

BUDGET 2020-2021



PORT HURON MICHIGAN

OFFICE OF THE
CITY MANAGER

PROPOSED BUDGET
CITY OF PORT HURON
FOR
THE FISCAL YEAR
2020-2021

Prepared by the Director of Finance for the City Manager
and submitted to the City Council on April 27, 2020

CITY OF PORT HURON BUDGET FISCAL YEAR 2020-2021

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Schedule of Estimated Revenues - General Fund

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2020-2021

	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
TAXES:						
Real property taxes	\$ 5,493,624	\$ 7,635,229	\$ 7,890,000	\$ 8,150,000	\$ 260,000	\$
Personal property taxes	679,394	822,640	750,000	730,000		20,000
Property tax administration fee	295,101	324,564	320,000	320,000		
Income tax	6,489,338	6,615,692	6,600,000	6,800,000	200,000	
Payment in lieu of taxes	76,537	110,565	55,000	55,000		
Penalties and interest on taxes	157,695	219,671	200,000	200,000		
	<u>13,191,689</u>	<u>15,728,361</u>	<u>15,815,000</u>	<u>16,255,000</u>	<u>460,000</u>	<u>20,000</u>
BUSINESS LICENSES AND PERMITS:						
Demolitions	7,835	1,320	3,000	3,000		
Cable television	344,884	342,075	345,000	345,000		
Miscellaneous	3,330	485	2,000	2,000		
	<u>356,049</u>	<u>343,880</u>	<u>350,000</u>	<u>350,000</u>		
NONBUSINESS LICENSES AND PERMITS:						
Building	321,320	334,839	270,000	280,000	10,000	
Electrical	48,481	70,274	60,000	75,000	15,000	
Heating	70,332	66,064	55,000	80,000	25,000	
Plumbing	39,980	36,865	40,000	40,000		
Right-of-way	2,570	5,797	3,000	3,000		
Miscellaneous	4,490	5,415	2,000	2,000		
	<u>487,173</u>	<u>519,254</u>	<u>430,000</u>	<u>480,000</u>	<u>50,000</u>	
GRANTS	<u>377,307</u>	<u>329,883</u>	<u>575,000</u>	<u>1,225,000</u>	<u>650,000</u>	

SCHEDULE OF ESTIMATED REVENUES

2020-2021

	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
STATE SHARED REVENUE:						
Sales and use tax - constitutional	\$ 2,474,977	\$ 2,592,667	\$ 2,695,000	\$ 2,750,000	\$ 55,000	\$
Sales and use tax - statutory	1,100,019	1,104,008	1,130,000	1,150,000	20,000	
Local community stabilization authority	819,540	811,528	565,000	610,000	45,000	
Liquor licenses	39,470	29,675	30,000	40,000	10,000	
	<u>4,434,006</u>	<u>4,537,878</u>	<u>4,420,000</u>	<u>4,550,000</u>	<u>130,000</u>	
CHARGES FOR SERVICES:						
Zoning board of appeals	2,550	2,530	3,500	2,500		1,000
20th and Court pool	5,884	6,404	5,500	7,500	2,000	
Sanborn pool	44,848	42,479	45,000	45,000		
Lakeside parking	162,204	185,962	205,000	205,000		
Boat launch fees	48,283	49,882	50,000	50,000		
Recreational fees	287,013	254,916	255,000	255,000		
Lot splits	1,080	2,805	3,500	2,500		1,000
Hydrant maintenance	58,280	58,280	58,840	58,840		
False alarm charges	1,275	900	2,000	2,000		
Blue Water Bridge reimbursement	300,000	300,000	300,000	300,000		
Summer tax collection fee	1,704	1,692	1,660	1,660		
County parks millage	129,151	132,565	135,000	135,000		
Miscellaneous	53,198	84,280	75,000	85,000	10,000	
	<u>1,095,470</u>	<u>1,122,695</u>	<u>1,140,000</u>	<u>1,150,000</u>	<u>12,000</u>	<u>2,000</u>
FINES AND FORFEITS:						
Parking violations	38,074	42,386	40,000	30,000		10,000
Ordinance fines	97,575	91,834	85,000	110,000	25,000	
	<u>135,649</u>	<u>134,220</u>	<u>125,000</u>	<u>140,000</u>	<u>25,000</u>	<u>10,000</u>
INVESTMENT INCOME	<u>102,726</u>	<u>271,204</u>	<u>200,000</u>	<u>70,000</u>		<u>130,000</u>
RENTS	<u>373,993</u>	<u>376,810</u>	<u>375,000</u>	<u>380,000</u>	<u>5,000</u>	

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SCHEDULE OF ESTIMATED REVENUES

2020-2021

	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
SALE OF PROPERTY AND EQUIPMENT	\$ 12,484	\$ 1,285	\$ 10,974	\$ 9,690		\$ 1,284
CHARGES TO OTHER FUNDS:						
Garbage and rubbish collection fund	103,947	111,913	109,699	110,774	1,075	
Marina fund	23,715	26,405	23,686	40,995	17,309	
Parking fund	12,865	13,013	13,405	12,987		418
Water fund	704,220	716,289	707,751	751,078	43,327	
Wastewater fund	1,187,300	1,202,130	1,145,080	1,204,184	59,104	
Central stores fund	11,228	11,395	11,532	11,687	155	
Data processing fund	72,166	78,347	86,429	90,782	4,353	
Motor vehicle fund	161,449	164,872	180,821	179,711		1,110
	<u>2,276,890</u>	<u>2,324,364</u>	<u>2,278,403</u>	<u>2,402,198</u>	<u>125,323</u>	<u>1,528</u>
Subtotal	<u>22,843,436</u>	<u>25,689,834</u>	<u>25,719,377</u>	<u>27,011,888</u>	<u>1,457,323</u>	<u>164,812</u>
TRANSFERS FROM OTHER FUNDS:						
Land purchase fund	225,000		300,000	590,000	290,000	
	<u>225,000</u>		<u>300,000</u>	<u>590,000</u>	<u>290,000</u>	
TOTAL	<u>\$ 23,068,436</u>	<u>\$ 25,689,834</u>	<u>\$ 26,019,377</u>	<u>\$ 27,601,888</u>	<u>\$ 1,747,323</u>	<u>\$ 164,812</u>

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Schedule of Estimated Expenditures

SCHEDULE OF ESTIMATED EXPENDITURES

2020-2021

GENERAL FUND	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
General Government:						
City council	\$ 50,583	\$ 50,148	\$ 62,175	\$ 60,425	\$	\$ 1,750
City manager	245,501	300,045	305,170	346,587	41,417	
Elections	56,952	76,702	66,886	86,830	19,944	
Finance and accounting	655,035	711,400	748,612	774,373	25,761	
Income tax	327,229	364,859	383,411	433,791	50,380	
Assessor	325,628	349,069	372,399	387,149	14,750	
Legal	154,357	125,900	160,000	160,000		
Clerk	285,673	292,047	310,253	323,763	13,510	
Human Resources	330,037	388,258	407,512	422,680	15,168	
Purchasing	58,483	64,902	67,949	69,656	1,707	
Board of review	2,239	2,239	2,327	2,327		
Treasurer	226,282	241,704	264,970	275,286	10,316	
Municipal office center	720,238	728,234	719,379	771,277	51,898	
	<u>3,438,237</u>	<u>3,695,507</u>	<u>3,871,043</u>	<u>4,114,144</u>	<u>244,851</u>	<u>1,750</u>
Public Safety:						
Police administration	1,172,524	1,220,684	1,421,877	1,447,765	25,888	
Detectives	1,428,891	1,232,753	1,425,697	1,425,040		657
Patrol	6,439,078	7,317,119	7,188,073	7,203,867	15,794	
Communications	41,132	40,653	43,200	49,800	6,600	
Fire	5,362,791	5,501,786	5,671,319	5,925,450	254,131	
	<u>14,444,416</u>	<u>15,312,995</u>	<u>15,750,166</u>	<u>16,051,922</u>	<u>302,413</u>	<u>657</u>
Public Works:						
Inspection	299,183	313,261	310,166	346,101	35,935	
Emergency management	11,473	9,523	17,364	20,114	2,750	
Public works administration	128,917	134,809	140,644	144,474	3,830	
Engineering	210,213	208,403	240,355	239,145		1,210
Street lighting	626,603	632,452	658,809	736,200	77,391	
Blight and code enforcement	283,294	187,582	235,102	263,150	28,048	
	<u>1,559,683</u>	<u>1,486,030</u>	<u>1,602,440</u>	<u>1,749,184</u>	<u>147,954</u>	<u>1,210</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2020-2021

	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
Senior Citizens:						
Wastewater and water discounts	\$ 684	\$ 1,077	\$ 2,000	\$ 2,000	\$	\$
	<u>684</u>	<u>1,077</u>	<u>2,000</u>	<u>2,000</u>		
Recreation, Parks and Culture:						
Parks and forestry	1,318,074	1,485,881	1,346,929	1,558,723	211,794	
Boat launch ramps	8,275	7,373	12,419	12,414		5
Recreation	534,923	656,078	641,208	651,314	10,106	
Rockin the rivers	40,327	44,469	46,950	48,170	1,220	
20th and Court pool	100,221	87,298	79,865	86,050	6,185	
Sanborn pool	147,054	186,927	144,670	156,757	12,087	
Chillyfest	50,760	49,862		86,802	86,802	
Parades & special events		5,430	20,000	20,000		
Lighthouse park	18,186	27,111	40,745	43,543	2,798	
Lakeside park	192,409	194,683	149,174	169,006	19,832	
Palmer park recreation center	182,149	198,396	233,127	372,040	138,913	
Library	8,000	8,000	8,000	8,000		
Museum	44,718	64,120	52,050	60,694	8,644	
	<u>2,645,096</u>	<u>3,015,628</u>	<u>2,775,137</u>	<u>3,273,513</u>	<u>498,381</u>	<u>5</u>
Other Functions:						
Planning	218,676	210,057	238,325	254,003	15,678	
Mitigation grant expenditures	110,149	80,910	100,000			100,000
Telephone service	9,991	16,987	16,153	16,190	37	
Contingencies			40,000	40,000		
Insurance, health and safety	91,633	93,554	107,573	107,632	59	
Taxes written off	8,908	6,000	15,000	15,000		
Demolitions	13,980	1,756	50,000	50,000		
	<u>453,337</u>	<u>409,264</u>	<u>567,051</u>	<u>482,825</u>	<u>15,774</u>	<u>100,000</u>
Subtotal	<u>22,541,453</u>	<u>23,920,501</u>	<u>24,567,837</u>	<u>25,673,588</u>	<u>1,209,373</u>	<u>103,622</u>

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SCHEDULE OF ESTIMATED EXPENDITURES

