



City of Pontiac



Where Opportunities Thrive

Adopted Budgets

Fiscal Years 2018- 2020

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Pontiac, MI 48342

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City of Pontiac

Adopted Budgets FY2018-2020



Mayor

Deirdre Waterman

City Council



Councilwoman Waterman
District 1



Councilwoman Pietila
District 3



Councilman Woodward
District 2



Councilwoman Taylor Burks
District 6



Councilwoman Williams
District 7



Councilman Holland
District 5



Councilman Carter
District 4

Patrice Waterman
Mary E. Pietila
Don Woodward
Doris Taylor Burks
Kermit Williams
Mark Holland Sr.
Randy Carter

Council President
Council President Pro Tem
Councilman
Councilwoman
Councilman
Councilman
Councilman

Deputy Mayor

Jane Bais-DiSessa

Department Heads

Nevrus P. Nazarko
Sherikia L. Hawkins
Terrence King

Finance Director
City Clerk
Public Work Director

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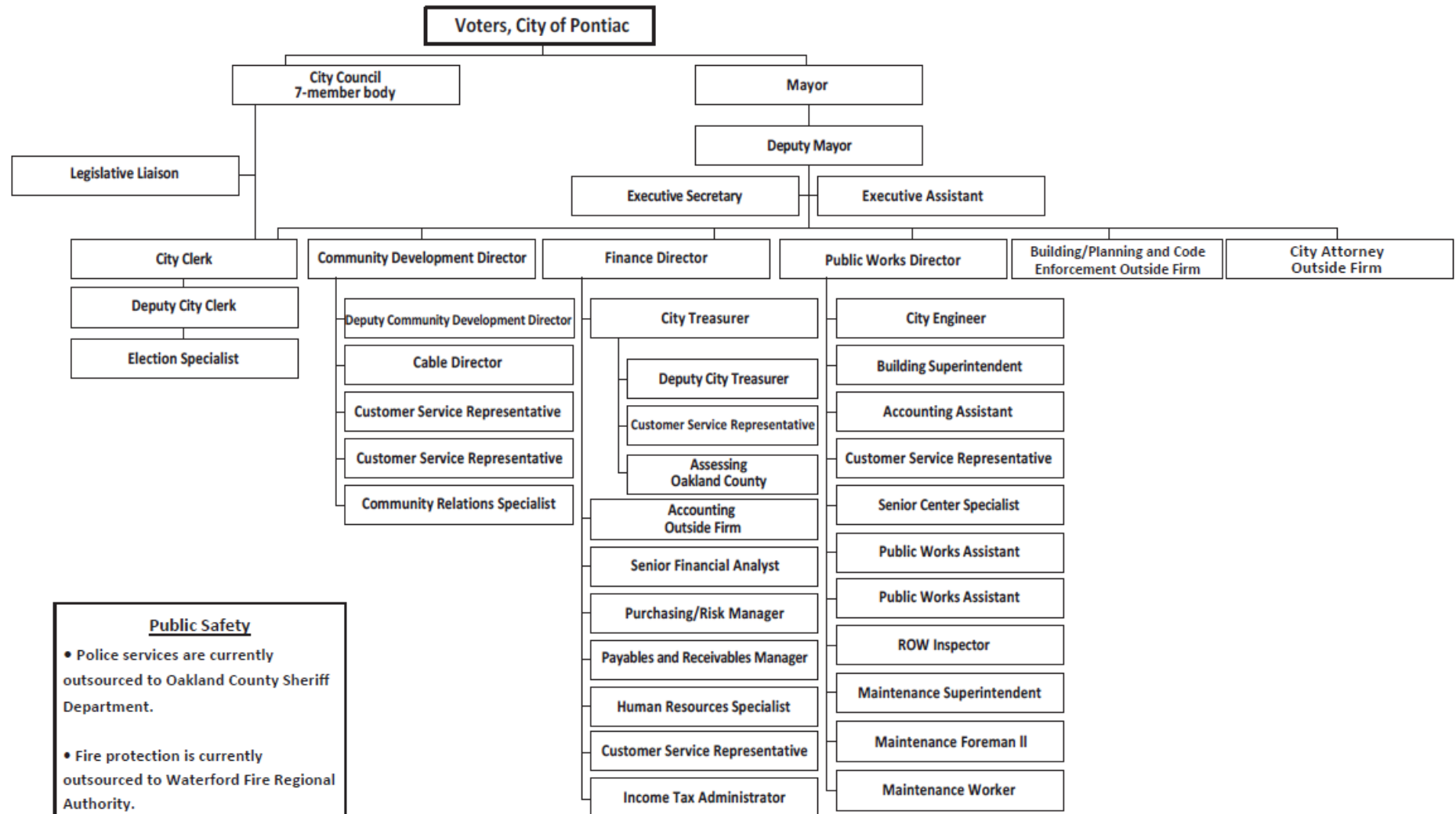
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Organizational Chart

City of Pontiac Organization Chart - Proposed July 1, 2017



Budget Message - Mayor



CITY OF PONTIAC OFFICE OF THE MAYOR

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May 15, 2017

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 2018, 2019 and 2020. 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 \$14 million at the end of this fiscal year 2016-2017. The City Council's prioritized 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. Council identified goals that included hiring a grant writer and designating \$1 to \$2 million dollars toward a Youth Recreation Center.

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 2016-2017, we lived up to that promise when we successfully completed converting the City's streetlights to LED and made major improvements to our roadways. Both of these projects highlight our commitment to safety and to building a community that is welcoming to everyone. Additionally, the City has achieved tentative agreements towards the resolution of several significant litigation issues including: The settlement with retirees regarding retiree health and a consent agreement to demolish the historic Pontiac Silverdome for future development. The favorable disposition of these matters will provide the infrastructure for sustained financial stability and economic growth.

Achievements from Budget FY 2016-2017:

The City budgeted and achieved the completion of nine projects in FY16/17. Not only have major roadway repairs been completed, but also the LED conversion project represents an investment in the infrastructure of Pontiac that will show a return on investment for years to come.

Other noteworthy projects from the fiscal year include:

- Purchased 87 new computers to replace units at their end of life
- Implemented an Asset Management System for the City Engineer to increase efficiency
- Improvements made to the Ruth Peterson Community Center and Robert Bowens Senior Center parking lots and buildings
- Purchased two DPW vehicles
- Saginaw Street road improvements
- Paddock Street reconstruction
- Franklin Road improvements
- Completed LED street lighting upgrade

Budget Message – Mayor (Continued)

BUDGETARY HIGHLIGHTS FOR FY2017-2018 THROUGH 2020

The proposed budgets are significant because these are the first plans submitted post Emergency Manager assigned budgets and City Administrator management. The financial summaries also demonstrate a healthy fund balance which exceeds the benchmark set by the State Treasury as part of the criteria for the City to move out of receivership. For a City that was still considered to be in financial distress when I took office in January 2014, this is a major accomplishment. This revitalized economic picture certainly encourages the forecast for our City.

While we have made tremendous progress, the City still faces some significant challenges. For example, it is of ultimate concern that pending litigation on the Phoenix Center receives favorable disposition to avoid upending the City's newly established success. To this end, we are working diligently to provide an appropriate disposition for these matters.

The FY 2018, 2019, and 2020 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. The Economic Recovery Plan for the City of Pontiac is complete. With Dan Hunter, Oakland County's Deputy Director of Economic Development and Community Affairs, we co-chaired the board committee and submitted the final report to the Economic Development Agency (EDA) by May 31 of last year. This study was funded by a grant from the EDA and received support from Oakland County. 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 2017-2018 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.
- ❖ Secure funding to fix some long-needed improvements in our infrastructure such as: Joslyn Road, Hill Road, City Hall renovations, Court renovations and updates to the cable studio.
- ❖ Identify funds to provide matching grant dollars for potential economic and capital improvement projects.
- ❖ Fund additional clerical and community development staff to enhance city services.
- ❖ Review of all outsourced services to ensure these contracts still make sense for the residents of Pontiac.

Budget Message – Mayor (Continued)

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 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 FY17/18 is approximately \$80.3 million. This is an \$9 million increase from the FY16/17 amended budgets. The increase of 13% is directly related to the new programs, road projects and maintaining existing City services.

The proposed budgets include an increase in revenue from property taxes (9%) and income taxes (7%), further verifying Pontiac's economic improvement. In total, Pontiac's revenue is growing by 7%, or nearly \$4 million (not including transfers in). The Youth Recreation Millage is new for FY2017-18, which is a large portion of the increase in property tax revenue. The additional revenue is helping to move forward the economic priorities that will ultimately sustain Pontiac.

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 \$732,000 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.

Budget Message – Mayor (Continued)

The use of fund balance reflects my commitment to start some critical road projects by investing approximately \$4.4 million in additional funding in FY 2018, for a total of \$8.4 in road improvements.

The general fund continues to provide Police and Fire services through renewed contracts with Oakland County and Waterford Township Fire Department. The Police contract includes support for two additional officers. 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
- ❖ Neighborhood Empowerment Projects
- ❖ Resolution of litigation with retirees regarding retiree health care
- ❖ Blight and Nuisance Abatement Program
- ❖ EDA Plan Implementation
- ❖ Dream Cruise participation
- ❖ Grant matches
- ❖ Transportation services for city residents (new for 2018)
- ❖ Increase DPW personnel by three positions in an effort to bring services back in-house from contractors (mowing, plowing, building maintenance and street sweeping)
- ❖ IT equipment
- ❖ Major and Local Street Projects – a total of \$8.4 million for road improvement projects
- ❖ Capital improvement to the City's cable studios and video equipment
- ❖ 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, in spite of the City's economic challenges, strives to provide dependable City services. I would also like to commend the Executive Staff for their contributions in the preparation of this budget document and for their adherence to committed service to the citizens of the City.

Thank you also to the City Council President and Council members for your leadership. Through a cooperative effort, we can continue to plan and build the City's path towards economic security.

Respectfully submitted,

Dr. Deirdre Waterman
Mayor

Community Profile

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 have been under the superintending control of the State of Michigan because of a financial emergency; technically, the City is 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 have been returned to the Mayor. A limited number of actions taken by the Mayor and City Council are still subject to review and approval by the City Transition Advisory Board. The final order was last amended March 31, 2016. Copies of all orders issued by the last emergency manager are available on the City's website.

City of Pontiac Vision Statement

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

Due to the hard work and commitment of a number of dedicated local individuals, the City is well underway to recovering and moving closer to being independent from state intervention. 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.

- ❖ 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.
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.
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.

Pontiac Moving Forward (Continued)

Proposed Actions	
PDA #4 Gateways And Corridors	
4.1	Evaluate the benefits of establishing a CIA to support corridor and gateway reinvestment.
4.2	Consider a “Corridor Keeper” program or other mechanism to communicate with property and business owners.
4.3	Work with the City, county and state road agencies to evaluate road condition, safety and capacity needs.
4.4	Evaluate private investment potential including job creation and tax revenue generation.
4.5	Determine infrastructure improvement needs and evaluate potential for economic development grant support.
4.6	Consider developing and adopting sub area corridor plans that address land use, landscaping, building facades, and needed regulatory changes.
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.

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 2017-18 Budget

City of Pontiac Taxable Value, Millage Rate and Property Tax Revenue History					
Property Tax Year	2015	2016	2017	2018	2019
Fiscal Year	FY 2015-2016	FY 2016-2017	FY 2017-2018	FY 2018-2019	FY 2018-2020
Taxable Value - Real*	594,904,897	607,525,032	626,609,590	619,836,377	638,431,468
Taxable Value - Personal Property Tax*	89,164,500	62,689,320	66,264,420	99,121,221	89,209,099
Total Taxable Value	684,069,397	670,214,352	692,874,010	718,957,598	727,640,567
% change in total TV from prior year	2.28%	-2.03%	3.38%	3.76%	1.21%
Less: Captures	69,455,853	69,800,000	66,803,553	68,502,016	68,501,814
Adjusted Taxable Value*	614,613,544	600,414,352	626,070,457	650,455,582	659,138,753
% change in adjusted TV from prior year	1.98%	-2.31%	4.27%	3.89%	1.33%
Millage Rate					
General Fund	11.27370	11.27370	11.27370	11.27370	11.27370
Capital Improvement	1.40910	1.40910	1.40910	1.40910	1.40910
Sanitation	2.81830	2.81830	2.81830	2.81830	2.81830
Senior Services	0.50000	0.50000	0.50000	0.50000	0.50000
Youth Services	0.00000	0.00000	0.00000	1.50000	1.50000
Total Operating Millage	16.0011	16.0011	16.0011	17.5011	17.5011
Tax Revenue					
General Fund	6,928,969	6,768,891	7,058,131	7,333,041	7,430,933
Capital Improvement	866,052	846,044	882,196	916,557	928,792
Sanitation	1,732,165	1,692,148	1,764,454	1,833,179	1,857,651
Senior Services	307,307	300,207	313,035	325,228	329,569
Youth Services			-	975,683	988,708
	9,834,493	9,607,290	10,017,816	11,383,688	11,535,653
State reimb for Personal Property Exemption		684,846	447,156	447,156	447,156
Grand Total		\$ 10,292,136	\$ 10,464,972	\$ 11,830,844	\$ 11,982,809
*TV has been adjusted for half rate special acts.					

The following are the adopted tax rates and revenue to support the budget for the 2017-18 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 7.3172 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 2018.

The millage reduction factor for 2017 has been calculated and the City is not subject to a Headlee roll-back for 2017, therefore, the millage rates will be remaining the same as 2016. The City Council will be required to hold a public hearing on the proposed tax rates in June of 2017 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	2017-18	2018-19
<u>General Fund</u>			
Oakland County Sheriff	Police Patrol	\$ 10,749,738	\$ 11,072,230
Oakland County Sheriff	Police Overtime	939,600	967,788
Oakland County Sheriff	Police and Fire Dispatch	164,943	169,891
Kristel Group	Janitorial - Substation	38,400	39,552
Waterford Township	Fire Protection	6,977,910	7,187,247
Wade Trim	Code Enforcement	423,150	435,845
Wade Trim	Planning	310,596	319,914
Seasonal Property Maintenance LLC	Tree Maintenance	127,500	131,325
Innovative Software	Income Tax Collection	335,000	345,050
Oakland County	Assessing	415,000	427,450
Plante Moran	Accounting	262,655	270,535
Plante Moran	Budget	25,000	25,750
PCM	Information Technology	310,000	319,300
Rehmann	External Audit	75,000	77,250
Giamarco, Mullins & Horton	City Attorney	350,000	360,500
Kristel Group	Janitorial - City Hall	42,000	43,260
TBD	Salting and Plowing - City Hall/Sheriff	25,000	25,750
Plunkett Cooney	Bloomfield Park Services	15,000	15,450
TBD	Civil Engineering	200,000	206,000
TBD	Grass Cutting, City Property	87,100	89,713
	General Fund Total	\$ 21,873,592	\$ 22,529,800
<u>Major and Local Street Funds</u>			
Road Commission for Oakland County	Salting and Plowing	\$ 225,000	\$ 231,750
Pavex	Pothole Patching	235,500	242,565
United Resources	Storm Sewer Maintenance	1,020,000	1,050,600
TBD	Engineering	120,000	123,600
TBD	Street Sweeping	280,000	288,400
TDE Group	Salting and Plowing	130,000	133,900
TBD	Street Light Maintenance	135,000	139,050
Rcomm Oakland County	Traffic Signal Maintenance	75,000	77,250
TBD	Road Striping	150,000	154,500
Action Traffic	Street and Traffic Signs	105,000	108,150
Seasonal Property Maintenance LLC	Trees in ROW	15,000	15,450
TBD	Grass Cutting, Right-of-Way	42,500	43,776
	Major and Local Street Funds Total	\$ 2,533,000	\$ 2,608,991
<u>Sanitation Fund</u>			
Advanced Disposal	Garbage Collection	\$ 3,097,000	\$ 3,189,910
	Sanitation Fund Total	\$ 3,097,000	\$ 3,189,910
<u>Building Inspection Fund</u>			
Wade Trim	Construction Code Enforcement	\$ 1,626,660	\$ 1,675,465
	Building Inspection Fund Total	\$ 1,626,660	\$ 1,675,465

Services Provided by other Governments at No Cost to the City

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

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 FY17/18 Budget includes three new positions for building maintenance in the General Fund
- ❖ The FY17/18 Budget includes one new positions for the Youth Recreation Fund
- ❖ Wages include a 4% increase
- ❖ The City is assuming a 3% 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 8%
- ❖ Workers Compensation insurance is expected to remain the same

Fund	Department	2016-17 Budgeted	2017-18 Proposed	Difference FY17 to FY18	2018-19 Total	2019-20 Total
General Fund						
	City Council	8	8	-	8	8
	Mayor	5	5	-	5	5
	Finance/Budget	2	2	-	2	2
	Accounts Payable	1	1	-	1	1
	Income Tax	1	1	-	1	1
	City Clerk/Elections	3	3	-	3	3
	Human Resources/Insurance	1	1	-	1	1
	Purchasing/Risk Management	0.7	0.7	-	0.7	0.7
	Payroll	0.3	0.3	-	0.3	0.3
	Treasurer	3	3	-	3	3
	Building Maintenance	1	4	3	4	4
	Sheriff	1	1	-	1	1
	Crossing Guards	3	3	-	3	3
	Public Works	6	6	-	6	6
	Engineer	1	1	-	1	1
	Redevelopment & Housing	4	4	-	4	4
General Fund		41	44	3	44	44
Youth Recreation Fund						
		-	1	1	3	3
Cable Fund						
		1	1	-	1	1
Senior Millage Fund						
		3	3	-	3	3
District Court Fund						
		35	35	-	35	35
Insurance Fund						
		1	1	-	1	1
Grand Total		81	85	4	87	87

Financial Policies

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)

General Fund

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

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)

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

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)

Sanitation Fund

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

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

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)

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 further 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)

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

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

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)

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:

<i>Asset Class</i>	<i>Minimum</i>
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)

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)

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)

- 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)

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 \$66.2 million (10% of total assessed value). The City's total outstanding debt as of June 30, 2016 was \$9.2 million. The City of Pontiac is 86% or \$57 million below their legal debt limit. The City does not intend to issue any debt for FY17/18.

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 FY17/18 Budget.

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
TIFA 3 2007C Bond	\$ 1,025,000	\$ 938,644	\$ 1,963,644
TIFA 2 2007 C Bond	280,000	96,319	376,319
Grand Total FY2017/18	\$ 1,305,000	\$ 1,034,963	\$ 2,339,963

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)

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.

Budget Process

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)

- ❖ 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.
- ❖ The Transition Advisory Board must approve the budget before July 1.

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. The City Council is permitted to amend the budget between funds with the approval only of the Transition Advisory Board.

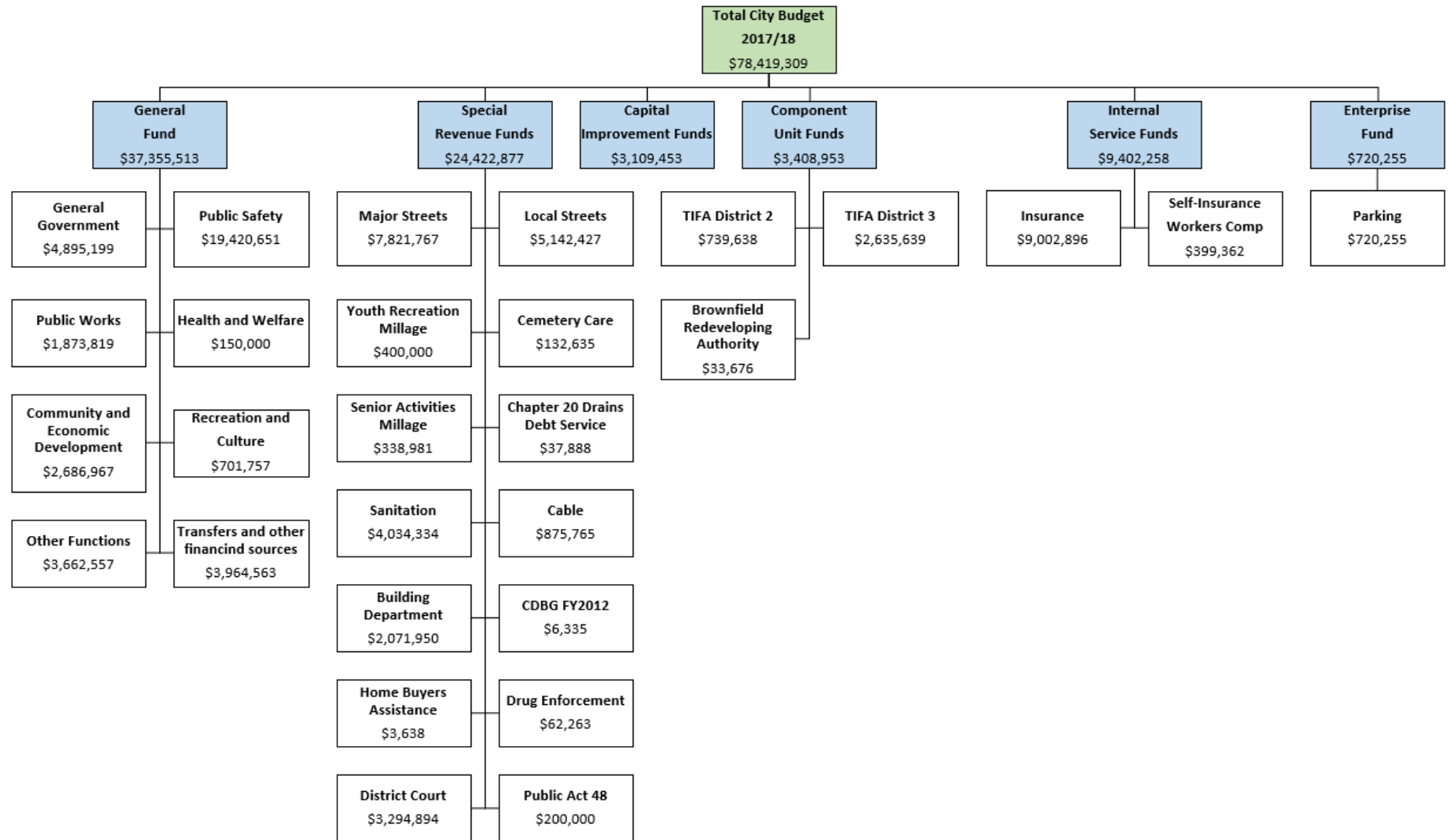
Budget Calendar for FY 2017-18

July 1, 2016	New fiscal year 2016-2017 begins
February 9, 2017	Council receives the budget calendar and sets the date for a goal setting session
March 15, 2017	Finance Director distributes the budget request packets/instructions to the Department Directors
March 31, 2017	Department Directors submit completed budget requests packets to Finance Director
April 13, 2017	Review, analysis, and calculations of submittals by Finance Director
April 14, 2017	Finance Director transmits the departmental requests to the Mayor
Apr 14-May 1	Mayor meets with Department Heads and Finance Director on budget requests
May 1, 2017	Mayor returns a copy of the balanced budget to the Finance Director
May 1-May 15	Finance Director prepares budget document with Mayor's requested changes
May 15, 2017	Mayor submits to the City Council the balanced budget and appropriations ordinance
May 18, 2017	Council authorizes public hearing on the budget
May 31, 2017	Notice of public hearing published in Oakland County Press
June 8, 2017	Council holds public hearing on budget
June 8, 2017	Council adopts the appropriations ordinance and tax rate for the new year.
June 9, 2017	Transition Advisory Board (TAB) deadline to receive the budget document
June 21, 2017	TAB approves the balanced budget as approved by the City Council
July 1, 2017	New fiscal year 2017-2018 begins

All Funds Summary

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Budget Fund Structure



Description of City Funds

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. Under the contract with the management company, the City is responsible for repairing all items in disrepair before the date that the management company assumed management responsibility for 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 FY17/18.
- ❖ **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)

- ❖ **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.
- ❖ **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)

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

General Government

- ❖ 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

- ❖ 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

- ❖ 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

- ❖ 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

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

Health and Welfare

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

Other Functions

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

Debt Service

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

Transfers Out

- ❖ 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.

2017-18 All Funds Budget Summary

Statement of Revenues & Expenditures

Revenues	General	Special Revenue	Capital Projects	Component Units	Enterprise	Internal Service	Total
Property Taxes	\$ 7,761,884	\$ 1,931,239	\$ 855,155	\$ 1,300,325	\$ (1,500)	\$ -	\$ 11,847,103
Income Taxes	13,009,008	-	-	-	-	-	13,009,008
Licenses and Permits	225,000	2,011,700	-	-	-	-	2,236,700
Federal Grants	101,000	-	-	-	-	-	101,000
State Grants	9,587,142	6,384,306	-	-	-	-	15,971,448
Contributions from Primary Government	-	-	-	1,035,314	-	-	1,035,314
Charges for Services	1,275,985	2,673,745	-	-	30,000	6,076,873	10,056,603
Fines and Forfeits	104,000	1,079,090	-	-	-	-	1,183,090
Interest and Rents	246,000	65,850	5,000	-	17,000	6,980	340,830
Other Revenue	2,379,392	-	-	38,000	-	-	2,417,392
Total Revenues	<u>34,689,411</u>	<u>14,145,930</u>	<u>860,155</u>	<u>2,373,639</u>	<u>45,500</u>	<u>6,083,853</u>	<u>58,198,488</u>
Expenditures							
General Government	4,895,199	4,283,294	-	-	-	48,406	9,226,899
Public Safety	19,420,651	2,134,213	-	-	-	-	21,554,864
Public Works	1,873,819	16,565,416	-	-	62,012	-	18,501,247
Community and Economic Development	2,686,967	9,973	-	33,676	-	-	2,730,616
Recreation and Culture	701,757	738,981	-	-	658,243	-	2,098,981
Health and Welfare	150,000	-	-	-	-	-	150,000
Other Functions	3,662,557	-	-	-	-	9,353,852	13,016,409
Capital Outlay	-	-	2,109,453	-	-	-	2,109,453
Debt Service & Financial Guarantee	-	-	-	3,375,277	-	-	3,375,277
Total Expenditures	<u>33,390,950</u>	<u>23,731,877</u>	<u>2,109,453</u>	<u>3,408,953</u>	<u>720,255</u>	<u>9,402,258</u>	<u>72,763,746</u>
Excess of Revenue Over (Under)	<u>1,298,461</u>	<u>(9,585,947)</u>	<u>(1,249,298)</u>	<u>(1,035,314)</u>	<u>(674,755)</u>	<u>(3,318,405)</u>	<u>(14,565,258)</u>
Other Financing Sources (Uses)							
Transfers In and Other Financing Sources	220,000	5,435,563	-	-	-	-	5,655,563
Transfers (Out) and Other Financing Sources	<u>(3,964,563)</u>	<u>(691,000)</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,655,563)</u>
Total Other Financing Sources	<u>(3,744,563)</u>	<u>4,744,563</u>	<u>(1,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance/Net Position	<u>(2,446,102)</u>	<u>(4,841,384)</u>	<u>(2,249,298)</u>	<u>(1,035,314)</u>	<u>(674,755)</u>	<u>(3,318,405)</u>	<u>(14,565,258)</u>
Fund Balances - Beginning of year	<u>13,700,769</u>	<u>14,019,811</u>	<u>2,719,099</u>	<u>(2,816,368)</u>	<u>15,048,334</u>	<u>4,464,632</u>	<u>47,136,277</u>
Fund Balances - End of Year	<u>\$ 11,254,667</u>	<u>\$ 9,178,427</u>	<u>\$ 469,801</u>	<u>\$ (3,851,682)</u>	<u>\$ 14,373,579</u>	<u>\$ 1,146,227</u>	<u>\$ 32,571,019</u>

Four Year Consolidated Fund Financial Schedules

	2014-15 Actual	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
Statement of Revenues & Expenditures - All Funds				
Revenues				
Property Taxes	\$11,891,042	\$12,277,598	\$11,689,938	\$11,847,103
Income Taxes	11,695,272	11,655,615	11,961,000	13,009,008
Licenses and Permits	2,124,487	2,460,317	1,686,859	2,236,700
Federal Grants	89,822	14,448	100,884	101,000
State Grants	14,481,135	15,083,510	15,118,474	15,971,448
Contributions from Primary Government	736,712	928,709	1,039,546	1,035,314
Charges for Services	9,812,621	9,697,273	10,055,701	10,056,603
Fines and Forfeits	1,144,992	1,132,869	1,134,800	1,183,090
Interest and Rents	217,215	367,432	221,688	340,830
Other Revenue	3,475,874	1,693,727	1,983,199	2,417,392
Total Revenues	55,669,172	55,311,498	54,992,089	58,198,488
Expenditures				
General Government	5,926,482	6,310,745	7,205,890	9,226,899
Public Safety	19,807,456	20,261,842	21,016,561	21,554,864
Public Works	9,418,867	8,238,830	13,911,693	18,501,247
Other Functions	6,337,028	5,384,042	7,782,810	13,016,409
Health and Welfare	-	-	-	150,000
Community and Economic Development	953,933	1,678,272	2,114,868	2,730,616
Recreation and Culture	1,058,121	1,327,536	2,149,418	2,098,981
Capital Outlay	580,615	355,305	1,456,200	2,109,453
Debt Service & Financial Guarantee	2,916,769	3,264,484	3,381,760	3,375,277
Total Expenditures	46,999,271	46,821,056	59,019,200	72,763,746
Excess of Revenue Over (Under)	8,669,901	8,490,442	(4,027,111)	(14,565,258)
Other Financing Sources (Uses)				
Transfers In and Other Financing Sources	1,846,404	3,037,346	3,609,553	5,655,563
Transfers (Out) and Other Financing Sources	1,846,404	3,037,346	3,609,553	5,655,563
Total Other Financing Sources	-	-	-	-
Net Change in Fund Balances/Net Position	8,669,901	8,490,442	(4,027,111)	(14,565,258)
Fund Balances - Beginning of year	34,003,035	42,672,946	51,163,388	47,136,277
Fund Balances - End of Year	\$42,672,936	\$51,163,388	\$47,136,277	\$32,571,019

Multi-Year Budget

The City of Pontiac is required by the State of Michigan Transition Advisory Board to prepare 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.

DESCRIPTION	ACTUAL 2015-16	PROJECTED 2016-17	BUDGET 2017-18	PROJECTED	
				2018-19	2019-20
Fund 101 - General Fund					
PROPERTY TAXES	8,096,985	7,689,832	7,761,884	7,994,741	8,234,583
INCOME TAXES	11,655,615	11,961,000	13,009,008	13,339,008	13,449,008
LICENSES AND PERMITS	193,900	176,259	225,000	231,750	234,068
CHARGES FOR SERVICES	1,214,197	1,065,818	1,275,985	1,314,266	1,353,693
FEDERAL GRANTS	14,448	99,521	101,000	101,000	101,000
STATE GRANTS	9,402,108	9,476,539	9,587,142	9,730,949	9,876,913
OTHER REVENUE	1,622,018	1,270,303	2,379,392	2,590,481	2,609,888
FINES AND FORFEITS	13,813	73,000	104,000	109,200	111,384
INTEREST AND RENTS	260,393	156,441	246,000	258,300	266,049
TOTAL REVENUES	\$ 32,473,477	\$ 31,968,713	\$ 34,689,411	\$ 35,669,695	\$ 36,236,586
101-City Council	249,974	326,048	648,438	486,773	489,717
171-Mayor	310,324	496,858	557,620	561,658	563,391
172-CITY ADMINISTRATOR	95,102	-	-	-	-
215-City Clerk	192,676	185,493	219,808	221,359	221,990
191-Elections	131,770	193,009	170,270	171,910	172,957
206-Finance Administration	351,017	465,644	558,619	563,183	564,966
201-Accounting	255,886	276,499	269,294	277,373	280,250
202-Income Tax Administration	314,102	446,700	480,702	492,910	498,028
228-Information Technology	367,247	358,495	378,943	381,011	381,877
253-Treasurer	269,587	274,267	320,874	323,787	325,498
257-Assessor	409,920	419,600	429,500	442,385	447,035
270-Personnel Services	82,025	88,861	139,651	141,295	141,912
265-Building Maintenance	221,762	247,858	337,480	344,116	346,703
266-City Attorney	217,287	385,239	384,000	395,520	399,475
276-Cemetery Oak Hill	57,700	-	-	-	-
TOTAL GENERAL GOVERNMENT FUNCTION	\$ 3,526,379	\$ 4,164,571	\$ 4,895,199	\$ 4,803,280	\$ 4,833,799
301-POLICE/SHERIFF	11,668,746	12,274,591	12,207,271	12,563,835	12,686,383
309-CROSSING GUARDS	9,236	13,551	13,051	13,051	13,051
325-COMMUNICATIONS/DISPATCH	149,643	157,107	164,943	169,891	171,590
336-FIRE DEPARTMENT	6,366,341	6,705,060	7,035,386	7,386,002	7,752,937
TOTAL PUBLIC SAFETY FUNCTION	\$ 18,193,966	\$ 19,150,309	\$ 19,420,651	\$ 20,132,779	\$ 20,623,961
445-DRAINS - PUBLIC BENEFIT	-	148,410	236,652	243,752	246,189
447-Engineering	246,019	554,401	392,614	400,404	403,140
448-Street Lighting	720,417	813,273	805,000	829,150	837,442
458-PUBLIC WORKS OPERATIONS	328,378	514,705	439,553	444,025	445,757
TOTAL PUBLIC WORKS FUNCTION	\$ 1,294,814	\$ 2,030,789	\$ 1,873,819	\$ 1,917,330	\$ 1,932,528
674-Tele-van Services	-	-	150,000	154,500	156,045
TOTAL HEALTH AND WELFARE FUNCTION	\$ -	\$ -	\$ 150,000	\$ 154,500	\$ 156,045
690-REDEVELOPMENT AND HOUSING	1,530,793	1,920,859	2,361,503	2,354,581	2,320,769
721-PLANNING	146,892	160,789	325,464	335,228	338,665
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT FU	\$ 1,677,685	\$ 2,081,648	\$ 2,686,967	\$ 2,689,809	\$ 2,659,434
774-CITY EVENTS	-	65,985	80,000	82,400	83,224
801-Ewalt Center/Galloway Park	707	798	-	-	-
818-PARKS GROUNDS MAINTENANCE	309,283	515,752	621,757	640,193	646,904
TOTAL RECREATION AND CULTURE FUNCTION	\$ 309,990	\$ 582,535	\$ 701,757	\$ 722,593	\$ 730,128
861-Retiree Fringes	2,041,923	1,773,627	3,662,557	3,952,662	3,992,189
870-UNEMPLOYMENT COMPENSATION	(254)	-	-	-	-
TOTAL OTHER FUNCTIONS	\$ 2,041,669	\$ 1,773,627	\$ 3,662,557	\$ 3,952,662	\$ 3,992,189
OPERATING TRANSFERS IN	248,303	210,500	220,000	223,600	226,851
APPROPRIATION (OPERATING) TRANSFERS (OUT	2,318,043	2,812,902	3,964,563	1,515,489	1,529,816
TRANSFERS (OUT) AND OTHER SOURCES	\$ (2,069,740)	\$ (2,602,402)	\$ (3,744,563)	\$ (1,291,889)	\$ (1,302,965)
GENERAL FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 10,758,703	\$ 14,117,937	\$ 13,700,769	\$ 11,254,667	\$ 11,259,519
ANNUAL REVENUE	32,721,780	32,179,213	34,909,411	35,893,295	36,463,437
ANNUAL EXPENDITURES	(29,362,546)	(32,596,381)	(37,355,513)	(35,888,442)	(36,457,899)
ENDING FUND BALANCE	\$ 14,117,937	\$ 13,700,769	\$ 11,254,667	\$ 11,259,519	\$ 11,265,056

Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2015-16	PROJECTED 2016-17	BUDGET 2017-18	PROJECTED	
				2018-19	2019-20
Fund 202 - MAJOR STREETS					
CHARGES FOR SERVICES	170,696	5,471	-	-	-
STATE GRANTS	3,846,384	4,038,588	4,599,620	4,953,130	5,324,610
OTHER REVENUE	29,242	444,896	-	-	-
INTEREST AND RENTS	16,235	13,169	20,000	21,000	21,630
TOTAL REVENUES	\$ 4,062,557	\$ 4,502,124	\$ 4,619,620	\$ 4,974,130	\$ 5,346,240
443-NONMOTORIZED	-	75,000	75,000	77,250	78,023
451-Construction Road & Bridges	490,029	600	70,600	72,718	73,445
458-PUBLIC WORKS OPERATIONS	326,000	396,000	309,330	318,610	321,796
463-Routine Maintenance Roads	670,406	4,851,069	6,059,082	2,541,310	5,774,521
478-Winter Maintenance	355,852	272,627	456,193	469,669	476,150
485-TRAFFIC CONTROL	286,777	371,022	380,562	391,812	396,293
TOTAL PUBLIC WORKS	\$ 2,129,064	\$ 5,966,318	\$ 7,350,767	\$ 3,871,369	\$ 7,120,227
OPERATING TRANSFERS IN	200,000	-	1,500,000	1,000,000	1,000,000
APPROPRIATION (OPERATING) TRANSFERS (OUT)	471,000	471,000	471,000	471,000	471,000
TRANSFERS (OUT) AND OTHER SOURCES	\$ (271,000)	\$ (471,000)	\$ 1,029,000	\$ 529,000	\$ 529,000
MAJOR STREET FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 2,954,227	\$ 4,616,720	\$ 2,681,526	\$ 979,379	\$ 2,611,140
ANNUAL REVENUE	4,262,557	4,502,124	6,119,620	5,974,130	6,346,240
ANNUAL EXPENDITURES	(2,600,064)	(6,437,318)	(7,821,767)	(4,342,369)	(7,591,227)
ENDING FUND BALANCE	\$ 4,616,720	\$ 2,681,526	\$ 979,379	\$ 2,611,140	\$ 1,366,153
Fund 203 - Local Streets					
STATE GRANTS	1,425,046	1,230,451	1,401,790	1,509,530	1,622,740
INTEREST AND RENTS	8,299	11,217	12,500	13,125	13,519
TOTAL REVENUES	\$ 1,433,345	\$ 1,241,668	\$ 1,414,290	\$ 1,522,655	\$ 1,636,259
443-NONMOTORIZED	-	150,000	75,000	77,250	78,023
451-Construction Road & Bridges	207,692	171,119	700	721	728
458-PUBLIC WORKS OPERATIONS	100,000	130,000	120,623	124,242	125,484
463-Routine Maintenance Roads	664,434	1,543,402	4,704,099	2,481,284	1,797,377
478-Winter Maintenance	90,107	166,789	197,005	199,735	201,002
485-TRAFFIC CONTROL	34,517	86,123	45,000	46,350	46,917
TOTAL PUBLIC WORKS	\$ 1,096,750	\$ 2,247,433	\$ 5,142,427	\$ 2,929,582	\$ 2,249,531
OPERATING TRANSFERS IN	471,000	1,471,000	2,021,000	471,000	471,000
TRANSFERS (OUT) AND OTHER SOURCES	\$ 471,000	\$ 1,471,000	\$ 2,021,000	\$ 471,000	\$ 471,000
LOCAL STREET FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 2,265,707	\$ 3,073,302	\$ 3,538,537	\$ 1,831,400	\$ 895,473
ANNUAL REVENUE	1,904,345	2,712,668	3,435,290	1,993,655	2,107,259
ANNUAL EXPENDITURES	(1,096,750)	(2,247,433)	(5,142,427)	(2,929,582)	(2,249,531)
ENDING FUND BALANCE	\$ 3,073,302	\$ 3,538,537	\$ 1,831,400	\$ 895,473	\$ 753,201
Fund 208 - Recreation Millage					
PROPERTY TAXES	-	-	-	967,279	996,297
TOTAL REVENUES	\$ -	\$ -	\$ -	\$ 967,279	\$ 996,297
756-RECREATION FACILITY	-	-	291,944	608,808	617,362
775-YOUTH SPORTS	-	-	108,056	293,550	298,340
TOTAL RECREATION AND CULTURE	\$ -	\$ -	\$ 400,000	\$ 902,358	\$ 915,702
OPERATING TRANSFERS IN	-	-	400,000	-	-
TRANSFERS (OUT) AND OTHER SOURCES	\$ -	\$ -	\$ 400,000	\$ -	\$ -
YOUTH RECREATION MILLAGE FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	-	-	-	-	64,921
ANNUAL REVENUE	-	-	400,000	967,279	996,297
ANNUAL EXPENDITURES	-	-	(400,000)	(902,358)	(915,702)
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ 64,921	\$ 145,517

Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2015-16	PROJECTED 2016-17	BUDGET 2017-18	PROJECTED	
				2018-19	2019-20
Fund 209 - CEMETERY CARE FUND					
276-Cemetery Oak Hill	-	5,000	31,552	32,499	32,927
273-Cemetery Ottawa Park	-	70,000	101,083	74,115	74,960
TOTAL GENERAL GOVERNMENT	\$ -	\$ 75,000	\$ 132,635	\$ 106,614	\$ 107,887
OPERATING TRANSFERS IN	-	250,000	100,000	100,000	100,000
TRANSFERS (OUT) AND OTHER SOURCES	\$ -	\$ 250,000	\$ 100,000	\$ 100,000	\$ 100,000
CEMETERY CARE FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	-	-	175,000	142,365	135,751
ANNUAL REVENUE	-	250,000	100,000	100,000	100,000
ANNUAL EXPENDITURES	-	(75,000)	(132,635)	(106,614)	(107,887)
ENDING FUND BALANCE	\$ -	\$ 175,000	\$ 142,365	\$ 135,751	\$ 127,864
Fund 212 - Senior Activities Millage					
PROPERTY TAXES	299,586	285,586	300,765	309,788	319,082
OTHER REVENUE	400	-	-	-	-
INTEREST AND RENTS	19,647	9,600	17,500	18,375	18,926
TOTAL REVENUE	\$ 319,633	\$ 295,186	\$ 318,265	\$ 328,163	\$ 338,008
813-Ruth Peterson Senior Citizen Center	180,011	406,836	163,739	166,543	167,681
814-Bowen Senior Citizen Center	187,266	336,422	175,190	178,241	179,408
TOTAL RECREATION AND CULTURE	\$ 367,277	\$ 743,258	\$ 338,981	\$ 344,836	\$ 347,140
SENIOR ACTIVITIES - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 1,007,874	\$ 960,230	\$ 512,158	\$ 491,442	\$ 474,769
ANNUAL REVENUE	319,633	295,186	318,265	328,163	338,008
ANNUAL EXPENDITURES	(367,277)	(743,258)	(338,981)	(344,836)	(347,140)
ENDING FUND BALANCE	\$ 960,230	\$ 512,158	\$ 491,442	\$ 474,769	\$ 465,637
Fund 213 - Chapter 20 Drains Debt Service					
PROPERTY TAXES	11	-	-	-	-
INTEREST AND RENTS	1,134	144	-	-	-
TOTAL REVENUES	\$ 1,145	\$ 144	\$ -	\$ -	\$ -
546-Stormwater Permit Activities	300,980	61,596	37,888	-	-
TOTAL PUBLIC WORKS	\$ 300,980	\$ 61,596	\$ 37,888	\$ -	\$ -
CHAPTER 20 DRAINS - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 399,173	\$ 99,338	37,888	\$ -	\$ -
ANNUAL REVENUE	1,145	144	-	-	-
ANNUAL EXPENDITURES	(300,980)	(61,596)	(37,888)	-	-
ENDING FUND BALANCE	\$ 99,338	\$ 37,888	\$ -	\$ -	\$ -
Fund 226 - Sanitation Fund					
PROPERTY TAXES	1,632,698	1,562,487	1,630,474	1,679,388	1,729,770
CHARGES FOR SERVICES	2,338,669	2,301,064	1,765,000	1,518,400	1,564,403
INTEREST AND RENTS	11,244	10,700	11,000	11,550	11,897
TOTAL REVENUES	\$ 3,982,611	\$ 3,874,251	\$ 3,406,474	\$ 3,209,338	\$ 3,306,069
528-Sanitation Collection	3,558,055	3,558,681	4,034,334	4,154,361	4,195,669
TOTAL PUBLIC WORKS	\$ 3,558,055	\$ 3,558,681	\$ 4,034,334	\$ 4,154,361	\$ 4,195,669
SANITATION FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 4,780,874	\$ 5,205,430	\$ 5,521,000	\$ 4,893,140	\$ 3,948,117
ANNUAL REVENUE	3,982,611	3,874,251	3,406,474	3,209,338	3,306,069
ANNUAL EXPENDITURES	(3,558,055)	(3,558,681)	(4,034,334)	(4,154,361)	(4,195,669)
ENDING FUND BALANCE	\$ 5,205,430	\$ 5,521,000	\$ 4,893,140	\$ 3,948,117	\$ 3,058,518
Fund 231 - CABLE FUND					
CHARGES FOR SERVICES	190,934	166,000	170,000	175,100	180,353
INTEREST AND RENTS	2,954	2,100	2,500	2,625	2,704
TOTAL REVENUES	\$ 193,888	\$ 168,100	\$ 172,500	\$ 177,725	\$ 183,057
291-CABLE	194,892	157,061	875,765	149,744	150,648
TOTAL GENERAL GOVERNMENT	\$ 194,892	\$ 157,061	\$ 875,765	\$ 149,744	\$ 150,648
CABLE FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 1,097,907	\$ 1,096,903	\$ 1,107,942	\$ 404,677	\$ 432,658
ANNUAL REVENUE	193,888	168,100	172,500	177,725	183,057
ANNUAL EXPENDITURES	(194,892)	(157,061)	(875,765)	(149,744)	(150,648)
ENDING FUND BALANCE	\$ 1,096,903	\$ 1,107,942	\$ 404,677	\$ 432,658	\$ 465,067

Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2015-16	PROJECTED 2016-17	BUDGET 2017-18	PROJECTED	
				2018-19	2019-20
Fund 239 - TAX INCREMENT FINANCE AUTHORITY #2					
PROPERTY TAXES	13,763	(30,000)	(25,000)	(25,750)	(26,523)
OTHER REVENUE	38,000	38,000	38,000	38,000	38,000
CONTRIBUTION FROM PRIMARY GOVERNMENT	517,755	565,570	363,319	367,869	366,841
TOTAL REVENUES	\$ 569,518	\$ 573,570	\$ 376,319	\$ 380,119	\$ 378,319
DEBT SERVICE	1,086,974	1,139,140	739,638	747,988	745,160
TOTAL DEBT SERVICE	\$ 1,086,974	\$ 1,139,140	\$ 739,638	\$ 747,988	\$ 745,160
TIFA #2 - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ (1,143,489)	\$ (1,660,945)	\$ (2,226,515)	\$ (2,589,834)	\$ (2,957,703)
ANNUAL REVENUE	569,518	573,570	376,319	380,119	378,319
ANNUAL EXPENDITURES	(1,086,974)	(1,139,140)	(739,638)	(747,988)	(745,160)
ENDING FUND BALANCE	\$ (1,660,945)	\$ (2,226,515)	\$ (2,589,834)	\$ (2,957,703)	\$ (3,324,545)
Fund 240 - TAX INCREMENT FINANCE AUTHORITY #3					
PROPERTY TAXES	1,355,602	1,294,668	1,291,649	1,330,398	1,370,310
CONTRIBUTION FROM PRIMARY GOVERNMENT	410,954	473,976	671,995	632,246	589,734
TOTAL REVENUES	\$ 1,766,556	\$ 1,768,644	\$ 1,963,644	\$ 1,962,644	\$ 1,960,044
DEBT SERVICE	2,177,510	2,242,620	2,635,639	2,594,890	2,549,778
TOTAL DEBT SERVICE	\$ 2,177,510	\$ 2,242,620	\$ 2,635,639	\$ 2,594,890	\$ 2,549,778
TIFA#3 - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 40,909	\$ (370,045)	\$ (844,021)	\$ (1,516,016)	\$ (2,148,262)
ANNUAL REVENUE	1,766,556	1,768,644	1,963,644	1,962,644	1,960,044
ANNUAL EXPENDITURES	(2,177,510)	(2,242,620)	(2,635,639)	(2,594,890)	(2,549,778)
ENDING FUND BALANCE	\$ (370,045)	\$ (844,021)	\$ (1,516,016)	\$ (2,148,262)	\$ (2,737,995)
Fund 243 - Brownfield Redeveloping Auth					
PROPERTY TAXES	33,338	32,696	33,676	34,686	35,727
TOTAL REVENUES	\$ 33,338	\$ 32,696	\$ 33,676	\$ 34,686	\$ 35,727
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	\$ 587	\$ 33,220	\$ 33,676	\$ 34,686	\$ 35,727
BROWNFIELD REDEVELOP. AUTHORITY - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 221,941	\$ 254,692	\$ 254,168	\$ 254,168	\$ 254,168
ANNUAL REVENUE	33,338	32,696	33,676	34,686	35,727
ANNUAL EXPENDITURES	(587)	(33,220)	(33,676)	(34,686)	(35,727)
ENDING FUND BALANCE	\$ 254,692	\$ 254,168	\$ 254,168	\$ 254,168	\$ 254,168
Fund 249 - BUILDING INSPECTION FUND					
LICENSES AND PERMITS	2,265,917	1,510,600	2,011,700	2,072,051	2,094,008
CHARGES FOR SERVICES	75,778	60,750	60,000	61,800	62,418
INTEREST AND RENTS	1,123	345	250	263	270
TOTAL REVENUES	\$ 2,342,818	\$ 1,571,695	\$ 2,071,950	\$ 2,134,114	\$ 2,156,696
371-BUILDING INSPECTION DEPARTMENT	2,009,952	1,798,252	2,071,950	2,134,114	2,156,696
TOTAL PUBLIC SAFETY	\$ 2,009,952	\$ 1,798,252	\$ 2,071,950	\$ 2,134,114	\$ 2,156,696
OPERATING TRANSFERS IN	-	112,902	-	-	-
TRANSFERS (OUT) AND OTHER SOURCES	\$ -	\$ 112,902	\$ -	\$ -	\$ -
BUILDING INSPECTION FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ -	\$ 332,866	\$ 219,211	\$ 219,211	\$ 219,211
ANNUAL REVENUE	2,342,818	1,684,597	2,071,950	2,134,114	2,156,696
ANNUAL EXPENDITURES	(2,009,952)	(1,798,252)	(2,071,950)	(2,134,114)	(2,156,696)
ENDING FUND BALANCE	\$ 332,866	\$ 219,211	\$ 219,211	\$ 219,211	\$ 219,211
Fund 252 - CDBG FY2012					
FEDERAL GRANTS	-	1,363	-	-	-
TOTAL REVENUES	\$ -	\$ 1,363	\$ -	\$ -	\$ -
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	\$ -	\$ -	\$ 6,335	\$ -	\$ -
CDBG FY2012 - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 4,972	\$ 4,972	\$ 6,335	\$ -	\$ -
ANNUAL REVENUE	-	1,363	-	-	-
ANNUAL EXPENDITURES	-	-	(6,335)	-	-
ENDING FUND BALANCE	\$ 4,972	\$ 6,335	\$ -	\$ -	\$ -

Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2015-16	PROJECTED 2016-17	BUDGET 2017-18	PROJECTED	
				2018-19	2019-20
Fund 263 - HOME BUYERS ASSISTANCE					
OTHER REVENUE	3,638	-	-	-	-
TOTAL REVENUES	\$ 3,638	\$ -	\$ -	\$ -	\$ -
TOTAL COMMUNITY AND ECONOMIC DEVELOPMENT	\$ -	\$ -	\$ 3,638	\$ -	\$ -
HOME BUYERS ASSISTANCE - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ -	\$ 3,638	\$ 3,638	\$ -	\$ -
ANNUAL REVENUE	3,638	-	-	-	-
ANNUAL EXPENDITURES	-	-	(3,638)	-	-
ENDING FUND BALANCE	\$ 3,638	\$ 3,638	\$ -	\$ -	\$ -
Fund 265 - DRUG ENFORCEMENT FUND					
INTEREST AND RENTS	549	-	500	525	541
FINES AND FORFEITS	35,837	40,000	52,000	54,600	55,692
CHARGES FOR SERVICES	-	-	10,000	10,300	10,609
TOTAL REVENUES	\$ 36,386	\$ 40,000	\$ 62,500	\$ 65,425	\$ 66,842
TOTAL PUBLIC SAFETY	\$ 57,924	\$ 68,000	\$ 62,263	\$ 64,131	\$ 64,772
DRUG ENFORCEMENT FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 266,114	\$ 244,576	\$ 216,576	\$ 216,813	\$ 218,107
ANNUAL REVENUE	36,386	40,000	62,500	65,425	66,842
ANNUAL EXPENDITURES	(57,924)	(68,000)	(62,263)	(64,131)	(64,772)
ENDING FUND BALANCE	\$ 244,576	\$ 216,576	\$ 216,813	\$ 218,107	\$ 220,177
Fund 276 - District Court					
CHARGES FOR SERVICES	637,903	656,749	668,745	688,807	709,471
STATE GRANTS	182,096	182,896	182,896	185,639	188,424
FINES AND FORFEITS	1,083,219	1,021,800	1,027,090	1,078,720	1,100,366
INTEREST AND RENTS	1,333	1,200	1,600	1,680	1,730
TOTAL REVENUES	\$ 1,904,551	\$ 1,862,645	\$ 1,880,331	\$ 1,954,846	\$ 1,999,991
136-District Court	2,384,397	2,560,013	3,053,408	3,123,790	3,178,505
151-Court Probation	159,912	202,676	221,486	225,945	230,495
TOTAL GENERAL GOVERNMENT	\$ 2,544,309	\$ 2,762,689	\$ 3,274,894	\$ 3,349,735	\$ 3,408,999
OPERATING TRANSFERS IN	618,043	800,000	1,414,563	1,415,489	1,429,816
APPROPRIATION (OPERATING) TRANSFERS (OUT)	20,427	20,000	20,000	20,600	20,806
TRANSFERS (OUT) AND OTHER SOURCES	\$ 597,616	\$ 780,000	\$ 1,394,563	\$ 1,394,889	\$ 1,409,010
DISTRICT COURT - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 47,035	\$ 4,893	\$ -	\$ -	(0)
ANNUAL REVENUE	2,522,594	2,777,796	3,294,894	3,370,335	3,429,807
ANNUAL EXPENDITURES	(2,564,736)	(2,782,689)	(3,294,894)	(3,370,335)	(3,429,807)
ENDING FUND BALANCE	\$ 4,893	\$ -	\$ -	\$ (0)	\$ (0)
Fund 280 - PA 48 TELECOMMUNICATION ALLOCATION (ROW)					
LICENSES AND PERMITS	500	-	-	-	-
STATE GRANTS	227,876	190,000	200,000	203,000	206,045
TOTAL REVENUES	\$ 228,376	\$ 190,000	\$ 200,000	\$ 203,000	\$ 206,045
TOTAL PUBLIC WORKS	\$ -	\$ -	\$ -	\$ -	\$ -
APPROPRIATION (OPERATING) TRANSFERS (OUT)	227,876	190,500	200,000	203,000	206,045
TRANSFERS (OUT) AND OTHER SOURCES	\$ 227,876	\$ 190,500	\$ 200,000	\$ 203,000	\$ 206,045
PA 48 TELECOMM. - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ -	\$ 500	\$ -	\$ -	\$ -
ANNUAL REVENUE	228,376	190,000	200,000	203,000	206,045
ANNUAL EXPENDITURES	(227,876)	(190,500)	(200,000)	(203,000)	(206,045)
ENDING FUND BALANCE	\$ 500	\$ -	\$ -	\$ -	\$ -
Fund 445 - Capital Improvements Fund					
PROPERTY TAXES	857,852	856,169	855,155	880,810	907,234
INTEREST AND RENTS	4,614	-	5,000	5,250	5,408
TOTAL REVENUES	\$ 862,466	\$ 856,169	\$ 860,155	\$ 886,060	\$ 912,641

Multi-Year Budget (Continued)

DESCRIPTION	ACTUAL 2015-16	PROJECTED 2016-17	BUDGET 2017-18	PROJECTED	
				2018-19	2019-20
228-Information Technology	-	65,000	107,500	50,000	50,000
265-Building Maintenance	67,980	420,000	1,200,000	-	-
TOTAL CAPITAL - GENERAL GOVERNMENT	\$ 67,980	\$ 485,000	\$ 1,307,500	\$ 50,000	\$ 50,000
301-POLICE/SHERIFF	-	125,000		-	-
336-FIRE	-	-	160,000	-	-
TOTAL CAPITAL - PUBLIC SAFETY	\$ -	\$ 125,000	\$ 160,000	\$ -	\$ -
448-Street Lighting	-	751,200	500,000	-	-
451-Construction Road & Bridges	287,325	-	-	-	-
458-PUBLIC WORKS OPERATIONS	-	95,000	141,953	-	-
TOTAL CAPITAL - PUBLIC WORKS	\$ 287,325	\$ 846,200	\$ 641,953	\$ -	\$ -
OPERATING TRANSFERS IN	1,500,000	650,000	-	-	-
APPROPRIATION (OPERATING) TRANSFERS (OUT)	-	-	1,000,000	1,000,000	1,000,000
TRANSFERS (OUT) AND OTHER SOURCES	\$ 1,500,000	\$ 650,000	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)
CAPITAL IMPROVEMENT FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 661,969	\$ 2,669,130	\$ 2,719,099	\$ 469,801	\$ 305,861
ANNUAL REVENUE	2,362,466	1,506,169	860,155	886,060	912,641
ANNUAL EXPENDITURES	(355,305)	(1,456,200)	(3,109,453)	(1,050,000)	(1,050,000)
ENDING FUND BALANCE	\$ 2,669,130	\$ 2,719,099	\$ 469,801	\$ 305,861	\$ 168,502
Fund 585 - Parking Enterprise Fund					
PROPERTY TAXES	(674)	(1,500)	(1,500)	(1,545)	(1,591)
CHARGES FOR SERVICES	116,684	115,875	30,000	30,900	31,827
OTHER REVENUE	429	230,000	-	-	-
INTEREST AND RENTS	28,807	9,021	17,000	17,850	18,386
TOTAL REVENUES	\$ 145,246	\$ 353,396	\$ 45,500	\$ 47,205	\$ 48,621
TOTAL PUBLIC WORKS	\$ (140,833)	\$ 46,876	\$ 62,012	\$ 63,872	\$ 64,511
TOTAL RECREATION AND CULTURE	\$ 650,269	\$ 823,625	\$ 658,243	\$ 677,990	\$ 684,770
PARKING ENTERPRISE - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 15,929,629	\$ 15,565,439	\$ 15,048,334	\$ 14,373,579	\$ 13,678,921
ANNUAL REVENUE	145,246	353,396	45,500	47,205	48,621
ANNUAL EXPENDITURES	(509,436)	(870,501)	(720,255)	(741,863)	(749,281)
ENDING FUND BALANCE	\$ 15,565,439	\$ 15,048,334	\$ 14,373,579	\$ 13,678,921	\$ 12,978,261
Fund 629 - Employees Sick & Vacation Pay Fund					
CHARGES FOR SERVICES	(1,792)	-	-	-	-
INTEREST AND RENTS	1,475	-	-	-	-
TOTAL REVENUES	\$ (317)	\$ -	\$ -	\$ -	\$ -
TOTAL OTHER FUNCTIONS	\$ -	\$ -	\$ -	\$ -	\$ -
EMPLOYEE SICK & VAC - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 317	\$ -	\$ -	\$ -	\$ -
ANNUAL REVENUE	(317)	-	-	-	-
ANNUAL EXPENDITURES	-	-	-	-	-
ENDING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -
Fund 659 - Insurance Fund					
CHARGES FOR SERVICES	4,496,026	5,040,627	5,684,491	1,882,692	1,922,140
INTEREST AND RENTS	2,422	722	-	-	-
TOTAL REVENUES	\$ 4,498,448	\$ 5,041,349	\$ 5,684,491	\$ 1,882,692	\$ 1,922,140
194-Risk Management	45,165	46,569	48,406	48,423	48,431
TOTAL GENERAL GOVERNMENT	\$ 45,165	\$ 46,569	\$ 48,406	\$ 48,423	\$ 48,431
851-Insurance and Bonds	-	487,159	474,029	480,770	485,578
854-Employee Medical Insurance	473,709	1,054,846	1,315,461	1,353,499	1,388,131
861-Retiree Fringes	2,738,892	3,785,600	7,165,000	-	-
TOTAL OTHER FUNCTIONS	\$ 3,212,601	\$ 5,327,605	\$ 8,954,490	\$ 1,834,269	\$ 1,873,709
TRANSFERS (OUT) AND OTHER SOURCES	\$ -	\$ 115,151	\$ -	\$ -	\$ -
INSURANCE FUND - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	\$ 2,645,708	\$ 3,886,390	\$ 3,438,414	\$ 120,009	\$ 120,009
ANNUAL REVENUE	4,498,448	5,041,349	5,684,491	1,882,692	1,922,140
ANNUAL EXPENDITURES	(3,257,766)	(5,489,325)	(9,002,896)	(1,882,692)	(1,922,140)
ENDING FUND BALANCE	\$ 3,886,390	\$ 3,438,414	\$ 120,009	\$ 120,009	\$ 120,010

Multi-Year Budget (Continued)

	ACTUAL 2015-16	PROJECTED 2016-17	BUDGET 2017-18	PROJECTED	
				2018-19	2019-20
Fund 677 - Self Insurance Workers Compensation					
CHARGES FOR SERVICES	458,178	643,347	392,382	392,533	392,818
INTEREST AND RENTS	7,203	7,029	6,980	7,329	7,549
TOTAL REVENUES	\$ 465,381	\$ 650,376	\$ 399,362	\$ 399,862	\$ 400,367
TOTAL OTHER FUNCTIONS	\$ 129,772	\$ 681,578	\$ 399,362	\$ 411,482	\$ 423,827
SELF INS. WORKERS COMP - FUND BALANCE SUMMARY					
BEGINNING FUND BALANCE	721,811	1,057,420	1,026,218	1,026,218	1,026,218
ANNUAL REVENUE	465,381	650,376	399,362	399,862	400,367
ANNUAL EXPENDITURES	(129,772)	(681,578)	(399,362)	(411,482)	(423,827)
ENDING FUND BALANCE	\$ 1,057,420	\$ 1,026,218	\$ 1,026,218	\$ 1,026,218	\$ 1,026,218
GRAND TOTALS					
BEGINNING FUND BALANCE	\$ 42,672,944	\$ 51,163,386	\$ 47,136,277	\$ 32,571,019	\$ 30,538,880
ANNUAL REVENUE - ALL FUNDS	58,348,844	58,601,642	63,854,051	60,009,726	61,357,615
ANNUAL EXPENDITURES - ALL FUNDS	(49,858,402)	(62,628,753)	(78,419,309)	(62,041,866)	(65,325,475)
ENDING FUND BALANCE	\$ 51,163,386	\$ 47,136,277	\$ 32,571,019	\$ 30,538,880	\$ 26,571,021

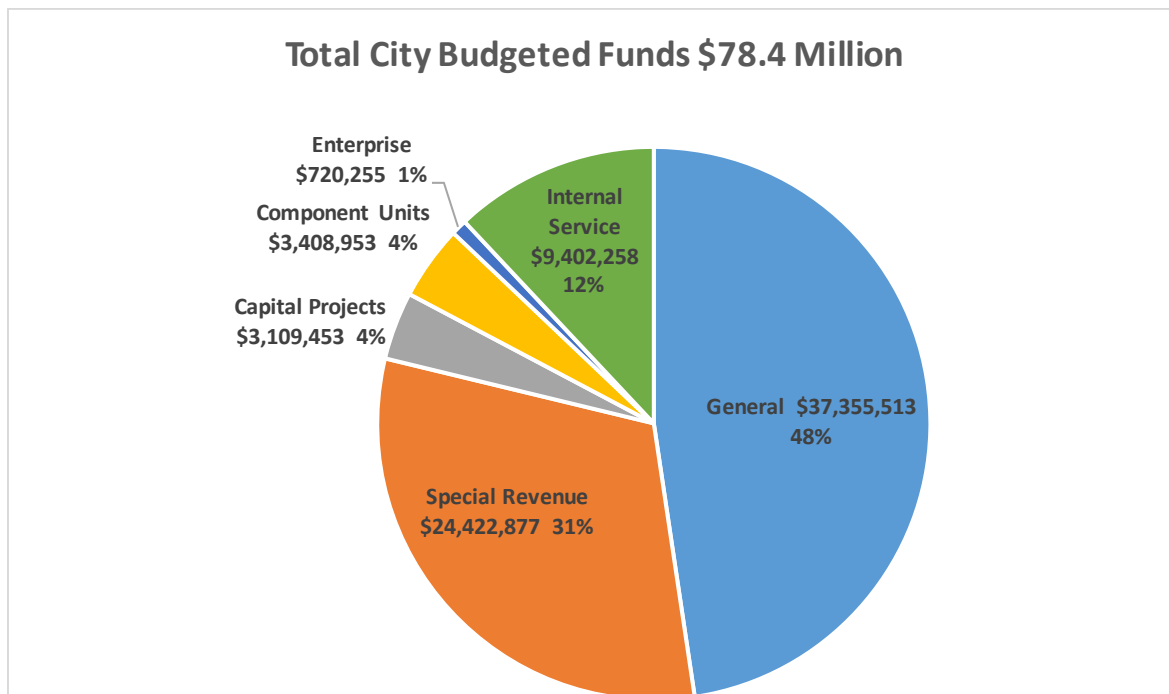
Budget Overview

This overview section of the budget has been prepared as a general overview of the FY17/18 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 FY2017/18 budgeted expense for all City funds totals \$78.4 million - an increase of \$15.8 million from the FY16/17 projection and \$7 million increase from the FY16/17 amended budget (including transfers out). The overall increase is a result of an OPEB Contribution as part of a settlement agreement with retirees, an increase in the contribution to the Police and Fire Pension contribution, a new youth recreation program, increased street expenditures, capital improvement projects, a new transportation contribution and three new DPW positions.

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 \$37.4 million or 48% 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 \$24.4 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

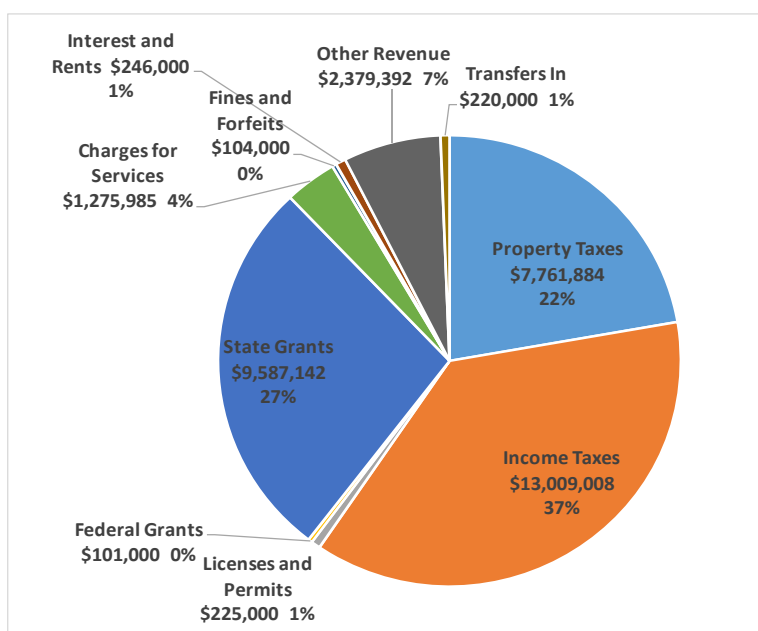
The **General Fund** budgeted expenditures are \$37.4 million, an increase of 15% or \$4.8 million from the FY16/17 projection. General Fund revenues increased \$2.7 million or 9% from the FY16/17 projection. The net result is a decrease of \$2.45 million in fund balance.

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 86% of the total revenue for the General Fund. The City is expecting an increase of 9% in income taxes, a net increase in property tax revenue of 1%, 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 4%.

The City's millage rate is expected to remain the same as FY16/17. The City's total taxable value for FY17/18 is expected to increase 3%, compared to a decrease of 2% in FY16/17. Taxable values have increased for the second time in the last five years.

The graph below illustrates the General Fund revenue by category.



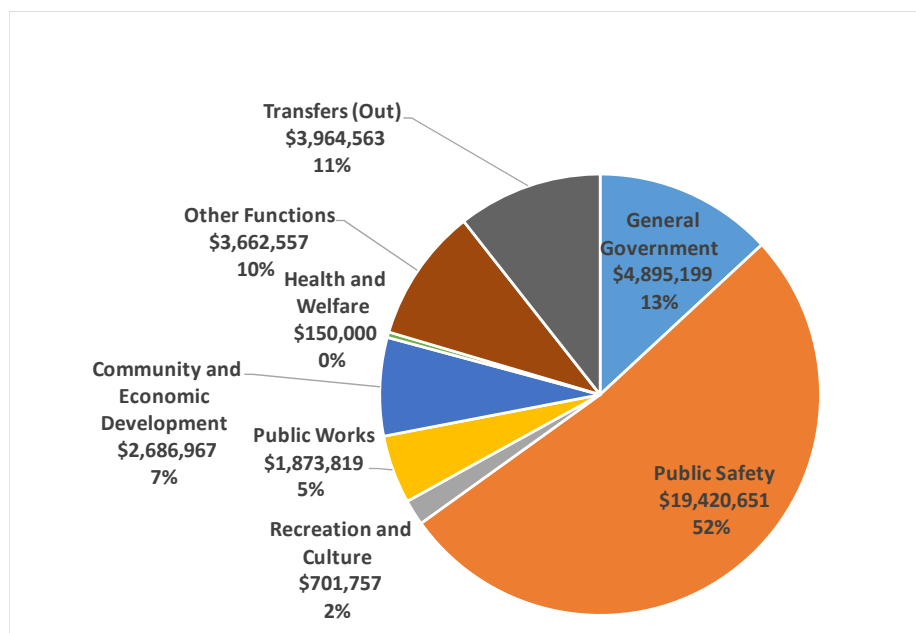
The \$37.4 million General Fund budgeted expenditures are comprised of eight separate functions as illustrated in the graph below. The largest function is for **Public Safety**, which consists of Police, Fire, Dispatch, and Crossing Guard services. There is a small increase in the Public Safety function 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 \$4.9 million or 13% 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 \$731,000 from FY16/17 projection. The largest portion of the increase is related to personnel. FY16/17 has a vacant position in the Mayor's Department and a vacant position in the Finance Department that are expected to be filled in FY17/18. Salaries and wages are expected to increase 4% for all employees and fringe benefits are increasing on average 2%.

In addition to salaries and wages increasing, other services and charges are expected to increase for the General Government Function. Additionally, the City Council department is planning to expend funds on a Council sponsored Pride and Beautification project and an additional \$125,000 for City Council District Projects.

Budget Overview (Continued)

The chart bellows shows the General Fund expenditures by function.



The **Public Works** function is expected to decrease \$157,000 from the FY16/17 projection to a total budget of \$1.9 million. The Public Works function consists of Engineering, Street Lighting, and Public Works Operations. The Public Works function is expecting to fill three positions to assist with building maintenance, plowing, and mowing. The increase in personnel is offset by a decrease in equipment from a one-time Asset Management program that was purchased in FY16/17. The Asset management system is for the City Engineer and includes software, server, and computers. The system will allow the City Engineer to more efficiently monitor the City's infrastructure and plan for maintenance and repairs. Estimated operating costs after the system is installed are \$10,000 per year, which is included in the FY17/18 budget.

The **Community Development** function is expecting an increase of approximately \$600,000 for a total budget of \$2.7 million. The Community Development function consists of Redevelopment and Housing and the Planning Department. Currently, there are several vacant positions in both departments that are expected to be filled in FY17/18. This is the main reason for the large increase in this function. In addition to personnel, the City is planning programs for blight, nuisance abatement, appraisals, ROW dedications, and demolitions. The Community Development function also includes the \$1 million transfer to the TIF funds for debt service.

Recreation and Culture is budgeting an increase in spending of \$120,000 for a total budget of \$700,000. The Recreation and Culture function consists of City Events for the Dream Cruise and Parks Ground Maintenance. The City is planning to increase support for the Dream Cruise and park maintenance in FY17/18. The parks and maintenance department includes \$200,000 for Neighborhood Improvement Projects and \$100,000 for grant matches.

Health and Welfare is a new function for the City of Pontiac in FY17/18. The City is planning to spend \$150,000 for transportation services for city residents.

Budget Overview (Continued)

Other functions is increasing \$1.9 million for a total budget of \$3,662,000. The City is budgeting \$1.25 million for Other Post-Employment Benefits (OPEB) related to retiree health care per a settlement agreement with retirees. The City of Pontiac is expecting to start this annual contribution in FY17/18. The remainder of 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 \$100,000 to the Cemetery Fund, \$400,000 to the Youth Recreation Fund, \$500,000 to the Major Street Fund, \$1.55 million to the Local Street Fund and \$1.4 million to the District Court Fund. This is an increase of \$1.75 million from FY16/17 projected. During FY16/17, the General fund transferred funds to the Capital Projects Fund and Building Department Fund that will not recur in FY17/18.

Special Revenue Funds

The Special Revenue Funds budgeted expenditures are \$24.4 million or 31% 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 \$1.4 million increase from FY16/17 Projected
 - The Major Street Fund will receive \$4.6 million in revenue from the State of Michigan for ACT 51, which is an increase of \$561,000 or 14%, and \$1.5 million from the General Fund. 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 million in road improvements to N Saginaw St, Centerpointe Turnaround, Hill Street, Joslyn Road, Orchard Lake Rd and Opdyke Rd.
 - The Major Street Fund will transfer \$471,000 to the Local Street Fund.
 - The Major Street Fund will use \$1.7 million in fund balance on road projects.
- ❖ Local Street Fund - \$5.1 million in expenditures, which is a \$2.9 million increase from FY16/17 projected
 - The Local Street Fund will receive \$1.4 million in revenue from the State of Michigan for ACT 51, \$471,000 transfer from the Major Street Fund and \$1.55 million from the General Fund. 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 \$3.4 million in road improvements to Terry, Irwin, Kettering and Michigan.
 - The Local Street Fund will use \$1.7 million in Fund Balance for road projects.
- ❖ Youth Recreation Fund - \$400,000 in expenditures
 - The Youth Recreation Fund is a new fund for 2017. This fund is expecting a \$400,000 transfer from the General Fund for the first year.
 - The Youth Recreation Fund is planning to expend \$400,000 in the first year. These funds will be used to lease a building, hire a director, purchase equipment and start youth programs.

