



City of Pleasant Ridge 2020-2021 Annual Budget

DRAFT: June 5, 2020

Mayor

Kurt Metzger

City Commissioners

Chris Budnik

Ann Perry

Bret Scott

Amanda Wahl

City Manager

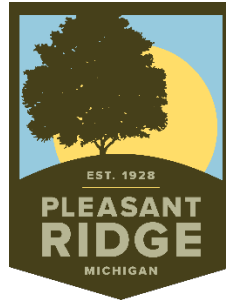
James Breuckman

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A. Introduction

1. City Manager's Letter



May 7, 2020

RE: Proposed Fiscal Year 2019-2020 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 2020-2021 for your review and consideration. A public hearing to solicit public comment on this document is scheduled for June 9, 2020 at 7:30pm.

Overview

This budget has been developed during a time of disruption. We collectively have altered our personal, family, and work lives to address the COVID-19 crisis. Sheltering in place to flatten the curve has been a public health imperative, but with great impact on our lives and the economy. As of the date of this letter our efforts have succeeded in slowing the spread of the disease, which must be considered a victory. However, we are only at a plateau in our region currently, and the lessons of past pandemics teach us that we are in the first wave but that one or more additional waves are likely to hit over the next 18-24 months. Social distancing in some form will likely be necessary until a vaccine for COVID-19 is developed and deployed. Our current uncertainty may persist for another year or more.

What this means for City operations, and specific to the subject of this letter, the City budget is still unknowable. Our revenue projections are based on a reality that currently does not exist. We are operating in part based on our decades long experience delivering services to the residents of Pleasant Ridge, but we must also try to plan for the as-yet unknown revenue reductions due to the economic damage from COVID-19. The Great Recession of 2008 caused a 12% drop in taxable property values, but the bottom in tax collections did not occur until 2012 – 4 years after the recession began.

We currently don't know what the lasting economic impact of COVID-19 will be. Given the lagging nature of property tax assessments, we likely won't feel the full impacts of any economic contraction until a few years

down the road. However, out of an abundance of caution, we have budgeted conservatively and anticipate reductions in revenues from property taxes, state revenue sharing, and road funding for FY21 and beyond.

Revenue

Financial projections for Fiscal Year 2020-2021 are relatively stable, for now. Uncertainty persists as we work our way through the COVID-19 event. The long-term impacts of the pandemic are not yet known, but for now, revenues appear to be mostly stable for FY21, with greater uncertainty for future years.

Assessed property values continue to rise at a modest pace – 3.8% this year. Our total taxable value grew 4.2% 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 rate multiplier for FY21 is 1.9%, so our local tax rate has been again adjusted downward to ensure that total property tax revenues only increase 1.9% compared to last year. With the police pension millage continuing to phase in this year and adding an additional 0.35 mills to our local tax rate, the total City property tax rate will slightly increase from 21.4120 mills in 2019 to 21.4531 mills in 2020.

As noted above, revenue projections for FY22 presented in this budget assume that we will see a decline in overall revenue.

Accomplishments

We have continued to invest in capital improvements. This year we completed the following major projects:

- A major sidewalk maintenance program that replaced 2,000 sidewalk flags throughout the City.
- Installed lighting along the pathways in Gainsboro Park.
- Completed the renovation and technology upgrade in the City Commission chambers.
- Purchased a new police patrol vehicle.
- Continued street tree plantings – we have now planted over 400 new street trees over the past four years.
- We continue to address our unfunded pension liability. Starting in FY18-19 and continuing for the next 13 years we will be making additional contributions to eliminate that unfunded liability. We can do this because of the police pension millage that was approved by the voters in November 2017.

Our efforts in recent years have substantially overhauled our recreation facilities, improved City Hall, addressed infrastructure needs, and provided our police with the up to date equipment they need to do their jobs.

Challenges

We have made great progress in addressing challenges to the City in recent years, and the City is on the most stable footing in nearly two decades. This is largely due to the voters supporting operating and police pension millages over the past five years that provide funding to replace that which was lost after the recession that began in 2008 and the nearly \$300,000 annual reduction in revenue sharing support we receive from the State. We have also implemented measures to reduce operating and employee benefit costs which put us on a sustainable path into the future.

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.

- 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 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.

- Perhaps the greatest infrastructure challenge facing the City is the new State-imposed requirement that we replace all lead lines in the water system over the next 30 years. The State is mandating that the City replace private water service leads as part of this work, so not only do we have to replace the public portion, we have to also replace the service line from the water stop box all the way to the meter inside of each house.

The majority of Pleasant Ridge was developed before 1940, so nearly all of our private service lines are lead. Replacing these will be a significant cost, likely between \$10 and \$16 million. Given that our water fund has a total annual budget of about \$1.3 million, with annual capital expenditures of about \$150,000, we do not have the capacity to cover the cost to replace lead service lines under business as usual. Ultimately, the City Water fund must pay for the replacement of lead service lines, but property owners and water customers will have to bear the cost of these replacements.

We will be working to identify ways of funding these improvements in a fair and equitable manner. This will be a project that we work on for decades into the future, so the City Commission and residents will be hearing more about this issue over the next few years as we work out how we will meet this new unfunded State mandate.

Projections

We continue to present a three-year budget. The budget now shows FY21 budget numbers to be adopted, alongside projections for FY22 and FY23 (only the FY21 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

A. Introduction

1. City Manager's Letter

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 residents. Most of all, we acknowledge that the community-mindedness and support of our residents is the primary reason that Pleasant Ridge continues to be such a special place.

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 stroke extending to the right.

James Breuckman
City Manager

2. Public Hearing Notice – Proposed 2020-21 Annual Budget

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

NOTICE OF A PUBLIC HEARING ON THE PROPOSED FY2020-2021 CITY BUDGET AND 2020 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 9, 2020, 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 2020-2021 COMBINED CITY BUDGET AND MILLAGE RATES.

The current FY20 (July 1, 2019 through June 30, 2020) and the proposed FY21 (July 1, 2020 through June 30, 2021) millage rates are as follows:

	19-20	20-21
General Operating - Charter	10.2085	10.0604
General Operating (2015)	2.6175	2.5795
General Operating – Police Pension	0.7000	1.0500
Infrastructure Improvement (2015)	2.6804	2.6415
Community Promotion	0.3100	0.3000
Parks Improvement (2015)	0.6769	0.6670
Rubbish	1.5306	1.5084
Pool Operations	1.1364	1.1199
Library	0.3617	0.3564
Debt	1.1900	1.1700
Total Millage:	21.4120	21.4531

The City may not adopt its proposed FY 2020-2021 budget until after the public hearing. A copy of the proposed FY 2020-2021 budget and the proposed 2020 property tax millage rates are 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 2020-2021 and the proposed property tax millage rate. All interested citizens are encouraged to attend and to submit comments.

Amy M. Allison
City Clerk

Published: The Daily Tribune
May 31, 2020
AFFIDAVIT REQUESTED

3. Budget Resolution

**City of Pleasant Ridge
Budget Resolution
General Appropriations Act
Fiscal Year 2020-2021**

WHEREAS, the City Manager has prepared and submitted to the City Commission the proposed budget for fiscal year 2020-2021; and

WHEREAS, the City Commission has advertised the tentative millage rates in the Daily Tribune on May __, 2020, 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 9, 2020; 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, 2020 and ending June 30, 2021 be adopted; and

BE IT FURTHER RESOLVED, that the revenue and transfers-in, and expenditures and transfers-out for the fiscal year 2020-2021 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	\$2,371,666
	Licenses and Permits	\$53,780
	Federal and State Grants	\$22,500
	State Shared Revenue	\$236,000
	Charges for Services	\$206,088
	Fines and Forfeits	\$50,000
	Interest and Rents	\$9,000
	Other revenue	\$98,800
	Transfers-In	\$0
	Total General Fund Revenue:	\$3,047,835
202	MAJOR STREETS	\$185,050
203	LOCAL STREETS	\$115,540
218	INFRASTRUCTURE IMPROVEMENTS	\$439,208
226	SOLID WASTE	\$408,567
251	POOL/FITNESS FACILITY	\$226,236
258	SCAF PARKS SPECIAL REVENUE FUND	\$50,000
259	SCAF REMAINDER FUND	\$106,973
260	DOWNTOWN DEVELOPMENT AUTHORITY	\$94,748
266	DRUG FORFEITURE FUND	\$0
271	LIBRARY SERVICES	\$58,200
297	HISTORICAL FUND	\$610
301	DEBT SERVICE - VOTED	\$195,347
401	CAPITAL IMPROVEMENTS	\$80,000
592	WATER and SEWER	\$1,488,858

EXPENDITURES

101	GENERAL FUND	
	Mayor and Commission	\$27,550
	City Manager	\$182,276
	Elections	\$9,510
	City Attorney	\$26,500
	City Clerk	\$115,073
	Information Technology	\$58,500
	General Government	\$145,400
	Cable TV	\$3,410
	City Treasurer	\$117,050
	Assessment	\$22,155
	Police Services	\$1,219,015
	Fire/Rescue	\$256,581
	Building Department	\$66,767
	Planning Commission	\$0
	Public Works	\$261,086
	Street Lighting	\$38,000
	Recreation	\$387,773
	Retirement Services	\$5,000
	Transfers Out	\$50,000
	Total General Fund Expenditures:	\$2,991,645
	Increase in General Fund Fund Balance:	\$56,190
202	MAJOR STREETS	\$195,500
203	LOCAL STREETS	\$119,200
218	INFRASTRUCTURE IMPROVEMENTS	\$813,450
226	SOLID WASTE	\$407,928
251	POOL/FITNESS FACILITY	\$204,289
258	SCAF PARKS SPECIAL REVENUE FUND	\$0
259	SCAF REMAINDER FUND	\$100
260	DOWNTOWN DEVELOPMENT AUTHORITY	\$241,230
266	DRUG FORFEITURE FUND	\$0
271	LIBRARY SERVICES	\$57,536
297	HISTORICAL FUND	\$1,780
301	DEBT SERVICE - VOTED	\$184,149
401	CAPITAL IMPROVEMENTS	\$75,100
592	WATER and SEWER	\$1,752,611

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	10.0604
General Operating (2015)	2.5795
General Operating – Police Pension	1.0500
Infrastructure Improvement (2015)	2.6415
Community Promotion	0.3000
Parks Improvement (2015)	0.6670
Rubbish	1.5084
Pool Operations	1.1199
Library	0.3564
Debt	1.1700
<hr/>	
Total Millage:	21.4531

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. Allison, 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 9, 2020.



Amy M. Allison, 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 2020-2021 budget year, and the projected budget for the next two years. Note that the budget projections for 2021-22 and 2022-2023 are for planning purposes only and are not adopted budgets.

	Actual 2016-17	Actual 2017-18	Actual 2018-19	Budget 2019-20	Budget 2020-21	Projected Budget 2021-22	Projected Budget 2022-23
Assessed Valuation							
Real	189,097,190	199,597,430	203,876,640	210,406,390	217,633,410	204,575,405	210,712,668
Personal	2,867,430	1,976,670	2,052,320	2,157,500	3,004,390	2,824,127	2,908,850
Total	191,964,620	201,572,100	205,928,960	212,563,890	220,637,800	207,399,532	213,621,518
	9.8%	5.0%	7.3%	3.2%	3.8%		
Taxable Valuation							
Real	138,859,980	143,747,780	150,913,980	158,053,770	163,959,250	154,121,695	156,433,520
Personal	2,867,430	1,974,670	2,052,320	2,157,500	3,004,390	2,824,127	2,866,488
Total	141,727,410	145,722,450	152,966,300	160,211,270	166,963,640	156,945,822	159,300,009
	3.3%	2.8%	7.9%	4.7%	4.2%		
Millage Rate							
General Operating - Charter	10.8434	10.6232	10.3714	10.2085	10.0604	9.8994	9.7410
General Operating - 2015	2.7804	2.7239	2.6593	2.6175	2.5795	2.5382	2.4976
General Operating - Police Pension			0.3500	0.7000	1.0500	1.0332	1.0167
Community Promotion	0.3481	0.3375	0.3200	0.3100	0.3000	0.2952	0.2905
Infrastructure - 2015	2.8472	2.7894	2.7232	2.6804	2.6415	2.5992	2.5576
Parks Improvement - 2015	0.7190	0.7044	0.6877	0.6769	0.6670	0.6563	0.6458
Rubbish	1.6260	1.5929	1.5551	1.5306	1.5084	1.4843	1.4605
Pool Operations	1.2073	1.1827	1.1546	1.1364	1.1199	1.1020	1.0843
Library - 2015	0.3763	0.3687	0.3675	0.3617	0.3564	0.3507	0.3451
Pool Debt	1.2123	1.2450	1.2500	1.1900	1.1700	1.1513	1.1329
Total	21.9600	21.5677	21.4388	21.4120	21.4531	21.1099	20.7721
Total Revenues							
101 General Fund	2,830,862	2,935,429	3,166,466	3,120,449	3,047,835	2,988,751	3,046,393
202 Major Streets	141,834	169,066	179,847	192,433	185,050	204,050	211,050
203 Local Streets	132,030	127,857	143,700	118,171	115,540	122,040	124,540
218 Infrastructure Improvements	3,611,867	496,853	442,791	444,780	439,208	483,335	490,631
226 Solid Waste	358,077	390,173	397,018	400,061	408,567	403,792	417,959
251 Pool/Fitness Facility	281,366	232,940	219,268	224,559	226,236	215,267	218,361
258 SCAF Parks Special Revenue Fund	210,262	156,270	134,022	70,000	50,000	52,500	55,000
259 SCAF Remainder Fund	99,594	126,196	106,349	118,604	106,973	100,615	102,408
260 Downtown Development Authority	93,525	95,449	96,578	103,390	94,748	89,235	90,837
266 Drug Forfeiture Fund	0	0	0	0	0	0	0
271 Library Services	51,517	54,455	55,481	56,695	58,200	59,247	60,313
297 Historical Fund	10,772	9,155	3,172	13,135	610	6,110	6,110
301 Debt Service - Voted	165,835	182,614	192,813	192,326	195,347	198,864	202,443
401 Capital Improvements	107,098	336,005	222,940	197,330	80,000	40,000	50,000
592 Water and Sewer	1,275,721	1,353,044	1,313,312	1,414,340	1,488,858	1,518,152	1,548,075
Total	9,370,360	6,665,506	6,673,757	6,666,273	6,497,171	6,481,959	6,624,120

B. Budget Summary
1. Key Budget Information

	Actual 2016-17	Actual 2017-18	Actual 2018-19	Budget 2019-20	Budget 2020-21	Projected Budget 2021-22	Projected Budget 2022-23
Total Expenditures							
101 General Fund	2,762,429	2,821,199	2,954,829	3,029,601	2,991,645	2,987,800	3,042,719
202 Major Streets	182,488	139,886	140,639	192,000	195,500	195,500	195,500
203 Local Streets	148,212	91,437	104,758	149,700	119,200	119,200	124,200
218 Infrastructure Improvements	1,096,687	751,830	1,044,890	904,015	813,450	393,500	393,325
226 Solid Waste	370,681	393,045	375,893	402,189	407,928	412,721	418,057
251 Pool/Fitness Facility	277,492	216,438	237,151	215,173	204,289	204,582	203,881
258 SCAF Parks Special Revenue Fund	0	100,000	0	100,000	0	0	0
259 SCAF Remainder Fund	725,793	75,707	23,700	500	100	100	100
260 Downtown Development Authority	60,119	86,022	28,860	82,730	241,230	91,230	91,230
266 Drug Forfeiture Fund	0	0	0	0	0	0	0
271 Library Services	53,864	54,557	55,582	57,290	57,536	58,568	59,618
297 Historical Fund	5,222	18,759	3,445	6,780	1,780	6,780	6,780
301 Debt Service - Voted	176,525	173,275	194,275	189,462	184,149	203,837	197,462
401 Capital Improvements	65,389	164,361	223,820	340,100	75,100	70,100	20,100
592 Water and Sewer	1,147,719	1,243,355	1,158,377	1,300,466	1,752,611	1,499,078	1,571,674
Total	7,072,620	6,329,871	6,546,219	6,970,006	7,044,518	6,242,996	6,324,646
End of Year Fund Balance							
101 General Fund	654,601	768,833	980,474	1,071,296	1,127,486	1,128,437	1,132,111
202 Major Street Fund	44,667	73,847	113,054	113,487	103,037	111,587	127,137
203 Local Street Fund	29,246	65,666	104,607	73,078	69,418	72,258	72,598
218 Infrastructure Improvements	2,031,748	1,776,771	1,174,671	715,436	341,194	431,029	528,335
226 Solid Waste Fund	19,558	16,686	37,813	35,685	36,324	27,395	27,296
251 Pool/Fitness Facility Fund	4,839	21,340	3,458	12,844	34,791	45,477	59,957
258 SCAF Parks Special Revenue Fund	2,192,745	2,249,015	2,383,037	2,353,037	2,403,037	2,455,537	2,510,537
259 SCAF Remainder Fund	475,643	526,132	558,292	726,886	833,759	934,274	1,036,582
260 Downtown Development Authority	65,146	74,572	142,290	162,950	16,468	14,473	14,080
266 Drug Forfeiture Fund	429	429	429	429	429	429	429
271 Library Fund	10,779	10,677	10,576	9,981	10,645	11,325	12,020
297 Historical Fund	16,949	7,345	7,072	13,427	12,257	11,587	10,917
301 Debt Service Fund	5,538	14,877	13,416	16,280	27,478	22,505	27,486
401 Capital Improvements	111,167	282,812	281,932	139,162	144,062	113,962	143,862
592 Water and Sewer	737,393	847,082	1,002,017	1,115,891	852,137	871,211	847,613
Total	6,400,448	6,736,084	6,813,138	6,559,869	6,012,523	6,251,485	6,550,960

