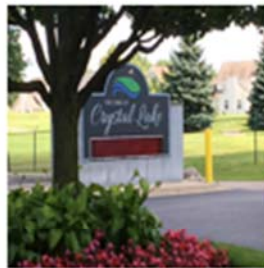




# City of Pontiac



## And Still, We Rise

### Adopted Budget Plan

Fiscal Years 2019-2021

# City of Pontiac

## Adopted Budgets FY2019-2021



### *Mayor*

Deirdre Waterman

### *City Council*



Kermit Williams – District 7  
Randy Carter – District 4  
Patrice Waterman – District 1  
Don Woodward – District 2  
Mary E. Pietila – District 3  
Gloria Miller – District 5  
Doris Taylor Burks – District 6

Council President  
Council President Pro Tem  
Councilwoman  
Councilman  
Councilwoman  
Councilwoman  
Councilwoman

### *Deputy Mayor*

Jane Bais-DiSessa

### *Department Heads*

Sheila Grandison  
John Balint

Interim City Clerk  
Public Works Director

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# Table of Contents

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<b>Organizational Chart.....</b>	<b>7</b>
<b>Budget Message - Mayor.....</b>	<b>8</b>
<b>Community Profile.....</b>	<b>12</b>
<b>City of Pontiac Vision Statement.....</b>	<b>12</b>
<b>Pontiac Moving Forward.....</b>	<b>13</b>
<b>Tax Rates to Support the Budget.....</b>	<b>18</b>
<b>Budgeted Third Party Services with Direct Cost to the City.....</b>	<b>19</b>
<b>Services Provided by other Governments at No Cost to the City.....</b>	<b>20</b>
<b>Position Summary Schedule.....</b>	<b>21</b>
<b>Financial Policies.....</b>	<b>22</b>
<b>Short Term Factors.....</b>	<b>33</b>
<b>Long Range Financial Plan.....</b>	<b>35</b>
<b>Budget Process.....</b>	<b>37</b>
<b>Budget Calendar .....</b>	<b>39</b>
<b>All Funds Summary.....</b>	<b>40</b>
<b>Budget Fund Matrix.....</b>	<b>42</b>
<b>Description of City Funds.....</b>	<b>43</b>
<b>Description of Functions.....</b>	<b>46</b>
<b>Consolidated Financial Schedule.....</b>	<b>47</b>
<b>Four Year Consolidated Fund Financial Schedule.....</b>	<b>48</b>
<b>Multi-Year Budget.....</b>	<b>49</b>
<b>Budget Overview.....</b>	<b>56</b>
<b>General Fund.....</b>	<b>66</b>
<b>General Fund Summary.....</b>	<b>68</b>
<b>General Fund Revenue.....</b>	<b>71</b>
<b>General Government.....</b>	<b>73</b>
<b>City Council.....</b>	<b>74</b>
<b>City Mayor.....</b>	<b>75</b>
<b>City Clerk.....</b>	<b>77</b>
<b>Elections.....</b>	<b>79</b>
<b>Finance Administration.....</b>	<b>81</b>
<b>Accounting.....</b>	<b>83</b>
<b>Income Tax.....</b>	<b>85</b>
<b>Information Technology.....</b>	<b>87</b>
<b>Treasurer.....</b>	<b>89</b>
<b>Assessing.....</b>	<b>91</b>

## Table of Contents (Continued)

---

### General Fund (Continued)

#### General Government (Continued)

Personnel Services .....	92
Building Maintenance .....	94
Attorney .....	95
Public Safety .....	96
Police .....	97
Crossing Guards .....	99
Dispatch .....	100
Fire .....	101
Public Works .....	103
Drains – Public Benefit .....	104
Engineering .....	105
Street Lighting .....	107
Public Works .....	108
Health and Welfare .....	110
Community and Economic Development .....	111
Redevelopment and Housing .....	112
Planning .....	114
Code Enforcement .....	116
Recreation and Culture .....	117
City Events .....	118
Parks Ground Maintenance .....	119
Other Functions .....	121
Retiree Fringe Benefits .....	122
Transfers and Other Financing Sources .....	123
Special Revenue Funds .....	126
Major Street Fund .....	128
Local Street Fund .....	132
Youth Recreation Fund .....	136
Cemetery Fund .....	138
Senior Activities Fund .....	140
Chapter 20 Drain Fund .....	143
Sanitation Fund .....	145
Cable Fund .....	147
Building Fund .....	149
Community Development Block Grant Fund .....	152
Home Buyers Assistance Fund .....	154
Drug Law Enforcement Fund .....	156
District Court Fund .....	158
PA-48 Telecommunication Allocation Fund .....	161

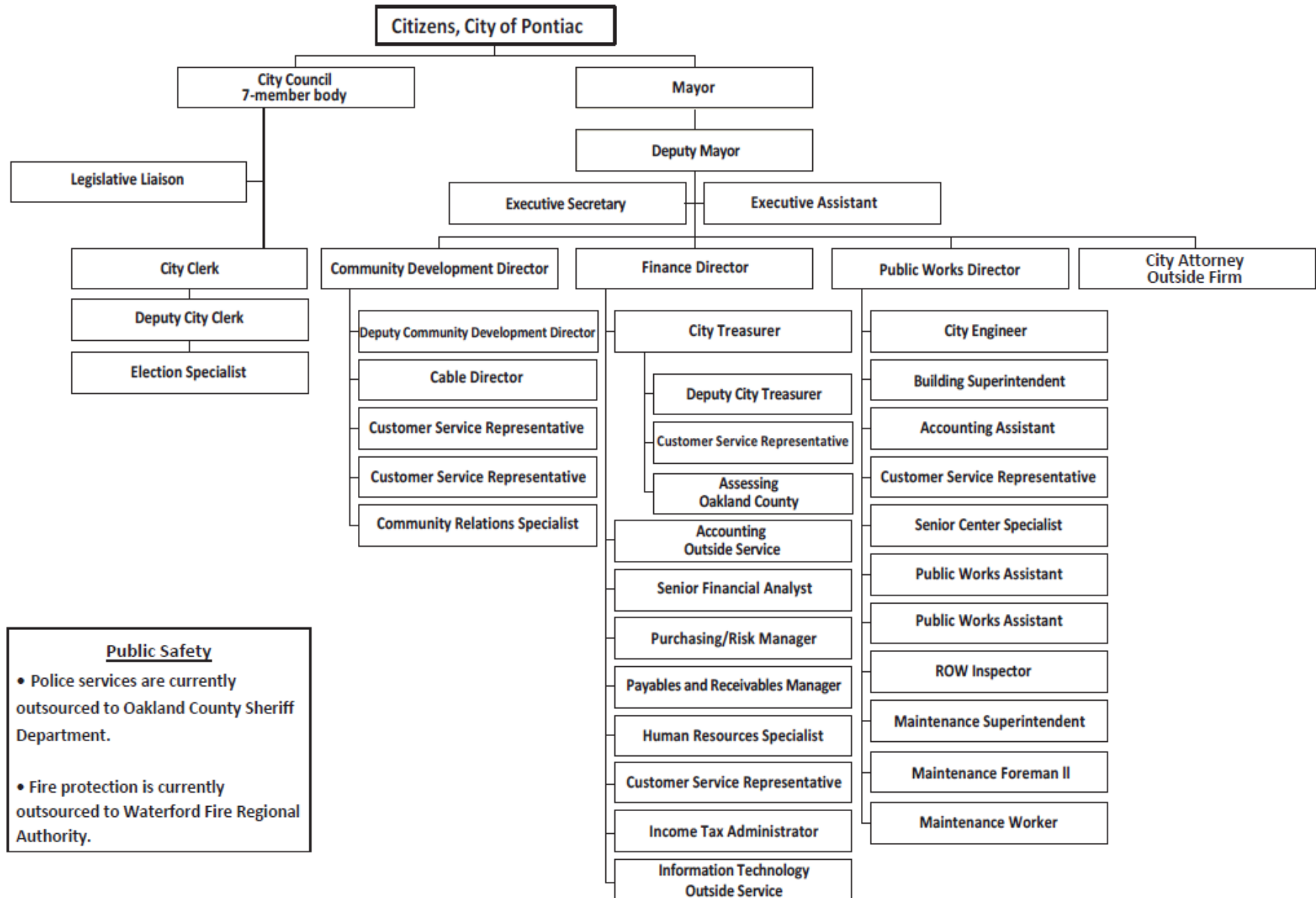
## Table of Contents (Continued)

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<b>Capital Improvements Fund</b> .....	<b>163</b>
<b>Capital Improvements Fund</b> .....	<b>165</b>
<b>Enterprise Fund</b> .....	<b>169</b>
<b>Parking Fund</b> .....	<b>171</b>
<b>Internal Service Funds</b> .....	<b>173</b>
<b>Insurance Fund</b> .....	<b>175</b>
<b>Workers' Comp Fund</b> .....	<b>177</b>
<b>Component Unit Funds</b> .....	<b>179</b>
<b>Tax Increment Finance Authority #2</b> .....	<b>182</b>
<b>Tax Increment Finance Authority #3</b> .....	<b>185</b>
<b>Brownfield Redevelopment Authority Fund</b> .....	<b>188</b>
<b>Glossary of Budget and Finance Terms</b> .....	<b>190</b>
<b>Budget Ordinance</b> .....	<b>197</b>
<b>Fee Schedule</b> .....	<b>208</b>

# Organizational Chart

City of Pontiac Organization Chart - Proposed July 1, 2018



# Budget Message - Mayor

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## CITY OF PONTIAC OFFICE OF THE MAYOR

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

June 5, 2018

Dear Honorable City Council Members and Citizens of Pontiac:

As Mayor of the City of Pontiac, I am submitting for your consideration the proposed budgets for fiscal years 2019, 2020 and 2021. Each budget's fiscal year begins on July 1st and ends on June 30th. Additionally, as mandated by the State of Michigan, all funds are structurally balanced and are based on estimated revenues, expenditures, and available fund balances. The City will have an estimated general fund balance of \$15 million at the end of this fiscal year 2017-2018. The City Council's prioritized mutual goals and objectives will guide us through these significant years. To start this year's budget process, we held a collaborative goal setting session with City Council to determine Council's goals and priorities.

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 gained significant momentum that has contributed to the success we have seen in the current fiscal year. The City fulfilled its commitment to the City of Pontiac to finish several upgrades to our community's infrastructure. In FY 2017-2018, we lived up to that promise with a projected \$5 million for major improvements to our roadways and nearly \$600,000 in additional improvements to the City's streetlights. Both of these projects highlight our commitment to safety and to building a community that is welcoming to everyone. Additionally, the City is preparing for major developments in economic growth with the welcoming of both Williams International and Shore Mortgage to the City, as well as the long awaited revitalization of Bloomfield Park.

### **Achievements from Budget FY 2017-2018:**

Each department underwent a process of strategic evaluation and planning. The City budgeted and achieved the completion and progress of nine major capital projects in FY17/18. Not only have major roadway repairs been completed as well as in progress, but also the continuation of the improvement to the City's streetlights represents an investment in the infrastructure of Pontiac that will show a return on investment for years to come. Another project which was realized this year was the opening of a youth recreation enrichment center.

Other noteworthy projects from the fiscal year include:

- Saginaw Street road improvements
- Hill Street Improvements
- Joslyn Street Improvements
- Orchard Lake Improvements
- South Boulevard Improvements
- Michigan Street Improvements
- Terry Street Improvements
- Kettering Street Improvements
- Continued improvements to the City's streetlights

# Budget Message – Mayor (Continued)

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## BUDGETARY HIGHLIGHTS FOR FY2018-2019 THROUGH 2021

The FY 2019, 2020, and 2021 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 and other 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

The FY 2018-2019 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 legislative issues impacting their specific area of expertise.
- ❖ Continue to fund the two additional Sheriff Deputies to improve public safety services, response time, and continue to move the crime rate down.
- ❖ Insourcing of the department of public works, code enforcement, and planning departments to provide an efficient service to the citizens of Pontiac while still remaining fiscally responsible.
- ❖ Secure funding to fix some long-needed improvements in our infrastructure such as: Opdyke Road, Hill Street, Joslyn Avenue, University Drive, City Hall renovations, Court renovations and additional vehicles for the City's planned insourcing of departments.

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. The budgets also include the resolution of the retirement litigation with a fair and equitable solution that will benefit both retirees and the City of Pontiac. 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 business 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 searching for ways to cut costs and increase revenue to offset the losses we have experienced. The proposed budgets also reflect the monetary support for consensus strategic objectives. These objectives have been

## Budget Message – Mayor (Continued)

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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 monetary support for implementation of these consensus strategic objectives is an indication of their policy importance to Pontiac's revitalization. This plan will form the strategic implementation for the City as it is drafted.

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 FY18/19 is \$77,687,572. This is a \$4.4 million decrease from the FY17/18 amended budgets across all funds. The decrease of 5.3% is directly related to a reduction of \$5.1 million in capital improvement projects in fiscal year 2019 as compared to fiscal year 2018 budget as amended. However, this reduction is offset by an approximately \$1.25 million in expenses related to the settlement of the retiree health care lawsuit.

The total proposed budget revenues for fiscal year 2018-2019 is \$65,514,113. This reflects a minor decrease of \$344,938 or 0.5%. Property taxes and income taxes are expected to increase 12% and 3.3% respectively due to the increased taxable values, expected increase in economic developments, and the first year levy of the youth recreation millage. State shared revenue is also expected to increase by approximately 3.9% based on State of Michigan estimates. These increases were offset through a decrease of \$5.2 million in fund transfers between funds. These transfers of funds were used to help fund road improvements, cemetery operations, and various projects throughout the City in fiscal year 2017-2018.

The State of Michigan recently passed legislation to provide municipalities with increased revenue for road improvement projects. While the City of Pontiac will realize an additional \$516,000 in road funding, it is not enough to repair Pontiac's deteriorating roads. Pontiac continues to apply for grants to assist with road funding. The roads have been a high priority and I will continue to seek ways to increase the funding for our City's roads.

The use of fund balance reflects my commitment to start some critical road projects and other necessary improvements to the City by investing approximately \$4.9 million for capital improvements in FY 2019. Additionally, the City has budgeted for the settlement of retiree healthcare lawsuit of \$4.2 million.

The general fund continues to provide Police and Fire services through renewed contracts with Oakland County and Waterford Township Fire Department. The Police contract continues to support for two additional officers designated specifically for community policing. The efforts of Oakland County Sheriff's department have not gone unnoticed, as evidenced by an article in the Detroit News that cites "Bucking years of escalating numbers, Pontiac has experienced a 37 percent decrease in violent crime since 2011 when the Sheriff's Office took over law enforcement in Pontiac, according to Oakland County Sheriff Michael Bouchard." The service that these organizations provide the residents of Pontiac has not gone unnoticed and the statistics prove their value.

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 2018 budget:

- ❖ City Council Pride and Beautification Project
- ❖ City Council District Projects (New for 2019)
- ❖ Neighborhood Empowerment Projects
- ❖ Blight and Nuisance Abatement Program
- ❖ EDA Plan Implementation
- ❖ Dream Cruise participation

- ❖ Grant matches
- ❖ Transportation services for city residents
- ❖ Increase DPW personnel by four positions in an effort to bring services back in-house from contractors (mowing, plowing, street sweeping, and pothole patching)
- ❖ Insourcing of the Code Enforcement and Planning departments to bring services back in-house from contractors.
- ❖ IT equipment
- ❖ Major and Local Street Projects – a total of \$6.3 million for road improvement projects
- ❖ Youth Recreation Program
- ❖ City Hall and Court building improvements

Overall this budget reflects the City's needs and supports initiatives to enhance growth that will provide a livable, sustainable environment for a culturally and economically diverse community. As the City emerges from a period of retrenchment and rediscovery, we can be guided by a new collective vision for the stability of our future.

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 and the Finance department for their contributions in the preparation of this budget document and for their adherence to committed service to the citizens of the City.

Thank you also to the City Council President and Council members for your input in the development of this budget. Through a cooperative effort, we can continue to plan and build the City's path toward economic viability.

Respectfully submitted,



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, 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 reports 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>Utilizing CDBG funding through a partnership with Oakland County, it is expected that \$250,000 of sidewalk repair will occur in fiscal year 2019.</li> <li>City plans to contract \$75,000 per year for sidewalk repair in fiscal year 2019 with the option of continuing the contract in fiscal years 2020 and 2021.</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.</li> <li>Reactivation of the Cemetery fund in fiscal year 2018 to provide funding for obligations that were previously removed by emergency manager.</li> </ul>
Action Plans	<ul style="list-style-type: none"> <li>Continuation of Neighborhood Empowerment program in fiscal year 2019 with a budget of \$175,000 in the parks grounds maintenance department of the general fund.</li> <li>Continued improvement to condition of local roads with road improvement budget of \$1,175,000 for fiscal year 2019.</li> <li>Fiscal year 2019 includes the establishment of an in-house code enforcement department in the general fund to provide better service to the community at a lower cost.</li> <li>Continuation of funding for the Cemetery fund is budgeted at \$240,000 transfer from the general fund.</li> <li>Established a district project budget of \$181,475 in fiscal year 2019 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>• Expansion of capital expenditures on major roads, with approximately \$3.9 million in capital expenditures in fiscal year 2017 and projected capital expenditures of \$2.2 million in capital expenditures in fiscal year 2018.</li> <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 with a capital improvement budget \$5,194,072 in fiscal year 2019.</li> <li>• Fiscal year 2019 budget includes expansion of the department of public works personnel in order to in-source 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	
5.1	Develop a mechanism to communicate with property and business owners.
5.2	Connect property and business owners with MEDC and Oakland County EDCA resources.
5.3	Meet with property and business owners to understand their needs and interest in growing their businesses and/ or developing their property.
5.4	Work with owners or listing brokers to develop property profiles for distribution to potential investors.
5.5	Evaluate the potential of developing a shared marketing strategy for the sites and properties.
5.6	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>• In 2017, City negotiated with a large manufacturer of small gas turbine engines for use in aviation and military to move their headquarters to Pontiac. Utilizing a Michigan Strategic Fund performance based grant and a fifteen year renaissance zone, this will be an estimated \$1 billion investment into the City, create 400 jobs by 2022, and increase income tax revenue for the City by an estimated 8% per year.</li> <li>• The City also negotiated with a wholesale mortgage provider to move their headquarters to Pontiac. A brownfield redevelopment plan was approved by the Michigan Strategic fund for a \$1.9 million capture of local and school taxes. The estimated capital investment into the City is \$69 million and bring a potential 3000 jobs to the City.</li> <li>• \$24.6 million brownfield redevelopment plan was approved in 2017 for a mixed use development. The City expects this to bring in additional estimated income tax of 8% per year.</li> <li>• Admitted to the MEDC Redevelopment Ready program</li> <li>• Continued participation in the Oakland County One Stop Ready program</li> </ul>
<b>Action Plans</b>	❖ Fiscal year 2019 budget includes the establishment of an in-house planning department in order to provide better service to the community at lower cost.

### 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 2018-19 Budget

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

Property Tax Year	2016	2017	2018	2019	2020
Fiscal Year	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2019-2020	FY 2019-2020
Taxable Value - Real*	\$ 607,525,032	\$ 581,037,570	\$ 616,322,705	\$ 634,812,386	\$ 653,856,758
Taxable Value - Personal Property Tax*	62,689,320	113,621,600	111,118,220	108,895,856	106,717,938
Total Taxable Value	670,214,352	694,659,170	727,440,925	743,708,242	760,574,696
% change in total TV from prior year	-2.03%	3.65%	4.72%	2.24%	2.27%
Less: Allowance for MTT adjustments / VCO			14,548,819	14,874,165	15,211,494
Less: Captures	69,800,000	69,260,841	72,463,969	74,052,027	75,697,854
Adjusted Taxable Value*	\$ 600,414,352	\$ 625,398,329	\$ 640,428,138	\$ 654,782,050	\$ 669,665,348
% change in adjusted TV from prior year	-2.31%	4.16%	2.40%	2.24%	2.27%
<b>Millage Rate</b>					
General Fund	11.27370	11.27370	11.26910	11.26910	11.26910
Capital Improvement	1.40910	1.40910	1.40850	1.40850	1.40850
Sanitation	2.81830	2.81830	2.81710	2.81710	2.81710
Senior Services	0.50000	0.50000	0.49980	0.49980	0.49980
Youth Services	0.00000	0.00000	1.49940	1.49940	1.49940
<b>Total Operating Millage</b>	16.0011	16.0011	17.4939	17.4939	17.4939
Ordered Debt - GB					
<b>Total City Millage Rate</b>	16.00	16.00	17.49	17.49	17.49
<b>Tax Revenue</b>					
General Fund	\$ 6,854,698	\$ 7,050,553	\$ 7,219,995	\$ 7,436,595	\$ 7,659,693
Capital Improvement	858,222	881,249	902,427	929,500	957,385
Sanitation	1,713,505	1,762,560	1,804,919	1,859,067	1,858,189
Senior Services	303,960	312,699	306,224	315,410	324,872
Youth Services	-	-	960,642	989,461	1,019,145
	\$ 9,730,385	\$ 10,007,061	\$ 11,194,207	\$ 11,530,033	\$ 11,819,284

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

The following are the adopted tax rates and revenue to support the budget for the 2018-19 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 has permission to levy an additional 7.3224 mills should the voters approve an amendment to the city charter and override the Headlee Amendment.

The Senior Services levy was set to expire on December 31, 2016. The City of Pontiac voters renewed the 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 millage reduction factor for 2018 has been calculated and the City is subject to a Headlee roll-back for 2019, therefore, the millage rates will be decreasing from 2018. The City Council held a public hearing on the proposed tax rates on June 5, 2018 before adopting the rates.

## 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
<b>General Fund</b>			
Oakland County Sheriff	Police Patrol	\$ 11,209,334	\$ 11,545,614
Oakland County Sheriff	Police Overtime	911,950	978,500
Oakland County Sheriff	Police and Fire Dispatch	200,942	206,970
Kristel Group	Janitorial - Substation	40,000	41,200
Waterford Township	Fire Protection	7,326,802	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
Innovative Software	Income Tax Collection	320,000	340,000
Oakland County	Assessing	427,450	448,823
Plante Moran	Accounting	280,800	289,200
Plante Moran	Budget	10,000	10,000
PCM	Information Technology	310,000	310,000
Rehmann	External Audit	54,000	52,600
Giamarco, Mullins & Horton	City Attorney	340,000	350,200
Kristel Group	Janitorial - City Hall	53,000	54,590
Casar Management LC	Salting and Plowing - City Hall	25,000	25,750
Casar Management LC	Salting and Plowing - Sheriff	18,000	18,540
Plunkett Cooney	Bloomfield Park Services	15,000	15,450
Oakland County	Drain Maintenance	200,000	206,000
TBD	Civil Engineering	225,000	231,750
United Lawnscape	Grass Cutting, City Property	106,700	109,901
	<b>General Fund Total</b>	<b>\$ 22,611,878</b>	<b>\$ 23,059,555</b>
<b>Major and Local Street Funds</b>			
Curbco Inc.	Pothole Patching	\$ 225,000	\$ 231,750
United Resources	Storm Sewer Maintenance	770,000	793,100
TBD	Engineering	100,000	103,000
Great Lakes Power & Lighting	Street Light Maintenance	260,000	267,800
TBD	Traffic Signal Maintenance	125,000	128,750
TBD	Contracted Construction	250,000	257,500
Action Traffic	Street and Traffic Signs	85,000	87,550
Seasonal Property Maintenance L.L.C	Trees in ROW	190,000	195,700
United Lawnscape	Grass Cutting, Right-of-Way	50,000	51,500
	<b>Major and Local Street Funds Total</b>	<b>\$ 2,055,000</b>	<b>\$ 2,116,650</b>
<b>Sanitation Fund</b>			
Advanced Disposal	Garbage Collection	\$ 3,397,500	\$ 3,499,425
	<b>Sanitation Fund Total</b>	<b>\$ 3,397,500</b>	<b>\$ 3,499,425</b>
<b>Building Inspection Fund</b>			
Wade Trim	Construction Code Enforcement	\$ 1,642,260	\$ 1,723,710
	<b>Building Inspection Fund Total</b>	<b>\$ 1,642,260</b>	<b>\$ 1,723,710</b>

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

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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.

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 FY18/19 Budget includes the following new positions:
  - General Fund:
    - Finance – One contract compliance and grant writer
    - Elections – Two part time positions in election office
    - Building Maintenance – One full time laborer
    - Public Works – Four full time laborers
    - Engineering – One Deputy Engineer and one Inspector
    - Planning – One City planner, One manager, and one customer service representative
    - Code Enforcement – One Supervisor and four officers
  - Youth Recreation – One Sports Director
  - Sanitation Fund – Two part time laborers
  - District Court – Two office clerks
- ❖ The City is expecting to have a compensation study performed in FY 19 and will determine any wages increases at that time
- ❖ The City is assuming a 10% increase in medical costs. 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
- ❖ Dental insurance is expected to increase of 5%
- ❖ Workers Compensation, Life, and Optical insurance is expected to remain the same

Fund	Department	2016-17 Actual	2017-18 Budget	2018-19 Adopted	Difference FY18 to FY19	2019-20 Total	2020-21 Total
<b>General Fund</b>							
	City Council	8	8	9	1	9	9
	Mayor	3	4	4	0	4	4
	Finance/Budget	1	2	3	1	3	3
	Accounts Payable	1	1	1	0	1	1
	Income Tax	1	1	1	0	1	1
	City Clerk/Elections	3	3	5	2	5	5
	Human Resources/Insurance	1	1	1	0	1	1
	Purchasing/Risk Management	0.7	0.7	0.7	0	0.7	0.7
	Payroll	0.3	0.3	0.3	0	0.3	0.3
	Treasurer	3	3	3	0	3	3
	Building Maintenance	1	4	5	1	5	5
	Sheriff	1	1	1	0	1	1
	Crossing Guards	2	3	3	0	3	3
	Public Works	3	6	10	4	10	10
	Engineer	2	1	3	2	3	3
	Planning	0	0	3	3	3	3
	Code Enforcement	0	0	5	5	5	5
	Redevelopment & Housing	4	5	5	0	5	5
<b>General Fund</b>		<b>35</b>	<b>44</b>	<b>63</b>	<b>19</b>	<b>63</b>	<b>63</b>
<b>Youth Recreation Fund</b>							
		-	2	3	1	3	3
<b>Cable Fund</b>							
		1	1	1	0	1	1
<b>Senior Millage Fund</b>							
		3	3	3	0	3	3
<b>Sanitation Fund</b>							
		1	1	3	2	3	3
<b>District Court Fund</b>							
		31	35	37	2	37	37
<b>Insurance Fund</b>							
		1	1	1	0	1	1
<b>Grand Total</b>		<b>72</b>	<b>87</b>	<b>111</b>	<b>24</b>	<b>111</b>	<b>111</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 routinely incur travel, accommodation and/or meal expense while conducting business on behalf of the City. Such credit cards are issued and authorized only for city employees and officials approved by the Mayor.

City credit cards are issued and are to be used only for the purpose of paying for city business meals or while traveling on city business. When traveling, city credit cards may be used to pay for transportation; lodging, meals and other travel related expenses. When used to pay for city business meals while not on city business trips, the card may be used for paying for non-city employees meals only. The card may not be used for the payment of the cardholder's meal. The credit card may not be used to purchase meals for vendors or those attempting to sell the City goods or services. At no time are city credit cards to be used for personal reasons. Cards are not to be used for obtaining cash.

Any time a city credit card is used, the receipt is to be submitted to the Finance Director, along with the appropriate explanatory form (either the Travel Request Form, Meal Expense Report Form, or other explanation). Receipts must be submitted within five working days. Failure to provide written support for charges may result in cancellation of the card by the Mayor.

## 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 \$72.7 million (10% of total assessed value). The City's total outstanding debt as of June 30, 2017 was \$10.03 million. The City of Pontiac is 86% or \$62.6 million below their legal debt limit. The City does not intend to issue any debt for FY18/19.

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 FY18/19 Budget.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
TIFA 3 2007C Bond	\$ 1,065,000	\$ 897,644	\$ 1,962,644
TIFA 2 2007 C Bond	295,000	85,119	380,119
<b>Grand Total FY2018/19</b>	<b>\$ 1,360,000</b>	<b>\$ 982,763</b>	<b>\$ 2,342,763</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 2019 budget took into account the following short term developments:

**Salaries** – The City has budgeted for a total of twenty- new positions in fiscal year 2019. A majority of employees' salaries have been budgeted at 17-18 levels. The City intends to have a compensation study completed in fiscal year 2019 and thus has included a provision for wage increases in the personnel department. An increase in salaries for City Council and the Mayor has also been incorporated into the fiscal year 2019 budget according to LOCC recommendations in the personnel department.

**Employee benefits** – The City has incorporated increases to health (10%) and dental (5%) benefits. 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.

**VEBA Obligation** – In accordance with the tentative settlement of the retiree health care lawsuit between the City and City of Pontiac Retired Employees Association (CPREA), an upfront payment of \$4.2 million to establish a new VEBA. This amount is currently budgeted in the Insurance Fund.

**Fees** – The City does not anticipate any significant increase to fees in fiscal year 2019. Sanitation user fees charged to the citizens through property taxes is budgeted to decrease 22% in fiscal year 2019.

**Capital Improvement** – Road and IT capital projects are based on current year progress and the City's 5 year capital plan. Due to large transfers made in fiscal year 2018 to the road funds from the general fund, road projects budgeted for fiscal year 2019 will utilize fund balance in major and local streets.

**Property Tax Levels** – Although tax values increased by 11% for 2018 tax year, the actual impact on the property tax revenue will be only a 3% increase due to the Michigan constitutional headlee amendment. Furthermore, during the past year, 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. Though these developments will not have a large impact on property tax revenue, the City expects an increase of income tax revenue, which has been factored into the fiscal year 2019 budget. This increase has been budgeted conservatively in lieu of any delayed movement in the developments.

**Use of Reserves** – Below is the planned use of reserves in fiscal year 2019:

- ❖ Major and local streets – fund balance will be utilized for road improvement projects.
- ❖ Senior activities – fund balance will be utilized for operating expenditures
- ❖ Sanitation – fund balance will be utilized for a decrease in sanitation user fees to citizens.
- ❖ Capital Improvement fund – fund balance will be utilized for necessary repairs to City Hall, District Court and purchase of vehicles for insourcing of DPW and Code Enforcement workforce.

## Short Term Factors (Continued)

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**Service-level assumptions** – The City has budgeted to insource snow plowing, pothole patching, code enforcement and planning in fiscal year 2019 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 2019 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 three year financial model for planning of operating, capital expenditures, and other services to ensure that the City has a three year balanced budget and is in compliance with the fund balance policy. Below are the assumptions used in the three year financial model based on function. It is the Finance Administration's goal to develop a five year financial plan including a minimum five year capital replacement plan in the coming fiscal year.

### **Revenue Assumptions:**

**Property Taxes:** Because of the headlee amendment restrictions, increase in the 19-20 and 20-21 fiscal years property tax revenue is estimate to be 3% each year.

**Income Taxes:** Due to major developments such as discussed in the outcomes of the Pontiac Moving Forward section, income tax revenue is expected to increase 3.6% in fiscal years 2020 and 2021.

**Licenses and Permits:** Due to increased economic development activity that require an increased volume of licenses and permits, this revenue is expected to increase 5% and 3% in 2020 and 2021, respectively.

**Charges for Services:** The City expects charges for service to increase 3% 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 1.3% each year.

**Other Revenue:** City has budgeted to constitute a blight court in fiscal year 18-19 and anticipates revenues from enforcement actions and activity to increase in the next 3 fiscal years beyond current levels. Therefore, a 1% increase factor was used for fiscal years 2020 and 2021.

**Fines and Forfeits:** No major increases anticipated, therefore a 5% and 2% increase are expected for 2020 and 2021, respectively.

**Interest and Rents:** We anticipate an increase in interest of 5% and 3% for 2020 and 2021, respectively due to City aggressively investing in higher interest rate environments. Rents are also expected to increase due to increased utilization of Senior Centers.

### **Expenditure assumptions:**

**Personnel Services:** The City has budgeted a preliminary 5% increase to personnel services in 2020 contingent upon the results of the compensation study to be performed in fiscal year 2019. Additionally, 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. Since long term increases are unknown, a 5% increase was deemed accurate.

**Supplies:** A 3% increase for 2020 and 2021 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** - 3% increase in 2020 and 1% increase in 2021. 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 2020 and 2021 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 15, 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 15 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 accounts within functions in a fund and among functions in a fund during the fiscal year provided that such amendments do not change the total revenues, expenditures, transfers, and other uses for the fund as approved by the City Council. If the total revenues or the total expenditures, including transfers in and out and other sources and uses within a single fund must be changed, then the Mayor shall present such amendment to the City Council for approval by resolution. Budget amendments shall be made by June 30 of each year.

## Budget Calendar for FY 2018-19

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July 1, 2017	New fiscal year 2018-2019 begins
February 1, 2018	Council receives the budget calendar and sets the date for a goal setting session
February 20, 2018	Council has a retreat for goal setting
March 15, 2018	Finance Director distributes the budget request packets/instructions to the Department Directors
March 31, 2018	Department Directors submit completed budget requests packets to Finance Director
April 13, 2018	Review, analysis, and calculations of submittals by Finance Director
April 14, 2018	Finance Director transmits the departmental requests to the Mayor
Apr 14-May 1, 2018	Mayor meets with Department Heads and Finance Director on budget requests
May 1, 2018	Mayor returns a copy of the balanced budget to the Finance Director
May 1-May 15, 2018	Finance Director prepares budget document with Mayor's requested changes
May 15, 2018	Mayor submits to the City Council the balanced budget and appropriations ordinance
May 29, 2018	Council authorizes public hearing on the budget
May 31, 2018	Notice of public hearing published in Oakland County Press
June 5, 2018	Council holds public hearing on budget
June 8, 2018	Council adopts the appropriations ordinance and tax rate for the new year.
July 1, 2018	New fiscal year 2018-2019 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	\$ 5,369,226	\$ 20,004,501	\$ 2,584,892	\$ 2,555,850	\$ 150,000	\$ 676,963		\$ 2,452,662	\$ 2,114,555	\$ 35,908,649
Major Streets			7,838,560							7,838,560
Local Streets			2,855,411							2,855,411
Youth Recreation Millage						958,062				958,062
Cemetery Care	246,659									246,659
Senior Activities Millage						423,522				423,522
Chapter 20 Drains Debt Service			4,942							4,942
Sanitation			4,401,286							4,401,286
Cable	135,975									135,975
Building Department		1,987,060								1,987,060
CDBG FY 2012				30,335						30,335
Home Buyers Assistance										-
Drug Enforcement		54,575								54,575
District Court	4,168,343								15,000	4,183,343
Public Act 48									225,000	225,000
TIFA District 2							\$ 647,948			647,948
TIFA District 3							2,587,993			2,587,993
Brownfield Redevelopment Authority				290,821						290,821
Capital Improvement Fund	721,333	178,000	720,132	90,136						1,709,601
Insurance Fund	48,908							11,780,185		11,829,093
Worker's Compensation Fund								608,708		608,708
Parking Fund			68,253			691,776				760,029
<b>Total by function</b>	<b>\$ 10,690,444</b>	<b>\$ 22,224,136</b>	<b>\$ 18,473,476</b>	<b>\$ 2,967,142</b>	<b>\$ 150,000</b>	<b>\$ 2,750,323</b>	<b>\$ 3,235,941</b>	<b>\$ 14,841,555</b>	<b>\$ 2,354,555</b>	<b>\$ 77,687,572</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.
- ❖ **Drain Fund** - Currently there is no tax levy or special assessment revenue coming into this fund, however, there is a fund balance accumulated from previous levies that is being used on current drain expenditures. This fund is expected to be closed at the end of FY 18-19.
- ❖ **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.

## Description of City Funds (Continued)

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- ❖ **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.
- ❖ **CDBG FY2012-Fund** - The Community Development Block Grant (CDBG) is an entitlement program of the US Department of Housing and Urban Development (HUD). CDBG Funds are used primarily to benefit low and moderate income households or areas as defined by the U.S. Census.
- ❖ **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. This fund is expected to be closed at the end of FY 17-18.
- ❖ **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.
- ❖ **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, 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.

## **2018-19 All Funds Budget Summary**

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

<b>Revenues</b>	<b>General</b>	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Component Units</b>	<b>Enterprise</b>	<b>Internal Service</b>	<b>Total</b>
Property Taxes	\$ 7,912,643	\$ 3,029,041	\$ 908,036	\$ 1,436,642	\$ (1,000)	\$ -	\$ 13,285,362
Income Taxes	13,450,000	-	-	-	-	-	13,450,000
Licenses and Permits	195,000	2,051,372	-	-	-	-	2,246,372
Federal Grants	115,000	-	-	-	-	-	115,000
State Grants	9,962,707	6,930,629	-	-	-	-	16,893,336
Contributions from Primary Government	-	-	-	893,178	-	-	893,178
Charges for Services	1,115,600	2,597,695	-	-	-	7,422,783	11,136,078
Fines and Forfeits	108,000	1,135,635	-	-	-	-	1,243,635
Interest and Rents	376,000	97,312	20,555	-	24,873	12,613	531,353
Other Revenue	2,433,704	876,540	5,000	50,000	-	-	3,365,244
<b>Total Revenues</b>	<b>35,668,654</b>	<b>16,718,224</b>	<b>933,591</b>	<b>2,379,820</b>	<b>23,873</b>	<b>7,435,396</b>	<b>63,159,558</b>
<b>Expenditures</b>							
General Government	5,369,226	4,550,977	-	-	-	48,908	9,969,111
Public Safety	20,004,501	2,041,635	-	-	-	-	22,046,136
Public Works	2,584,892	15,100,199	-	-	68,253	-	17,753,344
Community and Economic Development	2,555,850	30,335	-	290,821	-	-	2,877,006
Recreation and Culture	676,963	1,381,584	-	-	691,776	-	2,750,323
Health and Welfare	150,000	-	-	-	-	-	150,000
Other Functions	2,452,662	-	-	-	-	12,388,893	14,841,555
Capital Outlay	-	-	1,709,601	-	-	-	1,709,601
Debt Service & Financial Guarantee	-	-	-	3,235,941	-	-	3,235,941
<b>Total Expenditures</b>	<b>33,794,094</b>	<b>23,104,730</b>	<b>1,709,601</b>	<b>3,526,762</b>	<b>760,029</b>	<b>12,437,801</b>	<b>75,333,017</b>
<b>Excess of Revenue Over (Under)</b>	<b>1,874,560</b>	<b>(6,386,506)</b>	<b>(776,010)</b>	<b>(1,146,942)</b>	<b>(736,156)</b>	<b>(5,002,405)</b>	<b>(12,173,459)</b>
<b>Other Financing Sources (Uses)</b>							
Transfers In and Other Financing Sources	240,000	1,614,555	-	-	-	500,000	2,354,555
Transfers (Out) and Other Financing Sources	(2,114,555)	(240,000)	-	-	-	-	(2,354,555)
<b>Total Other Financing Sources</b>	<b>(1,874,555)</b>	<b>1,374,555</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>-</b>
<b>Net Change in Fund Balance/Net Position</b>	<b>5</b>	<b>(5,011,951)</b>	<b>(776,010)</b>	<b>(1,146,942)</b>	<b>(736,156)</b>	<b>(4,502,405)</b>	<b>(12,173,459)</b>
<b>Fund Balances - Beginning of year</b>	<b>15,142,436</b>	<b>14,467,118</b>	<b>1,270,436</b>	<b>(3,722,747)</b>	<b>13,947,648</b>	<b>5,382,087</b>	<b>46,486,978</b>
<b>Fund Balances - End of Year</b>	<b>\$ 15,142,441</b>	<b>\$ 9,455,167</b>	<b>\$ 494,426</b>	<b>\$ (4,869,689)</b>	<b>\$ 13,211,492</b>	<b>\$ 879,682</b>	<b>\$ 34,313,519</b>

# Four Year Consolidated Fund Financial Schedules

	2015-16 Actual	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b>Statement of Revenues &amp; Expenditures - All Funds</b>				
<b>Revenues</b>				
Property Taxes	\$ 12,277,598	\$ 12,442,317	\$ 12,612,048	\$ 13,285,362
Income Taxes	11,655,615	13,140,072	12,998,971	13,450,000
Licenses and Permits	2,460,317	1,831,503	2,272,750	2,246,372
Federal Grants	14,448	105,297	107,000	115,000
State Grants	15,083,510	15,779,656	16,237,872	16,893,336
Contributions from Primary Government	928,709	985,910	965,040	893,178
Charges for Services	9,697,273	10,030,378	9,382,716	11,136,078
Fines and Forfeits	1,132,869	1,158,384	1,100,123	1,243,635
Interest and Rents	367,432	363,687	566,270	531,353
Other Revenue	1,693,727	2,052,598	2,476,025	3,365,244
Total Revenues	55,311,498	57,889,802	58,718,815	63,159,558
<b>Expenditures</b>				
General Government	6,310,745	6,760,342	8,976,802	9,969,111
Public Safety	20,261,842	20,880,088	21,691,655	22,046,136
Public Works	8,238,830	13,155,231	15,199,561	17,753,344
Other Functions	5,384,042	7,680,590	8,459,754	14,841,555
Health and Welfare	-	-	150,000	150,000
Community and Economic Development	1,678,272	2,317,288	2,332,010	2,877,006
Recreation and Culture	1,327,536	1,525,702	2,614,242	2,750,323
Capital Outlay	355,305	801,027	2,107,613	1,709,601
Debt Service & Financial Guarantee	3,264,484	3,328,123	3,305,003	3,235,941
Total Expenditures	46,821,056	56,448,391	64,836,640	75,333,017
<b>Excess of Revenue Over (Under)</b>	<b>8,490,442</b>	<b>1,441,411</b>	<b>(6,117,825)</b>	<b>(12,173,459)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In and Other Financing Sources	3,037,346	3,166,473	6,668,405	2,354,555
Transfers (Out) and Other Financing Sources	3,037,346	3,166,473	6,668,405	2,354,555
Total Other Financing Sources	-	-	-	-
<b>Net Change in Fund Balances/Net Position</b>	<b>8,490,442</b>	<b>1,441,411</b>	<b>(6,117,825)</b>	<b>(12,173,459)</b>
<b>Fund Balances - Beginning of year</b>	<b>42,672,950</b>	<b>51,163,392</b>	<b>52,604,803</b>	<b>46,486,978</b>
<b>Fund Balances - End of Year</b>	<b>\$ 51,163,392</b>	<b>\$ 52,604,803</b>	<b>\$ 46,486,978</b>	<b>\$ 34,313,519</b>
<b>Financial Position - All governmental funds</b>				
Nonspendable	924,545	16,809	13,325	27,646
Restricted	13,712,828	16,733,441	15,956,596	9,897,209
Committed	-	179,582	3,226,826	30,167
Assigned	-	5,140,646	-	-
Unassigned	24,842,904	20,111,849	17,432,616	15,065,743
Investment in Capital Assets	11,683,115	10,422,476	9,857,615	9,292,754
Total Fund Balance	51,163,392	52,604,803	46,486,978	34,313,519

# 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 two consecutive years are considered to be adopted early and can be changed during the next year's budget process.