Budget Overview (Continued)

- ❖ Cemetery Care Fund - \$133,000 in expenditures, which is an increase of \$60,000 from FY16/17 projected
 - The Cemetery Care Fund will receive a transfer of \$100,000 from the General Fund.
 - The Cemetery Care Fund will fund care and maintenance of the City's Cemetery. No major projects are planned.
- ❖ Senior Activities Millage - \$339,000 in expenditures, which is a decrease of \$400,000 from FY16/17 projected
 - The Senior Activities Millage will receive \$300,000 in property tax revenue for FY17/18, which is an increase of 5.3%. The Senior Millage was renewed for another 10 years by Pontiac voters in 2016.
 - 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 FY17/18, which is the reason for the large decrease in expenditures. FY16/17 included parking lot replacements for both senior centers and roof repairs.
- ❖ Chapter 20 Drain Fund - \$38,000 in expenditures, which is a decrease of \$25,000 from the FY16/17 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 FY17/18 and this Fund will be closed. The Drain expenditures above the planned \$38,000 will be in the General Fund - Drain Department.
- ❖ Sanitation Fund - \$4,000,000 in expenditures, which is an increase of nearly \$500,000 from FY16/17 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 - \$875,000 in expenditures, which is an increase of \$720,000 from the FY16/17 projected
 - The Cable Fund receives \$172,000 in fees from AT&T and Comcast that is collected from City of Pontiac customers. This is a \$4,000 or 2.5% increase from FY16/17
 - The Cable Fund is planning to expend funds on services to run the cable channel. In addition to normal operations of the cable studio, the City is planning \$730,000 for the renovations of the cable studios and video equipment.
- ❖ Building Inspection Fund - \$2,100,000 in expenditures, which is an increase of \$270,000 from the FY16/17 projected per the proposed 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. This is an increase of \$500,000 of revenue due to an expected increase in development in the City.
 - The expenditures for FY17/18 is related to an increase in service cost of the Building Department.

Budget Overview (Continued)

- ❖ CDBG FY2012 Fund - \$6,335 in expenditures, which is a 100% increase from FY16/17 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 FY17/18 and this Fund will be closed until new grant funds are received.
- ❖ Home Buyers Assistance Fund - \$3,638 in expenditures, which is a 100% increase from FY16/17 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 - \$62,000 in expenditures, which is a decrease of \$5,700 from FY16/17 projected
 - The Drug Enforcement fund is expecting to receive \$62,000 in funds from drug forfeitures. This is a \$22,000 increase from FY16/17. These funds are restricted for purposes of drug enforcement.
 - The FY17/18 budget includes \$62,000 of planned expenditures related to drug enforcement. This includes overtime from Oakland County Sheriff's department and cell-phone charges
- ❖ District Court Fund - \$3.3 million in expenditures, which is an increase of \$510,000 from FY16/17 projected
 - The 50th District Court collects revenue for services related to the court operations, including funding from the State of Michigan. The District Court Fund is expecting to receive \$3,200,000 in total revenue, which includes a \$1.4 million transfer from the General Fund. The court operating revenue is expecting to increase from additional fees.
 - The FY17/18 budget includes \$3.3 million of budgeted operating expenditures related to the District Court. There are no new programs or capital planned for FY17/18. The increase from FY16/17 is due to increases in personnel costs and fringe benefits.
- ❖ PA 48 Fund - \$200,000 in expenditures, which is an increase of \$10,000 from FY16/17 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 FY17/18 for street lighting expenditures in the public right-of-way.

Budget Overview (Continued)

The **Capital Projects Fund** budget is \$3.1 million for capital projects in FY17/18. This is an increase of \$1.6 million from FY16/17 projected. The Capital Projects Fund plans to receive \$855,000 in property tax revenue for FY17/18. The City of Pontiac has a dedicated capital millage of 1.4091 mills. The capital budget includes the following items.

- ❖ Transfer to Major Street Fund for road projects \$1,000,000
- ❖ City Hall Building Repairs \$500,000
- ❖ Computer Equipment \$107,500
- ❖ Fire Department Repairs \$160,000
- ❖ District Court Building Repairs \$700,000
- ❖ Downtown Street light improvements \$500,000

The **Parking Fund** is the City of Pontiac's only Enterprise Fund. Budgeted expenses for this fund total \$720,000. The parking fund receives approximately \$40,000 a year in revenue from the rental of parking lots and 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 \$155,000.

The **Internal Service Funds** budget is \$9.4 million or 12% 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 \$9 million for health insurance for employees and retirees and general liability and property insurance. The insurance fund budget also includes a \$3,000,000 transfer to the OPEB plan for retirees per a tentative settlement agreement reached with retirees. This is an increase of \$3.5 million from FY16/17 projected. The increase is attributed to premium increases for FY17/18 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 Insurance Fund is expecting nearly \$5.7 million in charges for services in revenue.

The Workers Compensation Fund budget is nearly \$400,000 for workers compensation premiums for current employees and workers compensation charges from former employees, when the City was previously self-insured. 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 \$3.4 million in FY17/18. 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 \$1,035,000 in total for these two funds. The TIF #3 district is budgeting to receive \$1.3 million in captured property tax revenue for FY17/18. The property tax revenue will be the same as FY16/17. TIF #2 has had a negative tax capture for FY16/17 and 17/18 and will receive no property tax revenue (current year taxable value is less than the base value).

The Brownfield Redevelopment Fund is budgeting \$34,000 in Brownfield eligible expenditures, which is the same amount of expected tax revenue. Property tax revenue is not increasing for FY17/18.

Budget Overview (Continued)

The following shows the IT equipment requested and funded in the FY17/18 budget.

2017-2021 Capital Improvements - IT Infrastructure						
	Projects	FY 17-18	FY 18-19	FY 19-20	FY 20-21	Notes
IT-2	Symantec EndPoint Protection	2,700	2,700	2,700	2,700	Yearly Support/Licensing
IT-3	Revize Website	4,900	4,900	4,900	4,900	Yearly Support/Licensing
IT-4	HP SAN Maintenance Support	7,000	7,000	7,000	7,000	Yearly Support/Licensing
IT-5	HP Switch Maintenance and Support	5,042	5,042	5,042	5,042	Yearly Support/Licensing
IT-6	Barracuda Licensing and Support	1,500	1,500	1,500	1,500	Yearly Support/Licensing
IT-8	DL 360 Esxi Hosts	25,000				Each Device on Exchange is required to have a license from Microsoft.
IT-9	SAN Storage (VMWare)	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)	25,000				EOL will not be supported soon
IT-11	Access Switches		42,000			
IT-12	Firewall - Security	15,000				EOL on current Sonicwall NSA
IT-13	Core Switches			40,000		EOL on Core switches part of network upgrade
IT-14	HP Server Support and Maintenance	2,500	2,500	2,500	2,500	Yearly cost for the 3 servers that are running as VMWare Esxi hosts.
IT-15	VoIP Phone System				125,000	Replace existing VOIP phones
IT-16	Miscellaneous Hdw/SW	10,000	10,000	10,000	10,000	Miscellaneous items that might be purchased throughout the year.
IT-17	Shortel Shorecare	7,703	7,703	7,703	7,703	Yearly Support/Licensing
IT-18	Backup Exec	3,257	3,257	3,257	3,257	Yearly Support/Licensing
IT-19	Desktop Refresh 1/3		23,333	23,333	23,333	Begin upgrades of desktop computers. 1/3 each year for 3 years. Warranty for these machines typically is for 3 years.
IT-25	UPS Battery Backup (ServerRoom CoP) Network	2,500				UPS for Network equipment
IT-27	UPS Battery Backup (CoP IDF closets)				12,000	Replace all Network closet UPS. EOL on current UPS
IT-28	UPS Battery Backup (ServerRoom Servers)				10,000	Replace Server UPS's. EOL on current UPS
IT-29	Exchange Server Standard + Enterprise CAL (UPGRADE)		12,914			Part of exchange 2019 upgrade
	Grand Total	\$ 152,102	\$ 122,849	\$ 107,935	\$ 214,935	

Budget Overview (Continued)

The following reflects the City's road improvement plan for the next five fiscal years. The FY17/18 road improvements are included in the budget.

2017-2022 CAPITAL IMPROVEMENT PLAN AGGREGATE SPREADSHEET															
PROJECT NUMBER AND NAME	POTENTIAL FUNDING SOURCE(S)	TOTAL PROJECT COST	CITY SHARE	FY 17-18		FY 18-19		FY 19-20		FY 20-21		FY 21-22		TBD*	
				PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**	PROJECT COST	CITY COST**				
MAJOR STREETS CONSTRUCTION :															
974.05	N. Saginaw		500,000	100%	500,000	500,000									
974.07	Centerpoint Turnarounds**	MDOT Grant	450,000	45%	450,000	390,000									
974.07	Hill Street		555,000	100%	555,000	555,000									
	Columbia Avenue		2,684,000	100%				2,684,000	2,684,000						
978	Joslyn Road**	NHPP	3,000,000	43%	3,000,000	2,000,000									
	MLK Jr. Boulevard		6,900,000	100%				2,000,000	2,000,000	4,900,000	4,900,000				
	South Boulevard**	NHPP	903,880	42%						903,880	880,000				
	University Drive**	NHPP	2,139,227	42%						2,139,227	1,980,000				
983	Orchard Lake Road		1,464,000	100%	1,464,000	1,464,000									
974.05	Opdyke Road		100,000	100%	100,000	100,000									
	Perry Street		1,464,000	100%			1,464,000	1,464,000						-	
	To be determined*		2,000,000	100%								2,000,000	2,000,000		
	Mill Street*		976,000	100%										976,000	
	Pike Street*		610,000	100%										610,000	
	Pike Street*		1,098,000	100%										1,098,000	
	Pike Street*		488,000	100%										488,000	
	University*		366,000	100%										366,000	
	Giddings Road*		793,000	100%										793,000	
	State Street*		4,684,000	100%										4,684,000	
	Golf Drive*		2,153,300	100%										2,153,300	
Subtotal			33,328,407		6,069,000	5,009,000	1,464,000	1,464,000	4,684,000	4,684,000	7,943,107	7,760,000	2,000,000	2,000,000	11,168,300
LOCAL STREETS CONSTRUCTION :															
974.07	Terry		375,200	100%	375,200	375,200									
974.07	Michigan		1,422,744	100%	1,422,744	1,422,744									
	Earlmoor		1,464,000	100%						1,464,000	1,464,000				
	Nebraska		427,000	100%				427,000	427,000						
986	Irwin		610,000	100%	610,000	610,000									
974.07	Kettering		976,000	100%	976,000	976,000									
	Central		525,000	100%			525,000	525,000							
	Ferry		600,000	100%			600,000	600,000							
	To be determined*		3,000,000	100%						1,500,000	1,500,000	1,500,000	1,500,000		
	Bloomfield*		549,000	100%										549,000	
	Princeton*		-	100%											
	Hopkins*		-	100%											
	Yale*		-	100%											
	Northfield*		-	100%											
	Northfield*		-	100%											
	Hazel*		-	100%											
	Fuller*		-	100%											
	Jessie*		-	100%											
	Collingwood*		-	100%											
	Emerson*		-	100%											
	Madison*		-	100%											
Subtotal			9,948,944		3,383,944	3,383,944	1,125,000	1,125,000	427,000	427,000	2,964,000	2,964,000	1,500,000	1,500,000	549,000
Grand Total			43,277,351		9,452,944	8,392,944	2,589,000	2,589,000	5,111,000	5,111,000	10,907,107	10,724,000	3,500,000	3,500,000	11,717,300
NHPP - National Highway Protection Grant															
*To be Determined - Currently these roads are needing repair and will be done as soon as funding is available. Not all roads have an estimated construction amount at this time.															
** - City Share is the percentage of total project cost plus engineering															

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General Fund

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General Fund Summary

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

The City of Pontiac FY17/18 Budgeted revenue is increasing \$2.7 million from FY16/17 projected and \$2.2 million from FY15/16 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 increases in the three major revenue sources. In addition to the top three revenue items discussed further in this section in detail, the City of Pontiac is planning to receive \$150,000 in revenue from transportation services, \$436,000 from reimbursements from WRC for retiree health care paid by the City, and an increase in reimbursements of \$540,000 for administrative charges. Revenue is explained in more detail in the pages that follow.

Expenditure Summary Analysis

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 FY17/18 are increasing 16% or \$4.7 million from the FY16/17 projected and \$8 million from FY15/16 actual. The City is expecting base budget increases for personnel services, fringe benefits and contractual services to increase on average 3%. The City is also planning new programs for FY17/18 including transportation services, neighborhood projects, City Council District projects, other post-employment benefit (OPEB) contribution for retirees, transfer out to the Major and Local Street Funds for road projects, transfer out to the Youth Recreation Fund for youth programs, and an increase to the Police and Fire pension contribution. Expenditures are explained in more detail in the pages that follow.

Fund Balance Summary Analysis

- ❖ The FY15/16 ending fund balance included \$2.1 million in assigned fund balance for projects that were not completed during the FY15/16 and were rolled into FY16/17 per City Council approval.
- ❖ The FY16/17 ending fund balance is expected to decrease by 3% or \$420,000. The FY16/17 amended budget expected to use \$2 million of fund balance. As of April, 2017 the City has several vacant positions and revenue is trending higher than budget, which is causing an improved fund balance to be projected for FY16/17.
- ❖ The FY17/18 fund balance is expected to decrease by \$2.5 million from the FY16/17 projected. This is a 22% decrease in fund balance. The budgeted ending fund balance at June 30, 2018 is projected to be \$11.25 million. This is 30% 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, 2018 is expected to be \$5.6 million above the minimum fund balance.

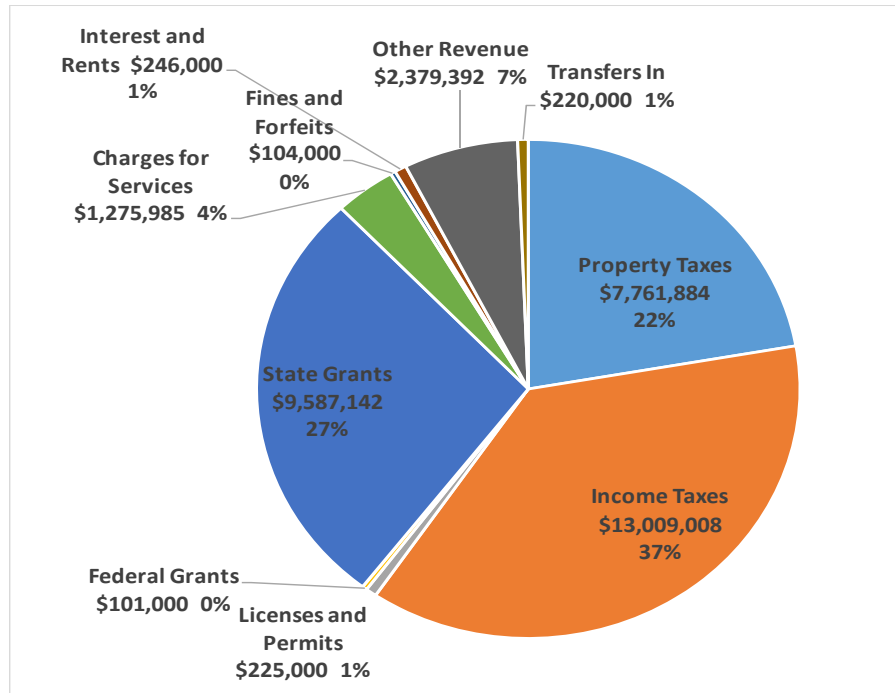
General Fund Summary (Continued)

Budgeted Financial Summary

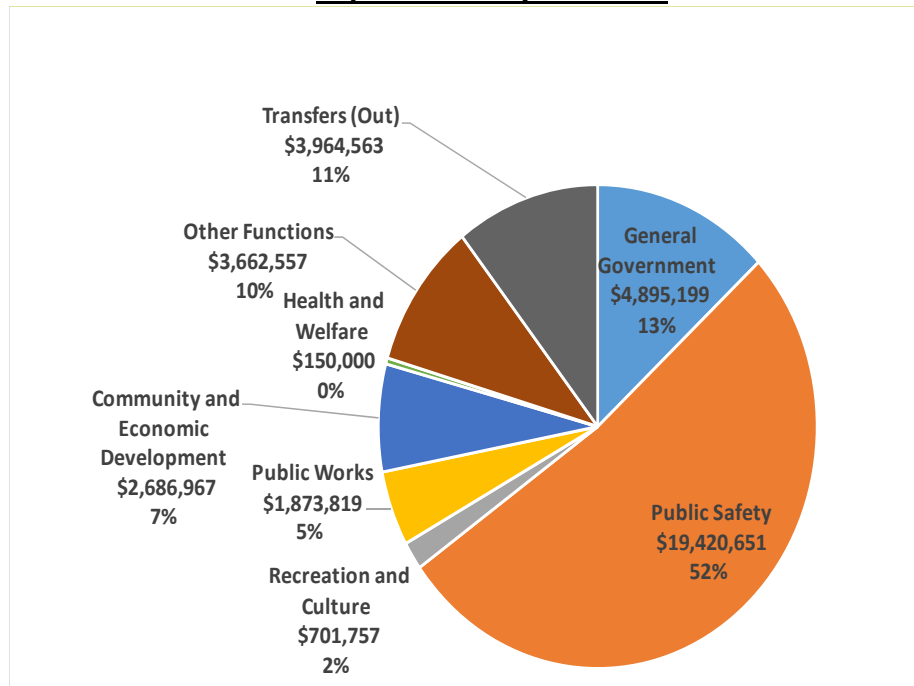
	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ 8,096,985	\$ 7,689,832	\$ 7,761,884
Income Taxes	11,655,615	11,961,000	13,009,008
Licenses and Permits	193,900	176,259	225,000
Federal Grants	14,448	99,521	101,000
State Grants	9,402,108	9,476,539	9,587,142
Charges for Services	1,214,197	1,065,818	1,275,985
Fines and Forfeits	13,813	73,000	104,000
Interest and Rents	260,393	156,441	246,000
Other Revenue	1,622,018	1,270,303	2,379,392
Total Budgeted Revenue Sources	32,473,477	31,968,713	34,689,411
<u>Proposed Appropriations</u>			
City Council	249,974	326,048	648,438
Mayor	310,324	496,858	557,620
City Administrator	95,102	-	-
City Clerk	192,676	185,493	219,808
Elections	131,770	193,009	170,270
Finance	351,017	465,644	558,619
Accounting	255,886	276,499	269,294
Income Tax	314,102	446,700	480,702
Information Technology	367,247	358,495	378,943
Treasurer	269,587	274,267	320,874
Assessing	409,920	419,600	429,500
Personnel	82,025	88,861	139,651
Building Maintenance	221,762	247,858	337,480
City Attorney	217,287	385,239	384,000
Cemetery Oak Hill	57,700	-	-
Total General Government	3,526,379	4,164,571	4,895,199
Police	11,668,746	12,274,591	12,207,271
Crossing Guards	9,236	13,551	13,051
Dispatch	149,643	157,107	164,943
Fire	6,366,341	6,705,060	7,035,386
Total Public Safety	18,193,966	19,150,309	19,420,651
Drains - Public Benefit	-	148,410	236,652
Engineering	246,019	554,401	392,614
Street Lighting	720,417	813,273	805,000
Public Works Operations	328,378	514,705	439,553
Total Public Works	1,294,814	2,030,789	1,873,819
Tele-van Services	-	-	150,000
Total Health and Welfare	-	-	150,000
Redevelopment and Housing	1,530,793	1,920,859	2,361,503
Planning	146,892	160,789	325,464
Total Community Development	1,677,685	2,081,648	2,686,967
City Events	-	65,985	80,000
Ewalt Center/Galloway Park	707	798	-
Parks Grounds Maintenance	309,283	515,752	621,757
Total Recreation and Culture	309,990	582,535	701,757
Retiree Fringes	2,041,923	1,773,627	3,662,557
Unemployment Compensation	(254)	-	-
Total Other	2,041,669	1,773,627	3,662,557
Total Budgeted Expenditures	27,044,503	29,783,479	33,390,950
Budgeted Net Revenue (Expenditures)	5,428,974	2,185,234	1,298,461
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	248,303	210,500	220,000
Transfers (Out) and Other Financing Sources	(2,318,043)	(2,812,902)	(3,964,563)
Total Other Financing Sources	(2,069,740)	(2,602,402)	(3,744,563)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	10,758,703	14,117,937	13,700,769
Change in Fund Balance	3,359,234	(417,168)	(2,446,102)
Ending Fund Balance June 30	\$ 14,117,937	\$13,700,769	\$11,254,667

General Fund Summary (Continued)

FY 2017-18 Budgeted Revenue by Major Category



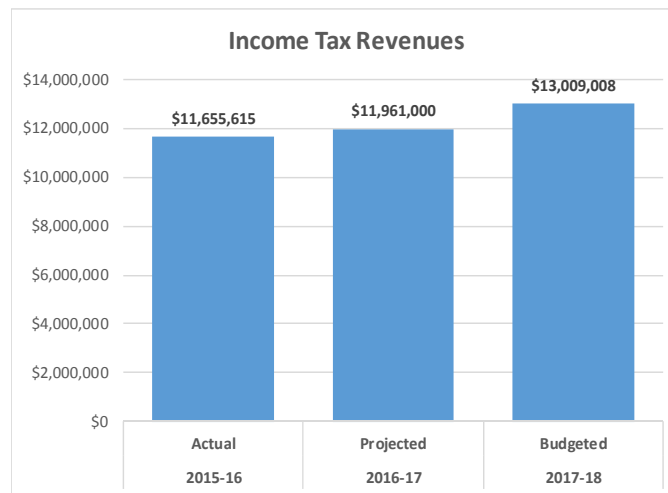
Expenditure by Function



General Fund Revenue

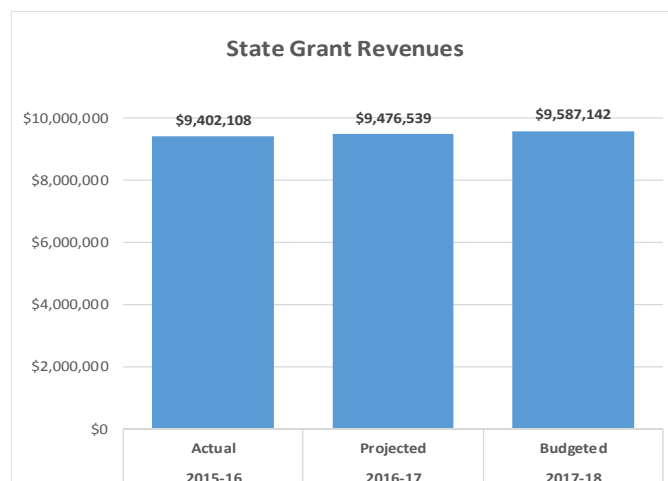
Income Tax Revenue

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 an increase of \$1 million or 9% from the prior year. Revenue for Income Tax is calculated by the Income Tax Personnel. Income Tax revenue has been increasing 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 (27%) 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 \$9.6 million in revenue from the State. The State Shared Revenue is expected to increase 1.1% from FY16/17. 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.



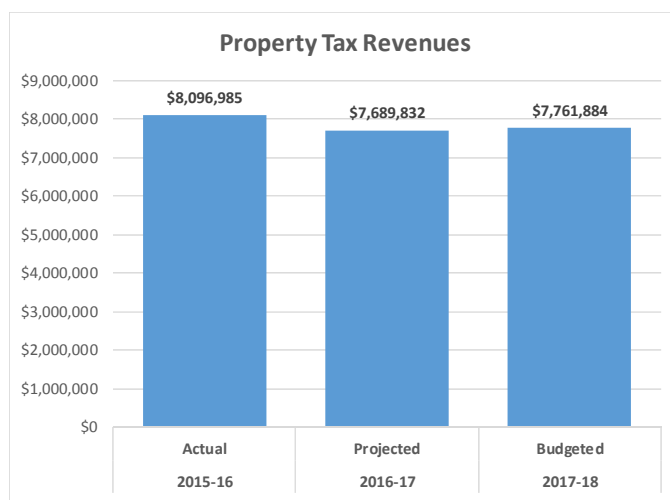
General Fund Revenue (Continued)

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 2017/18 the General Fund is budgeted to receive and collect \$7,800,000 from property taxes, penalties and interest on taxes paid late and a 1% administration fee. This is less than a 1% increase from the prior year.

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

The City of Pontiac is expecting approximately a 3% increase in the collection of property tax revenue based on estimates from Oakland County. The STEL is expected to decrease for FY17/18. For FY16/17, the State of Michigan reimbursed municipalities 265% of the STEL. The City of Pontiac is not expecting the reimbursement to continue at that level. The 3% increase in property taxes levied is offset by the decrease in budgeted STEL revenue resulting in a net 1% increase 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:

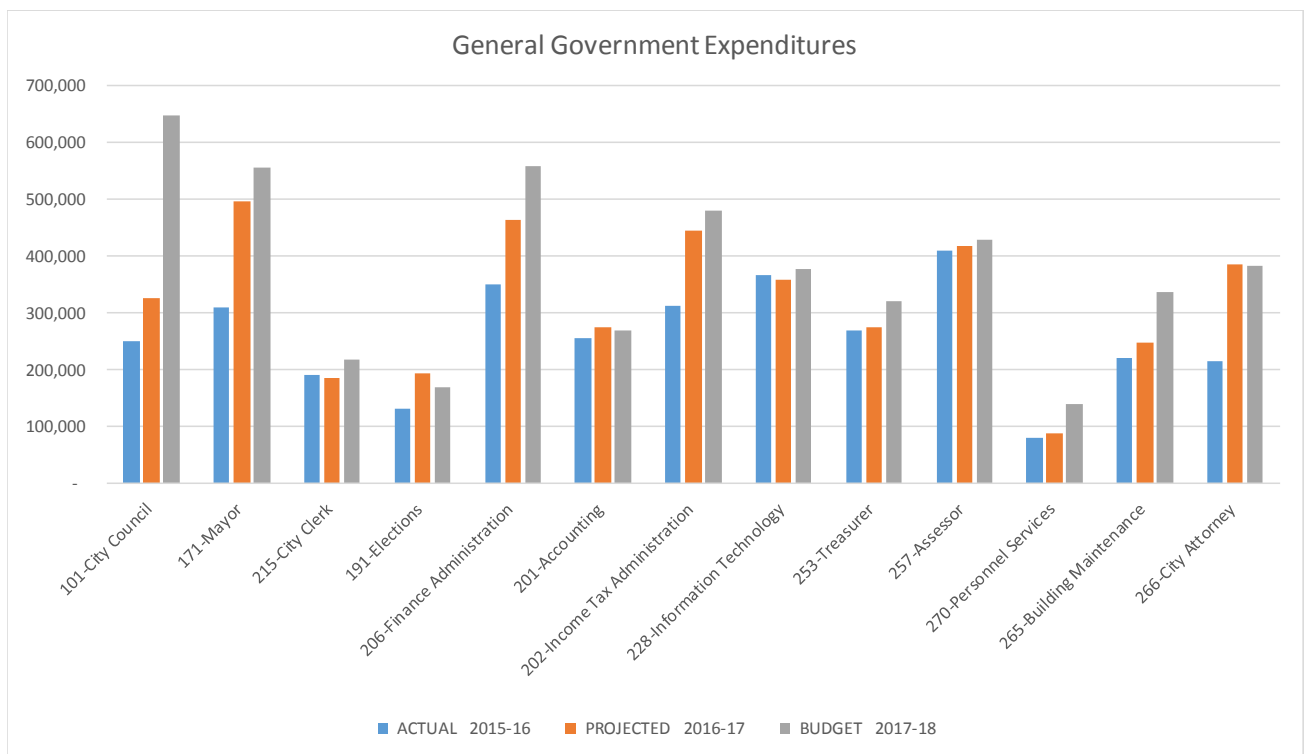
- ❖ \$150,000 in revenue from transportation services
- ❖ \$436,000 from reimbursements from WRC for other post-employment benefits paid by the City
- ❖ \$225,000 from Nuisance Abatements

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 13% of the total expenditures or approximately \$4,900,000 of the total budget for FY17/18. The pages that follow explain each department of the General Government function and the changes to the budget.

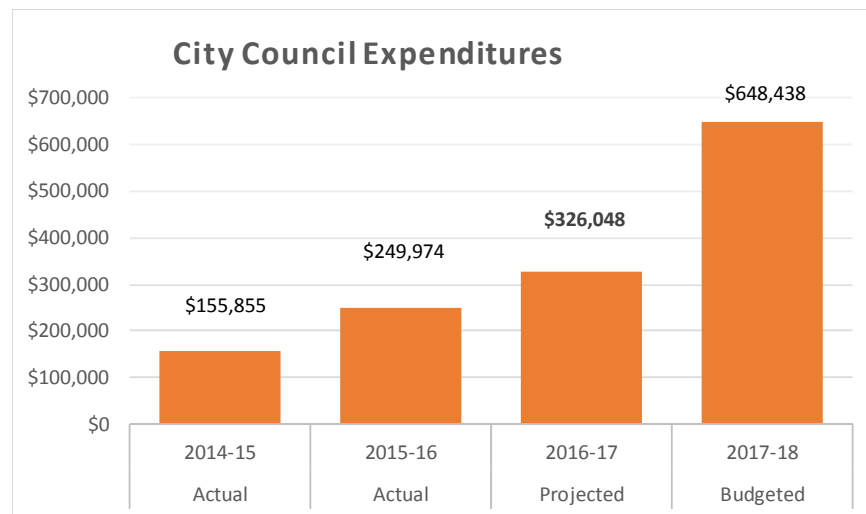


General Fund Expenditures (Continued)

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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 48,644	\$ 113,338	\$ 202,323	\$ 140,838	\$ 245,599
Supplies	472	11,305	8,719	8,719	4,000
Other Services and Charges	106,739	125,331	176,491	176,491	398,839
Total	\$ 155,855	\$ 249,974	\$ 387,533	\$ 326,048	\$ 648,438

Changes in Budget

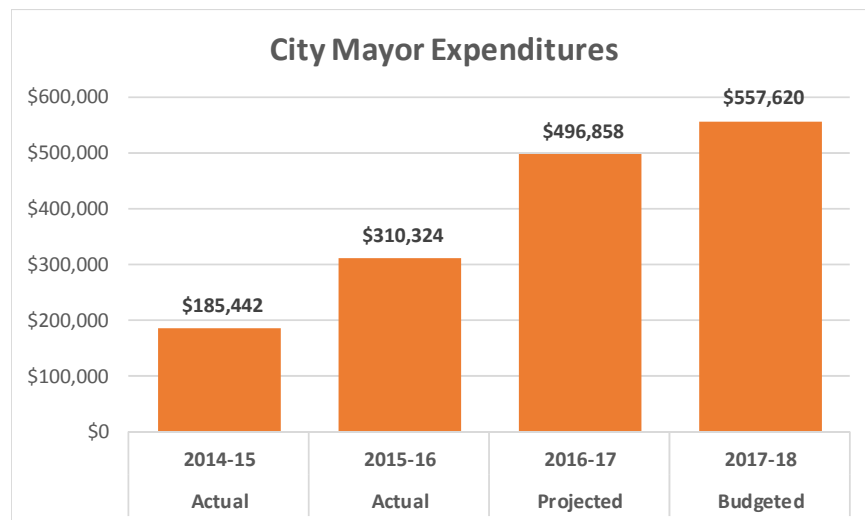
- ❖ Total \$261,000 increase from the FY16/17 amended budget and \$322,000 from the FY16/17 projected activity.
- ❖ Personnel Services increase is primarily from the City Council Liaison position that was approved in the FY16/17 budget, however, was not filled until near the end of FY16/17.
- ❖ Other Services and Charges budget is increasing due to legal services, City Council District Projects and a Council Initiative Pride and Beautification project.

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, becoming the first woman to ever be elected to the position.



FINANCIAL SUMMARY - City Mayor

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 116,953	\$ 232,126	\$ 383,503	\$ 383,503	\$ 423,017
Supplies	6,878	15,493	30,300	30,300	16,840
Other Services and Charges	61,611	62,705	83,055	83,055	117,763
Total	\$ 185,442	\$ 310,324	\$ 496,858	\$ 496,858	\$ 557,620

Changes in Budget

- ❖ \$61,000 increase from the FY16/17 amended budget and projected
- ❖ Personnel Services is increasing due to the Executive Secretary vacant position in FY16/17 that is expected to be filled in FY17/18
- ❖ Other Services and Charges is increasing due to insurance premium allocation change that has shifted additional costs to the Mayor's department.

General Fund Expenditures (Continued)

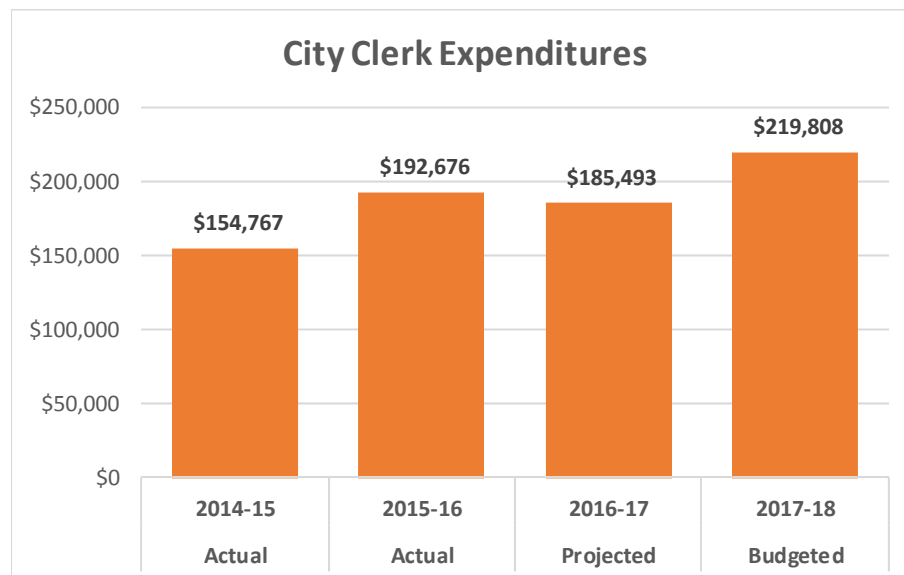
City Clerk

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.



General Fund Expenditures (Continued)

City Clerk

FINANCIAL SUMMARY - City Clerk

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 137,709	\$ 163,647	\$ 165,753	\$ 161,254	\$ 168,101
Supplies	2,188	7,456	6,307	6,307	4,750
Other Services and Charges	14,870	21,573	17,932	17,932	46,957
Total	\$ 154,767	\$ 192,676	\$ 189,992	\$ 185,493	\$ 219,808

Changes in Budget

- ❖ \$34,000 increase from the FY16/17 projected and \$30,000 increase from the FY16/17 amended budget
- ❖ Personnel Services is expected to increase due to salary increases per City Council direction.
- ❖ 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

- ❖ To comply with State Laws, the City Charter, and Adopted Procedures.
- ❖ To investigate and implement electronic record storage procedures to improve retrieval outcomes and reduce the inventory of paper documents stored by the City Clerk.
- ❖ 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 (PDA #1.1).
- ❖ Raise awareness to residents and businesses on the importance of Pontiac Moving Forward (PDA #1.2).

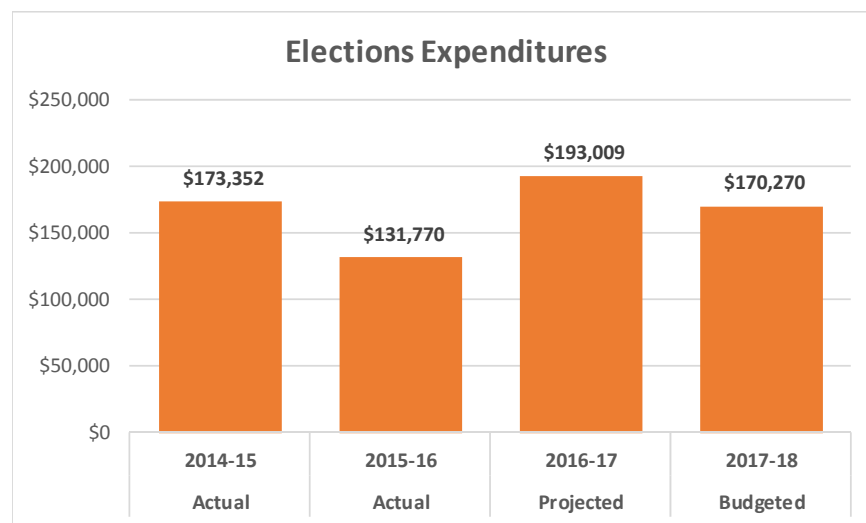
General Fund Expenditures (Continued)

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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 99,106	\$ 83,050	\$ 123,560	\$ 123,560	\$ 115,611
Supplies	42,656	31,028	36,000	36,000	23,500
Other Services and Charges	31,590	17,692	33,449	33,449	31,159
Total	\$ 173,352	\$ 131,770	\$ 193,009	\$ 193,009	\$ 170,270

Changes in Budget

- ❖ \$23,000 decrease in the budget from FY16/17 budget and projections
- ❖ Personnel and Supplies are decreasing due to less planned elections in FY17/18.

