



# **City of Pleasant Ridge 2018-2019 Annual Budget**

Adopted: June 12, 2018

**Mayor**

Kurt Metzger

**City Commissioners**

Jason Krzysiak

Ann Perry

Bret Scott

Amanda Wahl

**City Manager**

James Breuckman



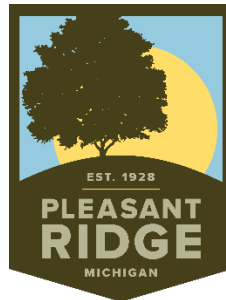
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## A. Introduction

### 1. City Manager's Letter



June 5, 2018

**RE: Proposed Fiscal Year 2018-2019 Operating Budget**

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

Please accept this letter as my transmittal of the City budget for the fiscal year 2018-2019 for your review and consideration. A public hearing to solicit public comment on this document is scheduled for June 12, 2018 at 7:30pm.

#### **Revenue**

Financial projections for Fiscal Year 2018-2019 are stable. After many consecutive years of 6-10% increases in assessed values, the rate of increase slowed this year, with the City seeing a modest 2% growth in assessed values. However, our total taxable value grew 5% due to home sales causing the taxable value on many properties to be uncapped. When a home sale occurs, the taxable value is uncapped and is reset to equal the assessed value of the property.

The State inflation multiplier for FY 18-19 is 2.1%, so our local tax rate has been again adjusted downward to ensure that total property tax revenues only increase 2.1% compared to last year. Even with the police pension millage starting to phase in this year and adding 0.35 mills to our local tax rate, the total City property tax rate will decrease from 21.5677 mills in 2017 to 21.4388 mills in 2018.

#### **Accomplishments**

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 property tax and State shared 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 regular replacement of patrol vehicles and fully funding an annual capital improvements budget to ensure equipment will be replaced on-time
- Sidewalk maintenance and replacement
- Street tree plantings
- Replacement of the roof over the large room at the Community Center

## A. Introduction

### 1. City Manager's Letter

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- Replacing the marcite surface in the pool
- New workout equipment and flooring in the wellness center
- Installation of a 26kWh solar energy system at the Community Center
- Stabilizing and, over time, eliminating the City's unfunded pension liability

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; completing necessary maintenance and upkeep at our Community Center; and 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 2018-2019 in the City's 2018-2023 capital improvements plan. The most significant project for this year will be the resurfacing of Ridge, Indiana, and Bermuda. When these streets are completed, all streets in the City will have been reconstructed since 1995 and we will be able to focus our efforts in the coming years to maintaining our streets, sewers, and water mains in good condition. With proper maintenance, the lifespan of a street is 40 years. This means that we do not expect there to be a need to reconstruct streets until the mid 2030s, which is when our current infrastructure millage which has funded street replacement to-date runs out.

This year we will also complete a major overhaul of the Big Room at the Community Center. This project, funded by the City's parks endowment fund (the SCAF-PSRF fund) and the Pleasant Ridge Foundation, will see the addition of large overhead doors and man-doors to the west side of the room to better connect the Big Room with the new outdoor patio space. Other improvements will include new flooring, removal of the drop ceiling, installation of a new HVAC system, refreshing the wall coverings and paint, updating the windows, and installing sound absorbing surfaces in the room.

#### **Challenges**

We have made great progress in addressing challenges to the City in recent years, and the City is on a more stable and sustainable footing now than at any time in the past 10 years. This is due to a combination of the voters supporting numerous millages over the past 4 years to provide funding to replace the reduction in support we receive from the State, and because of measures implemented by the City to reduce operating and employee benefit costs.

However, there will always be challenges facing the City:

- The largest challenge facing the City is our underfunded pension system. The City's pension system is currently 53% funded, with the police group, which accounts for about two-thirds of the overall pension system, being 48% funded. The pension system became underfunded over the course of multiple decades, and it will take us a decade or more to restore the pension system to a fully-funded state.

The overall funding level has been stable at 53% for the past four years, so we have managed to arrest the decline in funding levels. The good news is that the passage of the police pension millage by the voters in November of 2017 will provide new funding over the next 15 years that will be dedicated solely to increasing the funding level of the police pension group. This additional funding, along with the changes we have made in benefits provided to recent and future hires, has placed us on a sustainable path towards eliminating our unfunded liability in the pension system over time.

In FY18-19, our total police pension expenses (for active employees and retirees) will be \$185,000.

The police pension millage will generate about \$52,500 of revenue which will be used to pay for those police pension expenses. The remainder will be paid for out of the General Fund. The police pension millage will phase in over the next 3 years, increasing our ability to accelerate payments into the police pension fund to eliminate our unfunded liability.

- With the pension issue being on a pathway towards resolution, our most significant ongoing challenge will be keeping our infrastructure updated and in good condition. By this fall, all our streets will have been reconstructed. Maintaining them in that condition until the end of their useful life will become the priority for streets. We are already seeing some premature decay on some of our streets., so replacing degrading sections of concrete and sidewalks will be a focus in the coming years.
- Our sewers are also in good shape, and we have implemented a program over the past few years to inspect and clean all sewers every 10 years, and to make any necessary repairs identified during the inspection. This past year, we cleaned and inspected the sewers on Kensington, Devonshire, Wellesley, Amherst, and ePrize Drive. There was only one issue that was identified that required immediate attention – there was a defect in the sewer at a manhole structure on ePrize drive that has since been repaired.

This coming year we will clean and inspect the sewers under Maywood, Sylvan, Fairwood, and Woodward Heights.

- The water distribution system is functioning well with very few breaks or service issues. Our water testing continues to show that the quality of water in our system meets and exceeds all State requirements for purity, including lead and copper levels.

However, the water distribution system is nearing 100 years old and will require inspection and possibly some replacements in the coming years. Most of our water mains are over 80 years old, and while we have no evidence of issues with them, they are reaching the limits of their design life. It would cost many millions of dollars to replace all our aging water mains, so we will have to prioritize our preventative maintenance/replacement work based on our available resources. This will be an ongoing process over the coming years.

### **Projections**

We continue to present a three-year budget. The budget now shows FY18-19 budget numbers to be adopted, alongside projections for FY18-19 and 19-20 (only the 18-19 budget is adopted, the two following years are for planning purposes only). 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 plan to fund large, non-annual 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 large increases in utility rates in any given year.

### **Conclusion**

I thank the Commission and our residents for the trust and support that you provide to City Staff, and I thank all our talented City employees for their dedicated efforts. We have a small group of City employees who wear many hats, and I am proud that they always go above and beyond to provide excellent service to our

A. Introduction  
1. City Manager's Letter

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residents. Most of all, we acknowledge that the community-mindedness and support of our residents is the primary reason that Pleasant Ridge is such a great City.

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 2018-19 Annual Budget

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

### NOTICE OF A PUBLIC HEARING ON THE PROPOSED FY2018-2019 CITY BUDGET AND 2018 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 12, 2018, 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, 2017 through June 30, 2018) and the proposed FY2018-2019 (July 1, 2018 through June 30, 2019) millage rates are as follows:

	<b>17-18</b>	<b>18-19</b>
General Operating - Charter	10.6232	10.3714
General Operating (2015)	2.7239	2.6593
General Operating – Police Pension		0.3500
Infrastructure Improvement (2015)	2.7894	2.7232
Community Promotion	0.3375	0.3200
Parks Improvement (2015)	0.7044	0.6877
Rubbish	1.5929	1.5551
Pool Operations	1.1827	1.1546
Library	0.3687	0.3675
Debt	1.2450	1.2500
Total Millage:	21.5677	21.4388

The City may not adopt its proposed FY 2018-2019 budget until after the public hearing. A copy of the proposed FY 2018-2019 budget and the proposed 2018 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 2018-2019 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 25, 2018  
AFFIDAVIT REQUESTED

### 3. Budget Resolution

**City of Pleasant Ridge  
Budget Resolution  
General Appropriations Act  
Fiscal Year 2018-2019**

**WHEREAS**, the City Manager has prepared and submitted to the City Commission the proposed budget for fiscal year 2018-2019; and

**WHEREAS**, the City Commission has advertised the tentative millage rates in the Daily Tribune on May 25, 2018, 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 12, 2018; 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, 2018 and ending June 30, 2019 be adopted; and

**BE IT FURTHER RESOLVED**, that the revenue and transfers-in, and expenditures and transfers-out for the fiscal year 2018-2019 are estimated as follows and 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	\$2,126,314
	LICENSES AND PERMITS	56,080
	FEDERAL AND STATE GRANTS	26,000
	STATE SHARED REVENUE	246,250
	CHARGES FOR SERVICES	211,540
	FINES AND FORFEITS	62,500
	INTEREST AND RENTS	8,500
	OTHER REVENUE	98,800
	TRANSFERS-IN	0
	TOTAL GENERAL FUND REVENUE:	2,835,984
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	\$28,050
	CITY MANAGER	\$163,492
	ELECTIONS	\$10,410
	CITY ATTORNEY	\$44,000
	CITY CLERK	\$100,740
	INFORMATION TECHNOLOGY	\$76,100
	GENERAL GOVERNMENT	\$155,500
	CABLE TV	\$4,110
	CITY TREASURER	\$120,305
	ASSESSMENT	\$21,645
	POLICE SERVICES	\$1,003,005
	FIRE/RESCUE	\$256,581
	BUILDING DEPARTMENT	\$65,150
	PLANNING COMMISSION	\$0
	PUBLIC WORKS	\$202,530
	STREET LIGHTING	\$36,500
	RECREATION	\$392,036
	RETIREMENT SERVICES	\$5,000
	TRANSFERS OUT	\$52,000
	TOTAL GENERAL FUND EXPENDITURES:	2,737,154
	INCREASE IN GENERAL FUND FUND	
	BALANCE:	20,805
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	10.3714
General Operating (2015)	2.6593
General Operating – Police Pension	0.3500
Infrastructure Improvement (2015)	2.7232
Community Promotion	0.3200
Parks Improvement (2015)	0.6877
Rubbish	1.5551
Pool Operations	1.1546
Library	0.3675
Debt	1.2500
<hr/>	
Total Millage:	21.4388

**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 12, 2018.



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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 five years, the proposed 2018-2019 budget year, and the projected budget for the next two years. Note that the budget projections for 2019-20 and 2020-2021 are for planning purposes only, and are not adopted budgets.

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budget 2017-18	Approved Budget 2018-19	Projected Budget 2019-20	Projected Budget 2020-21
<b>Assessed Valuation</b>								
Real	141,185,920	156,207,830	171,421,930	189,097,190	199,597,430	203,876,640	206,934,790	210,038,811
Personal	3,221,970	3,237,250	3,420,020	2,867,430	1,976,670	2,052,320	2,083,105	2,114,351
<b>Total</b>	<b>144,407,890</b>	<b>159,445,080</b>	<b>174,841,950</b>	<b>191,964,620</b>	<b>201,572,100</b>	<b>205,928,960</b>	<b>209,017,894</b>	<b>212,153,163</b>
<b>Taxable Valuation</b>								
Real	125,139,900	129,164,540	133,845,550	138,859,980	143,747,780	150,913,980	153,177,690	155,475,355
Personal	3,221,970	3,237,250	3,420,020	2,867,430	1,974,670	2,052,320	2,083,105	2,114,351
<b>Total</b>	<b>128,361,870</b>	<b>132,401,790</b>	<b>137,265,570</b>	<b>141,727,410</b>	<b>145,722,450</b>	<b>152,966,300</b>	<b>155,260,795</b>	<b>157,589,706</b>
<b>Millage Rate</b>								
General Operating - Charter	11.4248	11.3094	11.1364	10.8434	10.6232	10.3714	10.1536	9.9404
General Operating - 2015	0.0000	0.0000	2.8556	2.7804	2.7239	2.6593	2.6035	2.5488
General Operating - Police Pension						0.3500	0.7000	1.0500
Community Promotion	0.0000	0.0000	0.2704	0.3481	0.3375	0.3200	0.3133	0.3067
Infrastructure - 2015	2.4124	2.3880	2.9242	2.8472	2.7894	2.7232	2.6660	2.6100
Parks Improvement - 2015	0.0000	0.0000	0.7385	0.7190	0.7044	0.6877	0.6733	0.6591
Rubbish	1.7134	1.6960	1.6700	1.6260	1.5929	1.5551	1.5224	1.4905
Pool Operations	1.2722	1.2593	1.2400	1.2073	1.1827	1.1546	1.1304	1.1066
Library - 2015	0.3700	0.4949	0.3865	0.3763	0.3687	0.3675	0.3598	0.3522
Pool Debt	1.3000	1.5000	1.3380	1.2123	1.2450	1.2500	1.3550	1.3265
<b>Total</b>	<b>18.4928</b>	<b>18.6476</b>	<b>22.5596</b>	<b>21.9600</b>	<b>21.5677</b>	<b>21.4388</b>	<b>21.4772</b>	<b>21.3909</b>
<b>Total Revenues</b>								
101 General Fund	2,441,920	2,491,437	2,773,167	2,679,162	2,708,833	2,835,984	2,921,123	3,008,335
202 Major Streets	119,687	114,575	148,492	141,915	161,090	170,050	172,600	175,188
203 Local Streets	103,937	114,814	104,944	124,200	105,796	112,040	112,933	113,838
218 Infrastructure Improvements	302,787	309,218	594,568	3,583,599	437,400	407,031	413,136	419,333
226 Solid Waste	421,630	437,177	336,137	341,464	375,267	385,517	391,265	397,099
251 Pool/Fitness Facility	287,748	217,995	220,257	199,639	214,417	218,496	220,684	223,312
258 SCAF Parks Special Revenue Fund	0	(27,762)	10,246	180,000	65,000	65,000	65,000	65,000
259 SCAF Remainder Fund	70,252	43,242	7,189	102,865	104,143	107,036	109,275	111,768
260 Downtown Development Authority	71,252	77,739	103,522	96,039	94,128	100,541	102,032	103,547
266 Drug Forfeiture Fund	0	137	0	0	0	0	0	0
271 Library Services	46,480	64,086	51,850	51,465	52,542	54,949	55,773	56,610
297 Historical Fund	10,144	10,520	6,710	6,860	6,960	7,110	7,110	7,110
301 Debt Service - Voted	163,054	194,218	179,453	165,335	177,373	191,208	190,000	187,500
401 Capital Improvements	0	672,308	70,080	37,000	107,000	100,000	70,000	70,000
592 Water and Sewer	1,321,495	1,133,057	1,234,474	1,307,243	1,344,900	1,367,565	1,393,741	1,421,206
<b>Total</b>	<b>5,360,386</b>	<b>5,852,761</b>	<b>5,937,409</b>	<b>9,016,786</b>	<b>5,954,849</b>	<b>6,122,527</b>	<b>6,224,672</b>	<b>6,359,847</b>

## B. Budget Summary

### 1. Key Budget Information

	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17	Budget 2017-18	Approved Budget 2018-19	Projected Budget 2019-20	Projected Budget 2020-21
<b>Total Expenditures</b>								
101 General Fund	2,592,051	2,462,428	2,719,248	2,679,162	2,701,404	2,815,178	2,891,997	2,982,341
202 Major Streets	125,347	184,210	110,471	197,515	148,500	156,000	156,000	156,000
203 Local Streets	71,724	93,274	148,210	150,119	92,700	102,200	102,200	102,200
218 Infrastructure Improvements	211,980	772,135	705,890	1,360,000	982,250	1,037,750	313,175	313,450
226 Solid Waste	416,457	425,128	350,198	372,618	373,931	378,479	382,636	386,764
251 Pool/Fitness Facility	287,470	218,273	219,291	193,231	212,144	216,205	216,560	216,922
258 SCAF Parks Special Revenue Fund	0	0	0	0	0	20,000	20,000	20,000
259 SCAF Remainder Fund	55,061	33,174	409	759,000	100	25,100	100	100
260 Downtown Development Authority	49,540	93,748	145,324	86,532	89,730	70,730	153,230	93,230
266 Drug Forfeiture Fund	0	2	0	0	0	0	0	0
271 Library Services	53,636	53,722	53,719	55,681	53,970	55,940	56,776	57,624
297 Historical Fund	4,479	18,974	4,025	5,310	4,780	6,780	6,780	4,280
301 Debt Service - Voted	160,806	183,562	183,756	176,524	171,524	193,250	187,970	182,650
401 Capital Improvements	0	779,519	622	37,000	120,000	270,000	30,000	75,000
592 Water and Sewer	1,124,723	1,119,751	1,063,001	1,251,126	1,461,573	1,290,328	1,312,004	1,504,038
<b>Total</b>	<b>5,153,274</b>	<b>6,437,900</b>	<b>5,976,057</b>	<b>7,323,818</b>	<b>6,412,606</b>	<b>6,637,941</b>	<b>5,829,427</b>	<b>6,094,599</b>
<b>End of Year Fund Balance</b>								
101 General Fund	500,099	532,257	586,172	586,172	593,602	665,085	694,211	720,206
202 Major Street Fund	116,934	47,299	85,322	29,722	42,312	56,362	72,962	92,150
203 Local Street Fund	67,154	88,694	45,427	19,508	32,604	52,142	62,875	74,513
218 Infrastructure Improvements	90,807	(372,110)	(483,433)	1,740,166	1,195,316	852,179	952,140	1,058,023
226 Solid Waste Fund	34,174	46,221	32,161	1,007	2,343	28,982	37,611	47,946
251 Pool/Fitness Facility Fund	279	0	966	7,374	9,647	10,202	14,327	20,717
258 SCAF Parks Special Revenue Fund	0	1,972,238	1,982,484	2,162,484	2,227,484	2,202,746	2,247,746	2,292,746
259 SCAF Remainder Fund	3,260,566	1,270,634	1,277,415	445,707	549,750	581,622	690,797	802,465
260 Downtown Development Authority	89,551	73,542	31,740	41,247	45,645	79,355	28,157	38,474
266 Drug Forfeiture Fund	323	429	425	425	429	429	429	429
271 Library Fund	4,631	14,996	13,127	8,911	7,483	7,360	6,358	5,343
297 Historical Fund	17,167	8,713	11,399	12,949	15,129	5,809	6,139	8,969
301 Debt Service Fund	9,874	20,531	16,228	5,039	10,888	7,095	9,125	13,975
401 Capital Improvements	0	0	69,458	69,458	56,458	14,167	54,167	49,167
592 Water and Sewer	1,807,169	1,820,475	1,978,642	665,508	548,835	697,957	779,695	696,863
<b>Total</b>	<b>5,998,728</b>	<b>5,523,919</b>	<b>5,471,960</b>	<b>5,795,677</b>	<b>5,337,925</b>	<b>5,261,492</b>	<b>5,656,737</b>	<b>5,921,985</b>

