

BUDGET 2019-2020



PORT HURON MICHIGAN

ADOPTED BY
CITY COUNCIL
MAY 28, 2019

FINAL ADOPTED BUDGET

CITY OF PORT HURON

FOR

THE FISCAL YEAR

2019-2020

CITY OF PORT HURON BUDGET FISCAL YEAR 2019-2020

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Schedule of Estimated Revenues - General Fund

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2019-2020

	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
TAXES:						
Real property taxes	\$ 5,441,838	\$ 5,493,624	\$ 7,590,000	\$ 7,890,000	\$ 300,000	\$
Personal property taxes	650,601	679,394	850,000	750,000		100,000
Property tax administration fee		295,101	310,000	320,000	10,000	
Income tax	6,669,875	6,489,338	6,600,000	6,600,000		
Payment in lieu of taxes	55,230	76,537	55,000	55,000		
Penalties and interest on taxes	170,888	157,695	200,000	200,000		
	<u>12,988,432</u>	<u>13,191,689</u>	<u>15,605,000</u>	<u>15,815,000</u>	<u>310,000</u>	<u>100,000</u>
BUSINESS LICENSES AND PERMITS:						
Demolitions	6,236	7,835	8,000	3,000		5,000
Cable television	357,404	344,884	350,000	345,000		5,000
Miscellaneous	6,895	3,330	7,000	2,000		5,000
	<u>370,535</u>	<u>356,049</u>	<u>365,000</u>	<u>350,000</u>		<u>15,000</u>
NONBUSINESS LICENSES AND PERMITS:						
Building	221,358	321,320	225,000	270,000	45,000	
Electrical	73,286	48,481	65,000	60,000		5,000
Heating	50,052	70,332	65,000	55,000		10,000
Plumbing	21,520	39,980	35,000	40,000	5,000	
Right-of-way	4,871	2,570	3,000	3,000		
Miscellaneous	5,295	4,490	2,000	2,000		
	<u>376,382</u>	<u>487,173</u>	<u>395,000</u>	<u>430,000</u>	<u>50,000</u>	<u>15,000</u>
GRANTS	<u>291,778</u>	<u>377,307</u>	<u>125,000</u>	<u>575,000</u>	<u>450,000</u>	

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SCHEDULE OF ESTIMATED REVENUES

2019-2020

	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
STATE SHARED REVENUE:						
Sales and use tax - constitutional	\$ 2,410,158	\$ 2,474,977	\$ 2,540,000	\$ 2,695,000	\$ 155,000	\$
Sales and use tax - statutory	1,079,599	1,100,019	1,075,000	1,130,000	55,000	
Local community stabilization authority	818,296	819,540	675,000	565,000		110,000
Liquor licenses	39,479	39,470	35,000	30,000		5,000
	<u>4,347,532</u>	<u>4,434,006</u>	<u>4,325,000</u>	<u>4,420,000</u>	<u>210,000</u>	<u>115,000</u>
CHARGES FOR SERVICES:						
Zoning board of appeals	3,520	2,550	3,500	3,500		
20th and Court pool	5,291	5,884	5,000	5,500	500	
Sanborn pool	43,350	44,848	40,000	45,000	5,000	
Lakeside parking	152,157	162,204	150,000	205,000	55,000	
Boat launch fees	49,184	48,283	45,000	50,000	5,000	
Recreational fees	257,065	287,013	260,000	255,000		5,000
Lot splits	1,680	1,080	4,000	3,500		500
Hydrant maintenance	58,280	58,280	58,840	58,840		
False alarm charges	850	1,275	2,000	2,000		
Blue Water Bridge reimbursement	300,000	300,000	300,000	300,000		
Summer tax collection fee	1,709	1,704	1,660	1,660		
County parks millage	129,269	129,151	130,000	135,000	5,000	
Miscellaneous	44,139	53,198	80,000	75,000		5,000
	<u>1,046,494</u>	<u>1,095,470</u>	<u>1,080,000</u>	<u>1,140,000</u>	<u>70,500</u>	<u>10,500</u>
FINES AND FORFEITS:						
Parking violations	27,990	38,074	30,000	40,000	10,000	
Ordinance fines	127,069	97,575	120,000	85,000		35,000
	<u>155,059</u>	<u>135,649</u>	<u>150,000</u>	<u>125,000</u>	<u>10,000</u>	<u>35,000</u>
INVESTMENT INCOME						
	<u>37,396</u>	<u>102,726</u>	<u>100,000</u>	<u>200,000</u>	<u>100,000</u>	
RENTS						
	<u>399,772</u>	<u>373,993</u>	<u>370,000</u>	<u>375,000</u>	<u>5,000</u>	

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SCHEDULE OF ESTIMATED REVENUES

2019-2020

	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
SALE OF PROPERTY AND EQUIPMENT	\$ 532,271	\$ 12,484	\$ 13,488	\$ 10,974	\$	\$ 2,514
CHARGES TO OTHER FUNDS:						
Garbage and rubbish collection fund	98,589	103,947	111,913	109,699		2,214
Marina fund	22,920	23,715	26,405	23,686		2,719
Parking fund	12,010	12,865	13,013	13,405	392	
Water fund	694,939	704,220	716,289	707,751		8,538
Wastewater fund	1,133,401	1,187,300	1,202,130	1,145,080		57,050
Central stores fund	11,147	11,228	11,395	11,532	137	
Data processing fund	68,533	72,166	78,347	86,429	8,082	
Motor vehicle fund	154,109	161,449	164,872	180,821	15,949	
	<u>2,195,648</u>	<u>2,276,890</u>	<u>2,324,364</u>	<u>2,278,403</u>	<u>24,560</u>	<u>70,521</u>
Subtotal	<u>22,741,299</u>	<u>22,843,436</u>	<u>24,852,852</u>	<u>25,719,377</u>	<u>1,230,060</u>	<u>363,535</u>
TRANSFERS FROM OTHER FUNDS:						
Land purchase fund		225,000		300,000	300,000	
		<u>225,000</u>		<u>300,000</u>	<u>300,000</u>	
TOTAL	<u>\$ 22,741,299</u>	<u>\$ 23,068,436</u>	<u>\$ 24,852,852</u>	<u>\$ 26,019,377</u>	<u>\$ 1,530,060</u>	<u>\$ 363,535</u>

Schedule of Estimated Expenditures

SCHEDULE OF ESTIMATED EXPENDITURES

2019-2020

GENERAL FUND	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
General Government:						
City council	\$ 52,893	\$ 50,583	\$ 57,835	\$ 62,175	\$ 4,340	\$
City manager	225,189	245,501	273,687	305,170	31,483	
Elections	80,906	56,952	79,574	66,886		12,688
Finance and accounting	612,749	655,035	706,306	748,612	42,306	
Income tax	319,807	327,229	367,271	383,411	16,140	
Assessor	298,002	325,628	350,598	372,399	21,801	
Legal	137,136	154,357	160,000	160,000		
Clerk	279,083	285,673	295,667	310,253	14,586	
Human Resources	307,134	330,037	393,849	407,512	13,663	
Purchasing	54,966	58,483	63,401	67,949	4,548	
Board of review	2,239	2,239	2,327	2,327		
Treasurer	210,934	226,282	249,765	264,970	15,205	
Municipal office center	696,515	720,238	721,269	719,379		1,890
	<u>3,277,553</u>	<u>3,438,237</u>	<u>3,721,549</u>	<u>3,871,043</u>	<u>164,072</u>	<u>14,578</u>
Public Safety:						
Police administration	938,733	1,172,524	1,389,243	1,421,877	32,634	
Detectives	1,330,234	1,428,891	1,409,710	1,425,697	15,987	
Patrol	6,293,927	6,439,078	6,916,767	7,188,073	271,306	
Communications	36,527	41,132	41,400	43,200	1,800	
Fire	5,400,097	5,362,791	5,502,671	5,671,319	168,648	
	<u>13,999,518</u>	<u>14,444,416</u>	<u>15,259,791</u>	<u>15,750,166</u>	<u>490,375</u>	
Public Works:						
Inspection	307,435	299,183	339,371	310,166		29,205
Emergency management	4,319	11,473	17,200	17,364	164	
Public works administration	225,526	128,917	135,260	140,644	5,384	
Engineering	242,299	210,213	230,389	240,355	9,966	
Street lighting	633,617	626,603	690,276	658,809		31,467
Blight and code enforcement	341,191	283,294	275,345	235,102		40,243
	<u>1,754,387</u>	<u>1,559,683</u>	<u>1,687,841</u>	<u>1,602,440</u>	<u>15,514</u>	<u>100,915</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2019-2020

	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
Senior Citizens:						
Wastewater and water discounts	\$ 749	\$ 684	\$ 1,000	\$ 2,000	\$ 1,000	\$
	<u>749</u>	<u>684</u>	<u>1,000</u>	<u>2,000</u>	<u>1,000</u>	
Recreation, Parks and Culture:						
Parks and forestry	1,181,908	1,318,074	1,261,087	1,346,929	85,842	
Boat launch ramps	7,993	8,275	12,417	12,419	2	
Recreation	589,486	534,923	608,939	641,208	32,269	
Rockin the rivers	36,121	40,327	41,506	46,950	5,444	
20th and Court pool	80,615	100,221	76,738	79,865	3,127	
Sanborn pool	124,966	147,054	138,342	144,670	6,328	
Chillyfest	49,780	50,760	55,644			55,644
Parades & special events				20,000	20,000	
Lighthouse park	12,827	18,186	30,457	40,745	10,288	
Lakeside park	122,679	192,409	146,900	149,174	2,274	
Palmer park recreation center	167,477	182,149	209,917	233,127	23,210	
Library	8,000	8,000	8,000	8,000		
Museum	36,319	44,718	75,199	52,050		23,149
	<u>2,418,171</u>	<u>2,645,096</u>	<u>2,665,146</u>	<u>2,775,137</u>	<u>188,784</u>	<u>78,793</u>
Other Functions:						
Planning	225,722	218,676	203,395	238,325	34,930	
Mitigation grant expenditures	96,999	110,149	100,000	100,000		
Telephone service	9,104	9,991	11,340	16,153	4,813	
Contingencies			40,000	40,000		
Insurance, health and safety	79,992	91,633	98,490	107,573	9,083	
Taxes written off	11,755	8,908	15,000	15,000		
Demolitions	11,025	13,980	50,000	50,000		
	<u>434,597</u>	<u>453,337</u>	<u>518,225</u>	<u>567,051</u>	<u>48,826</u>	
Subtotal	<u>21,884,975</u>	<u>22,541,453</u>	<u>23,853,552</u>	<u>24,567,837</u>	<u>908,571</u>	<u>194,286</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2019-2020

