

City of Pleasant Ridge 2017-2018 Annual Budget

Adopted June 13, 2017

Mayor

Kurt Metzger

City Commissioners

Jay Foreman

Jason Krzysiak

Ann Perry

Bret Scott

City Manager

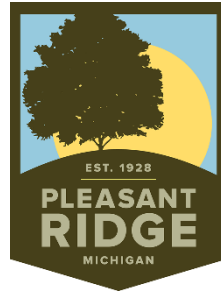
James Breuckman

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A. Introduction

1. City Manager's Letter



City of Pleasant Ridge

June 5, 2017

RE: Proposed Fiscal Year 2017-2018 Operating Budget

Honorable Mayor Metzger and members of the Pleasant Ridge City Commission:

This budget message formally transmits for your review and consideration the City budget for the fiscal year 2017-2018. The public hearing to solicit public comment is scheduled for June 13, 2017 at 7:30pm.

Revenue

Financial projections for Fiscal Year 2017-2018 are stable. The City continued to experience solid growth in assessed values of about 6% over the past year, but due to a 0.9% rate of inflation the City will see very modest growth in revenues. Still, through careful budgeting and planning the City will be able to provide the same level of service in large part due to the property tax millages approved by the voters in November of 2014.

Accomplishments

As we enter our third year with the 2014 millages in place, the City has made significant progress addressing capital investment and maintenance items which had been deferred during the first half of this decade in the face of declining revenues. These include:

- Substantial completion of the Gainsboro Park project
- Energy efficiency upgrades at the City Hall and the Community Center
- Providing the Police with a new patrol car and fully funding an annual capital improvements budget to ensure equipment will be replaced on-time
- Sidewalk maintenance
- Street tree plantings
- Replacement of the roof over the large room at the Community Center
- Replacing the marcite surface in the pool
- New workout equipment and flooring in the wellness center

These efforts are bringing tangible benefits to our residents by allowing our Police to continue to provide reliable service; investing in the most significant recreation project since the construction of the pool and fitness center in 2003; necessary maintenance and upkeep at our Community Center; making our streets a nicer, safer place to be by ensuring that we have smooth sidewalks, slow traffic, and a mature tree canopy.

Upcoming Projects

We will complete all the projects programmed for 2017-2018 in the City's 2017-2022 capital improvements plan. Considering rising construction costs, we have successfully sold a bond issue to complete the reconstruction of all remaining streets by the fall of 2018. As of the date of this memo the Hanover and Norwich street reconstruction project is in progress. Next summer, we will reconstruct Ridge, Indiana, and Bermuda. The infrastructure bond will be repaid using our existing infrastructure millage revenue.

We will also complete improvements to the park space behind the community center with major support from the Foundation. This project will include the creation of a patio gathering space outside of the large room that will complement the event function of the community center. It will also create a new community gathering space that will be available to residents. The project will remove the end-of-life playground equipment that currently exists behind the community center, and will replace it with a new play equipment that will be located where the swings currently are.

Challenges

As always, there are challenges. We have foreseen for a few years now that increasing retiree legacy costs will be an issue for us. This year, those increases resulted in us being able to balance our budget, but only just. In the coming years, increasing pension costs will result in the City entering a deficit position in the general fund. To provide some context, in 2019 retiree pension costs will be \$375,000 for the year, compared to about \$200,000 in 2014. Considering that the 2014 general operating millage resulted in about \$100,000 of new revenue, you can see that the increasing pension costs are a large challenge for the City.

These increases will again place us in a position where we must choose between cutting the services that our residents value, and funded in 2014, or again asking the voters to support our retirees. In fact, the shortfalls we will soon face are larger than we faced in 2014, and we will not be able to bear the increasing retiree costs by making minor cuts. Balancing the budget to absorb the rising retiree costs will require major cuts that will impact or eliminate services that our residents value, meaning that we will soon face a choice between raising additional revenue, or eliminating valued services.

The reasons for the increasing pension costs are explained further in this budget document, but in short, the increasing pension contribution requirement results from the fact that our pension fund is just 53% funded, and that MERS has changed actuarial assumptions in their pension fund valuation methodology which will result in higher required annual pension payments by the City in the coming years. Our current pension situation is not due to the City skipping or missing payments, but rather due to pension benefit increases in the 1980s and 90s that were not paid for at the time through increased contributions. Today, that bill has come due.

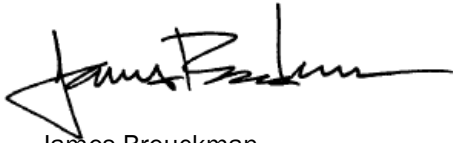
Projections

We continue to present a three-year budget. The budget now shows approved FY17-18 budget numbers, alongside projections for FY18-19 and 19-20 (only the 17-18 budget is adopted, the two following years are for planning purposes). The presentation of three budget years helps the City to plan for future expenses, and to ensure that budgetary decisions for the coming year consider future events and expenditures to ensure that we are making sound budget decisions. Examples include setting aside money each year in the

capital improvement fund to support the purchase of a police car every other year. In this way, we can smooth out large capital expenditures over multiple budget years rather than bearing the full cost in one budget year. The three-year projection is also used to set utility rates for the coming year, smoothing out large capital expenditures over three years to avoid having to make large jumps in utility rates in future years.

I thank the Commission and our residents for your trust and support, and I thank all our talented City employees for their dedicated efforts. We are blessed with a group of City employees who truly go above and beyond to provide excellent service to our residents. Most of all, we acknowledge that we can do these things through the community-mindedness and support of our residents.

Respectfully,

A handwritten signature in black ink, appearing to read "James Breuckman". The signature is stylized with a large, sweeping initial "J" and a long, horizontal flourish extending to the right.

James Breuckman
City Manager

2. Public Hearing Notice – Proposed 2017-18 Annual Budget

City of Pleasant Ridge
23925 Woodward Avenue
Pleasant Ridge, Michigan 48069

NOTICE OF A PUBLIC HEARING ON THE PROPOSED FY2017-2018 CITY BUDGET AND 2017 MILLAGE RATES

NOTICE IS HEREBY GIVEN in accordance with Section 4.03 of the Pleasant Ridge City Charter that a public hearing will be held on Tuesday, June 13, 2017, at 7:30 p.m. in the City Commission Chambers, 23925 Woodward Avenue, Pleasant Ridge, Michigan, to solicit public comments on the following:

THE PROPOSED 2017-2018 COMBINED CITY BUDGET AND MILLAGE RATES.

The last fiscal year (July 1, 2016 through June 30, 2017) and the proposed FY2017-2018 (July 1, 2017 through June 30, 2018) millage rates are as follows:

	16-17	17-18
General Operating - Charter	10.8434	10.6232
General Operating (2015)	2.7805	2.7239
Infrastructure Improvement (2015)	2.8473	2.7894
Community Promotion	0.3481	0.3375
Parks Improvement (2015)	0.7191	0.7044
Rubbish	1.6261	1.5929
Pool Operations	1.2074	1.1827
Library	0.3763	0.3687
Debt	1.2123	1.2450
Total Millage:	21.9604	21.5677

The City may not adopt its proposed FY 2017-2018 budget until after the public hearing. A copy of the proposed FY 2017-2018 budget and the proposed 2017 property tax millage rates is available for public inspection during normal business hours in the office of the City Clerk, at 23925 Woodward Avenue, Pleasant Ridge, Michigan. Public comments, oral or written, are welcome at the hearing on the proposed budget for Fiscal Year 2017-2018 and the proposed property tax millage rate. All interested citizens are encouraged to attend and to submit comments.

Amy M. Drealan
City Clerk

Published: The Daily Tribune
May 28, 2017

3. Budget Resolution

**City of Pleasant Ridge
Budget Resolution
General Appropriations Act
Fiscal Year 2017-2018**

WHEREAS, the City Manager has prepared and submitted to the City Commission the proposed budget for fiscal year 2017-2018; and

WHEREAS, the City Commission has advertised the tentative millage rates in the Daily Tribune on May 28, 2017, and held the public hearing on the budget and the tentative millage rates pursuant to Section 16 of the Uniform Budgeting and Accounting Act (Truth in Budgeting) on Tuesday, June 13, 2017; and

WHEREAS, the City Commission has reviewed the proposed property tax rates and budget.

NOW, THEREFORE LET IT BE RESOLVED, that the budget for the fiscal year commencing July 1, 2017 and ending June 30, 2018 be adopted; and

BE IT FURTHER RESOLVED, that the revenue and transfers-in for the fiscal year 2017-2018 are estimated as follows:

BE IT FURTHER RESOLVED, that the expenditures and transfers-out are hereby appropriated by the City Commission to meet the liabilities of the City of Pleasant Ridge in the ensuing fiscal year as follows:

REVENUES		
101	GENERAL FUND	
	Taxes and special assessments	\$2,021,616
	Licenses and Permits	56,150
	Federal and State Grants	24,920
	State Shared Revenue	246,232
	Charges for Services	206,916
	Fines and Forfeits	45,000
	Interest and Rents	8,500
	Other revenue	99,500
	Transfers-In	0
	Total General Fund Revenue:	2,708,833
202	MAJOR STREETS	141,915
203	LOCAL STREETS	124,200
218	INFRASTRUCTURE IMPROVEMENTS	3,583,599
226	SOLID WASTE	341,464
251	POOL/FITNESS FACILITY	199,639
258	SCAF PARKS SPECIAL REVENUE FUND	180,000
259	SCAF REMAINDER FUND	102,865
260	DOWNTOWN DEVELOPMENT AUTHORITY	96,039
266	DRUG FORFEITURE FUND	0
271	LIBRARY SERVICES	51,465
297	HISTORICAL FUND	6,860
301	DEBT SERVICE - VOTED	165,335
401	CAPITAL IMPROVEMENTS	37,000
592	WATER and SEWER	1,307,243

EXPENDITURES		
101	GENERAL FUND	
	Mayor and Commission	\$21,550
	City Manager	\$158,541
	Elections	\$10,363
	City Attorney	\$41,750
	City Clerk	\$105,259
	Information Technology	\$65,600
	General Government	\$158,350
	Cable TV	\$5,750
	City Treasurer	\$110,500
	Assessment	\$21,900
	Police Services	\$1,024,952
	Fire/Rescue	\$258,000
	Building Department	\$67,735
	Planning Commission	\$0
	Public Works	\$165,948
	Street Lighting	\$35,400
	Recreation	\$385,564
	Retirement Services	\$5,000
	Transfers Out	\$37,000
	Total General Fund Expenditures:	2,679,162
	Increase in General Fund Fund Balance:	12,430
202	MAJOR STREETS	197,515
203	LOCAL STREETS	150,119
218	INFRASTRUCTURE IMPROVEMENTS	1,360,000
226	SOLID WASTE	372,618
251	POOL/FITNESS FACILITY	193,231
258	SCAF PARKS SPECIAL REVENUE FUND	0
259	SCAF REMAINDER FUND	759,000
260	DOWNTOWN DEVELOPMENT AUTHORITY	86,532
266	DRUG FORFEITURE FUND	0
271	LIBRARY SERVICES	55,681
297	HISTORICAL FUND	5,310
301	DEBT SERVICE - VOTED	176,524
401	CAPITAL IMPROVEMENTS	37,000
592	WATER and SEWER	1,251,126

BE IT FURTHER RESOLVED, the following property tax rates be authorized and that the City Treasurer is ordered to levy such funds and rates and collect and deposit the various specific uses and funds as required by ordinance and resolution:

General Operating - Charter	10.6232
General Operating - 2015	2.7239
Infrastructure Improvements - 2015	0.3375
Community Promotion	2.7894
Parks Improvement - 2015	0.7044
Solid Waste Collection & Disposal	1.5929
Pool & Recreation Facility Operations	1.1827
Library Operations	0.3687
Pool & Recreation Facility Debt	1.2450
TOTAL MILLAGE:	21.5677

BE IT FURTHER RESOLVED, that the City Commission recognizes that the City of Pleasant Ridge Downtown Development Authority will capture taxes levied from all millages,

BE IT FURTHER RESOLVED, that the City Treasurer shall levy a 1% Tax Administration Fee on all property taxes collected by the City of Pleasant Ridge from all taxing jurisdictions, as permitted by State Law.

AND, BE IT FINALLY RESOLVED, that the legal budgetary level be at the departmental level in the General Fund and at the fund level for all other funds as indicated above.

I, Amy M. Drealan, duly certified clerk of the City of Pleasant Ridge, do hereby certify that the foregoing is a true and accurate copy of a resolution adopted by the City Commission of the City of Pleasant Ridge, County of Oakland, Michigan at the Regular City Commission Meeting held Tuesday, June 13, 2017.



Amy M. Drealan, City Clerk

B. Budget Summary

1. Key Budget Information

All Funds Budget Summary

The following table presents key information and a summary of revenues and expenditures for all funds for the preceding three years, the proposed 2017-2018 budget year, and the projected budget for the next two years. Note that the budget projections for 2018-19 and 2019-20 are for planning purposes only, and are not adopted budgets.

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved Budget 2017-18	Projected Budget 2018-19	Projected Budget 2019-20
Assessed Valuation							
Real	141,185,920	156,207,830	171,421,930	189,097,190	199,597,430	200,613,209	206,631,605
Personal	3,221,970	3,237,250	3,420,020	2,867,430	1,976,670	2,867,430	2,867,430
Total	144,407,890	159,445,080	174,841,950	191,964,620	201,572,100	203,480,639	209,499,035
Taxable Valuation							
Real	125,139,900	129,164,540	133,845,550	138,859,980	143,747,780	149,459,464	155,398,097
Personal	3,221,970	3,237,250	3,420,020	2,867,430	1,974,670	2,867,430	2,867,430
Total	128,361,870	132,401,790	137,265,570	141,727,410	145,722,450	152,326,894	158,265,527
Millage Rate							
General Operating - Charter	11.4248	11.3094	11.1364	10.8434	10.6232	10.4001	10.1817
General Operating - 2015	0.0000	0.0000	2.8556	2.7804	2.7239	2.6667	2.6107
Community Promotion	0.0000	0.0000	0.2704	0.3481	0.3375	0.3304	0.3235
Infrastructure - 2015	2.4124	2.3880	2.9242	2.8472	2.7894	2.7308	2.6735
Parks Improvement - 2015	0.0000	0.0000	0.7385	0.7190	0.7044	0.6896	0.6751
Rubbish	1.7134	1.6960	1.6700	1.6260	1.5929	1.5594	1.5267
Pool Operations	1.2722	1.2593	1.2400	1.2073	1.1827	1.1579	1.1335
Library - 2015	0.3700	0.4949	0.3865	0.3763	0.3687	0.3609	0.3533
Pool Debt	1.3000	1.5000	1.3380	1.2123	1.2450	1.3550	1.3265
Total	18.4928	18.6476	22.5596	21.9600	21.5677	21.2509	20.8046
Total Revenues							
101 General Fund	2,441,920	2,491,437	2,773,167	2,679,162	2,708,833	2,727,074	2,745,562
202 Major Streets	119,687	114,575	148,492	141,915	161,090	162,539	164,002
203 Local Streets	103,937	114,814	104,944	124,200	105,756	110,440	115,240
218 Infrastructure Improvements	302,787	309,218	594,568	3,583,599	437,400	400,976	404,585
226 Solid Waste	421,630	437,177	336,137	341,464	375,267	378,624	382,010
251 Pool/Fitness Facility	287,748	217,995	220,257	199,639	214,417	215,533	217,063
258 SCAF Parks Special Revenue Fund	0	(27,762)	10,246	180,000	65,000	65,000	65,000
259 SCAF Remainder Fund	70,252	43,242	7,189	102,865	104,143	105,930	107,741
260 Downtown Development Authority	71,252	77,739	103,522	96,039	94,128	94,965	95,811
266 Drug Forfeiture Fund	0	137	0	0	0	0	0
271 Library Services	46,480	64,086	51,850	51,465	52,542	53,015	53,492
297 Historical Fund	10,144	10,520	6,710	6,860	6,960	6,960	6,960
301 Debt Service - Voted	163,054	194,218	179,453	165,335	177,373	193,000	190,000
401 Capital Improvements	0	672,308	70,080	37,000	107,000	37,000	37,000
592 Water and Sewer	1,321,495	1,133,057	1,234,474	1,307,243	1,344,900	1,384,572	1,425,434
Total	5,360,386	5,852,761	5,937,409	9,016,786	5,954,809	5,935,629	6,009,901

B. Budget Summary
1. Key Budget Information

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Budget 2016-17	Approved Budget 2017-18	Projected Budget 2018-19	Projected Budget 2019-20
Total Expenditures							
101 General Fund	2,592,051	2,462,428	2,719,248	2,679,162	2,696,404	2,739,991	2,790,090
202 Major Streets	125,347	184,210	110,471	197,515	148,500	148,500	148,500
203 Local Streets	71,724	93,274	148,210	150,119	92,700	92,700	92,700
218 Infrastructure Improvements	211,980	772,135	705,890	1,360,000	982,250	1,087,750	298,175
226 Solid Waste	416,457	425,128	350,198	372,618	372,881	375,323	377,789
251 Pool/Fitness Facility	287,470	218,273	219,291	193,231	212,144	212,402	212,666
258 SCAF Parks Special Revenue Fund	0	0	0	0	0	0	0
259 SCAF Remainder Fund	55,061	33,174	409	759,000	100	100	100
260 Downtown Development Authority	49,540	93,748	145,324	86,532	89,730	50,730	50,730
266 Drug Forfeiture Fund	0	2	0	0	0	0	0
271 Library Services	53,636	53,722	53,719	55,681	53,970	54,089	54,208
297 Historical Fund	4,479	18,974	4,025	5,310	4,780	4,780	4,780
301 Debt Service - Voted	160,806	183,562	183,756	176,524	171,524	192,524	189,000
401 Capital Improvements	0	779,519	622	37,000	120,000	46,000	10,000
592 Water and Sewer	1,124,723	1,119,751	1,063,001	1,251,126	1,461,573	1,353,252	1,380,692
Total	5,153,274	6,437,900	5,976,057	7,323,818	6,406,556	6,358,142	5,609,430
End of Year Fund Balance							
101 General Fund	500,099	532,257	586,172	586,172	598,602	585,684	541,155
202 Major Street Fund	116,934	47,299	85,322	29,722	42,312	56,351	71,853
203 Local Street Fund	67,154	88,694	45,427	19,508	32,564	50,304	72,844
218 Infrastructure Improvements	90,807	(372,110)	(483,433)	1,740,166	1,195,316	508,542	614,953
226 Solid Waste Fund	34,174	46,221	32,161	1,007	3,393	6,693	10,915
251 Pool/Fitness Facility Fund	279	0	966	7,374	9,647	12,778	17,175
258 SCAF Parks Special Revenue Fund	0	1,972,238	1,982,484	2,162,484	2,227,484	2,292,484	2,357,484
259 SCAF Remainder Fund	3,260,566	1,270,634	1,277,415	445,707	549,750	655,580	763,222
260 Downtown Development Authority	89,551	73,542	31,740	41,247	45,645	89,881	134,962
266 Drug Forfeiture Fund	323	429	425	425	429	429	429
271 Library Fund	4,631	14,996	13,127	8,911	7,483	6,410	5,694
297 Historical Fund	17,167	8,713	11,399	12,949	15,129	17,309	19,489
301 Debt Service Fund	9,874	20,531	16,228	5,039	10,888	11,364	12,364
401 Capital Improvements	0	0	69,458	69,458	56,458	47,458	74,458
592 Water and Sewer	1,807,169	1,820,475	1,978,642	665,508	548,835	580,155	624,897
Total	5,998,728	5,523,919	5,471,960	5,795,677	5,343,935	4,921,422	5,321,892

Grant Summary

Following is a summary of grants awarded to the City of Pleasant Ridge from 2015 to-date.

Year	Grant	Amount
2015	Tree Planting (DTE Energy Foundation/MDNR)	\$4,000
2015	Woodward Corridor Neighborhood Bicycle Network (MDOT Transportation Alternatives Program)	\$2,200
2015	Woodward Streetscape Tree Plantings (MDOT)	\$2,580
2016	Community Energy Management (Michigan Energy Office)	\$5,825
2016	Gainsboro Park Project (CN EcoConnexions From the Ground Up/America In Bloom)	\$25,000

2. Summary Graphs and Tables

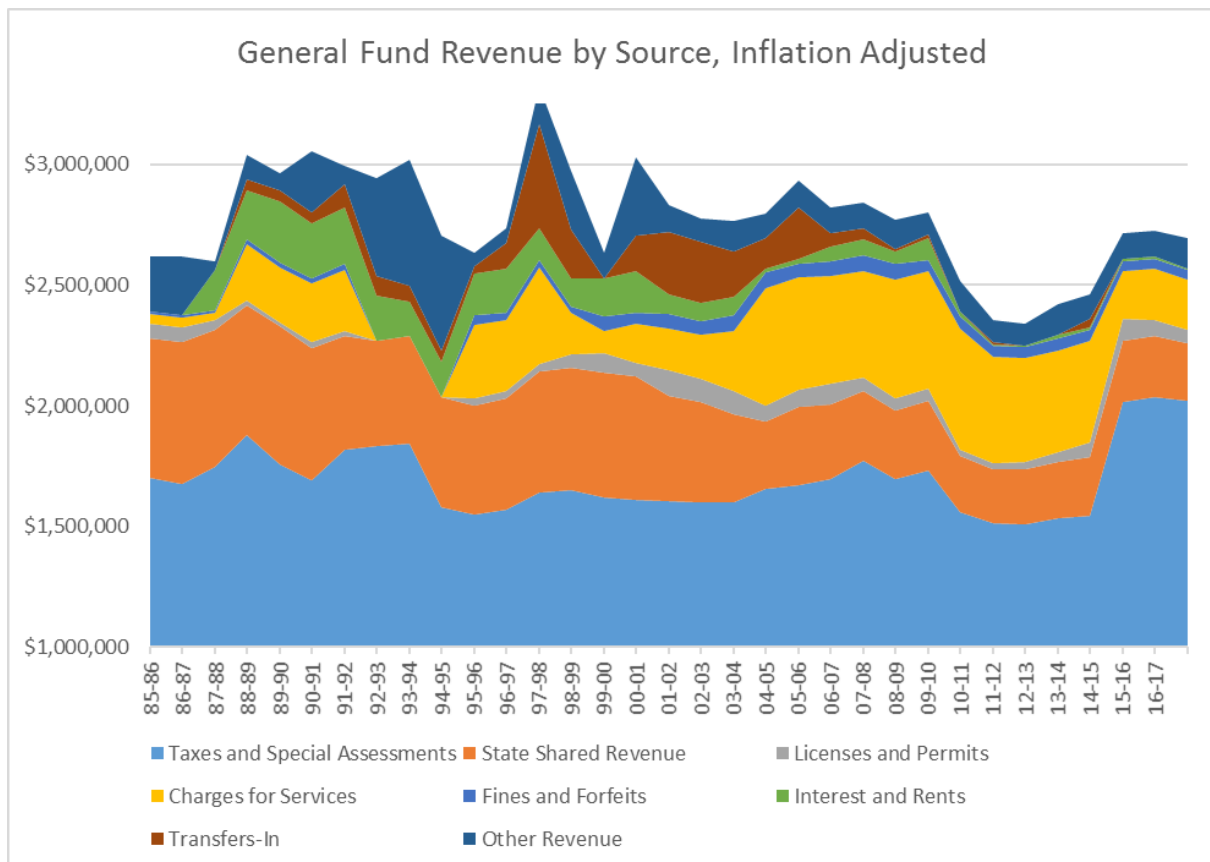
General Fund Revenue Trends. The following Figure 1 shows general fund revenue trends for the 1985-2016 period. All dollar values are adjusted into 2017 equivalent dollars to provide a consistent point of comparison. The figure shows that revenues generated by property taxes remained consistent at about \$1,600,000 per year until 2010, when they dropped to about \$1,500,000 per year.