### 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
2017	Oakland County Local Road Improvement Program	\$5,627
2017	Filmer Trust Community Center Park Grant	\$10,000
2018	Tree Planting (DTE Energy Foundation/MDNR)	\$3,000
2018	Oakland County Local Road Improvement Program	\$8,865

## 2. Summary Graphs and Tables

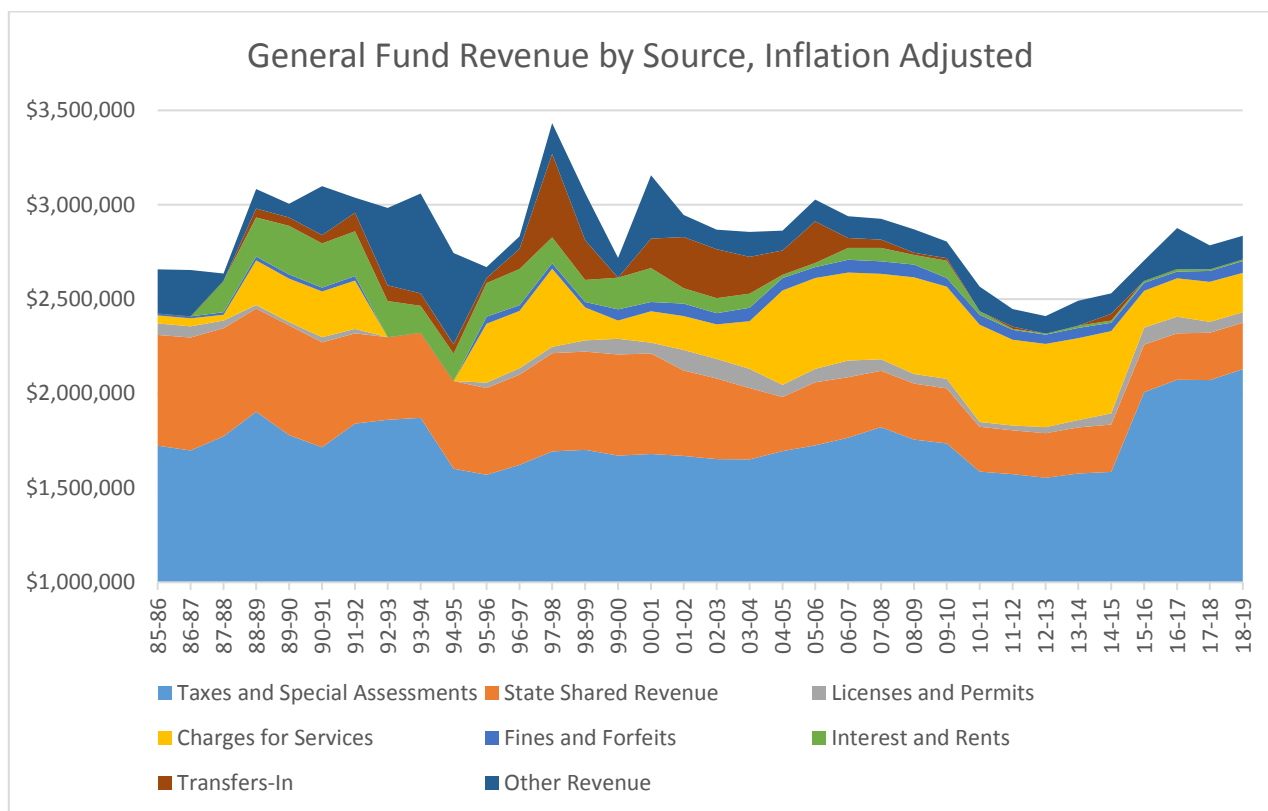
**General Fund Revenue Trends.** The following Figure 1 shows general fund revenue trends for the 1985-2018 period. All dollar values are adjusted into 2018 equivalent dollars to provide a consistent point of comparison. The figure shows that revenues generated by property taxes remained consistent at about \$1,600,000 per year until 2010, when they dropped to about \$1,500,000 per year. The voter-approved millages enacted since 2014 have increased total City property tax revenue to about \$2.1 million 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 - \$246,000 - in budget year 2018-19. 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, general fund revenue was restored to close to its long-term average at about \$2,800,000 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 to do so. Whatever tax reductions have been implemented at the State level have been offset by our need to increase local property tax rates.

Figure 1. General Fund Revenues by Source, Adjusted for inflation in 2018 equivalent dollars, 1985-Present

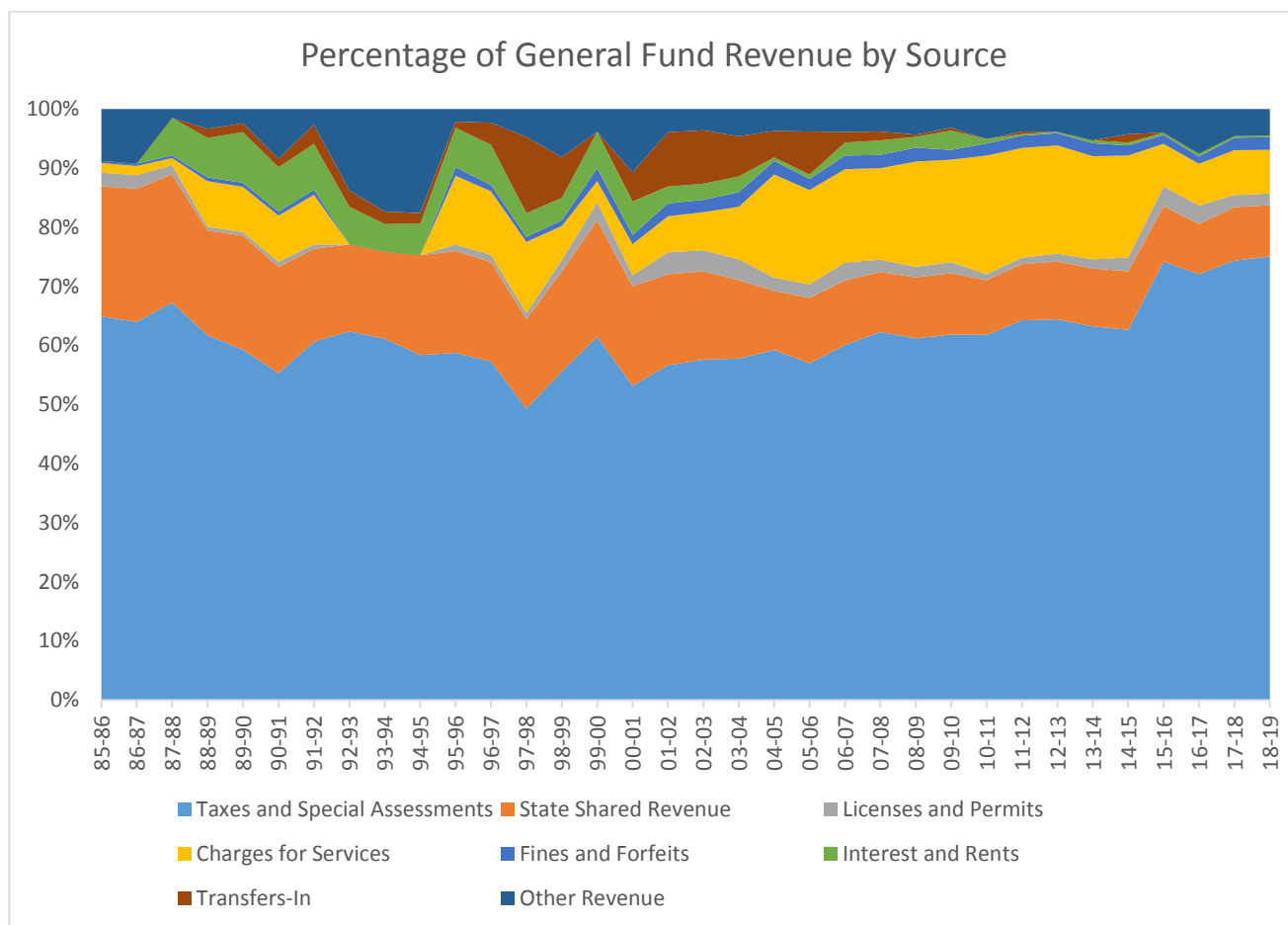


Source: Pleasant Ridge Budget Documents and BLS CPI-U data for the Detroit-Ann Arbor-Flint MSA

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 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.

The primary and most significant cause of property taxes representing a higher share of all City revenue is state shared revenue to the City has been decreasing as a percentage of overall City funding since the beginning of the 00s, highlighting the long-standing disinvestment in local government by Michigan's State government.

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

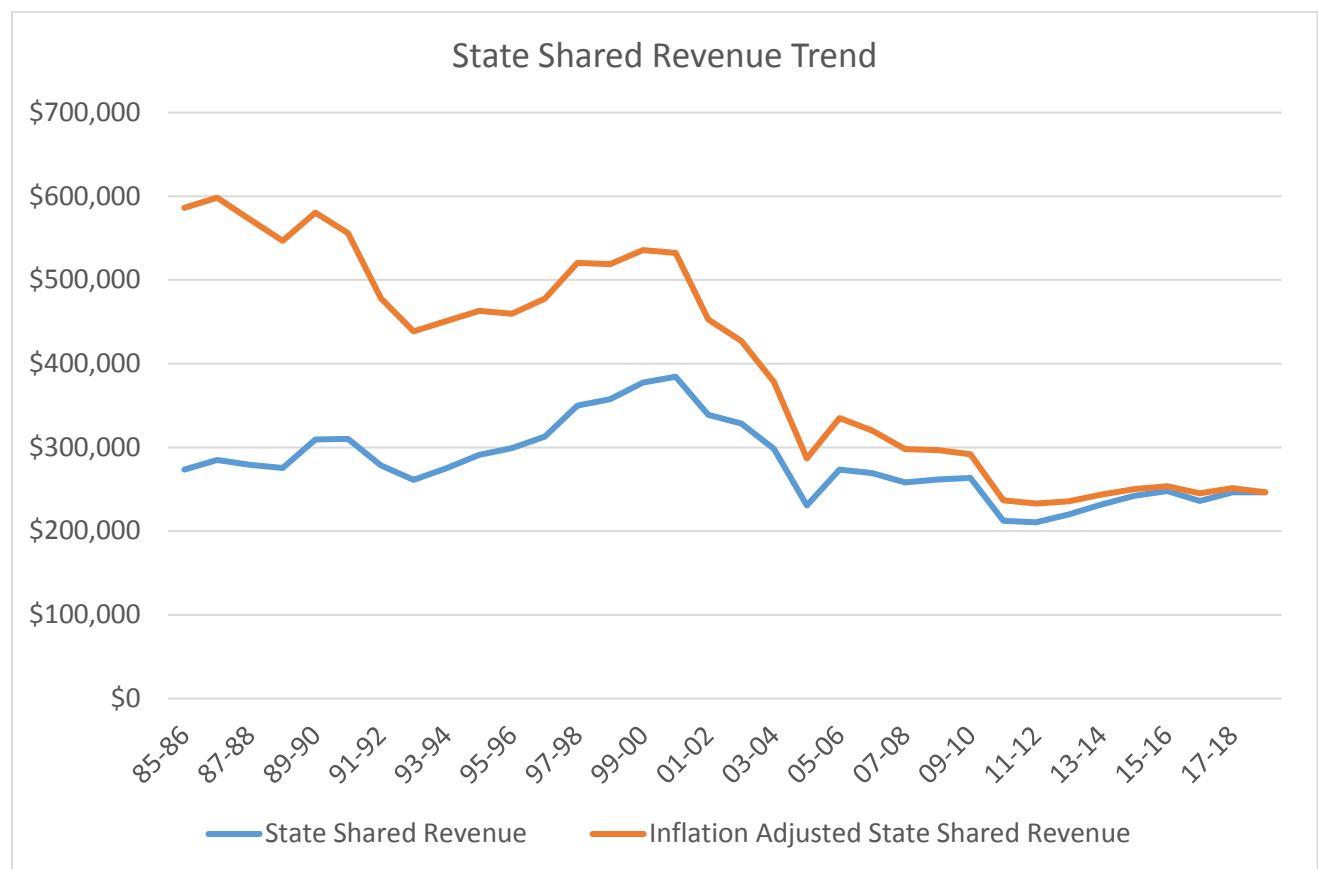


**State Shared Revenue Trend.** One of the main drivers impacting Pleasant Ridge's general fund budget over the past 15 years has been the decline in state shared revenues. Figure 3 shows that, on an inflation adjusted basis, State revenue sharing has declined from the equivalent of nearly \$600,000 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 8.5%.

Even on a non-inflation adjusted basis, the City received over \$300,000 from the state in the early 1990s, while this budget year we expect to receive about \$246,500.

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

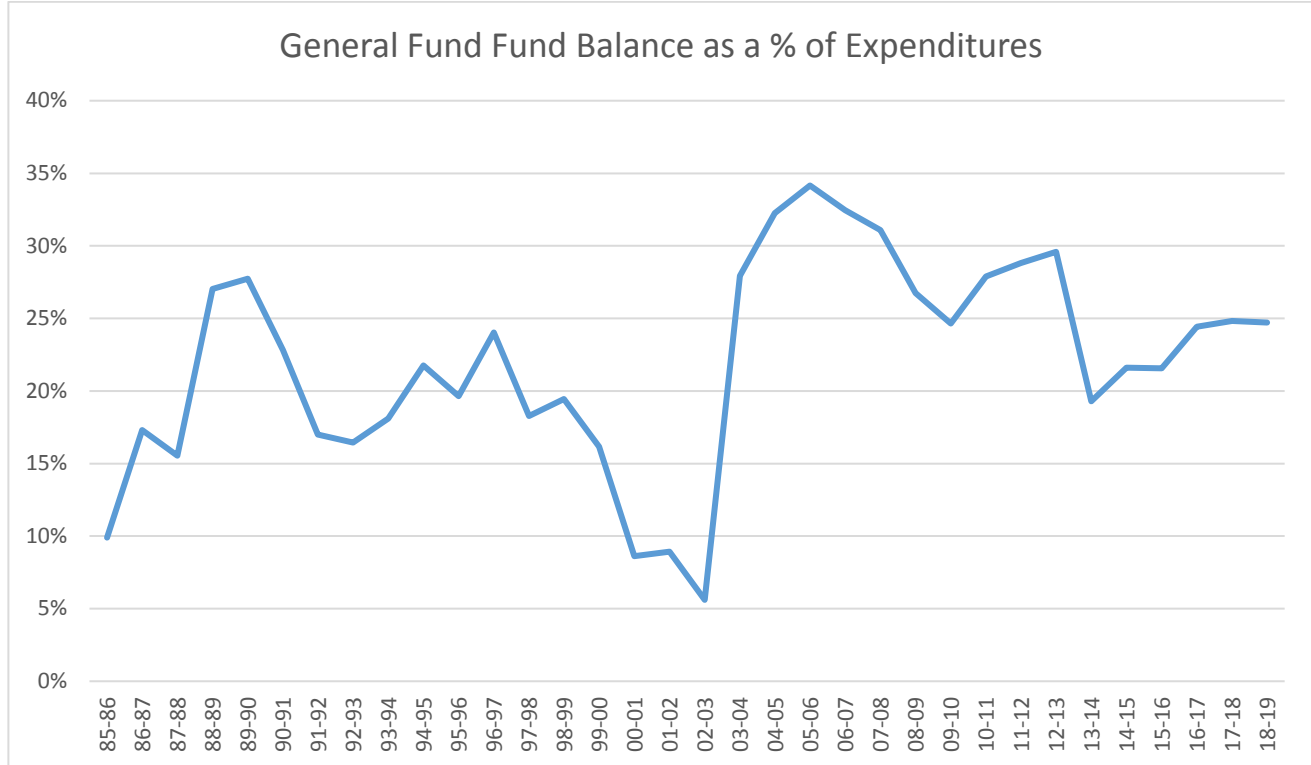
**General Fund Fund Balance Trends.** The Government Finance Officers Association (GFOA) recommends that local governments maintain a minimum of two-months' worth of expenses, or 16.66%, in unrestricted fund balance. It is further recommended that a small unit of government like Pleasant Ridge maintain 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. As in previous years, there is little margin as the City continues to reinvest in maintenance items that were deferred during the recession when revenues declined. Outside pressures such as increasing annual required pension contributions continue to pressure our bottom line, although the police pension millage approved by the voters in November 2017 will provide significant relief from increasing costs related to our underfunded pension plan.