2020-2021

	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
Public Improvements:						
Parks and recreation projects	31,899	\$ 818,478	\$ 800,000	\$ 1,325,000	\$ 525,000	\$
MOC capital	101,475	44,648				
Other public improvement	3,800	5,587				
	<u>137,174</u>	<u>868,713</u>	<u>800,000</u>	<u>1,325,000</u>	<u>525,000</u>	
Subtotal	<u>22,678,627</u>	<u>24,789,214</u>	<u>25,367,837</u>	<u>26,998,588</u>	<u>1,734,373</u>	<u>103,622</u>
Transfer to Other Funds:						
Land purchase fund		200,000				
Beautification commission fund	3,300	3,300	3,300	3,300		
McMorran fund	371,954	676,000	648,240	600,000		48,240
	<u>375,254</u>	<u>879,300</u>	<u>651,540</u>	<u>603,300</u>		<u>48,240</u>
TOTAL GENERAL FUND	<u>23,053,881</u>	<u>25,668,514</u>	<u>26,019,377</u>	<u>27,601,888</u>	<u>1,734,373</u>	<u>151,862</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	5,068,521	3,782,203	6,690,088	4,589,097		2,100,991
Local streets	2,196,674	1,258,017	1,745,673	1,772,039	26,366	
Municipal streets	1,178,259	428,973	2,400,646	812,713		1,587,933
	<u>8,443,454</u>	<u>5,469,193</u>	<u>10,836,407</u>	<u>7,173,849</u>	<u>26,366</u>	<u>3,688,924</u>
Cemetery fund	536,245	582,103	560,962	647,488	86,526	
Garbage and rubbish collection fund	1,924,932	2,039,977	2,113,030	2,136,883	23,853	
Rental certification fund	358,404	379,152	361,236	371,261	10,025	
OUIL fund	5,219	42,608	41,000	41,000		
Drug law enforcement fund	10,503	53,947	56,000	56,000		
Law enforcement fund	15,272	36,543	3,245	10,000	6,755	
Enhanced 911 fund		28,975	30,000	2,000		28,000
Community development block grant fund	648,674	704,829	1,907,718	1,895,975		11,743
Neighborhood rehabilitation fund	80,320	37,637	145,000	145,000		
Home program fund	259,558	238,740	485,868	573,458	87,590	
Loan revolving fund	156,258	1,571,573	494,000	494,000		

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SCHEDULE OF ESTIMATED EXPENDITURES

2020-2021

	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
Streetscape maintenance fund	\$ 37,944	\$ 34,570	\$ 50,350	\$ 50,350	\$	\$
Beautification commission fund	7,508	4,878	7,300	7,300		
TOTAL SPECIAL REVENUE FUNDS	12,484,291	11,224,725	17,092,116	13,604,564	241,115	3,728,667
ENTERPRISE FUNDS						
McMorran fund	2,394,671	1,646,701	1,683,240	2,942,795	1,259,555	
Marina fund	211,110	190,270	247,138	427,740	180,602	
Land purchase fund	1,216,834	1,514,774	1,025,000	1,090,000	65,000	
Parking fund	151,427	109,655	139,874	135,502		4,372
Water Fund:						
Treatment plant	2,355,052	2,248,011	2,921,042	3,328,108	407,066	
Distribution	1,268,215	1,184,859	1,216,003	1,354,830	138,827	
Customer accounting	458,834	468,161	500,514	519,918	19,404	
Meter reading	352,453	300,136	456,794	467,880	11,086	
Debt service	4,044,085	4,053,267	4,126,000	3,337,000		789,000
Capital outlay	598,619	1,063,076	760,000	300,000		460,000
	<u>9,077,258</u>	<u>9,317,510</u>	<u>9,980,353</u>	<u>9,307,736</u>	<u>576,383</u>	<u>1,249,000</u>
Wastewater Fund:						
Treatment plant	5,513,731	5,470,023	8,928,781	10,963,218	2,034,437	
Collection, general	1,905,165	1,928,163	2,995,546	3,161,558	166,012	
Collection system no. 1	21	21	221	221		
Collection system no. 2	30,823	32,271	30,988	36,425	5,437	
Collection system no. 3	39,989	37,723	44,006	55,189	11,183	
Debt service	7,390,234	7,340,328	7,458,000	6,213,000		1,245,000
Capital outlay	1,183,508	1,331,517	2,150,000	1,970,000		180,000
	<u>16,063,471</u>	<u>16,140,046</u>	<u>21,607,542</u>	<u>22,399,611</u>	<u>2,217,069</u>	<u>1,425,000</u>
TOTAL ENTERPRISE FUNDS	29,114,771	28,918,956	34,683,147	36,303,384	4,298,609	2,678,372

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SCHEDULE OF ESTIMATED EXPENDITURES

2020-2021

	Actual		Budget			
	2017-2018	2018-2019	2019-2020	2020-2021	Increase	Decrease
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 85,959	\$ 99,998	\$ 125,625	\$ 127,232	\$ 1,607	\$
Data processing fund	753,651	1,139,871	985,798	1,071,220	85,422	
Motor vehicle fund	2,654,662	2,781,372	3,185,024	2,693,512		491,512
Energy performance services fund	327,183	336,916	360,000	370,000	10,000	
Insurance and fringe benefit fund	12,394,113	13,619,222	70,375,000	14,170,000		56,205,000
TOTAL INTERNAL SERVICE FUNDS	16,215,568	17,977,379	75,031,447	18,431,964	97,029	56,696,512
TAX INCREMENT FUNDS						
Peerless site tax increment fund	89,203	99,530	95,000	92,000		3,000
Downtown development authority operating fund	168,580	253,001	95,000	106,850	11,850	
Water street tax increment fund	120,203	379,087	330,000	342,000	12,000	
Bank tax increment fund			81,000	167,000	86,000	
Harrington Hotel tax increment fund	616		64,000	64,000		
Edison redevelopment tax increment fund	288,710	332,439	322,000	329,000	7,000	
Mainstreet tax increment fund	35,965	531,537	500,000	121,000		379,000
Industrial park expansion tax increment fund	362,990	116,743	585,000	567,000		18,000
Brownfield redevelopment tax increment fund:						
Southside redevelopment	253,027	304,784	466,000	554,000	88,000	
Harker Street redevelopment	27,541	27,084	26,000	25,000		1,000
Sperry's redevelopment	88,051	118,138	119,000			119,000
Water Street Marina redevelopment	231,961	130,414	159,000	112,000		47,000
Ben's 314 redevelopment	4	5		200	200	
TOTAL TAX INCREMENT FUNDS	1,666,851	2,292,762	2,842,000	2,480,050	205,050	567,000
TOTAL ALL FUNDS	\$ 82,535,362	\$ 86,082,336	\$ 155,668,087	\$ 98,421,850	\$ 6,576,176	\$ 63,822,413

Summary of Estimated Requirements by Budget Class

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2020-2021

GENERAL FUND	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
General Government:						
City council	\$ 12,040	\$ 1,300	\$ 47,085	\$ 60,425	\$	\$ 60,425
City manager	322,550	1,400	22,637	346,587		346,587
Elections	63,611	7,300	15,919	86,830		86,830
Finance and accounting	657,828	6,800	109,745	774,373		774,373
Income tax	289,108	15,090	129,593	433,791		433,791
Assessor	304,824	10,050	72,275	387,149		387,149
Legal		150	159,850	160,000		160,000
Clerk	289,712	1,370	32,681	323,763		323,763
Human resources	380,124	2,500	40,056	422,680		422,680
Purchasing	59,721	200	9,735	69,656		69,656
Board of review	1,800		527	2,327		2,327
Treasurer	191,387	11,100	72,799	275,286		275,286
Municipal office center	312,284	38,463	414,530	765,277	6,000	771,277
	<u>2,884,989</u>	<u>95,723</u>	<u>1,127,432</u>	<u>4,108,144</u>	<u>6,000</u>	<u>4,114,144</u>
Public Safety:						
Police administration	1,182,599	27,350	237,816	1,447,765		1,447,765
Detectives	1,278,877	27,100	119,063	1,425,040		1,425,040
Patrol	6,353,364	173,650	676,853	7,203,867		7,203,867
Communications			49,800	49,800		49,800
Fire	5,303,865	198,116	423,469	5,925,450		5,925,450
	<u>14,118,705</u>	<u>426,216</u>	<u>1,507,001</u>	<u>16,051,922</u>		<u>16,051,922</u>
Public Works:						
Inspection	165,305	3,600	177,196	346,101		346,101
Emergency management		2,100	18,014	20,114		20,114
Public works administration	137,448	250	6,776	144,474		144,474
Engineering	167,413	3,950	67,782	239,145		239,145
Street lighting	5,430	4,500	726,270	736,200		736,200
Blight	201,804	5,900	55,446	263,150		263,150
	<u>677,400</u>	<u>20,300</u>	<u>1,051,484</u>	<u>1,749,184</u>		<u>1,749,184</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2020-2021

	<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
			<u>2,000</u>	<u>2,000</u>		<u>2,000</u>
Recreation, Parks and Culture:						
Parks and forestry	1,050,115	73,797	424,811	1,548,723	10,000	1,558,723
Boat launch ramps	3,932	2,050	6,432	12,414		12,414
Recreation	470,864	57,200	123,250	651,314		651,314
Rockin the rivers	4,120	5,551	38,499	48,170		48,170
20th and Court pool	40,748	12,403	32,899	86,050		86,050
Sanborn pool	96,524	19,757	40,476	156,757		156,757
Chillyfest	31,702	4,100	51,000	86,802		86,802
Parades and Special Events	9,500		10,500	20,000		20,000
Lighthouse park	34,368	4,975	4,200	43,543		43,543
Lakeside park	73,770	22,155	65,081	161,006	8,000	169,006
Palmer park recreation center	218,186	3,775	60,079	282,040	90,000	372,040
Library			8,000	8,000		8,000
Museum		1,000	59,694	60,694		60,694
	<u>2,033,829</u>	<u>206,763</u>	<u>924,921</u>	<u>3,165,513</u>	<u>108,000</u>	<u>3,273,513</u>
Other Functions:						
Planning	228,508	2,050	23,445	254,003		254,003
Blue Water Bridge economic development plan						
Telephone service		1,000	15,190	16,190		16,190
Contingencies			40,000	40,000		40,000
Insurance, health and safety	28,600	890	78,142	107,632		107,632
Taxes written off			15,000	15,000		15,000
Demolitions		1,000	49,000	50,000		50,000
	<u>257,108</u>	<u>4,940</u>	<u>220,777</u>	<u>482,825</u>		<u>482,825</u>
Subtotal	<u>19,972,031</u>	<u>753,942</u>	<u>4,833,615</u>	<u>25,559,588</u>	<u>114,000</u>	<u>25,673,588</u>

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2020-2021

	<u>Personal Services</u>	<u>Supplies and Materials</u>	<u>Contractual Services</u>	<u>Total Recurring Expenses</u>	<u>Capital Outlay</u>	<u>Total</u>
Public Improvements:						
Parks and recreation projects	\$	\$	\$	\$	\$ 1,325,000	\$ 1,325,000
MOC Capital						
Other public improvements						
					<u>1,325,000</u>	<u>1,325,000</u>
Subtotal	<u>19,972,031</u>	<u>753,942</u>	<u>4,833,615</u>	<u>25,559,588</u>	<u>1,439,000</u>	<u>26,998,588</u>
Transfer to Other Funds:						
Beautification commission fund			3,300	3,300		3,300
McMorran fund			600,000	600,000		600,000
			<u>603,300</u>	<u>603,300</u>		<u>603,300</u>
TOTAL GENERAL FUND	<u>19,972,031</u>	<u>753,942</u>	<u>5,436,915</u>	<u>26,162,888</u>	<u>1,439,000</u>	<u>27,601,888</u>
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	1,357,622	291,852	1,162,123	2,811,597	1,777,500	4,589,097
Local streets	602,406	123,428	358,705	1,084,539	687,500	1,772,039
Municipal streets	14,622		798,091	812,713		812,713
	<u>1,974,650</u>	<u>415,280</u>	<u>2,318,919</u>	<u>4,708,849</u>	<u>2,465,000</u>	<u>7,173,849</u>
Cemetery fund	424,988	27,963	152,537	605,488	42,000	647,488
Garbage and rubbish collection fund	43,523	11,076	2,082,284	2,136,883		2,136,883
Rental certification fund	319,029	9,231	43,001	371,261		371,261
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		10,000		10,000		10,000
Enhanced 911 fund		2,000		2,000		2,000
Community development block grant fund	181,205	1,500	18,270	200,975	1,695,000	1,895,975
Neighborhood rehabilitation fund	6,500			6,500	138,500	145,000
Home program fund	52,058		3,200	55,458	518,000	573,458
Loan revolving fund		200			494,000	494,000