Elections

Elections Department - Goals

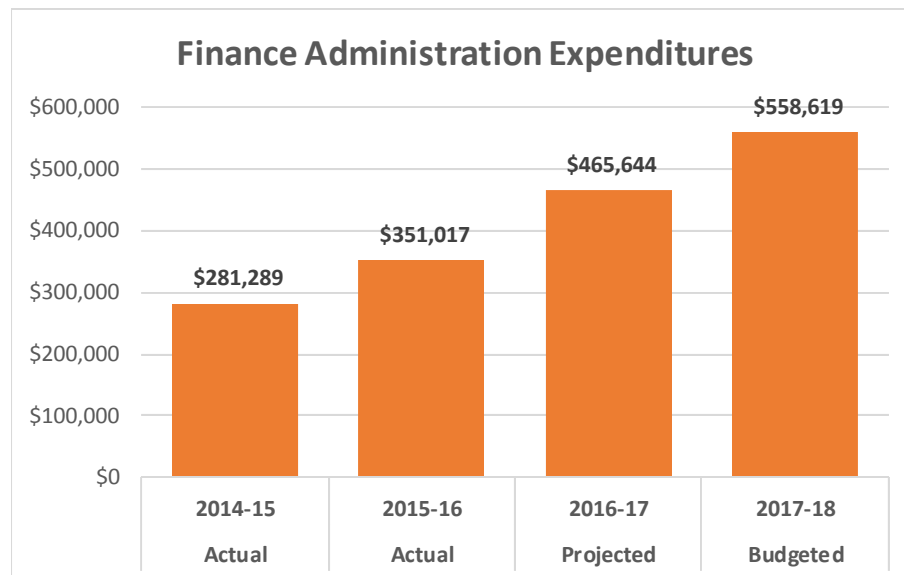
- ❖ Comply with Federal and State laws and the City Charter
- ❖ Process and conduct all elections accurately, efficiently, and in accordance with Federal and State laws, the City Charter, and Adopted Procedures
- ❖ Train staff and election workers in the latest practices, laws and technology
- ❖ Raise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

Finance Administration

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

The Finance Administration is responsible for the following:

- ❖ Payables processing - Process all vendor and employee payments.
- ❖ Budget - Prepare and monitor the budget. Budget activities include preparing revenue and expenditures projections, providing budget assistance, and establishing target goals with other departments, approval of expenditures within approved appropriations, preparation of budget resolutions, adjustments, budget to actual reports and summaries.
- ❖ 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 to the lowest responsible bidder in accordance with City Ordinances and policies.
- ❖ Retirement Pension Boards - The Finance Director sits on the Board of Directors for the General Employees Retirement Systems (GERS) and the Police and Fire Retirement System (PFRS) Pension Boards.
- ❖ Finance oversight - 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

Financial Summary	2014-15 Actual	2015-16 Actual	2016-17 Budgeted	2016-17 Projected	2017-18 Budgeted
Personnel Services	\$ 208,933	\$ 278,159	\$ 328,311	\$ 325,061	\$ 406,490
Supplies	2,720	6,551	6,500	6,500	10,500
Other Services and Charges	69,636	66,307	134,083	134,083	141,629
Total	\$ 281,289	\$ 351,017	\$ 468,894	\$ 465,644	\$ 558,619

Changes in Budget

- ❖ Increase of approximately \$93,000 from the FY16/17 projected and \$90,000 increase from amended budget
- ❖ Personnel Services is increasing due to an approved position in the FY16/17 budget Senior Financial Specialist. This position is planned to be filled at the beginning of FY17/18.
- ❖ Other Services and Charges is increasing due to an increase in pension actuaries

Finance Administration - Goals

- ❖ To coordinate and work with City departments for the expedient purchase of capital equipment, projects, and vehicles.
- ❖ Achieve the GFOA Distinguished Budget Presentation Award
- ❖ Deliver payment to employees as scheduled, meet all required tax withholding and reporting deadlines, and distribute all elected withholdings from employee checks as directed. Continue to promote direct payment to reduce printing and preparing for distribution
- ❖ Attend all retirement board 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
- ❖ Assist the Mayor and City Council with evaluating the feasibility of financial packages for the Pontiac Moving Forward Plan (PDA #3.4)

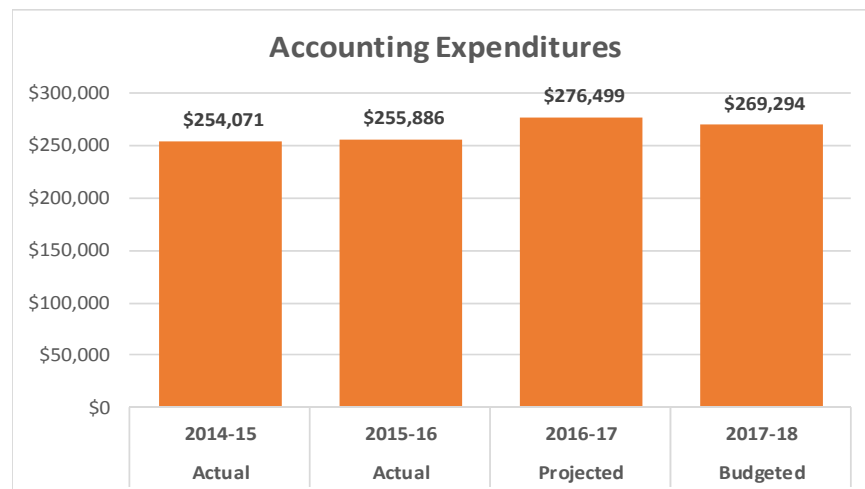
General Fund Expenditures (Continued)

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 Department 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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Supplies	\$ -	\$ 2,825	\$ 90	\$ 90	\$ 5,000
Other Services and Charges	254,071	253,061	276,409	276,409	264,294
Total	<u>\$ 254,071</u>	<u>\$ 255,886</u>	<u>\$ 276,499</u>	<u>\$ 276,499</u>	<u>\$ 269,294</u>

Changes in Budget

- ❖ \$7,200 decrease in the budget from FY16/17 projection and amended budget.
- ❖ Decrease is attributed to one-time additional cost for services in FY16/17 to prepare the budget document.

General Fund Expenditures (Continued)

Accounting

Accounting Department - Goals

- ❖ 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 while providing accounting support to internal and external customers
- ❖ 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 with preparing financial analysis on programs for the 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.

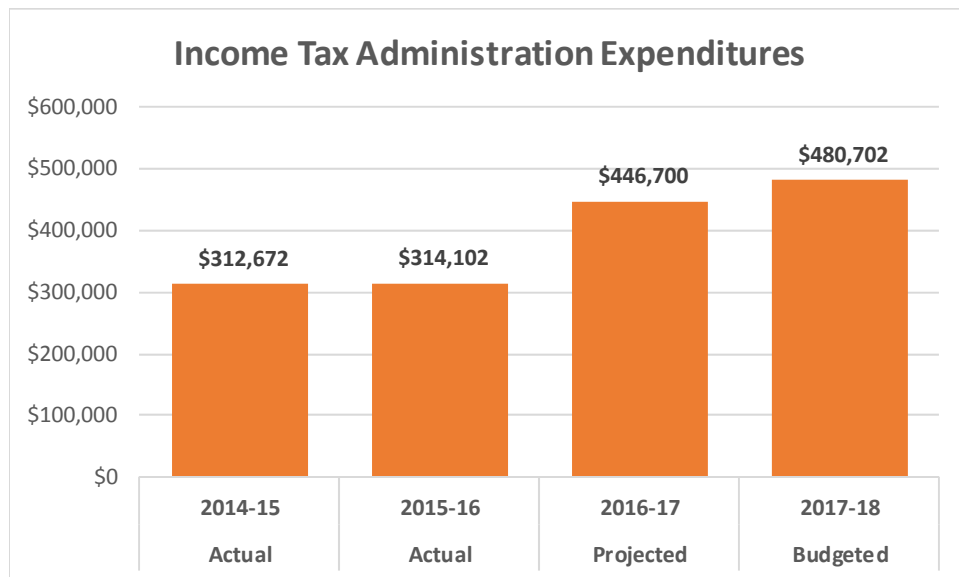
The City Income Tax Department is part of the City's Finance Department and is comprised of two sections:

❖ **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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ -	\$ 33,920	\$ 77,074	\$ 72,940	\$ 73,776
Supplies	40,291	28,095	48,543	48,543	45,000
Other Services and Charges	272,381	252,087	325,217	325,217	361,926
Total	<u>\$ 312,672</u>	<u>\$ 314,102</u>	<u>\$ 450,834</u>	<u>\$ 446,700</u>	<u>\$ 480,702</u>

Changes in Budget

- ❖ \$30,000 increase from the FY16/17 budget and \$34,000 increase from FY16/17 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.

General Fund Expenditures (Continued)

Income Tax

Income Tax Administration - Goals

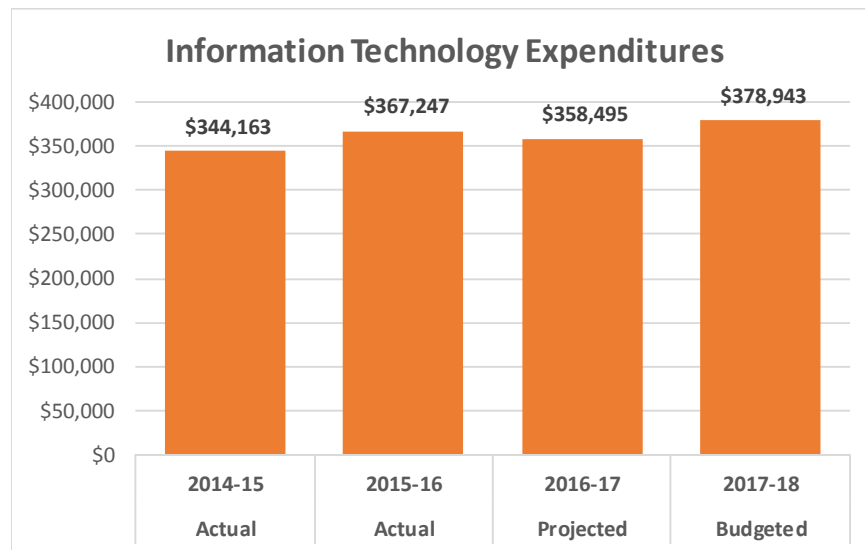
- ❖ Ensure continued compliance with City Charter and State of Michigan Income Tax Laws
- ❖ Implement new statutory requirements and regulations in a timely and cost-effective manner
- ❖ Provide efficient income tax administration through effective communication with all taxpayers, including deploying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

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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Supplies	\$ 9,122	\$ 10,739	\$ 10,500	\$ 10,500	\$ 7,500
Other Services and Charges	335,041	356,508	347,995	347,995	371,443
Total	\$ 344,163	\$ 367,247	\$ 358,495	\$ 358,495	\$ 378,943

General Fund Expenditures (Continued)

Information Technology

Changes in Budget

- ❖ \$20,000 increase from the FY16/17 budget and projected
- ❖ Other Services and Charges is expected to increase due to Insurance Property Coverage on equipment, additional maintenance on existing computer equipment; offset by a reduction in supply cost.

Information Technology - Goals

- ❖ Evaluate Pontiac's current technology resources (website, social media, etc.) to promote Pontiac Moving Forward (PDA# 1.2, 1.3, 3.8, 5.1).
- ❖ Assemble a roadmap to upgrade I.T. 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.
- ❖ Sign new contract with AT&T. This new contract and service changes will increase bandwidth for City Hall, Court House, Ruth Peterson and Bowen Centers. We will be able to leverage the increased bandwidth to help with lack of bandwidth at Court House. In addition this will result in a cost savings to the City. These new circuits will give department's faster access to their data so they can keep residents informed of new developments in transportation, business and downtown development.
- ❖ Update Microsoft Office software to new version. EOL (End of Life) for current 2010 version.
- ❖ 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 I.T. 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)

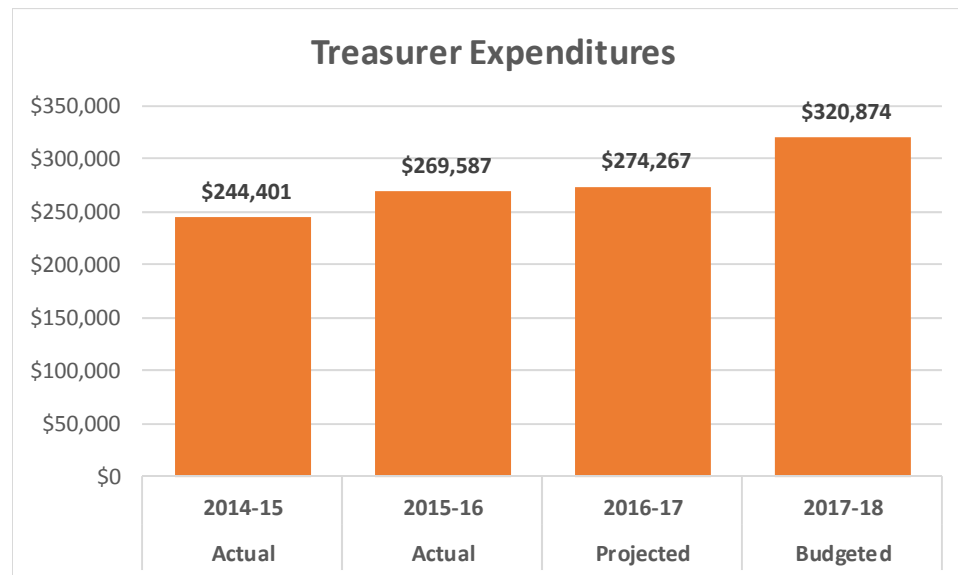
Treasurer

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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 166,676	\$ 197,588	\$ 210,155	\$ 210,155	\$ 223,770
Supplies	33,198	28,632	24,974	24,974	34,500
Other Services and Charges	44,527	43,367	43,441	39,138	62,604
Total	\$ 244,401	\$ 269,587	\$ 278,570	\$ 274,267	\$ 320,874

General Fund Expenditures (Continued)

Treasurer

Changes in Budget

- ❖ \$47,000 increase from FY16/17 projected and \$42,000 increase from FY16/17 budget
- ❖ Increase in Other Services and Charges related to property insurance coverage allocation to the Treasury Department. Insurance was not previously allocated to this department.
- ❖ Increase in supplies is related to planned computer equipment replacement for FY17/18 and additional postage for mailing property tax bills.
- ❖ Personnel services is planned to increase due to base budget increases in wages and benefits

Treasurer - Goals

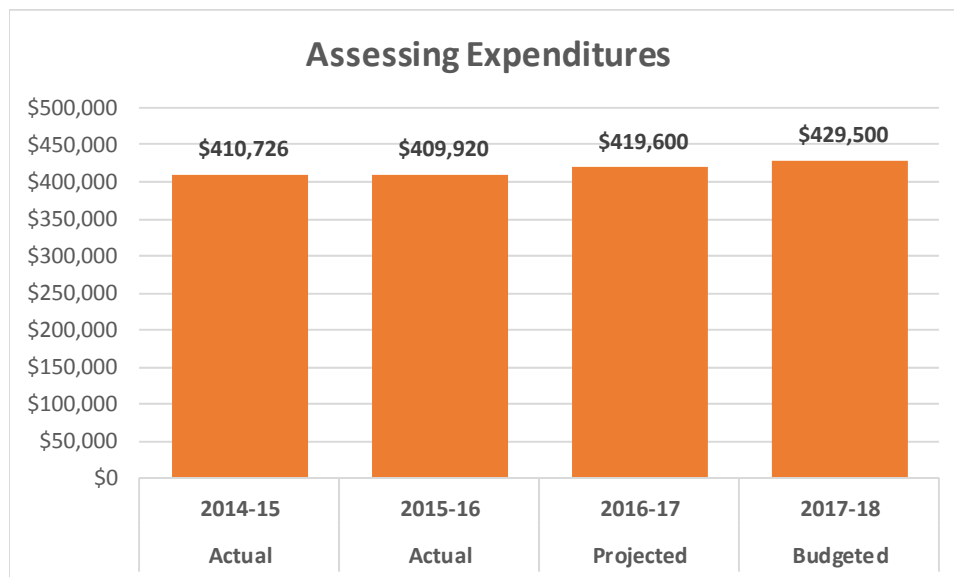
- ❖ Ensure compliance with City Charter and State of Michigan General Tax Laws by maintaining accurate tax rolls and implementing new statutory requirements and regulations in a timely and cost-effective manner
- ❖ Review programs and procedures to maximize enhancements and efficiencies
- ❖ Research 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
- ❖ Work with Finance and Assessing to implement Governmental Accounting Standards Board number 77, Tax Abatement Disclosure
- ❖ Evaluate and identify residents and tax parcels that could benefit from 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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Supplies	\$ 10,106	\$ 10,112	\$ 11,000	\$ 11,000	\$ 11,000
Other Services and Charges	400,620	399,808	408,600	408,600	418,500
Total	\$ 410,726	\$ 409,920	\$ 419,600	\$ 419,600	\$ 429,500

Changes in Budget

- ❖ \$10,000 increase in Other Services in Charges is related to the contract increase in assessing services with Oakland County.

Assessing - Goals

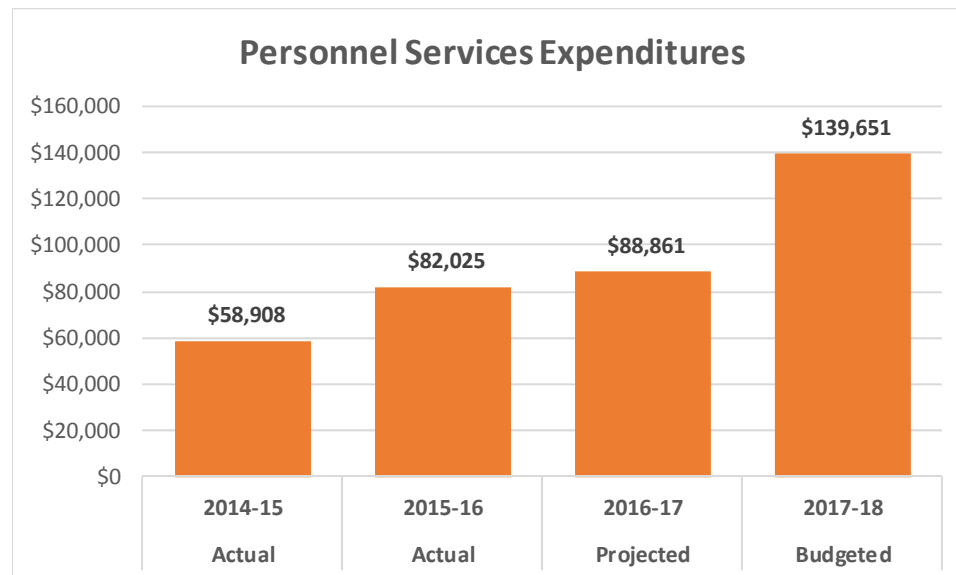
- ❖ Provide programs and procedures that ensure a fair and equitable assessment administration system, according to the City Charter and Michigan General Property Tax Laws
- ❖ Ensure a comprehensive and impartial review of all parcels appealed before the Board of Review

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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 48,810	\$ 71,717	\$ 75,640	\$ 75,640	\$ 84,836
Supplies	1,280	2,119	2,125	2,125	2,500
Other Services and Charges	8,818	8,189	16,696	11,096	52,315
Total	\$ 58,908	\$ 82,025	\$ 94,461	\$ 88,861	\$ 139,651

Changes in Budget

- ❖ \$45,000 increase from FY16/17 budget and \$51,000 increase from FY16/17 projected
- ❖ Increase in Personnel is due to life insurance benefit cost for all City employees and base increases for wages and benefits.
- ❖ Increase in Other Services and Charges is related to \$35,000 for training and education for City employees. The remaining increase is due to Property insurance coverage that has shifted additional costs to the Personnel department; offset by a reduction in administrative fees that the City no longer pays for workers compensation

Personnel Services

Personnel Services - Goals

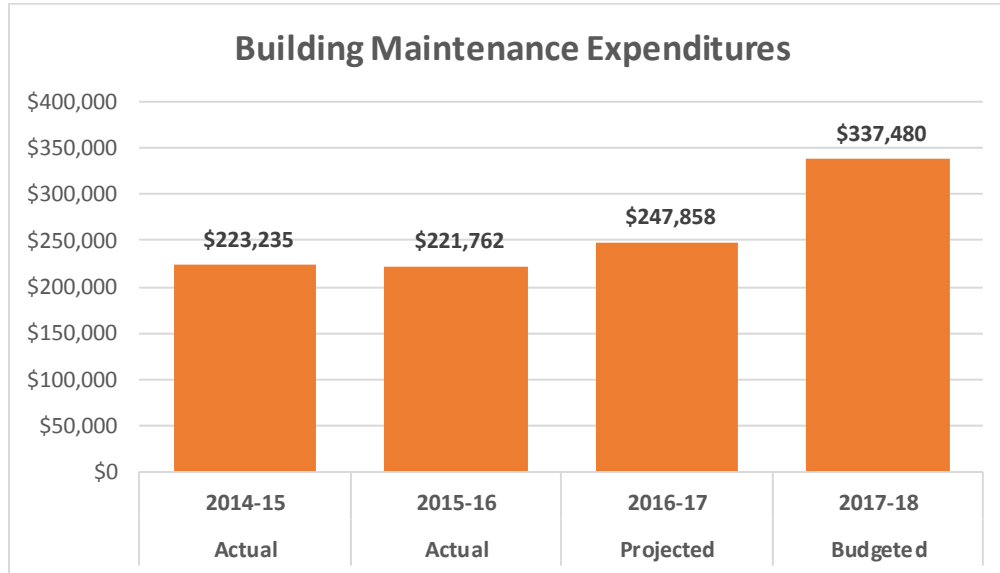
- ❖ Develop, present and implement Emergency Preparedness Manual to establish procedures and train staff how to respond in the event of an emergency.
- ❖ Obtain approval of The Mayor and City Council for the Proposed Employee Handbook, distribute to all staff and begin implementation.
- ❖ Obtain approval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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 43,001	42,589	64,270	\$ 64,270	\$ 116,288
Supplies	10,157	10,694	18,250	18,250	15,000
Other Services and Charges	170,077	168,479	168,788	165,338	206,192
Total	\$ 223,235	\$ 221,762	\$ 251,308	\$ 247,858	\$ 337,480

Changes in Budget

- ❖ \$86,000 increase from FY16/17 budget and \$89,000 increase from projected
- ❖ Increase in Personnel is related to three new building maintenance positions
- ❖ Other Services and Charges is increasing due to additional Property insurance coverage and additional building maintenance for City Hall

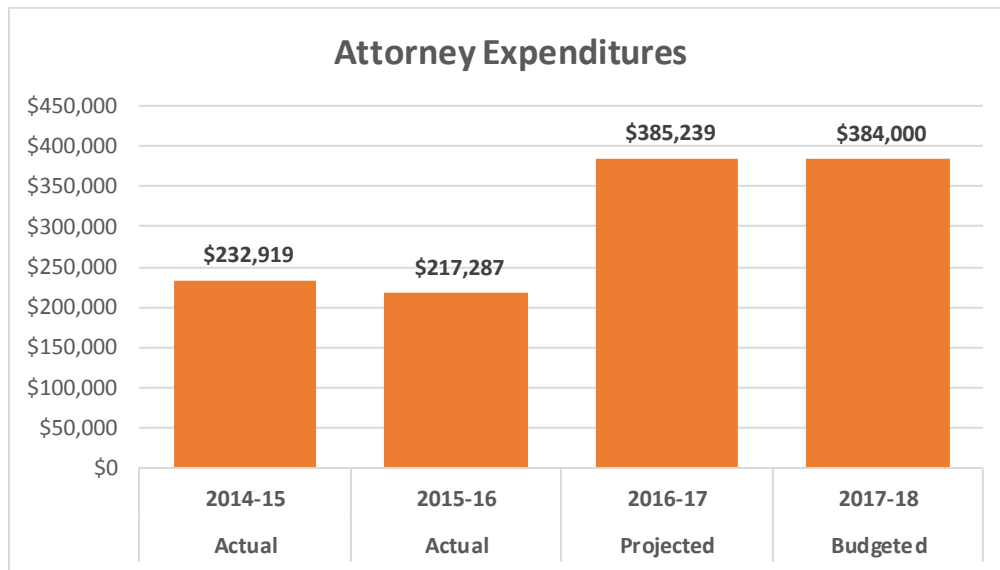
Building Maintenance - Goals

- ❖ 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 (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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Supplies	\$ 2	\$ -	\$ -	\$ -	\$ -
Other Services and Charges	232,917	217,287	385,239	385,239	384,000
Total	\$ 232,919	\$ 217,287	\$ 385,239	\$ 385,239	\$ 384,000

Changes in Budget

- ❖ Minimal decrease in budget

Attorney - Goals

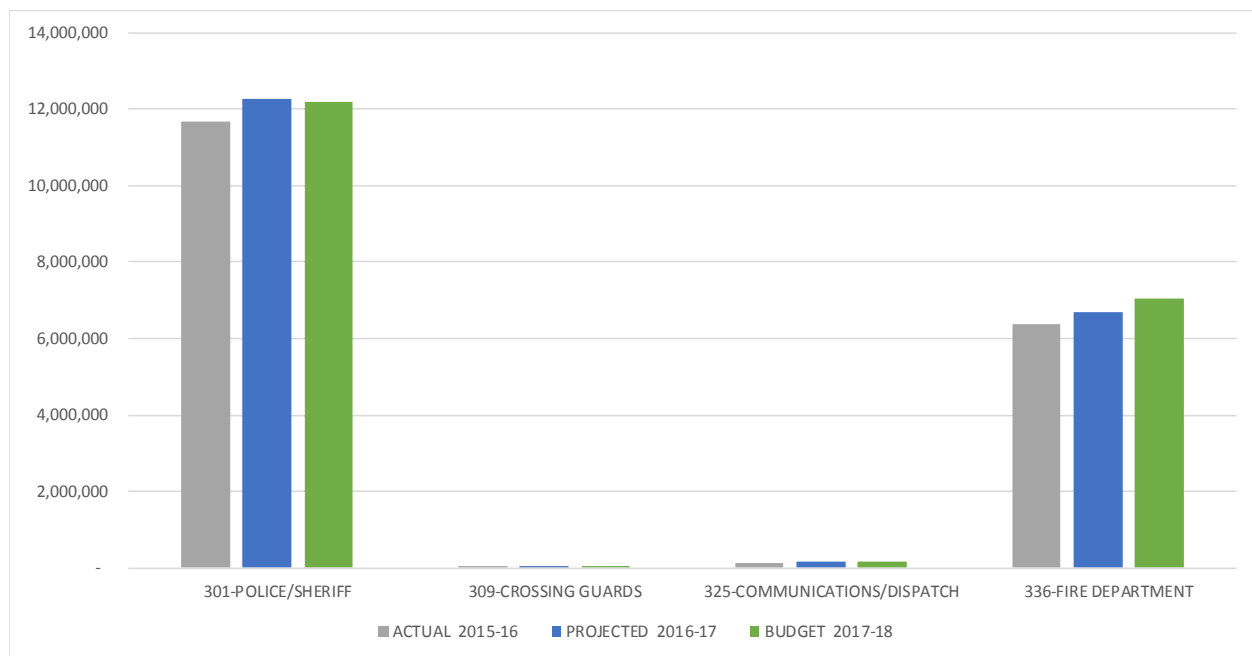
- ❖ Provide timely and logical responses to all questions and issues assigned to the law firm
- ❖ Issue solid and defensible legal opinions on all issues referred to the law firm
- ❖ Represent the City vigorously and effectively in lawsuits filed on behalf of, or against, the City of Pontiac
- ❖ Remain 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 (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 52% of the total expenditures or approximately \$19,500,000 of the total budget for FY17/18. 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.

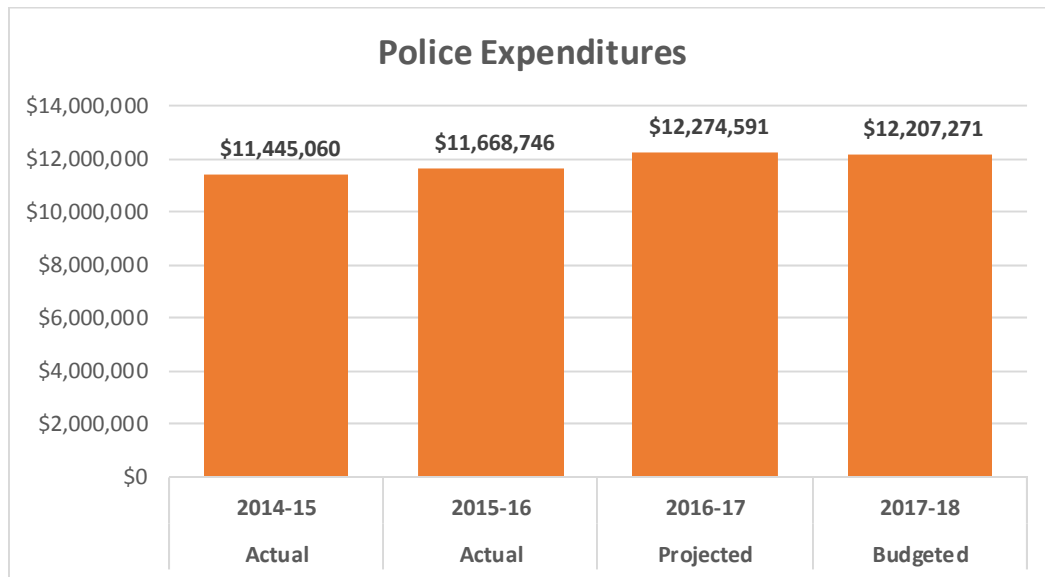
Community Policing Unit

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 2017 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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 65,507	\$ 75,664	\$ 336,705	\$ 336,705	\$ 321,808
Supplies	3,382	1,638	5,516	5,516	6,200
Other Services and Charges	11,376,171	11,591,444	12,004,428	11,932,370	11,879,263
Total	\$ 11,445,060	\$ 11,668,746	\$ 12,346,649	\$ 12,274,591	\$ 12,207,271

Changes in Budget

- ❖ \$139,000 decrease from the FY16/17 budget and \$67,000 decrease from FY16/17 projected
- ❖ Decrease is reflective of a decrease in property insurance coverage to the Police Department; offset by an increase in the Sheriff's contract with Oakland County. The City of Pontiac will have two additional officers assigned to the Pontiac Substation.

Police/Sheriff - Goals

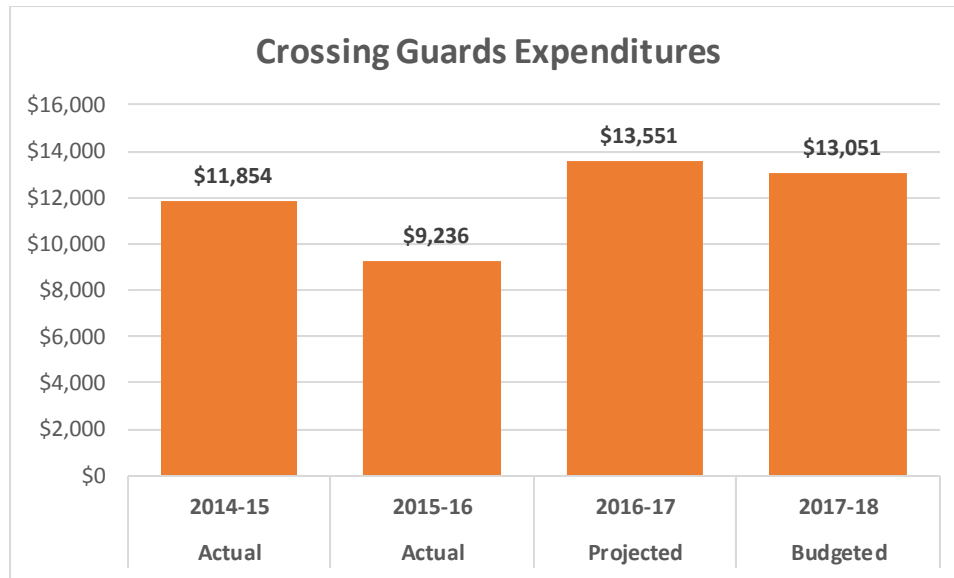
- ❖ Provide high visibility, community-oriented neighborhood patrol to residents.
- ❖ Maintain positive relationships with citizens and Homeowner Associations to provide for open communication.
- ❖ Enforce compliance with State law and Local ordinances.
- ❖ Remain vigilant in monitoring crime trends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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 11,854	\$ 9,236	\$ 13,051	\$ 13,051	\$ 13,051
Supplies	-	-	500	500	-
Total	\$ 11,854	\$ 9,236	\$ 13,551	\$ 13,551	\$ 13,051

Changes in Budget

- ❖ Decrease of \$500 from FY16/17 budget and projection due to no supplies in FY17/18.

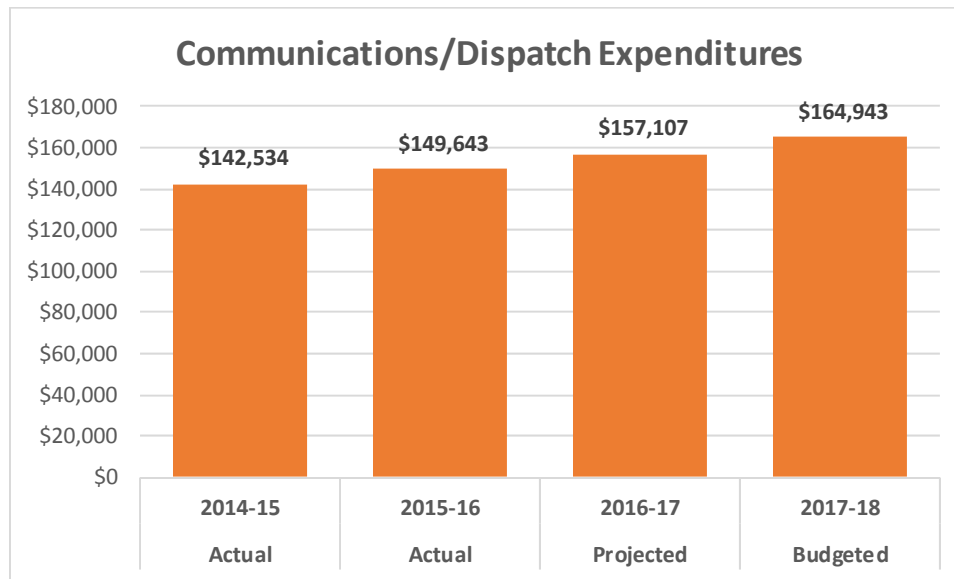
Crossing Guards - Goals

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

Dispatch

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

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



FINANCIAL SUMMARY - Communications/Dispatch

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 142,534	\$ 149,643	\$ 156,983	\$ 157,107	\$ 164,943
Total	\$ 142,534	\$ 149,643	\$ 156,983	\$ 157,107	\$ 164,943

Changes in Budget

- ❖ Other Services and Charges is expected to increase \$8,000 from the FY16/17 budget and projection due to a contractual increase with Oakland County for dispatch services.

Communications/Dispatch - Goals

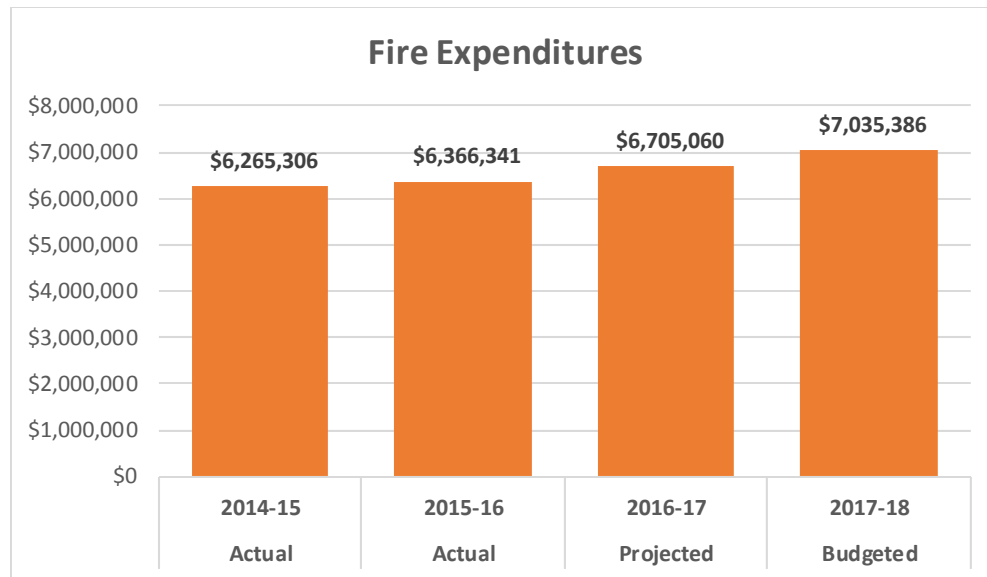
- ❖ Encourage and support citizen involvement and leadership to improve the quality of life by ensuring that the citizen's first point of contact with his/her public safety resources is courteously, sympathetically, and efficiently met.
- ❖ Ensure the safety and effectiveness of our officers and other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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Supplies	\$ 119	\$ -	\$ 125	\$ 125	\$ 125
Other Services and Charges	6,265,187	6,366,341	6,734,405	6,704,935	7,035,261
Total	\$ 6,265,306	\$ 6,366,341	\$ 6,734,530	\$ 6,705,060	\$ 7,035,386

Changes in Budget

- ❖ \$300,000 increase from FY16/17 budget and \$330,000 increase from FY16/17 projected is from a contractual increase in services with Waterford Township for fire services.

