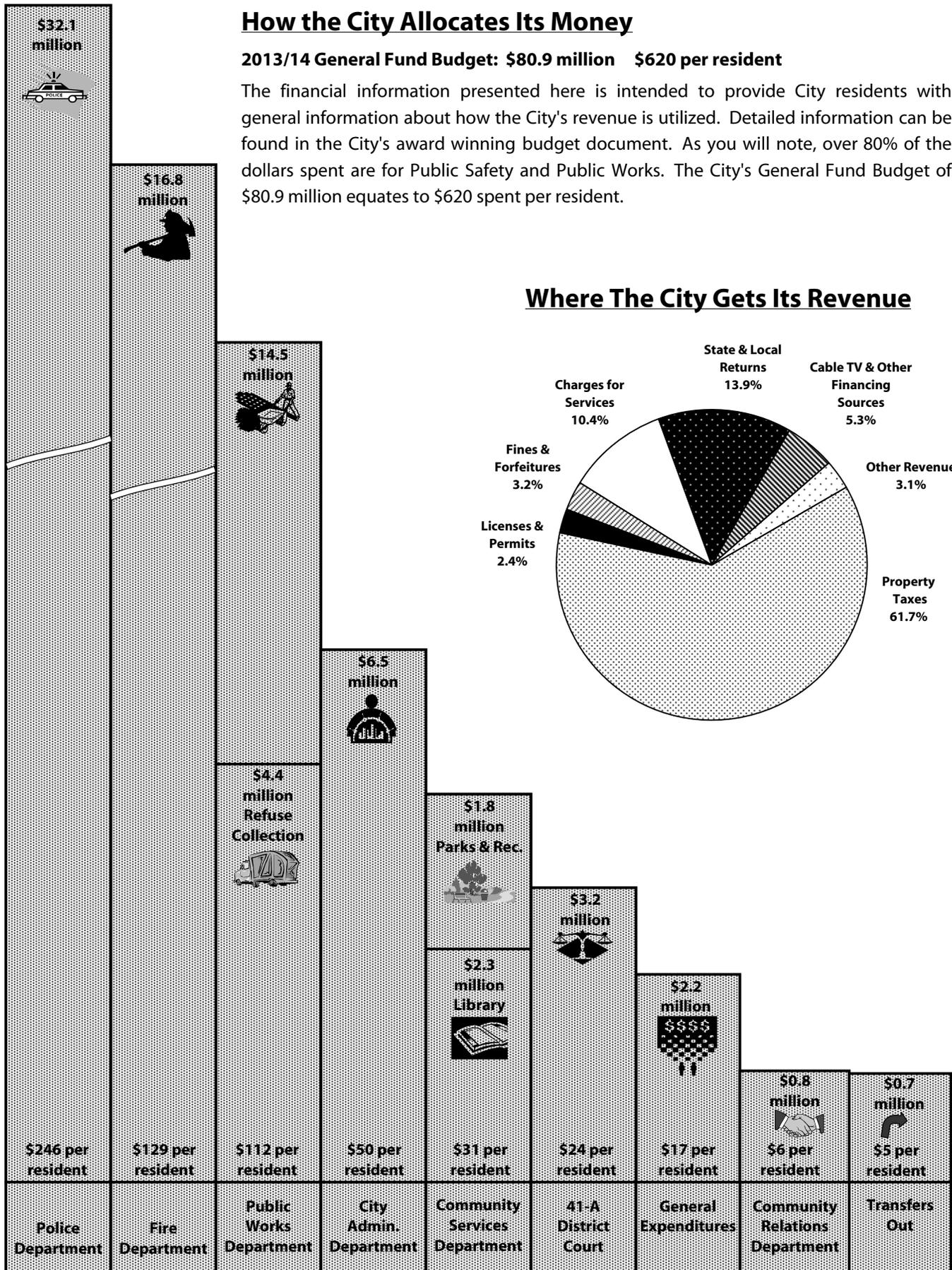
Local property taxes and state shared revenues are the primary sources of revenue used to fund these services.

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

2013/14 General Fund Budget: \$80.9 million \$620 per resident

The financial information presented here is intended to provide City residents with general information about how the City's revenue is utilized. Detailed information can be found in the City's award winning budget document. As you will note, over 80% of the dollars spent are for Public Safety and Public Works. The City's General Fund Budget of \$80.9 million equates to \$620 spent per resident.



Trends & Summaries

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

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

Property Tax Benefit Statement

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

The average residential property tax bill is \$2,078 for those in the Utica Community School district and \$2,555 for those in the Warren Consolidated School district. Of this amount, the City receives 36%, or \$797, to fund all local City services such as police and fire protection, refuse collection, and snow plowing services. The average homeowner pays \$66 per month in City taxes.

	Utica Schools	Warren Schools
Average Residential Total Property Tax Bill: <i>(based on home with a market value of \$128,500 and taxable value of \$62,800)</i>	\$2,078	\$2,555
Average Residential Property Tax (City Portion Only):	\$797	\$797



The City of Sterling Heights spends an average of \$1,897 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	\$742	39%	\$311
Fire Department	\$388	20%	\$163
Public Works	\$336	18%	\$141
City Administration Department	\$150	8%	\$63
Community Services Department	\$95	5%	\$40
41-A District Court	\$73	4%	\$31
General Expenditures & Transfers	\$66	3%	\$28
Debt Service	\$28	2%	\$12
Community Relations Department	\$19	1%	\$8
Total Per Parcel	\$1,897	100%	\$797

Because the average amount of residential property tax the City receives is only \$797, you will see that property taxes for most households are not enough to support the services rendered. To make up the difference, the City relies on property taxes from businesses and other revenue sources such as state revenue sharing, grants, engineering and building permits and fees, court fines, and interest on investments.

RESIDENTIAL TAX RATES

(UTICA COMMUNITY SCHOOLS)

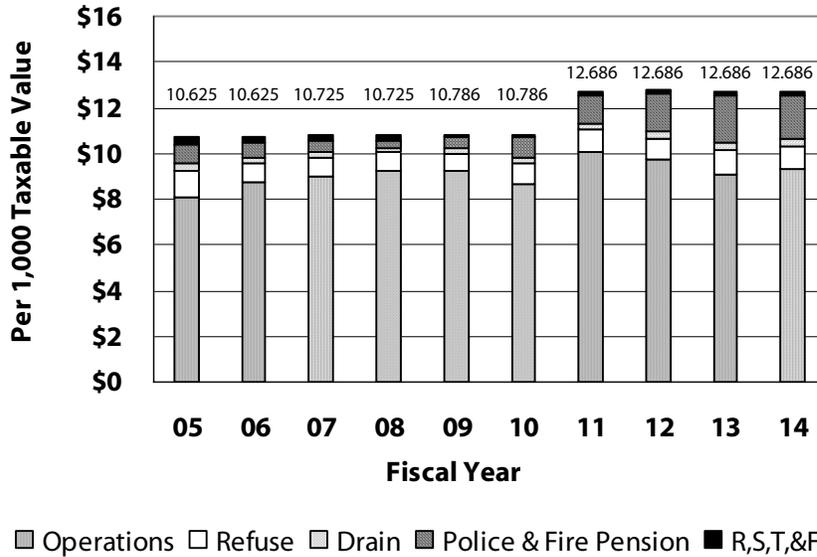
Taxing Entity	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Tax Rate Shown in Mills							
Utica Community Schools	9.500	9.500	9.500	9.750	9.850	9.850	9.850
Macomb County	4.206	4.206	4.574	4.574	4.574	4.574	4.574
Macomb Community College	1.421	1.421	1.421	1.421	1.571	1.571	1.571
Macomb Intermediate School District	2.943	2.943	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority	0.215	0.215	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	0.590	0.590	0.590	0.590
County Zoo/Veterans/DIA	-	0.140	0.140	0.140	0.140	0.340	0.340
Property Tax Administration Fee	0.189	0.190	0.302	0.323	0.326	0.328	0.328
STERLING HEIGHTS	10.725	10.786	10.786	12.686	12.686	12.686	12.686
Total Millage Rates	29.788	29.990	30.470	32.641	32.894	33.096	33.096
Average Residential Taxable Value	\$84,600	\$83,900	\$80,900	\$70,970	\$66,000	\$61,400	\$62,800
Average Tax Rates Shown in Dollars							
Utica Community Schools	\$804	\$797	\$769	\$692	\$650	\$605	\$619
Macomb County Government	356	353	370	325	302	281	287
Macomb Community College	120	119	115	101	104	96	99
Macomb Intermediate School District	249	247	238	209	194	181	185
Huron Clinton Metro Authority	18	18	17	15	14	13	13
S.M.A.R.T.	50	49	48	42	39	36	37
County Zoo/Veterans/DIA	-	11	11	10	9	21	21
Property Tax Administration Fee	16	16	24	23	21	20	21
STERLING HEIGHTS	907	905	873	900	837	779	797
Total Tax Bill	\$2,520	\$2,516	\$2,465	\$2,317	\$2,171	\$2,032	\$2,078

(WARREN CONSOLIDATED SCHOOLS)

Taxing Entity	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Tax Rate Shown in Mills							
Warren Consolidated Schools	15.236	14.415	14.928	16.259	16.842	17.362	17.362
Macomb County	4.206	4.206	4.574	4.574	4.574	4.574	4.574
Macomb Community College	1.421	1.421	1.421	1.421	1.571	1.571	1.571
Macomb Intermediate School District	2.943	2.943	2.943	2.943	2.943	2.943	2.943
Huron Clinton Metro Authority	0.215	0.215	0.215	0.215	0.215	0.215	0.215
S.M.A.R.T.	0.590	0.590	0.590	0.590	0.590	0.590	0.590
County Zoo/Veterans/DIA	-	0.140	0.140	0.140	0.140	0.340	0.340
Property Tax Administration Fee	0.246	0.239	0.356	0.388	0.396	0.403	0.403
STERLING HEIGHTS	10.725	10.786	10.786	12.686	12.686	12.686	12.686
Total Millage Rates	35.581	34.955	35.952	39.215	39.956	40.683	40.683
Average Residential Taxable Value	\$84,600	\$83,900	\$80,900	\$70,970	\$66,000	\$61,400	\$62,800
Average Tax Rates Shown in Dollars							
Warren Consolidated Schools	\$1,289	\$1,209	\$1,208	\$1,154	\$1,112	\$1,066	\$1,090
Macomb County Government	356	353	370	325	302	281	287
Macomb Community College	120	119	115	101	104	96	99
Macomb Intermediate School District	249	247	238	209	194	181	185
Huron Clinton Metro Authority	18	18	17	15	14	13	13
S.M.A.R.T.	50	49	48	42	39	36	37
County Zoo/Veterans/DIA	-	11	11	10	9	21	21
Property Tax Administration Fee	21	20	29	28	26	25	25
STERLING HEIGHTS	907	905	873	900	837	779	797
Total Tax Bill	\$3,010	\$2,932	\$2,908	\$2,783	\$2,637	\$2,498	\$2,555
Average Total Tax Bill	\$2,765	\$2,724	\$2,687	\$2,550	\$2,404	\$2,265	\$2,316

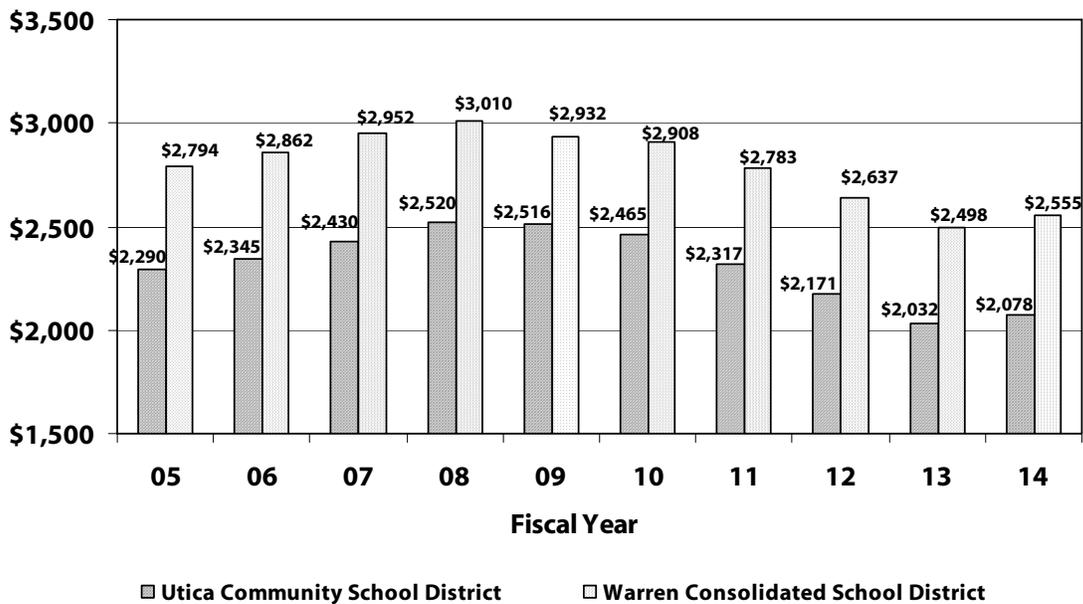
Non-City tax rates are estimated. School rates are for principal residences. Totals may not foot due to rounding.

City of Sterling Heights Millage Rates



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

Total Property Tax Bill Average Resident

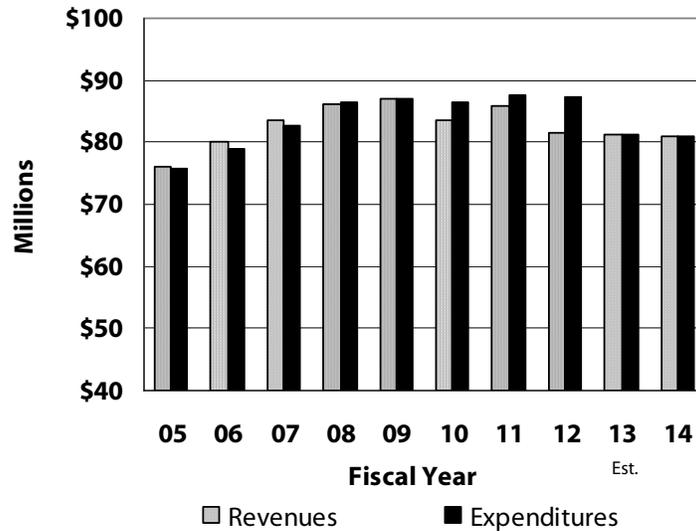


This graph shows the total property tax bill for the average City resident residing in either the Utica Community School District (UCS) or the Warren Consolidated School District (WCS) for the past 10 years.

GENERAL FUND REVENUES, EXPENDITURES & FUND BALANCE

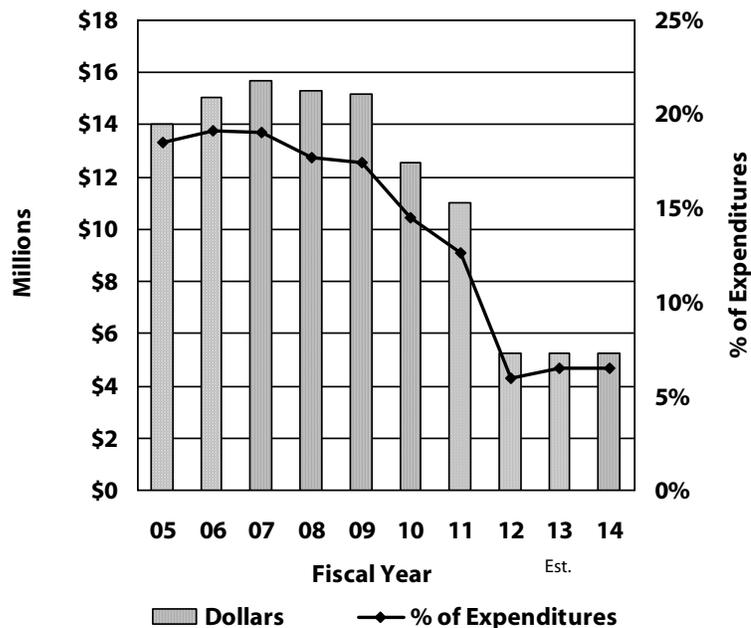
Budgetary Centers	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
REVENUES						
City Operating Taxes	\$47,431,950	\$40,120,580	\$37,071,200	\$35,068,860	\$36,886,200	\$37,980,530
Licenses & Permits	1,438,200	2,271,970	2,028,500	1,037,790	2,248,000	1,926,200
State and Local Returns	10,174,230	10,585,000	10,639,540	5,426,300	11,324,200	11,257,360
Fines & Forfeitures	3,353,880	2,770,160	3,178,020	1,184,970	2,504,020	2,621,020
Charges For Services	8,583,880	8,443,200	8,290,170	4,602,420	8,346,450	8,427,630
Other Revenue	2,837,350	3,693,010	2,535,020	1,512,980	2,637,160	2,540,890
Cable Revenue	1,950,430	2,033,750	1,900,000	589,580	2,200,000	2,200,000
Refuse Tax	4,377,120	4,376,630	4,411,250	4,234,670	4,411,250	4,457,700
Police & Fire Pension Tax	5,753,370	7,157,200	8,412,480	8,250,380	8,412,480	7,468,050
Total Revenues	85,900,410	81,451,500	78,466,180	61,907,950	78,969,760	78,879,380
Other Financing Sources						
Transfers In	42,300	42,300	4,735,260	2,367,630	2,224,030	2,056,050
Total Revenues & Sources	\$85,942,710	\$81,493,800	\$83,201,440	\$64,275,580	\$81,193,790	\$80,935,430
EXPENDITURES						
City Administration Department	\$8,757,370	\$8,418,070	\$8,157,250	\$3,862,020	\$7,682,940	\$6,496,860
Community Services Dept.	4,603,110	4,489,170	4,329,970	2,163,280	4,308,310	4,100,930
Police Department	32,483,690	32,980,740	32,380,580	16,457,080	31,716,970	32,121,330
Fire Department	18,360,030	19,115,560	17,330,000	8,407,930	16,965,960	16,813,600
Public Works Department	10,077,760	9,671,850	8,749,300	4,344,190	8,631,800	10,053,220
Refuse Collection	4,450,360	4,605,880	4,439,800	2,193,180	4,452,660	4,486,700
Community Relations Dept.	1,471,810	1,034,230	955,320	451,770	906,750	827,710
41-A District Court	3,246,810	3,252,850	3,307,520	1,615,090	3,271,690	3,174,060
General Expenditures	2,519,540	2,657,510	2,308,830	1,114,830	2,302,620	2,205,790
Total Expenditures	85,970,480	86,225,860	81,958,570	40,609,370	80,239,700	80,280,200
Other Financing Uses						
Transfers Out	1,509,940	1,010,670	954,090	707,640	954,090	655,230
Total Expenditures & Uses	\$87,480,420	\$87,236,530	\$82,912,660	\$41,317,010	\$81,193,790	\$80,935,430
Excess of Revenues Over (Under) Expenditures	(1,537,710)	(5,742,730)	288,780	22,958,570	0	0
Beginning Fund Balance	12,528,920	10,991,210	5,248,480	5,248,480	5,248,480	5,248,480
Ending Fund Balance	\$10,991,210	\$5,248,480	\$5,537,260	\$28,207,050	\$5,248,480	\$5,248,480

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 excludes the use of Self-Insurance Fund reserves starting in 2013.

CITY OPERATING TAX

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

The City has five individual tax levies – the largest is for Operations. Over the past ten years, changes in Operating Tax revenues have varied. From 2005 to 2008, revenues increased due to inflationary growth in the overall assessed value and a fluctuating Operation millage rate. Through 2008, due to declining State revenues, Operating Tax revenues made up a greater share of General Fund revenues. Since 2009, due to decreases in taxable values and a declining Operation tax rate, the Operating revenues percent of total revenues has declined.

In the 2013/14 Budget, Operating tax revenue represents 46.6% of total revenues, a \$1.1 million increase or 3.0% above the amount to be collected in 2013. The increase is a result of a 3.6% adjustment in

the Operating tax rate, coupled with a 0.25% decrease in the City's taxable values. Tax tribunal refunds, which are recorded as an offset to revenues, are estimated to increase by \$500,000 due in part to current and expected Chrysler tax appeals. Operating tax revenues are now \$12.2 million lower than in 2008 and remain lower than amounts received nine years ago in 2005.

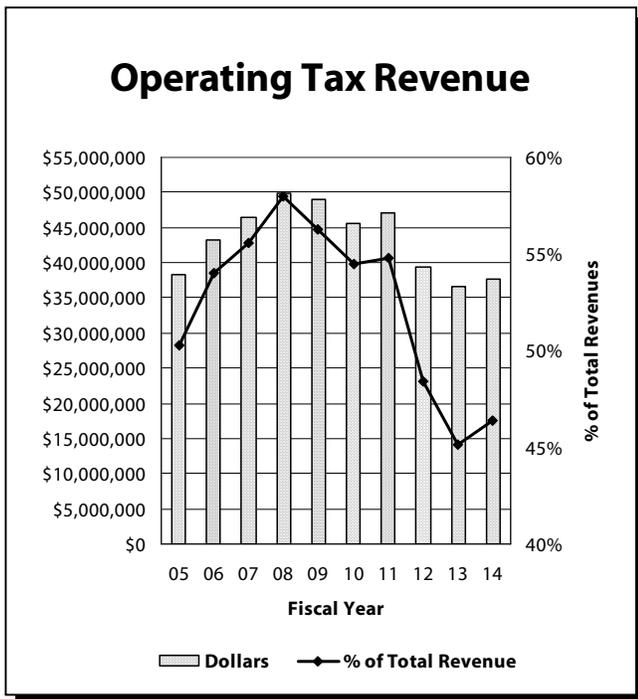
The Operations tax levy for 2013/14 is 9.4703 mills per \$1,000 Taxable Value, an increase of 0.3275 mills. While the City's overall millage rate of 12.6858 mills remains the same, the Operations rate has increased due to a reduction in the Police & Fire Pension and Drain millage rates. The Operating millage rate remains 0.7 mills below the 2011 rate due to a decline in overall City taxable values. The Operating millage continues to be below the 12.0 millage rate limit established by the voter-approved City Charter and is 1.37 mills below the 10.8395 State Headlee maximum allowable levy. Since 1988, the City's total tax rate has declined by 5.2% and remains lower than 90% of cities in the State and the lowest of any city in Macomb County.

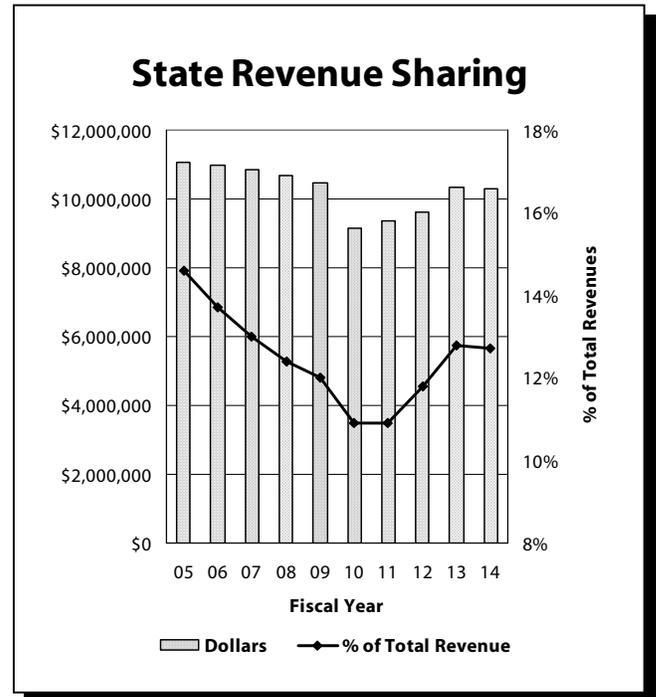
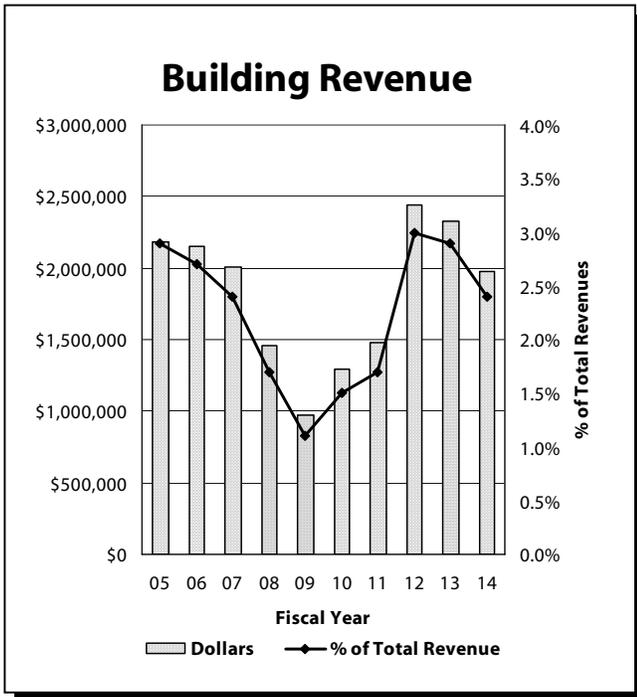
Since 2008, the City's total assessed value has dropped by 37.1%, while the total taxable value has decreased by 24.2%. Residential assessed values have declined by 36.0%, while residential taxable values have decreased by 25.7%. The City's total taxable property value has now fallen to its lowest level since 2001, while assessed values are at their lowest level since 1999.

LICENSES AND PERMITS

The revenue source of Licenses and Permits represents fees charged by City offices to individuals and businesses for the building of new structures as well as improvements made to existing structures. New structures that require permits include garages, sheds, decks, porches, and buildings. Improvements such as central air conditioning, furnace replacement, electrical and plumbing modifications, fences, and pools also require permits from the respective City offices.

License and Permit revenues are primarily comprised of building revenues. With the State's economic downturn in 2008, building revenues fell to a ten year low in 2009. Fewer new subdivisions,





renovations or new commercial sites were developed. Since then, revenues have rebounded due to one-time large new development projects from BAE and Chrysler, while the number of new residential construction projects remains low. Due to the revenues from these large one-time projects, building revenues as a percent of total City revenues has increased slightly, but is still down 10% from amounts received ten years ago.

In the 2013/14 Budget, License and Permit revenues represent 2.4% of total revenue sources, a \$321,800 or 14.3% decrease from what is estimated in 2013, primarily due to the one-time permit fees from the Chrysler paint and body shop. We anticipate continued lower overall residential and commercial permit activity. To continue to strengthen and enforce property maintenance standards, revenues from a new non-homestead residential property inspection program are budgeted.

STATE AND LOCAL RETURNS

The second largest source of revenue to the City's General Fund is State & Local returns. This revenue is comprised of grants from the Federal, State, and County levels of government. The major revenue source is from State Revenue Sharing. Revenue sharing payments, made by the State to communities

in Michigan from sales tax receipts, are distributed based on formulas that take into consideration population, government type, and taxable values per capita.

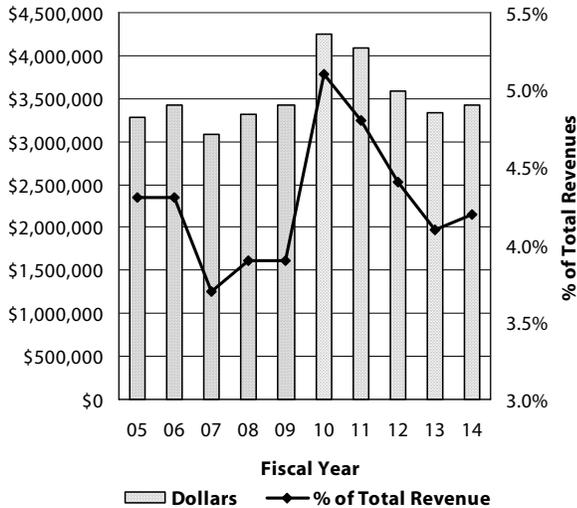
Since 2002, the amount of Revenue Sharing the City has received has fallen dramatically. Back in 2002, the City received \$13.3 million from the State. In 2014, it is estimated the City will receive only \$10.3 million, a decrease of \$3.0 million or 22.6%. While the State has increased revenue sharing payments since 2010, the City has still lost \$33.1 million cumulatively since 2002. As a percent of total City revenues, State revenue sharing has fallen from 20% of the budget to less than 13% today.

In the 2013/14 Budget, State & Local Return revenues represent 13.9% of revenue sources, a decrease of \$66,840 or 0.6% below what is estimated to be received in 2013. State Revenue Sharing payments are estimated to decrease slightly due to the continued uncertainty over the State's budget and unpredictable sales tax receipts.

FINES & FORFEITURES

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

41-A District Court Revenue



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

Historical trends show 41-A District Court revenue generally increasing over the years with the exception of some decreases in several years. Court revenues have generally ranged between 4% and 5% of total City revenues.

In the 2013/14 Budget, Fines & Forfeiture revenues represent 3.2% of total revenue sources, an increase of \$117,000 or 4.7% above what is estimated to be collected in 2013. It is anticipated that Police ticket violations will begin to return to historic levels. Court Revenues have declined by \$813,000 or 19.1% since 2010.

OTHER FINANCING SOURCES

Other Financing Sources include the proceeds received from long-term debt and the transfers into the General Fund from other City funds. For 2013/14, there are no planned purchases to be financed using long-term debt.

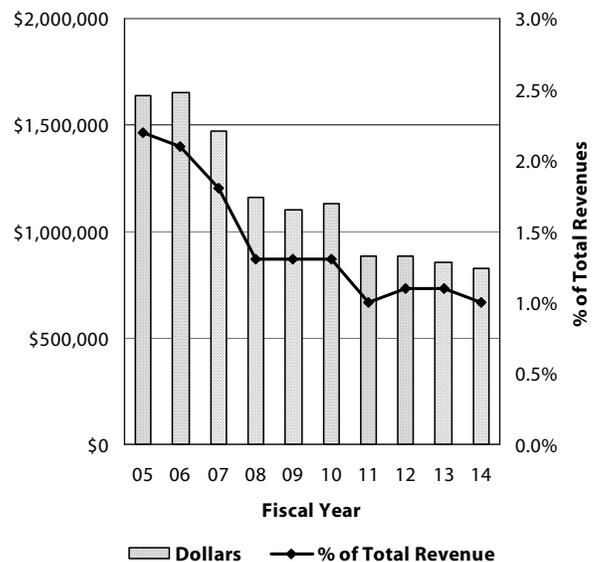
In the 2013/14 Budget, total revenues generated from Other Financing Sources represent 2.5% of total General Fund revenues. Despite significant expenditure reductions, a \$2.1 million planned transfer of Self-Insurance Fund reserves is needed to offset a continued decline in property tax revenues and to continue to fund long-term retirement liabilities. \$45,000 was budgeted last year for the final transfer from the Brownfield Redevelopment Fund, which repaid a portion of eligible General Fund costs.

CHARGES FOR SERVICES

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

Engineering revenues make up the largest source of Charges for Services revenues. Engineering revenues have declined from \$1.6 million in 2005 to \$828,000 in 2014 due to the State's economic

Engineering Revenue



downturn. As a percent of General Fund revenues, Engineering revenues have decreased from 2.2% to only 1.0% in 2014.

In the 2013/14 Budget, Charges for Services revenues represent 10.4% of total revenue sources, an increase of \$81,180 or 1.0% above what is estimated to be received in 2013. Cross charge revenues from the Water & Sewer Fund and Road Funds are expected to increase slightly. Engineering revenues are estimated to decrease slightly due to fewer federal stimulus-funded road construction projects. Revenues from the property tax administration fee have decreased due to a further decline in taxable values.

OTHER REVENUE

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

From 2005 to 2008, Interest Income revenues rose due to rising interest rates, a one-time accounting correction of a prior year entry, and as several high

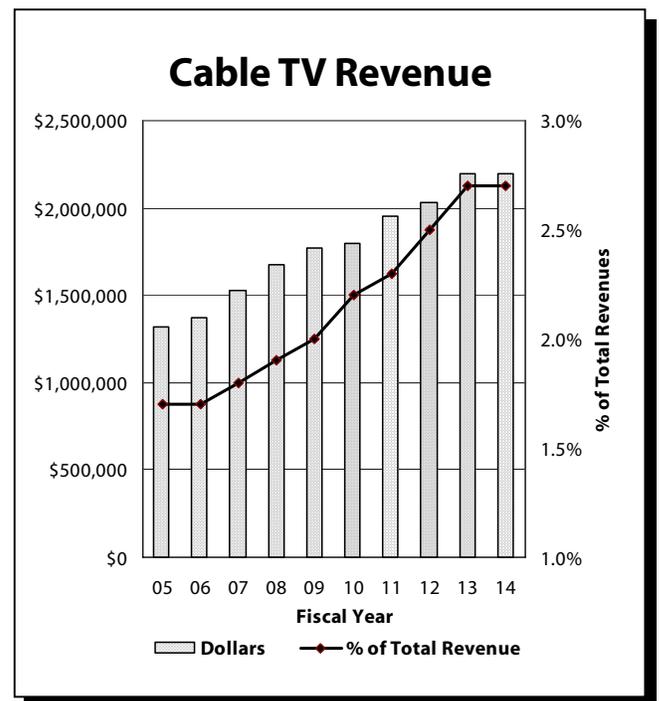
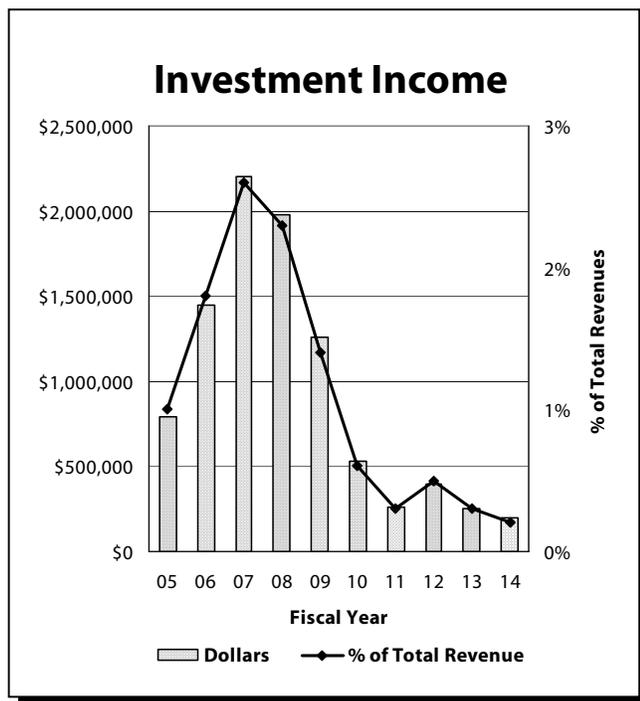
paying investments were called. Due to interest rate cuts by the Federal Reserve starting in 2008 and declining fund balance reserves, Interest on Investments has since fallen. Investment revenues will remain low in 2014 and account for only 0.2% of total General Fund revenues, down from the peak of 2.6% in 2007. As higher yielding investments have matured, new investments are achieving lower returns.

In the 2013/14 Budget, Other Revenues represent 3.1% of total revenue sources, a decrease of \$96,270 or 3.7% from what we estimate receiving in 2013. Investment revenues will decline by \$50,000 due to lower interest rates and a decrease in the market value of investments.

CABLE TV REVENUE

Cable Television Revenues are received from Comcast, AT&T, and Wide Open West (WOW) as franchise fees between these companies and either the City or the State of Michigan. 83.3% of these fees repay the City for the use of our rights-of-way, while 16.7% of the fees reimburse the City for its cost of public access programming.

Cable Revenue has climbed steadily due to



increasing cable subscriber charges and a recent increase in fees from Comcast. In 2013/14, Cable Revenues are estimated to remain at \$2.2 million, or 2.7% of total revenue sources.

REFUSE TAX

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

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

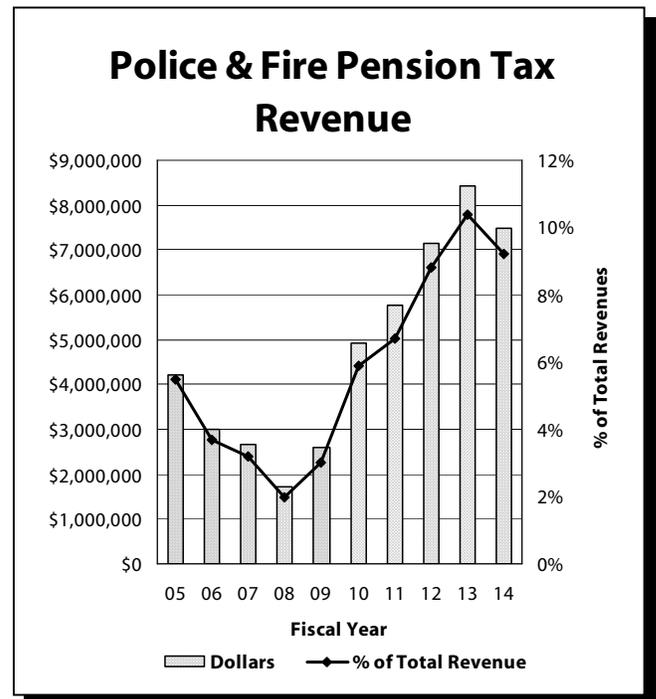
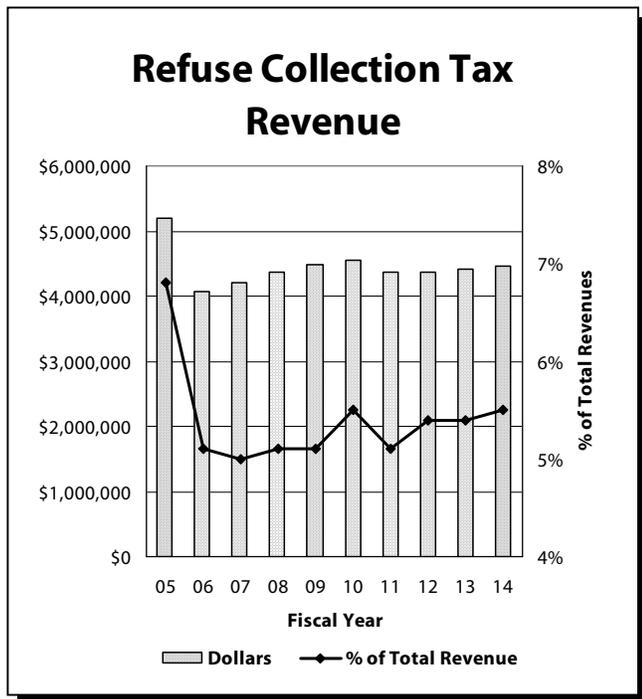
The historical trend experienced over the past ten years is a direct reflection of the refuse collection contract costs. Refuse costs fell in 2006 after the City

awarded a five-year refuse contract that was significantly lower than the previous contract. In the 2013/14 Budget, the Refuse Tax represents 5.5% of total revenue sources, which is a \$46,450 or 1.1% increase to reflect slightly higher refuse contract costs. The refuse contract effective in May of 2010 has moderated refuse collection costs. However, due to a 0.25% decrease in taxable values, the Refuse millage rate will need to be increased by 0.0041 mills from 1.0838 to 1.0879 mills, in order to generate sufficient funds to cover the refuse contract costs.

POLICE & FIRE PENSION TAX

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

The revenue decreased from 2005 through 2008, to match a decline in the City's costs due to higher stock market returns and a change in the assumed rate of return. However, due to a weakened stock market



and increased number of retirements, the required contribution to the pension system has increased and is now \$5.8 million higher than in 2008, and is at its second highest level ever.

In the 2013/14 Budget, the Police & Fire Pension Tax represents 9.2% of revenue sources, a decrease of \$944,430 or 11.2%. The decrease is due to the long-term retirement savings achieved in recent labor contracts and the completed four-year recognition of 2008 stock market losses. The Police & Fire Pension Tax levy for 2013/14 is 1.8225 mills per \$1,000 Taxable Value, a decrease of 0.2444 mills due to the lower required contribution, partially offset by a 0.25% decrease in the City's taxable values.

USE OF FUND BALANCE

A budgeted Use of, or Contribution to, Fund Balance exists when there is an inequality between budgeted revenues and expenditures. If expenditures exceed revenues, a Use of Fund Balance is needed to balance the budget. If revenues exceed expenditures, then a Contribution to Fund Balance exists.

From 2005 to 2007, the City contributed to Fund Balance reserves, excluding the one time use of reserves in 2005 for the final Hillside settlement

payment. Due to lower development revenues, \$425,000 of reserves was used in 2008. Only \$85,850 of reserves was used in 2009, despite a 1.1% decrease in taxable values, because of a one-time \$2.1 million transfer from other city funds. In 2010, due to a 1.8% decline in taxable values and despite continued cost-saving efforts, \$2.7 million of reserves was used. In 2011, due to a 9.8% decrease in taxable values offset by further budget cuts and a 1.9 mill tax adjustment, only \$1.5 million was used. For 2012, \$5.7 million was used due to a 6.9% decrease in taxable values, offset by continued labor and personnel savings.

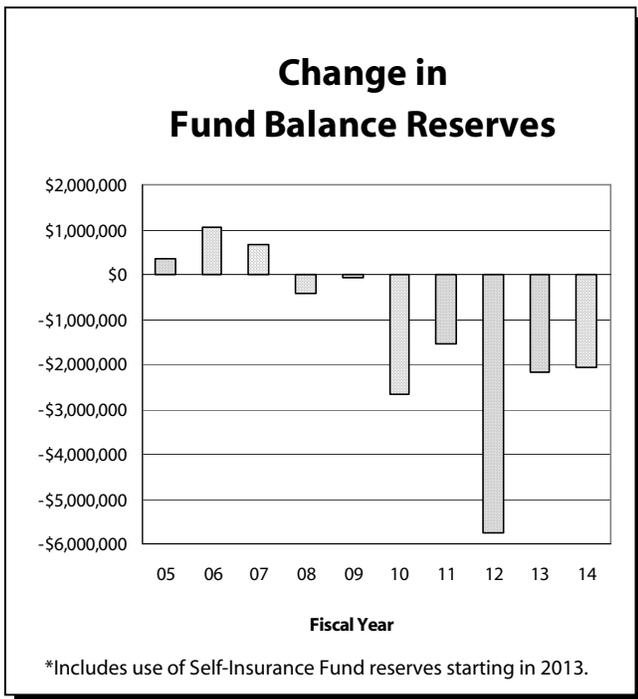
Starting in 2013, while no use of General Fund reserves is planned, the City has used Self-Insurance Funds to balance the budget. In 2013, \$2.2 million is estimated to be used, down from the \$4.7 million budgeted transfer, due to further staffing reductions made during the year and labor contract savings. In 2014, a \$2.1 million transfer is needed to balance the General Fund budget due to the sixth consecutive year of declining taxable values. General Fund Balance reserves are estimated to total only \$5.2 million or 6.5% of General Fund expenditures – the lowest reserve level in 27 years or since 1987.

OTHER CITY TAXES

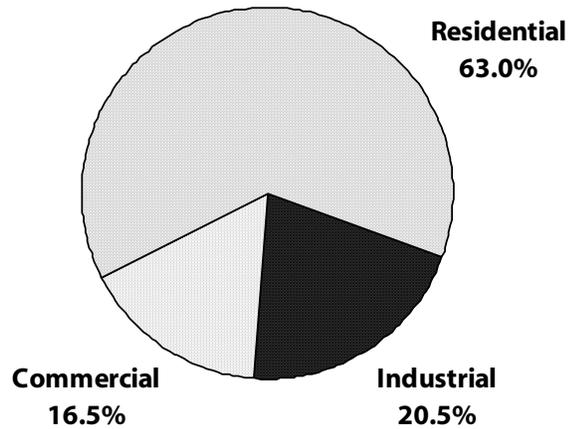
There are also two debt property tax millages levied by the City that are recorded in the Debt Service Funds.

The Drain millage of 0.2033 is 0.0987 mills lower than what was levied in 2012/13. The millage is used to repay drain costs and principal and interest on bonds sold to finance drain construction. The drain millage rate decreased as a result of lower drain debt, partially offset by a 0.25% decrease in City taxable values.

The Public Improvements (Proposal F – Fire Station Improvements) millage rate increased by 0.0115 mills to 0.1018 mills. The Proposal F millage rate is higher due to an increase in scheduled principal payments and a 0.25% decrease in the City's taxable values. The final Proposal R road bonds were retired in 2008/09, the Proposal S debt was paid off in 2001/02, while Proposal T debt was retired in the 1996/97 fiscal year. ■



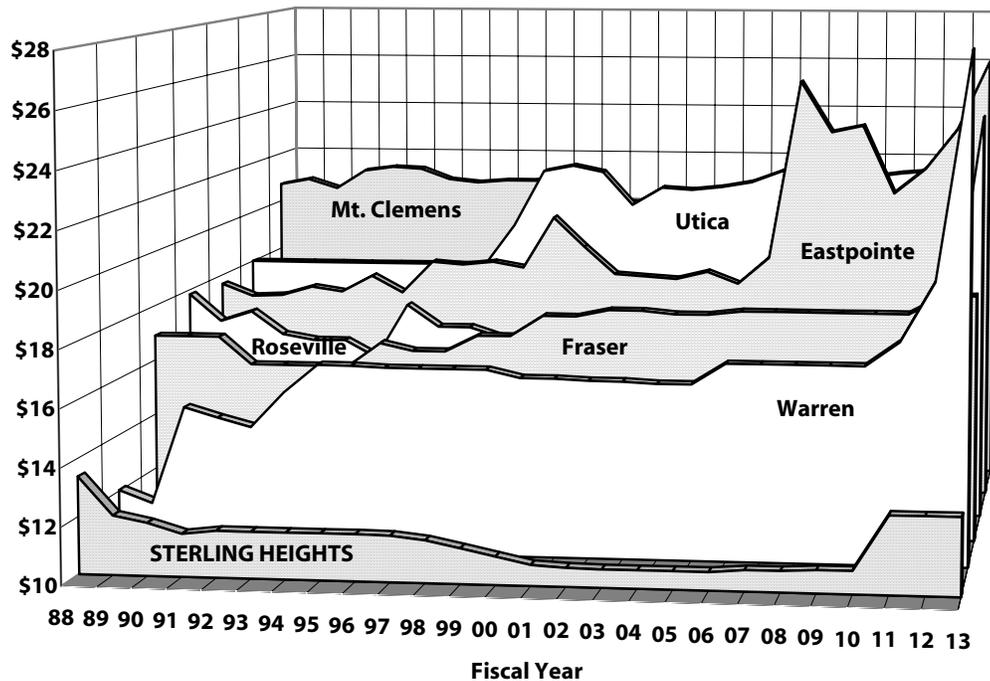
City of Sterling Heights Share of Taxes



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

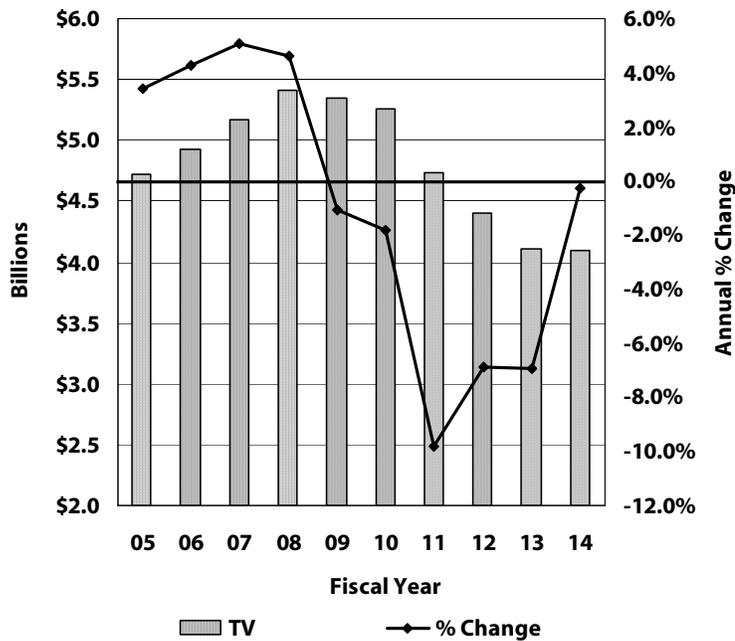
Comparable Tax Rates of Surrounding Macomb County Cities

Per \$1,000 TV



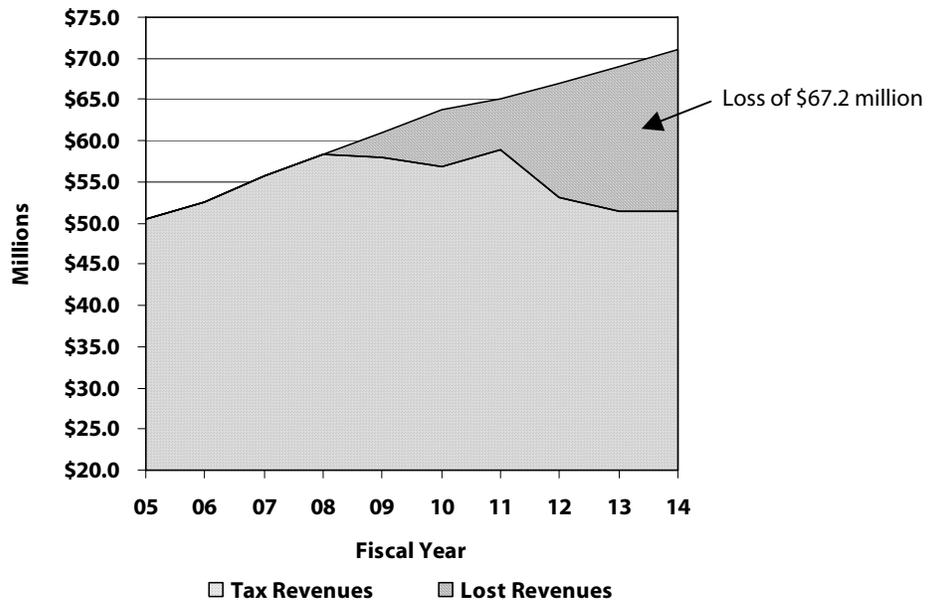
This graph illustrates the taxes levied by Macomb County cities for the past 26 years.

City Taxable Values (TV)



This graph illustrates the property value assessments for real and personal property in the City. The TV, along with the millage rate, determines the total property tax collected.

Property Tax Revenues



This graph illustrates that City property tax revenues historically increased, despite a declining City tax rate, due to inflationary property assessment increases and new development. Starting in 2009, revenues declined due to falling assessments, partially offset by a millage adjustment in 2011.

GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CITY OPERATING TAXES						
404000	City Operating Tax	\$42,288,474	51.89	\$37,211,200	44.72	\$38,805,530	47.95
404001	Property Tax Refunds	(2,825,527)	-3.47	(500,000)	-0.60	(1,100,000)	-1.36
415000	Delinquent Personal Property Tax	473,897	0.58	100,000	0.12	100,000	0.12
445000	Penalties & Interest	183,741	0.23	260,000	0.31	175,000	0.22
	Total Taxes	40,120,585	49.23	37,071,200	44.56	37,980,530	46.93
	LICENSES & PERMITS						
451000	Business Operating License	10,837	0.01	19,000	0.02	11,000	0.01
452000	Mobile / Temporary Vendor	6,389	0.01	6,000	0.01	6,200	0.01
453000	Liquor License	103,402	0.13	87,000	0.10	95,000	0.12
454000	Vending/Amusement Device Fee	24,574	0.03	20,000	0.02	21,000	0.03
461000	Electrical Registration & Permits	205,594	0.25	180,000	0.22	190,000	0.23
462000	Heating Registration & Permits	221,714	0.27	200,000	0.24	190,000	0.23
463000	Plumbing Registration & Permits	129,022	0.16	110,000	0.13	120,000	0.15
464000	Sign Registration & Permits	46,755	0.06	50,000	0.06	50,000	0.06
470000	Building Registration & Permits	1,421,660	1.74	1,160,000	1.39	850,000	1.05
470414	Non-Homestead Res Inspection Fee	0	0.00	125,000	0.15	275,000	0.34
471000	Fence Permits	10,804	0.01	8,500	0.01	9,000	0.01
477000	Fire Suppression Permits	21,693	0.03	13,000	0.02	20,000	0.02
478000	Animal Permits	69,522	0.09	50,000	0.06	89,000	0.11
	Total Licenses & Permits	2,271,966	2.79	2,028,500	2.44	1,926,200	2.38
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	69,265	0.08	25,000	0.03	89,000	0.11
539302	Criminal Justice Training	31,725	0.04	41,600	0.05	41,600	0.05
539332	Dispatcher Training	14,106	0.02	10,000	0.01	10,000	0.01
539378	Act 78 Emergency Telephone Service	191,418	0.23	190,000	0.23	192,000	0.24
543426	Emergency Services Assistance	41,103	0.05	0	0.00	0	0.00
544000	Drunk Driving Case Flow Assistance	14,025	0.02	18,000	0.02	14,000	0.02
567001	State Aid - Library	52,471	0.06	51,880	0.06	64,590	0.08
569001	Judges Salary Stand Payments	137,172	0.17	137,170	0.16	137,170	0.17
574000	State Revenue Sharing	9,615,531	11.80	9,700,000	11.66	10,300,000	12.73
581001	Municipal Credit Transportation	268,265	0.33	273,070	0.33	259,000	0.32
583000	Macomb Auto Theft Squad - Grant	55,982	0.07	51,000	0.06	54,000	0.07
585000	Drug Enforce. Admin - Federal	12,999	0.02	16,820	0.02	16,000	0.02
587001	County Contrib. - Library Penal Fines	80,937	0.10	125,000	0.15	80,000	0.10
	Total State & Local Returns	10,584,999	12.99	10,639,540	12.79	11,257,360	13.91
	FINES & FORFEITURES						
656003	Contempt Court Fines	57,589	0.07	57,000	0.07	58,000	0.07
656004	Ordinance Fines & Costs	2,330,661	2.86	2,700,000	3.25	2,200,000	2.72
656005	Municipal Civil Infractions	1,050	0.00	12,000	0.01	5,000	0.01
657001	Library Fines	65,058	0.08	72,000	0.09	65,000	0.08
658001	Bond Forfeitures	84,791	0.10	80,000	0.10	80,000	0.10
659001	Driver Reinstatement Fee	34,065	0.04	38,000	0.05	32,000	0.04
659002	Default Judgment Fee	186,468	0.23	210,000	0.25	170,000	0.21
659003	Crime Victim Rights Admin. Fee	10,479	0.01	9,000	0.01	11,000	0.01
659004	Forensic Admin Fee	0	0.00	20	0.00	20	0.00
	Total Fines & Forfeitures	2,770,161	3.40	3,178,020	3.82	2,621,020	3.24

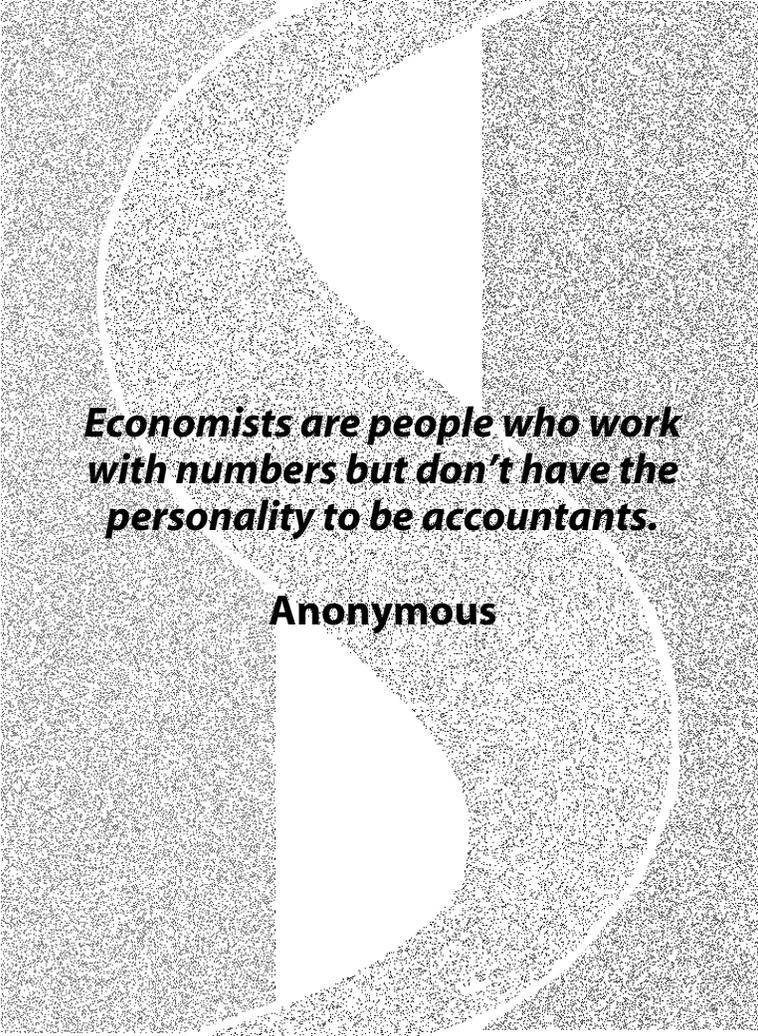
GENERAL FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER FINANCING SOURCES						
699677	Transfer From Self-Insurance Fund	0	0.00	4,690,260	5.64	2,056,050	2.54
699856	Tfr. From Brownfield Redevelop. Fund	42,300	0.05	45,000	0.05	0	0.00
	Total Other Financing Sources	42,300	0.05	4,735,260	5.69	2,056,050	2.54
	CHARGES FOR SERVICES						
603000	Court Filing Fee	163,700	0.20	170,000	0.20	170,000	0.21
603001	Jury Demand Fee	1,960	0.00	2,000	0.00	1,900	0.00
604000	Probation Oversight	293,730	0.36	240,000	0.29	290,000	0.36
605000	Garnishments - Filing Fee	164,225	0.20	160,000	0.19	165,000	0.20
606000	Split/Combination Fee	4,600	0.01	4,500	0.01	4,000	0.00
607000	Fire Permits, Fees, & Inspections	32,897	0.04	33,000	0.04	35,000	0.04
608000	Encroachment/Deviation Fees	1,280	0.00	1,900	0.00	2,000	0.00
609000	Mobile Home Tax	7,389	0.01	9,020	0.01	9,310	0.01
610000	Vital Statistics	57,140	0.07	58,000	0.07	57,000	0.07
611000	Attorney Fee Reimbursement	34,925	0.04	35,000	0.04	35,000	0.04
612000	Alcohol Assessment Fee	54,690	0.07	60,000	0.07	55,000	0.07
626000	Services - PTAF	1,720,850	2.11	1,540,000	1.85	1,595,000	1.97
627000	Water & Sewer Activity	1,329,780	1.63	1,330,840	1.60	1,463,600	1.81
627444	Administrative Services - Roads	211,296	0.26	250,000	0.30	245,000	0.30
627556	Admin Services-Water Distribution	309,600	0.38	300,720	0.36	300,720	0.37
627574	Admin Services-W&S Improvements	132,240	0.16	132,240	0.16	134,880	0.17
627677	Administrative Services-Self Insurance	271,080	0.33	244,800	0.29	268,020	0.33
627732	Administrative Services-P&F Pension	17,851	0.02	15,000	0.02	8,000	0.01
628001	Voter Lists	403	0.00	1,500	0.00	1,000	0.00
629001	Labor Services - Roads	813,049	1.00	1,000,000	1.20	950,000	1.17
629002	Labor Services - Cross Charges	32,852	0.04	50,000	0.06	40,000	0.05
629003	Labor Services - Fleet Maintenance	58,926	0.07	50,000	0.06	55,000	0.07
631001	Police Service/Schools	110,196	0.14	115,000	0.14	115,000	0.14
631002	Towed Vehicle Impound Fee	55,773	0.07	50,000	0.06	55,000	0.07
632001	Inspection Services-Projects-Other	136,766	0.17	100,000	0.12	120,000	0.15
632002	Inspection Services-City Projects	281,066	0.34	304,000	0.37	250,000	0.31
632003	Engineering Review Fee	97,662	0.12	102,000	0.12	100,000	0.12
632004	Engineering & Design - Project	266,978	0.33	335,000	0.40	275,000	0.34
632005	Building Number Assignments	126	0.00	200	0.00	300	0.00
632006	SESC Review Fee	23,196	0.03	15,000	0.02	18,000	0.02
632007	SESC Inspection Fee	76,951	0.09	50,000	0.06	60,000	0.07
632008	Easement Vacation	0	0.00	500	0.00	500	0.00
632009	ROW Permit Fees	2,520	0.00	2,500	0.00	2,200	0.00
634003	Supplies & Gasoline Revenue	81,637	0.10	80,000	0.10	82,000	0.10
634004	Parts-Vehicle Maintenance	48,931	0.06	55,000	0.07	55,000	0.07
635535	Refuse Collection Fees	28,550	0.04	28,550	0.03	29,000	0.04
636000	Plan Review Fee	45,507	0.06	45,000	0.05	45,000	0.06
636001	Building Department Plan Review	338,410	0.42	200,000	0.24	200,000	0.25
637001	Copies & Forms	18,245	0.02	19,000	0.02	20,000	0.02
637002	Maps	354	0.00	600	0.00	500	0.00
637003	Police Reports	125,388	0.15	125,000	0.15	135,000	0.17
637005	Fire Reports	1,325	0.00	1,300	0.00	1,500	0.00

**GENERAL FUND
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
637006	PBT User Fee	1,540	0.00	1,500	0.00	1,200	0.00
637007	False Alarm Fees	110,641	0.14	102,000	0.12	120,000	0.15
637301	Notary Fee	11,319	0.01	12,000	0.01	11,500	0.01
638000	Application Fees	26,025	0.03	15,000	0.02	10,000	0.01
639001	Parks & Recreation Fees	534,488	0.66	510,000	0.61	500,000	0.62
639253	Treasury Transfer & Late Fees	71,412	0.09	100,000	0.12	85,000	0.11
640001	5% Cash Deposit	3,422	0.00	2,000	0.00	1,500	0.00
640002	Weed Cutting	181,695	0.22	170,000	0.20	175,000	0.22
640003	Board of Zoning Appeals Fees	5,320	0.01	10,500	0.01	8,000	0.01
640005	Ordinance Board of Appeals Fees	43,298	0.05	50,000	0.06	66,000	0.08
	Total Charges for Services	8,443,204	10.36	8,290,170	9.96	8,427,630	10.41
	OTHER REVENUE						
656006	Interpreter Fees	12,073	0.01	13,000	0.02	13,000	0.02
665000	Interest on Investments	398,611	0.49	250,000	0.30	200,000	0.25
667002	Rental Income - Utica Road	57,420	0.07	48,240	0.06	36,120	0.04
667003	Rental Income - DPS	143,040	0.18	100,560	0.12	102,000	0.13
667005	Rental - DPW - Impound Lot	39,798	0.05	39,600	0.05	39,600	0.05
667007	Rental - Universal Ambulance	6,000	0.01	6,000	0.01	6,000	0.01
667009	Rental - Towers	264,058	0.32	266,610	0.32	272,620	0.34
669001	Rental - Road Equipment	962,721	1.18	950,000	1.14	975,000	1.20
669002	Rental - Equipment - Cross Charges	35,917	0.04	45,000	0.05	40,000	0.05
673000	Sale of Fixed Assets	14,108	0.02	15,000	0.02	25,000	0.03
675000	Contributions & Donations	4,962	0.01	4,000	0.00	5,000	0.01
675001	Donations - Parks & Recreation	11,069	0.01	10,000	0.01	15,450	0.02
675003	Art Fair Revenue	125,361	0.15	125,000	0.15	120,000	0.15
676000	Reimbursements	1,127,089	1.38	450,000	0.54	480,000	0.59
676001	Reimbursements - Legal	(8,857)	-0.01	5,000	0.01	5,000	0.01
677008	Unrealized Gain/Loss	249,580	0.31	0	0.00	0	0.00
679000	Police Auction	27,880	0.03	25,000	0.03	25,000	0.03
679752	Parks & Recreation Retail Sales	567	0.00	3,000	0.00	1,500	0.00
679792	Library Book Sales	34	0.00	100	0.00	100	0.00
685000	Miscellaneous Revenue	43,900	0.05	35,000	0.04	60,000	0.07
685792	Miscellaneous Revenue - Library	70,809	0.09	75,000	0.09	75,000	0.09
690000	O.U.I.L. Recovery	39,117	0.05	60,000	0.07	40,000	0.05
690002	Warrant Arrest Processing Fee	4,285	0.01	4,500	0.01	4,500	0.01
695414	Foreclosure Relief Recovery	63,467	0.08	4,410	0.01	0	0.00
	Total Other Revenue	3,693,009	4.53	2,535,020	3.05	2,540,890	3.14
680000	Cable TV Revenue	2,033,751	2.50	1,900,000	2.28	2,200,000	2.72
405000	City Refuse Tax	4,376,626	5.37	4,411,250	5.30	4,457,700	5.51
406000	P&F Pension Tax	7,157,201	8.78	8,412,480	10.11	7,468,050	9.23
	Total General Fund Revenue	\$81,493,802	100.00	\$83,201,440	100.00	\$80,935,430	100.00

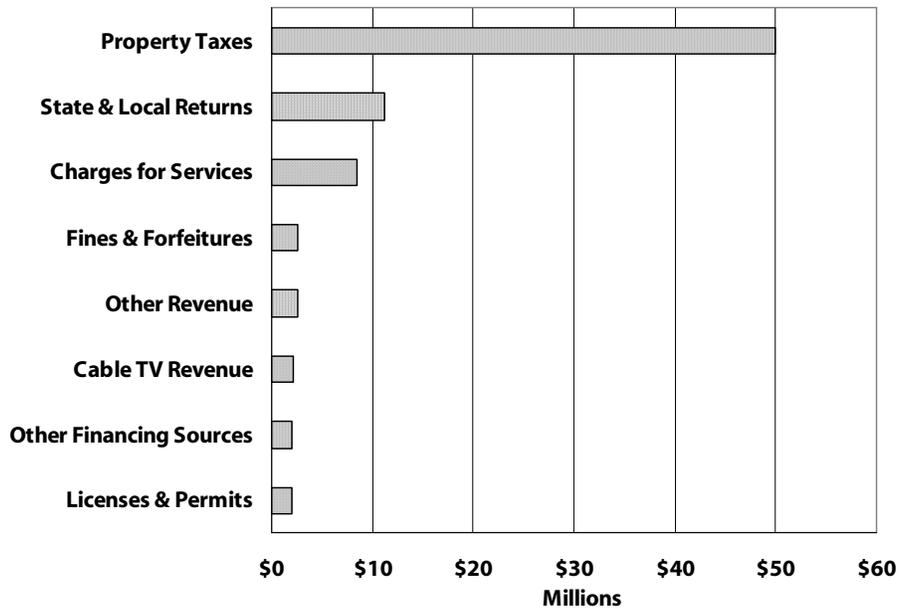
Note: The 2011-2012 Actual Column is rounded to the nearest dollar.



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

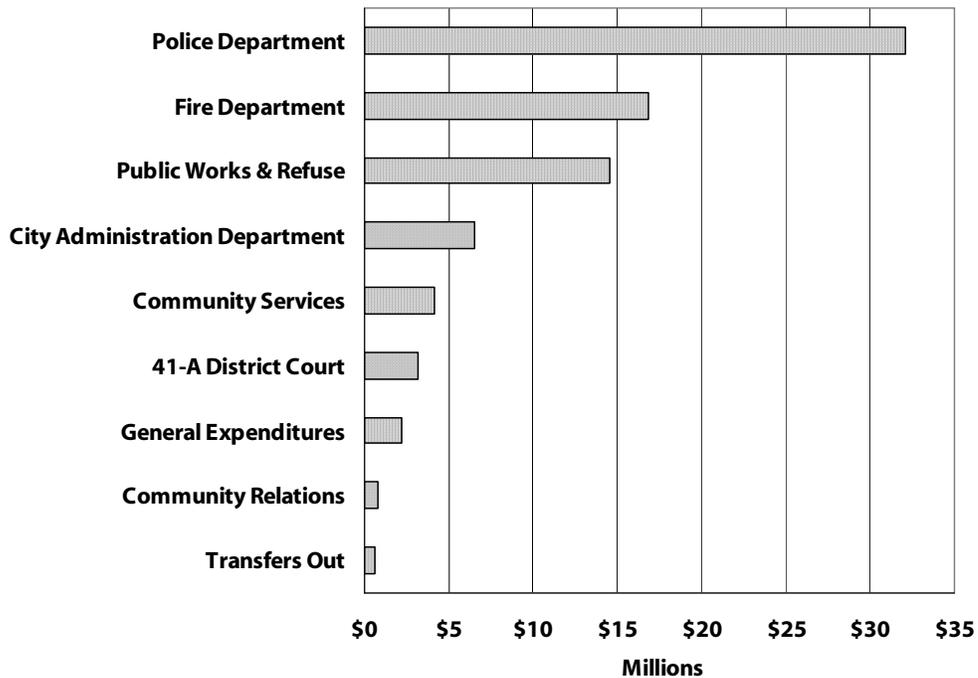
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General Fund Revenues by Revenue Category



This graph illustrates the amount budgeted for each of the revenue categories.

General Fund Expenditures by Budgetary Center



This graph illustrates the amount budgeted for each budgetary center.

**GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER**

Activity Name	Activity No.	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
LEGISLATIVE					
1. City Council	1010	\$132,600	\$130,000	\$131,720	1.3%
CITY ADMINISTRATION DEPARTMENT					
1. City Management	1720	975,970	961,390	861,380	-10.4%
2. Economic Development	4150	367,830	397,660	276,740	-30.4%
3. City Clerk	2160	693,460	719,620	595,210	-17.3%
4. Facilities Maintenance	2650	1,358,360	1,008,470	0	-100.0%
5. Information Technology	2580	880,370	931,660	865,030	-7.2%
6. Assessing	2090	906,340	879,070	814,860	-7.3%
7. Financial Services	2010	749,690	770,740	756,880	-1.8%
8. Purchasing	2330	390,590	381,200	281,390	-26.2%
9. Treasury	2530	1,070,960	1,068,840	1,054,500	-1.3%
10. Act 78 - Civil Service Commission	2200	7,030	0	15,000	100.0%
11. General Employees Pension Board	2390	85,150	88,600	74,150	-16.3%
12. Legal	2100	799,720	820,000	770,000	-6.1%
Total City Administration Department		8,418,070	8,157,250	6,496,860	-20.4%
COMMUNITY SERVICES DEPARTMENT					
1. Library	7920	2,544,980	2,480,870	2,350,170	-5.3%
2. Parks & Recreation	7520	1,943,880	1,848,420	1,750,200	-5.3%
3. Historical Commission	8030	310	680	560	-17.6%
Total Community Services Department		4,489,170	4,329,970	4,100,930	-5.3%
POLICE DEPARTMENT					
1. Police Administration	3050	3,042,380	3,165,150	3,138,840	-0.8%
2. Police Investigations	3100	6,268,090	5,745,610	5,652,760	-1.6%
3. Police Operations	3150	19,971,990	20,132,410	19,653,840	-2.4%
4. Police Support Services	3260	3,546,890	3,337,410	3,675,890	10.1%
5. Emergency Management	2130	151,390	0	0	0.0%
Total Police Department		32,980,740	32,380,580	32,121,330	-0.8%
FIRE DEPARTMENT					
1. Fire Administration	3370	1,535,680	1,411,260	1,388,620	-1.6%
2. Fire Extinguishment	3390	16,830,110	15,205,350	14,738,450	-3.1%
3. Fire Prevention	3410	749,770	713,390	686,530	-3.8%
Total Fire Department		19,115,560	17,330,000	16,813,600	-3.0%

**GENERAL FUND EXPENDITURES
BY BUDGETARY CENTER**

Activity Name	Activity No.	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
<u>PUBLIC WORKS DEPARTMENT</u>					
1. Building & Facilities Maintenance	4120	1,373,570	1,329,980	1,812,590	36.3%
2. Engineering	4470	1,494,210	1,279,420	1,153,860	-9.8%
3. Fleet Maintenance	5530	2,655,030	2,575,410	2,696,260	4.7%
4. Foreclosure Relief	4140	77,310	4,410	0	-100.0%
5. Neighborhood Services	4170	417,580	285,400	1,215,490	325.9%
6. Parks & Grounds Maintenance	7700	1,150,800	721,070	1,020,280	41.5%
7. Planning	4020	483,010	328,760	103,910	-68.4%
8. Public Works Center	4420	237,750	232,550	223,700	-3.8%
9. Street Services	4440	1,772,690	1,981,550	1,816,980	-8.3%
10. Planning Commission	4030	4,570	5,010	4,940	-1.4%
11. Zoning Board of Appeals	4130	5,330	5,740	5,210	-9.2%
Total Public Works Department		9,671,850	8,749,300	10,053,220	14.9%
<u>REFUSE COLLECTION</u>					
1. Refuse Collection	5350	4,605,880	4,439,800	4,486,700	1.1%
Total Refuse Collection		4,605,880	4,439,800	4,486,700	1.1%
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
1. Community Relations	2920	1,033,780	954,530	826,960	-13.4%
2. Beautification Commission	8060	400	740	700	-5.4%
3. Cultural Commission	7930	50	50	50	0.0%
Total Community Relations Department		1,034,230	955,320	827,710	-13.4%
41-A DISTRICT COURT	1360	3,252,850	3,307,520	3,174,060	-4.0%
GENERAL EXPENDITURES	8950	2,657,510	2,308,830	2,205,790	-4.5%
TRANSFERS OUT	9660	1,010,670	954,090	655,230	-31.3%
Total General Fund Expenditures		\$87,236,530	\$82,912,660	\$80,935,430	-2.4%

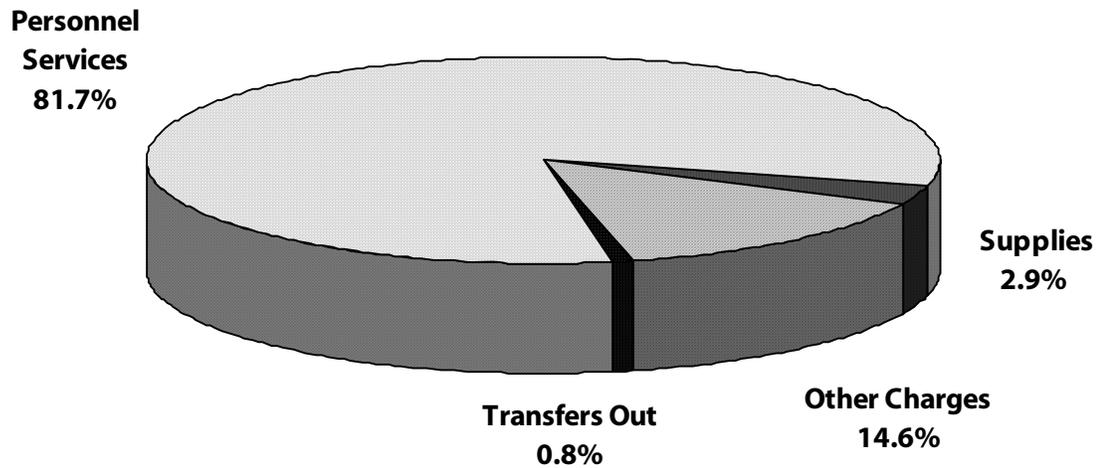
**GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY**

Budgetary Center	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget
<u>CITY ADMINISTRATION DEPARTMENT</u>					
Personnel Services	\$7,147,876	\$7,018,292	\$6,589,283	\$5,971,490	\$4,925,490
Supplies	240,606	209,496	218,362	199,140	166,520
Other Charges	1,597,751	1,529,581	1,610,421	1,986,620	1,404,850
Total	8,986,233	8,757,369	8,418,066	8,157,250	6,496,860
<u>COMMUNITY SERVICES DEPARTMENT</u>					
Personnel Services	3,888,654	3,764,981	3,689,342	3,543,390	3,291,530
Supplies	308,010	275,081	271,283	251,310	241,870
Other Charges	550,931	563,044	528,543	535,270	567,530
Total	4,747,595	4,603,106	4,489,168	4,329,970	4,100,930
<u>POLICE DEPARTMENT</u>					
Personnel Services	30,993,719	31,651,541	31,828,783	31,217,080	30,595,890
Supplies	80,228	92,595	68,375	73,850	72,350
Other Charges	600,768	739,559	1,083,583	1,089,650	1,453,090
Total	31,674,715	32,483,695	32,980,741	32,380,580	32,121,330
<u>FIRE DEPARTMENT</u>					
Personnel Services	16,514,751	17,755,696	18,546,987	16,774,170	16,248,100
Supplies	146,924	147,808	134,135	133,760	127,940
Other Charges	496,914	456,525	434,442	422,070	437,560
Total	17,158,589	18,360,029	19,115,564	17,330,000	16,813,600
<u>PUBLIC WORKS DEPARTMENT</u>					
Personnel Services	8,005,206	7,933,235	7,503,169	6,598,870	7,263,200
Supplies	1,359,910	1,596,068	1,557,276	1,503,800	1,614,780
Other Charges	500,341	548,453	611,401	646,630	1,175,240
Total	9,865,457	10,077,756	9,671,846	8,749,300	10,053,220
<u>REFUSE</u>					
Personnel Services	151,390	152,996	141,986	153,820	115,800
Supplies	606	2,167	507	1,230	1,000
Other Charges	4,277,923	4,295,192	4,463,391	4,284,750	4,369,900
Total	4,429,919	4,450,355	4,605,884	4,439,800	4,486,700
<u>COMMUNITY RELATIONS DEPARTMENT</u>					
Personnel Services	1,404,498	1,363,068	956,511	867,450	754,430
Supplies	77,407	48,331	26,860	27,080	25,720
Other Charges	102,279	60,414	50,860	60,790	47,560
Total	1,584,184	1,471,813	1,034,231	955,320	827,710

**GENERAL FUND BUDGETARY CENTERS
EXPENDITURES BY CATEGORY**

Budgetary Center	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget
<u>41-A DISTRICT COURT</u>					
Personnel Services	2,952,578	2,980,605	2,982,131	3,021,860	2,905,180
Supplies	44,600	37,981	45,504	38,000	38,500
Other Charges	224,637	228,226	225,218	247,660	230,380
Total	3,221,815	3,246,812	3,252,853	3,307,520	3,174,060
<u>GENERAL EXPENDITURES</u>					
Personnel Services	29,030	37,735	17,515	140,000	30,000
Supplies	15,472	16,201	18,588	16,500	15,680
Other Charges	2,656,022	2,465,607	2,621,409	2,152,330	2,160,110
Total	2,700,524	2,519,543	2,657,512	2,308,830	2,205,790
<u>TRANSFERS OUT</u>					
Transfers Out	1,968,810	1,509,940	1,010,670	954,090	655,230
<u>TOTAL EXPENDITURES BY CATEGORY</u>					
Personnel Services	71,087,702	72,658,149	72,255,707	68,288,130	66,129,620
Supplies	2,273,763	2,425,728	2,340,890	2,244,670	2,304,360
Other Charges	11,007,566	10,886,601	11,629,268	11,425,770	11,846,220
Transfers Out	1,968,810	1,509,940	1,010,670	954,090	655,230
Total General Fund	\$86,337,841	\$87,480,418	\$87,236,535	\$82,912,660	\$80,935,430

General Fund Expenditures by Expenditure Category



Total General Fund Budget of \$80,935,430

This graph illustrates expenditures by category as a percent of the General Fund. Personnel Services, for example, comprises 81.7% of total General Fund expenditures.

**GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	PERSONNEL SERVICES						
703000	Wages-Elected & Appointed	\$128,508	0.15	\$130,610	0.16	\$131,600	0.16
704000	Wages & Salaries-Permanent	34,712,768	39.79	29,866,180	36.02	29,008,080	35.84
704001	Sick Time Buy Back	897,846	1.03	471,210	0.57	436,210	0.54
704721	Health Insurance Allowance	57,525	0.07	57,900	0.07	84,000	0.10
705000	Wages-Salaries - Temp/Part Time	1,524,704	1.75	1,975,570	2.38	2,258,960	2.79
706000	Wages-Salaries - Occasional	63,300	0.07	83,930	0.10	55,000	0.07
708000	Overtime	2,220,935	2.55	1,852,830	2.23	1,729,750	2.14
708001	Compensatory Time Buy Back	1,477,695	1.69	1,458,610	1.76	1,130,840	1.40
708795	Overtime - F.L.S.A.	101,065	0.12	81,000	0.10	75,000	0.09
708900	Overtime - Grants	0	0.00	0	0.00	71,320	0.09
709000	Union Contract Reimbursement	173,677	0.20	57,830	0.07	24,430	0.03
710000	Longevity	1,373,623	1.57	1,136,520	1.37	835,980	1.03
711000	Holiday Pay	1,106,338	1.27	1,011,330	1.22	1,001,580	1.24
713500	Car Allowance	3,000	0.00	3,000	0.00	0	0.00
714000	Food Allowance	52,450	0.06	46,200	0.06	76,000	0.09
715000	Clothing Allowance	307,087	0.35	222,250	0.27	303,130	0.37
717000	FICA	1,682,432	1.93	1,474,490	1.78	1,395,360	1.72
718000	Worker's Compensation	349,989	0.40	283,770	0.34	282,030	0.35
719000	Unemployment Compensation	17,515	0.02	140,000	0.17	30,000	0.04
720000	Pension - General Emp Retirement	888,660	1.02	1,460,490	1.76	2,231,330	2.76
720001	Pension - Police and Fire Retirement	7,368,876	8.45	8,815,030	10.63	7,468,050	9.23
720002	Defined Contribution - Employer	188,592	0.22	120,110	0.14	155,470	0.19
720010	Add'l Employee Pension - GERS	(254,673)	-0.29	(122,630)	-0.15	(35,700)	-0.04
720011	Add'l Employee Pension - P&F	(346,528)	-0.40	0	0.00	(20,510)	-0.03
721000	Health Insurance	6,324,271	7.25	5,409,080	6.52	4,981,970	6.16
721001	Health Insurance - Retirees	10,924,960	12.52	11,361,960	13.70	11,561,870	14.29
721003	Retiree Health Savings - City	62,902	0.07	49,450	0.06	49,600	0.06
722000	Dental Insurance	477,578	0.55	495,360	0.60	478,240	0.59
723000	Life Insurance	73,415	0.08	68,220	0.08	60,230	0.07
724000	Eye Care Insurance	31,271	0.04	30,360	0.04	39,110	0.05
725000	Disability Insurance - Long Term	75,448	0.09	69,940	0.08	65,520	0.08
725355	Disability Insurance - Short Term	190,478	0.22	177,530	0.21	165,170	0.20
	Total Personnel Services	72,255,707	82.83	68,288,130	82.36	66,129,620	81.71
	SUPPLIES						
729000	Postage	216,560	0.25	214,840	0.26	206,260	0.25
730000	Publications	22,187	0.03	18,910	0.02	19,230	0.02
741000	Ammunition	14,159	0.02	14,250	0.02	14,250	0.02
741302	Ammunition - Act 302 Grant	5,000	0.01	5,000	0.01	5,000	0.01
742000	Dog Care Supplies	875	0.00	1,500	0.00	1,000	0.00
750000	Fuels & Lubricants	755,445	0.87	730,000	0.88	775,000	0.96
750001	Fuel & Lube Inventory	24,683	0.03	20,000	0.02	22,000	0.03
751000	Operating Supplies	405,211	0.46	381,370	0.46	380,320	0.47
751001	Operating Supplies - Federal Funds	605	0.00	0	0.00	0	0.00
758000	Computer Software	575	0.00	500	0.00	500	0.00

**GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT**

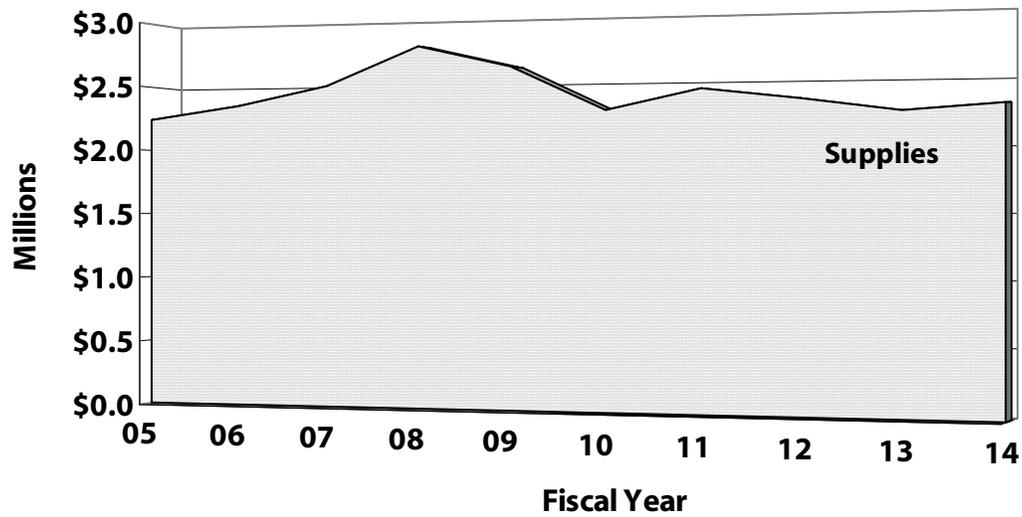
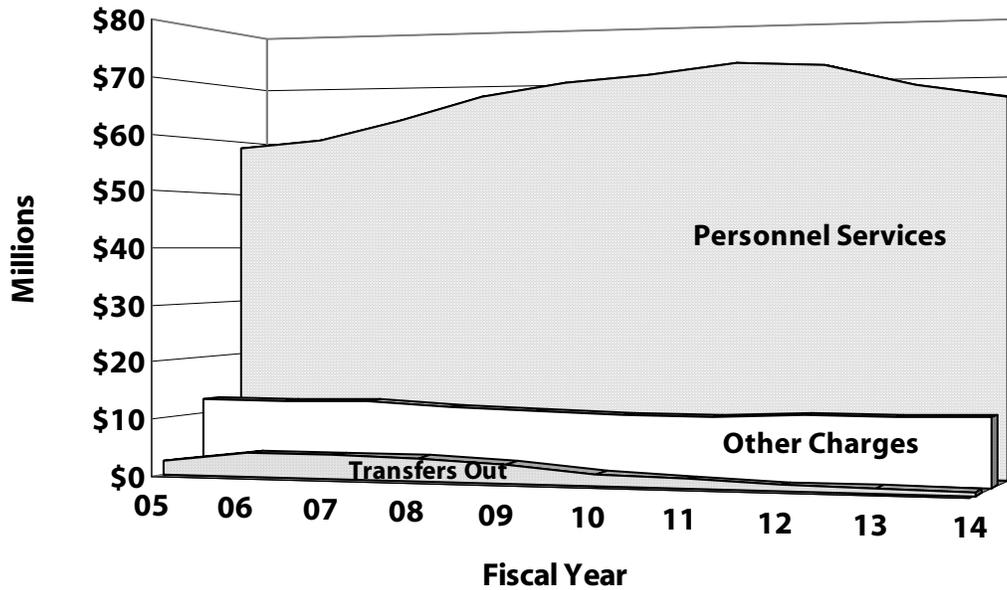
Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
759000	Parts & Sublet Services	651,400	0.75	640,000	0.77	670,000	0.83
760000	Playground & Athletic Supplies	16,825	0.02	9,500	0.01	9,100	0.01
761000	Program Activity Supplies	36,279	0.04	32,000	0.04	31,230	0.04
762000	Seniors Program Supplies	16,230	0.02	14,640	0.02	13,920	0.02
769000	Audio Visual Media	23,075	0.03	22,000	0.03	20,000	0.02
783000	Seeding & Planting Supplies	1,756	0.00	3,800	0.00	3,550	0.00
785000	Books	150,025	0.17	136,360	0.16	133,000	0.16
	Total Supplies	2,340,890	2.68	2,244,670	2.71	2,304,360	2.84
	OTHER CHARGES						
802000	Audit & Accounting Services	57,020	0.07	57,020	0.07	45,740	0.06
803000	Computer Consultant Services	30,319	0.03	10,140	0.01	6,400	0.01
806000	Legal Services - Other	164,404	0.19	157,500	0.19	127,000	0.16
806001	Legal Services - City Attorney	649,205	0.74	670,600	0.81	650,600	0.80
807000	Medical Services	33,528	0.04	17,270	0.02	16,660	0.02
808000	Reporting Services	13,580	0.02	14,110	0.02	13,160	0.02
810000	Other Fees	76,186	0.09	76,140	0.09	50,930	0.06
820000	Tree/Weed Cutting	101,049	0.12	85,000	0.10	85,000	0.11
821000	Spraying Services	17,387	0.02	20,000	0.02	18,000	0.02
822000	Rubbish Removal	4,386,576	5.03	4,215,000	5.08	4,300,000	5.31
825000	Animal Collection	14,072	0.02	11,000	0.01	11,000	0.01
826000	Other Contracted Services	1,235,857	1.42	1,555,550	1.88	1,591,730	1.97
826412	Nuisance Abatements	19,391	0.02	30,000	0.04	30,000	0.04
827000	Interfund Services	69,100	0.08	69,100	0.08	69,100	0.09
829000	Hazardous Waste Disposal	1,907	0.00	2,000	0.00	2,000	0.00
832000	Building Maintenance	109,030	0.12	119,000	0.14	114,000	0.14
833000	Equipment Maintenance	341,344	0.39	374,430	0.45	405,870	0.50
833001	Personal Computer Maintenance	5,381	0.01	6,000	0.01	5,500	0.01
836000	Radio Maintenance	6,433	0.01	8,500	0.01	7,500	0.01
837000	Retention Pond Maintenance	17,323	0.02	28,000	0.03	25,000	0.03
838000	Parks & Grounds Maintenance	16,669	0.02	31,370	0.04	30,000	0.04
902000	Publishing	9,588	0.01	12,080	0.01	11,790	0.01
903000	Printing	78,474	0.09	82,600	0.10	76,910	0.10
913000	Liability Insurance	1,004,059	1.15	1,004,600	1.21	1,004,100	1.24
915000	Other Insurance	19,240	0.02	19,240	0.02	19,240	0.02
921000	Electric	546,744	0.63	528,500	0.64	577,000	0.71
922000	Telephone	123,916	0.14	141,530	0.17	97,860	0.12
922001	Fiber Optic Lease Charges	45,327	0.05	45,330	0.05	45,330	0.06
923000	Gas - Fuel - Oil	163,937	0.19	213,300	0.26	185,000	0.23
924000	Street Lighting	997,341	1.14	997,930	1.20	1,009,800	1.25
925000	Water	133,761	0.15	121,800	0.15	143,500	0.18
942302	Building Rental - Act 302	8,840	0.01	12,600	0.02	12,600	0.02
944000	Hydrant Rental	159,750	0.18	159,750	0.19	159,750	0.20
945000	Other Rental	274,991	0.32	271,170	0.33	254,540	0.31
949000	Interpreter Fees	24,617	0.03	22,000	0.03	20,000	0.02

**GENERAL FUND
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
950000	Witness Fees	5,018	0.01	5,000	0.01	5,000	0.01
951000	Juror Fees	3,217	0.00	3,000	0.00	3,000	0.00
954000	Mileage	420	0.00	600	0.00	600	0.00
956000	Local Meetings	3,726	0.00	3,770	0.00	3,670	0.00
956002	Special Events	640	0.00	300	0.00	290	0.00
957000	Memberships & Dues	90,346	0.10	90,800	0.11	95,840	0.12
959000	Education & Training	88,297	0.10	77,750	0.09	81,430	0.10
959001	Education & Training - Grant	3,474	0.00	0	0.00	5,500	0.01
959302	Education & Training Act 302	17,885	0.02	24,000	0.03	24,000	0.03
959332	Education & Training Act 32	10,218	0.01	10,000	0.01	10,000	0.01
960000	Donation Expense Non-Capital	4,374	0.01	4,100	0.00	4,000	0.00
961000	Athletic Entry Fees	40	0.00	320	0.00	320	0.00
962000	Miscellaneous Expense	445,299	0.51	15,970	0.02	49,960	0.06
962001	Misc Exp - Cash - Short/Over	(32)	0.00	0	0.00	0	0.00
969000	Contingency	0	0.00	0	0.00	340,000	0.42
	Total Other Charges	11,629,268	13.33	11,425,770	13.78	11,846,220	14.64
	TRANSFERS OUT						
999301	Transfer to General Drain Debt Fund	44,000	0.05	0	0.00	0	0.00
999305	Transfer to VTGO Debt Fund	7,000	0.01	0	0.00	0	0.00
999369	Transfer to LTGO Debt Fund	608,680	0.70	528,740	0.64	297,080	0.37
999403	Transfer to Capital Projects Fund	317,060	0.36	406,350	0.49	358,150	0.44
999855	Transfer to EDC Fund	21,000	0.02	19,000	0.02	0	0.00
999867	Transfer to LDFA Fund	12,930	0.01	0	0.00	0	0.00
	Total Transfers Out	1,010,670	1.16	954,090	1.15	655,230	0.81
	Total General Fund	\$87,236,535	100.00	\$82,912,660	100.00	\$80,935,430	100.00

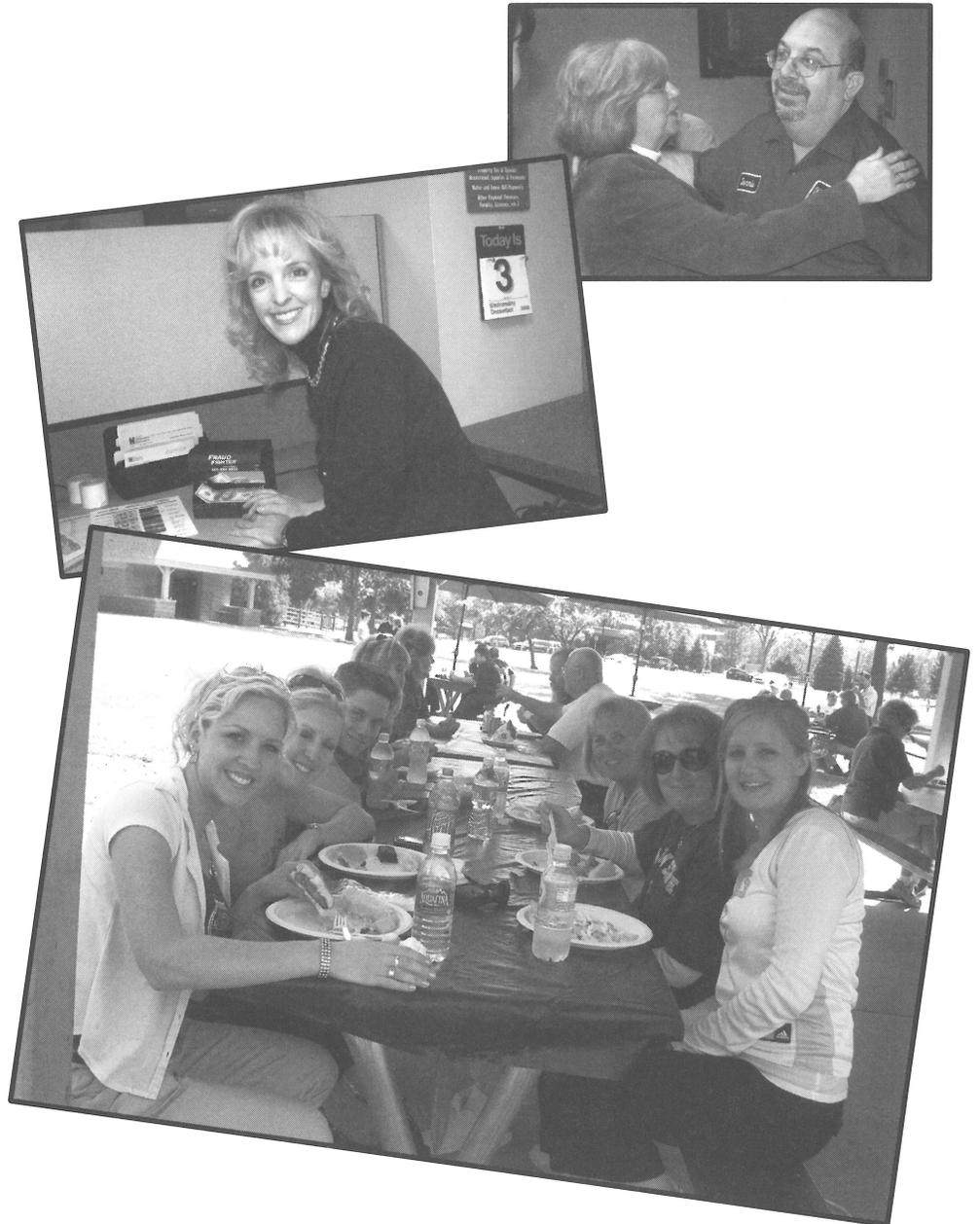
Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

General Fund Expenditure History



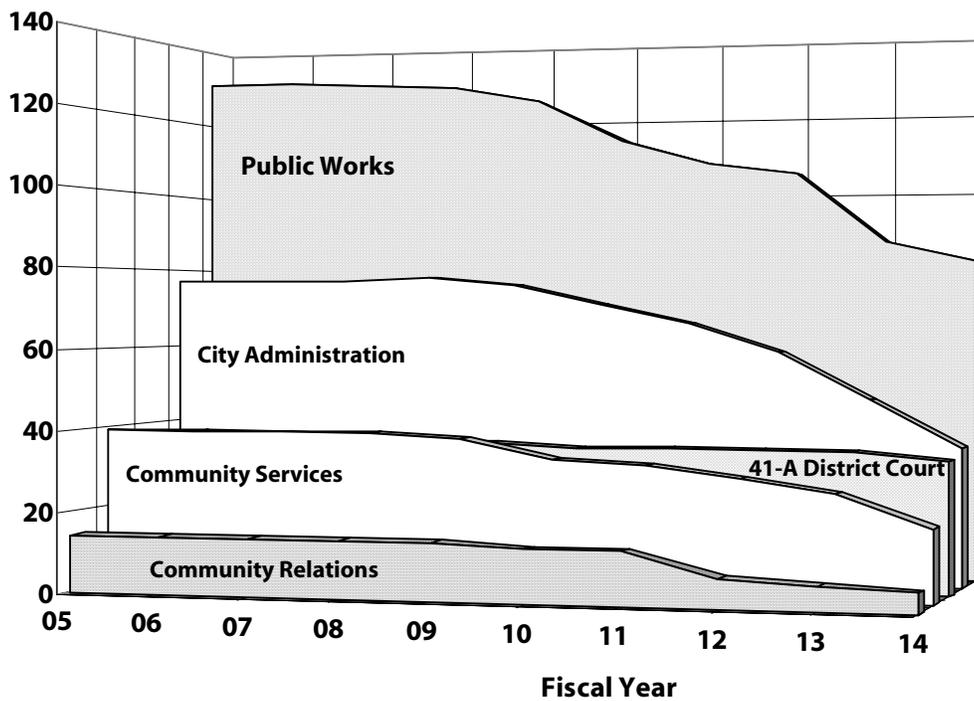
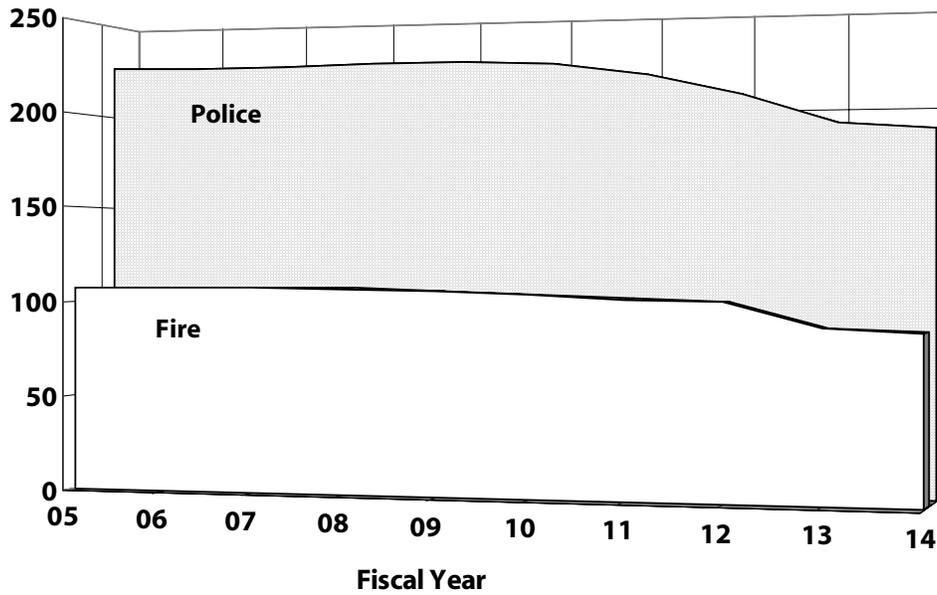
These graphs illustrate the expenditure category history for the General Fund.

Personnel Summary



The Personnel Summary portion of the city budget represents a historical summary of all personnel related information. This information includes graphs showing the number of full-time personnel employed by the city, along with fringe benefit expenses. Also presented is a breakdown of the personnel assigned within each activity and the budgeted wages for each position.

Full-time Personnel History by Department



These graphs illustrate the number of full-time employees by department for the past 10 years.

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2011/12		Budget 2012/13		Budget 2013/14	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	CITY ADMINISTRATION DEPT.						
	CITY MANAGEMENT						
137,217	City Manager	1		1		1	
79,402	Human Resources Director/Assistant City Manager	0		0		1	
79,402	Finance & Budget Director	1		1		1	
	Human Resources Director	1		1		0	
57,735 - 64,744	Budget Management Coordinator	1		1		1	
48,038 - 53,600	Management Services Specialist	1		1		1	
	Management Assistant	1		1		0	
32,309	Management Assistant (P.T.)		0		0		1
42,159 - 49,166	Administrative Assistant	1		1		1	
28,082	Administrative Assistant (P.T.)		0		0		1
	Total	7	0	7	0	6	2
	ECONOMIC DEVELOPMENT						
80,040 - 99,066	Economic Development Manager	1		1		1	
	Business Development Manager	1		1		0	
43,633 - 50,886	Management Assistant	1		1		1	
	Total	3	0	3	0	2	0
	CITY CLERK						
	City Clerk/Assistant City Manager	1		1		0	
79,402	City Clerk/Risk Manager	0		0		1	
43,633 - 50,886	Management Assistant	1		1		1	
42,159 - 49,166	Elections Assistant	1		1		1	
	Senior Clerk	1		0		0	
	Clerk Typist	1		1		0	
19,361	Clerk Typist (P.T.)		0		1		2
	Total	5	0	4	1	3	2
	FACILITIES MAINTENANCE						
	Facilities Maintenance Manager	1		0		0	
	Facilities Maintenance Mechanic	3		3		0	
	Custodian	6		0		0	
	Senior Clerk	1		0		0	
	Clerk Typist (P.T.)		0		1		0
	Custodian (P.T.)		6		0		0
	Total	11	6	3	1	0	0
	INFORMATION TECHNOLOGY						
89,754 - 111,090	Information Technology Manager	1		1		1	
56,080 - 62,680	Senior Systems Analyst	2		2		2	
54,015 - 60,270	Information Technology Specialist	4		3		2	
	Total	7	0	6	0	5	0
	ASSESSING						
84,042 - 104,020	City Assessor	1		1		1	
64,153 - 73,009	Appraiser III	3		3		1	
44,886	Appraiser III (P.T.)		0		0		2
56,602 - 64,525	Appraiser II	1		1		1	
49,608 - 56,454	Appraiser I	1		1		1	
45,273 - 52,803	Appraiser Aide	1		1		1	
7,500	Co-op (P.T.)		0		0		1
	Total	7	0	7	0	5	3

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2011/12		Budget 2012/13		Budget 2013/14	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
FINANCIAL SERVICES							
84,042 - 104,020	Controller	1		1		1	
57,735 - 64,744	Accountant	2		1		1	
14,417 - 35,466	Accountant (P.T.)		0		2		2
42,159 - 49,166	Senior Account Clerk	2		2		2	
	Account Clerk	1		1		0	
23,506	Account Clerk (P.T.)		0		0		1
7,500	Co-op (P.T.)		1		1		1
	Total	6	1	5	3	4	4
PURCHASING							
	Purchasing & Risk Manager	1		1		0	
68,992	Purchasing Manager	0		0		1	
54,015 - 60,270	Purchasing Specialist	1		1		1	
	Administrative Assistant	1		1		0	
28,082	Administrative Assistant (P.T.)		0		0		1
	Total	3	0	3	0	2	1
TREASURY							
71,314 - 88,416	City Treasurer	1		1		1	
62,963 - 71,238	Pension Administrator/Utility Billing Accountant	1		1		1	
57,735 - 64,744	Accountant	1		1		1	
43,633 - 50,886	Management Assistant	1		1		1	
42,159 - 49,166	Senior Account Clerk	2		2		2	
35,298 - 44,560	Account Clerk	4		3		2	
22,936 - 23,506	Account Clerk (P.T.)		0		1		2
	Total	10	0	9	1	8	2
Total City Administration Department		59	7	47	6	35	14
COMMUNITY SERVICES DEPARTMENT							
PUBLIC LIBRARY							
90,190 - 111,632	Community Services/Library Director	1		1		1	
57,735 - 65,385	Library Service Area Coordinator	2		2		1	
40,921	Library Service Area Coordinator (P.T.)		0		0		1
54,956 - 62,542	Library Programming Specialist	1		1		1	
53,944 - 60,486	Librarian	7		5		2	
35,370 - 37,815	Librarian (P.T.)		6		7		8
	Circulation Supervisor	1		1		0	
35,250	Circulation Supervisor (P.T.)		0		0		1
43,633 - 50,886	Management Assistant	1		1		1	
42,159 - 49,166	Library Assistant II	3		3		3	
39,157 - 45,668	Library Assistant I	1		1		1	
35,298 - 41,791	Library Clerk	1		1		1	
16,767	Library Clerk (P.T.)		5		5		5
10,168 - 13,794	Library Page (P.T.)		10		10		10
	Total	18	21	16	22	11	25
PARKS & RECREATION							
64,871 - 80,291	Parks & Recreation Manager	1		1		1	
59,020 - 65,855	Recreation Supervisor/HUD Coordinator	0		0		1	
56,185 - 63,307	Recreation Supervisor	5		4		1	
36,038	Recreation Supervisor (P.T.)		0		0		1
42,159 - 49,166	Administrative Assistant	1		1		1	
38,188 - 44,561	Program & Services Assistant	1		1		1	
24,206	Program & Services Assistant (P.T.)		0		0		1

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2011/12		Budget 2012/13		Budget 2013/14	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	PARKS & RECREATION (continued)						
38,188 - 44,561	Senior Clerk	2		2		2	
	Lead Bus Driver	1		1		0	
9,130	CDBG Intern (P.T.)		0		0		1
	Total	11	0	10	0	7	3
	Total Community Services Department	29	21	26	22	18	28
	POLICE DEPARTMENT						
	POLICE ADMINISTRATION						
85,604	Chief of Police	1		1		1	
103,646 - 106,359	Captain	1		1		1	
96,008 - 98,992	Lieutenant	1		1		1	
85,589 - 90,061	Sergeant	2		2		2	
43,181 - 74,926	Police Officer	2		2		2	
36,513 - 50,595	Secretary to Chief	1		1		1	
35,513 - 49,595	Administrative Secretary	3		3		3	
25,211 - 43,272	Technical Secretary	1		1		1	
25,211 - 43,272	Property Clerk	1		1		1	
	Total	13	0	13	0	13	0
	POLICE INVESTIGATIONS						
	Captain	1		0		0	
96,008 - 98,992	Lieutenant	2		2		2	
85,589 - 90,061	Sergeant	4		4		4	
43,181 - 74,926	Police Officer	27		23		24	
35,513 - 49,595	Administrative Secretary	2		1		1	
25,211 - 43,272	Technical Secretary	2		2		2	
	Total	38	0	32	0	33	0
	POLICE OPERATIONS						
103,646 - 106,359	Captain	1		1		1	
96,008 - 98,992	Lieutenant	5		5		4	
85,589 - 90,061	Sergeant	16		16		16	
43,181 - 74,926	Police Officer	96		90		89	
35,513 - 49,595	Administrative Secretary	2		2		2	
25,211 - 43,272	Technical Secretary	0		1		1	
5,166	Crossing Guards (P.T.)		30		30		30
	Total	120	30	115	30	113	30
	POLICE SUPPORT SERVICES						
85,589 - 90,061	Sergeant	2		2		2	
57,029 - 61,062	Communications Officer - Shift Leader	4		4		4	
42,199 - 55,511	Communications Officer	16		16		16	
	Emergency Dispatcher (P.T.)		4		4		0
	Laboratory Technician	1		0		0	
30,137	Laboratory Technician (P.T.)		0		1		1
36,513 - 50,595	Evidence Clerk	1		1		1	
35,513 - 49,595	Administrative Secretary	2		3		3	
	Animal Control Officer	2		1		0	
25,650 - 26,286	Animal Control Officer (P.T.)		0		1		2
	Data Analyst	1		1		0	
31,894 - 44,880	Terminal Agency Coordinator	1		1		1	
25,211 - 43,272	Technical Secretary	5		3		3	
	Co-op (P.T.)		2		0		0
	Total	35	6	32	6	30	3

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2011/12		Budget 2012/13		Budget 2013/14	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	EMERGENCY MANAGEMENT						
	Emergency Manager	1		0		0	
	Total	1	0	0	0	0	0
	Total Police Department	207	36	192	36	189	33
	FIRE DEPARTMENT						
	FIRE ADMINISTRATION						
91,834 - 115,077	Fire Chief	1		1		1	
101,626 - 110,248	Division Chief/Assistant Fire Chief	1		1		1	
93,236 - 101,612	Chief of Training	1		1		1	
91,507 - 94,999	EMS Coordinator	1		1		1	
87,149 - 90,556	Training Officer	1		1		1	
43,633 - 50,886	Management Assistant	1		2		2	
42,159 - 49,166	Administrative Assistant	2		1		1	
	Senior Clerk	1		1		0	
	Total	9	0	9	0	8	0
	FIRE EXTINGUISHMENT						
91,407 - 96,774	Battalion Chief	3		3		3	
88,055 - 93,221	Captain-Advanced Life Support	3		5		3	
83,862 - 88,783	Captain	2		0		2	
79,989 - 85,525	Lieutenant-Advanced Life Support	12		13		14	
76,180 - 81,454	Lieutenant	4		3		2	
	Sergeant - Advanced Life Support	1		0		0	
75,144 - 76,600	Sergeant - Fire Engine Operator	8		9		9	
41,819 - 74,363	Fire Fighter-Advanced Life Support	42		32		31	
41,023 - 72,954	Fire Fighter-Fire Engine Operator	13		12		12	
	Fire Fighter	2		0		0	
	Total	90	0	77	0	76	0
	FIRE PREVENTION						
93,236 - 101,612	Fire Marshal	1		1		1	
87,149 - 90,556	Fire Inspector	1		1		1	
	Total	2	0	2	0	2	0
	Total Fire Department	101	0	88	0	86	0
	PUBLIC WORKS DEPARTMENT						
	BUILDING & FACILITIES MAINTENANCE						
89,603 - 111,090	Building Official/Facilities Maintenance Manager	1		1		1	
	Code Enforcement Coordinator	1		1		0	
72,723 - 76,847	Building Plan Review Coordinator	0		1		1	
62,754 - 69,665	Building Inspector/Code Enforcement Officer	3		1		1	
62,754 - 69,665	Plumbing Inspector/Code Enforcement Officer	1		1		1	
62,754 - 69,665	Electrical Inspector/Code Enforcement Officer	1		1		1	
62,754 - 69,665	Mechanical Inspector/Code Enforcement Officer	1		1		1	
	Code Enforcement Officer	1		0		0	
45,117 - 52,249	Facilities Maintenance Mechanic	0		0		3	
	Management Assistant	1		1		0	
	Senior Clerk	0		1		0	
	Clerk Typist	2		1		0	
	Code Enforcement Officer (P.T.)		1		0		0
	Foreclosure Code Officer - Grant (P.T.)		2		2		0
	Total	12	3	10	2	9	0

PERSONNEL SUMMARY

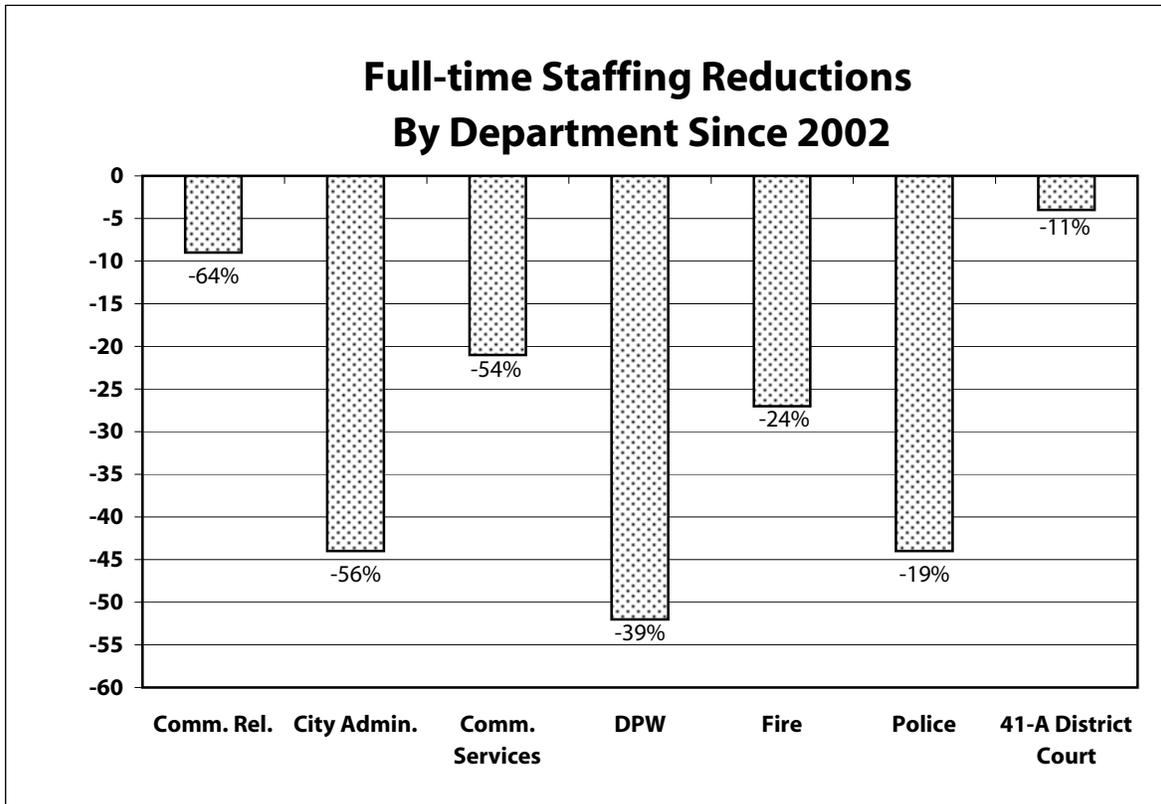
Current Pay Ranges	ACTIVITY	Budget 2011/12		Budget 2012/13		Budget 2013/14	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
ENGINEERING							
89,754 - 111,090	City Engineer	1		1		1	
	Civil Engineer III	1		1		0	
67,379 - 78,720	Civil Engineer II	0		1		2	
67,379 - 78,720	CAD/GIS Coordinator	1		1		1	
48,422 - 68,644	Lead Engineering Inspector	1		1		1	
46,922 - 67,144	Engineering Aide	5		3		2	
10,873	Engineering Aide (P.T.)		0		0		1
	Civil Engineer I	1		0		0	
	Administrative Assistant	1		1		0	
	Total	11	0	9	0	7	1
FLEET MAINTENANCE							
58,963 - 77,592	Division Supervisor	1		0		1	
	Maintenance Supervisor	0		1		0	
45,610 - 58,942	Mechanic	10		9		9	
	Storekeeper	1		0		0	
10,500 - 16,500	Seasonal Laborer (P.T.)		1		1		2
	Total	12	1	10	1	10	2
NEIGHBORHOOD SERVICES							
84,042 - 104,020	City Development Manager	0		0		1	
	Neighborhood Services Manager	1		0		0	
72,723 - 76,847	Code Enforcement Coordinator	0		0		1	
55,519 - 63,283	Neighborhood Property Maintenance Code Officer	1		1		1	
55,519 - 63,283	Neighborhood Liaison Specialist	2		2		1	
43,633 - 50,886	Management Assistant	0		0		1	
42,159 - 49,166	Administrative Assistant	0		0		1	
38,188 - 44,561	Senior Clerk	0		0		1	
23,500 - 26,790	Code Enforcement Officer (P.T.)		0		0		5
19,125 - 19,361	Clerk Typist (P.T.)		0		0		2
	Total	4	0	3	0	7	7
PARKS & GROUNDS MAINTENANCE							
	Maintenance Supervisor	1		0		0	
42,835 - 53,682	Parks & Grounds Maintenance Worker	5		2		3	
30,628 - 52,138	Laborer	3		0		2	
3,400 - 21,500	Seasonal Laborer (P.T.)		7		8		8
	Total	9	7	2	8	5	8
PLANNING							
	City Development Director/City Planner	1		0		0	
66,448	City Planner (P.T.)	0			1		1
	Planning Coordinator	1		1		0	
	HUD Program Coordinator	1		1		0	
	Administrative Assistant	1		0		0	
	CDBG Intern (P.T.)		1		1		0
	Total	4	1	2	2	0	1
REFUSE COLLECTION							
	Clerk Typist	1		1		0	
23,506	Account Clerk (P.T.)		0		0		1
22,360 - 22,880	Seasonal Laborer (P.T.)		4		4		3
	Total	1	4	1	4	0	4

PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2011/12		Budget 2012/13		Budget 2013/14	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
STREET SERVICES							
58,963 - 77,592	Division Supervisor	1		1		1	
47,733 - 58,942	Equipment Operator A	1		1		1	
44,884 - 55,924	Equipment Operator B	7		7		7	
44,884 - 55,924	Traffic Sign Worker	2		2		2	
44,884 - 55,924	Street Services Inspector	1		1		1	
42,835 - 53,682	Equipment Operator C	6		6		2	
30,628 - 52,138	Laborer	1		1		1	
20,963 - 21,450	Seasonal Laborer (P.T.)		2		2		3
	Total	19	2	19	2	15	3
Total Public Works Department		72	18	56	19	53	26
COMMUNITY RELATIONS DEPARTMENT							
79,402	Community Relations Director	1		1		1	
	Broadcast Services Manager	1		1		0	
58,968	Broadcast Services Manager (P.T.)		0		0		1
53,508 - 60,402	Broadcast Services Coordinator	1		2		1	
	Broadcast Programming Specialist	1		0		0	
	Communications Specialist	1		0		0	
48,038 - 53,600	Management Services Specialist	0		1		1	
47,096 - 52,550	Citizen Services Specialist	1		0		1	
43,366 - 50,675	Printing Technician II	1		1		1	
8,000	Website Specialist (P.T.)		1		1		1
Total Community Relations Department		7	1	6	1	5	2
41-A DISTRICT COURT							
45,724	Judge	3		3		3	
105,383	Magistrate/Director of Probation	1		1		1	
65,307	Court Administrator	1		1		1	
62,736	Clerk of the Court	1		1		1	
56,607	Court Recorder	3		3		3	
42,131 - 52,664	Court Officer	3		3		3	
46,038	Probation Officer	1		1		1	
32,596 - 42,414	Deputy Clerk	22		22		20	
19,600	Deputy Clerk (P.T.)		1		0		1
11,809	Security Guards (P.T.)		4		4		4
Total 41-A District Court		35	5	35	4	33	5
Total General Fund		510	88	450	88	419	108
WATER & SEWER FUND							
WATER & SEWER ADMINISTRATION							
94,429 - 118,529	Public Works Director	1		1		1	
	Public Works Manager	1		0		0	
66,665 - 87,926	Operations Manager	0		1		1	
61,832 - 81,384	General Supervisor	1		1		1	
	Civil Engineer II	1		1		0	
	Administrative Assistant	1		0		0	
35,298 - 44,561	Account Clerk	2		2		1	
28,358 - 42,523	Clerk Dispatcher	1		1		1	
28,510 - 41,792	Clerk Typist	0		0		1	
	Total	8	0	7	0	6	0

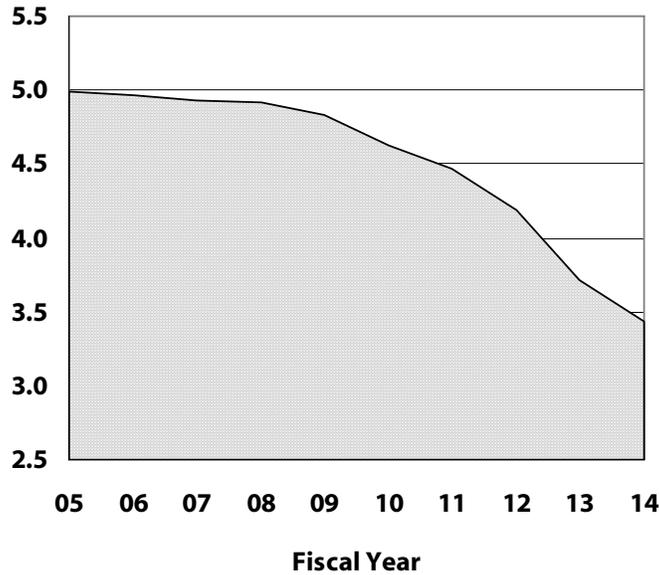
PERSONNEL SUMMARY

Current Pay Ranges	ACTIVITY	Budget 2011/12		Budget 2012/13		Budget 2013/14	
		Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
WATER DISTRIBUTION							
58,963 - 77,592	Division Supervisor	1		1		1	
44,884 - 55,924	Water Inspector	2		2		2	
44,884 - 55,924	Water Service Worker	4		4		4	
42,835 - 53,682	Meter Repair/Installer	2		2		2	
30,628 - 52,138	Laborer	2		2		2	
10,080 - 10,200	Seasonal Laborer (P.T.)		2		2		2
	Total	11	2	11	2	11	2
SEWAGE COLLECTION							
58,963 - 77,592	Division Supervisor	1		1		1	
45,610 - 56,617	Plant Operator/Mechanic	2		2		2	
44,884 - 55,924	Sewer Service Worker (Clean)	2		2		2	
44,884 - 55,924	Water/Sewage Inspector	2		2		2	
42,835 - 54,736	Sewer Service Worker (Maint)	3		2		1	
30,628 - 52,138	Laborer	4		4		4	
8,580	Seasonal Laborer (P.T.)		4		4		4
	Total	14	4	13	4	12	4
Total Water & Sewer Fund		33	6	31	6	29	6
Total All Funds		543	94	481	94	448	114



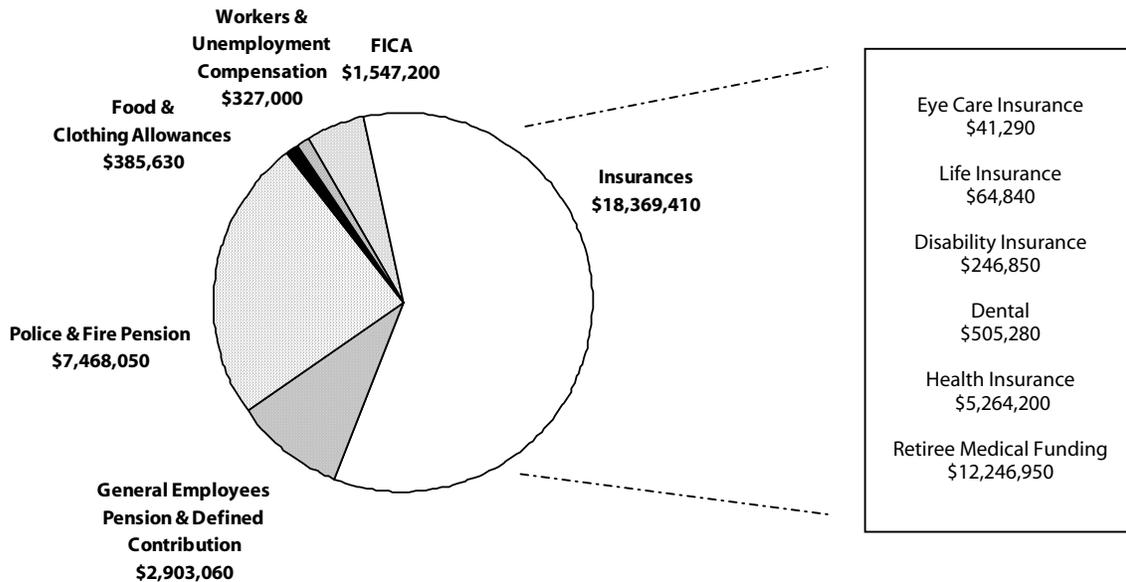
The City's full-time staffing has decreased by 201 positions or 31% since 2002.

