



# City of Pontiac



A City of Transformation and Growth

**Adopted Budget Plan**  
**Fiscal Years 2021-2025**

# City of Pontiac

## Adopted Budgets FY2021-2025



***Mayor***

Deirdre Waterman

### ***City Council***



***Council President***  
Kermit Williams  
District 7



***Council President Pro Tem***  
Randy Carter  
District 4



***Councilwoman***  
Patrice Waterman  
District 1



***Councilwoman***  
Megan Shramski  
District 2



***Councilwoman***  
Mary E. Pietila  
District 3



***Councilwoman***  
Gloria Miller  
District 5



***Councilwoman***  
Doris T. Burks  
District 6

### ***Department Heads***

Phillip Brown	Cable
Garland Doyle	City Clerk
Sekar Bawa	City Treasurer
Patrick Brzozoski	Code Enforcement
Lynette Ward	Court Administrator
Linnette Phillips	Economic/Community Development Director
Kiearha Davidson	Human Resource
Vernon Gustafsson	Planning
Dan Ringo	Public Works Director

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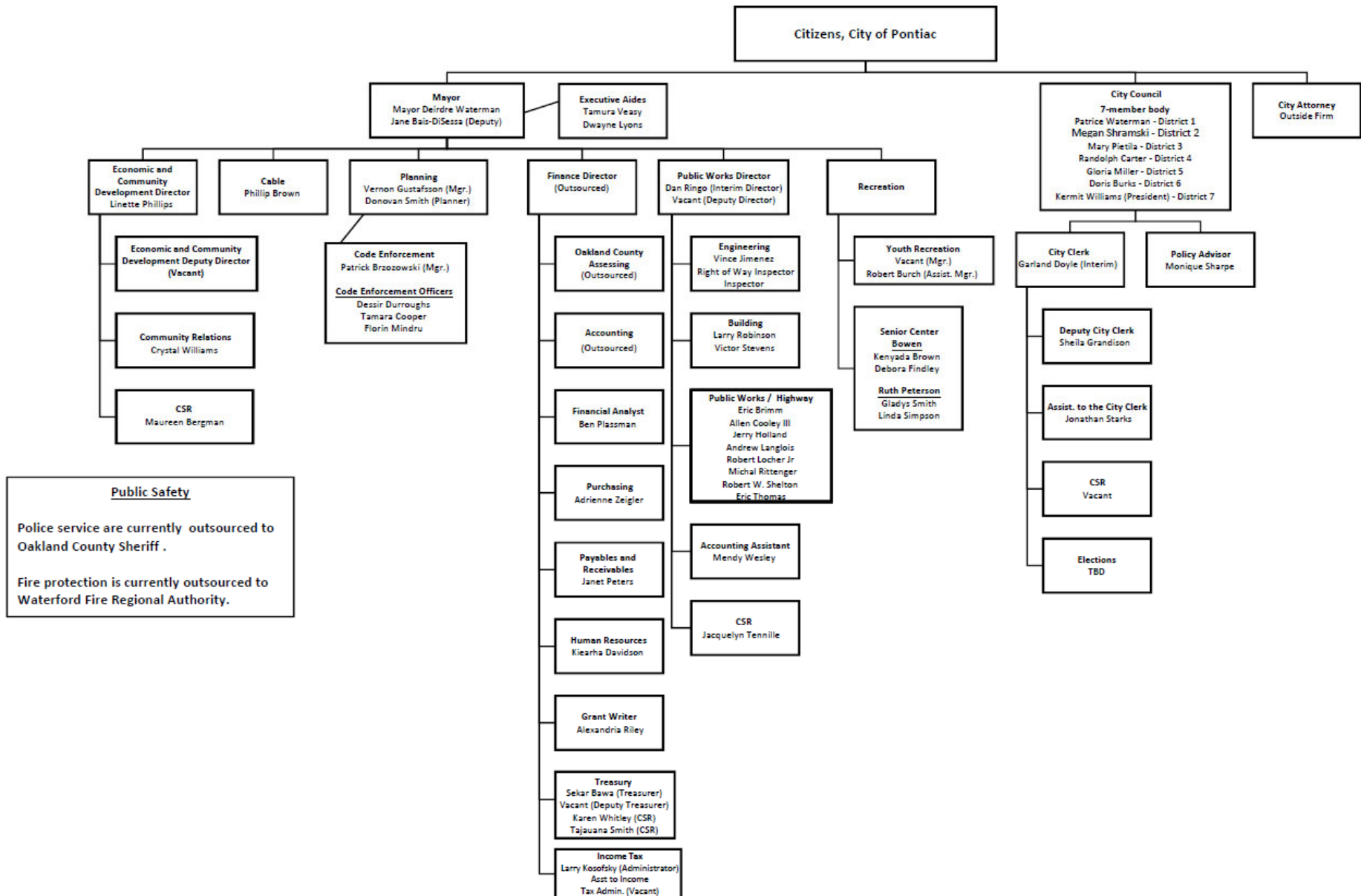
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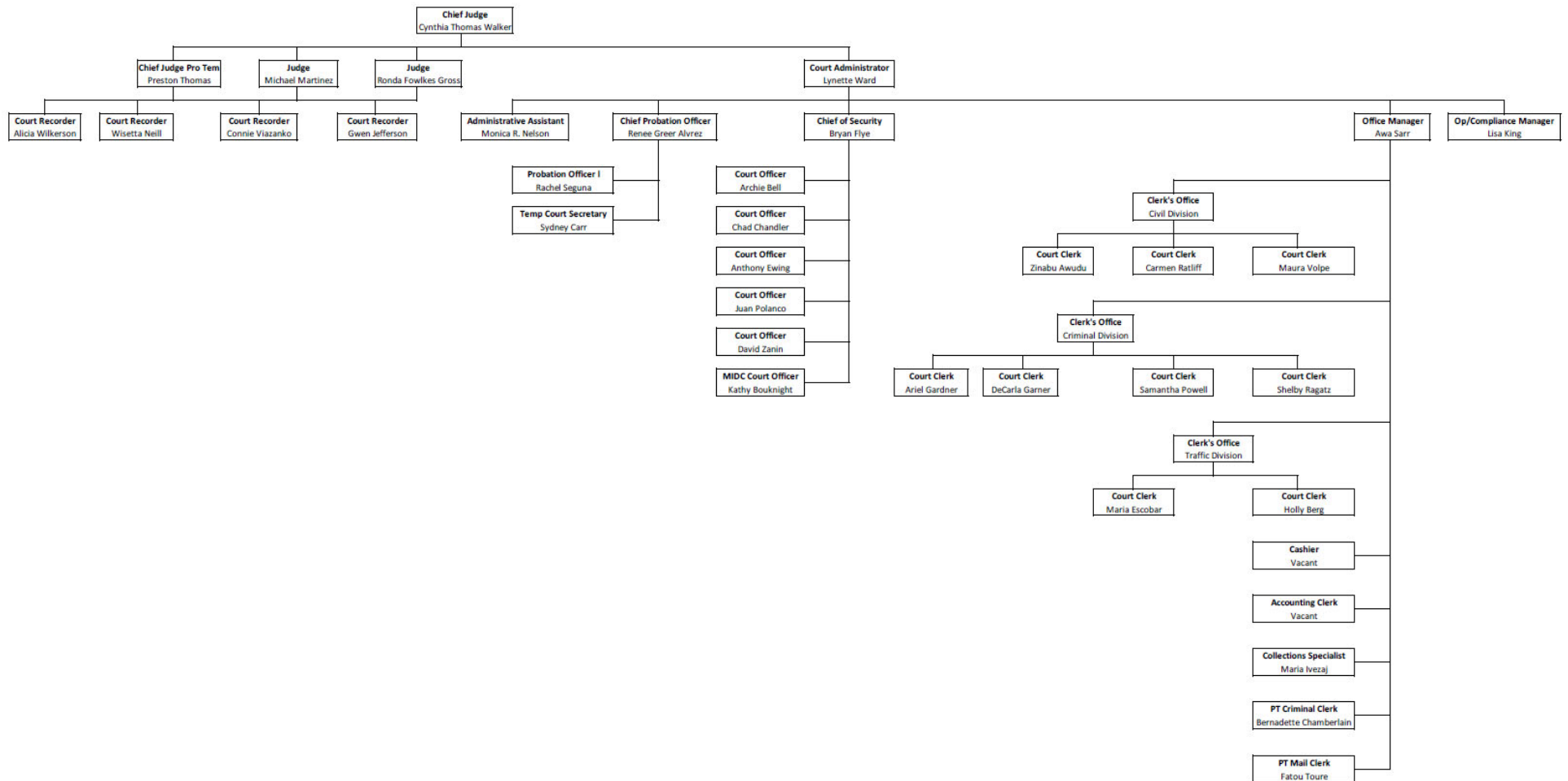
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# City Organizational Chart



# 50<sup>th</sup> District Court Organizational Chart





## **CITY OF PONTIAC EXECUTIVE OFFICE OF THE MAYOR**

**DR. DEIRDRE WATERMAN**

**47450 Woodward Avenue**

**Pontiac, Michigan 48342**

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May 1, 2020

### **MAYOR'S BUDGET MESSAGE** *A City of Transformation and Growth*

Honorable City Council and Members of our Community:

I am pleased to present to you the City's 2021-2025 proposed 5-year budget – a financial roadmap and budget plan that continues our progress. The budget is our tool to provide the services and quality of life to every Pontiac resident. It also provides a foundation for implementation of the Master Plan goals to provide a vibrant future for the next generation.

The proposed budget builds on Pontiac's tremendous economic momentum and honors our core values of community empowerment, safety, financial stability and tactical planning. Together, we are creating a community where every citizen has the opportunity to realize their full potential, and that overarching goal guides each of our strategic investments.

Presented is a structurally balanced budget that reflects our commitment to maintain our infrastructure and our intent to provide quality services and amenities to our residents while being conscientious of our financial position and in compliance with the State of Michigan Uniform Budgeting and Accounting Act 2 (PA 621) and Article V, Chapter 1 of the Pontiac City Charter.

The budget is the framework for how we allocate our resources of the City to a variety of programs necessary to move our community toward its achievement of goals within available resources. Once the Mayor's recommendations are adopted by the City Council, the budget establishes the direction for all City government programs and services for the coming years. It is my fiscal responsibility to continuously evaluate City revenue and expenditures with a view of maintaining a strong financial position while providing quality municipal services. In line with the 2014 Master Plan Update, the City seeks to support a dynamic and robust local economy with balanced and sustainable growth that will create jobs and improve the tax basis within the community.

## Budget Message – Mayor Waterman (Continued)

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The City supports public safety and invests in the tools and resources needed to keep our community safe, and we seek to continuously maintain and improve our public infrastructure, parks and facilities. We are committed to developing and maintaining a professional, highly qualified, highly trained and service-oriented workforce. We employ sound business practices that are efficient, effective, and responsive to the delivery of City services. The proposed budget works to provide our continued investment in much needed infrastructure to allow for growth.

During the current fiscal year, the City of Pontiac made tremendous progress in achieving goals set in last year's budget. Economic revitalization in Pontiac has continued the significant momentum that has contributed to the success we have seen in recent years. In FY 19/20, the City saw the construction of a \$271 million Amazon regional distribution center, as well as many other projects.

### BUDGETARY HIGHLIGHTS FOR FY 2020/2021 THROUGH 2025

The proposed budgets are significant because they demonstrate financial stability and tactical planning. The financial summaries also demonstrate a healthy fund balance. For a City that was still considered to be in financial distress when I took office in January 2014, this is a major accomplishment. This revitalized economic picture certainly encourages the forecast for our City.

At the end of the 2019-2020 fiscal year, the World Health Organization declared the outbreak of a new coronavirus pandemic, COVID-19. The COVID-19 pandemic affected the City during the end of the fiscal year and will continue to affect the City during the 2020-21 budget year. While the future impact of the pandemic remains uncertain in terms of both revenues and expenditures, the budget for the upcoming budget year and beyond contains appropriations to ensure that the City can implement the safeguards needed to combat the spread of the virus.

The FY 2021 through 2025 budgets, as presented, reflect my policy priorities. These policies were defined during my campaign for public office and furthered by the work of the transition committees, taskforces, partnerships and other advocacy groups who are in collaboration to achieve mutual goals. As shown below, the planned pillars enumerated in this plan also echo the strategic initiatives for this City.

#### Planned Pillars:

- Educate and develop the workforce
- Advance strategic growth areas
- Enhance the local brand and image
- Improve the local quality of life
- Promote development in priority areas
- Align and empower the implementers



## Budget Message – Mayor Waterman (Continued)

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The FY 20/21 budget focuses on these six planned pillars by incorporating the following operational and organizational improvements:

- ❖ Allocate educational/training funds to permit City staff to stay abreast on important professional and legislative issues impacting their specific area of expertise
- ❖ Continue to fund the additional Sheriff patrol capacity to improve public safety services, response time, and continue to move the crime rate down
- ❖ Secure funding to fix some long-needed improvements in our infrastructure
- ❖ Identify funds to provide matching grant dollars for potential economic and capital improvement projects
- ❖ Fund additional clerical and community development staff to enhance city services
- ❖ Review of all outsourced services to ensure these contracts meet key indicators of proficiency standards and quality of service

The principle of a shared vision and a shared prosperity is another Mayoral priority incorporated throughout these budgets. As the community recovers from the period of financial distress, with a stronger balance sheet, it is our intent that the prosperity of this recovery should be shared also with our citizens who were affected by the downturn. It is reflected in the allotment which can be assigned to strategically planned initiatives aimed at strengthening neighborhoods, i.e. the Neighborhood Empowerment Projects.

Given the City's enhanced position of financial stabilization, economic and community development become the key indicators by which the City can realize growth while providing the amenities of a livable, sustainable community. The proposed budgets assign functional capacity as well as funding for the key priority areas in those departments. The budgetary plans realign some areas of responsibility in economic and community development which include:

1. Recruitment, support, and retention efforts for businesses and entrepreneurs
2. A functioning citizen response system to supplement communication with City Hall and staff attentiveness to citizen needs
3. Liaison for communicating with, and strengthening, our neighborhood groups
4. Providing recreation and other quality community programs
5. A functional unit for implementing key initiatives of the economic recovery plan

Even with all that has been accomplished, the City is still faced with challenges and my staff and I are regularly studying and implementing ways to cut costs and increase revenue and efficiencies. The proposed budgets also reflect the monetary support for consensus strategic objectives. These objectives have been formulated through the many meetings with citizens, City Council, civic, and business groups, and in particular, from the crafting of the economic recovery plan for the City. The tactics employed to achieve measured objectives are the structure of a strategic plan that is continuously being evaluated and updated.

## Budget Message – Mayor Waterman (Continued)

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The proposed budgets verify a fiscal policy that supports the priority interest areas with funding support. Without funding support, any proposed plan of community development would otherwise be merely a wish list on paper. The total City budget across all funds for FY 20/21 is approximately \$90.0 million.

The proposed budgets include an increase in revenue from property taxes of slightly over 1%, as the increase in property tax revenue is limited to the lesser of 5% or inflation.

For state shared revenue, the budget uses the State's most recent estimate of state shared revenue for FY 2021 available which is dated as of February 6, 2020. Due to this estimate being dated before social distancing measures were enforced, the City's proposed FY 2021 budget reflects a 5% decrease from the State's estimate.

In terms of income tax revenue and the impact of the COVID 19 virus, initial revenue trends and increased economic development in the city resulted in an estimated FY 2021 income tax revenue of \$16,770,000 before the State initiated social distancing measures. For conservatism, the proposed FY 2021 budget reflects a 15% decrease from that amount for an estimated gross income tax revenue of \$14,254,500. This is a decrease of \$107,675 from current FY 2020 projected income tax revenue when netted against estimated refunds.

Due to the unknown nature of the true impact of the COVID 19 virus on two major sources of revenue for the City, we intend to monitor trends and information as it becomes available and provide Council with any necessary budget amendments to revenue during FY 2021.

The general fund continues to provide Police and Fire services through renewed contracts with Oakland County and Waterford Township Fire Department. The Police contract includes support for two additional officers. In addition to sustaining the existing level of service City residents have come to expect, the following are additional programs proposed to be funded with the FY20/21 budget:

- ❖ IT equipment
- ❖ Major and Local Street Projects – a total of \$5.4 million for road improvement projects
- ❖ Expanded Youth Recreation Programs
- ❖ City Hall and building improvements

Fortunately, the City's past efforts to improve its finances and gradually increase the unassigned fund balance of the general fund year over year has shielded the city from the necessity to drastically scale down operations during the unforeseen circumstance of the COVID 19 virus. In fact, this exact type of unforeseen circumstance is why municipalities are recommended to keep fund balances at a healthy level. A \$14,150,268 budgeted unassigned fund balance for FY 2021 leaves ample availability for additional use of fund balance if budgeted revenue must be decreased further than currently estimated once the full impact of the COVID 19 virus is known, while also staying in compliance with the City's fund balance policies.

In closing, I would like to express my appreciation to the City's outstanding workforce who strives to provide dependable City services. I would also like to commend the Executive Staff for their contributions in the preparation of this budget document and for their service to the citizens of Pontiac.

To the City Council, I appreciate your cooperative diligence in achieving mutual goals. Collectively, we formulate another balanced budget to be adopted by the Legislative Branch and signed by the Executive in accordance with our city charter and state law.

I want to thank the citizens of Pontiac. This budget was crafted to safeguard the hard work and investment that you have made in our community that has helped us make incredible progress the last six years. It is truly my honor and privilege to serve as your Mayor. I look forward to the work ahead as we continue to move Pontiac forward.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Deirdre Waterman".

Dr. Deirdre Waterman  
Mayor

## Community Profile

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The City of Pontiac, Michigan (the "City") incorporated in 1861, is a 20-square mile city, and the county seat of Oakland County, Michigan. The 2010 census reported a population of 59,515. Pontiac is organized as a home rule city under the laws of the State of Michigan and is operating under a city charter amended and effective May 3, 1982. The city charter establishes a strong-Mayor form of government with a part-time seven-member City Council elected in districts. The Mayor appoints all department heads with confirmation by the City Council to be made within 30 days, except the City Clerk whom is appointed by the City Council. The City Council as a body or any Council member is expressly prohibited from providing any order or direction, either publicly or privately, to any employee or appointee of the executive branch. The Mayor must attend all City Council meetings. The Mayor has the authority to veto resolutions or ordinances adopted by the City Council, with limited exceptions.

Since July 1, 2009, the City of Pontiac's finances were under the superintending control of the State of Michigan because of a financial emergency; technically, the City was considered in "receivership" under Public Act 436 of 2012. The State of Michigan appointed three successive emergency financial managers/emergency managers to address the causes of the financial emergency and develop a fiscal and operating plan that aligns the City's expenditures with realistic projected revenues. The City's revenue base decreased nearly fifty percent over a span of six years, making the fiscal problems more challenging to address. Since the appointment of the first emergency financial manager, the City's operating structure has radically changed and has resulted in improved service delivery at a lower cost to the tax payers. The City has gone from a traditional operating model of services provided directly by city employees who receive benefits in addition to salary to an operating model of services provided either by neighboring government agencies or by private contractors that specialize in providing such service at a lower cost. These service providers are monitored by a small group of city employees.

On August 19, 2013, the last emergency manager of the City of Pontiac tendered his resignation to the governor. Before his departure, the emergency manager issued a final order (S-334) which delegated day-to-day administrative responsibilities to a City Administrator who reported directly to the Transition Advisory Board that the governor appointed. On March 31, 2016, the position of City Administrator was eliminated, and the day-to-day administrative responsibilities were returned to the Mayor. A limited number of actions taken by the Mayor and City Council were still subject to review and approval by the City Transition Advisory Board. The final order was last amended March 31, 2016. On July 27, 2017, the City Transition Advisory Board voted unanimously to recommend to the Governor of the State of Michigan that the City's current receivership status be terminated. The City was officially released from receivership on August 1, 2017. Copies of all orders issued by the last emergency manager are available on the City's website.

## City of Pontiac Vision Statement

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The City of Pontiac is the county seat with a strong economic development focus. It is a destination that promotes diversity, is business friendly, vibrant, and an inviting place to live, work and visit. Pontiac is a community with a small-town feel, retaining its sense of history while adjusting gracefully to changes in the twenty-first century.

# Pontiac Moving Forward

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Due to the hard work and commitment of a number of dedicated local individuals, the City is well underway to recovering from their previous adversities. Pontiac Moving Forward: An Economic Recovery Strategy will help these efforts by building on the existing assets of the community while identifying the emerging opportunities that can position Pontiac for continued economic growth. This Plan is intended to play a significant role in Pontiac's achievement of long-term economic resiliency by mapping out a set of strategies that bolsters Pontiac's strengths, capitalizes on local innovation, and follows best practices. With this in mind, the Plan proposes a framework of six plan pillars, a direction on what and where to grow, and a set of achievable strategies that are to serve as fire-starters that both spark and fuel the flames of economic transformation.

The six plan pillars are derived from the market analysis (factual basis) and community feedback (first-hand knowledge and intuitive basis) and serve as the foundation of the Plan. The plan pillars express what is valued and needed most by the community. In essence, they represent the community's resolve to move Pontiac forward. The following presents each pillar. The key findings that developed each pillar were collected through the conditions analysis. The entire document can be found at:

[www.pontiac.mi.us/departments/community\\_development/docs/Pontiac\\_Moving\\_Forward\\_Plan\\_Final.pdf](http://www.pontiac.mi.us/departments/community_development/docs/Pontiac_Moving_Forward_Plan_Final.pdf).

- ❖ Educate + Develop the Workforce
  - Align Pontiac's talent with the needs of employers through education and job training
- ❖ Advance Strategic Growth Areas
  - Grow targeted industries to strengthen Pontiac's local economy and regional competitiveness
- ❖ Enhance the Local Brand + Image
  - Strengthen Pontiac's image and brand within the marketplace
- ❖ Improve the Local Quality of Life
  - Ensure residents and businesses have access to and are supported by strong community amenities and services
- ❖ Promote Development in Priority Areas
  - Direct redevelopment to targeted areas in the community that have the greatest economic potential and/or ability to improve the local quality of life
- ❖ Align + Empower the Implementers
  - Unite and empower local leaders and community organizations to collaboratively grow the local economy

Priority Development Areas are locations in the City that offer unique opportunities to improve Pontiac's social and economic conditions. As the financial condition of the City strengthens, Priority Development Areas can provide direction to City leaders on how development incentives and capital projects are prioritized. Public and private investment in these areas will not only support the Pillar of promoting development, but will support other Plan Pillars as well.

The Steering Committee selected the Priority Development Areas based on the key findings gathered from Advisory Group input, economic conditions analysis and the community survey, along with firsthand knowledge of the City. The Committee also considered the recommendations in the City Master Plan, other recent studies and initiatives. The following five Priority Development Areas (PDA) represent locations, projects and sites where public and private investment can advance placemaking, job creation and image. Implementing these projects presents the greatest opportunity to improve Pontiac's social and economic conditions, hastening Pontiac's economic recovery.

## Pontiac Moving Forward (Continued)

Proposed Actions	
PDA #1 Complete Streets, Transit And Non-Motorized Transportation	
1.1	Actively engage City elected and appointed officials with these initiatives and become familiar with the leading and participating organizations.
1.2	Raise awareness of these initiatives with residents and businesses throughout the City.
1.3	Communicate the importance of implementing these plans to state and federal elected officials.
1.4	Implement phase one of the Downtown Pontiac Transportation Assessment - conversion of one-way City streets to two-way.
1.5	Participate in the "Healthy Pontiac - We Can" complete streets study and adopt a complete streets ordinance.
Outcomes	<ul style="list-style-type: none"> <li>The Complete Streets study was completed in 2017 (PDA # 1.5).</li> </ul>
Action Plans	<ul style="list-style-type: none"> <li>Continue CDBG sidewalk program from 2018.</li> <li>City plans to contract \$363,157 per year for sidewalk repair in fiscal year 2021 with the option of continuing the contract in fiscal year 2022.</li> </ul>
PDA #2 Neighborhoods	
2.1	Work with Strategy 1 partners to identify neighborhood needs and priorities.
2.2	Develop criteria (i.e. number of school aged children, owner occupancy, percent vacant lots) to target neighborhoods for housing non-profit and private developer investment.
2.3	Utilize City PASER neighborhood street condition assessment to guide public street improvements.
2.4	Work with owners of former school property to develop plans that support reinvestment and the goals of the surrounding neighborhoods.
Outcomes	<ul style="list-style-type: none"> <li>Flagstar Bank plans with partnership with Oakland University plans to invest \$10 million over the next 5 years to help develop community investment through increased homeownership, economic and neighborhood development, and children education and literary programs.</li> <li>Established Neighborhood Empowerment program in fiscal year 2017 to strengthen the City's neighborhood areas by providing citizen advocacy groups with a mechanism that will allow them to submit proposals that will help improve neighborhood projects. This project was continued in 2021.</li> <li>Reactivation of the Cemetery fund in fiscal year 2018 to provide funding for obligations that were previously removed by emergency manager. Continued funding is expected for 2021.</li> </ul>
Action Plans	<ul style="list-style-type: none"> <li>Continuation of Neighborhood Empowerment program in fiscal year 2021 with a budget of \$50,000 in the parks grounds maintenance department of the general fund.</li> <li>Continued improvement to condition of Major and local roads with road improvement budget of \$5.3 million for fiscal year 2021.</li> <li>Continuation of funding for the Cemetery fund is budgeted at \$687,491 transfer from the general fund.</li> <li>Established a district project budget of \$98,000 in fiscal year 2021 in the City Council department.</li> </ul>



## Pontiac Moving Forward (Continued)

Proposed Actions	
PDA #3 Downtown Private Sector Catalyst Projects	
3.1	Evaluate the benefits of establishing a DDA, PSD, or BID to support downtown management, infrastructure funding and business grant and loan programs.
3.2	Work with property owners to document their efforts to obtain project funding and quantify their funding and credit needs.
3.3	Seek grant support for projects where private investment has partnered with non-profit organizations.
3.4	Evaluate the feasibility of financial packages that combine traditional financing and tax credits, with MEDC, MSHDA, CEED, SBA 504 and foundation grant support.
3.5	Apply for a Revolving Loan Fund grant with foundation match support.
3.6	Develop and adopt a three-tiered incentive package that incorporates: Time (expedited reviews and approvals), Financial (reduced or waived fees and dues) and Service (building and site design assistance, tax credit application support).
3.7	Work with the Downtown Pontiac Business Association to establish a pop-up retail program to showcase available retail space, recruit new downtown businesses and attract foot traffic to the downtown.
Public/Private Catalyst Partnerships	
3.8	Identify stakeholders with interests in advancing these partnerships.
3.9	Work with City leaders, property owners and residents to determine project priority.
3.10	Seek consensus on the general course of action how to best proceed with evaluating project feasibility.
3.11	Where appropriate conduct feasibility studies that explore development options that consider public and private funding, return on investment, ownership, job creation, tax revenue generation, community benefits and placemaking.
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>In 2017, the City joined in a partnership with Oakland County Main Street Program, a non-profit organization charged with managing the City's Main Street program in downtown Pontiac to help restore economic vitality and promote quality of life.</li> <li>Implementation of the Pontiac job Pipeline program. This program is a source of information for city residents seeking job training and employment opportunities.</li> </ul>
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>Continuation of the sponsorships through the OU Pontiac Initiative to invest in activities related to education, civic engagement, economic development, health, arts, and neighborhoods.</li> </ul>

## Pontiac Moving Forward (Continued)

Proposed Actions	
PDA #4 Gateways And Corridors	
<b>4.1</b>	Evaluate the benefits of establishing a CIA to support corridor and gateway reinvestment.
<b>4.2</b>	Consider a “Corridor Keeper” program or other mechanism to communicate with property and business owners.
<b>4.3</b>	Work with the City, county and state road agencies to evaluate road condition, safety and capacity needs.
<b>4.4</b>	Evaluate private investment potential including job creation and tax revenue generation.
<b>4.5</b>	Determine infrastructure improvement needs and evaluate potential for economic development grant support.
<b>4.6</b>	Consider developing and adopting sub area corridor plans that address land use, landscaping, building facades, and needed regulatory changes.
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>The City is currently working concurrently with MDOT and Oakland County transportation service center on designs to reconfigure the current Woodward Avenue loop into a two-way layout. This redesign is expected to draw in more traffic to the downtown area, spurring economic development and commerce.</li> </ul>
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>Continued improvement to condition of major roads and Local roads with a capital improvement budget \$5.3 million in fiscal year 2021.</li> <li>Fiscal year 2021 budget includes expansion of the department of public works personnel in order to continue in-sourcing snow plowing and pothole patching in order to provide a better service to the citizens of Pontiac.</li> </ul>

## Pontiac Moving Forward (Continued)

Proposed Actions	
PDA #5 Manufacturing, R&D Sites And Campuses	
<b>5.1</b>	Develop a mechanism to communicate with property and business owners.
<b>5.2</b>	Connect property and business owners with MEDC and Oakland County EDCA resources.
<b>5.3</b>	Meet with property and business owners to understand their needs and interest in growing their businesses and/ or developing their property.
<b>5.4</b>	Work with owners or listing brokers to develop property profiles for distribution to potential investors.
<b>5.5</b>	Evaluate the potential of developing a shared marketing strategy for the sites and properties.
<b>5.6</b>	Update the City zoning ordinance to make it more flexible and reflect the intent of the City master plan's entrepreneurial districts.
<b>Outcomes</b>	<ul style="list-style-type: none"> <li>Continued participation in the Oakland County One Stop Ready program</li> </ul>
<b>Action Plans</b>	<ul style="list-style-type: none"> <li>Continue to monitor the business environment and attract economic opportunities for the City through use of the Community Development department and Planning and Zoning Ordinances.</li> </ul>

### Plan Strategies: How We Grow

The plan's strategies link the where and what we want to grow through a set of achievable projects that can make a significant impact and build tremendous momentum towards the overall economic recovery effort of Pontiac. Based on research and input from the Plan's Advisors and Steering Committee, the following set of six strategies rose to the surface as the most tactical starting point for Pontiac's economic recovery effort. It is expected that these projects will stimulate other projects.

The Plan Strategies are listed below:

1. Strengthen Neighborhood and Advocacy Groups
2. Develop a Marketing Plan
3. Grow Business Support Services
4. Expand Business Entrepreneurial + Incubator Services
5. Establish an Arts Collaborative
6. Increase Access to Job Skills Training Programs

# Tax Rates to Support 2020-21 Budget

## City of Pontiac Taxable Value, Millage Rate and Property Tax Revenue History

Property Tax Year	2018 Actual	2019 Projection	2020 Estimate	2021 Estimate	2022 Estimate
Fiscal Year	FY 2018-2019	FY 2019-2020	FY 2020-2021	FY 2020-2021	FY 2020-2022
Taxable Value - Real *	625,436,630	631,027,030	637,457,195	643,952,884	650,514,764
Taxable Value - Personal Property Tax*	111,118,220	118,114,500	119,318,087	120,533,938	121,762,179
Total Taxable Value	736,554,850	749,141,530	756,775,282	764,486,822	772,276,943
% change in total TV from prior year	6.03%	1.71%	1.02%	1.02%	1.02%
Less: Allowance for MTT adjustments / VCO	8,677,540	2,355,740	2,379,745	2,403,995	2,428,491
Less: Captures	78,714,280	80,127,089	80,943,584	81,768,399	82,601,619
Adjusted Taxable Value*	649,163,030	666,658,701	673,451,953	680,314,429	687,246,833
% change in adjusted TV from prior year	3.80%	2.70%	1.02%	1.02%	1.02%
<b>Millage Rate</b>					
General Fund	11.26910	11.16990	11.16990	11.16990	11.16990
Capital Improvement	1.40850	1.39610	1.39610	1.39610	1.39610
Sanitation	2.81710	2.79230	2.79230	2.79230	2.79230
Senior Services	0.49980	0.49540	0.49540	0.49540	0.49540
Youth Services	1.49940	1.48620	1.48620	1.48620	1.48620
<b>Total City Millage Rate</b>	<b>17.4939</b>	<b>17.3399</b>	<b>17.3399</b>	<b>17.3399</b>	<b>17.3399</b>
<b>Tax Revenue</b>					
General Fund	7,214,040	7,446,511	7,522,391	7,599,044	7,676,478
Capital Improvement	903,208	931,169	940,657	950,242	959,925
Sanitation	1,803,311	1,861,123	1,880,088	1,899,246	1,918,599
Senior Services	319,830	330,092	333,456	336,854	340,286
Youth Services	963,250	983,997	994,024	1,004,153	1,014,385
	11,203,639	11,552,892	11,670,615	11,789,539	11,909,674

\*TV has been adjusted for half rate special acts.

The following are the adopted tax rates and revenue to support the budget for the 2020-21 fiscal year:

State law permits a Home Rule City like Pontiac to levy up to 20.0000 mills under its charter. The Charter authorizes the Operating and Capital Improvement millages.

The City of Pontiac voters renewed the Senior Services millage for an additional ten years in August, 2016.

The City of Pontiac voters approved a youth recreation millage on November 8, 2016 to levy up to 1.5 mills for a period of 10 years, 2017 to 2026. The millage is levied specifically for the purpose of expending funds for centers open exclusively to youths under 21 years of age and aimed at curbing juvenile delinquency within the City of Pontiac. The Pontiac City Council decided to delay levying this millage until fiscal year 2019.

The 2019 tax year saw a reduction of the Total City Millage rate due to a Headlee Rollback.

## Budgeted Third Party Services with Direct Cost to the City

The City has contracted with the following vendors to provide the following services to the City. To be determined (TBD) vendors have not been identified yet through the bidding process.

Budgeted 3rd Party Services with Direct Cost to City				
Vendor	Service	2018-19	2019-20	2020-21
<b>General Fund</b>				
Oakland County Sheriff	Police Patrol	\$ 11,209,334	\$ 11,545,614	\$ 11,891,982
Oakland County Sheriff	Police Overtime	911,950	978,500	978,500
Oakland County Sheriff	Police and Fire Dispatch	200,942	206,970	213,179
Kristel Group	Janitorial - Substation	40,000	41,200	42,436
Waterford Township	Fire Protection	7,326,802	7,693,142	7,693,142
Wade Trim	Code Enforcement	255,000	-	-
Wade Trim	Planning	155,400	-	-
Seasonal Property Maintenance L.L.C	Tree Maintenance	127,500	131,325	135,265
Innovative Software	Income Tax Collection	320,000	340,000	340,000
Oakland County	Assessing	427,450	448,823	448,823
Plante Moran	Accounting	280,800	289,200	289,200
Plante Moran	Budget	10,000	10,000	10,000
PCM	Information Technology	310,000	310,000	310,000
Rehmann	External Audit	54,000	52,600	52,600
Giamarco, Mullins & Horton	City Attorney	340,000	350,200	360,706
Kristel Group	Janitorial - City Hall	53,000	54,590	56,228
Casar Management LC	Salting and Plowing - City Hall	25,000	25,750	26,523
Casar Management LC	Salting and Plowing - Sheriff	18,000	18,540	19,096
Plunkett Cooney	Bloomfield Park Services	15,000	15,450	15,914
Oakland County	Drain Maintenance	200,000	206,000	212,180
TBD	Civil Engineering	225,000	231,750	238,703
United Lawnscape	Grass Cutting, City Property	106,700	109,901	113,198
	<b>General Fund Total</b>	<b>\$ 22,611,878</b>	<b>\$ 23,059,555</b>	<b>\$ 23,447,674</b>
<b>Major and Local Street Funds</b>				
Curbco Inc.	Pothole Patching	\$ 225,000	\$ 231,750	\$ 238,703
United Resources	Storm Sewer Maintenance	770,000	793,100	816,893
TBD	Engineering	100,000	103,000	106,090
Great Lakes Power & Lighting	Street Light Maintenance	260,000	267,800	275,834
TBD	Traffic Signal Maintenance	125,000	128,750	132,613
TBD	Contracted Construction	250,000	257,500	265,225
Action Traffic	Street and Traffic Signs	85,000	87,550	90,177
Seasonal Property Maintenance L.L.C	Trees in ROW	190,000	195,700	201,571
United Lawnscape	Grass Cutting, Right-of-Way	50,000	51,500	53,045
	<b>Major and Local Street Funds Total</b>	<b>\$ 2,055,000</b>	<b>\$ 2,116,650</b>	<b>\$ 2,180,150</b>
<b>Sanitation Fund</b>				
Advanced Disposal	Garbage Collection	\$ 3,397,500	\$ 3,499,425	\$ 3,499,425
	<b>Sanitation Fund Total</b>	<b>\$ 3,397,500</b>	<b>\$ 3,499,425</b>	<b>\$ 3,499,425</b>
<b>Building Inspection Fund</b>				
Wade Trim	Construction Code Enforcement	\$ 1,642,260	\$ 1,723,710	\$ 1,723,710
	<b>Building Inspection Fund Total</b>	<b>\$ 1,642,260</b>	<b>\$ 1,723,710</b>	<b>\$ 1,723,710</b>

## Services Provided by other Governments at No Cost to the City

The City has absolved itself of all control over each of the following services which are now provided by the following government agencies. As a result, these services are now provided at no cost to the City. Any questions or concerns about the following services should be directed to the government agency as listed. The City sold its water and sanitary sewer systems to Oakland County.

Services Provided by Government at No Cost to City		
Provider	Service	Telephone Number
Oakland County	Animal Control	248-391-4102
Water Resources Commission	Soil Erosion and Sedimentation Control	248-858-5389
Water Resources Commission	Water and Sewer Emergencies	248-624-6366
Water Resources Commission	Water and Sewer Services	248-858-1110
Oakland County Clerk	Birth and Death Certificates	248-858-0571
Oakland County	HOME Improvement Program	248-858-5401
SMART	Senior Citizen Commuter Bus Service	866-962-5515



# Position Summary Schedule

## Key Assumptions for All Departments

- ❖ The FY20/21 Budget includes the following new positions:
  - General Fund:
    - City Clerk/Elections – Part time election worker added
    - Treasury – Conversion of part time cashier to full time cashier
    - Public Works – Two full time janitorial positions added
    - Code enforcement – One full time code enforcement officer added
    - Redevelopment and housing – conversion of one full time employee previously split between General Fund and Youth Recreation
  - Cable Fund – One part time employee added
- ❖ Medical and Dental insurance are expected to increase of 3%
- ❖ Workers Compensation, Life, and Optical insurance are expected to increase 3%

Fund	Department	2018-19 Actual	2019-20 Budget	2020-21 Adopted	Difference FY20 to FY21	2022-25 Total
<b>General Fund</b>						
	City Council	8	9	8	-1	8
	Mayor	4	4	4	0	4
	Finance	5	5	5	0	5
	Income Tax	1	2	2	0	2
	City Clerk/Elections	2.5	4	4.5	0.5	4.5
	Human Resources	2	2	2	0	2
	Treasurer	3.5	3.5	4	0.5	4
	Sheriff	0.5	0.5	0	-0.5	0
	Crossing Guards	0.5	1.5	1.5	0	1.5
	Public Works	15.5	21.5	23.5	2	23.5
	Planning	3	3	2	-1	2
	Code Enforcement	5	5	6	1	6
	Redevelopment & Housing	2.5	3.5	4	0.5	4
<b>General Fund</b>		<b>53</b>	<b>64.5</b>	<b>66.5</b>	<b>2</b>	<b>66.5</b>
<b>Youth Recreation Fund</b>		<b>13.5</b>	<b>16.5</b>	<b>9</b>	<b>-7.5</b>	<b>9</b>
<b>Cable Fund</b>		<b>1.5</b>	<b>1</b>	<b>1.5</b>	<b>0.5</b>	<b>1.5</b>
<b>Senior Millage Fund</b>		<b>3.5</b>	<b>4.5</b>	<b>4</b>	<b>-0.5</b>	<b>4</b>
<b>District Court Fund</b>		<b>30.5</b>	<b>39.5</b>	<b>36.5</b>	<b>-3</b>	<b>36.5</b>
<b>MIDC Fund</b>		<b>1.5</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>2</b>
<b>Grand Total</b>		<b>103.5</b>	<b>128</b>	<b>119.5</b>	<b>-8.5</b>	<b>119.5</b>

## Financial Policies

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The accounting policies of the City of Pontiac, Michigan conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). Following is a summary of the significant policies:

### *Fund Balance Reserve Policy*

The City of Pontiac City Council adopted a fund balance policy on March 5, 2014. The annual budget is developed so that current year revenues meet current year expenditures. The City of Pontiac deems it necessary to maintain adequate levels of fund balance to maintain financial stability and to mitigate future unforeseen liabilities or risks. Therefore, the following outlines the City's policy on maintaining what the City deems to be an adequate amount of City's various Funds unrestricted fund balance to ensure stable tax rates and to serve as a guide in long term financial planning. All fund balance categories will be reported consistent with GASB pronouncements.

The City will establish a reserve to pay for expenditures as a result of unforeseen emergencies or for shortfalls caused by revenue declines. The City will seek to maintain a diversified and stable revenue system to shelter itself from short-run fluctuations in any one revenue source. The City will attempt to obtain additional revenue sources to insure a balanced budget.

The following factors are considered by the City in establishing its fund balance policy:

- ❖ The predictability of its revenues and volatility of its expenditures. The City will follow an aggressive policy of collecting revenue.
- ❖ Exposure to significant one-time outlays (i.e. disasters, cash flow shortfalls, short term capital needs).
- ❖ Potential need of General Fund resources from other funds as well as availability of resources in other funds.
- ❖ Specific and planned future capital projects, including retaining funds for grant matching opportunities.
- ❖ Liquidity, cash flow needs and to avoid borrowing costs.
- ❖ Maintain and improve the City's credit rating.

The City will review fund balance/reserves annually during the budget process. In the event the level of expenditures exceeds the estimated appropriations, the City will create a plan to replenish fund balance/reserves within three years by controlling operating expenditures, adjusting operations and/or dedicating excess or specific revenue sources.

## Financial Policies (Continued)

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### General Fund

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For the General Fund, the unassigned fund balance will be maintained with a minimum of approximately 15% of the budgeted expenditures of that particular fiscal year. In the event that circumstances arise causing the unassigned fund balance to fall below 15%, a plan will be put in place to replenish the balance during the subsequent two budget years. Additional reserves can be designated for a specific purpose, as identified by City Council, during the budget process. Fund balance will be established to:

- ❖ Provide a fund or reserve to meet emergency expenditures and future capital needs;
- ❖ Provide cash to finance expenditures from the beginning of the budget year until general property taxes or other revenues are collected;
- ❖ Demonstrate financial stability and therefore preserve or enhance its bond rating, thereby lowering debt issuance costs;
- ❖ Accumulate sufficient assets to make designated purchases;
- ❖ Avoid short-term borrowing and associated interest costs.

As part of the budget process excess fund balance may be used to reduce liabilities or fund expenditures of the next fiscal period.

The City shall utilize GASB categories to designate the fund balances which are rolled together for reporting of fund balance in accordance with GASB 54. The only *unassigned* fund balance of the City shall be that of the General Fund.

### Special Revenue Funds

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Resources in a fund other than the General Fund are either (1) required to be used for the purpose of the fund or (2) intended by the government to be used for that purpose. Special revenue funds report specific revenue sources that are designated to be used for a particular purpose. Unless they are listed individually below, Special Revenue Funds will establish a minimum of 15% of budgeted expenditures as unassigned fund balance in any given budget year.

### Road Funds (Major and Local Street Fund)

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The City's fund balance for the road funds will be established within a minimum range of 10 - 20%, of the budgeted expenditures individually and collectively amongst the two funds, to cover extraordinary maintenance events (i.e. unusual winter maintenance events, emergency reconstruction, etc.), and contingencies for budgeted construction projects. In addition, the City may establish a designation for capital projects in excess of \$1.5 million, to be completed in future years based on the capital improvement program.

### Senior Millage Fund

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The fund balance for the Senior Activities Fund will establish a minimum of 10% of fund annual budgeted expenditures, since this fund is similar to the General Fund in terms of covering operations. This fund receives revenue from the dedicated special voted property tax millage. The City may establish a designation for capital projects in excess of \$200,000; to be completed in future years based on the capital improvement program.

## Financial Policies (Continued)

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### Sanitation Fund

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The fund balance for the Sanitation Fund will establish a minimum of 15% of fund annual budgeted expenditures. This fund receives revenue from the dedicated special voted property tax millage and also a sanitation fee assessment in addition to the millage to cover the difference between the tax revenue and the expenditures. The City may lower the sanitation assessment to property owners during the budget approval process based on the data available at that time. The potential for increase in the fuel surcharge costs as part of sanitation expenditures necessitates a healthy fund balance to hedge against that unexpected increase in costs.

### Capital Improvements Fund

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The fund balance for the Capital Improvement Fund will be used primarily for capital improvements, but may also be used for other capital infrastructure projects. The fund's resources are primarily from special millage. The fund balance is recommended to be at least 15% of scheduled expenditures.

### Other Internal Service Funds

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The fund balance for Internal Service Funds (Insurance and Workers Comp Insurance Fund etc.) will be used for appropriations based on the specific purpose of those funds. Unless they are listed individually above, internal revenue funds will establish a minimum of 10% of budgeted expenditures as unassigned fund balance in any given budget year.

### *Investment Policy*

The City of Pontiac City Council adopted an Investment Policy August 12, 2013 and amended it April 23, 2014. The investment program is operated in conformance with federal, state, and other legal requirements, including the Investment of Surplus Funds of Political Subdivisions, being Public Act 20 of 1943, as amended. The policy applies to the investment of all funds, excluding the investment of employees' retirement funds, which are governed under the policies of the respective retirement systems. Proceeds from certain bond issues, as well as separate foundation or endowment assets, will be covered by a separate policy at such time that the City should acquire such funds.

# Financial Policies (Continued)

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The primary objectives, in priority order, of investment activities shall be safety, liquidity, and yield:

## I. *Safety*

Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

### a. Credit Risk

The City of Pontiac will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by:

- ❖ Limiting investments to the types of securities listed in Section VII of this Investment Policy
- ❖ Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City of Pontiac will do business in accordance with Section V
- ❖ Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

### b. Interest Rate Risk

The City of Pontiac will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- ❖ Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- ❖ Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy (see section VIII).

### c. General Risk

Risk shall also be minimized by closely monitoring pertinent financial information and rating agency reports that would disclose a weakening financial condition at any firm or institution associated with City investments. Written notice of any adverse changes in financial condition of these institutions shall be immediately forwarded to the City Council by the investment officer for his/her review and appropriate action.

## 2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. The investment portfolio shall be designed with the objective of attaining the maximum market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics of the portfolio.

## Financial Policies (Continued)

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### 3. *Yield*

The City of Pontiac's cash management portfolio shall be designed with the objective of regularly meeting or exceeding a performance benchmark, which could be the average return on three-month U.S. Treasury bills, the state investment pool, a money market mutual fund, or the average rate on Fed funds, whichever is higher. These indices are considered benchmarks for lower risk investment transactions and therefore comprise a minimum standard for the portfolio's rate of return. The investment program shall seek to augment returns above this threshold, consistent with risk limitations identified herein and prudent investment principles.

#### Investment Types

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Consistent with the Investment of Surplus Funds of Political Subdivisions, investments will be permitted by this policy as those defined by state and local law where applicable, with the exception of hedge funds.

#### Investment Parameters

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##### *Diversification*

It is the policy of the City of Pontiac to diversify its investment portfolios. To eliminate risk of loss resulting from the over-concentration of assets in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in all City of Pontiac funds shall be diversified by maturity, issuer, and class of security. Diversification strategies shall be determined and revised periodically by the investment committee/investment officer for all funds under the control of the City.

In establishing specific diversification strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

For cash management funds:

- ❖ Liquidity shall be assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury bills.
- ❖ Positions in securities having potential default risk (e.g., commercial paper) shall be limited in size so that in case of default, the portfolio's annual investment income will exceed a loss on a single issuer's securities.
- ❖ Risks of market price volatility shall be controlled through maturity diversification such that aggregate price losses on instruments with maturities exceeding one year shall not be greater than coupon interest and investment income received from the balance of the portfolio.
- ❖ The investment committee/investment officer shall establish strategies and guidelines for the percentage of the total portfolio that may be invested in securities other than repurchase agreements, Treasury bills or collateralized certificates of deposit. The committee shall conduct a quarterly review of these guidelines and evaluate the probability of market and default risk in various investment sectors as part of its considerations.



## Financial Policies (Continued)

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The following diversification limitations shall be imposed on the portfolio:

- ❖ Maturity: No more than 25 percent of the portfolio may be invested beyond 12 months, and the weighted average maturity of the portfolio shall never exceed one year.
- ❖ Default risk: No more than 25 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury.
- ❖ Liquidity risk: At least 10 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice.

### *Capital Asset Policy*

A "capital asset" is land, improvement to land, easements, buildings, building improvements, vehicles, machines, equipment, works of art, historical treasures, and all other tangible and intangible items used in operations that have an estimated useful life of at least two years following the date of acquisition and when valued individually, contain a value of at least ten thousand dollars. A capital asset shall be considered to have been acquired on the date that the item was placed into useful service.

A minimum capitalization threshold of ten thousand dollars (\$10,000.00) is hereby established for any individual item, unless the effect of doing so would be to eliminate a significant portion of total capital assets. Specific minimum thresholds are given to the following class of items:

<b><u>Asset Class</u></b>	<b><u>Minimum</u></b>
Land	\$ 10,000.00
Land Improvements	\$ 25,000.00
Buildings and Building Improvements	\$ 50,000.00
Machinery and Equipment	\$ 10,000.00
Vehicles	\$ 20,000.00
Office Machines	\$ 10,000.00
Office Furniture	\$ 10,000.00
Intangible Assets	\$ 10,000.00

To assist in the differentiation between a capitalizable item and maintenance, an item shall be capitalized if it meets the criteria established above and increases the capacity, efficiency, or useful life of the item.

At a minimum, the Finance Director or his designee shall assign the following information, if applicable, on all capital assets acquired after June 30, 2013 and still in the possession of the City of Pontiac:

- ❖ Major asset class;
- ❖ Asset subclass;
- ❖ Function and activity;
- ❖ Fund and account;
- ❖ Asset number;
- ❖ Asset description;
- ❖ Estimated useful life in accordance with this policy.

## Financial Policies (Continued)

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### Useful Lives

In establishing the useful lives of capital assets acquired after June 30, 2013, the Finance Director or his designee should take into consideration the quality of the asset obtained, the application of the asset in the future, and the environment in which the asset will be used and stored. Past experience with similar assets and the City's capital improvement program must also be considered. As a guide, the City Council recommends that the Finance Director or his designee use "Estimating useful lives for capital assets" by Paul Gruenwald, as published in the GAAFR Review by the Government Finance Officers Association.

At least annually, the Finance Director or his designee should review the depreciation schedule of each capital asset and compare the schedule to the City's actual experience; if upon such comparison the decision is made that an adjustment to the depreciation schedule is required, then such adjustment should be made.

Annually, each department head shall be responsible for evaluating the condition of each capital asset under his control and reporting its condition to the Finance Director or his designee. The Finance Director or his designee shall create the various condition levels and standards.

For all capital infrastructures, the custodian shall provide an annual report to the Finance Director by the first day of February that addresses the following items:

- ❖ A condition rating jurisdiction wide;
- ❖ A condition rating for each asset class;
- ❖ Indirect condition data such as major repairs or continuous complaints;
- ❖ Suggestion if asset should be retired, replaced, or depreciation schedule extended.

At a minimum, depreciation should be entered into the City's books annually; however, the Finance Director or his designee has the option of making either quarterly or monthly entries. Straight-line depreciation shall be used. Assets acquired during the fiscal year shall be depreciated monthly.

### *Credit Card Policy*

As a matter of sound fiscal control, city credit cards may be issued only to a limited number of employees and officials who conduct business on behalf of the City. Such credit cards are issued and authorized only for city employees and officials approved by the Finance Director. In the absence of the Finance Director, the Senior Financial Analyst can make approvals to issue and authorize credit cards.

Only the following credit cards are authorized to be issued and used: Home Depot credit card (under the custody of the DPW director or his/her designee), Staples credit card (under the custody of finance director or his/her designee), Pacific Pride fuel card (under the custody of DPW director or his/her designee, and two general credit cards from a US banking institution under the name and custody of the City's Finance Director and the Mayor of the City. The total combined authorized credit limit for all credit cards issued by the City cannot exceed \$50,000 or 1% of the General Fund's budget for the City for the current fiscal year, whichever is less.

City Credit cards can only be used by an officer or employee of the City for the purchase of goods or services for the official business of the City of Pontiac. Expenses must be approved budget items only. Any items not budgeted must be authorized by the Finance Director. No alcoholic beverages may be purchased with the credit cards. A city officer or employee using the credit cards must submit to the finance department documentation detailing the goods or services purchased, the cost of the goods or services, the date of the purchase, and the official business for which purchased.

Employees may not take cash advances on City credit cards.

## Financial Policies (Continued)

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In the event that it should be determined by the Mayor that any person has misused or abused the city credit card which has been issued, the Mayor may give notice in writing to the cardholder to surrender the card to the Finance Director. Failure to surrender a city credit card within three working days may be cause for discipline up to and including dismissal.

All employees and officials are reminded that misuse of a city credit card may be a violation of state criminal laws. A copy of this policy is to be given to all city employees and officials who are issued credit cards.

### *Purchasing Ordinance*

The City of Pontiac Emergency Manager Louis Schimmel adopted a Purchasing Ordinance February 29, 2012. The City of Pontiac Purchasing Department continues to follow the adopted Ordinance No. 2233 as follows:

- a. This department is to provide for the purchasing of and disposition of property by the City, and for the changes in the administration and procedures of the purchasing department consistent with the Charter.
- b. The people of the City by referendum vote have adopted a Charter effective May 3, 1982, and that Charter made significant changes in the administration of the purchasing department by assigning its functions to a department of the finance department, imposing upon it the responsibility of procuring all property and contracts for the City and disposing of all personal property which has become unsuitable for city use, unless provided otherwise by ordinance or administrative procedure, and requiring that all procurements and dispositions be made in accordance with open and fair procedures.
- c. The procedures for procuring property and services and the disposition of property are to be established by ordinance to protect the interest of the City and to assure fairness; and the Charter provides that those procedures shall require competitive bidding for all purchases and contracts for procurement that exceed a dollar amount fixed by ordinance.

### **Centralized purchasing authority; use of purchase orders; change orders.**

- a. Except as otherwise provided in this division, all rights, powers, duties and authority relating to the procurement of supplies, services and construction, in or exercised by the City or any agency of the City, and the sale and disposal of materials, equipment and supplies owned by the City or any agency of the City, are hereby transferred to the finance director and purchasing agent as provided in this division and the Charter, sections 4.303 and 4.304.
- b. All goods and services acquired by the City, except utility bills, principal and interest payments on bonds, refunds, remittances, and juror payments, shall be approved as evidenced by a purchase order approved by the Purchasing Agent. Purchase orders shall not span fiscal years in that expenses shall be charged against the purchase order in the year the expensed item or service was received by the City. The Purchasing Agent shall not approve any purchase order unless there is a sufficient appropriation to cover the requested purchase.

## Financial Policies (Continued)

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- c. The Finance Director is authorized to issue change orders to the extent permitted by contract or this Code. Unless permitted by contract, no change order shall be authorized if such change order or the sum of all change orders is greater than ten percent of the original purchase order without the approval of the City Council. The Finance Director shall not approve any change order unless there is a sufficient appropriation to cover the requested purchase.

### **Professional service contracts.**

- a. Professional service contracts are excluded from the provisions of this division. The Mayor shall with the concurrence of the council adopt administrative rules regarding the retention of professional services. However, any contract for professional services, except for legal and accounting services, during the course of a fiscal year in excess of \$10,000.00 must have the approval of the council, unless the services required are of an emergency nature attested in writing by the department head requesting the service, the Finance Director, the Purchasing Agent, and the Mayor. Such emergency contracts shall be forwarded to City Council for their information along with the attestation.
- b. The Mayor, with the concurrence of the Finance Director and City Attorney, may secure the services of law firms and accounting firms up to \$500,000 per year without a formal contract approved by City Council, provided that there are funds available in the City's budget for such services. The use of attorneys and accounting firms under this provision is not intended to establish a long-term relationship with City but rather to address a specific need expressed by the City Attorney or Finance Director in writing.
- c. Professional service contracts can only be cancelled in accordance with the terms of the contract in question by five votes of the City Council and concurrence of the Mayor.
- d. The Mayor may authorize the City Attorney to file suit against any contractor which is deemed by the Mayor and City Attorney to be in breach of contract with the City.

### **Specifications, contracts and bid documents for construction contracts and purchases.**

- a. Specifications, contracts and bid documents for construction contracts and purchases where written specifications are utilized shall be drawn in accordance with the directives set forth in this division and shall be prepared by the using department, subject to the approval of the purchasing agent. Whenever a commodity is to be procured or disposed of by more than one department, the purchasing division shall establish standard specifications after consulting with all involved departments.
- b. Notwithstanding the foregoing provisions regarding the preparation of contract specifications and the provisions of this division regarding the procedures for advertising, bidding and award of city contracts, the administration of construction contracts after the award thereof shall be the responsibility of the department or division as designated by the Mayor, and not the purchasing agent.
- c. Notices of projects or items sought through a competitive bid process shall be posted on the City's web page and also on the MITN web site. Notices shall be posted for a minimum period of one week. Notices shall direct respective bidders to the City's web site where the complete bid package is available.

## Financial Policies (Continued)

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### *Revenue Policy*

The City will estimate its annual revenue by a conservative, objective and analytical process. The City will review fees and charges annually and will provide City Council a fee schedule at the same time the Council deliberates on the budget. The Finance Director will attempt to design and/or modify revenue estimates to include provisions that automatically allow charges to grow at a rate that keeps pace with the cost of providing the service.

### *Debt Policy*

Presently, the City does not have any debt that is rated by any of the debt rating agencies related to governmental activities and business-type activities. State statute limits the amount of general obligation debt a governmental entity may issue to ten percent of its total assessed valuation. The current debt limitation for the City of Pontiac is approximately \$74.9 million (10% of total assessed value). The City's total outstanding debt as of June 30, 2020 was \$18.38 million. The City of Pontiac is 75% or \$56.52 million below their legal debt limit. The City does not intend to issue any debt for FY 20/21.

The City of Pontiac currently has two outstanding Bond Issues for the Tax Increment Finance Authority #2 through 2024 and #3 through the year 2031. The Tax Increment Finance Authority receives its revenues from a tax increment finance district that captures certain city, county, school, community college, and other property taxes. Because tax revenue captures are not anticipated to be able to cover debt payments, the City's General Fund is obligated to make up the difference. This will be accomplished by a contribution from the General Fund Community Development function to the Tax Increment Finance Authority. This is properly budgeted and accounted for as a Financial Guarantee in the TIF Funds.

In accordance with Michigan Public Act 279 of 1909 as amended, and the City Charter of the City, provide that the City of Pontiac may borrow money and issue bonds as needed. In accordance with Michigan Public Act 99 of 1933 as amended, and the City Charter of the City, provide that the net installment purchase contracts of the City shall not exceed 1.25% of the taxable value of the real and personal property in the City at the date of the contract or agreement. Currently the City of Pontiac does not have any installment purchase agreements.

The table below reflects the debt service requirements for the FY20/21 Budget.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
TIFA 3 2007C Bond	\$ 1,155,000	\$ 809,463	\$ 1,964,463
TIFA 2 2007C Bond	315,000	60,738	375,738
<b>Grand Total FY2020/21</b>	<b>\$ 1,470,000</b>	<b>\$ 870,200</b>	<b>\$ 2,340,200</b>

### *Accounting, Auditing and Financial Reporting Policies*

The accounting policies of the City of Pontiac, Michigan conform to accounting principles generally accepted in the United State of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles, which are primarily set forth in the GASB's Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification).