General Fund Expenditures (Continued)

Fire

Fire Dept - Goals

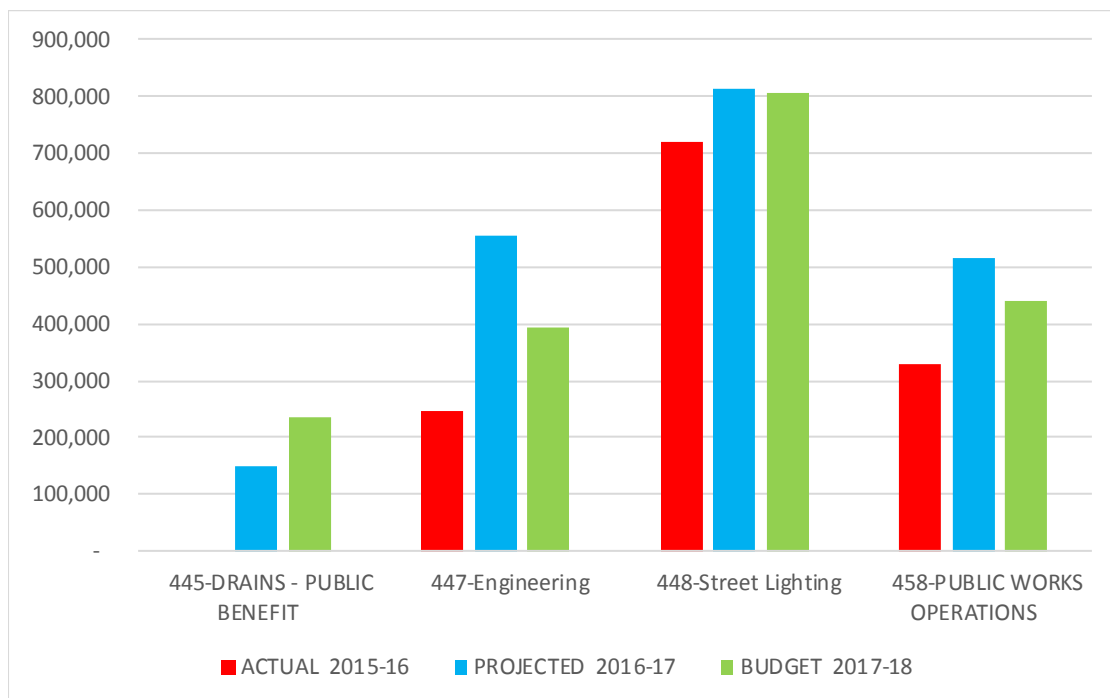
- ❖ Provide a high level of emergency service that continually improves the quality of life for residents, businesses, and visitors.
- ❖ Continue improving various areas within the department ranging from service and program enhancements to operational improvements, all while remaining fiscally prudent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

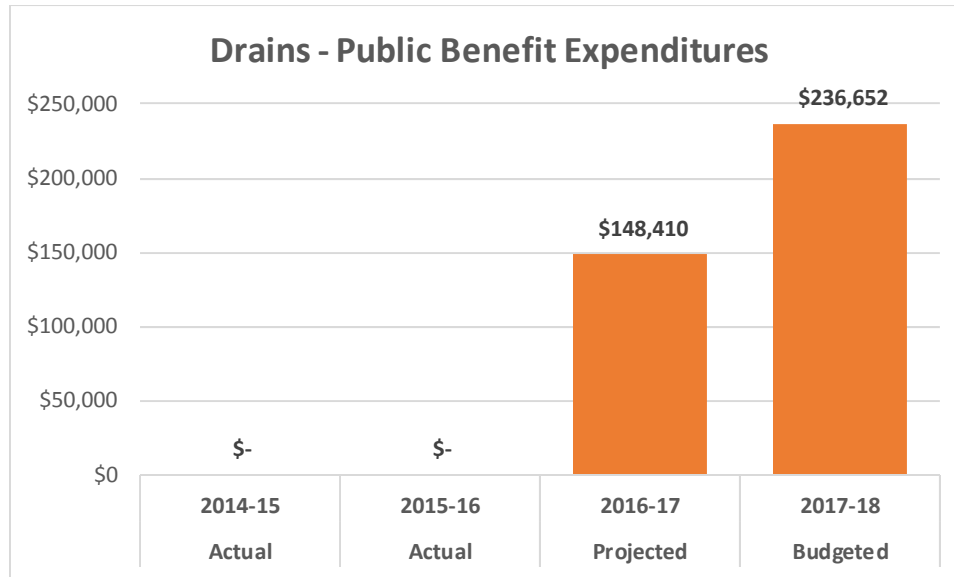
The Public Works Function for the General Fund represents 5% of the total expenditures or approximately \$1,900,000 of the total budget for FY17/18. The pages that follow explain each department of the Public Works Function and the changes to the budget.



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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ -	\$ -	\$ 195,148	\$ 148,410	\$ 236,652
Total	\$ -	\$ -	\$ 195,148	\$ 148,410	\$ 236,652

Changes in Budget

- ❖ Increase of \$41,500 from FY16/17 budget and an increase of \$88,000 from FY16/17 projected
- ❖ Change in budget is based on estimated drain maintenance expenditures for the upcoming fiscal year. This includes \$28,000 for Chapter 4 drain maintenance and \$180,000 for Chapter 20 drain maintenance.
- ❖ The Drain Fund (special revenue fund) previously paid for drain maintenance expenditures. The Drain Fund is being closed in FY17/18 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**

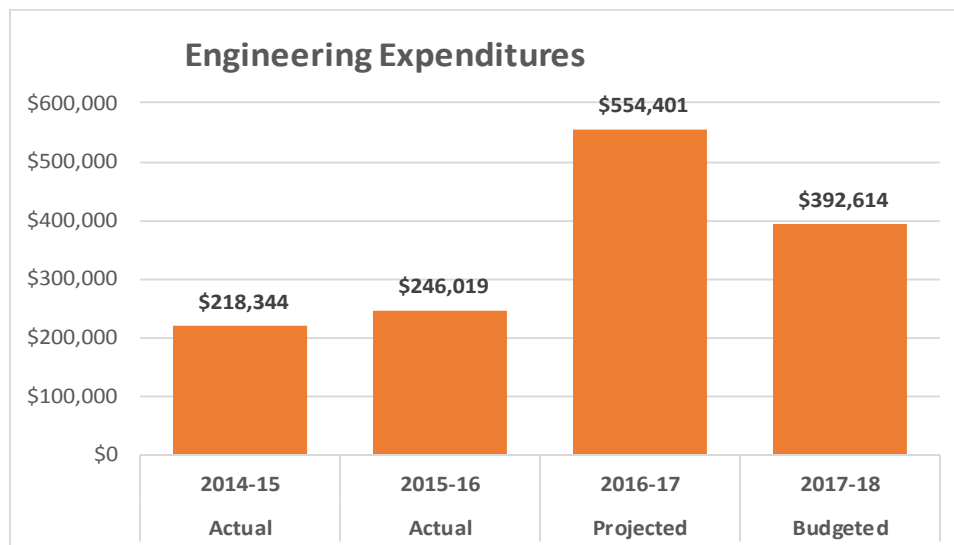
- Specification writing
- Preparation of construction documents
- Consultant selection and consultant management
- Bid evaluation
- Request for Proposals

❖ **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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 70,169	\$ 134,107	\$ 138,996	\$ 138,996	\$ 132,946
Supplies	2,159	3,532	3,980	3,580	3,000
Other Services and Charges	146,016	108,380	305,905	305,825	256,668
Capital Outlay	-	-	106,000	106,000	-
Total	<u>\$ 218,344</u>	<u>\$ 246,019</u>	<u>\$ 554,881</u>	<u>\$ 554,401</u>	<u>\$ 392,614</u>

Changes in Budget

- ❖ Decrease of \$162,000 from FY16/17 budget and projection
- ❖ Decrease of \$6,000 in Personnel Services is due to increase in planned street projects that will be charged to the street funds. Personnel services related to street projects are charged to the Major and Local Street fund.
- ❖ Other Services and Charges decrease of \$50,000 is related to the completion of the Asset Management project in FY16/17. Those expenditures were a one-time expense.
- ❖ No capital outlay planned for FY17/18. During FY16/17, the Asset Management project was completed.

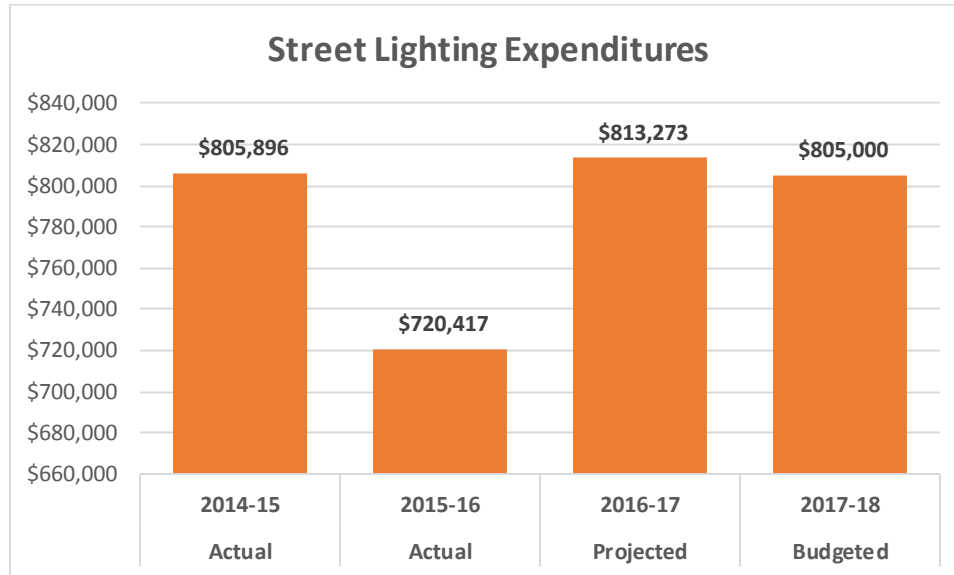
Engineering - Goals

- ❖ 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" complete streets study and assist with completing the streets ordinance (PDA #1.5).
- ❖ Determine infrastructure improvement needs (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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 805,896	\$ 720,417	\$ 813,273	\$ 813,273	\$ 805,000
Total	<u>\$ 805,896</u>	<u>\$ 720,417</u>	<u>\$ 813,273</u>	<u>\$ 813,273</u>	<u>\$ 805,000</u>

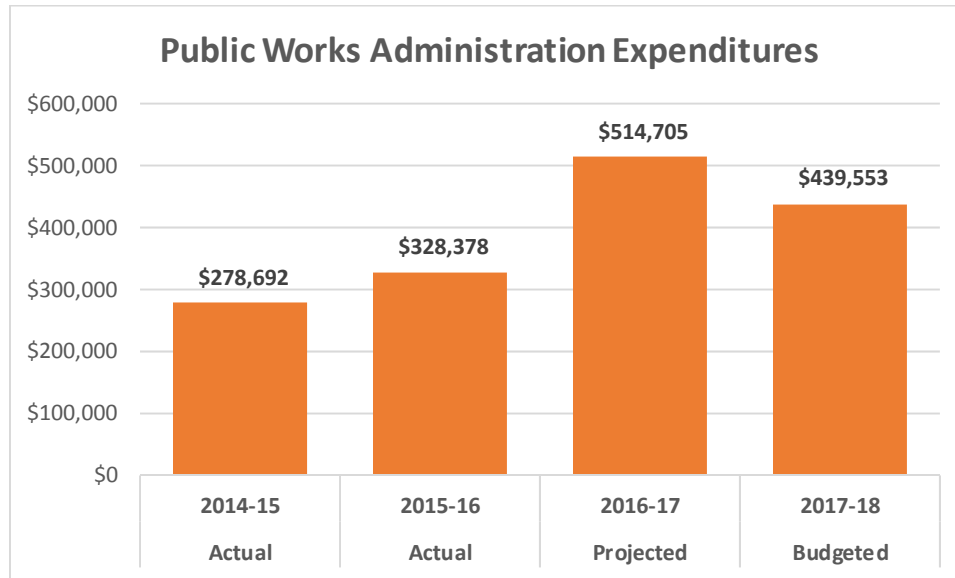
Changes in Budget

- ❖ Decrease of \$8,300 from FY16/17 budget and projection is due to a reduction in insurance property coverage, offset by a planned 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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 201,923	\$ 232,538	\$ 316,095	\$ 316,095	\$ 290,491
Supplies	2,720	9,506	7,219	7,219	9,575
Other Services and Charges	74,049	86,334	191,391	191,391	139,487
Total	\$ 278,692	\$ 328,378	\$ 514,705	\$ 514,705	\$ 439,553

Changes in Budget

- ❖ \$75,000 decrease from the FY16/17 budget and projection.
- ❖ Decrease in Personnel Services of \$26,000 is attributed to workers compensation charges from former DPW employees that are not expected in FY17/18, offset by base wage increases.
- ❖ Decrease in Other Services and Charges of \$52,000 is due to a one-time expenditure in FY16/17 to digitize DPW records; offset by an increase in the property insurance coverage to the DPW Department.

Public Works Administration

Public Works Administration - Goals

- ❖ 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. (PDA #1.4).

General Fund Expenditures

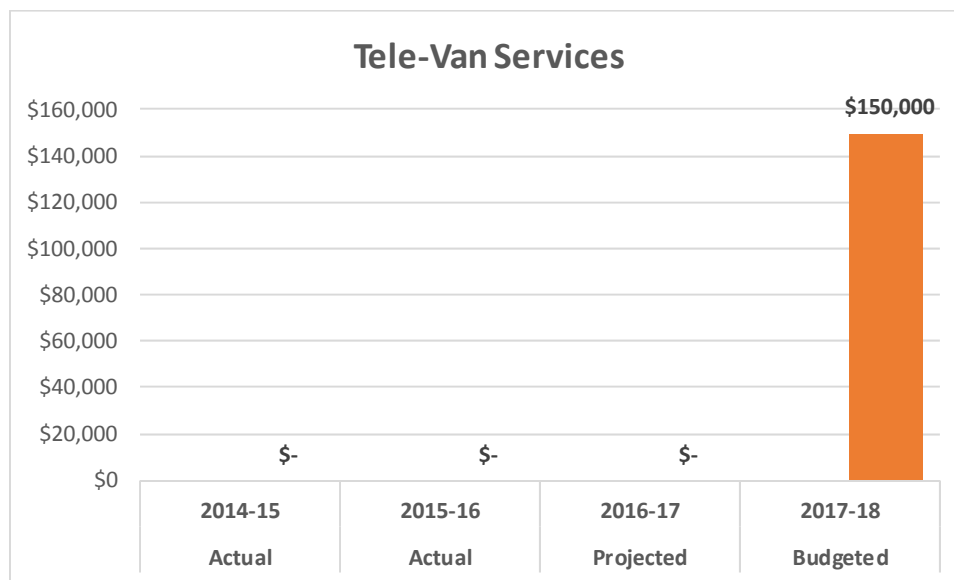
Health and Welfare Function

Operations under this category include expenses related to transportation services. This is a new activity starting in FY17/18.

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 FY17/18.

Tele-van Services

The Tele-van Services is a new department for FY17/18. 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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	-	-	-	-	150,000
Total	\$ -	\$ -	\$ -	\$ -	\$ 150,000

Changes in Budget

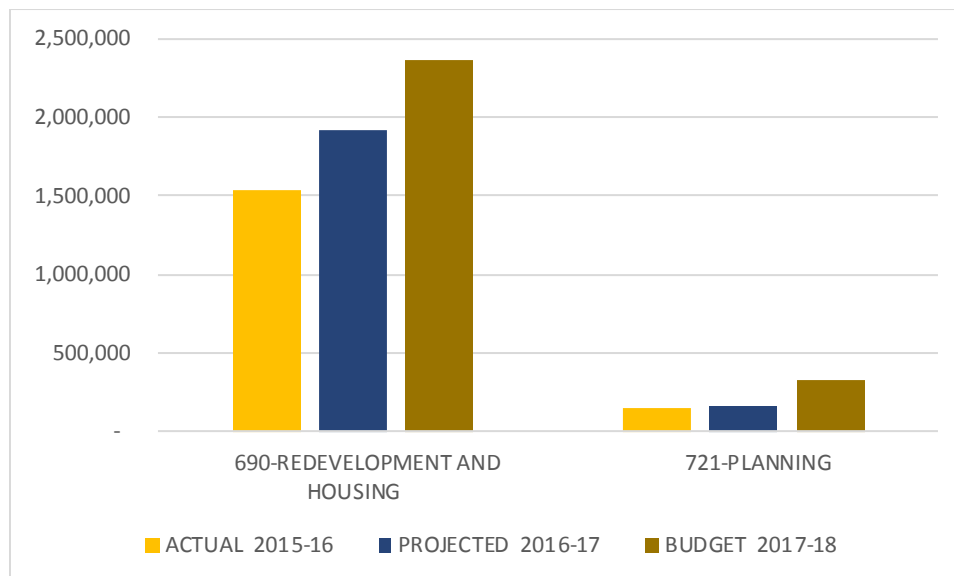
- ❖ \$150,000 is for transportation services for FY17/18.

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, and proactive economic development initiatives.

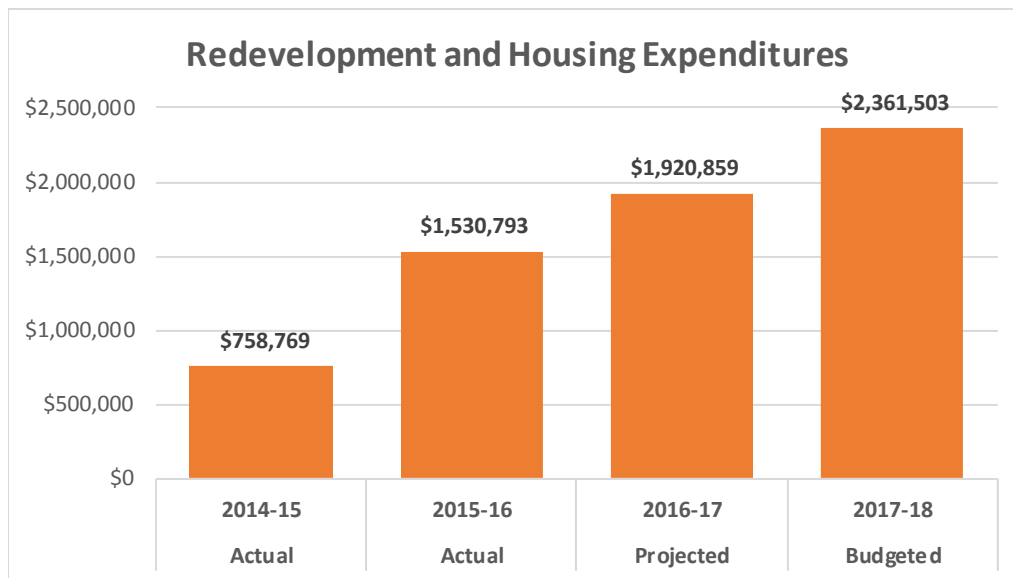
The Community Development function for the General Fund represents 7% of the total expenditures or approximately \$2,700,000 of the total budget for FY17/18. The pages that follow explain the department of the Community Development Function and the changes to the budget.



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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Personnel Services	\$ 99,692	\$ 236,820	\$ 389,636	\$ 169,415	\$ 383,665
Supplies	759	554	1,000	1,000	1,000
Other Services and Charges	658,318	1,293,419	1,834,747	1,750,444	1,976,838
Total	\$ 758,769	\$ 1,530,793	\$ 2,225,383	\$ 1,920,859	\$ 2,361,503

Changes in Budget

- ❖ Increase of \$440,000 from the FY16/17 budget and \$136,000 increase from the FY16/17 projection
- ❖ Personnel Services is increasing \$214,000 from the FY16/17 projected due to three vacant positions in the Community Development Department that are expected to be filled in FY17/18. Currently, the Economic/Community Development Director, Community Relations Specialist and the Customer Service Representative positions are vacant.
- ❖ Other Services and Charges is increasing \$142,000 from the FY16/17 budget and \$226,000 from the FY16/17 projected primarily due to professional services. There is an increase in the Code Enforcement contract with Wade Trim. In addition to the increase in code enforcement services, the City of Pontiac is planning to increase code enforcement activity related to Blight, Nuisance Abatements, and Economic Development Plan Implementation Costs.
- ❖ Other Services and Charges also includes a \$1 million transfer to the TIF funds for debt service.

Redevelopment and Housing

Redevelopment and Housing - Goals

- ❖ 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 (PDA# 3.8 and 3.9).

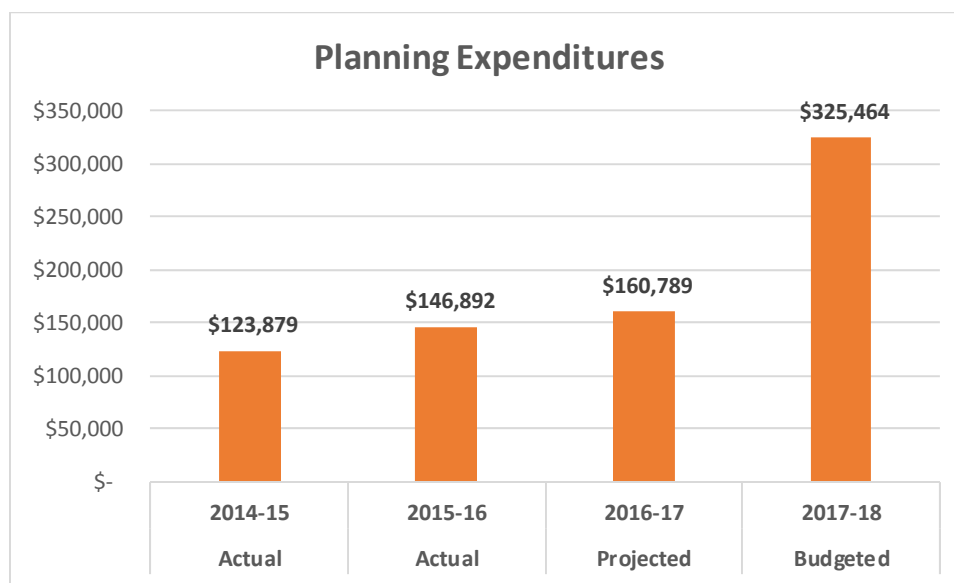
General Fund Expenditures (Continued)

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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Supplies	\$ 644	\$ -	\$ 4,100	\$ 4,100	\$ 4,100
Other Services and Charges	123,235	146,892	156,689	156,689	321,364
Total	\$ 123,879	\$ 146,892	\$ 160,789	\$ 160,789	\$ 325,464

Changes in Budget

- ❖ Increase of \$165,000 in Other Services and Charges from FY16/17 budget and projection. The Planning contract with Wade Trim is expected to increase for FY17/18 due to the anticipation of additional development in Pontiac.

Planning

Planning - Goals

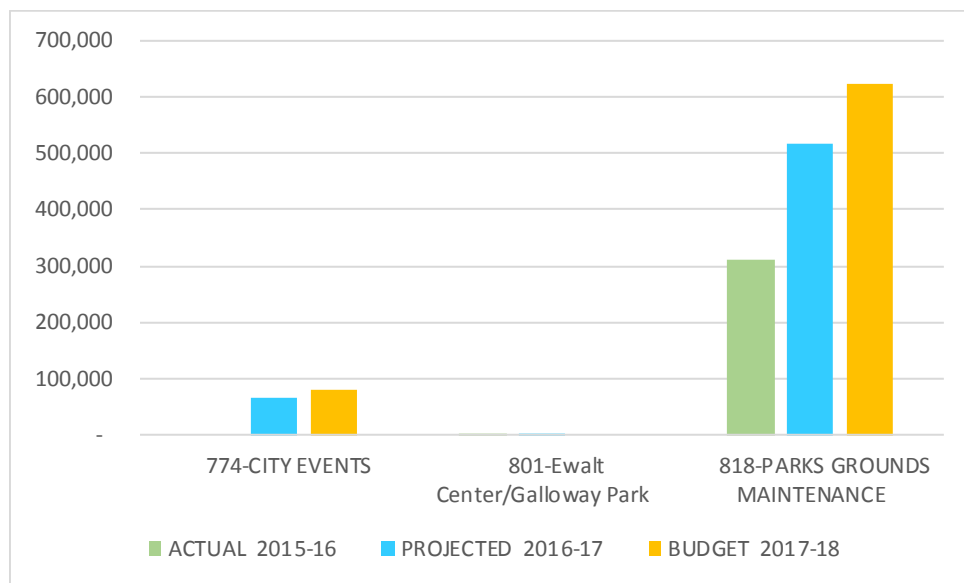
- ❖ Assist the Planning Commission to implement the Master Plan Update.
- ❖ Oversee the development and approval of various plans and development standards that establish the framework for decision-making regarding the highest and best use of land.
- ❖ Adopt and review goals for land use policies that promote the livability and sustainability of our community.
- ❖ Develop criteria to target neighborhoods for housing non-profit and private developer investment (PDA #2.2).

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 \$700,000 of the total budget for FY17/18. The pages that follow explain the department of the Recreation and Culture function and the changes to the budget.

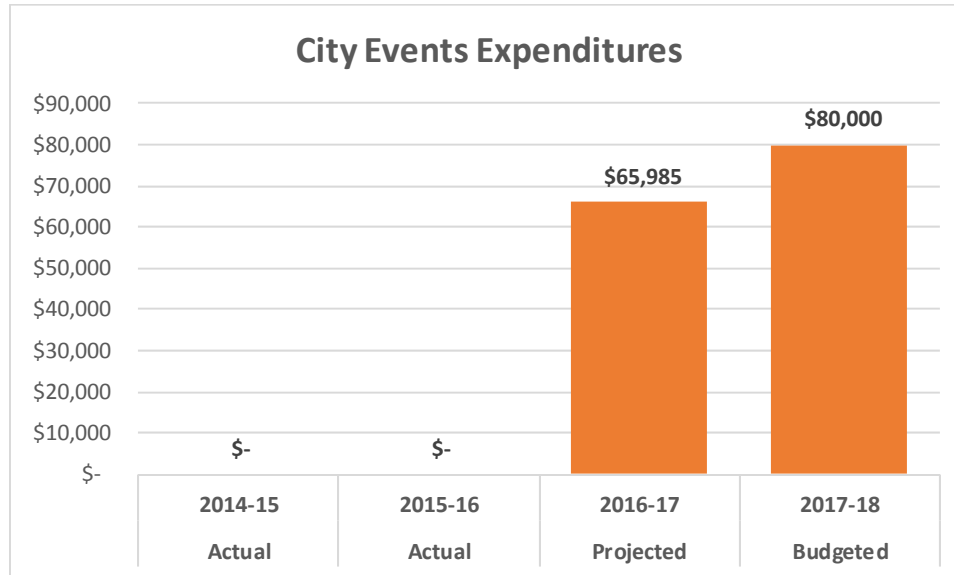


General Fund Expenditures (Continued)

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 FY17/18 is the Dream Cruise. The Dream Cruise is partially funded through donations and reimbursements of City expenses.



FINANCIAL SUMMARY -City Events

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ -	\$ -	\$ 65,985	\$ 65,985	\$ 80,000
Total	\$ -	\$ -	\$ 65,985	\$ 65,985	\$ 80,000

Changes in Budget

- ❖ The FY17/18 budget is expected to increase \$14,000 from the FY16/17 budget and projection for additional support for the Dream Cruise.

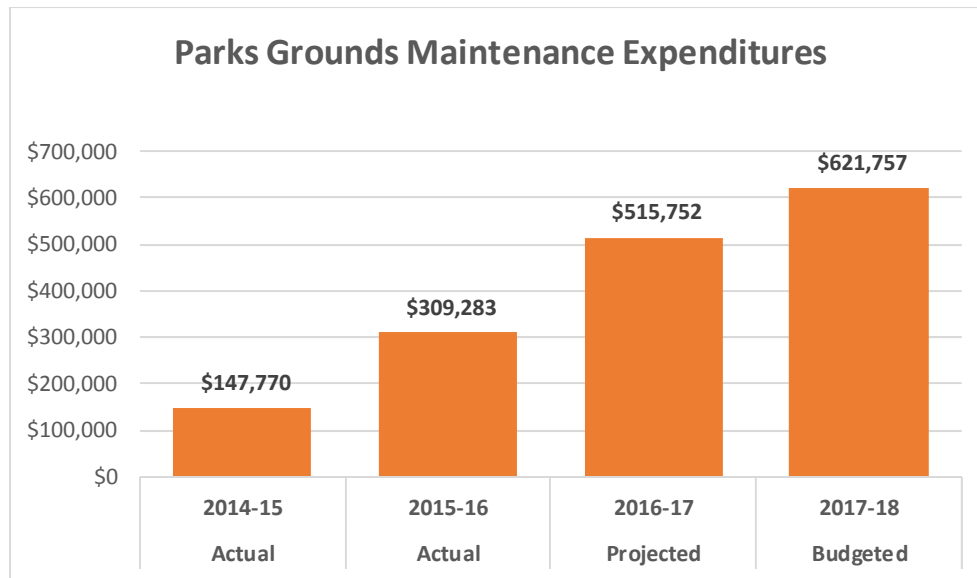
City Events- Goals

- ❖ 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.

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

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 4,704	\$ 6,593	\$ 7,802	\$ 7,802	\$ 7,219
Supplies	22,925	16,662	57,032	57,032	18,500
Other Services and Charges	120,141	286,028	635,918	450,918	596,038
Total	\$ 147,770	\$ 309,283	\$ 700,752	\$ 515,752	\$ 621,757

Changes in Budget

- ❖ \$80,000 decrease from the FY16/17 budget and \$106,000 increase from the FY16/17 projected
- ❖ Supplies are expected to decrease due to the one-time purchase of recreation supplies in FY16/17.
- ❖ Other Services and Charges is expected to decrease from FY16/17 budget primarily due to less planned Grant Matching in FY17/18; offset by an increase of nearly \$20,000 in Neighborhood Projects.

Park Grounds Maintenance

Parks Ground Maintenance - Goals

- ❖ 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.

General Fund Expenditures

Other Functions

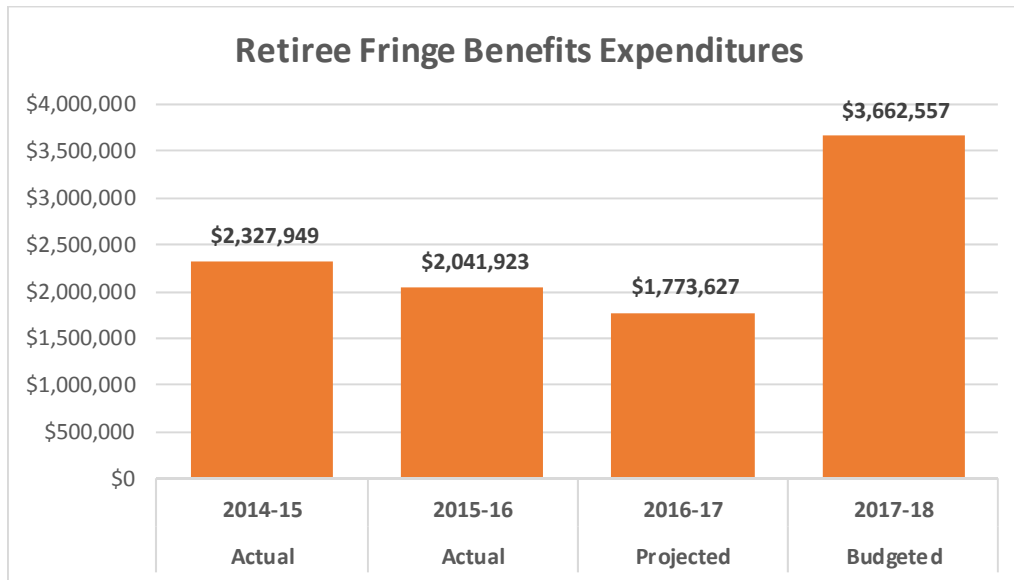
Operations under this category include funding for retiree pension and insurance benefits.

The Other functions for the General Fund represents 10% of the total expenditures or approximately \$3.7 million of the total budget for FY17/18. 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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 2,327,949	\$ 2,041,923	\$ 1,773,627	\$ 1,773,627	\$ 3,662,557
Total	<u>\$ 2,327,949</u>	<u>\$ 2,041,923</u>	<u>\$ 1,773,627</u>	<u>\$ 1,773,627</u>	<u>\$ 3,662,557</u>

Changes in Budget

- ❖ The total budget increase from FY16/17 budget and projection of \$1.9 million consists of an additional \$640,000 contribution to the Police and Fire Pension Retirement Plan and a planned contribution to the OPEB Trust of \$1,250,000 as may be required by a tentative settlement with the City's retirees.

General Fund Expenditures

Transfers

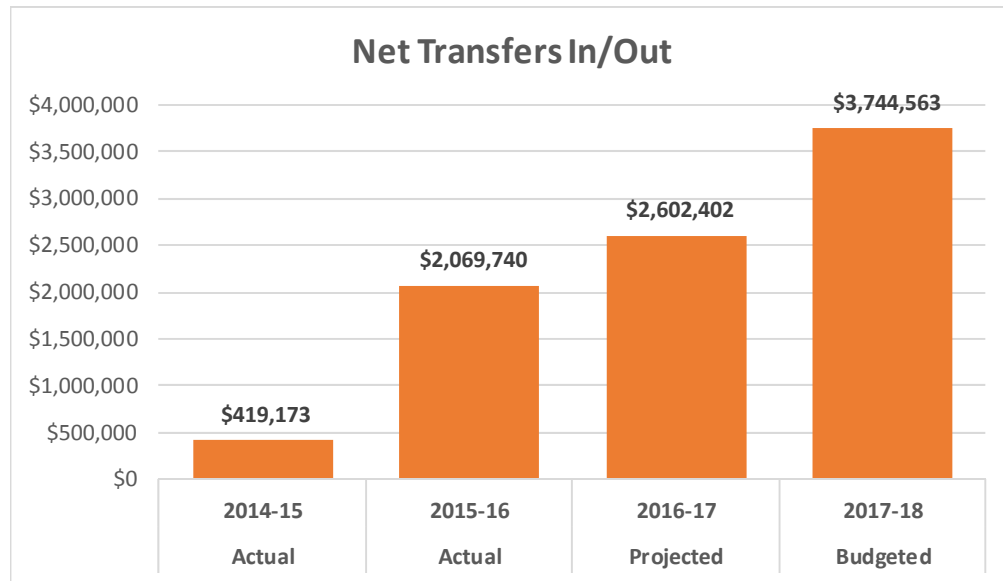
The General Fund transfers money to other Funds to support and subsidize activities that do not generate enough revenue to cover their own costs. This includes transfers out to support the 50th District Court and the Cemetery Fund. The Transfers activity also includes transfers in from other Funds, such as the 50th 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 11% of the total expenditures or approximately \$3.9 million of the total budget for FY17/18. 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

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	<u>Actual</u>	<u>Actual</u>	<u>Budgeted</u>	<u>Projected</u>	<u>Budgeted</u>
Interfund Transfers In	\$ (203,801)	\$ (248,303)	\$ (240,000)	\$ (210,500)	\$ (220,000)
Interfund Transfers out	622,974	2,318,043	2,812,902	2,812,902	3,964,563
Total	<u>\$ 419,173</u>	<u>\$ 2,069,740</u>	<u>\$ 2,572,902</u>	<u>\$ 2,602,402</u>	<u>\$ 3,744,563</u>

Transfers In

- ❖ \$20,000 transfer from the District Court for Parking Fines that belong to the General Fund.
- ❖ \$200,000 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

- ❖ \$100,000 transfer to the Cemetery Fund to fund repairs and operation of the City's cemeteries.
- ❖ \$1,414,000 transfer to the District Court Fund to cover expenditures in excess of revenue.
- ❖ \$2 million transfer to the Major and Local Street Funds for road improvements.
- ❖ \$400,000 transfer to the Youth Recreation Fund for a building lease

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Special Revenue Funds

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Major Street Fund

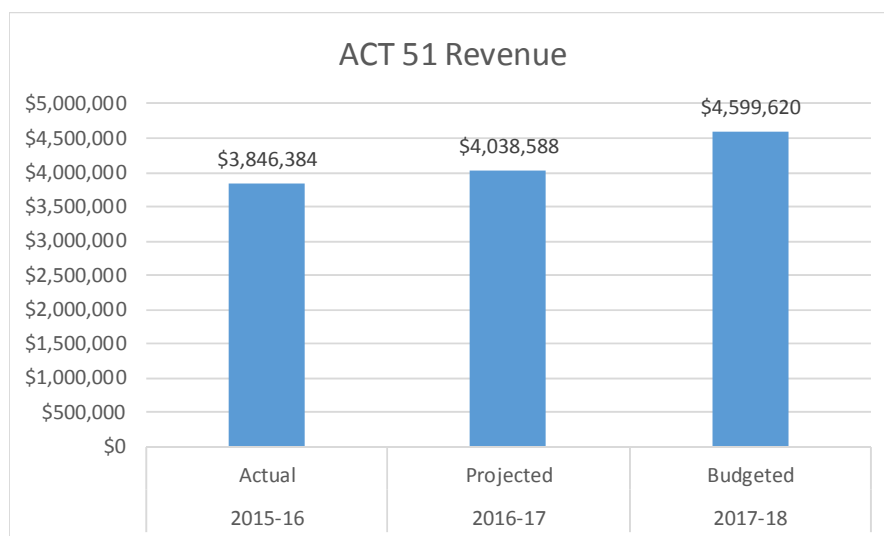
The mission of the Major Street Fund is to maintain the major road system and rights-of-way in such a manner as to ensure safety for vehicular and pedestrian traffic, as well as to present an attractive roadside environment in accordance with State Act 51 of the Public Acts of 1951 as amended.

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. For FY2017/18, Pontiac is expected to receive \$4,600,000 in ACT 51 major road monies, which is an increase of \$561,000 or 14% from FY2016/17.

The General Fund is transferring \$500,000 and the Capital Projects Fund is transferring \$1 million to the Major Street Fund for road improvement projects. The remaining revenue of \$20,000 in the Major Street Fund is from investment earnings and miscellaneous revenue.