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
2018	Filmer Trust Community Center Big Room Grant	\$10,000
2019	SEMCOG Multi-Community Planning Grant – Woodward Bike & Pedestrian Audit (joint grant with Ferndale)	\$50,000

Year	Grant	Amount
2019	EGLE (Michigan Department of Environment, Great Lakes, and Energy) 319 Nonpoint Source Pollution Control Grant – Woodward Avenue Streetscape	\$608,498
2020	MDOT (Michigan Department of Transportation) Transportation Alternatives Program – Woodward Cycle Track	\$402,332

2. Summary Graphs and Tables

General Fund Revenue Trends. The following Figure 1 shows general fund revenue trends for the 1985-2020 period. All dollar values are adjusted into 2020 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 - \$252,000 - in budget year 2020-21. 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 \$2.4 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 \$2,900,000 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 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 1. General Fund Revenues by Source, Adjusted for inflation in 2019 equivalent dollars, 1985-Present

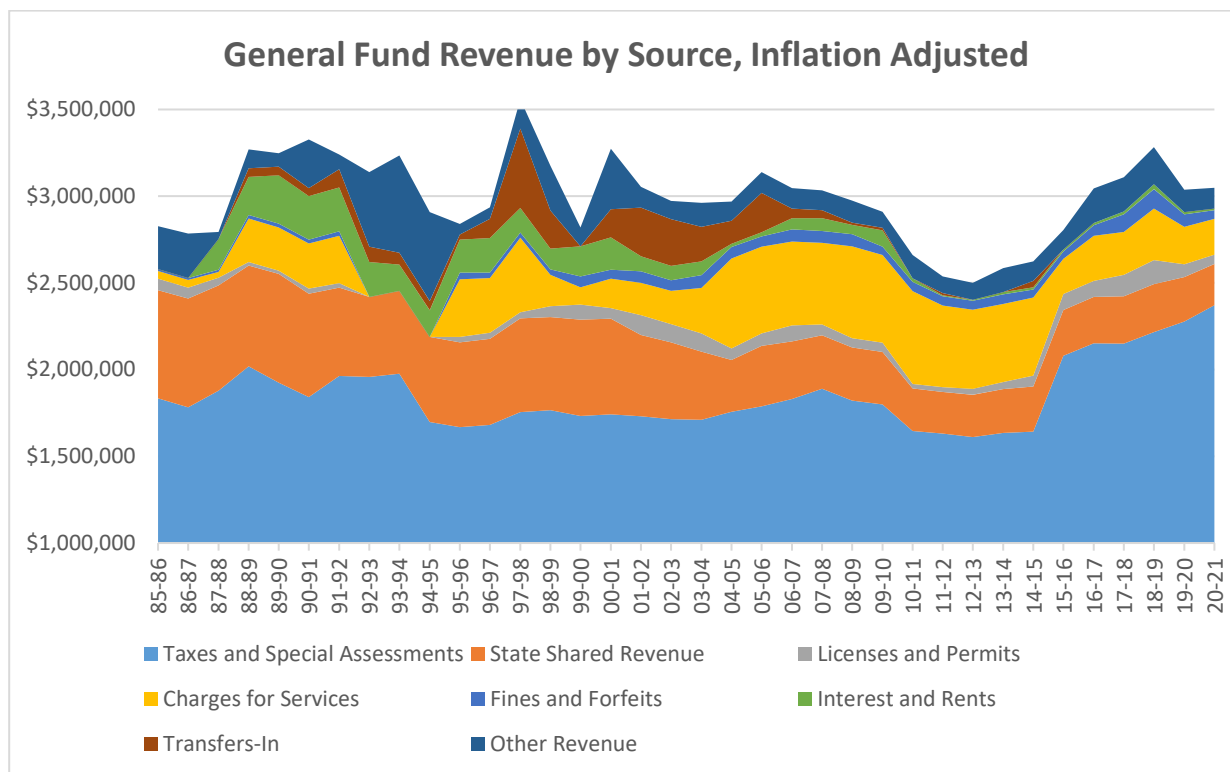
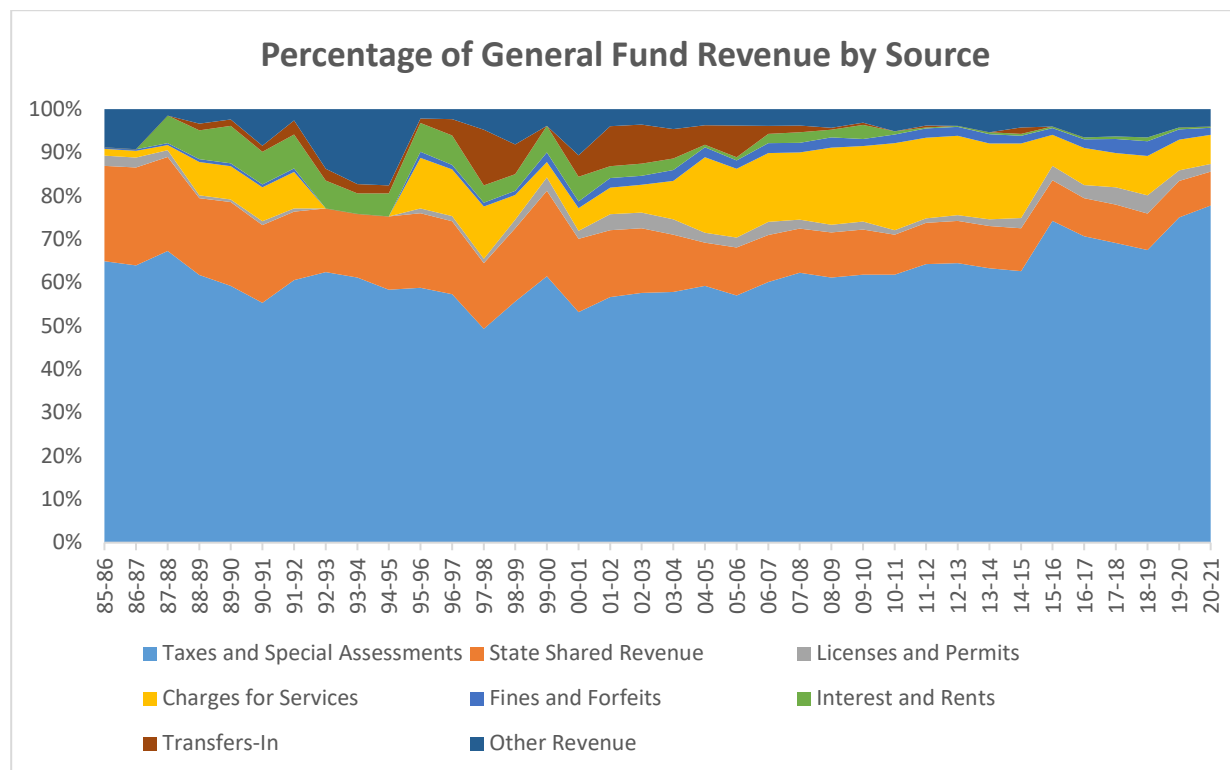


Figure 2. Percentage of General Fund Revenue by Source, 1985-Present

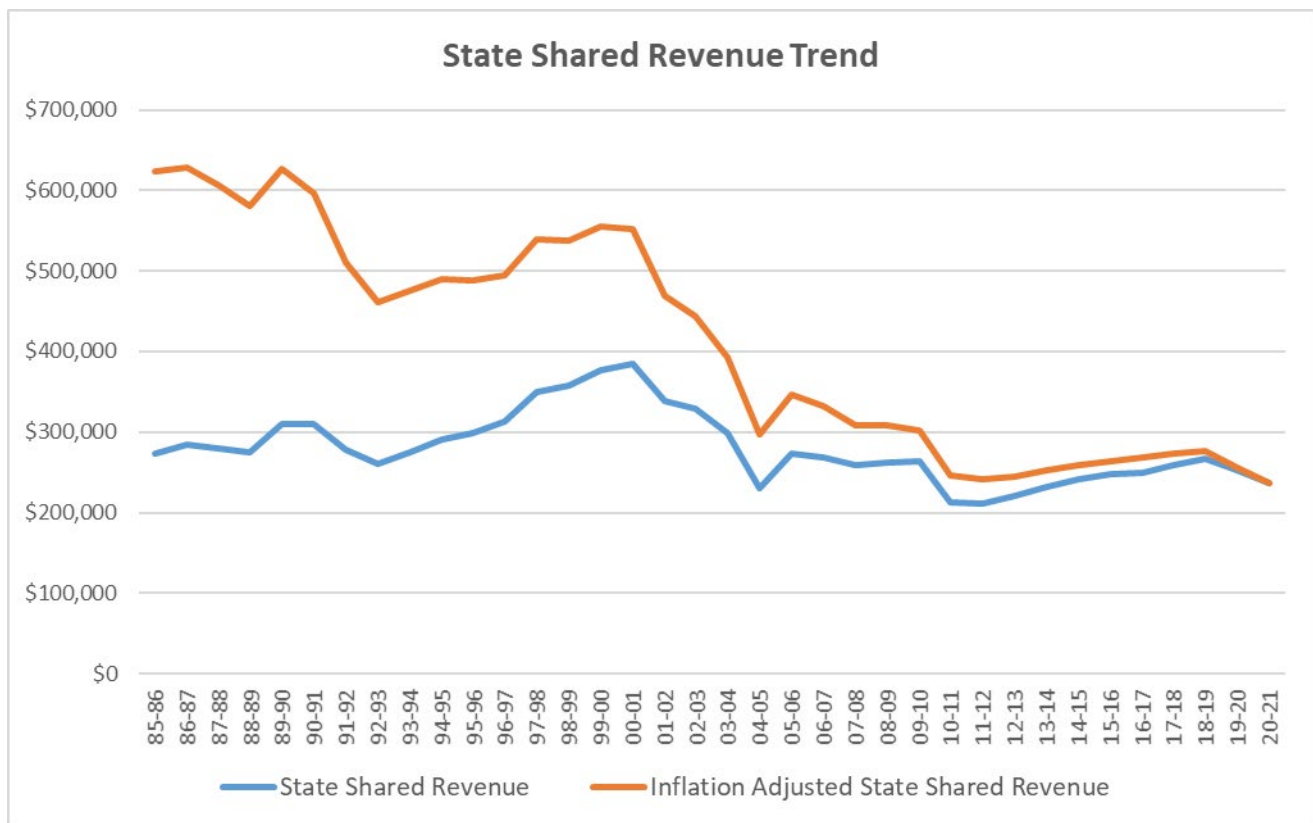


State Shared Revenue Trend. One of the main drivers impacting Pleasant Ridge's general fund budget over the past 15 years has been the decline in state shared revenues. Figure 3 shows that, on an inflation adjusted basis, State revenue sharing has declined from the equivalent of nearly \$600,000 per year in the late 1980s to about \$250,000 today. Shared revenues represented 23% of the City's general fund revenues in 1985, while today they represent just 8.4%.

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 \$252,000.

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

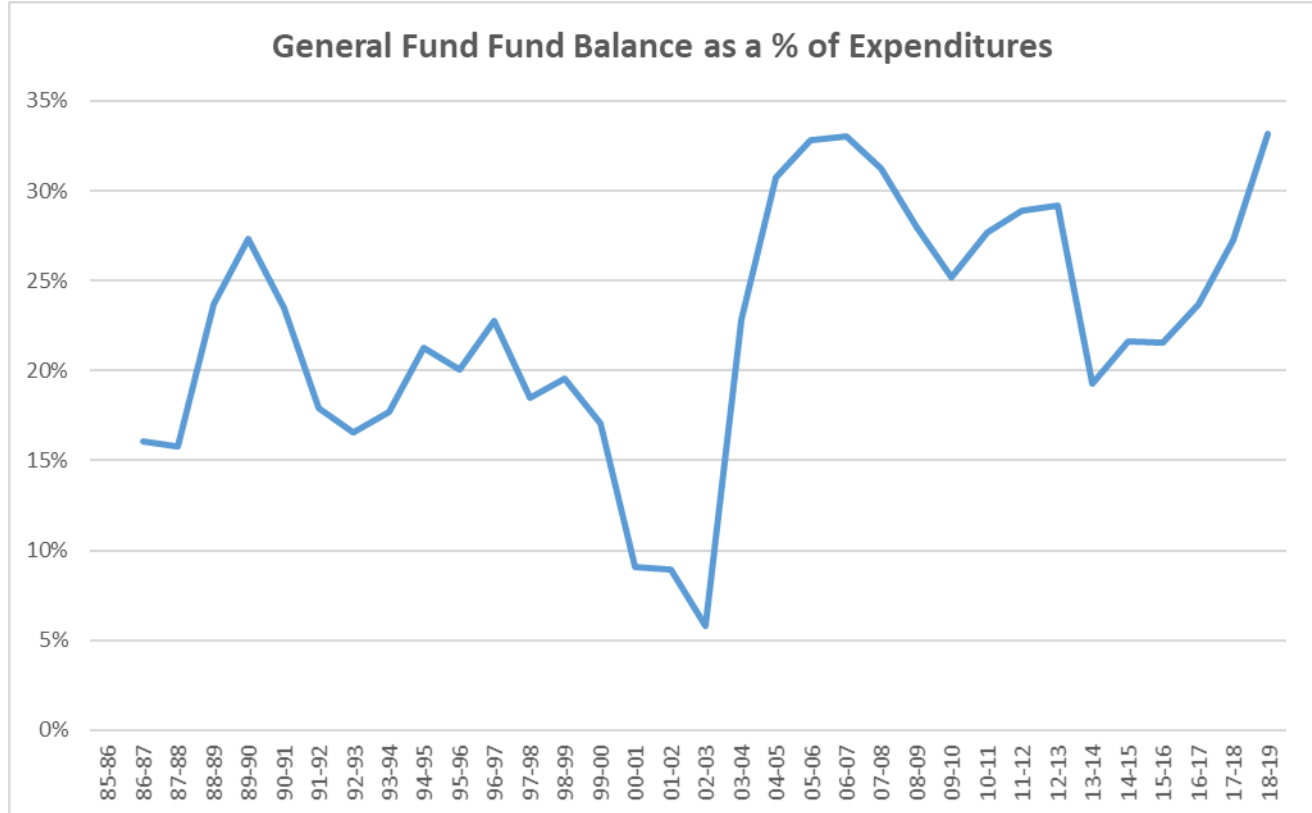
General Fund Fund Balance Trends. The Government Finance Officers Association (GFOA) recommends that local governments maintain a minimum of two-months' worth of expenses, or 16.66%, in unrestricted fund balance. It is further recommended that a small unit of government like Pleasant Ridge maintain a 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, due to focused efforts to grow fund balance it has been steadily increasing and is projected to be nearly 30% at the end of FY19-20.