## Financial Policies (Continued)

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The General Fund, Special Revenue, Capital Improvement, and Debt are appropriated, and transactions are accounted for on the modified accrual basis of accounting. The Internal Service Fund, Pension and Other Postemployment Trust Funds, Discretely Presented Component Units and the Enterprise Funds are appropriated for and transactions are accounted for on a full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if it is collected within 60 days of the end of the current fiscal period. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, some property taxes and income taxes will be collected after the period of availability; receivables have been recorded for these, along with an “unavailable revenue” deferred inflows of resources.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

As required by the City of Pontiac Charter, at least 120 days after each fiscal year, the Mayor shall provide for an annual audit of the accounts of all elective officers, appointees and departments of City government by public accountants, who have no personal interest, direct or indirect, in the financial affairs of the City or any of its departments, elective officers, appointees or employees. An independent audit is conducted annually and the City produces annual financial reports in accordance with Generally Accepted Accounting Principles (GAAP) and Government Accounting Standards Board (GASB) rules.

## Short Term Factors

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Development of the fiscal year 2021 budget took into account the following short term developments:

**Salaries** – The City has budgeted for a total of 8.5 less positions than in fiscal year 2020. The majority of the decrease in positions is due to part time positions being eliminated from youth recreations. A majority of employees' salaries have been budgeted at a 3% increase over FY 19/20 levels.

**Employee benefits** – The City has incorporated increases to health (3%) and dental (3%) benefits. The City is also expecting workers compensation, life, and optical insurance to increase by 3%. Due to existing contracts, life, worker's compensation, and optical insurance are expected to remain the same. The City pays medical insurance for all City employees up to the Hardcap Limit as established by the State of Michigan Public Act 152 of 2011. The City pays 80% of the medical insurance for Court Employees.

**Fees** – The City does not anticipate any significant increase to fees in fiscal year 2021.

**Capital Improvement** – Road and IT capital projects are based on current year progress and the City's 5 year capital plan. Road projects budgeted for fiscal year 2021 will utilize fund balance in major and local streets. The Capital Improvement fund is also budgeted to utilize fund balance in fiscal year 2021. This is mainly due to building improvements in the Cable and Public Safety functions.

**Property Tax Levels** –Due to the Michigan constitutional Headlee amendment property taxes can only see an increase of the lesser of 5% or inflation year to year. Furthermore, during the past two years, the City saw major developments approved that will increase taxable value in the future. However, the property tax impact will be negligible because of abatements awarded as a condition for these developments to take place.

**Income Tax Levels** – As stated above, the City has had major developments approved to take place in the near future. The City's original estimates resulted in an increase in the FY 2021 income tax revenue, however, we have considered the impact of COVID-19 for the budget. To be conservative, the budget reflects a 15% decrease from original estimates, and a decrease of 1% from FY 2020 revenues.

**Use of Reserves** – Below is the planned use of reserves in fiscal year 2021:

- ❖ General Fund – fund balance will be utilized to purchase the Youth Recreation Facility.
- ❖ Major and local streets – fund balance will be utilized for road improvement projects.
- ❖ Youth Recreation Millage Fund – fund balance will be utilized for youth recreation programs
- ❖ Senior activities – fund balance will be utilized for operating expenditures
- ❖ Cable – fund balance will be utilized for capital outlay of computer and video equipment
- ❖ Building Department Fund- fund balance will be utilized for an increase of professional service charges related to building permits
- ❖ Drug enforcement – fund balance will be utilized for operating expenditures
- ❖ Capital Improvement fund – fund balance will be utilized for necessary repairs to Cable, Police, and Parks department
- ❖ Parking Fund – Fund balance will be utilized for repairs necessary for the Phoenix Center

## Short Term Factors (Continued)

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**Service-level assumptions** – Continuing from 2020, the City has increased budgets to insource snow plowing, pothole patching, code enforcement and planning in fiscal year 2021 in order to increase the service level and efficiency of these activities.

**Economic Development Strategies** – The City will continue to follow the goals set through the “Pontiac Moving Forward” initiative.

**Inflation assumptions** – The fiscal year 2021 budget includes inflation increases for supplies and other services that are subject to inflation.



# Long Term Financial Planning

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The City currently uses a five year financial model for planning of operating, capital expenditures, and other services to ensure that the City has a five year balanced budget and is in compliance with the fund balance policy. Below are the assumptions used in the five year financial model based on function.

## **Revenue Assumptions:**

**Property Taxes:** Because of the Headlee amendment restrictions, increase in the fiscal years 2021 through 2025 property tax revenue is estimated to be 1.019% each year.

**Income Taxes:** Due to the major developments in the past fiscal year, which will have a significant impact on income tax revenue, the City expects to rebound from the COVID-19 period levels in 2022, with an increase of 21% in 2022, and an increase of 1% for the years thereafter through 2025.

**Licenses and Permits:** Due to increased economic development activity that require an increased volume of licenses and permits, this revenue is expected to increase 2% in 2022 through 2025.

**Charges for Services:** The City expects charges for service to increase 2% each year due to increased economic development in future years.

**Federal Grants:** The City does not expect any major increases or impactful spending in the next two years.

**State Grants:** The City does not expect any major increases or impactful spending in the next two years, with the exception of State Shared Revenue, which the City is expecting to increase 3% each year.

**Fines and Forfeits:** No major increases anticipated, therefore a 1% increase is expected for 2022 through 2025

**Interest and Rents:** We anticipate an increase in interest of 0.5% for 2022 through 2025 due to City investing in low risk CD's and Money Market accounts

## **Expenditure assumptions:**

**Personnel Services:** The City has been looking into insourcing services that were outsourced during emergency management. The City has budgeted in the short term for these changes. Long-term, the City must weigh all the costs and benefits from insourcing services and determine whether insourcing makes sense. As far as personnel costs, the City has budgeted an increase in salaries of 3% year over year.

**Supplies:** A 2.5% increase for 2022 through 2025 is expected to account for inflation, which is dependent on overall economy and available information from market indices.

## Long Term Financial Planning (Continued)

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**Other Services and Charges** – 2.5% increase annually for 2022 through 2025 For those third party services who have multi-year contracts, those have been projected based on increases as indicated in those contracts.

**Capital Outlay** – Capital Outlay is currently budgeted for 2021 through 2025 based on the City’s five year capital road and IT improvement plan. Any increased activity will depend on the ability for City to explore bond market.

**Debt Service** – Currently, the City’s only debt service is in TIFA funds and is the only debt that is budgeted for the next two years. However, the City is exploring the bond market for capital improvements and this may be subject to change.

# Budget Process

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The budget process in the city charter in Section 5.102 is outlined as follows:

- ❖ The Department Heads are to provide to the Mayor their budget estimates and requests.
- ❖ By May 1, the Mayor is required to present to the City Council a proposed budget and a proposed annual appropriations ordinance. The budget is to be balanced. A balanced budget exists when budgeted revenues (including available unreserved Fund Balance) are equal or more than the budgeted expenditures.
- ❖ According to the Budget Hearings of Local Governments Act (MCL 141.411 *et seq.*), the City Council shall advertise in a newspaper of general circulation that the council will hold a public hearing on the proposed budget and tax rate to support the budget. Notice of the hearing must be published at least six days before the hearing.
- ❖ The city charter requires that an ordinance, except an emergency ordinance, is published in a newspaper of general circulation before the effective date. An emergency ordinance must still be published. The Mayor has the ability to issue a full veto or a line-item veto of the proposed budget ordinance. For a normal ordinance, the Clerk shall present the Mayor the proposed budget ordinance within four business days after the ordinance is adopted. Upon receipt, the Mayor has seven calendar days to issue his/her veto or sign the ordinance, except the Mayor shall notify the Clerk within 24 hours of the receipt of an emergency ordinance of his intention to veto. The Council has seven days from receipt of the veto to consider an override.

The Budget Ordinances further directs the City's budget process as follows:

- ❖ On or before March 15 in each year, the Finance Director shall distribute the budget request packet to each Department Head, whom shall return the completed budget request packet to the finance director on or before April 1 in each year. Budget estimates are to be completed for the two ensuing fiscal years.
- ❖ On or before April 15 in each year, the Finance Director shall transmit the departmental requests to the Mayor, who may revise or alter the estimates, and then shall return a copy of a balanced budget as revised to the Finance Director for tabulation on or before May 1 each year along with a list clearly indicating the changes the Mayor made in order to arrive at a balanced budget.
- ❖ The Finance Director shall recalculate the balanced budget proposed by the Mayor and shall inform the Mayor of any inconsistencies.
- ❖ On or before May 1 in each year, the Mayor shall submit to the City Council the proposed budget and appropriations ordinance for the ensuing two fiscal years and the proposed tax rate for the ensuing fiscal year. The proposed budgets shall be balanced. The Mayor shall provide a budget message with the proposed budgets that identifies revenues, expenditures, and significant revenues and significant expenditures.
- ❖ On or before June 1, the City Council shall authorize and publish a notice of public hearing on the proposed budget and tax rate and shall introduce the proposed appropriation ordinance at a City Council meeting.
- ❖ The City Council shall not amend the proposed appropriation ordinance or tax rate until after the public hearing. The City Council shall be permitted to make unlimited amendments to the budget subsequent to the public hearing on the budget and before its adoption.

## Budget Process (Continued)

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- ❖ By June 8 and no less than six days after the notice of public hearing on the proposed budget for the ensuing fiscal year and tax rate is published and the proposed appropriation ordinance had been introduced at a City Council meeting, the City Council shall hold a public hearing on the proposed budget and proposed tax rate and shall adopt an appropriations ordinance and tax rate. The budget shall be adopted on a functional basis for expenditures, rather than on a departmental or line item basis. A second resolution of intent will also be adopted for the budget for the second ensuing fiscal year; this resolution has no legal authority.
- ❖ At the meeting wherein the City Council adopts the appropriations ordinance, the Council shall adopt a resolution setting user fees for the ensuing fiscal year. Such fees shall be amended or waived by the City Council from time to time during the fiscal year only upon recommendation from the Finance Director and Mayor.

### Budget Amendment Policy

The Budget Ordinance ordains during the fiscal year, whenever it appears to the Finance Director that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation upon which appropriations from such fund were based, the Finance Director shall present to the Mayor recommendations to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues or both. The Finance Director is hereby authorized to amend an appropriation line item within a fund or department that does not exceed ten thousand dollars (\$10,000) within a fiscal year. Any budget amendments to a line item or department that exceeds ten thousand dollars (\$10,000) within a fiscal year must be approved by the City council prior to amendment. For all transfers in and transfers out between appropriation line items or departments exceeding ten thousand dollars (\$10,000) must be approved by City Council prior to such transfer.

The foregoing obligations are not required if there is an unforeseen expense due to bona-fide emergency, which shall be defined as anything imminent impacting the health and safety of the citizens including building fires, but not including capital improvements.

## Budget Calendar for FY 2020-2021

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July 1, 2019	New fiscal year 2019-2020 begins
January 27, 2020	Personnel costs such as current rates, budgeted hours, and vacancies schedules are prepared
February 3, 2020	Finance Director distributes the budget request packets/instructions to the Department Directors
February 7, 2020	Department Directors return and approved budgeted hours
February 28, 2020	Finance department prepares schedules of key accounts, and works on other budget preparation tasks
March 2, 2020	Department Directors given access to enter requested budget into BS&A
March 13, 2020	Department Directors return requested budget to Finance
March 16- March 31, 2020	Review, analysis, and calculations of submittals by Finance Director. Finance performs fund balance projections and calculation of fund balance policies
April 1, 2020	Finance Director transmits the departmental requests to the Mayor
April 2- April 17, 2020	Mayor meets with Department Heads and Finance Director on budget requests
April 20, 2020	Mayor returns a copy of the balanced budget to the Finance Director
April 21- April 30, 2020	Finance Director prepares budget document with Mayor's requested changes
May 1, 2020	Mayor submits to the City Council the balanced budget and appropriations ordinance
May 2- May 28, 2020	Mayor and Council hold meetings to discuss budget
May 19, 2020	Council establishes public hearing on budget and tax rates for June 2, 2020
May 29, 2020	Notice of public hearing published in Oakland County Press
June 2, 2020	Council holds public hearing on budget
June 30, 2020	Council adopts the appropriations ordinance and tax rate for the new year.
July 1, 2020	New fiscal year 2020-2021 begins

# **All Funds Summary**

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# Budget Fund Matrix

Function Fund Name										
	General Government	Public Safety	Public Works	Community and Economic Development	Health and Welfare	Recreation and Culture	Debt Service	Other Functions	Transfers out and other financial uses	Total by fund
General Fund	\$ 6,759,201	\$ 21,854,898	\$ 2,654,021	\$ 2,101,884	\$ -	\$ 3,754,861		\$ 2,258,844	\$ 2,919,503	\$ 42,303,212
Major Streets			6,789,748							6,789,748
Local Streets			4,332,209						-	4,332,209
Youth Recreation Millage						1,283,013				1,283,013
Cemetery Care	687,491									687,491
Senior Activities Millage						534,542				534,542
Sanitation			4,354,210							4,354,210
Cable	237,459									237,459
Building Department		2,842,328								2,842,328
CDBG FY 2012				-					30,335	30,335
Home Buyers Assistance				-					3,638	3,638
Drug Enforcement		58,033								58,033
District Court	3,689,472								59,237	3,748,709
MIDC	736,491									736,491
Public Act 48									7,750	7,750
TIFA District 2							\$ 653,343			653,343
TIFA District 3							2,328,138			2,328,138
Brownfield Redevelopment Authority				5,150						5,150
Capital Improvement Fund	1,772,452	519,881	-	50,000		100,000				2,442,333
Insurance Fund	-							7,601,136		7,601,136
Worker's Compensation Fund								658,919		658,919
Parking Fund			197,726			8,212,639				8,410,365
<b>Total by function</b>	<b>\$ 13,882,566</b>	<b>\$ 25,275,140</b>	<b>\$ 18,327,914</b>	<b>\$ 2,157,034</b>	<b>\$ -</b>	<b>\$ 13,885,055</b>	<b>\$ 2,981,481</b>	<b>\$ 10,518,899</b>	<b>\$ 3,020,463</b>	<b>\$ 90,048,552</b>



## Description of City Funds

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The City has prepared the budget in accordance with generally accepted accounting principles (GAAP). Government Funds and the City's Component Unit Funds use modified accrual accounting. Proprietary Funds use full accrual accounting. The following funds are being appropriated in this budget document:

### **Governmental Funds**

**General Fund:** The General Fund is the main operating fund of the City as nearly all of the City's daily operations are funded by the General Fund. The General Fund accounts for and reports all financial resources that are not accounted for and reported in another fund. The General Fund derives its revenue from three major sources: city income tax, state revenue sharing, and property taxes. In addition, certain functions in the General Fund are supported by user fees. Every municipal government in Michigan has a General Fund. State law requires a budget for the General Fund.

**Special Revenue Funds:** Special revenue funds are used to account for and to report the proceeds of specific revenue sources that are restricted or committed to spending for purposes specified by an external source. State law requires a budget for the Special Revenue Funds. The City's special revenue funds reflected in this budget are:

- ❖ **Major Street Fund** - Gas tax revenue distributed by the State of Michigan to the City which is restricted to construct and maintain streets classified as "major" in the City. Applicable legislation: Public Act 51 of 1951.
- ❖ **Local Street Fund** - Gas tax revenue distributed by the State of Michigan to the City which is restricted to construct and maintain streets classified as "local" in the City. Applicable legislation: Public Act 51 of 1951.
- ❖ **Youth Recreation Millage Fund** - This fund is used to account for property tax revenue levied specifically for the purpose of expending funds for centers open exclusively to youths under 21 years of age and aimed at curbing juvenile delinquency within the City of Pontiac. The City of Pontiac voters approved the millage on November 8, 2016 to levy up to 1.5 mills for a period of 10 years, 2017 to 2026. Applicable legislation: Public Act 179 of 1967.
- ❖ **Cemetery Fund** - This fund is used to account for money held by the City for the perpetual care of the cemetery.
- ❖ **Senior Activities Fund** - Property tax revenue levied specifically for the operation of facilities that primarily benefit senior citizens. The City funds operations at the Ruth Peterson and Robert Bowen senior centers. The voters approved a levy not to exceed 0.75 mill(s) on August 2, 2016 for a period of 10 years and expires in 2026. Applicable legislation: Public Act 39 of 1976.
- ❖ **Sanitation Fund** - Property tax revenue and user fees levied specifically for the collection and disposal of garbage in the City and the operation of the City's landfill. Applicable legislation: Public Act 298 of 1917.
- ❖ **Cable Fund** - Fees paid by subscribers to cable and internet service provided by Comcast and AT&T which are restricted for use by the City to maintain and operate a cable television studio. Applicable legislation: Public Act 480 of 2006.

## Description of City Funds (Continued)

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- ❖ **Home Buyers Fund** - The Home Investment Partnership Program (HOME) is an entitlement program of the U.S. Department of Housing and Urban Development (HUD). HOME provides formula grants to State and localities that communities use-often in partnership with local nonprofit groups to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.
- ❖ **Drug Enforcement Fund** - Funds seized from drug dealers under federal and state law that can be used for specific law enforcement purposes. Applicable legislation: Public Act 368 of 1978.
- ❖ **District Court Fund** - Fund used to support the operating expenditures of the 50th District Court. The 50th District Court is an agency of the State of Michigan that is funded by the City of Pontiac.
- ❖ **MIDC Grant Fund** - Fund used to support the operating revenue and expenditures of the Michigan Indigent Defense Council (MIDC) Grant awarded to the City of Pontiac's District Court. MIDC grant requires that a separate MIDC grant fund be established
- ❖ **Public Act 48 Telecommunications Fund** - Fees paid by telecommunications providers to the State of Michigan which are restricted for use by the City for maintenance of rights of way. Applicable legislation: Public Act 48 of 2002
- ❖ **Building Department Fund** - Fund supported by user fees paid by applicants for construction code permits, rental inspections, and business licenses along with a supplement from the General Fund as the fees do not cover the cost of providing the construction code services.

**Capital Project Funds:** Capital project funds are used to account for and report the financial resources that are restricted, committed, or assigned to be used on capital outlays, including the construction or acquisition of facilities and other capital assets.

- ❖ **Capital Improvement Fund** - Property tax revenue levied specifically for the construction and acquisition of capital outlays. This millage is authorized by the City charter.

### **Proprietary Funds**

**Enterprise Funds:** Proprietary funds are used to account for and report financial resources that receive significant support from user fees and charges. State law does not require a budget for Enterprise Funds, however, the City has chosen to adopt budgets for such funds. Proprietary funds are accounted for on a full accrual basis rather than a modified accrual basis.

- ❖ **Parking Enterprise Fund** - Fund supported by user fees paid by users of City owned and operated parking lots and the Phoenix Center garage. The City no longer operates any parking lots and has closed the Phoenix Center because operating revenues did not support operations, let alone capital needs.

## Description of City Funds (Continued)

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**Internal Service Funds:** Internal Service Funds are proprietary funds that are used to report any activity that provides goods or services to other funds, departments, or agencies of the City and its component units or to other governments on a cost-reimbursement basis. State law does not require a budget for Internal Service Funds, however, the City has chosen to adopt budgets for such funds.

- ❖ **Insurance Fund** - Used to report the financial resources committed to pay the health, dental, and life insurance expenses of the City's active employees who receive such benefits and the City's retirees and to pay the property and general liability insurance expenses of the City and associated administrative costs.
- ❖ **Workers Compensation Fund** - Used to report the financial resources committed to pay all expenses associated with workers compensation claims against the City. The City of Pontiac currently purchases workers compensation insurance for current employees.

**Component Unit Funds:** Entities for which the City is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the City's operations. State law does not require a budget for Component Unit Funds, however, the City has chosen to adopt budgets for such funds.

- ❖ **Tax Increment Finance Authority Area #2 Fund** - Property tax revenues on specific parcels captured for the sole purpose of supporting a specific development plan. These funds are supervised by the Tax Increment Finance Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 450 of 1980.
- ❖ **Tax Increment Finance Authority Area #3 Fund** - Property tax revenues on specific parcels captured for the sole purpose of supporting a specific development plan. These funds are supervised by the Tax Increment Finance Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 450 of 1980.
- ❖ **Brownfield Redevelopment Authority Fund** - Property tax revenues on specific parcels captured for the sole purpose of reimbursing developers for costs incurred for redeveloping parcels of an approved brownfield plan in the City. The City has three active brownfield plans: USF Holland, Saginaw Street Industrial, and Lafayette Lofts. These funds are supervised by the Brownfield Redevelopment Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 381 of 1996.

# Description of Functions

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## General Government

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- ❖ Operations under this category include the City Council, Mayor, Clerk, Attorney, Human Resources, Assessing, Income Tax, Information Technology, Treasurer, Finance Administration, and Building Maintenance. These are the core roles that are required for a government to function.

## Public Safety

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- ❖ Operations under this category include Police, Fire, Building Safety, and Crossing Guards. These are the roles that a city uses to keep the public safe.

## Public Works

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- ❖ Operations under this category include DPW Administration, Engineering, and Street Lighting which are funded by the General Fund and road construction, summer road maintenance, winter road maintenance, and traffic control which are funded by a grant from the State of Michigan (Act 51).

## Community Development

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- ❖ Operations under this category include contributions to the Tax Increment Finance Authority to offset the shortfall of tax captures to make bond payments, organization and record management of the former Pontiac Growth Group and Federal Programs Office, management of City property sales, planning and zoning, code enforcement, and proactive economic development initiatives.

## Recreation and Culture

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- ❖ Operations under this category include expenses related to park maintenance and the historic district commission.

## Health and Welfare

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- ❖ Operations under this category include expenses related to smart-bus services

## Other Functions

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- ❖ Operations under this category include funding for retiree pension and insurance benefits.

## Debt Service

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- ❖ This is the area that reflects payments on outstanding bonds and the financial guarantee in the Component Unit Funds.

## Transfers Out

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- ❖ Transfers out are movement of resources from one City Fund to another City Fund. The City has various transfers out including transfers from the General Fund to the 50th District Court Fund to support court operations.

# Consolidated Financial Schedule

The schedule below illustrates the total City budget for each major fund category. The City of Pontiac prepares a budget for six different fund categories. The below revenues are separated into the major revenue categories and the expenditures are separated into the major functions.

## **2020-21 All Funds Budget Summary**

### **Statement of Revenues & Expenditures**

Revenues	General	Special Revenue	Capital Projects	Component Units	Enterprise	Internal Service	Total
Property Taxes	\$ 8,478,935	\$ 3,150,568	\$ 930,657	\$ 1,418,872	\$ -	\$ -	\$ 13,979,032
Income Taxes	13,541,775	-	-	-	-	-	13,541,775
Licenses and Permits	178,900	2,545,107	-	-	-	-	2,724,007
Federal Grants	20,000	-	-	-	-	-	20,000
State Grants	10,630,785	8,712,215	46,980	236,599	163,020	-	19,789,599
Contributions from Primary Government	-	-	-	640,080	-	-	640,080
Charges for Services	1,048,900	3,554,384	-	50,000	-	6,753,728	11,407,012
Fines and Forfeits	8,000	1,011,000	-	-	-	-	1,019,000
Interest and Rents	751,800	129,107	25,000	-	25,500	15,000	946,407
Other Revenue	1,837,482	150,000	-	-	-	736,414	2,723,896
Total Revenues	36,496,577	19,252,381	1,002,637	2,345,551	188,520	7,505,142	66,790,808
<b>Expenditures</b>							
General Government	6,759,201	5,350,913	-	-	-	-	12,110,114
Public Safety	21,854,898	2,900,361	-	-	-	-	24,755,259
Public Works	2,654,021	15,476,167	-	-	197,726	-	18,327,914
Community and Economic Development	2,101,884	-	-	5,150	-	-	2,107,034
Recreation and Culture	3,754,861	1,817,555	-	-	8,212,639	-	13,785,055
Other Functions	2,258,844	-	-	-	-	8,260,055	10,518,899
Capital Outlay	-	-	2,442,333	-	-	-	2,442,333
Debt Service & Financial Guarantee	-	-	-	2,981,481	-	-	2,981,481
Total Expenditures	39,383,709	25,544,996	2,442,333	2,986,631	8,410,365	8,260,055	87,028,089
<b>Excess of Revenue Over (Under)</b>	(2,887,132)	(6,292,615)	(1,439,696)	(641,080)	(8,221,845)	(754,913)	(20,237,281)
<b>Other Financing Sources (Uses)</b>							
Transfers In and Other Financing Sources	62,723	2,575,937	-	-	381,803	-	3,020,463
Transfers (Out) and Other Financing Sources	(2,919,503)	(100,960)	-	-	-	-	(3,020,463)
Total Other Financing Sources	(2,856,780)	2,474,977	-	-	381,803	-	-
<b>Net Change in Fund Balance/Net Position</b>	(5,743,912)	(3,817,638)	(1,439,696)	(641,080)	(7,840,042)	(754,913)	(20,237,281)
<b>Fund Balances - Beginning of year</b>	13,924,754	17,204,833	2,395,481	(4,827,735)	19,630,487	3,078,272	51,406,092
<b>Fund Balances - End of Year</b>	<b>\$ 8,180,842</b>	<b>\$ 13,387,195</b>	<b>\$ 955,785</b>	<b>\$ (5,468,815)</b>	<b>\$ 11,790,445</b>	<b>\$ 2,323,359</b>	<b>\$ 31,168,811</b>

## Four Year Consolidated Fund Financial Schedules

	2017-18 Actual	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b>Statement of Revenues &amp; Expenditures - All Funds</b>				
<b>Revenues</b>				
Property Taxes	✓ \$ 13,501,914	✓ \$ 14,596,321	\$ 13,863,314	\$ 13,979,032
Income Taxes	13,314,704	14,456,678	13,649,450	13,541,775
Licenses and Permits	2,472,912	2,563,731	3,886,193	2,724,007
Federal Grants	116,621	85,972	20,000	20,000
State Grants	16,585,888	18,249,872	✓ 20,143,590	19,789,599
Contributions from Primary Government	756,592	632,824	652,665	640,080
Charges for Services	9,262,300	8,766,925	9,377,756	11,407,012
Fines and Forfeits	1,074,149	1,128,617	1,026,328	1,019,000
Interest and Rents	✓ 589,385	1,438,126	✓ 1,205,485	946,407
Other Revenue	2,749,219	2,709,427	3,304,497	2,723,896
Total Revenues	60,423,684	64,628,493	67,129,278	66,790,808
<b>Expenditures</b>				
General Government	✓ 7,654,795	12,013,228	10,669,988	12,110,114
Public Safety	21,537,252	21,907,490	23,152,201	24,755,259
Public Works	14,212,568	14,155,335	✓ 15,959,558	18,327,914
Other Functions	7,373,027	11,172,288	8,108,887	10,518,899
Health and Welfare	-	-	-	-
Community and Economic Development	1,871,891	✓ 1,560,859	1,777,852	2,107,034
Recreation and Culture	1,702,392	2,730,742	3,187,643	13,785,055
Capital Outlay	647,941	✓ 959,377	✓ 1,632,631	2,442,333
Debt Service & Financial Guarantee	3,096,555	2,975,587	2,992,228	2,981,481
Total Expenditures	58,096,421	67,474,906	67,480,988	87,028,089
<b>Excess of Revenue Over (Under)</b>	2,327,263	(2,846,413)	(351,710)	(20,237,281)
<b>Other Financing Sources (Uses)</b>				
Transfers In and Other Financing Sources	6,597,255	2,024,598	9,873,290	3,020,463
Transfers (Out) and Other Financing Sources	6,597,255	2,024,598	9,873,290	3,020,463
Total Other Financing Sources	-	-	-	-
<b>Net Change in Fund Balances/Net Position</b>	2,327,263	(2,846,413)	(351,710)	(20,237,281)
<b>Fund Balances - Beginning of year</b>	52,276,952	54,604,215	51,757,802	51,406,092
<b>Fund Balances - End of Year</b>	\$ 54,604,215	\$ 51,757,802	\$ 51,406,092	\$ 31,168,811
<b>Financial Position - All governmental funds</b>				
	Not complete			
Nonspendable	69,104	83,486	✓ 52,916	✓ 52,916
Restricted	22,994,693	✓ 20,367,827	✓ 22,036,270	✓ 16,777,936
Committed	3,373,524	3,200,000	✓ 3,193,976	✓ 3,193,976
Assigned	3,550,000	✓ 2,800,000	✓ -	✓ -
Unassigned	✓ 14,759,278	✓ 16,013,734	✓ 16,830,175	✓ 2,416,089
Investment in Capital Assets	9,857,616	✓ 9,292,755	✓ 9,292,755	8,727,894
Total Fund Balance	54,604,215	51,757,802	51,406,092	31,168,811

# Multi-Year Budget

For financial planning purposes, the City prepares a multi year budget. The City Council adopts only a one-year budget, which is included in the Budget Ordinance in Appendix A of the budget document. The four consecutive years are considered to be adopted early and can be changed during the next year's budget process.

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2019-20	BUDGET 2020-21	2021-22	PROJECTED 2022-23	2023-24	2024-2025
<b>Fund 101 - General Fund</b>							
PROPERTY TAXES	8,701,313	8,419,962	8,478,935	8,564,159	8,650,247	8,738,733	8,828,116
INCOME TAXES	14,456,678	13,649,450	13,541,775	16,435,000	16,648,750	16,791,250	16,957,500
LICENSES AND PERMITS	192,758	739,000	178,900	178,900	184,267	189,795	195,488
CHARGES FOR SERVICES	954,247	1,142,987	1,048,900	1,069,878	1,091,274	1,113,101	1,135,360
FEDERAL GRANTS	85,972	20,000	20,000	20,000	20,000	20,000	20,000
STATE GRANTS	10,259,310	10,664,730	10,630,785	10,404,316	10,664,885	10,931,742	11,155,430
OTHER REVENUE	1,670,551	1,957,947	1,837,482	1,885,044	1,933,957	1,984,263	2,036,000
FINES AND FORFEITS	8,000	8,000	8,000	8,080	8,161	8,242	8,325
INTEREST AND RENTS	997,953	852,294	751,800	755,560	759,337	763,133	766,949
<b>TOTAL REVENUES</b>	<b>\$ 37,326,782</b>	<b>\$ 37,454,370</b>	<b>\$ 36,496,577</b>	<b>\$ 39,320,937</b>	<b>\$ 39,960,878</b>	<b>\$ 40,540,259</b>	<b>\$ 41,103,168</b>
101-City Council	510,339	563,817	939,561	545,350	559,391	573,808	588,624
171-Mayor	611,189	652,806	606,064	623,513	641,461	659,934	678,940
215-City Clerk	267,524	304,905	328,289	338,110	347,861	357,899	368,226
191-Elections	182,406	114,437	280,420	283,267	291,228	299,412	307,834
206-Finance Administration	537,892	561,077	637,761	618,072	636,062	654,666	673,802
201-Accounting	281,852	290,240	298,550	298,574	298,598	307,523	316,648
202-Income Tax Administration	426,547	384,903	472,002	561,158	568,803	576,672	584,763
228-Information Technology	368,250	351,284	383,525	385,364	387,246	399,180	411,157
253-Treasurer	258,099	384,699	429,192	441,498	454,154	467,182	480,582
255-Medical Marihuana Applications	-	101,734	306,887	23,015	5,650	5,793	5,934
257-Assessor	418,842	427,770	428,408	432,908	445,835	446,207	446,589
270-Personnel Services	143,631	182,484	211,480	217,431	223,641	230,038	236,616
265-Building Maintenance	274,029	358,562	334,057	343,020	352,223	361,672	371,378
266-City Attorney	4,145,541	1,230,605	1,103,005	1,204,756	1,217,311	530,181	543,374
276-Cemetery Oak Hill	-	-	-	-	-	-	-
<b>TOTAL GENERAL GOVERNMENT FUNCTION</b>	<b>\$ 8,426,141</b>	<b>\$ 5,909,323</b>	<b>\$ 6,759,201</b>	<b>\$ 6,328,547</b>	<b>\$ 6,442,344</b>	<b>\$ 5,883,430</b>	<b>\$ 6,028,123</b>
301-POLICE/SHERIFF	12,252,735	12,903,411	13,451,559	14,087,447	14,785,724	15,518,752	16,288,271
309-CROSSING GUARDS	3,913	6,645	26,732	27,534	28,359	29,211	30,086
325-COMMUNICATIONS/DISPATCH	200,942	206,971	213,180	219,575	226,162	232,947	239,935
336-FIRE DEPARTMENT	7,398,499	7,779,362	8,163,427	8,565,563	8,991,745	9,439,182	9,908,937
<b>TOTAL PUBLIC SAFETY FUNCTION</b>	<b>\$ 19,856,089</b>	<b>\$ 20,896,389</b>	<b>\$ 21,854,898</b>	<b>\$ 22,900,119</b>	<b>\$ 24,031,990</b>	<b>\$ 25,220,092</b>	<b>\$ 26,467,229</b>
445-DRAINS - PUBLIC BENEFIT	311,903	311,000	316,400	324,310	332,418	340,727	349,247
447-Engineering	541,566	487,453	635,816	640,815	658,283	676,229	694,670
448-Street Lighting	697,455	907,186	909,400	932,135	955,439	979,325	1,003,807
458-PUBLIC WORKS OPERATIONS	547,235	780,164	792,405	788,315	809,794	831,862	854,538
<b>TOTAL PUBLIC WORKS FUNCTION</b>	<b>\$ 2,098,159</b>	<b>\$ 2,485,803</b>	<b>\$ 2,654,021</b>	<b>\$ 2,685,575</b>	<b>\$ 2,755,934</b>	<b>\$ 2,828,143</b>	<b>\$ 2,902,262</b>
674-Tele-van Services	-	-	-	-	-	-	-
<b>TOTAL HEALTH AND WELFARE FUNCTION</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
690-REDEVELOPMENT AND HOUSING	1,036,594	1,148,516	1,076,361	1,518,584	1,552,173	1,184,826	1,010,785
721-PLANNING	264,337	251,692	260,278	292,484	300,970	309,705	318,696
733 - CODE ENFORCEMENT	259,928	337,574	765,245	500,740	515,160	530,005	545,270
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT FUNCTION</b>	<b>\$ 1,560,859</b>	<b>\$ 1,737,782</b>	<b>\$ 2,101,884</b>	<b>\$ 2,311,808</b>	<b>\$ 2,368,303</b>	<b>\$ 2,024,536</b>	<b>\$ 1,874,751</b>
756-Recreation Facility	-	-	3,150,000	-	-	-	-
774-CITY EVENTS	78,939	92,817	85,950	88,099	90,301	92,558	94,872
818-PARKS GROUNDS MAINTENANCE	431,536	449,938	518,911	480,745	492,872	505,308	518,064
<b>TOTAL RECREATION AND CULTURE FUNCTION</b>	<b>\$ 510,475</b>	<b>\$ 542,755</b>	<b>\$ 3,754,861</b>	<b>\$ 568,844</b>	<b>\$ 583,173</b>	<b>\$ 597,866</b>	<b>\$ 612,936</b>
861-Retiree Fringes	2,133,428	1,835,294	2,248,844	3,500,000	3,500,000	3,500,000	3,500,000
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ 2,133,428</b>	<b>\$ 1,885,294</b>	<b>\$ 2,258,844</b>	<b>\$ 3,510,300</b>	<b>\$ 3,510,609</b>	<b>\$ 3,510,927</b>	<b>\$ 3,511,255</b>
OPERATING TRANSFERS IN	248,585	296,000	62,723	21,525	22,063	22,615	123,371
APPROPRIATION (OPERATING) TRANSFERS (OUT)	1,758,378	8,959,302	2,919,503	2,433,135	2,515,197	2,606,277	2,705,203
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ (1,509,793)</b>	<b>\$ (8,663,302)</b>	<b>\$ (2,856,780)</b>	<b>\$ (2,411,610)</b>	<b>\$ (2,493,134)</b>	<b>\$ (2,583,662)</b>	<b>\$ (2,581,832)</b>
<b>GENERAL FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 17,359,202	\$ 18,591,032	\$ 13,924,754	\$ 8,180,842	\$ 6,784,976	\$ 4,560,367	\$ 2,451,970
ANNUAL REVENUE	37,575,367	37,750,370	36,559,300	39,342,462	39,982,941	40,562,874	41,226,539
ANNUAL EXPENDITURES	(36,343,529)	(42,416,648)	(42,303,212)	(40,738,328)	(42,207,550)	(42,671,271)	(44,101,759)
ENDING FUND BALANCE	\$ 18,591,040	\$ 13,924,754	\$ 8,180,842	\$ 6,784,976	\$ 4,560,367	\$ 2,451,970	\$ (423,250)

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2019-20	BUDGET 2020-21	2021-22	PROJECTED 2022-23	2023-24	2024-2025
<b>Fund 202 - MAJOR STREETS</b>							
CHARGES FOR SERVICES	15,851	-	-	-	-	-	-
STATE GRANTS	5,880,723	6,157,068	5,822,659	6,104,570	6,257,184	6,413,614	6,573,954
OTHER REVENUE	71,003	(150,354)	-	-	-	-	-
INTEREST AND RENTS	30,733	31,473	25,700	25,829	25,958	26,087	26,218
<b>TOTAL REVENUES</b>	<b>\$ 5,998,310</b>	<b>\$ 6,038,187</b>	<b>\$ 5,848,359</b>	<b>\$ 6,130,399</b>	<b>\$ 6,283,142</b>	<b>\$ 6,439,701</b>	<b>\$ 6,600,172</b>
451-Construction Road & Bridges	-	-	-	-	-	-	-
458-PUBLIC WORKS OPERATIONS	266,670	309,187	288,316	296,966	305,874	315,051	324,503
463-Routine Maintenance Roads	5,187,550	5,928,426	5,601,715	3,745,083	2,659,476	8,876,675	5,235,796
478-Winter Maintenance	409,224	258,731	390,535	452,452	464,693	477,267	490,186
485-TRAFFIC CONTROL	323,785	208,258	296,025	252,356	258,851	265,512	272,348
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 6,187,229</b>	<b>\$ 6,904,602</b>	<b>\$ 6,789,748</b>	<b>\$ 4,896,857</b>	<b>\$ 3,838,894</b>	<b>\$ 10,084,505</b>	<b>\$ 6,472,833</b>
OPERATING TRANSFERS IN	18,484	600,000	-	-	-	-	-
APPROPRIATION (OPERATING) TRANSFERS (OUT)	-	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 18,484</b>	<b>\$ 600,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>MAJOR STREET FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 2,663,403	\$ 2,492,967	\$ 2,226,552	\$ 1,285,163	\$ 2,518,705	\$ 4,962,953	\$ 1,318,149
ANNUAL REVENUE	6,016,794	6,638,187	5,848,359	6,130,399	6,283,142	6,439,701	6,600,172
ANNUAL EXPENDITURES	(6,187,229)	(6,904,602)	(6,789,748)	(4,896,857)	(3,838,894)	(10,084,505)	(6,472,833)
ENDING FUND BALANCE	<b>\$ 2,492,968</b>	<b>\$ 2,226,552</b>	<b>\$ 1,285,163</b>	<b>\$ 2,518,705</b>	<b>\$ 4,962,953</b>	<b>\$ 1,318,149</b>	<b>\$ 1,445,488</b>
<b>Fund 203 - Local Streets</b>							
STATE GRANTS	1,550,925	1,808,300	1,874,220	2,034,857	2,085,728	2,137,872	2,191,318
INTEREST AND RENTS	102,733	92,454	27,941	28,081	28,221	28,362	28,504
<b>TOTAL REVENUES</b>	<b>\$ 1,653,658</b>	<b>\$ 1,911,486</b>	<b>\$ 1,902,161</b>	<b>\$ 2,062,938</b>	<b>\$ 2,113,949</b>	<b>\$ 2,166,234</b>	<b>\$ 2,219,822</b>
443-NONMOTORIZED	124,393	150,000	150,000	153,750	157,594	161,534	165,572
451-Construction Road & Bridges	-	-	-	-	-	-	-
458-PUBLIC WORKS OPERATIONS	103,367	128,917	125,757	129,530	133,416	137,419	141,541
463-Routine Maintenance Roads	2,193,679	2,699,790	3,621,261	1,662,609	1,373,374	1,400,451	1,428,225
478-Winter Maintenance	134,196	129,388	385,191	395,445	405,976	416,790	427,892
485-TRAFFIC CONTROL	57,410	55,000	50,000	51,250	52,531	53,845	55,191
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 2,613,045</b>	<b>\$ 3,163,095</b>	<b>\$ 4,332,209</b>	<b>\$ 2,392,584</b>	<b>\$ 2,122,891</b>	<b>\$ 2,170,039</b>	<b>\$ 2,218,421</b>
OPERATING TRANSFERS IN	14,125	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 14,125</b>	<b>\$ (600,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LOCAL STREET FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 5,933,349	\$ 4,988,087	\$ 3,136,478	\$ 706,430	\$ 376,784	\$ 367,842	\$ 364,037
ANNUAL REVENUE	1,667,783	1,911,486	1,902,161	2,062,938	2,113,949	2,166,234	2,219,822
ANNUAL EXPENDITURES	(2,613,045)	(3,763,095)	(4,332,209)	(2,392,584)	(2,122,891)	(2,170,039)	(2,218,421)
ENDING FUND BALANCE	<b>\$ 4,988,087</b>	<b>\$ 3,136,478</b>	<b>\$ 706,430</b>	<b>\$ 376,784</b>	<b>\$ 367,842</b>	<b>\$ 364,037</b>	<b>\$ 365,438</b>
<b>Fund 208 - Recreation Millage</b>							
PROPERTY TAXES	938,180	982,055	992,024	1,002,153	1,012,385	1,022,722	1,033,164
STATE GRANTS	-	23,551	23,551	23,551	23,551	23,551	23,551
<b>TOTAL REVENUES</b>	<b>\$ 1,091,640</b>	<b>\$ 1,155,606</b>	<b>\$ 1,165,575</b>	<b>\$ 1,175,704</b>	<b>\$ 1,185,936</b>	<b>\$ 1,196,273</b>	<b>\$ 1,206,715</b>
756-RECREATION FACILITY	700,864	838,575	1,058,924	852,958	871,927	891,414	911,434
775-YOUTH SPORTS	284,050	310,415	215,089	245,761	253,043	260,539	268,258
<b>TOTAL RECREATION AND CULTURE</b>	<b>\$ 987,337</b>	<b>\$ 1,148,990</b>	<b>\$ 1,283,013</b>	<b>\$ 1,107,944</b>	<b>\$ 1,134,426</b>	<b>\$ 1,161,645</b>	<b>\$ 1,189,626</b>
OPERATING TRANSFERS IN	6,331	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 6,331</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>YOUTH RECREATION MILLAGE FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	161,751	272,385	279,001	161,563	229,323	280,833	315,461
ANNUAL REVENUE	1,097,971	1,155,606	1,165,575	1,175,704	1,185,936	1,196,273	1,206,715
ANNUAL EXPENDITURES	(987,337)	(1,148,990)	(1,283,013)	(1,107,944)	(1,134,426)	(1,161,645)	(1,189,626)
ENDING FUND BALANCE	<b>\$ 272,385</b>	<b>\$ 279,001</b>	<b>\$ 161,563</b>	<b>\$ 229,323</b>	<b>\$ 280,833</b>	<b>\$ 315,461</b>	<b>\$ 332,550</b>



# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2019-20	BUDGET 2020-21	2021-22	PROJECTED 2022-23	2023-24	2024-2025
<b>Fund 209 - CEMETERY CARE FUND</b>							
CHARGES FOR SERVICES	-	2,624	-	-	-	-	-
OTHER REVENUE	2,800	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 2,800</b>	<b>\$ 2,624</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
276-Cemetery Oak Hill	137,322	335,203	336,346	118,462	110,300	108,258	111,090
273-Cemetery Ottawa Park	174,787	276,604	351,145	194,938	200,338	205,890	211,590
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 312,109</b>	<b>\$ 611,807</b>	<b>\$ 687,491</b>	<b>\$ 313,400</b>	<b>\$ 310,638</b>	<b>\$ 314,148</b>	<b>\$ 322,680</b>
OPERATING TRANSFERS IN	240,337	609,183	687,491	313,400	310,638	314,148	322,680
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 240,337</b>	<b>\$ 609,183</b>	<b>\$ 687,491</b>	<b>\$ 313,400</b>	<b>\$ 310,638</b>	<b>\$ 314,148</b>	<b>\$ 322,680</b>
<b>CEMETERY CARE FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	62,948	(6,024)	(6,024)	(6,024)	(6,024)	(6,024)	(6,024)
ANNUAL REVENUE	243,137	611,807	687,491	313,400	310,638	314,148	322,680
ANNUAL EXPENDITURES	(312,109)	(611,807)	(687,491)	(313,400)	(310,638)	(314,148)	(322,680)
<b>ENDING FUND BALANCE</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>
<b>Fund 212 - Senior Activities Millage</b>							
PROPERTY TAXES	344,696	325,108	328,456	331,854	335,286	338,754	342,258
INTEREST AND RENTS	37,387	32,640	21,466	21,574	21,681	21,789	21,899
<b>TOTAL REVENUE</b>	<b>\$ 382,083</b>	<b>\$ 374,418</b>	<b>\$ 366,592</b>	<b>\$ 370,098</b>	<b>\$ 373,637</b>	<b>\$ 377,213</b>	<b>\$ 380,827</b>
813-Ruth Peterson Senior Citizen Center	180,236	219,116	238,410	245,103	251,985	259,059	266,341
814-Bowen Senior Citizen Center	168,041	217,044	296,132	283,840	291,753	299,890	308,264
<b>TOTAL RECREATION AND CULTURE</b>	<b>\$ 348,277</b>	<b>\$ 436,160</b>	<b>\$ 534,542</b>	<b>\$ 528,943</b>	<b>\$ 543,738</b>	<b>\$ 558,949</b>	<b>\$ 574,605</b>
OPERATING TRANSFERS IN	28,499	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 28,499</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SENIOR ACTIVITIES - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 969,487	\$ 1,031,791	\$ 970,049	\$ 802,099	\$ 643,254	\$ 473,153	\$ 291,417
ANNUAL REVENUE	410,582	374,418	366,592	370,098	373,637	377,213	380,827
ANNUAL EXPENDITURES	(348,277)	(436,160)	(534,542)	(528,943)	(543,738)	(558,949)	(574,605)
<b>ENDING FUND BALANCE</b>	<b>\$ 1,031,792</b>	<b>\$ 970,049</b>	<b>\$ 802,099</b>	<b>\$ 643,254</b>	<b>\$ 473,153</b>	<b>\$ 291,417</b>	<b>\$ 97,639</b>
<b>Fund 226 - Sanitation Fund</b>							
PROPERTY TAXES	1,969,277	1,811,123	1,830,088	1,849,246	1,868,599	1,888,150	1,907,900
CHARGES FOR SERVICES	1,671,488	2,017,414	2,389,361	1,982,899	2,079,580	2,179,421	2,282,642
OTHER REVENUE	-	625,000	-	-	-	-	-
INTEREST AND RENTS	102,794	70,000	40,800	41,004	41,209	41,415	41,622
<b>TOTAL REVENUES</b>	<b>\$ 3,743,559</b>	<b>\$ 4,617,498</b>	<b>\$ 4,354,210</b>	<b>\$ 3,967,110</b>	<b>\$ 4,083,349</b>	<b>\$ 4,202,947</b>	<b>\$ 4,326,125</b>
528-Sanitation Collection	3,782,087	3,622,090	4,354,210	3,967,110	4,083,349	4,202,947	4,326,125
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 3,782,087</b>	<b>\$ 3,622,090</b>	<b>\$ 4,354,210</b>	<b>\$ 3,967,110</b>	<b>\$ 4,083,349</b>	<b>\$ 4,202,947</b>	<b>\$ 4,326,125</b>
OPERATING TRANSFERS IN	291	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 291</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>SANITATION FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 6,215,852	\$ 6,177,618	\$ 7,173,026	\$ 7,173,026	\$ 7,173,026	\$ 7,173,026	\$ 7,173,026
ANNUAL REVENUE	3,743,850	4,617,498	4,354,210	3,967,110	4,083,349	4,202,947	4,326,125
ANNUAL EXPENDITURES	(3,782,087)	(3,622,090)	(4,354,210)	(3,967,110)	(4,083,349)	(4,202,947)	(4,326,125)
<b>ENDING FUND BALANCE</b>	<b>\$ 6,177,615</b>	<b>\$ 7,173,026</b>	<b>\$ 7,173,026</b>	<b>\$ 7,173,026</b>	<b>\$ 7,173,026</b>	<b>\$ 7,173,026</b>	<b>\$ 7,173,026</b>
<b>Fund 231 - CABLE FUND</b>							
CHARGES FOR SERVICES	151,733	144,396	149,000	151,980	155,020	158,120	161,283
INTEREST AND RENTS	15,189	10,950	8,000	8,040	8,080	8,121	8,161
<b>TOTAL REVENUES</b>	<b>\$ 166,922</b>	<b>\$ 155,346</b>	<b>\$ 157,000</b>	<b>\$ 160,020</b>	<b>\$ 163,100</b>	<b>\$ 166,241</b>	<b>\$ 169,444</b>
291-CABLE	135,403	248,549	237,459	178,075	183,228	188,528	193,990
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 135,403</b>	<b>\$ 248,549</b>	<b>\$ 237,459</b>	<b>\$ 178,075</b>	<b>\$ 183,228</b>	<b>\$ 188,528</b>	<b>\$ 193,990</b>
OPERATING TRANSFERS IN	2,840	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 2,840</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CABLE FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 1,166,125	\$ 1,200,486	\$ 1,107,283	\$ 1,026,824	\$ 1,008,769	\$ 988,641	\$ 966,354
ANNUAL REVENUE	169,762	155,346	157,000	160,020	163,100	166,241	169,444
ANNUAL EXPENDITURES	(135,403)	(248,549)	(237,459)	(178,075)	(183,228)	(188,528)	(193,990)
<b>ENDING FUND BALANCE</b>	<b>\$ 1,200,484</b>	<b>\$ 1,107,283</b>	<b>\$ 1,026,824</b>	<b>\$ 1,008,769</b>	<b>\$ 988,641</b>	<b>\$ 966,354</b>	<b>\$ 941,808</b>

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2019-20	BUDGET 2020-21	2021-22	PROJECTED 2022-23	PROJECTED 2023-24	2024-2025
<b>Fund 239 - TAX INCREMENT FINANCE AUTHORITY #2</b>							
PROPERTY TAXES	87,136	31,362	31,733	32,107	32,485	32,867	33,253
CHARGES FOR SERVICES	75,000	50,000	50,000	50,000	50,000	50,000	50,000
CONTRIBUTION FROM PRIMARY GOVERNMENT	217,983	279,957	277,005	250,896	235,283	219,667	-
<b>TOTAL REVENUES</b>	<b>\$ 380,119</b>	<b>\$ 378,919</b>	<b>\$ 376,338</b>	<b>\$ 350,603</b>	<b>\$ 335,368</b>	<b>\$ 320,134</b>	<b>\$ 100,853</b>
DEBT SERVICE	598,102	658,276	652,743	600,884	570,021	539,155	(100,191)
<b>TOTAL DEBT SERVICE</b>	<b>\$ 598,102</b>	<b>\$ 658,876</b>	<b>\$ 653,343</b>	<b>\$ 601,499</b>	<b>\$ 570,651</b>	<b>\$ 539,801</b>	<b>\$ 662</b>
<b>TIFA #2 - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ (2,442,577)	\$ (2,660,559)	\$ (2,940,516)	\$ (3,217,521)	\$ (3,468,417)	\$ (3,703,700)	\$ (3,923,367)
ANNUAL REVENUE	380,119	378,919	376,338	350,603	335,368	320,134	100,853
ANNUAL EXPENDITURES	(598,102)	(658,876)	(653,343)	(601,499)	(570,651)	(539,801)	(662)
<b>ENDING FUND BALANCE</b>	<b>\$ (2,660,560)</b>	<b>\$ (2,940,516)</b>	<b>\$ (3,217,521)</b>	<b>\$ (3,468,417)</b>	<b>\$ (3,703,700)</b>	<b>\$ (3,923,367)</b>	<b>\$ (3,823,176)</b>
<b>Fund 240 - TAX INCREMENT FINANCE AUTHORITY #3</b>							
PROPERTY TAXES	1,547,803	1,368,937	1,382,989	1,397,183	1,411,523	1,426,008	1,440,641
STATE GRANTS	-	218,999	218,999	-	-	-	-
CONTRIBUTION FROM PRIMARY GOVERNMENT	414,841	372,708	363,075	691,146	724,071	355,602	384,010
<b>TOTAL REVENUES</b>	<b>\$ 1,962,644</b>	<b>\$ 1,960,644</b>	<b>\$ 1,965,063</b>	<b>\$ 2,307,328</b>	<b>\$ 2,354,593</b>	<b>\$ 2,000,609</b>	<b>\$ 2,043,650</b>
DEBT SERVICE	2,377,485	2,333,352	2,328,138	2,998,474	3,078,664	2,356,211	2,427,660
<b>TOTAL DEBT SERVICE</b>	<b>\$ 2,377,485</b>	<b>\$ 2,333,352</b>	<b>\$ 2,328,138</b>	<b>\$ 2,998,474</b>	<b>\$ 3,078,664</b>	<b>\$ 2,356,211</b>	<b>\$ 2,427,660</b>
<b>TIFA#3 - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ (1,330,915)	\$ (1,745,754)	\$ (2,118,462)	\$ (2,481,537)	\$ (3,172,683)	\$ (3,896,754)	\$ (4,252,356)
ANNUAL REVENUE	1,962,644	1,960,644	1,965,063	2,307,328	2,354,593	2,000,609	2,043,650
ANNUAL EXPENDITURES	(2,377,485)	(2,333,352)	(2,328,138)	(2,998,474)	(3,078,664)	(2,356,211)	(2,427,660)
<b>ENDING FUND BALANCE</b>	<b>\$ (1,745,754)</b>	<b>\$ (2,118,462)</b>	<b>\$ (2,481,537)</b>	<b>\$ (3,172,683)</b>	<b>\$ (3,896,754)</b>	<b>\$ (4,252,356)</b>	<b>\$ (4,636,366)</b>
<b>Fund 243 - Brownfield Redeveloping Auth</b>							
PROPERTY TAXES	33,896	4,098	4,150	4,202	4,255	4,309	4,363
<b>TOTAL REVENUES</b>	<b>\$ 33,896</b>	<b>\$ 4,098</b>	<b>\$ 4,150</b>	<b>\$ 4,202</b>	<b>\$ 4,255</b>	<b>\$ 4,309</b>	<b>\$ 4,363</b>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<b>\$ -</b>	<b>\$ 40,070</b>	<b>\$ 5,150</b>	<b>\$ 5,202</b>	<b>\$ 5,255</b>	<b>\$ 5,309</b>	<b>\$ 5,363</b>
<b>BROWNFIELD REDEVELOP. AUTHORITY - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 233,322	\$ 267,218	\$ 231,246	\$ 230,246	\$ 229,246	\$ 228,246	\$ 227,246
ANNUAL REVENUE	33,896	4,098	4,150	4,202	4,255	4,309	4,363
ANNUAL EXPENDITURES	-	(40,070)	(5,150)	(5,202)	(5,255)	(5,309)	(5,363)
<b>ENDING FUND BALANCE</b>	<b>\$ 267,218</b>	<b>\$ 231,246</b>	<b>\$ 230,246</b>	<b>\$ 229,246</b>	<b>\$ 228,246</b>	<b>\$ 227,246</b>	<b>\$ 226,246</b>
<b>Fund 249 - BUILDING INSPECTION FUND</b>							
LICENSES AND PERMITS	2,370,973	3,147,193	2,545,107	2,113,415	2,176,817	2,242,123	2,309,385
CHARGES FOR SERVICES	111,085	181,500	273,223	101,224	103,248	105,313	107,419
INTEREST AND RENTS	7,985	7,459	2,500	2,513	2,526	2,539	2,552
<b>TOTAL REVENUES</b>	<b>\$ 2,490,043</b>	<b>\$ 3,336,160</b>	<b>\$ 2,820,830</b>	<b>\$ 2,217,152</b>	<b>\$ 2,282,591</b>	<b>\$ 2,349,975</b>	<b>\$ 2,419,356</b>
371-BUILDING INSPECTION DEPARTMENT	2,003,707	2,195,495	2,842,328	2,158,241	2,205,175	2,253,170	2,302,232
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 2,003,707</b>	<b>\$ 2,195,495</b>	<b>\$ 2,842,328</b>	<b>\$ 2,158,241</b>	<b>\$ 2,205,175</b>	<b>\$ 2,253,170</b>	<b>\$ 2,302,232</b>
OPERATING TRANSFERS IN	-	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>BUILDING INSPECTION FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 437,843	\$ 924,180	\$ 2,064,845	\$ 2,043,347	\$ 2,102,258	\$ 2,179,674	\$ 2,276,479
ANNUAL REVENUE	2,490,043	3,336,160	2,820,830	2,217,152	2,282,591	2,349,975	2,419,356
ANNUAL EXPENDITURES	(2,003,707)	(2,195,495)	(2,842,328)	(2,158,241)	(2,205,175)	(2,253,170)	(2,302,232)
<b>ENDING FUND BALANCE</b>	<b>\$ 924,179</b>	<b>\$ 2,064,845</b>	<b>\$ 2,043,347</b>	<b>\$ 2,102,258</b>	<b>\$ 2,179,674</b>	<b>\$ 2,276,479</b>	<b>\$ 2,393,603</b>
<b>Fund 252 - CDBG FY2012</b>							
FEDERAL GRANTS	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CDBG FY2012 - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 30,335	\$ 30,335	\$ 30,335	\$ -	\$ -	\$ -	\$ -
ANNUAL REVENUE	-	-	-	-	-	-	-
ANNUAL EXPENDITURES	-	-	(30,335)	-	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ 30,335</b>	<b>\$ 30,335</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2019-20	BUDGET 2020-21	2021-22	PROJECTED 2022-23	PROJECTED 2023-24	2024-2025
<b>Fund 263 - HOME BUYERS ASSISTANCE</b>							
OTHER REVENUE	-	-	-	-	-	-	-
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	\$ -	\$ -	\$ 3,638	\$ -	\$ -	\$ -	\$ -
<b>HOME BUYERS ASSISTANCE - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 3,638	\$ 3,638	\$ 3,638	\$ -	\$ -	\$ -	\$ -
ANNUAL REVENUE	-	-	-	-	-	-	-
ANNUAL EXPENDITURES	-	-	(3,638)	-	-	-	-
ENDING FUND BALANCE	\$ 3,638	\$ 3,638	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund 265 - DRUG ENFORCEMENT FUND</b>							
INTEREST AND RENTS	1,837	1,282	900	905	909	914	918
FINES AND FORFEITS	41,197	42,000	40,000	40,400	40,804	41,212	41,624
CHARGES FOR SERVICES	-	-	-	-	-	-	-
TOTAL REVENUES	\$ 43,034	\$ 43,282	\$ 40,900	\$ 41,305	\$ 41,713	\$ 42,126	\$ 42,542
TOTAL PUBLIC SAFETY	\$ 47,694	\$ 60,317	\$ 58,033	\$ 59,493	\$ 60,992	\$ 62,527	\$ 64,101
<b>DRUG ENFORCEMENT FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 232,100	\$ 227,441	\$ 210,406	\$ 193,273	\$ 175,085	\$ 155,806	\$ 135,405
ANNUAL REVENUE	43,034	43,282	40,900	41,305	41,713	42,126	42,542
ANNUAL EXPENDITURES	(47,694)	(60,317)	(58,033)	(59,493)	(60,992)	(62,527)	(64,101)
ENDING FUND BALANCE	\$ 227,440	\$ 210,406	\$ 193,273	\$ 175,085	\$ 155,806	\$ 135,405	\$ 113,846
<b>Fund 276 - District Court</b>							
CHARGES FOR SERVICES	773,290	722,895	742,800	757,656	772,809	788,265	804,031
STATE GRANTS	182,896	182,896	182,900	188,387	194,039	199,860	205,856
OTHER REVENUE	-	-	-	-	-	-	-
FINES AND FORFEITS	1,079,420	976,328	971,000	980,710	990,517	1,000,422	1,010,427
INTEREST AND RENTS	1,869	1,800	1,800	1,809	1,818	1,827	1,836
TOTAL REVENUES	\$ 2,037,475	\$ 1,883,919	\$ 1,898,500	\$ 1,928,562	\$ 1,959,183	\$ 1,990,374	\$ 2,022,150
136-District Court	2,770,477	3,011,934	3,276,368	3,326,313	3,421,412	3,519,245	3,619,896
151-Court Probation	172,431	182,552	413,104	425,392	438,153	451,299	464,838
TOTAL GENERAL GOVERNMENT	\$ 2,942,908	\$ 3,194,486	\$ 3,689,472	\$ 3,751,705	\$ 3,859,565	\$ 3,970,544	\$ 4,084,734
OPERATING TRANSFERS IN	946,047	1,349,555	1,850,209	1,860,109	1,938,286	2,019,037	2,102,438
APPROPRIATION (OPERATING) TRANSFERS (OUT)	41,220	38,988	59,237	36,966	37,904	38,867	39,854
TRANSFERS (OUT) AND OTHER SOURCES	\$ 904,827	\$ 1,310,567	\$ 1,790,972	\$ 1,823,143	\$ 1,900,382	\$ 1,980,170	\$ 2,062,584
<b>DISTRICT COURT - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 2,093	\$ 1,487	\$ 1,487	\$ 1,487	\$ 1,487	\$ 1,487	\$ 1,487
ANNUAL REVENUE	2,983,522	3,233,474	3,748,709	3,788,671	3,897,469	4,009,411	4,124,588
ANNUAL EXPENDITURES	(2,984,128)	(3,233,474)	(3,748,709)	(3,788,671)	(3,897,469)	(4,009,411)	(4,124,588)
ENDING FUND BALANCE	\$ 1,487	\$ 1,487	\$ 1,487	\$ 1,487	\$ 1,487	\$ 1,487	\$ 1,487
<b>Fund 277 - MIDC GRANT FUND</b>							
STATE GRANTS	129,854	687,835	698,254	719,834	738,502	757,655	777,310
TOTAL REVENUES	\$ 129,854	\$ 687,835	\$ 698,254	\$ 719,834	\$ 738,502	\$ 757,655	\$ 777,310
137-MIDC Grant-District Court	147,489	705,823	736,491	735,275	754,343	773,907	793,984
TOTAL GENERAL GOVERNMENT	\$ 147,489	\$ 705,823	\$ 736,491	\$ 735,275	\$ 754,343	\$ 773,907	\$ 793,984
OPERATING TRANSFERS IN	17,635	17,988	38,237	15,441	15,841	16,252	16,674
TRANSFERS (OUT) AND OTHER SOURCES	\$ 17,635	\$ 17,988	\$ 38,237	\$ 15,441	\$ 15,841	\$ 16,252	\$ 16,674
<b>MIDC GRANT - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ANNUAL REVENUE	147,489	705,823	736,491	735,275	754,343	773,907	793,984
ANNUAL EXPENDITURES	(147,489)	(705,823)	(736,491)	(735,275)	(754,343)	(773,907)	(793,984)
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Fund 280 - PA 48 TELECOMMUNICATION ALLOCATION (ROW)</b>							
LICENSES AND PERMITS	-	-	-	-	-	-	-
STATE GRANTS	224,645	225,000	-	-	-	-	-
TOTAL REVENUES	\$ 224,645	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PUBLIC WORKS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
APPROPRIATION (OPERATING) TRANSFERS (OUT)	225,000	275,000	7,750	-	-	-	-
TRANSFERS (OUT) AND OTHER SOURCES	\$ 225,000	\$ 275,000	\$ 7,750	\$ -	\$ -	\$ -	\$ -
<b>PA 48 TELECOMM. - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 58,105	\$ 57,750	\$ 7,750	\$ -	\$ -	\$ -	\$ -
ANNUAL REVENUE	224,645	225,000	-	-	-	-	-
ANNUAL EXPENDITURES	(225,000)	(275,000)	(7,750)	-	-	-	-
ENDING FUND BALANCE	\$ 57,750	\$ 7,750	\$ -	\$ -	\$ -	\$ -	\$ -