Full-time Employees per 1,000 Population



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

Budgeted Employee Fringe Benefit Costs



Fringe Benefits total \$31,000,350
Includes the General Fund & Water & Sewer Fund

Legislative



The Sterling Heights City Council (L-R)

Councilman Paul M Smith

Councilman Joseph V. Romano

Councilwoman Maria G. Schmidt

Mayor Richard J. Notte

Councilwoman Deanna Koski

Councilwoman Barbara A. Ziarko

Mayor Pro Tem Michael C. Taylor

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the City Council recently approved three new investments resulting in nearly \$180,000 in new City revenue and 681 manufacturing jobs within Sterling Heights?

City Council

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Regular City Council Meetings	24	24	24	24	24	24
	Special City Council Meetings	6	4	4	3	3	4
	Public Hearings Held	15	11	13	20	20	20
	Ordinances and Amendments Adopted	8	15	6	15	15	15
	Agenda Items Reviewed and Acted Upon	288	276	283	340	290	300
	City Council Members Attending Training Sessions	5	8	9	10	7	9
	"Nice Neighbor" Awards Presented	19	14	13	20	15	20
Effectiveness	City Council Member Attendance at Council Meetings	97%	97%	97%	100%	99%	100%
	% Legislative Items Acted on within 1 Month	95%	95%	95%	100%	100%	100%
	% Difference from Proposed to Adopted Budget (G.F.)	-0.11%	-0.33%	0.00%	0.00%	-0.01%	0.00%
	Total Millage Rate % Reduction Since 1988	-19.4%	-5.2%	-5.2%	-5.2%	-5.2%	-5.2%
	Activity Expenditures as % of General Fund	0.16%	0.15%	0.15%	0.16%	0.16%	0.16%

City Council

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

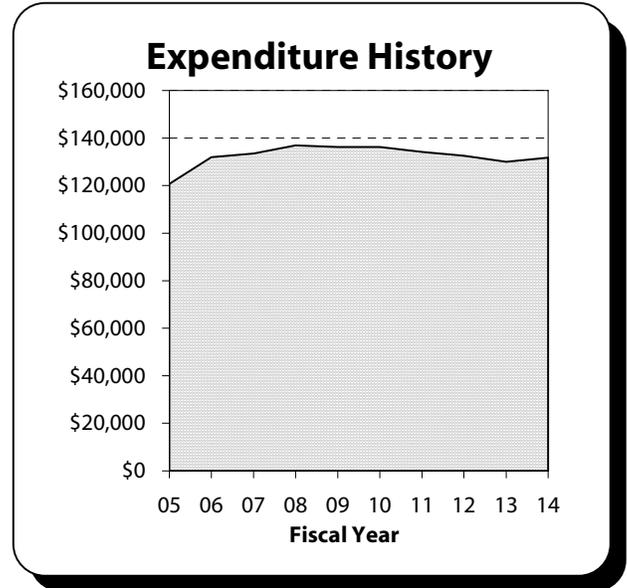
The total budget increased by 1.3%.

Personnel Services – The total Personnel budget remained the same as last year’s budget. The Elected Officials Compensation Commission met in February 2013 and did not recommend a wage adjustment. The wages for the Mayor and City Council members have not increased since the 2006/07 fiscal year. The Compensation Commission is next scheduled to meet in February 2015.

Supplies – Total Supplies increased \$600 to cover the cost of new supplies in the event new Council members are elected in November.

Other Charges – Total Other Charges increased \$1,120 or 22.8%. The training budget rose \$1,090 for increased Council attendance at the annual MML convention, which will be held locally next year. Funding was eliminated in the current year due to the higher lodging costs on Mackinac Island. Printing costs for business cards increased \$100, as it is an election year and more funding may be needed. Telephone costs decreased \$100, as the budget can be reduced and brought more in line with recent actual expenditure levels.

Capital – Total Capital of \$3,850 is proposed for seven Computer Tablets and Printers, which will replace the existing eight-year old laptops. By moving to a tablet, it will replace more expensive laptops and be easier for

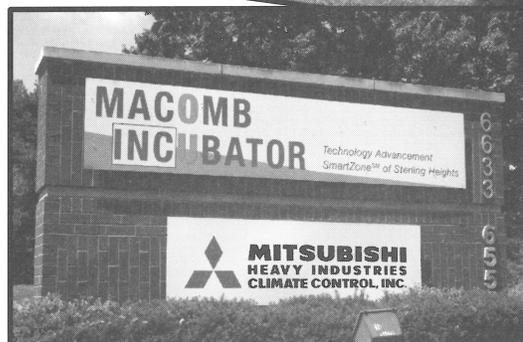


the City Council to access information. It will also save administrative staff time in preparing the E-agenda packets.

FUNDING LEVEL SUMMARY

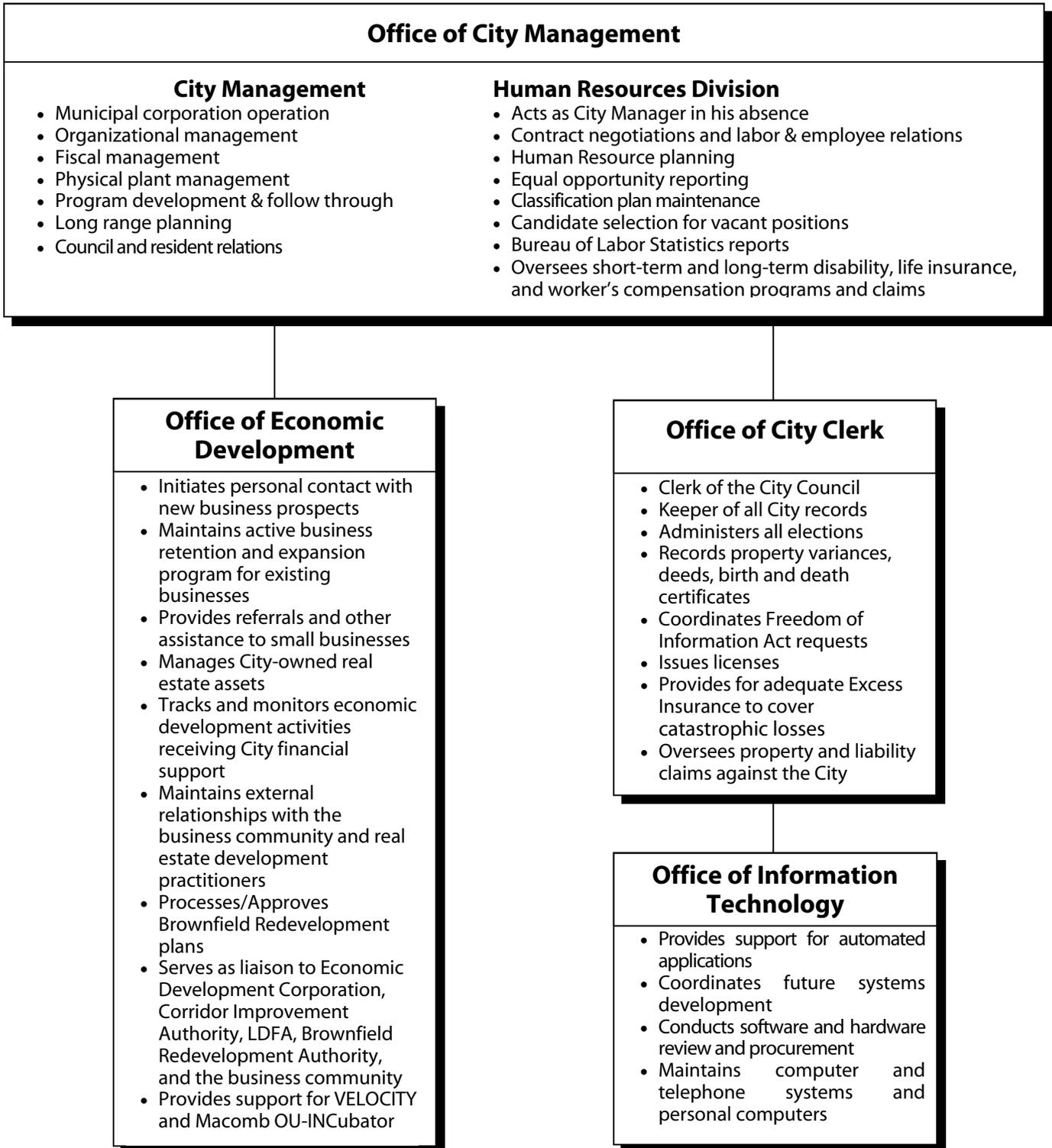
	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$124,817	\$124,630	\$124,630	\$124,630	\$124,630
Supplies	868	450	450	1,050	1,050
Other Charges	6,913	4,920	4,430	6,040	6,040
Total	\$132,598	\$130,000	\$129,510	\$131,720	\$131,720

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 decreased \$1,612,660 or 22.7%. Personnel costs fell \$1,046,000 or 17.9%. Eight vacant full-time positions have been eliminated, while nine new part-time positions are proposed. An Economic Development position has been reassigned to Neighborhood Services, while three Facility Maintenance staff are now in the new Building & Facilities Maintenance office. One vacant part-time Facilities Maintenance position is no longer needed. Employee wage and benefit savings were realized from recently approved labor contracts. Supplies fell \$33,220 or 16.7%, due to last year's Presidential election and the

transfer of custodial supplies to Public Works. Other Charges decreased \$533,440 or 49.7%, as the custodial contract is now in the DPW budget. Treasury saved \$13,200 in banking fees and \$5,800 in armored car costs. Information Technology saved \$10,190 with lower Internet connection fees. The new Pet Data animal licensing contract is funded in the City Clerk's office. The Capital budget funds the replacement of eight-year old Council laptops with computer tablets, which will save administrative staff time in preparing the E-agenda packets.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
City Management	\$970,180	\$975,970	\$961,390	\$861,380	-10.4%
Economic Development	167,830	367,830	397,660	276,740	-30.4%
Public Services	339,940	0	0	0	0.0%
City Clerk	778,610	693,460	719,620	595,210	-17.3%
Facilities Maintenance	1,311,110	1,358,360	1,008,470	0	-100.0%
Information Technology	1,107,470	880,370	931,660	865,030	-7.2%
Assessing	868,780	906,340	879,070	814,860	-7.3%
Financial Services	745,810	749,690	770,740	756,880	-1.8%
Purchasing	369,710	390,590	381,200	281,390	-26.2%
Treasury	1,152,570	1,070,960	1,068,840	1,054,500	-1.3%
Total Department	<u>\$7,812,010</u>	<u>\$7,393,570</u>	<u>\$7,118,650</u>	<u>\$5,505,990</u>	<u>-22.7%</u>
Personnel Services	\$6,893,180	\$6,464,460	\$5,846,860	\$4,800,860	-17.9%
Supplies	208,800	217,220	198,390	165,170	-16.7%
Other Charges	710,030	711,890	1,073,400	539,960	-49.7%
Total Department	<u>\$7,812,010</u>	<u>\$7,393,570</u>	<u>\$7,118,650</u>	<u>\$5,505,990</u>	<u>-22.7%</u>

PERSONNEL SUMMARY

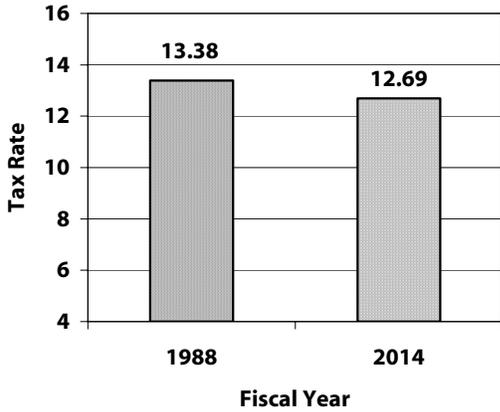
	2010/11		2011/12		2012/13		2013/14	
	Full Time	Part Time						
City Management	7	0	7	0	7	0	6	2
Economic Development	1	0	3	0	3	0	2	0
Public Services	3	1	0	0	0	0	0	0
City Clerk	6	0	5	0	4	1	3	2
Facilities Maintenance	15	0	11	6	3	1	0	0
Information Technology	8	0	7	0	6	0	5	0
Assessing	7	0	7	0	7	0	5	3
Financial Services	6	1	6	1	5	3	4	4
Purchasing	3	0	3	0	3	0	2	1
Treasury	10	0	10	0	9	1	8	2
Total Department	<u>66</u>	<u>2</u>	<u>59</u>	<u>7</u>	<u>47</u>	<u>6</u>	<u>35</u>	<u>14</u>

Excludes Legal Activity and Boards and Commissions.

KEY DEPARTMENTAL TRENDS

City Administration Department

City Property Tax Millage Rate



The City's property tax rate has fallen from 13.38 mills in 1988 to 12.69 mills in 2014 – a decrease of 5.2%. Had the City continued to levy the same tax rate since 1988, the average resident would have paid \$3,302 more in taxes. The City's tax rate remains lower than 90% of all Michigan cities and 2.5 mills below the next lowest city in Macomb County.

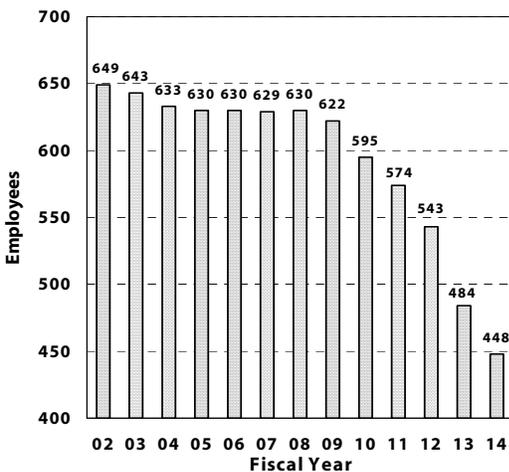
Macomb City Tax Rates

1. Centerline	38.33
2. Warren	27.87
3. Eastpointe	26.61
4. Roseville	24.85
5. Utica	22.54
6. St. Clair Shores	19.45
7. Fraser	18.82
8. Richmond	16.65
9. Mount Clemens	15.99
10. New Baltimore	15.21
11. STERLING HEIGHTS	12.69

Macomb Average: 21.73
State Average (50,000 pop.): 16.90

The City's property tax rate is lower than 90% of all cities in Michigan. It is the lowest of any city in Macomb County and is 2.5 mills below the next lowest city in the County. The tax rate in Sterling Heights is 9.0 mills below the average of all cities in Macomb County and is 4.2 mills below the average of all Michigan cities with a population of at least 50,000 residents. The tax rate in Warren is over 15 mills higher than in Sterling Heights.

City's Full-time Staffing



Due to a six-year \$67.2 million property tax loss, an additional 36 full-time positions have been eliminated in 2014, saving \$3.3 million. City staffing has now declined by 31%, or 201 positions since 2002, saving \$15.9 million annually. City staffing is at its lowest level since the 1970's. The City's employee per resident ratio has decreased by 44%.

Full-Time Employees Per 1,000 Residents

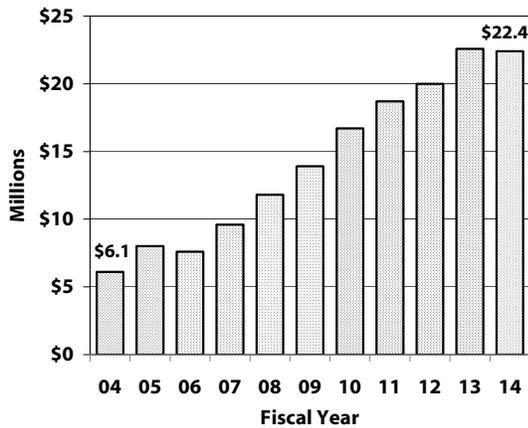
1. Grand Rapids	8.2
2. Southfield	7.4
3. Lansing	7.4
4. Dearborn	7.1
5. Ann Arbor	6.0
6. Livonia	5.8
7. Warren	4.6
8. Farmington Hills	4.2
9. Troy	3.9
10. STERLING HEIGHTS	3.4

Based on current staffing data and the 2010 census, Sterling Heights has 3.4 full-time employees per 1,000 residents – the lowest of our benchmark communities. Despite having the third largest population, Sterling Heights has the fewest employees. Based on a 2010 study of over 140 cities, 89% of communities had a higher number of full-time employees per 1,000 residents.

KEY DEPARTMENTAL TRENDS

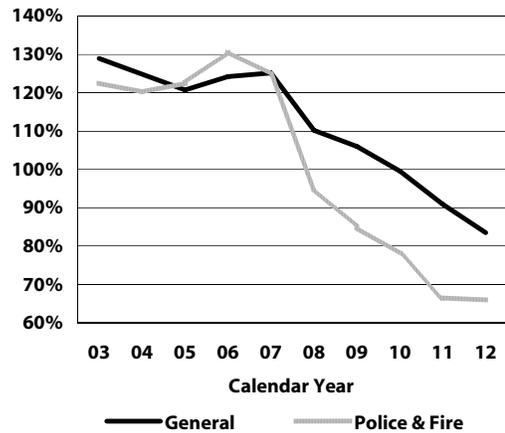
City Administration Department (continued)

Funding for Retirement Liabilities



The City annually contributes 100% of the actuarially required funding for all long-term retiree liabilities including police & fire pensions, general employee pensions, and retiree medical. The amounts contributed have steadily increased from \$6.1 million in 2004 to \$22.4 million in 2014. Nearly 60% of the increase is to fund retiree health care liabilities, while 25% of the increase is to fund police & fire pensions.

City Pension Systems Percent Funded



Both the General Employees and Police & Fire pension systems have seen a decrease in funding levels due to prior year declines in the stock market. The City's General Employees pension system is closed to new members, as all new employees are in a defined contribution plan. In addition, all employee pensions have been reduced through new labor contracts.

Taxes Paid Per Capita

1. Dearborn	\$840
2. Southfield	\$740
3. Ann Arbor	\$713
4. Troy	\$598
5. Warren	\$579
6. Lansing	\$577
7. Grand Rapids	\$539
8. Livonia	\$512
9. Farmington Hills	\$473
10. STERLING HEIGHTS	\$411

Sterling Heights has the lowest tax bill per resident in comparison to nine comparable Michigan benchmark communities. Based on 2012 tax revenues and the 2010 census population data, Sterling Heights residents pay only \$411. Troy residents pay 45% more than Sterling Heights residents. In addition, both Lansing and Grand Rapids have city income taxes.

Government Debt Per Capita

1. Dearborn	\$2,466
2. Lansing	\$2,386
3. Ann Arbor	\$2,169
4. Warren	\$1,192
5. Southfield	\$963
6. Grand Rapids	\$961
7. Livonia	\$693
8. Troy	\$343
9. Farmington Hills	\$244
10. STERLING HEIGHTS	\$222

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

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

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

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

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

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

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

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

KEY GOALS

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

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

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

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

Did you know...

...the City has refinanced five bonds over the past ten years, saving \$1.4 million in lower interest payments?

City Management

2013/14 INTENTION STATEMENTS

(City Management)

- To continue updating and developing the City's succession plans across all departments, especially in the Police Department where over 50 existing Police and Command Officers are expected to retire in the next three to four years. (City Goal 3, 5, 7)
- To continue implementing the City's financial plan, which includes potential revenue recovery via a public safety millage to maintain the City's strong emphasis of this vitally important core service, while at the same time finalizing the City's contingency plan for further downsizing in public safety if a potential millage fails. (City Goal 3, 4, 20)
- To continue implementing the City's proactive economic development program to foster diversification and preserve a business environment conducive to expansion and new business investments. (City Goal 8, 9, 10, 11)
- To continue working with the Department of Public Works to determine the amount of funding needed to bring the City's neighborhood street conditions up to an acceptable level, while investigating new potential revenue sources from the State or local levels. The City's long-term plan for street improvements needs to be updated and approved by the City Council. (City Goal 12, 21, 22)
- To continue working with stakeholders, including the State, County, defense manufacturers, suppliers, Macomb Community College, Michigan Economic Development Corporation, Department of Defense, and others to advance the Defense Corridor assets in Sterling Heights. (City Goal 8, 10, 11)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Administrative Policy and Procedure Orders Processed	3	3	3	3	2	3
	False Alarm Appeals Processed	40	76	65	60	65	60
	Special Reports Researched & Written	18	19	18	20	20	20
	Special Projects Researched & Developed	17	19	16	20	20	20
	Policy Resolutions Presented to Council	16	18	15	10	11	10
	Legislative Issues Monitored	7	7	7	10	9	10
	Neighborhood/Business Meetings Facilitated	6	6	6	6	6	6
	Intergovernmental Relation Contacts	118	123	121	125	120	125
	New Programs & Policies Developed	7	7	7	8	8	8
	Council Requests Responded to within 30 minutes	98%	98%	98%	100%	100%	100%
	% Correspondences Responded to within 7 days	100%	100%	100%	100%	100%	100%
	% Council Requested Items on Agenda w/i 28 Days	100%	100%	100%	100%	100%	100%
	% of Meetings Attended within 7 Days of Request	100%	100%	100%	100%	100%	100%
Efficiency	Total Millage Rate % Reduction Since 1988	-19.4%	-5.2%	-5.2%	-5.2%	-5.2%	-5.2%
	"Excellent"/"Good" City Service Ratings	98%	98%	98%	100%	100%	100%
	Activity Expenditures as % of General Fund	1.13%	1.11%	1.12%	1.16%	1.24%	1.06%

City Management

2013/14 PERFORMANCE OBJECTIVES

(Finance & Budget)

1. To prepare and present key City financial and performance information to assist the community in evaluating how best to address continued declining revenues. (City Goal 1, 2, 3, 4, 5, 20)
2. To evaluate the benefits of new State legislation that allows communities to bond for the increase in pension costs as a result of closing a defined pension plan. (City Goal 3, 5, 20, 21)
3. To improve the scanned quality of the City's online Budget document. (City Goal 17, 18)
4. To work with the City Assessor and Economic Development Manager to update the City's personal property tax abatement guidelines in light of the State's action to eliminate industrial personal property taxes. (City Goal 8, 10, 11, 20)
5. To review the benefits of participating in the Michigan Local Government Benchmarking Consortium, as well as utilizing the State's electronic F65 data to augment the City's performance benchmark program. (City Goal 1, 3, 5, 20)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	City Budgeted Funds Monitored (Millions)	\$151.9	\$138.9	\$141.2	\$135.5	\$136.3	\$133.5
	Budget Amendments Prepared	2	2	2	2	2	2
	Internal Budget Adjustments Analyzed	42	40	48	40	50	50
	Management & Labor Cost Studies Conducted	35	42	38	40	35	35
	City Council Agenda Statements Reviewed	288	276	283	340	290	300
	Municipal Improvement Plan (MIP) Prepared	0	1	0	1	0	1
	Travel Requests Reviewed for Policy Compliance	160	118	105	100	100	100
	Years Member of ICMA Center for Perf. Measurement	7	8	8	8	8	8
	G.F.O.A. Budgets Reviewed	5	5	5	5	5	5
Efficiency & Effectiveness	City Bond Rating (Moody's, Fitch, S & P)	Aa2,AAA,AA+	Aa1,AAA,AA+	Aa1,AAA,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+	Aa1,AA+,AA+
	City's State Fiscal Indicator Score	2	3	3	4	4	4
	General Fund Expenditures Per Capita	\$671	\$681	\$673	\$638	\$625	\$620
	Government Debt Per Capita	\$361	\$252	\$222	\$190	\$190	\$160
	OPEB Annual Required Contribution Funded (Millions)	\$11.6	\$12.1	\$11.5	\$12.0	\$12.0	\$12.2
	OPEB Trust Funding Status	10.8%	21.7%	21.7%	30.0%	29.1%	35.0%
	Services Delivered Via Cooperative Venture	45	48	49	59	55	60
	Accuracy Forecasting Expenditures - General Fund	99.2%	99.6%	100.0%	100.0%	97.9%	100.0%
	Accuracy Forecasting Revenues - General Fund	99.6%	99.7%	99.4%	100.0%	100.6%	100.0%
	Years Rec'd. G.F.O.A. Distinguished Budget Award	23	24	25	26	26	27
	Savings from Reviewing Travel Requests	\$2,741	\$2,184	\$1,874	\$2,000	\$1,700	\$1,900
	Average Cost to Review a Travel Request	\$7.84	\$6.64	\$6.79	*	*	*

City Management

2013/14 PERFORMANCE OBJECTIVES

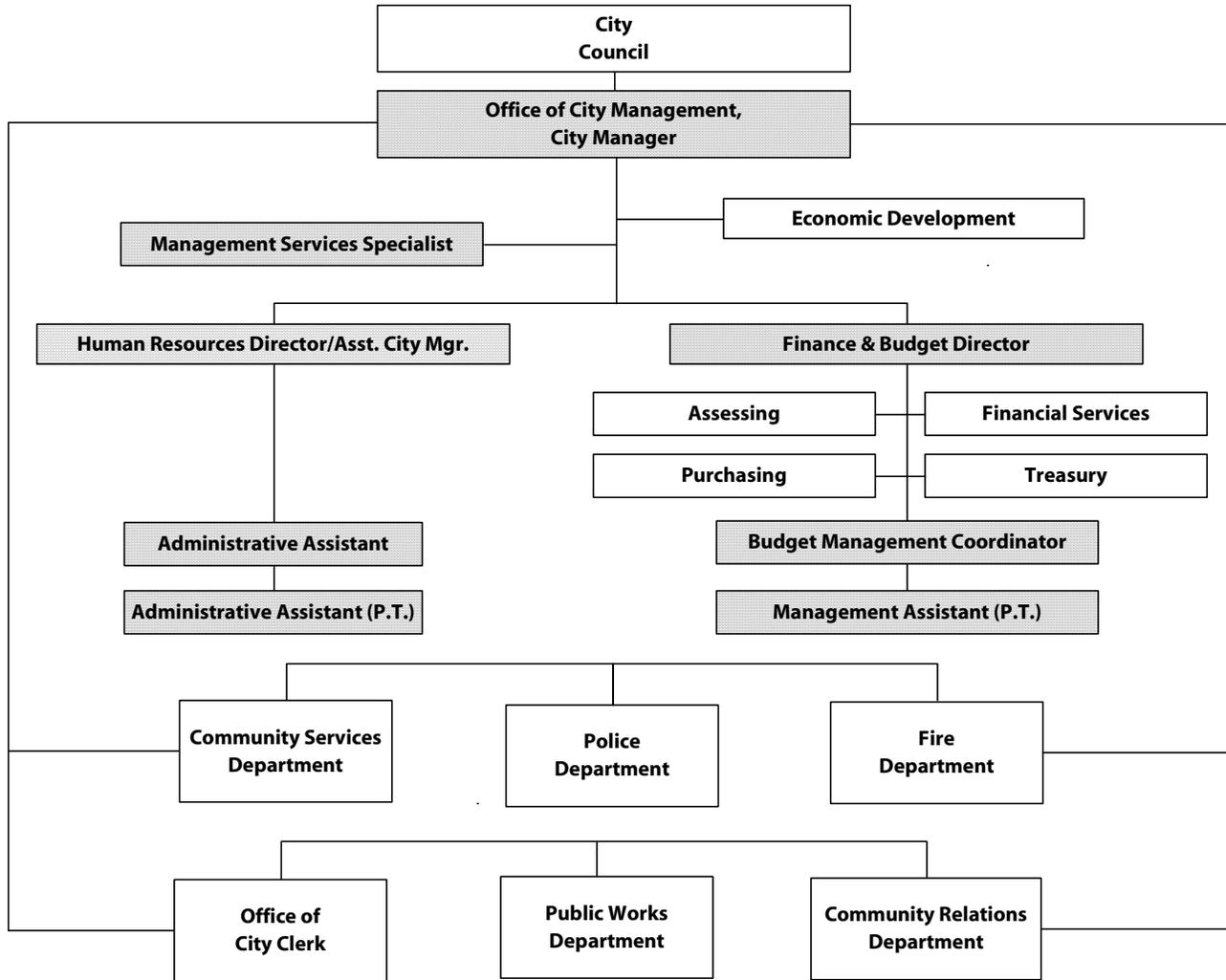
(Human Resources)

1. To negotiate four open labor contracts. (City Goal 3, 4, 20)
2. To develop a plan for emergency dispatchers to transition to the Macomb County Dispatch Center. (City Goal 2, 3, 4)
3. To develop a succession plan for City administrative positions. (City Goal 3, 4)
4. To work with City departments to develop contingency downsizing plans. (City Goal 3, 4)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Promotional Job Postings	9	5	7	15	13	15
	Open Competitive Job Postings	1	4	3	3	8	6
	Applications Reviewed & Processed	160	187	295	200	300	250
	Employees Hired (Full-time/Part-time)	3/66	3/94	2/96	3/80	3/90	3/95
	Police/Fire Promotional Tests	0	1	1	1	1	1
	Labor Contracts Settled (Incl. Re-opened Contracts)	12	7	9	8	7	5
	Worker's Compensation Incident Reports	24	18	18	33	20	25
	Short-Term Disability Claims Handled	25	34	34	30	30	35
	Open Long-Term Disability Claims	2	2	4	3	4	4
	Life Insurance Claims	1	2	3	1	3	4
	New Worker's Compensation Claims	68	68	65	63	60	65
Efficiency & Effectiveness	Avg. # Work Days to Complete External Recruitment	30	30	30	30	30	30
	# Labor Grievances Per 100 F.T. Union Employees	1.1	2.5	3.5	3.0	3.0	2.5
	Avg. # Work Days to Complete Internal Recruitment	25	23	23	25	23	23
	% of Grievances Resolved Before Arbitration	50%	91%	92%	100%	92%	100%
	Total FTE's Per 1,000 Residents	5.4	5.2	4.8	4.5	4.3	4.2
	Full-time Employee Turnover Rate (Excl. Retirements)	0.3%	1.0%	5.0%	0.2%	0.4%	0.4%
	% Minorities in Work Force	2.1%	1.9%	1.9%	2.0%	2.0%	2.0%
	# of Employees Not Completing Probation	1	1	2	0	1	0
	Cost to Recruit and Hire a Full-time General Employee	\$1,614	\$1,587	\$1,357	*	*	*
	# Worker's Comp Claims Per 100 FTE's	10.5	10.2	9.7	10.0	10.6	10.0
	% Worker's Comp Claims Paying Compensation	7.0%	6.0%	6.0%	7.0%	6.6%	7.0%
	W/C Lost Work Days Due to Injury Per 100 FTE's	28	42	56	35	80	40

*Cost is calculated for "Actual" columns only.

City Management



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
City Manager	1	1	1
Human Resources Director/Asst. City Mgr.	0	0	1
Human Resources Director	1	1	0
Finance & Budget Director	1	1	1
Budget Management Coordinator	1	1	1
Management Services Specialist	1	1	1
Management Assistant	1	1	0
Management Assistant (P.T.)	0	0	1
Administrative Assistant	1	1	1
Administrative Assistant (P.T.)	0	0	1
Total	7	7	8

City Management

SUMMARY OF BUDGET CHANGES

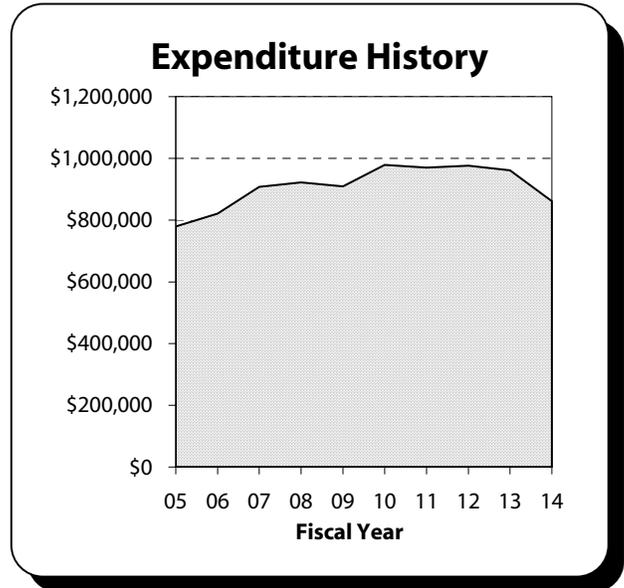
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 10.4%.

Personnel Services – The total Personnel budget decreased \$97,730 or 10.6%. Wage and benefit savings were realized from recently approved labor contracts. In addition, a former full-time position has now become part-time, as a result of a retirement. Savings were also achieved from the MAPE Executive contract, which lowers pay by one-third and eliminates benefit costs. A part-time Administrative Assistant is now budgeted in Human Resources to assist with benefit administration and worker’s compensation claims.

Supplies – Total Supplies decreased \$1,000 or 36.2%. Postage costs decreased \$680, due to a one-time large Assessing recruitment mailing in the prior year. Operating supplies can be reduced \$320, based on a better estimate of printer toner savings resulting from the recently initiated per-page print fee program.

Other Charges – Total Other Charges decreased \$1,280 or 3.6%. Telephone costs fell \$1,300 due to a recent cost-saving modification made to the City’s Internet data lines. The training budget decreased \$250 due to reduced overnight expenses, as an annual conference will be held locally next year. \$180 was saved in publishing costs, as fewer classified ads will be required. Local meeting costs increased \$300 and funding for pre-employment physical exams for new hires increased \$180, both based on recent actual expenditure levels.



Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$927,180	\$923,020	\$965,660	\$825,290	\$825,290
Supplies	1,511	2,760	2,510	1,760	1,760
Other Charges	47,276	35,610	40,810	34,330	34,330
Total	\$975,967	\$961,390	\$1,008,980	\$861,380	\$861,380

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

Sterling Heights Economic Development is the key point of contact for business support and needs. Sterling Heights Economic Development implements policies, programs, and activities that seek to improve the economic well-being of the community by supporting the creation or retention of jobs, and facilitating investment and growth in the City. Fiscal oversight and management of all economic development projects is handled in a responsible manner. Proposing and implementing economic development programs and functions that address the goals of the City are also primary objectives.

This office maintains an active program that encourages the retention and expansion of existing businesses providing quality jobs, a diverse workforce and expanded tax base. The Business Attraction program fosters an economic development climate that attracts and encourages the recruitment of businesses in targeted industries to Sterling Heights. The office also works with a variety of partners to promote workforce development in the City.

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

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

KEY GOALS

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

Did you know...

...the four largest companies in the City all invested in their sites in 2012, including Chrysler LLC, Ford Motor Company, General Dynamics Land Systems, and BAE Land Systems?

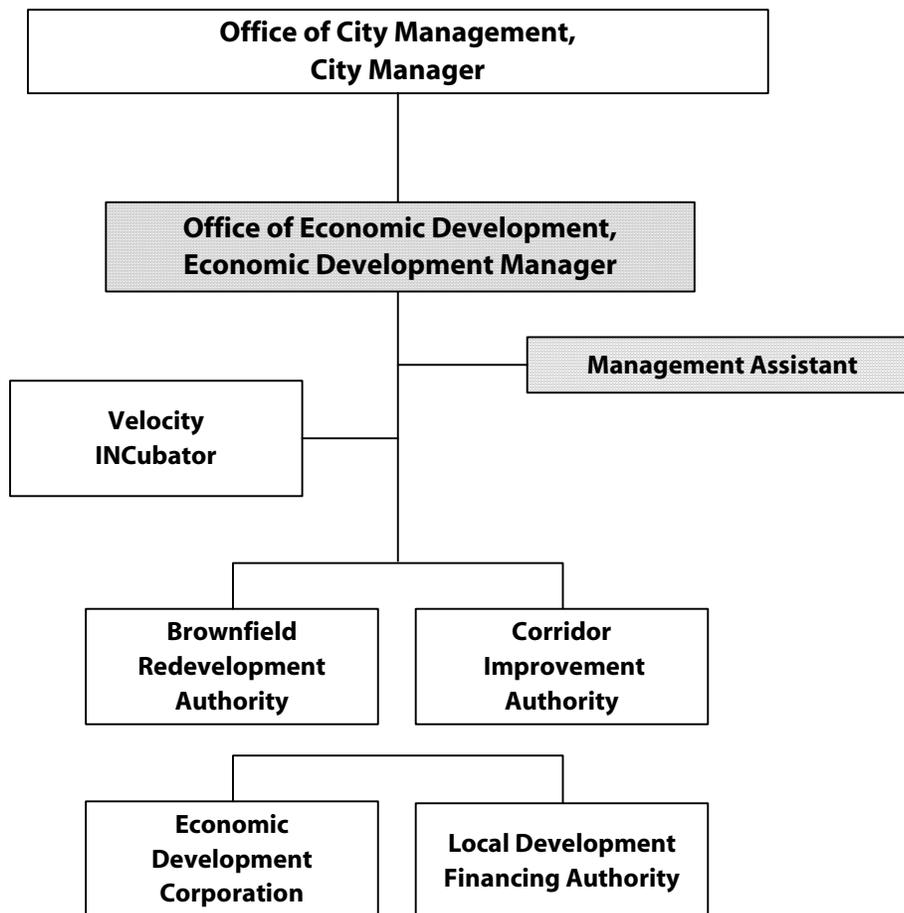
Economic Development

2013/14 PERFORMANCE OBJECTIVES

1. To make contact with 120 existing and new businesses. *(City Goal 8, 10, 11)*
2. To hold 85 events at Velocity by working with partners. *(City Goal 8, 10, 11)*
3. To assist businesses with investments in commercial centers in the community. *(City Goal 8, 9, 10, 11)*
4. To provide a messaging website to the business community. *(City Goal 8, 10, 11)*
5. To secure commitment of eight significant commercial or industrial redevelopment projects. *(City Goal 8, 10, 11)*
6. To assist with economic incentives through tax abatements on ten projects. *(City Goal 8, 10)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Business Retention/Attraction Contacts Made	92	100	110	120	120	120
	Redevelop. Projects (Comm. >20K s.f. & Ind. >\$500K)	1	4	11	5	15	8
	Econ. Develop. Incentives Provided (Tax Abatements)	5	5	8	5	16	10
	State & Federal Legislative Contacts Made	6	6	6	6	8	6
	Banking & Real Estate Contacts Made	N/A	N/A	6	6	6	6
	LDFA Meetings	3	5	4	3	7	3
	Meetings with Chambers of Commerce	N/A	N/A	14	10	10	10
	Targeted Industry Events Attended	N/A	N/A	6	6	6	6
	Velocity Partner Meetings Held	N/A	N/A	20	20	20	20
	Economic Development Partner Meetings	N/A	N/A	50	50	20	50
	Velocity Events & Meetings Held	N/A	N/A	145	250	300	300
	Newsletters Published	N/A	N/A	N/A	6	6	12
	Business Awards Presented	N/A	N/A	N/A	5	5	5
	Hits on City's Economic Development Website	N/A	N/A	5,862	4,500	5,500	5,500
	City's Economic Development Followers on Social Media	N/A	N/A	50	150	200	300
Effectiveness	Businesses and/or Participants at Velocity Events	N/A	N/A	2,800	1,400	2,000	2,000
	Value of Redevelopment Projects & New Investments	\$17M	\$632M	\$235M	\$15M	\$350M	\$35M
	Industrial Vacancy Rate	7.22%	8.27%	5.18%	5.00%	5.00%	4.50%
	Retail Vacancy Rate	7.21%	5.05%	4.34%	4.00%	4.00%	4.00%
	Shopping Center Vacancy Rate	16.07%	13.87%	12.04%	12.00%	12.00%	11.50%
	City Unemployment Rate	13.6%	9.8%	9.0%	8.0%	7.5%	7.0%
	Activity Expenditures as % of General Fund	0.56%	0.58%	0.42%	0.48%	0.36%	0.34%

Economic Development



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Economic Development Manager	1	1	1
Business Development Manager	1	1	0
Management Assistant	1	1	1
Total	3	3	2

Economic Development

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

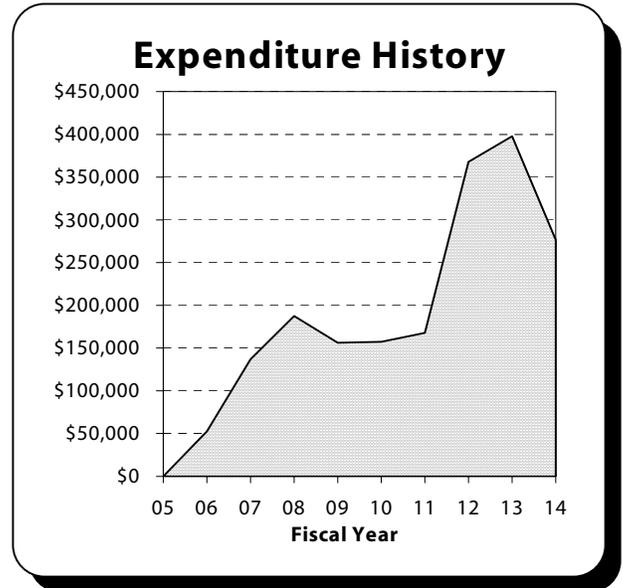
The total budget decreased by 30.4%.

Personnel Services – The total Personnel budget decreased by \$125,060 or 31.8%. The overall decrease is attributable to the reassignment of the Business Development Manager to the City Development Manager position in Neighborhood Services. Partially offsetting this savings is a wage step increase for one position not yet at the top of the wage scale. One third of the personnel costs for this office are paid from SmartZone LDFA tax increment funds.

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

Other Charges – Total Other Charges increased \$4,140 or 92.8%. The budget rose \$5,000, as the membership for the Center of Automotive Research will no longer be expensed in the Economic Development Corporation Fund. An additional \$490 is budgeted toward the Manager’s attendance at the International Economic Development Corporation (IEDC) annual conference. Telephone costs decreased \$900 due to a recent cost-saving modification made to the City’s Internet data lines. \$320 was saved, as fewer memberships are budgeted due to the decrease in staff. Rental costs decreased \$80 and local meeting costs fell \$50, as both can be reduced and brought more in line with estimated expenditure trends.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$362,826	\$392,900	\$286,440	\$267,840	\$267,840
Supplies	516	300	300	300	300
Other Charges	4,485	4,460	3,170	8,600	8,600
Total	\$367,827	\$397,660	\$289,910	\$276,740	\$276,740

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

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

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

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

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

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

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

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

KEY GOALS

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

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

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

Did you know...

...the City will begin utilizing the new electronic pollbook laptop computers for elections in 2013?

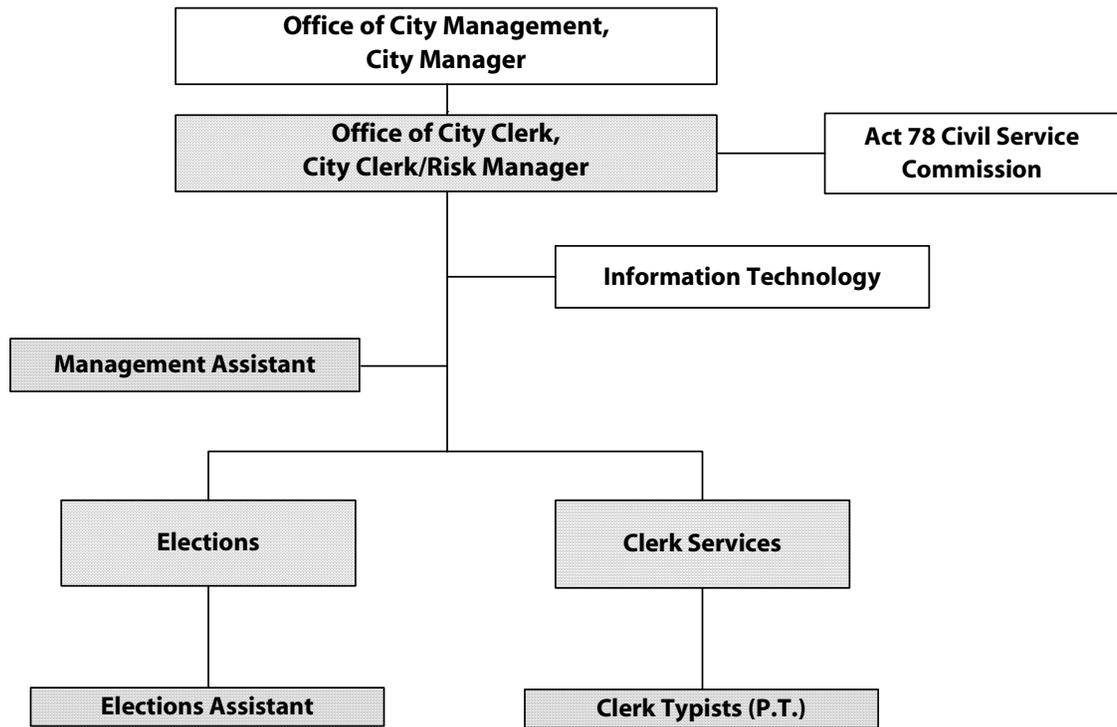
City Clerk

2013/14 PERFORMANCE OBJECTIVES

1. To develop procedures and train election inspectors to implement use of electronic poll books for the 2013 elections. *(City Goal 1, 3, 6, 18, 21)*
2. To scan documents to consolidate records in the City Clerk's vault. *(City Goal 17, 18)*
3. To continue implementation of the contractual dog licensing program with Petdata. *(City Goal 1, 3, 6)*
4. To investigate the feasibility of offering a multi-year dog licensing option to better assist residents. *(City Goal 1, 3, 6)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget	
Output	Council Agenda Statements Processed	288	276	283	340	290	300	
	Council Actions Correspondence Mailed	539	732	685	775	762	520	
	New Voter Registrations/Changes Processed	26,912	26,943	28,581	29,580	35,900	28,680	
	Elections Conducted	3	3	2	2	2	2	
	Absentee Voter Applications Mailed	15,722	14,920	35,263	19,620	27,880	19,500	
	Absentee Voter Ballots Prepared	27,669	27,873	24,947	26,050	25,220	19,100	
	Freedom of Information Requests Processed	291	297	294	310	271	280	
	Documents Recorded	144	120	133	140	120	120	
	Business Registry: New/Closed/Information Changed	3,082	2,764	2,791	2,780	2,860	2,820	
	Class C Liquor Licenses Approved (New/Transferred)	0/7	0/8	0/6	0/7	0/6	0/7	
	Licenses Issued - (dog, vendors, etc.)	5,105	11,279	10,120	11,400	10,460	11,150	
	Pieces of Outgoing Mail Processed	132,433	124,530	125,681	132,520	132,440	125,300	
	Birth & Death Certificates Processed	598	664	653	650	628	650	
	Board/Commission Applications Processed	208	168	171	175	172	175	
	Efficiency	Number of Registered Voters (November)	85,345	85,953	86,231	88,250	88,460	88,200
		Liability/Property Claims	144	163	105	150	135	150
Liability/Property Incident Reports		86	68	67	100	100	100	
New Lawsuits/Lawsuits Closed		15/6	13/8	21/16	16/15	12/10	15/12	
% of Residents Applying for City Boards		0.17%	0.13%	0.13%	0.13%	0.12%	0.12%	
% of Registered Voters Voting (November)		21%	46%	25%	70%	67%	21%	
% of License Applications Reviewed within 48 Hours		100%	100%	100%	100%	100%	100%	
% of FOI Requests Responded to within Legal Limits		100%	100%	100%	100%	100%	100%	
# of Accidents Per 100,000 Miles Driven	1.71	2.11	3.11	2.50	2.40	2.50		
Activity Expenditures as % of General Fund	0.82%	0.89%	0.79%	0.87%	0.88%	0.74%		

City Clerk



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
City Clerk/Assistant City Manager	1	1	0
City Clerk/Risk Manager	0	0	1
Management Assistant	1	1	1
Elections Assistant	1	1	1
Senior Clerk	1	0	0
Clerk Typist	1	1	0
Clerk Typist (P.T.)	0	1	2
Total	5	5	5

City Clerk

SUMMARY OF BUDGET CHANGES

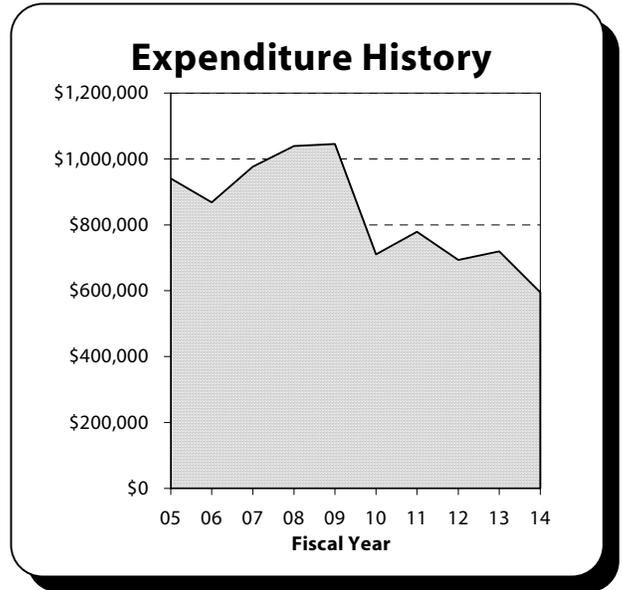
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased 17.3%.

Personnel Services – The total Personnel budget decreased by \$151,330 or 24.3%. Election worker costs fell \$28,930 as the prior year budget included funding for the Presidential election. Next year two elections are funded, including a possible August City Primary and the November City election. Savings were also achieved from the MAPE Executive labor contract, which reduced wages by a third and eliminated benefit costs. Due to a retirement, a vacant Clerk Typist position has been filled on a part-time basis.

Supplies – Total Supplies decreased \$17,140 or 37.6% due to the additional postage and supply costs for the Presidential election in the prior year. The savings is also a result of contracting out animal licensing services, as the mailing of license renewal letters and dog tags is now included in the animal licensing contract.

Other Charges – Total Other Charges increased \$44,060 or 86.4%. Contracted services increased \$53,110 for the new PetData animal licensing contract. Voting machine programming costs decreased \$3,740 due to the consolidation of voter precincts for City elections. Printing costs fell \$3,560 due to savings from the new animal licensing contract and the higher printing costs for the November election last year. Telephone costs decreased \$1,200, due to the consolidation of phone lines and the elimination of a cell phone.



Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$617,844	\$622,990	\$567,720	\$471,660	\$471,660
Supplies	35,127	45,640	40,700	28,500	28,500
Other Charges	40,495	50,990	102,820	95,050	95,050
Total	\$693,466	\$719,620	\$711,240	\$595,210	\$595,210

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

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

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

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

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

KEY GOALS

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

communication devices such as cellular telephones and smartphones.■

Did you know...

...that Information Technology has connected all remote City buildings to the main phone switch using the existing fiber data network, which has increased functionality and eliminated costly reoccurring line charges?

Information Technology

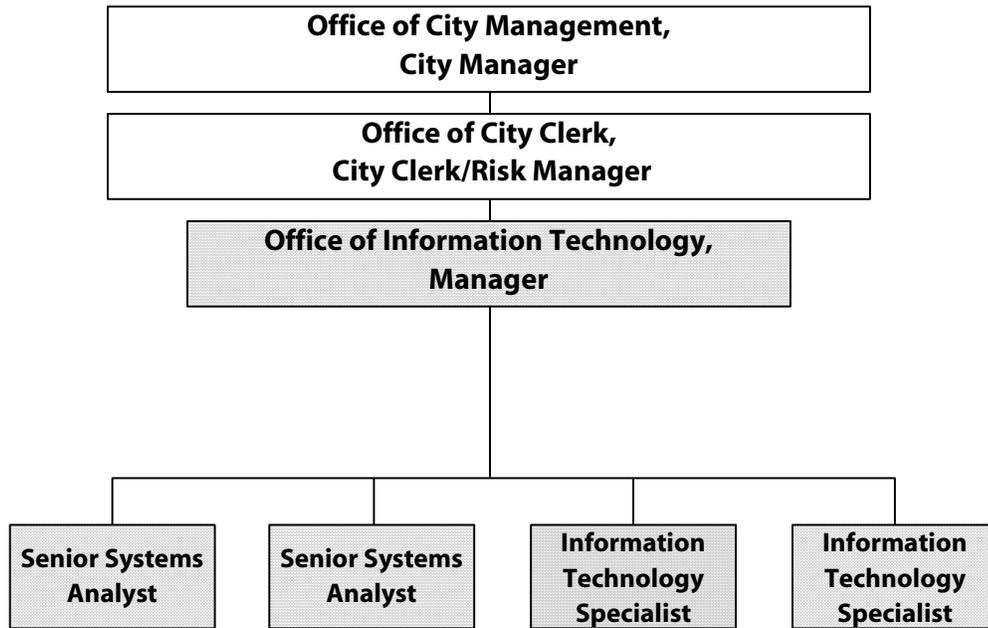
2013/14 PERFORMANCE OBJECTIVES

1. To implement the BS&A building and complaint modules, which will increase functionality, improve online capabilities and save money. *(City Goal 6, 17, 18)*
2. To redesign the Council E-packet program to improve functionality and streamline the creation process. *(City Goal 6, 17, 18)*
3. To improve efficiency by implementing mobile field reporting for code enforcement inspections and in-company fire inspections. *(City Goal 6, 17, 18)*
4. To modernize the City's website infrastructure and improve our online presence by upgrading the City website, intranet, and content management system. *(City Goal 6, 17, 18)*
5. To work with the Police and Fire Departments and Macomb County to transition to the County Dispatch Center. *(City Goal 6, 17, 18)*
6. To work with DPW and Finance to update the hardware and software for meter reading and producing utility bills. *(City Goal 6, 17, 18)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Hardware Platforms Supported - (Windows, Unix, etc.)	3	5	5	5	5	5
	Applications/Database Systems Supported	29	31	33	33	33	33
	"Help Desk" Communications Received	7,825	7,850	7,860	8,050	8,100	8,100
	Computer Workstations Supported (Desk/Laptops)	515	484	462	440	450	450
	Mobile Data Computers (MDC's) Supported	63	78	80	82	82	82
	Printers Supported	85	81	81	74	72	70
	Land Line Telephones Supported	556	556	556	556	556	556
	Mobile Telephones Supported	155	148	148	140	140	140
	E-mail Accounts Supported	670	647	636	600	620	630
	Servers Maintained	28	36	38	38	36	36
	Network Equipment Maintained (Routers/Switches)	35	35	36	35	35	35
	Wireless Access Point/Infrastructure Maintained	14	22	24	24	24	28
	Hours Spent on Computer Support/Repair	8,200	8,500	8,800	9,100	9,100	9,100
	Efficiency & Effectiveness	% of "Help Desk" Communications Resolved w/i 8 hrs.	91%	91%	91%	90%	90%
# of Computer Workstations/MDC's per FTE		0.85	0.84	0.88	0.92	0.94	0.97
Telephone Problems Resolved within 1 day		96%	90%	90%	90%	90%	90%
% of Revolving 5-year Technology Plan Implemented		90%	90%	90%	90%	90%	90%
% of Time Computer Network Down		0.8%	0.8%	0.8%	0.8%	0.8%	0.8%
Overtime/Comp Hours Required to Meet Demand		350	280	260	250	270	270
Average Annual Cost to Support a PC		\$288	\$292	\$275	*	*	*
Cost to Support User Systems		\$337,011	\$336,003	\$322,672	*	*	*
Activity Expenditures as % of General Fund		1.25%	1.27%	1.01%	1.12%	1.17%	1.07%

* Cost is calculated for "Actual" columns only.

Information Technology



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Information Technology Manager	1	1	1
Senior Systems Analyst	2	2	2
Information Technology Specialist	4	3	2
Total	7	6	5

Information Technology

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

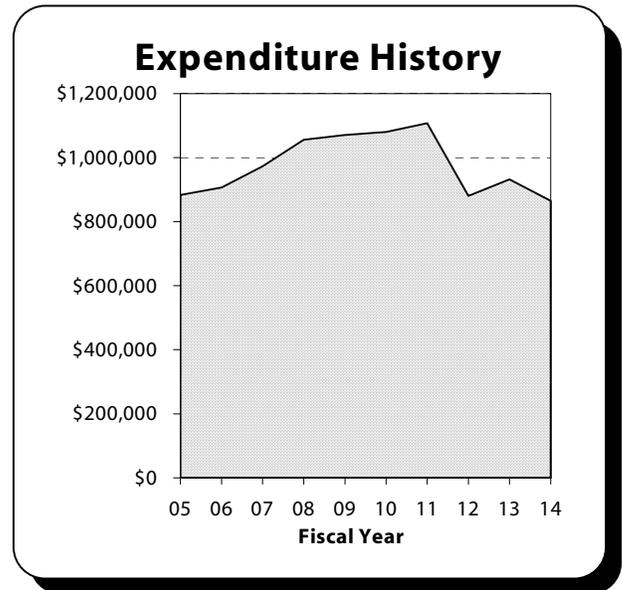
The total budget decreased by 7.2%.

Personnel Services – The total Personnel budget decreased by \$54,700 or 7.5%. Due to a retirement, a vacant Information Technology Specialist position is not funded. The budget also includes a fourth year of employee wage and benefit savings. Pension funding costs rose \$24,980.

Supplies – Total Supplies decreased \$600 or 18.5%, as toner savings from the recently initiated per-page print fee program is greater than anticipated.

Other Charges – Total Other Charges declined \$11,330 or 5.8%. Contractual costs fell \$10,190 as several existing software support agreements have multiple year service terms and do not need renewing. Telephone costs decreased \$1,100 as a result of a recent cost-saving modification made to the City's Internet data lines and the replacement of a smart phone with a more cost-effective wireless phone. Fewer printer repairs are anticipated, saving \$500. \$410 was added for additional Microsoft and MUNIS server support fees.

Capital – Total Capital of \$102,110 is proposed. \$60,000 is to redesign, expand and improve the City's website capabilities and transfer existing data to a new platform. It will replace the existing software system that can no longer be updated or supported. \$19,260 is to replace 22 six-year old personal computers at the Nature Center, Senior Center, and Parks & Recreation office. \$19,000 is for 12 Computer Tablets to be used by



Fire personnel for the new In-Company Fire Inspection Program. \$3,850 is for seven Computer Tablets and Printers to replace the eight-year old Council laptops. Using tablets will also save administrative staff time in preparing the E-agenda packets.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$710,957	\$733,300	\$752,860	\$678,600	\$678,600
Supplies	2,829	3,250	2,650	2,650	2,650
Other Charges	166,585	195,110	193,360	183,780	183,780
Total	\$880,371	\$931,660	\$948,870	\$865,030	\$865,030

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

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

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

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

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

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

KEY GOALS

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

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

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

Did you know...

...the State legislature recently passed Personal Property Tax changes that will ultimately exempt industrial business machinery and equipment from taxation and will decrease City personal property tax revenues by nearly \$8 million annually when fully phased in?

Assessing

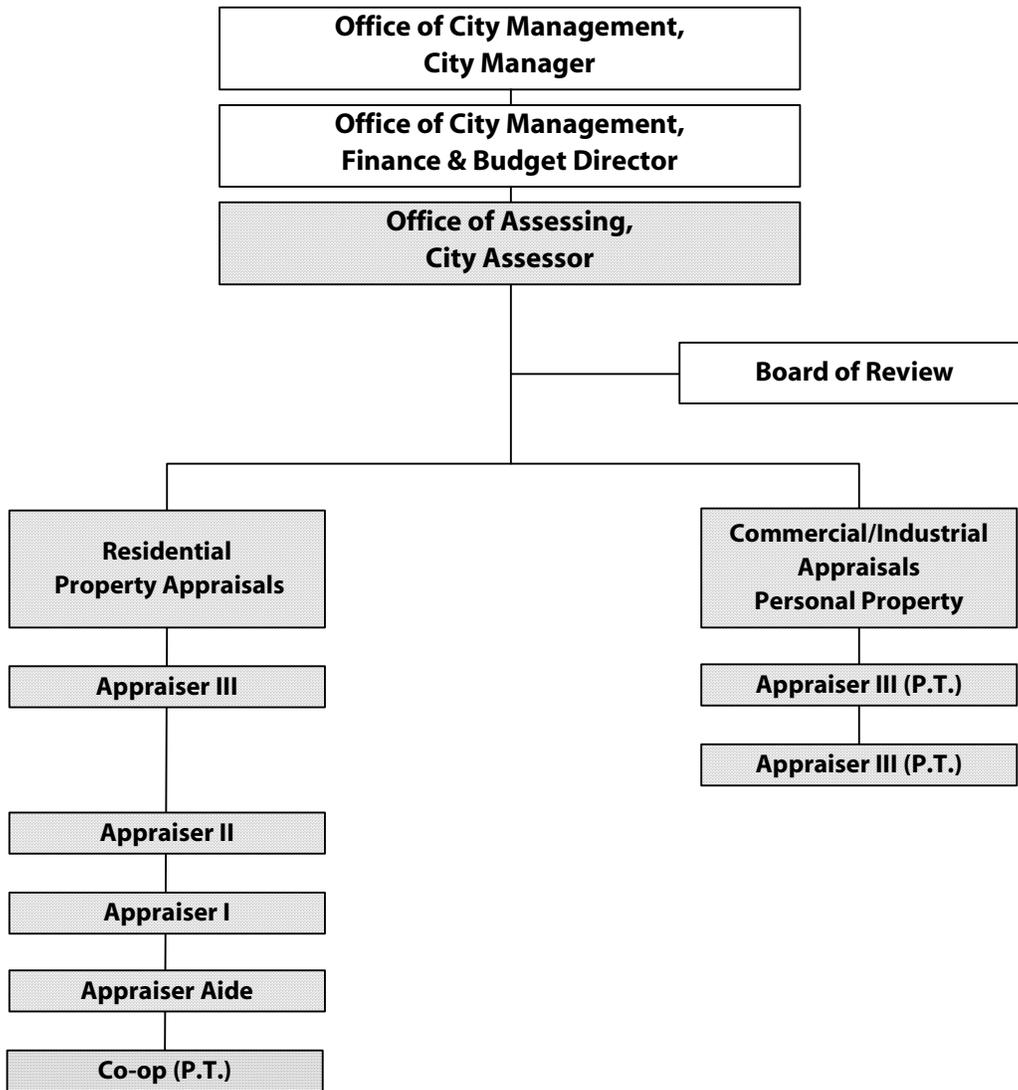
2013/14 PERFORMANCE OBJECTIVES

1. To work with the Michigan Municipal League on corrections to the Personal Property Tax changes and implementing the Essential Services Assessment. (City Goal 12, 17)
2. To redesign the process of notifying businesses of required personal property statements and instituting an on-line statement. (City Goal 18, 20)
3. To continue to realign the duties of the commercial and industrial real and personal property appraisers with the City Assessor to streamline the defense of Michigan Tax Tribunal (MTT) assessment appeals. (City Goal 3, 4)
4. To continue to create digital sketches of houses and condominiums and have them accessible on the City's website. (City Goal 14, 18)
5. To evaluate the cost and benefits of upgrading the BS&A Assessing and Treasury computer software system. (City Goal 17, 18)
6. To continue to reappraise all commercial buildings located within the City. (City Goal 18, 20)
7. To expand the commercial vacancy study to include office properties. (City Goal 14, 20)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Assessment Notices Processed - Real/Personal	46,190	46,211	46,395	46,800	47,500	47,500
	Residential Property Appraisals (including Partial)	40	58	75	85	82	80
	Commercial/Industrial Property Appraisals - Real	5	5	2	10	10	15
	Full Tax Tribunal Applications - Businesses	149	68	93	80	95	80
	Board of Review Appeals	1,206	857	625	750	589	500
	Personal Property Audits	121	41	24	40	22	20
	Land Divisions/Combinations Processed	9	8	10	15	10	10
	Resident Assessing Online Retrievals	280,747	251,500	230,386	250,000	220,000	230,000
	Deeds & Property Owner Updates	3,579	4,462	4,241	4,900	4,510	4,600
	Property Transfer Affidavits Processed	2,732	3,313	3,303	3,700	3,350	3,500
	Homestead Exemption Affidavits Processed	2,531	2,948	2,751	3,100	2,650	2,800
	IFEC's/328's Personal Property Exemptions Approved	5	6	8	6	8	10
	Total Investment Resulting from IFEC's/328's (millions)	\$13	\$633	\$48	\$40	\$244	\$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)		4.7%	4.6%	3.7%	4.0%	3.7%	3.9%
% Change in City Tax Base (TV)		-1.80%	-9.80%	-6.90%	-7.80%	-6.90%	-0.25%
% Site Plans Reviewed within 2 days		90%	90%	90%	90%	90%	90%
% Land Divisions/Comb. Processed w/i 3 days		90%	90%	90%	90%	90%	90%
Equalization Factor		1.00	1.00	1.00	1.00	1.00	1.00
Average Cost to Appraise a Residential Parcel		\$2.80	\$2.77	\$2.69	*	*	*
Activity Expenditures as % of General Fund		1.00%	0.99%	1.04%	1.06%	0.92%	1.01%

* Cost is calculated for "Actual" columns only.

Assessing



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
City Assessor	1	1	1
Appraiser III	3	3	1
Appraiser III (P.T.)	0	0	2
Appraiser II	1	1	1
Appraiser I	1	1	1
Appraiser Aide	1	1	1
Co-op (P.T.)	0	0	1
Total	7	7	8

Assessing

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

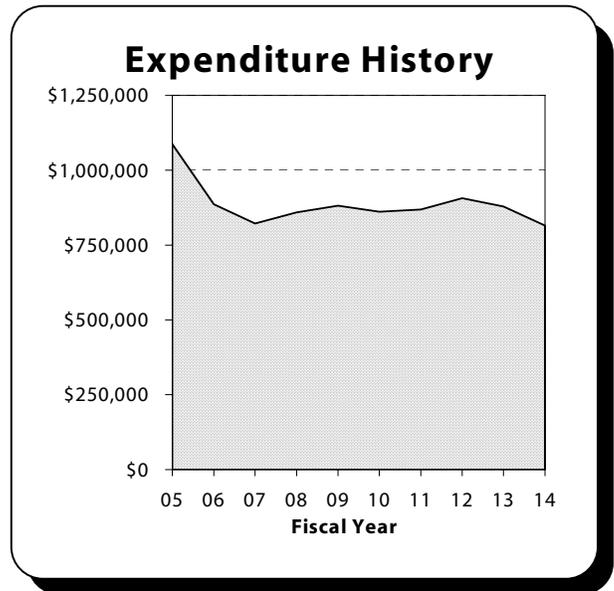
The total budget decreased by 7.3%.

Personnel Services – The total Personnel budget decreased \$62,030 or 7.4%. Due to retirements, two full-time Appraiser III positions have been replaced with part-time positions. To maximize office efficiencies and partially replace some of the lost work hours, a part-time high school Co-op position has been funded. Funding for long-term pension and retiree medical obligations increased by \$28,010.

Supplies – Total Supplies increased \$250 or 1.2%, as funding for operating supplies increased slightly based on the recent years' expenditure trends.

Other Charges – Total Other Charges decreased \$2,430 or 10.1%. Telephone costs decreased \$1,400 due to recent cost-savings from the City's Internet data lines. Rental costs fell \$650 based on a more accurate estimate for the recently initiated per-page print fee program. Membership costs decreased \$460 as State Personal Property Examiner recertification's are only required once every three years. \$100 was added for the CoStar contract based on the recent years' actual cost. Educational funding increased \$200 for an additional State-required Appraiser III certification class.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$862,201	\$834,070	\$701,430	\$772,040	\$772,040
Supplies	21,991	20,950	21,200	21,200	21,200
Other Charges	22,148	24,050	21,980	21,620	21,620
Total	\$906,340	\$879,070	\$744,610	\$814,860	\$814,860

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

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

Financial Services develops and maintains tracking systems for funds, projects, grants, capital assets and other financial needs. This office prepares required work papers, schedules and financial statements to complete the annual external audit and the award winning Comprehensive Annual Financial Report (CAFR), as well as annual reports to the State of Michigan and compliance reports for state and federal granting agencies. This office also prepares monthly reports for City Council, City management and City departments, as well as other specifically required periodic reports.

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

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

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

KEY GOALS

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

Did you know...

...that in order to prepare the City's annual financial report required by the State, it takes nearly 400 audit work papers and 550 work hours to successfully complete?

Financial Services

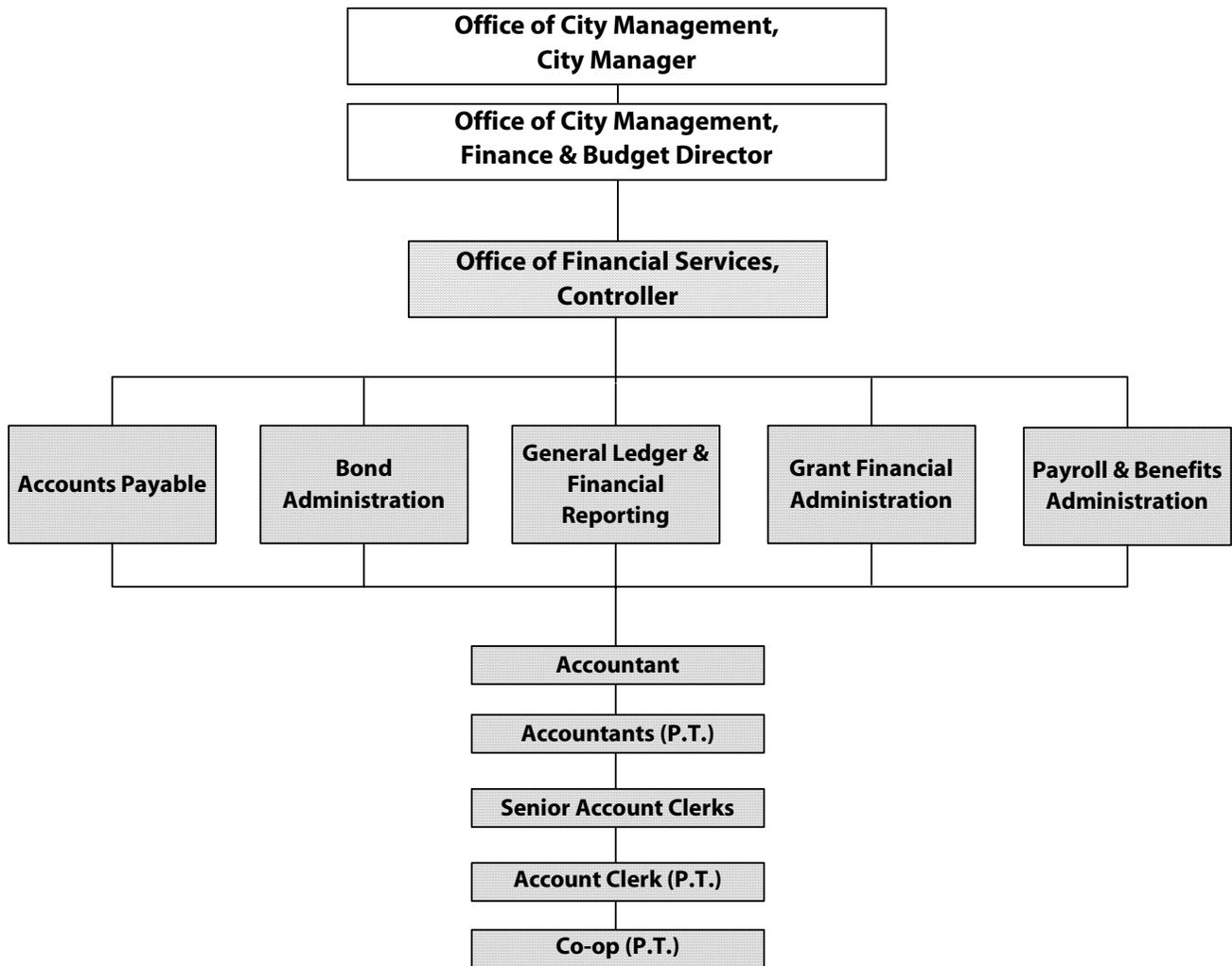
2013/14 PERFORMANCE OBJECTIVES

- To implement Governmental Accounting Standards Board Nos. 63, 65 and 66 into the audited financial statements. *(City Goal 3)*
- To redirect workflow to offset the loss of manpower due to economic constraints impacting Financial Services. *(City Goal 3, 4, 17)*
- To analyze the current accounting software modules for the purging of outdated data. *(City Goal 3, 17)*
- To perform a cost benefit study of implementing the MUNIS GoDocs module, which allows for electronic notification of payroll notices and purchase orders. *(City Goal 3, 17)*
- To work with the Police and Fire Departments to improve current payroll methods and processes and to evaluate the computer system's functionality. *(City Goal 3, 17, 18)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Bank Statements Reconciled	264	264	252	252	252	252
	General Journal Entries Processed	1,860	1,808	1,808	1,850	1,850	1,850
	Accounts Payable Invoices Processed	15,643	15,089	14,947	15,500	14,600	14,600
	Accounts Payable Checks Issued	6,962	7,028	6,780	7,200	6,500	6,500
	Payroll Checks & Deposit Notices Generated	20,592	19,940	19,061	19,400	19,300	19,300
	Accounting Funds Maintained	29	28	28	28	28	26
	Total Retirees/Beneficiaries Receiving Medical Benefits	482	473	569	560	567	600
	Federal Grants Tracked	60	50	40	40	40	40
	Audit Workpapers Prepared	298	370	400	370	400	400
	Active Assets Tracked	4,646	5,172	5,299	5,400	5,300	5,300
	Vendor Files Maintained	2,867	3,025	2,963	3,100	3,000	3,000
Efficiency & Effectiveness	Avg. Days to Compile Monthly Financial Statements	13.0	13.0	14.0	13.0	14.0	14.0
	% of A/P Checks Issued Without Error	99.5%	99.7%	99.0%	99.7%	95.0%	99.0%
	% of Payroll Checks Issued Without Error	99.9%	100.0%	99.0%	99.5%	90.0%	99.0%
	Active Employees Receiving Compensation/Benefits	1,217	1,196	1,255	1,220	1,210	1,200
	Financial Statement Correcting Entries by Auditors	1	0	1	0	0	0
	Financial Administration of Federal Grant Expenditures	\$6,375,073	\$7,392,616	\$6,878,934	\$2,400,000	\$2,400,000	\$2,400,000
	Cost for an Independent Auditor to Perform Audit	\$94,020	\$90,250	\$92,000	\$96,030	\$92,000	\$92,000
	Years Received G.F.O.A. CAFR Award	22	23	24	25	25	26
	Cost to Process an Accounts Payable Invoice	\$10.33	\$10.64	\$10.77	*	*	*
	Cost of Payroll Service Per Employee	\$275	\$288	\$296	*	*	*
	Activity Expenditures as % of General Fund	1.07%	0.85%	0.86%	0.93%	0.89%	0.94%

* Cost is calculated for "Actual" columns only.

Financial Services



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Controller	1	1	1
Accountant	2	1	1
Accountant (P.T.)	0	2	2
Senior Account Clerk	2	2	2
Account Clerk	1	1	0
Account Clerk (P.T.)	0	0	1
Co-op (P.T.)	1	1	1
Total	7	8	8

Financial Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

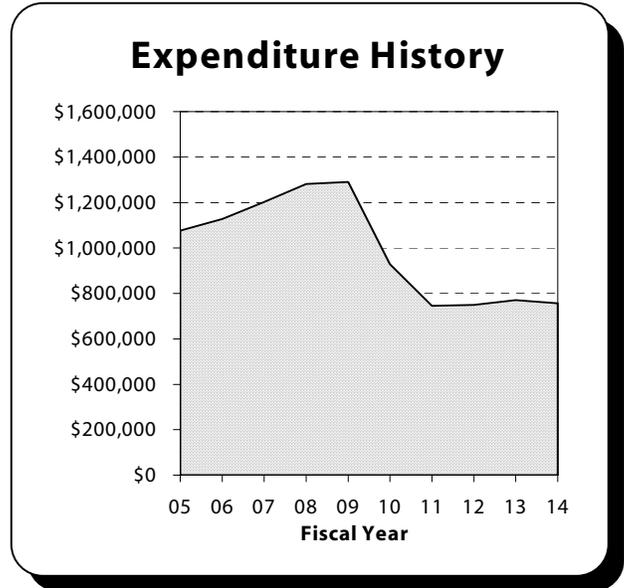
The total budget decreased by 1.8%.

Personnel Services – The total Personnel budget decreased by \$8,300 or 1.2%. Due to a retirement, an Account Clerk position can be filled on a part-time basis. These savings were partially offset by increased required funding for pension and retiree medical liabilities. Savings were also achieved due to a fourth year of employee labor contract wage and benefit savings.

Supplies – Total Supplies decreased \$190 or 3.6%. Postage costs fell \$100, as a result of fewer payroll and accounts payable related mailings. Funding decreased \$90, as fewer operating supplies and printer toner cartridges are needed.

Other Charges – Total Other Charges decreased \$5,370 or 5.4%. Software maintenance costs decreased \$4,610 due to the elimination of the MUNIS animal licensing software module, as the City has contracted out animal licensing services. Telephone costs decreased \$1,400 due to a recent cost-saving modification made to the City’s Internet data lines. \$190 was saved, as fewer checks and notices of deposit will need to be ordered. Copier and printer costs increased \$790 based on the current year’s estimated expenditure usage.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$650,165	\$665,710	\$624,410	\$657,410	\$657,410
Supplies	5,556	5,280	5,080	5,090	5,090
Other Charges	93,967	99,750	94,180	94,380	94,380
Total	\$749,688	\$770,740	\$723,670	\$756,880	\$756,880

MISSION STATEMENT: *To procure goods and services at the lowest competitive price and to maintain efficiency, quality and ethical standards while acting in the City's best interest.*

The procurement of goods and services is an integral part of the quality control procedures currently being applied to all levels of the organization. Several policies and procedures are in place to ensure that all purchase requisitions are screened for compliance.

The use of several different purchasing methods allows for the purchase of goods and services at the lowest competitive price. Examples include: on-line requisitioning, cooperative purchasing, quantity purchases, Requests for Proposals, purchasing cards and an on-line e-procurement program that allows registered vendors instant access to bids and quotes. Having these alternatives available allows for a more expedient method of procuring goods and services.

Surplus items such as vehicles, furniture, computer equipment, police related items, etc. are disposed of through the Michigan Intergovernmental Trade Network (MITN) auction website (www.mitn.info).

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

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

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

KEY GOALS

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

Did you know...

...the City is a founding member of the Michigan Intergovernmental Trade Network (MITN), in which participating vendors that are awarded bids by any of the over 100 participating governmental entities can extend their bid pricing to all MITN members, resulting in lower pricing for the members and increased sales for the vendor?

Purchasing

2013/14 PERFORMANCE OBJECTIVES

1. To analyze natural gas and electric utility expenditures and options and recommend “customer choice” providers in order to obtain the most competitive rates. (City Goal 1, 3, 4)
2. To analyze copier and printer use patterns and paper data storage in order to recommend a solution to reduce copying, printing and data storage expenditures. (City Goal 1, 3, 4)
3. To develop and solicit a Request for Information to obtain a pre-qualified list of vendors capable of emergency repairs and restoration to City facilities and structures in the event of a natural disaster. (City Goal 1, 3, 4)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Purchase Orders Processed	913	904	997	1,100	1,000	1,000
	Bid Solicitation Occurrences	62	64	60	60	60	65
	Bid Responses Reviewed	303	269	251	270	250	250
	Written Quotation Solicitation Occurrences	10	10	17	15	25	25
	Written Quotation Responses Reviewed	53	63	61	75	150	150
	Hours Worked on Requests for Proposals (RFP's)	105	140	135	150	120	140
	Number of Purchasing Card Transactions	1,699	1,438	1,240	1,300	1,200	1,300
Efficiency & Effectiveness	% of P.O.'s Processed within 5 days	95%	95%	95%	95%	95%	95%
	% of Bids Issued w/i 30 days of Specifications	88%	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	9,353	7,694	7,261	7,400	7,000	7,200
	Revenue from Sale of Surplus Property	\$58,195	\$106,168	\$41,988	\$40,000	\$40,000	\$50,000
	Cost to Issue a Purchase Order	\$93	\$94	\$86	*	*	*
	Average Cost to Go Out to Bid	\$1,459	\$1,449	\$1,482	*	*	*
	Avg. % Savings Thru Bid Process/Vendor Savings Prog.	30%	30%	30%	30%	30%	30%
	Activity Expenditures as % of General Fund	0.42%	0.42%	0.45%	0.46%	0.33%	0.35%

* Cost is calculated for “Actual” columns only.

Purchasing



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Purchasing & Risk Manager	1	1	0
Purchasing Manager	0	0	1
Purchasing Specialist	1	1	1
Administrative Assistant	1	1	0
Administrative Assistant (P.T.)	0	0	1
Total	3	3	3

Purchasing

SUMMARY OF BUDGET CHANGES

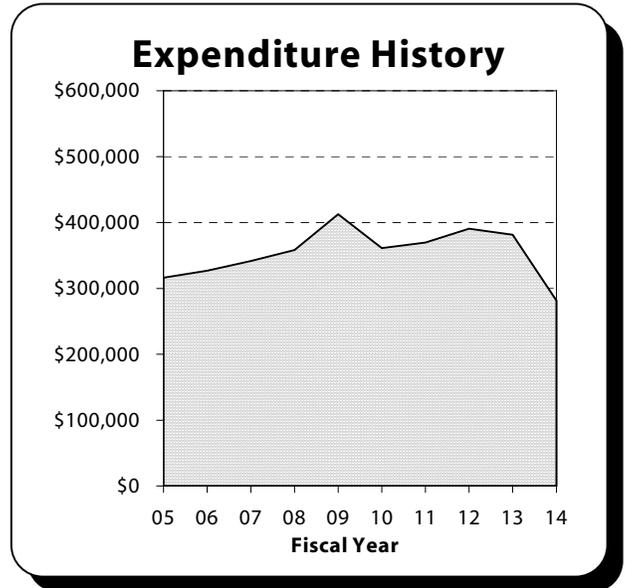
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 26.2%.

Personnel Services – The total Personnel budget decreased by \$97,090 or 27.5%. Savings were realized due to the retirement of two full-time positions, resulting in wage and benefit savings. The Risk Management function has been transferred to the City Clerk’s office. In addition, the City has achieved wage and benefit savings for the fourth year through new labor contracts.

Supplies – Total Supplies decreased \$60 or 4.9%. \$30 was saved, as fewer operating supplies need to be replenished. Postage costs decreased \$20 due to the increased use of e-mail. Funding for the online gasoline price-tracking subscription can be reduced by \$10.

Other Charges – Total Other Charges decreased \$2,660 or 9.7%. The City will save \$1,500, as the budget for citywide microfilming services can be reduced and brought more in line with recent expenditure trends. Equipment maintenance costs decreased \$700, as fewer citywide office equipment repairs have been required. Telephone costs decreased \$250 due to a recent cost-saving modification made to the City’s Internet data lines. A \$50 membership to the Michigan Public Risk Management Association (MIPRIMA) is now funded in the City Clerk’s budget. Rental costs decreased \$70 based on a more accurate estimate for the recently initiated per-page print fee contract. Educational funding fell by \$40.



Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$371,005	\$352,530	\$235,850	\$255,440	\$255,440
Supplies	1,377	1,230	1,120	1,170	1,170
Other Charges	18,208	27,440	27,110	24,780	24,780
Total	\$390,590	\$381,200	\$264,080	\$281,390	\$281,390

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

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

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

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

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

Other responsibilities involve acting as Treasurer and trustee for both the Police & Fire and the General Employees Retirement Systems. Through prudent investment strategies, both systems continue to maximize investment earnings.

The Treasurer provides administrative support to the Corridor Improvement Authority (CIA), the Brownfield Redevelopment Authority, and the Local Development Finance Authority (LDFA). The Brownfield Redevelopment Authority reviews and processes applications for potential development on contaminated sites while the CIA and LDFA work to enhance commercial districts in the City by offering development incentives in order to increase economic vitality within these districts. Administrative support is also provided to the Economic Development Corporation (EDC).

Treasury is also responsible for the various defined contribution plans (401(A) and 457 plans) and the defined benefit plan (General Employee's Retirement System or GERS) sponsored by the City. For the defined contribution plans, duties include the day-to-day administration and working with

KEY GOALS

- *To effectively administer tax programs in accordance with all applicable laws.*
- *To serve all water and sewer customers with accurate and timely billing and collections.*
- *To administer cash management programs with the goal of decreasing costs and increasing earnings.*
- *To assist in administering the City's two pension funds: Police & Fire and General Employees.*
- *To assist in developing and implementing programs to reduce costs, increase revenues, and add efficiencies.*

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

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

Did you know...

...that over 2,300 taxpayers took advantage of a new no-fee City website option to electronically pay their Summer 2012 tax bills from their checking or savings account?

Treasury

2013/14 PERFORMANCE OBJECTIVES

1. To complete a Request for Proposal (RFP) for merchant card services in order to better control credit card processing costs. *(City Goal 17, 18, 20)*
2. To implement taxpayer notification of delinquent property taxes on the subsequent summer tax bill, as required by Public Act 482 of 2012. *(City Goal 1, 20)*

	Performance Indicators	2009/10	2010/11	2011/12	2012/13	2012/13	2013/14
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Tax Bill Payments Processed - Manually (incl. partials)	23,417	23,571	24,183	25,000	23,000	21,000
	Tax Bill Payments Processed - Electronically (escrows)	31,250	32,176	32,288	32,300	31,560	31,600
	Tax Bill Payments Processed - Lock Box	34,386	33,723	33,845	34,000	32,020	32,000
	Tax Bill Payments Processed - Online	307	306	371	1,800	5,325	6,325
	Special Assessment Parcels Billed	179	158	138	150	127	130
	Invoices Billed	4,101	3,355	3,259	3,000	3,010	2,900
	Investments Bought/Sold - Number of Transactions	641	508	553	600	600	600
	Tax Adjustments Processed	1,405	1,168	1,485	1,350	1,257	1,260
	Resident Tax Online Retrievals	108,590	92,500	76,600	80,000	75,000	75,000
	Cash Receipts Processed by Treasury Personnel	67,005	69,695	67,370	70,000	65,000	60,000
	City-Wide Credit Card Payments Received	23,834	26,951	29,412	30,000	31,000	32,000
	Dollar Value of All Credit Card Transactions (Millions)	\$3.1	\$3.7	\$4.2	\$4.2	\$5.0	\$5.0
	Defined Contribution Active Employees	77	75	67	65	68	68
	Defined Benefit Active GERS Employees	221	194	160	150	144	134
	GERS Retirements Processed	11	25	31	20	20	10
	GERS Retirees/Beneficiaries Receiving Benefits	271	296	327	334	334	342
	Pension Calculations Prepared (P&F and GERS)	55	60	112	90	70	30
	Water and Sewer Bills Issued	189,885	190,043	190,365	191,000	190,750	190,750
	Final Water Bills Prepared	1,219	1,046	1,155	1,300	1,300	1,350
	Water & Sewer Customer Bill Online Retrievals	26,931	26,527	28,049	28,500	32,500	33,500
	Water & Sewer Auto Pay Customers	2,799	2,908	3,030	3,100	3,100	3,150
	Water & Sewer Budget Billing Customers	151	150	134	140	125	120
	Service Orders Processed by Utility Billing	4,755	3,825	3,280	4,000	2,200	2,200
	Water Bill Adjustments	1,420	1,604	1,458	1,700	1,500	1,500

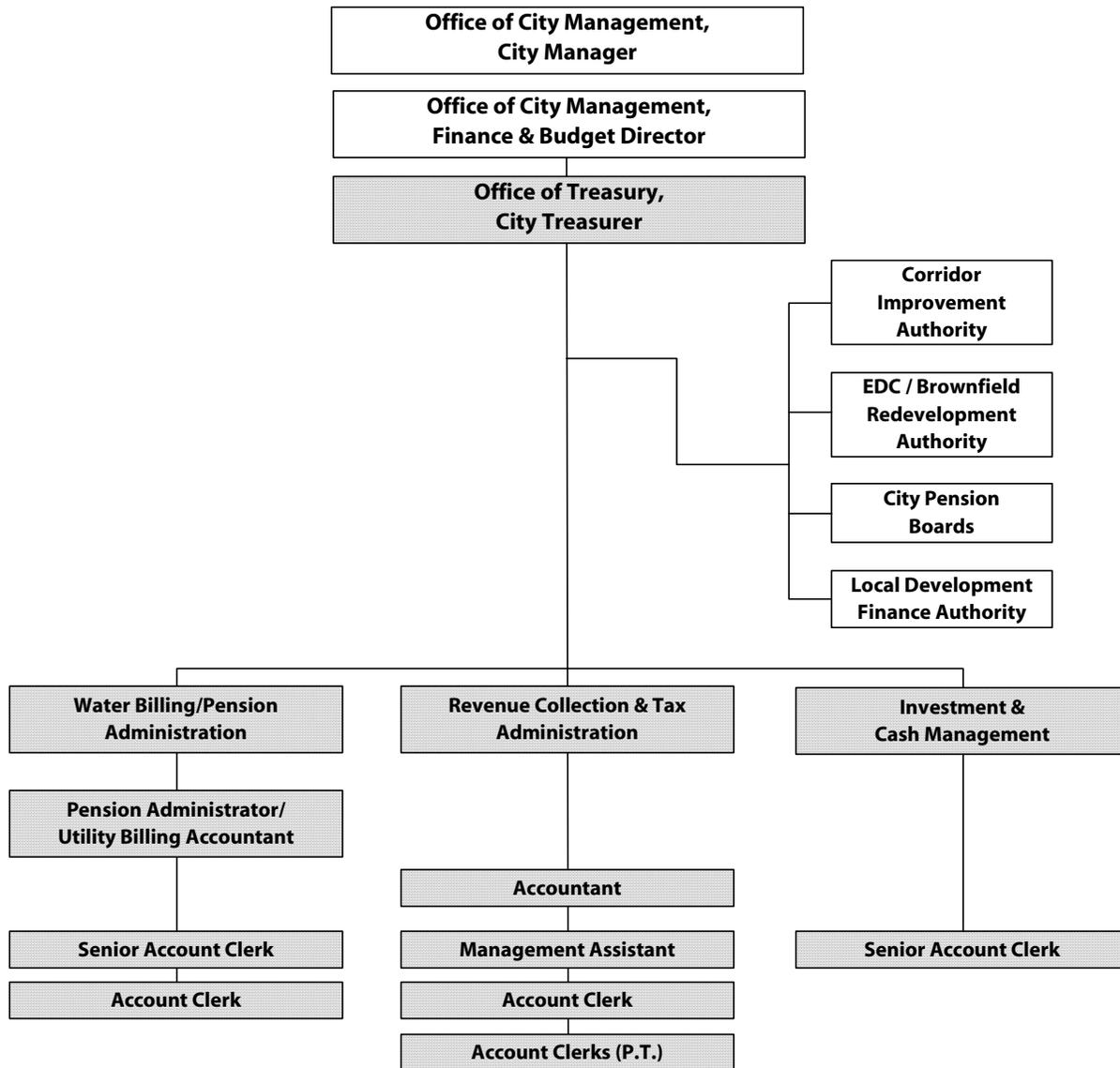
Treasury

2013/14 PERFORMANCE OBJECTIVES

3. To investigate the possibility of implementing Public Act 184/185, which would combine the winter and the summer tax bills for those residents whose winter tax bill is less than \$100. *(City Goal 1, 20)*
4. To investigate the purchase of a cash counting/ check scanning/counterfeit detector machine as a way to increase office efficiency. *(City Goal 17, 18, 20)*
5. To continue to develop ways to encourage more residents to pay taxes before the due date in order to avoid long lines at the Treasury counter. *(City Goal 7, 17, 18)*

Efficiency & Effectiveness	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
	% of Real & Personal City Property Tax Levy Collected	96%	95%	97%	96%	96%	96%
	% of Prop. Tax Parcels Turned Delinquent to County	8.42%	7.50%	6.20%	8.00%	8.00%	7.00%
	Average Rate of Return on Investments	2.85%	1.30%	1.94%	1.50%	1.20%	1.10%
	Average 2-Year T-Note Rate	0.92%	0.55%	0.42%	0.40%	0.30%	0.25%
	City's Return as a % of 2-Year T-Note	310%	236%	462%	375%	400%	440%
	% of Portfolio Invested in Active Market	81.0%	86.0%	85.5%	85.0%	85.0%	85.0%
	Total Interest Earnings - Budgeted Funds (Millions)	\$1.0	\$0.6	\$0.7	\$0.6	\$0.6	\$0.5
	Police & Fire Pension System - % Funded	84.9%	78.0%	66.5%	70.0%	66.0%	70.0%
	General Employees Pension System - % Funded	106.2%	99.6%	90.9%	95.0%	83.5%	85.0%
	Ratio of Active GERS Employees to GERS Retirees	1:1.23	1:1.53	1:2.04	1:2.10	1:2.32	1:2.55
	Annual % Change in GERS Market Value - Fiscal Year	7.9%	19.4%	1.0%	8.0%	10.0%	8.0%
	Annual % Change in P&F Market Value - Fiscal Year	2.4%	18.8%	0.1%	8.0%	8.0%	8.0%
	Ratio of Active P&F Employees to P&F Retirees	1:1.11	1:1.55	1:2.20	1:2.20	1:2.26	1:2.34
	% of Water & Sewer Bills Adjusted	0.75%	0.84%	0.77%	0.89%	0.79%	0.80%
	Activity Expenditures as % of General Fund	1.17%	1.32%	1.23%	1.29%	1.27%	1.30%

Treasury



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
City Treasurer	1	1	1
Pension Admin./Utility Bill. Accountant	1	1	1
Accountant	1	1	1
Management Assistant	1	1	1
Senior Account Clerk	2	2	2
Account Clerk	4	3	2
Account Clerk (P.T.)	0	1	2
Total	10	10	10

Treasury

SUMMARY OF BUDGET CHANGES

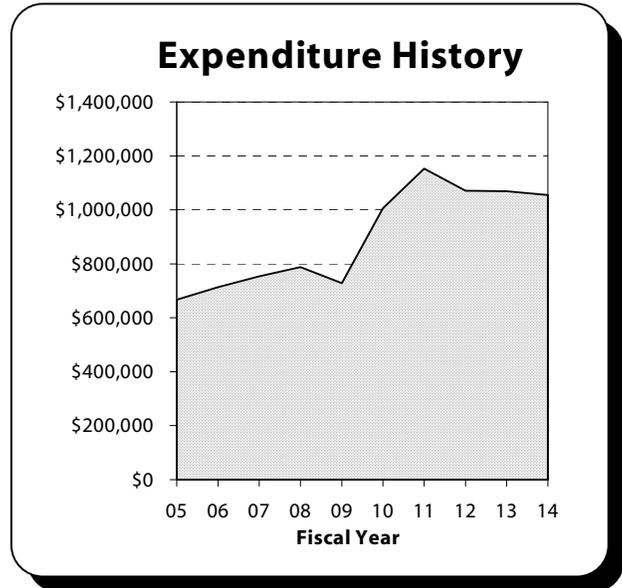
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 1.3%.

Personnel Services – The total Personnel budget decreased \$1,680 or 0.2%. Savings were achieved by replacing the vacant full-time Account Clerk position with a part-time position due to a retirement. These savings were partially offset by an increase in the City’s required contribution to the pension fund as a result of prior stock market declines. Funding for retiree medical liabilities also rose.

Supplies – Total Supplies increased \$5,520 or 5.6%. Postage costs increased \$5,800 due to a postal rate increase, which has increased the cost of tax and water bill mailings. \$280 was saved, as funding for supplies can be reduced and brought more in line with recent expenditure levels.

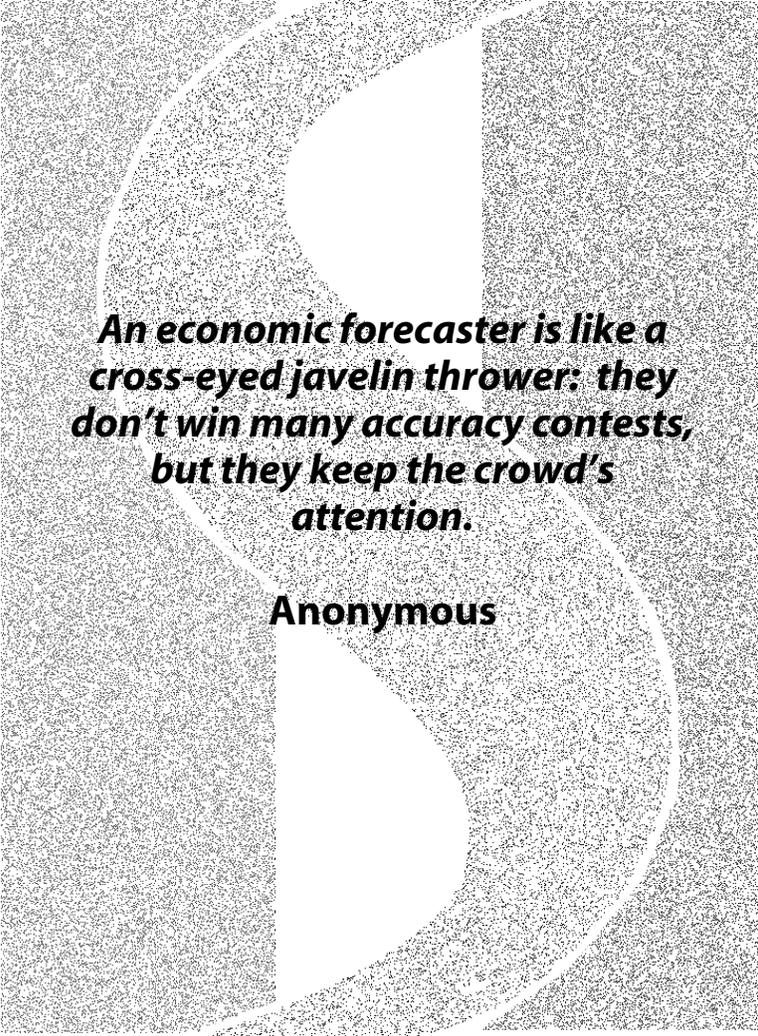
Other Charges – Total Other Charges decreased \$18,180 or 19.0%. The City will save \$13,200 by further decreasing banking and credit card service fees as a result of several recent process changes. Contracted service costs decreased \$5,800 as the proposed armored car service to be utilized for bank deposits could not be met at a reasonable cost. Telephone costs decreased \$700 due to a recent cost-saving modification made to the City’s Internet data lines. \$1,080 was added for the annual maintenance costs of a cash counting machine to increase efficiencies with reduced staff and for a slight increase in BS&A software fees. Copier and printer costs increased \$480 based on the current year’s estimated expenditure usage.



Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

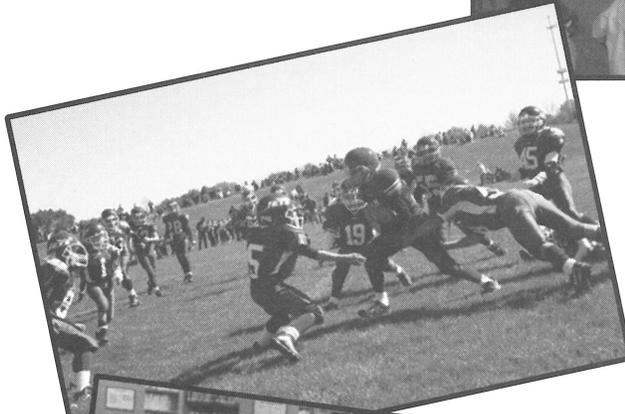
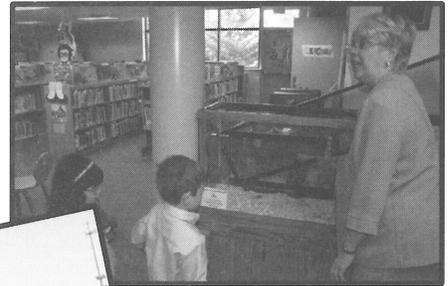
	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$881,655	\$874,260	\$856,040	\$872,580	\$872,580
Supplies	98,965	98,980	101,700	104,500	104,500
Other Charges	90,344	95,600	70,580	77,420	77,420
Total	\$1,070,964	\$1,068,840	\$1,028,320	\$1,054,500	\$1,054,500

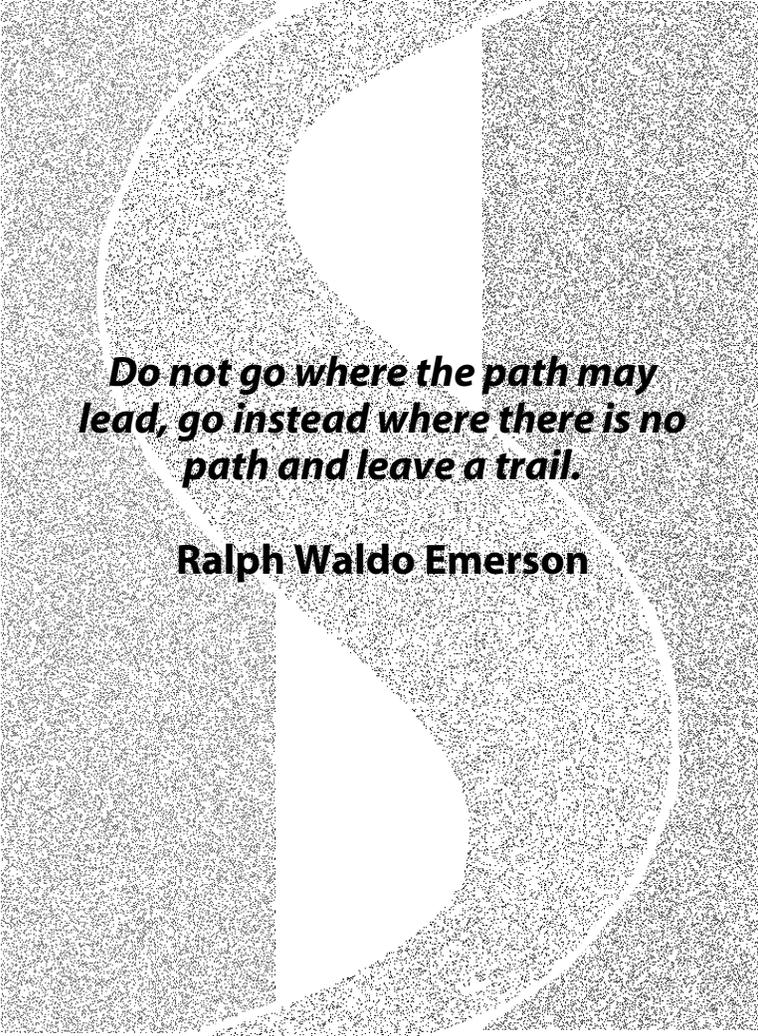


***An economic forecaster is like a
cross-eyed javelin thrower: they
don't win many accuracy contests,
but they keep the crowd's
attention.***

Anonymous

Community Services Department





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

Ralph Waldo Emerson

FUNCTIONAL ORGANIZATION CHART

Community Services Department

Office of Library

- Directs the Community Services Department
- Prepares and administers library's budget
- Recommends and implements policies
- Coordinates and evaluates activities of staff
- Formulates and develops service programs and priorities; assesses long-range needs
- Coordinates and administers grants
- Compiles and maintains statistical records
- 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
- Serves as liaison to Citizen Advisory Committee
- Administers the Community Development Block Grant Fund (CDBG) program

Library Programming & Community Services

- Plans and coordinates publicity and public relations activities
- Creates and maintains library's Internet site
- Conducts technical training for patrons and staff
- Coordinates adult, teen and youth programming and volunteer activities
- Coordinates memorial/gift book and exhibit case programs
- Plans and schedules cable channel programs

Circulation Services

- Check-out and check-in of library materials
- Registers eligible borrowers
- Processes claim-returned items
- Processes inter-library loans, renewals and holds
- Maintains patron database
- Provides Sirsi Voice Automation (SVA) telephone notification
- Collects overdue fines and fees for lost materials
- Coordinates with collection agency for resolution of delinquent accounts
- Coordinates material delivery

Public Services

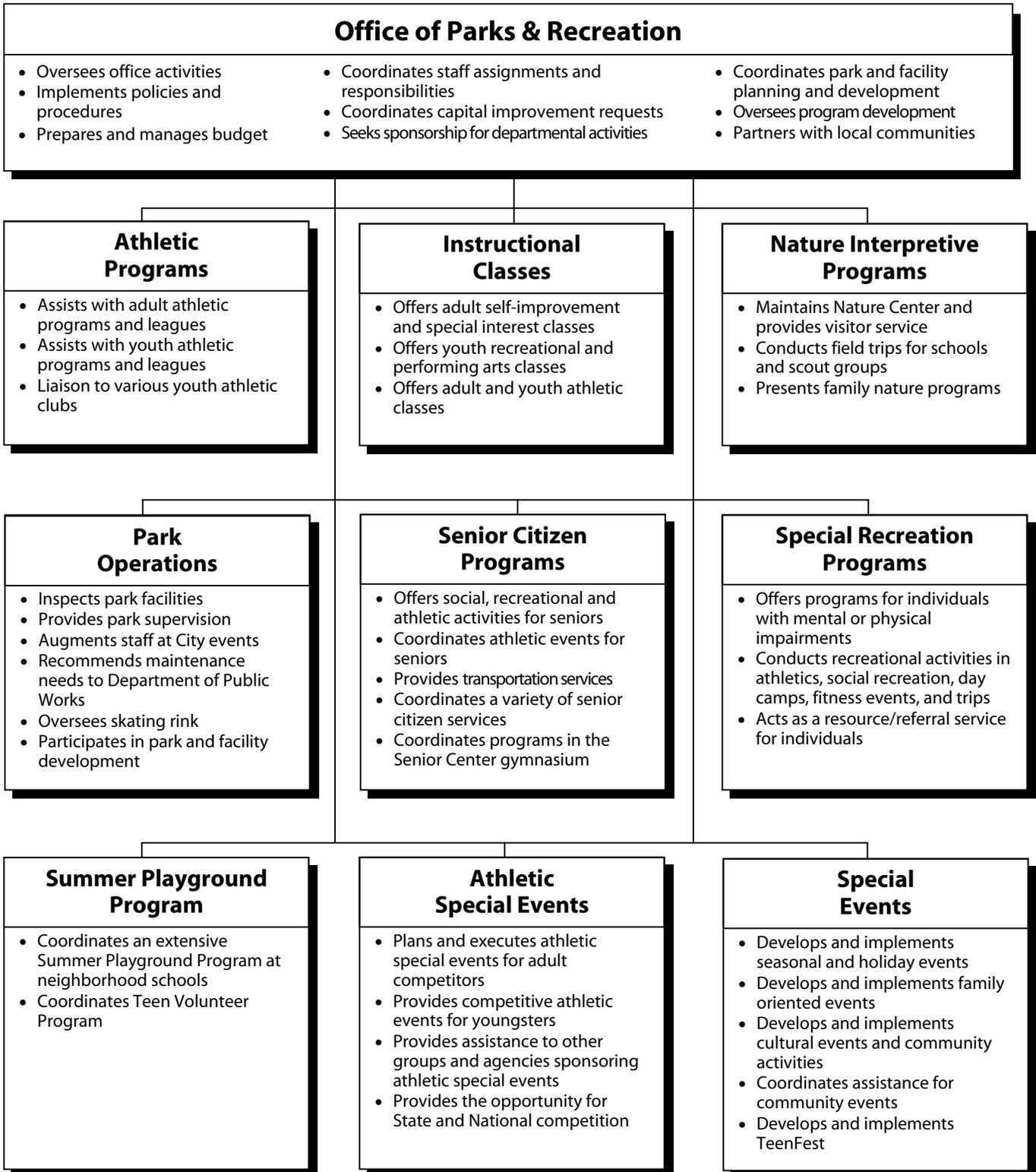
- Reference/information retrieval
- Provides bibliographic instruction
- Collection development and evaluation
- Provides outreach service to senior citizen residences & the homebound
- Processes deposit collections and extension loans
- Shelves materials for user access
- Maintains periodical and newspaper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

Technical Services

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

FUNCTIONAL ORGANIZATION CHART

Community Services Department (continued)



DEPARTMENT AT A GLANCE

Community Services Department

BUDGET SUMMARY

The Community Services budget decreased by \$228,920 or 5.3%. Personnel costs fell by \$251,860 or 7.1%. Five vacant Library full-time positions have been replaced by three new part-time positions, as well as an additional 3,000 hours for the existing part-time Librarian staff. The Parks & Recreation budget declined due to savings from the anticipated retirement of four full-time personnel. A full-time and part-time CDBG position, formerly budgeted in Planning, will now assist this office. In addition, the budget includes funding for a part-time Recreation Supervisor and additional bus driver and clerical staff hours. As a result of the reduced staff, the City's participation in the Treasure Hunters Market, Youth Golf League, and Coffee House Concert Series will be curtailed. The budget also reflects the savings from a fourth year of employee wage and benefit reductions. The Suburban Library Cooperative

will continue to fund and share the services of the Community Services Director. Supply costs declined by \$9,410 or 3.7% due to a reduction in library books, publications, and audiovisual materials, as well as savings in recreational supplies. Other Charges rose \$32,350 or 6.1% to fund a contract to operate the Special Recreation program and prepare City recreational newsletters. Additional funding was also budgeted for a contractor to care for the Nature Center animals, for additional yoga and Zumba classes, and adult softball umpire assigner costs. Library copier rental costs fell \$12,770 as the City purchased copiers in the prior year. The Capital budget includes funding for 22 replacement personal computers at the Nature Center, Senior Center, and Parks & Recreation offices; repairs to the Ben Hadley playground equipment; and improvements to Beaver Creek Park.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
Public Library	\$2,637,150	\$2,544,980	\$2,480,870	\$2,350,170	-5.3%
Parks & Recreation	1,965,270	1,943,880	1,848,420	1,750,200	-5.3%
Total Department	\$4,602,420	\$4,488,860	\$4,329,290	\$4,100,370	-5.3%
Personnel Services	\$3,764,980	\$3,689,340	\$3,543,390	\$3,291,530	-7.1%
Supplies	274,990	271,260	251,220	241,810	-3.7%
Other Charges	562,450	528,260	534,680	567,030	6.1%
Total Department	\$4,602,420	\$4,488,860	\$4,329,290	\$4,100,370	-5.3%

PERSONNEL SUMMARY

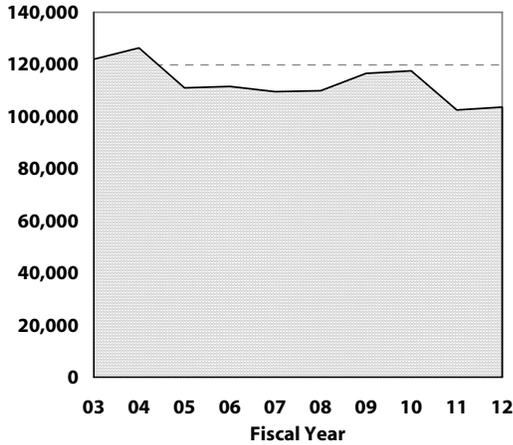
	2010/11		2011/12		2012/13		2013/14	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Public Library	20	20	18	21	16	22	11	25
Parks & Recreation	12	0	11	0	10	0	7	3
Total Department	32	20	29	21	26	22	18	28

Excludes Historical Commission.

KEY DEPARTMENTAL TRENDS

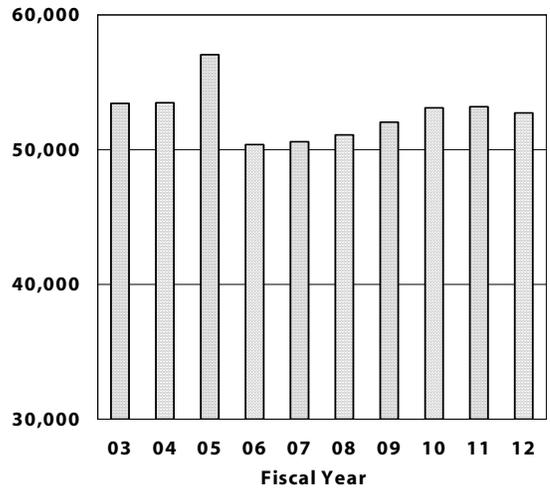
Community Services Department

Senior Center Attendance



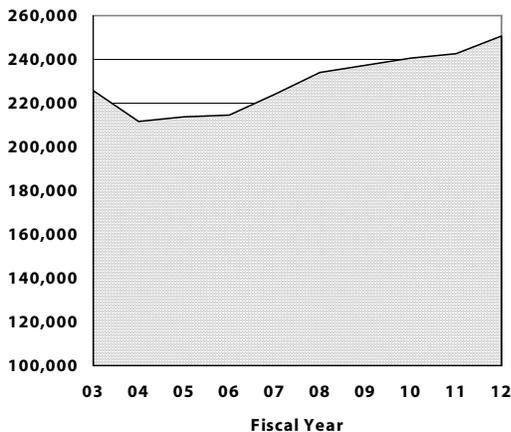
Senior program attendance has been fairly constant, exceeding 100,000 participants each year, over the past ten years. In 2007, the City completed a 14,000 sq. ft. gymnasium addition to the Senior Center that was paid for with federal CDBG dollars. The number of senior and special recreation transportation riders has decreased 18.6% over the past ten years.

Registered Borrowers



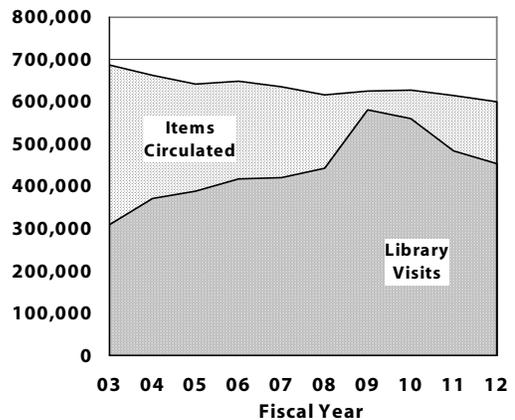
The number of registered borrowers in the City has generally ranged between 50,000 and 54,000 residents over the past ten years as the City regularly updates its registered borrower database.

Total Collection of Library Materials



The size of the Library's collections, including books, audiovisual, and software materials, has generally grown over the past ten years. In 2004 the collection decreased slightly as outdated books were removed. There are currently 250,609 materials on hand, or an average of 1.9 items per resident. A total of 768,815 online and electronic database uses were recorded in 2012. Attendance at Library programs has increased since the Library Programming Center was opened in 2001. Attendance in 2012 totaled 22,168 participants.

Library Visits & Items Circulated



Over the past ten years, the number of Library items circulated has slightly declined, while attendance has increased. In 2012, 454,000 visits were recorded or an average of 158 visits per hour open. 600,000 items (or an average of 1.3 items per visit) were circulated. Library Sunday hours have been eliminated and the Library is also opening later on Fridays.

MISSION STATEMENT: *To serve as an information center for our community, offering a wide variety of materials and services for education, entertainment, and enrichment in a welcoming and helpful environment.*

The Sterling Heights Public Library offers a full range of services for all community residents. Activities such as preschool story times, adult, teen and youth summer reading programs, computer and Internet demonstrations, film festivals, book talks, author visits, consumer interest programs, reference and readers' advisory services, educational cable programming, an oral history collection, and a wide selection of books, online reference sources, e-books and audiovisual materials provide residents with excellent educational opportunities.

Computerized information retrieval is offered with the online catalog of 22 libraries in the Suburban Library Cooperative. The Digital Media Archives section of the online catalog includes hundreds of digital photographs of Sterling Township farms and families from the 1860's. The Library also participates in the MeLCat statewide catalog and delivery system, allowing Sterling Heights residents to borrow materials from hundreds of public, school and academic libraries throughout Michigan. Other services include full-text online magazine and newspaper reference sources, Internet access at public workstations, wireless Internet access, area newspapers on microfilm, and a Youth Computer Homework Center with CD-ROM software.

The Library's web site, www.shpl.net, serves as an effective guide to the wealth of resources provided by the Library in addition to an introduction to the vast resources of the Internet providing access to thousands of full-text electronic books and downloadable audiobooks. Technology training sessions are regularly offered to allow residents to make optimal use of the Library's computerized resources. A van delivers a wide selection of materials, including large print books, directly to the homebound and senior citizen housing units.

The Library has an international language collection of popular fiction and magazines in 22 languages, and a unique collection of English as a second

KEY GOALS

- *To provide up-to-date information for residents in their pursuit of educational, job-related, and personal goals.*
- *To provide access to information and resources beyond the Library's in-house collection through interlibrary cooperation, online databases, programming, and outreach services.*
- *To maintain a high standard of friendly and professional assistance in providing reference, information, referral, and circulation services.*
- *To provide high demand, high interest popular materials in a variety of formats and in a timely manner for residents of all ages.*
- *To provide materials and services which promote learning and reading for children.*

language materials designed to improve English language skills.

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

Additionally, the Library's cable channel broadcasts quality educational programs daily. These programs feature topics in literacy, arts and history, science, cultural enrichment, and youth and teen issues. At other times, the channel lists current library events, programs, and collections.

The Library is committed to quality service that satisfies the individual and enriches the community.■

Did you know...

...the Library used over 8,200 volunteer hours in 2012 to assist with the Friend's "Used But Sterling Bookstore," Library programs, and book repairs?

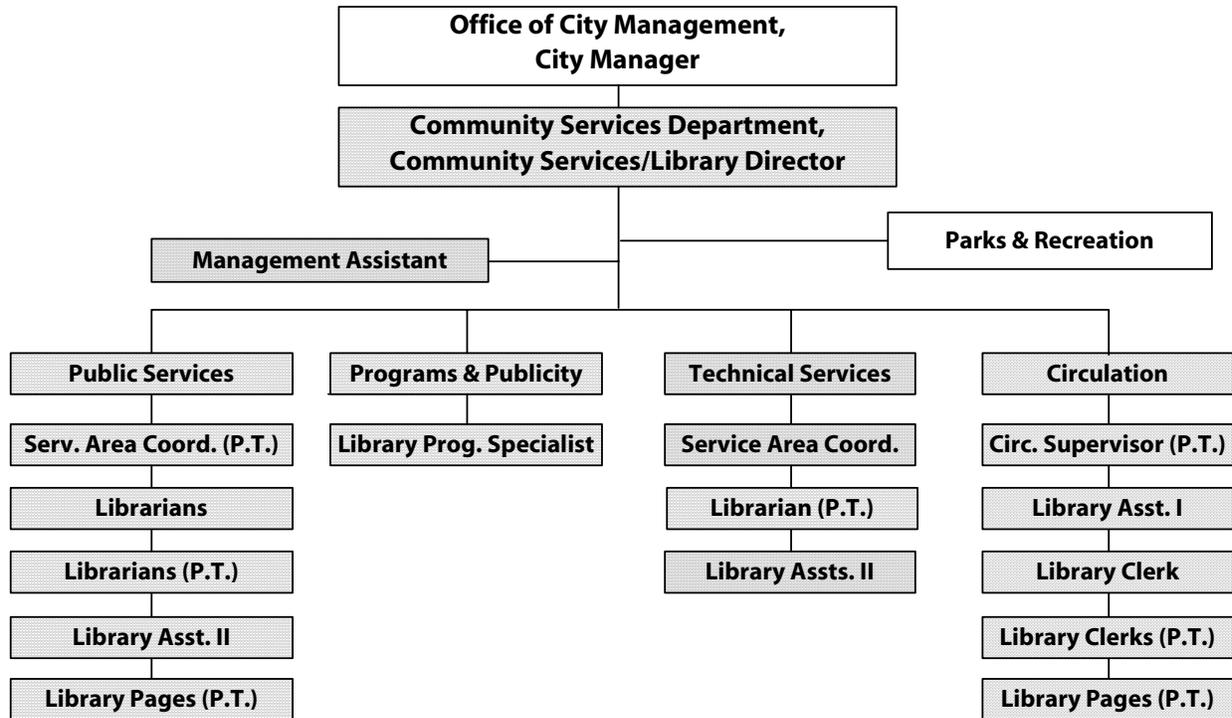
Library

2013/14 PERFORMANCE OBJECTIVES

1. To continue to foster an environment of creativity to preserve quality of life services. (City Goal 26, 27)
2. To seek grants, community partnerships, and other sources of revenue to improve core library services. (City Goal 21, 26)
3. To coordinate the establishment of and organize a Friends of the Parks & Recreation group. (City Goal 14, 19, 26, 27)
4. To reorganize and label all Juvenile and Young Adult fiction and series collections to make them more accessible to residents. (City Goal 26)
5. To conduct resident focus group meetings to determine the future direction of Community Services' resources. (City Goal 19)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Library Registered Borrowers	53,114	53,181	52,733	52,500	51,500	51,000
	Annual Library Attendance	560,035	484,259	453,690	460,000	400,000	400,000
	Total Collection of Library Materials (Excl. magazines)	240,644	242,580	250,609	242,000	252,000	254,000
	Items Circulated	627,496	614,905	600,445	600,000	580,000	570,000
	Program Attendance	31,664	23,184	22,168	20,000	19,000	18,000
	Reference & General Information Requests	131,039	120,873	93,243	90,000	81,000	80,000
	Hours of Library Operations Weekly	57.5	57.5	57.5	57.5	57.5	57.5
	Materials Added to Collection	22,485	19,830	20,424	16,000	18,000	18,000
	In-Library Use of Materials	93,714	107,155	133,539	110,000	120,000	115,000
	Items Processed for Loan to Other Libraries	105,692	87,255	82,094	80,000	80,000	78,000
	Items Processed for Receipt from Other Libraries	110,778	97,588	93,068	90,000	90,000	92,000
	Online & Electronic Database Usage	583,260	610,054	768,815	775,000	850,000	900,000
	Outreach Loans by Library Van	7,909	7,367	4,547	3,000	4,000	4,000
	Hours of Library Cable Programming	3,650	3,650	3,650	3,650	3,650	3,650
Efficiency & Effectiveness	Registered Borrowers as a % of Population	41%	41%	41%	40%	40%	39%
	Library Materials per Capita	1.87	1.89	1.93	1.86	1.94	1.95
	Circulation of Materials per 1,000 Population	4,883	4,785	4,629	4,615	4,462	4,368
	% of Hold Material Requests Filled within 30 days	77%	77%	78%	75%	78%	75%
	% of Material Reshelfed within 24 hours	97%	97%	96%	97%	97%	97%
	Full-time Equivalent Staff Per 1,000 Population	0.24	0.24	0.22	0.21	0.21	0.18
	Library Material Acquisition Costs Per Resident	\$1.59	\$1.48	\$1.42	\$1.32	\$1.29	\$1.24
	Library Cost Per Capita	\$21.16	\$20.52	\$19.62	\$19.08	\$18.73	\$18.01
	Total Cost Per Library Registered Borrower	\$51.19	\$49.59	\$48.26	\$47.25	\$47.27	\$46.08
	Activity Expenditures as % of General Fund	3.15%	3.01%	2.92%	2.99%	3.00%	2.90%

Library



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Community Services/Library Director	1	1	1
Library Service Area Coordinator	2	2	1
Library Service Area Coordinator (P.T.)	0	0	1
Library Programming Specialist	1	1	1
Librarian	7	5	2
Librarian (P.T.)	6	7	8
Circulation Supervisor	1	1	0
Circulation Supervisor (P.T.)	0	0	1
Management Assistant	1	1	1
Library Assistant II	3	3	3
Library Assistant I	1	1	1
Library Clerk	1	1	1
Library Clerk (P.T.)	5	5	5
Library Page (P.T.)	10	10	10
Total	39	38	36

Library

SUMMARY OF BUDGET CHANGES

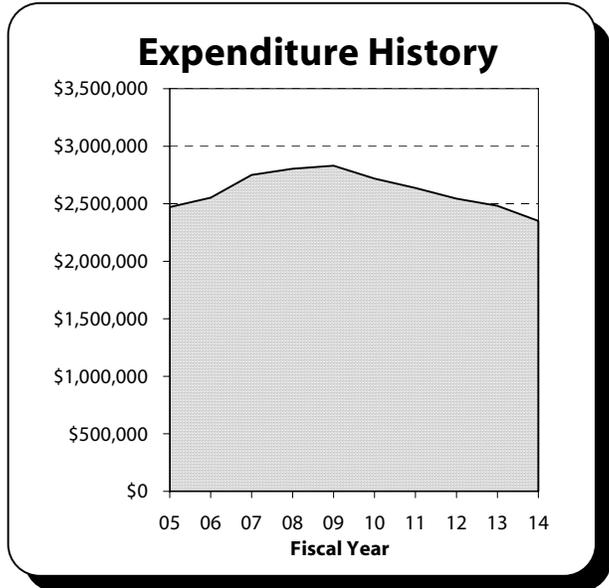
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 5.3%.

Personnel Services – The total Personnel budget decreased by \$112,560 or 5.5%. Savings occurred due to the retirement of five full-time positions. Funding has been added for three new part-time positions, as well as 3,000 additional annual hours for the existing part-time Librarian staff. Funding for pension obligations rose \$57,730, while an additional \$4,200 is budgeted for retiree medical liabilities.

Supplies – Total Supplies decreased \$6,180 or 3.4%. \$5,830 was saved, as fewer library books, publications, and audio-visual materials will be purchased. Operating supply costs decreased \$280, as fewer patron library cards will be needed.

Other Charges – Total Other Charges decreased \$11,960 or 4.7%. \$12,770 was saved in copier rental costs, as the City purchased four copiers in the prior year. In addition, circulation software can be removed from a vacant staff computer. Heating costs fell by \$7,000 due to a larger savings than anticipated from a more energy-efficient Library boiler. Contracted services decreased \$3,770, as the ancestry genealogical database subscription will be discontinued. Telephone costs fell \$2,800 due to a recent cost-saving modification made to the City's Internet data lines. Membership costs increased \$6,690, primarily due to an increase in the Library Cooperative membership fee, which is tied to higher state aid.



Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$2,098,407	\$2,043,590	\$2,006,580	\$1,931,030	\$1,931,030
Supplies	201,152	183,140	183,040	176,960	176,960
Other Charges	245,416	254,140	244,790	242,180	242,180
Total	\$2,544,975	\$2,480,870	\$2,434,410	\$2,350,170	\$2,350,170

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

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

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

The Special Events program provides special events and cultural activities throughout the year. Annual events include the Halloween Party, A Sterling Christmas, Music in the Park, TeenFest, Sterlingfest, Daddy/Daughter Dance, Dance Recital, and Mother/Son event.

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

A Summer Playground Program is conducted at neighborhood schools throughout the City for children ages 5 to 14. This program offers sports, crafts, field trips, and much more.

Teens can participate in most programs offered including TeenFest and the Teen Volunteer program. The Nature Services Program offers individuals, families, and groups an opportunity to discover and learn more about our environment. The programs include school lectures, nature walks, nature talks, exhibits, lecture series and more.

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

The Senior Citizens Program provides a variety of recreational activities such as trips, dances, athletics, etc. Some of the special services available

KEY GOALS

- *To offer high quality recreation services and programs to our residents to benefit their overall health and well-being.*
- *To continue the vision of park and facility development providing new and/or improved recreation opportunities for our residents of various ages, interests and abilities as per the Department's Master Plan.*
- *To provide positive play opportunities to the youth and teens of our community through wholesome and well-rounded programs and recreational venues.*
- *To closely monitor our parks and facilities to ensure a safe and clean environment for the resident users.*

to our senior residents include transportation and medical services.

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

The Community Development Block Grant (CDBG), Schoenherr Towers Housing Commission (low-income senior housing) and Section 8 Housing Choice Voucher (low-income family housing) programs are also administered through Parks & Recreation.■

Did you know...

...that in 2012 Parks & Recreation collected over 1,500 non-perishable items at two special events and donated the food items to local food banks?

Parks & Recreation

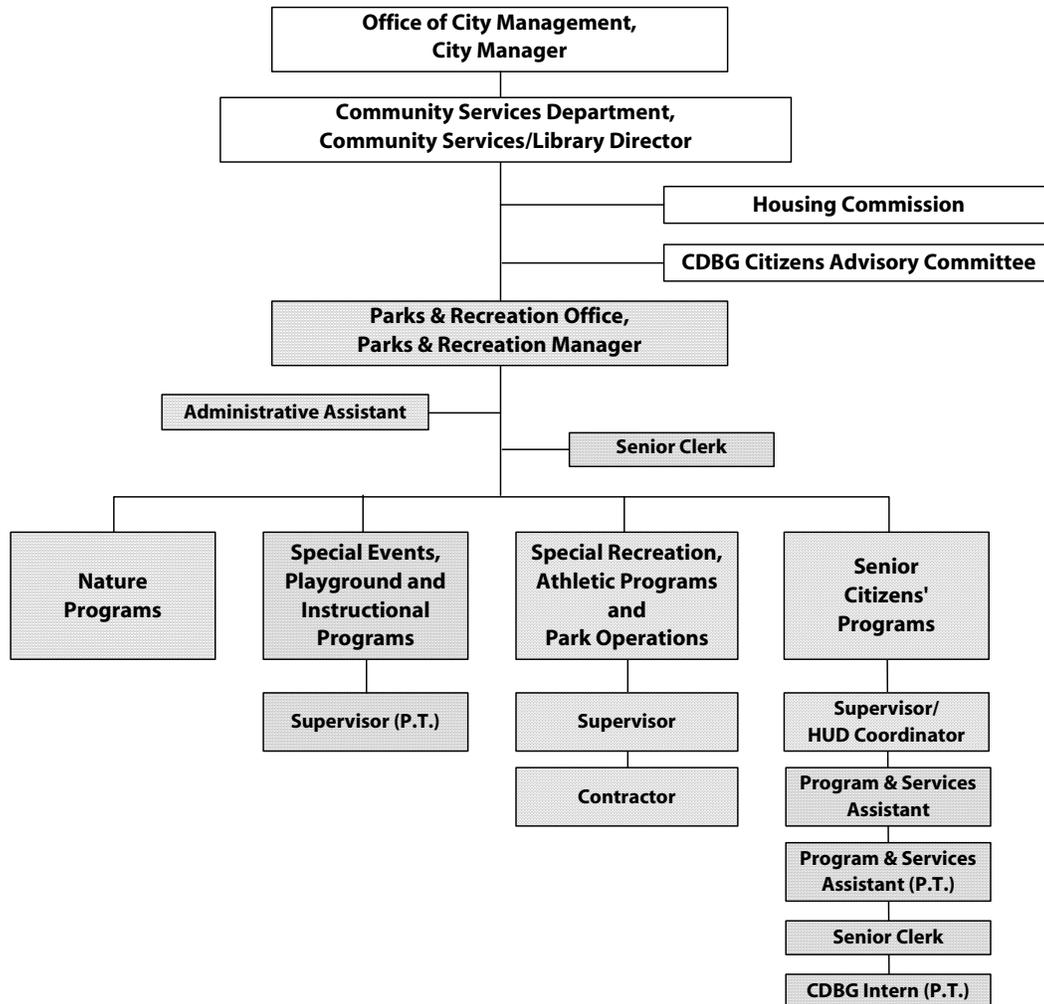
2013/14 PERFORMANCE OBJECTIVES

1. To identify and implement one new service sharing opportunity with another municipal organization. *(City Goal 2)*
2. To obtain grant funding to replace the field lighting at Delia Park. *(City Goal 21)*
3. To utilize an automated phone system at the Nature Center, Senior Activity Center and Recreation Center buildings to improve efficiency and enhance service delivery. *(City Goal 18)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Instructional Class Attendance	27,416	27,736	27,132	28,500	23,150	20,000
	Special Event Participants (Incl. Sterlingfest Entertain.)	65,551	72,321	62,015	70,000	52,240	66,000
	Special Recreation Program Attendance	11,351	10,803	10,766	11,050	9,580	9,000
	Adult & Youth Athletic Attendance	27,032	25,593	24,550	27,000	39,130	27,000
	Nature Program Participants	27,708	23,374	21,318	22,000	17,530	17,000
	Teen Only Program Attendance	697	654	724	740	700	700
	Number of Internet Registrations	2,623	3,076	2,846	3,000	2,750	2,600
	Summer Playground Registrations	562	611	731	570	620	620
	Park Playground Equipment Replaced	0	1	0	0	0	1
	Senior Center Activities Attendance (Incl. Transport.)	117,570	102,577	103,663	101,000	103,380	103,000
	Community Center Special Activity Use Attendance	9,139	9,114	7,395	8,000	6,250	6,600
	Senior & Special Recreation Transportation Riders	24,849	22,559	20,029	23,000	22,640	22,500
	# of CDBG Home Rehab Applications Received	17	12	16	20	16	18
	Low/Middle Income Res. Assisted w/CDBG Funds	3,694	3,612	1,849	3,600	3,600	2,500
	Housing Commission Meetings Attended	24	26	29	36	38	36
	Efficiency & Effectiveness	P & R Revenue Earned per Capita	\$3.77	\$3.84	\$4.12	\$3.92	\$3.92
% of Refunds Due to Dissatisfaction		1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Developed Park Acres per 1,000 Residents		6.4	6.4	6.3	6.3	6.3	6.3
% of Park Acres Developed		85.4%	85.4%	85.4%	85.4%	85.4%	85.4%
FTE's per 100,000 Pop. (Incl. Parks & Grounds Maint.)		37	36	32	27	30	30
Nature Center Cost per Visitor		\$6.76	\$7.56	\$6.98	*	*	*
Senior & Special Rec. Transportation Cost per Rider		\$13.49	\$14.05	\$14.35	*	*	*
Department Cost per Capita		\$15.78	\$15.29	\$14.99	\$14.22	\$14.41	\$13.41
Activity Expenditures as % of General Fund		2.35%	2.25%	2.23%	2.23%	2.31%	2.16%

* Cost is calculated for "Actual" columns only.

Parks & Recreation



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Parks & Recreation Manager	1	1	1
Recreation Supervisor/ HUD Coordinator	0	0	1
Recreation Supervisor	5	4	1
Recreation Supervisor (P.T.)	0	0	1
Administrative Assistant	1	1	1
Program & Services Assistant	1	1	1
Program & Services Assistant (P.T.)	0	0	1
Senior Clerk	2	2	2
CDBG Intern (P.T.)	0	0	1
Lead Bus Driver	1	1	0
Total	11	10	10

Parks & Recreation

SUMMARY OF BUDGET CHANGES

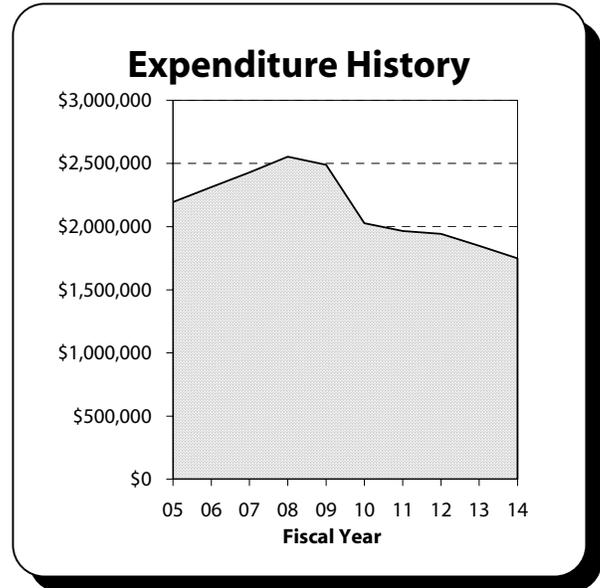
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 5.3%.

Personnel Services – The total Personnel budget decreased by \$139,300 or 9.3%. The savings is due to the retirement of four full-time positions. A full-time and a part-time CDBG position, formerly budgeted in Planning, will now assist this office. An additional \$45,000 is funded for contractual services to run Special Recreation and prepare department newsletters. The budget includes additional funding for a part-time Recreation Supervisor and additional bus driver and clerical staff hours, partially offset by savings from fewer gymnastics classes. As a result of reduced staff, the City’s participation in the Treasure Hunters Market, Youth Golf League, and Coffeehouse Concerts will be curtailed.

Supplies – Total Supplies decreased \$3,230 or 4.7%. \$2,930 was saved, as fewer office and program supplies will be needed. Postage costs fell \$300 due to reduced mailings.

Other Charges – Total Other Charges increased \$44,310 or 15.8% primarily for the contractual services to oversee the Special Recreation program and produce department newsletters. \$8,660 was added for a contractor to care for the Nature Center animals, additional funding for popular yoga and Zumba classes, and increased Adult Softball umpire assigner costs. \$7,900 was saved, as the maintenance and support for registration software will now be paid on an as-needed basis.

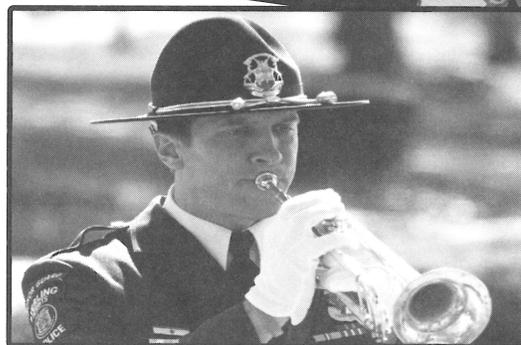


Capital – This office is scheduled to receive 22 personal computers to replace the existing six-year old units at the Nature Center, Senior Center, and Parks & Recreation office. Repairs to the Ben Hadley playground equipment are funded in the Land and Water Conservation fund, while repairs to Beaver Creek Park are included in the CDBG budget.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,590,935	\$1,499,800	\$1,528,880	\$1,360,500	\$1,360,500
Supplies	70,103	68,080	65,000	64,850	64,850
Other Charges	282,843	280,540	279,500	324,850	324,850
Total	\$1,943,881	\$1,848,420	\$1,873,380	\$1,750,200	\$1,750,200

Police Department



FUNCTIONAL ORGANIZATION CHART

Police Department

Police Administration

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

Police Investigations

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

Police Operations

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

Police Support Services

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

DEPARTMENT AT A GLANCE

Police Department

BUDGET SUMMARY

The Police budget decreased by \$259,250 or 0.8%. Personnel costs fell \$621,190 or 2.0% due primarily to the elimination of three vacant full-time and four part-time positions. A vacant Lieutenant position is no longer funded in Operations, while an additional Police Officer has been assigned to Investigations. In Support Services, a vacant Data Analyst position has been eliminated as warrant processing will be transferred to the Court. In addition, the new E-ticketing system, the closing of the Records counter on Fridays, and the continued access of online reports have resulted in greater efficiencies. A vacant full-time Animal Control position will be filled with a part-time position. Four vacant part-time Dispatcher positions are no longer

funded due to the difficulty of training and filling these positions. Savings was achieved from new employee labor contracts, including a reduction in overtime costs and lower required funding for Police & Fire pensions. Total Supplies fell \$1,500 or 2.0%. Other Charges rose \$363,440 or 33.4% primarily to fund the one-time unused leave time bank payouts for the Dispatcher's when they transition to Macomb County at the end of the year. The Capital budget funds only six replacement high mileage patrol and traffic vehicles and the forfeiture purchase of replacement vehicle equipment, detective computers, Special Response Team lockers, and an online resident reporting and information computer system.

FUNDING LEVEL SUMMARY

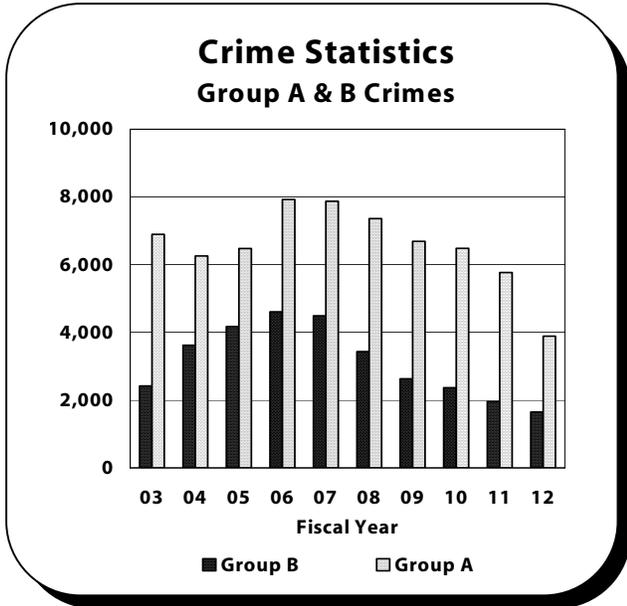
	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
Police Administration	\$2,990,520	\$3,042,380	\$3,165,150	\$3,138,840	-0.8%
Police Investigations	6,176,120	6,268,090	5,745,610	5,652,760	-1.6%
Police Operations	19,679,700	19,971,990	20,132,410	19,653,840	-2.4%
Police Support Services	3,502,360	3,546,890	3,337,410	3,675,890	10.1%
Emergency Management	134,990	151,390	0	0	0.0%
Total Department	<u>\$32,483,690</u>	<u>\$32,980,740</u>	<u>\$32,380,580</u>	<u>\$32,121,330</u>	<u>-0.8%</u>
Personnel Services	\$31,651,540	\$31,828,780	\$31,217,080	\$30,595,890	-2.0%
Supplies	92,590	68,380	73,850	72,350	-2.0%
Other Charges	739,560	1,083,580	1,089,650	1,453,090	33.4%
Total Department	<u>\$32,483,690</u>	<u>\$32,980,740</u>	<u>\$32,380,580</u>	<u>\$32,121,330</u>	<u>-0.8%</u>

PERSONNEL SUMMARY

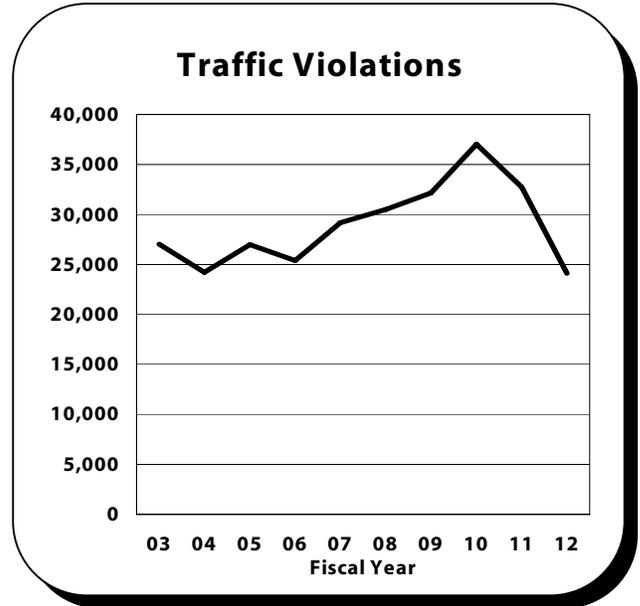
	2010/11		2011/12		2012/13		2013/14	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Police Administration	16	0	13	0	13	0	13	0
Police Investigations	38	0	38	0	32	0	33	0
Police Operations	125	30	120	30	115	30	113	30
Police Support Services	38	5	35	6	32	6	30	3
Emergency Management	1	0	1	0	0	0	0	0
Total Department	<u>218</u>	<u>35</u>	<u>207</u>	<u>36</u>	<u>192</u>	<u>36</u>	<u>189</u>	<u>33</u>

KEY DEPARTMENTAL TRENDS

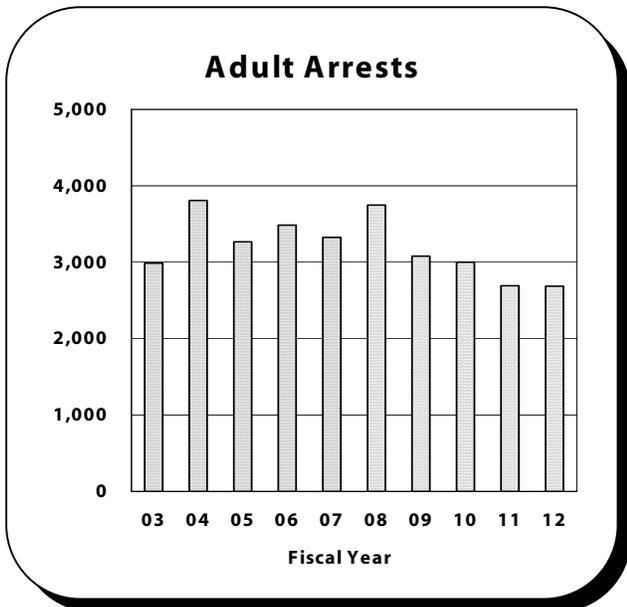
Police Department



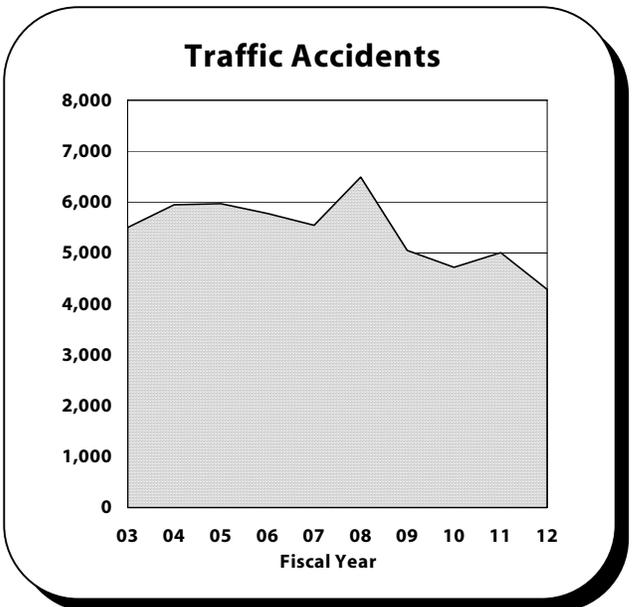
Both Group A and Group B crimes have decreased over the past six years. As a result, the City's total crime statistics are at their lowest level in ten years. Group A crimes include murder, robbery, burglary, car theft, damage to property, larceny, and retail fraud. Group B crimes include assault, family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



Traffic violations rose as the department initiated a multi-faceted strategy to increase traffic enforcement by concentrating on high accident areas and those locations where residents have expressed a concern. Additional officers also became radar certified. Over the past three years, however, violations have declined back to 2004 levels.



This graph reflects the number of incidents where an arrest occurred in 2003. Beginning in 2004, the City's new computer system is able to record the total number of arrests in the City and can pick-up multiple arrests that may occur in a single incident. Arrests have now fallen in the past four years to their lowest level in ten years as a result of declining crime statistics.



Despite an increase in traffic over the past ten years due to the growth in the City and in the surrounding northern communities, traffic accidents have decreased to a 10-year low.

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

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

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

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

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

The Division's Community Services Bureau provides public education in the areas of crime prevention, personal safety, and child protection.

Through a variety of training and educational mediums, the Training Bureau identifies training needs and provides officers with the necessary equipment to effectively perform their jobs.

The Administrative Captain and the Police Administration staff prepare the annual budget, monitor and process all expenditures, oversee audits and are responsible for the Department's inventory. This Division also administers personnel matters and processes the Department's payroll. ■

KEY GOALS

- *To provide leadership, coordination and support to the Department's four divisions.*
- *To conduct thorough investigations on prospective City employees, liquor license applicants, and any internal allegations of serious misconduct.*
- *To provide staff training in various areas of law enforcement to reduce liability and improve services.*
- *To provide public education in areas of crime prevention, personal safety, and child protection.*
- *To coordinate special projects that will provide for a more effective and efficient service to the public.*
- *To coordinate crime fighting efforts with other law enforcement agencies, utilizing the latest in crime analysis software and technology.*

Did you know...

...the Police Training bureau is responsible for training the 93 Community Emergency Response Team (CERT) volunteers in CPR, First Aid, Search and Rescue, Disaster Preparedness, Light Fire Suppression, and other issues pertaining to disaster responses?

Police Administration

2013/14 PERFORMANCE OBJECTIVES

(Administration)

- To provide enhanced CPR and AED training to officers by using SIMS-AID training simulators, which replicate real life medical emergency conditions. (City Goal 25)
- To train the Community Emergency Response Team (CERT) members in disaster first aid so they can assist at large-scale events that may occur within the City. (City Goal 25)
- To research and fully evaluate the next model of Police patrol and traffic vehicles to purchase. (City Goal 5, 6, 19)
- To increase and develop the ability of officers to recognize and mitigate threats through the use of the newly acquired MILO training simulator, CAPS live fire simulator, and stress simulated live fire drills. (City Goal 25)
- To seek and apply for grants in an effort to fund technology and equipment upgrades. (City Goal 21)
- To formulate an officer development training plan to assist in the future turnover of Police Command staff. (City Goal 7, 17)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Public Education Programs Presented	451	152	70	30	12	11
	Car Seat Inspections Conducted	140	6	0	0	0	0
	Security/Safety Presentations	201	60	6	10	6	5
	Neighborhood Watch Programs	52	53	51	15	8	6
	Elementary and Middle School Programs	58	33	13	5	5	5
	Hours of D.A.R.E. Instruction	1,798	956	0	0	0	0
	General Orders Issued or Amended	20	74	37	20	2	5
	School Safety Program - Students Impacted	3,326	3,326	3,000	150	50	50
	Training Seminars Attended - Department-wide	239	209	261	150	95	100
Efficiency	FT Staff to Workers Comp./Disability Claims Ratio	7.5:1	3.9:1	2.7:1	9.0:1	4.6:1	5.0:1
	% of D.A.R.E. Students Completing Program	99%	99%	N/A	N/A	N/A	N/A

Police Administration

2013/14 PERFORMANCE OBJECTIVES

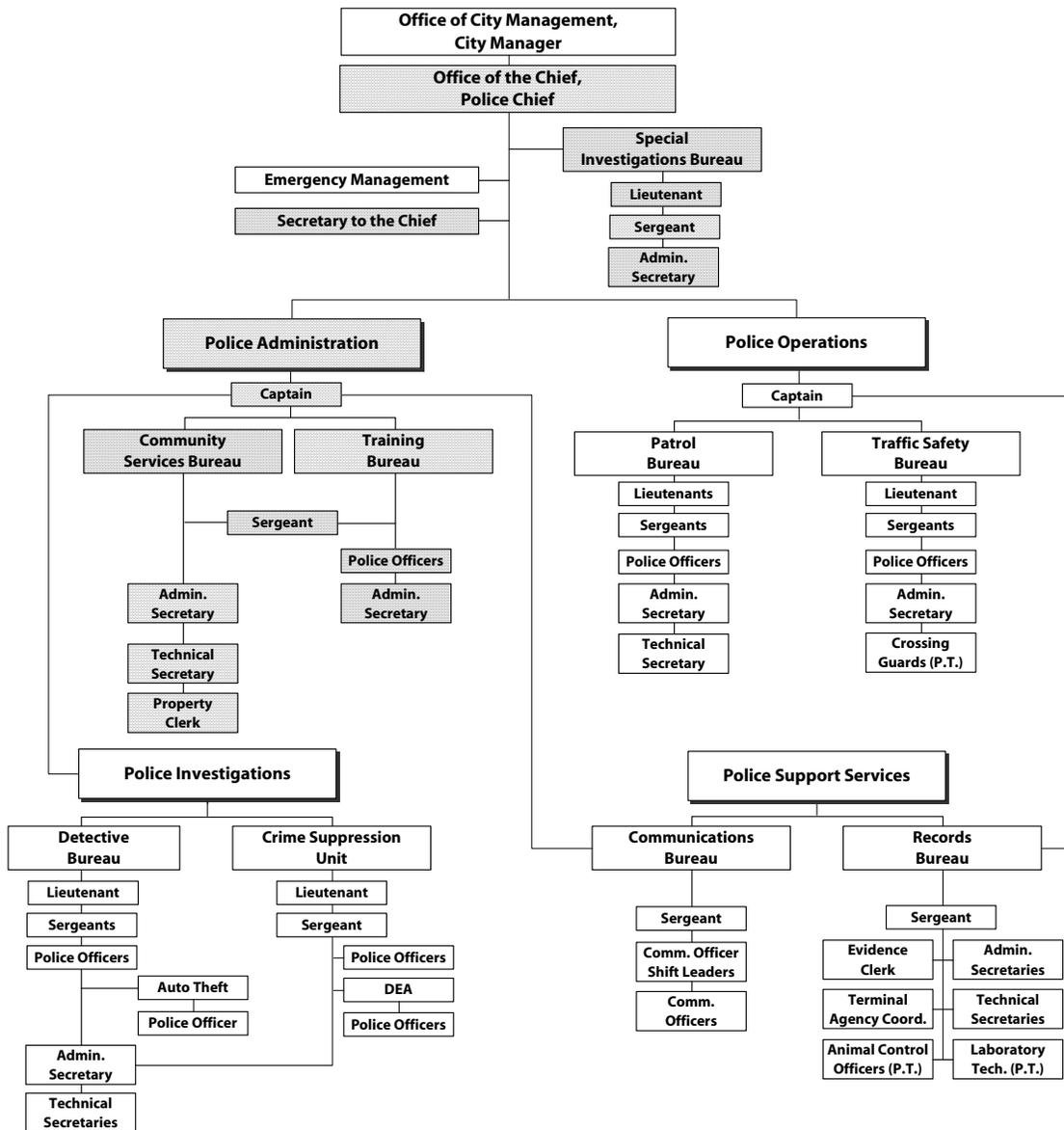
(Special Investigations)

1. To institute procedures for allowing a minor offense by an officer to be investigated by his immediate supervisor with the responsibility, discipline and monitoring of the investigation remaining with the Office of the Chief. *(City Goal 2)*
2. To develop procedures and amend existing General Orders to allow utilization of the Michigan State Police to investigate an officer's use of deadly force to assure the public a fair and impartial investigation is conducted. *(City Goal 2, 3)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Employment Background Investigations	9	54	76	25	80	60
	Internal Affairs Investigations	14	13	9	15	12	10
	Liquor License Background Investigations	21	25	19	22	8	15
	Other Special Investigations Bureau Investigations	1,315	1,440	1,090	1,300	1,325	1,300
	Liquor & Tobacco Inspections/Observations	153	249	406	210	312	300
	Liquor License Violations	11	3	14	25	25	20
	Citizen Observer Web-based Alert System Recipients	N/A	N/A	847	800	804	850
Efficiency & Effectiveness	Employment Background Investigations - % Hired	22%	65%	82%	55%	88%	80%
	# of Sustained Complaints per 100 Officers	1.1	4.4	3.9	0.0	4.1	0.0
	Average Cost of an Administrative Investigation	\$508	\$495	\$569	*	*	*
	Average Liquor License or Tobacco Inspection Cost	\$117	\$106	\$88	*	*	*
	Department Cost per Capita	\$246	\$253	\$254	\$249	\$245	\$246
	Division Expenditures as % of General Fund	3.24%	3.42%	3.49%	3.82%	3.83%	3.88%

* Cost is calculated for "Actual" columns only.

Police Administration



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Chief	1	1	1
Captain	1	1	1
Lieutenant	1	1	1
Sergeant	2	2	2
Police Officer	2	2	2
Secretary to the Chief	1	1	1
Administrative Secretary	3	3	3
Technical Secretary	1	1	1
Property Clerk	1	1	1
Total	13	13	13

Police Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

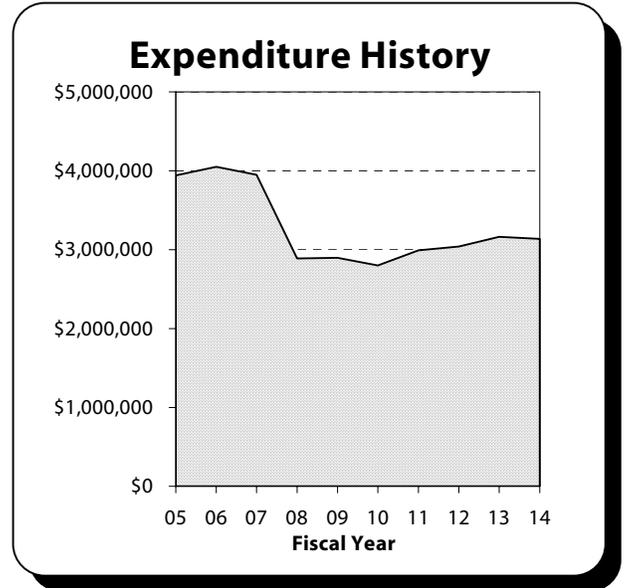
The total budget decreased by 0.8%.

Personnel Services – The total Personnel budget decreased \$48,250 or 2.4%. The budget reflects the wage and benefit savings achieved from the recent Police Officers and Police Clerical union contracts. Overtime costs fell by \$15,000. The City’s actuarially required contribution to the Police & Fire Pension System declined by \$45,300. An additional \$6,520 is budgeted for retiree health care liabilities.

Supplies – Total Supplies decreased \$1,500 or 2.0%, as funding for operating supplies and dog care supplies both can be reduced and brought more in line with recent expenditure levels.

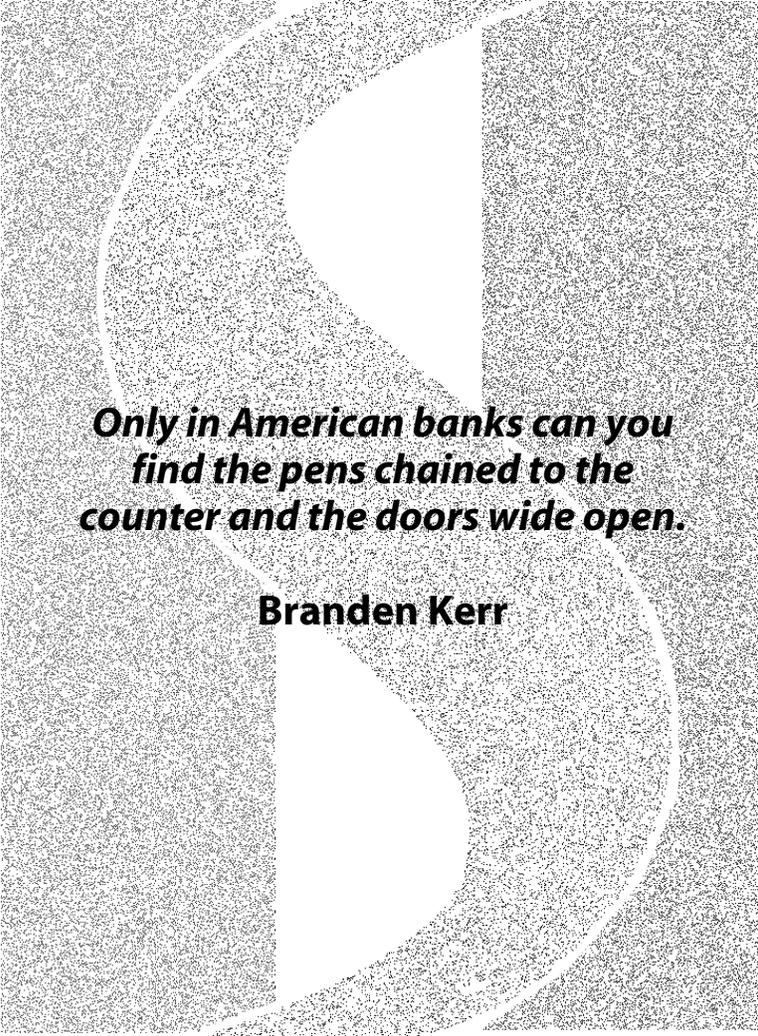
Other Charges – Total Other Charges increased \$23,440 or 2.2%. Contracted services rose \$33,000 primarily due to higher Detention Facility contract costs. The increase was partially offset by lower LEIN fees and wireless laptop connection fees. Funding for State radio user fees decreased, as more will be funded with forfeiture monies. Utility costs increased \$16,500 based on recent expenditure trends. Telephone costs fell \$18,000 due to a recent cost-saving modification made to the City’s Internet data lines. Equipment maintenance costs decreased \$6,200, as security camera repairs, E-ticketing software maintenance, and radar repairs will be paid with forfeiture monies.

Capital – There is no Capital proposed for this division.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,905,830	\$2,003,920	\$1,963,500	\$1,955,670	\$1,955,670
Supplies	68,319	73,850	69,250	72,350	72,350
Other Charges	1,068,227	1,087,380	1,079,530	1,110,820	1,110,820
Total	\$3,042,376	\$3,165,150	\$3,112,280	\$3,138,840	\$3,138,840



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

Branden Kerr

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

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

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

The Youth Bureau examines all law violations involving persons 16 years of age and younger, and works closely with the students, teachers and administrators of the secondary schools. The Youth Bureau is also responsible for the investigation and subsequent prosecution of all cases involving child abuse and neglect. The Youth Bureau also has a school resource officer assigned to Sterling Heights High School and a community resource officer responsible for providing crime prevention education and serving as liaison for the Neighborhood Watch, Child Watch, Citizens on Patrol (COPS), and other community groups.

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

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

The investigators assigned to this Division continually pursue training in all aspects of criminal investigation including: interviewing, legal update,

KEY GOALS

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

violent crimes and the utilization of computers as investigative tools. This training is necessary to maintain and enhance the skills of the investigators.

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

Did you know...

...the Police Investigations division has detectives who are specially trained in arson investigation, motor vehicle theft, computer crimes, financial crimes, fugitive recovery, interview and interrogation, and polygraph operations?

Police Investigations

2013/14 PERFORMANCE OBJECTIVES

1. To work with the Utica Community School District to increase the police presence in each high school by having a uniformed Youth Bureau Detective assigned to the school each day. (City Goal 1, 14, 24)
2. To increase the memberships of the Citizens on Patrol program and Neighborhood Watch program by conducting quarterly meetings. (City Goal 24)

	Performance Indicators	2009/10	2010/11	2011/12	2012/13	2012/13	2013/14
		Actual	Actual	Actual	Budget	Estimate	Budget
Output	Total Detective Bureau Cases Assigned	4,497	4,537	4,585	4,190	4,300	4,390
	Adult Investigative Cases	3,149	3,391	3,444	3,110	3,200	3,280
	Juvenile Investigative Cases	956	795	759	745	750	760
	In-Custody Cases	392	351	382	335	350	350
	Total Crime Suppression Unit Cases Assigned	425	493	483	470	480	490
	Auto Theft Investigative Cases	126	175	141	165	170	170
	Narcotic/Vice Investigative Cases	299	318	342	305	310	320
	Total Interviews Conducted	25,228	26,019	27,350	24,615	26,080	26,470
	Suspect Interviews	5,961	5,891	5,726	5,550	5,630	5,700
	Witness & Informant Interviews	10,872	11,550	12,709	10,985	12,130	12,500
	Victim Interviews	8,395	8,578	8,915	8,080	8,320	8,270
	Arrest Warrants Obtained	2,048	1,864	1,884	1,760	1,810	1,860
	Search Warrants Obtained/Executed	1,038	857	542	810	580	610
	Polygraph Examinations Conducted	31	41	24	33	16	12
	Criminal Surveillances	911	1,213	1,554	1,445	1,450	1,500
	Federal Forfeiture Cases Processed	26	121	100	115	122	115
	State Forfeiture Cases Processed	63	55	62	53	56	58
	School Resource Officer - # of Hours at Schools	1,450	1,450	1,450	1,450	1,450	1,450
	# of Students Served by School Resource Officer	1,650	1,650	1,650	1,650	1,650	1,650
	COPS Program Participants	N/A	25	24	30	30	30

Police Investigations

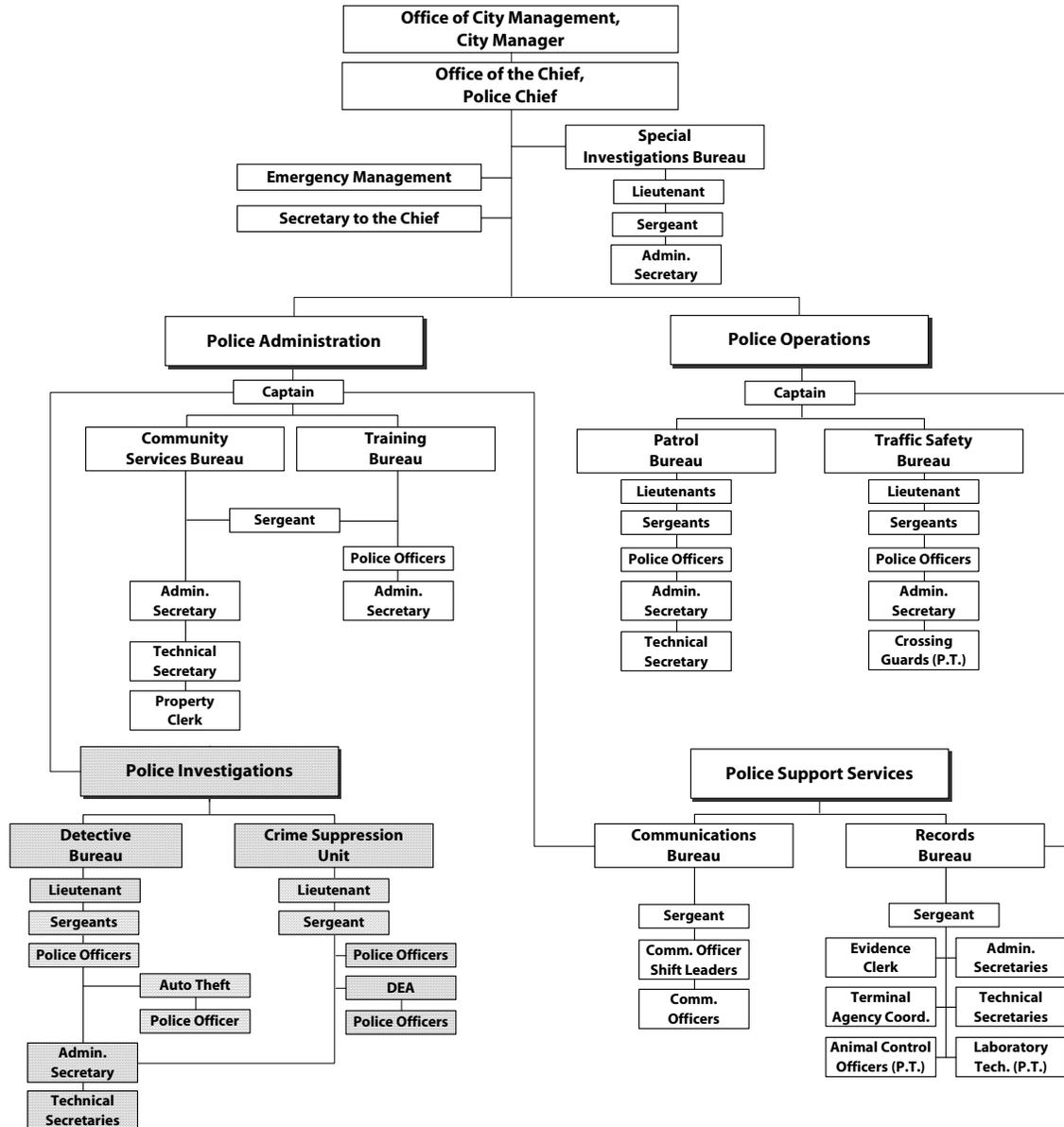
2013/14 PERFORMANCE OBJECTIVES

3. To educate the public about the hazards associated with growing medical marijuana and to aggressively enforce the laws pertaining to it. (City Goal 24)
4. To conduct a review of old case files, close any that can be closed, and forward them to Records for archiving. (City Goal 2)

	Performance Indicators	2009/10	2010/11	2011/12	2012/13	2012/13	2013/14
		Actual	Actual	Actual	Budget	Estimate	Budget
Efficiency & Effectiveness	% of Petitions Obtained vs. Requested	98%	98%	97%	98%	96%	96%
	% of Arrest Warrants Obtained vs. Requested	91%	92%	90%	92%	91%	91%
	Detective Bureau Cases per Investigator	250	252	254	262	269	274
	Crime Suppression Unit Cases per Investigator	71	82	81	78	80	98
	% of Part 1 Violent Crimes Cleared	49.2%	57.0%	49.5%	54.0%	56.0%	58.0%
	Part I Violent Crimes Cleared Per Sworn Dept. FTE	0.6	0.6	0.6	0.8	0.9	0.9
	Juvenile Arrests Violent Crimes - % of Total Arrests	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	% of Part 1 Property Crimes Cleared	29.8%	29.0%	17.0%	25.0%	30.0%	30.0%
	Part I Property Crimes Cleared Per Sworn Dept. FTE	4.9	4.3	2.9	4.0	4.7	4.3
	Juvenile Arrests Property Crimes - % of Total Arrests	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	Car Theft Ratio Per 1,000 Population	1.0	1.4	0.8	1.2	1.3	1.3
	Average Cost to Conduct a Polygraph Examination	\$341	\$328	\$361	*	*	*
	Average Cost to Investigate a Case	\$518	\$513	\$507	*	*	*
	Division Expenditures as % of General Fund	6.81%	7.06%	7.19%	6.93%	7.03%	6.98%

* Cost is calculated for "Actual" columns only.

Police Investigations



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Captain	1	0	0
Lieutenant	2	2	2
Sergeant	4	4	4
Police Officer	27	23	24
Administrative Secretary	2	1	1
Technical Secretary	2	2	2
Total	38	32	33

Police Investigations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

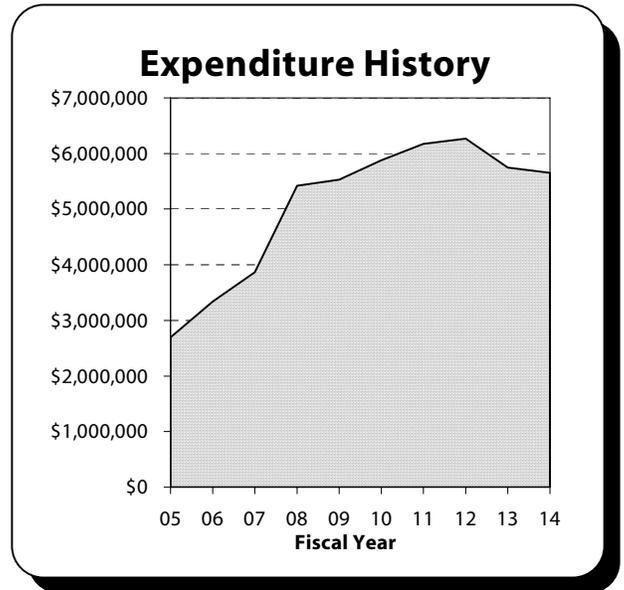
The total budget decreased by 1.6%.

Personnel Services – The total Personnel budget decreased \$92,850 or 1.6%. An additional Police Officer position has been assigned to this division from Police Operations. The budget reflects the wage and benefit savings achieved from the recent Police Officers’ contract, including a \$125,000 reduction in overtime costs. Further savings were achieved with a decrease in the City’s actuarially required contribution to the Police & Fire Pension System, which fell \$163,060. An additional \$18,200 is budgeted to fund retiree medical liabilities.

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

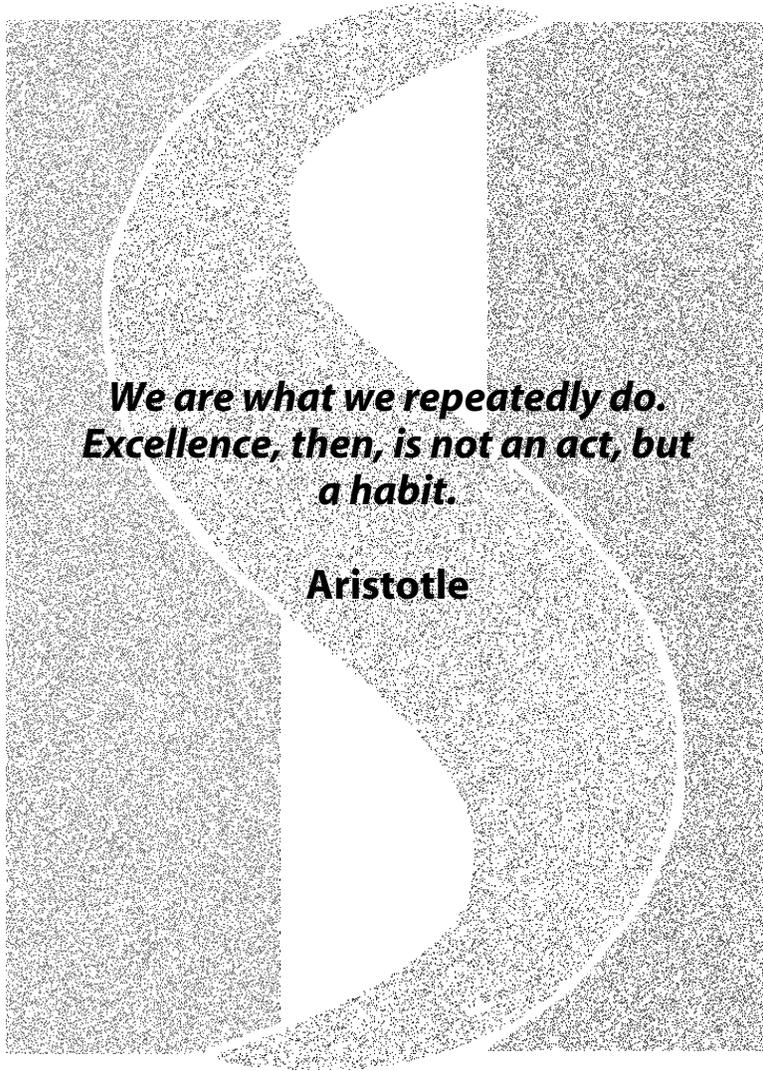
Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses. Funding will remain the same at \$950.

Capital – Total Capital of \$25,100 is proposed for this division and budgeted in the Public Safety Forfeiture Fund. \$21,000 is for 23 personal computers to replace the existing six-year old units. \$4,100 is for an Electronic Evidence Extraction Device Upgrade, which will allow extraction of data and information from the new generation of cellular smart phones.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$6,267,147	\$5,744,660	\$5,704,620	\$5,651,810	\$5,651,810
Supplies	0	0	0	0	0
Other Charges	940	950	950	950	950
Total	\$6,268,087	\$5,745,610	\$5,705,570	\$5,652,760	\$5,652,760



***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 include maintaining peace, ensuring order at public gatherings, enforcing State and City laws and ordinances, and mediating disputes.

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

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

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

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

KEY GOALS

- *To suppress criminal activity; respond to crimes and emergencies; conduct preliminary investigations; and collect forensic evidence.*
- *To enforce compliance with State laws, traffic laws, and local ordinances; and to arrest or cite violators as necessary.*
- *To provide prompt and efficient service to the public.*
- *To provide a safe environment for vehicular and pedestrian traffic by implementing effective traffic safety strategies and providing traffic and pedestrian safety information.*

Did you know...

...the Police Operations division has three K-9 officers trained in narcotic detection, suspect tracking and apprehension, article searching, and missing or lost persons tracking?

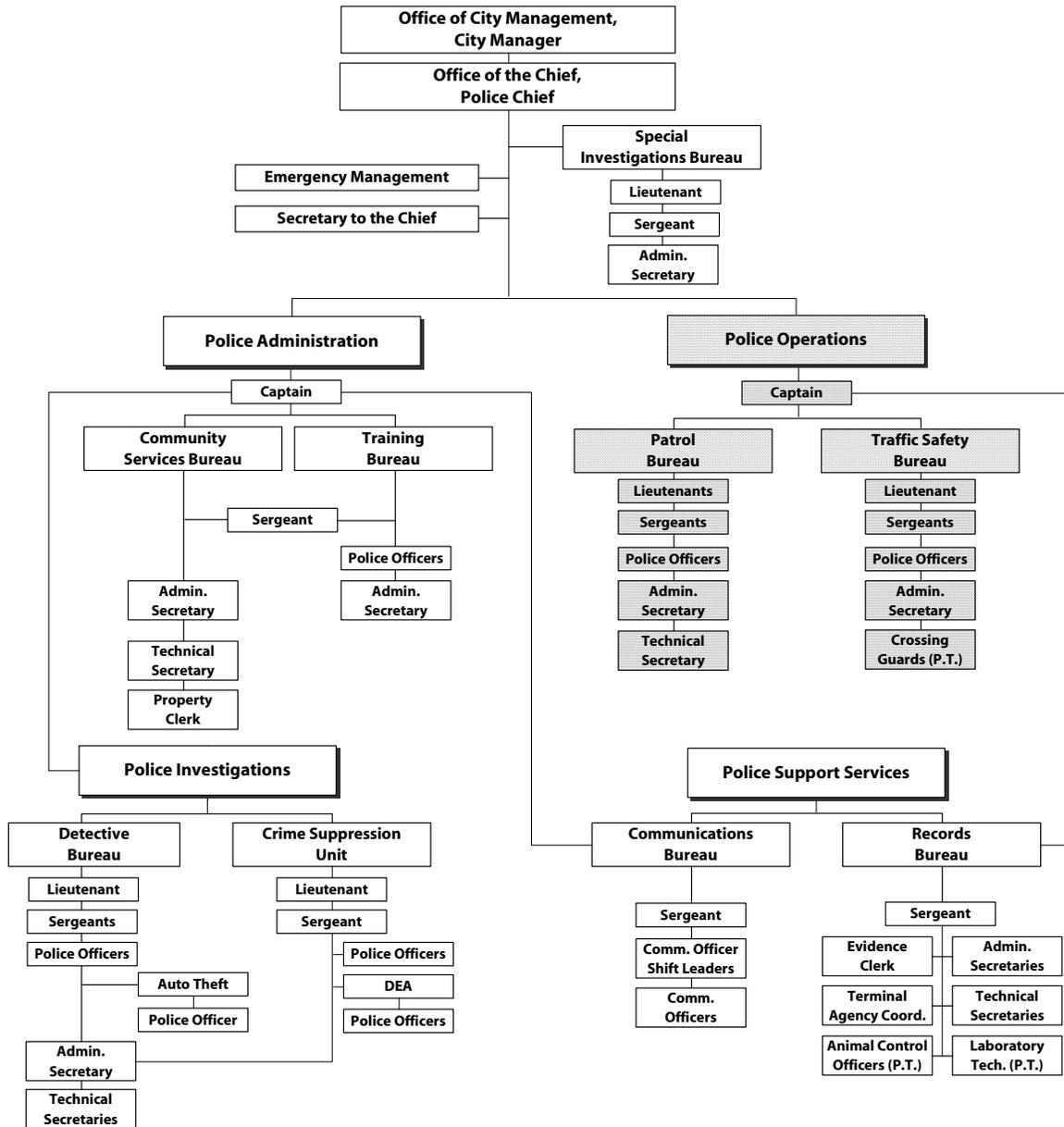
Police Operations

2013/14 PERFORMANCE OBJECTIVES

1. To create an online database that includes details of medical alerts, addresses, and emergency contacts of persons living in the City who suffer from certain maladies, thus assisting in their quick identification when called to assist those individuals. *(City Goal 25)*
2. To remodel the Operations desk and Police lobby to provide enhanced security for officers and citizens. *(City Goal 6, 25)*
3. To create a consortium of several area agencies in order to enhance inter-operability among the agencies' SRT/SWAT units, which will increase the possibility of grant funding based on regionalization. *(City Goal 21, 25)*
4. To work with neighboring jurisdictions to identify high traffic crash and heavy traffic locations and allocate resources for increased traffic enforcement in order to reduce the number of traffic crashes. *(City Goal 25)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Police Incident Reports Completed	47,769	53,488	54,839	53,400	51,900	53,500
	Group A Crime Reports	6,484	5,769	3,890	6,000	3,700	3,800
	Group B Crime Reports	2,370	1,960	1,652	2,200	1,900	1,850
	Vehicular Accident Reports	3,780	4,154	3,926	4,200	3,900	3,850
	All Other Rpts. (incl. cases prev. not assigned case #)	35,135	41,605	45,371	41,000	42,400	44,000
	Adults/Juveniles Arrested	3,000/173	2,691/159	2,686/143	2,950/200	2,700/190	2,700/190
	Total Traffic Violations Issued	37,022	32,752	24,109	28,500	25,000	26,000
	Motor Carrier Violations Issued	337	441	187	390	190	200
	Residential Traffic Enforcement Violations	2,597	2,340	1,443	2,200	1,450	1,550
	SMART Radar Trailer Deployments	159	133	94	85	130	130
	K-9 Unit Deployments	208	187	287	377	279	270
	OUIL Arrests	394	297	199	255	195	210
	SWAT/SRT Call-outs	1	19	12	14	11	12
Efficiency & Effectiveness	Group A Crimes per 1,000 Population	50.1	44.9	30.0	46.2	28.5	29.1
	Group B Crimes Per 1,000 Population	18.4	15.3	12.7	16.9	14.6	14.2
	% of Productive K-9 Deployments	98%	98%	98%	97%	97%	97%
	# of Incident Reports per Sworn Division Personnel	379	442	465	477	463	486
	# of Injury Traffic Accidents per 100,000 Pop.	548	585	475	600	550	550
	# of Traffic Fatalities Per 100,000 Population	3.9	2.3	3.1	3.9	3.5	3.5
	% of Total Sworn Personnel in Traffic & Patrol	73%	74%	73%	72%	73%	73%
	OUIL Arrests Per 1,000 Residents	3.1	2.3	1.5	2.0	1.5	1.6
	Division Expenditures as % of General Fund	22.39%	22.50%	22.89%	24.28%	24.16%	24.28%

Police Operations



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Captain	1	1	1
Lieutenant	5	5	4
Sergeant	16	16	16
Police Officer	96	90	89
Administrative Secretary	2	2	2
Technical Secretary	0	1	1
Crossing Guard (P.T.)	30	30	30
Total	150	145	143

Police Operations

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

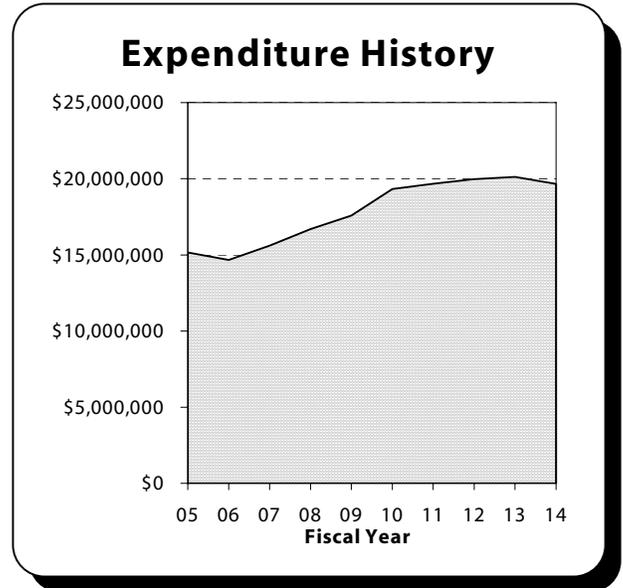
The total budget decreased by 2.4%.

Personnel Services – The total Personnel budget decreased \$478,570 or 2.4%. The overall decrease is a result of a lower actuarially required contribution to the Police & Fire Pension System, which fell \$554,570. An additional \$60,240 is budgeted to fund retiree medical liabilities. Additional savings were achieved from new labor contracts, which included further wage and benefit concessions, including a reduction of overtime costs of \$255,000. One Lieutenant position is proposed to remain vacant due to a retirement, while a Police Officer position has been transferred to Investigations.

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

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

Capital – Total Capital of \$231,000 is proposed. \$153,600 is budgeted to replace six high mileage traffic and patrol vehicles. The department is currently evaluating three new vehicle models. \$77,400 is budgeted in the Public Safety Forfeiture Fund, including \$37,200 for eight replacement In-Car Cameras, \$20,000 for eight replacement Vehicle Equipment Mounts, Light Bars, and Push Bumpers, and \$20,200 for Equipment Lockers for the Special Response Team.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$19,970,544	\$20,131,210	\$19,618,160	\$19,652,640	\$19,652,640
Supplies	0	0	0	0	0
Other Charges	1,450	1,200	1,200	1,200	1,200
Total	\$19,971,994	\$20,132,410	\$19,619,360	\$19,653,840	\$19,653,840

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

The Support Services Division is one of four divisions within the Police Department. The Division commanders are two Sergeants who each report to different Captains. One Captain oversees the Communications Bureau and Emergency Management, while another Captain oversees the Records Bureau and the Animal Control Unit.

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

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

The Computer Services function of the Records Bureau provides for the capture and retrieval of information designated by statute and/or the needs of the Department. The Lab Technician is responsible for processing all photographic evidence. This area assists other City departments in processing photographs and serves as a resource to the Department's Evidence Technicians.

The Communications Bureau is responsible for processing all public requests for service via the 911 emergency system, dispatching the proper police/fire response, monitoring units in the field and obtaining outside resources as needed for various incidents. This Bureau processes information into the L.E.I.N. computer system relating to wanted persons, vehicles and articles. This Bureau handles most of the Department's

KEY GOALS

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

business calls, directing them to the appropriate division.

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

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

Did you know...

...the Communications Bureau is in the process of preparing for the transition to the new Macomb County Dispatch Center in the Spring of 2014?

Police Support Services

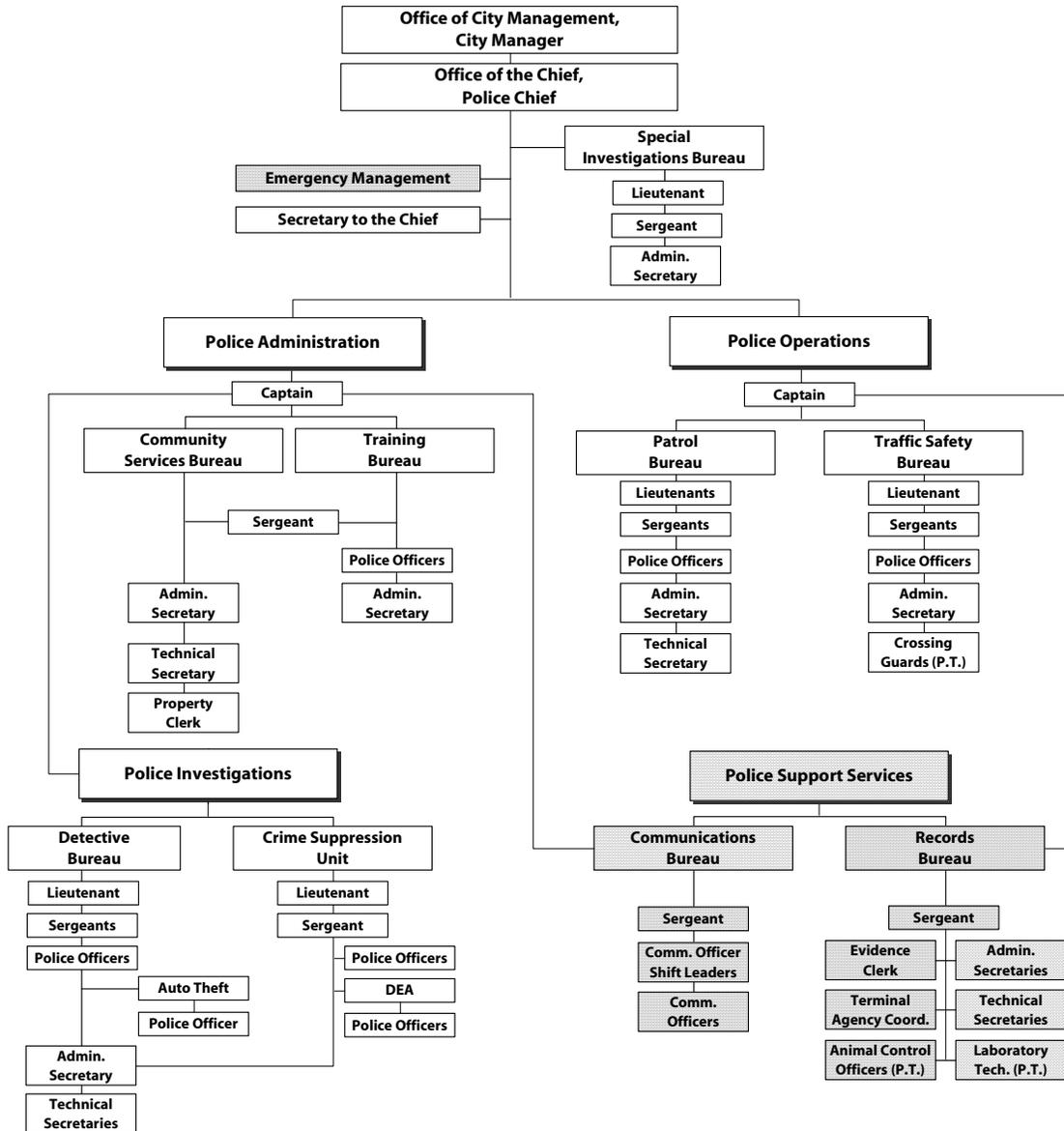
2013/14 PERFORMANCE OBJECTIVES

1. To update the EMNet service database to include newly trained Skywarn Citizen Emergency Response Team (CERT) members so they are able to receive weather related warnings. *(City Goal 25)*
2. To prepare for the Spring 2014 transition of dispatching services to the Macomb County Communications and Operations Center. *(City Goal 2)*
3. To work with the 41-A District Court to redistribute and consolidate certain tasks to increase efficiency in the Records Bureau. *(City Goal 2, 4)*
4. To create and implement a system in which pistol sales records and permits may be returned to the Records Bureau on a 24/7 basis, which will increase citizen convenience and reduce backups at the Records Bureau counter. *(City Goal 6)*
5. To implement an online reporting system through Coplogic that will allow citizens to file certain police reports online versus having a Police Officer come to their residence or them having to come in to the station. *(City Goal 6, 17)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Incidents Processed into Computer	47,769	53,488	54,839	53,400	51,900	53,500
	Police Reports Provided on Request	5,913	7,404	9,767	9,200	10,000	10,000
	Total Calls to 911 (Includes Cellular Calls)	42,261	49,705	64,832	47,070	59,840	62,300
	Gun Permits Obtained	2,350	2,515	3,083	2,700	3,400	3,300
	Responses by Animal Control	2,608	2,255	2,152	2,200	2,100	2,000
	Freedom of Information Act Requests	654	758	497	750	490	500
	Criminal Warrants Processed	3,352	3,005	2,716	3,300	2,500	2,500
	Arrests Processed	3,173	2,850	2,829	3,150	2,890	2,890
	Pieces of Evidence Collected	2,701	2,567	2,641	3,000	2,600	2,600
Efficiency & Effectiveness	% of FOI Requests Responded to within Legal Limits	100%	100%	100%	100%	100%	100%
	Average Animal Control Response Time (Minutes)	35	35	35	35	35	35
	Average Cost of an Animal Control Response	\$39.10	\$41.76	\$31.21	*	*	*
	Average Cost of a FOIA Request	\$24	\$26	\$26	*	*	*
	Dispatch Operations Cost Per Call Dispatched	\$35.78	\$33.71	\$33.23	*	*	*
	Emerg. Responses/EOC Activations/Training Exercises	1	1	1	1	2	2
	Testing & Maintenance of Warning Systems (Hours)	40	20	20	20	20	20
	Division Expenditures as % of General Fund	4.09%	4.00%	4.07%	4.03%	4.04%	4.54%

* Cost is calculated for "Actual" columns only.

Police Support Services



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Sergeant	2	2	2
Communications Officer - Shift Leader	4	4	4
Communications Officer	16	16	16
Emergency Dispatcher (P.T.)	4	4	0
Laboratory Technician	1	0	0
Laboratory Technician (P.T.)	0	1	1
Evidence Clerk	1	1	1
Administrative Secretary	2	3	3
Animal Control Officer	2	1	0
Animal Control Officer (P.T.)	0	1	2
Data Analyst	1	1	0
Terminal Agency Coordinator	1	1	1
Technical Secretary	5	3	3
Co-op (P.T.)	2	0	0
Total	41	38	33

Police Support Services

SUMMARY OF BUDGET CHANGES

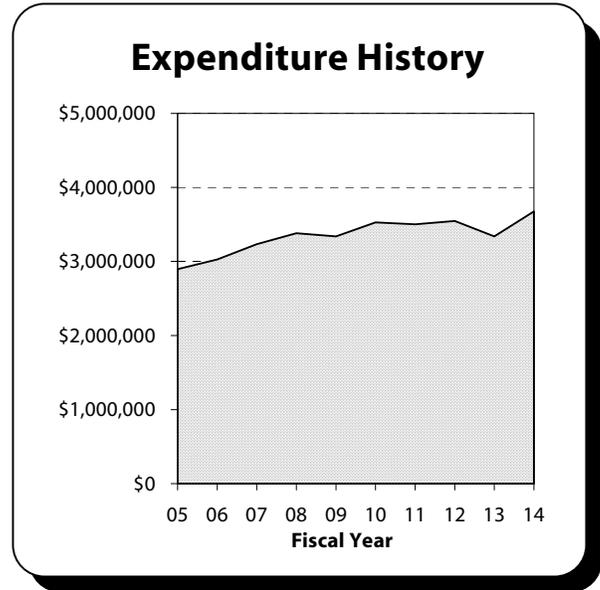
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 10.1%.

Personnel Services – The total Personnel budget decreased \$1,520. The new E-ticketing software system, the closing of the Record’s counter on Fridays, the transfer of warrant processing to the Court, and the continued access of on-line police reports have resulted in greater efficiencies. A vacant full-time Data Analyst position is not funded, while a vacant full-time Animal Control Officer position will become a part-time position. Four vacant part-time Dispatcher positions are no longer funded due to the difficulty of finding and filling these positions now that the Emergency Dispatcher operations will be transferred to the County by the end of the year. The cost to fund the closed General Employee pension plan rose \$95,210, while an additional \$7,750 is budgeted to fund retiree medical liabilities.

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

Other Charges – All Other Charges for the Police Department are budgeted in Police Administration, except miscellaneous expenses, which will remain the same at \$120. \$340,000 is budgeted for the one-time payout of Dispatchers’ unused leave time banks and possible separation costs resulting from the planned transition of dispatching services to the County.



Capital – \$46,580 is budgeted in the Public Safety Forfeiture Fund for an On-line Resident Reporting System that will allow citizens to file certain police reports, pay fees, request appointments, and obtain various police forms and applications online and from a computer in the lobby of the Police Department.

FUNDING LEVEL SUMMARY

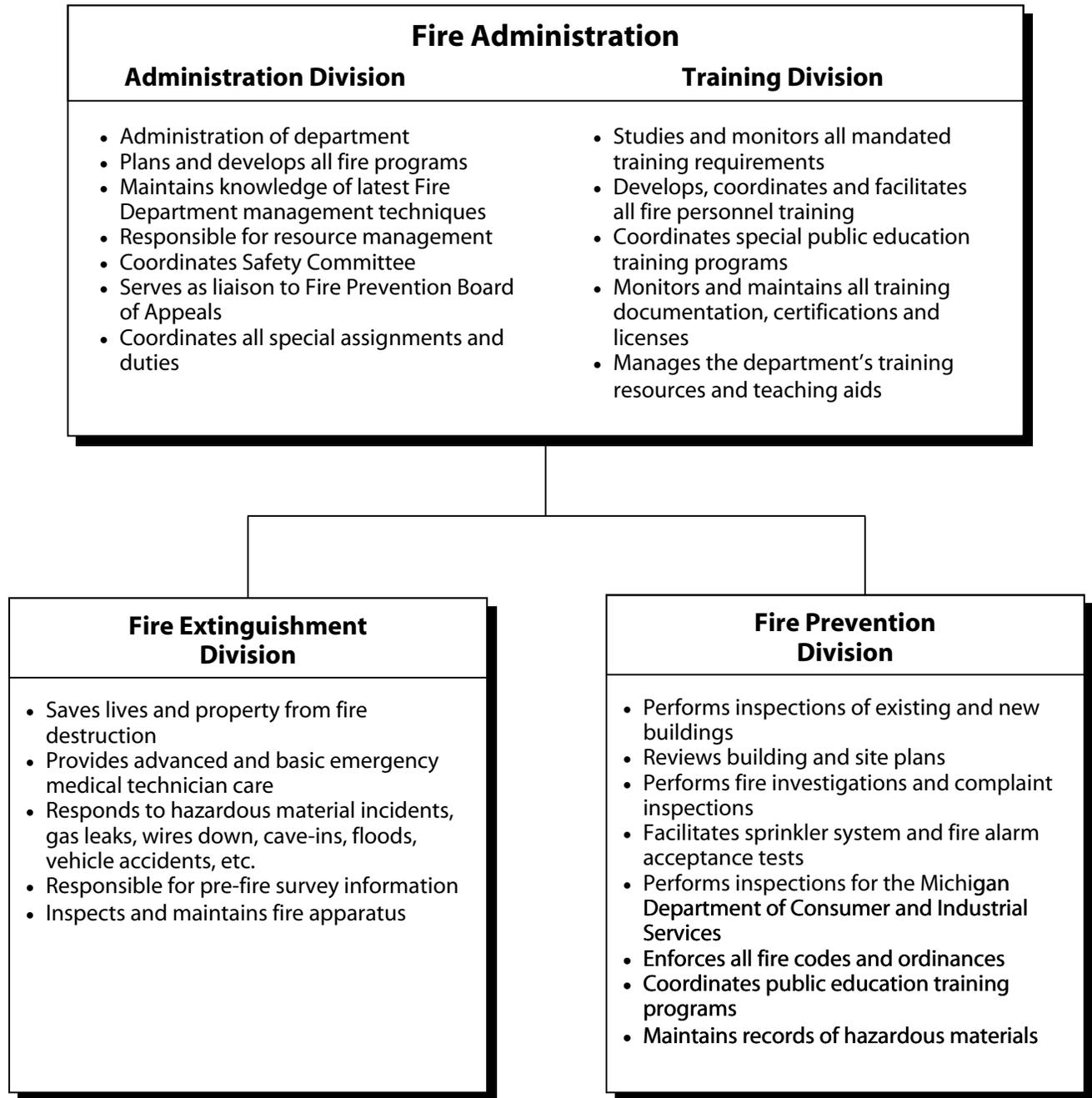
	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$3,546,709	\$3,337,290	\$3,279,640	\$3,335,770	\$3,335,770
Supplies	0	0	0	0	0
Other Charges	180	120	120	340,120	340,120
Total	\$3,546,889	\$3,337,410	\$3,279,760	\$3,675,890	\$3,675,890

Fire Department



FUNCTIONAL ORGANIZATION CHART

Fire Department



DEPARTMENT AT A GLANCE

Fire Department

BUDGET SUMMARY

The Fire Department budget decreased by \$516,400 or 3.0%. Personnel costs fell by \$526,070 or 3.1%. The savings is a result of wage and benefit reductions that were achieved with the new Fire Fighter contract that lowered sick time, longevity, holiday pay, overtime, and medical insurance costs. In addition, Police & Fire pension costs fell for the first time in six years due to the new labor contract savings and the final year of recording 2008 stock market losses. Due to a retirement, one less Fire Fighter position is budgeted, as the department continues to streamline operations by using three-man medic engines which have become a common deployment in other cities. In addition, a vacant clerical position in Fire Administration is no longer funded. The Supplies budget decreased by

\$5,820 or 4.4%, as less turnout gear is needed. Other Charges rose \$15,490 or 3.7%. The increase is the result of new computer software and wireless service charges for a new fire inspection program. Additional funds are also budgeted for grant-funded fire officer training and higher State radio user fees. The Capital budget includes grant funding to replace five electronic medical monitors and cardiac defibrillators that will replace older units that are both worn and obsolete. In addition, twelve hand-held computer tablets are funded which will be used by Extinguishment personnel to assist the two Fire Prevention staff with performing routine fire inspections as a part of the new company inspection program.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
Fire Administration	\$1,431,620	\$1,535,680	\$1,411,260	\$1,388,620	-1.6%
Fire Extinguishment	16,009,530	16,830,110	15,205,350	14,738,450	-3.1%
Fire Prevention	918,880	749,770	713,390	686,530	-3.8%
Total Department	\$18,360,030	\$19,115,560	\$17,330,000	\$16,813,600	-3.0%
Personnel Services	\$17,755,700	\$18,546,990	\$16,774,170	\$16,248,100	-3.1%
Supplies	147,810	134,130	133,760	127,940	-4.4%
Other Charges	456,520	434,440	422,070	437,560	3.7%
Total Department	\$18,360,030	\$19,115,560	\$17,330,000	\$16,813,600	-3.0%

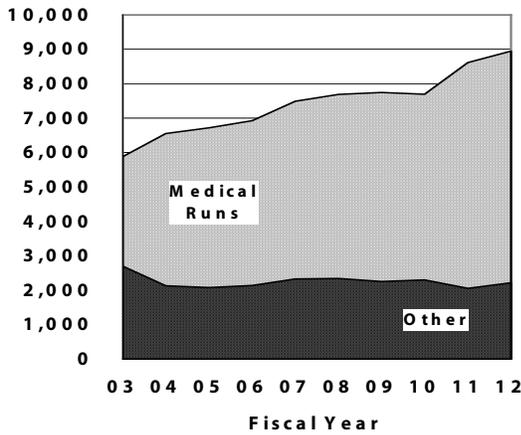
PERSONNEL SUMMARY

	2010/11		2011/12		2012/13		2013/14	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Fire Administration	8	1	9	0	9	0	8	0
Fire Extinguishment	90	0	90	0	77	0	76	0
Fire Prevention	4	0	2	0	2	0	2	0
Total Department	102	1	101	0	88	0	86	0

KEY DEPARTMENTAL TRENDS

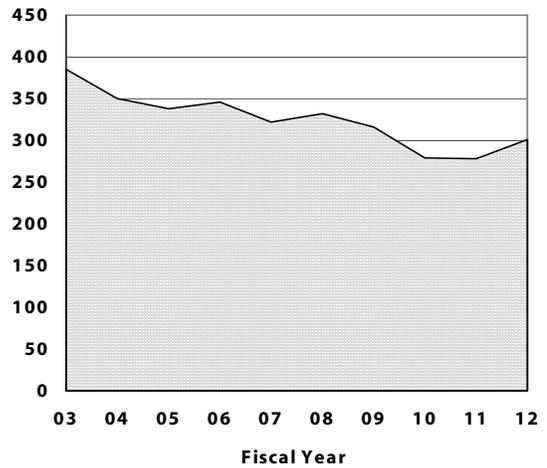
Fire Department

Emergency Medical & Other Incidents



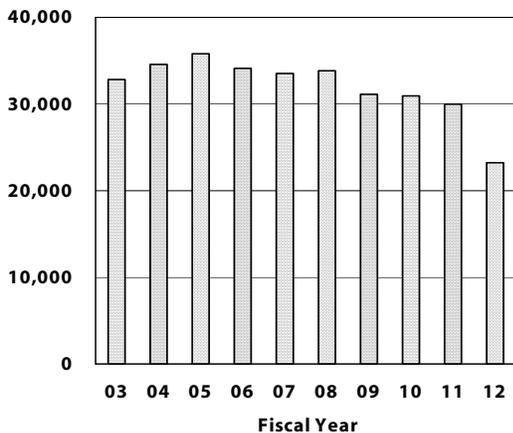
There has been an overall increase in the number of emergency medical runs and other incidents over the past ten years. The City's medical rescue services continue to receive high marks from patients and the survival rate of heart attack victims is one of the best in the nation. 76% of cities nationally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

Fire Incidents



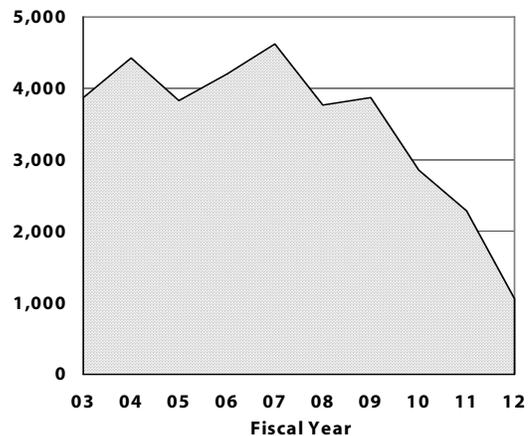
Over the past 10 years, the number of fires has declined by 22%, reaching a low of 278 in 2011. The value of non-residential fire losses is now less than \$450,000, which is below national, state, and county averages. The City currently averages one fire incident every 6 days at each of the City's five fire stations. 63% of cities nationally had higher fire incidents per resident based on a 2010 ICMA survey. Only 10% of communities had a faster average fire response time.

Training Hours Completed



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

Fire Inspections Conducted



Fire inspections declined the past three years due to a decrease in the number of Fire Inspectors. The Department continues to annually inspect the high-risk structures, while routine inspections were changed to a biannual cycle. The Department will also begin limited in-company inspections.

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

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

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

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the Fire Department has members on regional specialty-rescue, hazardous materials, and technical rescue teams that are shared by several communities in the County?

Fire Administration

2013/14 PERFORMANCE OBJECTIVES

(Administration)

1. To ensure a smooth transition of Fire dispatch to the Macomb County Dispatch Center. (City Goal 2, 3, 17)
2. To successfully implement the Company Inspection Program, which will utilize Extinguishment division personnel to perform fire inspections. (City Goal 3, 7, 17, 18, 24)
3. To explore ways to use the Community Emergency Response Team (CERT) to assist in various emergencies. (City Goal 2, 24, 25)
4. To continue to provide a Fire Department Open House at no cost to the City. (City Goal 3, 5, 7, 24)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Incident Reports Reviewed for Quality	10,383	11,062	11,589	11,450	12,280	13,020
	Employee Evaluations Conducted/Tracked	105	101	101	88	88	86
	APPO's and Standard Operating Guidelines Reviewed	120	110	110	110	150	120
	Freedom of Information Act Requests	65	76	62	70	62	70
	Staff/Battalion Meetings Conducted	14	10	12	12	12	12
	Presentations to Civic Groups/Organizations	10	14	14	12	12	12
	Employee/Civilian Citations Processed	4	8	9	6	20	15
	Safety Recommendations Implemented	6	4	5	6	6	6
	Hours of Computer Consultant Services Used	330	320	200	0	130	0
Efficiency & Effectiveness	% of Incident Reports Reviewed for Quality	100%	100%	100%	100%	100%	100%
	% Employee Evaluations Conducted on Time	100%	100%	100%	100%	100%	100%
	% of Service Complaints Responded to w/i 48 Hours	100%	100%	100%	100%	100%	100%
	% of Citizen Inquiries Processed within 72 Hours	100%	100%	100%	100%	100%	100%
	% of Safety Suggestions Acted Upon within 90 Days	100%	100%	100%	100%	100%	100%
	Department Cost Per Capita	\$134	\$143	\$147	\$136	\$131	\$129
	Division Expenditures as % of General Fund	1.54%	1.64%	1.76%	1.70%	1.69%	1.72%

Fire Administration

2013/14 PERFORMANCE OBJECTIVES

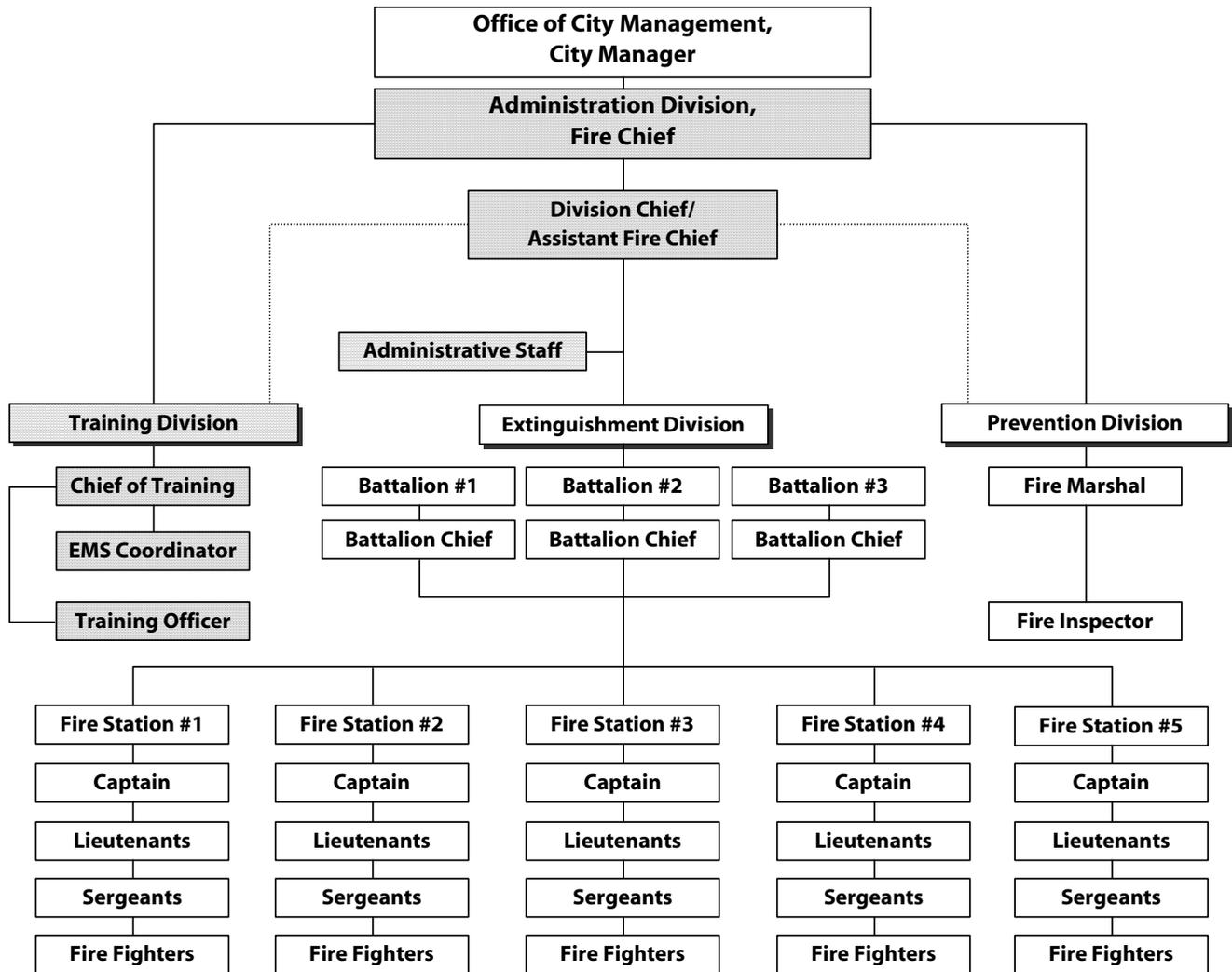
(Training)

1. To establish a comprehensive downed power line training program for Community Emergency Response Team (CERT) members to increase the community's response capabilities following a major event, thus allowing Fire Department personnel to handle other imminent hazards requiring their specialized training. (City Goal 1, 2, 4, 24, 25)
2. To establish a fire prevention and company level inspection program to minimize the risk of life and property loss. (City Goal 24, 25)
3. To establish a comprehensive training program for all Fire Department personnel utilizing the New World Systems' Aegis Fire Records Management System. (City Goal 1, 2, 3, 4, 5, 6, 17, 18)
4. To establish a comprehensive company officer professional development program which follows NFPA 1021 standards to ensure safe and effective operations of handling fires and emergency situations. (City Goal 1, 25)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Total Formal Training Hours Coordinated	30,955	29,986	23,230	25,430	28,380	27,600
	Hours of Fire Officer Training	765	472	376	410	2,280	2,500
	Hours of EMS Training	4,146	4,086	3,130	3,490	2,200	2,200
	Hours of Fire Suppression Training	9,244	8,872	6,159	7,500	7,500	7,500
	Hours of Hazardous Material Training	1,520	1,240	485	1,480	2,000	1,500
	Hours of Professional Development Training	1,187	688	417	980	1,320	800
	Hours of Physical Fitness Training	10,223	9,500	8,806	8,040	8,200	8,200
	Hours of Technical Rescue Training	790	458	278	660	880	900
	Hours of All Other Training	3,080	4,670	3,579	2,870	4,000	4,000
	Residents Receiving Formal Public Education	359	405	519	500	350	600
	Individuals Receiving CPR Instruction	656	587	59	60	60	60
	Paramedic/EMT License Applications Processed	38	26	28	33	38	32
	Procedures Developed and Updated	37	32	31	41	42	40
	Efficiency & Effectiveness	Days of Work Lost Due to Injury	78	127	116	61	95
Sworn Pers. to Workers Comp/Disability Indemnity		50.5:1	99:1	97:1	84:0	84:0	83:0
% of Right-to-Know Training Completed		100%	100%	100%	100%	100%	100%
Avg. Training Hrs. Received per Sworn Personnel		306	303	239	303	338	333
Training Division Cost per Fire Fighter		\$3,458	\$3,509	\$3,047	*	*	*

* Cost is calculated for "Actual" columns only.

Fire Administration



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Fire Chief	1	1	1
Division Chief/Assistant Fire Chief	1	1	1
Chief of Training	1	1	1
EMS Coordinator	1	1	1
Training Officer	1	1	1
Management Assistant	1	2	2
Administrative Assistant	2	1	1
Senior Clerk	1	1	0
Total	9	9	8

Fire Administration

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

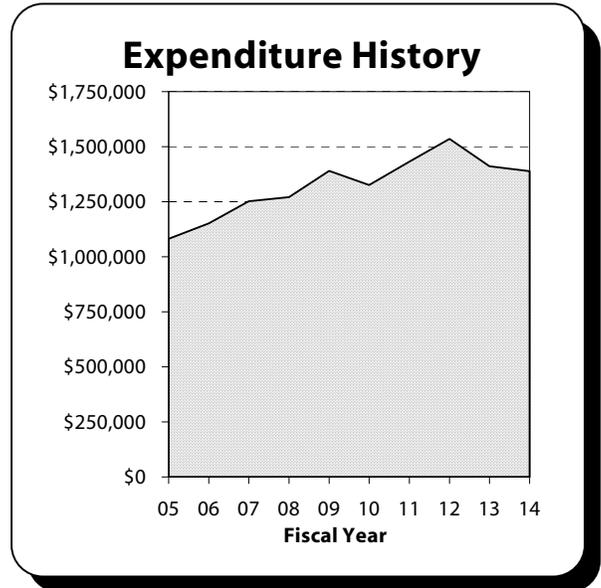
The total budget decreased by 1.6%.

Personnel Services – The total Personnel budget decreased \$52,660 or 3.9%. Police & Fire pension costs fell by \$32,800 or 15.3%. Due to a retirement, one fewer clerical position is recommended to be funded. An employee electing to discontinue receiving the health insurance allowance and a rate increase has resulted in an \$18,350 increase in medical insurance costs.

Supplies – Total Supplies decreased \$60 or 0.3%. Funding decreased \$1,010, as fewer operating supplies will be purchased. Publication costs increased \$850 for the one-time purchase of inspection code books needed for the new Company Inspection Program. Postage costs rose \$100 based on recent actual expenditure trends and a postal rate increase.

Other Charges – Total Other Charges increased \$30,080 or 67.9%. \$19,500 was added for New World software fees and \$3,650 for wireless service for the new Company Inspection computer tablets. The training budget increased \$4,650 for grant-funded Fire Officer training. \$3,000 was added to the budget for higher State radio user fees. \$640 was saved, as fewer medical testing services will be required due to a reduction in staffing.

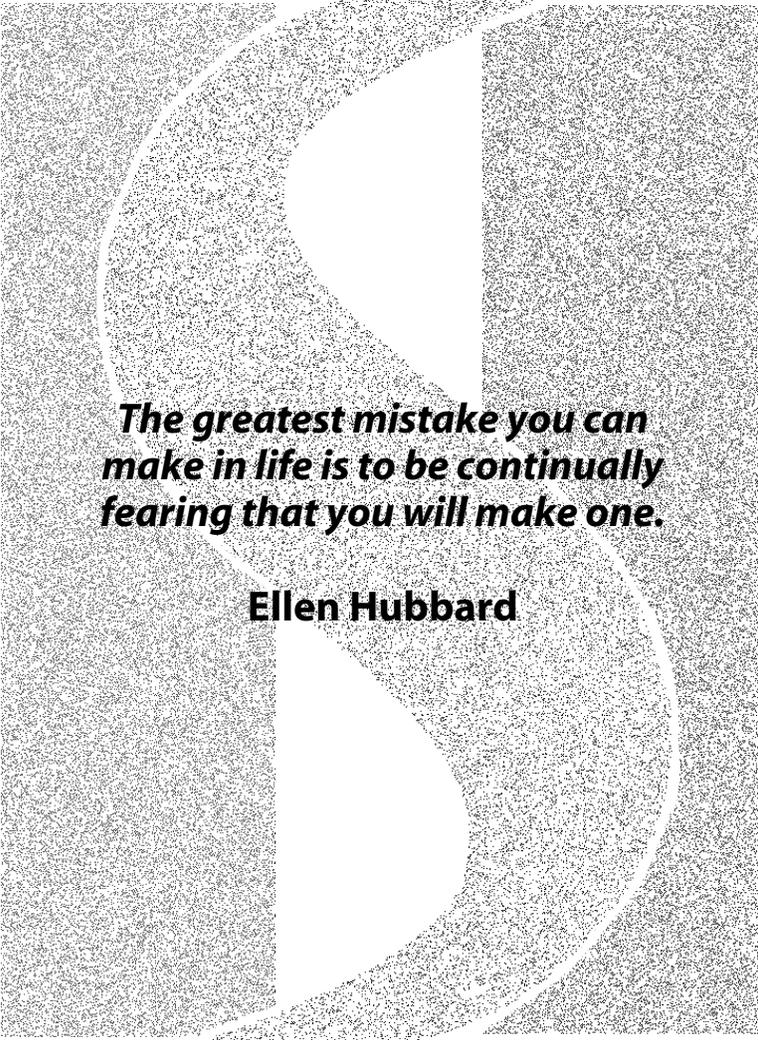
Capital – Total Capital of \$19,000 is proposed for 12 Computer Tablets that will be used by Extinguishment personnel to assist Fire Prevention with performing routine fire inspections as part of the Company



Inspection Program. The sale of outdated EKG monitors will fund this purchase.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,445,286	\$1,345,360	\$1,285,840	\$1,292,700	\$1,292,700
Supplies	21,493	21,600	21,700	21,540	21,540
Other Charges	68,905	44,300	62,050	74,380	74,380
Total	\$1,535,684	\$1,411,260	\$1,369,590	\$1,388,620	\$1,388,620



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

Ellen Hubbard

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

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

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the Fire Department has advanced computer mapping of all City addresses inside every emergency response vehicle, which allows for reduced response times to all areas of the City?

