

BUDGET 2016-2017



PORT HURON MICHIGAN

OFFICE OF THE
CITY MANAGER

PROPOSED BUDGET
CITY OF PORT HURON
FOR
THE FISCAL YEAR
2016-2017

Prepared by the Director of Finance for the City Manager
and submitted to the City Council on April 25, 2016

CITY OF PORT HURON BUDGET FISCAL YEAR 2016-2017

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Schedule of Estimated Revenues - General Fund

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2016-2017

	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
TAXES:						
Real property taxes	5,323,928	5,304,166	5,290,000	5,440,000	150,000	
Personal property taxes	1,084,775	963,418	950,000	640,000		310,000
Income tax	5,934,153	6,431,121	6,075,000	6,200,000	125,000	
Payment in lieu of taxes	83,415	66,719	70,000	65,000		5,000
Penalties and interest on taxes	223,283	225,830	230,000	225,000		5,000
	<u>12,649,554</u>	<u>12,991,254</u>	<u>12,615,000</u>	<u>12,570,000</u>	<u>275,000</u>	<u>320,000</u>
BUSINESS LICENSES AND PERMITS:						
Taxi drivers	1,445	1,845	1,500	1,500		
Taxi cabs	620	605	500	500		
Demolitions	7,040	4,365	5,000	10,000	5,000	
C.A.T.V.	328,170	342,737	330,000	350,000	20,000	
Miscellaneous	4,150	5,665	8,000	8,000		
	<u>341,425</u>	<u>355,217</u>	<u>345,000</u>	<u>370,000</u>	<u>25,000</u>	
NONBUSINESS LICENSES AND PERMITS:						
Dog	375	375	500	500		
Building	147,451	193,146	185,000	190,000	5,000	
Electrical	36,252	69,318	55,000	55,000		
Heating	42,363	67,028	50,000	65,000	15,000	
Plumbing	26,595	32,995	30,000	30,000		
Right-of-way	6,080	5,305	6,500	7,000	500	
Miscellaneous	790	700	3,000	2,500		500
	<u>259,906</u>	<u>368,867</u>	<u>330,000</u>	<u>350,000</u>	<u>20,500</u>	<u>500</u>
GRANTS	<u>676,249</u>	<u>239,184</u>	<u>715,000</u>	<u>155,000</u>		<u>560,000</u>

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SCHEDULE OF ESTIMATED REVENUES

2016-2017

	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
STATE SHARED REVENUE:						
Sales and use tax - constitutional	\$ 2,250,734	\$ 2,307,540	\$ 2,425,000	\$ 2,385,000	\$	\$ 40,000
Sales and use tax - statutory	1,039,589	1,074,268	1,075,000	1,075,000		
Local community stabilization authority				440,000	440,000	
Liquor licenses	24,221	35,472	25,000	30,000	5,000	
	<u>3,314,544</u>	<u>3,417,280</u>	<u>3,525,000</u>	<u>3,930,000</u>	<u>445,000</u>	<u>40,000</u>
CHARGES FOR SERVICES:						
Zoning board of appeals	1,600	920	2,000	3,000	1,000	
20th and Court pool	6,226	2,930	5,000	5,000		
Sanborn pool	38,065	40,986	35,000	40,000	5,000	
Lakeside parking	52,593	43,695	52,000	95,000	43,000	
Boat launch fees	34,108	31,513	33,000	33,000		
Recreational fees	223,460	204,083	220,000	210,000		10,000
Lot splits	960	1,330	1,500	2,000	500	
Hydrant maintenance	57,520	58,640	58,280	58,280		
False alarm charges	1,150	1,500	1,500	2,000	500	
Blue Water Bridge reimbursement	300,000	300,000	300,000	300,000		
Summer tax collection fee	1,814	1,725	1,720	1,720		
County parks millage	126,945	124,295	125,000	125,000		
Miscellaneous	57,905	58,285	55,000	55,000		
	<u>902,346</u>	<u>869,902</u>	<u>890,000</u>	<u>930,000</u>	<u>50,000</u>	<u>10,000</u>
FINES AND FORFEITS:						
Parking violations	31,387	25,671	35,000	20,000		15,000
Ordinance fines	107,505	161,976	115,000	180,000	65,000	
	<u>138,892</u>	<u>187,647</u>	<u>150,000</u>	<u>200,000</u>	<u>65,000</u>	<u>15,000</u>
INVESTMENT INCOME						
	<u>30,687</u>	<u>45,592</u>	<u>70,000</u>	<u>70,000</u>		
RENTS						
	<u>361,487</u>	<u>369,695</u>	<u>370,000</u>	<u>395,000</u>	<u>25,000</u>	

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SCHEDULE OF ESTIMATED REVENUES

2016-2017

	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
SALE OF ASSETS	\$ 567,934	\$ 128,491	\$ 3,000	\$ 12,000	\$ 9,000	\$
OTHER INCOME	405					
CHARGES TO OTHER FUNDS:						
Garbage and rubbish collection fund	90,693	93,697	95,090	98,589	3,499	
Marina fund	26,211	28,117	24,966	22,920		2,046
Parking fund	11,733	12,528	11,595	12,010	415	
Water fund	607,515	662,635	668,976	694,939	25,963	
Wastewater fund	975,460	1,053,543	1,127,950	1,133,401	5,451	
Central stores fund	10,938	11,144	11,106	11,147	41	
Data processing fund	62,686	62,894	64,072	68,533	4,461	
Motor vehicle fund	154,503	152,941	145,073	154,109	9,036	
	<u>1,939,739</u>	<u>2,077,499</u>	<u>2,148,828</u>	<u>2,195,648</u>	<u>48,866</u>	<u>2,046</u>
Subtotal	<u>21,183,168</u>	<u>21,050,628</u>	<u>21,161,828</u>	<u>21,177,648</u>	<u>963,366</u>	<u>947,546</u>
TRANSFERS FROM OTHER FUNDS:						
Land purchase fund			380,000	965,000	585,000	
			<u>380,000</u>	<u>965,000</u>	<u>585,000</u>	
TOTAL	<u>\$ 21,183,168</u>	<u>\$ 21,050,628</u>	<u>\$ 21,541,828</u>	<u>\$ 22,142,648</u>	<u>\$ 1,548,366</u>	<u>\$ 947,546</u>

Schedule of Estimated Expenditures

SCHEDULE OF ESTIMATED EXPENDITURES

2016-2017

GENERAL FUND	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
General Government:						
City council	\$ 55,951	\$ 48,215	\$ 60,880	\$ 61,180	\$ 300	\$
City manager	283,825	276,260	196,263	221,572	25,309	
Elections	52,857	81,076	64,561	86,700	22,139	
Finance and accounting	530,068	512,481	557,910	617,141	59,231	
Income tax	292,727	282,946	309,532	336,213	26,681	
Assessor	237,578	237,430	250,737	268,496	17,759	
Legal	154,105	118,481	160,000	160,000		
Clerk	224,646	241,013	267,628	279,158	11,530	
Personnel	268,473	284,443	286,153	315,581	29,428	
Purchasing	46,345	47,177	50,287	55,366	5,079	
Board of review	2,239	2,239	2,327	2,327		
Treasurer	180,003	205,359	212,621	235,519	22,898	
Municipal office center	635,166	653,578	681,327	675,860		5,467
Promotional	34,914	16,132				
	<u>2,998,897</u>	<u>3,006,830</u>	<u>3,100,226</u>	<u>3,315,113</u>	<u>220,354</u>	<u>5,467</u>
Public Safety:						
Police administration	846,197	857,708	859,215	959,987	100,772	
Detectives	1,215,341	1,256,023	1,249,153	1,362,223	113,070	
Patrol	5,438,663	5,436,231	5,614,379	6,136,253	521,874	
Communications	40,909	41,716	41,540	41,640	100	
Fire	5,105,813	5,210,842	4,760,681	5,088,861	328,180	
	<u>12,646,923</u>	<u>12,802,520</u>	<u>12,524,968</u>	<u>13,588,964</u>	<u>1,063,996</u>	
Public Works:						
Inspection	331,560	349,648	342,191	325,077		17,114
Emergency management	19,310	8,082	16,912	17,088	176	
Public works administration	204,915	204,546	210,774	226,516	15,742	
Engineering	218,856	223,968	244,680	259,198	14,518	
Street lighting	883,890	868,342	909,125	723,555		185,570
Blight and code enforcement	224,332	322,856	374,274	366,916		7,358
	<u>1,882,863</u>	<u>1,977,442</u>	<u>2,097,956</u>	<u>1,918,350</u>	<u>30,436</u>	<u>210,042</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2016-2017

	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
Senior Citizens:						
Wastewater and water discounts	\$ 1,661	\$ 2,063	\$ 2,000	\$ 2,000	\$	\$
	<u>1,661</u>	<u>2,063</u>	<u>2,000</u>	<u>2,000</u>		
Recreation, Parks and Culture:						
Parks and forestry	1,011,558	1,056,415	1,062,878	1,189,623	126,745	
Boat launch ramps			13,748	12,759		989
Recreation	572,147	506,587	555,953	564,310	8,357	
Rockin the rivers	42,761	38,201	39,241	38,131		1,110
20th and Court pool	60,765	66,199	70,436	71,473	1,037	
Sanborn pool	108,198	110,086	120,886	125,001	4,115	
Lighthouse park	1,069	2,047	6,677	6,753	76	
Lakeside park	10,680	13,685	16,741	75,992	59,251	
Palmer park recreation center	148,772	172,597	175,091	187,290	12,199	
McMorran complex	530,000	380,000	175,000	55,000		120,000
Library	8,000	8,000	8,000	8,000		
Museum	76,332	65,174	86,142	93,939	7,797	
	<u>2,570,282</u>	<u>2,418,991</u>	<u>2,330,793</u>	<u>2,428,271</u>	<u>219,577</u>	<u>122,099</u>
Other Functions:						
Planning	108,145	120,151	150,588	193,597	43,009	
Blue Water Bridge economic study	238,258	55,000	100,000	100,000		
Telephone service	8,284	8,710	10,610	12,383	1,773	
Contingencies			25,000	40,000	15,000	
Insurance, health and safety	54,542	61,545	85,167	93,990	8,823	
Taxes written off	7,226	7,379	15,000	15,000		
Demolitions	51,628	58,959	50,000	50,000		
	<u>468,083</u>	<u>311,744</u>	<u>436,365</u>	<u>504,970</u>	<u>68,605</u>	
Subtotal	<u>20,568,709</u>	<u>20,519,590</u>	<u>20,492,308</u>	<u>21,757,668</u>	<u>1,602,968</u>	<u>337,608</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2016-2017

