

City of Pontiac, Michigan

Adopted Budgets

2013-14 Fiscal Year

2014-15 Fiscal Year

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Community Profile

The City of Pontiac, 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 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.

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. 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 who do not receive any benefits. In order for the City of Pontiac to remain financially solvent, all of the operational changes must continue for the foreseeable future, as property tax revenues are expected to slowly decline. Even when revenues improve significantly, rather than reverting to a failed operating model, the elected officials should consider implementing or improving certain services and programs that do not have sufficient resources to fully operate under today's budget constraints, reduce taxes or fees, and build a fund balance that is considered acceptable under modern and prudent financial management theory and practice.

The Planning Commission will be revising the City's master plan this fiscal year. The master plan is not expected to propose any significant changes to the City's infrastructure that would have a significant impact on the City's finances, other than the restoration of Saginaw Street through the footprint of the Phoenix Center. Most of the changes in the City's master land use plan will reflect the changes to Pontiac's industrial economy post General Motors.

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 30, 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.
- 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 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.

Because the city was under the control of an Emergency Manager, the Emergency Manager received the first draft of the proposed budget from Plante Moran on May 7, 2013, which used historical information, contracts in force, and input from department heads to develop the proposed budget. The Emergency Manager continued to evaluate the proposed budget and make changes until June 10, when the proposed budget was filed with the City Clerk for public review prior to the public hearing on June 17, 2013. Also, Public Act 436 of 2012 requires the Emergency Manager to adopt a two-year budget before he leaves office. Therefore, this proposed budget will span two fiscal years.

Under the charter, the budget would be amended in the same process used to amend an ordinance, unless the appropriations ordinance permits a different method. Under state superintending control, the emergency manager has complete authority to both adopt and amend the budget. Upon departure of the emergency manager, the city council will be permitted to amend the budget over the next two years only upon approval from the Michigan Department of Treasury.

During the fiscal year, the Finance Director will present monthly revenue and expenditure reports to the city council to the same detail level as the adopted budget. The finance director will also present monthly balance sheets. These financial reports will be discussed with the city council finance committee.

Description of Funds Subject to Appropriation

The City has prepared the budget in accordance with generally accepted accounting principles (GAAP). All funds of the City use modified accrual accounting, except enterprise and internal service funds which use full accrual accounting. The following funds are subject to appropriation in this budget document:

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.

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. The City's special revenue funds reflected in this budget are:

- **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.
- **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.
- **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. This millage was approved by voters on November 7, 2006 and expires in 2016. Applicable legislation: Public Act 39 of 1976.
- **Chapter 20 Drains Fund** - Special assessment revenue levied specifically for the maintenance of storm drains in the City. Applicable legislation: Public Act 40 of 1956.
- **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.
- **Brownfield Redevelopment Authority Fund** - Property tax revenues on specific parcels captured for the sole purpose of reimbursing developers for costs incurred for redeveloping brownfields 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.

- **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.
- **Tax Increment Finance Authority Area #4 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.
- **Home Buyers Assistance Fund** - Grant received from the United States Department of Housing and Urban Development to be used for the purpose of improving residential housing for low and moderate income people in the City. This is commonly known as the HOME program. Beginning with program year 2013, Oakland County will receive the City's funds and administer the HOME program at no cost to the City.
- **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.
- **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.
- **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.

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.

Debt Service Funds: Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned only for principal and interest payments for issued debt. The City has no debt service funds.

Proprietary Funds: Proprietary funds are used to account for and report financial resources that receive significant support from user fees and charges. Proprietary funds do not require an adopted budget under state law, but 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. An appropriation is made for the demolition of the Phoenix Center and the subsequent sale of the land and disposition of the proceeds of the sale. The Parking Fund will be closed upon the demolition of the Phoenix Center.

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. Internal service funds are budgeted and reported in the full accrual basis.

- **Self Insurance Workers Compensation Fund** - Used to report the financial resources committed to pay all expenses associated with workers compensation claims against the City before July 1, 2012.
- **Employee Sick and Vacation Fund** - Used to accrue cash to pay off earned but unused sick and vacation time by city employees upon their retirement or separation from the City.
- **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.

Fiduciary Funds: Fiduciary funds are used to account for and report financial resources that the City holds as a trustee or agent on behalf of an outside party that cannot be used by the City to support the City's own programs. Therefore, fiduciary funds are not budgeted. Fiduciary funds used by the City include the Tax Collection Fund, Payroll Fund, and Fire Insurance Withholding Fund.

Description of Activities, Services, and 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 city property sales and federal grant administration and planning and zoning.

Recreation and Culture

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

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. The City no longer has general fund debt.

Transfers Out

- These are diversions of money in the general fund to support activities in other funds that do not have enough revenue to cover basic operations. This includes transfers out to support the 50th District Court and to support the shortfall in the Tax Increment Finance Authority.

