

# **BUDGET 2011-2012**



## **PORT HURON MICHIGAN**

OFFICE OF THE  
CITY MANAGER

**PROPOSED BUDGET**  
**CITY OF PORT HURON**  
**FOR**  
**THE FISCAL YEAR**  
**2011-2012**

Prepared by the Director of Finance for the City Manager  
and submitted to the City Council on April 25, 2011

# CITY OF PORT HURON BUDGET FISCAL YEAR 2011-2012

| <u>Table of Contents</u>                                   | <u>Page Number</u> |
|--|--------------------|
| 1. Schedule of Estimated Revenues – General Fund .....     | 3                  |
| 2. Schedule of Estimated Expenditures .....                | 7                  |
| 3. Summary of Estimated Requirements by Budget Class ..... | 13                 |
| 4. Appendix – Budget Explanation                           |                    |
| a. Continuing Cost Reduction Efforts .....                 | 20                 |
| b. General Fund .....                                      | 20                 |
| c. Street Funds .....                                      | 21                 |
| d. Utility Funds .....                                     | 21                 |
| e. General Fund Revenues .....                             | 22                 |
| f. User Fees and Other Miscellaneous Revenues .....        | 24                 |
| g. State Shared Revenue .....                              | 25                 |
| h. Income Tax Revenues .....                               | 27                 |
| i. Grant Revenues .....                                    | 28                 |
| j. Work Force Reductions .....                             | 28                 |
| k. General Fund Expenditures .....                         | 30                 |
| l. Increases in Operating Costs .....                      | 32                 |
| m. Support For Recreation, Parks and Culture .....         | 32                 |
| n. General Fund Comparison .....                           | 33                 |
| o. Water and Wastewater Funds .....                        | 34                 |
| p. Combined Sewer Overflow Project .....                   | 34                 |
| q. Bond Commitments .....                                  | 35                 |
| r. Construction Subsidies .....                            | 35                 |
| s. Debt Subsidies .....                                    | 35                 |
| t. Quarterly Utility Billings .....                        | 37                 |
| u. Proposed Public Works Projects .....                    | 38                 |
| v. Special Revenue Funds .....                             | 39                 |
| w. Internal Service Funds .....                            | 40                 |
| x. Tax Increment Funds .....                               | 40                 |
| 6. Appendix – Individual Fund Budgets                      |                    |
| a. General Fund .....                                      | 43                 |
| b. Street Funds – Major Streets .....                      | 44                 |
| c. Street Funds – Local Streets .....                      | 45                 |
| d. Street Funds – Municipal Streets .....                  | 46                 |
| e. Street Funds – Combined .....                           | 47                 |
| f. Cemetery Fund .....                                     | 48                 |
| g. Garbage and Rubbish Collection Fund .....               | 49                 |
| h. Rental Certification Fund .....                         | 50                 |
| i. Domestic Preparedness Fund .....                        | 51                 |

**Table of Contents**

**Page Number**

|  |    |
|--|----|
| j. O.U.I.L. Fund .....                                 | 52 |
| k. Drug Law Enforcement Fund .....                     | 53 |
| l. Law Enforcement Fund .....                          | 54 |
| m. Enhanced 911 Fund .....                             | 55 |
| n. Community Development Block Grant Fund .....        | 56 |
| o. Neighborhood Rehabilitation Fund .....              | 57 |
| p. Home Program Fund .....                             | 58 |
| q. Streetscape Maintenance Fund .....                  | 59 |
| r. Beautification Commission Fund .....                | 60 |
| s. Marina Fund .....                                   | 61 |
| t. Land Purchase Fund .....                            | 62 |
| u. Parking Fund .....                                  | 63 |
| v. Water Fund .....                                    | 64 |
| w. Wastewater Fund .....                               | 65 |
| x. Central Stores Fund .....                           | 66 |
| y. Data Processing Fund .....                          | 67 |
| z. Motor Vehicle Fund .....                            | 68 |
| aa. Insurance and Fringe Benefit Fund .....            | 69 |
| 7. Appendix – Tax Increment Authority Fund Budgets     |    |
| Tax Increment Finance Authority                        |    |
| a. Industrial Park Tax Increment Fund .....            | 71 |
| b. Paper Company Tax Increment Fund .....              | 72 |
| c. Krafft-Holland Tax Increment Fund .....             | 73 |
| d. Peerless Site Tax Increment Fund .....              | 74 |
| Downtown Development Authority                         |    |
| e. Downtown Development Authority Operating Fund ..... | 75 |
| f. Water Street DDA Tax Increment Fund .....           | 76 |
| g. Bank DDA Tax Increment Fund .....                   | 77 |
| h. Harrington Hotel DDA Tax Increment Fund .....       | 78 |
| i. Edison Redevelopment DDA Tax Increment Fund .....   | 79 |
| j. Mainstreet DDA Tax Increment Fund .....             | 80 |
| Local Development Finance Authority                    |    |
| k. Industrial Park Expansion Tax Increment Fund .....  | 81 |
| Brownfield Redevelopment Authority                     |    |
| l. Brownfield Redevelopment Tax Increment Fund .....   | 82 |
| 8. Appendix – Governmental Funds Summary               |    |
| Governmental Funds Summary .....                       | 84 |

## Schedule of Estimated Revenues - General Fund

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**SCHEDULE OF ESTIMATED REVENUES**  
**GENERAL FUND**  
**2011-2012**

|  | Actual            |                   | Budget            |                   |               |                |
|--|-------------------|-------------------|-------------------|-------------------|---------------|----------------|
|  | 2008-2009         | 2009-2010         | 2010-2011         | 2011-2012         | Increase      | Decrease       |
| FUND BALANCE                             | \$                | \$                | \$ 383,802        | \$                | \$            | \$ 383,802     |
| <b>TAXES:</b>                            |                   |                   |                   |                   |               |                |
| Real property taxes                      | \$ 7,236,065      | \$ 7,082,221      | \$ 6,485,000      | \$ 6,005,000      | \$            | \$ 480,000     |
| Personal property taxes                  | 1,240,577         | 1,227,445         | 1,085,000         | 1,065,000         |               | 20,000         |
| Income tax                               | 5,777,447         | 5,654,697         | 5,800,000         | 5,775,000         |               | 25,000         |
| Payment in lieu of taxes                 | 91,150            | 80,842            | 85,000            | 85,000            |               |                |
| Penalties and interest on taxes          | 208,869           | 213,564           | 200,000           | 200,000           |               |                |
|  | <u>14,554,108</u> | <u>14,258,769</u> | <u>13,655,000</u> | <u>13,130,000</u> |               | <u>525,000</u> |
| <b>BUSINESS LICENSES AND PERMITS:</b>    |                   |                   |                   |                   |               |                |
| Second hand dealers                      | 570               | 495               | 500               | 300               |               | 200            |
| Taxi drivers                             | 2,696             | 1,710             | 1,500             | 1,600             | 100           |                |
| Taxi cabs                                | 375               | 376               | 400               | 400               |               |                |
| Car wash                                 | 240               | 180               | 200               | 200               |               |                |
| Demolitions                              | 3,670             | 12,410            | 10,000            | 18,500            | 8,500         |                |
| C.A.T.V.                                 | 316,292           | 313,993           | 310,000           | 320,000           | 10,000        |                |
| Miscellaneous                            | 7,296             | 5,011             | 7,400             | 4,000             |               | 3,400          |
|  | <u>331,139</u>    | <u>334,175</u>    | <u>330,000</u>    | <u>345,000</u>    | <u>18,600</u> | <u>3,600</u>   |
| <b>NONBUSINESS LICENSES AND PERMITS:</b> |                   |                   |                   |                   |               |                |
| Bicycle                                  | 66                |                   |                   |                   |               |                |
| Dog                                      | 375               | 359               | 300               | 300               |               |                |
| Building                                 | 137,532           | 165,107           | 135,000           | 150,000           | 15,000        |                |
| Electrical                               | 32,387            | 50,760            | 35,000            | 50,000            | 15,000        |                |
| Heating                                  | 37,625            | 58,176            | 40,000            | 55,000            | 15,000        |                |
| Plumbing                                 | 23,740            | 39,455            | 25,000            | 40,000            | 15,000        |                |
| Right-of-way                             | 7,723             | 3,190             | 4,000             | 4,000             |               |                |
| Miscellaneous                            | 1,247             | 19,336            | 700               | 700               |               |                |
|  | <u>240,695</u>    | <u>336,383</u>    | <u>240,000</u>    | <u>300,000</u>    | <u>60,000</u> |                |

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**SCHEDULE OF ESTIMATED REVENUES**  
2011-2012

|                                    | Actual           |                  | Budget           |                  |               |                |
|------------------------------------|------------------|------------------|------------------|------------------|---------------|----------------|
|                                    | 2008-2009        | 2009-2010        | 2010-2011        | 2011-2012        | Increase      | Decrease       |
| GRANTS                             | \$ 432,393       | \$ 282,431       | \$ 243,952       | \$ 545,000       | \$ 301,048    | \$             |
| STATE SHARED REVENUE:              |                  |                  |                  |                  |               |                |
| Sales and use tax - constitutional | 2,166,678        | 2,025,303        | 1,950,000        | 2,000,000        | 50,000        |                |
| Sales and use tax - statutory      | 1,847,544        | 1,355,698        | 1,400,000        | 815,000          |               | 585,000        |
| Liquor licenses                    | 24,284           | 24,426           | 25,000           | 25,000           |               |                |
|                                    | <u>4,038,506</u> | <u>3,405,427</u> | <u>3,375,000</u> | <u>2,840,000</u> | <u>50,000</u> | <u>585,000</u> |
| CHARGES FOR SERVICES:              |                  |                  |                  |                  |               |                |
| Zoning board of appeals            | 2,600            | 1,400            | 2,000            | 2,000            |               |                |
| 20th and Court pool                | 9,077            | 7,009            | 10,000           | 8,500            |               | 1,500          |
| Sanborn pool                       | 31,664           | 38,897           | 32,000           | 40,000           | 8,000         |                |
| Lakeside parking                   | 57,365           | 55,864           | 56,000           | 57,500           | 1,500         |                |
| Boat launch fees                   | 41,462           | 47,508           | 44,000           | 45,000           | 1,000         |                |
| Recreational fees                  | 135,657          | 175,748          | 150,000          | 160,000          | 10,000        |                |
| Lot splits                         | 1,120            | 720              | 1,000            | 1,000            |               |                |
| Hydrant maintenance                | 56,200           | 54,320           | 55,920           | 56,040           | 120           |                |
| False alarm charges                | 1,140            | 2,720            | 2,080            | 3,000            | 920           |                |
| Blue Water bridge reimbursement    | 200,000          | 200,000          | 200,000          | 275,000          | 75,000        |                |
| Summer tax collection fee          | 2,068            | 1,858            | 2,000            | 1,960            |               | 40             |
| County parks millage               | 140,218          | 209,033          | 140,000          | 125,000          |               | 15,000         |
| Miscellaneous                      | 42,165           | 26,462           | 30,000           | 30,000           |               |                |
|                                    | <u>720,736</u>   | <u>821,539</u>   | <u>725,000</u>   | <u>805,000</u>   | <u>96,540</u> | <u>16,540</u>  |
| FINES AND FORFEITS:                |                  |                  |                  |                  |               |                |
| Parking violations                 | 76,933           | 67,426           | 70,000           | 65,000           |               | 5,000          |
| Ordinance fines                    | 92,267           | 78,155           | 85,000           | 80,000           |               | 5,000          |
|                                    | <u>169,200</u>   | <u>145,581</u>   | <u>155,000</u>   | <u>145,000</u>   |               | <u>10,000</u>  |
| INVESTMENT INCOME                  | <u>406,976</u>   | <u>257,217</u>   | <u>225,000</u>   | <u>200,000</u>   |               | <u>25,000</u>  |
| RENTS                              | <u>271,129</u>   | <u>331,041</u>   | <u>330,000</u>   | <u>335,000</u>   | <u>5,000</u>  |                |
| SALE OF ASSETS                     | <u>4,150</u>     | <u>4,993</u>     | <u>5,000</u>     | <u>6,282</u>     | <u>1,282</u>  |                |

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**SCHEDULE OF ESTIMATED REVENUES**  
2011-2012

|                                     | Actual               |                      | Budget               |                      |                   |                     |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------|---------------------|
|                                     | 2008-2009            | 2009-2010            | 2010-2011            | 2011-2012            | Increase          | Decrease            |
| OTHER INCOME                        | \$                   | \$ 3,900             | \$                   | \$                   | \$                | \$                  |
| CHARGES TO OTHER FUNDS:             |                      |                      |                      |                      |                   |                     |
| Garbage and rubbish collection fund | 156,886              | 156,748              | 153,965              | 135,634              |                   | 18,331              |
| Marina fund                         | 16,932               | 14,807               | 17,311               | 17,156               |                   | 155                 |
| Senior citizen housing fund         | 16,023               |                      |                      |                      |                   |                     |
| Parking fund                        | 20,369               | 13,853               | 14,923               | 10,969               |                   | 3,954               |
| Water fund                          | 617,047              | 645,545              | 629,272              | 611,301              |                   | 17,971              |
| Wastewater fund                     | 681,185              | 760,502              | 788,594              | 812,794              | 24,200            |                     |
| Central stores fund                 | 13,449               | 12,984               | 11,243               | 10,831               |                   | 412                 |
| Data processing fund                | 76,806               | 72,652               | 69,358               | 59,359               |                   | 9,999               |
| Motor vehicle fund                  | 201,803              | 198,716              | 189,892              | 185,302              |                   | 4,590               |
|                                     | <u>1,800,500</u>     | <u>1,875,807</u>     | <u>1,874,558</u>     | <u>1,843,346</u>     | <u>24,200</u>     | <u>55,412</u>       |
| Subtotal                            | <u>22,969,532</u>    | <u>22,057,263</u>    | <u>21,542,312</u>    | <u>20,494,628</u>    | <u>556,670</u>    | <u>1,604,354</u>    |
| TRANSFERS FROM OTHER FUNDS:         |                      |                      |                      |                      |                   |                     |
| Land purchase fund                  |                      |                      | 798,000              | 405,000              |                   | 393,000             |
|                                     |                      |                      | <u>798,000</u>       | <u>405,000</u>       |                   | <u>393,000</u>      |
| TOTAL                               | <u>\$ 22,969,532</u> | <u>\$ 22,057,263</u> | <u>\$ 22,340,312</u> | <u>\$ 20,899,628</u> | <u>\$ 556,670</u> | <u>\$ 1,997,354</u> |

## Schedule of Estimated Expenditures

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**SCHEDULE OF ESTIMATED EXPENDITURES**  
2011-2012

| GENERAL FUND                     | Actual            |                   | Budget            |                   |               |                |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|---------------|----------------|
|                                  | 2008-2009         | 2009-2010         | 2010-2011         | 2011-2012         | Increase      | Decrease       |
| General Government:              |                   |                   |                   |                   |               |                |
| City council                     | \$ 58,818         | \$ 54,437         | \$ 66,588         | \$ 74,751         | \$ 8,163      | \$             |
| Charter commission               | 1,755             | 3,353             | 23,510            |                   |               | 23,510         |
| City manager                     | 309,286           | 256,384           | 260,179           | 268,280           | 8,101         |                |
| Elections                        | 101,028           | 77,900            | 93,844            | 98,404            | 4,560         |                |
| Finance and accounting           | 673,052           | 652,722           | 652,080           | 661,865           | 9,785         |                |
| Income tax                       | 307,459           | 320,229           | 308,874           | 306,371           |               | 2,503          |
| Assessor                         | 347,493           | 345,306           | 350,982           | 292,461           |               | 58,521         |
| Legal                            | 279,090           | 135,516           | 116,000           | 170,000           | 54,000        |                |
| Clerk                            | 210,452           | 213,667           | 222,032           | 225,508           | 3,476         |                |
| Personnel                        | 298,884           | 262,379           | 292,303           | 293,891           | 1,588         |                |
| Purchasing                       | 41,362            | 38,849            | 37,210            | 40,087            | 2,877         |                |
| Board of review                  | 2,395             | 2,239             | 2,600             | 2,600             |               |                |
| Treasurer                        | 209,317           | 203,600           | 197,296           | 189,995           |               | 7,301          |
| Municipal office center          | 549,635           | 551,800           | 575,419           | 576,013           | 594           |                |
| Promotional                      | 4,744             | 42,828            | 60,000            | 45,000            |               | 15,000         |
|                                  | <u>3,394,770</u>  | <u>3,161,209</u>  | <u>3,258,917</u>  | <u>3,245,226</u>  | <u>93,144</u> | <u>106,835</u> |
| Public Safety:                   |                   |                   |                   |                   |               |                |
| Police administration            | 980,308           | 1,069,971         | 1,092,251         | 926,535           |               | 165,716        |
| Detectives                       | 909,496           | 1,022,672         | 1,025,775         | 989,712           |               | 36,063         |
| Patrol                           | 5,158,231         | 5,389,711         | 5,477,377         | 5,038,611         |               | 438,766        |
| Communications                   | 236,639           | 108,627           | 103,030           | 112,414           | 9,384         |                |
| Fire                             | 5,033,583         | 5,203,427         | 5,409,897         | 5,274,447         |               | 135,450        |
| Public safety - Equipment grants | 352,804           | 98,137            |                   |                   |               |                |
|                                  | <u>12,671,061</u> | <u>12,892,545</u> | <u>13,108,330</u> | <u>12,341,719</u> | <u>9,384</u>  | <u>775,995</u> |
| Public Works:                    |                   |                   |                   |                   |               |                |
| Inspection                       | 390,566           | 356,090           | 273,925           | 275,250           | 1,325         |                |
| Emergency Management             | 28,211            | 9,404             | 14,430            | 14,274            |               | 156            |
| Public works administration      | 210,078           | 200,766           | 203,900           | 205,959           | 2,059         |                |
| Engineering                      | 244,378           | 262,032           | 321,579           | 322,229           | 650           |                |
| Street lighting                  | 689,763           | 689,366           | 768,075           | 827,463           | 59,388        |                |
| Blight                           | 124,592           | 130,205           | 92,738            | 93,854            | 1,116         |                |
|                                  | <u>1,687,588</u>  | <u>1,647,863</u>  | <u>1,674,647</u>  | <u>1,739,029</u>  | <u>64,538</u> | <u>156</u>     |

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**SCHEDULE OF ESTIMATED EXPENDITURES**  
2011-2012

|                                  | Actual            |                   | Budget            |                   |                |                  |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|----------------|------------------|
|                                  | 2008-2009         | 2009-2010         | 2010-2011         | 2011-2012         | Increase       | Decrease         |
| Senior Citizens:                 |                   |                   |                   |                   |                |                  |
| Wastewater and water discounts   | \$ 1,739          | \$ 1,182          | \$ 4,000          | \$ 3,000          | \$             | \$ 1,000         |
| Senior citizens transportation   | 12,404            | 12,102            | 11,531            | 11,531            |                |                  |
|                                  | <u>14,143</u>     | <u>13,284</u>     | <u>15,531</u>     | <u>14,531</u>     |                | <u>1,000</u>     |
| Recreation, Parks and Culture:   |                   |                   |                   |                   |                |                  |
| Parks and Forestry               | 1,002,629         | 1,009,344         | 1,000,753         | 988,042           |                | 12,711           |
| Boat Launch Ramps                |                   |                   | 43,200            | 62,198            | 18,998         |                  |
| Recreation                       | 591,424           | 607,109           | 447,242           | 460,249           | 13,007         |                  |
| Rockin the rivers                |                   |                   | 35,962            | 42,605            | 6,643          |                  |
| 20th and Court pool              | 106,705           | 101,772           | 67,098            | 71,149            | 4,051          |                  |
| Sanborn pool                     | 128,478           | 127,594           | 104,537           | 107,550           | 3,013          |                  |
| Lighthouse park                  | 7,137             | 2,006             | 4,088             | 6,684             | 2,596          |                  |
| Lakeside park                    | 10,987            | 9,766             | 13,045            | 11,698            |                | 1,347            |
| Palmer park recreation center    | 120,670           | 132,081           | 118,069           | 122,555           | 4,486          |                  |
| Lightship                        | 11,094            | 7,349             | 13,703            |                   |                | 13,703           |
| McMorran complex                 | 414,000           | 285,000           | 320,000           | 250,000           |                | 70,000           |
| Library                          | 8,000             | 8,000             | 8,000             | 8,000             |                |                  |
| Museum                           | 113,212           | 102,241           | 110,400           | 91,326            |                | 19,074           |
|                                  | <u>2,514,336</u>  | <u>2,392,262</u>  | <u>2,286,097</u>  | <u>2,222,056</u>  | <u>52,794</u>  | <u>116,835</u>   |
| Other Functions:                 |                   |                   |                   |                   |                |                  |
| Planning                         | 189,066           | 175,781           | 94,934            | 94,593            |                | 341              |
| Blue Water Bridge Economic Study |                   |                   | 100,000           | 100,000           |                |                  |
| Telephone service                | 17,579            | 9,952             | 16,906            | 15,524            |                | 1,382            |
| Contingencies                    |                   |                   | 40,000            | 40,000            |                |                  |
| Insurance, health and safety     | 129,614           | 136,720           | 138,650           | 138,650           |                |                  |
| Taxes written off                | 4,327             |                   | 15,000            | 15,000            |                |                  |
| Demolitions                      | 308               | 24,248            | 15,000            | 150,000           | 135,000        |                  |
|                                  | <u>340,894</u>    | <u>346,701</u>    | <u>420,490</u>    | <u>553,767</u>    | <u>135,000</u> | <u>1,723</u>     |
| Subtotal                         | <u>20,622,792</u> | <u>20,453,864</u> | <u>20,764,012</u> | <u>20,116,328</u> | <u>354,860</u> | <u>1,002,544</u> |

