

BUDGET 2015-2016



PORT HURON MICHIGAN

ADOPTED BY
CITY COUNCIL
MAY 26, 2015

FINAL ADOPTED BUDGET

CITY OF PORT HURON

FOR

THE FISCAL YEAR

2015-2016

- 1. Schedule of Estimated Revenues – General Fund, Schedule of Estimated Expenditures and Schedule of Estimated Requirements by Budget Class, pages 3-18, reflect the budget adopted by City Council on May 26, 2015.**
- 2. Budget Explanation, pages 20-43, as originally proposed April 27, 2015. No changes made for subsequent adjustments to budget.**
- 3. Individual Fund Budgets and Governmental Funds Summary, pages 44-89, reflect the budget adopted by City Council on May 26, 2015.**

CITY OF PORT HURON BUDGET FISCAL YEAR 2015-2016

<u>Table of Contents</u>	<u>Page Number</u>
1. Schedule of Estimated Revenues – General Fund	3
2. Schedule of Estimated Expenditures	7
3. Summary of Estimated Requirements by Budget Class	13
4. Appendix – Budget Explanation	
a. Continuing Cost Reduction Efforts	20
b. General Fund	20
c. Garbage and Solid Waste	21
d. Street Funds	22
e. Utility Funds	22
f. General Fund Revenues	22
g. User Fees and Other Miscellaneous Revenues	24
h. State Shared Revenue	25
i. Income Tax Revenues	27
j. Grant Revenues	28
k. Work Force Reductions	28
l. General Fund Expenditures	30
m. Increases in Operating Costs	32
n. Support For Recreation, Parks and Culture	33
o. General Fund Comparison	34
p. Water and Wastewater Funds	35
q. Combined Sewer Overflow Project	35
r. Bond Commitments	35
s. Construction Subsidies	36
t. Debt Subsidies	36
u. Monthly Utility Billings	38
v. Proposed Public Works Projects	39
w. Special Revenue Funds	40
x. Internal Service Funds	41
y. Tax Increment Funds	41
5. Appendix – Individual Fund Budgets	
a. General Fund	44
b. Street Funds – Major Streets	45
c. Street Funds – Local Streets	46
d. Street Funds – Municipal Streets	47
e. Street Funds – Combined	48
f. Cemetery Fund	49
g. Garbage and Rubbish Collection Fund	50
h. Rental Certification Fund	51
i. O.U.I.L. Fund	52
j. Drug Law Enforcement Fund	53
k. Law Enforcement Fund	54

Table of Contents

Page Number

l. Enhanced 911 Fund	55
m. Community Development Block Grant Fund	56
n. Neighborhood Rehabilitation Fund	57
o. Home Program Fund	58
p. Loan Revolving Fund	59
q. Streetscape Maintenance Fund	60
r. Beautification Commission Fund	61
s. Marina Fund	62
t. Senior Citizens Housing Fund	63
u. Land Purchase Fund.....	64
v. Parking Fund	65
w. Water Fund	66
x. Wastewater Fund	67
y. Central Stores Fund	68
z. Data Processing Fund	69
aa. Motor Vehicle Fund	70
bb. Energy Performance Services Fund	71
cc. Insurance and Fringe Benefit Fund	72
6. 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. Peerless Site Tax Increment Fund	76
Downtown Development Authority	
d. Downtown Development Authority Operating Fund	77
e. Water Street DDA Tax Increment Fund	78
f. Bank DDA Tax Increment Fund	79
g. Harrington Hotel DDA Tax Increment Fund	80
h. Edison Redevelopment DDA Tax Increment Fund	81
i. Mainstreet DDA Tax Increment Fund	82
Local Development Finance Authority	
j. Industrial Park Expansion Tax Increment Fund	83
Brownfield Redevelopment Authority	
k. Southside Redevelopment Tax Increment Fund	84
l. Harker Street Redevelopment Tax Increment Fund	85
m. Sperry’s Redevelopment Tax Increment Fund	86
7. Appendix – Governmental Funds Summary	
Governmental Funds Summary	88
8. Appendix – Projected Revenues and Expenditures	
Schedule of Projected Revenues	91
Schedule of Projected Expenditures	94

Schedule of Estimated Revenues - General Fund

GENERAL FUND
2015-2016

	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
FUND BALANCE	\$	\$	\$ 231,777	\$	\$	\$ 231,777
TAXES:						
Real property taxes	5,565,462	5,323,928	5,230,000	5,290,000	60,000	
Personal property taxes	1,068,364	1,084,775	980,000	950,000		30,000
Income tax	5,868,284	5,934,153	5,900,000	6,075,000	175,000	
Payment in lieu of taxes	88,394	83,415	85,000	70,000		15,000
Penalties and interest on taxes	343,716	223,283	215,000	230,000	15,000	
	<u>12,934,220</u>	<u>12,649,554</u>	<u>12,410,000</u>	<u>12,615,000</u>	<u>250,000</u>	<u>45,000</u>
BUSINESS LICENSES AND PERMITS:						
Taxi drivers	2,279	1,445	2,300	1,500		800
Taxi cabs	723	620	700	500		200
Demolitions	9,650	7,040	9,000	5,000		4,000
C.A.T.V.	328,351	328,170	325,000	330,000	5,000	
Miscellaneous	6,106	4,150	8,000	8,000		
	<u>347,109</u>	<u>341,425</u>	<u>345,000</u>	<u>345,000</u>	<u>5,000</u>	<u>5,000</u>
NONBUSINESS LICENSES AND PERMITS:						
Dog	525	375	500	500		
Building	125,525	147,451	140,000	185,000	45,000	
Electrical	46,421	36,252	40,000	55,000	15,000	
Heating	55,572	42,363	50,000	50,000		
Plumbing	28,505	26,595	30,000	30,000		
Right-of-way	6,168	6,080	9,500	6,500		3,000
Miscellaneous	1,500	790	5,000	3,000		2,000
	<u>264,216</u>	<u>259,906</u>	<u>275,000</u>	<u>330,000</u>	<u>60,000</u>	<u>5,000</u>
GRANTS	<u>450,763</u>	<u>676,249</u>	<u>400,000</u>	<u>715,000</u>	<u>315,000</u>	

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SCHEDULE OF ESTIMATED REVENUES

2015-2016

	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
STATE SHARED REVENUE:						
Sales and use tax - constitutional	\$ 2,197,106	\$ 2,250,734	\$ 2,350,000	\$ 2,425,000	\$ 75,000	\$
Sales and use tax - statutory	988,357	1,039,589	1,075,000	1,075,000		
Liquor licenses	23,384	24,221	25,000	25,000		
	<u>3,208,847</u>	<u>3,314,544</u>	<u>3,450,000</u>	<u>3,525,000</u>	<u>75,000</u>	
CHARGES FOR SERVICES:						
Zoning board of appeals	2,200	1,600	2,600	2,000		600
20th and Court pool	3,662	6,226	7,000	5,000		2,000
Sanborn pool	37,460	38,065	30,000	35,000	5,000	
Lakeside parking	49,966	52,593	50,000	52,000	2,000	
Boat launch fees	32,519	34,108	36,000	33,000		3,000
Recreational fees	210,733	223,460	210,000	220,000	10,000	
Lot splits	1,560	960	2,000	1,500		500
Hydrant maintenance	56,040	57,520	58,640	58,280		360
False alarm charges	2,104	1,150	2,000	1,500		500
Blue Water Bridge reimbursement	300,000	300,000	300,000	300,000		
Summer tax collection fee	1,821	1,814	1,760	1,720		40
County parks millage	131,095	126,945	130,000	125,000		5,000
Miscellaneous	56,108	57,905	45,000	55,000	10,000	
	<u>885,268</u>	<u>902,346</u>	<u>875,000</u>	<u>890,000</u>	<u>27,000</u>	<u>12,000</u>
FINES AND FORFEITS:						
Parking violations	34,423	31,387	40,000	35,000		5,000
Ordinance fines	102,638	107,505	105,000	115,000	10,000	
	<u>137,061</u>	<u>138,892</u>	<u>145,000</u>	<u>150,000</u>	<u>10,000</u>	<u>5,000</u>
INVESTMENT INCOME						
	<u>103,383</u>	<u>30,687</u>	<u>70,000</u>	<u>70,000</u>		
RENTS						
	<u>356,301</u>	<u>361,487</u>	<u>370,000</u>	<u>370,000</u>		

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SCHEDULE OF ESTIMATED REVENUES

2015-2016

	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
SALE OF ASSETS	\$ 71,162	\$ 567,934	\$ 180,000	\$ 3,000	\$	\$ 177,000
OTHER INCOME	3,955	405				
CHARGES TO OTHER FUNDS:						
Garbage and rubbish collection fund	92,485	90,693	93,697	95,090	1,393	
Marina fund	22,109	26,211	28,117	24,966		3,151
Parking fund	10,655	11,733	12,528	11,595		933
Water fund	603,132	607,515	662,635	668,976	6,341	
Wastewater fund	875,800	975,460	1,053,543	1,127,950	74,407	
Central stores fund	11,774	10,938	11,144	11,106		38
Data processing fund	61,128	62,686	62,894	64,072	1,178	
Motor vehicle fund	161,610	154,503	152,941	145,073		7,868
	<u>1,838,693</u>	<u>1,939,739</u>	<u>2,077,499</u>	<u>2,148,828</u>	<u>83,319</u>	<u>11,990</u>
Subtotal	<u>20,600,978</u>	<u>21,183,168</u>	<u>20,829,276</u>	<u>21,161,828</u>	<u>825,319</u>	<u>492,767</u>
TRANSFERS FROM OTHER FUNDS:						
Land purchase fund			435,000	380,000		55,000
			<u>435,000</u>	<u>380,000</u>		<u>55,000</u>
TOTAL	<u>\$ 20,600,978</u>	<u>\$ 21,183,168</u>	<u>\$ 21,264,276</u>	<u>\$ 21,541,828</u>	<u>\$ 825,319</u>	<u>\$ 547,767</u>

Schedule of Estimated Expenditures

SCHEDULE OF ESTIMATED EXPENDITURES

2015-2016

GENERAL FUND	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
General Government:						
City council	\$ 62,808	\$ 55,951	\$ 56,567	\$ 60,880	\$ 4,313	\$
City manager	268,442	283,825	279,141	195,086		84,055
Elections	85,925	52,857	85,004	64,561		20,443
Finance and accounting	572,552	530,068	542,107	554,443	12,336	
Income tax	291,965	292,727	306,311	307,984	1,673	
Assessor	248,855	237,578	246,850	249,747	2,897	
Legal	123,254	154,105	170,000	160,000		10,000
Clerk	231,436	224,646	267,437	265,992		1,445
Personnel	263,619	268,473	284,120	284,357	237	
Purchasing	40,562	46,345	47,339	50,287	2,948	
Board of review	2,239	2,239	2,327	2,327		
Treasurer	170,012	180,003	225,134	211,918		13,216
Municipal office center	674,256	635,166	685,482	680,197		5,285
Promotional	10,503	34,914	15,000			15,000
	<u>3,046,428</u>	<u>2,998,897</u>	<u>3,212,819</u>	<u>3,087,779</u>	<u>24,404</u>	<u>149,444</u>
Public Safety:						
Police administration	882,835	846,197	853,471	853,900	429	
Detectives	1,168,932	1,215,341	1,227,880	1,242,436	14,556	
Patrol	5,330,988	5,438,663	5,497,509	5,588,791	91,282	
Communications	51,731	40,909	41,420	41,540	120	
Fire	4,972,201	5,105,813	5,308,544	4,733,423		575,121
	<u>12,406,687</u>	<u>12,646,923</u>	<u>12,928,824</u>	<u>12,460,090</u>	<u>106,387</u>	<u>575,121</u>
Public Works:						
Inspection	288,392	331,560	317,880	340,324	22,444	
Emergency management	5,312	19,310	11,567	16,912	5,345	
Public works administration	201,068	204,915	208,643	210,304	1,661	
Engineering	215,755	218,856	243,296	240,780		2,516
Street lighting	909,400	883,890	953,548	909,125		44,423
Blight and code enforcement	70,971	224,332	415,615	372,582		43,033
	<u>1,690,898</u>	<u>1,882,863</u>	<u>2,150,549</u>	<u>2,090,027</u>	<u>29,450</u>	<u>89,972</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2015-2016

	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
Senior Citizens:						
Wastewater and water discounts	\$ 1,532	\$ 1,661	\$ 2,000	\$ 2,000	\$	\$
Senior citizens transportation	587					
	<u>2,119</u>	<u>1,661</u>	<u>2,000</u>	<u>2,000</u>		
Recreation, Parks and Culture:						
Parks and forestry	1,045,599	1,011,558	1,057,101	1,058,705	1,604	
Boat launch ramps			16,013	13,748		2,265
Recreation	550,250	572,147	505,332	553,870	48,538	
Rockin the rivers	42,310	42,761	40,045	39,241		804
20th and Court pool	69,836	60,765	68,608	70,436	1,828	
Sanborn pool	106,656	108,198	115,247	120,886	5,639	
Lighthouse park	1,257	1,069	2,977	6,677	3,700	
Lakeside park	13,734	10,680	16,737	16,741	4	
Palmer park recreation center	139,897	148,772	168,993	174,639	5,646	
Lightship	926					
McMorran complex	250,000	530,000	250,000	175,000		75,000
Library	8,000	8,000	8,000	8,000		
Museum	71,768	76,332	86,029	86,142	113	
	<u>2,300,233</u>	<u>2,570,282</u>	<u>2,335,082</u>	<u>2,324,085</u>	<u>67,072</u>	<u>78,069</u>
Other Functions:						
Planning	117,399	108,145	155,453	149,662		5,791
Blue Water Bridge economic study	89,825	238,258	92,500	100,000	7,500	
Telephone service	10,472	8,284	7,668	10,610	2,942	
Projected personnel reductions				(175,000)		175,000
Contingencies			40,000	40,000		
Insurance, health and safety	57,934	54,542	63,000	68,055	5,055	
Taxes written off	50,190	7,226	15,000	15,000		
Demolitions	102,086	51,628	50,000	50,000		
	<u>427,906</u>	<u>468,083</u>	<u>423,621</u>	<u>258,327</u>	<u>15,497</u>	<u>180,791</u>
Subtotal	<u>19,874,271</u>	<u>20,568,709</u>	<u>21,052,895</u>	<u>20,222,308</u>	<u>242,810</u>	<u>1,073,397</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2015-2016