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2019-20	BUDGET 2020-21	2021-22	PROJECTED			2024-2025
					2022-23	2023-24		
<b>Fund 445 - Capital Improvements Fund</b>								
PROPERTY TAXES	973,501	921,169	930,657	940,242	949,925	959,707		969,588
STATE GRANTS	21,519	46,980	46,980	46,980	46,980	46,980		46,980
OTHER REVENUE	116,744	-	-	-	-	-		-
INTEREST AND RENTS	60,471	47,018	25,000	25,125	25,251	25,377		25,504
<b>TOTAL REVENUES</b>	<b>\$ 1,172,235</b>	<b>\$ 1,015,167</b>	<b>\$ 1,002,637</b>	<b>\$ 1,012,347</b>	<b>\$ 1,022,156</b>	<b>\$ 1,032,064</b>		<b>\$ 1,042,072</b>
228-Information Technology	87,786	110,333	170,333	66,333	31,333	31,333		31,333
265-Building Maintenance	335,876	1,254,430	732,119	500,000	500,000	500,000		-
273-Cemetery Ottawa Park	32,280	63,075	120,000	-	-	-		-
276-Cemetery Oak Hill	600	-	-	-	-	-		-
291-Cable	-	-	750,000	-	-	-		-
<b>TOTAL CAPITAL - GENERAL GOVERNMENT</b>	<b>\$ 456,542</b>	<b>\$ 1,427,838</b>	<b>\$ 1,772,452</b>	<b>\$ 566,333</b>	<b>\$ 531,333</b>	<b>\$ 531,333</b>		<b>\$ 31,333</b>
301-POLICE/SHERIFF	33,439	125,000	500,000	-	-	-		-
336-FIRE	-	79,447	19,881	-	-	-		-
<b>TOTAL CAPITAL - PUBLIC SAFETY</b>	<b>\$ 33,439</b>	<b>\$ 204,447</b>	<b>\$ 519,881</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
448-Street Lighting	111,593	113	-	-	-	-		-
458-PUBLIC WORKS OPERATIONS	246,828	233	-	712,000	400,000	400,000		400,000
733 - CODE ENFORCEMENT	-	-	50,000	-	-	-		-
<b>TOTAL CAPITAL - PUBLIC WORKS</b>	<b>\$ 358,421</b>	<b>\$ 346</b>	<b>\$ 50,000</b>	<b>\$ 712,000</b>	<b>\$ 400,000</b>	<b>\$ 400,000</b>		<b>\$ 400,000</b>
818-Parks Ground Maintenance	-	-	100,000	-	-	-		-
<b>TOTAL CAPITAL - Parks and Recreation</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
<b>CAPITAL IMPROVEMENT FUND - FUND BALANCE SUMMARY</b>								
BEGINNING FUND BALANCE	\$ 2,800,087	\$ 3,012,946	\$ 2,395,482	\$ 955,786	\$ 689,800	\$ 780,623		\$ 881,354
ANNUAL REVENUE	1,172,235	1,015,167	1,002,637	1,012,347	1,022,156	1,032,064		1,042,072
ANNUAL EXPENDITURES	(959,377)	(1,632,631)	(2,442,333)	(1,278,333)	(931,333)	(931,333)		(431,333)
ENDING FUND BALANCE	<b>\$ 3,012,945</b>	<b>\$ 2,395,482</b>	<b>\$ 955,786</b>	<b>\$ 689,800</b>	<b>\$ 780,623</b>	<b>\$ 881,354</b>		<b>\$ 1,492,093</b>
<b>Fund 585 - Parking Enterprise Fund</b>								
PROPERTY TAXES	519	(500)	(500)	(500)	(500)	(500)		(500)
CHARGES FOR SERVICES	-	-	-	-	-	-		-
STATE GRANTS	-	-	163,020	-	-	-		-
OTHER REVENUE	-	-	-	-	-	-		-
INTEREST AND RENTS	47,975	36,855	26,000	26,130	26,261	26,392		26,524
<b>TOTAL REVENUES</b>	<b>\$ 48,494</b>	<b>\$ 36,355</b>	<b>\$ 188,520</b>	<b>\$ 285,256</b>	<b>\$ 292,034</b>	<b>\$ 298,984</b>		<b>\$ 306,109</b>
OPERATING TRANSFERS IN	-	7,000,564	381,803	-	-	-		-
APPROPRIATION (OPERATING) TRANSFERS (OUT)	-	-	-	-	-	-		-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ -</b>	<b>\$ 7,000,564</b>	<b>\$ 381,803</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
OTHER SERVICES AND CHARGES	884,653	843,706	8,410,365	1,310,602	1,340,222	1,370,591		1,401,722
<b>TOTAL RECREATION AND CULTURE</b>	<b>\$ 884,653</b>	<b>\$ 1,059,738</b>	<b>\$ 8,212,639</b>	<b>\$ 1,111,233</b>	<b>\$ 1,139,169</b>	<b>\$ 1,167,812</b>		<b>\$ 1,197,173</b>
<b>PARKING ENTERPRISE - FUND BALANCE SUMMARY</b>								
BEGINNING FUND BALANCE	\$ 13,748,248	\$ 13,437,275	\$ 19,630,488	\$ 11,790,446	\$ 10,765,100	\$ 9,716,912		\$ 8,645,305
ANNUAL REVENUE	48,494	7,036,919	570,323	285,256	292,034	298,984		306,109
ANNUAL EXPENDITURES	(359,468)	(843,706)	(8,410,365)	(1,310,602)	(1,340,222)	(1,370,591)		(1,401,722)
ENDING FUND BALANCE	<b>\$ 13,437,274</b>	<b>\$ 19,630,488</b>	<b>\$ 11,790,446</b>	<b>\$ 10,765,100</b>	<b>\$ 9,716,912</b>	<b>\$ 8,645,305</b>		<b>\$ 7,549,692</b>
<b>Fund 629 - Employees Sick &amp; Vacation Pay Fund</b>								
CHARGES FOR SERVICES	(4,194)	-	-	-	-	-		-
INTEREST AND RENTS	4,605	4,260	-	-	-	-		-
<b>TOTAL REVENUES</b>	<b>\$ 411</b>	<b>\$ 4,260</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ 411</b>	<b>\$ 8,756</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>		<b>\$ -</b>
<b>EMPLOYEE SICK &amp; VAC - FUND BALANCE SUMMARY</b>								
BEGINNING FUND BALANCE	\$ -	\$ -	\$ (4,496)	\$ (4,496)	\$ (4,496)	\$ (4,496)		\$ (4,496)
ANNUAL REVENUE	411	4,260	-	-	-	-		-
ANNUAL EXPENDITURES	(411)	(8,756)	-	-	-	-		-
ENDING FUND BALANCE	<b>\$ -</b>	<b>\$ (4,496)</b>	<b>\$ (4,496)</b>	<b>\$ (4,496)</b>	<b>\$ (4,496)</b>	<b>\$ (4,496)</b>		<b>\$ (4,496)</b>

## Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2019-20	BUDGET 2020-21	2021-22	PROJECTED		2024-2025
					2022-23	2023-24	
<b>Fund 659 - Insurance Fund</b>							
CHARGES FOR SERVICES	4,766,987	4,832,875	6,394,809	1,466,935	1,510,943	1,556,272	1,602,959
OTHER REVENUE	694,869	711,164	736,414	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 5,461,856</b>	<b>\$ 5,544,039</b>	<b>\$ 7,131,223</b>	<b>\$ 2,222,060</b>	<b>\$ 2,285,255</b>	<b>\$ 2,350,261</b>	<b>\$ 2,417,124</b>
194-Risk Management	49,178	-	-	-	-	-	-
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 49,178</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
851-Insurance and Bonds	(404,173)	475,414	676,360	693,269	710,601	728,366	746,574
854-Employee Medical Insurance	948,809	1,029,611	1,778,150	1,589,150	1,636,522	1,685,309	1,735,550
861-Retiree Fringes	8,243,959	4,126,747	5,146,626	-	-	-	-
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ 8,788,595</b>	<b>\$ 5,631,772</b>	<b>\$ 7,601,136</b>	<b>\$ 2,282,419</b>	<b>\$ 2,347,123</b>	<b>\$ 2,413,675</b>	<b>\$ 2,482,124</b>
OPERATING TRANSFERS IN	501,424	-	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 501,424</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>INSURANCE FUND - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	\$ 5,120,059	\$ 2,245,566	\$ 2,157,833	\$ 1,687,920	\$ 1,627,561	\$ 1,565,693	\$ 1,502,279
ANNUAL REVENUE	5,963,280	5,544,039	7,131,223	2,222,060	2,285,255	2,350,261	2,417,124
ANNUAL EXPENDITURES	(8,837,773)	(5,631,772)	(7,601,136)	(2,282,419)	(2,347,123)	(2,413,675)	(2,482,124)
<b>ENDING FUND BALANCE</b>	<b>\$ 2,245,566</b>	<b>\$ 2,157,833</b>	<b>\$ 1,687,920</b>	<b>\$ 1,627,561</b>	<b>\$ 1,565,693</b>	<b>\$ 1,502,279</b>	<b>\$ 1,437,279</b>
<b>Fund 677 - Self Insurance Workers Compensation</b>							
CHARGES FOR SERVICES	251,438	283,065	358,919	396,868	408,773	421,038	433,667
INTEREST AND RENTS	26,595	17,000	15,000	15,075	15,150	15,226	15,302
<b>TOTAL REVENUES</b>	<b>\$ 278,033</b>	<b>\$ 300,065</b>	<b>\$ 373,919</b>	<b>\$ 411,943</b>	<b>\$ 423,923</b>	<b>\$ 436,264</b>	<b>\$ 448,969</b>
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ 249,854</b>	<b>\$ 583,065</b>	<b>\$ 658,919</b>	<b>\$ 496,868</b>	<b>\$ 508,774</b>	<b>\$ 521,038</b>	<b>\$ 533,666</b>
<b>SELF INS. WORKERS COMP - FUND BALANCE SUMMARY</b>							
BEGINNING FUND BALANCE	1,179,756	1,207,936	924,936	639,936	555,011	470,160	385,386
ANNUAL REVENUE	278,033	300,065	373,919	411,943	423,923	436,264	448,969
ANNUAL EXPENDITURES	(249,854)	(583,065)	(658,919)	(496,868)	(508,774)	(521,038)	(533,666)
<b>ENDING FUND BALANCE</b>	<b>\$ 1,207,935</b>	<b>\$ 924,936</b>	<b>\$ 639,936</b>	<b>\$ 555,011</b>	<b>\$ 470,160</b>	<b>\$ 385,386</b>	<b>\$ 300,689</b>
<b>GRAND TOTALS</b>							
BEGINNING FUND BALANCE	\$ 54,604,211	\$ 51,757,799	\$ 51,406,092	\$ 31,168,811	\$ 28,228,765	\$ 26,294,442	\$ 18,749,112
ANNUAL REVENUE - ALL FUNDS	66,653,091	77,002,571	69,811,271	66,898,272	68,190,392	69,043,675	70,195,934
ANNUAL EXPENDITURES - ALL FUNDS	(69,499,503)	(77,354,278)	(90,048,552)	(69,838,318)	(70,124,715)	(76,589,005)	(73,967,474)
<b>ENDING FUND BALANCE</b>	<b>\$ 51,757,799</b>	<b>\$ 51,406,092</b>	<b>\$ 31,168,811</b>	<b>\$ 28,228,765</b>	<b>\$ 26,294,442</b>	<b>\$ 18,749,112</b>	<b>\$ 14,977,572</b>

## Budget Overview

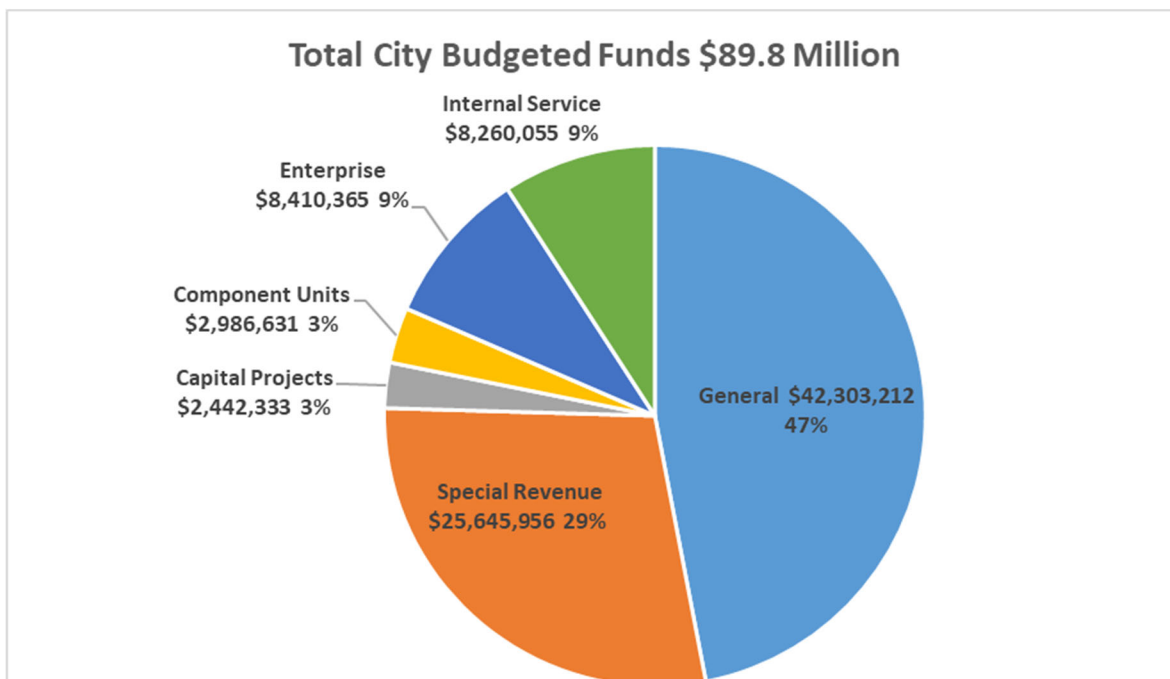
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This overview section of the budget has been prepared as a general overview of the FY20/21 budget for the City of Pontiac. This overview will provide City residents with a comprehensive summary of the City's plans for the next fiscal year. This budget overview will briefly introduce you to the City's budget. It will explain how the City plans to utilize its resources and will highlight some of the more significant changes to the City's budget.

### ***Total City Funds***

The FY2020/21 budgeted expense for all City funds totals \$90.0 million - an increase of \$12.7 million from the FY 19/20 projection and \$7 million decrease from the FY 19/20 amended budget (including transfers out). The overall increase is a result of additional capital outlay to purchase the Youth Recreation Center, and other cost increases.

The City establishes a budget for 23 separate reporting funds. These 23 funds can be further grouped into six major fund categories as the following graph illustrates. The largest is the General Fund, with budgeted expenses of \$42.3 million or 47% of the total City budget. The General Fund is the budget center for the majority of services available to City residents. The second largest category is the Special Revenue Funds, with budgeted expenses of \$25.6 million in funding towards roads, sanitation, and specific purposes. Both the General Fund and Special Revenue Funds will be discussed in depth later in this Budget Overview Section.



### **General Fund**

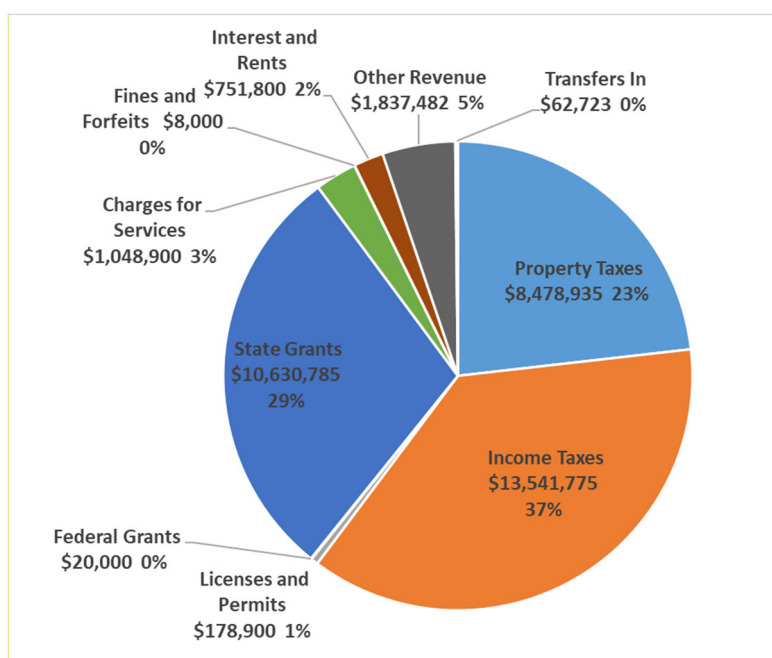
The **General Fund** budgeted expenditures are \$42.3 million, a decrease of 0.3% or \$113,436 from the FY19/20 projection. General Fund budgeted revenues decreased \$1.19 million or 3.2% from the FY19/20 projection. The net result is a decrease of \$5,743,912 in fund balance.

## Budget Overview (Continued)

The General Fund derives its revenue from primarily three sources: Income Tax, Property Tax and State Revenue Sharing. These three items represent 89% of the total revenue for the General Fund. The City is expecting a net decrease of 1% in income taxes due to potential COVID-19 impacts, a net increase in property tax revenue of 1% due to anticipated increase in chargebacks combined with an anticipated decrease in STEL reimbursement, and 5% net decrease to State Revenue Sharing is expected, also due to less sales tax collections. The remaining 11% of the revenue in the General Fund consists of interest income 2%, other revenue 5%, licenses and permits 1%, and charges for services and transfers in of 3%.

The City's millage rate is expected to remain the same from FY19/20. The City's total taxable value for FY19/20 is expected to increase 1.019%. Taxable values have increased for the fifth time in the last six years.

The graph below illustrates the General Fund revenue by category.

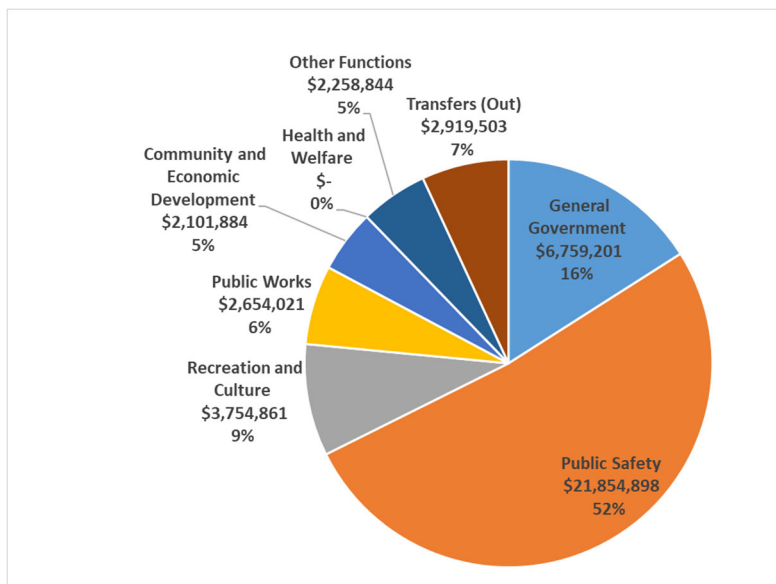


The \$42.3 million General Fund budgeted expenditures are comprised of eight separate functions as illustrated in the graph below. The largest function is for **Public Safety**, which consists of Police, Fire, Dispatch, and Crossing Guard services. There is a small increase in the Public Safety function related to contractual increases for services provided. The City of Pontiac contracts with Oakland County Sheriff for Police and Dispatch Services. Waterford Township provides fire services to Pontiac residents.

The **General Government Function** budgeted expenditures are \$6.8 million or 16% of the total General Fund expenditures. General Government includes the City Council, Mayor, City Clerk, Elections, Personnel, Accounting, Finance, Treasury, Medical Marihuana Applications, City Attorney, Assessor, Building Maintenance, Income Tax, and IT. General Government is increasing \$849,878 from FY19/20 projection. The largest portion of the increase is related to City Council and Medical Marijuana departments. There are newly created positions budgeted for fiscal year 2020 in the City Clerk, Public Works, Code Enforcement and Cable departments.

## Budget Overview (Continued)

The chart below shows the General Fund expenditures by function.



The **Public Works** function is expected to increase \$168,218 from the FY19/20 projection to a total budget of approximately \$2.65 million. The Public Works function consists of Drains, Engineering, Street Lighting, and Public Works Operations. The Public Works function is expecting to fill two positions to assist with janitorial duties.

The **Community Development** function is expecting an increase of approximately \$364,102 for a total budget of approximately \$2.1 million. The Community Development function consists of Redevelopment and Housing, Planning, and insourcing of the Code Enforcement Department. In order to provide a more efficient service to citizens, both the planning and code enforcement departments were insourced in fiscal year 2019 from the current third party provider, which is the main reason for the continued increase. The Community Development function also includes the approximate \$640,000 transfer to the TIF funds for debt service.

**Recreation and Culture** is budgeting an increase in spending of \$3,212,106 for a total budget of \$3,754,861. The Recreation and Culture function consists of City Events for the Dream Cruise and Parks Ground Maintenance. In FY20/21, the Recreation and Culture function budget includes an additional \$3,150,000 for the purchase of a youth recreation center. The City is planning to keep support consistent for the Dream Cruise in fiscal year 2021. The park maintenance department is expected to increase \$68,973 from FY19/20 projected. This is due to an increase in budgeted expenditures for Neighborhood projects, mowing services, and tree removal services from FY 20 levels.

**Health and Welfare** is not budgeted for in FY20/21.



## Budget Overview (Continued)

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**Other functions** is increasing \$423,550 for a total budget of \$2,258,844. The increase is related to the Police and Fire Pension contribution that was calculated by the actuary.

The **Transfers Out** is the last function of the General Fund. The City is planning to transfer \$687,491 to the Cemetery Fund, \$1.85 million to the District Court Fund, and \$381,803 to the Parking fund. This is a decrease of \$6,039,799 from FY19/20 projected. During FY 19/20, the City transferred \$7,000,000 to the Parking Fund for improvements to the Phoenix Center

### Special Revenue Funds

The Special Revenue Funds budgeted expenditures are \$25.6 million or 29% of the total City expenditures. The City of Pontiac has budgeted 12 Special Revenue Funds for FY19/20. Below are the highlights of each fund

- ❖ Major Street Fund - \$6.8 million in expenditures, which is a \$114,854 decrease from FY19/20 projected.
  - The Major Street Fund will receive \$5.6 million in revenue from the State of Michigan for ACT 51, which is a decrease of \$319,441 or 5.3%. These funds are restricted for road improvement.
  - Major Streets is also budgeted to receive an additional \$200,000 from a State Grant.
  - The Major Street Fund will fund snow removal, roadway maintenance and traffic control.
  - The Major Street Fund is planning \$3.2 million in road improvements to Centerpoint Parkway, Mill Street and Walton Rd.
  - The Major Street Fund will use \$941k in fund balance on road projects.
- ❖ Local Street Fund - \$4.3 million in expenditures, which is a \$569,114 increase from FY19/20 projected.
  - The Local Street Fund will receive \$1.9 million in revenue from the State of Michigan for ACT 51, which is an increase of \$65,920 or 3.6%. These funds are restricted for road improvement.
  - The Local Street Fund will fund snow removal, roadway maintenance, stormwater maintenance and traffic control.
  - The Local Street is planning \$2.0 million in road improvements for FY20/21.
  - The Local Street Fund will use \$2.4 million in Fund Balance for road projects and tree maintenance.
- ❖ Youth Recreation Fund - \$1.3 million in expenditures, which is a \$134,023 increase from FY 19/20 projected.
  - The Youth Recreation Fund is planning to levy property taxes for the third year in fiscal year 2021 of \$992,024.
  - The Youth Recreation Fund increase in spending is mainly due to the recreation facility costs and programming.
- ❖ Cemetery Care Fund - \$687,491 in expenditures, which is an increase of \$75,684 from FY19/20 projected.
  - The Cemetery Care Fund will receive a transfer of \$687,491 from the General Fund.
  - The Cemetery Care Fund will fund care and maintenance of the City's Cemetery. Currently, the City is working on making repairs to the buildings located on the Cemeteries.

## Budget Overview (Continued)

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- ❖ Senior Activities Millage - \$534,542 in expenditures, which is an increase of \$98,382 from FY19/20 projected.
  - The Senior Activities Millage will receive \$328,456 in property tax revenue for FY20/21, which is an increase of about 1%.
  - The Senior Activities Fund will use \$167,950 in Fund Balance.
- ❖ Sanitation Fund - \$4,354,210 in expenditures, which is an increase of \$732,120 from FY19/20 projected.
  - The Sanitation Fund will receive \$4.4 million in revenue from a combination of property tax revenue, user fees for rubbish collection and a host fee from Advanced Disposal.
  - The Sanitation Fund will fund rubbish services for City residents. In addition to rubbish services, the Sanitation Fund will fund \$200,000 for the Collier Landfill Closure. The increase in expenditures is due to a contractual increase with the City's rubbish hauler and the landfill closure expenditures.
- ❖ Cable Fund - \$237,459 in expenditures, which is a decrease of \$11,090 from the FY19/20 projected.
  - The Cable Fund receives \$149,000 in fees from AT&T and Comcast that is collected from City of Pontiac customers. This is an increase of 4,504 from FY19/20 projected.
  - In FY20/21, the Cable Fund is planning \$82,705 for new video equipment and computer equipment.
  - The Cable Fund will use \$80,459 in Fund Balance.
- ❖ Building Inspection Fund - \$2,842,328 in expenditures, which is an increase of \$646,833 from the FY19/20 projected per the contract with Wade Trim, the contractor handling building and permitting.
  - The Building Inspection Fund will receive \$2.8 million in revenue from building, plumbing, mechanical permits and inspection fees.
  - The increase in expenditures for FY20/21 is related to an increase in the contract cost with Wade Trim from FY19/20
- ❖ Drug Enforcement Fund - \$58,033 in expenditures, which is a decrease of \$2,284 from FY20/21 projected.
  - The Drug Enforcement fund is expecting to receive \$40,000 in funds from drug forfeitures. This is a decrease of \$2,000 from the FY19/20 projected. These funds are restricted for purposes of drug enforcement.
  - The FY20/21 budget includes \$56,000 of planned expenditures related to drug enforcement. This includes overtime from Oakland County Sheriff's department and cell-phone charges

## Budget Overview (Continued)

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- ❖ District Court Fund - \$3.7 million in expenditures, which is an increase of \$515,235 from FY19/20 projected.
  - The 50th District Court collects revenue for services related to the court operations, including funding from the State of Michigan. The District Court Fund is expecting to receive \$3.7 million in total revenue, which includes a \$1.9 million transfer from the General Fund. The court operating revenue is expecting to increase from additional fees.
  - The FY19/20 budget includes \$3.8 million of budgeted operating expenditures related to the District Court. The increase is mainly due to additional salaries and wages.
- ❖ MIDC Grant Fund – \$736,791 in expenditures, which is an increase of \$30,668 from FY19/20 projected.
  - MIDC Grant Fund was split out from the District Court Fund into its own separate Fund for FY19/20.
  - For FY20/21, the Court is expecting to receive \$698,254 in budgeted revenue from MIDC, and \$38,237 will be a transfer from the Court Fund.
  - The MIDC has \$736,791 budgeted expenditures to be used on Court improvements for FY20/21.
- ❖ PA 48 Fund - \$7,750 in expenditures, to close out the fund.

The **Capital Projects Fund** budget is \$2.4 million for capital projects in FY20/21. This is an increase of \$809,702 from FY19/20 projected. The Capital Projects Fund plans to receive \$930,657 in property tax revenue for FY20/21. The City of Pontiac has a dedicated capital millage of 1.39610 mills. The capital budget includes the following items.

- ❖ City Hall Windows \$300,000
- ❖ Ottawa Park Vehicle and Mausoleum Repair \$120,000
- ❖ Cable Department Building \$750,000
- ❖ Computer Equipment \$170,333
- ❖ Police Station Building Improvements \$500,000

## Budget Overview (Continued)

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The **Parking Fund** is the City of Pontiac's only Enterprise Fund. Budgeted expenses for this fund total \$8.4m. The parking fund is expected to receive \$163,020 in state grants and \$26,000 in interest income. Due to a settlement of a lawsuit on the Phoenix Center the City is expected to make \$7 million in improvements to the structure during the FY 20/21. Of the remaining expenses, the majority for this fund is depreciation expense (\$850,000) on the existing parking structures.

The **Internal Service Funds** budget is \$8.3 million or 9% of the City's total budget for services provided. The Internal Service Funds consist of the Insurance Fund and the Workers Compensation Fund. The Insurance Fund budget is \$7.6 million for health insurance for employees and retirees and general liability and property insurance. The decrease is attributed to a settlement reached in the prior year, which resulted in a \$4.25 million payment. The Insurance Fund receives reimbursements from users of the services, including retirees, employees and other City Funds.

The Workers Compensation Fund budget is nearly \$660,000 for workers compensation premiums for current employees and workers compensation charges from former employees, when the City was previously self-insured. The increase from FY19/20 is due to an increase in insurance premiums. The Workers Compensation Fund is fully reimbursed by charges for services from other City Funds and the Water Resource Commission of Oakland County.

The **Component Units** budget is \$3.0 million in FY20/21. The Component Units consist of three different funds: Tax Increment Finance Authority (TIF) #2 and #3 and the Brownfield Redevelopment Fund. TIF Districts #2 and #3 budget is for debt service and a financial guarantee expense. The captured tax revenue for those two districts are not sufficient to make the debt service payments. The General Fund financially guaranteed the debt for both TIF #2 and #3 and contributes the additional amount necessary to pay the annual debt service. The General Fund is budgeted to transfer \$640,080 in total for these two funds. The TIF #3 district is budgeting to receive \$1.4 million in captured property tax revenue for FY20/21. This is an increase of \$14,052 from the FY 19/20 projection. TIF #2 is budgeted to receive \$31,733 from captured property tax revenue in FY 20/21.

The Brownfield Redevelopment Fund is budgeting \$4,150 in property tax captures, which is an increase of 1.3% from FY 19/20 projected. The increase in expenditures in fiscal year 2020 is to make tax increment payments.

## Budget Overview (Continued)

The following shows the IT equipment requested and funded in the FY20/21 budget.

2021-2025 Capital Improvements - IT Infrastructure							Notes
Projects	Exp Type	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	
IT-2 Symantec EndPoint Protection	SW Maint	2,700	2,700	2,700	2,700	2,700	Yearly Support/Licensing
IT-3 Revize Website	SW Maint	4,900	4,900	4,900	4,900	4,900	Yearly Support/Licensing
IT-4 HP SAN Maintenance Support	HDW Maint		10,000	11,000	11,000	11,000	Yearly Support/Licensing - MAINT is not available on existing HP LH
IT-5 HP Switch Maintenance and Support	HDW Maint	5,500	5,750	6,000	6,000	6,000	Yearly Support/Licensing
IT-6 Barracuda Licensing and Support	HDW Maint	1,500					Yearly Support/Licensing
IT-8 DL 360 Esxi Hosts	INF Refresh						Each Device on Exchange is required to have a license from Microsoft.
IT-9 SAN Storage (VMWare)	INF Refresh						System is approaching end of life. LH4500 is end of life on 12/31/2018
IT-10 Backup Appliance (Server/Software + Backup Target)	INF Refresh						EOL will not be supported soon
IT-11 Access Switches	INF Refresh						
IT-12 Firewall - Security	INF Refresh						EOL on current Sonicwall NSA
IT-13 Core Switches	INF Refresh						EOL on Core switches part of network upgrade
IT-14 HP Server Support and Maintenance	HDW Maint	3,250	3,500	3,750	3,750	3,750	Yearly cost for the 3 servers that are running as VMWare Esxi hosts.
IT-15 VoIP Phone System	INF Refresh	125,000					Replace existing VOIP phones
IT-16 Miscellaneous Hdw/SW	Misc	10,000	10,000	10,000			Miscellaneous items that might be purchased throughout the year.
IT-17 Shortel Shorecare	SupportMaint	8,500	8,750	9,000	9,000	9,000	Yearly Support/Licensing
IT-18 Backup Exec	SW Maint	3,257	3,257	3,257	1,300	1,300	Yearly Support/Licensing
							Begin upgrades of desktop computers. 1/3 each year for 3 years.
IT-19 Desktop Refresh 1/3	PC Refresh	23,333	23,333	23,333	23,333	23,333	Warranty for these machines typically is for 3 years.
IT-25 UPS Battery Backup (ServerRoom CoP) Network	BUPower			5,000			UPS for Network equipment
IT-27 UPS Battery Backup (CoP IDF closets)	BUPower	12,000					Replace all Network closet UPS. EOL on current UPS
IT-28 UPS Battery Backup (ServerRoom Servers)	BUPower	10,000					Replace Server UPS's. EOL on current UPS
IT-29 Exchange Server Standard + Enterprise CAL (UPGRADE)	Licensing				2,000	2,000	Part of exchange 2016 upgrade
IT-30 MS Office Licensing			40,000		2,000	2,000	
<b>Grand Total</b>		<b>\$ 209,940</b>	<b>\$ 112,190</b>	<b>\$ 78,940</b>	<b>\$ 65,983</b>	<b>\$ 65,983</b>	

## Budget Overview (Continued)

The following reflects the City's road improvement plan for the next five fiscal years. The FY20/21 road improvements are included in the budget.

PROJECT NUMBER AND NAME	FY 20-21		FY 21-22		FY 22-23		FY 23-24		FY 24-25	
	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**
<b>MAJOR STREETS CONSTRUCTION :</b>										
Centerpoint Parkway	5,376,000	915,000								
Mill Street *	820,930	558,605			330,387	330,387				
Walton	2,906,858	1,148,677	2,906,858	877,090						
Baldwin Road Signals	1,020,634	420,634								
MLK Signals	610,650	189,650								
South Boulevard Signals			957,513	335,000						
Orchard Lake Signals			1,447,500	262,000						
Perry Street*					1,250,000					
W. Columbia			3,162,428	-						
Orchard Lake Road*					1,191,343	-				
Baldwin (Joint Repair)*					263,200	-				
MLK Jr. Boulevard*							6,900,000	6,488,000		
Pike Street*									1,098,000	-
Pike Street*									488,000	-
Giddings Road*									1,200,000	-
Subtotal	10,735,071	3,232,566	8,474,299	1,474,090	3,034,930	330,387	6,900,000	6,488,000	2,786,000	-
<b>LOCAL STREETS CONSTRUCTION :</b>										
To be determined*	1,900,000	1,900,000	1,500,000	1,500,000	1,500,000	-	-	-	-	-
Subtotal	1,900,000	1,900,000	1,500,000	1,500,000	1,500,000	-	-	-	-	-
Grand Total	12,635,071	5,132,566	9,974,299	2,974,090	4,534,930	330,387	6,900,000	6,488,000	2,786,000	-

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# General Fund



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# General Fund Summary

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The General Fund is the main operating fund of the City as nearly all of the City's daily operations are funded by the General Fund. The General Fund accounts for and reports all financial resources that are not accounted for and reported in another fund. Every municipal government in Michigan has a General Fund.

## Revenue Summary Analysis

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The City of Pontiac FY20/21 Budgeted revenue is decreasing \$957,793 from FY19/20 projected and \$830,205 from FY18/19 actual. The General Fund derives its revenue from three major sources: City Income Tax, State Revenue Sharing, and Property Taxes. In addition, certain functions in the General Fund are supported by user fees and reimbursements. The decrease is reflective of a decrease in Licenses and Permits of \$560,100. Additionally, the FY20/21 budget is estimating to see revenue decreases in Income Taxes, State Grants, Charges for Services, Interest and Rents, and other revenue. The total decrease of these categories is \$456,666. Revenue is explained in more detail in the pages that follow.

## Expenditure Summary Analysis

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The General Fund expenditures are divided into 8 major functions: General Government, Public Safety, Public Works, Health and Welfare, Community Development, Recreation and Culture, Other and Transfers Out. The total expenditures for FY20/21 are increasing 17% or \$5,926,363 from the FY19/20 projected and an increase of \$4.8 million from FY18/19 actual. The main component of the budget increase is related to the increase in Public Safety Function. Expenditures are explained in more detail in the pages that follow.

## Fund Balance Summary Analysis

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- ❖ Similar to FY19/20, the City has committed \$3.2 million of fund balance for the purpose of purchasing the youth recreation center. This did not happen in FY19/20. The amount is included in the current year's committed fund balance.
- ❖ The FY19/20 ending fund balance is expected to decrease by 25.1% or \$4,666,278. This is the result of a transfer out to the Parking Fund of \$7 million.
- ❖ The FY20/21 fund balance is expected to decrease approximately \$5.7 million from the FY19/20 projected. The budgeted ending fund balance at June 30, 2021 is projected to be \$8.2 million. This is 19% of total General Fund expenditures. The fund balance policy requires fund balance to be at least 15% of budgeted expenditures. The ending fund balance at June 30, 2021 is expected to be \$1.8 million above the minimum fund balance.

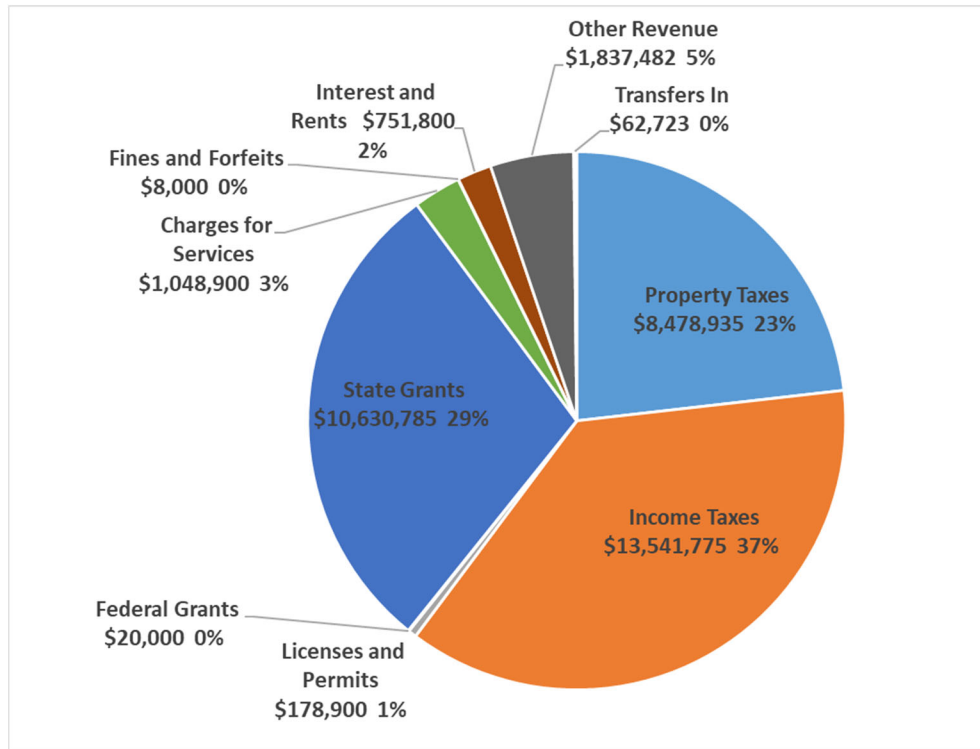
# General Fund Summary (Continued)

## Budgeted Financial Summary

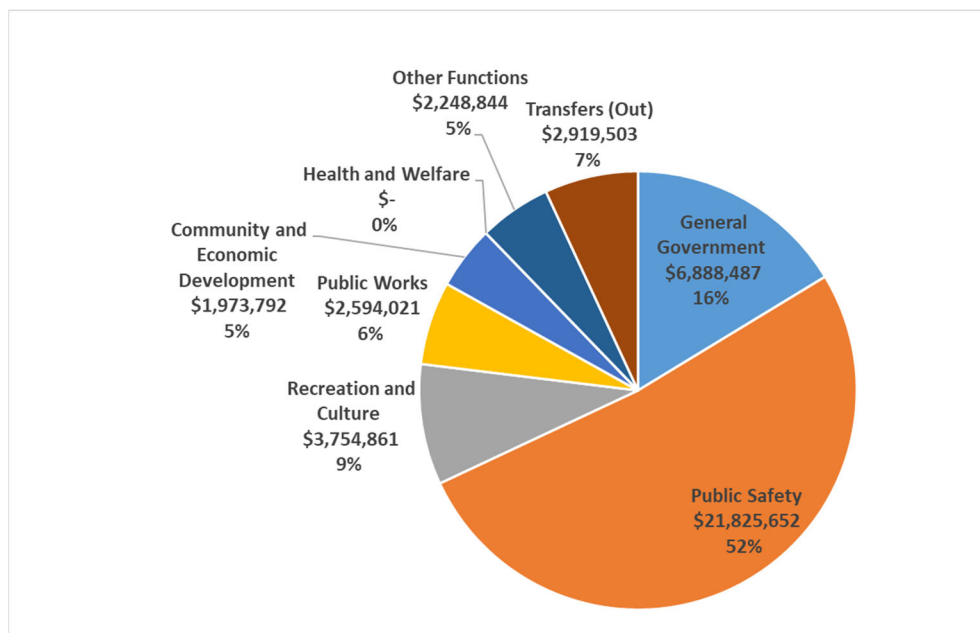
	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 8,701,313	\$ 8,419,962	\$ 8,478,935
Income Taxes	14,456,678	13,649,450	13,541,775
Licenses and Permits	192,758	739,000	178,900
Federal Grants	85,972	20,000	20,000
State Grants	10,259,310	10,664,730	10,630,785
Charges for Services	954,247	1,142,987	1,048,900
Fines and Forfeits	8,000	8,000	8,000
Interest and Rents	997,953	852,294	751,800
Other Revenue	1,670,551	1,957,947	1,837,482
Total Budgeted Revenue Sources	37,326,782	37,454,370	36,496,577
<b><u>Proposed Appropriations</u></b>			
City Council	510,339	563,817	939,561
Mayor	611,189	652,806	606,064
City Clerk	267,524	304,905	328,289
Elections	182,406	114,437	280,420
Medical Marihuana Applications	█	101,734	306,887
Finance	537,892	561,077	637,761
Accounting	281,852	290,240	298,550
Income Tax	426,547	384,903	472,002
Information Technology	368,250	351,284	383,525
Treasurer	258,099	384,699	429,192
Assessing	418,842	427,770	428,408
Personnel	143,631	182,484	211,480
Building Maintenance	274,029	358,562	334,057
City Attorney	4,145,541	1,230,605	1,103,005
Total General Government	8,426,141	5,909,323	6,759,201
Police	12,252,735	12,903,411	13,451,559
Crossing Guards	3,913	6,645	26,732
Dispatch	200,942	206,971	213,180
Fire	7,398,499	7,779,362	8,163,427
Total Public Safety	19,856,089	20,896,389	21,854,898
Drains - Public Benefit	311,903	311,000	316,400
Engineering	541,566	487,453	635,816
Street Lighting	697,455	907,186	909,400
Public Works Operations	547,235	780,164	792,405
Total Public Works	2,098,159	2,485,803	2,654,021
Tele-van Services	-	-	-
Total Health and Welfare	-	-	-
Redevelopment and Housing	1,036,594	1,148,516	1,076,361
Planning	264,337	251,692	260,278
Code Enforcement	259,928	337,574	765,245
Total Community Development	1,560,859	1,737,782	2,101,884
Recreation Facility	█	█	3,150,000
City Events	78,939	92,817	85,950
Ewalt Center/Galloway Park	-	-	-
Parks Grounds Maintenance	431,536	449,938	518,911
Total Recreation and Culture	510,475	542,755	604,861
Retiree Fringes	2,133,428	1,835,294	2,248,844
Unemployment Compensation	-	50,000	10,000
Total Other	2,133,428	1,885,294	2,258,844
Total Budgeted Expenditures	34,585,151	33,457,346	39,383,709
Budgeted Net Revenue (Expenditures)	2,741,631	3,997,024	(2,887,132)
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	248,585	296,000	62,723
Transfers (Out) and Other Financing Sources	(1,758,378)	(8,959,302)	(2,919,503)
Total Other Financing Sources	(1,509,793)	(8,663,302)	(2,856,780)
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	█	17,359,194	18,591,032
Change in Fund Balance	1,231,838	(4,666,278)	(5,743,912)
Ending Fund Balance June 30	\$ 18,591,032	\$ 13,924,754	\$ 8,180,842
<b><u>Financial Position</u></b>			
Nonspendable	36,230	-	-
Restricted			
Committed	3,200,000	3,200,000	3,200,000
Assigned	2,800,000		
Unassigned	12,554,802	10,724,754	4,980,842
Ending Fund Balance June 30	\$ 18,591,032	\$ 13,924,754	\$ 8,180,842

## General Fund Summary (Continued)

### FY 2020-21 Budgeted Revenue by Major Category



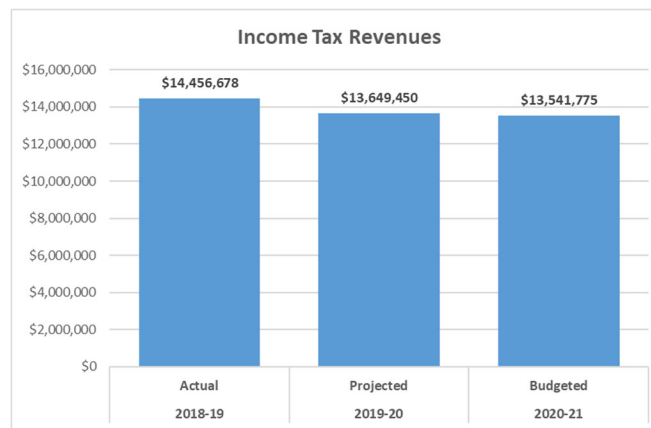
### Expenditure by Function



# General Fund Revenue

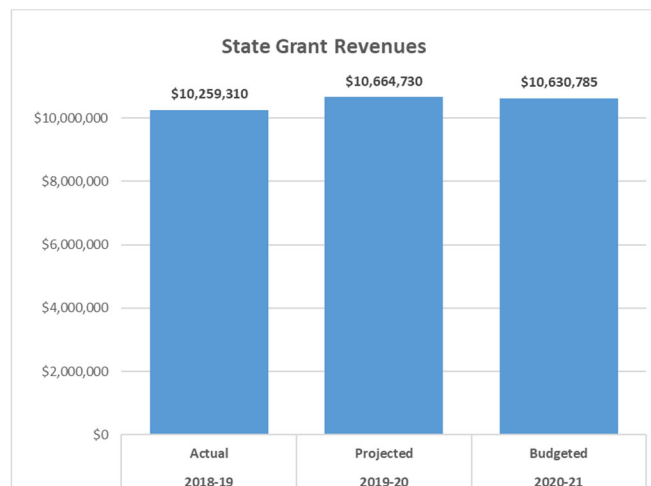
## Income Tax Revenue

As authorized by the Uniform City Income Tax Ordinance, the City of Pontiac assesses an Income Tax on all residents and businesses located in Pontiac and non-residents that work in the City of Pontiac. The Individual Tax Rate is 1% for residents and ½% for non-residents. The corporation tax rate is 1%. Income Tax is the largest revenue source of the General Fund, representing over 1/3 of the total General Fund revenue. The General Fund is expected to receive and collect \$13.6 million in FY19/20. This is a decrease of \$807,228 or 5% from the prior year. The decrease can be attributed to COVID-19 slowing down businesses in the City. Revenue for Income Tax is calculated by the Income Tax Personnel. Income Tax revenue is expected to also decrease over the next fiscal year, as the COVID-19 pandemic continues.



## State Grant Revenue

The second largest revenue source for the General Fund (29%) is from State Grant Revenue. Local units of government in Michigan share in the State Sales Tax, commonly referred to as State Revenue Sharing. The General Fund is expecting approximately \$10.6 million in revenue from the State. The State Shared Revenue is expected to decrease \$33,945 from FY19/20 projection. The State of Michigan provides estimates for future State Revenue Sharing payments. The Michigan Constitution allocates a portion of the state sales tax to be distributed to local units on a per capita basis, using the last decennial census to determine population.



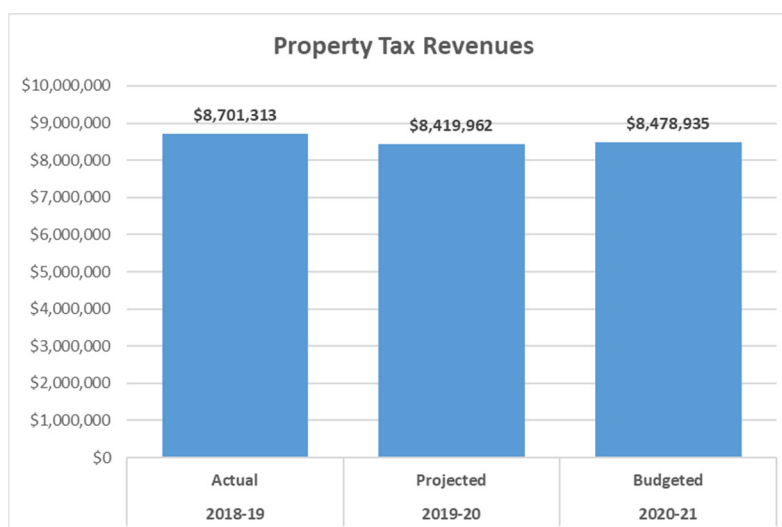
# General Fund Revenue (Continued)

## Property Tax Revenue

The third largest source (23%) of the revenue received in the General Fund is from the levy and collection of Property Taxes and the Small Taxpayer Exemption Loss (STEL). For Fiscal Year 2020/21 the General Fund is budgeted to receive and collect \$8,478,935 from property taxes, penalties and interest on taxes paid late and a 1% administration fee. This is a 0.6% increase from the prior year.

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes have a final collection date of February 28 of the following year, at which time any unpaid taxes are transferred to the county delinquent tax rolls.

The City of Pontiac is expecting approximately a 1.74% increase in the collection of property tax revenue based on estimates from Oakland County. The STEL is expected to stay consistent for FY20/21. The 1.74% increase in property taxes levied is offset by an anticipated increase in property tax chargebacks resulting in a net 0.1% increase in total property tax revenue.



## Other Revenue

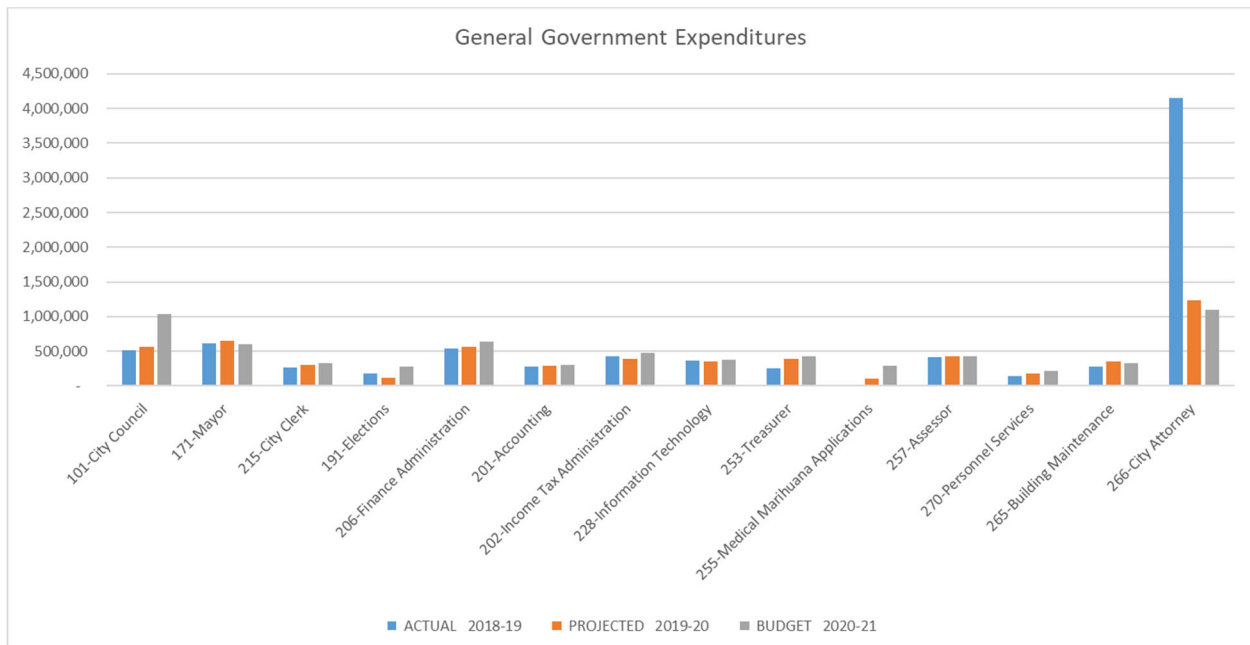
The remaining 11% or \$3.8 million of revenue in the General Fund is received from plan review fees, charges for services, investment earnings, fines and forfeits, grant revenue and miscellaneous revenue.

# General Fund Expenditures

## General Government Function

Operations under this category include the City Council, Mayor, Clerk, Elections, Attorney, Human Resources, Assessing, Income Tax, Information Technology, Treasurer, Medical Marihuana Applications, Finance Administration, Accounting, and Building Maintenance. These are the core roles that are required for a government to function.

The General Government function for the General Fund represents 16% of the total expenditures or approximately \$6.8 million of the total budget for FY20/21. The pages that follow explain each department of the General Government function and the changes to the budget.

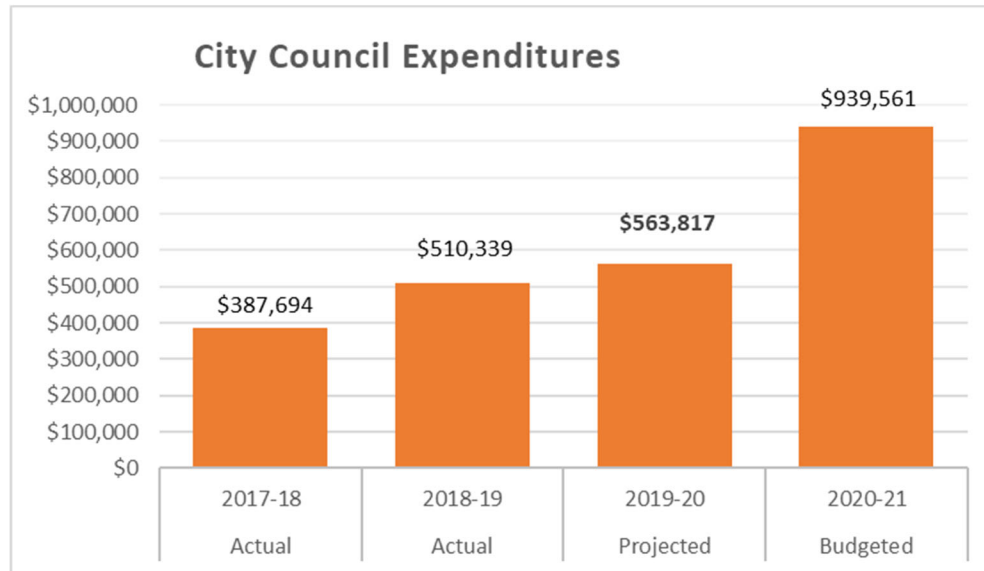


## General Fund Expenditures (Continued)

### City Council

The mission of the Pontiac City Council is to sustain the City as a distinctive, progressive, and premier community of choice to live, work, and raise a family by enhancing our residential character complemented by an attractive business community.

The Pontiac City Council consists of seven members. The City of Pontiac is divided into seven districts and each district is represented by one Council member. Council members are each elected to four-year terms. Council members serve as the legislative body for the City and serve on various boards, commissions, and committees



#### FINANCIAL SUMMARY - City Council

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 202,388	\$ 228,921	\$ 306,317	\$ 255,003	\$ 321,566
Supplies	4,442	1,727	38,500	5,010	14,000
Other Services and Charges	180,864	279,691	367,878	303,804	603,995
Total	<u>\$ 387,694</u>	<u>\$ 510,339</u>	<u>\$ 712,695</u>	<u>\$ 563,817</u>	<u>\$ 939,561</u>

#### Changes in Budget

- ❖ Total \$226,866 increase from the FY19/20 amended budget and \$375,744 from the FY19/20 projected activity.
- ❖ Personnel Services is increasing slightly due to a budgeted raise of 3%.
- ❖ Supplies is decreasing by \$24,500 from the FY19/20 amended budget mainly due to the Postage line item
- ❖ Other Services and Charges is increasing from the FY19/20 amended budget due to increases in Legal Services, District Projects, and Professional Services.