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**SCHEDULE OF ESTIMATED EXPENDITURES**  
2011-2012

|                                     | Actual            |                   | Budget            |                   |                  |                  |
|-------------------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
|                                     | 2008-2009         | 2009-2010         | 2010-2011         | 2011-2012         | Increase         | Decrease         |
| <b>Public Improvements:</b>         |                   |                   |                   |                   |                  |                  |
| Parks and recreation projects       | \$ 850            | \$ 140,000        | \$ 125,000        | \$ 50,000         | \$               | \$ 75,000        |
| MOC Capital                         | 311,676           | 729,000           | 678,000           |                   |                  | 678,000          |
| Other public improvement            |                   | 120,000           | 270,000           | 730,000           | 460,000          |                  |
|                                     | <u>312,526</u>    | <u>989,000</u>    | <u>1,073,000</u>  | <u>780,000</u>    | <u>460,000</u>   | <u>753,000</u>   |
| Subtotal                            | <u>20,935,318</u> | <u>21,442,864</u> | <u>21,837,012</u> | <u>20,896,328</u> | <u>814,860</u>   | <u>1,755,544</u> |
| <b>Transfer to other funds:</b>     |                   |                   |                   |                   |                  |                  |
| Cemetery fund                       |                   |                   |                   |                   |                  |                  |
| Beautification commission fund      | 3,300             | 3,300             | 3,300             | 3,300             |                  |                  |
| Wastewater fund                     | 1,939,493         | 1,900,000         | 500,000           |                   |                  | 500,000          |
|                                     | <u>1,942,793</u>  | <u>1,903,300</u>  | <u>503,300</u>    | <u>3,300</u>      |                  | <u>500,000</u>   |
| <b>TOTAL GENERAL FUND</b>           | <u>22,878,111</u> | <u>23,346,164</u> | <u>22,340,312</u> | <u>20,899,628</u> | <u>814,860</u>   | <u>2,255,544</u> |
| <b>SPECIAL REVENUE FUNDS</b>        |                   |                   |                   |                   |                  |                  |
| <b>Street funds:</b>                |                   |                   |                   |                   |                  |                  |
| Major streets                       | 5,476,736         | 8,028,592         | 4,220,299         | 3,698,764         |                  | 521,535          |
| Local streets                       | 1,661,204         | 933,358           | 1,421,290         | 2,104,516         | 683,226          |                  |
| Municipal streets                   | 3,423,364         | 2,018,664         | 3,224,171         | 3,585,414         | 361,243          |                  |
|                                     | <u>10,561,304</u> | <u>10,980,614</u> | <u>8,865,760</u>  | <u>9,388,694</u>  | <u>1,044,469</u> | <u>521,535</u>   |
| Cemetery fund                       | 355,937           | 354,516           | 376,095           | 369,010           |                  | 7,085            |
| Garbage and rubbish collection fund | 2,208,792         | 2,176,852         | 2,513,146         | 2,288,795         |                  | 224,351          |
| Rental certification fund           | 168,635           | 161,178           | 182,253           | 181,522           |                  | 731              |
| Domestic preparedness fund          |                   |                   | 100,000           |                   |                  | 100,000          |
| OUIL fund                           | 16,915            |                   | 15,000            | 15,000            |                  |                  |
| Drug law enforcement fund           | 63,023            |                   | 46,000            | 46,000            |                  |                  |
| Law enforcement fund                | 3,143             |                   | 5,000             | 5,000             |                  |                  |
| Enhanced 911 fund                   | 18,180            |                   | 110,000           | 107,500           |                  | 2,500            |

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**SCHEDULE OF ESTIMATED EXPENDITURES**  
2011-2012

|  | Actual            |                   | Budget            |                   |                  |                   |
|--|-------------------|-------------------|-------------------|-------------------|------------------|-------------------|
|  | 2008-2009         | 2009-2010         | 2010-2011         | 2011-2012         | Increase         | Decrease          |
| Community development block grant fund | \$ 459,050        | \$ 1,049,195      | \$ 942,742        | \$ 180,000        | \$               | \$ 762,742        |
| Neighborhood rehabilitation fund       | 2,900             | 837,507           | 875,907           | 70,000            |                  | 805,907           |
| Home program fund                      | 151,213           | 201,923           | 288,903           | 28,000            |                  | 260,903           |
| Streetscape maintenance fund           | 55,414            | 43,559            | 75,000            | 70,000            |                  | 5,000             |
| Beautification commission fund         | 3,297             | 4,302             | 7,300             |                   |                  | 7,300             |
| <b>TOTAL SPECIAL REVENUE FUNDS</b>     | <b>14,067,803</b> | <b>15,809,646</b> | <b>14,403,106</b> | <b>12,749,521</b> | <b>1,044,469</b> | <b>2,698,054</b>  |
| <b>ENTERPRISE FUNDS</b>                |                   |                   |                   |                   |                  |                   |
| Marina fund                            | 239,128           | 197,960           | 180,623           | 249,005           | 68,382           |                   |
| Senior citizens housing fund           | 76,498            | 1,530             |                   |                   |                  |                   |
| Land purchase fund                     | 2,587,370         |                   | 3,339,186         |                   |                  | 3,339,186         |
| Parking fund                           | 189,812           | 116,788           | 155,705           | 114,451           |                  | 41,254            |
| Water fund:                            |                   |                   |                   |                   |                  |                   |
| Treatment plant                        | 1,934,691         | 2,441,943         | 2,326,708         | 2,020,614         |                  | 306,094           |
| Distribution                           | 1,256,347         | 1,422,723         | 1,342,470         | 1,186,617         |                  | 155,853           |
| Customer accounting                    | 279,344           | 264,049           | 258,503           | 250,956           |                  | 7,547             |
| Meter reading                          | 724,951           | 763,031           | 754,493           | 679,335           |                  | 75,158            |
| Debt service                           | 2,870,243         | 3,025,000         | 3,303,000         | 3,526,000         | 223,000          |                   |
| Capital outlay                         | 2,316,940         | 5,135,000         | 5,035,000         | 4,830,000         |                  | 205,000           |
|  | 9,382,516         | 13,051,746        | 13,020,174        | 12,493,522        | 223,000          | 749,652           |
| Wastewater fund:                       |                   |                   |                   |                   |                  |                   |
| Treatment plant                        | 4,662,508         | 6,268,361         | 8,458,213         | 5,278,963         |                  | 3,179,250         |
| Collection, general                    | 2,018,442         | 2,432,956         | 2,353,852         | 2,110,577         |                  | 243,275           |
| Collection system no. 1                | 14                | 215               | 216               | 217               | 1                |                   |
| Collection system no. 2                | 17,471            | 26,570            | 30,040            | 29,861            |                  | 179               |
| Collection system no. 3                | 34,236            | 33,194            | 43,162            | 41,527            |                  | 1,635             |
| Debt service                           | 6,253,900         | 6,265,000         | 6,698,000         | 7,116,000         | 418,000          |                   |
| Capital outlay                         | 3,017,439         | 8,655,000         | 9,645,000         | 7,170,000         |                  | 2,475,000         |
|  | 16,004,010        | 23,681,296        | 27,228,483        | 21,747,145        | 418,001          | 5,899,339         |
| <b>TOTAL ENTERPRISE FUNDS</b>          | <b>28,479,334</b> | <b>37,049,320</b> | <b>43,924,171</b> | <b>34,604,123</b> | <b>709,383</b>   | <b>10,029,431</b> |

(Continued on next page)

**SCHEDULE OF ESTIMATED EXPENDITURES**  
2011-2012

|   | Actual               |                      | Budget                |                      |                     |                      |
|---|----------------------|----------------------|-----------------------|----------------------|---------------------|----------------------|
|   | 2008-2009            | 2009-2010            | 2010-2011             | 2011-2012            | Increase            | Decrease             |
| <b>INTERNAL SERVICE FUNDS</b>                 |                      |                      |                       |                      |                     |                      |
| Central stores fund                           | \$ 122,691           | \$ 131,574           | \$ 122,313            | \$ 118,009           |                     | \$ 4,304             |
| Data Processing fund                          | 695,717              | 690,034              | 768,681               | 664,345              |                     | 104,336              |
| Motor vehicle fund                            | 2,442,353            | 2,315,099            | 2,774,113             | 2,632,522            |                     | 141,591              |
| Insurance and fringe benefit fund             | 8,519,200            | 10,024,708           | 10,538,000            | 10,553,000           | 15,000              |                      |
| <b>TOTAL INTERNAL SERVICE FUNDS</b>           | <b>11,779,961</b>    | <b>13,161,415</b>    | <b>14,203,107</b>     | <b>13,967,876</b>    | <b>15,000</b>       | <b>250,231</b>       |
| <b>TAX INCREMENT FUNDS</b>                    |                      |                      |                       |                      |                     |                      |
| Industrial park tax increment fund            | 1,658,870            | 1,572,346            | 1,398,000             | 1,479,000            | 81,000              |                      |
| Paper Company tax increment fund              | 493,902              | 613,462              | 536,000               | 540,000              | 4,000               |                      |
| Krafft-Holland tax increment fund             | 672,843              | 592,900              | 588,000               | 555,000              |                     | 33,000               |
| Peerless site tax increment fund              | 103,933              | 22,891               | 109,000               | 75,000               |                     | 34,000               |
| Downtown development authority operating fund | 390,457              | 274,150              | 714,000               | 712,000              |                     | 2,000                |
| Water Street tax increment fund               | 543,247              | 539,719              | 507,000               | 461,000              |                     | 46,000               |
| Bank tax increment fund                       |                      | 22,190               | 315,000               | 57,000               |                     | 258,000              |
| Harrington Hotel tax increment fund           |                      | 7,316                | 150,000               | 125,000              |                     | 25,000               |
| Edison redevelopment tax increment fund       | 581,190              | 588,576              | 548,000               | 445,000              |                     | 103,000              |
| Mainstreet tax increment fund                 | 30,181               | 42,486               | 93,000                | 127,000              | 34,000              |                      |
| Industrial park expansion tax increment fund  | 393,570              |                      | 345,000               | 329,000              |                     | 16,000               |
| Brownfield redevelopment tax increment fund   | 444,587              | 256,230              | 492,000               | 381,000              |                     | 111,000              |
| <b>TOTAL TAX INCREMENT FUNDS</b>              | <b>5,312,780</b>     | <b>4,532,266</b>     | <b>5,795,000</b>      | <b>5,286,000</b>     | <b>119,000</b>      | <b>628,000</b>       |
| <b>TOTAL ALL FUNDS</b>                        | <b>\$ 82,517,989</b> | <b>\$ 93,898,811</b> | <b>\$ 100,665,696</b> | <b>\$ 87,507,148</b> | <b>\$ 2,702,712</b> | <b>\$ 15,861,260</b> |

## Summary of Estimated Requirements by Budget Class

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**SUMMARY OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES**  
2011-2012

| GENERAL FUND                | Personal<br>Services | Supplies<br>and<br>Materials | Contractual<br>Services | Total<br>Recurring<br>Expenses | Capital<br>Outlay | Total             |
|-----------------------------|----------------------|------------------------------|-------------------------|--------------------------------|-------------------|-------------------|
| General Government:         |                      |                              |                         |                                |                   |                   |
| City council                | \$ 12,600            | \$ 1,600                     | \$ 60,551               | \$ 74,751                      | \$                | \$ 74,751         |
| City commission             |                      |                              |                         |                                |                   |                   |
| City manager                | 246,371              | 1,500                        | 20,409                  | 268,280                        |                   | 268,280           |
| Elections                   | 58,935               | 11,500                       | 27,969                  | 98,404                         |                   | 98,404            |
| Finance and accounting      | 569,995              | 7,000                        | 84,870                  | 661,865                        |                   | 661,865           |
| Income tax                  | 230,828              | 24,836                       | 50,707                  | 306,371                        |                   | 306,371           |
| Assessor                    | 207,288              | 7,750                        | 77,423                  | 292,461                        |                   | 292,461           |
| Legal                       |                      | 150                          | 169,850                 | 170,000                        |                   | 170,000           |
| Clerk                       | 205,659              | 1,860                        | 17,989                  | 225,508                        |                   | 225,508           |
| Personnel                   | 236,267              | 3,100                        | 54,524                  | 293,891                        |                   | 293,891           |
| Purchasing                  | 32,803               | 300                          | 6,984                   | 40,087                         |                   | 40,087            |
| Board of review             | 1,800                |                              | 800                     | 2,600                          |                   | 2,600             |
| Treasurer                   | 127,661              | 10,200                       | 52,134                  | 189,995                        |                   | 189,995           |
| Municipal office center     | 224,478              | 27,666                       | 317,869                 | 570,013                        | 6,000             | 576,013           |
| Promotional                 |                      |                              | 45,000                  | 45,000                         |                   | 45,000            |
|                             | <u>2,154,685</u>     | <u>97,462</u>                | <u>987,079</u>          | <u>3,239,226</u>               | <u>6,000</u>      | <u>3,245,226</u>  |
| Public Safety:              |                      |                              |                         |                                |                   |                   |
| Police administration       | 739,027              | 23,373                       | 164,135                 | 926,535                        |                   | 926,535           |
| Detectives                  | 889,721              | 13,800                       | 86,191                  | 989,712                        |                   | 989,712           |
| Patrol                      | 4,543,795            | 95,460                       | 399,356                 | 5,038,611                      |                   | 5,038,611         |
| Communications              |                      |                              | 112,414                 | 112,414                        |                   | 112,414           |
| Fire                        | 4,761,150            | 183,362                      | 321,185                 | 5,265,697                      | 8,750             | 5,274,447         |
|                             | <u>10,933,693</u>    | <u>315,995</u>               | <u>1,083,281</u>        | <u>12,332,969</u>              | <u>8,750</u>      | <u>12,341,719</u> |
| Public Works:               |                      |                              |                         |                                |                   |                   |
| Inspection                  | 241,645              | 2,200                        | 31,405                  | 275,250                        |                   | 275,250           |
| Emergency Management        |                      | 4,500                        | 9,774                   | 14,274                         |                   | 14,274            |
| Public works administration | 195,508              | 300                          | 10,151                  | 205,959                        |                   | 205,959           |
| Engineering                 | 257,168              | 6,400                        | 58,661                  | 322,229                        |                   | 322,229           |
| Street lighting             | 10,512               | 1,400                        | 815,551                 | 827,463                        |                   | 827,463           |
| Blight                      | 83,876               | 900                          | 9,078                   | 93,854                         |                   | 93,854            |
|                             | <u>788,709</u>       | <u>15,700</u>                | <u>934,620</u>          | <u>1,739,029</u>               |                   | <u>1,739,029</u>  |

(Continued on next page)

**SUMMARY OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES**  
2011-2012

|  | Personal<br>Services | Supplies<br>and<br>Materials | Contractual<br>Services | Total<br>Recurring<br>Expenses | Capital<br>Outlay | Total             |
|--|----------------------|------------------------------|-------------------------|--------------------------------|-------------------|-------------------|
| <b>Senior Citizens:</b>                |                      |                              |                         |                                |                   |                   |
| Wastewater and water discounts         | \$                   | \$                           | \$ 3,000                | \$ 3,000                       | \$                | \$ 3,000          |
| Senior citizens transportation         |                      |                              | 11,531                  | 11,531                         |                   | 11,531            |
|  |                      |                              | <u>14,531</u>           | <u>14,531</u>                  |                   | <u>14,531</u>     |
| <b>Recreation, Parks and Culture:</b>  |                      |                              |                         |                                |                   |                   |
| Parks and Forestry                     | 571,236              | 77,590                       | 314,216                 | 963,042                        | 25,000            | 988,042           |
| Boat Launch Ramps                      | 6,148                | 3,200                        | 12,850                  | 22,198                         | 40,000            | 62,198            |
| Recreation                             | 326,122              | 52,025                       | 82,102                  | 460,249                        |                   | 460,249           |
| Rockin the Rivers                      | 1,230                | 2,350                        | 39,025                  | 42,605                         |                   | 42,605            |
| 20th and Court pool                    | 27,702               | 11,652                       | 31,795                  | 71,149                         |                   | 71,149            |
| Sanborn pool                           | 60,618               | 14,032                       | 32,900                  | 107,550                        |                   | 107,550           |
| Lighthouse park                        | 546                  | 1,200                        | 4,938                   | 6,684                          |                   | 6,684             |
| Lakeside park                          | 1,448                | 1,900                        | 8,350                   | 11,698                         |                   | 11,698            |
| Palmer park recreation center          | 90,505               | 3,050                        | 29,000                  | 122,555                        |                   | 122,555           |
| Lightship                              |                      |                              |                         |                                |                   |                   |
| McMorran complex                       |                      |                              | 200,000                 | 200,000                        | 50,000            | 250,000           |
| Library                                |                      |                              | 8,000                   | 8,000                          |                   | 8,000             |
| Museum                                 | 402                  | 3,000                        | 87,924                  | 91,326                         |                   | 91,326            |
|  | <u>1,085,957</u>     | <u>169,999</u>               | <u>851,100</u>          | <u>2,107,056</u>               | <u>115,000</u>    | <u>2,222,056</u>  |
| <b>Other Functions:</b>                |                      |                              |                         |                                |                   |                   |
| Planning                               | 75,652               | 2,800                        | 16,141                  | 94,593                         |                   | 94,593            |
| Blue Water Bridge Economic Development |                      |                              | 100,000                 | 100,000                        |                   | 100,000           |
| Telephone service                      |                      | 1,000                        | 14,524                  | 15,524                         |                   | 15,524            |
| Contingencies                          |                      |                              | 40,000                  | 40,000                         |                   | 40,000            |
| Insurance, health and safety           | 8,250                | 400                          | 130,000                 | 138,650                        |                   | 138,650           |
| Taxes written off                      |                      |                              | 15,000                  | 15,000                         |                   | 15,000            |
| Demolitions                            |                      |                              | 150,000                 | 150,000                        |                   | 150,000           |
|  | <u>83,902</u>        | <u>4,200</u>                 | <u>465,665</u>          | <u>553,767</u>                 |                   | <u>553,767</u>    |
| <b>Subtotal</b>                        | <u>15,046,946</u>    | <u>603,356</u>               | <u>4,336,276</u>        | <u>19,986,578</u>              | <u>129,750</u>    | <u>20,116,328</u> |

(Continued on next page)