Fire Extinguishment

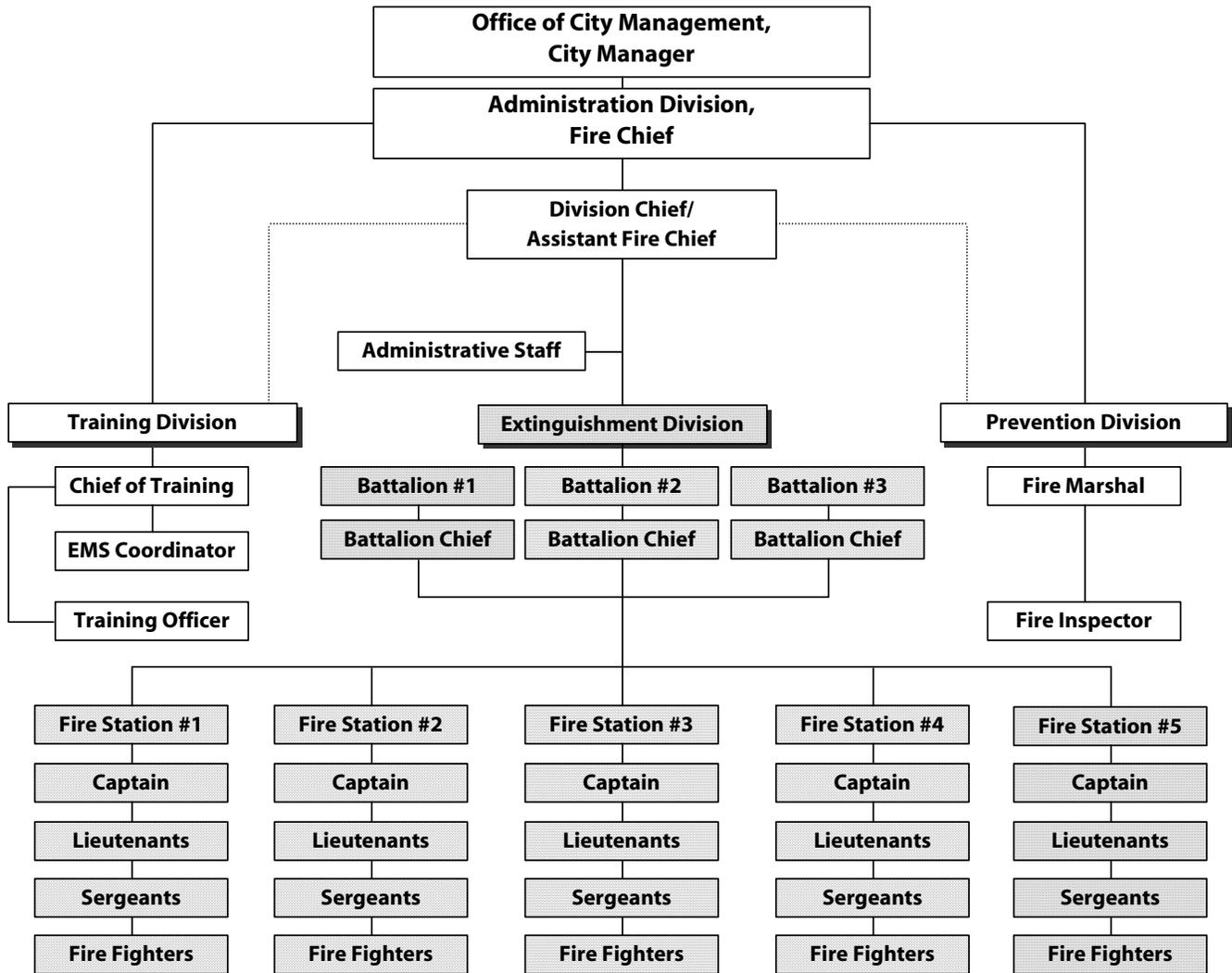
2013/14 PERFORMANCE OBJECTIVES

1. To develop and implement an in-service company fire inspection program. *(City Goal 3, 24)*
2. To fully implement and utilize the New World system for daily operations to effectively and efficiently deliver service. *(City Goal 5, 6, 17, 18)*
3. To electronically capture all hydrants in the City for use with the City's GIS mapping system. *(City Goal 3, 7)*
4. To develop and implement a comprehensive department succession plan. *(City Goal 3, 7)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Total Fire Department Incidents	10,383	11,062	11,589	11,430	12,280	13,020
	EMS-Related Incidents	7,693	8,617	8,948	8,500	9,480	10,050
	Hazardous Material Incidents	109	111	125	130	130	140
	Fire Incidents	279	278	301	300	320	340
	All Other Incidents	2,302	2,056	2,215	2,500	2,350	2,490
	ALS Patients	3,202	3,998	4,115	3,800	4,360	4,620
	BLS (Priority 3) Patients	4,444	4,586	4,724	4,600	5,010	5,310
	All Other EMS Patients	122	129	143	150	150	160
	Mutual Aid Provided/Received	4/4	10/0	12/0	20/5	30/10	36/12
	Students Receiving Fire Safety Tours	5,644	4,782	4,496	3,000	3,100	3,100
	Hours Spent on Vehicle/Station Maintenance	11,656	12,122	11,621	13,000	11,730	11,800
Efficiency & Effectiveness	Average Service Time per Fire/ALS Incident (Hr.)	1.3/0.9	1.2/0.8	1.0/0.7	1.2/0.9	1.1/0.8	1.1/0.8
	Fire Fighter Injuries/Deaths	24/0	10/0	11/0	0/0	0/0	0/0
	Civilian Fire Related Injuries/Deaths	19/0	12/0	7/0	0/0	19/0	0/0
	% of Emg. Incidents Responded w/i 5 Min. Fire/EMS	87%/77%	74%/78%	79%/72%	78%/76%	72%/74%	70%/72%
	Average EMS Response Time - Minutes	4.5	4.7	4.8	4.7	5.0	5.0
	Average Cost of an EMS Incident	\$204	\$188	\$163	*	*	*
	Average Cost of a Fire Extinguishment Incident	\$2,439	\$2,447	\$2,303	*	*	*
	Division Expenditures as % of General Fund	17.19%	18.30%	19.29%	18.34%	18.33%	18.21%

* Cost is calculated for "Actual" columns only.

Fire Extinguishment



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Battalion Chief	3	3	3
Captain - ALS	3	5	3
Captain	2	0	2
Lieutenant - ALS	12	13	14
Lieutenant	4	3	2
Sergeant - ALS	1	0	0
Sergeant - FEO	8	9	9
Fire Fighter - ALS	42	32	31
Fire Fighter - FEO	13	12	12
Fire Fighter	2	0	0
Total	90	77	76

Fire Extinguishment

SUMMARY OF BUDGET CHANGES

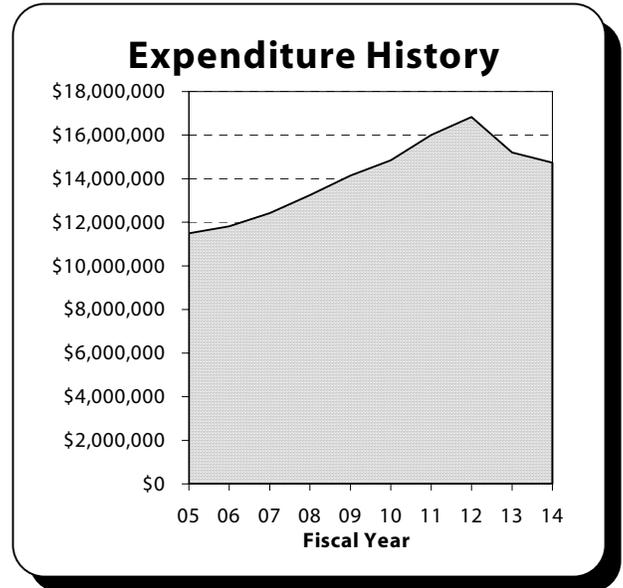
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 3.1%.

Personnel Services – The total Personnel budget decreased \$446,550 or 3.0%. The overall decrease is due to savings from lower Police & Fire pension costs. Pension costs fell \$502,720 or 15.3%. The budget reflects \$71,320 in back-fill grant funding for officer and In-Company inspection training. Due to a retirement, one less Fire Fighter position is funded, as the department continues to transition to three-man medic engines. Further wage and benefit savings were achieved with the new Fire Fighter labor contract, including sick time buy-back, longevity, holiday pay, and medical insurance costs. An additional \$44,970 is budgeted for retiree medical liabilities.

Supplies – Total Supplies decreased \$5,760 or 5.1%, as less fire hose and turnout gear are needed.

Other Charges – Total Other Charges decreased \$14,590 or 3.9%. Heating costs decreased \$8,000 as the budget can be reduced and brought more in line with recent expenditure trends. Telephone costs fell \$4,000 due to savings from the recent connection of Fire Stations #1 and #5 to the City's main telephone system. Rental costs decreased \$3,930 primarily due to the elimination of floor mat rental fees, as the Department purchased floor mats in the prior year, and the reduction of bed linen rental due to lower staff levels.



Capital – Total Capital of \$175,510 is proposed for five Electronic Monitors/Cardiac Defibrillators to replace older units that are worn and obsolete. A Federal grant will fund \$140,410 or 80% of this cost. The old units will be sold at auction to help cover the cost of 12 In-Company computer tablets.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$16,351,934	\$14,715,420	\$14,411,750	\$14,268,870	\$14,268,870
Supplies	112,642	112,160	112,000	106,400	106,400
Other Charges	365,537	377,770	359,970	363,180	363,180
Total	\$16,830,113	\$15,205,350	\$14,883,720	\$14,738,450	\$14,738,450

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

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

Inspections:

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

Plan Reviews:

1. Site
2. Buildings
3. Fire systems

Fire Investigations:

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

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

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

State Inspections:

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

Public Fire Education:

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

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

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

KEY GOALS

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

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

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

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

Did you know...

...the Fire Prevention division developed and implemented a comprehensive plan with Utica Community and Warren Consolidated Schools to provide for fire code compliance in all schools within the City?

Fire Prevention

2013/14 PERFORMANCE OBJECTIVES

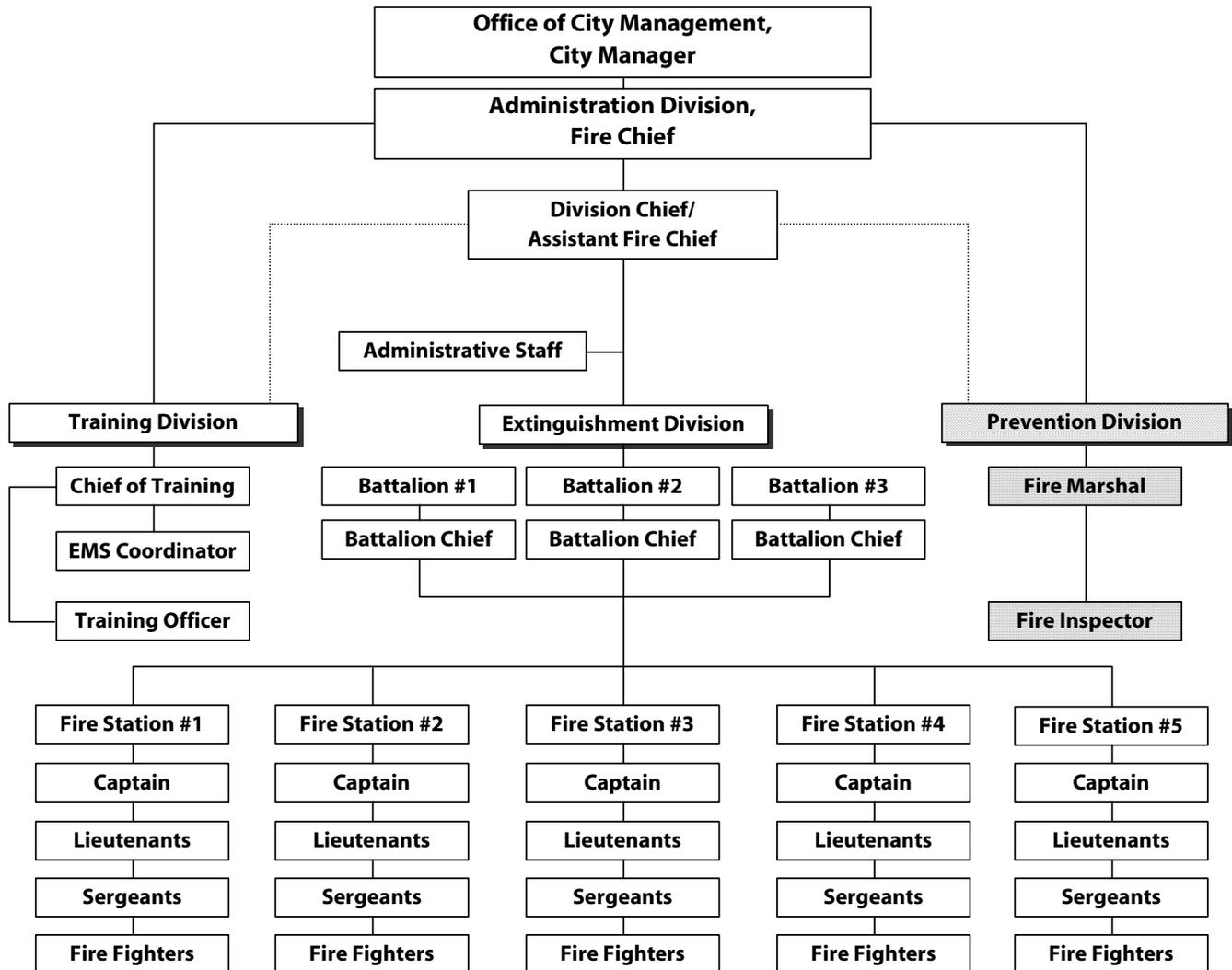
1. To assist the Training division with developing and implementing a program to prepare company officers to lead engine crews in fire inspections. *(City Goal 3, 4, 7)*
2. To assist the New World Build Team in developing a fire inspection tablet for use by Fire Prevention and in-service company officer inspectors. *(City Goal 17, 18)*
3. To convert current 4-D records to the New World system so critical data from Fire Prevention is available to engine companies. *(City Goal 17, 18)*
4. To implement on-line inspection reports for qualified businesses to report sprinkler, fire alarm and suppression documents directly to the Fire Prevention division. *(City Goal 1, 2, 3, 5, 17, 18)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Total Inspections Conducted	2,859	2,288	1,029	1,060	940	1,270
	Annual Building Fire Inspections	610	389	0	0	0	0
	Special Code or Final Occupancy Inspections	520	423	337	350	320	350
	Liquor Lic., Amusement, & Hazardous Bldg. Insp.	339	200	165	350	160	200
	Witnessed Acceptance Tests Inspections	106	100	71	80	80	85
	Reinspections of Violations	1,195	1,070	385	200	300	300
	Citizen Assistance Inspections	89	106	71	80	80	85
	In-Service Company Fire Inspections	N/A	N/A	N/A	N/A	N/A	250
	Violations Discovered and Issued	5,831	4,397	2,067	3,000	1,590	2,000
	Investigations (Fire and Other)	82	56	41	80	34	30
	Plan Reviews (sites, buildings, alarms)	367	334	252	300	240	250
Efficiency & Effectiveness	% Bus. Receiving Violations during Inspections	95%	98%	99%	99%	99%	99%
	Value of Non-Residential Fire Loss	\$191,351	\$311,812	\$450,000	\$350,000	\$1,586,000	\$500,000
	% of Solicited Inspections Performed w/i 1 Day	98%	90%	60%	80%	80%	80%
	% of Inspectable Occupancies Experiencing Fires	0.60%	0.60%	0.40%	0.75%	0.27%	0.40%
	Inspections Conducted Per Inspector/Marshal**	715	654	515	530	470	510
	% of Site Plans Reviewed within 20 Days	100%	90%	20%	25%	10%	10%
	Average Plan Review Cost	\$180	\$197	\$192	*	*	*
	Division Expenditures as % of General Fund	1.15%	1.05%	0.86%	0.86%	0.88%	0.85%

* Cost is calculated for "Actual" columns only.

**Excludes In-Service Company Inspections.

Fire Prevention



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Fire Marshal	1	1	1
Fire Inspector	1	1	1
Total	2	2	2

Fire Prevention

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

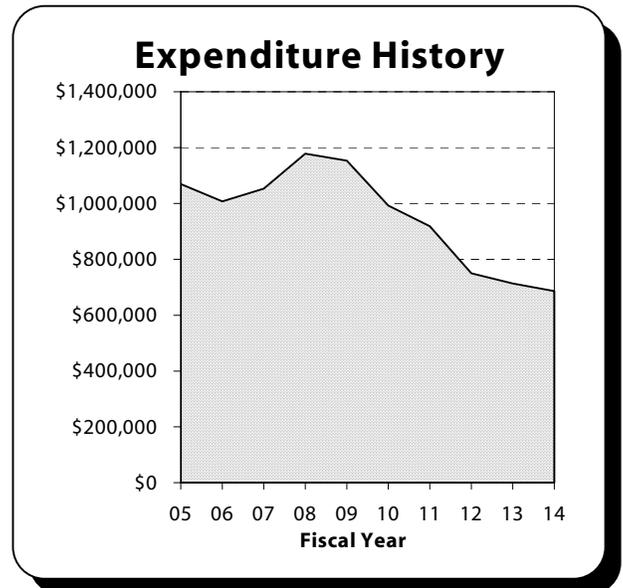
The total budget decreased by 3.8%.

Personnel Services – The total Personnel budget decreased \$26,860 or 3.8%. Police & Fire Retirement System costs fell by \$37,490 due to labor contract savings and the final year of reflecting 2008 stock market losses. An additional \$3,360 is budgeted to fund retiree health care liabilities. Overtime costs fell by \$2,500 due to an anticipated service sharing agreement with Clinton Township, while longevity costs fell as a result of the new Fire Fighter labor contract. Sick time buy-back costs rose due to the lower use of sick time by the two full-time employees in this division.

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

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

Capital – There is no Capital proposed for this division.

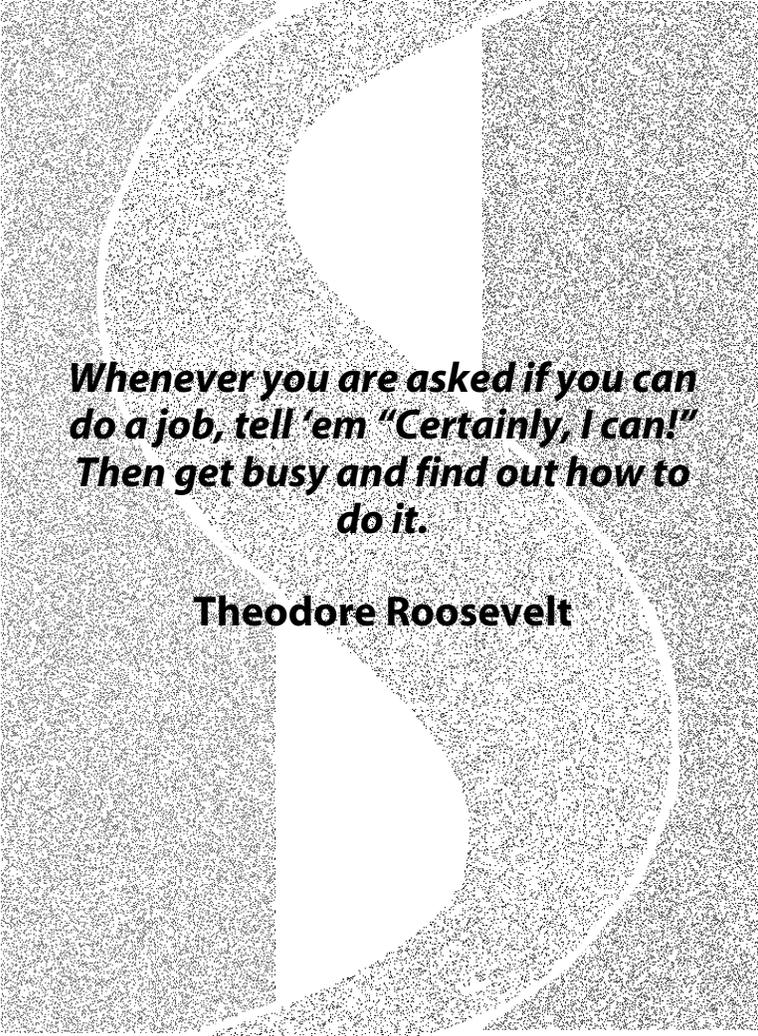


FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$749,766	\$713,390	\$712,650	\$686,530	\$686,530
Supplies	0	0	0	0	0
Other Charges	0	0	0	0	0
Total	\$749,766	\$713,390	\$712,650	\$686,530	\$686,530

Public Works Department



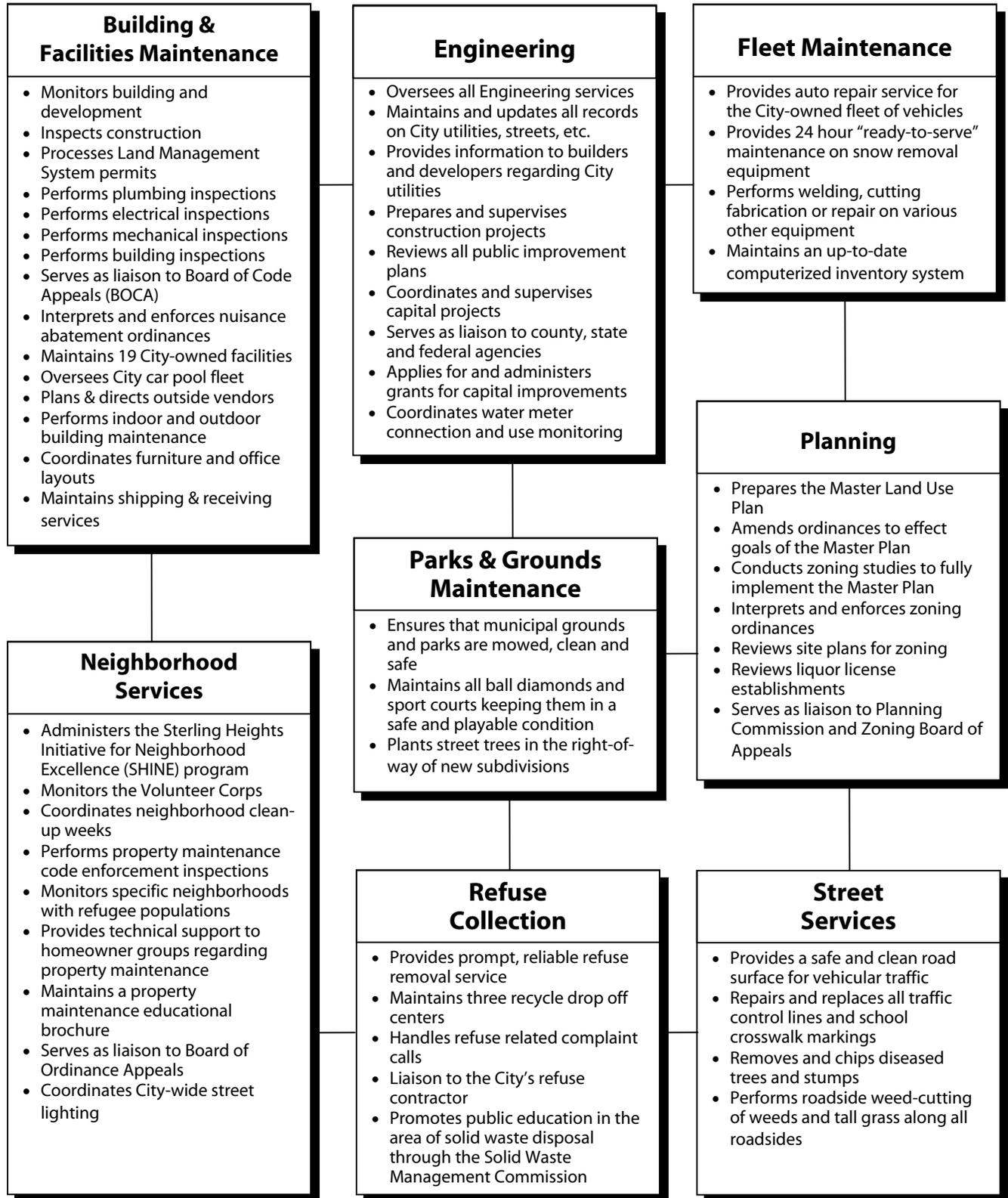


***Whenever you are asked if you can
do a job, tell 'em "Certainly, I can!"
Then get busy and find out how to
do it.***

Theodore Roosevelt

FUNCTIONAL ORGANIZATION CHART

Public Works Department



DEPARTMENT AT A GLANCE

Public Works Department

BUDGET SUMMARY

The Public Works budget increased \$1,304,520 or 14.9%. The increase is a result of a reorganization that combined the City Development offices and Facilities Maintenance budget in this department. Excluding Facilities Maintenance, the budget would have risen only \$296,000 or 3.0%. Two vacant full-time positions have been eliminated, while an additional seven part-time positions have been added. As part of the City's enhanced property maintenance efforts, a new inspection fee will fund three new part-time Code Officers and a clerical position. To further streamline operations, all Code Enforcement and clerical positions will now be funded in Neighborhood Services. One full-time and a part-time position have been reassigned to Parks & Recreation, while a vacant Engineering Aide

position will now be part-time. After eliminating six vacant positions in Parks & Grounds last year, three positions have been reassigned from Street Services. One position in Neighborhood Services was reassigned to Community Relations mid-year. The Supplies budget rose \$111,070 or 7.4% for Facilities Maintenance supplies, higher City vehicle fuel and repair costs, and for the new Code inspection program. Other Charges increased \$529,000 for the custodial services contract, building maintenance costs, new code inspection computers, and increased park maintenance contractual services. The Capital budget funds City Hall boiler room drainage repairs, an asphalt hot box, and the replacement of a twelve-year old pick-up truck.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
Building & Facilities Maint.	\$1,632,160	\$1,373,570	\$1,329,980	\$1,812,590	36.3%
Engineering	1,534,690	1,494,210	1,279,420	1,153,860	-9.8%
Fleet Maintenance	2,722,390	2,655,030	2,575,410	2,696,260	4.7%
Foreclosure Relief	87,470	77,310	4,410	0	-100.0%
Neighborhood Services	63,270	417,580	285,400	1,215,490	325.9%
Parks & Grounds Maint.	1,385,790	1,150,800	721,070	1,020,280	41.5%
Planning	367,020	483,010	328,760	103,910	-68.4%
Public Works Center	285,890	237,750	232,550	223,700	-3.8%
Street Services	1,986,930	1,772,690	1,981,550	1,816,980	-8.3%
Total Department	\$10,065,610	\$9,661,950	\$8,738,550	\$10,043,070	14.9%
Personnel Services	\$7,929,000	\$7,499,190	\$6,594,780	\$7,259,230	10.1%
Supplies	1,594,550	1,556,130	1,502,790	1,613,860	7.4%
Other Charges	542,060	606,630	640,980	1,169,980	82.5%
Total Department	\$10,065,610	\$9,661,950	\$8,738,550	\$10,043,070	14.9%

PERSONNEL SUMMARY

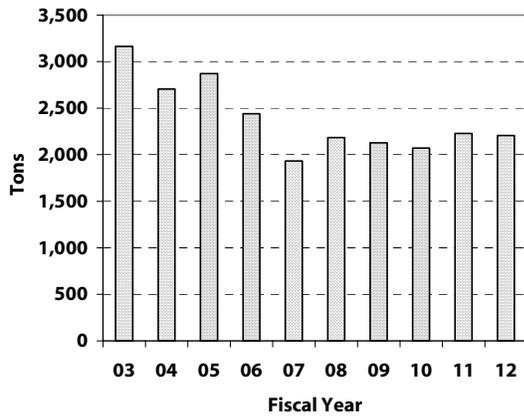
	2010/11		2011/12		2012/13		2013/14	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Building & Facilities Maint.	14	1	12	3	10	2	9	0
Engineering	13	0	11	0	9	0	7	1
Fleet Maintenance	12	1	12	1	10	1	10	2
Foreclosure Relief	0	2	0	2	0	0	0	0
Neighborhood Services	0	0	4	0	3	0	7	7
Parks & Grounds Maint.	12	7	9	7	2	8	5	8
Planning	3	0	4	1	2	2	0	1
Public Works Center	1	0	0	0	0	0	0	0
Street Services	19	2	19	2	19	2	15	3
Total Department	74	13	71	16	55	15	53	22

Excludes Refuse Collection and Boards & Commissions.

KEY DEPARTMENTAL TRENDS

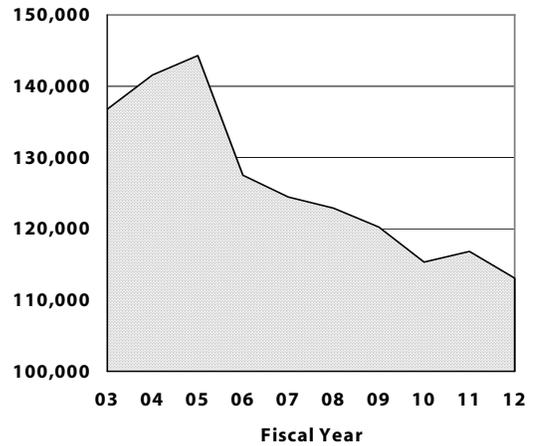
Public Works Department

Recycling Center Newspaper Collections



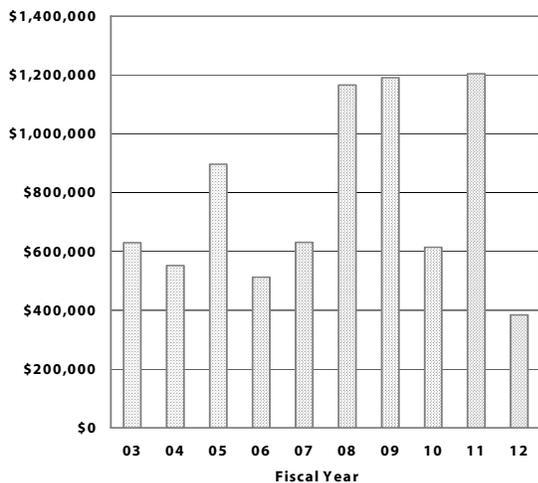
The amount of newspaper recycled at the three drop-off recycling centers has declined due to the growth in the number of non-city newspaper recycling sites. However, the growth in recycling and the composting of yard waste have allowed the City to reduce the amount of refuse landfilled by 49% over the past 21 years. The average homeowner pays only \$68 per year for trash pickup, which is much lower than most communities. Only five cities in a recent national study had a lower recycling cost per ton recycled.

Cubic Yards of Refuse Landfilled



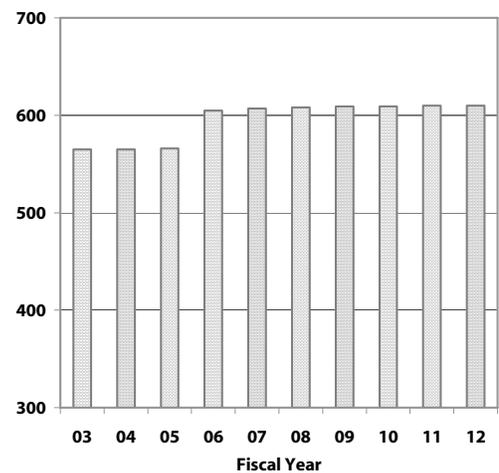
Starting in 2006, the cubic yards of refuse landfilled began to decline, reaching a low of 113,058 cubic yards in 2012. Fewer apartment complexes and mobile home parks have elected to receive City refuse service. The separate collection of yard waste, which is now composted, and additional Recycling Center collections have also contributed to the decline in the amount of garbage annually landfilled.

Snow Removal Costs



The City's snow removal costs have generally increased over ten years due to growth in the City and an increased number of City streets. Expenditures decreased in some years due to warmer winters or reduced snowfalls. Snow removal costs reached a ten-year high of \$1.2 million in 2011, while costs fell in 2012 to a low of \$384,000.

Miles of City Sidewalks

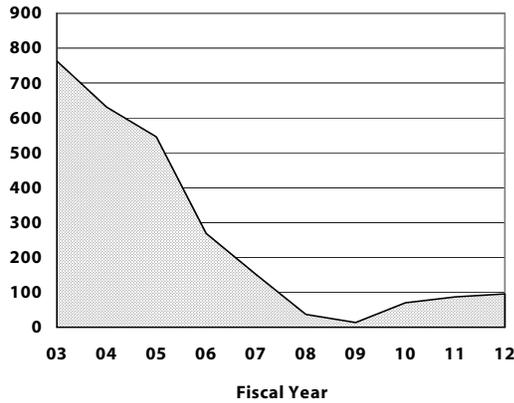


The miles of City sidewalks has increased over the past ten years due to the City's sidewalk gap completion program.

KEY DEPARTMENTAL TRENDS

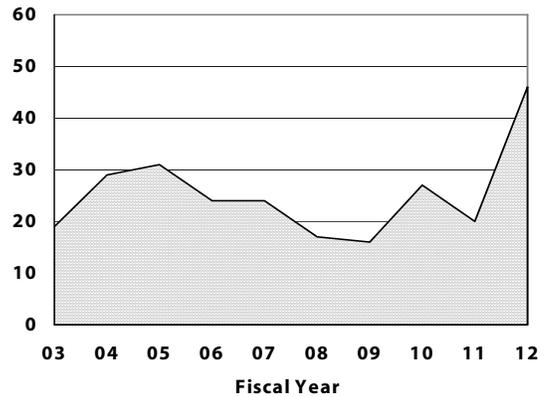
Public Works Department (continued)

Residential Building Permits New Construction



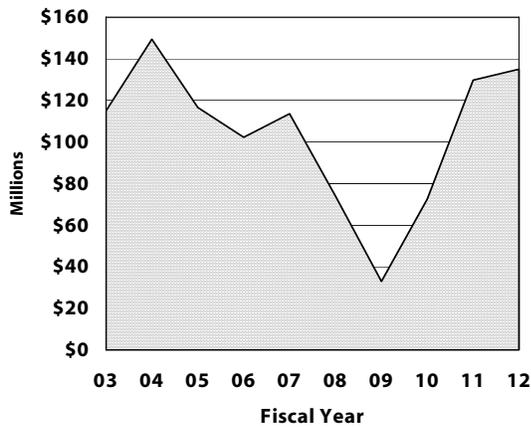
The number of residential building permits reached a high of 763 in 2003 due in part to the increasing number of condominium units and cluster developments. Since 2003, however, the number declined to a ten year low in 2009 as only 14 permits were issued. The number of permits issued has increased slightly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

Commercial Building Permits New Construction



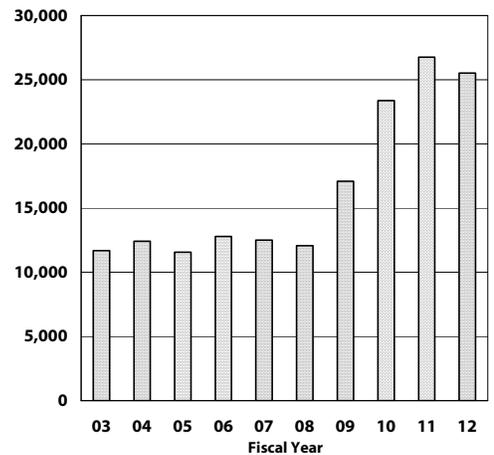
The number of new commercial building permits has generally ranged between 20 to 40 each year over the past ten years.

Building Permits at Market Value



The dollars invested in new building construction and improvements fell from a high of \$149 million in 2004 to a low of \$33 million in 2009. The number of residential permits dramatically declined. 763 new construction residential permits were issued in 2003, compared to only 96 such permits in 2012 – a decrease of 87%. The market value of commercial permits rose in the past two years due to several larger individual projects including BAE and Chrysler.

Code Enforcement Inspections



The number of code enforcement inspections has increased by 118% since 2003. The City has made a concerted effort to strengthen and vigorously maintain property values by eliminating blighting influences. In 2009 the City's building inspectors began to assist code enforcement officers with code inspections, and in 2011 the SHINE program began. In 2012 there were 25,511 code enforcement inspections. 95% of inspections were performed within 48 hours of complaint. 4,100 violations were issued in 2012.

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

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

The wellness of the community is looked after from the ground up when it comes to the construction of buildings that are open to the general public. The community is safeguarded against improperly constructed structures by numerous inspections performed by the inspection staff from the beginning through the completion of a project.

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

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

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

KEY GOALS

- *To aggressively inspect all new residential construction to ensure a safe living environment for our residents.*
- *To process permits in an expedient and efficient manner.*
- *To review plans and construction drawings in a manner that will reduce the time necessary to issue permits.*
- *To protect public safety, health, and welfare and preserve property values by strictly enforcing property maintenance standards.*
- *To oversee outside contractors/vendors to ensure the quality of materials and workmanship on projects and adherence to all applicable State and City codes.*
- *To conduct preventative maintenance programs on all mechanical, electrical, and plumbing equipment to ensure it operates at safe and optimum efficiency.*

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

Did you know...

...that City inspectors are required by State law to attend continuing education in order to have their inspector registrations renewed?

Building & Facilities Maintenance

2013/14 PERFORMANCE OBJECTIVES

(Building)

1. To identify and implement a new inter-local agreement with another community for building inspection services. (City Goal 2)
2. To continue to perform plan reviews on all residential and commercial projects within an expeditious time frame. (City Goal 3, 4)
3. To create a collaborated effort between the Building Office inspectors and the Facility Maintenance mechanics to assist in the diagnosis of problems with City building components and making necessary repairs, thus saving money by reducing the need to hire a service contractor. (City Goal 1, 2, 3, 5, 7)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Total Permits Issued	4,853	5,084	4,767	4,350	4,400	4,450
	Building Permits Issued	2,259	2,303	1,660	1,500	1,400	1,500
	Mechanical Permits Issued	1,104	1,352	1,596	1,400	1,400	1,425
	Plumbing Permits Issued	657	611	731	675	650	700
	Electrical Permits Issued	833	818	780	775	950	825
	Total Inspections Performed	13,316	12,732	14,614	12,950	14,125	14,325
	Building Inspections	6,053	5,941	7,081	6,000	6,300	6,300
	Mechanical Inspections	2,638	2,734	3,260	2,850	3,300	3,400
	Plumbing Inspections	2,275	2,083	2,230	2,100	2,250	2,300
	Electrical Inspections	2,350	1,974	2,043	2,000	2,275	2,325
	Ordinance Complaint Tickets Issued	1	2	0	1	5	2
	Board of Code Appeals Applications	2	2	2	5	4	5
	Efficiency & Effectiveness	Insurance Service Office (ISO) Rating	2	2	2	2	2
% of Inspections Performed on Schedule		95%	95%	95%	95%	95%	95%
% of Commercial Plans Reviewed w/i 20 days		95%	95%	95%	95%	95%	95%
% of Residential Plans Reviewed w/i 10 days		95%	95%	90%	95%	95%	95%
Average No. of Inspections per Budgeted Inspector		2,959	2,829	3,247	3,240	3,140	2,865
Market Value of Building Permits (Millions)		\$72.5	\$129.7	\$135.1	\$90.0	\$84.0	\$90.0
Permits Issued via City's Website		49	95	108	75	110	100
Activity Expenditures as % of General Fund		1.98%	1.87%	1.57%	1.60%	1.61%	2.24%

Building & Facilities Maintenance

2013/14 PERFORMANCE OBJECTIVES

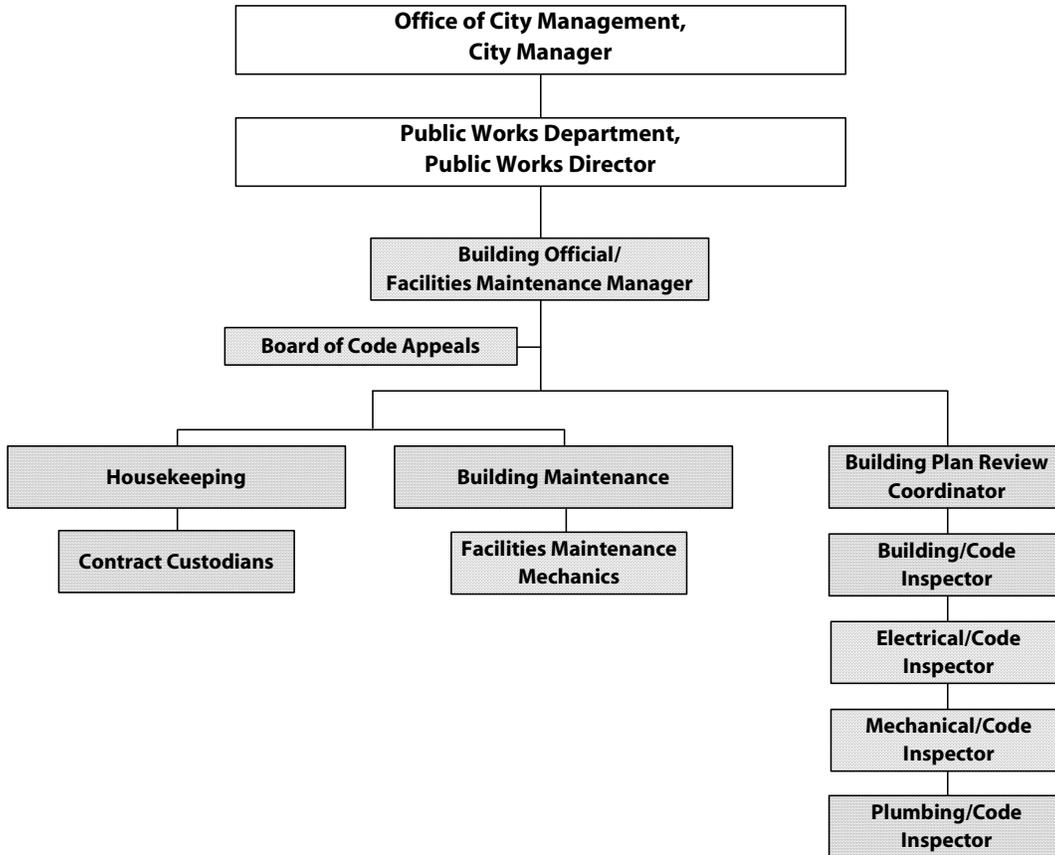
(Facilities Maintenance)

1. To create a reference manual for City buildings to ensure consistent preventative maintenance inspections and efficiency of the mechanical systems. (City Goal 3, 5)
2. To develop a daily building maintenance checklist for each City building to ensure consistency when the buildings are checked each morning. (City Goal 2, 4)
3. To broaden the utilization of current Facilities Maintenance staff to perform repairs instead of hiring a contractor. (City Goal 2, 3, 4, 7)
4. To research and develop a long-term plan to replace existing light fixtures with more efficient ballasts, as the existing bulbs will no longer be available. (City Goal 1,5 6)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	City Facilities Supported - Square Feet	325,421	360,823	360,823	360,823	360,823	360,823
	City Facilities Receiving Daily Housekeeping - Sq. Ft.	246,434	246,434	246,434	246,434	246,434	246,434
	Renovations/Projects Supervised/Coordinated	\$24,120	\$468,250	\$521,170	\$15,000	\$15,000	\$9,600
	Interior Preventive Maintenance Cycles	4	4	4	4	4	4
	Exterior Preventive Maintenance Cycles	2	2	2	2	4	4
	Maintenance/Custodial Service Requests Processed	7,700	7,400	7,300	1,000	1,000	1,100
	Post Office Deliveries & Pick-Ups	430	430	430	430	430	430
	UPS Shipments Prepared	35	30	32	35	35	35
	Deliveries to City Council Members	55	55	55	55	55	55
	Car Pool Vehicles Supervised	38	37	37	37	37	37
	Voting Machines Assembled & Delivered	350	810	250	810	810	250
	Efficiency & Effectiveness	% of Emg. Call-Ins Responded to w/i 30 minutes	98%	98%	98%	98%	98%
% of Service Requests Met Within 15 Days		80%	70%	70%	75%	80%	90%
Hrs. Spent for Housekeeping Functions Per 1,000 s.f.		118.0	95.0	100.0	N/A	N/A	N/A
Hrs. Spent for Building Maintenance Per 1,000 s.f.		20.0	19.0	19.0	19.0	19.0	19.0
Overtime/Comp Hours Worked		600	700	600	50	150	100
Cost to Complete Maintenance Service Requests		\$417,407	\$415,023	\$411,389	*	*	*
Activity Expenditures as % of General Fund		1.86%	1.50%	1.56%	1.22%	1.22%	0.00%

* Cost is calculated for "Actual" columns only.

Building & Facilities Maintenance



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Building Official/Facilities Maintenance Manager	1	1	1
Code Enforcement Coordinator	1	1	0
Building Plan Review Coordinator	0	1	1
Building Inspector/Code Enforcement Officer	3	1	1
Electrical Inspector/Code Enforcement Officer	1	1	1
Mechanical Inspector/Code Enforcement Officer	1	1	1
Plumbing Inspector/Code Enforcement Officer	1	1	1
Code Enforcement Officer	1	0	0
Management Assistant	1	1	0
Senior Clerk	0	1	0
Clerk Typist	2	1	0
Foreclosure Code Enforcement Officer - Grant (P.T.)	2	2	0
Code Enforcement Officer (P.T.)	1	0	0
Total	15	12	
<i>Formerly Facilities Maintenance</i>			
Facilities Maintenance Manager	1	0	0
Facilities Maintenance Mechanic	3	3	3
Custodian	6	0	0
Senior Clerk	1	0	0
Clerk Typist (P.T.)	0	1	0
Custodian (P.T.)	6	0	0
Total	17	4	9

Building & Facilities Maintenance

SUMMARY OF BUDGET CHANGES

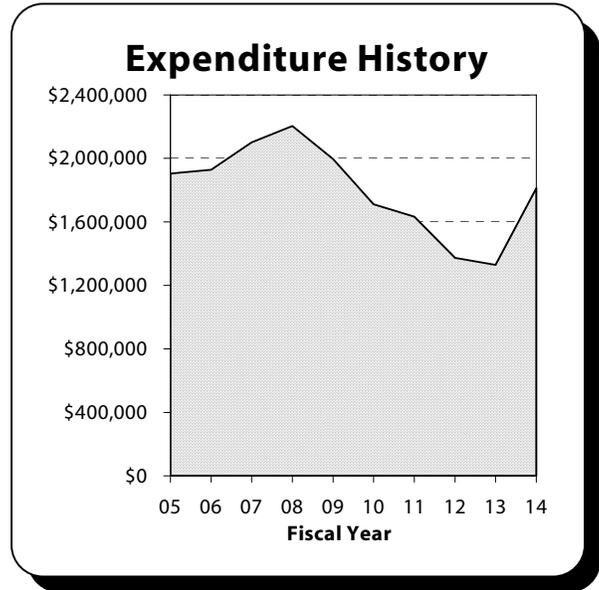
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 36.3%.

Personnel Services – The total Personnel budget decreased by \$22,880 or 1.9%. Due to a reorganization, one full-time and two part-time Code positions will be transferred to Neighborhood Services, which will now handle Code Enforcement functions. To further streamline the use of staff, two full-time and one part-time clerical positions have also been reassigned to Neighborhood Services. The three Facilities Maintenance Mechanics will now be budgeted in this office, and a vacant part-time Clerk Typist is no longer required. Despite these savings, long-term retirement funding rose \$78,330.

Supplies – Total Supplies increased \$24,440. The increase is primarily the result of transferring the supply costs from the former Facilities Maintenance office. Increased funding is included for paper products not supplied by the custodial services contractor. The increase was partially offset, as funding for Code Enforcement postage and supply costs was transferred to Neighborhood Services.

Other Charges – Total Other Charges increased \$481,050. \$273,700 for the custodial service contract will now be expensed in this office and has slightly decreased based on a more accurate estimate of costs. \$100,000 for building maintenance, \$21,360 for equipment maintenance, and \$120,000 for utility costs, has also been transferred to this cost center. Nuisance abatement and copier rental fees will now be expensed in Neighborhood Services. Telephone costs decreased



\$1,360 from implementing a pay-as-you-go call plan for Nextel users. Membership costs decreased \$1,410 as Inspector recertification is only required once every three years.

Capital – Total Capital of \$9,600 is budgeted for drainage repairs in the City Hall boiler room.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,294,583	\$1,230,600	\$1,213,400	\$1,207,720	\$1,207,720
Supplies	9,451	10,200	8,900	34,640	34,640
Other Charges	69,532	89,180	86,760	570,230	570,230
Total	\$1,373,566	\$1,329,980	\$1,309,060	\$1,812,590	\$1,812,590

Facilities Maintenance *(former)*

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

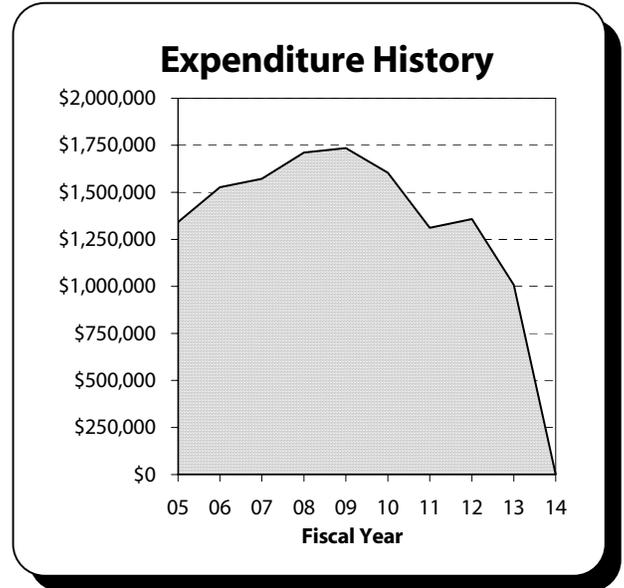
The total budget decreased by 100%.

Personnel Services – The total Personnel budget decreased by \$448,080 or 100%. The three Facilities Maintenance Mechanic positions have been reassigned to the newly combined Building & Facilities Maintenance office as part of a reorganization. A part-time Clerk Typist position, which is now vacant due to a promotion to the Purchasing office, is no longer required and funding has been eliminated.

Supplies – Total Supplies decreased \$20,000 or 100%. There are no Supplies proposed for this activity. Funding for all needed supplies is now budgeted in the combined Building & Facilities Maintenance office.

Other Charges – Total Other Charges decreased \$540,390 or 100%. Funding for Other Charges has been reassigned to the Building & Facilities Maintenance office where these items will now be expensed.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,080,633	\$448,080	\$433,440	\$0	\$0
Supplies	49,349	20,000	30,010	0	0
Other Charges	228,379	540,390	526,700	0	0
Total	\$1,358,361	\$1,008,470	\$990,150	\$0	\$0

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

Major responsibilities of the Engineering office include the supervision and performance of all engineering services of the City. Engineering is responsible for the development of master plans and programs for public improvements, supervision, and inspection of all improvements constructed by or for the City.

Engineering maintains and updates, on a regular basis, all records of City utilities, streets, properties including parks, zoning changes, rights-of-way and addresses. Updating of Engineering records is necessary when changes are made or become available through other City departments.

Information is provided to prospective developers, builders, and consulting engineers on the availability, size, and location of all City utilities. Information is provided to residents and other interested parties on scheduled or future public improvements. In addition, information is provided to residents regarding water and sanitary sewer connection fees and traffic signs and signals. Other activities include the review of site plans and building plans for appropriate water and sewer connections, the issuance of culvert permits, common area irrigation permits, and monitoring well permits.

Engineering reviews all planned public improvements, City projects, City awarded contracts, and subdivision sites which generate revenues to the City each year.

Engineering prepares the plans and specifications and supervises construction of all projects authorized by City Council. This office prepares ordinance variance agreements and coordinates activities and decisions involving the City and other agencies such as the Road Commission of Macomb County and the City of Detroit. Multi-jurisdictional contracts are often required with road construction projects. The City Engineer serves as liaison to County, State and federal agencies to synchronize the approval process for orderly and organized project development.

KEY GOALS

- *To maintain and regularly update all records of City utilities, streets, properties, parks, zoning changes, rights-of-way, and addresses.*
- *To provide current information to prospective developers, builders, consulting engineers, residents and other interested parties on City utilities and scheduled or future public improvements.*
- *To review plans for consideration of public and private improvements.*
- *To prepare plans and specifications and supervise construction of all authorized projects.*
- *To administer the Soil Erosion and Sedimentation Control Program.*

The Soil Erosion and Sedimentation Control Program is administered by the Engineering Office as required by the State of Michigan and the National Pollutant Discharge Elimination System Program. Plans for private development are submitted to Engineering to review for conformance to City standards and specifications. After plans are approved and implemented by the private developer, inspections are conducted to ensure conformance with City ordinance and the State of Michigan Soil Erosion and Sedimentation Control Act. ■

Did you know...

...the Office of Engineering has relocated to the upper level of City Hall to enable shared use of clerical services and provide a "one stop shop" for developers and businesses working with the offices of Planning, Building, and Engineering?

Engineering

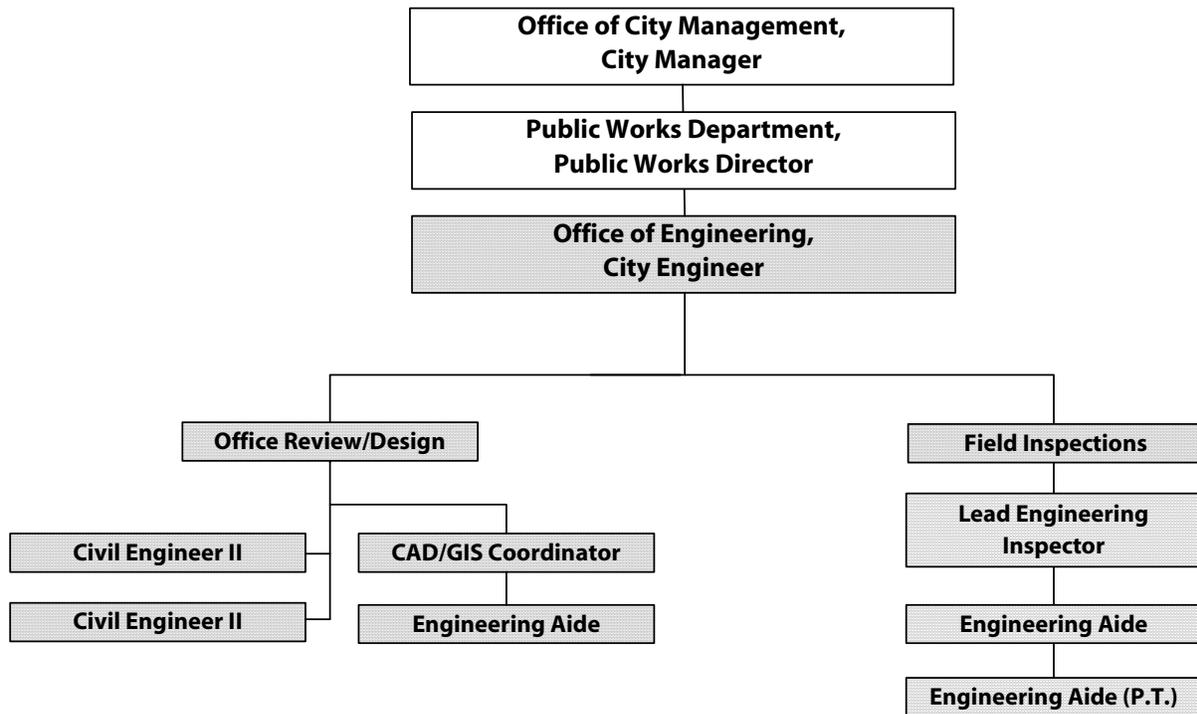
2013/14 PERFORMANCE OBJECTIVES

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 pursue alternative funding for capital projects, such as grants, to improve traffic flow, safety at major intersections, and path and sidewalk construction. (City Goal 21)
3. To work with Michigan Department of Transportation (MDOT) to coordinate, design and beautify the Van Dyke Corridor for the upcoming 2015 reconstruction project. (City Goal 14, 22)
4. To reconstruct the 17 Mile Road bridge over Conrail in a manner which limits the disruption to adjacent businesses and traffic. (City Goal 8, 22, 23)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Site Plans Approved	32	32	27	30	28	30
	Land Divisions Reviewed	8	9	9	10	16	12
	Plot Plan/Grading Plans Approved	1	1	82	70	40	60
	Utility Company Permits Issued	19	23	29	30	30	30
	SESC Permits Issued	65	95	115	100	75	75
	W & S Connection Permits Issued (Existing Homes)	7	8	15	10	10	10
	Value of Const. Contracts Awarded & Supervised	\$4.7M	\$3.5M	\$2.4M	\$3.4M	\$2.8M	\$6.9M
	Personnel Contacts with Business - Counter	1,203	952	1,343	1,200	1,200	1,200
	Personnel Contacts with Business - Phone	5,231	4,356	6,126	5,500	5,500	5,000
	Miles of Sidewalks In City	609	610	610	612	613	613
	Service Requests Processed	492	500	447	500	400	450
Efficiency & Effectiveness	% of First Site Plans Reviewed w/i 4-6 weeks	87%	91%	80%	90%	90%	90%
	% of Fire Suppression Plans Reviewed w/i 2 days	100%	100%	100%	100%	100%	100%
	% of W & S Abandonment Requests Issued w/i 1 day	100%	100%	100%	100%	100%	100%
	% of Utility Company Permits Reviewed w/i 15 days	95%	95%	90%	95%	95%	95%
	% of Plot or Grading Plans Reviewed w/i 10 days	95%	95%	80%	95%	95%	95%
	% of Capital Projects Completed w/i 5% of Bid Costs	88%	88%	100%	90%	90%	90%
	% of Initial Traffic Requests Responded to w/i 35 Days	N/A	N/A	100%	100%	100%	100%
	Visual Road Surface (PASER) Rating - Good, Fair, Poor	10%,79%,11%	7%,74%,19%	6%,69%,25%	6%,69%,25%	6%,69%,25%	5%,65%,30%
	Engineering Inspection Hrs. Required to Meet Demand	5,073	4,648	4,499	3,700	3,400	3,400
	Activity Expenditures as % of General Fund	1.79%	1.75%	1.71%	1.54%	1.36%	1.43%

* Cost is calculated for "Actual" columns only.

Engineering



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
City Engineer	1	1	1
Civil Engineer III	1	1	0
Civil Engineer II	0	1	2
CAD/GIS Coordinator	1	1	1
Lead Engineering Inspector	1	1	1
Engineering Aide	5	3	2
Engineering Aide (P.T.)	0	0	1
Civil Engineer I	1	0	0
Administrative Assistant	1	1	0
Total	11	9	8

Engineering

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

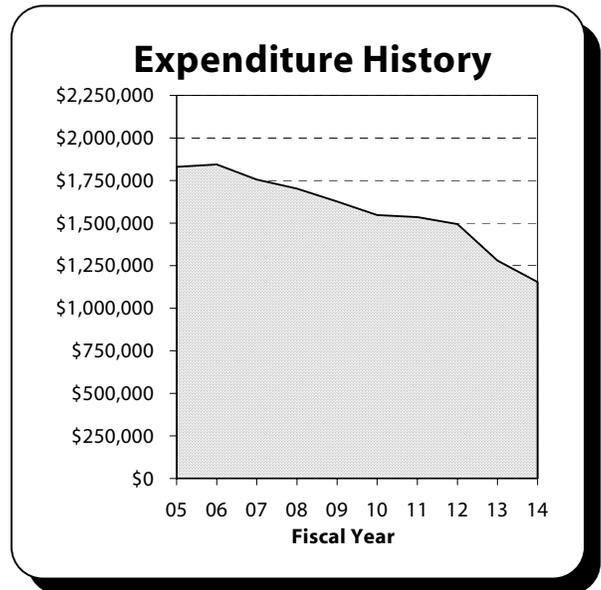
The total budget decreased by 9.8%.

Personnel Services – The total Personnel budget decreased by \$124,140 or 9.8%. The savings is a result of transferring one clerical position to Neighborhood Services in order to streamline department-wide operations and replacing a vacant full-time Engineering Aide position with a part-time position. Due to the retirement of a Civil Engineer III, a Civil Engineer II position has been reassigned from Water & Sewer Administration. Partially offsetting these savings is a \$46,930 increase in funding for long-term retirement liabilities. The budget also reflects a fourth consecutive year of employee wage and benefit savings.

Supplies – Total Supplies decreased \$1,030 or 15.7%. Operating supplies decreased \$780 and postage costs decreased \$250, as both can be reduced and brought more in line with the current year’s estimated expenditure levels.

Other Charges – Total Other Charges decreased \$390 or 6.5%. Telephone costs fell \$500 due to the elimination of a Nextel telephone and a recent cost-saving modification made to the City’s Internet data lines. Printing costs decreased \$40 based on recent historic expenditure trends. Training funds increased \$150, as more employees will need to attend SESC training next year.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,481,668	\$1,266,840	\$1,094,180	\$1,142,700	\$1,142,700
Supplies	5,853	6,580	5,500	5,550	5,550
Other Charges	6,683	6,000	4,860	5,610	5,610
Total	\$1,494,204	\$1,279,420	\$1,104,540	\$1,153,860	\$1,153,860

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

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

The Division is “ready to serve”. Twenty-four (24) hour service is available for repairs required on snow removal equipment during a snow emergency, pumps during flood control operations, or Fire Department equipment at a fire scene.

This program includes the maintenance and repair of the City-owned fleet of vehicles and equipment on an as-needed basis. Approximately 48 pieces of heavy equipment, 275 pieces of various equipment ranging from chainsaws to tractors and 250 cars and trucks are repaired. Preventative maintenance is performed on approximately 736 vehicles or pieces of equipment. Also included is the repair and preventative maintenance on over 50 Fire Department emergency vehicles, as well as numerous miscellaneous emergency equipment. Fleet Maintenance provides road call service to vehicles in the field to minimize down time. Fleet Maintenance performs welding, cutting, fabrication, repair of park gates, play apparatus, bike racks, bleachers, retention pond gates, pumping stations, and many other repair projects. This Division repairs heating-cooling and exhaust systems, bridges, and guardrails. This involves the planning and designing of modifications performed on various pieces of equipment.

Another responsibility of Fleet Maintenance is to maintain an up-to-date inventory of frequently used parts and a computerized inventory system. This inventory system ensures that a sufficient quantity of proper parts, tools, and materials are stocked. This Division also distributes parts and tools as necessary.

Fleet Maintenance maintains its own records and files. On a daily basis, a record of fuel being dispensed from the pumping facilities is maintained to ensure sufficient availability.

KEY GOALS

- *To provide an effective vehicle/equipment repair program in order to maintain a full complement of vehicles/equipment in service.*
- *To maintain an adequate parts inventory to minimize downtime.*
- *To provide a preventative maintenance program on a scheduled basis consistent with manufacturer's recommendations and professional standards.*
- *To provide preseason maintenance and winterization programs for spring/winter equipment.*
- *To recommend specifications for the purchase of vehicles/equipment and the economical replacement of the City fleet.*

This Division also performs an annual physical inventory to count and record each stock item by identifying quantity, location, and price.■

Did you know...

...the Fleet Maintenance division performs preventative maintenance on more than 736 City vehicles and pieces of equipment?

Fleet Maintenance

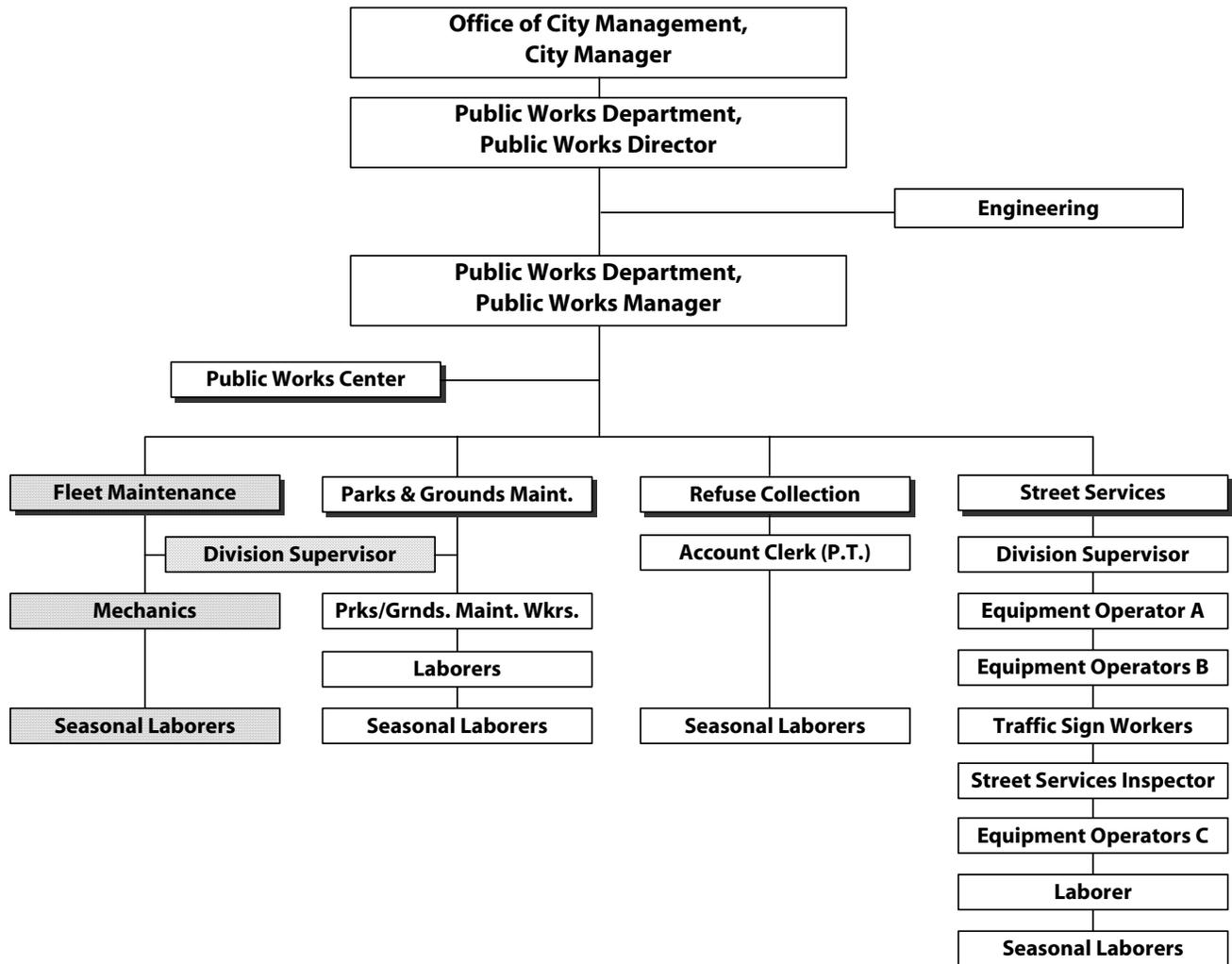
2013/14 PERFORMANCE OBJECTIVES

1. To install battery shut-off switches on all tandem and single axle dump trucks and large equipment. *(City Goal 3)*
2. To review utilizing alternate computer software programs for Fleet activities. *(City Goal 3)*
3. To outfit the new model police vehicles utilizing existing equipment, adapters and/or conversion kits when possible to minimize the purchase of new equipment. *(City Goal 3)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Full Service Preventive Maintenances Performed	533	506	465	525	498	500
	Preseason Maintenance - Trucks with Plows	43	44	44	44	42	43
	Preseason Maintenance - Tractors/Flail Mowers	13/13	12/12	13/13	13/13	13/13	12/12
	Preseason Maintenance - Snow Plows	43	44	44	44	42	43
	Preseason Maintenance - Salt Spreaders	24	25	25	25	23	22
	Preseason Maintenance - Street Sweepers	3	3	3	3	3	3
	Preseason Maintenance - Lawn Equipment	50	50	50	50	50	50
	Fire Trucks Prepared & Pump Tested	10	10	10	10	10	10
	Vehicle Tires Replaced	398	505	494	600	506	550
	Safety Inspections Conducted on Hoists	10	10	10	10	10	10
	Material Safety Data Sheets Maintained	470	406	420	410	410	410
Efficiency & Effectiveness	% of Preventive Maintenance Performed on Schedule	86%	80%	85%	85%	84%	85%
	Avg. Time to Perform Maintenance on a Car (Mins.)	48	48	48	50	48	48
	Avg. # of Vehicles/Equip. Maintained Per Mechanic	73	77	82	82	83	80
	Average Age of Police Vehicles (Years)	2.6	2.8	2.9	3.0	3.2	3.5
	Average Age of Fire Engines (Years)	10.6	11.6	10.0	11.0	11.0	12.0
	% of Snow Removal Vehicles & Equipment Available	95%	90%	95%	95%	90%	100%
	% of Snow Vehicles & Equip. Prepared by Nov. 15	97%	75%	100%	100%	80%	100%
	% of Front Line Fire Pumper Trucks Avail. for Service	95%	90%	95%	99%	96%	99%
	% of Actual Inventory to Inventory Ledger	97%	80%	95%	98%	97%	98%
	Cost of a Passenger Car Oil Change	\$23.37	\$24.70	\$25.36	*	*	*
	Preventive Maintenance Cost of a Passenger Car	\$59.45	\$59.12	\$59.92	*	*	*
	Activity Expenditures as % of General Fund	2.93%	3.11%	3.04%	3.11%	3.25%	3.33%

* Cost is calculated for "Actual" columns only.

Fleet Maintenance



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Division Supervisor	1	0	1
Maintenance Supervisor	0	1	0
Mechanic	10	9	9
Storekeeper	1	0	0
Seasonal Laborer	1	1	2
Total	13	11	12

Fleet Maintenance

SUMMARY OF BUDGET CHANGES

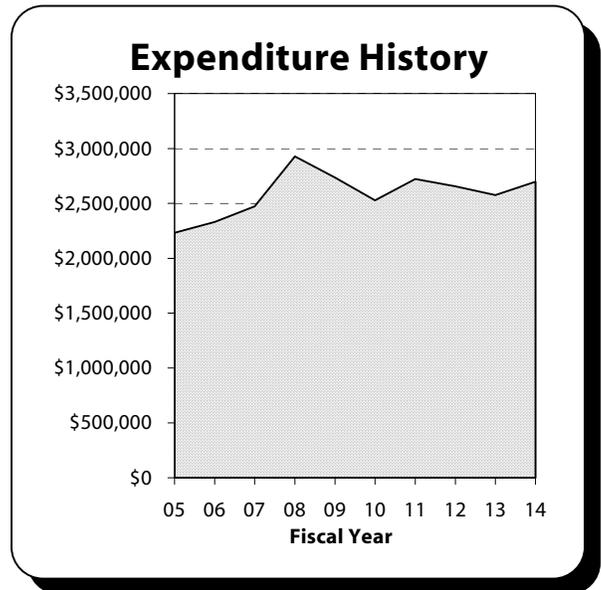
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 4.7%.

Personnel Services – The total Personnel budget increased by \$71,550 or 6.5%. Funding for long-term retirement liabilities rose \$43,030. An additional Seasonal Laborer position, transferred from Refuse Collection, is budgeted to partially offset the loss of the Mechanic and Storekeeper positions in the prior fiscal year. A Division Supervisor has been assigned to oversee both the Fleet Maintenance and Parks & Grounds Maintenance divisions.

Supplies – Total Supplies increased \$76,700 or 5.4%. Fuel costs increased \$45,000 based on the recent year's estimated expenditure usage. \$30,000 was added to the budget due to the increased cost of City vehicle and equipment repairs and parts. \$2,000 was added for the higher cost of vehicle fluids and lubricants. Operating supply costs decreased \$300 due to a prior year reappropriated encumbrance, partially offset by an increase as more small hand tools and fasteners need to be replenished.

Other Charges – Total Other Charges decreased \$27,400 or 62.1%. Contracted service costs fell \$28,800, as the City's vacant storekeeper function, proposed to be contracted out in the prior year, is now funded with a part-time Seasonal Laborer position. \$500 was saved, as fewer repairs are anticipated on department radios. The training budget decreased \$100, as funding for all CDL license renewals will now be consolidated in the Administration office budget. Equipment maintenance



costs rose \$2,000 based on the recent years' actual expenditure levels.

Capital – There is no Capital proposed for this division.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,166,700	\$1,104,810	\$1,097,520	\$1,176,360	\$1,176,360
Supplies	1,469,720	1,426,450	1,524,250	1,503,150	1,503,150
Other Charges	18,612	44,150	16,550	16,750	16,750
Total	\$2,655,032	\$2,575,410	\$2,638,320	\$2,696,260	\$2,696,260

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

A \$250,000 grant from the Attorney General of the State of Michigan was awarded to the City of Sterling Heights to combat the residential foreclosure crisis affecting all Michigan communities. The grant funded inspectors through the end of the 2012/13 fiscal year. In this time period, foreclosed properties were being identified using lists from tax and mortgage foreclosures, local records, available HUD homes and neighborhood research. These foreclosed properties have been inspected for violations of the City's property maintenance code. Because the grant has been spent, funding for this program can continue with a non-homestead single-family residential exterior registration fee. Funding for the inspectors will now be in the Neighborhood Services office budget.

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

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

KEY GOALS

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

Did you know...

...the Foreclosure Relief inspectors, funded by a one-time grant, conducted over 10,000 inspections on foreclosed properties in 2012?

Foreclosure Relief

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

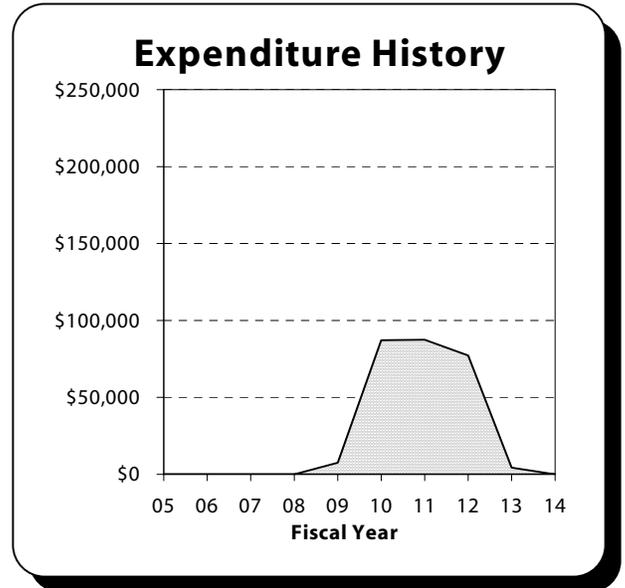
The total budget decreased by 100%.

Personnel – The total Personnel budget decreased by \$4,380 or 100%, as the City has fully spent the \$250,000 foreclosure relief grant. The part-time Code Enforcement Officers are now funded in Neighborhood Services, utilizing CDBG funds as well as funding from a new single-family non-homestead residential inspection fee.

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges decreased \$30 or 100%, as the final foreclosure relief program costs were paid in the prior fiscal year.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$76,404	\$4,380	\$4,390	\$0	\$0
Supplies	617	0	0	0	0
Other Charges	284	30	30	0	0
Total	\$77,305	\$4,410	\$4,420	\$0	\$0

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

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

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

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

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

KEY GOALS

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

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

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

Did you know...

...that Neighborhood Services works with Community Relations to actively recruit volunteers to assist financially or physically challenged residents with exterior property maintenance?

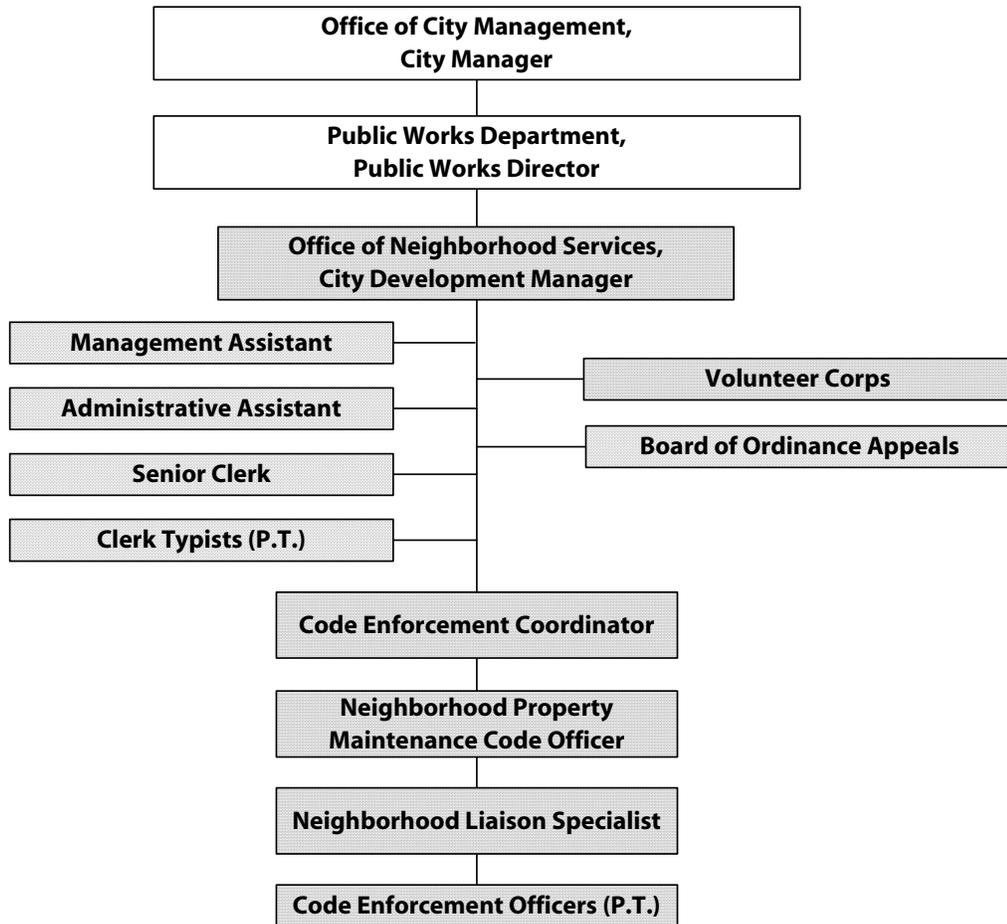
Neighborhood Services

2013/14 PERFORMANCE OBJECTIVES

1. To work with the Southeast Michigan Regional Energy Office Community Alliance to start a Property Assessed Clean Energy (PACE) program. (City Goal 11, 12, 13, 14)
2. To coordinate Blue Economy initiatives that promote our water resources and encourage tourism and consequently economic growth. (City Goal 11, 26)
3. To develop partnerships that foster the growth of a diverse Science, Technology, Engineering and Mathematics (STEM) educated workforce that will attract businesses to the City. (City Goal 11, 14, 15)
4. To develop a self-sustaining, proactive code enforcement program that integrates SHINE (Sterling Heights Initiative for Neighborhood Excellence) principles of community partnership and education. (City Goal 11, 12, 13, 14, 15, 16)
5. To inspect the exterior of all single family, non-homestead properties to ensure compliance with City codes. (City Goal 12, 13)
6. To streamline current snow emergency procedures in order to improve compliance with current ordinances and maximize the use of staff time. (City Goal 12, 13)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Total Inspections Performed	23,366	26,749	25,511	26,000	22,000	32,000
	Total Code Enforcement Cases	2,900	3,800	4,100	3,500	3,500	5,000
	Board of Ordinance Appeals Hearings	27	26	24	26	24	36
	Ordinance Board Cases Prepared - Nuisances	415	427	441	300	450	575
	Civil Infraction & Misdemeanor Tickets Issued	286	362	14	300	90	90
	Number of Street Lights in City	2,520	2,530	2,530	2,540	2,540	2,545
	Volunteer Corps Membership	N/A	113	212	250	200	200
	Neighborhood Clean Up Events Scheduled	N/A	1	2	3	4	4
	# of Dangerous Dog Cases Reviewed	N/A	N/A	N/A	3	3	3
	City Properties Acquired/Disposed Of	4	13	4	5	3	5
	Science, Tech., Engineering, & Math (STEM) Events	N/A	N/A	4	10	12	12
Efficiency & Effectiveness	% of Inspections Performed w/i 48 Hours of Complaint	95%	95%	95%	95%	95%	95%
	Avg. Days Between Notice of Violation & First Inspection	10	10	10	10	10	7
	% of Violations Corrected Prior to City Action	90%	90%	90%	90%	90%	90%
	Inspections Performed Per Inspector	2,921	2,432	2,551	2,890	3,385	3,370
	Code Enforcement Cases Per Inspector	363	380	456	440	540	530
	Code Enforcement Cases Per 1,000 Residents	22.6	29.6	31.6	26.9	26.9	38.3
	Average Cost to Perform a Code Inspection	\$18.20	\$17.61	\$18.80	*	*	*

Neighborhood Services



STAFFING SUMMARY

<u>Position</u>	<u>Budget 2011/12</u>	<u>Budget 2012/13</u>	<u>Budget 2013/14</u>
City Development Manager	0	0	1
Neighborhood Services Manager	1	0	0
Code Enforcement Coordinator	0	0	1
Neighborhood Prop. Maint. Code Officer	1	1	1
Neighborhood Liaison Specialist	2	2	1
Management Assistant	0	0	1
Administrative Assistant	0	0	1
Senior Clerk	0	0	1
Clerk Typist (P.T.)	0	0	2
Code Enforcement Officer (P.T.)	0	0	5
Total	4	3	14

Neighborhood Services

SUMMARY OF BUDGET CHANGES

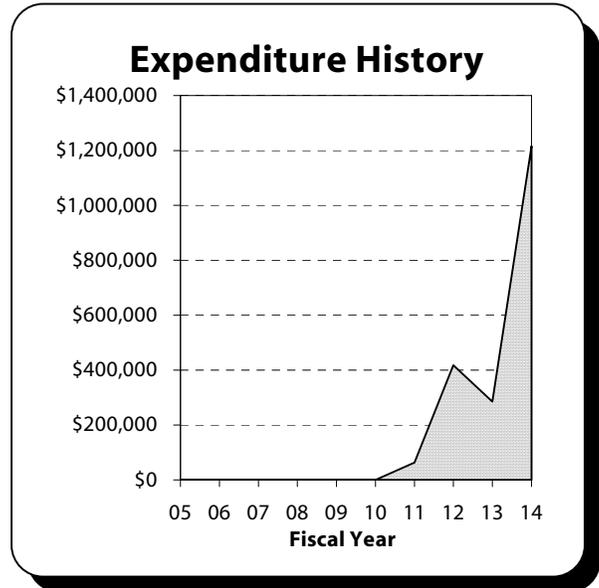
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 325.9%.

Personnel Services – The Personnel budget increased \$844,740. Due to a reorganization, a former manager in Economic Development has now been assigned to oversee this office and Code Enforcement. One full-time and two part-time Code Enforcement Officers will be reassigned from Building. Two full-time and one part-time clerical staff will also now be located in this division. In an effort to streamline clerical operations, one clerical position from Engineering will also be assigned. A Neighborhood Liaison Specialist was reassigned to Community Relations mid year. As part of the City’s enhanced property maintenance initiatives to address the exterior maintenance of single-family rental properties, three new part-time Code Officers and a part-time clerical position will be funded by new inspection fees.

Supplies – Total Supplies increased \$13,880, primarily for the new rental inspection start-up supplies including door tags, identification car magnets, shirts, jackets, badges, and computer tablets for the Code Enforcement Inspectors. In addition, postage costs for the SHINE program, as well as other code enforcement related mailings are now funded in this office.

Other Charges – Total Other Charges increased \$71,470. \$36,000 is for new field inspection software costs. Funding for nuisance abatement contract costs and copier rental costs are now funded in this office for \$30,000 and \$5,000, respectively. The training budget



increased \$450 primarily for existing code enforcement training previously in the Building office.

Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$415,582	\$283,080	\$353,770	\$1,127,820	\$1,127,820
Supplies	843	920	1,150	14,800	14,800
Other Charges	1,156	1,400	1,150	72,870	72,870
Total	\$417,581	\$285,400	\$356,070	\$1,215,490	\$1,215,490

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

The Parks & Grounds Maintenance function is responsible for ensuring that all municipal grounds, parks, and recreational facilities are maintained in a clean, safe, and aesthetically pleasing manner.

The beauty of our City is enhanced by the planting of street trees and preserving the health of our existing urban forest while preventing losses to human life and/or property through proper maintenance.

This office provides seasonal programs of maintaining baseball, football, and soccer fields and and tennis, volleyball and basketball courts in a safe, playable condition at City parks and school sites.

To ensure that all parks, recreational facilities, and properties are properly maintained, the following activities are undertaken: maintenance and/or removal of the magic squares and provision of requested assistance for the various Parks & Recreation activities which occur throughout the year.

To ensure that all municipal grounds and parks are well maintained, the following activities are undertaken: grass cutting, trimming, turf maintenance, and fertilizer/herbicide application at 13 municipal sites. When conditions warrant, snow and ice are removed to bare pavement at 11 municipal sites, 41 school walkways, five bridge sidewalks and at developed park sites. This activity also maintains the Parks & Grounds garage. The funds for retention pond maintenance cross charges, such as inspection, weed and grass cutting, and pump facility repairs, are included in this program.

Football and soccer fields are set up and lines are repainted once a week during the fall and spring seasons. Parks & Grounds Maintenance upgrades and maintains over 50 ball diamonds, lighting systems, benches and bleachers. ■

KEY GOALS

- *To ensure that the turf and landscaping at municipal building sites and parks are cut, trimmed, and upgraded in accordance with maintenance schedules.*
- *To provide seasonal maintenance of athletic fields and playground apparatus.*
- *To enhance the City's beauty by planting and trimming parks and street trees.*
- *To provide snow and ice control at municipal building sites, school walkways and park sites.*
- *To clean all park restrooms daily, empty trash barrels, and pick up litter as*

Did you know...

...the Parks & Grounds division maintains 659 acres of major parks, 167 acres of neighborhood parks (including two major athletic parks), one passive picnic park, 21 neighborhood parks, and a park system that includes five individual park areas for both picnic and passive type activities?

Parks & Grounds Maintenance

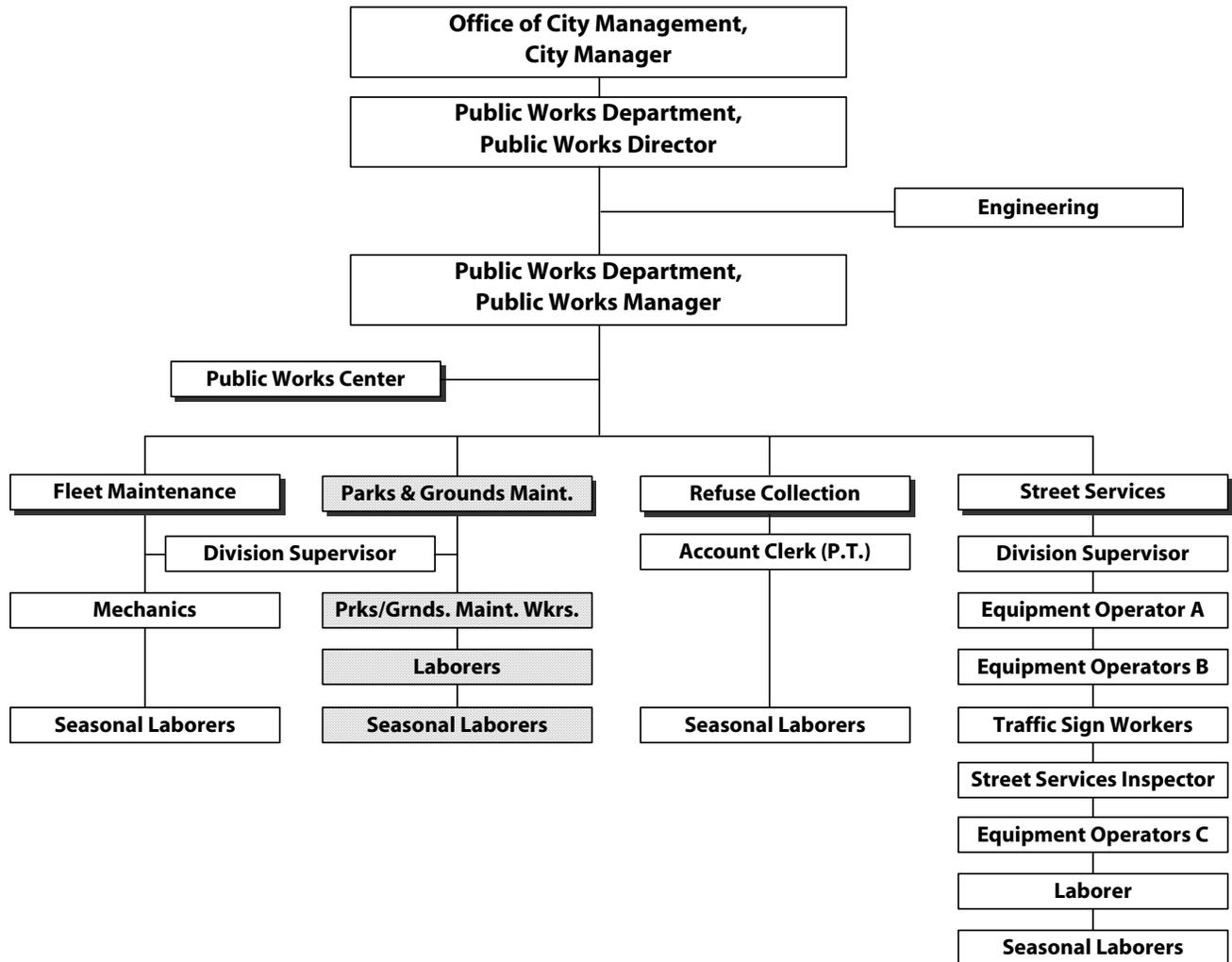
2013/14 PERFORMANCE OBJECTIVES

1. To remove all fallen trees and wood debris from the Clinton River to allow for safe passage. (City Goal 13, 14, 15, 26)
2. To reseal wood boardwalk sections of the Clinton River trail system, replace missing or broken spindles, and fasten loose wood planks. (City Goal 13, 14, 15)
3. To install an edge drainage system, topsoil, and grass seed to the south soccer field at L. W. Baumgartner Park. (City Goal 13, 14)
4. To remove all fallen and hazardous trees from the Clinton River trail system to provide a five foot buffer. (City Goal 13, 14, 15, 26)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Street Trees Trimmed (In-House)	200	522	2,727	200	1,625	1,630
	Cuttings/Trimming - 29 Parks (559 of the 826 Acres)	19	19	19	19	19	20
	Cuttings/Trimming - 9 Municipal Sites (Subcontracted)	30	30	30	30	30	30
	Ball Diamond Maint. Performed (Incl. UCS & WCS)	1,102	1,150	1,150	1,100	1,050	1,100
	Soccer/Football Fields Relined	175	200	225	300	300	300
	Snow/Ice Control Call-Ins	11	13	12	15	15	15
	Times Sprayed for Mosquitos (Dodge Park)	30	30	30	30	30	30
	Park Apparatus Maintenances/Repairs Made	98	100	155	100	125	140
	Cleaning of Restroom Facilities (Subcontracted)	880	880	832	530	530	580
	Trash Collection Days-Parks & Municipal Sites	200	200	200	200	200	200
Efficiency & Effectiveness	Injuries Claimed to be Fault of Grounds or Equipment	0	0	0	0	0	0
	% of Hazardous Apparatus Responded to w/i 24 hrs.	100%	100%	100%	100%	100%	100%
	% of City Easement Trees Inspected due to Complaints	10%	10%	10%	15%	15%	15%
	Cost to Mow an Acre of Parkland	\$43.86	\$43.70	\$41.18	*	*	*
	Activity Expenditures as % of General Fund	1.57%	1.58%	1.32%	0.87%	1.31%	1.26%

* Cost is calculated for "Actual" columns only.

Parks & Grounds Maintenance



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Maintenance Supervisor	1	0	0
Parks & Grounds Maintenance Worker	5	2	3
Laborer	3	0	2
Seasonal Laborer	7	8	8
Total	16	10	13

Parks & Grounds Maintenance

SUMMARY OF BUDGET CHANGES

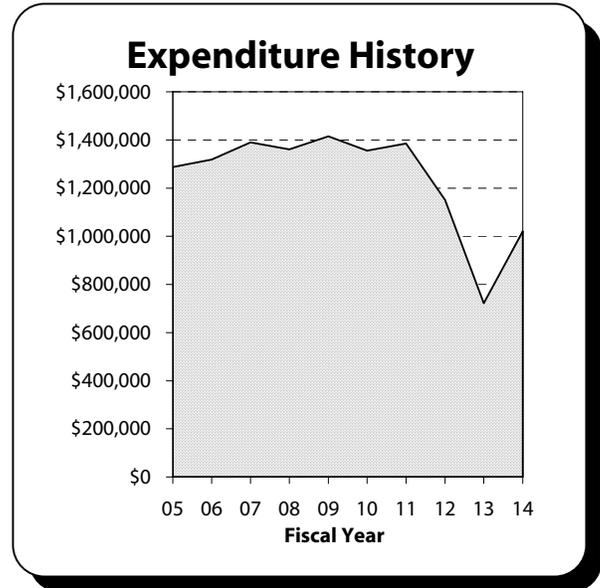
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR BUDGET

The total budget increased by 41.5%.

Personnel Services – The total Personnel budget increased by \$248,660 or 54.1%. After eliminating six vacant full-time positions in this division last year, three full-time positions have been reassigned from Street Services in order to maintain City parks. In addition, contractors will continue to assist the City with park mowing, restroom cleaning, sprinkler irrigation maintenance, and Sterlingfest. An additional \$34,640 is budgeted to fund increased long-term retiree obligations.

Supplies – Total Supplies decreased \$1,900 or 5.1%, as fewer small hand tools, materials, and annuals are needed to maintain the City’s parks, grounds, and playground equipment.

Other Charges – Total Other Charges increased \$52,450 or 23.3%, primarily for increased park maintenance contractual services including restroom cleaning, irrigation maintenance, and Sterlingfest related job duties. Water costs rose \$14,000 based on increased irrigation demand and higher rates. Funding for retention pond maintenance decreased \$3,000 and parks and grounds maintenance costs fell \$1,370, based on historic actual expenditures. \$2,000 was saved, as less budgeted funding is needed for continued mosquito and herbicide spraying at City parks and municipal sites. Educational funding decreased \$330 due to the prior year one-time funding for aerial platform training and as the budget for CDL license



renewals is now in the Administration budget. A new chainsaw safety training class is funded next year.

Capital – There is no Capital proposed for this division.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$844,908	\$459,370	\$733,300	\$708,030	\$708,030
Supplies	37,934	37,050	37,050	35,150	35,150
Other Charges	267,961	224,650	295,100	277,100	277,100
Total	\$1,150,803	\$721,070	\$1,065,450	\$1,020,280	\$1,020,280

MISSION STATEMENT: *To act as the principal technical source of assistance to the Planning Commission and Zoning Board of Appeals in carrying out their duties in accordance with State enabling legislation.*

It is the responsibility of the Office of Planning to coordinate site plan reviews, and interpret and enforce the Zoning and other general ordinances of the City. This is done in accordance with its duty of providing administrative and technical assistance to both the Planning Commission and Zoning Board of Appeals (ZBA).

The City Planner serves as the administrative liaison to the Planning Commission. The Commission is required, by State enabling legislation, to prepare and adopt a Master Land Use Plan as set forth in the Michigan Planning Enabling Act, Public Act 33 of 2008. Planning provides the technical and professional assistance necessary for the creation of the plan, including any successive amendments.

As master land use plans generally entail a long range planning projection of between 15 to 20 years, continual review and maintenance is required by both the Planning Commission and Office of Planning. The Master Land Use Plan guides the physical development of the City as it relates to uses of land, public and quasi-public facilities, transportation systems, and utilities.

Planning is also responsible for the interpretation and enforcement of the Zoning, Tree Preservation, and other ordinances. Certain annual inspections such as review of liquor license establishments are also conducted by this office. In addition, this office provides information to residents regarding street lighting.

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

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

KEY GOALS

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

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

Did you know...

...the Office of Planning recently approved the final site plan for Chrysler's Sterling Heights Assembly Plant body shop addition, which adds nearly one million square feet of new manufacturing space?

Planning

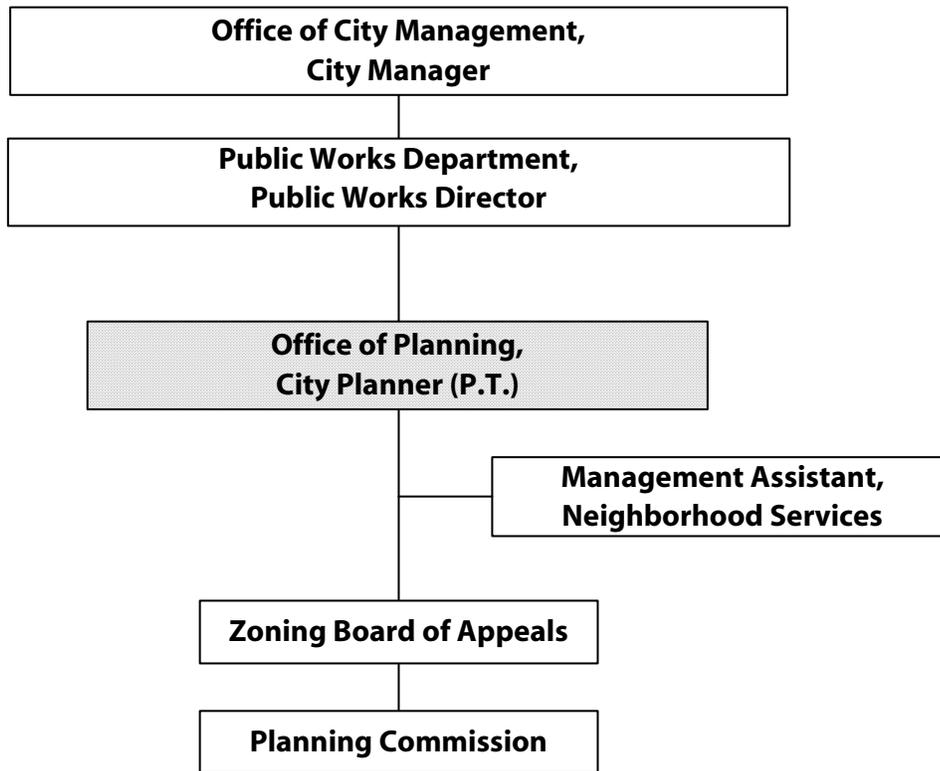
2013/14 PERFORMANCE OBJECTIVES

1. To assist in the software transition from Permits Plus to BS&A for zoning cases, site plans, temporary uses, permitting and complaints. *(City Goal 3, 18)*
2. To partner with Economic Development and the Building office to develop a project pipeline report to further strengthen collaboration and coordination of new projects. *(City Goal 2, 11)*
3. To coordinate and train Neighborhood Services staff in the review of commercial site plans to reestablish agreed upon landscaping plans. *(City Goal 13, 14, 15)*
4. To provide training for current staff to process rezonings, variances, temporary use permits, and land divisions/combinations. *(City Goal 4)*
5. To review the Zoning Ordinance for potential amendments to create opportunities for businesses, strengthen the housing stock, and provide for orderly development and city-wide aesthetics. *(City Goal 10, 12, 15)*
6. To provide in-house training to Code Enforcement staff for gas station code compliance. *(City Goal 13, 14, 15)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Site Plans Reviewed	75	50	48	65	52	60
	Rezoning Petitions Processed	5	2	4	3	7	5
	Residential Developments	4	4	3	3	5	3
	Special Approval Land Uses Processed	14	12	7	12	7	10
	Site Inspections Conducted	614	622	596	450	334	350
	Planning Commission Cases Prepared	19	17	17	20	17	17
	Planning Commission Meetings Attended	9	10	10	12	9	10
	Temporary Uses, Variances, & Vacations Reviewed	50	61	74	50	50	55
	Zoning Board of Appeals Cases Prepared	40	34	32	30	27	30
	Zoning Board of Appeals Meetings Held	12	12	11	12	10	10
	Council Agenda Items Prepared	9	7	9	10	11	10
	Zoning Compliance, Use Permits Reviewed	349	602	439	300	310	270
Efficiency	% of Preliminary Site Plans Reviewed w/i 10 days	95%	90%	90%	90%	90%	90%
	% of Final Site Plans Reviewed w/i 3 days	95%	95%	90%	90%	90%	90%
	% of Property Splits Reviewed w/i 2 days	95%	90%	90%	90%	90%	90%
	Average Cost to Review a Site Plan	\$1,348	\$1,474	\$1,514	*	*	*
	Activity Expenditures as % of General Fund	0.41%	0.42%	0.55%	0.40%	0.29%	0.13%

* Cost is calculated for "Actual" columns only.

Planning



STAFFING SUMMARY

<u>Position</u>	<u>Budget 2011/12</u>	<u>Budget 2012/13</u>	<u>Budget 2013/14</u>
City Planner (P.T.)	0	1	1
City Development Director/City Planner	1	0	0
Planning Coordinator	1	1	0
HUD Program Coordinator	1	1	0
Administrative Assistant	1	0	0
CDBG Intern (P.T.)	1	1	0
Total	5	4	1

Planning

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

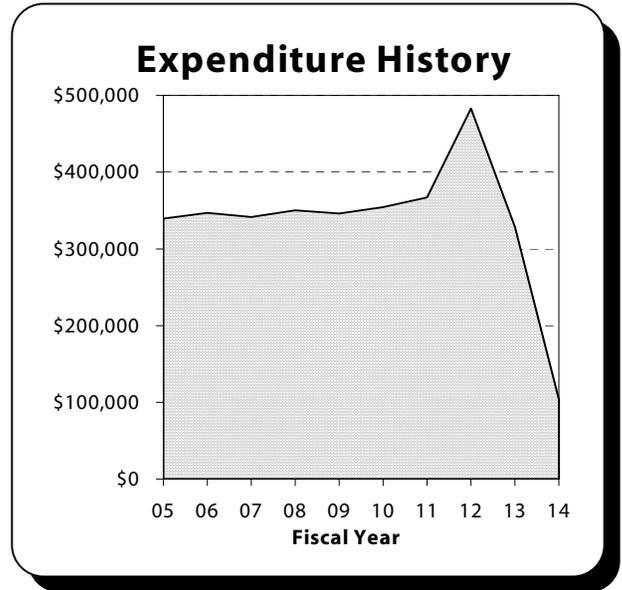
The total budget decreased by 68.4%.

Personnel Services – The total Personnel budget decreased by \$183,180 or 64.2%. The overall reduction is due to a retirement in the prior year and the reassignment of the full-time HUD Program Coordinator and the part-time CDBG Intern to the Parks & Recreation office. Budgeted personnel is now a part-time City Planner who also utilizes clerical assistance from the Neighborhood Services office.

Supplies – Total Supplies decreased \$220 or 27.8%. Operating supply costs fell \$190 and postage costs decreased \$30, as both can be reduced and brought more in line with the current year’s estimated expenditure levels.

Other Charges – Total Other Charges decreased \$41,450 or 97.1%, as the prior year budget included funds for the contracting of the City Planner, who is now budgeted in part-time wages. Telephone costs fell \$80 due to the staff reduction and a recent cost-saving modification made to the City’s Internet data lines.

Capital – There is no Capital proposed for this office.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$479,431	\$285,300	\$236,340	\$102,120	\$102,120
Supplies	530	790	550	570	570
Other Charges	3,053	42,670	1,220	1,220	1,220
Total	\$483,014	\$328,760	\$238,110	\$103,910	\$103,910

MISSION STATEMENT: *To budget and account for expenditures that are incurred for the maintenance and operation of the Public Works Department that are not reflected in any other Public Works activity.*

The Public Works Center is used to budget and account for expenditures that are incurred throughout the fiscal year for the operations and maintenance of the Public Works facility, including required repairs and preventative maintenance, as well as costs associated with the City's noxious weed cutting program. There are no department staff members assigned to this activity. The duties of a vacant General Supervisor position have been transferred to other department staff. The Public Works Director and the Operations Manager oversee the administrative functions of this activity, which are necessary to ensure the efficient and effective delivery of services in the areas of street maintenance, parks and grounds maintenance, and fleet maintenance.

Examples of the types of expenditures that are charged to this activity include water, heating, and electric costs for the operation of the Public Works facility, office supplies, building maintenance and custodial supplies, licensing fees for the 800 MHz radio communication system, and office telephone charges.

In addition, contracted service costs for noxious weed cutting and preventative maintenance on the facility's heating and cooling system is also included in this activity.

Costs associated with the Facility Maintenance and Repair Program are accounted for in the Public Works Center and include the facilitation of required repairs and maintenance of the Public Works facility including general cleaning, internal and external electrical and lighting repairs, minor plumbing repairs, vehicle door repair, and maintenance of facility equipment. This program also includes the preventive maintenance contract on the furnaces and air conditioning equipment at the Public Works facility.■

KEY GOALS

- *To provide a means of accounting for facility maintenance and repair expenditures which benefit all offices of the Public Works Department.*
- *To provide a means of accounting for certain operational expenditures for the Public Works facility.*
- *To provide a means of budgeting and accounting for the City's Noxious Weed Program.*

Did you know...

...the Public Works Center successfully qualified for a grant to fund lighting improvements at the Public Works facility, resulting in annual energy savings of over \$5,000?

Public Works Center

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

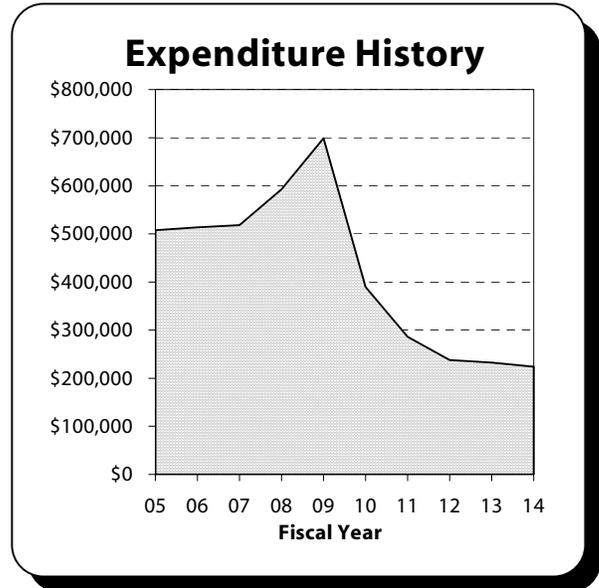
The total budget decreased by 3.8%.

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

Supplies – Total Supplies decreased \$3,300 or 39.8%, as the operating supplies budget can be reduced and brought more in line with the recent year’s estimated expenditure usage.

Other Charges – Total Other Charges decreased \$5,550 or 2.5%. Electric costs decreased \$8,000 due to greater than anticipated savings from the recent installation of high efficiency lighting at the Public Works building. Telephone line charges fell \$1,400, as further cost-savings were realized from recently connecting the Public Works building to the City’s main telephone system. Building maintenance costs declined \$1,000 and equipment maintenance costs fell \$400, both based on recent expenditure levels. \$2,900 was added to the budget for higher State radio user fees. Water costs rose \$2,500 due to higher rates and increased irrigation demands.

Capital – There is no Capital proposed for this division.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	5,803	8,300	5,000	5,000	5,000
Other Charges	231,948	224,250	211,150	218,700	218,700
Total	\$237,751	\$232,550	\$216,150	\$223,700	\$223,700

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

Refuse Collection provides prompt, reliable, and efficient refuse collection by a private contractor weekly from residential homes, condominiums, commercial curbsides, and City dumpster pick ups. A voluntary subscription-based curbside recycling program is also provided by the City's contractor.

Through the cost recovery program, apartment complexes are eligible for City-provided collection if they pay for the cost of collection, plus an administrative fee.

A separate collection of yard waste is made from early April through late November from all curbside collection stops. Yard waste is composted and diverted from landfill disposal. A separate collection of Christmas trees for composting is also provided.

Three voluntary Recycling Drop-Off Centers are maintained in order to provide residents with the opportunity to recycle in a cost effective manner.

Refuse Collection includes pick up of bulky items on regularly scheduled collection days as well as the separate collection of "white" goods, i.e. stoves, refrigerators, etc. These white goods are delivered to a scrap metal recycler for reuse. All refuse related files and correspondences are maintained in this activity.

The Operations Manager serves as the City's liaison with the refuse contractor to ensure the contractor is performing in accordance with the contract and City ordinance. The handling and resolution of more difficult complaints and the provision of information and reports is accomplished through this area. The clerical support staff verifies the contractor's monthly invoices, prepares requests for payment, prepares monthly reports detailing all stops, maintains all refuse related files, and types all related correspondence.

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

KEY GOALS

- *To ensure that all properly placed refuse is collected on a weekly basis by the City's private contractor and transported and disposed of at an approved facility.*
- *To provide recycling and composting opportunities in a cost-effective manner.*
- *To assist the Solid Waste Management Commission in its review of the City's solid waste collection, recycling, composting and waste reduction efforts.*
- *To maintain and supervise the City's three recycling centers.*
- *To continually review the status of various solid waste management legislation.*

Manager serves as the liaison to the Commission. The Commission serves in an advisory capacity to the City Council and Administration. The Commission's responsibility is to continually review and update the City's position regarding solid waste disposal activities.

Clerical support is also provided to the Grass/Weed Cutting Program, tree planting, tree removal, trimming, as well as general information requests. ■

Did you know...

...that during fiscal year 2012, over 23,800 gallons of used motor oil was collected and recycled by the City of Sterling Heights?

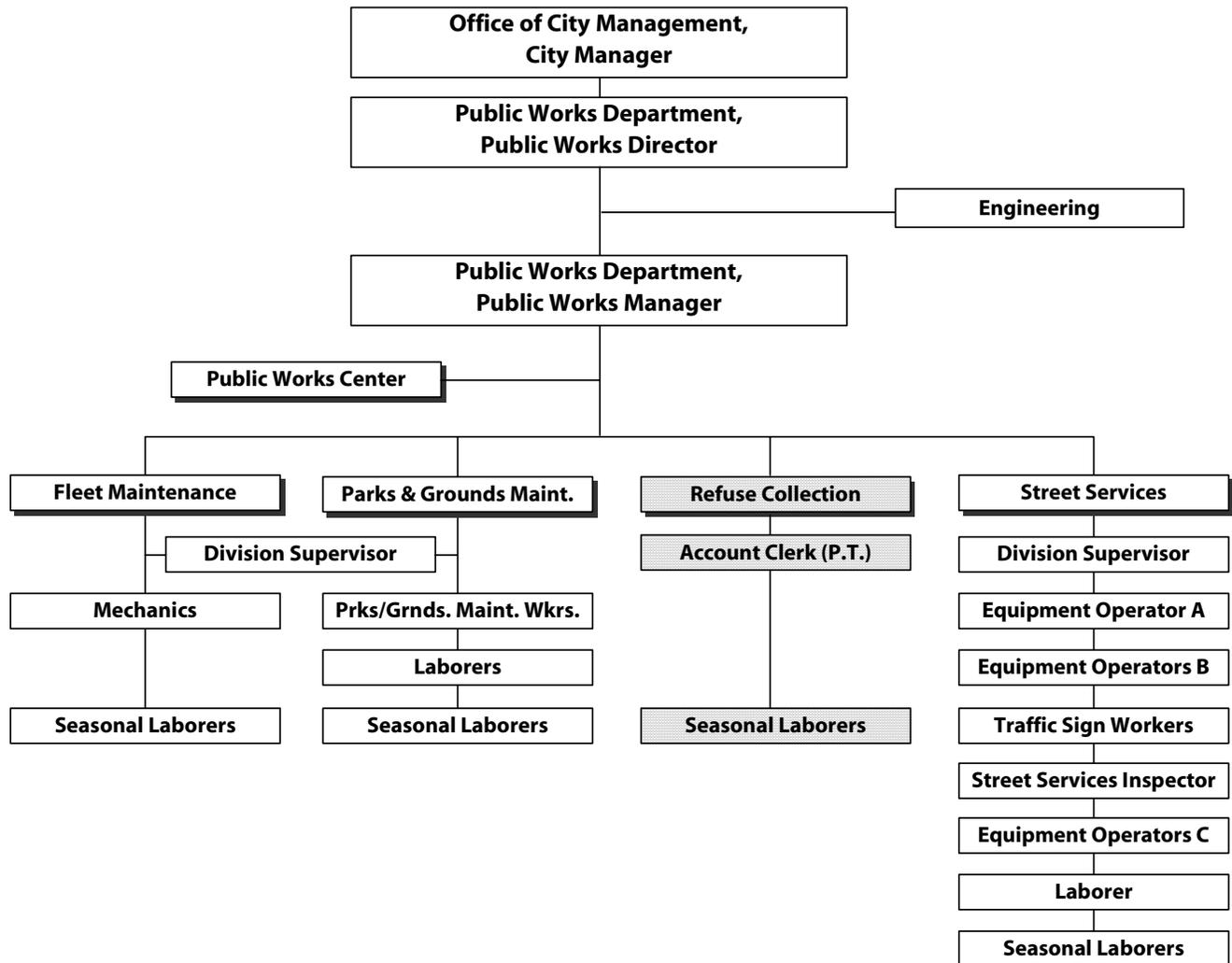
Refuse Collection

2013/14 PERFORMANCE OBJECTIVES

1. To aggressively tag and educate residents who place their refuse out too early for collection or who have placed it out improperly. (City Goal 13, 14)
2. To schedule, effectively communicate and hold the semi-annual Free Shed Day event. (City Goal 1, 2, 14)
3. To schedule, effectively communicate and hold the semi-annual Electronic Recycle Day event. (City Goal 1, 2, 14)
4. To monitor the implementation and daily operation of the voluntary curbside recycling program to ensure customer service expectations are met. (City Goal 1, 2, 14)
5. To manage the Cost Recovery Program providing dumpster service to apartments which choose to participate in the program. (City Goal 1, 3, 21)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Curbside Refuse Collection Points (Per Week)	39,512	39,566	39,637	39,600	39,600	39,600
	Cubic Yards of Refuse Landfilled	115,341	116,829	113,058	120,000	117,000	115,000
	Tons of Yard Waste Composted/Diverted	10,962	10,812	11,051	11,000	11,000	11,000
	Christmas Trees Chipped and Composted	3,080	2,853	3,627	2,500	2,500	2,500
	Tons of Plastics Recycled (Recycling Center)	298	261	324	330	290	250
	Tons of Paper Recycled (Recycling Center)	2,073	2,230	2,200	2,180	1,800	1,700
	Gallons of Used Oil Recycled (Recycling Center)	33,850	26,500	23,800	26,100	23,000	22,000
Efficiency & Effectiveness	Refuse Violations Tagged by Contractor	31	33	29	25	25	25
	% Refuse Collection Stops Making Complaints	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
	% of Trouble Calls Remedied within 24 Hours	95%	95%	95%	95%	95%	95%
	Reduction in Landfill Volume vs. 1989/1990	48.0%	47.0%	49.0%	46.0%	47.0%	48.0%
	Refuse Collection Costs per Capita	\$34.47	\$34.63	\$35.51	\$34.15	\$34.25	\$34.38
	Refuse Collection Millage Rate	0.87	0.95	1.00	1.08	1.08	1.09
	Refuse Cost for Average Homeowner	\$71	\$67	\$66	\$66	\$66	\$68
	Total Cost to Operate Three Recycling Centers	\$85,410	\$82,650	\$91,655	\$80,000	\$96,500	\$90,000
	Recycling Costs Per Ton Recycled	\$32.46	\$31.00	\$29.87	\$30.19	\$32.00	\$33.00
	Cost to Collect/Dispose of Refuse (1 cubic yard)	\$38.41	\$38.09	\$40.74	\$37.00	\$38.06	\$39.01
	Activity Expenditures as % of General Fund	5.13%	5.09%	5.28%	5.35%	5.48%	5.54%

Refuse Collection



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Clerk Typist	1	1	0
Account Clerk (P.T.)	0	0	1
Seasonal Laborer	4	4	3
Total	5	5	4

Refuse Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

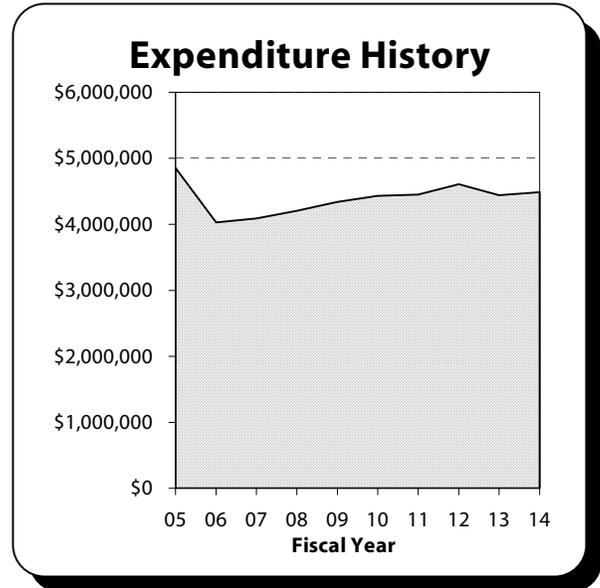
The total budget increased by 1.1%.