DESCRIPTION	ACTUAL 2016-17	PROJECTED 2017-18	BUDGET 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
<b>Fund 101 - General Fund</b>					
PROPERTY TAXES	8,309,157	8,163,789	7,912,643	8,150,022	8,394,523
INCOME TAXES	13,140,072	12,998,971	13,450,000	13,934,200	14,435,832
LICENSES AND PERMITS	198,301	188,250	195,000	204,750	210,894
CHARGES FOR SERVICES	1,017,944	1,076,461	1,115,600	1,149,068	1,183,541
FEDERAL GRANTS	103,934	107,000	115,000	115,000	115,000
STATE GRANTS	10,075,245	9,858,566	9,962,707	10,090,792	10,220,542
OTHER REVENUE	1,459,723	1,774,699	2,433,704	2,048,541	2,063,527
FINES AND FORFEITS	8,000	8,000	108,000	113,400	115,668
INTEREST AND RENTS	262,495	419,586	376,000	394,800	406,645
<b>TOTAL REVENUES</b>	<b>\$ 34,574,871</b>	<b>\$ 34,595,322</b>	<b>\$ 35,668,654</b>	<b>\$ 36,200,573</b>	<b>\$ 37,146,172</b>
101-City Council	261,881	583,835	671,124	651,852	661,399
171-Mayor	474,015	515,603	524,878	548,661	551,120
215-City Clerk	184,302	218,207	257,569	269,113	269,990
191-Elections	227,910	192,856	196,943	205,441	207,279
206-Finance Administration	417,491	568,779	636,114	664,736	666,389
201-Accounting	259,983	268,881	283,351	291,828	300,275
202-Income Tax Administration	434,808	470,956	505,729	532,852	545,010
228-Information Technology	350,832	365,995	378,599	380,657	381,522
253-Treasurer	269,823	308,336	343,880	359,132	360,822
257-Assessor	420,794	429,550	442,025	463,835	486,653
270-Personnel Services	82,980	99,755	307,398	128,015	128,557
265-Building Maintenance	216,991	348,020	448,582	465,980	468,832
266-City Attorney	351,103	383,500	373,034	384,225	395,753
276-Cemetery Oak Hill	-	-	-	-	-
<b>TOTAL GENERAL GOVERNMENT FUNCTION</b>	<b>\$ 3,952,913</b>	<b>\$ 4,754,273</b>	<b>\$ 5,369,226</b>	<b>\$ 5,346,327</b>	<b>\$ 5,423,601</b>
301-POLICE/SHERIFF	12,205,720	12,196,165	12,405,168	13,018,192	13,145,582
309-CROSSING GUARDS	9,440	6,600	13,574	14,253	14,253
325-COMMUNICATIONS/DISPATCH	156,983	164,943	200,942	206,970	209,040
336-FIRE DEPARTMENT	6,693,731	7,010,227	7,384,817	7,752,897	8,138,154
<b>TOTAL PUBLIC SAFETY FUNCTION</b>	<b>\$ 19,065,874</b>	<b>\$ 19,377,935</b>	<b>\$ 20,004,501</b>	<b>\$ 20,992,312</b>	<b>\$ 21,507,029</b>
445-DRAINS - PUBLIC BENEFIT	180,504	226,902	221,000	227,480	229,705
447-Engineering	428,479	622,363	743,296	751,321	756,369
448-Street Lighting	734,588	771,989	798,604	822,562	830,788
458-PUBLIC WORKS OPERATIONS	452,946	383,356	821,992	857,592	860,824
<b>TOTAL PUBLIC WORKS FUNCTION</b>	<b>\$ 1,796,517</b>	<b>\$ 2,004,610</b>	<b>\$ 2,584,892</b>	<b>\$ 2,658,955</b>	<b>\$ 2,677,686</b>
674-Tele-van Services	-	150,000	150,000	154,500	156,045
<b>TOTAL HEALTH AND WELFARE FUNCTION</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 154,500</b>	<b>\$ 156,045</b>
690-REDEVELOPMENT AND HOUSING	2,161,600	2,060,802	1,965,637	1,694,098	1,657,406
721-PLANNING	126,703	233,515	361,527	360,493	361,388
733 - CODE ENFORCEMENT	-	-	228,686	435,946	436,505
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT FUNCTION</b>	<b>\$ 2,288,303</b>	<b>\$ 2,294,317</b>	<b>\$ 2,555,850</b>	<b>\$ 2,490,537</b>	<b>\$ 2,455,299</b>
774-CITY EVENTS	65,985	60,000	60,000	61,800	62,418
801-Ewalt Center/Galloway Park	798	-	-	-	-
818-PARKS GROUNDS MAINTENANCE	403,497	715,564	616,963	635,572	642,606
<b>TOTAL RECREATION AND CULTURE FUNCTION</b>	<b>\$ 470,280</b>	<b>\$ 775,564</b>	<b>\$ 676,963</b>	<b>\$ 697,372</b>	<b>\$ 705,024</b>
861-Retiree Fringes	1,773,627	2,412,557	2,452,662	2,350,000	2,350,000
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ 1,773,627</b>	<b>\$ 2,412,557</b>	<b>\$ 2,452,662</b>	<b>\$ 2,350,000</b>	<b>\$ 2,350,000</b>
OPERATING TRANSFERS IN	211,977	220,000	240,000	240,000	240,000
APPROPRIATION (OPERATING) TRANSFERS (OUT)	2,483,496	4,977,405	2,114,555	1,623,749	1,591,643
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ (2,271,519)</b>	<b>\$ (4,757,405)</b>	<b>\$ (1,874,555)</b>	<b>\$ (1,383,749)</b>	<b>\$ (1,351,643)</b>
<b>GENERAL FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 14,117,937	\$ 17,073,775	\$ 15,142,436	\$ 15,142,441	\$ 15,269,262
ANNUAL REVENUE	34,786,848	34,815,322	35,908,654	36,440,573	37,386,172
ANNUAL EXPENDITURES	(31,831,010)	(36,746,661)	(35,908,649)	(36,313,752)	(36,866,327)
ENDING FUND BALANCE	\$ 17,073,775	\$ 15,142,436	\$ 15,142,441	\$ 15,269,262	\$ 15,789,107

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2016-17	PROJECTED 2017-18	BUDGET 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
<b>Fund 202 - MAJOR STREETS</b>					
CHARGES FOR SERVICES	5,471	-	-	-	-
STATE GRANTS	4,028,749	4,599,620	4,995,130	5,394,740	5,826,319
OTHER REVENUE	455,792	512,401	-	-	-
INTEREST AND RENTS	18,540	19,301	20,523	21,549	22,195
<b>TOTAL REVENUES</b>	<b>\$ 4,508,552</b>	<b>\$ 5,131,322</b>	<b>\$ 5,015,653</b>	<b>\$ 5,416,289</b>	<b>\$ 5,848,514</b>
451-Construction Road & Bridges	469	-	-	-	-
458-PUBLIC WORKS OPERATIONS	374,007	309,330	266,670	274,670	277,417
463-Routine Maintenance Roads	4,814,680	3,569,848	6,936,659	6,187,782	3,727,712
478-Winter Maintenance	244,857	457,995	222,824	229,885	234,129
485-TRAFFIC CONTROL	402,634	410,562	412,407	425,005	429,240
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 5,836,647</b>	<b>\$ 4,747,735</b>	<b>\$ 7,838,560</b>	<b>\$ 7,117,342</b>	<b>\$ 4,668,498</b>
OPERATING TRANSFERS IN	-	1,500,000	-	1,200,000	-
APPROPRIATION (OPERATING) TRANSFERS (OUT)	471,000	471,000	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ (471,000)</b>	<b>\$ 1,029,000</b>	<b>\$ -</b>	<b>\$ 1,200,000</b>	<b>\$ -</b>
<b>MAJOR STREET FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 4,616,720	\$ 2,817,625	\$ 4,230,212	\$ 1,407,305	\$ 906,252
ANNUAL REVENUE	4,508,552	6,631,322	5,015,653	6,616,289	5,848,514
ANNUAL EXPENDITURES	(6,307,647)	(5,218,735)	(7,838,560)	(7,117,342)	(4,668,498)
ENDING FUND BALANCE	\$ 2,817,625	\$ 4,230,212	\$ 1,407,305	\$ 906,252	\$ 2,086,268
<b>Fund 203 - Local Streets</b>					
STATE GRANTS	1,227,806	1,401,790	1,522,860	1,644,689	1,776,264
INTEREST AND RENTS	11,606	20,213	21,493	22,568	23,245
<b>TOTAL REVENUES</b>	<b>\$ 1,239,412</b>	<b>\$ 1,422,003</b>	<b>\$ 1,544,353</b>	<b>\$ 1,667,257</b>	<b>\$ 1,799,509</b>
443-NONMOTORIZED	-	143,500	75,000	75,000	75,000
451-Construction Road & Bridges	345	-	-	-	-
458-PUBLIC WORKS OPERATIONS	122,780	120,623	103,367	106,468	107,533
463-Routine Maintenance Roads	1,221,328	3,964,931	2,342,100	1,630,032	2,417,448
478-Winter Maintenance	138,617	141,884	284,944	296,051	298,122
485-TRAFFIC CONTROL	37,458	45,000	50,000	51,500	52,119
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 1,520,528</b>	<b>\$ 4,415,938</b>	<b>\$ 2,855,411</b>	<b>\$ 2,159,051</b>	<b>\$ 2,950,222</b>
OPERATING TRANSFERS IN	1,471,000	2,021,000	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 1,471,000</b>	<b>\$ 2,021,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LOCAL STREET FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 3,073,304	\$ 4,263,188	\$ 3,290,253	\$ 1,979,195	\$ 1,487,401
ANNUAL REVENUE	2,710,412	3,443,003	1,544,353	1,667,257	1,799,509
ANNUAL EXPENDITURES	(1,520,528)	(4,415,938)	(2,855,411)	(2,159,051)	(2,950,222)
ENDING FUND BALANCE	\$ 4,263,188	\$ 3,290,253	\$ 1,979,195	\$ 1,487,401	\$ 336,688
<b>Fund 208 - Recreation Millage</b>					
PROPERTY TAXES	-	-	960,642	989,461	1,019,145
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 960,642</b>	<b>\$ 989,461</b>	<b>\$ 1,019,145</b>
756-RECREATION FACILITY	-	233,390	314,472	325,462	328,633
775-YOUTH SPORTS	-	149,671	643,590	665,655	671,085
<b>TOTAL RECREATION AND CULTURE</b>	<b>\$ -</b>	<b>\$ 383,061</b>	<b>\$ 958,062</b>	<b>\$ 991,117</b>	<b>\$ 999,718</b>
OPERATING TRANSFERS IN	-	400,000	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ -</b>	<b>\$ 400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>YOUTH RECREATION MILLAGE FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	-	-	16,939	19,519	17,863
ANNUAL REVENUE	-	400,000	960,642	989,461	1,019,145
ANNUAL EXPENDITURES	-	(383,061)	(958,062)	(991,117)	(999,718)
ENDING FUND BALANCE	\$ -	\$ 16,939	\$ 19,519	\$ 17,863	\$ 37,290

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2016-17	PROJECTED 2017-18	BUDGET 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
<b>Fund 209 - CEMETERY CARE FUND</b>					
CHARGES FOR SERVICES	-	8,710	10,000	10,300	10,609
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ 8,710</b>	<b>\$ 10,000</b>	<b>\$ 10,300</b>	<b>\$ 10,609</b>
276-Cemetery Oak Hill	28,797	115,592	104,113	106,545	107,725
273-Cemetery Ottawa Park	41,433	146,062	142,546	146,761	148,408
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 70,230</b>	<b>\$ 261,654</b>	<b>\$ 246,659</b>	<b>\$ 253,306</b>	<b>\$ 256,133</b>
OPERATING TRANSFERS IN	250,000	100,000	240,000	240,000	240,000
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 250,000</b>	<b>\$ 100,000</b>	<b>\$ 240,000</b>	<b>\$ 240,000</b>	<b>\$ 240,000</b>
<b>CEMETERY CARE FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	-	179,770	26,826	30,167	27,161
ANNUAL REVENUE	250,000	108,710	250,000	250,300	250,609
ANNUAL EXPENDITURES	(70,230)	(261,654)	(246,659)	(253,306)	(256,133)
<b>ENDING FUND BALANCE</b>	<b>\$ 179,770</b>	<b>\$ 26,826</b>	<b>\$ 30,167</b>	<b>\$ 27,161</b>	<b>\$ 21,637</b>
<b>Fund 212 - Senior Activities Millage</b>					
PROPERTY TAXES	296,842	327,779	306,860	316,065	325,547
INTEREST AND RENTS	21,899	16,705	19,397	20,367	20,978
<b>TOTAL REVENUE</b>	<b>\$ 318,741</b>	<b>\$ 344,484</b>	<b>\$ 326,257</b>	<b>\$ 336,432</b>	<b>\$ 346,525</b>
813-Ruth Peterson Senior Citizen Center	136,280	422,060	186,049	193,082	194,388
814-Bowen Senior Citizen Center	170,305	305,089	237,473	246,217	248,042
<b>TOTAL RECREATION AND CULTURE</b>	<b>\$ 306,585</b>	<b>\$ 727,149</b>	<b>\$ 423,522</b>	<b>\$ 439,299</b>	<b>\$ 442,430</b>
<b>SENIOR ACTIVITIES - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 960,231	\$ 972,387	\$ 589,722	\$ 492,457	\$ 389,590
ANNUAL REVENUE	318,741	344,484	326,257	336,432	346,525
ANNUAL EXPENDITURES	(306,585)	(727,149)	(423,522)	(439,299)	(442,430)
<b>ENDING FUND BALANCE</b>	<b>\$ 972,387</b>	<b>\$ 589,722</b>	<b>\$ 492,457</b>	<b>\$ 389,590</b>	<b>\$ 293,685</b>
<b>Fund 213 - Chapter 20 Drains Debt Service</b>					
PROPERTY TAXES	-	-	-	-	-
INTEREST AND RENTS	144	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 144</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
546-Stormwater Permit Activities	66,671	27,871	4,942	-	-
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 66,671</b>	<b>\$ 27,871</b>	<b>\$ 4,942</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CHAPTER 20 DRAINS - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 99,340	\$ 32,813	4,942	-	-
ANNUAL REVENUE	144	-	-	-	-
ANNUAL EXPENDITURES	(66,671)	(27,871)	(4,942)	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ 32,813</b>	<b>\$ 4,942</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund 226 - Sanitation Fund</b>					
PROPERTY TAXES	1,624,939	1,782,257	1,761,539	1,814,386	1,868,817
CHARGES FOR SERVICES	2,308,924	1,873,236	1,675,000	1,725,250	1,777,008
INTEREST AND RENTS	11,481	24,312	25,852	27,145	27,959
<b>TOTAL REVENUES</b>	<b>\$ 3,945,344</b>	<b>\$ 3,679,805</b>	<b>\$ 3,462,391</b>	<b>\$ 3,566,781</b>	<b>\$ 3,673,784</b>
528-Sanitation Collection	3,451,040	3,941,395	4,401,286	4,476,482	4,520,187
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 3,451,040</b>	<b>\$ 3,941,395</b>	<b>\$ 4,401,286</b>	<b>\$ 4,476,482</b>	<b>\$ 4,520,187</b>
<b>SANITATION FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 5,205,430	\$ 5,699,734	\$ 5,438,144	\$ 4,499,249	\$ 3,589,548
ANNUAL REVENUE	3,945,344	3,679,805	3,462,391	3,566,781	3,673,784
ANNUAL EXPENDITURES	(3,451,040)	(3,941,395)	(4,401,286)	(4,476,482)	(4,520,187)
<b>ENDING FUND BALANCE</b>	<b>\$ 5,699,734</b>	<b>\$ 5,438,144</b>	<b>\$ 4,499,249</b>	<b>\$ 3,589,548</b>	<b>\$ 2,743,145</b>
<b>Fund 231 - CABLE FUND</b>					
CHARGES FOR SERVICES	163,449	155,000	175,100	180,353	185,764
INTEREST AND RENTS	2,181	6,236	6,631	6,963	7,172
<b>TOTAL REVENUES</b>	<b>\$ 165,630</b>	<b>\$ 161,236</b>	<b>\$ 181,731</b>	<b>\$ 187,316</b>	<b>\$ 192,936</b>
291-CABLE	126,276	866,935	135,975	141,902	142,721
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 126,276</b>	<b>\$ 866,935</b>	<b>\$ 135,975</b>	<b>\$ 141,902</b>	<b>\$ 142,721</b>
<b>CABLE FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 1,096,903	\$ 1,136,257	\$ 430,558	\$ 476,314	\$ 521,728
ANNUAL REVENUE	165,630	161,236	181,731	187,316	192,936
ANNUAL EXPENDITURES	(126,276)	(866,935)	(135,975)	(141,902)	(142,721)
<b>ENDING FUND BALANCE</b>	<b>\$ 1,136,257</b>	<b>\$ 430,558</b>	<b>\$ 476,314</b>	<b>\$ 521,728</b>	<b>\$ 571,943</b>

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2016-17	PROJECTED 2017-18	BUDGET 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
<b>Fund 239 - TAX INCREMENT FINANCE AUTHORITY #2</b>					
PROPERTY TAXES	46,763	64,278	62,290	64,159	66,085
OTHER REVENUE	38,000	-	50,000	50,000	50,000
CONTRIBUTION FROM PRIMARY GOVERNMENT	488,806	312,041	267,829	264,160	259,653
<b>TOTAL REVENUES</b>	<b>\$ 573,569</b>	<b>\$ 376,319</b>	<b>\$ 380,119</b>	<b>\$ 378,319</b>	<b>\$ 375,738</b>
DEBT SERVICE	1,062,375	688,360	647,948	642,479	635,391
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,062,375</b>	<b>\$ 688,360</b>	<b>\$ 647,948</b>	<b>\$ 642,479</b>	<b>\$ 635,391</b>
<b>TIFA #2 - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ (1,660,945)	\$ (2,149,751)	\$ (2,461,792)	\$ (2,729,621)	\$ (2,993,781)
ANNUAL REVENUE	573,569	376,319	380,119	378,319	375,738
ANNUAL EXPENDITURES	(1,062,375)	(688,360)	(647,948)	(642,479)	(635,391)
ENDING FUND BALANCE	\$ (2,149,751)	\$ (2,461,792)	\$ (2,729,621)	\$ (2,993,781)	\$ (3,253,434)
<b>Fund 240 - TAX INCREMENT FINANCE AUTHORITY #3</b>					
PROPERTY TAXES	1,271,540	1,310,645	1,337,295	1,377,414	1,418,736
CONTRIBUTION FROM PRIMARY GOVERNMENT	497,104	652,999	625,349	582,630	545,727
<b>TOTAL REVENUES</b>	<b>\$ 1,768,644</b>	<b>\$ 1,963,644</b>	<b>\$ 1,962,644</b>	<b>\$ 1,960,044</b>	<b>\$ 1,964,463</b>
DEBT SERVICE	2,265,748	2,616,643	2,587,993	2,542,674	2,510,190
<b>TOTAL DEBT SERVICE</b>	<b>\$ 2,265,748</b>	<b>\$ 2,616,643</b>	<b>\$ 2,587,993</b>	<b>\$ 2,542,674</b>	<b>\$ 2,510,190</b>
<b>TIFA#3 - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ (370,045)	\$ (867,149)	\$ (1,520,148)	\$ (2,145,497)	\$ (2,728,127)
ANNUAL REVENUE	1,768,644	1,963,644	1,962,644	1,960,044	1,964,463
ANNUAL EXPENDITURES	(2,265,748)	(2,616,643)	(2,587,993)	(2,542,674)	(2,510,190)
ENDING FUND BALANCE	\$ (867,149)	\$ (1,520,148)	\$ (2,145,497)	\$ (2,728,127)	\$ (3,273,854)
<b>Fund 243 - Brownfield Redeveloping Auth</b>					
PROPERTY TAXES	31,438	36,104	37,057	38,169	39,314
<b>TOTAL REVENUES</b>	<b>\$ 31,438</b>	<b>\$ 36,104</b>	<b>\$ 37,057</b>	<b>\$ 38,169</b>	<b>\$ 39,314</b>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<b>\$ 28,985</b>	<b>\$ 34,055</b>	<b>\$ 290,821</b>	<b>\$ 31,093</b>	<b>\$ 31,404</b>
<b>BROWNFIELD REDEVELOP. AUTHORITY - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 254,691	\$ 257,144	\$ 259,193	\$ 5,429	\$ 12,505
ANNUAL REVENUE	31,438	36,104	37,057	38,169	39,314
ANNUAL EXPENDITURES	(28,985)	(34,055)	(290,821)	(31,093)	(31,404)
ENDING FUND BALANCE	\$ 257,144	\$ 259,193	\$ 5,429	\$ 12,505	\$ 20,415
<b>Fund 249 - BUILDING INSPECTION FUND</b>					
LICENSES AND PERMITS	1,632,702	2,084,000	2,051,372	2,153,941	2,218,561
CHARGES FOR SERVICES	60,097	63,000	63,800	65,714	67,686
INTEREST AND RENTS	698	1,161	1,235	1,297	1,336
<b>TOTAL REVENUES</b>	<b>\$ 1,693,497</b>	<b>\$ 2,148,161</b>	<b>\$ 2,116,407</b>	<b>\$ 2,220,952</b>	<b>\$ 2,287,583</b>
371-BUILDING INSPECTION DEPARTMENT	1,766,739	2,259,957	1,987,060	2,078,854	2,219,276
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 1,766,739</b>	<b>\$ 2,259,957</b>	<b>\$ 1,987,060</b>	<b>\$ 2,078,854</b>	<b>\$ 2,219,276</b>
OPERATING TRANSFERS IN	-	-	-	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>BUILDING INSPECTION FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 332,866	\$ 259,624	\$ 147,828	\$ 277,175	\$ 419,273
ANNUAL REVENUE	1,693,497	2,148,161	2,116,407	2,220,952	2,287,583
ANNUAL EXPENDITURES	(1,766,739)	(2,259,957)	(1,987,060)	(2,078,854)	(2,219,276)
ENDING FUND BALANCE	\$ 259,624	\$ 147,828	\$ 277,175	\$ 419,273	\$ 487,580
<b>Fund 252 - CDBG FY2012</b>					
FEDERAL GRANTS	1,363	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 1,363</b>	<b>\$ 24,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 30,335</b>	<b>\$ -</b>	<b>\$ -</b>
<b>CDBG FY2012 - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 4,972	\$ 6,335	\$ 30,335	\$ -	\$ -
ANNUAL REVENUE	1,363	24,000	-	-	-
ANNUAL EXPENDITURES	-	-	(30,335)	-	-
ENDING FUND BALANCE	\$ 6,335	\$ 30,335	\$ -	\$ -	\$ -

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2016-17	PROJECTED 2017-18	BUDGET 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
<b>Fund 263 - HOME BUYERS ASSISTANCE</b>					
OTHER REVENUE	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT</b>	<b>\$ -</b>	<b>\$ 3,638</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>HOME BUYERS ASSISTANCE - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 3,638	\$ 3,638	\$ -	\$ -	\$ -
ANNUAL REVENUE	-	-	-	-	-
ANNUAL EXPENDITURES	-	(3,638)	-	-	-
<b>ENDING FUND BALANCE</b>	<b>\$ 3,638</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Fund 265 - DRUG ENFORCEMENT FUND</b>					
INTEREST AND RENTS	434	641	681	715	736
FINES AND FORFEITS	30,990	43,671	52,000	54,600	55,692
CHARGES FOR SERVICES	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 31,424</b>	<b>\$ 44,312</b>	<b>\$ 52,681</b>	<b>\$ 55,315</b>	<b>\$ 56,428</b>
<b>TOTAL PUBLIC SAFETY</b>	<b>\$ 47,475</b>	<b>\$ 53,763</b>	<b>\$ 54,575</b>	<b>\$ 56,212</b>	<b>\$ 56,774</b>
<b>DRUG ENFORCEMENT FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 244,576	\$ 228,525	\$ 219,074	\$ 217,180	\$ 216,283
ANNUAL REVENUE	31,424	44,312	52,681	55,315	56,428
ANNUAL EXPENDITURES	(47,475)	(53,763)	(54,575)	(56,212)	(56,774)
<b>ENDING FUND BALANCE</b>	<b>\$ 228,525</b>	<b>\$ 219,074</b>	<b>\$ 217,180</b>	<b>\$ 216,283</b>	<b>\$ 215,937</b>
<b>Fund 276 - District Court</b>					
CHARGES FOR SERVICES	695,800	668,189	673,795	694,009	714,829
STATE GRANTS	182,896	182,896	187,639	187,639	187,639
OTHER REVENUE	-	-	876,540	400,000	400,000
FINES AND FORFEITS	1,119,394	1,048,452	1,083,635	1,137,817	1,160,573
INTEREST AND RENTS	1,524	1,350	1,500	1,575	1,622
<b>TOTAL REVENUES</b>	<b>\$ 1,999,614</b>	<b>\$ 1,900,887</b>	<b>\$ 2,823,109</b>	<b>\$ 2,421,040</b>	<b>\$ 2,464,663</b>
136-District Court	2,357,270	2,845,114	3,951,732	3,562,409	3,573,831
151-Court Probation	208,092	200,517	216,611	227,380	227,475
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 2,565,362</b>	<b>\$ 3,045,631</b>	<b>\$ 4,168,343</b>	<b>\$ 3,789,789</b>	<b>\$ 3,801,306</b>
OPERATING TRANSFERS IN	583,496	1,177,405	1,374,555	1,383,749	1,351,643
APPROPRIATION (OPERATING) TRANSFERS (OUT)	21,977	20,000	15,000	15,000	15,000
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 561,519</b>	<b>\$ 1,157,405</b>	<b>\$ 1,359,555</b>	<b>\$ 1,368,749</b>	<b>\$ 1,336,643</b>
<b>DISTRICT COURT - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 4,893	\$ 664	\$ 13,325	\$ 27,646	\$ 27,646
ANNUAL REVENUE	2,583,110	3,078,292	4,197,664	3,804,789	3,816,306
ANNUAL EXPENDITURES	(2,587,339)	(3,065,631)	(4,183,343)	(3,804,789)	(3,816,306)
<b>ENDING FUND BALANCE</b>	<b>\$ 664</b>	<b>\$ 13,325</b>	<b>\$ 27,646</b>	<b>\$ 27,646</b>	<b>\$ 27,646</b>
<b>Fund 280 - PA 48 TELECOMMUNICATION ALLOCATION (ROW)</b>					
LICENSES AND PERMITS	500	500	-	-	-
STATE GRANTS	222,460	195,000	225,000	225,000	225,000
<b>TOTAL REVENUES</b>	<b>\$ 222,960</b>	<b>\$ 195,500</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>
<b>TOTAL PUBLIC WORKS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
APPROPRIATION (OPERATING) TRANSFERS (OUT)	190,000	200,000	225,000	225,000	225,000
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 190,000</b>	<b>\$ 200,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>	<b>\$ 225,000</b>
<b>PA 48 TELECOMM. - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 500	\$ 33,460	\$ 28,960	\$ 28,960	\$ 28,960
ANNUAL REVENUE	222,960	195,500	225,000	225,000	225,000
ANNUAL EXPENDITURES	(190,000)	(200,000)	(225,000)	(225,000)	(225,000)
<b>ENDING FUND BALANCE</b>	<b>\$ 33,460</b>	<b>\$ 28,960</b>	<b>\$ 28,960</b>	<b>\$ 28,960</b>	<b>\$ 28,960</b>

# Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2016-17	PROJECTED 2017-18	BUDGET 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
<b>Fund 445 - Capital Improvements Fund</b>					
PROPERTY TAXES	860,342	928,196	908,036	935,277	963,335
OTHER REVENUE	-	-	5,000	5,050	5,101
INTEREST AND RENTS	9,576	19,331	20,555	21,583	22,230
<b>TOTAL REVENUES</b>	<b>\$ 912,418</b>	<b>\$ 947,527</b>	<b>\$ 933,591</b>	<b>\$ 961,910</b>	<b>\$ 990,666</b>
228-Information Technology	42,463	107,500	171,333	63,333	170,333
265-Building Maintenance	20,664	1,000,000	490,000	-	-
273 - Cemetery Ottawa Park	-	-	60,000	-	-
<b>TOTAL CAPITAL - GENERAL GOVERNMENT</b>	<b>\$ 63,127</b>	<b>\$ 1,107,500</b>	<b>\$ 721,333</b>	<b>\$ 63,333</b>	<b>\$ 170,333</b>
301-POLICE/SHERIFF	22,517	102,483	82,000	-	-
336-FIRE	-	160,000	96,000	-	-
<b>TOTAL CAPITAL - PUBLIC SAFETY</b>	<b>\$ 22,517</b>	<b>\$ 262,483</b>	<b>\$ 178,000</b>	<b>\$ -</b>	<b>\$ -</b>
448-Street Lighting	655,523	595,677	400,000	-	-
458-PUBLIC WORKS OPERATIONS	59,860	141,953	320,132	-	-
733 - CODE ENFORCEMENT	-	-	90,136	-	-
<b>TOTAL CAPITAL - PUBLIC WORKS</b>	<b>\$ 715,383</b>	<b>\$ 737,630</b>	<b>\$ 810,268</b>	<b>\$ -</b>	<b>\$ -</b>
OPERATING TRANSFERS IN	650,000	-	-	-	-
APPROPRIATION (OPERATING) TRANSFERS (OUT)	-	1,000,000	-	1,200,000	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ 650,000</b>	<b>\$ (1,000,000)</b>	<b>\$ -</b>	<b>\$ (1,200,000)</b>	<b>\$ -</b>
<b>CAPITAL IMPROVEMENT FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 2,669,131	\$ 3,430,522	\$ 1,270,436	\$ 494,426	\$ 193,003
ANNUAL REVENUE	1,562,418	947,527	933,591	961,910	990,666
ANNUAL EXPENDITURES	(801,027)	(3,107,613)	(1,709,601)	(1,263,333)	(170,333)
ENDING FUND BALANCE	<b>\$ 3,430,522</b>	<b>\$ 1,270,436</b>	<b>\$ 494,426</b>	<b>\$ 193,003</b>	<b>\$ 1,013,336</b>
<b>Fund 585 - Parking Enterprise Fund</b>					
PROPERTY TAXES	1,296	(1,000)	(1,000)	(1,030)	(1,061)
CHARGES FOR SERVICES	89,675	13,917	-	-	-
OTHER REVENUE	99,083	164,925	-	-	-
INTEREST AND RENTS	14,067	23,391	24,873	26,117	26,901
<b>TOTAL REVENUES</b>	<b>\$ 204,121</b>	<b>\$ 201,233</b>	<b>\$ 23,873</b>	<b>\$ 25,087</b>	<b>\$ 25,840</b>
<b>TOTAL PUBLIC WORKS</b>	<b>\$ 483,828</b>	<b>\$ 62,012</b>	<b>\$ 68,253</b>	<b>\$ 68,894</b>	<b>\$ 69,114</b>
<b>TOTAL RECREATION AND CULTURE</b>	<b>\$ 748,837</b>	<b>\$ 728,468</b>	<b>\$ 691,776</b>	<b>\$ 696,989</b>	<b>\$ 698,780</b>
<b>PARKING ENTERPRISE - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 15,565,439	\$ 14,536,895	\$ 13,947,648	\$ 13,211,492	\$ 12,470,696
ANNUAL REVENUE	204,121	201,233	23,873	25,087	25,840
ANNUAL EXPENDITURES	(1,232,665)	(790,480)	(760,029)	(765,883)	(767,894)
ENDING FUND BALANCE	<b>\$ 14,536,895</b>	<b>\$ 13,947,648</b>	<b>\$ 13,211,492</b>	<b>\$ 12,470,696</b>	<b>\$ 11,728,642</b>
<b>Fund 629 - Employees Sick &amp; Vacation Pay Fund</b>					
CHARGES FOR SERVICES	(1,227)	-	-	-	-
INTEREST AND RENTS	1,227	2,181	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ -</b>	<b>\$ 2,181</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EMPLOYEE SICK &amp; VAC - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ -	\$ -	\$ 2,181	\$ 2,181	\$ 2,181
ANNUAL REVENUE	-	2,181	-	-	-
ANNUAL EXPENDITURES	-	-	-	-	-
ENDING FUND BALANCE	<b>\$ -</b>	<b>\$ 2,181</b>	<b>\$ 2,181</b>	<b>\$ 2,181</b>	<b>\$ 2,181</b>

## Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2018-19	PROJECTED 2020-21	BUDGET 2018-19	PROJECTED 2019-20	PROJECTED 2020-21
<b>Fund 659 - Insurance Fund</b>					
CHARGES FOR SERVICES	5,056,313	5,017,221	7,117,185	2,306,300	2,316,108
INTEREST AND RENTS	718	-	-	-	-
<b>TOTAL REVENUES</b>	<b>\$ 5,057,031</b>	<b>\$ 5,017,221</b>	<b>\$ 7,117,185</b>	<b>\$ 2,306,300</b>	<b>\$ 2,316,108</b>
194-Risk Management	45,561	48,309	48,908	51,343	51,348
<b>TOTAL GENERAL GOVERNMENT</b>	<b>\$ 45,561</b>	<b>\$ 48,309</b>	<b>\$ 48,908</b>	<b>\$ 51,343</b>	<b>\$ 51,348</b>
851-Insurance and Bonds	13,127	544,712	858,902	678,669	685,456
854-Employee Medical Insurance	1,046,517	1,044,735	1,763,158	1,627,631	1,630,652
861-Retiree Fringes	3,774,543	4,165,000	9,158,125	-	-
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ 4,834,187</b>	<b>\$ 5,754,447</b>	<b>\$ 11,780,185</b>	<b>\$ 2,306,300</b>	<b>\$ 2,316,108</b>
OPERATING TRANSFERS IN	-	1,250,000	500,000	-	-
<b>TRANSFERS (OUT) AND OTHER SOURCES</b>	<b>\$ -</b>	<b>\$ 1,250,000</b>	<b>\$ 500,000</b>	<b>\$ -</b>	<b>\$ -</b>
<b>INSURANCE FUND - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	\$ 3,886,392	\$ 4,063,675	\$ 4,528,140	\$ 316,232	\$ 264,889
ANNUAL REVENUE	5,057,031	6,267,221	7,617,185	2,306,300	2,316,108
ANNUAL EXPENDITURES	(4,879,748)	(5,802,756)	(11,829,093)	(2,357,643)	(2,367,456)
ENDING FUND BALANCE	\$ 4,063,675	\$ 4,528,140	\$ 316,232	\$ 264,889	\$ 213,542
<b>Fund 677 - Self Insurance Workers Compensation</b>					
CHARGES FOR SERVICES	633,932	506,982	305,598	317,084	322,920
INTEREST AND RENTS	7,097	11,862	12,613	13,244	13,641
<b>TOTAL REVENUES</b>	<b>\$ 641,029</b>	<b>\$ 518,844</b>	<b>\$ 318,211</b>	<b>\$ 330,328</b>	<b>\$ 336,561</b>
<b>TOTAL OTHER FUNCTIONS</b>	<b>\$ 1,072,776</b>	<b>\$ 292,750</b>	<b>\$ 608,708</b>	<b>\$ 324,014</b>	<b>\$ 324,188</b>
<b>SELF INS. WORKERS COMP - FUND BALANCE SUMMARY</b>					
BEGINNING FUND BALANCE	1,057,419	625,672	851,766	561,269	567,583
ANNUAL REVENUE	641,029	518,844	318,211	330,328	336,561
ANNUAL EXPENDITURES	(1,072,776)	(292,750)	(608,708)	(324,014)	(324,188)
ENDING FUND BALANCE	\$ 625,672	\$ 851,766	\$ 561,269	\$ 567,583	\$ 579,956
<b>GRAND TOTALS</b>					
BEGINNING FUND BALANCE	\$ 51,163,392	\$ 52,604,803	\$ 46,486,978	\$ 34,313,519	\$ 30,689,916
ANNUAL REVENUE - ALL FUNDS	61,056,275	65,387,220	65,514,113	62,360,622	62,951,201
ANNUAL EXPENDITURES - ALL FUNDS	(59,614,864)	(71,505,045)	(77,687,572)	(65,984,225)	(63,970,448)
ENDING FUND BALANCE	\$ 52,604,803	\$ 46,486,978	\$ 34,313,519	\$ 30,689,916	\$ 29,670,670

## Budget Overview

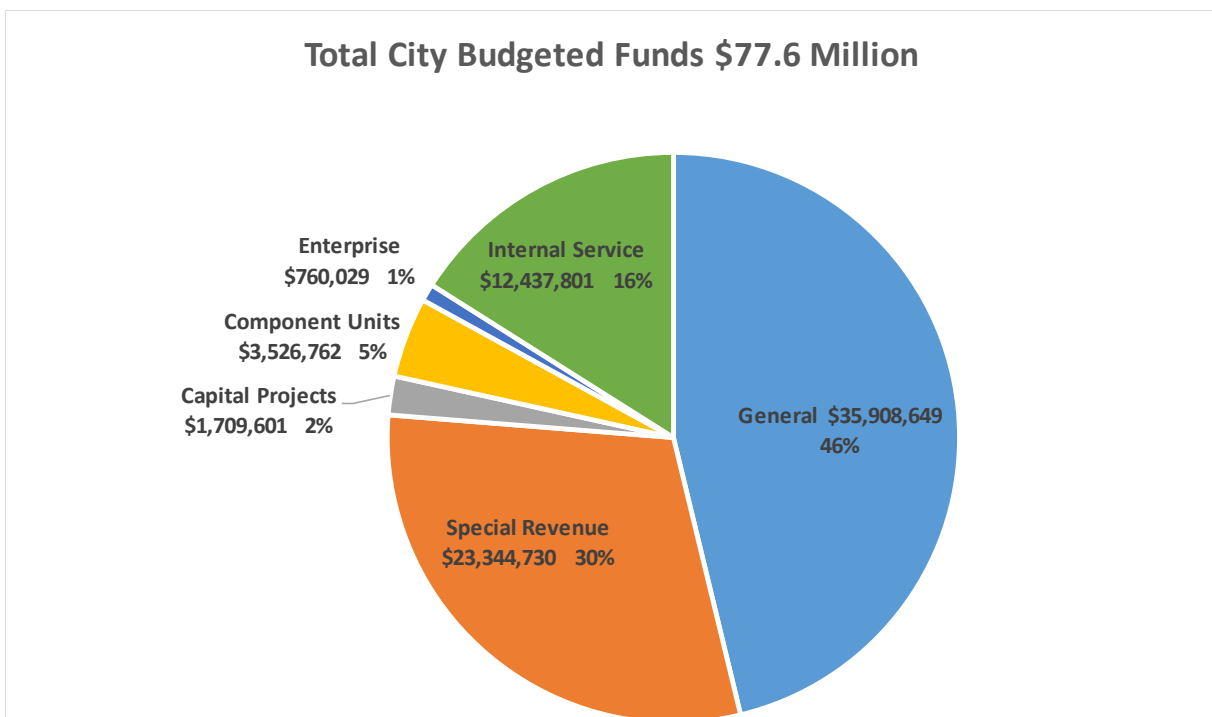
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This overview section of the budget has been prepared as a general overview of the FY18/19 budget for the City of Pontiac. This overview will provide City residents with a comprehensive summary of the City's plans for the next fiscal year. This budget 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 FY2018/19 budgeted expense for all City funds totals \$77.6 million - an increase of \$6.09 million from the FY17/18 projection and \$4.3 million decrease from the FY17/18 amended budget (including transfers out). The overall decrease is a result of a reduction in capital improvement projects that were allocated in fiscal year 2018 as compared to fiscal year 2019.