**SUMMARY OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES**  
2011-2012

|                                     | Personal<br>Services | Supplies<br>and<br>Materials | Contractual<br>Services | Total<br>Recurring<br>Expenses | Capital<br>Outlay | Total             |
|-------------------------------------|----------------------|------------------------------|-------------------------|--------------------------------|-------------------|-------------------|
| Public Improvements:                |                      |                              |                         |                                |                   |                   |
| Parks and recreation projects       | \$                   | \$                           | \$                      | \$                             | \$ 50,000         | \$ 50,000         |
| MOC Capital                         |                      |                              |                         |                                |                   |                   |
| Other public improvements           |                      |                              |                         |                                | 730,000           | 730,000           |
|                                     |                      |                              |                         |                                | 780,000           | 780,000           |
| Subtotal                            | 15,046,946           | 603,356                      | 4,336,276               | 19,986,578                     | 909,750           | 20,896,328        |
| Transfer to other funds:            |                      |                              |                         |                                |                   |                   |
| Beautification commission fund      |                      |                              | 3,300                   | 3,300                          |                   | 3,300             |
| Wastewater fund                     |                      |                              |                         |                                |                   |                   |
|                                     |                      |                              | 3,300                   | 3,300                          |                   | 3,300             |
| <b>TOTAL GENERAL FUND</b>           | <b>15,046,946</b>    | <b>603,356</b>               | <b>4,339,576</b>        | <b>19,989,878</b>              | <b>909,750</b>    | <b>20,899,628</b> |
| <b>SPECIAL REVENUE FUNDS</b>        |                      |                              |                         |                                |                   |                   |
| Street funds:                       |                      |                              |                         |                                |                   |                   |
| Major streets                       | 814,821              | 251,801                      | 812,142                 | 1,878,764                      | 1,820,000         | 3,698,764         |
| Local streets                       | 486,701              | 110,849                      | 201,966                 | 799,516                        | 1,305,000         | 2,104,516         |
| Municipal streets                   | 34,962               | 20,220                       | 3,530,232               | 3,585,414                      |                   | 3,585,414         |
|                                     | 1,336,484            | 382,870                      | 4,544,340               | 6,263,694                      | 3,125,000         | 9,388,694         |
| Cemetery fund                       | 238,926              | 23,658                       | 94,626                  | 357,210                        | 11,800            | 369,010           |
| Garbage and rubbish collection fund | 274,407              | 8,400                        | 2,005,988               | 2,288,795                      |                   | 2,288,795         |
| Rental certification fund           | 156,413              | 4,500                        | 20,609                  | 181,522                        |                   | 181,522           |
| Domestic Preparedness               |                      |                              |                         |                                |                   |                   |
| OUIL                                |                      | 3,500                        | 1,500                   | 5,000                          | 10,000            | 15,000            |
| Drug law enforcement fund           |                      | 5,000                        | 1,000                   | 6,000                          | 40,000            | 46,000            |
| Law enforcement fund                |                      | 5,000                        |                         | 5,000                          |                   | 5,000             |
| Enhanced 911 fund                   |                      |                              | 82,500                  | 82,500                         | 25,000            | 107,500           |
| Community development block grant   | 156,905              | 1,200                        | 21,895                  | 180,000                        |                   | 180,000           |
| Neighborhood rehabilitation fund    | 50,207               | 740                          | 19,053                  | 70,000                         |                   | 70,000            |
| Home program fund                   | 27,263               |                              | 737                     | 28,000                         |                   | 28,000            |

(Continued on next page)

**SUMMARY OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES**  
2011-2012

|   | Personal<br>Services | Supplies<br>and<br>Materials | Contractual<br>Services | Total<br>Recurring<br>Expenses | Capital<br>Outlay | Total             |
|---|----------------------|------------------------------|-------------------------|--------------------------------|-------------------|-------------------|
| Streetscape maintenance<br>Beautification commission fund | \$ 1,640             | \$ 350                       | \$ 44,010               | \$ 46,000                      | \$ 24,000         | \$ 70,000         |
| <b>TOTAL SPECIAL REVENUE FUNDS</b>                        | <b>2,242,245</b>     | <b>435,218</b>               | <b>6,836,258</b>        | <b>9,513,721</b>               | <b>3,235,800</b>  | <b>12,749,521</b> |
| <b>ENTERPRISE FUNDS</b>                                   |                      |                              |                         |                                |                   |                   |
| Marina fund   | 9,040                | 3,635                        | 181,330                 | 194,005                        | 55,000            | 249,005           |
| Land purchase fund  |                      |                              |                         |                                |                   |                   |
| Parking fund  | 28,222               | 7,320                        | 78,909                  | 114,451                        |                   | 114,451           |
| Water fund:   |                      |                              |                         |                                |                   |                   |
| Treatment plant   | 853,683              | 184,303                      | 971,928                 | 2,009,914                      | 10,700            | 2,020,614         |
| Distribution  | 564,144              | 156,169                      | 466,304                 | 1,186,617                      | 4,830,000         | 6,016,617         |
| Customer accounting                                       | 134,581              | 29,200                       | 87,175                  | 250,956                        |                   | 250,956           |
| Meter reading   | 401,315              | 126,816                      | 151,204                 | 679,335                        |                   | 679,335           |
| Debt service  |                      |                              | 3,526,000               | 3,526,000                      |                   | 3,526,000         |
|   | <u>1,953,723</u>     | <u>496,488</u>               | <u>5,202,611</u>        | <u>7,652,822</u>               | <u>4,840,700</u>  | <u>12,493,522</u> |
| Wastewater fund:  |                      |                              |                         |                                |                   |                   |
| Treatment plant   | 1,930,020            | 465,685                      | 2,228,258               | 4,623,963                      | 655,000           | 5,278,963         |
| Collection, general                                       | 888,959              | 134,761                      | 1,071,857               | 2,095,577                      | 7,185,000         | 9,280,577         |
| Collection system no. 1                                   |                      |                              | 217                     | 217                            |                   | 217               |
| Collection system no. 2                                   | 3,836                | 6,000                        | 20,025                  | 29,861                         |                   | 29,861            |
| Collection system no. 3                                   | 3,674                | 1,469                        | 36,384                  | 41,527                         |                   | 41,527            |
| Debt service  |                      |                              | 7,116,000               | 7,116,000                      |                   | 7,116,000         |
|   | <u>2,826,489</u>     | <u>607,915</u>               | <u>10,472,741</u>       | <u>13,907,145</u>              | <u>7,840,000</u>  | <u>21,747,145</u> |
| <b>TOTAL ENTERPRISE FUNDS</b>                             | <b>4,817,474</b>     | <b>1,115,358</b>             | <b>15,935,591</b>       | <b>21,868,423</b>              | <b>12,735,700</b> | <b>34,604,123</b> |

(Continued on next page)

**SUMMARY OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES**  
2011-2012

|   | Personal<br>Services | Supplies<br>and<br>Materials | Contractual<br>Services | Total<br>Recurring<br>Expenses | Capital<br>Outlay    | Total                |
|---|----------------------|------------------------------|-------------------------|--------------------------------|----------------------|----------------------|
| <b>INTERNAL SERVICE FUNDS</b>                 |                      |                              |                         |                                |                      |                      |
| Central stores fund                           | \$ 12,743            | \$ 33,200                    | \$ 67,066               | \$ 113,009                     | \$ 5,000             | \$ 118,009           |
| Data Processing fund                          | 386,686              | 70,800                       | 161,859                 | 619,345                        | 45,000               | 664,345              |
| Motor vehicle fund                            | 649,419              | 450,145                      | 833,870                 | 1,933,434                      | 699,088              | 2,632,522            |
| Insurance and fringe benefit fund             | 9,782,500            | 500                          | 770,000                 | 10,553,000                     |                      | 10,553,000           |
| <b>TOTAL INTERNAL SERVICE FUNDS</b>           | <b>10,831,348</b>    | <b>554,645</b>               | <b>1,832,795</b>        | <b>13,218,788</b>              | <b>749,088</b>       | <b>13,967,876</b>    |
| <b>TAX INCREMENT FUNDS</b>                    |                      |                              |                         |                                |                      |                      |
| Industrial park tax increment fund            |                      |                              | 1,179,000               | 1,179,000                      | 300,000              | 1,479,000            |
| Paper Company tax increment fund              |                      |                              | 540,000                 | 540,000                        |                      | 540,000              |
| Krafft-Holland tax increment fund             |                      |                              | 530,000                 | 530,000                        | 25,000               | 555,000              |
| Peerless site tax increment fund              |                      |                              | 60,000                  | 60,000                         | 15,000               | 75,000               |
| Downtown development authority operating fund |                      |                              | 712,000                 | 712,000                        |                      | 712,000              |
| Water Street tax increment fund               |                      |                              | 446,000                 | 446,000                        | 15,000               | 461,000              |
| Bank tax increment fund                       |                      |                              | 30,000                  | 30,000                         | 27,000               | 57,000               |
| Harrington Hotel tax increment fund           |                      |                              | 25,000                  | 25,000                         | 100,000              | 125,000              |
| Edison redevelopment tax increment fund       |                      |                              | 430,000                 | 430,000                        | 15,000               | 445,000              |
| Mainstreet tax increment fund                 |                      |                              | 30,000                  | 30,000                         | 97,000               | 127,000              |
| Industrial park expansion tax increment fund  |                      |                              | 254,000                 | 254,000                        | 75,000               | 329,000              |
| Brownfield redevelopment tax increment fund   |                      |                              | 381,000                 | 381,000                        |                      | 381,000              |
| <b>TOTAL TAX INCREMENT FUNDS</b>              |                      |                              | <b>4,617,000</b>        | <b>4,617,000</b>               | <b>669,000</b>       | <b>5,286,000</b>     |
| <b>TOTAL ALL FUNDS</b>                        | <b>\$ 32,938,013</b> | <b>\$ 2,708,577</b>          | <b>\$ 33,561,220</b>    | <b>\$ 69,207,810</b>           | <b>\$ 18,299,338</b> | <b>\$ 87,507,148</b> |

## Appendix - Budget Explanation

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## **BUDGET OVERVIEW**



### **A. Continuing Cost Reduction Efforts**

On March 21, 2011, Governor Snyder announced that the current statutory revenue sharing would be replaced with a new Economic Vitality Incentive Program (EVIP). The new EVIP shared revenues would reward communities that work toward service sharing and consolidation and employee compensation best practices and is discussed in more detail beginning on page 25. The Governor's proposal acknowledged that many communities have made significant efforts over the past several years toward such goals.

The City of Port Huron is one such community and is continuing its efforts to reduce overall costs of operations while minimizing the resultant service reductions. The proposed budget eliminates twelve full-time positions, in addition to the seventy-six budgeted full-time positions eliminated in prior years, for a total of eighty-eight eliminated positions. The elimination of twelve full time positions will reduce overall wage costs by an estimated \$650,000 across all funds of the City.

While reductions prior to 2011 concentrated on the General Fund (41 of 60 positions), the reductions and proposed reductions for 2010-11 and 2011-12 are primarily from other funds (13 of 16 positions and 7 of 12 positions). These eliminations reduce the operating costs in the utility funds, allowing the elimination of the General Fund transfer, and reduce the internal service costs, which reduce costs in most City funds. Further, the increase in federal grants to the City will assist in funding existing staff in the police department and in funding the planning, inspection and community development departments.

Initial General Fund revenue and expenditure estimates and requests for the fiscal year ending June 30, 2012, projected that expenditures would exceed revenues by more than \$1.5 million. As a result of the adjustments discussed above, expenditures were reduced by almost \$1 million. In order to close the remaining budget gap, it is recommended that the City negotiate employee wage and/or benefit cost reductions.

All of the City union agreements expire June 30, 2011. The City has begun the process of negotiating in order to obtain cost reductions. For the proposed balanced budget, it is estimated such necessary cost reductions could be approximately \$900,000 across the City and are expected to include changes to employee pension contributions and provisions and changes in health care plans, including changes in co-pays and deductibles. Many such changes will be encouraged or required under the Governor's proposed replacement of statutory revenue sharing. The City is optimistic that successful negotiations should result in reduced costs and also help maintain State shared revenues, though at a reduced level.

### **B. General Fund**

The General Fund budget reflects expected declines in property tax and income tax revenues and State shared revenue. As part of an effort to reduce expenses, positions have been eliminated, positions have been reallocated, services consolidated and internal charges have been reduced.

In order to assure rating agencies and bond holders that costs will continue to be reduced, it is also proposed that City Council continue the policy of maintaining a minimum General Fund fund balance level of 13% to 15% of annual budgeted expenses. As of June 30, 2011, based on the proposed budget the percentage is expected to be 19%.

General Fund revenues have been relatively flat since the year ended June 30, 2000, increasing at less than the rate of inflation over that period (excluding an extraordinary income tax collection in 2008). Overall, General Fund operating revenues are expected to decline for 2011-12 by over \$1.0 million. Property and income taxes and State revenue sharing are expected to generate \$15.97 million in General Fund revenue for the year ending June 30, 2012. This is \$1.5 million less than those three revenue items generated ten years ago, during the year ended June 30, 2002.

The General Fund provides for a variety of governmental services, including public safety (police and fire services); parks, recreation and culture; public works; planning and inspection and general governmental services. The revenue declines discussed above have required that costs be reduced and, as a result, services have been reduced. It is believed most City services can be continued at the reduced levels. Revenue constrictions have impacted the City's ability to fund capital projects and most repair or rehabilitation projects within the General Fund continue to be postponed.

It is important to remember that there is some uncertainty to all of the revenue projections as the direction of the economy is unclear. This will necessitate close review of revenues throughout the year to determine if services can be restored or if additional cuts will be necessary.

In summary, the General Fund budget, as proposed, continues, but does not expand, government services. It is predicated on current expected income tax revenues and the assumption that the City will qualify for the full amount of reduced State shared revenues based upon current State estimates. It may need further review by Council during the upcoming year to either increase revenues or reduce services.

### **C. Street Funds**

Cities in Michigan receive state shared gas and weight taxes to partially offset the costs of maintaining and rebuilding major and local streets. These revenues have generally been sufficient for maintenance needs, but not for construction or major repairs. During the economic slowdown, these revenues have also declined over the prior several years. The proposed budget will continue maintenance and preventative maintenance programs at levels somewhat reduced from prior years. Reductions in personnel will allow annual operating expenses to be more closely aligned with the reduced revenues. The local street construction millage, federal stimulus grants, state grants and the use of accumulated funds will allow the major rehabilitation of the City's streets to continue.

### **D. Utility Funds**

The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$16.1 million. The two funds' cost of operating, debt service and departmental capital costs are expected to be approximately \$21.6 million, a deficit of \$5.5 million. In order to provide sufficient funds to offset this deficit this budget proposes the use of wastewater accumulated balances and continues the

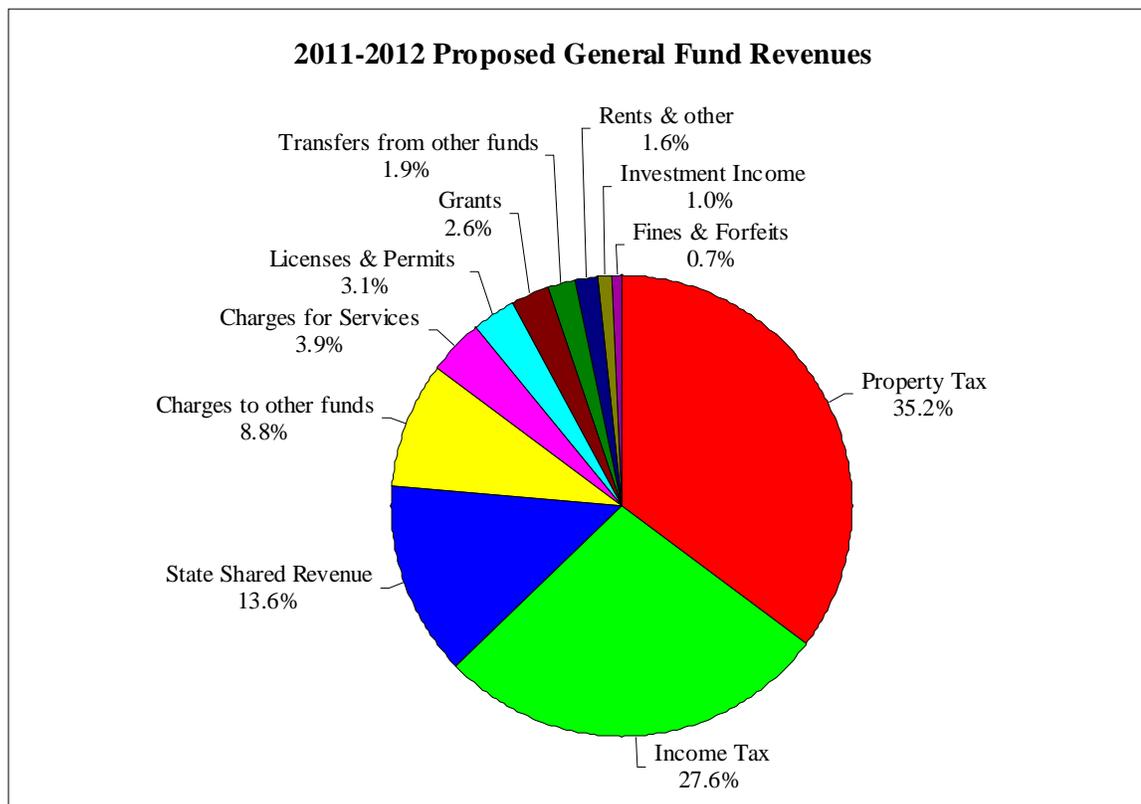
supportive transfers from the Municipal Streets Fund and the Land Purchase Fund. In addition, the budget proposes a 6.4% rate increase for both funds, which is expected to provide \$650,000 per year. This increase has been included in the projected revenues discussed above. The increase is being proposed to avoid an extremely large rate increase in the next three to four years. The economic slowdown and wetter than normal weather had resulted in significant reductions in the usage of water and wastewater services, particularly among industrial users, though the most recent twelve months have seen usage increases.

The City expects to receive a \$1 million Environmental Protection Agency grant for sewer separation. Such grant will reduce future debt service requirements. The proposed budget also assumes the City will continue to receive low interest loans from the State for the sewer portion of projects but not for the water portion. The low interest loan program mandates that the rate system be adjusted as is appropriate. It is expected that the Utility systems will continue to provide safe, clean services at competitive rates.

**E. General Fund Revenues**

City revenues have been significantly affected by the economic and employment conditions that have prevailed in recent years. Over the past ten years General Fund revenues have grown at less than the rate of inflation. This has occurred while many commodities purchased by the City including gasoline, asphalt and natural gas have increased dramatically.

The following chart indicates the various General Fund revenue sources for 2011-12 and the proposed relative percentage supplied by each.



The City Council has the authority to levy a property tax as authorized by City Charter and citizen voted millages as follows:

|                                     |   |                      |
|-------------------------------------|---|----------------------|
| City Charter Annual Operations      | - | 11.2696 mills        |
| Refuse Collection                   | - | 2.8173 mills         |
| Municipal Streets Capital Outlay    | - | 2.0000 mills         |
| Blue Water Transportation Authority | - | <u>.6214 mills</u>   |
| Total                               |   | <u>16.7083 mills</u> |

The taxable valuation of all property within the City, as compiled by the City Assessor and revised by the Board of Review, is as follows:

|   |  |                      |
|---|--|----------------------|
| Assessment roll:                                |  |                      |
| Real property                                   |  | \$580,843,887        |
| Personal property                               |  | 94,933,900           |
| Special Acts assessment rolls:                  |  |                      |
| Industrial facilities roll:                     |  |                      |
| New facilities, real property                   |  | 7,191,700            |
| New facilities, personal property               |  | 25,411,200           |
| Neighborhood enterprise zone, real property     |  | 111,526              |
| Land bank, real property                        |  | 7,400                |
| Obsolete property rehabilitation, real property |  | <u>104,200</u>       |
|   |  | <u>\$708,603,813</u> |

Taxable valuation has decreased by 5.8% overall primarily as a result of declines in residential and industrial values. Real property values decreased by 6.5%, and personal property values decreased by 1.8%.

State equalized valuation (SEV) has decreased by 7.2% overall, also primarily as a result of declines in residential and industrial values. Real property values decreased by 8.2%, while personal property values decreased by 1.8%.

Proposal A, which was approved by the voters on March 15, 1994, increased the state sales and use tax as a means to reduce the reliance on local property taxes for school financing. The property tax portion of this proposal limits individual assessment increases to the rate of inflation (1.7% for 2011), or 5%, whichever is less. Beginning in 1994, taxable value replaced state equalized value as the basis for calculating property taxes. The taxable value for 2011 is the lower of the 2011 state equalized value or the 2010 taxable value adjusted by the rate of inflation for the period. When properties are sold, the limitation period no longer applies and taxable value will increase to one half true cash value (approximately one half market value). Taxable value can also increase or decrease due to physical changes in individual parcels.

The Headlee amendment to the State constitution requires a millage rollback if assessed value, excluding new construction, increases by more than the inflation rate. It currently does not appear that the City will be subject to a Headlee or other millage rollback and that City millage rates will remain the same as the prior year.