We have maintained a 25% fund balance over the past few years, and will work to keep ourselves in the 25-30% range in future years.

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

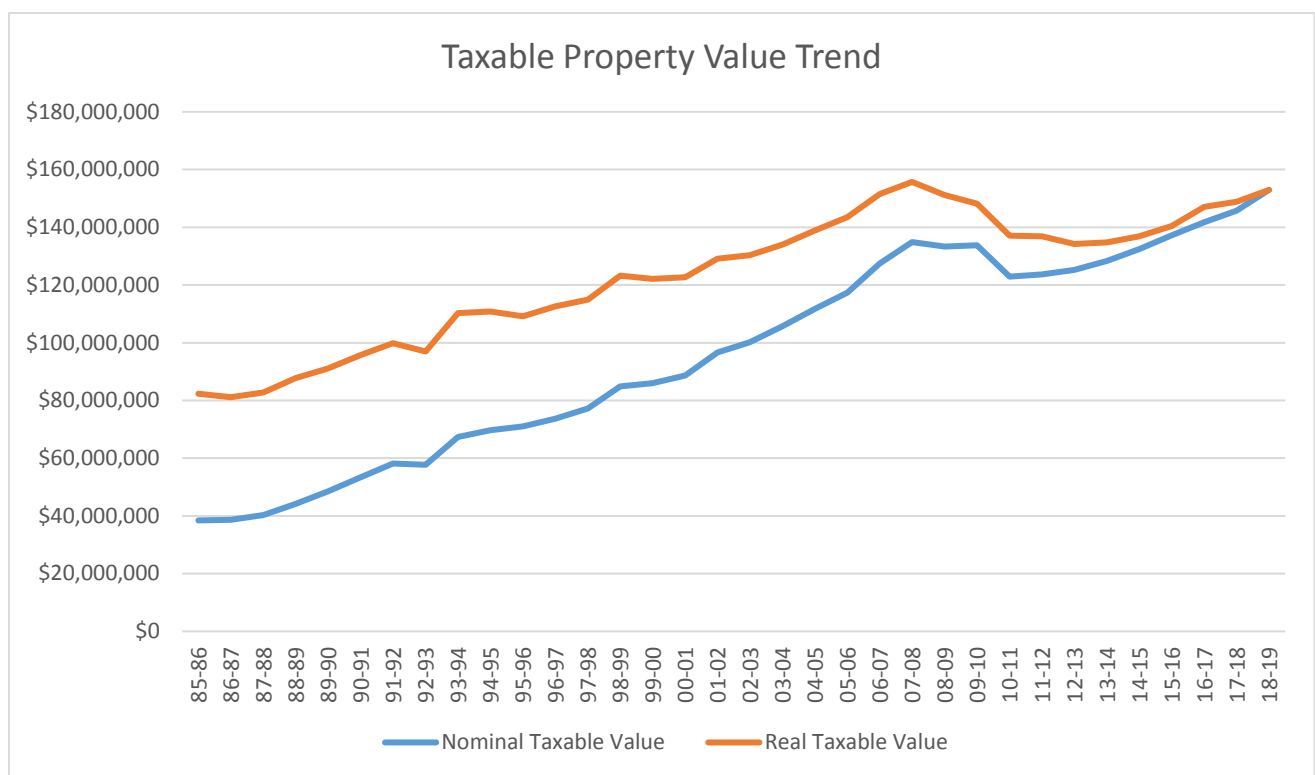


**Property Value Trends.** The following Figure 5 shows total (real + personal) taxable property value trends in the City of Pleasant Ridge. The inflation adjusted taxable property value has increased at a rate of about 1.8% per year. This small increase over the inflation rate is the result of certain 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. In nominal terms, it took until 2015 for the City's tax base to again equal the peak pre-recession value from 2007.

However, on an inflation-adjusted basis the City is just now approaching, but has not yet equaled, taxable value levels last seen in 2007. This chart shows that in real terms, the City's tax base in has still not fully recovered from the 2008-2009 economic downturn.

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

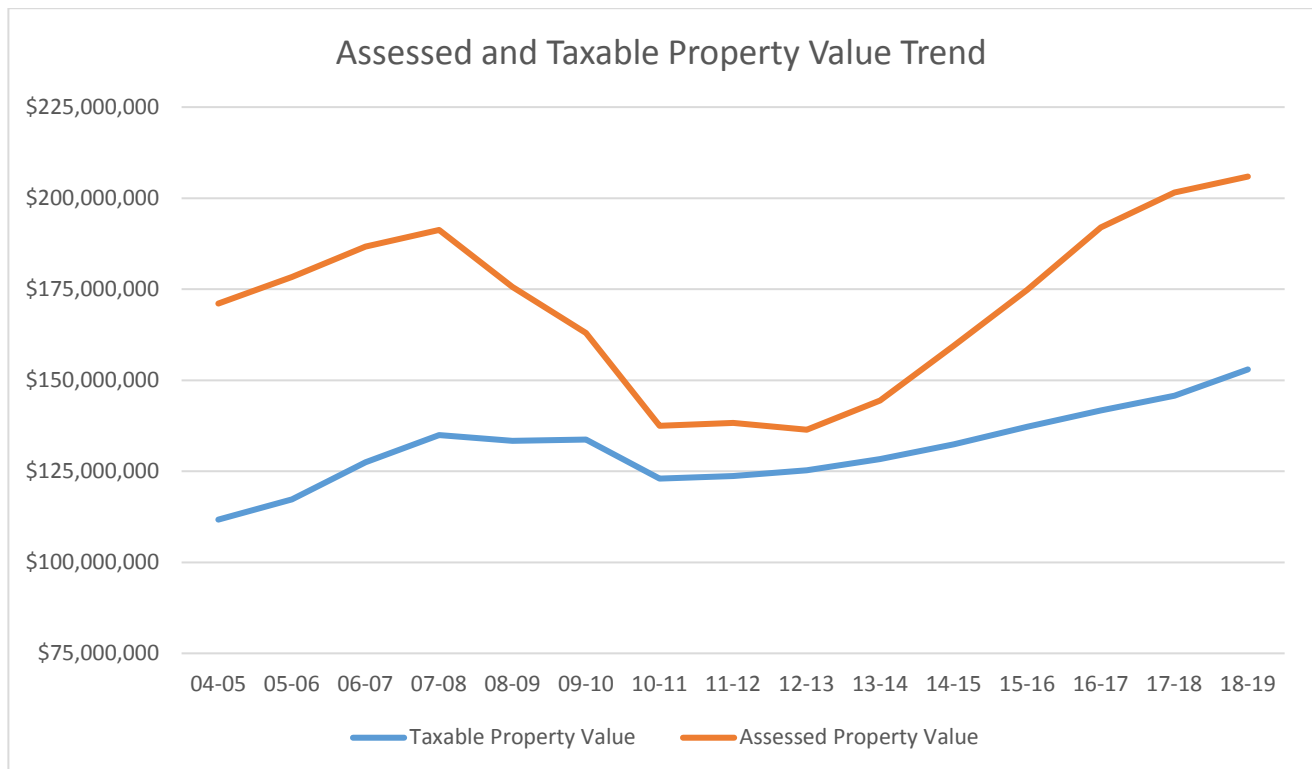


The following Figure 6 shows how Pleasant Ridge’s total assessed and taxable property values have changed over time since 2004. Assessed value is the true market value of all property in the City as determined by Oakland County Equalization (the City’s assessor). Taxable value is the value of property 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 2018-2019 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.
- (6) Seek methods to promote school safety.

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.

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

**Objectives:**

- (1) Improve utilization of 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.
- (5) Continue to foster a welcoming community to all people.

**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

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. Stevens, Kirinovic & Tucker P.C. have 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.<sup>1</sup>

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<sup>1</sup> 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

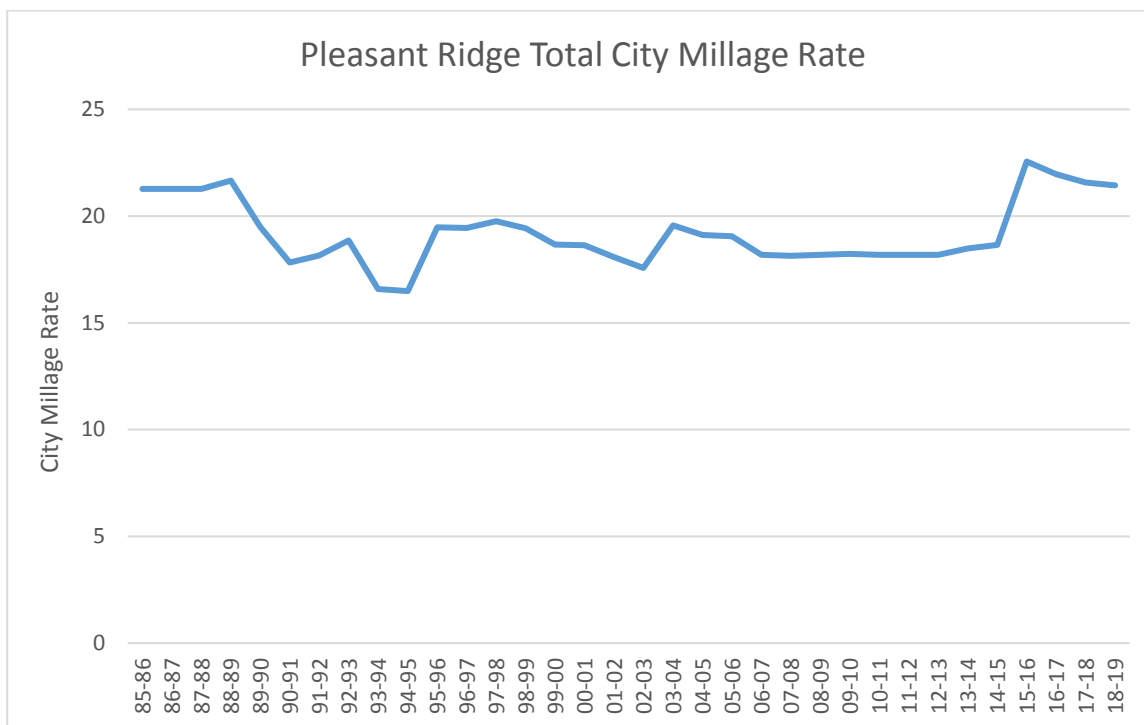
**Millage Rate Information.** The following Table 1 shows the breakdown of Pleasant Ridge millage rates from 2009 to present.

*Table 1. Pleasant Ridge Property Tax Millage Components, 2009 to Present*

	Original Amount	Expiration	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17	17-18	18-19
General Operating - Charter	20.0000	--	11.4248	11.4248	11.4248	11.4248	11.4248	11.3094	11.1363	10.8434	10.6232	10.3714
General Operating (2015)	2.9000	--							2.8556	2.7804	2.7239	2.6593
Police Pension (2018)	1.400	2032										0.3500
Infrastructure (2015)	3.0000	2034	2.4124	2.4124	2.4124	2.4124	2.4124	2.3880	2.9242	2.8472	2.7894	2.7232
Community Promotion	0.3431	--							0.2704	0.3481	0.3375	0.3200
Parks Improvement (2015)	0.7500	2024							0.7385	0.7190	0.7044	0.6877
Rubbish	3.0000	--	1.7134	1.7134	1.7134	1.7134	1.7134	1.6960	1.6700	1.6260	1.5929	1.5551
Pool Operations (2003)	1.4000	2028	1.2722	1.2722	1.2722	1.2722	1.2722	1.2593	1.2400	1.2073	1.1827	1.1546
Library (2015)	0.5000	2019	0.4100	0.3700	0.3700	0.3700	0.3700	0.4949	0.3865	0.3763	0.3687	0.3675
Pool Debt (2003)	unlimited	2028	1.0000	1.0000	1.0000	1.0000	1.3000	1.5000	1.3380	1.2123	1.2450	1.2500
<b>Total Millage</b>			<b>18.2328</b>	<b>18.1928</b>	<b>18.1928</b>	<b>18.1928</b>	<b>18.4928</b>	<b>18.6476</b>	<b>22.5595</b>	<b>21.9600</b>	<b>21.5677</b>	<b>21.4388</b>

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*



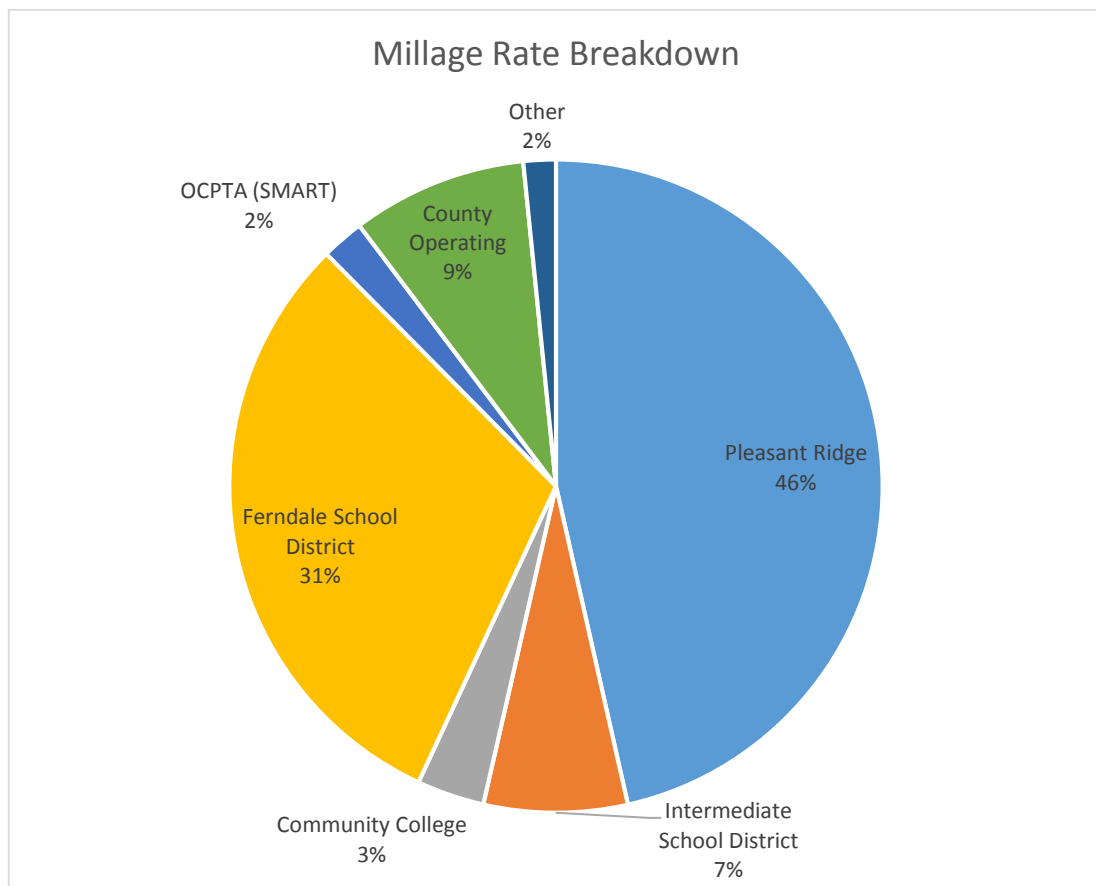
The 2018-2019 total City millage rates are reduced by 0.1289 mills compared to last year due to Headlee rollback. While the City experienced robust home sales and strong growth in sales prices, Headlee limits the City to a total tax revenue growth rate of 2.1%, requiring a rollback in local tax rates.

The community promotion millage authorized by PA 359 of 1925 (MCL 123.881) may generate up to \$50,000 annually. The 0.3200 mill levy will generate about \$48,000 for the City. The revenues are used to pay for community publications such as the Ridger, 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 2018 is expected to be about 46.1406 mills.<sup>2</sup> 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 8 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 (0.2368 mills), the Detroit Zoo (0.0972 mills), the Art Institute Authority (0.1945 mills), and the Huron Clinton Metro Parks (0.2140 mills).