	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
Public Improvements:						
Parks and recreation projects	\$ 333,015	\$ 336,241	\$ 30,000	\$ 675,000	\$ 645,000	\$
MOC capital	1,229	5,910	95,000	380,000	285,000	
Other public improvement	16,432	176,910	83,081	261,220	178,139	
	<u>350,676</u>	<u>519,061</u>	<u>208,081</u>	<u>1,316,220</u>	<u>1,108,139</u>	
Subtotal	<u>20,224,947</u>	<u>21,087,770</u>	<u>21,260,976</u>	<u>21,538,528</u>	<u>1,350,949</u>	<u>1,073,397</u>
Transfer to Other Funds:						
Beautification commission fund	3,300	3,300	3,300	3,300		
Land Purchase fund	360,000					
	<u>363,300</u>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>		
TOTAL GENERAL FUND	<u>20,588,247</u>	<u>21,091,070</u>	<u>21,264,276</u>	<u>21,541,828</u>	<u>1,350,949</u>	<u>1,073,397</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	4,159,018	3,071,735	3,475,049	4,962,790	1,487,741	
Local streets	1,437,861	1,511,754	2,754,564	2,387,723		366,841
Municipal streets	1,924,686	799,372	3,827,269	3,568,626		258,643
	<u>7,521,565</u>	<u>5,382,861</u>	<u>10,056,882</u>	<u>10,919,139</u>	<u>1,487,741</u>	<u>625,484</u>
Cemetery fund	373,061	481,779	495,411	548,524	53,113	
Garbage and rubbish collection fund	1,819,612	1,687,942	1,763,028	1,789,445	26,417	
Rental certification fund	217,411	236,513	278,752	235,345		43,407
OUIL fund	18,330	11,267	34,000	34,000		
Drug law enforcement fund	30,157	29,158	56,000	56,000		
Law enforcement fund	2,676	1,835	5,000	5,000		
Enhanced 911 fund	1,562	1,411	25,000	25,000		
Community development block grant fund	463,168	683,544	650,000	691,187	41,187	
Neighborhood rehabilitation fund	602,871	629,061		60,000	60,000	
Home program fund	190,106	305,311	180,000	171,959		8,041
Loan revolving fund				1,100,000	1,100,000	

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SCHEDULE OF ESTIMATED EXPENDITURES

2015-2016

	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
Streetscape maintenance fund	\$ 38,499	\$ 69,678	\$ 70,000	\$ 50,000	\$	\$ 20,000
Beautification commission fund	3,789	4,588	7,300	7,300		
TOTAL SPECIAL REVENUE FUNDS	11,282,807	9,524,948	13,621,373	15,692,899	2,768,458	696,932
ENTERPRISE FUNDS						
Marina fund	152,305	200,065	338,373	260,491		77,882
Senior Citizen Housing Fund			2,400,000	2,340,000		60,000
Land purchase fund	2,575,914	3,157,143	885,000	520,000		365,000
Parking fund	100,072	128,474	130,714	865,280	734,566	
Water Fund:						
Treatment plant	1,927,345	1,937,333	2,588,257	2,640,838	52,581	
Distribution	986,830	973,174	1,116,497	1,129,215	12,718	
Customer accounting	269,135	260,305	428,712	431,219	2,507	
Meter reading	394,486	411,523	473,967	444,197		29,770
Debt service	8,595,855	3,836,712	4,295,000	4,041,000		254,000
Capital outlay	1,579,891	2,233,986	3,360,000	1,500,000		1,860,000
	<u>13,753,542</u>	<u>9,653,033</u>	<u>12,262,433</u>	<u>10,186,469</u>	<u>67,806</u>	<u>2,143,770</u>
Wastewater Fund:						
Treatment plant	4,471,016	4,557,975	5,458,505	5,658,145	199,640	
Collection, general	1,996,872	1,781,075	2,432,548	2,986,284	553,736	
Collection system no. 1	18	19	220	221	1	
Collection system no. 2	33,145	23,007	46,999	48,491	1,492	
Collection system no. 3	41,776	39,810	74,688	74,119		569
Debt service	7,101,556	11,969,325	7,274,000	7,466,000	192,000	
Capital outlay	2,576,975	2,952,328	4,610,000	650,000		3,960,000
	<u>16,221,358</u>	<u>21,323,539</u>	<u>19,896,960</u>	<u>16,883,260</u>	<u>946,869</u>	<u>3,960,569</u>
TOTAL ENTERPRISE FUNDS	32,803,191	34,462,254	35,913,480	31,055,500	1,749,241	6,607,221

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SCHEDULE OF ESTIMATED EXPENDITURES

2015-2016

	Actual		Budget			
	2012-2013	2013-2014	2014-2015	2015-2016	Increase	Decrease
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 108,425	\$ 101,333	\$ 135,272	\$ 134,882	\$	\$ 390
Data processing fund	602,901	626,432	749,737	713,528		36,209
Motor vehicle fund	1,514,091	1,382,345	2,095,191	2,160,660	65,469	
Energy performance services fund	365,482	420,376	330,000	330,000		
Insurance and fringe benefit fund	10,093,174	10,132,480	11,270,000	12,500,000	1,230,000	
TOTAL INTERNAL SERVICE FUNDS	12,684,073	12,662,966	14,580,200	15,839,070	1,295,469	36,599
TAX INCREMENT FUNDS						
Industrial park tax increment fund	1,198,000	1,074,621	1,058,000	949,000		109,000
Paper company tax increment fund	121,986	137,096	376,000	324,000		52,000
Krafft-Holland tax increment fund	507,700	460,579	522,000			522,000
Peerless site tax increment fund	82,963	45,270	45,000	93,000	48,000	
Downtown development authority operating fund	308,383	97,105	194,500	148,817		45,683
Water street tax increment fund	433,717	243,085	315,000	307,000		8,000
Bank tax increment fund	120,765	8,322	8,000	9,000	1,000	
Harrington Hotel tax increment fund	8,675	1,675	90,000	90,000		
Edison redevelopment tax increment fund	378,485	267,748	262,000	274,000	12,000	
Mainstreet tax increment fund	218,588	17,148	60,000	53,000		7,000
Industrial park expansion tax increment fund	451,008	365,544	354,000	368,000	14,000	
Brownfield redevelopment tax increment fund:						
Southside Redevelopment	280,834	249,522	283,000	291,000	8,000	
Harker Street Redevelopment		674,478	25,000	30,000	5,000	
Sperry's Redevelopment			8,000	1,000		7,000
TOTAL TAX INCREMENT FUNDS	4,111,104	3,642,193	3,600,500	2,937,817	88,000	750,683
TOTAL ALL FUNDS	\$ 81,469,422	\$ 81,383,431	\$ 88,979,829	\$ 87,067,114	\$ 7,252,117	\$ 9,164,832

Summary of Estimated Requirements by Budget Class

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2015-2016

GENERAL FUND	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
General Government:						
City council	\$ 13,825	\$ 1,500	\$ 45,555	\$ 60,880	\$	\$ 60,880
City manager	178,690	1,700	14,696	195,086		195,086
Elections	42,358	6,100	16,103	64,561		64,561
Finance and accounting	467,501	6,800	80,142	554,443		554,443
Income tax	235,051	25,370	47,563	307,984		307,984
Assessor	190,154	8,050	51,543	249,747		249,747
Legal		150	159,850	160,000		160,000
Clerk	215,839	2,010	48,143	265,992		265,992
Personnel	244,970	3,100	36,287	284,357		284,357
Purchasing	43,420	300	6,567	50,287		50,287
Board of review	1,800		527	2,327		2,327
Treasurer	150,027	11,800	50,091	211,918		211,918
Municipal office center	230,820	27,093	418,284	676,197	4,000	680,197
Promotional						
	<u>2,014,455</u>	<u>93,973</u>	<u>975,351</u>	<u>3,083,779</u>	<u>4,000</u>	<u>3,087,779</u>
Public Safety:						
Police administration	681,784	22,580	149,536	853,900		853,900
Detectives	1,121,671	22,120	98,645	1,242,436		1,242,436
Patrol	4,974,578	122,390	491,823	5,588,791		5,588,791
Communications			41,540	41,540		41,540
Fire	4,221,588	173,465	334,570	4,729,623	3,800	4,733,423
	<u>10,999,621</u>	<u>340,555</u>	<u>1,116,114</u>	<u>12,456,290</u>	<u>3,800</u>	<u>12,460,090</u>
Public Works:						
Inspection	306,982	1,800	31,542	340,324		340,324
Emergency management		453	16,459	16,912		16,912
Public works administration	200,707	300	9,297	210,304		210,304
Engineering	176,092	5,150	59,538	240,780		240,780
Street lighting	13,886	2,000	893,239	909,125		909,125
Blight	311,626	6,950	54,006	372,582		372,582
	<u>1,009,293</u>	<u>16,653</u>	<u>1,064,081</u>	<u>2,090,027</u>		<u>2,090,027</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2015-2016

	<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	\$	\$	\$ 2,000	\$ 2,000	\$	\$ 2,000
			2,000	2,000		2,000
Recreation, Parks and Culture:						
Parks and forestry	589,313	75,145	394,247	1,058,705		1,058,705
Boat launch ramps	4,266	2,050	7,432	13,748		13,748
Recreation	374,794	75,920	103,156	553,870		553,870
Rockin the rivers	835	3,275	35,131	39,241		39,241
20th and Court pool	34,452	10,125	25,859	70,436		70,436
Sanborn pool	77,722	13,428	29,736	120,886		120,886
Lighthouse park	1,327	1,800	3,550	6,677		6,677
Lakeside park	661	3,100	12,980	16,741		16,741
Palmer park recreation center	130,489	3,876	40,274	174,639		174,639
McMorran complex			175,000	175,000		175,000
Library			8,000	8,000		8,000
Museum	409	500	85,233	86,142		86,142
	<u>1,214,268</u>	<u>189,219</u>	<u>920,598</u>	<u>2,324,085</u>		<u>2,324,085</u>
Other Functions:						
Planning	128,842	3,300	17,520	149,662		149,662
Blue Water Bridge economic development plan			100,000	100,000		100,000
Telephone service		1,000	9,610	10,610		10,610
Contingencies	(175,000)		40,000	(135,000)		(135,000)
Insurance, health and safety	8,800	890	58,365	68,055		68,055
Taxes written off			15,000	15,000		15,000
Demolitions		1,000	49,000	50,000		50,000
	<u>(37,358)</u>	<u>6,190</u>	<u>289,495</u>	<u>258,327</u>		<u>258,327</u>
Subtotal	<u>15,200,279</u>	<u>646,590</u>	<u>4,367,639</u>	<u>20,214,508</u>	<u>7,800</u>	<u>20,222,308</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2015-2016

	<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	\$	\$	\$	\$	\$ 675,000	\$ 675,000
MOC Capital					380,000	380,000
Other public improvements					261,220	261,220
					<u>1,316,220</u>	<u>1,316,220</u>
Subtotal	<u>15,200,279</u>	<u>646,590</u>	<u>4,367,639</u>	<u>20,214,508</u>	<u>1,324,020</u>	<u>21,538,528</u>
Transfer to Other Funds:						
Beautification commission fund			3,300	3,300		3,300
			<u>3,300</u>	<u>3,300</u>		<u>3,300</u>
TOTAL GENERAL FUND	<u>15,200,279</u>	<u>646,590</u>	<u>4,370,939</u>	<u>20,217,808</u>	<u>1,324,020</u>	<u>21,541,828</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	940,091	224,756	998,049	2,162,896	2,799,894	4,962,790
Local streets	586,394	127,527	351,136	1,065,057	1,322,666	2,387,723
Municipal streets	44,390	6,624	3,517,612	3,568,626		3,568,626
	<u>1,570,875</u>	<u>358,907</u>	<u>4,866,797</u>	<u>6,796,579</u>	<u>4,122,560</u>	<u>10,919,139</u>
Cemetery fund	329,435	28,488	133,601	491,524	57,000	548,524
Garbage and rubbish collection fund	86,536	4,504	1,698,405	1,789,445		1,789,445
Rental certification fund	201,410	6,500	27,435	235,345		235,345
OUIL fund		5,500	8,500	14,000	20,000	34,000
Drug law enforcement fund		10,000	6,000	16,000	40,000	56,000
Law enforcement fund		5,000		5,000		5,000
Enhanced 911 fund					25,000	25,000
Community development block grant fund	124,566	700	13,001	138,267	552,920	691,187
Neighborhood rehabilitation fund					60,000	60,000
Home program fund	20,457			20,457	151,502	171,959
Loan revolving fund			750,000	750,000	350,000	1,100,000

