

BUDGET 2018-2019



PORT HURON MICHIGAN

ADOPTED BY
CITY COUNCIL
MAY 29, 2018

FINAL ADOPTED BUDGET

CITY OF PORT HURON

FOR

THE FISCAL YEAR

2018-2019

CITY OF PORT HURON BUDGET FISCAL YEAR 2018-2019

<u>Table of Contents</u>	<u>Page Number</u>
1. Schedule of Estimated Revenues – General Fund	3
2. Schedule of Estimated Expenditures	7
3. Summary of Estimated Requirements by Budget Class	13
4. Appendix – Budget Explanation	
a. Budget Pressures.	20
b. General Fund	20
c. Garbage and Solid Waste.	21
d. Street Funds	22
e. Utility Funds	22
f. General Fund Revenues	22
g. Property Tax Administration Fee	25
h. User Fees and Other Miscellaneous Revenues	26
i. State Shared Revenue	26
j. Income Tax Revenues	30
k. Grant Revenues	30
l. Work Force Reductions	30
m. General Fund Expenditures	31
n. Increases in Operating Costs	33
o. Support For Recreation, Parks and Culture	34
p. General Fund Comparison	35
q. Water and Wastewater Funds	36
r. Combined Sewer Overflow Project	36
s. Bond Commitments	36
t. Construction Subsidies	37
u. Debt Subsidies	37
v. Monthly Utility Billings	39
w. Proposed Public Works Projects	40
x. Special Revenue Funds	41
y. Internal Service Funds	42
z. Tax Increment Funds	42
5. Appendix – Individual Fund Budgets	
a. General Fund	45
b. Street Funds – Major Streets	46
c. Street Funds – Local Streets	47
d. Street Funds – Municipal Streets	48
e. Street Funds – Combined	49
f. Cemetery Fund	50
g. Garbage and Rubbish Collection Fund	51
h. Rental Certification Fund	52
i. O.U.I.L. Fund	53
j. Drug Law Enforcement Fund	54
k. Law Enforcement Fund	55

Table of Contents

Page Number

l. Enhanced 911 Fund	56
m. Community Development Block Grant Fund	57
n. Home Program Fund	58
o. Loan Revolving Fund	59
p. Streetscape Maintenance Fund	60
q. Beautification Commission Fund	61
r. McMorrان Fund	62
s. Marina Fund	63
t. Land Purchase Fund	64
u. Parking Fund	65
v. Water Fund	66
w. Wastewater Fund	67
x. Central Stores Fund	68
y. Data Processing Fund	69
z. Motor Vehicle Fund	70
aa. Energy Performance Services Fund	71
bb. Insurance and Fringe Benefit Fund	72
6. Appendix – Tax Increment Authority Fund Budgets	
Tax Increment Finance Authority	
a. Peerless Site Tax Increment Fund	74
Downtown Development Authority	
b. Downtown Development Authority Operating Fund	75
c. Water Street DDA Tax Increment Fund	76
d. Bank DDA Tax Increment Fund	77
e. Harrington Hotel DDA Tax Increment Fund	78
f. Edison Redevelopment DDA Tax Increment Fund	79
g. Mainstreet DDA Tax Increment Fund	80
Local Development Finance Authority	
h. Industrial Park Expansion Tax Increment Fund	81
Brownfield Redevelopment Authority	
i. Southside Redevelopment Tax Increment Fund	82
j. Harker Street Redevelopment Tax Increment Fund	83
k. Sperry’s Redevelopment Tax Increment Fund	84
l. Water Street Marina Redevelopment Tax Increment Fund	85
7. Appendix – Governmental Funds Summary	
Governmental Funds Summary	87
8. Appendix – Projected Revenues and Expenditures	
Schedule of Projected Revenues	90
Schedule of Projected Expenditures	93

Schedule of Estimated Revenues - General Fund

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2018-2019

	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
TAXES:						
Real property taxes	\$ 5,316,440	\$ 5,441,838	\$ 5,480,000	\$ 7,590,000	\$ 2,110,000	\$
Personal property taxes	957,947	650,601	640,000	850,000	210,000	
Property tax administration fee			285,000	310,000	25,000	
Income tax	6,366,498	6,669,875	6,500,000	6,600,000	100,000	
Payment in lieu of taxes	65,779	55,230	60,000	55,000		5,000
Penalties and interest on taxes	175,711	170,888	225,000	200,000		25,000
	<u>12,882,375</u>	<u>12,988,432</u>	<u>13,190,000</u>	<u>15,605,000</u>	<u>2,445,000</u>	<u>30,000</u>
BUSINESS LICENSES AND PERMITS:						
Demolitions	9,680	6,236	8,000	8,000		
Cable television	358,102	357,404	355,000	350,000		5,000
Miscellaneous	7,795	6,895	7,000	7,000		
	<u>375,577</u>	<u>370,535</u>	<u>370,000</u>	<u>365,000</u>		<u>5,000</u>
NONBUSINESS LICENSES AND PERMITS:						
Building	197,489	221,358	195,000	225,000	30,000	
Electrical	50,952	73,286	55,000	65,000	10,000	
Heating	59,338	50,052	60,000	65,000	5,000	
Plumbing	23,525	21,520	30,000	35,000	5,000	
Right-of-way	14,896	4,871	7,000	3,000		4,000
Miscellaneous	9,815	5,295	3,000	2,000		1,000
	<u>356,015</u>	<u>376,382</u>	<u>350,000</u>	<u>395,000</u>	<u>50,000</u>	<u>5,000</u>
GRANTS	<u>727,163</u>	<u>291,778</u>	<u>125,000</u>	<u>125,000</u>		

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SCHEDULE OF ESTIMATED REVENUES

2018-2019

	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
STATE SHARED REVENUE:						
Sales and use tax - constitutional	\$ 2,278,547	\$ 2,410,158	\$ 2,325,000	\$ 2,540,000	\$ 215,000	\$
Sales and use tax - statutory	1,079,599	1,079,599	1,075,000	1,075,000		
Local community stabilization authority	355,453	818,296	630,000	675,000	45,000	
Liquor licenses	30,768	39,479	30,000	35,000	5,000	
	<u>3,744,367</u>	<u>4,347,532</u>	<u>4,060,000</u>	<u>4,325,000</u>	<u>265,000</u>	
CHARGES FOR SERVICES:						
Zoning board of appeals	3,180	3,520	3,000	3,500	500	
20th and Court pool	4,029	5,291	4,000	5,000	1,000	
Sanborn pool	41,113	43,350	30,000	40,000	10,000	
Lakeside parking	142,602	152,157	160,000	150,000		10,000
Boat launch fees	36,362	49,184	42,000	45,000	3,000	
Recreational fees	212,565	257,065	235,000	260,000	25,000	
Lot splits	4,080	1,680	4,000	4,000		
Hydrant maintenance	58,280	58,280	58,280	58,840	560	
False alarm charges	3,175	850	2,000	2,000		
Blue Water Bridge reimbursement	300,000	300,000	300,000	300,000		
Summer tax collection fee	1,722	1,709	1,720	1,660		60
County parks millage	125,279	129,269	130,000	130,000		
Miscellaneous	60,528	44,139	60,000	80,000	20,000	
	<u>992,915</u>	<u>1,046,494</u>	<u>1,030,000</u>	<u>1,080,000</u>	<u>60,060</u>	<u>10,060</u>
FINES AND FORFEITS:						
Parking violations	21,597	27,990	25,000	30,000	5,000	
Ordinance fines	132,121	127,069	105,000	120,000	15,000	
	<u>153,718</u>	<u>155,059</u>	<u>130,000</u>	<u>150,000</u>	<u>20,000</u>	
INVESTMENT INCOME	<u>94,421</u>	<u>37,396</u>	<u>70,000</u>	<u>100,000</u>	<u>30,000</u>	
RENTS	<u>407,208</u>	<u>399,772</u>	<u>370,000</u>	<u>370,000</u>		

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SCHEDULE OF ESTIMATED REVENUES

2018-2019

	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
SALE OF ASSETS	\$ 21,387	\$ 532,271	\$ 15,388	\$ 13,488	\$	\$ 1,900
CHARGES TO OTHER FUNDS:						
Garbage and rubbish collection fund	95,090	98,589	103,947	111,913	7,966	
Marina fund	24,966	22,920	23,715	26,405	2,690	
Parking fund	11,595	12,010	12,865	13,013	148	
Water fund	668,976	694,939	704,220	716,289	12,069	
Wastewater fund	1,127,950	1,133,401	1,187,300	1,202,130	14,830	
Central stores fund	11,106	11,147	11,228	11,395	167	
Data processing fund	64,072	68,533	72,166	78,347	6,181	
Motor vehicle fund	145,073	154,109	161,449	164,872	3,423	
	<u>2,148,828</u>	<u>2,195,648</u>	<u>2,276,890</u>	<u>2,324,364</u>	<u>47,474</u>	
Subtotal	<u>21,903,974</u>	<u>22,741,299</u>	<u>21,987,278</u>	<u>24,852,852</u>	<u>2,917,534</u>	<u>51,960</u>
TRANSFERS FROM OTHER FUNDS:						
Land purchase fund			720,000			720,000
			<u>720,000</u>			<u>720,000</u>
TOTAL	<u>\$ 21,903,974</u>	<u>\$ 22,741,299</u>	<u>\$ 22,707,278</u>	<u>\$ 24,852,852</u>	<u>\$ 2,917,534</u>	<u>\$ 771,960</u>

Schedule of Estimated Expenditures

SCHEDULE OF ESTIMATED EXPENDITURES

2018-2019

GENERAL FUND	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
General Government:						
City council	\$ 51,905	\$ 52,893	\$ 57,335	\$ 57,835	\$ 500	\$
City manager	208,267	225,189	234,785	267,511	32,726	
Elections	39,560	80,906	68,954	78,609	9,655	
Finance and accounting	569,409	612,749	647,320	691,638	44,318	
Income tax	299,142	319,807	350,959	360,323	9,364	
Assessor	243,460	298,002	323,139	343,843	20,704	
Legal	148,677	137,136	160,000	160,000		
Clerk	257,017	279,083	294,968	289,298		5,670
Human Resources	287,532	307,134	328,087	385,164	57,077	
Purchasing	50,429	54,966	58,263	62,050	3,787	
Board of review	2,239	2,239	2,327	2,327		
Treasurer	216,884	210,934	236,377	245,326	8,949	
Municipal office center	722,367	696,515	728,842	715,865		12,977
	<u>3,096,888</u>	<u>3,277,553</u>	<u>3,491,356</u>	<u>3,659,789</u>	<u>187,080</u>	<u>18,647</u>
Public Safety:						
Police administration	866,646	938,733	1,020,942	1,361,451	340,509	
Detectives	1,311,916	1,330,234	1,437,239	1,402,376		34,863
Patrol	5,533,972	6,293,927	6,448,740	6,887,431	438,691	
Communications	39,544	36,527	40,140	41,400	1,260	
Fire	5,007,555	5,400,097	5,192,755	5,387,300	194,545	
	<u>12,759,633</u>	<u>13,999,518</u>	<u>14,139,816</u>	<u>15,079,958</u>	<u>975,005</u>	<u>34,863</u>
Public Works:						
Inspection	336,770	307,435	356,468	334,932		21,536
Emergency management	4,529	4,319	17,200	17,200		
Public works administration	208,429	225,526	127,414	132,172	4,758	
Engineering	211,167	242,299	172,704	226,529	53,825	
Street lighting	878,059	633,617	645,067	690,276	45,209	
Blight and code enforcement	336,001	341,191	350,504	271,485		79,019
	<u>1,974,955</u>	<u>1,754,387</u>	<u>1,669,357</u>	<u>1,672,594</u>	<u>103,792</u>	<u>100,555</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2018-2019

	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
Senior Citizens:						
Wastewater and water discounts	\$ 1,056	\$ 749	\$ 2,000	\$ 1,000	\$	\$ 1,000
	<u>1,056</u>	<u>749</u>	<u>2,000</u>	<u>1,000</u>		<u>1,000</u>
Recreation, Parks and Culture:						
Parks and forestry	1,197,508	1,181,908	1,200,123	1,252,016	51,893	
Boat launch ramps	7,343	7,993	12,767	12,417		350
Recreation	541,871	589,486	566,911	601,605	34,694	
Rockin the rivers	49,031	36,121	43,491	41,506		1,985
20th and Court pool	70,007	80,615	73,080	76,738	3,658	
Sanborn pool	112,306	124,966	132,119	138,342	6,223	
Chillyfest		49,780		55,644	55,644	
Lighthouse park	9,251	12,827	26,393	30,457	4,064	
Lakeside park	65,853	122,679	123,680	146,900	23,220	
Palmer park recreation center	161,987	167,477	181,372	207,408	26,036	
McMorran complex	175,000	55,000	371,954	676,000	304,046	
Library	8,000	8,000	8,000	8,000		
Museum	61,717	36,319	74,920	75,199	279	
	<u>2,459,874</u>	<u>2,473,171</u>	<u>2,814,810</u>	<u>3,322,232</u>	<u>509,757</u>	<u>2,335</u>
Other Functions:						
Planning	168,232	225,722	201,309	199,149		2,160
Blue Water Bridge economic study	90,000	96,999	100,000	100,000		
Telephone service	10,592	9,104	12,340	11,340		1,000
Contingencies			40,000	40,000		
Insurance, health and safety	88,179	79,992	93,990	98,490	4,500	
Taxes written off	6,673	11,755	15,000	15,000		
Demolitions	31,450	11,025	50,000	50,000		
	<u>395,126</u>	<u>434,597</u>	<u>512,639</u>	<u>513,979</u>	<u>4,500</u>	<u>3,160</u>
Subtotal	<u>20,687,532</u>	<u>21,939,975</u>	<u>22,629,978</u>	<u>24,249,552</u>	<u>1,780,134</u>	<u>160,560</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2018-2019

	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
Public Improvements:						
Parks and recreation projects	733,781	\$ 84,992	\$ 67,000	\$ 50,000	\$	\$ 17,000
MOC capital	66,535	274,892				
Other public improvement	213,887	14,250	7,000	280,000	273,000	
	<u>1,014,203</u>	<u>374,134</u>	<u>74,000</u>	<u>330,000</u>	<u>273,000</u>	<u>17,000</u>
Subtotal	<u>21,701,735</u>	<u>22,314,109</u>	<u>22,703,978</u>	<u>24,579,552</u>	<u>2,053,134</u>	<u>177,560</u>
Transfer to Other Funds:						
Land purchase fund				270,000	270,000	
Beautification commission fund	3,300	3,300	3,300	3,300		
Data Processing fund		400,000				
	<u>3,300</u>	<u>403,300</u>	<u>3,300</u>	<u>273,300</u>	<u>270,000</u>	
TOTAL GENERAL FUND	<u>21,705,035</u>	<u>22,717,409</u>	<u>22,707,278</u>	<u>24,852,852</u>	<u>2,323,134</u>	<u>177,560</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	4,194,846	3,854,482	5,155,624	4,374,034		781,590
Local streets	2,427,460	1,717,203	2,715,876	1,414,129		1,301,747
Municipal streets	2,473,295	1,796,135	2,634,816	1,957,133		677,683
	<u>9,095,601</u>	<u>7,367,820</u>	<u>10,506,316</u>	<u>7,745,296</u>		<u>2,761,020</u>
Cemetery fund	528,445	511,454	573,741	611,838	38,097	
Garbage and rubbish collection fund	1,748,627	1,806,774	1,948,971	2,104,924	155,953	
Rental certification fund	237,713	213,155	406,263	388,824		17,439
OUIL fund	18,285	16,698	41,000	41,000		
Drug law enforcement fund	32,179	72,982	57,000	56,000		1,000
Law enforcement fund	11,055	16,323	3,245	3,245		
Enhanced 911 fund	975		30,000	30,000		
Community development block grant fund	691,149	487,450	1,621,596	1,679,129	57,533	
Neighborhood rehabilitation fund	42	63,962				
Home program fund	510,704	441,662	356,725	274,805		81,920
Loan revolving fund	538,478	1,070,112	494,000	494,000		