	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
Public Improvements:						
Parks and recreation projects	84,992	\$ 31,899	\$ 50,000	\$ 800,000	\$ 750,000	\$
MOC capital	274,892	101,475				
Other public improvement	14,250	3,800				
	<u>374,134</u>	<u>137,174</u>	<u>50,000</u>	<u>800,000</u>	<u>750,000</u>	
Subtotal	<u>22,259,109</u>	<u>22,678,627</u>	<u>23,903,552</u>	<u>25,367,837</u>	<u>1,658,571</u>	<u>194,286</u>
Transfer to Other Funds:						
Land purchase fund			270,000			270,000
Beautification commission fund	3,300	3,300	3,300	3,300		
McMorran fund	55,000	371,954	676,000	648,240		27,760
Data Processing fund	400,000					
	<u>458,300</u>	<u>375,254</u>	<u>949,300</u>	<u>651,540</u>		<u>297,760</u>
TOTAL GENERAL FUND	<u>22,717,409</u>	<u>23,053,881</u>	<u>24,852,852</u>	<u>26,019,377</u>	<u>1,658,571</u>	<u>492,046</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	3,854,482	5,068,521	4,374,034	6,690,088	2,316,054	
Local streets	1,717,203	2,196,674	1,414,129	1,745,673	331,544	
Municipal streets	1,796,135	1,178,259	1,957,133	2,400,646	443,513	
	<u>7,367,820</u>	<u>8,443,454</u>	<u>7,745,296</u>	<u>10,836,407</u>	<u>3,091,111</u>	
Cemetery fund	511,454	536,245	611,838	560,962		50,876
Garbage and rubbish collection fund	1,806,774	1,924,932	2,104,924	2,113,030	8,106	
Rental certification fund	213,155	358,404	388,824	361,236		27,588
OUIL fund	16,698	5,219	41,000	41,000		
Drug law enforcement fund	72,982	10,503	56,000	56,000		
Law enforcement fund	16,323	15,272	3,245	3,245		
Enhanced 911 fund			30,000	30,000		
Community development block grant fund	487,450	648,674	1,679,129	1,907,718	228,589	
Neighborhood rehabilitation fund	63,962	80,320		145,000	145,000	
Home program fund	441,662	259,558	274,805	485,868	211,063	
Loan revolving fund	1,070,112	156,258	494,000	494,000		

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SCHEDULE OF ESTIMATED EXPENDITURES

2019-2020

	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
Streetscape maintenance fund	\$ 40,487	\$ 37,944	\$ 50,000	\$ 50,350	\$ 350	\$
Beautification commission fund	2,570	7,508	7,300	7,300		
TOTAL SPECIAL REVENUE FUNDS	12,111,449	12,484,291	13,486,361	17,092,116	3,684,219	78,464
ENTERPRISE FUNDS						
Marina fund	123,850	211,110	275,511	247,138		28,373
McMorran	1,652,164	2,145,548	1,706,000	1,683,240		22,760
Land purchase fund	2,920,271	1,216,834	1,310,000	1,025,000		285,000
Parking fund	118,108	151,427	135,778	139,874	4,096	
Water Fund:						
Treatment plant	2,128,815	2,355,052	3,000,879	2,921,042		79,837
Distribution	1,160,027	1,268,215	1,190,729	1,216,003	25,274	
Customer accounting	434,732	458,834	515,925	500,514		15,411
Meter reading	425,113	352,453	510,844	456,794		54,050
Debt service	3,955,213	4,044,085	4,086,000	4,126,000	40,000	
Capital outlay	814,433	598,619	360,000	760,000	400,000	
	<u>8,918,333</u>	<u>9,077,258</u>	<u>9,664,377</u>	<u>9,980,353</u>	<u>465,274</u>	<u>149,298</u>
Wastewater Fund:						
Treatment plant	4,908,985	5,513,731	9,222,153	8,928,781		293,372
Collection, general	1,918,070	1,905,165	2,885,300	2,995,546	110,246	
Collection system no. 1	21	21	221	221		
Collection system no. 2	29,987	30,823	191,642	30,988		160,654
Collection system no. 3	55,139	39,989	208,683	44,006		164,677
Debt service	7,270,470	7,390,234	7,400,000	7,458,000	58,000	
Capital outlay	862,542	1,183,508	620,000	2,150,000	1,530,000	
	<u>15,045,214</u>	<u>16,063,471</u>	<u>20,527,999</u>	<u>21,607,542</u>	<u>1,698,246</u>	<u>618,703</u>
TOTAL ENTERPRISE FUNDS	28,777,940	28,865,648	33,619,665	34,683,147	2,167,616	1,104,134

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SCHEDULE OF ESTIMATED EXPENDITURES

2019-2020

	Actual		Budget			
	2016-2017	2017-2018	2018-2019	2019-2020	Increase	Decrease
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 88,377	\$ 85,959	\$ 124,198	\$ 125,625	\$ 1,427	\$
Data processing fund	726,903	753,651	901,474	985,798	84,324	
Motor vehicle fund	1,778,261	2,654,662	2,514,883	3,185,024	670,141	
Energy performance services fund	317,724	327,183	350,000	360,000	10,000	
Insurance and fringe benefit fund	11,801,091	12,394,113	14,275,000	70,375,000	56,100,000	
TOTAL INTERNAL SERVICE FUNDS	14,712,356	16,215,568	18,165,555	75,031,447	56,865,892	
TAX INCREMENT FUNDS						
Industrial park tax increment fund	835,935					
Paper company tax increment fund						
Krafft-Holland tax increment fund						
Peerless site tax increment fund	92,667	89,203	86,000	95,000	9,000	
Downtown development authority operating fund	217,994	168,580	72,000	95,000	23,000	
Water street tax increment fund	305,159	120,203	335,000	330,000		5,000
Bank tax increment fund	405,769		22,000	81,000	59,000	
Harrington Hotel tax increment fund	43,785	616	50,000	64,000	14,000	
Edison redevelopment tax increment fund	285,272	288,710	285,000	322,000	37,000	
Mainstreet tax increment fund	7,773	35,965	950,000	500,000		450,000
Industrial park expansion tax increment fund	314,950	362,990	247,000	585,000	338,000	
Brownfield redevelopment tax increment fund:						
Southside redevelopment	245,635	253,027	294,000	466,000	172,000	
Harker Street redevelopment	29,653	27,541	26,000	26,000		
Sperry's redevelopment		88,051	119,000	119,000		
Water Street Marina redevelopment		231,961	121,000	159,000	38,000	
Ben's 314		4				
TOTAL TAX INCREMENT FUNDS	2,784,592	1,666,851	2,607,000	2,842,000	690,000	455,000
TOTAL ALL FUNDS	\$ 81,103,746	\$ 82,286,239	\$ 92,731,433	\$ 155,668,087	\$ 65,066,298	\$ 2,129,644

Summary of Estimated Requirements by Budget Class

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2019-2020

GENERAL FUND	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
General Government:						
City council	\$ 11,850	\$ 1,400	\$ 48,925	\$ 62,175	\$	\$ 62,175
City manager	282,520	1,150	21,500	305,170		305,170
Elections	50,763	5,500	10,623	66,886		66,886
Finance and accounting	635,952	6,800	105,860	748,612		748,612
Income tax	294,126	24,075	65,210	383,411		383,411
Assessor	297,497	9,250	65,652	372,399		372,399
Legal		150	159,850	160,000		160,000
Clerk	275,239	1,370	33,644	310,253		310,253
Personnel	367,866	2,500	37,146	407,512		407,512
Purchasing	58,373	300	9,276	67,949		67,949
Board of review	1,800		527	2,327		2,327
Treasurer	184,494	11,200	69,276	264,970		264,970
Municipal office center	290,488	37,613	385,278	713,379	6,000	719,379
	<u>2,750,968</u>	<u>101,308</u>	<u>1,012,767</u>	<u>3,865,043</u>	<u>6,000</u>	<u>3,871,043</u>
Public Safety:						
Police administration	1,177,857	26,330	217,690	1,421,877		1,421,877
Detectives	1,285,746	27,000	112,951	1,425,697		1,425,697
Patrol	6,384,205	162,200	641,668	7,188,073		7,188,073
Communications			43,200	43,200		43,200
Fire	5,095,537	182,352	393,430	5,671,319		5,671,319
	<u>13,943,345</u>	<u>397,882</u>	<u>1,408,939</u>	<u>15,750,166</u>		<u>15,750,166</u>
Public Works:						
Inspection	164,325	2,900	142,941	310,166		310,166
Emergency management		500	16,864	17,364		17,364
Public works administration	133,573	350	6,721	140,644		140,644
Engineering	171,953	3,450	64,952	240,355		240,355
Street lighting	13,022	6,000	639,787	658,809		658,809
Blight	176,905	5,400	52,797	235,102		235,102
	<u>659,778</u>	<u>18,600</u>	<u>924,062</u>	<u>1,602,440</u>		<u>1,602,440</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2019-2020

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
Senior Citizens:						
Wastewater and water discounts	\$	\$	\$ 2,000	\$ 2,000	\$	\$ 2,000
			2,000	2,000		2,000
Recreation, Parks and Culture:						
Parks and forestry	844,039	73,398	419,492	1,336,929	10,000	1,346,929
Boat launch ramps	3,937	2,050	6,432	12,419		12,419
Recreation	464,111	60,200	116,897	641,208		641,208
Rockin the rivers	975	2,900	43,075	46,950		46,950
20th and Court pool	40,798	12,363	26,704	79,865		79,865
Sanborn pool	92,692	19,717	32,261	144,670		144,670
Chillyfest						
Parades and Special Events	9,750		10,250	20,000		20,000
Lighthouse park	34,295	2,900	3,550	40,745		40,745
Lakeside park	60,509	22,084	58,581	141,174	8,000	149,174
Palmer park recreation center	174,397	3,583	55,147	233,127		233,127
Library			8,000	8,000		8,000
Museum		1,000	51,050	52,050		52,050
	<u>1,725,503</u>	<u>200,195</u>	<u>831,439</u>	<u>2,757,137</u>	<u>18,000</u>	<u>2,775,137</u>
Other Functions:						
Planning	209,627	3,100	25,598	238,325		238,325
Blue Water Bridge economic development plan			100,000	100,000		100,000
Telephone service		1,000	15,153	16,153		16,153
Contingencies			40,000	40,000		40,000
Insurance, health and safety	28,600	890	78,083	107,573		107,573
Taxes written off			15,000	15,000		15,000
Demolitions		1,000	49,000	50,000		50,000
	<u>238,227</u>	<u>5,990</u>	<u>322,834</u>	<u>567,051</u>		<u>567,051</u>
Subtotal	<u>19,317,821</u>	<u>723,975</u>	<u>4,502,041</u>	<u>24,543,837</u>	<u>24,000</u>	<u>24,567,837</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2019-2020

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Public Improvements:						
Parks and recreation projects	\$	\$	\$ 800,000	\$ 800,000	\$	\$ 800,000
MOC Capital						
Other public improvements						
			<u>800,000</u>	<u>800,000</u>		<u>800,000</u>
Subtotal	<u>19,317,821</u>	<u>723,975</u>	<u>5,302,041</u>	<u>25,343,837</u>	<u>24,000</u>	<u>25,367,837</u>
Transfer to Other Funds:						
Land purchase fund						
Beautification commission fund			3,300	3,300		3,300
McMorran fund			648,240	648,240		648,240
Data Processing fund						
			<u>651,540</u>	<u>651,540</u>		<u>651,540</u>
TOTAL GENERAL FUND	<u>19,317,821</u>	<u>723,975</u>	<u>5,953,581</u>	<u>25,995,377</u>	<u>24,000</u>	<u>26,019,377</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	1,371,892	280,668	1,325,278	2,977,838	3,712,250	6,690,088
Local streets	622,350	118,802	402,271	1,143,423	602,250	1,745,673
Municipal streets	15,114		2,385,532	2,400,646		2,400,646
	<u>2,009,356</u>	<u>399,470</u>	<u>4,113,081</u>	<u>6,521,907</u>	<u>4,314,500</u>	<u>10,836,407</u>
Cemetery fund	400,953	26,396	132,113	559,462	1,500	560,962
Garbage and rubbish collection fund	43,934	8,780	2,060,316	2,113,030		2,113,030
Rental certification fund	310,282	6,500	44,454	361,236		361,236
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	151,468	1,200	15,050	167,718	1,740,000	1,907,718
Neighborhood rehabilitation fund					145,000	145,000
Home program fund	37,468	300	3,100	40,868	445,000	485,868
Loan revolving fund					494,000	494,000