The figure also shows that state revenue sharing as a source of general fund revenue has dropped precipitously over the years. In 1985 it provided the equivalent of nearly \$600,000 in today's dollars, while it is projected to provide less than half of that - \$235,000 - in budget year 2017-18. Thus, other sources of revenue have had to be found over the years and service cutbacks have been made to compensate for revenue sharing reductions.

Total inflation-adjusted general fund revenue held in a steady range between \$2.7 and \$2.9 million per year between 1988 and 2010. From budget year 2010-11 until 2014-15, general fund revenue dropped to about \$2.35 million per year. With the voter-approved passage of the general operating millage in November 2014 and renewal of the infrastructure improvement millage in November 2013, general fund revenue was restored to close to its long-term average at about \$2,700,000 starting in budget year 2015-16.

While the City will be able to again operate and provide the level of service that has come to be expected by our residents, the reality is that we have had to tax ourselves at a higher rate, and those higher local taxes only partially replace revenue that has been withheld from us by the State over the past decade.

Figure 1. General Fund Revenues by Source, Adjusted for inflation in 2017 equivalent dollars, 1985-Present

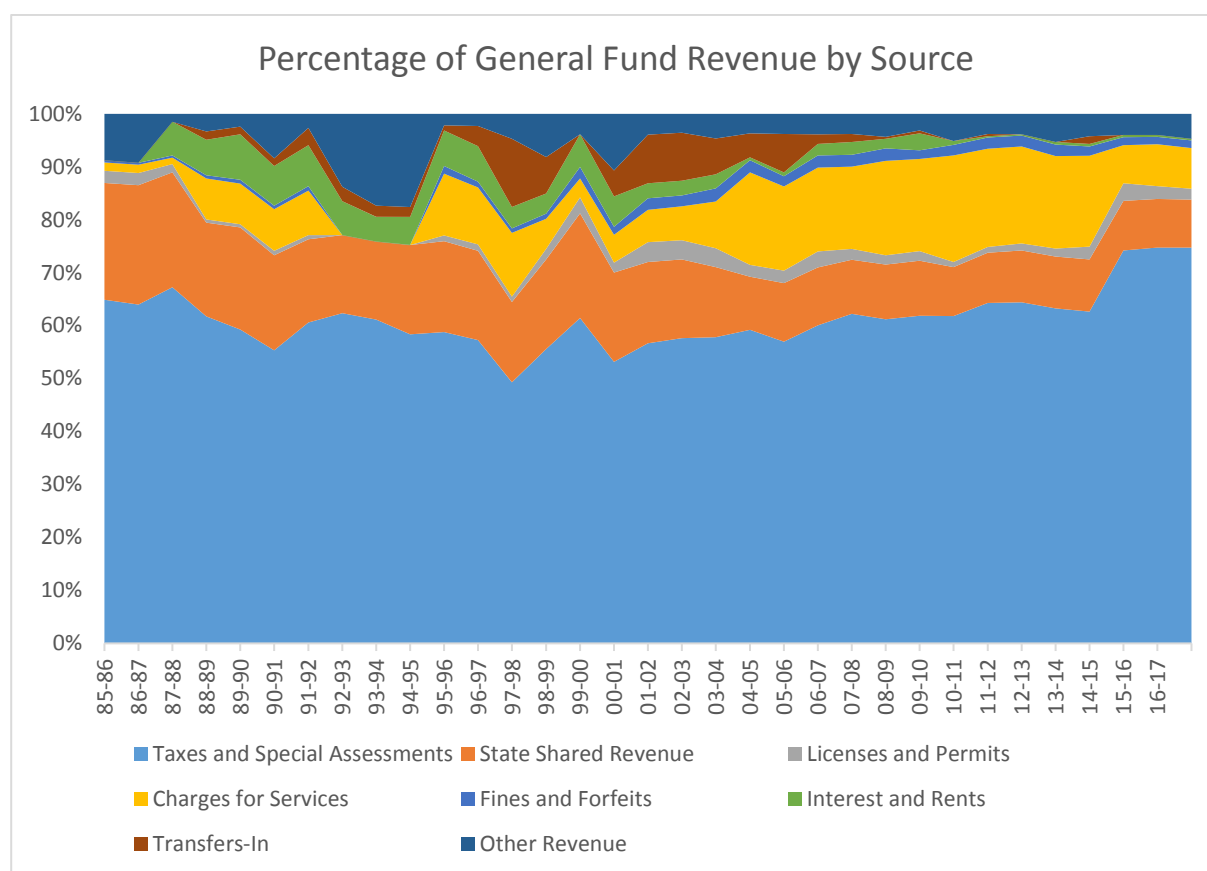


Source: Pleasant Ridge Budget Documents and BLS CPI-U data for the Detroit-Ann Arbor-Flint MSA

The following Figure 2 presents the same data as Figure 1, except that each revenue source is presented as a percentage of the whole. This figure demonstrates that as other funding sources have decreased, the general fund has become steadily more reliant on locally-generated property tax revenue. Today, property taxes provide nearly 75% of general fund revenue, compared to an average of 59% of revenue over the 1985-2014 period.

Also notable is the increase of property taxes as a share of all City revenue has been increasing since FY97-98, and that state shared revenue to the City has been decreasing as a percentage of overall City funding despite the size of City expenditures remaining the same in real terms, highlighting the long-standing disinvestment of Michigan's State Government in its local municipalities.

Figure 2. Percentage of General Fund Revenue by Source, 1985-Present

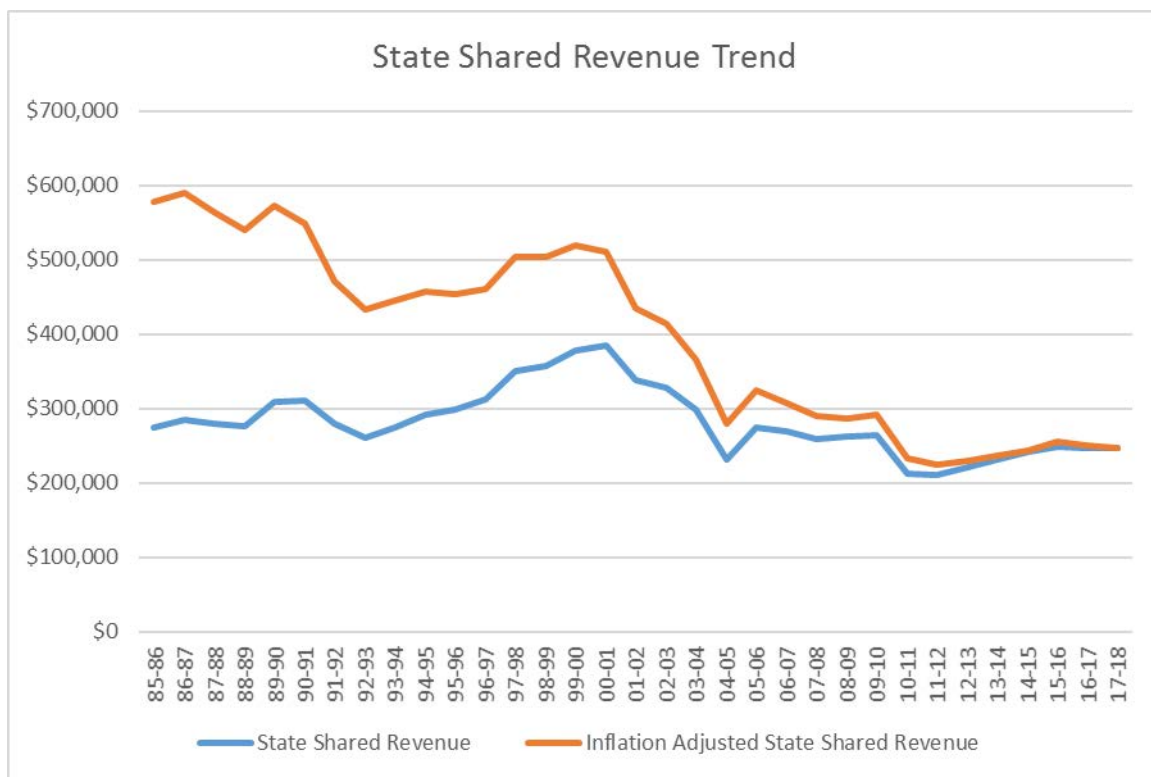


Source: Pleasant Ridge Budget Documents and BLS CPI-U data for the Detroit-Ann Arbor-Flint MSA

State Shared Revenue Trend. One of the main drivers impacting Pleasant Ridge’s general fund budget over the past 15 years has been the decline in state shared revenues. Figure 3 shows that on an inflation adjusted basis, shared revenues have declined from the equivalent of nearly \$600,000 per year in the late 1980s to less than \$250,000 today. Shared revenues represented 23% of the City’s general fund revenues in 1985, while today they represent just 9%.

Much of the financial stress under which local units of government operate today is explainable by this figure. It is an unfortunate fact that local municipalities have had to tax themselves at higher rates to make up for losses in shared revenues coming from the State. Had the State fulfilled its constitutional and statutory obligation to continue to fund local governments, Pleasant Ridge would be able to reduce local property taxes by 2.5 mills a year; to invest in pressing issues such as our underfunded pension, public infrastructure; or some combination thereof.

Figure 3. Pleasant Ridge Total Taxable Property Value, 1985-Present



Source: Pleasant Ridge Budget Documents and BLS CPI-U data for the Detroit-Ann Arbor-Flint MSA

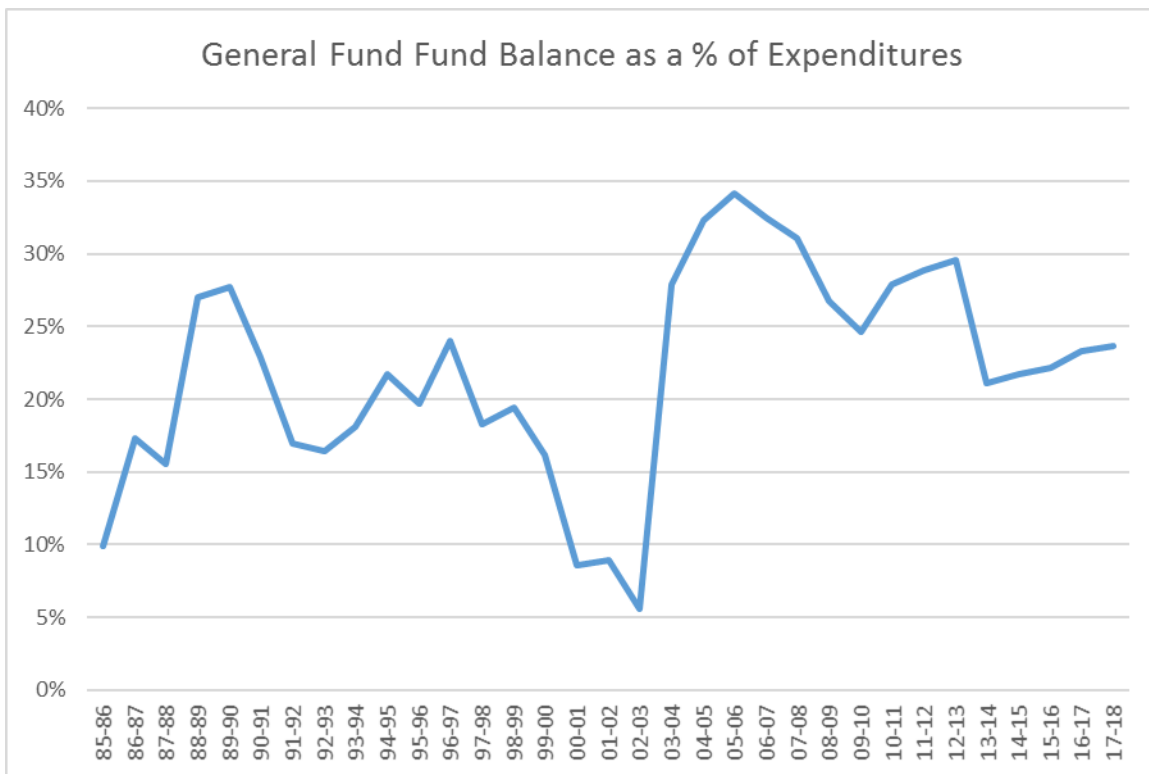
General Fund Fund Balance Trends. The Government Finance Officers Association (GFOA) recommends that local governments maintain a minimum of two-months' worth of expenses, or 16.66%, in unrestricted fund balance. It is further recommended that a small unit of government like Pleasant Ridge maintain a higher fund balance due to the small size of our budget and the ability for relatively small unexpected expenses to dramatically impact our fund balance. Accordingly, it is the stated policy goal of the City to maintain a general fund balance equal to 25-30% of general fund expenditures.

Figure 4 shows the long-term trend for Pleasant Ridge's fund balance as a percentage of general fund expenditures. The figure shows that the City has generally maintained a fund balance percentage of about 20%, until the mid-00s when the sale of the 24000 Woodward property increased fund balance to about 30%. The recession and drop in revenues required fund balance draws to maintain services, which drew fund balance down to about 20%. Since FY13-14, fund balance has been slowly but steadily increasing, and is project to be about 23.4% at the end of FY17-18.

The proposed 2017-18 budget proposes a modest increase in fund balance, however, there is little margin as the City continues to reinvest in maintenance items that were deferred during the recession when revenues declined, and as required annual pension contributions continue to rise.

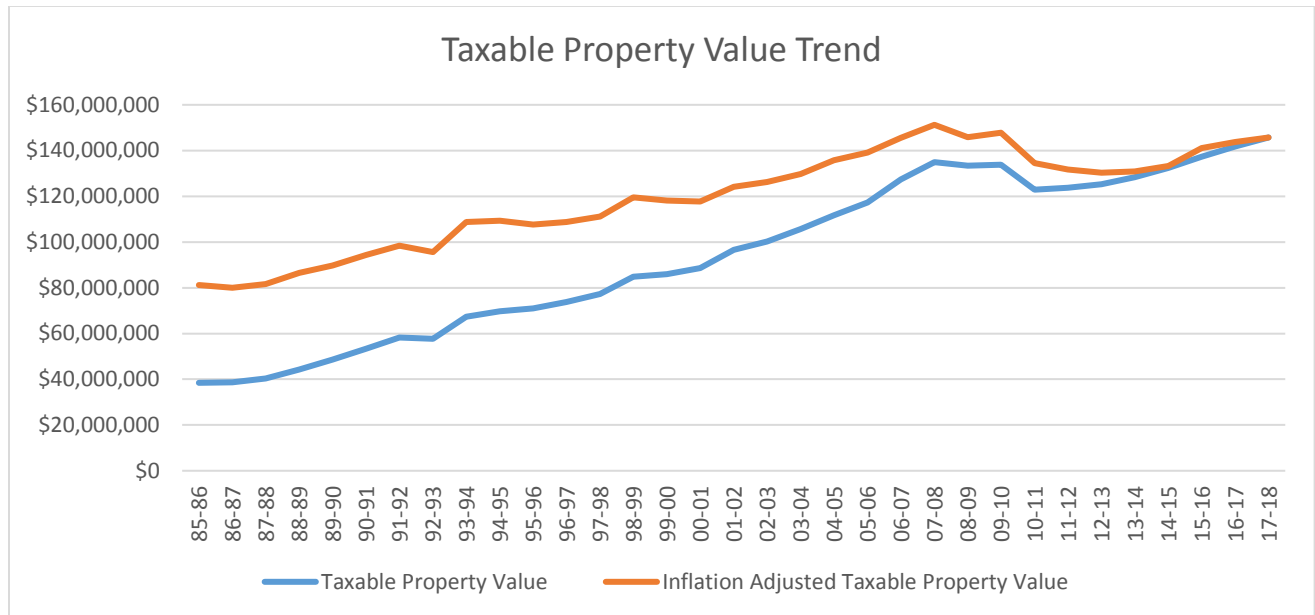
It is the City's plan in future years to continue to build fund balance towards the 25-30% range while also attending to the various deferred maintenance items that require attention throughout the City.

Figure 4. General Fund Fund Balance as a Percentage of Expenditures, 1985-Present



Property Value Trends. The following Figure 5 shows total (real + personal) taxable property value trends in the City of Pleasant Ridge. The inflation adjusted taxable property value has increased at a rate of about 1.8% per year. This small increase over the inflation rate is the result of certain development activities that are exempt from Headlee rollback, most notably new construction. The figure also shows the impact of the recent recession on taxable property values. On an inflation-adjusted basis the City is just now approaching taxable value levels last seen in 2006, and inflation-adjusted taxable values are still below the 2007-2009 period, meaning that the City's tax base in real terms still has not fully recovered from the 2008-2009 economic downturn.

Figure 5. Pleasant Ridge Total Taxable Property Value, 1985-Present

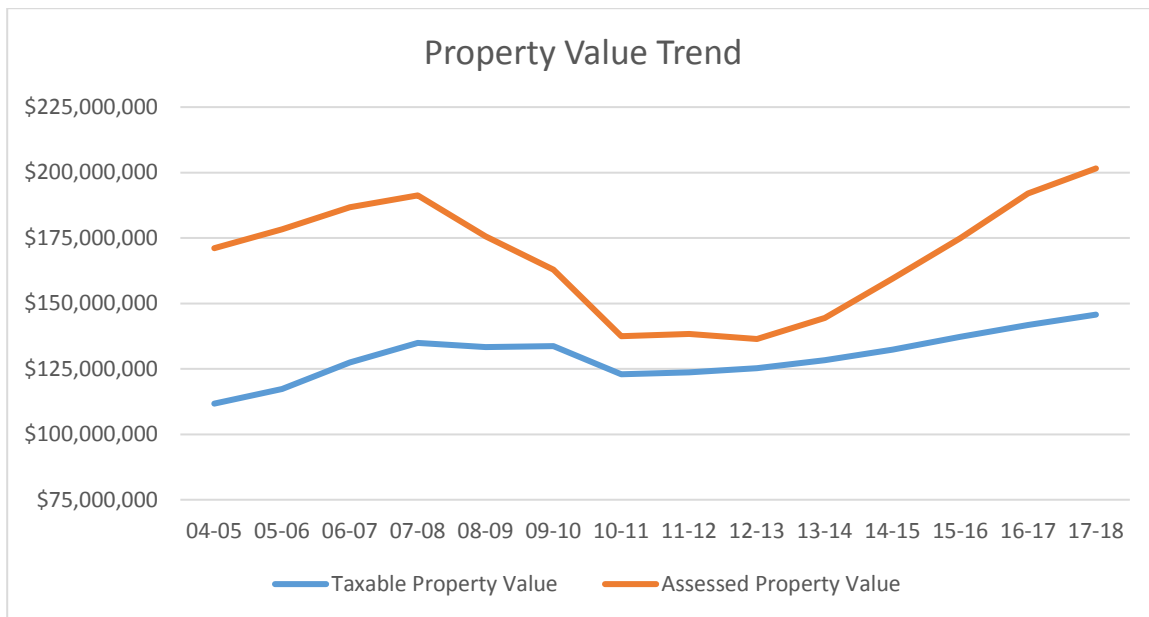


The following Figure 6 shows how Pleasant Ridge’s total assessed and taxable property values have changed over time since 2004. Assessed value is the true market value of all property in the City as determined by Oakland County Equalization (the City’s assessor). Taxable value is the value of property against which property taxes are levied.

The taxable value of a property may not increase more than 5% or the rate of inflation in any given year, whichever is lower. Over time, assessed property values tend to rise faster than taxable property values. The cap on taxable property value is removed when a property is sold, and the taxable value for that property becomes equal to the assessed value in the year following the sale.

When properties become uncapped, they usually cause the City’s total taxable property value to increase at a rate higher than inflation. To compensate for this, the Headlee Amendment then adjusts the City’s millage rate down to ensure that the total tax revenue collected by the City does not increase at a rate higher than inflation.

Figure 6. Taxable and Assessed Property Value, 2004-Present



3. City Commission Goals and Objectives

Following are the City Commission's 2017-2018 goals and objectives. These goals and objectives form the basis for evaluating and prioritizing budgeting decisions.