#### City Council Department - Goals

- ❖ To provide guidance and prioritize individual projects for the district project budget (**Pontiac Moving Forward : PDA #2 Neighborhoods**).

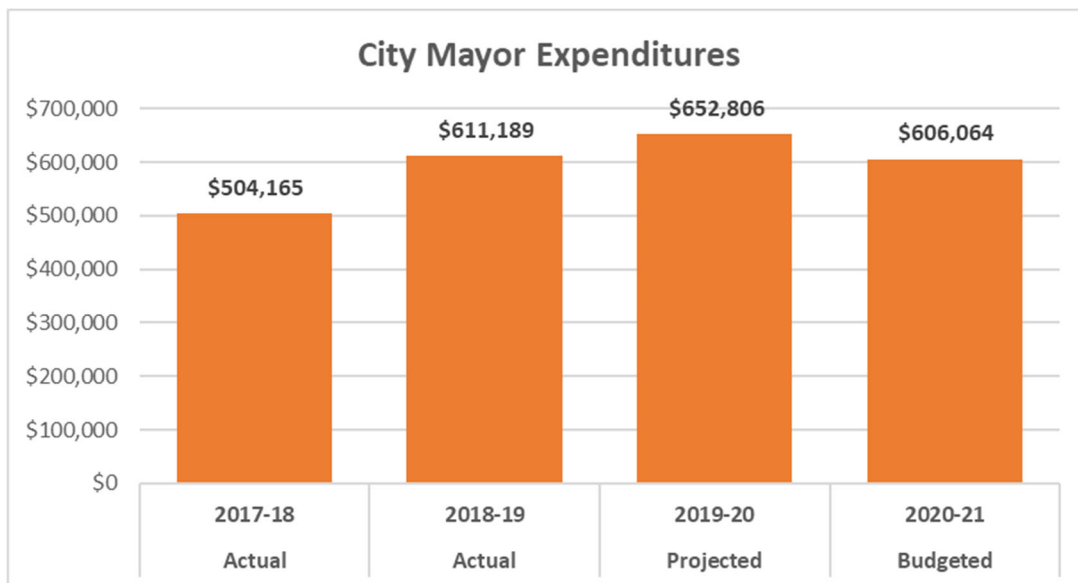


## General Fund Expenditures (Continued)

### City Mayor

The mission of the Mayor's Department is to provide for the overall administration of the City of Pontiac with primary focus on policy implementation, enforcement of City ordinances, strategic planning, administration, and effective management of City departments and services.

The Mayor is the chief executive of the City and as provided by charter, is in charge of and is accountable for the executive branch of the City government. The Mayor shall serve a four (4) year term. The Mayor oversees the administration of all departments, with police services contracted through the Oakland County Sheriff's Office (OCSO) and fire services contracted through Waterford Township. Pontiac Mayor Deirdre Waterman is a committed public servant with decades of professional expertise, public service, and philanthropic endeavors. She was elected Mayor by the citizens of Pontiac in 2013 and re-elected in 2017, becoming the first woman to ever be elected to the position.



#### FINANCIAL SUMMARY - City Mayor

	2017-18	2018-19	2019-20	2019-20	2020-21
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 417,423	\$ 456,660	\$ 503,256	\$ 486,747	\$ 458,896
Supplies	21,633	29,962	32,700	32,610	31,480
Other Services and Charges	65,109	124,567	134,088	133,449	115,688
<b>Total</b>	<b>\$ 504,165</b>	<b>\$ 611,189</b>	<b>\$ 670,044</b>	<b>\$ 652,806</b>	<b>\$ 606,064</b>

#### Changes in Budget

- ❖ Total \$63,980 decrease from the FY19/20 amended budget and \$46,742 from FY19/20 projected activity.
- ❖ Personnel Services decreased from the FY19/20 amended budget by 44,360. This is mainly due to the Contractual Temp Labor line item decreasing by \$18,903, and also the Salaries and Wages line item decreasing by \$15,130. Fringe benefits followed suit.
- ❖ Other Services and Charges decreased from the FY19/20 amended budget due to printing and travel expenses budgeted amounts being less in FY20/21.

## General Fund Expenditures (Continued)

### City Mayor

#### Mayor Department - Goals

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- ❖ Improve service to citizens needs by examining new methodologies and technologies that will enhance and improve department operations.
- ❖ Continue to examine contracts with third parties to ensure that the best service is being delivered to citizens while being fiscally responsible.
- ❖ Collaborate with the community to maintain and nurture the City's business environment and spur economic development ***(PDA # 3 Downtown private sector catalyst projects & PDA #5 Manufacturing, R&D Sites and Campuses).***
- ❖ Coordinate with the community to continue neighborhood revitalization through blight removal and park maintenance ***(PDA #2 Neighborhoods).***

## General Fund Expenditures (Continued)

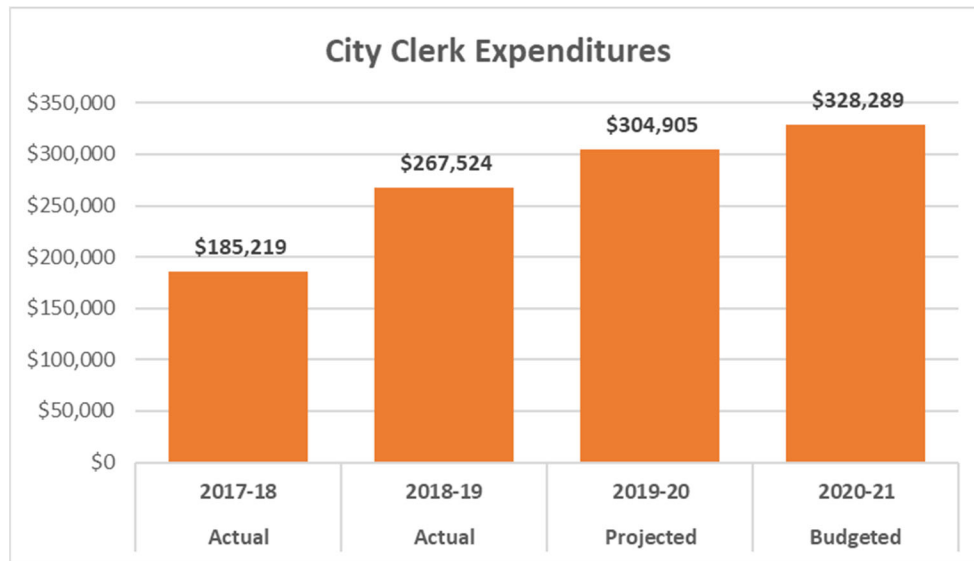
### City Clerk

**The mission of the Clerk's Office is to perform the traditional duties of the City Clerk's Office as prescribed by Federal and State Law and the City Charter, while providing outstanding customer service to internal and external customers.**

Specifically according to the City Charter (Section 3.201) the City Clerk shall be responsible for:

- ❖ Registration of Electors residing in the City and the conduct of elections in the City. (Section 3.201).
- ❖ Serving as the clerk of the council, giving required public notices, and keeping a record of all ordinances, resolutions and other proceedings. (Section 3.201).
- ❖ Maintaining a record of all existing and proposed rules, regulations, policies, and procedures of the City. (Section 3.201).
- ❖ Certifying under corporate seal, when requested, copies of all official papers and records of the City and making them available to the public as provided by law. (Section 3.201).
- ❖ Maintaining reasonably accessible voter registration sites through-out the City on a year round basis. (Section 3.203).
- ❖ Administering oaths, and taking affidavits and exercise other powers and duties as prescribed by law, this charter, or ordinance. (Section 3.204).

The Clerk's Office offers a range of services to internal and external customers including notary service, research and retrieval of city documents, voter registration cards, voter registration applications, and absentee ballots. Services provided by the Clerk's Office are delivered in an impartial and ethical manner.



#### FINANCIAL SUMMARY - City Clerk

	2017-18	2018-19	2019-20	2019-20	2020-21
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 132,871	\$ 158,825	\$ 254,688	\$ 225,921	\$ 248,222
Supplies	7,680	4,245	5,685	5,091	5,730
Other Services and Charges	44,668	104,454	96,816	73,893	74,337
<b>Total</b>	<b>\$ 185,219</b>	<b>\$ 267,524</b>	<b>\$ 357,189</b>	<b>\$ 304,905</b>	<b>\$ 328,289</b>

## General Fund Expenditures (Continued)

### City Clerk

#### Changes in Budget

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- ❖ Total \$28,900 decrease from the FY19/20 amended budget and \$23,384 increase from FY19/20 projected activity.
- ❖ Other Services and Charges decreased from FY19/20 amended budget mostly due to the Ordinance line item. The budget for this decrease about \$20,000 in FY20/21.

#### City Clerk Department - Goals

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- ❖ To comply with State Laws, the City Charter, and Adopted Procedures.
- ❖ Notice and record all meetings in conjunction with State of Michigan laws and local ordinances.
- ❖ Respond to all FOIA requests in the time period and manner prescribed by State of Michigan laws and local ordinances.
- ❖ Foster an environment that allows employees to grow professionally. Encourage advanced education through public/private institutions, as well as continued education through the Municipal Clerks, Michigan Association of Municipal Clerks, and State of Michigan Bureau of Elections.
- ❖ Oversee the Medical Marihuana Applications process and comply with all state rules and regulations related.
- ❖ Actively become involved with City leaders and become familiar with participating organizations to Pontiac Moving Forward (***Pontiac Moving Forward: PDA #1.1***).
- ❖ Raise awareness to residents and businesses on the importance of Pontiac Moving Forward (***Pontiac Moving Forward: PDA #1.2***).

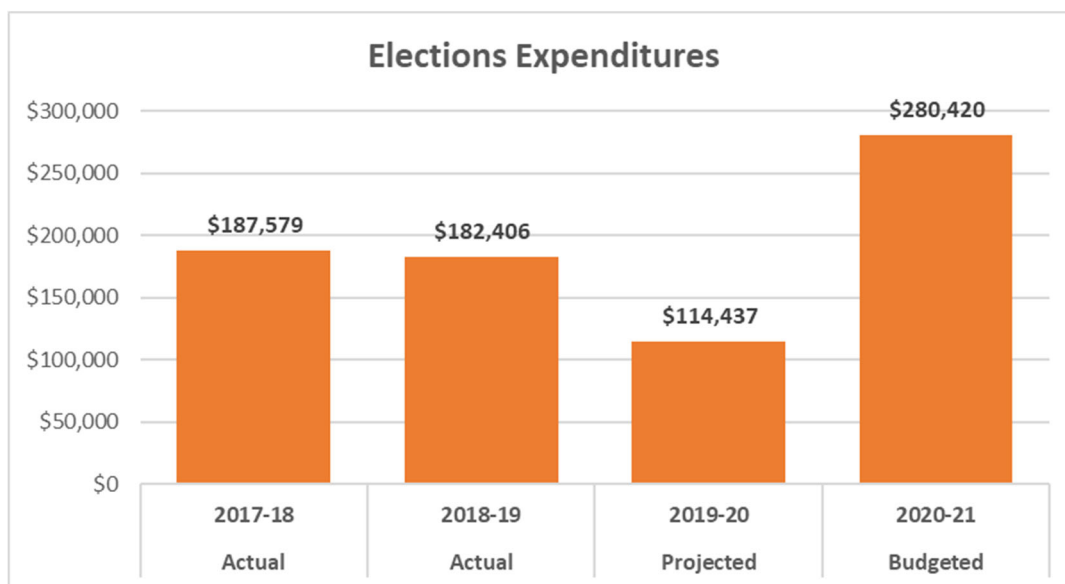
## General Fund Expenditures (Continued)

### Elections

**The mission of the Elections Department is to conduct voter registration and ensure federal, state, and local elections are conducted timely, responsibly, and with the highest level of professional election standards, accountability, security, and integrity.**

The Elections Department of the City Clerk's Office maintains the City's Qualified Voter File (QVF - Voter Registration Master File) for the State of Michigan and is responsible for the conduct of all elections in the City. Voter registration is maintained on a daily basis pursuant to the rules of the statewide Qualified Voter File and Michigan Compiled Laws (Election Law). Elections are conducted as scheduled through Election Law.

The Elections Department provides its services to the community by maintaining a permanent absentee voter list and automatically mailing absentee applications to those voters. Voter registration drives are conducted monthly in the community. Staff continually attends training programs to assure up-to-date compliance with all applicable election laws.



#### FINANCIAL SUMMARY - Elections

	2017-18	2018-19	2019-20	2019-20	2020-21
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 132,654	\$ 142,867	\$ 105,044	\$ 45,878	\$ 173,072
Supplies	31,434	14,945	42,650	32,774	64,150
Other Services and Charges	23,491	24,594	35,791	35,785	43,198
<b>Total</b>	<b>\$ 187,579</b>	<b>\$ 182,406</b>	<b>\$ 183,485</b>	<b>\$ 114,437</b>	<b>\$ 280,420</b>

#### Changes in Budget

- ❖ Total \$96,935 increase in the budget from FY19/20 amended budget and \$165,983 increase from FY19/20 projections.
- ❖ Personnel Services increased by \$68,028 from FY19/20 amended budget. This is due to FY20/21 being a presidential election year. More personnel is required to run the elections smoothly.

## General Fund Expenditures (Continued)

### Elections

#### Elections Department - Goals

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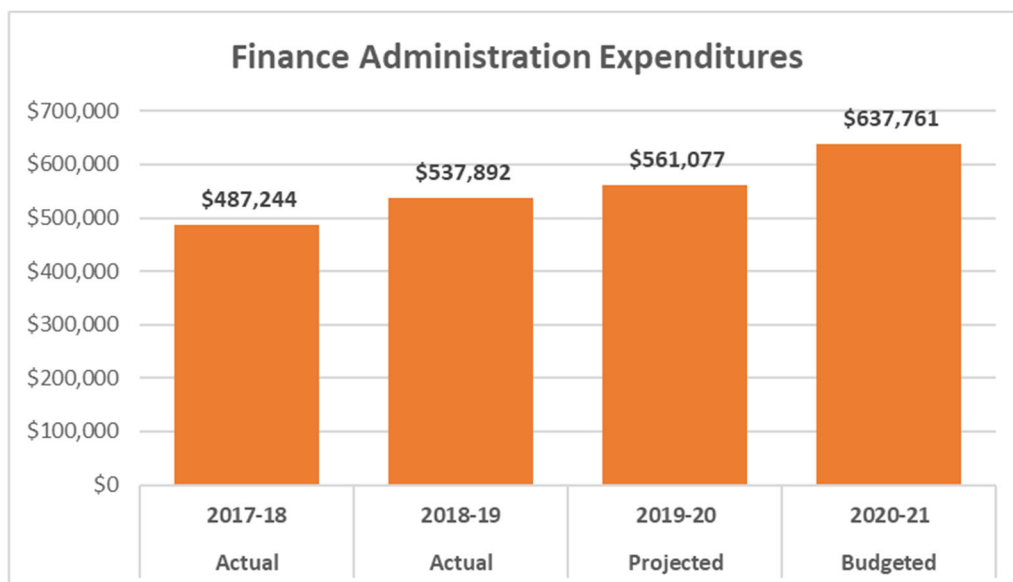
- ❖ Comply with Federal and State laws and the City Charter.
- ❖ Process and conduct all elections accurately, efficiently, and in accordance with Federal and State laws, the City Charter, and Adopted Procedures.
- ❖ Train staff and election workers in the latest practices, laws and technology.
- ❖ Raise awareness of the Pontiac Moving Forward initiative when communicating to new registered voters  
***(Pontiac Moving Forward: PDA #1.2).***

## Finance Administration

**The mission of Finance Administration is to provide the highest quality financial services at the most effective cost to the City of Pontiac residents.**

The Finance Administration is responsible for overall finance operations, such as:

- ❖ Payables processing - Process all vendor and employee payments timely, avoid all potential late fees and take advantage of vendor discounts.
- ❖ Budget - Prepare and monitor the budget, including, but not limited to, preparing revenue and expenditures projections, providing budget assistance, and establishing target goals with other departments, match expenditures to approved appropriations, timely preparation of amended budget resolutions, adjustments, and present reports to City Council monthly.
- ❖ Purchasing – The City provides centralized purchasing for the entire City. Purchasing activities include coordinating the acquisition of goods and services, developing bid packages for potential vendors, and awarding purchase orders and contracts in accordance with City Ordinances and policies.
- ❖ Retirement Pension Boards - The Finance Director sits on the Board of Directors as the Secretary and service as a liaison to the City for the General Employees Retirement Systems (GERS), the Police and Fire Retirement System (PFRS), and Police and Fire VEBA boards.
- ❖ Manage the administration of the financial affairs of the entire City. In addition to serving as a financial advisor for the entire City, the following separately budgeted departments are supervised and report directly to the Finance Director:
  - Accounting
  - Income Tax
  - Information Technology
  - Treasury
  - Assessing
  - Personnel Services



General Fund Expenditures (Continued)

## Finance Administration

### FINANCIAL SUMMARY - Finance Administration

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 343,033	\$ 280,476	\$ 345,833	\$ 342,486	\$ 415,898
Supplies	4,991	6,813	7,860	7,854	7,800
Other Services and Charges	139,220	250,603	218,405	210,737	214,063
Total	<u>\$ 487,244</u>	<u>\$ 537,892</u>	<u>\$ 572,098</u>	<u>\$ 561,077</u>	<u>\$ 637,761</u>

#### Changes in Budget

- ❖ Increase of \$65,663 from the FY19/20 amended budget and \$76,684 from FY19/20 projected activity.
- ❖ Personnel Services increase by \$70,065 from the FY19/20 amended budget. This is to cover the increased cost to provide for a finance director salary and medical benefits.

#### Finance Administration - Goals

- ❖ Achieve the GFOA Distinguished Budget Presentation Award for the fourth year in a row.
- ❖ To coordinate and work with City departments for the expedient purchase of capital equipment, projects, and vehicles.
- ❖ Deliver accurate pay and benefits to employees as scheduled, assuring accuracy of all paychecks, and meet all required tax withholding and reporting deadlines, and distribute all elected withholdings from employee checks as directed.
- ❖ Attend all retirement board and committee meetings on behalf of the City of Pontiac.
- ❖ Monitor and assist with negotiating all contracts of the City to ensure the lowest price with the highest quality of service.
- ❖ Timely respond to Mayor and Departments on requests for fiscal analysis of major projects to the City.
- ❖ Assist the Mayor and City Council with evaluating the feasibility of financial packages for the Pontiac Moving Forward Plan (***Pontiac Moving Forward: PDA #3.4***).



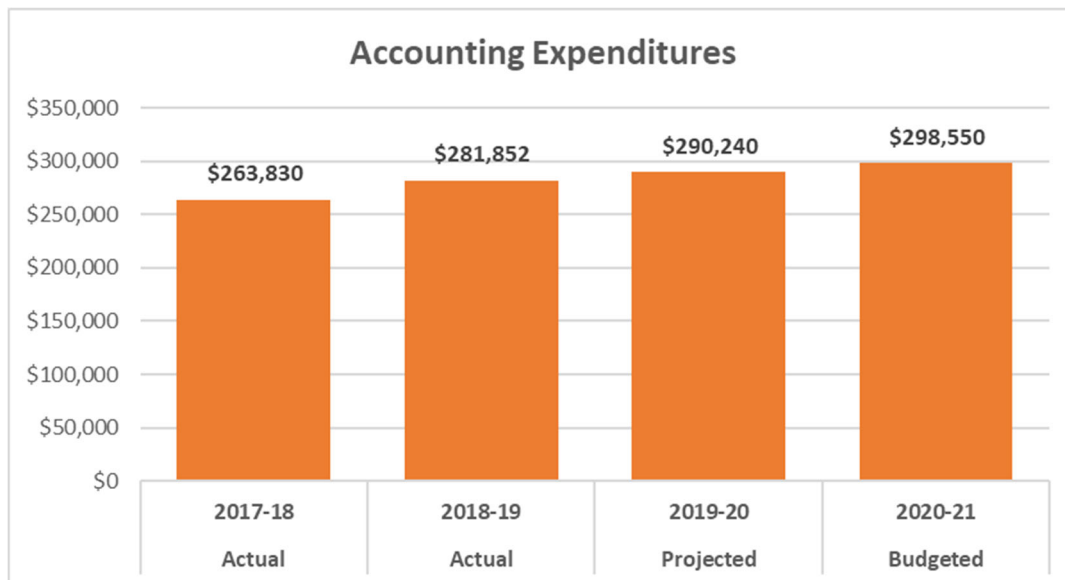
## General Fund Expenditures (Continued)

### Accounting

**The mission of the Accounting Department is to provide accurate and timely comprehensive accounting reports for the City decision-makers to evaluate**

The Accounting Department is contracted through Plante and Moran and is a component of the Finance Department that reports directly to the Finance Director. Accounting is responsible for reconciling significant transactions from the general ledger to supporting documents. While other departments record the initial cash receipts and disbursements transactions for the City, Accounting provides technical support to these departments on the proper accounting and reporting of transactions. Significant account balances such as cash are reconciled to bank statements monthly and monthly financial reports are produced for internal review by those responsible for operations of the City. The Accounting Departments assists the Finance Director and other departments in analysis of various transactions and financial projections in order for the City to manage and guide the operating results desired.

Accounting also prepares the City for the annual audit required by the State of Michigan, the Single Audit on federal awards as needed, and the filing of other year-end financial reports. Year-end accounting adjustments and new GASB standards are included in the financial statements in accordance with Generally Accepted Accounting Principles (GAAP), the Governmental Accounting Standards Board (GASB), and the uniform accounting procedures and classification of accounts as developed by the State of Michigan.



#### FINANCIAL SUMMARY - Accounting

	2017-18	2018-19	2019-20	2019-20	2020-21
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Supplies	\$ -	\$ -	\$ -	\$ -	\$ -
Other Services and Charges	263,830	281,852	290,451	290,240	298,550
<b>Total</b>	<b>\$ 263,830</b>	<b>\$ 281,852</b>	<b>\$ 290,451</b>	<b>\$ 290,240</b>	<b>\$ 298,550</b>

## Accounting

### Changes in Budget

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- ❖ Total \$8,099 increase in the budget from FY19/20 amended budget and \$8,310 from FY19/20 projected activity.
- ❖ Increase is attributed to an increase in the contract with Plante Moran for FY20/21.

### Accounting Department - Goals

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- ❖ Ensure compliance with financial reporting standards set by GAAP, GASB, GFOA, State of Michigan, and the Federal Government.
- ❖ Implement Governmental Accounting Standards Board numbers 84 and 87 into the audited financial statements.
- ❖ Reconcile all financial transactions accurately, timely, and cost-effectively and provide interim financial reports to finance director and Mayor.
- ❖ Achieve unqualified opinion from the City's Auditor and assist City with compliance with financial reporting standards. The recent changes in auditing standards significantly raised the bar on what is expected of management and the communication to the governing body for all procedures, processes, and internal controls.
- ❖ Assist Finance Director and senior financial analyst with preparing financial analysis on programs for the Pontiac Moving Forward (***Pontiac Moving Forward: PDA #3.11***).

## General Fund Expenditures (Continued)

### Income Tax

The mission of the City Income Tax Department is to collect the City's income tax efficiently and equitably within the limits of the City income tax ordinance.

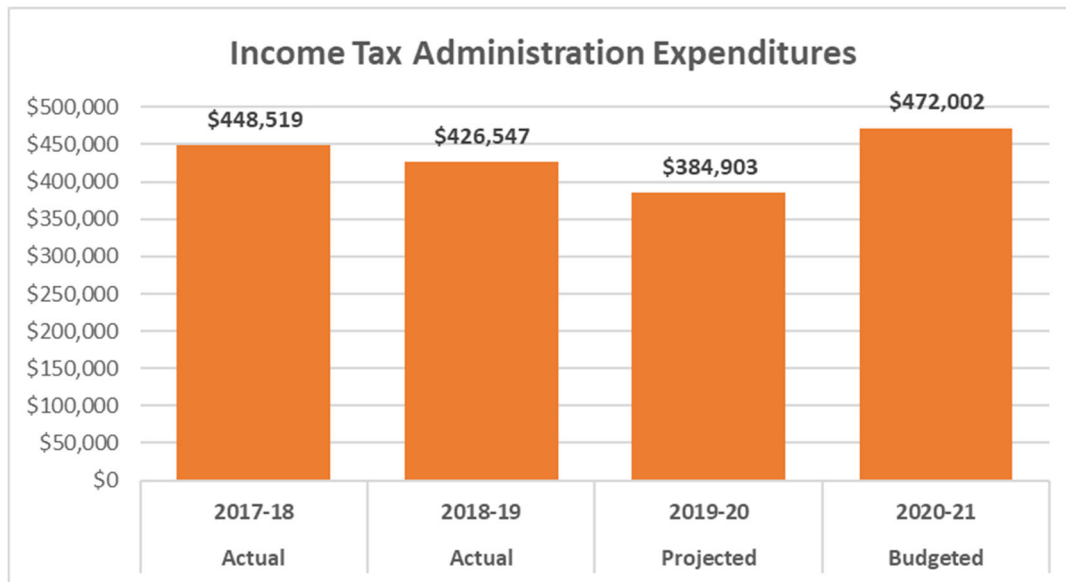
The City Income Tax Department is part of the City's Finance Department and is comprised of two sections:

❖ **Income Tax Department**

Responsible for the collection and processing of income tax returns and issues refunds or assessments as required, and administration of the income tax ordinance.

❖ **Income Tax Audit & Compliance**

Responsible for the development of compliance programs, enforcement of the income tax ordinance, and collection of past due and delinquent income tax due to the City of Pontiac.



#### FINANCIAL SUMMARY - Income Tax Administration

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 74,129	\$ 76,696	\$ 126,697	\$ 81,890	\$ 85,771
Supplies	33,688	36,766	41,950	22,184	34,450
Other Services and Charges	336,276	313,085	349,710	279,029	349,981
Capital Outlay	4,426	-	1,800	1,800	1,800
<b>Total</b>	<b>\$ 448,519</b>	<b>\$ 426,547</b>	<b>\$ 520,157</b>	<b>\$ 384,903</b>	<b>\$ 472,002</b>

## General Fund Expenditures (Continued)

### Income Tax

#### Changes in Budget

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- ❖ Total \$48,155 decrease from the FY19/20 amended budget and \$87,099 increase from FY19/20 projected activity.
- ❖ The primary Increase is due to Personnel Services. The new Position of Assistant to the Income Tax Administrator has been taken out of the budget for FY20/21 for \$55,000.
- ❖ The Other Services and Charges included an increase for Professional Services Innovative Software to process Income Tax returns and payments. However, the total amount of Other Services and Charges wasn't much different from FY19/20 amended budget due to a decrease in the printing and bindery line item.

#### Income Tax Administration - Goals

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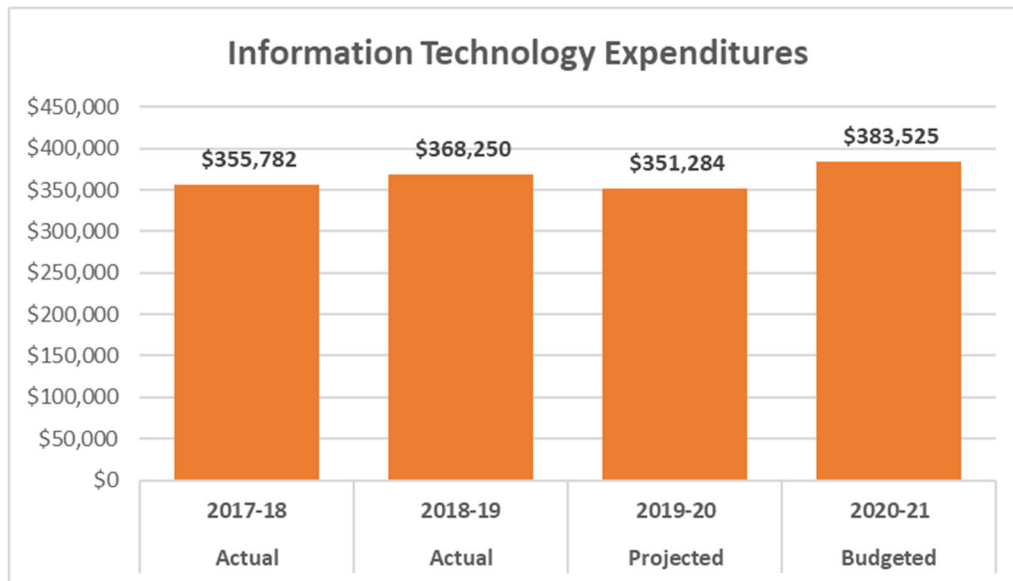
- ❖ Ensure continued compliance with City Charter and State of Michigan Income Tax Laws.
- ❖ Implement new statutory requirements and regulations in a timely and cost-effective manner.
- ❖ Provide efficient income tax administration through effective communication with all taxpayers, including deploying instructions for the Resident Income Tax form translated into Spanish.
- ❖ Provide outreach to the preparer community.
- ❖ Coordinate with Purchasing, Accounts Payable, and Building Departments to improve income tax compliance with the business community.
- ❖ Develop a succession plan to continue/enhance enforcement/compliance efforts by the Income Tax Department.
- ❖ Increase efforts in collecting delinquent accounts.

## General Fund Expenditures (Continued)

### Information Technology

The Information Technology (IT) Services Department is responsible for supporting information, communications, and technology needs of City government including network and data center operations, desktop/network/mobile computing, application and integration support, content and document management, geographical information systems, telecommunications, physical and virtual security, audio/visual systems and enterprise printing. IT provides leadership in setting future direction for Information Technology so the City can achieve its strategic priorities. IT collaborates with service areas on business process improvements by delivering clear business value and providing enterprise-level project management expertise while ensuring successful initiatives across the organization.

- ❖ Offering clear and concise technical expertise, bridging any technical gaps as they arise.
- ❖ Promote and facilitate the effective integration of technology into the basic mission of the City of Pontiac through planning, training, consulting, and other support activities.
- ❖ Develop, enhance, and manage the City's enterprise network to provide high speed, transparent, and highly functional connectivity among all information resources.
- ❖ Facilitate the collection, storage, security and integrity of electronic data while ensuring appropriate access.
- ❖ Promote new uses of information technology within the City through the support for exploratory and innovative applications.
- ❖ Provide leadership for effective strategic and tactical planning in the use of technology
- ❖ Supporting the effectiveness of City of Pontiac operations through IT solutions and processes that align with the City's priorities and strategic initiatives.



#### FINANCIAL SUMMARY - Information Technology

	2017-18	2018-19	2019-20	2019-20	2020-21
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Supplies	\$ 3,890	\$ 2,837	\$ 8,290	\$ 8,282	\$ 14,025
Other Services and Charges	351,892	365,413	351,845	343,002	369,500
<b>Total</b>	<b>\$ 355,782</b>	<b>\$ 368,250</b>	<b>\$ 360,135</b>	<b>\$ 351,284</b>	<b>\$ 383,525</b>

## General Fund Expenditures (Continued)

# Information Technology

### Changes in Budget

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- ❖ Total \$23,390 increase from the FY19/20 amended budget and \$32,241 from FY19/20 projected activity.
- ❖ Supplies increased due to the line item Computer Supplies being \$5,620 more than FY19/20 amended budget.
- ❖ Other Services and Charges increased from FY19/20 amended budget as well. The line item Services – Opteman Charges was added in FY20/21 for \$21,630.

### Information Technology - Goals

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- ❖ Evaluate Pontiac's current technology resources (website, social media, etc.) to promote Pontiac Moving Forward (***Pontiac Moving Forward: PDA# 1.2, 1.3, 3.8, 5.1***).
- ❖ Assemble a roadmap to upgrade IT infrastructure. This includes Networking hardware, Virtualization stack, and Software.
- ❖ Implement plan to start rolling refresh of workstations. Starting in 2019, 1/3 of all workstations would be refreshed. Every year going forward we would refresh 1/3 of all workstations as the warranty expires.
- ❖ Upgrade Website with Revize. Revize handles City of Pontiac website hosting. The City is currently working with Revize to update technologies that will provide departments the best tools to inform residents of current and upcoming events regarding transportation, downtown and business development.
- ❖ Most likely we are to implement and deploy Service Plus for ticketing system.
- ❖ Upgrade Access Switches. The current switches are EOL (End of Life) and will no longer be supported.
- ❖ Upgrade Core Switches to Cisco 9200. To handle traffic more efficiently, to set up the right environment for new phone system in the following fiscal year.

## General Fund Expenditures (Continued)

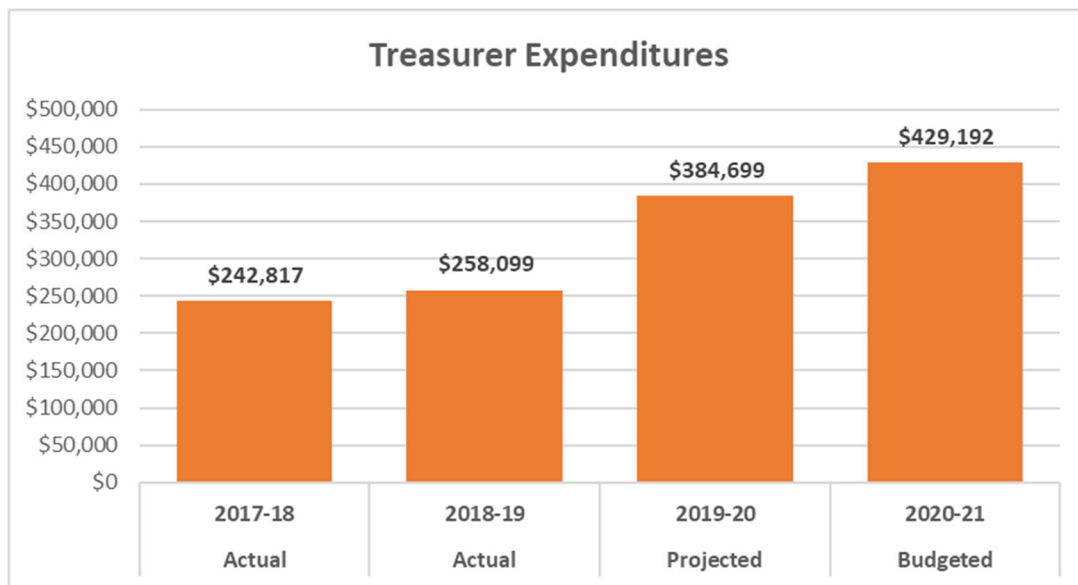
### Treasurer

**The mission of the Treasury Department is to accurately and timely collect, disburse, and prudently invest the City's monies.**

The Treasurer's Department is responsible for collecting and reporting all revenues received by the City. This includes revenues directly collected by the Treasurer's Office and revenues collected by other areas and reported to the Treasurer's Office. Revenue transactions conducted at the Treasurer's Office include:

- ❖ Purchase of dog licenses
- ❖ Payment for current year property tax
- ❖ Payment for income taxes
- ❖ Payments for account receivables invoices and special assessment

The Treasurer is also responsible for mailing all tax bills and collecting all tax payments. The Treasurer also prepares the Tax Settlement on an annual basis with Oakland County. The Treasurer also coordinates the Board of Review for any taxpayers that wish to dispute their property tax assessment.



#### FINANCIAL SUMMARY - Treasurer

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 181,678	\$ 180,880	\$ 213,351	\$ 210,515	\$ 322,995
Supplies	15,093	28,819	31,265	30,494	29,750
Other Services and Charges	46,046	48,400	105,918	143,690	76,447
Total	<u>\$ 242,817</u>	<u>\$ 258,099</u>	<u>\$ 350,534</u>	<u>\$ 384,699</u>	<u>\$ 429,192</u>

## General Fund Expenditures (Continued)

### Treasurer

#### Changes in Budget

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- ❖ Total \$78,658 increase from FY19/20 amended budget and \$44,493 increase from FY19/20 projected activity.
- ❖ The Increase from the FY19/20 amended budget can be mainly attributed to Personnel Services. The Position of Deputy Treasurer was added to the FY20/21 budget.

#### Treasurer - Goals

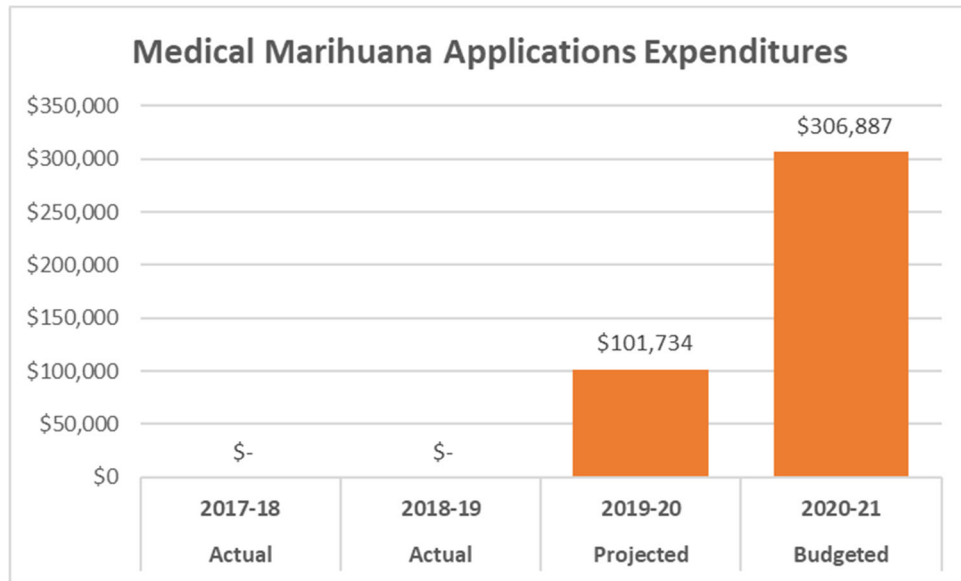
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- ❖ Ensure compliance with City Charter and State of Michigan General Tax Laws by maintaining accurate tax rolls and implementing new statutory requirements and regulations in a timely and cost-effective manner
- ❖ Review programs and procedures to maximize enhancements and efficiencies.
- ❖ Research new banking services to improve departmental efficiency and provide increased levels of service to our constituents.
- ❖ Maintain the updated Investment Policy consistent with State law and industry best practices.
- ❖ Evaluate and identify residents and tax parcels that could benefit from Pontiac Moving Forward (***Pontiac Moving Forward: PDA #5.4, 5.5***).



## Medical Marihuana Applications

The Medical Marihuana Applications Department purpose is to ensure proper applications and fees are filled out and met before a medical marihuana facility can operate within the City of Pontiac. The Department is overseen by the City Clerk and abides by Pontiac Ordinance NO. #2357(B).



### FINANCIAL SUMMARY - Medical Marihuana Applications

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 19,019
Supplies	-	-	2,700	-	1,618
Other Services and Charges	-	-	216,195	101,734	286,250
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 218,895</b>	<b>\$ 101,734</b>	<b>\$ 306,887</b>

### Changes in Budget

- ❖ The Medical Marihuana Applications Department was created in FY19/20.
- ❖ There is an increase of \$117,278 from the FY19/20 amended budget, and an increase of \$234,439 from the FY19/20 projected activity.
- ❖ Personnel Services increase due to splitting the City Clerk's assistant time between the City Clerk Department and Medical Marihuana Application Department.
- ❖ Other Services and Charges also increased from FY19/20 amended budget. This was due to increasing the line items for Legal Services, Hearing Officer, Planning Advisor, and overall professional services.

### Medical Marihuana Applications – Goals

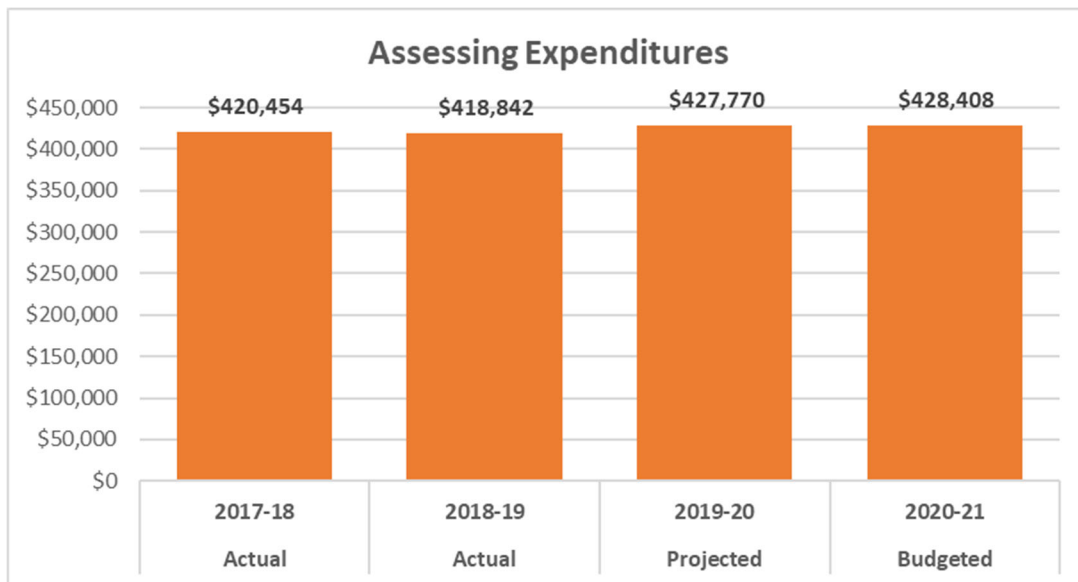
- ❖ To ensure all proper applications and fees are filled out entirely before a medical marihuana facility can operate within the City.
- ❖ Stay up to date with current State regulations and procedures regarding the application process for Medical Marihuana Facilities.

## General Fund Expenditures (Continued)

### Assessing

**The mission of the Assessing Department is to assure that property assessment rolls are lawful, accurate, and equitable.**

The Assessing Department is contracted through Oakland County Equalization Department. Oakland County develops an annual tax roll pursuant to mandates of State Property Tax Law and the City Charter for use by all taxing authorities located within the City of Pontiac. Parts of this process include maintaining: Property Record and Valuation files; Property Sales files; Property Tax maps; up-to-date Name and Address files; Homeowner's Principal Residence Exemption Affidavit files; Property Transfer Affidavit files; and Equalization files for reporting purposes.



#### FINANCIAL SUMMARY - Assessing

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 1,800	\$ 1,800	\$ 3,000	\$ 3,000	\$ 1,800
Supplies	10,134	10,544	11,000	11,000	12,000
Other Services and Charges	408,520	406,498	413,845	413,770	414,608
<b>Total</b>	<b>\$ 420,454</b>	<b>\$ 418,842</b>	<b>\$ 427,845</b>	<b>\$ 427,770</b>	<b>\$ 428,408</b>

#### Changes in Budget

- ❖ Total \$523 increase from FY19/20 amended budget. Total \$638 increase from FY19/20 projected activity.

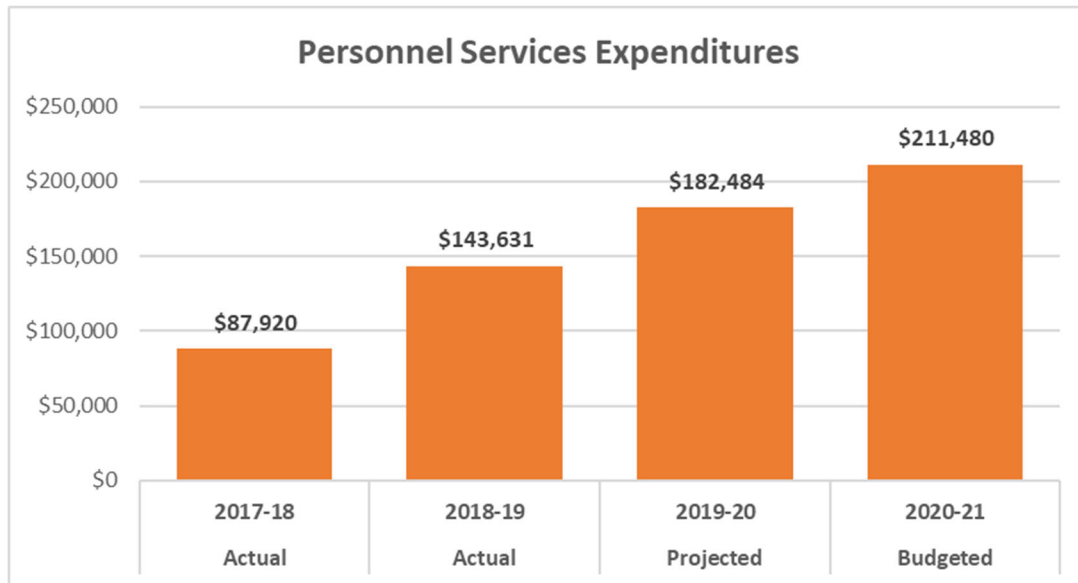
#### Assessing - Goals

- ❖ Provide programs and procedures that ensure a fair and equitable assessment administration system, according to the City Charter and Michigan General Property Tax Laws.
- ❖ Ensure a comprehensive and impartial review of all parcels appealed before the Board of Review.
- ❖ Provide assistance to economic development and building department to timely supply assessing of new developments that come to the City.

## Personnel Services

The mission of the Personnel Department is to serve as a strategic partner in the selection, management, and development of staff to meet the organization's current needs and objectives.

The Personnel Department currently performs key internal services in support of the City's workforce and operations. Services include staffing, wage and salary administration, benefits administration, safety and worker's compensation, employee development, employee and labor relations, and personnel records administration.



### FINANCIAL SUMMARY - Personnel Services

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 72,367	\$ 42,138	\$ 143,029	\$ 139,476	\$ 152,389
Supplies	1,996	10,955	3,515	3,427	3,350
Other Services and Charges	13,557	90,538	40,842	39,581	55,741
<b>Total</b>	<b>\$ 87,920</b>	<b>\$ 143,631</b>	<b>\$ 187,386</b>	<b>\$ 182,484</b>	<b>\$ 211,480</b>

### Changes in Budget

- ❖ Total \$24,094 increase from FY19/20 amended budget and \$28,996 increase from FY19/20 projected activity.
- ❖ Personnel Services increased slightly from FY19/20 amended budget due to raises starting in FY20/21.
- ❖ Other Services and Charges also increased slightly due to the line items Services – Physicals, Printing and Bindery, Recruitment Advertising, and Training Expense.
- ❖ Supplies budgeted amounts stayed very similar to the FY19/20 amended budget.

## Personnel Services

### Personnel Services - Goals

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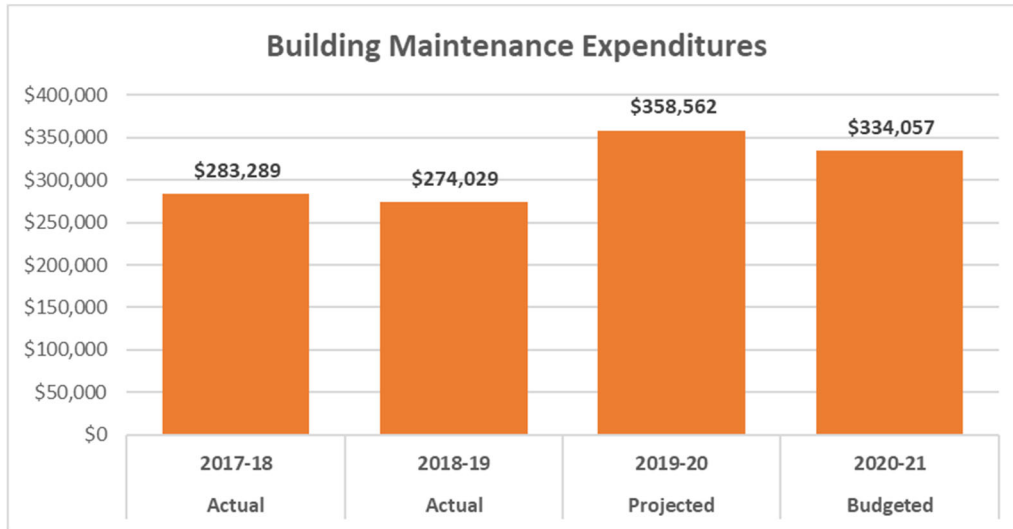
- ❖ Develop, present and implement Emergency Preparedness Manual to establish procedures and train staff how to respond in the event of an emergency.
- ❖ Continue to help maintain the professional environment within the City.
- ❖ Obtain approval and implement Training Plan.
- ❖ Implement training and team building activities to increase employee morale.
- ❖ Continue to reconcile all insurance invoices.
- ❖ Continue to provide professional and courteous customer service to all stakeholders.
- ❖ Provide information to all employees on the importance of the Pontiac Moving Forward initiative (***Pontiac Moving Forward: PDA #1.1 - 1.3***).

## General Fund Expenditures (Continued)

### Building Maintenance

The mission of the Building Maintenance Department is to provide a well maintained, clean, and comfortable environment for our residents, visitors, and employees.

The Building Maintenance Department ensures all City buildings are equipped with supplies and cleaned on a regular basis. The department also coordinates all outdoor maintenance, including mowing and plowing.



#### FINANCIAL SUMMARY - Building Maintenance

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 70,021	78,224	144,374	\$ 123,812	\$ 121,832
Supplies	11,156	12,276	30,491	28,868	28,830
Other Services and Charges	202,112	183,529	223,498	205,882	183,395
<b>Total</b>	<b>\$ 283,289</b>	<b>\$ 274,029</b>	<b>\$ 398,363</b>	<b>\$ 358,562</b>	<b>\$ 334,057</b>

#### Changes in Budget

- ❖ Total \$64,306 decrease from FY19/20 amended budget and \$24,505 decrease from projected activity.
- ❖ Decrease in Personnel Services is related to less overtime in the FY20/21 budget, and also the line item Health Care Waiver is about \$10,000 less than FY19/20 amended budget.
- ❖ Supplies amounts stayed consistent through both Fiscal Years.
- ❖ Other Services and Charges is decreasing due to the City bringing Janitorial Services in house during FY19/20. The line item for Contractual Janitorial Services has decreased because of this. Also, several building maintenance service line items have decrease for a total of about \$20,000.

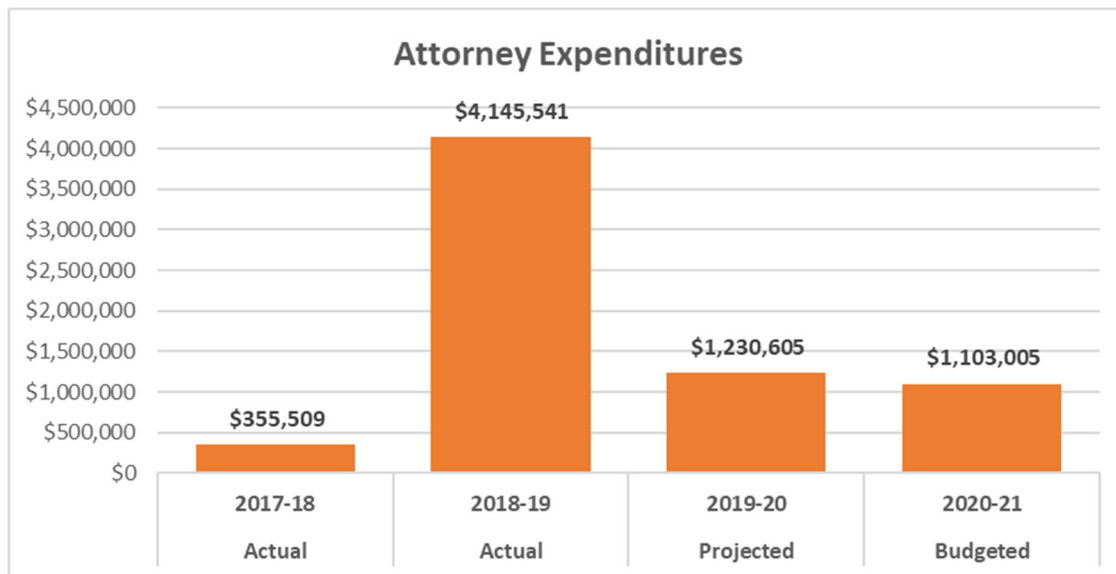
#### Building Maintenance - Goals

- ❖ To work with the Parks & Grounds Maintenance Department to improve the exterior aesthetics of the City Hall Commons.
- ❖ Continue to review janitorial services to maintain clean and sanitary building for employees and customers.
- ❖ Monitor janitorial supplies for fair pricing.
- ❖ Provide distribution material in all City buildings on the Pontiac Moving Forward initiative (**Pontiac Moving Forward: PDA# 1.2**).

## General Fund Expenditures (Continued)

### Attorney

The City of Pontiac utilizes contractual legal services for routine issues, lawsuits, contract administration, labor relations, pension/benefit related administration, interpretation and preparation of ordinances, prosecution of ordinance violations, and review of City Charter issues. In order to obtain high-quality legal services at the best price possible, the City contracts with outside law firms for all legal services, as the City employs no in-house attorneys.



#### FINANCIAL SUMMARY - Attorney

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 355,509	\$ 4,145,541	\$ 942,005	\$ 1,230,605	\$ 1,103,005
Total	<u>\$ 355,509</u>	<u>\$ 4,145,541</u>	<u>\$ 942,005</u>	<u>\$ 1,230,605</u>	<u>\$ 1,103,005</u>

#### Changes in Budget

- ❖ Increase of \$161,000 from the FY19/20 amended budget and \$127,600 decrease from the FY19/20 projected balance.
- ❖ The City uses Giamarco Mullins as their City Attorney. The City budgeted \$168,000 more than FY19/20 amended budget in these line item due to the projected activity for FY19/20 being higher than previously anticipated.

#### Attorney - Goals

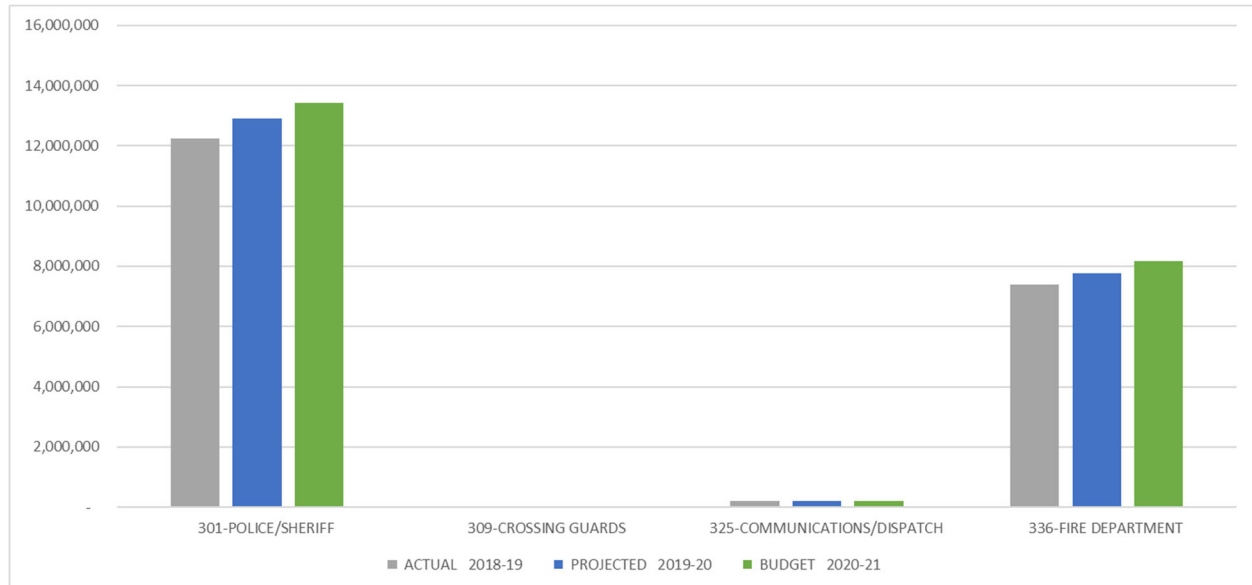
- ❖ Provide timely and logical responses to all questions and issues assigned to the law firm.
- ❖ Issue solid and defensible legal opinions on all issues referred to the law firm.
- ❖ Represent the City vigorously and effectively in lawsuits filed on behalf of, or against, the City of Pontiac.
- ❖ Remain knowledgeable and informed about legal issues that may affect City government, and provide proactive advice to City Council and Administration regarding such issues.
- ❖ Review plans and processes on Pontiac Moving Forward to ensure legal compliance (***Pontiac Moving Forward: PDA #3.6***).

# General Fund Expenditures

## Public Safety Function

Operations under this category include Police, Fire, Dispatch and Crossing Guards. These are the roles that a city uses to keep the public safe.

The Public Safety Function for the General Fund represents about 52% of the total expenditures or approximately \$21.9 million of the total budget for FY20/21. The pages that follow explain each department of the Public Safety Function and the changes to the budget.



## General Fund Expenditures (Continued)

### Police

The Oakland County Sheriff's Office - Pontiac Patrol Department was created to provide contracted police services to the City of Pontiac. In addition to performing the conventional duties of law enforcement, the Sheriff's Office maintains a substation in the City of Pontiac, which is open 24 hours a day, affording residents the ability to:

- ❖ Place their house on the House Check list, providing extra patrol during extended periods the homeowner will be away.
- ❖ Make reports of incidents or accidents when a police officer was not called to the scene.
- ❖ Have officers available to talk to Community Groups, Homeowners Associations, and Businesses on topics of concern.
- ❖ Provide PBT (preliminary breath tests) at a fee of \$10 per test.

The Police Services Unit provides the organization with a broad array of services such as: uniformed patrol, traffic enforcement, ordinance enforcement, professional standards, parking enforcement, general investigations, specialized investigations, K-9 Unit, training, recruiting, hiring, data processing, and records management. In addition to responding to calls for service and follow-up investigations, the Police Services Unit is committed to proactive policing and community engagement. The Emergency Management Services Unit is responsible for the coordination of citywide emergency preparedness. The unit also manages overall emergency response and recovery, intergovernmental emergency cooperation, emergency public information, and administers state and federal grants.

#### Community Policing Unit

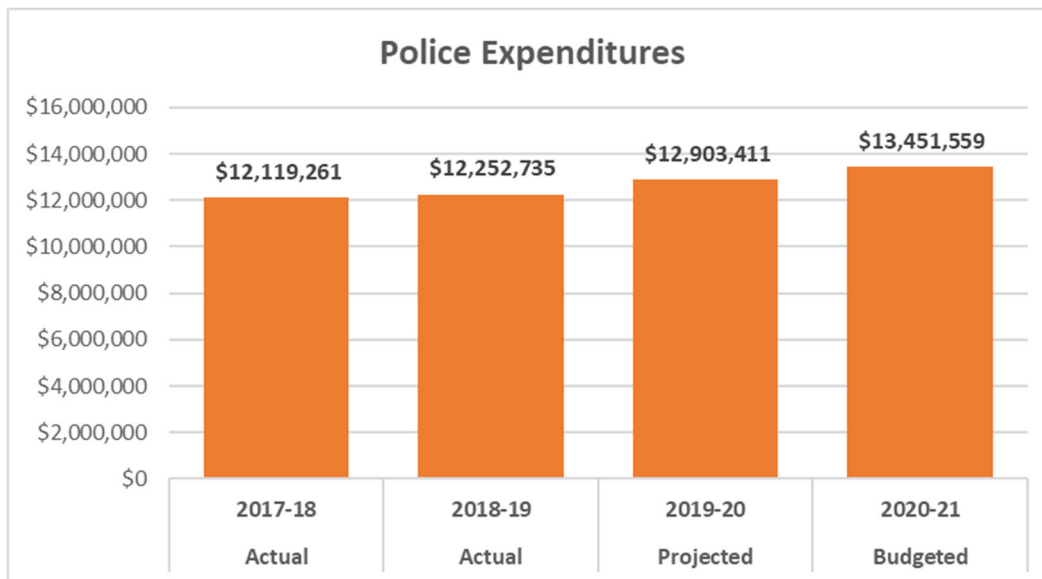
The Community Policing Unit utilizes organizational strategies, community partnerships and problem solving techniques to proactively address public safety and "quality of life" issues within the City of Pontiac. The goal for this unit for 2019 will be to significantly increase the Sheriff's Office attendance at functions and events throughout the City, to have a presence in the schools in the City, and to increase our partnerships with youth organizations. Also,

- ❖ Address citizen complaints regarding public safety and quality of life issues throughout the City.
- ❖ Involvement in youth programs and events through the Sheriff's PAL program, the schools, and local places of worship.
- ❖ Acting as a liaison with local businesses.
- ❖ Assisting with the coordination of various community events.