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SCHEDULE OF ESTIMATED EXPENDITURES

2018-2019

	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
Streetscape maintenance fund	\$ 33,482	\$ 40,487	\$ 50,000	\$ 50,000	\$	\$
Beautification commission fund	4,358	2,570	7,300	7,300		
TOTAL SPECIAL REVENUE FUNDS	13,451,093	12,111,449	16,096,157	13,486,361	251,583	2,861,379
ENTERPRISE FUNDS						
Marina fund	185,480	123,850	247,437	275,511	28,074	
McMorran		1,652,164	1,441,954	1,706,000	264,046	
Land purchase fund	680,463	2,920,271	1,040,000	1,310,000	270,000	
Parking fund	124,024	118,108	134,227	135,778	1,551	
Water Fund:						
Treatment plant	1,970,624	2,128,815	3,115,670	3,000,879		114,791
Distribution	1,033,572	1,160,027	1,190,442	1,190,729	287	
Customer accounting	422,970	434,732	496,608	515,925	19,317	
Meter reading	362,664	425,113	477,773	510,844	33,071	
Debt service	4,109,036	3,955,213	4,078,000	4,086,000	8,000	
Capital outlay	1,618,622	814,433	440,000	360,000		80,000
	<u>9,517,488</u>	<u>8,918,333</u>	<u>9,798,493</u>	<u>9,664,377</u>	<u>60,675</u>	<u>194,791</u>
Wastewater Fund:						
Treatment plant	4,752,610	4,908,985	6,342,546	9,222,153	2,879,607	
Collection, general	1,871,140	1,918,070	2,827,305	2,885,300	57,995	
Collection system no. 1	21	21	221	221		
Collection system no. 2	26,190	29,987	52,935	191,642	138,707	
Collection system no. 3	58,623	55,139	69,296	208,683	139,387	
Debt service	7,798,973	7,270,470	7,443,000	7,400,000		43,000
Capital outlay	1,536,462	862,542	170,000	620,000	450,000	
	<u>16,044,019</u>	<u>15,045,214</u>	<u>16,905,303</u>	<u>20,527,999</u>	<u>3,665,696</u>	<u>43,000</u>
TOTAL ENTERPRISE FUNDS	26,551,474	28,777,940	29,567,414	33,619,665	4,290,042	237,791

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SCHEDULE OF ESTIMATED EXPENDITURES

2018-2019

	Actual		Budget			
	2015-2016	2016-2017	2017-2018	2018-2019	Increase	Decrease
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 97,529	\$ 88,377	\$ 122,450	\$ 124,198	\$ 1,748	\$
Data processing fund	676,113	748,818	836,647	901,474	64,827	
Motor vehicle fund	1,807,466	1,811,133	2,900,165	2,514,883		385,282
Energy performance services fund	271,932	317,724	340,000	350,000	10,000	
Insurance and fringe benefit fund	11,452,725	11,801,091	12,850,000	14,275,000	1,425,000	
TOTAL INTERNAL SERVICE FUNDS	14,305,765	14,767,143	17,049,262	18,165,555	1,501,575	385,282
TAX INCREMENT FUNDS						
Industrial park tax increment fund	961,926	835,935				
Paper company tax increment fund	275,304					
Krafft-Holland tax increment fund						
Peerless site tax increment fund	96,194	92,667	88,000	86,000		2,000
Downtown development authority operating fund	239,526	218,294	69,000	72,000	3,000	
Water street tax increment fund	305,760	305,159	310,000	335,000	25,000	
Bank tax increment fund	9,842	405,769	15,000	22,000	7,000	
Harrington Hotel tax increment fund		43,785	90,000	50,000		40,000
Edison redevelopment tax increment fund	279,107	285,272	283,000	285,000	2,000	
Mainstreet tax increment fund	66,515	7,773	182,000	950,000	768,000	
Industrial park expansion tax increment fund	372,839	314,950	185,000	247,000	62,000	
Brownfield redevelopment tax increment fund:						
Southside redevelopment	253,538	245,635	273,000	294,000	21,000	
Harker Street redevelopment	30,881	29,653	29,000	26,000		3,000
Sperry's redevelopment			58,000	119,000	61,000	
Water Street Marina redevelopment			119,000	121,000	2,000	
TOTAL TAX INCREMENT FUNDS	2,891,432	2,784,892	1,701,000	2,607,000	951,000	45,000
TOTAL ALL FUNDS	\$ 78,904,799	\$ 81,158,833	\$ 87,121,111	\$ 92,731,433	\$ 9,317,334	\$ 3,707,012

Summary of Estimated Requirements by Budget Class

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2018-2019

GENERAL FUND	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
General Government:						
City council	\$ 11,850	\$ 1,400	\$ 44,585	\$ 57,835	\$	\$ 57,835
City manager	244,270	1,050	22,191	267,511		267,511
Elections	58,272	6,600	13,737	78,609		78,609
Finance and accounting	585,319	6,800	99,519	691,638		691,638
Income tax	277,079	24,300	58,944	360,323		360,323
Assessor	269,989	9,250	64,604	343,843		343,843
Legal		150	159,850	160,000		160,000
Clerk	254,073	1,370	33,855	289,298		289,298
Personnel	346,547	2,600	36,017	385,164		385,164
Purchasing	53,114	300	8,636	62,050		62,050
Board of review	1,800		527	2,327		2,327
Treasurer	170,052	10,950	64,324	245,326		245,326
Municipal office center	270,386	33,113	406,366	709,865	6,000	715,865
	<u>2,542,751</u>	<u>97,883</u>	<u>1,013,155</u>	<u>3,653,789</u>	<u>6,000</u>	<u>3,659,789</u>
Public Safety:						
Police administration	1,111,502	27,830	222,119	1,361,451		1,361,451
Detectives	1,260,278	28,400	113,698	1,402,376		1,402,376
Patrol	6,189,490	160,750	537,191	6,887,431		6,887,431
Communications			41,400	41,400		41,400
Fire	4,858,642	165,376	363,282	5,387,300		5,387,300
	<u>13,419,912</u>	<u>382,356</u>	<u>1,277,690</u>	<u>15,079,958</u>		<u>15,079,958</u>
Public Works:						
Inspection	179,361	2,600	152,971	334,932		334,932
Emergency management		453	16,747	17,200		17,200
Public works administration	125,832	300	6,040	132,172		132,172
Engineering	158,657	3,450	64,422	226,529		226,529
Street lighting	16,372	7,000	666,904	690,276		690,276
Blight	204,768	5,700	61,017	271,485		271,485
	<u>684,990</u>	<u>19,503</u>	<u>968,101</u>	<u>1,672,594</u>		<u>1,672,594</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2018-2019

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
Senior Citizens:						
Wastewater and water discounts	\$	\$	\$ 1,000	\$ 1,000	\$	\$ 1,000
			<u>1,000</u>	<u>1,000</u>		<u>1,000</u>
Recreation, Parks and Culture:						
Parks and forestry	779,679	71,398	390,939	1,242,016	10,000	1,252,016
Boat launch ramps	3,935	2,050	6,432	12,417		12,417
Recreation	423,447	66,560	111,598	601,605		601,605
Rockin the rivers	965	3,200	37,341	41,506		41,506
20th and Court pool	38,378	11,656	26,704	76,738		76,738
Sanborn pool	87,354	18,727	32,261	138,342		138,342
Chillyfest	2,644	2,000	51,000	55,644		55,644
Lighthouse park	25,107	1,800	3,550	30,457		30,457
Lakeside park	53,964	21,255	71,681	146,900		146,900
Palmer park recreation center	145,638	3,583	43,187	192,408	15,000	207,408
McMorran complex			541,000	541,000	135,000	676,000
Library			8,000	8,000		8,000
Museum	473	1,000	73,726	75,199		75,199
	<u>1,561,584</u>	<u>203,229</u>	<u>1,397,419</u>	<u>3,162,232</u>	<u>160,000</u>	<u>3,322,232</u>
Other Functions:						
Planning	170,871	3,400	24,878	199,149		199,149
Blue Water Bridge economic development plan			100,000	100,000		100,000
Telephone service		1,000	10,340	11,340		11,340
Contingencies			40,000	40,000		40,000
Insurance, health and safety	28,600	890	69,000	98,490		98,490
Taxes written off			15,000	15,000		15,000
Demolitions		1,000	49,000	50,000		50,000
	<u>199,471</u>	<u>6,290</u>	<u>308,218</u>	<u>513,979</u>		<u>513,979</u>
Subtotal	<u>18,408,708</u>	<u>709,261</u>	<u>4,965,583</u>	<u>24,083,552</u>	<u>166,000</u>	<u>24,249,552</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2018-2019

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
Public Improvements:						
Parks and recreation projects	\$	\$	\$	\$	\$ 50,000	\$ 50,000
MOC Capital					280,000	280,000
Other public improvements					<u>330,000</u>	<u>330,000</u>
Subtotal	<u>18,408,708</u>	<u>709,261</u>	<u>4,965,583</u>	<u>24,083,552</u>	<u>496,000</u>	<u>24,579,552</u>
Transfer to Other Funds:						
Land purchase fund			270,000	270,000		270,000
Beautification commission fund			3,300	3,300		3,300
			<u>273,300</u>	<u>273,300</u>		<u>273,300</u>
TOTAL GENERAL FUND	<u>18,408,708</u>	<u>709,261</u>	<u>5,238,883</u>	<u>24,356,852</u>	<u>496,000</u>	<u>24,852,852</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	1,129,671	214,209	1,307,904	2,651,784	1,722,250	4,374,034
Local streets	732,036	112,005	467,838	1,311,879	102,250	1,414,129
Municipal streets	48,716	5,448	1,902,969	1,957,133		1,957,133
	<u>1,910,423</u>	<u>331,662</u>	<u>3,678,711</u>	<u>5,920,796</u>	<u>1,824,500</u>	<u>7,745,296</u>
Cemetery fund	381,806	26,326	131,706	539,838	72,000	611,838
Garbage and rubbish collection fund	92,847	6,700	2,005,377	2,104,924		2,104,924
Rental certification fund	337,941	8,735	42,148	388,824		388,824
OUIL fund		5,500	5,500	11,000	30,000	41,000
Drug law enforcement fund		5,000	3,500	8,500	47,500	56,000
Law enforcement fund		3,245		3,245		3,245
Enhanced 911 fund					30,000	30,000
Community development block grant fund	133,175	900	15,054	149,129	1,530,000	1,679,129
Home program fund	35,105	200	1,500	36,805	238,000	274,805
Loan revolving fund					494,000	494,000

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2018-2019

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Streetscape maintenance fund	\$ 5,790	\$ 390	\$ 37,320	\$ 43,500	\$ 6,500	\$ 50,000
Beautification commission fund		6,500	800	7,300		7,300
TOTAL SPECIAL REVENUE FUNDS	2,897,087	395,158	5,921,616	9,213,861	4,272,500	13,486,361
ENTERPRISE FUNDS						
McMorran fund	879,743	37,200	654,057	1,571,000	135,000	1,706,000
Marina fund	8,260	1,250	266,001	275,511		275,511
Land purchase fund			1,285,000	1,285,000	25,000	1,310,000
Parking fund	40,897	9,210	85,671	135,778		135,778
Water Fund:						
Treatment plant	1,148,273	172,384	1,114,582	2,435,239	565,640	3,000,879
Distribution	650,490	106,664	420,083	1,177,237	13,492	1,190,729
Customer accounting	292,180	75,305	148,440	515,925		515,925
Meter reading	203,441	62,770	115,729	381,940	128,904	510,844
Debt service			4,086,000	4,086,000	360,000	4,446,000
	2,294,384	417,123	5,884,834	8,596,341	1,068,036	9,664,377
Wastewater Fund:						
Treatment plant	2,443,612	577,015	3,181,526	6,202,153	3,020,000	9,222,153
Collection, general	917,022	120,660	1,318,870	2,356,552	528,748	2,885,300
Collection system no. 1			221	221		221
Collection system no. 2	8,147	5,000	28,495	41,642	150,000	191,642
Collection system no. 3	11,408	3,000	51,275	65,683	143,000	208,683
Debt service			7,400,000	7,400,000	620,000	8,020,000
	3,380,189	705,675	11,980,387	16,066,251	4,461,748	20,527,999
TOTAL ENTERPRISE FUNDS	6,603,473	1,170,458	20,155,950	27,929,881	5,689,784	33,619,665

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2018-2019

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 17,945	\$ 35,600	\$ 65,353	\$ 118,898	\$ 5,300	\$ 124,198
Data processing fund	492,217	70,600	254,657	817,474	84,000	901,474
Motor vehicle fund	626,205	344,518	749,545	1,720,268	794,615	2,514,883
Energy performance services fund			350,000	350,000		350,000
Insurance and fringe benefit fund	13,652,000	1,000	622,000	14,275,000		14,275,000
TOTAL INTERNAL SERVICE FUNDS	<u>14,788,367</u>	<u>451,718</u>	<u>2,041,555</u>	<u>17,281,640</u>	<u>883,915</u>	<u>18,165,555</u>
TAX INCREMENT FUNDS						
Peerless site tax increment fund			86,000	86,000		86,000
Downtown development authority operating fund			64,850	64,850	7,150	72,000
Water street tax increment fund			2,000	2,000	333,000	335,000
Bank tax increment fund			2,000	2,000	20,000	22,000
Harrington Hotel tax increment fund			10,000	10,000	40,000	50,000
Edison redevelopment tax increment fund			280,000	280,000	5,000	285,000
Mainstreet tax increment fund					950,000	950,000
Industrial park expansion tax increment fund			227,000	227,000	20,000	247,000
Brownfield redevelopment tax increment funds:						
Southside redevelopment			294,000	294,000		294,000
Harker Street redevelopment			26,000	26,000		26,000
Sperry's redevelopment			119,000	119,000		119,000
Water Street Marina redevelopment			121,000	121,000		121,000
TOTAL TAX INCREMENT FUNDS			<u>1,231,850</u>	<u>1,231,850</u>	<u>1,375,150</u>	<u>2,607,000</u>
TOTAL ALL FUNDS	<u>\$ 42,697,635</u>	<u>\$ 2,726,595</u>	<u>\$ 34,589,854</u>	<u>\$ 80,014,084</u>	<u>\$ 12,717,349</u>	<u>\$ 92,731,433</u>

Appendix - Budget Explanation



BUDGET OVERVIEW

A. Budget Pressures

The City of Port Huron, like virtually all local governments in Michigan, continues to struggle with declining revenues and cost pressures outside the government's control. Total revenues have fallen since their peak in 2007-08, particularly due to declines in property values and state cuts of revenue sharing beginning in 2002. Residential property values have fallen by 29% since the 2008-09 year and taxable values have fallen by 27%. As a result, property taxes paid by City residents and landlords have decreased by over 21% during the past ten years. Overall values, including industrial and commercial properties, have fallen by 28.5% and taxable values have fallen by 27.1%.