The proposed 2019-20 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

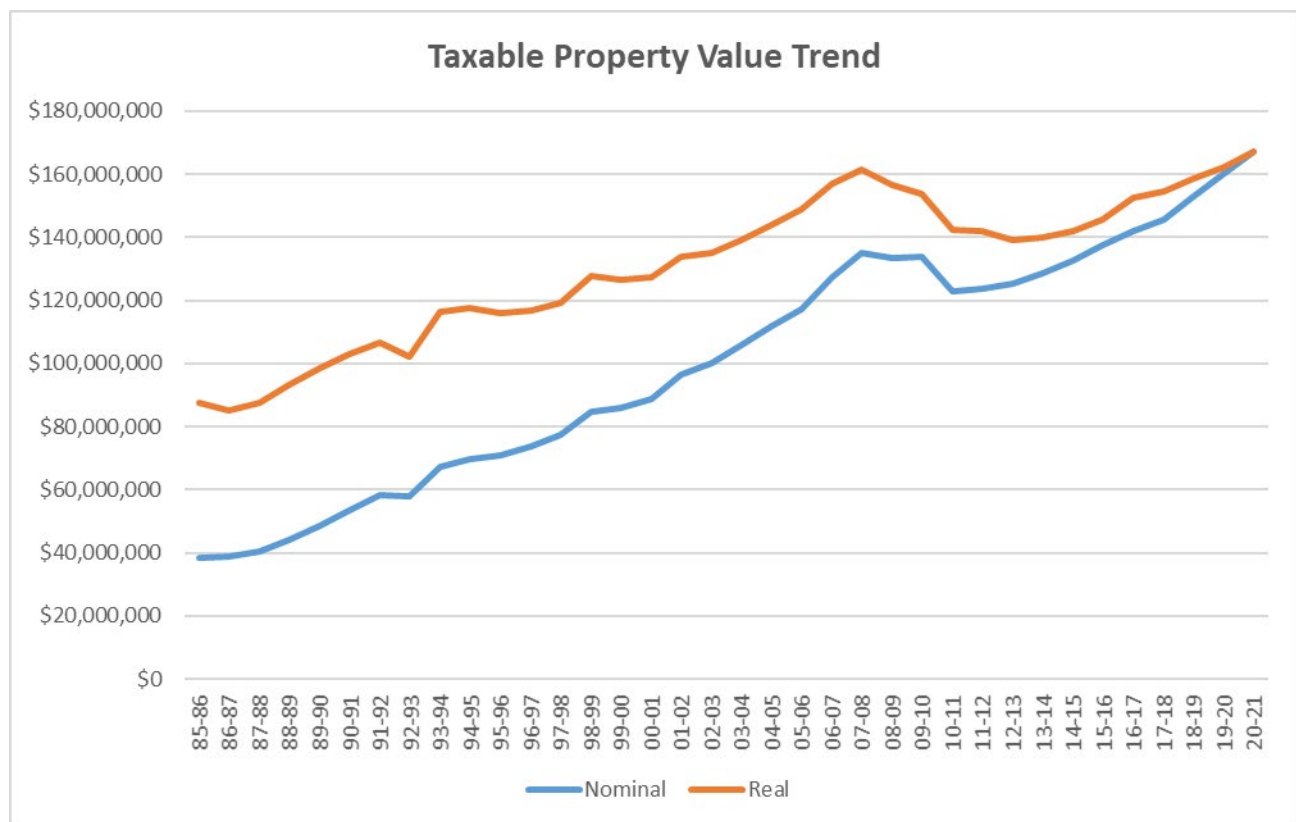


Property Value Trends. The following Figure 5 shows total (real + personal) taxable property value trends in the City of Pleasant Ridge. The inflation adjusted taxable property value has increased at a rate of about 1.8% per year. This small increase over the inflation rate is the result of certain development 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 in nominal terms.

However, on an inflation-adjusted basis it took the City until 2019 to return to 2007 taxable value levels. This chart highlights the issues with Headlee and Prop A, which allow for unlimited declines in taxable property values during recessions and downturns, but limit the restoration of taxable property values to the rate of inflation.

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

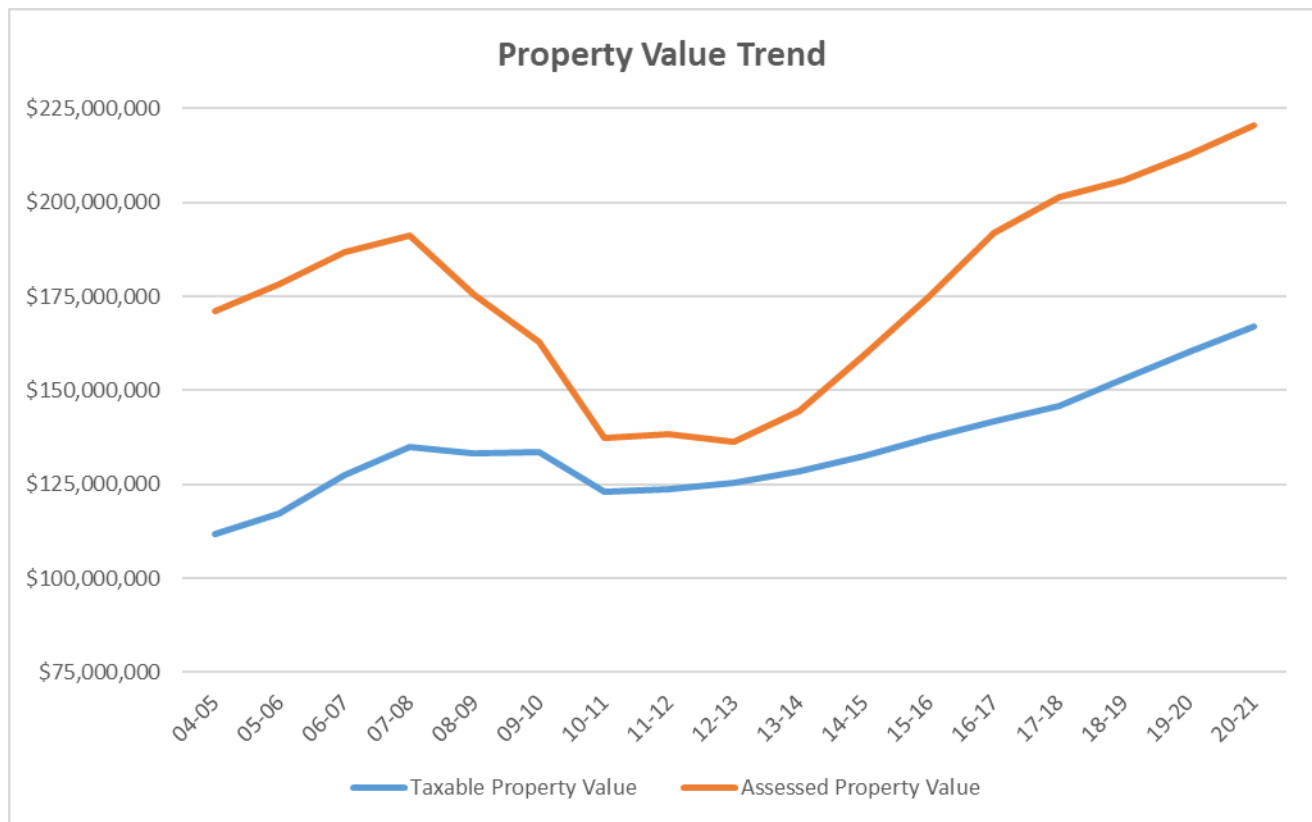


The following Figure 6 shows how Pleasant Ridge’s total assessed and taxable property values have changed over time since 2004. Assessed value is the true market value of all property in the City as determined by Oakland County Equalization (the City’s assessor). Taxable value is the value of property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

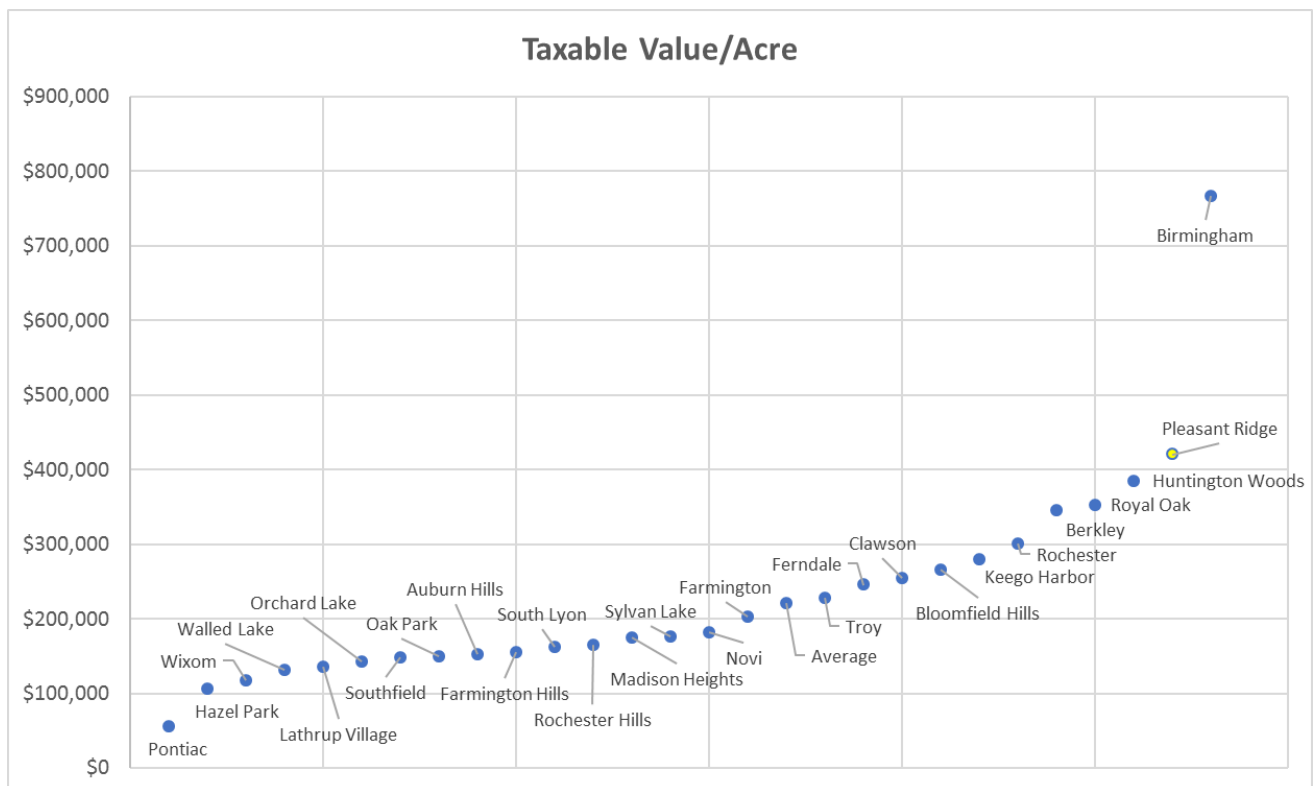
Figure 6. Taxable and Assessed Property Value, 2004-Present



Taxable Value per Acre. Property tax revenue is generated by multiplying the value of land by a property tax millage rate. While we tend to think about taxable value in terms of an entire City, or for individual parcels, a way of comparing how productively land is used in different communities is by looking at taxable value per acre of land. A community with a higher taxable value per acre has a stronger base from which to sustain itself. A standard residential street costs about the same to maintain regardless of where it is, but a community that has a higher value per acre has greater intrinsic resources to be able to pay for maintenance of that infrastructure.

The following Figure 7 shows that Pleasant Ridge has the second highest taxable value per acre in the County. This attests that 1) Pleasant Ridge is a desirable place to live, and 2) that our development pattern is inherently more sustainable than many newer communities. Older communities, particularly ones that have downtowns, have higher value per acre across the county than newer automobile-oriented communities. In the long run, more compact, walkable places generate more value per acre of land and have a stronger base from which to sustain themselves and their infrastructure into the future.

Figure 7. Taxable Value per Acre, Oakland County Cities, 2019



3. City Commission Goals and Objectives

Following are the City Commission's 2020-2021 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) Plan for lead service line and, if necessary, water main replacement.
- (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 public transportation options for residents and visitors.

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.
- (6) Ensure the transition of Roosevelt school building from Lower Elementary to C.A.S.A. does not negatively impact the neighborhood.

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.¹

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

5. Fund Structure

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

a. *Governmental Funds*

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

b. *Proprietary Funds*

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

6. Millage Rate Information

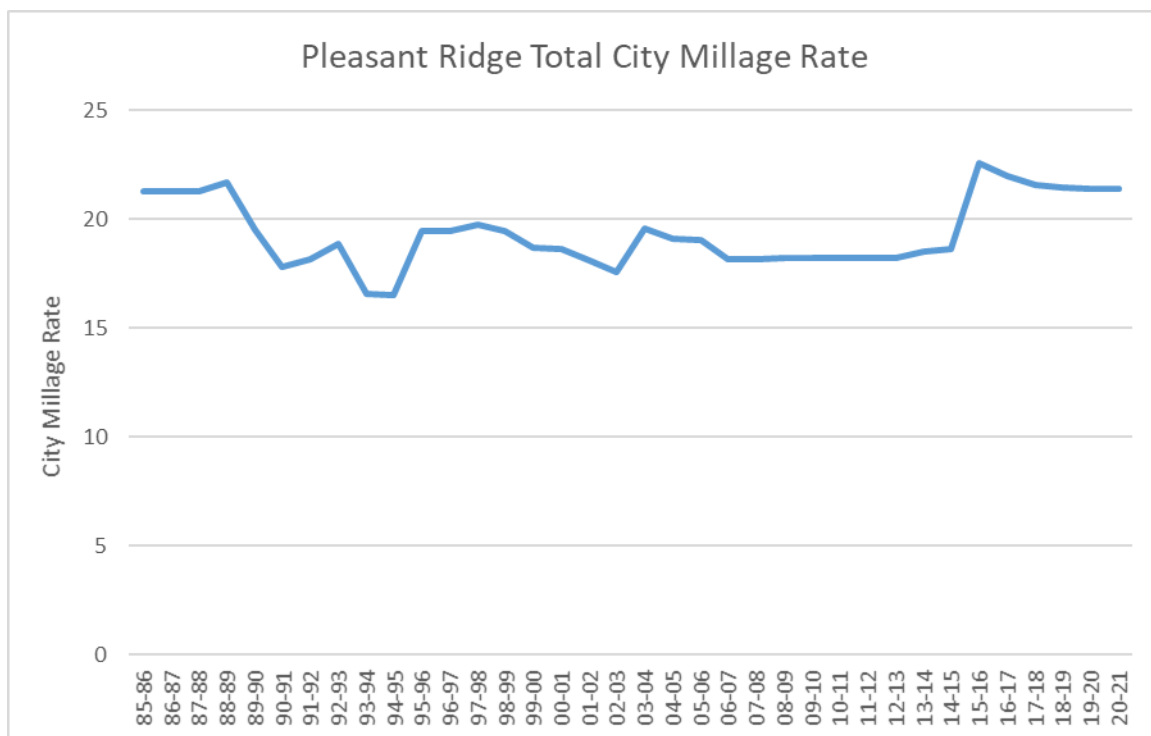
Millage Rate Information. The following Table 1 shows the breakdown of Pleasant Ridge millage rates from 2010 to present.

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

	Original Amount	Expiration	13-14	14-15	15-16	16-17	17-18	18-19	19-20	20-21
General Operating - Charter	20.0000	--	11.4248	11.3094	11.1363	10.8434	10.6232	10.3714	10.2085	10.0604
General Operating (2015)	2.9000	--			2.8556	2.7804	2.7239	2.6593	2.6175	2.5795
Police Pension (2018)	1.400	2032						0.3500	0.7000	1.0500
Infrastructure (2015)	3.0000	2034	2.4124	2.3880	2.9242	2.8472	2.7894	2.7232	2.6804	2.6415
Community Promotion	0.3431	--			0.2704	0.3481	0.3375	0.3200	0.3100	0.300
Parks Improvement (2015)	0.7500	2024			0.7385	0.7190	0.7044	0.6877	0.6769	0.6670
Rubbish	3.0000	--	1.7134	1.6960	1.6700	1.6260	1.5929	1.5551	1.5306	1.5084
Pool Operations (2003)	1.4000	2028	1.2722	1.2593	1.2400	1.2073	1.1827	1.1546	1.1364	1.1199
Library (2019)	0.5000	2025	0.3700	0.4949	0.3865	0.3763	0.3687	0.3675	0.3617	0.3564
Pool Debt (2003)	unlimited	2028	1.3000	1.5000	1.3380	1.2123	1.2450	1.2500	1.1900	1.1700
Total Millage			18.4928	18.6476	22.5595	21.9600	21.5677	21.4388	21.4120	21.4531

The following Figure 8 shows the long term total Pleasant Ridge city millage rate trend from 1985 to present.