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2019-2020

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Streetscape maintenance fund	\$ 5,850	\$ 790	\$ 37,210	\$ 43,850	\$ 6,500	\$ 50,350
Beautification commission fund		6,500	800	7,300		7,300
TOTAL SPECIAL REVENUE FUNDS	2,959,311	463,681	6,415,124	9,838,116	7,254,000	17,092,116
ENTERPRISE FUNDS						
McMorran fund	877,189	35,300	655,751	1,568,240	115,000	1,683,240
Marina fund	5,000	1,050	241,088	247,138		247,138
Land purchase fund			1,000,000	1,000,000	25,000	1,025,000
Parking fund	41,237	9,460	89,177	139,874		139,874
Water Fund:						
Treatment plant	1,120,263	172,737	1,119,237	2,412,237	508,805	2,921,042
Distribution	636,786	111,592	431,133	1,179,511	36,492	1,216,003
Customer accounting	272,098	75,200	153,216	500,514		500,514
Meter reading	147,882	66,825	113,183	327,890	128,904	456,794
Debt service			4,126,000	4,126,000	760,000	4,886,000
	<u>2,177,029</u>	<u>426,354</u>	<u>5,942,769</u>	<u>8,546,152</u>	<u>1,434,201</u>	<u>9,980,353</u>
Wastewater Fund:						
Treatment plant	2,391,897	592,545	2,674,339	5,658,781	3,270,000	8,928,781
Collection, general	851,115	161,124	1,283,559	2,295,798	699,748	2,995,546
Collection system no. 1			221	221		221
Collection system no. 2	8,348	5,000	17,640	30,988		30,988
Collection system no. 3	8,615	3,000	32,391	44,006		44,006
Debt service			7,458,000	7,458,000	2,150,000	9,608,000
	<u>3,259,975</u>	<u>761,669</u>	<u>11,466,150</u>	<u>15,487,794</u>	<u>6,119,748</u>	<u>21,607,542</u>
TOTAL ENTERPRISE FUNDS	6,360,430	1,233,833	19,394,935	26,989,198	7,693,949	34,683,147

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2019-2020

	<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	\$ 19,048	\$ 35,600	\$ 65,677	\$ 120,325	\$ 5,300	\$ 125,625
Data processing fund	521,169	70,600	310,029	901,798	84,000	985,798
Motor vehicle fund	730,423	318,148	838,107	1,886,678	1,298,346	3,185,024
Energy performance services fund			360,000	360,000		360,000
Insurance and fringe benefit fund	69,748,500	2,500	624,000	70,375,000		70,375,000
TOTAL INTERNAL SERVICE FUNDS	<u>71,019,140</u>	<u>426,848</u>	<u>2,197,813</u>	<u>73,643,801</u>	<u>1,387,646</u>	<u>75,031,447</u>
TAX INCREMENT FUNDS						
Peerless site tax increment fund			95,000	95,000		95,000
Downtown development authority operating fund			86,570	86,570	8,430	95,000
Water street tax increment fund			85,000	85,000	245,000	330,000
Bank tax increment fund			6,000	6,000	75,000	81,000
Harrington Hotel tax increment fund			10,000	10,000	54,000	64,000
Edison redevelopment tax increment fund			317,000	317,000	5,000	322,000
Mainstreet tax increment fund					500,000	500,000
Industrial park expansion tax increment fund			85,000	85,000	500,000	585,000
Brownfield redevelopment tax increment funds:						
Southside redevelopment			466,000	466,000		466,000
Harker Street redevelopment			26,000	26,000		26,000
Sperry's redevelopment			119,000	119,000		119,000
Water Street Marina redevelopment			159,000	159,000		159,000
TOTAL TAX INCREMENT FUNDS			<u>1,454,570</u>	<u>1,454,570</u>	<u>1,387,430</u>	<u>2,842,000</u>
TOTAL ALL FUNDS	<u>\$ 99,656,702</u>	<u>\$ 2,848,337</u>	<u>\$ 35,416,023</u>	<u>\$ 137,921,062</u>	<u>\$ 17,747,025</u>	<u>\$ 155,668,087</u>

Appendix - Budget Overview



BUDGET OVERVIEW

A. Budget Pressures

The City of Port Huron, like virtually all local governments in Michigan, continues to struggle with sluggish revenues and increasing cost pressures outside the government's control. In the 12 years since 2007-08, the Consumer Price Index has risen over 24%. However, total revenues have only risen 3% in that time period. This is particularly due to declines in property values and state cuts of revenue sharing beginning in 2002. Residential property values have fallen by 23% since the 2008-09 year and taxable values have fallen by 24%. As a result, property taxes paid by City residents and landlords have decreased by over 11% during the past ten years. Overall values, including industrial and commercial properties, have fallen by 22.5% and taxable values have fallen by 25.2%.

In order to alleviate 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. The additional millages will provide \$2.3 million in the 2019-20 budget to support these activities. This additional revenue has allowed the City to avoid severe budget reductions for the second consecutive year.

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 83 positions since 2002. This represents a 25% reduction and is explained in more detail later in this budget overview.

B. General Fund

The General Fund budget reflects expected modest increases in property tax revenue and state shared revenue. Income Tax revenues are expected to remain stable at \$6.6 million. 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 service. 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, 2018, based on the proposed budget the percentage is expected to be 18.6%.

General Fund revenues have been relatively flat since the year ended June 30, 2000, increasing at substantially less than the rate of inflation over that period. Overall, General Fund revenues are expected to increase by about \$1.2 million in 2019-20 with \$300,000 of the increase due to a transfer in from the Land Purchase Fund to be used for the Riverside Boat Launch project. Property and income taxes and state revenue sharing are expected to generate \$20.2 million in General Fund revenue for the year ending June 30, 2020.

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 sluggish revenues 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 11 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 \$1.59 million for the fiscal year ending June 30, 2020. 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 continue to be provided 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 maintained 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 began 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.

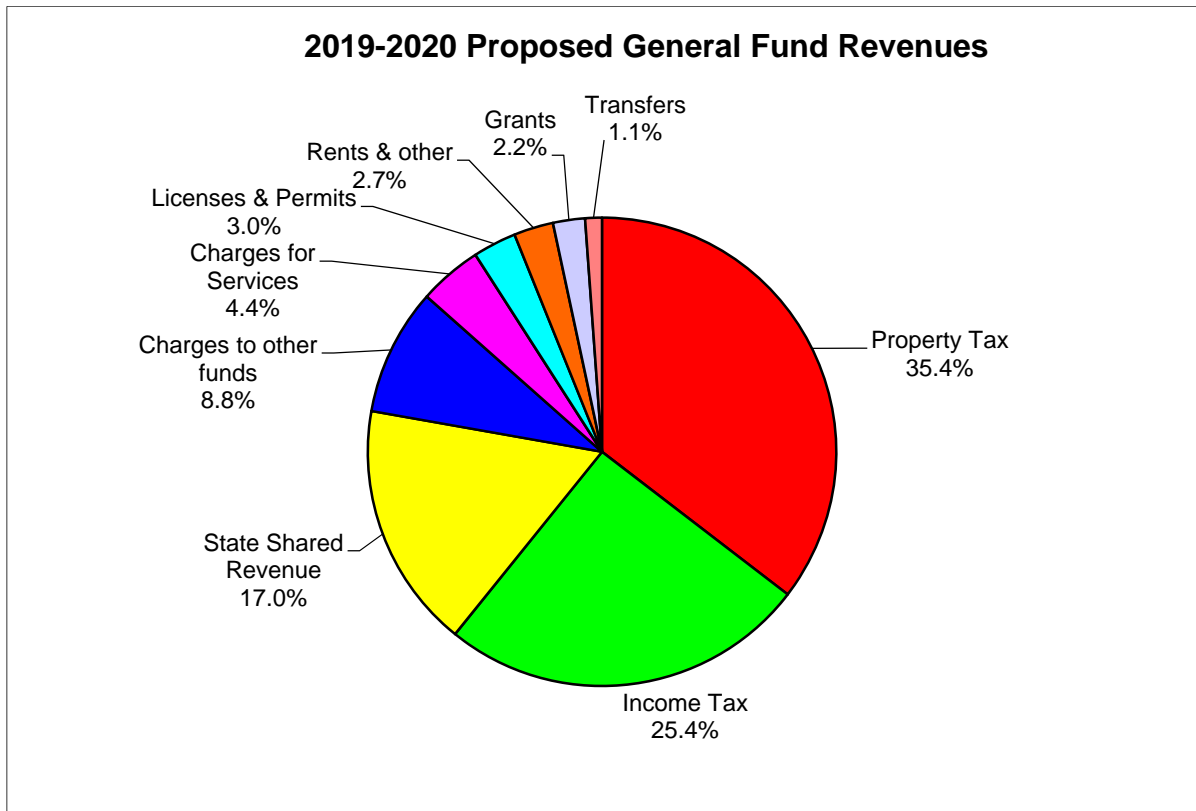
E. Utility Funds

The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$26.9 million. The two funds' cost of operating, debt service, and capital costs are expected to be approximately \$31.6 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 5.7% 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 four years.

F. General Fund Revenues

Over the past eighteen years General Fund revenues have grown at substantially 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 2019-20 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	-	11.2278 mills
Police and Fire Operations	-	2.9940 mills
Parks and Recreation Programs	-	0.9980 mills
Refuse Collection	-	2.8068 mills
Municipal Streets Capital Outlay	-	1.9926 mills
Blue Water Transportation Authority	-	<u>0.6190 mills</u>
Total		<u>20.6382 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	\$558,959,128
Personal property	52,509,000
Special Acts assessment rolls:	
Industrial facilities roll:	
New facilities, real property	3,052,606
New facilities, personal property	5,082,200
Neighborhood enterprise zone, real property	283,387
Obsolete property rehabilitation, real property	<u>6,707,883</u>
	<u>\$626,594,204</u>

Taxable valuation has increased by 2.6% overall. Real property values increased by 4.0%, and personal property values decreased by 9.4%. State equalized valuation (SEV) has increased by 8.3% overall. Real property values increased by 10.2%, while personal property values decreased by 9.4%.