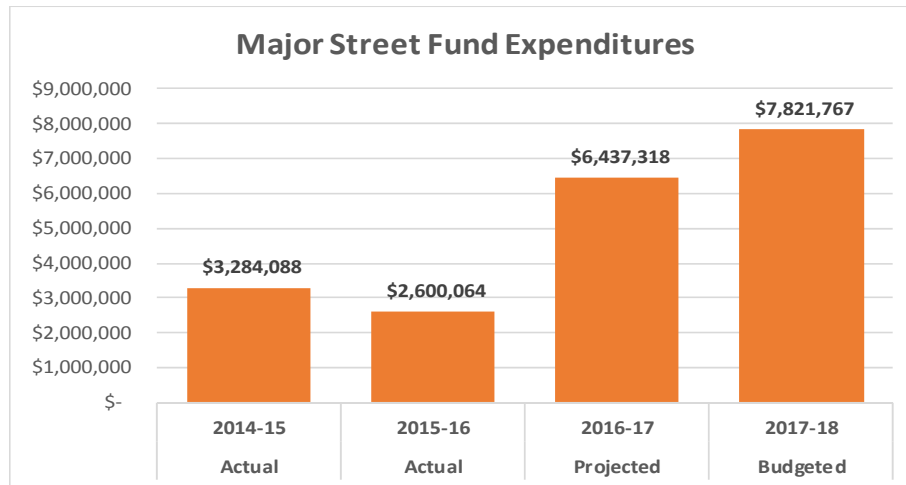


Major Street Fund (Continued)

Major Street Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Charges for Service	\$ 170,696	\$ 5,471	\$ -
State Grants	3,846,384	4,038,588	4,599,620
Other Revenue	29,242	444,896	-
Interest and Rents	16,235	13,169	20,000
Total Budgeted Revenue Sources	4,062,557	4,502,124	4,619,620
<u>Proposed Appropriations</u>			
Non Motorized	-	75,000	75,000
Road Construction	490,029	600	70,600
Public Works Operations	326,000	396,000	309,330
Street Preservation	670,406	4,851,069	6,059,082
Traffic Services	286,777	371,022	380,562
Winter Maintenance	355,852	272,627	456,193
Total Budgeted Expenditures	2,129,064	5,966,318	7,350,767
Budgeted Net Revenue (Expenditures)	1,933,493	(1,464,194)	(2,731,147)
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	200,000	-	1,500,000
Transfers (Out) and Other Financing Sources	(471,000)	(471,000)	(471,000)
Total Other Financing Sources	(271,000)	(471,000)	1,029,000
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	2,954,227	4,616,720	2,681,526
Change in Fund Balance	1,662,493	(1,935,194)	(1,702,147)
Ending Fund Balance June 30	\$ 4,616,720	\$ 2,681,526	\$ 979,379
<u>Financial Position</u>			
Restricted	4,616,720	2,681,526	979,379
Ending Fund Balance June 30	\$ 4,616,720	\$ 2,681,526	\$ 979,379

Major Street Fund (Continued)



FINANCIAL SUMMARY - Major Street Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 32,465	\$ 45,653	\$ 60,799	\$ 60,797	\$ 155,037
Supplies	195,210	83,842	331,266	331,266	307,500
Other Services and Charges	1,783,614	1,581,275	2,141,007	1,962,597	1,879,230
Capital Outlay	801,699	418,294	5,981,758	3,611,658	5,009,000
Transfers Out	471,100	471,000	471,000	471,000	471,000
Total	\$ 3,284,088	\$ 2,600,064	\$ 8,985,830	\$ 6,437,318	\$ 7,821,767

Changes in Budget

- ❖ Decrease of \$1,164,000 from the FY16/17 budget and \$1,384,000 increase from FY16/17 projected.
- ❖ Increase in Personnel Services is related to an increase in the Engineer's salary for construction projects
- ❖ 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 FY17/18 for a total of \$5 million:
 - N. Saginaw (\$500,000). Saginaw, north of the Loop, had a PASER rating of 2 in 2013.
 - City contribution to repair Opdyke Road as part of the Tri-Party program (\$100,000).
 - Centerpointe Turnarounds (\$390,000). 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.
 - Hill Street (\$555,000) Resurfacing of Hill Street between Auburn Road and Pike Street. Hill Street had a PASER rating of poor in 2014.

Major Street Fund (Continued)

- Joslyn (\$2,000,000). 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.
- Orchard Lake Rd (\$1,464,000) Concrete slab replacement, joint repairs and patching on Orchard Lake between Voorheis and Woodward.
- ❖ The Major Street Fund is expected to use \$1.7 million in fund balance on road construction projects for FY17/18. The ending fund balance at June 30, 2018 is planned to be \$980,000 or 13% of expenditures. This is a 65% decrease from the FY16/17 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

- ❖ 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 (PDA #4.5).
- ❖ Utilize City PASER street condition assessment to guide public street improvements (PDA# 2.3).
- ❖ Participate in the "Healthy Pontiac - We can" complete streets study and assist with completing the streets ordinance (PDA #1.5).

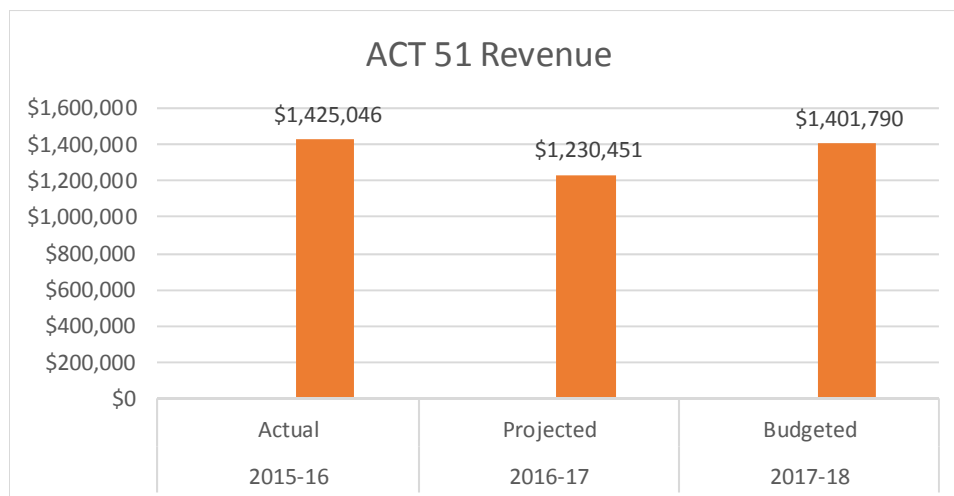
Local Street Fund

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. For FY2017/18, Pontiac is expected to receive \$1,400,000 in ACT 51 monies, which is an increase of \$170,000 or 14% from FY2016/17.

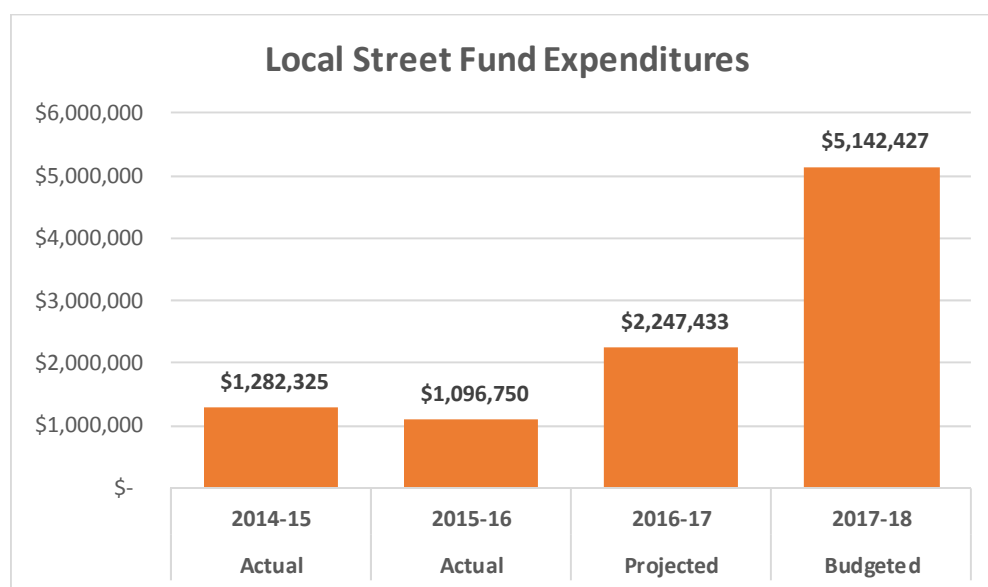


Local Street Fund (Continued)

Local Street Fund Budgeted Financial Summary

	2015-16	2016-17	2017-18
	Actual	Projected	Budgeted
<u>Estimated Revenue Source</u>			
State Grants	\$ 1,425,046	\$ 1,230,451	\$ 1,401,790
Interest and Rents	8,299	11,217	12,500
Total Budgeted Revenue Sources	1,433,345	1,241,668	1,414,290
<u>Proposed Appropriations</u>			
Non Motorized	-	150,000	75,000
Road Construction	207,692	171,119	700
Public Works Operations	100,000	130,000	120,623
Street Preservation	664,434	1,543,402	4,704,099
Winter Maintenance	90,107	166,789	197,005
Traffic Control	34,517	86,123	45,000
Total Budgeted Expenditures	1,096,750	2,247,433	5,142,427
Budgeted Net Revenue (Expenditures)	336,595	(1,005,765)	(3,728,137)
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	471,000	1,471,000	2,021,000
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	471,000	1,471,000	2,021,000
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	2,265,707	3,073,302	3,538,537
Change in Fund Balance	807,595	465,235	(1,707,137)
Ending Fund Balance June 30	\$ 3,073,302	\$ 3,538,537	\$ 1,831,400
<u>Financial Position</u>			
Restricted	3,073,302	3,538,537	1,831,400
Ending Fund Balance June 30	\$ 3,073,302	\$ 3,538,537	\$ 1,831,400

Local Street Fund (Continued)



FINANCIAL SUMMARY - Local Street Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 33,234	\$ 77,776	\$ 87,821	\$ 87,821	\$ 221,860
Supplies	34,785	32,403	183,539	171,539	103,000
Other Services and Charges	1,052,850	779,496	1,573,037	1,585,037	1,433,623
Capital Outlay	161,456	207,075	1,292,536	403,036	3,383,944
Transfers Out	-	-	-	-	-
Total	\$ 1,282,325	\$ 1,096,750	\$ 3,136,933	\$ 2,247,433	\$ 5,142,427

Changes in Budget

- ❖ Increase of \$2 million from the FY16/17 budget and \$2.9 million from the FY16/17 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 FY17/18 for a total of \$3.4 million:
 - Terry, near Dresden: (\$375,200) Had a PASER rating of Poor in 2014.
 - Michigan: (\$1,422,744) Mill and overlay with curb repair on Michigan between M-59 and Eastway.
 - Irwin: (\$610,000) Mill and resurface with curb repair of Irwin between Sanford and Martin Luther King Jr. Boulevard.
 - Kettering: (\$976,000) Mill and overlay.
- ❖ The Local Street Fund is expected to use \$1.7 million in fund balance on road construction projects for FY17/18. The ending fund balance at June 30, 2018 is planned to be \$1.8 million or 53% of expenditures. This is a 47% decrease from the FY16/17 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)

Local Street Fund - Goals

- ❖ 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 (PDA #4.5)
- ❖ Utilize City PASER street condition assessment to guide public street improvements (PDA# 2.3)
- ❖ Participate in the “Healthy Pontiac - We can” complete streets study and assist with completing the streets ordinance (PDA #1.5)

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 delay levying the millage until 2018.

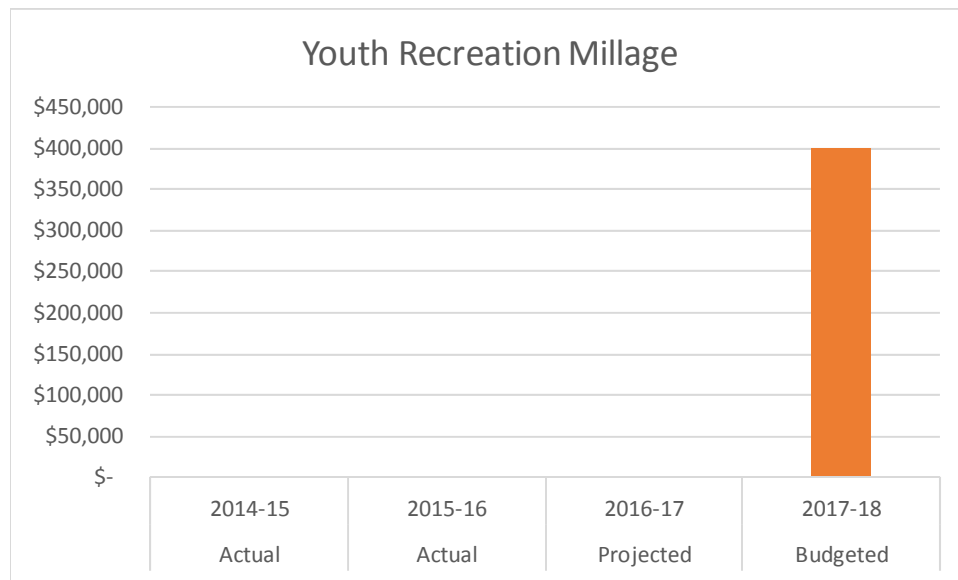
Youth Recreation Fund Revenue

The City of Pontiac is not levying any mills for FY17/18. The Youth Recreation Fund is expecting a \$400,000 transfer from the General Fund.

Youth Recreation Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ -	\$ -	\$ -
Total Budgeted Revenue Sources	-	-	-
<u>Proposed Appropriations</u>			
Recreation and Facilities	-	-	291,944
Youth Sports	-	-	108,056
Total Budgeted Expenditures	-	-	400,000
Budgeted Net Revenue (Expenditures)	-	-	(400,000)
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	-	-	400,000
Total Other Financing Sources	-	-	400,000
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	-	-	-
Change in Fund Balance	-	-	-
Ending Fund Balance June 30	\$ -	\$ -	\$ -
<u>Financial Position</u>			
Restricted	-	-	-

Youth Recreation Fund (Continued)



FINANCIAL SUMMARY - Youth Recreation

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel	\$ -	\$ -	\$ -	\$ -	\$ 91,944
Supplies	-	-	-	-	100,000
Other Services and Charges	-	-	-	-	138,056
Capital Outlay	-	-	-	-	70,000
Total	\$ -	\$ -	\$ -	\$ -	\$ 400,000

Changes in Budget

- ❖ The Youth Recreation fund budget will be \$400,000. The funds will be used for the following:
 - Hire a Youth Recreation manager
 - Purchase recreation equipment
 - Start Youth Sports programs
 - Building utilities and maintenance.
 - Lease buildings for the youth recreation program.
 - Capital Outlay purchase for one pick-up truck
- ❖ The FY17/18 budget is projected to have no fund balance at June 30, 2018.

Cemetery Fund

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

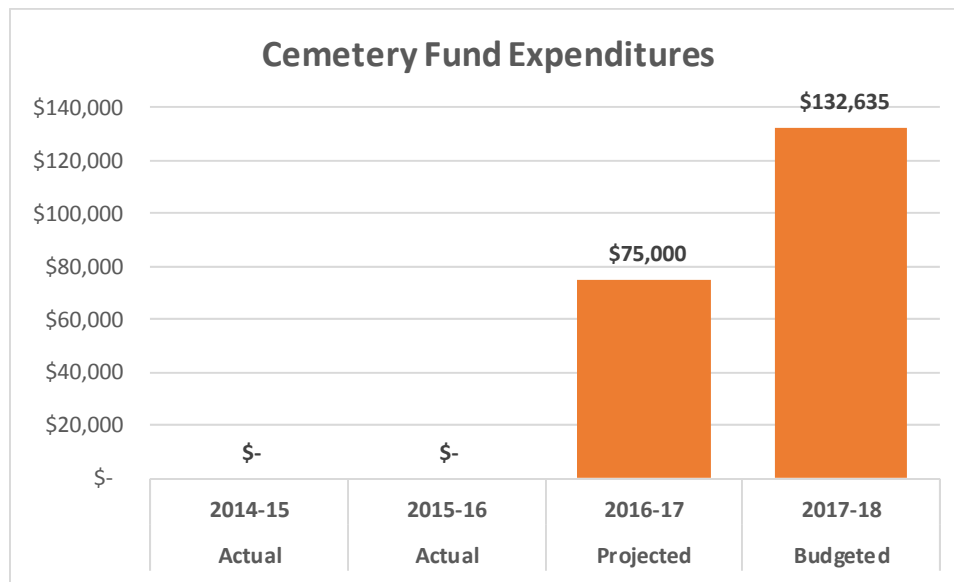
Cemetery Fund Revenue

Starting in FY16/17, the City of Pontiac appropriated \$250,000 from the General Fund for the Cemetery to a separate special revenue fund. Under the current contract, the City is responsible for repairing all items in disrepair. The entire amount of the revenue for this fund is from the General Fund. The General Fund is expected to transfer \$100,000 for FY17/18.

Cemetery Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
REVENUE BY SOURCE			
Transfers In	\$ -	\$ 250,000	\$ 100,000
Total Budgeted Revenue Sources	-	250,000	100,000
<u>Proposed Appropriations</u>			
Supplies	-	5,000	5,000
Other Expenditures	-	70,000	127,635
Total Budgeted Expenditures	-	75,000	132,635
Budgeted Net Revenue (Expenditures)	-	175,000	(32,635)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	-	-	175,000
Change in Fund Balance	-	175,000	(32,635)
Ending Fund Balance June 30	\$ -	\$ 175,000	\$ 142,365
<u>Financial Position</u>			
Committed		175,000	142,365
Ending Fund Balance June 30	\$ -	\$ 175,000	\$ 142,365

Cemetery Fund (Continued)



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.

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

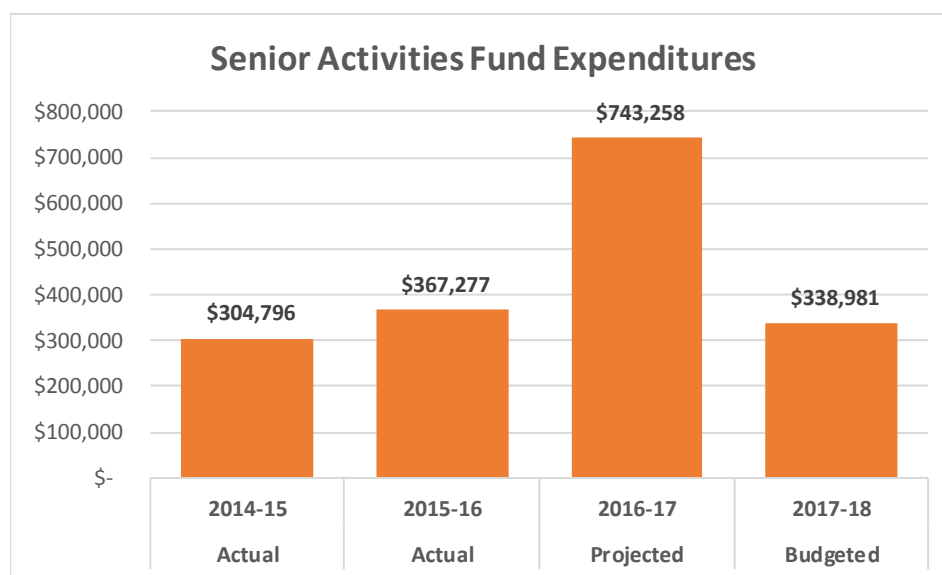
The Senior Activities Fund is used to account for property tax revenue levied specifically for the operation of facilities that primarily benefit senior citizens. The City funds operations at the Ruth Peterson and Robert Bowen senior centers. This millage was originally approved by voters on November 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 \$300,000 for FY17/18. This is a 5.3% increase from the FY16/17 projection. The property taxes also include reimbursement from the State of Michigan for the Small Taxpayer Exemption Loss (STEL). The remaining 5% of the revenue is from investment income and rental income from the Senior Centers.

Senior Activities Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ 299,586	\$ 285,586	\$ 300,765
Other Revenue	400	-	-
Interest and Rents	19,647	9,600	17,500
Total Budgeted Revenue Sources	319,633	295,186	318,265
<u>Proposed Appropriations</u>			
CHDO Operating	-	-	52
Ruth Peterson Senior Center	180,011	406,836	163,739
Bowen Senior Citizen Center	187,266	336,422	175,190
Total Budgeted Expenditures	367,277	743,258	338,981
Budgeted Net Revenue (Expenditures)	(47,644)	(448,072)	(20,716)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	1,007,874	960,230	512,158
Change in Fund Balance	(47,644)	(448,072)	(20,716)
Ending Fund Balance June 30	\$ 960,230	\$ 512,158	\$ 491,442
<u>Financial Position</u>			
Nonspendable	382	-	-
Restricted	959,848	512,158	491,442
Ending Fund Balance June 30	\$ 960,230	\$ 512,158	\$ 491,442

Senior Activities Fund (Continued)



FINANCIAL SUMMARY - Senior Activities Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 97,196	\$ 131,754	\$ 148,699	\$ 147,915	\$ 143,829
Supplies	9,107	13,785	22,016	24,546	14,300
Other Services and Charges	198,166	221,738	251,999	213,557	180,852
Capital Outlay	327	-	332,240	357,240	-
Total	<u>\$ 304,796</u>	<u>\$ 367,277</u>	<u>\$ 754,954</u>	<u>\$ 743,258</u>	<u>\$ 338,981</u>

Changes in Budget

- ❖ \$416,000 decrease from the FY16/17 budget and \$404,000 decrease from the FY16/17 projection.
- ❖ There is no capital outlay planned for FY17/18. FY16/17 included one-time improvements to Bowen parking lot replacement, Ruth Center parking lot replacement and the Ruth Center roof repairs.
- ❖ Less than a \$10,000 decrease in Personnel Services due to less maintenance wages for FY17/18 offset by base wage increases.
- ❖ Supplies have been reduced by \$10,000 due to no planned computer equipment replacement and less janitorial supplies anticipated.
- ❖ Other Services and Charges is being reduced due to less planned building maintenance; offset by an increase in Administrative support charges from the General Fund and increase Property Insurance
- ❖ The FY15/16 ending fund balance included \$382 in non-spendable fund balance for prepaid expenses.
- ❖ The FY16/17 budget is projecting to use nearly \$450,000 or 47% of the fund balance for necessary capital projects at the senior centers.
- ❖ The FY17/18 budget is projected to have an ending fund balance at June 30, 2018 of \$491,000, which is a reduction of \$21,000 or 4%. 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)

Senior Activities Fund - Goals

- ❖ Increase usage of the Senior Centers with more classes.
- ❖ Enhance/expand existing Case Management services for the elderly population.
- ❖ Create new collaborative programs with facilities outside of the physical Senior Centers.

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.

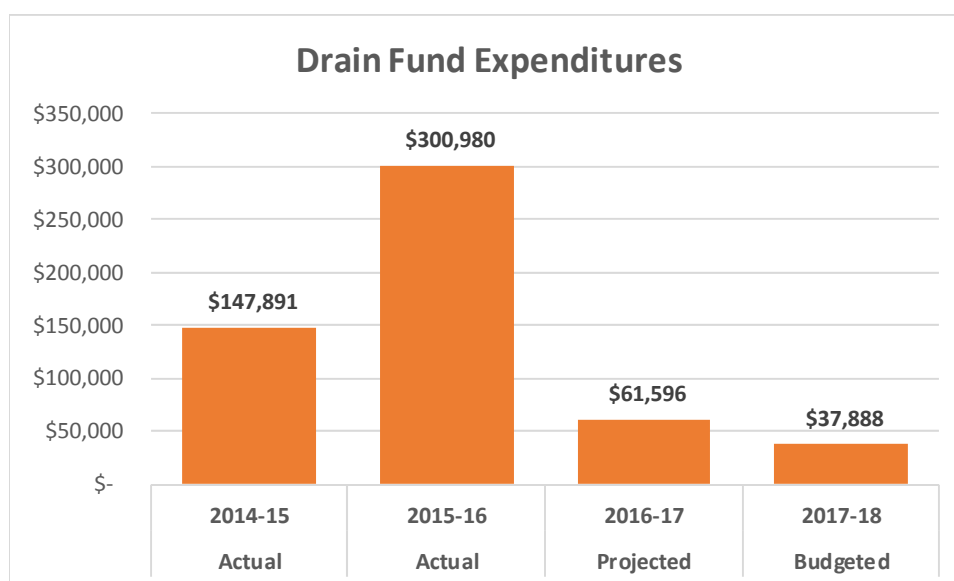
Chapter 20 Drain Fund Revenue

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, 2018 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

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ 11	\$ -	\$ -
Interest and Rents	1,134	144	-
Total Budgeted Revenue Sources	1,145	144	-
<u>Proposed Appropriations</u>			
Stormwater Permit Activity	300,980	61,596	37,888
Total Budgeted Expenditures	300,980	61,596	37,888
 Budgeted Net Revenue (Expenditures)	 (299,835)	 (61,452)	 (37,888)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	399,173	99,340	37,888
Change in Fund Balance	(299,835)	(61,452)	(37,888)
Ending Fund Balance June 30	\$ 99,340	\$ 37,888	\$ -
<u>Financial Position</u>			
Restricted	99,340	37,888	-
Ending Fund Balance June 30	\$ 99,340	\$ 37,888	\$ -

Chapter 20 Drain Fund (Continued)



FINANCIAL SUMMARY - Drain Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Supplies	\$ 9,941	\$ 11,731	\$ -	\$ -	\$ -
Other Services and Charges	137,950	289,249	100,000	61,596	37,888
Total	\$ 147,891	\$ 300,980	\$ 100,000	\$ 61,596	\$ 37,888

Changes in Budget

- ❖ \$62,000 decrease from the FY16/17 budget and \$24,000 decrease from the FY17/18 projected.
- ❖ The FY17/18 budget includes spending 100% of the fund balance of \$38,000 by June 30, 2018 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

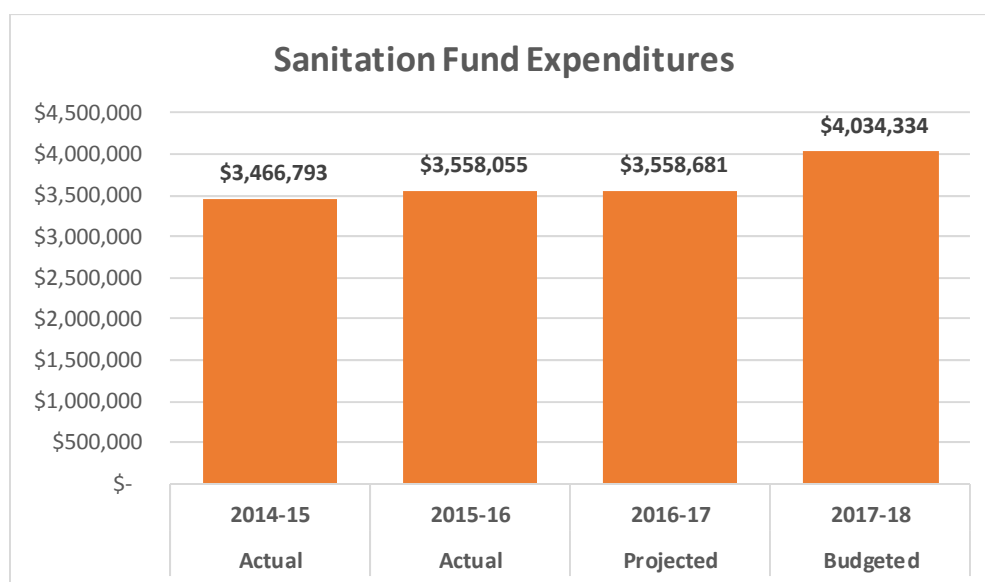
The Charges for Services represent 51% of the revenue for the Sanitation Fund. The remaining 48% represents the Property Tax levy. The user fee and property tax levy is calculated in an effort to cover all expenditures.

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, 2016 was \$2,517,000.

Sanitation Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	1,632,698	1,562,487	1,630,474
Charges for Services	2,338,669	2,301,064	1,765,000
Interest and Rents	11,244	10,700	11,000
Total Budgeted Revenue Sources	3,982,611	3,874,251	3,406,474
<u>Proposed Appropriations</u>			
Public Works	3,558,055	3,558,681	4,034,334
Total Budgeted Expenditures	3,558,055	3,558,681	4,034,334
Budgeted Net Revenue (Expenditures)	424,556	315,570	(627,860)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	4,780,874	5,205,430	5,521,000
Change in Fund Balance	424,556	315,570	(627,860)
Ending Fund Balance June 30	5,205,430	5,521,000	4,893,140
<u>Financial Position</u>			
Nonspendable	41	-	-
Restricted-Landfill Closure	2,516,834	2,466,834	2,316,834
Restricted	2,688,555	3,054,166	2,576,306
Ending Fund Balance June 30	\$ 5,205,430	\$ 5,521,000	\$ 4,893,140

Sanitation Fund (Continued)



FINANCIAL SUMMARY - Sanitation Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 30,068	\$ 32,540	\$ 41,239	\$ 41,239	\$ 33,434
Supplies	4,105	3,573	11,261	6,761	4,790
Other Services and Charges	3,432,620	3,521,942	4,123,081	3,510,681	3,996,110
Total	\$ 3,466,793	\$ 3,558,055	\$ 4,175,581	\$ 3,558,681	\$ 4,034,334

Changes in Budget

- ❖ \$141,000 decrease from the FY16/17 budget and \$475,000 increase from the FY16/17 projected.
- ❖ The FY17/18 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 FY16/17 projection. The FY16/17 budget included increased contract costs that never materialized.
- ❖ The FY17/18 budget also includes funds to be expended on the Collier Road Landfill Closure per MDEQ requirements of \$200,000. This is a \$150,000 increase from FY16/17 projection.
- ❖ The FY16/17 fund balance is projected to increase \$316,000 or 6% for a total ending fund balance of \$5,521,000. The restricted portion for the landfill closure will be reduced by \$50,000 to \$2,467,000.
- ❖ The FY17/18 is planning to use \$628,000 of fund balance or 11%. \$200,000 of the use of fund balance will be from the restricted portion of fund balance for the landfill closure. At June 30, 2018 the portion of fund balance restricted for the landfill closure is projected to be \$2,317,000. 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.

Cable Fund

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.

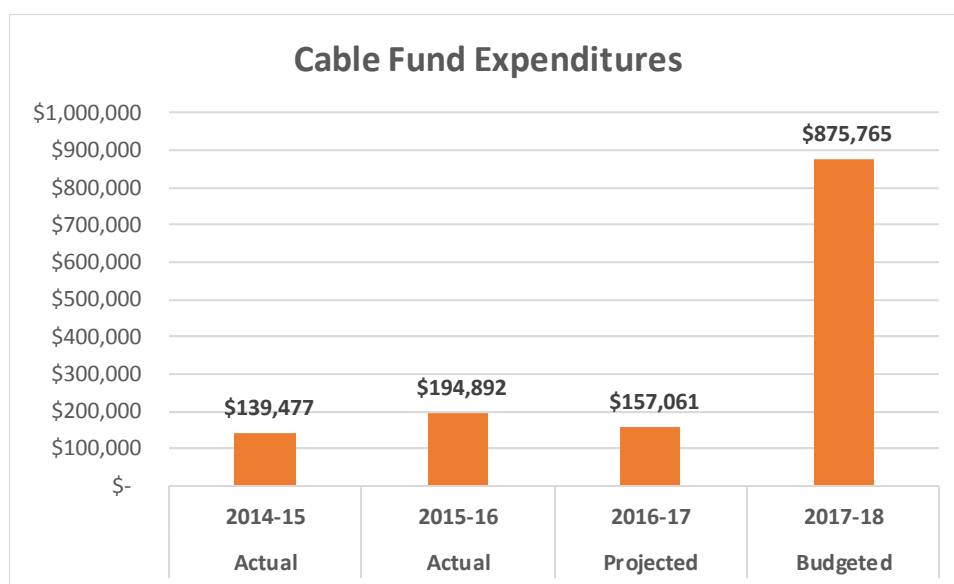
Cable Fund Revenue

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 \$170,000 for FY17/18, which is \$4,000 higher than FY16/17. The Cable Fund is also expecting \$2,500 of investment earnings.

Cable Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Charges for Services	\$ 190,934	\$ 166,000	\$ 170,000
Interest and Rents	2,954	2,100	2,500
Total Budgeted Revenue Sources	193,888	168,100	172,500
<u>Proposed Appropriations</u>			
General Government	194,892	157,061	875,765
Total Budgeted Expenditures	194,892	157,061	875,765
Budgeted Net Revenue (Expenditure)	(1,004)	11,039	(703,265)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	1,097,907	1,096,903	1,107,942
Change in Fund Balance	(1,004)	11,039	(703,265)
Ending Fund Balance June 30	\$ 1,096,903	\$ 1,107,942	\$ 404,677
<u>Financial Position</u>			
Nonspendable	186	-	-
Restricted	1,096,717	1,107,942	404,677
Ending Fund Balance June 30	\$ 1,096,903	\$ 1,107,942	\$ 404,677

Cable Fund (Continued)



FINANCIAL SUMMARY - Cable Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 87,818	\$ 88,562	\$ 95,762	\$ 95,762	\$ 96,430
Supplies	19,937	5,557	17,208	17,208	18,000
Other Services and Charges	28,705	92,574	24,091	24,091	33,761
Capital Outlay	3,017	8,199	747,571	20,000	727,574
Total	\$ 139,477	\$ 194,892	\$ 884,632	\$ 157,061	\$ 875,765

Changes in Budget

- ❖ \$9,000 decrease from the FY16/17 budget and \$719,000 increase from FY16/17 projected.
- ❖ The FY17/18 budget includes \$727,000 of capital for cable studio enhancements and video equipment replacement that was budgeted in FY16/17, however, is planned to be completed in FY17/18.
- ❖ The FY17/18 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 FY15/16 ending fund balance included \$186 of non-spendable fund balance for prepaid expenses
- ❖ The FY16/17 budget is projected to increase fund balance 1% or \$11,000 to \$1,107,942.
- ❖ The FY17/18 budget includes spending 63% of the fund balance or \$703,000 by June 30, 2018 on necessary capital expenditures for the cable studio. The ending fund balance of \$405,000 or 46% of operating expenditures, is above the minimum required 15% of expenditures per the City's adopted fund balance policy.

Building Fund

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.

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.

Building Fund (Continued)

Building Fund Revenue

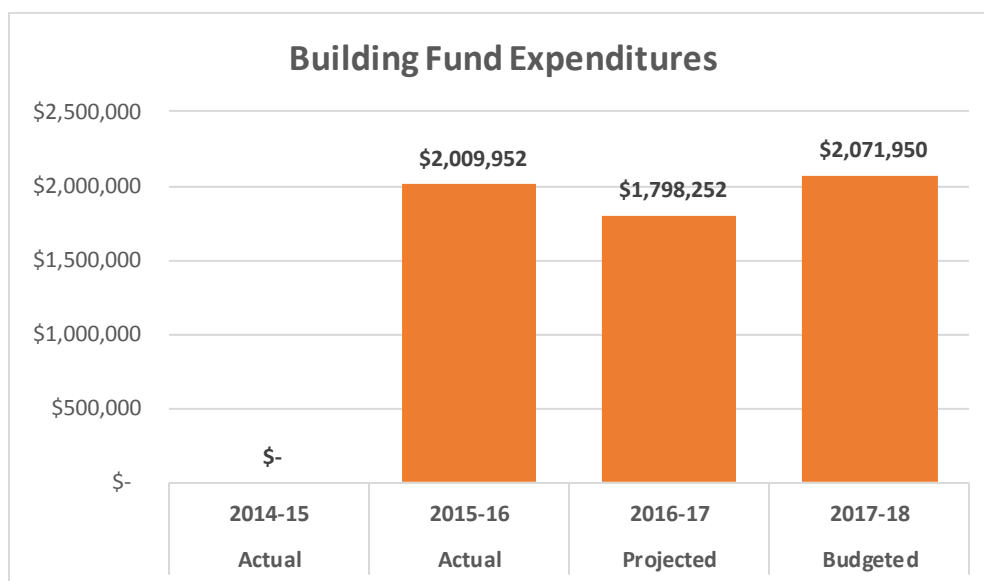
The Building Fund is supported by user fees paid by applicants for construction code permits, rental inspections, and business licenses. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. The City accounts for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

The license and permit revenue represents over 95% of the revenue for the Building Fund. The remaining 5% 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. The City is expecting additional development in FY17/18, which is reflective in the additional permit revenue.

Building Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Licenses and Permits	2,265,917	1,510,600	2,011,700
Charges for Services	75,778	60,750	60,000
Interest and Rents	1,123	345	250
Total Budgeted Revenue Sources	2,342,818	1,571,695	2,071,950
<u>Proposed Appropriations</u>			
Personnel Services	-	-	-
Supplies	34,613	26,472	27,000
Other Services and Charges	1,975,339	1,771,780	2,044,950
Total Budgeted Expenditures	2,009,952	1,798,252	2,071,950
Budgeted Net Revenue (Expenditures)	332,866	(226,557)	-
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	-	112,902	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	-	112,902	-
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	-	332,866	219,211
Change in Fund Balance	332,866	(113,655)	-
Ending Fund Balance June 30	\$ 332,866	\$ 219,211	\$ 219,211
<u>Financial Position</u>			
Nonspendable	144	-	-
Restricted	332,722	219,211	219,211
Ending Fund Balance June 30	\$ 332,866	\$ 219,211	\$ 219,211

Building Fund (Continued)



FINANCIAL SUMMARY - Building Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Supplies	\$ -	\$ 34,613	\$ 39,500	\$ 26,472	\$ 27,000
Other Services and Charges	-	1,975,339	1,913,502	1,771,780	2,044,950
Total	\$ -	\$ 2,009,952	\$ 1,953,002	\$ 1,798,252	\$ 2,071,950

Changes in Budget

- ❖ \$119,000 increase from the FY16/17 Budget and \$274,000 increase from FY16/17 projected.
- ❖ Other services and charges includes the professional services of Wade Trim for Building Department Inspection and Management. Wade Trim, the current contract for building services, has submitted a proposal for increased contract fees.
- ❖ The FY15/16 ending fund balance included \$144 of non-spendable fund balance for prepaid expenses
- ❖ The FY16/17 budget is projected to use 34% of fund balance or \$114,000. Projected revenue for FY16/17 is less than budgeted and not sufficient to meet operating expenditures.
- ❖ The FY17/18 budget includes spending no fund balance. The revenue for the building department is expected to cover the cost of the building department for FY17/18 and the General Fund is not planning to transfer funds to cover the shortage. The ending fund balance of \$219,000 at June 30, 2018 is projected to be 10% 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.