Figure 8. Total City Millage Rate (Homestead), 1985-Present

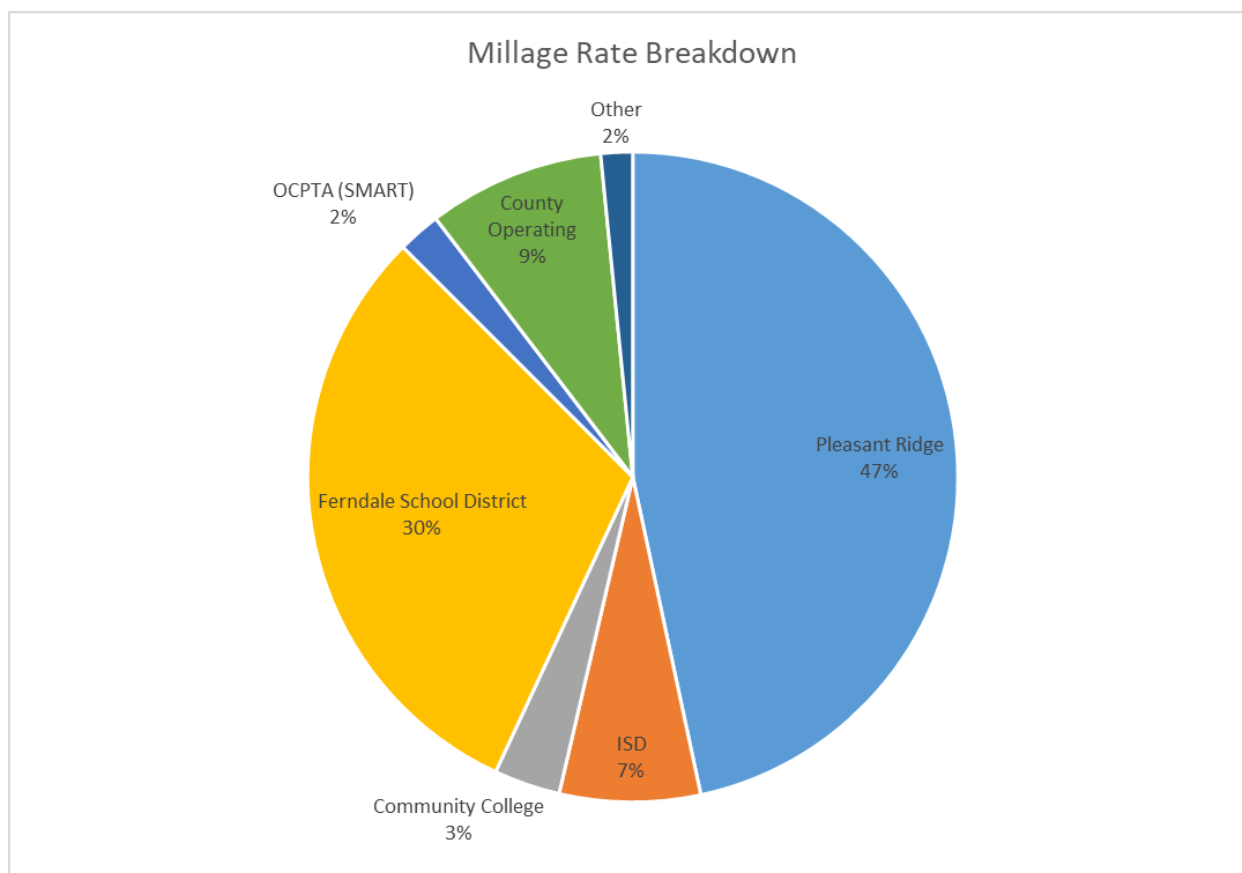


The 2019-2020 total City millage rates are reduced by 0.0268 mills compared to last year due to Headlee rollback. While the City experienced robust home sales and strong growth in sales prices, Headlee limits the City to a total tax revenue growth rate of 2.4%, requiring a rollback in local tax rates.

The community promotion millage authorized by PA 359 of 1925 (MCL 123.881) may generate up to \$50,000 annually. The 0.3000 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 maintenance of the City website.

Total Homestead Millage Rate Breakdown. The total homestead property tax rate for a property owner in Pleasant Ridge in 2020 is expected to be about 45.9961 mills.² Of every tax dollar paid by residents, 46% goes to the City, 31% goes to the Ferndale school district, and the remaining 23% goes to the County and other regional entities including SMART, the intermediate school district, community college, and “other” entities that include Oakland County Parks (0.2306 mills), the Detroit Zoo (0.0963 mills), the Art Institute Authority (0.1910 mills), and the Huron Clinton Metro Parks (0.2096 mills).

Figure 9. Total Pleasant Ridge Homestead Millage Rate Breakdown, 2020

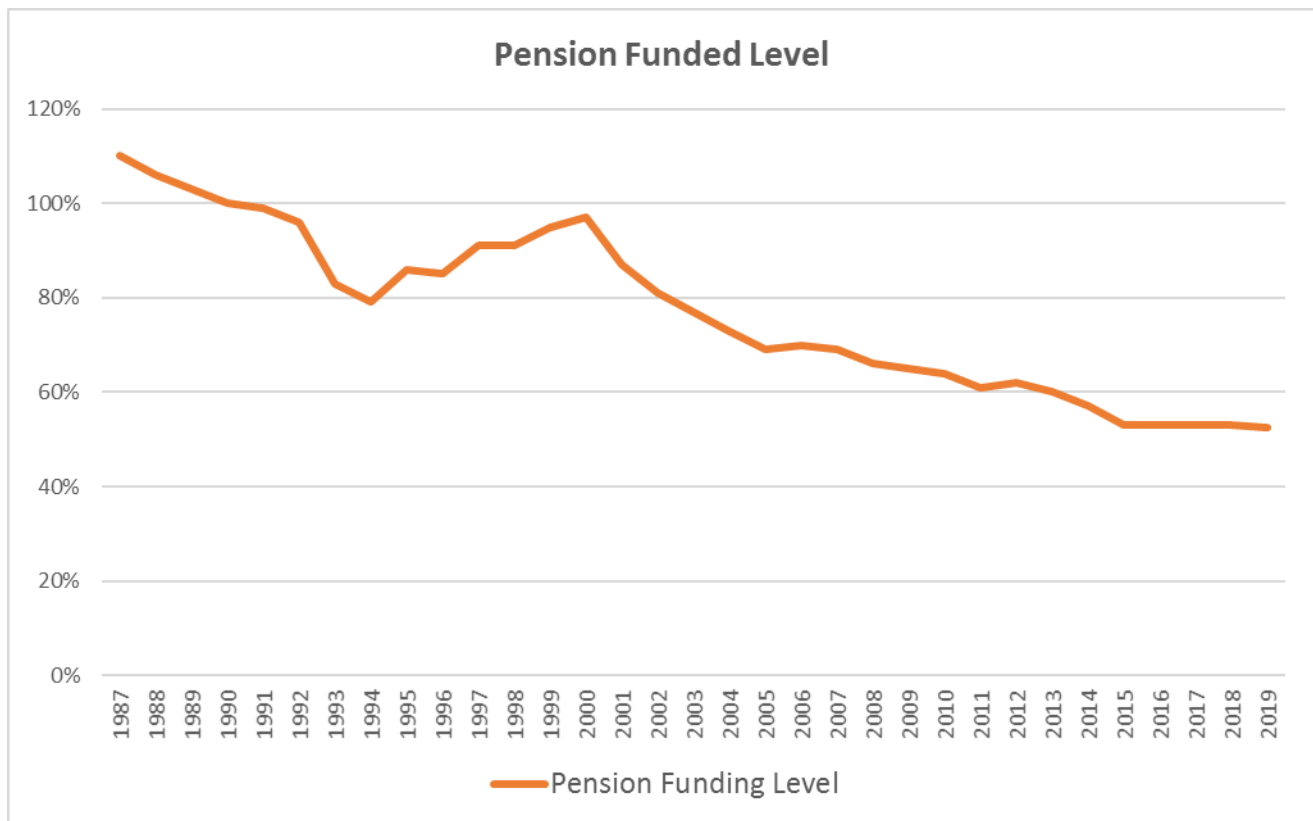


² As of the date of adoption of this budget, final tax rates for outside, non-Pleasant Ridge jurisdictions is not known. Those outside jurisdictions are also subject to Headlee Rollbacks, and their adopted tax rates have not yet been published. For the purposes of this document, the total millage rate 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 2000s. 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 10 summarizes the funding level of the City's pension funds (left scale).

Figure 10. City Pension Funding Level



The above Figure 10 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 2019. Over the same 2000 – 2019 time period, pension costs have gone from 1.8% of general fund expenditures to 12.2% of general fund expenditures.

Passage of the police pension millage in November 2017 has allowed the City to increase our annual contribution to the pension fund and has helped stem the decline in funding level. However, MERS changed their actuarial assumptions again in 2019, reducing the expected rate of return on assets, which again has lowered the actuarial funded level of the pension fund.

Actions Taken to Address Unfunded Liability

The 01, 02, 10, and 11 divisions are now closed to new hires. These represent the large majority of the fund's assets and liabilities. These groups include retired police officers and administrators, and employees hired before 2011.

Employees hired after 2011 are in different pension divisions with lower benefit levels and higher employee contribution amounts. The pension divisions for employees hired after 2011 – groups 12, 20, and HA are fully funded or nearly so. Divisions 12 and 20 are overfunded due to departure of employees before they vested, leaving excess funds in those groups. However, the total amount of valuation assets in divisions 12, 20 and HA are small, representing only 1.5% of the City's overall pension fund actuarial liability.

In short, the unfunded liability issue is one that we are on a path to resolving, but it will take time to unwind the underfunding status of older pension divisions.

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.³

**Table 6: Actuarial Accrued Liabilities and Valuation Assets
as of December 31, 2018**

Division	Actuarial Accrued Liability					Valuation Assets	Percent Funded	Unfunded (Overfunded) Accrued Liabilities
	Active Employees	Vested Former Employees	Retirees and Beneficiaries	Pending Refunds	Total			
01 - Gnr/Oth	\$ 0	\$ 272,296	\$ 222,572	\$ 0	\$ 494,868	\$ 310,967	62.8%	\$ 183,901
02 - Police	783,567	4,279	2,621,315	0	3,409,161	1,530,863	44.9%	1,878,298
10 - NonUnion	875,847	60,856	727,080	0	1,663,783	941,992	56.6%	721,791
11 - City Mgr	0	0	691,210	0	691,210	430,448	62.3%	260,762
12 - Non-Union after 7/1/2011	14,980	0	0	9,685	24,665	43,228	175.3%	(18,563)
20 - Police as of 7/1/2011	59,445	0	0	5,103	64,548	77,521	120.1%	(12,973)
HA - Police hired after 7/1/17	2,972	0	0	0	2,972	2,666	89.7%	306
Total	\$ 1,736,811	\$ 337,431	\$ 4,262,177	\$ 14,788	\$ 6,351,207	\$ 3,337,685	52.6%	\$ 3,013,522

The above table shows that the City's total unfunded liability is \$3,013,522, with nearly two-thirds of that unfunded liability being in the 02 – Police division. Given that the police group is the largest single source of the unfunded liability, the City has closed division 20 (which was created in 2011) and creating a new hybrid plan division HA 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 divisions 02 and 10 were closed to new hires in 2011, replaced by divisions 12, 20, and HA with lower benefit levels. The new divisions are fully or nearly fully funded.
- City Manager division 11 closed in 2014. Current City Manager does not receive a defined benefit 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.

³ AAV reports are available on the City's website at: https://cityofpleasantridge.org/lsvr_document/pension-fund-annual-actuarial-valuation-reports/

- 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 FY2020-21, the 1.0500 mill levy is expected to generate \$175,312. The amount budgeted for police pension expenses for active and retired officers is \$300,000.

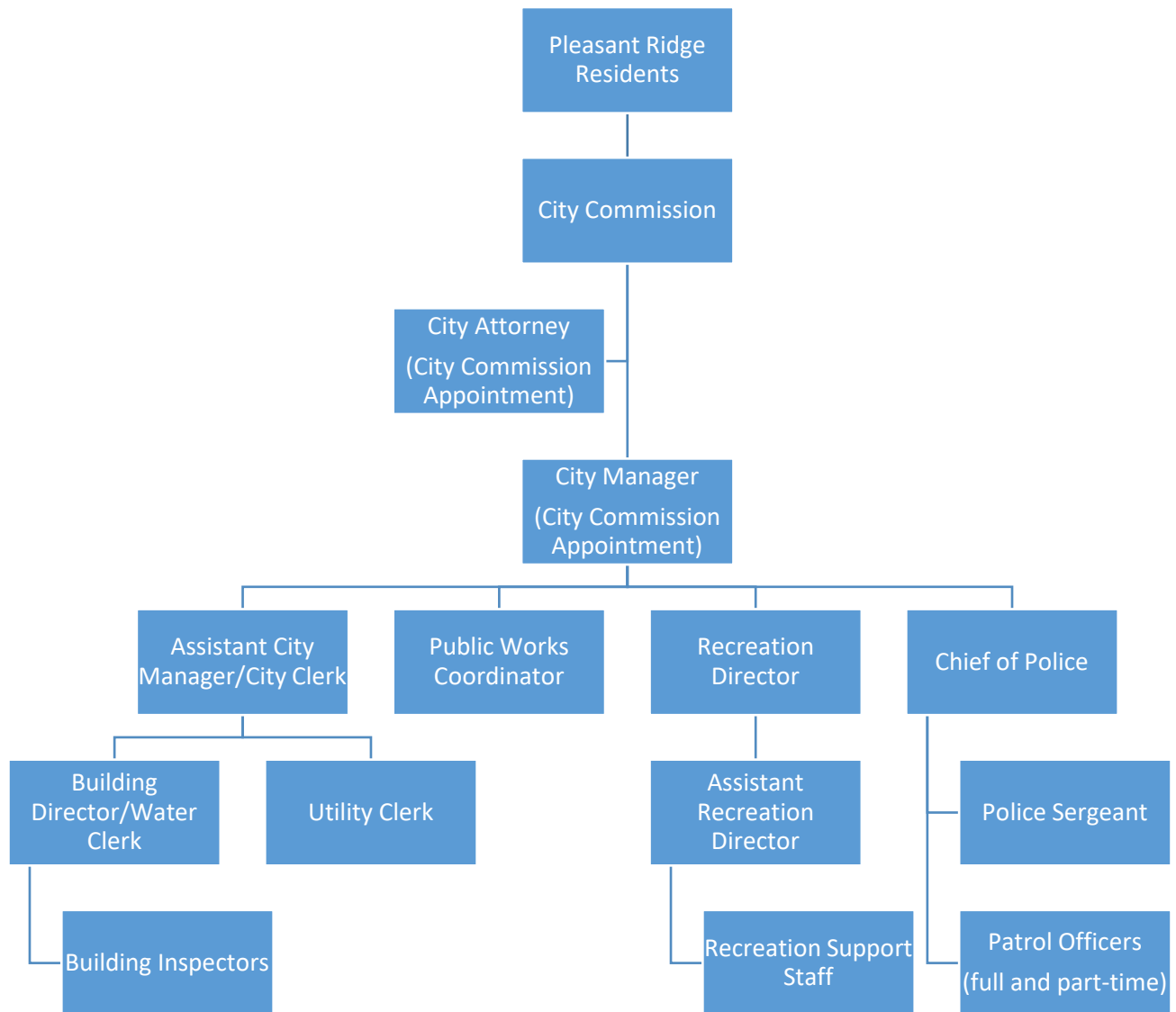
8. Personnel

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	FY21
City Hall		
City Manager	Full-Time	1.00
City Clerk	Full-Time	1.00
City Treasurer	Part-Time	0.00
Public Works Manager	Full-Time	1.00
Utility/Building Clerk	Full-Time	1.00
Solid Waste Clerk	Part-Time	0.33
City Hall Total		4.33
Police Department		
Chief	Full-Time	1.00
Sergeant	Full-Time	1.00
Patrol Officer	Full-Time	4.00
Patrol Officer (2)	Part-Time	0.48
Office Clerk	Part-Time	0.25
Crossing Guard	Part-Time	0.33
Police Total		7.06
Recreation Department		
Director	Full-Time	1.00
Recreation Assistant	Full-Time	1.00
Building Supervisor	Part-Time	1.00
Playground Supervisor	Seasonal	0.44
Life Guard (senior)	Seasonal	0.44
Life Guard	Seasonal	1.75
Pool Instructors	Seasonal	0.10
Recreation Total		5.73
Full Time Positions		12.00
Part Time Positions (FTE)		5.12
All Departments		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. It is the City's policy goal to maintain a minimum 25-30% undesignated General Fund fund balance to maintain cash flow, solvency, and to set aside for unforeseen emergencies or cash shortfalls caused by revenue declines or delays. The FY2019-20 budget includes revenues of \$2,987,878 and expenditures of \$2,966,691 with a projected end of year fund balance percentage of 28.3%.