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

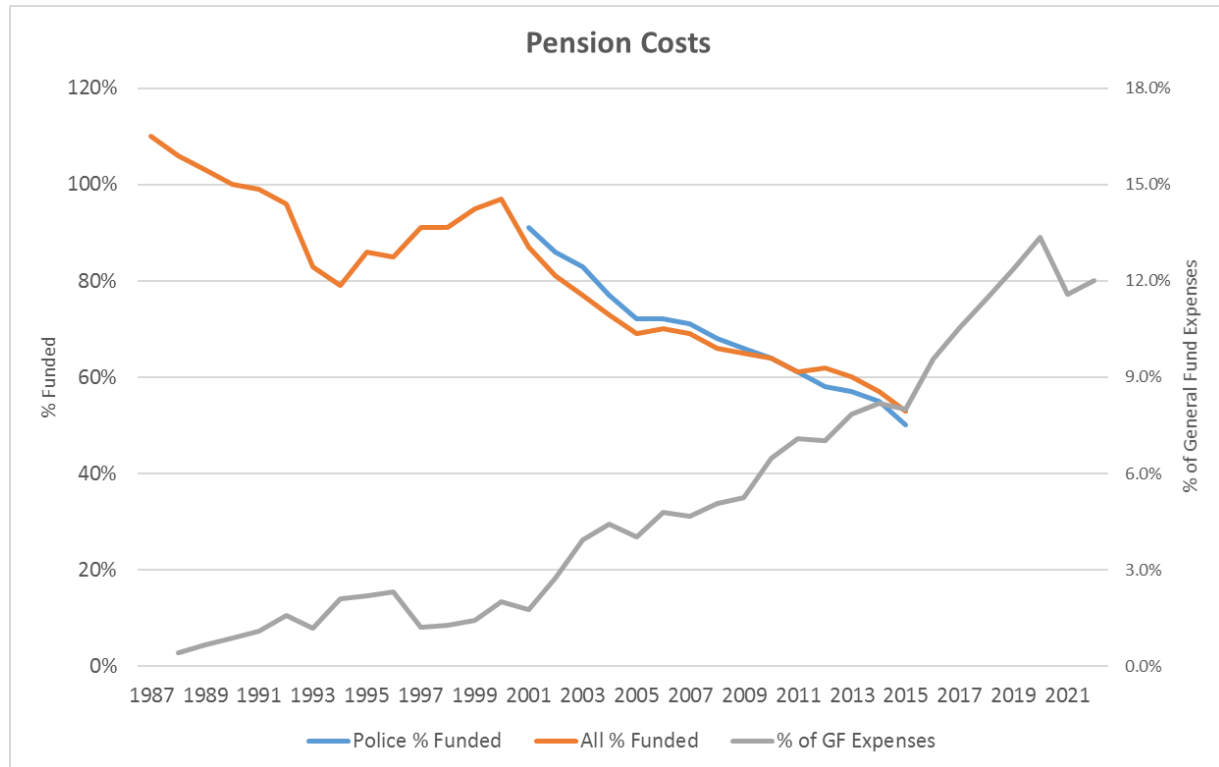


<sup>2</sup> As of the date of adoption of this budget, final tax rates for outside, non-Pleasant Ridge jurisdictions is not known. Those outside jurisdictions are also subject to Headlee Rollbacks, and their adopted tax rates have not yet been published. For the purposes of this document, the total millage rate uses estimated millage rates for non-Pleasant Ridge property taxes.

## 7. Pension Unfunded Liability

The City has had an underfunded pension fund since the early 1990s. The problem has grown steadily year over year since the early 2000s, and has become an acute financial problem in recent years. 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 close to 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 are projected to be 13.4% of total general fund expenditures.

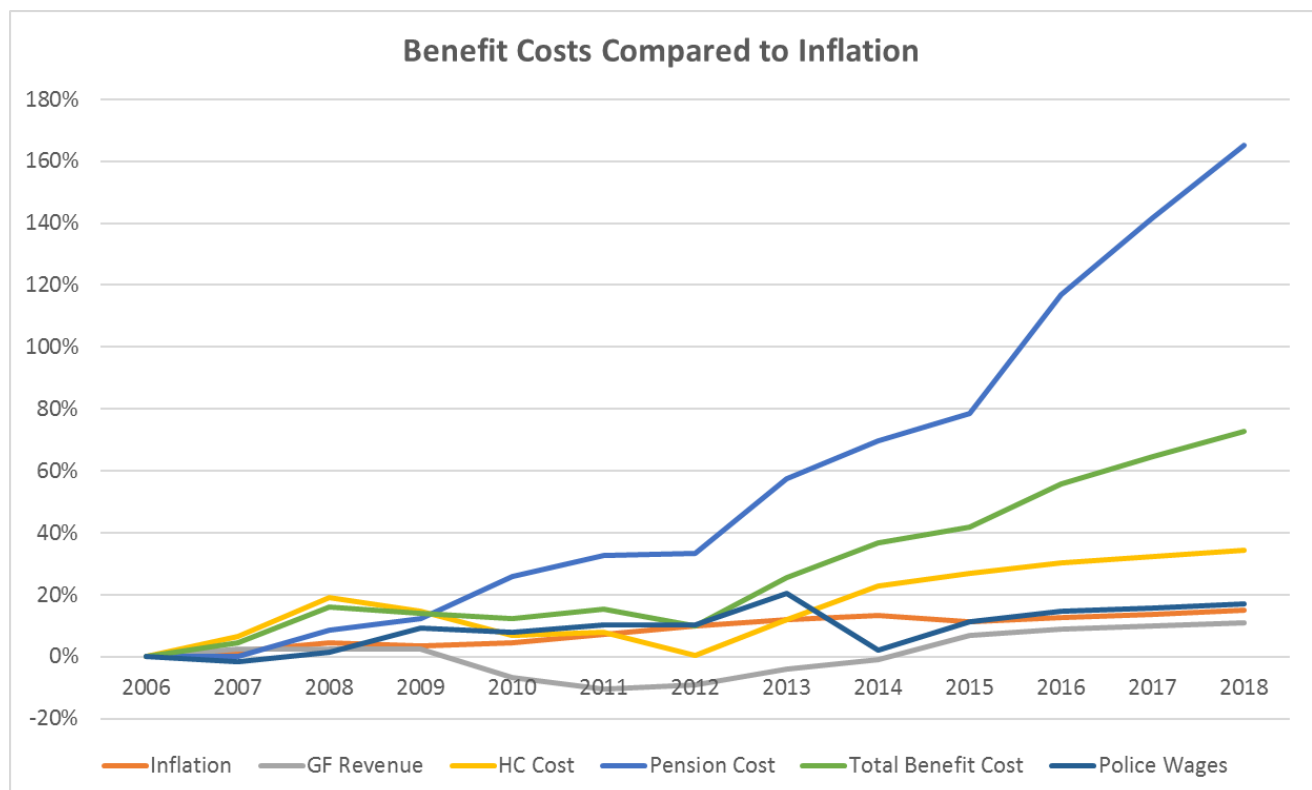
### Benefit Costs Compared to Inflation

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%<sup>3</sup>
- 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 10. Benefit Costs Compared to Inflation, 2006 to 2018



<sup>3</sup> 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

### Actions Taken 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/aav2017.pdf>

### Actuarial Accrued Liabilities and Valuation Assets As of December 31, 2017

**Table 6**

Division	Actuarial Accrued Liability	Valuation Assets <sup>1</sup>	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
<b>01 - GnrI Oth</b>				
Active Employees	\$ 0	\$ 0	0.0%	\$ 0
Vested Former Employees	255,186	52,486	20.6%	202,700
Retirees And Beneficiaries	250,929	250,929	100.0%	0
Pending Refunds	0	0	0.0%	0
<b>Total</b>	<b>\$ 506,115</b>	<b>\$ 303,415</b>	<b>59.9%</b>	<b>\$ 202,700</b>
<b>02 - Police</b>				
Active Employees	\$ 687,150	\$ 89,007	13.0%	\$ 598,143
Vested Former Employees	4,077	0	0.0%	4,077
Retirees And Beneficiaries	2,668,962	1,496,009	56.1%	1,172,953
Pending Refunds	0	0	0.0%	0
<b>Total</b>	<b>\$ 3,360,189</b>	<b>\$ 1,585,016</b>	<b>47.2%</b>	<b>\$ 1,775,173</b>
<b>10 - NonUnion</b>				
Active Employees	\$ 773,597	\$ 120,490	15.6%	\$ 653,107
Vested Former Employees	56,503	56,503	100.0%	0
Retirees And Beneficiaries	725,030	725,030	100.0%	0
Pending Refunds	0	0	0.0%	0
<b>Total</b>	<b>\$ 1,555,130</b>	<b>\$ 902,023</b>	<b>58.0%</b>	<b>\$ 653,107</b>
<b>11 - City Mgr</b>				
Active Employees	\$ 0	\$ 0	0.0%	\$ 0
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	694,742	454,922	65.5%	239,820
Pending Refunds	0	0	0.0%	0
<b>Total</b>	<b>\$ 694,742</b>	<b>\$ 454,922</b>	<b>65.5%</b>	<b>\$ 239,820</b>
<b>12 - Non-Union after 7/1/2011</b>				
Active Employees	\$ 6,412	\$ 26,312	410.4%	\$ (19,900)
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	9,438	9,438	100.0%	0
<b>Total</b>	<b>\$ 15,850</b>	<b>\$ 35,750</b>	<b>225.6%</b>	<b>\$ (19,900)</b>
<b>20 - Police as of 7/1/2011</b>				
Active Employees	\$ 66,455	\$ 55,826	84.0%	\$ 10,629
Vested Former Employees	0	0	0.0%	0
Retirees And Beneficiaries	0	0	0.0%	0
Pending Refunds	0	0	0.0%	0
<b>Total</b>	<b>\$ 66,455</b>	<b>\$ 55,826</b>	<b>84.0%</b>	<b>\$ 10,629</b>

The above table shows that the City's total unfunded liability is \$2,864,137, 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.

### **Summary of 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.

### **Police Pension Millage**

The voters approved a 1.4 mill police pension millage in November of 2017, with the first levy of 0.35 mills beginning July 1, 2018 and phasing in at an additional 0.35 mills per year until the maximum levy is reached. The millage will continue through FY2032-33.

In FY2018-19, the 0.35 mill levy is expected to generate \$52,538. The amount budgeted for police pension expenses for active and retired officers is \$185,000.

## 8. Personnel

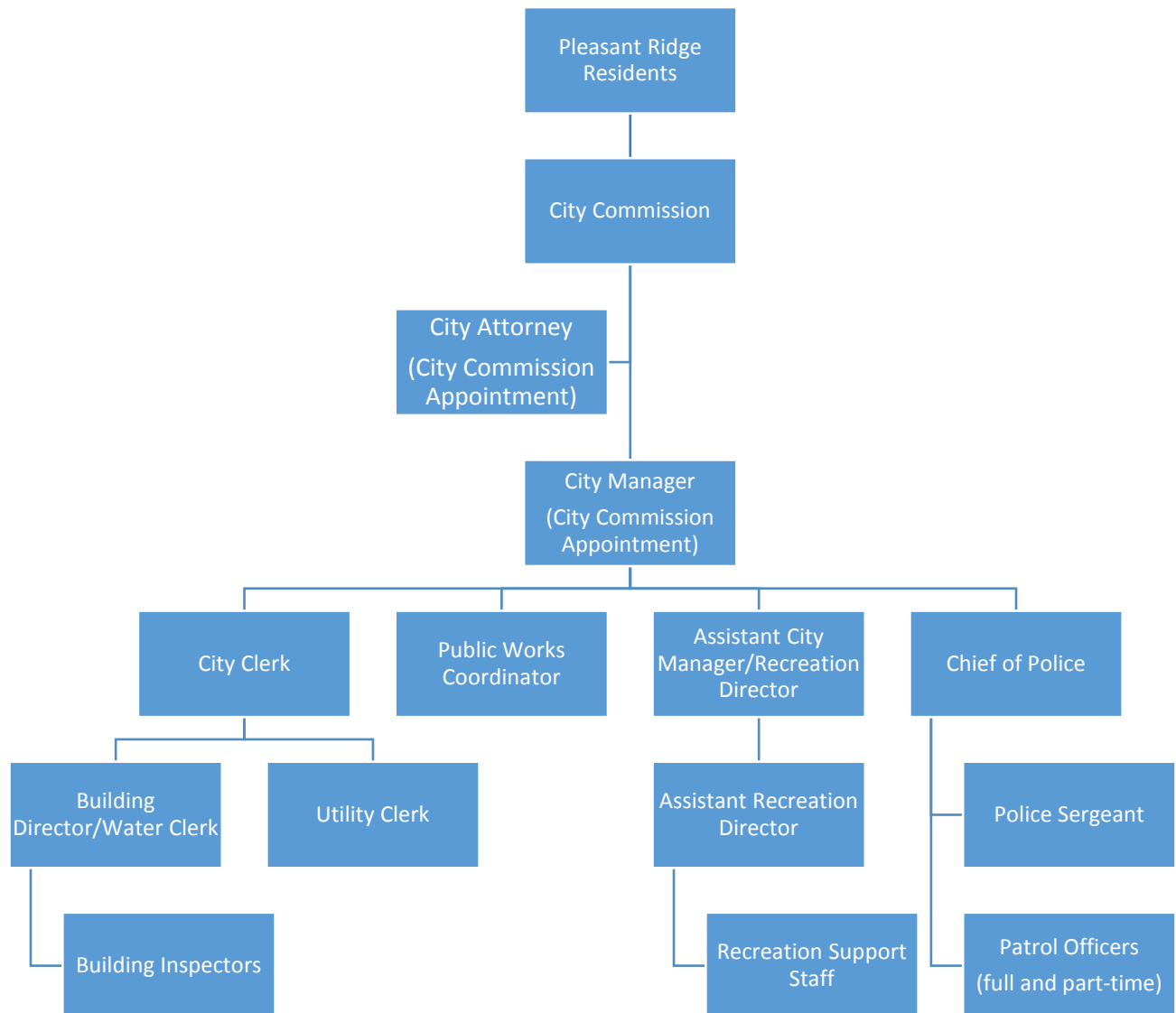
The City of Pleasant Ridge is a service-oriented organization with a large percentage of expenditures associated with staff salaries and related costs. In addition to part-time and full-time non-union employees, there is one bargaining unit - the Pleasant Ridge Police Officers Association, represented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

Position	Status	FY16-17	FY17-18	FY18-19
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	1.00	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	4.33	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
Office Clerk	Part-Time	0.00	0.00	0.25
Crossing Guard	Part-Time	0.33	0.33	0.33
Police Total		6.81	6.81	7.06
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	12.00	12.00
Part Time Positions (FTE)		4.87	4.87	5.12
All Departments		15.87	16.87	17.12



## 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 FY2018-19 budget includes revenues of \$2,835,984 and expenditures of \$2,815,178 with a projected fund balance increase of \$20,805 resulting in a fund balance percentage of 23.62%.

#### REVENUES

SOURCE	Actual 2013-14	Actual 2014-15	Actual 2016-17	Budget 2017-18	Requested 2018-19	Projected 2019-20	Projected 2020-21
Taxes and special assessments	1,510,071	1,542,534	1,998,594	2,028,116	2,126,314	2,209,412	2,294,553
Licenses and Permits	69,560	61,581	85,577	56,150	56,080	56,080	56,080
Federal and State Grants	5,569	7,979	16,095	24,920	26,000	26,000	26,000
State Shared Revenue	234,957	240,814	236,248	246,232	246,250	246,250	246,250
Charges for Services	445,529	423,505	196,409	206,915	211,540	213,581	215,652
Fines and Forfeits	39,071	40,515	33,088	56,500	62,500	62,500	62,500
Interest and Rents	14,782	7,730	13,804	8,500	8,500	8,500	8,500
Other revenue	121,381	161,883	193,334	99,500	98,800	98,800	98,800
Transfers-In	0	4,896	18	0	0	0	0
<b>REVENUE TOTAL</b>	<b>2,441,920</b>	<b>2,491,437</b>	<b>2,773,167</b>	<b>2,726,833</b>	<b>2,835,984</b>	<b>2,921,123</b>	<b>3,008,335</b>

#### EXPENDITURES

SOURCE	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT	AMOUNT
Mayor and Commission	33,028	14,897	15,631	28,050	22,300	22,300	22,300
City Manager	129,668	126,756	133,499	163,492	172,286	176,336	180,351
Elections	4,903	11,015	8,318	10,410	8,910	8,910	8,910
City Attorney	44,663	49,490	38,304	44,000	40,300	40,300	40,300
City Clerk	107,903	116,649	110,733	100,740	102,975	104,973	107,675
Information Technology	15,040	6,660	67,748	76,100	76,600	72,100	72,100
General Government	187,532	154,056	136,283	155,500	155,500	155,500	155,500
Cable TV	1,478	5,401	1,222	4,110	5,110	5,110	5,110
City Treasurer	92,116	86,433	82,606	120,305	113,920	117,856	121,216
Assessment	20,949	21,605	21,023	21,645	21,845	22,045	22,245
Police Services	841,777	785,101	777,024	1,003,005	1,054,687	1,120,270	1,192,278
Fire/Rescue	250,000	254,000	256,581	256,581	256,581	256,581	256,581
Building Department	24,658	37,297	60,349	65,150	65,059	65,399	65,743
Planning Commission	72,347	13,121	650	0	0	0	0
Public Works	150,179	125,886	196,132	202,530	220,875	225,223	228,564
Street Lighting	45,993	52,798	37,249	36,500	36,500	36,500	36,500
Recreation	400,871	363,897	425,808	392,036	396,730	407,595	411,967
Retirement Services	168,237	235,372	272,588	5,000	5,000	5,000	5,000
Transfers Out	709	1,994	77,500	52,000	60,000	50,000	50,000
<b>EXPENDITURES TOTAL</b>	<b>2,592,051</b>	<b>2,462,428</b>	<b>2,719,248</b>	<b>2,737,154</b>	<b>2,815,178</b>	<b>2,891,997</b>	<b>2,982,341</b>
Revenue over (under) expenditures	(150,131)	29,009	53,919	(10,321)	20,805	29,126	25,994
Fund Balance, beginning of the year	650,230	500,104	532,253	654,601	644,280	665,085	694,211
Fund Balance adjustments		3,144					
Fund Balance, end of the year	500,099	532,257	586,172	644,280	665,085	694,211	720,206
General Fund Balance %	19.29%	21.62%	21.56%	23.54%	23.62%	24.00%	24.15%

## 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 to grow modestly vs. fiscal year 2017-18. This modest increase is due to an allowed growth in tax revenue of 2.1% by the Headlee amendment, and as calculated by the state. Projected property tax revenue growth in future years is estimated at 1.5% annually.