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2020-2021

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Streetscape maintenance fund	\$ 5,700	\$ 840	\$ 37,210	\$ 43,750	\$ 6,600	\$ 50,350
Beautification commission fund		6,500	800	7,300		7,300
TOTAL SPECIAL REVENUE FUNDS	3,007,653	495,090	4,665,221	8,167,964	5,436,600	13,604,564
ENTERPRISE FUNDS						
McMorran fund	933,049	50,300	679,446	1,662,795	1,280,000	2,942,795
Marina fund	1,900	1,050	424,790	427,740		427,740
Land purchase fund			1,065,000	1,065,000	25,000	1,090,000
Parking fund	36,587	9,460	89,455	135,502		135,502
Water Fund:						
Treatment plant	1,260,167	191,221	1,158,720	2,610,108	718,000	3,328,108
Distribution	679,452	114,484	545,298	1,339,234	15,596	1,354,830
Customer accounting	285,999	74,100	159,819	519,918		519,918
Meter reading	160,136	68,086	111,254	339,476	128,404	467,880
Debt service and capital projects			3,337,000	3,337,000	300,000	3,637,000
	<u>2,385,754</u>	<u>447,891</u>	<u>5,312,091</u>	<u>8,145,736</u>	<u>1,162,000</u>	<u>9,307,736</u>
Wastewater Fund:						
Treatment plant	2,660,841	739,939	2,791,538	6,192,318	4,770,900	10,963,218
Collection, general	939,108	149,401	1,258,049	2,346,558	815,000	3,161,558
Collection system no. 1			221	221		221
Collection system no. 2	8,848	5,000	22,577	36,425		36,425
Collection system no. 3	9,071	3,000	43,118	55,189		55,189
Debt service and capital projects			6,213,000	6,213,000	1,970,000	8,183,000
	<u>3,617,868</u>	<u>897,340</u>	<u>10,328,503</u>	<u>14,843,711</u>	<u>7,555,900</u>	<u>22,399,611</u>
TOTAL ENTERPRISE FUNDS	6,975,158	1,406,041	17,899,285	26,280,484	10,022,900	36,303,384

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SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2020-2021

	<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	\$ 20,438	\$ 35,600	\$ 65,894	\$ 121,932	\$ 5,300	\$ 127,232
Data processing fund	536,788	75,600	334,832	947,220	124,000	1,071,220
Motor vehicle fund	778,625	333,850	727,622	1,840,097	853,415	2,693,512
Energy performance services fund			370,000	370,000		370,000
Insurance and fringe benefit fund	13,543,500	2,500	624,000	14,170,000		14,170,000
TOTAL INTERNAL SERVICE FUNDS	<u>14,879,351</u>	<u>447,550</u>	<u>2,122,348</u>	<u>17,449,249</u>	<u>982,715</u>	<u>18,431,964</u>
TAX INCREMENT FUNDS						
Peerless site tax increment fund			92,000	92,000		92,000
Downtown development authority operating fund			101,850	101,850	5,000	106,850
Water street tax increment fund			182,000	182,000	160,000	342,000
Bank tax increment fund			7,000	7,000	160,000	167,000
Harrington Hotel tax increment fund			10,000	10,000	54,000	64,000
Edison redevelopment tax increment fund			324,000	324,000	5,000	329,000
Mainstreet tax increment fund			121,000	121,000		121,000
Industrial park expansion tax increment fund			207,000	207,000	360,000	567,000
Brownfield redevelopment tax increment funds:						
Southside redevelopment			554,000	554,000		554,000
Harker Street redevelopment			25,000	25,000		25,000
Water Street Marina redevelopment			112,000	112,000		112,000
Ben's 314 redevelopment			200	200		200
TOTAL TAX INCREMENT FUNDS			<u>1,736,050</u>	<u>1,736,050</u>	<u>744,000</u>	<u>2,480,050</u>
TOTAL ALL FUNDS	<u>\$ 44,834,193</u>	<u>\$ 3,102,623</u>	<u>\$ 31,859,819</u>	<u>\$ 79,796,635</u>	<u>\$ 18,625,215</u>	<u>\$ 98,421,850</u>

Appendix - Budget Overview



BUDGET OVERVIEW

The coronavirus (COVID-19) situation has presented the City of Port Huron with significant challenges in the preparation of its budget. These challenges include unknown factors such as when the economy will return to normal, when the City's workforce will return to normal work schedules and when City events will return to a normal schedule. Where the effects of the coronavirus situation are clearly known, those effects have been incorporated into this budget. However, most effects are not clearly known at this time and will only become apparent as future events unfold. Therefore, this budget should be considered with those future events in mind. As the 2020-21 fiscal year unfolds, this budget may need to be amended to incorporate those unknown future events.

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 13 years since 2007-08, the Consumer Price Index has risen over 27%. However, total revenues have only risen 9% 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 16% since the 2008-09 year and taxable values have fallen by 21%. As a result, property taxes paid by City residents and landlords have decreased by over 8% during the past eleven years. Overall values, including industrial and commercial properties, have fallen by 16.8% and taxable values have fallen by 22.9%.

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 \$2.35 million in the 2020-21 budget to support these activities. This additional revenue has allowed the City to avoid severe budget reductions for the third 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 82 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 increase slightly to \$6.8 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, 2019, based on the proposed budget the percentage is expected to be 17.6%.

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 \$1.6 million in 2020-21 with \$290,000 of the increase due to a transfer in from the Land Purchase Fund and \$650,000 of the increase due to increased grant revenue for various Parks and Recreation projects. Property and income taxes and state revenue sharing are expected to generate \$20.8 million in General Fund revenue for the year ending June 30, 2021.

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 12 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 \$1.63 million for the fiscal year ending June 30, 2021. 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 was 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 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 increased 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 continue to help mitigate the effect of increasing costs.

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

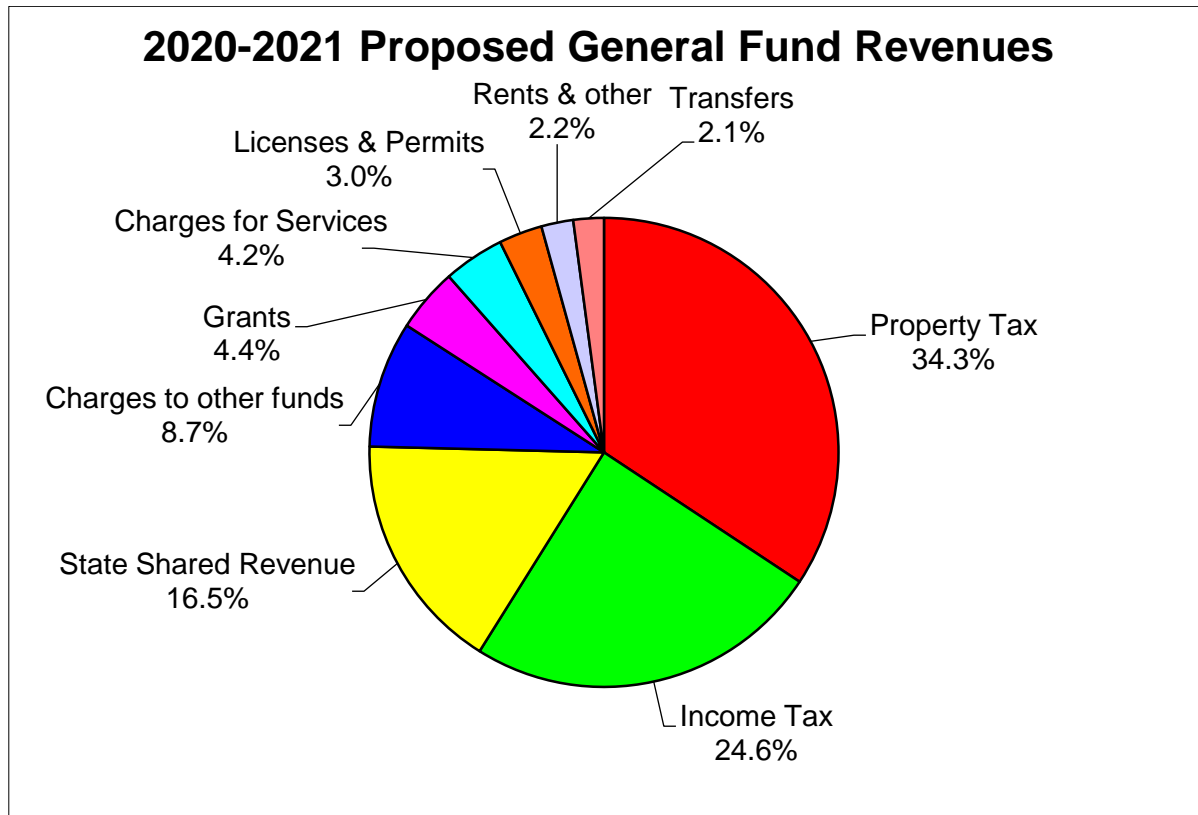
The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$28.6 million. The two funds' cost of operating, debt service, and capital costs are expected to be approximately \$31.7 million. The budget proposes the use of water and 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 4.6% rate increase in combined water and wastewater rates. 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 nineteen 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 2020-21 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	-	11.2132 mills
Police and Fire Operations	-	2.9901 mills
Parks and Recreation Programs	-	0.9967 mills
Refuse Collection	-	2.8031 mills
Municipal Streets Capital Outlay	-	1.9900 mills
Blue Water Transportation Authority	-	<u>0.6173 mills</u>
Total		<u>20.6104 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	\$580,679,812
Personal property	51,080,600
Special Acts assessment rolls:	
Industrial facilities roll:	
New facilities, real property	3,766,932
New facilities, personal property	2,094,200
Neighborhood enterprise zone, real property	130,246
Obsolete property rehabilitation, real property	<u>7,827,883</u>
	<u>\$645,579,673</u>

Taxable valuation has increased by 3.0% overall. Real property values increased by 4.1%, and personal property values decreased by 7.7%. State equalized valuation (SEV) has increased by 7.4% overall. Real property values increased by 8.7%, while personal property values decreased by 7.7%.

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 2020-21 budget year includes \$610,000 in the General Fund, \$110,000 in the Garbage and Rubbish Collection Fund and \$80,000 in the Municipal Streets Fund. This revenue is described as State Shared Revenue – Local Community Stabilization Authority.