For 2011 and 2010, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 95.8% and 94.3% of equalized value, as shown below:

|                 | <u>2011</u>          | <u>2010</u>          |
|-----------------|----------------------|----------------------|
| Equalized Value | \$ 739,787,800       | \$796,914,800        |
| Taxable Value   | <u>708,603,813</u>   | <u>751,837,493</u>   |
| Difference      | <u>\$ 31,183,987</u> | <u>\$ 45,077,307</u> |

As there was for the 2010-11 year, there is a decrease in overall taxable values for the upcoming fiscal year and it currently appears that taxable values will decline again for the fiscal year beginning July 1, 2012. Real estate values have continued to decline based on sales reported to date and national and state projections are that this trend will continue.

**This proposed budget anticipates General Fund property tax revenue of \$7.07 million based on a net uncaptured taxable value of \$627,610,000 at the proposed millage rate of 11.2696 mills.**

**F. User Fees and Other Miscellaneous Revenues**

The proposed 2011-12 General Fund budget anticipates approximately \$2.1 million in revenue from user fees and other revenues. User fee rates are reviewed annually and adjusted as necessary. Following is a list of the City's various categories of user fees and the projected amounts of revenue generated by each for 2011-12.

| <u>Source</u>                   | <u>Anticipated Revenue</u> |
|---------------------------------|----------------------------|
| Licenses and Permits:           |                            |
| Cable television                | \$ 320,000                 |
| Building permits                | 295,000                    |
| Other                           | <u>30,000</u>              |
|                                 | <u>645,000</u>             |
| Charges for Services:           |                            |
| Recreation fees                 | 311,000                    |
| Blue Water Bridge reimbursement | 275,000                    |
| County parks millage            | 125,000                    |
| Other                           | <u>94,000</u>              |
|                                 | <u>805,000</u>             |
| Fines and Forfeits:             |                            |
| Parking violations              | 65,000                     |
| Ordinance fines                 | <u>80,000</u>              |
|                                 | <u>145,000</u>             |
| Investment Income               | <u>200,000</u>             |
| Rents - MOC                     | <u>335,000</u>             |
| Sale of Assets                  | <u>6,282</u>               |
|                                 | <u>\$ 2,136,282</u>        |

Building permits are expected to increase by \$60,000 due to increased activity in local construction.

Recreation fee revenue is expected to increase by \$19,000 as a result of increased recreation activities and grant procurement. Program fees are based upon the direct program costs for non residents with resident fees set at 50% of the calculated amount. Further, the recreation department has also worked with local foundations to generate increased grant revenues.

**The user fees and other miscellaneous revenues proposed for 2011-2012 are the equivalent of 3.4 mills of property tax.**

#### **G. State Shared Revenue**

On March 21, 2011, Governor Rick Snyder presented a special message on community development and local government reforms. As part of that message, he announced the new Economic Vitality Incentive Program (EVIP), which is to replace statutory revenue sharing, but at approximately 60% of prior levels. The state revenue sharing program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenues. Previous funding of the program consisted of the following dedicated tax revenues:

- Constitutional - 15% of the 4% gross collections of the state sales tax
- Statutory - 21.3% of the 4% gross collections of the state sales tax

Distributions of constitutional revenue sharing are based on population. As a result, estimated revenue for 2011-12 has been based on the 2010 census. The formula for statutory distributions formerly included factors such as taxable value per capita, local unit type, population and a tax rate yield equalization factor. The new EVIP program announced by the Governor has the following key aspects:

- The statutory revenue sharing formula itself will stay the same.
- Funding will be segmented into thirds and local units will need to comply with three criteria as follows:
  1. Accountability and Transparency – new requirements by October 1, 2011.
    - Use of a dashboard of key metrics.
    - Use of transparency tool or Citizens Guide.
  2. Service Sharing and Consolidation – new requirements by January 1, 2012.
    - Local governments must submit a plan or identify what they are already doing in terms of service sharing/consolidation. Local units must set forth a “good faith” effort by January 1, 2012.
  3. Employee Compensation Best Practices
    - Make changes similar to what the State has done in regard to new or reopened contracts, with no requirement to change existing contracts.
    - Pension – change to a defined contribution or hybrid plan which has the following features:
      - Caps the contribution at 10 percent of salary
      - If a hybrid plan, a limit of a 1.5 percent multiplier if in Social Security, and limited to a 2.0 percent multiplier if not in Social Security

- Limit overtime and banked time in Final Average Compensation calculation
- 80/20 percent sharing on medical premiums or, as an alternative, plans could be compared to the state health care plan if cost savings measures are adopted.

It appears that substantial compliance with each criteria will result in the receipt of one third of the reduced total amount for each of the three. While this budget has been prepared based upon the assumption that the City will successfully meet each criteria, the implementing legislation has not been approved. As the debate continues in Lansing, this revenue source will need to be continuously reviewed.

An important difference between the two types of shared revenues is that, with constitutional revenue sharing, the percentage of receipts that must be shared with local units of government is fixed by the state constitution, while the percentage for the EVIP (formerly statutory revenue sharing) is set by the state legislature and is also subject to change by executive order of the governor. In recent years, as the state's budget crisis has become more acute, increasing amounts of those funds have been diverted to balance the state's budget and away from providing local government services. This trend is illustrated by the following table. Amounts distributed under both methods also fluctuate as economic conditions impact the amount of sales tax collected by merchants and remitted to the state treasury.

The following table shows the breakdown of the constitutional and statutory portions of the City's state revenue sharing since fiscal year 2000-01.

| <b>Fiscal Year</b> | <b>Constitutional</b> | <b>Statutory and EVIP</b> | <b>Total</b> |
|--------------------|-----------------------|---------------------------|--------------|
| 2000-01            | \$2,152,842           | \$2,986,778               | \$5,139,620  |
| 2001-02            | 2,119,531             | 2,780,554                 | 4,900,085    |
| 2002-03            | 2,125,773             | 2,338,763                 | 4,464,536    |
| 2003-04            | 2,120,819             | 2,175,381                 | 4,296,200    |
| 2004-05            | 2,153,181             | 1,977,814                 | 4,130,995    |
| 2005-06            | 2,204,657             | 1,867,450                 | 4,072,107    |
| 2006-07            | 2,209,897             | 1,824,514                 | 4,034,411    |
| 2007-08            | 2,206,481             | 1,693,247                 | 3,899,728    |
| 2008-09            | 2,166,678             | 1,847,544                 | 4,014,222    |
| 2009-10            | 2,025,303             | 1,355,698                 | 3,381,001    |
| *2010-11           | 2,000,000             | 1,350,000                 | 3,350,000    |
| **2011-12          | 2,000,000             | 815,000                   | 2,815,000    |

\* Estimated amount

\*\* Budget amount

Since fiscal year 2000-01, economic conditions in the State have resulted in the City receiving less actual and projected state shared revenue as illustrated in the following table:

| Year    | Amount of State Shared Revenue (SSR) | \$ Difference | % Difference | SSR as % of General Fund Expenditures |
|---------|--------------------------------------|---------------|--------------|---------------------------------------|
| 00-01   | \$5,139,620                          | \$ 0          | 0.0%         | 25.3%                                 |
| 01-02   | 4,900,085                            | 239,535       | 4.7%         | 23.5%                                 |
| 02-03   | 4,464,536                            | 675,084       | 13.1%        | 22.4%                                 |
| 03-04   | 4,296,200                            | 843,420       | 16.4%        | 21.4%                                 |
| 04-05   | 4,130,995                            | 1,008,625     | 19.6%        | 19.1%                                 |
| 05-06   | 4,072,107                            | 1,067,513     | 20.8%        | 18.1%                                 |
| 06-07   | 4,034,411                            | 1,105,209     | 21.5%        | 17.6%                                 |
| 07-08   | 3,899,728                            | 1,239,892     | 24.1%        | 15.5%                                 |
| 08-09   | 4,014,222                            | 1,125,398     | 21.9%        | 17.5%                                 |
| 09-10   | 3,381,001                            | 1,758,619     | 34.2%        | 15.3%                                 |
| *10-11  | 3,350,000                            | 1,789,620     | 34.8%        | 15.0%                                 |
| **11-12 | 2,815,000                            | 2,324,620     | 45.2%        | 13.5%                                 |

\* Estimated amount  
 \*\* Budgeted amount

Due to conservative budget estimates for State revenue sharing, the City has not experienced any mid-year reductions in municipal services as a result of the governor's executive orders, which reduced state revenue sharing payments to local units of government in prior years. However, the table above demonstrates that in the proposed budget, the City anticipates receiving approximately \$2.3 million less from this important revenue source than it received in 2000-01. **This loss of State shared revenue is equal to 3.7 mills of property tax, based on the City's 2011 taxable value.**

The State of Michigan is again experiencing budget shortfalls. Further reductions in the State budget are expected, which may reduce expected State shared revenue, for the proposed budget for 2011-12, as was done during the current year.

#### **H. Income Tax Revenues**

City income tax revenues have been estimated at \$5.775 million, slightly lower than the current year's expected amount and slightly higher than the 2009-10 year, which had

been the lowest amount in six years. **Projected income tax revenues are the equivalent of 9.2 mills of property tax.**

**I. Grant Revenues**

The 2011-12 budget includes expected grant revenue of \$120,000 as a result of a federal grant that will reimburse the payroll and benefit costs of two police officers over a three year period, beginning in September, 2009. Grant revenue also includes \$100,000 from the State of Michigan for economic development related to the Blue Water Bridge Plaza project and \$325,000 from the Save America’s Treasures Grant Program for the restoration of the Fort Gratiot Lighthouse.

**J. Work Force Reductions**

In order to reduce expenses as a result of the State revenue sharing, property tax and income tax reductions and to provide funds to subsidize utility rates, the City has reduced its work force. Since July 1, 2002, eighty-eight full-time positions have been or will be eliminated. Eighteen of the eliminated positions were division heads or supervisors, including fifteen since 2008.

The budget presented for the fiscal year ending June 30, 2012 proposes that 12 full-time positions be eliminated. These eliminations are in addition to the budgeted positions eliminated since the fiscal year ended June 30, 2003.

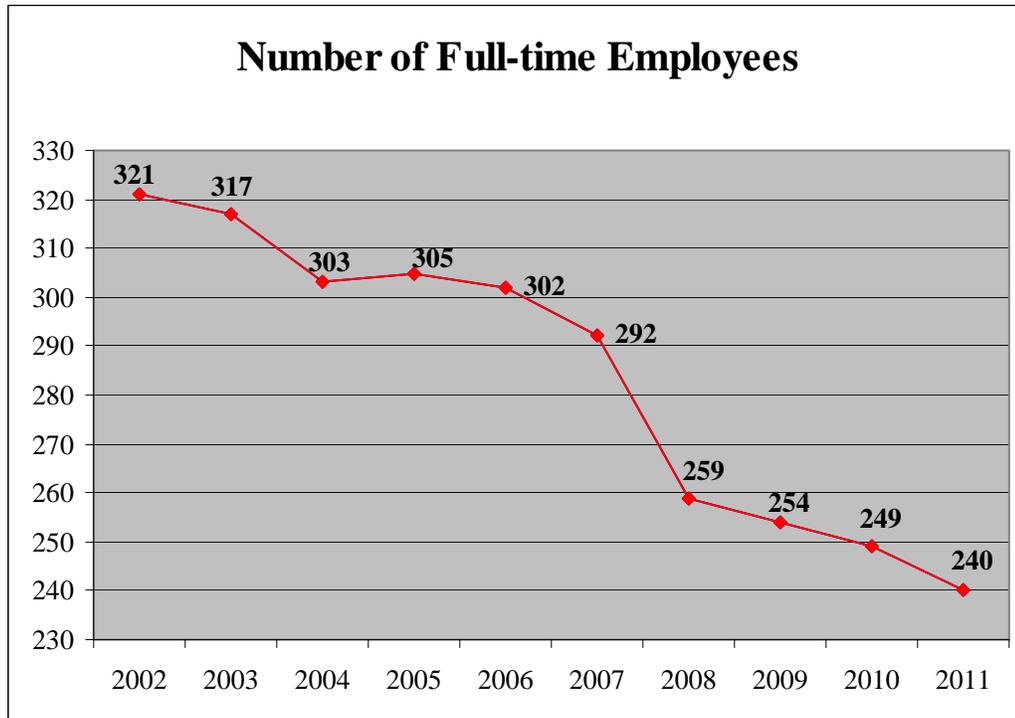
The eliminated positions can be summarized as follows:

| <u>Department - Position</u>             | <u>Number</u> | <u>Fiscal Year</u> |
|--|---------------|--------------------|
| Parks and Forestry - Supervisor          | 1             | June 30, 2003      |
| Legal - Clerical                         | 1             | June 30, 2003      |
| Fire - Firefighters                      | 4             | June 30, 2004      |
| Treasurer - Cashier                      | 1             | June 30, 2004      |
| Police - Police Officer                  | 1             | June 30, 2004      |
| Parks and Forestry - Equipment Operator  | 1             | June 30, 2006      |
| Utilities - Instrument Technician        | 1             | June 30, 2006      |
| Utilities - Equipment Operator           | 1             | June 30, 2006      |
| Police - Clerical                        | 1             | June 30, 2006      |
| City Manager - Assistant to City Manager | 1             | June 30, 2007      |
| Police:                                  |               |                    |
| Captain                                  | 1             | June 30, 2007      |
| Replaced by Police Officer               | -1            | June 30, 2007      |
| Parks and Forestry - Equipment Operator  | 1             | June 30, 2007      |
| Utilities - Laboratory Technician        | 1             | June 30, 2008      |
| Inspection - Supervisor                  | 1             | June 30, 2008      |
| Engineering - Engineer                   | 1             | June 30, 2008      |
| Utilities - Equipment Operator           | 1             | June 30, 2008      |

| <u>Department - Position</u>                 | <u>Number</u> | <u>Fiscal Year</u> |
|--|---------------|--------------------|
| Cemetery - Equipment Operator                | 1             | June 30, 2008      |
| Information Technology - Programmer          | 1             | June 30, 2008      |
| Cemetery - Supervisor                        | 1             | June 30, 2008      |
| Assessing - Clerical                         | 1             | June 30, 2008*     |
| Clerk - Clerical (Marina, Blight, BPIC)      | 1             | June 30, 2008*     |
| Police - Community Services Officer          | 1             | June 30, 2008*     |
| Police - Parking Enforcement                 | 1             | June 30, 2008*     |
| Fire - Firefighters                          | 6             | June 30, 2008*     |
| Communications - Dispatch Supervisor         | 1             | June 30, 2008*     |
| Communications - Dispatchers                 | 10            | June 30, 2008*     |
| Fire - Deputy Chief                          | 1             | June 30, 2009      |
| Personnel - Health and Safety Supervisor     | 1             | June 30, 2009      |
| Information Technology - Clerical            | 1             | June 30, 2009      |
| CDBG - Program Specialist                    | 1             | June 30, 2009      |
| CDBG - Community Development Supervisor      | 1             | June 30, 2009      |
| DPW - Equipment Operators/Mechanics          | 3             | June 30, 2009      |
| Utilities – Equipment Operators              | 5             | June 30, 2010      |
| Legal - City Attorney                        | 1             | June 30, 2010      |
| Treasurer - City Treasurer                   | 1             | June 30, 2010      |
| Recreation - Specialist                      | 1             | June 30, 2010      |
| Parks and Forestry - Equipment Operator      | 1             | June 30, 2010      |
| Cemetery – Equipment Operator                | 1             | June 30, 2010      |
| Rental Certification – Inspector             | 1             | June 30, 2011      |
| Parks and Forestry – Equipment Operator      | 2             | June 30, 2011      |
| Recreation – Recreation Supervisor           | 1             | June 30, 2011      |
| DPW – Equipment Operators/Service Attendants | 6             | June 30, 2011      |
| Cemetery – Laborer                           | 1             | June 30, 2011      |
| Utilities – Equipment Technician             | 1             | June 30, 2011      |
| Utilities - Equipment Operators/Laborers     | 4             | June 30, 2011      |
| Parking – Technician                         | 1             | June 30, 2012      |
| Police – Supervisory                         | 2             | June 30, 2012      |
| Police – Non Supervisory                     | 1             | June 30, 2012      |
| Fire – Supervisory                           | 1             | June 30, 2012      |
| DPW/Utilities – Supervisory                  | 2             | June 30, 2012      |
| DPW/Utilities – Non Supervisory              | 3             | June 30, 2012      |
| Finance – Supervisory                        | 1             | June 30, 2012      |
| Information Technology – Non Supervisory     | <u>1</u>      | June 30, 2012      |
| Total  | <u>88</u>     |                    |

\* Service reduction budget adjustments - September, 2007

Since 2002, the number of full time City employees has been reduced over 25% as illustrated in the graph below showing filled positions at each year end:



**K. General Fund Expenditures**

The proposed budget generally continues current services and does not provide for any new General Fund programs. **Proposed operating expenses for the fiscal year ending June 30, 2011 are approximately \$650,000 lower than comparable budgeted operating expenses for the proposed budget for 2010-11 and total expenses are over \$1.4 million lower.**

Capital outlay is proposed to decrease by \$247,700 to \$909,750 compared to the 2010-11 adopted budget in order to provide for necessary improvements and maintenance to governmental facilities and equipment used to provide services. Projected capital outlay includes the following:

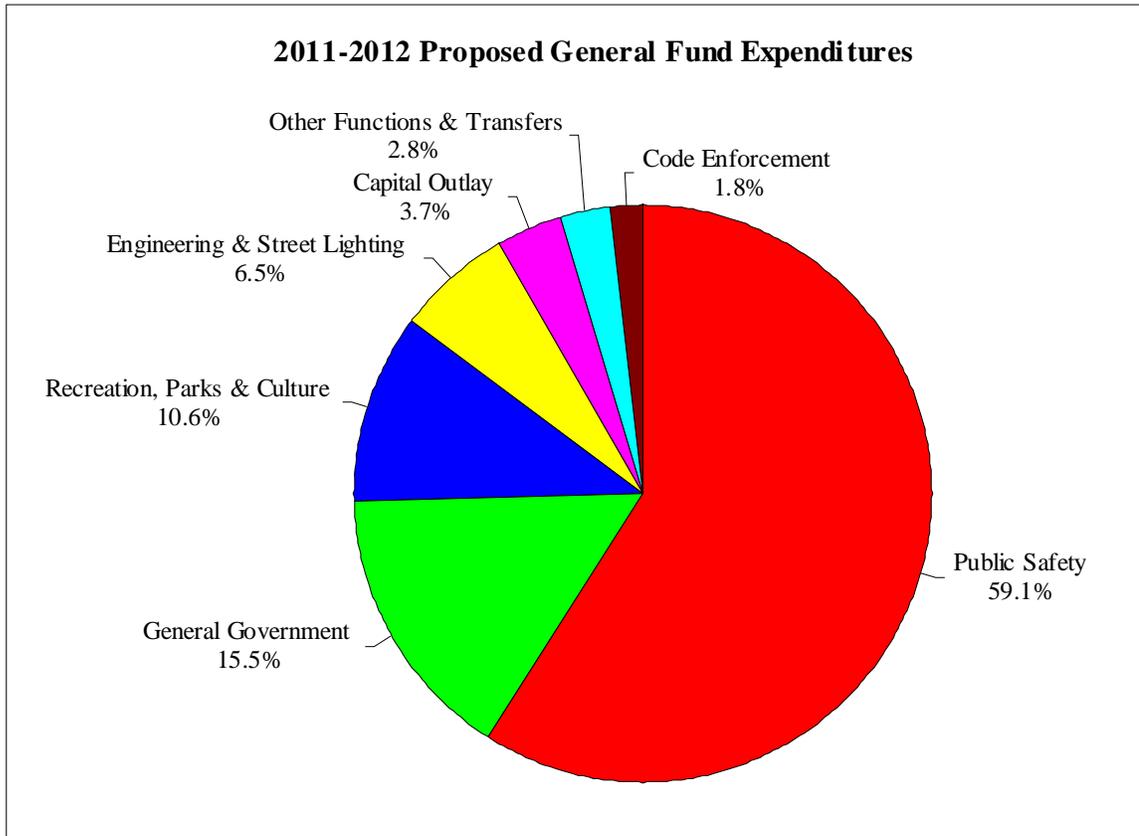
|   |                   |
|---|-------------------|
| Fort Gratiot Lighthouse Renovation              | \$ 650,000        |
| Public Safety - Equipment                       | 88,750            |
| Parks and Recreation - County Millage           | 125,000           |
| Parks and Recreation - Boat Launch Improvements | 40,000            |
| Other Public Improvements                       | <u>6,000</u>      |
|   | <u>\$ 909,750</u> |

The proposed capital outlay will primarily be funded by a transfer from the Land Purchase Fund of \$405,000, using funds previously set aside from a grant for a portion of the lighthouse, and from the City’s portion of the County parks millage of \$125,000.