Personnel Services – The total Personnel budget decreased \$38,020 or 24.7%. The decrease is the result of filling a vacant Clerk Typist position due to a retirement with a part-time Account Clerk. In addition, due to the implementation of the voluntary curbside recycling program, a Seasonal Laborer position has been transferred to Fleet Maintenance.

Supplies – Total Supplies decreased \$230 or 18.7%, as fewer supplies and small tools are needed for the recycling program.

Other Charges – Total Other Charges increased \$85,150 or 2.0%. The rubbish removal budget increased by \$85,000, primarily due to lower estimated prices for recycled paper products, an extension of the yard waste collection schedule to the first week of December as required by the Michigan Department of Environmental Quality (MDEQ), and a fuel adjustment increase. \$150 was added for the increased costs of printing refuse related materials.

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



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$141,986	\$153,820	\$119,630	\$115,800	\$115,800
Supplies	507	1,230	1,000	1,000	1,000
Other Charges	4,463,392	4,284,750	4,332,030	4,369,900	4,369,900
Total	\$4,605,885	\$4,439,800	\$4,452,660	\$4,486,700	\$4,486,700

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

Three specific programs set up within this Public Works division detail the mission of the Street Services activity. Roads and Streets Maintenance, Supplementary Roadside Maintenance, and Snow and Ice Control programs provide excellent care to the City's streets. Street Services provides a safe and clean road surface for vehicular traffic, adequate visual direction and a safe, maintained, and unobstructed roadside environment on more than 349 miles of City roads.

The Roads and Streets Maintenance program strives to maintain safe road surfaces for vehicular and pedestrian traffic by ensuring adequate pavement markings. One-third of all school crosswalks and stop bar pavement markings are repaired or replaced every year. Traffic control lines are painted and athletic courts are taped throughout the City.

Street sweeping of all paved road surfaces occurs at least four times per year on 395 miles of major, local, and county roads. This activity is responsible for road patching and shoulder grading to maintain safe roads.

The Supplementary Roadside Maintenance program provides a safe, well-maintained roadside environment. Cutting of weeds and tall grass along all roadsides, ditches, and medians is done five times per year. Dead leaves are removed from along curbsides throughout the leaf drop season.

Support activities include the installation of new street signs, maintenance and repair of existing signs, and the installation of informational signs for the municipal sites and 28 developed parks.

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

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

KEY GOALS

- *To provide a safe and clean road surface for vehicular traffic.*
- *To provide adequate visual direction to regulate, warn, or guide vehicular and pedestrian traffic through proper signage and pavement markings.*
- *To provide a safe, well-maintained and unobstructed roadside environment.*
- *To provide effective storm water runoff without damaging our stream ecology.*
- *To provide an organized snow and ice control program based on designated priorities in order to maintain safe, passable streets.*

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

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

Did you know...

...the Street Services division maintains over 29,000 street trees within the City borders, including the planting, removing, inspecting, and trimming of these trees?

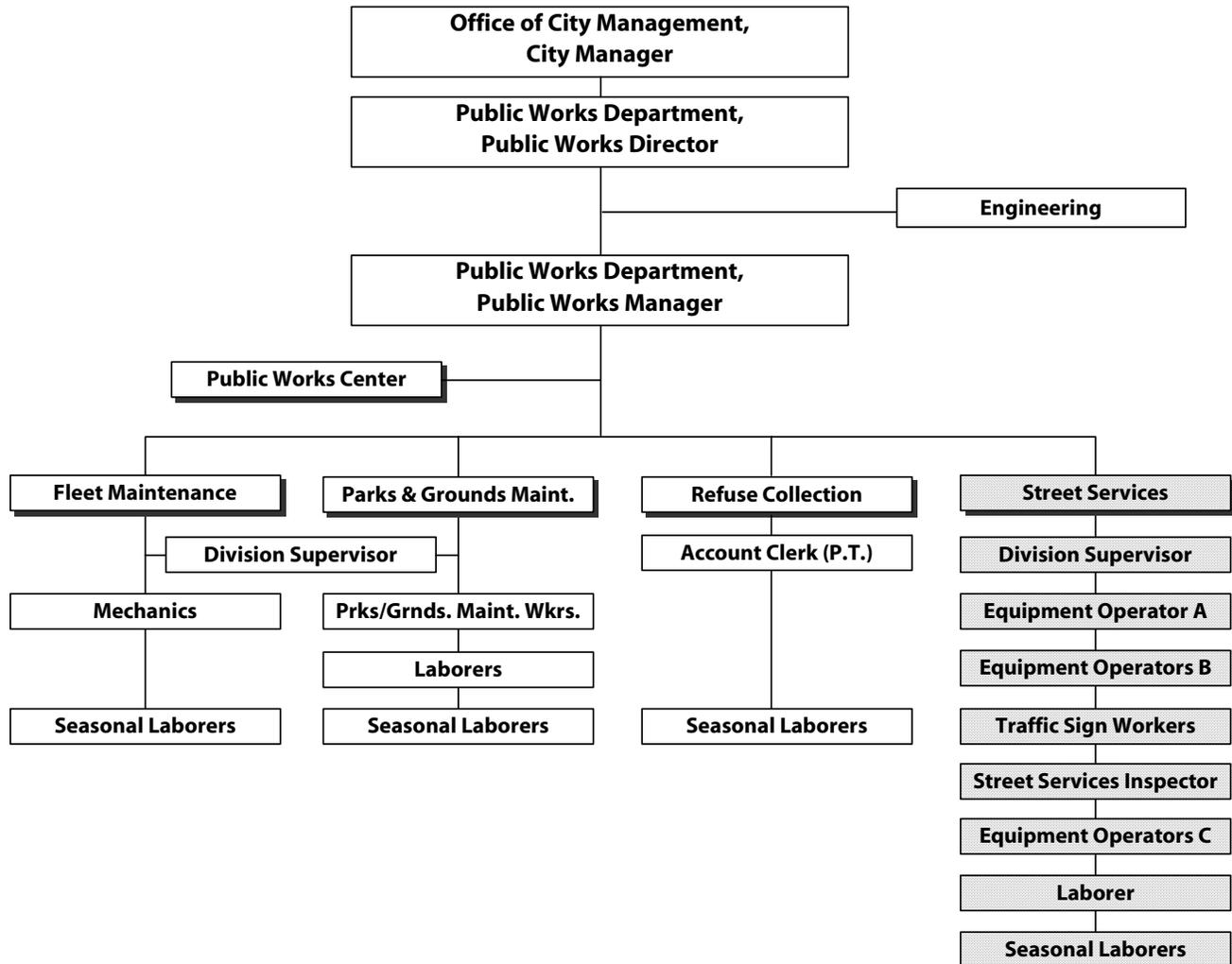
Street Services

2013/14 PERFORMANCE OBJECTIVES

1. To remove fallen tree debris from the Clinton River waterway in conjunction with the Macomb County Blue Economy Initiative. (City Goal 14)
2. To continue cross training employees from all DPW divisions on the operation of vehicles and equipment utilized in the Street Services division. (City Goal 3)
3. To complete a right-of-way sign inventory/inspection program using GIS technology to promote prioritized replacement of old, faded or obsolete signs throughout the City. (City Goal 14)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Miles of Roads in City (Major & Local)	349	349	349	349	349	349
	After Hours Snow Removal Occurrences	31	39	17	35	35	35
	Tons of Road Salt Used	5,050	8,755	2,301	7,000	7,000	7,000
	Miles of Snow Fence Installation or Removal	4.0	4.5	1.9	5.0	4.0	5.0
	Pothole Patching - Tons of Patch Used	269	639	262	700	500	700
	Sidewalk Patching - Number of Locations	181	49	19	200	100	100
	Street Sweeping - Rotation (395 miles)	4	4	2	4	4	4
	Roadside Clean-Up Major Rds.-Revol. (107 miles)	49	20	10	20	20	20
	Right-of-Way Mowing - Revolution (357 miles)	10	9	6	9	10	10
	Storm Catch Basin Cleaning-Number of Locations	2,411	1,796	1,994	1,500	1,600	2,000
	Street Trees Removed (In-House/Contractor)	120/290	48/222	235/207	150/300	140/300	200/400
	Street Trees Planted (Subcontracted)	219	274	98	180	250	200
	Street Trees Trimmed (Subcontracted)	1,197	0	0	0	2,860	3,000
	Homeowner Tree Inquiries/Inspection Responses	1,287	808	1,771	3,000	3,000	3,000
	Residential Tree/Branch Chipping Requests Filled	3,406	1,224	3,524	0	1,000	1,000
	Traffic Sign Repairs or Replacements	4,069	204	699	800	800	1,000
	Gravel Roads - Lane Miles Graded	37	49	37	50	24	50
	Dust Control - Gallons Calcium Chloride Applied	22,700	28,900	31,019	25,000	50,000	75,000
Signs Installed for Adopt-A-Road	6	6	2	5	5	5	
Refuse Pick-Ups Made from Adopt-A-Road	43	65	71	30	30	50	
Efficiency	% of Tree Chipping Requests Completed w/i 1 week	99%	99%	95%	N/A	98%	98%
	% of Emergency Calls Responded to w/i 1 hour	100%	100%	100%	100%	100%	100%
	Property Damage Due to Snow Removal Operation	\$275	\$2,200	\$0	\$1,200	\$1,200	\$1,200
	Street Services Cost Per Capita	\$14.63	\$15.46	\$13.67	\$15.24	\$13.01	\$13.92
	Activity Expenditures as % of General Fund	2.18%	2.27%	2.03%	2.39%	2.08%	2.24%

Street Services



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Division Supervisor	1	1	1
Equipment Operator A	1	1	1
Equipment Operator B	7	7	7
Traffic Sign Worker	2	2	2
Street Services Inspector	1	1	1
Equipment Operator C	6	6	2
Laborer	1	1	1
Seasonal Laborer	2	2	3
Total	21	21	18

Street Services

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

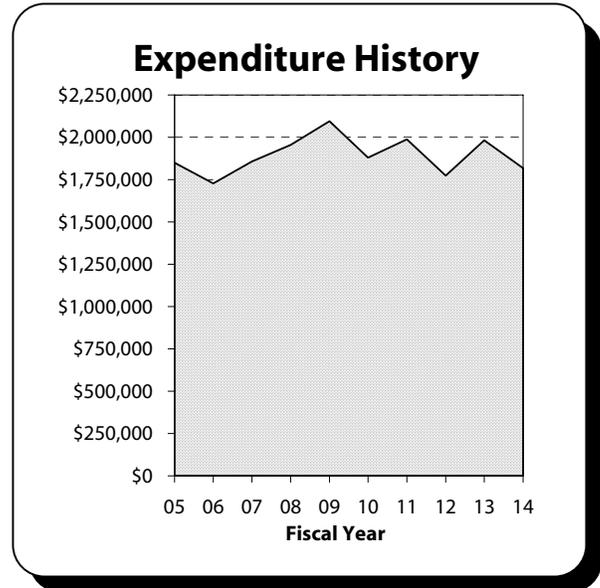
The total budget decreased by 8.3%.

Personnel Services – The total Personnel budget decreased by \$165,920 or 8.5%. Due to a retirement, one vacant full-time position has not been funded. In addition, three full-time positions have been reassigned to Parks & Grounds Maintenance due to staff turnover in that division. An additional part-time Seasonal Laborer position is proposed to assist in street maintenance functions. Partially offsetting these savings is a \$60,740 increase to fund long-term retirement obligations.

Supplies – Total Supplies increased \$2,500 or 20.0% due to the higher cost and greater need for signage materials, traffic control supplies, and tools.

Other Charges – Total Other Charges decreased \$1,150 or 13.3%. Training costs fell \$1,100 due to the one-time funding of aerial platform training in the prior year. Chainsaw safety training is funded next year. All funding for CDL license renewals will now be expensed in the Administration budget. \$50 was saved, as fewer printed work order and complaint forms are needed.

Capital – Total Capital of \$59,000 is budgeted in the Capital Projects Fund. \$30,000 is recommended for an Asphalt Hot Box that will be used by road maintenance crews when filling potholes in the winter months. This machine will increase patching crew efficiency and allow for a better quality road patch. \$29,000 is to replace a 12-year old ¾ ton 4x4 Pickup Truck with Plow

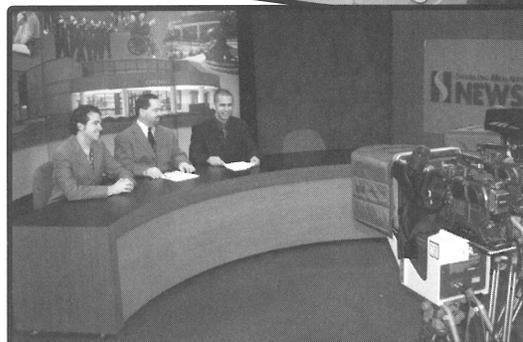
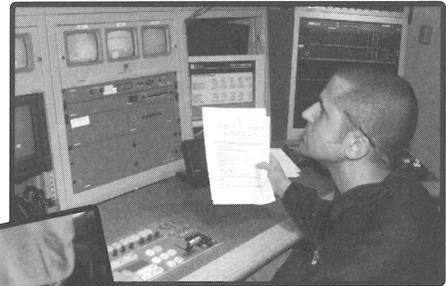


with 100,000 miles that is utilized in daily operations and snow emergencies. The current vehicle is neither safe nor reliable.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,739,918	\$1,960,400	\$1,667,420	\$1,794,480	\$1,794,480
Supplies	25,377	12,500	15,000	15,000	15,000
Other Charges	7,396	8,650	8,600	7,500	7,500
Total	\$1,772,691	\$1,981,550	\$1,691,020	\$1,816,980	\$1,816,980

Community Relations Department



FUNCTIONAL ORGANIZATION CHART

Community Relations Department

Office of Community Relations

- Administration of department
- Implements policies and procedures
- Serves as public information officer in emergency disaster situations
- Coordinates all media contacts on behalf of the City Council and City Manager
- Coordinates all City special events, such as Sterlingfest, Memorial Day Parade, and Cultural Exchange
- Coordinates staff assignments and responsibilities
- Coordinates events for members of City Council and City Manager
- Handles miscellaneous correspondence for members of City Council and City Manager
- Produces information and publicity for all City departments
- Administers the SH Film Office to attract film makers to the City and to coordinate City service in the event of a production
- Serves as liaison to Cultural, Telecommunications, and Beautification Commissions, Ethnic Community Committee, and Community Foundation
- Prepares and manages the department budget
- Publishes website and intranet
- Coordinates focus groups
- Coordinates City surveys
- Assists with implementation and coordination of volunteers

Communication Services

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

Broadcast Services

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

DEPARTMENT AT A GLANCE

Community Relations Department

BUDGET SUMMARY

The Community Relations Department budget decreased \$127,570 or 13.4%. Personnel costs decreased \$113,020 or 13.0%. Due to a retirement, the Broadcast Services Manager position has become part-time. In addition, the vacant Broadcast Services Coordinator position has been eliminated, while a Citizen Services Specialist position has transferred from Neighborhood Services. Additional savings has also been achieved as a result of new employee labor agreements that have reduced pay and benefit costs. Partially offsetting these savings is a \$44,670 increase to fund long-term retirement liabilities. Supplies

decreased by \$1,320 or 5.0% due to the increased use of email and online resources by the department. Other Charges fell \$13,230 or 21.8%, as last year's budget included the one-time funding for a community survey. The Capital budget includes funding to redesign the City's website. The current website software is 13 years old and is no longer supported. Funding is needed to transfer the existing data and to provide the framework to further expand and increase the functionality of the City's website. This update will make information easier to access by both residents and businesses, and will further increase productivity in all City departments.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
Community Relations	\$1,470,780	\$1,033,780	\$954,530	\$826,960	-13.4%
Total Department	\$1,470,780	\$1,033,780	\$954,530	\$826,960	-13.4%
Personnel Services	\$1,363,070	\$956,510	\$867,450	\$754,430	-13.0%
Supplies	47,390	26,560	26,430	25,110	-5.0%
Other Charges	60,320	50,710	60,650	47,420	-21.8%
Total Department	\$1,470,780	\$1,033,780	\$954,530	\$826,960	-13.4%

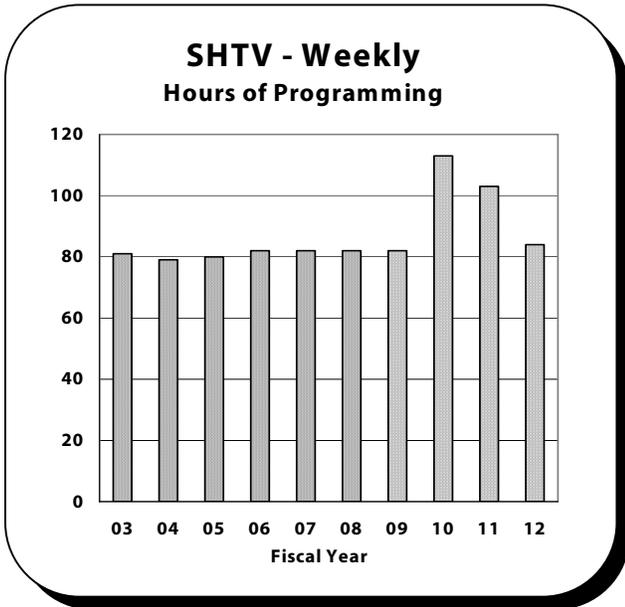
PERSONNEL SUMMARY

	2010/11		2011/12		2012/13		2013/14	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Community Relations	13	3	7	1	6	1	5	2
Total Department	13	3	7	1	6	1	5	2

Excludes Boards & Commissions.

KEY DEPARTMENTAL TRENDS

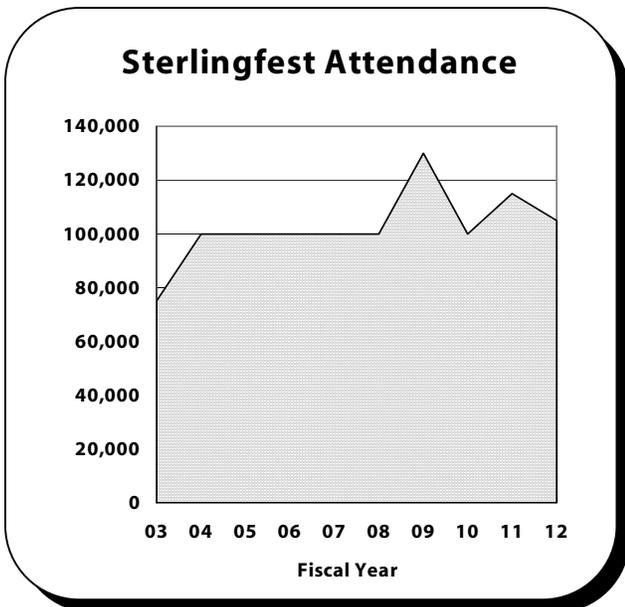
Community Relations Department



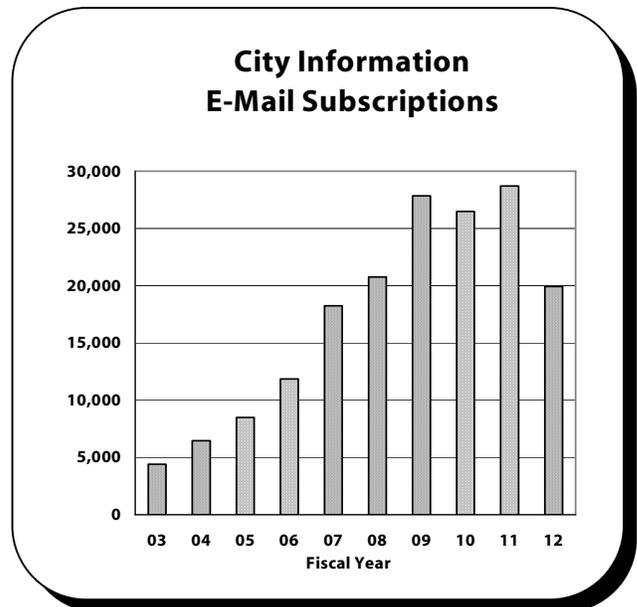
Sterling Heights Television viewers saw a rise in the total hours of programming over the past 10 years. Hours increased in 2010 for the additional overnight programming. Hours have since declined due to a reduction in sports programming and bi-weekly newscasts.



City Website visits account for more than 95% of total service contacts. 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. Postcards have now been replaced by additional electronic feedback programs.



Attendance for the Sterlingfest Art and Jazz Fair has risen as the Sterlingfest now includes a carnival midway, additional restaurant vendors, a beer tent, concerts with local headliners, and art and jazzfest areas during the three-day event.



The City offers a free e-mail subscription service where residents can sign up to receive information about City meetings, events, job postings, garage sales, public safety updates, SHTV programming, the SHARP economic newsletter, and the latest City news and information. The number of residents now total nearly 20,000 participants, as a new email service in 2012 required a purge of inactive email addresses.

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

Under the leadership of the Community Relations Director, the Community Relations Department provides accurate information to the public through all means of communication. The Community Relations Office is subdivided into two divisions: Communications and Broadcast Services. Each division has separate and distinct duties and responsibilities.

The Communications Division prepares publications such as the City Magazine, press releases, advertisements, brochures, pamphlets and service directories. This division also maintains and updates information on the City's website at www.sterling-heights.net, Facebook, Twitter, Radio Station AM 1700, and employee news and information on the City's Intranet. The City's Print Shop is responsible for printing all City publications.

Community Relations serves as the public information contact in the event of Emergency Operation Center activation. It is responsible for emergency press releases, speeches, press conferences, and coordination of a rumor control hotline.

One of the City's most unique programs is the "Citizen Contact Center." A Citizen Services Specialist is available for residents to contact regarding any concern or need for City information. These referrals are documented and followed up with a telephone call. Residents are also welcome to voice their input on the City's website or by phone at (586) 446-CITY.

The Broadcast Services, or Sterling Heights Television Division, is responsible for the City Hall and Library public access channels. Each station offers residents an alternative to keep informed of the workings of Sterling Heights government. This division also compiles multi-media productions for broadcast on the Internet and YouTube Channel SHTV1.

The Community Relations Director assists the Economic Development Manager with activities to

KEY GOALS

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

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

Did you know...

...the Community Relations Department has revamped its free email subscription service so residents can keep abreast of the latest news and information, learn about snow emergency declarations, discover job opportunities and more by subscribing to the free service on the City's web site: sterling-heights.net?

Community Relations

2013/14 PERFORMANCE OBJECTIVES

- To enhance programs, features, and activities of the Sterlingfest Art & Music Fair to improve the experience for the thousands of residents who make the festival part of their summer family plans. (City Goal 14)
- To streamline, redesign, and reimagine Sterling Heights Virtual City Hall by utilizing a new content management tool, which will make the site more user friendly and easier to populate and update. (City Goal 3, 17, 18)
- To inform volunteers, commissioners and employees of announcements via Constant Contact and various social medias. (City Goal 18)
- To encourage and promote volunteerism with the City, in cooperation with all City departments, to assist at Citywide events and with general operations. (City Goal 26)

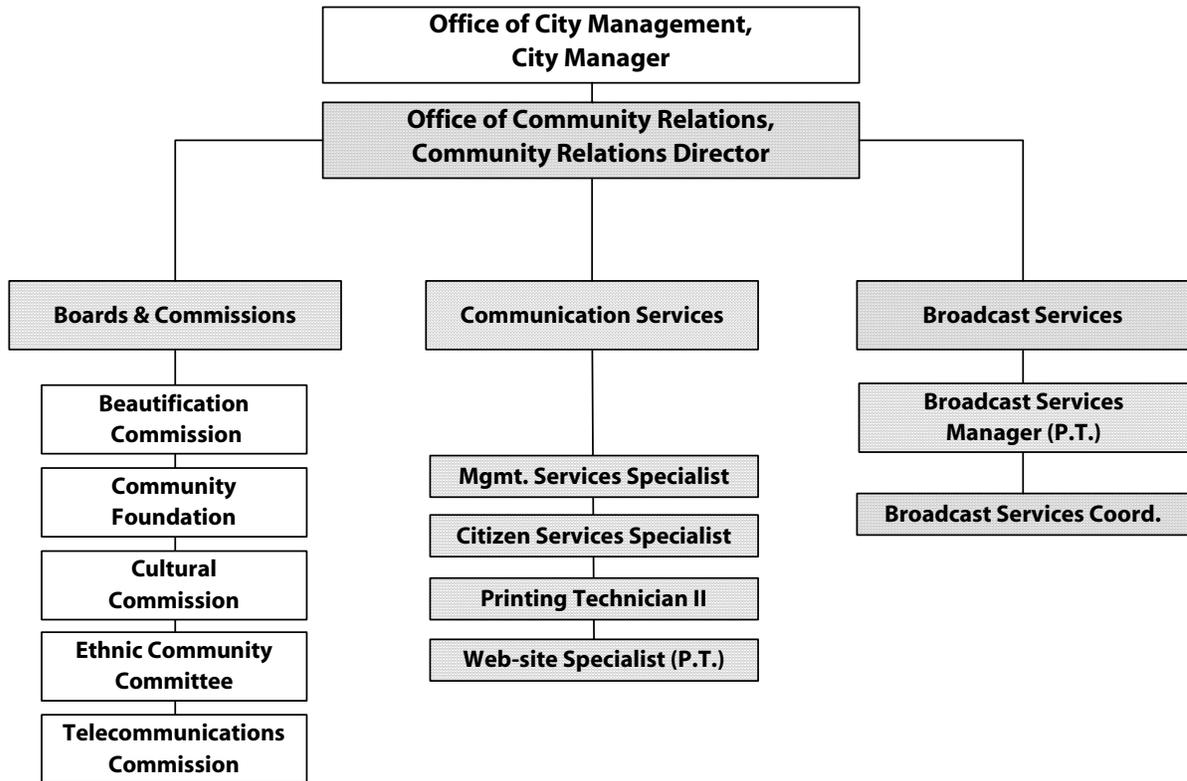
	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Total Customer Service Contacts	635,141	733,247	602,878	693,000	1,483,290	1,014,000
	Citizen Action Center Calls/Walk-ins	26,436	24,992	22,210	25,000	12,540	12,000
	E-Mail Requests	2,147	2,142	2,814	3,000	2,250	2,000
	"We Want to Know" Postcards	327	310	99	0	0	0
	Sterling Heights Website Visits**	606,231	705,803	596,123	665,000	1,468,500	1,000,000
	Total Tapings & Programs Aired	648	574	318	180	150	150
	SHTV Hours of Programming (Weekly)	113	103	84	90	85	90
	City Council, Board & Commission Meetings Taped	78	77	76	72	69	70
	Press Releases Produced	170	232	134	90	200	90
	Employee Newsletters	N/A	N/A	100	50	128	50
	City Magazine/Brochures Produced	29	25	17	4	11	4
	Typesetting/Graphic Design Projects	104	100	137	60	99	60
	City Information E-mail Subscription Recipients***	26,486	28,715	19,940	8,750	2,500	2,500
	Sterlingfest & Memorial Day Parade Attendance	105,000	120,000	110,000	105,000	100,000	100,000
	Beautification Awards Presented	100	56	60	60	52	60
	Print Requests Completed	392	353	219	275	248	250
Stockroom Requests Completed	294	240	167	325	149	150	
Efficiency	% of Citizen Inquiries Resolved w/i 48 hrs.	98%	98%	91%	88%	88%	88%
	Cost per Citizen Contact Center Call Received	\$2.63	\$2.94	\$2.97	*	*	*
	Average Cost to Televis a Public Meeting	\$1,004	\$1,025	\$1,036	*	*	*
	Activity Expenditures as % of General Fund	1.83%	1.68%	1.19%	1.15%	1.12%	1.02%

* Cost is calculated for "Actual" columns only.

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

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

Community Relations



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Community Relations Director	1	1	1
Broadcast Services Manager	1	1	0
Broadcast Services Manager (P.T.)	0	0	1
Broadcast Services Coordinator	1	2	1
Broadcast Programming Specialist	1	0	0
Management Services Specialist	0	1	1
Citizen Services Specialist	1	0	1
Communications Specialist	1	0	0
Printing Technician II	1	1	1
Web-site Specialist (P.T.)	1	1	1
Total	8	7	7

Community Relations

SUMMARY OF BUDGET CHANGES

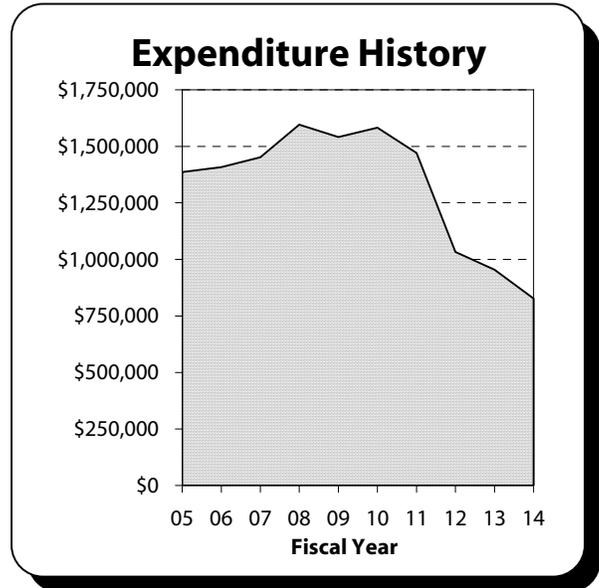
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 13.4%.

Personnel Services – The total Personnel budget decreased \$113,020 or 13.0%. Due to a retirement, the Broadcast Services Manager position has become part-time. In addition, the vacant Broadcast Services Coordinator position has been eliminated, while a Citizens Services Specialist position was transferred from Neighborhood Services. Additional savings has been budgeted based on the new MAPE Executive contract, which has reduced pay by one-third and eliminated benefits for one position. Partially offsetting these savings is a \$44,670 increase to fund long-term retirement liabilities.

Supplies – Total Supplies decreased \$1,320 or 5.0%. Postage can be reduced \$1,000 due to the increased use of e-mail and on-line resources. \$320 was saved, as this office will more effectively monitor Print Shop inventory and only purchase higher priority items in an effort to better reduce costs.

Other Charges – Total Other Charges decreased \$13,230 or 21.8%. Last year's budget included \$9,500 for a one-time Citywide survey. Contracted services decreased \$1,900 based on fewer ads and utility billing inserts. Software maintenance costs decreased \$600 due to the elimination of redundant software, now that the existing digital video system can be used to remotely place emergency messages on SHTV. \$500 was saved, as the Community Relations Director will not attend the Festival & Events annual conference.

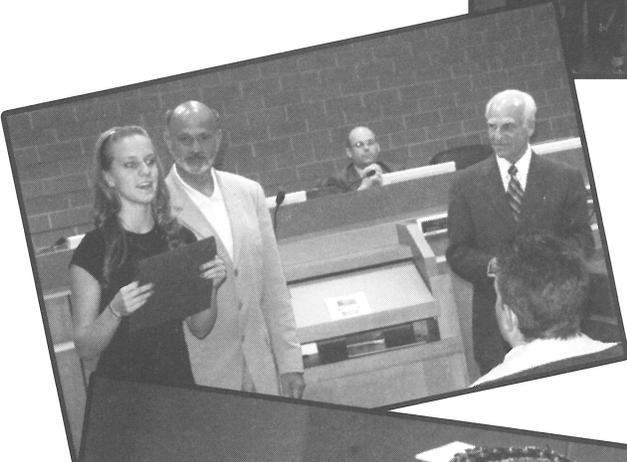


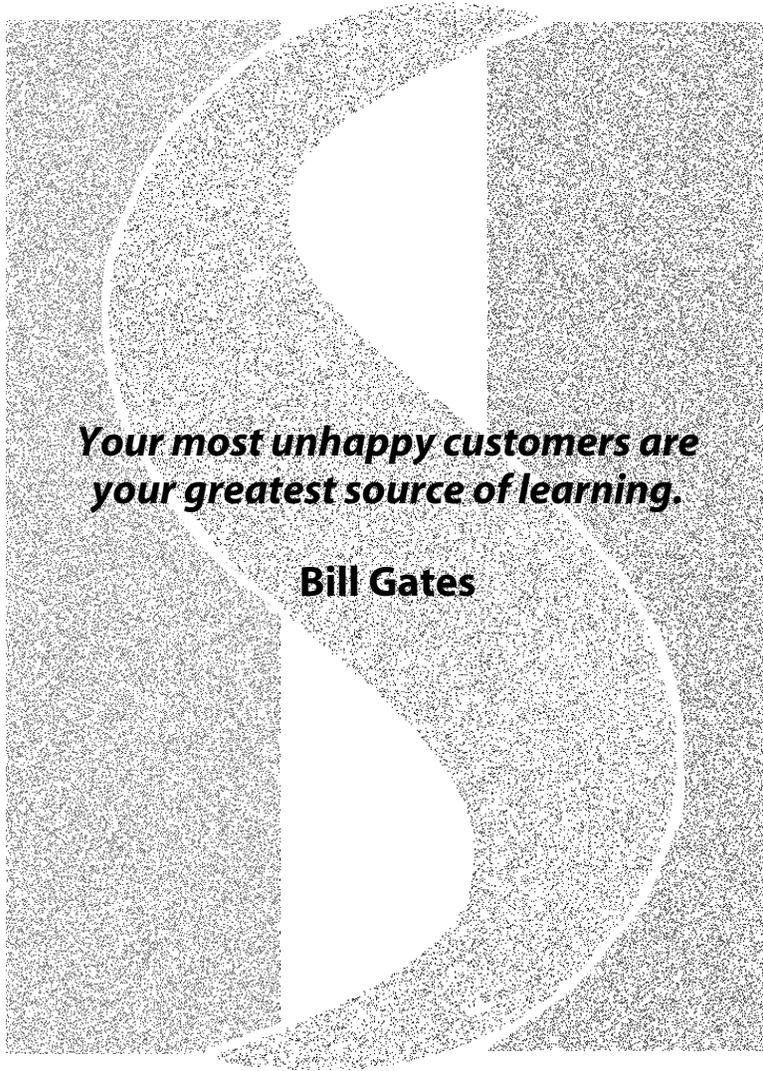
Capital – Total Capital of \$60,000 is proposed to redesign, transfer data, and provide the framework to expand and increase the functionality of the City's website. The current software is 13 years old and no longer supported.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$956,511	\$867,450	\$822,320	\$754,430	\$754,430
Supplies	26,564	26,430	24,930	25,110	25,110
Other Charges	50,708	60,650	58,710	47,420	47,420
Total	\$1,033,783	\$954,530	\$905,960	\$826,960	\$826,960

Non-Departmental Services





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

Bill Gates

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

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

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

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

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

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

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

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

The Small Claims Division hears civil cases, which are below \$5,000 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 beginning September 1, 2012 the amount of recoverable damages in a small claims suit increased to \$5,000 and will increase in increments of \$500 every three years through January 2024?

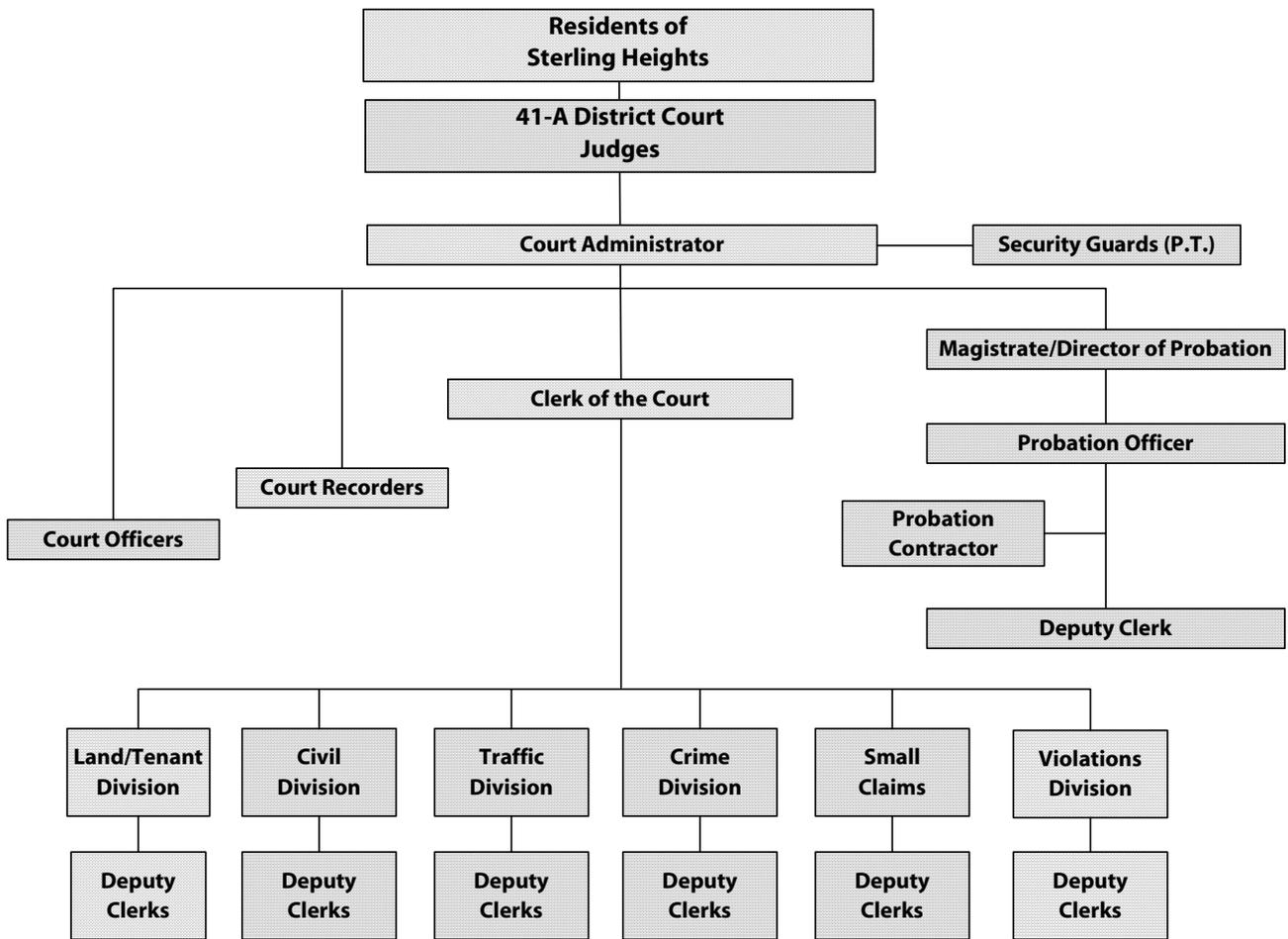
41-A District Court

2013/14 PERFORMANCE OBJECTIVES

1. To install a personal computer for public use to access case file information and process credit card payments. *(City Goal 1)*
2. To assist the Probation Department with the creation of computer generated forms for Shelby Township probation cases. *(City Goal 18)*
3. To allow public access to 41-A District Court case file information via the website. *(City Goal 1, 17)*
4. To investigate the creation of a Self Help program for indigent civil litigants. *(City Goal 1)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Total Active Caseload	60,055	53,621	42,118	41,000	41,000	42,000
	Total New Cases	47,029	42,258	33,352	34,050	34,150	36,050
	Traffic Cases	33,311	29,787	22,247	23,000	23,000	24,500
	Parking Cases	2,229	1,287	677	1,200	1,500	1,000
	Misdemeanor Cases	4,167	3,593	2,992	2,800	3,100	3,300
	Felony Cases	651	661	662	650	550	650
	General Civil Cases	3,816	4,037	3,760	3,500	3,800	3,800
	Small Claims Cases	448	451	404	500	400	400
	Landlord/Tenant Cases	2,407	2,442	2,610	2,400	2,400	2,400
	Magistrate Dispositions	10,707	10,705	7,413	7,500	7,500	7,500
	Jury/Bench Verdicts	11,571	10,941	6,934	7,800	6,500	7,000
	Guilty/Admissions/Default - By Party	29,871	26,773	21,307	20,000	20,000	21,000
	Dismissals - By Court or Party	7,893	8,252	6,580	6,000	5,900	6,000
	Probation Caseload (includes Shelby)	850	1,580	1,322	1,400	1,320	1,300
Efficiency & Effectiveness	% of Imposed Revenue Collected	97%	96%	96%	96%	96%	96%
	# of Court Cases Given to Collection Agency	2,400	0	0	0	0	0
	Court Revenue Collected by Collection Agency	\$60,878	\$24,824	\$25,774	\$12,000	\$9,000	\$7,000
	% of Probation Clients Required to Attend Rehab.	75%	75%	75%	75%	75%	75%
	Total Court Expenditures Per Capita	\$25.07	\$25.27	\$25.08	\$25.44	\$25.17	\$24.32
	Cost Per Active Case	\$54	\$61	\$77	\$81	\$80	\$76
	# of Active Cases per Employee	1,668	1,489	1,203	1,170	1,170	1,270
	Activity Expenditures as % of General Fund	3.73%	3.73%	3.73%	3.99%	4.03%	3.92%

41-A District Court



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Judge	3	3	3
Magistrate/Director of Probation	1	1	1
Court Administrator	1	1	1
Clerk of the Court	1	1	1
Court Recorder	3	3	3
Court Officer	3	3	3
Probation Officer	1	1	1
Deputy Clerk	22	22	20
Deputy Clerk (P.T.)	1	0	1
Security Guard (P.T.)	4	4	4
Total	40	39	38

41-A District Court

SUMMARY OF BUDGET CHANGES

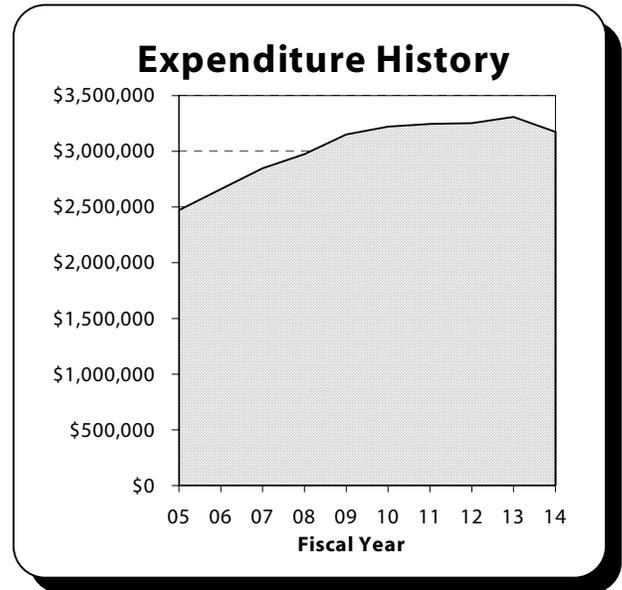
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 4.0%.

Personnel Services – The total Personnel budget decreased \$116,680 or 3.9%. Due to retirements, two fewer full-time Deputy Clerk positions are funded, while an additional part-time Deputy Clerk position has been added. In addition, several retirements will result in further wage and benefit savings. In total, the staffing levels have been adjusted to reflect the efficiencies that have been gained from the new Police E-ticketing computer system, which eliminates duplication of data entry, and the processing of credit card payments at a public access terminal. There has been an overall decline in court cases. Partially offsetting these savings is an \$88,970 increase to fund long-term retirement obligations.

Supplies – Total Supplies increased \$500 or 1.3%, as postage costs rose due to a postal rate increase.

Other Charges – Total Other Charges decreased \$17,280 or 7.0%. \$13,000 was saved, as credit card payments will now all be accepted at a public access terminal, where the user will pay the small convenience fee. Equipment maintenance costs fell \$5,040 due to a prior year one-time purchase of a hardware system upgrade, as well as lower State computer software maintenance and annual support costs. The savings was partially offset by an increase for the annual maintenance of the new digital audio recording system. Interpreter fees fell \$2,000 based on the current year's



estimated expenditure usage. \$1,840 was saved, based on a revised allocation of audit costs. Fewer printed forms and folders are needed, saving \$1,000. Utility costs increased \$7,200 based on recent actual expenditure levels. \$4,160 was added for contractual assistance with alcohol screenings and assessments in the Probation division.

Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$2,982,131	\$3,021,860	\$3,004,170	\$2,905,180	\$2,905,180
Supplies	45,504	38,000	38,000	38,500	38,500
Other Charges	225,218	247,660	229,520	230,380	230,380
Total	\$3,252,853	\$3,307,520	\$3,271,690	\$3,174,060	\$3,174,060

MISSION STATEMENT: *To govern the testing for appointment, employment, and promotion of Police and Fire personnel.*

The Act 78 Civil Service Commission is a General Fund activity and is budgeted and accounted in a manner similar to other General Fund activities. The plan of Civil Service as established by Act No. 78 of the Public Acts of 1935, as amended, is incorporated in the Charter of the City and can be changed only by a formal amendment to the City Charter.

The City Clerk acts as ex officio liaison to the Commission and provides the necessary administrative and clerical support.

The Commission governs all aspects of the testing procedures for Police and Fire personnel. From the physical and agility aptitude exams to the written, oral, physiological, and psychological examinations, the Commission has a hands-on interface with the selection of examiners, criteria for examination, and selection of final evaluators. This important role of the Act 78 Civil Service Commission ensures the best candidates are selected for employment. The three members of the Commission serve without compensation during their term.■

KEY GOALS

- *To set requirements for Police Officer and Firefighter applicants that will best serve the interest and well-being of the residents of Sterling Heights.*
- *To keep Police Officer and Firefighter eligibility lists current by initiating the application process in a timely fashion.*
- *To monitor the testing process for new hires and personnel who have applied for certain promotions within the Police and Fire Departments.*

Did you know...

...the City utilizes a testing agency for Fire Fighter and Police Officer recruitments that requires the applicants to pay the exam costs, which allows applicants to apply with multiple communities utilizing the test score and saving participating communities the exam costs?

Act 78 – Civil Service Commission

2013/14 PERFORMANCE OBJECTIVES

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

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Minutes of Act 78 Meetings Recorded	2	2	0	0	0	2
	Police Officer Eligibility List Applications	0	0	0	0	0	120
	Fire Fighter Eligibility List Applications	0	0	0	0	0	90
	Written Tests - Police Officer Eligibility List	124	0	0	0	0	120
	Written Tests - Fire Fighter Eligibility List	0	96	0	0	0	90
	Oral Interviews - Police Officer Eligibility List	37	0	0	0	0	65
	Oral Interviews - Fire Fighter Eligibility List	0	66	0	0	0	55
	Physical/Psychological Test - Police/Fire Candidates	1	0	0	0	0	0
	Appointment Notices - Police/Fire New Hires	1	0	0	0	0	0
	Police/Fire Personnel Files Maintained	120	120	120	120	120	120
	Maintained Files (hiring procedures/legal opinions,etc.)	90	90	90	90	90	90
Effectiveness	Number of Appeals by Candidates	0	0	0	0	0	0
	Activity Expenditures as % of General Fund	0.00%	0.00%	0.01%	0.00%	0.00%	0.02%

Act 78 – Civil Service Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

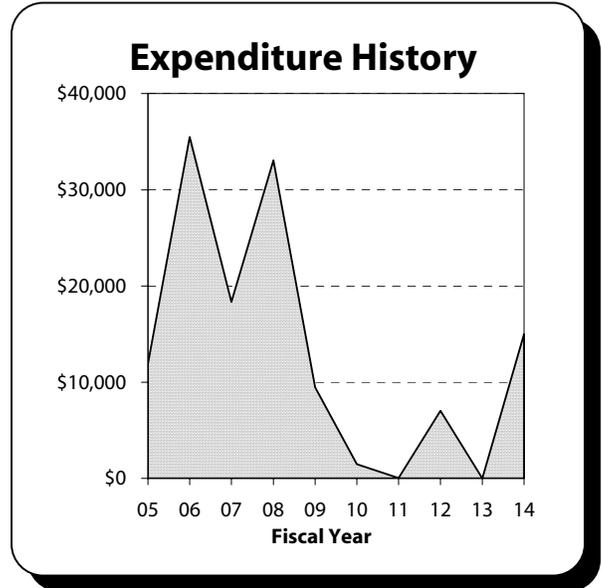
The total budget increased by 100%.

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

Supplies – There is no Supplies budget for this activity.

Other Charges – Total Other Charges increased \$15,000 or 100% for the cost of an outside assessment center for promotions to Police Lieutenant. The increase was slightly offset as new Police Officer as well as Fire Fighter applicants will be responsible to pay for their own written test fee when applying for a position.

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	3	0	0	0	0
Other Charges	7,025	0	0	15,000	15,000
Total	\$7,028	\$0	\$0	\$15,000	\$15,000

MISSION STATEMENT: *To promote public interest in the general improvement of the City's appearance.*

Residents and owners of all property within the City of Sterling Heights are encouraged to accept basic responsibilities in preserving and enhancing the beauty of public and private properties. An annual awards program assists the Beautification Commission in promoting its mission throughout the City. Nominations are submitted annually for properties in Sterling Heights that exemplify the enhancement of both public and private properties. The Commission reviews these nominations and those that are worthy of the award receive City-wide recognition.

Special projects are organized and coordinated to lead the way for residents to follow suit. Environmental awareness education for residents tops the list of priorities. The Beautification Commission initially proposed the City's recycling centers. This landmark project has gained City-wide acceptance and resident participation.

The Beautification Commission recommends the planting and preservation of trees, flowers, plants, and shrubbery, as well as the placing of other ornamentation throughout the City. The Beautification Commission also promotes public education for the disposal of litter in our community through its contacts with schools, scouting troops and businesses. This is accomplished through programs such as "Adopt a City Road".

The 12 member Commission includes a variety of City residents appointed by the City Council. The Community Relations Director serves as staff liaison to the Beautification Commission, coordinating its activities within City guidelines. The Commission was established pursuant to Ordinance No. 145. The Commission sets a specific budget for purposes of funding programs and projects.■

KEY GOALS

- *To recognize and honor those individuals who take the initiative to beautify their properties.*
- *To sponsor educational programs to teach students how to beautify their City.*
- *To partner with other communities to inform residents of ways to beautify their communities.*

Did you know...

...the Beautification Commission will co-host a Heritage Communities Beautification Luncheon with the City of Utica and Shelby Township for the Southeastern Michigan Beautification Commission, and the three communities will tout the beauty and majesty of the Clinton River and showcase each community's recreational assets?

Beautification Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

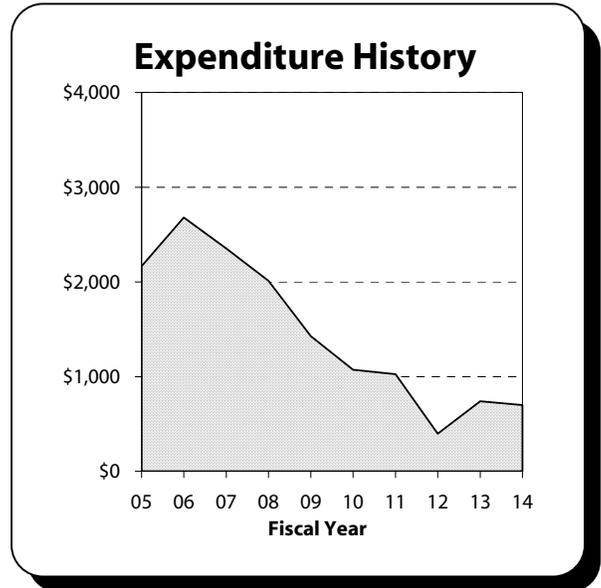
The total budget decreased by 5.4%.

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

Supplies – Total Supplies decreased \$40 or 6.2%, as fewer beautification plaques and certificates are required next year.

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

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	296	650	650	610	610
Other Charges	103	90	90	90	90
Total	\$399	\$740	\$740	\$700	\$700

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

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

The Cultural Commission's primary responsibility is to consider, study and recommend City-wide cultural programs. Culture reflects the act of developing social, moral, and intellectual faculties through education. The Commission promotes, coordinates and develops the performing and creative arts by recommending cultural programs and opportunities.

The "Artist of the Month" program reinforces the attitude expressed by the Commission that culture should be appreciated. Every month a local artist is chosen to professionally display his or her art in a public forum.

The "Sterlingfest Art & Music Fair" and the accompanying food festival held in Dodge Park brings thousands of area residents together. This festive and family-friendly atmosphere is conducive to good times and the appreciation of the performing, visual and culinary arts.

The annual "Memorial Day Ceremony & Parade" honors those men and women who gave their lives for our American freedom. The Cultural Commission sponsors this event as well as Best Float and Band awards for those groups who best display their creativity during the parade event.

The 12 members of the Cultural Commission are appointed by the City Council and serve without compensation. The Community Relations Director serves as the liaison.■

KEY GOALS

- *To sponsor City events, such as "Sterlingfest", that showcase various forms of the performing and visual arts and encourages family entertainment.*
- *To develop an art appreciation program targeted at the City's youth, including programs that encourage creative painting and the visual arts at City events such as Sterlingfest and Teenfest.*
- *To maintain the City's outdoor publicly-owned sculptures to preserve them for generations to come.*

Did you know...

...the Cultural Commission combs through hundreds of photographs of submitted artwork and hand-made crafts to select the vendors who appear each year at the Sterlingfest Art & Music Fair?

Cultural Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

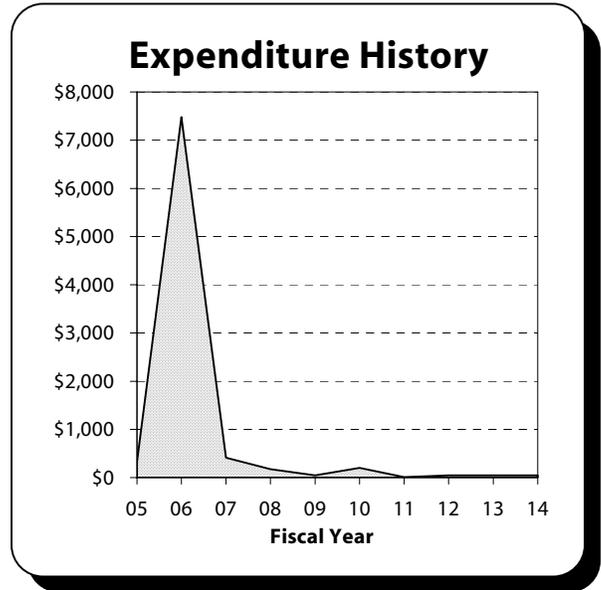
The total budget increased by 0.0%.

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

Supplies – There is no Supplies budget for this activity.

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

Capital – There is no Capital proposed for this activity.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	50	50	50	50	50
Total	\$50	\$50	\$50	\$50	\$50

MISSION STATEMENT: *To 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, 2012 total a market value of \$107,321,998 while the City's contribution for the 2013/14 fiscal year will be \$2,735,453. The fund is now 83.5% funded.

The Board has established the following asset allocation guidelines:

Equities:	
Large cap	32%
Small Midcap	15%
International	17%
Fixed Income	32%
Real Estate Investment Trust	4%
Cash	0%

There are currently 333 retirees receiving benefits from the fund and 154 active members of the system who pay into the system. Retirement benefits vest after five or ten years of service depending on the participant's labor agreement. As of December 31, 2012, 124 active members were vested.

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

KEY GOALS

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

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

***Did you know...
...the General Employees Retirement System is closed to new members?***

General Employees Retirement Board

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

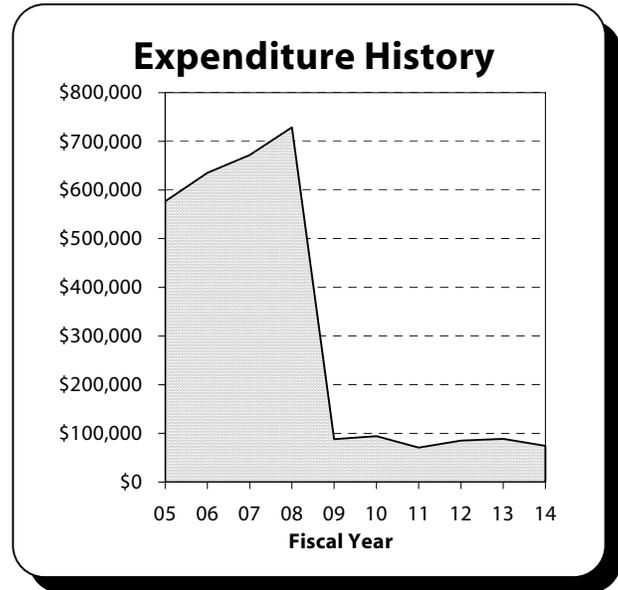
The total budget decreased by 16.3%.

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

Supplies – Total Supplies is proposed to remain the same at \$300. There are no changes within the postage and operating supply budgets.

Other Charges – Total Other Charges decreased \$14,450 or 16.4%. Money manager fees decreased \$13,950, as equity manager searches are now included as part of the Merrill Lynch contractual service fee. Funding for legal services fell \$500, as the budget can be reduced and brought more in line with historic actual expenditure usage.

Capital – There is no Capital proposed for this board.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	270	300	300	300	300
Other Charges	84,879	88,300	73,300	73,850	73,850
Total	\$85,149	\$88,600	\$73,600	\$74,150	\$74,150

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 employee unemployment compensation costs, postage for City publications and miscellaneous bulk mailings, and operating supplies for the copiers used throughout the City.

Other Charges, such as audit and accounting services for the annual year-end financial report, and contracted services for potential studies and reports are included in this activity. City street lighting, all liability and property insurance for the City, and citywide memberships and dues are other items of interest found in this activity.

The General Expenditures activity is its own budgetary center. If, and when, amendments are necessary to this activity, approval must be received from City Council before the adjustment is made. This budgetary center rarely requires any formal budget amendment.■

KEY GOALS

- *To provide a means of accounting for certain unallocable citywide expenditures which benefit all City departments or the public at large.*
- *To provide a means of accounting for certain benefits to residents such as street lighting, auditing costs, and citywide memberships.*
- *To provide a means of budgeting and accounting for citywide liability insurance coverage.*

Did you know...

... the majority of the costs in this activity are for the General Fund's contribution to the City's self-insured liability program and the operating costs for all City-owned street lights?

General Expenditures

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

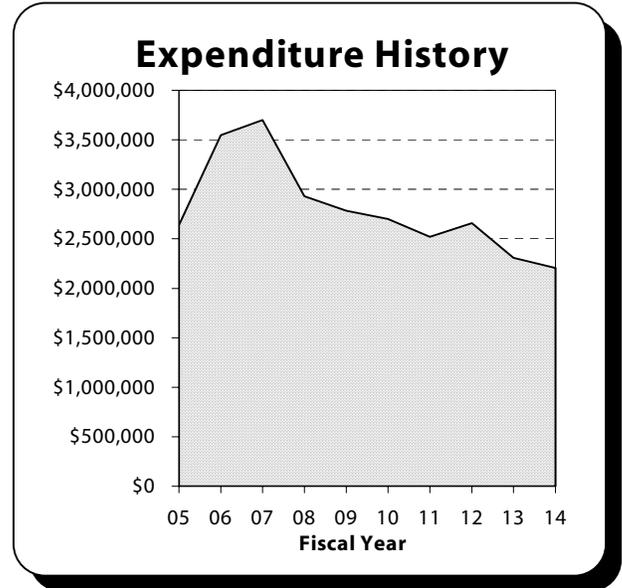
The total budget decreased by 4.5%.

Personnel Services – The total Personnel budget decreased by \$110,000 or 78.6% due to higher one-time unemployment costs resulting from layoffs in the prior year. No employee layoffs are proposed in next year’s budget.

Supplies – Total Supplies decreased \$820 or 5.0%, as the inventory of copy paper will more effectively be monitored in an effort to further reduce costs.

Other Charges – Total Other Charges increased \$7,780 or 0.4%. Street lighting costs increased \$11,870 due to higher DTE electricity rates. \$5,000 was added for a non-management employee training program to encourage current employees to further their job-related skills for potential future career advancement as part of the City’s proactive succession planning efforts. Existing membership fees increased by \$350. Funding decreased \$9,440 due to a revised allocation of audit costs, which will now be apportioned more to other City funds.

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



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$17,515	\$140,000	\$140,000	\$30,000	\$30,000
Supplies	18,588	16,500	16,500	15,680	15,680
Other Charges	2,621,409	2,152,330	2,146,120	2,160,110	2,160,110
Total	\$2,657,512	\$2,308,830	\$2,302,620	\$2,205,790	\$2,205,790

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

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

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

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

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

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

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

KEY GOALS

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

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

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

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

Did you know...

...that a group can schedule a tour of the City's Upton House with the Sterling Heights Historical Commission by calling the Library's Administration office?

Historical Commission

2013/14 PERFORMANCE OBJECTIVES

1. To submit an article on a historical topic for each edition of the Sterling Heights City magazine. *(City Goal 27)*
2. To host an annual historical program of interest to Sterling Heights residents. *(City Goal 26)*
3. To increase the annual number of Upton House tours. *(City Goal 26)*

Output	Performance Indicators	2009/10	2010/11	2011/12	2012/13	2012/13	2013/14
		Actual	Actual	Actual	Budget	Estimate	Budget
	Meetings Held	4	4	4	4	4	4
	Local History Exhibits and Displays	2	2	2	2	2	2
	Programs/Lectures on Local History Topics	1	1	1	1	1	1
	Professional Memberships	3	3	3	3	3	2
	Historic Photographs and Memorabilia Collected	3	5	0	5	5	5
	Program/Exhibit Attendance	2,563	1,553	1,562	1,600	1,650	1,650

Historical Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

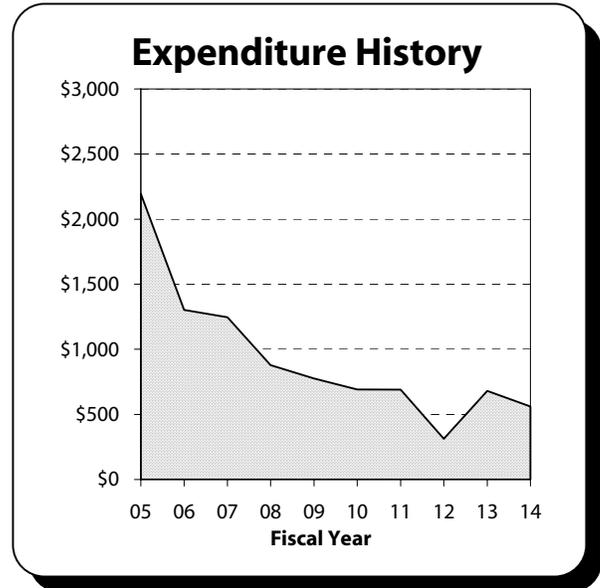
The total budget decreased by 17.6%.

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

Supplies – Total Supplies decreased \$30 or 33.3%. Funding for postage decreased \$20, as the budget can further be reduced and brought closer in line with prior year actual expenditure levels. \$10 was saved, as fewer supplies are needed for seasonal Upton House tours.

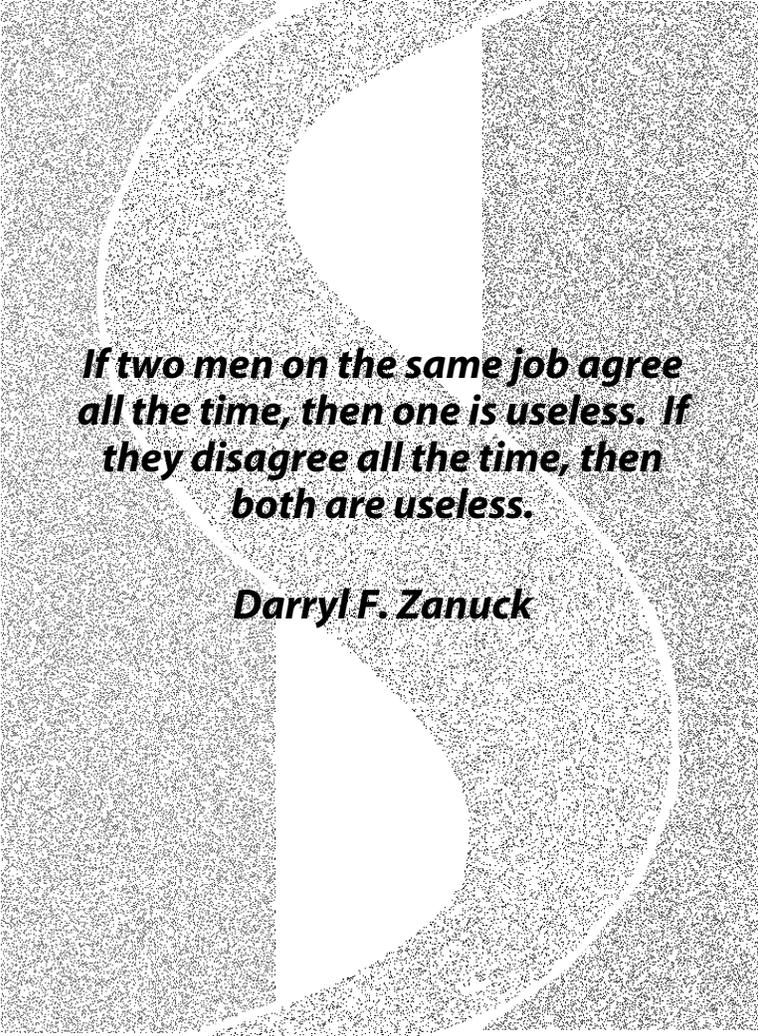
Other Charges – Total Other Charges decreased \$90 or 15.3%. \$60 was saved, as a membership to the National Council on Public History can be eliminated. Contracted service costs decreased \$30, as it is estimated that fewer donated historic photographs will be archived next year based on recent trends.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	28	90	70	60	60
Other Charges	285	590	450	500	500
Total	\$313	\$680	\$520	\$560	\$560



***If two men on the same job agree
all the time, then one is useless. If
they disagree all the time, then
both are useless.***

Darryl F. Zanuck

MISSION STATEMENT: *To provide all legal services, legal support, and advice to the City Council, City Manager, and City employees in a prompt professional manner.*

The Legal activity is used to account for all legal services charged to the General Fund.

The City Attorney is appointed by the City Council and serves as legal advisor and counsel for the City Council and City Manager. When requested, he advises City department directors and administrators on legal matters.

The City Attorney prosecutes District Court ordinance and traffic violations and represents the City in court cases and other legally constituted tribunals as the City Council may request. The City Clerk keeps copies of all written legal opinions, records, and files relating to City matters.

The City Attorney prepares and reviews all ordinances, contracts, bonds, and other written instruments that are submitted by either the City Council or City Manager. All new and modified matters of law and changes in the developments affecting the City are called to the attention of the City Council and City Manager after review by the City Attorney's office.

The City Attorney bills the City on a monthly basis for services rendered. These itemized billings are distributed to those activities that received benefit from the legal services. Administrators review the bills for accuracy and seek clarification from the Financial Services office if discrepancies arise. The General Fund charges will be ultimately expended to the Legal activity in the Legal Services – City Attorney account. This method of accounting for legal services has been determined to be superior to the past practice of recording expenditures in each specific activity. Centralized monitoring is more practical using the current method.

Anticipated payment for outside legal services is also budgeted in this activity. These services include court appointed attorneys, services provided by the public defender, a labor attorney, and fees paid to visiting judges.■

KEY GOALS

- *To provide legal services in an efficient, competent and cost effective manner.*
- *To identify key legal priorities of the City.*
- *To assist the City Council and other Boards and Commissions regarding legal issues that may arise at meetings.*
- *To establish legal procedures, guidelines and standards in support of the City Council and City Administration's missions and goals.*
- *To provide advice and counsel regarding developing state and federal legislation, as well as recent court decisions.*

Did you know...
...that Jeffrey A. Bahorski was appointed as City Attorney effective January 20, 2004?

Legal

2013/14 PERFORMANCE OBJECTIVES

1. To implement new strategies and diligently monitor general legal counsel services in order to ensure the delivery of such services is optimally efficient and within budgeted amounts. *(City Goal 1, 3, 5)*
2. To provide legal services and guidance in support of the City's efforts to preserve and enhance neighborhoods and retail centers through property maintenance and economic development initiatives. *(City Goal 12, 13, 14)*
3. To provide legal guidance and support to the City's comprehensive economic development plan; including, but not limited to, the Blue Water Economy initiative and continued development of the Macomb-OU INCubator and Defense Corridor. *(City Goal 10, 11)*
4. To provide legal support to all City departments in the continuing effort to ensure the delivery of effective, efficient, and innovative services and programs. *(City Goal 1, 3, 5)*

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	District Court Cases	6,846	5,169	3,913	5,000	3,800	4,000
	Legal Opinions Rendered	5	4	4	4	4	5
	Ordinances and Amendments Prepared	18	7	7	10	15	10
	Commission Meetings Attended	39	49	39	42	32	30
	Council Meetings Attended	28	26	26	26	26	26
	Number of Open Lawsuits	26	38	35	30	27	25
	Number of Closed Lawsuits	9	11	8	12	10	10
	Numbers of Files Opened	149	99	86	50	30	40
	Number of Files Closed	69	61	113	50	90	60
	Legislative Issues Reviewed	93	89	80	85	80	80
	Hours Spent on City Business	8,565	7,528	7,030	6,600	6,000	6,000
Efficiency & Effectiveness	% Opinions Replied to on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Resolutions Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	% Contracts Drafted on Agreed Schedule	100%	100%	100%	100%	100%	100%
	Activity Expenditures as % of General Fund	0.85%	0.85%	0.92%	0.99%	0.95%	0.95%

Legal

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

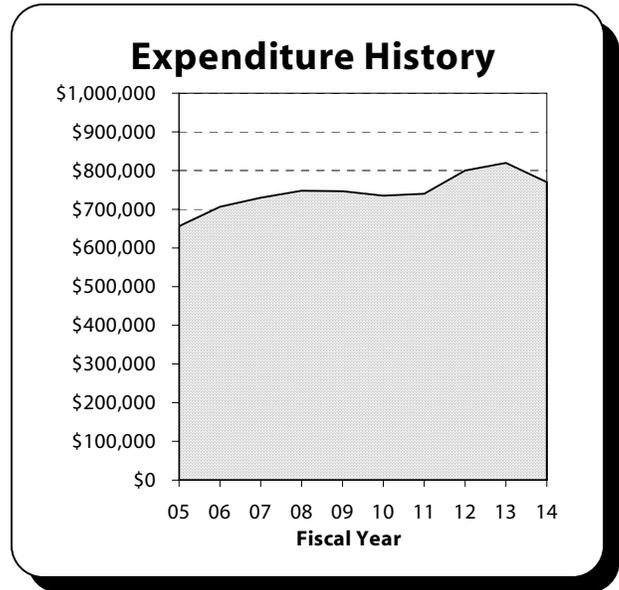
The total budget decreased by 6.1%.

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

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

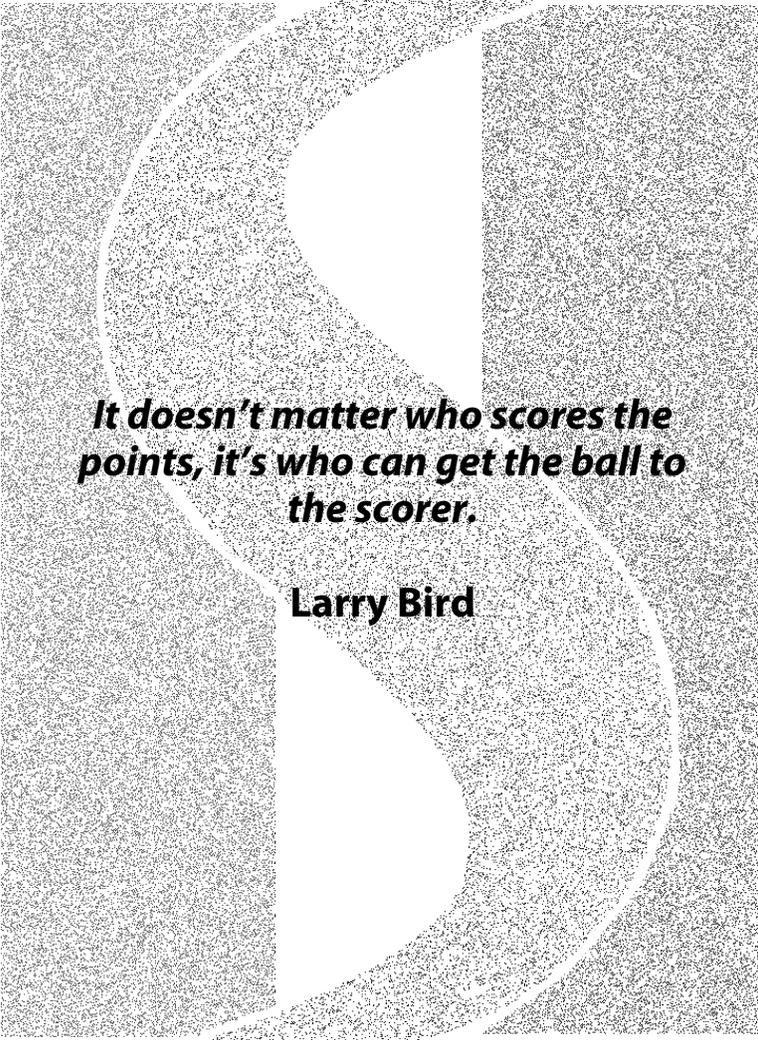
Other Charges – Total Other Charges decreased \$50,000 or 6.1%. Funding for City Attorney legal services decreased \$20,000 based on the current year’s level of activity, which reflects a decrease in billable hours. No hourly rate increase is proposed. Funding for the City’s Labor Attorney declined by \$30,000 due to the completion of several labor agreements and as the City Attorney is handling most non-312 arbitration related matters.

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



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	799,718	820,000	770,000	770,000	770,000
Total	\$799,718	\$820,000	\$770,000	\$770,000	\$770,000



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

Larry Bird

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

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

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

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

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

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

KEY GOALS

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

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

Did you know...

...the Planning Commission recently added a commercial redevelopment option to the City's Zoning Ordinance, providing additional tools to redevelop economically challenged shopping centers?

Planning Commission

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

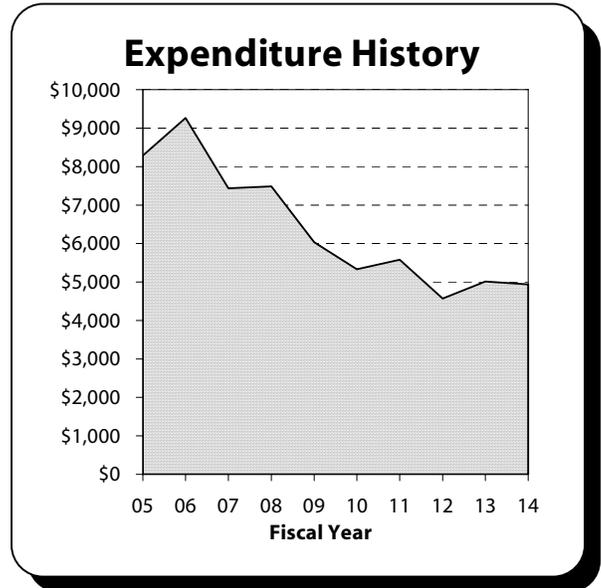
The total budget decreased by 1.4%.

Personnel Services – The total Personnel budget increased by \$190 or 9.8% to more accurately reflect the number of Planning Commission meetings held over the past two years.

Supplies – Total Supplies decreased \$20 or 5.0%, as postage funding can be reduced and brought more in line with recent years’ actual expenditure levels.

Other Charges – Total Other Charges fell \$240 or 9.0%. Funding for reporting services was reduced by \$200, as less time has been required to transcribe meeting minutes. \$40 was saved, as fewer newspaper notices have been needed.

Capital – There is no Capital proposed for this commission.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$2,133	\$1,940	\$2,130	\$2,130	\$2,130
Supplies	661	400	540	380	380
Other Charges	1,777	2,670	1,870	2,430	2,430
Total	\$4,571	\$5,010	\$4,540	\$4,940	\$4,940

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, two transfers are budgeted from the General Fund totaling \$655,230. They include a transfer to the Capital Projects Fund and the Limited Tax General Obligation Debt Service Fund.

The \$358,150 Transfer Out to the Capital Projects Fund will be used for the funding of budgeted equipment, vehicles, and Information Technology Capital items.

The \$297,080 General Fund transfer to the Limited Tax General Obligation Debt Service Fund will be used for the debt payments on the City Center Commons bond. The final debt payment on the Public Safety Radio System Equipment bond was made in the prior year.

The policy on General Fund transfers is to keep such transfers to a minimum. Financial support provided by the General Fund to other City funds may be required when improvements and additions made to General Fund facilities are prohibited by accounting practices from being expensed out of the General Fund.■

KEY GOALS

- *To provide a system to track monies out of one fund and into another.*
- *To accurately transfer out monies in order to provide the appropriate level of funding to allow the receiver fund to pay its obligations.*

Did you know...

...the monies for equipment and vehicles for the General Fund offices are transferred out and accounted for in the Capital Projects Fund?

Transfers Out

SUMMARY OF BUDGET CHANGES

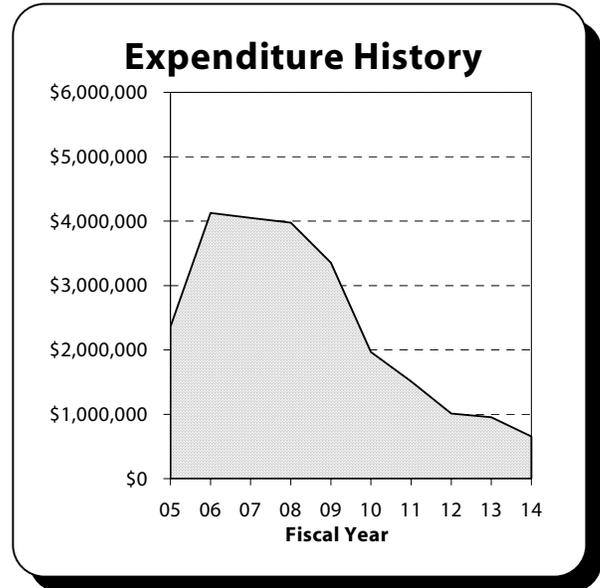
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 31.3%.

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

Other Charges – There is no Other Charges budget for this cost center.

Transfers Out – Transfers Out to other City funds totals \$655,230. Transfers to the Capital Projects Fund totals \$358,150 for the funding of equipment, vehicles, and information technology capital items. The City will use reserves from the Capital Projects Fund to fund the City's share of capital projects. ***A listing of all proposed equipment, vehicles, and projects can be found in the Capital schedules within the Capital Projects section of this budget document.*** Transfers to the Limited Tax General Obligation Debt Service Fund totals \$297,080. This transfer will fund the principal and interest payments on the City Center Commons bond. The final debt payment on the Public Safety Radio System Equipment bond was made in the prior year. No budgeted transfer is needed to the Economic Development Corporation Fund as costs have been either reduced or now included in the General Fund budget.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Transfers Out	1,010,670	954,090	954,090	655,230	655,230
Total	\$1,010,670	\$954,090	\$954,090	\$655,230	\$655,230

MISSION STATEMENT: *To hear and act upon appeals on various zoning matters related to the development and use of land in the City and to provide ordinance interpretation.*

The Zoning Board of Appeals was established in accordance with Zoning Ordinance No. 278. The Board performs its duties and exercises its powers as provided in Act 110 of the Public Acts of 2006, as amended. Execution of its duties are performed in such a way that the objectives of the Zoning Ordinance shall be observed and met, public safety secured, and substantial justice done. The Zoning Board of Appeals consists of seven members appointed by City Council for a term of three years.

The Zoning Board of Appeals enjoys all the powers granted to it by both State law and Ordinance No. 278, which includes certain specific powers. Ordinance and map interpretations, modification of height, wall, buffering, screening and landscape requirements, modification of vehicle parking stalls, loading area and placement regulations, and the granting of use variances are specific examples of power granted to this Board.

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

Zoning Board of Appeals meetings are open to the public except those authorized to be conducted in closed session pursuant to the Open Meetings Act. The public is afforded the opportunity to speak at any public hearing in accordance with the Rules of Procedure and Bylaws of the Board. No business is conducted unless a majority of the members are present.

If the Board approves a variance, it shall remain in effect only as long as the facts and circumstances, as presented, continue to exist and conditions attached to the approval are satisfied and maintained. If the variance is not exercised within 12 months from the date it was granted, the variance shall lapse.

The appeal process begins by filing a notice of appeal accompanied by an application fee. The

KEY GOALS

- *To review and act upon use and dimensional variances to the City's Zoning Ordinance.*
- *To hear appeals in regard to special land uses and planned unit developments.*
- *To hear and act upon appeals made from a review, order, requirement, decision or determination made by a public body or official administering the Zoning Ordinance.*
- *To hear and act upon questions referred to the Board that may arise from the administration of the Zoning Ordinance including ordinance interpretation, standards review and the zoning district map.*

notice of appeal must specify the requirement from which a variance is sought and the nature and extent of such variance. An official record is prepared for each appeal upon which the Board has based a decision.■

Did you know...

...the Zoning Board of Appeals recently approved a use variance that cleared the way for redevelopment of a long-closed restaurant in the North Van Dyke Corridor Improvement Authority District?

Zoning Board of Appeals

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

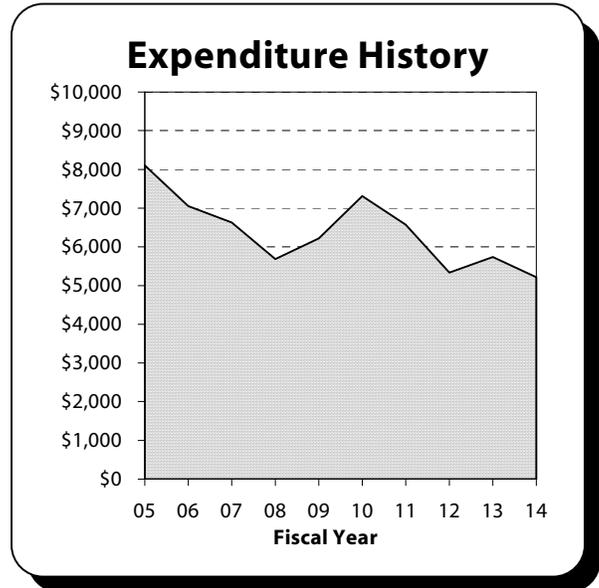
The total budget decreased by 9.2%.

Personnel Services – The total Personnel budget decreased by \$310 or 14.4% to reflect a slightly lower number of actual Zoning Board of Appeals meetings held the prior two years.

Supplies – Total Supplies decreased \$70 or 11.5%. Operating supplies decreased \$40 and postage costs decreased \$30, as both can be reduced and brought more in line with the current year’s estimated expenditure levels.

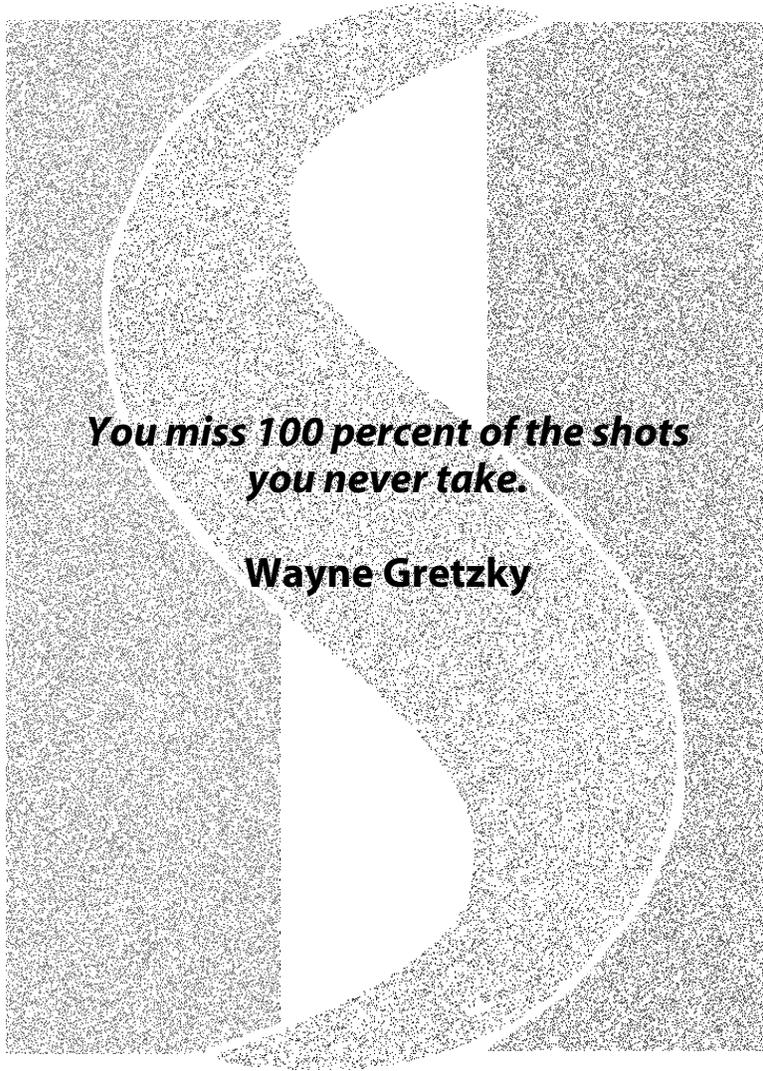
Other Charges – Total Other Charges decreased \$150 or 5.0%. Funding for reporting services was reduced by \$100, as less time is required to transcribe meeting minutes. \$50 was saved, as fewer newspaper notices have been needed.

Capital – There is no Capital proposed for this board.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,842	\$2,150	\$1,600	\$1,840	\$1,840
Supplies	489	610	450	540	540
Other Charges	2,999	2,980	2,070	2,830	2,830
Total	\$5,330	\$5,740	\$4,120	\$5,210	\$5,210



***You miss 100 percent of the shots
you never take.***

Wayne Gretzky

Water & Sewer Fund



The Water & Sewer Fund is an Enterprise Fund responsible for operation of the city's combined water supply and sewage disposal system. The fund is used to finance the cost of providing services to residents through user fees. Activities that make up the Water & Sewer Fund include Water & Sewer Administration, Water Distribution, and Sewage Collection.

The Enterprise Fund of the City of Sterling Heights is the Water & Sewer Fund. It is used to provide water and sewer services to residential, industrial, and commercial customers. It is self-supporting and is designed to meet its obligations free of taxation. An annual independent audit is prepared on prior year financial results and administrative staff projects a forecast of the next year. Together they are used to determine what, if any, adjustments need to be made so the fund will remain financially sound.

Historically, Sterling Heights has not passed on the full City of Detroit water and sewage rate increases. Over the past 20 years, Detroit has increased its rates by an average of 7.2% per year, while Sterling Heights has increased its rates by only 5.7% per year. In addition, the City has made several adjustments to its rate structure as a direct result of changes in the way the City is billed for water and sewage disposal costs.

For example, in 1998/99, Macomb County increased its administrative fee from \$.08 to \$.10 per mcf. Detroit also increased its water and sewage rates by 7.2% and 4.1%, respectively. The City passed along only a 3% increase, but the third tier sewage rate rose 6.5% to fully cover our cost. The summer discount also increased from a maximum of \$15 to \$25.

In 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. The City passed along a 4.9% water and 6.9% sewage rate increase to its customers. The City also implemented a single-tier rate structure.

In 2004/05, Detroit implemented a new computerized meter reading system to accurately obtain the maximum peak usage of water. As a result, Detroit increased its water rate 16.5% and its sewage rate 4.4%. The City passed along an 11.9% water and sewage rate increase to its customers.

In 2005/06, Detroit's sewage fees increased 8.9%, to include charges for the 15 Mile sewer repair and a slight rate increase. Detroit's water rate also rose 7.7%. Sterling Heights passed along the same increases and changed from a single-tier to an inclining two-tier water rate structure to help reduce maximum day and peak hour usage and lessen future water cost increases.

In 2008/09, the Detroit water and sewage rates increased by 0.5% and 5.6% respectively. Sterling Heights passed along only a 3.9% water and sewage rate increase to its customers. Also, for the first time in 10 years, the City increased its maximum summer discount by \$1 to \$26.

In 2010/11, the Detroit water rate increased by 8.6%. Detroit also implemented a new fixed rate structure, which included an annual fixed \$1.3 million cost. Detroit's sewage rate also increased by 10.0%, while sewage fixed costs and estimated sewage flow volumes decreased. The City passed along a 9.9% water and sewer rate increase to its customers.

In 2011/12, Detroit's sewage rate increased 17.3%, largely due to the new sewer rehabilitation project debt. Detroit's water rate also increased 8.8%. Sterling Heights passed along a 7.9% water and 9.9% sewer rate increase as a result of Detroit's increases and lower projected water consumption volumes over the past several years due to the economy.

In 2012/13, Detroit increased its water rate by 8.9%. Detroit's sewage fees increased 9.2%, while fixed sewage charges rose 13.5% and the City's share of the District's debt increased by 23.9%. The City passed along an 8.9% water and 13.9% sewer rate increase and implemented a fixed charge as a result of Detroit's increasingly fixed charges to the City. To lessen the impact to the average residential customer, the City lowered its first tier water rate, while the consumption amount for the minimum bill user also decreased.

In 2013/14, the water rate from Detroit is increasing by 4.6%. Sewage disposal fees from Detroit are increasing by 3.7%, coupled with an 11.1% increase in debt payments on the District's sewer rehabilitation projects and a 2.5% increase in estimated treated sewage volume. Sterling Heights residents will see the lowest rate adjustment in 14 years, as the City continues to control its discretionary costs and is able to pass along only a 3.9% water and 4.9% sewer rate increase to its customers. ■

Did you know...

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

WATER & SEWER SYSTEM OPERATING FUND REVENUES & EXPENSES

Budgetary Centers	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
REVENUES						
Water & Sewer Service	\$26,055,560	\$28,368,650	\$32,272,430	\$19,507,530	\$32,679,480	\$33,620,420
Penalties & Interest	517,360	556,860	570,000	280,500	570,000	580,000
Hydrant Rental	159,750	159,750	159,750	79,870	159,750	159,750
Building Rental	1,200	1,200	1,200	600	1,200	0
Interfund Service	149,260	69,640	148,100	35,170	94,100	104,100
Tap and Meter Revenue	354,500	426,070	387,500	232,430	390,000	400,000
Repair and Service	15,020	27,780	15,000	23,530	35,000	30,000
Inspection Fees	6,460	4,700	8,000	2,980	6,000	6,000
Turn-On Charge	14,920	15,410	16,000	5,750	16,000	16,000
Ind./Pollution Surcharge	771,190	877,640	870,000	470,470	910,000	900,000
Miscellaneous	184,530	577,560	530,680	327,370	615,910	547,900
Interest on Investments	266,340	274,320	341,680	66,460	300,000	300,000
Total Revenues	\$28,496,090	\$31,359,580	\$35,320,340	\$21,032,660	\$35,777,440	\$36,664,170
EXPENDITURES						
WATER & SEWER ADMIN.						
Personnel Services	\$919,500	\$978,480	\$950,640	\$444,790	\$882,350	\$928,200
Supplies	25,430	7,380	12,700	1,720	8,900	8,900
Other Charges	7,292,920	7,465,680	2,281,500	1,208,740	2,309,060	2,422,070
Capital Outlay	0	0	13,530	12,750	12,750	0
Total Expenses	8,237,850	8,451,540	3,258,370	1,668,000	3,213,060	3,359,170
WATER DISTRIBUTION						
Personnel Services	1,144,140	1,180,040	1,247,770	594,060	1,211,600	1,304,680
Supplies	129,910	227,920	174,000	104,370	178,000	193,000
Other Charges	10,259,590	11,510,390	12,747,750	5,801,160	12,907,020	13,461,550
Capital Outlay	0	0	8,000	8,710	8,710	40,000
Total Expenses	11,533,640	12,918,350	14,177,520	6,508,300	14,305,330	14,999,230
SEWAGE COLLECTION						
Personnel Services	1,398,280	1,304,760	1,419,550	631,420	1,285,460	1,436,200
Supplies	72,160	55,910	61,000	32,210	59,000	59,000
Other Charges	11,670,980	13,119,360	13,363,720	5,226,120	13,483,550	13,552,520
Capital Outlay	0	0	524,800	392,710	524,800	35,500
Debt Service	520,040	1,456,800	2,901,910	737,720	2,860,370	3,224,730
Total Expenses	13,661,460	15,936,830	18,270,980	7,020,180	18,213,180	18,307,950
Total Operating Expenses	\$33,432,950	\$37,306,720	\$35,706,870	\$15,196,480	\$35,731,570	\$36,666,350

Note: Miscellaneous Revenue excludes Water & Sewer Special Assessment Revenue and Capital and Frontage charges.

CHARGES FOR SERVICES

Charges for Services consists of revenue received from individuals, businesses, and other City funds. These monies are used to reimburse the Water & Sewer Fund for services provided to other entities, funds, or departments. The primary revenue accounts within this revenue center include Water Services and Sewage Collections.

In the 2013/14 Budget, Charges for Services revenue represents 97.69% of total revenue sources, an increase of \$1,390,490.

The 2013/14 Budget recommends a 3.9% increase on water rates and a 4.9% 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, which also includes higher fixed charges, increased debt payments on the District's sewer rehabilitation projects, as well as an increase in treated sewage volumes. The City's rate adjustment is the lowest in the past 14 years. The average residential customer will pay approximately \$45 per month for water and sewer services.

The average residential customer will pay approximately \$45 per month for water & sewer services.

In 2012/13, due to Detroit's increasingly higher fixed charges, the City began passing along a portion of fixed costs to its users as part of the overall rate increase. A modest \$30 annual fixed residential fee and a \$120 commercial fixed fee was implemented. The fixed fee allowed the City to reduce its first tier water rate, where most residential consumption is billed, thereby lowering the water bill increase. The consumption amount for the minimum bill user also decreased to lessen the fixed fee impact to very low users.

As system users continue to reduce consumption and Detroit's fixed charges continue to increase, this billing method will better prevent revenue

shortfalls and help avoid higher rate increases that can lead to further decreases in usage. Fixed fees reduce revenue volatility and avoid overcharging customers in years where usage increases.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Rental Income, Reimbursements, Insurance Recovery, and Miscellaneous Revenue.

In the 2013/14 Budget, Other Revenues represents 2.31% of total revenue sources, a decrease of \$46,660 below the 2012/13 Budget. This decrease in revenues is mostly due to lower interest on investments.

In the 2013/14 Budget, Other Revenues represents 2.31% of total revenue sources, a decrease of \$46,660 below the 2012/13 Budget.

USE OF NET ASSETS

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

In the 2013/14 Budget, expenditures exceed revenues slightly, resulting in a \$2,180 use of net assets for the system to break even. The Water & Sewer Fund is typically self-supporting and is designed to break even. Water and sewage rates are set strictly to finance the City's cost of providing services to its customers. ■

WATER & SEWER FUND REVENUE SUMMARY BY ACCOUNT

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	CHARGES FOR SERVICES						
627444	Administrative Services - Roads	0	0.00	10,000	0.03	5,000	0.01
627531	Administrative Services - Refuse	69,100	0.22	69,100	0.20	69,100	0.19
629001	Labor Services - Roads	0	0.00	30,000	0.08	20,000	0.05
629002	Labor Services Cross Charges	407	0.00	8,000	0.02	5,000	0.01
633001	Water Tap Fees	120,253	0.38	90,000	0.25	100,000	0.27
633002	Sewer Tap Fees	14,400	0.05	7,500	0.02	10,000	0.03
633003	Meter Charges	291,415	0.93	290,000	0.82	290,000	0.79
633004	Inspection	4,703	0.01	8,000	0.02	6,000	0.02
633005	Water & Sewer Services	27,783	0.09	15,000	0.04	30,000	0.08
633006	Hydrant Rental - Fire Department	159,750	0.51	159,750	0.45	159,750	0.44
633009	Turn-On Charge	15,406	0.05	16,000	0.05	16,000	0.04
634001	Materials/Supplies Cross Charges	50	0.00	10,000	0.03	5,000	0.01
643000	Water Services	12,185,036	38.86	13,596,700	38.50	14,076,880	38.39
644000	Collections - Sewer	16,183,616	51.61	18,675,730	52.88	19,543,540	53.30
645000	Penalties - Water & Sewer	556,857	1.78	570,000	1.61	580,000	1.58
646000	Industrial & Pollution Surcharge	877,639	2.80	870,000	2.46	900,000	2.45
	Total Charges for Services	30,506,415	97.28	34,425,780	97.47	35,816,270	97.69
	OTHER REVENUE						
665000	Interest on Investments	273,215	0.87	340,680	0.96	299,000	0.82
665445	Interest & Penalties - Tax Roll	1,106	0.00	1,000	0.00	1,000	0.00
667006	Building Rental - Garage	1,200	0.00	1,200	0.00	0	0.00
669001	Rental - Road Equipment	0	0.00	20,000	0.06	15,000	0.04
669002	Rental/Equipment Cross Charges	82	0.00	1,000	0.00	500	0.00
676000	Reimbursements	472,669	1.51	463,180	1.31	457,400	1.25
677008	Unrealized Gain/Loss	56,832	0.18	0	0.00	0	0.00
685000	Miscellaneous Revenue	43,963	0.14	65,000	0.18	70,000	0.19
695000	Insurance Recovery	4,095	0.01	2,500	0.01	5,000	0.01
	Total Other Revenue	853,162	2.72	894,560	2.53	847,900	2.31
	Total Water & Sewer Fund	\$31,359,577	100.00	\$35,320,340	100.00	\$36,664,170	100.00

Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

**WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT**

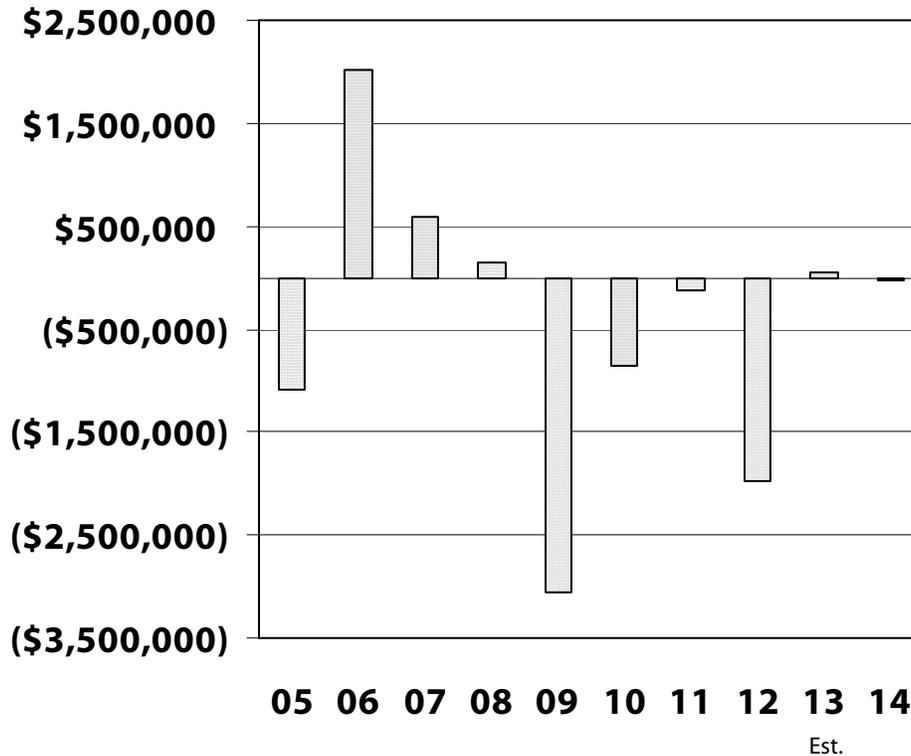
Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>PERSONNEL SERVICES</u>						
704000	Wages & Salaries - Permanent	\$1,831,568	4.91	\$1,827,750	5.12	\$1,735,990	4.73
704001	Sick Time Buy Back	23,103	0.06	7,000	0.02	11,500	0.03
704721	Health Insurance Allowance	3,750	0.01	4,500	0.01	4,500	0.01
705000	Wages-Salaries - Temp/Part-Time	52,505	0.14	54,010	0.15	54,600	0.15
708000	Overtime	132,827	0.36	145,000	0.41	146,000	0.40
708001	Compensation Time Buy Back	13,149	0.04	10,000	0.03	7,350	0.02
709000	Union Contract Reimbursements	7,132	0.02	7,200	0.02	6,900	0.02
710000	Longevity	72,712	0.19	52,430	0.15	44,970	0.12
715000	Clothing Allowance	7,064	0.02	6,800	0.02	6,500	0.02
717000	FICA	159,267	0.43	159,350	0.45	151,840	0.41
718000	Worker's Compensation	15,884	0.04	15,410	0.04	14,970	0.04
720000	Pension - General Emp Retirement	200,820	0.54	330,070	0.92	504,120	1.37
720002	Defined Contribution - Employer	14,263	0.04	14,570	0.04	12,140	0.03
720010	Add'l Employee Pension - GERS	(50,982)	-0.14	(4,500)	-0.01	0	0.00
721000	Health Insurance	331,536	0.89	312,450	0.88	282,230	0.77
721001	Health Insurance - Retirees	598,860	1.61	622,820	1.74	633,480	1.73
721003	Retiree Health Savings - City	2,000	0.01	2,000	0.01	2,000	0.01
722000	Dental Insurance	24,665	0.07	26,890	0.08	27,040	0.07
723000	Life Insurance	4,851	0.01	4,910	0.01	4,610	0.01
724000	Eye Care Insurance	2,177	0.01	2,270	0.01	2,180	0.01
725000	Disability Insurance - Long Term	4,138	0.01	4,270	0.01	4,040	0.01
725355	Disability Insurance - Short Term	11,995	0.03	12,760	0.04	12,120	0.03
	Total Personnel Services	3,463,284	9.29	3,617,960	10.13	3,669,080	10.01
	<u>SUPPLIES</u>						
729000	Postage	2,382	0.01	1,400	0.00	1,400	0.00
750000	Fuels & Lubricants	81,637	0.22	79,000	0.22	83,000	0.23
751000	Operating Supplies	60,152	0.16	42,300	0.12	38,500	0.11
770000	Water Meters - Assembled	50,832	0.14	43,000	0.12	50,000	0.14
771000	Fire Hydrant Parts	15,866	0.04	15,000	0.04	15,000	0.04
772000	Tap-In Materials - Water	37,853	0.10	15,000	0.04	15,000	0.04
774000	Water Meter Parts	42,483	0.11	52,000	0.15	58,000	0.16
	Total Supplies	291,205	0.78	247,700	0.69	260,900	0.71
	<u>OTHER CHARGES</u>						
802000	Audit & Accounting Services	29,280	0.08	29,280	0.08	40,110	0.11
806000	Legal Services - Other	80	0.00	200	0.00	100	0.00
806001	Legal Services - City Attorney	(19)	0.00	3,000	0.01	3,000	0.01
807000	Medical Services	1,339	0.00	1,700	0.00	1,400	0.00
810000	Other Fees	105,239	0.28	92,500	0.26	122,750	0.33
823000	Hydrant Moves - Contractor	0	0.00	1,000	0.00	1,000	0.00
824000	Water Tap Installation - Contractor	30,726	0.08	20,000	0.06	25,000	0.07
826000	Other Contracted Services	41,242	0.11	40,530	0.11	55,000	0.15
827000	Interfund Services	1,696,800	4.55	1,679,800	4.70	1,800,440	4.91
832000	Building Maintenance	1,200	0.00	1,200	0.00	1,200	0.00

**WATER & SEWER FUND
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
833000	Equipment Maintenance	78,059	0.21	104,000	0.29	87,000	0.24
835000	Vehicle Maintenance	126,926	0.34	124,000	0.35	135,000	0.37
840000	Water Main Repair	125,474	0.34	100,000	0.28	200,000	0.55
841000	Distribution Line Repair	187,777	0.50	155,000	0.43	180,000	0.49
842000	Sewer Main Repair	23,316	0.06	29,470	0.08	30,000	0.08
903000	Printing	309	0.00	700	0.00	600	0.00
913000	Liability Insurance	267,800	0.72	267,800	0.75	267,800	0.73
915000	Other Insurance	2,460	0.01	2,460	0.01	2,460	0.01
921000	Electric	27,401	0.07	30,500	0.09	27,000	0.07
922000	Telephone	3,364	0.01	3,200	0.01	3,800	0.01
923000	Gas - Fuel - Oil	5,557	0.01	12,500	0.04	6,900	0.02
931000	Water Purchased	11,073,367	29.68	12,402,420	34.73	12,967,020	35.36
932000	Sewage Disposal Services	12,554,962	33.65	12,780,670	35.79	12,943,690	35.30
934000	Industrial & Pollution Surcharge	404,484	1.08	400,000	1.12	420,000	1.15
945000	Other Rental	145,974	0.39	104,290	0.29	104,940	0.29
956000	Local Meetings	11	0.00	60	0.00	60	0.00
957000	Memberships & Dues	238	0.00	290	0.00	520	0.00
959000	Education & Training	3,946	0.01	3,400	0.01	4,350	0.01
964000	Refunds & Rebates	6,344	0.02	3,000	0.01	5,000	0.01
968000	Depreciation	5,151,774	13.81	0	0.00	0	0.00
	Total Other Charges	32,095,430	86.03	28,392,970	79.52	29,436,140	80.28
	CAPITAL OUTLAY						
979000	Computer Equipment	0	0.00	13,530	0.04	0	0.00
982000	Machinery & Equipment	0	0.00	149,000	0.42	46,500	0.13
984000	Vehicles	0	0.00	383,800	1.07	29,000	0.08
	Total Capital Outlay	0	0.00	546,330	1.53	75,500	0.21
	DEBT SERVICE						
992000	Principal	0	0.00	1,345,670	3.77	1,439,820	3.93
993001	Interest - Oakland-Macomb Intcpt.	141,912	0.38	260,030	0.73	322,930	0.88
993002	Interest - Macomb Interceptor	1,185,901	3.18	1,175,470	3.29	1,161,990	3.17
993003	Interest - North Gratiot Interceptor	128,992	0.35	120,740	0.34	124,230	0.34
993005	Interest - Clintondale Pump Station	0	0.00	0	0.00	175,760	0.48
	Total Debt Service	1,456,805	3.90	2,901,910	8.13	3,224,730	8.79
	Total Water & Sewer Fund	\$37,306,724	100.00	\$35,706,870	100.00	\$36,666,350	100.00

Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

Water & Sewer Net Income from Operations

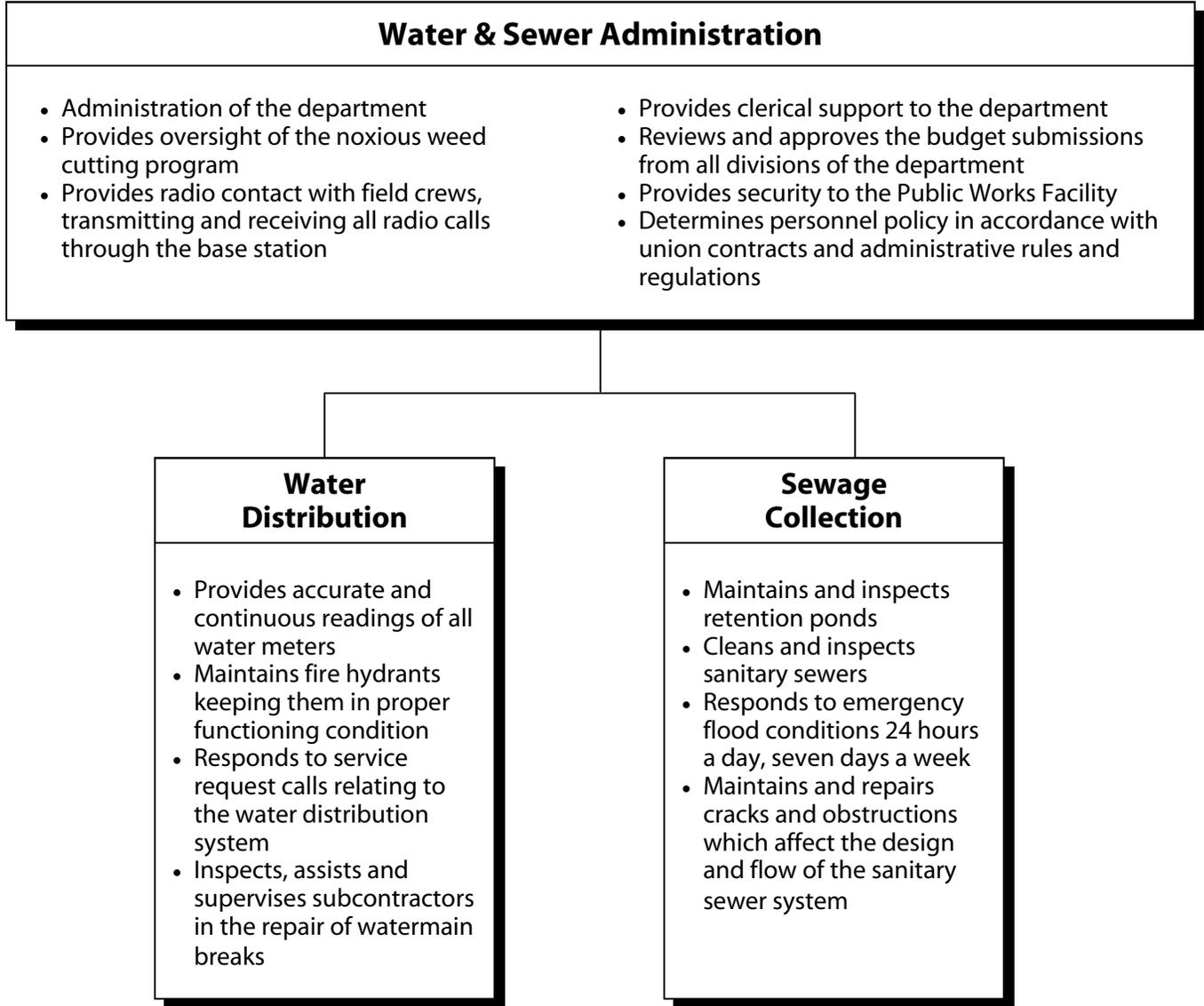


This graph illustrates the net income from operations in the Water & Sewer fund. These numbers reflect the truest picture of the results of Water & Sewer fund operating performance upon which the City's water & sewer rates are established.

Revenue includes interest on investments for both the Water & Sewer Operating and Receiving funds. Expenses exclude depreciation costs and include capital outlay and principal payments.

FUNCTIONAL ORGANIZATION CHART

Water & Sewer Fund (Public Works Department)



DEPARTMENT AT A GLANCE

Water & Sewer Fund

BUDGET SUMMARY

The Water & Sewer Fund increased by \$959,480 or 2.7%. As the City purchases its water and sewage services from Detroit and Macomb County, their costs directly impact the City's rates. The water costs from Detroit will increase by 4.6%. The sewage rate will increase by 3.7%, coupled with a 2.5% increase in treated sewage volumes and an 11.1% increase in sewer debt resulting from numerous countywide sewer maintenance projects. Because the City has been able to control its costs, the City is able to pass on only a 3.9% water and a 4.9% sewer rate increase to its customers next year, resulting in the lowest rate increase in 14 years. Personnel costs rose only \$51,120 or 1.4% primarily due to increased long-term retirement funding. Two fewer full-time positions are budgeted. Savings has been

achieved from transferring a Civil Engineer to the Engineering office. Savings was also achieved by not filling a vacant full-time Sewer position and from the fourth year of employee wage and benefit reductions resulting from new DPW labor contract agreements. Supply costs rose 5.3% due to higher fuel prices, and the increased costs of water meters and replacement parts. The Capital budget includes a replacement meter reading system, a replacement pickup truck with plow, and an emergency backup pump. The average City of Sterling Heights residential customer will pay only \$45 per month and will continue to have the lowest combined residential water and sewer rate of any city in the State with over 25,000 residents.