In order to address this situation, voters were asked for a three mill property tax to support Police and Fire operations and an additional one mill to support Parks and Recreation programs over the next five years. Voters approved both initiatives by a wide margin in August, 2017. These additional millages will provide \$2.2 million in the 2018-19 budget to support these activities. This additional revenue will allow the City to avoid severe budget reductions.

The City's efforts to reduce overall costs of operations while minimizing the resultant service reductions has resulted in the elimination of a net total of eighty-two positions since 2002. This represents a 25% reduction and is explained in more detail later in this budget overview. This includes seven positions which will be reinstated due to the ballot approval.

B. General Fund

The General Fund budget reflects expected modest increases in property tax revenue, income tax revenues and state shared revenue. As previously discussed, the \$2.2 million to help fund Police, Fire, Parks and Recreation is new revenue. As part of an effort to reduce expenses, each budget activity has been carefully scrutinized and changes have been implemented where appropriate.

In order to assure rating agencies and bond holders that costs will continue to be controlled, the City Council adopted both a Debt Management Policy and a Fund Balance Policy during January, 2015. The Debt Management Policy outlines the principles, guidelines and restrictions for incurring debt and payment of debt services. The Fund Balance Policy states the City's intention to manage the fund balance in its governmental funds in a manner consistent with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Fund Balance Policy also stated the City Council's intent to manage the General Fund's activities in such a manner that over time the Fund Balance of the General Fund would move toward 25%. As of June 30, 2017, based on the proposed budget the percentage is expected to be 19.2%.

General Fund revenues have been relatively flat since the year ended June 30, 2000, increasing at less than the rate of inflation over that period. Overall, General Fund revenues before transfers are expected to increase by about \$2.86 million in 2018-19 with \$2.2 million of the increase due to the recent millage approved by voters. Property and income taxes and state revenue sharing are expected to generate \$19.93 million in General Fund revenue for the year ending June 30, 2019.

The General Fund provides for a variety of governmental services, including public safety (police and fire services); parks, recreation and culture; public works; planning and inspection and general governmental services. The revenue declines discussed above have required that costs be reduced and, as a result, services have been reduced. Revenue constrictions have impacted the City's ability to fund capital projects and many repair or rehabilitation projects within the General Fund continue to be postponed.

It is important to remember that there is some uncertainty to all of the revenue projections as the direction of the economy is unclear. This will necessitate close review of revenues throughout the year to determine if additional cuts will be necessary.

In summary, the General Fund budget, as proposed, continues, but does not expand, most government services. The proposed General Fund budget is predicated on current expected income tax revenues and the assumption that the City will qualify for the full amount of State shared revenues based upon current State estimates. It may need further review by Council during the upcoming year to either increase revenues or reduce services.

C. Garbage and Solid Waste

Historically, the funds for garbage and solid waste removal have been provided by a property tax levied for that specific purpose. For the fiscal year ended June 30, 2009, this millage provided over \$2.1 million in annual revenue. These funds provided for not only weekly garbage and recycling services, but also provided for public area pickup in the City's various parks, beaches and parkways, a brush and branch pickup program and twice monthly street sweeping during the warmer months. Over the past ten years, due to the significant decline in real estate values, property tax revenues have decreased from a high of \$2.13 million for the fiscal year ended June 30, 2009 to an expected \$1.55 million for the fiscal year ending June 30, 2019. Because there were prior accumulated funds dedicated for rubbish and solid waste purposes, services had been continued at prior levels up to June 30, 2012.

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

During February, 2013, the City Council approved a five-year contract with a new service provider which maintains service through June 30, 2018. It was anticipated that the changes discussed above would provide sufficient revenue to continue current services until at least June 30, 2016. However, property tax values did not recover as quickly as anticipated.

Therefore, it was necessary to supplement property tax revenue during the year ending June 30, 2016 in order to maintain the financial integrity of the fund. Budget revenues were modified to include a \$25 annual fee per residence for bulk leaf and yard waste pick up and recycling. This fee, which is assessed on parcels containing a residential dwelling, raises an additional \$245,000 to fund current operations.

The upcoming five-year contract which begins July 1, 2018 includes increased costs. Unless property taxes increase substantially, additional revenue may be needed before the upcoming contract expires.

D. Street Funds

Cities in Michigan receive state shared gas and weight taxes to partially offset the costs of maintaining and rebuilding major and local streets. These revenues have generally been sufficient for maintenance needs, but not for construction or major repairs. In November 2015, the Michigan Legislature enacted and the Governor signed into law a series of new road funding laws which will increase vehicle registration fees and gas taxes for all Michigan residents. This resulted in a substantial increase in the City's state shared revenue for the Street funds. This additional revenue will help mitigate the effect of the increase in fringe benefit rate due to the substantial increase in unfunded liabilities.

The proposed budget will continue maintenance and preventative maintenance programs at levels somewhat reduced from prior years. Reductions in personnel in prior years will allow annual operating expenses to continue to be more closely aligned with the expected revenues. As discussed above, street sweeping activities are now accounted for in the streets funds. The street construction millage, which was renewed for ten years in November, 2013, will provide approximately \$11.0 million for construction and street improvements for the ten-year period ending June 30, 2024. The street construction millage is an integral component of streets funding. This millage will allow the major rehabilitation of the City's streets to continue, when coupled with federal grants, state grants and the use of accumulated funds.

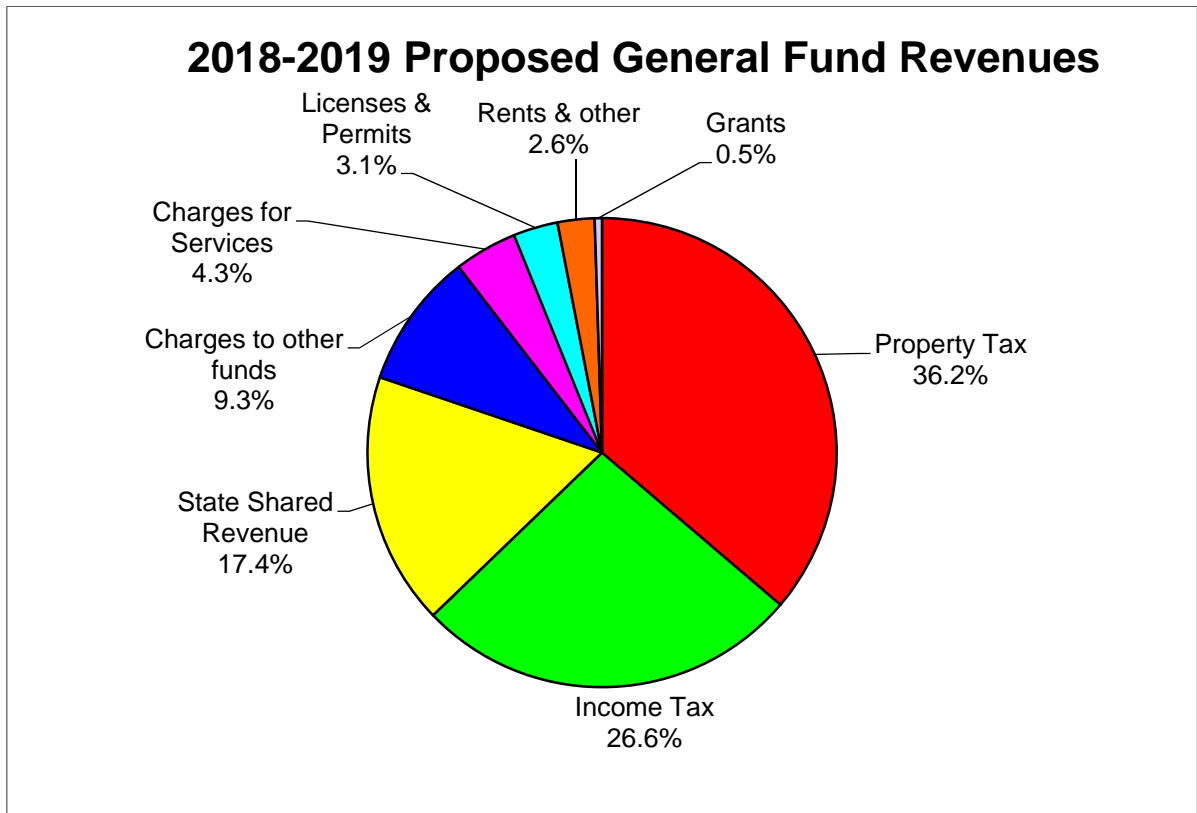
E. Utility Funds

The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$25.6 million. The two funds' cost of operating, debt service, and capital costs are expected to be approximately \$30.2 million. The budget proposes the use of water and wastewater accumulated balances and anticipates funding from either the issuance of long-term bonds or long-term advances from other funds. In addition, the budget includes a 5.8% rate increase in combined water and wastewater rates, which was adopted by City Council during May, 2017. This increase has been included in the projected revenues discussed above. Water and wastewater usage has been relatively stable over the last three years.

F. General Fund Revenues

Over the past eighteen years General Fund revenues have grown at less than the rate of inflation. This has occurred while many commodities purchased by the City including gasoline, asphalt and natural gas have increased dramatically.

The following chart indicates the various General Fund revenue sources for 2018-19 and the proposed relative percentage supplied by each.



The City Council has the authority to levy a property tax as authorized by City Charter and citizen voted millages as follows:

City Charter Annual Operations	-	11.2504 mills
Police and Fire Operations	-	3.0000 mills
Parks and Recreation Programs	-	1.0000 mills
Refuse Collection	-	2.8125 mills
Municipal Streets Capital Outlay	-	1.9966 mills
Blue Water Transportation Authority	-	<u>.6203 mills</u>
Total		<u>20.6798 mills</u>

The taxable valuation of all property within the City, as compiled by the City Assessor and revised by the Board of Review, is as follows:

Assessment roll:	
Real property	\$536,697,756
Personal property	57,180,600
Special Acts assessment rolls:	
Industrial facilities roll:	
New facilities, real property	3,096,610
New facilities, personal property	6,388,400
Neighborhood enterprise zone, real property	970,027
Obsolete property rehabilitation, real property	<u>6,139,041</u>
	<u>\$610,472,434</u>

Taxable valuation has increased by 1.6% overall. Real property values increased by 2.8%, and personal property values decreased by 8.0%. State equalized valuation (SEV) has increased by 2.5% overall. Real property values increased by 3.8%, while personal property values decreased by 8.0%.

Pursuant to legislation approved by voters in the August 2014 statewide election, the State of Michigan has phased out the personal property tax on industrial property. Also, beginning with the 2014-15 budget year, companies having taxable value less than \$40,000 were dropped from the tax rolls.

The State has pledged to provide full reimbursement for lost personal property tax revenue. State projections for the 2018-19 budget year includes \$675,000 in the General Fund, \$110,000 in the Garbage and Rubbish Collection Fund and \$80,000 in the Municipal Streets Fund. This revenue is described as State Shared Revenue – Local Community Stabilization Authority.

Proposal A, which was approved by the voters on March 15, 1994, increased the state sales and use tax as a means to reduce the reliance on local property taxes for school financing. The property tax portion of this proposal limits individual assessment increases to the rate of inflation (2.1% for 2018), or 5%, whichever is less. Beginning in 1994, taxable value replaced state equalized value as the basis for calculating property taxes. The taxable value for 2018 is the lower of the 2018 state equalized value or the 2017 taxable value adjusted by the rate of inflation for the period. When properties are sold, the limitation period no longer applies and taxable value will increase to one half true cash value (approximately one half market value). Taxable value can also increase or decrease due to physical changes in individual parcels.

The Headlee amendment to the State constitution requires a millage rollback if assessed value, excluding new construction, increases by more than the inflation rate. It currently does not appear that the City will be subject to a Headlee rollback and that City millage rates will remain the same as the prior year.

For 2018 and 2017, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 89.0% and 89.8% of equalized value, as shown below:

	<u>2018</u>	<u>2017</u>
Equalized Value	\$686,270,400	\$669,272,200
Taxable Value	<u>610,472,434</u>	<u>600,931,671</u>
Difference	<u>\$ 75,797,966</u>	<u>\$ 68,340,529</u>

Although real estate values appear to be trending in a positive fashion, the effects of Proposal A and the Headlee Amendment will continue to limit potential increases in property tax revenue. It is essential that property tax limitations be considered and reviewed on an ongoing basis.

This proposed budget anticipates unrestricted General Fund property tax revenue of \$6.24 million based on a net uncaptured taxable value of \$559,000,000 at the proposed millage rate of 11.2504 mills. In addition, \$2.2 million of property tax revenue will be raised to support Police and Fire operations and Parks and Recreation programs.

G. Property Tax Administration Fee

Included in the General Fund there is a property tax administration fee. This fee is an additional one percent charge added to each property tax bill and is expected to provide \$310,000 in 2018-19. State law allows property tax collecting units like the City to assess a local property tax administration fee. It is defined as “a fee to offset costs incurred by a collecting unit in assessing property values, in collecting the property tax levies, and in the review and appeal process.” Currently, approximately 75 percent of the other local units in St. Clair County assess such a fee.

As discussed in this budget message, residential property values have fallen by 29% since the 2008-2009 year. Taxable values have fallen by 27% during the same period. Even with the addition of the administrative fee during 2017-18, residential property owners (both residents and landlords) still maintain a significant reduction in overall property taxes during the most recent ten year period. Because of the effects of Proposal A and the Headlee Amendment, it will be decades before the City’s property tax revenue returns to the former levels.

H. User Fees and Other Miscellaneous Revenues

The proposed 2018-19 General Fund budget anticipates approximately \$2.5 million in revenue from user fees and other revenues. User fee rates are reviewed annually and adjusted as necessary. Following is a list of the City's various categories of user fees and the projected amounts of revenue generated by each for 2018-19.

<u>Source</u>	<u>Anticipated Revenue</u>
Licenses and Permits:	
Cable television	\$ 350,000
Building permits	390,000
Other	<u>20,000</u>
	<u>760,000</u>
Charges for Services:	
Recreation fees	500,000
Blue Water Bridge reimbursement	300,000
County parks millage	130,000
Other	<u>150,000</u>
	<u>1,080,000</u>
Fines and Forfeits:	
Parking violations	30,000
Ordinance fines	<u>120,000</u>
	<u>150,000</u>
Investment Income	<u>100,000</u>
Rents – MOC and other	<u>370,000</u>
Sale of Assets	<u>13,488</u>
	<u>\$ 2,473,488</u>

Program fees for recreation activities are based upon the direct program costs for non-residents with resident fees set at 50% of the calculated amount. Further, the recreation department continues to work with local foundations to generate increased grant revenues for both programs and projects.