	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
Public Improvements:						
Parks and recreation projects	\$ 336,241	\$ 120,848	\$ 675,000	\$ 27,680	\$	\$ 647,320
MOC capital	5,910	88,532	360,000	330,000		30,000
Other public improvement	176,910	5,579	11,220	24,000	12,780	
	<u>519,061</u>	<u>214,959</u>	<u>1,046,220</u>	<u>381,680</u>	<u>12,780</u>	<u>677,320</u>
Subtotal	<u>21,087,770</u>	<u>20,734,549</u>	<u>21,538,528</u>	<u>22,139,348</u>	<u>1,615,748</u>	<u>1,014,928</u>
Transfer to Other Funds:						
Beautification commission fund	3,300	3,300	3,300	3,300		
Insurance and fringe benefit fund		300,000				
	<u>3,300</u>	<u>303,300</u>	<u>3,300</u>	<u>3,300</u>		
TOTAL GENERAL FUND	<u>21,091,070</u>	<u>21,037,849</u>	<u>21,541,828</u>	<u>22,142,648</u>	<u>1,615,748</u>	<u>1,014,928</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	3,071,735	3,427,870	4,962,790	5,557,292	594,502	
Local streets	1,511,754	1,556,715	2,387,723	2,286,216		101,507
Municipal streets	799,372	2,087,913	3,568,626	3,349,006		219,620
	<u>5,382,861</u>	<u>7,072,498</u>	<u>10,919,139</u>	<u>11,192,514</u>	<u>594,502</u>	<u>321,127</u>
Cemetery fund	481,779	470,883	548,524	514,780		33,744
Garbage and rubbish collection fund	1,687,942	1,728,658	1,789,445	1,865,543	76,098	
Rental certification fund	236,513	242,969	235,345	233,253		2,092
OUIL fund	11,267	1,334	34,000	34,000		
Drug law enforcement fund	29,158	33,617	56,000	56,000		
Law enforcement fund	1,835	2,578	5,000	5,000		
Enhanced 911 fund	1,411	1,153	25,000	25,000		
Community development block grant fund	683,544	673,381	691,187	1,431,560	740,373	
Neighborhood rehabilitation fund	629,061	124,131	60,000	60,000		
Home program fund	305,311	145,217	171,959	708,167	536,208	
Loan revolving fund			1,100,000	1,100,000		

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SCHEDULE OF ESTIMATED EXPENDITURES

2016-2017

	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
Streetscape maintenance fund	\$ 69,678	\$ 44,340	\$ 50,000	\$ 50,000	\$	\$
Beautification commission fund	4,588	7,192	7,300	7,300		
TOTAL SPECIAL REVENUE FUNDS	9,524,948	10,547,951	15,692,899	17,283,117	1,947,181	356,963
ENTERPRISE FUNDS						
Marina fund	200,065	152,372	260,491	239,143		21,348
Senior Citizen Housing Fund			2,340,000			2,340,000
Land purchase fund	3,221,613	308,830	520,000	3,318,123	2,798,123	
Parking fund	128,474	113,613	865,280	875,314	10,034	
Water Fund:						
Treatment plant	1,937,333	2,177,503	2,640,838	2,606,850		33,988
Distribution	973,174	1,023,982	1,129,215	1,130,206	991	
Customer accounting	260,305	373,833	431,219	476,168	44,949	
Meter reading	411,523	397,342	444,197	509,699	65,502	
Debt service	3,836,712	3,852,906	4,041,000	4,004,600		36,400
Capital outlay	2,233,986	1,390,234	1,500,000	1,180,000		320,000
	<u>9,653,033</u>	<u>9,215,800</u>	<u>10,186,469</u>	<u>9,907,523</u>	<u>111,442</u>	<u>390,388</u>
Wastewater Fund:						
Treatment plant	4,557,975	4,550,136	5,658,145	5,873,077	214,932	
Collection, general	1,781,075	1,787,148	2,986,284	2,775,857		210,427
Collection system no. 1	19	20	221	221		
Collection system no. 2	23,007	29,700	48,491	53,859	5,368	
Collection system no. 3	39,810	52,802	74,119	517,246	443,127	
Debt service	11,969,325	7,240,449	7,466,000	7,399,000		67,000
Capital outlay	2,952,328	2,649,528	650,000	360,000		290,000
	<u>21,323,539</u>	<u>16,309,783</u>	<u>16,883,260</u>	<u>16,979,260</u>	<u>663,427</u>	<u>567,427</u>
TOTAL ENTERPRISE FUNDS	34,526,724	26,100,398	31,055,500	31,319,363	3,583,026	3,319,163

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SCHEDULE OF ESTIMATED EXPENDITURES

2016-2017

	Actual		Budget			
	2013-2014	2014-2015	2015-2016	2016-2017	Increase	Decrease
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 101,333	\$ 89,573	\$ 134,882	\$ 121,610	\$	\$ 13,272
Data processing fund	703,889	689,143	713,528	765,074	51,546	
Motor vehicle fund	1,880,145	1,698,691	2,160,660	2,391,287	230,627	
Energy performance services fund	365,004	284,928	330,000	330,000		
Insurance and fringe benefit fund	10,132,480	11,864,518	12,500,000	12,200,000		300,000
TOTAL INTERNAL SERVICE FUNDS	13,182,851	14,626,853	15,839,070	15,807,971	282,173	313,272
TAX INCREMENT FUNDS						
Industrial park tax increment fund	1,074,621	958,331	949,000	765,000		184,000
Paper company tax increment fund	137,096	311,088	324,000			324,000
Krafft-Holland tax increment fund	460,579	603,651				
Peerless site tax increment fund	45,270	92,422	93,000	90,000		3,000
Downtown development authority operating fund	97,105	108,335	148,817	156,350	7,533	
Water street tax increment fund	243,085	318,483	307,000	299,000		8,000
Bank tax increment fund	8,322	8,338	9,000	9,000		
Harrington Hotel tax increment fund	1,675	1,675	90,000	90,000		
Edison redevelopment tax increment fund	267,748	270,928	274,000	277,000	3,000	
Mainstreet tax increment fund	62,119	50,378	53,000	69,000	16,000	
Industrial park expansion tax increment fund	365,544	388,655	368,000	308,000		60,000
Brownfield redevelopment tax increment fund:						
Southside Redevelopment	249,522	250,919	291,000	270,000		21,000
Harker Street Redevelopment	674,478	27,953	30,000	29,000		1,000
Sperry's Redevelopment			1,000	1,000		
TOTAL TAX INCREMENT FUNDS	3,687,164	3,391,156	2,937,817	2,363,350	26,533	601,000
TOTAL ALL FUNDS	\$ 82,012,757	\$ 75,704,207	\$ 87,067,114	\$ 88,916,449	\$ 7,454,661	\$ 5,605,326

Summary of Estimated Requirements by Budget Class

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2016-2017

GENERAL FUND	<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>
General Government:						
City council	\$ 13,825	\$ 1,500	\$ 45,855	\$ 61,180	\$	\$ 61,180
City manager	203,258	1,250	17,064	221,572		221,572
Elections	61,647	7,500	17,553	86,700		86,700
Finance and accounting	517,088	6,800	93,253	617,141		617,141
Income tax	255,542	25,985	54,686	336,213		336,213
Assessor	200,810	8,750	58,936	268,496		268,496
Legal		150	159,850	160,000		160,000
Clerk	241,500	1,710	35,948	279,158		279,158
Personnel	273,933	3,100	38,548	315,581		315,581
Purchasing	47,206	300	7,860	55,366		55,366
Board of review	1,800		527	2,327		2,327
Treasurer	165,208	10,950	59,361	235,519		235,519
Municipal office center	248,285	26,994	396,581	671,860	4,000	675,860
	<u>2,230,102</u>	<u>94,989</u>	<u>986,022</u>	<u>3,311,113</u>	<u>4,000</u>	<u>3,315,113</u>
Public Safety:						
Police administration	749,900	23,580	186,507	959,987		959,987
Detectives	1,228,743	23,112	110,368	1,362,223		1,362,223
Patrol	5,527,450	123,790	485,013	6,136,253		6,136,253
Communications			41,640	41,640		41,640
Fire	4,582,500	163,602	342,759	5,088,861		5,088,861
	<u>12,088,593</u>	<u>334,084</u>	<u>1,166,287</u>	<u>13,588,964</u>		<u>13,588,964</u>
Public Works:						
Inspection	289,343	1,900	33,834	325,077		325,077
Emergency management		453	16,635	17,088		17,088
Public works administration	216,651	300	9,565	226,516		226,516
Engineering	191,839	5,150	62,209	259,198		259,198
Street lighting	15,100	3,000	705,455	723,555		723,555
Blight	303,304	6,950	56,662	366,916		366,916
	<u>1,016,237</u>	<u>17,753</u>	<u>884,360</u>	<u>1,918,350</u>		<u>1,918,350</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2016-2017

	<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
			<u>2,000</u>	<u>2,000</u>		<u>2,000</u>
Recreation, Parks and Culture:						
Parks and forestry	692,201	74,625	380,477	1,147,303	42,320	1,189,623
Boat launch ramps	4,277	2,050	6,432	12,759		12,759
Recreation	390,212	64,500	109,598	564,310		564,310
Rockin the rivers	890	3,100	34,141	38,131		38,131
20th and Court pool	35,069	10,145	26,259	71,473		71,473
Sanborn pool	79,187	14,178	31,636	125,001		125,001
Lighthouse park	1,403	1,800	3,550	6,753		6,753
Lakeside park	19,912	4,100	51,980	75,992		75,992
Palmer park recreation center	142,263	3,693	41,334	187,290		187,290
McMorran complex					55,000	55,000
Library			8,000	8,000		8,000
Museum	436	1,000	92,503	93,939		93,939
	<u>1,365,850</u>	<u>179,191</u>	<u>785,910</u>	<u>2,330,951</u>	<u>97,320</u>	<u>2,428,271</u>
Other Functions:						
Planning	171,501	2,900	19,196	193,597		193,597
Blue Water Bridge economic development plan			100,000	100,000		100,000
Telephone service		1,000	11,383	12,383		12,383
Contingencies			40,000	40,000		40,000
Insurance, health and safety	28,600	890	64,500	93,990		93,990
Taxes written off			15,000	15,000		15,000
Demolitions		1,000	49,000	50,000		50,000
	<u>200,101</u>	<u>5,790</u>	<u>299,079</u>	<u>504,970</u>		<u>504,970</u>
Subtotal	<u>16,900,883</u>	<u>631,807</u>	<u>4,123,658</u>	<u>21,656,348</u>	<u>101,320</u>	<u>21,757,668</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2016-2017

	<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	\$	\$	\$	\$	\$ 27,680	\$ 27,680
MOC Capital					330,000	330,000
Other public improvements					24,000	24,000
					<u>381,680</u>	<u>381,680</u>
Subtotal	<u>16,900,883</u>	<u>631,807</u>	<u>4,123,658</u>	<u>21,656,348</u>	<u>483,000</u>	<u>22,139,348</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>16,900,883</u>	<u>631,807</u>	<u>4,126,958</u>	<u>21,659,648</u>	<u>483,000</u>	<u>22,142,648</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	989,837	237,415	1,038,990	2,266,242	3,291,050	5,557,292
Local streets	638,701	122,911	353,554	1,115,166	1,171,050	2,286,216
Municipal streets	43,131	6,062	3,299,813	3,349,006		3,349,006
	<u>1,671,669</u>	<u>366,388</u>	<u>4,692,357</u>	<u>6,730,414</u>	<u>4,462,100</u>	<u>11,192,514</u>
Cemetery fund	332,563	26,098	126,369	485,030	29,750	514,780
Garbage and rubbish collection fund	85,630	6,604	1,773,309	1,865,543		1,865,543
Rental certification fund	195,789	6,700	30,764	233,253		233,253
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	140,110	800	14,650	155,560	1,276,000	1,431,560
Neighborhood rehabilitation fund					60,000	60,000
Home program fund	42,067	100	1,000	43,167	665,000	708,167
Loan revolving fund			750,000	750,000	350,000	1,100,000