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 2019-20 budget year includes \$565,000 in the General Fund, \$80,000 in the Garbage and Rubbish Collection Fund and \$55,000 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 (2.4% for 2019), 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 2019 is the lower of the 2019 state equalized value or the 2018 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 appears that the City will be subject to a Headlee rollback and that City millage rates will be reduced as shown below:

	2019 Millage Rates	2018 Millage Rates
General Fund:		
Operating	11.2278	11.2504
Public Safety	2.9940	3.0000
Parks and Recreation	0.9980	1.0000
Streets Fund	1.9926	1.9966
Garbage and Rubbish Collection Fund	2.8068	2.8125
	<u>20.0192</u>	<u>20.0595</u>

For 2019 and 2018, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 84.3% and 89.0% of equalized value, as shown below:

	2019	2018
Equalized Value	\$743,564,500	\$686,270,400
Taxable Value	<u>626,594,204</u>	<u>610,472,434</u>
Difference	<u>\$116,970,296</u>	<u>\$ 75,797,966</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 \$6.34 million based on a net uncaptured taxable value of \$574,000,000 at the proposed millage rate of 11.2278 mills. In addition, \$2.3 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 \$320,000 in 2019-20. 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.” Most 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 23% since the 2008-2009 year. Taxable values have fallen by 24% 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 11 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 2019-20 General Fund budget anticipates approximately \$2.6 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 2019-20.

<u>Source</u>	<u>Anticipated Revenue</u>
Licenses and Permits:	
Cable television	\$ 345,000
Building permits	425,000
Other	<u>10,000</u>
	<u>780,000</u>
Charges for Services:	
Recreation fees	560,500
Blue Water Bridge reimbursement	300,000
County parks millage	135,000
Other	<u>144,500</u>
	<u>1,140,000</u>
Fines and Forfeits:	
Parking violations	40,000
Ordinance fines	<u>85,000</u>
	<u>125,000</u>
Investment Income	<u>200,000</u>
Rents – MOC and other	<u>375,000</u>
Sale of Assets	<u>10,974</u>
	<u>\$ 2,630,974</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 2019-20 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	2,474,977	1,100,019	3,574,996
*2018-19	2,540,000	1,075,000	3,615,000
*2019-20	2,695,000	1,130,000	3,825,000

* 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	3,574,996	1,564,624	30.4%	15.5%
*2018-19	3,615,000	1,524,620	29.7%	14.5%
*2019-20	3,825,000	1,314,620	25.6%	14.7%

* Budgeted amount

Due to conservative budget estimates for State revenue sharing, the City has not experienced any mid-year reductions in municipal services. However, the table above demonstrates that in the proposed budget, the City anticipates receiving approximately \$1.3 million less from this important revenue source than it received in 2000-01. **This loss of State shared revenue is equal to 2.3 mills of property tax, based on the City's 2019 taxable value.**

J. Income Tax Revenues

City income tax revenues have been estimated at \$6.6 million, the same as the current year's budgeted amount. Over the past 11 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 11.5 mills of property tax.**

K. Grant Revenues

The 2019-20 budget includes expected grant revenue of \$475,000 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

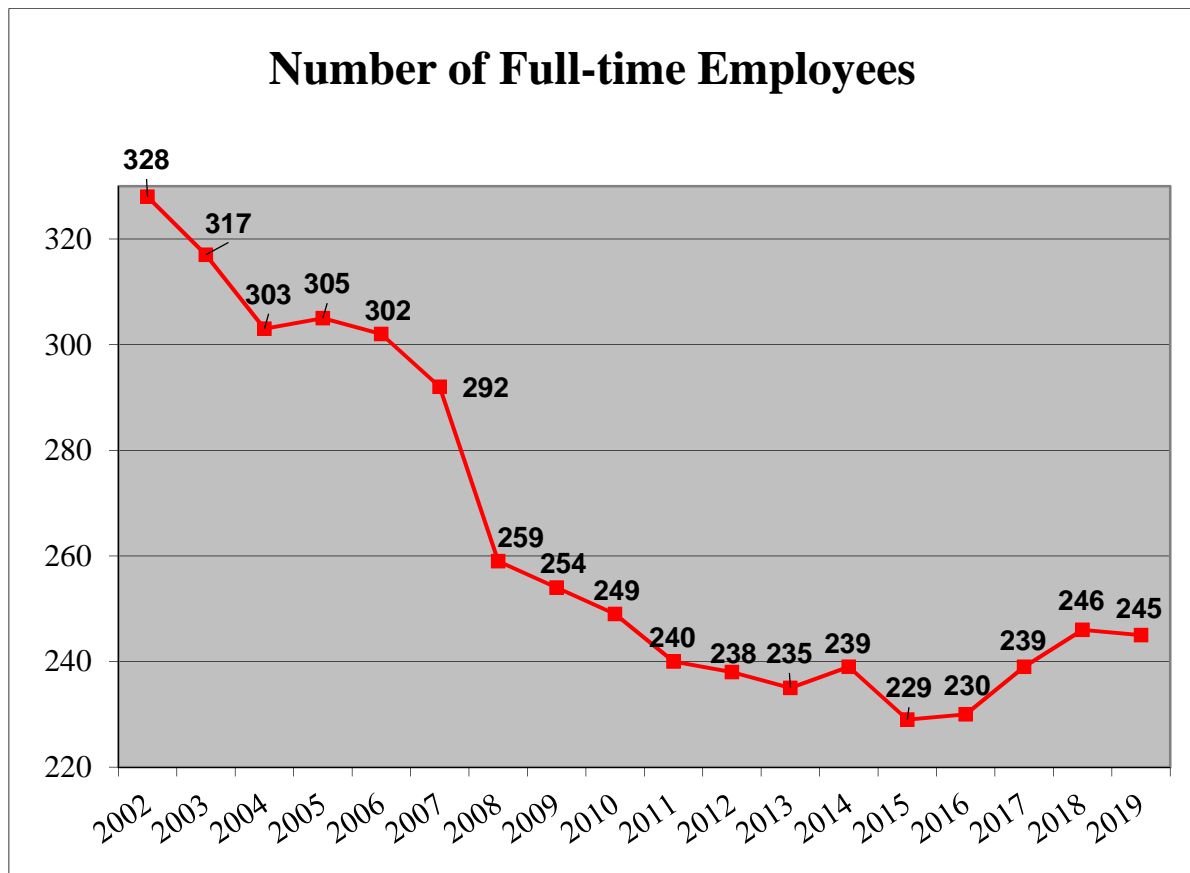
In order to reduce expenses as a result of the State revenue sharing, property tax and income tax reductions and to provide funds to subsidize utility rates, the City has reduced its work force. Since July 1, 2002, a net of 83 full-time positions have been eliminated. Sixteen of the eliminated positions 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 are 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 comes from the new three mill Police and Fire tax.

The 2019-20 budget includes an additional police officer to be dedicated as a Resource Officer for St. Clair County Community College. This is pursuant to a mutual agreement with the college, which will provide reimbursement for this position. In addition, vacancies for a tree trimmer and a journeyman electrician will not be filled and have been eliminated due to budget considerations.

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:

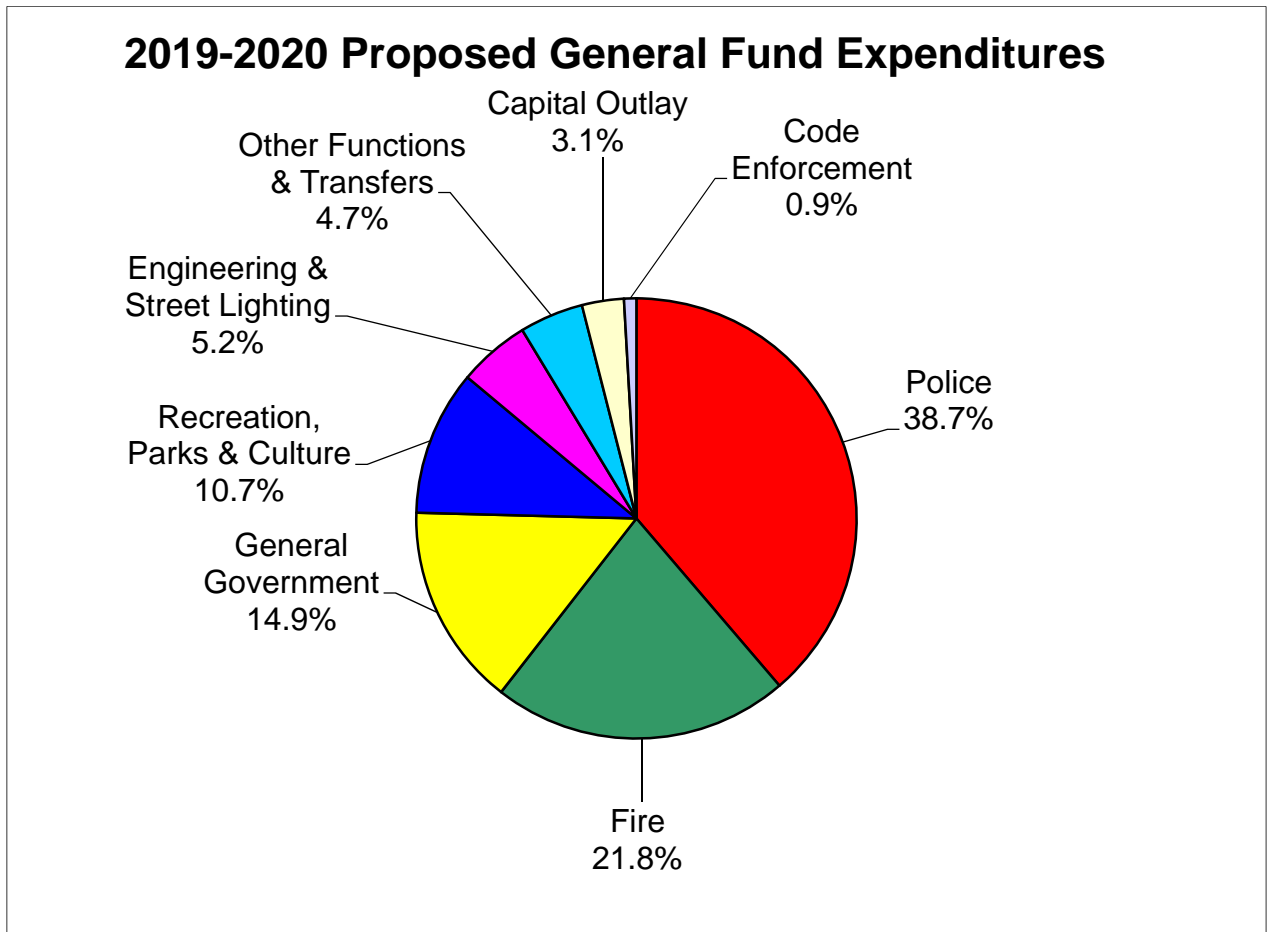


M. General Fund Expenditures

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 \$700,000 higher than comparable budgeted operating expenses for the proposed budget for 2018-19, an increase of 3.0 percent. This was primarily caused by the previously approved employee wage increases and the increase in the fringe benefit rate needed because of the growth of unfunded pension and OPEB liabilities.

Capital outlay is proposed to be \$800,000. The capital outlay budget includes funds set aside for capital projects in Parks and Recreation. These projects include \$600,000 for reconstruction of the parking lot at the Riverside Boat Launch as well as \$200,000 for improvements at Lighthouse Beach. Both of these projects are partially grant funded.