I. State Shared Revenue

On March 21, 2011, Governor Rick Snyder presented a special message on community development and local government reforms. As part of that message, he announced the new Economic Vitality Incentive Program (EVIP), which replaced statutory revenue sharing, but at approximately 66% of prior levels. The state revenue sharing program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenues. Previous funding of the program consisted of the following dedicated tax revenues:

- Constitutional - 15% of the 4% gross collections of the state sales tax
- Statutory - 21.3% of the 4% gross collections of the state sales tax

Distributions of constitutional revenue sharing are based on population. As a result, estimated revenue for 2018-19 has been based on the 2010 census. The formula for statutory distributions formerly included factors such as taxable value per capita, local unit type,

population and a tax rate yield equalization factor. The initial EVIP program implemented by the State had three key aspects as follows:

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

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

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

An important difference between the two types of shared revenues is that, with constitutional revenue sharing, the percentage of receipts that must be shared with local units of government is fixed by the state constitution, while the percentage for the CVTRS (formerly EVIP/statutory revenue sharing) is set by the state legislature. In recent years, when the state's budget crisis has become more acute, increasing amounts of those funds have been diverted to balance the state's budget and away from providing local government services. This trend is illustrated by the following table. Amounts distributed under both methods also fluctuate as economic conditions impact the amount of sales tax collected by merchants and remitted to the state treasury.

The following table shows the breakdown of the constitutional and statutory portions of the City's state revenue sharing since fiscal year 2000-01.

Fiscal Year	Constitutional	Statutory/EVIP/CVTRS	Total
2000-01	\$2,152,842	\$2,986,778	\$5,139,620
2001-02	2,119,531	2,780,554	4,900,085
2002-03	2,125,773	2,338,763	4,464,536
2003-04	2,120,819	2,175,381	4,296,200
2004-05	2,153,181	1,977,814	4,130,995
2005-06	2,204,657	1,867,450	4,072,107
2006-07	2,209,897	1,824,514	4,034,411
2007-08	2,206,481	1,693,247	3,899,728
2008-09	2,166,678	1,847,544	4,014,222
2009-10	2,025,303	1,355,698	3,381,001
2010-11	2,017,768	1,315,279	3,333,047
2011-12	2,179,039	1,177,448	3,356,487
2012-13	2,197,106	988,357	3,185,463
2013-14	2,250,734	1,039,589	3,290,323
2014-15	2,307,540	1,074,268	3,381,808
2015-16	2,278,547	1,079,599	3,358,146
2016-17	2,410,158	1,079,599	3,489,757
*2017-18	2,325,000	1,075,000	3,400,000
*2018-19	2,540,000	1,075,000	3,615,000

* Budgeted amount

Since fiscal year 2000-01, economic conditions in the State have resulted in the City receiving less actual and projected state shared revenue (constitutional and statutory portion of state revenue sharing only) as illustrated in the following table:

Year	Amount of State Shared Revenue (SSR)	\$ Difference	% Difference	SSR as % of General Fund Expenditures
2000-01	\$5,139,620	\$ 0	0.0%	25.3%
2001-02	4,900,085	239,535	4.7%	23.5%
2002-03	4,464,536	675,084	13.1%	22.4%
2003-04	4,296,200	843,420	16.4%	21.4%
2004-05	4,130,995	1,008,625	19.6%	19.1%
2005-06	4,072,107	1,067,513	20.8%	18.1%
2006-07	4,034,411	1,105,209	21.5%	17.6%
2007-08	3,899,728	1,239,892	24.1%	15.5%
2008-09	4,014,222	1,125,398	21.9%	17.5%
2009-10	3,381,001	1,758,619	34.2%	15.3%
2010-11	3,333,047	1,806,573	35.1%	15.3%
2011-12	3,356,487	1,783,133	34.7%	15.9%
2012-13	3,185,463	1,954,157	38.0%	15.5%
2013-14	3,290,323	1,849,297	36.0%	15.6%
2014-15	3,381,808	1,757,812	34.2%	16.1%
2015-16	3,358,146	1,781,474	34.7%	15.5%
2016-17	3,489,757	1,649,863	32.1%	15.4%
*2017-18	3,400,000	1,739,620	33.8%	15.0%
*2018-19	3,615,000	1,524,620	29.7%	14.5%

* Budgeted amount

Due to conservative budget estimates for State revenue sharing, the City has not experienced any mid-year reductions in municipal services. However, the table above demonstrates that in the proposed budget, the City anticipates receiving approximately \$1.5 million less from this important revenue source than it received in 2000-01. **This loss of State shared revenue is equal to 2.7 mills of property tax, based on the City's 2018 taxable value.**

J. Income Tax Revenues

City income tax revenues have been estimated at \$6.6 million, slightly higher than the current year's budgeted amount. Over the past ten years income tax revenues have increased modestly as hiring by private employers has outpaced reductions in employment for public employers. **Projected income tax revenues are the equivalent of 11.8 mills of property tax.**

K. Grant Revenues

The 2018-19 budget includes expected grant revenue of \$25,000 for various parks and recreation grants. Grant revenue also includes \$100,000 from the State of Michigan for economic development related to the Blue Water Bridge Plaza project.

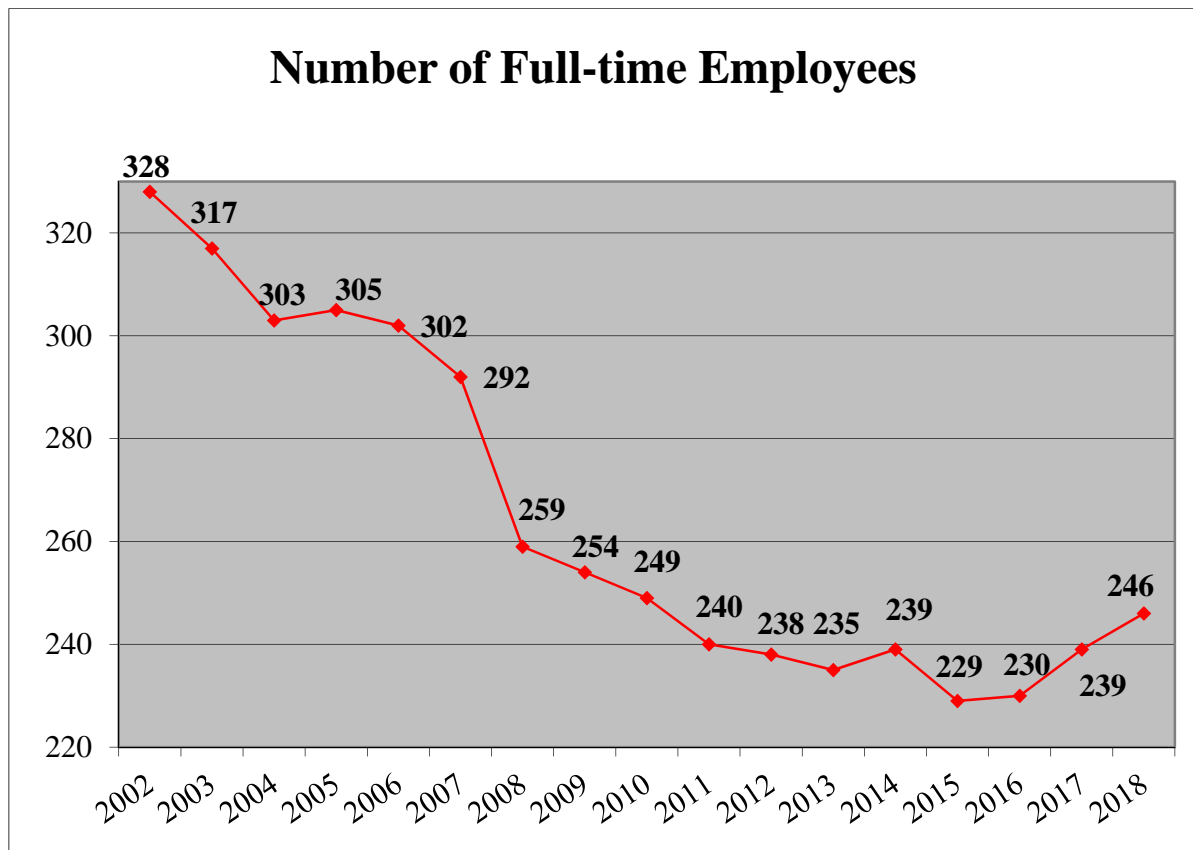
L. Work Force Reductions

In order to reduce expenses as a result of the State revenue sharing, property tax and income tax reductions and to provide funds to subsidize utility rates, the City has reduced its work force. Since July 1, 2002, a net of 82 full-time positions have been eliminated. Sixteen of the eliminated positions were division heads or supervisors, including 13 since 2008.

As discussed earlier, voters approved a four mill tax request in August, 2017 to support Police and Fire operations and Parks and Recreation programs.

Because of this voter support, seven full-time positions are able to be reinstated in the 2018-19 budget. These include one position in Parks and Recreation and another position at McMorran Place. These positions will be supported by the one mill Parks and Recreation tax. In addition, a Fire Fighter position was reinstated, which will help to reduce overtime in the Fire Department. Also, four Police Officers have been reinstated. Two of these officers will spend nine months each year as the School Resource Officers at the City's two high schools. This is pursuant to a mutual agreement with Port Huron Schools, which will provide partial reimbursement for those positions. The balance of support for these police and fire positions will come from the new three mill Police and Fire tax.

Since 2002, the number of budgeted full-time City employees has been reduced by 25% as illustrated in the graph below showing positions at each year end:



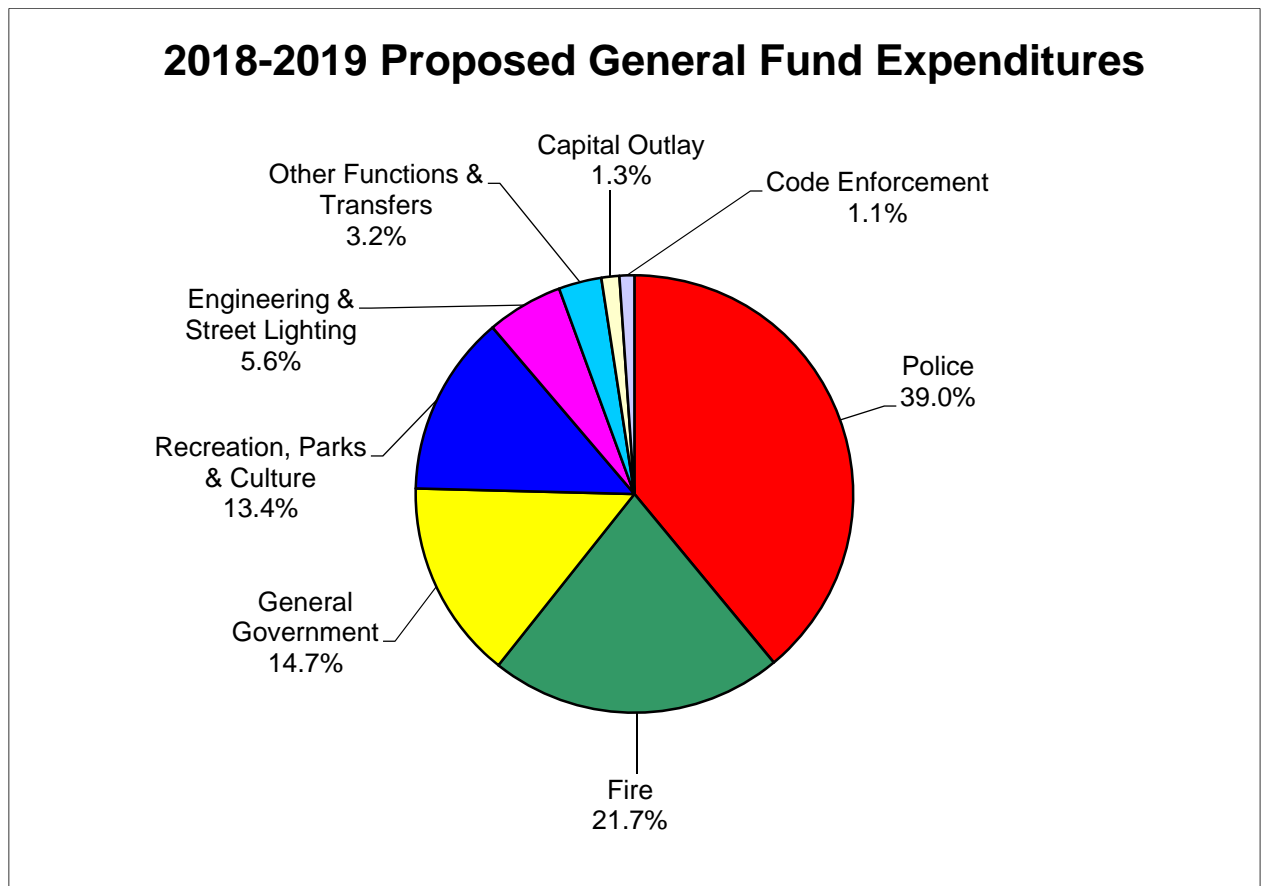
M. General Fund Expenditures

The proposed budget generally continues current services and does not provide for any new General Fund programs. Proposed operating expenses for the fiscal year ending June 30, 2019 are approximately \$1.62 million higher than comparable budgeted operating expenses for the proposed budget for 2017-18, an increase of 7.2 percent. This was primarily caused by the substantial increase in the fringe benefit rate needed because of the growth of unfunded pension and OPEB liabilities and full-time positions reinstated in Police, Fire, Parks and Recreation and McMorran.

Capital outlay is proposed to be \$330,000. The capital outlay budget includes funds set aside for capital projects in Parks and Recreation in addition to funds set aside for potential salary adjustments as well as the associated fringe benefit cost. Projected capital outlay includes the following:

Parks and Recreation	\$ 50,000
Other Public Improvements and/or salary adjustments	<u>280,000</u>
	<u>\$ 330,000</u>

The illustration below depicts the major categories of General Fund expenditures for 2018-19 and the relative percentage of each:



After charging other funds for their cost of administrative expenses and receiving MOC rent, net general government expenses are actually only 3.9% of General Fund expenditures.

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

Personal services	\$18,408,708
Supplies and materials	709,261
Contractual services	<u>4,965,583</u>
Total Operating Expenses	24,083,552
Transfers	273,300
Capital outlay:	
Departmental	6,000
Parks and recreation projects	210,000
Available for other public improvements	<u>280,000</u>
Total	<u>\$ 24,852,852</u>

N. Increases in Operating Costs

Comparisons for each operating activity, with previous years, are summarized in schedules made part of this report.

Two components of the City's operating costs have increased significantly over the past several years. Through policy changes and contract negotiations, the City has taken action to slow the increases and to try to reduce costs.

- **Pension Costs** Full-time City employees are members of the Municipal Employees Retirement System of Michigan (MERS). Employer contribution percentages to this defined benefit plan for the upcoming fiscal year are expected to increase significantly. Future increases are expected to be substantial, because of the results of an experience study MERS recently completed. Results of the study were released during the summer of 2016. The main assumption and method changes were:
 - The mortality table was adjusted to reflect longer lifetimes.
 - The assumed annual rate of investment return, net of all expenses, was lowered from 8% to 7.75%.
 - The asset smoothing was changed from 10 to 5 years.
 - The amortization period was moved to a fixed period amortization for the December 31, 2014 annual valuations.