## General Fund Expenditures (Continued)

### Police



#### FINANCIAL SUMMARY - Police

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 116,492	\$ 81,362	\$ 133,450	\$ 90,998	\$ 80,303
Supplies	2,281	3,005	10,432	10,126	6,300
Other Services and Charges	12,000,488	12,168,368	12,967,914	12,802,287	13,364,956
<b>Total</b>	<b>\$ 12,119,261</b>	<b>\$ 12,252,735</b>	<b>\$ 13,111,796</b>	<b>\$ 12,903,411</b>	<b>\$ 13,451,559</b>

#### Changes in Budget

- ❖ Total \$339,763 increase from the FY19/20 amended budget and \$548,148 increase from FY19/20 projected.
- ❖ The Other Services and Charges increase is mainly from the contract with Oakland County for both regular service and overtime.

#### Police/Sheriff - Goals

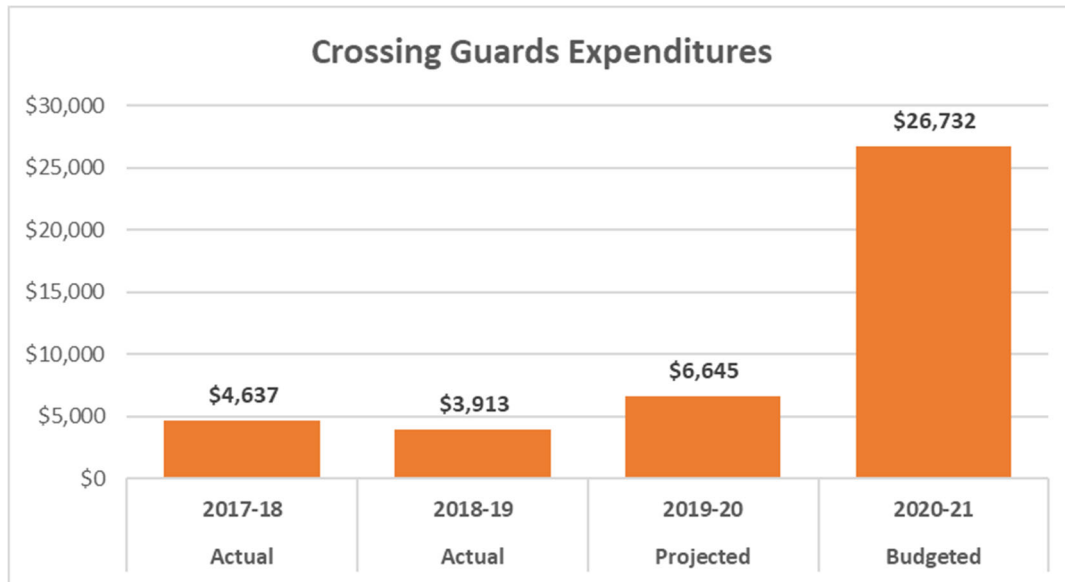
- ❖ Provide high visibility, community-oriented neighborhood patrol to residents.
- ❖ Maintain positive relationships with citizens and Homeowner Associations to provide for open communication.
- ❖ Enforce compliance with State law and Local ordinances.
- ❖ Remain vigilant in monitoring crime trends and adjust staff appropriately to address problems/challenges relating to changing economic conditions.
- ❖ Identify and maintain an acceptable level of service with current staffing.
- ❖ Improve response time to aid citizens and be on par with other Oakland County communities.
- ❖ Assist the City with identifying neighborhoods and businesses for improvement in the Pontiac Moving Forward initiative (*Pontiac Moving Forward: PDA # 4.3*).

## General Fund Expenditures (Continued)

### Crossing Guards

**The Crossing Guard Program ensures the safety of pedestrian students of the City of Pontiac School Districts.**

The Crossing Guard Program provides adult guidance by certified individuals at identified school crossing locations in order to create gaps in traffic ensuring for the safe flow of pedestrian students and vehicular traffic.



#### FINANCIAL SUMMARY - Crossing Guards

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 4,637	\$ 3,913	\$ 7,357	\$ 6,645	\$ 26,732
Supplies	-	-	-	-	-
<b>Total</b>	<b>\$ 4,637</b>	<b>\$ 3,913</b>	<b>\$ 7,357</b>	<b>\$ 6,645</b>	<b>\$ 26,732</b>

#### Changes in Budget

- ❖ Increase of \$19,375 from FY19/20 budget and increase of \$20,087 from projection.

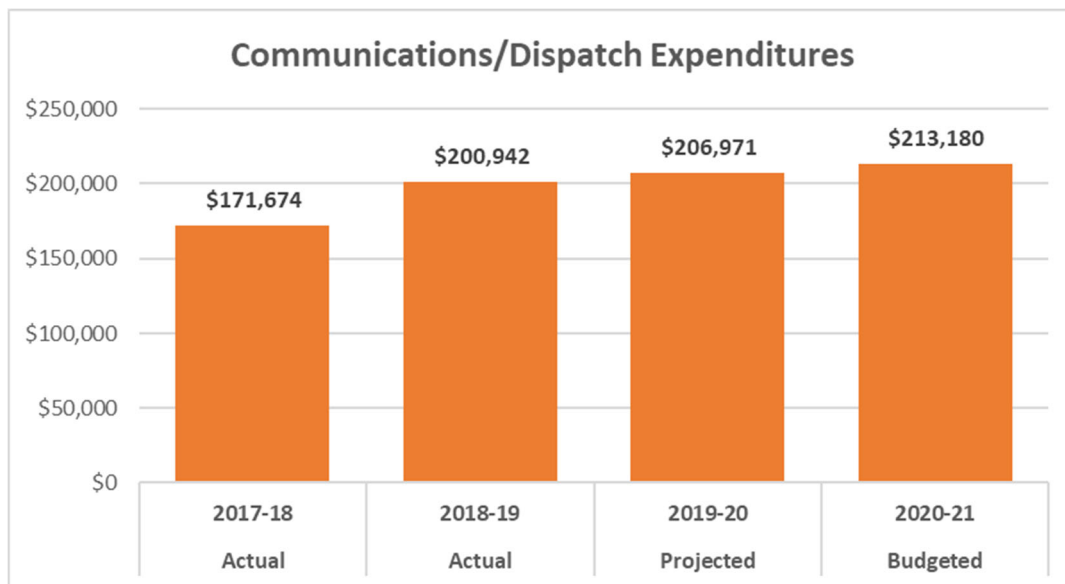
#### Crossing Guards - Goals

- ❖ Provide for the safe crossing of students to and from school during the school year.

## Dispatch

**The Dispatch Department is the first link between emergency providers and the public we serve. Its role is to provide professional and courteous dispatching services.**

The City of Pontiac contracts dispatching services through Oakland County Sheriff's Operation Center. The Oakland County Sheriff's Operations center supports all divisions of the Sheriff's Office and operates one of the largest law enforcement/medical/fire dispatch 911 centers in Michigan. The Sheriff's Operations Center staff is comprised of a Chief of Communications, a QA Supervisor Medical/Fire, a QA Supervisor Law Enforcement, five Sergeants, five Dispatch Shift Leaders, fifty-eight Dispatch Specialists, two Warrant Clerks, and one Office Assistant.



### FINANCIAL SUMMARY - Communications/Dispatch

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 171,674	\$ 200,942	\$ 206,971	\$ 206,971	\$ 213,180
Total	<u>\$ 171,674</u>	<u>\$ 200,942</u>	<u>\$ 206,971</u>	<u>\$ 206,971</u>	<u>\$ 213,180</u>

#### Changes in Budget

- ❖ Other Services and Charges is expected to increase \$6,209 from the FY19/20 amended budget and projection due to a contractual increase with Oakland County for dispatch services.

#### Communications/Dispatch - Goals

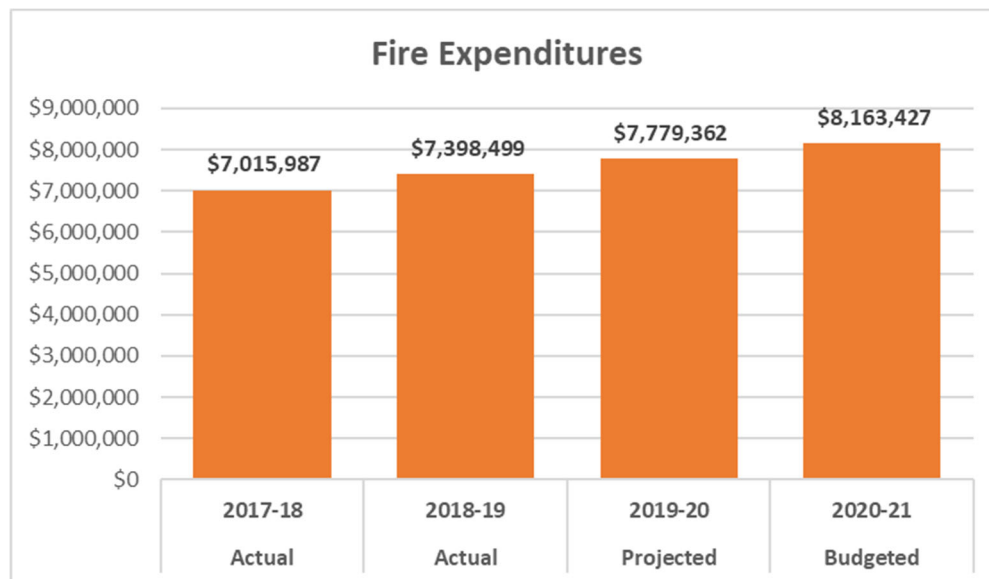
- ❖ Encourage and support citizen involvement and leadership to improve the quality of life by ensuring that the citizen's first point of contact with his/her public safety resources is courteously, sympathetically, and efficiently met.
- ❖ Ensure the safety and effectiveness of our officers and other public safety personnel by diligently and thoroughly gathering all pertinent information necessary to ensure a safe and efficient response.
- ❖ Provide our officers and other public safety personnel with a communications' safety net through conscientious monitoring, and when necessary, through timely intervention and interaction.

## General Fund Expenditures (Continued)

### Fire

The City of Pontiac contracts fire services through the Waterford Township Fire Department. Waterford Township has become one of the most progressive, best equipped, best trained, and technologically advanced fire departments in the State of Michigan. With this progressive approach, the Waterford Fire Department took on the fire protection needs of the City of Lake Angelus in 2000. In February 2012, the Fire Department began contracting Fire and EMS services to the City of Pontiac.

Waterford Fire Department is now the largest staffed fire department in Oakland County. Resources include 8 fire stations staffed 24 hours a day, 10 fully equipped late-model fire engines, 6 state-of-the-art Advanced Life Support EMS rescue vehicles, 3 100-foot aerial ladder trucks, 2 mobile command vehicles with on-board computer and communications system, 144 full-time highly trained firefighters, of which 105 are licensed paramedics, and 10 volunteer firefighters.



#### FINANCIAL SUMMARY - Fire

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Supplies	\$ -	\$ 1,111	\$ 3,610	\$ 3,607	\$ 3,000
Other Services and Charges	7,015,987	7,397,388	7,776,231	7,775,755	8,160,427
<b>Total</b>	<b>\$ 7,015,987</b>	<b>\$ 7,398,499</b>	<b>\$ 7,779,841</b>	<b>\$ 7,779,362</b>	<b>\$ 8,163,427</b>

#### Changes in Budget

- ❖ \$383,586 increase from FY19/20 budget and \$384,065 increase from FY19/20 projected is from a contractual increase in services with Waterford Township for fire services.

## General Fund Expenditures (Continued)

### Fire

#### Fire Dept - Goals

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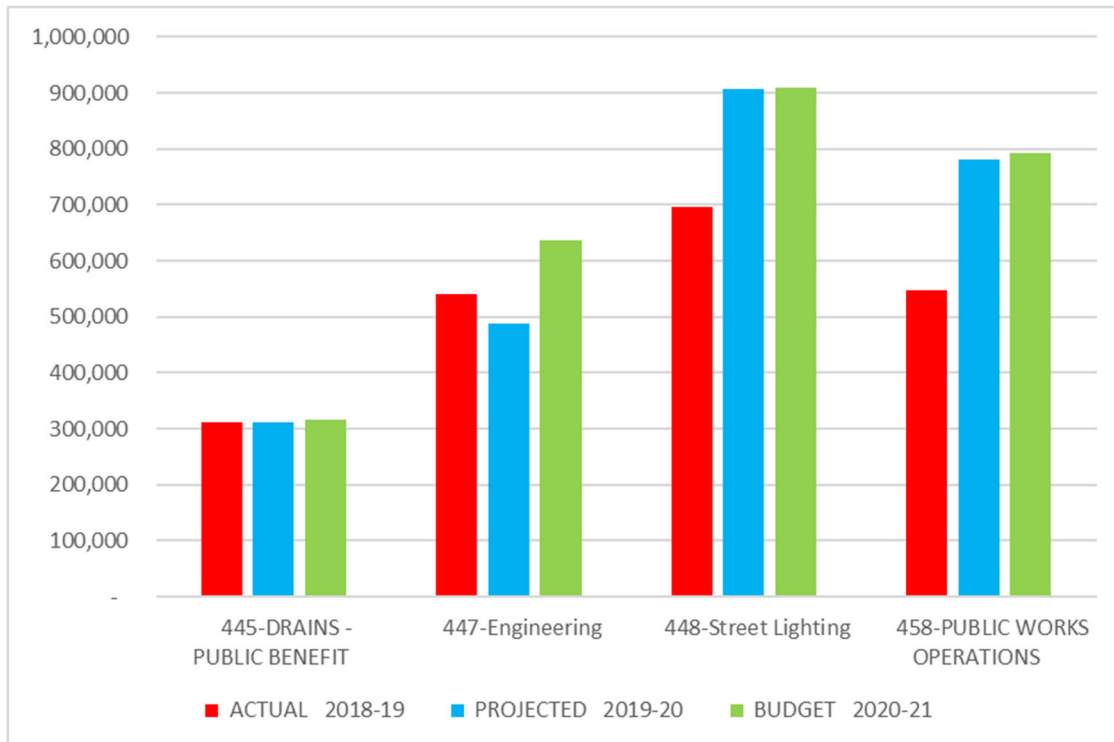
- ❖ Provide a high level of emergency service that continually improves the quality of life for residents, businesses, and visitors.
- ❖ Continue improving various areas within the department ranging from service and program enhancements to operational improvements, all while remaining fiscally prudent with taxpayer dollars.
- ❖ Assist the City with identifying neighborhoods and businesses for improvement in the Pontiac Moving Forward initiative (***Pontiac Moving Forward: PDA # 4.3***).

# General Fund Expenditures

## Public Works Function

Operations under this category include DPW Administration, Engineering, Drains, and Street Lighting which are funded by the General Fund.

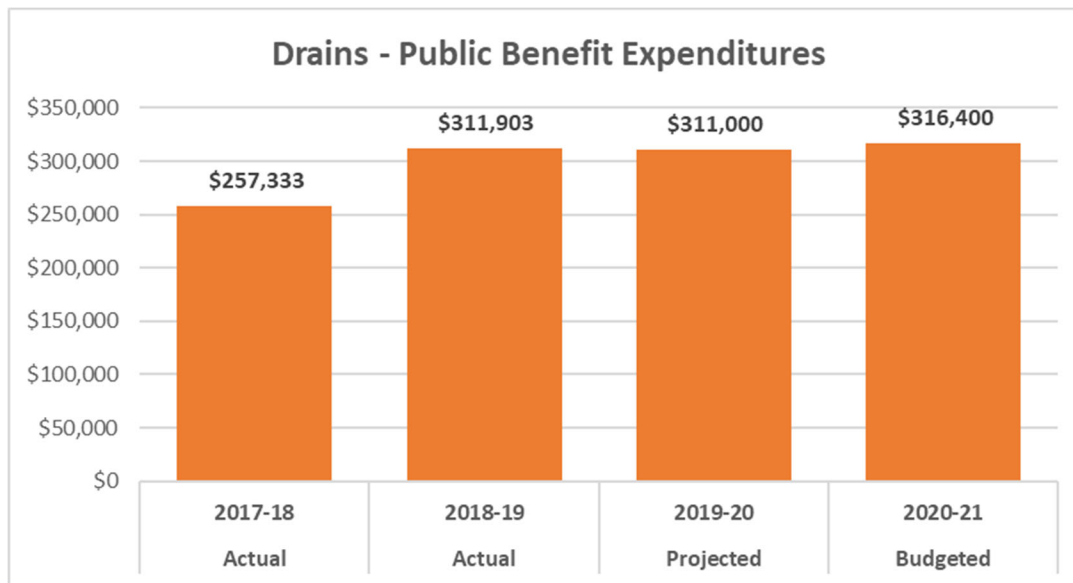
The Public Works Function for the General Fund represents 6% of the total expenditures or approximately \$2.7 million of the total budget for FY20/21. The pages that follow explain each department of the Public Works Function and the changes to the budget.



## General Fund Expenditures (Continued)

# Drains - Public Benefit

Drains - Public Benefit Department is used to account for Drain Maintenance expenditures within the City of Pontiac.



### FINANCIAL SUMMARY - Drains - Public Benefit

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 257,333	\$ 311,903	\$ 316,400	\$ 311,000	\$ 316,400
Total	<u>\$ 257,333</u>	<u>\$ 311,903</u>	<u>\$ 316,400</u>	<u>\$ 311,000</u>	<u>\$ 316,400</u>

### Changes in Budget

- ❖ Budget stayed the same from the FY19/20 amended budget, and an increase of \$5,400 from FY19/20 projected.

### Drains Dept - Goals

- ❖ Coordinate with Oakland County Water Resource Commission (OCWRC) to design, construct, preserve, and maintain drainage facilities in the community as provided for under the Public Drain Code.
- ❖ Cooperate with OCWRC to reach compliance requirements of the Soil Erosion and Sedimentation Act.
- ❖ Evaluate the application of enabling legislation for the development of funding strategies in order to meet the federally required (but unfunded) mandates for storm water maintenance.

## General Fund Expenditures (Continued)

# Engineering

The **Engineering Department** provides a wide range of engineering services to the Department of Public Works and Utilities, the Mayor's Office, other city departments, as well as the general public. Below are generalities and specific functions of the department:

❖ **Administration of Capital Improvement Programs & Resource Management**

- Construction administration and inspection
- Construction layout
- CDBG Sidewalk Program
- Design

❖ **Preparation/Processing Applications of Federal and/or State Funding**

- Providing technical support for grant applications
- Apply for funding with MDOT, RCOC, and SEMCOG
- Cost Analysis/Value Engineering for Capital Projects
- Estimating
- Evaluating/Recommending design changes

❖ **Administrative Support for Specific Programs & Projects**

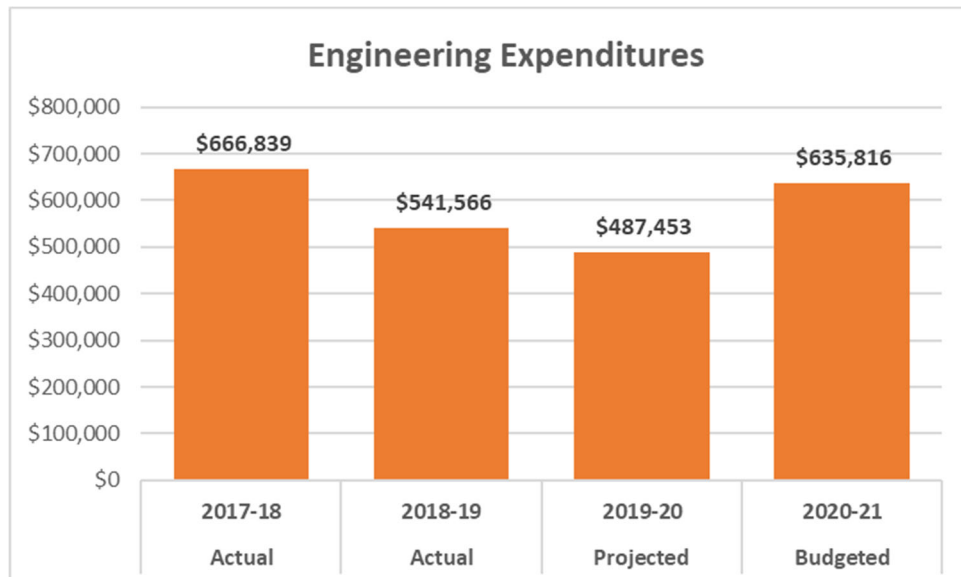
- Specification writing
- Preparation of construction documents
- Consultant selection and consultant management
- Bid evaluation
- Request for Proposals

❖ **Traffic Engineering Services**

- Review Pavement Markings
- Review/Optimize Signal timings
- Analyze sign requests
- Traffic volume information

❖ **Other Engineering Services**

- Issues relating to drainage
- Inquiries on Utility locations and sizes
- Topographic information
- Issue public Right-of-Way permits





General Fund Expenditures (Continued)

## Engineering

### FINANCIAL SUMMARY - Engineering

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 85,420	\$ 94,096	\$ 97,691	\$ 94,060	\$ 280,923
Supplies	3,513	2,393	12,430	11,427	11,000
Other Services and Charges	495,445	394,986	393,015	381,966	331,893
Capital Outlay	82,461	50,091	-	-	12,000
Total	<u>\$ 666,839</u>	<u>\$ 541,566</u>	<u>\$ 503,136</u>	<u>\$ 487,453</u>	<u>\$ 635,816</u>

#### Changes in Budget

- ❖ Increase of \$132,680 from FY19/20 amended budget and an increase of \$148,363 from FY19/20 projection.
- ❖ Personnel Services increased by about \$183,000. The Engineering Department added the Laborer and Maintenance positions in FY20/21.
- ❖ Other Services and Charges decrease by about \$61,000 due to less engineering services being budgeted in FY20/21. The department also includes \$12,000 for Capital Outlay. This is designated in the Special Equipment line item.

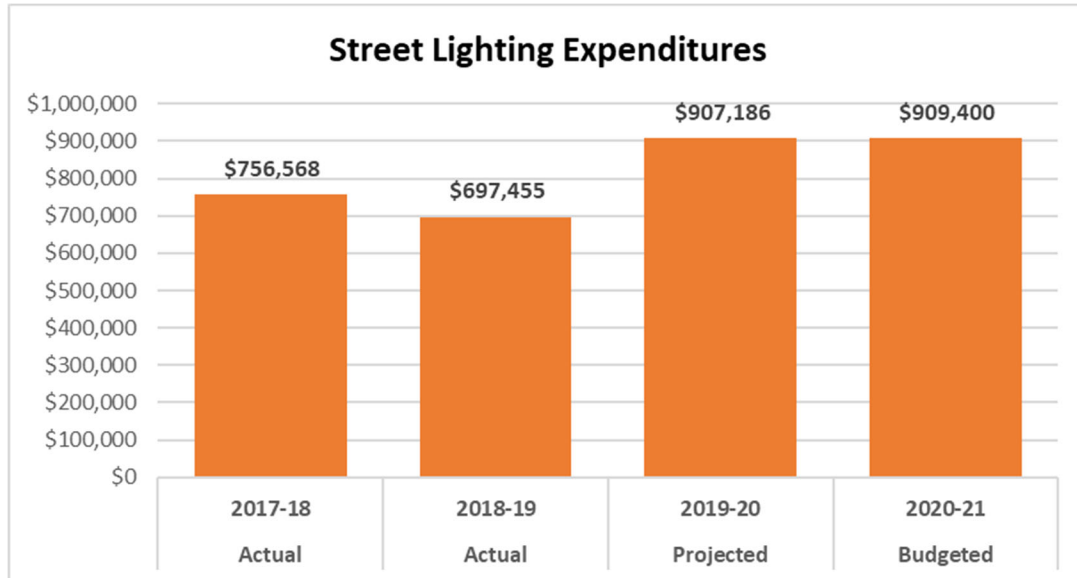
#### Engineering - Goals

- ❖ To incorporate the guiding principles of the 2014 Master Plan Update into designs of infrastructure improvements.
- ❖ To create plans and specifications, and administer contracts for various capital improvement projects including road and sidewalk projects.
- ❖ Pursue alternative funding for capital projects, such as grants, to improve traffic flow, safety at major road intersections, and path/sidewalk construction.
- ❖ Coordinate with the County Road Commission on future County road improvements in the City.
- ❖ Participate in the "Healthy Pontiac - We can" and assist with completing the streets ordinance (***Pontiac Moving Forward: PDA #1.5***).
- ❖ Determine infrastructure improvement needs (***Pontiac Moving Forward: PDA #4.5***).

General Fund Expenditures (Continued)

## Street Lighting

Street Lighting is used to account for street lighting services within the City of Pontiac.



### FINANCIAL SUMMARY - Street Lighting

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 756,568	\$ 697,455	\$ 909,587	\$ 907,186	\$ 909,400
Total	<u>\$ 756,568</u>	<u>\$ 697,455</u>	<u>\$ 909,587</u>	<u>\$ 907,186</u>	<u>\$ 909,400</u>

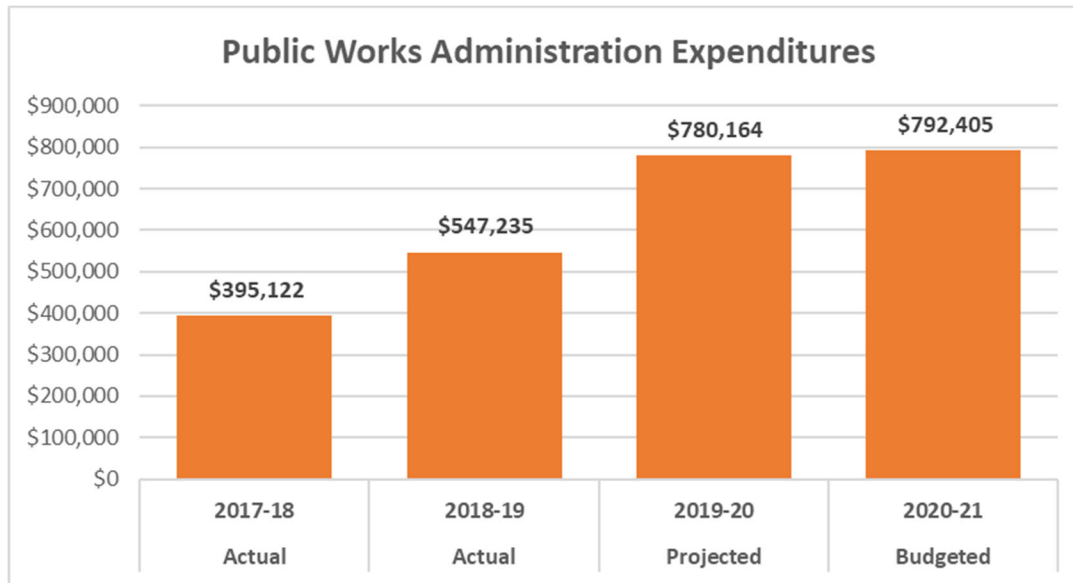
### Changes in Budget

- ❖ Decrease of \$187 from FY19/20 amended budget and increase of \$2,214 from FY 19/20 projection. Budgeted items are similar for both fiscal years.

## General Fund Expenditures (Continued)

### Public Works Administration

The mission is to provide the highest quality public works services to the residents of Pontiac and business community balanced through operation and to provide these services in a responsible and efficient manner. This mission is accomplished by teamwork and coordination with other service providers in the City.



#### FINANCIAL SUMMARY - Public Works Administration

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 255,166	\$ 253,637	\$ 387,273	\$ 347,600	\$ 343,853
Supplies	23,023	51,967	176,234	174,360	147,200
Other Services and Charges	116,933	241,631	265,576	258,204	301,352
<b>Total</b>	<b>\$ 395,122</b>	<b>\$ 547,235</b>	<b>\$ 829,083</b>	<b>\$ 780,164</b>	<b>\$ 792,405</b>

#### Changes in Budget

- ❖ Total \$36,678 decrease from FY19/20 amended budget and increase of \$12,241 from the FY19/20 projection.
- ❖ Decrease in Personnel Services of approximately \$40,420 is attributed to two Laborer II – Operations positions being taken out of the budget in FY20/21.
- ❖ Decrease in Supplies of about \$29,000. The Equipment Maintenance Supplies line item was the majority of that amounts with a \$22,829 decrease from the FY19/20 amended budget.
- ❖ Increase in Other Services and Charges of approximately \$35,776 is due leasing of a DPW building and garage to house new personnel and vehicles. The maintenance for vehicles line item also contributed to the increase.

## Public Works Administration

### Public Works Administration - Goals

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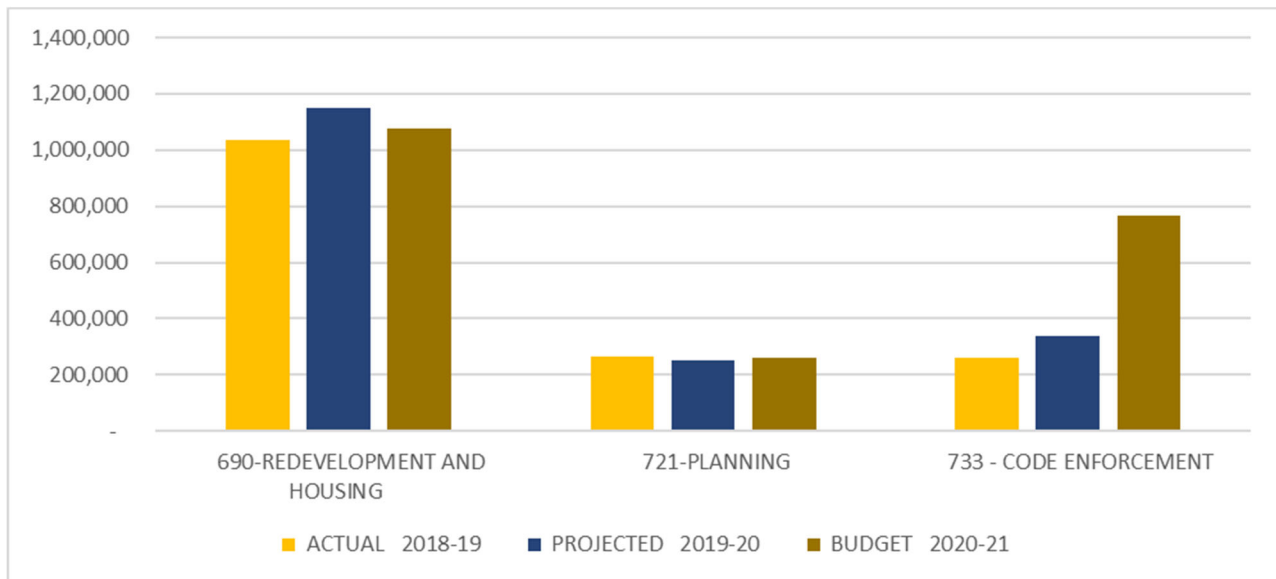
- ❖ Continue management and oversight of all City of Pontiac construction projects.
- ❖ Continue the management and oversight of all City facilities, including maintenance and capital projects.
- ❖ Continue to review departmental and divisional staffing allocations in order to maximize delivery of public services with existing resources.
- ❖ Implement Phase One of the Downtown Pontiac Transportation Assessment - conversion of one-way City streets to two-way. (***Pontiac Moving Forward: PDA #1.4***).

# General Fund Expenditures

## Community Development Function

Operations under this category include contributions to the Tax Increment Finance Authority to offset the shortfall of tax captures to make bond payments (Financial Guarantee Expense), organization and record management of the former Pontiac Growth Group and Federal Programs Office, management of City property sales, planning and zoning, proactive economic development initiatives, and code enforcement.

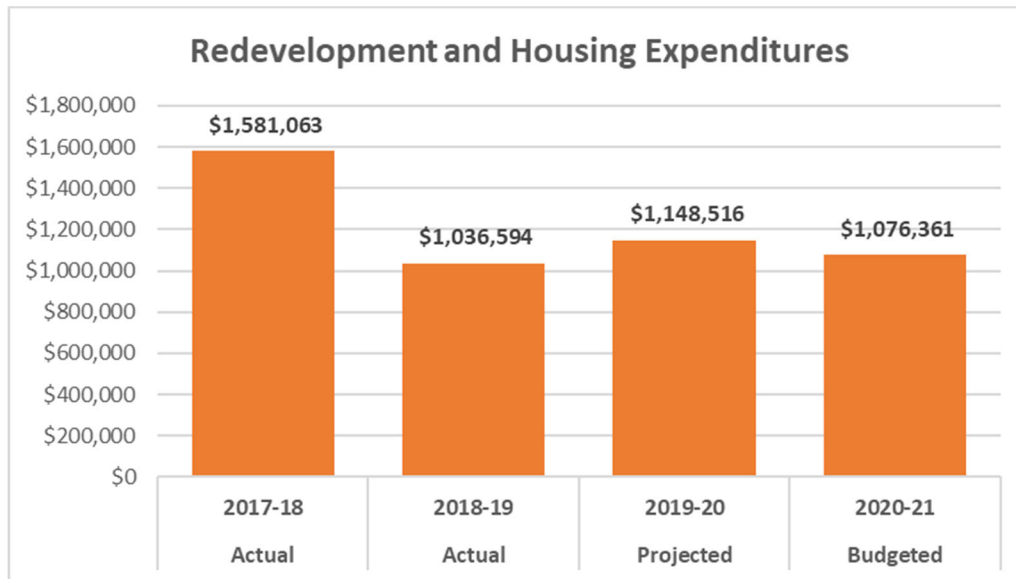
The Community Development function for the General Fund represents 5% of the total expenditures or approximately \$2.1 million of the total budget for FY20/21. The pages that follow explain the department of the Community Development Function and the changes to the budget.



## General Fund Expenditures (Continued)

### Redevelopment and Housing

The Redevelopment and Housing Department plans, coordinates, implements, monitors and evaluates city-wide property rehabilitation and new construction development proposals and implements programs where economically feasible. They also coordinate the acquisition and disposition of real estate with the City and provide on-going maintenance of CDBG parcels.



#### FINANCIAL SUMMARY - Redevelopment and Housing

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 292,728	\$ 242,476	\$ 281,340	\$ 138,594	\$ 237,579
Supplies	1,573	394	5,020	100	1,750
Other Services and Charges	1,281,757	793,724	1,094,002	1,009,822	837,032
Capital Outlay	5,005	-	-	-	-
<b>Total</b>	<b>\$ 1,581,063</b>	<b>\$ 1,036,594</b>	<b>\$ 1,380,362</b>	<b>\$ 1,148,516</b>	<b>\$ 1,076,361</b>

#### Changes in Budget

- ❖ Decrease of \$304,001 from the FY19/20 amended budget and \$75,155 from the FY19/20 projection.
- ❖ Personnel Services decreased from the FY19/20 budget due to the Medical Insurance line item. This decreased by about \$43,000 in FY20/21.
- ❖ Supplies decreased from the FY19/20 amended budget due to postage. This line item decreased by \$3,270.
- ❖ Other Services and Charges is decreasing approximately \$260,000 from the FY19/20 amended budget. This is due to several different line items in the budget. The more significant lines are Demolition Services decreased by \$56,000, Blight Court by \$75,000, Wade Trim services by \$30,000, and Nuisance Abatement by \$40,000. The Census Services were also not budgeted for in FY20/21 since this was a FY19/20 event. The amount for Census was \$25,000.
- ❖ Other Services and Charges also includes approximately \$640,000 transfer to the TIF funds for debt service.

## Redevelopment and Housing

### Redevelopment and Housing - Goals

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- ❖ Provide for a diverse business base that generates high-quality employment opportunities and a strong tax revenue base.
- ❖ Continue to monitor growth industries and foster an environment that supports a strong supply chain in these markets.
- ❖ Develop policies that ensure compatibility and harmony between land uses in the community.
- ❖ Identify projects during the early redevelopment stage that would qualify and benefit from Pontiac Moving Forward (***Pontiac Moving Forward: PDA# 3.8 and 3.9***).

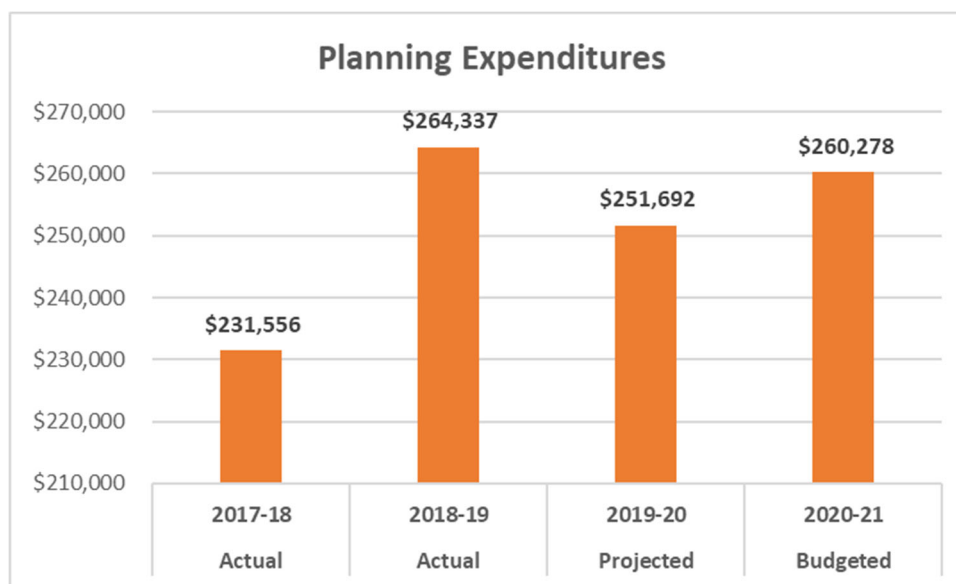
## General Fund Expenditures (Continued)

### Planning

The mission of the Planning Department is to administer the development process in the City of Pontiac. The Department is responsible for development from concept through occupancy and is responsible for coordinating reviews and inspections by staff as well as by other departments and agencies.

The Planning Department is responsible for all site plan reviews, special exception permits and reviews, zoning compliance permits, and all zoning related building reviews. Additionally, planning staff provides staff support to the Pontiac Planning Commission, Historic District Commission, and Zoning Board of Appeals which includes preparing commissioner packets, agendas, public notices, and meeting action minutes.

Perhaps the most important function of the Planning Department is as the primary face of development for the City of Pontiac. The City Planner plays a key role in economic development by meeting with perspective investors/developers, assisting private parties with land investigations and working with the private sector to redevelop blighted and/or obsolete properties. Staff is available to meet with residents, property owners and prospective property owners to discuss potential uses and developments five days per week.



#### FINANCIAL SUMMARY - Planning

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 1,778.00	\$ 170,621	\$ 248,076	\$ 202,928	\$ 204,446
Supplies	249	6,606	14,515	7,354	14,750
Other Services and Charges	229,529	87,110	61,591	41,410	41,082
Total	<u>\$ 231,556</u>	<u>\$ 264,337</u>	<u>\$ 324,182</u>	<u>\$ 251,692</u>	<u>\$ 260,278</u>



## General Fund Expenditures (Continued)

### Planning

#### Changes in Budget

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- ❖ Decrease of \$63,904 from FY 19/20 amended budget and an increase of \$8,586 from FY 19/20 projection.
- ❖ Other Services and Charges decreased from FY19/20 due to the line item General Professional Services. The budget for FY20/21 was based on the projected amount for FY19/20.
- ❖ The City has insourced the Planning department in FY18/19. The department has transitioned from using Wade Trim for Planning services.

#### Planning - Goals

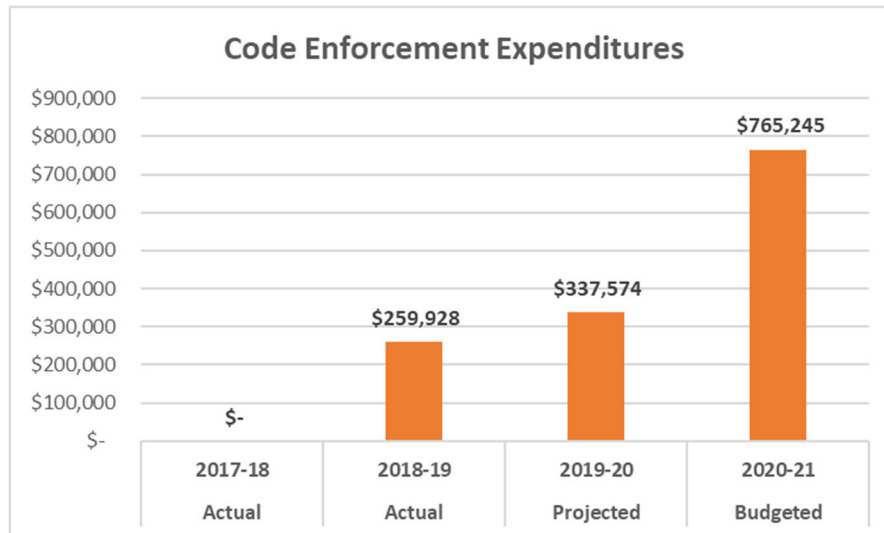
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- ❖ Assist the Planning Commission to implement the Master Plan Update.
- ❖ Oversee the development and approval of various plans and development standards that establish the framework for decision-making regarding the highest and best use of land.
- ❖ Adopt and review goals for land use policies that promote the livability and sustainability of our community.
- ❖ Continue to insource the planning department to increase response and provide a more efficient service to the citizens.
- ❖ Develop criteria to target neighborhoods for housing non-profit and private developer investment (***Pontiac Moving Forward: PDA #2.2***).

## General Fund Expenditures (Continued)

### Code Enforcement

Code Enforcement falls under the purview of Building Safety. The mission of the code enforcement department is to assist residents and businesses in maintaining safe and clean properties and buildings. The Code Enforcement staff, along with the Building Safety inspectors, are part of the “silent public safety” staff who help make sure the community is safe and clean. Code Enforcement pro-actively patrols neighborhoods, responds to citizen complaints and works with the community to identify and correct code violations such as blight, trash/debris, inoperable and unlicensed vehicles, tall grass, and weeds. The goal of these officers is to get the code violations resolved as quickly as possible.



#### FINANCIAL SUMMARY - Code Enforcement

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ -	\$ 179,436	\$ 298,751	\$ 286,418	\$ 463,427
Supplies	-	16,550	8,680	7,170	12,100
Other Services and Charges	-	63,942	43,989	43,986	289,718
Total	<u>\$ -</u>	<u>\$ 259,928</u>	<u>\$ 351,420</u>	<u>\$ 337,574</u>	<u>\$ 765,245</u>

#### Changes in Budget

- ❖ The City has insourced this department in FY18/19 from the current contractor, Wade Trim.
- ❖ Increase of \$413,825 from the FY19/20 budget and \$427,671 from the FY19/20 projected.
- ❖ New positions of Code Enforcement Officers were added to the budget in FY20/21.
- ❖ Other Services and Charges increased due to the General Professional Services line item. \$30,000 has been set aside for Code Enhancement Abatement. City Council also requested \$70,000 be added to this line.

#### Code Enforcement - Goals

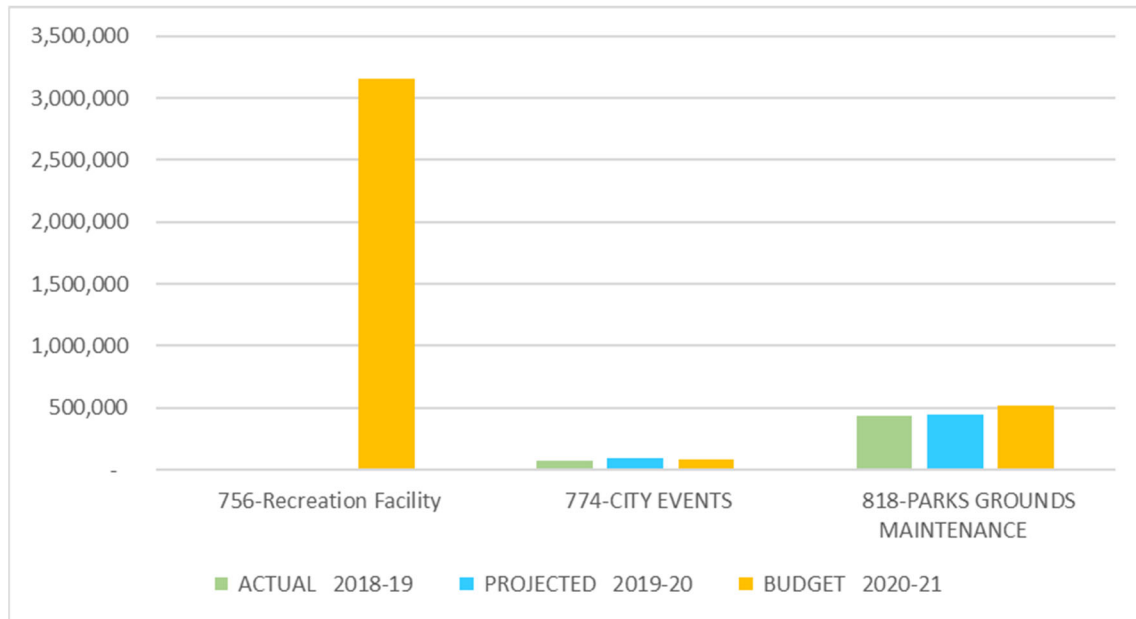
- ❖ Continue to insource this department during FY19/20 to be able to provide a more efficient service to the citizens.
- ❖ Increase inspection rate and decrease response time between warning and correction to help aid in the restoration of the Pontiac’s neighborhoods and downtown area (***Pontiac Moving Forward PDA #2.1 and PDA #3.9***).

# General Fund Expenditures

## Recreation and Culture Function

Operations under this category include expenses related to City Events, Park Maintenance, and the Historic District Commission.

The Recreation and Culture function for the General Fund represents 9% of the total expenditures or approximately \$3.8 million of the total budget for FY20/21. The pages that follow explain the department of the Recreation and Culture function and the changes to the budget.



General Fund Expenditures (Continued)

## Recreation Facility

The Recreation Facility Department was established to purchase the Youth Recreation building and land during the FY19/20. The plans to buy the building did not come to fruition during FY19/20. The City has another chance to purchase the building in FY20/21.



### FINANCIAL SUMMARY - Recreation Facility

	2017-18		2018-19		2019-20		2019-20		2020-21	
<u>Financial Summary</u>	Actual		Actual		Budgeted		Projected		Budgeted	
Capital Outlay	\$	-	\$	-	\$	3,124,180	\$	-	\$	3,150,000
Total	\$	-	\$	-	\$	3,124,180	\$	-	\$	3,150,000

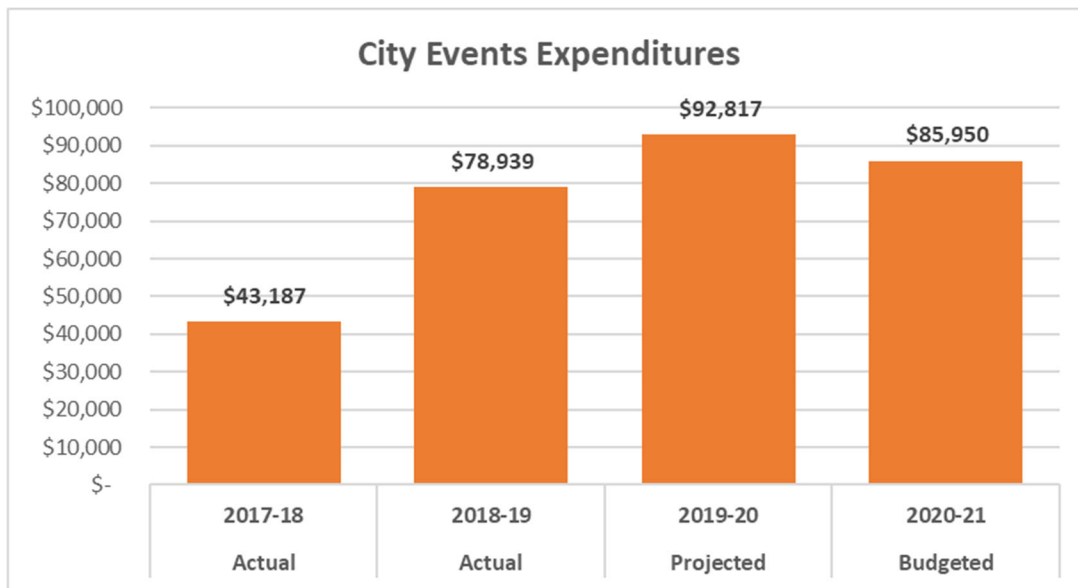
### Changes in Budget

- ❖ This department was created in FY19/20. The City budgeted \$3,150,000 to purchase the Youth Recreation Center during the year. The City did not buy the building during the FY and the budget was amended to \$3,124,180.
- ❖ The City is still planning on purchasing the building and has budgeted \$3,150,000 in FY20/21 for the Youth Recreation Center.

## General Fund Expenditures (Continued)

### City Events

The City Events Department was established to account for community related events and promotions that are not related to a specific department.



#### FINANCIAL SUMMARY -City Events

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 43,187	\$ 78,939	\$ 92,820	\$ 92,817	\$ 85,950
Total	\$ 43,187	\$ 78,939	\$ 92,820	\$ 92,817	\$ 85,950

#### Changes in Budget

- ❖ The FY20/21 budget decreased by \$6,870 from the FY19/20 amended budget and by \$6,867 from the projected amount.
- ❖ The City has budgeted \$51,000 for the annual Dream Cruise event. The Dream Cruise is partially funded through donations and reimbursements of City expenses.
- ❖ The other City Events included in this department are as follows:
  - Mayor's State of the City Address - \$20,000
  - Upward Bound – Oakland University - \$2,000
  - Mother's Day Brunch - \$250
  - Music Festival - \$10,000
  - Christmas Extravaganza - \$1,000
  - Art Crawl - \$200
  - Miscellaneous Events - \$1,500

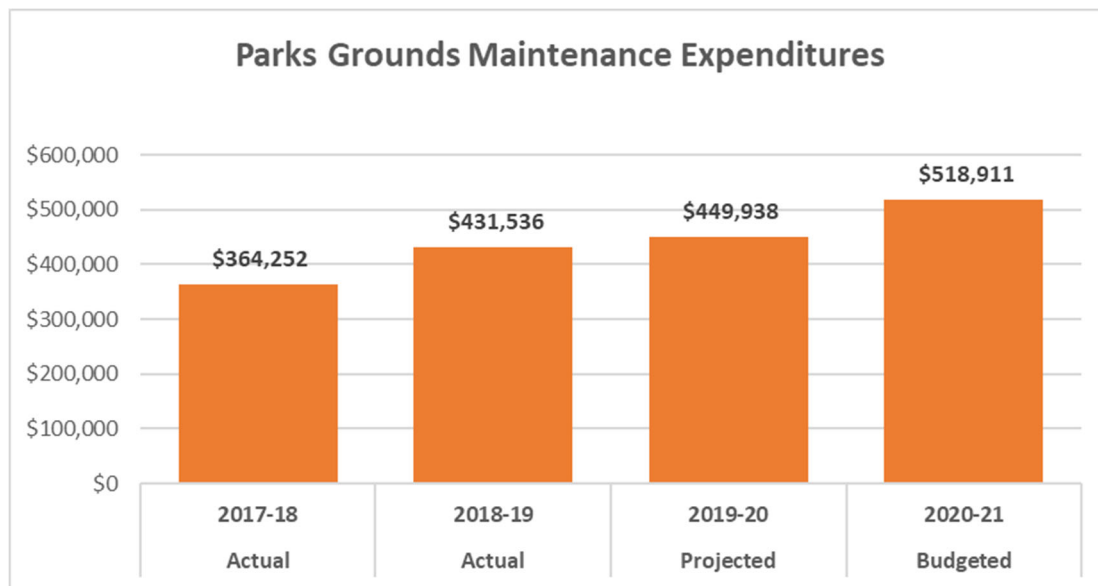
#### City Events- Goals

- ❖ Provide community events that contribute to the quality of life within Pontiac, promote the City within the region, and generate economic activity while minimizing the expense to City taxpayers. This includes the State of the City event and the 2020 Census for FY19/20.
- ❖ Continue successful fundraising efforts for the Dream Cruise.

## Park Grounds Maintenance

The mission of the Parks Ground Maintenance Department of the Department of Public Works Department is to ensure that a wide array of outdoor recreation opportunities, both passive and active, are available to people of all age groups, interests, and abilities, while protecting and conserving the integrity of our natural and historical resources.

The Parks Department is responsible for the operation, maintenance, staffing, planning, and development of all City parks.



### FINANCIAL SUMMARY - Parks Grounds Maintenance

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 22,876	\$ 13,513	\$ 36,155	\$ 33,634	\$ 21,772
Supplies	13,628	8,383	32,700	25,900	94,300
Other Services and Charges	327,628	409,640	404,085	390,404	402,839
Capital Outlay	120	-	-	-	-
Total	<u>\$ 364,252</u>	<u>\$ 431,536</u>	<u>\$ 472,940</u>	<u>\$ 449,938</u>	<u>\$ 518,911</u>

### Changes in Budget

- ❖ \$45,971 increase from the FY19/20 amended budget and \$68,973 from the FY19/20 projected.
- ❖ Supplies increased by about \$61,000 from the FY19/20 amended budget. This was mainly due to the Recreation Supplies line item increasing by \$60,000 for FY20/21.
- ❖ Other Services and Charges budget stayed very similar for both FY19/20 and FY20/21.

General Fund Expenditures (Continued)

## Park Grounds Maintenance

### Parks Ground Maintenance - Goals

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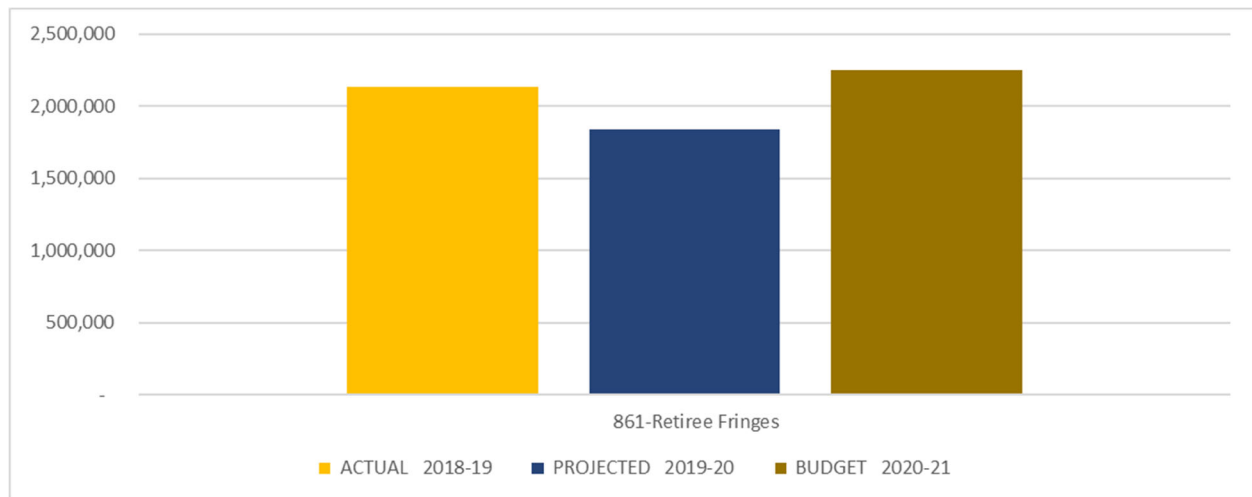
- ❖ Examine Department mission, operations, structure, and facilities to meet community needs.
- ❖ Improve operational procedures, documentation, and review system to align with City Administration and Council policies.
- ❖ Develop a strong conservation ethic in the community.
- ❖ Provide assistance to citizen advocacy groups through the City's Neighborhood projects program and improve neighborhood conditions (***Pontiac Moving Forward: PDA# 4.1***)

# General Fund Expenditures

## Other Functions

Operations under this category include funding for retiree pension and insurance benefits.

The Other functions for the General Fund represents 5.3% of the total expenditures or approximately \$2.2 million of the total budget for FY20/21. There are two departments in the Other functions category, Unemployment Compensation and Retiree Fringe Benefits.

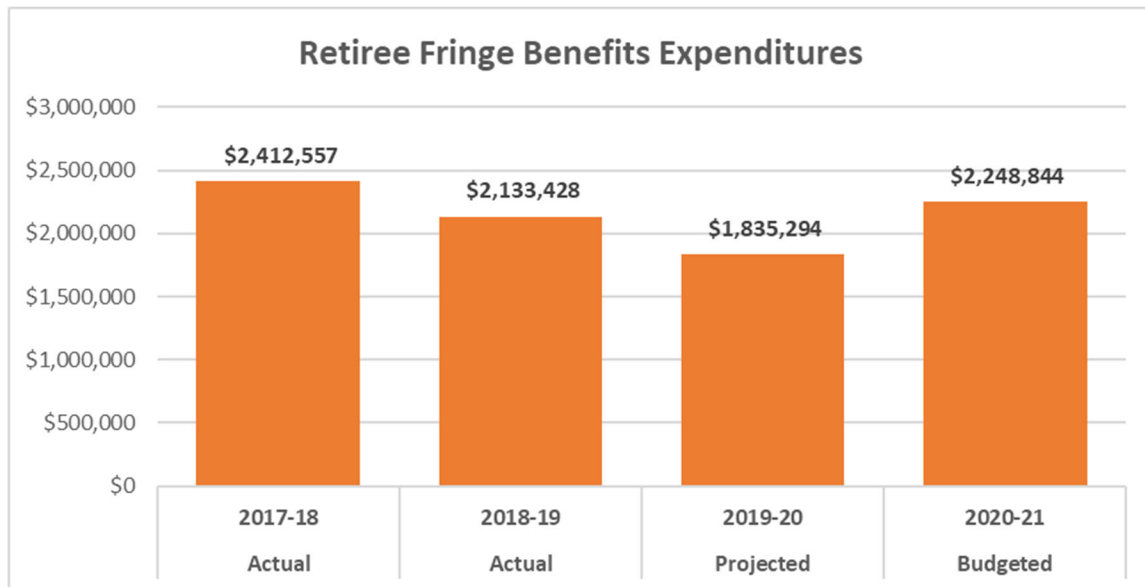




## General Fund Expenditures (Continued)

### Retiree Fringe Benefits

The Retiree Fringes Department for the Police and Fire Pension contribution and the City's contribution to Other Post-Employment Benefits (OPEB) Trust Fund. The contributions for the Pension are calculated annually through an actuarial study. The OPEB Trust Fund contribution is part of a tentative settlement agreement with retirees for health care.