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2015-2016

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Streetscape maintenance fund	\$ 5,010	\$ 290	\$ 37,400	\$ 42,700	\$ 7,300	\$ 50,000
Beautification commission fund		6,500	800	7,300		7,300
TOTAL SPECIAL REVENUE FUNDS	2,338,289	426,389	7,541,939	10,306,617	5,386,282	15,692,899
ENTERPRISE FUNDS						
Marina fund	9,980	3,535	246,976	260,491		260,491
Senior Citizen Housing fund			2,340,000	2,340,000		2,340,000
Land purchase fund			495,000	495,000	25,000	520,000
Parking fund	38,728	4,420	72,132	115,280	750,000	865,280
Water Fund:						
Treatment plant	894,187	189,320	1,030,331	2,113,838	527,000	2,640,838
Distribution	572,838	97,390	436,770	1,106,998	22,217	1,129,215
Customer accounting	240,471	71,455	119,293	431,219		431,219
Meter reading	235,435	46,721	140,900	423,056	21,141	444,197
Debt service			4,041,000	4,041,000	1,500,000	5,541,000
	<u>1,942,931</u>	<u>404,886</u>	<u>5,768,294</u>	<u>8,116,111</u>	<u>2,070,358</u>	<u>10,186,469</u>
Wastewater Fund:						
Treatment plant	1,989,997	493,063	2,702,348	5,185,408	472,737	5,658,145
Collection, general	813,912	139,003	1,412,592	2,365,507	620,777	2,986,284
Collection system no. 1			221	221		221
Collection system no. 2	10,082	10,500	27,909	48,491		48,491
Collection system no. 3	8,273	6,500	59,346	74,119		74,119
Debt service			7,466,000	7,466,000	650,000	8,116,000
	<u>2,822,264</u>	<u>649,066</u>	<u>11,668,416</u>	<u>15,139,746</u>	<u>1,743,514</u>	<u>16,883,260</u>
TOTAL ENTERPRISE FUNDS	4,813,903	1,061,907	20,590,818	26,466,628	4,588,872	31,055,500

(Continued on next page)

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2015-2016

	<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	\$ 15,448	\$ 35,600	\$ 64,834	\$ 115,882	\$ 19,000	\$ 134,882
Data processing fund	402,966	70,800	194,762	668,528	45,000	713,528
Motor vehicle fund	540,516	410,865	563,864	1,515,245	645,415	2,160,660
Energy performance services fund			330,000	330,000		330,000
Insurance and fringe benefit fund	<u>11,964,000</u>	<u>1,000</u>	<u>535,000</u>	<u>12,500,000</u>		<u>12,500,000</u>
TOTAL INTERNAL SERVICE FUNDS	<u>12,922,930</u>	<u>518,265</u>	<u>1,688,460</u>	<u>15,129,655</u>	<u>709,415</u>	<u>15,839,070</u>
TAX INCREMENT FUNDS						
Industrial park tax increment fund			949,000	949,000		949,000
Paper company tax increment fund			324,000	324,000		324,000
Krafft-Holland tax increment fund						
Peerless site tax increment fund			93,000	93,000		93,000
Downtown development authority operating fund			48,817	48,817	100,000	148,817
Water street tax increment fund			302,000	302,000	5,000	307,000
Bank tax increment fund			9,000	9,000		9,000
Harrington Hotel tax increment fund			10,000	10,000	80,000	90,000
Edison redevelopment tax increment fund			259,000	259,000	15,000	274,000
Mainstreet tax increment fund			3,000	3,000	50,000	53,000
Industrial park expansion tax increment fund			293,000	293,000	75,000	368,000
Brownfield redevelopment tax increment funds:						
Southside redevelopment			291,000	291,000		291,000
Harker Street redevelopment			30,000	30,000		30,000
Sperry's redevelopment			<u>1,000</u>	<u>1,000</u>		<u>1,000</u>
TOTAL TAX INCREMENT FUNDS			<u>2,612,817</u>	<u>2,612,817</u>	<u>325,000</u>	<u>2,937,817</u>
TOTAL ALL FUNDS	<u>\$ 35,275,401</u>	<u>\$ 2,653,151</u>	<u>\$ 36,804,973</u>	<u>\$ 74,733,525</u>	<u>\$ 12,333,589</u>	<u>\$ 87,067,114</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 28, 29 and 30, the City has reduced its employee count by over twenty-eight percent since 2002. Total revenues have fallen since their peak in 2007-08, particularly due to declines in property values and state cuts of revenue sharing beginning in 2002. Residential property values have fallen by 38% since the 2008-09 year and taxable values have fallen by 30%. As a result, property taxes paid by City residents and landlords have decreased by over 27% over the past seven years. Overall values, including industrial and commercial properties, have fallen by 33% and taxable values have fallen by 26.4%.

The City is continuing its efforts to reduce overall costs of operations while minimizing the resultant service reductions. The proposed budget eliminates ten full-time positions, in addition to the eighty-nine budgeted full-time positions eliminated in prior years, for a total of ninety-nine eliminated positions.

Initial General Fund revenue and expenditure estimates and requests for the fiscal year ending June 30, 2016 projected that expenditures would exceed revenues by over \$1 million. As a result of the adjustments discussed below, the gap has been eliminated.

B. General Fund

The General Fund budget reflects expected slight increases in property taxes, income tax revenues and state shared revenue. As part of an effort to reduce expenses, positions have been eliminated, positions have been reallocated and services have been consolidated.

In order to assure rating agencies and bond holders that costs will continue to be controlled, the City Council adopted both a Debt Management Policy and a Fund Balance Policy during January, 2015. The Debt Management Policy outlines the principles, guidelines and restrictions for incurring debt and payment of debt services. The Fund Balance Policy states the City’s intention to manage the fund balance in its governmental funds in a manner consistent with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Fund Balance Policy also stated the City Council’s intent to manage the General Fund’s activities in such a manner, that over time the Fund Balance of the General Fund would move toward 25%. As of June 30, 2015, based on the proposed budget the percentage is expected to be 20.8%

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. Overall, General Fund revenues are expected to increase by less than \$510,000 in 2015-16. However, this is after considering an expected increase in Parks and Recreation grants of over \$525,000, primarily for the Black River Walk and Lakeside Park improvements. Property and income taxes and state revenue sharing are expected to generate \$16.14 million in General Fund revenue for the year ending

June 30, 2016. This is \$1.37 million less than those three revenue items generated fourteen 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. Revenue constrictions have impacted the City's ability to fund capital projects and many 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 additional cuts will be necessary.

In summary, the General Fund budget, as proposed, continues, but does not expand, most government services. The proposed General Fund budget 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. Garbage and Solid Waste

Historically, the funds for garbage and solid waste removal have been 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 seven 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 \$1.6 million for the fiscal year ending June 30, 2016. Because there were prior accumulated funds dedicated for rubbish and solid waste purposes, services had been continued at prior levels up to June 30, 2012.

The 2012-13 budget made several adjustments to past procedures as a result of declining revenues and the expenditure of the accumulated funds. Street sweeping services were moved to the Major and Local Streets funds and were reduced to a once per month service. Brush and branch pickup were moved to the General Fund's Parks and Forestry activity as of May, 2013 and will continue for a four week period in the spring and again in the fall. A nominal pick-up fee has been instituted in order to make the program more sustainable.

During February, 2013, the City Council approved a five-year contract with a new service provider which maintains service through June 30, 2018. It was anticipated that the changes discussed above would provide sufficient revenue to continue current services until at least June 30, 2016. However, property tax values have not recovered as quickly as anticipated. It now appears that under current property tax conditions the Rubbish and Garbage Collection fund would run out of cash before the end of the 2015-16 budget year and the cash deficits would increase year after year.

Therefore, it is recommended that the means of funding the Rubbish and Garbage Collection Fund be modified to include a \$35 annual fee per residence for bulk leaf and yard waste pick up and recycling. This fee would raise an additional \$350,000 to fund current operations, and over time, restore the financial integrity of the fund.

Alternatively, the City Council could consider eliminating the bulk leaf and yard waste pick up and recycling services. This should allow the Rubbish and Garbage Collection Fund to operate with current property tax revenue, at least in the near time.

D. 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 are now accounted for in the streets funds. The street construction millage, which was renewed for ten years in November, 2013, will provide approximately \$11.0 million for construction and street improvements for the ten-year period ending June 30, 2024. The street construction millage is an integral component of streets funding. This millage will allow the major rehabilitation of the City's streets to continue, when coupled with federal grants, state grants and the use of accumulated funds.

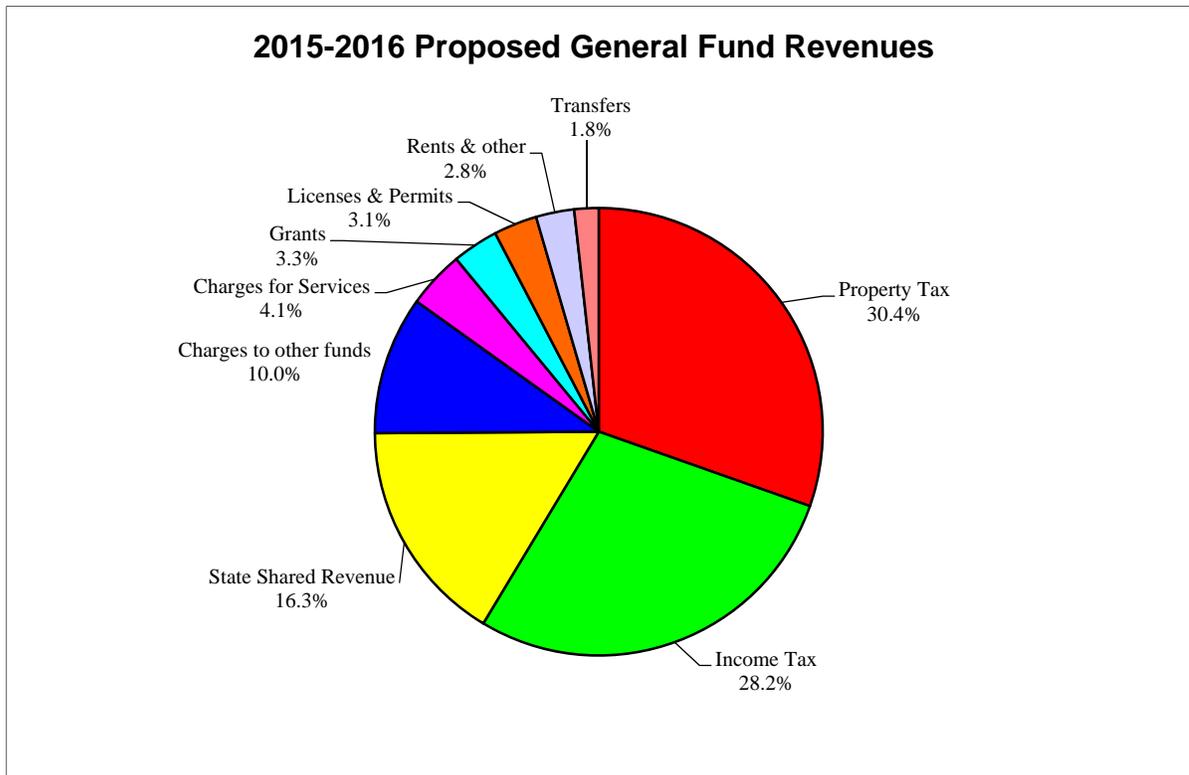
E. Utility Funds

The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$22.2 million. The two funds' cost of operating, debt service, departmental capital costs and other capital costs funded from operations are expected to be approximately \$26.5 million, a deficit of \$4.3 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 other City Funds. In addition, the budget includes a 3.1% rate increase for both funds, which was adopted by City Council during November, 2014 and is expected to provide \$500,000 per year. This increase has been included in the projected revenues discussed above. Water and wastewater usage through the most recent three years has declined somewhat.

F. General Fund Revenues

City revenues have been significantly affected by the economic and employment conditions that have prevailed in recent years. Over the past fifteen 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 2015-16 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	\$503,504,477
Personal property	86,071,300
Special Acts assessment rolls:	
Industrial facilities roll:	
New facilities, real property	3,458,500
New facilities, personal property	21,814,900
Neighborhood enterprise zone, real property	139,026
Land bank, real property	553
Obsolete property rehabilitation, real property	<u>1,078,905</u>
	<u>\$616,067,661</u>

Taxable valuation has increased by 1.1% overall. Real property values increased by 0.5%, and personal property values increased by 4.2%. State equalized valuation (SEV) has increased by 2.7% overall. Real property values increased by 2.4%, while personal property values increased by 4.2%.

Pursuant to legislation approved by voters in the August 2014 statewide election, the State of Michigan will be phasing out the personal property tax. This will have a significant effect on the City of Port Huron’s future finances. For the 2015-16 budget year, approximately 17.5% of the City’s taxable value is due to personal property taxes (67% of which is industrial). Beginning with the 2014-15 budget year, companies having taxable value less than \$40,000 were dropped from the tax rolls. The negative impact of City tax revenue is estimated to be approximately \$100,000 in the 2015-16 budget year.

The State has pledged to provide full reimbursement for lost personal property tax revenue, however no reimbursements have been received to date.

Proposal A, which was approved by the voters on March 15, 1994, increased the state sales and use tax as a means to reduce the reliance on local property taxes for school financing. The property tax portion of this proposal limits individual assessment increases to the rate of inflation (1.6% for 2015), 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 2015 is the lower of the 2015 state equalized value or the 2014 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 2015 and 2014, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 95.8% and 97.3% of equalized value, as shown below:

	<u>2015</u>	<u>2014</u>
Equalized Value	\$642,931,200	\$626,104,300
Taxable Value	<u>616,067,661</u>	<u>609,347,536</u>
Difference	<u>\$ 26,863,539</u>	<u>\$ 16,756,764</u>

There is an increase in overall taxable values for the upcoming fiscal year. At this time, it is not clear whether real estate values will continue to increase overall, especially when the effects of personal property tax reform are considered.

This proposed budget anticipates General Fund property tax revenue of \$6.24 million based on a net uncaptured taxable value of \$554,000,000 at the proposed millage rate of 11.2696 mills.