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>GENERAL FUND REVENUE DETAIL</b>							
<b>Taxes and Special Assessments</b>							
101-000-401.000	Property Taxes - Operating	1,864,322	1,901,533	1,900,093	1,947,670	1,976,885	2,006,539
101-000-401.001	Chargebacks from County	0	0	(4,183)	0	0	0
101-000-401.400	Property Taxes - Police Pension Millage	0	0	0	52,314	106,197	161,685
101-000-401.500	Property Taxes - Community Promo	47,618	48,083	48,042	47,830	47,830	47,830
101-000-410.500	Delinquent Tax Collection	313	0	361	0	0	0
101-000-445.000	Interest on Taxes	19,625	10,000	15,489	10,000	10,000	10,000
101-000-447.000	Property Tax Admin Fee	68,434	68,500	70,264	68,500	68,500	68,500
	<i>Total taxes and special assessments</i>	<i>2,000,312</i>	<i>2,028,116</i>	<i>2,030,066</i>	<i>2,126,314</i>	<i>2,209,412</i>	<i>2,294,553</i>
<b>Licenses and Permits</b>							
101-000-476.000	Landlord Licenses	0	300	200	300	300	300
101-000-477.000	Electrical Permits	7,340	5,000	10,895	5,000	5,000	5,000
101-000-478.000	Building Permits	64,923	42,500	83,829	42,500	42,500	42,500
101-000-479.000	Plumbing and Mechanical Permits	12,638	7,500	15,715	7,500	7,500	7,500
101-000-480.000	Liquor License Fee Revenue	784	850	784	780	780	780
101-000-485.000	Dog Licenses	(783)	0	1,144	0	0	0
	<i>Total licenses and permits</i>	<i>84,902</i>	<i>56,150</i>	<i>112,567</i>	<i>56,080</i>	<i>56,080</i>	<i>56,080</i>
<b>Federal and State Grants</b>							
101-000-530.000	CDBG	2,968	5,000	7,345	5,000	5,000	5,000
101-000-540.000	State Grant	0	0	3,000	0	0	0
101-000-544.000	302 Training Funds	1,223	1,000	1,074	1,000	1,000	1,000
101-000-573.000	Local Community Stabilization	18,920	18,920	48,474	20,000	20,000	20,000
	<i>Total federal and state grants</i>	<i>23,111</i>	<i>24,920</i>	<i>59,893</i>	<i>26,000</i>	<i>26,000</i>	<i>26,000</i>
<b>State Shared Revenue</b>							
101-000-576.500	Sales Taxes - Statutory	46,232	46,232	30,820	46,250	46,250	46,250
101-000-576.750	Sales Taxes - Constitutional	203,183	200,000	141,090	200,000	200,000	200,000
101-000-576.751	Sales Taxes - Supplemental	0	0	1,364	0	0	0
	<i>Total state shared revenue</i>	<i>249,415</i>	<i>246,232</i>	<i>173,274</i>	<i>246,250</i>	<i>246,250</i>	<i>246,250</i>
<b>Charges for Services</b>							
101-000-607.000	NSF Fees	120	400	180	400	400	400
101-000-608.000	Registration Fees	3,008	3,000	3,585	3,000	3,000	3,000
101-000-609.000	Administrative Fees	8,225	5,000	9,490	7,500	7,500	7,500
101-000-627.000	Administrative Charges	100,000	101,384	101,384	102,308	103,398	104,505
101-000-627.100	Charges for Services - Personnel	11,755	12,555	11,860	12,555	12,743	12,934

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
101-000-627.200	Charges for Services - IT	49,580	50,026	50,027	50,777	51,539	52,312
101-000-635.000	Copying Charges	140	50	271	50	50	50
101-000-641.200	Spraying Reimbursement	514	250	0	0	0	0
101-000-641.300	Tree Planting Reimbursement	625	750	1,375	750	750	750
101-000-642.000	Sales	0	0	210	0	0	0
101-000-651.000	Use & Admission Fees	1,140	1,000	188	1,000	1,000	1,000
101-000-651.208	Admission - Dog Park	4,654	2,500	3,198	3,200	3,200	3,200
101-000-653.000	Registration Program Fees	62,781	30,000	32,221	30,000	30,000	30,000
<i>Total charges for services:</i>		<i>242,542</i>	<i>206,915</i>	<i>213,989</i>	<i>211,540</i>	<i>213,581</i>	<i>215,652</i>
<b>Fines and Forfeits</b>							
101-000-656.000	Municipal Fines	27,599	24,000	45,863	27,500	27,500	27,500
101-000-657.000	District Court Fines	28,810	32,500	36,870	35,000	35,000	35,000
<i>Total fines and forfeits:</i>		<i>56,409</i>	<i>56,500</i>	<i>82,733</i>	<i>62,500</i>	<i>62,500</i>	<i>62,500</i>
<b>Interest and Rents</b>							
101-000-665.000	Interest Income	7,350	4,000	8,103	4,000	4,000	4,000
101-000-667.000	4 Ridge Rental	4,885	4,500	4,795	4,500	4,500	4,500
<i>Total interest and rents:</i>		<i>12,235</i>	<i>8,500</i>	<i>12,898</i>	<i>8,500</i>	<i>8,500</i>	<i>8,500</i>
<b>Other Revenue</b>							
101-000-670.000	Cable Franchise and PEG Fees	88,361	60,000	50,086	60,000	60,000	60,000
101-000-671.000	Miscellaneous Other Revenues	24,216	5,000	11,732	5,000	5,000	5,000
101-000-674.000	Zoning Board of Appeal Fees	0	0	200	0	0	0
101-000-675.000	Contributions & Donations	12,019	5,000	5,000	5,000	5,000	5,000
101-000-679.000	Refunds & Rebates	26,292	24,500	26,434	24,500	24,500	24,500
101-000-679.300	Refunds & Rebates - Public Safety	7,789	4,000	4,559	4,000	4,000	4,000
101-000-681.000	Sidewalk Replacement/residents	3,250	0	0	0	0	0
101-000-696.000	Bond & Insurance Recoveries	0	1,000	362	300	300	300
<i>Total other revenue:</i>		<i>161,927</i>	<i>99,500</i>	<i>98,373</i>	<i>98,800</i>	<i>98,800</i>	<i>98,800</i>
<b>Transfers-In</b>							
101-000-699.351	Transfers In - Debt Service	9	0	0	0	0	0
<i>Total transfers-in:</i>		<i>9</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>TOTAL REVENUES</b>		<b>2,830,862</b>	<b>2,726,833</b>	<b>2,783,793</b>	<b>2,835,984</b>	<b>2,921,123</b>	<b>3,008,335</b>

## 101. General Fund Expenditures

Account Number	Description	Actual 2016-17	Amended 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>GENERAL FUND APPROPRIATIONS</b>							
<b>Department 101 - Mayor and Commission</b>							
101-101-715.000	Worker's Compensation	52	50	47	50	50	50
101-101-955.000	Miscellaneous Expenses	7,290	20,500	20,279	15,000	15,000	15,000
101-101-956.000	Conferences and Workshops	292	1,000	95	750	750	750
101-101-958.000	Memberships and Dues	6,600	6,500	5,599	6,500	6,500	6,500
<i>Totals for Department 101 - Mayor and Commission</i>		<b>14,234</b>	<b>28,050</b>	<b>26,020</b>	<b>22,300</b>	<b>22,300</b>	<b>22,300</b>
<b>Department 172 - City Manager</b>							
101-172-702.000	Administration Wages	93,147	92,737	83,144	97,350	98,810	100,292
101-172-711.000	Social Security & Medicare	7,967	8,000	7,128	7,500	7,613	7,727
101-172-712.000	Medical Insurance	4,861	6,150	4,538	6,150	6,150	6,150
101-172-712.003	Medical Insurance - Retirees	14,441	14,000	8,235	14,000	14,500	15,000
101-172-712.004	Medical Insurance - Retiree Cont.	(5,664)	(1,400)	(594)	(600)	(600)	(600)
101-172-712.006	Medical Insurance - HSA (Retirees)	950	950	0	950	950	950
101-172-713.000	Life Insurance	1,012	1,050	1,004	1,050	1,050	1,050
101-172-714.003	Retirement - DB (Retirees)	10,164	13,215	11,010	16,596	18,281	19,903
101-172-714.500	Retirement - DC (Active Employees)	19,572	19,500	17,503	19,500	19,793	20,089
101-172-715.000	Worker's Compensation	64	50	58	50	50	50
101-172-716.000	Unemployment Compensation	23	40	19	40	40	40
101-172-720.000	Tuition, Training and Education	0	100	0	100	100	100
101-172-731.000	Operating Supplies	19	100	0	100	100	100
101-172-790.000	Books & Periodicals	253	500	99	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	Conferences and Workshops	37	1,500	0	2,000	2,000	2,000
101-172-958.000	Memberships and Dues	698	1,000	717	1,000	1,000	1,000
<i>Totals for Department 172 - City Manager</i>		<b>153,544</b>	<b>163,492</b>	<b>138,361</b>	<b>172,286</b>	<b>176,336</b>	<b>180,351</b>
<b>Department 191 - Elections</b>							
101-191-704.000	Part-Time Wages	3,923	4,000	2,008	4,000	4,000	4,000
101-191-715.000	Worker's Compensation	13	10	12	10	10	10
101-191-728.000	Postage	350	400	0	400	400	400
101-191-731.000	Operating Supplies	1,534	4,000	2,400	3,000	3,000	3,000
101-191-809.000	Contractual Services	1,280	2,000	966	1,500	1,500	1,500
<i>Totals for Department 191 - Elections</i>		<b>7,100</b>	<b>10,410</b>	<b>5,386</b>	<b>8,910</b>	<b>8,910</b>	<b>8,910</b>
<b>Department 210 - City Attorney</b>							
101-210-815.000	City Attorney Services	29,918	38,000	25,317	32,500	32,500	32,500
101-210-815.250	Court Prosecutions	1,219	6,000	5,188	7,500	7,500	7,500
101-210-815.500	Labor Relations Attorney	0	0	124	300	300	300
<i>Totals for Department 210 - City Attorney</i>		<b>31,137</b>	<b>44,000</b>	<b>30,629</b>	<b>40,300</b>	<b>40,300</b>	<b>40,300</b>
<b>Department 215 - City Clerk</b>							
101-215-702.000	Administration Wages	72,555	70,165	64,066	73,350	74,450	75,567
101-215-711.000	Social Security & Medicare	5,393	5,650	4,793	5,650	5,735	5,821
101-215-712.000	Medical Insurance	12,032	7,750	6,566	7,750	7,983	8,222

Account Number	Description	Actual 2016-17	Amended 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
101-215-712.001	Medical Insurance - Employee Cont.	(1,076)	(775)	(393)	(775)	(798)	(822)
101-215-712.005	Medical Insurance - HSA	1,900	1,900	475	950	1,900	1,900
101-215-713.000	Life Insurance	151	195	156	195	195	195
101-215-714.000	Retirement - DB (Active Employees)	10,481	13,100	10,872	13,100	12,754	14,038
101-215-715.000	Worker's Compensation	148	125	135	125	125	125
101-215-716.000	Unemployment Compensation	15	30	13	30	30	30
101-215-731.000	Operating Supplies	1,050	1,250	941	1,250	1,250	1,250
101-215-861.000	Mileage Allowance	394	200	236	200	200	200
101-215-955.000	Miscellaneous Expenses	0	100	12	100	100	100
101-215-956.000	Conferences and Workshops	186	750	709	750	750	750
101-215-958.000	Memberships and Dues	245	300	245	300	300	300
<i>Totals for Department 215 - City Clerk</i>		<i>103,474</i>	<i>100,740</i>	<i>88,826</i>	<i>102,975</i>	<i>104,973</i>	<i>107,675</i>
<b>Department 228 - Information Technology</b>							
101-228-809.000	Contractual Services	9,892	18,000	13,455	16,500	12,000	12,000
101-228-851.000	Communications	40,956	42,500	31,945	42,500	42,500	42,500
101-228-928.000	Software Maintenance	6,061	6,000	7,063	6,000	6,000	6,000
101-228-970.000	Capital Outlay	0	3,500	6,781	5,500	5,500	5,500
101-228-983.000	Leased Assets	1,185	6,100	4,273	6,100	6,100	6,100
<i>Totals for Department 228 - Information Technology</i>		<i>58,094</i>	<i>76,100</i>	<i>63,517</i>	<i>76,600</i>	<i>72,100</i>	<i>72,100</i>
<b>Department 248 - General Government</b>							
101-248-727.000	Office Supplies	4,010	6,000	6,541	6,000	6,000	6,000
101-248-728.000	Postage	2,499	3,000	2,161	3,000	3,000	3,000
101-248-731.000	Operating Supplies	2,824	8,500	5,073	7,500	7,500	7,500
101-248-734.000	Building Maintenance Supplies	0	200	0	200	200	200
101-248-803.000	Janitorial Contract	2,338	3,000	2,143	3,000	3,000	3,000
101-248-809.000	Contractual Services	4,920	4,000	6,122	6,500	6,500	6,500
101-248-809.002	Payroll Administration	10,363	10,500	7,972	10,500	10,500	10,500
101-248-809.600	Contractual Services (Flag)	0	300	0	300	300	300
101-248-880.000	Community Promotion	16,338	16,500	11,869	16,500	16,500	16,500
101-248-900.000	Printing & Publishing	12,472	14,000	2,657	5,000	5,000	5,000
101-248-910.000	Insurance & Bonds	54,694	56,000	60,437	60,000	60,000	60,000
101-248-920.000	Public Utilities	14,073	18,000	14,528	16,000	16,000	16,000
101-248-929.000	Equipment Maintenance	1,339	500	39	500	500	500
101-248-931.000	Building Maintenance	13,028	10,000	15,398	15,000	15,000	15,000
101-248-955.000	Miscellaneous Expenses	8,923	5,000	328	5,000	5,000	5,000
101-248-970.000	Capital Outlay	634	0	0	500	500	500
101-248-983.000	Leased Assets	4,232	0	0	0	0	0
<i>Totals for Department 248 - General Government</i>		<i>152,687</i>	<i>155,500</i>	<i>135,268</i>	<i>155,500</i>	<i>155,500</i>	<i>155,500</i>
<b>Department 249 - Cable TV</b>							
101-249-715.000	Worker's Compensation	4	10	9	10	10	10
101-249-731.000	Operating Supplies	1,075	1,500	0	1,500	1,500	1,500
101-249-809.000	Contractual Services	800	1,400	2,200	2,400	2,400	2,400
101-249-958.000	Memberships and Dues	1,190	1,200	1,190	1,200	1,200	1,200
<i>Totals for Department 249 - Cable TV</i>		<i>3,069</i>	<i>4,110</i>	<i>3,399</i>	<i>5,110</i>	<i>5,110</i>	<i>5,110</i>

## C. General Fund

### 101. General Fund Expenditures

Account Number	Description	Actual 2016-17	Amended 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Department 253 - City Treasurer</b>							
101-253-714.003	Retirement - DB (Retirees)	20,962	26,205	21,744	24,000	26,436	28,782
101-253-715.000	Worker's Compensation	52	0	0	0	0	0
101-253-801.000	Audit Contract	17,500	23,700	23,700	18,500	19,000	19,000
101-253-809.001	Accounting Services	65,200	65,250	59,433	66,620	67,620	68,634
101-253-890.000	Service Charges	5,012	4,500	1,922	4,500	4,500	4,500
101-253-905.000	Printing Checks	0	0	253	0	0	0
101-253-954.000	Overage/shortage	0	50	0	50	50	50
101-253-955.000	Miscellaneous Expenses	20	500	115	200	200	200
101-253-960.100	Credit Card Service Charge	10	100	10	50	50	50
<i>Totals for Department 253 - City Treasurer</i>		<i>108,756</i>	<i>120,305</i>	<i>107,177</i>	<i>113,920</i>	<i>117,856</i>	<i>121,216</i>
<b>Department 254 - Assessing</b>							
101-254-702.000	Administration Wages	300	300	480	300	300	300
101-254-711.000	Social Security & Medicare	23	25	37	25	25	25
101-254-804.000	County Assessor Fees	19,403	19,300	0	19,500	19,700	19,900
101-254-901.000	Printing Tax Bills	1,318	2,000	1,010	2,000	2,000	2,000
101-254-956.000	Conferences and Workshops	20	20	43	20	20	20
<i>Totals for Department 254 - Assessment</i>		<i>21,064</i>	<i>21,645</i>	<i>1,570</i>	<i>21,845</i>	<i>22,045</i>	<i>22,245</i>
<b>Department 301 - Police Services</b>							
101-301-702.000	Administration Wages	77,386	74,848	67,041	80,300	81,505	82,727
101-301-703.000	Overtime	17,056	15,000	11,762	17,500	17,500	17,500
101-301-704.000	Part-Time Wages	40,166	32,000	56,741	50,000	50,000	50,000
101-301-705.000	Full Time Wages	332,223	307,500	234,215	330,500	337,110	343,852
101-301-708.000	Crossing Guard Wages	3,580	3,600	2,980	3,600	3,654	3,709
101-301-711.000	Social Security & Medicare	21,363	20,000	21,079	22,400	22,400	22,400
101-301-712.000	Medical Insurance	79,779	81,500	71,656	81,500	84,760	88,150
101-301-712.001	Medical Insurance - Employee Cont.	(7,571)	(8,150)	(3,346)	(8,150)	(8,476)	(8,815)
101-301-712.002	Retirement - HCSP	0	0	2,317	4,000	0	0
101-301-712.003	Medical Insurance - Retirees	161,896	150,000	131,496	130,000	135,850	141,963
101-301-712.004	Medical Insurance - Retiree Cont.	(12,356)	(12,000)	(13,956)	(10,400)	(10,868)	(11,357)
101-301-712.005	Medical Insurance - HSA	8,550	8,550	5,225	10,450	8,550	8,550
101-301-712.006	Medical Insurance - HSA (Retirees)	8,550	8,550	713	8,550	8,550	8,550
101-301-713.000	Life Insurance	981	1,200	819	7,200	7,200	7,200
101-301-714.000	Retirement - DB (Active Employees)	49,022	63,500	41,294	67,500	77,500	95,000
101-301-714.003	Retirement - DB (Retirees)	107,741	117,300	115,727	117,500	160,000	195,000
101-301-714.500	Retirement - DC (Active Employees)	2,843	3,100	111	3,100	3,200	3,300
101-301-715.000	Worker's Compensation	7,036	6,000	6,423	6,000	6,000	6,000
101-301-716.000	Unemployment Compensation	84	200	70	200	200	200
101-301-718.000	Uniform Allowance	2,690	4,500	3,719	4,500	4,500	4,500
101-301-718.100	Uniform Cleaning Allowance	2,850	3,450	3,950	4,000	4,000	4,000
101-301-720.000	Tuition, Training and Education	1,468	4,000	7,071	5,000	5,000	5,000
101-301-720.500	302 Training Funds	696	1,000	0	650	650	650
101-301-727.000	Office Supplies	2,526	1,500	3,464	1,500	1,500	1,500
101-301-731.000	Operating Supplies	18,438	14,000	15,464	14,000	15,000	16,000
101-301-751.000	Gas & Oil	14,823	16,500	13,988	16,500	16,748	16,999
101-301-790.000	Books & Periodicals	0	0	13	0	0	0
101-301-803.000	Janitorial Contract	3,506	3,500	3,214	3,500	3,500	3,500
101-301-809.000	Contractual Services	1,371	1,500	900	1,500	1,500	1,500
101-301-809.200	Clemis/LEIN Services	11,522	11,500	12,811	12,000	12,500	13,000