The City establishes a budget for 22 separate reporting funds. These 22 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 \$35.9 million or 46% 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 \$23.2 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**

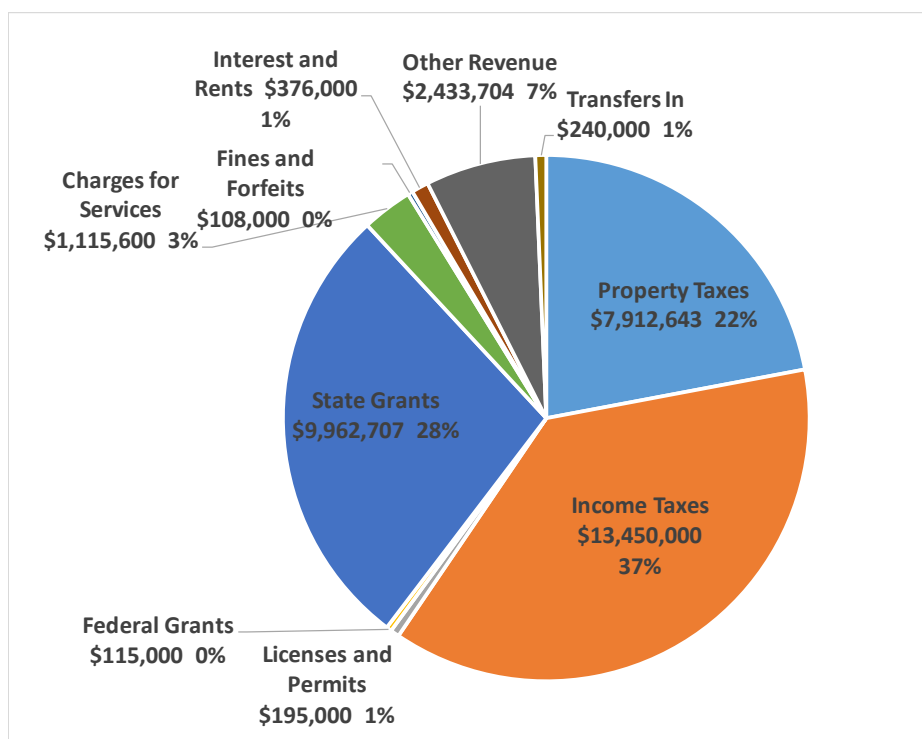
The **General Fund** budgeted expenditures are \$35.9 million, a decrease of 2.2% or \$838,012 from the FY17/18 projection. General Fund revenues increased \$1.09 million or 3.1% from the FY17/18 projection. The net result is an increase of \$5 in fund balance.

## 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 87% of the total revenue for the General Fund. The City is expecting a net increase of 3.5% in income taxes, a net decrease in property tax revenue of 3% due to anticipated increase in chargebacks combined with an anticipated decrease in STEL reimbursement, and a 1% increase in State Revenue Sharing. The remaining 13% of the revenue in the General Fund consists of interest income 1%, other revenue 7%, and charges for services and transfers in of 4%.

The City's millage rate is expected to decrease from FY17/18 due to a Headlee rollback. The City's total taxable value for FY18/19 is expected to increase 4.7%, compared to an increase of 3.6% in FY17/18. Taxable values have increased for the third time in the last five years.

The graph below illustrates the General Fund revenue by category.

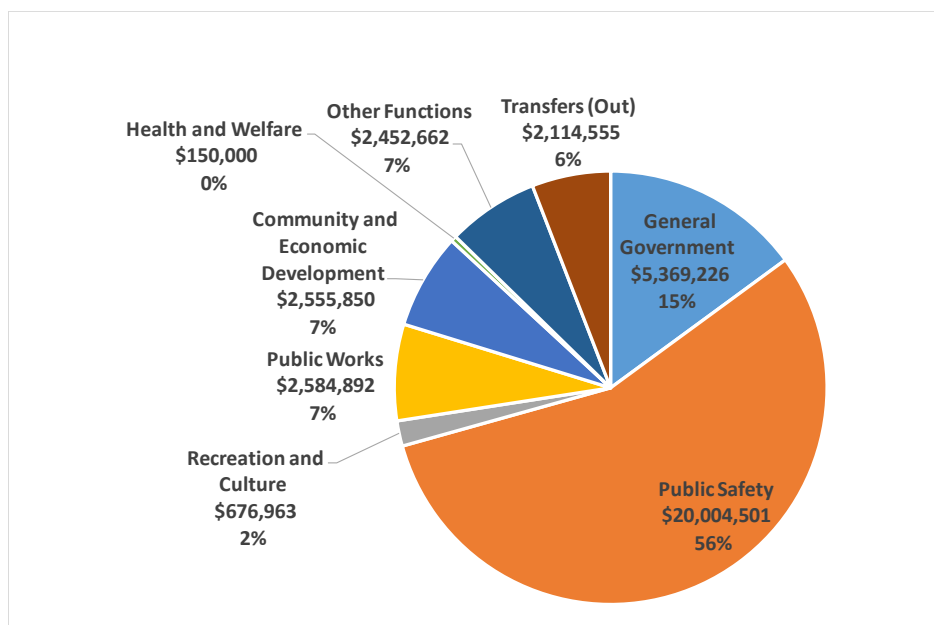


The \$35.9 million General Fund budgeted expenditures are comprised of eight separate functions as illustrated in the graph below. The largest function is for **Public Safety**, which consists of Police, Fire, Dispatch, and Crossing Guard services. There is a small increase in the Public Safety function 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 \$5.4 million or 15% of the total General Fund expenditures. General Government includes the City Council, Mayor, City Clerk, Elections, Personnel, Accounting, Finance, Treasury, City Attorney, Income Tax, and IT. General Government is increasing \$614,953 from FY17/18 projection. The largest portion of the increase is related to personnel. FY17/18 has vacant positions in the Clerk and Treasury departments that are expected to be filled in FY18/19. Additionally, there are newly created positions budgeted for fiscal year 2019 in the Finance, Elections, and Building maintenance departments. Finally, the City plans on having a compensation study performed during fiscal year 2019. Contingent upon the results of the study, a provision of \$194,224 for raises has been budgeted in the personnel department.

## Budget Overview (Continued)

The chart bellows shows the General Fund expenditures by function.



The **Public Works** function is expected to increase \$580,282 from the FY17/18 projection to a total budget of approximately \$2.5 million. The Public Works function consists of Drains, Engineering, Street Lighting, and Public Works Operations. The Public Works function is expecting to fill four positions to assist with building maintenance, plowing, street patching, and mowing. The City is also planning to hire a deputy engineer and engineering inspector in fiscal year 2019 in order to assist in the City's effort to continue the improvement of the City's roads and infrastructure.

The **Community Development** function is expecting an increase of approximately \$261,533 for a total budget of approximately \$2.5 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 are expected to be insourced in fiscal year 2019 from the current third party provider, which is the main reason for the increase. The Community Development function also includes the approximate \$894,000 transfer to the TIF funds for debt service.

**Recreation and Culture** is budgeting a decrease in spending of \$98,601 for a total budget of \$676,963. The Recreation and Culture function consists of City Events for the Dream Cruise and Parks Ground Maintenance. The City is planning to keep support consistent for the Dream Cruise in fiscal year 2019. The park maintenance department is expected to decrease \$98,601 from FY17/18 projected. This is due to a decrease in budgeted expenditures for Neighborhood projects from FY 18 levels.

**Health and Welfare** is expected to remain consistent in fiscal year 2019. The City is planning to spend \$150,000 for transportation services for city residents.

## Budget Overview (Continued)

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**Other functions** is increasing \$40,000 for a total budget of \$2,452,662. 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 \$240,000 to the Cemetery Fund, \$500,000 to the Insurance Fund, and \$1.37 million to the District Court Fund. This is a decrease of \$2.8 million from FY17/18 projected. During FY17/18, the General fund transferred funds to the Major and Local Street funds of \$2,050,000 for road improvements and \$400,000 to the youth recreation fund that will not recur in fiscal year 2019. Additionally, the general fund transferred \$1,250,000 into the insurance fund related to the settlement of the retiree health care lawsuit in fiscal year 2018. That transfer has been lowered to \$500,000 in fiscal year 2019.

### Special Revenue Funds

The Special Revenue Funds budgeted expenditures are \$23.3 million or 30% of the total City expenditures. The City of Pontiac has budgeted 14 Special Revenue Funds for FY17/18. Below are the highlights of each fund

- ❖ Major Street Fund - \$7.8 million in expenditures, which is a \$2.6 million increase from FY17/18 projected.
  - The Major Street Fund will receive \$4.9 million in revenue from the State of Michigan for ACT 51, which is an increase of \$395,510 or 8.5%. These funds are restricted for road improvement.
  - The Major Street Fund will fund snow removal, roadway maintenance and traffic control.
  - The Major Street Fund is planning \$5.1 million in road improvements to Opdyke Road, Hill Street, Joslyn Avenue, University Drive, Centerpointe Parkway, South Boulevard, Perry Street, and Mill Street.
  - The Major Street Fund will use \$2.8 million in fund balance on road projects.
- ❖ Local Street Fund - \$2.8 million in expenditures, which is a \$1.5 million decrease from FY17/18 projected.
  - The Local Street Fund will receive \$1.5 million in revenue from the State of Michigan for ACT 51, which is an increase of \$121,070 or 8.6%. 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 \$1.1 million in road improvements to Central Street and Ferry Street.
  - The Local Street Fund will use \$1.3 million in Fund Balance for road projects and tree maintenance.
- ❖ Youth Recreation Fund - \$958,062 in expenditures, which is a \$575,001 increase from FY 17/18 projected.
  - The Youth Recreation Fund is planning to levy property taxes for the first year in fiscal year 2019 of \$960,642.
  - The Youth Recreation Fund increase in spending is due to hiring a sports director and leasing a facility.
- ❖ Cemetery Care Fund - \$246,659 in expenditures, which is a decrease of \$14,995 from FY17/18 projected.
  - The Cemetery Care Fund will receive a transfer of \$240,000 from the General Fund.
  - The Cemetery Care Fund will fund care and maintenance of the City's Cemetery. No major projects are planned.

## Budget Overview (Continued)

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- ❖ Senior Activities Millage - \$423,522 in expenditures, which is a decrease of \$303,627 from FY17/18 projected.
  - The Senior Activities Millage will receive \$306,860 in property tax revenue for FY18/19, which is a decrease of 6.3%. This is due to an anticipated decrease in the payment of personal property tax reimbursements.
  - The Senior Activities Fund plans to expend funds for the operations of two senior citizen facilities and activities for the senior Pontiac population. There are no capital projects planned for FY18/19, which is the reason for the large decrease in expenditures. FY17/18 included parking lot replacements for both senior centers and roof repairs.
- ❖ Chapter 20 Drain Fund - \$4,942 in expenditures, which is a decrease of \$23,000 from the FY17/18 projected.
  - There is no revenue planned for the Drain Fund. The expenditures will be used for drain maintenance. The fund balance is expected to be exhausted at the end of FY18/19 and this Fund will be closed. The Drain expenditures above the planned \$4,942 will be in the General Fund - Drain Department.
- ❖ Sanitation Fund - \$4,401,286 in expenditures, which is an increase of \$459,891 from FY17/18 projected.
  - The Sanitation Fund will receive \$3.4 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 - \$135,975 in expenditures, which is a decrease of \$730,000 from the FY17/18 projected.
  - The Cable Fund receives \$175,100 in fees from AT&T and Comcast that is collected from City of Pontiac customers. This is a \$20,100 or 12.9% increase from FY17/18 projected.
  - The Cable Fund is planning \$730,000 for the renovations of the cable studios and video equipment in fiscal year 17/18. This is the reason for the large decrease in expenditures in fiscal year 2019.
- ❖ Building Inspection Fund - \$1,987,060 in expenditures, which is an decrease of \$272,000 from the FY17/18 projected per the contract with Wade Trim, the contractor handling building and permitting.
  - The Building Inspection Fund will receive \$2.1 million in revenue from building, plumbing, mechanical permits and inspection fees.
  - The decrease in expenditures for FY17/18 is related to a decrease in the contract cost with Wade Trim.
- ❖ CDBG FY2012 Fund - \$30,335 in expenditures, which is a 100% increase from FY17/18 projected.
  - There is no revenue planned for the CDBG FY2012 Fund. The expenditures will be used for CDBG grant eligible expenditures. The fund balance is expected to be exhausted at the end of FY18/19 and this Fund will be closed until new grant funds are received.

## Budget Overview (Continued)

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- ❖ Home Buyers Assistance Fund - \$0 in expenditures, which is a 100% decrease from FY17/18 projected.
  - There is no revenue planned for the Home Buyers Assistance Fund. The expenditures will be used for Home Buyers grant eligible expenditures. The fund balance is expected to be exhausted at the end of FY17/18 and this Fund will be closed until new grant funds are received.
- ❖ Drug Enforcement Fund - \$54,575 in expenditures, which is an increase of \$812 from FY17/18 projected.
  - The Drug Enforcement fund is expecting to receive \$52,000 in funds from drug forfeitures. This is a \$8,300 increase from FY17/18 projected. These funds are restricted for purposes of drug enforcement.
  - The FY17/18 budget includes \$54,575 of planned expenditures related to drug enforcement. This includes overtime from Oakland County Sheriff's department and cell-phone charges
- ❖ District Court Fund - \$4.1 million in expenditures, which is an increase of \$1.1 million from FY17/18 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 \$4, 100,000 in total revenue, which includes a \$1.3 million transfer from the General Fund. The court operating revenue is expecting to increase from additional fees. Additionally, the court is expecting to receive a grant from the Michigan Indigent Defense Commission (MIDC) of \$876,540 for improvements to court operations. A corresponding expenditure has also been budgeted, as this is a reimbursement grant.
  - The FY17/18 budget includes \$4.1 million of budgeted operating expenditures related to the District Court. The increase is due to the corresponding expenditure for the MIDC grant mentioned above as well as an expected increased medical cost.
- ❖ PA 48 Fund - \$225, 000 in expenditures, which is an increase of \$30,000 from FY17/18 projected.
  - The PA 48 Fund receives revenue from the State Local Community Stabilization Authority per Metro Act 48 of 2002. These are monies collected by the State for right-of-way fees.
  - The PA 48 Fund will be transferring 100% of the fees collected from the State of Michigan to the General Fund. These funds will be used in FY18/19 for street lighting expenditures in the public right-of-way.

The **Capital Projects Fund** budget is \$1.7 million for capital projects in FY18/19. This is a decrease of \$1.3 million from FY17/18 projected. The Capital Projects Fund plans to receive \$908,036 in property tax revenue for FY18/19. The City of Pontiac has a dedicated capital millage of 1.4091 mills. The capital budget includes the following items.

- ❖ City Hall Building Repairs \$190,000
- ❖ Computer Equipment \$171,333
- ❖ Fire Department Repairs \$96,000
- ❖ District Court Building Repairs \$300,000
- ❖ Downtown Street light improvements \$400,000
- ❖ Ottawa Park Cemetery Improvements \$60,000
- ❖ Sheriff Substation repairs \$82,000
- ❖ Vehicles \$410,268

## 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 \$760,000. The parking fund is expecting to receive approximately \$25,000 in interest income. The majority of the expenditures for this fund is depreciation expense (\$565,000) on the existing parking structures. In addition to depreciation, this fund is expecting to pay legal services and property insurance for the Phoenix Center for a total of \$150,000.

The **Internal Service Funds** budget is \$12.4 million or 16% 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 \$7.1 million for health insurance for employees and retirees and general liability and property insurance. The insurance fund budget also includes a \$4,250,000 transfer to the OPEB plan for retirees per a tentative settlement agreement reached with retirees. The increase is attributed to premium increases for FY18/19 and the contribution to the OPEB plan. The Insurance Fund receives reimbursements from users of the services, including retirees, employees and other City Funds.

The Workers Compensation Fund budget is nearly \$608,000 for workers compensation premiums for current employees and workers compensation charges from former employees, when the City was previously self-insured. The increase from FY17/18 is due to the City budgeting a liability for incurred, but not reported claims of \$300,000. 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 \$3.5 million in FY18/19. 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 \$893,178 in total for these two funds. The TIF #3 district is budgeting to receive \$1.3 million in captured property tax revenue for FY18/19. This is an increase of \$26,000 from the FY 17/18 projection. TIF #2 has had a negative tax capture for FY17/18 and 18/19 and will receive no property tax revenue captures (current year taxable value is less than the base value). However, TIF #2 is expected to receive personal property tax reimbursements of \$64,290.

The Brownfield Redevelopment Fund is budgeting \$37,000 in property tax captures, which is an increase of 2.6% from FY 17/18 projected. The increase in expenditures in fiscal year 2019 is to make tax increment payments.

## Budget Overview (Continued)

The following shows the IT equipment requested and funded in the FY18/19 budget.

2019-2023 Capital Improvements - IT Infrastructure							
Projects	Exp Type	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	Notes
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	Yearly Support/Licensing - MAINT is not available on existing HP LH
IT-5 HP Switch Maintenance and Support	HDW Maint	5,000	5,250	5,500	5,750	6,000	Yearly Support/Licensing
IT-6 Barracuda Licensing and Support	HDW Maint	1,500	1,500	1,500			Yearly Support/Licensing
IT-8 DL 360 Esxi Hosts	INF Refresh	25,000					Each Device on Exchange is required to have a license from Microsoft.
IT-9 SAN Storage (VMWare)	INF Refresh	40,000					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	25,000					EOL will not be supported soon
IT-11 Access Switches	INF Refresh		42,000				
IT-12 Firewall - Security	INF Refresh						EOL on current Sonicwall NSA
IT-13 Core Switches	INF Refresh	45,000					EOL on Core switches part of network upgrade
IT-14 HP Server Support and Maintenance	HDW Maint	2,750	3,000	3,250	3,500	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	10,000	10,000	Miscellaneous items that might be purchased throughout the year.
IT-17 Shortel Shorecare	SupportMaint	8,000	8,250	8,500	8,750	9,000	Yearly Support/Licensing
IT-18 Backup Exec	SW Maint	3,257	3,257	3,257	3,257	3,257	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	13,000					Part of exchange 2016 upgrade
IT-30 MS Office Licensing					40,000		
<b>Grand Total</b>		<b>\$ 209,440</b>	<b>\$ 104,190</b>	<b>\$ 209,940</b>	<b>\$ 112,190</b>	<b>\$ 78,940</b>	

## Budget Overview (Continued)

The following reflects the City's road improvement plan for the next five fiscal years. The FY18/19 road improvements are included in the budget.

	POTENTIAL FUNDING SOURCE(S)	TOTAL PROJECT COST (Including PE, CE)		TOTAL CITY COST	FUTURE CITY COST (2019-2023)	FY 18-19		FY 19-20		FY 20-21		FY 21-22		FY 22-23	
PROJECT NUMBER AND NAME			CITY SHARE			PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**
MAJOR STREETS CONSTRUCTION :															
974.07 Centerpoint Turnarounds**	MDOT Grant	450,000	43%	195,000		450,000	195,000								
974.07 Hill Street		671,000	100%	671,000		621,000	621,000								
978 Joslyn Road**	NHPP	2,708,922	100%	2,708,922		2,650,273	2,650,273								
983 Orchard Lake Road		1,464,000	100%	1,464,000											
974.05 Opdyke Road	Tri-Party	100,000	100%	100,000		100,000	100,000								
University	Bi-Party	78,936	64%	50,602		39,468	225,301								
South Boulevard**	FAC	1,500,000	40%	601,896		1,500,000	601,896								
University Drive**	FAC	2,652,641	35%	941,295				2,652,641	941,295						
Perry Street*		1,250,000	100%	1,250,000		1,250,000	175,301								
Featherstone*		450,000	100%	450,000						450,000	450,000				
Baldwin*		3,162,428	100%	-											
Orchard Lake Road*		1,191,343	100%	1,191,343						1,191,343	1,191,343				
Baldwin (Joint Repair)*		263,200	100%	263,200						263,200	263,200				
Mill Street *		525,301	100%	525,301		525,301	525,301								
To be determined*				100,000			100,000								
MLK Jr. Boulevard*		6,900,000	100%	6,900,000				3,450,000	3,450,000			3,450,000	3,450,000		
Pike Street*		1,098,000	100%	1,098,000								1,098,000	1,098,000		
Pike Street*		488,000	100%	488,000										488,000	488,000
Giddings Road*		793,000	100%	793,000										793,000	793,000
State Street*		4,684,000	100%	4,684,000										4,684,000	4,684,000
Golf Drive*		2,153,300	100%	2,153,300										2,153,300	2,153,300
	Subtotal	35,341,943		26,628,859	-	7,136,042	5,194,072	6,102,641	4,391,295	1,904,543	1,904,543	4,548,000	4,548,000	8,118,300	8,118,300
LOCAL STREETS CONSTRUCTION :															
Central		525,000	100%	525,000		525,000	525,000								
Ferry		600,000	100%	600,000		600,000	600,000								
Nebraska		427,000	100%	427,000				427,000	427,000						
Earlmoor		1,464,000	100%	1,050,000						1,050,000	1,050,000				
To be determined*		3,000,000	100%	1,025,000			50,000			150,000	150,000	1,500,000	512,500	512,500	-
Bloomfield*		549,000	100%	549,000											
	Subtotal	6,565,000		6,703,863	-	1,125,000	1,175,000	427,000	427,000	1,200,000	1,200,000	1,500,000	512,500	512,500	-
	Grand Total	41,906,943		33,332,722		8,261,042	6,369,072	6,529,641	4,818,295	3,104,543	3,104,543	6,048,000	5,060,500	8,630,800	8,118,300

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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 FY18/19 Budgeted revenue is increasing \$1.07 million from FY17/18 projected and \$1.09 million from FY16/17 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 increase is reflective of an increase in net income tax revenue of \$451,000. Additionally, the City of Pontiac is planning to receive \$800,000 from reimbursements from WRC for retiree health care paid by the City. 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 FY18/19 are decreasing 2.2% or \$838,012 from the FY17/18 projected and an increase of \$4 million from FY16/17 actual. The City is expecting budget increases for personnel services, fringe benefits and contractual services. Expenditures are explained in more detail in the pages that follow.

## Fund Balance Summary Analysis

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- ❖ The FY16/17 ending fund balance included \$2.9 million in assigned fund balance for projects that were not completed during the FY16/17 and were rolled into FY17/18 per City Council approval.
- ❖ The FY17/18 ending fund balance is expected to decrease by 11% or \$1.9 million. The FY17/18 amended budget expected to use \$2.9 million of fund balance. The City has several vacant positions and revenue is trending higher than budget, which is causing an improved fund balance to be projected for FY17/18. Additionally, on June 8, 2018, the City Council passed a resolution to commit \$3.2 million of fund balance for the purpose of purchasing a youth recreation center.
- ❖ The FY18/19 fund balance is expected to remain stable from the FY17/18 projected. The budgeted ending fund balance at June 30, 2019 is projected to be \$15.1 million. This is 42% 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, 2019 is expected to be \$9.7 million above the minimum fund balance.

# General Fund Summary (Continued)

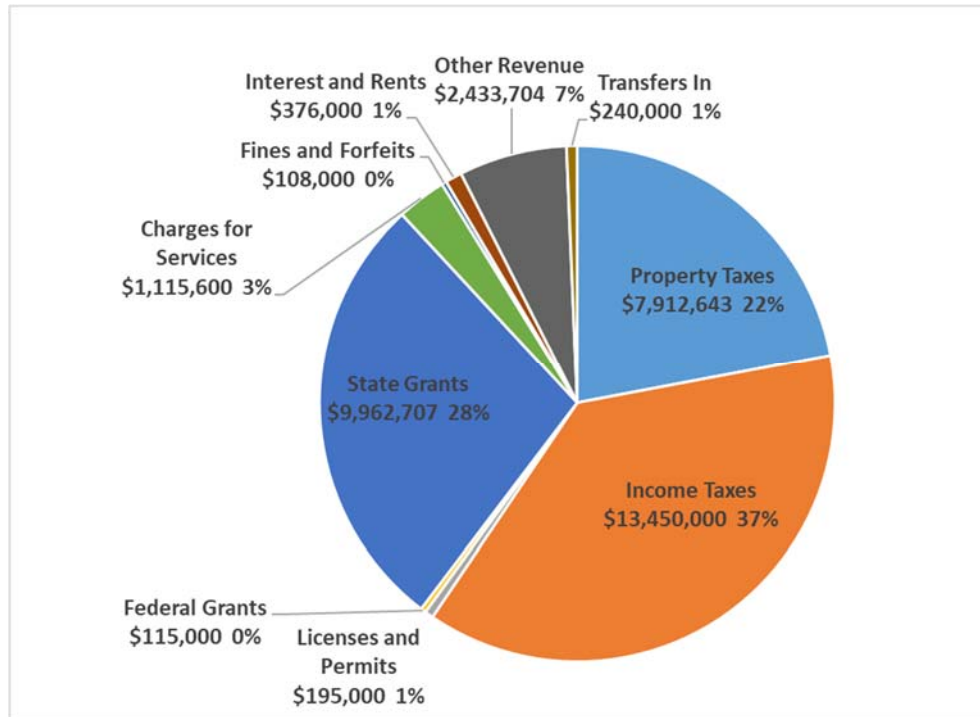
## Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 8,309,157	\$ 8,163,789	\$ 7,912,643
Income Taxes	13,140,072	12,998,971	13,450,000
Licenses and Permits	198,301	188,250	195,000
Federal Grants	103,934	107,000	115,000
State Grants	10,075,245	9,858,566	9,962,707
Charges for Services	1,017,944	1,076,461	1,115,600
Fines and Forfeits	8,000	8,000	108,000
Interest and Rents	262,495	419,586	376,000
Other Revenue	1,459,723	1,774,699	2,433,704
Total Budgeted Revenue Sources	34,574,871	34,595,322	35,668,654
<b><u>Proposed Appropriations</u></b>			
City Council	261,881	583,835	671,124
Mayor	474,015	515,603	524,878
City Clerk	184,302	218,207	257,569
Elections	227,910	192,856	196,943
Finance	417,491	568,779	636,114
Accounting	259,983	268,881	283,351
Income Tax	434,808	470,956	505,729
Information Technology	350,832	365,995	378,599
Treasurer	269,823	308,336	343,880
Assessing	420,794	429,550	442,025
Personnel	82,980	99,755	307,398
Building Maintenance	216,991	348,020	448,582
City Attorney	351,103	383,500	373,034
Total General Government	3,952,913	4,754,273	5,369,226
Police	12,205,720	12,196,165	12,405,168
Crossing Guards	9,440	6,600	13,574
Dispatch	156,983	164,943	200,942
Fire	6,693,731	7,010,227	7,384,817
Total Public Safety	19,065,874	19,377,935	20,004,501
Drains - Public Benefit	180,504	226,902	221,000
Engineering	428,479	622,363	743,296
Street Lighting	734,588	771,989	798,604
Public Works Operations	452,946	383,356	821,992
Total Public Works	1,796,517	2,004,610	2,584,892
Tele-van Services	-	150,000	150,000
Total Health and Welfare	-	150,000	150,000
Redevelopment and Housing	2,161,600	2,060,802	1,965,637
Planning	126,703	233,515	361,527
Code Enforcement	-	-	228,686
Total Community Development	2,288,303	2,294,317	2,555,850
City Events	65,985	60,000	60,000
Ewalt Center/Galloway Park	798	-	-
Parks Grounds Maintenance	403,497	715,564	616,963
Total Recreation and Culture	470,280	775,564	676,963
Retiree Fringes	1,773,627	2,412,557	2,452,662
Total Other	1,773,627	2,412,557	2,452,662
Total Budgeted Expenditures	29,347,514	31,769,256	33,794,094
Budgeted Net Revenue (Expenditures)	5,227,357	2,826,066	1,874,560
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	211,977	220,000	240,000
Transfers (Out) and Other Financing Sources	(2,483,496)	(4,977,405)	(2,114,555)
Total Other Financing Sources	(2,271,519)	(4,757,405)	(1,874,555)
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	14,117,937	17,073,775	15,142,436
Change in Fund Balance	2,955,838	(1,931,339)	5
Ending Fund Balance June 30	\$ 17,073,775	\$ 15,142,436	\$ 15,142,441
<b><u>Financial Position</u></b>			
Nonspendable	15,290		
Restricted	-		
Committed	-	3,200,000	
Assigned	2,990,646		
Unassigned	14,067,839	11,942,436	15,142,441
Ending Fund Balance June 30	\$ 17,073,775	\$ 15,142,436	\$ 15,142,441

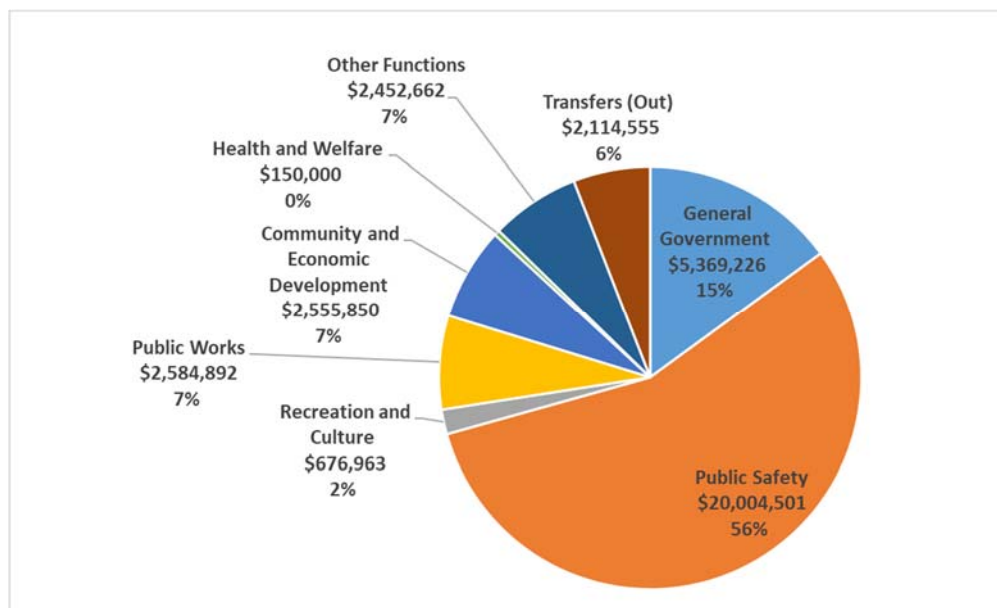
## General Fund Summary (Continued)

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### FY 2018-19 Budgeted Revenue by Major Category



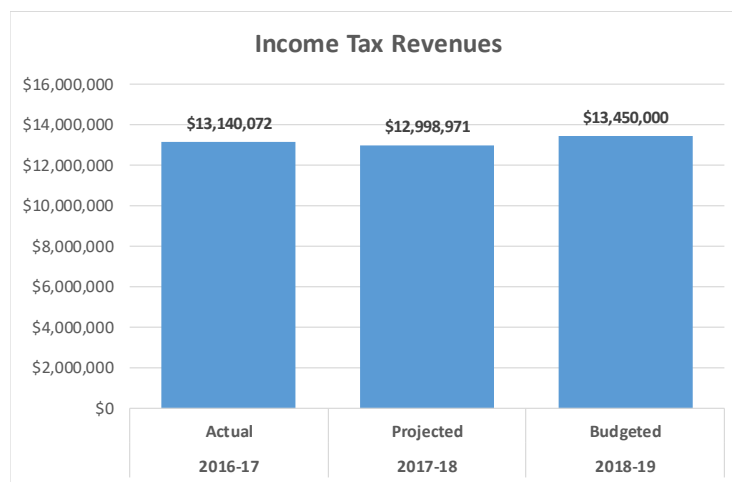
### Expenditure by Function



# General Fund Revenue

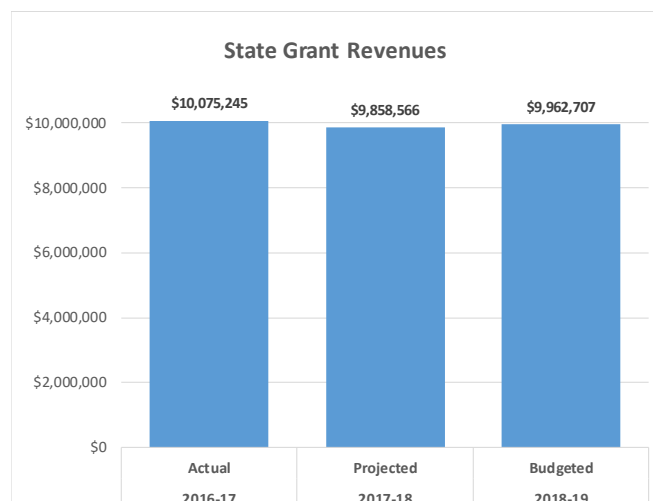
## Income Tax Revenue

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 million in FY17/18. This is a decrease of \$141,000 or 1% from the prior year. Revenue for Income Tax is calculated by the Income Tax Personnel. Income Tax revenue has been consistent and expected to increase for the past three fiscal years as shown in the chart below. This is reflective of the new businesses that have located to Pontiac and the overall improvement in the economy.



## State Grant Revenue

The second largest revenue source for the General Fund (28%) 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 \$9.9 million in revenue from the State. The State Shared Revenue is expected to increase 1.0% from FY17/18. 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.



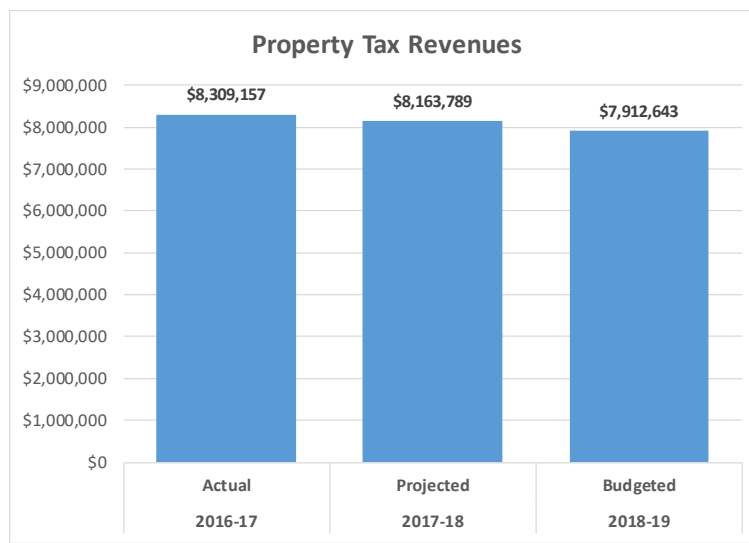
## General Fund Revenue (Continued)

### Property Tax Revenue

The third largest source (22%) 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 2018/19 the General Fund is budgeted to receive and collect \$7,912,643 from property taxes, penalties and interest on taxes paid late and a 1% administration fee. This is a 3% decrease from the prior year, as the City is expecting the STEL received in FY 2019 to be less than received in FY 2018.

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 2.4% increase in the collection of property tax revenue based on estimates from Oakland County. The STEL is expected to decrease for FY18/19. The 2.4% increase in property taxes levied is offset by the decrease in budgeted STEL revenue as well as an anticipated increase in property tax chargebacks resulting in a net 3% decrease in total property tax revenue.



### Other Revenue

The remaining 13% or \$4.4 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. The City is expecting the following new revenue items that are included in other revenue:

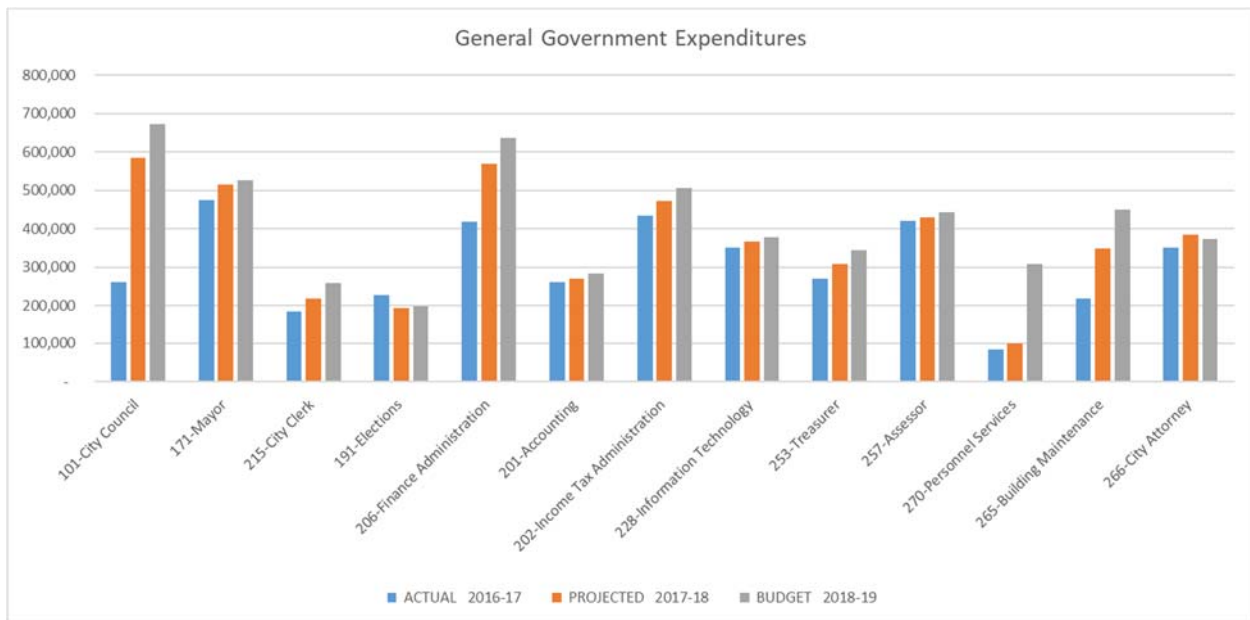
- ❖ \$150,000 in revenue from transportation services
- ❖ \$800,000 from reimbursements from WRC for other post-employment benefits paid by the City

# 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, 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 15% of the total expenditures or approximately \$5.4 million of the total budget for FY18/19. The pages that follow explain each department of the General Government function and the changes to the budget.