Note that the order in which these goals are presented is not intended to convey importance.

a. **Goal: Maintain a Safe and Secure Community**

Objectives:

- (1) Preserve effective levels of police staffing and equipment to ensure high quality public safety service delivery.
- (2) Maintain or improve existing fire/EMS service delivery.
- (3) Review any strategies possible to improve police, fire/EMS, and dispatch service.
- (4) Implement traffic calming measures where necessary to ensure appropriate vehicle travel speeds.
- (5) Preserve and enhance Neighborhood Watch program.

b. **Goal: Ensure Good Stewardship of Municipal Infrastructure**

Objectives:

- (1) Continue the City's ongoing street reconstruction program.
- (2) Implement a continuing maintenance program for previously reconstructed streets and alleys to extend their useful life.
- (3) Implement continuing maintenance and monitoring program for previously rehabilitated combined sewers to extend their useful life.
- (4) Improve bike and pedestrian infrastructure (sidewalks) throughout the City.
- (5) Complete capital projects identified in the Capital Improvements Plan.
- (6) Work with local transit authorities to improve existing bus stops.

c. **Goal: Maintain Financial Sustainability**

Objectives:

- (1) Maintain a competitive property tax rate position relative to other cities in the region.
- (2) Achieve and maintain an unrestricted fund balance of 20-25% and a total fund balance of 25-30% of annual general fund expenses.
- (3) Maintain a capital outlay reserve of 75% to 100% of expenditures in the Water and Sewer Enterprise Fund.
- (4) Continue to explore other revenue sources. Aggressively identify and pursue grant opportunities.
- (5) Increase funding for the defined benefit pension to reduce the City's unfunded liability.
- (6) Maintain property values by preserving Pleasant Ridge's status as a first class community.

d. **Goal: Maintain Excellent Parks and Recreation Program**

Objectives:

- (1) Improve park space behind the Community Center.
- (2) Complete necessary maintenance tasks at the community center, pool, and parks.
- (3) Achieve excellence in the offering and delivery of recreation services to residents of all ages.
- (4) Encourage active, healthy lifestyles for City residents.
- (5) Continue incremental facility upgrades at the community center and wellness center.

e. **Goal: Preserve and Enhance Community & Neighborhood Character**

Objectives:

- (1) Improve City code enforcement efforts to effectively preserve the character of the City's neighborhoods.
- (2) Protect the City's established historic character from destruction or erosion by inappropriate additions or modifications to existing buildings, or inappropriate construction of new buildings.
- (3) Work to influence future changes and enhancements to Woodward Avenue to reflect Pleasant Ridge's preferred plan.
- (4) Ensure that planning, development, and infrastructure projects enhance Pleasant Ridge as a walkable, bikeable community.

f. **Goal: Foster Community Trust & Participation**

Objectives:

- (1) Use a variety of outlets, including the City's website, traditional media, social media, town hall meetings, and the Ridger to inform and engage residents.
- (2) When more than one feasible choice exists for issues of major consequence, consult or collaborate with residents prior to making decisions.
- (3) Encourage, support, and recognize volunteers and community members who do good work in the community.
- (4) Conduct a statistically valid community survey at least bi-annually to measure City performance in delivering services and public sentiment on important issues facing the community.
- (5) Support resident-driven and managed initiatives.

g. **Goal: Strive for Excellence in Governance**

Objectives:

- (1) Develop and maintain a first-rate workforce by supporting the continued training and professional development for City employees.
- (2) Continue to pursue excellence in customer service by exploring alternative methods for improving delivery of services.
- (3) Facilitate increased use of technology during City meetings.
- (4) Continue to look for new ways to partner with nearby communities or private partners to improve the delivery of City services.
- (5) Continually evaluate and adjust the City's goals and objectives, Master Plan, Recreation Master Plan, and Capital Improvements Plan to ensure that policy decisions are being made that further the long-term interest of the City.

h. **Goal: Protect the Environment**

Objectives:

- (1) Reduce the City's carbon footprint through energy conservation, efficiency, and renewable generation measures.
- (2) Invest in maintaining the City's tree canopy by maintaining existing trees and planting new trees to fill gaps.
- (3) Explore ways to incorporate green infrastructure to infiltrate stormwater in place and reduce the amount of runoff that enters the City's sewer system.

4. Budget Policies and Procedures

a. Role of the Budget

The budget provides the annual financial plan for the management of the City's affairs. The document compiles the financial data needed to support Pleasant Ridge's comprehensive decision making/policy development process. This Budget is based on the City Commission's Goals and Objectives, the Capital Improvements Plan, the City's financial policies, and City Manager and departmental review of operations.

b. Budget Strategy

The current financial plan is based upon Commission direction and current revenue constraints. These factors govern the stewardship of public funds and reflect the following principles:

- (1) Basic services will be maintained at least at current levels and will be funded adequately
- (2) Program costs will reflect the true picture of the cost of operations. Depreciation will not be included in program costs (except in the enterprise fund), and some City-wide expenses will be separated from program expenditures for ease of administration.
- (3) Program services will be provided in the most efficient method while meeting the needs of the public.
- (4) Necessary infrastructure improvements will be completed to meet needs.
- (5) Revenue will be estimated at realistic levels.
- (6) Reserves will be programmed at appropriate levels to protect the City from future uncertainties. It is the City's goal to maintain unappropriated general fund reserves of at least 25% of general fund expenditures.
- (7) The budget will comply with provisions of the State Constitution, City Charter, Municipal Code, and sound fiscal policy.

c. Balanced Operating Budget

A balanced budget is a basic budgetary constraint intended to ensure that the City does not spend beyond its means. The City must function within the limits of the financial resources available and under normal circumstances requires commitment to a balanced budget. The appropriated budget cannot exceed available resources, defined as revenues generated in the current period added to balances carried forward from prior years. Any deviation from a balanced operating budget requires disclosure when it occurs.

d. Impact of Capital Budget on the Operating Budget

As new policies and programs are approved, both the operating and capital budgets are impacted. For example, an increase in service levels approved as part of the operating budget would have long-term effects on the Capital Improvements Program. Conversely, a restrictive change to the use of long-term debt would slow capital programs.

Regardless of the difference between the operating and capital budgets, the two are interdependent. Budgetary policy states that all foreseeable operating costs related to capital projects be estimated and provided for as part of the review process associated with the Capital Improvements Program. In addition, departments are required to include costs associated with operating and maintaining capital projects that are requested for the upcoming year.

e. Budgeting Controls

- (1) Internal Controls. The annual adopted budget provides a basis of control over financial operations. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the approved budget. Activities of the General Fund and Special Revenue

B. Budget Summary

4. Budget Policies and Procedures

Funds are included in the annual approved budget. The level of budgetary control (that is the level at which expenditures cannot exceed the appropriated amount) is established by function and category (Personnel Services, Supplies, Other Services and Charges, Capital Outlay and Debt Service) within each individual fund.

- (2) Independent Audit. State statutes and the City Charter require an annual audit of all accounts of the City by certified public accountants selected by the City Commission. Abraham and Gaffney has fulfilled this requirement. The auditor's report is included in the City's Comprehensive Annual Financial Report (CAFR) and is available to the public on the City's website and through the State of Michigan Department of Treasury local audit and finance division website.¹

¹ See: <https://treas-secure.state.mi.us/LAFDocSearch/> for CAFR files for units of local government from 2003 to present

5. Fund Structure

The accounts of the City are organized by funds and account groups, each of which is considered a separate accounting entity. Funds are established to segregate specific activities or objectives of a government in accordance with special regulations, restrictions, or limitations. The various funds are grouped into generic fund types in two broad categories as follows:

a. *Governmental Funds*

- (1) General Fund: The general fund contains the records of the ordinary activities of the City that are not accounted for in another fund. General fund activities are financed by revenue from general property taxes, state shared revenue and other sources.
- (2) Special Revenue Funds: Special revenue funds are used to account for the proceeds of earmarked special revenue from financing activities requiring separate accounting because of legal or regulatory provisions. Special revenue funds include Major Streets, Local Streets, Infrastructure, Solid Waste, Pool/Community Center Operations, Segregated Capital Asset Fund (SCAF), Library Services, and Parks Capital Improvement Fund.
- (3) Debt Service Funds: Debt service funds are used to account for the annual payment of principal and interest concerning certain long-term debt other than debt payable from the operations of an enterprise fund. The Pool/Community Center debt service fund is the City's only debt service fund.
- (4) Capital Projects Funds: Capital projects funds are used to account for the development of capital facilities other than those financed by the operations of the enterprise fund.

b. *Proprietary Funds*

- (1) Enterprise Fund: The water and sewer fund is used to account for the results of operations that provide a service to citizens financed by a user charge for the provision of that service.

6. Millage Rate Information

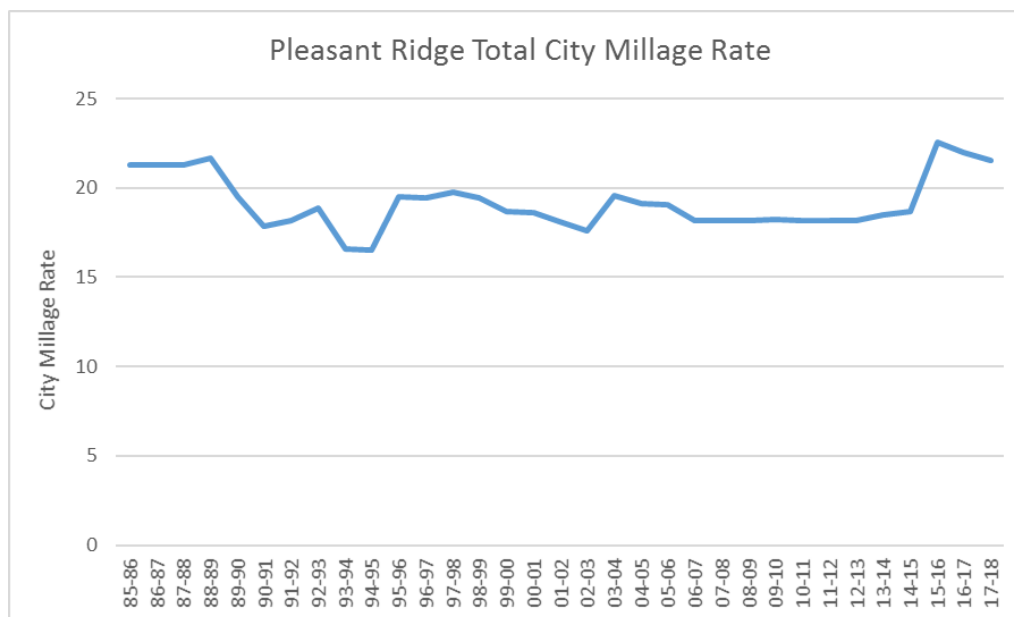
Millage Rate Information. The following Table 1 shows the breakdown of Pleasant Ridge millage rates from 2006 to present.

Table 1. Pleasant Ridge Property Tax Millage Components, 2006 to Present

	Original Amount	Expiration	08-09	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18
General Operating - Charter	20.0000	--	11.4248	11.4248	11.4248	11.4248	11.4248	11.4248	11.3094	11.1363	10.8434	10.6232
General Operating (2015)	2.9000	--								2.8556	2.7804	2.7239
Infrastructure (2015)	3.0000	2035	2.4124	2.4124	2.4124	2.4124	2.4124	2.4124	2.3880	2.9242	2.8472	2.7894
Community Promotion	0.3431	--								0.2704	0.3481	0.3375
Parks Improvement (2015)	0.7500	2024								0.7385	0.7190	0.7044
Rubbish	3.0000	--	1.7134	1.7134	1.7134	1.7134	1.7134	1.7134	1.6960	1.6700	1.6260	1.5929
Pool Operations (2003)	1.4000	2028	1.2722	1.2722	1.2722	1.2722	1.2722	1.2722	1.2593	1.2400	1.2073	1.1827
Library (2014)	0.5000	2019	0.3700	0.4100	0.3700	0.3700	0.3700	0.3700	0.4949	0.3865	0.3763	0.3687
Pool Debt (2003)	unlimited	2028	1.0000	1.0000	1.0000	1.0000	1.0000	1.3000	1.5000	1.3380	1.2123	1.2450
Total Millage			18.1928	18.2328	18.1928	18.1928	18.1928	18.4928	18.6476	22.5595	21.9600	21.5677

The following Figure 7 shows the long term total Pleasant Ridge city millage rate trend from 1985 to present.

Figure 7. Total City Millage Rate (Homestead), 1985-Present



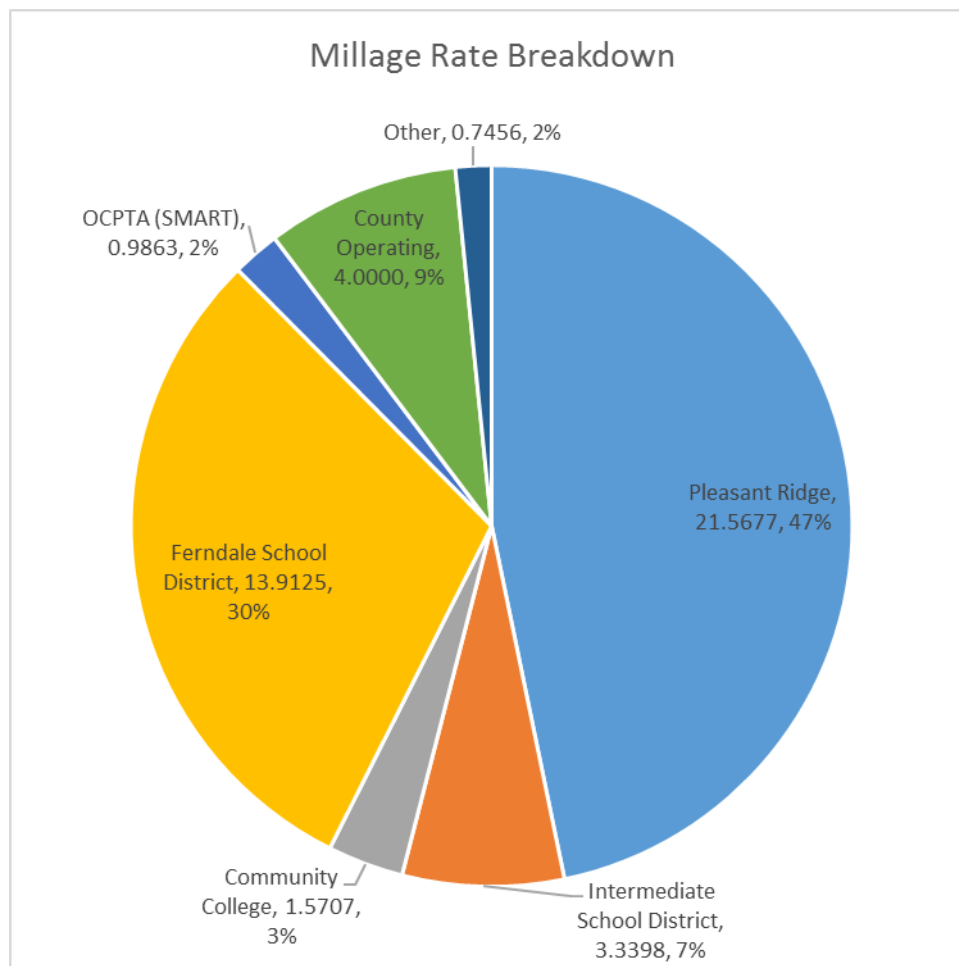
The 2017-2018 total City millage rates are reduced by 0.392 mills compared to last year due to Headlee rollback. While the City experienced robust home sales and strong growth in sales prices, Headlee limits the City to a total tax revenue growth rate of 0.9%, requiring a significant rollback in local tax rates. This 0.3923 mill reduction will reduce local taxes by \$45.08 per year per property, on average.

The community promotion millage authorized by PA 359 of 1925 (MCL 123.881) may generate up to \$50,000 annually. The 0.3375 mill levy will generate about \$49,000 for the City. The revenues will be used to pay for community publications, website maintenance, and the development of a new City website to replace our current one which is functionally obsolete.

Total Homestead Millage Rate Breakdown. The total homestead property tax rate for a property owner in Pleasant Ridge in 2017 will be not more than 46.5496 mills.² Of every tax dollar paid by residents, 46% goes to the City, 31% goes to the Ferndale school district, and the remaining 23% goes to the County and other regional entities including SMART, the intermediate school district, community college, Oakland County parks, Metro Parks, the Zoo, and the Detroit Institute of Arts.

The following Figure 7 shows the breakdown of how each tax dollar paid by residents is allocated to taxing entities. Note that the “other” category includes property taxes levied by Oakland County Parks (0.2392 mills), the Detroit Zoo (0.0990 mills), the Art Institute Authority (0.1981 mills), and the Huron Clinton Metro Parks (0.2146 mills).

Figure 8. Total Pleasant Ridge Homestead Millage Rate Breakdown, 2017



² As of the date of adoption of this budget, final tax rates for outside, non-Pleasant Ridge jurisdictions is not known. Those outside jurisdictions are also subject to Headlee Rollbacks, and their adopted tax rates have not yet been published. For the purposes of this document, we have used updated 2017 millage rates for Pleasant Ridge millages, and the 2016 rates for outside jurisdictions.

7. City Property Tax Revenue Limitations and Headlee Impact

Property values in Pleasant Ridge have shown strong growth in recent years, rising 10.4% in 2015 and 6% in 2016. With this strong growth in property values it would be expected that the City's property tax revenue would show similar growth, however, this is not the case. The City's property tax collections are limited to the rate of inflation, which is 0.9% for FY17-18.

Take note of these numbers for RESIDENTIAL properties in the City:

Total Property Taxes Paid by Residents in 2016:	\$2,910,096
Total Property Taxes Paid by Residents in 2017:	\$2,968,935
Change in Taxes Paid 2017 vs. 2016:	\$58,839
City Millage Rate in 2016	21.9600
City Millage Rate in 2017	21.5677
City Millage Rate Reduction 2016 vs. 2017:	1.8%
Uncapped Taxable Value Growth 2016 to 2017:	\$89,804
Total Change in Taxes Paid for Uncapped Property 2017 vs. 2016:	\$89,804
Average Change in Taxes Paid for Capped Property 2017 vs. 2016:	\$976
Percent of Residents Paying More City Tax 2017 vs. 2016:	8.1%
Capped Taxable Value Growth 2016 to 2017:	0.9%
Total Change in Taxes Paid by Capped Properties 2017 vs. 2016:	-\$30,695
Average Change in Taxes Paid for Capped Property 2017 vs. 2016:	-\$29
Percent of Residents Paying Less City Tax 2017 vs. 2016:	91.9%

Headlee and Proposal A. The Headlee Amendment to the State Constitution was enacted in 1978, and it established that City property tax revenues could only grow equal to the rate of inflation. If property values grew faster than inflation, the City's millage rate is rolled back (i.e. reduced) to ensure that property taxes grow only equal to inflation. If property values fell, the Headlee Amendment allowed the millage rate to roll up so that property taxes kept pace with inflation.

In 1994, the voters approved Proposal A, which created a new measure of value for each property – taxable value. Now, there are two measures of value for each property, SEV or Assessed Value, and Taxable Value. When you buy a house, the taxable value is set equal to assessed value. The assessed value is equal to about half of the true cash value of a house. In subsequent years, the assessed value of the house changes based on market rate for the house, but taxable value can increase only equal to the rate of inflation. This past year, that was 0.9%, and in Pleasant Ridge, 91.9% of all houses saw their

Assessed vs. Taxable Value Example

By way of example, consider a longtime resident of a house in Pleasant Ridge that is worth \$300,000. The assessed value of that home would be \$150,000, but because the taxable value has been capped, the taxable value is only \$92,750. That resident would pay \$2,000 a year in local City taxes. However, if they sell the house and move out, the taxable value would increase to \$150,000 to match the assessed value of \$150,000, and the new residents would pay \$3,225 a year in local taxes due to the uncapping of taxable value, even though the assessed value of the house did not change.

taxable value go up 0.9% because of this cap on taxable value growth. Over time, this leads to a gap between the assessed and taxable value of your property. You can see this gap on the valuation notice that Oakland County sends to your house each January.

However, when a house is sold, the taxable value becomes “uncapped” and pops up to equal the assessed value of a house. In 2016, 8.9% of Pleasant Ridge houses became uncapped. Their taxable value increased 47.7%.

The result of the taxable value increases due to properties being sold and having their taxable values become uncapped is that the TOTAL taxable value in Pleasant Ridge increased 3.9%. This was greater than the 0.9% growth allowed by the Headlee Amendment, so the City has had our local property tax millage rate reduced by about 0.4 mills to ensure that total property tax collections only grew by 0.9%.

Table 2. Residential Assessed vs. Taxable Value, 2016 & 2017

Assessed Value 2016	Assessed Value 2017	% Change Assessed Value	Taxable Value 2016	Taxable Value 2017	% Change Taxable Value
\$180,908,696	\$191,851,957	6.0%	\$132,425,836	\$137,589,057	3.9%

This all leads to a key point. Residents who did not sell their house in 2016 will pay less in property taxes to the City in 2017 than they did in 2016. This is because the millage rate was reduced more than capped taxable values went up. In 2017, the average resident who has lived here since before 2016 will pay \$29 less in City property taxes than the year before. This effect compounds over time, as well. Residents who moved in before 2015 will pay \$85 less in City taxes in 2017 than they did in 2015.

Impact Over Time

The reduction in millage rates by the Headlee Amendment is a built-in tax reduction mechanism for long-time residents. This is a good thing for residents’ pocketbooks, but it reduces the ability of the City to address growing fiscal challenges. The next section highlights the fact that the City’s pension expense will increase by over \$170,000 from 2014 to 2021, while revenues are not growing at a fast-enough rate to keep up.

However, if the City’s millage rate had only remained constant at the 22.5596 mills that it was in 2015 instead of being rolled back to the 21.5684 that it is in 2017, the City would have no issue meeting our increased pension expense requirement. Consider the following:

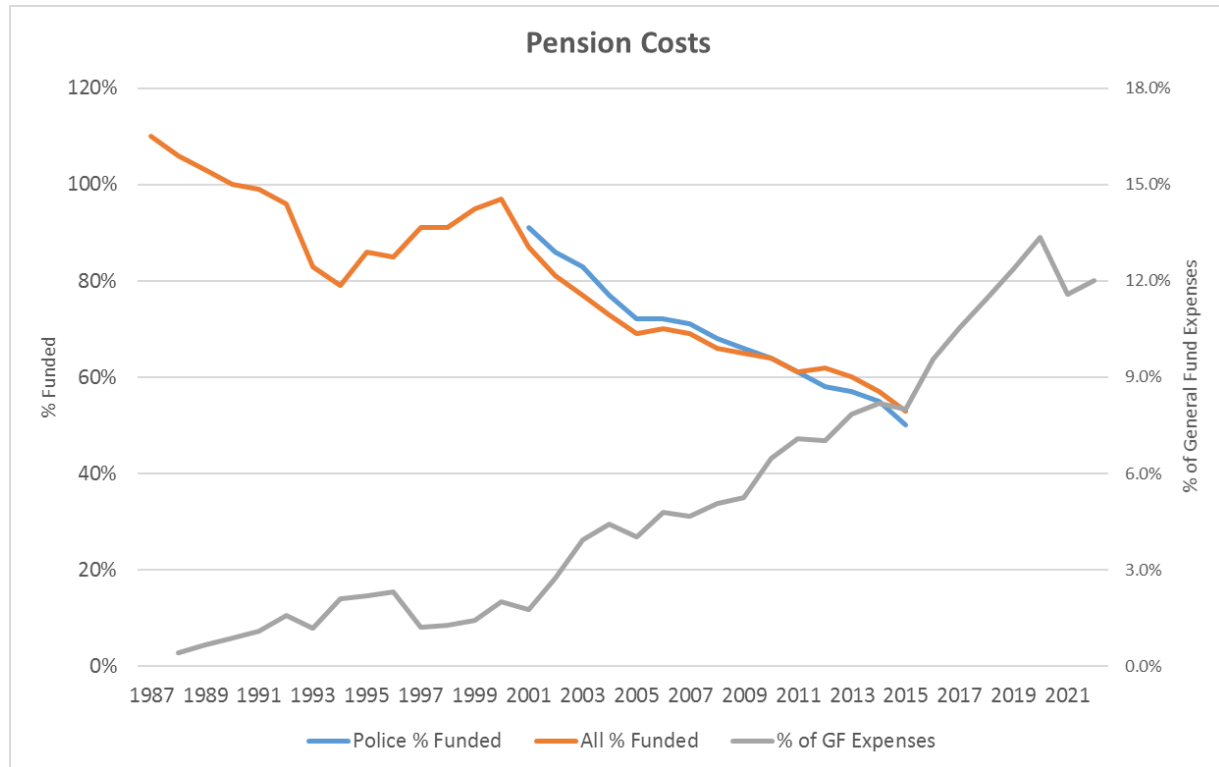
Total Taxable Value 2017:.....	\$145,722,410
Total Property Taxes at 2017 21.5677 millage rate:.....	\$3,142,879
<u>Total Property Taxes at 2015 22.5596 millage rate:.....</u>	<u>\$3,287,440</u>
Difference:	\$144,561

The above shows that, if non-new residents had *not* had their millage rates reduced and paid less taxes, and instead had only had their City property taxes increase at the rate of inflation, the City would not have an issue meeting its increased pension funding obligation. However, this is not the case in Michigan’s local government finance environment.