REVENUES

SOURCE	Actual 2016-17	Actual 2017-18	Actual 2018-19	Budget 2019-20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Taxes and special assessments	2,000,312	2,030,066	2,137,853	2,272,963	2,371,666	2,275,552	2,314,118
Licenses and Permits	84,902	117,153	133,085	99,680	53,780	59,780	71,280
Federal and State Grants	23,111	56,818	47,419	52,715	22,500	22,500	22,500
State Shared Revenue	249,415	258,266	266,525	257,650	236,000	241,000	246,000
Charges for Services	242,542	232,688	286,841	220,016	206,088	218,619	221,195
Fines and Forfeits	56,409	95,648	107,920	81,015	50,000	60,000	60,000
Interest and Rents	12,235	16,720	27,166	32,700	9,000	12,500	12,500
Other revenue	161,927	128,070	159,657	103,710	98,800	98,800	98,800
Transfers-In	9	0	0	0	0	0	0
REVENUE TOTAL	2,830,862	2,935,429	3,166,466	3,120,449	3,047,835	2,988,751	3,046,393

EXPENDITURES

DEPARTMENT							
Mayor and Commission	14,234	29,313	15,490	27,550	27,550	27,550	27,550
City Manager	153,544	157,713	167,267	189,788	182,276	185,441	190,857
Elections	7,100	5,446	7,442	14,960	9,510	9,510	9,510
City Attorney	31,137	33,794	17,083	38,000	26,500	26,500	26,500
City Clerk	103,474	100,231	103,617	113,400	115,073	111,688	113,954
Information Technology	58,094	68,654	92,627	74,000	58,500	56,500	56,500
General Government	152,687	144,312	152,121	157,100	145,400	145,400	145,400
Cable TV	3,069	3,799	2,400	5,110	3,410	3,410	3,410
City Treasurer	108,756	117,249	113,776	117,919	117,050	120,733	124,347
Assessment	21,064	21,495	21,347	22,155	22,155	22,355	22,555
Police Services	1,027,663	978,006	1,061,769	1,165,571	1,219,015	1,256,585	1,282,884
Fire/Rescue	256,581	256,581	256,581	277,981	256,581	256,581	256,581
Building Department	70,059	55,721	75,951	69,068	66,767	64,469	64,675
Planning Commission	0	0	0	0	0	0	0
Public Works	206,075	245,125	262,262	240,475	261,086	249,285	251,669
Street Lighting	30,015	34,605	37,227	40,500	38,000	38,000	38,000
Recreation	406,877	402,155	382,869	411,024	387,773	368,794	373,327
Retirement Services	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Transfers Out	107,000	162,000	180,000	60,000	50,000	40,000	50,000
EXPENDITURES TOTAL	2,762,429	2,821,199	2,954,829	3,029,601	2,991,645	2,987,800	3,042,719
Revenue over (under) expenditures	68,433	114,230	211,637	90,848	56,190	951	3,674
Fund Balance, beginning of the year	586,168	654,603	768,837	980,448	1,071,296	1,127,486	1,128,437
Fund Balance adjustments							
Fund Balance, end of the year	654,601	768,833	980,474	1,071,296	1,127,486	1,128,437	1,132,111
General Fund Balance %	23.70%	27.25%	33.18%	35.36%	37.69%	37.77%	37.21%

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 2018-19. This modest increase is due to growth in tax revenue of 1.9% as allowed by the Headlee amendment, and as calculated by the state. Projected property tax revenue is projected to decline by 6% in FY22 due to economic impacts of COVID-19. The actual economic impact and duration of recovery on the City budget is unknown, so the projected 6% decline is a best guess estimation for now.

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
GENERAL FUND REVENUE DETAIL							
Taxes and Special Assessments							
101-000-401.000	Property Taxes - Operating	1,948,178	2,009,719	2,004,884	2,063,382	1,939,579	1,974,491
101-000-401.001	Chargebacks from County	(1,154)	0	0	0	0	0
	Property Taxes - Police Pension						
101-000-401.400	Millage	53,533	112,000	111,988	175,312	203,000	206,654
101-000-401.500	Property Taxes - Community Promo	47,836	48,574	48,623	48,973	48,973	48,973
101-000-410.500	Delinquent Tax Collection	24	0	145	0	0	0
101-000-445.000	Interest on Taxes	15,895	25,720	25,718	10,000	10,000	10,000
101-000-447.000	Property Tax Admin Fee	73,541	76,950	76,944	74,000	74,000	74,000
	<i>Total taxes and special assessments</i>	<i>2,137,853</i>	<i>2,272,963</i>	<i>2,268,302</i>	<i>2,371,666</i>	<i>2,275,552</i>	<i>2,314,118</i>
Licenses and Permits							
101-000-476.000	Landlord Licenses	2,140	500	740	500	500	500
101-000-477.000	Electrical Permits	11,305	8,500	6,660	7,500	7,500	7,500
101-000-478.000	Building Permits	97,359	73,400	81,625	35,000	40,000	50,000
101-000-479.000	Plumbing and Mechanical Permits	20,628	16,000	16,000	9,500	10,500	12,000
101-000-480.000	Liquor License Fee Revenue	839	780	866	780	780	780
101-000-485.000	Dog Licenses	814	500	691	500	500	500
	<i>Total licenses and permits</i>	<i>133,085</i>	<i>99,680</i>	<i>106,582</i>	<i>53,780</i>	<i>59,780</i>	<i>71,280</i>
Federal and State Grants							
101-000-522.000	CDBG	5,538	5,000	1,996	5,000	5,000	5,000
101-000-540.000	State Grant	0	4,255	4,255	0	0	0
101-000-544.000	302 Training Funds	1,033	1,000	1,040	1,000	1,000	1,000
101-000-573.000	Local Community Stabilization	40,848	42,460	42,461	16,500	16,500	16,500
	<i>Total federal and state grants</i>	<i>47,419</i>	<i>52,715</i>	<i>49,752</i>	<i>22,500</i>	<i>22,500</i>	<i>22,500</i>
State Shared Revenue							
101-000-576.500	Sales Taxes - Statutory	46,232	46,250	32,920	46,000	46,000	46,000
101-000-576.750	Sales Taxes - Constitutional	218,252	210,000	154,391	190,000	195,000	200,000
101-000-576.751	Sales Taxes - Supplemental	2,041	1,400	0	0	0	0
	<i>Total state shared revenue</i>	<i>266,525</i>	<i>257,650</i>	<i>187,311</i>	<i>236,000</i>	<i>241,000</i>	<i>246,000</i>
Charges for Services							
101-000-607.000	NSF Fees	416	400	360	400	400	400
101-000-608.000	Registration Fees	5,295	3,000	2,340	3,000	3,000	3,000

C. General Fund
101. General Fund Revenues

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
101-000-609.000	Administrative Fees	11,080	7,500	7,625	7,500	7,500	7,500
101-000-627.000	Administrative Charges	103,792	103,619	103,619	104,701	106,052	107,429
101-000-627.100	Charges for Services - Personnel	11,860	12,555	12,555	12,555	12,781	13,011
101-000-627.200	Charges for Services - IT	50,777	51,997	51,997	52,933	53,886	54,856
101-000-635.000	Copying Charges	377	50	957	50	50	50
101-000-641.100	Election Reimbursement	0	0	70	0	0	0
101-000-641.200	Spraying Reimbursement	331	0	0	0	0	0
101-000-641.300	Tree Planting Reimbursement	2,030	750	1,600	750	750	750
101-000-642.000	Sales	0	0	50	0	0	0
101-000-651.000	Use & Admission Fees	2,238	1,000	1,906	1,000	1,000	1,000
101-000-651.208	Admission - Dog Park	4,940	4,440	4,560	3,200	3,200	3,200
101-000-653.000	Registration Program Fees	93,705	34,705	34,703	20,000	30,000	30,000
<i>Total charges for services:</i>		<i>286,841</i>	<i>220,016</i>	<i>222,342</i>	<i>206,088</i>	<i>218,619</i>	<i>221,195</i>
Fines and Forfeits							
101-000-656.000	Municipal Fines	66,320	46,015	46,358	20,000	30,000	30,000
101-000-657.000	District Court Fines	41,600	35,000	29,116	30,000	30,000	30,000
<i>Total fines and forfeits:</i>		<i>107,920</i>	<i>81,015</i>	<i>75,474</i>	<i>50,000</i>	<i>60,000</i>	<i>60,000</i>
Interest and Rents							
101-000-665.000	Interest & Dividend Income	18,963	19,000	18,465	5,000	5,000	5,000
101-000-667.000	4 Ridge Rental	5,410	10,900	10,897	4,000	7,500	7,500
101-000-669.000	Property Rental	2,793	2,800	400	0	0	0
<i>Total interest and rents:</i>		<i>27,166</i>	<i>32,700</i>	<i>29,762</i>	<i>9,000</i>	<i>12,500</i>	<i>12,500</i>
Other Revenue							
101-000-670.000	Cable Franchise and PEG Fees	62,375	60,000	44,488	60,000	60,000	60,000
101-000-671.000	Miscellaneous Other Revenues	21,300	18,500	18,493	5,000	5,000	5,000
101-000-675.000	Contributions & Donations	40,000	410	410	5,000	5,000	5,000
101-000-679.000	Refunds & Rebates	23,636	24,500	2,789	24,500	24,500	24,500
101-000-679.300	Refunds & Rebates - Public Safety	2,702	0	0	4,000	4,000	4,000
101-000-695.000	Other Financing Sources	(26)	0	0	0	0	0
101-000-696.000	Bond & Insurance Recoveries	9,644	300	0	300	300	300
<i>Total other revenue:</i>		<i>159,631</i>	<i>103,710</i>	<i>66,180</i>	<i>98,800</i>	<i>98,800</i>	<i>98,800</i>
TOTAL REVENUES		3,166,440	3,120,449	3,005,705	3,047,835	2,988,751	3,046,393

101. General Fund Expenditures

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
GENERAL FUND APPROPRIATIONS							
Department 101 - Mayor and Commission							
101-101-715.000	Worker's Compensation	46	50	48	50	50	50
101-101-955.000	Miscellaneous Expenses	12,570	20,000	19,197	20,000	20,000	20,000
101-101-956.000	Conferences and Workshops	0	1,000	100	1,000	1,000	1,000
101-101-958.000	Memberships and Dues	2,874	6,500	5,256	6,500	6,500	6,500
<i>Totals for Department 101 - Mayor and Commission</i>		<i>15,490</i>	<i>27,550</i>	<i>24,601</i>	<i>27,550</i>	<i>27,550</i>	<i>27,550</i>
Department 172 - City Manager							
101-172-702.000	Administration Wages	102,655	109,420	82,914	107,125	107,125	109,053
101-172-711.000	Social Security & Medicare	8,690	7,500	6,847	7,500	7,635	7,772
101-172-712.000	Medical Insurance	5,138	6,150	3,946	6,150	6,150	6,150
101-172-712.003	Medical Insurance - Retirees	5,995	14,000	5,744	9,000	10,000	11,000
101-172-712.004	Medical Insurance - Retiree Cont.	(566)	(600)	(1,108)	(600)	(600)	(600)
101-172-712.006	Medical Insurance - HSA (Retirees)	0	950	0	950	950	950
101-172-713.000	Life Insurance	672	750	621	750	750	750
101-172-714.003	Retirement - DB (Retirees)	16,596	20,124	16,770	20,000	22,030	23,985
101-172-714.500	Retirement - DC (Active Employees)	21,144	22,054	17,358	21,961	21,961	22,356
101-172-715.000	Worker's Compensation	57	50	59	50	50	50
101-172-716.000	Unemployment Compensation	22	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	79	100	53	100	100	100
101-172-790.000	Books & Periodicals	198	400	228	400	400	400
101-172-862.000	Automobile Allowance	6,000	6,000	5,000	6,000	6,000	6,000
101-172-956.000	Conferences and Workshops	0	2,000	250	2,000	2,000	2,000
101-172-958.000	Memberships and Dues	587	750	1,148	750	750	750
<i>Totals for Department 172 - City Manager</i>		<i>167,267</i>	<i>189,788</i>	<i>139,849</i>	<i>182,276</i>	<i>185,441</i>	<i>190,857</i>
Department 191 - Elections							
101-191-704.000	Part-Time Wages	4,075	5,300	5,288	4,500	4,500	4,500
101-191-711.000	Social Security & Medicare	0	0	8	0	0	0
101-191-715.000	Worker's Compensation	12	10	12	10	10	10
101-191-728.000	Postage	0	250	284	250	250	250
101-191-731.000	Operating Supplies	2,298	4,500	4,120	3,000	3,000	3,000
101-191-809.000	Contractual Services	1,057	2,400	2,379	1,250	1,250	1,250
101-191-900.000	Printing & Publishing	0	2,500	2,496	500	500	500
<i>Totals for Department 191 - Elections</i>		<i>7,442</i>	<i>14,960</i>	<i>14,587</i>	<i>9,510</i>	<i>9,510</i>	<i>9,510</i>
Department 210 - City Attorney							
101-210-815.000	City Attorney Services	9,556	30,000	10,910	20,000	20,000	20,000
101-210-815.250	Court Prosecutions	5,771	7,500	3,746	6,000	6,000	6,000
101-210-815.500	Labor Relations Attorney	1,756	500	0	500	500	500
<i>Totals for Department 210 - City Attorney</i>		<i>17,083</i>	<i>38,000</i>	<i>14,656</i>	<i>26,500</i>	<i>26,500</i>	<i>26,500</i>
Department 215 - City Clerk							
101-215-702.000	Administration Wages	74,843	83,625	61,072	85,298	80,402	81,849
101-215-711.000	Social Security & Medicare	5,684	5,650	4,741	5,650	5,752	5,855

C. General Fund

101. General Fund Expenditures

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
101-215-712.000	Medical Insurance	6,443	7,750	6,017	7,750	7,983	8,222
101-215-712.001	Medical Insurance - Employee Cont.	(482)	(775)	(485)	(775)	(798)	(822)
101-215-712.005	Medical Insurance - HSA	975	950	1,225	950	1,900	1,900
101-215-713.000	Life Insurance	566	195	538	195	195	195
101-215-714.000	Retirement - DB (Active Employees)	12,754	13,250	9,121	13,250	13,500	14,000
101-215-715.000	Worker's Compensation	133	125	138	125	125	125
101-215-716.000	Unemployment Compensation	15	30	13	30	30	30
101-215-731.000	Operating Supplies	936	1,250	547	1,250	1,250	1,250
101-215-861.000	Mileage Allowance	591	200	295	200	200	200
101-215-955.000	Miscellaneous Expenses	0	100	0	100	100	100
101-215-956.000	Conferences and Workshops	929	750	461	750	750	750
101-215-958.000	Memberships and Dues	230	300	230	300	300	300
<i>Totals for Department 215 - City Clerk</i>		<i>103,617</i>	<i>113,400</i>	<i>83,913</i>	<i>115,073</i>	<i>111,688</i>	<i>113,954</i>
Department 228 - Information Technology							
101-228-809.000	Contractual Services	23,143	20,000	26,494	20,000	20,000	20,000
101-228-851.000	Communications	52,016	35,000	18,103	16,000	16,000	16,000
101-228-928.000	Software Maintenance	8,784	8,000	13,420	9,000	9,000	9,000
101-228-970.000	Capital Outlay	3,065	5,500	6,827	7,000	5,000	5,000
101-228-983.000	Leased Assets	5,619	5,500	7,103	6,500	6,500	6,500
<i>Totals for Department 228 - Information Technology</i>		<i>92,627</i>	<i>74,000</i>	<i>71,947</i>	<i>58,500</i>	<i>56,500</i>	<i>56,500</i>
Department 248 - General Government							
101-248-727.000	Office Supplies	2,385	6,000	1,140	3,000	3,000	3,000
101-248-728.000	Postage	4,208	3,500	3,092	3,000	3,000	3,000
101-248-731.000	Operating Supplies	13,595	7,500	6,281	4,500	4,500	4,500
101-248-733.000	Janitorial Supplies	0	0	460	500	500	500
101-248-734.000	Building Maintenance Supplies	0	200	0	200	200	200
101-248-803.000	Janitorial Contract	2,338	2,500	2,143	2,500	2,500	2,500
101-248-809.000	Contractual Services	7,313	6,500	3,998	6,500	6,500	6,500
101-248-809.002	Payroll Administration	9,610	9,700	7,693	10,000	10,000	10,000
101-248-880.000	Community Promotion	21,694	17,700	11,300	17,700	17,700	17,700
101-248-900.000	Printing & Publishing	12,004	12,000	10,208	12,000	12,000	12,000
101-248-910.000	Insurance & Bonds	58,324	60,000	48,806	60,000	60,000	60,000
101-248-920.000	Public Utilities	9,363	16,000	9,472	10,000	10,000	10,000
101-248-929.000	Equipment Maintenance	72	500	63	500	500	500
101-248-931.000	Building Maintenance	7,190	12,500	5,658	12,500	12,500	12,500
101-248-955.000	Miscellaneous Expenses	4,025	2,500	2,052	2,500	2,500	2,500
<i>Totals for Department 248 - General Government</i>		<i>152,121</i>	<i>157,100</i>	<i>112,366</i>	<i>145,400</i>	<i>145,400</i>	<i>145,400</i>
Department 249 - Cable TV							
101-249-715.000	Worker's Compensation	0	10	0	10	10	10
101-249-731.000	Operating Supplies	0	1,500	0	500	500	500
101-249-809.000	Contractual Services	2,400	2,400	2,625	2,400	2,400	2,400
101-249-958.000	Memberships and Dues	0	1,200	0	500	500	500
<i>Totals for Department 249 - Cable TV</i>		<i>2,400</i>	<i>5,110</i>	<i>2,625</i>	<i>3,410</i>	<i>3,410</i>	<i>3,410</i>
Department 253 - City Treasurer							
101-253-714.003	Retirement - DB (Retirees)	25,507	24,000	18,241	24,000	26,436	28,782
101-253-801.000	Audit Contract	19,900	21,100	21,100	19,000	19,000	19,000
101-253-809.001	Accounting Services	66,204	68,019	62,150	69,250	70,497	71,765