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2016-2017

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Streetscape maintenance fund	\$ 5,340	\$ 290	\$ 37,070	\$ 42,700	\$ 7,300	\$ 50,000
Beautification commission fund		6,500	800	7,300		7,300
TOTAL SPECIAL REVENUE FUNDS	2,473,168	433,980	7,440,819	10,347,967	6,935,150	17,283,117
ENTERPRISE FUNDS						
Marina fund	10,420	2,550	226,173	239,143		239,143
Senior Citizen Housing fund						
Land purchase fund			3,293,123	3,293,123	25,000	3,318,123
Parking fund	40,374	7,120	77,820	125,314	750,000	875,314
Water Fund:						
Treatment plant	968,807	169,940	1,068,103	2,206,850	400,000	2,606,850
Distribution	558,917	106,513	452,276	1,117,706	12,500	1,130,206
Customer accounting	265,238	74,294	136,636	476,168		476,168
Meter reading	222,333	47,151	219,919	489,403	20,296	509,699
Debt service			4,004,600	4,004,600	1,180,000	5,184,600
	<u>2,015,295</u>	<u>397,898</u>	<u>5,881,534</u>	<u>8,294,727</u>	<u>1,612,796</u>	<u>9,907,523</u>
Wastewater Fund:						
Treatment plant	2,236,528	513,405	2,668,044	5,417,977	455,100	5,873,077
Collection, general	867,633	141,600	1,274,084	2,283,317	492,540	2,775,857
Collection system no. 1			221	221		221
Collection system no. 2	10,369	10,500	32,990	53,859		53,859
Collection system no. 3	11,887	6,500	58,859	77,246	440,000	517,246
Debt service			7,399,000	7,399,000	360,000	7,759,000
	<u>3,126,417</u>	<u>672,005</u>	<u>11,433,198</u>	<u>15,231,620</u>	<u>1,747,640</u>	<u>16,979,260</u>
TOTAL ENTERPRISE FUNDS	5,192,506	1,079,573	20,911,848	27,183,927	4,135,436	31,319,363

(Continued on next page)

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2016-2017

	<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	\$ 15,660	\$ 35,600	\$ 65,050	\$ 116,310	\$ 5,300	\$ 121,610
Data processing fund	449,014	64,527	201,533	715,074	50,000	765,074
Motor vehicle fund	576,810	410,468	620,694	1,607,972	783,315	2,391,287
Energy performance services fund			330,000	330,000		330,000
Insurance and fringe benefit fund	<u>11,659,000</u>	<u>1,000</u>	<u>540,000</u>	<u>12,200,000</u>		<u>12,200,000</u>
TOTAL INTERNAL SERVICE FUNDS	<u>12,700,484</u>	<u>511,595</u>	<u>1,757,277</u>	<u>14,969,356</u>	<u>838,615</u>	<u>15,807,971</u>
TAX INCREMENT FUNDS						
Industrial park tax increment fund			765,000	765,000		765,000
Peerless site tax increment fund			90,000	90,000		90,000
Downtown development authority operating fund			56,350	56,350	100,000	156,350
Water street tax increment fund			294,000	294,000	5,000	299,000
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			272,000	272,000	5,000	277,000
Mainstreet tax increment fund			4,000	4,000	65,000	69,000
Industrial park expansion tax increment fund			283,000	283,000	25,000	308,000
Brownfield redevelopment tax increment funds:						
Southside redevelopment			270,000	270,000		270,000
Harker Street redevelopment			29,000	29,000		29,000
Sperry's redevelopment			<u>1,000</u>	<u>1,000</u>		<u>1,000</u>
TOTAL TAX INCREMENT FUNDS			<u>2,083,350</u>	<u>2,083,350</u>	<u>280,000</u>	<u>2,363,350</u>
TOTAL ALL FUNDS	<u>\$ 37,267,041</u>	<u>\$ 2,656,955</u>	<u>\$ 36,320,252</u>	<u>\$ 76,244,248</u>	<u>\$ 12,672,201</u>	<u>\$ 88,916,449</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 35% 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 eight years. Overall values, including industrial and commercial properties, have fallen by 33% and taxable values have fallen by 29.1%.

The City is continuing its efforts to reduce overall costs of operations while minimizing the resultant service reductions. The proposed budget eliminates two full-time positions and adds three full-time positions in critical areas, a net increase of one position. When considered with the full-time positions eliminated in prior years, a net total of ninety-eight positions have been eliminated.

Initial General Fund revenue and expenditure estimates and requests for the fiscal year ending June 30, 2017 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 tax revenue, 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, 2016, based on the proposed budget the percentage is expected to be 20.3%

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 before transfers are expected to increase by less than \$20,000 in 2016-17. Property and income taxes and state revenue sharing are expected to generate \$16.5 million in General Fund

revenue for the year ending June 30, 2017. This is \$1.0 million less than those three revenue items generated fifteen 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 eight years, due to the significant decline in real estate values, property tax revenues have decreased from a high of \$2.13 million for the fiscal year ended June 30, 2009 to an expected \$1.53 million for the fiscal year ending June 30, 2017. 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.

Therefore, it was necessary to supplement property tax revenue during the year ending June 30, 2016 in order to maintain the financial integrity of the fund. Budget revenues were modified to include a \$25 annual fee per residence for bulk leaf and yard waste pick up and

recycling. This fee, which will be assessed on parcels containing a residential dwelling, would raise an additional \$230,000 to fund current operations.

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.

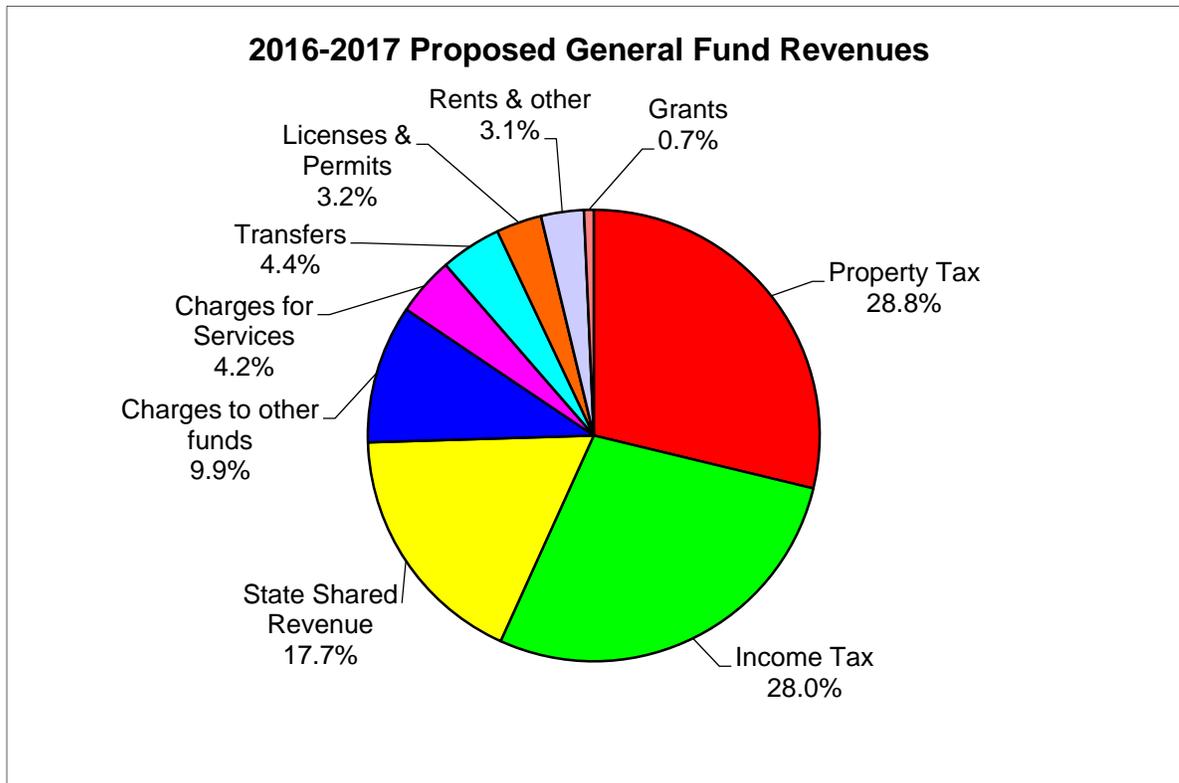
E. Utility Funds

The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$21.6 million. The two funds' cost of operating, debt service, departmental capital costs and other capital costs funded from operations are expected to be approximately \$24.9 million, a deficit of \$3.3 million. In order to provide sufficient funds to offset this deficit, the 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. This increase has been included in the projected revenues discussed above. Water and wastewater usage through the most recent four 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 sixteen 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 2016-17 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	\$515,334,590
Personal property	59,788,400
Special Acts assessment rolls:	
Industrial facilities roll:	
New facilities, real property	2,712,800
New facilities, personal property	14,128,400
Neighborhood enterprise zone, real property	833,673
Land bank, real property	554
Obsolete property rehabilitation, real property	<u>1,292,872</u>
	<u>\$594,091,289</u>

Taxable valuation has decreased by 3.6% overall. Real property values increased by 2.4%, and personal property values decreased by 31.5%. State equalized valuation (SEV) has increased by 0.5% overall. Real property values increased by 6.9%, while personal property values decreased by 31.5%.

Pursuant to legislation approved by voters in the August 2014 statewide election, the State of Michigan has begun phasing out the personal property tax on industrial property. This will have a significant effect on the City of Port Huron’s future finances. Beginning with the 2014-15 budget year, companies having taxable value less than \$40,000 were dropped from the tax rolls.

The State has pledged to provide full reimbursement for lost personal property tax revenue. State projections for the 2016-17 budget year includes \$440,000 in the General Fund, \$110,000 in the Garbage and Rubbish Collection Fund and \$80,000 in the Municipal Streets Fund. This revenue is described as State Shared Revenue – Local Community Stabilization Authority.

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 (0.3% for 2016), 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 2016 is the lower of the 2016 state equalized value or the 2015 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 2016 and 2015, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 92.0% and 95.8% of equalized value, as shown below:

	<u>2016</u>	<u>2015</u>
Equalized Value	\$645,939,800	\$642,931,200
Taxable Value	<u>594,091,289</u>	<u>616,067,661</u>
Difference	<u>\$ 51,848,511</u>	<u>\$ 26,863,539</u>

Although taxable values for real property will increase, there is a decrease in overall taxable values for the upcoming fiscal year. At this time, the overall direction of real estate values is not clear, especially when the effects of personal property tax reform are considered.