8. Pension Unfunded Liability and Cost Increase

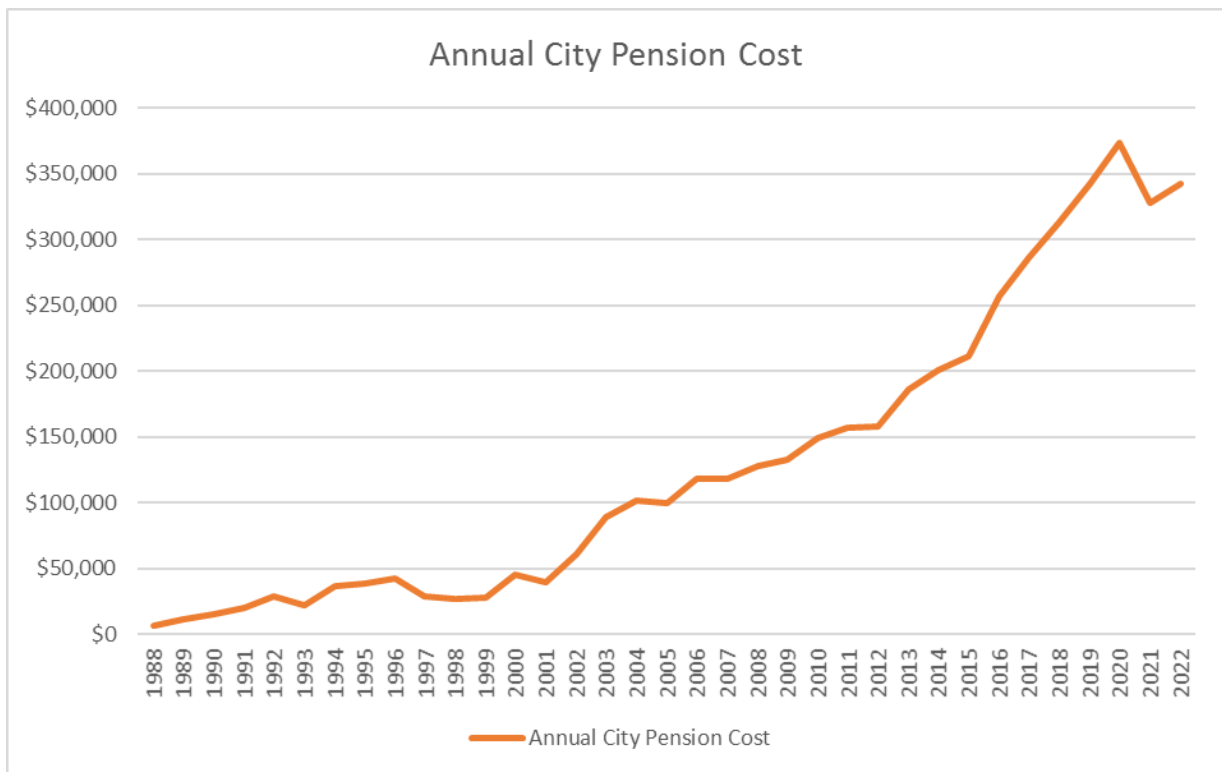
The City has been experiencing an unfunded pension liability, which is now becoming an acute financial problem. The following Figure 9 summarizes the funding level of the City's total and police pension funds (left scale), along with the City's actual and projected pension funding cost as a percentage of general fund expenses.

Figure 9. City Pension Funding Level and Expenses as a Percentage of General Fund Expenditures



The above Figure 9 shows that the City has experienced a decline from being 100% funded in the year 2000, to being just over 50% funded in 2016. Over the same 2000 – 2016 time period, pension costs have gone from 1.8% of general fund expenditures to 9.6% of general fund expenditures. By 2020, pension costs will represent 13.4% of general fund expenditures.

Figure 10. Annual Required City Pension Cost, 1988 - 2022



The above Figure 10 shows the City's annual required pension contribution. The required contribution is calculated each year by the Municipal Employees' Retirement System of Michigan, which is the City's pension system.

The reason for the jump in required contribution levels after 2001 were primarily due to the impact of increased benefit provisions, and will be explored in more detail on the following pages. The reason for the large increases in required pension contributions after 2012 are due to two primary reasons: 1) MERS started requiring underfunded pension groups to contribute additional funding to amortize the City's unfunded liability, and 2) MERS completed an experience study in 2015 that changed the underlying assumptions about market return and life expectancy.

The changes from the experience study were a decrease in expected returns, and an increase in life expectancy. Each of these changes individually would have caused the annual required contribution to increase, and in tandem, the effect was even more pronounced.

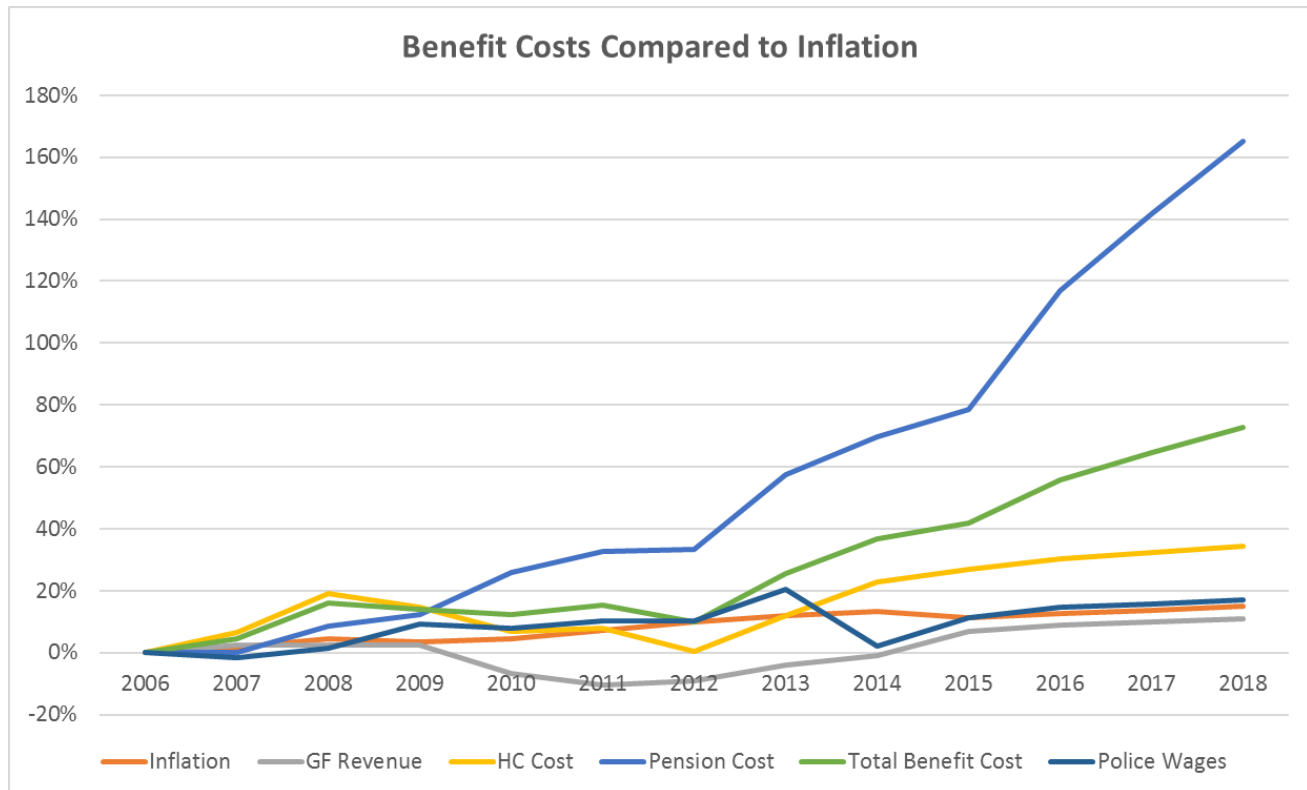
Benefit Costs Compared to Inflation.

Another way of presenting costs is to benchmark them to inflation. The following chart shows how costs have increased using 2006 as a baseline. The chart shows that since 2006:

- Inflation has increased 13%
- General fund revenue has increased 9%³
- Pension costs have increased 120% (projected to increase by 165% by 2018)
- Total benefit costs have increased 56%
- Health care costs have increased 30%
- Police wages have increased 15%

This chart highlights how pension costs are increasing at a much, much higher rate than both revenues and other benefit and salary costs.

Figure 11. Benefit Costs Compared to Inflation, 2006 to 2018



³ General fund revenue has increased at a rate lower than inflation due to the loss in property values during the recession and limits on subsequent taxable value growth

How Did the Pension Fund Become So Underfunded?

The City has never skipped or missed a required contribution to the pension fund. Today's underfunded pension problem is due primarily to past decisions to increase pension benefits without paying for those increases at the time. MERS also did not require the City to increase our annual pension contributions to pay for those past benefits increases until recently. Basically, what happened was that pension benefits were increased in the 80s and 90s, but weren't paid for until very recently.

The following table summarizes the pension benefit and employee contribution history for groups 02 and 10, which are the largest City groups and have the largest unfunded liabilities:

Table 3. Group 02 and 10 Pension Benefit Provision History, 1946 to Present

Year	02 - Police
1946	5% Contribution, 1.7% multiplier
1982	0% Contribution, 1.7% multiplier
1989	0% Contribution, 2.0% multiplier
1992	0% Contribution, 2.25% multiplier
1998	0% Contribution, 2.5% multiplier
2011	2.5% Contribution, 2.5% multiplier
2011	02 – Police group closed to new hires

Year	10 - Non-Union
1946	5% Contribution, 1.7% multiplier
1985	5% Contribution, 1.7% multiplier (COLA)
1990	0% Contribution, 1.7% multiplier (COLA)
2001	0% Contribution, 2.5% multiplier
2011	10 – Non-Union group closed to new hires

The table shows that the trend from 1946 until 2001 was to increase benefits and to reduce employee contributions. Every change between 1946 and 2001 was to increase benefits, either through increased pension multipliers, or reduced employee contributions. In 1946, a patrol officer contributed 5% of their salary and received a 1.7% pension multiplier while a patrol officer hired before 2011 contributes 2.5% of their salary and receives a 2.5% pension multiplier – a much richer benefit at a lower cost.

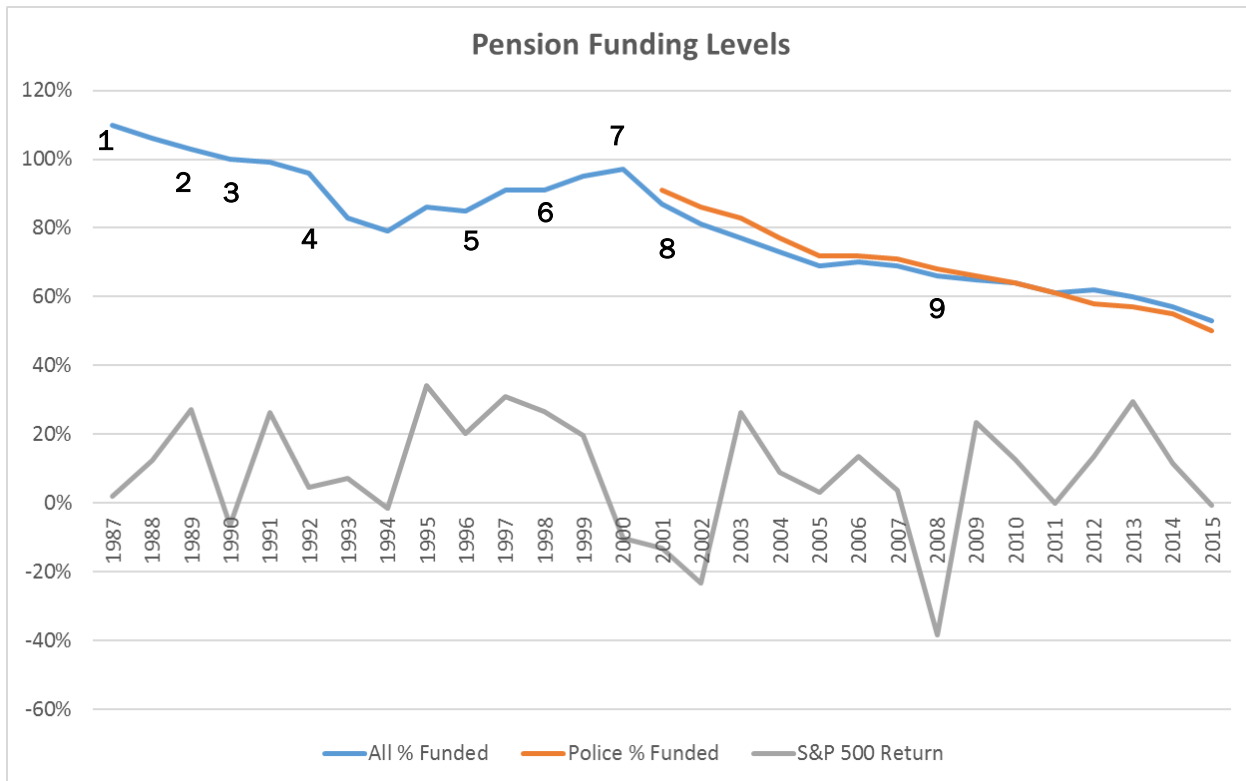
These changes are the primary cause of the situation we are now in. When an employee who contributed into the system for 20 years based on a 1.7% multiplier is bumped up to a 2.5% multiplier, it creates a shortfall that must be paid for eventually. The system only had enough money to pay out a benefit based on the 1.7% multiplier.

Alternately stated, an employee who contributed to the system based on a 1.7% multiplier would hypothetically need \$100 in the system to pay their retirement benefit. If that employee was then changed to receive a 2.5% multiplier, there would need to be \$250 in the system to pay their benefit. Yet, there was still only \$100 in the system. The need for the extra \$150 does not disappear, it must be paid by the City eventually.

The unsustainable nature of these benefit provisions led to the closing of these groups in 2011, and the creation of new pension groups with lower benefit levels for police and administrative employees hired after 2011.

Timeline of Pension Funded Percentage and Benefit Changes

The following chart and timeline show graphically the impact of the pension benefit decisions made during the 80s and 90s.



1. 1982 - The change from 5% employee contribution to a 0% employee contribution in 1982 started a downward trend in the percent funded for pensions.
2. 1989 - Police benefits increased from a 1.7% multiplier to a 2.0% multiplier. Funding level decrease continues.
3. 1990 - Administrative employees reduced from 5% to 0% contribution.
4. 1992 - Police benefits increased from 2.0% multiplier to 2.25% multiplier.
5. Booming stock market in the late 1990s generated abnormal gains in the pension fund, temporarily hiding the impacts of the past benefits increases/cost decreases.
6. 1998 - Police benefits increased from 2.25% multiplier to 2.5% multiplier.
7. 2000 - The tech bubble bursts, the early 2000s recession starts, and pension fund returns decrease back to "normal" historical levels.
8. 2001 - Admin employees are increased to a 2.5% multiplier.
9. 2001 to Present Day - Through the housing bubble in the stock market, the 2008 crash, or the market recovery to today, funding levels have continued to decline because benefits were increased for past employees above the level that the fund had been funded for, causing the fund to deplete over time.

Actions Taken To-Date to Address Unfunded Liability

The 01, 02, 10, and 11 groups are now closed to new hires. Employees hired after 2011 are in different pension groups with lower benefit levels and higher employee contribution amounts. The pension groups for employees hired after 2011 – groups 12 and 20, are fully funded or nearly so.

The following table is reproduced from the City's most recent Annual Actuarial Valuation Report published by MERS shows accrued liabilities, assets, and funding levels for all the City's employee groups. The full document is available for review at: <http://cityofpleasantridge.org/documents/budget/aav2015.pdf>

Actuarial Accrued Liabilities and Valuation Assets As of December 31, 2015

Table 6

Division	Actuarial Accrued Liability	Valuation Assets ¹	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
01 - Gnrl Oth				
Active Employees	\$ 0	\$ 0	0.0%	\$ 0
Vested Former Employees	254,809	3,696	1.5%	251,113
Retirees And Beneficiaries	237,537	173,569	73.1%	63,968
Pending Refunds	0	0	0.0%	0
Total	\$ 492,346	\$ 177,265	36.0%	\$ 315,081
02 - Police				
Active Employees	\$ 962,470	\$ 114,490	11.9%	\$ 847,980
Vested Former Employees	76,767	0	0.0%	76,767
Retirees And Beneficiaries	2,233,356	1,533,091	68.6%	700,265
Pending Refunds	0	0	0.0%	0
Total	\$ 3,272,593	\$ 1,647,581	50.3%	\$ 1,625,012
10 - NonUnion				
Active Employees	\$ 718,396	\$ 35,099	4.9%	\$ 683,297
Vested Former Employees	91,951	91,951	100.0%	0
Retirees And Beneficiaries	682,383	682,383	100.0%	0
Pending Refunds	0	0	0.0%	0
Total	\$ 1,492,730	\$ 809,433	54.2%	\$ 683,297
11 - City Mgr				
Active Employees	\$ 0	\$ 0	0.0%	\$ 0
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	692,175	491,240	71.0%	200,935
Pending Refunds	0	0	0.0%	0
Total	\$ 692,175	\$ 491,240	71.0%	\$ 200,935
12 - Non-Union after 7/1/2011				
Active Employees	\$ 16,223	\$ 17,598	108.5%	\$ (1,375)
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	2,244	2,244	100.0%	0
Total	\$ 18,467	\$ 19,842	107.4%	\$ (1,375)
20 - Police as of 7/1/2011				
Active Employees	\$ 21,154	\$ 19,734	93.3%	\$ 1,420
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	0	0	0.0%	0
Total	\$ 21,154	\$ 19,734	93.3%	\$ 1,420

B. Budget Summary

8. Pension Unfunded Liability and Cost Increase

The above table shows that the City's total unfunded liability is \$2,824,370, with nearly 60% of that unfunded liability being in the 02 – Police group. Given that the police group is the largest single source of the unfunded liability, the City is in the process of closing group 20 (which was created in 2011) and creating a new hybrid plan for new police officers hired after July 1, 2017. The hybrid plan combines a defined benefit with a 401k-style defined contribution component as a way of further controlling the City's future pension liabilities.

Budget Impact

In 2014, when the City was asking the residents to approve a Headlee Override to increase the local property tax rate, our annual pension contribution was about \$200,000. The residents approved the Headlee Override, which generated about \$100,000 of net new revenue for the City's general fund to preserve valued City services.⁴

In 2017-18, the City's annual pension payment will be \$285,000, and by 2020 it will be \$373,000. That will represent a \$173,000 increase over pension expenses in 2014. The increasing pension contribution requirements will soon have consumed the increased operating funding approved by the voters in 2014, and further, the City must find another \$73,000 in cuts.

So far we have absorbed the \$95,000 annual increase in pension funding through cuts and efficiencies in the general fund while still balancing the budget and adding a little to fund balance every year. However, the three-year budget projection shows that starting in FY18-19 the City's general fund will be in a net operating deficit and we will be again in a position where we must find supplemental funding, or to cut services to balance the budget.

	15-16	16-17	17-18	18-19	19-20	Increase 2015 to 2020
Total General Fund Revenue	\$2,773,167	\$2,679,162	\$2,708,833	\$2,727,074	\$2,745,562	-1.0%
Total General Fund Expenditures	\$2,719,248	\$2,679,162	\$2,696,404	\$2,739,991	\$2,790,090	2.6%
<i>Pension Expenditures</i>	<i>\$245,502</i>	<i>\$238,010</i>	<i>\$295,670</i>	<i>\$324,984</i>	<i>\$354,891</i>	44.6%
<i>Non-Pension Expenditures</i>	<i>\$2,473,746</i>	<i>\$2,441,152</i>	<i>\$2,400,734</i>	<i>\$2,415,008</i>	<i>\$2,435,199</i>	-1.6%
Net Revenue	\$53,919	\$0	\$12,430	-\$12,918	-\$44,529	

The above table shows that non-pension spending in the general fund decrease by 1.6% over the 2015 through 2020 period. Pension expenses, however, will increase by 45%, and represent nearly all the increase in total general fund expenses.

It is worth noting that if the City's millage rate had not been reduced by over 1 mill from 2015 to 2017, providing most residents a reduction in City taxes paid, the City would be collecting over \$140,000 more in 2017 than it did in 2015. This additional funding would allow the City to cover the increased pension contributions and eliminate our unfunded liability over time.

⁴ It should be noted that MERS did not provide future pension cost estimates until their valuation report issued in June of 2015. When the City was asking for the Headlee override millage in November of 2014, we did not know what our pension funding requirements would be in future years. This impacted our financial planning ability at the time of the 2014 millage requests.

Now that MERS is providing funding requirements 5 years into the future, we know what our funding requirements are going to be and can plan for the impact of the increases.