FUNDING LEVEL SUMMARY

	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget	% Change from 12/13
Water & Sewer Admin.	\$8,237,850	\$8,451,540	\$3,258,370	\$3,359,170	3.1%
Water Distribution	11,533,640	12,918,350	14,177,520	14,999,230	5.8%
Sewage Collection	13,661,460	15,936,830	18,270,980	18,307,950	0.2%
Total Department	<u>\$33,432,950</u>	<u>\$37,306,720</u>	<u>\$35,706,870</u>	<u>\$36,666,350</u>	<u>2.7%</u>
Personnel Services	\$3,461,920	\$3,463,280	\$3,617,960	\$3,669,080	1.4%
Supplies	227,500	291,210	247,700	260,900	5.3%
Other Charges	29,223,490	32,095,430	28,392,970	29,436,140	3.7%
Capital Outlay	0	0	546,330	75,500	-86.2%
Debt Service	520,040	1,456,800	2,901,910	3,224,730	11.1%
Total Department	<u>\$33,432,950</u>	<u>\$37,306,720</u>	<u>\$35,706,870</u>	<u>\$36,666,350</u>	<u>2.7%</u>

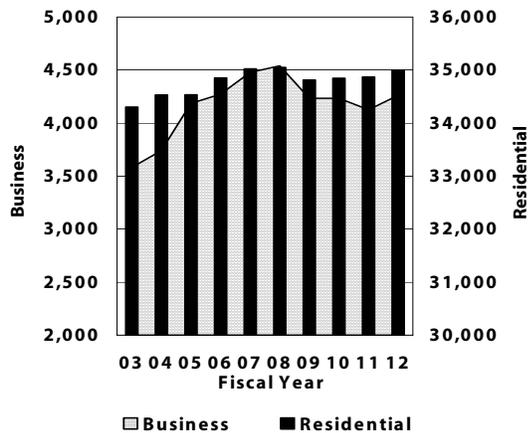
PERSONNEL SUMMARY

	2010/11		2011/12		2012/13		2013/14	
	Full Time	Part Time						
Water & Sewer Admin.	8	0	8	0	7	0	6	0
Water Distribution	11	2	11	2	11	2	11	2
Sewage Collection	14	4	14	4	13	4	12	4
Total Department	<u>33</u>	<u>6</u>	<u>33</u>	<u>6</u>	<u>31</u>	<u>6</u>	<u>29</u>	<u>6</u>

KEY FUND TRENDS

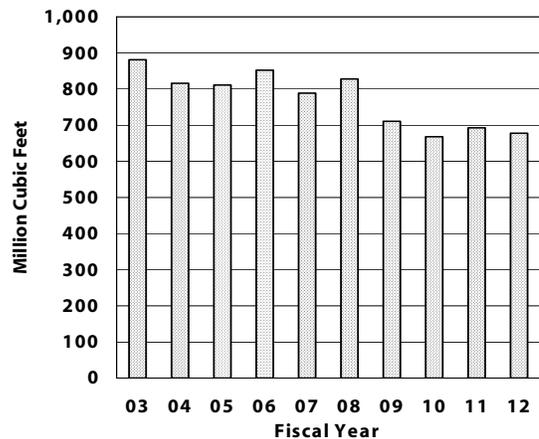
Water & Sewer Fund

Water & Sewer Customers



The number of business and residential Water & Sewer customers has increased over the past ten years due to growth and development in the City, though the rate of growth has slowed in the past several years.

Water Sold to Residents



The City has sold a fluctuating amount of water to our residents and businesses. The decrease in some years is largely a result of increased rainfall or economic conditions, which lowers the demand and use for irrigation purposes. Water usage has declined by 23% since 2003.

Average Residential Monthly Water & Sewer Bill

1. Lansing	\$98.58
2. Southfield	\$80.92
3. Grand Rapids	\$75.58
4. Dearborn	\$70.83
5. Farmington Hills	\$61.58
6. Ann Arbor	\$55.17
7. Troy	\$55.17
8. Warren	\$52.25
9. Livonia	\$52.17
10. STERLING HEIGHTS	\$43.08

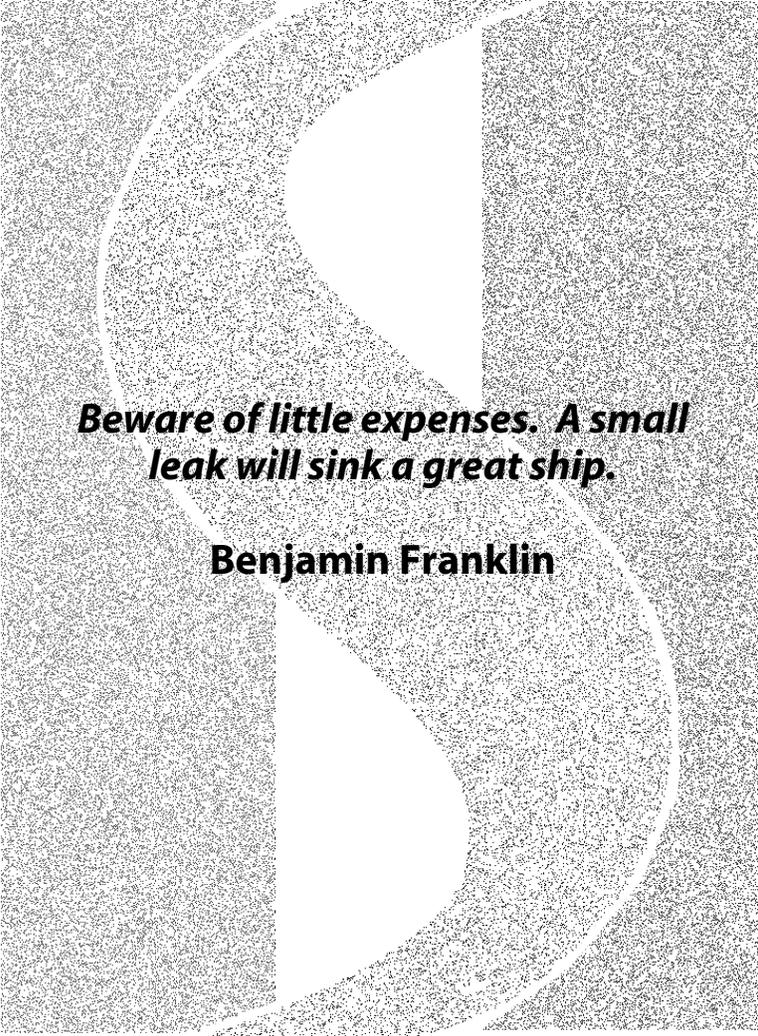
Rates as of 10/12 using 12,000 cf.

The City purchases its water and sewer services through the City of Detroit. The average resident pays \$43 per month for such services. This amount compares very favorably to all communities. In fact, our residents pay 21% less than the next lowest city and 129% less than the highest. According to independent studies, Sterling Heights has the lowest residential water and sewer rate of any city in the state with more than 25,000 residents.

Annual Water Rate Increases



Historically, Sterling Heights has not passed on the full City of Detroit water and sewer rate increases to our customers. For example, in 1995 Detroit increased its rates to us by 8.6%, we passed on only a 3% increase. In 1999, Detroit increased our rates 7.2%, we passed on only 3%. In 2003, Detroit increased our rates by 14.2%, we passed on only 9.9%. Detroit has increased its rates by an average of 7.2% per year over the past 20 years. Sterling Heights has increased its rates by 5.7% per year. We continue to have one of the lowest mark-ups on Detroit's rate of any city.



***Beware of little expenses. A small
leak will sink a great ship.***

Benjamin Franklin

MISSION STATEMENT: *To plan, direct and coordinate the operations of the Public Works Department and provide the administrative functions appropriate and necessary to ensure the efficient and effective delivery of the best in public services to the community.*

The Water & Sewer Administration activity plans, directs, and coordinates the Water & Sewer Operations, Refuse Collection and the tall grass/weed cutting program of the Public Works Department.

The staff of the Public Works Department responds to resident inquiries and service requests pertaining to all Public Works operations such as: refuse collection, tree branch chipping, snow removal, road maintenance, recycling, water and sewer maintenance and park maintenance. Services provided by the entire Public Works Department are continually monitored and analyzed in an effort to not only provide the best possible service but also to provide these services in the most cost efficient manner. Reports, correspondence, and responses to residents and users concerning activities of the various divisions are provided through this activity. Specifications are developed, analyzed and prepared for the timely bidding of capital equipment, vehicles, materials, supplies, and subcontracted services.

This Division provides clerical support to the Public Works operation including preparation of specialized reports and correspondence, assistance in budget preparation, and response to resident inquiries and service requests over the telephone, via e-mail and at the counter. Staff schedules water and sewer inspections, Miss Dig stake-outs for City water and sewer lines, tree branch chipping, and tree removal and planting.

Staff has constant and immediate radio contact with field crews during regular duty hours, by transmitting and receiving all radio calls to the base station. The communication system also provides immediate 24 hours, seven days a week communication between administration, supervisors, and staff. Internal calls are evaluated and relayed to the appropriate division.

The Police Department's Emergency Dispatchers handle many of the off-duty hour calls in case of an

KEY GOALS

- *To preserve the investment made in the City's infrastructure through a continual proactive maintenance program.*
- *To provide continual high levels of safety, convenience and health protection to the public in the use of roads, water, sewers, parks, grounds, vehicles, equipment and refuse collection.*
- *To establish priorities and monitor the department's performance plan and standards.*
- *To create, develop and maintain a positive, competent, service-oriented public image.*

emergency. A tape-recorded message advises callers to contact the Police Department if their call involves an emergency. The DPW provides the Dispatch Center with a list of emergency scenarios and a list of supervisors to contact for each emergency. In an emergency situation, appropriate personnel are contacted to respond. Examples of such emergencies include flood conditions, snow removal, tree damage due to storms, water main breaks, and other emergency conditions, which require personnel to report to work on other than regular duty hours. Radio contact is maintained with field crews, messages are received and relayed, and specific field operations are recorded.■

Did you know...

...the City of Sterling Heights has the lowest combined water and sewer rates for residential customers in the State for communities that have a population greater than 25,000?

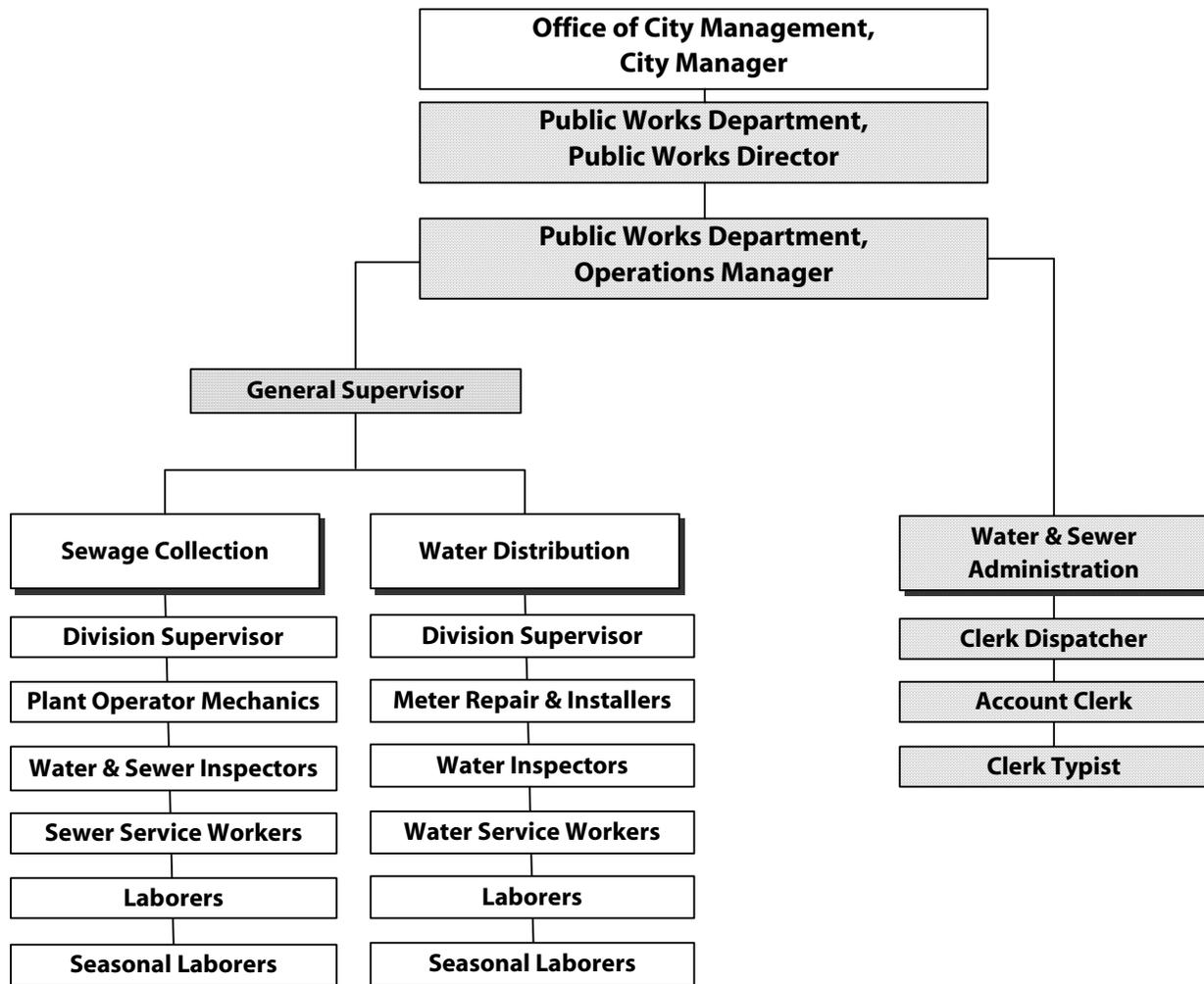
Water & Sewer Administration

2013/14 PERFORMANCE OBJECTIVES

- To continue to increase promotion of the voluntary odd/even water use restrictions during the summer months in order to reduce the maximum day usage of water, thereby helping to lower future water rate increases. (City Goal 14)
- To research alternative replacement residential water meter reading systems. (City Goal 17, 18)
- To update the Department's employee succession plan. (City Goal 3, 5)
- To review partnering with communities to develop mutual aid agreements to share Public Works equipment and resources. (City Goal 2, 3)
- To continue to aggressively enforce the City's noxious weed ordinance by sending violation letters and cutting properties when necessary, in order to maintain the aesthetics of the City, especially in our residential neighborhoods. (City Goal 12, 13, 14)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Water & Sewer Customers	39,074	38,995	39,903	39,100	39,150	39,150
	Customer Service Requests (Permits Plus)	7,218	9,175	8,271	9,200	6,000	6,000
	Res./Commercial Sanitary Sewer Tap Connections	74	46	80	85	85	80
	Residential/Commercial Water Taps	56	72	90	75	80	80
	Res./Comm. Water Meter Installations (new & repl.)	400	424	450	480	340	400
	Tall Grass/Weed Cutting Revolutions (317 acres)	5	5	6	5	6	5
	Vacant Parcels Cut - Tall Grass/Weed Program	751	576	420	600	300	300
	Parcels Cut - Occupied Residential Homes/Businesses	832	468	654	600	700	800
	Backflow Preventer Testing Compliance Letters	625	674	642	1,300	1,300	1,300
	Site Plans Reviewed	24	10	17	40	26	40
	Vehicles/Equipment Specifications Prepared	6	2	3	6	5	6
	Materials/Supplies/Services Specifications Prepared	13	18	11	20	24	22
	Hours of Safety Training	240	567	491	400	693	450
	Monthly Act 51 Reports Generated	12	12	12	12	12	12
	Monthly Public Works Cross-Charge Reports	12	12	12	12	12	12
	Billings Prepared for State Highway Maintenance	4	4	4	4	4	4
	Outfalls Inspected/Sampled for Stormwater Discharge	0	0	60/3	50/5	50/5	50/5
	Landscape Median Mowing - Revolutions	22	24	24	24	22	24
	Efficiency	Ratio of FT Employees to Worker Comp. Claims	48:1	46:1	42:1	87:0	44:1
% Water Samples Meeting Federal/State Standards		100%	100%	100%	99%	99%	99%
Annual Residential Water & Sewer Bill (12,000 cfs)		\$386	\$425	\$463	\$517	\$517	\$540
Monthly Residential Water & Sewer Bill (12,000 cfs)		\$32	\$35	\$39	\$43	\$43	\$45
% of Outfalls Sampled w/no Water Discharge		N/A	N/A	95%	90%	90%	90%

Water & Sewer Administration



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Public Works Director	1	1	1
Public Works Manager	1	0	0
Operations Manager	0	1	1
General Supervisor	1	1	1
Civil Engineer II	1	1	0
Administrative Assistant	1	0	0
Clerk Dispatcher	1	1	1
Account Clerk	2	2	1
Clerk Typist	0	0	1
Total	8	7	6

Water & Sewer Administration

SUMMARY OF BUDGET CHANGES

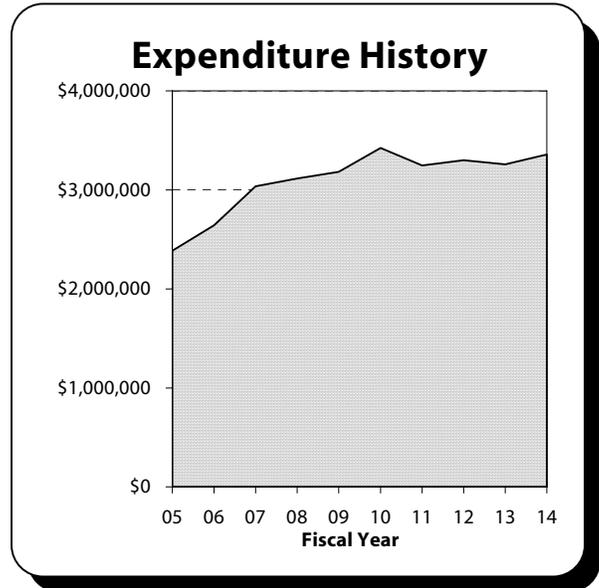
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 3.1%.

Personnel Services – The total Personnel budget decreased by \$22,440 or 2.4%. Savings occurred from transferring a Civil Engineer II position to Engineering and the retirement of an Account Clerk, which has been filled by a Clerk Typist position. Partially offsetting these savings were wage step increases for two positions, as well as higher actuarially required City contributions to fund retirement obligations, which resulted in a \$51,450 increase.

Supplies – Total Supplies decreased \$3,800 or 29.9%. Fuel and lubricant costs decreased \$3,000 and operating supply costs fell \$800, both based on recent lower actual expenditure levels.

Other Charges – Total Other Charges increased \$140,570 or 6.2%. Interfund service costs increased \$120,640 based on a revised allocation of General Fund costs for time spent on Water & Sewer related functions. Credit card bank fees rose \$25,000 due to an increase in customer credit card water bill payments. Funding increased \$10,830 due to a revised allocation of audit costs. Contracted service costs increased \$10,000 for professional rodent control services and higher state radio user fees. Educational funding increased \$750, as all CDL license renewals will now be coordinated in this office. \$15,000 was saved, as funding for equipment maintenance can be reduced. Fewer vehicle repairs are needed, saving \$7,000. Heating costs decreased \$5,000 and electric costs fell



\$2,500, based on recent years' lower bills.

Capital – There is no Capital proposed for this office.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$978,480	\$950,640	\$882,350	\$928,200	\$928,200
Supplies	7,376	12,700	8,900	8,900	8,900
Other Charges	7,465,681	2,281,500	2,309,060	2,422,070	2,422,070
Capital Outlay	0	13,530	12,750	0	0
Total	\$8,451,537	\$3,258,370	\$3,213,060	\$3,359,170	\$3,359,170

MISSION STATEMENT: *To provide a clean, reliable and reasonably priced water supply to our residents and corporate customers.*

The Water Distribution Division ensures the accurate and continuous reading of residential, commercial, and industrial water meters, and the maintenance and service of water meters.

Personnel respond promptly to numerous service request calls regarding the water distribution system in order to assist the residential and business community.

Fire hydrants are maintained to ensure that they are properly functioning. The economical and efficient maintenance and repair of the water distribution system is of utmost concern. Approximately 10,000 service request calls are responded to annually.

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

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

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

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

KEY GOALS

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

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

Did you know...

...the City purchases its water wholesale from the Detroit Water and Sewage Department and has ten separate connections to the Detroit system, which has water mains located in Sterling Heights ranging in size from 36 to 60 feet?

Water Distribution

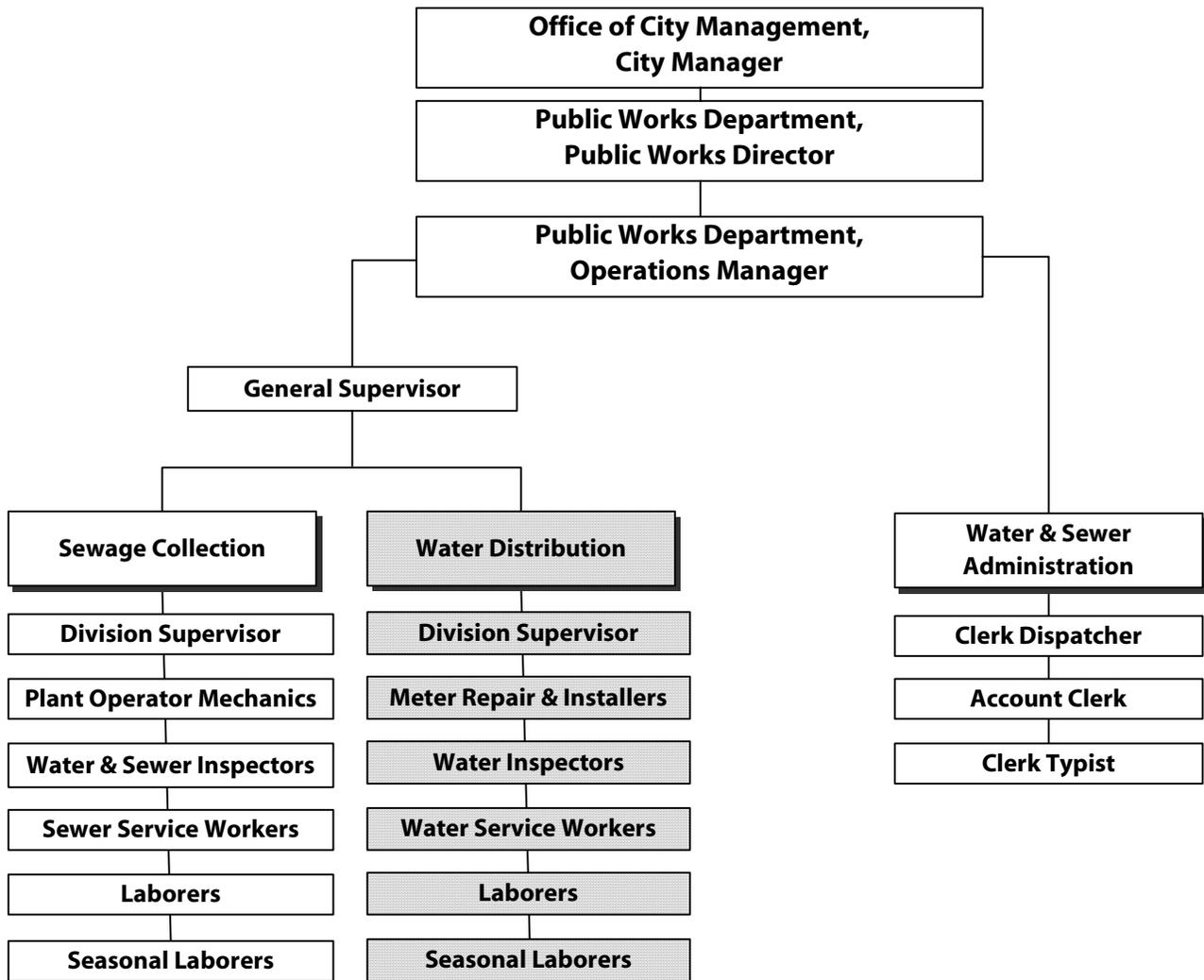
2013/14 PERFORMANCE OBJECTIVES

- To test/repair approximately 300 water meters 2" and larger to assure correct revenues are being realized from high volume users. (City Goal 1)
- To perform 300 gate valve and well structure inspections annually, which will improve our ability to isolate and fix water mains while minimizing impact to the City's water customers. (City Goal 1, 3)
- To obtain monthly and quarterly reads of 4,500 commercial and 35,000 residential water meters located in the City. (City Goal 1)
- To monitor the annual testing of approximately 1,000 backflow preventers performed by private contractors at commercial/industrial sites, apartment complexes, churches, and schools to ensure their proper functioning. (City Goal 1)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Miles of Water Mains in City	575	576	576	576	576	576
	Citizen Inquiries/Service Requests Responded To	5,510	5,647	5,097	5,800	4,800	4,800
	Water Meter Manual Reads - Residential & Comm.	131,570	135,014	138,467	133,000	137,890	137,150
	Water Meter Automated Reads - Residential & Comm.	60,890	63,735	61,554	63,000	64,400	64,450
	Water Main Breaks	105	72	77	85	60	60
	Miss Dig Stakeouts of Utilities Performed	5,870	6,548	7,051	6,500	7,000	7,000
	Water Meters Installed - Residential/Commercial (new)	36/25	49/21	76/13	70/10	70/10	70/10
	Water Meters Replaced	201	189	220	220	250	250
	Water Taps Installed - Residential/Commercial	44/12	60/12	74/16	65/10	70/10	70/10
	Cross Connection Inspections/Reinspections	613	307	487	300	394	400
	Compound Meters Tested	286	327	185	320	300	300
	Gatewells Inspected	300	291	425	300	300	300
	Businesses Monitored - Backflow Compliance	625	674	642	1,300	1,300	1,000
	Fire Hydrants Replaced	3	5	8	10	10	10
Fire Hydrants Painted	1,440	676	329	200	600	600	
Efficiency & Effectiveness	% of Emergency Calls Responded to w/i 1 Hour	99%	99%	99%	99%	99%	99%
	% of Miss Dig Stakeouts Completed w/i 48 hours	99%	99%	99%	99%	99%	99%
	Avg. Time to Complete Emg. Main Repairs (Hours)	4.0	4.0	4.1	4.5	4.0	4.0
	Miles of Water Main Maintained per FT Employee	52.3	52.4	52.4	52.4	52.4	52.4
	Water Meter Manual Reads per Reader	52,628	54,005	55,387	53,200	55,160	54,860
	Water Purchased from Detroit (1,000 cubic feet)	659,816	683,223	695,711	711,000	720,000	710,000
	Cost of 1,000 Cubic Feet of Water from Detroit	\$13.16	\$12.54*	\$10.82*	\$9.48*	\$9.48*	9.92*
	Detroit Water Fixed Charge	N/A	\$1,315,284	\$3,545,772	\$5,662,140	\$5,662,140	\$5,923,820
Water Fixed Charge as a % of Total Costs	0%	13.3%	32.0%	45.7%	45.3%	45.7%	

*Does not include fixed water costs.

Water Distribution



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2012/13	Budget 2013/14
Division Supervisor	1	1	1
Water Inspector	2	2	2
Water Service Worker	4	4	4
Meter Repair & Installer	2	2	2
Laborer	2	2	2
Seasonal Laborer	2	2	2
Total	13	13	13

Water Distribution

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

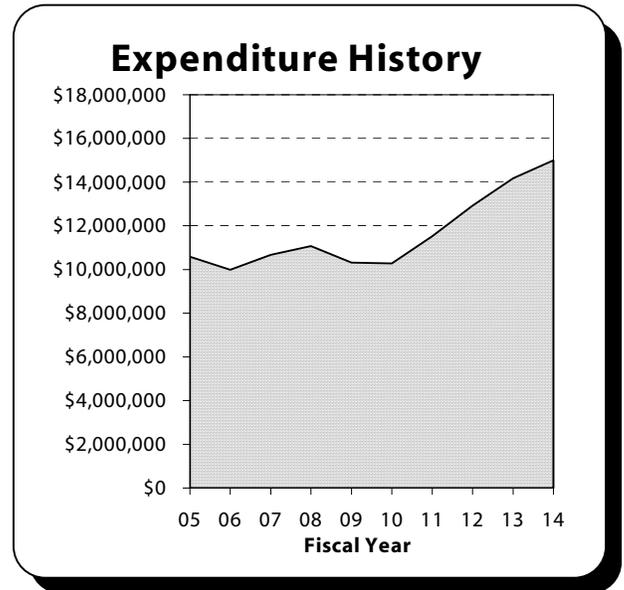
The total budget increased by 5.8%.

Personnel Services – The Personnel budget increased \$56,910 or 4.6%. Actuarially required pension contributions rose \$58,580 to offset prior year stock market declines, while funding for retiree medical liabilities rose \$3,390. Health insurance costs fell \$16,630 as a result of the new DPW labor contracts.

Supplies – Total Supplies increased \$19,000 or 10.9%. \$7,000 was added due to the higher costs of new water meters and detectors. \$6,000 is needed for additional compound water meter replacement parts. Fuel costs increased \$5,000 based on rising gas prices.

Other Charges – Total Other Charges increased \$713,800 or 5.6%. The cost of water purchased from Detroit increased \$564,600 due to a 4.6% Detroit water rate increase. \$100,000 is budgeted for the first year of a water main valve replacement program. Distribution line repair costs rose \$30,000 due to the higher cost of materials and supplies needed to maintain the water system. Vehicle maintenance costs increased \$8,000 and contracted service costs rose \$5,000, both based on recent expenditure trends. State Health Department fees, which are based on population, increased \$5,500.

Capital – Total Capital of \$40,000 is proposed for a Meter Reading System to replace the current software and hand-held reading units that are no longer supported and for which replacement parts are no longer available.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,180,041	\$1,247,770	\$1,211,600	\$1,304,680	\$1,304,680
Supplies	227,924	174,000	178,000	193,000	193,000
Other Charges	11,510,390	12,747,750	12,907,020	13,461,550	13,461,550
Capital Outlay	0	8,000	8,710	40,000	40,000
Total	\$12,918,355	\$14,177,520	\$14,305,330	\$14,999,230	\$14,999,230

MISSION STATEMENT: *To maintain the sanitary and storm sewer systems to ensure that they are properly functioning in accordance with designed capacities.*

The Sewage Collection Division is responsible for maintaining designed sewerage flows through maintenance of the City-owned sanitary and storm sewer systems to ensure proper functioning.

Staff conducts thorough and responsible sewer and utility inspections. Crews of this Division continually repair and restore damaged utility structures, sewer lines, and replace the concrete required by these repairs. Included among the duties of this Division is the maintenance of retention ponds to assure proper functioning for the temporary retention of storm water drainage.

A three-year preventative maintenance program cleans a third of the sanitary system each year. Specific trouble spots in the sanitary sewer system are cleaned on a quarterly basis to avoid unnecessary problems. Debris is removed from the system to prevent blockages. Cracked or broken pipes, roots or other problems are located and resolved.

This Division responds to calls regarding sewer back-ups and/or blockages. Blockages are investigated, located, and relieved through sewer cleaning. If internal plumbing problems or sump pump malfunction is the cause, advice and assistance is provided. Residential and commercial sewer tap installations and utility structures (sanitary manholes, storm manholes, and gatewells) are inspected prior to the issuance of final occupancy permits.

Sanitary, water, and storm structures are rebuilt or repaired on a priority basis. Repairs to sanitary and storm sewers are initiated as required. Sewage Collection personnel also resod or reseed areas due to utility structure repair, water main breaks, and snow/ice control activities.

Emergency flooding conditions are responded to 24 hours a day, seven days a week. Known sanitary sewer system and lift station problem areas are checked for surcharging and proper operation during heavy rainfall.

KEY GOALS

- *To provide a systematic preventative maintenance sanitary sewer cleaning program to prevent sewer blockages.*
- *To provide efficient and economical maintenance, repair and restoration of the City's sanitary and storm sewer systems.*
- *To provide an efficient, competent and responsible sewer connection and utility inspection program.*
- *To ensure safe, well maintained, functioning storm water retention basins for temporary detention of storm water run-off without damaging our stream ecology while preventing street and basement flooding.*
- *To minimize infiltration into the sanitary sewer system through inspection and an ongoing rehabilitation program.*

Sanitary sewer pumping stations are inspected three times per week. All retention pond sites both privately and City-owned are inspected monthly for proper operation, hazardous conditions and appearance. Grass and weeds in retention ponds are cut and trimmed on a scheduled basis. The City's retention pond wet wells are cleaned annually by removing sand and sediment. This Division also performs bank stabilization, erosion, and fence repairs.■

Did you know...

...the Sewage Collection division has a closed circuit inspection camera and computer, as well as a remote hand-held telescopic pole mounted camera system, to inspect City structures as well as storm and sewer collection mains, which assists in solving and documenting underground service requests?

Sewage Collection

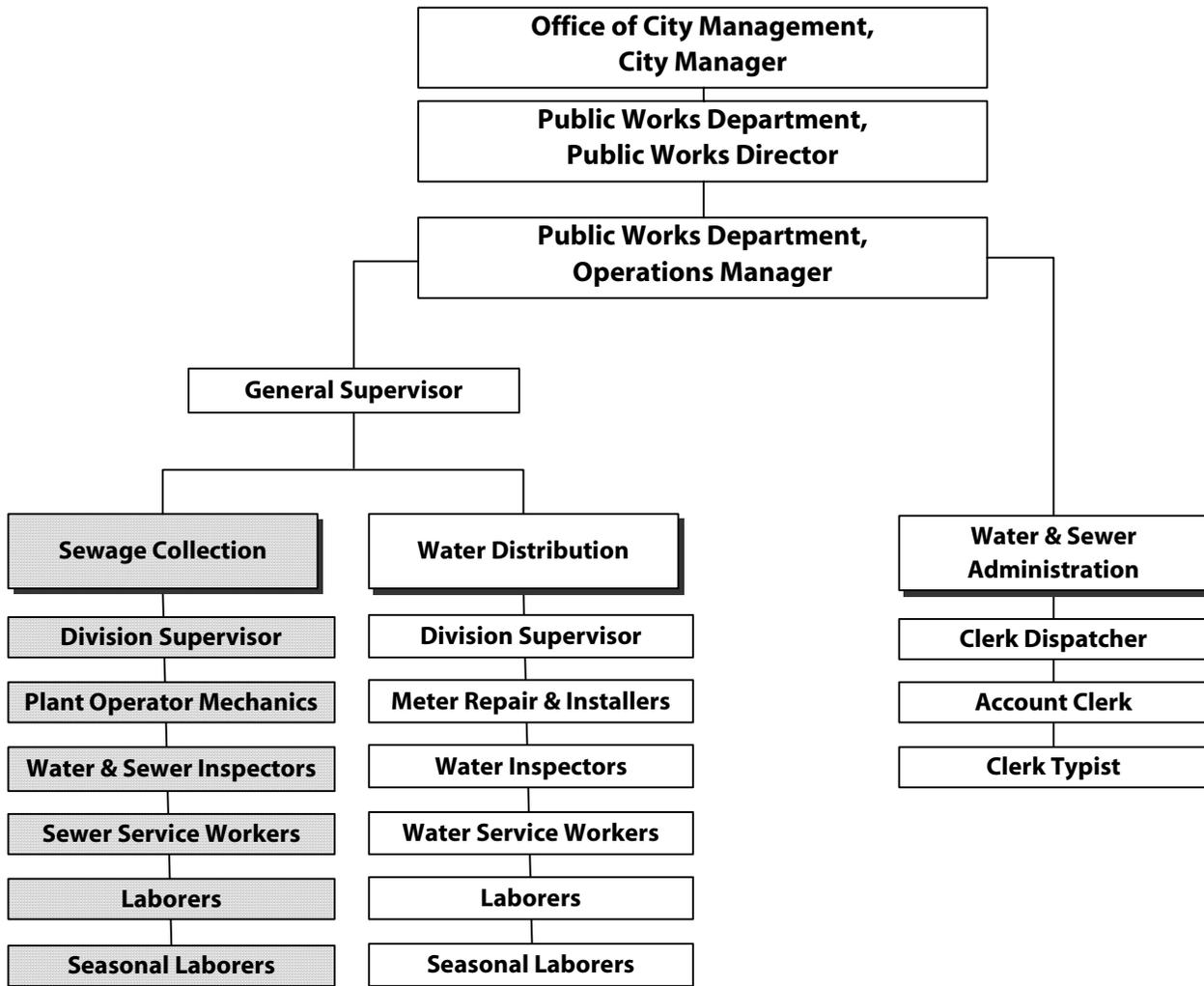
2013/14 PERFORMANCE OBJECTIVES

- To perform closed circuit inspection of six square miles of the City's sanitary sewer lines. (City Goal 1, 12)
- To rebuild or repair 80 damaged utility structures to eliminate hazards and lessen infiltration into the sanitary sewer system. (City Goal 1, 12)
- To clean 1,000,000 linear feet of sanitary sewer and storm lines in an ongoing preventative maintenance program and to inspect and flush known problem areas quarterly in order to prevent blockages. (City Goal 1, 12)

	Performance Indicators	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Budget
Output	Miles of Sanitary Sewers in City	430	430	430	430	430	430
	Sewer Inquiries Received & Resolved	2,040	2,594	1,940	2,500	2,100	2,100
	Sewer Inspections	100	270	316	200	200	200
	Water Inspections	29	43	83	35	50	50
	Certificate of Occupancy Inspections	43	36	56	45	50	50
	Sanitary Sewer Cleaned - Feet	690,854	546,575	725,340	725,000	1,000,000	1,000,000
	Utility Structures Restored	70	69	78	90	80	80
	Flags of Sidewalk Replaced	84	84	64	90	80	80
	Sections of Street/Approaches Replaced	70/11	26/18	78/16	70/20	60/20	60/20
	Sod Replaced - Yards	1,760	2,234	910	2,000	750	800
	Retention Basin Inspections Performed	450	450	450	450	450	450
	Retention Basin Wet Wells Cleaned	5	5	6	8	8	8
	Grease Trap Program Inspections	N/A	238	150	300	200	225
	Efficiency & Effectiveness	Sewer Main Blockages	12	2	11	8	8
% of Emergencies Responded to within 45 Minutes		100%	100%	100%	100%	100%	100%
% of Trouble Mains Cleaned a Minimum of 4 Times		100%	100%	100%	100%	100%	100%
Miles of Sanitary Sewer Maintained per FT Employee		30.7	30.7	30.7	33.1	33.1	35.8
Disposal Cost Per 1,000 Cubic Feet of Waste Water		\$11.76*	\$13.86*	\$13.64*	\$14.89*	\$14.41*	\$14.95*
Macomb County Sewage Fixed Charge (incl. debt)		\$3,705,175	\$2,513,108	\$5,160,091	\$6,160,500	\$5,574,740	\$6,073,720
Sewage Fixed Charge as a % of Total Costs		35.6%	21.6%	35.2%	40.4%	36.5%	38.6%
Sewage Disposal System Look-Back Adjustment		(\$162,500)	\$0	\$0	\$0	\$0	\$0
Sewage Metered Flow Differential Adjustment	\$0	\$0	\$0	\$0	\$313,550	\$313,550	

* Does not include fixed combined sewer overflow costs or sewer debt service charges.

Sewage Collection



STAFFING SUMMARY

Position	Budget 2011/12	Budget 2011/12	Budget 2013/14
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	2	1
Laborer	4	4	4
Seasonal Laborer	4	4	4
Total	18	17	16

Sewage Collection

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

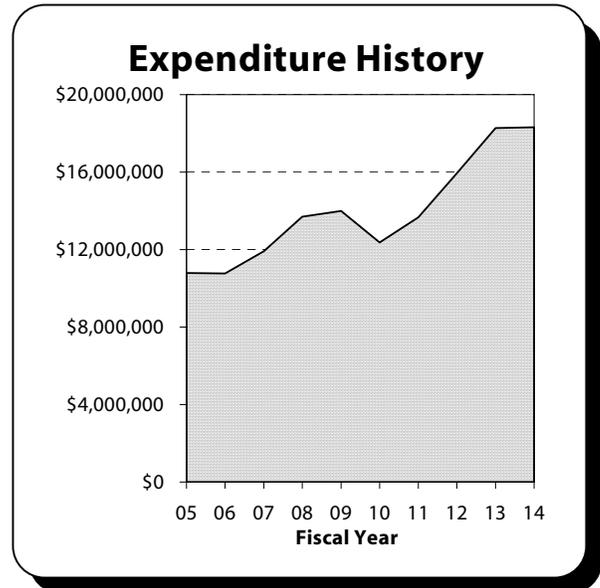
The total budget increased by 0.2%.

Personnel Services – The Personnel budget increased \$16,650 or 1.2%. An additional \$71,290 is budgeted to fund long-term retiree pension and medical obligations. Savings were achieved by not filling a vacant full-time Sewer worker position and from a fourth year of employee wage and benefit savings as reflected in the new DPW labor contract agreements.

Supplies – Total Supplies decreased \$2,000 or 3.3%. \$4,000 was saved, as fewer small hand tools and safety supplies are needed. Fuel costs rose \$2,000 to bring the budget more in line with recent cost trends.

Other Charges – Total Other Charges increased \$188,800 or 1.4%. Sewage disposal costs from Detroit increased \$163,020. The sewage rate from Detroit increased by 3.7% from \$14.41 to \$14.95 per mcf. Although the actual sewage rate and fixed charge increases were lower than anticipated last year, a 2.5% increase in treated sewage volume, a 3.7% sewage rate increase, coupled with a \$322,820 or 11.1% increase in the City's share of the District's debt have resulted in the need to pass on a 4.9% sewer rate adjustment. Industrial waste control costs charged by Detroit for monitoring non-residential waste flows increased by \$20,000. Vehicle maintenance costs increased by \$10,000. Distribution line repair costs fell \$5,000.

Capital – Total Capital of \$35,500 is proposed. \$29,000



is to replace an 11-year old 4x4 Pickup Truck with Plow with over 100,000 miles that is utilized in daily operations and snow emergencies. The vehicle is rusted with a collapsing dashboard. \$6,500 is for a replacement Pump to be used as emergency backup in the event of an equipment failure.

Debt Service – Total Debt Service increased \$322,820 or 11.1% to cover the City's share of the District's sewer rehabilitation payments.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$1,304,762	\$1,419,550	\$1,285,460	\$1,436,200	\$1,436,200
Supplies	55,906	61,000	59,000	59,000	59,000
Other Charges	13,119,356	13,363,720	13,483,550	13,552,520	13,552,520
Capital Outlay	0	524,800	524,800	35,500	35,500
Debt Service	1,456,805	2,901,910	2,860,370	3,224,730	3,224,730
Total	\$15,936,829	\$18,270,980	\$18,213,180	\$18,307,950	\$18,307,950

Special Revenue Funds



Special Revenue Funds are used to detail transactions in which the funding source is legally restricted to be spent for specific purposes. Included in this section are Major and Local Roads, Economic Development Corporation, Community Development Block Grant and Neighborhood Stabilization Programs, Brownfield Redevelopment Authority, Local Development Finance Authority, Corridor Improvement Authority, Land & Water Conservation Fund, Public Safety Forfeiture Fund and Energy Efficiency & Conservation Block Grant Fund.

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
MAJOR ROAD FUND						
REVENUES						
Federal Grants	\$0	\$0	\$169,200	\$0	\$0	\$274,000
Gas & Weight Tax	4,788,870	5,194,600	5,000,000	1,376,870	5,300,000	5,300,000
Metro Act	223,590	252,120	230,000	0	250,000	250,000
Other Revenue	200,230	151,360	162,700	76,610	156,500	155,000
Total Revenues	5,212,690	5,598,080	5,561,900	1,453,480	5,706,500	5,979,000
EXPENDITURES						
Administration	142,340	103,140	120,380	39,020	116,400	115,590
Major Street Maintenance	1,805,150	1,558,250	1,624,500	597,700	1,598,680	1,640,500
Major Street Improvements	525,340	347,660	996,140	374,210	816,480	2,644,000
Transfer to Local Road Fund	0	250,000	0	0	0	0
Tfr. to Road Bond Debt Fund	2,480,000	2,300,000	2,330,000	1,981,110	2,430,000	2,160,000
Tfr. to Road Bond Constr Fund	0	0	235,110	0	135,110	0
Total Expenditures	4,952,830	4,559,050	5,306,130	2,992,040	5,096,670	6,560,090
Excess of Revenues Over (Under) Expenditures	259,860	1,039,030	255,770	(1,538,560)	609,830	(581,090)
Beginning Fund Balance	2,430,230	2,690,090	3,729,120	3,729,120	3,729,120	4,338,950
Ending Fund Balance	\$2,690,090	\$3,729,120	\$3,984,890	\$2,190,560	\$4,338,950	\$3,757,860
LOCAL ROAD FUND						
REVENUES						
Gas & Weight Tax	\$1,790,560	\$1,923,780	\$1,875,000	\$509,010	\$1,950,000	\$1,950,000
Metro Act	83,580	93,440	85,000	0	90,000	90,000
Charges for Services	61,830	54,170	45,000	22,180	47,000	52,000
Other Revenue	49,550	53,500	66,770	3,130	46,280	64,550
Transfer from General Fund	475,000	0	0	0	0	0
Transfer from Major Road Fund	0	250,000	0	0	0	0
Total Revenues	2,460,520	2,374,890	2,071,770	534,320	2,133,280	2,156,550
EXPENDITURES						
Administration	147,390	104,780	139,350	52,280	126,660	130,290
Local Street Maintenance	1,688,760	1,276,750	1,409,000	652,010	1,358,650	1,279,000
Local Street Improvements	1,087,490	614,450	958,830	722,820	978,830	1,000,000
Total Expenditures	2,923,640	1,995,980	2,507,180	1,427,110	2,464,140	2,409,290
Excess of Revenues Over (Under) Expenditures	(463,120)	378,910	(435,410)	(892,790)	(330,860)	(252,740)
Beginning Fund Balance	1,189,380	726,260	1,105,170	1,105,170	1,105,170	774,310
Ending Fund Balance	\$726,260	\$1,105,170	\$669,760	\$212,380	\$774,310	\$521,570

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

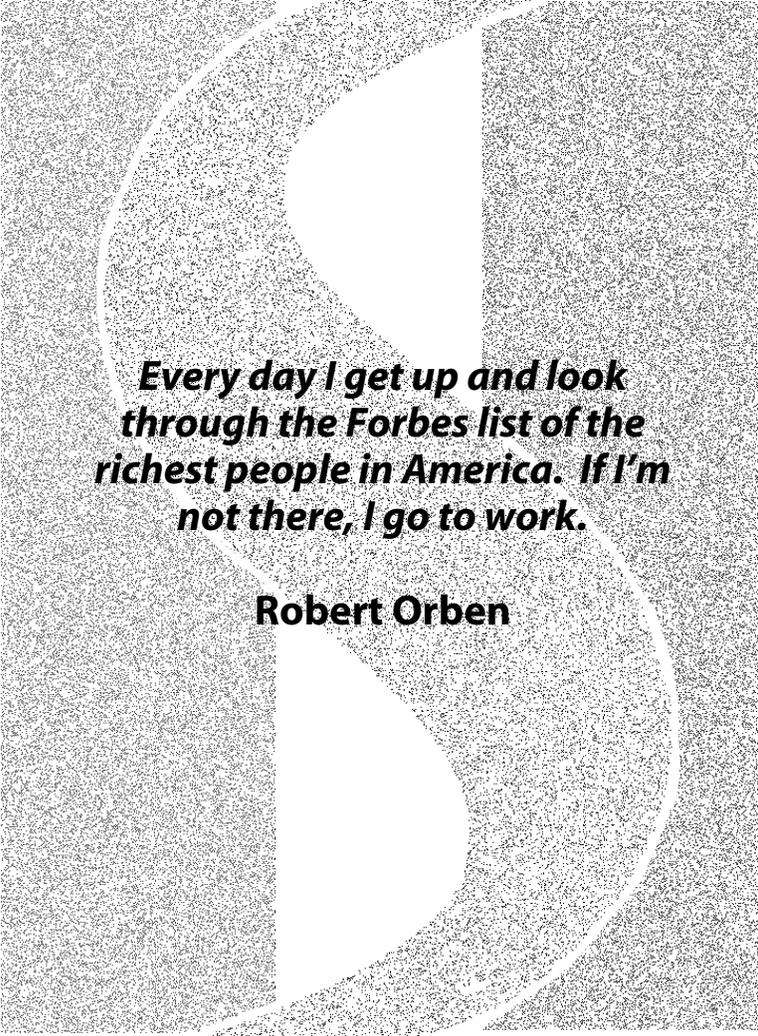
Special Revenue Funds	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
LAND & WATER FUND						
REVENUES						
Other Revenue	\$5,250	\$5,450	\$8,000	\$900	\$6,100	\$1,400
Total Revenues	5,250	5,450	8,000	900	6,100	1,400
EXPENDITURES						
Land Improvements	131,240	115,440	223,560	17,640	123,590	4,000
Total Expenditures	131,240	115,440	223,560	17,640	123,590	4,000
Excess of Revenues Over (Under) Expenditures	(125,990)	(109,990)	(215,560)	(16,740)	(117,490)	(2,600)
Beginning Fund Balance	859,560	733,570	623,580	623,580	623,580	506,090
Ending Fund Balance	\$733,570	\$623,580	\$408,020	\$606,840	\$506,090	\$503,490
ENERGY EFFICIENCY & CONS. BLOCK GRANT FUND						
REVENUES						
Federal & State Grants	\$476,800	\$525,300	\$0	\$0	\$0	\$0
Total Revenues	476,800	525,300	0	0	0	0
EXPENDITURES						
Other Charges	8,550	4,130	0	0	0	0
Capital Improvements	468,250	521,170	0	0	0	0
Total Expenditures	476,800	525,300	0	0	0	0
Excess of Revenues Over (Under) Expenditures	0	0	0	0	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
PUBLIC SAFETY FORF. FUND						
REVENUES						
Federal Forfeitures & Income	\$161,680	\$187,270	\$36,360	\$38,370	\$60,000	\$0
Treasury Forfeitures & Income	0	1,480	50	70	120	0
State Forfeitures & Income	44,480	96,260	23,380	59,430	80,000	0
OWI Forfeitures	18,250	25,290	4,500	(760)	1,000	0
Gambling Forfeitures	0	0	0	0	0	0
Other Revenue	660	520	310	470	890	620
Total Revenues	225,070	310,820	64,600	97,580	142,010	620
EXPENDITURES						
Federal Forfeiture Expenditures	316,480	27,910	178,660	45,160	192,760	157,820
Treasury Forf. Expenditures	15,180	50,210	23,980	23,980	23,980	0
State Forfeiture Expenditures	106,880	185,660	169,230	43,910	174,870	86,230
Gambling Forf. Expenditures	1,830	0	0	0	0	0
OWI Forfeiture Expenditures	10,650	30,860	5,000	11,840	22,400	38,400
Total Expenditures	451,020	294,640	376,870	124,890	414,010	282,450
Excess of Revenues Over (Under) Expenditures	(225,950)	16,180	(312,270)	(27,310)	(272,000)	(281,830)
Beginning Fund Balance	807,940	581,990	598,170	598,170	598,170	326,170
Ending Fund Balance	\$581,990	\$598,170	\$285,900	\$570,860	\$326,170	\$44,340

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Special Revenue Funds	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
COMMUNITY DEVELOPMENT BLOCK GRANT FUND						
REVENUES						
Federal Grants	\$633,740	\$772,120	\$1,154,830	\$237,450	\$680,600	\$1,084,490
Revenue Direct Loans	56,280	17,250	25,000	15,320	25,000	25,000
Total Revenues	690,020	789,370	1,179,830	252,770	705,600	1,109,490
EXPENDITURES						
Community Development	362,460	474,010	1,071,230	149,140	597,000	1,109,490
Principal	305,000	305,000	106,470	106,470	106,470	0
Interest	22,560	10,360	2,130	2,130	2,130	0
Total Expenditures	690,020	789,370	1,179,830	257,740	705,600	1,109,490
Excess of Revenues						
Over (Under) Expenditures	0	0	0	(4,970)	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	(\$4,970)	\$0	\$0
NEIGHBORHOOD STABILIZATION FUND						
REVENUES						
Federal Grants	\$813,600	\$412,530	\$284,710	\$177,150	\$262,280	\$0
Total Revenues	813,600	412,530	284,710	177,150	262,280	0
EXPENDITURES						
Downpayment & Rehab. Assist.	89,620	24,320	9,890	1,000	1,200	0
Acquisition, Rehab. & Resale	647,660	79,150	0	0	0	0
Acquisition/Redevelopment	48,860	300,080	250,340	226,330	254,000	0
Demolition	0	0	6,300	0	0	0
Administration Costs	27,460	8,980	18,180	3,720	7,080	0
Total Expenditures	813,600	412,530	284,710	231,050	262,280	0
Excess of Revenues						
Over (Under) Expenditures	0	0	0	(53,900)	0	0
Beginning Fund Balance	0	0	0	0	0	0
Ending Fund Balance	\$0	\$0	\$0	(\$53,900)	\$0	\$0
CORRIDOR IMPROVEMENT AUTHORITY FUND						
REVENUES						
Other Revenue	\$100	\$20	\$20	\$10	\$20	\$20
Total Revenues	100	20	20	10	20	20
EXPENDITURES						
Other Charges	100	8,470	0	0	0	0
Principal	187,500	0	0	0	0	0
Interest	2,720	0	0	0	0	0
Total Expenditures	190,320	8,470	0	0	0	0
Excess of Revenues						
Over (Under) Expenditures	(190,220)	(8,450)	20	10	20	20
Beginning Fund Balance	224,620	34,400	25,950	25,950	25,950	25,970
Ending Fund Balance	\$34,400	\$25,950	\$25,970	\$25,960	\$25,970	\$25,990

**SPECIAL REVENUE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

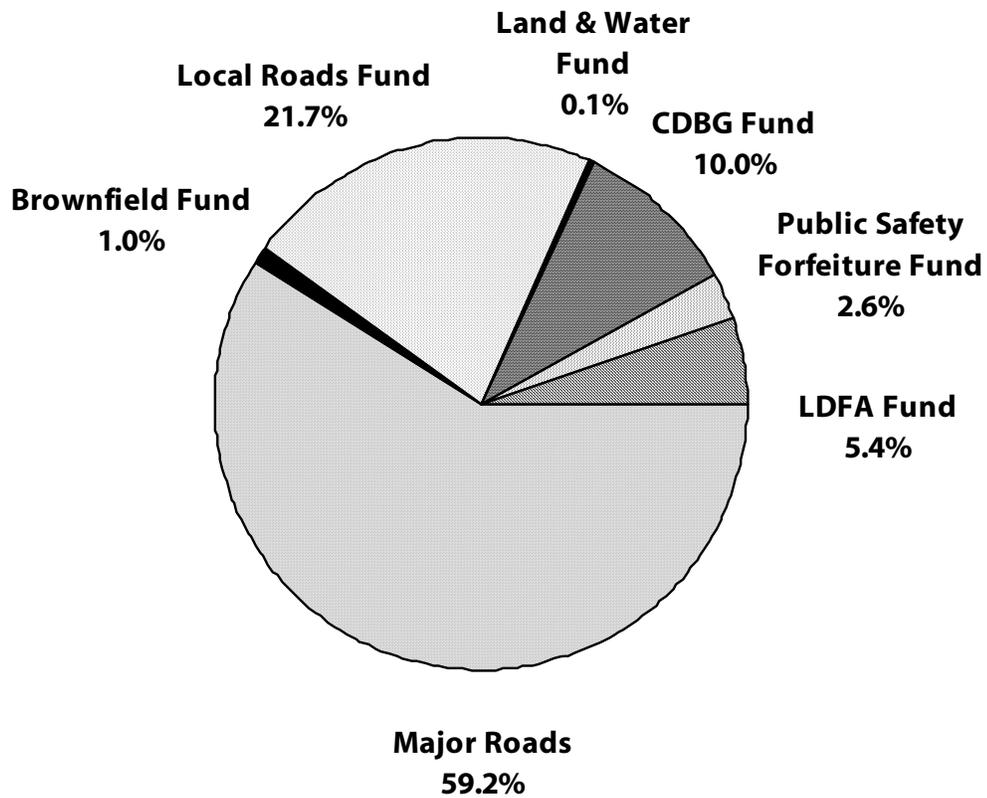
Special Revenue Funds	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
ECONOMIC DEVELOPMENT CORPORATION FUND						
REVENUES						
Transfer from General Fund	\$6,000	\$21,000	\$19,000	\$19,000	\$19,000	\$0
Other Revenue	0	10	10	10	10	10
Total Revenues	6,000	21,010	19,010	19,010	19,010	10
EXPENDITURES						
Miscellaneous	11,260	8,420	28,050	19,830	24,900	0
Total Expenditures	11,260	8,420	28,050	19,830	24,900	0
Excess of Revenues Over (Under) Expenditures	(5,260)	12,590	(9,040)	(820)	(5,890)	10
Beginning Fund Balance	6,840	1,580	14,170	14,170	14,170	8,280
Ending Fund Balance	\$1,580	\$14,170	\$5,130	\$13,350	\$8,280	\$8,290
BROWNFIELD REDEVELOP. AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$45,930	\$70,500	\$125,170	\$84,800	\$127,340	\$113,960
Charges for Services	1,060	0	0	0	0	0
Other Revenue	1,900	20	10	10	20	20
Total Revenues	48,890	70,520	125,180	84,810	127,360	113,980
EXPENDITURES						
Other Charges	1,240	27,510	86,370	250	87,010	114,460
Transfer to General Fund	42,300	42,300	45,000	22,500	45,000	0
Total Expenditures	43,540	69,810	131,370	22,750	132,010	114,460
Excess of Revenues Over (Under) Expenditures	5,350	710	(6,190)	62,060	(4,650)	(480)
Beginning Fund Balance	4,170	9,520	10,230	10,230	10,230	5,580
Ending Fund Balance	\$9,520	\$10,230	\$4,040	\$72,290	\$5,580	\$5,100
LOCAL DEVELOPMENT FINANCE AUTHORITY FUND						
REVENUES						
Property Taxes - TIF	\$0	\$21,360	\$80,070	\$74,700	\$79,490	\$111,590
LDFA SmartZone Capture	0	19,710	70,720	69,300	70,740	500,000
Federal Grants	19,450	371,890	0	(391,340)	0	0
Transfer from General Fund	30,000	12,930	0	0	0	0
Other Revenue	208,480	166,930	106,780	50,410	82,240	17,220
Total Revenues	257,930	592,820	257,570	(196,930)	232,470	628,810
EXPENDITURES						
Incubator Operations	217,690	157,710	177,500	66,460	162,650	486,450
BAE Reimbursement	0	21,360	80,070	0	79,490	111,590
Incubator Renovations	20,470	391,610	0	0	0	0
Total Expenditures	238,160	570,680	257,570	66,460	242,140	598,040
Excess of Revenues Over (Under) Expenditures	19,770	22,140	0	(263,390)	(9,670)	30,770
Beginning Fund Balance	10	19,780	41,920	41,920	41,920	32,250
Ending Fund Balance	\$19,780	\$41,920	\$41,920	(\$221,470)	\$32,250	\$63,020



***Every day I get up and look
through the Forbes list of the
richest people in America. If I'm
not there, I go to work.***

Robert Orben

Special Revenue Funds Percent of Total Expenditures



This graph illustrates expenditures for each Special Revenue Fund as a percent of the total Special Revenue Funds budget.

TAXES

This revenue source is from tax increment financing (TIF) revenues resulting from the Brownfield Redevelopment and Local Development Authorities. A total of \$725,550 is anticipated next fiscal year.

STATE & LOCAL RETURNS

The major source of revenue to the Special Revenue Funds is State & Local Returns. This source of revenue is comprised of grants from the Federal, State, and County levels of government. The major sources of revenue in this revenue center are Federal Grants and Highway & Street Grants or more commonly known as Act 51 Funds. The Act 51 funds are distributed to communities based on predetermined Michigan Department of Transportation formulas.

In the 2013/14 Budget, State and Local Return revenues represent 89.83% of total revenue sources, an increase of \$85,460 above the 2012/13 Budget. The increase is primarily due to an increase in Act 51 funds, partially offset by a decrease in federal grants for the Neighborhood Stabilization and Community Development Block Grant programs.

OTHER FINANCING SOURCES

Other Financing Sources in the Special Revenue Funds include Transfers In from other funds. In 2013/14, there are no Transfers In budgeted. The General Fund transfer to the Economic Development Corporation Fund was eliminated, as costs have been either reduced or are now included in the General Fund budget.

CHARGES FOR SERVICES

Charges for Services consists of revenue from Tree Sales & Planting and Chipping Fees. In the 2013/14 Budget, Charges for Services represents 0.52% of total revenue sources, an increase of \$7,000 above the 2012/13 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, Rental Income, Miscellaneous Revenue, and

Reimbursements. These reimbursements are from the Macomb County Road Commission for the sweeping & mowing of County roads by the City.

In 2013/14, Other Revenues represent 2.39% of total revenue sources, a decrease of \$105,760 below the 2012/13 Budget. This decrease is primarily due to a revised estimate for actual business incubator rents and LDFA grant reimbursements.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

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

In the 2013/14 Budget, expenditures exceed revenue sources by \$1,087,940. A draw down of funds is needed due to lower road funds, the partial use of prior land sale proceeds for a needed park maintenance project, and as funding for the Public Safety Forfeiture Fund does not take into consideration the revenue from future anticipated receipts.■

**SPECIAL REVENUE FUNDS
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
420000	Property Taxes - TIF - Sims/CIA	\$43,126	0.40	\$40,000	0.42	\$0	0.00
420010	Property Taxes - TIF - BAE	48,731	0.46	165,240	1.73	225,550	2.26
422000	LDFA - SmartZone Capture - BAE	19,711	0.18	70,720	0.74	500,000	5.01
	Total Taxes	111,568	1.04	275,960	2.88	725,550	7.26
	STATE & LOCAL RETURNS						
529000	Federal Grant - Other	2,043,937	19.10	1,608,740	16.81	1,358,490	13.60
529002	Federal Program Income	32,225	0.30	0	0.00	0	0.00
529003	Revenue Direct Loans	17,246	0.16	25,000	0.26	25,000	0.25
529100	Federal Forfeiture Grants	187,167	1.75	36,360	0.38	0	0.00
529101	Federal Forfeiture Program Income	102	0.00	0	0.00	0	0.00
529200	Treasury Forfeitures	1,485	0.01	50	0.00	0	0.00
529201	Treasury Forfeiture Prgrm. Income	7	0.00	0	0.00	0	0.00
529278	Federal Grant - CDBG-R	5,677	0.05	0	0.00	0	0.00
539200	State Forfeiture Grants	88,738	0.83	18,320	0.19	0	0.00
539201	State Forfeiture Program Income	7,524	0.07	5,060	0.05	0	0.00
539348	Metro Act	345,553	3.23	315,000	3.29	340,000	3.40
539400	OWI Forfeitures	25,287	0.24	4,500	0.05	0	0.00
546000	Highway & Street Grants	7,118,378	66.52	6,875,000	71.82	7,250,000	72.57
	Total State & Local Returns	9,873,326	92.27	8,888,030	92.85	8,973,490	89.83
	OTHER FINANCING SOURCES						
699101	Transfer from General Fund	33,930	0.32	19,000	0.20	0	0.00
699202	Transfer from Major Road Fund	250,000	2.34	0	0.00	0	0.00
	Total Other Financing Sources	283,930	2.65	19,000	0.20	0	0.00
	CHARGES FOR SERVICES						
640004	Tree Sales & Planting	42,945	0.40	45,000	0.47	40,000	0.40
640010	Chipping Fee	11,226	0.10	0	0.00	12,000	0.12
	Total Charges for Services	54,171	0.51	45,000	0.47	52,000	0.52
	OTHER REVENUE						
665000	Interest on Investments	14,088	0.13	9,440	0.10	10,750	0.11
665100	Interest Income - Federal Forfeiture	262	0.00	170	0.00	400	0.00
665130	Interest Income - Treas. Forfeiture	42	0.00	30	0.00	20	0.00
665200	Interest Income - State Forfeiture	164	0.00	70	0.00	150	0.00
665300	Interest Income - Gambling Forf.	0	0.00	10	0.00	0	0.00
665400	Interest Income - OWI Forfeiture	50	0.00	30	0.00	50	0.00
667716	Rental Income Smart Incubator	50,824	0.47	66,780	0.70	17,220	0.17
672000	Special Assessment Revenue	34,135	0.32	57,230	0.60	56,580	0.57
672445	SA Delinquent Interest & Penalties	461	0.00	150	0.00	150	0.00
672665	Special Assessment Interest	10,240	0.10	8,190	0.09	6,020	0.06
675000	Contributions & Donations	2,500	0.02	5,000	0.05	0	0.00
676000	Reimbursements	253,039	2.36	190,000	1.98	140,000	1.40
677008	Unrealized Gain/Loss	(602)	-0.01	0	0.00	0	0.00
685000	Miscellaneous Revenue	12,615	0.12	7,500	0.08	7,500	0.08
	Total Other Revenue	377,818	3.53	344,600	3.60	238,840	2.39
	Total Special Revenue Funds	\$10,700,813	100.00	\$9,572,590	100.00	\$9,989,880	100.00

Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
PERSONNEL SERVICES							
705000	Wages - Salaries - Temp/Part-time	\$502	0.01	\$9,130	0.09	\$9,130	0.08
717000	FICA	38	0.00	700	0.01	700	0.01
718000	Worker's Compensation	0	0.00	10	0.00	10	0.00
Total Personnel Services		540	0.01	9,840	0.10	9,840	0.09
SUPPLIES							
729000	Postage	721	0.01	1,300	0.01	1,100	0.01
751000	Operating Supplies	45,375	0.49	47,570	0.46	19,940	0.18
785000	Books	6,058	0.06	6,000	0.06	6,000	0.05
Total Supplies		52,154	0.56	54,870	0.53	27,040	0.24
OTHER CHARGES							
802000	Audit & Accounting Services	9,730	0.10	9,730	0.09	880	0.01
805000	Administrative Services	300,226	3.21	423,770	4.12	464,430	4.19
805100	Management Services	0	0.00	0	0.00	43,350	0.39
806001	Legal Services - City Attorney	24,494	0.26	5,000	0.05	3,000	0.03
810000	Other Fees	163	0.00	170	0.00	0	0.00
826000	Other Contracted Services	634,797	6.79	553,930	5.38	294,840	2.66
826900	Subrecipient Funding	42,262	0.45	71,490	0.69	53,850	0.49
827000	Interfund Services	32,185	0.34	19,000	0.18	36,640	0.33
832000	Building Maintenance	17,030	0.18	10,000	0.10	22,500	0.20
833000	Equipment Maintenance	0	0.00	0	0.00	8,000	0.07
880000	Community Promotion	5,117	0.05	30,050	0.29	5,000	0.05
881000	Down Payment Assistance	24,320	0.26	9,890	0.10	0	0.00
902000	Publishing	637	0.01	1,450	0.01	1,800	0.02
913000	Liability Insurance	8,801	0.09	9,000	0.09	11,400	0.10
921000	Electric	55,655	0.60	40,000	0.39	50,000	0.45
922000	Telephone	31,477	0.34	34,000	0.33	58,300	0.53
923000	Gas - Fuel - Oil	25,767	0.28	45,500	0.44	35,000	0.32
925000	Water	6,632	0.07	4,500	0.04	12,000	0.11
945000	Other Rental	1,328	0.01	1,320	0.01	1,320	0.01
957000	Memberships & Dues	4,525	0.05	3,530	0.03	4,530	0.04
959000	Education & Training	11,651	0.12	10,220	0.10	9,000	0.08
962000	Miscellaneous Expense	11,123	0.12	5,970	0.06	970	0.01
962010	Miscellaneous Expense - BAE	48,731	0.52	165,240	1.61	225,550	2.04
962200	Miscellaneous Expense - Investigations	25,000	0.27	26,000	0.25	26,000	0.23
963000	Miscellaneous Programs	0	0.00	0	0.00	10,000	0.09
963716	Miscellaneous - Micro Loan Program	0	0.00	0	0.00	50,000	0.45
963900	Miscellaneous - Capital Program	0	0.00	0	0.00	67,000	0.60
Total Other Charges		1,321,651	14.13	1,479,760	14.37	1,495,360	13.50
OTHER SERVICES							
886162	Access Road Maintenance	47,864	0.51	30,000	0.29	20,000	0.18
887000	Bridge Maintenance	18,451	0.20	20,000	0.19	20,000	0.18
887001	Bridge Maintenance - County	3,535	0.04	0	0.00	0	0.00

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
888000	Surface Maintenance	423,302	4.53	395,000	3.84	395,000	3.57
888219	2011 Joint Sealing Program	137,343	1.47	0	0.00	0	0.00
888229	2012 Joint Sealing Program	0	0.00	130,000	1.26	30,000	0.27
889000	Shoulder Maintenance	35,618	0.38	30,000	0.29	25,000	0.23
890000	Sweeping & Flushing	254,502	2.72	225,000	2.19	235,000	2.12
890001	Sweeping & Flushing - County	32,341	0.35	35,000	0.34	35,000	0.32
890002	Sweeping & Flushing - State	5,345	0.06	10,000	0.10	10,000	0.09
891000	Grass & Weed Control	162,555	1.74	165,000	1.60	165,000	1.49
891001	Grass & Weed Control - County	143,068	1.53	125,000	1.21	140,000	1.26
891002	Grass & Weed Control - State	83,227	0.89	120,000	1.17	110,000	0.99
892000	Roadside Cleanup	7,367	0.08	8,000	0.08	8,000	0.07
892001	Roadside Cleanup - County	4,146	0.04	10,000	0.10	10,000	0.09
892002	Roadside Cleanup - State	5,857	0.06	10,000	0.10	6,000	0.05
893000	Curb & Gutter Maintenance	386	0.00	8,500	0.08	8,500	0.08
894000	Storm Drain Maintenance	325,764	3.48	190,000	1.85	190,000	1.72
894001	Storm Drain Maintenance - County	1,132	0.01	0	0.00	0	0.00
895000	Tree & Shrub Maintenance	316,395	3.38	400,000	3.89	370,000	3.34
895001	Tree & Shrub Maintenance - County	72,270	0.77	8,000	0.08	8,000	0.07
895002	Tree & Shrub Maintenance - State	1,526	0.02	5,000	0.05	5,000	0.05
897000	Snow & Ice Removal	384,117	4.11	850,000	8.26	850,000	7.67
897001	Snow & Ice Removal - County	204	0.00	0	0.00	0	0.00
898000	Traffic Signs & Signals	248,087	2.65	190,000	1.85	210,000	1.90
898001	Traffic Signs & Signals - County	2,969	0.03	4,000	0.04	4,000	0.04
899000	Pavement Markings	117,624	1.26	65,000	0.63	65,000	0.59
Total Other Services		2,834,995	30.32	3,033,500	29.47	2,919,500	26.35
<u>CAPITAL OUTLAY</u>							
972000	Land Improvements	39	0.00	70,000	0.68	86,500	0.78
972008	Land Imp-Neighbrhd Prks-Play Equip	5,000	0.05	0	0.00	4,000	0.04
972333	Delia Park Improvements	0	0.00	100,000	0.97	0	0.00
972334	Sport Courts & Path Resurfacing	5,098	0.05	33,560	0.33	0	0.00
972795	Park Improvements	0	0.00	5,000	0.05	0	0.00
972850	Dodge Park Restroom	103	0.00	0	0.00	0	0.00
972945	Baumgartner Park Improvements	96,783	1.04	0	0.00	0	0.00
972985	Baumgartner Park - Soccer Fields	8,425	0.09	0	0.00	0	0.00
975000	Buildings & Improvements	521,166	5.57	15,000	0.15	0	0.00
977000	Furniture	2,641	0.03	0	0.00	0	0.00
979000	Computer Equipment	3,387	0.04	60,000	0.58	67,580	0.61
981000	Electronic Equipment	0	0.00	77,740	0.76	41,300	0.37
982000	Machinery & Equipment	0	0.00	24,000	0.23	40,200	0.36
984000	Vehicles	87,346	0.93	65,420	0.64	0	0.00
985000	Weapons & Protective Gear	13,895	0.15	0	0.00	0	0.00
988000	Construction	459,300	4.91	639,700	6.21	2,582,500	23.31
988195	17 Mile Bridge Safety Improvements	342	0.00	0	0.00	0	0.00
988201	15 Mile & Schoenherr Intersect Impr	6,944	0.07	130,160	1.26	0	0.00
988202	SMART Bus Stop Improvements	2,612	0.03	4,210	0.04	0	0.00
988206	Utica/Van Dyke - Park	302	0.00	250,340	2.43	0	0.00

**SPECIAL REVENUE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

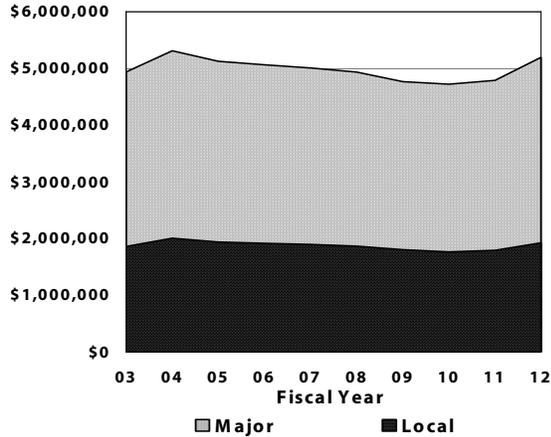
Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
988209	ADA Sidewalk Replacement 2010	5,250	0.06	0	0.00	0	0.00
988211	2011 Asphalt Pavement Repair	326,531	3.49	0	0.00	0	0.00
988213	ADA Improve. Baumgartner Park	126,603	1.35	23,130	0.22	0	0.00
988218	2011 Concrete Replacement Pgrm	556,151	5.95	25,490	0.25	0	0.00
988228	2012 Concrete Replacement Pgrm	4,643	0.05	790,000	7.67	244,000	2.20
988231	Gainsley/Lori Dr Asphalt Repair	0	0.00	149,340	1.45	0	0.00
988232	Gardner Street Paving	0	0.00	284,000	2.76	0	0.00
988234	Delco Blvd Resurfacing	0	0.00	190,000	1.85	0	0.00
988235	17 Mile Bridge Replace - Conrail	0	0.00	0	0.00	1,400,000	12.64
988700	Dequindre Rd - 16-18 Mile Road	0	0.00	61,500	0.60	0	0.00
988852	Utica Road Boulevard	125	0.00	0	0.00	0	0.00
Total Capital Outlay		2,232,686	23.88	2,998,590	29.13	4,466,080	40.32
DEBT SERVICE							
992000	Principal	305,000	3.26	106,470	1.03	0	0.00
993000	Interest	10,359	0.11	2,130	0.02	0	0.00
Total Debt Service		315,359	3.37	108,600	1.05	0	0.00
TRANSFERS OUT							
999101	Transfer to General Fund	42,300	0.45	45,000	0.44	0	0.00
999203	Transfer to Local Road Fund	250,000	2.67	0	0.00	0	0.00
999327	Transfer to Road Bond Debt Fund	2,300,000	24.60	2,330,000	22.63	2,160,000	19.50
999428	Transfer to Road Bond Constr Fund	0	0.00	235,110	2.28	0	0.00
Total Transfers Out		2,592,300	27.73	2,610,110	25.35	2,160,000	19.50
Total Special Revenue Funds		\$9,349,685	100.00	\$10,295,270	100.00	\$11,077,820	100.00

Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

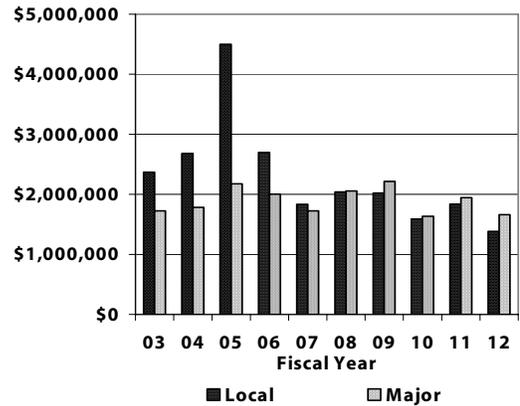
Special Revenue Funds

Gas & Weight Tax Revenue Road Funds



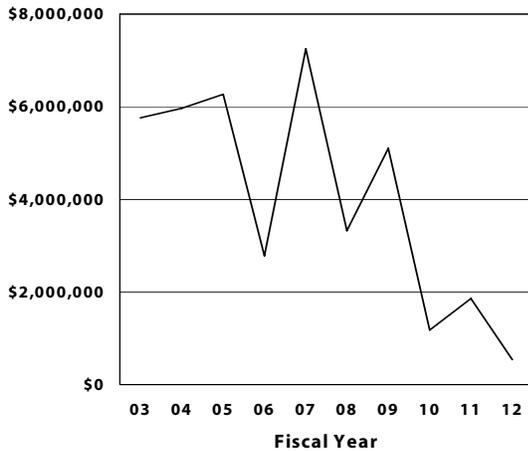
Gas tax revenues fell from 2005 to 2010 due to the economy, higher gas prices and the use of more fuel-efficient vehicles, which lessened gas consumption. The State's gas tax of 19 cents per gallon has increased once in the past 28 years. Since 2004, the City has cumulatively lost \$3.9 million in State gas tax revenues.

Major & Local Road Maintenance & Administration Costs



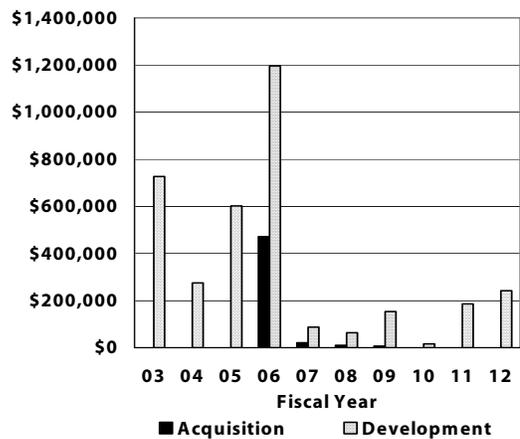
The cost of major and local road maintenance has increased over the past ten years as a result of the increased number of roads, the removal of street trees due to the emerald ash borer and fluctuating snow removal costs. Since 2007, miscellaneous concrete replacement maintenance is reclassified as a construction cost.

Major Road Construction Costs Total City



The City spent \$6.3 million in 2005 on the 18½ Mile Road connector, repairs to the 17 Mile Road bridge, and widening Dequindre Road. \$7.2 million was spent in 2007 on 19 Mile, Dobry, Plumbrook, and numerous neighborhood streets, as well as \$1 million in miscellaneous concrete replacement. Costs totaled \$5.1 million in 2009, largely due to road improvements to the Lakeside Shopping District. Costs fell in the past three years due to declining City revenues, offset by the one-time use of federal stimulus funds.

City Park Costs Acquisition & Development



The City continues to spend limited funds to improve City parks and provide the necessary path systems, restrooms, ball field lighting, soccer fields, bleachers, parking lot paving, park signage, and replacement playground equipment. The funds spent for land acquisition have been primarily to obtain land for the City's Nature Preserve and for future development plans. The costs exclude the \$2.1 million Senior Gymnasium addition to the Senior Center in 2007.

The Major Road Fund is a Special Revenue Fund of the City of Sterling Heights and is used to control the expenditure of motor fuel taxes. The motor fuel taxes are earmarked, by law and the State Constitution, for street and highway purposes that are described in detail by the Michigan Department of Transportation.

This Fund receives Act 51 revenues paid to Sterling Heights by the State and accounts for the construction, maintenance, and other authorized operations pertaining to all streets classified as major streets within the City. In addition, this Fund receives monies paid to Sterling Heights for trunk line contracts and accounts for monies transferred to other City funds. This Fund has been established to make it possible to show that all legal provisions are in compliance with Act 51.

The City's share of the construction of State and County road improvements and the cost of City major road capital improvements, including the payment of debt, are paid through the Major Road Fund.

The 2013/14 Capital Outlay budget includes funding of \$1,400,000 for the reconstruction of the 17 Mile Road Bridge over the Conrail tracks. \$200,000 is for streetscape design costs associated with the future Van Dyke reconstruction project from 15 Mile to 18 Mile Road, which will include landscaping enhancements, improved lighting, and a pedestrian pathway. Also included is \$290,000 for the Citywide Concrete Replacement and Asphalt Resurfacing Program, including repairs to Ryan Road from 14 Mile to 15 Mile Road and Merrill Road from 19 Mile Road to M-59. \$396,000 is budgeted for the asphalt resurfacing of Amsterdam Drive. \$308,000 is to provide grant funded right turn lanes on 15 Mile Road at Dodge Park and Maple Lane. \$50,000 is funded for traffic signal improvements.

Total Other Services are budgeted in the amount of \$1,640,500, which is primarily used for major road maintenance, snow removal, and grass and weed control.

\$115,590 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 2013/14, \$2,160,000 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...

...there are 63 miles of City major roads and 46 miles of County major roads in the City?

Major Road Fund

SUMMARY OF BUDGET CHANGES

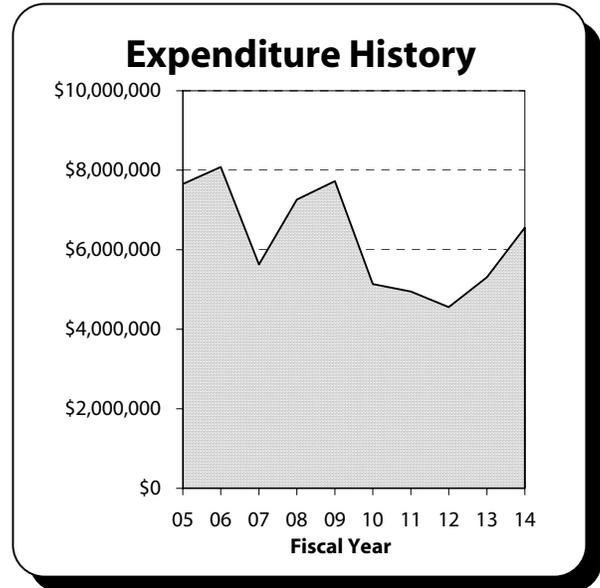
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 23.6%.

Other Charges – Total Other Charges decreased \$4,790 or 4.0% due to a revised allocation of audit costs.

Other Services – Total Other Services increased \$16,000 or 1.0%. The budget rose \$20,000 for additional traffic signal maintenance, \$10,000 for street sweeping, and \$5,000 for grass and weed cutting, all due to higher costs and greater service demands in recent years. The budget decreased \$10,000 for Lakeside road maintenance and \$5,000 for shoulder maintenance costs, both based on the current year's estimated expenditure levels. Less funding is needed for roadside cleanup on State roads, saving \$4,000.

Capital – Total Capital of \$2,248,000 is proposed. \$1,400,000 is budgeted for the reconstruction of the 17 Mile Road Bridge over the Conrail tracks. \$290,000 is for citywide concrete replacement and asphalt resurfacing including repairs to Ryan Road from 14 Mile to 15 Mile Road and Merrill Road from 19 Mile Road to M-59. \$308,000 is to provide grant funded right turn lanes on 15 Mile Road at Dodge Park and Maple Lane. \$200,000 is for streetscape design costs associated with the future Van Dyke reconstruction project from 15 Mile to 18 Mile Road, which will include landscaping enhancements, improved lighting, and a pedestrian pathway. \$50,000 is for traffic signal improvements. **For a complete list of all Major Road projects, refer to the Capital Improvements schedule and maps on the following pages.**



Transfers Out – Total Transfers Out decreased \$405,110 or 15.8%. Transfers to the Road Bond Construction Fund decreased \$235,110, due to a one-time transfer in the prior year for the City's portion of sectional repairs on Ryan Road. Transfers to the Road Bond Debt Retirement Fund decreased \$170,000 due to lower debt payments on existing road bonds.

CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Capital – Total Capital increased by \$396,000 for the resurfacing of Amsterdam Drive.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Other Charges	\$103,137	\$120,380	\$116,400	\$115,590	\$115,590
Other Services	1,558,248	1,624,500	1,598,680	1,640,500	1,640,500
Capital Outlay	347,663	996,140	816,480	2,248,000	2,644,000
Tranfers Out	2,550,000	2,565,110	2,565,110	2,160,000	2,160,000
Total	\$4,559,048	\$5,306,130	\$5,096,670	\$6,164,090	\$6,560,090

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 2013/14, a total of \$2,409,290 is budgeted for this fund. The City-wide Concrete Replacement and Asphalt Resurfacing Program is funded for \$244,000. \$756,00 is budgeted for the asphalt resurfacing of Wheaton, Gainsley, and Fortner Drives. \$582,500 is also included in the CDBG Fund to repair four qualifying neighborhood streets. Due to declining City funds, the citywide street replacement program continues to be suspended.

Total Other Services in this fund total \$1,279,000 and are allocated primarily for local road and storm drain maintenance, snow removal, and tree and shrub maintenance.

\$130,290 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 2013/14, there are no Transfers Out proposed for this fund. The road bond debt from past Local Road projects was retired in the 2005/06 fiscal year.

Specific capital projects in the Local Road Fund are detailed in the Capital Projects section of this document.■

***Did you know...
...there are 286 miles of local or neighborhood roads in the City?***

Local Road Fund

SUMMARY OF BUDGET CHANGES

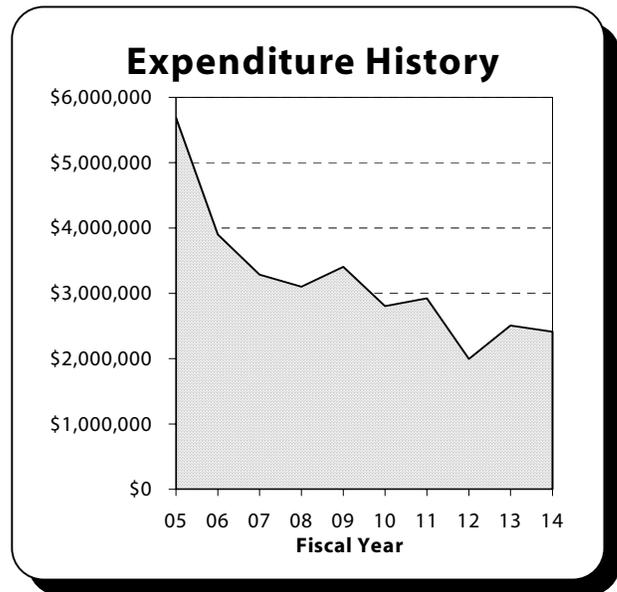
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 3.9%.

Other Charges – Total Other Charges decreased \$9,060 or 6.5%. \$5,000 was saved, due to lower General Fund administrative costs for time spent on Local Road projects. Funding decreased \$4,060 based on a revised allocation of audit costs.

Other Services – Total Other Services decreased \$30,000 or 2.1%. The budget decreased \$30,000 to reflect recent actual tree and shrub maintenance expenditures.

Capital – Total Capital of \$500,000 is proposed for the Citywide Concrete Replacement and Asphalt Resurfacing Program to fund sectional repairs to all neighborhood streets throughout the City. Due to declining City funds, the Citywide street replacement program continues to be suspended. However, \$582,500 is budgeted in federal CDBG funds to repair four qualifying neighborhood streets.



CITY COUNCIL'S ADJUSTMENTS TO THE PROPOSED BUDGET

Other Services – \$100,000 was eliminated for joint sealing repairs and redirected to partially fund the resurfacing of Wheaton, Gainsley, and Fortner Drives.

Capital – Total Capital increased by \$500,000 to fund the resurfacing of Wheaton, Gainsley, and Fortner Drives, which includes \$100,000 of redirected funds from the Joint Sealing Repair program. \$256,000 is being redirected from miscellaneous concrete sectional repairs to fund the remaining project cost.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Other Charges	\$104,781	\$139,350	\$126,660	\$130,290	\$130,290
Other Services	1,276,744	1,409,000	1,358,650	1,379,000	1,279,000
Capital Outlay	614,452	958,830	978,830	500,000	1,000,000
Total	\$1,995,977	\$2,507,180	\$2,464,140	\$2,009,290	\$2,409,290

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 2013/14, a portion of the funding from the prior sale of City-owned properties will be used to finance one project totaling \$4,000. \$4,000 is included for playground equipment repairs at Ben Hadley Park to replace a 16-year old slide that has a large crack and worn rubber coating on the pommels and is dangerous to riders. Public Works will install the new equipment, reducing the repair costs of this project. Depending on the success of obtaining grant funding, funds have been earmarked for the future replacement of ballfield lighting at Delia Park.

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

Did you know...

...the Land & Water Conservation Fund has been utilized to complete six Recreation Master Plan repair and replacement projects in our City parks since 2010?

Land & Water Conservation Fund

SUMMARY OF BUDGET CHANGES

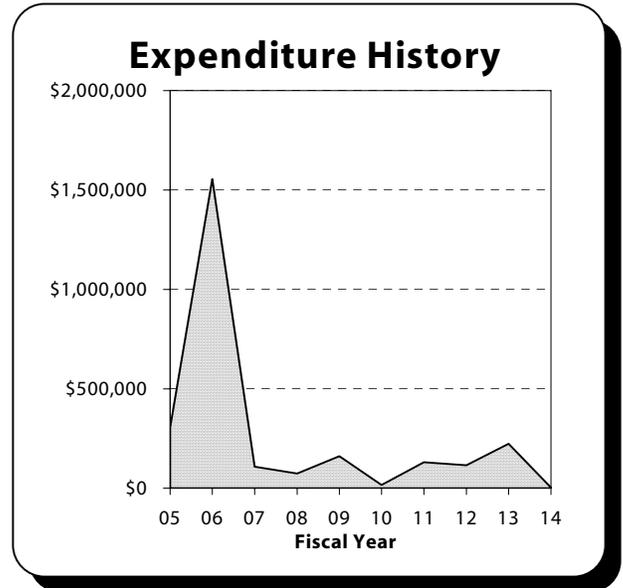
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 98.2%.

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

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of \$4,000 is proposed for this fund. A portion of the funding from the prior sale of City-owned properties will be used to finance one project next fiscal year. \$4,000 is proposed for playground equipment repairs at Ben Hadley Park. A replacement slide is needed, as the current plastic slide has a large crack that is dangerous to riders. In addition, the rubber coating on the pommels needs to be replaced. Public Works will install the new equipment, reducing the repair costs on this equipment, originally installed 16 years ago. Depending on the success of obtaining grant funding, funds have been earmarked for the future replacement of ballfield lighting at Delia Park. **The Capital Improvement section of this document provides a breakout of each project's cost and funding source.**



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	0	0	0	0	0
Capital Outlay	115,447	223,560	123,590	4,000	4,000
Total	\$115,447	\$223,560	\$123,590	\$4,000	\$4,000

The Public Safety Forfeiture Fund is a Special Revenue Fund of the City of Sterling Heights that was established to provide centralized management of seized monies and the sale proceeds from forfeited property. Prior to the creation of this fund, the City recorded all forfeiture related activity in two different funds: the General Fund and the Capital Projects Fund. By creating one centralized fund, the City has met the proper federal auditing requirements of a Single Audit, and has enhanced its ability to track, monitor, and report on forfeiture revenues and expenditures. There are four divisions in the Public Safety Forfeiture Fund: State Narcotics, Federal Narcotics, Gambling, and Operating While Intoxicated (O.W.I.) Forfeitures.

Revenue in the State Narcotics Forfeiture division is generated when an investigation conducted by the City's Police Department, either alone or in conjunction with other local or state authorities, leads to the seizure of money or real property that is later sold at auction or sold back to the person from whom it was seized. State law dictates that authorities can seize any money or property that can be shown to have been the proceeds from criminal activity or that was used in committing a crime.

State Forfeiture revenue is limited by statute as to its permitted uses. Some examples of permitted uses include the enhancement of law enforcement efforts pertaining to narcotics enforcement, establishment of a "Buy Fund" for the purchase of evidence or to pay informants, and the operation and maintenance costs for vehicles used by narcotics enforcement officers.

Revenue in the Federal Narcotics Forfeiture division is generated when the federal government electronically deposits funds into a designated City account for our equitable share of money or property that was seized during a federal investigation in which a Sterling Heights police officer took part. The City currently has two police officers assigned to Drug Enforcement Administration (D.E.A.) task forces. Therefore, the Department is entitled to a percentage, relative to these Officers' involvement in an investigation.

The federal guidelines allow for the proceeds to be used to enhance overall law enforcement efforts. Some examples of Federal Forfeiture permitted uses include the purchase of new equipment, improvements to police facilities, and law enforcement training.

Gambling Forfeiture revenue is generated from seized money or property that is directly related to illegal gambling activities. Seized property is later sold at auction and the proceeds from the auctioned items, along with any forfeited cash, are used to enhance the future enforcement of gambling statutes.

Persons involved in serious Operating While Intoxicated (O.W.I.) arrests or those with a prior O.W.I. conviction are subject to having their vehicles seized. Upon arrest, an offender's vehicle is impounded and either a settlement is paid or the vehicle is forfeited. Forfeited vehicles are then sold at auction and the proceeds are used to enhance traffic enforcement and education.

In fiscal year 2013/14, a total of \$282,450 is budgeted for this fund. \$157,820 is included for Federal Forfeiture related expenditures, \$86,230 is allocated for State Forfeiture permitted uses, and \$38,400 is budgeted for O.W.I. Forfeiture related purchases. There are no funds budgeted for Gambling Forfeiture related expenditures next year. Following State guidelines, the budget for this fund is based on existing year-to-date revenue and does not take into consideration the revenue from future anticipated receipts.

For additional information regarding the City's use of Federal and State forfeiture revenue, refer to the Summary of Budget Changes on the following page. A complete list of budgeted capital outlay for this fund can be found in the Capital Projects section of this document. ■

Did you know...

...the City's entire fleet of undercover detective vehicles has been purchased with proceeds from the Public Safety Forfeiture Fund?

Public Safety Forfeiture Fund

SUMMARY OF BUDGET CHANGES

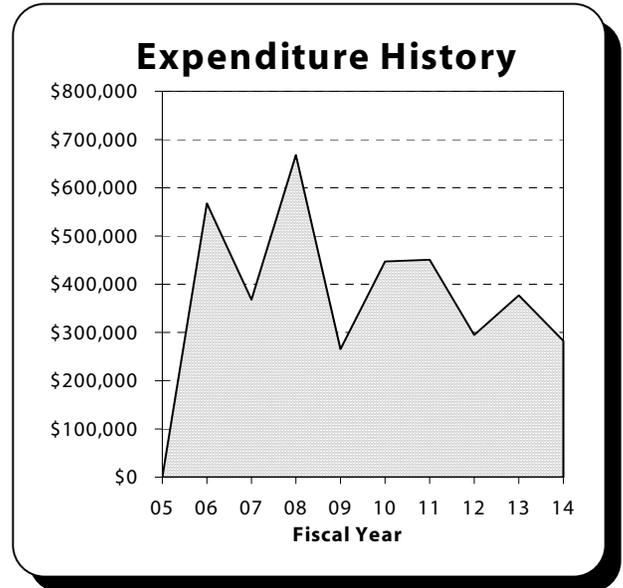
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 25.1%.

Supplies – Total Supplies decreased \$27,580 or 62.9%, primarily due to the one-time funding to help cover the increased cost of training ammunition in the prior year. The decrease was slightly offset, as various supplies including motorcycle equipment and gear, will need to be purchased.

Other Charges – Total Other Charges increased \$11,240 or 10.6%. Equipment maintenance costs increased \$8,000, as security camera repairs, E-ticketing software maintenance, and Stalker radar repairs will be funded with drug forfeiture monies next year. Contracted service costs increased \$3,160 for the increased costs of auction and towing services, as well as taser repairs. A membership to the Families Against Narcotics organization was added for \$1,000. Telephone costs increased \$300 based on the recent year's expenditure usage. The training budget decreased \$1,220 due to the one-time funding of a wireless telephone investigation class in the prior year.

Capital – Total Capital of \$149,080 is proposed. \$46,580 is budgeted for an On-line Resident Reporting System that will allow citizens to file certain police reports, pay fees, request appointments, and obtain various police forms and applications online and from a station computer 24-hours a day. \$37,200 is for eight replacement In-Car Cameras. \$21,000 is for 23 replacement detective personal computers, \$20,000 is for eight replacement Police Car Equipment Mounts,



Light Bars, and Push Bumpers, and \$20,200 is for Equipment Storage Lockers for the Special Response Team. \$4,100 is for an Electronic Evidence Extraction Device Upgrade, which will allow extraction of information from the new generation of cellular phones.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Supplies	\$44,549	\$43,820	\$47,900	\$16,240	\$16,240
Other Charges	142,825	105,890	122,810	117,130	117,130
Capital Outlay	107,269	227,160	243,300	149,080	149,080
Total	\$294,643	\$376,870	\$414,010	\$282,450	\$282,450

The Community Development Block Grant Fund serves many facets of the Sterling Heights community. In 1974, the Congress of the United States initiated the C.D.B.G. program. This program was designed to replace existing categorical programs identified with city development or redevelopment, namely: Urban Renewal and Neighborhood Development Programs, Model Cities Program, Neighborhood Facilities Programs, Open Space Acquisition, and Rehabilitation Loans.

One of the primary functions of the Community Development Act is to allow local communities the opportunity to structure the program to their own specific needs. This concept was unique at the time and offered local communities far greater flexibility than was present in the categorical programs.

Monies under this program may be spent on activities which are directed to fulfilling specific objectives: elimination of slums and blight, elimination of conditions which are detrimental to health, safety, and public welfare through code enforcement, conservation and expansion of the nation's housing stock in order to provide a decent home for all persons, expansion and improvement of community services principally for persons of low and moderate income, provide a more rational use of land, develop and improve neighborhoods, restore and preserve properties with historical value, and economically develop activities which aid in the revitalization of the community.

Block Grant funds also provide library books for low and moderate-income seniors at senior housing units. These book collections include large-print and "talking books" (books on tape).

When funding allows, the City of Sterling Heights uses Block Grant funds to defer 100% of the special assessments that would be levied against a property within the neighborhood where these improvements occur. Households meeting the low and moderate income criteria may qualify for a total relief of the special assessments because a rule of the program is when capital improvements are made to a

neighborhood, you may not negatively impact low and moderate income families. The Housing Commission administers this program on behalf of the City Council.

Examples of activities undertaken in past years include the Upton House purchase and renovation, improvements to Nelson Park, SMART Bus Stop Improvements along north Van Dyke, housing rehabilitation, Minor Home Repair Program, Handicapped Recreation Program, the Home Chore Program, and meeting the federally mandated Americans With Disabilities Act requirements.

In fiscal year 2006/07, \$400,000 was budgeted toward the construction of the \$2.2 million Senior Active Life Center addition. The proceeds from a bond sale in the spring of 2007 were used to fund the remaining \$1.8 million construction cost. Block Grant capital funds were used to fund the debt payments on the Senior gymnasium bond, which was retired in the 2012/13 fiscal year.

For fiscal year 2013/14, \$215,220 of unspent carryover funding is budgeted to complete sectional concrete replacement on Tyler and Sanford Drives. \$367,280 is budgeted for concrete replacement on Indigo Drive and West Elmcrest. \$86,500 is included for the remaining half of the Beaver Creek Park improvement project, which includes concrete replacement, ball field renovations, a walking path, and play area improvements. ■

***Did you know...
...that CDBG funding is being proposed to
improve Beaver Creek Park?***

Community Development Block Grant Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

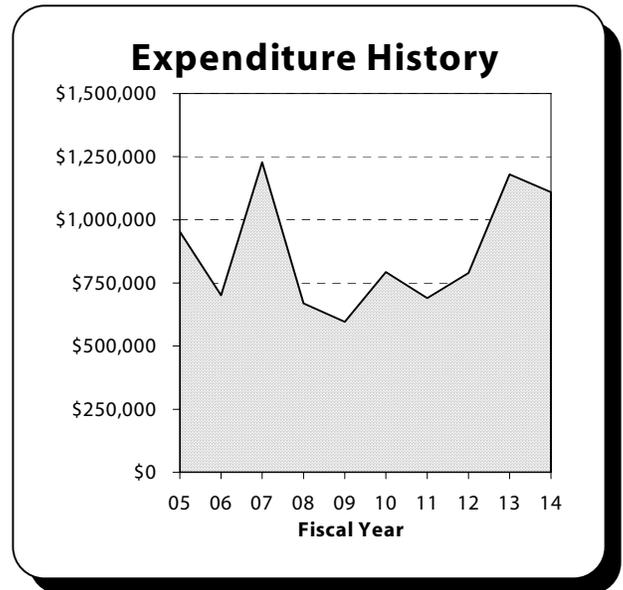
The total budget decreased by 6.0%.

Personnel Services – The Personnel budget remained the same as last year, as \$9,840 is budgeted to fund a part-time CDBG Intern to provide clerical assistance to help administer the CDBG program.

Supplies – Total Supplies decreased \$170 or 2.0%, as less postage funding is required.

Other Charges – Total Other Charges decreased \$288,010 or 40.5%, primarily due to a \$248,010 decrease in housing rehabilitation costs, of which \$86,500 can be reallocated to Beaver Creek Park improvements. Funding remains sufficient to maintain the current year’s level of activity. Minor home repair costs fell by \$11,140. \$129,430 is budgeted for reimbursing the costs of City personnel administering the CDBG program, a decrease of \$28,740 as the HUD Coordinator will now assist Parks & Recreation. Code Enforcement funding increased by \$23,710. Total funding to service organizations decreased, as \$17,640 is allocated for a part-time position to assist with programming at the Senior Center. \$19,000 remains budgeted for the Special Recreation Program.

Capital – Total Capital of \$669,000 is proposed. \$215,220 of unspent carryover funding is budgeted to complete sectional concrete replacement on Tyler and Sanford Drives. \$367,280 is for concrete replacement



on Indigo Drive and West Elmcrest. \$86,500 is budgeted for the remaining half of the Beaver Creek Park improvement project, which includes concrete replacement, ball field renovations, a walking path, and play area improvements.

Debt Service – Total Debt Service decreased \$108,600 or 100%, as the final debt payment on the 2007 Senior Active Life Center bond was paid in the prior year.

FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$9,840	\$0	\$9,840	\$9,840
Supplies	7,311	8,470	8,470	8,300	8,300
Other Charges	332,234	710,360	374,690	422,350	422,350
Capital Outlay	134,465	342,560	213,840	669,000	669,000
Debt Service	315,359	108,600	108,600	0	0
Total	\$789,369	\$1,179,830	\$705,600	\$1,109,490	\$1,109,490

The Neighborhood Stabilization Program Fund is a Special Revenue Fund of the City of Sterling Heights. This HUD program provided emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The Neighborhood Stabilization Program (NSP) provided grants to every state and certain local communities to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes. The program was authorized under Title III of the Housing and Economic Recovery Act of 2008.

NSP guidelines allow each entitlement community to develop programs to address the problem of foreclosed homes in their community. NSP grantees must use at least 25% of the funds appropriated to purchase and redevelop abandoned or foreclosed homes or residential properties that will be used to house individuals or families whose incomes do not exceed 50% of the area median income. All activities funded by NSP must benefit low-, moderate-, and middle-income residents whose income does not exceed 120% of area median income.

In January 2009, the City of Sterling Heights was authorized to receive \$2,454,960 through the Neighborhood Stabilization Program (NSP). This program's activities include down-payment assistance and housing rehabilitation, demolition of blighted structures, acquisition/resale including housing rehabilitation and redevelopment of vacant or demolished properties.

The down-payment assistance and housing rehabilitation program provided income eligible homebuyers with down payment and closing cost assistance to purchase a foreclosed or abandoned home. Additional funds were provided to bring the property up to the City's rehabilitation standards. Only abandoned and foreclosed homes located in the City's designated areas of greatest needs were eligible for assistance under this program. A loan had to be secured by a second lien for the amount of the

NSP investment. The assistance the homebuyer received from the City is subject to recapture during an affordability period. The program helped stabilize neighborhoods by encouraging homebuyers to be owner-occupants of abandoned and foreclosed homes. It also provided the new homeowner with financial resources to make the homes safe for occupancy.

Demolition of blighted structures has resulted in an area-wide benefit. In addition, this activity has benefited NSP income eligible households by demolishing unsafe structures that might otherwise be rented or sold to homebuyers who are unprepared financially to make the structure safe and sanitary. To be considered a "blighted structure" the property must meet one of the following criteria: 1) uninhabitable or useless structure; 2) dwellings out of repair; 3) partially completed structures; and 4) unprotected vacant buildings in residential areas.

The City has worked with agencies such as the Macomb Homeless Coalition, Sterling Heights Housing Commission, and Habitat for Humanity to operate an acquisition, rehabilitation, and resale program that meets the low-income housing requirement for those with household incomes below 50% of the area median income. Homes will be sold at a discount to eligible households. All NSP funds associated with the project are subject to recapture and secured through a second loan on the property.

The final activity involves redeveloping demolished or vacant properties located within the City's areas of greatest need. Redevelopment can be in the form of new home construction or a public facility.

In fiscal year 2013/14, there is no budget for this fund, as the remaining grant funding for the Neighborhood Stabilization Program was fully spent in the prior fiscal year. ■

Did you know...

...the funds from the federal Neighborhood Stabilization Program were used to acquire property located at 43225 Van Dyke for redevelopment into a pedestrian park?

Neighborhood Stabilization Program Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

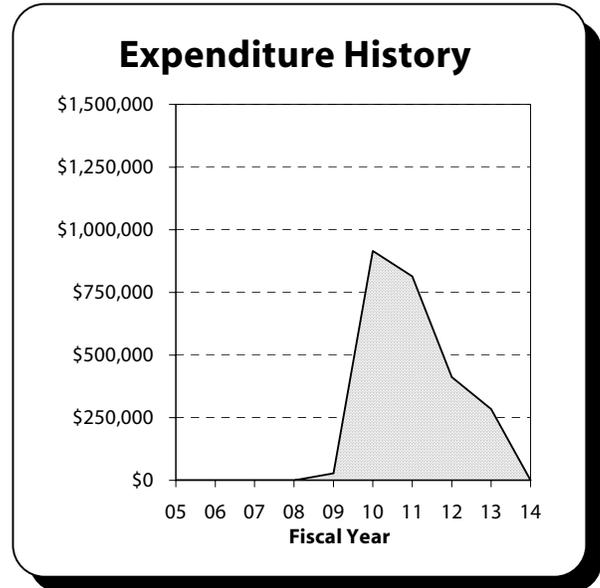
The total budget decreased by 100%.

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

Supplies – Total Supplies decreased \$80 or 100%, as all remaining grant funding for the Neighborhood Stabilization Program was spent in the prior fiscal year.

Other Charges – Total Other Charges decreased \$34,290 or 100%, as all remaining grant funding for the Neighborhood Stabilization Program was spent in the prior fiscal year.

Capital – There is no Capital budget for this fund as the final engineering, design, and development costs of the previously approved Utica Road and Van Dyke park development project were paid in the prior fiscal year and the project is now complete.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$541	\$0	\$0	\$0	\$0
Supplies	62	80	80	0	0
Other Charges	411,621	34,290	8,200	0	0
Capital Outlay	302	250,340	254,000	0	0
Total	\$412,526	\$284,710	\$262,280	\$0	\$0

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, improving, reconstructing, repairing, maintaining, and acquiring land for planned improvements suitable for use by any industrial or research enterprise.

The Economic Development Corporation provides the means and methods for encouragement and assistance of industrial and research enterprises...

To accomplish these objectives, the Economic Development Corporation is allowed to borrow money and issue its revenue bonds or revenue notes to finance all or part of the cost of the acquisition, purchase, construction, reconstruction, or improvements of any project or any part of that project. Additionally, the Economic Development Corporation may enter into leases, lease purchase agreements, or installment sales contracts with any person, firm, or corporation for the use or sale of projects.

The Economic Development Corporation functions as a nine member appointed Board and generates revenues by assessing fees on a particular bond and project improvement program.

Using web-based marketing services, promotional ads, marketing brochures, and television advertising, the Economic Development Corporation seeks to identify

industries and research enterprises that may be considering expansion or relocation to the Detroit Metropolitan area. City Administration assists interested parties in locating properties, securing financing and obtaining information about the City of Sterling Heights. The Economic Development Manager is the City's liaison to the Economic Development Corporation.

The Economic Development Corporation has been given the additional responsibility of the Brownfield Redevelopment Authority. Their tasks include making recommendations to the City Council on Brownfield plans. Brownfield Redevelopment has a positive impact on the community by providing a cleaner and safer environment.■

***Did you know...
...the Economic Development Corporation Board members also comprise the Brownfield Redevelopment Authority Board?***

Economic Development Corporation Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

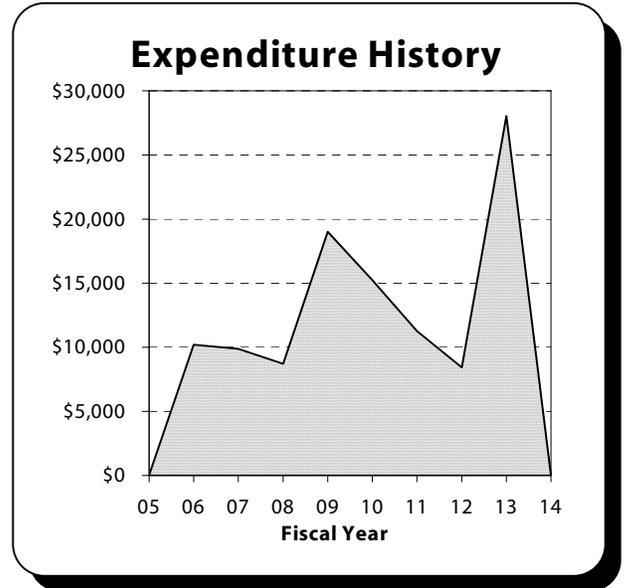
The total budget decreased by 100%.

Personnel Services – There is no Personnel budget for this fund. The Economic Development Corporation members serve as volunteers without compensation.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges decreased \$28,050 or 100%. \$23,050 was saved, as a partnership with Macomb County has allowed a free limited use of licenses to access a web-based system to retrieve shared county and State information about commercial and industrial businesses targeted for growth, investment and job creation opportunities, and other potential economic development projects. In addition, a web-based economic development marketing service will no longer be utilized. Additional marketing efforts including representation at trade shows and an advertisement in the Macomb Magazine were also eliminated. Contracted service costs decreased \$5,000, as the City's membership to the Center of Automotive Research will now be funded in the General Fund Economic Development office.

Capital – There is no Capital budget for this fund.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0
Other Charges	8,425	28,050	24,900	0	0
Total	\$8,425	\$28,050	\$24,900	\$0	\$0

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...

...the Sterling Heights Brownfield Redevelopment Authority provides reimbursement to BAE through incentives that help secure the redevelopment of the former TRW site on Van Dyke?

Brownfield Redevelopment Authority Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

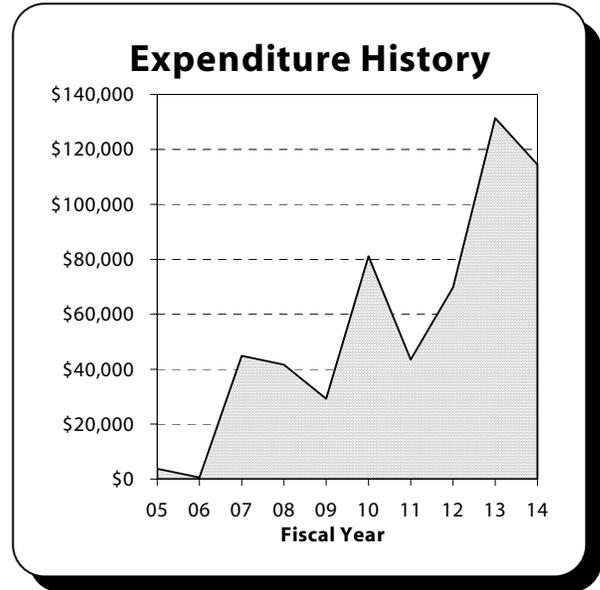
The total budget decreased by 12.9%.

Personnel Services – There is no Personnel budget for this fund. The Brownfield Redevelopment Authority members serve as volunteers without compensation.

Other Charges – Total Other Charges increased \$28,090 or 32.5% primarily for the reimbursement of BAE eligible brownfield project costs now that the property has been fully developed, resulting in an increase in the property tax increment capture. \$500 was saved, as the budget for City Attorney legal services can be reduced due to a decline in brownfield activity resulting from a reduction in State tax credits. Publishing funds decreased \$200, as prior year monies were not needed.

Capital – There is no Capital budget for this fund.

Transfers Out – Total Transfers Out decreased \$45,000 or 100%. There is no budgeted transfer to the General Fund, as the City has fully recouped its administrative costs for economic development and brownfield expenses as part of the tax capture from the Sim’s Road brownfield project.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	27,504	86,370	87,010	114,460	114,460
Capital Outlay	0	0	0	0	0
Transfers Out	42,300	45,000	45,000	0	0
Total	\$69,804	\$131,370	\$132,010	\$114,460	\$114,460

Public Act No. 281 of 1986, entitled The Local Development Financing Act, is intended to encourage local development to prevent unemployment and promote economic growth. These objectives are achieved under the Act by establishing local development finance authorities that create and implement development plans through tax increment financing.

The Act establishes the process for forming a Local Development Finance Authority (LDFA). This process is initiated by the municipality's governing body declaring by resolution its intention to create and provide for the operation of an authority.

The LDFA provides development incentives to companies that fall in the following categories: defense, high technology, alternative energy, agricultural processing, and automotive. The development incentives include reimbursing eligible entities for costs such as roads, water, sanitary and storm sewer, environmental remediation, demolition, and utilities.

As a prerequisite to achieving these goals, a Development Plan and Tax Increment Finance Plan are prepared. The Development Plan outlines the improvements proposed within the District, and the Tax Increment Finance Plan identifies the funding mechanism utilized to finance the proposed improvements.

The impetus for establishing the City's LDFA was the redevelopment of the former TRW site by BAE Systems located on the west side of Van Dyke Avenue, between 14 Mile Road and 15 Mile Road. This parcel was the first authority district in which the LDFA board is exercising its powers.

BAE Systems constructed a 230,000 square foot, state of the art business development and technology center based on the requirements of the United States Department of Defense and its worldwide allies. This new technology center will focus on and facilitate the integration of the technical, business and

program management teams dedicated to the design and development of tactical wheeled and combat vehicles in support of the next generation of combat systems, while enhancing the capabilities of the current combat systems of the United States and its allies. The capital investment by BAE Systems in real and personal property is projected to be an estimated \$33 million.

The State of Michigan designated the City's LDFA as a SmartZone. This designation allows the LDFA to operate a business incubator. A SmartZone plan is required to describe the operation of the business incubator and how tax dollars will be used to fund its activities.

In fiscal year 2013/14, \$486,450 is budgeted for the operational costs associated with the new Macomb-OU INCubator, which will be funded with grants, rents and LDFA increment financing revenues.

\$111,590 is included for the reimbursement of eligible BAE project costs, including site infrastructure improvements, as well as environmental remediation.■

Did you know...

...the Velocity Collaboration Center is home to the Macomb-OU Incubator, the Michigan Defense Center, and the local offices of the Small Business & Technology Development Center?

Local Development Finance Authority Fund

SUMMARY OF BUDGET CHANGES

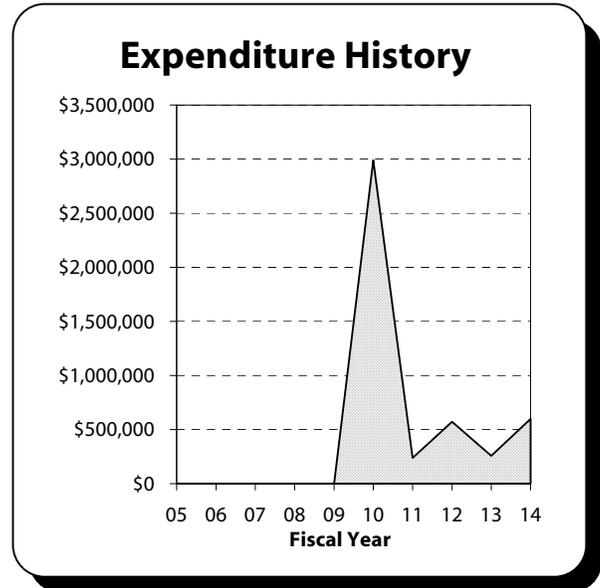
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 132.2%.