Proposal A, which was approved by the voters on March 15, 1994, increased the state sales and use tax as a means to reduce the reliance on local property taxes for school financing. The property tax portion of this proposal limits individual assessment increases to the rate of inflation (1.9% for 2020), 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 2020 is the lower of the 2020 state equalized value or the 2019 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:

	<u>2020</u> Millage Rates	<u>2019</u> Millage Rates
General Fund:		
Operating	11.2132	11.2278
Public Safety	2.9901	2.9940
Parks and Recreation	0.9967	0.9980
Streets Fund	1.9900	1.9926
Garbage and Rubbish Collection Fund	2.8031	2.8068
	<u>19.9931</u>	<u>20.0192</u>

For 2020 and 2019, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 80.8% and 84.3% of equalized value, as shown below:

	<u>2020</u>	<u>2019</u>
Equalized Value	\$798,801,600	\$743,564,500
Taxable Value	<u>645,579,673</u>	<u>626,594,204</u>
Difference	<u>\$153,221,927</u>	<u>\$116,970,296</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 \$6.53 million based on a net uncaptured taxable value of \$590,000,000 at the proposed millage rate of 11.2132 mills. In addition, \$2.35 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 2020-21. 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 16% since the 2008-2009 year. Taxable values have fallen by 21% 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 12 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 2020-21 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 2020-21.

<u>Source</u>	<u>Anticipated Revenue</u>
Licenses and Permits:	
Cable television	\$ 345,000
Building permits	475,000
Other	<u>10,000</u>
	<u>830,000</u>
Charges for Services:	
Recreation fees	562,500
Blue Water Bridge reimbursement	300,000
County parks millage	135,000
Other	<u>152,500</u>
	<u>1,150,000</u>
Fines and Forfeits:	
Parking violations	30,000
Ordinance fines	<u>110,000</u>
	<u>140,000</u>
Investment Income	<u>70,000</u>
Rents – MOC and other	<u>380,000</u>
Sale of Assets	<u>9,690</u>
	<u>\$ 2,579,690</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 2020-21 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	2,592,667	1,104,008	3,696,675
*2019-20	2,695,000	1,130,000	3,825,000
*2020-21	2,750,000	1,150,000	3,900,000

* 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	3,696,675	1,442,945	28.1%	14.4%
*2019-20	3,825,000	1,314,620	25.6%	14.7%
*2020-21	3,900,000	1,239,620	24.1%	14.1%

* 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 \$1.2 million less from this important revenue source than it received in 2000-01. **This loss of State shared revenue is equal to 2.1 mills of property tax, based on the City's 2020 taxable value.**

J. Income Tax Revenues

City income tax revenues have been estimated at \$6.8 million, slightly higher than the current year's budgeted amount. Over the past 12 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 2020-21 budget includes expected grant revenue of \$1.2 million for various parks and recreation grants. All other grant revenue is expected to aggregate \$25,000.

L. Work Force Reductions

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

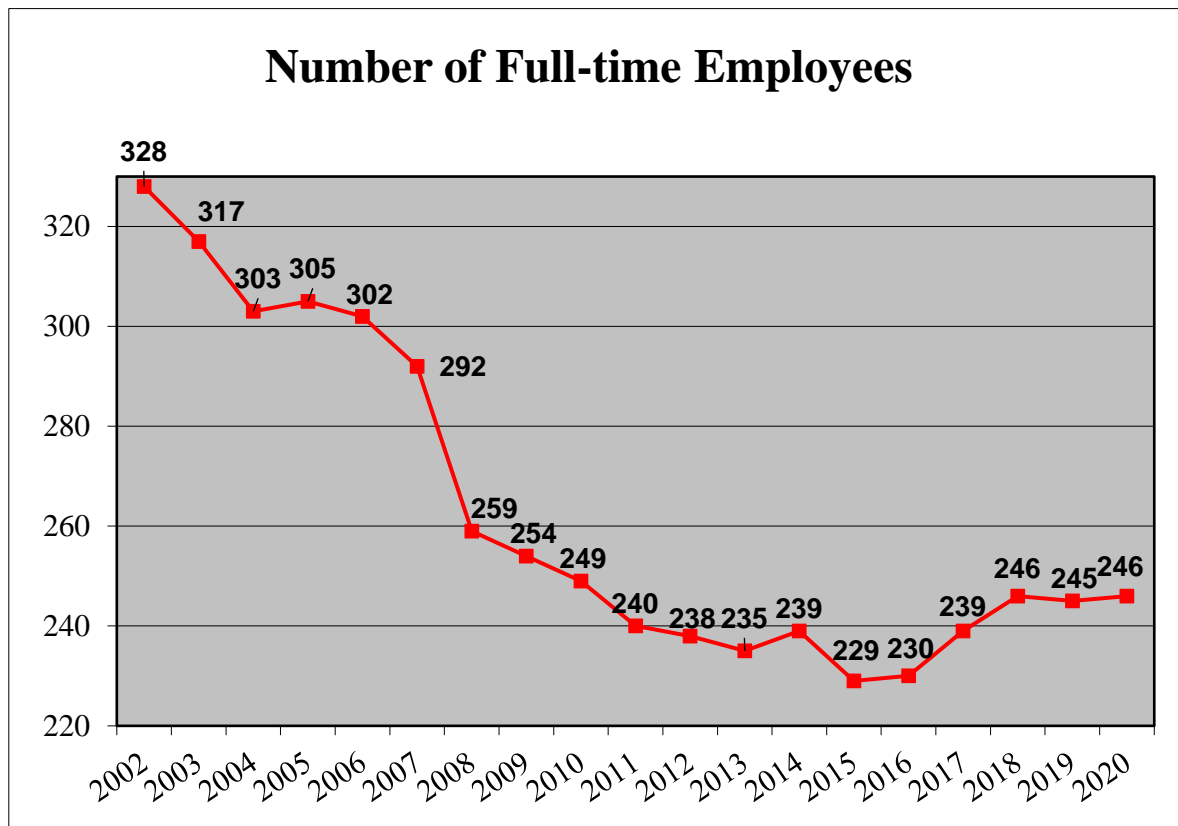
As discussed earlier, voters approved a four mill tax request in August, 2017 to support Police and Fire operations and Parks and Recreation programs.

Because of this voter support, seven full-time positions were able to be reinstated in the 2018-19 budget. These included 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 has helped to reduce overtime in the Fire Department. Also, four Police Officers were reinstated. Two of these officers 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 provides partial reimbursement for those positions. The balance of support for these police and fire positions comes from the Police and Fire millage.

The 2019-20 budget included 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 provides reimbursement for this position. In addition, two vacancies were not filled and were eliminated due to budget considerations.

The 2020-21 budget includes an additional clerical position to be shared by several divisions, including Fire, Parks and Recreation, Cemetery and the City Manager's Office.

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:

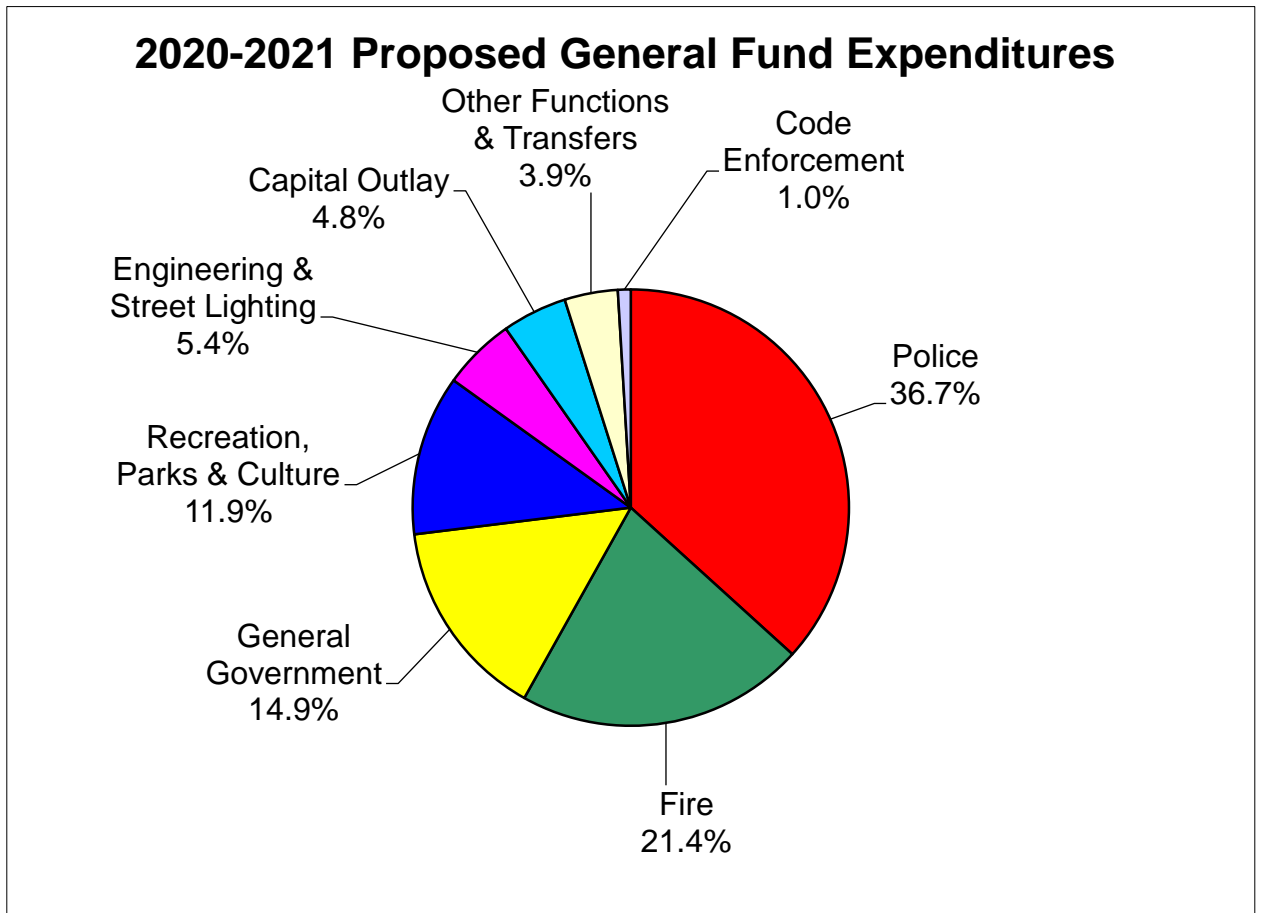


M. General Fund Expenditures

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, 2021 are approximately \$1.0 million higher than comparable budgeted operating expenses for the proposed budget for 2019-20, an increase of 4.1 percent. This was primarily caused by the previously approved employee wage increases.

Non-departmental capital outlay is proposed to be \$1.325 million. The capital outlay budget includes funds set aside for capital projects in Parks and Recreation. These projects include \$750,000 for the skatepark project as well as \$575,000 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 2020-21 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 4.8% of General Fund expenditures.

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

Personal services	\$ 19,972,031
Supplies and materials	753,942
Contractual services	<u>4,833,615</u>
Total Operating Expenses	25,559,588
Transfers	603,300
Capital outlay:	
Departmental	114,000
Parks and recreation projects	<u>1,325,000</u>
Total	<u>\$ 27,601,888</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. Foremost of these actions is the closing of City's defined benefit and hybrid pension plans as well as the infusion of \$52 million to the City's pension plan during March, 2020 as discussed in more detail below.