Proposed transfers does not include a subsidy to the Wastewater Fund due to significant reductions in operating expenses in the two utility funds.

The budget continues the contracted downtown commercial development position in the City Manager's office. However, only a small portion of the position is expected to be funded from the General Fund. The position is expected to concentrate on commercial development activities and opportunities, primarily in the various tax increment plan areas, and will be primarily funded by those plans.

The illustration below depicts the major categories of General Fund expenditures for 2010-11 and the relative percentage of each:



After charging other funds for their cost of administrative expenses and receiving MOC rent, net general government expenses are actually only 5.1% of General Fund expenditures.

Proposed expenditures of the General Fund, detailed herein, may be further summarized as follows:

|  |                      |
|--|----------------------|
| Personal services                      | \$ 15,046,946        |
| Supplies and materials                 | 603,356              |
| Contractual services                   | <u>4,336,276</u>     |
| Total Operating Expenses               | 19,986,578           |
| Transfers                              | 3,300                |
| Capital outlay:                        |                      |
| Departmental                           | 54,750               |
| Recreational projects - County millage | 125,000              |
| Other public improvements              | <u>730,000</u>       |
| Total                                  | <u>\$ 20,899,628</u> |

**L. Increases in Operating Costs**

Comparisons for each operating activity, with previous years, are summarized in schedules made part of this report.

Two components of the City’s operating costs have increased significantly over the past several years. Through policy changes and contract negotiations, the City has taken action to slow the increases and to try to reduce costs.

- Pension Costs Full-time City employees are members of the Municipal Employees Retirement System of Michigan (MERS). Employer contribution percentages to this defined benefit plan for the upcoming fiscal year are expected to remain relatively the same as the current year. Full-time employees, other than public safety, hired after July 1, 2008, will be covered by a MERS hybrid pension plan, which is expected to reduce long-term costs substantially. All employees hired prior to July 1, 2008, have had employee pension contributions increased by 3%.
- Healthcare Insurance Premiums The City of Port Huron provides health insurance to full time employees and eligible retirees. The proposed budget anticipates the cost for existing employees will remain relatively steady as negotiations with all of our unions that have resulted in an emphasis on preventative care, cost sharing and reduced employer costs. The City has moved to a self-insured program with higher deductibles and co-pays. Preliminary cost results to date have been favorable. The proposed costs are summarized as follows:

|                               |                     |
|-------------------------------|---------------------|
| Active Employee Health Costs  | \$ 2,375,000        |
| Retired Employee Health Costs | <u>3,585,000</u>    |
| Total                         | <u>\$ 5,960,000</u> |

The City has recently engaged an advisor for health care matters. The advisor has extensive experience helping governmental units manage their benefits program and keeping costs as low as possible.

Also, the City was required to change its method of accounting for retiree health care benefits during the year ended June 30, 2009. Under prior accounting standards, retiree healthcare costs were only recognized when the costs were paid. For the year ended June 30, 2009 the City was required to record a liability for the actuarially computed annual obligation. This procedure will be similar to current accounting for pension plans, where funds are accumulated for the eventual liability during the employment period. The City expects that it will be able to continue to fully fund the annual required contribution (ARC) from funds accumulated for that purpose. By setting funds aside, the future cost of retiree healthcare will be reduced.

**M. Support For Recreation, Parks and Culture**

The City of Port Huron recreation department provides recreation programs and other activities at the various public parks, playgrounds, pools and beaches. These facilities are maintained by the parks and forestry division. In addition, the City provides significant annual support to the McMorran Auditorium and Arenas, the Port Huron Museum and its various locations and the municipal marinas.

The proposed McMorran subsidy has been reduced to \$200,000 for operations and \$50,000 for capital (funded by the county recreation millage). This represents a reduction from previous years, which averaged in excess of \$335,000.

The City owns the following facilities which it leases to the Port Huron Museum:

- Carnegie Center (Main Museum Facility)
- Thomas Edison Depot
- Huron Lightship
- Fort Gratiot Hospital (under restoration)

Under the current lease terms of these facilities, the City pays all utility, insurance and maintenance costs. In addition, the City provides operating support and has made major improvements to the facilities. This budget proposes that the City turn the Huron Lightship over to the Museum, which then will become liable for its annual operating expenses. Further, it is proposed that the annual \$14,000 operating subsidy to the Museum be eliminated.

The City has provided marina services along Black River in the downtown area and at the Water Street Marina near the I-94 Black River Bridge. These operations have seen reduced usage and increased maintenance costs and have continued to operate at a deficit. The City has contracted with Desmond Marine to operate the downtown River Street Marina. The City has retained responsibility for certain annual expenses but expects the annual operating deficit to begin to be reduced. The City sold the Water Street Marina effective June 30, 2009.

The budget for parks and recreation programs and services is \$2,222,056, a decrease of \$64,041 from last year. This portion of the budget includes the City's parks and playgrounds, beaches and pools, boat launches, riverfront parkways, the Palmer Park Recreation Center and the City's many forested public areas and boulevards. Recreation and other fees, grants and the County parks millage offset certain of the costs. During the past years these fees have been increased to cover direct program costs.

**N. General Fund Comparison**

The General Fund budget presented herein may be summarized and compared with the amended budget for the current fiscal year ending June 30, 2011, as follows:

|   | <u>Proposed<br/>Budget<br/>2011-2012</u> | <u>Budget for<br/>2010-2011</u> | <u>Increase<br/>or<br/>(Decrease)</u> |
|---|--|---------------------------------|---------------------------------------|
| <b>Means of Financing:</b>                  |  |                                 |                                       |
| Estimated designated fund balance at July 1 | \$                                       | \$ 383,802                      | \$ (383,802)                          |
| Property taxes                              | 7,355,000                                | 7,855,000                       | (500,000)                             |
| Income tax                                  | 5,775,000                                | 5,800,000                       | (25,000)                              |
| Business licenses and permits               | 345,000                                  | 330,000                         | 15,000                                |
| Nonbusiness license permits                 | 300,000                                  | 240,000                         | 60,000                                |
| Grants                                      | 545,000                                  | 243,952                         | 301,048                               |
| State shared revenue                        | 2,840,000                                | 3,375,000                       | (535,000)                             |
| Charges for services                        | 805,000                                  | 725,000                         | 80,000                                |
| Fines and forfeits                          | 145,000                                  | 155,000                         | (10,000)                              |
| Investment income                           | 200,000                                  | 225,000                         | (25,000)                              |

|                               | Proposed<br>Budget<br><u>2011-2012</u> | Budget for<br><u>2010-2011</u> | Increase<br>or<br><u>(Decrease)</u> |
|-------------------------------|--|--------------------------------|-------------------------------------|
| Rents                         | 335,000                                | 330,000                        | 5,000                               |
| Sale of assets                | 6,282                                  | 5,000                          | 1,282                               |
| Charges to other funds        | 1,843,346                              | 1,874,558                      | (31,212)                            |
| Transfers from other funds    | 405,000                                | 798,000                        | (393,000)                           |
| Total                         | <u>\$ 20,899,628</u>                   | <u>\$ 22,340,312</u>           | <u>\$(1,440,684)</u>                |
| Estimated Requirements:       |  |                                |                                     |
| General government            | \$ 3,245,226                           | \$ 3,258,917                   | \$ (13,691)                         |
| Public safety                 | 12,341,719                             | 13,108,330                     | (766,611)                           |
| Public works                  | 1,739,029                              | 1,674,647                      | 64,382                              |
| Senior citizens               | 14,531                                 | 15,531                         | (1,000)                             |
| Recreation, parks and culture | 2,222,056                              | 2,286,097                      | (64,041)                            |
| Other functions               | 553,767                                | 420,490                        | 133,277                             |
| Capital outlay                | 780,000                                | 1,073,000                      | (293,000)                           |
| Transfers to other funds      | 3,300                                  | 503,300                        | (500,000)                           |
| Total                         | <u>\$ 20,899,628</u>                   | <u>\$ 22,340,312</u>           | <u>\$(1,440,684)</u>                |

The proposed budget for personal services includes salaries and fringe benefits due under current labor contracts. Capital outlay is primarily proposed to be funded by a transfer from the Land Purchase Fund from funds set aside for this purpose.

**O. Water and Wastewater Funds**

The City of Port Huron operates two utility funds, the Water Fund and the Wastewater Fund. The Water Fund accounts for the operation of the City's water treatment plant and distribution system. The City provides water service to all City residents and businesses, as well as to portions of the townships of Fort Gratiot, Port Huron, Kimball and Clyde. Services to those townships are charged based on water usage and rates charged to City of Port Huron users, by contract. The Wastewater Fund accounts for the operation of the City's wastewater treatment facility and collection system. In addition to providing services to City residents, the wastewater treatment facility also provides services to portions of the townships of Fort Gratiot, Port Huron and Kimball. The three townships have purchased capacity in the wastewater treatment facility and share in annual operating expenses based on fixed contractual percentages.

**P. Combined Sewer Overflow Project**

The Michigan Department of Environmental Quality (MDEQ) mandated that the City of Port Huron undertake a 15-year program to eliminate all combined sewer overflows (CSO). In 2007 the MDEQ granted the City a four year extension. The cost of this program is expected to be \$185 million over 19 years. At the conclusion of the current fiscal year, approximately 91% of the areas have been separated.

This has resulted in the following benefits:

- The elimination of approximately 290 million gallons of pollution to our waterways annually;
- The construction of 86 miles of new sewers;

- The replacement of 53 miles of water lines, some of which were over 80 years old;
- The reconstruction of 71 miles of streets.

To date, over thirteen years, approximately \$162.9 million has been expended or is under contract and the project remains within budget and on schedule.

**Q. Bond Commitments**

The State of Michigan, through the Michigan Municipal Bond Authority (MMBA), has approved borrowings under the State Revolving Fund (SRF) and Drinking Water Revolving Fund (DWRF) loan programs subject to certain conditions. Among the conditions are those prescribed by the MMBA’s public financial consultants which include, in part, the following two conditions.

1. Water and Sewer Use Revenue – Sufficient revenues are generated from water supply and sewage disposal services to satisfy all operations, maintenance and replacement costs. It is projected and understood that significant rate increases will be required over the next few years.
2. Rate Adjustments – All rates, charges and fees shall be reviewed annually and adjusted as necessary to assure that, at the minimum, sufficient revenues will be available to satisfy all operation, maintenance, replacement and debt service costs to the system.

The bond ordinances and agreements contain similar revenue requirements.

**R. Construction Subsidies**

Grants and tax increment funds have been used to partially fund construction projects. This has also reduced the amount the City was required to borrow. These sources of funding have resulted in the reduction of over 17.7% of CSO project costs and are summarized below:

|                         |                       |
|-------------------------|-----------------------|
| Tax Increment Districts | \$ 9.8 million        |
| EPA Grants              | 6.4 million           |
| ARRA (Stimulus) Grants  | 5.0 million           |
| Other Grants            | 1.5 million           |
| CDBG Funds              | <u>6.2 million</u>    |
| Total                   | <u>\$28.9 million</u> |

**S. Debt Subsidies**

When the CSO program was initially discussed and implemented in 1998, subsidies from other funds were always considered part of the plan so that rate increases could be mitigated. The combined subsidies to the utility funds from the General Fund, the Land Purchase Fund and other sources through the June 30, 2012 proposed budget have exceeded \$43.4 million.

The City of Port Huron has a history of operating surpluses in the General Fund. Because of conservative budgeting and cost control measures, over the past fourteen years (including the 2010-11 year) over \$16 million has been transferred to the Wastewater Fund from the General Fund to reduce rates. A summary follows:

|                          | <u>Transfer to<br/>Wastewater Fund</u> |
|--------------------------|--|
| June 30, 1998            | \$ 800,000                             |
| June 30, 1999            | 2,513,730                              |
| June 30, 2000            | 1,772,900                              |
| June 30, 2001            | 1,133,712                              |
| June 30, 2002            | 1,012,212                              |
| June 30, 2003            | 0                                      |
| June 30, 2004            | 0                                      |
| June 30, 2005            | 0                                      |
| June 30, 2006            | 0                                      |
| June 30, 2007            | 700,000                                |
| June 30, 2008            | 3,917,400                              |
| June 30, 2009            | 1,939,493                              |
| June 30, 2010            | 1,900,000                              |
| June 30, 2011 (budgeted) | <u>500,000</u>                         |
| Total                    | <u>\$ 16,189,447</u>                   |

During the fiscal year ended June 30, 2002, due to reductions in State revenue sharing and City income tax collections, transfers from the Land Purchase Fund were initiated to further reduce utility rates by subsidizing both the Water and Wastewater Funds as follows:

|                          | <u>Water<br/>Fund</u> | <u>Wastewater<br/>Fund</u> | <u>Total</u>         |
|--------------------------|-----------------------|----------------------------|----------------------|
| June 30, 2002            | \$                    | \$ 900,000                 | \$ 900,000           |
| June 30, 2003            | 300,000               | 1,600,000                  | 1,900,000            |
| June 30, 2004            | 600,000               | 1,300,000                  | 1,900,000            |
| June 30, 2005            | 600,000               | 1,300,000                  | 1,900,000            |
| June 30, 2006            | 600,000               | 1,600,000                  | 2,200,000            |
| June 30, 2007            |                       | 2,200,000                  | 2,200,000            |
| June 30, 2008            |                       | 2,200,000                  | 2,200,000            |
| June 30, 2009            |                       | 2,295,000                  | 2,295,000            |
| June 30, 2010            | 550,000               | 1,700,000                  | 2,250,000            |
| June 30, 2011 (budgeted) | 1,550,000             | 700,000                    | 2,250,000            |
| June 30, 2012 (proposed) | <u>1,025,000</u>      | <u>1,225,000</u>           | <u>2,250,000</u>     |
| Total                    | <u>\$ 5,225,000</u>   | <u>\$ 17,020,000</u>       | <u>\$ 22,245,000</u> |

During the fiscal year ended June 30, 2008, as a result of successful grant applications to fund the 7<sup>th</sup> Street Bridge, funds were identified in the Municipal Streets that had previously been set aside for that project that could be used to subsidize the Wastewater Fund. Those funds have been and will be used as follows:

|                                    | <u>Transfer to<br/>Wastewater Fund</u> |
|------------------------------------|--|
| June 30, 2008                      | \$ 1,000,000                           |
| June 30, 2009                      | 1,000,000                              |
| June 30, 2010                      | 1,000,000                              |
| June 30, 2011 (budgeted)           | 1,000,000                              |
| June 30, 2012 (proposed)           | 1,000,000                              |
| June 30, 2013 (remaining transfer) | <u>685,000</u>                         |
| Total                              | <u>\$ 5,685,000</u>                    |

**T. Quarterly Utility Billings**

The City of Port Huron is facing increasing annual debt service costs due to CSO borrowings. As discussed above, the City has subsidized the Water and Wastewater Funds from a variety of available resources, however, those resources are being depleted. Further, water usage has declined due to economic and weather conditions.

In order to avoid an extremely large rate increase in the next three to four years, this budget proposed an average increase of 6.4%.

The effects of the proposed rate increase on the combined water and sewage rate charges for a 5/8 inch residential customer at various consumption levels, per quarter, are as follows:

|                     | <u>Consumption<br/>(Cubic Feet)</u> | <u>Adjusted<br/>Rates</u> | <u>Present<br/>Rates</u> | <u>Increase</u> | <u>Percent<br/>Change</u> |
|---------------------|-------------------------------------|---------------------------|--------------------------|-----------------|---------------------------|
|                     | 500                                 | \$ 97.33                  | \$ 91.42                 | \$ 5.91         | 6.5%                      |
|                     | 1,000                               | 119.06                    | 111.84                   | 7.22            | 6.5%                      |
|                     | 1,500                               | 140.79                    | 132.26                   | 8.53            | 6.4%                      |
| Average Residential | 1,680                               | 148.61                    | 139.61                   | 9.00            | 6.4%                      |
|                     | 2,000                               | 162.52                    | 152.68                   | 9.84            | 6.4%                      |
|                     | 2,500                               | 184.25                    | 173.10                   | 11.15           | 6.4%                      |
|                     | 3,000                               | 205.98                    | 193.52                   | 12.46           | 6.4%                      |
|                     | 3,115                               | 210.98                    | 198.22                   | 12.76           | 6.4%                      |
|                     | 3,500                               | 227.71                    | 213.94                   | 13.77           | 6.4%                      |
|                     | 4,000                               | 249.44                    | 234.36                   | 15.08           | 6.4%                      |
|                     | 4,500                               | 271.17                    | 254.78                   | 16.39           | 6.4%                      |

The current quarterly charge for average residential customers and typical households can be compared to charges in other communities that are also undergoing significant CSO work. TetraTech MPS, project engineers, have provided the following quarterly cost information (1680 cubic feet of usage) regarding three cities whose projects compare to Port Huron:

| <u>Average Residential</u>                  |           |
|---|-----------|
| Sault Ste. Marie (July 1, 2010)             | \$ 197.00 |
| Lansing (March 1, 2011 and October 1, 2010) | 181.54    |
| Grand Rapids (January 1, 2011)              | 151.10    |
| Port Huron (proposed)                       | 148.61    |

The Port Huron quarterly costs are based upon the proposed rates. The other cities' rates are those in effect at the dates noted, prior to any proposed increases for their current fiscal years.

#### **U. Proposed Public Works Projects**

Public works projects necessary for the elimination of combined sewer overflows involve substantial sewer separation work, and include upgraded water lines where appropriate, restoration of roadways due to the sewer separation or water line work and other street reconstruction where necessary or recommended. As a result, the costs associated with these projects are recorded in the Streets Fund, the Water Fund and the Wastewater Fund. Certain of these projects could also be recorded in the tax increment funds, the Land Purchase Fund and the Community Development Block Grant Fund.

The current estimated costs of public works projects for the 2011-2012 year are as follows:

|  | <u>Street<br/>Funds</u> | <u>Water<br/>Fund</u> | <u>Wastewater<br/>Fund</u> | <u>Total</u>        |
|--|-------------------------|-----------------------|----------------------------|---------------------|
| <b>Current projects:</b>                           |                         |                       |                            |                     |
| 21 <sup>st</sup> St. Area Ph 2 Preliminary (CSO)   | \$ 1,250,000            | \$ 3,400,000          | \$ 4,850,000               | \$ 9,500,000        |
| Dove-16 <sup>th</sup> to 24 <sup>th</sup>          | 690,000                 | 270,000               |                            | 960,000             |
| 10 <sup>th</sup> St.-Sealing-Electric to Lapeer    | 110,000                 |                       |                            | 110,000             |
| Union-6 <sup>th</sup> to 13 <sup>th</sup>          | 650,000                 |                       | 90,000                     | 740,000             |
| Traffic Signal ADA Upgrade                         | 70,000                  |                       |                            | 70,000              |
| <b>Total</b>                                       | <u>2,770,000</u>        | <u>3,670,000</u>      | <u>4,940,000</u>           | <u>11,380,000</u>   |
| <b>Carryover Projects:</b>                         |                         |                       |                            |                     |
| 21 <sup>st</sup> St Area Ph 1 (over 2 years) (CSO) | 30,000                  | 145,000               | 215,000                    | 390,000             |
| Erie North Area (over 2 years) (CSO)               | 30,000                  | 1,015,000             | 2,015,000                  | 3,060,000           |
| 7 <sup>th</sup> Street Bridge                      | 500,000                 |                       |                            | 500,000             |
| <b>Total</b>                                       | <u>560,000</u>          | <u>1,160,000</u>      | <u>2,230,000</u>           | <u>3,950,000</u>    |
| <b>Total Current and Carryover</b>                 | <u>3,330,000</u>        | <u>4,830,000</u>      | <u>7,170,000</u>           | <u>15,330,000</u>   |
| <b>Sidewalk Projects</b>                           | <u>80,000</u>           |                       |                            | <u>80,000</u>       |
| <b>Total</b>                                       | <u>\$3,410,000</u>      | <u>\$4,830,000</u>    | <u>\$7,170,000</u>         | <u>\$15,410,000</u> |

The public works projects are expected to be funded as follows:

|  | <u>Street<br/>Funds</u>     | <u>Water<br/>Fund</u>       | <u>Wastewater<br/>Fund</u>  | <u>Total</u>            |
|--|-----------------------------|-----------------------------|-----------------------------|-------------------------|
| <b>Borrowing - Bonds:</b>                            |                             |                             |                             |                         |
| State Revolving Fund-System                          | \$                          | \$ 130,000                  | \$ 3,870,000                | \$ 4,000,000            |
| Open Market  | <u>                    </u> | <u>4,680,000</u>            | <u>2,250,000</u>            | <u>6,930,000</u>        |
| Total Borrowing                                      | <u>                    </u> | <u>4,810,000</u>            | <u>6,120,000</u>            | <u>10,930,000</u>       |
| <b>Other Sources:</b>                                |                             |                             |                             |                         |
| 7 <sup>th</sup> Street Bridge Grants                 | 450,000                     |                             |                             | 450,000                 |
| CDBG-Union   | 200,000                     |                             |                             | 200,000                 |
| CDBG-21 <sup>st</sup> Area Ph 1                      | 5,000                       | 20,000                      | 50,000                      | 75,000                  |
| Grant-MDOT-Dove-16 <sup>th</sup> to 24 <sup>th</sup> | 375,000                     |                             |                             | 375,000                 |
| Grant-MDOT-10 <sup>th</sup>                          | 70,000                      |                             |                             | 70,000                  |
| Grant-EPA  |                             |                             | 1,000,000                   | 1,000,000               |
| Sidewalk projects                                    | 80,000                      |                             |                             | 80,000                  |
| Current street millage<br>revenues and reserves      | <u>2,230,000</u>            | <u>                    </u> | <u>                    </u> | <u>2,230,000</u>        |
| Total Other Sources                                  | <u>3,410,000</u>            | <u>20,000</u>               | <u>1,050,000</u>            | <u>4,480,000</u>        |
| <br>Total  | <br><u>\$3,410,000</u>      | <br><u>\$4,830,000</u>      | <br><u>\$7,170,000</u>      | <br><u>\$15,410,000</u> |

**V. Special Revenue Funds**

The current budget for the Cemetery Fund no longer requires a subsidy from the General Fund. Costs have been reduced in the Cemetery Fund primarily by the elimination of three positions and reductions in equipment rental rates.