Full-time employees, other than public safety, hired after July 1, 2008, will be covered by a MERS hybrid pension plan, which is expected to reduce long-term costs substantially. Full-time public safety employees hired after July 1, 2014 will also be covered by the MERS hybrid pension plan. All employees hired prior to July 1, 2008, have had employee pension contributions increased by a cumulative 8% of their wages effective July 1, 2013.

Beginning July 1, 2018, those full-time employees covered under the defined benefit pension plan will receive a bridged benefit according to the MERS bridged pension formula. The employee benefit will be reduced on a prospective basis, as a 2.0 percent multiplier will be earned after July 1, 2018 rather than a 2.5 percent multiplier. Employee pension contributions will also be reduced on a comparable basis. Estimates from MERS indicate that the bridged pension change will ultimately reduce the City's unfunded pension liability by \$10.5 million and reduce annual pension expense by \$800,000.

The City's annual required contribution (ARC) to MERS during the last two fiscal years, ended June 30, 2017, and 2016, was \$4,169,901 and \$3,716,779, respectively. In addition, the City paid \$500,000 in excess of the ARC during each of the years ended June 30, 2017, and 2016. During the year ended June 30, 2015, the City was required to change its method of accounting for pensions. One of the changes requires the calculation of the actual pension expense, irregardless of payments made to MERS. The City's recognized pension expense for the years ended June 30, 2017 and 2016, was \$9,872,192 and \$9,367,075, respectively.

- **Healthcare Insurance Premiums** The City of Port Huron provides health insurance to full time employees and eligible retirees. The proposed budget anticipates modest

savings as negotiations with all of our unions have resulted in an emphasis on preventative care, cost sharing and reduced employer costs. The City has moved to a self-insured program with higher deductibles and co-pays. Cost results to date have been favorable. The City expects these savings in the 2018-19 budget to be \$230,000 for our employees and \$50,000 for retirees. The proposed costs are summarized as follows:

Active Employee Health Costs	\$ 2,500,000
Retired Employee Health Costs	<u>3,835,000</u>
Total	<u>\$ 6,335,000</u>

The City was required to change its method of accounting for retiree health care benefits during the year ended June 30, 2009. Under prior accounting standards, retiree healthcare costs were only recognized when the costs were paid. Under the current accounting standards, the City is required to record a liability for the actuarially computed annual obligation. The City's annual required contribution (ARC) to fund its OPEB liability during the last two fiscal years, ended June 30, 2017, and 2016 was \$2,697,774 and \$2,689,768, respectively. The results of the June 30, 2017 actuarial valuation showed a dramatic adjustment in the City's ARC payment, which will increase to \$3.835 million per year.

O. Support For Recreation, Parks and Culture

The City of Port Huron recreation department provides recreation programs and other activities at the various public parks, playgrounds, pools and beaches. These facilities are maintained by the parks and forestry division. In addition, the City provides significant annual support to the McMorran Auditorium and Arena, the Port Huron Museum and its various locations and the municipal marinas.

The proposed McMorran subsidy consists of \$541,000 for operations and \$135,000 for capital improvements (partially funded by the county recreation millage).

The City owns the following facilities which it leases to the Port Huron Museum:

- Carnegie Center (Main Museum Facility)
- Thomas Edison Depot
- Huron Lightship
- Fort Gratiot Hospital (under restoration)

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

The City has provided marina services along the Black River in the downtown area and at the Water Street Marina near the I-94 Black River Bridge. These operations have seen reduced usage and increased maintenance costs and have continued to operate at a deficit. The City has contracted with Desmond Marine to operate the downtown River Street Marina.

The City has retained responsibility for certain annual expenses but expects the annual operating deficit to continue at a reduced level. The City sold the Water Street Marina effective June 30, 2009, however, the previous developer could not attain financing for construction of a hotel. The City repurchased the property during December of 2012. The property was subsequently sold to a new developer in the spring of 2013, and a hotel opened during February, 2016.

The budget for parks and recreation programs and services is \$3,322,232. This portion of the budget includes the City's parks and playgrounds, beaches and pools, boat launches, riverfront parkways, the Palmer Park Recreation Center and the City's many forested public areas and boulevards. Recreation and other fees and grants offset certain of these costs. During the past years these fees have been increased to cover direct program costs.

P. General Fund Comparison

The General Fund budget presented herein may be summarized and compared with the adopted budget for the current fiscal year ending June 30, 2018, as follows:

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>	<u>Increase or (Decrease)</u>
Means of Financing:			
Property taxes	\$ 9,005,000	\$ 6,690,000	\$ 2,315,000
Income tax	6,600,000	6,500,000	100,000
Business licenses and permits	365,000	370,000	(5,000)
Nonbusiness license permits	395,000	350,000	45,000
Grants	125,000	125,000	
State shared revenue	4,325,000	4,060,000	265,000
Charges for services	1,080,000	1,030,000	50,000
Fines and forfeits	150,000	130,000	20,000
Investment income	100,000	70,000	30,000
Rents	370,000	370,000	
Sale of assets	13,488	15,388	(1,900)
Charges to other funds	2,324,364	2,276,890	47,474
Transfer from other funds	<u> </u>	<u>720,000</u>	<u>(720,000)</u>
Total	<u>\$24,852,852</u>	<u>\$22,707,278</u>	<u>\$ 2,145,574</u>
Estimated Requirements:			
General government	\$ 3,659,789	\$ 3,491,356	\$ 168,433
Public safety	15,079,958	14,139,816	940,142
Public works	1,672,594	1,669,357	3,237
Senior citizens	1,000	2,000	(1,000)
Recreation, parks and culture	3,322,232	2,814,810	507,422
Other functions	513,979	512,639	1,340
Capital outlay	330,000	74,000	256,000
Transfers to other funds	<u>273,300</u>	<u>3,300</u>	<u>270,000</u>
Total	<u>\$ 24,852,852</u>	<u>\$22,707,278</u>	<u>\$ 2,145,574</u>

The increases in general government; public safety; public works; recreation, parks and culture; and other functions are primarily due to the substantial increase in the fringe benefit rate needed because of the growth of unfunded pension and OPEB liabilities and full-time positions reinstated in Police, Fire, Parks and Recreation and McMorran. The increase in capital is caused by funds set aside for potential salary adjustments.

Q. Water and Wastewater Funds

The City of Port Huron operates two utility funds, the Water Fund and the Wastewater Fund. The Water Fund accounts for the operation of the City's water treatment plant and distribution system. The City provides water service to all City residents and businesses, as well as to portions of the townships of Fort Gratiot, Port Huron, Kimball and Clyde. Services to those townships are charged based on water usage and rates charged to City of Port Huron users, by contract. The Wastewater Fund accounts for the operation of the City's wastewater treatment facility and collection system. In addition to providing services to City residents, the wastewater treatment facility also provides services to portions of the townships of Fort Gratiot, Port Huron and Kimball. The three townships have purchased capacity in the wastewater treatment facility and share in annual operating expenses based on fixed contractual percentages.

R. Combined Sewer Overflow Project

The Michigan Department of Environmental Quality (MDEQ) mandated that the City of Port Huron undertake a 15-year program to eliminate all combined sewer overflows (CSO). In 2007 the MDEQ granted the City a four year extension through December 31, 2016. The State has informally extended the deadline for the final project, which is the MDOT controlled portion of the Blue Water Bridge Plaza. At the conclusion of the current fiscal year, approximately 99% of the areas will have been separated.

This has resulted in the following benefits:

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

To date, approximately \$176.3 million has been expended and the project remains within budget and on schedule.

S. Bond Commitments

The State of Michigan, through the Michigan Municipal Bond Authority (MMBA), has approved borrowings under the State Revolving Fund (SRF) and Drinking Water Revolving Fund (DWRF) loan programs subject to certain conditions. Among the conditions are those prescribed by the MMBA's public financial consultants which include, in part, the following two conditions which are similar to those contained in the bond ordinances and agreements.

1. Water and Sewer Use Revenue – Sufficient revenues are generated from water supply and sewage disposal services to satisfy all operations, maintenance and

replacement costs. It is projected and understood that annual rate increases will be required over the next few years.

2. Rate Adjustments – All rates, charges and fees shall be reviewed annually and adjusted as necessary to assure that, at the minimum, sufficient revenues will be available to satisfy all operation, maintenance, replacement and debt service costs to the system.

Recorded in the various funds of the City are general obligation bonds and revenue bonds amounting to \$84,450,369 at June 30, 2017 for which the City’s full faith and credit is pledged. It is anticipated that the principal and interest on this debt will continue to be serviced by the funds incurring the debt, predominately the Water and Wastewater Funds.

The requirements to pay principal and interest on the obligations outstanding at June 30, 2017 are listed below. The annual payments for the first five years are listed individually and thereafter are listed in five-year groupings. They are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 9,426,983	\$ 2,538,316	\$ 11,965,299
2019	9,725,432	2,274,293	11,999,725
2020	10,075,634	1,998,934	12,074,568
2021	8,606,117	1,763,150	10,369,267
2022	8,066,495	1,525,291	9,591,786
2023-2027	22,311,695	5,041,605	27,353,300
2028-2032	8,274,404	2,866,524	11,140,928
2033-2037	5,138,685	1,412,556	6,551,241
2038-2041	<u>2,824,924</u>	<u>310,823</u>	<u>3,135,747</u>
	<u>\$84,450,369</u>	<u>\$ 19,731,492</u>	<u>\$104,181,861</u>

Continuous review of this significant debt obligation will be necessary to properly manage the City’s commitments.

T. Construction Subsidies

Grants and tax increment funds have been used to partially fund construction projects. This has also reduced the amount the City was required to borrow. These sources of funding have resulted in the reduction of over 17.6% of CSO project costs and are summarized below:

Tax Increment Districts	\$ 9.8 million
EPA Grants	7.4 million
ARRA (Stimulus) Grants	5.0 million
Other Grants	1.5 million
CDBG Funds	<u>7.4 million</u>
Total	<u>\$31.1 million</u>

U. Debt Subsidies

When the CSO program was initially discussed and implemented in 1998, subsidies from other funds were always considered part of the plan so that rate increases could be mitigated. The combined subsidies to the utility funds from the General Fund, the Land

Purchase Fund and other sources through June 30, 2017 have exceeded \$54.3 million. The current budget, for the second consecutive year, does not include subsidies from other funds.

The City of Port Huron has a history of operating surpluses in the General Fund. Because of conservative budgeting and cost control measures, over \$15 million has been transferred to the Wastewater Fund from the General Fund to reduce rates. A summary follows:

	<u>Transfer to Wastewater Fund</u>
June 30, 1998	\$ 800,000
June 30, 1999	2,513,730
June 30, 2000	1,772,900
June 30, 2001	1,133,712
June 30, 2002	1,012,212
June 30, 2007	700,000
June 30, 2008	3,917,400
June 30, 2009	1,939,493
June 30, 2010	1,150,000
June 30, 2011	<u>500,000</u>
Total	<u>\$ 15,439,447</u>

During the fiscal year ended June 30, 2002, due to reductions in State revenue sharing and City income tax collections, transfers from the Land Purchase Fund were initiated to further reduce utility rates by subsidizing both the Water and Wastewater Funds. For the fiscal years ending June 30, 2015 and 2016, the transfer is from the Senior Citizen Housing Fund. The schedule is as follows:

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
June 30, 2002	\$	\$ 900,000	\$ 900,000
June 30, 2003	300,000	1,600,000	1,900,000
June 30, 2004	600,000	1,300,000	1,900,000
June 30, 2005	600,000	1,300,000	1,900,000
June 30, 2006	600,000	1,600,000	2,200,000
June 30, 2007		2,200,000	2,200,000
June 30, 2008		2,200,000	2,200,000
June 30, 2009		2,295,000	2,295,000
June 30, 2010	300,000	1,950,000	2,250,000
June 30, 2011	1,550,000	700,000	2,250,000
June 30, 2012	1,025,000	1,225,000	2,250,000
June 30, 2013	575,000	1,675,000	2,250,000
June 30, 2014		2,250,000	2,250,000
June 30, 2015		2,400,000 *	2,400,000 *
June 30, 2016		2,321,416 *	2,321,416 *
June 30, 2017		<u>1,800,000</u>	<u>1,800,000</u>
Total	<u>\$ 5,550,000</u>	<u>\$27,716,416</u>	<u>\$33,266,416</u>

* Transfer from Senior Citizen Housing Fund

During the fiscal year ended June 30, 2008, as a result of successful grant applications to fund the 7th Street Bridge, funds were identified in the Municipal Streets Fund that had previously been set aside for that project that could be used to subsidize the Wastewater Fund. Those funds have been used as follows:

	<u>Transfer to Wastewater Fund</u>
June 30, 2008	\$ 1,000,000
June 30, 2009	1,000,000
June 30, 2010	1,000,000
June 30, 2011	1,000,000
June 30, 2012	1,000,000
June 30, 2013	<u>685,000</u>
Total	<u>\$ 5,685,000</u>

V. Monthly Utility Billings

The City of Port Huron is facing substantial annual debt service costs due to CSO borrowings. As discussed above, the City has subsidized the Water and Wastewater Funds from a variety of available resources, however, those resources have been somewhat depleted.

This budget includes an average increase of 5.8%. This increase should provide much of the necessary revenue for operations, capital needs and debt retirement during that period. However, budgeted capital projects in the Wastewater Fund will require additional resources. These capital projects will be funded, as much as prudently possible, from cost containment measures and use of cash reserves. If additional resources are needed, issuance of long-term bonds or long-term advances from other funds may be necessary.

The effects of the proposed rate increase on the combined water and sewage rate charges for a 5/8 inch residential customer at various consumption levels, per month, are as follows:

	<u>Consumption (Cubic Feet)</u>	<u>Adjusted Rates</u>	<u>Present Rates</u>	<u>Increase</u>	<u>Percent Change</u>
	167	\$ 61.93	\$ 57.42	\$ 4.51	7.9%
	333	71.03	66.47	4.56	6.9%
	500	80.18	75.57	4.61	6.1%
Average Residential	567	83.85	79.22	4.63	5.8%
	667	89.33	84.67	4.66	5.5%
	833	98.43	93.72	4.71	5.0%
	1,000	107.58	102.82	4.76	4.6%
	1,167	116.73	111.92	4.81	4.3%
	1,333	125.83	120.97	4.86	4.0%
	1,500	134.98	130.07	4.91	3.8%

The current monthly charge for average residential customers and typical households can be compared to charges in other communities that are also undergoing significant CSO work. TetraTech MPS, project engineers, have provided the following monthly cost information (567 cubic feet of usage) regarding three cities whose projects compare to Port Huron:

<u>Average Residential</u>	
Sault Ste. Marie (July 1, 2017)	\$86.96
Port Huron (July 1, 2018)	\$83.85
Lansing (February 1, 2018)	\$79.22
Grand Rapids (January 1, 2018)	\$57.54

The Port Huron monthly costs are based upon adjusted rates effective July 1, 2018. The other cities' rates are those in effect at the dates noted, prior to any proposed increases for their current fiscal years.