Account Number	Description	Actual 2016-17	Amended 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
101-301-809.911	Dispatch Contract	40,540	40,500	39,000	41,350	41,970	42,600
101-301-827.200	Charges for Services - IT	5,260	5,307	5,307	5,387	5,467	5,549
101-301-929.000	Equipment Maintenance	107	1,500	1,386	1,500	1,500	1,500
101-301-930.000	Vehicle Maintenance	6,994	8,500	16,940	8,500	8,500	8,500
101-301-955.000	Miscellaneous Expenses	659	500	239	500	500	500
101-301-956.000	Conferences and Workshops	1,097	1,250	248	1,250	1,250	1,250
101-301-958.000	Memberships and Dues	285	300	964	300	300	300
101-301-970.000	Capital Outlay	14,038	11,000	3,312	11,000	11,250	11,500
101-301-995.100	Interest: Governmental Debt	464	0	238	0	0	0
<i>Totals for Department 301 - Police Services</i>		<i>1,027,663</i>	<i>1,003,005</i>	<i>884,595</i>	<i>1,054,687</i>	<i>1,120,270</i>	<i>1,192,278</i>
<b>Department 339 - Fire/Rescue</b>							
101-339-802.000	Fire Services Contract	256,581	256,581	256,581	256,581	256,581	256,581
<i>Totals for Department 339 - Fire/Rescue</i>		<i>256,581</i>	<i>256,581</i>	<i>256,581</i>	<i>256,581</i>	<i>256,581</i>	<i>256,581</i>
<b>Department 371 - Community Development</b>							
101-371-715.000	Worker's Compensation	19	25	17	25	25	25
101-371-731.000	Operating Supplies	0	0	67	0	0	0
101-371-809.000	Contractual Services	23,775	20,500	7,605	20,000	20,000	20,000
101-371-811.000	Electrical Inspector Fees	1,950	2,000	1,650	2,000	2,000	2,000
101-371-812.000	Mechanical Inspector Fees	5,104	5,000	5,679	5,250	5,250	5,250
101-371-813.000	Building Inspector Fees	15,600	14,400	13,200	14,400	14,400	14,400
101-371-827.100	Charges for Services - Personnel	11,755	11,860	11,860	11,860	12,038	12,218
101-371-827.200	Charges for Services - IT	10,520	10,615	10,615	10,774	10,936	11,100
101-371-955.000	Miscellaneous Expenses	1,236	750	18	750	750	750
101-371-970.000	Capital Outlay	100	0	0	0	0	0
<i>Totals for Department 371 - Community Development</i>		<i>70,059</i>	<i>65,150</i>	<i>50,711</i>	<i>65,059</i>	<i>65,399</i>	<i>65,743</i>
<b>Department 440 - Public Works</b>							
101-440-702.000	Administration Wages	22,548	24,745	20,141	25,500	25,883	26,271
101-440-711.000	Social Security & Medicare	1,617	1,775	1,498	1,775	1,802	1,829
101-440-712.000	Medical Insurance	5,650	6,500	11,745	12,100	12,584	13,087
101-440-712.001	Medical Insurance - Employee Cont.	(565)	(650)	(969)	(1,210)	(1,258)	(1,309)
101-440-712.003	Medical Insurance - Retirees	3,041	6,000	3,363	6,000	6,180	6,365
101-440-712.005	Medical Insurance - HSA	1,900	1,900	475	950	1,900	1,900
101-440-713.000	Life Insurance	85	60	77	60	60	60
101-440-714.003	Retirement - DB (Retirees)	18,231	22,900	16,815	22,900	25,224	27,463
101-440-714.500	Retirement - DC (Active Employees)	2,243	3,250	3,063	3,250	3,299	3,348
101-440-731.000	Operating Supplies	2,958	4,000	3,569	3,000	3,000	3,000
101-440-809.110	Contractual Services - General	7,510	0	0	0	0	0
101-440-809.130	Contractual Services - Parks	115,639	0	0	0	0	0
101-440-809.140	Contractual Services - Facilities	13,001	0	0	0	0	0
101-440-810.000	Public Works Contract	0	110,000	95,526	127,500	127,500	127,500
101-440-920.000	Public Utilities	0	0	2,261	0	0	0
101-440-955.000	Miscellaneous Expenses	5,953	4,000	1,295	4,000	4,000	4,000
101-440-958.000	Memberships and Dues	20	50	20	50	50	50
101-440-970.000	Capital Outlay	6,244	18,000	0	15,000	15,000	15,000
<i>Totals for Department 440 - Public Works</i>		<i>206,075</i>	<i>202,530</i>	<i>158,879</i>	<i>220,875</i>	<i>225,223</i>	<i>228,564</i>

# C. General Fund

## 101. General Fund Expenditures

Account Number	Description	Actual 2016-17	Amended 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Department 448 - Street Lighting</b>							
101-448-921.000	Streetlighting	30,015	36,500	28,522	36,500	36,500	36,500
<i>Totals for Department 448 - Street Lighting</i>		<i>30,015</i>	<i>36,500</i>	<i>28,522</i>	<i>36,500</i>	<i>36,500</i>	<i>36,500</i>
<b>Department 750 - Recreation</b>							
101-750-702.000	Administration Wages	116,610	115,525	103,434	125,000	126,875	128,778
101-750-704.000	Part-Time Wages	42,952	35,000	24,322	30,000	30,000	30,000
101-750-711.000	Social Security & Medicare	13,609	11,000	9,517	11,000	11,000	11,000
101-750-712.000	Medical Insurance	23,272	22,000	21,757	23,500	24,440	25,418
101-750-712.001	Medical Insurance - Employee Cont.	(2,251)	(2,200)	(1,564)	(2,350)	(2,444)	(2,542)
101-750-712.002	Retirement - HCSP	0	0	870	1,000	0	0
101-750-712.005	Medical Insurance - HSA	3,800	3,800	1,900	3,800	3,800	3,800
101-750-713.000	Life Insurance	340	350	312	350	350	350
101-750-714.000	Retirement - DB (Active Employees)	12,168	14,400	12,136	15,000	16,523	17,989
101-750-715.000	Worker's Compensation	2,511	2,100	2,294	2,100	2,100	2,100
101-750-716.000	Unemployment Compensation	21	50	18	50	50	50
101-750-720.000	Tuition, Training and Education	0	750	600	750	750	750
101-750-727.000	Office Supplies	5,850	3,500	3,591	3,500	3,500	3,500
101-750-728.000	Postage	0	0	900	0	0	0
101-750-728.500	Newsletter Delivery	1,895	2,000	(295)	750	750	750
101-750-729.000	Recreation Program Supplies	9,408	11,500	11,476	10,000	10,000	10,000
101-750-730.000	Special Program Supplies	45,888	36,500	36,489	37,500	37,500	37,500
101-750-731.000	Operating Supplies	7,458	6,500	11,541	7,500	7,500	7,500
101-750-803.000	Janitorial Contract	12,175	11,050	11,049	12,100	12,100	12,100
101-750-803.700	Exterminator Service	519	750	611	600	600	600
101-750-809.000	Contractual Services	28,163	30,000	31,316	32,000	32,000	32,000
101-750-827.200	Charges for Services - IT	7,890	7,961	7,961	8,080	8,202	8,325
101-750-861.000	Mileage Allowance	316	500	156	500	500	500
101-750-883.000	Sports	6,696	6,000	11,858	7,500	7,500	7,500
101-750-890.000	Service Charges	0	0	108	0	0	0
101-750-920.000	Public Utilities	23,873	25,000	25,246	24,500	24,500	24,500
101-750-929.000	Equipment Maintenance	1,105	2,500	1,385	2,500	2,500	2,500
101-750-931.000	Building Maintenance	17,772	10,000	9,573	10,000	10,000	10,000
101-750-934.000	Parks Maintenance	2,209	6,000	3,161	5,000	5,000	5,000
101-750-955.000	Miscellaneous Expenses	(17)	0	0	0	0	0
101-750-956.000	Conferences and Workshops	1,318	1,500	45	1,500	1,500	1,500
101-750-958.000	Memberships and Dues	435	500	603	500	500	500
101-750-961.000	Misc Program Supplies	0	0	13,436	0	0	0
101-750-970.000	Capital Outlay	20,892	27,500	11,639	22,500	30,000	30,000
<i>Totals for Department 750 - Recreation</i>		<i>406,877</i>	<i>392,036</i>	<i>367,445</i>	<i>396,730</i>	<i>407,595</i>	<i>411,967</i>
<b>Department 863 - Retirement Services</b>							
101-863-714.002	OPEB Trust Contributions	5,000	5,000	5,000	5,000	5,000	5,000
<i>Totals for Department 863 - Retirement Services</i>		<i>5,000</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>	<i>5,000</i>
<b>Department 966 - Transfers Out</b>							
101-966-999.251	Transfers Out - Pool Operating	0	15,000	0	0	0	0
101-966-999.401	Transfers Out - Capital Improvement	107,000	37,000	37,000	60,000	50,000	50,000
<i>Totals for Department 966 - Transfers Out</i>		<i>107,000</i>	<i>52,000</i>	<i>37,000</i>	<i>60,000</i>	<i>50,000</i>	<i>50,000</i>

Account Number	Description	Actual 2016-17	Amended 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>TOTAL APPROPRIATIONS</b>		<b>2,762,429</b>	<b>2,737,154</b>	<b>2,388,886</b>	<b>2,815,178</b>	<b>2,891,997</b>	<b>2,982,341</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 101</b>		68,433	(10,321)	394,907	20,805	29,126	25,994
<b>BEGINNING FUND BALANCE</b>		586,168	654,601	654,601	644,280	665,085	694,211
<b>FUND BALANCE ADJUSTMENTS</b>		0	0	0	0	0	0
<b>ENDING FUND BALANCE</b>		<b>654,601</b>	<b>644,280</b>	<b>1,049,508</b>	<b>665,085</b>	<b>694,211</b>	<b>720,206</b>
		23.7%	23.5%	43.9%	23.6%	24.0%	24.1%

## 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 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>FUND 202 - MAJOR STREET FUND</b>							
<b>REVENUES</b>							
202-000-579.000	Act 51 Gas Tax Funding	141,781	161,040	140,088	170,000	172,550	175,138
202-000-665.000	Interest Income	53	50	32	50	50	50
<b>TOTAL REVENUES</b>		<b>141,834</b>	<b>161,090</b>	<b>140,120</b>	<b>170,050</b>	<b>172,600</b>	<b>175,188</b>
<b>APPROPRIATIONS</b>							
<b>Department 463 - Street Maintenance</b>							
202-463-731.000	Operating Supplies	1,212	4,000	502	4,000	4,000	4,000
202-463-810.000	Public Works Contract	13,036	17,500	23,138	20,000	20,000	20,000
<i>Totals for Department 463 - Street Maintenance</i>		<i>14,248</i>	<i>21,500</i>	<i>23,640</i>	<i>24,000</i>	<i>24,000</i>	<i>24,000</i>
<b>Department 474 - Traffic Services</b>							
202-474-731.000	Operating Supplies	1,175	3,500	0	3,500	3,500	3,500
202-474-810.000	Public Works Contract	4,928	5,000	0	5,000	5,000	5,000
202-474-935.000	Traffic Control	4,118	4,500	3,638	4,500	4,500	4,500
<i>Totals for Department 474 - Traffic Services</i>		<i>10,221</i>	<i>13,000</i>	<i>3,638</i>	<i>13,000</i>	<i>13,000</i>	<i>13,000</i>
<b>Department 478 - Winter Services</b>							
202-478-731.000	Operating Supplies	2,571	10,000	10,610	10,000	10,000	10,000
202-478-810.000	Public Works Contract	16,844	20,000	32,426	20,000	20,000	20,000
<i>Totals for Department 478 - Winter Services</i>		<i>19,415</i>	<i>30,000</i>	<i>43,036</i>	<i>30,000</i>	<i>30,000</i>	<i>30,000</i>
<b>Department 910 - Capital Assets</b>							
202-910-970.446	Capital Outlay - Streets & Alleys	55,487	25,000	4,681	30,000	30,000	30,000
<i>Totals for Department 910 - Capital Assets</i>		<i>55,487</i>	<i>25,000</i>	<i>4,681</i>	<i>30,000</i>	<i>30,000</i>	<i>30,000</i>
<b>Department 920 - Administration</b>							
202-920-827.000	Administrative Service Charges	11,515	11,500	11,500	11,500	11,500	11,500
202-920-890.000	Service Charges	379	500	0	500	500	500
202-920-955.000	Miscellaneous Expenses	1,223	2,000	0	2,000	2,000	2,000
<i>Totals for Department 920 - Administration</i>		<i>13,117</i>	<i>14,000</i>	<i>11,500</i>	<i>14,000</i>	<i>14,000</i>	<i>14,000</i>
<b>Department 966 - Transfers Out</b>							
202-966-999.203	Transfers Out - Local Streets	70,000	45,000	45,000	45,000	45,000	45,000
<i>Totals for Department 966 - Transfers Out</i>		<i>70,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>
<b>TOTAL APPROPRIATIONS</b>		<b>182,488</b>	<b>148,500</b>	<b>131,495</b>	<b>156,000</b>	<b>156,000</b>	<b>156,000</b>

D. Special Revenue Funds  
202. Major Street Fund

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
NET OF REVENUES/APPROPRIATIONS - FUND 202		(40,654)	12,590	8,625	14,050	16,600	19,188
BEGINNING FUND BALANCE		85,321	44,667	44,667	57,257	71,307	87,907
ENDING FUND BALANCE		44,667	57,257	53,292	71,307	87,907	107,095

## D. Special Revenue Funds

### 203. Local Street Fund

#### 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 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 203 - LOCAL STREET FUND</b>							
<b>REVENUES</b>							
203-000-574.048	METRO Act	8,004	5,800	500	7,500	7,500	7,500
203-000-579.000	Act 51 Gas Tax Funding	48,356	54,916	47,784	59,500	60,393	61,298
203-000-665.000	Interest Income	43	40	45	40	40	40
203-000-679.000	Refunds & Rebates	5,627	0	0	0	0	0
203-000-699.202	Transfers In - Major Streets	70,000	45,000	45,000	45,000	45,000	45,000
<b>TOTAL REVENUES</b>		<b>132,030</b>	<b>105,756</b>	<b>93,329</b>	<b>112,040</b>	<b>112,933</b>	<b>113,838</b>
<b>APPROPRIATIONS</b>							
<b>Department 463 - Street Maintenance</b>							
203-463-731.000	Operating Supplies	715	1,000	377	1,000	1,000	1,000
203-463-810.000	Public Works Contract	14,459	12,500	18,842	17,500	17,500	17,500
<i>Totals for Department 463 - Street Maintenance</i>		<i>15,174</i>	<i>13,500</i>	<i>19,219</i>	<i>18,500</i>	<i>18,500</i>	<i>18,500</i>
<b>Department 474 - Traffic Services</b>							
203-474-731.000	Operating Supplies	2,984	2,500	478	3,000	3,000	3,000
203-474-810.000	Public Works Contract	3,353	5,000	0	4,000	4,000	4,000
<i>Totals for Department 474 - Traffic Services</i>		<i>6,337</i>	<i>7,500</i>	<i>478</i>	<i>7,000</i>	<i>7,000</i>	<i>7,000</i>
<b>Department 478 - Winter Services</b>							
203-478-731.000	Operating Supplies	3,857	12,000	8,124	12,000	12,000	12,000
203-478-810.000	Public Works Contract	25,266	27,500	48,639	27,500	27,500	27,500
<i>Totals for Department 478 - Winter Services</i>		<i>29,123</i>	<i>39,500</i>	<i>56,763</i>	<i>39,500</i>	<i>39,500</i>	<i>39,500</i>
<b>Department 910 - Capital Assets</b>							
203-910-970.446	Capital Outlay - Streets & Alleys	92,841	25,000	3,121	30,000	30,000	30,000
<i>Totals for Department 910 - Capital Assets</i>		<i>92,841</i>	<i>25,000</i>	<i>3,121</i>	<i>30,000</i>	<i>30,000</i>	<i>30,000</i>
<b>Department 920 - Administration</b>							
203-920-814.000	Engineering Services	1,288	2,000	0	2,000	2,000	2,000
203-920-827.000	Administrative Service Charges	3,219	3,900	3,900	3,900	3,900	3,900
203-920-890.000	Service Charges	230	300	0	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>4,737</i>	<i>7,200</i>	<i>3,900</i>	<i>7,200</i>	<i>7,200</i>	<i>7,200</i>
<b>TOTAL APPROPRIATIONS</b>		<b>148,212</b>	<b>92,700</b>	<b>83,481</b>	<b>102,200</b>	<b>102,200</b>	<b>102,200</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 203</b>							
		(16,182)	13,056	9,848	9,840	10,733	11,638
<b>BEGINNING FUND BALANCE</b>		45,428	29,246	29,246	42,302	52,142	62,875
<b>ENDING FUND BALANCE</b>		29,246	42,302	39,094	52,142	62,875	74,513