The illustration below depicts the major categories of General Fund expenditures for 2019-20 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 4.7% of General Fund expenditures.

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

Personal services	\$ 19,317,821
Supplies and materials	723,975
Contractual services	<u>4,502,041</u>
Total Operating Expenses	24,543,837
Transfers	651,540
Capital outlay:	
Departmental	24,000
Parks and recreation projects	<u>800,000</u>
Total	<u>\$ 26,019,377</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%. During March 2019, MERS announced a further reduction of the assumed rate to 7.35%.
 - 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 received a bridged benefit according to the MERS bridged pension formula. The employee benefit was reduced on a prospective basis, as a 2.0 percent multiplier was to be earned after July 1, 2018 rather than a 2.5 percent multiplier. Employee pension contributions were 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, 2018, and 2017, was \$4,606,653 and \$4,169,901, respectively. In addition, the City paid \$500,000 in excess of the ARC during each of the years ended June 30, 2017, and 2016. The City has also paid an additional \$500,000 in the current 2018-19 budget year. 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, 2018 and 2017, was \$9,152,320 and \$9,872,192, respectively.

The State of Michigan has enacted legislation which would allow the City of Port Huron to issue pension obligation bonds as part of an overall strategy to fund the unfunded portion of its pension liability. The bond proceeds, when invested with higher-yielding asset classes should be able to achieve a rate of return that is greater than the interest rate owed over the term of the bonds. In addition, MERS has indicated that the City's amortization period could be increased to the term of the pension obligation bonds, presumably 30 years. This budget provides for the sale of up to \$55 million in pension obligation bonds. The proceeds of these bonds would be immediately transferred to the City's MERS plan.

- 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 2019-20 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>4,255,000</u>
Total	<u>\$ 6,755,000</u>

The City's annual required contribution (ARC) to fund its OPEB liability during the last two fiscal years, ended June 30, 2018, and 2017 was \$3,833,526 and \$2,697,774, respectively. The results of the June 30, 2018 actuarial valuation showed a dramatic adjustment in the City's ARC payment, which will increase to \$4.255 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 \$533,240 for operations and \$115,000 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 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 maintenance expenses of the Huron Lightship, which will continue to make the Museum more self-sufficient and less dependent on City taxpayers.

The City has provided marina services along the Black River in the downtown area and at the Water Street Marina near the I-94 Black River Bridge. These operations have seen reduced usage and increased maintenance costs and have continued to operate at a deficit. The City has contracted with Desmond Marine to operate the downtown River Street Marina. The City has retained responsibility for certain annual expenses but expects the annual operating deficit to continue at a reduced level. The City sold the Water Street Marina effective June 30, 2009, however, the previous developer could not attain financing for construction of a hotel. The City repurchased the property during December of 2012. The property was subsequently sold to a new developer in the spring of 2013, and a hotel opened during February, 2016.

The budget for parks and recreation programs and services is \$2,775,137. 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, 2019, as follows:

	<u>Proposed Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>	<u>Increase or (Decrease)</u>
Means of Financing:			
Property taxes	\$ 9,215,000	\$ 9,005,000	\$ 210,000
Income tax	6,600,000	6,600,000	
Business licenses and permits	350,000	365,000	(15,000)
Nonbusiness license permits	430,000	395,000	35,000
Grants	575,000	125,000	450,000
State shared revenue	4,420,000	4,325,000	95,000
Charges for services	1,140,000	1,080,000	60,000
Fines and forfeits	125,000	150,000	(25,000)
Investment income	200,000	100,000	100,000
Rents	375,000	370,000	5,000
Sale of assets	10,974	13,488	(2,514)
Charges to other funds	2,278,403	2,324,364	(45,961)
Transfer from other funds	<u>300,000</u>	<u> </u>	<u>300,000</u>
Total	<u>\$26,019,377</u>	<u>\$24,852,852</u>	<u>\$ 1,166,525</u>
Estimated Requirements:			
General government	\$ 3,871,043	\$ 3,721,549	\$ 149,494
Public safety	15,750,166	15,259,791	490,375
Public works	1,602,440	1,687,841	(85,401)
Senior citizens	2,000	1,000	1,000
Recreation, parks and culture	2,775,137	2,665,146	109,991
Other functions	567,051	518,225	48,826
Capital outlay	800,000	50,000	750,000
Transfers to other funds	<u>651,540</u>	<u>949,300</u>	<u>(297,760)</u>
Total	<u>\$ 26,019,377</u>	<u>\$ 24,852,852</u>	<u>\$ 1,166,525</u>

The increases in general government; public safety; recreation, parks and culture; and other functions are primarily due to the previously approved employee wage increases and the increase in the fringe benefit rate needed because of the growth of unfunded pension and OPEB liabilities. The increase in capital is caused by funds set aside for reconstruction of the parking lot at the Riverside Boat Launch as well as improvements at Lighthouse Beach.

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 \$75,023,386 at June 30, 2018 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, 2018 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>
2019	\$ 9,725,432	\$ 2,287,715	\$ 12,013,147
2020	10,075,634	2,010,821	12,086,455
2021	8,606,117	1,773,503	10,379,620
2022	8,066,495	1,534,109	9,600,604
2023	7,363,494	1,300,598	8,664,092
2024-2028	16,875,223	4,464,216	21,339,439
2029-2033	7,668,383	2,549,189	10,217,572
2034-2038	4,762,665	1,163,024	5,925,689
2039-2041	<u>1,879,943</u>	<u>175,754</u>	<u>2,055,697</u>
	<u>\$ 75,023,386</u>	<u>\$ 17,258,929</u>	<u>\$ 92,282,315</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, 2018 have exceeded \$54.3 million. The current budget, for the third 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 depleted.

This budget includes an average increase of 5.7%. 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	\$ 66.56	\$ 61.93	\$ 4.63	7.5%
	333	75.71	71.03	4.68	6.6%
	500	84.92	80.18	4.74	5.9%
Average Residential	567	88.61	83.85	4.76	5.7%
	667	94.12	89.33	4.79	5.4%
	833	103.27	98.43	4.84	4.9%
	1,000	112.47	107.58	4.89	4.5%
	1,167	121.67	116.73	4.94	4.2%
	1,333	130.82	125.83	4.99	4.0%
	1,500	140.03	134.98	5.05	3.7%

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, 2018)	\$90.36
Port Huron (July 1, 2019)	\$88.61
Lansing (February 1, 2019)	\$82.90
Grand Rapids (January 1, 2019)	\$59.64

The Port Huron monthly costs are based upon adjusted rates effective July 1, 2019. 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 2019-20 year are as follows:

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Current Projects:				
Quay Street/Michigan	\$1,860,000	\$250,000	\$200,000	\$2,310,000
13 th Street – Lapeer to Water	1,270,000	480,000	50,000	1,800,000
Blue Water Bridge Sewer Separation		30,000	1,900,000	1,930,000
16 th /Gillette intersection	80,000			80,000
McMorran – Huron to Merchant	200,000			200,000
11 th Avenue – Scott to River	400,000			400,000
Cleveland – 22 nd to 24 th	200,000			200,000
Dove Street – 24 th to 28 th	300,000			300,000
Total Current	<u>4,310,000</u>	<u>760,000</u>	<u>2,150,000</u>	<u>7,220,000</u>
Sidewalk Projects	40,000			40,000
Total	<u>\$4,350,000</u>	<u>\$760,000</u>	<u>\$2,150,000</u>	<u>\$7,260,000</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	\$	\$	\$1,180,000	\$1,180,000
Other Sources:				
MDOT Grants:				
13 th Street – Lapeer to Water	870,000			870,000
Blue Water Bridge sewer separation			970,000	970,000
Mainstreet TIF	500,000			500,000
LDFA TIF	500,000			500,000
Sidewalk Projects	40,000			40,000
Current Revenues and Reserves:				
Street Millage	2,440,000			2,440,000
Water Fund		760,000		760,000
Total Other Sources	<u>4,350,000</u>	<u>760,000</u>	<u>970,000</u>	<u>6,080,000</u>
Total	<u>\$4,350,000</u>	<u>\$760,000</u>	<u>\$2,150,000</u>	<u>\$7,260,000</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 2019-20 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 2019-20 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 2019-20 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 full-time positions for Rental Inspectors which were added during the 2017-18 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 in order to continue the current inspection schedule, the fee for the 2019-20 budget year will need to be substantially increased.

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

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Property taxes	\$ 9,215,000	\$ 9,005,000
Income tax	6,600,000	6,600,000
Business licenses and permits	350,000	365,000
Nonbusiness licenses and permits	430,000	395,000
Grants	575,000	125,000
State shared revenues	4,420,000	4,325,000
Charges for services	1,140,000	1,080,000
Fines and forfeits	125,000	150,000
Investment income	200,000	100,000
Rents	375,000	370,000
Sale of assets	10,974	13,488
Charges to other funds	2,278,403	2,324,364
Transfer from other funds	300,000	
TOTAL MEANS OF FINANCING	26,019,377	24,852,852
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	19,317,821	18,688,708
Supplies and materials	723,975	709,261
Contractual services	4,502,041	4,289,583
	<u>24,543,837</u>	<u>23,687,552</u>
Transfers	651,540	949,300
Capital outlay:		
Departmental	24,000	6,000
Parks and recreation projects	800,000	210,000
	<u>824,000</u>	<u>216,000</u>
TOTAL ESTIMATED REQUIREMENTS	26,019,377	24,852,852
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	4,500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 4,500,000	

STREET FUNDS MAJOR STREETS

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Major streets	\$ 2,500,000	\$ 2,270,000
Trunkline maintenance	425,000	385,000
Right of way	90,000	75,000
Federal and State grants	870,000	100,000
Contribution from Local Development Finance Authority	300,000	
Contribution from DDA - Mainstreet TIF Plan	500,000	
Transfer from Municipal streets to Major streets	2,000,000	1,500,000
	<u>6,685,000</u>	<u>4,330,000</u>
TOTAL MEANS OF FINANCING		
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,371,892	1,129,671
Supplies and materials	280,668	214,209
Contractual services:		
Engineering and other professional services	700,278	742,904
Transfer from Major streets to Local streets	625,000	565,000
	<u>2,977,838</u>	<u>2,651,784</u>
Capital outlay:		
Departmental	2,250	2,250
Street resurfacing and/or reconstruction from:		
Street millage	730,000	990,000
Other sources	2,980,000	730,000
	<u>6,690,088</u>	<u>4,374,034</u>
TOTAL ESTIMATED REQUIREMENTS		
 INCREASE (DECREASE) IN CASH BALANCE	 (5,088)	 <u>\$ (44,034)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>25,000</u>	
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 19,912</u>	

**STREET FUNDS
LOCAL STREETS**

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
State shared revenues:		
Local streets	\$ 890,000	\$ 805,000
Right of way	27,000	22,000
Contribution from Local Development Finance Authority	200,000	
Transfers:		
Transfer from Major streets to Local streets	625,000	565,000
TOTAL MEANS OF FINANCING	1,742,000	1,392,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	622,350	732,036
Supplies and materials	118,802	112,005
Contractual services	402,271	467,838
	1,143,423	1,311,879
Capital outlay:		
Departmental	2,250	2,250
Street resurfacing and/or reconstruction from:		
Street millage	400,000	100,000
Other sources	200,000	
	600,000	100,000
TOTAL ESTIMATED REQUIREMENTS	1,745,673	1,414,129
INCREASE (DECREASE) IN CASH BALANCE	(3,673)	\$ (22,129)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	70,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 66,327	