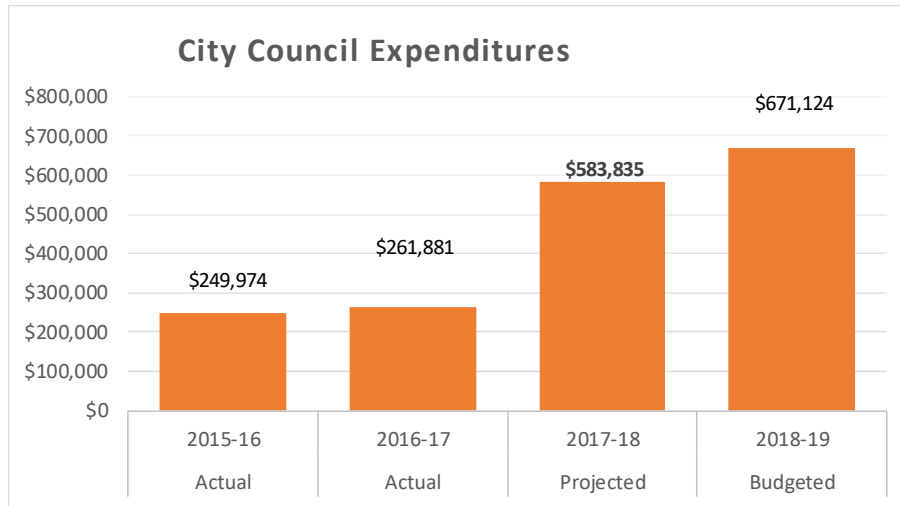


## General Fund Expenditures (Continued)

### 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 113,338	\$ 140,695	\$ 245,599	\$ 238,949	\$ 240,687
Supplies	11,305	7,633	4,000	5,475	6,100
Other Services and Charges	125,331	113,553	444,064	339,411	424,337
<b>Total</b>	<b>\$ 249,974</b>	<b>\$ 261,881</b>	<b>\$ 693,663</b>	<b>\$ 583,835</b>	<b>\$ 671,124</b>

#### Changes in Budget

- ❖ Total \$22,539 decrease from the FY17/18 amended budget and \$87,289 from the FY17/18 projected activity.
- ❖ Other Services and Charges budget is increasing due to City Council District Projects and a Council Initiative Pride and Beautification project.

#### City Council Department - Goals

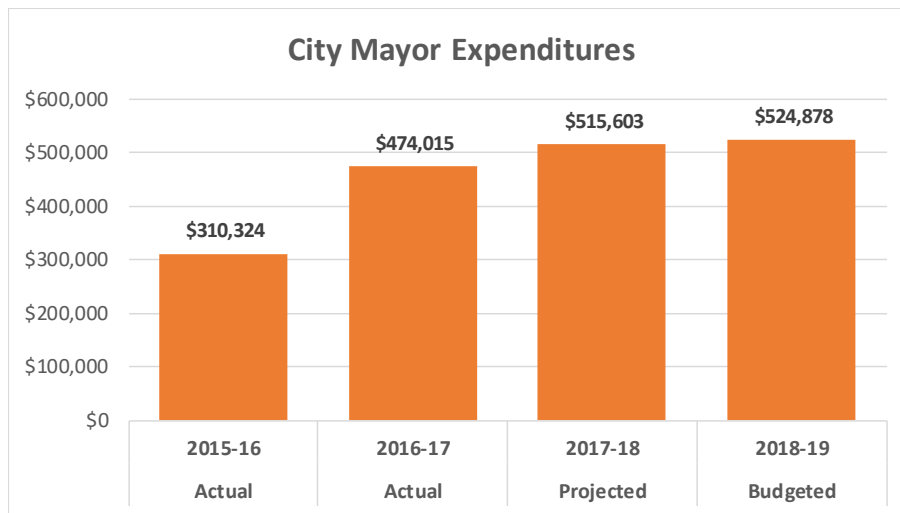
- ❖ To provide guidance and prioritize individual projects for the district project budget (*Pontiac Moving Forward : PDA #2 Neighborhoods*).

## 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 232,126	\$ 379,229	\$ 423,017	\$ 414,372	\$ 401,892
Supplies	15,493	33,510	17,363	21,790	19,040
Other Services and Charges	62,705	61,276	133,449	79,441	103,946
<b>Total</b>	<b>\$ 310,324</b>	<b>\$ 474,015</b>	<b>\$ 573,829</b>	<b>\$ 515,603</b>	<b>\$ 524,878</b>

#### Changes in Budget

- ❖ \$48,951 decrease from the FY17/18 amended budget and \$9,275 increase from 17/18 projected.

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.
- ❖ 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)

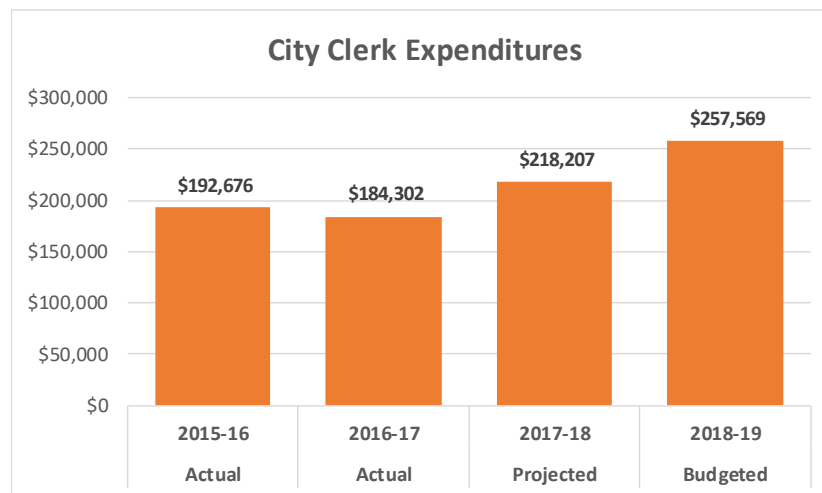
### City Clerk

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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 163,647	\$ 160,067	\$ 165,859	\$ 165,314	\$ 190,811
Supplies	7,456	7,207	6,992	7,367	5,150
Other Services and Charges	21,573	17,028	39,957	45,526	61,608
<b>Total</b>	<b>\$ 192,676</b>	<b>\$ 184,302</b>	<b>\$ 212,808</b>	<b>\$ 218,207</b>	<b>\$ 257,569</b>

General Fund Expenditures (Continued)

## City Clerk

### Changes in Budget

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- ❖ \$39,362 increase from the FY17/18 projected and \$44,761 increase from the FY17/18 amended budget
- ❖ Personnel Services is increasing due to deputy clerk acting as interim clerk until such time a City Clerk is hired in FY 18/19.
- ❖ Other Services and Charges is increasing due to the Code of Ordinance's update and the Insurance Premium allocation has shifted additional costs to the Clerk's department.

### 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.
- ❖ 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***).

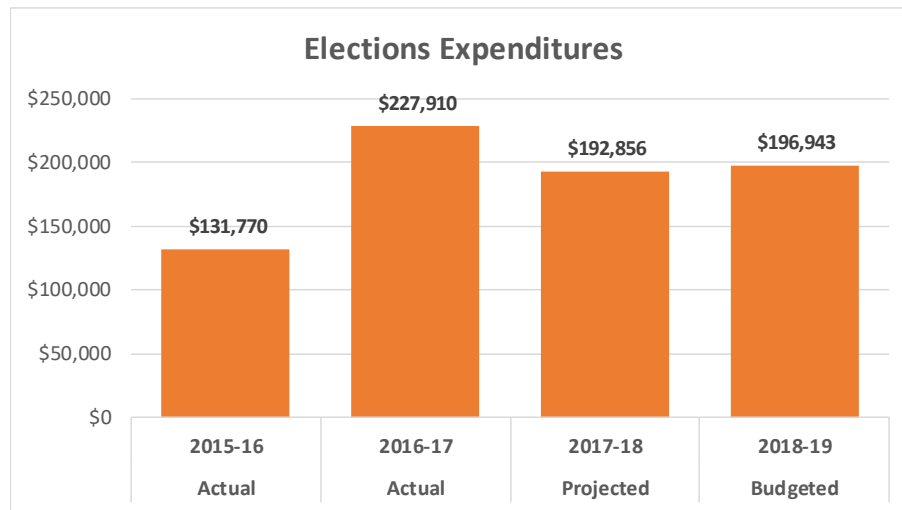
## General Fund Expenditures (Continued)

### 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 83,050	\$ 124,196	\$ 115,611	\$ 129,310	\$ 129,608
Supplies	31,028	70,560	28,500	30,900	29,500
Other Services and Charges	17,692	33,154	33,159	32,646	37,835
<b>Total</b>	<b>\$ 131,770</b>	<b>\$ 227,910</b>	<b>\$ 177,270</b>	<b>\$ 192,856</b>	<b>\$ 196,943</b>

#### Changes in Budget

- ❖ \$19,673 increase in the budget from FY17/18 budget and \$4,087 increase from 17/18 projections.
- ❖ Personnel Services is increasing due to two new part time election positions that are expected to be filled in fiscal year 18/19.

## 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).***

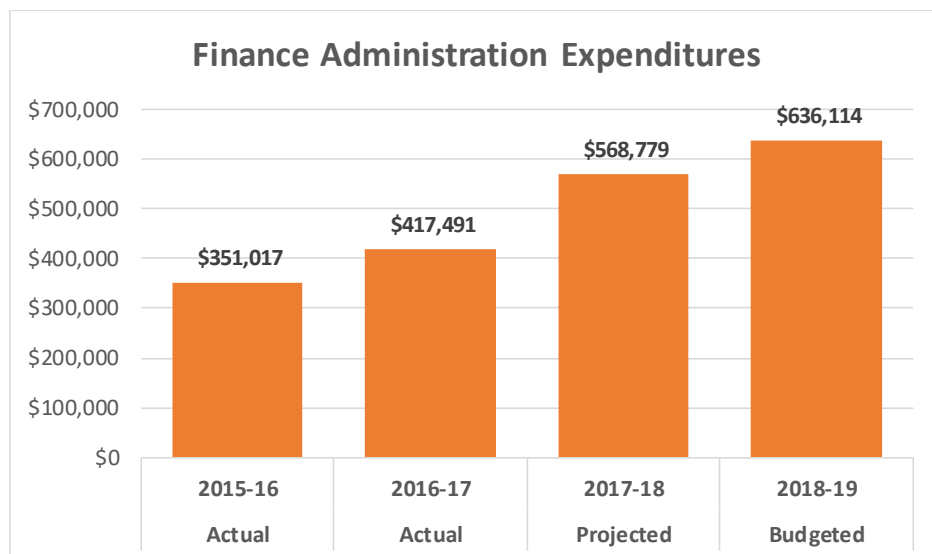
## General Fund Expenditures (Continued)

### 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 278,159	\$ 295,537	\$ 405,990	\$ 387,525	\$ 491,801
Supplies	6,551	4,298	10,500	9,000	7,600
Other Services and Charges	66,307	117,656	169,387	172,254	136,713
Total	<u>\$ 351,017</u>	<u>\$ 417,491</u>	<u>\$ 585,877</u>	<u>\$ 568,779</u>	<u>\$ 636,114</u>

#### Changes in Budget

- ❖ Increase of \$67,335 from the FY18/19 projected and \$50,237 increase from amended budget.
- ❖ Personnel Services is increasing due to an approved position in the FY18/19 budget for a contract compliance and grant writer.

#### Finance Administration - Goals

- ❖ Achieve the GFOA Distinguished Budget Presentation Award second 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***).

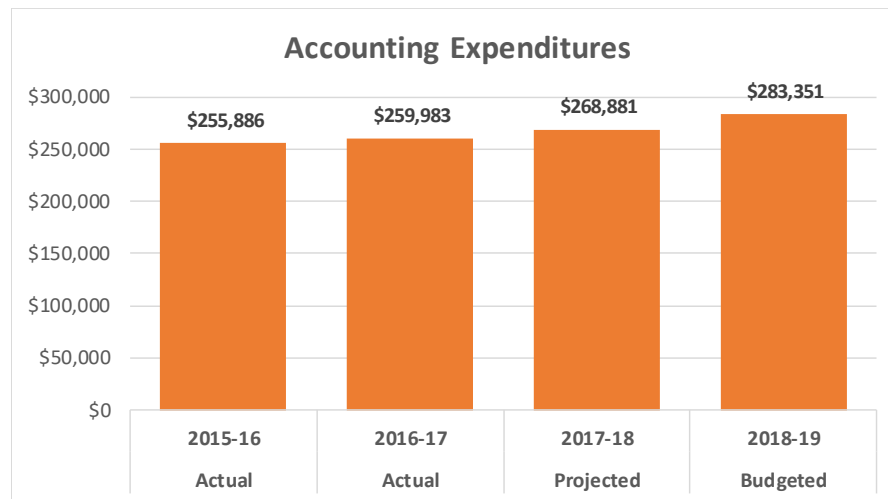
## General Fund Expenditures (Continued)

### 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Supplies	\$ 2,825	\$ 90	\$ 5,000	\$ 5,000	\$ 1,000
Other Services and Charges	253,061	259,893	264,294	263,881	282,351
<b>Total</b>	<b>\$ 255,886</b>	<b>\$ 259,983</b>	<b>\$ 269,294</b>	<b>\$ 268,881</b>	<b>\$ 283,351</b>

General Fund Expenditures (Continued)

## Accounting

### Changes in Budget

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- ❖ Approximately \$14,000 increase in the budget from FY17/18 projection and amended budget.
- ❖ Increase is attributed to an increase in the contract with Plante and Moran for FY18/19.

### 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 74, 75, 76 and 77 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.

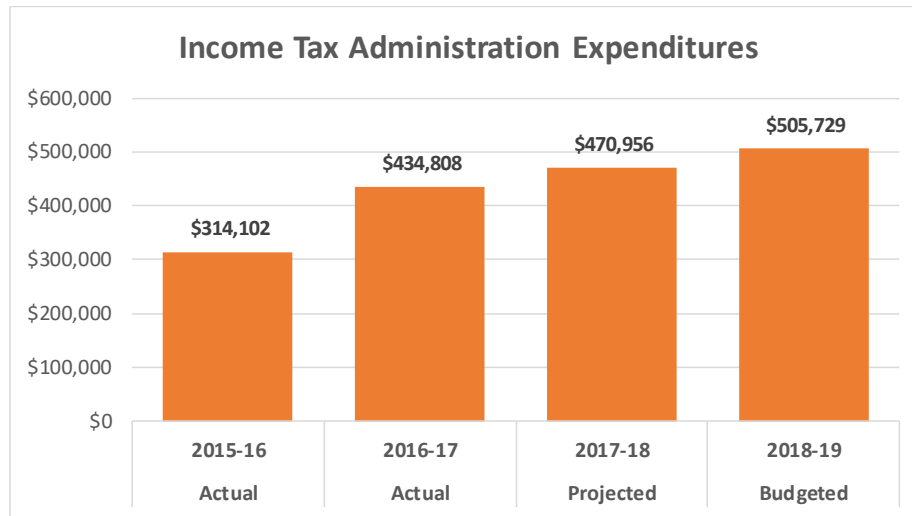
The City Income Tax Department is part of the City's Finance Department and is comprised of two sections:

#### ❖ 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 33,920	\$ 71,137	\$ 73,776	\$ 73,789	\$ 74,550
Supplies	28,095	32,434	45,000	46,410	46,000
Other Services and Charges	252,087	331,237	357,500	346,331	385,179
Capital Outlay	-	-	4,426	4,426	-
<b>Total</b>	<b>\$ 314,102</b>	<b>\$ 434,808</b>	<b>\$ 480,702</b>	<b>\$ 470,956</b>	<b>\$ 505,729</b>

General Fund Expenditures (Continued)

## Income Tax

### Changes in Budget

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- ❖ \$25,027 increase from the FY17/18 budget and \$34,773 increase from FY17/18 projected
- ❖ The primary cause for the increase is Other Services and Charges. The Professional Services for Innovative Software to process Income Tax returns and payments are expected to increase. The increase is related to an increase in income tax volume, as well as delinquent collections.

### Income Tax Administration - Goals

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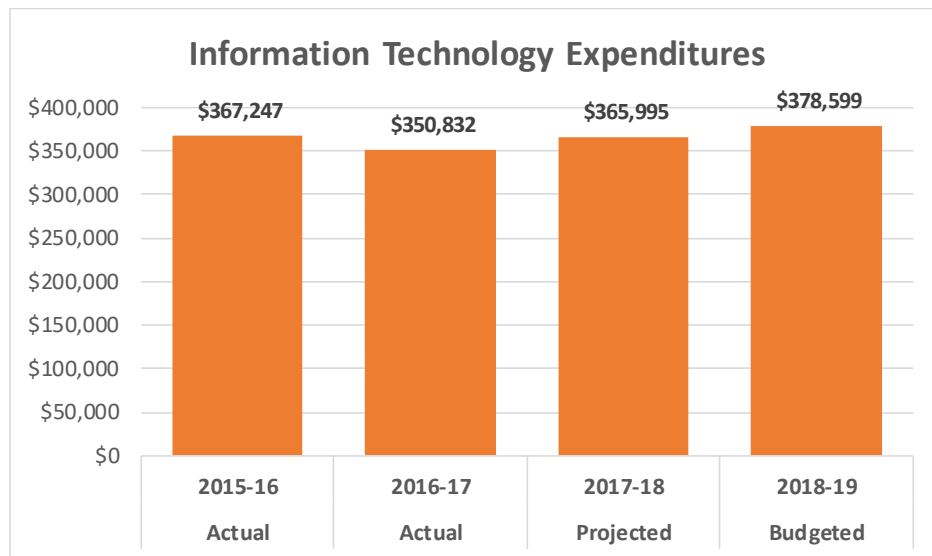
- ❖ Ensure continued compliance with City Charter and State of Michigan Income Tax Laws.
- ❖ Implement new statutory requirements and regulations in a timely and cost-effective manner.
- ❖ Provide efficient income tax administration through effective communication with all taxpayers, including deploying 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Supplies	\$ 10,739	\$ 4,060	\$ 7,450	\$ 7,525	\$ 7,600
Other Services and Charges	356,508	346,772	371,493	358,470	370,999
Total	<u>\$ 367,247</u>	<u>\$ 350,832</u>	<u>\$ 378,943</u>	<u>\$ 365,995</u>	<u>\$ 378,599</u>

## General Fund Expenditures (Continued)

# Information Technology

### Changes in Budget

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- ❖ \$12,604 increase from the FY17/18 projected.
- ❖ Other Services and Charges is expected to increase due to Insurance Property Coverage on equipment and additional maintenance on existing computer equipment.

### 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.
- ❖ Implement ITSM (IT Service Management) tools. This will enable us to track, prioritize, and solve customer support tickets. This will help IT. keep track of all support issues and known issues.
- ❖ Upgrade servers to DL 360 Esxi Hosts.
- ❖ Upgrade Storage. Storage is required for VMWare stack. We need to upgrade the storage to meet the current demands. This system is approaching EOL (end of life) LH4500 is EOL on 12/31/2018.
- ❖ Upgrade Access Switches. The current switches are EOL (End of Life) and will no longer be supported.

## General Fund Expenditures (Continued)

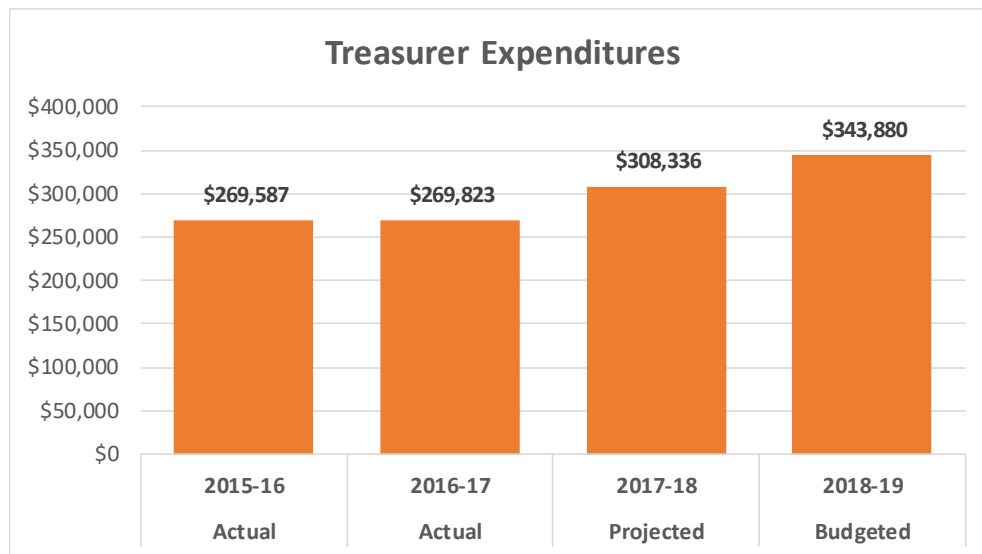
### Treasurer

**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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 197,588	\$ 209,457	\$ 223,770	\$ 225,458	\$ 246,859
Supplies	28,632	24,835	34,500	30,750	30,500
Other Services and Charges	43,367	35,531	62,604	52,128	66,521
<b>Total</b>	<b>\$ 269,587</b>	<b>\$ 269,823</b>	<b>\$ 320,874</b>	<b>\$ 308,336</b>	<b>\$ 343,880</b>

General Fund Expenditures (Continued)

## Treasurer

### Changes in Budget

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- ❖ \$35,544 increase from FY17/18 projected and \$23,006 increase from FY17/18 budget
- ❖ Increase in Other Services and Charges related to property insurance coverage allocation to the Treasury Department.
- ❖ Personnel services is planned to increase due to planned family coverage for vacant Treasurer Position. Prior Treasurer did not utilize health insurance.

### Treasurer - Goals

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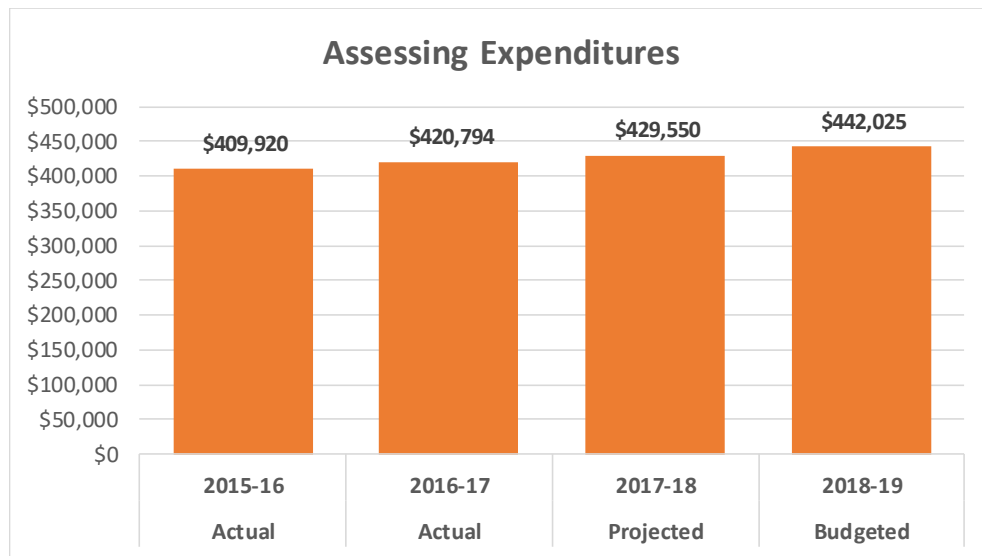
- ❖ Ensure compliance with City Charter and State of Michigan General Tax Laws by maintaining accurate tax rolls and implementing new statutory requirements and regulations in a timely and cost-effective manner
- ❖ Review programs and procedures to maximize enhancements and efficiencies.
- ❖ Research 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**).

## 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Supplies	\$ 10,112	\$ 10,023	\$ 11,000	\$ 11,000	\$ 11,000
Other Services and Charges	399,808	410,771	418,500	418,550	431,025
<b>Total</b>	<b>\$ 409,920</b>	<b>\$ 420,794</b>	<b>\$ 429,500</b>	<b>\$ 429,550</b>	<b>\$ 442,025</b>

#### Changes in Budget

- ❖ Approximately \$12,000 increase in Other Services in Charges is related to the contract increase in assessing services with Oakland County.

#### Assessing - Goals

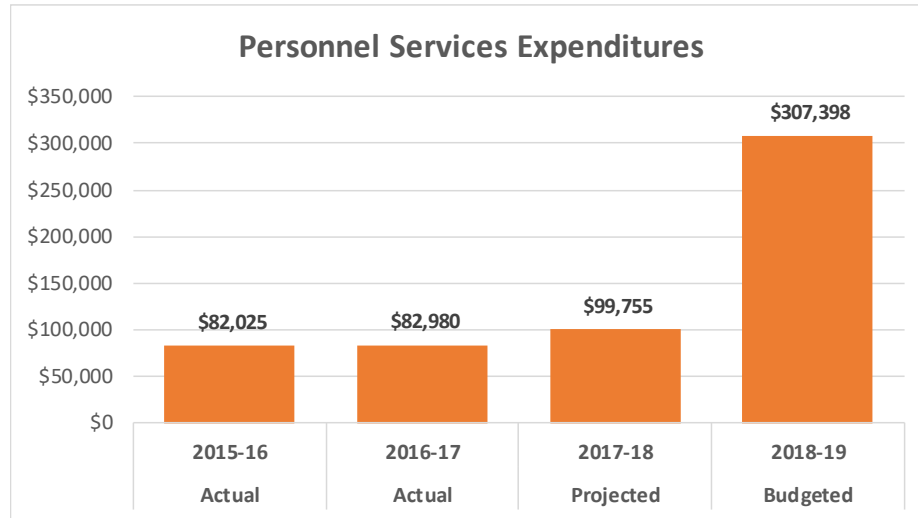
- ❖ Provide programs and procedures that ensure a fair and equitable assessment administration system, according to the City Charter and Michigan General Property Tax Laws.
- ❖ Ensure a comprehensive and impartial review of all parcels appealed before the Board of Review.
- ❖ Provide assistance to economic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

## General Fund Expenditures (Continued)

### 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

	2015-16		2016-17		2017-18		2017-18		2018-19	
<u>Financial Summary</u>	Actual		Actual		Budgeted		Projected		Budgeted	
Personnel Services	\$	71,717	\$	75,081	\$	84,836	\$	80,106	\$	270,445
Supplies		2,119		638		2,400		2,750		2,900
Other Services and Charges		8,189		7,261		52,415		16,899		34,053
Total	\$	82,025	\$	82,980	\$	139,651	\$	99,755	\$	307,398

#### Changes in Budget

- ❖ \$174,197 increase from FY17/18 budget and \$214,093 increase from FY17/18 projected.
- ❖ Increase in Personnel is due to approximately \$32,000 increases per LOCC recommendations pending approval by City Council for the Mayor and City Council as well as a provision of approximately \$162,000 for increases contingent upon the results of a planned compensation study in FY 2019.

General Fund Expenditures (Continued)

## Personnel Services

### Personnel Services - Goals

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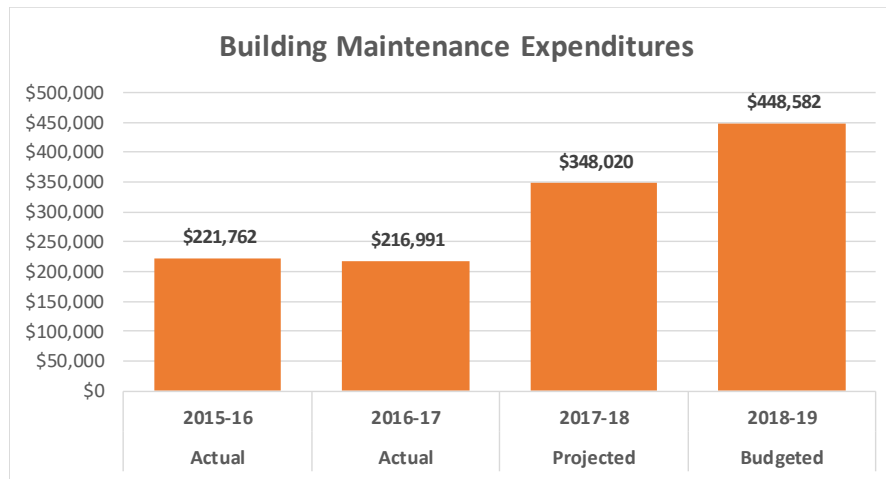
- ❖ Develop, present and implement Emergency Preparedness Manual to establish procedures and train staff how to respond in the event of an emergency.
- ❖ Obtain approval of The Mayor and City Council for the Proposed Employee Handbook, distribute to all staff and begin implementation.
- ❖ Obtain approval 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 42,589	62,965	116,288	\$ 122,758	\$ 196,943
Supplies	10,694	17,491	15,000	14,050	12,700
Other Services and Charges	168,479	136,535	209,617	211,212	238,939
<b>Total</b>	<b>\$ 221,762</b>	<b>\$ 216,991</b>	<b>\$ 340,905</b>	<b>\$ 348,020</b>	<b>\$ 448,582</b>

#### Changes in Budget

- ❖ \$107,677 increase from FY17/18 budget and \$100,562 increase from projected.
- ❖ Increase in Personnel is related to one new building maintenance positions.
- ❖ Other Services and Charges is increasing due to increase in the contract for janitorial services and an increased budget for snow removal.

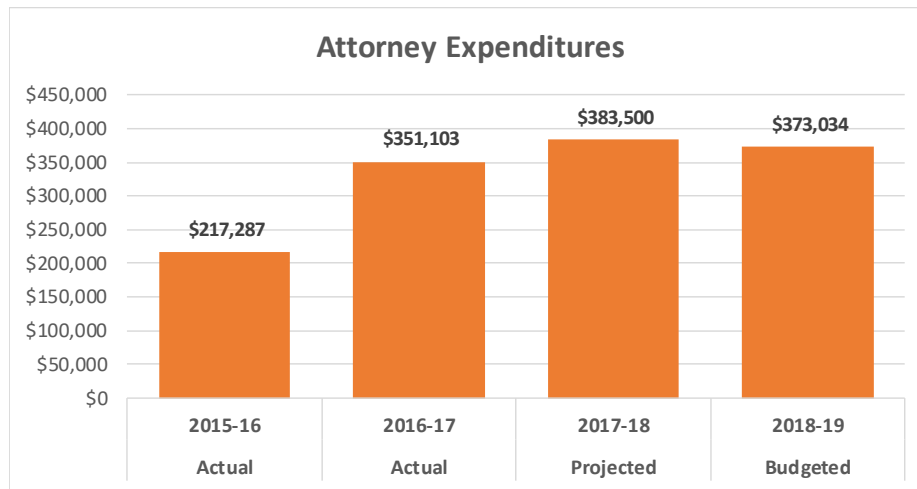
#### Building Maintenance - Goals

- ❖ 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Other Services and Charges	\$ 217,287	\$ 351,103	\$ 384,000	\$ 383,500	\$ 373,034
<b>Total</b>	<b>\$ 217,287</b>	<b>\$ 351,103</b>	<b>\$ 384,000</b>	<b>\$ 383,500</b>	<b>\$ 373,034</b>

#### Changes in Budget

- ❖ Minimal decrease in budget

#### Attorney - Goals

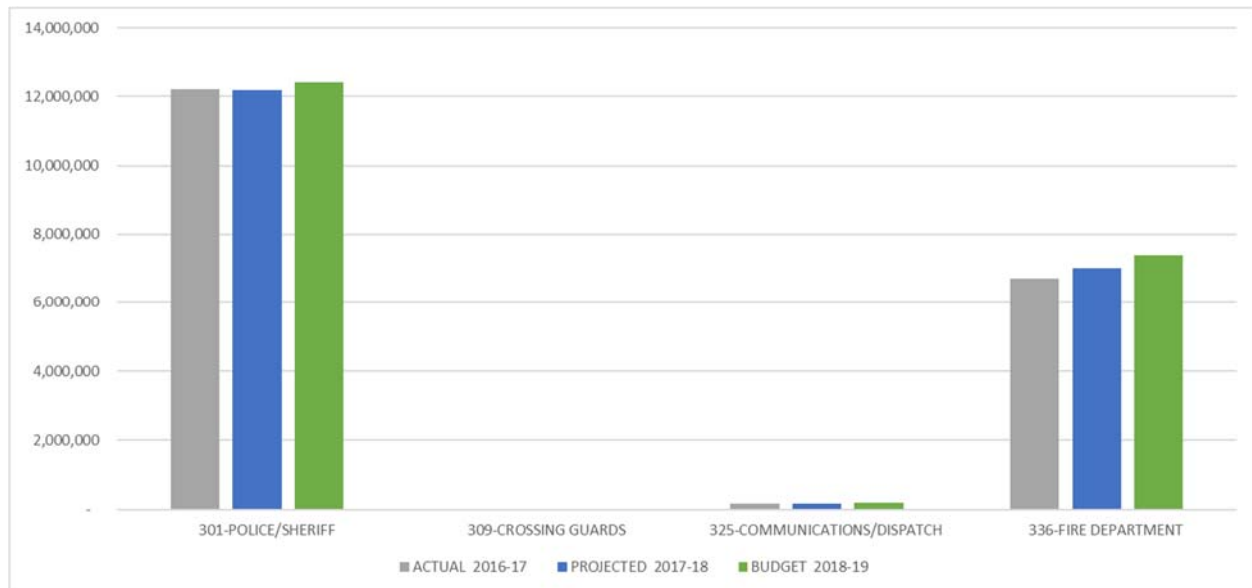
- ❖ Provide timely and logical responses to all questions and issues assigned to the law firm.
- ❖ Issue solid and defensible legal opinions on all issues referred to the law firm.
- ❖ Represent the City vigorously and effectively in lawsuits filed on behalf of, or against, the City of Pontiac.
- ❖ Remain 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 56% of the total expenditures or approximately \$20 million of the total budget for FY18/19. 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.

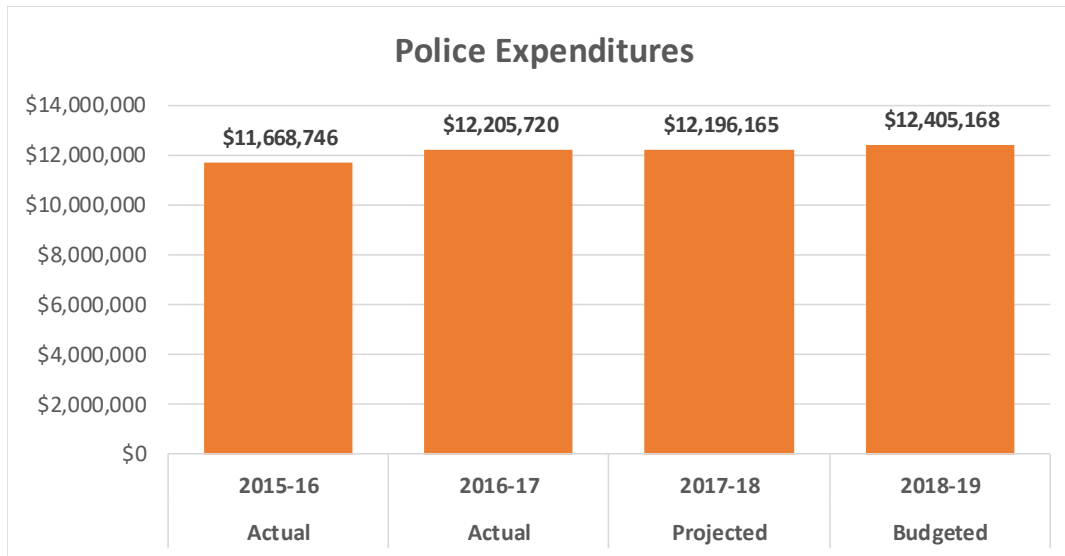
#### Community Policing Unit

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 2018 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 75,664	\$ 334,528	\$ 324,808	\$ 325,465	\$ 83,842
Supplies	1,638	3,938	4,300	4,050	4,300
Other Services and Charges	11,591,444	11,867,254	11,878,163	11,866,650	12,317,026
<b>Total</b>	<b>\$ 11,668,746</b>	<b>\$ 12,205,720</b>	<b>\$ 12,207,271</b>	<b>\$ 12,196,165</b>	<b>\$ 12,405,168</b>

#### Changes in Budget

- ❖ \$197,897 increase from the FY17/18 budget and \$209,003 increase from FY17/18 projected.
- ❖ Decrease in personnel services is reflective of a \$239,170 decrease in allocations for worker's compensation. The City is now considered to have fully paid for this particular case, thus an allocation is no longer required. This was offset by an increase of \$431,946 with the contract with Oakland County for both regular service and overtime.

#### Police/Sheriff - Goals

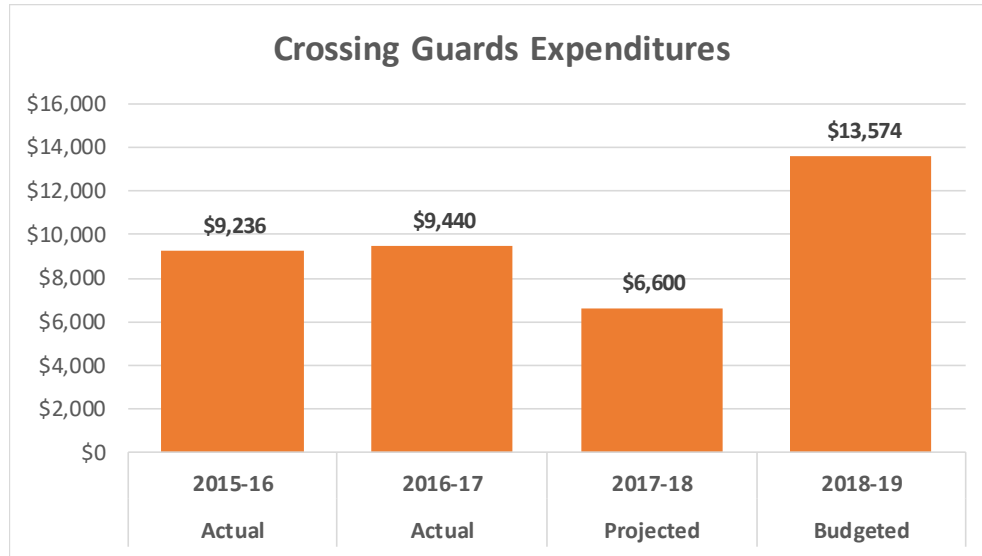
- ❖ Provide high visibility, community-oriented neighborhood patrol to residents.
- ❖ Maintain positive relationships with citizens and Homeowner Associations to provide for open communication.
- ❖ Enforce compliance with State law and Local ordinances.
- ❖ Remain vigilant in monitoring crime trends 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 9,236	\$ 9,440	\$ 13,051	\$ 6,600	\$ 13,574
Supplies	-	-	-	-	-
<b>Total</b>	<b>\$ 9,236</b>	<b>\$ 9,440</b>	<b>\$ 13,051</b>	<b>\$ 6,600</b>	<b>\$ 13,574</b>

#### Changes in Budget

- ❖ Increase of \$523 from FY17/18 budget and \$6,974 from projection due to 2 vacant positions in FY17/18 that are expected to be filled in FY 18/19.

#### Crossing Guards - Goals

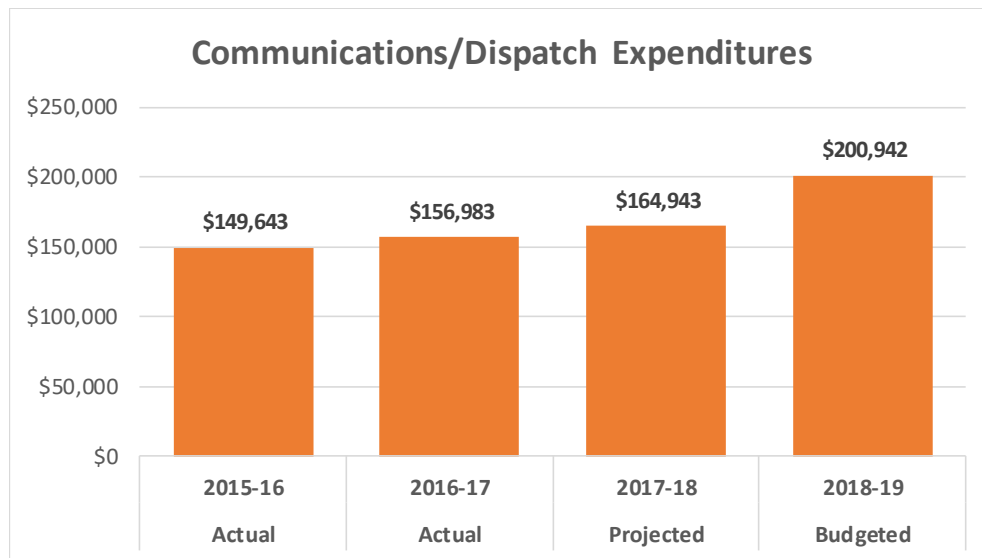
- ❖ Provide for the safe crossing of students to and from school during the school year.

## General Fund Expenditures (Continued)

### 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Other Services and Charges	\$ 149,643	\$ 156,983	\$ 164,943	\$ 164,943	\$ 200,942
Total	<u>\$ 149,643</u>	<u>\$ 156,983</u>	<u>\$ 164,943</u>	<u>\$ 164,943</u>	<u>\$ 200,942</u>

#### Changes in Budget

- ❖ Other Services and Charges is expected to increase \$36,000 from the FY17/18 budget and projection due to a contractual increase with Oakland County for dispatch services.