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
101-253-890.000	Service Charges	1,987	4,500	2,263	4,500	4,500	4,500
101-253-954.000	Overage/shortage	0	50	0	50	50	50
101-253-955.000	Miscellaneous Expenses	78	200	607	200	200	200
101-253-960.100	Credit Card Service Charge	100	50	100	50	50	50
<i>Totals for Department 253 - City Treasurer</i>		<i>113,776</i>	<i>117,919</i>	<i>104,461</i>	<i>117,050</i>	<i>120,733</i>	<i>124,347</i>
Department 254 - Assessing							
101-254-702.000	Administration Wages	810	810	1,020	810	810	810
101-254-711.000	Social Security & Medicare	62	25	78	25	25	25
101-254-804.000	County Assessor Fees	19,555	19,700	0	19,700	19,900	20,100
101-254-901.000	Printing Tax Bills	900	1,600	1,397	1,600	1,600	1,600
101-254-956.000	Conferences and Workshops	20	20	60	20	20	20
<i>Totals for Department 254 - Assessment</i>		<i>21,347</i>	<i>22,155</i>	<i>2,555</i>	<i>22,155</i>	<i>22,355</i>	<i>22,555</i>
Department 301 - Police Services							
101-301-702.000	Administration Wages	79,994	87,205	68,115	87,950	87,950	89,533
101-301-703.000	Overtime	16,869	17,500	17,448	17,500	17,500	17,500
101-301-704.000	Part-Time Wages	67,281	55,000	47,587	50,000	50,000	50,000
101-301-705.000	Full Time Wages	328,979	344,500	247,580	352,500	352,500	359,550
101-301-708.000	Crossing Guard Wages	4,430	3,800	3,525	3,800	3,868	3,938
101-301-711.000	Social Security & Medicare	28,626	26,000	22,962	28,000	28,000	28,000
101-301-712.000	Medical Insurance	61,623	85,000	61,067	77,000	78,386	79,797
101-301-712.001	Medical Insurance - Employee Cont.	(4,854)	(8,500)	(4,570)	(7,700)	(7,839)	(7,980)
101-301-712.002	Retirement - HCSP	5,497	4,500	5,202	4,500	4,581	4,663
101-301-712.003	Medical Insurance - Retirees	115,860	130,000	108,047	130,000	132,340	134,722
101-301-712.004	Medical Insurance - Retiree Cont.	(11,097)	(10,400)	(14,007)	(10,400)	(10,587)	(10,778)
101-301-712.005	Medical Insurance - HSA	8,038	10,450	9,800	9,000	9,000	9,000
101-301-712.006	Medical Insurance - HSA (Retirees)	3,925	6,000	5,763	6,000	6,000	6,000
101-301-713.000	Life Insurance	3,277	5,000	3,122	5,000	5,000	5,000
101-301-714.000	Retirement - DB (Active Employees)	61,024	80,000	59,124	70,000	72,500	75,000
101-301-714.003	Retirement - DB (Retirees)	154,940	175,000	167,689	230,000	260,000	270,000
101-301-714.500	Retirement - DC (Active Employees)	0	0	7,981	10,000	10,000	10,000
101-301-715.000	Worker's Compensation	6,326	6,000	6,540	6,500	6,500	6,500
101-301-716.000	Unemployment Compensation	82	200	69	200	200	200
101-301-718.000	Uniform Allowance	6,442	4,750	4,489	6,500	6,500	6,500
101-301-718.100	Uniform Cleaning Allowance	3,750	4,000	4,200	4,000	4,000	4,000
101-301-720.000	Tuition, Training and Education	2,364	5,000	1,883	5,000	5,000	5,000
101-301-720.500	302 Training Funds	787	650	0	650	650	650
101-301-727.000	Office Supplies	2,521	1,500	1,469	1,500	1,500	1,500
101-301-731.000	Operating Supplies	24,011	16,000	11,903	16,000	16,000	16,000
101-301-751.000	Gas & Oil	19,133	17,500	11,995	17,500	17,815	18,136
101-301-803.000	Janitorial Contract	3,506	3,500	3,214	3,500	3,500	3,500
101-301-809.000	Contractual Services	0	12,000	2,770	12,000	12,000	12,000
101-301-809.200	Clemis/LEIN Services	11,053	12,000	5,938	12,000	12,360	12,731
101-301-809.911	Dispatch Contract	39,000	41,350	39,000	41,350	42,094	42,852
101-301-827.200	Charges for Services - IT	5,387	5,516	5,516	5,615	5,716	5,819
101-301-929.000	Equipment Maintenance	739	1,500	1,761	1,500	1,500	1,500
101-301-930.000	Vehicle Maintenance	9,519	10,000	8,272	10,000	10,000	10,000
101-301-955.000	Miscellaneous Expenses	240	500	110	500	500	500
101-301-956.000	Conferences and Workshops	927	1,250	875	1,250	1,250	1,250
101-301-958.000	Memberships and Dues	365	300	115	300	300	300

C. General Fund

101. General Fund Expenditures

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
101-301-970.000	Capital Outlay	1,205	11,000	4,246	10,000	10,000	10,000
<i>Totals for Department 301 - Police Services</i>		<i>1,061,769</i>	<i>1,165,571</i>	<i>930,800</i>	<i>1,219,015</i>	<i>1,256,585</i>	<i>1,282,884</i>
Department 339 - Fire/Rescue							
101-339-802.000	Fire Services Contract	256,581	277,981	256,581	256,581	256,581	256,581
<i>Totals for Department 339 - Fire/Rescue</i>		<i>256,581</i>	<i>277,981</i>	<i>256,581</i>	<i>256,581</i>	<i>256,581</i>	<i>256,581</i>
Department 371 - Community Development							
101-371-715.000	Worker's Compensation	17	25	18	25	25	25
101-371-809.000	Contractual Services	24,864	22,500	8,926	17,500	15,000	15,000
101-371-811.000	Electrical Inspector Fees	1,800	2,000	1,800	2,000	2,000	2,000
101-371-812.000	Mechanical Inspector Fees	9,641	7,250	10,541	9,000	9,000	9,000
101-371-813.000	Building Inspector Fees	14,400	14,400	14,400	14,400	14,400	14,400
101-371-827.100	Charges for Services - Personnel	11,860	11,860	12,555	11,860	11,860	11,860
101-371-827.200	Charges for Services - IT	10,774	11,033	11,033	11,232	11,434	11,640
101-371-955.000	Miscellaneous Expenses	2,487	0	0	750	750	750
<i>Totals for Department 371 - Community Development</i>		<i>75,951</i>	<i>69,068</i>	<i>59,273</i>	<i>66,767</i>	<i>64,469</i>	<i>64,675</i>
Department 440 - Public Works							
101-440-702.000	Administration Wages	22,963	29,000	20,477	29,580	27,744	28,243
101-440-711.000	Social Security & Medicare	1,676	1,775	1,450	1,775	1,807	1,839
101-440-712.000	Medical Insurance	11,871	12,100	10,789	12,100	12,584	13,087
101-440-712.001	Medical Insurance - Employee Cont.	(1,057)	(1,210)	(890)	(1,210)	(1,258)	(1,309)
101-440-712.002	Retirement - HCSP	0	3,500	0	0	0	0
101-440-712.003	Medical Insurance - Retirees	3,001	3,000	2,872	3,500	3,605	3,713
101-440-712.004	Medical Insurance - Retiree Cont.	(283)	0	(277)	0	0	0
101-440-712.005	Medical Insurance - HSA	975	950	1,225	950	1,900	1,900
101-440-713.000	Life Insurance	243	60	225	200	200	200
101-440-714.000	Retirement - DB (Active Employees)	0	0	(140)	0	0	0
101-440-714.003	Retirement - DB (Retirees)	12,372	17,500	10,730	12,500	13,769	14,991
101-440-714.500	Retirement - DC (Active Employees)	3,418	3,250	3,064	4,141	3,884	3,954
101-440-715.000	Worker's Compensation	9	0	9	0	0	0
101-440-731.000	Operating Supplies	6,975	5,000	5,864	5,000	5,000	5,000
101-440-810.000	Public Works Contract	180,670	145,000	120,918	175,000	165,000	165,000
101-440-920.000	Public Utilities	4,587	3,500	4,188	3,000	3,000	3,000
101-440-955.000	Miscellaneous Expenses	429	2,000	1,069	2,000	2,000	2,000
101-440-958.000	Memberships and Dues	695	50	20	50	50	50
101-440-970.000	Capital Outlay	13,695	15,000	519	12,500	10,000	10,000
<i>Totals for Department 440 - Public Works</i>		<i>262,262</i>	<i>240,475</i>	<i>182,112</i>	<i>261,086</i>	<i>249,285</i>	<i>251,669</i>
Department 448 - Street Lighting							
101-448-921.000	Streetlighting	37,227	40,500	36,666	38,000	38,000	38,000
<i>Totals for Department 448 - Street Lighting</i>		<i>37,227</i>	<i>40,500</i>	<i>36,666</i>	<i>38,000</i>	<i>38,000</i>	<i>38,000</i>
Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Department 750 - Recreation							
101-750-702.000	Administration Wages	107,329	125,750	81,187	112,300	112,300	114,321
101-750-704.000	Part-Time Wages	32,782	30,000	21,903	30,000	30,000	30,000
101-750-711.000	Social Security & Medicare	13,016	11,000	7,613	11,000	11,000	11,000
101-750-712.000	Medical Insurance	19,517	23,500	13,921	16,500	17,160	17,846

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
101-750-712.001	Medical Insurance - Employee Cont.	(1,555)	(2,350)	(1,131)	(1,250)	(1,250)	(1,250)
101-750-712.002	Retirement - HCSP	1,417	1,000	2,473	2,250	2,250	2,250
101-750-712.005	Medical Insurance - HSA	3,900	3,800	3,508	4,100	4,100	4,100
101-750-713.000	Life Insurance	1,010	350	792	350	350	350
101-750-714.000	Retirement - DB (Active Employees)	15,129	12,500	9,996	12,500	13,769	14,991
101-750-714.003	Retirement - DB (Retirees)	0	0	8,048	8,000	8,000	8,000
101-750-715.000	Worker's Compensation	2,259	2,100	2,336	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	0	750	750	750
101-750-727.000	Office Supplies	1,622	3,500	485	2,000	2,000	2,000
101-750-728.500	Newsletter Delivery	301	750	1,090	750	750	750
101-750-729.000	Recreation Program Supplies	11,258	12,500	3,846	7,500	6,000	6,000
101-750-730.000	Special Program Supplies	40,625	32,500	28,950	30,000	27,500	27,500
101-750-731.000	Operating Supplies	21,585	7,500	1,796	5,000	4,000	4,000
101-750-733.000	Janitorial Supplies	0	0	1,775	0	0	0
101-750-734.000	Building Maintenance Supplies	0	0	270	0	0	0
101-750-803.000	Janitorial Contract	12,054	12,100	12,800	12,100	12,100	12,100
101-750-803.700	Exterminator Service	633	1,200	1,636	600	600	600
101-750-809.000	Contractual Services	33,780	32,000	17,080	28,000	28,000	28,000
101-750-827.200	Charges for Services - IT	8,080	8,274	8,274	8,423	8,575	8,729
101-750-861.000	Mileage Allowance	437	500	173	500	500	500
101-750-883.000	Sports	4,391	7,500	4,554	7,500	6,000	6,000
101-750-890.000	Service Charges	457	0	385	0	0	0
101-750-920.000	Public Utilities	23,800	24,500	25,184	24,500	24,941	25,390
101-750-929.000	Equipment Maintenance	2,505	2,500	39	2,500	2,500	2,500
101-750-931.000	Building Maintenance	8,291	15,000	15,631	15,000	15,000	15,000
101-750-934.000	Parks Maintenance	6,315	7,500	8,680	7,500	7,500	7,500
101-750-955.000	Miscellaneous Expenses	0	0	24	0	0	0
101-750-956.000	Conferences and Workshops	2,144	1,500	1,277	1,500	1,500	1,500
101-750-958.000	Memberships and Dues	610	750	675	750	750	750
101-750-970.000	Capital Outlay	9,156	32,500	31,573	35,000	20,000	20,000
<i>Totals for Department 750 - Recreation</i>		<i>382,869</i>	<i>411,024</i>	<i>316,861</i>	<i>387,773</i>	<i>368,794</i>	<i>373,327</i>
Department 863 - Retirement Services							
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>
Department 966 - Transfers Out							
101-966-999.251	Transfers Out - Pool Operating	5,000	0	0	0	0	0
	Transfers Out - Capital						
101-966-999.401	Improvement	175,000	60,000	60,000	50,000	40,000	50,000
<i>Totals for Department 966 - Transfers Out</i>		<i>180,000</i>	<i>60,000</i>	<i>60,000</i>	<i>50,000</i>	<i>40,000</i>	<i>50,000</i>
TOTAL APPROPRIATIONS		2,954,829	3,029,601	2,418,853	2,991,645	2,987,800	3,042,719
NET OF REVENUES/APPROPRIATIONS - FUND 101		211,611	90,848	586,852	56,190	951	3,674
BEGINNING FUND BALANCE		768,837	980,448	980,448	1,071,296	1,127,486	1,128,437
FUND BALANCE ADJUSTMENTS		0	0	0	0	0	0
ENDING FUND BALANCE		980,448	1,071,296	1,567,300	1,127,486	1,128,437	1,132,111

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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
FUND 202 - MAJOR STREET FUND							
REVENUES							
202-000-579.000	Act 51 Gas Tax Funding	179,594	192,383	162,756	185,000	204,000	211,000
202-000-665.000	Interest & Dividend Income	253	50	163	50	50	50
TOTAL REVENUES		179,847	192,433	162,919	185,050	204,050	211,050
APPROPRIATIONS							
Department 463 - Street Maintenance							
202-463-731.000	Operating Supplies	0	1,000	0	1,000	1,000	1,000
202-463-809.000	Contractual Services	2,520	0	0	0	0	0
202-463-810.000	Public Works Contract	21,846	24,000	23,050	27,500	27,500	27,500
	<i>Totals for Department 463 - Street Maintenance</i>	<i>24,366</i>	<i>25,000</i>	<i>23,050</i>	<i>28,500</i>	<i>28,500</i>	<i>28,500</i>
Department 474 - Traffic Services							
202-474-731.000	Operating Supplies	2,596	2,500	300	2,500	2,500	2,500
202-474-810.000	Public Works Contract	0	1,500	0	1,500	1,500	1,500
202-474-935.000	Traffic Control	15,062	6,500	6,276	6,500	6,500	6,500
	<i>Totals for Department 474 - Traffic Services</i>	<i>17,658</i>	<i>10,500</i>	<i>6,576</i>	<i>10,500</i>	<i>10,500</i>	<i>10,500</i>
Department 478 - Winter Services							
202-478-731.000	Operating Supplies	16,667	12,500	6,016	12,500	12,500	12,500
202-478-810.000	Public Works Contract	14,282	25,000	8,288	25,000	25,000	25,000
	<i>Totals for Department 478 - Winter Services</i>	<i>30,949</i>	<i>37,500</i>	<i>14,304</i>	<i>37,500</i>	<i>37,500</i>	<i>37,500</i>
Department 910 - Capital Assets							
202-910-970.446	Capital Outlay - Streets & Alleys	10,761	60,000	66,962	60,000	60,000	60,000
	<i>Totals for Department 910 - Capital Assets</i>	<i>10,761</i>	<i>60,000</i>	<i>66,962</i>	<i>60,000</i>	<i>60,000</i>	<i>60,000</i>
Department 920 - Administration							
202-920-827.000	Administrative Service Charges	11,500	11,500	11,500	11,500	11,500	11,500
202-920-890.000	Service Charges	0	500	42	500	500	500
202-920-955.000	Miscellaneous Expenses	405	2,000	270	2,000	2,000	2,000
	<i>Totals for Department 920 - Administration</i>	<i>11,905</i>	<i>14,000</i>	<i>11,812</i>	<i>14,000</i>	<i>14,000</i>	<i>14,000</i>
Department 966 - Transfers Out							
202-966-999.203	Transfers Out - Local Streets	45,000	45,000	45,000	45,000	45,000	45,000
	<i>Totals for Department 966 - Transfers Out</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>	<i>45,000</i>
TOTAL APPROPRIATIONS		140,639	192,000	167,704	195,500	195,500	195,500