The Garbage and Rubbish Collection Fund reflects the expected annual charges in accordance with the Waste Management contract which was extended to June 30, 2012. This program is supported by a millage statutorily designated for that purpose. The 2011-12 budget again provides for a Public Area Program with the costs charged to the Garbage and Rubbish Collection Fund. The Public Area Program provides for trash removal from parks, beaches, marinas and other public areas maintained by the City. In prior years, these costs have been included primarily in the General Fund as part of the parks and forestry division.

The City has established a separate Rental Certification Fund to segregate all revenues and expenditures of this program so that the fee structure is based upon actual costs.

The Drug Law Enforcement and Law Enforcement Funds account for property forfeited to the City in connection with drug related activities. The Enhanced 911 Fund was established to account for the revenues and capital outlay, as required by statute, from the user fee as assessed to all city telephone customers. No further revenues are expected from the user fees as consolidation with the County dispatch has been accomplished and the funds are being used to partially fund the County contract.

The Community Development Block Grant (CDBG) Fund and the Home Program Fund are budgeted using the allocation of grant funds approved by the Council on March 14, 2011. The proposed budget allocates \$200,000 of the \$900,000 CDBG grant to infrastructure construction. This allocation will reduce the construction costs that need to be borrowed and will reduce future debt repayments. Existing staff, with assistance from part-time clerical employees, are able to manage the increased CDBG, HOME and Neighborhood Stabilization grant programs.

#### **W. Internal Service Funds**

The City operates four internal service funds, consisting of the Central Stores, Data Processing, Motor Vehicle and Fringe Benefit Funds. These funds provide services to other activities of the City and, in addition, Data Processing provides services to other units of government, though on a reduced basis from prior years. Revenues are derived from the fee charges for the services rendered. The budget for these funds are included in this report.

The operations of the Motor Vehicle Fund were reviewed as part of the restructuring of the various Department of Public Works programs. Annual operating costs have been reduced by approximately \$400,000 over the past four years. As a result, vehicle lease charges continue to provide reduced costs for all City activities. Similar cost reductions were implemented in the Data Processing Fund and those charges to other activities were also reduced.

#### **X. Tax Increment Funds**

The City of Port Huron has used tax increment financing to undertake several economic development projects. This financial tool, authorized by various state statutes, allows a municipality to construct public improvements to provide incentives for industrial, commercial and residential developments. These public improvements are financed from the revenues generated by the new development from the taxes levied on the captured (increased) value of the district. The revenues are based upon the capture of all non-school taxes in those districts where no city funds have been advanced. In those districts where advances have been made prior to August 19, 1993, school taxes are also captured.

For the presented budget, it is proposed that the downtown commercial development position continue to be funded by those tax increment districts which continue to have undeveloped land or significant vacant properties. The districts are noted in the following list.

Each of these districts are budgeted for separately and consist of the following:

- The Industrial Park Tax Increment Fund (taxes no longer captured)
- The Paper Company Tax Increment Fund (taxes no longer captured)
- The Krafft-Holland Tax Increment Fund (taxes no longer captured)
- The Peerless Site Tax Increment Fund (including commercial development position)
- The Harrington Hotel Tax Increment Fund (including commercial development position, taxes no longer captured)
- The Bank Tax Increment Fund (including commercial development position)

- The Edison Redevelopment Tax Increment Fund (including commercial development position)
- The Water Street Tax Increment Fund (including commercial development position)
- The MainStreet Tax Increment Fund (including commercial development position)
- The Industrial Park Expansion Tax Increment Fund
- The Brownfield Redevelopment Tax Increment Fund (including commercial development position)

For the Brownfield Redevelopment District, one-half of the incremental non-school and school taxes are captured. Expenditures are projected based upon continuance of current capital projects or development, including work related to continuing the program to eliminate combined sewer overflows. For districts where advances are repaid and projects completed, captured taxes are passed on to the appropriate taxing authorities (Industrial Park, Paper Company, Krafft-Holland and Harrington).

## Appendix – Individual Fund Budgets

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# GENERAL FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$                                       | \$ 383,802                              |
| Property taxes                              | 7,355,000                                | 7,855,000                               |
| Income tax                                  | 5,775,000                                | 5,800,000                               |
| Business licenses and permits               | 345,000                                  | 330,000                                 |
| Nonbusiness licenses and permits            | 300,000                                  | 240,000                                 |
| Grants                                      | 545,000                                  | 243,952                                 |
| State shared revenues                       | 2,840,000                                | 3,375,000                               |
| Charges for services                        | 805,000                                  | 725,000                                 |
| Fines and forfeits                          | 145,000                                  | 155,000                                 |
| Investment income                           | 200,000                                  | 225,000                                 |
| Rents                                       | 335,000                                  | 330,000                                 |
| Sale of assets                              | 6,282                                    | 5,000                                   |
| Charges to other funds                      | 1,843,346                                | 1,874,558                               |
| Transfer from other funds                   | 405,000                                  | 798,000                                 |
|   | <hr/>                                    | <hr/>                                   |
| <b>TOTAL MEANS OF FINANCING</b>             | <b>\$ 20,899,628</b>                     | <b>\$ 22,340,312</b>                    |
|   | <hr/>                                    | <hr/>                                   |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 15,046,946                            | \$ 15,809,123                           |
| Supplies and materials                      | 603,356                                  | 568,120                                 |
| Contractual services                        | 4,336,276                                | 4,302,319                               |
|   | <hr/>                                    | <hr/>                                   |
|   | 19,986,578                               | 20,679,562                              |
| Transfers                                   | 3,300                                    | 503,300                                 |
| Capital outlay:                             |  |   |
| Departmental                                | 54,750                                   | 69,450                                  |
| Recreational projects - County millage      | 125,000                                  | 140,000                                 |
| MOC capital                                 |  | 678,000                                 |
| Other public improvements                   | 730,000                                  | 270,000                                 |
|   | <hr/>                                    | <hr/>                                   |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b>\$ 20,899,628</b>                     | <b>\$ 22,340,312</b>                    |
|   | <hr/>                                    | <hr/>                                   |

**STREET FUNDS  
MAJOR STREETS**

**Budget Summary**

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                       |  |   |
| Estimated designated fund balance at July 1      | \$ 12,821                                | \$ 20,353                               |
| State shared revenues:                           |  |   |
| Major streets                                    | 1,585,000                                | 1,545,000                               |
| Trunkline maintenance                            | 227,943                                  | 224,946                                 |
| Right of way                                     | 78,000                                   | 70,000                                  |
| Federal and State grants                         | 895,000                                  | 1,085,000                               |
| Transfer from Municipal streets to Major streets | 900,000                                  | 1,275,000                               |
|  | <b>\$ 3,698,764</b>                      | <b>\$ 4,220,299</b>                     |
| <b>TOTAL MEANS OF FINANCING</b>                  |  |   |
|  | <b>\$ 3,698,764</b>                      | <b>\$ 4,220,299</b>                     |
| <b>ESTIMATED REQUIREMENTS:</b>                   |  |   |
| Ordinary recurring expenses:                     |  |   |
| Personal services                                | \$ 814,821                               | \$ 899,548                              |
| Supplies and materials                           | 251,801                                  | 252,880                                 |
| Contractual services:                            |  |   |
| Engineering and other professional services      | 382,142                                  | 482,871                                 |
| Transfer from Major streets to Local streets     | 430,000                                  | 420,000                                 |
|  | 1,878,764                                | 2,055,299                               |
| Capital outlay:                                  |  |   |
| Street resurfacing and/or reconstruction from:   |  |   |
| Street millage                                   | 625,000                                  | 745,000                                 |
| Other sources                                    | 1,195,000                                | 1,420,000                               |
|  | 1,820,000                                | 1,420,000                               |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>              | <b>\$ 3,698,764</b>                      | <b>\$ 4,220,299</b>                     |

**STREET FUNDS  
LOCAL STREETS**

**Budget Summary**

|  | <u>Proposed<br/>Budget<br/>2011-2012</u> | <u>Adopted<br/>Budget<br/>2010-2011</u> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                       |  |   |
| Estimated designated fund balance at July 1      | \$ 15,516                                | \$ 26,290                               |
| State shared revenues:                           |  |   |
| Local streets                                    | 485,000                                  | 470,000                                 |
| Right of way                                     | 24,000                                   | 30,000                                  |
| Transfers:                                       |  |   |
| Transfer from Major streets to Local streets     | 430,000                                  | 420,000                                 |
| Transfer from Municipal streets to Local streets | <u>1,150,000</u>                         | <u>475,000</u>                          |
| <br><b>TOTAL MEANS OF FINANCING</b>              | <br><u>\$ 2,104,516</u>                  | <br><u>\$ 1,421,290</u>                 |
| <br><b>ESTIMATED REQUIREMENTS:</b>               |  |   |
| Ordinary recurring expenses:                     |  |   |
| Personal services                                | \$ 486,701                               | \$ 461,990                              |
| Supplies and materials                           | 110,849                                  | 98,431                                  |
| Contractual services                             | <u>201,966</u>                           | <u>265,869</u>                          |
|  | 799,516                                  | 826,290                                 |
| Capital outlay:                                  |  |   |
| Street resurfacing and/or reconstruction from:   |  |   |
| Street millage                                   | 625,000                                  | 595,000                                 |
| Other sources                                    | <u>680,000</u>                           | <u>        </u>                         |
| <br><b>TOTAL ESTIMATED REQUIREMENTS</b>          | <br><u>\$ 2,104,516</u>                  | <br><u>\$ 1,421,290</u>                 |

**STREET FUNDS  
MUNICIPAL STREETS**

**Budget Summary**

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
|   | <hr/>                                    | <hr/>                                   |
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 1,850,414                             | \$ 1,399,171                            |
| Taxes:                                      |  |   |
| Real property taxes                         | 1,530,000                                | 1,160,000                               |
| Personal property taxes                     | 180,000                                  | 180,000                                 |
| BWATC                                       |  | 460,000                                 |
| Investment income                           | 25,000                                   | 25,000                                  |
|   | <hr/>                                    | <hr/>                                   |
| <b>TOTAL MEANS OF FINANCING</b>             | <b>\$ 3,585,414</b>                      | <b>\$ 3,224,171</b>                     |
|   | <hr/> <hr/>                              | <hr/> <hr/>                             |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 34,962                                | \$ 5,983                                |
| Supplies and materials                      | 20,220                                   | 4,498                                   |
| Contractual services:                       |  |   |
| Engineering and other professional services | 20,232                                   | 3,690                                   |
| BWATC property taxes                        | 460,000                                  | 460,000                                 |
| Transfers:                                  |  |   |
| From Municipal streets to Major streets     | 900,000                                  | 1,275,000                               |
| From Municipal streets to Local streets     | 1,150,000                                | 475,000                                 |
| From Municipal streets to Wastewater fund   | 1,000,000                                | 1,000,000                               |
|   | <hr/>                                    | <hr/>                                   |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b>\$ 3,585,414</b>                      | <b>\$ 3,224,171</b>                     |
|   | <hr/> <hr/>                              | <hr/> <hr/>                             |

**STREET FUNDS  
COMBINED MAJOR, LOCAL AND MUNICIPAL STREETS**

**Budget Summary**

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                     |  |   |
| Estimated designated fund balance at July 1    | \$ 1,878,751                             | \$ 1,445,814                            |
| Taxes:   |  |   |
| Real property taxes                            | 1,530,000                                | 1,160,000                               |
| Personal property taxes                        | 180,000                                  | 180,000                                 |
| BWATC  |  | 460,000                                 |
| State shared revenues:                         |  |   |
| Major streets                                  | 1,585,000                                | 1,545,000                               |
| Local streets                                  | 485,000                                  | 470,000                                 |
| Trunkline maintenance                          | 227,943                                  | 224,946                                 |
| Right of way                                   | 102,000                                  | 100,000                                 |
| Federal and State grants                       | 895,000                                  | 1,085,000                               |
| Investment income                              | 25,000                                   | 25,000                                  |
| Transfers:                                     |  |   |
| From Major streets to Local streets            | 430,000                                  | 420,000                                 |
| From Municipal streets to Major streets        | 900,000                                  | 1,275,000                               |
| From Municipal streets to Local streets        | 1,150,000                                | 475,000                                 |
|  | <u>\$ 9,388,694</u>                      | <u>\$ 8,865,760</u>                     |
| <b>TOTAL MEANS OF FINANCING</b>                | <b>\$ 9,388,694</b>                      | <b>\$ 8,865,760</b>                     |
| <b>ESTIMATED REQUIREMENTS:</b>                 |  |   |
| Ordinary recurring expenses:                   |  |   |
| Personal services                              | \$ 1,336,484                             | \$ 1,367,521                            |
| Supplies and materials                         | 382,870                                  | 355,809                                 |
| Contractual services:                          |  |   |
| Engineering and other professional services    | 604,340                                  | 752,430                                 |
| BWATC property taxes                           | 460,000                                  | 460,000                                 |
| Transfers:                                     |  |   |
| From Major streets to Local streets            | 430,000                                  | 420,000                                 |
| From Municipal streets to Major streets        | 900,000                                  | 1,275,000                               |
| From Municipal streets to Local streets        | 1,150,000                                | 475,000                                 |
| From Municipal streets to Wastewater fund      | 1,000,000                                | 1,000,000                               |
|  | <u>6,263,694</u>                         | <u>6,105,760</u>                        |
| Capital outlay:                                |  |   |
| Street resurfacing and/or reconstruction from: |  |   |
| Street millage                                 | 1,250,000                                | 1,340,000                               |
| Other sources                                  | 1,875,000                                | 1,420,000                               |
|  | <u>1,875,000</u>                         | <u>1,420,000</u>                        |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>            | <b>\$ 9,388,694</b>                      | <b>\$ 8,865,760</b>                     |

# CEMETERY FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                    |  |   |
| Estimated designated fund balance at July 1   | \$ 1,010                                 | \$ 9,095                                |
| Foundations                                   | 18,000                                   | 12,000                                  |
| Graveside interments                          | 40,000                                   | 50,000                                  |
| Chapel interments                             | 50,000                                   | 45,000                                  |
| Other services                                | 10,000                                   | 10,000                                  |
| Transfer from Cemetery perpetual<br>care fund | <u>250,000</u>                           | <u>250,000</u>                          |
| <b>TOTAL MEANS OF FINANCING</b>               | <b><u>\$ 369,010</u></b>                 | <b><u>\$ 376,095</u></b>                |
| <b>ESTIMATED REQUIREMENTS:</b>                |  |   |
| Ordinary recurring expenses:                  |  |   |
| Personal services                             | \$ 238,926                               | \$ 248,687                              |
| Supplies and materials                        | 23,658                                   | 23,558                                  |
| Contractual services                          | <u>94,626</u>                            | <u>96,850</u>                           |
|   | 357,210                                  | 369,095                                 |
| Capital outlay                                | <u>11,800</u>                            | <u>7,000</u>                            |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>           | <b><u>\$ 369,010</u></b>                 | <b><u>\$ 376,095</u></b>                |

# GARBAGE AND RUBBISH COLLECTION FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 518,795                               | \$ 613,146                              |
| Taxes:                                      |  |   |
| Real property taxes                         | 1,500,000                                | 1,620,000                               |
| Personal property taxes                     | 260,000                                  | 270,000                                 |
| Penalties and interest on taxes             | 10,000                                   | 10,000                                  |
| <b>TOTAL MEANS OF FINANCING</b>             | <b>\$ 2,288,795</b>                      | <b>\$ 2,513,146</b>                     |
| <br><b>ESTIMATED REQUIREMENTS:</b>          |  |   |
| Rubbish Collection Program:                 |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 13,310                                | \$ 12,632                               |
| Supplies and materials                      | 8,400                                    | 4,000                                   |
| Contractual services                        | 1,818,082                                | 1,892,819                               |
|   | 1,839,792                                | 1,909,451                               |
| <br>Brush Program:                          |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | 58,846                                   | 59,205                                  |
| Contractual services                        | 23,637                                   | 23,675                                  |
|   | 82,483                                   | 82,880                                  |
| <br>Public Area Collection Program:         |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | 96,302                                   | 96,890                                  |
| Contractual services                        | 62,207                                   | 62,269                                  |
|   | 158,509                                  | 159,159                                 |
| <br>Street Sweeping Program:                |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | 105,949                                  | 156,603                                 |
| Contractual services                        | 102,062                                  | 205,053                                 |
|   | 208,011                                  | 361,656                                 |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b>\$ 2,288,795</b>                      | <b>\$ 2,513,146</b>                     |

# RENTAL CERTIFICATION FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 12,458                                | \$ 16,999                               |
| Charges for services                        | <u>169,064</u>                           | <u>165,254</u>                          |
| <b>TOTAL MEANS OF FINANCING</b>             | <u><u>\$ 181,522</u></u>                 | <u><u>\$ 182,253</u></u>                |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 156,413                               | \$ 154,282                              |
| Supplies and materials                      | 4,500                                    | 4,500                                   |
| Contractual services                        | <u>20,609</u>                            | <u>23,471</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <u><u>\$ 181,522</u></u>                 | <u><u>\$ 182,253</u></u>                |

# DOMESTIC PREPAREDNESS FUND

## Budget Summary

|                                     | <u>Proposed<br/>Budget<br/>2011-2012</u> | <u>Adopted<br/>Budget<br/>2010-2011</u> |
|-------------------------------------|--|---|
| <b>MEANS OF FINANCING:</b>          |  |   |
| Grants                              | \$ 85,000                                | \$ 100,000                              |
| <b>TOTAL MEANS OF FINANCING</b>     | <u>\$ 85,000</u>                         | <u>\$ 100,000</u>                       |
| <b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:        |  |   |
| Supplies and materials              | \$ 5,000                                 | \$ 5,000                                |
| Contractual services                | 5,000                                    | 5,000                                   |
|                                     | <u>10,000</u>                            | <u>10,000</u>                           |
| Capital outlay                      | <u>75,000</u>                            | <u>90,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b> | <u>\$ 85,000</u>                         | <u>\$ 100,000</u>                       |