Actions Taken

Following is a summary of actions taken by the City to address the unfunded liability issue:

- Police and Administrative groups 02 and 10 were closed to new hires in 2010, replaced by groups with lower benefit levels. The new groups are fully or nearly fully funded.
- City Manager group closed. Current City Manager does not receive a pension.
- Police employee contribution increased from 0% to 2.5% in 2011.
- New police hires will receive a hybrid plan that has a small pension that is combined with a defined contribution, 401k-style plan.
- No retirement health care benefit for any administrative employees hired after 2011 and police hired after 2017. Instead, employees have access to a Health Care Savings Plan that allows them to save for retirement health care costs with a small City match.

9. Personnel

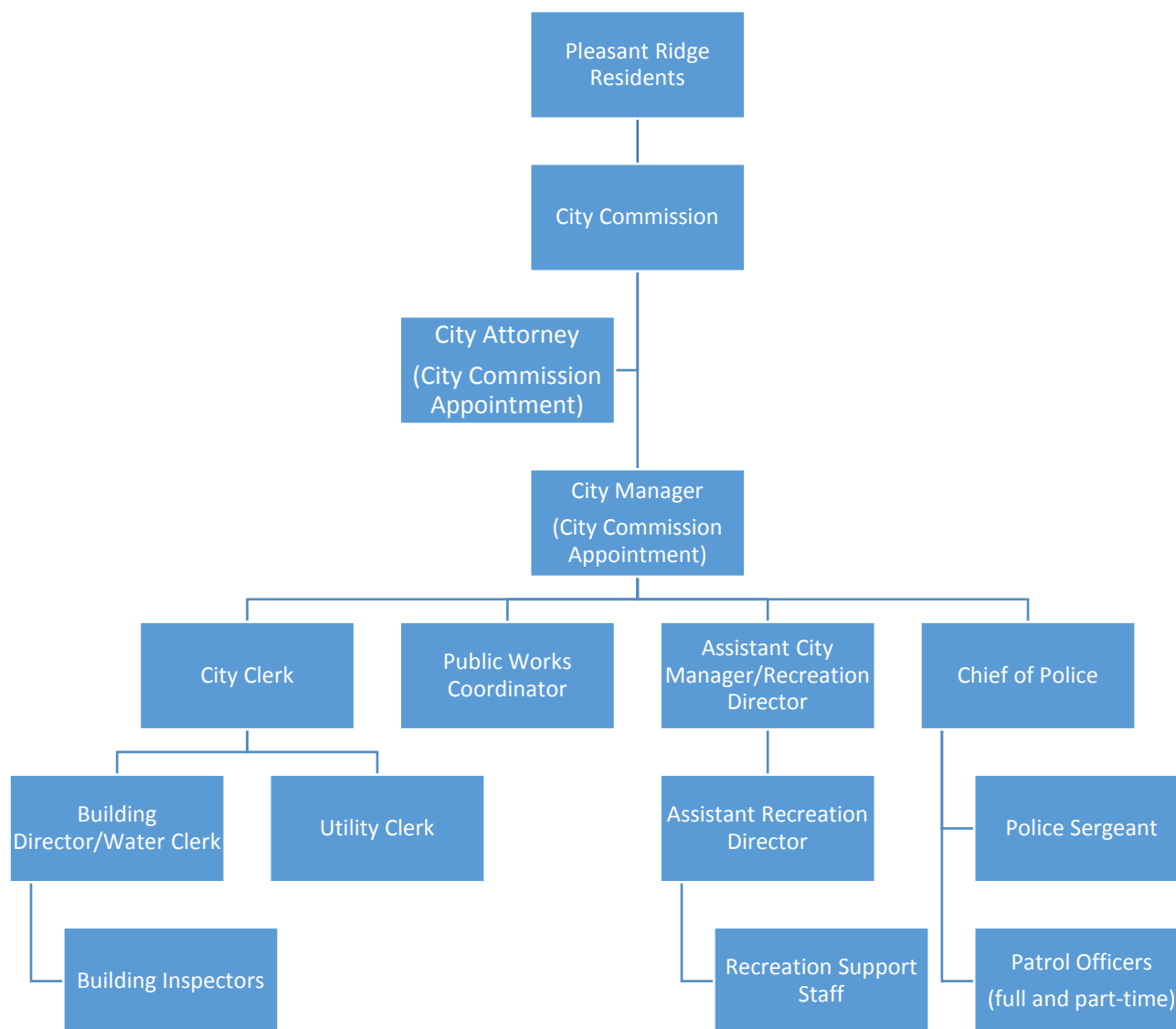
The City of Pleasant Ridge is a service-oriented organization with a large percentage of expenditures associated with staff salaries and related costs. In addition to part-time and full-time non-union employees, there is one bargaining unit - the Pleasant Ridge Police Officers Association, represented by the Fraternal Order of Police Labor Council.

The City outsources its Fire/EMS, Public Works, Treasury, Assessing, Police and Fire Dispatch, and City Attorney positions.

Full-time equivalent staff (one FTE = 2,080 hours) is projected to increase by one full-time position from FY2015-2016 to FY2016-2017. The budget includes a new public works manager position which is as yet unfilled. This position would bring back in-house some of the currently-outsourced public works department functions. This position would be responsible for managing the remaining outsourced public works contracts. The net result of bringing this position in-house is expected to be cost-neutral for the City while providing a higher level of service for residents.

Position	Status	FY15-16	FY16-17	FY17-18
City Hall				
City Manager	Full-Time	1.00	1.00	1.00
City Clerk	Full-Time	1.00	1.00	1.00
City Treasurer	Part-Time	0.00	0.00	0.00
Public Works Manager	Full-Time	0.00	0.00	1.00
Utility/Building Clerk	Full-Time	1.00	1.00	1.00
Solid Waste Clerk	Part-Time	0.33	0.33	0.33
City Hall Total		3.33	3.33	4.33
Police Department				
Chief	Full-Time	1.00	1.00	1.00
Sergeant	Full-Time	1.00	1.00	1.00
Patrol Officer	Full-Time	4.00	4.00	4.00
Patrol Officer (2)	Part-Time	0.48	0.48	0.48
Crossing Guard	Part-Time	0.33	0.33	0.33
Police Total		6.81	6.81	6.81
Recreation Department				
Director	Full-Time	1.00	1.00	1.00
Recreation Assistant	Full-Time	1.00	1.00	1.00
Building Supervisor	Part-Time	1.00	1.00	1.00
Playground Supervisor	Seasonal	0.44	0.44	0.44
Life Guard (senior)	Seasonal	0.44	0.44	0.44
Life Guard	Seasonal	1.75	1.75	1.75
Pool Instructors	Seasonal	0.10	0.10	0.10
Recreation Total		5.73	5.73	5.73
Full Time Positions		11.00	11.00	12.00
Part Time Positions (FTE)		4.87	4.87	4.87
All Departments		15.87	15.87	16.87

Organization Chart



Not shown in the organization chart are the Charter-established positions of City Treasurer and City Assessor. These positions are outsourced by the City to Plante Moran (City Treasurer) and Oakland County Equalization (Assessor).

C. General Fund

101. Summary

The General Fund functions as the City's operating fund and accounts for taxes and other general revenues and expenditures that are not restricted for other specific purposes. The City strives to maintain an undesignated fund balance of 25-30% of General Fund expenditures to maintain cash flow, solvency, and to set aside for unforeseen emergencies or cash shortfalls caused by revenue declines or delays. The FY2017-18 budget includes revenues of \$2,706,833 and expenditures of \$2,694,651 with a projected fund balance increase of \$12,182 resulting in a fund balance percentage of 23.08%.

REVENUES

SOURCE	Actual 2013-14	Actual 2014-15	Actual 2015-16	Amended 2016-17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Taxes and special assessments	1,510,071	1,542,534	1,998,594	2,000,945	2,021,616	2,038,647	2,055,915
Licenses and Permits	69,560	61,581	85,577	64,450	56,150	56,150	56,150
Federal and State Grants	5,569	7,979	16,095	6,000	24,920	24,920	24,920
State Shared Revenue	234,957	240,814	236,248	246,232	246,232	246,232	246,232
Charges for Services	445,529	423,505	196,409	213,235	206,916	208,125	209,345
Fines and Forfeits	39,071	40,515	33,088	37,000	45,000	45,000	45,000
Interest and Rents	14,782	7,730	13,804	10,500	8,500	8,500	8,500
Other revenue	121,381	161,883	193,334	100,800	99,500	99,500	99,500
Transfers-In	0	4,896	18	0	0	0	0
REVENUE TOTAL	2,441,920	2,491,437	2,773,167	2,679,162	2,708,833	2,727,074	2,745,562

EXPENDITURES

SOURCE	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Mayor and Commission	33,028	14,897	15,631	21,550	19,050	19,050	19,050
City Manager	129,668	126,756	133,499	158,541	163,492	166,342	169,228
Elections	4,903	11,015	8,318	10,363	10,410	10,410	10,410
City Attorney	44,663	49,490	38,304	41,750	44,000	44,000	44,000
City Clerk	107,903	116,649	110,733	105,259	100,740	102,938	105,174
Information Technology	15,040	6,660	67,748	65,600	76,100	70,100	70,100
General Government	187,532	154,056	136,283	158,350	155,500	155,500	155,500
Cable TV	1,478	5,401	1,222	5,750	4,110	4,110	4,110
City Treasurer	92,116	86,433	82,606	110,500	115,105	118,805	122,063
Assessment	20,949	21,605	21,023	21,900	21,645	21,645	21,645
Police Services	841,777	785,101	777,024	1,024,952	1,003,005	1,036,839	1,071,415
Fire/Rescue	250,000	254,000	256,581	258,000	256,581	256,581	256,581
Building Department	24,658	37,297	60,349	67,735	65,150	65,852	66,556
Planning Commission	72,347	13,121	650	0	0	0	0
Public Works	150,179	125,886	196,132	165,948	202,530	205,495	208,524
Street Lighting	45,993	52,798	37,249	35,400	36,500	36,500	36,500
Recreation	400,871	363,897	425,808	385,564	380,486	383,825	387,235
Retirement Services	168,237	235,372	272,588	5,000	5,000	5,000	5,000
Transfers Out	709	1,994	77,500	37,000	37,000	37,000	37,000
EXPENDITURES TOTAL	2,592,051	2,462,428	2,719,248	2,679,162	2,696,404	2,739,991	2,790,090
Revenue over (under) expenditures	(150,131)	29,009	53,919	0	12,430	(12,918)	(44,529)
Fund Balance, beginning of the year	650,230	500,104	532,253	586,172	586,172	598,602	585,684
Fund Balance adjustments		3,144					
Fund Balance, end of the year	500,099	532,257	586,172	586,172	598,602	585,684	541,155
General Fund Balance %	19.29%	21.62%	21.56%	21.88%	22.20%	21.38%	19.40%

101. General Fund Revenues

The General Fund revenues provide funding for City services that have a city-wide benefit. General Fund revenues are categorized as taxes and special assessments, community development permit fees and charges, intergovernmental transfers (state revenue sharing), and other revenues.

Total property tax revenue is projected remain flat during Fiscal Year 2016-2017 over the budgeted Fiscal Year 2015-2016 revenue. This small increase is due to an allowed growth in tax revenue of 0.9% by the Headlee amendment, and as calculated by the state. Projected property tax revenue growth in future years is estimated at 0.9% annually.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
GENERAL FUND REVENUE DETAIL							
Taxes and Special Assessments							
101-000-401.000	Property Taxes - Operating	1,871,285	1,869,703	1,864,322	1,901,533	1,918,647	1,935,915
101-000-401.500	Property Taxes - Community Promo	36,260	48,242	47,618	48,083	48,000	48,000
101-000-410.000	Personal Property Taxes	13	0	0	0	0	0
101-000-410.500	Delinquent Tax Collection	1,298	0	271	0	0	0
101-000-445.000	Interest on Taxes	23,642	15,000	19,625	10,000	10,000	10,000
101-000-447.000	Property Tax Admin Fee	66,096	68,000	68,434	62,000	62,000	62,000
	<i>Total taxes and special assessments</i>	<i>1,998,594</i>	<i>2,000,945</i>	<i>2,000,270</i>	<i>2,021,616</i>	<i>2,038,647</i>	<i>2,055,915</i>
Licenses and Permits							
101-000-476.000	Landlord Licenses	300	500	0	300	300	300
101-000-477.000	Electrical Permits	7,730	5,000	6,545	5,000	5,000	5,000
101-000-478.000	Building Permits	63,042	45,000	55,195	42,500	42,500	42,500
101-000-479.000	Plmb.Htg.Refrig.Permits	12,520	12,600	11,033	7,500	7,500	7,500
101-000-480.000	Liquor License Fee Revenue	963	850	784	850	850	850
101-000-485.000	Dog Licenses	1,022	500	(432)	0	0	0
	<i>Total licenses and permits</i>	<i>85,577</i>	<i>64,450</i>	<i>73,125</i>	<i>56,150</i>	<i>56,150</i>	<i>56,150</i>
Federal and State Grants							
101-000-530.000	C.D.B.G.	4,699	5,000	2,968	5,000	5,000	5,000
101-000-540.000	State Grant	10,074	0	0	0	0	0
101-000-544.000	302 Training Funds	1,322	1,000	716	1,000	1,000	1,000
101-000-573.000	Local Community Stabilization	1,237	0	18,920	18,920	18,920	18,920
	<i>Total federal and state grants</i>	<i>17,332</i>	<i>6,000</i>	<i>22,604</i>	<i>24,920</i>	<i>24,920</i>	<i>24,920</i>
State Shared Revenue							
101-000-576.500	Sales Taxes - Statutory	46,232	46,232	30,820	46,232	46,232	46,232
101-000-576.750	Sales Taxes - Constitutional	188,779	200,000	137,799	200,000	200,000	200,000
	<i>Total state shared revenue</i>	<i>235,011</i>	<i>246,232</i>	<i>168,619</i>	<i>246,232</i>	<i>246,232</i>	<i>246,232</i>
Charges for Services							
101-000-607.000	NSF Fees	480	500	120	400	400	400
101-000-608.000	Registration Fees	3,848	3,100	2,708	3,000	3,000	3,000
101-000-609.000	Administrative Fees	6,313	7,000	7,250	5,000	5,000	5,000
101-000-627.000	Administrative Charges	100,680	101,700	100,700	101,384	102,030	102,682
101-000-627.100	Charges for Services - personnel	11,755	12,555	11,755	12,555	12,668	12,782
101-000-627.200	Charges for Services - IT	28,630	49,580	49,580	50,026	50,476	50,931

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
101-000-635.000	Copying Charges	403	1,200	130	50	50	50
101-000-641.100	Election Reimbursement	3,611	0	0	0	0	0
101-000-641.200	Spraying Reimbursement	0	600	514	250	250	250
101-000-641.300	Tree Planting Reimbursement	2,609	0	625	750	750	750
101-000-651.000	Use & Admission Fees	1,555	2,000	1,140	1,000	1,000	1,000
101-000-651.208	Admission - Dog Park	3,228	5,000	4,154	2,500	2,500	2,500
101-000-653.000	Registration Program Fees	33,297	30,000	40,103	30,000	30,000	30,000
<i>Total charges for services:</i>		<i>196,409</i>	<i>213,235</i>	<i>218,779</i>	<i>206,916</i>	<i>208,125</i>	<i>209,345</i>
Fines and Forfeits							
101-000-656.000	Municipal Fines	2,255	3,000	26,143	12,500	12,500	12,500
101-000-657.000	District Court Fines	30,833	34,000	22,143	32,500	32,500	32,500
<i>Total fines and forfeits:</i>		<i>33,088</i>	<i>37,000</i>	<i>48,286</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>
Interest and Rents							
101-000-665.000	Interest Income	4,194	6,000	4,446	4,000	4,000	4,000
101-000-667.000	4 Ridge Rental	9,610	4,500	4,185	4,500	4,500	4,500
<i>Total interest and rents:</i>		<i>13,804</i>	<i>10,500</i>	<i>8,631</i>	<i>8,500</i>	<i>8,500</i>	<i>8,500</i>
Other Revenue							
101-000-670.000	Cable Franchise and Peg Fees	69,600	65,000	70,923	60,000	60,000	60,000
101-000-671.000	Miscellaneous Other Revenues	36,804	5,000	18,686	5,000	5,000	5,000
101-000-674.000	Zoning Board of Appeal Fees	0	300	0	0	0	0
101-000-675.000	Contributions & Donations	18,112	5,000	12,019	5,000	5,000	5,000
101-000-679.000	Refunds & Rebates	62,213	23,000	7,295	24,500	24,500	24,500
101-000-679.300	R&R-Public Safety	5,605	1,000	7,337	4,000	4,000	4,000
101-000-681.000	Sidewalk Replacement/Residents	0	0	3,250	0	0	0
101-000-696.000	Bond & Insurance Recoveries	1,000	1,500	0	1,000	1,000	1,000
<i>Total other revenue:</i>		<i>193,334</i>	<i>100,800</i>	<i>119,510</i>	<i>99,500</i>	<i>99,500</i>	<i>99,500</i>
Transfers-In							
101-000-699.212	Transfers In - Tree Planting	18	0	0	0	0	0
<i>Total transfers-in:</i>		<i>18</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL REVENUES		2,773,167	2,679,162	2,659,824	2,708,833	2,727,074	2,745,562

***District Court Fines and Funding Note:**

The 45th District Court serves four political subdivisions: The cities of Oak Park, Huntington Woods, and Pleasant Ridge, and Royal Oak Township. As such, the 45th is a "district of the third class," comprised of one or more political subdivisions within a county, where each political subdivision is responsible for maintaining, financing, and operating the district court within its subdivision (MCL 600.8103(3)). Per the applicable statutes, a political subdivision in a district of the third class has three options:

- (1) Hold court in their own political subdivision, be responsible for their applicable court expenses and keep their fines and costs. (MCL 600.8103, 600.8104, and 600.8379). The 43rd District Court comprised of Ferndale, Hazel Park, and Madison Heights follows this arrangement.
- (2) Agree that the court be located in one political subdivision and follow the statutory distribution of fines and costs with one-third of ticket revenue going to the political subdivision in which the action commenced and two-thirds of ticket revenue going to the political subdivision in which the court sits. The 46th District Court comprised of Southfield,

C. General Fund

101. General Fund Revenues

Beverly Hills, Bingham Farms, Franklin, and Lathrup Village follows this arrangement with Southfield serving as the district control unit and where the court sits.

- (3) Agree that the court be in one political subdivision and agree to a different distribution of revenues (i.e. something different than the statutory 1/3–2/3 split). The 47th District Court comprised of Farmington Hills and Farmington follows this arrangement having come to an agreement.

The political subdivisions of the 45th District Court agreed long ago that the Court would be in Oak Park, and the 1/3-2/3 statutory distribution of fines and costs would be used. Under this arrangement Oak Park is the district control/funding unit and is responsible for all costs to operate the court but also retains any revenues more than court expenditures. Huntington Woods, Pleasant Ridge, and Royal Oak Township agreed to not have the court sit in their own political subdivisions, to give up their control over court expenditures, and to follow the statutory default 1/3-2/3 distribution of fines and costs.

Pleasant Ridge has funded the operations of the 45th District Court since its creation by contributing two-thirds of fines and costs associated with tickets originating in Pleasant Ridge to the City of Oak Park as the district control/funding unit. The proposed Pleasant Ridge fiscal year 2016-2017 budget continues to fund the court in this manner. The budgeted revenue line of \$30,000 represents Pleasant Ridge's one-third share of our fines and costs, with the remaining two-thirds of fines and costs associated with tickets originated in Pleasant Ridge going to Oak Park for court funding purposes. However, there are several court costs and fees that are assessed that go 100% to Oak Park, the County, or the State that are not subject to the 1/3-2/3 split. This means that in practice, Pleasant Ridge receives far less than 1/3 of the revenue generated on each ticket we write.

In FY15-16, Pleasant Ridge tickets generated a total revenue of \$261,272. Of this amount, \$53,377 went to the State of Michigan, \$1,045 went to Oakland County, and \$12,785 was held in trust. Of the remaining \$194,065, \$132,638 went to the City of Oak Park to operate and maintain the court, \$13,265 went to the court retiree health care fund, and \$17,545 went to the court building fund. The remaining \$30,616 was distributed to Pleasant Ridge. This means that Pleasant Ridge received 11.7% of the revenue generated by tickets that we wrote in FY15-16.