STREET FUNDS MUNICIPAL STREETS

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,030,000	\$ 990,000
Personal property taxes	100,000	110,000
BWATC	360,000	360,000
State shared revenue - Local community stabilization authority	55,000	80,000
Charges for services	135,000	125,000
TOTAL MEANS OF FINANCING	1,680,000	1,665,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	15,114	48,716
Supplies and materials		5,448
Contractual services:		
Engineering and other professional services	25,532	42,969
BWATC property taxes	360,000	360,000
Transfers:		
From Municipal streets to Major streets	2,000,000	1,500,000
From Municipal streets to Local streets		
TOTAL ESTIMATED REQUIREMENTS	2,400,646	1,957,133
INCREASE (DECREASE) IN CASH BALANCE	(720,646)	\$ (292,133)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	\$ 2,500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 1,779,354	

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

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,030,000	\$ 990,000
Personal property taxes	100,000	110,000
BWATC	360,000	360,000
State shared revenues:		
Major streets	2,500,000	2,270,000
Local streets	890,000	805,000
Trunkline maintenance	425,000	385,000
Right of way	117,000	97,000
Local community stabilization authority	55,000	80,000
Federal and State grants	870,000	100,000
Charges for services	135,000	125,000
Contribution from Local Development Finance Authority	500,000	
Contribution from DDA - Mainstreet TIF Plan	500,000	
Transfers:		
From Major streets to Local streets	625,000	565,000
From Municipal streets to Major streets	2,000,000	1,500,000
TOTAL MEANS OF FINANCING	10,107,000	7,387,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	2,009,356	1,910,423
Supplies and materials	399,470	331,662
Contractual services:		
Engineering and other professional services	1,128,081	1,253,711
BWATC property taxes	360,000	360,000
Transfers:		
From Major streets to Local streets	625,000	565,000
From Municipal streets to Major streets	2,000,000	1,500,000
	6,521,907	5,920,796
Capital outlay:		
Departmental	4,500	4,500
Street resurfacing and/or reconstruction from:		
Street millage	1,130,000	1,090,000
Other sources	3,180,000	730,000
TOTAL ESTIMATED REQUIREMENTS	10,836,407	7,745,296
INCREASE (DECREASE) IN CASH BALANCE	(729,407)	\$ (358,296)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	2,595,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 1,865,593	

CEMETERY FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Foundations	\$ 15,000	\$ 15,000
Graveside interments	50,000	55,000
Chapel interments	25,000	35,000
Other services	20,000	25,000
Transfer from Land purchase fund	180,000	210,000
Transfer from Cemetery perpetual care fund	270,000	270,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	560,000	610,000
	<hr/>	<hr/>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	400,953	381,806
Supplies and materials	26,396	26,326
Contractual services	132,113	131,706
	<hr/>	<hr/>
	559,462	539,838
Capital outlay	1,500	72,000
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	560,962	611,838
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH BALANCE	(962)	\$ (1,838)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	50,000	<u><u>50,000</u></u>
	<hr/>	<hr/>
ESTIMATED CASH BALANCE - END OF YEAR	\$ 49,038	<u><u>49,038</u></u>

GARBAGE AND RUBBISH COLLECTION FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,450,000	\$ 1,400,000
Personal property taxes	140,000	150,000
State shared revenue - Local community stabilization authority	80,000	110,000
Charges for services	<u>245,000</u>	<u>245,000</u>
TOTAL MEANS OF FINANCING	<u>1,915,000</u>	<u>1,905,000</u>
ESTIMATED REQUIREMENTS:		
Rubbish Collection Program:		
Ordinary recurring expenses:		
Personal services	14,684	11,501
Supplies and materials	8,780	6,700
Contractual services	<u>2,016,062</u>	<u>1,955,601</u>
	<u>2,039,526</u>	<u>1,973,802</u>
Public Area Collection Program:		
Personal services	29,250	81,346
Contractual services	<u>44,254</u>	<u>49,776</u>
	<u>73,504</u>	<u>131,122</u>
TOTAL ESTIMATED REQUIREMENTS	<u>2,113,030</u>	<u>2,104,924</u>
INCREASE (DECREASE) IN CASH BALANCE	(198,030)	<u>\$ (199,924)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>600,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 401,970</u>	

RENTAL CERTIFICATION FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Charges for services	\$ 335,000	\$ 388,824
TOTAL MEANS OF FINANCING	<u>335,000</u>	<u>388,824</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	310,282	337,941
Supplies and materials	6,500	8,735
Contractual services	44,454	42,148
	<u>361,236</u>	<u>388,824</u>
Capital outlay	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>361,236</u>	<u>388,824</u>
INCREASE (DECREASE) IN CASH BALANCE	(26,236)	\$ <u> 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>30,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 3,764</u>	

O.U.I.L. FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
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)	\$ (40,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>60,000</u>	<u>60,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 20,000</u>	

DRUG LAW ENFORCEMENT FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Fines and forfeits	\$ 46,000	\$ 46,000
TOTAL MEANS OF FINANCING	<u>46,000</u>	<u>46,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	5,000	5,000
Contractual services	3,500	3,500
	<u>8,500</u>	<u>8,500</u>
Capital outlay	<u>47,500</u>	<u>47,500</u>
TOTAL ESTIMATED REQUIREMENTS	<u>56,000</u>	<u>56,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(10,000)	\$ (10,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>20,000</u>	<u>20,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 10,000</u>	

LAW ENFORCEMENT FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</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>1,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 1,000</u>	

ENHANCED 911 FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</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><u>180,000</u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 150,000</u></u>	

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 782,981	\$ 708,717
Federal grant carryover	<u>1,124,737</u>	<u>970,412</u>
TOTAL MEANS OF FINANCING	<u>1,907,718</u>	<u>1,679,129</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	151,468	133,175
Supplies and materials	1,200	900
Contractual services	<u>15,050</u>	<u>15,054</u>
	167,718	149,129
 Capital outlay - programs:		
Economic redevelopment	200,000	250,000
Emergency home repairs	75,000	65,000
Sidewalk replacement	150,000	75,000
Rehabilitation	550,000	565,000
Code enforcement	105,000	90,000
Demolitions	200,000	145,000
Project brush-up	75,000	65,000
Neighborhood clean-up	45,000	30,000
Rental conversion	305,000	210,000
Property Acquisition - Food bank	<u>35,000</u>	<u>35,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,907,718</u>	<u>1,679,129</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>	

NEIGHBORHOOD REHABILITATION FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Federal grant		
Federal grant carryover	\$ 145,000	\$
TOTAL MEANS OF FINANCING	<u>145,000</u>	<u>0</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	6,500	
Supplies and materials		
Contractual services		
	<u>6,500</u>	
Capital outlay - programs:		
Demolitions	<u>138,500</u>	
TOTAL ESTIMATED REQUIREMENTS	<u>145,000</u>	<u>0</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

HOME PROGRAM FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 278,832	\$ 184,000
Federal grant carryover	207,036	90,805
TOTAL MEANS OF FINANCING	485,868	274,805
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	37,468	35,105
Supplies and materials	300	200
Contractual services	3,100	1,500
	<u>40,868</u>	<u>36,805</u>
Capital outlay:		
CHDO project	85,000	43,000
CHDO administration	30,000	15,000
Urban pioneer	330,000	180,000
	<u>485,868</u>	<u>274,805</u>
TOTAL ESTIMATED REQUIREMENTS	485,868	274,805
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

LOAN REVOLVING FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</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

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Charges for services	\$ 50,350	\$ 25,175
TOTAL MEANS OF FINANCING	<u>50,350</u>	<u>25,175</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	5,850	5,790
Supplies and materials	790	390
Contractual services	37,210	37,320
	<u>43,850</u>	<u>43,500</u>
Capital outlay	<u>6,500</u>	<u>6,500</u>
TOTAL ESTIMATED REQUIREMENTS	<u>50,350</u>	<u>50,000</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ (24,825)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>20,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 20,000</u>	

BEAUTIFICATION COMMISSION FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
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 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Charges for services	\$ 1,015,000	\$ 1,030,000
Grants	20,000	
Transfer from General fund	648,240	676,000
TOTAL MEANS OF FINANCING	1,683,240	1,706,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	877,189	879,743
Supplies and materials	35,300	37,200
Contractual services	655,751	654,057
	<u>1,568,240</u>	<u>1,571,000</u>
Capital outlay	115,000	135,000
TOTAL ESTIMATED REQUIREMENTS	1,683,240	1,706,000
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>100,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 100,000</u></u>	

MARINA FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Charges for services - share of operating income	60,000	60,000
Transfer from Land purchase fund	\$ 180,000	\$ 210,000
TOTAL MEANS OF FINANCING	240,000	270,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	5,000	8,260
Supplies and materials	1,050	1,250
Contractual services	241,088	266,001
	<u>247,138</u>	<u>275,511</u>
Capital outlay		
TOTAL ESTIMATED REQUIREMENTS	247,138	275,511
INCREASE (DECREASE) IN CASH BALANCE	(7,138)	\$ (5,511)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	100,000	100,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 92,862	94,489

LAND PURCHASE FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Investment income	\$ 15,000	\$ 5,000
Other income		10,000
Transfer from General fund		350,000
Transfer from tax increment funds:		
Edison redevelopment	312,000	275,000
Water street	80,000	
Industrial park expansion		142,000
DDA operating fund:		
Studio 1219	15,750	15,750
Welcome Center	26,100	26,100
	<u>448,850</u>	<u>823,850</u>
TOTAL MEANS OF FINANCING		
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Engineering and other professional services	25,000	25,000
Transfer to:		
General fund	300,000	
Cemetery fund	180,000	210,000
Parking fund	90,000	90,000
Marina fund	180,000	210,000
Tax increment fund - Mainstreet	225,000	750,000
	<u>1,000,000</u>	<u>1,285,000</u>
Capital outlay:		
Building maintenance and other costs	25,000	25,000
	<u>1,025,000</u>	<u>1,310,000</u>
TOTAL ESTIMATED REQUIREMENTS		
INCREASE (DECREASE) IN CASH BALANCE	(576,150)	<u>\$ (486,150)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>2,000,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 1,423,850</u>	

PARKING FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
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
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	134,000	347,000
	<hr/>	<hr/>
ESTIMATED REQUIREMENTS:		
Parking System - Non Revenue Producing:		
Ordinary recurring expenses:		
Personal services	34,030	33,690
Supplies and materials	8,040	8,040
Contractual services	76,286	73,043
	<hr/>	<hr/>
	118,356	114,773
	<hr/>	<hr/>
Parking System - Revenue Producing:		
Ordinary recurring expenses:		
Personal services	7,207	7,207
Supplies and materials	1,420	1,170
Contractual services	12,891	12,628
	<hr/>	<hr/>
	21,518	21,005
	<hr/>	<hr/>
Capital Outlay:		
Military Street parking lot resurfacing		91,000
Sixth Street parking lot resurfacing		72,000
Pine Street parking lot resurfacing		50,000
	<hr/>	<hr/>
		213,000
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	139,874	348,778
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH BALANCE	(5,874)	\$ (1,778)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	100,000	<hr/>
	<hr/>	<hr/>
ESTIMATED CASH BALANCE - END OF YEAR	\$ 94,126	
	<hr/>	