# ENHANCED 911 FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 107,500                               | \$ 110,000                              |
| <b>TOTAL MEANS OF FINANCING</b>             | <u>\$ 107,500</u>                        | <u>\$ 110,000</u>                       |
| <br>  |  |   |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Contractual services                        | \$ 82,500                                | \$ 85,000                               |
| Capital outlay                              | <u>25,000</u>                            | <u>25,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <u>\$ 107,500</u>                        | <u>\$ 110,000</u>                       |

## O.U.I.L. FUND

### Budget Summary

|                                     | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|-------------------------------------|--|---|
| <b>MEANS OF FINANCING:</b>          |  |   |
| Fines and forfeits                  | \$ 15,000                                | \$ 15,000                               |
| <b>TOTAL MEANS OF FINANCING</b>     | <u>\$ 15,000</u>                         | <u>\$ 15,000</u>                        |
| <br>                                |  |   |
| <b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:        |  |   |
| Supplies and materials              | \$ 3,500                                 | \$ 3,500                                |
| Contractual services                | 1,500                                    | 1,500                                   |
|                                     | <u>5,000</u>                             | <u>5,000</u>                            |
| Capital outlay                      | <u>10,000</u>                            | <u>10,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b> | <u>\$ 15,000</u>                         | <u>\$ 15,000</u>                        |

# DRUG LAW ENFORCEMENT FUND

## Budget Summary

|                                     | <u>Proposed<br/>Budget<br/>2011-2012</u> | <u>Adopted<br/>Budget<br/>2010-2011</u> |
|-------------------------------------|--|---|
| <b>MEANS OF FINANCING:</b>          |  |   |
| Fines and forfeits                  | <u>\$        46,000</u>                  | <u>\$        46,000</u>                 |
| <b>TOTAL MEANS OF FINANCING</b>     | <u><u>\$        46,000</u></u>           | <u><u>\$        46,000</u></u>          |
| <br>                                |  |   |
| <b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:        |  |   |
| Supplies and materials              | \$          5,000                        | \$          5,000                       |
| Contractual services                | 1,000                                    | 1,000                                   |
|                                     | <u>          6,000</u>                   | <u>          6,000</u>                  |
| Capital outlay                      | <u>         40,000</u>                   | <u>         40,000</u>                  |
| <b>TOTAL ESTIMATED REQUIREMENTS</b> | <u><u>\$        46,000</u></u>           | <u><u>\$        46,000</u></u>          |

# LAW ENFORCEMENT FUND

## Budget Summary

|  | <u>Proposed<br/>Budget<br/>2011-2012</u> | <u>Adopted<br/>Budget<br/>2010-2011</u> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                             |  |   |
| Charges for services                                   | <u>\$ 5,000</u>                          | <u>\$ 5,000</u>                         |
| <b>TOTAL MEANS OF FINANCING</b>                        | <u>\$ 5,000</u>                          | <u>\$ 5,000</u>                         |
| <b>ESTIMATED REQUIREMENTS:</b>                         |  |   |
| Ordinary recurring expenses:<br>Supplies and materials | <u>\$ 5,000</u>                          | <u>\$ 5,000</u>                         |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>                    | <u>\$ 5,000</u>                          | <u>\$ 5,000</u>                         |

# COMMUNITY DEVELOPMENT BLOCK GRANT FUND

## Budget Summary

|   | <u>Proposed<br/>Budget<br/>2011-2012</u> | <u>Adopted<br/>Budget<br/>2010-2011</u> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Federal grant                               |  |   |
| Current allocation                          | \$ 900,000                               | \$ 942,742                              |
| <b>TOTAL MEANS OF FINANCING</b>             | <u>\$ 900,000</u>                        | <u>\$ 942,742</u>                       |
| <br><b>ESTIMATED REQUIREMENTS:</b>          |  |   |
| Ordinary recurring expenses:                |  |   |
| Code enforcement/neighborhood preservation: |  |   |
| Personal services                           | \$ 156,905                               | \$ 154,160                              |
| Supplies and materials                      | 1,200                                    | 1,200                                   |
| Contractual services                        | 21,895                                   | 14,640                                  |
|   | <u>180,000</u>                           | <u>170,000</u>                          |
| Capital outlay - programs:                  |  |   |
| Infrastructure construction including       |  |   |
| street resurfacing/paving                   | 200,000                                  | 400,000                                 |
| Economic redevelopment                      | 100,000                                  |   |
| Rental conversions                          | 110,000                                  |   |
| Emergency home repairs                      | 50,000                                   |   |
| Demolition assistance                       | 65,000                                   | 205,242                                 |
| Interim assistance - cleanups               |  | 10,000                                  |
| Rehabilitation                              | 160,000                                  | 130,000                                 |
| Code enforcement                            |  | 10,000                                  |
| Project brush-up                            | 17,500                                   |   |
| Pathway shelter                             | 17,500                                   | 17,500                                  |
|   | <u>17,500</u>                            | <u>17,500</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <u>\$ 900,000</u>                        | <u>\$ 942,742</u>                       |

# NEIGHBORHOOD REHABILITATION FUND

## Budget Summary

|                                     | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|-------------------------------------|--|---|
| <b>MEANS OF FINANCING:</b>          |  |   |
| Federal grant carryover             | \$ 700,000                               | \$ 875,907                              |
| <b>TOTAL MEANS OF FINANCING</b>     | <b><u>\$ 700,000</u></b>                 | <b><u>\$ 875,907</u></b>                |
| <b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:        |  |   |
| Personal services                   | \$ 50,207                                | \$ 48,260                               |
| Supplies and materials              | 740                                      | 740                                     |
| Contractual services                | 19,053                                   | 1,000                                   |
|                                     | <u>70,000</u>                            | <u>50,000</u>                           |
| Capital outlay:                     |  |   |
| Housing improvements                | <u>630,000</u>                           | <u>\$ 825,907</u>                       |
| <b>TOTAL ESTIMATED REQUIREMENTS</b> | <b><u>\$ 700,000</u></b>                 | <b><u>\$ 875,907</u></b>                |

# HOME PROGRAM FUND

## Budget Summary

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                   |  |   |
| Federal grant                                |  |   |
| Current allocation                           | \$ 280,000                               | \$ 288,903                              |
| <b>TOTAL MEANS OF FINANCING</b>              | <b>\$ 280,000</b>                        | <b>\$ 288,903</b>                       |
| <b>ESTIMATED REQUIREMENTS:</b>               |  |   |
| Ordinary recurring expenses:                 |  |   |
| Personal services                            | \$ 27,263                                | \$ 26,123                               |
| Contractual services                         | 737                                      |   |
|  | <u>28,000</u>                            | <u>26,123</u>                           |
| Capital outlay:                              |  |   |
| Neighborhood Action Plan - Renovation grants |  | 145,000                                 |
| Affordable housing                           | 100,000                                  | 30,000                                  |
| Habitat for Humanity                         |  | 30,000                                  |
| CHDO project                                 | 42,000                                   | 43,335                                  |
| CHDO administration                          | 14,000                                   | 14,445                                  |
| Urban pioneer                                | 96,000                                   |   |
|  | <u>280,000</u>                           | <u>288,903</u>                          |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>          | <b>\$ 280,000</b>                        | <b>\$ 288,903</b>                       |

# STREETSCAPE MAINTENANCE FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 22,500                                | \$ 27,500                               |
| Charges for services                        | 25,175                                   | 25,175                                  |
| Transfer from TIF districts                 | <u>22,325</u>                            | <u>22,325</u>                           |
| <b>TOTAL MEANS OF FINANCING</b>             | <b><u>\$ 70,000</u></b>                  | <b><u>\$ 75,000</u></b>                 |
| <br><b>ESTIMATED REQUIREMENTS:</b>          |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 1,640                                 | \$ 1,650                                |
| Supplies and materials                      | 350                                      | 350                                     |
| Contractual services                        | <u>44,010</u>                            | <u>48,500</u>                           |
|   | 46,000                                   | 50,500                                  |
| Capital outlay                              | <u>24,000</u>                            | <u>24,500</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b><u>\$ 70,000</u></b>                  | <b><u>\$ 75,000</u></b>                 |

# BEAUTIFICATION COMMISSION FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 2,000                                 | \$ 2,000                                |
| Miscellaneous                               | 2,000                                    | 2,000                                   |
| Transfer from General fund                  | <u>3,300</u>                             | <u>3,300</u>                            |
| <b>TOTAL MEANS OF FINANCING</b>             | <b><u>\$ 7,300</u></b>                   | <b><u>\$ 7,300</u></b>                  |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Supplies and materials                      | \$ 6,500                                 | \$ 6,500                                |
| Contractual services                        | <u>800</u>                               | <u>800</u>                              |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b><u>\$ 7,300</u></b>                   | <b><u>\$ 7,300</u></b>                  |

# MARINA FUND

## Budget Summary

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                       |  |   |
| Estimated designated fund balance at July 1      | \$ 44,005                                | \$ 30,000                               |
| Charges for services - share of operating income | 30,000                                   | 20,000                                  |
| Grant from State of Michigan                     | 55,000                                   |   |
| Transfer from Land Purchase fund                 | <u>120,000</u>                           | <u>130,623</u>                          |
| <b>TOTAL MEANS OF FINANCING</b>                  | <b><u>\$ 249,005</u></b>                 | <b><u>\$ 180,623</u></b>                |
| <b>ESTIMATED REQUIREMENTS:</b>                   |  |   |
| Ordinary recurring expenses:                     |  |   |
| Personal services                                | \$ 9,040                                 | \$ 9,075                                |
| Supplies and materials                           | 3,635                                    | 835                                     |
| Contractual services                             | <u>181,330</u>                           | <u>170,713</u>                          |
|  | 194,005                                  | 180,623                                 |
| Capital outlay                                   | <u>55,000</u>                            | <u>                    </u>             |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>              | <b><u>\$ 249,005</u></b>                 | <b><u>\$ 180,623</u></b>                |

# LAND PURCHASE FUND

## Budget Summary

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                                 |  |   |
| Estimated designated fund balance at July 1                | \$ 1,430,000                             | \$ 1,960,186                            |
| Investment income  | 105,000                                  | 125,000                                 |
| Rents  | 240,000                                  | 185,000                                 |
| Other income   | 10,000                                   | 10,000                                  |
| Transfer from tax increment funds:                         |  |   |
| Peerless site  | 45,000                                   | 79,000                                  |
| Edison redevelopment                                       | 405,000                                  | 508,000                                 |
| Water street   | 421,000                                  | 467,000                                 |
| Industrial park expansion                                  | 229,000                                  | 255,000                                 |
| <b>TOTAL MEANS OF FINANCING</b>                            | <b>\$ 2,885,000</b>                      | <b>\$ 3,589,186</b>                     |
| <b>ESTIMATED REQUIREMENTS:</b>                             |  |   |
| Ordinary recurring expenses:                               |  |   |
| Contractual services:                                      |  |   |
| Engineering and other professional services                | \$ 25,000                                | \$ 25,000                               |
| Commerical development and promotion activity              |  | 50,000                                  |
| Transfer to:   |  |   |
| General fund - capital projects                            | 405,000                                  | 770,000                                 |
| Water fund   | 1,025,000                                | 1,550,000                               |
| Wastewater fund  | 1,225,000                                | 700,000                                 |
| Parking fund   | 60,000                                   | 88,563                                  |
| Marina fund - River Street                                 | 120,000                                  | 130,623                                 |
| Bank DDA Tax Increment fund                                |  | 250,000                                 |
|  | 2,860,000                                | 3,564,186                               |
| Capital outlay:  |  |   |
| Land acquisition, building construction and redevelopment: | 25,000                                   | 25,000                                  |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>                        | <b>\$ 2,885,000</b>                      | <b>\$ 3,589,186</b>                     |

# PARKING FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 2,451                                 | \$ 15,142                               |
| Street meters                               | 27,000                                   | 27,000                                  |
| Parking lots                                | 5,000                                    | 5,000                                   |
| Annual permits                              | 20,000                                   | 20,000                                  |
| Transfer from Land purchase fund            | <u>60,000</u>                            | <u>88,563</u>                           |
| <b>TOTAL MEANS OF FINANCING</b>             | <u><u>\$ 114,451</u></u>                 | <u><u>\$ 155,705</u></u>                |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Parking System - Non Revenue Producing:     |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 18,860                                | \$ 18,975                               |
| Supplies and materials                      | 1,850                                    | 4,300                                   |
| Contractual services                        | <u>65,016</u>                            | <u>65,288</u>                           |
|   | <u>85,726</u>                            | <u>88,563</u>                           |
| Parking System - Revenue Producing:         |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | 9,362                                    | 42,810                                  |
| Supplies and materials                      | 5,470                                    | 3,230                                   |
| Contractual services                        | <u>13,893</u>                            | <u>21,102</u>                           |
|   | <u>28,725</u>                            | <u>67,142</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <u><u>\$ 114,451</u></u>                 | <u><u>\$ 155,705</u></u>                |

# WATER FUND

## Budget Summary

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>   |  |   |
| Estimated designated fund balance at July 1  | \$                                       | \$ 100,000                              |
| Sale of water  | 6,032,336                                | 5,687,756                               |
| Penalty charges  | 50,000                                   | 50,000                                  |
| Hydrant charges  | 56,040                                   | 55,920                                  |
| Charges for services   | 30,000                                   | 30,000                                  |
| Investment income  | 5,000                                    | 5,000                                   |
| Grants:  |  |   |
| Community Development Block Grant<br>Stimulus program  |  | 200,000                                 |
| Tax increment funds - construction projects  |  |   |
| Proceeds from issuance of long-term<br>revenue bonds:  |  |   |
| State Drinking Water Revolving fund bonds  | 130,000                                  | 2,400,000                               |
| Other revenue bonds  | 4,700,000                                | 2,435,000                               |
| Pro rata share of water administration and<br>meter reading budget reimbursed from<br>Wastewater fund                          | 465,146                                  | 506,498                                 |
| Transfer from enterprise funds:  |  |   |
| Land purchase fund   | 1,025,000                                | 1,550,000                               |
| <b>TOTAL MEANS OF FINANCING</b>  | <b>\$ 12,493,522</b>                     | <b>\$ 13,020,174</b>                    |
| <b>ESTIMATED REQUIREMENTS:</b>   |  |   |
| Ordinary recurring expenses:   |  |   |
| Personal services  | \$ 1,953,723                             | \$ 2,118,337                            |
| Supplies and materials   | 496,488                                  | 482,249                                 |
| Contractual services   | 1,676,611                                | 1,773,188                               |
|  | <u>4,126,822</u>                         | <u>4,373,774</u>                        |
| Debt service requirements for payment of<br>principal and interest on Revenue and<br>State Drinking Water Revolving Fund bonds | 3,526,000                                | 3,303,000                               |
| Capital outlay:  |  |   |
| Departmental   | 10,700                                   | 308,400                                 |
| Construction projects  | 4,830,000                                | 5,035,000                               |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>  | <b>\$ 12,493,522</b>                     | <b>\$ 13,020,174</b>                    |

# WASTEWATER FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>  |  |   |
| Estimated designated fund balance at July 1   | \$ 2,225,000                             | \$ 3,000,000                            |
| Sewage charges  | 7,617,145                                | 7,146,503                               |
| Penalty charges   | 125,000                                  | 125,000                                 |
| Other income  | 30,000                                   | 50,000                                  |
| Investment income   | 50,000                                   | 50,000                                  |
| Grants:   |  |   |
| Environmental Protection Agency   | 1,000,000                                |   |
| Community Development Block Grant   |  | 200,000                                 |
| Stimulus program  |  | 1,220,000                               |
| Tax increment funds - construction projects   |  |   |
| Reimbursement for operating and capital costs:  |  |   |
| Fort Gratiot Township   | 670,000                                  | 700,000                                 |
| Port Huron Township   | 720,000                                  | 740,000                                 |
| Kimball Township  | 260,000                                  | 270,000                                 |
| Proceeds from issuance of long-term revenue bonds:  |  |   |
| State Revolving fund bonds  | 3,870,000                                | 3,250,000                               |
| Other limited obligation bonds - Collection system  | 2,955,000                                | 8,276,980                               |
| Transfer from governmental funds:   |  |   |
| General fund  |  | 500,000                                 |
| Municipal Streets fund  | 1,000,000                                | 1,000,000                               |
| Transfer from enterprise funds:   |  |   |
| Land purchase fund  | 1,225,000                                | 700,000                                 |
| <b>TOTAL MEANS OF FINANCING</b>   | <b><u>\$ 21,747,145</u></b>              | <b><u>\$ 27,228,483</u></b>             |
| <b>ESTIMATED REQUIREMENTS:</b>  |  |   |
| Ordinary recurring expenses:  |  |   |
| Personal services   | \$ 2,826,489                             | \$ 2,915,279                            |
| Supplies and materials  | 607,915                                  | 588,723                                 |
| Contractual services  | 3,356,741                                | 3,721,011                               |
|   | <u>6,791,145</u>                         | <u>7,225,013</u>                        |
| Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds | 7,116,000                                | 6,698,000                               |
| Capital outlay:   |  |   |
| Departmental  | 15,000                                   | 358,490                                 |
| Construction projects - Plant   | 655,000                                  | 3,301,980                               |
| Construction projects - Collection system   | 7,170,000                                | 9,645,000                               |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>   | <b><u>\$ 21,747,145</u></b>              | <b><u>\$ 27,228,483</u></b>             |

# CENTRAL STORES FUND

## Budget Summary

|                                     | <u>Proposed<br/>Budget<br/>2011-2012</u> | <u>Adopted<br/>Budget<br/>2010-2011</u> |
|-------------------------------------|--|---|
| <b>MEANS OF FINANCING:</b>          |  |   |
| Charges for services                | \$ 118,009                               | \$ 122,313                              |
| <b>TOTAL MEANS OF FINANCING</b>     | <u>\$ 118,009</u>                        | <u>\$ 122,313</u>                       |
| <b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:        |  |   |
| Personal services                   | \$ 12,743                                | \$ 12,570                               |
| Supplies and materials              | 33,200                                   | 37,100                                  |
| Contractual services                | 67,066                                   | 67,643                                  |
|                                     | <u>113,009</u>                           | <u>117,313</u>                          |
| Capital outlay                      | <u>5,000</u>                             | <u>5,000</u>                            |
| <b>TOTAL ESTIMATED REQUIREMENTS</b> | <u>\$ 118,009</u>                        | <u>\$ 122,313</u>                       |

# DATA PROCESSING FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 49,406                                | \$ 43,846                               |
| Charges for services                        | <u>614,939</u>                           | <u>724,835</u>                          |
| <b>TOTAL MEANS OF FINANCING</b>             | <b><u>\$ 664,345</u></b>                 | <b><u>\$ 768,681</u></b>                |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 386,686                               | \$ 481,283                              |
| Supplies and materials                      | 70,800                                   | 70,900                                  |
| Contractual services                        | <u>161,859</u>                           | <u>171,498</u>                          |
|   | 619,345                                  | 723,681                                 |
| Capital outlay                              | <u>45,000</u>                            | <u>45,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b><u>\$ 664,345</u></b>                 | <b><u>\$ 768,681</u></b>                |

# MOTOR VEHICLE FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 912,522                               | \$ 974,113                              |
| Charges for services                        | <u>1,720,000</u>                         | <u>1,800,000</u>                        |
| <b>TOTAL MEANS OF FINANCING</b>             | <b><u>\$ 2,632,522</u></b>               | <b><u>\$ 2,774,113</u></b>              |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services                           | \$ 649,419                               | \$ 734,824                              |
| Supplies and materials                      | 450,145                                  | 357,427                                 |
| Contractual services                        | <u>833,870</u>                           | <u>889,074</u>                          |
|   | 1,933,434                                | 1,981,325                               |
| Capital outlay                              | <u>699,088</u>                           | <u>792,788</u>                          |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b><u>\$ 2,632,522</u></b>               | <b><u>\$ 2,774,113</u></b>              |

# INSURANCE AND FRINGE BENEFIT FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 925,000                               | \$                                      |
| Charges for services                        | 9,628,000                                | 10,538,000                              |
| <b>TOTAL MEANS OF FINANCING</b>             | <b>\$ 10,553,000</b>                     | <b>\$ 10,538,000</b>                    |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Personal services:                          |  |   |
| Health care premiums - employees            | \$ 2,375,000                             | \$ 2,200,000                            |
| Health care premiums - retirees             | 3,585,000                                | 2,900,000                               |
| Pension contributions                       | 2,905,000                                | 2,800,000                               |
| Payroll taxes                               | 745,000                                  | 765,000                                 |
| Workers compensation insurance              | 180,000                                  | 150,000                                 |
| Dental insurance                            | 245,000                                  | 240,000                                 |
| Unemployment insurance                      | 90,000                                   | 90,000                                  |
| Disability benefits                         | 50,000                                   | 50,000                                  |
| Vacation and sick pay                       | 290,000                                  | 280,000                                 |
| Other                                       | 199,500                                  | 219,500                                 |
| Pension and healthcare cost reductions      | (900,000)                                |   |
|   | 9,764,500                                | 9,694,500                               |
| Supplies and materials                      | 500                                      | 500                                     |
| Contractual services                        | 768,000                                  | 843,000                                 |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b>\$ 10,533,000</b>                     | <b>\$ 10,538,000</b>                    |