101. General Fund Expenditures

Account Number	Description	Actual 2014-15	Amended 2015-16	Activity to 06/01/17	Requested 2016-17	Projected 2018-19	Projected 2019-20
GENERAL FUND APPROPRIATIONS							
Department 101 - Mayor and Commission							
101-101-715.000	Worker's Compensation	27	50	52	50	50	50
101-101-955.000	Miscellaneous Expenses	8,259	14,000	7,285	11,500	11,500	11,500
101-101-956.000	Meetings, Conferences, Workshop	833	2,000	292	1,000	1,000	1,000
101-101-958.000	Memberships & Dues	6,512	5,500	6,600	6,500	6,500	6,500
<i>Totals for Department 101 - Mayor and Commission</i>		<i>15,631</i>	<i>21,550</i>	<i>14,229</i>	<i>19,050</i>	<i>19,050</i>	<i>19,050</i>
Department 172 - City Manager							
101-172-702.000	Administration Wages	91,446	91,910	84,809	92,737	93,572	94,414
101-172-711.000	Social Security & Medicare	7,827	7,505	7,256	8,000	8,072	8,145
101-172-712.000	Hospitalization/Dental/Vision	5,158	6,150	4,735	6,150	6,150	6,150
101-172-712.003	Hospitalization/Dental/Vision - Retirees	0	13,584	14,441	14,000	14,500	15,000
101-172-712.004	Retiree Contribution-Medical Insurance	0	(1,845)	(5,664)	(1,400)	(1,450)	(1,500)
101-172-712.006	ER Contribution to HSA - Retirees	0	0	950	950	950	950
101-172-713.000	Life Insurance	1,032	1,042	1,012	1,050	1,050	1,050
101-172-714.003	Retirement - DB (Retirees)	0	11,000	8,470	13,215	14,533	15,877
101-172-714.500	Retirement DC - Employer	19,369	18,390	18,058	19,500	19,676	19,853
101-172-715.000	Worker's Compensation	33	55	64	50	50	50
101-172-716.000	Unemployment Compensation	36	400	20	40	40	40
101-172-720.000	Tuition, Training, Education	79	750	0	100	100	100
101-172-731.000	Operating Supplies	95	100	19	100	100	100
101-172-790.000	Books & Periodicals	312	500	253	500	500	500
101-172-862.000	Automobile Allowance	6,000	6,000	5,500	6,000	6,000	6,000
101-172-956.000	Meetings, Conferences, Workshop	1,146	1,500	37	1,500	1,500	1,500
101-172-958.000	Memberships & Dues	966	1,500	698	1,000	1,000	1,000
<i>Totals for Department 172 - City Manager</i>		<i>133,499</i>	<i>158,541</i>	<i>140,658</i>	<i>163,492</i>	<i>166,342</i>	<i>169,228</i>
Department 191 - Elections							
101-191-704.000	Part-Time Salaries	3,516	4,600	3,923	4,000	4,000	4,000
101-191-711.000	Social Security & Medicare	0	352	0	0	0	0
101-191-715.000	Worker's Compensation	7	11	13	10	10	10
101-191-728.000	Postage	100	400	350	400	400	400
101-191-731.000	Operating Supplies	2,975	3,000	1,534	4,000	4,000	4,000
101-191-809.000	Contractual Services	1,720	2,000	1,280	2,000	2,000	2,000
<i>Totals for Department 191 - Elections</i>		<i>8,318</i>	<i>10,363</i>	<i>7,100</i>	<i>10,410</i>	<i>10,410</i>	<i>10,410</i>
Department 210 - City Attorney							
101-210-815.000	City Attorney Services	30,366	35,000	27,851	38,000	38,000	38,000
101-210-815.250	Court Prosecutions	7,938	6,750	375	6,000	6,000	6,000
<i>Totals for Department 210 - City Attorney</i>		<i>38,304</i>	<i>41,750</i>	<i>28,226</i>	<i>44,000</i>	<i>44,000</i>	<i>44,000</i>
Department 215 - City Clerk							
101-215-702.000	Administration Wages	75,834	69,539	65,910	70,165	70,796	71,434
101-215-711.000	Social Security & Medicare	5,648	5,320	4,899	5,650	5,701	5,752
101-215-712.000	Hospitalization/Dental/Vision	15,259	17,100	12,032	7,750	7,983	8,222
101-215-712.001	Employee Contribution-Medical Insurance	(1,875)	(1,920)	(1,032)	(775)	(798)	(822)

C. General Fund

101. General Fund Expenditures

Account Number	Description	Actual 2014-15	Amended 2015-16	Activity to 06/01/17	Requested 2016-17	Projected 2018-19	Projected 2019-20
101-215-712.005	ER Contribution to HSA	0	1,900	1,900	1,900	1,900	1,900
101-215-713.000	Life Insurance	186	195	151	195	195	195
101-215-714.000	Retirement - DB	13,268	11,000	8,734	13,100	14,406	15,739
101-215-715.000	Worker's Compensation	77	125	148	125	125	125
101-215-716.000	Unemployment Compensation	24	100	13	30	30	30
101-215-731.000	Operating Supplies	1,225	200	825	1,250	1,250	1,250
101-215-861.000	Mileage Allowance	289	150	129	200	200	200
101-215-955.000	Miscellaneous Expenses	(136)	100	0	100	100	100
101-215-956.000	Meetings, Conferences, Workshop	669	1,000	186	750	750	750
101-215-958.000	Memberships & Dues	265	450	245	300	300	300
<i>Totals for Department 215 - City Clerk</i>		<i>110,733</i>	<i>105,259</i>	<i>94,140</i>	<i>100,740</i>	<i>102,938</i>	<i>105,174</i>
Department 228 - Information Technology							
101-228-809.000	Contractual Services	10,786	24,000	9,867	18,000	12,000	12,000
101-228-851.000	Communications	43,704	26,500	38,709	42,500	42,500	42,500
101-228-928.000	Software Maintenance	5,136	5,000	6,008	6,000	6,000	6,000
101-228-970.000	Capital Outlay	2,201	4,000	0	3,500	3,500	3,500
101-228-983.000	Leased Assets	5,921	6,100	1,185	6,100	6,100	6,100
<i>Totals for Department 228 - Information Technology</i>		<i>67,748</i>	<i>65,600</i>	<i>55,769</i>	<i>76,100</i>	<i>70,100</i>	<i>70,100</i>
Department 248 - General Government							
101-248-727.000	Office Supplies	6,338	6,700	4,010	6,000	6,000	6,000
101-248-728.000	Postage	1,928	4,450	2,499	3,000	3,000	3,000
101-248-731.000	Operating Supplies	8,886	8,100	2,824	8,500	8,500	8,500
101-248-734.000	Building Maintenance Supplies	0	200	0	200	200	200
101-248-803.000	Janitorial Contract	3,007	3,000	2,143	3,000	3,000	3,000
101-248-809.000	Contractual Services	2,789	6,500	4,273	4,000	4,000	4,000
101-248-809.002	Payroll Administration	11,230	10,500	9,530	10,500	10,500	10,500
101-248-809.600	Contract Svcs - Flag	0	300	0	300	300	300
101-248-814.000	Engineering Services	166	0	0	0	0	0
101-248-851.000	Communications	1,180	0	0	0	0	0
101-248-880.000	Community Promotion	640	15,300	16,338	16,500	16,500	16,500
101-248-900.000	Printing & Publishing	10,863	10,500	12,472	14,000	14,000	14,000
101-248-910.000	Insurance & Bonds	53,113	54,000	54,694	56,000	56,000	56,000
101-248-920.000	Public Utilities	19,018	18,000	13,936	18,000	18,000	18,000
101-248-929.000	Maintenance & Repair-Equipmen	35	0	1,339	500	500	500
101-248-931.000	Maintenance & Repair-Bldgs	11,020	12,500	12,292	10,000	10,000	10,000
101-248-955.000	Miscellaneous Expenses	4,992	8,300	8,250	5,000	5,000	5,000
101-248-983.000	Leased Assets	1,078	0	3,105	0	0	0
<i>Totals for Department 248 - General Government</i>		<i>136,283</i>	<i>158,350</i>	<i>147,705</i>	<i>155,500</i>	<i>155,500</i>	<i>155,500</i>
Department 249 - Cable TV							
101-249-715.000	Worker's Compensation	5	0	4	10	10	10
101-249-731.000	Operating Supplies	1,017	1,500	1,075	1,500	1,500	1,500
101-249-809.000	Contractual Services	200	3,000	800	1,400	1,400	1,400
101-249-958.000	Memberships & Dues	0	1,250	1,190	1,200	1,200	1,200
<i>Totals for Department 249 - Cable TV</i>		<i>1,222</i>	<i>5,750</i>	<i>3,069</i>	<i>4,110</i>	<i>4,110</i>	<i>4,110</i>
Department 253 - City Treasurer							
101-253-714.003	Retirement - DB (Retirees)	0	22,000	17,468	26,205	28,818	31,483
101-253-715.000	Worker's Compensation	0	0	52	0	0	0

Account Number	Description	Actual 2014-15	Amended 2015-16	Activity to 06/01/17	Requested 2016-17	Projected 2018-19	Projected 2019-20
101-253-801.000	Audit Contract	17,500	18,000	17,500	18,500	19,000	19,000
101-253-809.001	Accounting Services	60,479	65,200	64,986	65,250	65,837	66,430
101-253-890.000	Service Charges	3,724	4,450	4,759	4,500	4,500	4,500
101-253-905.000	Printing Checks	287	0	0	0	0	0
101-253-928.000	Software Maintenance	395	0	0	0	0	0
101-253-954.000	Overage/Shortage	131	50	0	50	50	50
101-253-955.000	Miscellaneous Expenses	0	550	750	500	500	500
101-253-960.100	Credit Card Service Charge	90	250	10	100	100	100
<i>Totals for Department 253 - City Treasurer</i>		<i>82,606</i>	<i>110,500</i>	<i>105,525</i>	<i>115,105</i>	<i>118,805</i>	<i>122,063</i>
Department 254 - Assessing							
101-254-702.000	Administration Wages	300	500	300	300	300	300
101-254-711.000	Social Security & Medicare	23	50	23	25	25	25
101-254-804.000	County Assessor Fees	18,827	19,300	0	19,300	19,300	19,300
101-254-901.000	Printing Tax Bills	1,851	2,000	717	2,000	2,000	2,000
101-254-956.000	Meetings,Conferences,Workshop	22	50	20	20	20	20
<i>Totals for Department 254 - Assessment</i>		<i>21,023</i>	<i>21,900</i>	<i>1,060</i>	<i>21,645</i>	<i>21,645</i>	<i>21,645</i>
Department 301 - Police Services							
101-301-702.000	Administration Wages	71,283	74,180	69,995	74,848	75,521	76,201
101-301-702.250	CompTime Payout	1,592	25,000	0	0	0	0
101-301-703.000	Overtime	16,616	16,500	14,942	15,000	15,000	15,000
101-301-704.000	Part-Time Salaries	38,574	34,000	34,475	32,000	32,000	32,000
101-301-705.000	Regular Wages-Full time	291,969	307,500	285,291	307,500	313,650	319,923
101-301-708.000	Crossng Guard Wages	2,550	3,620	3,240	3,600	3,600	3,600
101-301-711.000	Social Security & Medicare	19,628	20,565	19,060	20,000	20,000	20,000
101-301-712.000	Hospitalization/Dental/Vision	81,979	86,509	79,917	81,500	84,760	88,150
101-301-712.001	Employee Contribution-Medical Insurance	(9,504)	(7,800)	(7,159)	(8,150)	(8,476)	(8,815)
101-301-712.003	Hospitalization/Dental/Vision - Retirees	0	167,747	161,896	150,000	154,500	159,135
101-301-712.004	Retiree Contribution-Medical Insurance	0	(10,834)	(9,615)	(12,000)	(12,360)	(12,731)
101-301-712.005	ER Contribution to HSA	0	8,550	8,550	8,550	8,550	8,550
101-301-712.006	ER Contribution to HSA - Retirees	0	8,550	8,550	8,550	8,550	8,550
101-301-713.000	Life Insurance	1,116	1,150	981	1,200	1,200	1,200
101-301-714.000	Retirement - DB	123,746	49,430	40,187	63,500	69,831	76,290
101-301-714.001	Employee Cont-Retirement	(9,513)	0	0	0	0	0
101-301-714.003	Retirement - DB (Retirees)	0	98,400	90,878	117,300	128,995	140,927
101-301-714.500	Retirement DC - Employer	2,903	3,000	2,620	3,100	3,200	3,300
101-301-715.000	Worker's Compensation	3,646	6,000	7,036	6,000	6,000	6,000
101-301-716.000	Unemployment Compensation	133	200	72	200	200	200
101-301-717.000	Longevity	900	0	0	0	0	0
101-301-718.000	Uniform Allowance	2,441	1,725	2,277	4,500	4,500	4,500
101-301-718.100	Uniform Cleaning Allowance	2,850	2,850	2,850	3,450	3,450	3,450
101-301-718.200	Firearm Allowance	(3,396)	0	0	0	0	0
101-301-720.000	Tuition,Training,Education	4,726	3,000	1,368	4,000	4,000	4,000
101-301-720.500	302 Training Funds	896	1,000	696	1,000	1,000	1,000
101-301-727.000	Office Supplies	1,409	2,000	2,404	1,500	1,500	1,500
101-301-728.000	Postage	0	250	0	0	0	0
101-301-731.000	Operating Supplies	32,963	14,000	16,554	14,000	15,000	16,000
101-301-751.000	Gas & Oil	10,226	16,500	12,321	16,500	16,649	16,798
101-301-803.000	Janitorial Contract	3,506	3,500	3,214	3,500	3,500	3,500
101-301-809.000	Contractual Services	5,350	1,000	1,131	1,500	1,500	1,500

C. General Fund

101. General Fund Expenditures

Account Number	Description	Actual 2014-15	Amended 2015-16	Activity to 06/01/17	Requested 2016-17	Projected 2018-19	Projected 2019-20
101-301-809.200	CLEMIS/LEIN Services	9,470	11,500	11,522	11,500	11,500	11,500
101-301-809.911	Dispatch Contract	40,195	40,200	33,841	40,500	40,865	41,232
101-301-827.200	Charges for Services - IT	4,500	5,260	5,260	5,307	5,355	5,403
101-301-852.000	Radio Maintenance	27	0	0	0	0	0
101-301-929.000	Maintenance & Repair-Equipmen	1,554	1,500	107	1,500	1,500	1,500
101-301-930.000	Maintenance & Repair-Vehicles	11,701	8,500	5,705	8,500	8,500	8,500
101-301-955.000	Miscellaneous Expenses	89	500	659	500	500	500
101-301-956.000	Meetings,Conferences,Workshop	1,230	1,000	912	1,250	1,250	1,250
101-301-958.000	Memberships & Dues	265	500	285	300	300	300
101-301-970.000	Capital Outlay	8,725	17,200	14,038	11,000	11,250	11,500
101-301-995.100	INTR:Debt - Govt'l	679	700	0	0	0	0
<i>Totals for Department 301 - Police Services</i>		<i>777,024</i>	<i>1,024,952</i>	<i>926,060</i>	<i>1,003,005</i>	<i>1,036,839</i>	<i>1,071,415</i>
Department 339 - Fire/Rescue							
101-339-802.000	Fire Services Contract	256,581	258,000	256,581	256,581	256,581	256,581
<i>Totals for Department 339 - Fire/Rescue</i>		<i>256,581</i>	<i>258,000</i>	<i>256,581</i>	<i>256,581</i>	<i>256,581</i>	<i>256,581</i>
Department 371 - Community Development							
101-371-715.000	Worker's Compensation	10	50	19	25	25	25
101-371-727.000	Office Supplies	67	0	0	0	0	0
101-371-809.000	Contractual Services	18,843	21,510	22,372	20,500	21,000	21,500
101-371-811.000	Electrical Inspector Fees	1,500	2,000	1,800	2,000	2,000	2,000
101-371-812.000	Mechanical Inspector Fees	5,329	6,500	3,311	5,000	5,000	5,000
101-371-813.000	Building Inspector Fees	13,350	14,400	14,400	14,400	14,400	14,400
101-371-827.100	Charges for Services - Personnel	11,755	11,755	11,755	11,860	11,967	12,074
101-371-827.200	Charges for Services - IT	9,000	10,520	10,520	10,615	10,710	10,807
101-371-955.000	Miscellaneous Expenses	495	1,000	1,236	750	750	750
101-371-970.000	Capital Outlay	0	0	100	0	0	0
<i>Totals for Department 371 - Community Development</i>		<i>60,349</i>	<i>67,735</i>	<i>65,513</i>	<i>65,150</i>	<i>65,852</i>	<i>66,556</i>
Department 400 - Planning Commission							
101-400-958.000	Memberships & Dues	650	0	0	0	0	0
<i>Totals for Department 400 - Planning Commission</i>		<i>650</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Department 440 - Public Works							
101-440-702.000	Administration Wages	0	24,500	19,789	24,745	24,968	25,192
101-440-711.000	Social Security & Medicare	0	950	1,428	1,775	1,791	1,807
101-440-712.000	Hospitalization/Dental/Vision	0	6,000	5,650	6,500	6,760	7,030
101-440-712.001	Employee Contribution-Medical Insurance	0	(582)	(478)	(650)	(676)	(703)
101-440-712.003	Hospitalization/Dental/Vision - Retirees	0	7,069	3,041	6,000	6,180	6,365
101-440-712.004	Retiree Contribution-Medical Insurance	0	(1,221)	0	0	0	0
101-440-712.005	ER Contribution to HSA	0	0	1,900	1,900	1,900	1,900
101-440-713.000	Life Insurance	0	100	85	60	60	60
101-440-714.003	Retirement - DB (Retirees)	0	10,100	16,027	22,900	25,183	27,513
101-440-714.500	Retirement DC - Employer	0	3,500	1,979	3,250	3,279	3,309
101-440-731.000	Operating Supplies	0	0	2,958	4,000	4,000	4,000
101-440-809.000	Contractual Services	(3,240)	0	0	0	0	0
101-440-809.110	Contract Svcs - B&L General P	4,449	6,500	7,510	0	0	0
101-440-809.130	Contract Svcs - Parks	158,211	93,032	59,305	0	0	0
101-440-809.140	Contract Svcs - Prop & Bldg	4,797	1,000	849	0	0	0

Account Number	Description	Actual 2014-15	Amended 2015-16	Activity to 06/01/17	Requested 2016-17	Projected 2018-19	Projected 2019-20
101-440-810.000	Public Works Contract	661	1,000	0	110,000	110,000	110,000
101-440-955.000	Miscellaneous Expenses	2,690	4,000	5,713	4,000	4,000	4,000
101-440-958.000	Memberships & Dues	0	0	20	50	50	50
101-440-970.000	Capital Outlay	28,564	10,000	5,973	18,000	18,000	18,000
<i>Totals for Department 440 - Public Works</i>		<i>196,132</i>	<i>165,948</i>	<i>131,749</i>	<i>202,530</i>	<i>205,495</i>	<i>208,524</i>
Department 448 - Street Lighting							
101-448-921.000	StreetLighting	37,249	35,400	24,153	36,500	36,500	36,500
<i>Totals for Department 448 - Street Lighting</i>		<i>37,249</i>	<i>35,400</i>	<i>24,153</i>	<i>36,500</i>	<i>36,500</i>	<i>36,500</i>
Department 750 - Recreation							
101-750-702.000	Administration Wages	114,282	110,000	104,550	115,525	116,565	117,614
101-750-704.000	Part-Time Salaries	33,859	42,000	42,355	35,000	35,000	35,000
101-750-711.000	Social Security & Medicare	11,296	9,850	10,442	11,000	11,000	11,000
101-750-712.000	Hospitalization/Dental/Vision	24,007	21,452	23,272	22,000	22,880	23,795
101-750-712.001	Employee Contribution-Medical Insurance	(2,940)	(2,964)	(2,103)	(2,200)	(2,288)	(2,380)
101-750-712.005	ER Contribution to HSA	0	3,800	3,800	3,800	3,800	3,800
101-750-713.000	Life Insurance	357	336	340	350	350	350
101-750-714.000	Retirement - DB	14,043	13,000	10,074	14,400	15,836	17,300
101-750-714.001	Employee Cont-Retirement	(323)	0	0	0	0	0
101-750-714.500	Retirement DC - Employer	0	4,400	0	0	0	0
101-750-715.000	Worker's Compensation	1,302	2,100	2,511	2,100	2,100	2,100
101-750-716.000	Unemployment Compensation	34	500	18	50	50	50
101-750-720.000	Tuition, Training, Education	0	1,500	0	750	750	750
101-750-727.000	Office Supplies	5,932	3,600	5,710	3,500	3,500	3,500
101-750-728.000	Postage	0	500	0	0	0	0
101-750-728.500	Newsletter Delivery	840	1,500	1,895	2,000	2,000	2,000
101-750-729.000	Recreation Program Supplies	8,268	9,000	9,091	9,000	9,000	9,000
101-750-730.000	Special Program Supplies	40,406	38,000	44,674	30,000	30,000	30,000
101-750-731.000	Operating Supplies	6,229	7,500	7,009	6,500	6,500	6,500
101-750-790.000	Books & Periodicals	122	0	0	0	0	0
101-750-803.000	Janitorial Contract	8,151	8,500	11,170	8,500	8,500	8,500
101-750-803.700	Exterminator Service	569	750	519	750	750	750
101-750-809.000	Contractual Services	34,825	30,000	23,382	30,000	30,000	30,000
101-750-809.700	Alarm System	1,041	0	0	0	0	0
101-750-827.200	Charges for Services - IT	7,000	7,890	7,890	7,961	8,033	8,105
101-750-851.000	Communications	698	0	0	0	0	0
101-750-861.000	Mileage Allowance	353	700	316	500	500	500
101-750-883.000	Sports	7,254	4,000	6,384	6,000	6,000	6,000
101-750-884.000	Spring & Summer Sports	41	0	0	0	0	0
101-750-904.000	Printing Newsletter	6,181	0	0	0	0	0
101-750-920.000	Public Utilities	27,771	30,000	12,643	25,000	25,000	25,000
101-750-929.000	Maintenance & Repair-Equipmen	2,369	1,500	1,105	2,500	2,500	2,500
101-750-931.000	Maintenance & Repair-Bldgs	9,537	5,000	17,047	10,000	10,000	10,000
101-750-934.000	Maintenance & Repair-Parks	7,665	3,000	2,209	6,000	6,000	6,000
101-750-956.000	Meetings, Conferences, Workshop	907	1,500	1,318	1,500	1,500	1,500
101-750-958.000	Memberships & Dues	296	1,650	435	500	500	500
101-750-961.000	Misc Program Supplies	0	0	8,859	0	0	0
101-750-970.000	Capital Outlay	53,436	25,000	20,892	27,500	27,500	27,500
<i>Totals for Department 750 - Recreation</i>		<i>425,808</i>	<i>385,564</i>	<i>377,807</i>	<i>380,486</i>	<i>383,825</i>	<i>387,235</i>

C. General Fund

101. General Fund Expenditures

Account Number	Description	Actual 2014-15	Amended 2015-16	Activity to 06/01/17	Requested 2016-17	Projected 2018-19	Projected 2019-20
Department 863 - Retirement Services							
101-863-712.000	Hospitalization/Dental/Vision	179,104	0	0	0	0	0
101-863-714.000	Retirement - DB	88,484	0	0	0	0	0
101-863-714.002	OPEB Contributions	5,000	5,000	5,000	5,000	5,000	5,000
<i>Totals for Department 863 - Retirement Services</i>		<i>272,588</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>
Department 966 - Transfers Out							
101-966-999.251	Transfers Out - Pool Operating	7,000	0	0	0	0	0
101-966-999.351	Transfers Out-Debt Svc-Non V	500	0	0	0	0	0
101-966-999.401	Transfers Out- Capital Improvement Fund	70,000	37,000	37,000	37,000	37,000	37,000
<i>Totals for Department 966 - Transfers Out</i>		<i>77,500</i>	<i>37,000</i>	<i>37,000</i>	<i>37,000</i>	<i>37,000</i>	<i>37,000</i>
TOTAL APPROPRIATIONS		2,719,248	2,679,162	2,421,344	2,696,404	2,739,991	2,790,090
NET OF REVENUES/APPROPRIATIONS - FUND 101		53,919	0	238,480	12,430	(12,918)	(44,529)
BEGINNING FUND BALANCE		532,253	586,172	586,172	586,172	598,602	585,684
FUND BALANCE ADJUSTMENTS		0	0	0	0	0	0
ENDING FUND BALANCE		586,172	586,172	824,652	598,602	585,684	541,155
		21.6%	21.9%	34.1%	22.2%	21.4%	19.4%