G. User Fees and Other Miscellaneous Revenues

The proposed 2015-16 General Fund budget anticipates approximately \$2.2 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 2015-16.

<u>Source</u>	<u>Anticipated Revenue</u>
Licenses and Permits:	
Cable television	\$ 330,000
Building permits	320,000
Other	<u>25,000</u>
	<u>675,000</u>
Charges for Services:	
Recreation fees	345,000
Blue Water Bridge reimbursement	300,000
County parks millage	125,000
Other	<u>120,000</u>
	<u>890,000</u>
Fines and Forfeits:	
Parking violations	35,000
Ordinance fines	<u>115,000</u>
	<u>150,000</u>
Investment Income	<u>70,000</u>
Rents - MOC	<u>370,000</u>
Sale of Assets	<u>3,000</u>
	<u>\$ 2,158,000</u>

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 2015-16 are the equivalent of 3.9 mills of property tax.

H. 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 2015-16 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 initial EVIP program implemented by the State had three key aspects as follows:

1. Accountability and Transparency
2. Consolidation of Services Plan
3. Unfunded Accrued Liability Plan

During 2014 the State of Michigan established the City, Village and Township Revenue Sharing (CVTRS) program (a simplified version of the EVIP). Each eligible local unit must meet all of the requirements of Accountability and Transparency in order to receive the full CVTRS payments. A Consolidation of Services Plan and an Unfunded Accrued Liability Plan are not required under the CVTRS program.

The City has successfully met the criteria to receive the CVTRS payments and management believes the City will continue to qualify for these payments in the future. The budget has been prepared based on that assumption and also assumes the State of Michigan will continue to fund the CVTRS program at their estimated levels.

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 CVTRS (formerly EVIP/statutory revenue sharing) is set by the state legislature and is also subject to change by executive order of the governor. In recent years, when 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/EVIP/CVTRS	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	2,179,039	1,177,448	3,356,487
2012-13	2,197,106	988,357	3,185,463
2013-14	2,250,734	1,039,589	3,290,323
*2014-15	2,350,000	1,075,000	3,425,000
*2015-16	2,425,000	1,075,000	3,500,000

* Budgeted 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
2000-01	\$5,139,620	\$ 0	0.0%	25.3%
2001-02	4,900,085	239,535	4.7%	23.5%
2002-03	4,464,536	675,084	13.1%	22.4%
2003-04	4,296,200	843,420	16.4%	21.4%
2004-05	4,130,995	1,008,625	19.6%	19.1%
2005-06	4,072,107	1,067,513	20.8%	18.1%
2006-07	4,034,411	1,105,209	21.5%	17.6%
2007-08	3,899,728	1,239,892	24.1%	15.5%
2008-09	4,014,222	1,125,398	21.9%	17.5%
2009-10	3,381,001	1,758,619	34.2%	15.3%
2010-11	3,333,047	1,806,573	35.1%	15.3%
2011-12	3,356,487	1,783,133	34.7%	15.9%
2012-13	3,185,463	1,954,157	38.0%	15.5%
2013-14	3,290,323	1,849,297	36.0%	15.6%
*2014-15	3,425,000	1,714,620	33.4%	16.1%
*2015-16	3,500,000	1,639,620	31.9%	16.2%

* 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 \$1.6 million less from this important revenue source than it received in 2000-01. **This loss of State shared revenue is equal to 2.9 mills of property tax, based on the City's 2015 taxable value.**

I. Income Tax Revenues

City income tax revenues have been estimated at \$6.075 million, slightly higher than the current year's budgeted amount. Over the past seven 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 11.0 mills of property tax.**

J. Grant Revenues

The 2014-15 budget includes expected grant revenue of \$600,000 for various parks and recreation grants. Grant revenue also includes \$100,000 from the State of Michigan for economic development related to the Blue Water Bridge Plaza project.

K. 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 99 full-time positions have been or will be eliminated. Sixteen of the eliminated positions were division heads or supervisors, including 13 since 2008.

The budget presented for the fiscal year ending June 30, 2016 proposes that 10 full-time positions be eliminated. These eliminations are in addition to the budgeted positions eliminated since the fiscal year ended June 30, 2003.

The eliminated positions can be summarized as follows:

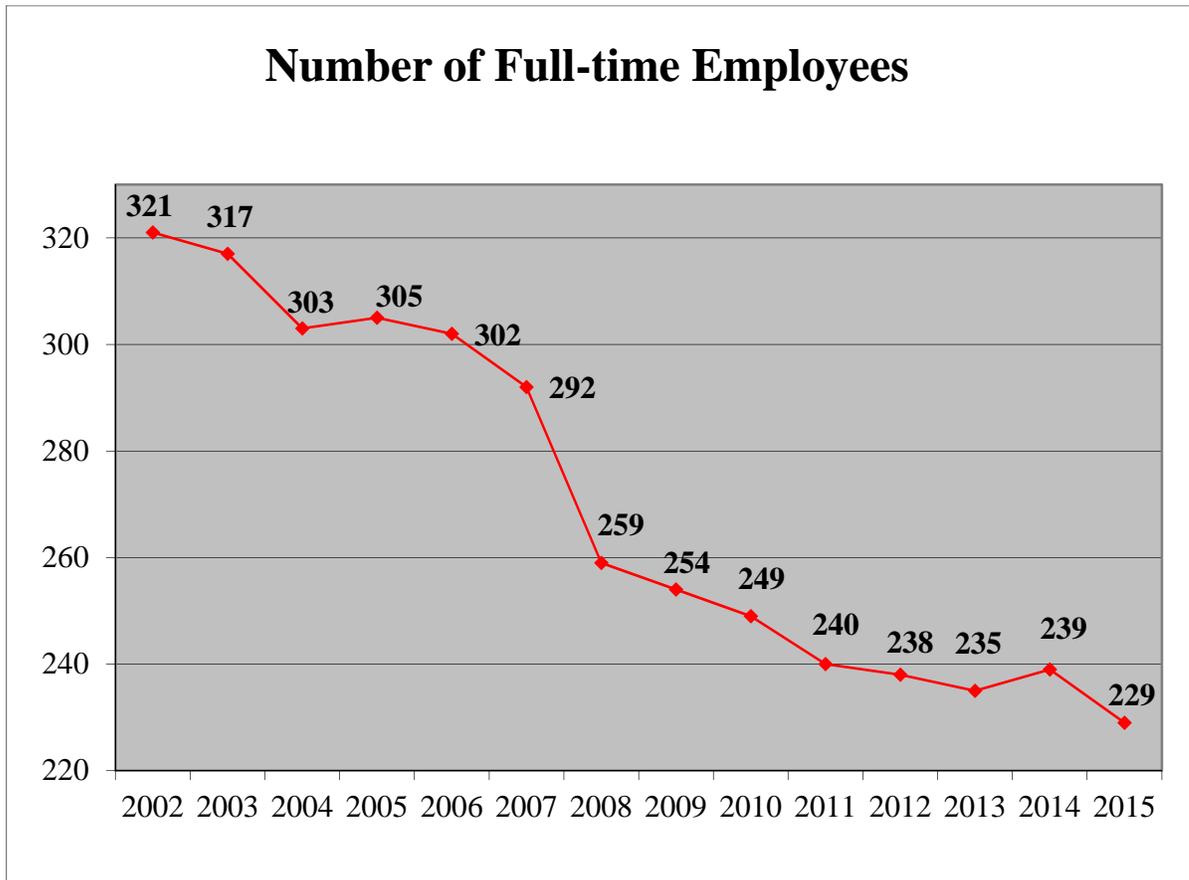
<u>Department - Position</u>	<u>Number</u>	<u>Fiscal Year</u>
Parks and Forestry - Supervisor	1	June 30, 2003
Legal - Clerical	1	June 30, 2003
Fire - Firefighters	4	June 30, 2004
Treasurer - Cashier	1	June 30, 2004
Police - Police Officer	1	June 30, 2004
Parks and Forestry - Equipment Operator	1	June 30, 2006
Utilities - Instrument Technician	1	June 30, 2006
Utilities - Equipment Operator	1	June 30, 2006
Police - Clerical	1	June 30, 2006
City Manager - Assistant to City Manager	1	June 30, 2007
Police:		
Captain	1	June 30, 2007
Replaced by Police Officer	-1	June 30, 2007
Parks and Forestry - Equipment Operator	1	June 30, 2007
Utilities - Laboratory Technician	1	June 30, 2008
Inspection - Supervisor	1	June 30, 2008
Engineering - Engineer	1	June 30, 2008
Utilities - Equipment Operator	1	June 30, 2008
Cemetery - Equipment Operator	1	June 30, 2008
Information Technology - Programmer	1	June 30, 2008
Cemetery - Supervisor	1	June 30, 2008
Assessing - Clerical	1	June 30, 2008*
Clerk - Clerical (Marina, Blight, BPIC)	1	June 30, 2008*
Police - Community Services Officer	1	June 30, 2008*
Police - Parking Enforcement	1	June 30, 2008*
Fire - Firefighters	6	June 30, 2008*
Communications - Dispatch Supervisor	1	June 30, 2008*
Communications - Dispatchers	10	June 30, 2008*

<u>Department - Position</u>	<u>Number</u>	<u>Fiscal Year</u>
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 – Account Clerk	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	-2	June 30, 2013
Engineering – Engineer	1	June 30, 2014
DPW – Vehicle/Equipment Mechanic	1	June 30, 2014
Finance – Clerical	1	June 30, 2014
DPW – Water Meter Technician	1	June 30, 2014
Recreation – Activities Coordinator	-1	June 30, 2014
Water Meter Technician	1	June 30, 2015
Engineering Assistant II	1	June 30, 2015
Streets Superintendent	1	June 30, 2015
Cemetery Supervisor	-1	June 30, 2015
Code Enforcement Secretary	-1	June 30, 2015
Utilities Account Clerk/Cashier	-2	June 30, 2015
Code Enforcement Lieutenant	-1	June 30, 2015
DPW Administrative Coordinator	-1	June 30, 2015
Treasurer – Account Clerk	-1	June 30, 2015

<u>Department - Position</u>	<u>Number</u>	<u>Fiscal Year</u>
Inspection – Clerk	1	June 30, 2016
Fire – Secretary	1	June 30, 2016
Fire – Firefighters	6	June 30, 2016
City Manager’s Office – Executive Assistant	1	June 30, 2016
Utilities Account Clerk/Cashier	<u>1</u>	June 30, 2016
Total	<u>99</u>	

* Service reduction budget adjustments - September, 2007

Since 2002, the number of full time City employees has been reduced by over 28% as illustrated in the graph below showing filled positions at each year end:



L. 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, 2016 are approximately \$830,000 lower than comparable budgeted operating expenses for the proposed budget for 2014-15, a decrease of 3.9 percent.**

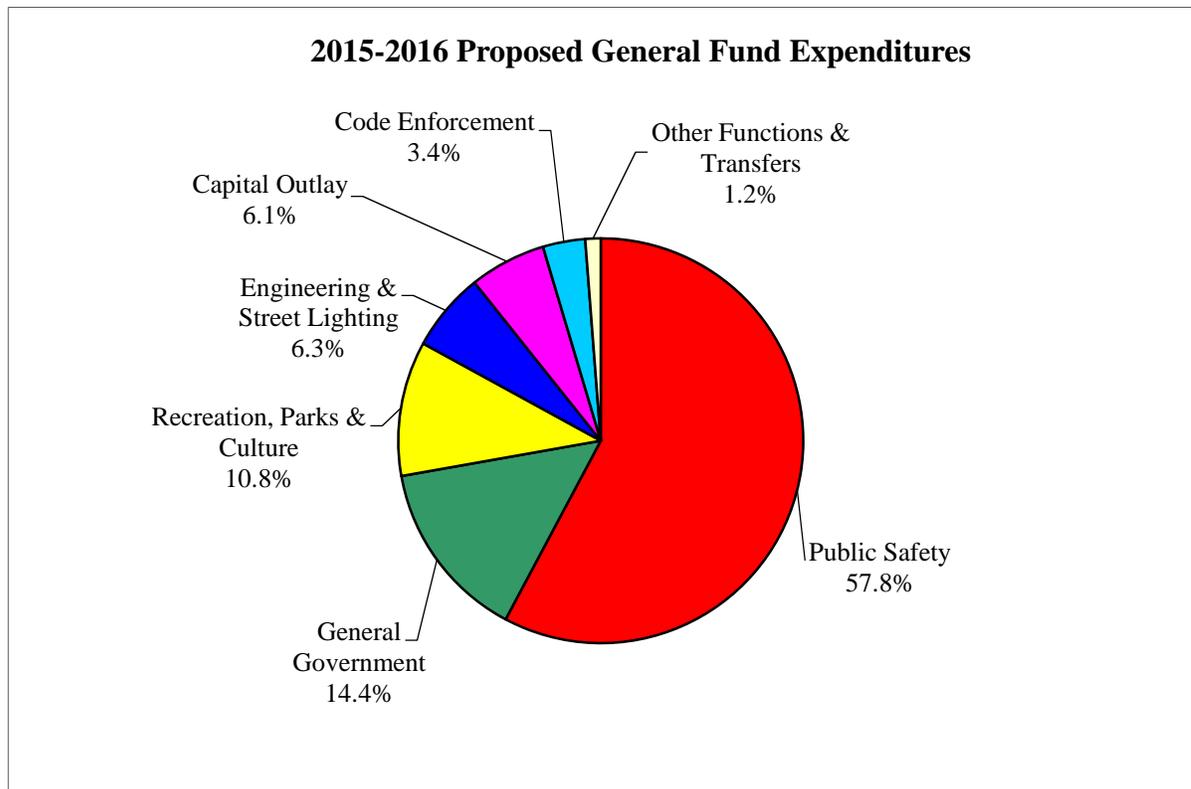
Capital outlay is proposed to increase by \$1,000,879 to \$1,324,020 compared to the 2014-15 adopted budget. The capital outlay budget of \$1,324,020 has been proposed in order

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	\$ 170,020
Parks and Recreation	675,000
MOC Capital	380,000
Other Public Improvements	<u>99,000</u>
	<u>\$1,324,020</u>

The proposed capital outlay in Parks and Recreation includes \$630,000 for improvements to Lakeside Park. These improvements will be funded by the \$125,000 County Recreation millage which has been dedicated solely to this project in the 2015-16 proposed budget. Additional funding of \$295,000 is expected from a Michigan DNR grant as well as \$210,000 in private funds being raised for this project. A \$45,000 project for the Black River Walk is also grant funded. Capital improvements to the Municipal Office Center of \$380,000 is being financed by a transfer from the Land Purchase Fund. These dollars were set aside in prior years to allow for the funding of significant capital improvements to the MOC.