#### Communications/Dispatch - Goals

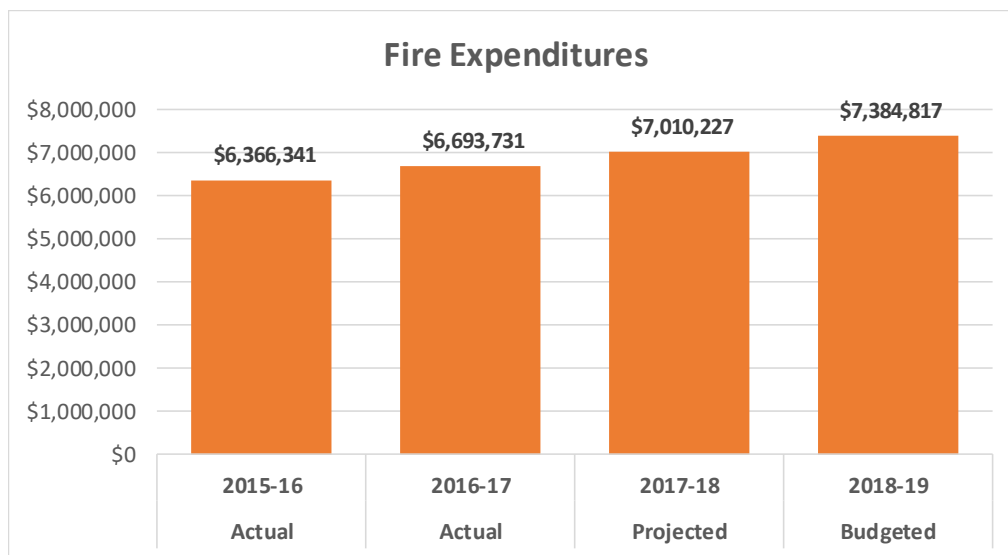
- ❖ Encourage and support citizen involvement and leadership to improve the quality of life by ensuring that the citizen's first point of contact with his/her public safety resources is courteously, sympathetically, and efficiently met.
- ❖ Ensure the safety and effectiveness of our officers and other 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Supplies	\$ -	\$ 102	\$ 125	\$ 100	\$ 100
Other Services and Charges	6,366,341	6,693,629	7,035,261	7,010,127	7,384,717
<b>Total</b>	<b>\$ 6,366,341</b>	<b>\$ 6,693,731</b>	<b>\$ 7,035,386</b>	<b>\$ 7,010,227</b>	<b>\$ 7,384,817</b>

#### Changes in Budget

- ❖ \$349,431 increase from FY17/18 budget and \$374,590 increase from FY17/18 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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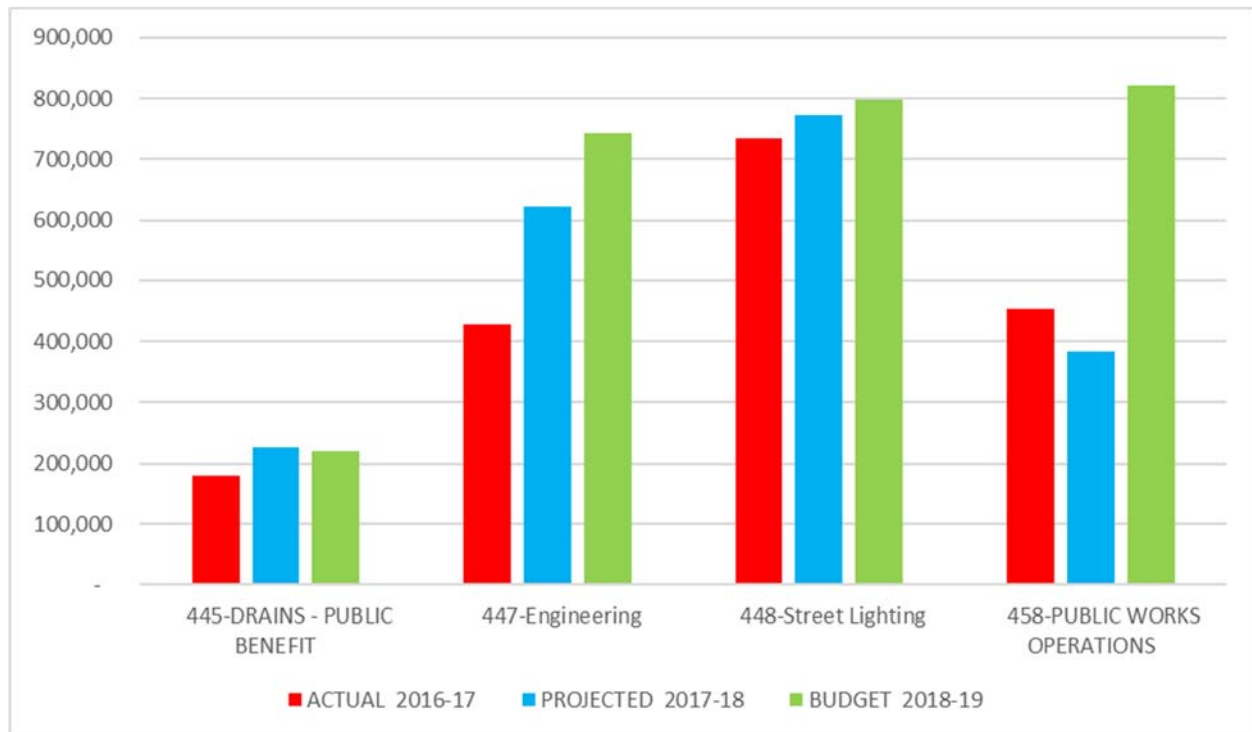
- ❖ Provide a high level of emergency service that continually improves the quality of life for residents, businesses, and visitors.
- ❖ Continue improving various areas within the department ranging from service and program enhancements to operational improvements, all while remaining fiscally prudent 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.

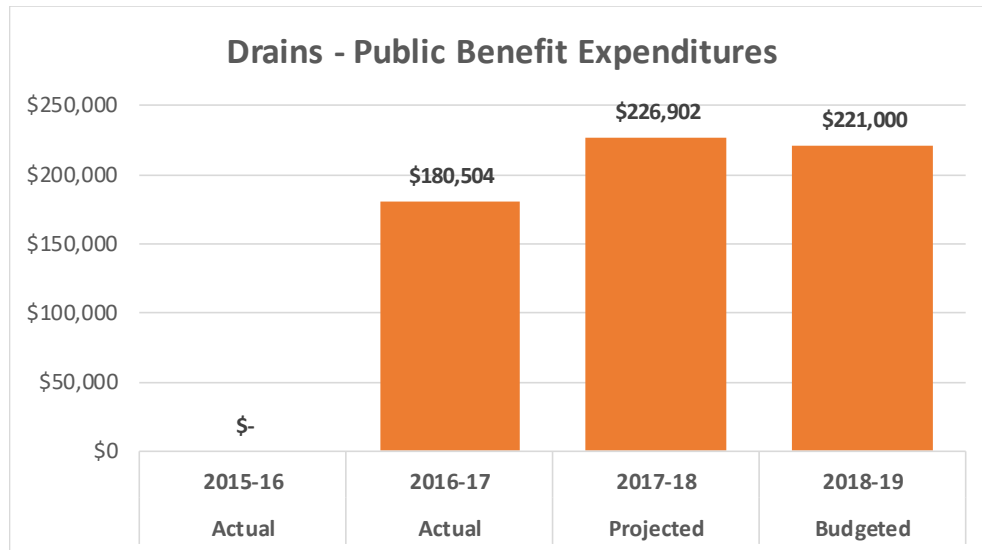
The Public Works Function for the General Fund represents 7% of the total expenditures or approximately \$2.5 million of the total budget for FY18/19. The pages that follow explain each department of the Public Works Function and the changes to the budget.



## 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

	2015-16	2016-17	2017-18	2017-18	2018-19
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ -	\$ 180,504	\$ 236,652	\$ 226,902	\$ 221,000
Total	\$ -	\$ 180,504	\$ 236,652	\$ 226,902	\$ 221,000

### Changes in Budget

- ❖ Decrease of \$15,652 from FY17/18 budget and a decrease of \$5,902 from FY17/18 projected
- ❖ Change in budget is based on estimated drain maintenance expenditures for the upcoming fiscal year. This includes \$52,150 for Chapter 4 drain maintenance and \$147,850 for Chapter 20 drain maintenance.
- ❖ The Drain Fund (special revenue fund) previously paid for drain maintenance expenditures. The Drain Fund is expected to be closed in FY18/19 and all drain maintenance expenditures above the current fund balance will be expensed to this department in the General Fund.

### 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**

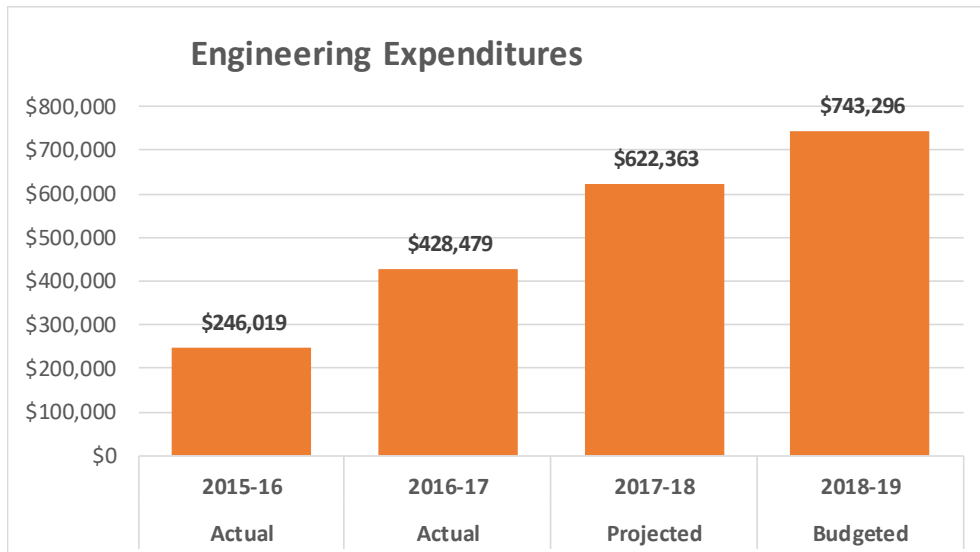
- Specification writing
- Preparation of construction documents
- Consultant selection and consultant management
- Bid evaluation
- Request for Proposals

❖ **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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 134,107	\$ 136,768	\$ 132,946	\$ 126,217	\$ 264,736
Supplies	3,532	4,078	3,800	3,126	9,200
Other Services and Charges	108,380	267,833	337,878	412,392	450,360
Capital Outlay	-	19,800	81,200	80,628	19,000
Total	<u>\$ 246,019</u>	<u>\$ 428,479</u>	<u>\$ 555,824</u>	<u>\$ 622,363</u>	<u>\$ 743,296</u>

#### Changes in Budget

- ❖ Increase of \$187,472 from FY17/18 budget and an increase of \$120,933 from FY 17/18 projection.
- ❖ Increase of \$126,958 in Personnel Services is due to two new positions created in FY18/19.
- ❖ Other Services and Charges increase of approximately \$35,000 is related to programming and licensing for the asset management program of \$80,000. This was offset by a decrease in plan review expenditures of \$60,000.
- ❖ Capital outlay for FY18/19 is related to the server lease for the asset management system and additional computers to operate the asset management system.

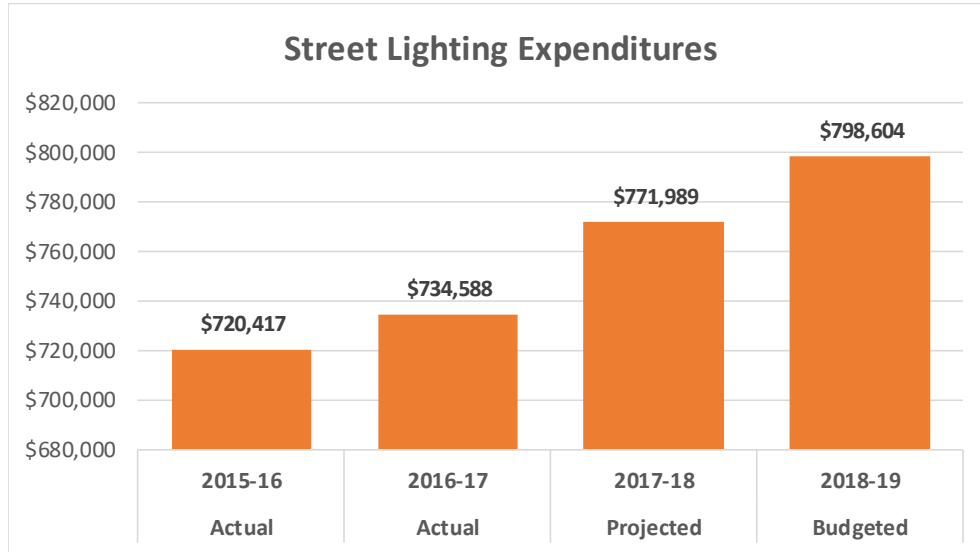
#### Engineering - Goals

- ❖ 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 720,417	\$ 734,588	\$ 778,875	\$ 771,989	\$ 798,604
Total	<u>\$ 720,417</u>	<u>\$ 734,588</u>	<u>\$ 778,875</u>	<u>\$ 771,989</u>	<u>\$ 798,604</u>

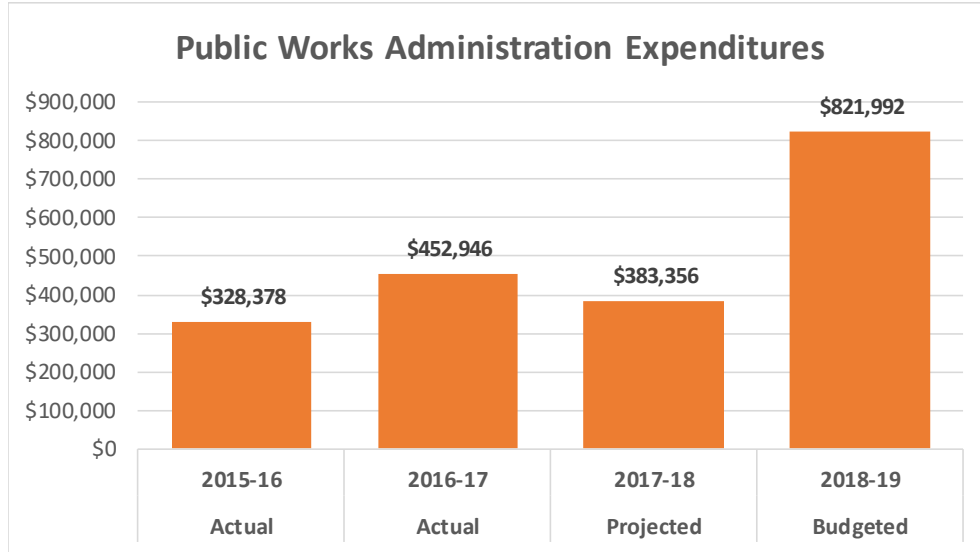
### Changes in Budget

- ❖ Increase of \$19,729 from FY17/18 budget and increase of \$26,615 from FY 17/18 projection is due to an expected rate increases.

## 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 232,538	\$ 320,182	\$ 290,491	\$ 264,436	\$ 546,928
Supplies	9,506	6,364	26,815	26,050	14,300
Other Services and Charges	86,334	126,400	112,937	92,870	260,764
<b>Total</b>	<b>\$ 328,378</b>	<b>\$ 452,946</b>	<b>\$ 430,243</b>	<b>\$ 383,356</b>	<b>\$ 821,992</b>

#### Changes in Budget

- ❖ \$391,749 increase from FY17/18 budget and increase of \$438,636 from the FY17/18 projection.
- ❖ Increase in Personnel Services of approximately \$280,000 is attributed to four new positions to be filled in FY18/19.
- ❖ Increase in Other Services and Charges of approximately \$164,000 is due leasing of a DPW building and garage to house new personnel and vehicles along with related increases to building maintenance, property insurance, and vehicle maintenance.

## 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

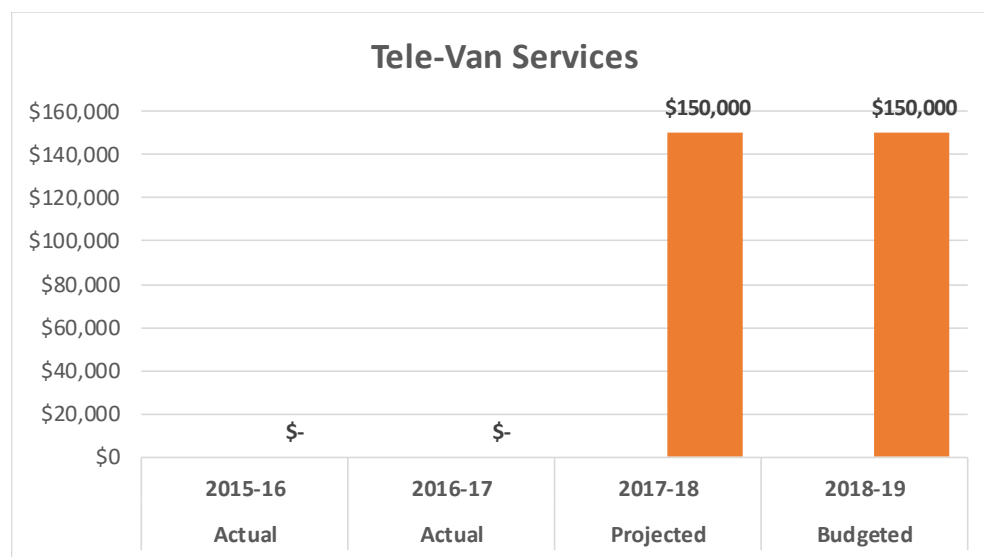
## Health and Welfare Function

Operations under this category include expenses related to transportation services.

The Health and Welfare function for the General Fund represents less than 1% of the total expenditures or approximately \$150,000 of the total budget for FY18/19.

## Tele-van Services

The City of Pontiac Mayor has made the policy decision to bring back in-house the transportation services for the City of Pontiac residents.



### FINANCIAL SUMMARY - Tele-van Services

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Other Services and Charges	-	-	150,000	150,000	150,000
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>	<b>\$ 150,000</b>

### Changes in Budget

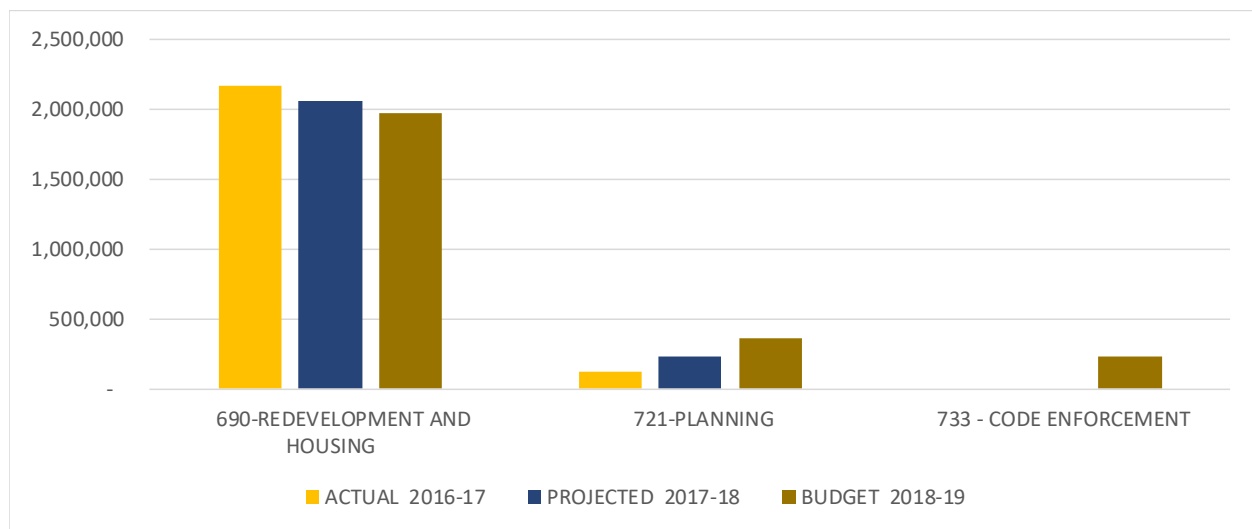
- ❖ Budget is expected to stay at FY 17/18 levels.

# 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 (new for FY18/19).

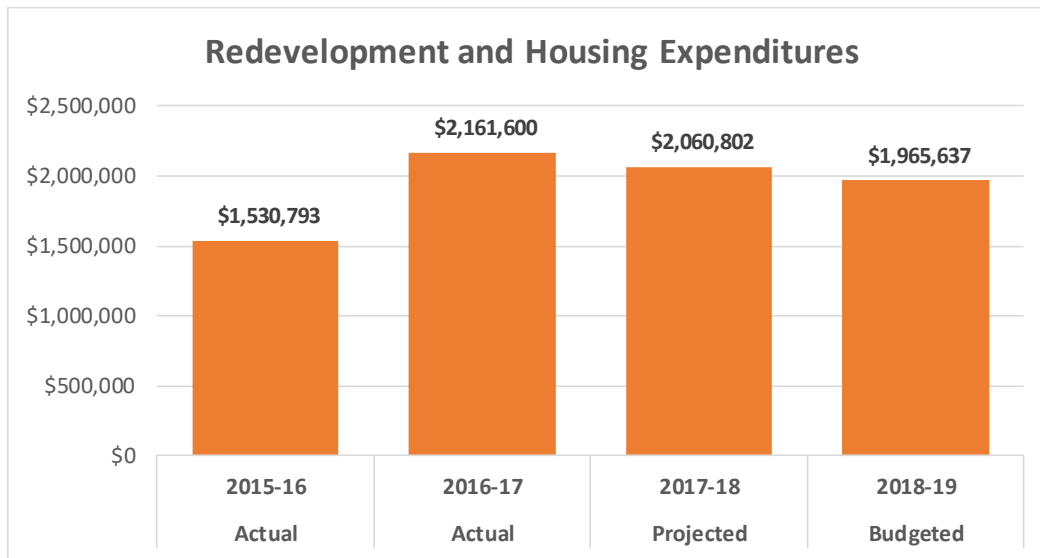
The Community Development function for the General Fund represents 7% of the total expenditures or approximately \$2,400,000 of the total budget for FY18/19. The pages that follow explain the department of the Community Development Function and the changes to the budget.



## 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 236,820	\$ 151,029	\$ 383,665	\$ 302,168	\$ 369,192
Supplies	554	56	2,900	2,500	2,900
Other Services and Charges	1,293,419	1,400,515	2,027,762	1,751,129	1,591,545
Capital Outlay	-	610,000	3,035	5,005	2,000
Total	<u>\$ 1,530,793</u>	<u>\$ 2,161,600</u>	<u>\$ 2,417,362</u>	<u>\$ 2,060,802</u>	<u>\$ 1,965,637</u>

#### Changes in Budget

- ❖ Decrease of \$451,725 from the FY17/18 budget and \$95,165 decrease from the FY17/18 projection.
- ❖ Personnel Services is increasing due to a new customer service representative position added in the fiscal year 18/19 budget.
- ❖ Other Services and Charges is decreasing approximately \$162,000 from the FY17/18 projected due to a decrease in the contract with Wade Trim for Code Enforcement, as the City plans to insource this department in FY18/19.
- ❖ Other Services and Charges also includes approximately \$900,000 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***).

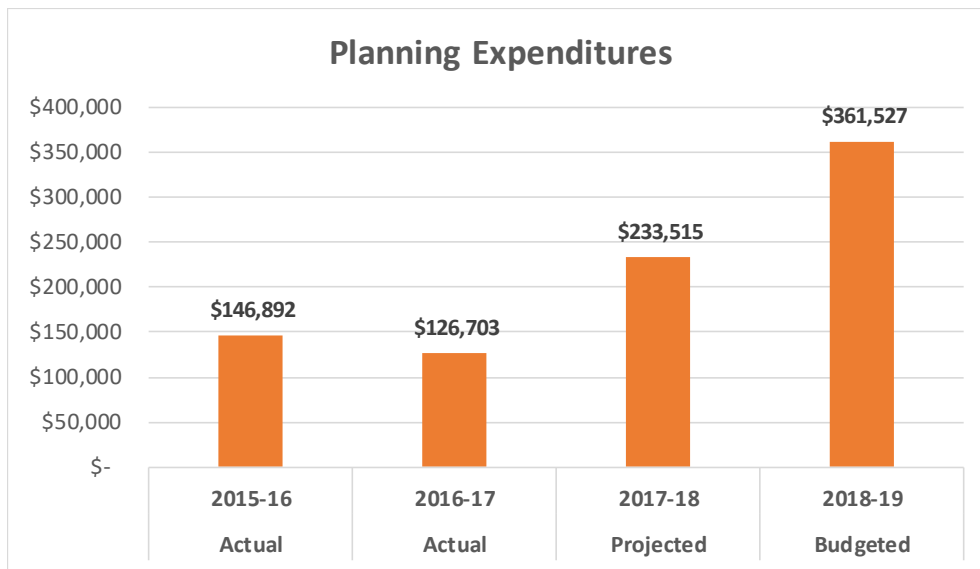
## General Fund Expenditures (Continued)

### 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ 276,974
Supplies	-	-	4,100	1,950	4,600
Other Services and Charges	146,892	126,703	349,935	231,565	79,953
<b>Total</b>	<b>\$ 146,892</b>	<b>\$ 126,703</b>	<b>\$ 354,035</b>	<b>\$ 233,515</b>	<b>\$ 361,527</b>

## General Fund Expenditures (Continued)

# Planning

### Changes in Budget

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- ❖ Increase of \$7,492 from FY 17/18 budget and an increase of \$128,012 from FY 17/18 projection. Personnel Services is expected to increase due to insourcing the planning department in FY 18/19. There is a corresponding decrease to the contract with Wade Trim as the department transitions.

### 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.
- ❖ Insource the planning department during FY18/19 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

	2015-16		2016-17		2017-18		2017-18		2018-19	
<b>Financial Summary</b>	<b>Actual</b>		<b>Actual</b>		<b>Budgeted</b>		<b>Projected</b>		<b>Budgeted</b>	
Personnel Services	\$	-	\$	-	\$	-	\$	-	\$	374,577
Supplies		-		-		-		-		3,000
Other Services and Charges		-		-		-		-		(148,891)
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>228,686</b>

#### Changes in Budget

- ❖ New department in FY 18/19. The City plans to insource this department in FY18/19 from the current contractor, Wade Trim.

#### Code Enforcement - Goals

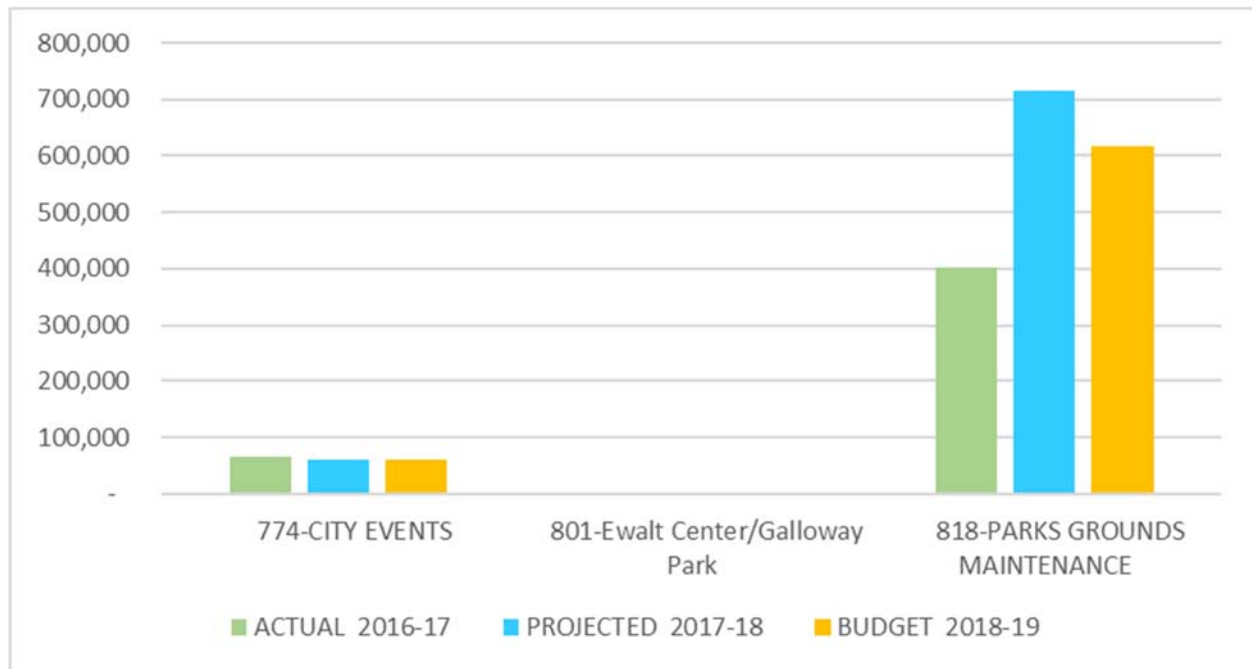
- ❖ Increase inspection rate and decrease response time between warning and correction to help aid in the restoration of the Pontiac’s neighborhoods and downtown area (***Pontiac Moving Forward PDA #2.1 and PDA #3.9***).
- ❖ Insource this department during FY18/19 and provide a more efficient service to the citizens.

# 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 2% of the total expenditures or approximately \$676,000 of the total budget for FY18/19. The pages that follow explain the department of the Recreation and Culture function and the changes to the budget.

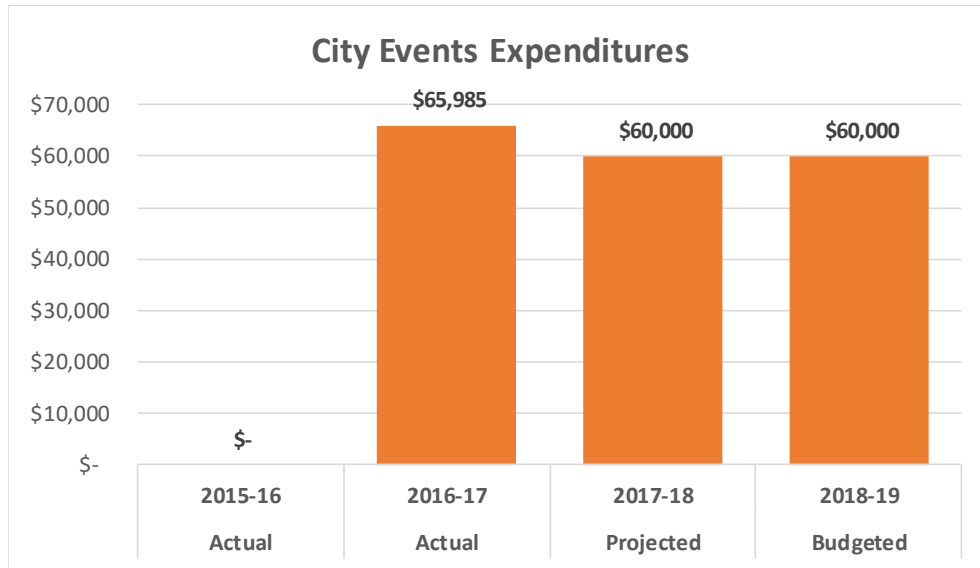


## General Fund Expenditures (Continued)

### City Events

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

The only community event for FY18/19 is the Dream Cruise. The Dream Cruise is partially funded through donations and reimbursements of City expenses.



#### FINANCIAL SUMMARY -City Events

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Other Services and Charges	\$ -	\$ 65,985	\$ 80,000	\$ 60,000	\$ 60,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 65,985</b>	<b>\$ 80,000</b>	<b>\$ 60,000</b>	<b>\$ 60,000</b>

#### Changes in Budget

- ❖ The FY18/19 budget is expected to decrease \$20,000 from the FY17/18 budget based on actuals from FY16/17 and FY17/18.

#### City Events- Goals

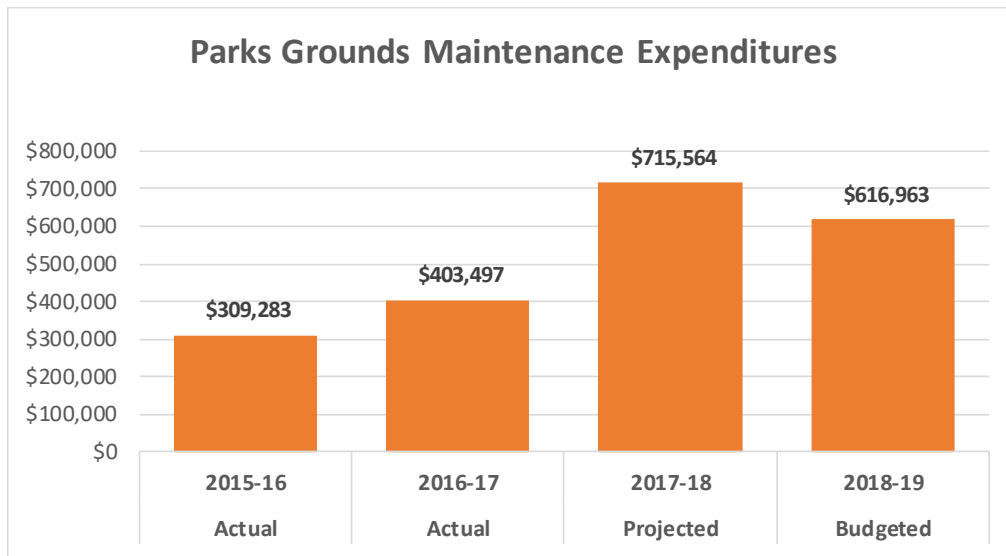
- ❖ Provide community events that contribute to the quality of life within Pontiac, promote the City within the region, and generate economic activity while minimizing the expense to City taxpayers.
- ❖ Continue successful fundraising efforts for the Dream Cruise.

## General Fund Expenditures (Continued)

### 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 6,593	\$ 15,276	\$ 21,044	\$ 21,051	\$ 5,009
Supplies	16,662	15,382	18,500	16,100	35,400
Other Services and Charges	286,028	372,839	867,315	678,293	576,554
Capital Outlay	-	-	120	120	-
<b>Total</b>	<b>\$ 309,283</b>	<b>\$ 403,497</b>	<b>\$ 906,979</b>	<b>\$ 715,564</b>	<b>\$ 616,963</b>

#### Changes in Budget

- ❖ \$290,016 decrease from the FY17/18 budget and \$98,601 decrease from the FY17/18 projected.
- ❖ Other Services and Charges is expected to decrease from FY17/18 budget primarily due to less planned Grant Matching in FY18/19 and less funding for Neighborhood Projects of approximately \$192,000.

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

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## Other Functions

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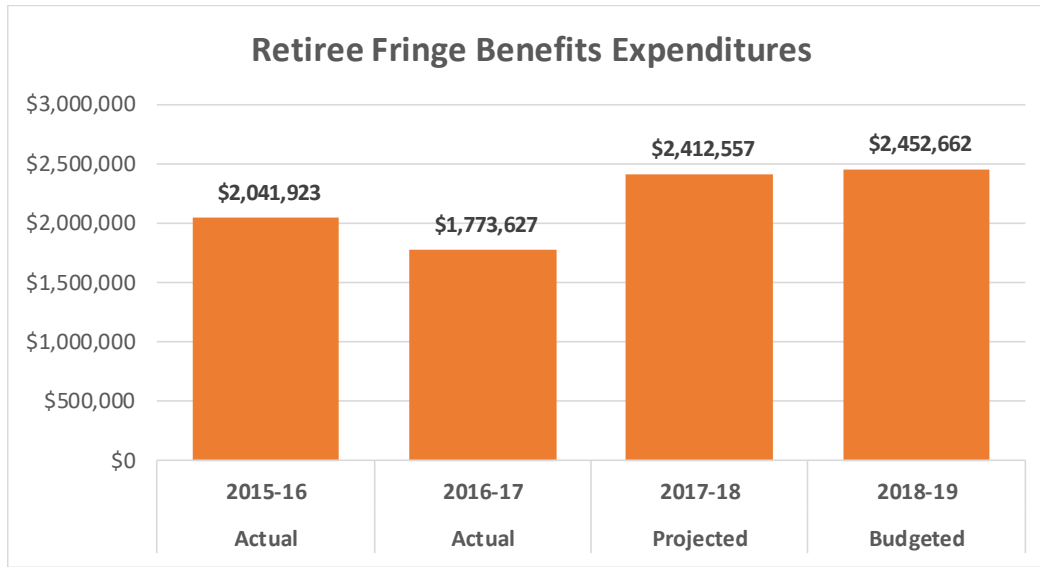
Operations under this category include funding for retiree pension and insurance benefits.

The Other functions for the General Fund represents 7% of the total expenditures or approximately \$2.4 million of the total budget for FY18/19. There is one department in the Other functions category, 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 2,041,923	\$ 1,773,627	\$ 2,412,557	\$ 2,412,557	\$ 2,452,662
<b>Total</b>	<b>\$ 2,041,923</b>	<b>\$ 1,773,627</b>	<b>\$ 2,412,557</b>	<b>\$ 2,412,557</b>	<b>\$ 2,452,662</b>

#### Changes in Budget

- ❖ The total budget increase from FY17/18 budget and projection of \$2.4 million consists of an additional \$40,000 contribution to the Police and Fire Pension Retirement Plan in accordance with the actuarial value of the annual required contribution (ARC).

# General Fund Expenditures

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## Transfers

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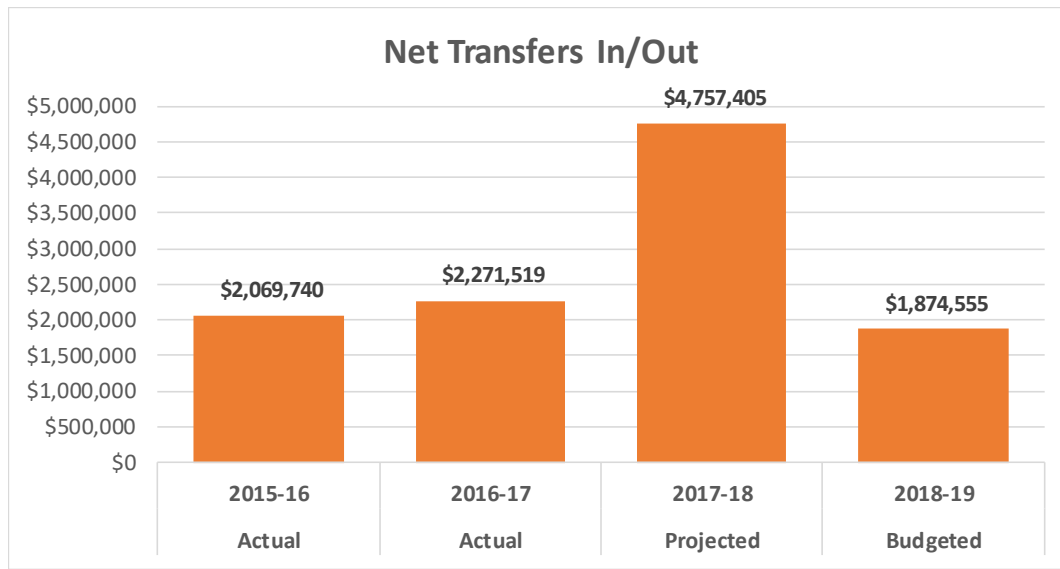
The General Fund transfers money to other Funds to support and subsidize activities that do not generate enough revenue to cover their own costs. This includes transfers out to support the 50th District Court and the Cemetery Fund. The Transfers activity also includes transfers in from other Funds, such 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% of the total expenditures or approximately \$1.8 million of the total budget for FY18/19. 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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Interfund Transfers In	\$ (248,303)	\$ (211,977)	\$ (220,000)	\$ (220,000)	\$ (240,000)
Interfund Transfers out	2,318,043	2,483,496	5,214,563	4,977,405	2,114,555
Total	<u>\$ 2,069,740</u>	<u>\$ 2,271,519</u>	<u>\$ 4,994,563</u>	<u>\$ 4,757,405</u>	<u>\$ 1,874,555</u>

#### Transfers In

- ❖ \$15,000 transfer from the District Court for Parking Fines that belong to the General Fund.
- ❖ \$225,000 transfer from the PA 48 Fund for Metro Act Funds that are used to pay a portion of street lighting expense in the Public Right-of-Way.

#### Transfers Out

- ❖ \$240,000 transfer to the Cemetery Fund to fund repairs and operation of the City's cemeteries.
- ❖ \$1,374,555 transfer to the District Court Fund to cover expenditures in excess of revenue.
- ❖ \$500,000 transfer to the Insurance Fund for settlement of the retiree health care lawsuit.