D. Special Revenue Funds

202. Major Street Fund

Fund 202 provides for the maintenance of major streets. Major activities include the maintenance and repair of traffic directional signage, pothole patching and other ongoing maintenance, street sweeping, and winter snow and ice removal.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
FUND 202 - MAJOR STREET FUND							
REVENUES							
202-000-579.000	Gas Tax Allocation Formula	126,759	141,900	101,561	161,040	162,489	163,952
202-000-579.750	Extra Public Act Fundin	21,659	0	0	0	0	0
202-000-665.000	Interest Income	74	15	53	50	50	50
TOTAL REVENUES		148,492	141,915	101,614	161,090	162,539	164,002
APPROPRIATIONS							
Department 463 - Street Maintenance							
202-463-731.000	Operating Supplies	0	4,000	1,212	4,000	4,000	4,000
202-463-810.000	Public Works Contract	13,393	13,000	13,036	17,500	17,500	17,500
202-463-827.000	Administrative Service Charge	11,400	0	0	0	0	0
202-463-890.000	Service Charges	666	0	0	0	0	0
202-463-955.000	Miscellaneous Expenses	3,542	0	0	0	0	0
<i>Totals for Department 463 - Street Maintenance</i>		<i>29,001</i>	<i>17,000</i>	<i>14,248</i>	<i>21,500</i>	<i>21,500</i>	<i>21,500</i>
Department 474 - Traffic Services							
202-474-731.000	Operating Supplies	3,449	4,500	1,175	3,500	3,500	3,500
202-474-810.000	Public Works Contract	926	5,000	4,928	5,000	5,000	5,000
202-474-935.000	Traffic Control	1,776	4,000	4,065	4,500	4,500	4,500
<i>Totals for Department 474 - Traffic Services</i>		<i>6,151</i>	<i>13,500</i>	<i>10,168</i>	<i>13,000</i>	<i>13,000</i>	<i>13,000</i>
Department 478 - Winter Services							
202-478-731.000	Operating Supplies	6,836	9,000	2,571	10,000	10,000	10,000
202-478-810.000	Public Works Contract	13,983	24,000	16,844	20,000	20,000	20,000
<i>Totals for Department 478 - Winter Services</i>		<i>20,819</i>	<i>33,000</i>	<i>19,415</i>	<i>30,000</i>	<i>30,000</i>	<i>30,000</i>
Department 910 - Capital Assets							
202-910-970.446	Capital Outlay - Streets & Alleys	0	51,000	55,487	25,000	25,000	25,000
<i>Totals for Department 910 - Capital Assets</i>		<i>0</i>	<i>51,000</i>	<i>55,487</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>
Department 920 - Administration							
202-920-827.000	Administrative Service Charges	0	11,515	11,515	11,500	11,500	11,500
202-920-890.000	Service Charges	0	500	379	500	500	500
202-920-955.000	Miscellaneous Expenses	0	1,000	1,223	2,000	2,000	2,000
<i>Totals for Department 920 - Administration</i>		<i>0</i>	<i>13,015</i>	<i>13,117</i>	<i>14,000</i>	<i>14,000</i>	<i>14,000</i>
Department 966 - Transfers Out							

D. Special Revenue Funds

202. Major Street Fund

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
202-966-999.203	Transfers Out-Local Streets	54,500	70,000	70,000	45,000	45,000	45,000
	<i>Totals for Department 966 - Transfers Out</i>	<i>54,500</i>	<i>70,000</i>	<i>70,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>
TOTAL APPROPRIATIONS		110,471	197,515	182,435	148,500	148,500	148,500
NET OF REVENUES/APPROPRIATIONS - FUND 202		38,021	(55,600)	(80,821)	12,590	14,039	15,502
BEGINNING FUND BALANCE		47,301	85,322	85,322	29,722	42,312	56,351
ENDING FUND BALANCE		85,322	29,722	4,501	42,312	56,351	71,853

203. Local Street Fund

Fund 203 provides for the maintenance of local streets. Major activities include the maintenance and repair of traffic directional signage, pothole patching and other ongoing maintenance, street sweeping, and winter snow and ice removal.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 203 - LOCAL STREET FUND							
REVENUES							
203-000-574.048	St Shared Rev - Metro Act	8,199	5,800	0	5,800	5,800	5,800
203-000-579.000	Gas Tax Allocation Formula	42,201	48,400	34,639	54,916	59,600	64,400
203-000-665.000	Interest Income	44	0	43	40	40	40
203-000-699.202	Transfer In - Major Streets	54,500	70,000	70,000	45,000	45,000	45,000
TOTAL REVENUES		104,944	124,200	104,682	105,756	110,440	115,240
APPROPRIATIONS							
Department 463 - Street Maintenance							
203-463-731.000	Operating Supplies	0	1,000	715	1,000	1,000	1,000
203-463-810.000	Public Works Contract	8,452	14,500	14,459	12,500	12,500	12,500
203-463-814.000	Engineering Services	2,714	0	0	0	0	0
203-463-827.000	Administrative Service Charge	3,880	0	0	0	0	0
203-463-890.000	Service Charges	438	0	0	0	0	0
<i>Totals for Department 463 - Street Maintenance</i>		<i>15,484</i>	<i>15,500</i>	<i>15,174</i>	<i>13,500</i>	<i>13,500</i>	<i>13,500</i>
Department 474 - Traffic Services							
203-474-731.000	Operating Supplies	62	4,500	2,984	2,500	2,500	2,500
203-474-810.000	Public Works Contract	1,435	3,400	3,353	5,000	5,000	5,000
<i>Totals for Department 474 - Traffic Services</i>		<i>1,497</i>	<i>7,900</i>	<i>6,337</i>	<i>7,500</i>	<i>7,500</i>	<i>7,500</i>
Department 478 - Winter Services							
203-478-731.000	Operating Supplies	10,254	12,000	3,857	12,000	12,000	12,000
203-478-810.000	Public Works Contract	20,975	25,500	25,266	27,500	27,500	27,500
<i>Totals for Department 478 - Winter Services</i>		<i>31,229</i>	<i>37,500</i>	<i>29,123</i>	<i>39,500</i>	<i>39,500</i>	<i>39,500</i>
Department 910 - Capital Assets							
203-910-970.446	Capital Outlay - Streets & Alleys	0	82,000	84,675	25,000	25,000	25,000
<i>Totals for Department 910 - Capital Assets</i>		<i>0</i>	<i>82,000</i>	<i>84,675</i>	<i>25,000</i>	<i>25,000</i>	<i>25,000</i>
Department 920 - Administration							
203-920-814.000	Engineering Services	0	2,000	1,288	2,000	2,000	2,000
203-920-827.000	Administrative Service Charges	0	3,919	3,919	3,900	3,900	3,900
203-920-890.000	Service Charges	0	300	230	300	300	300
203-920-955.000	Miscellaneous Expenses	0	1,000	0	1,000	1,000	1,000
<i>Totals for Department 920 - Administration</i>		<i>0</i>	<i>7,219</i>	<i>5,437</i>	<i>7,200</i>	<i>7,200</i>	<i>7,200</i>
Department 966 - Transfers Out							
203-966-999.218	Transfers Out-Infrastructure	100,000	0	0	0	0	0
<i>Totals for Department 910 - Transfers Out</i>		<i>100,000</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>

D. Special Revenue Funds

203. Local Street Fund

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
TOTAL APPROPRIATIONS		148,210	150,119	140,746	92,700	92,700	92,700
NET OF REVENUES/APPROPRIATIONS - FUND 203		(43,266)	(25,919)	(36,064)	13,056	17,740	22,540
BEGINNING FUND BALANCE		88,693	45,427	45,427	19,508	32,564	50,304
ENDING FUND BALANCE		45,427	19,508	9,363	32,564	50,304	72,844

218. Infrastructure Improvements

Fund 218 provides for the City's infrastructure improvement program, consisting primarily of road reconstruction projects. The program is funded by a 20-year infrastructure improvement approved by the voters in 2014 as a renewal of an earlier 20-year millage. The City sold bonds with a face value of \$3,000,000 in April of 2017 to provide funding for the completion of the street reconstruction program in 2017 and 2018. The term of the bond is 15 years and it will be repaid using the infrastructure millage funds.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 218 - INFRASTRUCTURE IMPROVEMENTS							
ESTIMATED REVENUES							
218-000-406.000	Infrastructure Taxes	392,183	389,599	389,521	397,400	400,976	404,585
218-000-406.500	Parks Improvement Taxes	2,720	0	0	0	0	0
218-000-665.000	Interest Income	(335)	154,000	152,886	0	0	0
218-000-679.000	Refunds & Rebates	0	0	5,627	0	0	0
218-000-698.000	Bond/Note Issuance @Face Value	0	3,000,000	3,000,000	0	0	0
218-000-699.203	Transfers In - local roads	100,000	0	0	0	0	0
218-000-699.260	Transfers In - DDA	100,000	40,000	40,000	40,000	0	0
TOTAL REVENUES		594,568	3,583,599	3,588,034	437,400	400,976	404,585
APPROPRIATIONS							
Department 905 - Long-Term Debt Retirement							
218-905-816.001	Bond Issuance Costs	0	60,000	56,500	0	0	0
218-905-991.044	PRIN: 2017 Street Bonds	0	0	0	0	150,000	155,000
218-905-995.044	INTR: 2017 Street Bonds	0	0	0	82,250	87,750	83,175
<i>Totals for department 910 - Long-Term Debt Retirement</i>		<i>0</i>	<i>60,000</i>	<i>56,500</i>	<i>82,250</i>	<i>237,750</i>	<i>238,175</i>
Department 910 - Capital Outlay							
218-910-970.446	Capital Outlay - Streets & Alleys	705,890	1,200,000	400,610	850,000	850,000	60,000
218-910-970.750	Capital Outlay - Recreation	0	100,000	56,778	50,000	0	0
<i>Totals for department 910 - Capital Outlay</i>		<i>705,890</i>	<i>1,300,000</i>	<i>457,388</i>	<i>900,000</i>	<i>850,000</i>	<i>60,000</i>
Department 920 - Service Charges							
218-920-890.000	Service Charges	0	0	122	0	0	0
<i>Totals for department 910 - Capital Outlay</i>		<i>0</i>	<i>0</i>	<i>122</i>	<i>0</i>	<i>0</i>	<i>0</i>
Department 966 - Transfers Out							
218-966-999.259	Transfers Out-Segregated Cap	0	0	0	0	0	0
218-966-999.401	Transfers Out- Capital Improvement Fund	0	0	0	0	0	0
<i>Totals for department 966 - Transfers Out</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL APPROPRIATIONS		705,890	1,360,000	514,010	982,250	1,087,750	298,175
NET OF REVENUES/APPROPRIATIONS - FUND 218		(111,322)	2,223,599	3,074,024	(544,850)	(686,774)	106,410
BEGINNING FUND BALANCE		(372,111)	(483,433)	(483,433)	1,740,166	1,195,316	508,542
ENDING FUND BALANCE		(483,433)	1,740,166	2,590,591	1,195,316	508,542	614,953

D. Special Revenue Funds

226. Solid Waste Fund

226. Solid Waste Fund

Fund 226 provides for the collection and disposal of solid waste, recycling services, and brush pickup and removal for the City.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 226 - SOLID WASTE FUND							
ESTIMATED REVENUES							
226-000-403.000	Refuse Collection Taxes	223,972	222,454	222,448	226,937	228,980	231,040
226-000-630.000	Rubbish Collection Ser Charges	109,675	115,980	129,684	146,000	147,314	148,640
226-000-642.000	Sales	359	500	100	300	300	300
226-000-662.000	Util Bill Penalties	2,088	2,500	1,474	2,000	2,000	2,000
226-000-665.000	Interest Income	43	30	105	30	30	30
TOTAL REVENUES		336,137	341,464	353,811	375,267	378,624	382,010
APPROPRIATIONS							
Department 248 - General Government							
226-248-702.000	Administration Wages	17,631	32,700	25,421	28,700	28,958	29,219
226-248-704.000	Part-Time Salaries	3,431	3,125	3,498	3,200	3,229	3,258
226-248-711.000	Social Security & Medicare	1,959	2,741	2,314	2,400	2,422	2,443
226-248-712.000	Hospitalization/Dental/Vision	1,810	1,800	3,357	5,050	5,151	5,254
226-248-712.001	Employee Contribution-Medical Insurance	(44)	0	(143)	0	0	0
226-248-712.003	Hospitalization/Dental/Vision - Retirees	0	0	912	1,500	1,500	1,500
226-248-713.000	Life Insurance	62	120	25	100	100	100
226-248-714.000	Retirement - DB	1,365	11,000	683	750	750	750
226-248-714.001	Employee Cont-Retirement	(569)	(650)	0	0	0	0
226-248-714.500	Retirement DC - Employer	0	0	871	1,050	1,050	1,050
226-248-715.000	Worker's Compensation	113	180	166	250	250	250
226-248-716.000	Unemployment Compensation	13	250	7	25	25	25
226-248-890.000	Service Charges	548	300	627	500	500	500
<i>Totals for department 248 - General Government</i>		<i>26,319</i>	<i>51,566</i>	<i>37,738</i>	<i>43,525</i>	<i>43,935</i>	<i>44,349</i>
Department 528 - Refuse Collection & Disposal							
226-528-805.000	Refuse Collections Contract	180,332	184,000	171,314	203,000	204,827	206,670
226-528-806.250	Special Household Waste Prog	675	3,000	898	3,000	3,000	3,000
226-528-810.000	Public Works Contract	62,705	43,900	27,081	32,500	32,500	32,500
226-528-810.001	Leaf Collection	52,357	55,000	56,660	55,000	55,000	55,000
226-528-810.100	Street Sweeping	12,810	12,500	7,360	13,000	13,000	13,000
226-528-827.000	Administrative Service Charge	15,000	15,152	15,152	15,288	15,426	15,565
226-528-827.200	Charges for Services - IT	0	7,500	7,500	7,568	7,636	7,704
<i>Totals for department 528 - Refuse Collection & Disposal</i>		<i>323,879</i>	<i>321,052</i>	<i>285,965</i>	<i>329,356</i>	<i>331,389</i>	<i>333,440</i>
TOTAL APPROPRIATIONS		350,198	372,618	323,703	372,881	375,323	377,789
NET OF REVENUES/APPROPRIATIONS - FUND 226		(14,061)	(31,154)	30,108	(2,386)	3,300	4,221
BEGINNING FUND BALANCE		46,222	32,161	32,161	1,007	3,393	6,693
ENDING FUND BALANCE		32,161	1,007	62,269	3,393	6,693	10,915

251. Pool/Fitness Facility

Fund 251 provides for the operation and maintenance of the community pool and wellness center. Most revenues are provided by a 25-year operating millage approved by the voters in 2003.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 251 - POOL/FITNESS FACILITY							
ESTIMATED REVENUES							
251-000-408.000	Pool Operating Taxes	166,301	165,129	165,165	168,497	170,013	171,543
251-000-636.100	Pool Visitor Fees	515	500	363	500	500	500
251-000-636.200	Swimming Lesson Fees	925	4,000	6,418	5,000	5,000	5,000
251-000-636.300	Swim Team Fees	45,487	30,000	28,852	40,000	40,000	40,000
251-000-636.400	Synchronized Swimming Fees	0	0	400	400	0	0
251-000-665.000	Interest Income	29	10	56	20	20	20
251-000-699.101	Transfers In - General Fund	7,000	0	0	0	0	0
TOTAL REVENUES		220,257	199,639	201,254	214,417	215,533	217,063
APPROPRIATIONS							
Department 750 - Recreation							
251-750-983.000	Leased Assets	13,457	13,500	21,902	21,757	21,757	21,757
<i>Totals for department 750 - Recreation</i>		<i>13,457</i>	<i>13,500</i>	<i>21,902</i>	<i>21,757</i>	<i>21,757</i>	<i>21,757</i>
Department 759 - Pool/Fitness Facility Operations							
251-759-702.000	Administration Wages	8,154	9,500	7,362	10,000	10,000	10,000
251-759-704.000	Part-Time Salaries	41,798	35,000	35,946	42,000	42,000	42,000
251-759-711.000	Social Security & Medicare	5,220	3,404	5,223	5,200	5,200	5,200
251-759-712.000	Hospitalization/Dental/Vision	0	2,100	0	3,325	3,458	3,596
251-759-712.001	Employee Contribution-Medical Insurance	0	(210)	0	(333)	(346)	(360)
251-759-713.000	Life Insurance	0	50	0	0	0	0
251-759-714.000	Retirement - DB	3,231	415	0	0	0	0
251-759-714.001	Employee Cont-Retirement	0	(285)	0	0	0	0
251-759-715.000	Worker's Compensation	529	850	1,071	1,050	1,050	1,050
251-759-716.000	Unemployment Compensation	0	100	0	0	0	0
251-759-727.000	Office Supplies	1,633	750	724	750	750	750
251-759-731.000	Operating Supplies	8,715	5,000	9,076	7,000	7,000	7,000
251-759-731.500	Pool Chemicals	7,241	7,000	4,875	7,000	7,000	7,000
251-759-738.000	Licenses & Permits	510	200	145	300	300	300
251-759-803.000	Janitorial Contract	11,383	12,500	7,366	12,500	12,500	12,500
251-759-809.000	Contractual Services	0	0	31	0	0	0
251-759-827.000	Administrative Service Charge	12,500	12,627	12,627	12,741	12,855	12,971
251-759-827.200	Charges for Services - IT	1,100	2,630	2,660	2,654	2,678	2,702
251-759-880.200	Swim Team	48,758	38,000	27,974	40,000	40,000	40,000
251-759-880.300	Suits & Sweats/Uniforms	2,632	2,000	1,236	2,000	2,000	2,000
251-759-880.400	Synchronized Swimming	0	500	195	500	500	500
251-759-890.000	Service Charges	294	100	241	200	200	200
251-759-920.000	Public Utilities	12,134	15,000	11,984	12,000	12,000	12,000
251-759-920.300	Utilities - Water	25,816	21,000	11,388	18,000	18,000	18,000
251-759-929.000	Maintenance & Repair-Equipmen	7,314	1,500	490	5,000	5,000	5,000
251-759-929.500	Maintenance & Repair-Pump/Htr	3,293	5,000	3,104	5,000	5,000	5,000

D. Special Revenue Funds

251. Pool/Fitness Facility

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
251-759-931.000	Maintenance & Repair-Bldgs	3,579	5,000	8,874	3,500	3,500	3,500
	<i>Totals for dept 759 - Pool/Fitness Facility Operations</i>	<i>205,834</i>	<i>179,731</i>	<i>152,592</i>	<i>190,387</i>	<i>190,645</i>	<i>190,909</i>
TOTAL APPROPRIATIONS		219,291	193,231	174,494	212,144	212,402	212,666
NET OF REVENUES/APPROPRIATIONS - FUND 251		966	6,408	26,760	2,273	3,131	4,397
BEGINNING FUND BALANCE		0	966	966	7,374	9,647	12,778
ENDING FUND BALANCE		966	7,374	27,726	9,647	12,778	17,175

258. Segregated Capital Assets Fund – Parks Special Revenue Fund (SCAF-PSRF)

The Segregated Capital Assets Fund (SCAF) includes settlement funds that are invested in various accounts. SCAF consists of two constituent parts – a Parks Special Revenue Fund invested under the terms of Section 7a of Public Act 20 of 1943 (MCL 129.97a), and a Remainder Fund invested under the terms of Section 1 of Public Act 20 of 1943 (MCL 129.91).

As restricted by Sections 2-255 through 2-263 of the City's Code of Ordinances, the City may use interest and investment returns for purposes specified in the Ordinance. The principal balance of the funds ("corpus") may not be used, spent, or diverted without a supermajority vote of the Commission following the procedures set forth in Section 2-261 of the Code of Ordinances.

The restricted corpus (principal) amount of the SCAF is \$3,242,872, which was the settlement amount received by the City during fiscal year 1995. On January 13, 2015 the City Commission passed ordinance 408 which created the SCAF Parks Special Revenue Fund (SCAF-PSRF) and allocated \$2,000,000 of the total SCAF principal balance to that newly-created fund, and by ordinance established that that protected corpus (principal) balance be indexed for inflation. This left \$1,242,872 as the restricted corpus (principal) balance of the SCAF Remainder Fund (SCAF-RF). The SCAF-RF principal balance is not indexed for inflation.

The SCAF-PSRF was invested in March of 2015. For the purposes of inflation indexing, the City uses the Consumer Price Index for All Urban Consumers (CPI-U) for the Detroit-Ann Arbor-Flint, MI region as calculated by the United States Bureau of Labor Statistics.⁵ The baseline CPI-U value for the SCAF-PSRF is 221.784, the annual value for 2014 which was the most recent available annual published value when the SCAF-PSRF was invested. In future years, the SCAF-PSRF restricted corpus (principal) balance will be updated using the annual CPI-U value for the year preceding for budgeting purposes.

The following table summarizes the yearly performance of the parks special revenue fund, the CPI-U value, and preceding year cash returns. The funds available for spending are the greater of the market value of the fund minus the inflation-indexed corpus value, or the preceding year cash returns. The SCAF-PSRF fund is projected to return \$45,000 in cash returns over the July 1, 2017 through June 30, 2018 period. No expenditure from the SCAF-PSRF is budgeted in FY17-18.

