

BUDGET 2012-2013



PORT HURON MICHIGAN

OFFICE OF THE
CITY MANAGER

PROPOSED BUDGET
CITY OF PORT HURON
FOR
THE FISCAL YEAR
2012-2013

Prepared by the Director of Finance for the City Manager
and submitted to the City Council on April 23, 2012

**CITY OF PORT HURON BUDGET
FISCAL YEAR 2012-2013**

<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	21
c. Increase in Police Services – Property Tax Administration Fee	22
d. Garbage and Solid Waste	23
e. Street Funds	23
f. Utility Funds	23
g. General Fund Revenues	24
h. User Fees and Other Miscellaneous Revenues	26
i. State Shared Revenue	27
j. Income Tax Revenues	29
k. Grant Revenues	30
l. Work Force Reductions	30
m. General Fund Expenditures	32
n. Increases in Operating Costs	34
o. Support For Recreation, Parks and Culture	34
p. General Fund Comparison	35
q. Water and Wastewater Funds	36
r. Combined Sewer Overflow Project	37
s. Bond Commitments	37
t. Construction Subsidies	37
u. Debt Subsidies	38
v. Quarterly Utility Billings	39
w. Proposed Public Works Projects	40
x. Special Revenue Funds	41
y. Internal Service Funds	42
z. Tax Increment Funds	42
6. Appendix – Individual Fund Budgets	
a. General Fund	45
b. Street Funds – Major Streets	46
c. Street Funds – Local Streets	47
d. Street Funds – Municipal Streets	48
e. Street Funds – Combined	49
f. Cemetery Fund	50
g. Garbage and Rubbish Collection Fund	51
h. Rental Certification Fund	52

Table of Contents

Page Number

i. Domestic Preparedness Fund	53
j. O.U.I.L. Fund	54
k. Drug Law Enforcement Fund	55
l. Law Enforcement Fund	56
m. Enhanced 911 Fund	57
n. Community Development Block Grant Fund	58
o. Neighborhood Rehabilitation Fund	59
p. Home Program Fund	60
q. Streetscape Maintenance Fund	61
r. Beautification Commission Fund	62
s. Marina Fund	63
t. Land Purchase Fund	64
u. Parking Fund	65
v. Water Fund	66
w. Wastewater Fund	67
x. Central Stores Fund	68
y. Data Processing Fund	69
z. Motor Vehicle Fund	70
aa. Energy Performance Services Fund	71
bb. Insurance and Fringe Benefit Fund	72

7. Appendix – Tax Increment Authority Fund Budgets

Tax Increment Finance Authority

a. Industrial Park Tax Increment Fund	74
b. Paper Company Tax Increment Fund	75
c. Krafft-Holland Tax Increment Fund	76
d. Peerless Site Tax Increment Fund	77

Downtown Development Authority

e. Downtown Development Authority Operating Fund	78
f. Water Street DDA Tax Increment Fund	79
g. Bank DDA Tax Increment Fund	80
h. Harrington Hotel DDA Tax Increment Fund	81
i. Edison Redevelopment DDA Tax Increment Fund	82
j. Mainstreet DDA Tax Increment Fund	83

Local Development Finance Authority

k. Industrial Park Expansion Tax Increment Fund	84
---	----

Brownfield Redevelopment Authority

l. Brownfield Redevelopment Tax Increment Fund	85
--	----

8. Appendix – Governmental Funds Summary

Governmental Funds Summary	87
----------------------------------	----

Schedule of Estimated Revenues - General Fund

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2012-2013

	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
FUND BALANCE	\$	\$	\$	\$ 189,212	\$ 189,212	\$
TAXES:						
Real property taxes	\$ 7,082,221	\$ 6,511,488	\$ 6,005,000	\$ 5,510,000	\$	\$ 495,000
Personal property taxes	1,227,445	1,072,886	1,065,000	1,060,000		5,000
Property tax administration fee				290,000	290,000	
Income tax	5,654,697	5,781,024	5,775,000	5,775,000		
Payment in lieu of taxes	80,842	86,198	85,000	85,000		
Penalties and interest on taxes	213,564	228,857	200,000	180,000		20,000
	<u>14,258,769</u>	<u>13,680,453</u>	<u>13,130,000</u>	<u>12,900,000</u>	<u>290,000</u>	<u>520,000</u>
BUSINESS LICENSES AND PERMITS:						
Second hand dealers	495	960	300	700	400	
Taxi drivers	1,710	1,840	1,600	1,700	100	
Taxi cabs	376	405	400	400		
Car wash	180	180	200	200		
Demolitions	12,410	19,090	18,500	10,000		8,500
C.A.T.V.	313,993	326,043	320,000	320,000		
Miscellaneous	5,011	3,663	4,000	7,000	3,000	
	<u>334,175</u>	<u>352,181</u>	<u>345,000</u>	<u>340,000</u>	<u>3,500</u>	<u>8,500</u>
NONBUSINESS LICENSES AND PERMITS:						
Bicycle						
Dog	359	426	300	400	100	
Building	165,107	113,253	150,000	135,000		15,000
Electrical	50,760	32,326	50,000	40,000		10,000
Heating	58,176	39,433	55,000	55,000		
Plumbing	39,455	32,463	40,000	30,000		10,000
Right-of-way	3,190	4,910	4,000	3,300		700
Miscellaneous	19,336	2,053	700	1,300	600	
	<u>336,383</u>	<u>224,864</u>	<u>300,000</u>	<u>265,000</u>	<u>700</u>	<u>35,700</u>

(Continued on next page)

SCHEDULE OF ESTIMATED REVENUES

2012-2013

	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
GRANTS	\$ 282,431	\$ 325,175	\$ 545,000	\$ 252,000	\$	\$ 293,000
STATE SHARED REVENUE:						
Sales and use tax - constitutional	2,025,303	2,017,768	2,000,000	2,150,000	150,000	
Sales and use tax - statutory	1,355,698	1,315,279	815,000	925,000	110,000	
Liquor licenses	24,426	24,913	25,000	25,000		
	<u>3,405,427</u>	<u>3,357,960</u>	<u>2,840,000</u>	<u>3,100,000</u>	<u>260,000</u>	
CHARGES FOR SERVICES:						
Zoning board of appeals	1,400	2,500	2,000	2,000		
20th and Court pool	7,009	10,436	8,500	6,500		2,000
Sanborn pool	38,897	41,215	40,000	40,000		
Lakeside parking	55,864	55,699	57,500	54,000		3,500
Boat launch fees	47,508	36,766	45,000	36,000		9,000
Recreational fees	175,748	146,661	160,000	150,000		10,000
Lot splits	720	960	1,000	1,000		
Hydrant maintenance	54,320	55,920	56,040	56,840	800	
False alarm charges	2,720	2,900	3,000	2,000		1,000
Blue Water Bridge reimbursement	200,000	200,000	275,000	300,000	25,000	
Summer tax collection fee	1,858	1,824	1,960	1,660		300
County parks millage	209,033	145,618	125,000	120,000		5,000
Miscellaneous	26,462	41,439	30,000	30,000		
	<u>821,539</u>	<u>741,938</u>	<u>805,000</u>	<u>800,000</u>	<u>25,800</u>	<u>30,800</u>
FINES AND FORFEITS:						
Parking violations	67,426	51,140	65,000	45,000		20,000
Ordinance fines	78,155	81,131	80,000	80,000		
	<u>145,581</u>	<u>132,271</u>	<u>145,000</u>	<u>125,000</u>		<u>20,000</u>
INVESTMENT INCOME	<u>257,217</u>	<u>228,229</u>	<u>200,000</u>	<u>175,000</u>		<u>25,000</u>
RENTS	<u>331,041</u>	<u>343,812</u>	<u>335,000</u>	<u>355,000</u>	<u>20,000</u>	

(Continued on next page)

SCHEDULE OF ESTIMATED REVENUES

2012-2013

	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
SALE OF ASSETS	\$ 4,993	\$ 12,957	\$ 6,282	\$ 3,000		\$ 3,282
OTHER INCOME	3,900					
CHARGES TO OTHER FUNDS:						
Garbage and rubbish collection fund	156,748	153,965	135,634	106,773		28,861
Marina fund	14,807	17,311	17,156	22,109	4,953	
Parking fund	13,853	14,923	10,969	10,714		255
Water fund	645,545	629,272	611,301	605,550		5,751
Wastewater fund	760,502	788,594	812,794	876,305	63,511	
Central stores fund	12,984	11,243	10,831	11,798	967	
Data processing fund	72,652	69,358	59,359	61,128	1,769	
Motor vehicle fund	198,716	189,892	185,302	161,949		23,353
	<u>1,875,807</u>	<u>1,874,558</u>	<u>1,843,346</u>	<u>1,856,326</u>	<u>71,200</u>	<u>58,220</u>
Subtotal	<u>22,057,263</u>	<u>21,274,398</u>	<u>20,494,628</u>	<u>20,360,538</u>	<u>860,412</u>	<u>994,502</u>
TRANSFERS FROM OTHER FUNDS:						
Land purchase fund		506,976	405,000			405,000
		<u>506,976</u>	<u>405,000</u>			<u>405,000</u>
TOTAL	<u>\$ 22,057,263</u>	<u>\$ 21,781,374</u>	<u>\$ 20,899,628</u>	<u>\$ 20,360,538</u>	<u>\$ 860,412</u>	<u>\$ 1,399,502</u>

Schedule of Estimated Expenditures

SCHEDULE OF ESTIMATED EXPENDITURES

2012-2013

GENERAL FUND	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
General Government:						
City council	\$ 54,437	\$ 52,354	\$ 72,251	\$ 65,630	\$	\$ 6,621
Charter commission	3,353	7,083				
City manager	256,384	262,184	268,280	260,653		7,627
Elections	77,900	76,322	98,404	99,962	1,558	
Finance and accounting	652,722	672,019	661,865	655,106		6,759
Income tax	320,229	313,763	306,371	305,261		1,110
Assessor	345,306	354,712	292,461	256,434		36,027
Legal	135,516	150,885	170,000	170,000		
Clerk	213,667	223,705	225,508	230,946	5,438	
Personnel	262,379	282,671	293,891	290,493		3,398
Purchasing	38,849	38,032	40,087	41,955	1,868	
Board of review	2,239	2,239	2,600	2,300		300
Treasurer	203,600	195,839	189,995	181,602		8,393
Municipal office center	551,800	557,349	576,013	723,135	147,122	
Promotional	42,828	74,251	45,000	15,000		30,000
	<u>3,161,209</u>	<u>3,263,408</u>	<u>3,242,726</u>	<u>3,298,477</u>	<u>155,986</u>	<u>100,235</u>
Public Safety:						
Police administration	1,069,971	1,053,596	926,535	906,121		20,414
Detectives	1,022,672	1,054,086	1,122,231	1,189,891	67,660	
Patrol	5,389,711	5,376,796	4,906,092	5,196,762	290,670	
Communications	108,627	116,539	112,414	124,340	11,926	
Fire	5,203,427	5,361,840	5,274,447	5,009,306		265,141
Public safety - equipment grants	98,137	32,456				
	<u>12,892,545</u>	<u>12,995,313</u>	<u>12,341,719</u>	<u>12,426,420</u>	<u>370,256</u>	<u>285,555</u>
Public Works:						
Inspection	356,090	282,046	275,250	278,125	2,875	
Emergency management	9,404	5,899	14,274	26,724	12,450	
Public works administration	200,766	207,003	205,959	205,579		380
Engineering	262,032	258,323	322,229	320,471		1,758
Street lighting	689,366	894,597	827,463	855,372	27,909	
Blight	130,205	101,443	93,854	103,853	9,999	
	<u>1,647,863</u>	<u>1,749,311</u>	<u>1,739,029</u>	<u>1,790,124</u>	<u>53,233</u>	<u>2,138</u>