The illustration below depicts the major categories of General Fund expenditures for 2015-16 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 2.6% of General Fund expenditures.

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

Personal services	\$ 15,200,279
Supplies and materials	646,590
Contractual services	<u>4,367,639</u>
Total Operating Expenses	20,214,508
Transfer	3,300
Capital outlay:	
Departmental	7,800
Parks and recreation projects	675,000
MOC capital	380,000
Available for other public improvements and/or salary adjustments	<u>261,220</u>
Total	<u>\$ 21,541,828</u>

M. 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. Full-time public safety employees hired after July 1, 2014 will also be covered by the MERS hybrid pension plan. All employees hired prior to July 1, 2008, have had employee pension contributions increased by a cumulative 8% effective July 1, 2013.
- 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. Cost results to date have been favorable. The proposed costs are summarized as follows:

Active Employee Health Costs	\$ 2,100,000
Retired Employee Health Costs	<u>3,400,000</u>
Total	<u>\$ 5,500,000</u>

The City has 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.

N. 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 continues at a reduced level for the fifth consecutive year. The subsidy consists of \$175,000 for operations. This represents a reduction from previous years, which averaged in excess of \$335,000. The \$75,000 appropriated to McMorran for capital in prior years was eliminated due to budget constraints.

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 (with the exception of utilities and maintenance costs for the Huron Lightship, as discussed below). In addition, the City has made major improvements to the facilities. This budget proposes that the Museum continues to pay all operating expenses of the Huron Lightship, which will continue to make the Museum more self-sufficient and less dependent on City taxpayers.

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, however, the previous developer could not attain financing for construction of a hotel. The City repurchased the property during December of 2012. The property was

subsequently sold to a new developer in the spring of 2013, and a hotel is expected to be built and in operation by the summer of 2015.

The budget for parks and recreation programs and services is \$2,324,085. 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 and grants offset certain of these costs. During the past years these fees have been increased to cover direct program costs.

O. General Fund Comparison

The General Fund budget presented herein may be summarized and compared with the adopted budget for the current fiscal year ending June 30, 2015, as follows:

	<u>Proposed Budget 2015-2016</u>	<u>Adopted Budget 2014-2015</u>	<u>Increase or (Decrease)</u>
Means of Financing:			
Estimated designated fund balance at July 1	\$	\$ 231,777	\$ (231,777)
Property taxes	6,540,000	6,510,000	30,000
Income tax	6,075,000	5,900,000	175,000
Business licenses and permits	345,000	345,000	
Nonbusiness license permits	330,000	275,000	55,000
Grants	715,000	400,000	315,000
State shared revenue	3,525,000	3,450,000	75,000
Charges for services	890,000	875,000	15,000
Fines and forfeits	150,000	145,000	5,000
Investment income	70,000	70,000	
Rents	370,000	370,000	
Sale of assets	3,000	180,000	(177,000)
Charges to other funds	2,148,828	2,077,499	71,329
Transfer from other funds	<u>380,000</u>	<u>435,000</u>	<u>(55,000)</u>
Total	<u>\$21,541,828</u>	<u>\$21,264,276</u>	<u>\$ 277,552</u>
Estimated Requirements:			
General government	\$ 3,087,779	\$ 3,212,819	\$ (125,040)
Public safety	12,460,090	12,928,824	(468,734)
Public works	2,090,027	2,150,549	(60,522)
Senior citizens	2,000	2,000	
Recreation, parks and culture	2,324,085	2,335,082	(10,997)
Other functions	258,327	423,621	(165,294)
Capital outlay	1,316,220	208,081	1,108,139
Transfers to other funds	<u>3,300</u>	<u>3,300</u>	
Total	<u>\$21,541,828</u>	<u>\$21,264,276</u>	<u>\$ 277,552</u>

The decrease in general government is primarily due to cost cutting measures in the City Manager area, including elimination of the promotional budget and the Executive Assistant position. The decrease in public safety is due to elimination of seven positions in the Fire Department. The decrease in public works is due to expected reductions in the cost of street lighting and personnel costs in Blight and Code Enforcement (due to grants received for blight enforcement activities). The decrease in recreation, parks and culture is due to the reduction in McMorran capital. The reduction in other functions is due to anticipated personnel reductions through attrition.

P. 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.

Q. 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 through December 31, 2016. The cost of this program is expected to be \$185 million over 19 years. At the conclusion of the current fiscal year, approximately 99% of the areas will have been separated.

This has resulted in the following benefits:

- The elimination of approximately 308 million gallons of pollution to our waterways annually;
- The construction of 93 miles of new sewers;
- The replacement of 61 miles of water lines, some of which were over 80 years old;
- The reconstruction of 79 miles of streets.

To date, over seventeen years, approximately \$176.5 million has been expended or is under contract and the project remains within budget and on schedule.

R. 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 which are similar to those contained in the bond ordinances and agreements.

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 annual 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.

Recorded in the various funds of the City are general obligation bonds and revenue bonds amounting to \$104,944,633 at June 30, 2014 for which the City’s full faith and credit is pledged. It is anticipated that the principal and interest on this debt will continue to be serviced by the funds incurring the debt, predominately the Water and Wastewater Funds.

The requirements to pay principal and interest on the obligations outstanding at June 30, 2014 are listed below. The annual payments for the first five years are listed individually and thereafter are listed in five-year groupings. They are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 8,203,041	\$ 3,402,693	\$ 11,605,734
2016	8,804,101	3,020,946	11,825,047
2017	8,965,349	2,773,929	11,739,278
2018	9,449,983	2,524,507	11,974,490
2019	9,611,947	2,263,182	11,875,129
2020-2024	37,356,559	7,135,889	44,492,448
2025-2029	12,279,101	3,566,559	15,845,660
2030-2034	4,911,283	2,084,905	6,996,188
2035-2039	4,073,307	918,440	4,991,747
2040-2041	<u>1,289,962</u>	<u>82,741</u>	<u>1,372,703</u>
	<u>\$ 104,944,633</u>	<u>\$ 27,773,791</u>	<u>\$132,718,424</u>

In addition, new borrowings of approximately \$2.9 million have already been undertaken in the 2014-15 fiscal year that are not reflected above and the proposed 2015-16 budget contains new borrowings of \$610,000. Continuous review of this significant debt obligation will be necessary to properly manage the City’s commitments.

S. 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>7.4 million</u>
Total	<u>\$31.1 million</u>

T. 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, 2016 proposed budget have exceeded \$52.6 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 \$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. For the fiscal years ending June 30, 2015 and 2016, the transfer is from the Senior Citizen Housing Fund. The schedule is 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	1,025,000	1,225,000	2,250,000
June 30, 2013	575,000	1,675,000	2,250,000
June 30, 2014		2,250,000	2,250,000
June 30, 2015 (budgeted)		2,400,000 *	2,400,000 *
June 30, 2016 (proposed)		<u>2,340,000 *</u>	<u>2,340,000 *</u>
Total	<u>\$ 5,550,000</u>	<u>\$ 25,935,000</u>	<u>\$ 31,485,000</u>

* Transfer from Senior Citizen Housing Fund

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	1,000,000
June 30, 2013	<u>685,000</u>
Total	<u>\$ 5,685,000</u>

U. Monthly Utility Billings

The City of Port Huron is facing substantial 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.

This budget includes an average increase of 3.1%. This rate adjustment was calculated using an average of costs and water usage over three years. This method smoothes out the variances that could occur year-to-year such as unusually wet or dry summers and inconsistent commercial and industrial usage. The average 3.1% increase for three years will provide the necessary revenue, when combined with continuing subsidies, for operations, capital needs and debt retirement during that period.

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 month, are as follows:

	<u>Consumption (Cubic Feet)</u>	<u>Adjusted Rates</u>	<u>Present Rates</u>	<u>Increase</u>	<u>Percent Change</u>
	167	\$ 51.70	\$ 50.21	\$ 1.49	3.0%
	333	60.42	58.62	1.80	3.1%
	500	69.13	67.04	2.09	3.1%
Average Residential	567	72.61	70.41	2.20	3.1%
	667	77.84	75.46	2.38	3.2%
	833	86.56	83.87	2.69	3.2%
	1,000	95.27	92.29	2.98	3.2%
	1,167	103.98	100.71	3.27	3.2%
	1,333	112.70	109.12	3.58	3.3%
	1,500	121.41	117.54	3.87	3.3%

The current monthly 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 monthly cost

information (567 cubic feet of usage) regarding three cities whose projects compare to Port Huron:

<u>Average Residential</u>	
Sault Ste. Marie (July 1, 2014)	\$77.02
Port Huron (July 1, 2015)	72.61
Lansing (October 1, 2014)	71.66
Grand Rapids (January 1, 2015)	53.48

The Port Huron monthly costs are based upon adjusted rates effective July 1, 2015. The other cities' rates are those in effect at the dates noted, prior to any proposed increases for their current fiscal years.

V. 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 2015-16 year are as follows:

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Current Projects:				
Stone St. – Pine Grove to McPherson	\$ 400,000	\$ 100,000	\$	\$ 500,000
Sanborn – Stone to Gratiot	550,000	230,000	160,000	940,000
South Blvd. – Electric to 31st	560,000	320,000		880,000
Michigan – Prospect to Pine Grove	110,000			110,000
10 th Ave. – Garfield to Sanborn	500,000			500,000
Prospect – Thomas Edison Parkway to Pine Grove	70,000			70,000
Thomas Edison Parkway – Edison Shores to Prospect	100,000			100,000
Michigan – Beers to Glenwood	60,000	60,000	30,000	150,000
Beers – Michigan to Fort	80,000	80,000	40,000	200,000
Beers – Fort to Merchant	130,000			130,000
20 th St. – Dove to Beard	970,000			970,000
Total	<u>3,530,000</u>	<u>790,000</u>	<u>230,000</u>	<u>4,550,000</u>
Carryover Projects:				
Nern St. (CSO)	30,000	210,000	400,000	640,000
Washington – 10 th to Stone	80,000	70,000	20,000	170,000
Hickory Area	310,000	350,000		660,000
Riverview	160,000	80,000		240,000
Total	<u>580,000</u>	<u>710,000</u>	<u>420,000</u>	<u>1,710,000</u>
Total Current and Carryover	4,110,000	1,500,000	650,000	6,260,000
Sidewalk Projects	60,000			60,000
Total	<u>\$4,170,000</u>	<u>\$1,500,000</u>	<u>\$ 650,000</u>	<u>\$ 6,320,000</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	\$ _____	\$ 180,000	\$ 210,000	\$ 390,000
Other Sources:				
Grant – MDOT – Stone – Pine Grove to McPherson	200,000			200,000
Grant – MDOT – Sanborn – Stone to Gratiot	351,475			351,475
Grant – MDOT – 20 th St. – Dove to Beard	755,000			755,000
Sidewalk Projects	60,000			60,000
Current Street Millage				
Revenues and Reserves	<u>2,803,525</u>	<u>1,320,000</u>	<u>440,000</u>	<u>4,563,525</u>
Total Other Sources	<u>4,170,000</u>	<u>1,320,000</u>	<u>440,000</u>	<u>5,930,000</u>
Total	<u>\$4,170,000</u>	<u>\$1,500,000</u>	<u>\$ 650,000</u>	<u>\$ 6,320,000</u>

Significant non-CSO capital projects are needed in both the Water and Wastewater Funds. The post-CSO cost of replacing watermains that are over 50 years old and were not in CSO project areas exceeds \$27.5 million at this time. Capital needs have been identified at the Water Filtration Plant and Water Storage Facilities amounting to \$2.3 million. Also, \$7.7 million in capital needs have been identified at the Wastewater Treatment Plant and Sanitary Pump Stations.

A typical budget for non-CSO capital needs is expected to be approximately \$1,350,000 per year through June 30, 2020 (\$850,000 in the Water Fund and \$500,000 in the Wastewater Fund). Beginning July 1, 2020, a typical budget for capital needs will be approximately \$3,000,000 per year (\$2,000,000 in the Water Fund and \$1,000,000 in the Wastewater Fund).

W. Special Revenue Funds

The proposed 2015-16 budget for the Cemetery Fund does not include a transfer from the Land Purchase Fund. Although a transfer was budgeted for the 2014-15 fiscal year, it does not currently appear that a transfer will be necessary. The Cemetery Fund has not needed a subsidy from other funds in the past seven years. However, the cemetery operation was modified during the 2013-14 fiscal year to reinstate the position of Cemetery Supervisor. City Council has also approved an increase to the fees charged for various cemetery services in an effort to alleviate the need for future subsidies. Efforts will continue to be made to ensure that the Cemetery Fund continues to be self-sufficient.