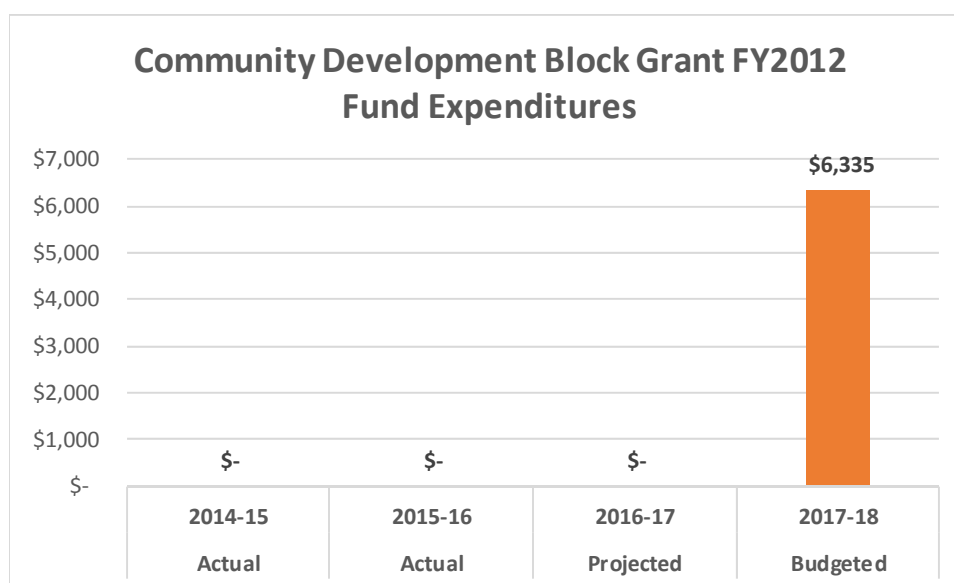
CDBG Fund Revenue

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 \$6,000 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, 2018 and the fund will be closed until such time additional funds become available.

Community Development Block Grant Fund Budgeted Financial Summary

	<u>2015-16 Actual</u>	<u>2016-17 Projected</u>	<u>2017-18 Budgeted</u>
<u>Estimated Revenue Source</u>			
Federal Grants	\$ -	\$ 1,363	\$ -
Other Revenue	-	-	-
Total Budgeted Revenue Sources	-	1,363	-
<u>Proposed Appropriations</u>			
Community and Economic Development	-	-	6,335
Total Budgeted Expenditures	-	-	6,335
Budgeted Net Revenue (Expenditures)	-	1,363	(6,335)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	4,972	4,972	6,335
Change in Fund Balance	-	1,363	(6,335)
Ending Fund Balance June 30	4,972	6,335	-
<u>Financial Position</u>			
Restricted	4,972	6,335	-
Ending Fund Balance June 30	\$ 4,972	\$ 6,335	\$ -

Community Development Block Grant Fund (Continued)



FINANCIAL SUMMARY - Community Development Block Grant - FY2012

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	-	-	-	-	6,335
Total	\$ -	\$ -	\$ -	\$ -	\$ 6,335

Changes in Budget

- ❖ The FY17/18 budget includes \$6,300 of grant eligible expenditures.
- ❖ The FY17/18 budget includes spending 100% of the fund balance of \$6,335 by June 30, 2018 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.

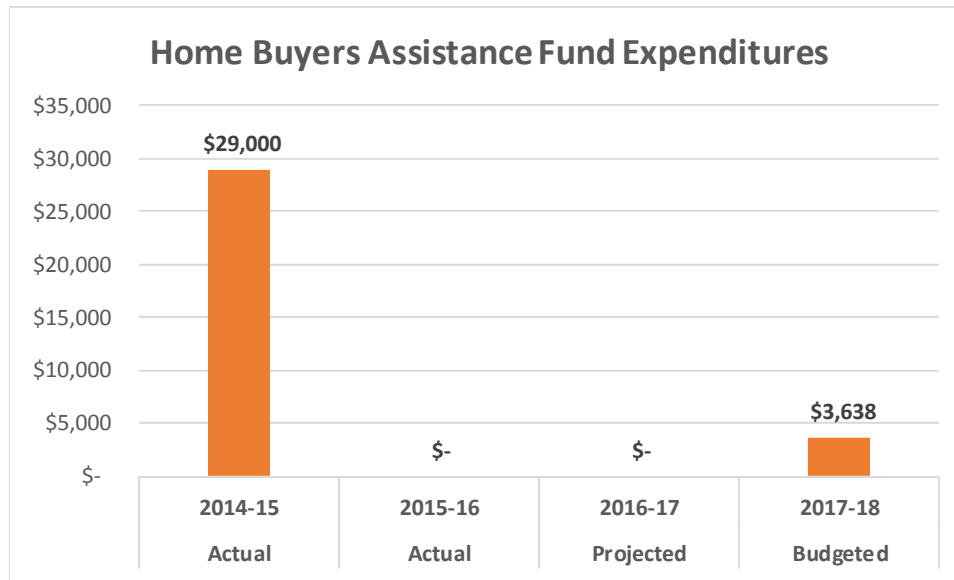
Home Buyers Fund Revenue

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

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Federal Grants	-	-	-
Other Revenue	3,638	-	-
Total Budgeted Revenue Sources	3,638	-	-
<u>Proposed Appropriations</u>			
Community and Economic Development	-	-	3,638
Total Budgeted Expenditures	-	-	3,638
Budgeted Net Revenue (Expenditures)	3,638	-	(3,638)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	-	3,638	3,638
Change in Fund Balance	3,638	-	(3,638)
Ending Fund Balance June 30	\$ 3,638	\$ 3,638	\$ -
<u>Financial Position</u>			
Restricted	3,638	3,638	-
Ending Fund Balance June 30	\$ 3,638	\$ 3,638	\$ -

Home Buyers Assistance Fund (Continued)



FINANCIAL SUMMARY - Home Buyers Assistance Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 29,000	\$ -	\$ -	\$ -	\$ 3,638
Total	\$ 29,000	\$ -	\$ -	\$ -	\$ 3,638

Changes in Budget

- ❖ The FY17/18 budget includes \$3,638 of Home eligible expenditures.
- ❖ The FY17/18 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

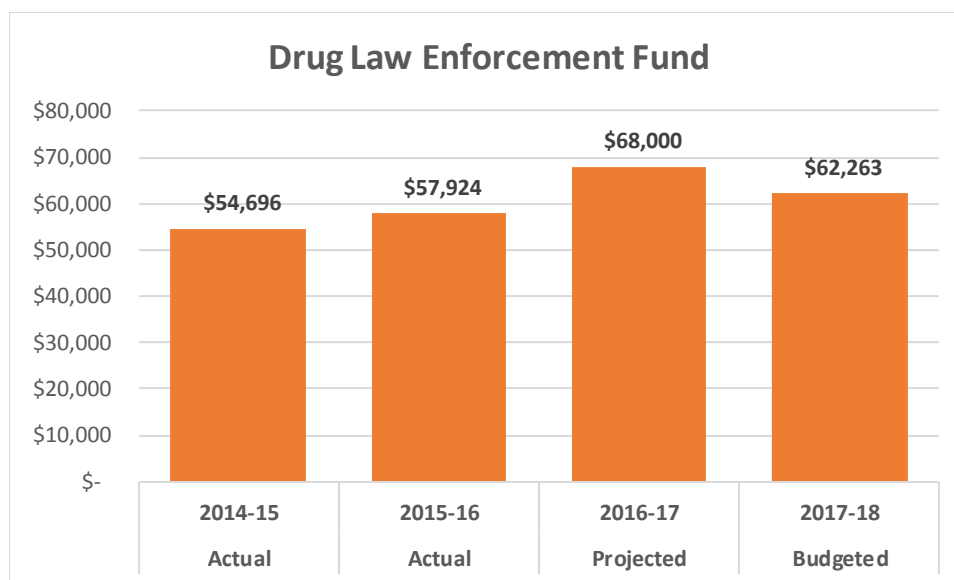
Drug Law Enforcement Fund Revenue

The majority of the revenue in this fund is from forfeits, with a small amount of revenue from interest earnings. FY17/18 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 FY17/18 budget is expecting \$52,000 in Forfeiture revenue, which is an increase of \$12,000 from FY16/17. The last few years have seen an increase each year.

Drug Law Enforcement Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Fines and Forfeits	\$ 35,837	\$ 40,000	\$ 52,000
Charges for Services	-	-	10,000
Interest and Rents	549	-	500
Total Budgeted Revenue Sources	36,386	40,000	62,500
<u>Proposed Appropriations</u>			
Public Safety	57,924	68,000	62,263
Total Budgeted Expenditures	57,924	68,000	62,263
Budgeted Net Revenue (Expenditures)	(21,538)	(28,000)	237
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	266,114	244,576	216,576
Change in Fund Balance	(21,538)	(28,000)	237
Ending Fund Balance June 30	\$ 244,576	\$ 216,576	\$ 216,813
<u>Financial Position</u>			
Restricted	244,576	216,576	216,813
Ending Fund Balance June 30	\$ 244,576	\$ 216,576	\$ 216,813

Drug Law Enforcement Fund (Continued)



FINANCIAL SUMMARY - Drug Law Enforcement Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 54,696	\$ 57,924	\$ 68,000	\$ 68,000	\$ 62,263
Total	<u>\$ 54,696</u>	<u>\$ 57,924</u>	<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 62,263</u>

Changes in Budget

- ❖ The FY17/18 budget includes \$62,000 of public safety expenditures that are related to forfeiture, including fees paid to Oakland County Sheriff department for expenditures related to drug activity.
- ❖ The FY16/17 is projecting to use \$28,000 or 11% of fund balance. The planned drug related expenditures are more than the forfeits projected.
- ❖ The FY17/18 budget is projecting to increase fund balance less than 1% or \$237. This is a direct result of an increase in revenue and a decrease in drug related expenditures. The ending fund balance of \$217,000 is 348% of expenditures, which is above the minimum 15% per the City's adopted fund balance policy.

District Court Fund

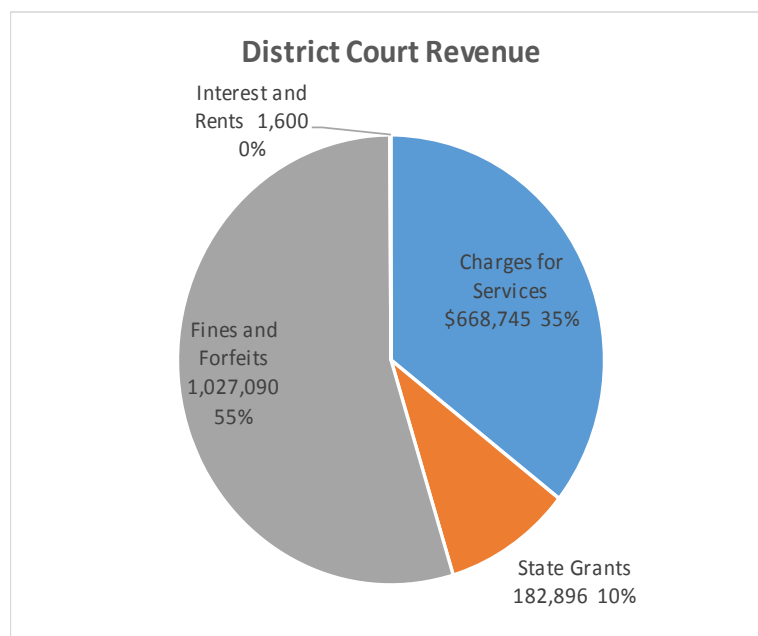
The 50th District Court is a State of Michigan Court which is administered by four elected District Judges who serve 6 year terms. The District Court has jurisdiction of all city ordinance violations and state law misdemeanors. The Court also conducts preliminary examinations of felony cases. In civil 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 1,500 active cases.

District Court Fund Revenue

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 55% 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 \$670,000. 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 \$1.4 million to the Court.

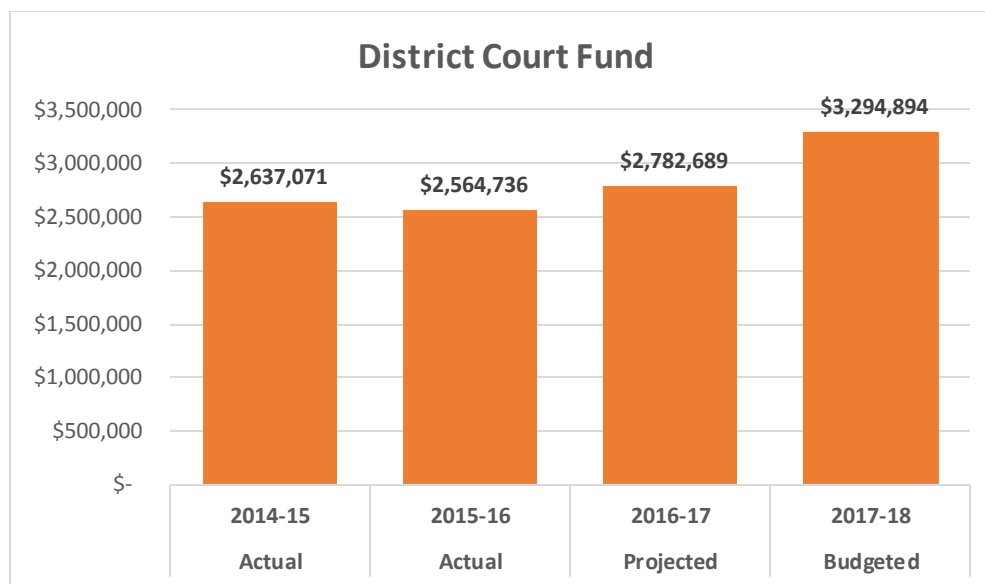


District Court Fund (Continued)

District Court Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Charges for Services	\$ 637,903	\$ 656,749	\$ 668,745
State Grants	182,096	182,896	182,896
Fines and Forfeits	1,083,219	1,021,800	1,027,090
Interest and Rents	1,333	1,200	1,600
Total Budgeted Revenue Sources	1,904,551	1,862,645	1,880,331
<u>Proposed Appropriations</u>			
District Court	2,384,397	2,560,013	3,053,408
Court Probation	159,912	202,676	221,486
Total Budgeted Expenditures	2,544,309	2,762,689	3,274,894
Budgeted Net Revenue (Expenditures)	(639,758)	(900,044)	(1,394,563)
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	618,043	915,151	1,414,563
Transfers (Out) and Other Financing Sources	(20,427)	(20,000)	(20,000)
Total Other Financing Sources	597,616	895,151	1,394,563
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	47,035	4,893	-
Change in Fund Balance	(42,142)	(4,893)	-
Ending Fund Balance June 30	\$ 4,893	\$ -	\$ -
<u>Financial Position</u>			
Nonspendable	4,893	-	-
Ending Fund Balance June 30	\$ 4,893	\$ -	\$ -

District Court Fund (Continued)



FINANCIAL SUMMARY - District Court Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 2,083,035	\$ 2,071,345	\$ 2,221,860	\$ 2,196,238	\$ 2,340,416
Supplies	72,628	80,922	89,767	82,173	91,942
Other Services and Charges	449,928	391,427	466,264	456,878	815,536
Capital Outlay	8,020	615	27,400	27,400	27,000
Transfers Out	23,460	20,427	50,000	20,000	20,000
Total	\$ 2,637,071	\$ 2,564,736	\$ 2,855,291	\$ 2,782,689	\$ 3,294,894

Changes in Budget

- ❖ The FY17/18 budget includes appropriations of nearly \$3,300,000.
- ❖ The District Court Fund includes funding for the District Court judges and administration as required by law.
- ❖ The FY17/18 budget does not include any new personnel or capital items.
- ❖ 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 Fund (Continued)

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

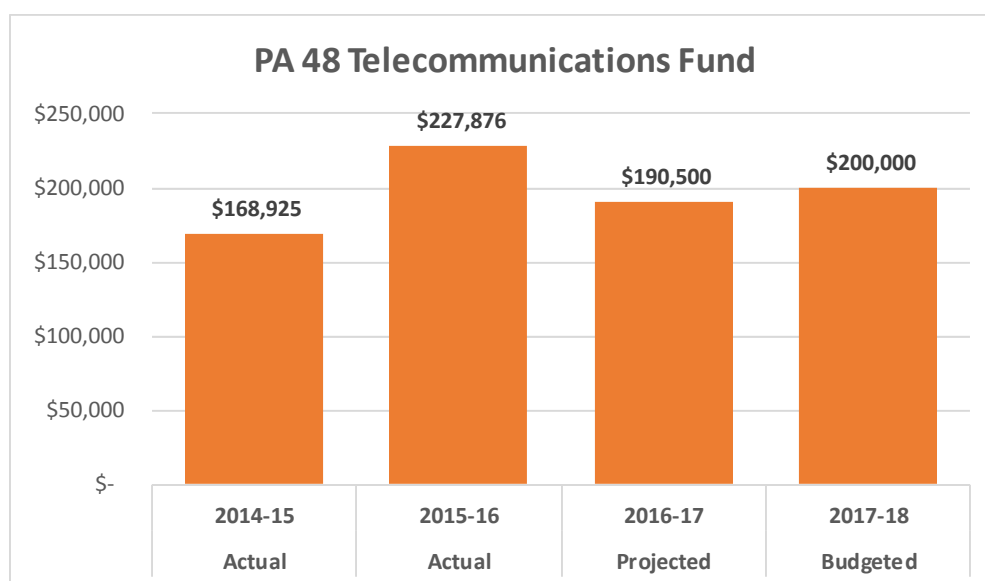
PA 48 Fund Revenue

FY 17/18 is expecting \$200,000 in revenue from the State of Michigan, which is slightly less than FY15/16 actual.

PA-48 TELECOMMUNICATION ALLOCATION FUND Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Licenses and Permits	500	-	-
State Grants	227,876	190,000	200,000
Total Budgeted Revenue Sources	228,376	190,000	200,000
<u>Proposed Appropriations</u>			
Public Works	-	-	-
Total Budgeted Expenditures	-	-	-
Budgeted Net Revenue (Expenditures)	228,376	190,000	200,000
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	-	-	-
Transfers (Out) and Other Financing Sources	(227,876)	(190,500)	(200,000)
Total Other Financing Sources	(227,876)	(190,500)	(200,000)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	-	500	-
Change in Fund Balance	500	(500)	-
Ending Fund Balance June 30	\$ 500	\$ -	\$ -
<u>Financial Position</u>			
Restricted	500	-	-
Ending Fund Balance June 30	\$ 500	\$ -	\$ -

PA-48 Telecommunication Allocation Fund (Continued)



FINANCIAL SUMMARY - PA 48 Telecommunications Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Transfers Out	\$ 168,925	\$ 227,876	\$ 190,000	\$ 190,500	\$ 200,000
Total	<u>\$ 168,925</u>	<u>\$ 227,876</u>	<u>\$ 190,000</u>	<u>\$ 190,500</u>	<u>\$ 200,000</u>

Changes in Budget

- ❖ The FY17/18 budget includes a transfer of \$200,000 to the General Fund to pay for street lighting expense related to public right-of-way. This is an increase of 5% from FY16/17 budget and projection.
- ❖ The FY16/17 and FY17/18 is expected to have zero fund balance. All revenue will be transferred to the General Fund to pay for eligible right-of-way expenditures.

Capital Improvements Fund

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Capital Improvements Fund

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 \$3,100,000 in capital projects in FY 17/18. All of the capital assets for FY17/18 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 FY17/18, there are no assets that are effecting the operating budget.

Capital Improvement Fund Revenue

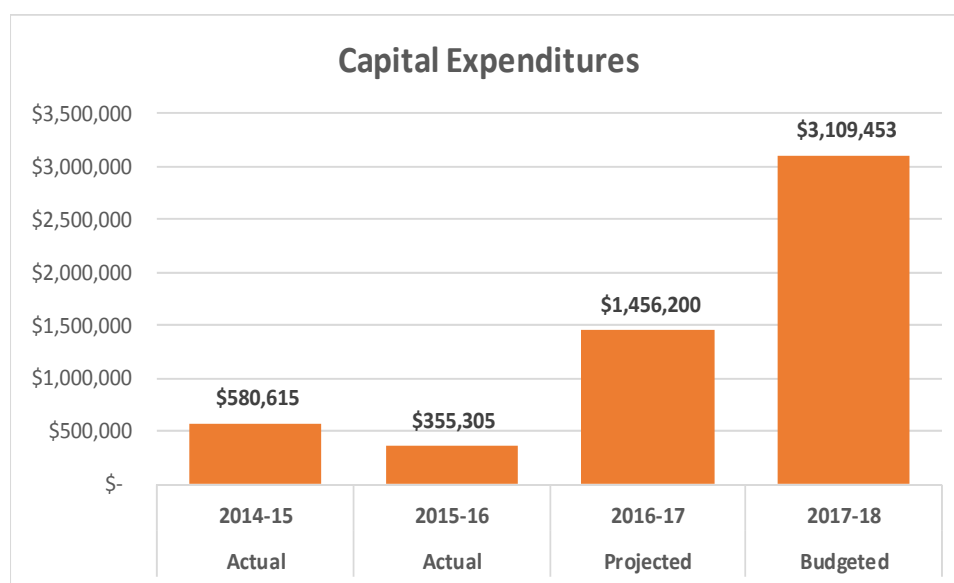
The Pontiac City Charter authorized a millage up to 1.5 mills, however, the millage has been rolled back to 1.4091 due to Proposal A. The FY17/18 is projecting property tax revenue of approximately \$855,000, which is a decrease of \$1,000 from the FY16/17 projection. The millage rate is not expected to change from 2016. 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

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ 857,852	\$ 856,169	\$ 855,155
Interest and Rents	4,614	-	5,000
Total Budgeted Revenue Sources	862,466	856,169	860,155
<u>Proposed Appropriations</u>			
Capital Expense - General Government	67,980	485,000	1,307,500
Capital Expense - Public Safety	-	125,000	160,000
Capital Expense - Public Works	287,325	846,200	641,953
Total Budgeted Expenditures	355,305	1,456,200	2,109,453
Budgeted Net Revenue (Expenditures)	507,161	(600,031)	(1,249,298)
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	1,500,000	650,000	-
Transfers (Out) and Other Financing Sources	-	-	(1,000,000)
Total Other Financing Sources	1,500,000	650,000	(1,000,000)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	661,969	2,669,130	2,719,099
Change in Fund Balance	2,007,161	49,969	(2,249,298)
Ending Fund Balance June 30	\$ 2,669,130	\$ 2,719,099	\$ 469,801
<u>Financial Position</u>			
Nonspendable	-	-	-
Restricted	1,169,130	1,319,099	469,801
Committed	-	-	-
Assigned	1,500,000	1,400,000	-
Unassigned	-	-	-
Ending Fund Balance June 30	\$ 2,669,130	\$ 2,719,099	\$ 469,801

Capital Improvements Fund (Continued)



FINANCIAL SUMMARY - Capital Expenditures Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Capital Outlay	\$ 580,615	\$ 355,305	\$ 2,700,061	\$ 1,456,200	\$ 2,109,453
Transfers Out	-	-	750,000	-	1,000,000
Total	\$ 580,615	\$ 355,305	\$ 3,450,061	\$ 1,456,200	\$ 3,109,453

Changes in Budget

- ❖ FY17/18 budget includes over \$3,100,000 in capital projects.
- ❖ FY15/16 ending fund balance included \$1.5 million in assigned fund balance. These are funds transferred from the General Fund to be used on capital projects. The assigned funds will be transferred to the street funds in FY18/19 and FY19/20 to be used on road construction projects.
- ❖ FY16/17 ending fund balance is expecting \$1.4 million in assigned fund balance and \$1.1 million in restricted fund balance. The assigned fund balance is intended to be used for future street construction projects. The fund balance is expected to decrease \$150,000 or 6%.
- ❖ FY17/18 budget is expected to use nearly \$2.3 million or 89% of fund balance on capital projects. All of the Assigned Fund Balance will be used in FY17/18. The balance on June 30, 2018 will be \$470,000 or 15% of expenditures, as required by the City's fund balance policy.
- ❖ The City of Pontiac is planning the following projects:
 - Transfer to the Major Street Fund for road improvements \$1,000,000
 - City Hall repairs \$500,000
 - Fire Department repairs \$160,000
 - IT Equipment \$107,500
 - District Court repairs \$700,000
 - Downtown streetlight improvements \$500,000

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Enterprise Funds

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Parking Fund

The Parking Fund accounts for the activities of City-owned parking structures and lots. Funding is provided primarily through charges for services for the use of City parking lots. The City receives approximately \$30,000 from other parking lot rental and use. The Parking Fund also receives interest income. The Parking Fund revenue remains the same from year-to-year, as the revenue doesn't typically fluctuate.

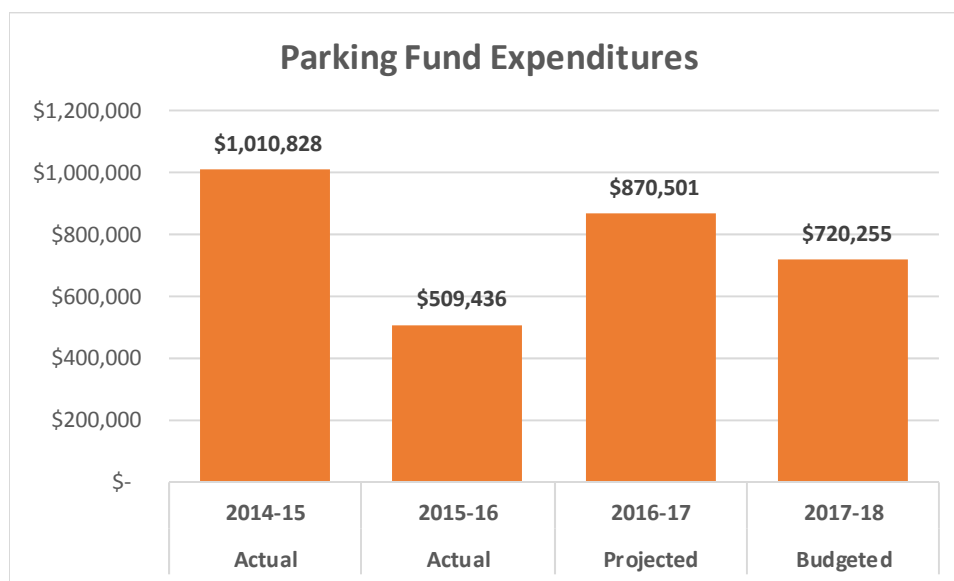
Parking Fund Revenue

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 FY17/18 budget no longer includes that revenue. The Parking Fund is planning to receive \$30,000 annually in revenue from parking lot use and rents. 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 \$17,000 in investment income for FY17/18.

Parking Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes Chargebacks	(674)	(1,500)	(1,500)
Charges for Services	116,684	115,875	30,000
Other Revenue	429	230,000	-
Interest and Rents	28,807	9,021	17,000
Total Budgeted Revenue Sources	145,246	353,396	45,500
<u>Proposed Appropriations</u>			
Parking - City	(140,833)	46,876	62,012
Parking - Phoenix Center	650,269	823,625	658,243
Total Budgeted Expenditures	509,436	870,501	720,255
Budgeted Net Revenue (Expenditures)	(364,190)	(517,105)	(674,755)
<u>Estimated Fund Balance</u>			
Beginning Net Position July 1	15,929,629	15,565,439	15,048,334
Change in Net Position	(364,190)	(517,105)	(674,755)
Ending Net Position June 30	\$ 15,565,439	\$ 15,048,334	\$ 14,373,579
<u>Financial Position</u>			
Unrestricted Net Position	3,882,324	3,930,081	3,820,326
Investment in Fixed Assets	11,683,115	11,118,253	10,553,253
Ending Net Position June 30	\$ 15,565,439	\$ 15,048,334	\$ 14,373,579

Parking Fund (Continued)



FINANCIAL SUMMARY - Parking Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 360,968	\$ (188,328)	\$ -	\$ -	\$ -
Other Services and Charges	649,860	697,764	2,821,519	870,501	720,255
Total	\$ 1,010,828	\$ 509,436	\$ 2,821,519	\$ 870,501	\$ 720,255

Changes in Budget

- ❖ FY17/18 budget includes \$720,000 in expenditures, which is a decrease of \$150,000 from FY16/17 projected and \$2.1 million decrease from FY16/17 budget.
- ❖ The FY16/17 budget included the demolition of the Phoenix Center, which is no longer planned to be completed.
- ❖ Other Services and Charges includes the following items:
 - Depreciation \$565,000
 - Property Insurance & utilities \$55,000
 - Legal Services \$100,000
- ❖ 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 3% or \$110,000 for FY17/18.

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.

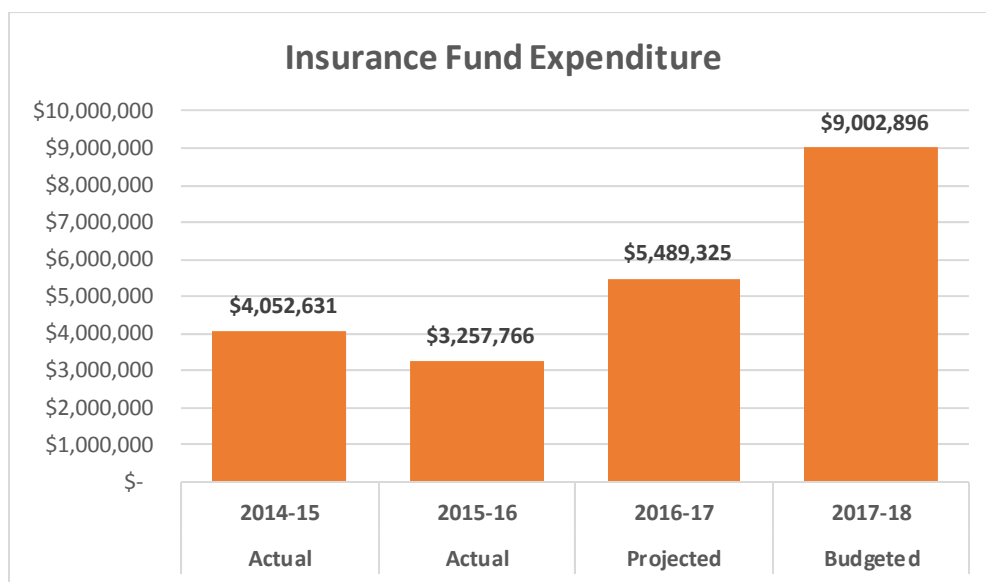
Insurance Fund Revenue

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 \$5,700,000 in user charges for FY17/18. The user charges are expected to recover 95% of the insurance expenditures. Legal fees and Risk Management is currently not reimbursed by other funds. The revenue is increasing \$643,000 or 20% from FY16/17. The increase is directly related to reimbursements for health-care for retirees and employees. 100% of the healthcare for employees and retirees are reimbursed by Funds/Departments (City portion), employees and retirees.

Insurance Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Charges for Services	\$ 4,496,026	\$ 5,040,627	\$ 5,684,491
Interest and Rents	2,422	722	-
Total Budgeted Revenue Sources	4,498,448	5,041,349	5,684,491
<u>Proposed Appropriations</u>			
General Government	45,165	46,569	48,406
Insurance	3,212,601	5,327,605	8,954,490
Total Budgeted Expenditures	3,257,766	5,374,174	9,002,896
Budgeted Net Revenue (Expenditures)	1,240,682	(332,825)	(3,318,405)
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	-	-	-
Transfers (Out) and Other Financing Sources	-	(115,151)	-
Total Other Financing Sources	-	(115,151)	-
<u>Estimated Fund Balance</u>			
Beginning Net Position July 1	2,645,708	3,886,390	3,438,414
Change in Net Position	1,240,682	(447,976)	(3,318,405)
Ending Net Position June 30	\$ 3,886,390	\$ 3,438,414	\$ 120,009
<u>Financial Position</u>			
Unrestricted Net Position	3,886,390	3,438,414	120,009
Ending Net Position June 30	\$ 3,886,390	\$ 3,438,414	\$ 120,009

Insurance Fund (Continued)



FINANCIAL SUMMARY - Insurance Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Personnel Services	\$ 4,052,631	\$ 3,257,766	\$ 5,750,946	\$ 5,489,325	\$ 9,002,896
Total	<u>\$ 4,052,631</u>	<u>\$ 3,257,766</u>	<u>\$ 5,750,946</u>	<u>\$ 5,489,325</u>	<u>\$ 9,002,896</u>

Changes in Budget

- ❖ FY17/18 budget includes \$9,000,000 in expenditures, which is \$3.5 million higher than the FY16/17 projected and \$3.25 million higher than the FY16/17 budget.
- ❖ The FY17/18 budget includes a \$3 million contribution to the VEBA OPEB Trust per a tentative settlement agreement reached with retirees for healthcare.
- ❖ FY17/18 budget includes premiums for general liability and property insurance.
- ❖ FY17/18 includes all medical, dental, optical and life insurance premiums for all employees and retirees
- ❖ FY17/18 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, 2018 is expected to be \$120,000, which is below the 10% required per the City's adopted fund balance policy. The budget includes the use of \$3 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.

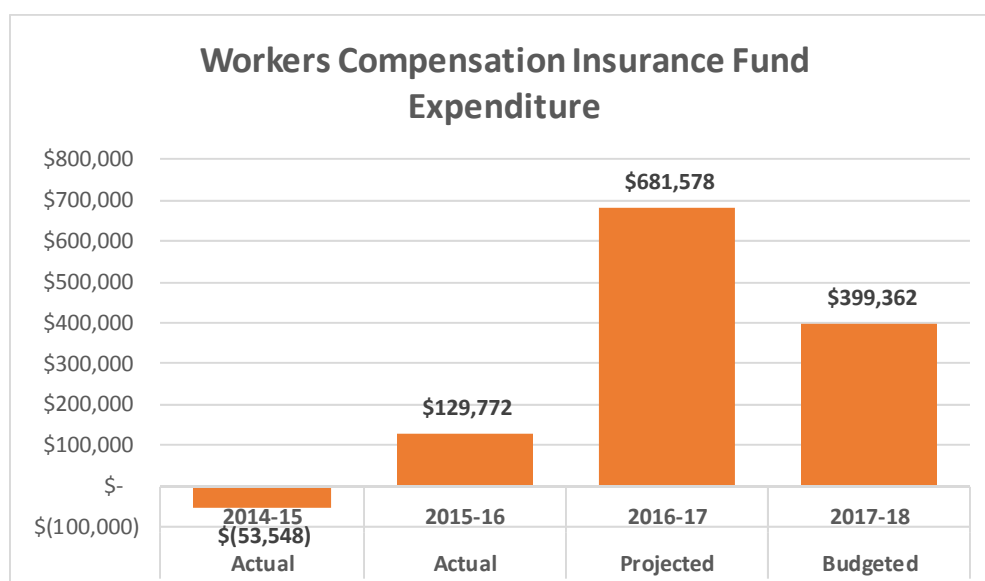
Workers' Compensation Fund Revenue

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 \$393,000 in user charges and \$7,000 in investment income for FY17/18. The user charges and investment income are expected to recover 100% of the insurance expenditures.

Workers' Compensation Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Charges for Services	\$ 458,178	\$ 643,347	\$ 392,382
Interest and Rents	7,203	7,029	6,980
Total Budgeted Revenue Sources	465,381	650,376	399,362
<u>Proposed Appropriations</u>			
Insurance	129,772	681,578	399,362
Total Budgeted Expenditures	129,772	681,578	399,362
Budgeted Net Revenue (Expenditures)	335,609	(31,202)	-
<u>Estimated Fund Balance</u>			
Beginning Net Position July 1	721,811	1,057,420	1,026,218
Change in Net Position	335,609	(31,202)	-
Ending Net Position June 30	\$ 1,057,420	\$ 1,026,218	\$ 1,026,218
<u>Financial Position</u>			
Unrestricted Net Position	1,057,420	1,026,218	1,026,218
Ending Net Position June 30	\$ 1,057,420	\$ 1,026,218	\$ 1,026,218

Workers' Compensation Fund (Continued)



FINANCIAL SUMMARY - Workers Compensation Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ (53,548)	\$ 129,772	\$ 489,323	\$ 681,578	\$ 399,362
Total	\$ (53,548)	\$ 129,772	\$ 489,323	\$ 681,578	\$ 399,362

Changes in Budget

- ❖ FY17/18 Budget includes \$400,000 in expenditures, which is \$282,000 lower than the FY16/17 projected and \$90,000 lower than the FY16/17 budget.
- ❖ The large decrease from budget and projected is due to a workers compensation settlement that occurred in FY16/17. The settlement will no longer require the City to pay claims for that individual.
- ❖ The FY17/18 budget is lower due to less Workers Compensation claims from previous employees when the City was self-insured.
- ❖ The budget includes claims for previous employees and workers comp insurance for current employees.
- ❖ The FY16/17 is projecting to use 3% or \$31,000 of net position as reimbursements are not expected to cover 100% of the expenditures. The FY17/18 budget is projecting no change to net position. The ending unrestricted net position at June 30, 2018 is expected to be \$1,026,000, 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

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 FY17/18 is approximately \$2,335,000 of which \$1,035,000 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.