## 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 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 218 - INFRASTRUCTURE IMPROVEMENTS</b>							
<b>ESTIMATED REVENUES</b>							
218-000-406.000	Infrastructure Taxes	389,521	397,400	397,104	407,031	413,136	419,333
218-000-532.000	Local Grants	0	0	5,627	0	0	0
218-000-573.000	Local Community Stabilization	0	0	12,515	0	0	0
218-000-665.000	Interest Income	152,886	0	3,481	0	0	0
218-000-675.000	Contributions & Donations	0	36,000	35,550	0	0	0
218-000-679.000	Refunds & Rebates	29,460	0	0	0	0	0
218-000-698.000	Bond/Note Issuance @ Face Value	3,000,000	0	0	0	0	0
218-000-699.260	Transfers In - DDA	40,000	40,000	40,000	0	0	0
<b>TOTAL REVENUES</b>		<b>3,611,867</b>	<b>473,400</b>	<b>494,277</b>	<b>407,031</b>	<b>413,136</b>	<b>419,333</b>
<b>APPROPRIATIONS</b>							
<b>Department 905 - Long-Term Debt Retirement</b>							
218-905-816.000	Paying Agent Fees	0	0	500	0	0	0
218-905-816.001	Bond Issuance Costs	56,500	0	1,535	0	0	0
218-905-991.044	Principal: 2017 Street Bonds	0	0	0	150,000	155,000	160,000
218-905-995.044	Interest: 2017 Street Bonds	0	82,250	82,250	87,750	83,175	78,450
<i>Totals for department 910 - Long-Term Debt Retirement</i>		<i>56,500</i>	<i>82,250</i>	<i>84,285</i>	<i>237,750</i>	<i>238,175</i>	<i>238,450</i>
<b>Department 910 - Capital Outlay</b>							
218-910-970.446	Capital Outlay - Streets & Alleys	931,706	850,000	247,094	700,000	75,000	75,000
218-910-970.750	Capital Outlay - Recreation	108,359	90,000	127,903	100,000	0	0
<i>Totals for department 910 - Capital Outlay</i>		<i>1,040,065</i>	<i>940,000</i>	<i>374,997</i>	<i>800,000</i>	<i>75,000</i>	<i>75,000</i>
<b>Department 920 - Service Charges</b>							
218-920-890.000	Service Charges	122	0	81	0	0	0
<i>Totals for department 910 - Capital Outlay</i>		<i>122</i>	<i>0</i>	<i>81</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>TOTAL APPROPRIATIONS</b>		<b>1,096,687</b>	<b>1,022,250</b>	<b>459,363</b>	<b>1,037,750</b>	<b>313,175</b>	<b>313,450</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 218</b>		2,515,180	(548,850)	34,914	(630,719)	99,961	105,883
<b>BEGINNING FUND BALANCE</b>		(483,432)	2,031,748	2,031,748	1,482,898	852,179	952,140
<b>ENDING FUND BALANCE</b>		2,031,748	1,482,898	2,066,662	852,179	952,140	1,058,023

## D. Special Revenue Funds

### 226. Solid Waste Fund

#### 226. Solid Waste Fund

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

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 226 - SOLID WASTE FUND</b>							
<b>ESTIMATED REVENUES</b>							
226-000-403.000	Refuse Collection Taxes	222,448	226,937	226,765	232,437	235,924	239,463
226-000-573.000	Local Community Stabilization	0	0	8,591	0	0	0
226-000-630.000	Service Charges	133,651	146,000	146,694	150,750	153,011	155,306
226-000-642.000	Sales	100	300	10	300	300	300
226-000-662.000	Utility Bill Penalties	1,773	2,000	2,097	2,000	2,000	2,000
226-000-665.000	Interest Income	105	30	59	30	30	30
<b>TOTAL REVENUES</b>		<b>358,077</b>	<b>375,267</b>	<b>384,216</b>	<b>385,517</b>	<b>391,265</b>	<b>397,099</b>
<b>APPROPRIATIONS</b>							
<b>Department 248 - General Government</b>							
226-248-702.000	Administration Wages	27,988	28,700	27,132	24,500	24,868	25,241
226-248-704.000	Part-Time Wages	4,264	3,200	1,706	3,200	3,248	3,297
226-248-711.000	Social Security & Medicare	2,546	2,400	1,095	2,400	2,436	2,473
226-248-712.000	Medical Insurance	3,501	5,050	5,904	5,750	5,865	5,982
226-248-712.001	Medical Insurance - Employee Cont.	(170)	0	(380)	0	0	0
226-248-712.002	Retirement - HCSP	0	0	1,031	500	500	500
226-248-712.003	Medical Insurance - Retirees	912	1,500	1,009	1,500	1,500	1,500
226-248-712.004	Medical Insurance - Retiree Cont.	0	0	(208)	0	0	0
226-248-712.005	Medical Insurance - HSA	0	0	380	100	100	100
226-248-713.000	Life Insurance	25	100	102	100	100	100
226-248-714.000	Retirement - DB (Active Employees)	922	750	531	750	841	841
226-248-714.003	Retirement - DB (Retirees)	7,447	0	0	1,050	1,050	1,050
226-248-714.500	Retirement - DC (Active Employees)	950	1,050	919	1,050	1,050	1,050
226-248-715.000	Worker's Compensation	166	250	199	250	250	250
226-248-716.000	Unemployment Compensation	8	25	7	25	25	25
226-248-890.000	Service Charges	627	500	0	500	500	500
<i>Totals for department 248 - General Government</i>		<b>49,186</b>	<b>43,525</b>	<b>39,427</b>	<b>41,675</b>	<b>42,333</b>	<b>42,908</b>
<b>Department 528 - Refuse Collection &amp; Disposal</b>							
226-528-805.000	Refuse Collections Contract	196,263	203,000	174,524	210,105	213,257	216,455
226-528-806.250	Special Household Waste Prog	1,347	3,000	2,245	3,000	3,000	3,000
226-528-810.000	Public Works Contract	33,943	32,500	32,094	32,500	32,500	32,500
226-528-810.001	Leaf Collection	56,660	55,000	67,315	55,000	55,000	55,000
226-528-810.100	Street Sweeping	10,630	13,000	4,360	13,000	13,000	13,000
226-528-827.000	Administrative Service Charge	15,152	15,288	15,288	15,517	15,750	15,986
226-528-827.200	Charges for Services - IT	7,500	7,568	7,568	7,682	7,797	7,914
<i>Totals for department 528 - Refuse Collection</i>		<b>321,495</b>	<b>329,356</b>	<b>303,394</b>	<b>336,804</b>	<b>340,303</b>	<b>343,855</b>
<b>TOTAL APPROPRIATIONS</b>		<b>370,681</b>	<b>372,881</b>	<b>342,821</b>	<b>378,479</b>	<b>382,636</b>	<b>386,764</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 226</b>		<b>(12,604)</b>	<b>2,386</b>	<b>41,395</b>	<b>7,039</b>	<b>8,629</b>	<b>10,335</b>
<b>BEGINNING FUND BALANCE</b>		<b>32,161</b>	<b>19,557</b>	<b>19,557</b>	<b>21,943</b>	<b>28,982</b>	<b>37,611</b>
<b>ENDING FUND BALANCE</b>		<b>19,557</b>	<b>21,943</b>	<b>60,952</b>	<b>28,982</b>	<b>37,611</b>	<b>47,946</b>



## 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 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 251 - POOL/FITNESS FACILITY</b>							
<b>ESTIMATED REVENUES</b>							
251-000-408.000	Pool Operating Taxes	165,165	168,497	168,368	172,576	175,164	177,792
251-000-573.000	Local Community Stabilization	0	6,375	6,379	0	0	0
251-000-636.100	Pool Visitor Fees	363	500	322	500	500	500
251-000-636.200	Swimming Lesson Fees	8,588	5,000	2,575	5,000	5,000	5,000
251-000-636.300	Swim Team Fees	38,837	40,000	15,703	40,000	40,000	40,000
251-000-636.400	Synchronized Swimming Fees	400	400	0	400	0	0
251-000-665.000	Interest Income	56	20	37	20	20	20
251-000-698.000	Bond/Note Issuance @ Face Value	67,957	0	0	0	0	0
251-000-699.101	Transfers In - General Fund	0	15,000	0	0	0	0
<b>TOTAL REVENUES</b>		<b>281,366</b>	<b>235,792</b>	<b>193,384</b>	<b>218,496</b>	<b>220,684</b>	<b>223,312</b>
<b>APPROPRIATIONS</b>							
<b>Department 750 - Recreation</b>							
251-750-970.000	Capital Outlay	67,957	0	0	0	0	0
251-750-983.000	Leased Assets	21,757	21,757	0	21,757	21,757	21,757
<i>Totals for department 750 - Recreation</i>		<i>89,714</i>	<i>21,757</i>	<i>0</i>	<i>21,757</i>	<i>21,757</i>	<i>21,757</i>
<b>Department 759 - Pool/Fitness Facility Operations</b>							
251-759-702.000	Administration Wages	7,220	10,000	9,161	13,500	13,500	13,500
251-759-704.000	Part-Time Wages	44,125	42,000	37,549	42,000	42,000	42,000
251-759-711.000	Social Security & Medicare	5,417	5,200	4,952	5,200	5,200	5,200
251-759-712.000	Medical Insurance	0	3,325	44	3,325	3,458	3,596
251-759-712.001	Medical Insurance - Employee Cont.	0	(333)	0	(333)	(346)	(360)
251-759-712.002	Retirement - HCSP	0	0	191	330	330	330
251-759-715.000	Worker's Compensation	1,071	1,050	931	1,050	1,050	1,050
251-759-727.000	Office Supplies	724	750	642	750	750	750
251-759-731.000	Operating Supplies	9,855	7,000	8,568	7,000	7,000	7,000
251-759-731.500	Pool Chemicals	7,586	7,000	6,217	7,000	7,000	7,000
251-759-738.000	Licenses & Permits	145	300	136	300	300	300
251-759-803.000	Janitorial Contract	8,035	12,500	7,366	12,500	12,500	12,500
251-759-809.000	Contractual Services	31	0	0	0	0	0
251-759-827.000	Administrative Service Charge	12,627	12,741	12,741	12,932	13,126	13,323
251-759-827.200	Charges for Services - IT	2,630	2,654	2,654	2,694	2,734	2,775
251-759-880.200	Swim Team	41,038	40,000	24,336	40,000	40,000	40,000
251-759-880.300	Suits & Sweats/uniforms	1,236	2,000	0	2,000	2,000	2,000
251-759-880.400	Synchronized Swimming	195	500	0	500	500	500
251-759-890.000	Service Charges	386	200	0	200	200	200
251-759-920.000	Public Utilities	11,984	12,000	12,249	12,000	12,000	12,000
251-759-920.300	Utilities - Water	11,552	18,000	17,434	18,000	18,000	18,000
251-759-929.000	Equipment Maintenance	2,816	5,000	3,930	5,000	5,000	5,000
251-759-929.500	Pool Maintenance	5,390	24,000	23,960	5,000	5,000	5,000

## D. Special Revenue Funds

### 251. Pool/Fitness Facility

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
251-759-931.000	Building Maintenance	13,715	5,075	5,075	3,500	3,500	3,500
	<i>Totals for dept 759 - Pool/Fitness Facility Operations</i>	<i>187,778</i>	<i>210,962</i>	<i>178,136</i>	<i>194,448</i>	<i>194,803</i>	<i>195,165</i>
<b>TOTAL APPROPRIATIONS</b>		<b>277,492</b>	<b>232,719</b>	<b>178,136</b>	<b>216,205</b>	<b>216,560</b>	<b>216,922</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 251</b>		3,874	3,073	15,248	2,290	4,125	6,390
<b>BEGINNING FUND BALANCE</b>		965	4,839	4,839	7,912	10,202	14,327
<b>ENDING FUND BALANCE</b>		4,839	7,912	20,087	10,202	14,327	20,717

**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.<sup>4</sup> 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. The SCAF-PSRF restricted corpus (principal) balance is updated each year 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, 2018 through June 30, 2019 period. A \$20,000 annual cash expenditure from the SCAF-PSRF for recreation capital projects is planned annually the next three budget years.

**SCAF-PSRF Summary Table**

<b>Date</b>	<b>Market Value</b>	<b>CPI-U Value</b>	<b>Inflation-Indexed Corpus Value</b>	<b>Preceding Year Cash Returns</b>	<b>Available Funds</b>
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	\$49,386	\$129,295
March 31, 2018	\$2,196,323	226.896	\$2,046,099	\$37,839*	\$150,224

\* Cash returns (dividends + capital gains) are for partial FY17-18 as of 3/31/18

<sup>4</sup> [https://www.bls.gov/regions/midwest/data/consumerpriceindexhistorical\\_detroit\\_table.pdf](https://www.bls.gov/regions/midwest/data/consumerpriceindexhistorical_detroit_table.pdf)

# D. Special Revenue Funds

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

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 258 - SCAF PARKS SPECIAL REVENUE FUND</b>							
<b>ESTIMATED REVENUES</b>							
258-000-665.000	Interest Income	49,386	45,000	41,920	45,000	45,000	45,000
258-000-665.100	Unrealized/Realized Gain/Loss	160,876	20,000	118,346	20,000	20,000	20,000
<b>TOTAL REVENUES</b>		<b>210,262</b>	<b>65,000</b>	<b>160,266</b>	<b>65,000</b>	<b>65,000</b>	<b>65,000</b>
<b>APPROPRIATIONS</b>							
<b>Department 966 - Transfers Out</b>							
258-966-999.401	Transfers Out - Capital Improvement	0	100,000	100,000	20,000	20,000	20,000
<i>Totals for department 966 - Transfers Out</i>		<i>0</i>	<i>100,000</i>	<i>100,000</i>	<i>20,000</i>	<i>20,000</i>	<i>20,000</i>
<b>TOTAL APPROPRIATIONS</b>		<b>0</b>	<b>100,000</b>	<b>100,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 258</b>		210,262	(35,000)	60,266	45,000	45,000	45,000
<b>BEGINNING FUND BALANCE</b>		1,982,484	2,192,746	2,192,746	2,157,746	2,202,746	2,247,746
<b>ENDING FUND BALANCE</b>		2,192,746	2,157,746	2,253,012	2,202,746	2,247,746	2,292,746

## 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 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 259 - SCAF REMAINDER FUND</b>							
<b>ESTIMATED REVENUES</b>							
259-000-406.500	Parks Improvement Taxes	98,361	100,354	100,275	102,789	104,331	105,896
259-000-540.000	State Grant	0	0	25,000	0	0	0
259-000-665.000	Interest Income	1,668	3,789	729	4,247	4,944	5,872
259-000-665.100	Unrealized/Realized Gain/Loss	(435)	0	0	0	0	0
<b>TOTAL REVENUES</b>		<b>99,594</b>	<b>104,143</b>	<b>126,004</b>	<b>107,036</b>	<b>109,275</b>	<b>111,768</b>
<b>APPROPRIATIONS</b>							
<b>Department 248 - General Government</b>							
259-248-890.000	Service Charges	17	100	13	100	100	100
<i>Totals for department 248 - General Government</i>		<i>17</i>	<i>100</i>	<i>13</i>	<i>100</i>	<i>100</i>	<i>100</i>
<b>Department 910 - Capital Assets</b>							
259-910-970.750	Capital Outlay - Recreation	725,776	80,000	75,689	25,000	0	0
<i>Totals for department 248 - General Government</i>		<i>725,776</i>	<i>80,000</i>	<i>75,689</i>	<i>25,000</i>	<i>0</i>	<i>0</i>
<b>TOTAL APPROPRIATIONS</b>		<b>725,793</b>	<b>80,100</b>	<b>75,702</b>	<b>25,100</b>	<b>100</b>	<b>100</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 259</b>		<b>(626,199)</b>	<b>24,043</b>	<b>50,302</b>	<b>81,936</b>	<b>109,175</b>	<b>111,668</b>
<b>BEGINNING FUND BALANCE</b>		<b>1,277,415</b>	<b>475,643</b>	<b>475,643</b>	<b>499,686</b>	<b>581,622</b>	<b>690,797</b>
<b>FUND BALANCE ADJUSTMENTS</b>		<b>(175,573)</b>					
<b>ENDING FUND BALANCE</b>		<b>475,643</b>	<b>499,686</b>	<b>525,945</b>	<b>581,622</b>	<b>690,797</b>	<b>802,465</b>

## 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 paid for the alley reconstruction from 10 Mile to Devonshire during 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 2018-19 the DDA will continue to refine the development plans for a future project to comprehensively refresh the Woodward Avenue streetscape.