The Garbage and Rubbish Collection Fund reflects the expected annual charges in accordance with the Marcotte Disposal contract which was effective July 1, 2013. This program has historically been supported by a millage statutorily designated for that purpose. There was further discussion regarding the decline in available revenue and the program adjustments beginning on page 21. This discussion includes the recommendation that a \$35

annual fee per residence for bulk leaf and yard waste pick up and recycling. The 2015-16 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.

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. The funds are available for future capital needs.

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 23, 2015. Existing staff, with assistance from part-time clerical employees, continue to be able to manage the CDBG, HOME and Neighborhood Stabilization grant programs.

X. 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 \$750,000 over the past eight years. As a result, vehicle lease charges continue to provide reduced costs for all City activities. Similar cost reductions have been implemented in the Data Processing Fund and those charges to other activities continue at a reduced level.

Y. 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.

For the presented budget, it is proposed that commercial development 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 committed to St. Clair County)
- The Harrington Hotel Tax Increment Fund (taxes no longer captured)
- The Bank Tax Increment Fund
- The Edison Redevelopment Tax Increment Fund
- The Water Street Tax Increment Fund
- The MainStreet Tax Increment Fund
- The Industrial Park Expansion Tax Increment Fund
- The Southside Redevelopment Brownfield Redevelopment Tax Increment Fund
- The Harker Street Redevelopment Brownfield Redevelopment Tax Increment Fund
- The Sperry's Redevelopment Brownfield Redevelopment Tax Increment Fund

For the Southside Redevelopment Brownfield Redevelopment District, one-half of the incremental non-school and school taxes are captured. 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). For other districts, expenditures are projected based upon continuance of current capital projects or development.

Appendix – Individual Fund Budgets

GENERAL FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Property taxes	\$ 6,540,000	\$ 6,510,000
Income tax	6,075,000	5,900,000
Business licenses and permits	345,000	345,000
Nonbusiness licenses and permits	330,000	275,000
Grants	715,000	400,000
State shared revenues	3,525,000	3,450,000
Charges for services	890,000	875,000
Fines and forfeits	150,000	145,000
Investment income	70,000	70,000
Rents	370,000	370,000
Sale of assets	3,000	180,000
Charges to other funds	2,148,828	2,077,499
Transfer from other funds	380,000	435,000
TOTAL MEANS OF FINANCING	21,541,828	21,032,499
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	15,200,279	15,807,605
Supplies and materials	646,590	626,093
Contractual services	4,367,639	4,412,218
	<u>20,214,508</u>	<u>20,845,916</u>
Transfers	3,300	3,300
Capital outlay:		
Departmental	7,800	80,060
Parks and recreation projects	675,000	130,000
MOC capital	380,000	95,000
Available for other public improvements and/or salary adjustments	261,220	110,000
TOTAL ESTIMATED REQUIREMENTS	21,541,828	21,264,276
INCREASE (DECREASE) IN CASH BALANCE		\$ (231,777)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	4,500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 4,500,000	

STREET FUNDS MAJOR STREETS

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Major streets	\$ 1,500,000	\$ 1,460,000
Trunkline maintenance	255,000	250,000
Right of way	75,000	75,000
Federal and State grants	1,305,000	66,500
Transfer from Municipal streets to Major streets	1,660,000	1,580,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	4,795,000	3,431,500
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	940,091	902,915
Supplies and materials	224,756	219,420
Contractual services:		
Engineering and other professional services	558,049	572,714
Transfer from Major streets to Local streets	440,000	440,000
	<u> </u>	<u> </u>
	2,162,896	2,135,049
Capital outlay:		
Departmental	9,894	
Street resurfacing and/or reconstruction from:		
Street millage	440,000	440,000
Other sources	2,350,000	900,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	4,962,790	3,475,049
	<u> </u>	<u> </u>
INCREASE (DECREASE) IN CASH BALANCE	(167,790)	\$ (43,549)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	245,000	<u> </u>
	<u> </u>	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 77,210	
	<u> </u>	

**STREET FUNDS
LOCAL STREETS**

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Local streets	\$ 530,000	\$ 520,000
Right of way	22,000	22,000
Transfers:		
Transfer from Major streets to Local streets	440,000	440,000
Transfer from Municipal streets to Local streets	1,370,000	1,720,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>2,362,000</u>	<u>2,702,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	586,394	595,115
Supplies and materials	127,527	105,511
Contractual services	351,136	343,938
	<u> </u>	<u> </u>
	1,065,057	1,044,564
Capital outlay:		
Departmental	2,666	
Street resurfacing and/or reconstruction from:		
Street millage	660,000	660,000
Other sources	660,000	1,050,000
	<u> </u>	<u> </u>
	660,000	1,050,000
TOTAL ESTIMATED REQUIREMENTS	<u>2,387,723</u>	<u>2,754,564</u>
 INCREASE (DECREASE) IN CASH BALANCE	 (25,723)	 \$ (52,564)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>80,000</u>	<u> </u>
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 54,277</u>	 <u> </u>

STREET FUNDS MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 940,000	\$ 925,000
Personal property taxes	170,000	175,000
BWATC	450,000	450,000
Charges for services	150,000	
Investment income		1,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>1,710,000</u>	<u>1,551,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	44,390	38,448
Supplies and materials	6,624	3,210
Contractual services:		
Engineering and other professional services	37,612	35,611
BWATC property taxes	450,000	450,000
Transfers:		
From Municipal streets to Major streets	1,660,000	1,580,000
From Municipal streets to Local streets	1,370,000	1,720,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>3,568,626</u>	<u>3,827,269</u>
 INCREASE (DECREASE) IN CASH BALANCE	 (1,858,626)	 <u>\$ (2,276,269)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>2,765,000</u>	
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 906,374</u>	

STREET FUNDS
COMBINED MAJOR, LOCAL AND MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 940,000	\$ 925,000
Personal property taxes	170,000	175,000
BWATC	450,000	450,000
State shared revenues:		
Major streets	1,500,000	1,460,000
Local streets	530,000	520,000
Trunkline maintenance	255,000	250,000
Right of way	97,000	97,000
Federal and State grants	1,305,000	66,500
Investment income		1,000
Charges for services	150,000	
Transfers:		
From Major streets to Local streets	440,000	440,000
From Municipal streets to Major streets	1,660,000	1,580,000
From Municipal streets to Local streets	1,370,000	1,720,000
TOTAL MEANS OF FINANCING	<u>8,867,000</u>	<u>7,684,500</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,570,875	1,536,478
Supplies and materials	358,907	328,141
Contractual services:		
Engineering and other professional services	946,797	952,263
BWATC property taxes	450,000	450,000
Transfers:		
From Major streets to Local streets	440,000	440,000
From Municipal streets to Major streets	1,660,000	1,580,000
From Municipal streets to Local streets	1,370,000	1,720,000
	<u>6,796,579</u>	<u>7,006,882</u>
Capital outley:		
Departmental		
Street resurfacing and/or reconstruction from:	12,560	
Street millage	1,100,000	1,100,000
Other sources	3,010,000	1,950,000
TOTAL ESTIMATED REQUIREMENTS	<u>10,919,139</u>	<u>10,056,882</u>
INCREASE (DECREASE) IN CASH BALANCE	(2,052,139)	<u>\$ (2,372,382)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>3,090,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 1,037,861</u>	

CEMETERY FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Foundations	\$ 20,000	\$ 20,000
Graveside interments	70,000	50,000
Chapel interments	40,000	50,000
Other services	45,000	30,000
Transfer from Land purchase fund		90,000
Transfer from Cemetery perpetual care fund	255,000	235,000
TOTAL MEANS OF FINANCING	430,000	475,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	329,435	316,842
Supplies and materials	28,488	29,488
Contractual services	133,601	126,081
	<u>491,524</u>	<u>472,411</u>
Capital outlay	57,000	23,000
TOTAL ESTIMATED REQUIREMENTS	548,524	495,411
INCREASE (DECREASE) IN CASH BALANCE	(118,524)	\$ (20,411)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	200,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 81,476	

GARBAGE AND RUBBISH COLLECTION FUND

Budget Summary

	Adopted Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,325,000	\$ 1,305,000
Personal property taxes	235,000	245,000
Penalties and interest on taxes	10,000	5,000
Charges for services	<u>250,000</u>	
TOTAL MEANS OF FINANCING	<u>1,820,000</u>	<u>1,555,000</u>
ESTIMATED REQUIREMENTS:		
Rubbish Collection Program:		
Ordinary recurring expenses:		
Personal services	18,106	17,262
Supplies and materials	4,504	3,848
Contractual services	<u>1,656,456</u>	<u>1,632,921</u>
	<u>1,679,066</u>	<u>1,654,031</u>
Public Area Collection Program:		
Personal services	68,430	67,610
Contractual services	<u>41,949</u>	<u>41,387</u>
	<u>110,379</u>	<u>108,997</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,789,445</u>	<u>1,763,028</u>
INCREASE (DECREASE) IN CASH BALANCE	30,555	<u>\$ (208,028)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>230,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 260,555</u></u>	

RENTAL CERTIFICATION FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services	\$ 234,000	\$ 250,000
TOTAL MEANS OF FINANCING	<u>234,000</u>	<u>250,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	201,410	247,317
Supplies and materials	6,500	5,200
Contractual services	27,435	26,235
	<u>235,345</u>	<u>278,752</u>
Capital outlay		
TOTAL ESTIMATED REQUIREMENTS	<u>235,345</u>	<u>278,752</u>
INCREASE (DECREASE) IN CASH BALANCE	(1,345)	\$ (28,752)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>50,000</u>	<u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 48,655</u>	<u></u>

O.U.I.L. FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Fines and forfeits	\$ 34,000	\$ 34,000
TOTAL MEANS OF FINANCING	<u>34,000</u>	<u>34,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	5,500	5,500
Contractual services	8,500	8,500
	<u>14,000</u>	<u>14,000</u>
Capital outlay	<u>20,000</u>	<u>20,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>34,000</u>	<u>34,000</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>90,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 90,000</u>	

DRUG LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Fines and forfeits	\$ 56,000	\$ 56,000
TOTAL MEANS OF FINANCING	<u>56,000</u>	<u>56,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	10,000	10,000
Contractual services	6,000	6,000
	<u>16,000</u>	<u>16,000</u>
Capital outlay	<u>40,000</u>	<u>40,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>56,000</u>	<u>56,000</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>105,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 105,000</u>	

LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
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	<u>5,000</u>	<u>5,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>5,000</u>	<u>5,000</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>3,200</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 3,200</u>	

ENHANCED 911 FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING	<u>\$ 0</u>	<u>\$ 0</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services		
Capital outlay	<u>25,000</u>	<u>25,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>25,000</u>	<u>25,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(25,000)	<u>\$ (25,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>180,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 155,000</u>	

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 691,187	\$ 650,000
TOTAL MEANS OF FINANCING	691,187	650,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	124,566	115,860
Supplies and materials	700	700
Contractual services	13,001	13,440
	138,267	130,000
Capital outlay - programs:		
Infrastructure construction including street resurfacing/paving		100,000
Economic redevelopment	100,000	
Emergency home repairs	20,000	20,000
Sidewalk replacement	17,920	25,000
Rehabilitation	270,000	150,000
Code enforcement	50,000	50,000
Demolitions	60,000	75,000
Project brush-up	20,000	25,000
Neighborhood clean-up	15,000	
Blue Water Developmental Housing		50,000
Safe Horizon's		25,000
TOTAL ESTIMATED REQUIREMENTS	691,187	650,000
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

NEIGHBORHOOD REHABILITATION FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Federal grant carryover	\$ 60,000	\$
TOTAL MEANS OF FINANCING	<u>60,000</u>	<u></u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services		
Supplies and materials		
Contractual services		
Capital outlay:		
Housing improvements	60,000	
TOTAL ESTIMATED REQUIREMENTS	<u>60,000</u>	<u></u>
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		<u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

HOME PROGRAM FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 168,336	\$ 180,000
Federal grant carryover	3,623	
TOTAL MEANS OF FINANCING	171,959	180,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	20,457	17,325
Supplies and materials		565
Contractual services		110
	20,457	18,000
Capital outlay:		
CHDO project	25,250	27,000
CHDO administration	8,417	9,000
Urban pioneer	117,835	60,000
Affordable housing		66,000
TOTAL ESTIMATED REQUIREMENTS	171,959	180,000
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		0
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

LOAN REVOLVING FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING	<u>\$ 0</u>	<u>\$ 0</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Transfer to Parking fund	750,000	
Capital outlay:		
Housing improvements	<u>350,000</u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,100,000</u>	<u> </u>
INCREASE (DECREASE) IN CASH BALANCE	(1,100,000)	<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>1,100,000</u>	<u> </u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	<u> </u>

STREETSCAPE MAINTENANCE FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services	\$ 25,175	\$ 25,175
Transfer from TIF districts		22,325
TOTAL MEANS OF FINANCING	25,175	47,500
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	5,010	1,650
Supplies and materials	290	350
Contractual services	37,400	44,000
	<u>42,700</u>	<u>46,000</u>
Capital outlay	7,300	24,000
TOTAL ESTIMATED REQUIREMENTS	50,000	70,000
INCREASE (DECREASE) IN CASH BALANCE	(24,825)	\$ (22,500)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	80,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 55,175	

BEAUTIFICATION COMMISSION FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Miscellaneous	\$ 2,500	\$ 2,500
Transfer from General fund	3,300	3,300
TOTAL MEANS OF FINANCING	5,800	5,800
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	6,500	6,500
Contractual services	800	800
TOTAL ESTIMATED REQUIREMENTS	7,300	7,300
INCREASE (DECREASE) IN CASH BALANCE	(1,500)	\$ (1,500)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	4,500	4,500
ESTIMATED CASH BALANCE - END OF YEAR	\$ 3,000	3,000