(Continued on next page)

SCHEDULE OF ESTIMATED EXPENDITURES

2012-2013

	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
Senior Citizens:						
Wastewater and water discounts	\$ 1,182	\$ 1,433	\$ 3,000	\$ 3,000	\$	\$
Senior citizens transportation	12,102	11,531	11,531			11,531
	<u>13,284</u>	<u>12,964</u>	<u>14,531</u>	<u>3,000</u>		<u>11,531</u>
Recreation, Parks and Culture:						
Parks and forestry	1,009,344	966,446	988,042	1,037,729	49,687	
Boat launch ramps			62,198	62,198		
Recreation	607,109	502,950	460,249	492,522	32,273	
Rockin the rivers			42,605	48,080	5,475	
20th and Court pool	101,772	74,688	71,149	71,025		124
Sanborn pool	127,594	124,204	107,550	107,430		120
Lighthouse park	2,006	2,380	2,684	2,977	293	
Lakeside park	9,766	8,605	11,698	11,655		43
Palmer park recreation center	132,081	129,713	122,555	123,607	1,052	
Lightship	7,349	6,941	8,000	7,398	7,398	
McMorran complex	285,000	320,000	250,000	250,000		
Library	8,000	8,000	8,000	8,000		
Museum	102,241	170,261	105,326	107,433	2,107	
	<u>2,392,262</u>	<u>2,314,188</u>	<u>2,232,056</u>	<u>2,330,054</u>	<u>98,285</u>	<u>287</u>
Other Functions:						
Planning	175,781	126,509	94,593	92,389		2,204
Blue Water Bridge economic study		57,272	100,000	85,000		15,000
Telephone service	9,952	8,696	13,024	13,124	100	
Contingencies			40,000	40,000		
Insurance, health and safety	136,720	120,769	133,650	98,650		35,000
Taxes written off		4,420	15,000	15,000		
Demolitions	24,248	145,066	150,000	120,000		30,000
	<u>346,701</u>	<u>462,732</u>	<u>546,267</u>	<u>464,163</u>	<u>100</u>	<u>82,204</u>
Subtotal	<u>20,453,864</u>	<u>20,797,916</u>	<u>20,116,328</u>	<u>20,312,238</u>	<u>677,860</u>	<u>481,950</u>

(Continued on next page)

SCHEDULE OF ESTIMATED EXPENDITURES

2012-2013

	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
Public Improvements:						
Parks and recreation projects	\$ 3,224	\$ 104,170	\$ 50,000	\$	\$	\$ 50,000
MOC capital	436,324	369,194				
Other public improvement			650,000	45,000		605,000
	<u>439,548</u>	<u>473,364</u>	<u>700,000</u>	<u>45,000</u>		<u>655,000</u>
Subtotal	<u>20,893,412</u>	<u>21,271,280</u>	<u>20,816,328</u>	<u>20,357,238</u>	<u>677,860</u>	<u>1,136,950</u>
Transfer to Other Funds:						
Beautification commission fund	3,300	3,300	3,300	3,300		
Wastewater fund	1,150,000	500,000				
Motor vehicle fund			80,000			80,000
	<u>1,153,300</u>	<u>503,300</u>	<u>83,300</u>	<u>3,300</u>		<u>80,000</u>
TOTAL GENERAL FUND	<u>22,046,712</u>	<u>21,774,580</u>	<u>20,899,628</u>	<u>20,360,538</u>	<u>677,860</u>	<u>1,216,950</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	8,028,592	2,887,807	3,698,764	6,655,811	2,957,047	
Local streets	933,358	1,578,017	2,104,516	1,662,747		441,769
Municipal streets	2,018,664	2,489,720	3,585,414	4,106,822	521,408	
	<u>10,980,614</u>	<u>6,955,544</u>	<u>9,388,694</u>	<u>12,425,380</u>	<u>3,478,455</u>	<u>441,769</u>
Cemetery fund	354,516	328,969	369,010	375,389	6,379	
Garbage and rubbish collection fund	2,176,852	2,238,174	2,288,795	1,987,213		301,582
Rental certification fund	161,178	239,401	181,522	221,692	40,170	
Domestic preparedness fund			85,000			85,000
OUIL fund	4,257	6,500	15,000	17,000	2,000	
Drug law enforcement fund	11,300	5,820	46,000	50,000	4,000	
Law enforcement fund	3,056	1,356	5,000	5,000		
Enhanced 911 fund	93,625	76,413	107,500	110,000	2,500	
Community development block grant fund	1,049,195	1,229,066	900,000	655,930		244,070
Neighborhood rehabilitation fund	837,507	519,253	700,000	1,095,475	395,475	

(Continued on next page)

SCHEDULE OF ESTIMATED EXPENDITURES

2012-2013

	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
Home program fund	\$ 201,923	\$ 165,167	\$ 280,000	\$ 184,052	\$	\$ 95,948
Streetscape maintenance fund	43,559	39,319	70,000	70,000		
Beautification commission fund	4,302	14,275	7,300	7,300		
TOTAL SPECIAL REVENUE FUNDS	15,921,884	11,819,257	14,443,821	17,204,431	3,928,979	1,168,369
ENTERPRISE FUNDS						
Marina fund	197,960	150,854	249,005	355,687	106,682	
Senior citizens housing fund	1,530					
Land purchase fund	2,791,242	3,383,951	2,885,000	2,480,000		405,000
Parking fund	116,788	133,228	114,451	111,786		2,665
Water Fund:						
Treatment plant	1,920,252	1,903,591	2,020,614	1,993,487		27,127
Distribution	1,284,666	1,104,359	1,186,617	1,157,205		29,412
Customer accounting	254,898	252,029	250,956	271,745	20,789	
Meter reading	700,673	714,573	679,335	562,725		116,610
Debt service	2,918,087	3,040,271	3,526,000	3,928,500	402,500	
Capital outlay	3,527,386	3,549,954	4,830,000	3,390,000		1,440,000
	10,605,962	10,564,777	12,493,522	11,303,662	423,289	1,613,149
Wastewater Fund:						
Treatment plant	4,469,773	4,279,743	5,278,963	5,932,894	653,931	
Collection, general	1,927,015	1,897,154	2,110,577	2,160,787	50,210	
Collection system no. 1	15	16	217	218	1	
Collection system no. 2	21,758	21,748	29,861	34,225	4,364	
Collection system no. 3	45,230	28,639	41,527	43,935	2,408	
Debt service	6,251,637	6,348,492	7,116,000	7,223,000	107,000	
Capital outlay	5,208,669	6,709,278	7,170,000	2,940,000		4,230,000
	17,924,097	19,285,070	21,747,145	18,335,059	817,914	4,230,000
TOTAL ENTERPRISE FUNDS	31,637,579	33,517,880	37,489,123	32,586,194	1,347,885	6,250,814

(Continued on next page)

SCHEDULE OF ESTIMATED EXPENDITURES

2012-2013

	Actual		Budget			
	2009-2010	2010-2011	2011-2012	2012-2013	Increase	Decrease
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 131,574	\$ 109,356	\$ 118,009	\$ 128,300	\$ 10,291	\$
Data processing fund	690,034	707,311	664,345	682,804	18,459	
Motor vehicle fund	2,315,099	2,303,590	3,432,522	2,286,774		1,145,748
Energy performance services fund				300,000	300,000	
Insurance and fringe benefit fund	10,024,708	10,598,134	10,553,000	10,573,000	20,000	
TOTAL INTERNAL SERVICE FUNDS	13,161,415	13,718,391	14,767,876	13,970,878	348,750	1,145,748
TAX INCREMENT FUNDS						
Industrial park tax increment fund	1,572,346	1,371,298	1,479,000	1,472,000		7,000
Paper company tax increment fund	613,462	443,560	540,000	375,000		165,000
Krafft-Holland tax increment fund	592,900	564,295	555,000	518,000		37,000
Peerless site tax increment fund	89,404	70,367	75,000	73,000		2,000
Downtown development authority operating fund	274,150	539,105	712,000	316,000		396,000
Water street tax increment fund	539,719	503,187	461,000	405,000		56,000
Bank tax increment fund	22,190	421,140	57,000	7,000		50,000
Harrington Hotel tax increment fund	7,316	16,630	125,000	115,000		10,000
Edison redevelopment tax increment fund	588,576	551,170	445,000	397,000		48,000
Mainstreet tax increment fund	42,486	34,780	127,000	138,000	11,000	
Industrial park expansion tax increment fund	287,996	346,853	329,000	442,000	113,000	
Brownfield redevelopment tax increment fund	256,230	318,642	381,000	287,000		94,000
TOTAL TAX INCREMENT FUNDS	4,886,775	5,181,027	5,286,000	4,545,000	124,000	865,000
TOTAL ALL FUNDS	\$ 87,654,365	\$ 86,011,135	\$ 92,886,448	\$ 88,667,041	\$ 6,427,474	\$ 10,646,881

Summary of Estimated Requirements by Budget Class

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2012-2013

GENERAL FUND	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
General Government:						
City council	\$ 12,600	\$ 1,500	\$ 51,530	\$ 65,630		\$ 65,630
City manager	247,619	1,300	11,734	260,653		260,653
Elections	63,572	8,200	28,190	99,962		99,962
Finance and accounting	563,196	7,300	84,610	655,106		655,106
Income tax	230,828	24,486	49,947	305,261		305,261
Assessor	187,084	7,850	61,500	256,434		256,434
Legal		150	169,850	170,000		170,000
Clerk	209,592	1,660	19,694	230,946		230,946
Personnel	236,569	3,100	50,824	290,493		290,493
Purchasing	34,671	300	6,984	41,955		41,955
Board of review	1,800		500	2,300		2,300
Treasurer	119,218	10,400	51,984	181,602		181,602
Municipal office center	224,461	27,666	465,008	717,135	6,000	723,135
Promotional			15,000	15,000		15,000
	<u>2,131,210</u>	<u>93,912</u>	<u>1,067,355</u>	<u>3,292,477</u>	<u>6,000</u>	<u>3,298,477</u>
Public Safety:						
Police administration	735,588	25,830	144,703	906,121		906,121
Detectives	1,081,928	17,100	90,863	1,189,891		1,189,891
Patrol	4,673,768	112,685	410,309	5,196,762		5,196,762
Communications			124,340	124,340		124,340
Fire	4,485,911	189,677	324,868	5,000,456	8,850	5,009,306
	<u>10,977,195</u>	<u>345,292</u>	<u>1,095,083</u>	<u>12,417,570</u>	<u>8,850</u>	<u>12,426,420</u>
Public Works:						
Inspection	247,955	2,150	28,020	278,125		278,125
Emergency management		4,500	10,224	14,724	12,000	26,724
Public works administration	195,508	300	9,771	205,579		205,579
Engineering	258,359	6,400	55,712	320,471		320,471
Street lighting	10,512	1,000	843,860	855,372		855,372
Blight	96,627	1,150	6,076	103,853		103,853
	<u>808,961</u>	<u>15,500</u>	<u>953,663</u>	<u>1,778,124</u>	<u>12,000</u>	<u>1,790,124</u>

(Continued on next page)