Supplies – Total Supplies is proposed to remain the same at \$2,500. There are no proposed changes within the Supplies account.

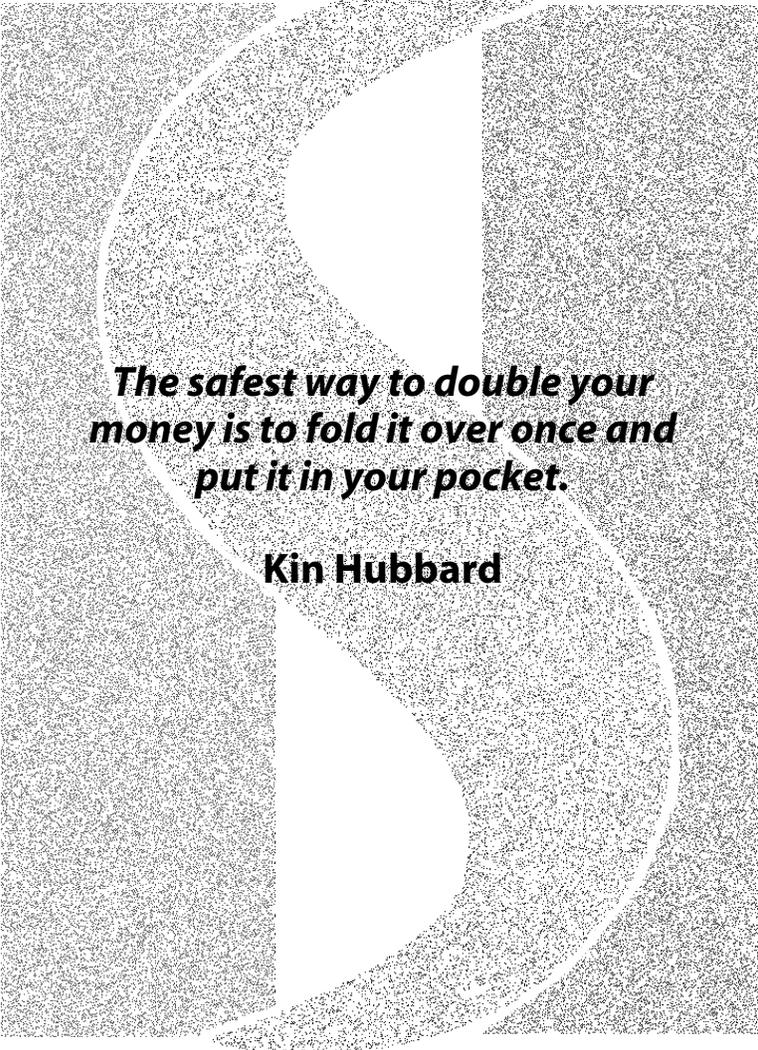
Other Charges – Total Other Charges increased \$340,470 or 133.5%. \$483,950 is budgeted for operational costs associated with the business incubator, which will be funded with grants, rents, and LDFA increment financing revenues. \$90,000 is for the reimbursement of the City's economic development staff's administrative costs and is reflected as a revenue in the General Fund. \$97,000 is for utility costs including heat, electricity, and water. \$43,350 is for payment to the Macomb-OU Incubator/Oakland University for their administrative and operational costs and \$10,000 is for program and event costs to support business incubation. \$67,000 is budgeted for capital improvement repairs to the Velocity Collaboration Center. \$50,000 is for a microloan program that will support business incubation through the creation of programs and services. \$41,700 is for contracted service costs including landscape and snow removal fees, building alarm and fire system costs, cleaning services, engineering consultant fees, and dumpster rental fees. The budget includes \$44,000 for telephone and Internet data line costs and \$22,500 in building maintenance costs. \$111,590 is budgeted for the reimbursement of eligible BAE project costs.

Capital – There is no Capital budget for this fund.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Supplies	\$231	\$2,500	\$0	\$2,500	\$2,500
Other Charges	178,519	255,070	242,140	595,540	595,540
Capital Outlay	391,927	0	0	0	0
Total	\$570,677	\$257,570	\$242,140	\$598,040	\$598,040



***The safest way to double your
money is to fold it over once and
put it in your pocket.***

Kin Hubbard

Debt Service Funds



The city's Debt Service Funds are used to account for the accumulation of resources and payments of general long-term debt principal and interest. Debt Service Funds are required when legally mandated. Debt Service Funds include the General Drain Fund, Limited Tax General Obligation (LTGO) Debt Fund, Road Bond Debt Retirement Fund, and the Voted General Obligation Debt Fund.

GENERAL OBLIGATION

Section 11.01 of the Sterling Heights City Charter outlines the City's general borrowing power. It states that Council, by ordinance or resolution, may authorize the borrowing of money, the issuance of bonds, or other evidences of indebtedness, subject to State law and Charter provisions. The City may pledge its full faith credit and resources for the payment of the obligation created.

The Charter further states that the City may borrow money, within provisions stipulated by State law, in anticipation of the payment of special assessments made for defraying any public improvement costs and can issue revenue or other types of bonds. This borrowing authority is limited, however. The net bonded indebtedness incurred for all public purposes cannot exceed 10% of the assessed value of all real and personal property in the City subject to taxation. In the case of fire, flood or other disaster requiring an emergency fund for the relief of City inhabitants, or for the repair or rebuilding of municipal buildings, infrastructure, bridges, or streets, the City's legislative body may borrow money for up to five years and in the amount not exceeding three-eighths of one percent of the assessed valuation of all property in the City, notwithstanding such loan may increase the indebtedness beyond the limitation fixed in the Charter.

Some bonds are not included in the computation of net bond indebtedness including bonds issued in anticipation of the payment of special assessments, mortgage bonds that are secured only by a mortgage on the property or franchise of a public utility, Michigan Transportation Fund (MTF) road construction bonds, and bonds issued to refund monies advanced or paid on special assessments for water main extensions. The resources of the sinking fund pledged for the retirement of any outstanding bonds shall also be deducted from the amount of the bonded indebtedness. The City's portion of the sewer district's debt service is also excluded from this calculation.

The City's 2013 estimated State Equalized Valuation plus the assessed value of abated property is \$4,201,961,947. Therefore, the City's debt limit is \$420,196,195 or 10% of total valuation. The City's population estimate is 130,500. The outstanding Net Direct Bonded Debt for the City as of June 30,

2013 is shown here as a ratio of debt to state equalized value and debt per capita.

	<u>Debt Out- standing 6/30/13</u>	<u>Debt to Assessed Value</u>	<u>Debt Per Capita</u>
Net Direct Bonded Debt	\$7,690,000	0.18%	\$59

The City's Debt Management Program is the product of over 40 years of deliberate decision-making by our community's leaders. The City has made judicious use of its authorities to sell bonds or otherwise incur debt. Our current bond ratings are an AA+ from Fitch, AA+ from Standard & Poors, and an Aa1 from Moody's. The City's favorable credit rating results from low debt levels, as well as a history of conservative budgeting, maintaining adequate reserves, and financial flexibility based on an operating tax rate margin. The City anticipates maintaining its low debt position, due to a modest debt burden and a rapid debt amortization. 92.0% of the City's total non-sewer debt is scheduled to be repaid within ten years. Favorable credit ratings and low debt service will better position the City to finance debt in the future.

Total Debt Maturity within 10 Years = 92.0%

BOND RATINGS

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

In compliance with the Uniform Budget Act of 1978, a summary of the City's total indebtedness as of June 30, 2013, the principal and interest payments required for fiscal 2013/14, and the funding source is included within this Debt Service section. Total indebtedness is \$68,150,480. Total principal payment is \$4,674,820 and the interest payment is \$2,529,080. 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.

In 1999/00, a \$3.7 million bond was sold for the City Center Commons development. The debt was refunded in 2004/05, saving \$118,500. Total outstanding debt is \$1,915,000. Total principal payment is \$215,000 and interest is \$81,850.

In 2007, a \$3.25 million Improvement Bond was issued for the new Senior Active Life Center and public safety Radio System. In 2012/13, the final debt payment was made on the Radio System bonds. The final debt payment on the Senior Active Life Center bond, which was budgeted in the Community Development Block Grant Fund, was also made in the prior year.

VOTED TAX GENERAL OBLIGATION DEBT FUND

In the spring of 2008, a \$5.0 million General Obligation bond was issued for improvements at three of the City's fire stations (Public Improvement F), which was approved by the voters in November, 2006. \$413,250 is budgeted for the debt payments on the Fire Station Improvement bonds.

MAJOR ROAD IMPROVEMENTS

The City uses Gas and Weight tax revenues to finance various road improvements. Indebtedness is \$10,405,000. The Principal payment is \$1,870,000 and interest is \$314,860.

SPECIAL ASSESSMENTS

In 2008, a \$3.26 million Special Assessment bond was issued to finance improvements within the Lakeside Shopping Center District. Total principal payment of \$150,000 and interest of \$113,160 is funded through special assessments.

MACOMB COUNTY DRAINS

The City is under contract with Macomb County to pay the debt for Chapter 20 drains. Indebtedness to Macomb County is \$1,525,000. Principal is \$750,000 and interest is \$71,050.

WATER & SEWER FUND

In 2013/14, total principal of \$1,439,820 and interest of \$1,784,910 is budgeted for the City's portion of the District's debt for the Interceptor Rehabilitation project. Total indebtedness is \$47,205,480. ■

DEBT SUMMARY

Description of Debt	Funding Sources	Debt Outstanding 6/30/13	2013/14		Total
			Principal	Interest	
LIMITED TAX GENERAL OBLIGATION DEBT FUND					
Bldg. Auth./LTGO Bonds - City Center Commons	Gen Fund	\$1,915,000	\$215,000	\$81,850	\$296,850
VOTED TAX GENERAL OBLIGATION DEBT FUND					
2008 Fire Station Improvement Bonds (F)	VTGO Fund	4,250,000	250,000	163,250	413,250
GENERAL DRAIN FUND					
Contractual Obligations Macomb County	Drain Fund	1,525,000	750,000	71,050	821,050
Total Debt Fund Direct Debt Service		7,690,000	1,215,000	316,150	1,531,150
ROAD BOND DEBT RETIREMENT FUND					
2005 MI Transportation Refunding Bonds	Major Rds	1,000,000	500,000	30,940	530,940
2007 MI Transportation Bonds	Major Rds	600,000	300,000	17,100	317,100
2010 MI Transportation Refunding Bonds	Major Rds	590,000	590,000	5,900	595,900
2010 Build America Bonds	Major Rds	1,525,000	50,000	79,770	129,770
2012 MI Transportation Refunding Bonds	Major Rds	3,415,000	400,000	105,550	505,550
2013 MI Transportation Refunding Bonds	Major Rds	3,275,000	30,000	75,600	105,600
Special Assessment Bonds	S/A - RBDF	2,850,000	150,000	113,160	263,160
Total Road Bond Debt Service		13,255,000	2,020,000	428,020	2,448,020
WATER & SEWER FUND					
Sewer District Rehabilitation Bonds	W&S Fund	47,205,480	1,439,820	1,784,910	3,224,730
Total Debt Service		\$68,150,480	\$4,674,820	\$2,529,080	\$7,203,900

GENERAL FUND & TAX SUPPORTED DEBT SERVICE

Debt Service	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
City Center Commons	296,110	298,650	305,450	262,380	305,450	296,850
Radio System Equipment	321,440	309,640	222,900	222,900	222,900	0
Total General Fund Debt Service	617,550	608,290	528,350	485,280	528,350	296,850
COMM. DEV. BLOCK GRANT FUND						
Senior Active Life Center	327,560	315,360	108,600	108,600	108,600	0
Total CDBG Fund Debt Service	327,560	315,360	108,600	108,600	108,600	0
CORR. IMPROVEMENT AUTH. FUND						
General Fund Loan	190,220	0	0	0	0	0
Total CIA Fund Debt Service	190,220	0	0	0	0	0
VOTED TAX GENERAL OBLIGATION DEBT FUND						
Fire Station Improvements (F)	329,500	350,000	369,750	84,880	369,750	413,250
Total VTGO Fund Debt Service	329,500	350,000	369,750	84,880	369,750	413,250
GENERAL DRAIN FUND						
	1,183,060	1,186,810	1,222,510	174,870	1,222,510	821,050
Total Tax Supported Debt Service	\$2,647,890	\$2,460,460	\$2,229,210	\$853,630	\$2,229,210	\$1,531,150

SCHEDULE OF PRINCIPAL & INTEREST ROAD BOND DEBT RETIREMENT FUND

Fiscal Year	2005 M.T.F. Refunding	2007 M.T.F. Bonds	2010 M.T.F. Refunding	2010 B.A. Bonds	2012 M.T.F. Refunding	2013 M.T.F. Refunding	2008 S.A.D. Bonds	Total
2013/14	530,938	317,100	595,900	129,775	505,550	105,595	263,163	2,448,021
2014/15	510,313	305,550		128,388	537,550	106,112	258,288	1,846,201
2015/16				126,688	543,750	397,269	253,225	1,320,932
2016/17				124,725	550,100	484,427	247,600	1,406,852
2017/18				122,500	555,850	470,664	241,600	1,390,614
2018/19				168,937	611,000	551,029	235,600	1,566,566
2019/20				163,987	608,400	535,522	229,600	1,537,509
2020/21				183,219		515,170	272,600	970,989
2021/22				200,950		495,022	264,550	960,522
2022/23				241,300			256,450	497,750
2023/24				229,850			248,150	478,000
2024/25				218,050			239,650	457,700
2025/26				206,050			231,050	437,100
2026/27							222,350	222,350
2027/28							213,500	213,500
2028/29							204,500	204,500
Total	\$1,041,251	\$622,650	\$595,900	\$2,244,419	\$3,912,200	\$3,660,810	\$3,881,876	\$15,959,106

GENERAL DRAIN FUND

Fiscal Year	Busch Drain	Hawken Drain	Hayes Drain	Plumbrook Drain	Central Fire Station Drain	Total
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	\$130,688	\$161,813	\$269,438	\$585,750	\$489,900	\$1,637,589

GENERAL FUND AND VOTED TAX GENERAL OBLIGATION DEBT FUND

Fiscal Year	2005 City Center Refunding G.F. Bonds	2008 Proposal F V.T.G.O. Bonds	Total
2013/14	296,850	413,250	710,100
2014/15	312,450	430,125	742,575
2015/16	322,150	470,500	792,650
2016/17	355,850	484,125	839,975
2017/18	337,250	521,000	858,250
2018/19	322,250	531,000	853,250
2019/20	302,375	589,000	891,375
2020/21		619,000	619,000
2021/22		622,000	622,000
2022/23		624,000	624,000
Total	\$2,249,175	\$5,304,000	\$7,553,175

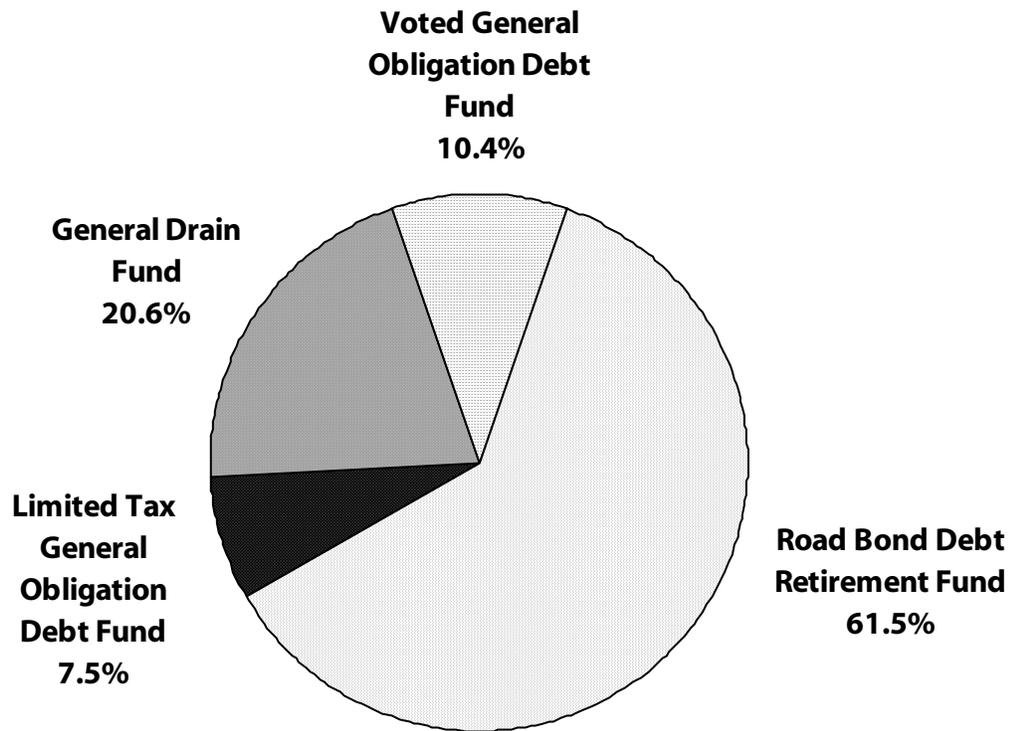
**DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
GENERAL DRAIN FUND						
REVENUES						
Property Taxes	\$1,164,590	\$1,150,140	\$1,221,940	\$1,166,410	\$1,221,240	\$821,900
Interest Income	10,080	2,450	2,500	430	800	600
Transfer from General Fund	20,000	44,000	0	0	0	0
Total Revenues	1,194,670	1,196,590	1,224,440	1,166,840	1,222,040	822,500
EXPENDITURES						
Principal	980,000	1,025,000	1,105,000	115,000	1,105,000	750,000
Interest	203,060	161,810	117,510	59,870	117,510	71,050
Other Charges	8,670	1,930	1,930	990	1,930	1,450
Total Expenditures	1,191,730	1,188,740	1,224,440	175,860	1,224,440	822,500
Excess of Revenues Over (Under) Expenditures	2,940	7,850	0	990,980	(2,400)	0
Beginning Fund Balance	120	3,060	10,910	10,910	10,910	8,510
Ending Fund Balance	\$3,060	\$10,910	\$10,910	\$1,001,890	\$8,510	\$8,510
VOTED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Property Taxes	\$318,170	\$345,160	\$364,300	\$349,450	\$365,100	\$413,350
Interest Income	2,570	700	800	150	250	250
Transfer from General Fund	10,000	7,000	0	0	0	0
Total Revenues	330,740	352,860	365,100	349,600	365,350	413,600
EXPENDITURES						
Principal	150,000	175,000	200,000	0	200,000	250,000
Interest	179,500	175,000	169,750	84,880	169,750	163,250
Other Charges	2,130	350	350	170	350	350
Total Expenditures	331,630	350,350	370,100	85,050	370,100	413,600
Excess of Revenues Over (Under) Expenditures	(890)	2,510	(5,000)	264,550	(4,750)	0
Beginning Fund Balance	9,450	8,560	11,070	11,070	11,070	6,320
Ending Fund Balance	\$8,560	\$11,070	\$6,070	\$275,620	\$6,320	\$6,320

**DEBT SERVICE FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Debt Service Funds	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
ROAD BOND DEBT RETIREMENT FUND						
REVENUES						
Special Assessment Revenue	\$151,220	\$190,250	\$146,630	\$0	\$146,630	\$146,630
Federal Interest Rebates	28,290	36,430	36,270	18,180	36,270	35,900
Interest Income	132,000	129,770	121,640	290	121,090	113,410
Other Revenues	220	(40)	0	60	0	0
Proceeds Long-term Debt	0	3,780,000	0	0	3,275,000	0
Bond Premiums	0	274,200	0	0	0	0
Trfr. from Major Roads Fund	2,480,000	2,300,000	2,330,000	1,981,110	2,430,000	2,160,000
Total Revenues	2,791,730	6,710,610	2,634,540	1,999,640	6,008,990	2,455,940
EXPENDITURES						
Principal	2,050,000	5,890,000	2,050,000	1,685,000	5,435,000	2,020,000
Interest	683,380	638,010	548,200	295,170	487,650	428,020
Other Charges	1,600	101,820	1,880	940	1,880	1,880
Total Expenditures	2,734,980	6,629,830	2,600,080	1,981,110	5,924,530	2,449,900
Excess of Revenues Over (Under) Expenditures	56,750	80,780	34,460	18,530	84,460	6,040
Beginning Fund Balance	369,560	426,310	507,090	507,090	507,090	591,550
Ending Fund Balance	\$426,310	\$507,090	\$541,550	\$525,620	\$591,550	\$597,590
LIMITED TAX GENERAL OBLIGATION DEBT FUND						
REVENUES						
Other Revenues	\$10	\$0	\$0	\$0	\$0	\$0
Transfer from General Fund	617,940	608,680	528,740	485,470	528,740	297,080
Total Revenues	617,950	608,680	528,740	485,470	528,740	297,080
EXPENDITURES						
Principal	485,000	495,000	433,530	433,530	433,530	215,000
Interest	132,550	113,290	94,820	51,750	94,820	81,850
Other Charges	390	390	390	190	390	230
Total Expenditures	617,940	608,680	528,740	485,470	528,740	297,080
Excess of Revenues Over (Under) Expenditures	10	0	0	0	0	0
Beginning Fund Balance	240	250	250	250	250	250
Ending Fund Balance	\$250	\$250	\$250	\$250	\$250	\$250

Debt Service Funds Percent of Total Expenditures



This graph reflects budgeted Debt Service Funds expenditures as a percent of all total Debt Service Funds budget.

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 2013/14 Budget, General Drain Tax revenue represents 20.52% of total revenue sources, a decrease of \$400,240 below the 2012/13 Budget. This is primarily due to a decrease in debt payments on existing drain bond issues. For 2013/14, the millage rate is 0.2033 mills, a decrease of 0.0987 mills below 2012/13.

OTHER FINANCING SOURCES

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

In the 2013/14 Budget, revenues generated from Other Financing Sources represent 61.59% of total revenue sources, a decrease of \$401,660 below the 2012/13 Budget. This decrease is due to a decrease in transfers from the General Fund to the Limited Tax General Obligation Debt Fund, as the Public Safety Radio System bond was retired in the prior year. The transfer from the Major Road Fund to the Road Bond Debt Retirement Fund decreased due to lower scheduled debt payments on existing road bonds.

STATE & LOCAL RETURNS

This source of revenue consists of federal refundable credits for Recovery Zone Economic Development bonds that are issued for authorized purposes to promote economic recovery and job creation. A total of \$35,900 is anticipated to be refunded next fiscal year for

the 2010 Michigan Transportation Fund (MTF) Build America Bond.

OTHER REVENUE

Other Revenue consists of revenue from Interest on Investments and Special Assessment revenue. In the 2013/14 Budget, Other Revenues represent 6.54% of total revenue sources, a decrease of \$10,680 below the 2012/13 Budget. This decrease is primarily due to lower scheduled Special Assessment payments from the Lakeside Mall improvement project.

PUBLIC IMPROVEMENTS TAX

The Voted Tax General Obligation Debt Fund has been established to isolate the revenues and expenditures for the voter approved debt to finance various public improvements. This fund is used to account for the payment of principal and interest on the current debt portion of the public improvements. A specific millage is levied to retire the debt incurred and the necessary paying agent fees. For 2013/14, the millage rate is 0.1018 mills, an increase of 0.0115 mills above 2012/13.

In 2013/14, Public Improvement Tax revenue represents 10.45% of total revenue sources, an increase of \$49,250 above the 2012/13 Budget. This increase is due to higher debt payments on the Proposal F bond.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

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

In the 2013/14 Budget, revenues exceed expenditures by \$6,040, 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	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	TAXES						
404000	City Operating Tax	\$1,195,463	13.48	\$1,229,240	25.86	\$832,900	20.88
404001	Property Tax Refunds	(72,959)	-0.82	(16,400)	-0.35	(20,000)	-0.50
415000	Delinquent Personal Property Tax	13,615	0.15	2,700	0.06	3,000	0.08
445000	Penalties & Interest	2,584	0.03	3,000	0.06	2,400	0.06
	Total Taxes	1,138,703	12.84	1,218,540	25.64	818,300	20.52
	OTHER FINANCING SOURCES						
698001	Bond Premiums	274,196	3.09	0	0.00	0	0.00
698100	Bond Proceeds - Refunding Issue	3,780,000	42.62	0	0.00	0	0.00
699101	Transfer From General Fund	659,680	7.44	528,740	11.12	297,080	7.45
699202	Transfer From Major Road Fund	2,300,000	25.93	2,330,000	49.02	2,160,000	54.15
	Total Other Financing Sources	7,013,876	79.09	2,858,740	60.15	2,457,080	61.59
	STATE & LOCAL RETURNS						
529004	Federal - Interest Rebates	36,434	0.41	36,270	0.76	35,900	0.90
	Total State & Local Returns	36,434	0.41	36,270	0.76	35,900	0.90
	OTHER REVENUE						
665000	Interest on Investments	4,043	0.05	4,300	0.09	1,150	0.03
672000	Special Assessment Revenue	190,250	2.15	146,630	3.09	146,630	3.68
672445	S.A. Delinquent Interest & Penalties	93	0.00	100	0.00	100	0.00
672665	Special Assessment Interest	128,780	1.45	120,540	2.54	113,010	2.83
677008	Unrealized Gain/Loss	(62)	0.00	0	0.00	0	0.00
685000	Miscellaneous Revenue	22	0.00	0	0.00	0	0.00
	Total Other Revenue	323,126	3.64	271,570	5.71	260,890	6.54
	PUBLIC IMPROVEMENTS TAX						
417000	Proposal R Debt Levy	1,171	0.01	0	0.00	0	0.00
419000	Proposal F Debt Levy	355,425	4.01	367,700	7.74	416,950	10.45
	Total Public Improvements Tax	356,596	4.02	367,700	7.74	416,950	10.45
	Total Debt Service Funds	\$8,868,735	100.00	\$4,752,820	100.00	\$3,989,120	100.00

Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

**DEBT SERVICE FUNDS
EXPENDITURE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	OTHER CHARGES						
810000	Other Fees	\$4,513	0.05	\$4,550	0.10	\$3,910	0.10
810100	Other Fees - Paid Refunded Escrow	99,966	1.14	0	0.00	0	0.00
	Total Other Charges	104,479	1.19	4,550	0.10	3,910	0.10
	DEBT SERVICE						
992000	Principal	3,635,000	41.41	3,788,530	80.21	3,235,000	81.22
992100	Principal - Refunded Escrow Agnt	3,950,000	45.00	0	0.00	0	0.00
993000	Interest	1,008,897	11.49	930,280	19.70	744,170	18.68
993100	Interest - Paid to Ref Escrow	79,219	0.90	0	0.00	0	0.00
	Total Debt Service	8,673,116	98.81	4,718,810	99.90	3,979,170	99.90
	Total Debt Service Funds	\$8,777,595	100.00	\$4,723,360	100.00	\$3,983,080	100.00

Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

KEY FUND TRENDS

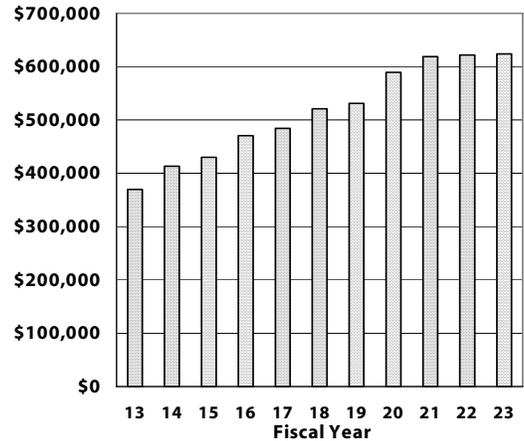
Debt Service Funds

City Bond Ratings

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

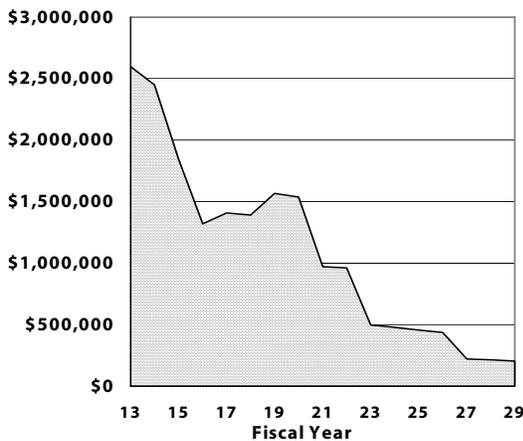
The City's AA+ bond rating from Fitch Investor's Rating Service ranks higher than most of our other comparable communities' rankings. Sterling Heights maintains a very high Aa1 rating from Moody's and a AA+ rating from Standard & Poor's due to the City's proactive response to changing economic conditions.

Annual Debt Payments Proposal F - Fire Stations



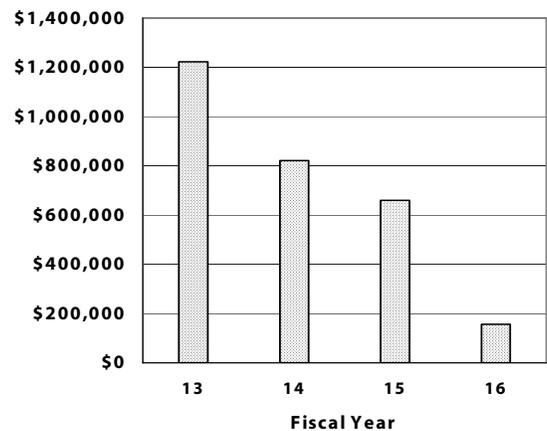
Voted Tax General Obligation Debt from the Fire Station Improvements (Proposal F) continues through 2023.

Annual Debt Payments Road Bonds



Road Bond Debt payments will decrease through 2026 as six Michigan Transportation Funds (MTF) bonds are retired. The Lakeside Special Assessment bond is scheduled to be retired in 2029.

Annual Debt Payments Drain Bonds



Total Drain debt decreases over the next three years as the Sterling Relief and 17 Mile Drain debt was 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, and Central Fire Station Drains.

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

For 2013/14, \$821,050 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 on all real and personal property. This millage is an amount calculated to meet the demand of the budgeted expenditures for principal, interest, and paying agent fees. This millage will fluctuate from year to year as the debt payments on the bond issues fluctuate. ■

***Did you know...
...that all General Drain debt will be paid off by
fiscal year 2015/16?***

General Drain Fund

SUMMARY OF BUDGET CHANGES

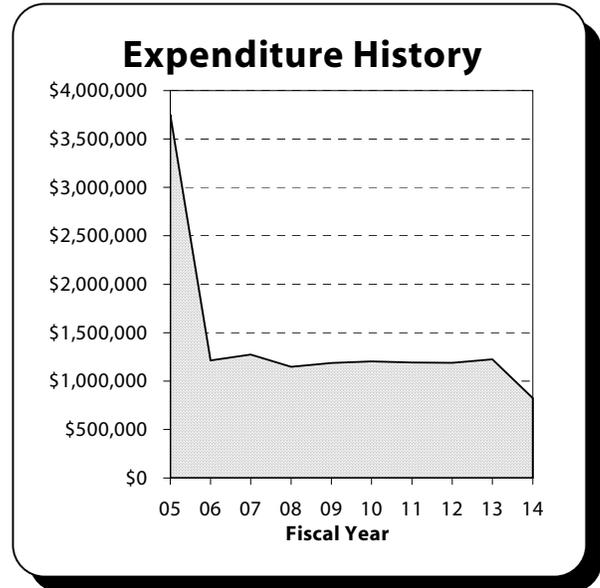
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 32.8%.

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

Other Charges – Total Other Charges decreased \$480 or 24.9% due to a drop in bond paying agent fees, as two Drain bonds were retired in the prior year.

Debt Service – Total Debt Service decreased \$401,460 or 32.8%. Total principal payments decreased \$355,000 due to the retirement of the 2003 Sterling Relief Lateral 12B bond and the 2004 Seventeen Mile Road Refunding bond, which were both paid off in the prior year. The decrease was partially offset by an increase in higher scheduled principal payments on two existing drain bond issues. Total interest payments decreased \$46,460 due to the retirement of the two bonds and lower scheduled interest payments on the remaining bonds. No new drain project debt is scheduled for next fiscal year.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	1,925	1,930	1,930	1,450	1,450
Debt Service	1,186,810	1,222,510	1,222,510	821,050	821,050
Total	\$1,188,735	\$1,224,440	\$1,224,440	\$822,500	\$822,500

The voter approved General Obligation Debt Fund was created to provide a formal mechanism of accounting for tax millage revenue and expenditures dedicated and used for the repayment of voter approved debt to finance various public improvements. A specific millage, as approved by the voters, is levied each year to retire the annual principal, interest and paying agent fee associated with each bond issued.

Each public improvement debt has its own activity and its own budgetary center within the fund. Thus, no budget adjustment can be made between budgetary centers without City Council authorization.

Proposal R authorized \$21 million of bonds to finance various road improvements. All road improvements have been completed and include Ryan Road from 14 Mile Road to M-59 Highway, Dodge Park Road from 15 Mile to 16 Mile Road, 15 Mile Road from Maple Lane to Schoenherr Road, 19 Mile Road from Saal to Canal Road, and 17 Mile Road from east of Mound Road to Dequindre Road. The bonds were issued in a series starting in 1990 and ending in 1999. The debt for "R" was retired in fiscal year 2008/09.

Proposal S authorized \$3,000,000 for the construction of the City's fifth fire station located in the northwest quadrant of the City. This station houses the Fire Department's administrative offices, classrooms for training and the fire garage. The debt for "S" was retired in fiscal year 2000/01.

Proposal T authorized \$900,000 for the purchase of a new ladder truck and related equipment. This capital was used to make the fifth fire station serviceable. The debt was retired in fiscal year 1996/97.

In November 2006, the voters approved Proposal F authorizing \$5 million for improvements to three of the City's fire stations. The improvements began in the spring of 2008 and included the modernization of the work areas, updating of the heating and cooling systems, and expansion of the facilities for both equipment storage and personnel quarters. In conjunction with the start of the project, bonds were issued to provide financing for the public improvements. The bonds have a 15-year life with the final payment being made in fiscal year 2022/23.

For 2013/14, principal and interest payments for Proposal F total \$413,250.■

***Did you know...
...the proceeds from voted tax debt obligations
can only be used for the specific voted purpose?***

Voted Tax General Obligation Debt Fund

SUMMARY OF BUDGET CHANGES

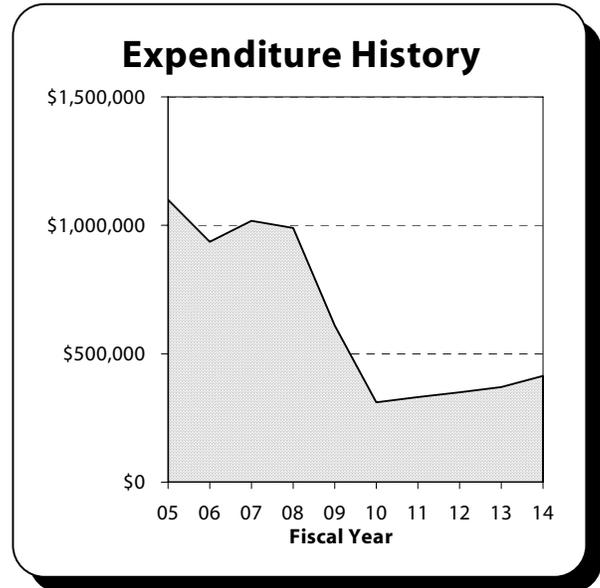
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget increased by 11.8%.

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

Other Charges – Total Other Charges is proposed to remain the same at \$350.

Debt Service – Total Debt Service increased \$43,500 or 11.8% due to a scheduled increase in the debt payment on the 2008 Proposal F bond. There is no outstanding debt for Proposals R, S, & T as the debt was retired in prior years. The debt from the Fire Station Improvements (Proposal F) is scheduled to be retired in 2023.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	350	350	350	350	350
Debt Service	350,000	369,750	369,750	413,250	413,250
Total	\$350,350	\$370,100	\$370,100	\$413,600	\$413,600

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 2013/14, the Major Road Fund transfer represents 88% of total Road Bond Debt Retirement Fund revenues. This is evident of the fact that most of the bonded road construction projects are considered major roads and that Public Act 51 guidelines allow for such transfer payments for major road construction and debt payments. Other sources of revenue include Interest on Investments, Reimbursements and Special Assessment revenue.

The most significant revenue source of this fund is through a transfer from the Major Road Fund.

This Fund's debt budgeted to be paid in fiscal year 2013/14 totals \$2,448,020, which is comprised of \$2,020,000 toward principal and \$428,020 in interest payments on outstanding Michigan Transportation Fund (MTF) bonds and the Lakeside Special Assessment bond that was issued in the spring of 2008. The Special Assessment bond was issued to finance various improvements within the Lakeside Shopping Center district. The improvements included road repairs, landscape improvements, brick paver crosswalks, decorative street lighting, banners, and other aesthetic improvements to the area surrounding the shopping center. The debt repayment for this project is being funded through assessments on the affected property owners.

In the winter of fiscal year 2012/13, the 2007 MTF bond was refinanced resulting in the issuance of the 2013 MTF refunding bond, which will save the City over \$200,000 in future interest payments.

The principal and interest payments for the road bond projects are amortized based on the estimated total cost of the project times the interest rate for a fixed period of time – usually 10-15 years.

Road bond projects to be retired through this fund are specified on the Road Bond Construction Fund schedule located in the Capital Projects section of this document.■

***Did you know...
...that no new City road bonds have been issued since June 2010?***

Road Bond Debt Retirement Fund

SUMMARY OF BUDGET CHANGES

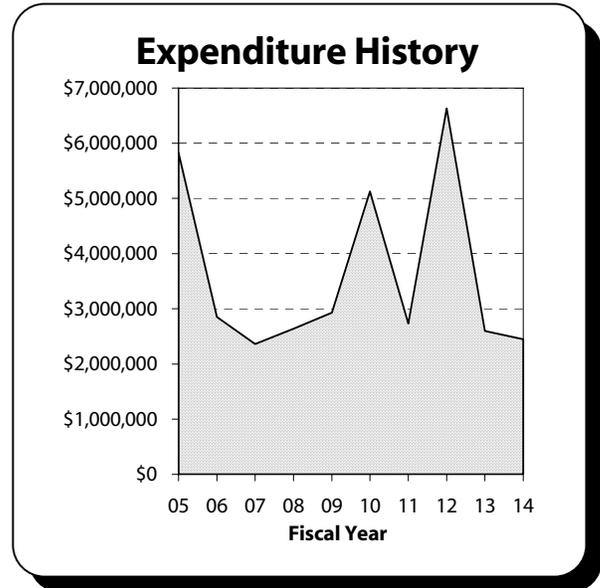
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 5.8%.

Supplies – There is no Supplies budget for this fund.

Other Charges – Total Other Charges is proposed to remain the same at \$1,880.

Debt Service – Total Debt Service is proposed to decrease \$150,180 or 5.8%. Total principal payments decreased \$30,000 due to the retirement of the 2003 MTF bond in the prior year. The decrease was partially offset by higher scheduled principal payments on several existing MTF and Special Assessment bond issues. Total interest payments decreased \$120,180 due to lower scheduled interest payments on all existing MTF and Special Assessment bonds, the retirement of the 2003 MTF bond, and the 2013 refunding of the 2007 MTF bond, which will save the City over \$200,000 in future interest payments. The City has now refinanced five bonds over the past ten years, saving a total of \$1.4 million in interest costs.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Other Charges	101,816	1,880	1,880	1,880	1,880
Debt Service	6,528,014	2,598,200	5,922,650	2,448,020	2,448,020
Total	\$6,629,830	\$2,600,080	\$5,924,530	\$2,449,900	\$2,449,900

The Limited Tax General Obligation (LTGO) Fund is a Debt Service Fund that is used to account for the bond payments related to the construction and financing of City buildings and equipment.

The City is currently paying off debt for the expansion and remodeling of the buildings in the City Center Commons. This Fund also accounts for the leasing of the buildings to the City. The prior debt for the Judicial Services Center was retired in 2009/10, and the final bond payments for the Senior Active Life Center, which were accounted for in the Community Development Block Grant (CDBG) Fund, were made in 2012/13. Debt for the public safety 800 MHz radio system was also retired in 2012/13.

The Limited Tax General Obligation Fund receives revenue for operations as a result of receiving cash rental payments transferred from the General Fund for the City Center Commons project.

The construction of the Judicial Services Center was financed with limited tax general obligation bonds issued in 1990. This debt was retired in fiscal year 2009/10.

The City Center Commons project was financed with Building Authority limited tax general obligation bonds originally issued in 2000 and refunded in 2005. This debt is scheduled to be retired in fiscal year 2019/20. The transfer necessary for debt repayment in 2013/14 totals \$296,850. Principal payments total \$215,000 and interest payments amount to \$81,850.

In 2007, \$3.25 million of Limited Tax General Obligation Improvement bonds were issued to help finance the Senior Active Life Center addition and the new public safety 800 MHz radio system. This debt was retired in fiscal year 2012/13. ■

Did you know...

...the debt from the Senior Active Life Center addition, which was paid using federal CDBG funds, was fully paid off in fiscal year 2013?

Limited Tax General Obligation Fund

SUMMARY OF BUDGET CHANGES

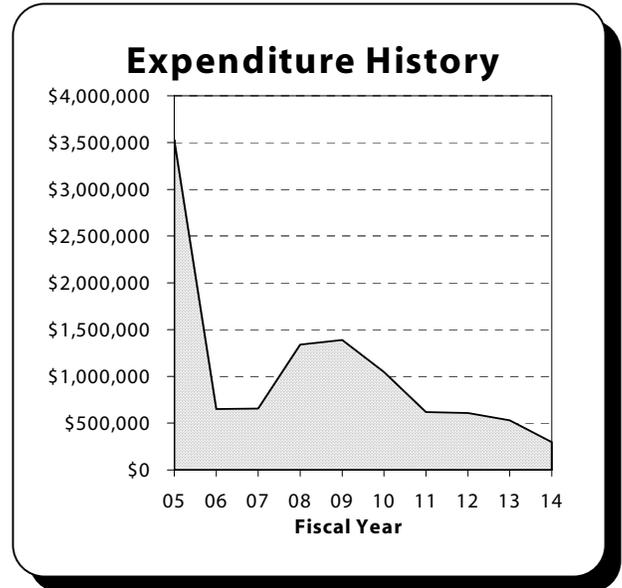
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 43.8%.

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

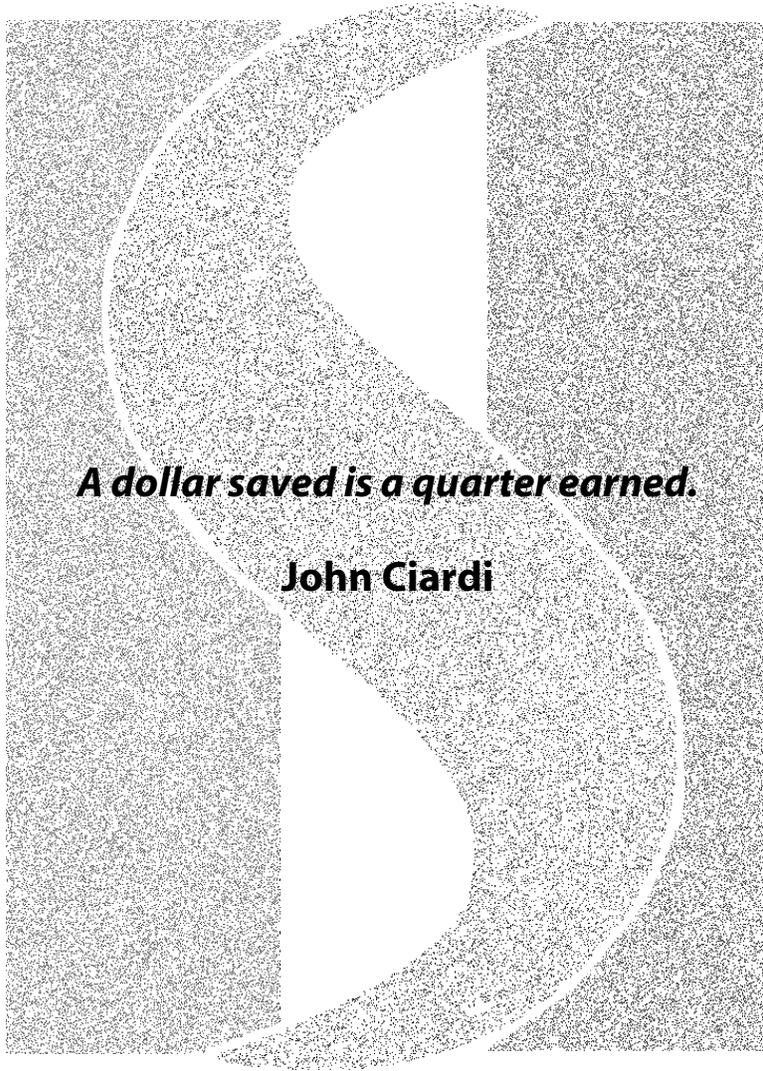
Other Charges – Total Other Charges decreased \$160 or 41.0%, as bond paying agent fees are lower due to the retirement of the Public Safety Radio System Equipment bond, which was paid off in the prior year.

Debt Service – Total Debt Service decreased \$231,500 or 43.8%. Total principal payments decreased \$218,530 due to the retirement of the Public Safety Radio System Equipment bond in the prior year. Total interest payments decreased \$12,970, as less debt is now outstanding. The final debt payment on the 2007 Senior Active Life Center bond, which was budgeted in the CDBG Fund, was also made in the prior year.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Personnel Services	\$0	\$0	\$0	\$0	\$0
Other Charges	388	390	390	230	230
Debt Service	608,291	528,350	528,350	296,850	296,850
Total	\$608,679	\$528,740	\$528,740	\$297,080	\$297,080



A dollar saved is a quarter earned.

John Ciardi

Capital Projects



Capital Projects Funds are used to account for resources to be used for the acquisition or construction of major capital facilities, and for the purchase of capital equipment and vehicles. The city maintains two capital projects funds, the Capital Projects Fund and the Road Bond Construction Fund. The city's Capital Improvement Program is a multi-year planning instrument used to coordinate the financing and timing of improvements in a way that maximizes the return to residents.

**CAPITAL PROJECTS FUNDS
REVENUES, EXPENDITURES & FUND BALANCES**

Capital Projects	2010/11 Actual	2011/12 Actual	2012/13 Budget	2012/13 To Dec. 31	2012/13 Estimate	2013/14 Budget
CAPITAL PROJECTS FUND						
REVENUES						
Other Revenue	\$1,202,190	\$727,970	\$271,860	\$89,060	\$415,750	\$432,050
Transfer from General Fund	351,000	317,060	406,350	203,180	406,350	358,150
Total Revenues	1,553,190	1,045,030	678,210	292,240	822,100	790,200
EXPENDITURES						
Capital Equipment	1,286,070	727,090	238,860	182,600	281,180	307,620
Capital Vehicles	208,290	726,870	226,350	28,430	424,950	182,600
Capital Projects	448,470	498,510	532,170	217,700	453,820	344,600
Total Expenditures	1,942,830	1,952,470	997,380	428,730	1,159,950	834,820
Excess of Revenues Over (Under) Expenditures	(389,640)	(907,440)	(319,170)	(136,490)	(337,850)	(44,620)
Beginning Fund Balance	2,503,350	2,113,710	1,206,270	1,206,270	1,206,270	868,420
Ending Fund Balance	\$2,113,710	\$1,206,270	\$887,100	\$1,069,780	\$868,420	\$823,800
ROAD BOND CONSTRUCTION FUND						
REVENUES						
Federal Grants	\$0	\$32,000	\$52,000	\$0	\$70,000	\$0
Other Revenue	3,340	1,480	1,200	400	600	160,200
Transfer From Major Road Fund	0	0	235,110	0	135,110	0
Total Revenues	3,340	33,480	288,310	400	205,710	160,200
EXPENDITURES						
Capital Improvements	242,470	190,710	887,110	170,070	740,000	0
Total Expenditures	242,470	190,710	887,110	170,070	740,000	0
Excess of Revenues Over (Under) Expenditures	(239,130)	(157,230)	(598,800)	(169,670)	(534,290)	160,200
Beginning Fund Balance	996,360	757,230	600,000	600,000	600,000	65,710
Ending Fund Balance	\$757,230	\$600,000	\$1,200	\$430,330	\$65,710	\$225,910

TAXES

The revenue from penalties and interest on delinquent special assessments for City sidewalks is included in Other Revenue. There is no tax revenue budgeted in fiscal year 2013/14.

STATE & LOCAL RETURNS

This source of revenue is primarily comprised of grants from the Federal, State, and/or County levels of government. In fiscal year 2013/14, \$140,410 is budgeted.

OTHER FINANCING SOURCES

Other Financing Sources include all proceeds received from long-term debt as a result of planned Capital Project construction and/or acquisition by the City. Also included in this revenue center are transfers into the Capital Project Funds from other funds.

In the 2013/14 Budget, revenues generated from Other Financing Sources represent 37.68% of total revenue sources, a decrease of \$283,310 below the 2012/13 Budget. This decrease is due to a decrease in the transfer from the General Fund, as less capital items are being purchased. In addition, transfers from the Major Road Fund decreased due to a one-time transfer in the prior year for the City's portion of sectional repair costs on Ryan Road.

OTHER REVENUE

The revenue source of Other Revenue includes revenues that cannot be easily classified in other revenue centers. Included in this revenue center are Interest on Investments, Special Assessment Revenue, Reimbursements, Sale of Fixed Assets, Miscellaneous Revenue, and Interest and Penalties.

In the 2013/14 Budget, Other Revenues represent 47.55% of total revenue sources, an increase of \$226,570 above the 2012/13 Budget. This increase is primarily due to an increase in Reimbursements from the City's Sidewalk Gap and Replacement Programs, as well as the anticipated one-time receipt of revenue from the sale of two City-owned properties. When the properties are sold, the proceeds will then be transferred to the Road Bond

Debt Retirement Fund and will be utilized for scheduled debt payments on road bonds.

EXCESS REVENUE OVER (UNDER) EXPENDITURES

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

In the 2013/14 Budget, revenues exceed expenditures by \$115,580 allowing for a contribution to Fund Balance reserves. This is primarily due to the anticipated one-time proceeds from the sale of two City-owned properties next year.■

**CAPITAL PROJECTS FUNDS
REVENUE SUMMARY BY ACCOUNT**

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
445000	TAXES Penalties & Interest	\$359	0.03	\$0	0.00	\$0	0.00
	Total Taxes	359	0.03	0	0.00	0	0.00
529000	STATE & LOCAL RETURNS Federal Grant - Other	621,712	57.65	99,790	10.32	140,410	14.77
539002	State Grants	18,510	1.72	0	0.00	0	0.00
	Total State & Local Returns	640,222	59.36	99,790	10.32	140,410	14.77
699101	OTHER FINANCING SOURCES Transfer from General Fund	317,060	29.40	406,350	42.04	358,150	37.68
699202	Transfer from Major Road Fund	0	0.00	235,110	24.33	0	0.00
	Total Other Financing Sources	317,060	29.40	641,460	66.37	358,150	37.68
665000	OTHER REVENUE Interest on Investments	6,526	0.61	6,200	0.64	2,400	0.25
665445	Interest & Penalties - Tax Roll	0	0.00	250	0.03	150	0.02
672000	Special Assessment Revenue	30,593	2.84	8,560	0.89	16,480	1.73
672445	SA Delinquent Interest & Penalties	6	0.00	50	0.01	50	0.01
672665	Special Assessment Interest	2,357	0.22	210	0.02	2,760	0.29
673000	Sale of Fixed Assets	0	0.00	0	0.00	160,000	16.84
676000	Reimbursements	60,235	5.59	110,000	11.38	210,000	22.10
677008	Unrealized Gain/Loss	(248)	(0.02)	0	0.00	0	0.00
685015	Miscellaneous Revenue - MCPWC	21,403	1.98	100,000	10.35	60,000	6.31
695000	Insurance Recovery	0	0.00	0	0.00	0	0.00
	Total Other Revenue	120,872	11.21	225,270	23.31	451,840	47.55
	Total Capital Projects Funds	\$1,078,513	100.00	\$966,520	100.00	\$950,400	100.00

Note: The 2011-2012 Actual Column is rounded to the nearest dollar.

CAPITAL PROJECT FUNDS EXPENDITURE SUMMARY BY ACCOUNT

Account Number	Account Name	2011-2012 Actual		2012-2013 Budget		2013-2014 Budget	
		Dollars	%	Dollars	%	Dollars	%
	<u>CAPITAL OUTLAY</u>						
975000	Building & Improvements	\$27,177	1.27	\$0	0.00	\$9,600	1.15
975010	Municipal Building Modernization	7,000	0.33	0	0.00	0	0.00
975020	Library Renovations	3,633	0.17	0	0.00	0	0.00
975140	Miscellaneous DPW Improvements	147,126	6.86	0	0.00	0	0.00
975210	Fire Station Renovations	13,125	0.61	56,350	2.99	0	0.00
979000	Computer Equipment	24,485	1.14	35,000	1.86	79,000	9.46
979100	Financial System - Software	15,967	0.75	0	0.00	0	0.00
979150	Financial System - Hardware	30,961	1.44	31,500	1.67	23,110	2.77
979800	Fire Department - Software	1,860	0.09	0	0.00	0	0.00
981000	Electronic Equipment	406,446	18.96	35,000	1.86	0	0.00
981001	Electronic Equipment - Grant	109,372	5.10	24,020	1.27	0	0.00
982000	Machinery & Equipment	52,761	2.46	84,580	4.49	30,000	3.59
982001	Machinery & Equipment - Grant	73,272	3.42	28,760	1.53	175,510	21.02
982009	Machinery & Equipment - U.D. Grant	761	0.04	0	0.00	0	0.00
983001	Fire Equipment - Grant	11,205	0.52	0	0.00	0	0.00
984315	Vehicles - Police Operations	206,556	9.64	198,350	10.53	153,600	18.40
984339	Vehicles - Fire Extinguishment	520,314	24.28	0	0.00	0	0.00
984444	Vehicles - Street Services	0	0.00	28,000	1.49	29,000	3.47
986000	Major Drain Improvements	56,810	2.65	100,000	5.31	60,000	7.19
988000	Construction	123,665	5.77	50,300	2.67	275,000	32.94
988138	Laurel Meadows Pump Station	61,172	2.85	14,230	0.76	0	0.00
988173	2010 Sidewalk Gap Completion	5,723	0.27	2,550	0.14	0	0.00
988203	2010 Sidewalk Replacement Program	3,520	0.16	0	0.00	0	0.00
988214	2011 Sidewalk Replacement Program	166,068	7.75	0	0.00	0	0.00
988217	2012 Sidewalk Gap Completion	0	0.00	68,730	3.65	0	0.00
988222	Ryan Rd Concrete - Metro to 19 Mile Rd	12,037	0.56	441,960	23.45	0	0.00
988223	19 Mile Resurface - Merrill to Van Dyke	55,150	2.57	194,850	10.34	0	0.00
988225	Brookline Pump Station Repairs	4,689	0.22	95,310	5.06	0	0.00
988228	2012 Concrete Replacement Program	2,321	0.11	0	0.00	0	0.00
988230	2012 Sidewalk Replacement Program	0	0.00	195,000	10.35	0	0.00
988235	17 Mile Rd Bridge Replace Over Conrail	0	0.00	200,000	10.61	0	0.00
	Total Capital Projects Fund	2,143,176	100.00	1,884,490	100.00	834,820	100.00

Note: The 2011-2012 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 2013/14 totals \$834,820. Of the total, \$344,600 is to fund four improvement projects for facilities and/or infrastructure. \$155,000 is included for the City Sidewalk Repair Program, \$120,000 for the Sidewalk Gap Completion Program, \$9,600 for drainage repairs in the City Hall boiler room, and \$60,000 for the ongoing maintenance of storm drains in the City.

Capital equipment and information technology improvements total \$307,620 and are detailed in the General Fund activity in which the capital will be utilized. Capital vehicles total \$182,600 and are detailed in the General Fund activity in which the vehicle will be utilized.

For a complete list of all equipment, vehicles and projects, please refer to the Capital schedules on the following pages.■

***Did you know...
...there are 610 miles of sidewalks in the City?***

Capital Projects Fund

SUMMARY OF BUDGET CHANGES

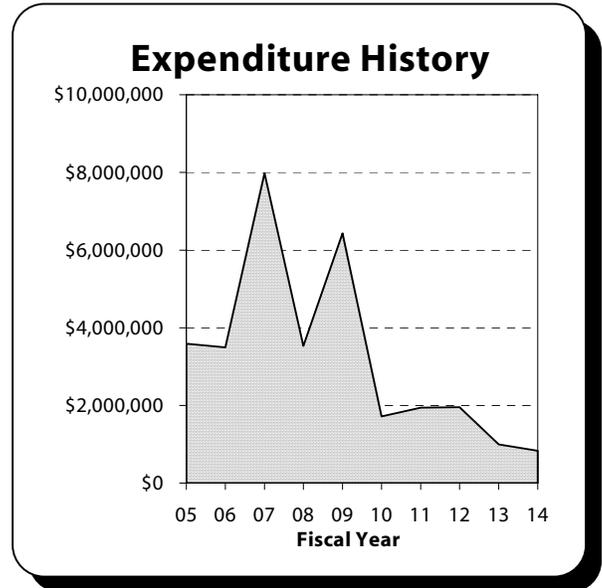
SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

The total budget decreased by 16.3%.

Other Charges – There is no Other Charges budget for this fund.

Capital – Total Capital of \$834,820 is proposed for next fiscal year. \$205,510 is for capital equipment, \$182,600 for capital vehicles, and \$102,110 for the Information Technology Capital Program. *The significant notes for equipment, vehicles, and Information Technology Capital can be found in the General Fund office in which the Capital will be utilized.* In addition, four (4) Capital Projects totaling \$344,600 are proposed. \$155,000 is for the City Sidewalk Repair Program, \$120,000 for the Sidewalk Gap Completion Program, \$9,600 for drainage system repairs in the City Hall boiler room, and \$60,000 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 budgeted.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Other Charges	\$0	\$0	\$0	\$0	\$0
Capital Outlay	1,952,464	997,380	1,159,950	834,820	834,820
Transfers Out	0	0	0	0	0
Total	\$1,952,464	\$997,380	\$1,159,950	\$834,820	\$834,820

The Road Bond Construction Fund is a Capital Projects Fund that was established in compliance with Government Accounting Standards Board (GASB) No. 6. Proceeds from the Long-Term Debt account are the most significant revenue source for this Fund.

The Road Bond Construction Fund is used to account for transactions relating to road construction costs, paving, or storm drain activities financed by special assessments or long-term bonds. Other transactions, which are accounted for in this Fund, are associated road construction costs such as engineering costs, legal fees, advertising costs for bids, and rights-of-way acquisition costs.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects as described below.

The Road Bond Construction Fund is a self-balancing group of accounts used for recording bond proceeds received from the sale of bonds. The offsetting expenditures are for the construction of capital projects as described below.

Proposal R, Michigan Transportation Fund, Build America Bonds, and Special Assessment Bonds are sold to finance the cost of the road construction projects within this Fund.

In fiscal year 2013/14, there are no capital projects budgeted for this fund. \$200,000 was funded in the prior year for the preliminary engineering costs for the reconstruction of the 17 Mile Road Bridge over the Conrail tracks. This project was funded with proceeds from a prior year bond sale, while the remaining \$1.4 million City share of the construction cost is funded in the Major Road Fund next year. In 2012/13,

unspent funding was also reappropriated for several road projects that were approved and budgeted in the prior fiscal year.

Additional information regarding the projects undertaken in the Road Bond Construction Fund can be found in the Capital Projects section of this document. ■

Did you know...

... the City will receive \$1 million in federal aid dollars in 2013 to be spent on resurfacing 19 Mile Road from Van Dyke to Merrill Road, and concrete repairs on Ryan Road from Metroparkway to 18 ½ Mile Road?

Road Bond Construction Fund

SUMMARY OF BUDGET CHANGES

SIGNIFICANT NOTES – 2013/14 BUDGET COMPARED TO PRIOR YEAR BUDGET

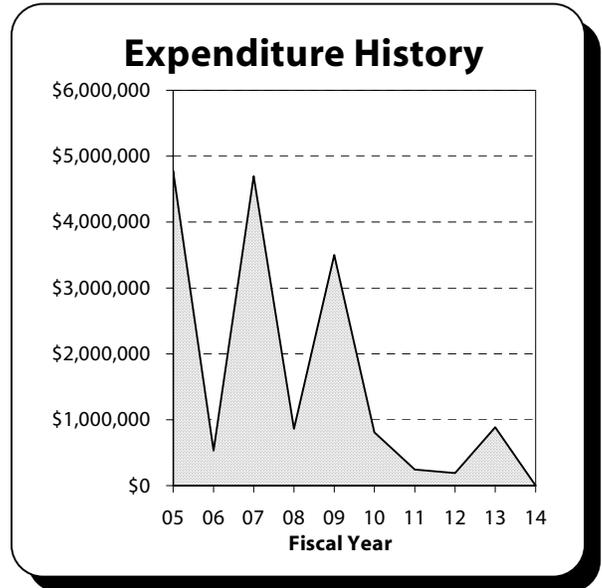
The total budget decreased by 100%.

Supplies – There is no Supplies budget for this fund.

Other Charges – There is no Other Charges budget for this fund.

Capital – There is no Capital budget for this fund 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, Act 51 gas tax revenues, and federal grant funds. In the prior fiscal year, \$200,000 was budgeted for the preliminary engineering costs for the reconstruction of the 17 Mile Road Bridge over the Conrail tracks. This project was funded with proceeds from a prior year bond sale. The remaining \$1.4 million City share of the construction cost for this project is funded in the Major Road Fund next year. In 2012/13, unspent funding was also reappropriated for several road projects that were approved and budgeted in the prior fiscal year.

Transfers Out – There are no Transfers Out proposed for this fund.



FUNDING LEVEL SUMMARY

	2011/12 Actual	2012/13 Budget	2012/13 Estimate	2013/14 Proposed	2013/14 Approved
Supplies	\$0	\$0	\$0	\$0	\$0
Capital Outlay	190,711	887,110	740,000	0	0
Transfers Out	0	0	0	0	0
Total	\$190,711	\$887,110	\$740,000	\$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-five (45) years after its incorporation, the City has matured into a community serving approximately 130,500 residents. Coupled with the City’s rapid growth has been a desire to provide top quality city services with an emphasis on roads, beautiful parks and safe neighborhoods.

Along with the desire to provide for quality service is the realization that needs always exceed resources. In order to ensure that all facets of a Capital Improvements Program were addressed, City Council in 1987 approved the creation of a Citizen’s Executive Committee to consider and prioritize hundreds of proposed projects to be undertaken over the next ten (10) years. The results of this effort by the Executive Committee have been used in concert with updated information to provide the backbone for the Municipal Improvement Program (MIP), a five-year capital planning program.

The development of this program document marks the continuation of a capital improvement planning process for the City. The need for establishing a multi-year municipal improvement program and a planning process became increasingly evident as the City continued to grow into the new millennium. The goal in developing a municipal improvement program is to plan for and guide needed capital improvements and expenditures in a fiscally sound manner and to ensure that these improvements are consistent with the goals and policies of the City Council and the residents of Sterling Heights.

The multi-year Municipal Improvement Program alternatives and financing options are not intended to preclude other combinations or initiatives, but rather may provide a framework within which beneficial solutions may be forged.

The development of a comprehensive MIP is a vital and essential tool for planning and development of the social, physical, and economic well being of the City of Sterling Heights. This program is a necessary step in an organized effort to strengthen the quality of public facilities and services and will provide a framework for the realization of community goals and objectives and a sound basis on which to build a healthy and vibrant community.

The Municipal Improvement Program relies heavily upon the established groundwork already set in motion. Master Plans specific to unique areas have completed the preliminary stages necessary for a municipal improvement program to be successful. An introduction and brief overview to these master plans will establish a foundation upon which the Municipal Improvement Program will expound.

The complexity of each master plan demands thorough investigation for precise answers to specific questions. Information has been extracted from all of the original master plans and compiled into one document for enhanced readability. The improvements are justified when reviewed in concert with the specific master plans of the City.

The continuous relationship exists between the Municipal Improvement Program and the Budget Document. As mentioned above, the MIP entails a five (5) year overview of capital needs of the City. 2012/13 is the first year of the MIP. The second year (2013/14) 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 2013/14, the City’s total capital funding is \$10,208,900. Of the total, \$9,494,100 is budgeted for improvements, \$401,090 is for equipment, \$211,600 is for vehicles, and \$102,110 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 2013/14 is \$344,600.

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 2013/14, there is no capital budgeted, as there are no projects anticipated to be financed by special assessments or bonds.

Gas & Weight tax revenue received in the Major Road Fund is used for construction, maintenance and other operations pertaining to all streets classified as "major" within the City. These revenues are generated by the tax on gasoline & vehicle sales. Funds are distributed to each community based on population, miles, and classification of road types and are commonly referred to as Act 51 Funds. Major Road Fund street improvements totaling \$2,644,000 are budgeted for fiscal year 2013/14.

Transportation projects scheduled in 2013/14 are categorized as County road improvements, resurfacing projects, traffic controls & intersection improvements, bridge reconstruction, and streetscape design.

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 \$1,000,000 are budgeted for fiscal year 2013/14.

The General Drain Fund services debt that was created by the sale of bonds by Macomb County under Chapter 20. The proceeds from these bond sales are realized in the Capital Projects Fund and are used to construct drains within the City. In 2013/14, there are no new drains programmed to be constructed with bond sale proceeds.

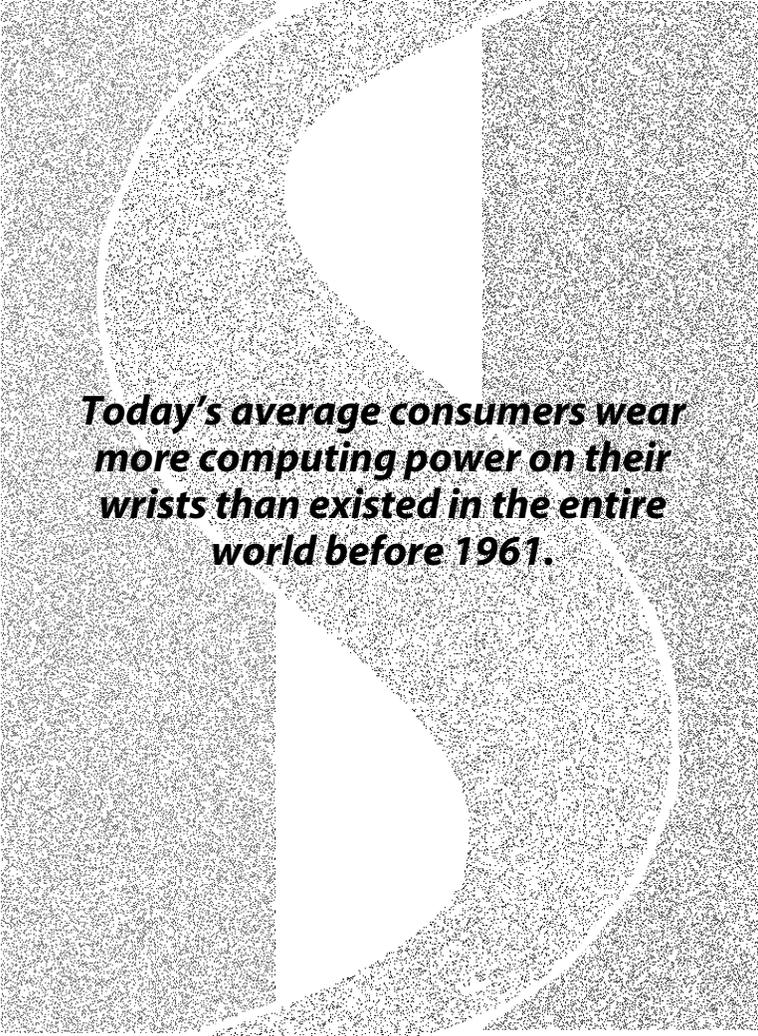
The Community Development Block Grant Fund has been used in constructive ways in prior years for the development of the community. In fiscal year 2013/14, \$669,000 is budgeted for concrete replacement on Tyler Drive, Sanford Drive, Indigo

Drive, and West Elmcrest; and Beaver Creek Park improvements.

The Neighborhood Stabilization Fund is used to account for grant-funded acquisition and redevelopment of foreclosed properties. In 2013/14, there is no capital budgeted for this fund, as the final costs of the Utica Road and Van Dyke park development project were paid in the prior fiscal year, and the project is now complete.

The Land & Water Conservation Fund is used to reflect all activities related to the acquisition and development of parks. These activities are mostly financed through Land & Water Conservation and Michigan Land Trust Fund grants and the sale of excess City property. The grants have been provided to the City on a matching basis with the General Fund typically providing the match. This year, \$4,000 is budgeted for playground equipment repairs at Ben Hadley Park and will be funded with a portion of the funding from the prior sale of City-owned properties.

The primary funding sources for Water & Sewer Fund improvements and replacement projects are fees charged for connections into the existing system and funding from special assessments. Sanitary sewer projects totaling \$1,038,000 and water main expenditures of \$3,384,500 are programmed. \$10,000 is budgeted for the Fire Hydrant Replacement Program. \$400,000 is budgeted for contract costs to integrate the water and sewer main utilities into the Geographic Information System. ■



Today's average consumers wear more computing power on their wrists than existed in the entire world before 1961.

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2012/13	Qty.	Proposed Budget 2013/14	Qty.	Approved Budget 2013/14
<i>Community Services Department</i>								
<i>Parks & Recreation</i>								
Playground Wear Mats	982	Machinery & Equipment	24	4,000				
Total			24	4,000				
<i>Police Department</i>								
<i>Police Operations</i>								
Firearms Training System - Grant	981001	Electronic Equip. - Grant	1	24,020				
Special Response Team (SRT) Equipment - Grant	982001	Machinery & Equip. - Grant	1	15,500				
Mobile Field Force Equipment - Grant	982001	Machinery & Equip. - Grant	1	4,990				
SRT Training Equipment - Grant	982001	Machinery & Equip. - Grant	1	6,510				
Total			4	51,020				
<i>Emergency Management</i>								
Emergency Sirens - Digital Upgrade - Grant	982001	Machinery & Equip. - Grant	1	1,760				
Total			1	1,760				
<i>Fire Department</i>								
<i>Fire Extinguishment</i>								
Positive Pressure Ventilation Fan	982	Machinery & Equipment	2	3,730				
Thermal Image Camera	982	Machinery & Equipment	2	13,000				
Electronic Monitor/Defibrillator - Grant	982001	Machinery & Equip. - Grant			5	175,510	5	175,510
Total			4	16,730	5	175,510	5	175,510
<i>Public Works Department</i>								
<i>Fleet Maintenance</i>								
Automobile Diagnostic Computer System	982	Machinery & Equipment	1	2,350				
Total			1	2,350				
<i>Parks & Grounds Maintenance</i>								
Athletic Field Grass Seed Machine	982	Machinery & Equipment	1	9,000				
Total			1	9,000				
<i>Street Services</i>								
Hydraulic Salt Brine Dispensing System	982	Machinery & Equipment	2	12,500				
Backhoe Loader	982	Machinery & Equipment	1	40,000				
Asphalt Hot Box	982	Machinery & Equipment			1	30,000	1	30,000
Total			3	52,500	1	30,000	1	30,000

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2012/13	Qty.	Proposed Budget 2013/14	Qty.	Approved Budget 2013/14
<i>Non-Departmental Services</i>								
<i>41-A District Court</i>								
Digital Recording Equipment	981	Electronic Equipment	4	35,000				
Total			4	35,000				
Total Capital Projects Fund Equipment								
			42	172,360	6	205,510	6	205,510
<i>Water & Sewer Fund</i>								
<i>Water Distribution</i>								
Vibration Roller Attachment - Water Main Repair	982	Machinery & Equipment	1	8,000				
Residential Meter Reading System	982	Machinery & Equipment			1	40,000	1	40,000
Total			1	8,000	1	40,000	1	40,000
<i>Sewage Collection</i>								
Submersible Lift Station Pump	982	Machinery & Equipment	1	5,000				
Sewer Inspection Camera System	982	Machinery & Equipment	1	130,000				
Target Arrow	982	Machinery & Equipment	1	6,000				
Replacement Retention Pond Pump	982	Machinery & Equipment			1	6,500	1	6,500
Total			3	141,000	1	6,500	1	6,500
Total Water & Sewer Fund Equipment								
			4	149,000	2	46,500	2	46,500
<i>Public Safety Forfeiture Fund</i>								
<i>Federal Forfeitures</i>								
Digital Forensic System	981	Electronic Equipment	1	4,450				
Firearms Training System	981	Electronic Equipment	1	2,810				
Computer Server - In Car Cameras	979	Computer Equipment	1	60,000				
Police Vehicle In Car Cameras	981	Electronic Equipment	10	46,500	8	37,200	8	37,200
Police Vehicle Mounts, Lightbars, Push Bumpers	982	Machinery & Equipment	10	24,000				
Police Online Resident Reporting System/Lobby PC	979	Computer Equipment			1	46,580	1	46,580
Personal Computer/Wireless Router	979	Computer Equipment			23	21,000	23	21,000
Electronic Device Extraction Upgrade	981	Electronic Equipment			1	4,100	1	4,100
Total			23	137,760	33	108,880	33	108,880
<i>Treasury Forfeitures</i>								
Firearms Training System	981	Electronic Equipment	1	23,980				
Total			1	23,980				

CAPITAL EQUIPMENT

Activity Name	Account	Account Name	Qty.	Budget 2012/13	Qty.	Proposed Budget 2013/14	Qty.	Approved Budget 2013/14
OWI Forfeitures								
Police Vehicle Mounts, Lightbars, Push Bumpers	982	Machinery & Equipment			8	20,000	8	20,000
Total					8	20,000	8	20,000
State Forfeitures								
Investigative Vehicle	984	Vehicles	1	24,000				
Full-Size SUV Tahoe - K-9 (net of insurance)	984	Vehicles	1	14,530				
Full-Size SUV Tahoe - Evidence Technician	984	Vehicles	1	26,890				
Storage Lockers - SRT	982	Machinery & Equipment			1	20,200	1	20,200
Total			3	65,420	1	20,200	1	20,200
Total Public Safety Forfeiture Fund Equipment								
			27	227,160	42	149,080	42	149,080
Total City Equipment								
			73	\$ 548,520	50	\$ 401,090	50	\$ 401,090

INFORMATION TECHNOLOGY CAPITAL PROGRAM

Activity Name	Account	Account Name	Qty.	Item Description	Budget 2012/13	Estimated Budget 2012/13	Proposed Budget 2013/14	Approved Budget 2013/14
<u>CAPITAL PROJECTS FUND</u>								
<u>Information Technology</u>								
Information Technology	979.000	Computer Equipment	1	Replacement Storage Server	35,000	34,950		
Human Resources	979.150	Computer Equipment	1	Replacement Personal Computer	900	830		
City Clerk	979.150	Computer Equipment	5	Replacement Personal Computer	4,500	4,170		
Facilities Maintenance	979.150	Computer Equipment	2	Replacement Personal Computer	1,800	830		
Assessing	979.150	Computer Equipment	7	Replacement Personal Computer	6,300	5,840		
Engineering	979.150	Computer Equipment	6	Replacement Personal Computer	5,400	5,010		
Public Library	979.150	Computer Equipment	2	Replacement Personal Computer	1,800	830		
Public Works	979.150	Computer Equipment	12	Replacement Personal Computer	10,800	10,020		
Facilities Maintenance	979.150	Computer Equipment	1	Replacement Council Chambers Projector	0	3,000		
Library	979.150	Computer Equipment	1	Replacement Network Switch	0	1,100		
Community Relations/Info. Technology	979.000	Computer Equipment	1	City Website Redesign/Data Transfer			60,000	60,000
Fire Administration	979.000	Computer Equipment	12	In Company Inspection Tablets			19,000	19,000
Parks & Recreation	979.150	Computer Equipment	7	Replacement Personal Computer			6,130	6,130
Nature Center	979.150	Computer Equipment	3	Replacement Personal Computer			2,630	2,630
Senior Center	979.150	Computer Equipment	12	Replacement Personal Computer			10,500	10,500
City Council	979.150	Computer Equipment	7	Computer Tablet/Printer			3,850	3,850
Total Capital Projects Fund			80		66,500	66,580	102,110	102,110
<u>WATER & SEWER FUND</u>								
<u>Water & Sewer Administration</u>								
Public Works	979.000	Computer Equipment	31	VOIP Telephone Headsets - DPW	2,730	2,730		
Public Works	979.000	Computer Equipment	12	Replacement Personal Computers	10,800	10,020		
Total Water & Sewer Fund			43		13,530	12,750		
Total City Information Technology			123		\$ 80,030	\$ 79,330	\$ 102,110	\$ 102,110

CAPITAL VEHICLES

Vehicle Description	Account No.	Responsible Activity	Qty.	Budget 2012/13	Qty.	Proposed Budget 2013/14	Qty.	Approved Budget 2013/14
<u>CAPITAL PROJECTS FUND</u>								
<u>Motor Vehicles & Equipment - 9010</u>								
Full-Size V8 4-Door Patrol & Traffic Vehicle	984315	Police Operations	7	171,460	6	153,600	6	153,600
Full-Size SUV Tahoe - Traffic/Motor Carrier	984315	Police Operations	1	26,890				
3/4 Ton 4 x 4 Pickup Truck with Plow	984444	Street Services	1	28,000	1	29,000	1	29,000
Total Capital Projects Fund Vehicles			9	226,350	7	182,600	7	182,600
<u>WATER & SEWER FUND</u>								
<u>Sewage Collection - 5580</u>								
Vactor Jet Combination Sewer Cleaner	984000	Sewage Collection	1	383,800				
3/4 Ton 4 x 4 Pickup Truck with Plow	984000	Sewage Collection			1	29,000	1	29,000
Total Water & Sewer Fund Vehicles			1	383,800	1	29,000	1	29,000
Total City Vehicles			10	\$ 610,150	8	\$ 211,600	8	\$ 211,600

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2013/14	Approved Budget 2013/14	Proposed Method of Financing	Estimated Prior Yr. 2011/12	Estimated Current Yr. 2012/13	Budget Year 2013/14	Future Years		
			Budget 2012/13	Estimate 2012/13							2014/15	2015/16	2016/17
	CAPITAL PROJECTS FUND												
975000	Drainage Repairs - City Hall Boiler Room	9,600 CPF			9,600	9,600	GF	500	500	500	0	0	0
975210	Fire Station Renovations - Fire Stations #2, #3, #4 (Prop. F-08)	5,000,000 CPF	56,350	25,000			GF/Prop F	400,000	425,000	450,000	450,000	450,000	460,000
986000	County Drain Maintenance	120,000 CPF	100,000	60,000	60,000	60,000	GF	0	0	0	0	0	0
988138	Pump Station Repairs - Laurel Meadows	75,400 CPF	14,230	14,230			GF	500	0	0	0	0	0
988225	Pump Station Repairs - Brookline	100,000 CPF	95,310	95,310			GF	500	500	0	0	0	0
988173	Sidewalk Gap Completion Program 2010: Gap Program & ROW (includes CIA)	191,280 SAD (CPF)	2,550	16,000			GF	0	0	0	0	0	0
988217	2012: Gap Program	CPF SAD (CPF)	16,730 52,000	20,000 63,000			GF	0	0	0	0	0	0
988000	2013: Gap Program	CPF SAD (CPF)			20,000 100,000	20,000 100,000	GF	0	0	0	0	0	0
988230	Miscellaneous City Sidewalk Repair Program 2012-13: Sections 4, 9	315,280 CPF SAD (CPF)	85,000 110,000	47,880 112,400			GF	4,000	4,000	0	0	0	0
988000	2013-14: Sections 14, 24	CPF SAD (CPF)			45,000 110,000	45,000 110,000	GF	4,000	4,000	4,000	0	0	0
	Total Capital Projects Fund	\$5,811,560	\$532,170	\$453,820	\$344,600	\$344,600		\$409,500	\$434,000	\$454,500	\$450,000	\$450,000	\$460,000
	ROAD BOND CONSTRUCTION FUND												
988000	Concrete Sectional Pavement Repairs - Metroparkway - Dequindre to Mound Road (MTFB-10)	26,550 RBCF	26,550	5,000			MRF	15,000	20,000	20,000	20,000	20,000	20,000
988000	Asphalt Resurfacing - Metroparkway - Mound to Conrail (MTFB-10)	117,000 RBCF	23,750	5,000			MRF	20,000	20,000	20,000	20,000	20,000	20,000
988222	Sectional Concrete & Asphalt Repairs - Ryan Road - Metroparkway to 18 1/2 Mile Road (MTFB-10)	340,000 RBCF GRANT	409,960 32,000	308,000 32,000			MRF	15,000	15,000	40,000	40,000	40,000	40,000
988223	19 Mile Road Resurfacing - Van Dyke to Merrill Road (MTFB-10)	190,000 RBCF GRANT	174,850 20,000	170,000 20,000			MRF	20,000	20,000	20,000	20,000	20,000	20,000
988235	17 Mile Road Bridge Over Conrail Reconstruction - Engineering (MTFB-10)	200,000 RBCF	200,000	200,000			MRF	0	0	0	0	0	0
	Total Road Bond Construction Fund	\$873,550	\$887,110	\$740,000				\$70,000	\$75,000	\$100,000	\$100,000	\$100,000	\$100,000

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2013/14	Approved Budget 2013/14	Proposed Method of Financing	Estimated Prior Yr. 2011/12	Estimated Current Yr. 2012/13	Budget Year 2013/14	Future Years		
			Budget 2012/13	Estimate 2012/13							2014/15	2015/16	2016/17
988000	MAJOR ROAD FUND STATE/COUNTY ROADS												
	Traffic Signals	57,000											
	a) Miscellaneous Locations	MRF	50,000	0	25,000	25,000	MRF	500	500	500	500	500	500
	b) Van Dyke & BAE Drive		13,750	13,750									
	c) Clinton River Road at Hayes Road		6,250	6,250									
	d) Mound Road at 15 & 17 Mile Roads e) Metroparkway at Dodge Park Road & Ryan Road		12,000 0	12,000 7,000									
988000	Noise Abatement Wall - M53 Highway - 18 1/2 Mile to Utica Road	64,300 MRF	25,670	25,670			MRF	0	0	0	0	0	0
988000	Bridge Deck Repairs - 14 Mile Bridge over Big Beaver Creek	38,110 MRF	6,810	6,810			MRF	0	0	0	0	0	0
988000	Utica Road Approaches to Van Dyke; Van Dyke at Riverland - Resurfacing	68,500 MRF	50,000	68,500			MRF	1,000	500	0	0	0	0
988000	Mound Road Sectional Repairs - 18 Mile to M-59	50,000 MRF	50,000	50,000			MRF	0	0	0	0	0	0
988000	Van Dyke Streetscape Design - 15 Mile to 18 Mile Road	2,500,000 MRF	0	10,000	200,000	200,000	MRF	0	0	0	175,000	175,000	175,000
988700	Dequindre Road - 18 Mile Road to M59 Prelim. Engineering & ROW	61,500 MRF	61,500	61,500			MRF	0	0	0	0	0	0
Total State/County Roads		\$2,839,410	\$275,980	\$261,480	\$225,000	\$225,000		\$1,500	\$1,000	\$500	\$175,500	\$175,500	\$175,500
988201	CITY ROADS 15 Mile & Schoenherr Intersection Improvements - Installation of Right-Turn Lanes	274,760 MRF	130,160	15,000			MRF	2,000	2,000	2,000	2,000	2,000	2,000
988228	City-wide Misc. Sectional Concrete Replacement/Asphalt Resurfacing Program 2012: 17 Mile West of Conrail Bridge; Saal Road - 19 Mile Road to North of Stadler	580,000 MRF	290,000	290,000			MRF	5,000	2,500	0	0	0	0
988000	2013: Ryan Road - 14 Mile to 15 Mile Road; Merrill Road - 19 Mile to M59	MRF			290,000	290,000	MRF	5,000	5,000	2,500	0	0	0
988234	Delco Blvd. Resurfacing - M59 to Canal Rd.	190,000 MRF GRANT	140,000 50,000	140,000 50,000			MRF	5,000	2,500	0	0	0	0
988253	17 Mile Road Bridge Over Conrail Reconstruction	1,400,000 MRF			1,400,000	1,400,000	MRF	10,000	10,000	5,000	0	0	0
988000	15 Mile Road Right Turn Lanes - Dodge Park and Maple Lane	308,000 MRF GRANT			84,000 224,000	84,000 224,000	MRF	0	0	2,500	2,500	2,500	2,500

CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2013/14	Approved Budget 2013/14	Proposed Method of Financing	Estimated Prior Yr. 2011/12	Estimated Current Yr. 2012/13	Budget Year 2013/14	Future Years		
			Budget 2012/13	Estimate 2012/13							2014/15	2015/16	2016/17
988000	Amsterdam Drive - Resurfacing	396,000 MRF				396,000	MRF	5,000	5,000	2,500	0	0	0
988000	TRAFFIC CONTROLS	85,000 MRF											
	a) Miscellaneous Locations		50,000	0	25,000	25,000	MRF	500	500	500	500	500	500
	b) LED Lighting City-wide Bulb Replacement Energy Savings Project		60,000	60,000			MRF	0	0	(10,000)	(10,000)	(10,000)	(10,000)
	Total City Major Road	\$3,233,760	\$720,160	\$555,000	\$2,023,000	\$2,419,000		\$32,500	\$27,500	\$5,000	(\$5,000)	(\$5,000)	(\$5,000)
	Total Major Road Fund	\$6,073,170	\$996,140	\$816,480	\$2,248,000	\$2,644,000		\$34,000	\$28,500	\$5,500	\$170,500	\$170,500	\$170,500
	LOCAL ROAD FUND												
988000	Wheaton, Gainsley, and Fortner Drives - Asphalt Resurfacing	756,000 LRF				756,000	LRF	10,000	10,000	5,000	0	0	0
988231	Section Asphalt Repairs - Gainsley Drive - Lori to 19 Mile Road	149,340 LRF	149,340	149,340			LRF	5,000	0	0	0	0	0
988218	Misc. City-wide Concrete Replacement/	789,490 LRF	25,490	25,490									
988228	Asphalt Resurfacing Program	LRF	500,000	520,000	500,000	244,000	LRF	0	0	0	0	0	0
988232	Gardner Street West - Paving	284,000 LRF SAD	53,000 231,000	53,000 231,000			LRF	2,000	2,000	1,000	1,000	1,000	1,000
	Total Local Road Fund	\$1,978,830	\$958,830	\$978,830	\$500,000	\$1,000,000		\$17,000	\$12,000	\$6,000	\$1,000	\$1,000	\$1,000
	COMMUNITY DEVELOPMENT BLOCK GRANT FUND												
972000	Beaver Creek Park - Concrete Replacement, Ball Field Renovation, Walking Path, & Play Area Improvements	173,000 CDBG	0	86,500	86,500	86,500	GF	1,000	1,000	500	500	500	500
988000	Tyler Drive & Sanford Drive - Sectional Concrete Replacement	315,220 CDBG	315,220	100,000	215,220	215,220	LRF	5,000	0	0	0	0	0
988202	SMART Bus Stop Improvements	4,210 CDBG	4,210	4,210			GF	0	0	0	0	0	0
988213	Baumgartner Park - Restroom Facility Improvements	23,130 CDBG	23,130	23,130			GF	500	500	500	500	500	500
988000	Indigo Drive & West Elmcrest - Concrete Replacement	367,280 CDBG			367,280	367,280	LRF	5,000	5,000	0	0	0	0
	Total C.D.B.G. Fund	\$882,840	\$342,560	\$213,840	\$669,000	\$669,000	\$0	\$11,500	\$6,500	\$1,000	\$1,000	\$1,000	\$1,000
	NEIGHBORHOOD STABILIZATION FUND												
988206	Utica Road & Van Dyke Park Project	254,000 NSP	250,340	254,000			GF	0	0	0	0	0	0
	Total Neighborhood Stab. Fund	\$254,000	\$250,340	\$254,000				\$0	\$0	\$0	\$0	\$0	\$0

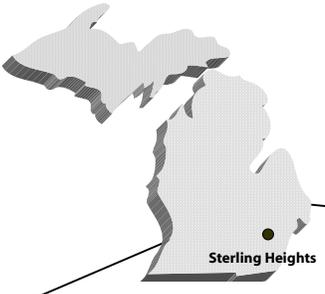
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)						
		Total Cost/ Funding Source			Proposed Budget 2013/14	Approved Budget 2013/14	Proposed Method of Financing	Estimated Prior Yr. 2011/12	Estimated Current Yr. 2012/13	Budget Year 2013/14	Future Years		
			Budget 2012/13	Estimate 2012/13							2014/15	2015/16	2016/17
	LAND & WATER CONSERVATION FUND LAND DEVELOPMENT												
972000	Parking Lot Repairs - Miscellaneous City Parks	10,000 LAND SALE	10,000	10,000			GF	0	0	0	0	0	0
972000	Park Maintenance Projects Hampton Park: Repaving Basketball, Tennis, Magic Square Courts; Replacement Basketball Poles & Fencing Imus Park: Repaving Magic Square and Park Entrance Drive Repairs Delia Park: Repair Curb at Park Entrance	60,000 LAND SALE	60,000	60,000			GF	2,000	2,000	0	0	0	0
972008	Playground Equipment Repairs - Ben Hadley Park	4,000 LAND SALE			4,000	4,000	GF	0	0	0	0	0	0
972333	Ballfield Lightpole and Light Fixture Fitting Repairs, Bulb Replacement - Delia Park	100,000 LAND SALE	100,000	0			GF	0	0	(1,000)	(1,000)	(1,000)	(1,000)
972334	Tennis Court Reconstruction - Magnolia Park	25,000 LAND SALE	25,000	25,000			GF	500	0	0	0	0	0
972334	Bike/Hike Path Repairs - Dodge Park	8,590 LAND SALE	8,560	8,590			GF	500	0	0	0	0	0
972795	Livery Improvements, Debris Removal, & Signage - North Clinton River Park	5,000 DONATION	5,000	5,000			GF	0	0	500	500	500	500
975000	Recreation Center Kitchen Heating/ Cooling Unit Replacement	15,000 LAND SALE	15,000	15,000			GF	500	(500)	(500)	(500)	(500)	(500)
	Total Land & Water Conserv. Fund	\$227,590	\$223,560	\$123,590	\$4,000	\$4,000		\$3,500	\$1,500	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)

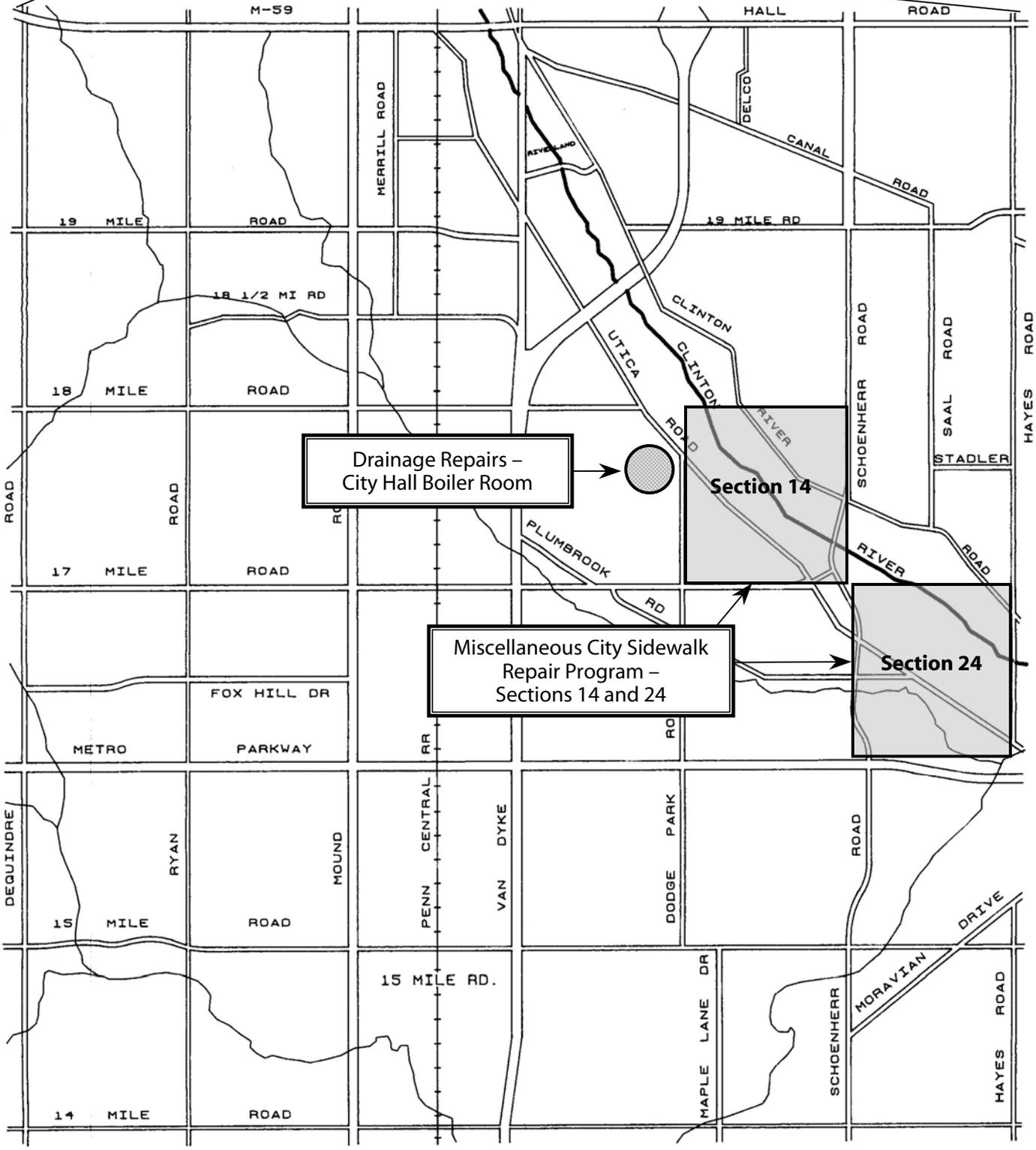
CAPITAL IMPROVEMENTS

Account	Project Description	CAPITAL OUTLAY EXPENDITURES					Estimated Annual Operating Costs (Including Debt Repayment)							
		Total Cost/ Funding Source			Proposed Program 2013/14	Approved Program 2013/14	Proposed Method of Financing	Estimated Prior Yr. 2011/12	Estimated Current Yr. 2012/13	Program Year 2013/14	Future Years			
			Program 2012/13	Estimate 2012/13							2014/15	2015/16	2016/17	
	WATER & SEWER IMPROVEMENT FUND													
	SANITARY SEWERS													
	Moravian Road, South Side	309,000												
	Hayes to East of 15 Mile Road	W&S	309,000	0	309,000	309,000	W&S	0	500	500	500	500	500	500
	Hayes Road -	156,000												
	Moravian Road to Bartola Subdivision	W&S	156,000	0	156,000	156,000	W&S	0	300	300	300	300	300	300
	Utica Road - Plumbrook to Puritan, East Side (including ROW)	190,000												
		W&S	226,600	190,000			W&S	400	400	400	400	400	400	400
	Clinton River Road - South of Canal & Clinton River Road - Kidley to Essen	325,000												
		W&S	325,000	0	325,000	325,000	W&S	0	500	500	500	500	500	500
	Saal Road - North of Longview	58,000												
		W&S	58,000	0	58,000	58,000	W&S	0	200	200	200	200	200	200
	Sectional Sanitary Sewer Repairs - Gainsley Drive	422,080												
		W&S	422,080	422,080			W&S	500	500	500	500	500	500	500
	Sewer Infiltration Program - 19 Mile Road - East of Clinton River Road	190,000												
		W&S	190,000	0	190,000	190,000	W&S	0	400	400	400	400	400	400
	Total Sanitary Sewer	\$1,650,080	\$1,686,680	\$612,080	\$1,038,000	\$1,038,000		\$900	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800
	WATER MAINS													
	Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad	900,000												
		W&S	900,000	0	900,000	900,000	W&S	0	600	600	600	600	600	600
	Dequindre & 14 Mile Road - Sections 30 & 31	2,384,500												
		W&S	2,384,500	0	2,384,500	2,384,500	W&S	0	2,000	2,000	2,000	2,000	2,000	2,000
	Mound Road - 17 Mile to 18 1/2 Mile Road	1,817,000												
		W&S	1,817,000	1,817,000			W&S	2,000	2,000	2,000	2,000	2,000	2,000	2,000
	15 Mile Road - South Side, at Davison Street	60,000												
		W&S	60,000	0	60,000	60,000	W&S	0	100	100	100	100	100	100
	2013 Water Reliability Study	40,000												
		W&S	40,000	0	40,000	40,000	W&S	0	0	0	0	0	0	0
	Total Water Mains	5,201,500	\$5,201,500	\$1,817,000	\$3,384,500	\$3,384,500		\$2,000	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700	\$4,700
	WATER & SEWER REPLACEMENT MAINS/OTHER													
	Fire Hydrant Replacement/Gatewell Valve Maintenance Program	20,000												
		W&S	10,000	10,000	10,000	10,000	W&S	300	300	300	300	300	300	300
	GIS System Integration - Water & Sewer Main Utilities	400,000												
		W&S			400,000	400,000	W&S	0	0	1,000	1,000	1,000	1,000	1,000
	Total Replacement Items	\$420,000	\$10,000	\$10,000	\$410,000	\$410,000		\$300	\$300	\$1,300	\$1,300	\$1,300	\$1,300	\$1,300
	Total Water & Sewer Fund	\$7,271,580	\$6,898,180	\$2,439,080	\$4,832,500	\$4,832,500		\$3,200	\$7,800	\$8,800	\$8,800	\$8,800	\$8,800	\$8,800
	Total City Capital Improvements	\$23,373,120	\$11,088,890	\$6,019,640	\$8,598,100	\$9,494,100		\$548,700	\$565,300	\$574,800	\$730,300	\$730,300	\$740,300	\$740,300

2013/14 MUNICIPAL FACILITIES



City Sidewalk
Gap Completion Program



Drainage Repairs -
City Hall Boiler Room

Section 14

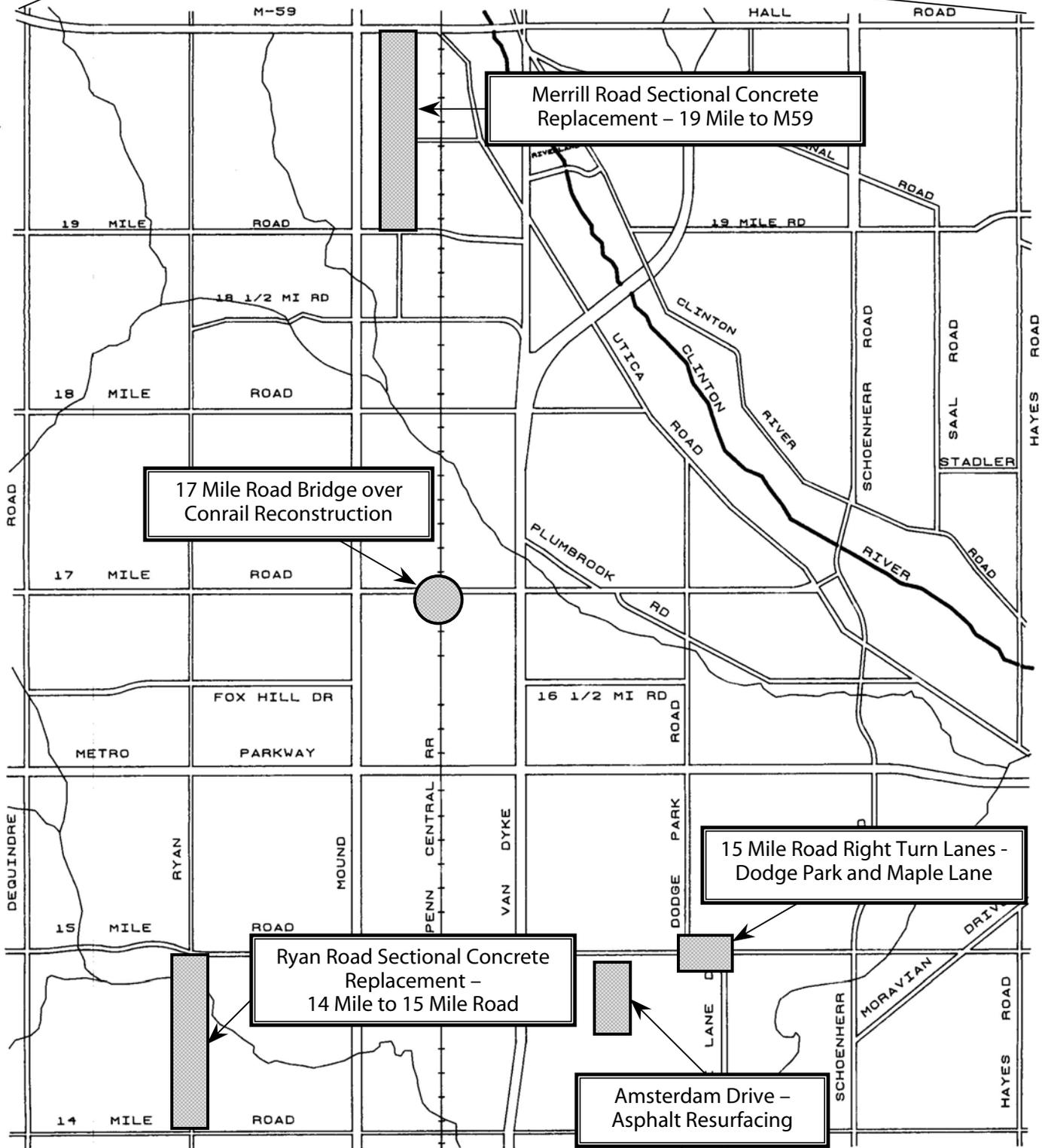
Miscellaneous City Sidewalk
Repair Program -
Sections 14 and 24

Section 24

2013/14 MAJOR ROADS



Miscellaneous Traffic Signals

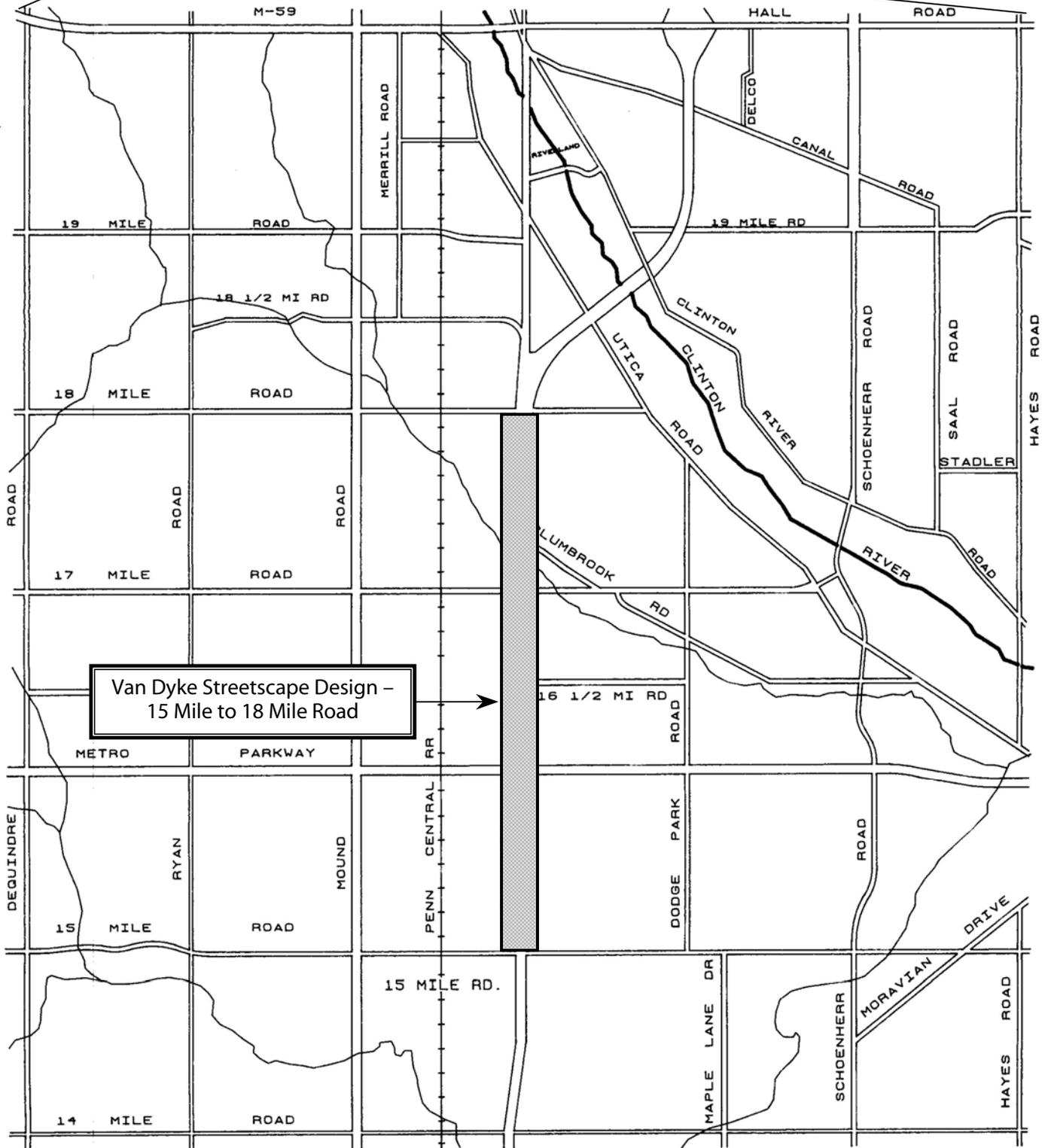


2013/14 COUNTY & STATE ROAD PLANS

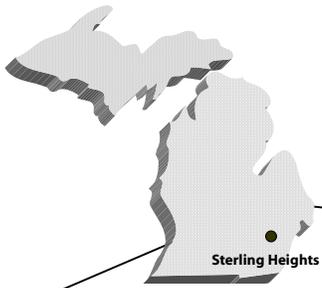


Sterling Heights

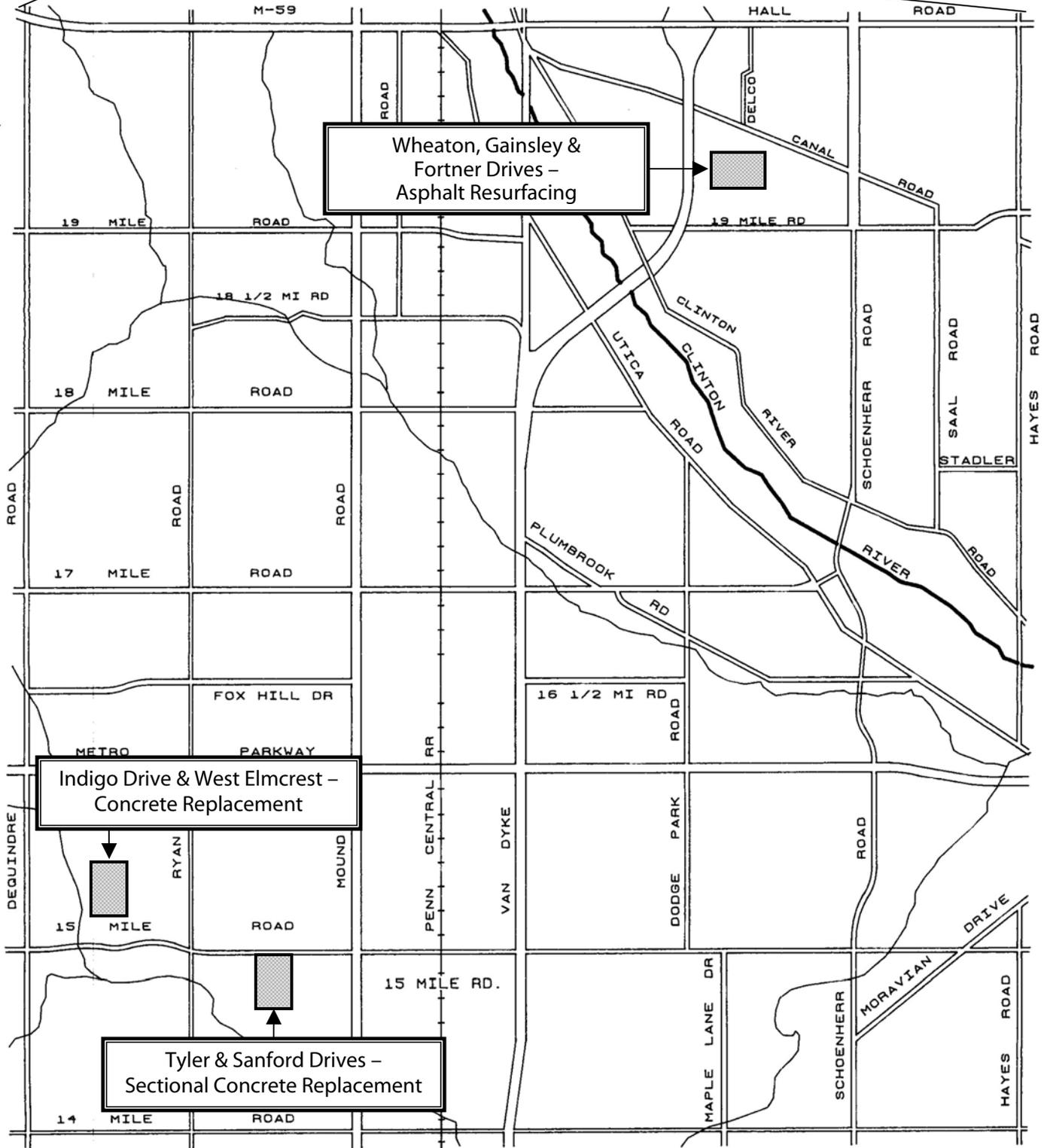
Miscellaneous Traffic Signals



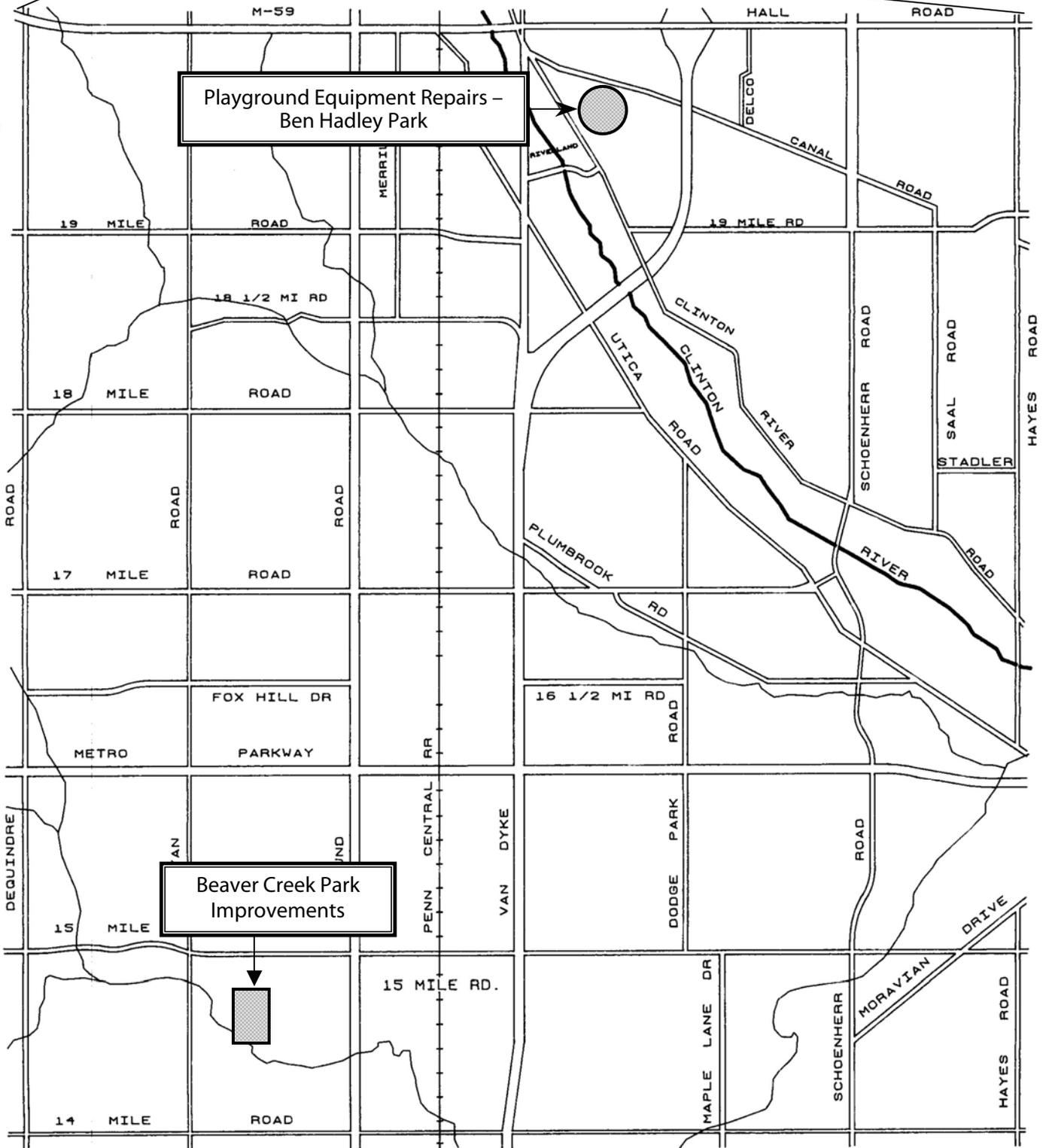
2013/14 LOCAL ROADS



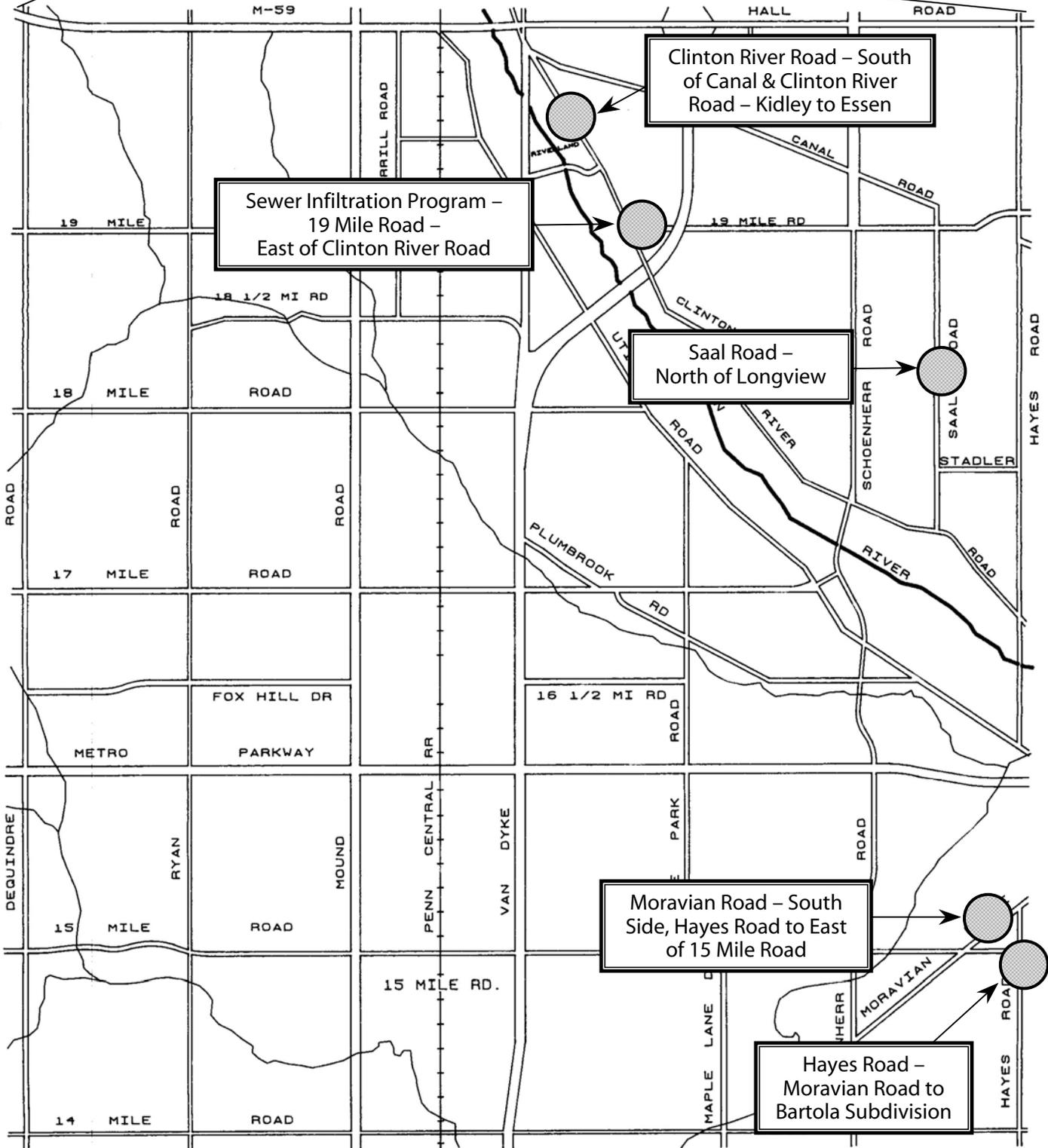
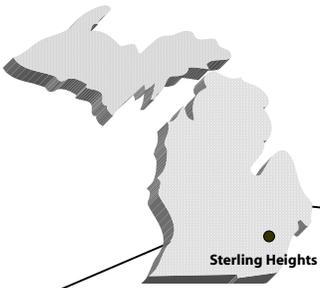
City-wide Concrete Replacement/
Asphalt Resurfacing Program