W. Proposed Public Works Projects

Public works projects necessary for street reconstruction may include upgraded sewer and water lines where appropriate. As a result, the costs associated with these projects are recorded in the Streets Fund, the Water Fund and the Wastewater Fund. Certain of these projects could also be recorded in other funds when appropriate.

The current estimated costs of public works projects for the 2018-19 year are as follows:

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Current Projects:				
Quay Street/Michigan	\$1,250,000	\$ 360,000	\$ 120,000	\$1,730,000
13 th Street – Lapeer to Water	200,000			200,000
Blue Water Bridge Sewer Separation			500,000	500,000
16 th /Gillette intersection	45,000			45,000
Glenwood/Stone intersection	50,000			50,000
Lapeer/10 th intersection	75,000			75,000
Total	<u>1,620,000</u>	<u>360,000</u>	<u>620,000</u>	<u>2,600,000</u>
Carryover Projects:				
10 th Street Bridge	100,000			100,000
Roselawn Court area	100,000			100,000
Total	<u>200,000</u>			<u>200,000</u>
Total Current and Carryover	<u>1,820,000</u>	<u>360,000</u>	<u>620,000</u>	<u>2,800,000</u>
Sidewalk Projects	40,000			40,000
Total	<u>\$1,860,000</u>	<u>\$ 360,000</u>	<u>\$ 620,000</u>	<u>\$2,840,000</u>

The public works projects are expected to be funded as follows:

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Borrowing:				
Open Market Bonds or Long-Term Advances	\$	\$	\$ 270,000	\$ 270,000
Other Sources:				
MDOT Grants:				
10 th Street Bridge	100,000			100,000
Sidewalk Projects	40,000			40,000
MDOT Reimbursement –				
Blue Water Bridge sewer separation			350,000	350,000
Current Revenues and Reserves:				
Street Millage	1,720,000			1,720,000
Water Fund		360,000		360,000
Total Other Sources	<u>1,860,000</u>	<u>360,000</u>	<u>350,000</u>	<u>2,570,000</u>
Total	<u>\$1,860,000</u>	<u>\$ 360,000</u>	<u>\$ 620,000</u>	<u>\$2,840,000</u>

Significant non-CSO capital projects are needed in both the Water and Wastewater Funds. The post-CSO cost of replacing water mains that are over 50 years old and were not in CSO project areas exceeds \$27.5 million at this time. Capital needs have been identified at the Water Filtration Plant and Water Storage Facilities amounting to \$2.3 million. Also, \$7.7 million in capital needs have been identified at the Wastewater Treatment Plant and Sanitary Pump Stations. Annual payments for debt retirement will begin to decline in the 2020-2021 budget year, as bonds begin to be paid off. The City intends to implement these projects on a pay-as-you-go basis, using cash funds formerly dedicated to debt payments.

X. Special Revenue Funds

The proposed 2018-19 budget for the Cemetery Fund includes a transfer from the Land Purchase Fund. Prior to 2016-17, the Cemetery Fund had not needed a subsidy from other funds since 2007-08. However, the cemetery operation was modified during the 2013-14 fiscal year to reinstate the position of Cemetery Supervisor. That modification in addition to funds expended for capital over the last few years have depleted fund reserves to the point where a transfer from the Land Purchase Fund is now needed. City Council has also approved an increase to the fees charged for various cemetery services in an effort to mitigate the need for future subsidies.

The Garbage and Rubbish Collection Fund reflects the expected annual charges for the 2018-19 year. This program has historically been supported by a millage statutorily designated for that purpose. There was further discussion regarding the decline in available revenue and the program adjustments beginning on page 21. This discussion includes the recommendation to continue a \$25 annual fee per residence for bulk leaf and yard waste pick up and recycling. The 2018-19 budget provides for a Public Area Program with the costs

charged to the Garbage and Rubbish Collection Fund. The Public Area Program provides for trash removal from parks, beaches, marinas and other public areas maintained by the City.

The City has established a separate Rental Certification Fund to segregate all revenues and expenditures of this program so that the fee structure is based upon actual costs. The current budget continues to fund the additional three full-time positions for Rental Inspectors which were added during the previous budget. This allows rental properties to be inspected on a more regular basis. Over time, this will help improve the quality of rental properties in the City of Port Huron. Beginning with the 2017-18 budget the fee was adjusted in order to finance the new inspection schedules. The adjusted fees are \$60 per unit for the first 20 units and \$55 per unit for each additional unit. It is anticipated that the fee for the 2018-19 budget year will remain the same.

The Drug Law Enforcement and Law Enforcement Funds account for property forfeited to the City in connection with drug related activities. The Enhanced 911 Fund was established to account for the revenues and capital outlay, as required by statute, from the user fee as assessed to all city telephone customers. No further revenues are expected from the user fees. The funds are available for future capital needs.

The Community Development Block Grant (CDBG) Fund and the Home Program Fund are budgeted using the allocation of grant funds previously approved by the City Council. Existing staff, with assistance from part-time clerical employees, continue to be able to manage the CDBG and HOME programs.

Y. Internal Service Funds

The City operates five internal service funds, consisting of the Central Stores, Data Processing, Motor Vehicle, Energy Performance Services and Fringe Benefit Funds. These funds provide services to other activities of the City. Revenues are derived from the fee charges for the services rendered. The budget for these funds are included in this report.

The operations of the Motor Vehicle Fund were previously reviewed as part of the restructuring of the various Department of Public Works programs. Annual operating costs continue at levels reduced from previous years. As a result, vehicle lease charges continue to provide reduced costs for all City activities.

Z. Tax Increment Funds

The City of Port Huron has used tax increment financing to undertake several economic development projects. This financial tool, authorized by various state statutes, allows a municipality to construct public improvements to provide incentives for industrial, commercial and residential developments. These public improvements are financed from the revenues generated by the new development from the taxes levied on the captured (increased) value of the district.

For the presented budget, it is proposed that commercial development continues to be funded by those tax increment districts which continue to have undeveloped land or significant vacant properties. The districts are noted in the following list.

Each of these districts are budgeted for separately and consist of the following:

- The Peerless Site Tax Increment Fund (captured taxes committed to St. Clair County)
- The Harrington Hotel Tax Increment Fund (taxes no longer captured)
- The Bank Tax Increment Fund
- The Edison Redevelopment Tax Increment Fund
- The Water Street Tax Increment Fund
- The MainStreet Tax Increment Fund
- The Industrial Park Expansion Tax Increment Fund
- The Southside Redevelopment Brownfield Redevelopment Tax Increment Fund
- The Harker Street Redevelopment Brownfield Redevelopment Tax Increment Fund
- The Sperry's Redevelopment Brownfield Redevelopment Tax Increment Fund
- Water Street Marina Brownfield Redevelopment Tax Increment Fund

For the Southside Redevelopment Brownfield Redevelopment District, one-half of the incremental non-school and school taxes are captured. For districts where advances are repaid and projects completed, captured taxes are passed on to the appropriate taxing authorities (Harrington). For other districts, expenditures are projected based upon continuance of current capital projects or development.

Appendix – Individual Fund Budgets

GENERAL FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Property taxes	\$ 9,005,000	\$ 6,690,000
Income tax	6,600,000	6,500,000
Business licenses and permits	365,000	370,000
Nonbusiness licenses and permits	395,000	350,000
Grants	125,000	125,000
State shared revenues	4,325,000	4,060,000
Charges for services	1,080,000	1,030,000
Fines and forfeits	150,000	130,000
Investment income	100,000	70,000
Rents	370,000	370,000
Sale of assets	13,488	15,388
Charges to other funds	2,324,364	2,276,890
Transfer from other funds		720,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	24,852,852	22,707,278
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	18,408,708	17,310,063
Supplies and materials	709,261	671,884
Contractual services	4,965,583	4,579,031
	<hr/>	<hr/>
	24,083,552	22,560,978
Transfers	273,300	3,300
Capital outlay:		
Departmental	6,000	6,000
Parks and recreation projects	210,000	130,000
Available for other public improvements and/or salary adjustments	280,000	7,000
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	24,852,852	22,707,278
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	4,500,000	<hr/> <hr/>
ESTIMATED CASH BALANCE - END OF YEAR	\$ 4,500,000	

**STREET FUNDS
MAJOR STREETS**

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Major streets	\$ 2,270,000	\$ 2,090,000
Trunkline maintenance	385,000	355,000
Right of way	75,000	75,000
Federal and State grants	100,000	2,000,000
Transfer from Municipal streets to Major streets	1,500,000	680,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	4,330,000	5,200,000
	<u> </u>	<u> </u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,129,671	1,062,277
Supplies and materials	214,209	238,178
Contractual services:		
Engineering and other professional services	742,904	592,669
Transfer from Major streets to Local streets	565,000	520,000
	<u> </u>	<u> </u>
	2,651,784	2,413,124
Capital outlay:		
Departmental	2,250	2,500
Street resurfacing and/or reconstruction from:		
Street millage	990,000	440,000
Other sources	730,000	2,300,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	4,374,034	5,155,624
	<u> </u>	<u> </u>
INCREASE (DECREASE) IN CASH BALANCE	(44,034)	\$ 44,376
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	75,000	<u> </u>
	<u> </u>	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 30,966	
	<u> </u>	

STREET FUNDS LOCAL STREETS

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Local streets	\$ 805,000	\$ 740,000
Right of way	22,000	22,000
Transfers:		
Transfer from Major streets to Local streets	565,000	520,000
Transfer from Municipal streets to Local streets		1,500,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>1,392,000</u>	<u>2,782,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	732,036	689,733
Supplies and materials	112,005	123,789
Contractual services	467,838	369,854
	<u>1,311,879</u>	<u>1,183,376</u>
Capital outlay:		
Departmental	2,250	2,500
Street resurfacing and/or reconstruction from:		
Street millage	100,000	650,000
Other sources		880,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,414,129</u>	<u>2,715,876</u>
 INCREASE (DECREASE) IN CASH BALANCE	 (22,129)	 \$ 66,124
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>50,000</u>	<u> </u>
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 27,871</u>	

STREET FUNDS MUNICIPAL STREETS

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 990,000	\$ 975,000
Personal property taxes	110,000	115,000
BWATC	360,000	360,000
State shared revenue - Local community stabilization authority	80,000	70,000
Charges for services	125,000	100,000
TOTAL MEANS OF FINANCING	1,665,000	1,620,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	48,716	45,781
Supplies and materials	5,448	6,066
Contractual services:		
Engineering and other professional services	42,969	42,969
BWATC property taxes	360,000	360,000
Transfers:		
From Municipal streets to Major streets	1,500,000	680,000
From Municipal streets to Local streets		1,500,000
TOTAL ESTIMATED REQUIREMENTS	1,957,133	2,634,816
INCREASE (DECREASE) IN CASH BALANCE	(292,133)	\$ (1,014,816)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	\$ 1,250,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 957,867	

**STREET FUNDS
COMBINED MAJOR, LOCAL AND MUNICIPAL STREETS**

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 990,000	\$ 975,000
Personal property taxes	110,000	115,000
BWATC	360,000	360,000
State shared revenues:		
Major streets	2,270,000	2,090,000
Local streets	805,000	740,000
Trunkline maintenance	385,000	355,000
Right of way	97,000	97,000
Local community stabilization authority	80,000	70,000
Federal and State grants	100,000	2,000,000
Charges for services	125,000	100,000
Transfers:		
From Major streets to Local streets	565,000	520,000
From Municipal streets to Major streets	1,500,000	680,000
From Municipal streets to Local streets		1,500,000
TOTAL MEANS OF FINANCING	7,387,000	9,602,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,910,423	1,797,791
Supplies and materials	331,662	368,033
Contractual services:		
Engineering and other professional services	1,253,711	1,005,492
BWATC property taxes	360,000	360,000
Transfers:		
From Major streets to Local streets	565,000	520,000
From Municipal streets to Major streets	1,500,000	680,000
From Municipal streets to Local streets		1,500,000
	5,920,796	6,231,316
Capital outley:		
Departmental	4,500	5,000
Street resurfacing and/or reconstruction from:		
Street millage	1,090,000	1,090,000
Other sources	730,000	3,180,000
TOTAL ESTIMATED REQUIREMENTS	7,745,296	10,506,316
INCREASE (DECREASE) IN CASH BALANCE	(358,296)	\$ (904,316)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	1,375,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 1,016,704	

CEMETERY FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Foundations	\$ 15,000	\$ 15,000
Graveside interments	55,000	50,000
Chapel interments	35,000	40,000
Other services	25,000	15,000
Transfer from Land purchase fund	210,000	180,000
Transfer from Cemetery perpetual care fund	270,000	260,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	610,000	560,000
	<hr/>	<hr/>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	381,806	363,331
Supplies and materials	26,326	26,326
Contractual services	131,706	129,084
	<hr/>	<hr/>
	539,838	518,741
Capital outlay	72,000	55,000
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	611,838	573,741
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH BALANCE	(1,838)	\$ (13,741)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	30,000	<u>30,000</u>
	<hr/>	<hr/>
ESTIMATED CASH BALANCE - END OF YEAR	\$ 28,162	<u>16,259</u>
	<hr/>	<hr/>

GARBAGE AND RUBBISH COLLECTION FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,400,000	\$ 1,370,000
Personal property taxes	150,000	160,000
State shared revenue - Local community stabilization authority	110,000	100,000
Charges for services	245,000	230,000
TOTAL MEANS OF FINANCING	1,905,000	1,860,000
ESTIMATED REQUIREMENTS:		
Rubbish Collection Program:		
Ordinary recurring expenses:		
Personal services	11,501	11,084
Supplies and materials	6,700	7,032
Contractual services	1,955,601	1,802,290
	1,973,802	1,820,406
Public Area Collection Program:		
Personal services	81,346	78,395
Contractual services	49,776	50,170
	131,122	128,565
TOTAL ESTIMATED REQUIREMENTS	2,104,924	1,948,971
INCREASE (DECREASE) IN CASH BALANCE	(199,924)	\$ (88,971)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 300,076	

RENTAL CERTIFICATION FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Charges for services	\$ 388,824	\$ 406,263
TOTAL MEANS OF FINANCING	<u>388,824</u>	<u>406,263</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	337,941	352,708
Supplies and materials	8,735	6,700
Contractual services	42,148	46,855
	<u>388,824</u>	<u>406,263</u>
Capital outlay	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>388,824</u>	<u>406,263</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ <u> 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>40,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 40,000</u>	

O.U.I.L. FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Fines and forfeits	\$ 1,000	\$ 1,000
TOTAL MEANS OF FINANCING	<u>1,000</u>	<u>1,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	5,500	5,500
Contractual services	5,500	5,500
	<u>11,000</u>	<u>11,000</u>
Capital outlay	<u>30,000</u>	<u>30,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>41,000</u>	<u>41,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(40,000)	\$ <u>(40,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>60,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 20,000</u>	

DRUG LAW ENFORCEMENT FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Fines and forfeits	\$ 46,000	\$ 57,000
TOTAL MEANS OF FINANCING	<u>46,000</u>	<u>57,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	5,000	10,000
Contractual services	3,500	7,000
	<u>8,500</u>	<u>17,000</u>
Capital outlay	<u>47,500</u>	<u>40,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>56,000</u>	<u>57,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(10,000)	\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>30,000</u>	<u>30,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 20,000</u>	