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2012-2013

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
Senior Citizens:						
Wastewater and water discounts	\$	\$	\$ 3,000	\$ 3,000	\$	\$ 3,000
Senior citizens transportation						
			<u>3,000</u>	<u>3,000</u>		<u>3,000</u>
Recreation, Parks and Culture:						
Parks and forestry	560,811	72,205	379,713	1,012,729	25,000	1,037,729
Boat launch ramps	6,148	3,200	12,850	22,198	40,000	62,198
Recreation	341,256	57,950	93,316	492,522		492,522
Rockin the rivers	1,230	2,850	44,000	48,080		48,080
20th and Court pool	27,702	11,528	31,795	71,025		71,025
Sanborn pool	60,684	13,846	32,900	107,430		107,430
Lighthouse park	327	1,800	850	2,977		2,977
Lakeside park	655	2,700	8,300	11,655		11,655
Palmer park recreation center	91,319	3,288	29,000	123,607		123,607
Lightship			7,398	7,398		7,398
McMorran complex			200,000	200,000	50,000	250,000
Library			8,000	8,000		8,000
Museum	402	3,000	104,031	107,433		107,433
	<u>1,090,534</u>	<u>172,367</u>	<u>952,153</u>	<u>2,215,054</u>	<u>115,000</u>	<u>2,330,054</u>
Other Functions:						
Planning	73,848	3,250	15,291	92,389		92,389
Blue Water Bridge economic development plan			85,000	85,000		85,000
Telephone service		500	12,624	13,124		13,124
Contingencies			40,000	40,000		40,000
Insurance, health and safety	8,250	400	90,000	98,650		98,650
Taxes written off			15,000	15,000		15,000
Demolitions			120,000	120,000		120,000
	<u>82,098</u>	<u>4,150</u>	<u>377,915</u>	<u>464,163</u>		<u>464,163</u>
Subtotal	<u>15,089,998</u>	<u>631,221</u>	<u>4,449,169</u>	<u>20,170,388</u>	<u>141,850</u>	<u>20,312,238</u>

(Continued on next page)

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2012-2013

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
Public Improvements:						
Parks and recreation projects	\$	\$	\$	\$	\$ 45,000	\$ 45,000
					45,000	45,000
Subtotal	15,089,998	631,221	4,449,169	20,170,388	186,850	20,357,238
Transfer to Other Funds:						
Beautification commission fund			3,300	3,300		3,300
			3,300	3,300		3,300
TOTAL GENERAL FUND	15,089,998	631,221	4,452,469	20,173,688	186,850	20,360,538
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	935,809	231,987	1,008,015	2,175,811	4,480,000	6,655,811
Local streets	596,032	136,003	340,712	1,072,747	590,000	1,662,747
Municipal streets	37,679	6,128	4,063,015	4,106,822		4,106,822
	1,569,520	374,118	5,411,742	7,355,380	5,070,000	12,425,380
Cemetery fund	233,053	27,080	103,756	363,889	11,500	375,389
Garbage and rubbish collection fund	104,927	8,100	1,874,186	1,987,213		1,987,213
Rental certification fund	192,209	5,100	24,383	221,692		221,692
OUIL fund		5,500	1,500	7,000	10,000	17,000
Drug law enforcement fund		5,000	5,000	10,000	40,000	50,000
Law enforcement fund		5,000		5,000		5,000
Enhanced 911 fund			85,000	85,000	25,000	110,000
Community development block grant fund	104,880	1,800	24,506	131,186	524,744	655,930
Neighborhood rehabilitation fund	53,582	500	24,973	79,055	1,016,420	1,095,475
Home program fund	17,174	498	733	18,405	165,647	184,052

(Continued on next page)

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2012-2013

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Streetscape maintenance fund	\$ 1,640	\$ 350	\$ 44,010	\$ 46,000	\$ 24,000	\$ 70,000
Beautification commission fund		6,500	800	7,300		7,300
TOTAL SPECIAL REVENUE FUNDS	2,276,985	439,546	7,600,589	10,317,120	6,887,311	17,204,431
ENTERPRISE FUNDS						
Marina fund	7,564	3,335	219,788	230,687	125,000	355,687
Land purchase fund			2,455,000	2,455,000	25,000	2,480,000
Parking fund	28,442	7,340	76,004	111,786		111,786
Water Fund:						
Treatment plant	869,991	174,693	929,803	1,974,487	19,000	1,993,487
Distribution	571,937	126,356	458,912	1,157,205	3,390,000	4,547,205
Customer accounting	147,873	28,600	95,272	271,745		271,745
Meter reading	361,408	56,806	134,511	552,725	10,000	562,725
Debt service			3,928,500	3,928,500		3,928,500
	1,951,209	386,455	5,546,998	7,884,662	3,419,000	11,303,662
Wastewater Fund:						
Treatment plant	1,909,564	445,654	2,366,476	4,721,694	1,211,200	5,932,894
Collection, general	875,270	120,026	1,165,491	2,160,787	2,940,000	5,100,787
Collection system no. 1			218	218		218
Collection system no. 2	8,192	6,000	20,033	34,225		34,225
Collection system no. 3	4,354	1,469	38,112	43,935		43,935
Debt service			7,223,000	7,223,000		7,223,000
	2,797,380	573,149	10,813,330	14,183,859	4,151,200	18,335,059
TOTAL ENTERPRISE FUNDS	4,784,595	970,279	19,111,120	24,865,994	7,720,200	32,586,194

(Continued on next page)

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2012-2013

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 25,827	\$ 33,375	\$ 63,898	\$ 123,100	\$ 5,200	\$ 128,300
Data processing fund	394,826	70,800	172,178	637,804	45,000	682,804
Motor vehicle fund	610,572	465,450	613,752	1,689,774	597,000	2,286,774
Energy performance services fund			300,000	300,000		300,000
Insurance and fringe benefit fund	<u>9,854,500</u>	<u>500</u>	<u>718,000</u>	<u>10,573,000</u>		<u>10,573,000</u>
TOTAL INTERNAL SERVICE FUNDS	<u>10,885,725</u>	<u>570,125</u>	<u>1,867,828</u>	<u>13,323,678</u>	<u>647,200</u>	<u>13,970,878</u>
TAX INCREMENT FUNDS						
Industrial park tax increment fund			1,172,000	1,172,000	300,000	1,472,000
Paper company tax increment fund			375,000	375,000		375,000
Krafft-Holland tax increment fund			493,000	493,000	25,000	518,000
Peerless site tax increment fund			73,000	73,000		73,000
Downtown development authority operating fund			316,000	316,000		316,000
Water street tax increment fund			400,000	400,000	5,000	405,000
Bank tax increment fund			7,000	7,000		7,000
Harrington Hotel tax increment fund			20,000	20,000	95,000	115,000
Edison redevelopment tax increment fund			382,000	382,000	15,000	397,000
Mainstreet tax increment fund			24,100	24,100	113,900	138,000
Industrial park expansion tax increment fund			367,000	367,000	75,000	442,000
Brownfield redevelopment tax increment fund			<u>287,000</u>	<u>287,000</u>		<u>287,000</u>
TOTAL TAX INCREMENT FUNDS			<u>3,916,100</u>	<u>3,916,100</u>	<u>628,900</u>	<u>4,545,000</u>
TOTAL ALL FUNDS	<u>\$ 33,037,303</u>	<u>\$ 2,611,171</u>	<u>\$ 36,948,106</u>	<u>\$ 72,596,580</u>	<u>\$ 16,070,461</u>	<u>\$ 88,667,041</u>

Appendix - Budget Explanation

BUDGET OVERVIEW

A. Continuing Cost Reduction Efforts

The City of Port Huron, like virtually all local governments in Michigan, continues to struggle with declining revenues and cost pressures outside the government's control. As discussed on pages 30, 31 and 32, the City has reduced its employee count by over twenty-five percent since 2002. All revenues have fallen, particularly due to continuing State cuts of revenue sharing and declines in property values. Residential property values have fallen by almost 40% since the 2008-09 year and taxable values have fallen by about 27%. As a result, property taxes paid by City residents and landlords have decreased by over 25% over the past four years. Overall values, including industrial and commercial properties, have fallen by almost 30% and taxable values have fallen by 21.5%.

The City is continuing its efforts to reduce overall costs of operations while minimizing the resultant service reductions. The proposed budget eliminates four full-time positions, in addition to the eighty-eight budgeted full-time positions eliminated in prior years, for a total of ninety-two eliminated positions. The eliminated positions for 2012-13 are offset by the proposed hiring of two new police officers, using funding from a newly implemented property tax administrative fee.

Initial General Fund revenue and expenditure estimates and requests for the fiscal year ending June 30, 2013, projected that expenditures would exceed revenues by more than \$1.35 million. As a result of the adjustments discussed below, the gap has been reduced by almost \$1.2 million. In order to close the remaining budget gap, it is recommended that a use of fund balance be budgeted, though it is expected that actual results will be more positive and the fund balance won't be used.

All of the City union agreements expired June 30, 2011. The City was able to finalize new agreements with each union. Those new agreements have resulted in significant cost reductions. For the current budget, it is estimated such cost reductions provided savings of approximately \$1.7 million across all funds of the City as a result of changes to employee pension contributions and provisions and changes in health care plans, including changes in co-pays and deductibles. No wage adjustments were granted during the three year contracts.

The proposed budget does include an estimated \$350,000 in savings as a result of the proposed fire collaboration with the City of Marysville. It is anticipated that the collaboration will continue to provide additional savings in future years as the combined fire work force is able to be reduced due to attrition. This proposal includes a single Fire Chief for both communities and a combined force that will respond to fires and other emergency incidents in both cities.

For the initial years, it is expected that firefighters would continue to be employed by the current communities while operating cooperatively within both cities. Using such a gradual approach will allow response times and other operational issues to be evaluated to determine the size of the future combined fire force to appropriately serve both communities.

As a result of significantly reduced revenues, it is necessary to look for new and innovative approaches to be able to provide services at a reduced cost. If the proposed collaboration is not able to be implemented, it is anticipated that the Fire Department budget would remain at the proposed reduced level but that additional adjustments in fire personnel would be necessary in order to adjust costs to the budgeted level.

Listed below is a summary of the measures which were taken as a part of the evaluation of the initial budget requests:

Expenditure decreases	
Retiree health care savings (General Fund portion only)	\$ 400,000
Fire collaboration with Marysville	350,000
Other cost reductions	150,000
Revenue – Offset to property tax decline – Property Tax Administration Fee (to provide police funding)	290,000
Fund balance – budgeted use	<u>190,000</u>
	<u>\$1,380,000</u>

B. General Fund

The General Fund budget reflects expected declines or no growth 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, 2012, based on the proposed budget the percentage is expected to be 21.4%.

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 revenues are expected to decline for 2012-13 by over \$700,000. Property and income taxes and State revenue sharing are expected to generate \$16.0 million in General Fund revenue for the year ending June 30, 2013. This is \$1.5 million less than those three revenue items generated eleven 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 other than the addition of two police officers and the potential addition of other officers if the City receives grants. It is predicated on current expected income tax revenues and the assumption that the City will qualify for the full amount of 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. Increase in Police Services – Property Tax Administration Fee

Included in this budget proposal are two additional police officers to be hired as soon as is practical and an increase in the police overtime budget for both detective and patrol divisions. These proposed changes are as a result of increased police activities during the fiscal year ending June 30, 2012. The additional officers will allow the department to begin to implement its drug – crime reduction program. Upon a full compliment of officers being hired, the program would then be in coordination with the St. Clair County Sheriff’s Department Drug Task Force.

These changes in the police department budget have added approximately \$350,000 in annual costs. It is further anticipated that the City will be able to apply for additional grant funding with the next round of Federal grant applications and that two or three more officers could be requested utilizing that process sometime after January 1, 2013. The current COPS hiring grant requires a 25% match and such funds would be available as part of the contingency activity.

In order to provide for this increase in police services and costs, there is a proposed new revenue item, the property tax administration fee. This fee is an additional one percent charge added to each property tax bill and is expected to provide \$290,000 annually. State law allows property tax collecting units like the City to assess a local tax property tax administration fee. It is defined “as a fee to offset costs incurred by a collecting unit in assessing property values, in collecting the property tax levies, and in the review and appeal processes.” Currently, approximately two thirds of the local units in St. Clair County assess such a fee.