- Pension Costs Full-time City employees are members of the Municipal Employees Retirement System of Michigan (MERS). MERS released an experience study during the summer of 2016. The results of this study included several changes which had a detrimental effect on the City's funding levels. 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, were covered by a MERS hybrid pension plan, which was expected to reduce long-term costs substantially. Full-time public safety employees hired after July 1, 2014 were also covered by the MERS hybrid pension plan. All employees hired prior to July 1, 2008, 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 indicated that the bridged pension change would ultimately reduce the City's unfunded pension liability by \$10.5 million and reduce annual pension expense by \$800,000.

Further changes were made in 2020 which will reduce pension costs substantially over the next 30 years. All full-time employees hired after February 1, 2020 will be covered by a defined contribution pension plan with MERS. These employees will have a minimum of ten percent of their covered wages set aside in their defined contribution plan. Employees can increase their participation to sixteen percent of wages by voluntarily contributing an additional three percent, with the City matching it.

Closing the current defined benefit and hybrid plans as well as depositing \$52 million with MERS from bond sales has substantially increased the City's funding percentage. In addition, the annual bond payments (approximately \$2.6 million) combined with the remaining actuarially mandated payment will be approximately \$4.2 million in 2020-21. This

is \$1.665 million less than the budgeted payment to MERS for the 2019-20 fiscal year. Additionally, without these steps undertaken during the 2019-20 year, MERS had projected that the annual payment would have escalated to \$11-\$14 million annually. Also MERS has allowed the City to re-set its amortization period to 30 years, which has contributed to the annual savings.

The City’s annual required contribution (ARC) to MERS during the last two fiscal years, ended June 30, 2019, and 2018, was \$4,295,151 and \$4,606,653, respectively. In addition, the City paid \$500,000 in excess of the ARC during each of the years ended June 30, 2019, 2017 and 2016. During the year ended June 30, 2015, the City was required to change its method of accounting for pensions. One of the changes requires the calculation of the actual pension expense, irregardless of payments made to MERS. The City’s recognized pension expense for the years ended June 30, 2019 and 2018, was \$2,212,745 and \$9,152,320, respectively.

- Healthcare Insurance Premiums The City of Port Huron provides health insurance to full time employees and eligible retirees. The proposed budget anticipates modest savings as negotiations with all of our unions have resulted in an emphasis on preventative care, cost sharing and reduced employer costs. The City has moved to a self-insured program with higher deductibles and co-pays. Cost results to date have been favorable. The City expects these savings in the 2020-21 budget to be \$230,000 for our employees and \$50,000 for retirees. The proposed costs are summarized as follows:

Active Employee Health Costs	\$ 2,700,000
Retired Employee Health Costs	<u>4,250,000</u>
Total	<u>\$ 6,950,000</u>

The City’s annual required contribution (ARC) to fund its OPEB liability during the last two fiscal years, ended June 30, 2019, and 2018 was \$4,254,101 and \$3,833,526, respectively. The results of the June 30, 2019 actuarial valuation showed the City’s ARC payment for the 2020-21 fiscal year will be \$4.25 million.

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 \$565,000 for operations and \$35,000 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 \$3,273,513. 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, 2020, as follows:

	<u>Proposed Budget 2020-2021</u>	<u>Adopted Budget 2019-2020</u>	<u>Increase or (Decrease)</u>
Means of Financing:			
Property taxes	\$ 9,455,000	\$ 9,215,000	\$ 240,000
Income tax	6,800,000	6,600,000	200,000
Business licenses and permits	350,000	350,000	
Nonbusiness license permits	480,000	430,000	50,000
Grants	1,225,000	575,000	650,000
State shared revenue	4,550,000	4,420,000	130,000
Charges for services	1,150,000	1,140,000	10,000
Fines and forfeits	140,000	125,000	15,000
Investment income	70,000	200,000	(130,000)
Rents	380,000	375,000	5,000
Sale of assets	9,690	10,974	(1,284)
Charges to other funds	2,402,198	2,278,403	123,795
Transfer from other funds	<u>590,000</u>	<u>300,000</u>	<u>290,000</u>
Total	<u>\$27,601,888</u>	<u>\$26,019,377</u>	<u>\$ 1,582,511</u>
Estimated Requirements:			
General government	\$ 4,114,144	\$ 3,871,043	\$ 243,101
Public safety	16,051,922	15,750,166	301,756
Public works	1,749,184	1,602,440	146,744
Senior citizens	2,000	2,000	
Recreation, parks and culture	3,273,513	2,775,137	498,376
Other functions	482,825	567,051	(84,226)
Capital outlay	1,325,000	800,000	525,000
Transfers to other funds	<u>603,300</u>	<u>651,540</u>	<u>(48,240)</u>
Total	<u>\$ 27,601,888</u>	<u>\$ 26,019,377</u>	<u>\$ 1,582,511</u>

The increases in general government; public safety; public works; and recreation, parks and culture are primarily due to the previously approved employee wage increases. The increase in capital is caused by funds set aside for the skatepark project 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 \$64,060,954 at June 30, 2019 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, 2019 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>
2020	\$ 9,925,634	\$ 1,981,097	\$ 11,906,731
2021	8,456,117	1,747,616	10,203,733
2022	7,916,495	1,512,059	9,428,554
2023	7,213,494	1,282,385	8,495,879
2024	4,465,908	1,110,819	5,576,727
2025-2029	13,480,995	3,954,661	17,435,656
2030-2034	6,975,818	2,243,960	9,219,778
2035-2039	4,336,531	925,021	5,261,552
2040-2041	<u>1,289,962</u>	<u>82,741</u>	<u>1,372,703</u>
	<u>\$ 64,060,954</u>	<u>\$ 14,840,359</u>	<u>\$ 78,901,313</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, 2019 have exceeded \$54.3 million. The current budget, for the fourth 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 4.6%. 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	\$ 69.40	\$ 66.56	\$ 2.84	4.3%
	333	79.07	75.71	3.36	4.4%
	500	88.80	84.92	3.88	4.6%
Average Residential	567	92.70	88.61	4.09	4.6%
	667	98.52	94.12	4.40	4.7%
	833	108.19	103.27	4.92	4.8%
	1,000	117.92	112.47	5.45	4.8%
	1,167	127.65	121.67	5.98	4.9%
	1,333	137.32	130.82	6.50	5.0%
	1,500	147.05	140.03	7.02	5.0%

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, 2019)	\$ 94.25
Port Huron (July 1, 2020)	\$ 92.70
Lansing (February 1, 2020)	\$ 86.84
Grand Rapids (January 1, 2020)	\$ 61.33

The Port Huron monthly costs are based upon the proposed rates. 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 2020-21 year are as follows:

	<u>Street Funds</u>	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Current Projects:				
Blue Water Bridge Sewer Separation	\$	\$ 30,000	\$1,900,000	\$1,930,000
16 th /Gillette intersection	230,000	30,000		260,000
McMorran – Huron to Merchant	1,080,000	240,000	70,000	1,390,000
11 th Avenue – Scott to River	620,000			620,000
24 th Street – Dove to Cleveland	300,000			300,000
Cleveland – 22 nd to 24 th	60,000			60,000
Lapeer Avenue – 7 th to 10th	160,000			160,000
Total Current	<u>2,450,000</u>	<u>300,000</u>	<u>1,970,000</u>	<u>4,720,000</u>
Sidewalk Projects	40,000			40,000
Total	<u>\$2,490,000</u>	<u>\$300,000</u>	<u>\$1,970,000</u>	<u>\$4,760,000</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	\$	\$	\$1,000,000	\$1,000,000
Other Sources:				
MDOT Grants:				
McMorran – Huron to Merchant	465,000			465,000
Blue Water Bridge sewer separation			970,000	970,000
Water Street TIF	160,000			160,000
LDFA TIF	360,000			360,000
Sidewalk Projects	40,000			40,000
Current Revenues and Reserves:				
Street Millage	1,465,000			1,465,000
Water Fund		300,000		300,000
Total Other Sources	<u>2,490,000</u>	<u>300,000</u>	<u>970,000</u>	<u>3,760,000</u>
Total	<u>\$2,490,000</u>	<u>\$300,000</u>	<u>\$1,970,000</u>	<u>\$4,760,000</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 2020-21 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 2020-21 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 2020-21 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, various fees for the 2020-21 budget year will need to be adjusted.

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 remaining 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
- Water Street Marina Brownfield Redevelopment Tax Increment Fund
- Ben's 314 Redevelopment 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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Property taxes	\$ 9,455,000	\$ 9,215,000
Income tax	6,800,000	6,600,000
Business licenses and permits	350,000	350,000
Nonbusiness licenses and permits	480,000	430,000
Grants	1,225,000	575,000
State shared revenues	4,550,000	4,420,000
Charges for services	1,150,000	1,140,000
Fines and forfeits	140,000	125,000
Investment income	70,000	200,000
Rents	380,000	375,000
Sale of assets	9,690	10,974
Charges to other funds	2,402,198	2,278,403
Transfer from other funds	590,000	300,000
TOTAL MEANS OF FINANCING	27,601,888	26,019,377
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	19,972,031	19,317,821
Supplies and materials	753,942	723,975
Contractual services	4,833,615	4,502,041
	<u>25,559,588</u>	<u>24,543,837</u>
Transfers	603,300	651,540
Capital outlay:		
Departmental	114,000	24,000
Parks and recreation projects	1,325,000	800,000
	<u>1,439,000</u>	<u>824,000</u>
TOTAL ESTIMATED REQUIREMENTS	27,601,888	26,019,377
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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Major streets	\$ 2,850,000	\$ 2,500,000
Trunkline maintenance	485,000	425,000
Right of way	90,000	90,000
Federal and State grants	465,000	870,000
Contribution from Local Development Finance Authority	300,000	300,000
Contribution from DDA - Mainstreet TIF Plan		500,000
Transfer from Municipal streets to Major streets	400,000	2,000,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>4,590,000</u>	<u>6,685,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,357,622	1,371,892
Supplies and materials	291,852	280,668
Contractual services:		
Engineering and other professional services	812,123	700,278
Transfer from Major streets to Local streets	350,000	625,000
	<u> </u>	<u> </u>
	2,811,597	2,977,838
Capital outlay:		
Departmental	7,500	2,250
Street resurfacing and/or reconstruction from:		
Street millage	700,000	730,000
Other sources	1,070,000	2,980,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>4,589,097</u>	<u>6,690,088</u>
 INCREASE (DECREASE) IN CASH BALANCE	 903	 \$ (5,088)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>25,000</u>	<u> </u>
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 25,903</u>	 <u> </u>

**STREET FUNDS
LOCAL STREETS**

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
State shared revenues:		
Local streets	\$ 1,015,000	\$ 890,000
Right of way	27,000	27,000
Contribution from Local Development Finance Authority	60,000	200,000
Transfers:		
Transfer from Major streets to Local streets	350,000	625,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>1,452,000</u>	<u>1,742,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	602,406	622,350
Supplies and materials	123,428	118,802
Contractual services	358,705	402,271
	<u>1,084,539</u>	<u>1,143,423</u>
Capital outlay:		
Departmental	7,500	2,250
Street resurfacing and/or reconstruction from:		
Street millage	460,000	400,000
Other sources	220,000	200,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,772,039</u>	<u>1,745,673</u>
 INCREASE (DECREASE) IN CASH BALANCE	 (320,039)	 <u>\$ (3,673)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>375,000</u>	
 ESTIMATED CASH BALANCE - END OF YEAR	 <u>\$ 54,961</u>	