SCAF-PSRF Summary Table

Date	Market Value	CPI-U Value	Inflation-Indexed Corpus Value	Preceding Year Cash Returns	Available Funds
March 31, 2015	\$2,000,000	221.784	\$2,000,000	--	--
March 31, 2016	\$1,947,373	218.706	\$1,972,243	\$17,547	\$17,547
March 31, 2017	\$2,132,749	222.167	\$2,003,454	\$35,726	\$129,295

⁵ http://data.bls.gov/pdq/SurveyOutputServlet?data_tool=dropmap&series_id=CUURA208SA0,CUUSA208SA0

D. Special Revenue Funds

258. Segregated Capital Assets Fund – Parks Special Revenue Fund (SCAF-PSRF)

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 258 - SCAF PARKS SPECIAL REVENUE FUND							
ESTIMATED REVENUES							
258-000-665.000	Interest Income	17,547	45,000	37,123	45,000	45,000	45,000
258-000-665.100	Unrealized/Realized Gain/Loss	(7,301)	135,000	135,538	20,000	20,000	20,000
TOTAL REVENUES		10,246	180,000	172,661	65,000	65,000	65,000
APPROPRIATIONS							
Department 966 - Transfers Out							
258-966-999.251	Transfers Out - Pool Operating	0	0	0	0	0	0
<i>Totals for department 966 - Transfers Out</i>		<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL APPROPRIATIONS		0	0	0	0	0	0
NET OF REVENUES/APPROPRIATIONS - FUND 258		10,246	180,000	172,661	65,000	65,000	65,000
BEGINNING FUND BALANCE		1,972,238	1,982,484	1,982,484	2,162,484	2,227,484	2,292,484
FUND BALANCE ADJUSTMENTS		0					
ENDING FUND BALANCE		1,982,484	2,162,484	2,155,145	2,227,484	2,292,484	2,357,484

259. Segregated Capital Assets Fund Remainder Fund (SCAF-RF)

\$1,242,872 is the restricted corpus (principal) balance of the SCAF Remainder Fund (SCAF-RF). The SCAF-RF principal balance is not indexed for inflation. The SCAF-RF has been used to finance the construction of Gainsboro Park. The recreation expenditures will be repaid using the park improvement millage which runs through FY24-25.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 259 - SCAF REMAINDER FUND							
ESTIMATED REVENUES							
259-000-406.500	Parks Improvement Taxes	96,320	98,365	98,361	100,354	101,258	102,169
259-000-665.000	Interest Income	12,061	4,500	1,013	3,789	4,673	5,572
259-000-665.100	Unrealized/Realized Gain/Loss	(4,872)	0	(435)	0	0	0
TOTAL REVENUES		103,509	102,865	98,939	104,143	105,930	107,741
APPROPRIATIONS							
Department 248 - General Government							
259-248-890.000	Service Charges	409	0	11	100	100	100
<i>Totals for department 248 - General Government</i>		<i>409</i>	<i>0</i>	<i>11</i>	<i>100</i>	<i>100</i>	<i>100</i>
Department 910 - Capital Assets							
259-910-970.750	Capital Outlay - Recreation	271,893	759,000	669,180	0	0	0
<i>Totals for department 248 - General Government</i>		<i>271,893</i>	<i>759,000</i>	<i>669,180</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL APPROPRIATIONS		272,302	759,000	669,191	100	100	100
NET OF REVENUES/APPROPRIATIONS - FUND 259		(168,793)	(656,135)	(570,252)	104,043	105,830	107,641
BEGINNING FUND BALANCE		1,270,635	1,101,842	1,101,842	445,707	549,750	655,580
FUND BALANCE ADJUSTMENTS		0					
ENDING FUND BALANCE		1,101,842	445,707	531,590	549,750	655,580	763,222

260. Downtown Development Authority

Fund 260 provides for the collection of TIFA taxes and the expenditure of funds on activities in support of the Downtown Development Authority's Development Plan. The DDA is paying for the alley reconstruction from 10 Mile to Devonshire over the 2015-16 through 2017-18 budget years. Other notable DDA activities include maintenance and capital improvements to the Woodward Avenue streetscape, and beginning in 2016-17 the reinstatement of a development grant program to assist property owners in the DDA in making façade or property beautification improvements. In 2017-18 the DDA will begin to explore options for and scope out a future project to comprehensively refresh the Woodward Avenue streetscape.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 260 - DOWNTOWN DEVELOPMENT AUTHORITY							
ESTIMATED REVENUES							
260-000-405.000	T.I.F.A. Taxes	92,733	93,029	93,069	93,003	93,840	94,685
260-000-410.500	Delinquent Tax Collection	515	100	77	100	100	101
260-000-665.000	Interest Income	45	20	105	25	25	25
260-000-671.000	Miscellaneous Other Revenues	3,500	2,890	10	1,000	1,000	1,000
260-000-675.000	Contributions & Donations	6,729	0	0	0	0	0
TOTAL REVENUES		103,522	96,039	93,261	94,128	94,965	95,811
APPROPRIATIONS							
Department 730 - Development Activities							
260-730-731.000	Operating Supplies	0	100	0	0	0	0
260-730-740.200	Sales Tax Expense	0	30	0	30	30	30
260-730-809.000	Contractual Services	296	1,000	4,819	12,000	3,000	3,000
260-730-827.000	Administrative Service Charge	15,000	14,152	14,152	14,200	14,200	14,200
260-730-880.000	Community Promotion	7,450	5,500	0	6,500	6,500	6,500
260-730-890.000	Service Charges	535	250	503	500	500	500
260-730-955.000	Miscellaneous Expenses	1,905	500	51	1,000	1,000	1,000
260-730-955.400	Brick Paver Program	0	500	0	0	0	0
260-730-955.500	Development Grant	0	4,500	0	5,500	5,500	5,500
260-730-970.000	Capital Outlay	20,138	20,000	0	10,000	20,000	20,000
260-730-999.218	Transfers Out-Infrastructure	100,000	40,000	40,000	40,000	0	0
<i>Totals for department 730 - Development Activities</i>		<i>145,324</i>	<i>86,532</i>	<i>59,525</i>	<i>89,730</i>	<i>50,730</i>	<i>50,730</i>
TOTAL APPROPRIATIONS		145,324	86,532	59,525	89,730	50,730	50,730
NET OF REVENUES/APPROPRIATIONS - FUND 260		(41,802)	9,507	33,736	4,398	44,235	45,081
BEGINNING FUND BALANCE		73,542	31,740	31,740	41,247	45,645	89,881
ENDING FUND BALANCE		31,740	41,247	65,476	45,645	89,881	134,962

271. Library Fund

Fund 271 provides for the collection of library services taxes and the annual payment of Pleasant Ridge's contract with the Huntington Woods library. Library services are funded by a 0.5 mill property tax adopted by the voters in 2014 for tax years 2015-16 through 2019-20. The City levies 0.3687 mills to generate the required revenue.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 271 - LIBRARY FUND							
ESTIMATED REVENUES							
271-000-407.000	Library Taxes	51,831	51,455	51,476	52,522	52,995	53,472
271-000-665.000	Interest Income	19	10	41	20	20	20
TOTAL REVENUES		51,850	51,465	51,517	52,542	53,015	53,492
APPROPRIATIONS							
Department 299 - Library							
271-299-800.000	Library Services Contract	40,597	42,500	40,597	40,597	40,597	40,597
271-299-827.000	Administrative Service Charge	12,900	13,031	13,031	13,148	13,267	13,386
271-299-890.000	Service Charges	222	150	236	225	225	225
<i>Totals for department 299 - Library</i>		<i>53,719</i>	<i>55,681</i>	<i>53,864</i>	<i>53,970</i>	<i>54,089</i>	<i>54,208</i>
TOTAL APPROPRIATIONS		53,719	55,681	53,864	53,970	54,089	54,208
NET OF REVENUES/APPROPRIATIONS - FUND 271		(1,869)	(4,216)	(2,347)	(1,428)	(1,074)	(716)
BEGINNING FUND BALANCE		14,996	13,127	13,127	8,911	7,483	6,410
ENDING FUND BALANCE		13,127	8,911	10,780	7,483	6,410	5,694

D. Special Revenue Funds

297. Historical Fund

297. Historical Fund

Fund 297 provides for the funding of projects and activities undertaken by the Historical Commission. These activities are funded by the Commission's annual Home and Garden tour.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 297 - HISTORICAL FUND							
ESTIMATED REVENUES							
297-000-642.000	Sales	136	350	705	350	350	350
297-000-651.000	Use & Admission Fees	5,760	6,250	2,566	6,250	6,250	6,250
297-000-654.000	Ticket Sales & Field Trips	450	0	0	0	0	0
297-000-665.000	Interest Income	14	10	20	10	10	10
297-000-675.000	Contributions & Donations	350	250	2,265	350	350	350
TOTAL REVENUES		6,710	6,860	5,556	6,960	6,960	6,960
APPROPRIATIONS							
Department 803 - Historic Activities							
297-803-727.000	Office Supplies	0	100	0	0	0	0
297-803-728.500	Newsletter Delivery	0	500	0	0	0	0
297-803-731.000	Operating Supplies	3,288	3,500	808	3,500	3,500	3,500
297-803-740.200	Sales Tax Expense	20	30	10	30	30	30
297-803-890.000	Service Charges	117	30	94	100	100	100
297-803-931.000	Maintenance & Repair-Bldgs	600	650	225	650	650	650
297-803-955.000	Miscellaneous Expenses	0	500	704	500	500	500
<i>Totals for department 803 - Historic Activities</i>		<i>4,025</i>	<i>5,310</i>	<i>1,841</i>	<i>4,780</i>	<i>4,780</i>	<i>4,780</i>
TOTAL APPROPRIATIONS		4,025	5,310	1,841	4,780	4,780	4,780
NET OF REVENUES/APPROPRIATIONS - FUND 297		2,685	1,550	3,715	2,180	2,180	2,180
BEGINNING FUND BALANCE		8,714	11,399	11,399	12,949	15,129	17,309
ENDING FUND BALANCE		11,399	12,949	15,114	15,129	17,309	19,489

301. Debt Service (Voted Bonds)

This fund accounts for the repayment of the current portion of debt principal and interest due during the current fiscal year on general obligation unlimited tax debt, as approved by the electors. The debt was used to construct the pool and wellness center and was issued in 2003, and the final payment will be in 2029.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 301 - Debt Service (Voted Bonds)							
ESTIMATED REVENUES							
301-000-404.000	Debt Service Property Taxes	179,445	165,835	165,835	177,373	193,000	190,000
301-000-665.000	Interest Income	8	(500)	0	0	0	0
TOTAL REVENUES		179,453	165,335	165,835	177,373	193,000	190,000
APPROPRIATIONS							
Department 905 - Long-Term Debt Retirement							
301-905-809.000	Contractual Services	4,000	1,000	1,000	0	0	0
301-905-816.000	Paying Agent Fees	231	0	0	0	0	0
301-905-991.047	PRIN:Comm.Ctr/Bank of New Yor	100,000	100,000	100,000	100,000	125,000	125,000
301-905-995.045	INTR:Rec. Ctr 96-Natl City	0	0	0	35,762	33,762	32,000
301-905-995.047	INTR:Comm.Ctr/Bank of New Yor	79,525	75,524	75,525	35,762	33,762	32,000
<i>Totals for department 905 - Long-Term Debt Retirement</i>		<i>183,756</i>	<i>176,524</i>	<i>176,525</i>	<i>171,524</i>	<i>192,524</i>	<i>189,000</i>
TOTAL APPROPRIATIONS		183,756	176,524	176,525	171,524	192,524	189,000
NET OF REVENUES/APPROPRIATIONS - FUND 301		(4,303)	(11,189)	(10,690)	5,849	476	1,000
BEGINNING FUND BALANCE		20,531	16,228	16,228	5,039	10,888	11,364
ENDING FUND BALANCE		16,228	5,039	5,538	10,888	11,364	12,364

401. Capital Improvement Fund

The Capital Improvement Fund is being re-established to provide for non-infrastructure capital projects over \$5,000 in cost. The Capital Improvement Fund will allow the City to save for large purchases over multiple budget years to ensure that the City can maintain investment in its facilities and equipment. The Capital Improvement Fund has/will pay for new police cars in 2016 and 2018, and will be used to handle necessary buildings and facilities maintenance and improvements as necessary.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 401 - Capital Improvement Fund							
ESTIMATED REVENUES							
401-000-665.000	Interest Income	80	0	98	0	0	0
401-000-675.000	Contributions & Donations	0	0	0	70,000	0	0
401-000-699.101	Transfers In - General Fund	70,000	37,000	37,000	37,000	37,000	37,000
TOTAL REVENUES		70,080	37,000	37,098	107,000	37,000	37,000
APPROPRIATIONS							
Department 910 - Capital Assets							
401-910-970.003	Capital Outlay - Facilities	0	5,000	6,689	10,000	10,000	10,000
401-910-970.300	Capital Outlay - Police	0	32,000	27,018	0	36,000	0
401-910-970.446	Capital Outlay - Streets & Alleys	0	0	0	0	0	0
401-910-970.750	Capital Outlay - Recreation	0	0	0	110,000	0	0
<i>Totals for department 910 - Capital Assets</i>		<i>0</i>	<i>37,000</i>	<i>33,707</i>	<i>120,000</i>	<i>46,000</i>	<i>10,000</i>
Department 910 - Capital Assets							
401-920-890.000	Service Charges	622	0	431	0	0	0
<i>Totals for department 910 - Capital Assets</i>		<i>622</i>	<i>0</i>	<i>431</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL APPROPRIATIONS		622	37,000	34,138	120,000	46,000	10,000
NET OF REVENUES/APPROPRIATIONS - FUND 401		69,458	0	2,960	(13,000)	(9,000)	27,000
BEGINNING FUND BALANCE		0	69,458	69,458	69,458	56,458	47,458
ENDING FUND BALANCE		69,458	69,458	72,418	56,458	47,458	74,458

Revolving Energy Fund

The Capital Improvement Fund also serves as the City's revolving energy fund. The intent is to establish a self-sustaining fund that finances energy efficiency and renewable energy projects that captures a set portion of the cost savings generated by completed energy projects.

The revolving loan fund supports the previous and ongoing community energy management work undertaken by the City of Pleasant Ridge with support from EcoWorks and the Southeast Michigan Energy Office (SEMEO) and funded by the Michigan Energy Office. This fund provides a financing mechanism for the Pleasant Ridge Strategic Energy Plan, which is expected to be adopted in July of 2017.

The City has committed to allocating at least 50% of the savings achieved through energy efficiency and renewable energy projects to the Capital Improvement Fund, which will provide funding for future energy efficiency and renewable energy projects. The savings achieved from energy projects are calculated using

calendar year 2016 as the baseline year. Each year, the metered energy use from all City facilities for the preceding calendar year is compiled and compared to the 2016 baseline year. The reduction in energy usage is calculated and converted into a dollar amount using the most recent years' average utility rates. 50% of this savings is then included in the General Fund transfer to the Capital Improvement Fund to serve as seed funding for additional energy efficiency and renewable energy projects.

The City Manager serves as the City's Energy Manager, and has responsibility for management and oversight of the revolving energy fund, energy project implementation, and implementation of the Strategic Energy Plan.

Specific energy fund policies are as follows:

- The purpose of the energy fund is to support the implementation of the City's Strategic Energy Plan.
- 50% of energy project savings are reinvested into the energy fund on an ongoing basis until the capital cost of all energy projects has been repaid. If all projects have been repaid, then the aggregate savings amount will be contributed to the energy fund for a minimum of 5 additional years.
- Savings are evaluated using metered energy usage when available. If metered payback is not available or measurable, an estimated payback may be used. If weather-adjusted energy usage is available, it can be used as a metric if appropriate.
- Energy projects will be prioritized based on 1) expected payback period, 2) recommendations of the Strategic Energy Plan, 3) total capital cost of project, and 4) discretion of the energy manager and City Commission.
- The use and funding of the revolving energy fund may be evaluated and adjusted from time to time by the energy manager and the City Commission.

City Facility Baseline Energy Use – 2015-2016 Average

Utility	City Hall	Community Center	Total	Cost per Unit
Electricity	44,594 kWh	182,360 kWh	226,954 kWh	\$0.121
Natural Gas	250 kcf	997.5 kcf	1,247.5 kcf	\$6.069

Completed Energy Project List

The following table lists energy projects completed since the creation of the revolving energy fund.

Project	Date Completed	Project Cost
City Hall LED Lighting Conversion	December 2016	\$800
Community Center LED Lighting Conversion	February 2017	\$8,900

E. Enterprise Funds

592. Water and Sewer Fund

The water and sewer fund is responsible for the distribution of water and maintenance and repair of water mains, valves, hydrants, meters and other appurtenant parts of the system. This department is also responsible for the removal of sanitary sewerage and storm water, and maintenance of catch basins and other parts of the combined sewer system. Finally, the department also handles billing, record maintenance, and other customer-related activities associated with the utility.

The 2017-18 budget includes a capital outlay of \$235,000 for the lining of the Oxford, West Cambridge, Hanover, and Norwich sewers. \$70,000 is budgeted in this and the subsequent two years for sewer cleaning and inspection. The projected 2018-19 and 2019-20 projected budgets include capital outlays of \$100,000 for water meter head replacements. The current water meter heads will be reaching their end of life in the next few years, and the City plans to replace them in 2019 over the course of two budget years.

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
Fund 592 - WATER AND SEWER FUND							
ESTIMATED REVENUES							
592-000-642.000	Sales	1,200,328	945,987	972,288	979,900	1,009,297	1,039,576
592-000-645.000	Storm Water Runoff Fees	0	340,506	284,033	342,500	352,775	363,358
592-000-650.000	IWC Charges Revenue	16,595	8,000	6,109	8,000	8,000	8,000
592-000-662.000	Util Bill Penalties	12,139	8,000	13,612	10,000	10,000	10,000
592-000-665.000	Interest Income	2,939	1,000	3,545	2,500	2,500	2,500
592-000-679.000	Refunds & Rebates	2,473	3,750	2,935	2,000	2,000	2,000
TOTAL REVENUES		1,234,474	1,307,243	1,282,522	1,344,900	1,384,572	1,425,434

APPROPRIATIONS

Department 536 - Water & Sewer Systems

592-536-702.000	Administration Wages	19,093	38,150	33,190	38,722	39,071	39,422
592-536-704.000	Part-Time Salaries	5,908	9,375	8,670	9,516	9,516	9,516
592-536-711.000	Social Security & Medicare	2,051	2,450	3,270	3,600	3,600	3,600
592-536-712.000	Hospitalization/Dental/Vision	1,810	5,000	5,403	8,200	8,200	8,200
592-536-712.003	Hospitalization/Dental/Vision - Retirees	0	0	2,129	800	800	800
592-536-713.000	Life Insurance	124	120	158	150	150	150
592-536-714.000	Retirement - DB	1,365	1,465	781	1,400	1,450	1,500
592-536-714.001	Employee Cont-Retirement	(525)	(680)	0	0	0	0
592-536-714.003	Retirement - DB (Retirees)	0	10,200	15,732	22,900	25,183	27,513
592-536-714.500	Retirement DC - Employer	0	2,400	1,108	2,450	2,450	2,450
592-536-715.000	Worker's Compensation	113	200	166	225	225	225
592-536-716.000	Unemployment Compensation	10	100	6	20	20	20
592-536-728.000	Postage	835	3,000	951	3,000	3,000	3,000
592-536-736.000	Computer Supplies	0	2,500	1,985	1,000	1,000	1,000
592-536-809.000	Contractual Services	29,165	9,570	26,338	17,500	17,500	17,500
592-536-810.000	Public Works Contract	35,222	30,020	36,022	40,000	40,000	40,000
592-536-814.000	Engineering Services	24,948	10,000	3,500	5,000	5,000	5,000

E. Enterprise Funds
592. Water and Sewer Fund

Account Number	Description	Actual 2015-16	Amended 2016-17	Activity to 06/01/17	Requested 2017-18	Projected 2018-19	Projected 2019-20
592-536-818.000	Water Purchases	193,977	205,000	153,066	209,305	215,584	222,052
592-536-819.000	Sewage Treatment	542,703	217,820	181,517	234,156	241,181	248,416
592-536-819.500	Storm Water Treatment	0	340,506	283,755	342,500	352,775	363,358
592-536-820.000	IWC Charges	4,598	5,100	4,713	5,100	5,100	5,100
592-536-827.000	Administrative Service Charge	30,000	30,304	30,304	30,607	30,883	31,160
592-536-827.200	Charges for Services - IT	7,000	15,780	15,780	15,922	16,065	16,210
592-536-890.000	Service Charges	1,639	2,300	1,097	2,000	2,000	2,000
592-536-906.000	Printing Water Bills	3,455	3,900	3,157	3,900	3,900	3,900
592-536-910.000	Insurance & Bonds	10,000	10,000	10,000	10,000	10,000	10,000
592-536-929.000	Maintenance & Repair-Equipmen	0	5,000	829	3,000	3,000	3,000
592-536-939.000	Maintenance & Repair-Sewers	3,031	5,000	1,292	70,000	70,000	70,000
592-536-955.000	Miscellaneous Expenses	268	4,000	173	2,000	2,000	2,000
592-536-956.000	Meetings,Conferences,Workshop	0	0	1,115	350	350	350
592-536-958.000	Memberships & Dues	1,197	1,300	1,464	2,000	2,000	2,000
592-536-968.000	Depreciation & Depletion	119,026	0	0	0	0	0
592-536-970.000	Capital Outlay	0	82,700	82,246	30,000	30,000	30,000
592-536-970.594	Capital Outlay - Sewer Projects	3,071	87,300	87,243	235,000	100,000	100,000
592-536-995.000	INTR:Debt - George Kuhn	22,658	111,046	109,870	111,000	111,000	111,000
592-536-996.001	Paying Agent Fees	259	200	2	250	250	250
<i>Totals for department 536 - Water & Sewer Systems</i>		<i>1,063,001</i>	<i>1,251,126</i>	<i>1,107,032</i>	<i>1,461,573</i>	<i>1,353,252</i>	<i>1,380,692</i>
TOTAL APPROPRIATIONS		1,063,001	1,251,126	1,107,032	1,461,573	1,353,252	1,380,692
NET OF REVENUES/APPROPRIATIONS - FUND 592		171,473	56,117	175,490	(116,673)	31,320	44,742
BEGINNING FUND BALANCE		437,918	609,391	609,391	665,508	548,835	580,155
ENDING FUND BALANCE		609,391	665,508	784,881	548,835	580,155	624,897

Water and Sewer Enterprise Fund Fund Balance Notes

- Reported Fund Balance. In prior budgets, the fund balance for the water and sewer fund has been based on the net position in the City's annual financial statements. However, the net position includes noncurrent (i.e. non-liquid) assets such as capital assets that are being depreciated (mostly the pipes in the ground), along with noncurrent liabilities such as the noncurrent portion of long-term debt. Neither capital assets nor noncurrent debt has any impact on the ability of the water fund to handle the day to day operations of the water and sewer department. Similarly, they have no bearing on the ability of the water and sewer fund to fix a water main break or to repair a sewer.

For the above reasons, starting with this budget, working capital is the water and sewer enterprise fund balance that is reported for budgetary purposes. Working capital is defined as cash and cash equivalents plus liquid investments minus current liabilities. Refer to the water and sewer enterprise fund statement of net position in the City's most recent financial statements for a detailed accounting of all current and noncurrent assets and liabilities.

- Water and Sewer Enterprise Fund Fund Balance Policy. The City's policy is to maintain a minimum fund balance of \$635,000 in the Water and Sewer Enterprise Fund. This is to provide sufficient liquidity to meet current, future, and emergency spending needs. The minimum fund balance target is derived as follows:
 - 90 days of operations ($\$1,390,000/4 = \$347,500$); plus
 - Annual debt service (\$111,000); plus
 - Emergency capital replacement, or 5% of net book value of assets ($\$962,699 * 0.05 = \$48,135$); plus
 - Planned capital replacement (average of \$125,000 annually)

The target minimum fund balance is therefore $\$362,180 + \$111,000 + \$48,135 + \$125,000 = \$631,635$, which rounds up to \$635,000.

Fund balance will dip below target in FY17-18 due to large one-time capital improvements to the Cambridge, Oxford, Hanover and Norwich sewers, but is projected to be replenished over the following two fiscal years at which time it will again be near the minimum target amount.