Normally such a fee would not be proposed as it would increase property taxes for local taxpayers. However, the current economic times would seem to make it more palatable particularly as it will allow the expansion of the Police Department. As discussed in this budget message, residential property values have declined almost 10% for the upcoming year. Even with the addition of the administration fee to provide funding for additional police services, residential property owners, both residents and landlords, will still see an average 9% decline in overall property taxes. This is in addition to an average three year cumulative decline through the current year of almost 19%. Over a four year period, residential taxpayers will see an overall decline of over 25%, even with the additional 1% fee.

D. Garbage and Solid Waste

The funds for garbage and solid waste removal are provided by a 2.8173 mill property tax for that specific purpose. For the fiscal year ended June 30, 2009, this millage provided over \$2.1 million in annual revenue. These funds provided for not only weekly garbage and recycling services, but also provided for public area pickup in the City's various parks, beaches and parkways, a brush and branch pickup program and twice monthly street sweeping during the warmer months. Over the past four years, due to the significant decline in real estate values, revenues have decreased from a high of \$2.13 million for the fiscal year ended June 30, 2009 to an expected to \$1.65 million for the fiscal year ending June 30, 2013. Because there were prior accumulated funds dedicated for rubbish and solid waste purposes, services have continued at prior levels up to the current year.

This budget proposes that services be adjusted as a result of declining revenues and the expenditure of the accumulated balances. Street sweeping services will be moved to the Major and Local Streets funds and will be reduced to a once per month service. Brush and branch pickup will be moved to the General Fund's Parks and Forestry activity and are proposed to continue for a six to seven week period in the spring and again in the fall, a reduced level from prior years. It is anticipated that these changes will allow weekly garbage and recycling services and the public area pickup services to continue for the fiscal year ending June 30, 2013 under the current contract and at current levels but that such a service level will exhaust accumulated funds by year end.

The current weekly garbage and recycling contract has been extended to June 30, 2013. Future contracts will need to be modified so that the cost of services will more closely match the available revenues. The projected property tax revenues for the 2012-13 year are less than the annual expense of the current weekly contract and are expected to continue to decline in the future. In order to continue both the weekly services and the public area pickup, service changes and cost reductions are expected to be necessary.

E. 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. As discussed above, street sweeping activities will now be accounted for in the streets funds. 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.

F. Utility Funds

The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$17.1 million. The two funds' cost of operating, debt service and departmental capital costs are expected to be approximately \$22.1 million, a deficit of \$5.0 million. In order to provide sufficient funds to offset this deficit this budget proposes the use of water and wastewater accumulated balances and

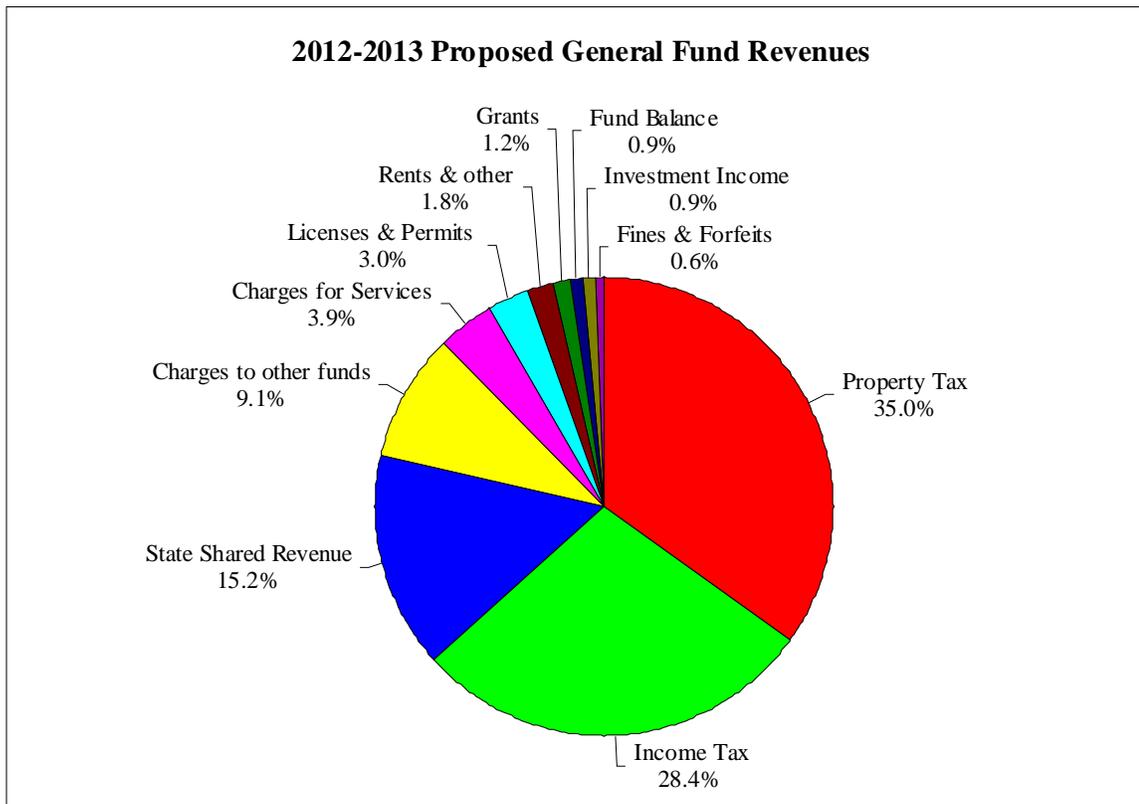
continues the supportive transfers from the Municipal Streets Fund and the Land Purchase Fund. In addition, the budget proposes a 6.5% rate increase for both funds, which is expected to provide \$575,000 per year. This increase has been included in the projected revenues discussed above. The increase is being proposed to avoid an extremely large rate increase in the next three to four years and to minimize the interest rates on future borrowings. Water and wastewater usage through the most recent two years has been relatively constant.

The proposed budget 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.

G. 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 2012-13 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		\$528,300,974
Personal property		97,818,000
Special Acts assessment rolls:		
Industrial facilities roll:		
New facilities, real property		7,280,500
New facilities, personal property		23,813,000
Neighborhood enterprise zone, real property		111,526
Obsolete property rehabilitation, real property		<u>127,500</u>
		<u>\$657,451,500</u>

Taxable valuation has decreased by 7.2% overall primarily as a result of declines in residential and industrial values. Real property values decreased by 8.9%, and personal property values increased by 1.1%.

State equalized valuation (SEV) has decreased by 8.6% overall, also primarily as a result of declines in residential and industrial values. Real property values decreased by 10.4%, while personal property values increased by 1.1%.

For the 2012-13 budget year, approximately 18.5% of the City's taxable value is due to personal property taxes. The State of Michigan is considering eliminating the personal property tax, which will primarily negatively affect local governments and schools. The legislation that has currently been introduced calls for a fairly long transition period and will first only affect small filers and industrial personal property, which is about half the City's total. No change in revenues is expected for the 2012-13 year, though future year revenues may be reduced.

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 (2.7% for 2012), 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 2012 is the lower of the 2012 state equalized value or the 2011 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 2012 and 2011, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 97.2% and 95.8% of equalized value, as shown below:

	<u>2012</u>	<u>2011</u>
Equalized Value	\$676,351,100	\$739,787,800
Taxable Value	<u>657,451,500</u>	<u>708,603,813</u>
Difference	<u>\$ 18,899,600</u>	<u>\$ 31,183,987</u>

As there was for the 2011-12 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 ending June 30, 2014. 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 \$6.57 million based on a net uncaptured taxable value of \$583,000,000 at the proposed millage rate of 11.2696 mills.

H. User Fees and Other Miscellaneous Revenues

The proposed 2012-13 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 2012-13.

<u>Source</u>	<u>Anticipated Revenue</u>
Licenses and Permits:	
Cable television	\$ 320,000
Building permits	260,000
Other	<u>25,000</u>
	<u>605,000</u>
Charges for Services:	
Recreation fees	286,500
Blue Water Bridge reimbursement	300,000
County parks millage	120,000
Other	<u>93,500</u>
	<u>800,000</u>

<u>Source</u>	<u>Anticipated Revenue</u>
Fines and Forfeits:	
Parking violations	45,000
Ordinance fines	<u>80,000</u>
	<u>125,000</u>
Investment Income	<u>175,000</u>
Rents - MOC	<u>355,000</u>
Sale of Assets	<u>3,000</u>
	<u>\$ 2,063,000</u>

Building permits are expected to decrease by \$35,000 due to decreased activity in local construction.

Program fees for recreation activities are based upon the direct program costs for non residents with resident fees set at 50% of the calculated amount. Further, the recreation department continues to work with local foundations to generate increased grant revenues for both programs and projects.

The user fees and other miscellaneous revenues proposed for 2012-2013 are the equivalent of 3.5 mills of property tax.

I. 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 replaced statutory revenue sharing, but at approximately 66% 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 2012-13 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 implemented by the State currently has three key aspects as follows:

1. Accountability and Transparency
2. Service Sharing and Consolidation
3. Employee Compensation Best Practices

The City has successfully met the first two criteria and will submit the required information for the third by May 1st. This budget has been prepared based upon the assumption that there will be a similar process for 2012-13 and the City will successfully meet each criteria. The implementing legislation for 2012-13 has not yet 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.

Fiscal Year	Constitutional	Statutory and EVIP	Total
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	2,017,768	1,315,279	3,333,047
*2011-12	2,125,000	1,125,000	3,250,000
**2012-13	2,150,000	925,000	3,075,000

* 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	3,333,047	1,806,573	35.1%	15.3%
*11-12	3,250,000	1,889,620	36.8%	15.6%
**12-13	3,075,000	2,064,620	40.2%	15.1%

* 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 \$2.1 million less from this important revenue source than it received in 2000-01. **This loss of State shared revenue is equal to 3.5 mills of property tax, based on the City's 2012 taxable value.**

J. Income Tax Revenues

City income tax revenues have been estimated at \$5.775 million, the same as the current year's expected amount. Over the past four years income tax revenues have been relatively flat as hiring by private employers has been offset by reductions in employment for public employers. **Projected income tax revenues are the equivalent of 9.9 mills of property tax.**

K. Grant Revenues

The 2012-13 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 an extended four and a half 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 \$32,000 for the Recreation Department to encourage and facilitate outdoor activities for community youth.

L. 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, a net of 90 full-time positions have been or will be eliminated. Nineteen of the eliminated positions were division heads or supervisors, including sixteen since 2008.