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# **Special Revenue Funds**

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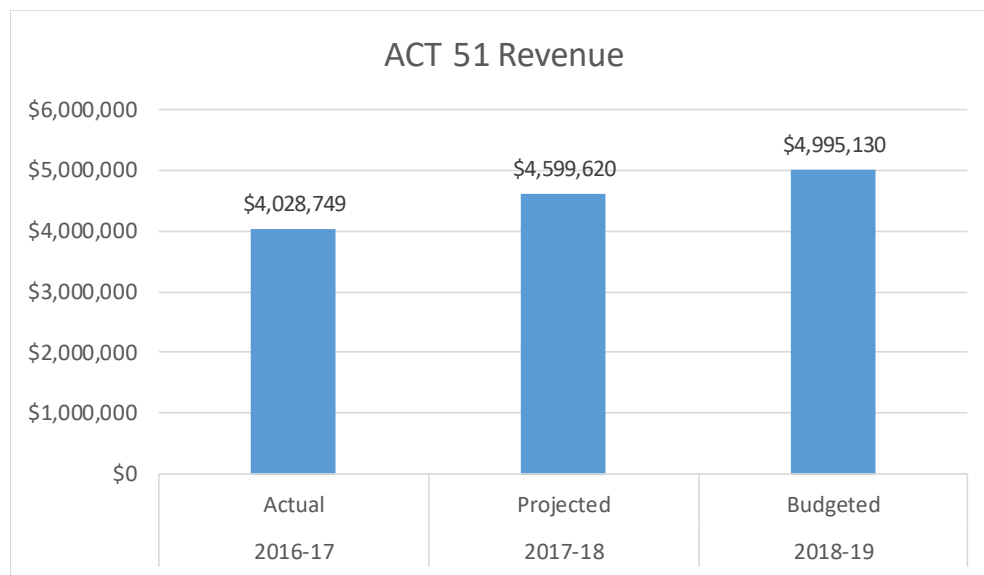
# Major Street Fund

**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 (95%) 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 will increase revenue for municipalities in the State of Michigan for the new transportation revenue package. The revenue package will increase revenues over time, starting in FY 2017 and increasing through FY 2021. Additionally, the State of Michigan released one-time additional \$175 million in funding for road projects in 2018. For FY2018/19, Pontiac is expected to receive \$4,995,130 in ACT 51 major road monies, which is an increase of \$395,510 or 8.5% from FY2017/18 projected. The remaining revenue of \$20,000 in the Major Street Fund is from investment earnings and miscellaneous revenue.

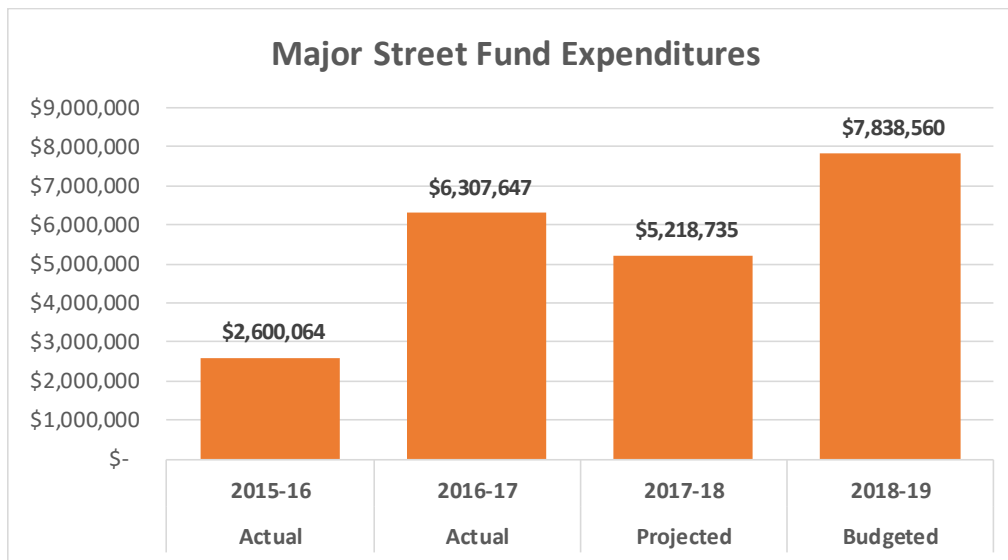


## Major Street Fund (Continued)

### Major Street Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Service	\$ 5,471	\$ -	\$ -
State Grants	4,028,749	4,599,620	4,995,130
Other Revenue	455,792	512,401	-
Interest and Rents	18,540	19,301	20,523
Total Budgeted Revenue Sources	<b>4,508,552</b>	<b>5,131,322</b>	<b>5,015,653</b>
<b><u>Proposed Appropriations</u></b>			
Non Motorized	-	-	-
Road Construction	469	-	-
Public Works Operations	374,007	309,330	266,670
Street Preservation	4,814,680	3,569,848	6,936,659
Traffic Services	402,634	410,562	412,407
Winter Maintenance	244,857	457,995	222,824
Total Budgeted Expenditures	<b>5,836,647</b>	<b>4,747,735</b>	<b>7,838,560</b>
Budgeted Net Revenue (Expenditures)	<b>(1,328,095)</b>	<b>383,587</b>	<b>(2,822,907)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	-	1,500,000	-
Transfers (Out) and Other Financing Sources	(471,000)	(471,000)	-
Total Other Financing Sources	(471,000)	1,029,000	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	4,616,720	2,817,625	4,230,212
Change in Fund Balance	(1,799,095)	1,412,587	(2,822,907)
Ending Fund Balance June 30	<b>\$ 2,817,625</b>	<b>\$ 4,230,212</b>	<b>\$ 1,407,305</b>
<b><u>Financial Position</u></b>			
Restricted	2,817,625	4,230,212	1,407,305
Ending Fund Balance June 30	<b>\$ 2,817,625</b>	<b>\$ 4,230,212</b>	<b>\$ 1,407,305</b>

## Major Street Fund (Continued)



### FINANCIAL SUMMARY - Major Street Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 45,653	\$ 55,366	\$ 205,461	\$ 170,502	\$ 111,313
Supplies	83,842	293,345	292,338	306,038	573,400
Other Services and Charges	1,581,275	1,513,794	1,843,007	2,001,887	1,959,775
Capital Outlay	418,294	3,974,142	5,709,961	2,269,308	5,194,072
Transfers Out	471,000	471,000	471,000	471,000	-
<b>Total</b>	<b>\$ 2,600,064</b>	<b>\$ 6,307,647</b>	<b>\$ 8,521,767</b>	<b>\$ 5,218,735</b>	<b>\$ 7,838,560</b>

### Changes in Budget

- ❖ Decrease of \$683,207 from the FY17/18 budget and \$2,619,825 increase from FY17/18 projected.
- ❖ Increase in Supplies is related to an increase in pavement markings maintenance of approximately \$176,000, crack sealing program of \$40,000, and increase of tools and streetlight supplies of \$42,000.
- ❖ Major Street Fund continues to fund snow removal, roadway maintenance, street signal maintenance, and traffic signs.
- ❖ The Major Street Fund is planning the following Road Projects for FY18/19 for a total of \$5.1 million:
  - City contribution to repair Opdyke Road as part of the Tri-Party program (\$100,000).
  - Hill Street (\$621,000) Resurfacing of Hill Street between Auburn Road and Pike Street. Hill Street had a PASER rating of poor in 2014.
  - Joslyn (\$2,650,000). Mill and overlay the existing road surface from Perry to Beverly. The City is scheduled to receive funds from the National Highway Performance Program to offset the cost of the resurfaced Joslyn Road. The City is expected to pay 43% of construction, plus project and construction engineering costs.

## Major Street Fund (Continued)

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- Centerpointe Turnarounds (\$195,000). Reconstruction of the NB and SB turn-arounds on Centerpointe Parkway between Opdyke and Ring Road. This project is primarily funded by MDOT Category-A dollars for the ingress/egress of trucks to the Challenge Manufacturing property on Centerpointe Parkway. The City's portion of the cost is 45% of the project and preliminary and construction engineering.
  - Other streets with budgeted repairs: South Boulevard (\$601,896), University (\$225,301), Perry Street (\$175,301) and Mill Street (\$525,301).
- ❖ The Major Street Fund is expected to use \$2.8 million in fund balance on road construction projects for FY18/19. The ending fund balance at June 30, 2019 is planned to be \$1,407,305 or 18% of expenditures. This is a 67% decrease from the FY17/18 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.

### 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***).

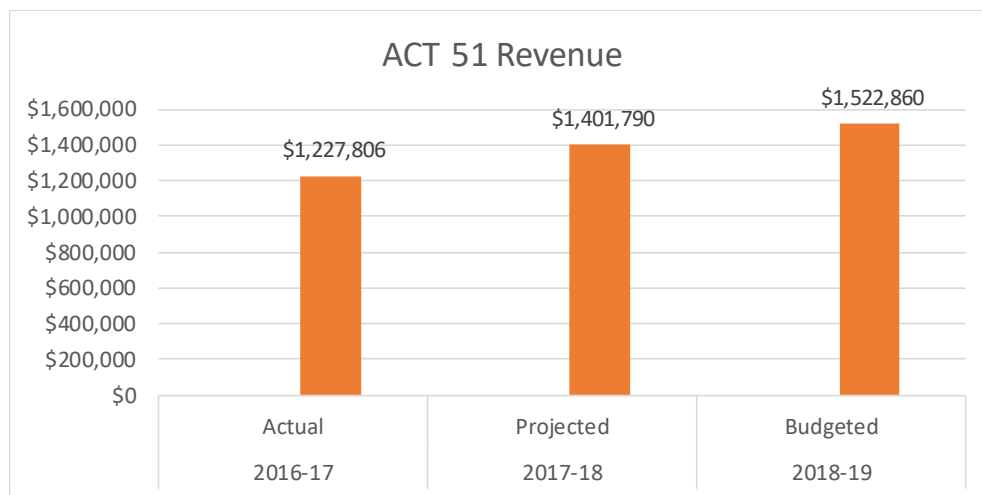
## Local Street Fund

**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 (99%) 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 will increase revenue for municipalities in the State of Michigan for the new transportation revenue package. The revenue package will increase revenues over time, starting in FY 2017 and increasing through FY 2021. Additionally, the State of Michigan released one-time additional \$175 million in funding for road projects in 2018. For FY2017/18, Pontiac is expected to receive \$1,522,860 in ACT 51 monies, which is an increase of approximately \$121,000 or 9% from FY2017/18.

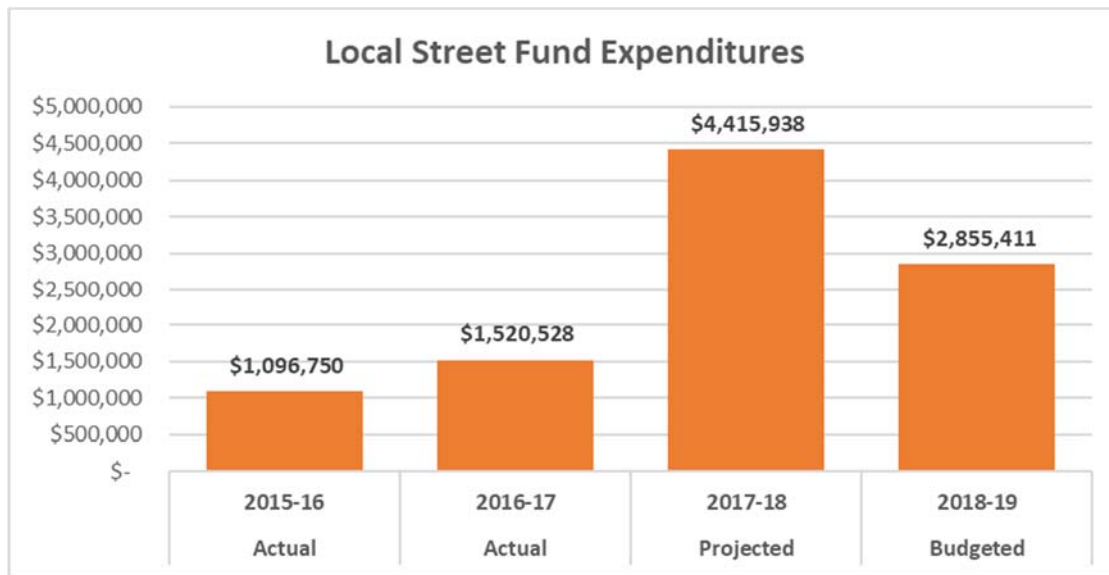


## Local Street Fund (Continued)

### Local Street Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
State Grants	\$ 1,227,806	\$ 1,401,790	\$ 1,522,860
Interest and Rents	11,606	20,213	21,493
Total Budgeted Revenue Sources	<b>1,239,412</b>	<b>1,422,003</b>	<b>1,544,353</b>
<b><u>Proposed Appropriations</u></b>			
Non Motorized	-	143,500	75,000
Road Construction	345	-	-
Public Works Operations	122,780	120,623	103,367
Street Preservation	1,221,328	3,964,931	2,342,100
Winter Maintenance	138,617	141,884	284,944
Traffic Control	37,458	45,000	50,000
Total Budgeted Expenditures	1,520,528	4,415,938	2,855,411
Budgeted Net Revenue (Expenditures)	<b>(281,116)</b>	<b>(2,993,935)</b>	<b>(1,311,058)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	1,471,000	2,021,000	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	1,471,000	2,021,000	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	3,073,304	4,263,188	3,290,253
Change in Fund Balance	1,189,884	(972,935)	(1,311,058)
Ending Fund Balance June 30	<b>\$ 4,263,188</b>	<b>\$ 3,290,253</b>	<b>\$ 1,979,195</b>
<b><u>Financial Position</u></b>			
Restricted	4,263,188	3,290,253	1,979,195
Ending Fund Balance June 30	<b>\$ 4,263,188</b>	<b>\$ 3,290,253</b>	<b>\$ 1,979,195</b>

## Local Street Fund (Continued)



### FINANCIAL SUMMARY - Local Street Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 77,776	\$ 88,745	\$ 222,860	\$ 103,809	\$ 173,944
Supplies	32,403	150,286	103,000	112,987	166,100
Other Services and Charges	779,496	1,144,252	1,432,623	1,425,843	1,265,367
Capital Outlay	207,075	137,245	3,969,559	2,773,299	1,250,000
Transfers Out	-	-	700,000	-	-
<b>Total</b>	<b>\$ 1,096,750</b>	<b>\$ 1,520,528</b>	<b>\$ 6,428,042</b>	<b>\$ 4,415,938</b>	<b>\$ 2,855,411</b>

### Changes in Budget

- ❖ Decrease of \$3.5 million from the FY17/18 budget and \$1.5 million from the FY17/18 projection.
- ❖ The Local Street Fund continues to fund snow removal services, traffic signs, stormwater maintenance, and miscellaneous roadway maintenance for local streets.
- ❖ The Local Street Fund is planning the following local road projects for FY18/19 for a total of \$1.1 million:
  - Central (\$525,000)
  - Ferry (\$600,000)
- ❖ The Local Street Fund is expected to use \$1.3 million in fund balance on road construction projects and tree maintenance for FY18/19. The ending fund balance at June 30, 2018 is planned to be \$1.9 million or 69% of expenditures. This is a 40% decrease from the FY17/18 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. City Council has decided to levy the millage for TY 2018.

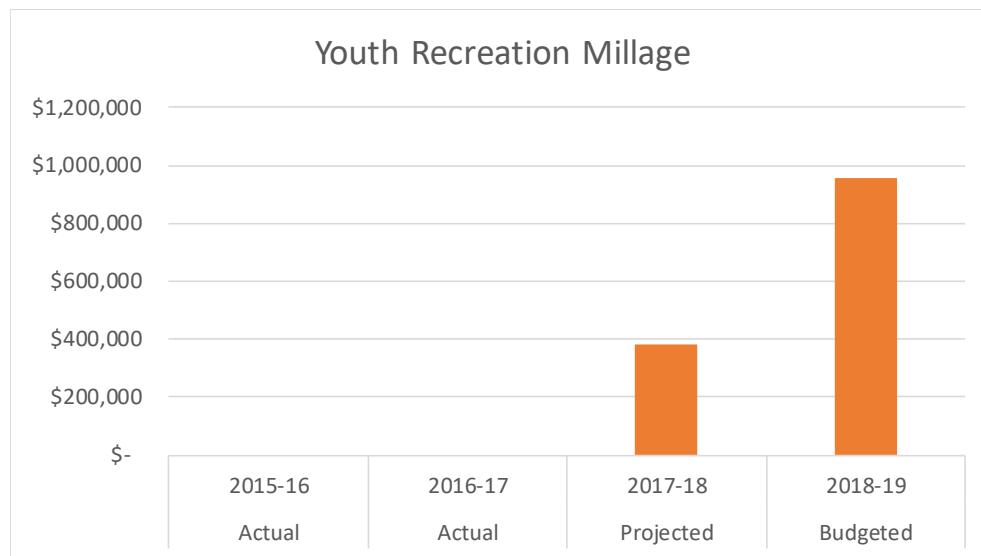
## Youth Recreation Fund Revenue

The City of Pontiac is levying mills for the first year in FY18/19.

### Youth Recreation Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ -	\$ -	\$ 960,642
Total Budgeted Revenue Sources	-	-	960,642
<b><u>Proposed Appropriations</u></b>			
Recreation and Facilities	-	233,390	314,472
Youth Sports	-	149,671	643,590
Total Budgeted Expenditures	-	383,061	958,062
Budgeted Net Revenue (Expenditures)	-	(383,061)	2,580
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	-	400,000	-
Total Other Financing Sources	-	400,000	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	-	-	16,939
Change in Fund Balance	-	16,939	2,580
Ending Fund Balance June 30	\$ -	\$ 16,939	\$ 19,519
<b><u>Financial Position</u></b>			
Restricted	-	16,939	19,519
Ending Fund Balance June 30	\$ -	\$ 16,939	\$ 19,519

## Youth Recreation Fund (Continued)



### FINANCIAL SUMMARY - Youth Recreation

	2015-16		2016-17		2017-18		2017-18		2018-19	
<u>Financial Summary</u>	Actual		Actual		Budgeted		Projected		Budgeted	
Personnel	\$	-	\$	-	\$	97,212	\$	104,245	\$	215,578
Supplies		-		-		84,992		59,975		46,200
Other Services and Charges		-		-		147,296		148,341		696,284
Capital Outlay		-		-		70,500		70,500		-
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>400,000</b>	<b>\$</b>	<b>383,061</b>	<b>\$</b>	<b>958,062</b>

### Changes in Budget

- ❖ The Youth Recreation fund budget will be \$958,062, an increase of \$575,001 from FY17/18 projected and \$558,062 from FY17/18 budgeted.
- ❖ Personnel Services is expected to increase due to the hiring of a Sports Director in FY 18/19.
- ❖ Other Services and charges is expected to increase related to a new lease for a youth recreation center with the option to purchase. \$3.2 million has been committed in the general fund for the purchase.

# 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.

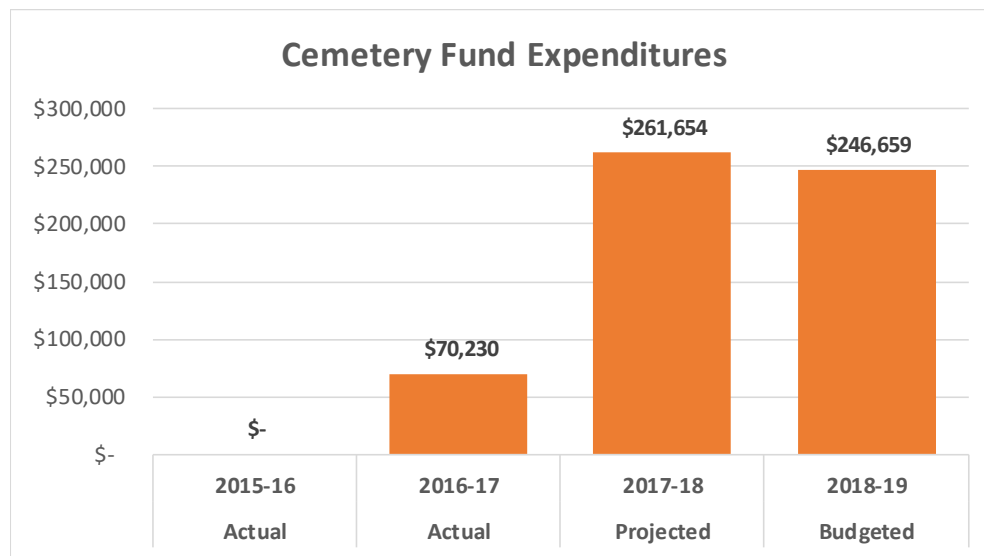
## Cemetery Fund Revenue

Starting in FY17/18, 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 \$240,000 for FY18/19.

### Cemetery Fund Budgeted Financial Summary

REVENUE BY SOURCE	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
Charges for Service	\$ -	\$ 8,710	\$ 10,000
Transfers In	250,000	100,000	240,000
Total Budgeted Revenue Sources	<b>250,000</b>	<b>108,710</b>	<b>250,000</b>
<b><u>Proposed Appropriations</u></b>			
Personnel Services	806	19,023	731
Supplies	20,615	32,730	14,365
Other Expenditures	48,809	209,901	231,563
Total Budgeted Expenditures	<b>70,230</b>	<b>261,654</b>	<b>246,659</b>
Budgeted Net Revenue (Expenditures)	<b>179,770</b>	<b>(152,944)</b>	<b>3,341</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	-	179,770	26,826
Change in Fund Balance	179,770	(152,944)	3,341
Ending Fund Balance June 30	<b>\$ 179,770</b>	<b>\$ 26,826</b>	<b>\$ 30,167</b>
<b><u>Financial Position</u></b>			
Nonspendable	188		
Committed	179,582	26,826	30,167
Ending Fund Balance June 30	<b>\$ 179,770</b>	<b>\$ 26,826</b>	<b>\$ 30,167</b>

## Cemetery Fund (Continued)



### FINANCIAL SUMMARY - Cemetery Fund

	2015-16		2016-17		2017-18		2017-18		2018-19	
<b>Financial Summary</b>	<b>Actual</b>		<b>Actual</b>		<b>Budgeted</b>		<b>Projected</b>		<b>Budgeted</b>	
Personnel Services	\$	-	\$	806	\$	18,630	\$	19,023	\$	731
Supplies		-		20,615		28,730		32,730		14,365
Other Services and Charges		-		48,809		215,746		209,901		231,563
<b>Total</b>	<b>\$</b>	<b>-</b>	<b>\$</b>	<b>70,230</b>	<b>\$</b>	<b>263,106</b>	<b>\$</b>	<b>261,654</b>	<b>\$</b>	<b>246,659</b>

### Changes in Budget

- ❖ \$60,000 increase from the FY16/17 budget and projected.
- ❖ The FY17/18 Budget includes an increase in cemetery management fees and \$25,000 for prepaid grave reimbursements.
- ❖ The FY17/18 budget is projected to have an ending fund balance at June 30, 2018 of \$142,000, which is a reduction of \$32,000 or 19%. The remaining fund balance is over 100% of expenditures and above the City's fund balance policy of 15%. The funds will be restricted for cemetery care purposes.

### 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.
- ❖ Finalize a long term contract with vendor to be responsible for cemetery operations that is fiscally responsible for the City.

# Senior Activities Fund

**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

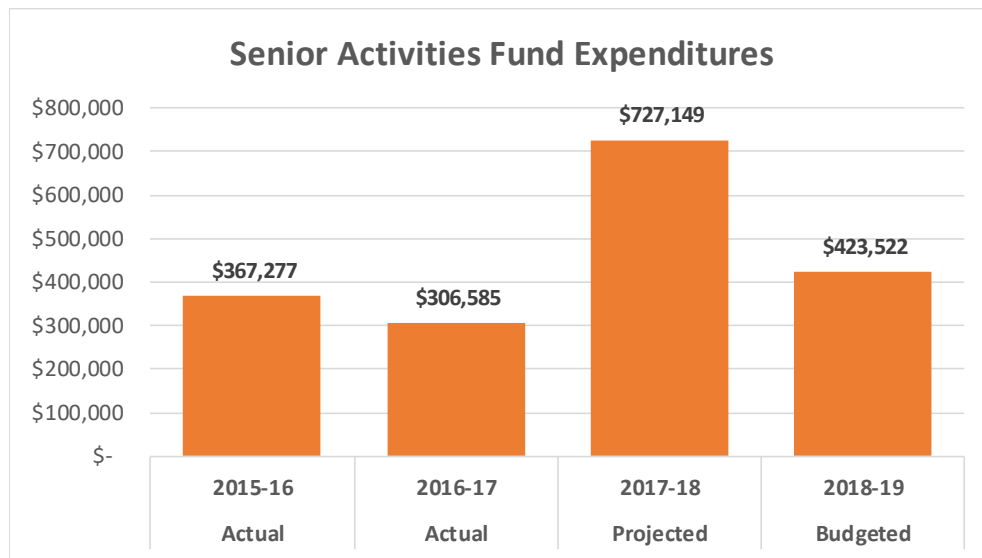
The Senior Activities Fund is used to account for property tax revenue levied specifically for the operation of facilities that primarily benefit senior citizens. The City funds operations at the Ruth Peterson and Robert Bowen senior centers. This millage was originally approved by voters on November 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 \$300,000 for FY17/18. This is a 6.3% decrease from the FY17/18 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 \$14,000. The remaining 5% of the revenue is from investment income and rental income from the Senior Centers.

## Senior Activities Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 296,842	\$ 327,779	\$ 306,860
Interest and Rents	21,899	16,705	19,397
Total Budgeted Revenue Sources	318,741	344,484	326,257
<b><u>Proposed Appropriations</u></b>			
Ruth Peterson Senior Center	136,280	422,060	186,049
Bowen Senior Citizen Center	170,305	305,089	237,473
Total Budgeted Expenditures	306,585	727,149	423,522
Budgeted Net Revenue (Expenditures)	<b>12,156</b>	<b>(382,665)</b>	<b>(97,265)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	960,231	972,387	589,722
Change in Fund Balance	12,156	(382,665)	(97,265)
Ending Fund Balance June 30	<b>\$ 972,387</b>	<b>\$ 589,722</b>	<b>\$ 492,457</b>
<b><u>Financial Position</u></b>			
Nonspendable	546	-	-
Restricted	971,841	589,722	492,457
Ending Fund Balance June 30	<b>\$ 972,387</b>	<b>\$ 589,722</b>	<b>\$ 492,457</b>

## Senior Activities Fund (Continued)



### FINANCIAL SUMMARY - Senior Activities Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 131,754	\$ 143,314	\$ 143,777	\$ 144,268	\$ 156,384
Supplies	13,785	12,125	18,587	18,384	18,230
Other Services and Charges	221,738	135,439	232,648	228,779	248,908
Capital Outlay	-	15,707	335,655	335,718	-
<b>Total</b>	<b>\$ 367,277</b>	<b>\$ 306,585</b>	<b>\$ 730,667</b>	<b>\$ 727,149</b>	<b>\$ 423,522</b>

### Changes in Budget

- ❖ \$307,145 decrease from the FY17/18 budget and \$303,627 decrease from the FY17/18 projection.
- ❖ There is no capital outlay planned for FY18/19. FY17/18 included one-time improvements to Bowen parking lot replacement, Ruth Center parking lot replacement and the Ruth Center roof repairs.
- ❖ Other Services and Charges is expecting to increase approximately \$20,000 for engineering services.
- ❖ The FY16/17 ending fund balance included \$546 in non-spendable fund balance for prepaid expenses.
- ❖ The FY17/18 budget is projecting to use nearly \$383,000 or 39% of the fund balance for necessary capital projects at the senior centers.
- ❖ The FY18/19 budget is projected to have an ending fund balance at June 30, 2019 of \$492,456 which is a reduction of approximately \$97,000 or 19%. 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 (Continued)

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### Senior Activities Fund - Goals

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- ❖ 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.

## Chapter 20 Drain Fund

The Chapter 20 Drain Fund is used to account for revenue and expenditures associated with drain activity. In recent years, the City of Pontiac City Council has chosen not to assess residents for the cost of drain maintenance. The fund balance in the Drain Fund has been enough to pay the drain maintenance expenditures.

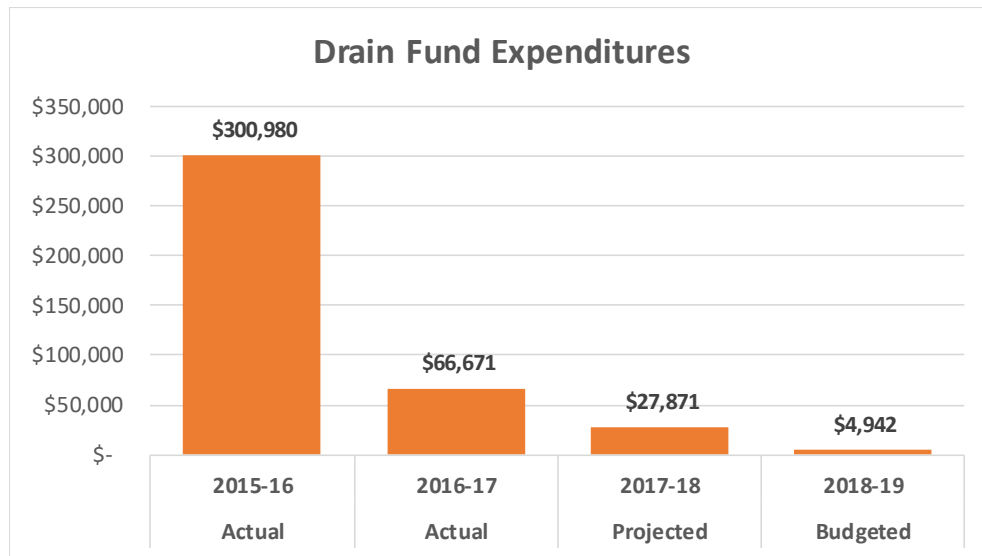
### Chapter 20 Drain Fund Revenue

The property tax revenue in this fund is related to prior year property tax chargebacks and interest income. It is expected that this Fund will use the remaining fund balance by June 30, 2019 and the Fund will be closed at that time. All drain expenditures going forward will be included in the Drain department of the General Fund.

### Chapter 20 Drain Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ -	\$ -	\$ -
Interest and Rents	144	-	-
Total Budgeted Revenue Sources	<b>144</b>	-	-
<b><u>Proposed Appropriations</u></b>			
Stormwater Permit Activity	66,671	27,871	4,942
Total Budgeted Expenditures	66,671	27,871	4,942
 Budgeted Net Revenue (Expenditures)	 <b>(66,527)</b>	 <b>(27,871)</b>	 <b>(4,942)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	99,340	32,813	4,942
Change in Fund Balance	(66,527)	(27,871)	(4,942)
Ending Fund Balance June 30	<b>\$ 32,813</b>	<b>\$ 4,942</b>	<b>\$ -</b>
<b><u>Financial Position</u></b>			
Restricted	32,813	4,942	-
Ending Fund Balance June 30	<b>\$ 32,813</b>	<b>\$ 4,942</b>	<b>\$ -</b>

## Chapter 20 Drain Fund (Continued)



### FINANCIAL SUMMARY - Drain Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Supplies	\$ 11,731	\$ -	\$ -	\$ -	\$ -
Other Services and Charges	289,249	66,671	37,888	27,871	4,942
<b>Total</b>	<b>\$ 300,980</b>	<b>\$ 66,671</b>	<b>\$ 37,888</b>	<b>\$ 27,871</b>	<b>\$ 4,942</b>

### Changes in Budget

- ❖ \$32,946 decrease from the FY17/18 budget and \$22,929 decrease from the FY17/18 projected.
- ❖ The FY18/19 budget includes spending 100% of the fund balance of \$4,942 by June 30, 2019 on drain maintenance expenditures. Once fund balance has been exhausted, all remaining expenses will be charged to the Drain Department in the General Fund.

# Sanitation Fund

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

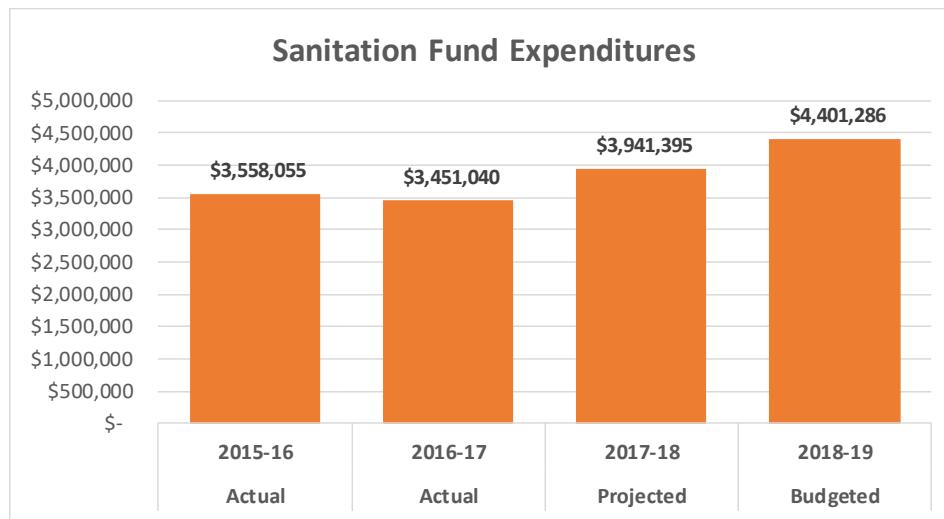
The Charges for Services represent 48% of the revenue for the Sanitation Fund. The remaining 51% represents the Property Tax levy. The user fee and property tax levy is calculated in an effort to cover all expenditures.

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, 2017 was \$2,462,146.

## Sanitation Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 1,624,939	\$ 1,782,257	\$ 1,761,539
Charges for Services	2,308,924	1,873,236	1,675,000
Interest and Rents	11,481	24,312	25,852
Total Budgeted Revenue Sources	3,945,344	3,679,805	3,462,391
<b><u>Proposed Appropriations</u></b>			
Public Works	3,451,040	3,941,395	4,401,286
Total Budgeted Expenditures	3,451,040	3,941,395	4,401,286
Budgeted Net Revenue (Expenditures)	<b>\$ 494,304</b>	<b>\$ (261,590)</b>	<b>\$ (938,895)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	\$ 5,205,430	\$ 5,699,734	\$ 5,438,144
Change in Fund Balance	494,304	(261,590)	(938,895)
Ending Fund Balance June 30	<b>5,699,734</b>	<b>5,438,144</b>	<b>4,499,249</b>
<b><u>Financial Position</u></b>			
Nonspendable	2	-	-
Restricted-Landfill Closure	2,462,146	2,412,146	2,212,146
Restricted	3,237,586	3,025,998	2,287,103
Ending Fund Balance June 30	<b>\$ 5,699,734</b>	<b>\$ 5,438,144</b>	<b>\$ 4,499,249</b>

## Sanitation Fund (Continued)



### FINANCIAL SUMMARY - Sanitation Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 32,540	\$ 34,287	\$ 33,759	\$ 30,843	\$ 94,016
Supplies	3,573	2,774	4,790	3,790	5,190
Other Services and Charges	3,521,942	3,413,979	3,995,785	3,906,762	4,245,067
Capital Outlay	-	-	-	-	57,013
Total	<u>\$ 3,558,055</u>	<u>\$ 3,451,040</u>	<u>\$ 4,034,334</u>	<u>\$ 3,941,395</u>	<u>\$ 4,401,286</u>

### Changes in Budget

- ❖ \$366,952 increase from the FY17/18 budget and \$459,891 increase from the FY17/18 projected.
- ❖ Personnel Services budget is increasing due to two new part time laborer positions budgeted in FY 18/19.
- ❖ The FY18/19 budget includes refuse collection for all City of Pontiac residents through a contract with Advanced Disposal. The contract fee is expected to increase from the FY17/18 projection.
- ❖ The FY18/19 budget also includes funds to be expended on the Collier Road Landfill Closure per MDEQ requirements of \$150,000. This is a \$50,000 increase from FY17/18 projection.
- ❖ The FY17/18 fund balance is projected to decrease \$216,590 or 3.8% for a total ending fund balance of \$5,438,144. The restricted portion for the landfill closure will be reduced by \$50,000 to \$2,412,146.
- ❖ The FY18/19 is planning to use \$864,964 of fund balance or 16%. \$200,000 of the use of fund balance will be from the restricted portion of fund balance for the landfill closure. At June 30, 2019 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.

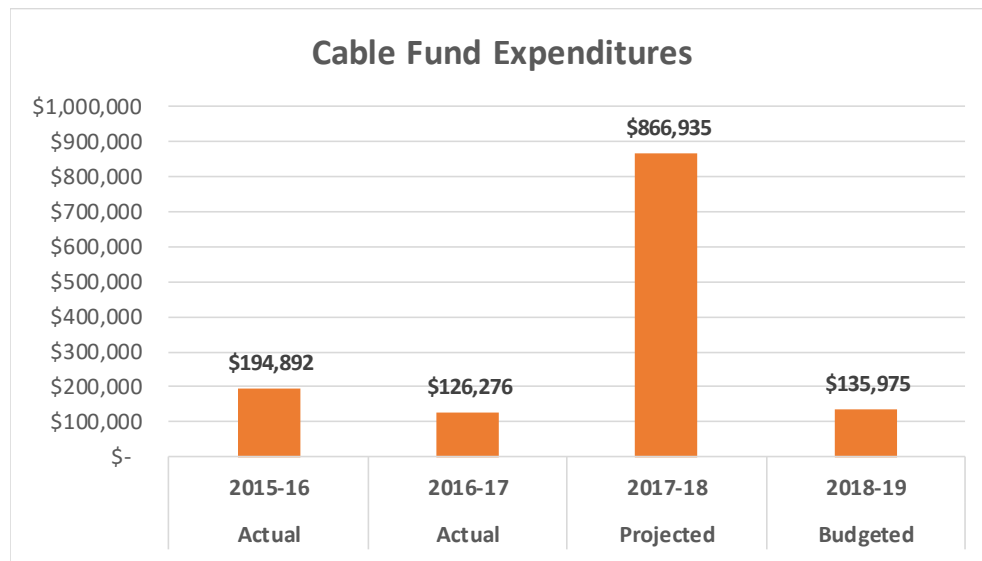
### Cable Fund Revenue

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 \$175,100 for FY18/19, which is \$20,100 higher than FY17/18. The Cable Fund is also expecting \$6,631 of investment earnings.

### Cable Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 163,449	\$ 155,000	\$ 175,100
Interest and Rents	2,181	6,236	6,631
Total Budgeted Revenue Sources	<b>165,630</b>	<b>161,236</b>	<b>181,731</b>
<b><u>Proposed Appropriations</u></b>			
General Government	126,276	866,935	135,975
Total Budgeted Expenditures	126,276	866,935	135,975
Budgeted Net Revenue (Expenditures)	<b>\$ 39,354</b>	<b>\$ (705,699)</b>	<b>\$ 45,756</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	1,096,903	1,136,257	430,558
Change in Fund Balance	39,354	(705,699)	45,756
Ending Fund Balance June 30	<b>\$ 1,136,257</b>	<b>\$ 430,558</b>	<b>\$ 476,314</b>
<b><u>Financial Position</u></b>			
Nonspendable	107	-	-
Restricted	1,136,150	430,558	476,314
Ending Fund Balance June 30	<b>\$ 1,136,257</b>	<b>\$ 430,558</b>	<b>\$ 476,314</b>

## Cable Fund (Continued)



### FINANCIAL SUMMARY - Cable Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 88,562	\$ 93,479	\$ 96,430	\$ 95,180	\$ 92,419
Supplies	5,557	7,500	18,000	13,000	18,000
Other Services and Charges	92,574	21,933	33,761	31,181	25,556
Capital Outlay	8,199	3,364	727,574	727,574	-
<b>Total</b>	<b>\$ 194,892</b>	<b>\$ 126,276</b>	<b>\$ 875,765</b>	<b>\$ 866,935</b>	<b>\$ 135,975</b>

### Changes in Budget

- ❖ \$739,790 decrease from the FY18/19 budget and \$730,960 decrease from FY17/18 projected.
- ❖ The FY17/18 budget includes \$727,574 of capital for cable studio enhancements and video equipment replacement.
- ❖ The FY18/19 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 FY16/17 ending fund balance included \$107 of non-spendable fund balance for prepaid expenses.
- ❖ The FY17/18 budget is projected to decrease fund balance 62% or \$705,699 to \$430,558 for necessary improvements to the cable studio.
- ❖ The FY18/19 budget includes increasing fund balance 11% or \$45,756 by June 30, 2019 ending fund balance of \$476,314 or 28% 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 Sherriff.