LAW ENFORCEMENT FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Charges for services	\$ 3,245	\$ 3,245
TOTAL MEANS OF FINANCING	<u>3,245</u>	<u>3,245</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	<u>3,245</u>	<u>3,245</u>
TOTAL ESTIMATED REQUIREMENTS	<u>3,245</u>	<u>3,245</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>3,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 3,000</u>	

ENHANCED 911 FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING	\$ 0	\$ 0
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services		
Capital outlay	<u>30,000</u>	<u>30,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>30,000</u>	<u>30,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(30,000)	\$ (30,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>180,000</u>	<u>180,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 150,000</u>	

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 708,717	\$ 708,717
Federal grant carryover	<u>970,412</u>	<u>912,879</u>
TOTAL MEANS OF FINANCING	<u>1,679,129</u>	<u>1,621,596</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	133,175	128,146
Supplies and materials	900	800
Contractual services	<u>15,054</u>	<u>14,650</u>
	149,129	143,596
 Capital outlay - programs:		
Economic redevelopment	250,000	200,000
Emergency home repairs	65,000	51,500
Sidewalk replacement	75,000	66,500
Rehabilitation	565,000	593,000
Code enforcement	90,000	84,000
Demolitions	145,000	142,500
Project brush-up	65,000	52,500
Neighborhood clean-up	30,000	18,000
Rental conversion	210,000	170,000
Property Acquisition - Food bank	<u>35,000</u>	<u>100,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,679,129</u>	<u>1,621,596</u>
 INCREASE (DECREASE) IN CASH BALANCE		 <u><u>\$ 0</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
 ESTIMATED CASH BALANCE - END OF YEAR	 <u><u>\$ 0</u></u>	

HOME PROGRAM FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 184,000	\$ 191,826
Federal grant carryover	90,805	164,899
TOTAL MEANS OF FINANCING	274,805	356,725
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	35,105	34,125
Supplies and materials	200	100
Contractual services	1,500	1,000
	<u>36,805</u>	<u>35,225</u>
Capital outlay:		
CHDO project	43,000	57,500
CHDO administration	15,000	19,000
Urban pioneer	180,000	172,000
Affordable housing		73,000
	<u>274,805</u>	<u>356,725</u>
TOTAL ESTIMATED REQUIREMENTS	274,805	356,725
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		0
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

LOAN REVOLVING FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING	\$ 0	\$ 0
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Transfer to Parking fund		
Capital outlay:		
Housing improvements	<u>494,000</u>	<u>494,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>494,000</u>	<u>494,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(494,000)	\$ (494,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>494,000</u>	<u><u>494,000</u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

STREETSCAPE MAINTENANCE FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Charges for services	\$ 25,175	\$ 25,175
TOTAL MEANS OF FINANCING	<u>25,175</u>	<u>25,175</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	5,790	5,580
Supplies and materials	390	290
Contractual services	37,320	37,130
	<u>43,500</u>	<u>43,000</u>
Capital outlay	6,500	7,000
TOTAL ESTIMATED REQUIREMENTS	<u>50,000</u>	<u>50,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(24,825)	\$ (24,825)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>45,000</u>	<u>45,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 20,175</u>	

BEAUTIFICATION COMMISSION FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Miscellaneous	\$ 2,500	\$ 2,500
Transfer from General fund	<u>3,300</u>	<u>3,300</u>
TOTAL MEANS OF FINANCING	<u>5,800</u>	<u>5,800</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	6,500	6,500
Contractual services	<u>800</u>	<u>800</u>
TOTAL ESTIMATED REQUIREMENTS	<u>7,300</u>	<u>7,300</u>
INCREASE (DECREASE) IN CASH BALANCE	(1,500)	<u>\$ (1,500)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>5,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 3,500</u>	

MCMORRAN FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Charges for services	\$ 1,030,000	\$ 1,070,000
Transfer from General fund	<u>676,000</u>	<u>371,954</u>
TOTAL MEANS OF FINANCING	<u>1,706,000</u>	<u>1,441,954</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	879,743	720,373
Supplies and materials	37,200	34,200
Contractual services	<u>654,057</u>	<u>632,381</u>
	1,571,000	1,386,954
Capital outlay	<u>135,000</u>	<u>55,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,706,000</u>	<u>1,441,954</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>50,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 50,000</u>	

MARINA FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Charges for services - share of operating income	60,000	40,000
Transfer from Land purchase fund	\$ 210,000	\$
TOTAL MEANS OF FINANCING	<u>270,000</u>	<u>40,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	8,260	8,120
Supplies and materials	1,250	2,550
Contractual services	266,001	236,767
	<u>275,511</u>	<u>247,437</u>
Capital outlay		
TOTAL ESTIMATED REQUIREMENTS	<u>275,511</u>	<u>247,437</u>
INCREASE (DECREASE) IN CASH BALANCE	(5,511)	\$ (207,437)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>100,000</u>	<u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 94,489</u>	

LAND PURCHASE FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Investment income	\$ 5,000	\$ 5,000
Other income	10,000	10,000
Transfer from General fund	350,000	
Transfer from tax increment funds:		
Bank		10,000
Edison redevelopment	275,000	273,000
Water street		303,000
Industrial park expansion	142,000	100,000
DDA operating fund:		
Studio 1219	15,750	15,750
Welcome Center	26,100	26,100
TOTAL MEANS OF FINANCING	823,850	742,850
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Engineering and other professional services	25,000	25,000
Transfer to:		
General fund		720,000
Cemetery fund	210,000	180,000
Wastewater fund		
Parking fund	90,000	90,000
Marina fund	210,000	
Tax increment fund - Mainstreet	750,000	
	<u>1,285,000</u>	<u>1,015,000</u>
Capital outlay:		
Building maintenance and other costs	25,000	25,000
TOTAL ESTIMATED REQUIREMENTS	1,310,000	1,040,000
INCREASE (DECREASE) IN CASH BALANCE	(486,150)	\$ (297,150)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	2,000,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 1,513,850	

PARKING FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Street meters	\$ 24,000	\$ 24,000
Annual permits	20,000	20,000
Tax increment funds - construction projects	213,000	
Transfer from land purchase fund	90,000	90,000
TOTAL MEANS OF FINANCING	347,000	134,000
ESTIMATED REQUIREMENTS:		
Parking System - Non Revenue Producing:		
Ordinary recurring expenses:		
Personal services	33,690	32,500
Supplies and materials	8,040	8,040
Contractual services	73,043	72,143
	<u>114,773</u>	<u>112,683</u>
Parking System - Revenue Producing:		
Ordinary recurring expenses:		
Personal services	7,207	7,894
Supplies and materials	1,170	970
Contractual services	12,628	12,680
	<u>21,005</u>	<u>21,544</u>
Capital Outlay:		
Military Street parking lot resurfacing	91,000	
Sixth Street parking lot resurfacing	72,000	
Pine Street parking lot resurfacing	50,000	
	<u>213,000</u>	
TOTAL ESTIMATED REQUIREMENTS	348,778	134,227
INCREASE (DECREASE) IN CASH BALANCE	(1,778)	\$ (227)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	100,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 98,222	

WATER FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Sale of water	\$ 8,200,000	\$ 7,800,000
Penalty charges	65,000	65,000
Hydrant charges	58,840	58,280
Charges for services	30,000	30,000
Investment income	10,000	10,000
Proceeds from issuance of long-term bonds or long-term advances from other funds		440,000
Pro rata share of water administration and meter reading budget reimbursed from Wastewater fund	678,780	623,661
TOTAL MEANS OF FINANCING	9,042,620	9,026,941
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	2,294,384	2,151,395
Supplies and materials	417,123	400,951
Contractual services	1,798,834	1,837,048
	<u>4,510,341</u>	<u>4,389,394</u>
Debt service requirements for payment of principal and interest on Revenue and State Drinking Water Revolving Fund bonds	4,086,000	4,078,000
Capital outlay:		
Departmental	708,036	891,099
Construction projects	360,000	440,000
	<u>1,068,036</u>	<u>1,331,099</u>
TOTAL ESTIMATED REQUIREMENTS	9,664,377	9,798,493
INCREASE (DECREASE) IN CASH BALANCE	(621,757)	\$ (771,552)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,000,000	3,000,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,378,243	

WASTEWATER FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Sewage charges	\$ 12,750,000	\$ 12,000,000
Penalty charges	150,000	150,000
Other income	10,000	10,000
Investment income	10,000	10,000
MDOT reimbursement - Blue Water Bridge sewer separation project	350,000	
Proceeds for operating and capital costs:		
Fort Gratiot Township	1,380,000	900,000
Port Huron Township	1,380,000	960,000
Kimball Township	530,000	360,000
Proceeds from issuance of long-term bonds or long-term advances from other funds	<u>2,980,000</u>	<u>1,670,000</u>
TOTAL MEANS OF FINANCING	<u>19,540,000</u>	<u>16,060,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	3,380,189	3,241,010
Supplies and materials	705,675	671,434
Contractual services	<u>4,580,387</u>	<u>4,567,274</u>
	8,666,251	8,479,718
Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds	7,400,000	7,443,000
Capital outlay:		
Departmental	3,841,748	812,585
Construction projects - Collection system	<u>620,000</u>	<u>170,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>20,527,999</u>	<u>16,905,303</u>
INCREASE (DECREASE) IN CASH BALANCE	(987,999)	<u>\$ (845,303)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>4,000,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 3,012,001</u>	

CENTRAL STORES FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Charges for services	\$ 124,198	\$ 122,450
TOTAL MEANS OF FINANCING	<u>124,198</u>	<u>122,450</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	17,945	16,364
Supplies and materials	35,600	35,600
Contractual services	65,353	65,186
	<u>118,898</u>	<u>117,150</u>
Capital outlay	<u>5,300</u>	<u>5,300</u>
TOTAL ESTIMATED REQUIREMENTS	<u>124,198</u>	<u>122,450</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>10,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 10,000</u>	

DATA PROCESSING FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Charges for services	\$ 839,856	\$ 836,647
TOTAL MEANS OF FINANCING	<u>839,856</u>	<u>836,647</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	492,217	470,765
Supplies and materials	70,600	70,700
Contractual services	254,657	211,516
	<u>817,474</u>	<u>752,981</u>
Capital outlay	<u>84,000</u>	<u>83,666</u>
TOTAL ESTIMATED REQUIREMENTS	<u>901,474</u>	<u>836,647</u>
INCREASE (DECREASE) IN CASH BALANCE	(61,618)	\$ <u>0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>500,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 438,382</u>	

MOTOR VEHICLE FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Charges for services	\$ 2,514,883	\$ 2,490,165
TOTAL MEANS OF FINANCING	<u>2,514,883</u>	<u>2,490,165</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	626,205	604,310
Supplies and materials	344,518	420,468
Contractual services	749,545	659,772
	<u>1,720,268</u>	<u>1,684,550</u>
Capital outlay	<u>794,615</u>	<u>1,215,615</u>
TOTAL ESTIMATED REQUIREMENTS	<u>2,514,883</u>	<u>2,900,165</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ (410,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>1,000,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 1,000,000</u>	

ENERGY PERFORMANCE SERVICES FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Charges for services	\$ 330,000	\$ 330,000
TOTAL MEANS OF FINANCING	<u>330,000</u>	<u>330,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services	5,000	5,000
Debt service requirements for principal and interest on energy performance debt	<u>345,000</u>	<u>335,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>350,000</u>	<u>340,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(20,000)	<u>\$ (10,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>360,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 340,000</u>	

INSURANCE AND FRINGE BENEFIT FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Charges for services	\$ 14,275,000	\$ 12,850,000
TOTAL MEANS OF FINANCING	<u>14,275,000</u>	<u>12,850,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services:		
Healthcare premiums - employees	2,500,000	2,525,000
Healthcare premiums - retirees	3,835,000	3,000,000
Pension contributions	5,280,000	4,900,000
Payroll taxes	815,000	790,000
Workers compensation insurance	150,000	120,000
Dental insurance	265,000	260,000
Unemployment insurance	35,000	20,000
Disability benefits	40,000	40,000
Vacation and sick pay	270,000	270,000
Other	492,000	384,000
	<u>13,682,000</u>	<u>12,309,000</u>
Supplies and materials	1,000	1,000
Contractual services	592,000	540,000
TOTAL ESTIMATED REQUIREMENTS	<u>14,275,000</u>	<u>12,850,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>3,000,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 3,000,000</u>	

Appendix – Tax Increment Authority Fund Budgets

PEERLESS SITE TAX INCREMENT FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 57,000	\$ 56,000
Personal property taxes	<u>29,000</u>	<u>32,000</u>
TOTAL MEANS OF FINANCING	<u>86,000</u>	<u>88,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Payment to St. Clair County - development agreement	<u>86,000</u>	<u>88,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>86,000</u>	<u>88,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
 ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

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

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 64,000	\$ 62,000
Personal property taxes	8,000	7,000
TOTAL MEANS OF FINANCING	<u>72,000</u>	<u>69,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Physical improvements	5,000	5,000
DDA operations/Director	18,000	15,000
Repayment of advances:		
Land purchase fund:		
Studio 1219	15,750	15,750
Welcome Center	26,100	26,100
Capital outlay:		
Parking lots, crosswalks and other downtown infrastructure improvements	<u>7,150</u>	<u>7,150</u>
TOTAL ESTIMATED REQUIREMENTS	<u>72,000</u>	<u>69,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>50,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 50,000</u>	

WATER STREET DDA TAX INCREMENT FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 325,000	\$ 297,000
Personal property taxes	<u>7,000</u>	<u>13,000</u>
TOTAL MEANS OF FINANCING	<u>332,000</u>	<u>310,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	2,000	2,000
Transfer to Land purchase fund		<u>303,000</u>
	<u>2,000</u>	<u>305,000</u>
Capital outlay:		
Parking lot resurfacing	213,000	
Street resurfacing	120,000	
Other Infrastructure improvements		5,000
	<u>333,000</u>	<u>5,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>335,000</u>	<u>310,000</u>
 INCREASE (DECREASE) IN CASH BALANCE	 (3,000)	 \$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>3,000</u>	<u>0</u>
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 0</u>	

BANK DDA TAX INCREMENT FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 19,000	\$ 11,000
Personal property taxes	<u>3,000</u>	<u>4,000</u>
TOTAL MEANS OF FINANCING	<u>22,000</u>	<u>15,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	2,000	2,000
Transfer to Land purchase fund	<u>2,000</u>	<u>10,000</u>
	2,000	12,000
Capital outlay:		
Available for infrastructure improvements or other services	<u>20,000</u>	<u>3,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>22,000</u>	<u>15,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

HARRINGTON HOTEL DDA TAX INCREMENT FUND

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING	\$ 0	\$ 0
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	<u>10,000</u>	<u>10,000</u>
	10,000	10,000
Capital outlay:		
Available for infrastructure improvements or other services	<u>40,000</u>	<u>80,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>50,000</u>	<u>90,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(50,000)	<u>\$ (90,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>60,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 10,000</u></u>	

EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 283,000	\$ 281,000
Personal property taxes	<u>2,000</u>	<u>2,000</u>
TOTAL MEANS OF FINANCING	<u>285,000</u>	<u>283,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	5,000	5,000
Transfer to Land purchase fund	<u>275,000</u>	<u>273,000</u>
	280,000	278,000
Capital outlay:		
Parkway and other infrastructure improvements	<u>5,000</u>	<u>5,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>285,000</u>	<u>283,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