STREET FUNDS MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,065,000	\$ 1,030,000
Personal property taxes	95,000	100,000
BWATC	350,000	360,000
State shared revenue - Local community stabilization authority	80,000	55,000
Charges for services	<u>135,000</u>	<u>135,000</u>
TOTAL MEANS OF FINANCING	<u>1,725,000</u>	<u>1,680,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	14,622	15,114
Contractual services:		
Engineering and other professional services	48,091	25,532
BWATC property taxes	350,000	360,000
Transfers:		
From Municipal streets to Major streets	<u>400,000</u>	<u>2,000,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>812,713</u>	<u>2,400,646</u>
 INCREASE (DECREASE) IN CASH BALANCE	 912,287	 <u><u>\$ (720,646)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>\$ 2,500,000</u>	
 ESTIMATED CASH BALANCE - END OF YEAR	 <u><u>\$ 3,412,287</u></u>	

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

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,065,000	\$ 1,030,000
Personal property taxes	95,000	100,000
BWATC	350,000	360,000
State shared revenues:		
Major streets	2,850,000	2,500,000
Local streets	1,015,000	890,000
Trunkline maintenance	485,000	425,000
Right of way	117,000	117,000
Local community stabilization authority	80,000	55,000
Federal and State grants	465,000	870,000
Charges for services	135,000	135,000
Contribution from Local Development Finance Authority	360,000	500,000
Contribution from DDA - Mainstreet TIF Plan		500,000
Transfers:		
From Major streets to Local streets	350,000	625,000
From Municipal streets to Major streets	400,000	2,000,000
TOTAL MEANS OF FINANCING	7,767,000	10,107,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,974,650	2,009,356
Supplies and materials	415,280	399,470
Contractual services:		
Engineering and other professional services	1,218,919	1,128,081
BWATC property taxes	350,000	360,000
Transfers:		
From Major streets to Local streets	350,000	625,000
From Municipal streets to Major streets	400,000	2,000,000
	4,708,849	6,521,907
Capital outlay:		
Departmental	15,000	4,500
Street resurfacing and/or reconstruction from:		
Street millage	1,160,000	1,130,000
Other sources	1,290,000	3,180,000
TOTAL ESTIMATED REQUIREMENTS	7,173,849	10,836,407
INCREASE (DECREASE) IN CASH BALANCE	593,151	\$ (729,407)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	2,900,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 3,493,151	

CEMETERY FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Foundations	\$ 15,000	\$ 15,000
Graveside interments	50,000	50,000
Chapel interments	25,000	25,000
Other services	25,000	20,000
Transfer from Land purchase fund	180,000	180,000
Transfer from Cemetery perpetual care fund	275,000	270,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	570,000	560,000
	<hr/>	<hr/>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	424,988	400,953
Supplies and materials	27,963	26,396
Contractual services	152,537	132,113
	<hr/>	<hr/>
	605,488	559,462
	<hr/>	<hr/>
Capital outlay	42,000	1,500
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	647,488	560,962
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH BALANCE	(77,488)	\$ (962)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	125,000	<u><u>125,000</u></u>
	<hr/>	<hr/>
ESTIMATED CASH BALANCE - END OF YEAR	\$ 47,512	<u><u>47,512</u></u>

GARBAGE AND RUBBISH COLLECTION FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,500,000	\$ 1,450,000
Personal property taxes	130,000	140,000
State shared revenue - Local community stabilization authority	110,000	80,000
Charges for services	245,000	245,000
	1,985,000	1,915,000
TOTAL MEANS OF FINANCING		
 ESTIMATED REQUIREMENTS:		
Rubbish Collection Program:		
Ordinary recurring expenses:		
Personal services	15,023	14,684
Supplies and materials	11,076	8,780
Contractual services	2,040,045	2,016,062
	2,066,144	2,039,526
Public Area Collection Program:		
Ordinary recurring expenses:		
Personal services	28,500	29,250
Contractual services	42,239	44,254
	70,739	73,504
	2,136,883	2,113,030
TOTAL ESTIMATED REQUIREMENTS		
 INCREASE (DECREASE) IN CASH BALANCE	 (151,883)	 \$ (198,030)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	450,000	450,000
 ESTIMATED CASH BALANCE - END OF YEAR	 \$ 298,117	 251,967

RENTAL CERTIFICATION FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 371,261	\$ 335,000
TOTAL MEANS OF FINANCING	<u>371,261</u>	<u>335,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	319,029	310,282
Supplies and materials	9,231	6,500
Contractual services	43,001	44,454
	<u>371,261</u>	<u>361,236</u>
Capital outlay	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>371,261</u>	<u>361,236</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ (26,236)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>10,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 10,000</u>	

O.U.I.L. FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
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	<u>5,500</u>	<u>5,500</u>
	11,000	11,000
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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
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	<u>3,500</u>	<u>3,500</u>
	8,500	8,500
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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 10,000	\$ 3,245
TOTAL MEANS OF FINANCING	<u>10,000</u>	<u>3,245</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	<u>10,000</u>	<u>3,245</u>
TOTAL ESTIMATED REQUIREMENTS	<u>10,000</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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING	\$ 0	\$ 0
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	2,000	
Capital outlay		30,000
TOTAL ESTIMATED REQUIREMENTS	<u>2,000</u>	<u>30,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(2,000)	\$ (30,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>2,000</u>	<u><u>30,000</u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 767,139	\$ 782,981
Federal grant carryover	<u>1,128,836</u>	<u>1,124,737</u>
TOTAL MEANS OF FINANCING	<u>1,895,975</u>	<u>1,907,718</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	181,205	151,468
Supplies and materials	1,500	1,200
Contractual services	<u>18,270</u>	<u>15,050</u>
	200,975	167,718
Capital outlay - programs:		
Infrastructure construction including street resurfacing/ paving		200,000
Economic redevelopment		75,000
Emergency home repairs	88,000	150,000
Sidewalk replacement	175,000	550,000
Rehabilitation	670,000	105,000
Code enforcement	135,000	200,000
Demolitions	215,000	75,000
Project brush-up	82,000	45,000
Neighborhood clean-up	60,000	305,000
Rental conversion	270,000	35,000
Property Acquisition - Food bank		
TOTAL ESTIMATED REQUIREMENTS	<u>1,895,975</u>	<u>1,907,718</u>
 INCREASE (DECREASE) IN CASH BALANCE		<u><u>\$ 0</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
 ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

NEIGHBORHOOD REHABILITATION FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Federal grant		
Federal grant carryover	\$ 145,000	\$ 145,000
TOTAL MEANS OF FINANCING	<u>145,000</u>	<u>145,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	6,500	6,500
Supplies and materials		
Contractual services		
	<u>6,500</u>	<u>6,500</u>
Capital outlay - programs:		
Demolitions	<u>138,500</u>	<u>138,500</u>
TOTAL ESTIMATED REQUIREMENTS	<u>145,000</u>	<u>145,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

HOME PROGRAM FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 267,869	\$ 278,832
Federal grant carryover	305,589	207,036
TOTAL MEANS OF FINANCING	573,458	485,868
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	52,058	37,468
Supplies and materials	200	300
Contractual services	3,200	3,100
	<u>55,458</u>	<u>40,868</u>
Capital outlay:		
CHDO project	81,000	85,000
CHDO administration	27,000	30,000
Urban pioneer	410,000	330,000
	<u>518,000</u>	<u>445,000</u>
TOTAL ESTIMATED REQUIREMENTS	573,458	485,868
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		0
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

LOAN REVOLVING FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING	<u>\$ 0</u>	<u>\$ 0</u>
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)	<u><u>\$ (494,000)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>494,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

STREETSCAPE MAINTENANCE FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 50,350	\$ 50,350
TOTAL MEANS OF FINANCING	<u>50,350</u>	<u>50,350</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	5,700	5,850
Supplies and materials	840	790
Contractual services	<u>37,210</u>	<u>37,210</u>
	43,750	43,850
Capital outlay	<u>6,600</u>	<u>6,500</u>
TOTAL ESTIMATED REQUIREMENTS	<u>50,350</u>	<u>50,350</u>
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Miscellaneous	\$ 2,500	\$ 2,500
Transfer from General fund	3,300	3,300
TOTAL MEANS OF FINANCING	5,800	5,800
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	6,500	6,500
Contractual services	800	800
TOTAL ESTIMATED REQUIREMENTS	7,300	7,300
INCREASE (DECREASE) IN CASH BALANCE	(1,500)	\$ (1,500)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	5,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 3,500	

MCMORRAN FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 1,015,000	\$ 1,015,000
Grants	1,245,000	20,000
Transfer from General fund	600,000	648,240
TOTAL MEANS OF FINANCING	2,860,000	1,683,240
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	933,049	877,189
Supplies and materials	50,300	35,300
Contractual services	679,446	655,751
	<u>1,662,795</u>	<u>1,568,240</u>
Capital outlay	<u>1,280,000</u>	<u>115,000</u>
TOTAL ESTIMATED REQUIREMENTS	2,942,795	1,683,240
INCREASE (DECREASE) IN CASH BALANCE	(82,795)	\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	200,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 117,205	

MARINA FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services - share of operating income	60,000	60,000
Transfer from Land purchase fund	<u>\$ 180,000</u>	<u>\$ 180,000</u>
TOTAL MEANS OF FINANCING	<u>240,000</u>	<u>240,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,900	5,000
Supplies and materials	1,050	1,050
Contractual services	<u>424,790</u>	<u>241,088</u>
	427,740	247,138
Capital outlay	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>427,740</u>	<u>247,138</u>
INCREASE (DECREASE) IN CASH BALANCE	(187,740)	<u><u>\$ (7,138)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>200,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 12,260</u></u>	

LAND PURCHASE FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Investment income	\$ 10,000	\$ 15,000
Transfer from tax increment funds:		
Edison redevelopment	319,000	312,000
Water street	175,000	80,000
Mainstreet	116,000	
Industrial park expansion	122,000	
DDA operating fund:		
Studio 1219	15,750	15,750
Welcome Center	26,100	26,100
	<u>783,850</u>	<u>448,850</u>
TOTAL MEANS OF FINANCING	<u>783,850</u>	<u>448,850</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Engineering and other professional services	25,000	25,000
Transfer to:		
General fund	590,000	300,000
Cemetery fund	180,000	180,000
Parking fund	90,000	90,000
Marina fund	180,000	180,000
Tax increment fund - Mainstreet		225,000
	<u>1,065,000</u>	<u>1,000,000</u>
Capital outlay:		
Building maintenance and other costs	25,000	25,000
	<u>25,000</u>	<u>25,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,090,000</u>	<u>1,025,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(306,150)	\$ (576,150)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>1,250,000</u>	<u>1,250,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 943,850</u>	<u>\$ 673,850</u>

PARKING FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Street meters	\$ 24,000	\$ 24,000
Annual permits	20,000	20,000
Transfer from land purchase fund	90,000	90,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	134,000	134,000
	<hr/>	<hr/>
ESTIMATED REQUIREMENTS:		
Parking System - Non Revenue Producing:		
Ordinary recurring expenses:		
Personal services	29,380	34,030
Supplies and materials	8,040	8,040
Contractual services	76,394	76,286
	<hr/>	<hr/>
	113,814	118,356
	<hr/>	<hr/>
Parking System - Revenue Producing:		
Ordinary recurring expenses:		
Personal services	7,207	7,207
Supplies and materials	1,420	1,420
Contractual services	13,061	12,891
	<hr/>	<hr/>
	21,688	21,518
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	135,502	139,874
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH BALANCE	(1,502)	\$ (5,874)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	100,000	<hr/> <hr/>
	<hr/>	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 98,498	
	<hr/> <hr/>	