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.

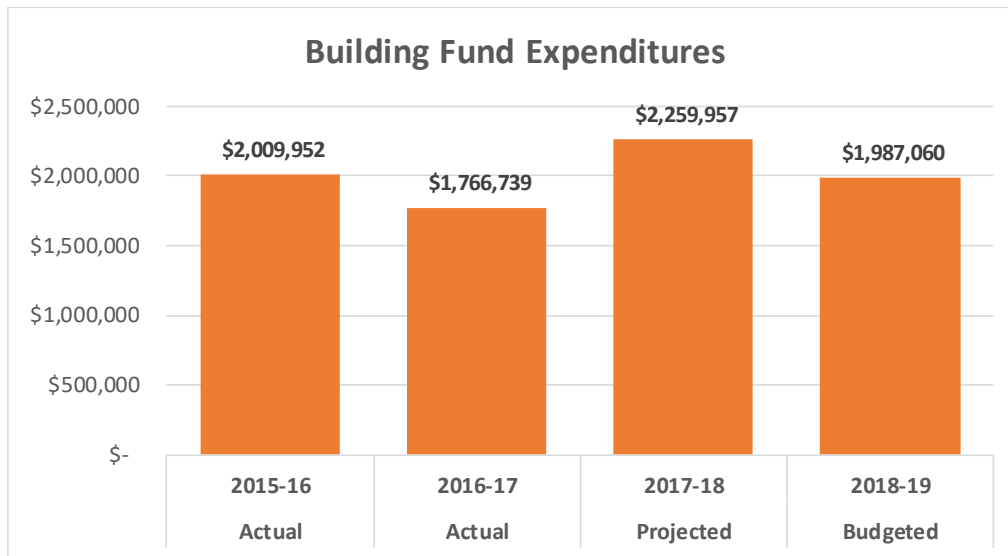
The license and permit revenue represents over 97% of the revenue for the Building Fund. The remaining 3% of revenue is from charges for services and interest income. Wade Trim Associates currently performs the management and inspections for building activity. The revenue is estimated based on current building permit trends provided by the current contractor, Wade Trim.

## Building Fund (Continued)

### Building Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Licenses and Permits	1,632,702	2,084,000	2,051,372
Charges for Services	60,097	63,000	63,800
Interest and Rents	698	1,161	1,235
Total Budgeted Revenue Sources	<b>1,693,497</b>	<b>2,148,161</b>	<b>2,116,407</b>
<b><u>Proposed Appropriations</u></b>			
Supplies	29,302	20,332	5,952
Other Services and Charges	1,737,437	2,239,625	1,981,108
Total Budgeted Expenditures	1,766,739	2,259,957	1,987,060
Budgeted Net Revenue (Expenditures)	<b>(73,242)</b>	<b>(111,796)</b>	<b>129,347</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	332,866	259,624	147,828
Change in Fund Balance	(73,242)	(111,796)	129,347
Ending Fund Balance June 30	<b>\$ 259,624</b>	<b>\$ 147,828</b>	<b>\$ 277,175</b>
<b><u>Financial Position</u></b>			
Nonspendable	12	-	-
Restricted	259,612	147,828	277,175
Ending Fund Balance June 30	<b>\$ 259,624</b>	<b>\$ 147,828</b>	<b>\$ 277,175</b>

## Building Fund (Continued)



### FINANCIAL SUMMARY - Building Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Supplies	\$ 34,613	\$ 29,302	\$ 27,000	\$ 20,332	\$ 5,952
Other Services and Charges	1,975,339	1,737,437	2,044,950	2,239,625	1,981,108
<b>Total</b>	<b>\$ 2,009,952</b>	<b>\$ 1,766,739</b>	<b>\$ 2,071,950</b>	<b>\$ 2,259,957</b>	<b>\$ 1,987,060</b>

### Changes in Budget

- ❖ \$84,890 decrease from the FY17/18 Budget and \$272,897 decrease from FY17/18 projected.
- ❖ Other services and charges includes the professional services of Wade Trim for Building Department Inspection and Management. There has been a decrease in contract fees of approximately \$180,000 from FY 17/18 projected.
- ❖ The FY16/17 ending fund balance included \$12 of non-spendable fund balance for prepaid expenses.
- ❖ The FY17/18 budget is projected to use 43% of fund balance or \$111,796. Projected revenue for FY17/18 is less than budgeted and not sufficient to meet operating expenditures.
- ❖ The FY18/19 budget includes an increase to fund balance. The ending fund balance of \$277,175 at June 30, 2019 is projected to be 14% of expenditures.

# Community Development Block Grant Fund

The Community Development Block Grant (CDBG) is an entitlement program of the US Department of Housing and Urban Development (HUD). CDBG Funds are used primarily to benefit low and moderate income households or areas as defined by the U.S. Census. The City of Pontiac utilizes the CDBG funds in a variety of ways, such as:

- ❖ Neighborhood Revitalization: streets, sidewalks, park improvement, and blight reduction through demolition.
- ❖ Public Services: Homeowner counseling, foreclosure prevention, senior outreach.

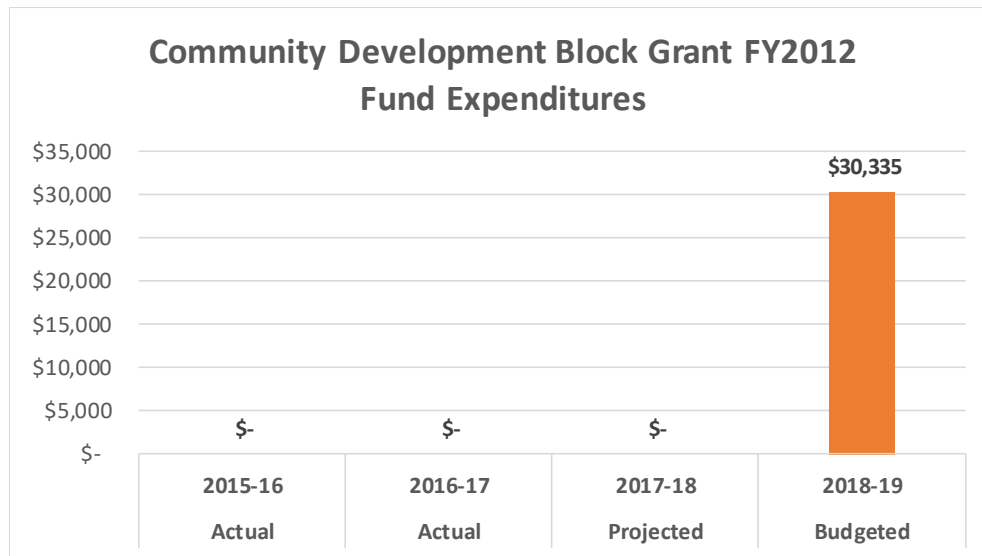
## CDBG Fund Revenue

Oakland County has been administering CDBG grants awarded to the City since FY12/13. Currently, the City of Pontiac is not expecting to receive and administer this grant in-house. There is over \$30,000 of funds available from previous grant awards to be spent on the above activities. The fund balance in this fund is expected to be spent by June 30, 2019 and the fund will be closed until such time additional funds become available.

## Community Development Block Grant Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Federal Grants	\$ 1,363	\$ -	\$ -
Other Revenue	-	24,000	-
Total Budgeted Revenue Sources	<b>1,363</b>	<b>24,000</b>	-
<b><u>Proposed Appropriations</u></b>			
Community and Economic Development	-	-	30,335
Total Budgeted Expenditures	-	-	<b>30,335</b>
Budgeted Net Revenue (Expenditures)	<b>1,363</b>	<b>24,000</b>	<b>(30,335)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	4,972	6,335	30,335
Change in Fund Balance	1,363	24,000	(30,335)
Ending Fund Balance June 30	<b>6,335</b>	<b>30,335</b>	-
<b><u>Financial Position</u></b>			
Restricted	6,335	30,335	-
Ending Fund Balance June 30	<b>\$ 6,335</b>	<b>\$ 30,335</b>	<b>\$ -</b>

## Community Development Block Grant Fund (Continued)



### FINANCIAL SUMMARY - Community Development Block Grant - FY2012

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	-	-	6,335	-	30,335
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,335</u>	<u>\$ -</u>	<u>\$ 30,335</u>

#### Changes in Budget

- ❖ The FY18/19 budget includes \$30,335 of grant eligible expenditures.
- ❖ The FY18/19 budget includes spending 100% of the fund balance of \$30,335 by June 30, 2019 on eligible block grant expenditures. Once fund balance has been exhausted, the CDBG Fund will remain closed.

# 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.

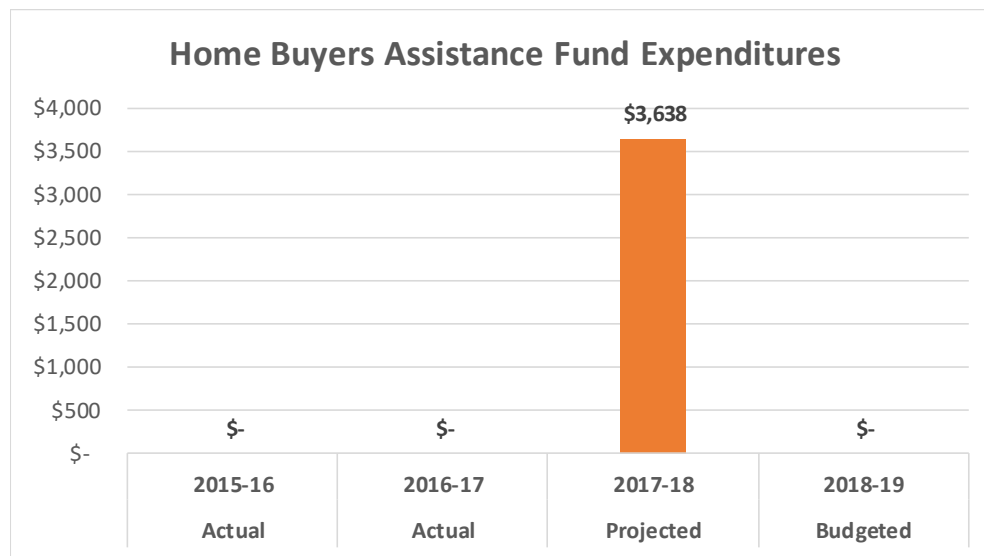
## Home Buyers Fund Revenue

The Home Buyers Assistance Fund currently does not have any expected funds to be received from Grants. Currently there is a small amount of fund balance that is expected to be spent on the HOME program.

### Home Buyers Assistance Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 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	-	3,638	-
Budgeted Net Revenue (Expenditures)	-	(3,638)	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	3,638	3,638	-
Change in Fund Balance	-	(3,638)	-
Ending Fund Balance June 30	\$ 3,638	\$ -	\$ -
<b><u>Financial Position</u></b>			
Restricted	3,638	-	-
Ending Fund Balance June 30	\$ 3,638	\$ -	\$ -

## Home Buyers Assistance Fund (Continued)



### FINANCIAL SUMMARY - Home Buyers Assistance Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ -	\$ -	\$ 3,638	\$ 3,638	\$ -
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,638</u>	<u>\$ 3,638</u>	<u>\$ -</u>

#### Changes in Budget

- ❖ The FY18/19 budget includes \$3,638 of Home eligible expenditures.
- ❖ The FY18/19 budget includes spending 100% of the fund balance of \$3,638 by June 30, 2018 on eligible home grant expenditures. Once fund balance has been exhausted, the Home Buyers Assistance Fund will remain closed.

# 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.

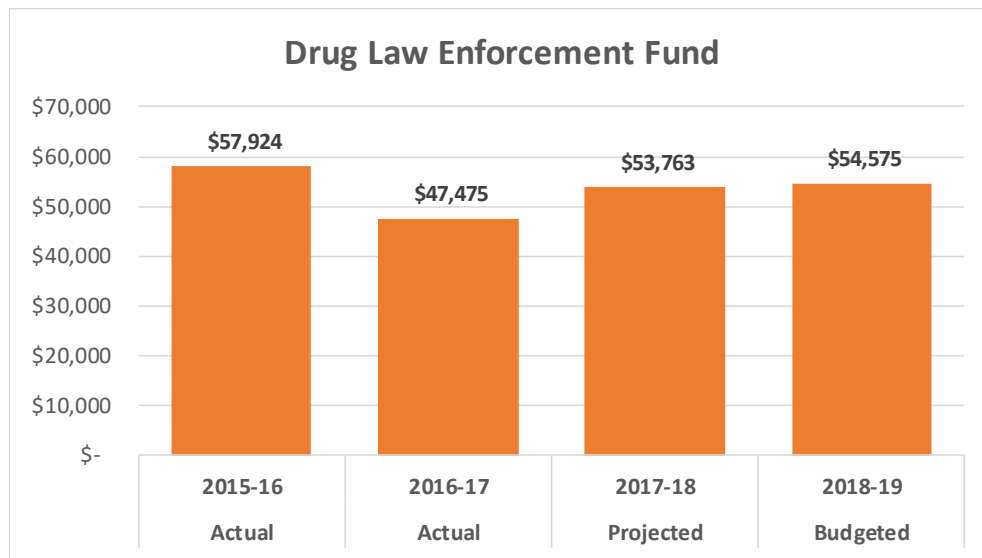
## Drug Law Enforcement Fund Revenue

The majority of the revenue in this fund is from forfeits, with a small amount of revenue from interest earnings. FY18/19 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 FY18/19 budget is expecting \$52,000 in Forfeiture revenue, which is an increase of \$8,329 from FY17/18 projected. The last few years have seen an increase each year.

### Drug Law Enforcement Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Fines and Forfeits	\$ 30,990	\$ 43,671	\$ 52,000
Charges for Services	-	-	-
Interest and Rents	434	641	681
Total Budgeted Revenue Sources	<b>31,424</b>	<b>44,312</b>	<b>52,681</b>
<b><u>Proposed Appropriations</u></b>			
Public Safety	47,475	53,763	54,575
Total Budgeted Expenditures	<b>47,475</b>	<b>53,763</b>	<b>54,575</b>
Budgeted Net Revenue (Expenditures)	<b>(16,051)</b>	<b>(9,451)</b>	<b>(1,894)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	244,576	228,525	219,074
Change in Fund Balance	(16,051)	(9,451)	(1,894)
Ending Fund Balance June 30	<b>\$ 228,525</b>	<b>\$ 219,074</b>	<b>\$ 217,180</b>
<b><u>Financial Position</u></b>			
Restricted	228,525	219,074	217,180
Ending Fund Balance June 30	<b>\$ 228,525</b>	<b>\$ 219,074</b>	<b>\$ 217,180</b>

## Drug Law Enforcement Fund (Continued)



### FINANCIAL SUMMARY - Drug Law Enforcement Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Other Services and Charges	\$ 57,924	\$ 47,475	\$ 62,263	\$ 53,763	\$ 54,575
Total	<u>\$ 57,924</u>	<u>\$ 47,475</u>	<u>\$ 62,263</u>	<u>\$ 53,763</u>	<u>\$ 54,575</u>

### Changes in Budget

- ❖ The FY18/19 budget includes \$54,575 of public safety expenditures that are related to forfeiture, including fees paid to Oakland County Sheriff department for expenditures related to drug activity.
- ❖ The FY17/18 is projecting to use \$9,451 or 4% of fund balance. The planned drug related expenditures are more than the forfeits projected.
- ❖ The FY18/19 budget is projecting to decrease fund balance less than 1% or \$1,894. The ending fund balance of \$217,180 is 397% 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.

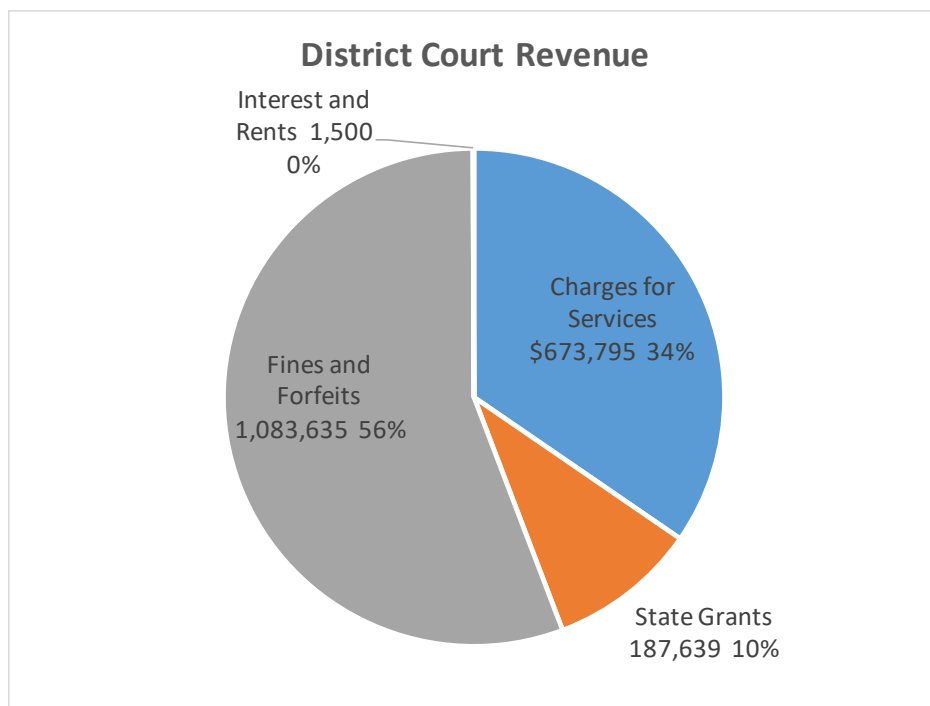
The 50th District Court Probation Department is responsible for the supervision of all individuals placed on probation by the district judges. Presently there are nearly 1,725 active cases.

### 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 56% or \$1 million 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 \$673,000. The court also receives aid from the State of Michigan for nearly \$200,000 and a small amount of interest income. In addition to the revenue received by the court, the General Fund expenditures are budgeted to transfer \$1.37 million to the Court.

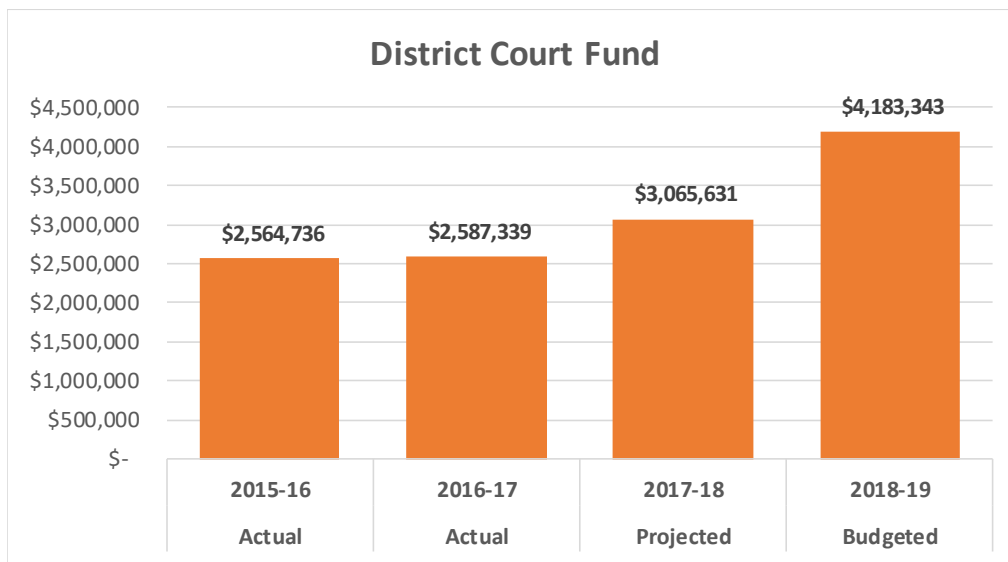


## District Court Fund (Continued)

### District Court Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 695,800	\$ 668,189	\$ 673,795
State Grants	182,896	182,896	187,639
Fines and Forfeits	1,119,394	1,048,452	1,083,635
Interest and Rents	1,524	1,350	1,500
Total Budgeted Revenue Sources	<b>1,999,614</b>	<b>1,900,887</b>	<b>2,823,109</b>
<b><u>Proposed Appropriations</u></b>			
District Court	2,357,270	2,845,114	3,951,732
Court Probation	208,092	200,517	216,611
Total Budgeted Expenditures	<b>2,565,362</b>	<b>3,045,631</b>	<b>4,168,343</b>
Budgeted Net Revenue (Expenditures)	<b>(565,748)</b>	<b>(1,144,744)</b>	<b>(1,345,234)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	583,496	1,177,405	1,374,555
Transfers (Out) and Other Financing Sources	(21,977)	(20,000)	(15,000)
Total Other Financing Sources	561,519	1,157,405	1,359,555
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	4,893	664	13,325
Change in Fund Balance	(4,229)	12,661	14,321
Ending Fund Balance June 30	<b>\$ 664</b>	<b>\$ 13,325</b>	<b>\$ 27,646</b>
<b><u>Financial Position</u></b>			
Nonspendable	664	13,325	27,646
Ending Fund Balance June 30	<b>\$ 664</b>	<b>\$ 13,325</b>	<b>\$ 27,646</b>

## District Court Fund (Continued)



### FINANCIAL SUMMARY - District Court Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 2,071,345	\$ 2,035,728	\$ 2,292,866	\$ 1,984,137	\$ 2,314,781
Supplies	80,922	76,630	91,942	89,500	93,440
Other Services and Charges	391,427	443,520	873,086	954,994	1,732,062
Capital Outlay	615	9,484	17,000	17,000	28,060
Transfers Out	20,427	21,977	20,000	20,000	15,000
<b>Total</b>	<b>\$ 2,564,736</b>	<b>\$ 2,587,339</b>	<b>\$ 3,294,894</b>	<b>\$ 3,065,631</b>	<b>\$ 4,183,343</b>

### Changes in Budget

- ❖ The FY18/19 budget includes appropriations of nearly \$4.2 million.
- ❖ The District Court Fund includes funding for the District Court judges and administration as required by law.
- ❖ The FY18/19 budget includes 2 additional personnel and an purchase increase of capital outlay for computer equipment of \$11,000.
- ❖ All categories are increasing for normal base budget increases, i.e. normal increases for salaries, fringe benefits, supplies and services.
- ❖ 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.

## 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

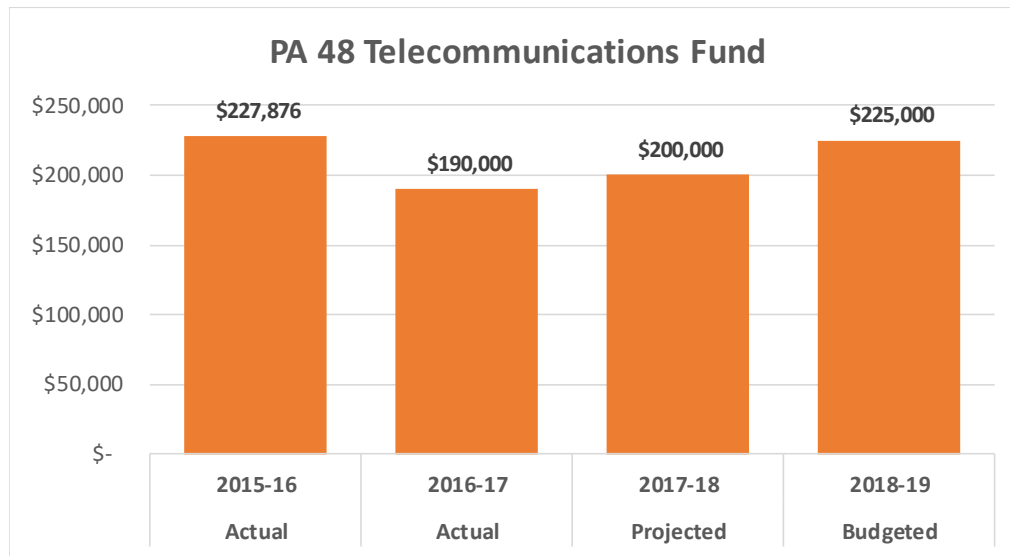
### PA 48 Fund Revenue

FY 18/19 is expecting \$225,000 in revenue from the State of Michigan, which is slightly more than FY16/17 actual.

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

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Licenses and Permits	500	500	-
State Grants	222,460	195,000	225,000
Total Budgeted Revenue Sources	<b>222,960</b>	<b>195,500</b>	<b>225,000</b>
<b><u>Proposed Appropriations</u></b>			
Public Works	-	-	-
Total Budgeted Expenditures	-	-	-
Budgeted Net Revenue (Expenditures)	<b>222,960</b>	<b>195,500</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	(190,000)	(200,000)	(225,000)
Total Other Financing Sources	(190,000)	(200,000)	(225,000)
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	500	33,460	28,960
Change in Fund Balance	32,960	(4,500)	-
Ending Fund Balance June 30	<b>\$ 33,460</b>	<b>\$ 28,960</b>	<b>\$ 28,960</b>
<b><u>Financial Position</u></b>			
Restricted	33,460	28,960	28,960
Ending Fund Balance June 30	<b>\$ 33,460</b>	<b>\$ 28,960</b>	<b>\$ 28,960</b>

## PA-48 Telecommunication Allocation Fund (Continued)



### FINANCIAL SUMMARY - PA 48 Telecommunications Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Transfers Out	\$ 227,876	\$ 190,000	\$ 200,000	\$ 200,000	\$ 225,000
Total	<u>\$ 227,876</u>	<u>\$ 190,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>	<u>\$ 225,000</u>

#### Changes in Budget

- ❖ The FY18/19 budget includes a transfer of \$225,000 to the General Fund to pay for street lighting expense related to public right-of-way. This is an increase of 12% from FY17/18 budget and projection.
- ❖ The FY17/18 and FY18/19 is expected to approximately \$28,000 in fund balance.

# **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 \$1,709,601 in capital projects in FY 18/19. All of the capital assets for FY18/19 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 FY18/19, there are no assets that are effecting the operating budget.

### Capital Improvement Fund Revenue

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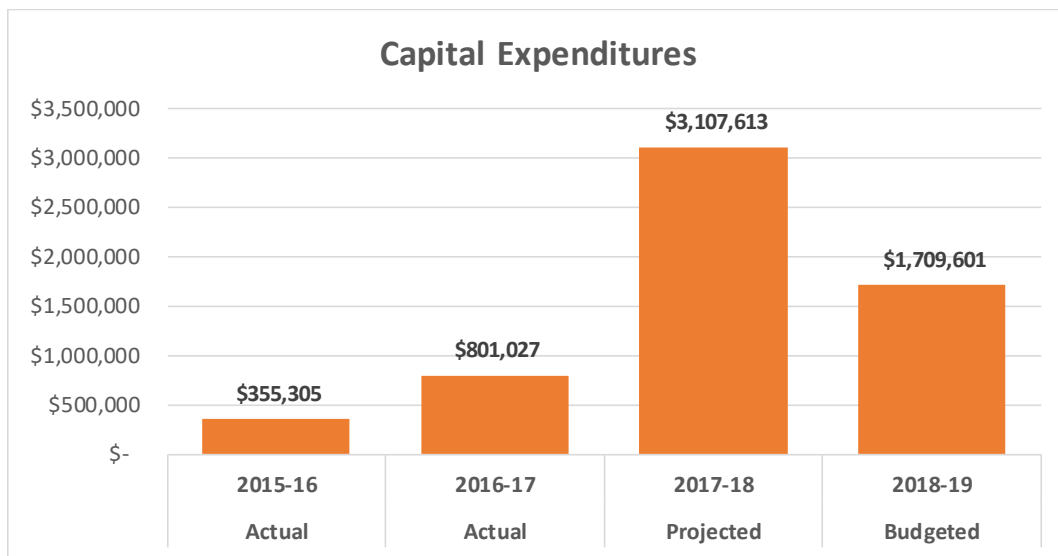
The Pontiac City Charter authorized a millage up to 1.5 mills, however, the millage has been rolled back to 1.40850 due to a Headlee amendment rollback. The FY18/19 is projecting property tax revenue of approximately \$908,000, which is a decrease of \$20,000 from the FY17/18 projection. The millage rate is not expected to change from 2017. 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

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 860,342	\$ 928,196	\$ 908,036
State Grants	42,500	-	-
Other Revenue	-	-	5,000
Interest and Rents	9,576	19,331	20,555
Total Budgeted Revenue Sources	<b>912,418</b>	<b>947,527</b>	<b>933,591</b>
<b><u>Proposed Appropriations</u></b>			
Capital Expense - General Government	63,127	1,107,500	721,333
Capital Expense - Public Safety	22,517	262,483	178,000
Capital Expense - Public Works	715,383	737,630	720,132
Capital Expense - Community and Economic Development	-	-	90,136
Total Budgeted Expenditures	<b>801,027</b>	<b>2,107,613</b>	<b>1,709,601</b>
Budgeted Net Revenue (Expenditures)	<b>111,391</b>	<b>(1,160,086)</b>	<b>(776,010)</b>
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	650,000	-	-
Transfers (Out) and Other Financing Sources	-	(1,000,000)	-
Total Other Financing Sources	650,000	(1,000,000)	-
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	2,669,131	3,430,522	1,270,436
Change in Fund Balance	761,391	(2,160,086)	(776,010)
Ending Fund Balance June 30	<b>\$ 3,430,522</b>	<b>\$ 1,270,436</b>	<b>\$ 494,426</b>
<b><u>Financial Position</u></b>			
Restricted	1,280,522	1,270,436	494,426
Assigned	2,150,000	-	-
Ending Fund Balance June 30	<b>\$ 3,430,522</b>	<b>\$ 1,270,436</b>	<b>\$ 494,426</b>

## Capital Improvements Fund (Continued)



### FINANCIAL SUMMARY - Capital Expenditures Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Capital Outlay	\$ 355,305	\$ 801,027	\$ 2,597,613	\$ 2,107,613	\$ 1,709,601
Transfers Out	-	-	1,000,000	1,000,000	-
<b>Total</b>	<b>\$ 355,305</b>	<b>\$ 801,027</b>	<b>\$ 3,597,613</b>	<b>\$ 3,107,613</b>	<b>\$ 1,709,601</b>

#### Changes in Budget

- ❖ FY18/19 budget includes over \$1.7 million in capital projects.
- ❖ FY16/17 ending fund balance included \$2.1 million in assigned fund balance. These are funds transferred from the General Fund to be used on capital projects. The \$1,000,000 of the assigned funds will be transferred to the major street fund in FY17/18 to be used on road construction projects. The remaining \$1.1 million will be used for the completion of projects in the capital improvement fund.
- ❖ FY17/18 ending fund balance is expecting \$1.2 million in restricted fund balance, which is a decrease of 62%. The use of fund balance is for necessary capital projects within the City.
- ❖ FY18/19 budget is expected to use \$776,010 or 61% of fund balance on capital projects. All of the Assigned Fund Balance will be used in FY17/18. The balance on June 30, 2019 will be \$494,426, 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 repairs \$190,000
  - Cemetery Repairs \$60,000
  - Sheriff Sub-Station Repairs \$82,000
  - Fire Department repairs \$96,000
  - IT Equipment \$171,333
  - District Court repairs \$300,000
  - Downtown streetlight improvements \$400,000
  - Vehicles \$410,268

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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.

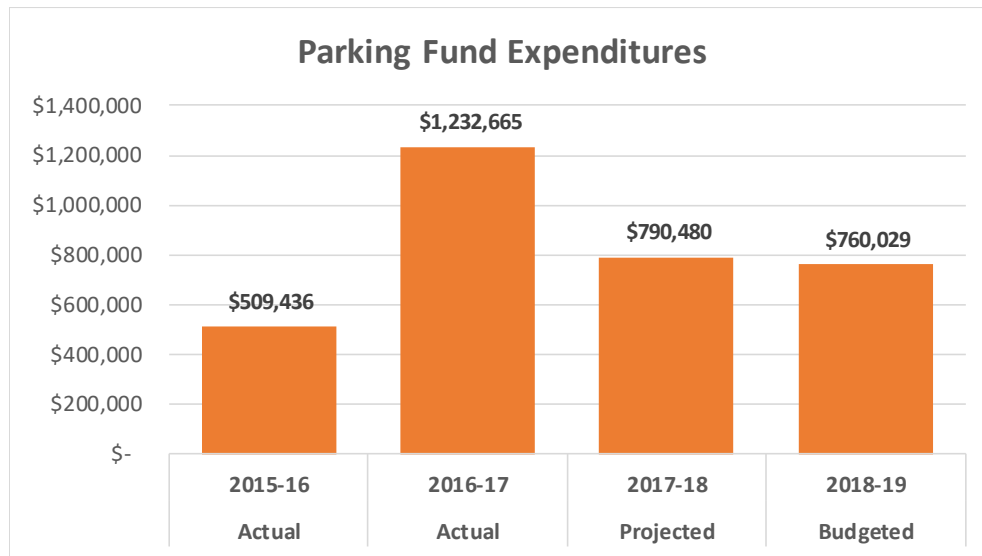
## Parking Fund Revenue

During FY16/17, the City of Pontiac sold a parking lot to a hospital for \$230,000 that generated \$85,000 in revenue annually prior to the sale. The FY18/19 budget and FY17/18 projection no longer includes that 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 \$25,000 in investment income for FY18/19.

## Parking Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes Chargebacks	1,296	(1,000)	(1,000)
Charges for Services	89,675	13,917	-
Other Revenue	99,083	164,925	-
Interest and Rents	14,067	23,391	24,873
Total Budgeted Revenue Sources	<b>204,121</b>	<b>201,233</b>	<b>23,873</b>
<b><u>Proposed Appropriations</u></b>			
Parking - City	483,828	62,012	68,253
Parking - Phoenix Center	748,837	728,468	691,776
Total Budgeted Expenditures	<b>1,232,665</b>	<b>790,480</b>	<b>760,029</b>
Budgeted Net Revenue (Expenditures)	<b>(1,028,544)</b>	<b>(589,247)</b>	<b>(736,156)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Net Position July 1	15,565,439	14,536,895	13,947,648
Change in Net Position	(1,028,544)	(589,247)	(736,156)
Ending Net Position June 30	<u>\$ 14,536,895</u>	<u>\$ 13,947,648</u>	<u>\$ 13,211,492</u>
<b><u>Financial Position</u></b>			
Unrestricted Net Position	4,114,419	4,090,033	3,918,738
Investment in Fixed Assets	10,422,476	9,857,615	9,292,754
Ending Net Position June 30	<u>\$ 14,536,895</u>	<u>\$ 13,947,648</u>	<u>\$ 13,211,492</u>

## Parking Fund (Continued)



### FINANCIAL SUMMARY - Parking Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ (188,328)	\$ 436,952	\$ -	\$ -	\$ -
Other Services and Charges	697,764	795,713	720,255	790,480	760,029
<b>Total</b>	<b>\$ 509,436</b>	<b>\$ 1,232,665</b>	<b>\$ 720,255</b>	<b>\$ 790,480</b>	<b>\$ 760,029</b>

### Changes in Budget

- ❖ FY18/19 budget includes \$760,029 in expenditures, which is a decrease of \$30,451 from FY17/18 projected and \$39,774 increase from FY17/18 budget.
- ❖ Other Services and Charges includes the following items:
  - Depreciation \$565,000
  - Property Insurance & utilities \$25,000
  - Legal Services \$170,000
- ❖ The ending unrestricted net position for the Parking Fund is expected to be nearly \$4,000,000. The unrestricted net position is the amount available for use in the Parking Fund. The investment in fixed assets is the value of parking structure and land, less accumulated depreciation. The unrestricted net position is expected to decrease 5.7% or \$565,000 for FY18/19.

# **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.

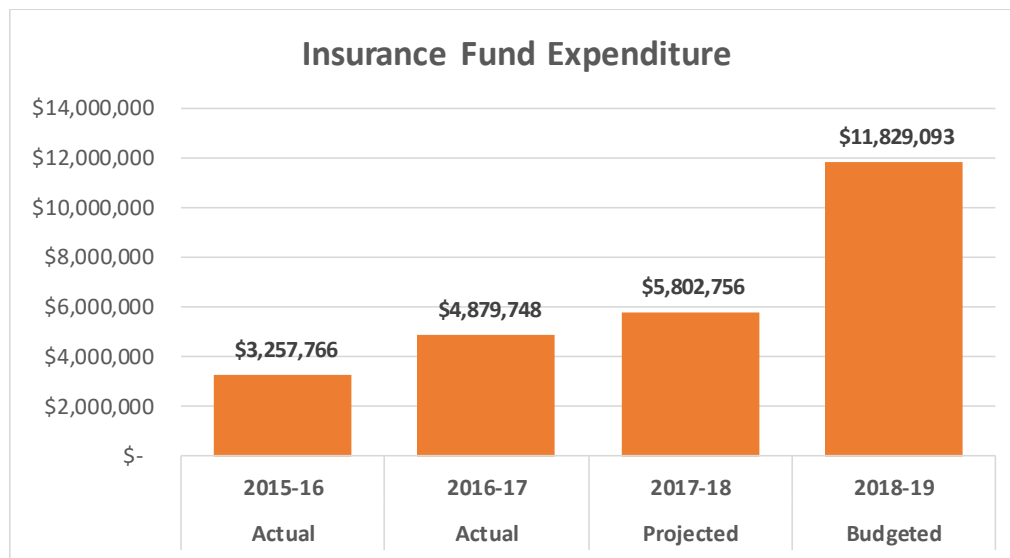
## Insurance Fund Revenue

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 \$7,117,185 in user charges for FY18/19. 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 \$2 million or 41% from FY17/18 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

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 5,056,313	\$ 5,017,221	\$ 7,117,185
Interest and Rents	718	-	-
Total Budgeted Revenue Sources	5,057,031	5,017,221	7,117,185
<b><u>Proposed Appropriations</u></b>			
General Government	45,561	48,309	48,908
Insurance	4,834,187	5,754,447	11,780,185
Total Budgeted Expenditures	4,879,748	5,802,756	11,829,093
Budgeted Net Revenue (Expenditures)	177,283	(785,535)	(4,711,908)
<b><u>Other Financing Sources (Uses)</u></b>			
Transfers In and Other Financing Sources	-	1,250,000	500,000
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	-	1,250,000	500,000
<b><u>Estimated Fund Balance</u></b>			
Beginning Net Position July 1	3,886,392	4,063,675	4,528,140
Change in Net Position	177,283	464,465	(4,211,908)
Ending Net Position June 30	\$ 4,063,675	\$ 4,528,140	\$ 316,232
<b><u>Financial Position</u></b>			
Unrestricted Net Position	4,063,675	4,528,140	316,232
Ending Net Position June 30	\$ 4,063,675	\$ 4,528,140	\$ 316,232

## Insurance Fund (Continued)



### FINANCIAL SUMMARY - Insurance Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<b>Financial Summary</b>	<b>Actual</b>	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Budgeted</b>
Personnel Services	\$ 3,257,766	\$ 4,879,748	\$ 9,002,896	\$ 5,802,756	\$ 11,829,093
Total	<u>\$ 3,257,766</u>	<u>\$ 4,879,748</u>	<u>\$ 9,002,896</u>	<u>\$ 5,802,756</u>	<u>\$ 11,829,093</u>

### Changes in Budget

- ❖ FY18/19 budget includes \$11,829,093 in expenditures, which is \$6 million higher than the FY17/18 projected and \$2.82 million higher than the FY17/18 budget.
- ❖ The FY18/19 budget includes a \$4.25 million contribution to the VEBA OPEB Trust per a tentative settlement agreement reached with retirees for healthcare.
- ❖ FY18/19 budget includes premiums for general liability and property insurance.
- ❖ FY18/19 includes all medical, dental, optical and life insurance premiums for all employees and retirees
- ❖ FY18/19 also includes the risk management function for the City of Pontiac and legal services related to retiree healthcare.
- ❖ The unrestricted net position for June 30, 2019 is expected to be \$316,232, which is below the 10% required per the City's adopted fund balance policy. The budget includes the use of \$4.25 million for the tentative settlement agreement with Retirees. There is a plan in place to bring the Insurance Fund back in compliance with the City's adopted fund balance policy.