This proposed budget anticipates General Fund property tax revenue of \$6.08 million based on a net uncaptured taxable value of \$540,000,000 at the proposed millage rate of 11.2696 mills.

G. User Fees and Other Miscellaneous Revenues

The proposed 2016-17 General Fund budget anticipates approximately \$2.3 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 2016-17.

<u>Source</u>	<u>Anticipated Revenue</u>
Licenses and Permits:	
Cable television	\$ 350,000
Building permits	340,000
Other	<u>30,000</u>
	<u>720,000</u>
Charges for Services:	
Recreation fees	383,000
Blue Water Bridge reimbursement	300,000
County parks millage	125,000
Other	<u>122,000</u>
	<u>930,000</u>
Fines and Forfeits:	
Parking violations	20,000
Ordinance fines	<u>180,000</u>
	<u>200,000</u>
Investment Income	<u>70,000</u>
Rents - MOC	<u>395,000</u>
Sale of Assets	<u>12,000</u>
	<u>\$ 2,327,000</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.

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 2016-17 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. 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	2,307,540	1,074,268	3,381,808
*2015-16	2,425,000	1,075,000	3,500,000
*2016-17	2,385,000	1,075,000	3,460,000

* 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	3,381,808	1,757,812	34.2%	16.1%
*2015-16	3,500,000	1,639,620	31.9%	16.2%
*2016-17	3,460,000	1,679,620	32.7%	15.7%

* Budgeted amount

Due to conservative budget estimates for State revenue sharing, the City has not experienced any mid-year reductions in municipal services. However, the table above demonstrates that in the proposed budget, the City anticipates receiving approximately \$1.7 million less from this important revenue source than it received in 2000-01. **This loss of State shared revenue is equal to 3.1 mills of property tax, based on the City's 2016 taxable value.**

I. Income Tax Revenues

City income tax revenues have been estimated at \$6.2 million, slightly higher than the current year's budgeted amount. Over the past eight 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 11.4 mills of property tax.**

J. Grant Revenues

The 2016-17 budget includes expected grant revenue of \$50,000 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 98 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, 2017 eliminates two full-time positions and adds three full-time positions in critical areas, a net increase of one position.

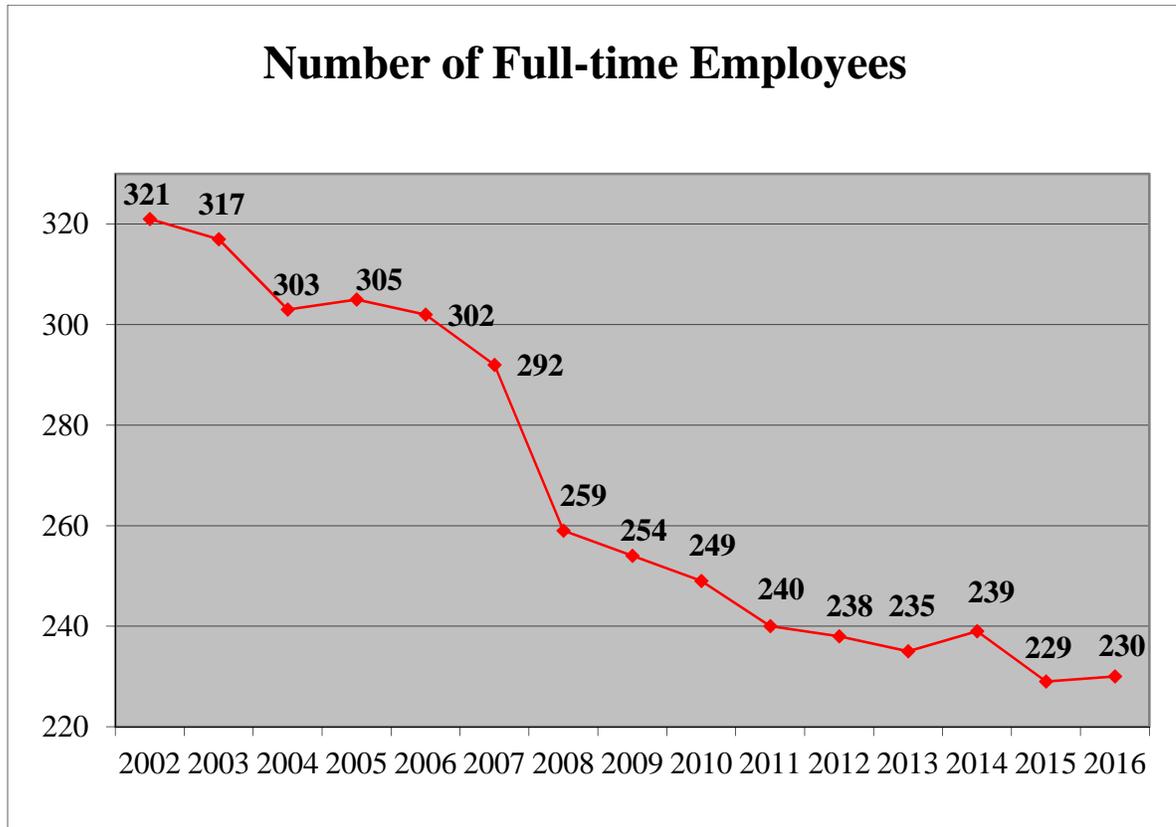
The eliminated positions can be summarized as follows:

<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	1	June 30, 2016
CDBG - Program Specialist	-1	June 30, 2017
Parks and Forestry - Parks Repair	-1	June 30, 2017
DPW - Journeyman Electrician	-1	June 30, 2017
Engineering - Administrative Data Coordinator	1	June 30, 2017
Cemetery - Equipment Operator	<u>1</u>	June 30, 2017
Total	<u>98</u>	

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, 2017 are approximately \$1.13 million higher than comparable budgeted operating expenses for the proposed budget for 2015-16, an increase of 5.5 percent. This was primarily caused by the scheduled two percent wage increase for all employees and the**

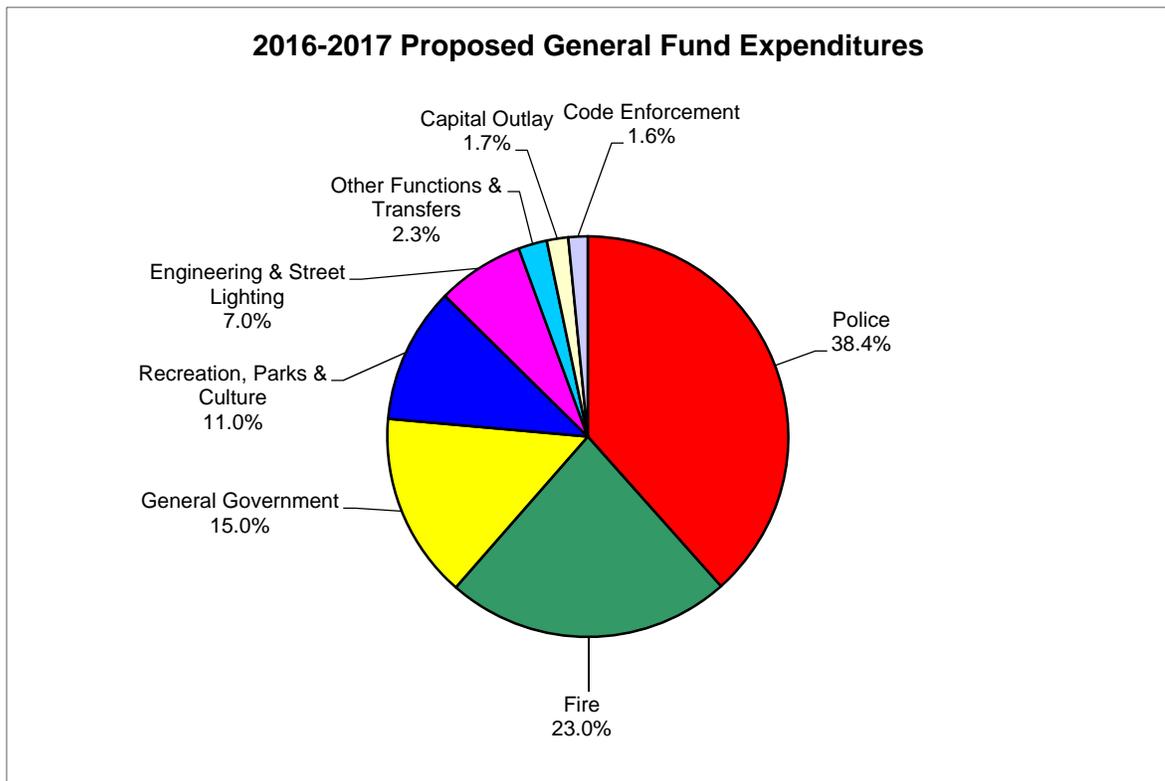
substantial increase in the fringe benefit rate needed because of the growth of unfunded pension and OPEB liabilities.

Capital outlay is proposed to decrease by \$664,540 to \$381,680 compared to the 2015-16 adopted budget. The capital outlay budget of \$381,680 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:

Parks and Recreation	\$ 27,680
MOC Capital	330,000
Other Public Improvements	<u>24,000</u>
	<u>\$381,680</u>

Capital improvements to the Municipal Office Center of \$330,000 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. Other capital items include the purchase of voting machines as required by law as well as various capital items in Parks and Recreation.

The illustration below depicts the major categories of General Fund expenditures for 2016-17 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 3.3% of General Fund expenditures.

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

Personal services	\$ 16,900,883
Supplies and materials	631,807
Contractual services	<u>4,123,658</u>
Total Operating Expenses	21,656,348
Transfer	3,300
Capital outlay:	
Departmental	4,000
Parks and recreation projects	125,000
MOC capital	330,000
Available for other public improvements and/or salary adjustments	<u>24,000</u>
Total	<u>\$ 22,142,648</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 increase somewhat. Future increases could be substantial, depending on the results of an experience study MERS is currently undergoing. Results of the study are expected to be available during the summer of 2016. 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% of their wages effective July 1, 2013.

The City’s actuarial determined contribution to MERS during the last two fiscal years, ended June 30, 2015, and 2014, was \$3,709,560 and \$2,941,737 respectively. During the year ended June 30, 2015, the City was required to change its method of accounting for pensions. One of the changes requires the calculation of the actual pension expense, irregardless of payments made to MERS. The City’s recognized pension expense for the year ended June 30, 2015, was \$5,345,845.

- 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	\$ 2,475,000
Retired Employee Health Costs	<u>2,700,000</u>
Total	<u>\$ 5,175,000</u>

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. The City's annual required contribution (ARC) to fund its OPEB liability during the last two fiscal years, ended June 30, 2015, and 2014 was \$3,413,907 and \$3,266,897 respectively.

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 Arena, the Port Huron Museum and its various locations and the municipal marinas.

The proposed McMorran subsidy consists of \$308,123 for operations and \$55,000 for capital improvements (funded by the county recreation millage).

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 the 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 continue at a reduced level. 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 opened during February, 2016.