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 260 - DOWNTOWN DEVELOPMENT AUTHORITY</b>							
<b>ESTIMATED REVENUES</b>							
260-000-405.000	T.I.F.A. Taxes	93,069	93,003	92,710	99,416	100,907	102,420
260-000-410.500	Delinquent Tax Collection	341	100	690	100	100	102
260-000-540.000	State Grant	0	0	1,233	0	0	0
260-000-665.000	Interest Income	105	25	89	25	25	25
260-000-671.000	Miscellaneous Other Revenues	10	1,000	500	1,000	1,000	1,000
<b>TOTAL REVENUES</b>		<b>93,525</b>	<b>94,128</b>	<b>95,222</b>	<b>100,541</b>	<b>102,032</b>	<b>103,547</b>
<b>APPROPRIATIONS</b>							
<b>Department 730 - Development Activities</b>							
260-730-740.200	Sales Tax Expense	0	30	1	30	30	30
260-730-809.000	Contractual Services	4,819	12,000	10,000	35,000	7,500	7,500
260-730-827.000	Administrative Service Charge	14,152	14,200	14,200	14,200	14,200	14,200
260-730-880.000	Community Promotion	0	6,500	1,766	4,500	4,500	4,500
260-730-890.000	Service Charges	503	500	0	500	500	500
260-730-955.000	Miscellaneous Expenses	51	1,000	55	1,000	1,000	1,000
260-730-955.500	Development Grant	594	5,500	0	5,500	5,500	5,500
260-730-970.000	Capital Outlay	0	30,000	20,000	10,000	120,000	60,000
260-730-999.218	Transfers Out - Infrastructure	40,000	40,000	40,000	0	0	0
<i>Totals for department 730 - Development Activities</i>		<i>60,119</i>	<i>109,730</i>	<i>86,022</i>	<i>70,730</i>	<i>153,230</i>	<i>93,230</i>
<b>TOTAL APPROPRIATIONS</b>		<b>60,119</b>	<b>109,730</b>	<b>86,022</b>	<b>70,730</b>	<b>153,230</b>	<b>93,230</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 260</b>		33,406	(15,602)	9,200	29,811	(51,198)	10,317
<b>BEGINNING FUND BALANCE</b>		31,740	65,146	65,146	49,544	79,355	28,157
<b>ENDING FUND BALANCE</b>		65,146	49,544	74,346	79,355	28,157	38,474

**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 0.3675 mills to generate the required revenue.

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 271 - LIBRARY FUND</b>							
<b>ESTIMATED REVENUES</b>							
271-000-407.000	Library Taxes	51,476	52,522	52,483	54,929	55,753	56,590
271-000-573.000	Local Community Stabilization	0	0	1,939	0	0	0
271-000-665.000	Interest Income	41	20	24	20	20	20
<b>TOTAL REVENUES</b>		<b>51,517</b>	<b>52,542</b>	<b>54,446</b>	<b>54,949</b>	<b>55,773</b>	<b>56,610</b>
<b>APPROPRIATIONS</b>							
<b>Department 299 - Library</b>							
271-299-800.000	Library Services Contract	40,597	41,597	41,409	42,370	43,006	43,651
271-299-827.000	Administrative Service Charge	13,031	13,148	13,148	13,345	13,545	13,749
271-299-890.000	Service Charges	236	225	0	225	225	225
<i>Totals for department 299 - Library</i>		<i>53,864</i>	<i>54,970</i>	<i>54,557</i>	<i>55,940</i>	<i>56,776</i>	<i>57,624</i>
<b>TOTAL APPROPRIATIONS</b>		<b>53,864</b>	<b>54,970</b>	<b>54,557</b>	<b>55,940</b>	<b>56,776</b>	<b>57,624</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 271</b>		<b>(2,347)</b>	<b>(2,428)</b>	<b>(111)</b>	<b>(991)</b>	<b>(1,003)</b>	<b>(1,015)</b>
<b>BEGINNING FUND BALANCE</b>		13,126	10,779	10,779	8,351	7,360	6,358
<b>ENDING FUND BALANCE</b>		10,779	8,351	10,668	7,360	6,358	5,343

## D. Special Revenue Funds

### 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 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 297 - HISTORICAL FUND</b>							
<b>ESTIMATED REVENUES</b>							
297-000-642.000	Sales	751	350	1,728	500	500	500
297-000-651.000	Use & Admission Fees	7,736	6,250	4,575	6,250	6,250	6,250
297-000-654.000	Ticket Sales & Field Trips	0	0	50	0	0	0
297-000-665.000	Interest Income	20	10	8	10	10	10
297-000-675.000	Contributions & Donations	2,265	350	1,749	350	350	350
<b>TOTAL REVENUES</b>		<b>10,772</b>	<b>6,960</b>	<b>8,110</b>	<b>7,110</b>	<b>7,110</b>	<b>7,110</b>
<b>APPROPRIATIONS</b>							
<b>Department 803 - Historic Activities</b>							
297-803-731.000	Operating Supplies	4,015	3,500	4,100	5,500	5,500	3,000
297-803-740.200	Sales Tax Expense	10	30	23	30	30	30
297-803-890.000	Service Charges	94	100	0	100	100	100
297-803-931.000	Building Maintenance	399	650	625	650	650	650
297-803-955.000	Miscellaneous Expenses	704	500	385	500	500	500
297-803-970.000	Capital Outlay	0	13,650	11,850	0	0	0
<i>Totals for department 803 - Historic Activities</i>		<i>5,222</i>	<i>18,430</i>	<i>16,983</i>	<i>6,780</i>	<i>6,780</i>	<i>4,280</i>
<b>TOTAL APPROPRIATIONS</b>		<b>5,222</b>	<b>18,430</b>	<b>16,983</b>	<b>6,780</b>	<b>6,780</b>	<b>4,280</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 297</b>		5,550	(11,470)	(8,873)	330	330	2,830
<b>BEGINNING FUND BALANCE</b>		11,399	16,949	16,949	5,479	5,809	6,139
<b>ENDING FUND BALANCE</b>		16,949	5,479	8,076	5,809	6,139	8,969



### 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 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 301 - Debt Service (Voted Bonds)</b>							
<b>ESTIMATED REVENUES</b>							
301-000-404.000	Debt Service Property Taxes	165,835	177,373	177,237	191,208	190,000	187,500
301-000-573.000	Local Community Stabilization	0	0	5,377	0	0	0
<b>TOTAL REVENUES</b>		<b>165,835</b>	<b>177,373</b>	<b>182,614</b>	<b>191,208</b>	<b>190,000</b>	<b>187,500</b>
<b>APPROPRIATIONS</b>							
<b>Department 905 - Long-Term Debt Retirement</b>							
301-905-809.000	Contractual Services	1,000	1,500	1,000	0	0	0
301-905-816.000	Paying Agent Fees	0	750	750	750	750	750
301-905-991.047	Principal: Community Center Debt	100,000	100,000	100,000	125,000	125,000	125,000
301-905-995.045	Interest: Community Center (Nat'l City)	0	0	0	33,750	31,110	28,450
301-905-995.047	Interest: Community Center Debt	75,525	71,524	71,525	33,750	31,110	28,450
<i>Totals for department 905 - Long-Term Debt Retirement</i>		<i>176,525</i>	<i>173,774</i>	<i>173,275</i>	<i>193,250</i>	<i>187,970</i>	<i>182,650</i>
<b>TOTAL APPROPRIATIONS</b>		<b>176,525</b>	<b>173,774</b>	<b>173,275</b>	<b>193,250</b>	<b>187,970</b>	<b>182,650</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 301</b>		<b>(10,690)</b>	<b>3,599</b>	<b>9,339</b>	<b>(2,042)</b>	<b>2,030</b>	<b>4,850</b>
<b>BEGINNING FUND BALANCE</b>		<b>16,228</b>	<b>5,538</b>	<b>5,538</b>	<b>9,137</b>	<b>7,095</b>	<b>9,125</b>
<b>ENDING FUND BALANCE</b>		<b>5,538</b>	<b>9,137</b>	<b>14,877</b>	<b>7,095</b>	<b>9,125</b>	<b>13,975</b>

## 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 vehicles in 2016 and 2018, and will be used to handle necessary buildings and facilities maintenance and improvements as necessary. The major project planned for 2018 is the renovation of the Big Room at the Community Center.

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 401 - Capital Improvement Fund</b>							
<b>ESTIMATED REVENUES</b>							
401-000-665.000	Interest Income	98	0	67	0	0	0
401-000-675.000	Contributions & Donations	0	88,000	88,637	20,000	0	0
401-000-699.101	Transfers In - General Fund	107,000	37,000	37,000	60,000	50,000	50,000
401-000-699.258	Transfers In - SCAF-PSRF	0	100,000	100,000	20,000	20,000	20,000
<b>TOTAL REVENUES</b>		<b>107,098</b>	<b>225,000</b>	<b>225,704</b>	<b>100,000</b>	<b>70,000</b>	<b>70,000</b>
<b>APPROPRIATIONS</b>							
<b>Department 901 - Capital Outlay</b>							
401-901-970.440	Capital Outlay - Public Works	14,692	0	0	0	0	0
	<i>Totals for department 910 - Capital Assets</i>	<i>14,692</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>Department 910 - Capital Assets</b>							
401-910-970.003	Capital Outlay - Facilities	23,248	10,000	2,400	125,000	10,000	10,000
401-910-970.300	Capital Outlay - Police	27,018	0	0	50,000	0	45,000
401-910-970.750	Capital Outlay - Recreation	0	142,000	140,238	20,000	20,000	20,000
	<i>Totals for department 910 - Capital Assets</i>	<i>50,266</i>	<i>152,000</i>	<i>142,638</i>	<i>195,000</i>	<i>30,000</i>	<i>75,000</i>
<b>Department 910 - Capital Assets</b>							
401-920-890.000	Service Charges	431	0	0	0	0	0
	<i>Totals for department 910 - Capital Assets</i>	<i>431</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
<b>TOTAL APPROPRIATIONS</b>		<b>65,389</b>	<b>152,000</b>	<b>142,638</b>	<b>195,000</b>	<b>30,000</b>	<b>75,000</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 401</b>		41,709	73,000	83,066	(95,000)	40,000	(5,000)
<b>BEGINNING FUND BALANCE</b>		69,458	111,167	111,167	184,167	89,167	129,167
<b>ENDING FUND BALANCE</b>		111,167	184,167	194,233	89,167	129,167	124,167

### **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 (SEMREO) 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.

### Baseline City Facility Energy Use – 2015-2016 Two-Year Average

Utility	City Hall Usage	Community Center Usage	Total Usage	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

### Annual Energy Usage Comparison

Year	Electricity			Natural Gas			Total Savings*
	Total kWh Used	Total Cost	Cost per kWh	Total MCF Used	Total Cost	Cost per MCF	
Baseline	226,954	\$27,461	\$0.121	1,248	\$7,571	\$6.07	
2017	185,152	\$22,072	\$0.119	1,318	\$8,320	\$6.31	\$4,983

\* total savings is calculated by multiplying the current year cost per energy unit times the reduction/increase in usage for the current year compared to the baseline year

### 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
Community Center 26 kWh Solar Energy System	September 2017	\$56,000

## 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 2018-19 budget includes \$70,000 for sewer cleaning and inspection in the maintenance and repair line. A capital outlay project line of \$75,000 is also included. No specific projects are planned, but these capital outlay funds are budgeted to handle any sewer maintenance issues that are identified as part of the ongoing sewer cleaning and inspection project or as become necessary during the year.

The 2020-2021 projected budget includes a capital outlay of \$200,000 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 begin a wholesale replacement project in 2020 or after. The decision to begin the project will be influenced by our experience with meter head battery failures. Once a significant number of batteries begin to fail, it is an indication that wholesale replacement of all meter heads in the City is necessary.

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
<b>Fund 592 - WATER AND SEWER FUND</b>							
<b>ESTIMATED REVENUES</b>							
592-000-642.000	Sales	905,280	979,900	965,633	997,565	1,017,516	1,037,867
592-000-645.000	Storm Water Runoff Fees	339,837	342,500	339,210	349,500	355,725	362,840
592-000-650.000	IWC Charges	6,109	8,000	4,534	6,000	6,000	6,000
592-000-662.000	Utility Bill Penalties	15,514	10,000	15,921	10,000	10,000	10,000
592-000-665.000	Interest Income	6,046	2,500	6,565	2,500	2,500	2,500
592-000-671.000	Miscellaneous Other Revenues	0	0	293	0	0	0
592-000-679.000	Refunds & Rebates	2,935	2,000	0	2,000	2,000	2,000
<b>TOTAL REVENUES</b>		<b>1,275,721</b>	<b>1,344,900</b>	<b>1,332,156</b>	<b>1,367,565</b>	<b>1,393,741</b>	<b>1,421,206</b>

#### APPROPRIATIONS

##### Department 536 - Water & Sewer Systems

592-536-702.000	Administration Wages	36,861	38,722	34,644	35,000	35,525	36,058
592-536-704.000	Part-Time Wages	9,717	9,516	6,269	9,659	9,659	9,659
592-536-711.000	Social Security & Medicare	3,586	3,600	4,005	3,600	3,600	3,600
592-536-712.000	Medical Insurance	5,334	8,200	10,574	8,200	8,200	8,200
592-536-712.001	Medical Insurance - Employee Cont.	30	0	(739)	0	0	0
592-536-712.002	Retirement - HCSP	0	0	191	500	500	500
592-536-712.003	Medical Insurance - Retirees	2,129	800	2,351	800	800	800
592-536-712.005	Medical Insurance - HSA	0	0	570	500	500	500
592-536-713.000	Life Insurance	158	150	133	150	150	150
592-536-714.000	Retirement - DB (Active Employees)	923	1,400	531	0	0	0
592-536-714.003	Retirement - DB (Retirees)	17,936	22,900	14,338	22,900	25,224	27,463
592-536-714.500	Retirement - DC (Active Employees)	1,293	2,450	2,144	2,450	2,450	2,450
592-536-715.000	Worker's Compensation	166	225	199	225	225	225

E. Enterprise Funds  
592. Water and Sewer Fund

Account Number	Description	Actual 2016-17	Budget 2017-18	Activity to 06/01/18	Requested 2018-19	Projected 2019-20	Projected 2020-21
592-536-716.000	Unemployment Compensation	7	20	5	20	20	20
592-536-728.000	Postage	1,396	3,000	2,165	3,000	3,000	3,000
592-536-736.000	Computer Supplies	1,985	1,000	0	1,000	1,000	1,000
592-536-809.000	Contractual Services	33,197	17,500	6,815	22,500	22,500	22,500
592-536-810.000	Public Works Contract	55,853	40,000	38,957	40,000	40,000	40,000
592-536-814.000	Engineering Services	3,500	5,000	0	5,000	5,000	5,000
592-536-818.000	Water Purchases	193,113	209,305	166,644	213,700	220,111	226,715
592-536-819.000	Sewage Treatment	217,820	234,156	195,126	236,700	241,434	246,263
592-536-819.500	Storm Water Treatment	340,506	342,500	284,857	348,750	355,725	362,840
592-536-820.000	IWC Charges	6,001	5,100	3,887	5,100	5,100	5,100
592-536-827.000	Administrative Service Charge	30,304	30,607	30,607	30,913	31,377	31,847
592-536-827.200	Charges for Services - IT	15,780	15,922	15,922	16,161	16,403	16,649
592-536-890.000	Service Charges	1,175	2,000	174	2,000	2,000	2,000
592-536-906.000	Printing Water Bills	3,305	3,900	2,363	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	Equipment Maintenance	829	3,000	1,630	2,000	2,000	2,000
592-536-937.000	Water Meter Maintenance	0	0	5,925	1,000	1,000	1,000
592-536-939.000	Sewer Maintenance	3,197	70,000	70,745	70,000	70,000	70,000
592-536-955.000	Miscellaneous Expenses	173	2,000	12	1,000	1,000	1,000
592-536-956.000	Conferences and Workshops	1,115	350	0	350	350	350
592-536-958.000	Memberships and Dues	1,464	2,000	1,792	2,000	2,000	2,000
592-536-968.000	Depreciation & Depletion	133,304	0	0	0	0	0
592-536-970.000	Capital Outlay	54,455	30,000	0	30,000	30,000	200,000
592-536-970.594	Capital Outlay - Sewer Projects	(55,136)	235,000	176,543	50,000	50,000	50,000
592-536-991.000	Principal: GWK Drain Debt	(1,753)	0	0	0	0	0
592-536-995.000	Interest: GWK Drain Debt	17,992	111,000	109,312	111,000	111,000	111,000
592-536-996.001	Paying Agent Fees	4	250	0	250	250	250
<i>Totals for department 536 - Water &amp; Sewer Systems</i>		<i>1,147,719</i>	<i>1,461,573</i>	<i>1,198,691</i>	<i>1,290,328</i>	<i>1,312,004</i>	<i>1,504,038</i>
<b>TOTAL APPROPRIATIONS</b>		<b>1,147,719</b>	<b>1,461,573</b>	<b>1,198,691</b>	<b>1,290,328</b>	<b>1,312,004</b>	<b>1,504,038</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 592</b>		128,002	(116,673)	133,465	77,237	81,738	(82,832)
<b>BEGINNING FUND BALANCE</b>		609,391	737,393	737,393	620,720	697,957	779,695
<b>ENDING FUND BALANCE</b>		737,393	620,720	870,858	697,957	779,695	696,863

### 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, beginning with the 2017-18 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.

Projected fund balance at the end of FY18-19 is \$697,957. For budgetary purposes, we are building fund balance in excess of our target reserve to save in advance for the expense to replace all water meter heads in the City and for future water main replacement projects.