D. Special Revenue Funds
202. Major Street Fund

Account Number Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
NET OF REVENUES/APPROPRIATIONS - FUND 202	39,208	433	(4,785)	(10,450)	8,550	15,550
BEGINNING FUND BALANCE	73,846	113,054	113,054	113,487	103,037	111,587
ENDING FUND BALANCE	113,054	113,487	108,269	103,037	111,587	127,137

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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 203 - LOCAL STREET FUND							
REVENUES							
203-000-569.000	State Grants - Other	28,395	0	0	0	0	0
203-000-574.048	METRO Act	8,582	7,500	8,930	7,500	7,500	7,500
203-000-579.000	Act 51 Gas Tax Funding	61,225	65,631	55,470	63,000	69,500	72,000
203-000-665.000	Interest & Dividend Income	498	40	201	40	40	40
203-000-699.202	Transfers In - Major Streets	45,000	45,000	45,000	45,000	45,000	45,000
TOTAL REVENUES		143,700	118,171	109,601	115,540	122,040	124,540
APPROPRIATIONS							
Department 463 - Street Maintenance							
203-463-731.000	Operating Supplies	0	1,000	0	1,000	1,000	1,000
203-463-809.000	Contractual Services	3,780	0	0	0	0	0
203-463-810.000	Public Works Contract	41,204	43,000	42,893	25,000	25,000	25,000
<i>Totals for Department 463 - Street Maintenance</i>		<i>44,984</i>	<i>44,000</i>	<i>42,893</i>	<i>26,000</i>	<i>26,000</i>	<i>26,000</i>
Department 474 - Traffic Services							
203-474-731.000	Operating Supplies	6,751	4,000	2,304	4,000	4,000	4,000
203-474-810.000	Public Works Contract	503	3,000	905	3,000	3,000	3,000
<i>Totals for Department 474 - Traffic Services</i>		<i>7,254</i>	<i>7,000</i>	<i>3,209</i>	<i>7,000</i>	<i>7,000</i>	<i>7,000</i>
Department 478 - Winter Services							
203-478-731.000	Operating Supplies	22,732	12,500	4,011	12,500	12,500	12,500
203-478-810.000	Public Works Contract	21,423	30,000	8,794	27,500	27,500	27,500
<i>Totals for Department 478 - Winter Services</i>		<i>44,155</i>	<i>42,500</i>	<i>12,805</i>	<i>40,000</i>	<i>40,000</i>	<i>40,000</i>
Department 910 - Capital Assets							
203-910-970.446	Capital Outlay - Streets & Alleys	0	50,000	47,775	40,000	40,000	45,000
<i>Totals for Department 910 - Capital Assets</i>		<i>0</i>	<i>50,000</i>	<i>47,775</i>	<i>40,000</i>	<i>40,000</i>	<i>45,000</i>
Department 920 - Administration							
203-920-814.000	Engineering Services	4,449	1,000	0	1,000	1,000	1,000
203-920-827.000	Administrative Service Charges	3,900	3,900	3,900	3,900	3,900	3,900
203-920-890.000	Service Charges	16	300	42	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>8,365</i>	<i>6,200</i>	<i>3,942</i>	<i>6,200</i>	<i>6,200</i>	<i>6,200</i>
TOTAL APPROPRIATIONS		104,758	149,700	110,624	119,200	119,200	124,200
NET OF REVENUES/APPROPRIATIONS - FUND 203		38,942	(31,529)	(1,023)	(3,660)	2,840	340
BEGINNING FUND BALANCE		65,665	104,607	104,607	73,078	69,418	72,258
ENDING FUND BALANCE		104,607	73,078	103,584	69,418	72,258	72,598

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 is being repaid using the annual infrastructure millage funds.

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 218 - INFRASTRUCTURE IMPROVEMENTS							
ESTIMATED REVENUES							
218-000-406.000	Infrastructure Taxes	407,131	419,995	418,975	431,208	405,335	412,631
218-000-406.500	Parks Improvement Taxes	0	0	0	0	0	0
218-000-532.000	Local Grants	8,865	0	0	0	0	0
218-000-573.000	Local Community Stabilization	3,303	3,330	3,332	3,000	3,000	3,000
218-000-665.000	Interest & Dividend Income	23,492	21,455	21,456	5,000	5,000	5,000
218-000-699.260	Transfers In - DDA	0	0	0	0	70,000	70,000
TOTAL REVENUES		442,791	444,780	443,763	439,208	483,335	490,631
APPROPRIATIONS							
Department 905 - Long-Term Debt Retirement							
218-905-816.000	Paying Agent Fees	0	500	500	0	0	0
218-905-991.044	Principal: 2017 Street Bonds	150,000	155,000	155,000	160,000	170,000	175,000
218-905-995.044	Interest: 2017 Street Bonds	87,750	83,175	83,175	78,450	73,500	68,325
<i>Totals for department 910 - Long-Term Debt Retirement</i>		<i>237,750</i>	<i>238,675</i>	<i>238,675</i>	<i>238,450</i>	<i>243,500</i>	<i>243,325</i>
Department 910 - Capital Outlay							
218-910-970.003	Capital Outlay - Facilities	0	10,000	2,092	0	0	0
218-910-970.446	Capital Outlay - Streets & Alleys	571,937	450,000	442,504	500,000	150,000	150,000
218-910-970.750	Capital Outlay - Recreation	234,664	205,000	153,882	75,000	0	0
<i>Totals for department 910 - Capital Outlay</i>		<i>806,601</i>	<i>665,000</i>	<i>598,478</i>	<i>575,000</i>	<i>150,000</i>	<i>150,000</i>
Department 920 - Service Charges							
218-920-890.000	Service Charges	539	340	338	0	0	0
<i>Totals for department 910 - Capital Outlay</i>		<i>539</i>	<i>340</i>	<i>338</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL APPROPRIATIONS		1,044,890	904,015	837,491	813,450	393,500	393,325
NET OF REVENUES/APPROPRIATIONS - FUND 218							
BEGINNING FUND BALANCE		1,776,770	1,174,671	1,174,671	715,436	341,194	431,029
ENDING FUND BALANCE		1,174,671	715,436	780,943	341,194	431,029	528,335

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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 226 - SOLID WASTE FUND							
ESTIMATED REVENUES							
226-000-403.000	Refuse Collection Taxes	232,492	239,831	239,246	246,237	231,462	235,629
226-000-573.000	Local Community Stabilization	1,886	1,900	1,903	0	0	0
226-000-630.000	Service Charges	159,527	155,800	155,787	160,000	170,000	180,000
226-000-642.000	Sales	180	300	195	300	300	300
226-000-662.000	Utility Bill Penalties	2,680	2,000	1,940	2,000	2,000	2,000
226-000-665.000	Interest & Dividend Income	253	230	231	30	30	30
TOTAL REVENUES		397,018	400,061	399,302	408,567	403,792	417,959
APPROPRIATIONS							
Department 248 - General Government							
226-248-702.000	Administration Wages	24,658	27,800	23,586	30,500	30,500	31,049
226-248-704.000	Part-Time Wages	0	3,200	0	3,200	3,258	3,316
226-248-711.000	Social Security & Medicare	1,825	2,400	1,744	2,400	2,443	2,487
226-248-712.000	Medical Insurance	6,074	5,750	5,743	5,750	5,865	5,982
226-248-712.001	Medical Insurance - Employee Cont.	(581)	0	(491)	0	0	0
226-248-712.002	Retirement - HCSP	536	500	530	500	500	500
226-248-712.003	Medical Insurance - Retirees	900	1,500	862	1,500	1,500	1,500
226-248-712.004	Medical Insurance - Retiree Cont.	(85)	0	(83)	0	0	0
226-248-712.005	Medical Insurance - HSA	780	100	690	100	100	100
226-248-713.000	Life Insurance	250	100	241	100	100	100
226-248-714.000	Retirement - DB (Active Employees)	687	750	180	750	841	841
226-248-714.003	Retirement - DB (Retirees)	0	1,050	0	1,050	1,050	1,050
226-248-714.500	Retirement - DC (Active Employees)	1,105	1,050	877	1,050	1,050	1,050
226-248-715.000	Worker's Compensation	196	250	202	250	250	250
226-248-716.000	Unemployment Compensation	8	25	7	25	25	25
226-248-890.000	Service Charges	0	500	19	500	500	500
<i>Totals for department 248 - General Government</i>		36,353	44,975	34,107	47,675	47,982	48,751
Department 528 - Refuse Collection & Disposal							
226-528-805.000	Refuse Collections Contract	206,388	217,459	177,315	225,070	229,121	233,246
226-528-806.250	Special Household Waste Prog	2,832	3,000	1,879	3,000	3,000	3,000
226-528-810.000	Public Works Contract	33,206	35,000	34,531	35,000	35,000	35,000
226-528-810.001	Leaf Collection	63,286	65,000	64,440	60,000	60,000	60,000
226-528-810.100	Street Sweeping	10,630	13,000	4,770	13,000	13,000	13,000
226-528-827.000	Administrative Service Charge	15,517	15,889	15,889	16,175	16,466	16,763
226-528-827.200	Charges for Services - IT	7,681	7,866	7,866	8,008	8,152	8,298
<i>Totals for department 528 - Refuse Collection & Disposal</i>		339,540	357,214	306,690	360,253	364,739	369,307
TOTAL APPROPRIATIONS		375,893	402,189	340,797	407,928	412,721	418,057
NET OF REVENUES/APPROPRIATIONS - FUND 226							
		21,125	(2,128)	58,505	639	(8,929)	(99)
BEGINNING FUND BALANCE							
		16,688	37,813	37,813	35,685	36,324	27,395
ENDING FUND BALANCE							
		37,813	35,685	96,318	36,324	27,395	27,296

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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 251 - POOL/FITNESS FACILITY							
ESTIMATED REVENUES							
251-000-408.000	Pool Operating Taxes	172,614	178,064	177,628	182,816	171,847	174,941
251-000-573.000	Local Community Stabilization	1,401	2,400	1,413	1,400	1,400	1,400
251-000-636.100	Pool Visitor Fees	0	2,575	2,090	500	500	500
251-000-636.200	Swimming Lesson Fees	5,388	4,000	1,925	4,000	4,000	4,000
251-000-636.300	Swim Team Fees	34,607	37,500	5,675	37,500	37,500	37,500
251-000-665.000	Interest & Dividend Income	258	20	150	20	20	20
251-000-671.000	Miscellaneous Other Revenues	0	0	660	0	0	0
251-000-699.101	Transfers In - General Fund	5,000	0	0	0	0	0
TOTAL REVENUES		219,268	224,559	189,541	226,236	215,267	218,361
APPROPRIATIONS							
Department 750 - Recreation							
251-750-970.000	Capital Outlay	0	20,000	0	12,000	12,000	12,000
251-750-983.000	Leased Assets	22,843	9,750	9,692	0	0	0
<i>Totals for department 750 - Recreation</i>		<i>22,843</i>	<i>29,750</i>	<i>9,692</i>	<i>12,000</i>	<i>12,000</i>	<i>12,000</i>
Department 759 - Pool/Fitness Facility Operations							
251-759-702.000	Administration Wages	14,777	0	0	0	0	0
251-759-704.000	Part-Time Wages	45,860	42,000	28,395	42,000	42,000	42,000
251-759-711.000	Social Security & Medicare	3,826	5,200	2,883	5,200	5,200	5,200
251-759-712.000	Medical Insurance	0	3,325	0	0	0	0
251-759-712.001	Medical Insurance - Employee Cont.	0	(333)	0	0	0	0
251-759-712.002	Retirement - HCSP	250	330	0	0	0	0
251-759-715.000	Worker's Compensation	917	1,050	948	1,050	1,050	1,050
251-759-727.000	Office Supplies	0	750	0	0	0	0
251-759-731.000	Operating Supplies	11,200	8,500	2,646	8,500	8,500	8,500
251-759-731.500	Pool Chemicals	3,381	7,500	0	7,500	7,500	7,500
251-759-733.000	Janitorial Supplies	0	0	68	150	150	150
251-759-738.000	Licenses & Permits	153	150	70	150	150	150
251-759-803.000	Janitorial Contract	8,034	9,000	7,365	9,000	9,000	9,000
251-759-827.000	Administrative Service Charge	12,932	13,242	13,992	13,480	13,723	13,970
251-759-827.200	Charges for Services - IT	2,694	2,759	2,759	2,809	2,859	2,911
251-759-880.200	Swim Team	44,519	40,000	18,918	42,500	42,500	42,500
251-759-880.300	Suits & Sweats/uniforms	3,344	2,000	(725)	0	0	0
251-759-880.400	Synchronized Swimming	58	250	260	250	250	250
251-759-890.000	Service Charges	3	200	31	200	200	200
251-759-920.000	Public Utilities	12,409	12,500	11,687	12,500	12,500	12,500
251-759-920.300	Utilities - Water	7,934	16,000	6,695	16,000	16,000	16,000
251-759-929.000	Equipment Maintenance	946	6,000	837	6,000	6,000	5,000
251-759-929.500	Pool Maintenance	31,977	8,000	7,790	12,500	12,500	12,500
251-759-931.000	Building Maintenance	9,094	7,000	3,305	12,500	12,500	12,500
<i>Totals for dept 759 - Pool/Fitness Facility Operations</i>		<i>214,308</i>	<i>185,423</i>	<i>107,924</i>	<i>192,289</i>	<i>192,582</i>	<i>191,881</i>

D. Special Revenue Funds

251. Pool/Fitness Facility

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
TOTAL APPROPRIATIONS		237,151	215,173	117,616	204,289	204,582	203,881
NET OF REVENUES/APPROPRIATIONS - FUND 251		(17,883)	9,386	71,925	21,947	10,685	14,480
BEGINNING FUND BALANCE		21,341	3,458	3,458	12,844	34,791	45,477
ENDING FUND BALANCE		3,458	12,844	75,383	34,791	45,477	59,957

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.⁴ 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 \$50,000 in cash returns over the July 1, 2019 through June 30, 2020 period.

A total of \$200,000 has been withdrawn from the SCAF-PSRF over the course of its existence to support recreation capital investments: \$100,000 in FY17-18 to fund the renovation of the Big Room at the Community Center, and \$100,000 in FY19-20 to support the construction of the pavilions at the pool and Gainsboro Park.

SCAF-PSRF Summary Table

Date	Market Value	CPI-U Value	Inflation-Indexed Corpus Value	Preceding Year Cash Returns	Available Funds
March 31, 2015	\$2,000,000	221.784	\$2,000,000	--	--
March 31, 2016	\$1,947,373	218.706	\$1,972,243	\$17,547	\$17,547
March 31, 2017	\$2,132,749	222.167	\$2,003,454	\$49,386	\$129,295
March 31, 2018	\$2,196,323	226.896	\$2,046,099	\$52,867	\$150,224
March 31, 2019	\$2,309,551	232.250	\$2,094,380	\$58,791	\$215,171
March 31, 2020	\$2,104,435	235.267	\$2,121,587	\$48,802*	\$48,802

* Cash returns (dividends + capital gains) are for partial FY19-20 as of 3/31/19

⁴ 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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 258 - SCAF PARKS SPECIAL REVENUE FUND							
ESTIMATED REVENUES							
258-000-665.000	Interest & Dividend Income	58,791	50,000	51,779	50,000	52,500	55,000
258-000-665.100	Unrealized/Realized Gain/Loss	75,231	20,000	8,283	0	0	0
TOTAL REVENUES		134,022	70,000	60,062	50,000	52,500	55,000
APPROPRIATIONS							
Department 966 - Transfers Out							
258-966-999.101	Transfers Out - General Fund	0	0	0	0	0	0
258-966-999.251	Transfers Out - Pool Operating	0	0	0	0	0	0
258-966-999.401	Transfers Out - Capital Improvement	0	100,000	100,000	0	0	0
<i>Totals for department 966 - Transfers Out</i>		<i>0</i>	<i>100,000</i>	<i>100,000</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL APPROPRIATIONS		0	100,000	100,000	0	0	0
NET OF REVENUES/APPROPRIATIONS - FUND 258							
		134,022	(30,000)	(39,938)	50,000	52,500	55,000
BEGINNING FUND BALANCE		2,249,015	2,383,037	2,383,037	2,353,037	2,403,037	2,455,537
ENDING FUND BALANCE		2,383,037	2,353,037	2,343,099	2,403,037	2,455,537	2,510,537

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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 259 - SCAF REMAINDER FUND							
ESTIMATED REVENUES							
259-000-406.500	Parks Improvement Taxes	102,810	106,064	105,802	105,973	99,615	101,408
259-000-573.000	Local Community Stabilization	910	840	842	0	0	0
259-000-665.000	Interest & Dividend Income	2,629	11,700	11,697	1,000	1,000	1,000
TOTAL REVENUES		106,349	118,604	118,341	106,973	100,615	102,408
APPROPRIATIONS							
Department 248 - General Government							
259-248-890.000	Service Charges	51	500	172	100	100	100
<i>Totals for department 248 - General Government</i>		<i>51</i>	<i>500</i>	<i>172</i>	<i>100</i>	<i>100</i>	<i>100</i>
Department 910 - Capital Assets							
259-910-970.750	Capital Outlay - Recreation	23,649	0	0	0	0	0
<i>Totals for department 248 - General Government</i>		<i>23,649</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
TOTAL APPROPRIATIONS		23,700	500	172	100	100	100
NET OF REVENUES/APPROPRIATIONS - FUND 259		82,649	118,104	118,169	106,873	100,515	102,308
BEGINNING FUND BALANCE		526,133	608,782	608,782	726,886	833,759	934,274
ENDING FUND BALANCE		608,782	726,886	726,951	833,759	934,274	1,036,582

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. In FY 21 the DDA will fund the reconstruction of the Woodward streetscape, including the addition of a cycle track from Sylvan to I-696, a \$1.6 million project that is being funded in part by \$1 million in grants from EGLE and MDOT.