#### FINANCIAL SUMMARY - Retiree Fringe Benefits

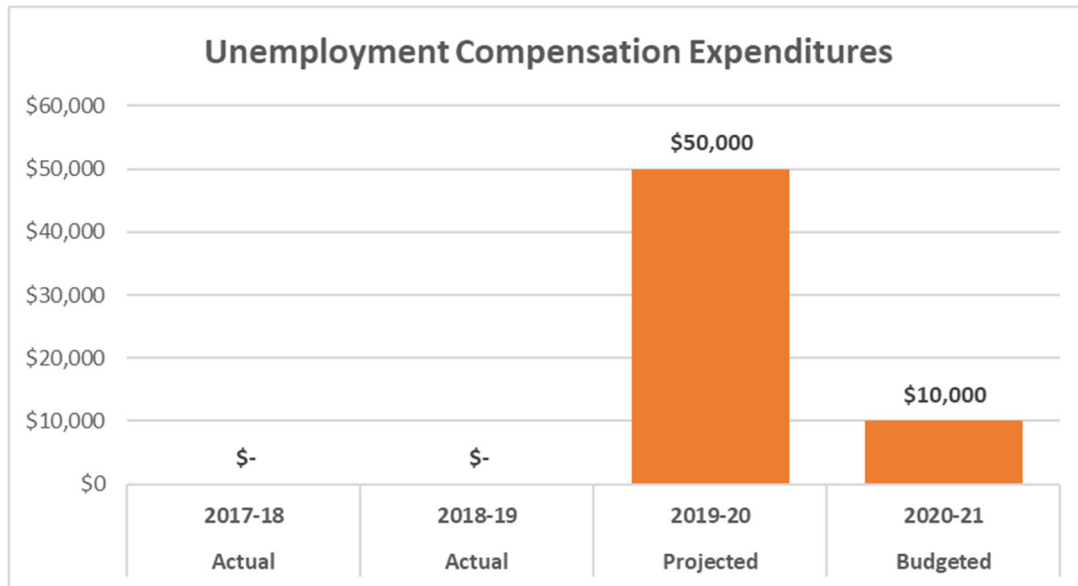
	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 2,412,557	\$ 2,133,428	\$ 1,835,294	\$ 1,835,294	\$ 2,248,844
Total	<u>\$ 2,412,557</u>	<u>\$ 2,133,428</u>	<u>\$ 1,835,294</u>	<u>\$ 1,835,294</u>	<u>\$ 2,248,844</u>

#### Changes in Budget

- ❖ The total budget increase from FY19/20 budgeted and projected by \$413,550. This is the City's contribution to the Police and Fire Pension Retirement Plan in accordance with the actuarial value of the annual required contribution (ARC).

## Unemployment Compensation

The Unemployment Compensation Department was established to account for Unemployment compensation, supplemental unemployment benefits, and welfare relief payments.



### FINANCIAL SUMMARY -Unemployment Compensation

	2017-18		2018-19		2019-20		2019-20		2020-21	
<u>Financial Summary</u>	Actual		Actual		Budgeted		Projected		Budgeted	
Personnel Services	\$	-	\$	-	\$	-	\$	50,000	\$	10,000
Total	\$	-	\$	-	\$	-	\$	50,000	\$	10,000

### Changes in Budget

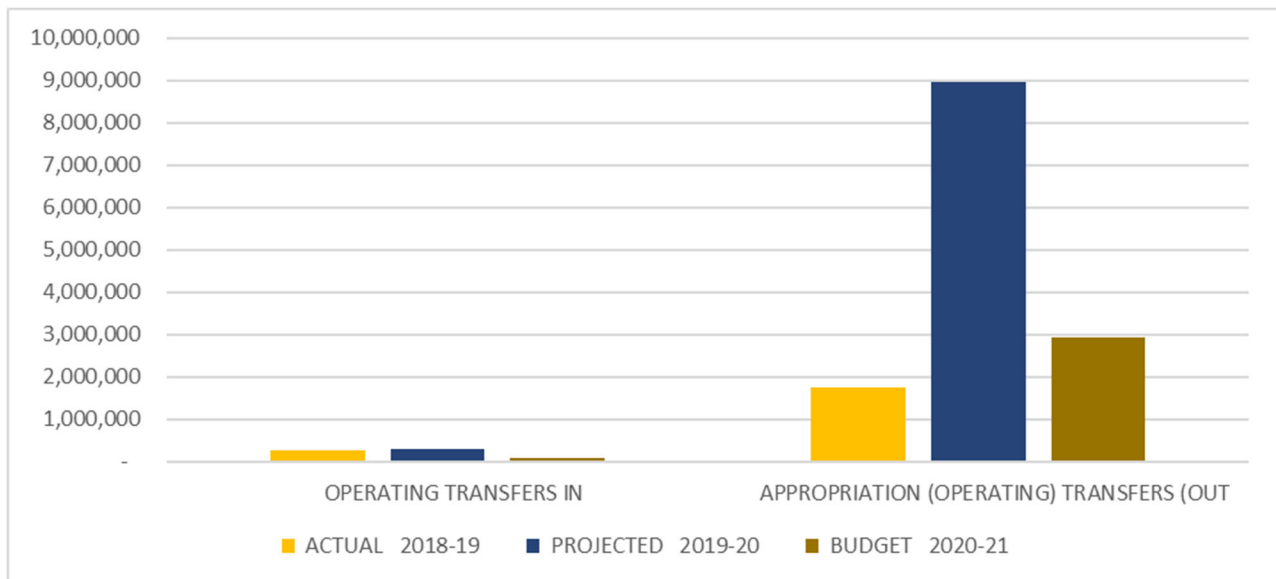
- ❖ \$10,000 was entered into the Unemployment Compensation line item for the FY20/21 budget.

# General Fund Expenditures

## Transfers

The General Fund transfers money to other Funds to support and subsidize activities that do not generate enough revenue to cover their own costs. This includes transfers out to support the 50th District Court and the Cemetery Fund. The Transfers activity also includes transfers in from other Funds, such as the 50<sup>th</sup> District Court for parking ticket revenue that belongs to the General Fund and monies from the PA48 Fund to cover a portion of street lighting expenses.

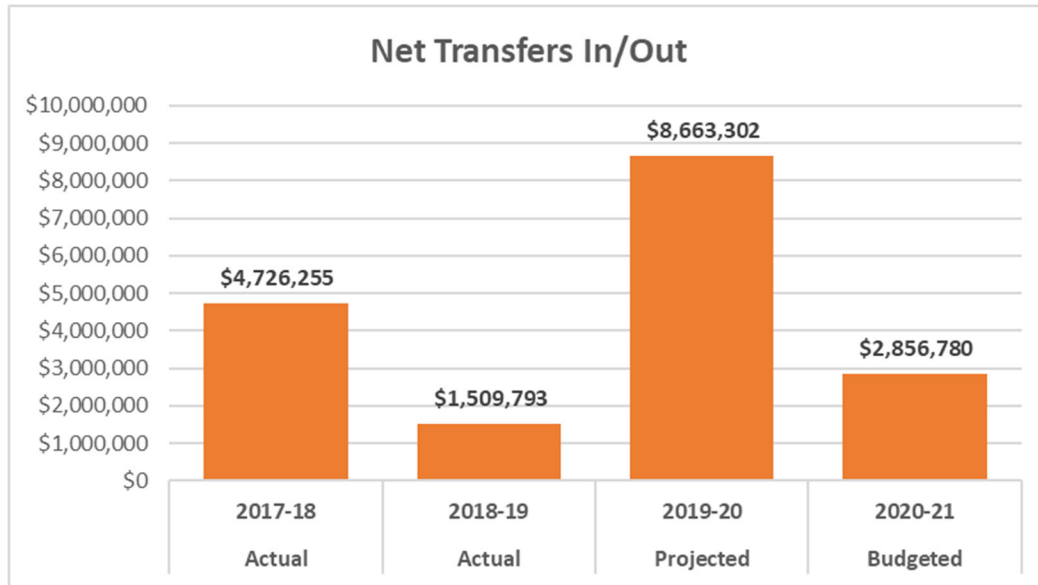
The Transfers function for the General Fund represents 6.9% of the total expenditures or approximately \$2.9 million of the total budget for FY20/21. There is one department in the Transfers category.



## General Fund Expenditures (Continued)

### Transfers

The General Fund Transfer Out cost center transfers funding collected by the City's General Fund to various other special purpose funds. Some of the receiving funds may already have an established funding source, but those specific source(s) may not be adequate to provide the full level of funding necessary to provide for the desired level of service.



#### FINANCIAL SUMMARY - Transfers

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Interfund Transfers In	\$ (200,000)	\$ (248,585)	\$ (296,000)	\$ (296,000)	\$ (62,723)
Interfund Transfers out	4,926,255	1,758,378	9,528,376	8,959,302	2,919,503
Total	<u>\$ 4,726,255</u>	<u>\$ 1,509,793</u>	<u>\$ 9,232,376</u>	<u>\$ 8,663,302</u>	<u>\$ 2,856,780</u>

#### Transfers In

- ❖ \$21,000 transfer from the District Court for Parking Fines that belong to the General Fund.
- ❖ \$7,750 transfer from the PA 48 Fund to move towards closing out the fund in FY20/21. The Metro Act Funds will now be reported in the General Fund when received. This money is usually used to pay a portion of street lighting expense in the Public Right-of-Way.
- ❖ \$30,335 transfer from CDBG Fund to close out the fund in FY20/21.
- ❖ \$3,638 transfer from Home Buyers Assistance Fund to close out the fund in FY20/21

#### Transfers Out

- ❖ \$687,491 transfer to the Cemetery Fund to fund repairs and operation of the City's cemeteries.
- ❖ \$1,850,209 transfer to the District Court Fund to cover expenditures in excess of revenue.
- ❖ \$381,803 transfer to the Parking Fund to cover expenditures in excess of revenue.

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# **Special Revenue Funds**

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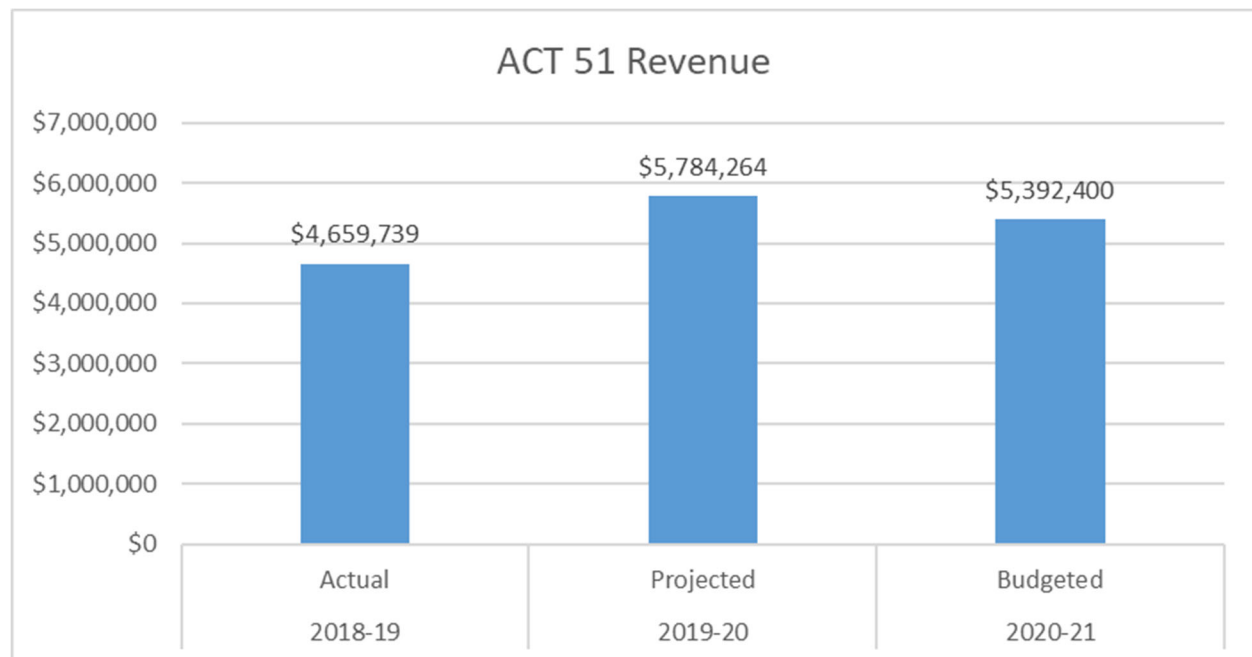
## Major Street Fund

**The mission of the Major Street Fund is to maintain the major road system and rights-of-way in such a manner as to ensure safety for vehicular and pedestrian traffic, as well as to present an attractive roadside environment in accordance with State Act 51 of the Public Acts of 1951 as amended.**

The City of Pontiac currently owns and operates over 70-miles of major roadway. The Department of Public Works (DPW) through the Major Street Fund accounts for the maintenance, planning, design, construction, and improvement of the major road network. DPW coordinates improvements with Road Commission for Oakland County (RCOC) and Michigan Department of Transportation (MDOT) road systems located within City limits in accordance with State Act 51 of the Public Acts of 1951, as amended.

### Major Street Fund Revenue

The Major Street Fund derives the majority (96%) of its revenue from ACT 51 monies received from (MDOT). The State of Michigan provides estimated revenue for ACT 51 based on the number of “Major” street miles and the Population of the City of Pontiac. In November, 2015, the State of Michigan Legislature passed and Governor Snyder signed nine bills into law which increased transportation revenue for municipalities in the State of Michigan. The revenue package has increased revenues over time, starting in FY 2017 and increasing through FY 2021. For FY2020/21, Pontiac is expected to receive \$5,622,659 in ACT 51 major road monies, which is an increase of \$230,259 or 4.1% from FY2019/20 amended budget. The City is also expecting to receive \$200,000 in revenue from a State Grant. The remaining revenue of \$25,700 in the Major Street Fund is from investment earnings and miscellaneous revenue.



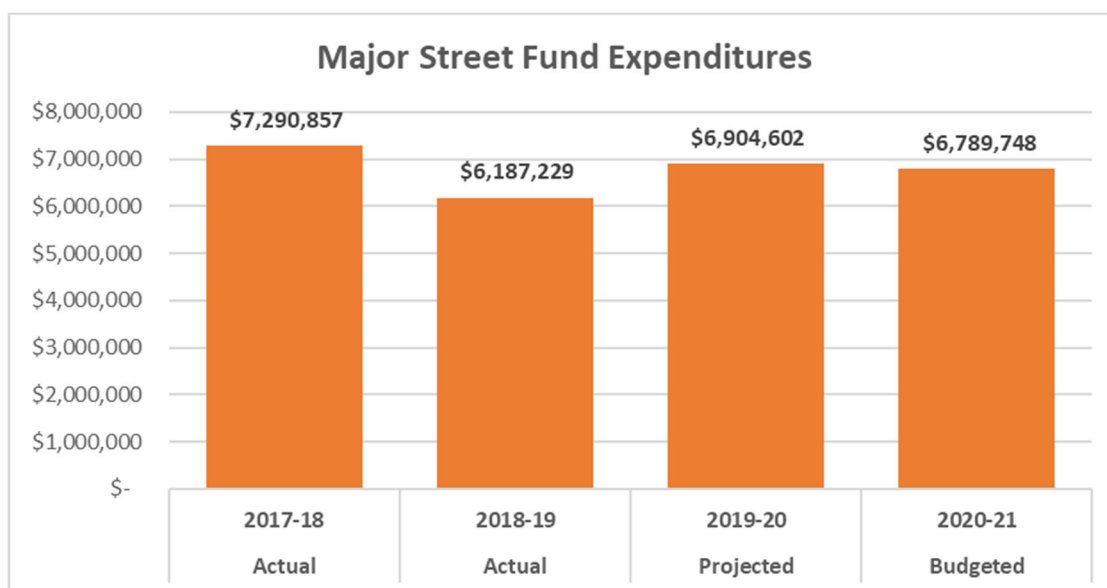


## Major Street Fund (Continued)

### Major Street Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Service	\$ 15,851	\$ -	\$ -
State Grants	5,880,723	6,157,068	5,822,659
Other Revenue	71,003	(150,354)	-
Interest and Rents	30,733	31,473	25,700
Total Budgeted Revenue Sources	<b>5,998,310</b>	<b>6,038,187</b>	<b>5,848,359</b>
<b><u>Proposed Appropriations</u></b>			
Non Motorized	-	200,000	213,157
Road Construction	-	-	-
Public Works Operations	266,670	309,187	288,316
Street Preservation	5,187,550	5,928,426	5,601,715
Traffic Services	323,785	208,258	296,025
Winter Maintenance	409,224	258,731	390,535
Total Budgeted Expenditures	<b>6,187,229</b>	<b>6,904,602</b>	<b>6,789,748</b>
Budgeted Net Revenue (Expenditures)	<b>(188,919)</b>	<b>(866,415)</b>	<b>(941,389)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	18,484	600,000	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	18,484	600,000	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	2,663,402	2,492,967	2,226,552
Change in Fund Balance	(170,435)	(266,415)	(941,389)
Ending Fund Balance June 30	<b>\$ 2,492,967</b>	<b>\$ 2,226,552</b>	<b>\$ 1,285,163</b>
<b><u>Financial Position</u></b>			
Restricted	2,492,967	2,226,552	1,285,163
Ending Fund Balance June 30	<b>\$ 2,492,967</b>	<b>\$ 2,226,552</b>	<b>\$ 1,285,163</b>

## Major Street Fund (Continued)



### FINANCIAL SUMMARY - Major Street Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 158,674	\$ 258,228	\$ 306,710	\$ 276,328	\$ 473,159
Supplies	285,328	369,805	379,070	334,132	470,250
Other Services and Charges	2,160,005	1,719,141	2,420,147	2,253,180	2,458,973
Capital Outlay	4,215,850	3,840,055	3,791,355	4,040,962	3,387,366
Transfers Out	471,000	-	-	-	-
<b>Total</b>	<b>\$ 7,290,857</b>	<b>\$ 6,187,229</b>	<b>\$ 6,897,282</b>	<b>\$ 6,904,602</b>	<b>\$ 6,789,748</b>

### Changes in Budget

- ❖ Decrease of \$107,354 from the FY19/20 amended budget and \$114,854 decrease from FY19/20 projected.
- ❖ Personnel Services increased from the FY19/20 amended budget because of the Winter Maintenance Department in Pontiac' Major Streets Fund. Approximately \$102,000 more was budgeted due to the City planning to increase their snow plowing services in the winter months.
- ❖ Increase in Supplies from the FY19/20 amended budget is related to an increase in pavement markings maintenance of approximately \$100,000.
- ❖ Major Street Fund continues to fund snow removal, roadway maintenance, street signal maintenance, and traffic signs.
- ❖ The City has budgeted \$213,157 during FY20/21 for Nonmotorized capital improvements such as sidewalks.
- ❖ The Major Street Fund is planning the following Road Projects for FY20/21 for a total of \$3.3 million:
  - Centerpoint Parkway has \$915,000 budgeted in FY20/21. The total project cost is estimated to be around \$5,376,000. The City's portion of the cost is about 17%. The project is expected to be completed during the fiscal year.
  - Mill Street resurfacing from Water to Huron is budgeted for \$558,605 in FY20/21. The total project cost is estimated to be around \$820,930. The City's portion of the cost is about 68%. The project is expected to be completed during the fiscal year.

## Major Street Fund (Continued)

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- Walton Street project will span over the fiscal years 20/21 and 21/22. The total project cost is estimated to be around \$2.9 million. The City is responsible for about 70% of that which equates to about \$2,025,000. The budgeted amount for FY20/21 is \$1,148,677.
- The other two street projects budgeted for in fiscal year 20/21 are Baldwin Road Signals for \$420,634, MLK Signals for \$189,650, and University Drive Bridge for \$154,800.

### Major Street Fund - Goals

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- ❖ Identify long-term funding sources that will provide for the consistent operation, maintenance, reconstruction, and rehabilitation of the City's Major Road system.
- ❖ Maintain community involvement and public education to promote the need for an adequate funding source in order to manage the needs, priorities, and strategies for the operation, maintenance, and rehabilitation of the City's Major Road system.
- ❖ Construct and rehabilitate failing segments of the City's major road system by implementing improvements as presented in the annual Capital Improvement Plan (CIP) while balancing the sometimes-conflicting interests of safety, mobility, and environmental impact.
- ❖ Continue the planning, design, construction, and if necessary, right-of-way acquisition for improvements based on the following projects listed in the CIP.
- ❖ Determine infrastructure improvement needs (***Pontiac Moving Forward: PDA #4.5***).
- ❖ Utilize City PASER street condition assessment to guide public street improvements (***Pontiac Moving Forward: PDA# 2.3***).

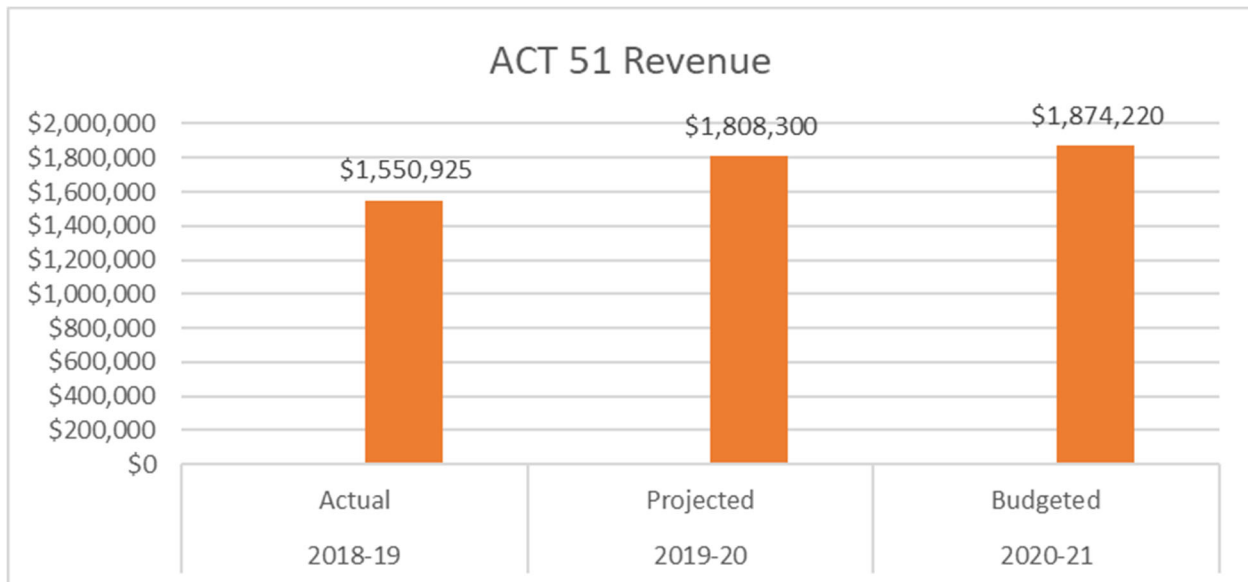
## Local Street Fund

**The mission of the Local Street Fund is to facilitate the development, maintenance, and operation of the local street system through accepted engineering standards in order to meet the community's need for a safe, efficient, and cost-effective local street system.**

The City of Pontiac currently owns and operates over 158-miles of local roadway. The Department of Public Works through the Local Street Fund accounts for the maintenance, planning, design, construction, and improvement of the local road network. DPW coordinates improvements with Road Commission for Oakland County (RCOC) and Michigan Department of Transportation (MDOT) road systems located within City limits in accordance with State Act 51 of the Public Acts of 1951, as amended.

### Local Street Fund Revenue

The Local Street Fund derives the majority (98%) of its revenue from ACT 51 monies received from (MDOT). The State of Michigan provides estimated revenue for ACT 51 based on the number of "local" street miles and the population of the City of Pontiac. In November, 2015, the Legislature passed and Governor Snyder signed nine bills into law which have increased transportation revenue for municipalities in the State of Michigan. The revenue package has increased revenues over time, starting in FY 2017 and increasing through FY 2021. For FY2020/21, Pontiac is expected to receive \$1,874,220 in ACT 51 monies, which is an increase of approximately \$230,220 or 12% from FY2019/20.

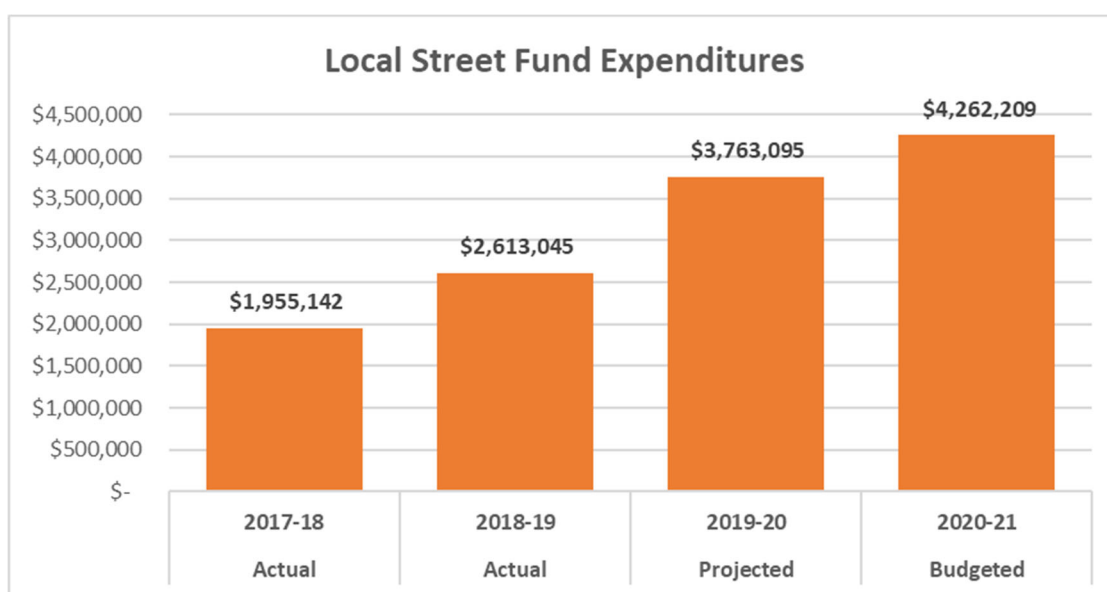


## Local Street Fund (Continued)

### Local Street Fund Budgeted Financial Summary

	2018-19	2019-20	2020-21
	Actual	Projected	Budgeted
<b><u>Estimated Revenue Source</u></b>			
State Grants	\$ 1,550,925	\$ 1,808,300	\$ 1,874,220
Other Revenue	-	10,732	-
Interest and Rents	102,733	92,454	27,941
Total Budgeted Revenue Sources	<b>1,653,658</b>	<b>1,911,486</b>	<b>1,902,161</b>
<b><u>Proposed Appropriations</u></b>			
Non Motorized	124,393	150,000	150,000
Road Construction	-	-	-
Public Works Operations	103,367	128,917	125,757
Street Preservation	2,193,679	2,699,790	3,621,261
Winter Maintenance	134,196	129,388	385,191
Traffic Control	57,410	55,000	50,000
Total Budgeted Expenditures	2,613,045	3,163,095	4,332,209
Budgeted Net Revenue (Expenditures)	<b>(959,387)</b>	<b>(1,251,609)</b>	<b>(2,430,048)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	14,125	-	-
Transfers (Out) and Other Financing Sources	-	(600,000)	-
Total Other Financing Sources	14,125	(600,000)	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	5,933,349	4,988,087	3,136,478
Change in Fund Balance	(945,262)	(1,851,609)	(2,430,048)
Ending Fund Balance June 30	<b>\$ 4,988,087</b>	<b>\$ 3,136,478</b>	<b>\$ 706,430</b>
<b><u>Financial Position</u></b>			
Restricted	4,988,087	3,136,478	706,430
Ending Fund Balance June 30	<b>\$ 4,988,087</b>	<b>\$ 3,136,478</b>	<b>\$ 706,430</b>

## Local Street Fund (Continued)



### FINANCIAL SUMMARY - Local Street Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 102,138	\$ 137,482	\$ 293,778	\$ 171,377	\$ 288,452
Supplies	55,911	85,340	220,580	142,413	243,000
Other Services and Charges	801,840	1,122,355	1,423,532	1,348,272	1,580,757
Capital Outlay	995,253	1,267,868	995,811	1,501,033	2,150,000
Transfers Out	-	-	600,000	600,000	-
<b>Total</b>	<b>\$ 1,955,142</b>	<b>\$ 2,613,045</b>	<b>\$ 3,533,701</b>	<b>\$ 3,763,095</b>	<b>\$ 4,262,209</b>

### Changes in Budget

- ❖ Increase of \$728,508 from the FY19/20 amended budget and \$499,114 increase from the FY19/20 projection.
- ❖ The Local Street Fund continues to fund snow removal services, traffic signs, stormwater maintenance, and miscellaneous roadway maintenance for local streets.
- ❖ The City has budgeted \$100,000 in Local Street Fund for To be Determined Roads during the 2020/2021 Fiscal Year. The City has also budgeted \$150,000 for Nonmotorized capital improvements such as sidewalks.
- ❖ The Local Street Fund is expected to use \$2.3 million in fund balance on road construction projects and tree maintenance for FY20/21. The ending fund balance at June 30, 2021 is planned to be \$1.2 million or 28% of expenditures. This is a 67% decrease from the FY19/20 projected fund balance. The use of fund balance is necessary to complete the failing roads in the City. The ending fund balance is within the 10-20% range per the City's adopted fund balance policy.

## Local Street Fund (Continued)

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### Local Street Fund - Goals

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- ❖ Identify long-term funding sources that will provide for the consistent operations, maintenance, reconstruction, and rehabilitation of all neighborhood streets.
- ❖ Plan local street system improvement and rehabilitation projects that provide for improved motor vehicle travel needs along the neighborhood streets of the community. A safe and adequate local street system is vital to preserving the quality of life in the City, which enhances the attraction and retention of residents.
- ❖ Provide for a comprehensive and proactive Local Street System Maintenance Plan which maximizes the resources available for local street maintenance.
- ❖ Determine infrastructure improvement needs (***Pontiac Moving Forward: PDA #4.5***).
- ❖ Utilize City PASER street condition assessment to guide public street improvements (***Pontiac Moving Forward: PDA# 2.3***).

# Youth Recreation Fund

The Youth Recreation Millage Fund is used to account for property tax revenue levied specifically for the purpose of expending funds for centers open exclusively to youths under 21 years of age and aimed at curbing juvenile delinquency within the City of Pontiac. The City of Pontiac voters approved the millage in 2016 to levy up to 1.5 mills for a period of 10 years, 2017 to 2026.

## Youth Recreation Fund Revenue

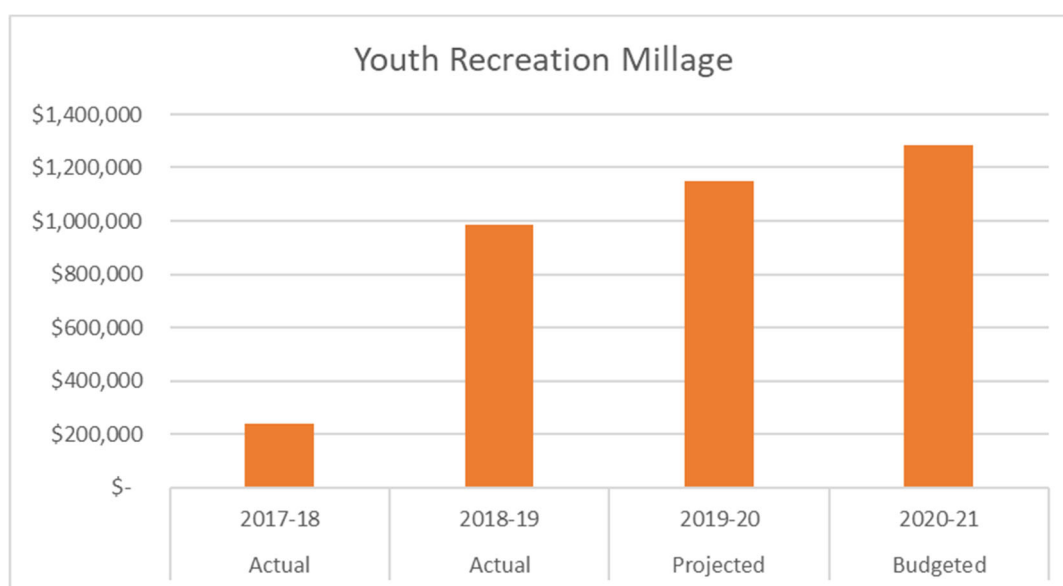
The City of Pontiac is levying mills for the fourth year in FY20/21.

### Youth Recreation Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 938,180	\$ 982,055	\$ 992,024
Other Revenue	153,460	173,551	173,551
Total Budgeted Revenue Sources	1,091,640	1,155,606	1,165,575
<b><u>Proposed Appropriations</u></b>			
Recreation and Facilities	700,864	838,575	1,058,924
City Events	2,423	-	9,000
Youth Sports	284,050	310,415	215,089
Total Budgeted Expenditures	987,337	1,148,990	1,283,013
Budgeted Net Revenue (Expenditures)	<b>104,303</b>	<b>6,616</b>	<b>(117,438)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	6,331	-	-
Total Other Financing Sources	6,331	-	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	161,751	272,385	279,001
Change in Fund Balance	110,634	6,616	(117,438)
Ending Fund Balance June 30	<b>\$ 272,385</b>	<b>\$ 279,001</b>	<b>\$ 161,563</b>
<b><u>Financial Position</u></b>			
Nonspendable	51,429	51,429	51,429
Restricted	-	227,572	110,134
Committed	220,955	-	-
Ending Fund Balance June 30	<b>\$ 272,384</b>	<b>\$ 279,001</b>	<b>\$ 161,563</b>



## Youth Recreation Fund (Continued)



### FINANCIAL SUMMARY - Youth Recreation

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel	\$ 156,911.00	\$ 390,842	\$ 475,109	\$ 403,108	\$ 458,580
Supplies	23,044.00	34,386	104,865	60,832	114,950
Other Services and Charges	57,795.00	562,109	714,759	685,050	709,483
Capital Outlay	500.00	-	-	-	-
Total	\$ 238,250	\$ 987,337	\$ 1,294,733	\$ 1,148,990	\$ 1,283,013

### Changes in Budget

- ❖ The Youth Recreation fund budget will be \$1,283,013, an increase of \$134,023 from FY19/20 projected and decrease of \$11,720 from FY19/20 amended budgeted.
- ❖ The Pontiac City Charter authorized a millage up to 1.5 mills, however, the actual millage has been rolled back to 1.4862
- ❖ FY19/20 projected amount was much lower than expected due to COVID-19 shutting down Youth Recreation Programs at the City of Pontiac.
- ❖ During FY19/20, the City amended the budgeted to add \$312,000 for the rental of the Youth Center after not purchasing the building during the year. For FY20/21, the \$312,000 was included again for the rental of the Youth Center building.
- ❖ The budgeted amounts stayed similar from FY19/20 to FY20/21.

# Cemetery Fund

The City of Pontiac owns two cemeteries, Ottawa Park and Oak Hill, which are managed by an outside contractor. The Cemetery Fund is used to account for operating expenditures of the City cemeteries that are not required to be performed by the contract with the management company. The money held by the City for the care of the cemetery was previously moved to the General Fund by the Emergency Manager in 2011.

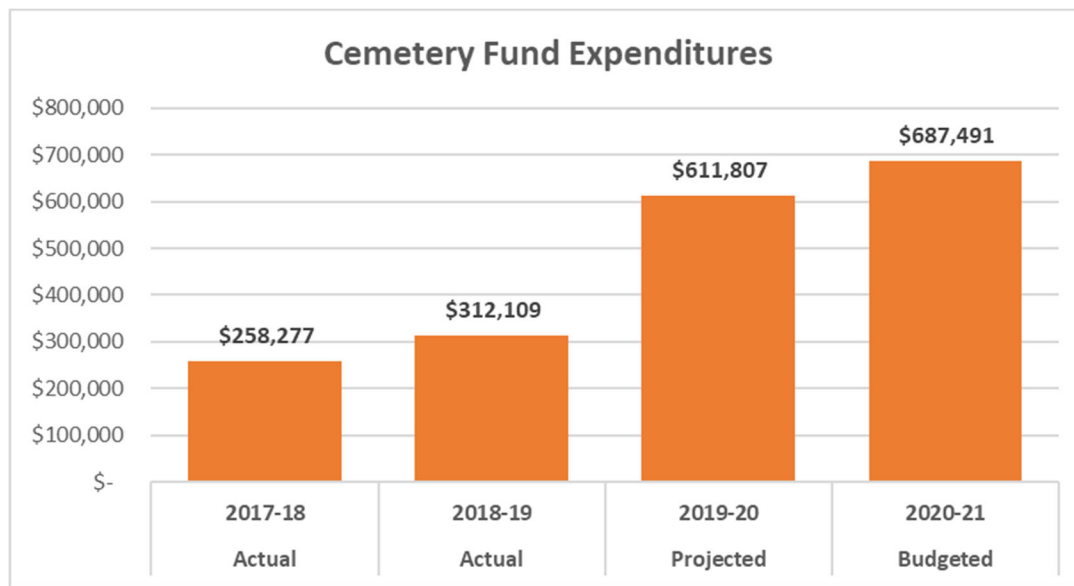
## Cemetery Fund Revenue

Starting in FY16/17, the City of Pontiac appropriated \$250,000 from the General Fund for the Cemetery to a separate special revenue fund. The City took over operations and maintenance of the cemetery in FY17/18 while in search of a new contractor. The entire amount of the revenue for this fund is from the General Fund and revenue collected for prepaid graves. The General Fund is expected to transfer \$687,491 into the Cemetery Fund for FY20/21.

### Cemetery Fund Budgeted Financial Summary

REVENUE BY SOURCE	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
Charges for Service	\$ -	\$ 2,624	\$ -
Other Revenue	2,800	-	-
Transfers In	240,337	609,183	687,491
Total Budgeted Revenue Sources	<b>243,137</b>	<b>611,807</b>	<b>687,491</b>
<b>Proposed Appropriations</b>			
Personnel Services	21,747	12,809	9,031
Supplies	21,617	35,500	33,500
Other Expenditures	268,745	563,498	644,960
Total Budgeted Expenditures	<b>312,109</b>	<b>611,807</b>	<b>687,491</b>
Budgeted Net Revenue (Expenditures)	<b>(68,972)</b>	-	-
<b>Estimated Fund Balance</b>			
Beginning Fund Balance July 1	62,948	(6,024)	(6,024)
Change in Fund Balance	(68,972)	-	-
Ending Fund Balance June 30	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>
<b>Financial Position</b>			
Nonspendable	175	-	-
Unassigned	(6,199)	(6,024)	(6,024)
Ending Fund Balance June 30	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>	<b>\$ (6,024)</b>

## Cemetery Fund (Continued)



### FINANCIAL SUMMARY - Cemetery Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 18,866.00	\$ 21,747	\$ 17,293	\$ 12,809	\$ 9,031
Supplies	22,204.00	21,617	35,500	35,500	33,500
Other Services and Charges	217,207	268,745	640,260	563,498	644,960
Total	<u>\$ 258,277</u>	<u>\$ 312,109</u>	<u>\$ 693,053</u>	<u>\$ 611,807</u>	<u>\$ 687,491</u>

### Changes in Budget

- ❖ \$5,562 decrease from the FY19/20 amended budget and \$75,684 increase from the FY19/20 projected.
- ❖ The City budgeted \$133,430 in FY20/21 for the Cemetery management company Covenant.
- ❖ Overall budgeted amounts stayed similar from FY19/20 to FY20/21.

### Cemetery Fund - Goals

- ❖ Determine the appropriate levels of service, desired features, and other aspects of the Cemetery's operations.
- ❖ Maintain the cemetery in a beautiful and serene manner and condition.
- ❖ Maintain accurate record of prepaid graves from the mid-1980s to current and reconcile differences from deactivations.

## Senior Activities Fund

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**The mission of the Senior Activities Fund is to provide extensive and varied recreational programs, enhance personal enrichment, and provide for the community's leisure needs.**

Activities and services include programs and activities for Pontiac's older population. The City of Pontiac offers two senior centers for rental. Currently the centers available are Robert W. Bowens Senior Center and Ruth Peterson Senior Center. These facilities offer diverse programs during the week for senior citizen resident of the City of Pontiac. The senior centers are available for rental to resident and non-residents, businesses, schools, civic groups and non-profit organizations.

### Senior Activities Fund Revenue

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The Senior Activities Fund is used to account for property tax revenue levied specifically for the operation of facilities that primarily benefit senior citizens. The City funds operations at the Ruth Peterson and Robert Bowen senior centers. This millage was originally approved by voters on November 7, 2006 and expired in 2016. Voters renewed this millage for additional 10 years (2017 to 2026) on August 2, 2016. The Applicable legislation: Public Act 39 of 1976.

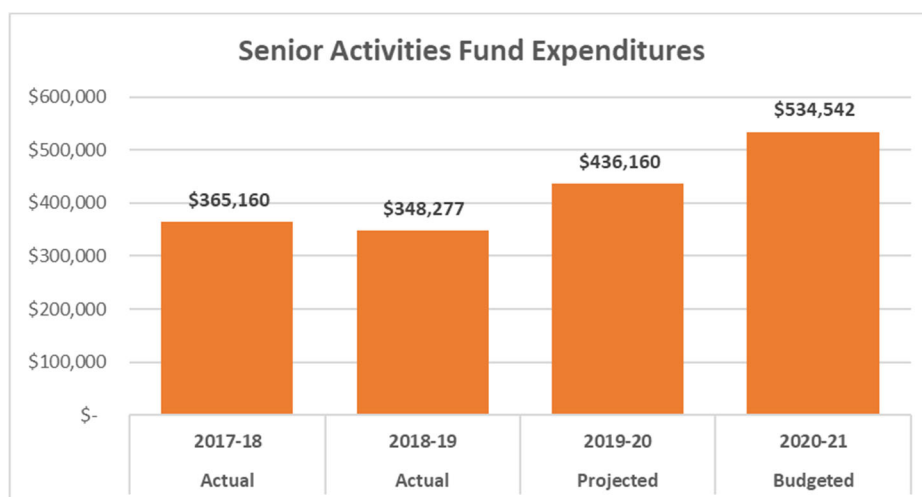
The primary revenue source for the Senior Activities Fund is property tax revenue. The Senior Activities Fund is expected to receive and collect approximately \$345,000 for FY20/21. This is a 0.01% decrease from the FY19/20 projection. The property taxes also include reimbursement from the State of Michigan for the Small Taxpayer Exemption Loss (STEL), which is expected to decrease by approximately \$2,000. The remaining percentage of the revenue is from investment income and rental income from the Senior Centers.

## Senior Activities Fund (Continued)

### Senior Activities Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 344,696	\$ 325,108	\$ 328,456
Other Revenue	-	16,670	16,670
Interest and Rents	37,387	32,640	21,466
Total Budgeted Revenue Sources	382,083	374,418	366,592
<b><u>Proposed Appropriations</u></b>			
Ruth Peterson Senior Center	180,236	219,116	238,410
Bowen Senior Citizen Center	168,041	217,044	296,132
Total Budgeted Expenditures	348,277	436,160	534,542
Budgeted Net Revenue (Expenditures)	<b>33,806</b>	<b>(61,742)</b>	<b>(167,950)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	28,499	-	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	28,499	-	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	969,486	1,031,791	970,049
Change in Fund Balance	62,305	(61,742)	(167,950)
Ending Fund Balance June 30	\$ 1,031,791	\$ 970,049	\$ 802,099
<b><u>Financial Position</u></b>			
Nonspendable	231		-
Restricted	1,031,560	970,049	802,099
Ending Fund Balance June 30	\$ 1,031,791	\$ 970,049	\$ 802,099

## Senior Activities Fund (Continued)



### FINANCIAL SUMMARY - Senior Activities Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 141,468	\$ 159,234	\$ 242,728	\$ 209,324	\$ 245,400
Supplies	13,216	15,030	24,325	20,282	24,066
Other Services and Charges	206,999	174,013	243,683	206,116	265,076
Capital Outlay	3,477	-	440	438	-
<b>Total</b>	<b>\$ 365,160</b>	<b>\$ 348,277</b>	<b>\$ 511,176</b>	<b>\$ 436,160</b>	<b>\$ 534,542</b>

### Changes in Budget

- ❖ \$23,366 increase from the FY19/20 budget and \$98,382 increase from the FY19/20 projection.
- ❖ Other Services and Charges had an increase of \$21,393 from the FY19/20 amended budget. This can be attributed to the Bowen Center line item Engineering Services.
- ❖ There is no capital outlay planned for FY20/21.
- ❖ The FY20/21 budget is projected to have an ending fund balance at June 30, 2021 of \$802,000 which is a reduction of approximately \$168,000 or 17%. The ending fund balance is above the minimum target of 10% of expenditures per the City's fund balance policy. The remaining fund balance is restricted for Senior Activity purposes.

### Senior Activities Fund - Goals

- ❖ Increase utilization of the Senior Centers with more classes, programs and activities conducive to the demographics and group age of population.
- ❖ Enhance/expand existing Case Management services for the elderly population.
- ❖ Create new collaborative programs with facilities outside of the physical Senior Centers.
- ❖ Explore the possibility of redistribution of community and municipal credits from the SMART millage to facilitate senior transportation to downtown and outside services.

## Sanitation Fund

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The Sanitation Fund is used to account for the collection and disposal of garbage in the City and the post-closure care of the City's landfill. Under State law, the City levies a special property tax levy earmarked to support the cost of operating a weekly rubbish collection and disposal service. This fund accounts for the tax levy proceeds, rubbish fees, and host fees. It also records the expenditures for rubbish collection, hauling and disposal, recycling, composting, and trash cleanup. Applicable legislation: Public Act 298 of 1917.

### Sanitation Fund Revenue

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The Charges for Services represent 55% of the revenue for the Sanitation Fund. 42% represents the Property Tax levy. The remaining 3% represents reimbursements from MDEQ contracted construction, and investment and rental income. The user fee and property tax levy is calculated in an effort to cover all expenditures.

The Sanitation Fund has cash set aside for the post-closure care for the Collier Road Landfill. These assets have been classified as restricted assets in the Sanitation Fund. The fund balance portion restricted for the landfill closure at June 30, 2020 was \$2,462,146.

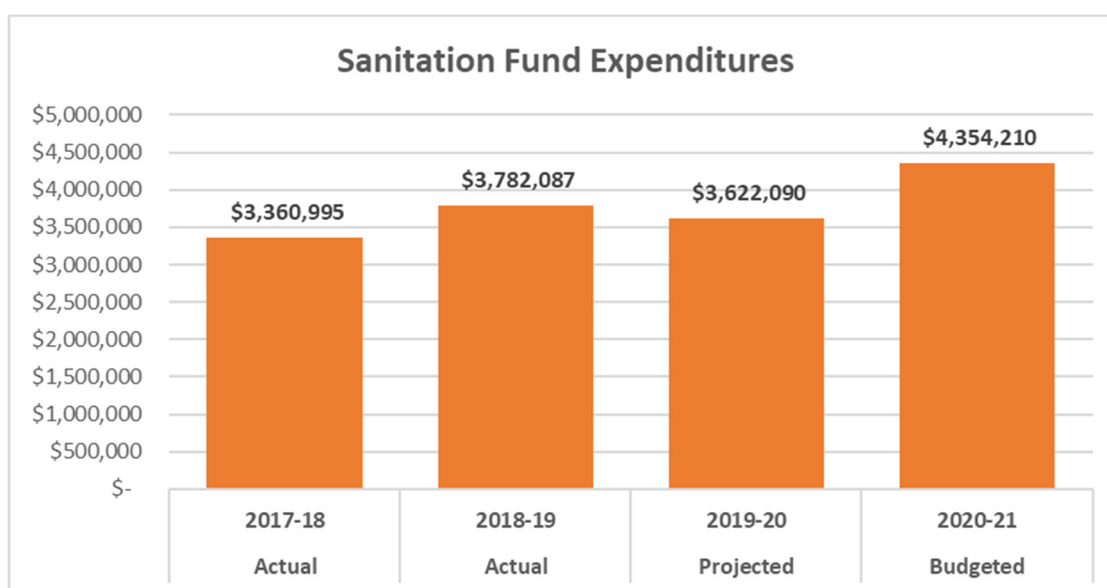
## Sanitation Fund (Continued)

### Sanitation Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 1,969,277	\$ 1,811,123	\$ 1,830,088
Charges for Services	1,671,488	2,017,414	2,389,361
Other Revenue	-	718,961	93,961
Interest and Rents	102,794	70,000	40,800
Total Budgeted Revenue Sources	3,743,559	4,617,498	4,354,210
<b><u>Proposed Appropriations</u></b>			
Public Works	3,782,087	3,622,090	4,354,210
Total Budgeted Expenditures	3,782,087	3,622,090	4,354,210
Budgeted Net Revenue (Expenditures)	<b>\$ (38,528)</b>	<b>\$ 995,408</b>	<b>\$ -</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	291	-	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	291	-	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	█ \$ 6,215,855	█ \$ 6,177,618	█ \$ 7,173,026
Change in Fund Balance	(38,237)	995,408	-
Ending Fund Balance June 30	<b>6,177,618</b>	<b>7,173,026</b>	<b>7,173,026</b>
<b><u>Financial Position</u></b>			
Nonspendable	2	-	-
Restricted-Landfill Closure	2,462,146	2,412,146	2,212,146
Restricted	3,715,470	4,760,880	4,960,880
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Ending Fund Balance June 30	<b>\$ 6,177,618</b>	<b>\$ 7,173,026</b>	<b>\$ 7,173,026</b>



## Sanitation Fund (Continued)



### FINANCIAL SUMMARY - Sanitation Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 31,211	\$ 27,147	\$ 106,945	\$ 26,003	\$ 126,670
Supplies	3,772	5,759	13,706	13,706	11,000
Other Services and Charges	3,326,012	3,679,951	4,355,536	3,582,381	4,216,540
Capital Outlay	-	69,230	-	-	-
Total	<u>\$ 3,360,995</u>	<u>\$ 3,782,087</u>	<u>\$ 4,476,187</u>	<u>\$ 3,622,090</u>	<u>\$ 4,354,210</u>

### Changes in Budget

- ❖ \$121,977 decrease from the FY19/20 amended budget and \$732,120 increase from the FY19/20 projected.
- ❖ Personnel Services budget is decreasing due to one part time laborer positions being removed from the FY 20/21 budget.
- ❖ The FY20/21 budget includes \$2.8 million for refuse collection for all City of Pontiac residents through a contract with Advanced Disposal.
- ❖ The line item engineering services decreased by \$149,894 from the FY19/20 amended budget.
- ❖ The FY19/20 fund balance is projected to increase \$901,447 or 14.5% for a total ending fund balance of \$7,079,062 at June 30, 2020.
- ❖ \$200,000 of the use of fund balance will be from the restricted portion of fund balance for the landfill closure. At June 30, 2021 the portion of fund balance restricted for the landfill closure is projected to be \$2,212,146. The ending fund balance is projected to be above the minimum ending fund of 15% of expenditures, per the City's adopted fund balance policy.

### Sanitation Fund - Goals

- ❖ Provide the highest level of service at the most economical cost for taxpayers.
- ❖ Ensure the contracted waste hauler remains in compliance with Federal and State regulations pertaining to waste pick-up and landfill.
- ❖ Finalize compliance with state and federal mandates to permanently close the landfill.

## Cable Fund

The Cable Department is the liaison of the City of Pontiac from the cable providers and assists with taping of pertinent meetings and placement of content on government and public access channels. The Cable Fund accounts for the revenue received from telecommunication companies in the form of "PEG fees". PEG stands for "public, education, & government." By federal statute, PEG revenue is restricted and can only be used for the capital costs incurred for PEG access facilities. The City of Pontiac uses its PEG fees to maintain and operate the cable television studio.

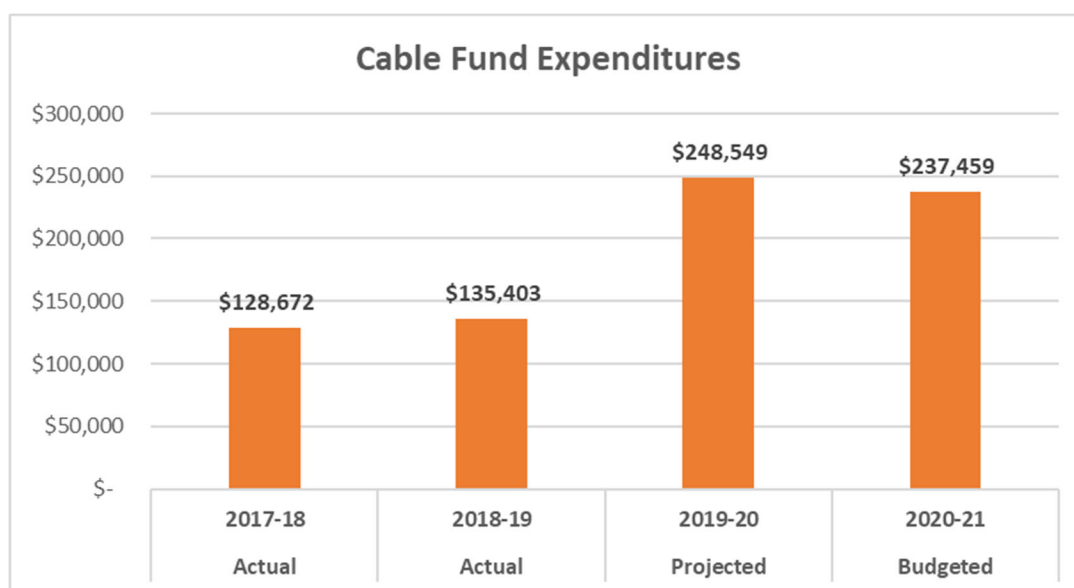
### Cable Fund Revenue

The Cable Fund receives nearly all of its revenue from PEG fees paid to the City by Comcast and AT&T. Revenue is expected to be \$149,000 for FY20/21, which is \$4,604 higher than FY19/20. The Cable Fund is also expecting \$8,000 of investment earnings.

### Cable Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 151,733	\$ 144,396	\$ 149,000
Interest and Rents	15,189	10,950	8,000
Total Budgeted Revenue Sources	<b>166,922</b>	<b>155,346</b>	<b>157,000</b>
<b><u>Proposed Appropriations</u></b>			
General Government	135,403	248,549	237,459
Total Budgeted Expenditures	135,403	248,549	237,459
Budgeted Net Revenue (Expenditure)	<b>\$ 31,519</b>	<b>\$ (93,203)</b>	<b>\$ (80,459)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	2,840	-	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	2,840	-	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	1,166,127	1,200,486	1,107,283
Change in Fund Balance	34,359	(93,203)	(80,459)
Ending Fund Balance June 30	<b>\$ 1,200,486</b>	<b>\$ 1,107,283</b>	<b>\$ 1,026,824</b>
<b><u>Financial Position</u></b>			
Nonspendable	109	-	-
Restricted	1,200,377	1,107,283	1,026,824
Ending Fund Balance June 30	<b>\$ 1,200,486</b>	<b>\$ 1,107,283</b>	<b>\$ 1,026,824</b>

## Cable Fund (Continued)



### FINANCIAL SUMMARY - Cable Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 89,759	\$ 93,787	\$ 117,555	\$ 114,048	\$ 101,548
Supplies	3,983	13,232	22,225	22,223	20,500
Other Services and Charges	29,707	28,384	30,103	29,573	32,706
Capital Outlay	5,223	-	63,390	82,705	82,705
Total	<u>\$ 128,672</u>	<u>\$ 135,403</u>	<u>\$ 233,273</u>	<u>\$ 248,549</u>	<u>\$ 237,459</u>

### Changes in Budget

- ❖ \$4,186 increase from the FY19/20 amended budget and \$11,090 decrease from FY19/20 projected.
- ❖ The FY20/21 budget again includes \$82,705 of capital for cable studio enhancements and video equipment replacement.
- ❖ The Intern position in the Cable Fund was removed for FY20/21. The FY20/21 budget continues to provide funding for one employee to operate the Cable television studios, as well as miscellaneous supplies and small repairs to equipment as needed.
- ❖ The FY19/20 budget is projected to decrease fund balance about 8% or \$93,203 to \$1,107,283. The City did not purchase the Capital Outlay projects projected in the FY19/20 budget.
- ❖ The FY20/21 budget includes decreasing fund balance 7% or \$80,459 by June 30, 2021 ending fund balance of \$1,026,824 or 23.1% of operating expenditures, is above the minimum required 15% of expenditures per the City's adopted fund balance policy.

## Building Fund

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**The mission of the Building Fund is to administer the development process in the City of Pontiac. The Department is responsible for development from concept through occupancy and is responsible for coordinating reviews and inspections by staff as well as by other departments and agencies.**

### **Building Safety**

Building Safety is responsible to insure all buildings are safe for all. The group is responsible for reviewing construction plans, issuing permits, and performing inspections for building, electrical, mechanical, and plumbing work done in Pontiac. The technical staff monitors projects throughout the construction process to ensure compliance with all state construction codes and local ordinance. Technical staff, the Building Official, plan reviewers, and all inspectors (building, electrical, mechanical, and plumbing) are all licensed as required by State law.

Building safety coordinates and works closely with other City departments involved in construction and is responsible for coordinating reviews and inspections with the Waterford Regional Fire Department, Oakland County Water Resources Commission, and Oakland County Sheriff.

Administratively, the Building Safety staff is responsible for staff support of both the Hearing Officer and Board of Appeals. This effort includes all administrative functions to support each, scheduling, and providing legal notice for every case, assembling all case materials, posting notices on every property, property inspections, and recording decisions by both the Hearing Officer and Board of Appeals. Staff also communicates directly with property owners (and/or their representatives) that are in the process of being reviewed by either the Hearing Officer or Board of Appeals.

Building Safety is also responsible for the operation of the City's rental property registration program. The City requires all residential rental properties to register with the City and be inspected at least once every three years or upon change in tenant. Building Safety staff is responsible for all administration, invoicing, tracking, communication, and inspections related to this program.

### **Building Fund Revenue**

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The Building Fund is supported by user fees paid by applicants for construction code permits, rental inspections, and business licenses. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. The City accounts for construction code activity in the Building Inspection special revenue fund.

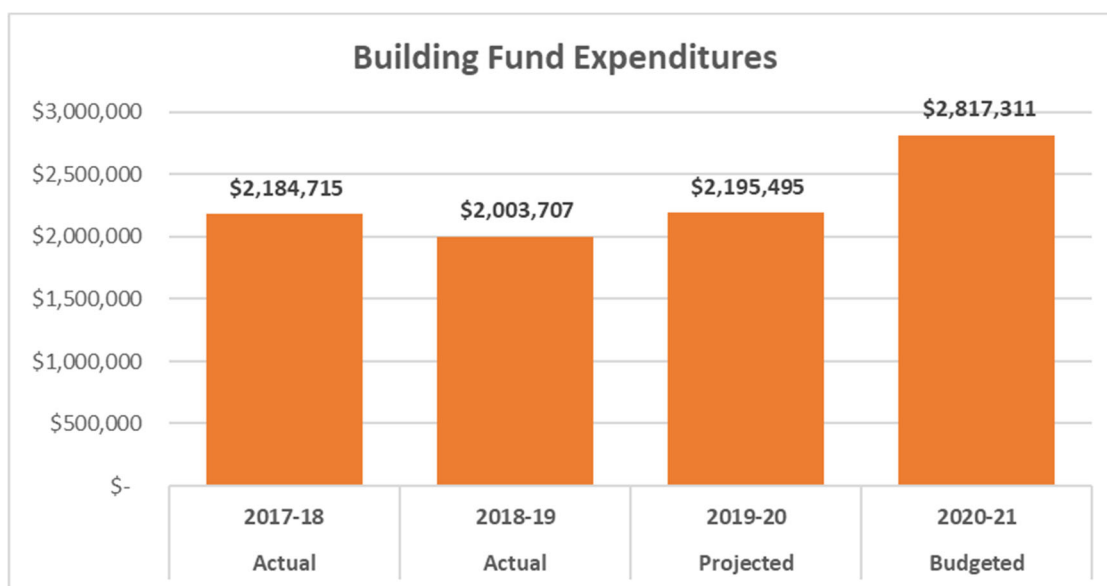
The license and permit revenue represents over 90% of the revenue for the Building Fund. The remaining 10% of revenue is from charges for services and interest income. Wade Trim Associates currently performs the management and inspections for building activity. The revenue is estimated based on current building permit trends provided by the current contractor, Wade Trim.