MAINSTREET DDA TAX INCREMENT FUND

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 96,000	\$ 180,000
Personal property taxes	4,000	2,000
Transfer from Land purchase fund	750,000	
TOTAL MEANS OF FINANCING	850,000	182,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services		7,000
		<u>7,000</u>
Capital outlay:		
Downtown market	950,000	
Available for public improvements and/or other services		175,000
		<u>175,000</u>
TOTAL ESTIMATED REQUIREMENTS	950,000	182,000
INCREASE (DECREASE) IN CASH BALANCE	(100,000)	\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	100,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

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

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 114,000	\$ 112,000
Personal property taxes	73,000	73,000
State shared revenue - LCSA	<u>60,000</u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>247,000</u>	<u>185,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services:		
Economic development alliance	80,368	60,368
Industrial development - other	4,632	4,632
Transfer to Land purchase fund and/or General fund	<u>142,000</u>	<u>100,000</u>
	<u>227,000</u>	<u>165,000</u>
Capital outlay:		
Infrastructure improvements	<u>20,000</u>	<u>20,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>247,000</u>	<u>185,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		<u> </u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

**SOUTHSIDE REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 278,000	\$ 254,000
Personal property taxes	16,000	19,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>294,000</u>	<u>273,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	294,000	273,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>294,000</u>	<u>273,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u><u>\$ 0</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
 ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

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

Budget Summary

	<u>Adopted Budget 2018-2019</u>	<u>Adopted Budget 2017-2018</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 10,000	\$ 10,000
Personal property taxes	16,000	19,000
TOTAL MEANS OF FINANCING	<u>26,000</u>	<u>29,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	<u>26,000</u>	<u>29,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>26,000</u>	<u>29,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		 <u><u>\$ 0</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
 ESTIMATED CASH BALANCE - END OF YEAR	 <u><u>\$ 0</u></u>	

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

Budget Summary

	Adopted Budget 2018-2019	Adopted Budget 2017-2018
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 109,000	\$ 48,000
Personal property taxes	10,000	10,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>119,000</u>	<u>58,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	119,000	58,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>119,000</u>	<u>58,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u><u>\$ 0</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
 ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

**WATER STREET MARINA
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Adopted Budget 2018-2019	Proposed Budget 2017-2018
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 116,000	\$ 113,000
Personal property taxes	5,000	6,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>121,000</u>	<u>119,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	121,000	119,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>121,000</u>	<u>119,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u><u>\$ 0</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> </u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

Appendix - Governmental Funds Summary

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2018-2019

Governmental Fund	Estimated Designated Fund Balance July 1, 2018	Budget 2018-2019		Estimated Change In Fund Balance June 30, 2019
		Means of Financing	Estimated Requirements	
General fund	\$	\$ 24,852,852	\$ 24,852,852	\$
Major streets fund	\$ 44,034	\$ 4,330,000	\$ 4,374,034	\$
Local streets fund	\$ 22,129	\$ 1,392,000	\$ 1,414,129	\$
Municipal streets fund	\$ 292,133	\$ 1,665,000	\$ 1,957,133	\$
Cemetery fund	\$ 1,838	\$ 610,000	\$ 611,838	\$
Garbage and rubbish collection fund	\$ 199,924	\$ 1,905,000	\$ 2,104,924	\$
Rental certification fund	\$	\$ 388,824	\$ 388,824	\$
O.U.I.L. fund	\$ 40,000	\$ 1,000	\$ 41,000	\$
Drug law enforcement fund	\$ 10,000	\$ 46,000	\$ 56,000	\$
Law enforcement fund	\$	\$ 3,245	\$ 3,245	\$
Enhanced 911 fund	\$ 30,000	\$	\$ 30,000	\$
Community development block grant fund	\$	\$ 1,679,129	\$ 1,679,129	\$
Home program fund	\$	\$ 274,805	\$ 274,805	\$
Loan revolving fund	\$ 494,000	\$	\$ 494,000	\$
Streetscape maintenance fund	\$ 24,825	\$ 25,175	\$ 50,000	\$
Beautification commission fund	\$ 1,500	\$ 5,800	\$ 7,300	\$

(Continued on next page)

GOVERNMENTAL FUNDS SUMMARY
Budget Summary
2018-2019

Governmental Fund	Estimated Designated Fund Balance July 1, 2018	Budget 2018-2019		Estimated Change In Fund Balance June 30, 2019
		Means of Financing	Estimated Requirements	
Peerless site tax increment fund	\$	\$ 86,000	\$ 86,000	\$
Downtown development fund	\$	\$ 72,000	\$ 72,000	\$
Water Street tax increment fund	\$ 3,000	\$ 332,000	\$ 335,000	\$
Bank tax increment fund	\$	\$ 22,000	\$ 22,000	\$
Harrington Hotel tax increment fund	\$ 50,000	\$	\$ 50,000	\$
Edison redevelopment tax increment fund	\$	\$ 285,000	\$ 285,000	\$
Mainstreet tax increment fund	\$ 100,000	\$ 850,000	\$ 950,000	\$
Industrial park expansion tax increment fund	\$	\$ 247,000	\$ 247,000	\$
Brownfield redevelopment tax increment funds:				
Southside redevelopment	\$	\$ 294,000	\$ 294,000	\$
Harker Street redevelopment	\$	\$ 26,000	\$ 26,000	\$
Sperry's redevelopment	\$	\$ 119,000	\$ 119,000	\$
Water Street Marina redevelopment	\$	\$ 121,000	\$ 121,000	\$

Appendix – Projected Revenues and Expenditures

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2017-2018	Adopted 2018-2019	Projected 2019-2020	Projected 2020-2021
TAXES:				
Real property taxes	\$ 5,480,000	\$ 7,590,000	\$ 7,719,000	\$ 7,850,000
Personal property taxes	640,000	850,000	864,000	879,000
Property tax administration fee	285,000	310,000	315,000	320,000
Income tax	6,500,000	6,600,000	6,712,000	6,826,000
Payment in lieu of taxes	60,000	55,000	56,000	57,000
Penalties and interest on taxes	225,000	200,000	203,000	206,000
	<u>13,190,000</u>	<u>15,605,000</u>	<u>15,869,000</u>	<u>16,138,000</u>
BUSINESS LICENSES AND PERMITS:				
Demolitions	8,000	8,000	8,100	8,200
Cable television	355,000	350,000	356,000	362,000
Miscellaneous	7,000	7,000	7,100	7,200
	<u>370,000</u>	<u>365,000</u>	<u>371,200</u>	<u>377,400</u>
NONBUSINESS LICENSES AND PERMITS:				
Building	195,000	225,000	229,000	233,000
Electrical	55,000	65,000	66,000	67,000
Heating	60,000	65,000	66,000	67,000
Plumbing	30,000	35,000	36,000	37,000
Right-of-way	7,000	3,000	3,100	3,200
Miscellaneous	3,000	2,000	2,000	2,000
	<u>350,000</u>	<u>395,000</u>	<u>402,100</u>	<u>409,200</u>
GRANTS	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	<u>25,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2017-2018	Adopted 2018-2019	Projected 2019-2020	Projected 2020-2021
STATE SHARED REVENUE:				
Sales and use tax - constitutional	\$ 2,325,000	\$ 2,540,000	\$ 2,583,000	\$ 2,627,000
Sales and use tax - statutory	1,075,000	1,075,000	1,093,000	1,112,000
Local community stabilization authority	630,000	675,000	686,000	698,000
Liquor licenses	30,000	35,000	36,000	37,000
	<u>4,060,000</u>	<u>4,325,000</u>	<u>4,398,000</u>	<u>4,474,000</u>
CHARGES FOR SERVICES:				
Zoning board of appeals	3,000	3,500	3,600	3,700
20th and Court pool	4,000	5,000	5,100	5,200
Sanborn pool	30,000	40,000	41,000	42,000
Lakeside parking	160,000	150,000	153,000	156,000
Boat launch fees	42,000	45,000	46,000	47,000
Recreational fees	235,000	260,000	264,000	268,000
Lot splits	4,000	4,000	4,100	4,200
Hydrant maintenance	58,280	58,840	60,000	61,000
False alarm charges	2,000	2,000	2,000	2,000
Blue Water Bridge reimbursement	300,000	300,000	300,000	300,000
Summer tax collection fee	1,720	1,660	1,700	1,700
County parks millage	130,000	130,000	132,000	134,000
Miscellaneous	60,000	80,000	81,000	82,000
	<u>1,030,000</u>	<u>1,080,000</u>	<u>1,093,500</u>	<u>1,106,800</u>
FINES AND FORFEITS:				
Parking violations	25,000	30,000	31,000	32,000
Ordinance fines	105,000	120,000	122,000	124,000
	<u>130,000</u>	<u>150,000</u>	<u>153,000</u>	<u>156,000</u>
INVESTMENT INCOME				
	<u>70,000</u>	<u>100,000</u>	<u>102,000</u>	<u>104,000</u>
RENTS				
	<u>370,000</u>	<u>370,000</u>	<u>376,000</u>	<u>382,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2017-2018	Adopted 2018-2019	Projected 2019-2020	Projected 2020-2021
SALE OF ASSETS	\$ 15,388	\$ 13,488	\$ 14,000	\$ 14,000
CHARGES TO OTHER FUNDS:				
Garbage and rubbish collection fund	103,947	111,913	114,000	116,000
Marina fund	23,715	26,405	27,000	27,000
Parking fund	12,865	13,013	13,000	13,000
Water fund	704,220	716,289	728,000	740,000
Wastewater fund	1,187,300	1,202,130	1,223,000	1,244,000
Central stores fund	11,228	11,395	12,000	12,000
Data processing fund	72,166	78,347	80,000	81,000
Motor vehicle fund	161,449	164,872	168,000	171,000
	<u>2,276,890</u>	<u>2,324,364</u>	<u>2,365,000</u>	<u>2,404,000</u>
Subtotal	<u>21,987,278</u>	<u>24,852,852</u>	<u>25,268,800</u>	<u>25,590,400</u>
TRANSFERS FROM OTHER FUNDS:				
Land purchase fund	720,000		430,000	140,000
	<u>720,000</u>		<u>430,000</u>	<u>140,000</u>
TOTAL	<u>\$ 22,707,278</u>	<u>\$ 24,852,852</u>	<u>\$ 25,698,800</u>	<u>\$ 25,730,400</u>

SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2017-2018	Adopted 2018-2019	Projected 2019-2020	Projected 2020-2021
General Government:				
City council	\$ 57,335	\$ 57,835	\$ 60,000	\$ 62,000
City manager	234,785	267,511	276,000	284,000
Elections	68,954	78,609	81,000	83,000
Finance and accounting	647,320	691,638	712,000	733,000
Income tax	350,959	360,323	371,000	382,000
Assessor	323,139	343,843	354,000	365,000
Legal	160,000	160,000	165,000	170,000
Clerk	294,968	289,298	298,000	307,000
Personnel	328,087	385,164	397,000	409,000
Purchasing	58,263	62,050	64,000	66,000
Board of review	2,327	2,327	2,400	2,500
Treasurer	236,377	245,326	253,000	261,000
Municipal office center	728,842	715,865	737,000	759,000
	<u>3,491,356</u>	<u>3,659,789</u>	<u>3,770,400</u>	<u>3,883,500</u>
Public Safety:				
Police administration	1,020,942	1,361,451	1,402,000	1,444,000
Detectives	1,437,239	1,402,376	1,444,000	1,487,000
Patrol	6,448,740	6,887,431	7,094,000	7,307,000
Communications	40,140	41,400	43,000	44,000
Fire	5,192,755	5,387,300	5,549,000	5,715,000
	<u>14,139,816</u>	<u>15,079,958</u>	<u>15,532,000</u>	<u>15,997,000</u>
Public Works:				
Inspection	356,468	334,932	345,000	355,000
Emergency management	17,200	17,200	18,000	19,000
Public works administration	127,414	132,172	136,000	140,000
Engineering	172,704	226,529	233,000	240,000
Street lighting	645,067	690,276	711,000	732,000
Blight and code enforcement	350,504	271,485	280,000	288,000
	<u>1,669,357</u>	<u>1,672,594</u>	<u>1,723,000</u>	<u>1,774,000</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2017-2018	Adopted 2018-2019	Projected 2019-2020	Projected 2020-2021
Senior Citizens:				
Wastewater and water discounts	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,000
	<u>2,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Recreation, Parks and Culture:				
Parks and forestry	1,200,123	1,252,016	1,290,000	1,329,000
Boat launch ramps	12,767	12,417	13,000	13,000
Recreation	566,911	601,605	620,000	639,000
Rockin the rivers	43,491	41,506	43,000	44,000
20th and Court pool	73,080	76,738	79,000	81,000
Sanborn pool	132,119	138,342	142,000	146,000
Chillyfest		55,644	57,000	59,000
Lighthouse park	26,393	30,457	31,000	32,000
Lakeside park	123,680	146,900	151,000	156,000
Palmer park recreation center	181,372	207,408	214,000	220,000
McMorran complex	371,954	676,000	696,000	717,000
Library	8,000	8,000	8,000	8,000
Museum	74,920	75,199	77,000	79,000
	<u>2,814,810</u>	<u>3,322,232</u>	<u>3,421,000</u>	<u>3,523,000</u>
Other Functions:				
Planning	201,309	199,149	205,000	211,000
Blue Water Bridge economic study	100,000	100,000	100,000	
Telephone service	12,340	11,340	12,000	12,000
Contingencies	40,000	40,000	40,000	40,000
Insurance, health and safety	93,990	98,490	101,000	104,000
Taxes written off	15,000	15,000	15,000	15,000
Demolitions	50,000	50,000	50,000	50,000
	<u>512,639</u>	<u>513,979</u>	<u>523,000</u>	<u>432,000</u>
Subtotal	<u>22,629,978</u>	<u>24,249,552</u>	<u>24,970,400</u>	<u>25,610,500</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2017-2018	Adopted 2018-2019	Projected 2019-2020	Projected 2020-2021
Public Improvements:				
Parks and recreation projects	\$ 67,000	\$ 50,000	\$ 517,000	\$ 633,000
MOC capital			430,000	140,000
Other public improvement	7,000	280,000	209,000	119,000
	<u>74,000</u>	<u>330,000</u>	<u>1,156,000</u>	<u>892,000</u>
Subtotal	<u>22,703,978</u>	<u>24,579,552</u>	<u>26,126,400</u>	<u>26,502,500</u>
Transfer to Other Funds:				
Beautification commission fund	3,300	3,300	3,300	3,300
Land purchase fund		270,000		
	<u>3,300</u>	<u>273,300</u>	<u>3,300</u>	<u>3,300</u>
TOTAL	<u>\$ 22,707,278</u>	<u>\$ 24,852,852</u>	<u>\$ 26,129,700</u>	<u>\$ 26,505,800</u>
Increase (decrease) in cash balance before public improvements and transfers	<u>\$ 77,300</u>	<u>\$ 603,300</u>	<u>\$ 728,400</u>	<u>\$ 119,900</u>
Increase (decrease) in cash balance after public improvements and transfers	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (430,900)</u>	<u>\$ (775,400)</u>