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 260 - DOWNTOWN DEVELOPMENT AUTHORITY							
ESTIMATED REVENUES							
260-000-405.000	T.I.F.A. Taxes	93,102	94,000	93,651	91,873	86,360	87,915
260-000-410.500	Delinquent Tax Collection	348	100	165	100	100	102
260-000-573.000	Local Community Stabilization	2,453	3,515	3,514	2,500	2,500	2,545
260-000-665.000	Interest & Dividend Income	555	25	442	25	25	25
260-000-671.000	Miscellaneous Other Revenues	120	250	0	250	250	250
260-000-675.000	Contributions & Donations	0	5,500	5,000	0	0	0
TOTAL REVENUES		96,578	103,390	102,772	94,748	89,235	90,837
APPROPRIATIONS							
Department 730 - Development Activities							
260-730-731.000	Operating Supplies	110	0	0	0	0	0
260-730-740.200	Sales Tax Expense	1	30	0	30	30	30
260-730-809.000	Contractual Services	11,878	50,000	7,560	50,000	0	0
260-730-827.000	Administrative Service Charge	14,200	14,200	14,200	14,200	14,200	14,200
260-730-880.000	Community Promotion	790	4,500	1,350	3,000	3,000	3,000
260-730-890.000	Service Charges	12	500	103	500	500	500
260-730-955.000	Miscellaneous Expenses	0	500	0	500	500	500
260-730-955.400	Brick Paver Program	190	0	61	0	0	0
260-730-955.500	Development Grant	0	3,000	0	3,000	3,000	3,000
260-730-970.000	Capital Outlay	1,679	10,000	0	170,000	0	0
260-730-999.218	Transfers Out - Infrastructure	0	0	0	0	70,000	70,000
<i>Totals for department 730 - Development Activities</i>		<i>28,860</i>	<i>82,730</i>	<i>23,274</i>	<i>241,230</i>	<i>91,230</i>	<i>91,230</i>
TOTAL APPROPRIATIONS		28,860	82,730	23,274	241,230	91,230	91,230
NET OF REVENUES/APPROPRIATIONS - FUND 260		67,718	20,660	79,498	(146,482)	(1,995)	(393)
BEGINNING FUND BALANCE		74,572	142,290	142,290	162,950	16,468	14,473
ENDING FUND BALANCE		142,290	162,950	221,788	16,468	14,473	14,080

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 2019 for tax years 2020-21 through 2014-25. The City levies 0.3564 mills to generate the required revenue.

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 271 - LIBRARY FUND							
ESTIMATED REVENUES							
271-000-407.000	Library Taxes	54,938	56,675	56,532	58,180	59,227	60,293
271-000-573.000	Local Community Stabilization	437	0	450	0	0	0
271-000-665.000	Interest & Dividend Income	106	20	75	20	20	20
TOTAL REVENUES		55,481	56,695	57,057	58,200	59,247	60,313
APPROPRIATIONS							
Department 299 - Library							
271-299-800.000	Library Services Contract	42,236	43,400	43,038	43,400	44,181	44,976
271-299-827.000	Administrative Service Charge	13,345	13,665	13,665	13,911	14,161	14,416
271-299-890.000	Service Charges	1	225	6	225	225	225
<i>Totals for department 299 - Library</i>		<i>55,582</i>	<i>57,290</i>	<i>56,709</i>	<i>57,536</i>	<i>58,568</i>	<i>59,618</i>
TOTAL APPROPRIATIONS		55,582	57,290	56,709	57,536	58,568	59,618
NET OF REVENUES/APPROPRIATIONS - FUND 271		(101)	(595)	348	664	680	696
BEGINNING FUND BALANCE		10,677	10,576	10,576	9,981	10,645	11,325
ENDING FUND BALANCE		10,576	9,981	10,924	10,645	11,325	12,020

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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 297 - HISTORICAL FUND							
ESTIMATED REVENUES							
297-000-642.000	Sales	2,990	4,150	4,150	250	250	250
297-000-651.000	Use & Admission Fees	0	6,425	6,441	0	5,500	5,500
297-000-665.000	Interest & Dividend Income	34	10	28	10	10	10
297-000-675.000	Contributions & Donations	148	2,550	2,550	350	350	350
TOTAL REVENUES		3,172	13,135	13,169	610	6,110	6,110
APPROPRIATIONS							
Department 803 - Historic Activities							
297-803-731.000	Operating Supplies	2,800	5,500	5,930	500	5,500	5,500
297-803-740.200	Sales Tax Expense	60	30	0	30	30	30
297-803-890.000	Service Charges	0	100	6	100	100	100
297-803-931.000	Building Maintenance	545	650	150	650	650	650
297-803-955.000	Miscellaneous Expenses	40	500	40	500	500	500
<i>Totals for department 803 - Historic Activities</i>		<i>3,445</i>	<i>6,780</i>	<i>6,126</i>	<i>1,780</i>	<i>6,780</i>	<i>6,780</i>
TOTAL APPROPRIATIONS		3,445	6,780	6,126	1,780	6,780	6,780
NET OF REVENUES/APPROPRIATIONS - FUND 297		(273)	6,355	7,043	(1,170)	(670)	(670)
BEGINNING FUND BALANCE		7,345	7,072	7,072	13,427	12,257	11,587
ENDING FUND BALANCE		7,072	13,427	14,115	12,257	11,587	10,917

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 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 301 - Debt Service (Voted Bonds)							
ESTIMATED REVENUES							
301-000-404.000	Debt Service Property Taxes	191,205	190,651	190,384	195,347	198,864	202,443
301-000-573.000	Local Community Stabilization	1,608	1,675	1,687	0	0	0
TOTAL REVENUES		192,813	192,326	192,071	195,347	198,864	202,443
APPROPRIATIONS							
Department 905 - Long-Term Debt Retirement							
301-905-809.000	Contractual Services	1,000	1,500	1,000	1,500	1,500	1,500
301-905-816.000	Paying Agent Fees	750	750	0	750	750	750
301-905-991.047	Principal: Community Center Debt	125,000	125,000	125,000	125,000	150,000	150,000
301-905-995.047	Interest: Community Center Debt	67,525	62,212	62,213	56,899	51,587	45,212
<i>Totals for department 905 - Long-Term Debt Retirement</i>		<i>194,275</i>	<i>189,462</i>	<i>188,213</i>	<i>184,149</i>	<i>203,837</i>	<i>197,462</i>
TOTAL APPROPRIATIONS		194,275	189,462	188,213	184,149	203,837	197,462
NET OF REVENUES/APPROPRIATIONS - FUND 301		(1,462)	2,864	3,858	11,198	(4,973)	4,981
BEGINNING FUND BALANCE		14,878	13,416	13,416	16,280	27,478	22,505
ENDING FUND BALANCE		13,416	16,280	17,274	27,478	22,505	27,486

401. Capital Improvement Fund

The Capital Improvement Fund provides 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 pays for new police vehicles and is used to fund building and facilities maintenance and improvements as necessary. The major project planned for 2020 is the construction of covered pavilions at Gainsboro Park and the pool.

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 401 - Capital Improvement Fund							
ESTIMATED REVENUES							
401-000-665.000	Interest & Dividend Income	2,940	2,330	2,332	0	0	0
401-000-675.000	Contributions & Donations	45,000	35,000	35,000	30,000	0	0
401-000-699.101	Transfers In - General Fund	175,000	60,000	60,000	50,000	40,000	50,000
401-000-699.258	Transfers In - SCAF-PSRF	0	100,000	100,000	0	0	0
TOTAL REVENUES		222,940	197,330	197,332	80,000	40,000	50,000
APPROPRIATIONS							
Department 910 - Capital Assets							
401-910-970.003	Capital Outlay - Facilities	161,259	175,000	141,930	0	0	0
401-910-970.300	Capital Outlay - Police	58,447	60,000	59,165	0	50,000	0
401-910-970.750	Capital Outlay - Recreation	4,038	105,000	55,712	75,000	20,000	20,000
<i>Totals for department 910 - Capital Assets</i>		<i>223,744</i>	<i>340,000</i>	<i>256,807</i>	<i>75,000</i>	<i>70,000</i>	<i>20,000</i>
Department 910 - Capital Assets							
401-920-890.000	Service Charges	76	100	76	100	100	100
<i>Totals for department 910 - Capital Assets</i>		<i>76</i>	<i>100</i>	<i>76</i>	<i>100</i>	<i>100</i>	<i>100</i>
TOTAL APPROPRIATIONS		223,820	340,100	256,883	75,100	70,100	20,100
NET OF REVENUES/APPROPRIATIONS - FUND 401		(880)	(142,770)	(59,551)	4,900	(30,100)	29,900
BEGINNING FUND BALANCE		282,812	281,932	281,932	139,162	144,062	113,962
ENDING FUND BALANCE		281,932	139,162	222,381	144,062	113,962	143,862

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 was adopted in 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			Savings*
	Total kWh Used	Total Cost	Cost per kWh	Total MCF Used	Total Cost	Cost per MCF	
2016 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
2018	162,655	\$19,474	\$0.120	1,208	\$8,012	\$6.64	\$7,698
2019	158,323	\$20,875	\$0.132	1,145	\$7,613	\$6.65	\$9,049
TOTAL							\$21,730

* 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
TOTAL		\$65,700

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 2020-2021 projected budget includes a capital outlay of \$200,000 for water meter transponder head replacements. The transponder 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 budget also includes increasing capital outlays for lead service line replacement. By State mandate the water utility is responsible for replacing all lead service leads, both public and private portions, from the main to the meter inside of each home and business. About 70% of water customers have complete or partial lead service leads, so this will be an extraordinary cost that will be borne by the ratepayers to the utility over the coming 20 years. Water customers should anticipate large rate increases over the coming 3-5 years to fund this replacement project as required by the State of Michigan.

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
Fund 592 - WATER AND SEWER FUND							
ESTIMATED REVENUES							
592-000-642.000	Sales	908,536	1,044,340	955,492	1,101,188	1,123,211	1,145,675
592-000-645.000	Storm Water Runoff Fees	354,307	349,500	353,240	365,670	372,941	380,399
592-000-650.000	IWC Charges	6,465	6,000	4,700	4,500	4,500	4,500
592-000-662.000	Utility Bill Penalties	19,645	10,000	14,603	10,000	10,000	10,000
592-000-665.000	Interest & Dividend Income	15,407	2,500	14,994	7,500	7,500	7,500
592-000-671.000	Miscellaneous Other Revenues	1,855	0	0	0	0	0
592-000-679.000	Refunds & Rebates	7,097	2,000	0	0	0	0
TOTAL REVENUES		1,313,312	1,414,340	1,343,029	1,488,858	1,518,152	1,548,075

APPROPRIATIONS

Department 536 - Water & Sewer Systems

592-536-702.000	Administration Wages	34,933	39,200	29,907	41,050	41,050	41,789
592-536-704.000	Part-Time Wages	0	7,500	0	7,500	7,500	7,500
592-536-711.000	Social Security & Medicare	2,583	3,600	2,187	3,600	3,600	3,600
592-536-712.000	Medical Insurance	10,814	8,200	10,028	8,200	8,200	8,200
592-536-712.001	Medical Insurance - Employee Cont.	(1,030)	0	(826)	0	0	0
592-536-712.002	Retirement - HCSP	527	500	479	500	500	500
592-536-712.003	Medical Insurance - Retirees	2,101	800	2,010	800	800	800
592-536-712.004	Medical Insurance - Retiree Cont.	(198)	0	(194)	0	0	0
592-536-712.005	Medical Insurance - HSA	1,170	500	1,470	500	500	500
592-536-713.000	Life Insurance	339	150	323	150	150	150
592-536-714.000	Retirement - DB (Active Employees)	687	0	180	0	0	0
592-536-714.003	Retirement - DB (Retirees)	4,124	18,000	3,577	18,000	19,827	21,586

Account Number	Description	Actual 2018-19	Budget 2019-20	Activity to 06/04/20	Requested 2020-21	Projected 2021-22	Projected 2022-23
592-536-714.500	Retirement - DC (Active Employees)	2,579	2,450	2,047	2,450	2,450	2,450
592-536-715.000	Worker's Compensation	196	225	202	225	225	225
592-536-716.000	Unemployment Compensation	6	20	5	20	20	20
592-536-728.000	Postage	2,762	3,000	2,392	3,000	3,000	3,000
592-536-809.000	Contractual Services	1,066	15,000	6,655	15,000	15,000	15,000
592-536-810.000	Public Works Contract	23,868	45,000	10,888	45,000	45,000	45,000
592-536-814.000	Engineering Services	810	5,000	4,416	5,000	5,000	5,000
592-536-818.000	Water Purchases	189,259	213,700	148,133	221,820	228,475	235,329
592-536-819.000	Sewage Treatment	236,588	239,650	179,973	240,087	244,889	249,787
592-536-819.500	Storm Water Treatment	348,708	358,500	269,511	365,628	372,941	380,399
592-536-820.000	IWC Charges	3,285	6,200	2,342	6,200	6,200	6,200
592-536-827.000	Administrative Service Charge	30,913	31,222	31,222	31,534	32,102	32,680
592-536-827.200	Charges for Services - IT	16,161	16,549	16,549	16,847	17,150	17,459
592-536-890.000	Service Charges	268	2,000	408	2,000	2,000	2,000
592-536-906.000	Printing Water Bills	1,449	3,900	1,330	3,900	3,900	3,900
592-536-910.000	Insurance & Bonds	20,000	20,000	20,000	10,000	10,000	10,000
592-536-929.000	Equipment Maintenance	1,980	2,000	0	2,000	2,000	2,000
592-536-937.000	Water Meter Maintenance	1,268	1,000	1,094	300,000	50,000	50,000
592-536-939.000	Sewer Maintenance	58,355	67,500	66,648	75,000	30,000	30,000
592-536-955.000	Miscellaneous Expenses	1,886	1,000	0	1,000	1,000	1,000
592-536-956.000	Conferences and Workshops	3,600	350	0	350	350	350
592-536-958.000	Memberships and Dues	1,838	2,000	1,339	2,000	2,000	2,000
592-536-964.000	Refunds	0	2,000	0	2,000	2,000	2,000
592-536-970.000	Capital Outlay	0	37,500	1,144	150,000	200,000	250,000
592-536-970.594	Capital Outlay - Sewer Projects	141,387	35,000	34,388	60,000	30,000	30,000
592-536-991.000	Principal: GWK Drain Debt	282	94,000	83,846	94,000	94,000	94,000
592-536-995.000	Interest: GWK Drain Debt	13,806	17,000	25,871	17,000	17,000	17,000
592-536-996.001	Paying Agent Fees	7	250	3	250	250	250
<i>Totals for department 536 - Water & Sewer Systems</i>		<i>1,158,377</i>	<i>1,300,466</i>	<i>959,547</i>	<i>1,752,611</i>	<i>1,499,078</i>	<i>1,571,674</i>
TOTAL APPROPRIATIONS		1,158,377	1,300,466	959,547	1,752,611	1,499,078	1,571,674
NET OF REVENUES/APPROPRIATIONS - FUND 592		154,935	113,874	383,482	(263,754)	19,074	(23,599)
BEGINNING FUND BALANCE		847,082	1,002,017	1,002,017	1,115,891	852,137	871,211
ENDING FUND BALANCE		1,002,017	1,115,891	1,385,499	852,137	871,211	847,613

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 \$640,000 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 ($\$1,657,010/4 = \$414,250$); 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 \$150,000 annually)

The target minimum fund balance is therefore $\$414,250 + \$111,000 + \$48,135 + \$150,000 = \$637,735$, which rounds up to \$723,385.

Projected fund balance at the end of FY21 is \$928,137. 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 and lead service line replacement projects.