The budget presented for the fiscal year ending June 30, 2013 proposes that four full-time positions be eliminated including two due to the fire collaboration and that two new police officer positions be created. 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:

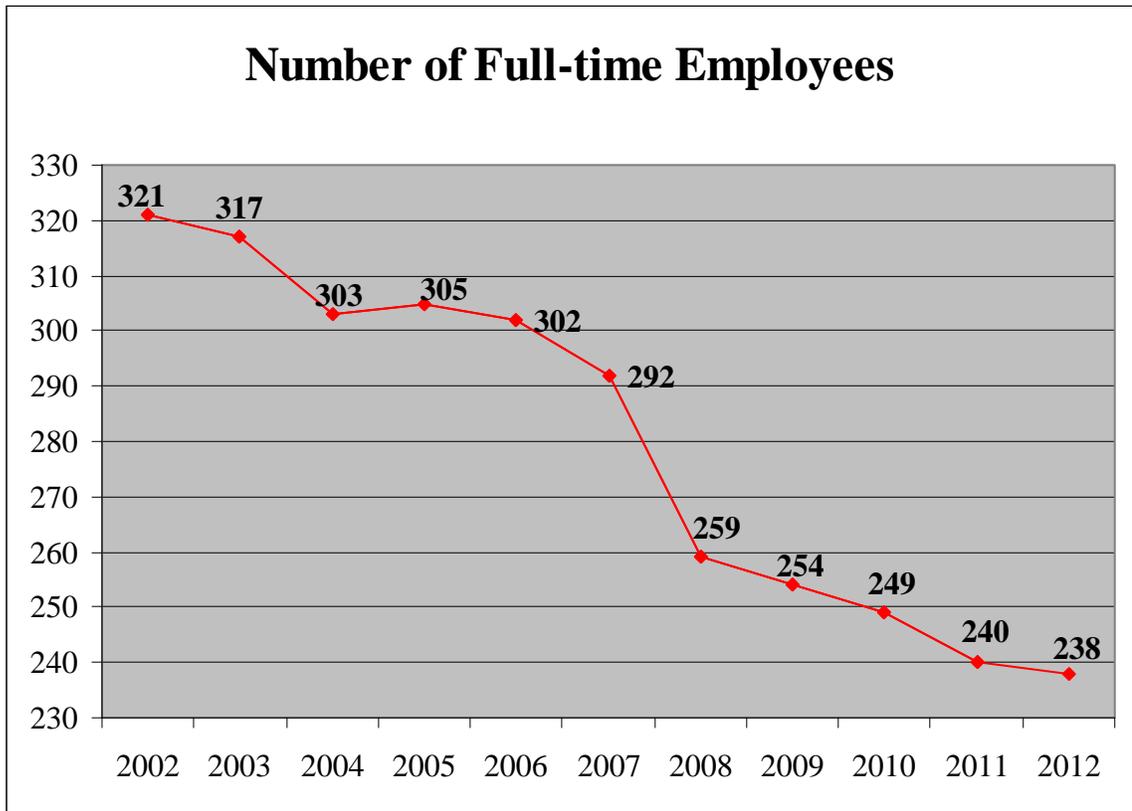
<u>Department - Position</u>	<u>Number</u>	<u>Fiscal Year</u>
Parks and Forestry - Supervisor	1	June 30, 2003
Legal - Clerical	1	June 30, 2003
Fire - Firefighters	4	June 30, 2004
Treasurer - Cashier	1	June 30, 2004
Police - Police Officer	1	June 30, 2004
Parks and Forestry - Equipment Operator	1	June 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
Cemetery - Equipment Operator	1	June 30, 2008
Information Technology - Programmer	1	June 30, 2008
Cemetery - Supervisor	1	June 30, 2008

<u>Department - Position</u>	<u>Number</u>	<u>Fiscal Year</u>
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 – Lieutenants	2	June 30, 2012
Police – Police Officer	1	June 30, 2012
Fire – Lieutenant	1	June 30, 2012
DPW – Communications Coordinator	1	June 30, 2012
Utilities – Supervisor	1	June 30, 2012
DPW/Utilities – Equipment Operators, Technician	3	June 30, 2012
Finance – Deputy Assessor	1	June 30, 2012
Information Technology – Programmer	1	June 30, 2012
Finance – Clerical – Assessing	1	June 30, 2013
Personnel – Clerical	1	June 30, 2013
Fire – Fire Chief	1	June 30, 2013**
Fire – Firefighter	1	June 30, 2013**
Police – Reinstated Positions – Police Officers	<u>-2</u>	June 30, 2013
Total	<u>90</u>	

* Service reduction budget adjustments - September, 2007

** Subject to collaboration agreement with Marysville

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:



M. 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, 2013 are approximately \$190,000 higher than comparable budgeted operating expenses for the proposed budget for 2011-12 in order to fund increases in the police department.**

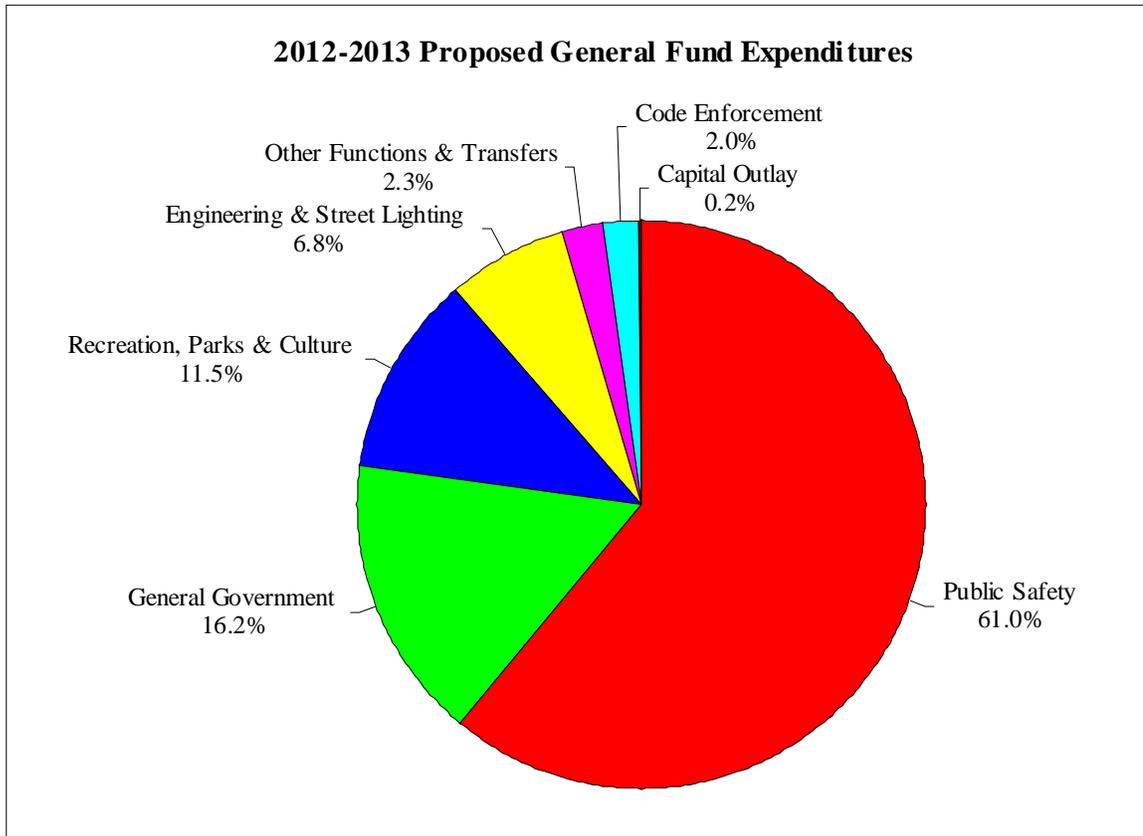
Capital outlay is proposed to decrease by \$642,900 to \$186,850 compared to the 2011-12 adopted budget as a result of the completion of the Fort Gratiot Lighthouse Renovation Project. The remaining \$186,850 has been proposed in order to provide for necessary improvements and maintenance to governmental facilities and equipment used to provide services. Projected capital outlay includes the following:

Public Safety - Equipment	\$ 20,850
Parks and Recreation - County Millage	120,000
Parks and Recreation - Boat Launch Improvements	40,000
Other Public Improvements	<u>6,000</u>
	<u>\$ 186,850</u>

The budget continues the contracted downtown commercial development position in the City Manager’s office through September 30, 2012. 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 2012-13 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 5.3% of General Fund expenditures.

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

Personal services	\$ 15,089,998
Supplies and materials	631,221
Contractual services	<u>4,449,169</u>
Total Operating Expenses	20,170,388
Transfers	3,300
Capital outlay:	
Departmental	66,850
Recreational projects – County millage	<u>120,000</u>
Total	<u>\$ 20,360,538</u>

N. 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 a cumulative 6% effective July 1, 2011 with another 1% added July 1, 2012.
- **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 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	\$ 2,275,000
Retired Employee Health Costs	<u>2,935,000</u>
Total	<u>\$ 5,210,000</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. Under the current accounting standards, the City is required to record a liability for the actuarially computed annual obligation. This procedure is 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.

O. 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. The prior budget proposed that the City turn the Huron Lightship over to the Museum, which then would have become liable for its annual operating expenses, however, the Museum was not able to pay the expenses.

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, and expects the site to be developed as a hotel during 2012.

The budget for parks and recreation programs and services is \$2,330,054, an increase of \$97,998 from last year. The increase is primarily the result of moving the brush and branch program to the Parks and Forestry activity and increased summer recreation because of grant support. 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.

P. 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, 2012, as follows:

	<u>Proposed Budget 2012-2013</u>	<u>Budget for 2011-2012</u>	<u>Increase or (Decrease)</u>
Means of Financing:			
Estimated designated fund balance at July 1	\$ 189,212	\$	\$ 189,212
Property taxes	7,125,000	7,355,000	(230,000)
Income tax	5,775,000	5,775,000	
Business licenses and permits	340,000	345,000	(5,000)

	Proposed Budget <u>2012-2013</u>	Budget for <u>2011-2012</u>	Increase or <u>(Decrease)</u>
Nonbusiness license permits	265,000	300,000	(35,000)
Grants	252,000	545,000	(293,000)
State shared revenue	3,100,000	2,840,000	260,000
Charges for services	800,000	805,000	(5,000)
Fines and forfeits	125,000	145,000	(20,000)
Investment income	175,000	200,000	(25,000)
Rents	355,000	335,000	20,000
Sale of assets	3,000	6,282	(3,282)
Charges to other funds	1,856,326	1,843,346	12,980
Transfers from other funds	<u> </u>	<u>405,000</u>	<u>(405,000)</u>
Total	<u>\$ 20,360,538</u>	<u>\$ 20,899,628</u>	<u>\$ (539,090)</u>

Estimated Requirements:

General government	\$ 3,298,477	\$ 3,242,726	\$ 55,751
Public safety	12,426,420	12,341,719	84,701
Public works	1,790,124	1,739,029	51,095
Senior citizens	3,000	14,531	(11,531)
Recreation, parks and culture	2,330,054	2,232,056	97,998
Other functions	464,163	546,267	(82,104)
Capital outlay	45,000	700,000	(655,000)
Transfers to other funds	<u>3,300</u>	<u>83,300</u>	<u>(80,000)</u>
Total	<u>\$ 20,360,538</u>	<u>\$ 20,899,628</u>	<u>\$ (539,090)</u>

The proposed budget for personal services includes salaries and fringe benefits due under the current labor contracts. The increase in general government is primarily due to debt payments for energy saving additions. The increase in public safety is primarily the new police officers and increased overtime offset by the Fire collaboration. The public works increase is from street lighting. Capital outlay is primarily proposed to be funded only by the County recreation millage.

Q. 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.

R. 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 will 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 fourteen years, approximately \$171.8 million has been expended or is under contract and the project remains within budget and on schedule.

S. 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.

T. 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 17.6% of CSO project costs and are summarized below:

Tax Increment Districts	\$ 9.8 million
EPA Grants	7.4 million
ARRA (Stimulus) Grants	5.0 million
Other Grants	1.5 million
CDBG Funds	<u>6.6 million</u>
Total	<u>\$30.3 million</u>

U. 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, 2013 proposed budget have exceeded \$45.6 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 fifteen years over \$15 million has been transferred to the Wastewater Fund from the General Fund to reduce rates. A summary follows:

	<u>Transfer to 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	1,150,000
June 30, 2011	<u>500,000</u>
Total	<u>\$ 15,439,447</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 Fund</u>	<u>Wastewater 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	300,000	1,950,000	2,250,000
June 30, 2011	1,550,000	700,000	2,250,000
June 30, 2012 (budgeted)	1,025,000	1,225,000	2,250,000
June 30, 2013 (proposed)	<u>575,000</u>	<u>1,675,000</u>	<u>2,250,000</u>
Total	<u>\$ 5,550,000</u>	<u>\$ 18,945,000</u>	<u>\$ 24,495,000</u>

During the fiscal year ended June 30, 2008, as a result of successful grant applications to fund the 7th Street Bridge, funds were identified in the Municipal Streets Fund 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 Wastewater Fund</u>
June 30, 2008	\$ 1,000,000
June 30, 2009	1,000,000
June 30, 2010	1,000,000
June 30, 2011	1,000,000
June 30, 2012 (budgeted)	1,000,000
June 30, 2013 (proposed)	<u>685,000</u>
Total	<u>\$ 5,685,000</u>

V. 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.

In order to avoid an extremely large rate increase in the next three to four years, this budget proposes an average increase of 6.5%.