The budget for parks and recreation programs and services is \$2,428,271. 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, 2016, as follows:

	<u>Proposed Budget 2016-2017</u>	<u>Adopted Budget 2015-2016</u>	<u>Increase or (Decrease)</u>
Means of Financing:			
Property taxes	\$ 6,370,000	\$ 6,540,000	\$ (170,000)
Income tax	6,200,000	6,075,000	125,000
Business licenses and permits	370,000	345,000	25,000
Nonbusiness license permits	350,000	330,000	20,000
Grants	155,000	715,000	(560,000)
State shared revenue	3,930,000	3,525,000	405,000
Charges for services	930,000	890,000	40,000
Fines and forfeits	200,000	150,000	50,000
Investment income	70,000	70,000	
Rents	395,000	370,000	25,000
Sale of assets	12,000	3,000	9,000
Charges to other funds	2,195,648	2,148,828	46,820
Transfer from other funds	<u>965,000</u>	<u>380,000</u>	<u>585,000</u>
Total	<u>\$22,142,648</u>	<u>\$21,541,828</u>	<u>\$ 600,820</u>
Estimated Requirements:			
General government	\$ 3,315,113	\$ 3,100,226	\$ 214,887
Public safety	13,588,964	12,524,968	1,063,996
Public works	1,918,350	2,097,956	(179,606)
Senior citizens	2,000	2,000	
Recreation, parks and culture	2,428,271	2,330,793	97,478
Other functions	504,970	436,365	68,605
Capital outlay	381,680	1,046,220	(664,540)
Transfers to other funds	<u>3,300</u>	<u>3,300</u>	
Total	<u>\$22,142,648</u>	<u>\$21,541,828</u>	<u>\$ 600,820</u>

The increases in general government; public safety; recreation, parks and culture; and other functions are primarily due to the scheduled two percent wage increase for all employees and the substantial increase in the fringe benefit rate needed because of the growth of unfunded pension and OPEB liabilities. The decrease in public works is due to expected reductions in the cost of street lighting with the installation of LED technology. The reduction in capital is

caused by a return to normal levels subsequent to the scheduled park renovations in the 2015-16 budget.

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 eighteen 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 (DWRP) 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 \$100,070,265 at June 30, 2015 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, 2015 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>
2016	\$ 8,799,101	\$ 2,995,381	\$ 11,794,482
2017	8,965,349	2,745,990	11,711,339
2018	9,454,983	2,494,005	11,948,988
2019	9,705,432	2,229,931	11,935,363
2020	10,065,634	1,955,186	12,020,820
2021-2025	32,856,068	6,474,760	39,330,828
2026-2030	10,749,577	3,356,381	14,105,958
2031-2035	4,911,967	1,852,746	6,764,713
2036-2040	3,897,173	702,064	4,599,237
2041	<u>664,981</u>	<u>23,470</u>	<u>688,451</u>
	<u>\$100,070,265</u>	<u>\$ 24,829,914</u>	<u>\$124,900,179</u>

In addition, new borrowings of approximately \$430,000 have already been undertaken in the 2015-16 fiscal year that are not reflected above and the proposed 2016-17 budget contains new borrowings of \$1.98 million. 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, 2017 proposed budget have exceeded \$54.4 million.

The City of Port Huron has a history of operating surpluses in the General Fund. Because of conservative budgeting and cost control measures, over \$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		2,400,000 *	2,400,000 *
June 30, 2016 (budgeted)		2,340,000 *	2,340,000 *
June 30, 2017 (proposed)		<u>1,800,000</u>	<u>1,800,000</u>
Total	<u>\$ 5,550,000</u>	<u>\$ 27,735,000</u>	<u>\$ 33,285,000</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	\$ 53.24	\$ 51.70	\$ 1.54	3.0%
	333	62.24	60.42	1.82	3.0%
	500	71.29	69.13	2.16	3.1%
Average Residential	567	74.92	72.65	2.27	3.1%
	667	80.34	77.84	2.50	3.2%
	833	89.34	86.56	2.78	3.2%
	1,000	98.39	95.27	3.12	3.3%
	1,167	107.44	103.98	3.46	3.3%
	1,333	116.44	112.70	3.74	3.3%
	1,500	125.49	121.41	4.08	3.4%

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, 2015)	\$79.40
Port Huron (July 1, 2016)	\$74.92
Lansing (October 1, 2015)	\$73.59
Grand Rapids (January 1, 2016)	\$54.34

The Port Huron monthly costs are based upon adjusted rates effective July 1, 2016. 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 2016-17 year are as follows:

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Current Projects:				
Glenwood – Huron to Merchant	\$ 700,000	\$ 120,000	\$ 70,000	\$ 890,000
Fort Street – Glenwood to Beers	60,000	20,000	20,000	100,000
Merchant – Stanton to Glenwood		90,000		90,000
Reid – 16th to Electric	480,000	110,000		590,000
North Blvd. – 32nd to Electric	680,000	290,000		970,000
River Street – Glenwood to Stone	520,000	240,000	170,000	930,000
LED Streetlighting	<u>770,000</u>			<u>770,000</u>
Total	<u>3,210,000</u>	<u>870,000</u>	<u>260,000</u>	<u>4,340,000</u>
Carryover Projects:				
Beers – Michigan to Merchant	400,000	210,000	60,000	670,000
Michigan – Beers to Glenwood	140,000	100,000	40,000	280,000
20 th Street – Dove to Beard	<u>700,000</u>			<u>700,000</u>
Total	<u>1,240,000</u>	<u>310,000</u>	<u>100,000</u>	<u>1,650,000</u>
Total Current and Carryover	4,450,000	1,180,000	360,000	5,990,000
Sidewalk Projects	<u>30,000</u>			<u>30,000</u>
Total	<u>\$4,480,000</u>	<u>\$1,180,000</u>	<u>\$ 360,000</u>	<u>\$6,020,000</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:				
Open Market Bonds	\$ _____	\$1,180,000	\$ 360,000	\$1,540,000
Other Sources:				
MDOT Grants:				
Glenwood – Huron to Merchant	295,000			295,000
Reid – 16 th to Electric	324,000			324,000
River Street – Glenwood to Stone	333,000			333,000
20 th Street – Dove to Beard	493,000			493,000
DTE Rebate – Streetlighting	130,000			130,000
DDA Funding	100,000			100,000
Sidewalk Projects	30,000			30,000
Current Street Millage:				
Revenues and Reserves	<u>2,775,000</u>	_____	_____	<u>2,775,000</u>
Total Other Sources	<u>4,480,000</u>	_____	_____	<u>4,480,000</u>
Total	<u>\$4,480,000</u>	<u>\$1,180,000</u>	<u>\$ 360,000</u>	<u>\$6,020,000</u>

Significant non-CSO capital projects are needed in both the Water and Wastewater Funds. The post-CSO cost of replacing water mains 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.

W. Special Revenue Funds

The proposed 2016-17 budget for the Cemetery Fund includes a transfer from the Land Purchase Fund. The Cemetery Fund has not needed a subsidy from other funds since 2007-08. However, the cemetery operation was modified during the 2013-14 fiscal year to reinstate the position of Cemetery Supervisor. That modification in addition to funds expended for capital over the last few years have depleted fund reserves to the point where a transfer from the Land Purchase Fund is now needed. City Council has also approved an increase to the fees charged for various cemetery services in an effort to mitigate the need for future subsidies.

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 to continue a \$25 annual fee per residence for bulk leaf and yard waste pick up and recycling. The 2016-17 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 28, 2016. 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 significantly over the past several years. As a result, vehicle lease charges continue to provide reduced costs for all City activities.

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 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 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 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Property taxes	\$ 6,370,000	\$ 6,540,000
Income tax	6,200,000	6,075,000
Business licenses and permits	370,000	345,000
Nonbusiness licenses and permits	350,000	330,000
Grants	155,000	715,000
State shared revenues	3,930,000	3,525,000
Charges for services	930,000	890,000
Fines and forfeits	200,000	150,000
Investment income	70,000	70,000
Rents	395,000	370,000
Sale of assets	12,000	3,000
Charges to other funds	2,195,648	2,148,828
Transfer from other funds	965,000	380,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	22,142,648	21,541,828
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	16,900,883	15,200,279
Supplies and materials	631,807	646,590
Contractual services	4,123,658	4,367,639
	<hr/>	<hr/>
	21,656,348	20,214,508
Transfers	3,300	3,300
Capital outlay:		
Departmental	4,000	7,800
Parks and recreation projects	125,000	675,000
MOC capital	330,000	380,000
Available for other public improvements and/or salary adjustments	24,000	261,220
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	22,142,648	21,541,828
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<hr/>	<hr/>
	4,500,000	
ESTIMATED CASH BALANCE - END OF YEAR	<hr/>	
	\$ 4,500,000	

STREET FUNDS MAJOR STREETS

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Major streets	\$ 1,840,000	\$ 1,500,000
Trunkline maintenance	315,000	255,000
Right of way	75,000	75,000
Federal and State grants	1,445,000	1,305,000
DTE Rebate - Streetlighting project	85,000	
Contribution from Downtown Development Authority	100,000	
Transfer from Municipal streets to Major streets	1,695,000	1,660,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	5,555,000	4,795,000
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	989,837	940,091
Supplies and materials	237,415	224,756
Contractual services:		
Engineering and other professional services	598,990	558,049
Transfer from Major streets to Local streets	440,000	440,000
	<u> </u>	<u> </u>
	2,266,242	2,162,896
Capital outlay:		
Departmental	6,050	9,894
Street resurfacing and/or reconstruction from:		
Street millage	440,000	440,000
Other sources	2,845,000	2,350,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	5,557,292	4,962,790
	<u> </u>	<u> </u>
INCREASE (DECREASE) IN CASH BALANCE	(2,292)	\$ (167,790)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	80,000	<u><u> </u></u>
	<u> </u>	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 77,708	
	<u><u> </u></u>	

STREET FUNDS LOCAL STREETS

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Local streets	\$ 655,000	\$ 530,000
Right of way	22,000	22,000
DTE Rebate - Streetlighting project	45,000	
Transfers:		
Transfer from Major streets to Local streets	440,000	440,000
Transfer from Municipal streets to Local streets	<u>1,125,000</u>	<u>1,370,000</u>
TOTAL MEANS OF FINANCING	<u>2,287,000</u>	<u>2,362,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	638,701	586,394
Supplies and materials	122,911	127,527
Contractual services	<u>353,554</u>	<u>351,136</u>
	1,115,166	1,065,057
Capital outlay:		
Departmental	6,050	2,666
Street resurfacing and/or reconstruction from:		
Street millage	660,000	660,000
Other sources	<u>505,000</u>	<u>660,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>2,286,216</u>	<u>2,387,723</u>
 INCREASE (DECREASE) IN CASH BALANCE	 784	 <u>\$ (25,723)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>55,000</u>	
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 55,784</u>	