WATER FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Sale of water	\$ 8,400,000	\$ 8,200,000
Penalty charges	75,000	65,000
Hydrant charges	58,840	58,840
Charges for services	30,000	30,000
Investment income	50,000	10,000
Pro rata share of water administration and meter reading budget reimbursed from Wastewater fund	652,311	678,780
TOTAL MEANS OF FINANCING	9,266,151	9,042,620
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	2,177,029	2,294,384
Supplies and materials	426,354	417,123
Contractual services	1,816,769	1,798,834
	<u>4,420,152</u>	<u>4,510,341</u>
Debt service requirements for payment of principal and interest on Revenue and State Drinking Water Revolving Fund bonds	4,126,000	4,086,000
Capital outlay:		
Departmental	674,201	708,036
Construction projects	760,000	360,000
	<u>9,980,353</u>	<u>9,664,377</u>
TOTAL ESTIMATED REQUIREMENTS	9,980,353	9,664,377
INCREASE (DECREASE) IN CASH BALANCE	(714,202)	\$ (621,757)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,000,000	3,000,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,285,798	2,378,243

WASTEWATER FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Sewage charges	\$ 13,500,000	\$ 12,750,000
Penalty charges	170,000	150,000
Other income	20,000	10,000
Investment income	20,000	10,000
MDOT reimbursement - Blue Water Bridge sewer separation project	970,000	350,000
Proceeds for operating and capital costs:		
Fort Gratiot Township	1,230,000	1,380,000
Port Huron Township	1,280,000	1,380,000
Kimball Township	490,000	530,000
Proceeds from issuance of long-term bonds or long-term advances from other funds	3,000,000	2,980,000
TOTAL MEANS OF FINANCING	20,680,000	19,540,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	3,259,975	3,380,189
Supplies and materials	761,669	705,675
Contractual services	4,008,150	4,580,387
	<u>8,029,794</u>	<u>8,666,251</u>
Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds	7,458,000	7,400,000
Capital outlay:		
Departmental	3,969,748	3,841,748
Construction projects - Collection system	2,150,000	620,000
TOTAL ESTIMATED REQUIREMENTS	21,607,542	20,527,999
INCREASE (DECREASE) IN CASH BALANCE	(927,542)	\$ (987,999)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,000,000	3,000,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,072,458	2,012,001

CENTRAL STORES FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Charges for services	\$ 125,625	\$ 124,198
TOTAL MEANS OF FINANCING	<u>125,625</u>	<u>124,198</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	19,048	17,945
Supplies and materials	35,600	35,600
Contractual services	65,677	65,353
	<u>120,325</u>	<u>118,898</u>
Capital outlay	<u>5,300</u>	<u>5,300</u>
TOTAL ESTIMATED REQUIREMENTS	<u>125,625</u>	<u>124,198</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 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Charges for services	\$ 902,847	\$ 839,856
TOTAL MEANS OF FINANCING	<u>902,847</u>	<u>839,856</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	521,169	492,217
Supplies and materials	70,600	70,600
Contractual services	310,029	254,657
	<u>901,798</u>	<u>817,474</u>
Capital outlay	<u>84,000</u>	<u>84,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>985,798</u>	<u>901,474</u>
INCREASE (DECREASE) IN CASH BALANCE	(82,951)	\$ (61,618)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>300,000</u>	<u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 217,049</u>	<u></u>

MOTOR VEHICLE FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Charges for services	\$ 2,530,000	\$ 2,514,883
TOTAL MEANS OF FINANCING	2,530,000	2,514,883
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	730,423	626,205
Supplies and materials	318,148	344,518
Contractual services	838,107	749,545
	<u>1,886,678</u>	<u>1,720,268</u>
Capital outlay	1,298,346	794,615
TOTAL ESTIMATED REQUIREMENTS	3,185,024	2,514,883
INCREASE (DECREASE) IN CASH BALANCE	(655,024)	\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	800,000	800,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 144,976	800,000

ENERGY PERFORMANCE SERVICES FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
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>355,000</u>	<u>345,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>360,000</u>	<u>350,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(30,000)	\$ <u>(20,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>360,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 330,000</u>	

INSURANCE AND FRINGE BENEFIT FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Charges for services	\$ 14,625,000	\$ 14,275,000
Proceeds from issuance of long-term pension bonds	55,000,000	
TOTAL MEANS OF FINANCING	69,625,000	14,275,000
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services:		
Healthcare premiums - employees	2,500,000	2,500,000
Healthcare premiums - retirees	4,255,000	3,835,000
Pension contributions	5,865,000	5,280,000
Payroll taxes	850,000	815,000
Workers compensation insurance	150,000	150,000
Dental insurance	280,000	265,000
Unemployment insurance	35,000	35,000
Disability benefits	40,000	40,000
Vacation and sick pay	270,000	270,000
Other	503,500	492,000
	14,748,500	13,682,000
Supplies and materials	2,500	1,000
Contractual services	624,000	592,000
Supplemental pension contribution - MERS	55,000,000	
TOTAL ESTIMATED REQUIREMENTS	70,375,000	14,275,000
INCREASE (DECREASE) IN CASH BALANCE	(750,000)	\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,000,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,250,000	

Appendix – Tax Increment Authority Fund Budgets

PEERLESS SITE TAX INCREMENT FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 66,000	\$ 57,000
Personal property taxes	<u>29,000</u>	<u>29,000</u>
TOTAL MEANS OF FINANCING	<u>95,000</u>	<u>86,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Payment to St. Clair County - development agreement	<u>95,000</u>	<u>86,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>95,000</u>	<u>86,000</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 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 68,000	\$ 64,000
Personal property taxes	7,000	8,000
TOTAL MEANS OF FINANCING	<u>75,000</u>	<u>72,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Physical improvements	5,000	5,000
DDA operations/Director	39,720	18,000
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>8,430</u>	<u>7,150</u>
TOTAL ESTIMATED REQUIREMENTS	<u>95,000</u>	<u>72,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(20,000)	<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>40,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 20,000</u>	

WATER STREET DDA TAX INCREMENT FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 307,000	\$ 325,000
Personal property taxes	<u>23,000</u>	<u>7,000</u>
TOTAL MEANS OF FINANCING	<u>330,000</u>	<u>332,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	5,000	2,000
Transfer to Land purchase fund	<u>80,000</u>	<u>2,000</u>
	<u>85,000</u>	<u>2,000</u>
Capital outlay:		
Parking lot resurfacing		213,000
Street resurfacing		120,000
Available for infrastructure improvements or other services	<u>245,000</u>	<u>333,000</u>
	<u>245,000</u>	<u>333,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>330,000</u>	<u>335,000</u>
 INCREASE (DECREASE) IN CASH BALANCE		 <u>\$ (3,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		<u> </u>
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 0</u>	

BANK DDA TAX INCREMENT FUND

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 77,000	\$ 19,000
Personal property taxes	<u>4,000</u>	<u>3,000</u>
TOTAL MEANS OF FINANCING	<u>81,000</u>	<u>22,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	<u>6,000</u>	<u>2,000</u>
	6,000	2,000
Capital outlay:		
Available for infrastructure improvements or other services	<u>75,000</u>	<u>20,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>81,000</u>	<u>22,000</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

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
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>54,000</u>	<u>40,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>64,000</u>	<u>50,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(64,000)	<u>\$ (50,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>64,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 320,000	\$ 283,000
Personal property taxes	2,000	2,000
TOTAL MEANS OF FINANCING	322,000	285,000
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	5,000	5,000
Transfer to Land purchase fund	312,000	275,000
	317,000	280,000
Capital outlay:		
Parkway and other infrastructure improvements	5,000	5,000
TOTAL ESTIMATED REQUIREMENTS	322,000	285,000
 INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

MAINSTREET DDA TAX INCREMENT FUND

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 110,000	\$ 96,000
Personal property taxes	4,000	4,000
Transfer from Land purchase fund	225,000	750,000
TOTAL MEANS OF FINANCING	339,000	850,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services		
Capital outlay:		
Downtown market or other infrastructure improvements	500,000	950,000
TOTAL ESTIMATED REQUIREMENTS	500,000	950,000
INCREASE (DECREASE) IN CASH BALANCE	(161,000)	\$ (100,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	161,000	161,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

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

Budget Summary

	Adopted Budget 2019-2020	Adopted Budget 2018-2019
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 132,000	\$ 114,000
Personal property taxes	53,000	73,000
State shared revenue - LCSA	100,000	60,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>285,000</u>	<u>247,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services:		
Economic development alliance	80,368	80,368
Industrial development - other	4,632	4,632
Transfer to Land purchase fund and/or General fund		142,000
	<u>85,000</u>	<u>227,000</u>
Capital outlay:		
Infrastructure improvements	500,000	20,000
	<u>500,000</u>	<u>20,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>585,000</u>	<u>247,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(300,000)	\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>300,000</u>	<u> </u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

**SOUTHSIDE REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 437,000	\$ 278,000
Personal property taxes	29,000	16,000
TOTAL MEANS OF FINANCING	<u>466,000</u>	<u>294,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	<u>466,000</u>	<u>294,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>466,000</u>	<u>294,000</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>	

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

Budget Summary

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 12,000	\$ 10,000
Personal property taxes	<u>14,000</u>	<u>16,000</u>
TOTAL MEANS OF FINANCING	<u>26,000</u>	<u>26,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	<u>26,000</u>	<u>26,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>26,000</u>	<u>26,000</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

	<u>Adopted Budget 2019-2020</u>	<u>Adopted Budget 2018-2019</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 109,000	\$ 109,000
Personal property taxes	<u>10,000</u>	<u>10,000</u>
TOTAL MEANS OF FINANCING	<u>119,000</u>	<u>119,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	<u>119,000</u>	<u>119,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>119,000</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>	

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

Budget Summary

	Adopted Budget 2019-2020	Proposed Budget 2018-2019
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 127,000	\$ 116,000
Personal property taxes	32,000	5,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>159,000</u>	<u>121,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	159,000	121,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>159,000</u>	<u>121,000</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

2019-2020

Governmental Fund	Estimated Designated Fund Balance July 1, 2019	Budget 2019-2020		Estimated Change In Fund Balance June 30, 2020
		Means of Financing	Estimated Requirements	
General fund	\$	\$ 26,019,377	\$ 26,019,377	\$
Major streets fund	\$ 5,088	\$ 6,685,000	\$ 6,690,088	\$
Local streets fund	\$ 3,673	\$ 1,742,000	\$ 1,745,673	\$
Municipal streets fund	\$ 720,646	\$ 1,680,000	\$ 2,400,646	\$
Cemetery fund	\$ 962	\$ 560,000	\$ 560,962	\$
Garbage and rubbish collection fund	\$ 198,030	\$ 1,915,000	\$ 2,113,030	\$
Rental certification fund	\$ 26,236	\$ 335,000	\$ 361,236	\$
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	\$	\$ 1,907,718	\$ 1,907,718	\$
Home program fund	\$	\$ 485,868	\$ 485,868	\$
Loan revolving fund	\$ 494,000	\$	\$ 494,000	\$
Streetscape maintenance fund	\$	\$ 50,350	\$ 50,350	\$
Beautification commission fund	\$ 1,500	\$ 5,800	\$ 7,300	\$