## Building Fund (Continued)

### Building Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Licenses and Permits	2,370,973	3,147,193	2,545,107
Charges for Services	111,085	181,508	273,223
Interest and Rents	7,985	7,459	2,500
Total Budgeted Revenue Sources	<b>2,490,043</b>	<b>3,336,160</b>	<b>2,820,830</b>
<b><u>Proposed Appropriations</u></b>			
Supplies	11,748	17,511	15,350
Other Services and Charges	1,991,959	2,177,984	2,826,978
Total Budgeted Expenditures	2,003,707	2,195,495	2,842,328
Budgeted Net Revenue (Expenditures)	<b>486,336</b>	<b>1,140,665</b>	<b>(21,498)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	437,844	924,180	2,064,845
Change in Fund Balance	486,336	1,140,665	(21,498)
Ending Fund Balance June 30	<b>\$ 924,180</b>	<b>\$ 2,064,845</b>	<b>\$ 2,043,347</b>
<b><u>Financial Position</u></b>			
Nonspendable	20	-	-
Restricted	924,160	2,064,845	2,043,347
Ending Fund Balance June 30	<b>\$ 924,180</b>	<b>\$ 2,064,845</b>	<b>\$ 2,043,347</b>

## Building Fund (Continued)



### FINANCIAL SUMMARY - Building Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Supplies	\$ 13,610	\$ 11,748	\$ 12,350	\$ 17,511	\$ 15,350
Other Services and Charges	2,171,105	1,991,959	2,316,354	2,177,984	2,801,961
Total	<u>\$ 2,184,715</u>	<u>\$ 2,003,707</u>	<u>\$ 2,328,704</u>	<u>\$ 2,195,495</u>	<u>\$ 2,817,311</u>

### Changes in Budget

- ❖ \$488,607 increase from the FY19/20 Amended Budget and \$621,719 increase from FY19/20 projected.
- ❖ Supplies increased slightly from FY19/20 amended budget.
- ❖ Other services and charges include the professional services of Wade Trim for Building Department Inspection and Management. There has been an increase in contract fees of approximately \$488,493 from FY 19/20 budget. This increase can be attributed to the Amazon project currently happening in the City.
- ❖ The FY19/20 budget is projected to gain 123% of fund balance or \$1,140,665. Projected revenue for FY19/20 exceeded the budget by approximately \$846,117. The dramatic increase is due to the Amazon project.
- ❖ The FY20/21 budget includes a decrease to fund balance of \$21,498. The ending fund balance of \$2,043,347 at June 30, 2021 is projected to be 72% of expenditures.

# HOME Buyers Assistance Fund

The Home Investment Partnership Program (HOME) is an entitlement program of the U.S. Department of Housing and Urban Development (HUD). HOME provides formula grants to State and localities that communities use-often in partnership with local nonprofit groups to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership or provide direct rental assistance to low-income people.

Oakland County has been administering HOME grants awarded to the City since FY12/13. Currently, the City of Pontiac is not expecting to receive and administer this grant in-house. The City of Pontiac offers down payment assistance to low to moderate homebuyers who are interested in purchasing a home within the geographical area of Pontiac. The homebuyer's income must not exceed 80% of the City of Pontiac's median income. The property being purchased must be used as the principal residence of the purchaser.

## Home Buyers Fund Revenue

The Home Buyers Assistance Fund currently does not have any expected funds to be received from Grants. In FY19/20, it was projected that a small amount of fund balance that is expected to be spent on the HOME program. The City is exploring options to use the remaining funding and will amend the budget when needed. The City has budgeted the remaining fund balance to be transferred out to the General Fund in FY20/21

## Home Buyers Assistance Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Federal Grants	-	-	-
Other Revenue	-	-	-
Total Budgeted Revenue Sources	-	-	-
<b><u>Proposed Appropriations</u></b>			
Community and Economic Development	-	-	3,638
Total Budgeted Expenditures	-	-	<b>3,638</b>
Budgeted Net Revenue (Expenditures)	-	-	<b>(3,638)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	3,638	3,638	3,638
Change in Fund Balance	-	-	(3,638)
Ending Fund Balance June 30	<b>\$ 3,638</b>	<b>\$ 3,638</b>	<b>\$ -</b>
<b><u>Financial Position</u></b>			
Nonspendable	-	-	-
Restricted	3,638	3,638	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Ending Fund Balance June 30	<b>\$ 3,638</b>	<b>\$ 3,638</b>	<b>\$ -</b>

# Drug Law Enforcement Fund

The Drug Law Enforcement Fund is used to account for funds seized from drug dealers under federal and state law that can be used for specific law enforcement purposes. Applicable legislation: Public Act 368 of 1978.

## Drug Law Enforcement Fund Revenue

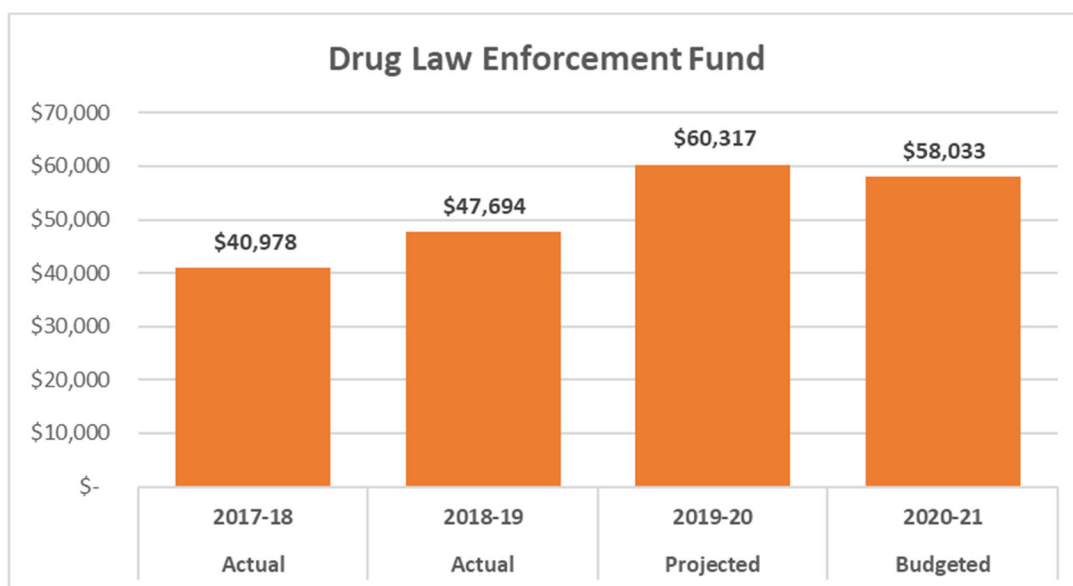
The majority of the revenue in this fund is from forfeits, with a small amount of revenue from interest earnings. FY20/21 is expecting \$10,000 in overtime reimbursements from Oakland County Sheriff that is directly related to forfeiture activity. Forfeit revenue is usually unpredictable for this fund. The FY20/21 budget is expecting \$40,000 in Forfeiture revenue, which is a decrease of \$2,000 from the FY19/20 projected.

### Drug Law Enforcement Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Fines and Forfeits	\$ 41,197	\$ 42,000	\$ 40,000
Charges for Services	-	-	-
Interest and Rents	1,837	1,282	900
Total Budgeted Revenue Sources	<b>43,034</b>	<b>43,282</b>	<b>40,900</b>
<b><u>Proposed Appropriations</u></b>			
Public Safety	47,694	60,317	58,033
Total Budgeted Expenditures	<b>47,694</b>	<b>60,317</b>	<b>58,033</b>
Budgeted Net Revenue (Expenditures)	<b>(4,660)</b>	<b>(17,035)</b>	<b>(17,133)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	232,101	227,441	210,406
Change in Fund Balance	(4,660)	(17,035)	(17,133)
Ending Fund Balance June 30	<b>\$ 227,441</b>	<b>\$ 210,406</b>	<b>\$ 193,273</b>
<b><u>Financial Position</u></b>			
Restricted	227,441	210,406	193,273
Ending Fund Balance June 30	<b>\$ 227,441</b>	<b>\$ 210,406</b>	<b>\$ 193,273</b>



## Drug Law Enforcement Fund (Continued)



### FINANCIAL SUMMARY - Drug Law Enforcement Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Other Services and Charges	\$ 40,978	\$ 47,694	\$ 53,483	\$ 60,317	\$ 58,033
Total	<u>\$ 40,978</u>	<u>\$ 47,694</u>	<u>\$ 53,483</u>	<u>\$ 60,317</u>	<u>\$ 58,033</u>

### Changes in Budget

- ❖ The FY20/21 budget includes \$58,033 of public safety expenditures that are related to forfeiture, including fees paid to Oakland County Sheriff department for expenditures related to drug activity.
- ❖ The FY19/20 is projecting to use \$17,035 or 7% of fund balance. The planned drug related expenditures are more than the forfeits projected.
- ❖ The FY20/21 budget is projecting to decrease fund balance about 8% or \$17,133. The ending fund balance of \$193,273 is 333% of expenditures, which is above the minimum 15% per the City's adopted fund balance policy.

## District Court Fund

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The 50th District Court is a State of Michigan Court which is administered by four elected District Judges who serve 6 year terms. The District Court has jurisdiction of all city ordinance violations and state law misdemeanors. The Court also conducts preliminary examinations of felony cases. In civil matters, this court has jurisdiction of all civil cases where the amount claimed is up to \$25,000.00, small claims cases up to \$5,500.00, and a landlord/tenant department. The Court handles garnishments as well as eviction proceedings, land contract and mortgage foreclosures. In small claims matters, litigants agree to waive their rights to a jury, rules of evidence, representation by a lawyer and the right to appeal from the district judge's decision. Small claims cases are heard by a judge whose decision is final.

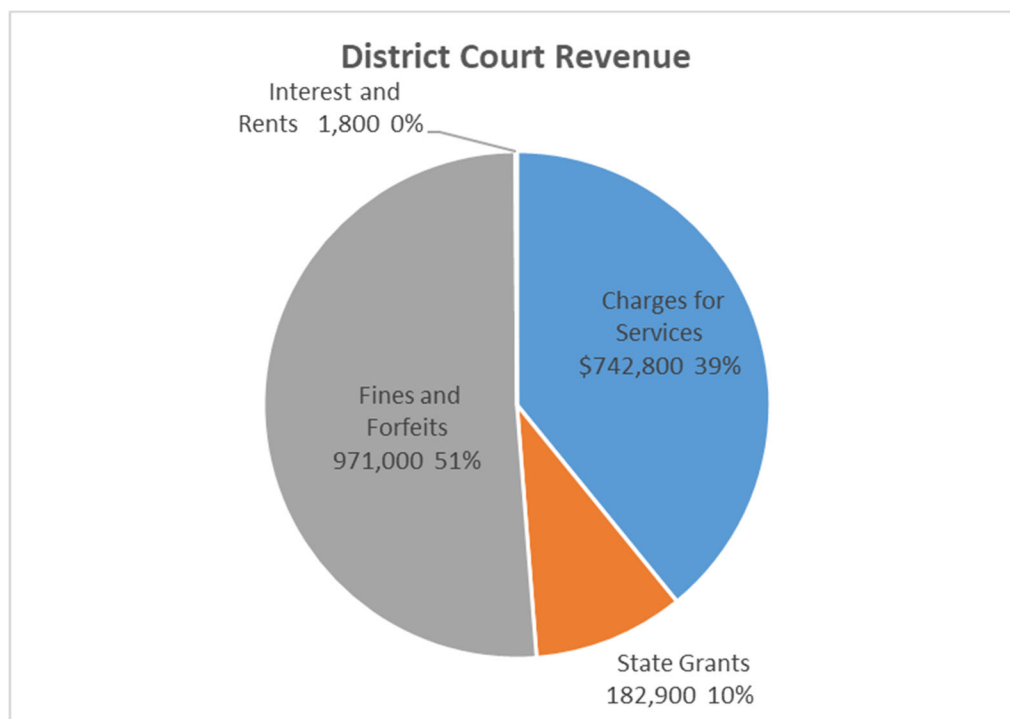
The 50th District Court Probation Department is responsible for the supervision of all individuals placed on probation by the district judges.

### District Court Fund Revenue

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The District Court Fund is used to support the operating expenditures of the 50th District Court. The 50th District Court receives the majority of its revenue from charges for services and fines and forfeits. These revenues do not cover all of the expenditures for the courts operations, resulting in the General Fund subsidizing the remaining difference each year.

Fines and forfeits represent 51% or \$971,000 of the total revenue for the court. The court receives the majority of its fines from traffic violations. The Charges for Services category is the second largest for approximately \$742,800. The court also receives aid from the State of Michigan for \$182,900 and a small amount of interest income. In addition to the revenue received by the court, the General Fund expenditures are budgeted to transfer \$1.85 million to the Court.

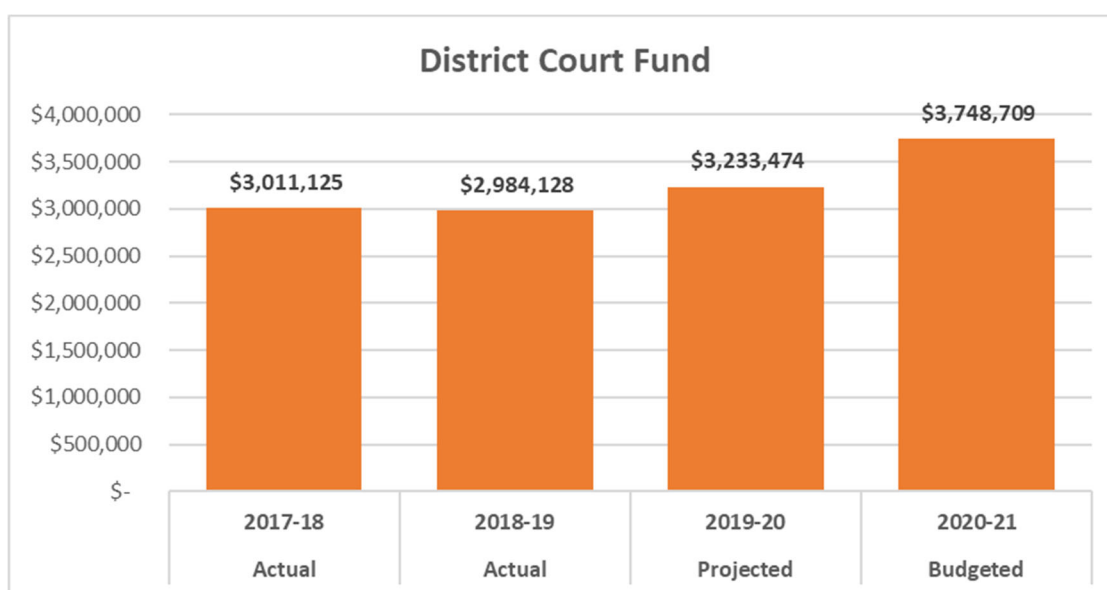


## District Court Fund (Continued)

### District Court Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 773,290	\$ 722,895	\$ 742,800
State Grants	182,896	182,896	182,900
Fines and Forfeits	1,079,420	976,328	971,000
Interest and Rents	1,869	1,800	1,800
Total Budgeted Revenue Sources	<b>2,037,475</b>	<b>1,883,919</b>	<b>1,898,500</b>
<b><u>Proposed Appropriations</u></b>			
District Court	2,770,477	3,011,934	3,276,368
Court Probation	172,431	182,552	413,104
Total Budgeted Expenditures	<b>2,942,908</b>	<b>3,194,486</b>	<b>3,689,472</b>
Budgeted Net Revenue (Expenditures)	<b>(905,433)</b>	<b>(1,310,567)</b>	<b>(1,790,972)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	946,047	1,349,555	1,850,209
Transfers (Out) and Other Financing Sources	(41,220)	(38,988)	(59,237)
Total Other Financing Sources	904,827	1,310,567	1,790,972
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	2,093	1,487	1,487
Change in Fund Balance	(606)	-	-
Ending Fund Balance June 30	<b>\$ 1,487</b>	<b>\$ 1,487</b>	<b>\$ 1,487</b>
<b><u>Financial Position</u></b>			
Nonspendable	2,093	1,487	1,487
Ending Fund Balance June 30	<b>\$ 2,093</b>	<b>\$ 1,487</b>	<b>\$ 1,487</b>

## District Court Fund (Continued)



### FINANCIAL SUMMARY - District Court Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 1,955,658	\$ 1,981,874	\$ 2,636,811	\$ 2,129,218	\$ 2,455,957
Supplies	73,243	78,718	115,060	103,033	113,050
Other Services and Charges	969,774	869,014	984,261	922,235	1,077,965
Capital Outlay	12,450	13,302	40,000	40,000	42,500
Transfers Out	-	41,220	39,023	38,988	59,237
Total	<u>\$ 3,011,125</u>	<u>\$ 2,984,128</u>	<u>\$ 3,815,155</u>	<u>\$ 3,233,474</u>	<u>\$ 3,748,709</u>

### Changes in Budget

- ❖ The FY20/21 budget includes appropriations of approximately \$3.7 million.
- ❖ The District Court Fund includes funding for the District Court judges and administration as required by law.
- ❖ Other Services and Charges are increasing by \$93,704 from the FY19/20 amended budget. The line items of General Professional Services is increasing for the FY20/21. The Contractual Janitorial Services is also increasing.
- ❖ The ending fund balance for the District Court fund is expected to be zero. The non-spendable fund balance is attributed to prepaid expense. Since the District Court is subsidized by the General Fund, there is expected to be no fund balance at the end of the fiscal year.

### District Court - Goals

- ❖ Improve justice administration by recording and reporting accurate and comprehensive court and case information.
- ❖ Improve and increase the use of technology in court functions and the delivery of court services.
- ❖ Promote increased public access and understanding of the court system and its processes.
- ❖ Improve the experience of prospective and selected jurors.
- ❖ As the delivery of justice continues to evolve, provide educational opportunities for all staff to stay abreast of the changes in statutes and court rules.

# MIDC Grant Fund

The Michigan Indigent Defense Commission (MIDC) Grant Fund's purpose is to oversee the acceptance of grant funds from MIDC and charging all plan related costs to this fund. The fund is to be completely separated from the District Court Fund, as to allow for better management of the grant monies and monitoring by the local and state interested parties.

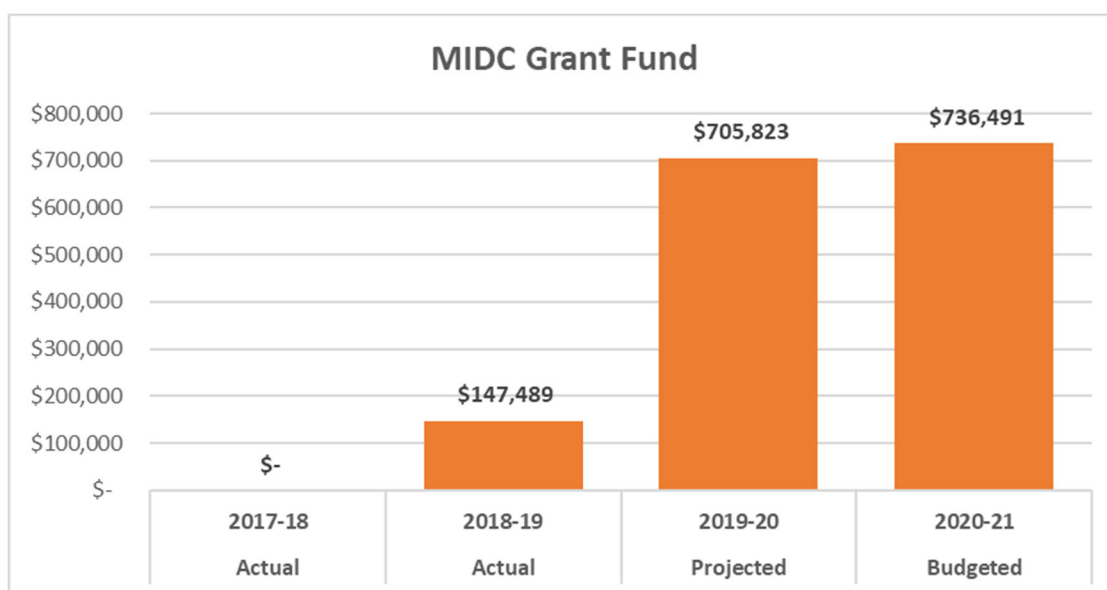
## MIDC Fund Revenue

FY20/21 is expected to receive \$698,254 grant money from the State of Michigan. The Fund is also budgeted to have a local share transfer in amount of \$38,237.

### MIDC Grant Fund Budgeted Financial Summary

	2017-18 Actual	2018-19 Projected	2019-20 Budgeted
<b><u>Estimated Revenue Source</u></b>			
State Grants	\$ 129,854	\$ 687,835	\$ 698,254
Total Budgeted Revenue Sources	<b>129,854</b>	<b>687,835</b>	<b>698,254</b>
<b><u>Proposed Appropriations</u></b>			
General Government	147,489	705,823	736,491
Total Budgeted Expenditures	<b>147,489</b>	<b>705,823</b>	<b>736,491</b>
Budgeted Net Revenue (Expenditures)	<b>(17,635)</b>	<b>(17,988)</b>	<b>(38,237)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	17,635	17,988	38,237
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	17,635	17,988	38,237
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	-	-	-
Change in Fund Balance	-	-	-
Ending Fund Balance June 30	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Financial Position</u></b>			
Restricted	-	-	-
Ending Fund Balance June 30	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## MIDC Grant Fund (Continued)



### FINANCIAL SUMMARY - MIDC Grant Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ -	\$ 20,553	\$ 131,728	\$ 96,842	\$ 152,941
Supplies	-	-	1,500	1,500	1,500
Other Services and Charges	-	126,936	637,665	511,438	582,050
Capital Outlay	-	-	138,975	96,043	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 147,489</b>	<b>\$ 909,868</b>	<b>\$ 705,823</b>	<b>\$ 736,491</b>

### Changes in Budget

- ❖ The FY20/21 budget includes appropriations of \$736,491. This amount is \$173,377 lower than the FY19/20 amended budget, and \$30,668 more than the FY19/20 projected. The significant decrease from the FY19/20 amended budget is due to COVID-19 decreasing projections for the year.

### MIDC Fund - Goals

- ❖ Monitor all MIDC related revenues and appropriations throughout the FY making sure they are being separated from the District Court.
- ❖ Ensure the City is up to date with reporting as is required by the State of Michigan and MIDC.

## PA-48 Telecommunication Allocation Fund

The PA 48 Telecommunications Fund is used to account for Metro Act fees paid to the City of Pontiac by the State of Michigan. The Metro Authority annually invoices telecommunication providers for assessed maintenance fees for actual footages installed in municipal public right-of-ways. The City is required to use these fees to pay for rights-of-way related purposes. At this time, these fees are used to pay for street light expenditures in the City right-of-ways in the General fund. All Metro Act revenue is transferred to the General Fund to cover a portion of those expenditures. The revenue received does not cover 100% of the expenditures. Applicable legislation: Public Act 48 of 2002

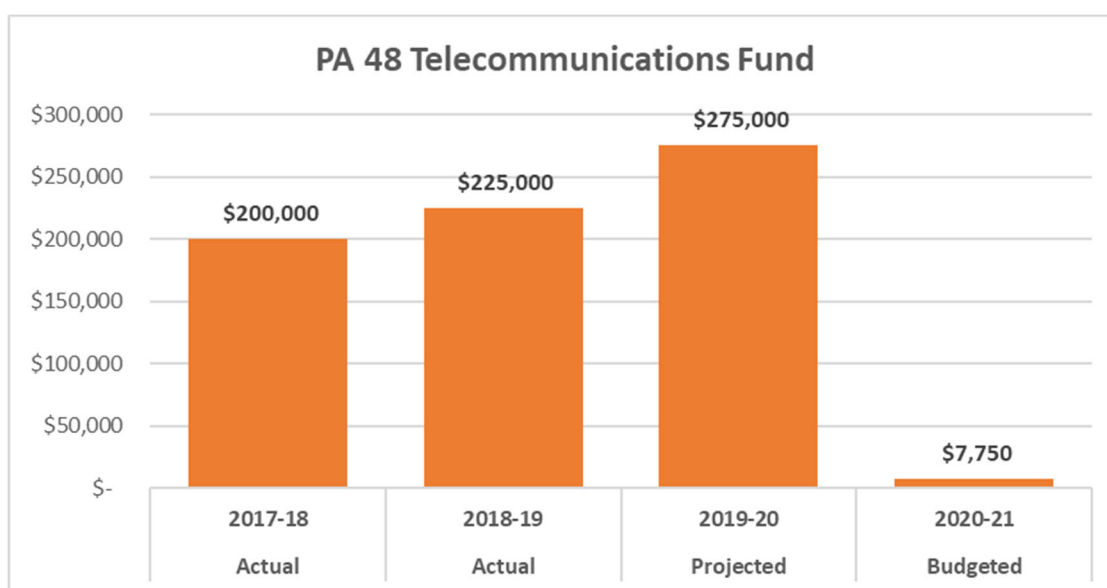
### PA 48 Fund Revenue

The PA 48 Fund does not expect to receive any revenue for the FY 20/21 budget. This amount normally received from the State of Michigan will now be recognized in the General Fund due to GASB 84. A transfer of \$7,750 has been budgeted to close this Fund by June 30, 2021.

### PA-48 Telecommunication Allocation Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Licenses and Permits	-	-	-
State Grants	224,645	225,000	-
Total Budgeted Revenue Sources	<b>224,645</b>	<b>225,000</b>	-
<b><u>Proposed Appropriations</u></b>			
Public Works	-	-	-
Total Budgeted Expenditures	-	-	-
Budgeted Net Revenue (Expenditures)	<b>224,645</b>	<b>225,000</b>	-
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	-	-	-
Transfers (Out) and Other Financing Sources	(225,000)	(275,000)	(7,750)
Total Other Financing Sources	(225,000)	(275,000)	(7,750)
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	58,105	57,750	7,750
Change in Fund Balance	(355)	(50,000)	(7,750)
Ending Fund Balance June 30	<b>\$ 57,750</b>	<b>\$ 7,750</b>	<b>\$ -</b>
<b><u>Financial Position</u></b>			
Nonspendable	-	-	-
Restricted	57,750	7,750	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Ending Fund Balance June 30	<b>\$ 57,750</b>	<b>\$ 7,750</b>	<b>\$ -</b>

## PA-48 Telecommunication Allocation Fund (Continued)



### FINANCIAL SUMMARY - PA 48 Telecommunications Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Transfers Out	\$ 200,000	\$ 225,000	\$ 275,000	\$ 275,000	\$ 7,750
Total	<u>\$ 200,000</u>	<u>\$ 225,000</u>	<u>\$ 275,000</u>	<u>\$ 275,000</u>	<u>\$ 7,750</u>

### Changes in Budget

- ❖ The revenue normally received from the State of Michigan into this Fund will now go into the General Fund due to GASB 84.
- ❖ A transfer of \$7,750 has been budgeted to close this Fund by June 30, 2021.



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# **Capital Improvements Fund**

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## Capital Improvements Fund

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The Capital Improvements Fund is used to account for and report the financial resources that are restricted, committed, or assigned to be used on capital outlays, including the construction or acquisition of facilities and other capital assets. The Capital Improvements Fund is authorized by City Charter to levy property taxes specifically for the construction and acquisition of capital outlays.

Per the City of Pontiac Capital Asset Policy, a capital asset is land, improvement to land, easements, buildings, building improvements, vehicles, machines, equipment, works of art, historical treasures, and all other tangible and intangible items used in operations that have an estimated useful life of at least two years following the date of acquisition and when valued individually, contain a value of at least ten thousand dollars. A capital asset shall be considered to have been acquired on the date that the item was placed into useful service.

To assist in the differentiation between a capitalizable item and maintenance, an item shall be capitalized if it meets the criteria established above and increases the capacity, efficiency, or useful life of the item.

The Capital Improvements Fund is expected to spend \$2,442,333 in capital projects in FY20/21. All of the capital assets for FY20/21 are nonrecurring capital assets. Listed in the Changes to Budget Section on the page following the Capital Projects Budgeted Financial Summary are the projects expected over the next budget year.

The effects of capital improvement items are taken into account for the operating budget throughout the City at the time the budget is prepared. For FY20/21, there are no assets that are effecting the operating budget.

### Capital Improvement Fund Revenue

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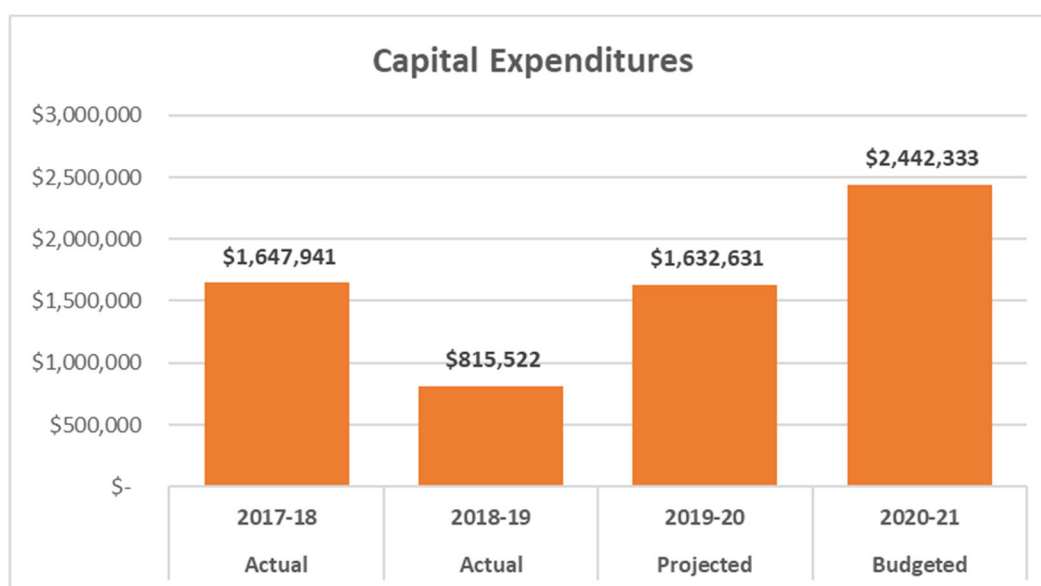
The Pontiac City Charter authorized a millage up to 1.5 mills, however, the millage has been rolled back to 1.3961 due to a Headlee amendment rollback. The FY20/21 is projecting property tax revenue of approximately \$930,657, which is an increase of \$9,488 from the FY19/20 projection. The property taxes also include reimbursement from the State of Michigan for the Small Taxpayer Exemption Loss

## Capital Improvements Fund (Continued)

### Capital Improvement Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 973,501	\$ 921,169	\$ 930,657
State Grants	21,519	46,980	46,980
Other Revenue	116,744	-	-
Interest and Rents	60,471	47,018	25,000
Total Budgeted Revenue Sources	<b>1,172,235</b>	<b>1,015,167</b>	<b>1,002,637</b>
<b><u>Proposed Appropriations</u></b>			
Capital Expense - General Government	456,542	1,427,838	1,772,452
Capital Expense - Public Safety	33,439	204,447	519,881
Capital Expense - Public Works	358,421	346	-
Capital Expense - Community and Economic Development	110,975	-	50,000
Capital Expense - Recreation and Culture	-	-	100,000
Total Budgeted Expenditures	<b>959,377</b>	<b>1,632,631</b>	<b>2,442,333</b>
Budgeted Net Revenue (Expenditures)	<b>212,858</b>	<b>(617,464)</b>	<b>(1,439,696)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	2,800,088	3,012,946	2,395,482
Change in Fund Balance	212,858	(617,464)	(1,439,696)
Ending Fund Balance June 30	<b>\$ 3,012,946</b>	<b>\$ 2,395,482</b>	<b>\$ 955,786</b>
<b><u>Financial Position</u></b>			
Restricted	3,012,946	2,395,482	955,786
Ending Fund Balance June 30	<b>\$ 3,012,946</b>	<b>\$ 2,395,482</b>	<b>\$ 955,786</b>

## Capital Improvements Fund (Continued)



### FINANCIAL SUMMARY - Capital Expenditures Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Capital Outlay	\$ 647,941	\$ 815,522	\$ 959,377	\$ 1,632,631	2,442,333
Transfers Out	1,000,000	-	-	-	-
Total	<u>\$ 1,647,941</u>	<u>\$ 815,522</u>	<u>\$ 959,377</u>	<u>\$ 1,632,631</u>	<u>2,442,333</u>

### Changes in Budget

- ❖ FY20/21 budget includes over \$2.4 million in capital projects.
- ❖ FY20/21 ending fund balance is expecting \$955,785 in restricted fund balance, which is a decrease of 40.7%. The use of fund balance is for necessary capital projects within the City.
- ❖ FY20/21 budget is expected to use \$1.4 million or 39.9% of fund balance on capital projects. The balance on June 30, 2021 will be \$955,785, greater than the minimum of 15% of expenditures, as required by the City's fund balance policy.
- ❖ The City of Pontiac is planning the following projects:
  - City Hall Parking Lot Repairs \$432,119
  - City Hall Building Additions and Repairs \$300,000
  - Ottawa Park Roof Replacement \$120,000
  - Computer Equipment \$170,333
  - Cable \$750,000
  - Sheriff Substation repairs \$500,000
  - Fire Department \$19,881
  - Vehicles \$50,000
  - Recreation & Culture \$100,000

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# **Enterprise Funds**



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# Parking Fund

The Parking Fund accounts for the activities of City-owned parking structures and lots. Currently, the parking fund's only revenue source is from interest income as the City currently has no parking lot operations.

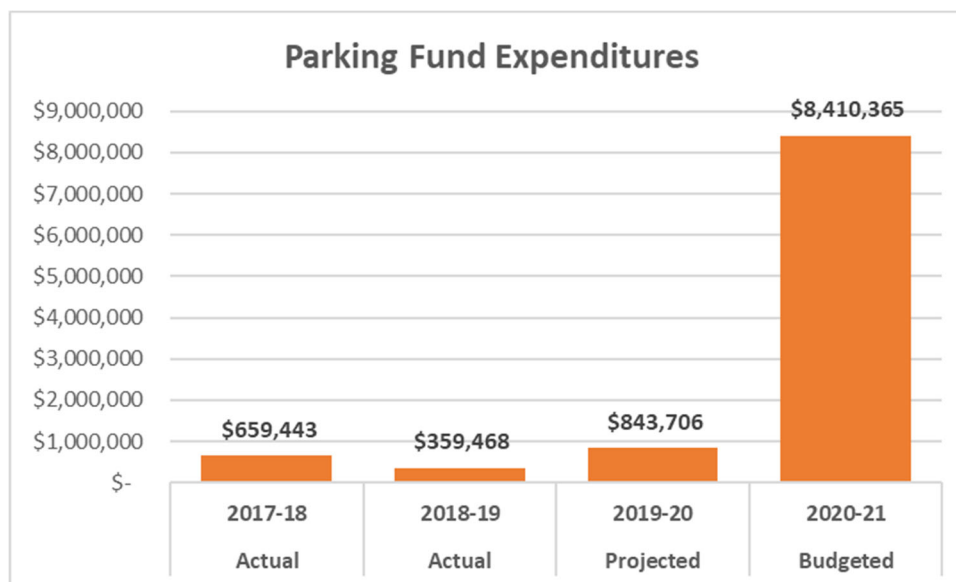
## Parking Fund Revenue

The City reports property tax revenue chargebacks as a component of property tax revenue. The chargebacks result from taxes from prior years that the County is unable to collect and subsequently charges to the City. The City no longer has a property tax levy for the Parking Fund resulting in only the chargeback paid to the County being reported per governmental accounting standards. In addition to the charges for services for parking lot use, the Parking Fund is also projected to receive approximately \$26,000 in investment income for FY20/21.

## Parking Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes Chargebacks	519	(500)	(500)
Charges for Services	-	-	-
State Grants	-	-	163,020
Other Revenue	-	-	-
Interest and Rents	47,975	36,855	26,000
Total Budgeted Revenue Sources	<b>48,494</b>	<b>36,355</b>	<b>188,520</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	-	7,000,564	381,803
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	-	7,000,564	381,803
<b><u>Proposed Appropriations</u></b>			
Parking - City	(525,185)	(216,032)	197,726
Parking - Phoenix Center	884,653	1,059,738	8,212,639
Total Budgeted Expenditures	<b>359,468</b>	<b>843,706</b>	<b>8,410,365</b>
 Budgeted Net Revenue (Expenditures)	 <b>(310,974)</b>	 <b>(807,351)</b>	 <b>(7,840,042)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Net Position July 1	13,748,249	13,437,275	12,629,924
Change in Net Position	(310,974)	(807,351)	(7,840,042)
Ending Net Position June 30	<b>\$ 13,437,275</b>	<b>\$ 12,629,924</b>	<b>\$ 4,789,882</b>
<b><u>Financial Position</u></b>			
Unrestricted Net Position	1,328,051	1,085,561	(6,189,620)
Investment in Fixed Assets	9,857,616	9,292,755	8,727,894
Restricted for Pension Benefits	2,251,608	2,251,608	2,251,608
Ending Net Position June 30	<b>\$ 13,437,275</b>	<b>\$ 12,629,924</b>	<b>\$ 4,789,882</b>

## Parking Fund (Continued)



### FINANCIAL SUMMARY - Parking Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ (94,112)	\$ (593,438)	\$ -	\$ (280,792)	\$ 132,000
Other Services and Charges	753,555	952,906	1,176,067	958,798	1,278,365
Capital Outlay	-	-	7,600,000	165,700	7,000,000
Total	<u>\$ 659,443</u>	<u>\$ 359,468</u>	<u>\$ 8,776,067</u>	<u>\$ 843,706</u>	<u>\$ 8,410,365</u>

### Changes in Budget

- ❖ FY20/21 budget includes \$8,410,365 in expenditures, which is an increase of \$7,732,359 from FY19/20 projected and \$365,702 decrease from FY19/20 amended budget.
- ❖ Other Services and Charges includes the following items:
  - Depreciation \$897,000 – this remained the same as FY19/20 budget.
  - Property Insurance & utilities \$76,308
  - Building Maintenance \$225,000. This increased by \$33,000 from the FY19/20 budget.
- ❖ The FY20/21 budget includes \$7,000,000 in the line item Phoenix Center Projects. This is a portion of the money that the City will need to spend on repairs per the settlement agreement. The change in net position of FY20/21 is estimated to decrease fund balance by \$7,840,042 or 40%. The ending fund balance at June 30, 2021 will be \$11,790,445.

# **Internal Service Funds**

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# Insurance Fund

The Insurance Fund was created to account for the City's insurance services, the cost of general liability, property insurance premiums, and health insurance for both active and retirees. The City has purchased commercial insurance for medical and dental, and general liability expense claims and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions.

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits, and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that the Authority uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City. The City estimates the liability for general liability claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported.

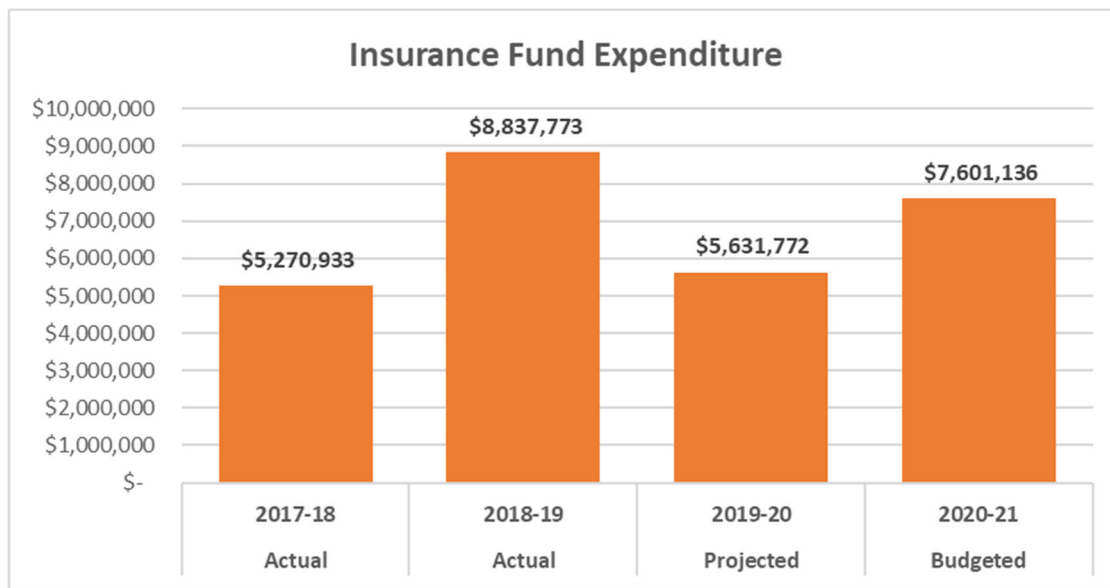
## Insurance Fund Revenue

The Insurance Fund is funded by user fees: internal city user departments, employee insurance contributions, retiree insurance contributions, VEBA Trust contributions, and insurance reimbursements. The City is expecting \$6,394,809 in user charges for FY20/21. The user charges match expenditures for health, dental, optical, life, and general and property insurance. Legal fees and Risk Management is currently not reimbursed by other funds. The revenue is increasing approximately \$1.5 million or 32% from FY19/20 projected. The increase is directly related to reimbursements for health-care for retirees, employees, and general and property insurance. 100% of the healthcare for employees and retirees are reimbursed by Funds/Departments (City portion), employees and retirees.

## Insurance Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 4,766,987	\$ 4,832,875	\$ 6,394,809
Other Revenue	\$ 694,869	\$ 711,164	\$ 736,414
Interest and Rents	-	-	-
Total Budgeted Revenue Sources	5,461,856	5,544,039	7,131,223
<b><u>Proposed Appropriations</u></b>			
General Government	49,178	-	-
Insurance	8,788,595	5,631,772	7,601,136
Total Budgeted Expenditures	8,837,773	5,631,772	7,601,136
Budgeted Net Revenue (Expenditures)	(3,375,917)	(87,733)	(469,913)
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	501,424	-	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	501,424	-	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Net Position July 1	5,120,059	2,245,566	2,157,833
Change in Net Position	(2,874,493)	(87,733)	(469,913)
Ending Net Position June 30	\$ 2,245,566	\$ 2,157,833	\$ 1,687,920
<b><u>Financial Position</u></b>			
Unrestricted Net Position	2,245,566	2,157,833	1,687,920
Ending Net Position June 30	\$ 2,245,566	\$ 2,157,833	\$ 1,687,920

## Insurance Fund (Continued)



### FINANCIAL SUMMARY - Insurance Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 5,270,933	\$ 8,837,773	\$ 11,294,825	\$ 5,631,772	\$ 7,601,136
Total	<u>\$ 5,270,933</u>	<u>\$ 8,837,773</u>	<u>\$ 11,294,825</u>	<u>\$ 5,631,772</u>	<u>\$ 7,601,136</u>

### Changes in Budget

- ❖ FY20/21 budget includes \$7,601,136 in expenditures, which is \$1.9 million higher than the FY19/20 projected and \$3.6 million lower than the FY19/20 budget.
- ❖ The FY20/21 budget includes a \$176,025 contribution to the VEBA OPEB Trust.
- ❖ FY20/21 budget includes premiums for general liability and property insurance.
- ❖ FY20/21 includes all medical, dental, optical and life insurance premiums for all employees and retirees
- ❖ FY20/21 also includes the risk management function for the City of Pontiac and legal services related to retiree healthcare.

# Workers' Compensation Fund

The Workers' Compensation Fund is used to account for claims and insurance for workers' compensation. The City was previously self-insured and records a liability for those claims that have been reported as well as those that have not yet been reported. For the last few years, the City has purchased workers' compensation insurance for current employees.

## Workers' Compensation Fund Revenue

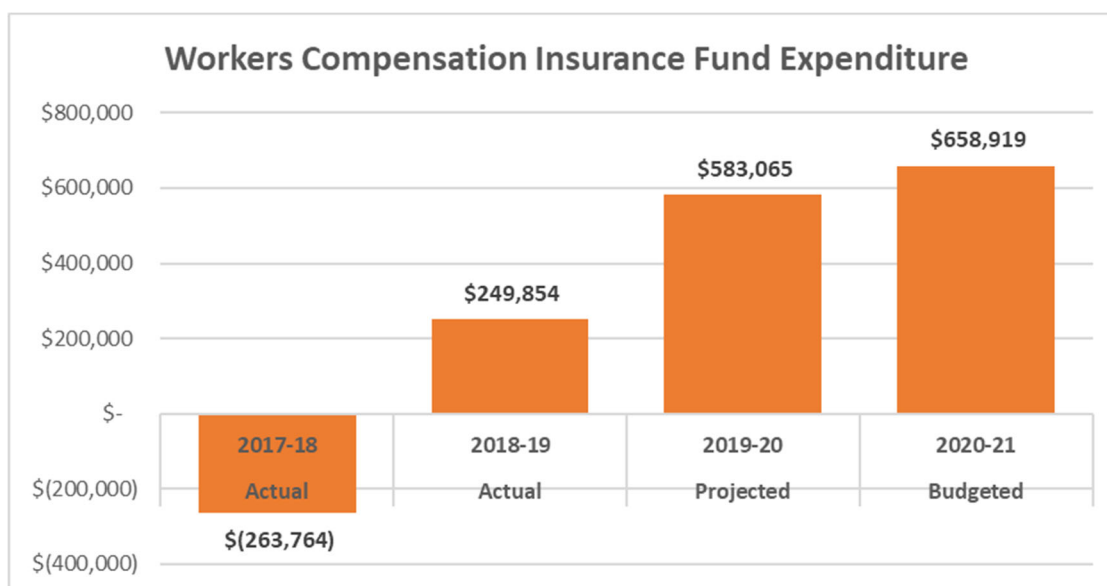
The Workers' Compensation Fund is funded by user fees: internal city user departments and reimbursements from the City's insurance company. The City is expecting \$358,919 in user charges and \$15,000 in investment income for FY20/21. The user charges and investment income are expected to recover 100% of the insurance expenditures.

## Workers' Compensation Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 251,438	\$ 283,065	\$ 358,919
Interest and Rents	26,595	17,000	15,000
Total Budgeted Revenue Sources	278,033	300,065	373,919
<b><u>Proposed Appropriations</u></b>			
Insurance	249,854	583,065	658,919
Total Budgeted Expenditures	249,854	583,065	658,919
Budgeted Net Revenue (Expenditures)	28,179	(283,000)	(285,000)
<b><u>Estimated Fund Balance</u></b>			
Beginning Net Position July 1	1,179,757	1,207,936	924,936
Change in Net Position	28,179	(283,000)	(285,000)
Ending Net Position June 30	\$ 1,207,936	\$ 924,936	\$ 639,936
<b><u>Financial Position</u></b>			
Unrestricted Net Position	1,207,936	924,936	639,936
Ending Net Position June 30	\$ 1,207,936	\$ 924,936	\$ 639,936



## Workers' Compensation Fund (Continued)



### FINANCIAL SUMMARY - Workers Compensation Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Other Services and Charges	\$ (263,764)	\$ 249,854	\$ 638,252	\$ 583,065	\$ 658,919
Total	<u>\$ (263,764)</u>	<u>\$ 249,854</u>	<u>\$ 638,252</u>	<u>\$ 583,065</u>	<u>\$ 658,919</u>

### Changes in Budget

- ❖ FY20/21 Budget includes \$658,919 in expenditures, which is \$75,854 higher than the FY19/20 projected and \$20,667 higher than the FY19/20 budget.
- ❖ The slight increase from the FY19/20 projected budget to the FY20/21 budget is due to an increase in the City Employee premiums.
- ❖ The FY19/20 is projecting to use 23% or \$283,000 from net position to cover potential claims for worker's compensation from previous employees when the City was self-insured. The ending unrestricted net position at June 30, 2021 is expected to be \$639,935, which is above the 10% required per the City's adopted fund balance policy.

# **Component Unit Funds**

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## Tax Increment Finance Authority #2 and #3 Funds

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The Tax Increment Financing Authority (TIFA) was created to promote economic growth and business development within the community. The TIFA's governing body consists of not less than 7 or more than 13 persons appointed by the Mayor, subject to the approval of the City Council. A member shall hold office until the member's successor is appointed. An appointment to fill a vacancy shall be made by the Mayor for the unexpired term only.

The City has two TIFA Districts Funds #2 and #3. The only budgeted activity in both of these Funds is to pay TIFA debt service. In 2007, the City guaranteed the 10-year, \$1.315 million TIFA 2 2007C series, the 17-year, \$3.28 million TIFA 2 2007C series, and the 24-year, \$24.45 million TIFA 3 2007C series revenue bond issuances in accordance with a resolution adopted by the City. The bonds mature annually through May 1, 2017, May 1, 2024 and May 1, 2031, respectively, with semiannual interest payments. In the event that the TIFA is unable to make a payment, the City is required to make that payment. As a result of declining TIFA revenues that occurred in 2014 and prior, the City determined in FY 14 that it was more likely than not that the City would be required to pay a percentage of the remaining portion of the TIFA's debt service payments based on this guarantee going forward.

Total TIFA debt service due in FY20/21 is \$2,340,201 of which \$640,080 will be paid by the City via a contribution from the General Fund. TIF #2 is expecting to capture approximately \$49,000 in property tax revenue of which all will be used for debt service. TIF #3 is expecting to capture approximately \$1,6 million of which all will be used for debt service. Both districts are expected to receive reimbursements for personal property tax loss.

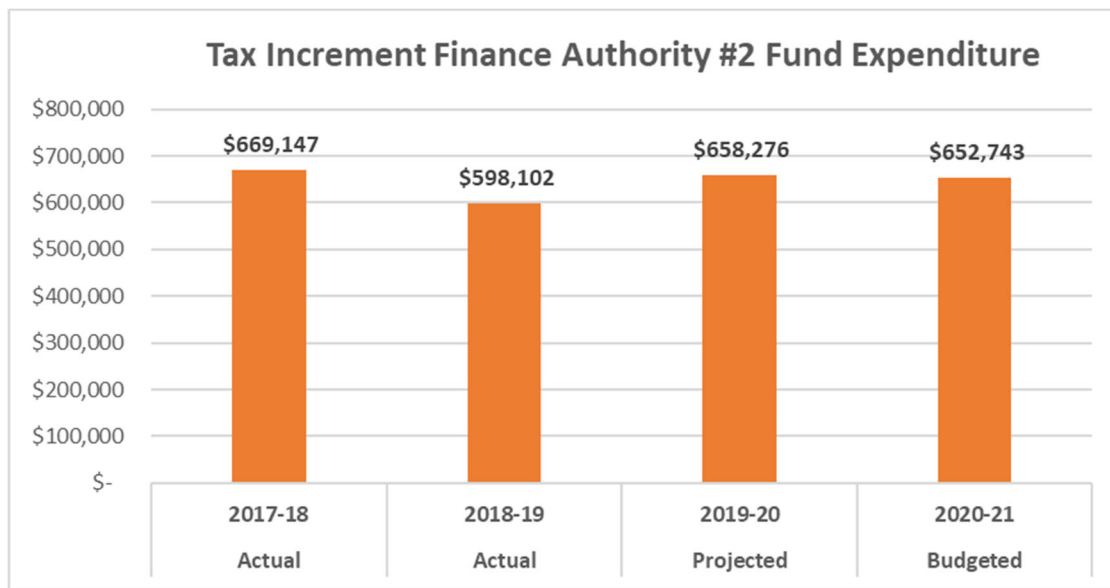
The agreement also provides for the TIFA to reimburse the City for any debt service amounts paid for by the City. Accordingly, the TIFA records a financial guarantee expense and liability to the City each year in accordance with GASB 70. The cumulative amount owed to the general fund for FY20/21 is expected to be \$5,863,736 for both TIFA #2 and #3, which is the cause for the deficits in these funds. Funds to reimburse the General Fund are not expected to be available until all TIFA debt service has been paid in full.

## Tax Increment Finance Authority #2 Fund

### Tax Increment Finance Authority #2 Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 87,136	\$ 31,362	\$ 31,733
Other Revenue	75,000	67,600	67,600
Contribution From Primary Government	217,983	279,957	277,005
Total Budgeted Revenue Sources	<b>380,119</b>	<b>378,919</b>	<b>376,338</b>
<b><u>Proposed Appropriations</u></b>			
Debt Services & Financial Guarantee	598,102	658,876	653,343
Total Budgeted Expenditures	<b>598,102</b>	<b>658,876</b>	<b>653,343</b>
Budgeted Net Revenue (Expenditures)	<b>(217,983)</b>	<b>(279,957)</b>	<b>(277,005)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	(2,442,576)	(2,660,559)	(2,940,516)
Change in Fund Balance	(217,983)	(279,957)	(277,005)
Ending Fund Balance June 30	<b>\$ (2,660,559)</b>	<b>\$ (2,940,516)</b>	<b>\$ (3,217,521)</b>
<b><u>Financial Position</u></b>			
Unassigned	(2,660,559)	(2,940,516)	(3,217,521)
Ending Fund Balance June 30	<b>\$ (2,660,559)</b>	<b>\$ (2,940,516)</b>	<b>\$ (3,217,521)</b>

## Tax Increment Finance Authority #2 Fund (Continued)



### FINANCIAL SUMMARY - Tax Increment Finance Authority #2

	2017-18	2018-19	2019-20	2019-20	2020-21
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Debt Service and Financial Guarantee	\$ 669,147	\$ 598,102	\$ 632,001	\$ 658,276	\$ 652,743
Total	<u>\$ 669,147</u>	<u>\$ 598,102</u>	<u>\$ 632,001</u>	<u>\$ 658,276</u>	<u>\$ 652,743</u>

### Changes in Budget

- ❖ The FY20/21 budget is expected to decline due to the debt service payment and recording of financial guarantee.
- ❖ The FY20/21 unassigned fund deficit is expected to be \$3.2 million for TIFA #2. The deficit for both districts will increase by the amount of the financial guarantee (the portion of debt service contributions from the General Fund required to be paid back when tax revenue becomes available in the TIFA Funds). The deficit represents the cumulative amount owed to the General Fund.

## Tax Increment Finance Authority #2 Fund (Continued)

### Debt Service Report

<b>Debt Name:</b>	TIFA 2 2007 C Bond
<b>Issuance Date:</b>	12/19/2007
<b>Issuance Amount:</b>	\$3,280,000
<b>Debt Instrument (or Type):</b>	Local Government Loan Program Revenue Bonds
<b>Repayment Source(s):</b>	General Fund Revenue

<b>Years Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 315,000	\$ 60,738	\$ 375,738
2022	\$ 305,000	\$ 44,988	\$ 349,988
2023	\$ 305,000	\$ 29,738	\$ 334,738
2024	\$ 305,000	\$ 14,488	\$ 319,488
<b>Totals</b>	<b>\$ 1,230,000</b>	<b>\$ 149,950</b>	<b>\$ 1,379,950</b>

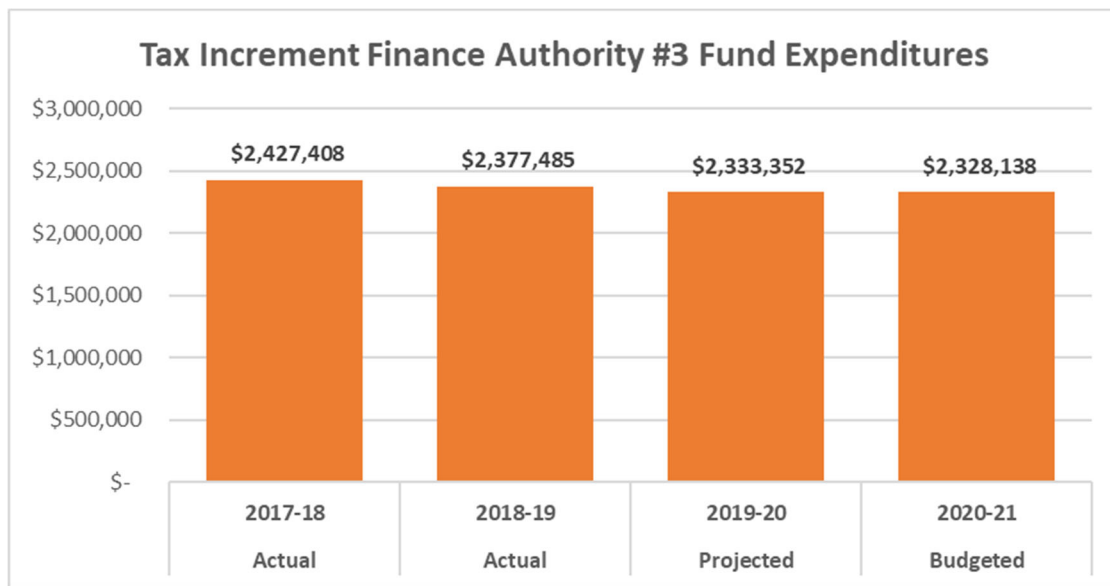
## Tax Increment Finance Authority #3 Fund

### Tax Increment Finance Authority #3 Fund Budgeted Financial Summary

	2018-19 Actual	2019-20 Projected	2020-21 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 1,547,803	\$ 1,368,937	\$ 1,382,989
State Grants	-	218,999	218,999
Contribution From Primary Government	414,841	372,708	363,075
Total Budgeted Revenue Sources	<b>1,962,644</b>	<b>1,960,644</b>	<b>1,965,063</b>
<b><u>Proposed Appropriations</u></b>			
Debt Service & Financial Guarantee	2,377,485	2,333,352	2,328,138
Total Budgeted Expenditures	<b>2,377,485</b>	<b>2,333,352</b>	<b>2,328,138</b>
 Budgeted Net Revenue (Expenditures)	 <b>(414,841)</b>	 <b>(372,708)</b>	 <b>(363,075)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	-	-	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	-	-	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	(1,330,913)	(1,745,754)	(2,118,462)
Change in Fund Balance	(414,841)	(372,708)	(363,075)
Ending Fund Balance June 30	<b>\$ (1,745,754)</b>	<b>\$ (2,118,462)</b>	<b>\$ (2,481,537)</b>
<b><u>Financial Position</u></b>			
Unassigned	(1,745,754)	(2,118,462)	(2,481,537)
Ending Fund Balance June 30	<b>\$ (1,745,754)</b>	<b>\$ (2,118,462)</b>	<b>\$ (2,481,537)</b>



## Tax Increment Finance Authority #3 Fund (Continued)



### FINANCIAL SUMMARY - Tax Increment Finance Authority #3 Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Debt Service and Financial Guarantee	\$ 2,427,408	\$ 2,377,485	\$ 2,450,990	\$ 2,333,352	\$ 2,328,138
Total	<u>\$ 2,427,408</u>	<u>\$ 2,377,485</u>	<u>\$ 2,450,990</u>	<u>\$ 2,333,352</u>	<u>\$ 2,328,138</u>

### Changes in Budget

- ❖ The FY20/21 budget includes approximately \$1.9 million in debt service payments on the TIFA 3 2007C Bonds and \$363,075 in Financial Guarantee expense for the General Fund contribution to pay the debt service.
- ❖ The FY20/21 unassigned fund deficit is expected to be \$2.9 million for TIFA #3. The deficit will increase by the amount of the financial guarantee (the portion of debt service contributions from the General Fund required to be paid back when tax revenue becomes available in the TIFA Funds). The deficit represents the cumulative amount owed to the General Fund.

## Tax Increment Finance Authority #3 Fund (Continued)

<b>Debt Name:</b>	TIFA 3 2007C Bond
<b>Issuance Date:</b>	12/19/2007
<b>Issuance Amount:</b>	\$24,450,000
<b>Debt Instrument (or Type):</b>	Local Government Loan Program Revenue Bonds
<b>Repayment Source(s):</b>	General Fund Revenue

<b>Years Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 1,155,000	\$ 809,463	\$ 1,964,463
2022	\$ 1,555,000	\$ 751,713	\$ 2,306,713
2023	\$ 1,680,000	\$ 673,963	\$ 2,353,963
2024	\$ 1,410,000	\$ 589,963	\$ 1,999,963
2025	\$ 1,520,000	\$ 522,988	\$ 2,042,988
2026	\$ 1,630,000	\$ 450,788	\$ 2,080,788
2027	\$ 1,745,000	\$ 373,363	\$ 2,118,363
2028	\$ 1,565,000	\$ 290,475	\$ 1,855,475
2029	\$ 1,570,000	\$ 220,050	\$ 1,790,050
2030	\$ 1,675,000	\$ 149,400	\$ 1,824,400
2031	\$ 1,645,000	\$ 74,025	\$ 1,719,025
<b>Totals</b>	<b>\$ 17,150,000</b>	<b>\$ 4,906,188</b>	<b>\$ 22,056,188</b>

## Brownfield Redevelopment Authority Fund

The Brownfield Redevelopment Authority was created to remediate contaminated properties located within the City of Pontiac and to promote economic growth for these properties through the use of captured property taxes. The properties included are listed as contaminated by the Environmental Protection Agency. Each authority shall be under the supervision and control of a board chosen by the governing body (City Council). The governing body may by majority vote designate the trustees of the board of the Tax Increment Financing Authority as the Brownfield Redevelopment Board, which City Council did by resolution on December 18, 1997.