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 (Cubic Feet)</u>	<u>Adjusted Rates</u>	<u>Present Rates</u>	<u>Increase</u>	<u>Percent Change</u>
	500	\$ 104.02	\$ 97.33	\$ 6.69	6.9%
	1,000	127.04	119.06	7.98	6.7%
	1,500	150.06	140.79	9.27	6.6%
Average Residential	1,730	160.65	150.79	9.86	6.5%
	2,000	173.08	162.52	10.56	6.5%
	2,500	196.10	184.25	11.85	6.4%
	3,000	219.12	205.98	13.14	6.4%
	3,115	224.42	210.98	13.44	6.4%
	3,500	242.14	227.71	14.43	6.3%
	4,000	265.16	249.44	15.72	6.3%
	4,500	288.18	271.17	17.01	6.3%

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 (1,730 cubic feet of usage) regarding three cities whose projects compare to Port Huron:

<u>Average Residential</u>	
Sault Ste. Marie (July 1, 2011)	\$ 220.77
Lansing (March 1, 2012 and October 1, 2011)	196.14
Port Huron (proposed)	160.65
Grand Rapids (January 1, 2012)	159.97

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.

W. 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 2012-2013 year are as follows:

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Current Projects:				
Nern St.-Preliminary (CSO)	\$	\$ 170,000	\$ 190,000	\$ 360,000
Dove-16 th to 24 th	1,060,000	320,000		1,380,000
Water St.-13 th to City Limits	1,970,000	680,000	60,000	2,710,000
Sanborn St.-10 th to 12 th	840,000	200,000	160,000	1,200,000
Riverside Dr.-Brandywine to Garfield	460,000	150,000		610,000
Harker St.-Edison Inn Project (TIF)	920,000	180,000	110,000	1,210,000
Edison Parkway	150,000			150,000
Total	<u>5,400,000</u>	<u>1,700,000</u>	<u>520,000</u>	<u>7,620,000</u>
Carryover Projects:				
21 st St Area Ph 2 (over 2 years) (CSO)	550,000	1,525,000	2,175,000	4,250,000
21 st St Area Ph 1 (to finalize) (CSO)	40,000	165,000	245,000	450,000
Total	<u>590,000</u>	<u>1,690,000</u>	<u>2,420,000</u>	<u>4,700,000</u>
Total Current and Carryover	<u>5,990,000</u>	<u>3,390,000</u>	<u>2,940,000</u>	<u>12,320,000</u>
Sidewalk Projects	80,000			80,000
Total	<u>\$6,070,000</u>	<u>\$3,390,000</u>	<u>\$2,940,000</u>	<u>\$12,400,000</u>

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

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Borrowing - Bonds:				
State Revolving Fund-System	\$	\$ 130,000	\$2,190,000	\$ 2,320,000
Open Market	<u> </u>	<u>3,080,000</u>	<u>640,000</u>	<u>3,720,000</u>
Total Borrowing	<u> </u>	<u>3,210,000</u>	<u>2,830,000</u>	<u>6,040,000</u>
Other Sources:				
Grant-MDOT-Dove St.	375,000			375,000
Grant-MDOT-Water St.	1,280,000			1,280,000
Grant-MDOT-Sanborn St.	550,000			550,000
Grant-MDOT-Riverside Dr.	255,000			255,000
TIF Funded-Brownfield-Harker St.	920,000	180,000	110,000	1,210,000
Sidewalk Projects	80,000			80,000
Current Street Millage				
Revenues and Reserves	<u>2,610,000</u>	<u> </u>	<u> </u>	<u>2,610,000</u>
Total Other Sources	<u>6,070,000</u>	<u>180,000</u>	<u>110,000</u>	<u>6,360,000</u>
Total	<u>\$6,070,000</u>	<u>\$3,390,000</u>	<u>\$2,940,000</u>	<u>\$12,400,000</u>

X. 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, 2013. This program is supported by a millage statutorily designated for that purpose. There was further discussion regarding the decline in available revenue and the program adjustments on page 23. The 2012-13 budget 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 12, 2012. The proposed budget allocates \$100,000 of the \$655,930 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.

Y. Internal Service Funds

The City operates five internal service funds, consisting of the Central Stores, Data Processing, Motor Vehicle, Energy Performance Services and Fringe Benefit Funds. These funds provide services to other activities of the City. 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 \$650,000 over the past five 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.

Z. 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 (captured taxes proposed to be committed to St. Clair County)
- 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

GENERAL FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 189,212	\$
Property taxes	7,125,000	7,355,000
Income tax	5,775,000	5,775,000
Business licenses and permits	340,000	345,000
Nonbusiness licenses and permits	265,000	300,000
Grants	252,000	545,000
State shared revenues	3,100,000	2,840,000
Charges for services	800,000	805,000
Fines and forfeits	125,000	145,000
Investment income	175,000	200,000
Rents	355,000	335,000
Sale of assets	3,000	6,282
Charges to other funds	1,856,326	1,843,346
Transfer from other funds		405,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>\$ 20,360,538</u>	<u>\$ 20,899,628</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 15,089,998	\$ 15,046,946
Supplies and materials	631,221	603,356
Contractual services	4,449,169	4,336,276
	<u>20,170,388</u>	<u>19,986,578</u>
Transfers	3,300	83,300
Capital outlay:		
Departmental	66,850	54,750
Recreational projects - County millage	120,000	125,000
MOC capital		
Other public improvements		650,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 20,360,538</u>	<u>\$ 20,899,628</u>

**STREET FUNDS
MAJOR STREETS**

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 5,858	\$ 12,821
State shared revenues:		
Major streets	1,610,000	1,585,000
Trunkline maintenance	282,953	227,943
Right of way	72,000	78,000
Federal and State grants	2,460,000	895,000
Transfer from Municipal streets to Major streets	2,225,000	900,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 6,655,811	\$ 3,698,764
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 935,809	\$ 814,821
Supplies and materials	231,987	251,801
Contractual services:		
Engineering and other professional services	578,015	382,142
Transfer from Major streets to Local streets	430,000	430,000
	<u> </u>	<u> </u>
	2,175,811	1,878,764
Capital outlay:		
Street resurfacing and/or reconstruction from:		
Street millage	575,000	625,000
Other sources	3,905,000	1,195,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 6,655,811	\$ 3,698,764
	<u> </u>	<u> </u>

STREET FUNDS LOCAL STREETS

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 20,747	\$ 15,516
State shared revenues:		
Local streets	490,000	485,000
Right of way	22,000	24,000
Transfers:		
Transfer from Major streets to Local streets	430,000	430,000
Transfer from Municipal streets to Local streets	700,000	1,150,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 1,662,747	\$ 2,104,516
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 596,032	\$ 486,701
Supplies and materials	136,003	110,849
Contractual services	340,712	201,966
	<u> </u>	<u> </u>
	1,072,747	799,516
Capital outlay:		
Street resurfacing and/or reconstruction from:		
Street millage	590,000	625,000
Other sources		680,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 1,662,747	\$ 2,104,516
	<u> </u>	<u> </u>

STREET FUNDS MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 2,481,822	\$ 1,850,414
Taxes:		
Real property taxes	977,500	1,070,000
Personal property taxes	187,500	180,000
BWATC	450,000	460,000
Investment income	10,000	25,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 4,106,822	\$ 3,585,414
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 37,679	\$ 34,962
Supplies and materials	6,128	20,220
Contractual services:		
Engineering and other professional services	3,015	20,232
BWATC property taxes	450,000	460,000
Transfers:		
From Municipal streets to Major streets	2,225,000	900,000
From Municipal streets to Local streets	700,000	1,150,000
From Municipal streets to Wastewater fund	685,000	1,000,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 4,106,822	\$ 3,585,414
	<u> </u>	<u> </u>

STREET FUNDS
COMBINED MAJOR, LOCAL AND MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 2,508,427	\$ 1,878,751
Taxes:		
Real property taxes	1,427,500	1,530,000
Personal property taxes	187,500	180,000
BWATC		
State shared revenues:		
Major streets	1,610,000	1,585,000
Local streets	490,000	485,000
Trunkline maintenance	282,953	227,943
Right of way	94,000	102,000
Federal and State grants	2,460,000	895,000
Investment income	10,000	25,000
Transfers:		
From Major streets to Local streets	430,000	430,000
From Municipal streets to Major streets	2,225,000	900,000
From Municipal streets to Wastewater fund	700,000	1,150,000
TOTAL MEANS OF FINANCING	<u>\$ 12,425,380</u>	<u>\$ 9,388,694</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 1,569,520	\$ 1,336,484
Supplies and materials	374,118	382,870
Contractual services:		
Engineering and other professional services	921,742	604,340
BWATC property taxes	450,000	460,000
Transfers:		
From Major streets to Local streets	430,000	430,000
From Municipal streets to Major streets	2,225,000	900,000
From Municipal streets to Local streets	700,000	1,150,000
From Municipal streets to Wastewater fund	685,000	1,000,000
	<u>7,355,380</u>	<u>6,263,694</u>
Capital outley:		
Street resurfacing and/or reconstruction from:		
Street millage	1,165,000	1,250,000
Other sources	3,905,000	1,875,000
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 12,425,380</u>	<u>\$ 9,388,694</u>

CEMETERY FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 3,389	\$ 1,010
Foundations	12,000	18,000
Graveside interments	50,000	40,000
Chapel interments	55,000	50,000
Other services	10,000	10,000
Transfer from Cemetery perpetual care fund	245,000	250,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 375,389	\$ 369,010
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 233,053	\$ 238,926
Supplies and materials	27,080	23,658
Contractual services	103,756	94,626
	<u> </u>	<u> </u>
	363,889	357,210
Capital outlay	11,500	11,800
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 375,389	\$ 369,010
	<u> </u>	<u> </u>

GARBAGE AND RUBBISH COLLECTION FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 332,213	\$ 518,795
Taxes:		
Real property taxes	1,380,000	1,500,000
Personal property taxes	265,000	260,000
Penalties and interest on taxes	10,000	10,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 1,987,213	\$ 2,288,795
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Rubbish Collection Program:		
Ordinary recurring expenses:		
Personal services	\$ 13,310	\$ 13,310
Supplies and materials	8,100	8,400
Contractual services	1,817,438	1,818,082
	<u> </u>	<u> </u>
	<u>1,838,848</u>	<u>1,839,792</u>
Brush Program:		
Ordinary recurring expenses:		
Personal services		58,846
Contractual services		23,637
	<u> </u>	<u> </u>
		<u>82,483</u>
Public Area Collection Program:		
Ordinary recurring expenses:		
Personal services	91,617	96,302
Contractual services	56,748	62,207
	<u> </u>	<u> </u>
	<u>148,365</u>	<u>158,509</u>
Street Sweeping Program:		
Ordinary recurring expenses:		
Personal services		105,949
Contractual services		102,062
	<u> </u>	<u> </u>
		<u>208,011</u>
TOTAL ESTIMATED REQUIREMENTS	\$ 1,987,213	\$ 2,288,795
	<u> </u>	<u> </u>