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GOVERNMENTAL FUNDS SUMMARY
Budget Summary
2019-2020

Governmental Fund	Estimated Designated Fund Balance July 1, 2019	Budget 2019-2020		Estimated Change In Fund Balance June 30, 2020
		Means of Financing	Estimated Requirements	
Peerless site tax increment fund	\$	\$ 95,000	\$ 95,000	\$
Downtown development fund	\$ 20,000	\$ 75,000	\$ 95,000	\$
Water Street tax increment fund	\$	\$ 330,000	\$ 330,000	\$
Bank tax increment fund	\$	\$ 81,000	\$ 81,000	\$
Harrington Hotel tax increment fund	\$ 64,000	\$	\$ 64,000	\$
Edison redevelopment tax increment fund	\$	\$ 322,000	\$ 322,000	\$
Mainstreet tax increment fund	\$ 161,000	\$ 339,000	\$ 500,000	\$
Industrial park expansion tax increment fund	\$ 300,000	\$ 285,000	\$ 585,000	\$
Brownfield redevelopment tax increment funds:				
Southside redevelopment	\$	\$ 466,000	\$ 466,000	\$
Harker Street redevelopment	\$	\$ 26,000	\$ 26,000	\$
Sperry's redevelopment	\$	\$ 119,000	\$ 119,000	\$
Water Street Marina redevelopment	\$	\$ 159,000	\$ 159,000	\$

Appendix – Projected Revenues and Expenditures

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2018-2019	Adopted 2019-2020	Projected 2020-2021	Projected 2021-2022
TAXES:				
Real property taxes	\$ 7,590,000	\$ 7,890,000	\$ 8,024,000	\$ 8,160,000
Personal property taxes	850,000	750,000	763,000	776,000
Property tax administration fee	310,000	320,000	325,000	331,000
Income tax	6,600,000	6,600,000	6,712,000	6,826,000
Payment in lieu of taxes	55,000	55,000	56,000	57,000
Penalties and interest on taxes	200,000	200,000	203,000	206,000
	<u>15,605,000</u>	<u>15,815,000</u>	<u>16,083,000</u>	<u>16,356,000</u>
BUSINESS LICENSES AND PERMITS:				
Demolitions	8,000	3,000	3,100	3,200
Cable television	350,000	345,000	351,000	357,000
Miscellaneous	7,000	2,000	2,000	2,000
	<u>365,000</u>	<u>350,000</u>	<u>356,100</u>	<u>362,200</u>
NONBUSINESS LICENSES AND PERMITS:				
Building	225,000	270,000	275,000	280,000
Electrical	65,000	60,000	61,000	62,000
Heating	65,000	55,000	56,000	57,000
Plumbing	35,000	40,000	41,000	42,000
Right-of-way	3,000	3,000	3,100	3,200
Miscellaneous	2,000	2,000	2,000	2,000
	<u>395,000</u>	<u>430,000</u>	<u>438,100</u>	<u>446,200</u>
GRANTS	<u>125,000</u>	<u>575,000</u>	<u>25,000</u>	<u>25,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2018-2019	Adopted 2019-2020	Projected 2020-2021	Projected 2021-2022
STATE SHARED REVENUE:				
Sales and use tax - constitutional	\$ 2,540,000	\$ 2,695,000	\$ 2,741,000	\$ 2,788,000
Sales and use tax - statutory	1,075,000	1,130,000	1,149,000	1,169,000
Local community stabilization authority	675,000	565,000	575,000	585,000
Liquor licenses	35,000	30,000	31,000	32,000
	<u>4,325,000</u>	<u>4,420,000</u>	<u>4,496,000</u>	<u>4,574,000</u>
CHARGES FOR SERVICES:				
Zoning board of appeals	3,500	3,500	3,600	3,700
20th and Court pool	5,000	5,500	5,600	5,700
Sanborn pool	40,000	45,000	46,000	47,000
Lakeside parking	150,000	205,000	208,000	212,000
Boat launch fees	45,000	50,000	51,000	52,000
Recreational fees	260,000	255,000	259,000	263,000
Lot splits	4,000	3,500	3,600	3,700
Hydrant maintenance	58,840	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	1,660	1,660	1,700	1,700
County parks millage	130,000	135,000	137,000	139,000
Miscellaneous	80,000	75,000	76,000	77,000
	<u>1,080,000</u>	<u>1,140,000</u>	<u>1,153,500</u>	<u>1,167,800</u>
FINES AND FORFEITS:				
Parking violations	30,000	40,000	41,000	42,000
Ordinance fines	120,000	85,000	86,000	87,000
	<u>150,000</u>	<u>125,000</u>	<u>127,000</u>	<u>129,000</u>
INVESTMENT INCOME	<u>100,000</u>	<u>200,000</u>	<u>203,000</u>	<u>206,000</u>
RENTS	<u>370,000</u>	<u>375,000</u>	<u>381,000</u>	<u>387,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2018-2019	Adopted 2019-2020	Projected 2020-2021	Projected 2021-2022
SALE OF ASSETS	\$ 13,488	\$ 10,974	\$ 11,000	\$ 11,000
CHARGES TO OTHER FUNDS:				
Garbage and rubbish collection fund	111,913	109,699	112,000	114,000
Marina fund	26,405	23,686	24,000	24,000
Parking fund	13,013	13,405	14,000	14,000
Water fund	716,289	707,751	720,000	732,000
Wastewater fund	1,202,130	1,145,080	1,165,000	1,185,000
Central stores fund	11,395	11,532	12,000	12,000
Data processing fund	78,347	86,429	88,000	89,000
Motor vehicle fund	164,872	180,821	184,000	187,000
	2,324,364	2,278,403	2,319,000	2,357,000
Subtotal	24,852,852	25,719,377	25,592,700	26,021,200
TRANSFERS FROM OTHER FUNDS:				
Land purchase fund		300,000	525,000	
		300,000	525,000	
TOTAL	\$ 24,852,852	\$ 26,019,377	\$ 26,117,700	\$ 26,021,200

SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2018-2019	Adopted 2019-2020	Projected 2020-2021	Projected 2021-2022
General Government:				
City council	\$ 57,835	\$ 62,175	\$ 64,000	\$ 66,000
City manager	273,687	305,170	316,000	327,000
Elections	79,574	66,886	69,000	71,000
Finance and accounting	706,306	748,612	775,000	802,000
Income tax	367,271	383,411	397,000	411,000
Assessor	350,598	372,399	385,000	398,000
Legal	160,000	160,000	166,000	172,000
Clerk	295,667	310,253	321,000	332,000
Personnel	393,849	407,512	422,000	437,000
Purchasing	63,401	67,949	70,000	72,000
Board of review	2,327	2,327	2,400	2,500
Treasurer	249,765	264,970	274,000	284,000
Municipal office center	721,269	719,379	745,000	771,000
	<u>3,721,549</u>	<u>3,871,043</u>	<u>4,006,400</u>	<u>4,145,500</u>
Public Safety:				
Police administration	1,389,243	1,421,877	1,472,000	1,524,000
Detectives	1,409,710	1,425,697	1,476,000	1,528,000
Patrol	6,916,767	7,188,073	7,440,000	7,700,000
Communications	41,400	43,200	45,000	47,000
Fire	5,502,671	5,671,319	5,870,000	6,075,000
	<u>15,259,791</u>	<u>15,750,166</u>	<u>16,303,000</u>	<u>16,874,000</u>
Public Works:				
Inspection	339,371	310,166	321,000	332,000
Emergency management	17,200	17,364	18,000	19,000
Public works administration	135,260	140,644	146,000	151,000
Engineering	230,389	240,355	249,000	258,000
Street lighting	690,276	658,809	682,000	706,000
Blight and code enforcement	275,345	235,102	243,000	252,000
	<u>1,687,841</u>	<u>1,602,440</u>	<u>1,659,000</u>	<u>1,718,000</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2018-2019	Adopted 2019-2020	Projected 2020-2021	Projected 2021-2022
Senior Citizens:				
Wastewater and water discounts	\$ 1,000	\$ 2,000	\$ 2,100	\$ 2,200
	<u>1,000</u>	<u>2,000</u>	<u>2,100</u>	<u>2,200</u>
Recreation, Parks and Culture:				
Parks and forestry	1,261,087	1,346,929	1,394,000	1,443,000
Boat launch ramps	12,417	12,419	13,000	13,000
Recreation	608,939	641,208	664,000	687,000
Rockin the rivers	41,506	46,950	49,000	51,000
20th and Court pool	76,738	79,865	83,000	86,000
Sanborn pool	138,342	144,670	150,000	155,000
Chillyfest	55,644			
Parades & special events		20,000	21,000	22,000
Lighthouse park	30,457	40,745	42,000	43,000
Lakeside park	146,900	149,174	154,000	159,000
Palmer park recreation center	209,917	233,127	241,000	249,000
Library	8,000	8,000	8,000	8,000
Museum	75,199	52,050	54,000	56,000
	<u>2,665,146</u>	<u>2,775,137</u>	<u>2,873,000</u>	<u>2,972,000</u>
Other Functions:				
Planning	203,395	238,325	247,000	256,000
Blue Water Bridge economic study	100,000	100,000		
Telephone service	11,340	16,153	17,000	18,000
Contingencies	40,000	40,000	40,000	40,000
Insurance, health and safety	98,490	107,573	111,000	115,000
Taxes written off	15,000	15,000	15,000	15,000
Demolitions	50,000	50,000	50,000	50,000
	<u>518,225</u>	<u>567,051</u>	<u>480,000</u>	<u>494,000</u>
Subtotal	<u>23,853,552</u>	<u>24,567,837</u>	<u>25,323,500</u>	<u>26,205,700</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2018-2019	Adopted 2019-2020	Projected 2020-2021	Projected 2021-2022
Public Improvements:				
Parks and recreation projects	\$ 50,000	\$ 800,000	\$ 484,000	\$ 385,000
MOC capital			791,000	171,000
Other public improvement			113,000	111,000
	<u>50,000</u>	<u>800,000</u>	<u>1,388,000</u>	<u>667,000</u>
Subtotal	<u>23,903,552</u>	<u>25,367,837</u>	<u>26,711,500</u>	<u>26,872,700</u>
Transfer to Other Funds:				
Beautification commission fund	3,300	3,300	3,300	3,300
McMorran fund	676,000	648,240	671,000	694,000
Land purchase fund	270,000			
	<u>949,300</u>	<u>651,540</u>	<u>674,300</u>	<u>697,300</u>
TOTAL	<u>\$ 24,852,852</u>	<u>\$ 26,019,377</u>	<u>\$ 27,385,800</u>	<u>\$ 27,570,000</u>
Increase (decrease) in cash balance before public improvements and transfers	<u>\$ 999,300</u>	<u>\$ 1,451,540</u>	<u>\$ 794,200</u>	<u>\$ (184,500)</u>
Increase (decrease) in cash balance after public improvements and transfers	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,268,100)</u>	<u>\$ (1,548,800)</u>