WATER FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Sale of water	\$ 8,300,000	\$ 8,400,000
Penalty charges	75,000	75,000
Hydrant charges	58,840	58,840
Charges for services	25,000	30,000
Investment income	30,000	50,000
Pro rata share of water administration and meter reading budget reimbursed from Wastewater fund	672,124	652,311
TOTAL MEANS OF FINANCING	9,160,964	9,266,151
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	2,385,754	2,177,029
Supplies and materials	447,891	426,354
Contractual services	1,975,091	1,816,769
	<u>4,808,736</u>	<u>4,420,152</u>
Debt service requirements for payment of principal and interest on Revenue and State Drinking Water Revolving Fund bonds	3,337,000	4,126,000
Capital outlay:		
Departmental	862,000	674,201
Construction projects	300,000	760,000
	<u>300,000</u>	<u>760,000</u>
TOTAL ESTIMATED REQUIREMENTS	9,307,736	9,980,353
INCREASE (DECREASE) IN CASH BALANCE	(146,772)	\$ (714,202)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,000,000	<u><u>3,000,000</u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 2,853,228</u></u>	

WASTEWATER FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Sewage charges	\$ 14,550,000	\$ 13,500,000
Penalty charges	180,000	170,000
Other income	20,000	20,000
Investment income	20,000	20,000
MDOT reimbursement - Blue Water Bridge sewer separation project	970,000	970,000
Proceeds for operating and capital costs:		
Fort Gratiot Township	1,530,000	1,230,000
Port Huron Township	1,580,000	1,280,000
Kimball Township	610,000	490,000
Proceeds from issuance of long-term bonds or long-term advances from other funds	2,000,000	3,000,000
TOTAL MEANS OF FINANCING	21,460,000	20,680,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	3,617,868	3,259,975
Supplies and materials	897,340	761,669
Contractual services	4,115,503	4,008,150
	<u>8,630,711</u>	<u>8,029,794</u>
Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds	6,213,000	7,458,000
Capital outlay:		
Departmental	5,585,900	3,969,748
Construction projects - Collection system	1,970,000	2,150,000
TOTAL ESTIMATED REQUIREMENTS	22,399,611	21,607,542
INCREASE (DECREASE) IN CASH BALANCE	(939,611)	\$ (927,542)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	3,000,000	3,000,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,060,389	2,072,458

CENTRAL STORES FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 127,232	\$ 125,625
TOTAL MEANS OF FINANCING	<u>127,232</u>	<u>125,625</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	20,438	19,048
Supplies and materials	35,600	35,600
Contractual services	65,894	65,677
	<u>121,932</u>	<u>120,325</u>
Capital outlay	<u>5,300</u>	<u>5,300</u>
TOTAL ESTIMATED REQUIREMENTS	<u>127,232</u>	<u>125,625</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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 963,285	\$ 902,847
TOTAL MEANS OF FINANCING	<u>963,285</u>	<u>902,847</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	536,788	521,169
Supplies and materials	75,600	70,600
Contractual services	<u>334,832</u>	<u>310,029</u>
	947,220	901,798
Capital outlay	<u>124,000</u>	<u>84,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,071,220</u>	<u>985,798</u>
INCREASE (DECREASE) IN CASH BALANCE	(107,935)	\$ (82,951)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>300,000</u>	<u>300,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 192,065</u>	<u>\$ 217,049</u>

MOTOR VEHICLE FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 2,490,000	\$ 2,530,000
TOTAL MEANS OF FINANCING	<u>2,490,000</u>	<u>2,530,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	778,625	730,423
Supplies and materials	333,850	318,148
Contractual services	727,622	838,107
	<u>1,840,097</u>	<u>1,886,678</u>
Capital outlay	<u>853,415</u>	<u>1,298,346</u>
TOTAL ESTIMATED REQUIREMENTS	<u>2,693,512</u>	<u>3,185,024</u>
INCREASE (DECREASE) IN CASH BALANCE	(203,512)	\$ (655,024)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>600,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 396,488</u>	

ENERGY PERFORMANCE SERVICES FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
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>365,000</u>	<u>355,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>370,000</u>	<u>360,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(40,000)	\$ (30,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>350,000</u>	<u>350,000</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 310,000</u>	

INSURANCE AND FRINGE BENEFIT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Charges for services	\$ 14,170,000	\$ 14,625,000
Proceeds from issuance of long-term pension bonds		55,000,000
TOTAL MEANS OF FINANCING	14,170,000	69,625,000
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services:		
Healthcare premiums - employees	2,700,000	2,500,000
Healthcare premiums - retirees	4,250,000	4,255,000
Pension contributions	4,200,000	5,865,000
Payroll taxes	920,000	850,000
Workers compensation insurance	150,000	150,000
Dental insurance	290,000	280,000
Unemployment insurance	40,000	35,000
Disability benefits	60,000	40,000
Vacation and sick pay	330,000	270,000
Other	603,500	503,500
	13,543,500	14,748,500
Supplies and materials	2,500	2,500
Contractual services	624,000	624,000
Supplemental pension contribution - MERS		55,000,000
TOTAL ESTIMATED REQUIREMENTS	14,170,000	70,375,000
INCREASE (DECREASE) IN CASH BALANCE		\$ (750,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	2,250,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 2,250,000	

Appendix – Tax Increment Authority Fund Budgets

PEERLESS SITE TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 68,000	\$ 66,000
Personal property taxes	24,000	29,000
TOTAL MEANS OF FINANCING	<u>92,000</u>	<u>95,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Payment to St. Clair County - development agreement	92,000	95,000
TOTAL ESTIMATED REQUIREMENTS	<u>92,000</u>	<u>95,000</u>
INCREASE (DECREASE) IN CASH BALANCE		<u>\$ 0</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 0</u>	

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

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 71,000	\$ 68,000
Personal property taxes	7,000	7,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>78,000</u>	<u>75,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Physical improvements	5,000	5,000
DDA operations/Director	55,000	39,720
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	5,000	8,430
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>106,850</u>	<u>95,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(28,850)	<u>\$ (20,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>30,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 1,150</u>	

WATER STREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 316,000	\$ 307,000
Personal property taxes	26,000	23,000
TOTAL MEANS OF FINANCING	342,000	330,000
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	7,000	5,000
Transfer to Land purchase fund	175,000	80,000
	182,000	85,000
Capital outlay:		
Available for infrastructure improvements or other services	160,000	245,000
	160,000	245,000
TOTAL ESTIMATED REQUIREMENTS	342,000	330,000
 INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

BANK DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 159,000	\$ 77,000
Personal property taxes	8,000	4,000
TOTAL MEANS OF FINANCING	167,000	81,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	7,000	6,000
	7,000	6,000
Capital outlay:		
Available for infrastructure improvements or other services	160,000	75,000
TOTAL ESTIMATED REQUIREMENTS	167,000	81,000
INCREASE (DECREASE) IN CASH BALANCE		\$ 0
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	

HARRINGTON HOTEL DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING	<u>\$ 0</u>	<u>\$ 0</u>
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>54,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>64,000</u>	<u>64,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(64,000)	<u><u>\$ (64,000)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>64,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 327,000	\$ 320,000
Personal property taxes	2,000	2,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>329,000</u>	<u>322,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	5,000	5,000
Transfer to Land purchase fund and/or General fund	319,000	312,000
	<u>324,000</u>	<u>317,000</u>
Capital outlay:		
Parkway and other infrastructure improvements	5,000	5,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>329,000</u>	<u>322,000</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>	

MAINSTREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 121,000	\$ 110,000
Personal property taxes		4,000
Transfer from Land purchase fund		225,000
	<hr/>	<hr/>
TOTAL MEANS OF FINANCING	121,000	339,000
	<hr/>	<hr/>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	5,000	
Transfer to Land purchase fund	116,000	
	<hr/>	<hr/>
	121,000	
Capital outlay:		
Downtown market or other infrastructure improvements		500,000
	<hr/>	<hr/>
TOTAL ESTIMATED REQUIREMENTS	121,000	500,000
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH BALANCE		\$ (161,000)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR		<hr/>
ESTIMATED CASH BALANCE - END OF YEAR	\$ 0	
	<hr/>	

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

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 134,000	\$ 132,000
Personal property taxes	33,000	53,000
State shared revenue - LCSA	<u>100,000</u>	<u>100,000</u>
TOTAL MEANS OF FINANCING	<u>267,000</u>	<u>285,000</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	<u>122,000</u>	<u> </u>
	207,000	85,000
Capital outlay:		
Infrastructure improvements	<u>360,000</u>	<u>500,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>567,000</u>	<u>585,000</u>
 INCREASE (DECREASE) IN CASH BALANCE	(300,000)	<u>\$ (300,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>300,000</u>	
 ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 0</u></u>	

**SOUTHSIDE REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 521,000	\$ 437,000
Personal property taxes	<u>33,000</u>	<u>29,000</u>
TOTAL MEANS OF FINANCING	<u>554,000</u>	<u>466,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	<u>554,000</u>	<u>466,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>554,000</u>	<u>466,000</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

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 13,000	\$ 12,000
Personal property taxes	<u>12,000</u>	<u>14,000</u>
TOTAL MEANS OF FINANCING	<u>25,000</u>	<u>26,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	<u>25,000</u>	<u>26,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>25,000</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>	

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

Budget Summary

	Proposed Budget 2020-2021	Proposed Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 105,000	\$ 127,000
Personal property taxes	7,000	32,000
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u>112,000</u>	<u>159,000</u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	112,000	159,000
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u>112,000</u>	<u>159,000</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>	

**BEN'S 314 REDEVELOPMENT
BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND**

Budget Summary

	Proposed Budget 2020-2021	Adopted Budget 2019-2020
	<u> </u>	<u> </u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 200	\$
Personal property taxes		
	<u> </u>	<u> </u>
TOTAL MEANS OF FINANCING	<u> 200</u>	<u> </u>
 ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	200	
	<u> </u>	<u> </u>
TOTAL ESTIMATED REQUIREMENTS	<u> 200</u>	<u> </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>	

Appendix - Governmental Funds Summary

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2020-2021

Governmental Fund	Estimated Designated Fund Balance July 1, 2020	Budget 2020-2021		Estimated Change In Fund Balance June 30, 2021
		Means of Financing	Estimated Requirements	
General fund	\$	\$ 27,601,888	\$ 27,601,888	\$
Major streets fund	\$	\$ 4,590,000	\$ 4,589,097	\$ 903
Local streets fund	\$ 320,039	\$ 1,452,000	\$ 1,772,039	\$
Municipal streets fund	\$	\$ 1,725,000	\$ 812,713	\$ 912,287
Cemetery fund	\$ 77,488	\$ 570,000	\$ 647,488	\$
Garbage and rubbish collection fund	\$ 151,883	\$ 1,985,000	\$ 2,136,883	\$
Rental certification fund	\$	\$ 371,261	\$ 371,261	\$
O.U.I.L. fund	\$ 40,000	\$ 1,000	\$ 41,000	\$
Drug law enforcement fund	\$ 10,000	\$ 46,000	\$ 56,000	\$
Law enforcement fund	\$	\$ 10,000	\$ 10,000	\$
Enhanced 911 fund	\$ 2,000	\$	\$ 2,000	\$
Community development block grant fund	\$	\$ 1,895,975	\$ 1,895,975	\$
Neighborhood rehabilitation fund	\$	\$ 145,000	\$ 145,000	\$
Home program fund	\$	\$ 573,458	\$ 573,458	\$
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
2020-2021