RENTAL CERTIFICATION FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$	\$ 12,458
Charges for services	221,692	169,064
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 221,692	\$ 181,522
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 192,209	\$ 156,413
Supplies and materials	5,100	4,500
Contractual services	24,383	20,609
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 221,692	\$ 181,522
	<u> </u>	<u> </u>

DOMESTIC PREPAREDNESS FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Grants	\$	\$ 85,000
TOTAL MEANS OF FINANCING	\$ 0	\$ 85,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$	\$ 5,000
Supplies and materials		5,000
		<u>10,000</u>
Capital outlay		<u>75,000</u>
TOTAL ESTIMATED REQUIREMENTS	\$ 0	\$ 85,000

O.U.I.L. FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Fines and forfeits	\$ 17,000	\$ 15,000
TOTAL MEANS OF FINANCING	\$ 17,000	\$ 15,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	\$ 5,500	\$ 3,500
Contractual services	1,500	1,500
	<u>7,000</u>	<u>5,000</u>
Capital outlay	<u>10,000</u>	<u>10,000</u>
TOTAL ESTIMATED REQUIREMENTS	\$ 17,000	\$ 15,000

DRUG LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Fines and forfeits	\$ 50,000	\$ 46,000
TOTAL MEANS OF FINANCING	\$ 50,000	\$ 46,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	\$ 5,000	\$ 5,000
Contractual services	5,000	1,000
	<u>10,000</u>	<u>6,000</u>
Capital outlay	<u>40,000</u>	<u>40,000</u>
TOTAL ESTIMATED REQUIREMENTS	\$ 50,000	\$ 46,000

LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Charges for services	\$ 5,000	\$ 5,000
TOTAL MEANS OF FINANCING	<u>\$ 5,000</u>	<u>\$ 5,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	\$ 5,000	\$ 5,000
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 5,000</u>	<u>\$ 5,000</u>

ENHANCED 911 FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 110,000	\$ 107,500
TOTAL MEANS OF FINANCING	<u>\$ 110,000</u>	<u>\$ 107,500</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services	\$ 85,000	\$ 82,500
Capital outlay	<u>25,000</u>	<u>25,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 110,000</u>	<u>\$ 107,500</u>

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 655,930	\$ 900,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 655,930	\$ 900,000
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	\$ 104,880	\$ 156,905
Supplies and materials	1,800	1,200
Contractual services	24,506	21,895
	<u> </u>	<u> </u>
	131,186	180,000
Capital outlay - programs:		
Infrastructure construction including street resurfacing/paving	100,000	200,000
Economic redevelopment	100,000	100,000
Rental conversions		110,000
Emergency home repairs	25,000	50,000
Demolition assistance		65,000
Sidewalk replacement	30,000	
Rehabilitation	100,000	160,000
Code enforcement	20,000	
Garage rehabilitation/demolition	50,000	
Rental rehabilitation	50,000	
Project brush-up	49,744	17,500
Pathway shelter		17,500
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 655,930	\$ 900,000
	<u> </u>	<u> </u>

NEIGHBORHOOD REHABILITATION FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Federal grant	\$ 1,095,475	\$ 700,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>\$ 1,095,475</u>	<u>\$ 700,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 53,582	\$ 50,207
Supplies and materials	500	740
Contractual services	24,973	19,053
	<u> </u>	<u> </u>
	79,055	70,000
Capital outlay:		
Housing improvements	1,016,420	630,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 1,095,475</u>	<u>\$ 700,000</u>

HOME PROGRAM FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 184,052	\$ 280,000
TOTAL MEANS OF FINANCING	\$ 184,052	\$ 280,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	\$ 17,174	\$ 27,263
Supplies and materials	498	
Contractual services	733	737
	<u>18,405</u>	<u>28,000</u>
Capital outlay:		
Affordable housing		100,000
CHDO project	27,608	42,000
CHDO administration	9,203	14,000
Urban pioneer	128,836	96,000
TOTAL ESTIMATED REQUIREMENTS	\$ 184,052	\$ 280,000

STREETSCAPE MAINTENANCE FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 22,500	\$ 22,500
Charges for services	25,175	25,175
Transfer from TIF districts	<u>22,325</u>	<u>22,325</u>
TOTAL MEANS OF FINANCING	<u>\$ 70,000</u>	<u>\$ 70,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 1,640	\$ 1,640
Supplies and materials	350	350
Contractual services	<u>44,010</u>	<u>44,010</u>
	46,000	46,000
Capital outlay	<u>24,000</u>	<u>24,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 70,000</u>	<u>\$ 70,000</u>

BEAUTIFICATION COMMISSION FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 1,500	\$ 2,000
Miscellaneous	2,500	2,000
Transfer from General fund	<u>3,300</u>	<u>3,300</u>
TOTAL MEANS OF FINANCING	<u>\$ 7,300</u>	<u>\$ 7,300</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	\$ 6,500	\$ 6,500
Contractual services	<u>800</u>	<u>800</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 7,300</u>	<u>\$ 7,300</u>

MARINA FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 125,687	\$ 44,005
Charges for services - share of operating income	30,000	30,000
Grant from State of Michigan	65,000	55,000
Transfer from Land Purchase fund	<u>135,000</u>	<u>120,000</u>
TOTAL MEANS OF FINANCING	<u>\$ 355,687</u>	<u>\$ 249,005</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 7,564	\$ 9,040
Supplies and materials	3,335	3,635
Contractual services	<u>219,788</u>	<u>181,330</u>
	230,687	194,005
Capital outlay	<u>125,000</u>	<u>55,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 355,687</u>	<u>\$ 249,005</u>

LAND PURCHASE FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 1,076,000	\$ 1,430,000
Investment income	75,000	105,000
Rents	230,000	240,000
Other income	10,000	10,000
Transfer from tax increment funds:		
Peerless site		45,000
Edison redevelopment	367,000	405,000
Water street	380,000	421,000
Industrial park expansion	342,000	229,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 2,480,000	\$ 2,885,000
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Engineering and other professional services	\$ 25,000	\$ 25,000
Transfer to:		
General fund - capital projects		405,000
Water fund	575,000	1,025,000
Wastewater fund	1,675,000	1,225,000
Parking fund	45,000	60,000
Marina fund - River Street	135,000	120,000
	<u> </u>	<u> </u>
	2,455,000	2,860,000
Capital outlay:		
Building maintenance and other costs	25,000	25,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 2,480,000	\$ 2,885,000
	<u> </u>	<u> </u>

PARKING FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 6,786	\$ 2,451
Street meters	33,000	27,000
Parking lots	2,000	5,000
Annual permits	25,000	20,000
Transfer from Land purchase fund	45,000	60,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	\$ 111,786	\$ 114,451
	<hr/> <hr/>	<hr/> <hr/>
ESTIMATED REQUIREMENTS:		
Parking System - Non Revenue Producing:		
Ordinary recurring expenses:		
Personal services	\$ 19,080	\$ 18,860
Supplies and materials	1,850	1,850
Contractual services	61,611	65,016
	<hr/>	<hr/>
	82,541	85,726
	<hr/> <hr/>	<hr/> <hr/>
Parking System - Revenue Producing:		
Ordinary recurring expenses:		
Personal services	9,362	9,362
Supplies and Materials	5,490	5,470
Contractual services	14,393	13,893
	<hr/>	<hr/>
	29,245	28,725
	<hr/> <hr/>	<hr/> <hr/>
TOTAL ESTIMATED REQUIREMENTS	\$ 111,786	\$ 114,451
	<hr/> <hr/>	<hr/> <hr/>

WATER FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 125,000	\$
Sale of water	6,437,587	6,032,336
Penalty charges	50,000	50,000
Hydrant charges	56,840	56,040
Charges for services	30,000	30,000
Investment income	5,000	5,000
Tax increment funds - construction projects	180,000	
Proceeds from issuance of long-term revenue bonds:		
State Drinking Water Revolving fund bonds	130,000	130,000
Other revenue bonds	3,080,000	4,700,000
Pro rata share of water administration and meter reading budget reimbursed from Wastewater fund	634,235	465,146
Transfer from enterprise funds:		
Land purchase fund	575,000	1,025,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 11,303,662	\$ 12,493,522
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 1,951,209	\$ 1,953,723
Supplies and materials	386,455	496,488
Contractual services	1,618,498	1,676,611
	<u> </u>	<u> </u>
	3,956,162	4,126,822
Debt service requirements for payment of principal and interest on Revenue and State Drinking Water Revolving Fund bonds	3,928,500	3,526,000
Capital outlay:		
Departmental	29,000	10,700
Construction projects	3,390,000	4,830,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 11,303,662	\$ 12,493,522
	<u> </u>	<u> </u>

WASTEWATER FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 1,950,000	\$ 2,225,000
Sewage charges	8,060,059	7,617,145
Penalty charges	125,000	125,000
Other income	30,000	30,000
Investment income	50,000	50,000
Grants - Environmental Protection Agency		1,000,000
Tax increment funds - construction projects	110,000	
Proceeds for operating and capital costs:		
Fort Gratiot Township	680,000	670,000
Port Huron Township	720,000	720,000
Kimball Township	270,000	260,000
Proceeds from issuance of long-term revenue bonds:		
State Revolving fund bonds	2,190,000	3,870,000
Other limited obligation bonds - Collection system	640,000	2,955,000
Other limited obligation bonds - Plant	1,150,000	
Transfer from governmental funds - Municipal Streets fund	685,000	
Transfer from enterprise funds:		
Land purchase fund	1,675,000	1,225,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 18,335,059	\$ 20,747,145
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 2,797,380	\$ 2,826,489
Supplies and materials	573,149	607,915
Contractual services	3,590,330	3,356,741
	<u> </u>	<u> </u>
	6,960,859	6,791,145
Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds	7,223,000	7,116,000
Capital outlay:		
Departmental	61,200	15,000
Construction projects - Plant	1,150,000	655,000
Construction projects - Collection system	2,940,000	7,170,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	\$ 18,335,059	\$ 21,747,145
	<u> </u>	<u> </u>

CENTRAL STORES FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Charges for services	\$ 128,300	\$ 118,009
TOTAL MEANS OF FINANCING	\$ 128,300	\$ 118,009
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 25,827	\$ 12,743
Supplies and materials	33,375	33,200
Contractual services	63,898	67,066
	<u>123,100</u>	<u>113,009</u>
Capital outlay	<u>5,200</u>	<u>5,000</u>
TOTAL ESTIMATED REQUIREMENTS	\$ 128,300	\$ 118,009

DATA PROCESSING FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 49,015	\$ 49,406
Charges for services	<u>633,789</u>	<u>614,939</u>
TOTAL MEANS OF FINANCING	<u>\$ 682,804</u>	<u>\$ 664,345</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 394,826	\$ 386,686
Supplies and materials	70,800	70,800
Contractual services	<u>172,178</u>	<u>161,859</u>
	<u>637,804</u>	<u>619,345</u>
Capital outlay	<u>45,000</u>	<u>45,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 682,804</u>	<u>\$ 664,345</u>

MOTOR VEHICLE FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 351,774	\$ 912,522
Charges for services	1,935,000	1,720,000
Grants		720,000
Transfers from other funds		80,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	\$ 2,286,774	\$ 3,432,522
	<hr/> <hr/>	<hr/> <hr/>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	\$ 610,572	\$ 649,419
Supplies and materials	465,450	450,145
Contractual services	613,752	833,870
	<hr/>	<hr/>
	1,689,774	1,933,434
	<hr/>	<hr/>
Capital outlay	597,000	1,499,088
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	\$ 2,286,774	\$ 3,432,522
	<hr/> <hr/>	<hr/> <hr/>

ENERGY PERFORMANCE SERVICES FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Charges for services	\$ 300,000	\$
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>\$ 300,000</u>	<u>\$ None</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services	\$ 10,000	\$
Debt service requirements for principal and interest on energy performance debt	<u>290,000</u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 300,000</u>	<u>\$ None</u>