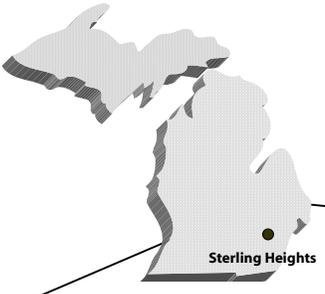
2013/14 MUNICIPAL PARKLANDS



2013/14 SANITARY SEWERS

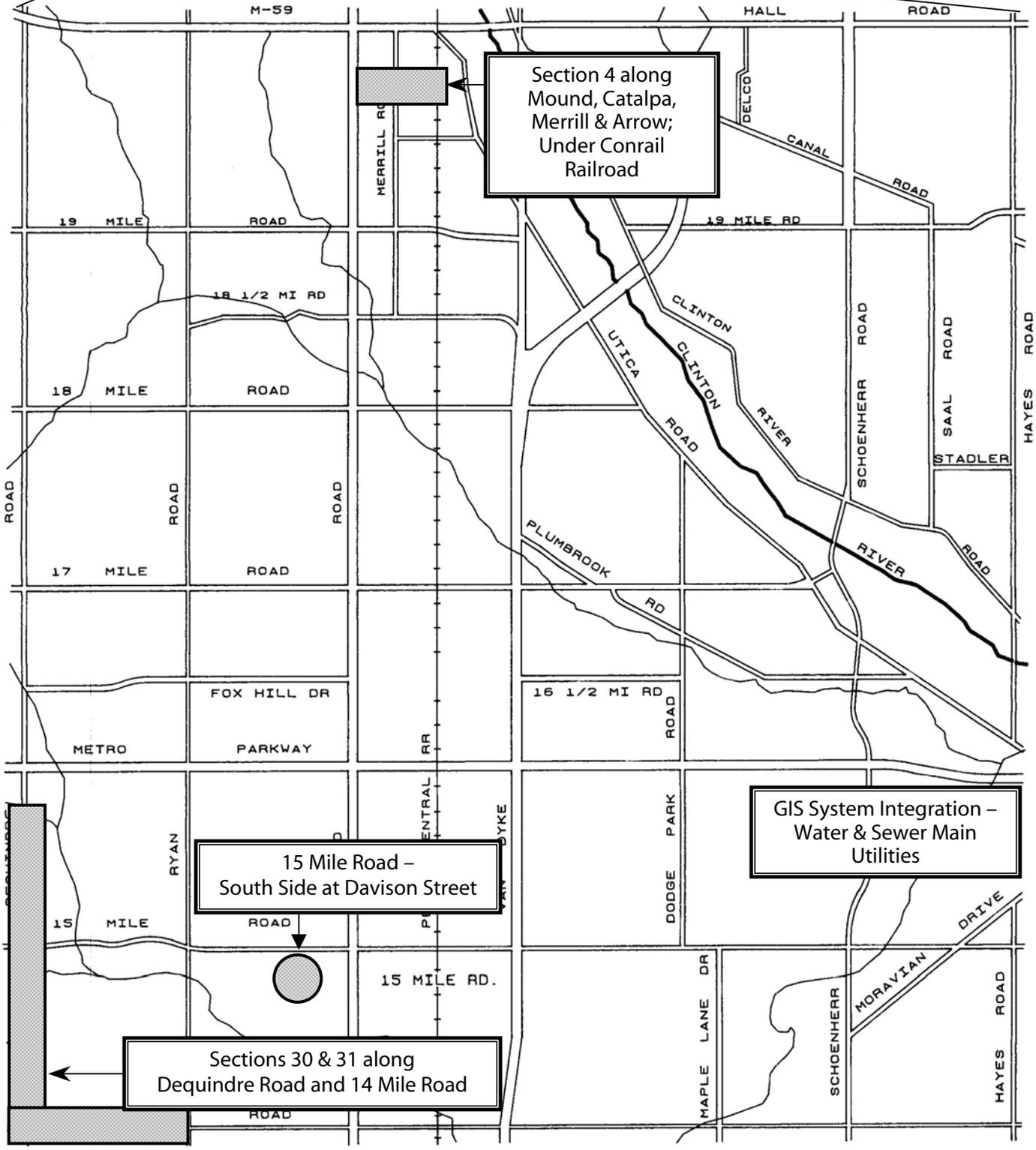


2013/14 WATER MAINS



Water Reliability Study

Fire Hydrant Replacement/
Gatewell Valve Maintenance Program



Section 4 along Mound, Catalpa, Merrill & Arrow; Under Conrail Railroad

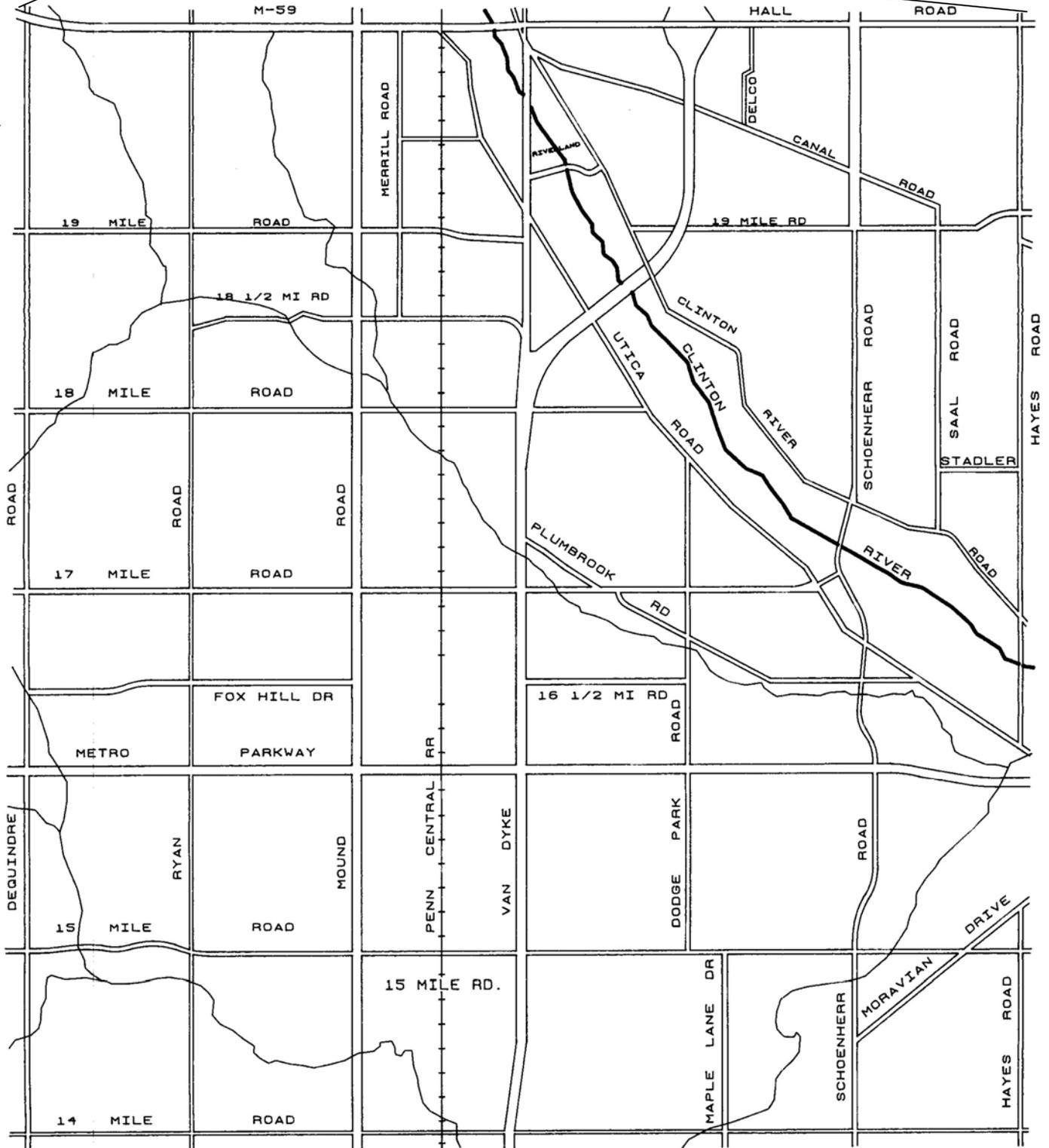
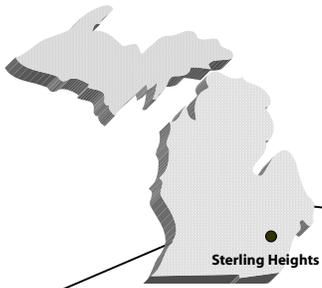
15 Mile Road – South Side at Davison Street

GIS System Integration – Water & Sewer Main Utilities

Sections 30 & 31 along Dequindre Road and 14 Mile Road

2013/14 STORM DRAINS

Storm Drain Maintenance – County



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Fiscal Year Ended June 30	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Property Taxes	\$46,791,310	\$48,495,510	\$50,357,630	\$52,574,000	\$55,624,617	\$58,331,682	\$57,875,942	\$56,801,306	\$59,045,208	\$53,149,713
Fees & Permits	2,036,864	2,318,120	2,012,360	1,986,333	1,784,156	1,352,594	960,683	1,194,707	1,438,197	2,271,967
Federal Sources	752,977	1,629,936	2,069,321	3,198,148	2,755,145	1,001,641	1,419,052	2,789,569	3,085,016	2,661,338
State & Local Sources	20,161,887	20,176,008	19,607,043	19,721,028	19,894,287	18,939,977	18,505,491	17,114,177	17,184,734	18,065,838
Fines & Forfeitures	2,587,756	3,069,824	2,995,613	2,890,745	2,563,520	2,755,701	2,836,556	3,618,574	3,353,875	2,770,160
Charges For Services	5,875,269	6,334,722	6,695,039	7,795,120	8,038,601	7,988,183	7,896,549	8,598,054	8,583,882	8,443,205
Interest Income	1,760,354	567,049	977,664	1,788,092	2,511,234	2,316,653	1,580,754	582,435	308,422	672,239
Special Assessments	68,497	372,917	73,776	28,017	130,082	92,745	243,123	215,118	203,298	254,977
Rental Income	1,253,148	1,298,796	1,566,845	1,357,037	1,443,651	1,727,929	1,798,484	1,429,222	1,685,041	1,508,954
Cable Revenue	1,120,768	1,224,778	1,319,937	1,371,831	1,527,988	1,671,094	1,771,978	1,799,495	1,950,435	2,033,751
Reimb of Advance Rd Const	0	0	0	0	0	2,440,414	0	0	0	0
Other	1,927,055	2,758,591	1,980,022	1,731,700	1,511,396	1,755,645	2,007,807	1,898,739	1,526,205	2,044,415
Total Revenues	84,335,885	88,246,251	89,655,250	94,442,051	97,784,677	100,374,258	96,896,419	96,041,396	98,364,313	93,876,557
Expenditures										
General Government	8,733,703	9,091,026	10,042,438	10,109,764	10,562,158	11,244,018	9,534,712	9,000,797	8,613,941	8,571,928
41A District Court	2,173,817	2,342,220	2,472,160	2,660,587	2,847,111	2,974,001	3,150,155	3,221,815	3,246,811	3,252,852
Public Safety	33,857,315	35,779,556	38,346,169	39,440,275	41,610,977	44,435,670	46,327,145	49,130,527	50,929,421	52,297,573
Public Works	18,334,751	18,280,775	21,418,948	18,545,503	18,734,562	20,134,496	21,273,705	20,321,669	21,034,821	18,680,870
Recreation & Culture	4,447,809	4,553,035	4,669,116	4,868,429	5,180,497	5,358,825	5,321,281	4,747,596	4,603,108	4,489,169
General Expenditures	2,771,249	3,388,336	2,651,054	3,555,955	3,791,084	2,945,761	2,793,240	2,814,058	2,540,873	2,766,125
Capital Outlay	11,763,846	13,041,634	12,476,405	10,576,821	14,756,585	7,402,019	13,212,947	4,694,663	4,867,162	4,275,883
Debt Service - Principal	4,466,382	4,436,681	5,056,539	5,030,000	14,000,000	5,685,000	5,730,000	15,235,000	3,970,000	3,940,000
Debt Service - Interest	1,968,669	1,827,203	2,334,584	2,479,375	2,336,756	1,938,403	1,987,533	1,628,030	1,221,055	1,098,474
Total Expenditures	88,517,541	92,740,466	99,467,413	97,266,709	113,819,730	102,118,193	109,330,718	110,794,155	101,027,192	99,372,874
Other Financing Sources										
Long-term Financing	4,916,772	30,355,000	13,720,000	0	7,900,000	5,000,000	3,260,000	3,810,000	0	3,780,000
Proceeds-Sale of Fixed Assets	0	0	476,081	550,074	0	0	149,466	115,724	0	0
Bond Premium	0	975,374	91,759	0	26,815	50,143	0	33,935	0	274,196
Payments to Escrow Agents	(4,916,772)	(5,075,000)	(8,511,067)	0	0	0	0	(2,200,000)	0	(3,950,000)
Transfers In	8,807,280	6,462,170	8,354,684	9,931,683	18,458,535	9,716,170	11,319,369	16,194,395	3,953,940	3,526,740
Transfers Out	(8,807,280)	(6,462,170)	(6,639,684)	(8,071,683)	(8,681,215)	(8,197,830)	(8,412,389)	(5,056,810)	(3,953,940)	(3,526,740)
Total Other Fin. Sources	0	26,255,374	7,491,773	2,410,074	17,704,135	6,568,483	6,316,446	12,897,244	0	104,196
Net Change in Fund Balance Before Extraordinary Items	(4,181,656)	21,761,159	(2,320,390)	(414,584)	1,669,082	4,824,548	(6,117,853)	(1,855,515)	(2,662,879)	(5,392,121)
Extraordinary Items	0	(25,000,000)	(6,000,000)	0	0	0	0	0	0	0
Net Change in Fund Balance	(\$4,181,656)	(\$3,238,841)	(\$8,320,390)	(\$414,584)	\$1,669,082	\$4,824,548	(\$6,117,853)	(\$1,855,515)	(\$2,662,879)	(\$5,392,121)

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget
City Council	\$136,940	\$145,470	\$136,200	\$134,150	\$132,600	\$130,000	\$131,720
City Management	922,350	908,990	978,620	970,180	975,970	961,390	861,380
Economic Development	187,490	156,410	157,340	167,830	367,830	397,660	276,740
Public Services	295,050	316,400	332,120	339,940	0	0	0
City Clerk	1,039,120	1,045,460	710,560	778,610	693,460	719,620	595,210
Facilities Maintenance	1,712,020	1,734,820	1,603,550	1,311,110	1,358,360	1,008,470	0
Information Technology	1,055,560	1,070,300	1,080,160	1,107,470	880,370	931,660	865,030
Assessing	859,440	881,530	861,220	868,780	906,340	879,070	814,860
Financial Services	1,281,810	1,291,000	928,110	745,810	749,690	770,740	756,880
Purchasing	340,750	412,220	360,940	369,710	390,590	381,200	281,390
Treasury	787,500	728,150	1,006,240	1,152,570	1,070,960	1,068,840	1,054,500
Act 78 - Civil Service Commission	33,070	9,460	1,450	30	7,030	0	15,000
Building Authority	380	430	50	0	0	0	0
General Employees Pension Board	728,760	88,000	94,300	70,770	85,150	88,600	74,150
Legal	747,980	746,590	735,370	740,410	799,720	820,000	770,000
Total City Administration Dept.	10,128,220	9,535,230	8,986,230	8,757,370	8,418,070	8,157,250	6,496,860
Library	2,803,910	2,830,880	2,718,710	2,637,150	2,544,980	2,480,870	2,350,170
Parks & Recreation	2,554,030	2,489,620	2,028,200	1,965,270	1,943,880	1,848,420	1,750,200
Historical Commission	880	780	690	690	310	680	560
Total Community Services Dept.	5,358,820	5,321,280	4,747,600	4,603,110	4,489,170	4,329,970	4,100,930
Police Administration	2,889,810	2,897,130	2,801,130	2,990,520	3,042,380	3,165,150	3,138,840
Police Investigations	5,419,170	5,529,240	5,879,180	6,176,120	6,268,090	5,745,610	5,652,760
Police Operations	16,700,240	17,586,340	19,328,430	19,679,700	19,971,990	20,132,410	19,653,840
Police Support Services	3,381,110	3,338,480	3,528,550	3,502,360	3,546,890	3,337,410	3,675,890
Emergency Management	141,650	151,510	137,420	134,990	151,390	0	0
Total Police Department	28,531,980	29,502,700	31,674,710	32,483,690	32,980,740	32,380,580	32,121,330
Fire Administration	1,270,720	1,389,680	1,326,330	1,431,620	1,535,680	1,411,260	1,388,620
Fire Extinguishment	13,254,450	14,143,750	14,839,080	16,009,530	16,830,110	15,205,350	14,738,450
Fire Prevention	1,178,340	1,152,890	993,180	918,880	749,770	713,390	686,530
Total Fire Department	15,703,510	16,686,320	17,158,590	18,360,030	19,115,560	17,330,000	16,813,600

GENERAL FUND EXPENDITURE HISTORY BY ACTIVITY

Activity Name	2007/08 Actual	2008/09 Actual	2009/10 Actual	2010/11 Actual	2011/12 Actual	2012/13 Budget	2013/14 Budget
Building & Facilities Maintenance	2,205,160	1,996,460	1,711,640	1,632,160	1,373,570	1,329,980	1,812,590
Engineering	1,701,260	1,626,840	1,547,190	1,534,690	1,494,210	1,279,420	1,153,860
Fleet Maintenance	2,927,750	2,734,900	2,528,010	2,722,390	2,655,030	2,575,410	2,696,260
Foreclosure Relief	0	7,480	87,160	87,470	77,310	4,410	0
Neighborhood Services	0	0	0	63,270	417,580	285,400	1,215,490
Parks & Grounds Maintenance	1,360,640	1,414,900	1,355,650	1,385,790	1,150,800	721,070	1,020,280
Planning	350,280	346,240	354,500	367,020	483,010	328,760	103,910
Public Works Center	592,450	698,700	389,250	285,890	237,750	232,550	223,700
Street Services	1,954,680	2,095,730	1,879,420	1,986,930	1,772,690	1,981,550	1,816,980
Planning Commission	7,490	6,040	5,330	5,580	4,570	5,010	4,940
Zoning Board of Appeals	5,690	6,220	7,310	6,570	5,330	5,740	5,210
Total Public Works Department	11,105,400	10,933,510	9,865,460	10,077,760	9,671,850	8,749,300	10,053,220
Refuse Collection	4,206,380	4,337,260	4,429,920	4,450,360	4,605,880	4,439,800	4,486,700
Total Refuse Collection	4,206,380	4,337,260	4,429,920	4,450,360	4,605,880	4,439,800	4,486,700
Community Relations	1,596,140	1,541,120	1,582,910	1,470,780	1,033,780	954,530	826,960
Beautification Commission	2,010	1,430	1,070	1,020	400	740	700
Cultural Commission	180	50	200	10	50	50	50
Total Community Relations Dept.	1,598,330	1,542,600	1,584,180	1,471,810	1,034,230	955,320	827,710
41-A District Court	2,974,000	3,150,160	3,221,820	3,246,810	3,252,850	3,307,520	3,174,060
General Expenditures	2,931,290	2,784,520	2,700,520	2,519,540	2,657,510	2,308,830	2,205,790
Transfers Out	3,978,200	3,353,150	1,968,810	1,509,940	1,010,670	954,090	655,230
Total General Fund	\$86,516,130	\$87,146,730	\$86,337,840	\$87,480,420	\$87,236,530	\$82,912,660	\$80,935,430

**GENERAL FUND BALANCE COMPARED TO ANNUAL EXPENDITURES
AND OTHER FINANCING USES
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	General Fund Balance	Annual Expenditures & Other Uses	General Fund Balance as % of Expenditures & Other Uses
2003	18,222,086	71,069,534	25.64%
2004	19,651,520	71,974,280	27.30%
2005	14,001,038	75,734,862	18.49%
2006	15,050,244	78,986,850	19.05%
2007	15,717,895	82,775,550	18.99%
2008	15,292,910	86,516,140	17.68%
2009	15,207,061	87,146,732	17.45%
2010	12,528,923	86,337,844	14.51%
2011	10,991,216 (1)	87,480,425	12.56%
2012	5,248,480	87,236,539	6.02%

(1) GASB 54 was implemented with the fiscal year ended June 30, 2011.

**ASSESSED & ESTIMATED ACTUAL VALUATION
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Assessed Valuation (1)	Personal Assessed Valuation (1)	Total Valuation	Percent of True Value (2)
2003	3,587,248,700	1,071,358,000	4,658,606,700	50%
2004	3,764,758,000	1,025,224,600	4,789,982,600	50%
2005	3,970,808,500	968,119,700	4,938,928,200	50%
2006	4,195,815,400	949,766,100	5,145,581,500	50%
2007	4,451,151,600	944,127,850	5,395,279,450	50%
2008	4,645,291,550	1,053,774,300	5,699,065,850	50%
2009	4,599,077,850	1,007,788,550	5,606,866,400	50%
2010	4,508,088,655	986,259,050	5,494,347,705	50%
2011	4,046,809,230	917,612,350	4,964,421,580	50%
2012	3,743,670,800	874,496,200	4,618,167,000	50%

(1) All taxable values reflect the year in which tax revenue streams were generated. For example, the 2002 TVs (stated above in the 2003 row) were used to generate tax revenue for the year ended June 30, 2003.

(2) In accordance with the 1970 State of Michigan Constitution, the assessed value is 50 percent of appraised or estimated value.

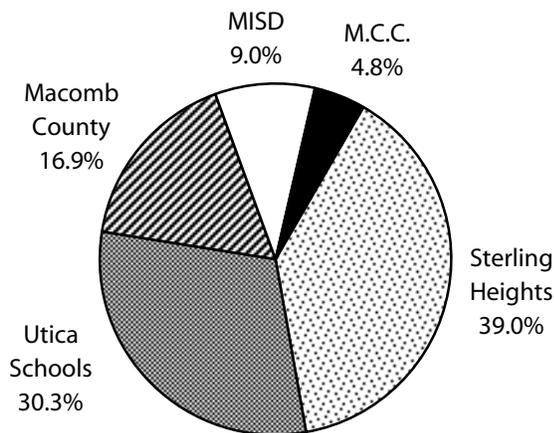
HOMESTEAD PROPERTY TAX RATES DIRECT AND OVERLAPPING GOVERNMENTS (PER \$1,000 OF TAXABLE VALUATION)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
City of Sterling Heights										
Operating (1)	8.29230	8.19630	8.09570	8.76420	8.97760	9.22560	9.17770	8.71800	10.18110	9.66170
Refuse	1.05870	1.06960	1.10550	0.82660	0.81420	0.80570	0.83810	0.87170	0.94740	0.99990
Police & Fire Pension	0.62400	0.78090	0.89050	0.60490	0.51180	0.31470	0.48530	0.93720	1.23880	1.66940
Public Improvements	0.32860	0.24160	0.23170	0.18800	0.18750	0.17920	0.06670	0.03460	0.06840	0.08130
Drain	0.32640	0.33660	0.30160	0.24130	0.23390	0.19980	0.21800	0.22430	0.25010	0.27350
Total	10.63000	10.62500	10.62500	10.62500	10.72500	10.72500	10.78580	10.78580	12.68580	12.68580
Overlapping Governments										
Macomb County	4.20580	4.20580	4.20580	4.20580	4.20550	4.20550	4.20550	4.57350	4.57350	4.57350
Utica Comm. Schools	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.50000	3.75000	3.85000
Warren Consol. Schools	10.96260	10.68060	10.04260	9.99300	9.82940	9.23580	8.41520	8.92780	10.25900	10.84210
State Education	6.00000	5.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000	6.00000
Macomb Comm. College	1.69250	1.58590	1.50020	1.42120	1.42120	1.42120	1.42120	1.42120	1.42120	1.57120
M.I.S.D.	2.98630	2.97290	2.96150	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300	2.94300
Huron/Clinton Metro Auth.	0.21700	0.21610	0.21540	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460	0.21460
S.M.A.R.T.	0.60000	0.59730	0.59490	0.59120	0.59000	0.59000	0.59000	0.59000	0.59000	0.59000
County Zoo Authority	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.10000	0.10000	0.10000	0.10000
Veterans Operations	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.04000	0.04000	0.04000	0.04000
Total										
Utica Schools (2)	29.83160	28.70300	29.60280	29.50080	29.59930	29.59930	29.80010	30.16810	32.31810	32.56810
Total										
Warren Schools (2)	37.29420	35.88360	36.14540	35.99380	35.92870	35.33510	34.71530	35.59590	38.82710	39.56020

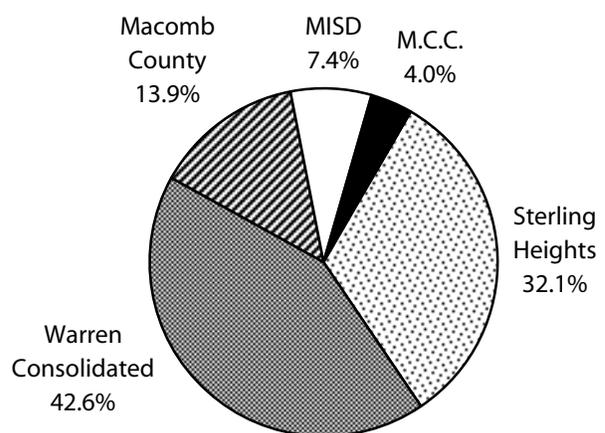
(1) City general operating tax rate charter limit equals 12.0 mills.

(2) Sterling Heights taxable valuation is based on 62% for Utica Schools and 38% for Warren Consolidated Schools for the year ended June 30, 2012.

City of Sterling Heights 2011/12 Distribution of Homestead



Utica Community Schools

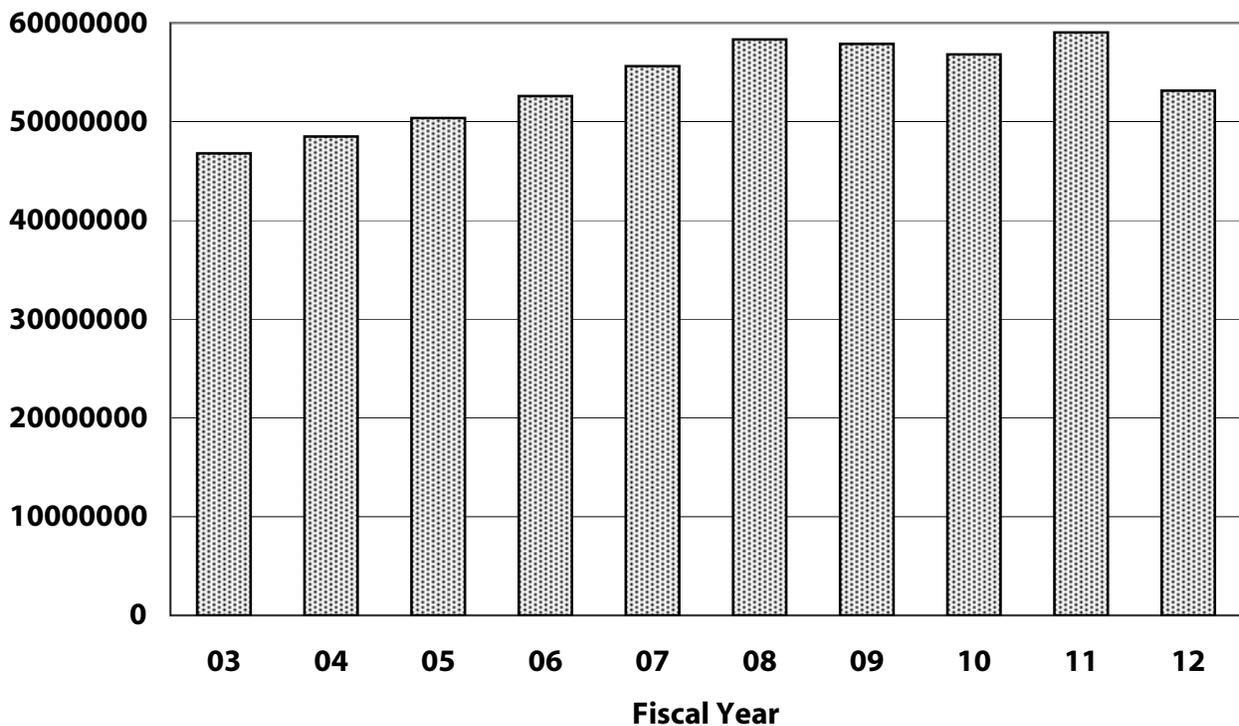


Warren Consolidated Schools

GENERAL GOVERNMENT TAX REVENUES BY SOURCE LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	General Fund Property Taxes				Debt Service Funds Property Taxes			Total All Property Taxes
	Operating	Refuse	Police & Fire Retirement System	Total	General Drain	Voted Tax General Obligation	Total	
2003	36,500,172	4,660,074	2,746,657	43,906,903	1,435,644	1,448,763	2,884,407	46,791,310
2004	37,409,166	4,881,818	3,564,147	45,855,131	1,536,014	1,104,365	2,640,379	48,495,510
2005	38,420,002	5,203,504	4,204,831	47,828,337	1,429,947	1,099,346	2,529,293	50,357,630
2006	43,370,304	4,070,410	2,993,592	50,434,306	1,202,642	937,052	2,139,694	52,574,000
2007	46,585,168	4,205,469	2,646,459	53,437,096	1,214,130	973,391	2,187,521	55,624,617
2008	50,198,476	4,359,680	1,707,910	56,266,066	1,089,261	976,355	2,065,616	58,331,682
2009	49,275,429	4,476,793	2,594,194	56,346,416	1,169,602	359,924	1,529,526	57,875,942
2010	45,954,154	4,561,110	4,925,570	55,440,834	1,178,018	182,454	1,360,472	56,801,306
2011	47,431,652	4,377,125	5,753,668	57,562,445	1,164,592	318,171	1,482,763	59,045,208
2012	40,120,585	4,376,626	7,157,201	51,654,412	1,150,140	345,161	1,495,301	53,149,713

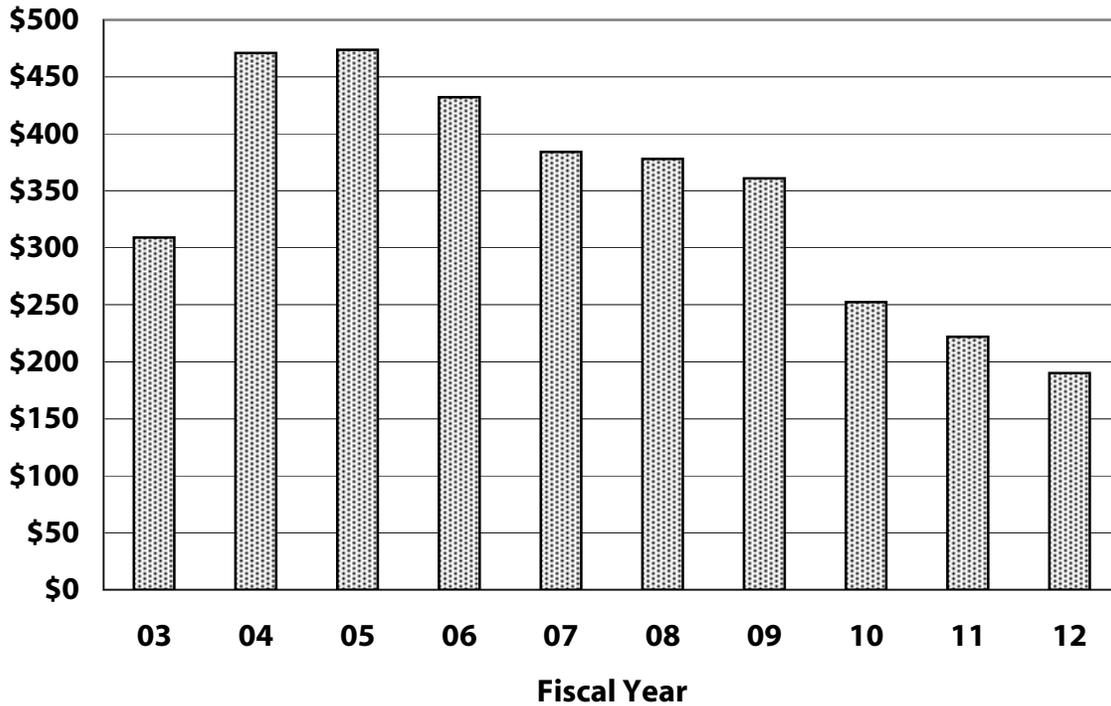
Property Tax Revenue



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.	Govt. Debt Per Capita
	General Obligation Bonds	Michigan Transport. Bonds	Special Assessment Bonds	County Issued Bonds	County Issued Bonds	Outstanding Debt Total			
2003	9,125,000	18,995,000	575,000	10,403,220	-	39,098,220	1.24%	126,470	309.15
2004	33,745,000	15,910,000	350,000	9,936,539	-	59,941,539	1.89%	127,270	470.98
2005	31,735,000	19,735,000	125,000	9,060,000	-	60,655,000	1.91%	128,026	473.77
2006	29,705,000	17,690,000	-	8,230,000	-	55,625,000	1.74%	128,692	432.23
2007	21,590,000	20,610,000	-	7,325,000	-	49,525,000	1.54%	128,914	384.17
2008	23,635,000	18,710,000	-	6,495,000	-	48,840,000	1.52%	129,200	378.02
2009	20,985,000	16,535,000	3,260,000	5,590,000	-	46,370,000	1.44%	128,500	360.86
2010	8,820,000	16,130,000	3,160,000	4,635,000	3,702,531	36,447,531	1.14%	129,699	252.47
2011	7,880,000	14,180,000	3,060,000	3,655,000	30,584,068	59,359,068	1.89%	129,699	221.86
2012	6,905,000	12,170,000	2,960,000	2,630,000	39,281,958	63,946,958	2.04%	129,699	190.17

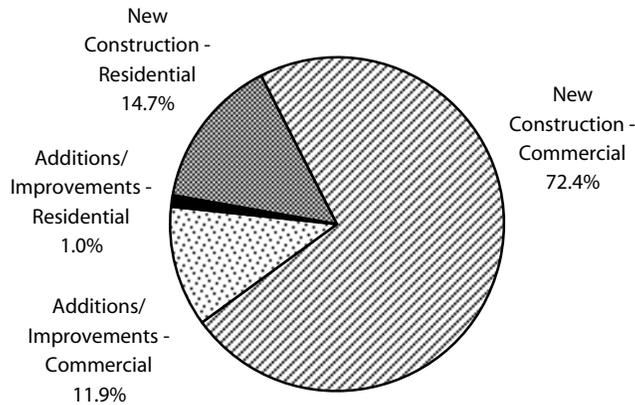
Outstanding Debt Per Capita



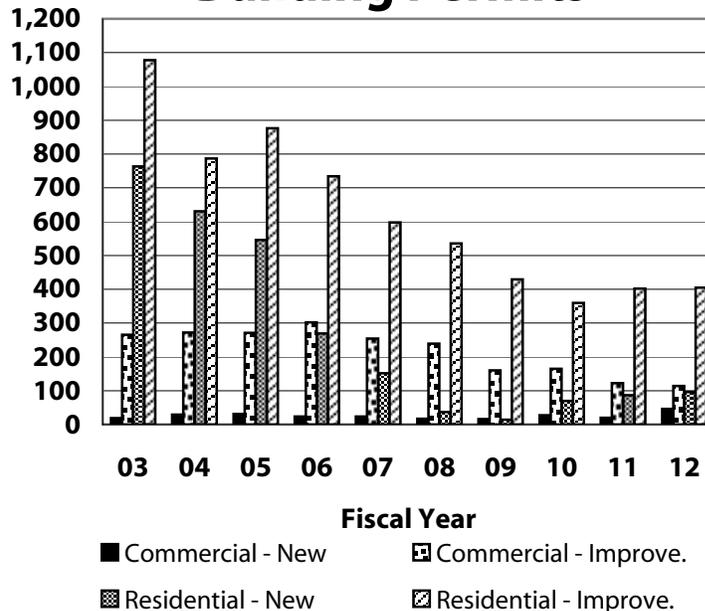
BUILDING PERMITS AT MARKET VALUE LAST TEN FISCAL YEARS

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	
2003	763	76,609,958	1,078	3,017,213	79,627,171	19	17,228,169	265	18,095,804	35,323,973
2004	631	59,756,113	787	2,218,100	61,974,213	29	28,123,162	272	59,264,545	87,387,707
2005	546	54,325,044	876	1,830,299	56,155,343	31	34,143,253	271	26,257,489	60,400,742
2006	269	48,957,415	734	1,601,036	50,558,451	24	25,096,450	302	26,567,543	51,663,993
2007	152	25,895,984	598	2,454,254	28,350,238	24	44,813,309	254	40,418,973	85,232,282
2008	37	8,034,365	536	1,503,824	9,538,189	17	38,153,479	239	26,322,149	64,475,628
2009	14	3,481,198	429	1,261,884	4,743,082	16	5,148,379	160	23,119,046	28,267,425
2010	70	12,386,830	360	839,587	13,226,417	27	31,115,804	165	28,194,133	59,309,937
2011	87	15,494,221	402	1,147,729	16,641,950	20	91,661,691	122	21,444,771	113,106,462
2012	96	19,872,576	405	1,291,986	21,164,562	46	97,795,253	114	16,137,512	113,932,765

Market Value of 2012 Building Permits



Building Permits



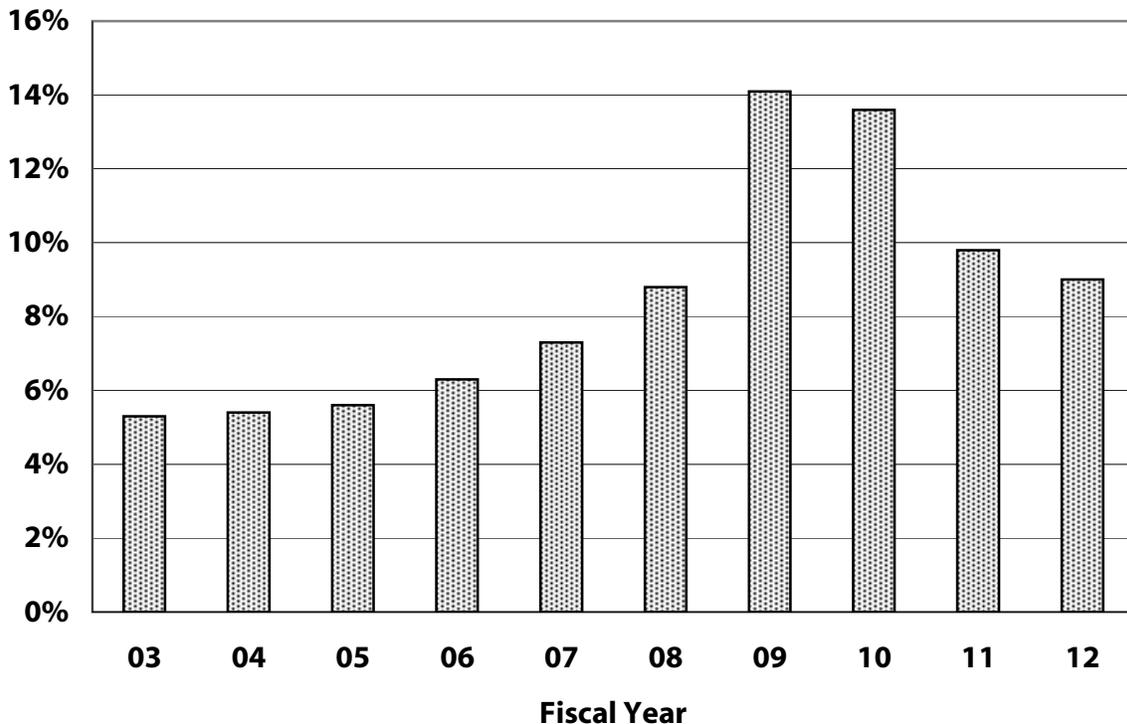
DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Estimated Population	Median Age (2)	Age 25 or Older (2)		Per Capita Income (2)/(4)	Income In Thousands	Number of Households (2)	Median Household Income (1)	Sterling Heights Unemployment Rate (3)/(4)
			High School Graduate or Higher	Bachelor's Degree or Higher					
2003	126,470 (1)	35-39	84.0%	22.9%	25,806	3,263,685	48,990	60,494	5.3%
2004	127,270 (1)	35-39	84.0%	22.9%	26,193	3,333,583	49,260	60,494	5.4%
2005	128,026 (1)	35-39	84.0%	22.9%	26,717	3,420,471	49,405	60,494	5.6%
2006	128,692 (1)	35-39	84.0%	22.9%	27,519	3,541,475	49,871	60,494	6.3%
2007	128,914 (1)	35-39	84.0%	22.9%	28,399	3,661,029	50,761	60,494	7.3%
2008	129,200 (1)	35-39	84.0%	22.9%	29,308	3,766,078	50,375	60,494	8.8%
2009	128,500 (1)	35-39	84.0%	22.9%	28,546	3,668,161	49,735	60,494	14.1%
2010	129,699 (1)	35-39	84.0%	22.9%	29,430	3,781,755	49,339	60,494	13.6%
2011	129,699 (1)	40-44	84.0%	22.9%	24,213	3,140,402	49,508	53,390	9.8%
2012	129,699 (1)	40-44	86.4%	22.9%	25,194	3,140,402	49,576	53,390	9.0%

Sources:

- (1) United States Census Bureau - 2000/2010 Census and 2010 American Community Survey One Year Estimates
- (2) Southeast Michigan Council of Governments (SEMCOG)
- (3) Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information
- (4) Michigan Department of Technology, Labor & Budget

City of Sterling Heights Unemployment Rate



2013/14 BUDGET

Activity Name
Police & Fire Pension Board

Activity
2380

Account Number	Account Name	2011/12 Actual	2012/13 Budget	2012/13 To 12/31	2012/13 Estimate	2013/14 Budget
Supplies						
729.000	Postage	\$500	\$500	\$383	\$500	\$600
730.000	Publications	448	450	0	0	0
751.000	Operating Supplies	213	300	114	250	250
758.000	Computer Software	0	0	0	0	0
	Total Supplies	1,161	1,250	497	750	850
Other Charges						
802.000	Audit & Accounting Services	37,351	31,800	17,408	34,800	22,800
806.000	Legal Services	11,380	12,000	6,239	12,400	12,000
807.000	Medical Services	860	1,000	0	0	1,000
826.000	Other Contracted Services	1,079,973	1,030,500	565,589	1,131,180	1,142,620
903.000	Printing	235	250	46	100	200
922.000	Telephone	456	450	224	450	450
956.000	Local Meetings	0	0	0	0	0
957.000	Memberships & Dues	325	330	325	330	100
959.000	Education & Training	5,133	5,650	2,566	5,150	5,650
	Total Other Charges	1,135,713	1,081,980	592,397	1,184,410	1,184,820
Capital Outlay						
979.000	Computer Equipment	0	0	0	0	0
	Total Capital Outlay	0	0	0	0	0
Total Activity		\$1,136,874	\$1,083,230	\$592,894	\$1,185,160	\$1,185,670

NOTE: The "2011/12 Actual" & "2012/13 To 12/31" columns are rounded to the nearest dollar.

NAME	CONTRACT EXPIRATION	BUDGETED EMPLOYEES	
		FULL-TIME	PART-TIME

Union Employees

Police Officers - MAP	6/30/2013	115	
Fire Fighters - IAFF Local 1557	6/30/2015	82	
Technical/Office - MAPE	6/30/2015	50	26*
DPW Field - Teamsters Local 214	6/30/2014	50	
Police Command Officers - COA	6/30/2015	33	
Professional/Technical - UAW Local 412	6/30/2016	20	15
Court Clerical - AFSCME Local 1884	6/30/2015	20	1
Police Clerical - MAP	6/30/2016	20	
Dispatchers - POLC	6/30/2015	20	
Supervisory - UAW Local 412	6/30/2015	11	2
Executive - MAPE	6/30/2015	7	
DPW Supervisors - AFSCME Local 1917	6/30/2014	6	

Non-Union Employees

41-A District Court Administration	N/A	10	
41-A District Court Judges	N/A	3	
Ordinance Employees	N/A	1	

* Includes five part-time employees that are excluded from the part-time limit.

Population ¹

Total Population	129,699
Gender	
Male.....	62,862
Female.....	66,837
Age	
Under 5 years.....	7,126
5 to 9 years	7,529
10 to 14 years.....	8,104
15 to 19 years.....	8,636
20 to 24 years.....	8,132
25 to 34 years.....	16,151
35 to 44 years.....	17,346
45 to 54 years.....	19,835
55 to 59 years.....	9,015
60 to 64 years.....	8,124
65 to 74 years.....	10,730
75 to 84 years.....	5,944
85 years and older.....	3,027
Racial Makeup	
White	110,426
African American.....	6,697
American Indian & Alaska Native	281
Asian	8,742
Native Hawaiian & Other Pacific Islander	19
Other Race	654
Two or more races	2,880

Housing

Median Housing Value	\$130,000
Total Housing Units.....	49,576
Houses.....	32,759
Condominiums	6,320
Apartments	8,871
Mobile Homes	1,626

Major Employers

Company/Employees

General Dynamics.....	2,700
Chrysler Group LLC.....	2,500
Lakeside Associates.....	2,000
Ford Motor Company	1,500
Utica Community Schools	1,150
Detroit Media Partnership	1,000
Warren Consolidated Schools	790
Henry Ford Health System.....	600
Miliken Millwork, Inc.	500
City of Sterling Heights	458

Employment Status ²

Population 16 years & over	104,609
In labor force	67,621
Civilian labor force	67,546
Employed	59,889
Unemployed	7,657
Percent of civilian labor force	11.3
Armed Forces.....	75
Not in labor force	36,988

Occupation ²

Employed civilian population 16 yrs. & over	59,889
Management, professional & related occupations.....	21,308
Service occupations	9,852
Sales & office occupations	17,384
Natural resources, construction, & maintenance occupations	4,008
Production, transportation & material moving occupations	7,337

Industry ²

Agriculture, forestry, fishing and hunting, & mining	78
Construction	2,499
Manufacturing.....	11,841
Wholesale trade	1,465
Retail trade.....	8,400
Transportation and warehousing & utilities.....	2,330
Information.....	1,056
Finance, insurance, real estate & rental and leasing	2,948
Professional, scientific, management, administrative & waste management.....	6,487
Educational, health & social services.....	11,986
Arts, entertainment, recreation, accommodation & food services	5,449
Other services (except public administration)...	3,303
Public administration.....	2,047

School Enrollment ²

Population 3 yrs. & over enrolled in school	33,737
Nursery school, preschool.....	1,679
Kindergarten	1,745
Elementary (grades 1-8).....	12,874
High School (grades 9-12).....	7,171
College or graduate school	10,268

Streets & Sidewalks

Miles of City Streets:

Primary	63
Secondary	286
Estimated Sidewalks in Miles	610
Bridges	11
Street Lights	2,530

Police Protection

Group A offenses ³	3,890
Group B offenses ⁴	1,652
Injury Accidents	616
Property Damage	2,849
Private Property Damage	820
Total Traffic Violations	24,109
Civil Infractions	20,670
Parking Violations	585
Adult Arrests	2,686
Juvenile Arrests	143
OUIL Arrests	199

Fire Protection

Stations	5
Emergency Alarms Answered	11,589
Medical Emergencies	8,948
Fire Inspections Conducted	1,029
Inspection Violations Issued	2,067
Training Hours Completed	23,230

41-A District Court

Cases Handled:

Civil	3,760
Criminal	3,654
Traffic	22,924
Landlord & Tenant	2,610
Small Claims	404

Election Data

Registered Voters	86,231
Voters at Polls	13,020
Absentee Ballots	8,299
Percent Voting	25.00%

Parks & Recreation

Acres	820
Developed Parks	28
Adult Athletics Attendance	21,221

Instructional Rec. Attendance	27,132
Nature Program Attendance	21,318
Senior Program Attendance	103,663
Special Event Attendance	62,015
Summer Playground Attendance	11,144
Special Rec. Program Attendance	10,766

Library

Registered Borrowers	52,733
Book Collections	208,102
Other Collections ⁵	42,507
Items Circulated	600,445
Reference Transactions	93,243
Program Attendance	22,168
Library Visits	453,690
Interlibrary Loan Requests	93,068
Book Van Deliveries	4,547
Online Computer Users	768,815

Water & Sewer Services

Customers:

Residential	34,995
Commercial/Industrial	4,262
Miles of Water Mains	576
Miles of Sanitary Sewers	430
Fire Hydrants	7,238

Water (in thousand cubic feet):

Purchased from Detroit	695,711
Sold to Residents	677,554

Rates:

1,000 Cubic Feet (water and sewer)	\$42.07
Sewer Only – Per Billing	\$55.00

¹ Source: U.S. Census Bureau, Census 2010

² Source: 2007-2011 American Community Survey 5-year estimates

³ Murder, criminal sexual conduct, robbery, aggravated assault, burglary, larceny, arson, motor vehicle theft, damage to property, retail fraud, etc.

⁴ Disorderly conduct, assault, family trouble, negligent homicide, obstructing justice, OUIL, etc.

⁵ Art prints, audio/video cassettes, compact discs, software discs, puppets, and posters.

**CITY OF STERLING HEIGHTS
MACOMB COUNTY, MICHIGAN
ORDINANCE NO. 427**

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 2013/14; TO ADOPT THE FEE SCHEDULE FOR PUBLIC RECORDS AND SERVICES FOR THE FISCAL YEAR 2013/14; AND TO ADOPT WATER AND SEWAGE DISPOSAL RATES FOR THE FISCAL YEAR 2013/14.

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, 2013 through June 30, 2014. The City Council does hereby adopt, by budgetary center, the following General Fund and Special Revenue Funds budgets for 2013/14.

Sec. 2.01

GENERAL FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net General Tax Revenue	\$37,980,530	
Licenses and Permits	1,926,200	
State and Local Returns	11,257,360	
Fines and Forfeitures	2,621,020	
Charges for Services	8,427,630	
Other Revenue	2,540,890	
Cable Revenue	2,200,000	
Use of Fund Balance	<u>0</u>	
 Total General Revenue		 66,953,630
 Refuse Tax Revenue	 4,457,700	
Fire & Police Pension Tax Revenue	<u>7,468,050</u>	
Total Refuse and Pension Tax Revenue		<u>11,925,750</u>
Total Revenues		78,879,380
 OTHER FINANCING SOURCES		
Transfers In	<u>2,056,050</u>	
Total Other Financing Sources		<u>2,056,050</u>
 Total Revenues & Other Financing Sources		 <u>\$80,935,430</u>

and does hereby designate \$38,805,530 to be raised by 9.4703 mills tax levied for General Purposes on the assessed valuation of all real and personal property subject to taxation in the City,

and does hereby designate \$7,468,050 to be raised by 1.8225 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 \$4,457,700 to be raised by 1.0879 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of the collection and removal of garbage and trash of the City as authorized by MCL 123.261, et. seq.

and directs the Treasurer to add a collection fee of one-half (1/2) percent per month to all taxes, charges and assessments paid after September 1, and further, upon all taxes, charges and assessments returned to the County Treasurer upon any delinquent tax roll, a charge of three percent (3%) shall be added and the same shall be collected by the County Treasurer in like manner as and together with the taxes, charges and assessments so returned.

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

City Administration Department	\$6,496,860	
Community Services Department	4,100,930	
Police Department	32,121,330	
Fire Department	16,813,600	
Public Works Department	10,053,220	
Refuse Collection	4,486,700	
Community Relations Department	827,710	
41-A District Court	3,174,060	
General Expenditures	<u>2,205,790</u>	
Total Expenditures		80,280,200

OTHER FINANCING USES

Transfers Out	<u>655,230</u>	
Total Other Financing Uses		<u>655,230</u>

Total General Fund \$80,935,430

Sec. 2.02

WATER & SEWER OPERATING FUND:

OPERATING REVENUES

Operating Revenues	\$36,664,170	
Use of Net Assets	<u>2,180</u>	
Total Operating Revenues		<u>\$36,666,350</u>

OPERATING EXPENSES

Administration	\$3,359,170	
Water Distribution	14,999,230	
Sewage Collection	<u>18,307,950</u>	
Total Water & Sewer Operating Fund		<u>\$36,666,350</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, 2013.

WATER RATES

Consumption Charges Per Billing Period:	<u>Rate Per Thousand Cubic Ft.</u>
First 3,000 cubic feet or less.....	\$17.09
All over 3,000 cubic feet.....	21.36
Fixed DWSD fee (single-family residential customers)	\$3.75
Fixed DWSD fee (all other customers).....	5.00
 Meter Charges Per Billing Period	
1 ½"	4.45
2"	11.54
3"	21.16
4"	27.76
6"	43.93
8"	69.95
10"	91.88
16"	105.00

SEWER RATES

This charge shall be based on the amount of water used per billing period:	<u>Rate Per Thousand Cubic Ft.</u>
Per 1,000 cubic feet.....	\$26.88
Fixed Macomb County fee (single-family residential customers).....	\$3.75
Fixed Macomb County fee (all other customers).....	5.00

BILLING

Bills for water and sewer service shall be rendered periodically as set forth in this article. The billing period for single-family residential customers is quarterly, all other customers are billed monthly. All bills shall be due and payable twenty (20) days from the date thereon. A penalty of six percent (6%) of the amount of the unpaid portion of each current bill shall be added to each bill not paid on or before the due date. An additional penalty of seventeen percent (17%) of the total of the unpaid balance and the six percent (6%) penalty shall be added at the time the delinquent bill is entered upon the tax roll, pursuant to section 35-6 (a) of the Sterling Heights City Code. The City shall establish a minimum water and sewer bill, which shall be based on 800 cubic feet of water usage per billing cycle. There will be a \$60.00 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	\$185,090	581,090	
Federal Grants	274,000		
State Sources	5,550,000		
Other Revenue	<u>155,000</u>		
Total Revenues		6,164,090	6,560,090

OTHER FINANCING SOURCES

Transfer from Road Bond Construction Fund	<u>0</u>		
Total Other Financing Sources		<u>0</u>	

Total Revenues & Other Financing Sources

\$6,164,090 \$6,560,090

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Administration Expenses	\$115,590		
Major Street Maintenance	1,640,500		
Major Street Improvements	<u>2,248,000</u>	2,644,000	
Total Expenditures		4,004,090	4,400,090

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	<u>2,160,000</u>		
Total Other Financing Uses		<u>2,160,000</u>	

Total Major Road Fund

\$6,164,090 \$6,560,090

Sec. 2.04

LOCAL ROAD FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$0	252,740	
Federal Grants	0		
State Sources	2,040,000		
Charges for Services	52,000		
Other Revenue	<u>64,550</u>		
Total Revenues		2,156,550	2,409,290

OTHER FINANCING SOURCES

Transfer from Major Road Fund	<u>0</u>		
Total Other Financing Sources		<u>0</u>	

Total Revenues & Other Financing Sources

\$2,156,550 \$2,409,290

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Administration Expenses	\$130,290		
Local Street Maintenance	1,379,000	1,279,000	
Local Street Improvements	500,000	1,000,000	
Contribution to Fund Balance	<u>147,260</u>	0	
Total Expenditures		2,156,550	2,409,290

OTHER FINANCING USES

Transfer to Road Bond Debt Retirement Fund	0	
Total Other Financing Uses		0

Total Local Road Fund		<u>\$2,156,550</u>	<u>\$2,409,290</u>
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Sec. 2.05

LAND & WATER CONSERVATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$2,600	
Federal & State Sources	0	
Other Revenue	1,400	
Total Revenues		4,000

OTHER FINANCING SOURCES

Transfer from General Fund	0	
Total Other Financing Sources		0

Total Revenues & Other Financing Sources		<u>\$4,000</u>
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EXPENDITURES

Land Improvements	\$4,000	
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Total Land & Water Conservation Fund		<u>\$4,000</u>
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Sec. 2.06

PUBLIC SAFETY FORFEITURE FUND BUDGET:

REVENUES

Fund Balance	\$281,830	
Federal Forfeitures	0	
Treasury Forfeitures	0	
State Forfeitures	0	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	0	
Interest Income	620	

Total Revenues		<u>\$282,450</u>
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EXPENDITURES

Federal Forfeitures	\$157,820	
Treasury Forfeitures	0	
State Forfeitures	86,230	
Gambling Forfeitures	0	
Operating While Intoxicated Forfeitures	38,400	

Total Public Safety Forfeiture Fund		<u>\$282,450</u>
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Sec. 2.07

COMMUNITY DEVELOPMENT BLOCK GRANT FUND BUDGET:

REVENUES

Community Development Block Grant	\$1,109,490	
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Total Revenues		<u>\$1,109,490</u>
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EXPENDITURES

Administrative Expenses	\$145,000
Books	6,000
Senior Citizens Home Chore Program	21,500
Single Parent Education Program	10,000
Minor Home Repair	45,000
Handicapped Recreation Program	19,000
Senior Recreation Program	17,640
Housing Rehabilitation Program	154,000
Contributions to Non-Profit Organizations	22,350
Capital & Other Improvements	<u>669,000</u>

Total Community Development Block Grant Fund

\$1,109,490

Sec. 2.08

CORRIDOR IMPROVEMENT AUTHORITY FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Property Taxes	\$0
Federal Grants	0
Other Revenue	<u>20</u>
Total Revenues	20

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>
Total Other Financing Sources	<u>0</u>

Total Revenues & Other Financing Sources

\$20

EXPENDITURES

Miscellaneous	\$0
Capital Improvements	0
Debt Service	0
Contribution to Fund Balance	<u>20</u>

Total Corridor Improvement Authority Fund

\$20

Sec. 2.09

ECONOMIC DEVELOPMENT CORPORATION FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	<u>\$10</u>
Total Revenues	10

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>
Total Other Financing Sources	<u>0</u>

Total Revenues & Other Financing Sources

\$10

EXPENDITURES

Miscellaneous	\$0
Contribution to Fund Balance	<u>10</u>

Total Economic Development Corporation Fund

\$10

Sec. 2.10

BROWNFIELD REDEVELOPMENT AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$480	
Property Taxes	113,960	
Charges for Services	0	
Other Revenue	<u>20</u>	
Total Revenues		114,460

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$114,460**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Miscellaneous	<u>\$114,460</u>	
Total Expenditures		114,460

OTHER FINANCING USES

Transfer to General Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Brownfield Redevelopment Authority Fund **\$114,460**

Sec. 2.11

LOCAL DEVELOPMENT FINANCE AUTHORITY FUND BUDGET:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Federal Grants	\$0	
Property Taxes	611,590	
Other Revenue	<u>17,220</u>	
Total Revenues		628,810

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$628,810**

EXPENDITURES

Incubator Renovations	\$0	
Incubator Operations	486,450	
BAE Reimbursement	111,590	
Contribution to Fund Balance	<u>30,770</u>	

Total Local Development Finance Authority Fund **\$628,810**

Sec. 2.12

GENERAL DRAIN FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Net Drain Tax Revenue	\$817,900	
Delinquents & Penalties	4,000	
Other Revenue	<u>600</u>	
Total Revenues		822,500

OTHER FINANCING SOURCES

Bond Proceeds – Refunding	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$822,500**

and does hereby designate \$832,900 to be raised by 0.2033 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City for the purpose of defraying the several costs of the drains in the General Drain Budget.

EXPENDITURES

Other Charges	\$1,450	
Principal	750,000	
Interest	<u>71,050</u>	
Total Drain Fund		<u>\$822,500</u>

Sec. 2.13

VOTED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Delinquents & Penalties	\$1,400	
Other Revenue	250	
Net Proposal F Tax Revenue	<u>411,950</u>	
Total Revenues		413,600

OTHER FINANCING SOURCES

Transfer from General Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$413,600**

and does hereby designate \$416,950 to be raised by 0.1018 mills tax levied on the assessed valuation of all real and personal property subject to taxation in the City, for the purpose of meeting appropriations for public improvement debt service as authorized by the electors of the City in approving Proposal F in 2006.

EXPENDITURES

Proposal F Expenditures	<u>\$413,600</u>	
Total Voted Tax General Obligation Debt Fund		<u>\$413,600</u>

Sec. 2.14

ROAD BOND DEBT RETIREMENT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Special Assessment Revenue	\$146,630	
Interest Income	113,410	
Federal Interest Rebates	<u>35,900</u>	
Total Revenues		295,940

OTHER FINANCING SOURCES

Transfer from Major Road Fund	<u>2,160,000</u>	
Total Other Financing Sources		<u>2,160,000</u>

Total Revenues & Other Financing Sources **\$2,455,940**

EXPENDITURES

Principal	\$2,020,000	
Interest	428,020	
Other Fees	1,880	
Contribution to Fund Balance	<u>6,040</u>	

Total Road Bond Debt Retirement Fund **\$2,455,940**

Sec. 2.15

LIMITED TAX GENERAL OBLIGATION DEBT FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	<u>\$0</u>	
Total Revenues		0

OTHER FINANCING SOURCES

Transfer from General Fund	<u>297,080</u>	
Total Other Financing Sources		<u>297,080</u>

Total Revenues & Other Financing Sources **\$297,080**

EXPENDITURES

Principal	\$215,000	
Interest	81,850	
Other Fees	<u>230</u>	

Total Limited Tax General Obligation Debt Fund **\$297,080**

Sec. 2.16

CAPITAL PROJECTS FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Fund Balance	\$44,620	
State & Local Returns	140,410	
Other Revenue	<u>291,640</u>	
Total Revenues		476,670

OTHER FINANCING SOURCES

Transfer from General Fund	358,150	
Total Other Financing Sources		<u>358,150</u>

Total Revenues & Other Financing Sources **\$834,820**

EXPENDITURES

Capital Equipment	\$307,620	
Capital Vehicles	182,600	
Capital Projects	<u>344,600</u>	

Total Capital Projects Fund **\$834,820**

Sec. 2.17

ROAD BOND CONSTRUCTION FUND:

REVENUES & OTHER FINANCING SOURCES

REVENUES

Other Revenue	\$160,200	
Federal Grants	<u>0</u>	
Total Revenues		160,200

OTHER FINANCING SOURCES

Proceeds from Long-Term Debt	0	
Transfer from Major Road Fund	<u>0</u>	
Total Other Financing Sources		<u>0</u>

Total Revenues & Other Financing Sources **\$160,200**

EXPENDITURES & OTHER FINANCING USES

EXPENDITURES

Construction	\$0	
Contribution to Fund Balance	<u>160,200</u>	
Total Expenditures		160,200

OTHER FINANCING USES

Transfer to Major Road Fund	<u>0</u>	
Total Other Financing Uses		<u>0</u>

Total Road Bond Construction Fund **\$160,200**

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, 2013 through June 30, 2014. 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.....	528.00
Lot Combinations	425.00
Processing Labels (per page).....	1.20
Resident Field Sheet Fee	1.50
Apartment Listing (Names/Sidwells/Assessments).....	55.00
Shopping Center List	55.00
Section or Subdivision Listing (per page)	0.85
Assessing, Board of Review, & Sales Information (first page)	1.90
Additional Pages.....	0.30
Plat Map.....	125.00
Custom Assessment Information Report	45.00
IFEC Extension Application Fee	555.00
IFEC Request for Extension to Complete Project Application Fee.....	555.00
IFEC Request for Revision of Final Project Cost Application Fee.....	555.00
Application to Establish a Speculative Building Designation Fee	555.00
Tax Hardship Income Limits:	
1 Person	16,030.00
2 Person	18,305.00
3 Person	20,580.00
4 Person	22,855.00
5 Person	24,710.00
6 Person	26,530.00
7 Person	28,350.00
8 Person	30,170.00
Each Additional Person	3,800.00

Sec. 3.02

BUILDING OFFICE:

Fence Permit.....	36.00
Fence Permit – Masonry, Separation	54.00
Board of Code Appeals	218.00
Reestablish Expired Permit Fee	65.00
Overtime Inspections, Each Hour (4 hour minimum).....	85.00
Special Inspections, Each Trade (Residential).....	49.00
Special Inspections, Each Trade (Commercial)	71.00
Building Code Publication	Cost + 12.00 Administration fee
Building Moving Permit.....	285.00
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).....	34.00
Permit fee (minimum)	46.00
Electrical Contractor’s Registration	24.00
Fire Alarm Contractor’s Registration.....	24.00
Sign Contractor’s Registration	24.00
Furnace Wiring.....	25.00
Air Conditioner Reconnect	25.00
Circuits: Each (new or extended).....	19.00
Fixtures: Each 25	19.00
Motors, Power, Heating Units, Furnaces, Transformers:	
Each ¼ to 10 HP	25.00
Each 11 to 30 HP	30.00
Each 31 to 50 HP	35.00

Each 51 to 60 HP	41.00
Each 61 and over	55.00
Feeders (Conduit, Wireways, Bus Ducts, Cables):	
Each 100 ft. (or less)	48.00
Refrigeration Units:	
Air Conditioning (residential)	25.00
Interruptible Service.....	25.00
Air Conditioning (commercial):	
Up to 5 Tons	30.00
5 to 40 Tons	48.00
Over 40 Tons	73.00
Electric Ranges, Ovens, Dryers, Water Heaters, X-Ray Equipment:	
Each unit of type.....	25.00
Swimming Pools/Hot Tubs (all)	54.00
Service (Lights, Heat, and Power):	
100 Ampere or less	25.00
101 to 500 Ampere	35.00
501 to 900 Ampere	48.00
900 Ampere or more	60.00
Signs: Sign Circuit.....	41.00
Sign Tag Inspection	63.00
Sign Connection	68.00
General Repair & Alterations (per hour or fraction thereof).....	56.00
Generator Connection	48.00
Motion Picture Apparatus.....	48.00
Special Inspections not specifically covered:	
Festivals.....	125.00
Carnivals.....	125.00
Circuses	125.00
Shop Inspection.....	72.00
Theatrical Road Show	72.00
Christmas Tree Lot	72.00
Temporary Wiring:	
Display Area (Sq. Ft.):	
Up to 100,000 sq. ft.	65.00
Over 100,000 to 200,000 sq. ft.	120.00
Over 200,000 to 300,000 sq. ft.	142.00
Over 300,000 to 400,000 sq. ft.	211.00
Over 400,000 sq. ft.	280.00
Outline Tubing – Connection or Tag Inspection:	
Each 100 feet.....	72.00
Mobile Home and Trailer Park Inspections (minimum)	49.00
Fire Alarm Inspection (minimum)	69.00
Plan Review Fee	93.00
Manual Pull Station.....	11.00
A/V, Strobe, Voice Speaker.....	11.00
Water Flow/Tamper Switch	11.00
Heat or Smoke Detector	11.00
Flame, Duct Detector	11.00
Auxiliary Panel	11.00
Electric Door Release.....	11.00
Elevator Recall Status.....	11.00
Fire Alarm Circuit.....	18.00
Alterations to existing system.....	56.00
Reinspection Fee	56.00
Miscellaneous Fire Alarm Fee	56.00
Plumbing Work	
Application Fee (Non-refundable).....	38.00
Permit Fee (minimum)	46.00
Plumber's Registration.....	1.00
Journeyman Plumber's Registration.....	0.50

Fixture Inspection: (New and Replacement)	
New Installation (minimum).....	46.00
New Stack or Stack Alteration	16.00
Air Admittance Valve	16.00
Roof conductor	16.00
Sump or interceptor.....	16.00
Backflow preventor	16.00
Pump or Water Lift.....	16.00
Hose connection (sillcocks)	16.00
Water treatment device	16.00
Water closets.....	16.00
Shower traps	16.00
Baths.....	16.00
Water heater.....	30.00
Tankless water heater	30.00
Basement Waterproofing.....	46.00
Sinks (any description)	16.00
Lavatories	16.00
Laundry trays	16.00
Floor drains.....	16.00
Ice Maker	16.00
Back Water Valve	16.00
Thermal Expansion Tank.....	16.00
Bidet	16.00
Dental Chair.....	16.00
Grease or Oil Interceptor	16.00
Drinking fountains.....	16.00
Soda fountains/bars	16.00
Waste opening	16.00
Humidifiers	16.00
Food waste grinders.....	16.00
Dishwashers	16.00
Urinals.....	16.00
Whirlpools.....	35.00
Lawn Sprinkler Systems	41.00
All other fixtures not mentioned	16.00
Reinspection Fee.....	56.00
Special Equipment (automatic laundry, humidifier, beverage vending machine, vacuum systems, nitrous oxide, oxygen, nitrogen, medical air):	
Automatic Machines (minimum).....	30.00
Each additional.....	16.00
Building Sewer Connection – sump connection.....	48.00
Drains:	
Storm drains to catch basin for main storm sewer.....	280.00
Lines less than 4" in diameter	26.00
Lines less than 6" in diameter	31.00
Lines less than 8" in diameter	42.00
Lines less than 10" in diameter.....	56.00
Lines less than 12" in diameter.....	72.00
Lines less than 14" in diameter.....	84.00
Lines less than 16" in diameter.....	99.00
Lines less than 18" in diameter.....	114.00
Lines exceeding 18" in diameter (per inch).....	14.00
Water Distribution System:	
¾"	20.00
1"	31.00
1 ¼"	36.00
1 ½"	49.00
2"	65.00
2 ½"	92.00
3"	106.00
4"	20.00

Exceeding 4"	141.00
Replace piping, no increase in size	36.00

Mechanical Work

Application Fee (Non-refundable).....	34.00
Permit Fee (minimum)	46.00
License/Registration	15.00
Gas-Fired Equipment; Oil Burners; New or Replacement –	
Burners with input:	
up to 75,000	48.00
75,001 to 500,000.....	55.00
500,001 – 1,000,000.....	96.00
1,000,001 – 2,000,000	110.00
2,000,001 – 3,000,000	136.00
over 3,000,000	165.00
Air Handlers:	
Up to 2,000 CFM	48.00
Over 2,000 CFM	96.00
Duct Work	48.00
Hydronic Piping	56.00
Gas Piping:	
Mains up to 2"	41.00
Mains 2 ½" to 4"	55.00
Mains over 4"	69.00
Each Opening off of Main.....	13.00
Factory Built Chimneys:	
Up to 8"	19.00
9" to 12"	30.00
Over 12"	41.00
Pre-Fab Fireplace.....	55.00
Flue Liner	35.00
Exhaust Fans:	
Up to 400 cfm	14.00
401 cfm to 1,000 cfm.....	19.00
1,001 cfm to 4,000 cfm	30.00
Over 4,000 cfm	41.00
Dryer Vents.....	19.00
Kitchen Hood and Duct (UL300/FM200)	49.00
Spray Booth Hood and Duct	49.00
Alterations to existing installations.....	56.00
Alterations to existing boilers	56.00
Reinspection Fee	56.00
Refrigeration Systems –	
Self Contained:	
2 Tons or Less, each.....	41.00
Over 2 to 5 Tons, each	48.00
Alterations to each system	56.00
Remote Systems:	
5 Tons or Less, each.....	48.00
Over 5 to 50 Tons, each.....	69.00
Over 50 Tons, each	110.00
Alterations to each system	56.00
Cooling Towers	69.00
Stand Pipes and Fire Suppression:	
Riser pipe up to 4" diameter.....	42.00
Riser pipe up to 6" diameter.....	72.00
Riser pipe up to 8" diameter.....	99.00
Riser pipe 8" or more diameter	211.00
Each suppression opening (each head of the system).....	4.00
Alteration to existing system	56.00
Flammable and Bulk Storage Tanks:	
Tanks under 500 Gallons	48.00

Tanks under 5,000 Gallons	63.00
Tanks under 20,000 Gallons	81.00
Tanks under 50,000 Gallons	96.00
Tanks under 200,000 Gallons	110.00
Tanks over 200,000 Gallons	205.00

Buildings

Application Fee (Non-refundable).....	34.00
Plan Review Deposits (Non-refundable):	
Single Family Residential.....	530.00
Commercial Alteration	211.00
New Commercial/Industrial Building.....	1,055.00
Commercial/Industrial Addition	530.00
Building Permit Fees (all use groups):	
Valuation to \$1,000.....	55.00
Valuation \$1,001 to \$10,000.....	55.00 + 15.00 per 1,000.00 over 1,000.00
Valuation \$10,001 to \$100,000.....	222.00 + 6.00 per 1,000.00 over 10,000.00
Valuation \$100,001 to \$500,000	933.00 + 6.00 per 1,000.00 over 100,000.00
Valuation \$500,001 and over	4,050.00 + 6.00 per 1,000.00 over 500,000.00
Residential Bond (5% Retained)	490.00
Temporary C/O Refundable Bond	510.00
Multi-Family Bond (5% Retained)	740.00
Commercial Bond (5% Retained)	1,490.00
Industrial Bond (5% Retained).....	2,960.00
Mobile Homes	143.00
Plan Review Fee:	
Valuation \$0 - \$500,000	0.0040 of valuation but not less than 100.00
Valuation over \$500,000.....	2,320.00 + 0.0015 of valuation over 500,000.00
Plan Review: If Plan Number is on File	106.00
Miscellaneous Plan Review.....	65.00
Misc. Items (concrete, antennas, awnings, sheds, canopies, tents, gazebos, decks, porches, reroofs).....	65.00
Pigeon Loft Inspection.....	65.00
Replacement of Public Sidewalk Section(s) by Abutting Property Owner.....	34.00
Use Permit (tenant space).....	92.00
Fire Repair	210.00
Fire Inspection Fee (New City Businesses).....	86.00
Reinspection Fee.....	56.00
Demolition:	
Plan review and administration base fee	65.00 + 0.10 per square ft.
Swimming Pools:	
Above Ground	69.00
Below Ground.....	136.00
Signs:	
Application Fee (non-refundable).....	34.00
Plan Review Fee	65.00
Permanent	141.00
Temporary.....	65.00
Contractor Registration Fee	24.00
Residential Basement Finish	204.00
Residential Interior Finish	204.00
Minor Commercial Alterations under 400 sq. ft.	210.00

Sec. 3.03

CITY ADMINISTRATION:

Amusement Device License:	
Types A & B	915.00 + 60.00 per device
Renewal Fee	185.00 + 34.00 per device
Type C	915.00
Renewal Fee	186.00

Attorney Services	Attorney fees & costs
Auction Sales License (per day)	25.00
Auctioneer License	55.00
Business Registry License.....	45.00
Carnival/Festival License	73.00 + 6.00 each booth, ride, etc.
Cigarette Vending Machine License	64.00+ 6.00 each additional machine
Death and Birth Certificate	22.00
Additional Copies	8.50
Dog License:	
January 1 to March 31 (renewal or newly acquired dog):	
Neutered/Spayed.....	8.00
Non-Neutered/Spayed.....	21.00
April 1 to October 31 (newly acquired dog):	
Neutered/Spayed.....	8.00
Non-Neutered/Spayed.....	21.00
November 1 to December 31 (newly acquired dog):	
Neutered/Spayed.....	4.00
Non-Neutered/Spayed.....	10.50
Additional Late Fee (renewal after March 31 or registering any new dog later than 30 days after acquisition)	10.00
Potentially Dangerous Dog License Fee	53.00
Replacement Dog Tag.....	4.00
Fire Inspection Fee (new City businesses – charged by Building)	86.00
Going Out of Business Sales License.....	50.00
Renewal Fee	50.00
House Moving License	73.00
Industrial Development District Filing Fee.....	1,000.00
Industrial Facilities Exemption Certificate Filing Fee.....	1,900.00
Industrial Facilities Exemption Certificate Application Amendment Fee	1,000.00
Industrial Facilities Exemption Certificate Transfer Fee.....	1,000.00
New Personal Property Exemption Fee	1,900.00
Junk Yard License.....	265.00
Landscaper License (Non-resident).....	66.00
Mobile Vending License	181.00
Passport Processing Fee.....	25.00
Pawnbroker License.....	500.00
Refuse Collection License	95.00 + 7.00 each truck
Secondhand Goods Merchant Registration Fee	100.00
Snow Removal License	185.00
Solicitor/Peddler License.....	120.00
Tattoo Permit.....	550.00
Taxi License (annual fee)	93.00 + 12.00 per vehicle
Temporary Use Vendor License.....	47.00
Wrecker Driver License (Towing Contractor).....	117.00
Renewal Fee Wrecker Driver License (Towing Contractor)	59.00
Massage Establishment License	630.00
Renewal Fee Massage Establishment License.....	316.00
Each Massologist	245.00
Renewal Fee Each Massologist.....	48.00
Precinct Map	7.50
City Street Map	4.70
Zoning Map	6.00
City Budget.....	50.00
Municipal Improvement Program	30.00
City Financial Audit	30.00
Collective Bargaining Agreement.....	6.00
Election Results	9.20
Voter and Business Registry Labels (per page)	1.20
Voter and Business Registry Lists (per computer hour).....	Payroll + 0.05/page
Magnetic Voter Tape	111.00
with own tape.....	69.00
Voter Data Diskette	27.00

Liquor License: Class C	2,000.00
Tavern	2,000.00
SDD & SDM	2,000.00
Entertainment and/or Dance Permit	2,000.00
Extended Hours Permit	2,000.00
Shareholder Partial Transfer	990.00
Temporary Liquor License Application Fee.....	32.00
Outdoor Service Permit.....	248.00
Hotel/Motel License.....	2,000.00
Renewal Fee Hotel/Motel License.....	990.00
Certifications.....	4.80
Photo Copies – Black & White	1.90
Additional Pages – Black & White.....	0.30
Photo Copies – Color	1.90
Additional Pages – Color.....	0.80
Microfilm Copies (per page).....	5.30
Recording Fee (formerly Encroachment Fee).....	40.00
Notary Fee.....	10.00
Audio Tape Recordings (prepay minimum).....	18.00
Fireworks Display Permit.....	700.00
Close Proximity Pyrotechnic Display Permit.....	700.00
Sterlingfest Art Fair Applications	220.00
Double Booth Fee	400.00
Corner Booth Additional Charge.....	30.00
Sterlingfest Art Fair Vendor Jury Fee (Non-Refundable)	16.00
“Taste of the Town” Sterlingfest Booth – Food Cart Vendors	640.00
“Taste of the Town” Sterlingfest Booth - Restaurateurs	1,450.00
Sterlingfest Beer Tent Cover Charge (Adult 21 & Over).....	2.00
VHS Tape Dubs.....	34.00
DVD Dubs	
Resident	24.00
Non-Resident	34.00
Gazebo Rental (per event):	
Resident	57.00
Non-Resident	86.00
Gazebo Rental for Photographs Only (per 1 hour rental):	
Resident	30.00
Non-Resident	43.00
Upton House Rental – (per 4 hour rental):	
Resident	57.00
Non-Resident	86.00
Sterling Heights Magazine Advertisement Fees:	
Full Page Ad (Full Color).....	1,478.00
Full Page Ad (Two Color)	1,267.00
One-Half Page Ad (Full Color).....	845.00
One-Half Page Ad (Two Color).....	739.00
One-Fourth Page Ad (Full Color)	476.00
One-Fourth Page Ad (Two Color)	422.00
Business Card Ad (Full Color)	317.00
Business Card Ad (Two Color).....	264.00
Name & Phone Number Ad	106.00
Three-Edition Ad Commitment (Minimum)	20% Discount
Environmental Recovery Fee.....	Cost + 25% Administrative Fee
Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction (Failure to Comply with Owner/Keeper of a Potentially Dangerous Dog Requirements):	
First Violation	500.00
First Repeat Offense	750.00

Larger than 34" x 34" (Xerox 2510 or blueline)	7.50 each
Detail Sheets (Mylar)	9.00 each
Topographic Map 36" x 36" (blueline).....	40.00 each
Planimetric Map 36" x 36" (blueline).....	23.00 each
Overall Watermain Map (blueline).....	7.50 each
Overall Sanitary Sewer Map (blueline).....	7.50 each
Overall Storm Sewer Map (blueline).....	7.50 each
Master Storm Sewer Plan (book form).....	47.00 each
Master Watermain Plan (book form).....	35.00 each
Master Sanitary Sewer Plan (book form).....	35.00 each
Master Road Plan (book form) 1998 HRC.....	47.00 each
Municipal Civil Infraction for Various Soil Erosion and Sedimentation Control Regulations:	
First and Subsequent Repeat Offenses.....	750.00
Municipal Civil Infraction for Unabated Knowing Violations of City Code Chapter 17:	
Each Violation.....	5,000.00
First Repeat Offense.....	7,500.00
Second and Subsequent Repeat Offenses.....	10,000.00
Municipal Civil Infraction for Unabated Knowing Violations After a Notice of Determination:	
Each Violation.....	10,000.00
First Repeat Offense.....	15,000.00
Second and Subsequent Repeat Offenses.....	20,000.00
* Class 1 projects include drain enclosures, channel improvements, sanitary sewer, water main, and pavement overlay.	
** Class 2 projects include new road construction or reconstruction, bridges, pumping stations, etc.	

Sec. 3.06

FIRE DEPARTMENT:

Fire Reports: First Page.....	10.00
Additional Pages.....	2.00
Digital Photographs:	
5" x 7" Color Print.....	30.00
8" x 10" Color Print.....	30.00
8" x 10" Contact Sheet.....	30.00
Compact Disc.....	16.00
Burning Permit.....	190.00
Fireworks Sales Permit.....	700.00
Fireworks Display Permit.....	700.00
Close Proximity Pyrotechnic Display Permit.....	700.00
Board of Code Appeals.....	230.00
Witnessed Acceptance Test Fee.....	164.00
Off-Hour Witnessed Acceptance Test Fee (3 hour minimum).....	751.00
Each additional hour.....	251.00
Reinspection Fee for Witnessed Acceptance Test.....	164.00
Phase I Site Inspection (1 hour minimum).....	58.00 + 33.00 per hour
Special Fire Prevention Inspection (festivals, craft shows, carnivals, haunted houses, flea markets)	
Each Inspection.....	176.00
Each Re-Inspection.....	176.00
Off-Hour Inspection (3 hour minimum).....	251.00
Each Additional Hour.....	74.00
Off-Hour Re-Inspection (3 hour minimum).....	251.00
Each Additional Hour.....	74.00
Plan Review Fee.....	154.00
Resubmitted Plan Review Fee.....	51.00
Explosive Materials Permit Fee.....	185.00
Requested Fire Services (Schools, Businesses, Hazmat Incidents, etc.).....	Cost + 30%
Reinspection Fees:	
First Reinspection.....	No Fee
Second and Subsequent Reinspections.....	110.00
False Alarm Fees: (within a 12 month period)	
First Response.....	No Fee

Second Response	140.00
Third Response	310.00
Fourth and Subsequent Responses	630.00
Municipal Civil Infraction:	
First Office Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction for Violation of a Stop Work Order:	
First Offense Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third and Subsequent Repeat Offenses	1,500.00

Sec. 3.07

NEIGHBORHOOD SERVICES:

Water & Sewer Permit Revision Review Fee	99.00
Public Services Agreement Execution Fee	31.00
Recording Fee	40.00
Water & Sewer Debt Service Agreement Finance Charge	20%

Code Enforcement

Board of Ordinance Appeals	218.00
Single Family Res. Non-Homestead Inspection Fee (biennial)	125.00
Nuisance Abatement Administrative Fee	25%
Nuisance Abatement Agreement Execution Fee	Attorney Fee + 25%
Sidewalk Snow Removal Fee	Cost + 25% + 56.00
Claimed Signs:	
16 sq. ft. or less	5.00 each
17 – 31 sq. ft.	24.00 each
32 sq. ft. and over	115.00 each
Code Enforcement Inspection	56.00
Municipal Civil Infraction (Residential Parking and Signs):	
Each Violation	100.00
First Repeat Offense	250.00
Second and Subsequent Repeat Offenses	500.00
Municipal Civil Infraction for Prohibited Parking during a Snow Emergency:	
Each Violation	75.00
First Repeat Offense	100.00
Second and Subsequent Repeat Offenses	125.00

25.00

Sec. 3.08

PARKS & RECREATION:

Pavilion Rental:	
Weekday (Resident)	62.00
(Non-Resident)	93.00
Weekend (Resident)	85.00
(Non-Resident)	128.00
Nature Center Classes:	
School Field Trips (WCS/UCS Schools)	28.00
(All Other Districts per class)	42.00
Children’s Nature Classes (Resident)	7.00
(Non-Resident)	10.00
Scout Badge Classes (Resident)	8.00
(Non-Resident)	12.00
Birthday Parties (Resident)	116.00
(Non-Resident)	174.00

Parent & Tot Classes:	
1 Child Per Family (Resident)	48.00
(Non-Resident)	72.00
2 Children Per Family (Resident).....	54.00
(Non-Resident)	81.00
Summer Playground:	
Resident	99.00
Non-Resident	149.00
Field Trip Bus Fee (Per Person)	8.00
Dodge Park 5K Run:	
Pre-Registered 16 years old and younger (Resident).....	17.00
(Non-Resident)	26.00
Pre-Registered 17 years old and older (Resident)	19.00
(Non-Resident)	29.00
Race Day Registration	Add \$5.00 fee to above
Special Recreation Dances:	
Pre-Registered (Resident).....	7.00
(Non-Resident).....	10.00
Registration at the Door (Resident)	9.00
(Non-Resident).....	13.00
Staff Registration	1.00
Prom Dance – Individual (Resident)	17.00
(Non-Resident).....	25.00
Special Recreation Playgrounds:	
Physically or Otherwise Health Impaired (P.O.H.I.) – Individual (Resident)	149.00
(Non-Resident).....	224.00
Physically or Otherwise Health Impaired (P.O.H.I.) – Family (Resident)	252.00
(Non-Resident).....	378.00
Mentally Impaired (M.I.) – Individual (Resident)	149.00
(Non-Resident).....	224.00
Mentally Impaired (M.I.) – Family (Resident)	252.00
(Non-Resident).....	378.00
Special Recreation:	
Early On Parent & Tot (Resident).....	30.00
(Non-Resident)	45.00
Creative Cooking (Resident).....	8.00
(Non-Resident).....	12.00
Line Dance Exercise (Resident)	42.00
(Non-Resident)	63.00
Children’s Line Dance (Resident).....	30.00
(Non-Resident).....	45.00
Softball – Individual (Resident)	57.00
(Non-Resident).....	86.00
Softball – Family (Resident)	99.00
(Non-Resident).....	149.00
Coffeehouse Tickets:	
Advance Tickets (Resident).....	14.00
(Non-Resident)	18.00
At the Door Sales (Resident).....	15.00
(Non-Resident)	20.00
Sterling Civic Theatre:	
Resident	20.00
Non-Resident	30.00
Karate:	
Resident	50.00
Non-Resident	65.00
Yoga/Fitness Classes:	
Resident	42.00
Non-Resident	55.00
Zumba:	
Resident	60.00
Non-Resident	78.00

Men's Gym:	
Resident	43.00
Non-Resident	56.00
Senior Boys Basketball	520.00
Men's Softball	855.00
Co-ed Softball	557.00
Women's Softball	557.00
Ball Field Rental Fees – Seasonal:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams	370.00
All Other Users	395.00
All Users – Lighted Fields Additional Fee (per day)	63.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams	260.00
All Other Users	285.00
Ball Field Rental Fees – Daily:	
Delia or LWB Park (per field per day):	
MABF Teams/Church Teams	65.00
All Other Users	75.00
All Users – Lighted Fields Additional Fee (per day)	63.00
Jaycee Park (per field per day):	
MABF Teams/Church Teams	44.00
All Other Users	54.00
Ball Field Request to Groom/Stripe Additional Fee	Cost + 25%
Soccer Field Rental Fees (per field per season):	
Travel Clubs:	
Seasonal 1-3 days/week	540.00
Seasonal 4-7 days/week	815.00
Camp/Other	
Weekly (one week only)	193.00
Daily	81.00
Sand Volleyball League	219.00
Teenfest:	
Resident	2.50
Non-Resident	3.50
Snowmobile Safety (Resident)	15.00
(Non-Resident)	22.00
Gymnastics:	
One-half Hour Class (Resident)	43.00
(Non-Resident)	65.00
One Hour Class (Resident)	54.00
(Non-Resident)	81.00
Dance:	
Fall Session (Resident)	50.00
(Non-Resident)	75.00
Mid Eastern Dance:	
Resident	40.00
Non-Resident	60.00
Winter/Spring Session (Resident)	79.00
(Non-Resident)	119.00
Senior Center Activities:	
Exercise (Resident)	5.00
(Non-Resident)	7.00
Golf League (Resident)	15.00
(Non-Resident)	22.00
Line Dance (Resident)	5.50
(Non-Resident)	8.25
Painting (Resident)	9.50
(Non-Resident)	14.25
Senior News Subscription per year (Resident)	13.50
(Non-Resident)	20.00

Stained Glass Class (Resident)	7.00
(Non-Resident)	10.50
Tai Chi (Resident).....	6.00
(Non-Resident).....	9.00
Volleyball Player Fee (Resident).....	32.00
(Non-Resident).....	48.00
Senior Bus Trip:	
1 day (Resident).....	7.50
(Non-Resident)	11.00
3-5 days (Resident).....	14.00
(Non-Resident)	21.00
Extended (Resident)	31.00
(Non-Resident).....	46.00
Senior Activity Fee - per day (Resident).....	0.25
(Non-Resident)	0.50
Senior Center Gymnasium Activities:	
Co-ed Pickleball (Resident)	23.00
(Non-Resident)	35.00
Track Usage Fee – After Hours (Resident)	1.00
(Non-Resident).....	1.50
Gymnasium Usage Fee – After Hours (Resident).....	Trial Reduced Fee: 2.00
(Non-Resident)	Trial Reduced Fee: 3.00
Parks and Recreation Plan	8.25

Sec. 3.09

PLANNING:

Special Approval Land Use.....	547.00
Temporary Use.....	400.00
Administrative Review.....	245.00
Variances to Subdivision Regulations	400.00
Right-of-Way Vacations	605.00
Rezoning Petition:	
First Acre	1,710.00
Additional Acre	67.00
Public Hearing Postponements (Petitioner Requested)	44.00
Ordinance Text Amendment.....	1,710.00
Subdivision Plat	1,340.00
Each lot over 100 lots.....	8.90
Subdivision Open Space and One-Family Cluster Development	745.00
Tree Preservation – Site Plans and Plats	850.00
Tree Preservation – Single Family Lot (less than one acre)	180.00
Tree Preservation Administrative Fee	25% of landscape plan inspection fees
Tree Preservation Inspection Fee (per inspection/re-inspection)	Payroll + 175%
No Tree Affidavit.....	120.00
Site Plan Review:	
First Acre	409.00
Additional Acre	69.00
Site Plan Review by Planning Commission:	
First Acre	548.00
Additional Acre	69.00
As Built Revisions	241.00
Master Land Use Report	37.00
Master Land Use Map.....	12.00
Subdivision Plat Print (per sheet).....	12.00
Subordination of Lien.....	150.00
Zoning Board of Appeals:	
Regular Meeting	400.00
Special Meeting	810.00
Zoning Compliance Letter.....	60.00
Landscape Plan Inspection.....	25% of site plan fees

Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense	750.00
Third or Subsequent Repeat Offenses	1,500.00

Sec. 3.10

POLICE DEPARTMENT:

Police Reports:	
First Page	10.00
Additional Pages	2.00
Clearance Letter	16.00
Noncriminal Fingerprint Card	23.00
Photos:	
8" x 10" Color	32.00
5" x 7" Color	30.00
8" x 10" Contact Sheet	30.00
Compact Disc	45.00
Administrative Towing Fees: (Charged to Towing Company)	
Inspection of VIN	21.00
Reports on TR-52 Tracking	26.00
Administration and Presence at Auction	570.00
Audio Tape Duplication Fee	41.00
Video Tape, DVD, CD Duplication Fee	45.00
Animal Give-up Fee	65.00
Animal Impoundment Fee (Released from Station)	30.00
Animal Impoundment Fee (Taken to County)	65.00
Animal Trap Rental Fee (per 5 days)	30.00
Animal 10-Day Quarantine Fee	153.00
Bail Bond Arrest Warrant Fee	10.00
Personal Breathalyzer Test (PBT)	22.00
Booking Photo	10.00
Notary Fee for Gun Permits	10.00
Park Alcohol Permit Fee	32.00
Vehicle Inspection Fee	33.00
Requested Police Services (Schools, Businesses, Hazmat Incidents, etc.)	Cost + 30%
Towed Vehicle Impound Fee	25.00
Correctable Traffic Violation	10.00
Warrant Fee (SHPD Warrants)	10.00
False Alarm Fees: (within a 12 month period)	
First Response	No fee
Second Response	No fee
Third Response (Residential)	33.00
Third Response (Non-Residential)	95.00
Fourth Response (Residential)	65.00
Fourth Response (Non-Residential)	193.00
Fifth and Subsequent Responses (Residential)	126.00
Fifth and Subsequent Responses (Non-Residential)	381.00
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. 3.11

PUBLIC LIBRARY:

Overdue fines (per day):	
Hardcover Books (maximum \$15.00).....	0.25
Paperback Books (maximum \$5.00).....	0.25
Magazines (maximum \$5.00).....	0.25
Audios (maximum \$15.00).....	0.25
Compact Discs (maximum \$15.00).....	0.25
Videocassettes (maximum \$15.00).....	0.25
DVD's (maximum \$15.00).....	0.25
Replacement Library Card	3.00
Suburban Library Cooperative Non-Resident Library Card	200.00
Copy/Print System Card	0.50
Black & White Copy/Computer Print	0.10
Color Copy/Computer Print	1.00
Microfilm/Microfiche Print (per copy).....	0.20
Internet Use Without Library Card (per day).....	4.00
Municipal Civil Infraction:	
Each Violation	75.00
First Repeat Offense	150.00
Second or Subsequent Repeat Offenses	300.00

Sec. 3.12

PUBLIC WORKS DEPARTMENT:

Sewer Inspection.....	99.00
Sewer Tap.....	1,090.00
Sewer Capital/Unit	
Residential.....	810.00
Commercial/Industrial (per 1,000 sq. ft.)	410.00
Sewer Frontage (per front ft.).....	68.00
Sewage Disposal Service Only (per billing)	60.00
Residential and Commercial Water Meters:	
¾" Remote.....	385.00
1" Remote.....	430.00
1 ½" Remote	740.00
2" Compound Remote.....	1,920.00
3" Compound Remote.....	3,390.00
4" Compound Remote.....	4,760.00
6" Compound Remote.....	7,060.00
Double Check Detector Assembly with Meter:	
3".....	1,890.00
4".....	1,990.00
6".....	2,850.00
8".....	5,170.00
10".....	7,530.00
Water Inspection	99.00
Water Tap	
1".....	1,030.00
1 ½"	1,400.00
2".....	1,650.00
3".....	3,290.00
4".....	3,560.00
6".....	4,070.00

Additional Charge for 86 ft. wide street:	
1"	320.00
1 1/2"	370.00
2"	510.00
Additional Charge for 120 ft. wide street:	
1"	660.00
1 1/2"	830.00
2"	1,090.00
Additional Charge for 204 ft. wide street:1,440.00	
1"	1,550.00
1 1/2"	1,970.00
2"	2,800.00
Water Capital/Unit:	
Residential.....	640.00
Commercial/Industrial (per 1,000 sq. ft.)	330.00
Water Frontage (per front ft.)	37.00
Monitor Surcharge.....	per City of Detroit Industrial Waste Control Rate Structure
Water Turn On Fee.....	85.00
Water Service Fee (avoidable & repeat visits).....	85.00
Water Service Abandonment Fee	440.00
Sewer Service Abandonment Fee.....	99.00
Water Service Re-Use Fee.....	240.00
Sewer Service Re-Use Fee	99.00
Water Meter Testing Fee	85.00
Water Meter Rescheduling Fee.....	85.00
Automatic Fixed Network Meter Read Permit	165.00
Final Water Meter Read.....	32.00
Final Water & Sewer Bill Preparation Fee	13.00
Citizen Water Service Request – after hours	57.00
Public Works Services Provided.....	Cost + 25%
Water Meter Removal/Reinstallation for common area irrigation system.....	185.00
Landlord/Tenant Affidavit Filing Fee.....	140.00
Fire Hydrant Rental – Payable by City	25.00
Private Use of Fire Hydrant:	
One Hydrant	110.00 per month + 300.00 water usage deposit
More Than One Hydrant	220.00 per month + 580.00 water usage deposit
Bypass Inspection Fee	Back bill +125.00
Common Area Irrigation System Permit	360.00
Planting of tree in right-of-way	195.00
Culvert installation permit.....	89.00
Ditch enclosure permit	89.00
Monitoring well installation permit	420.00
Sewer connection to discharge treated ground water.....	420.00
Cutting of noxious weeds.....	Contract costs + 60% administrative fee + 31.00 fine
Special Pickup/Additional Refuse Collection.....	Contract costs + 25% administrative fee
Refuse Collection Fees (Schools).....	Contract costs
Refuse Collection Fees (Mobile Home Parks and Apartment Complexes).....	Contract costs
.....	+ 5% administrative fee – refuse taxes paid
Curbside Recycling License (min. \$1,500/year)	1% of program revenue based upon previous year
Debris Removal Fee.....	Contract Costs + 25% administrative fee
Tree Branch Chipping Fee	41.00
Fleet Services Requested by Other Cities.....	Cost + 30%
Municipal Civil Infraction:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses	1,500.00
Municipal Civil Infraction for Trash Placed at Curb Outside of Permitted Hours:	
Each Violation	25.00
First Repeat Offense	50.00
Second and Subsequent Repeat Offenses.....	100.00
Municipal Civil Infraction for Violation of a Mandatory Water Restriction:	
Each Violation	25.00

First Repeat Offense	50.00
Second and Subsequent Repeat Offenses.....	100.00

Sec. 3.13

TREASURY OFFICE:

Bounced Check Fee.....	30.00
Delinquent Bill to Tax Roll Penalty (excluding Water & Sewer)	17%
Late Payment Penalty.....	6%
Penalty Assessment on Delinquent Taxes.....	3%
Tax Statement Copy (Internet – Free)	2.00
Attorney Review Fee for Liens or Discharges	75.00
Subordination of Lien.....	270.00
Annual Lien Penalty	6% + lien filing costs
O.U.I.L./O.U.I.D.....	315.00 + additional reimbursements
Property Tax Administration Fee (P.T.A.F.)	1%
Municipal Civil Infraction for Failure to Pay Police or Fire False Alarm Invoices:	
Each Violation	150.00
First Repeat Offense	375.00
Second Repeat Offense.....	750.00
Third and Subsequent Repeat Offenses	1,500.00

ARTICLE IV

The City Manager is hereby authorized to make transfers within the budgetary centers established in this ordinance but all transfers between budgetary centers, contingencies, reserves, and fund balances shall be made only by further action of the City Council pursuant to law; the City Manager is hereby authorized to sign letters of severance after notifying the City Council and establish City programs which are a de minimis, but necessary expenditure for the benefit of the recipient employee and funded through appropriations in this ordinance; the City Manager is hereby authorized to release bidding documents for those capital items and recurring commodities expressly authorized within appropriations in this ordinance for public review by the City Council following receipt of bids.

ARTICLE V

SEVERABILITY

If any clause, sentence, paragraph, or part of this ordinance, or the application thereof to any person or circumstance, shall for any reason be adjudged by any Court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair, or invalidate the remainder of this ordinance and the application of such provision to other persons or circumstances, but shall be confined in its operation to the clause, sentence, paragraph, or part thereof directly involved in the controversy in which such judgment shall have been rendered and to the person or circumstances involved. It is hereby declared to be the legislative intent of this body that the ordinance would have been adopted had such invalid provision not been included.

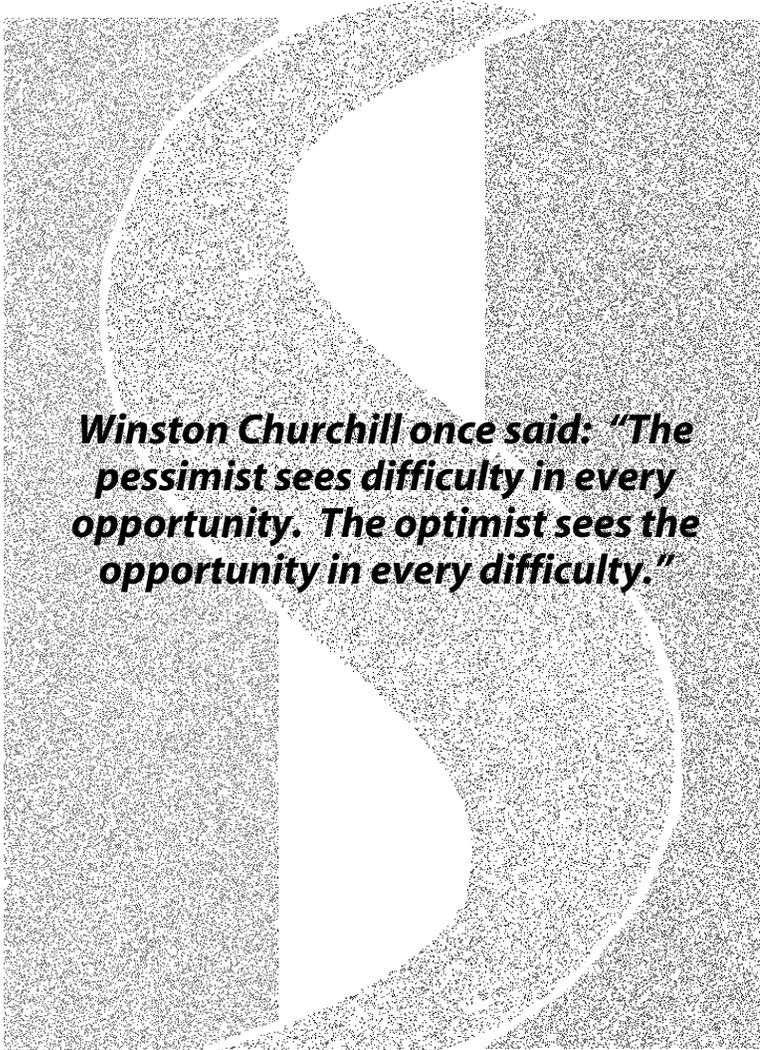
ARTICLE VI

EFFECTIVE DATE

This ordinance shall become effective July 1, 2013.

BY ORDER OF CITY COUNCIL

**ADOPTED:
PUBLISHED:
EFFECTIVE:**



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

A

ACCRUAL BASIS – Accrual basis accounting recognizes transactions when they occur, regardless of the timing of related cash flows. The application of accrual accounting techniques prevents distortions in financial statement representations due to shifts in the timing of cash flows and related underlying economic events near the end of a fiscal period.

ACT 51 – Highway and street funds derived from gas and weight taxes, distributed to communities by the Michigan Department of Transportation based on a municipality's population and number of street miles.

ACT 78 CIVIL SERVICE COMMISSION – Established by Act No. 78 of the Michigan Public Acts of 1935 and incorporated into the City Charter. A General Fund Activity which governs the testing for appointment, employment, promotion, transfer, suspension, reinstatement, and discharge of all Police and Fire personnel.

ACTIVITY – An office within a department to which specific expenses are to be allocated.

APPROPRIATION – An authorization granted by a legislative body to incur obligations and to expend public funds for a stated purpose.

APPROPRIATIONS ORDINANCE – The official enactment by the City Council establishing the legal authority for the City to incur obligations and to expend public funds for a stated purpose.

APPO – Administrative Policies & Procedures Order. Promulgation of orders to help ensure efficiency, effectiveness or fiscal responsibility in municipal operations.

ASSET – Anything owned by an individual or a business, which has commercial exchange value. Assets may consist of specific property or claims against others, in contrast to obligations due others.

B

BALANCED BUDGET – A budget in which estimated revenues and use of reserves are equal to or greater than estimated expenditures.

BUDGET MESSAGE – A written policy and financial overview of the City as presented by the City Manager.

BUDGETARY CENTER – A grouping of offices' or activities' budgets that are combined to create a cost center in which actual expenditures cannot exceed budgeted appropriations.

C

CCW – Carrying of a concealed weapon. Permission for carrying of a concealed weapon is granted through an application process.

CAPITAL OUTLAY – A disbursement of money which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$1,000 to be a capital item.

CAPITAL PROJECTS FUND – A fund to account for the development of municipal capital facilities other than those financed by the Enterprise Fund.

COMPENSATED ABSENCE – An absence for which an employee is paid, such as vacation, holiday, or sick leave.

CONTINGENCY – An estimated amount of funds needed for deficiency, contingent or emergency purposes.

D

DPW – Department of Public Works.

DEBT SERVICE FUND – A fund to account for the accumulation of resources for and the payment of general long-term debt principal and interest.

DEFERMENT – A form filed by qualifying residents allowing a postponement of the summer homestead tax, without levying interest or penalty, unless payment is made after the deferment date.

DEFICIT – An excess of liabilities and reserves of a fund over its assets.

DEPARTMENTAL MISSION STATEMENT – A mission statement provides the full range of activities that will be used in the results oriented budget format to link the municipal purpose with the financial resources of the department.

DEPRECIATION – The amount of expense charged against earnings by a company to write off the cost of an asset over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.

E

EPA – Environmental Protection Agency.

EFFICIENCY PERFORMANCE INDICATOR – The quantifying of the relationship between input and output.

EFFECTIVENESS PERFORMANCE INDICATOR – The measure of results, accomplishments, or quality of the item or service provided.

ENCUMBRANCE – An anticipated expenditure, or funds restricted for anticipated expenditures, such as for outstanding purchase orders.

ENTERPRISE FUND – A fund established to account for operations that are financed and operated in a manner similar to a private business, i.e., the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. (Water & Sewer is an example of an enterprise fund.)

EQUALIZATION FACTOR – A multiplier that is applied to the Assessed Value of a class of property by the County Equalization Department or State Tax Commission that will produce a sum that represents 50% of the true cash value of that class.

EXPENDITURE – The cost of goods delivered and services rendered, whether paid or unpaid, including expenses, debt retirement not reported as liability of the fund from which retired, or capital outlay.

EXPENDITURE OBJECT – An expenditure object is a specific classification of expenditure accounts which includes a number of related accounts determined by the type of goods and services to be purchased. For example, the personnel services expenditure object includes the wages account as well as all fringe benefit accounts. Expenditure objects include personnel services, supplies, other charges, capital outlay, debt service, and transfers out.

F

FOI – Freedom of Information.

FTE – The amount of funding for full-time positions and part-time positions converted to the decimal equivalent of a full-time position (based on 2,080 hours per year, as set by the ICMA Center for Performance Measurement).

FISCAL YEAR – An accounting period of twelve months. The City's fiscal year begins July 1st and ends June 30th.

FIXED ASSETS – Fixed assets are equipment and other capital items used in governmental fund type operations and are accounted for in the governmental full accrual statements and recorded as expenditures at the time of purchase.

FUND – A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities.

FUND ACCOUNTING – The accounts of the City are organized on the basis of funds and account groups in order to report on its financial position and results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

FUND BALANCE – The excess of a fund entity's accumulated assets over its liabilities. Typically, excess revenues over expenditures at year-end will increase a fund's fund balance.

G

GAAP – Generally Accepted Accounting Principles. The guiding conventions, rules, and procedures that define accepted accounting practice at a particular time in the United States.

GENERAL FUND – The City’s major operating fund to account for all financial resources except those required to be accounted for in another fund.

GROUP A CRIME OFFENSE – A more serious group of crimes such as larceny, robbery, murder, or gambling.

GROUP B CRIME OFFENSE – A less serious group of crimes such as solicitation, trespassing, or disorderly conduct.

I

ICMA – International City/County Management Association.

ICMA CENTER FOR PERFORMANCE MEASUREMENT – Center created to help communities obtain fair, accurate and comparable data about the quality and efficiency of service delivery to their residents.

IFEC – Industrial Facilities Exemption Certificate.

INTERNAL SERVICE FUNDS – Funds used to finance and account for services furnished by a designated department to another department within a single governmental unit. Included in this category is the Self-Insurance Fund. This Fund was established in 1986 when the City became a participant in the Michigan Municipal Risk Management Authority. Expenses in this Fund include reinsurance charges, administration fees, and claims expenses and reserves for both reported and unreported claims.

L

LIABILITY – A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by that entity.

LINE ITEM BUDGET – A budget which emphasizes allocations of resources to given organizational units for particular expenditures, such as salaries, supplies, services, and equipment. Line item budgets may be organized to provide accountability at varying levels, such as department, division, or agency levels.

M

MDEQ – Michigan Department of Environmental Quality.

MIP – A multi-year *Municipal Improvement Program* that is developed to plan and guide the needed capital improvements and expenditures in a fiscally sound manner, and to ensure that these improvements are consistent with the goals and policies of the City Council and the City’s residents.

MISD – Macomb Intermediate School District.

MITN – Michigan Inter-Governmental Trade Network.

MML – Michigan Municipal League.

MILLAGE RATE – A rate used to determine the amount of annual property tax a property owner must pay. This rate is expressed in mills per dollar or 1/10 cent. Each governing body that levies property taxes sets its own millage rate annually. Property taxes may generally be calculated by multiplying the millage rate by the amount of, or a percentage of, the assessed value. (A mill represents \$1 of tax per \$1,000 of assessed valuation.)

MODIFIED ACCRUAL BASIS – The basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized at the time a liability is incurred pursuant to appropriation authority. Exceptions to the general rule of expenditure recognition occur in debt service.

N

NFIRS – National Fire Incident Reporting System.

NFPA – National Fire Protection Association.

NIMS – National Incident Management System.

NLC – National League of Cities.

NPDES – National Pollution Discharge Elimination System.

O

OPERATING BUDGET – The operating budget is the authorized revenues and expenditures for 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.

SHINE – Sterling Heights Initiative for Neighborhood Excellence.

SMART – Suburban Mobility Authority for Regional Transportation.

SERVICE STATEMENT – A statement of general and specific service deliveries rendered by an activity for the community.

SINKING FUND – A special reserve account created by a bond issuer. The issuer promises to put money into the account at regular intervals and to use the cash that accumulates to redeem the bonds.

SPECIAL ASSESSMENT – A tax or levy imposed against specific parcels of real estate that will benefit from a proposed public improvement like a street or sewer.

SPECIAL REVENUE FUND – A fund to account for the proceeds of specific revenue sources (other than special assessment, expendable trusts, or the major capital projects) that are legally restricted to expenditures for specified purposes.

SUPPLIES – An expenditure object within an activity which includes all supplies that have a useful life of less than one year and/or a purchase price of less than \$1,000.

SURPLUS – An excess of the assets of a fund over its liabilities and reserves.

T

TRANSFERS-IN/OUT – A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

TRUST & AGENCY FUND – Trust & Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds. These include the Retirement Systems and the Agency Funds. The Retirement Systems are accounted for in the same manner as a proprietary fund. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

W

WATER & SEWER FUND – This enterprise fund accounts for the operation of a combined water and sewer system. The revenues consist of charges for services from City businesses and residences which are used to pay for all water and sewer related expenses.

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