## Appendix – Tax Increment Authority Fund Budgets

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# INDUSTRIAL PARK TAX INCREMENT FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                                  |  |   |
| Estimated designated fund balance at July 1                 | \$ 350,000                               | \$ 89,000                               |
| Taxes:  |  |   |
| Real property taxes   | 567,000                                  | 695,000                                 |
| Personal property taxes                                     | <u>562,000</u>                           | <u>593,000</u>                          |
| <b>TOTAL MEANS OF FINANCING</b>                             | <b><u>\$ 1,479,000</u></b>               | <b><u>\$ 1,377,000</u></b>              |
| <br><b>ESTIMATED REQUIREMENTS:</b>                          |  |   |
| Ordinary recurring expenses:                                |  |   |
| Property taxes not captured due<br>to repayment of advances | \$ 1,129,000                             | \$ 1,288,000                            |
| Contractual services:                                       |  |   |
| Professional and other services:                            |  |   |
| Industrial development                                      | <u>50,000</u>                            | <u>39,000</u>                           |
|   | 1,179,000                                | 1,327,000                               |
| Capital outlay:   |  |   |
| Infrastructure improvements                                 | <u>300,000</u>                           | <u>50,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>                         | <b><u>\$ 1,479,000</u></b>               | <b><u>\$ 1,377,000</u></b>              |

# PAPER COMPANY TAX INCREMENT FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                                  |  |   |
| Estimated designated fund balance at July 1                 | \$ 125,000                               | \$ 75,000                               |
| Taxes:  |  |   |
| Real property taxes   | 21,000                                   | 52,000                                  |
| Personal property taxes                                     | <u>394,000</u>                           | <u>409,000</u>                          |
| <b>TOTAL MEANS OF FINANCING</b>                             | <b><u>\$ 540,000</u></b>                 | <b><u>\$ 536,000</u></b>                |
| <br><b>ESTIMATED REQUIREMENTS:</b>                          |  |   |
| Ordinary recurring expenses:                                |  |   |
| Property taxes not captured due<br>to repayment of advances | \$ 415,000                               | \$ 461,000                              |
| Contractual services  | <u>125,000</u>                           | <u>75,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>                         | <b><u>\$ 540,000</u></b>                 | <b><u>\$ 536,000</u></b>                |

# KRAFFT-HOLLAND TAX INCREMENT FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                                  |  |   |
| Estimated designated fund balance at July 1                 | \$ 25,000                                | \$ 25,000                               |
| Taxes:  |  |   |
| Real property taxes   | 509,000                                  | 541,000                                 |
| Personal property taxes                                     | <u>21,000</u>                            | <u>22,000</u>                           |
| <b>TOTAL MEANS OF FINANCING</b>                             | <b><u>\$ 555,000</u></b>                 | <b><u>\$ 588,000</u></b>                |
| <br><b>ESTIMATED REQUIREMENTS:</b>                          |  |   |
| Ordinary recurring expenses:                                |  |   |
| Property taxes not captured due<br>to repayment of advances | \$ 530,000                               | \$ 563,000                              |
| Capital outlay:   |  |   |
| Infrastructure improvements                                 | <u>25,000</u>                            | <u>25,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>                         | <b><u>\$ 555,000</u></b>                 | <b><u>\$ 588,000</u></b>                |

# PEERLESS SITE TAX INCREMENT FUND

## Budget Summary

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                       |  |   |
| Taxes:   |  |   |
| Real property taxes                              | \$ 70,000                                | \$ 103,000                              |
| Personal property taxes                          | <u>5,000</u>                             | <u>6,000</u>                            |
| <b>TOTAL MEANS OF FINANCING</b>                  | <b><u>\$ 75,000</u></b>                  | <b><u>\$ 109,000</u></b>                |
| <b>ESTIMATED REQUIREMENTS:</b>                   |  |   |
| Ordinary recurring expenses:                     |  |   |
| Contractual services:                            |  |   |
| Commercial development services                  | \$ 15,000                                | \$ 15,000                               |
| Transfer to Land purchase fund                   | <u>45,000</u>                            | <u>79,000</u>                           |
|  | 60,000                                   | 94,000                                  |
| Capital outlay:                                  |  |   |
| Parkway improvements and<br>other infrastructure | <u>15,000</u>                            | <u>15,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>              | <b><u>\$ 75,000</u></b>                  | <b><u>\$ 109,000</u></b>                |

**DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
OPERATING FUND**

**Budget Summary**

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                        |  |   |
| Estimated designated fund balance at July 1       | \$ 150,000                               | \$ 110,000                              |
| Downtown Development Authority activities:        |  |   |
| Taxes:  |  |   |
| Real property taxes                               | 62,000                                   | 75,000                                  |
| Personal property taxes                           | 9,500                                    | 8,500                                   |
| Penalties and interest on taxes                   | 500                                      | 500                                     |
| Total   | 72,000                                   | 84,000                                  |
| Downtown Port Huron activities:                   |  |   |
| Dues  | 15,000                                   | 20,000                                  |
| Promotions and fees - Events                      | 75,000                                   | 100,000                                 |
| Blue Water Fest                                   | 400,000                                  | 400,000                                 |
| Total   | 490,000                                  | 520,000                                 |
| <b>TOTAL MEANS OF FINANCING</b>                   | <b>\$ 712,000</b>                        | <b>\$ 714,000</b>                       |
| <b>ESTIMATED REQUIREMENTS:</b>                    |  |   |
| Ordinary recurring expenses from carryover funds: |  |   |
| Downtown Development Authority activities:        |  |   |
| Advertising and Promotion                         | \$                                       | \$ 5,000                                |
| Blue Water Fest - July 2011 and 2010              | 30,000                                   | 30,000                                  |
| Downtown development and promotion activity       | 70,000                                   | 50,000                                  |
| McMorran capital projects                         |  | 25,000                                  |
| Sperry project repayment                          | 50,000                                   |   |
| Total Carryover                                   | 150,000                                  | 110,000                                 |
| Ordinary recurring expenses from current funds:   |  |   |
| Downtown Development Authority activities:        |  |   |
| Advertising and Promotion                         | \$ 5,000                                 | \$ 10,000                               |
| Blue Water Fest - July 2011                       |  | 30,000                                  |
| Downtown development and promotion activity       | 32,000                                   | 19,000                                  |
| Studio 1219                                       | 5,000                                    |   |
| DDA operations                                    | 10,000                                   | 15,000                                  |
| Total   | 52,000                                   | 74,000                                  |
| Downtown Port Huron activities:                   |  |   |
| Administrative expenses                           | 20,000                                   | 30,000                                  |
| Blue Water Fest                                   | 400,000                                  | 400,000                                 |
| Other event expenses                              | 90,000                                   | 100,000                                 |
| Total   | 510,000                                  | 530,000                                 |
| Total Current                                     | 562,000                                  | 604,000                                 |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>               | <b>\$ 712,000</b>                        | <b>\$ 714,000</b>                       |

# WATER STREET DDA TAX INCREMENT FUND

## Budget Summary

|                                     | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|-------------------------------------|--|---|
| <b>MEANS OF FINANCING:</b>          |  |   |
| Taxes:                              |  |   |
| Real property taxes                 | \$ 399,000                               | \$ 433,000                              |
| Personal property taxes             | <u>62,000</u>                            | <u>74,000</u>                           |
| <b>TOTAL MEANS OF FINANCING</b>     | <b><u>\$ 461,000</u></b>                 | <b><u>\$ 507,000</u></b>                |
| <b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:        |  |   |
| Contractual services:               |  |   |
| Commercial development services     | \$ 8,450                                 | \$ 8,450                                |
| Streetscape program                 | 6,550                                    | 6,550                                   |
| Professional and other services     | 10,000                                   | 10,000                                  |
| Transfer to Land purchase fund      | <u>421,000</u>                           | <u>467,000</u>                          |
|                                     | 446,000                                  | 492,000                                 |
| Capital outlay:                     |  |   |
| Infrastructure improvements         | <u>15,000</u>                            | <u>15,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b> | <b><u>\$ 461,000</u></b>                 | <b><u>\$ 507,000</u></b>                |

# BANK DDA TAX INCREMENT FUND

## Budget Summary

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                                     |  |   |
| Estimated designated fund balance at July 1                    | \$ 50,000                                | \$ 270,000                              |
| Taxes:   |  |   |
| Real property taxes  | 6,000                                    | 34,000                                  |
| Personal property taxes  | 1,000                                    | 11,000                                  |
| Transfer from Land Purchase fund                               |  | 250,000                                 |
|  | <hr/>                                    | <hr/>                                   |
| <b>TOTAL MEANS OF FINANCING</b>                                | <b><u>\$ 57,000</u></b>                  | <b><u>\$ 565,000</u></b>                |
| <br><b>ESTIMATED REQUIREMENTS:</b>                             |  |   |
| Ordinary recurring expenses:                                   |  |   |
| Contractual services:  |  |   |
| Commercial development services                                | \$ 20,000                                | \$ 20,000                               |
| Professional and other services                                | 10,000                                   | 10,000                                  |
|  | <hr/>                                    | <hr/>                                   |
|  | 30,000                                   | 30,000                                  |
| Capital outlay:  |  |   |
| YMCA purchase and demolition                                   |  | 535,000                                 |
| Available for infrastructure improvements<br>or other services | 27,000                                   |   |
|  | <hr/>                                    | <hr/>                                   |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>                            | <b><u>\$ 57,000</u></b>                  | <b><u>\$ 565,000</u></b>                |

# HARRINGTON HOTEL DDA TAX INCREMENT FUND

## Budget Summary

|  | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|--|--|---|
| <b>MEANS OF FINANCING:</b>                                     |  |   |
| Estimated designated fund balance at July 1                    | \$ 125,000                               | \$ 150,000                              |
| Taxes:   |  |   |
| Real property taxes  |  |   |
| Personal property taxes  |  |   |
|  | <hr/>                                    | <hr/>                                   |
| <b>TOTAL MEANS OF FINANCING</b>                                | <b><u>\$ 125,000</u></b>                 | <b><u>\$ 150,000</u></b>                |
| <br><b>ESTIMATED REQUIREMENTS:</b>                             |  |   |
| Ordinary recurring expenses:                                   |  |   |
| Contractual services:  |  |   |
| Commercial development services                                | \$ 13,325                                | \$ 13,325                               |
| Streetscape program  | 1,675                                    | 1,675                                   |
| Professional and other services                                | 10,000                                   | 10,000                                  |
|  | <hr/> 25,000                             | <hr/> 25,000                            |
| Capital outlay:  |  |   |
| Available for Infrastructure improvements<br>or other services | <hr/> 100,000                            | <hr/> 125,000                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>                            | <b><u>\$ 125,000</u></b>                 | <b><u>\$ 150,000</u></b>                |

# EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                    |  |   |
| Taxes:  |  |   |
| Real property taxes                           | \$ 434,000                               | \$ 537,000                              |
| Personal property taxes                       | <u>11,000</u>                            | <u>11,000</u>                           |
| <b>TOTAL MEANS OF FINANCING</b>               | <b><u>\$ 445,000</u></b>                 | <b><u>\$ 548,000</u></b>                |
| <b>ESTIMATED REQUIREMENTS:</b>                |  |   |
| Ordinary recurring expenses:                  |  |   |
| Contractual services:                         |  |   |
| Commercial development services               | \$ 15,000                                | \$ 15,000                               |
| Professional and other services               | 10,000                                   | 10,000                                  |
| Transfer to Land purchase fund                | <u>405,000</u>                           | <u>508,000</u>                          |
|   | 430,000                                  | 533,000                                 |
| Capital outlay:                               |  |   |
| Parkway and other infrastructure improvements | <u>15,000</u>                            | <u>15,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>           | <b><u>\$ 445,000</u></b>                 | <b><u>\$ 548,000</u></b>                |

# MAINSTREET DDA TAX INCREMENT FUND

## Budget Summary

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
| <b>MEANS OF FINANCING:</b>                  |  |   |
| Estimated designated fund balance at July 1 | \$ 75,000                                | \$ 40,000                               |
| Taxes:                                      |  |   |
| Real property taxes                         | 69,000                                   | 73,000                                  |
| Personal property taxes                     | <u>(17,000)</u>                          | <u>(20,000)</u>                         |
| <b>TOTAL MEANS OF FINANCING</b>             | <b><u>\$ 127,000</u></b>                 | <b><u>\$ 93,000</u></b>                 |
| <b>ESTIMATED REQUIREMENTS:</b>              |  |   |
| Ordinary recurring expenses:                |  |   |
| Contractual services:                       |  |   |
| Commercial development services             | \$ 5,900                                 | \$ 5,900                                |
| Streetscape program                         | 14,100                                   | 14,100                                  |
| Professional and other services             | <u>10,000</u>                            | <u>10,000</u>                           |
|   | 30,000                                   | 30,000                                  |
| Capital outlay:                             |  |   |
| Right of way improvements - Grand River     | 87,000                                   | 50,000                                  |
| Infrastructure and other improvements       | <u>10,000</u>                            | <u>13,000</u>                           |
| <b>TOTAL ESTIMATED REQUIREMENTS</b>         | <b><u>\$ 127,000</u></b>                 | <b><u>\$ 93,000</u></b>                 |

**INDUSTRIAL PARK EXPANSION LOCAL DEVELOPMENT FINANCE  
TAX INCREMENT FUND**

**Budget Summary**

|   | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|---|--|---|
|   | <hr/>                                    | <hr/>                                   |
| <b>MEANS OF FINANCING:</b>              |  |   |
| Taxes:                                  |  |   |
| Real property taxes                     | \$ 98,000                                | \$ 113,000                              |
| Personal property taxes                 | <u>231,000</u>                           | <u>232,000</u>                          |
| <br><b>TOTAL MEANS OF FINANCING</b>     | <br><u>\$ 329,000</u>                    | <br><u>\$ 345,000</u>                   |
| <br><b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:            |  |   |
| Contractual services:                   |  |   |
| Professional and other services:        |  |   |
| Industrial development                  | \$ 25,000                                | \$ 25,676                               |
| Transfer to Land purchase fund          | <u>229,000</u>                           | <u>255,000</u>                          |
|   | 254,000                                  | 280,676                                 |
| Capital outlay:                         |  |   |
| Infrastructure improvements             | <u>75,000</u>                            | <u>64,324</u>                           |
| <br><b>TOTAL ESTIMATED REQUIREMENTS</b> | <br><u>\$ 329,000</u>                    | <br><u>\$ 345,000</u>                   |

# BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND

## Budget Summary

|                                     | <b>Proposed<br/>Budget<br/>2011-2012</b> | <b>Adopted<br/>Budget<br/>2010-2011</b> |
|-------------------------------------|--|---|
| <b>MEANS OF FINANCING:</b>          |  |   |
| Taxes:                              |  |   |
| Real property taxes                 | \$ 356,000                               | \$ 475,000                              |
| Personal property taxes             | <u>25,000</u>                            | <u>17,000</u>                           |
| <b>TOTAL MEANS OF FINANCING</b>     | <u><u>\$ 381,000</u></u>                 | <u><u>\$ 492,000</u></u>                |
| <br>                                |  |   |
| <b>ESTIMATED REQUIREMENTS:</b>      |  |   |
| Ordinary recurring expenses:        |  |   |
| Contractual services:               |  |   |
| Commercial development services     | \$ 20,000                                | \$ 20,000                               |
| Repayment to developer              | <u>361,000</u>                           | <u>472,000</u>                          |
| <b>TOTAL ESTIMATED REQUIREMENTS</b> | <u><u>\$ 381,000</u></u>                 | <u><u>\$ 492,000</u></u>                |

## Appendix - Governmental Funds Summary

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**GOVERNMENTAL FUNDS SUMMARY**  
**Budget Summary**  
**2011-2012**

| Governmental<br>Fund                      | Estimated<br>Designated<br>Fund Balance<br>July 1, 2011 | Budget 2011-2012         |                           | Estimated<br>Change In<br>Fund Balance<br>June 30, 2012 |
|---|---|--------------------------|---------------------------|---|
|   |   | Means<br>of<br>Financing | Estimated<br>Requirements |   |
| General fund                              | \$  | \$ 20,899,628            | \$ 20,899,628             | \$  |
| Major streets fund                        | \$ 12,821   | \$ 3,685,943             | \$ 3,698,764              | \$  |
| Local streets fund                        | \$ 15,516   | \$ 2,089,000             | \$ 2,104,516              | \$  |
| Municipal streets fund                    | \$ 1,850,414  | \$ 1,735,000             | \$ 3,585,414              | \$  |
| Cemetery fund                             | \$ 1,010  | \$ 368,000               | \$ 369,010                | \$  |
| Garbage and rubbish<br>collection fund    | \$ 518,795  | \$ 1,770,000             | \$ 2,288,795              | \$  |
| Rental certification fund                 | \$ 12,458   | \$ 169,064               | \$ 181,522                | \$  |
| Domestic preparedness fund                | \$  | \$ 85,000                | \$ 85,000                 | \$  |
| O.U.I.L. fund                             | \$  | \$ 15,000                | \$ 15,000                 | \$  |
| Drug law enforcement<br>fund              | \$  | \$ 46,000                | \$ 46,000                 | \$  |
| Law enforcement fund                      | \$  | \$ 5,000                 | \$ 5,000                  | \$  |
| Enhanced 911 fund                         | \$ 107,500  | \$                       | \$ 107,500                | \$  |
| Community development<br>block grant fund | \$  | \$ 900,000               | \$ 900,000                | \$  |
| Neighborhood<br>rehabilitation fund       | \$  | \$ 700,000               | \$ 700,000                | \$  |
| Home program fund                         | \$  | \$ 280,000               | \$ 280,000                | \$  |
| Streetscape maintenance<br>fund           | \$ 22,500   | \$ 47,500                | \$ 70,000                 | \$  |
| Loan revolving fund                       | \$  | \$                       | \$                        | \$  |

(Continued on next page)

**GOVERNMENTAL FUNDS SUMMARY**  
**Budget Summary**  
**2011-2012**

| Governmental<br>Fund                            | Estimated<br>Designated<br>Fund Balance<br>July 1, 2011 | Budget 2011-2012         |                           | Estimated<br>Change In<br>Fund Balance<br>June 30, 2012 |
|---|---|--------------------------|---------------------------|---|
|   |   | Means<br>of<br>Financing | Estimated<br>Requirements |   |
| Beautification<br>commission fund               | \$ 2,000  | \$ 5,300                 | \$ 7,300                  | \$  |
| Industrial park tax<br>increment fund           | \$ 350,000  | \$ 1,129,000             | \$ 1,479,000              | \$  |
| Paper company tax<br>increment fund             | \$ 125,000  | \$ 415,000               | \$ 540,000                | \$  |
| Krafft-Holland tax<br>increment fund            | \$ 25,000   | \$ 530,000               | \$ 555,000                | \$  |
| Peerless site tax<br>increment fund             | \$  | \$ 75,000                | \$ 75,000                 | \$  |
| Downtown development<br>fund                    | \$ 150,000  | \$ 562,000               | \$ 712,000                | \$  |
| Water Street tax<br>increment fund              | \$  | \$ 461,000               | \$ 461,000                | \$  |
| Bank tax increment fund                         | \$ 50,000   | \$ 7,000                 | \$ 57,000                 | \$  |
| Harrington Hotel tax<br>increment fund          | \$ 125,000  | \$                       | \$ 125,000                | \$  |
| Edison redevelopment tax<br>increment fund      | \$  | \$ 445,000               | \$ 445,000                | \$  |
| Mainstreet tax<br>increment fund                | \$ 75,000   | \$ 52,000                | \$ 127,000                | \$  |
| Industrial park expansion<br>tax increment fund | \$  | \$ 329,000               | \$ 329,000                | \$  |
| Brownfield redevelopment<br>tax increment fund  | \$  | \$ 381,000               | \$ 381,000                | \$  |