Governmental Fund	Estimated Designated Fund Balance July 1, 2020	Budget 2020-2021		Estimated Change In Fund Balance June 30, 2021
		Means of Financing	Estimated Requirements	
Peerless site tax increment fund	\$	\$ 92,000	\$ 92,000	\$
Downtown development fund	\$ 28,850	\$ 78,000	\$ 106,850	\$
Water Street tax increment fund	\$	\$ 342,000	\$ 342,000	\$
Bank tax increment fund	\$	\$ 167,000	\$ 167,000	\$
Harrington Hotel tax increment fund	\$ 64,000	\$	\$ 64,000	\$
Edison redevelopment tax increment fund	\$	\$ 329,000	\$ 329,000	\$
Mainstreet tax increment fund	\$	\$ 121,000	\$ 121,000	\$
Industrial park expansion tax increment fund	\$ 300,000	\$ 267,000	\$ 567,000	\$
Brownfield redevelopment tax increment funds:				
Southside redevelopment	\$	\$ 554,000	\$ 554,000	\$
Harker Street redevelopment	\$	\$ 25,000	\$ 25,000	\$
Water Street Marina redevelopment	\$	\$ 112,000	\$ 112,000	\$
Ben's 314 redevelopment	\$	\$ 200	\$ 200	\$

Appendix – Projected Revenues and Expenditures

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2019-2020	Proposed 2020-2021	Projected 2021-2022	Projected 2022-2023
TAXES:				
Real property taxes	\$ 7,890,000	\$ 8,150,000	\$ 8,289,000	\$ 8,430,000
Personal property taxes	750,000	730,000	742,000	755,000
Property tax administration fee	320,000	320,000	325,000	331,000
Income tax	6,600,000	6,800,000	6,916,000	7,034,000
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>15,815,000</u>	<u>16,255,000</u>	<u>16,531,000</u>	<u>16,813,000</u>
BUSINESS LICENSES AND PERMITS:				
Demolitions	3,000	3,000	3,100	3,200
Cable television	345,000	345,000	351,000	357,000
Miscellaneous	2,000	2,000	2,000	2,000
	<u>350,000</u>	<u>350,000</u>	<u>356,100</u>	<u>362,200</u>
NONBUSINESS LICENSES AND PERMITS:				
Building	270,000	280,000	285,000	290,000
Electrical	60,000	75,000	76,000	77,000
Heating	55,000	80,000	81,000	82,000
Plumbing	40,000	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>430,000</u>	<u>480,000</u>	<u>488,100</u>	<u>496,200</u>
GRANTS	<u>575,000</u>	<u>1,225,000</u>	<u>25,000</u>	<u>25,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2019-2020	Proposed 2020-2021	Projected 2021-2022	Projected 2022-2023
STATE SHARED REVENUE:				
Sales and use tax - constitutional	\$ 2,695,000	\$ 2,750,000	\$ 2,797,000	\$ 2,845,000
Sales and use tax - statutory	1,130,000	1,150,000	1,170,000	1,190,000
Local community stabilization authority	565,000	610,000	620,000	631,000
Liquor licenses	30,000	40,000	41,000	42,000
	<u>4,420,000</u>	<u>4,550,000</u>	<u>4,628,000</u>	<u>4,708,000</u>
CHARGES FOR SERVICES:				
Zoning board of appeals	3,500	2,500	2,500	2,500
20th and Court pool	5,500	7,500	7,600	7,700
Sanborn pool	45,000	45,000	46,000	47,000
Lakeside parking	205,000	205,000	208,000	212,000
Boat launch fees	50,000	50,000	51,000	52,000
Recreational fees	255,000	255,000	259,000	263,000
Lot splits	3,500	2,500	2,500	2,500
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	135,000	135,000	137,000	139,000
Miscellaneous	75,000	85,000	86,000	87,000
	<u>1,140,000</u>	<u>1,150,000</u>	<u>1,163,300</u>	<u>1,177,400</u>
FINES AND FORFEITS:				
Parking violations	40,000	30,000	31,000	32,000
Ordinance fines	85,000	110,000	112,000	114,000
	<u>125,000</u>	<u>140,000</u>	<u>143,000</u>	<u>146,000</u>
INVESTMENT INCOME	<u>200,000</u>	<u>70,000</u>	<u>71,000</u>	<u>72,000</u>
RENTS	<u>375,000</u>	<u>380,000</u>	<u>386,000</u>	<u>393,000</u>

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SCHEDULE OF PROJECTED REVENUES
GENERAL FUND

	Budget			
	Adopted 2019-2020	Proposed 2020-2021	Projected 2021-2022	Projected 2022-2023
SALE OF ASSETS	\$ 10,974	\$ 9,690	\$ 9,900	\$ 10,100
CHARGES TO OTHER FUNDS:				
Garbage and rubbish collection fund	109,699	110,774	113,000	115,000
Marina fund	23,686	40,995	42,000	43,000
Parking fund	13,405	12,987	13,000	13,000
Water fund	707,751	751,078	764,000	777,000
Wastewater fund	1,145,080	1,204,184	1,225,000	1,246,000
Central stores fund	11,532	11,687	12,000	12,000
Data processing fund	86,429	90,782	92,000	94,000
Motor vehicle fund	180,821	179,711	183,000	186,000
	<u>2,278,403</u>	<u>2,402,198</u>	<u>2,444,000</u>	<u>2,486,000</u>
Subtotal	<u>25,719,377</u>	<u>27,011,888</u>	<u>26,245,400</u>	<u>26,688,900</u>
TRANSFERS FROM OTHER FUNDS:				
Land purchase fund	300,000	590,000	596,000	375,000
	<u>300,000</u>	<u>590,000</u>	<u>596,000</u>	<u>375,000</u>
TOTAL	<u>\$ 26,019,377</u>	<u>\$ 27,601,888</u>	<u>\$ 26,841,400</u>	<u>\$ 27,063,900</u>

SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2019-2020	Proposed 2020-2021	Projected 2021-2022	Projected 2022-2023
General Government:				
City council	\$ 62,175	\$ 60,425	\$ 62,000	\$ 64,000
City manager	305,170	346,587	355,000	364,000
Elections	66,886	86,830	89,000	91,000
Finance and accounting	748,612	774,373	794,000	814,000
Income tax	383,411	433,791	445,000	456,000
Assessor	372,399	387,149	397,000	407,000
Legal	160,000	160,000	164,000	168,000
Clerk	310,253	323,763	332,000	340,000
Personnel	407,512	422,680	433,000	444,000
Purchasing	67,949	69,656	71,000	73,000
Board of review	2,327	2,327	2,400	2,500
Treasurer	264,970	275,286	282,000	289,000
Municipal office center	719,379	771,277	791,000	811,000
	<u>3,871,043</u>	<u>4,114,144</u>	<u>4,217,400</u>	<u>4,323,500</u>
Public Safety:				
Police administration	1,421,877	1,447,765	1,484,000	1,521,000
Detectives	1,425,697	1,425,040	1,461,000	1,498,000
Patrol	7,188,073	7,203,867	7,384,000	7,569,000
Communications	43,200	49,800	51,000	52,000
Fire	5,671,319	5,925,450	6,074,000	6,226,000
	<u>15,750,166</u>	<u>16,051,922</u>	<u>16,454,000</u>	<u>16,866,000</u>
Public Works:				
Inspection	310,166	346,101	355,000	364,000
Emergency management	17,364	20,114	21,000	22,000
Public works administration	140,644	144,474	148,000	152,000
Engineering	240,355	239,145	245,000	251,000
Street lighting	658,809	736,200	755,000	774,000
Blight and code enforcement	235,102	263,150	270,000	277,000
	<u>1,602,440</u>	<u>1,749,184</u>	<u>1,794,000</u>	<u>1,840,000</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2019-2020	Proposed 2020-2021	Projected 2021-2022	Projected 2022-2023
Senior Citizens:				
Wastewater and water discounts	\$ 2,000	\$ 2,000	\$ 2,100	\$ 2,200
	<u>2,000</u>	<u>2,000</u>	<u>2,100</u>	<u>2,200</u>
Recreation, Parks and Culture:				
Parks and forestry	1,346,929	1,558,723	1,598,000	1,638,000
Boat launch ramps	12,419	12,414	13,000	13,000
Recreation	641,208	651,314	668,000	685,000
Rockin the rivers	46,950	48,170	49,000	50,000
20th and Court pool	79,865	86,050	88,000	90,000
Sanborn pool	144,670	156,757	161,000	165,000
Chillyfest		86,802	89,000	91,000
Parades & special events	20,000	20,000	21,000	22,000
Lighthouse park	40,745	43,543	45,000	46,000
Lakeside park	149,174	169,006	173,000	177,000
Palmer park recreation center	233,127	372,040	381,000	391,000
Library	8,000	8,000	8,000	8,000
Museum	52,050	60,694	62,000	64,000
	<u>2,775,137</u>	<u>3,273,513</u>	<u>3,356,000</u>	<u>3,440,000</u>
Other Functions:				
Planning	238,325	254,003	260,000	267,000
Blue Water Bridge economic study	100,000			
Telephone service	16,153	16,190	17,000	17,000
Contingencies	40,000	40,000	40,000	40,000
Insurance, health and safety	107,573	107,632	110,000	113,000
Taxes written off	15,000	15,000	15,000	15,000
Demolitions	50,000	50,000	50,000	50,000
	<u>567,051</u>	<u>482,825</u>	<u>492,000</u>	<u>502,000</u>
Subtotal	<u>24,567,837</u>	<u>25,673,588</u>	<u>26,315,500</u>	<u>26,973,700</u>

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SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND

	Budget			
	Adopted 2019-2020	Proposed 2020-2021	Projected 2021-2022	Projected 2022-2023
Public Improvements:				
Parks and recreation projects	\$ 800,000	\$ 1,325,000	\$ 775,000	\$ 335,000
MOC capital			596,000	375,000
Other public improvement				
	<u>800,000</u>	<u>1,325,000</u>	<u>1,371,000</u>	<u>710,000</u>
Subtotal	<u>25,367,837</u>	<u>26,998,588</u>	<u>27,686,500</u>	<u>27,683,700</u>
Transfer to Other Funds:				
Beautification commission fund	3,300	3,300	3,300	3,300
McMorran fund	648,240	600,000	615,000	630,000
	<u>651,540</u>	<u>603,300</u>	<u>618,300</u>	<u>633,300</u>
TOTAL	<u>\$ 26,019,377</u>	<u>\$ 27,601,888</u>	<u>\$ 28,304,800</u>	<u>\$ 28,317,000</u>
Increase (decrease) in cash balance before public improvements and transfers	<u>\$ 1,451,540</u>	<u>\$ 1,928,300</u>	<u>\$ 525,900</u>	<u>\$ 90,200</u>
Increase (decrease) in cash balance after public improvements and transfers	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,463,400)</u>	<u>\$ (1,253,100)</u>