STREET FUNDS MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 965,000	\$ 940,000
Personal property taxes	115,000	170,000
BWATC	440,000	450,000
State shared revenue - Local community stabilization authority	80,000	
Charges for services	150,000	150,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	1,750,000	1,710,000
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	43,131	44,390
Supplies and materials	6,062	6,624
Contractual services:		
Engineering and other professional services	39,813	37,612
BWATC property taxes	440,000	450,000
Transfers:		
From Municipal streets to Major streets	1,695,000	1,660,000
From Municipal streets to Local streets	1,125,000	1,370,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	3,349,006	3,568,626
	<u> </u>	<u> </u>
INCREASE (DECREASE) IN CASH BALANCE	(1,599,006)	\$ (1,858,626)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	1,900,000	<u><u> </u></u>
	<u> </u>	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 300,994	
	<u><u> </u></u>	

STREET FUNDS
COMBINED MAJOR, LOCAL AND MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 965,000	\$ 940,000
Personal property taxes	115,000	170,000
BWATC	440,000	450,000
State shared revenues:		
Major streets	1,840,000	1,500,000
Local streets	655,000	530,000
Trunkline maintenance	315,000	255,000
Right of way	97,000	97,000
Local community stabilization authority	80,000	
Federal and State grants	1,445,000	1,305,000
DTE Rebate - Streetlighting project	130,000	
Charges for services	150,000	150,000
Contribution from Downtown Development Authority	100,000	
Transfers:		
From Major streets to Local streets	440,000	440,000
From Municipal streets to Major streets	1,695,000	1,660,000
From Municipal streets to Local streets	1,125,000	1,370,000
TOTAL MEANS OF FINANCING	9,592,000	8,867,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,671,669	1,570,875
Supplies and materials	366,388	358,907
Contractual services:		
Engineering and other professional services	992,357	946,797
BWATC property taxes	440,000	450,000
Transfers:		
From Major streets to Local streets	440,000	440,000
From Municipal streets to Major streets	1,695,000	1,660,000
From Municipal streets to Local streets	1,125,000	1,370,000
	6,730,414	6,796,579
Capital outley:		
Departmental	12,100	12,560
Street resurfacing and/or reconstruction from:		
Street millage	1,100,000	1,100,000
Other sources	3,350,000	3,010,000
TOTAL ESTIMATED REQUIREMENTS	11,192,514	10,919,139
INCREASE (DECREASE) IN CASH BALANCE	(1,600,514)	\$ (2,052,139)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	2,035,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 434,486	

CEMETERY FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Foundations	\$ 15,000	\$ 20,000
Graveside interments	55,000	70,000
Chapel interments	35,000	40,000
Other services	25,000	45,000
Transfer from Land purchase fund	120,000	
Transfer from Cemetery perpetual care fund	250,000	255,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	500,000	430,000
	<hr/>	<hr/>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	332,563	329,435
Supplies and materials	26,098	28,488
Contractual services	126,369	133,601
	<hr/>	<hr/>
	485,030	491,524
Capital outlay	29,750	57,000
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	514,780	548,524
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH BALANCE	(14,780)	\$ (118,524)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	100,000	<u>100,000</u>
	<hr/>	<hr/>
ESTIMATED CASH BALANCE - END OF YEAR	\$ 85,220	<u>85,220</u>

GARBAGE AND RUBBISH COLLECTION FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,360,000	\$ 1,325,000
Personal property taxes	160,000	235,000
Penalties and interest on taxes	5,000	10,000
State shared revenue - Local community stabilization authority	110,000	
Charges for services	230,000	250,000
TOTAL MEANS OF FINANCING	1,865,000	1,820,000
ESTIMATED REQUIREMENTS:		
Rubbish Collection Program:		
Ordinary recurring expenses:		
Personal services	10,607	18,106
Supplies and materials	6,604	4,504
Contractual services	1,731,360	1,656,456
	<u>1,748,571</u>	<u>1,679,066</u>
Public Area Collection Program:		
Personal services	75,023	68,430
Contractual services	41,949	41,949
	<u>116,972</u>	<u>110,379</u>
TOTAL ESTIMATED REQUIREMENTS	1,865,543	1,789,445
INCREASE (DECREASE) IN CASH BALANCE	(543)	\$ 30,555
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	250,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 249,457	

RENTAL CERTIFICATION FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Charges for services	\$ 233,253	\$ 234,000
TOTAL MEANS OF FINANCING	<u>233,253</u>	<u>234,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	195,789	201,410
Supplies and materials	6,700	6,500
Contractual services	30,764	27,435
	<u>233,253</u>	<u>235,345</u>
Capital outlay		
TOTAL ESTIMATED REQUIREMENTS	<u>233,253</u>	<u>235,345</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ (1,345)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>45,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 45,000</u>	

O.U.I.L. FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Fines and forfeits	\$ 1,000	\$ 34,000
TOTAL MEANS OF FINANCING	<u>1,000</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	(33,000)	\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>75,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 42,000</u>	

DRUG LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
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>90,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 90,000</u>	

LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
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		<u>\$ 0</u>
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 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING	\$ 0	\$ 0
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services		
Capital outlay	25,000	25,000
TOTAL ESTIMATED REQUIREMENTS	25,000	25,000
INCREASE (DECREASE) IN CASH BALANCE	(25,000)	\$ (25,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	180,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 155,000	

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Budget Summary

	<u>Proposed Budget 2016-2017</u>	<u>Adopted Budget 2015-2016</u>
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 708,717	\$ 691,187
Federal grant carryover	722,843	
TOTAL MEANS OF FINANCING	<u>1,431,560</u>	<u>691,187</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	140,110	124,566
Supplies and materials	800	700
Contractual services	14,650	13,001
	<u>155,560</u>	<u>138,267</u>
Capital outlay - programs:		
Economic redevelopment	200,000	100,000
Emergency home repairs	48,000	20,000
Sidewalk replacement	65,000	17,920
Rehabilitation	520,000	270,000
Code enforcement	94,000	50,000
Demolitions	118,000	60,000
Project brush-up	60,000	20,000
Neighborhood clean-up	18,000	15,000
Rental conversion	153,000	
TOTAL ESTIMATED REQUIREMENTS	<u>1,431,560</u>	<u>691,187</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

NEIGHBORHOOD REHABILITATION FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Federal grant carryover	\$ 60,000	\$ 60,000
TOTAL MEANS OF FINANCING	<u>60,000</u>	<u>60,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services		
Supplies and materials		
Contractual services		
Capital outlay:		
Housing improvements	<u>60,000</u>	<u>60,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>60,000</u>	<u>60,000</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		<u>0</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

HOME PROGRAM FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 190,787	\$ 168,336
Federal grant carryover	517,380	3,623
TOTAL MEANS OF FINANCING	708,167	171,959
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	42,067	20,457
Supplies and materials	100	
Contractual services	1,000	
	<u>43,167</u>	<u>20,457</u>
Capital outlay:		
CHDO project	80,000	25,250
CHDO administration	27,000	8,417
Urban pioneer	232,000	117,835
Affordable housing	296,000	
Habitat for Humanity	30,000	
TOTAL ESTIMATED REQUIREMENTS	708,167	171,959
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

LOAN REVOLVING FUND

Budget Summary

	<u>Proposed Budget 2016-2017</u>	<u>Adopted Budget 2015-2016</u>
MEANS OF FINANCING	<u>\$ 0</u>	<u>\$ 0</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Transfer to Parking fund	750,000	750,000
Capital outlay:		
Housing improvements	<u>350,000</u>	<u>350,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,100,000</u>	<u>1,100,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(1,100,000)	<u>\$ (1,100,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>1,100,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

STREETSCAPE MAINTENANCE FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Charges for services	\$ 25,175	\$ 25,175
Transfer from TIF districts		
TOTAL MEANS OF FINANCING	<u>25,175</u>	<u>25,175</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	5,340	5,010
Supplies and materials	290	290
Contractual services	37,070	37,400
	<u>42,700</u>	<u>42,700</u>
Capital outlay	7,300	7,300
TOTAL ESTIMATED REQUIREMENTS	<u>50,000</u>	<u>50,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(24,825)	<u>\$ (24,825)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>60,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 35,175</u>	

BEAUTIFICATION COMMISSION FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
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	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 3,000	

MARINA FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Charges for services - share of operating income	\$ 40,000	\$ 40,000
TOTAL MEANS OF FINANCING	<u>40,000</u>	<u>40,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	10,420	9,980
Supplies and materials	2,550	3,535
Contractual services	226,173	246,976
	<u>239,143</u>	<u>260,491</u>
Capital outlay	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>239,143</u>	<u>260,491</u>
INCREASE (DECREASE) IN CASH BALANCE	(199,143)	\$ (220,491)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>350,000</u>	<u> </u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 150,857</u>	<u> </u>

LAND PURCHASE FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Investment income	\$ 5,000	\$ 5,000
Rents		230,000
Other income	10,000	10,000
Transfer from tax increment funds:		
Bank	6,000	6,000
Edison redevelopment	267,000	249,000
Water street	292,000	300,000
Industrial park expansion	258,000	268,000
DDA operating fund:		
Studio 1219	15,750	8,750
Welcome Center	26,100	25,567
TOTAL MEANS OF FINANCING	879,850	1,102,317
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Engineering and other professional services	25,000	25,000
Transfer to:		
General fund	965,000	380,000
Cemetery fund	120,000	
Wastewater fund	1,800,000	
Parking fund	75,000	90,000
McMorran fund	308,123	
	<u>3,293,123</u>	<u>495,000</u>
Capital outlay:		
Building maintenance and other costs	25,000	25,000
TOTAL ESTIMATED REQUIREMENTS	3,318,123	520,000
INCREASE (DECREASE) IN CASH BALANCE	(2,438,273)	\$ 582,317
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 1,061,727	

PARKING FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Street meters	\$ 24,000	\$ 24,000
Annual permits	20,000	
Transfer from:		
Land purchase fund	75,000	90,000
Loan revolving fund	<u>750,000</u>	<u>750,000</u>
TOTAL MEANS OF FINANCING	<u>869,000</u>	<u>864,000</u>
ESTIMATED REQUIREMENTS:		
Parking System - Non Revenue Producing:		
Ordinary recurring expenses:		
Personal services	32,480	30,500
Supplies and materials	5,050	2,350
Contractual services	<u>65,111</u>	<u>62,676</u>
	<u>102,641</u>	<u>95,526</u>
Parking System - Revenue Producing:		
Ordinary recurring expenses:		
Personal services	7,894	8,228
Supplies and Materials	2,070	2,070
Contractual services	<u>12,709</u>	<u>9,456</u>
	<u>22,673</u>	<u>19,754</u>
Capital outlay:		
East Quay reconstruction	600,000	600,000
MOC North lot resurfacing	70,000	70,000
Other Parking lot improvements	<u>80,000</u>	<u>80,000</u>
	<u>750,000</u>	<u>750,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>875,314</u>	<u>865,280</u>
INCREASE (DECREASE) IN CASH BALANCE	(6,314)	<u>\$ (1,280)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>120,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 113,686</u>	