MARINA FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services - share of operating income	\$ 40,000	\$ 40,000
Grant from State of Michigan		75,000
Transfer from Land Purchase fund		180,000
TOTAL MEANS OF FINANCING	40,000	295,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	9,980	9,900
Supplies and materials	3,535	3,335
Contractual services	246,976	280,138
	<u>260,491</u>	<u>293,373</u>
Capital outlay		45,000
TOTAL ESTIMATED REQUIREMENTS	260,491	338,373
INCREASE (DECREASE) IN CASH BALANCE	(220,491)	\$ (43,373)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 279,509	

SENIOR CITIZENS HOUSING FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING	<u>\$ 0</u>	<u>\$ 0</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Transfer to Wastewater fund	<u>2,340,000</u>	<u>2,400,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>2,340,000</u>	<u>2,400,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(2,340,000)	<u>\$ (2,400,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>2,340,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

LAND PURCHASE FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Investment income	\$ 5,000	\$ 11,000
Rents	230,000	40,000
Other income	10,000	10,000
Transfer from tax increment funds:		
Bank	6,000	3,000
Edison redevelopment	249,000	237,000
Water street	300,000	300,000
Industrial park expansion	268,000	254,000
DDA operating fund:		
Studio 1219	8,750	
Welcome Center	25,567	
TOTAL MEANS OF FINANCING	1,102,317	855,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Engineering and other professional services	25,000	25,000
Transfer to:		
General fund	380,000	435,000
Cemetery fund		90,000
Parking fund	90,000	105,000
Marina fund - River Street		180,000
Harker Street brownfield redevelopment		25,000
	495,000	860,000
Capital outlay:		
Building maintenance and other costs	25,000	25,000
TOTAL ESTIMATED REQUIREMENTS	520,000	885,000
INCREASE (DECREASE) IN CASH BALANCE	582,317	\$ (30,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	2,000,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,582,317	

PARKING FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Street meters	\$ 24,000	\$ 24,000
Transfer from:		
Land purchase fund	90,000	
Loan revolving fund	750,000	105,000
TOTAL MEANS OF FINANCING	864,000	129,000
ESTIMATED REQUIREMENTS:		
Parking System - Non Revenue Producing:		
Ordinary recurring expenses:		
Personal services	30,500	20,845
Supplies and materials	2,350	2,350
Contractual services	62,676	78,523
	<u>95,526</u>	<u>101,718</u>
Parking System - Revenue Producing:		
Ordinary recurring expenses:		
Personal services	8,228	9,544
Supplies and Materials	2,070	5,270
Contractual services	9,456	14,182
	<u>19,754</u>	<u>28,996</u>
Capital outlay:		
East Quay reconstruction	600,000	
MOC North lot resurfacing	70,000	
Other Parking lot improvements	80,000	
	<u>750,000</u>	<u></u>
TOTAL ESTIMATED REQUIREMENTS	865,280	130,714
INCREASE (DECREASE) IN CASH BALANCE	(1,280)	\$ (1,714)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	110,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 108,720	

WATER FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Sale of water	\$ 7,710,000	\$ 7,010,000
Penalty charges	60,000	55,000
Hydrant charges	58,280	58,640
Charges for services	35,000	35,000
Investment income	5,000	5,000
Proceeds from issuance of long-term revenue bonds:		
State Drinking Water Revolving fund bonds	210,000	2,300,000
Other revenue bonds		1,060,000
Pro rata share of water administration and meter reading budget reimbursed from Wastewater fund	634,638	630,169
TOTAL MEANS OF FINANCING	8,712,918	11,153,809
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,942,931	1,899,470
Supplies and materials	404,886	419,012
Contractual services	1,727,294	1,738,743
	<u>4,075,111</u>	<u>4,057,225</u>
Debt service requirements for payment of principal and interest on Revenue and State Drinking Water Revolving Fund bonds	4,041,000	4,295,000
Capital outlay:		
Departmental	570,358	550,208
Construction projects	1,500,000	3,360,000
	<u>10,186,469</u>	<u>12,262,433</u>
TOTAL ESTIMATED REQUIREMENTS	10,186,469	12,262,433
INCREASE (DECREASE) IN CASH BALANCE	(1,473,551)	\$ (1,108,624)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	4,000,000	4,000,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,526,449	2,891,376

WASTEWATER FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Sewage charges	\$ 11,490,000	\$ 9,290,000
Penalty charges	150,000	140,000
Other income	30,000	30,000
Investment income	15,000	15,000
Proceeds for operating and capital costs:		
Fort Gratiot Township	800,000	770,000
Port Huron Township	870,000	850,000
Kimball Township	320,000	310,000
Proceeds from issuance of long-term revenue bonds:		
State Revolving fund bonds	400,000	2,535,000
Other limited obligation bonds - Collection system		2,075,000
Transfer from enterprise funds:		
Senior citizens housing fund	2,340,000	2,400,000
TOTAL MEANS OF FINANCING	16,415,000	18,415,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	2,822,264	2,785,695
Supplies and materials	649,066	656,583
Contractual services	4,202,416	4,017,348
	7,673,746	7,459,626
Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds	7,466,000	7,274,000
Capital outlay:		
Departmental	1,093,514	553,334
Construction projects - Collection system	650,000	4,610,000
TOTAL ESTIMATED REQUIREMENTS	16,883,260	19,896,960
INCREASE (DECREASE) IN CASH BALANCE	(468,260)	\$ (1,481,960)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	5,000,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 4,531,740	

CENTRAL STORES FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services	\$ 134,882	\$ 135,272
TOTAL MEANS OF FINANCING	<u>134,882</u>	<u>135,272</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	15,448	14,850
Supplies and materials	35,600	35,600
Contractual services	64,834	65,822
	<u>115,882</u>	<u>116,272</u>
Capital outlay	19,000	19,000
TOTAL ESTIMATED REQUIREMENTS	<u>134,882</u>	<u>135,272</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>33,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 33,000</u>	

DATA PROCESSING FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services	\$ 634,597	\$ 589,242
TOTAL MEANS OF FINANCING	<u>634,597</u>	<u>589,242</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	402,966	393,893
Supplies and materials	70,800	70,800
Contractual services	194,762	191,544
	<u>668,528</u>	<u>656,237</u>
Capital outlay	<u>45,000</u>	<u>93,500</u>
TOTAL ESTIMATED REQUIREMENTS	<u>713,528</u>	<u>749,737</u>
INCREASE (DECREASE) IN CASH BALANCE	(78,931)	\$ (160,495)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>220,000</u>	<u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 141,069</u>	<u></u>

MOTOR VEHICLE FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services	\$ 2,160,660	\$ 2,095,191
TOTAL MEANS OF FINANCING	<u>2,160,660</u>	<u>2,095,191</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	540,516	531,007
Supplies and materials	410,865	454,868
Contractual services	563,864	609,901
	<u>1,515,245</u>	<u>1,595,776</u>
Capital outlay	<u>645,415</u>	<u>499,415</u>
TOTAL ESTIMATED REQUIREMENTS	<u>2,160,660</u>	<u>2,095,191</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>200,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 200,000</u>	

ENERGY PERFORMANCE SERVICES FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services	\$ 330,000	\$ 330,000
TOTAL MEANS OF FINANCING	<u>330,000</u>	<u>330,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services	5,000	30,000
Debt service requirements for principal and interest on energy performance debt	<u>325,000</u>	<u>300,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>330,000</u>	<u>330,000</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>250,000</u>	<u>250,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 250,000</u>	<u>250,000</u>

INSURANCE AND FRINGE BENEFIT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Charges for services	\$ 10,500,000	\$ 10,500,000
TOTAL MEANS OF FINANCING	<u>10,500,000</u>	<u>10,500,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services:		
Healthcare premiums - employees	2,100,000	2,075,000
Healthcare premiums - retirees	3,400,000	3,400,000
Pension contributions	3,790,000	3,490,000
Payroll taxes	750,000	730,000
Workers compensation insurance	150,000	120,000
Dental insurance	265,000	245,000
Unemployment insurance	65,000	90,000
Disability benefits	50,000	50,000
Vacation and sick pay	270,000	250,000
Additional pension/OPEB payment	500,000	
Retirement incentives	300,000	
Other	324,000	289,000
	<u>11,964,000</u>	<u>10,739,000</u>
Supplies and materials	1,000	500
Contractual services	535,000	530,500
TOTAL ESTIMATED REQUIREMENTS	<u>12,500,000</u>	<u>11,270,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(2,000,000)	\$ (770,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>4,000,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 2,000,000</u>	

Appendix – Tax Increment Authority Fund Budgets

INDUSTRIAL PARK TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 452,000	\$ 445,000
Personal property taxes	457,000	563,000
TOTAL MEANS OF FINANCING	909,000	1,008,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Property taxes not captured due to repayment of advances	909,000	1,008,000
Contractual services:		
Professional and other services:		
Industrial development	40,000	50,000
	949,000	1,058,000
Capital outlay:		
Infrastructure improvements		
TOTAL ESTIMATED REQUIREMENTS	949,000	1,058,000
INCREASE (DECREASE) IN CASH BALANCE	(40,000)	\$ (50,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	75,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 35,000	

PAPER COMPANY TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ (25,000)	\$ (14,000)
Personal property taxes	299,000	290,000
TOTAL MEANS OF FINANCING	<u>274,000</u>	<u>276,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Property taxes not captured due to repayment of advances	274,000	276,000
Contractual services	50,000	100,000
TOTAL ESTIMATED REQUIREMENTS	<u>324,000</u>	<u>376,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(50,000)	\$ (100,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>70,000</u>	<u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 20,000</u>	<u></u>

PEERLESS SITE TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 56,000	\$ 46,000
Personal property taxes	37,000	(1,000)
TOTAL MEANS OF FINANCING	93,000	45,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Payment to St. Clair County - development agreement	93,000	45,000
TOTAL ESTIMATED REQUIREMENTS	93,000	45,000
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

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

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 61,000	\$ 60,000
Personal property taxes	8,000	9,000
Penalties and interest on taxes	500	500
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>69,500</u>	<u>69,500</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Downtown development and incentives		120,325
Advertising		16,250
Event promotion		23,000
Streetscape program		7,675
Physical improvements	14,000	22,750
DDA operations	500	4,500
Repayment of advances:		
Land purchase fund:		
Studio 1219	8,750	
Welcome Center	25,567	
Capital outlay:		
Parking lots, crosswalks and other downtown infrastructure improvements	<u>100,000</u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>148,817</u>	<u>194,500</u>
INCREASE (DECREASE) IN CASH BALANCE	(79,317)	<u>\$ (125,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>195,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 115,683</u>	

WATER STREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 296,000	\$ 293,000
Personal property taxes	11,000	22,000
TOTAL MEANS OF FINANCING	307,000	315,000
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Streetscape program		6,550
Professional and other services	2,000	3,450
Transfer to Land purchase fund	300,000	300,000
	302,000	310,000
Capital outlay:		
Infrastructure improvements	5,000	5,000
TOTAL ESTIMATED REQUIREMENTS	307,000	315,000
 INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		0
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

BANK DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 6,000	\$ 5,000
Personal property taxes	<u>3,000</u>	<u>3,000</u>
TOTAL MEANS OF FINANCING	<u>9,000</u>	<u>8,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	3,000	
Transfer to Land purchase fund	<u>6,000</u>	<u>3,000</u>
	9,000	3,000
Capital outlay:		
Available for infrastructure improvements or other services	<u> </u>	<u>5,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>9,000</u>	<u>8,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	<u> </u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

HARRINGTON HOTEL DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING	<u>\$ 0</u>	<u>\$ 0</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Streetscape program		1,675
Professional and other services	10,000	8,325
	<u>10,000</u>	<u>10,000</u>
Capital outlay:		
Available for infrastructure improvements or other services	80,000	80,000
	<u>80,000</u>	<u>80,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>90,000</u>	<u>90,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(90,000)	<u>\$ (90,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>100,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 10,000</u>	

EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 271,000	\$ 258,000
Personal property taxes	3,000	4,000
TOTAL MEANS OF FINANCING	274,000	262,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	10,000	10,000
Transfer to Land purchase fund	249,000	237,000
	<u>259,000</u>	<u>247,000</u>
Capital outlay:		
Parkway and other infrastructure improvements	15,000	15,000
TOTAL ESTIMATED REQUIREMENTS	274,000	262,000
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

MAINSTREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 68,000	\$ 70,500
Personal property taxes	(15,000)	(10,500)
TOTAL MEANS OF FINANCING	53,000	60,000
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Streetscape program		14,100
Professional and other services	3,000	5,900
Downtown Kayak Launch		30,000
	3,000	50,000
Capital outlay:		
Available for public improvements and/or other services	50,000	10,000
TOTAL ESTIMATED REQUIREMENTS	53,000	60,000
 INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

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

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 102,000	\$ 97,000
Personal property taxes	<u>266,000</u>	<u>257,000</u>
TOTAL MEANS OF FINANCING	<u>368,000</u>	<u>354,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services:		
Industrial development	25,000	25,000
Transfer to Land purchase fund	<u>268,000</u>	<u>254,000</u>
	293,000	279,000
Capital outlay:		
Infrastructure improvements	<u>75,000</u>	<u>75,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>368,000</u>	<u>354,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

**SOUTHSIDE REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 269,000	\$ 261,000
Personal property taxes	22,000	22,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>291,000</u>	<u>283,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	291,000	283,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>291,000</u>	<u>283,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u><u>\$ 0</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
 ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

**HARKER STREET REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 10,000	\$
Personal property taxes	20,000	
Transfer from Land Purchase fund		25,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>30,000</u>	<u>25,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Available for infrastructure improvements and/or other services		25,000
Repayment to developer and/or other entities	30,000	
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>30,000</u>	<u>25,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u> </u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	<u> </u>
 ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	<u> </u>