# 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.

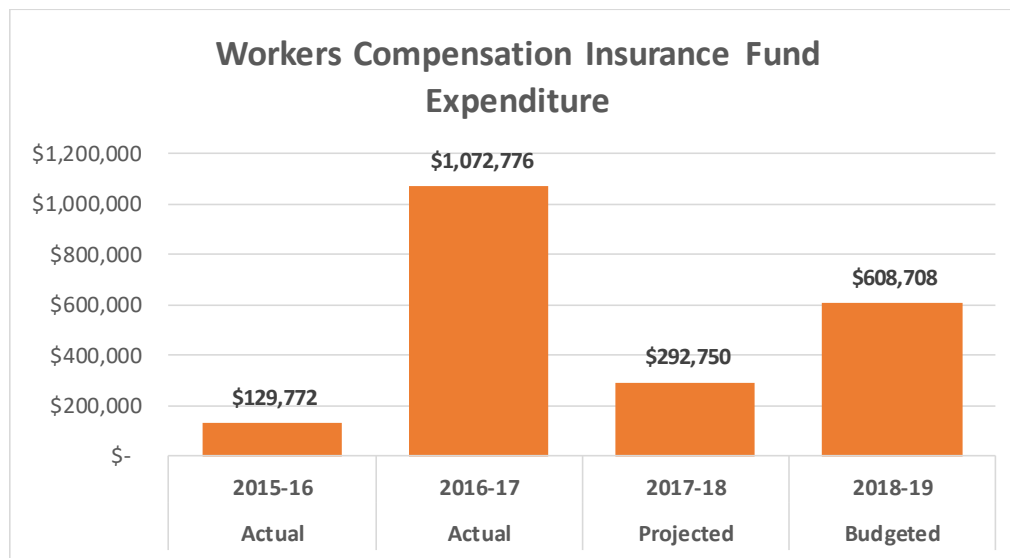
## Workers' Compensation Fund Revenue

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 \$305,598 in user charges and \$12,613 in investment income for FY18/19. The user charges and investment income are expected to recover 100% of the insurance expenditures.

### Workers' Compensation Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Charges for Services	\$ 633,932	\$ 506,982	\$ 305,598
Interest and Rents	7,097	11,862	12,613
Total Budgeted Revenue Sources	641,029	518,844	318,211
<b><u>Proposed Appropriations</u></b>			
Insurance	1,072,776	292,750	608,708
Total Budgeted Expenditures	<b>1,072,776</b>	<b>292,750</b>	<b>608,708</b>
Budgeted Net Revenue (Expenditures)	<b>(431,747)</b>	<b>226,094</b>	<b>(290,497)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Net Position July 1	1,057,419	625,672	851,766
Change in Net Position	(431,747)	226,094	(290,497)
Ending Net Position June 30	<b>\$ 625,672</b>	<b>\$ 851,766</b>	<b>\$ 561,269</b>
<b><u>Financial Position</u></b>			
Unrestricted Net Position	625,672	851,766	561,269
Ending Net Position June 30	<b>\$ 625,672</b>	<b>\$ 851,766</b>	<b>\$ 561,269</b>

## Workers' Compensation Fund (Continued)



### FINANCIAL SUMMARY - Workers Compensation Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Other Services and Charges	\$ 129,772	\$ 1,072,776	\$ 399,362	\$ 292,750	\$ 608,708
Total	<u>\$ 129,772</u>	<u>\$ 1,072,776</u>	<u>\$ 399,362</u>	<u>\$ 292,750</u>	<u>\$ 608,708</u>

### Changes in Budget

- ❖ FY18/19 Budget includes \$608,708 in expenditures, which is \$315,958 higher than the FY17/18 projected and \$210,346 higher than the FY17/18 budget.
- ❖ The large increase from budget and projected is due to potential claims for Workers Compensation from previous employees when the City was self-insured.
- ❖ The FY17/18 is projecting to add 36% or \$226,094 to net position to cover potential claims for worker's compensation from previous employees when the City was self-insured. The FY18/19 budget is projecting to use fund balance of \$290,497 or 34% of fund balance to fund those claims. The ending unrestricted net position at June 30, 2019 is expected to be \$561,269, which is above the 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 FY18/19 is \$2,342,763 of which \$893,178 will be paid by the City via a contribution from the General Fund. TIF #2 is not expecting to capture property tax revenue as the current taxable value is less than the base year taxable value while TIF #3 is expecting to capture approximately \$1,300,000 of which all will be used for debt service. Both districts are expected to receive reimbursements for personal property tax loss.

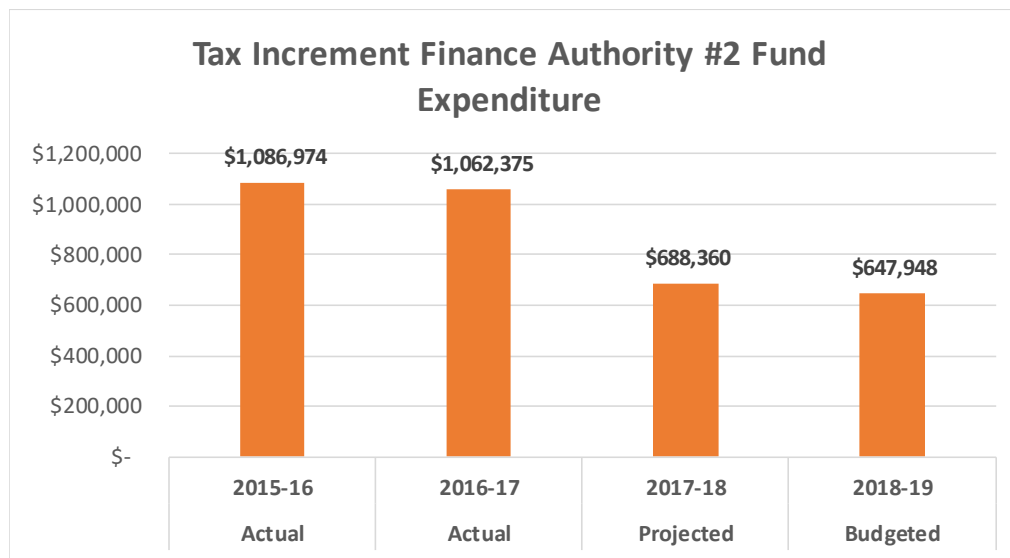
The agreement also provides for the TIFA to reimburse the City for any debt service amounts paid for by the City. Accordingly, the TIFA records a financial guarantee expense and liability to the City each year in accordance with GASB 70. The cumulative amount owed to the general fund for FY18/19 is expected to be \$5,122,108 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

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 46,763	\$ 64,278	\$ 62,290
Other Revenue	38,000	-	50,000
Contribution From Primary Government	488,806	312,041	267,829
Total Budgeted Revenue Sources	<b>573,569</b>	<b>376,319</b>	<b>380,119</b>
<b><u>Proposed Appropriations</u></b>			
Debt Services & Financial Guarantee	1,062,375	688,360	647,948
Total Budgeted Expenditures	<b>1,062,375</b>	<b>688,360</b>	<b>647,948</b>
Budgeted Net Revenue (Expenditures)	<b>(488,806)</b>	<b>(312,041)</b>	<b>(267,829)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	(1,660,945)	(2,149,751)	(2,461,792)
Change in Fund Balance	(488,806)	(312,041)	(267,829)
Ending Fund Balance June 30	<b>\$ (2,149,751)</b>	<b>\$ (2,461,792)</b>	<b>\$ (2,729,621)</b>
<b><u>Financial Position</u></b>			
Unassigned	(2,149,751)	(2,461,792)	(2,729,621)
Ending Fund Balance June 30	<b>\$ (2,149,751)</b>	<b>\$ (2,461,792)</b>	<b>\$ (2,729,621)</b>

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



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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Debt Service and Financial Guarantee	\$ 1,086,974	\$ 1,062,375	\$ 739,638	\$ 688,360	\$ 647,948
Total	<u>\$ 1,086,974</u>	<u>\$ 1,062,375</u>	<u>\$ 739,638</u>	<u>\$ 688,360</u>	<u>\$ 647,948</u>

### Changes in Budget

- ❖ The FY18/19 budget is expected to decline due to the debt service payment and recording of financial guarantee.
- ❖ The FY18/19 unassigned fund deficit is expected to be \$2.7 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

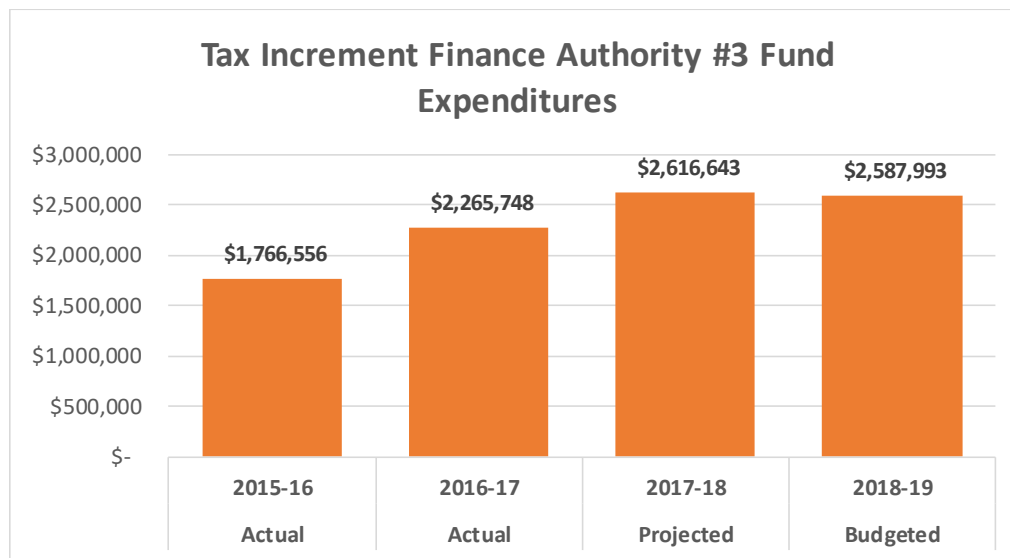
<b>Years Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2019	\$ 295,000	\$ 85,119	\$ 380,119
2020	\$ 305,000	\$ 73,319	\$ 378,319
2021	\$ 315,000	\$ 60,738	\$ 375,738
2022	\$ 305,000	\$ 44,988	\$ 349,988
2023	\$ 305,000	\$ 29,738	\$ 334,738
2024	\$ 305,000	\$ 14,488	\$ 319,488
<b>Totals</b>	<b>\$ 1,830,000</b>	<b>\$ 308,388</b>	<b>\$ 2,138,388</b>

## Tax Increment Finance Authority #3 Fund

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

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 1,271,540	\$ 1,310,645	\$ 1,337,295
Contribution From Primary Government	497,104	652,999	625,349
Total Budgeted Revenue Sources	<b>1,768,644</b>	<b>1,963,644</b>	<b>1,962,644</b>
<b><u>Proposed Appropriations</u></b>			
Debt Service & Financial Guarantee	2,265,748	2,616,643	2,587,993
Total Budgeted Expenditures	<b>2,265,748</b>	<b>2,616,643</b>	<b>2,587,993</b>
 Budgeted Net Revenue (Expenditures)	 <b>(497,104)</b>	 <b>(652,999)</b>	 <b>(625,349)</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	(370,045)	(867,149)	(1,520,148)
Change in Fund Balance	(497,104)	(652,999)	(625,349)
Ending Fund Balance June 30	<b>\$ (867,149)</b>	<b>\$ (1,520,148)</b>	<b>\$ (2,145,497)</b>
<b><u>Financial Position</u></b>			
Unassigned	(867,149)	(1,520,148)	(2,145,497)
Ending Fund Balance June 30	<b>\$ (867,149)</b>	<b>\$ (1,520,148)</b>	<b>\$ (2,145,497)</b>

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



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

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Debt Service and Financial Guarantee	\$ 1,766,556	\$ 2,265,748	\$ 1,963,644	\$ 2,616,643	\$ 2,587,993
Total	\$ 1,766,556	\$ 2,265,748	\$ 1,963,644	\$ 2,616,643	\$ 2,587,993

### Changes in Budget

- ❖ The FY18/19 budget includes approximately \$1.9 million in debt service payments on the TIFA 3 2007C Bonds and \$625,349 in Financial Guarantee expense for the General Fund contribution to pay the debt service.
- ❖ The FY18/19 unassigned fund deficit is expected to be \$2.1 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)

### Debt Service Report

<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>
2019	\$ 1,065,000	\$ 897,644	\$ 1,962,644
2020	\$ 1,105,000	\$ 855,044	\$ 1,960,044
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>\$ 19,320,000</b>	<b>\$ 6,658,875</b>	<b>\$ 25,978,875</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.

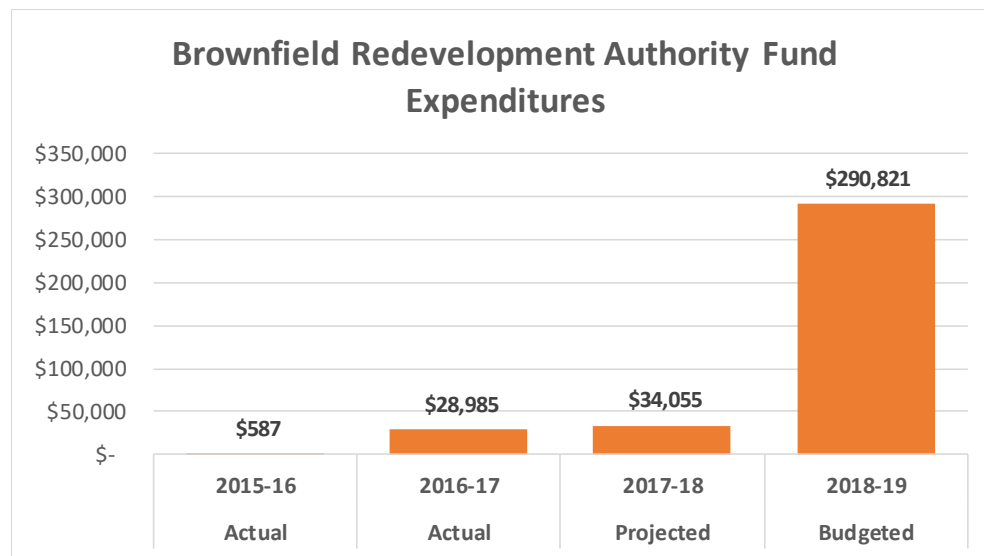
## Brownfield Redevelopment Authority Fund Revenue

The Brownfield Redevelopment Authority Fund receives property tax revenue from parcels within the established district. The property tax revenue for FY18/19 is expected to be \$37,057, which is a small increase of \$953 from FY17/18 projected. The Brownfield Redevelopment Fund is expected to expend \$290,821 in FY18/19 on Brownfield eligible expenditures that were not paid in prior years.

### Brownfield Redevelopment Authority Fund Budgeted Financial Summary

	2016-17 Actual	2017-18 Projected	2018-19 Budgeted
<b><u>Estimated Revenue Source</u></b>			
Property Taxes	\$ 31,438	\$ 36,104	\$ 37,057
Total Budgeted Revenue Sources	<b>31,438</b>	<b>36,104</b>	<b>37,057</b>
<b><u>Proposed Appropriations</u></b>			
Brownfield Authority Administration	28,985	34,055	290,821
Total Budgeted Expenditures	28,985	34,055	290,821
Budgeted Net Revenue (Expenditures)	<b>2,453</b>	<b>2,049</b>	<b>(253,764)</b>
<b><u>Estimated Fund Balance</u></b>			
Beginning Fund Balance July 1	254,691	257,144	259,193
Change in Fund Balance	2,453	2,049	(253,764)
Ending Fund Balance June 30	<b>\$ 257,144</b>	<b>\$ 259,193</b>	<b>\$ 5,429</b>
<b><u>Financial Position</u></b>			
Restricted	257,144	259,193	5,429
Ending Fund Balance June 30	<b>\$ 257,144</b>	<b>\$ 259,193</b>	<b>\$ 5,429</b>

## Brownfield Redevelopment Authority Fund (Continued)



### FINANCIAL SUMMARY - Brownfield Redevelopment Authority Fund

	2015-16	2016-17	2017-18	2017-18	2018-19
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 587	\$ 28,985	\$ 33,676	\$ 34,055	\$ 290,821
Total	<u>\$ 587</u>	<u>\$ 28,985</u>	<u>\$ 33,676</u>	<u>\$ 34,055</u>	<u>\$ 290,821</u>

#### Changes in Budget

- ❖ The FY18/19 budget is expected to increase significantly in order to use fund balance that has accumulated.
- ❖ The FY18/19 ending fund balance is expected to decrease 97% in order to use the fund balance that has accumulated over the past fiscal years.

# 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 Law 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).

**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.

# Budget Ordinance

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## Ordinance No. 2354

**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, 2018; to adopt the fee schedule for public records and services for the fiscal year 2018/19.**

Whereas, the proposed General Appropriations Act is required to be effective July 1, 2018 so the City can legally operate.

The City of Pontiac Ordains:

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

This ordinance shall be known as the City of Pontiac 2018-2019 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 Thursday May 31, 2018 and a public hearing on the proposed budget was held on Tuesday June 5, 2018.

### **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 11.2691 operating; 1.4994 youth center; 1.4085 capital improvement; 2.8171 sanitation; 0.4998 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 Function.**

The City Council of the City of Pontiac received a three-year budget for 2018-19, 2019-20 and 2020-21 fiscal years. The City Council of the City of Pontiac adopts the 2018-2019 fiscal year budgets for the various funds by function. 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 function.

### **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 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, 2018 are \$65,514,113 in revenues and \$77,687,572 in expenditures.

**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 accounts within functions in a fund and among functions in a fund during the fiscal year provided that such amendments do not change the total revenues or total expenditures for the fund as approved by the City Council, including transfers in and out. If the total revenues or the total expenditures, including transfers in and out and other sources and uses within a single fund must be changed, then the Mayor and Finance Director shall present such amendment to the City Council for approval.

**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, 2018 and shall be effective immediately upon adoption.

## Budget Ordinance (Continued)

With revenue and expenditures categorized by function as herein provided:

<u>Fund Number</u>	<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
101	General	\$ 35,908,654	\$ 35,908,649
202	Major Streets	\$ 5,015,653	\$ 7,838,560
203	Local Streets	\$ 1,544,353	\$ 2,855,411
208	Youth Recreation Millage	\$ 960,642	\$ 958,062
209	Cemetery Care Fund	\$ 250,000	\$ 246,659
212	Senior Activities Millage	\$ 326,257	\$ 423,522
213	Chapter 20 Drains Debt Service	\$ -	\$ 4,942
226	Sanitaton Fund	\$ 3,462,391	\$ 4,401,286
231	Cable Fund	\$ 181,731	\$ 135,975
239	TIFA District 2	\$ 380,119	\$ 647,948
240	TIFA District 3	\$ 1,962,644	\$ 2,587,993
243	Brownfield Redeveloping Auth	\$ 37,057	\$ 290,821
249	Building Department	\$ 2,116,407	\$ 1,987,060
252	CDBG FY2012 Fund	\$ -	\$ 30,335
263	Home Buyers Assistance Fund	\$ -	\$ -
265	Drug Enforcement	\$ 52,681	\$ 54,575
276	District Court	\$ 4,197,664	\$ 4,183,343
280	Public Act 48	\$ 225,000	\$ 225,000
445	Capital Improvement	\$ 933,591	\$ 1,709,601
585	Parking	\$ 23,873	\$ 760,029
659	Insurance	\$ 7,617,185	\$ 11,829,093
677	Self-Insurance Wk Comp	\$ 318,211	\$ 608,708

### **General Fund - 101**

#### **ESTIMATED REVENUES**

Property Taxes	7,912,643
Income Taxes	13,450,000
Licenses and Permits	195,000
Federal Grants	115,000
State Grants	9,962,707
Charges for Services	1,115,600
Fines and Forfeits	108,000
Interest and Rents	376,000
Other Revenue	2,433,704
Transfers In and Other Uses	240,000

**TOTAL ESTIMATED REVENUES** 35,908,654

#### **APPROPRIATIONS**

General Government	5,369,226
Public Safety	20,004,501
Public Works	2,584,892
Health and Welfare	150,000
Community and Economic Development	2,555,850
Recreation and Culture	676,963
Other Functions	2,452,662
Transfers Out and Other Uses	2,114,555

**TOTAL APPROPRIATIONS** 35,908,649

#### **General Fund**

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>5</b>
<b>Estimated Beginning Fund Balance</b>	<b>15,142,436</b>
<b>Estimated Ending Fund Balance</b>	<b>15,142,441</b>

## Budget Ordinance (Continued)

<b><u>Major Street Fund - 202</u></b>		
ESTIMATED REVENUES		
State Grants		4,995,130
Interest and Rents		20,523
TOTAL ESTIMATED REVENUES		5,015,653
APPROPRIATIONS		
Public Works		7,838,560
TOTAL APPROPRIATIONS		7,838,560
<b>Major Street Fund</b>		
NET OF REVENUES/APPROPRIATIONS		<b>(2,822,907)</b>
Estimated Beginning Fund Balance		<b>4,230,212</b>
Estimated Ending Fund Balance		<b>1,407,305</b>

<b><u>Local Street Fund - 203</u></b>		
ESTIMATED REVENUES		
State Grants		1,522,860
Interest and Rents		21,493
TOTAL ESTIMATED REVENUES		1,544,353
APPROPRIATIONS		
Public Works		2,855,411
TOTAL APPROPRIATIONS		2,855,411
<b>Local Street Fund</b>		
NET OF REVENUES/APPROPRIATIONS		<b>(1,311,058)</b>
Estimated Beginning Fund Balance		<b>3,290,253</b>
Estimated Ending Fund Balance		<b>1,979,195</b>

<b><u>Youth Recreation Millage Fund - 208</u></b>		
ESTIMATED REVENUES		
Property Taxes		960,642
TOTAL ESTIMATED REVENUES		960,642
APPROPRIATIONS		
Recreation and Culture		958,062
TOTAL APPROPRIATIONS		958,062
<b><u>Recreation Millage Fund</u></b>		
NET OF REVENUES/APPROPRIATIONS		<b>2,580</b>
Estimated Beginning Fund Balance		<b>16,939</b>
Estimated Ending Fund Balance		<b>19,519</b>

## Budget Ordinance (Continued)

<b><u>Cemetery Care Fund - 209</u></b>		
ESTIMATED REVENUES		
Charges for Services		10,000
Transfers In and Other Uses		240,000
TOTAL ESTIMATED REVENUES		250,000
APPROPRIATIONS		
General Government		246,659
TOTAL APPROPRIATIONS		246,659
<b>Cemetery Care Fund</b>		
NET OF REVENUES/APPROPRIATIONS		<b>3,341</b>
Estimated Beginning Fund Balance		<b>26,826</b>
Estimated Ending Fund Balance		<b>30,167</b>

<b><u>Senior Activities - 212</u></b>		
ESTIMATED REVENUES		
Property Taxes		306,860
Interest and Rents		19,397
TOTAL ESTIMATED REVENUES		326,257
APPROPRIATIONS		
Recreation and Culture		423,522
TOTAL APPROPRIATIONS		423,522
<b>Senior Activities</b>		
NET OF REVENUES/APPROPRIATIONS		<b>(97,265)</b>
Estimated Beginning Fund Balance		<b>589,722</b>
Estimated Ending Fund Balance		<b>492,457</b>

<b><u>Chapter 20 Drain Fund - 213</u></b>		
ESTIMATED REVENUES		
TOTAL ESTIMATED REVENUES		-
APPROPRIATIONS		
Public Works		4,942
TOTAL APPROPRIATIONS		4,942
<b>Chapter 20 Drain Fund</b>		
NET OF REVENUES/APPROPRIATIONS		<b>(4,942)</b>
Estimated Beginning Fund Balance		<b>4,942</b>
Estimated Ending Fund Balance		<b>-</b>

## Budget Ordinance (Continued)

<b><u>Sanitation Fund - 226</u></b>		
ESTIMATED REVENUES		
Property Taxes		1,761,539
Charges for Services		1,675,000
Interest and Rents		25,852
TOTAL ESTIMATED REVENUES		3,462,391
APPROPRIATIONS		
Public Works		4,401,286
TOTAL APPROPRIATIONS		4,401,286
<b>Sanitation Fund</b>		
NET OF REVENUES/APPROPRIATIONS		(938,895)
Estimated Beginning Fund Balance		5,438,144
Estimated Ending Fund Balance		4,499,249

<b><u>Cable Revenue - 231</u></b>		
ESTIMATED REVENUES		
Charges for Services		175,100
Interest and Rents		6,631
TOTAL ESTIMATED REVENUES		181,731
APPROPRIATIONS		
General Government		135,975
TOTAL APPROPRIATIONS		135,975
<b>Cable Revenue</b>		
NET OF REVENUES/APPROPRIATIONS		45,756
Estimated Beginning Fund Balance		430,558
Estimated Ending Fund Balance		476,314

<b><u>Tax Increment Finance Authority District 2 - 239</u></b>		
ESTIMATED REVENUES		
Property Taxes		62,290
Charges for Services		50,000
Contribution from Primary Government		267,829
TOTAL ESTIMATED REVENUES		380,119
APPROPRIATIONS		
Debt Service & Financial Guarantee		647,948
TOTAL APPROPRIATIONS		647,948
<b>Tax Increment Finance Authority District 2</b>		
NET OF REVENUES/APPROPRIATIONS		(267,829)
Estimated Beginning Fund Balance		(2,461,792)
Estimated Ending Fund Balance		(2,729,621)

## Budget Ordinance (Continued)

<b><u>Tax Increment Finance Authority District 3 - 240</u></b>		
ESTIMATED REVENUES		
Property Taxes		1,337,295
Contribution from Primary Government		625,349
TOTAL ESTIMATED REVENUES		1,962,644
APPROPRIATIONS		
Debt Service & Financial Guarantee		2,587,993
TOTAL APPROPRIATIONS		2,587,993
<b>Tax Increment Finance Authority District 3</b>		
NET OF REVENUES/APPROPRIATIONS		(625,349)
Estimated Beginning Fund Balance		(1,520,148)
Estimated Ending Fund Balance		(2,145,497)

<b><u>Brownfield Redevelopment Authority - 243</u></b>		
ESTIMATED REVENUES		
Property Taxes		37,057
TOTAL ESTIMATED REVENUES		37,057
APPROPRIATIONS		
Community and Economic Development		290,821
TOTAL APPROPRIATIONS		290,821
<b>Brownfield Redevelopment Authority</b>		
NET OF REVENUES/APPROPRIATIONS		(253,764)
Estimated Beginning Fund Balance		259,193
Estimated Ending Fund Balance		5,429

<b><u>Building Department Fund - 249</u></b>		
ESTIMATED REVENUES		
Licenses and Permits		2,051,372
Charges for Services		63,800
Interest and Rents		1,235
TOTAL ESTIMATED REVENUES		2,116,407
APPROPRIATIONS		
Public Safety		1,987,060
TOTAL APPROPRIATIONS		1,987,060
<b>Building Department Fund</b>		
NET OF REVENUES/APPROPRIATIONS		129,347
Estimated Beginning Fund Balance		147,828
Estimated Ending Fund Balance		277,175

## Budget Ordinance (Continued)

<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		-
TOTAL APPROPRIATIONS		-
<b>Home Buyers Assistance Fund</b>		
NET OF REVENUES/APPROPRIATIONS		-
Estimated Beginning Fund Balance		-
Estimated Ending Fund Balance		-

<b><u>Drug Enforcement Fund - 265</u></b>		
ESTIMATED REVENUES		
Fines and Forfeits		52,000
Interest and Rents		681
TOTAL ESTIMATED REVENUES		52,681
APPROPRIATIONS		
Public Safety		54,575
TOTAL APPROPRIATIONS		54,575
<b>Drug Enforcement Fund</b>		
NET OF REVENUES/APPROPRIATIONS		(1,894)
Estimated Beginning Fund Balance		219,074
Estimated Ending Fund Balance		217,180

## Budget Ordinance (Continued)

<b>District Court - 276</b>		
ESTIMATED REVENUES		
Charges for Services		673,795
State Grants		187,639
Other Revenue		876,540
Fines and Forfeits		1,083,635
Interest and Rents		1,500
Transfers In and Other Uses		1,374,555
TOTAL ESTIMATED REVENUES		4,197,664
APPROPRIATIONS		
General Government		4,168,343
Transfers Out and Other Uses		15,000
TOTAL APPROPRIATIONS		4,183,343
<b>District Court</b>		
NET OF REVENUES/APPROPRIATIONS		14,321
Estimated Beginning Fund Balance		13,325
Estimated Ending Fund Balance		27,646

<b>PA 48 - Telecommunications Fund - 280</b>		
ESTIMATED REVENUES		
State Grants		225,000
TOTAL ESTIMATED REVENUES		225,000
APPROPRIATIONS		
Transfers Out and Other Uses		225,000
TOTAL APPROPRIATIONS		225,000
<b>PA 48 - Telecommunications Fund</b>		
NET OF REVENUES/APPROPRIATIONS		-
Estimated Beginning Fund Balance		28,960
Estimated Ending Fund Balance		28,960

## Budget Ordinance (Continued)

### **Capital Improvement Fund - 445**

#### ESTIMATED REVENUES

Property Taxes	908,036
Other Revenue	5,000
Interest and Rents	20,555
<b>TOTAL ESTIMATED REVENUES</b>	<b>933,591</b>

#### APPROPRIATIONS

General Government	721,333
Public Safety	178,000
Public Works	720,132
Community and Economic Development	90,136
<b>TOTAL APPROPRIATIONS</b>	<b>1,709,601</b>

#### **Capital Improvement Fund**

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(776,010)</b>
<b>Estimated Beginning Fund Balance</b>	<b>1,270,436</b>
<b>Estimated Ending Fund Balance</b>	<b>494,426</b>

### **Parking Fund - 585**

#### ESTIMATED REVENUES

Property Taxes	(1,000)
Interest and Rents	24,873
<b>TOTAL ESTIMATED REVENUES</b>	<b>23,873</b>

#### APPROPRIATIONS

Public Works	68,253
Recreation and Culture	691,776
<b>TOTAL APPROPRIATIONS</b>	<b>760,029</b>

#### **Parking Fund**

<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(736,156)</b>
<b>Estimated Beginning Net Position</b>	<b>13,947,648</b>
<b>Estimated Ending Net Position</b>	<b>13,211,492</b>

## Budget Ordinance (Continued)

<b><u>Insurance Fund - 659</u></b>	
ESTIMATED REVENUES	
Charges for Services	7,117,185
Transfers In and Other Uses	500,000
TOTAL ESTIMATED REVENUES	7,617,185
APPROPRIATIONS	
General Government	48,908
Other Functions	11,780,185
TOTAL APPROPRIATIONS	11,829,093
<b>Insurance Fund</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(4,211,908)</b>
<b>Estimated Beginning Fund Balance</b>	<b>4,528,140</b>
<b>Estimated Ending Fund Balance</b>	<b>316,232</b>

<b><u>Workers' Compensation Fund - 677</u></b>	
ESTIMATED REVENUES	
Charges for Services	305,598
Interest and Rents	12,613
TOTAL ESTIMATED REVENUES	318,211
APPROPRIATIONS	
Other Functions	608,708
TOTAL APPROPRIATIONS	608,708
<b>Workers' Compensation Fund</b>	
<b>NET OF REVENUES/APPROPRIATIONS</b>	<b>(290,497)</b>
<b>Estimated Beginning Fund Balance</b>	<b>851,766</b>
<b>Estimated Ending Fund Balance</b>	<b>561,269</b>

# City of Pontiac Fees for FY 2018/2019

## General/Administration

### City Clerk

Death Certificates	\$15.00	Additional Copies \$5.00
Birth Certificates	\$15.00	Additional Copies \$5.00
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

### 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 2018/2019 (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 Minimum Fee	\$205.00 \$75.00
\$5,000,000 to \$ and up	\$3,500.00 plus .0004 of evaluation over \$5,000,000	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
<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 Three Phase:	
Application Fee	\$35.00	100 Ampere or Less	\$42.00
Special Building Fees:		101 to 200 Ampere	\$47.00
Permit Extension Fee	\$50.00	201 to 400 Ampere	\$52.00
Contractor Registration	\$35.00	Over 400 Ampere	\$55.00
Certificate of Occupancy	\$200.00	Additional Service -	
NSF	\$35.00	Each Additional Sub-Service	\$30.00
<u>Demolition Permit</u>		Stand by Power & Generator (One Phase):	
First 1000 sq. ft.	\$250.00	100 Ampere or Less	\$37.00
Each additional 500 sq. ft.	\$50.00	101 to 200 Ampere	\$40.00
NSF	\$35.00	201 to 400 Ampere	\$47.00
		Over 400 Ampere	\$50.00
		Automatic Transfer Switch	\$35.00
		Manual Transfer Switch	\$30.00
		Stand by Power & Generator (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
		Automatic Transfer Switch	\$40.00
		Manual Transfer Switch	\$35.00
		Stand by Power & Generator (Temporary):	
		60 Ampere Switch	\$20.00
		100 Ampere Switch	\$21.00
		200 Ampere Switch	\$22.00
		400 Ampere Switch	\$23.00
		600 Ampere Switch	\$24.00
		800 Ampere Switch	\$25.00
		Electrical Furnances & 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
<u>Property Maintenance</u>			
Property Maintenance Inspection	\$200.00		
NSF	\$35.00		
<u>Team Inspection</u>			
Per Inspector	\$50.00		
Re-Inspection	\$50.00		
NSF	\$35.00		
<u>Hearing Officer</u>			
Special Hearing	\$900.00		
NSF	\$35.00		
<u>Board of Appeals</u>			
Special Hearing	\$900.00		
NSF	\$35.00		

# City of Pontiac Fees for FY 2018/2019 (continued)

## Electrical Permits (Continued)

Transformers:	
1 KVA Through 100 KVA	\$32.00
101 KVA Through 200 KVA	\$37.00
201 KVA Through 400 KVA	\$40.00
Over 400 KVA	\$47.00
Motors:	
First 1/4 HP up to 10 HP (Up to 7450W)	\$25.00
First 11 HP up to 20 HP (Up to 14920W)	\$26.00
First 21 HP up to 30 HP (Up to 22380W)	\$27.00
First 31 HP up to 40 HP (Up to 29840W)	\$28.00
First 41 HP up to 50 HP (Up to 37300W)	\$29.00
First 51 HP and Up	\$40.00
Each Additional Unit	\$42.00
Mobile Home Electrical Hook-Up -	
Per Unit	\$75.00
Sign Installation & Inspection Before Installation:	
One Sign	\$75.00
Each Additional Sign at Same Location	\$25.00
Fixtures (Smoke Detectors, Power Outlets, Light Fixtures):	
Installation of 1 to 10 Fixtures	\$20.00
Each Additional 10 Fixtures or Fraction Thereof	\$15.00
Lighting Pole & Base Installation	\$25.00
Battery Operated Light/Line Voltage - First 10	\$20.00
Each Additional 10 Fixtures or Fraction Thereof	\$15.00
Exit Light (Each)	\$15.00
Each Circuit	\$15.00
General Repair Permit	\$75.00
Special Electrical 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

## Mechanical Permits

Application Fee	\$35.00
New Home	\$205.00
Substandard Property/Complete Renovation	\$205.00
Minimum Fee	\$75.00
Heating Equipment - New or Replacement:	
Over 40,000 to 100,000 BTU Per Hour:	
First 10 Units at Each Occupancy - Each Unit	\$40.00

## Mechanical Permits (Continued)

Each Additional Unit Over 10 at Same Occupancy	\$30.00
Over 200,000 to 400,000 BTU Per Hour - Each Unit	\$47.00
Water Heater, Chimney Liner, Fireplace, Fire Dampers	\$32.00
Gas Piping System Permit:	
1 Gas Pressure & Piping Test	\$64.00
Each System (Furnace, Water Heater, Dryer, Range, etc.)	\$32.00
Space Heating/Cooling Distribution System Ductwork:	
Up to 100,000 BTU Fuel Input Per Hour	\$32.00
Over 100,000 to 200,000 BTU Fuel Input Per Hour	\$50.00
Over 200,000 to 400,000 BTU Fuel Input Per Hour	\$60.00
Over 400,000 to 2,000,000 BTU Fuel Input Per Hour	\$75.00
Over 2,000,000 to 5,000,000 BTU Fuel Input Per Hour	\$80.00
Comfort Cooling Equipment & Systems:	
Up to 60,000 BTU (5 Tons) or less (Self Contained Units or Systems):	
First 10 Units at Same Location/Each Unit	\$50.00
Additional Units Over 10 at Same Location/Each Unit	\$32.00
60,000 BTU (5 Tons) to 120,000 BTU (10 Tons)/Each Unit	\$57.00
120,000 BTU (10 Tons) to 600,000 BTU (50 Tons)/Each Unit	\$67.00
600,000 BTU (50 Tons) to 1,500,000 BTU (125 Tons)/Each Unit	\$100.00
Alterations to Each System	\$30.00
Commercial Clothes Dryer for Installation or Replacement:	
1st 5 Units Commercial Clothing Dryer	\$30.00
Each Additional Commercial Clothes Dryer @ Same Location	\$21.00
Liquefied Petroleum Gas System & Storage:	
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

## City of Pontiac Fees for FY 2018/2019 (continued)

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### Mechanical Permits (Continued)

Over 20,000 CFM to 50,000 CFM	\$47.00
Refrigeration System for Other Than Comfort Cooling - Self Contained System/Compressor, Activated by Motors or Engines:	
Up to 5 HP	\$30.00
5 HP to 10 HP	\$39.00
10 HP to 50 HP	\$49.00
50 HP to 1255 HP	\$59.00
Installation Permit - Tank (Fuel Oil or Other):	
Above Ground, Not Exceeding 550 Gallons	\$24.00
Below Ground, Not Exceeding 550 Gallons	\$31.00
Over 550 Gallons to 5,000 Gallons	\$42.00
Over 5,000 Gallons to 20,000 Gallons	\$47.00
Over 20,000 Gallons to 50,000 Gallons	\$57.00
Over 50,000 Gallons to 200,000 Gallons	\$70.00
Over 200,000 Gallons	\$95.00
Alterations to existing Burner or Furnance	\$40.00
Air/Exhaust Vents	\$25.00
Each Additional Vent	\$10.00
Air Handling Equipment or Systems:	
Blower, fans and electronic air cleaner, new installation:	
Up to 4,000 CFM	\$25.00
Over 4,000 CFM to 50,000 CFM	\$40.00
Heat Recovery Unit/Radiator	\$10.00
Mobile Home Mechanical Hook-Up:	
Per Unit	\$75.00
Boiler 200,000 BTU	\$100.00
Piping:	
Medical Gas, Process Piping, Hydronic Piping, Refrigeration Piping Each System	\$32.00
Pressure Test for Each System	\$32.00
Fuel gas, Process, Hydronic, Refrigeration, Commercial Air Conditioning	\$0.05 Processed Piping Per Foot
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.	\$50.00 Per Hour
Permit Extension Fee	\$50.00
Work Done Without Permit Penalty	\$200.00
Plan Review Fee	\$175.00
Mechanical Contractor Registration	\$15.00
Mechanical Board of Appeals	\$900.00
NSF	\$35.00

### Plumbing Permits

Application Fee	\$35.00
New Home	\$205.00
Substandard Property/Complete Renovation	\$205.00
Minimum Fee	\$75.00
Stacks (New Alteration) (Soil, Waste, Vent, Inside Connection)	\$17.00
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
Water Heater	\$20.00
Backflow Preventer	\$5.00
Medical Gas System	\$45.00
Water Service:	
Water Svs/Dist 1/2"	\$40.00
Water Svs/Dist 3/4"	\$40.00
Water Svs/Dist 1"	\$45.00
Water Svs/Dist 2"	\$50.00
Water Svs/Dist 3"	\$60.00
Water Svs/Dist 4"	\$70.00
Water Svs/Dist Over 4"	\$80.00
Water Distribution:	
1st 100 Feet	\$80.00
Each Additional Foot	\$0.10
Building Sewer - Size:	
Building Sewer & Drain 4"	\$45.00
Building Sewer & Drain 10"	\$50.00
Building Sewer & Drain 12"	\$55.00
Building Sewer & Drain 14"	\$60.00
Building Sewer & Drain 16"	\$70.00
Building Sewer & Drain 18"	\$75.00
Storm Sewer:	
Storm & Sanitary 1st 200 Feet	\$80.00
Storm & Sanitary Additional 100 Feet	\$35.00
Building Sewer to Drain Connection - Building Drain - Underground Building Drains/Storm not Over 6"	\$45.00
Storm Drain -	
Manholes and Catch Basins	\$16.00
Plumbing for Mobile Home Hook-Up - Per Unit	\$75.00
Special Plumbing 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

# City of Pontiac Fees for FY 2018/2019 (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 Recepticle	\$1.00
Sidewalk Café	\$100.00
Taxicab (Per Bond plate)	\$50.00
Taxicab Business	\$100.00
TaxiCac 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

## City of Pontiac Fees for FY 2018/2019 (continued)

### Rental Registration (Continued)

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