WATER FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Sale of water	\$ 7,400,000	\$ 7,710,000
Penalty charges	60,000	60,000
Hydrant charges	58,280	58,280
Charges for services	35,000	35,000
Investment income	10,000	5,000
Proceeds from issuance of long-term revenue bonds:		
State Drinking Water Revolving fund bonds		210,000
Other revenue bonds	1,180,000	
Pro rata share of water administration and meter reading budget reimbursed from Wastewater fund	656,904	634,638
TOTAL MEANS OF FINANCING	9,400,184	8,712,918
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	2,015,295	1,942,931
Supplies and materials	397,898	404,886
Contractual services	1,876,934	1,727,294
	<u>4,290,127</u>	<u>4,075,111</u>
Debt service requirements for payment of principal and interest on Revenue and State Drinking Water Revolving Fund bonds	4,004,600	4,041,000
Capital outlay:		
Departmental	432,796	570,358
Construction projects	1,180,000	1,500,000
	<u>1,612,800</u>	<u>2,070,358</u>
TOTAL ESTIMATED REQUIREMENTS	9,907,523	10,186,469
INCREASE (DECREASE) IN CASH BALANCE	(507,339)	\$ (1,473,551)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,500,000	3,500,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,992,661	2,026,449

WASTEWATER FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Sewage charges	\$ 10,960,000	\$ 11,490,000
Penalty charges	150,000	150,000
Other income	10,000	30,000
Investment income	10,000	15,000
Proceeds for operating and capital costs:		
Fort Gratiot Township	830,000	800,000
Port Huron Township	1,060,000	870,000
Kimball Township	400,000	320,000
Proceeds from issuance of long-term revenue bonds:		
State Revolving fund bonds		400,000
Other limited obligation bonds - Collection system	800,000	
Transfer from enterprise funds:		
Land purchase fund	1,800,000	
Senior citizens housing fund		2,340,000
TOTAL MEANS OF FINANCING	16,020,000	16,415,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	3,126,417	2,822,264
Supplies and materials	672,005	649,066
Contractual services	4,034,198	4,202,416
	<u>7,832,620</u>	<u>7,673,746</u>
Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds	7,399,000	7,466,000
Capital outlay:		
Departmental	947,640	1,093,514
Construction projects - Collection system	800,000	650,000
TOTAL ESTIMATED REQUIREMENTS	16,979,260	16,883,260
INCREASE (DECREASE) IN CASH BALANCE	(959,260)	\$ (468,260)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	4,000,000	<u>4,000,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 3,040,740</u>	

CENTRAL STORES FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Charges for services	\$ 121,610	\$ 134,882
TOTAL MEANS OF FINANCING	<u>121,610</u>	<u>134,882</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	15,660	15,448
Supplies and materials	35,600	35,600
Contractual services	65,050	64,834
	<u>116,310</u>	<u>115,882</u>
Capital outlay	5,300	19,000
TOTAL ESTIMATED REQUIREMENTS	<u>121,610</u>	<u>134,882</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>10,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 10,000</u>	

DATA PROCESSING FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Charges for services	\$ 765,074	\$ 634,597
TOTAL MEANS OF FINANCING	<u>765,074</u>	<u>634,597</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	449,014	402,966
Supplies and materials	64,527	70,800
Contractual services	201,533	194,762
	<u>715,074</u>	<u>668,528</u>
Capital outlay	50,000	45,000
TOTAL ESTIMATED REQUIREMENTS	<u>765,074</u>	<u>713,528</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ (78,931)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>200,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 200,000</u>	

MOTOR VEHICLE FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Charges for services	\$ 2,391,287	\$ 2,160,660
TOTAL MEANS OF FINANCING	<u>2,391,287</u>	<u>2,160,660</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	576,810	540,516
Supplies and materials	410,468	410,865
Contractual services	620,694	563,864
	<u>1,607,972</u>	<u>1,515,245</u>
Capital outlay	<u>783,315</u>	<u>645,415</u>
TOTAL ESTIMATED REQUIREMENTS	<u>2,391,287</u>	<u>2,160,660</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>400,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 400,000</u>	

ENERGY PERFORMANCE SERVICES FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
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	5,000
Debt service requirements for principal and interest on energy performance debt	<u>325,000</u>	<u>325,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>330,000</u>	<u>330,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>300,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 300,000</u>	

INSURANCE AND FRINGE BENEFIT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Charges for services	\$ 11,700,000	\$ 10,500,000
TOTAL MEANS OF FINANCING	<u>11,700,000</u>	<u>10,500,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services:		
Healthcare premiums - employees	2,475,000	2,100,000
Healthcare premiums - retirees	2,700,000	3,400,000
Pension contributions	4,090,000	3,790,000
Payroll taxes	765,000	750,000
Workers compensation insurance	150,000	150,000
Dental insurance	265,000	265,000
Unemployment insurance	65,000	65,000
Disability benefits	50,000	50,000
Vacation and sick pay	280,000	270,000
Additional pension/OPEB payment	500,000	500,000
Retirement incentives		300,000
Other	319,000	324,000
	<u>11,659,000</u>	<u>11,964,000</u>
Supplies and materials	1,000	1,000
Contractual services	540,000	535,000
TOTAL ESTIMATED REQUIREMENTS	<u>12,200,000</u>	<u>12,500,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(500,000)	\$ (2,000,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>3,000,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 2,500,000</u>	

Appendix – Tax Increment Authority Fund Budgets

INDUSTRIAL PARK TAX INCREMENT FUND

Budget Summary

	<u>Proposed Budget 2016-2017</u>	<u>Adopted Budget 2015-2016</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 440,000	\$ 452,000
Personal property taxes	<u>289,000</u>	<u>457,000</u>
TOTAL MEANS OF FINANCING	<u>729,000</u>	<u>909,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Property taxes not captured due to repayment of advances	729,000	909,000
Contractual services:		
Professional and other services:		
Industrial development	<u>36,000</u>	<u>40,000</u>
	<u>765,000</u>	<u>949,000</u>
Capital outlay:		
Infrastructure improvements	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>765,000</u>	<u>949,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(36,000)	<u>\$ (40,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>36,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

PEERLESS SITE TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 56,000	\$ 56,000
Personal property taxes	<u>34,000</u>	<u>37,000</u>
TOTAL MEANS OF FINANCING	<u>90,000</u>	<u>93,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Payment to St. Clair County - development agreement	<u>90,000</u>	<u>93,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>90,000</u>	<u>93,000</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>	<u> </u>

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

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 61,000	\$ 61,000
Personal property taxes	7,000	8,000
Penalties and interest on taxes	500	500
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>68,500</u>	<u>69,500</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Physical improvements	14,000	14,000
DDA operations	500	500
Repayment of advances:		
Land purchase fund:		
Studio 1219	15,750	8,750
Welcome Center	26,100	25,567
Capital outlay:		
Parking lots, crosswalks and other downtown infrastructure improvements	100,000	100,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>156,350</u>	<u>148,817</u>
INCREASE (DECREASE) IN CASH BALANCE	(87,850)	<u><u>\$ (79,317)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>165,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 77,150</u></u>	

WATER STREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 289,000	\$ 296,000
Personal property taxes	<u>10,000</u>	<u>11,000</u>
TOTAL MEANS OF FINANCING	<u>299,000</u>	<u>307,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	2,000	2,000
Transfer to Land purchase fund	<u>292,000</u>	<u>300,000</u>
	294,000	302,000
Capital outlay:		
Infrastructure improvements	<u>5,000</u>	<u>5,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>299,000</u>	<u>307,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

BANK DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 6,000	\$ 6,000
Personal property taxes	<u>3,000</u>	<u>3,000</u>
TOTAL MEANS OF FINANCING	<u>9,000</u>	<u>9,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	3,000	3,000
Transfer to Land purchase fund	<u>6,000</u>	<u>6,000</u>
	<u>9,000</u>	<u>9,000</u>
Capital outlay:		
Available for infrastructure improvements or other services	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>9,000</u>	<u>9,000</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>	<u> </u>

HARRINGTON HOTEL DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING	\$ 0	\$ 0
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	<u>10,000</u>	<u>10,000</u>
	10,000	10,000
Capital outlay:		
Available for infrastructure improvements or other services	<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><u>\$ (90,000)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>100,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 10,000</u></u>	

EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 275,000	\$ 271,000
Personal property taxes	<u>2,000</u>	<u>3,000</u>
TOTAL MEANS OF FINANCING	<u>277,000</u>	<u>274,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	5,000	10,000
Transfer to Land purchase fund	<u>267,000</u>	<u>249,000</u>
	<u>272,000</u>	<u>259,000</u>
Capital outlay:		
Parkway and other infrastructure improvements	<u>5,000</u>	<u>15,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>277,000</u>	<u>274,000</u>
 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 2016-2017	Adopted Budget 2015-2016
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 85,000	\$ 68,000
Personal property taxes	(16,000)	(15,000)
TOTAL MEANS OF FINANCING	<u>69,000</u>	<u>53,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	4,000	3,000
	<u>4,000</u>	<u>3,000</u>
Capital outlay:		
Available for public improvements and/or other services	65,000	50,000
	<u>65,000</u>	<u>50,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>69,000</u>	<u>53,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

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

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 111,000	\$ 102,000
Personal property taxes	197,000	266,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>308,000</u>	<u>368,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services:		
Industrial development	25,000	25,000
Transfer to Land purchase fund	258,000	268,000
	<u> </u>	<u> </u>
	283,000	293,000
Capital outlay:		
Infrastructure improvements	25,000	75,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>308,000</u>	<u>368,000</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>	

**SOUTHSIDE REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 249,000	\$ 269,000
Personal property taxes	21,000	22,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>270,000</u>	<u>291,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	270,000	291,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>270,000</u>	<u>291,000</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 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 10,000	\$ 10,000
Personal property taxes	<u> 19,000</u>	<u> 20,000</u>
TOTAL MEANS OF FINANCING	<u> 29,000</u>	<u> 30,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	<u> 29,000</u>	<u> 30,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u> 29,000</u>	<u> 30,000</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>	

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

Budget Summary

	Proposed Budget 2016-2017	Adopted Budget 2015-2016
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,000	\$ 1,000
Personal property taxes		
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>1,000</u>	<u>1,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	1,000	1,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,000</u>	<u>1,000</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>	

Appendix - Governmental Funds Summary

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2016-2017

Governmental Fund	Estimated Designated Fund Balance July 1, 2016	Budget 2016-2017		Estimated Change In Fund Balance June 30, 2017
		Means of Financing	Estimated Requirements	
General fund	\$	\$ 22,142,648	\$ 22,142,648	\$
Major streets fund	\$ 2,292	\$ 5,555,000	\$ 5,557,292	\$
Local streets fund	\$	\$ 2,287,000	\$ 2,286,216	\$ 784
Municipal streets fund	\$ 1,599,006	\$ 1,750,000	\$ 3,349,006	\$
Cemetery fund	\$ 14,780	\$ 500,000	\$ 514,780	\$
Garbage and rubbish collection fund	\$ 543	\$ 1,865,000	\$ 1,865,543	\$
Rental certification fund	\$	\$ 233,253	\$ 233,253	\$
O.U.I.L. fund	\$ 33,000	\$ 1,000	\$ 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	\$	\$ 1,431,560	\$ 1,431,560	\$
Neighborhood rehabilitation fund	\$	\$ 60,000	\$ 60,000	\$
Home program fund	\$	\$ 708,167	\$ 708,167	\$
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
2016-2017