INSURANCE AND FRINGE BENEFIT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 835,000	\$ 925,000
Charges for services	9,738,000	9,628,000
TOTAL MEANS OF FINANCING	\$ 10,573,000	\$ 10,553,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services:		
Healthcare premiums - employees	\$ 2,275,000	\$ 2,375,000
Healthcare premiums - retirees	2,935,000	3,585,000
Pension contributions	2,855,000	2,905,000
Payroll taxes	745,000	745,000
Workers compensation insurance	150,000	180,000
Dental insurance	245,000	245,000
Unemployment insurance	90,000	90,000
Disability benefits	50,000	50,000
Vacation and sick pay	250,000	290,000
Other	259,500	217,500
Pension and healthcare code reductions	(900,000)	(900,000)
	<u>9,854,500</u>	<u>9,782,500</u>
Supplies and materials	500	500
Contractual services	718,000	770,000
TOTAL ESTIMATED REQUIREMENTS	\$ 10,573,000	\$ 10,553,000

Appendix – Tax Increment Authority Fund Budgets

INDUSTRIAL PARK TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 350,000	\$ 350,000
Taxes:		
Real property taxes	525,000	567,000
Personal property taxes	<u>597,000</u>	<u>562,000</u>
TOTAL MEANS OF FINANCING	<u><u>\$ 1,472,000</u></u>	<u><u>\$ 1,479,000</u></u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Property taxes not captured due to repayment of advances	\$ 1,122,000	\$ 1,129,000
Contractual services:		
Professional and other services:		
Industrial development	<u>50,000</u>	<u>50,000</u>
	1,172,000	1,179,000
Capital outlay:		
Infrastructure improvements	<u>300,000</u>	<u>300,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u><u>\$ 1,472,000</u></u>	<u><u>\$ 1,479,000</u></u>

PAPER COMPANY TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 100,000	\$ 125,000
Taxes:		
Real property taxes	277,000	21,000
Personal property taxes	<u>(2,000)</u>	<u>394,000</u>
TOTAL MEANS OF FINANCING	<u>\$ 375,000</u>	<u>\$ 540,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Property taxes not captured due to repayment of advances	\$ 275,000	\$ 415,000
Contractual services	<u>100,000</u>	<u>125,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 375,000</u>	<u>\$ 540,000</u>

KRAFFT-HOLLAND TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 25,000	\$ 25,000
Taxes:		
Real property taxes	471,000	509,000
Personal property taxes	<u>22,000</u>	<u>21,000</u>
TOTAL MEANS OF FINANCING	<u>\$ 518,000</u>	<u>\$ 555,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Property taxes not captured due to repayment of advances	\$ 493,000	\$ 530,000
Capital outlay:		
Infrastructure improvements	<u>25,000</u>	<u>25,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 518,000</u>	<u>\$ 555,000</u>

PEERLESS SITE TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 69,000	\$ 70,000
Personal property taxes	4,000	5,000
TOTAL MEANS OF FINANCING	\$ 73,000	\$ 75,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Commercial development services	\$ 73,000	\$ 15,000
Payment to St. Clair County - development agreement		45,000
Transfer from Land purchase fund	73,000	60,000
Capital outlay:		
Parkway improvements and other infrastructure		15,000
TOTAL ESTIMATED REQUIREMENTS	\$ 73,000	\$ 75,000

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

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 175,000	\$ 150,000
Downtown Development Authority activities:		
Taxes:		
Real property taxes	61,500	62,000
Personal property taxes	9,000	9,500
Penalties and interest on taxes	500	500
Total	71,000	72,000
Downtown Port Huron activities:		
Dues	10,000	15,000
Promotions and fees - Events	50,000	75,000
Support from DDA	10,000	
Blue Water Fest		400,000
Total	70,000	490,000
TOTAL MEANS OF FINANCING	\$ 316,000	\$ 712,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses from carryover funds:		
Downtown Development Authority activities:		
Downtown development and promotion activity	\$ 125,000	\$ 70,000
Blue Water Fest - July 2011		30,000
Sperry project repayment	50,000	50,000
Total Carryover	175,000	150,000
Ordinary recurring expenses from current funds:		
Downtown Development Authority activities:		
Advertising and Promotion	5,000	5,000
Downtown development and promotion activity	13,500	32,000
BW Young Professionals	5,000	
EDA Grant Program	10,000	
Michigan Street Grant Program	5,000	
Studio 1219	7,500	5,000
Downtown Port Huron	10,000	
DDA operations	15,000	10,000
Total	71,000	52,000
Downtown Port Huron activities:		
Administrative and operating expenses	20,000	20,000
Blue Water Fest		400,000
Other event expenses	50,000	90,000
Total	70,000	510,000
Total Current	141,000	562,000
TOTAL ESTIMATED REQUIREMENTS	\$ 316,000	\$ 712,000

WATER STREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 380,000	\$ 399,000
Personal property taxes	<u>25,000</u>	<u>62,000</u>
TOTAL MEANS OF FINANCING	<u><u>\$ 405,000</u></u>	<u><u>\$ 461,000</u></u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Commercial development services	\$ 10,000	\$ 8,450
Streetscape program	6,550	6,550
Professional and other services	3,450	10,000
Transfer to Land purchase fund	<u>380,000</u>	<u>421,000</u>
	400,000	446,000
Capital outlay:		
Infrastructure improvements	<u>5,000</u>	<u>15,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u><u>\$ 405,000</u></u>	<u><u>\$ 461,000</u></u>

BANK DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$	\$ 50,000
Taxes:		
Real property taxes	6,000	6,000
Personal property taxes	1,000	1,000
TOTAL MEANS OF FINANCING	\$ 7,000	\$ 57,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Commercial development services	\$ 5,000	\$ 20,000
Professional and other services	2,000	10,000
	<u>7,000</u>	<u>30,000</u>
Capital outlay:		
Available for infrastructure improvements or other services	<u> </u>	<u>27,000</u>
TOTAL ESTIMATED REQUIREMENTS	\$ 7,000	\$ 57,000

HARRINGTON HOTEL DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 115,000	\$ 125,000
Taxes:		
Real property taxes		
Personal property taxes		
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	\$ 115,000	\$ 125,000
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Commercial development services	\$ 10,000	\$ 13,325
Streetscape program	1,675	1,675
Professional and other services	8,325	10,000
	<u>20,000</u>	<u>25,000</u>
Capital outlay:		
Available for infrastructure improvements or other services	<u>95,000</u>	<u>100,000</u>
TOTAL ESTIMATED REQUIREMENTS	\$ 115,000	\$ 125,000
	<u> </u>	<u> </u>

EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 388,000	\$ 434,000
Personal property taxes	9,000	11,000
TOTAL MEANS OF FINANCING	\$ 397,000	\$ 445,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Commercial development services	\$ 5,000	\$ 15,000
Professional and other services	10,000	10,000
Transfer to Land purchase fund	367,000	405,000
	<u>382,000</u>	<u>430,000</u>
Capital outlay:		
Parkway and other infrastructure improvements	15,000	15,000
TOTAL ESTIMATED REQUIREMENTS	\$ 397,000	\$ 445,000

MAINSTREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Estimated designated fund balance at July 1	\$ 75,000	\$ 75,000
Taxes:		
Real property taxes	74,500	69,000
Personal property taxes	<u>(11,500)</u>	<u>(17,000)</u>
TOTAL MEANS OF FINANCING	<u>\$ 138,000</u>	<u>\$ 127,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Commercial development services	\$ 10,000	\$ 5,900
Streetscape program	14,100	14,100
Professional and other services	<u>24,100</u>	<u>30,000</u>
Capital outlay:		
Right of way improvements - Grand River	103,900	87,000
Infrastructure and other improvements	<u>10,000</u>	<u>10,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 138,000</u>	<u>\$ 127,000</u>

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

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
	<hr/>	<hr/>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 94,000	\$ 98,000
Personal property taxes	348,000	231,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	\$ 442,000	\$ 329,000
	<hr/> <hr/>	<hr/> <hr/>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services:		
Industrial development	\$ 25,000	\$ 25,000
Transfer to Land purchase fund	342,000	229,000
	<hr/>	<hr/>
	367,000	254,000
	<hr/>	<hr/>
Capital outlay:		
Infrastructure improvements	75,000	75,000
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	\$ 442,000	\$ 329,000
	<hr/> <hr/>	<hr/> <hr/>

BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2012-2013	Adopted Budget 2011-2012
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 262,000	\$ 356,000
Personal property taxes	<u>25,000</u>	<u>25,000</u>
TOTAL MEANS OF FINANCING	<u>\$ 287,000</u>	<u>\$ 381,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Commercial development services	\$ 10,000	\$ 20,000
Repayment to developer	<u>277,000</u>	<u>361,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>\$ 287,000</u>	<u>\$ 381,000</u>

Appendix - Governmental Funds Summary

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2012-2013

Governmental Fund	Estimated Designated Fund Balance July 1, 2012	Budget 2012-2013		Estimated Change In Fund Balance June 30, 2013
		Means of Financing	Estimated Requirements	
General fund	\$ 189,212	\$ 20,171,326	\$ 20,360,538	\$
Major streets fund	\$ 5,858	\$ 6,649,953	\$ 6,655,811	\$
Local streets fund	\$ 20,747	\$ 1,642,000	\$ 1,662,747	\$
Municipal streets fund	\$ 2,481,822	\$ 1,625,000	\$ 4,106,822	\$
Cemetery fund	\$ 3,389	\$ 372,000	\$ 375,389	\$
Garbage and rubbish collection fund	\$ 332,213	\$ 1,655,000	\$ 1,987,213	\$
Rental certification fund	\$	\$ 221,692	\$ 221,692	\$
O.U.I.L. fund	\$	\$ 17,000	\$ 17,000	\$
Drug law enforcement fund	\$	\$ 50,000	\$ 50,000	\$
Law enforcement fund	\$	\$ 5,000	\$ 5,000	\$
Enhanced 911 fund	\$ 110,000	\$	\$ 110,000	\$
Community development block grant fund	\$	\$ 655,930	\$ 655,930	\$
Neighborhood rehabilitation fund	\$	\$ 1,095,475	\$ 1,095,475	\$
Home program fund	\$	\$ 184,052	\$ 184,052	\$
Streetscape maintenance fund	\$ 22,500	\$ 47,500	\$ 70,000	\$
Beautification commission fund	\$ 1,500	\$ 5,800	\$ 7,300	\$

(Continued on next page)

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2012-2013

Governmental Fund	Estimated Designated Fund Balance July 1, 2012	Budget 2012-2013		Estimated Change In Fund Balance June 30, 2013
		Means of Financing	Estimated Requirements	
Industrial park tax increment fund	\$ 350,000	\$ 1,122,000	\$ 1,472,000	\$
Paper company tax increment fund	\$ 100,000	\$ 275,000	\$ 375,000	\$
Krafft-Holland tax increment fund	\$ 25,000	\$ 493,000	\$ 518,000	\$
Peerless site tax increment fund	\$	\$ 73,000	\$ 73,000	\$
Downtown development fund	\$ 175,000	\$ 141,000	\$ 316,000	\$
Water Street tax increment fund	\$	\$ 405,000	\$ 405,000	\$
Bank tax increment fund	\$	\$ 7,000	\$ 7,000	\$
Harrington Hotel tax increment fund	\$ 115,000	\$	\$ 115,000	\$
Edison redevelopment tax increment fund	\$	\$ 397,000	\$ 397,000	\$
Mainstreet tax increment fund	\$ 75,000	\$ 63,000	\$ 138,000	\$
Industrial park expansion tax increment fund	\$	\$ 442,000	\$ 442,000	\$
Brownfield redevelopment tax increment fund	\$	\$ 287,000	\$ 287,000	\$