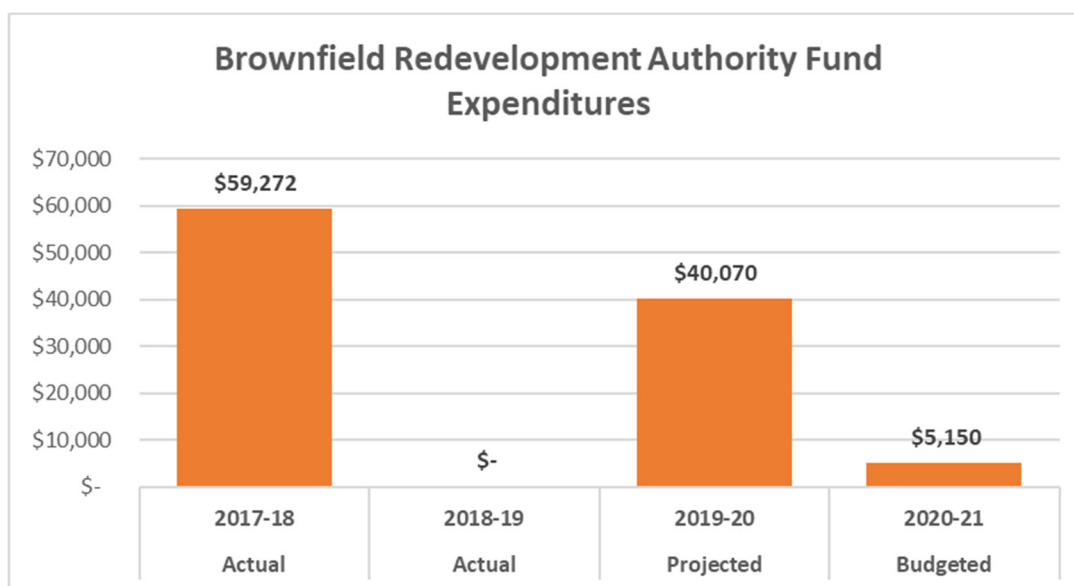
### Brownfield Redevelopment Authority Fund Revenue

The Brownfield Redevelopment Authority Fund receives property tax revenue from parcels within the established district. The property tax revenue for FY20/21 is expected to be \$4,150, which is a small increase of \$52 from FY19/20 projected. The Brownfield Redevelopment Fund is expected to expend \$5,150 in FY20/21 on Brownfield eligible expenditures.

### **Brownfield Redevelopment Authority Fund Budgeted Financial Summary**

	<b>2018-19 Actual</b>	<b>2019-20 Projected</b>	<b>2020-21 Budgeted</b>
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 33,896	\$ 4,098	\$ 4,150
Total Budgeted Revenue Sources	<b>33,896</b>	<b>4,098</b>	<b>4,150</b>
<b><u>Proposed Appropriations</u></b>			
Brownfield Authority Administration	-	40,070	5,150
Total Budgeted Expenditures	-	40,070	5,150
 Budgeted Net Revenue (Expenditures)	 <b>33,896</b>	 <b>(35,972)</b>	 <b>(1,000)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	233,322	267,218	231,246
Change in Fund Balance	33,896	(35,972)	(1,000)
Ending Fund Balance June 30	<b>\$ 267,218</b>	<b>\$ 231,246</b>	<b>\$ 230,246</b>
<b><u>Financial Position</u></b>			
Restricted	267,218	231,246	230,246
Ending Fund Balance June 30	<b>\$ 267,218</b>	<b>\$ 231,246</b>	<b>\$ 230,246</b>

## Brownfield Redevelopment Authority Fund (Continued)



### FINANCIAL SUMMARY - Brownfield Redevelopment Authority Fund

	2017-18	2018-19	2019-20	2019-20	2020-21
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 59,272	\$ -	\$ 40,070	\$ 40,070	\$ 5,150
Total	<u>\$ 59,272</u>	<u>\$ -</u>	<u>\$ 40,070</u>	<u>\$ 40,070</u>	<u>\$ 5,150</u>

### Changes in Budget

- ❖ The FY20/21 budget is expected to decrease by \$34,920 from the FY19/20 projected amounts. This decrease can be attributed to the expected reduction of property tax revenue during FY20/21.
- ❖ The FY20/21 ending fund balance is expected to remain very similar to FY19/20. Only a \$1,000 decrease.

# Budget Ordinance

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## Ordinance

**An Ordinance to appropriate the sums of money necessary to meet the expenditures set forth in the budget recommended for the operation of the City of Pontiac, Michigan; to defray the debts, expenditures, and liabilities of said City for the fiscal year beginning the first day of July, 2020; to adopt the fee schedule for public records and services for the fiscal year 2020/21.**

Whereas, the proposed General Appropriations Act is required to be effective July 1, 2020 so the City can legally operate.

The City of Pontiac Ordains:

### **Section 1. Title.**

This ordinance shall be known as the City of Pontiac 2020-2021 General Appropriations Act.

### **Section 2. Public Hearing on the Budget.**

Pursuant to MCLA 141.412 and .413, notice of a public hearing on the proposed budget was published in The Oakland Press, a newspaper of general circulation on June 1, 2020 and a public hearing on the proposed budget was held on June 9, 2020.

### **Section 3. Millage Levy, Administration Fee, and Penalties.**

The City Council for the City of Pontiac shall authorize the following millages to be levied and collected on the general property tax of all real and personal property within the City upon the current tax roll an allocated millage of 11.1699 operating; 1.4862 youth center; 1.3961 capital improvement; 2.7923 sanitation; 0.4954 senior services. The City Treasurer is hereby authorized to impose a one percent (1%) property tax administration fee for all property taxes due, And a late penalty charge when applicable, in conformance with Section 44 of Public Act 206 of 1893.

### **Section 4. Adoption of budget by Line item.**

The City Council of the City of Pontiac received a five-year budget for 2020-21, 2021-22, 2022-23, 2023-24, and 2024-25 fiscal years. The City Council of the City of Pontiac adopts the 2020-2021 fiscal year budgets for the various funds by line item. City officials responsible for the expenditures authorized in the budget may expend City funds up to, but not to exceed, the total appropriation authorized for each line item.

### **Section 5. Payment of Bills.**

Pursuant to the Local Financial Stability and Choice Act and the Accounting Procedures Manual for Local Governments in Michigan, all claims (bills) against the City shall be, approved by the Mayor or the Finance Director of the City of Pontiac prior to being paid.

## Budget Ordinance (Continued)

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**Section 6: Budgeted Revenues and Expenditures**--Estimated total revenues and expenditures, including transfers in and out and other sources, for the various funds of the City of Pontiac beginning July 1, 2020 are \$69,811,271 in revenues and \$89,855,500 in expenditures, as set forth in the 2020-2021 budget as reflected in the budget report dated 6/26/20.

**Section 7. Specific Appropriations.**

There are no specific appropriations contained in the budget.

**Section 8. Periodic Financial Reports.**

The Finance Director shall provide the Mayor and City Council financial reports on a monthly basis.

**Section 9. Budget Monitoring and Amending.**

Whenever it appears to the Finance Director that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation upon which appropriations from such fund were based, the Finance Director shall present to the Mayor recommendations to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues or both. The Finance Director is hereby authorized to amend an appropriation line item within a fund or department that does not exceed ten thousand dollars (\$10,000) within a fiscal year. Any budget amendments to a line item or department that exceeds ten thousand dollars (\$10,000) within a fiscal year must be approved by the City council prior to amendment. For all transfers in and transfer out between appropriation line items or departments exceeding ten thousand dollars (\$10,000) must be approved by City Council prior to such transfer.

The foregoing obligations are not required if there is an unforeseen expense due to bona-fide emergency, which shall be defined as anything imminent impacting the health and safety of the citizens including building fires, but not including capital improvements.

**Section 9a. Budget Format**

The Budget shall include the following:

- The City organizational chart
- Organization by Department to include: all positions, titles, and salaries, all expenditures in and out of funds, capital outlays, applicable budget amendments, original Department request, the Mayor's recommended budget, activity through the end of the year, activity to date, prior year budget, and all sources of income for employee salaries.
- All expenditures in and out of funds, capital outlays, applicable budget amendments, original Department requests, the Mayor's recommended budget, activity through the end of the year, activity to date, prior year budget, and all sources of income of employee salaries.

## Budget Ordinance (Continued)

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### **Section 10. Severability.**

If any section, clause, or provision of this Ordinance shall be declared to be unconstitutional, void, illegal, or ineffective by any Court of competent jurisdiction, such section, clause, or provision declared to be unconstitutional, void, or illegal shall thereby cease to be a part of this Ordinance, but the remainder of this Ordinance shall stand and be in full force and effect.

### **Section 11. Repealer.**

All Ordinances or parts of Ordinances in conflict herewith are hereby repealed only to the extent necessary to give this Ordinance full force and effect.

### **Section 12. Publication.**

The Clerk shall publish this Ordinance in a newspaper of general circulation.

### **Section 13. Emergency Declaration and Effective Date.**

This Ordinance is declared an emergency to allow the City to legally spend money after July 1, 2019 and shall be effective immediately upon adoption.

## Budget Ordinance (Continued)

With revenue and expenditures categorized by appropriated line item as herein provided:

<u>Fund Number</u>	<u>Fund</u>		<u>Revenues</u>		<u>Expenditures</u>
101	General	\$	36,559,300	\$	42,303,212
202	Major Streets	\$	5,848,359	\$	6,789,748
203	Local Streets	\$	1,902,161	\$	4,332,209
208	Youth Recreation Millage	\$	1,165,575	\$	1,283,013
209	Cemetery Care Fund	\$	687,491	\$	687,491
212	Senior Activities Millage	\$	366,592	\$	534,542
213	Chapter 20 Drains Debt Service	\$	-	\$	-
226	Sanitation Fund	\$	4,354,210	\$	4,354,210
231	Cable Fund	\$	157,000	\$	237,459
239	TIFA District 2	\$	376,338	\$	653,343
240	TIFA District 3	\$	1,965,063	\$	2,328,138
243	Brownfield Redeveloping Auth	\$	4,150	\$	5,150
249	Building Department	\$	2,820,830	\$	2,842,328
252	CDBG FY2012 Fund	\$	-	\$	30,335
263	Home Buyers Assistance Fund	\$	-	\$	3,638
265	Drug Enforcement	\$	40,900	\$	58,033
276	District Court	\$	3,748,709	\$	3,748,709
277	MIDC Grant	\$	736,491	\$	736,491
280	Public Act 48	\$	-	\$	7,750
445	Capital Improvement	\$	1,002,637	\$	2,442,333
585	Parking	\$	570,323	\$	8,410,365
659	Insurance	\$	7,131,223	\$	7,601,136
677	Self-Insurance Wk Comp	\$	373,919	\$	658,919



## Budget Ordinance (Continued)

<b>General Fund - 101</b>		
ESTIMATED REVENUES		
Property Taxes		8,478,935
Income Taxes		13,541,775
Licenses and Permits		178,900
Federal Grants		20,000
State Grants		10,630,785
Charges for Services		1,048,900
Fines and Forfeits		8,000
Interest and Rents		751,800
Other Revenue		1,837,482
Transfers In and Other Uses		62,723
TOTAL ESTIMATED REVENUES		36,559,300
APPROPRIATIONS		
General Government		6,759,201
Public Safety		21,854,898
Public Works		2,654,021
Health and Welfare		-
Community and Economic Development		2,101,884
Recreation and Culture		3,754,861
Other Functions		2,258,844
Transfers Out and Other Uses		2,919,503
TOTAL APPROPRIATIONS		42,303,212
<b>General Fund</b>		
NET OF REVENUES/APPROPRIATIONS		(5,743,912)
Estimated Beginning Fund Balance		13,924,754
Estimated Ending Fund Balance		8,180,842

<b>Major Street Fund - 202</b>		
ESTIMATED REVENUES		
State Grants		5,822,659
Interest and Rents		25,700
Transfers In and Other Uses		-
TOTAL ESTIMATED REVENUES		5,848,359
APPROPRIATIONS		
Public Works		6,789,748
TOTAL APPROPRIATIONS		6,789,748
<b>Major Street Fund</b>		
NET OF REVENUES/APPROPRIATIONS		(941,389)
Estimated Beginning Fund Balance		2,226,552
Estimated Ending Fund Balance		1,285,163

## Budget Ordinance (Continued)

<b>Tax Increment Finance Authority District 2 - 239</b>	
ESTIMATED REVENUES	
Property Taxes	31,733
Charges for Services	67,600
Contribution from Primary Government	277,005
TOTAL ESTIMATED REVENUES	376,338
APPROPRIATIONS	
Debt Service & Financial Guarantee	653,343
TOTAL APPROPRIATIONS	653,343
<b>Tax Increment Finance Authority District 2</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(277,005)</b>
<b>Estimated Beginning Fund Balance</b>	<b>(2,940,516)</b>
<b>Estimated Ending Fund Balance</b>	<b>(3,217,521)</b>

<b>Tax Increment Finance Authority District 3 - 240</b>	
ESTIMATED REVENUES	
Property Taxes	1,382,989
State Grants	218,999
Contribution from Primary Government	363,075
TOTAL ESTIMATED REVENUES	1,965,063
APPROPRIATIONS	
Debt Service & Financial Guarantee	2,328,138
TOTAL APPROPRIATIONS	2,328,138
<b>Tax Increment Finance Authority District 3</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(363,075)</b>
<b>Estimated Beginning Fund Balance</b>	<b>(2,118,462)</b>
<b>Estimated Ending Fund Balance</b>	<b>(2,481,537)</b>

<b>Brownfield Redevelopment Authority - 243</b>	
ESTIMATED REVENUES	
Property Taxes	4,150
TOTAL ESTIMATED REVENUES	4,150
APPROPRIATIONS	
Community and Economic Development	5,150
TOTAL APPROPRIATIONS	5,150
<b>Brownfield Redevelopment Authority</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(1,000)</b>
<b>Estimated Beginning Fund Balance</b>	<b>231,246</b>
<b>Estimated Ending Fund Balance</b>	<b>230,246</b>

## Budget Ordinance (Continued)

<b>Senior Activities - 212</b>	
ESTIMATED REVENUES	
Property Taxes	328,456
Interest and Rents	21,466
TOTAL ESTIMATED REVENUES	366,592
APPROPRIATIONS	
Recreation and Culture	534,542
TOTAL APPROPRIATIONS	534,542
<b>Senior Activities</b>	
NET OF REVENUES/APPROPRIATIONS	(167,950)
Estimated Beginning Fund Balance	970,049
Estimated Ending Fund Balance	802,099

<b>Sanitation Fund - 226</b>	
ESTIMATED REVENUES	
Property Taxes	1,830,088
Charges for Services	2,389,361
Other Revenue	93,961
Interest and Rents	40,800
TOTAL ESTIMATED REVENUES	4,354,210
APPROPRIATIONS	
Public Works	4,354,210
TOTAL APPROPRIATIONS	4,354,210
<b>Sanitation Fund</b>	
NET OF REVENUES/APPROPRIATIONS	-
Estimated Beginning Fund Balance	7,173,026
Estimated Ending Fund Balance	7,173,026

<b>Cable Revenue - 231</b>	
ESTIMATED REVENUES	
Charges for Services	149,000
Interest and Rents	8,000
TOTAL ESTIMATED REVENUES	157,000
APPROPRIATIONS	
General Government	237,459
TOTAL APPROPRIATIONS	237,459
<b>Cable Revenue</b>	
NET OF REVENUES/APPROPRIATIONS	(80,459)
Estimated Beginning Fund Balance	1,107,283
Estimated Ending Fund Balance	1,026,824

## Budget Ordinance (Continued)

<b><u>Tax Increment Finance Authority District 2 - 239</u></b>	
ESTIMATED REVENUES	
Property Taxes	31,733
Charges for Services	67,600
Contribution from Primary Government	277,005
TOTAL ESTIMATED REVENUES	376,338
APPROPRIATIONS	
Debt Service & Financial Guarantee	653,343
TOTAL APPROPRIATIONS	653,343
<b>Tax Increment Finance Authority District 2</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(277,005)</b>
<b>Estimated Beginning Fund Balance</b>	<b>(2,940,516)</b>
<b>Estimated Ending Fund Balance</b>	<b>(3,217,521)</b>

<b><u>Tax Increment Finance Authority District 3 - 240</u></b>	
ESTIMATED REVENUES	
Property Taxes	1,382,989
Contribution from Primary Government	363,075
TOTAL ESTIMATED REVENUES	1,746,064
APPROPRIATIONS	
Debt Service & Financial Guarantee	2,328,138
TOTAL APPROPRIATIONS	2,328,138
<b>Tax Increment Finance Authority District 3</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(582,074)</b>
<b>Estimated Beginning Fund Balance</b>	<b>(2,118,462)</b>
<b>Estimated Ending Fund Balance</b>	<b>(2,700,536)</b>

<b><u>Brownfield Redevelopment Authority - 243</u></b>	
ESTIMATED REVENUES	
Property Taxes	4,150
TOTAL ESTIMATED REVENUES	4,150
APPROPRIATIONS	
Community and Economic Development	5,150
TOTAL APPROPRIATIONS	5,150
<b>Brownfield Redevelopment Authority</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(1,000)</b>
<b>Estimated Beginning Fund Balance</b>	<b>231,246</b>
<b>Estimated Ending Fund Balance</b>	<b>230,246</b>

## Budget Ordinance (Continued)

<b><u>Building Department Fund - 249</u></b>	
ESTIMATED REVENUES	
Licenses and Permits	2,545,107
Charges for Services	273,223
Interest and Rents	2,500
TOTAL ESTIMATED REVENUES	2,820,830
APPROPRIATIONS	
Public Safety	2,842,328
TOTAL APPROPRIATIONS	2,842,328
<b>Building Department Fund</b>	
NET OF REVENUES/APPROPRIATIONS	(21,498)
Estimated Beginning Fund Balance	2,064,845
Estimated Ending Fund Balance	2,043,347

<b><u>CDBG FY2012 Fund - 252</u></b>	
ESTIMATED REVENUES	
TOTAL ESTIMATED REVENUES	-
APPROPRIATIONS	
Community Development	30,335
TOTAL APPROPRIATIONS	30,335
<b>CDBG FY2012 Fund</b>	
NET OF REVENUES/APPROPRIATIONS	(30,335)
Estimated Beginning Fund Balance	30,335
Estimated Ending Fund Balance	-

<b><u>Home Buyers Assistance Fund - 263</u></b>	
ESTIMATED REVENUES	
TOTAL ESTIMATED REVENUES	-
APPROPRIATIONS	
Community Development	3,638
TOTAL APPROPRIATIONS	3,638
<b>Home Buyers Assistance Fund</b>	
NET OF REVENUES/APPROPRIATIONS	(3,638)
Estimated Beginning Fund Balance	3,638
Estimated Ending Fund Balance	-

## Budget Ordinance (Continued)

<b><u>Drug Enforcement Fund - 265</u></b>		
ESTIMATED REVENUES		
Fines and Forfeits		40,000
Interest and Rents		900
TOTAL ESTIMATED REVENUES		40,900
APPROPRIATIONS		
Public Safety		58,033
TOTAL APPROPRIATIONS		58,033
<b>Drug Enforcement Fund</b>		
NET OF REVENUES/APPROPRIATIONS		(17,133)
Estimated Beginning Fund Balance		210,406
Estimated Ending Fund Balance		193,273

<b><u>District Court - 276</u></b>		
ESTIMATED REVENUES		
Charges for Services		742,800
State Grants		182,900
Other Revenue		-
Fines and Forfeits		971,000
Interest and Rents		1,800
Transfers In and Other Uses		1,850,209
TOTAL ESTIMATED REVENUES		3,748,709
APPROPRIATIONS		
General Government		3,689,472
Transfers Out and Other Uses		59,237
TOTAL APPROPRIATIONS		3,748,709
<b>District Court</b>		
NET OF REVENUES/APPROPRIATIONS		-
Estimated Beginning Fund Balance		1,487
Estimated Ending Fund Balance		1,487

## Budget Ordinance (Continued)

<b><u>MIDC Fund - 277</u></b>		
ESTIMATED REVENUES		
State Grants		698,254
Transfers In and Other Uses		38,237
TOTAL ESTIMATED REVENUES		736,491
APPROPRIATIONS		
General Government		736,491
TOTAL APPROPRIATIONS		736,491
<b>MIDC Fund</b>		
<b>NET OF REVENUES/APPROPRIATIONS</b>		-
<b>Estimated Beginning Fund Balance</b>		-
<b>Estimated Ending Fund Balance</b>		-

<b><u>PA 48 - Telecommunications Fund - 280</u></b>		
ESTIMATED REVENUES		
State Grants		-
TOTAL ESTIMATED REVENUES		-
APPROPRIATIONS		
Transfers Out and Other Uses		7,750
TOTAL APPROPRIATIONS		7,750
<b>PA 48 - Telecommunications Fund</b>		
<b>NET OF REVENUES/APPROPRIATIONS</b>		<b>(7,750)</b>
<b>Estimated Beginning Fund Balance</b>		<b>7,750</b>
<b>Estimated Ending Fund Balance</b>		<b>-</b>

## Budget Ordinance (Continued)

<b>Capital Improvement Fund - 445</b>	
ESTIMATED REVENUES	
Property Taxes	930,657
Other Revenue	-
Interest and Rents	25,000
TOTAL ESTIMATED REVENUES	1,002,637
APPROPRIATIONS	
General Government	1,772,452
Public Safety	519,881
Public Works	-
Community and Economic Development	50,000
Parks and Recreation	100,000
TOTAL APPROPRIATIONS	2,442,333
<b>Capital Improvement Fund</b>	
NET OF REVENUES/APPROPRIATIONS	(1,439,696)
Estimated Beginning Fund Balance	2,395,482
Estimated Ending Fund Balance	955,786

<b>Parking Fund - 585</b>	
ESTIMATED REVENUES	
Property Taxes	(500)
State Grants	163,020
Transfers in from other funds	381,803
Interest and Rents	26,000
TOTAL ESTIMATED REVENUES	570,323
APPROPRIATIONS	
Public Works	197,726
Recreation and Culture	8,212,639
TOTAL APPROPRIATIONS	8,410,365
<b>Parking Fund</b>	
NET OF REVENUES/APPROPRIATIONS	(7,840,042)
Estimated Beginning Net Position	19,630,488
Estimated Ending Net Position	11,790,446



## Budget Ordinance (Continued)

<b><u>Insurance Fund - 659</u></b>		
ESTIMATED REVENUES		
Charges for Services		6,394,809
Other Revenues		736,414
TOTAL ESTIMATED REVENUES		7,131,223
APPROPRIATIONS		
General Government		-
Other Functions		7,601,136
TOTAL APPROPRIATIONS		7,601,136
<b>Insurance Fund</b>		
NET OF REVENUES/APPROPRIATIONS		<b>(469,913)</b>
Estimated Beginning Fund Balance		<b>2,157,833</b>
Estimated Ending Fund Balance		<b>1,687,920</b>

<b><u>Workers' Compensation Fund - 677</u></b>		
ESTIMATED REVENUES		
Charges for Services		358,919
Interest and Rents		15,000
TOTAL ESTIMATED REVENUES		373,919
APPROPRIATIONS		
Other Functions		658,919
TOTAL APPROPRIATIONS		658,919
<b>Workers' Compensation Fund</b>		
NET OF REVENUES/APPROPRIATIONS		<b>(285,000)</b>
Estimated Beginning Fund Balance		<b>924,936</b>
Estimated Ending Fund Balance		<b>639,936</b>

# City of Pontiac Fees for FY 2020/2021

## General/Administration

### City Clerk

#### Notary Service:

City Residence	\$5.00	Per Page
Non-city residence	\$10.00	Per page

#### Code of Ordinances:

Per book	\$250.00
Per supplement service copy of voter files	\$75.00

#### Copy of Voter files:

Per disk email option available	\$35.00
Per name (list)	\$0.02
Per name (list) Xerox copies	\$0.04
Per page	\$1.00

### Human Resources

Copies of files	\$0.13	Per page
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### Income Tax

NSF	\$35.00	Per item
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## Planning Department

### General

Land division	\$600.00
Land platting	\$900.00
Lot split	\$750.00
Lot combination (1st lot combined)	\$100.00
Each additional lot combined	\$50.00
Regulated Use Waiver (1st acre or less)	\$1,000.00
Each additional acre or fraction thereof	\$100.00
Right of Way/Alley Vacation	\$1,500.00
Special Planning Commission meeting	\$2,000.00
Comprehensive Plan - Book w/Map	\$50.00
Map only (color)	\$5.00
Zoning Ordinance Book w/ Map	\$35.00
Map only (colored map w/cd)	\$5.00
Landlord Eviction/Dumping Fee	\$1,000.00

### Planning Commission

Multiple family dwelling preliminary site plan review	\$500.00
Each additional acre or fraction thereof	\$25.00
Multiple family dwelling final site plan review	\$990.00
Each additional unit	\$100.00
(Max fee \$10,000.00)	
Non-residential preliminary site plan review	\$500.00
Each additional acre or fraction thereof	\$25.00
Non-residential final site plan review	\$990.00
Each additional 1,000 Sq. Ft.	\$100.00
(Max fee \$10,000.00)	
Parking lot or change of use (1 acre or less)	\$600.00
Each additional acre or fraction thereof	\$50.00
Planned unit development	\$1,000.00

## Planning Department (Continued)

### Administrative Review Fees

Zoning compliance permit	\$150.00
Parking lot change of use (1 acre or less)	\$500.00
Each additional acre or fraction thereof	\$50.00
Special exception permit (1 acre or less)	\$1,000.00
Each additional acre or fraction thereof	\$100.00
Zoning map amendment (1 acre or less)	\$1,350.00
Each additional acre or fraction thereof	\$100.00
Waiver from Woodlands Ordinance	\$750.00
Sign review	\$150.00
Wireless communication facility administrative review	\$1,000.00

### Zoning Board of Appeals

Residential (1 & 2 family)	\$300.00
For each additional variance on the same petition	\$100.00
Multiple family and non-residential variance	\$950.00
For each additional variance on the same petition	\$100.00
Use variance (1 acre or less)	\$1,000.00
Each additional acre or fraction thereof	\$100.00
Signage variance	\$750.00

### Historic District Commission

Commission review	\$200.00
Special meeting	\$2,000.00

### Building Permits

Building	\$75.00 Minimum fee
Estimated Cost of Construction:	
\$200.00 to \$1,000.00	\$75.00
\$1,001.00 to \$500,000.00	\$75.00
	Plus \$20.00 per \$1,000.00 of cost or fraction thereof over \$1,001.00
\$500,001.00 to \$1,500,000.00	\$10,055.00
	Plus \$15.00 per \$1,000.00 of cost or fraction thereof over \$500,001.00
If more than \$1,500,000.00	\$25,040.00
	Plus \$10.00 per \$1,000.00 of cost or fraction thereof over \$1,500,001.00 with no upper limit
Special Inspections:	
Inspections, for determining code compliance	\$50.00
Re-inspection of work not ready and re-inspection of a violation that has not been complied with by the expiration notice	\$50.00
Overtime Inspections -	
Fee for inspection outside or regular business hours shall be at 1.5 times the hourly rate of the personnel involved, with minimum charge to three hours	

# City of Pontiac Fees for FY 2020/2021 (Continued)

<u>Building Permits (Continued)</u>		<u>Construction BOA</u>	
Administration	\$200.00	Filing Fee	\$500.00
The inspection fee for work initiated before permit has been issued		NSF	\$35.00
		<u>Electrical Permits</u>	
Plan review:		Application Fee	\$35.00
\$0 to \$1,000,000	0.0015 of valuation minus \$100.00 minimum	New Home	\$205.00
\$1,000,000 to \$5,000,000	\$1,500.00 plus .0005 of evaluation over \$500,000	Substandard Property/Complete Renovation	\$205.00
\$5,000,000 to \$ and up	\$3,500.00 plus .0004 of evaluation over \$5,000,000	Minimum Fee	\$75.00
<b>Plan review of electrical, mechanical and plumbing is 25% of the building plan review fee for each discipline. Minimum plan review fee \$175.00</b>		Permanent Service for One Phase:	
		100 Ampere or Less	\$37.00
		101 to 200 Ampere	\$40.00
		210 to 400 Ampere	\$47.00
		Over 400 Ampere	\$50.00
		Permanent Service for Three Phase:	
		100 Ampere or Less	\$42.00
		101 to 200 Ampere	\$47.00
		201 to 400 Ampere	\$52.00
		Over 400 Ampere	\$55.00
Application Fee	\$35.00	Additional Service -	
Special Building Fees:		Each Additional Sub-Service	\$30.00
Permit Extension Fee	\$50.00	Stand by Power & Generator (One Phase):	
Contractor Registration	\$35.00	100 Ampere or Less	\$37.00
Certificate of Occupancy	\$200.00	101 to 200 Ampere	\$40.00
NSF	\$35.00	201 to 400 Ampere	\$47.00
<u>Demolition Permit</u>		Over 400 Ampere	\$50.00
First 1000 sq. ft.	\$250.00	Automatic Transfer Switch	\$35.00
Each additional 500 sq. ft.	\$50.00	Manual Transfer Switch	\$30.00
NSF	\$35.00	Stand by Power & Generator (Three Phase):	
<u>Property Maintenance</u>		100 Ampere or Less	\$42.00
Property Maintenance Inspection	\$200.00	101 to 200 Ampere	\$47.00
NSF	\$35.00	201 to 400 Ampere	\$52.00
<u>Team Inspection</u>		Over 400 Ampere	\$55.00
Per Inspector	\$50.00	Automatic Transfer Switch	\$40.00
Re-Inspection	\$50.00	Manual Transfer Switch	\$35.00
NSF	\$35.00	Stand by Power & Generator (Temporary):	
<u>Hearing Officer</u>		60 Ampere Switch	\$20.00
Special Hearing	\$900.00	100 Ampere Switch	\$21.00
NSF	\$35.00	200 Ampere Switch	\$22.00
<u>Board of Appeals</u>		400 Ampere Switch	\$23.00
Special Hearing	\$900.00	600 Ampere Switch	\$24.00
NSF	\$35.00	800 Ampere Switch	\$25.00
		Electrical Furnaces & Heating Units -	
		1 - 10 Units in Addition to Circuit Fee	\$25.00
		Welders and Generators -	
		Each in Additions of Circuit Fee	\$25.00
		Feeders & Sub-Feeders -	
		Up to 50 Feet	\$25.00
		Each additional 50 feet or fraction thereof	\$25.00

# City of Pontiac Fees for FY 2020/2021 (Continued)

<u>Electrical Permits (Continued)</u>		<u>Mechanical Permits (Continued)</u>	
Transformers:		Each Additional Unit Over 10 at Same Occupancy	
1 KVA Through 100 KVA	\$32.00		\$30.00
101 KVA Through 200 KVA	\$37.00	Over 200,000 to 400,000 BTU Per Hour - Each Unit	
201 KVA Through 400 KVA	\$40.00		\$47.00
Over 400 KVA	\$47.00	Water Heater, Chimney Liner, Fireplace, Fire Dampers	
Motors:			\$32.00
First 1/4 HP up to 10 HP (Up to 7450W)	\$25.00	Gas Piping System Permit:	
First 11 HP up to 20 HP (Up to 14920W)	\$26.00	1 Gas Pressure & Piping Test	
First 21 HP up to 30 HP (Up to 22380W)	\$27.00		\$64.00
First 31 HP up to 40 HP (Up to 29840W)	\$28.00	Each System (Furnace, Water Heater, Dryer, Range, etc.)	
First 41 HP up to 50 HP (Up to 37300W)	\$29.00		\$32.00
First 51 HP and Up	\$40.00	Space Heating/Cooling Distribution System Ductwork:	
Each Additional Unit	\$42.00	Up to 100,000 BTU Fuel Input Per Hour	
Mobile Home Electrical Hook-Up - Per Unit			\$32.00
	\$75.00	Over 100,000 to 200,000 BTU Fuel Input Per Hour	
Sign Installation & Inspection Before Installation:			\$50.00
One Sign	\$75.00	Over 200,000 to 400,000 BTU Fuel Input Per Hour	
Each Additional Sign at Same Location	\$25.00		\$60.00
Fixtures (Smoke Detectors, Power Outlets, Light Fixtures):		Over 400,000 to 2,000,000 BTU Fuel Input Per Hour	
Installation of 1 to 10 Fixtures	\$20.00		\$75.00
Each Additional 10 Fixtures or Fraction Thereof	\$15.00	Over 2,000,000 to 5,000,000 BTU Fuel Input Per Hour	
Lighting Pole & Base Installation	\$25.00		\$80.00
Battery Operated Light/Line Voltage - First 10	\$20.00	Comfort Cooling Equipment & Systems:	
Each Additional 10 Fixtures or Fraction Thereof	\$15.00	Up to 60,000 BTU (5 Tons) or less (Self Contained Units or Systems):	
Exit Light (Each)	\$15.00		First 10 Units at Same Location/Each Unit
Each Circuit	\$15.00		Additional Units Over 10 at Same Location/Each Unit
General Repair Permit	\$75.00		\$50.00
Special Electrical Fees:			\$32.00
Inspection To Determine Code Compliance	\$50.00	60,000 BTU (5 Tons) to 120,000 BTU (10 Tons)/Each Unit	
Re-Inspection Fee of work not ready, or for a violation not complied with by expiration date of Violation Notice	\$50.00		\$57.00
Fee for Inspection out of Regular Hours at 1.5 times Rate of inspector, with 3 hour minimum charge. (Per Hour)	\$50.00	120,000 BTU (10 Tons) to 600,000 BTU (50 Tons)/Each Unit	
Permit Extension Fee	\$50.00		\$67.00
Contractor Registration	\$35.00	600,000 BTU (50 Tons) to 1,500,000 BTU (125 Tons)/Each Unit	
Work Done Without Permit Penalty NSF	\$200.00		\$100.00
	\$35.00	Alterations to Each System	
<u>Mechanical Permits</u>			\$30.00
Application Fee	\$35.00	Commercial Clothes Dryer for Installation or Replacement:	
New Home	\$205.00	1st 5 Units Commercial Clothing Dryer	
Substandard Property/Complete Renovation	\$205.00		\$30.00
Minimum Fee	\$75.00	Each Additional Commercial Clothes Dryer @ Same Location	
Heating Equipment - New or Replacement:			\$21.00
Over 40,000 to 100,000 BTU Per Hour:		Liquefied Petroleum Gas System & Storage:	
First 10 Units at Each Occupancy - Each Unit	\$40.00	Over 500 Gallons to 1,200 Gallons	
			\$42.00
		Over 1,200 Gallons	
			\$47.00
		Fire Suppression Systems:	
		Inspection of Sprinkler Heads - First 10	
			\$50.00
		Each Additional Heads Over 10	
			\$5.00
		Commercial Hood System:	
		Each New or Modified System	
			\$164.00
		Duct Systems - Installation, Alteration or Additions:	
		Up to 1,000 Cubic Feet Per Minutes of Air	
			\$27.00
		Over 1,000 CFM to 2,000 CFM	
			\$32.00
		Over 2,000 CFM to 4,000 CFM	
			\$37.00
		Over 4,000 CFM to 20,000 CFM	
			\$42.00
		Over 20,000 CFM to 50,000 CFM	
			\$47.00

## City of Pontiac Fees for FY 2020/2021 (Continued)

<u>Mechanical Permits (Continued)</u>		<u>Plumbing Permits</u>	
Refrigeration System for Other Than Comfort Cooling - Self-Contained System/Compressor, Activated by Motors or Engines:		Application Fee	\$35.00
Up to 5 HP	\$30.00	New Home	\$205.00
5 HP to 10 HP	\$39.00	Substandard Property/Complete Renovation	\$205.00
10 HP to 50 HP	\$49.00	Minimum Fee	\$75.00
50 HP to 1255 HP	\$59.00	Stacks (New Alteration) (Soil, Waste, Vent, Inside Connection)	\$17.00
Installation Permit - Tank (Fuel Oil or Other):		Sump & Interceptors, Dishwashers, Tubs, Catch Basins, Automatic Washers, Drinking Fountains, Floor Drains, Food Disposals, Grinders, Hose Connections, Humidifiers, Laundry Trays, Lavatories, Pumps Toilets, Sinks, Soda Fountain or Br, Urinals & Shower Traps (Each)	\$16.00
Above Ground, Not Exceeding 550 Gallons	\$24.00	Water Heater	\$20.00
Below Ground, Not Exceeding 550 Gallons	\$31.00	Backflow Preventer	\$5.00
Over 550 Gallons to 5,000 Gallons	\$42.00	Medical Gas System	\$45.00
Over 5,000 Gallons to 20,000 Gallons	\$47.00	Water Service:	
Over 20,000 Gallons to 50,000 Gallons	\$57.00	Water Svs/Dist 1/2"	\$40.00
Over 50,000 Gallons to 200,000 Gallons	\$70.00	Water Svs/Dist 3/4"	\$40.00
Over 200,000 Gallons	\$95.00	Water Svs/Dist 1"	\$45.00
Alterations to existing Burner or Furnace	\$40.00	Water Svs/Dist 2"	\$50.00
Air/Exhaust Vents	\$25.00	Water Svs/Dist 3"	\$60.00
Each Additional Vent	\$10.00	Water Svs/Dist 4"	\$70.00
Air Handling Equipment or Systems:		Water Svs/Dist Over 4"	\$80.00
Blower, fans and electronic air cleaner, new installation:		Water Distribution:	
Up to 4,000 CFM	\$25.00	1st 100 Feet	\$80.00
Over 4,000 CFM to 50,000 CFM	\$40.00	Each Additional Foot	\$0.10
Heat Recovery Unit/Radiator	\$10.00	Building Sewer - Size:	
Mobile Home Mechanical Hook-Up:		Building Sewer & Drain 4"	\$45.00
Per Unit	\$75.00	Building Sewer & Drain 10"	\$50.00
Boiler 200,000 BTU	\$100.00	Building Sewer & Drain 12"	\$55.00
Piping:		Building Sewer & Drain 14"	\$60.00
Medical Gas, Process Piping, Hydronic Piping,		Building Sewer & Drain 16"	\$70.00
Refrigeration Piping Each System	\$32.00	Building Sewer & Drain 18"	\$75.00
Pressure Test for Each System	\$32.00	Storm Sewer:	
Fuel gas, Process, Hydronic, Refrigeration,		Storm & Sanitary 1st 200 Feet	\$80.00
Commercial Air Conditioning	\$0.05 Processed Piping Per Foot	Storm & Sanitary Additional 100 Feet	\$35.00
Special Mechanical Fees:		Building Sewer to Drain Connection - Building Drain - Underground Building Drains/Storm not Over 6"	\$45.00
Inspection To Determine Code Compliance	\$50.00	Storm Drain -	
Re-Inspection Fee of work not ready, or for a violation not complied with by expiration date of Violation Notice	\$50.00	Manholes and Catch Basins	\$16.00
Fee for Inspection out of Regular Hours at 1.5 times Rate of inspector, with 3 hour minimum charge.	\$50.00 Per Hour	Plumbing for Mobile Home Hook-Up - Per Unit	\$75.00
Permit Extension Fee	\$50.00	Special Plumbing Fees:	
Work Done Without Permit Penalty	\$200.00	Inspection to Determine Code Compliance	\$50.00
Plan Review Fee	\$175.00	Re-Inspection Fee of work not ready, or for a violation not complied with by expiration date of Violation Notice	\$50.00
Mechanical Contractor Registration	\$15.00		
Mechanical Board of Appeals	\$900.00		
NSF	\$35.00		

# City of Pontiac Fees for FY 2020/2021 (Continued)

## Plumbing Permits (Continued)

Fee for Inspection out of Regular Hours at 1.5 times Rate of inspector, with 3 hour minimum charge. (Per Hour)	\$50.00
Permit Extension Fee	\$50.00
Contractor Registration	\$15.00
Work Done Without Permit Penalty	\$200.00
NSF	\$35.00

## Fire Permit Electrical

Application Fee	\$35.00
Minimum Fee	\$75.00
Circuits for Fire System:	
Each Signaling Device	\$11.00
Each Control Circuit	\$15.00
Each Remote Sensor	\$11.00
Each Main Control Station	\$17.00
Each Speaker & Microphone	\$11.00
Each Amplifier	\$11.00
Each Main Control Center	\$15.00
Each Door or Window Sensor	\$11.00
Each Vibration Sensor	\$11.00
Each Key Station or Remote Station	\$9.00
Each Panic Button	\$11.00
Each Automatic Dialer	\$10.00
Each Pressure Sensor	\$11.00
Each Alarm (Horn, Bell, Etc.)	\$11.00
Each Auxiliary Power Supply	\$10.00
Each Control Panel	\$15.00
Each Pull Station	\$11.00
Each Fire Head and/or Smoke Sensor	\$11.00
Each Telephone Station	\$11.00
Each Doorway Exit Unlocking System	\$9.00
Each Data Gathering, Reporting, Sub Panel	\$15.00
Each Fan, Elevator Interlocked to System	\$14.00
Special Mechanical Fees:	
Inspection To Determine Code Compliance	\$50.00
Re-Inspection Fee of work not ready, or for a violation not complied with by expiration date of Violation Notice	\$50.00
Fee for Inspection out of Regular Hours at 1.5 times Rate of inspector, with 3 hour minimum charge. (Per Hour)	\$50.00
Permit Extension Fee	\$50.00
Contractor Registration	\$35.00
Work Done Without Permit Penalty	\$200.00
NSF	\$35.00

## Sign Permit

Application Fee (Non-Refundable)	\$150.00
NSF	\$35.00

## Business License

Business Certificate Fee Schedule:	
New License (Requires Team Inspection)	\$160.00
Renew License	\$160.00
Special Event License	\$1,200.00
Non-participating vendor fee	\$1,000.00
Niche Business:	
Arcade and Vending Machines (Per Machine)	\$25.00
Massage Parlor	\$500.00
Newspaper Delivery Receptacle	\$1.00
Sidewalk Café	\$100.00
Taxicab (Per Bond plate)	\$50.00
Taxicab Business	\$100.00
Taxicab Driver	\$100.00
Public Assembly -	
Amusement Gallery, Dance Hall, Theatre	\$175.00
Transient Housing:	
Hotel/Motel (Per Room - Every Three Years)	\$25.00
Transient Housing (Per Room - Every Three Years)	\$210.00
Non-Profit Organizations -	
Club, Service Organization, Hospitals	\$20.00
Temporary Permit:	
Christmas Tree Sales	\$100.00
Circus or Carnival (Per Week)	\$350.00
Daily Business License (1 Day)	\$150.00
Daily Business License (Each Additional Day)	\$100.00
Fireworks display	\$100.00
Sound (Public Address) (Per three Days)	\$100.00
Sound (Vehicle)	\$100.00
Transient Trader	\$10.00
Going out of Business Sale	\$50.00
Peaceful Assembly	\$75.00
Sound Permit	\$100.00
Businesses Requiring Bonds:	
Auctioneer	\$2,500.00
Auctions (Two times the value of auction items)	\$1,000.00 - \$5,000.00
Christmas Tree Sales	\$1,000.00
Circus or Carnival	\$1,000.00
Dry Cleaners	\$1,000.00
Frozen Confectioners (Ice Cream Truck)	\$2,000.00
Junk Dealer	\$1,000.00
Junk Gatherer	\$200.00
Second Hand Dealer	\$2,500.00
Newspaper Deliver Receptacle	\$5,000.00
Sidewalk Café	\$300.00

## Rental Registration

Rental Registration (Per Building)	\$300.00
Rental Inspection (Per unit)	\$100.00
Rental Inspection for units 2 - 10, 12 - 20, 22 - 30, etc. (Per unit)	\$25.00

## City of Pontiac Fees for FY 2020/2021 (Continued)

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### Rental Registration (Continued)

Change of Rental Manager	\$150.00
Re-inspection Fee	\$50.00
Annual Tenant Verification Fee	\$10.00
Rental Complaint When Certified Fee	\$75.00
NSF	\$35.00

### Ordinance Enforcement

Blight Court Administration Fee	\$200.00
Grass Cutting Administration Fee	\$100.00
Place Property Charges on Tax bill Fee	\$50.00

### DPW

Sanitation - R-O-W Abatements	\$58.70
Senior Centers:	
Deposits	\$100.00 Refundable
Rental Fees:	
Repast Dinner Weekdays	\$32.00
Repast Dinner Weekends – Minimum of 4 hours	\$25.00
Events	\$100.00
	Weekdays – No minimum hours
	Weekends – Minimum of 4 hours
Parks:	
Deposits	\$100.00 Refundable
Rental Fees	\$35.00 Parks with pavilion
Porta Johns	\$90.00 Per Event
Comfort Station	\$50.00 Beaudette Park Only

### Zoning Board of Appeals

Board of Appeals:	
Application Fee	\$500.00
Special Hearing	

### Special Event Permit

Non-refundable Administrative Review Fee	\$500.00
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### Economic Development (Non-Refundable)

Commercial Rehabilitation Act (PA 210 of 2005)	\$1,500.00
Plant Rehabilitation & Industrial Development Act (PA 198 of 1974)	\$1,500.00
Obsolete Property Rehabilitation Act (OPRA) (PA 146 of 2000)	\$1,500.00
Payment in Lieu of Tax (PILOT), State Housing Development Authority Act (PA 346 of 1966)	\$1,500.00
Brownfield Tax Increment Financing (TIF) Brownfield Redevelopment Financing Act (PA 381 of 1996)	\$1,500.00

# Glossary of Budget and Finance Terms

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The annual budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the annual budget document in understanding these terms, this budget glossary has been included in the document.

**Abate:** To suppress or end a nuisance (such as weed abatement).

**Accrual Basis of Accounting:** A method of accounting that recognizes the financial effect of transactions, events, and interfund activities when they occur, regardless of the timing of related cash flows.

**ACT 51:** The common reference to the State Gas & Weight Tax Act. “Act 51 Revenues” then generally means those revenues distributed to Cities and other local governments from the State’s Gas & Weight related taxes/fees.

**Activity Budget(s):** Cost centers or specific and commonly recognized service functions within a fund or department to which specific expenses are to be allocated.

**Ad Valorem:** Imposed at a rate percent of the value as stated.

**Annual Appropriation Ordinance:** The final City operating budget as approved by the City Council. It reflects the City’s operating budget at the beginning of the fiscal year on July 1st.

**Appropriation:** An expenditure authorization made by the City Council, which permits charges against specified funding sources. Appropriations are usually made for fixed amounts and are typically approved for the entire fiscal year unless otherwise amended by the City Council.

**Approved/ Adopted Budget:** The City’s budget and expenditure authority as adopted by the City Council in a vote conducted after a City Charter-required public hearing to collect public input on the Proposed Budget.

**Assessed Valuation:** The estimated value placed upon real and personal property by the City Assessor. Assessed value is required to be at 50% of true cash value.

**Assets:** Property owned by the City, which has monetary value.

**Audit:** A systematic examination of resource utilization concluding in a written report. It is a test of management’s internal controls and is intended to: Ascertain whether financial statements fairly present financial positions and results of operations; test whether transactions have been legally performed; identify areas for possible improvements in accounting practices and procedures; ascertain whether transactions have been recorded accurately and consistently; ascertain the stewardship of officials responsible for governmental resources.

**Balanced Budget:** The budgeted revenues (including available unreserved Fund Balance) are equal or more than the budgeted expenditures.

**Base Budget:** The budget predicated on maintaining the existing level of service.

**Bond (Debt Instrument):** A written promise to pay (debt) a specified sum of money (called principal or face value) at a specified future date (called the maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are typically used for long-term debt to pay for specific capital improvements.



## Glossary of Budget and Finance Terms (Continued)

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**Brownfield Redevelopment Authority:** A Brownfield Redevelopment Authority is created by a municipality with the intent to capture property tax revenues on specific parcels for the sole purpose of reimbursing developers for costs incurred for redeveloping brownfields in the City. These funds are supervised by the Brownfield Redevelopment Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 381 of 1996.

**Budget Amendment:** Adjustments made to the budget or approved expenditure authority during the fiscal year by the City Council to properly account for unanticipated changes, which occur either in revenues or expenditures or for programs or policy objectives initially approved for the fiscal year. The State Budgeting Act requires amendments within each activity level budget, where needed to maintain expenditures.

**Budget (Operating):** A plan of financial operations embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure ceiling under which the City and its departments operate.

**Budget Calendar:** The schedule of key dates or milestones that the City follows in the preparation and adoption of the budget.

**Budget Ordinance:** An ordinance adopting and approving a budget for the fiscal year beginning July 1st.

**Budgetary Control:** The level at which expenditures cannot legally exceed the appropriated amounts.

**Budgeted Funds:** Funds that are planned for certain uses. The budget document that is submitted for Council approval is composed of budgeted funds.

**Budget Message (Mayor's):** Initially, a general discussion of the proposed budget document presented in writing as a supplement to the budget document. The budget message explains principle budget issues against the background of financial experience in recent years and presents recommendations made by the Mayor.

**Capital Expenditures:** The expenditures for the acquisition of capital assets; whether major assets with long-term useful life spans or shorter-term operational capital needs such as office equipment, small tools & machinery. The expenditures are financed by either capital debt or cash-pay-as-you-go.

**Cash Management:** The management of cash necessary to pay for government services while investing temporarily idle cash in order to earn interest. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds safely in order to achieve the highest interest on temporary cash balances.

**Census:** The official process of counting the number of people in a country, city, or town and collecting demographic information.

**CIP:** Abbreviation for Capital Improvement Program.

**Contingency:** An estimated amount of funds needed for deficiency or emergency purposes. An annual appropriation to cover short falls in revenue and/or underestimation of expenditures. Under Michigan law, to be used contingencies must be moved to a more distinctive appropriation by a budget amendment.

## Glossary of Budget and Finance Terms (Continued)

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**Contractual Services:** Items of expenditure from services that the City receives from an outside company. HVAC, maintenance, custodial services, Building, Mechanical, and Plumbing Inspectors are examples of contractual services.

**CPI:** Abbreviation for Consumer Price Index.

**Current Taxes:** Taxes that are levied and due within one year.

**Debt Service:** The City's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

**Department:** A major activity of the City, which indicates overall management responsibility for an operation of a group of related operations within a functional area.

**Depreciation:** That portion of the cost of a capital asset, used during the year to provide service.

**DPW:** Abbreviation for Department of Public Works.

**Enterprise Fund:** A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business. The rate schedules for these services are established to ensure that revenues are adequate to meet all necessary expenses. Enterprise funds are established for services such as water and sewer utilities.

**Estimated Revenue:** The amount of projected revenue to be collected during the fiscal year.

**Expenditure:** The cost of goods delivered and services rendered, whether paid or unpaid.

**Fund:** An independent fiscal and accounting entity with a self-balancing set of accounts for the purpose of carrying on specific activities or attaining certain objectives.

**Fund Balance:** Fund balance is the difference between assets and liabilities in a governmental fund. Fund balance is further defined into the below separate categories:

- ❖ Nonspendable fund balance—amounts that are not in a spendable form (such as inventory and prepaids; or noncurrent receivables) or are legally or contractually required to be maintained intact (such as the corpus of a permanent fund)
- ❖ Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. You'll note that this definition is the same as restricted net assets. There could still be differences between restricted fund balance and restricted net assets (because of modified accrual v. full accrual), but the concepts are the same.
- ❖ Committed fund balance—amounts constrained to specific purposes by formal action of the governing body (or the highest level of decision-making authority). To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. The constraint should not be indirect or implied - it should be explicit and specific written action (implied constraints would fall to the next category, assigned). In contrast with restricted amounts, commitments are not legally enforceable and can be lifted by the government itself.

## Glossary of Budget and Finance Terms (Continued)

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- ❖ **Assigned fund balance**—an amount a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. You'll notice that assigned fund balance is very similar to committed fund balance; however, assigned fund balance expresses an intent that is somewhat less restrictive than committed fund balance because: It generally shows intent to use resources in a particular way rather than a requirement to do so; the governing body's action to create the assignment can be more indirect or implied - it does not require a clear, written action. (for instance, it could be the creation of a budget where that action implies that the governing body intends to use those resources in a certain way) The governing body may formally delegate this authority to an individual or group
- ❖ **Unassigned fund balance**—amounts that are available for any purpose (basically anything that doesn't fall into one of the other four categories above). Unassigned fund balance will only be reported in the general fund (although there is an exception with negative unassigned fund balance that can be reported in other funds).

**Full-time Equivalent:** Is a unit that indicates the workload of an employed person in a way that makes workloads or class loads comparable across various contexts. FTE is often used to measure a worker's or student's involvement in a project, or to track cost reductions in an organization.

**GAAP:** Abbreviation for Generally Accepted Accounting Principles.

**GASB:** Abbreviation for Governmental Accounting Standards Board. The GASB provides direction in accounting and reporting requirements for units of government.

**General Fund:** The largest fund within the City, the General Fund accounts for most of the financial resources of the government that may be used for any lawful purpose. General Fund revenues include property taxes, licenses and permits, service charges, and other types of revenue. This fund usually includes most of the basic operating services, such as police protection, finance, public services and general administration.

**General Obligation Bonds:** When the City pledges its full faith and credit to the repayment of the bonds it issues, those bonds are General Obligation (G.O) bonds.

**GFOA:** Abbreviation for Government Finance Officers Association.

**Governmental Fund:** A fund used to account for most of a government's activities, including those that are tax supported. The City maintains the following types of governmental funds: a general fund, special revenue funds, and capital improvement fund.

**Headlee Amendment:** The Headlee Amendment places an upper limit on the total amount of operating property taxes a city can collect in the fiscal year. This constitutional amendment limits the growth in taxable value attributed to market adjustment (excluding new construction) to the growth in the consumer price index (CPI). If this situation occurs, the operating millages, which are applied to the taxable value, must be reduced to compensate for any increase in excess of the CPI.

**Headlee Override:** A Headlee override is a vote by the electors to return the millage to the amount originally authorized via charter, state statute, or a vote of the people, and is necessary to counteract the effects of the Headlee Rollback.

## Glossary of Budget and Finance Terms (Continued)

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**Immediate Funds:** Liquid Funds available during the timeframe in which fund balance or working capital is needed to pay demands or claims before the major or significant revenue sources will be received for each respective Fund, as determined by management.

**Industrial Facilities Tax (IFT):** Special tax roll provided for under Act 198. This Act allows the City to levy one half the total Millage on the value of new or expanded facilities up to 12 years.

**Investment:** Securities purchased and held for the production of income in the form of interest.

**Internal Service Funds:** Funds used to finance and account for services furnished by a designated department to another department within a single governmental unit. Included in this category is the Insurance Fund and Worker's Compensation Fund.

**LDFA:** Abbreviation for Local Development Finance Authority.

**Legacy Costs:** Costs incurred by the City in prior years under different leadership. These costs consist primarily of obligations to pay health care costs for retirees.

**Liabilities:** Debt or other legal obligations arising out of transactions in the past, which must be liquidated, renewed or refunded at some future date. The term does not include encumbrances.

**Liquid Funds:** Funds that can be converted to cash within 30 days.

**Long Term Debt:** Debt with a maturity of more than one year.

**Major Fund:** A fund whose revenues, expenditures, assets or liabilities are at least ten percent of the total of their fund category (governmental or proprietary) and five percent of the aggregate of all governmental and proprietary funds in total.

**Maturities:** The date on which the principal or stated values of investments or debt obligation mature and may be reclaimed.

**Mill:** A mathematical taxation unit equal to one dollar of tax obligation for every \$1,000 of taxable valuation property.

**Millage:** A rate (as of taxation) expressed in mills per dollar.

**Modified Accrual Basis of Accounting:** Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt and certain similar obligations, which should be recognized when due.

**Net Assets:** Total assets minus total liabilities.

**Net Debt:** All City Debt net of special assessment, transportation fund and revenue bond debt.

**Net Position:** The difference between (1) assets and deferred outflow of resources, and (2) liabilities and deferred inflows of resources.

## Glossary of Budget and Finance Terms (Continued)

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**Non-Major Fund:** A fund whose revenues, expenditures, assets or liabilities are at less than ten percent of the total of their fund category (governmental or proprietary) and less than five percent of the aggregate of all governmental and proprietary funds in total.

**Operating Deficit:** An excess of expenditures over revenue for a certain time period such as one fiscal year. The City's fiscal year runs from July 1<sup>st</sup> - June 30<sup>th</sup> each year.

**Ordinance:** A law or rule made by an authority such as a city government.

**Other Post-Employment Benefits (OPEB):** Abbreviation for other post-employment benefits. Other post-employment benefits are healthcare benefits paid to retirees by the City.

**Per Capita basis:** Per unit of population.

**Property Tax Chargeback:** The amount of uncollected property taxes invoiced by the County Treasurer to the City for uncollected real property taxes at least two years delinquent.

**Property Tax Rate:** The percentage of the value of a property to be paid as a tax. It is also known as a millage rate or mill (which is also one-thousandth of a currency unit). To calculate the property tax, the City will multiply the taxable value of the property by the mill rate and then divide by 1,000. For example, a property with a taxable value of \$50,000 located in a City with a mill rate of 20 mills would have a property tax bill of \$1,000 per year.

**Proprietary Fund:** A business-like fund of a state or local government such as enterprise or internal service funds. Enterprise funds provide goods or services to the general public for a fee. The City's only enterprise fund is the parking fund.

**Revenue:** An addition to the assets of a fund, which does not increase a liability, does not represent the recovery of an expenditure, does not represent the cancellation of a liability without a corresponding increase in any other liability or a decrease in assets, and does not represent a contribution of fund capital in an enterprise.

**Revenue Shortfall:** Projected revenues are less than expected.

**Special Assessment Fund:** Special Assessment Funds are used to account for the construction and financing of public improvements benefiting a limited number of properties. Assessments are repaid over a number of years with interest.

**Special Revenue Funds:** A type of governmental fund that is used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.

**State Equalized Value (SEV):** The assessed valuation of property in the City as determined by the City Assessor and then reviewed and adjusted, if necessary by the City's Board of Review and the State Tax Commission to assure that it equals 50% of the market value as required by State Law.

**Structural Deficit:** An underlying imbalance in government revenues and expenditures. When this situation exist, operating revenues do not support the cost of operations without one-time revenue sources and results in the current revenue structure (e.g., taxes, fees, and other sources), not being sufficient to maintain services at the current level.

## Glossary of Budget and Finance Terms (Continued)

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**Structurally Balanced Budget:** A budget that is sustainable for multiple years into the future.

**Surplus Funds:** Liquid or Non-Liquid Funds not immediately needed to pay demands against vendors and other claimants as determined by management.

**Tax Base:** The total value of taxable property in the City.

**Taxable Value:** This is a value used as a base for levying property taxes. It was established by a state constitutional amendment. Taxable value limits increases in value attributed to market adjustment. The increase is limited to the lesser of the actual increase, the rate of inflation as established by the consumer price index, or 5%. When property changes ownership, the value returns to 50% of true cash value.

**Tax Increment Finance Authority (TIFA):** TIFA is an abbreviation for tax increment finance authority. A tax increment finance authority is created by a municipality with the intention of capturing property tax revenues on specific parcels for the sole purpose of supporting a specific development plan. These funds are supervised by the Tax Increment Finance Authority, which is considered a component unit of the City in the City's financial statements. Applicable legislation: Public Act 450 of 1980

**Transfers- IN/OUT:** A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement.

**Transition Advisory Board:** A four-member board appointed by the governor under Public Act 436 of 2012 that is charged with monitoring the activities and decisions of the City; also referred to as the TAB.

**Trust and Agency Fund:** Trust and Agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments, or other funds.