Governmental Fund	Estimated Designated Fund Balance July 1, 2016	Budget 2016-2017		Estimated Change In Fund Balance June 30, 2017
		Means of Financing	Estimated Requirements	
Industrial park tax increment fund	\$ 36,000	\$ 729,000	\$ 765,000	\$
Peerless site tax increment fund	\$	\$ 90,000	\$ 90,000	\$
Downtown development fund	\$ 87,850	\$ 68,500	\$ 156,350	\$
Water Street tax increment fund	\$	\$ 299,000	\$ 299,000	\$
Bank tax increment fund	\$	\$ 9,000	\$ 9,000	\$
Harrington Hotel tax increment fund	\$ 90,000	\$	\$ 90,000	\$
Edison redevelopment tax increment fund	\$	\$ 277,000	\$ 277,000	\$
Mainstreet tax increment fund	\$	\$ 69,000	\$ 69,000	\$
Industrial park expansion tax increment fund	\$	\$ 308,000	\$ 308,000	\$
Brownfield redevelopment tax increment funds:				
Southside redevelopment	\$	\$ 270,000	\$ 270,000	\$
Harker Street redevelopment	\$	\$ 29,000	\$ 29,000	\$
Sperry's redevelopment	\$	\$ 1,000	\$ 1,000	\$

Appendix – Projected Revenues and Expenditures

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2015-2016	Proposed 2016-2017	Projected 2017-2018	Projected 2018-2019
TAXES:				
Real property taxes	\$ 5,290,000	\$ 5,440,000	\$ 5,527,000	\$ 5,615,000
Personal property taxes	950,000	640,000	650,000	660,000
Income tax	6,075,000	6,200,000	6,300,000	6,400,000
Payment in lieu of taxes	70,000	65,000	66,000	67,000
Penalties and interest on taxes	230,000	225,000	229,000	233,000
	<u>12,615,000</u>	<u>12,570,000</u>	<u>12,772,000</u>	<u>12,975,000</u>
BUSINESS LICENSES AND PERMITS:				
Taxi drivers	1,500	1,500	1,500	1,500
Taxi cabs	500	500	500	500
Demolitions	5,000	10,000	10,000	10,000
C.A.T.V.	330,000	350,000	356,000	362,000
Miscellaneous	8,000	8,000	8,100	8,200
	<u>345,000</u>	<u>370,000</u>	<u>376,100</u>	<u>382,200</u>
NONBUSINESS LICENSES AND PERMITS:				
Dog	500	500	500	500
Building	185,000	190,000	193,000	196,000
Electrical	55,000	55,000	56,000	57,000
Heating	50,000	65,000	66,000	67,000
Plumbing	30,000	30,000	30,000	30,000
Right-of-way	6,500	7,000	7,100	7,200
Miscellaneous	3,000	2,500	2,500	2,500
	<u>330,000</u>	<u>350,000</u>	<u>355,100</u>	<u>360,200</u>
GRANTS	<u>715,000</u>	<u>155,000</u>	<u>150,000</u>	<u>150,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2015-2016	Proposed 2016-2017	Projected 2017-2018	Projected 2018-2019
STATE SHARED REVENUE:				
Sales and use tax - constitutional	\$ 2,425,000	\$ 2,385,000	\$ 2,423,000	\$ 2,462,000
Sales and use tax - statutory	1,075,000	1,075,000	1,092,000	1,109,000
Local community stabilization authority		440,000	447,000	454,000
Liquor licenses	25,000	30,000	30,000	30,000
	<u>3,525,000</u>	<u>3,930,000</u>	<u>3,992,000</u>	<u>4,055,000</u>
CHARGES FOR SERVICES:				
Zoning board of appeals	2,000	3,000	3,000	3,000
20th and Court pool	5,000	5,000	5,100	5,200
Sanborn pool	35,000	40,000	41,000	42,000
Lakeside parking	52,000	95,000	97,000	99,000
Boat launch fees	33,000	33,000	34,000	35,000
Recreational fees	220,000	210,000	213,000	216,000
Lot splits	1,500	2,000	2,000	2,000
Hydrant maintenance	58,280	58,280	59,000	60,000
False alarm charges	1,500	2,000	2,000	2,000
Blue Water Bridge reimbursement	300,000	300,000	305,000	310,000
Summer tax collection fee	1,720	1,720	1,700	1,700
County parks millage	125,000	125,000	127,000	129,000
Miscellaneous	55,000	55,000	56,000	57,000
	<u>890,000</u>	<u>930,000</u>	<u>945,800</u>	<u>961,900</u>
FINES AND FORFEITS:				
Parking violations	35,000	20,000	20,000	20,000
Ordinance fines	115,000	180,000	183,000	186,000
	<u>150,000</u>	<u>200,000</u>	<u>203,000</u>	<u>206,000</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>395,000</u>	<u>401,000</u>	<u>407,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2015-2016	Proposed 2016-2017	Projected 2017-2018	Projected 2018-2019
SALE OF ASSETS	\$ 3,000	\$ 12,000	\$ 12,000	\$ 12,000
CHARGES TO OTHER FUNDS:				
Garbage and rubbish collection fund	95,090	98,589	100,000	102,000
Marina fund	24,966	22,920	23,000	23,000
Parking fund	11,595	12,010	12,000	12,000
Water fund	668,976	694,939	706,000	717,000
Wastewater fund	1,127,950	1,133,401	1,152,000	1,170,000
Central stores fund	11,106	11,147	11,000	11,000
Data processing fund	64,072	68,533	70,000	71,000
Motor vehicle fund	145,073	154,109	157,000	160,000
	<u>2,148,828</u>	<u>2,195,648</u>	<u>2,231,000</u>	<u>2,266,000</u>
Subtotal	<u>21,161,828</u>	<u>21,177,648</u>	<u>21,509,000</u>	<u>21,847,300</u>
TRANSFERS FROM OTHER FUNDS:				
Land purchase fund	380,000	965,000	317,000	140,000
	<u>380,000</u>	<u>965,000</u>	<u>317,000</u>	<u>140,000</u>
TOTAL	<u>\$ 21,541,828</u>	<u>\$ 22,142,648</u>	<u>\$ 21,826,000</u>	<u>\$ 21,987,300</u>

SCHEDULE OF PROJECTED EXPENDITURES

GENERAL FUND

	Budget			
	Adopted 2015-2016	Proposed 2016-2017	Projected 2017-2018	Projected 2018-2019
General Government:				
City council	\$ 60,880	\$ 61,180	\$ 63,000	\$ 65,000
City manager	196,263	221,572	227,000	233,000
Elections	64,561	86,700	89,000	91,000
Finance and accounting	557,910	617,141	633,000	649,000
Income tax	309,532	336,213	345,000	354,000
Assessor	250,737	268,496	275,000	282,000
Legal	160,000	160,000	164,000	168,000
Clerk	267,628	279,158	286,000	293,000
Personnel	286,153	315,581	323,000	331,000
Purchasing	50,287	55,366	57,000	58,000
Board of review	2,327	2,327	2,400	2,500
Treasurer	212,621	235,519	241,000	247,000
Municipal office center	681,327	675,860	693,000	710,000
	3,100,226	3,315,113	3,398,400	3,483,500
Public Safety:				
Police administration	859,215	959,987	984,000	1,009,000
Detectives	1,249,153	1,362,223	1,396,000	1,431,000
Patrol	5,614,379	6,136,253	6,290,000	6,447,000
Communications	41,540	41,640	43,000	44,000
Fire	4,760,681	5,088,861	5,216,000	5,346,000
	12,524,968	13,588,964	13,929,000	14,277,000
Public Works:				
Inspection	342,191	325,077	317,000	317,000
Emergency management	16,912	17,088	18,000	18,000
Public works administration	210,774	226,516	232,000	238,000
Engineering	244,680	259,198	266,000	273,000
Street lighting	909,125	723,555	617,000	632,000
Blight and code enforcement	374,274	366,916	376,000	385,000
	2,097,956	1,918,350	1,826,000	1,863,000

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SCHEDULE OF PROJECTED EXPENDITURES

GENERAL FUND

	Budget			
	Adopted 2015-2016	Proposed 2016-2017	Projected 2017-2018	Projected 2018-2019
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	1,062,878	1,189,623	1,219,000	1,249,000
Boat launch ramps	13,748	12,759	13,000	13,000
Recreation	555,953	564,310	578,000	592,000
Rockin the rivers	39,241	38,131	39,000	40,000
20th and Court pool	70,436	71,473	73,000	75,000
Sanborn pool	120,886	125,001	128,000	131,000
Lighthouse park	6,677	6,753	6,900	7,100
Lakeside park	16,741	75,992	78,000	80,000
Palmer park recreation center	175,091	187,290	192,000	197,000
McMorran complex	175,000	55,000	55,000	55,000
Library	8,000	8,000	8,000	8,000
Museum	86,142	93,939	96,000	98,000
	<u>2,330,793</u>	<u>2,428,271</u>	<u>2,485,900</u>	<u>2,545,100</u>
Other Functions:				
Planning	150,588	193,597	198,000	203,000
Blue Water Bridge economic study	100,000	100,000	100,000	100,000
Telephone service	10,610	12,383	13,000	13,000
Contingencies	25,000	40,000	40,000	40,000
Insurance, health and safety	85,167	93,990	96,000	98,000
Taxes written off	15,000	15,000	15,000	15,000
Demolitions	50,000	50,000	50,000	50,000
	<u>436,365</u>	<u>504,970</u>	<u>512,000</u>	<u>519,000</u>
Subtotal	<u>20,492,308</u>	<u>21,757,668</u>	<u>22,153,400</u>	<u>22,689,800</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2015-2016	Proposed 2016-2017	Projected 2017-2018	Projected 2018-2019
Public Improvements:				
Parks and recreation projects	\$ 675,000	\$ 27,680	\$ 731,000	\$ 845,000
MOC capital	360,000	330,000	317,000	140,000
Other public improvement	11,220	24,000	363,000	1,080,000
	<u>1,046,220</u>	<u>381,680</u>	<u>1,411,000</u>	<u>2,065,000</u>
Subtotal	<u>21,538,528</u>	<u>22,139,348</u>	<u>23,564,400</u>	<u>24,754,800</u>
Transfer to Other Funds:				
Beautification commission fund	3,300	3,300	3,300	3,300
	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>	<u>3,300</u>
TOTAL	<u>\$ 21,541,828</u>	<u>\$ 22,142,648</u>	<u>\$ 23,567,700</u>	<u>\$ 24,758,100</u>
Increase (decrease) in cash balance before public improvements and transfers	<u>\$ 1,049,520</u>	<u>\$ 384,980</u>	<u>\$ (327,400)</u>	<u>\$ (702,500)</u>
Increase (decrease) in cash balance after public improvements and transfers	<u>\$</u>	<u>\$</u>	<u>\$ (1,741,700)</u>	<u>\$ (2,770,800)</u>