**SPERRY'S REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Proposed Budget 2015-2016	Adopted Budget 2014-2015
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,000	\$ 7,000
Personal property taxes		1,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u> 1,000</u>	<u> 8,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	1,000	8,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u> 1,000</u>	<u> 8,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u> \$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
 ESTIMATED CASH BALANCE - END OF YEAR	<u> \$ 0</u>	

Appendix - Governmental Funds Summary

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2015-2016

Governmental Fund	Estimated Designated Fund Balance July 1, 2015	Budget 2015-2016		Estimated Change In Fund Balance June 30, 2016
		Means of Financing	Estimated Requirements	
General fund	\$	\$ 21,541,828	\$ 21,541,828	\$
Major streets fund	\$ 167,790	\$ 4,795,000	\$ 4,962,790	\$
Local streets fund	\$ 25,723	\$ 2,362,000	\$ 2,387,723	\$
Municipal streets fund	\$ 1,858,626	\$ 1,710,000	\$ 3,568,626	\$
Cemetery fund	\$ 118,524	\$ 430,000	\$ 548,524	\$
Garbage and rubbish collection fund	\$	\$ 1,920,000	\$ 1,789,445	\$ 130,555
Rental certification fund	\$ 1,345	\$ 234,000	\$ 235,345	\$
O.U.I.L. fund	\$	\$ 34,000	\$ 34,000	\$
Drug law enforcement fund	\$	\$ 56,000	\$ 56,000	\$
Law enforcement fund	\$	\$ 5,000	\$ 5,000	\$
Enhanced 911 fund	\$ 25,000	\$	\$ 25,000	\$
Community development block grant fund	\$	\$ 691,187	\$ 691,187	\$
Neighborhood rehabilitation fund	\$	\$ 60,000	\$ 60,000	\$
Home program fund	\$	\$ 171,959	\$ 171,959	\$
Loan revolving fund	\$ 1,100,000	\$	\$ 1,100,000	\$
Streetscape maintenance fund	\$ 24,825	\$ 25,175	\$ 50,000	\$
Beautification commission fund	\$ 1,500	\$ 5,800	\$ 7,300	\$

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GOVERNMENTAL FUNDS SUMMARY
Budget Summary
2015-2016

Governmental Fund	Estimated Designated Fund Balance July 1, 2015	Budget 2015-2016		Estimated Change In Fund Balance June 30, 2016
		Means of Financing	Estimated Requirements	
Industrial park tax increment fund	\$ 40,000	\$ 909,000	\$ 949,000	\$
Paper company tax increment fund	\$ 50,000	\$ 274,000	\$ 324,000	\$
Peerless site tax increment fund	\$	\$ 93,000	\$ 93,000	\$
Downtown development fund	\$ 79,317	\$ 69,500	\$ 148,817	\$
Water Street tax increment fund	\$	\$ 307,000	\$ 307,000	\$
Bank tax increment fund	\$	\$ 9,000	\$ 9,000	\$
Harrington Hotel tax increment fund	\$ 90,000	\$	\$ 90,000	\$
Edison redevelopment tax increment fund	\$	\$ 274,000	\$ 274,000	\$
Mainstreet tax increment fund	\$	\$ 53,000	\$ 53,000	\$
Industrial park expansion tax increment fund	\$	\$ 368,000	\$ 368,000	\$
Brownfield redevelopment tax increment fund:				
Southside redevelopment	\$	\$ 291,000	\$ 291,000	\$
Harker Street redevelopment	\$	\$ 30,000	\$ 30,000	\$
Sperry's redevelopment	\$	\$ 1,000	\$ 1,000	\$

Appendix – Projected Revenues and Expenditures

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2014-2015	Proposed 2015-2016	Projected 2016-2017	Projected 2017-2018
TAXES:				
Real property taxes	\$ 5,230,000	\$ 5,290,000	\$ 5,375,000	\$ 5,461,000
Personal property taxes	980,000	950,000	965,000	980,000
Income tax	5,900,000	6,075,000	6,172,000	6,271,000
Payment in lieu of taxes	85,000	70,000	71,000	72,000
Penalties and interest on taxes	215,000	230,000	234,000	238,000
	<u>12,410,000</u>	<u>12,615,000</u>	<u>12,817,000</u>	<u>13,022,000</u>
BUSINESS LICENSES AND PERMITS:				
Taxi drivers	2,300	1,500	1,500	1,500
Taxi cabs	700	500	500	500
Demolitions	9,000	5,000	5,100	5,200
C.A.T.V.	325,000	330,000	335,000	340,000
Miscellaneous	8,000	8,000	8,100	8,200
	<u>345,000</u>	<u>345,000</u>	<u>350,200</u>	<u>355,400</u>
NONBUSINESS LICENSES AND PERMITS:				
Dog	500	500	500	500
Building	140,000	185,000	188,000	191,000
Electrical	40,000	55,000	56,000	57,000
Heating	50,000	50,000	51,000	52,000
Plumbing	30,000	30,000	30,000	30,000
Right-of-way	9,500	6,500	6,600	6,700
Miscellaneous	5,000	3,000	3,000	3,000
	<u>275,000</u>	<u>330,000</u>	<u>335,100</u>	<u>340,200</u>
GRANTS	<u>400,000</u>	<u>715,000</u>	<u>150,000</u>	<u>150,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2014-2015	Proposed 2015-2016	Projected 2016-2017	Projected 2017-2018
STATE SHARED REVENUE:				
Sales and use tax - constitutional	\$ 2,350,000	\$ 2,425,000	\$ 2,464,000	\$ 2,503,000
Sales and use tax - statutory	1,075,000	1,075,000	1,092,000	1,109,000
Liquor licenses	25,000	25,000	25,000	25,000
	<u>3,450,000</u>	<u>3,525,000</u>	<u>3,581,000</u>	<u>3,637,000</u>
CHARGES FOR SERVICES:				
Zoning board of appeals	2,600	2,000	2,000	2,000
20th and Court pool	7,000	5,000	5,100	5,200
Sanborn pool	30,000	35,000	36,000	37,000
Lakeside parking	50,000	52,000	53,000	54,000
Boat launch fees	36,000	33,000	34,000	35,000
Recreational fees	210,000	220,000	224,000	228,000
Lot splits	2,000	1,500	1,500	1,500
Hydrant maintenance	58,640	58,280	59,000	60,000
False alarm charges	2,000	1,500	1,500	1,500
Blue Water Bridge reimbursement	300,000	300,000	305,000	310,000
Summer tax collection fee	1,760	1,720	1,700	1,700
County parks millage	130,000	125,000	127,000	129,000
Miscellaneous	45,000	55,000	56,000	57,000
	<u>875,000</u>	<u>890,000</u>	<u>905,800</u>	<u>921,900</u>
FINES AND FORFEITS:				
Parking violations	40,000	35,000	36,000	37,000
Ordinance fines	105,000	115,000	117,000	119,000
	<u>145,000</u>	<u>150,000</u>	<u>153,000</u>	<u>156,000</u>
INVESTMENT INCOME				
	<u>70,000</u>	<u>70,000</u>	<u>71,000</u>	<u>72,000</u>
RENTS				
	<u>370,000</u>	<u>370,000</u>	<u>376,000</u>	<u>382,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2014-2015	Proposed 2015-2016	Projected 2016-2017	Projected 2017-2018
SALE OF ASSETS	\$ 180,000	\$ 3,000	\$ 3,000	\$ 3,000
OTHER INCOME				
CHARGES TO OTHER FUNDS:				
Garbage and rubbish collection fund	93,697	95,090	97,000	99,000
Marina fund	28,117	24,966	25,000	25,000
Parking fund	12,528	11,595	12,000	12,000
Water fund	662,635	668,976	680,000	691,000
Wastewater fund	1,053,543	1,127,950	1,146,000	1,164,000
Central stores fund	11,144	11,106	11,000	11,000
Data processing fund	62,894	64,072	65,000	66,000
Motor vehicle fund	152,941	145,073	147,000	149,000
	<u>2,077,499</u>	<u>2,148,828</u>	<u>2,183,000</u>	<u>2,217,000</u>
Subtotal	<u>20,597,499</u>	<u>21,161,828</u>	<u>20,925,100</u>	<u>21,256,500</u>
TRANSFERS FROM OTHER FUNDS:				
Land purchase fund	435,000	380,000	305,000	130,000
	<u>435,000</u>	<u>380,000</u>	<u>305,000</u>	<u>130,000</u>
TOTAL	<u>\$ 21,032,499</u>	<u>\$ 21,541,828</u>	<u>\$ 21,230,100</u>	<u>\$ 21,386,500</u>

SCHEDULE OF PROJECTED EXPENDITURES

GENERAL FUND

	Budget			
	Adopted 2014-2015	Proposed 2015-2016	Projected 2016-2017	Projected 2017-2018
General Government:				
City council	\$ 56,567	\$ 60,880	\$ 63,000	\$ 65,000
City manager	279,141	195,086	202,000	207,000
Elections	85,004	64,561	67,000	69,000
Finance and accounting	542,107	554,443	576,000	590,000
Income tax	306,311	307,984	320,000	328,000
Assessor	246,850	249,747	259,000	265,000
Legal	170,000	160,000	166,000	170,000
Clerk	267,437	265,992	276,000	283,000
Personnel	284,120	284,357	295,000	302,000
Purchasing	47,339	50,287	52,000	53,000
Board of review	2,327	2,327	2,400	2,500
Treasurer	225,134	211,918	220,000	225,000
Municipal office center	685,482	680,197	706,000	723,000
Promotional	15,000			
	<u>3,212,819</u>	<u>3,087,779</u>	<u>3,204,400</u>	<u>3,282,500</u>
Public Safety:				
Police administration	853,471	853,900	886,000	907,000
Detectives	1,227,880	1,242,436	1,290,000	1,321,000
Patrol	5,497,509	5,588,791	5,801,000	5,940,000
Communications	41,420	41,540	43,000	44,000
Fire	5,308,544	4,733,423	4,913,000	5,031,000
	<u>12,928,824</u>	<u>12,460,090</u>	<u>12,933,000</u>	<u>13,243,000</u>
Public Works:				
Inspection	317,880	340,324	317,000	325,000
Emergency management	11,567	16,912	18,000	18,000
Public works administration	208,643	210,304	218,000	223,000
Engineering	243,296	240,780	250,000	256,000
Street lighting	953,548	909,125	944,000	967,000
Blight and code enforcement	415,615	372,582	241,000	247,000
	<u>2,150,549</u>	<u>2,090,027</u>	<u>1,988,000</u>	<u>2,036,000</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2014-2015	Proposed 2015-2016	Projected 2016-2017	Projected 2017-2018
Senior Citizens:				
Wastewater and water discounts	\$ 2,000	\$ 2,000	\$ 2,100	\$ 2,200
	<u>2,000</u>	<u>2,000</u>	<u>2,100</u>	<u>2,200</u>
Recreation, Parks and Culture:				
Parks and forestry	1,057,101	1,103,705	1,146,000	1,174,000
Boat launch ramps	16,013	13,748	14,000	14,000
Recreation	505,332	553,870	575,000	589,000
Rockin the rivers	40,045	39,241	41,000	42,000
20th and Court pool	68,608	70,436	73,000	75,000
Sanborn pool	115,247	120,886	125,000	128,000
Lighthouse park	2,977	6,677	6,900	7,100
Lakeside park	16,737	16,741	17,000	17,000
Palmer park recreation center	168,993	174,639	181,000	185,000
McMorran complex	250,000	175,000	250,000	250,000
Library	8,000	8,000	8,000	8,000
Museum	86,029	86,142	89,000	91,000
	<u>2,335,082</u>	<u>2,369,085</u>	<u>2,525,900</u>	<u>2,580,100</u>
Other Functions:				
Planning	155,453	149,662	155,000	159,000
Blue Water Bridge economic study	92,500	100,000	100,000	100,000
Telephone service	7,668	10,610	11,000	11,000
Projected personnel reductions		(175,000)		
Contingencies	40,000	40,000	40,000	40,000
Insurance, health and safety	63,000	68,055	71,000	73,000
Taxes written off	15,000	15,000	16,000	16,000
Demolitions	50,000	50,000	50,000	50,000
	<u>423,621</u>	<u>258,327</u>	<u>443,000</u>	<u>449,000</u>
Subtotal	<u>21,052,895</u>	<u>20,267,308</u>	<u>21,096,400</u>	<u>21,592,800</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2014-2015	Proposed 2015-2016	Projected 2016-2017	Projected 2017-2018
Public Improvements:				
Parks and recreation projects	\$ 30,000	\$ 630,000	\$ 1,004,000	\$ 1,326,000
MOC capital	95,000	380,000	305,000	130,000
Other public improvement	83,081	261,220	1,610,000	670,000
	<u>208,081</u>	<u>1,271,220</u>	<u>2,919,000</u>	<u>2,126,000</u>
Subtotal	<u>21,260,976</u>	<u>21,538,528</u>	<u>24,015,400</u>	<u>23,718,800</u>
Transfer to Other Funds:				
Beautification commission fund	3,300	3,300	3,300	3,300
Land Purchase fund				
	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>
TOTAL	<u>\$ 21,264,276</u>	<u>\$ 21,541,828</u>	<u>\$ 24,018,700</u>	<u>\$ 23,722,100</u>
Increase (decrease) in cash balance before public improvements and transfers	<u>\$ (20,396)</u>	<u>\$ 1,274,520</u>	<u>\$ 133,700</u>	<u>\$ (206,300)</u>
Increase (decrease) in cash balance after public improvements and transfers	<u>\$ (231,777)</u>	<u>\$ 0</u>	<u>\$ (2,788,600)</u>	<u>\$ (2,335,600)</u>