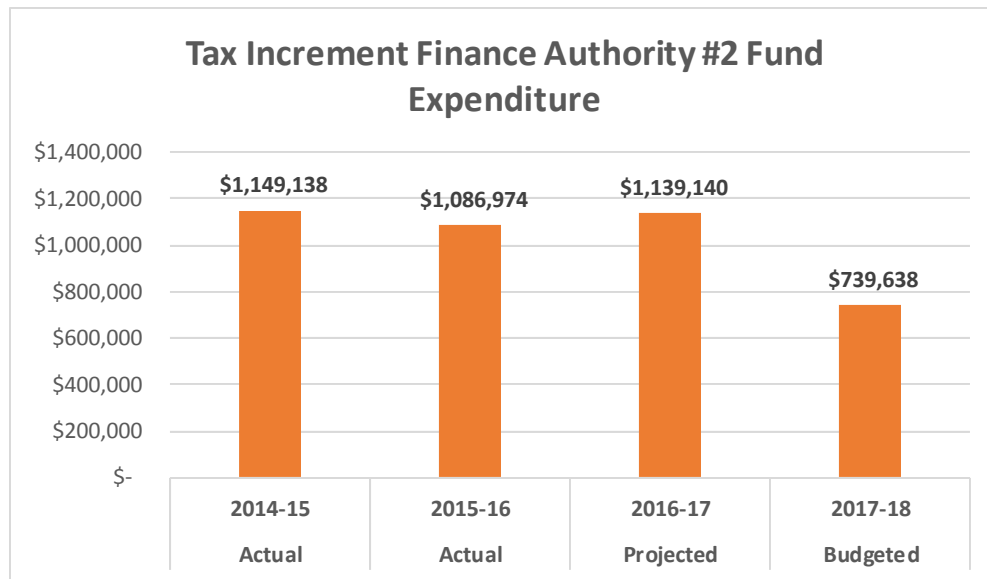
The agreement also provides for the TIFA to reimburse the City for any debt service amounts paid for by the City. Accordingly, the TIFA records a financial guarantee expense and liability to the City each year. The cumulative amount owed to the City for FY17/18 is expected to be \$4,105,000 for both TIFA #2 and #3. 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

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ 13,763	\$ (30,000)	\$ (25,000)
Other Revenue	38,000	38,000	38,000
Contribution From Primary Government	517,755	565,570	363,319
Total Budgeted Revenue Sources	569,518	573,570	376,319
<u>Proposed Appropriations</u>			
Debt Services & Financial Guarantee	1,086,974	1,139,140	739,638
Total Budgeted Expenditures	1,086,974	1,139,140	739,638
 Budgeted Net Revenue (Expenditures)	(517,456)	(565,570)	(363,319)
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	(1,143,489)	(1,660,945)	(2,226,515)
Change in Fund Balance	(517,456)	(565,570)	(363,319)
Ending Fund Balance June 30	\$ (1,660,945)	\$ (2,226,515)	\$ (2,589,834)
<u>Financial Position</u>			
Unassigned	(1,660,945)	(2,226,515)	(2,589,834)
Ending Fund Balance June 30	\$ (1,660,945)	\$ (2,226,515)	\$ (2,589,834)

Tax Increment Finance Authority #2 Fund (Continued)



FINANCIAL SUMMARY - Tax Increment Finance Authority #2

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Debt Service and Financial Guarantee	\$ 1,149,138	\$ 1,086,974	\$ 573,570	\$ 1,139,140	\$ 739,638
Total	<u>\$ 1,149,138</u>	<u>\$ 1,086,974</u>	<u>\$ 573,570</u>	<u>\$ 1,139,140</u>	<u>\$ 739,638</u>

Changes in Budget

- ❖ The FY17/18 budget is expected to decline due to the \$1.315 million 2007C series revenue bonds final debt service payment being made in FY 16/17.
- ❖ The FY17/18 unassigned fund deficit is expected to be \$2.6 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

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

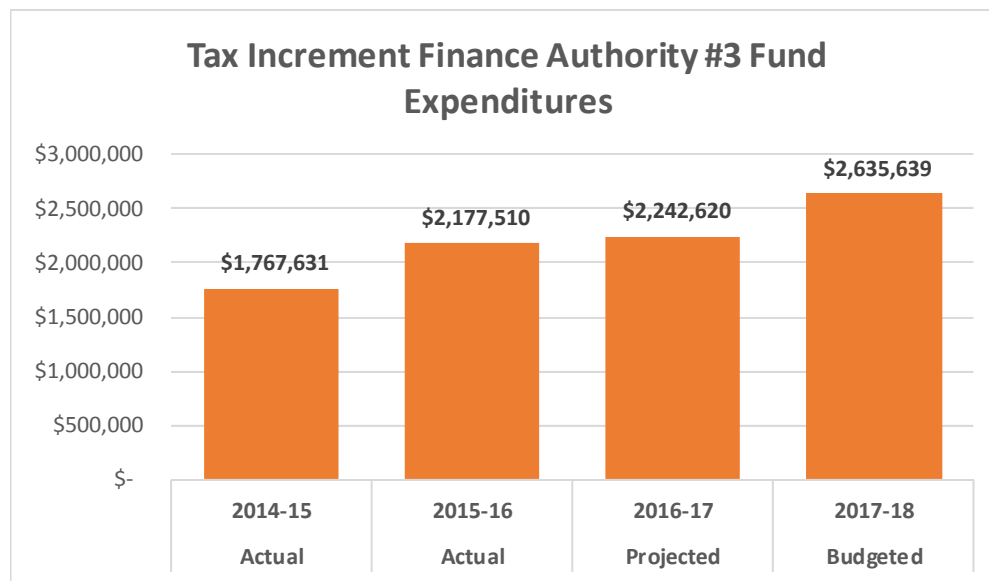
Years Ending	Principal	Interest	Total
2018	\$ 280,000	\$ 96,319	\$ 376,319
2019	\$ 295,000	\$ 85,119	\$ 380,119
2020	\$ 305,000	\$ 73,319	\$ 378,319
2021	\$ 315,000	\$ 60,738	\$ 375,738
2022	\$ 305,000	\$ 44,988	\$ 349,988
2023	\$ 305,000	\$ 29,738	\$ 334,738
2024	\$ 305,000	\$ 14,488	\$ 319,488
Totals	\$ 2,110,000	\$ 404,706	\$ 2,514,706

Tax Increment Finance Authority #3 Fund

Tax Increment Finance Authority #3 Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ 1,355,602	\$ 1,294,668	\$ 1,291,649
Contribution From Primary Government	410,954	473,976	671,995
Total Budgeted Revenue Sources	1,766,556	1,768,644	1,963,644
<u>Proposed Appropriations</u>			
Debt Service & Financial Guarantee	2,177,510	2,242,620	2,635,639
Total Budgeted Expenditures	2,177,510	2,242,620	2,635,639
Budgeted Net Revenue (Expenditures)	(410,954)	(473,976)	(671,995)
<u>Other Financing Sources (Uses)</u>			
Transfers In and Other Financing Sources	-	-	-
Transfers (Out) and Other Financing Sources	-	-	-
Total Other Financing Sources	-	-	-
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	40,909	(370,045)	(844,021)
Change in Fund Balance	(410,954)	(473,976)	(671,995)
Ending Fund Balance June 30	\$ (370,045)	\$ (844,021)	\$ (1,516,016)
<u>Financial Position</u>			
Unassigned	(370,045)	(844,021)	(1,516,016)
Ending Fund Balance June 30	\$ (370,045)	\$ (844,021)	\$ (1,516,016)

Tax Increment Finance Authority #3 Fund (Continued)



FINANCIAL SUMMARY - Tax Increment Finance Authority #3 Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
<u>Financial Summary</u>	Actual	Actual	Budgeted	Projected	Budgeted
Debt Service and Financial Guarantee	\$ 1,767,631	\$ 2,177,510	\$ 1,768,644	\$ 2,242,620	\$ 2,635,639
Total	<u>\$ 1,767,631</u>	<u>\$ 2,177,510</u>	<u>\$ 1,768,644</u>	<u>\$ 2,242,620</u>	<u>\$ 2,635,639</u>

Changes in Budget

- ❖ The FY17/18 budget includes \$1.9 million in debt service payments on the TIFA 3 2007C Bonds and \$672,000 in Financial Guarantee expense for the General Fund contribution to pay the debt service.
- ❖ The FY17/18 unassigned fund deficit is expected to be \$1.5 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

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

Years Ending	Principal	Interest	Total
2018	\$ 1,025,000	\$ 938,644	\$ 1,963,644
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
Totals	\$ 20,345,000	\$ 7,597,519	\$ 27,942,519

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.

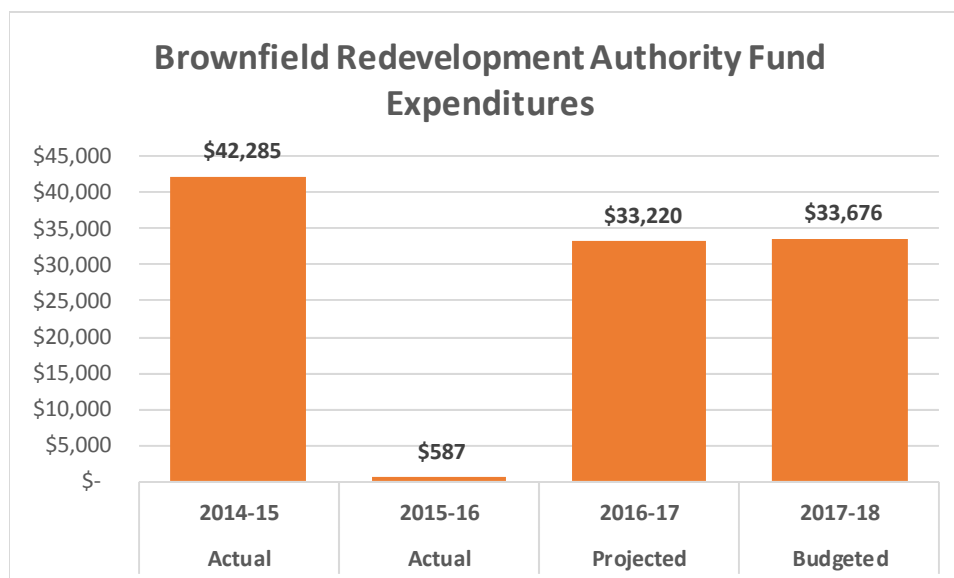
Brownfield Redevelopment Authority Fund Revenue

The Brownfield Redevelopment Authority Fund receives property tax revenue from parcels within the established district. The property tax revenue for FY17/18 is expected to be \$34,000, which is a small increase of \$1,000 from FY16/17. The Brownfield Redevelopment Fund is expected to expend \$34,000 in FY17/18 on Brownfield eligible expenditures.

Brownfield Redevelopment Authority Fund Budgeted Financial Summary

	2015-16 Actual	2016-17 Projected	2017-18 Budgeted
<u>Estimated Revenue Source</u>			
Property Taxes	\$ 33,338	\$ 32,696	\$ 33,676
Total Budgeted Revenue Sources	33,338	32,696	33,676
<u>Proposed Appropriations</u>			
Brownfield Authority Administration	587	33,220	33,676
Total Budgeted Expenditures	587	33,220	33,676
Budgeted Net Revenue (Expenditures)	32,751	(524)	-
<u>Estimated Fund Balance</u>			
Beginning Fund Balance July 1	221,941	254,692	254,168
Change in Fund Balance	32,751	(524)	-
Ending Fund Balance June 30	\$ 254,692	\$ 254,168	\$ 254,168
<u>Financial Position</u>			
Restricted	254,692	254,168	254,168
Ending Fund Balance June 30	\$ 254,692	\$ 254,168	\$ 254,168

Brownfield Redevelopment Authority Fund (Continued)



FINANCIAL SUMMARY - Brownfield Redevelopment Authority Fund

	2014-15	2015-16	2016-17	2016-17	2017-18
Financial Summary	Actual	Actual	Budgeted	Projected	Budgeted
Other Services and Charges	\$ 42,285	\$ 587	\$ 33,220	\$ 33,220	\$ 33,676
Total	<u>\$ 42,285</u>	<u>\$ 587</u>	<u>\$ 33,220</u>	<u>\$ 33,220</u>	<u>\$ 33,676</u>

Changes in Budget

- ❖ The FY17/18 budget is expected to increase slightly for Brownfield eligible expenditures.
- ❖ The FY17/18 ending fund balance is expected to remain the same as FY16/17.

Glossary of Budget and Finance Terms

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 (Continued)

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 (Continued)

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.

Glossary (Continued)

- ❖ **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.
- ❖ **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.

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 (Continued)

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.

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.

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.

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 1st - June 30th 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.

Glossary (Continued)

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.

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.

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.

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

Glossary (Continued)

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

Ordinance No. 2344

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, 2017; to adopt the fee schedule for public records and services for the fiscal year 2017/18.

Whereas, the proposed General Appropriations Act is required to be effective July 1, 2017 so the City can legally operate.

The City of Pontiac Ordains:

Section 1. Title.

This ordinance shall be known as the City of Pontiac 2017-2018 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 Wednesday, May 31, 2017 and a public hearing on the proposed budget was held on Thursday, June 8, 2017.

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 11.2737 operating; 1.4091 capital improvement; 2.8183 sanitation; .5000 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 2017-18, 2018-19 and 2019-20 fiscal years. The City Council of the City of Pontiac adopts the 2017-2018 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)

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, 2017 are:

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 Mayor 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 Mayor shall present to the Finance Director 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, 2017 and shall be effective immediately upon adoption and approval by the Transition Advisory Board.

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	\$ 34,909,411	\$ 37,355,513
202	Major Streets	\$ 6,119,620	\$ 7,821,767
203	Local Streets	\$ 3,435,290	\$ 5,142,427
208	Youth Recreation Millage	\$ 400,000	\$ 400,000
209	Cemetery Care Fund	\$ 100,000	\$ 132,635
212	Senior Activities Millage	\$ 318,265	\$ 338,981
213	Chapter 20 Drains Debt Service	\$ -	\$ 37,888
226	Sanitation Fund	\$ 3,406,474	\$ 4,034,334
231	Cable Fund	\$ 172,500	\$ 875,765
239	TIFA District 2	\$ 376,319	\$ 739,638
240	TIFA District 3	\$ 1,963,644	\$ 2,635,639
243	Brownfield Redeveloping Auth	\$ 33,676	\$ 33,676
249	Building Department	\$ 2,071,950	\$ 2,071,950
252	CDBG FY2012 Fund	\$ -	\$ 6,335
263	Home Buyers Assistance Fund	\$ -	\$ 3,638
265	Drug Enforcement	\$ 62,500	\$ 62,263
276	District Court	\$ 3,294,894	\$ 3,294,894
280	Public Act 48	\$ 200,000	\$ 200,000
445	Capital Improvement	\$ 860,155	\$ 3,109,453
585	Parking	\$ 45,500	\$ 720,255
659	Insurance	\$ 5,684,491	\$ 9,002,896
677	Self-Insurance Wk Comp	\$ 399,362	\$ 399,362

General Fund - 101

ESTIMATED REVENUES

Property Taxes	7,761,884
Income Taxes	13,009,008
Licenses and Permits	225,000
Federal Grants	101,000
State Grants	9,587,142
Charges for Services	1,275,985
Fines and Forfeits	104,000
Interest and Rents	246,000
Other Revenue	2,379,392
Transfers In and Other Uses	220,000
TOTAL ESTIMATED REVENUES	34,909,411

APPROPRIATIONS

General Government	4,895,199
Public Safety	19,420,651
Public Works	1,873,819
Health and Welfare	150,000
Community and Economic Development	2,686,967
Recreation and Culture	701,757
Other Functions	3,662,557
Transfers Out and Other Uses	3,964,563
TOTAL APPROPRIATIONS	37,355,513

General Fund

NET OF REVENUES/APPROPRIATIONS	(2,446,102)
Estimated Beginning Fund Balance	13,700,769
Estimated Ending Fund Balance	11,254,667

Budget Ordinance (Continued)

<u>Major Street Fund - 202</u>	
ESTIMATED REVENUES	
State Grants	4,599,620
Interest and Rents	20,000
Transfers In and Other Uses	1,500,000
TOTAL ESTIMATED REVENUES	6,119,620
APPROPRIATIONS	
Public Works	7,350,767
Transfers Out and Other Uses	471,000
TOTAL APPROPRIATIONS	7,821,767
Major Street Fund	
NET OF REVENUES/APPROPRIATIONS	(1,702,147)
Estimated Beginning Fund Balance	2,681,526
Estimated Ending Fund Balance	979,379

<u>Local Street Fund - 203</u>	
ESTIMATED REVENUES	
State Grants	1,401,790
Interest and Rents	12,500
Transfers In and Other Uses	2,021,000
TOTAL ESTIMATED REVENUES	3,435,290
APPROPRIATIONS	
Public Works	5,142,427
TOTAL APPROPRIATIONS	5,142,427
Local Street Fund	
NET OF REVENUES/APPROPRIATIONS	(1,707,137)
Estimated Beginning Fund Balance	3,538,537
Estimated Ending Fund Balance	1,831,400

<u>Youth Recreation Millage Fund - 208</u>	
ESTIMATED REVENUES	
Transfers In and Other Uses	400,000
TOTAL ESTIMATED REVENUES	400,000
APPROPRIATIONS	
Recreation and Culture	400,000
TOTAL APPROPRIATIONS	400,000
<u>Recreation Millage Fund</u>	
NET OF REVENUES/APPROPRIATIONS	-
Estimated Beginning Fund Balance	-
Estimated Ending Fund Balance	-

Budget Ordinance (Continued)

<u>Cemetery Care Fund - 209</u>		
ESTIMATED REVENUES		
Transfers In and Other Uses		100,000
TOTAL ESTIMATED REVENUES		100,000
APPROPRIATIONS		
General Government		132,635
TOTAL APPROPRIATIONS		132,635
Cemetery Care Fund		
NET OF REVENUES/APPROPRIATIONS		(32,635)
Estimated Beginning Fund Balance		175,000
Estimated Ending Fund Balance		142,365

<u>Senior Activities - 212</u>		
ESTIMATED REVENUES		
Property Taxes		300,765
Interest and Rents		17,500
TOTAL ESTIMATED REVENUES		318,265
APPROPRIATIONS		
Recreation and Culture		338,981
TOTAL APPROPRIATIONS		338,981
Senior Activities		
NET OF REVENUES/APPROPRIATIONS		(20,716)
Estimated Beginning Fund Balance		512,158
Estimated Ending Fund Balance		491,442

<u>Chapter 20 Drain Fund - 213</u>		
ESTIMATED REVENUES		
TOTAL ESTIMATED REVENUES		-
APPROPRIATIONS		
Public Works		37,888
TOTAL APPROPRIATIONS		37,888
Chapter 20 Drain Fund		
NET OF REVENUES/APPROPRIATIONS		(37,888)
Estimated Beginning Fund Balance		37,888
Estimated Ending Fund Balance		-

Budget Ordinance (Continued)

<u>Sanitation Fund - 226</u>	
ESTIMATED REVENUES	
Property Taxes	1,630,474
Charges for Services	1,765,000
Interest and Rents	11,000
TOTAL ESTIMATED REVENUES	3,406,474
APPROPRIATIONS	
Public Works	4,034,334
TOTAL APPROPRIATIONS	4,034,334
Sanitation Fund	
NET OF REVENUES/APPROPRIATIONS	(627,860)
Estimated Beginning Fund Balance	5,521,000
Estimated Ending Fund Balance	4,893,140

<u>Cable Revenue - 231</u>	
ESTIMATED REVENUES	
Charges for Services	170,000
Interest and Rents	2,500
TOTAL ESTIMATED REVENUES	172,500
APPROPRIATIONS	
General Government	875,765
TOTAL APPROPRIATIONS	875,765
Cable Revenue	
NET OF REVENUES/APPROPRIATIONS	(703,265)
Estimated Beginning Fund Balance	1,107,942
Estimated Ending Fund Balance	404,677

<u>Tax Increment Finance Authority District 2 - 239</u>	
ESTIMATED REVENUES	
Property Taxes	(25,000)
Charges for Services	38,000
Contribution from Primary Government	363,319
TOTAL ESTIMATED REVENUES	376,319
APPROPRIATIONS	
Debt Service & Financial Guarantee	739,638
TOTAL APPROPRIATIONS	739,638
Tax Increment Finance Authority District 2	
NET OF REVENUES/APPROPRIATIONS	(363,319)
Estimated Beginning Fund Balance	(2,226,515)
Estimated Ending Fund Balance	(2,589,834)

Budget Ordinance (Continued)

<u>Tax Increment Finance Authority District 3 - 240</u>		
ESTIMATED REVENUES		
Property Taxes		1,291,649
Contribution from Primary Government		671,995
TOTAL ESTIMATED REVENUES		1,963,644
APPROPRIATIONS		
Debt Service & Financial Guarantee		2,635,639
TOTAL APPROPRIATIONS		2,635,639
Tax Increment Finance Authority District 3		
NET OF REVENUES/APPROPRIATIONS		(671,995)
Estimated Beginning Fund Balance		(844,021)
Estimated Ending Fund Balance		(1,516,016)

<u>Brownfield Redevelopment Authority - 243</u>		
ESTIMATED REVENUES		
Property Taxes		33,676
TOTAL ESTIMATED REVENUES		33,676
APPROPRIATIONS		
Community and Economic Development		33,676
TOTAL APPROPRIATIONS		33,676
Brownfield Redevelopment Authority		
NET OF REVENUES/APPROPRIATIONS		-
Estimated Beginning Fund Balance		254,168
Estimated Ending Fund Balance		254,168

<u>Building Department Fund - 249</u>		
ESTIMATED REVENUES		
Licenses and Permits		2,011,700
Charges for Services		60,000
Interest and Rents		250
TOTAL ESTIMATED REVENUES		2,071,950
APPROPRIATIONS		
Public Safety		2,071,950
TOTAL APPROPRIATIONS		2,071,950
Building Department Fund		
NET OF REVENUES/APPROPRIATIONS		-
Estimated Beginning Fund Balance		219,211
Estimated Ending Fund Balance		219,211

Budget Ordinance (Continued)

<u>CDBG FY2012 Fund - 252</u>	
ESTIMATED REVENUES	-
TOTAL ESTIMATED REVENUES	-
APPROPRIATIONS	
Community Development	6,335
TOTAL APPROPRIATIONS	6,335
CDBG FY2012 Fund	
NET OF REVENUES/APPROPRIATIONS	(6,335)
Estimated Beginning Fund Balance	6,335
Estimated Ending Fund Balance	-

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

<u>Drug Enforcement Fund - 265</u>	
ESTIMATED REVENUES	
Fines and Forfeits	52,000
Charges for Services	10,000
Interest and Rents	500
TOTAL ESTIMATED REVENUES	62,500
APPROPRIATIONS	
Public Safety	62,263
TOTAL APPROPRIATIONS	62,263
Drug Enforcement Fund	
NET OF REVENUES/APPROPRIATIONS	237
Estimated Beginning Fund Balance	216,576
Estimated Ending Fund Balance	216,813

<u>District Court - 276</u>	
ESTIMATED REVENUES	
Charges for Services	668,745
State Grants	182,896
Fines and Forfeits	1,027,090
Interest and Rents	1,600
Transfers In and Other Uses	1,414,563
TOTAL ESTIMATED REVENUES	3,294,894

Budget Ordinance (Continued)

APPROPRIATIONS	
General Government	3,274,894
Transfers Out and Other Uses	20,000
TOTAL APPROPRIATIONS	3,294,894
District Court	
NET OF REVENUES/APPROPRIATIONS	-
Estimated Beginning Fund Balance	-
Estimated Ending Fund Balance	-

<u>PA 48 - Telecommunications Fund - 280</u>	
ESTIMATED REVENUES	
State Grants	200,000
TOTAL ESTIMATED REVENUES	200,000
APPROPRIATIONS	
Transfers Out and Other Uses	200,000
TOTAL APPROPRIATIONS	200,000
PA 48 - Telecommunications Fund	
NET OF REVENUES/APPROPRIATIONS	-
Estimated Beginning Fund Balance	-
Estimated Ending Fund Balance	-

<u>Capital Improvement Fund - 445</u>	
ESTIMATED REVENUES	
Property Taxes	855,155
Interest and Rents	5,000
TOTAL ESTIMATED REVENUES	860,155
APPROPRIATIONS	
General Government	1,307,500
Public Safety	160,000
Public Works	641,953
Transfers Out and Other Uses	1,000,000
TOTAL APPROPRIATIONS	3,109,453
Capital Improvement Fund	
NET OF REVENUES/APPROPRIATIONS	(2,249,298)
Estimated Beginning Fund Balance	2,719,099
Estimated Ending Fund Balance	469,801

Budget Ordinance (Continued)

Parking Fund - 585	
ESTIMATED REVENUES	
Property Taxes	(1,500)
Charges for Services	30,000
Interest and Rents	17,000
TOTAL ESTIMATED REVENUES	45,500
APPROPRIATIONS	
Public Works	62,012
Recreation and Culture	658,243
TOTAL APPROPRIATIONS	720,255
Parking Fund	
NET OF REVENUES/APPROPRIATIONS	(674,755)
Estimated Beginning Net Position	15,048,334
Estimated Ending Net Position	14,373,579

Insurance Fund - 659	
ESTIMATED REVENUES	
Charges for Services	5,684,491
TOTAL ESTIMATED REVENUES	5,684,491
APPROPRIATIONS	
General Government	48,406
Other Functions	8,954,490
TOTAL APPROPRIATIONS	9,002,896
Insurance Fund	
NET OF REVENUES/APPROPRIATIONS	(3,318,405)
Estimated Beginning Fund Balance	3,438,414
Estimated Ending Fund Balance	120,009

Workers' Compensation Fund - 677	
ESTIMATED REVENUES	
Charges for Services	392,382
Interest and Rents	6,980
TOTAL ESTIMATED REVENUES	399,362
APPROPRIATIONS	
Other Functions	399,362
TOTAL APPROPRIATIONS	399,362
Workers' Compensation Fund	
NET OF REVENUES/APPROPRIATIONS	-
Estimated Beginning Fund Balance	1,026,218
Estimated Ending Fund Balance	1,026,218

City of Pontiac Fees for FY 2017/2018

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 conformance with code	\$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 2017/2018 (Continued)

<u>Building Permits (Continued)</u>		<u>Electrical Permits (Continued)</u>	
Administration	\$200.00	Permanent Service for One Phase:	
The inspection fee for work initiated before permit has been issued		100 Ampere or Less	\$37.00
		101 to 200 Ampere	\$40.00
		210 to 400 Ampere	\$47.00
		Over 400 Ampere	\$50.00
Plan review:		Permanent Service for Three Phase:	
\$0 to \$1,000,000	0.0015 of valuation minus \$100.00 minimum	100 Ampere or Less	\$42.00
\$1,000,000 to \$5,000,000	\$1,500.00 plus .0005 of evaluation over \$500,000	101 to 200 Ampere	\$47.00
\$5,000,000 to \$ and up	\$3,500.00 plus .0004 of evaluation over \$5,000,000	201 to 400 Ampere	\$52.00
		Over 400 Ampere	\$55.00
Plan review of electrical, mechanical and plumbing is 25% of the building plan review fee for each discipline. Minimum plan review fee \$175.00		Additional Service -	
		Each Additional Sub-Service	\$30.00
Application Fee	\$35.00	Stand by Power & Generator (One Phase):	
Special Building Fees:		100 Ampere or Less	\$37.00
Permit Extension Fee	\$50.00	101 to 200 Ampere	\$40.00
Contractor Registration	\$35.00	201 to 400 Ampere	\$47.00
		Over 400 Ampere	\$50.00
Sewer Installer Board of Examiners:		Automatic Transfer Switch	\$35.00
Filing Fee, Per Applicant	\$100.00	Manual Transfer Switch	\$30.00
Examination, Per Applicant	\$50.00	Stand by Power & Generator (Three Phase):	
Sewer Installer License (Class A)	\$75.00	100 Ampere or Less	\$42.00
Building Code of Appeals	\$200.00	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
		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
<u>Demolition Permit</u>			
First 1000 sq. ft.	\$250.00		
Each additional 500 sq. ft.	\$50.00		
<u>Property Maintenance</u>			
Property Maintenance Inspection	\$200.00		
<u>Team Inspection</u>			
Per Inspector	\$50.00		
Less than Feet			
Re-Inspection	\$50.00		
<u>Hearing Officer</u>			
Special Hearing	\$850.00		
<u>Board of Appeals</u>			
Special Hearing	\$1,000.00		
<u>Construction BOA</u>			
Filing Fee	\$500.00		
<u>Electrical Permits</u>			
Application Fee	\$35.00		
New Home	\$205.00		
Substandard Property/Complete Renovation	\$205.00		
Minimum Fee	\$75.00		

City of Pontiac Fees for FY 2017/2018 (Continued)

<u>Electrical Permits (Continued)</u>		<u>Mechanical Permits</u>	
Motors:		Application Fee	\$35.00
First 1/4 HP up to 10 HP (Up to 7450W)	\$25.00	New Home	\$205.00
First 11 HP up to 20 HP (Up to 14920W)	\$26.00	Substandard Property/Complete Renovation	\$205.00
First 21 HP up to 30 HP (Up to 22380W)	\$27.00	Minimum Fee	\$75.00
First 31 HP up to 40 HP (Up to 29840W)	\$28.00	Heating Equipment - New or Replacement:	
First 41 HP up to 50 HP (Up to 37300W)	\$29.00	Over 40,000 to 100,000 BTU Per Hour:	
First 51 HP and Up	\$40.00	First 10 Units at Each Occupancy - Each Unit	\$40.00
First unit 75 HP and Up	\$40.00	Each Additional Unit Over 10 at	
Each Additional Unit	\$42.00	Same Occupancy	\$30.00
Mobile Home Electrical Hook-Up -		Over 200,000 to 400,000 BTU Per Hour -	
Per Unit	\$75.00	Each Unit	\$47.00
Sign Installation & Inspection Before Installation:		Water Heater, Chimney Liner, Fireplace, Fire Dampers	\$32.00
One Sign	\$75.00	Gas Piping System Permit:	
Each Additional Sign at Same Location	\$25.00	1 Gas Pressure & Piping Test	\$64.00
Fixtures (Smoke Detectors, Power Outlets, Light Fixtures):		Each System (Furnace, Water Heater, Dryer, Range, etc.)	\$32.00
Installation of 1 to 10 Fixtures	\$20.00	Space Heating/Cooling Distribution System Ductwork:	
Each Additional 10 Fixtures or Fraction Thereof	\$15.00	Up to 100,000 BTU Fuel Input Per Hour	\$32.00
Lighting Pole & Base Installation	\$25.00	Over 100,000 to 200,000 BTU Fuel Input Per Hour	\$50.00
Battery Operated Light/Line Voltage - First 10	\$20.00	Over 200,000 to 400,000 BTU Fuel Input Per Hour	\$60.00
Each Additional 10 Fixtures or Fraction Thereof	\$15.00	Over 400,000 to 2,000,000 BTU Fuel Input	
Exit Light (Each)	\$15.00	Per Hour	\$75.00
Each Circuit	\$15.00	Over 2,000,000 to 5,000,000 BTU Fuel Input	
General Repair Permit	\$75.00	Per Hour	\$80.00
Special Electrical Fees:		Comfort Cooling Equipment & Systems:	
Inspection To Determine Code Compliance	\$50.00	Up to 60,000 BTU (5 Tons) or less (Self Contained Units or Systems):	
Re-Inspection Fee of work not ready, or for a violation not complied with by expiration date of Violation Notice	\$50.00	First 10 Units at Same Location/Each Unit	\$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	Additional Units Over 10 at Same Location/Each Unit	\$32.00
Permit Extension Fee	\$50.00	60,000 BTU (5 Tons) to 120,000 BTU (10 Tons)/Each Unit	\$57.00
Contractor Registration	\$35.00	120,000 BTU (10 Tons) to 600,000 BTU (50 Tons)/Each Unit	\$67.00
Work Done Without Permit Penalty NSF	\$200.00	600,000 BTU (50 Tons) to 1,500,000 BTU (125 Tons)/Each Unit	\$100.00
	\$35.00	Alterations to Each System	\$30.00
Electrical License		Commercial Clothes Dryer for Installation or Replacement:	
Fire Alarm Technician	\$75.00	1st 5 Units Commercial Clothing Dryer	\$27.00
Fire Alarm Contractor	\$100.00	Each Additional Commercial Clothes Dryer @ Same Location	\$21.00
Sign Specialist Technician	\$75.00	Liquefied Petroleum Gas System & Storage:	
Sign Specialty Contractor	\$100.00	Over 500 Gallons to 1,200 Gallons	\$42.00
Electrical Contractor	\$100.00	Over 1,200 Gallons	\$47.00
Master Electrician	\$75.00	Fire Suppression Systems:	
Journeyman Electrician	\$50.00	Inspection of Sprinkler Heads - First 10	\$50.00
Apprentice Registration (Electrician & Fire Alarm)	\$25.00	Each Additional Heads Over 10	\$5.00

City of Pontiac Fees for FY 2017/2018 (Continued)

<u>Mechanical Permits (Continued)</u>	
Commercial Hood System:	
Each New or Modified System	\$164.00
Duct Systems - Installation, Alteration or Additions:	
Up to 1,000 Cubic Feet Per Minutes of Air	\$27.00
Over 1,000 CFM to 2,000 CFM	\$32.00
Over 2,000 CFM to 4,000 CFM	\$37.00
Over 4,000 CFM to 20,000 CFM	\$42.00
Over 20,000 CFM to 50,000 CFM	\$47.00
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

<u>Mechanical Permits (Continued)</u>	
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:	
Mechanical Contractor	\$35.00
Journeyman Plumber	\$0.50
Plumbing Contractor	\$36.00
Mechanical Board of Appeals	\$200.00
<u>Plumbing Permits</u>	
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

City of Pontiac Fees for FY 2017/2018 (Continued)

<u>Plumbing Permits (Continued)</u>		<u>Fire Permit Electrical</u>	
Building Sewer - Size:		Application Fee	\$35.00
Building Sewer & Drain 4"	\$45.00	Minimum Fee	\$75.00
Building Sewer & Drain 10"	\$50.00	Circuits for Fire System:	
Building Sewer & Drain 12"	\$55.00	Each Signaling Device	\$11.00
Building Sewer & Drain 14"	\$60.00	Each Control Circuit	\$15.00
Building Sewer & Drain 16"	\$70.00	Each Remote Sensor	\$11.00
Building Sewer & Drain 18"	\$75.00	Each Main Control Station	\$17.00
Storm Sewer:		Each Speaker & Microphone	\$11.00
Storm & Sanitary 1st 200 Feet	\$80.00	Each Amplifier	\$11.00
Storm & Sanitary Additional 100 Feet	\$35.00	Each Main Control Center	\$15.00
Building Sewer to Drain Connection - Building Drain -		Each Door or Window Sensor	\$11.00
Underground Building Drains/Storm not Over 6"	\$45.00	Each Vibration Sensor	\$11.00
Storm Drain -		Each Key Station or Remote Station	\$9.00
Manholes and Catch Basins	\$16.00	Each Panic Button	\$11.00
Plumbing for Mobile Home Hook-Up -		Each Automatic Dialer	\$10.00
Per Unit	\$75.00	Each Pressure Sensor	\$11.00
Special Plumbing Fees:		Each Alarm (Horn, Bell, Etc.)	\$11.00
Inspection To Determine Code Compliance	\$50.00	Each Auxiliary Power Supply	\$10.00
Re-Inspection Fee of work not ready, or for a		Each Control Panel	\$15.00
violation not complied with by expiration		Each Pull Station	\$11.00
date of Violation Notice	\$50.00	Each Fire Head and/or Smoke Sensor	\$11.00
Fee for Inspection out of Regular Hours at		Each Telephone Station	\$11.00
1.5 times Rate of inspector, with 3 hour		Each Doorway Exit Unlocking System	\$9.00
minimum charge. (Per Hour)	\$50.00	Each Data Gathering, Reporting, Sub Panel	\$15.00
Permit Extension Fee	\$50.00	Each Fan, Elevator Interlocked to System	\$14.00
Contractor Registration	\$15.00	Special Mechanical Fees:	
Work Done Without Permit Penalty	\$200.00	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
		<u>Sign Permit</u>	
		Application Fee (Non-Refundable)	\$150.00
		<u>Business License</u>	
		Business Certificate Fee Schedule:	
		New License (Requires Team Inspection)	\$160.00
		Renew License	\$160.00
		Special Event License	\$1,200.00

City of Pontiac Fees for FY 2017/2018 (Continued)

<u>Business License (Continued)</u>		<u>DPW</u>	
Niche Business:		Sanitation - R-O-W Abatements	\$58.70
Arcade and Vending Machines (Per Machine)	\$25.00	Senior Centers:	
Massage Parlor	\$500.00	Deposits	\$100.00 Refundable
Newspaper Delivery Recepticle	\$1.00	Rental Fees:	
Sidewalk Café	\$100.00	Repast Dinner Weekdays	\$32.00
Taxicab (Per Bond plate)	\$50.00	Repast Dinner Weekends – Minimum	
Taxicab Business	\$100.00	of 4 hours	\$25.00
TaxiCac Driver	\$100.00	Events	\$100.00
Public Assembly -		Weekdays – No minimum hours	
Amusement Gallery, Dance Hall, Theatre	\$175.00	Weekends – Minimum of 4 hours	
Transient Housing:		<u>DPW (Continued)</u>	
Hotel/Motel (Per Room - Every Three Years)	\$25.00	Parks:	
Transient Housing(Per Room - Every Three Years)	\$210.00	Deposits	\$100.00 Refundable
Non-Profit Organizations -		Rental Fees	\$35.00 Parks with pavillion
Club, Service Organization, Hospitals	\$20.00	Porta Johns	\$90.00 Per Event
Temporary Permit:		Comfort Station	\$50.00 Beaudette Park Only
Christmas Tree Sales	\$100.00	<u>Zoning Board of Appeals</u>	
Circus or Carnival (Per Week)	\$350.00	Board of Appeals:	
Daily Business License (1 Day)	\$150.00	Application Fee	\$500.00
Daily Business License (Each Additional Day)	\$100.00	Special Hearing	
Fireworks display	\$100.00	<u>Special Event Permit</u>	
Sound (Public Address) (Per three Days)	\$100.00	Non-refundable Administrative Review Fee	\$500.00
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		
<u>Rental Registration</u>			
Rental Registration (Per Building)	\$300.00		
Rental Inspection (Per unit)	\$100.00		
Rental Inspection for units 2 - 10, 12 - 20,			
22 - 30, etc. (Per unit)	\$25.00		
Change of Rental Manager	\$150.00		
Re-inspection Fee	\$50.00		
Annual Tenant Verification Fee	\$10.00		