Budget Message



CITY OF PONTIAC

OFFICE OF THE EMERGENCY MANAGER

LOUIS H. SCHIMMEL

47450 Woodward Avenue

Pontiac, Michigan 48342

Telephone: (248) 758-3133

Fax: (248) 758-3292

June 10, 2013

Taxpayers of the City of Pontiac:

The proposed General Fund budget for the 2013-14 fiscal year, prepared according to generally accepted accounting principles, projects General Fund revenues and transfers in of \$30,636,047 and proposes expenditures and transfers out totaling \$30,635,686. The General Fund is forecasted to have a fund balance of \$576,043 as of June 30, 2014. The proposed General Fund budget for the 2014-15 fiscal year, prepared according to generally accepted accounting principles, projects General Fund revenues and transfers in of \$30,069,656 and proposes expenditures and transfers out totaling \$30,066,444. The City is forecasted to have a fund balance of \$579,255 as of June 30, 2015.

The City of Pontiac continues to be fiscally challenged in its effort to adopt an operating budget without using one-time revenues to balance the City's budget. Through the use of modifications to collective bargaining agreements, I have been able to propose a structurally balanced budget for the City of Pontiac for the next two years.

Revenues

In the 2012-13 fiscal year, the City faced significant revenue shortfalls compared to the 2011-12 fiscal year collections of property taxes, state revenue sharing, and income taxes. In the upcoming 2013-14 fiscal year, the City continues to be challenged by a decreasing tax base, but the pace of decline has slowed. The City anticipates losing approximately \$800,000 in property taxes compared to the 2012-13 fiscal year and another \$400,000 the following year. Oakland County projects a declining tax base to continue in Pontiac for at least three more years. Additionally, continued reductions in captured taxable value by the Tax Increment Finance Authority will result in the general fund subsidizing previously issued bonds in the ensuing and in future fiscal years, despite the significant reduction in bonded debt over the past year.

For the fiscal year beginning July 1, the City anticipates receiving revenue of approximately \$30.4 million excluding any one-time sources. This means that the general fund must incur no more than \$30.4

million in expenditures, excluding one-time expenses. The City anticipates property tax revenues to decrease another 15% over the next three years, thus placing the City in the position to operate on a \$29.4 million budget by fiscal year 2016-17. Fortunately, revenue sharing and city income tax collections have stabilized, and as long as the economy does not worsen, the City should not experience any other significant decreases in these two other main sources of revenue.

In the 2013-14 fiscal year, the three largest regular sources of revenue for the general fund are: income tax (\$9.9 million), state sources (\$8.9 million), and property taxes (\$5.8 million). These three sources account for (81%) of total regular revenue sources for the general fund. This is the second year that property taxes will no longer be the largest source of revenue for the City, and property taxes will trail both income tax and state sources, which are both highly dependent on the economy and other external conditions. The City is assuming no change in income tax collections, a slight increase in state revenue sharing, and a decrease of 13% in property taxes.

Two one-time sources of revenue are expected within the next ninety days that will result from the sale of Lot 9 and the sale of the Municipal Golf Course totaling \$1.5 million. These revenue sources will be used to cover the cost of retiree health and dental insurance through August 31. Although the city still has surplus property that can be sold, the budget does not anticipate any revenue from these sales as these revenues are truly one-time sources and should not be used to meet daily operating expenditures of the City.

Expenditures

In the 2013-14 fiscal year, expenditures exclusive of one-time items will total \$30.5 million. This is about \$19.3 million less than the \$49.8 million in expenditures anticipated for the 2012-13 fiscal year.

The three largest expenditures of the General Fund are police services (\$11,904,697), fire services (\$6,454,711), and building and safety (\$2,828,325). These three budget areas alone total \$21,187,733, and consume all but \$9,398,314 of total revenues, excluding one-time sources.

To balance the budget for at least the next two years or the period of receivership, whichever is longer, I have requested approval from the State Treasurer to temporarily suspend the City's responsibility of funding retiree health insurance and other post employment benefits. If the City was required to fund these obligations, the estimated cost to the general fund would be \$6.0 million each year.

To maintain a balanced budget, the 50th District Court must operate within its \$1,025,000 million subsidy from the general fund. The City is the funding unit for the District Court, but the City cannot tell the Court how to spend its appropriations.

Over the past three years, the City has taken many monumental steps to reduce the cost of government while providing basic services at a level equal to or better than previously directly provided by City employees. The City has contracted assessing, law enforcement, and dispatch with Oakland County and shifted the responsibility of animal control, vital records, and federal grant administration to Oakland County. The City has contracted with Waterford Township to provide fire protection services. The City

has contracted with Star EMS to provide emergency medical service at no cost to the City. The City also contracted with various vendors to provide accounting, building safety, planning, legal, income tax, road maintenance, and information technology services at a significant savings, both short term and long term. The City also formally separated with the Library Board, Retirement System, and Housing Commission, thus relieving the City of the burden of providing administrative support for each of these independent agencies. Finally, the City absolved itself of responsibility for the water and sewerage operations of the City by monetizing the utility with Oakland County Water Resources Commission. The City also entered into collective bargaining agreements expiring June 30, 2016 with each of the City's labor unions. Finally, with the powers under the former Public Act 4, I requested and received permission from the Michigan Department of Treasury to temporarily modify collective bargaining agreements concerning retiree health insurance and other post employment benefits. As a result of all of these changes, the City is operating as efficiently as possible.

In the 2014-15 fiscal year, the City is expecting a \$165,000 increase in the cost of law enforcement services while also anticipating reductions in old workers compensation claims, property and liability insurance, unemployment, street lighting, and information technology costs. Health insurance rates are projected to increase 5% as well. With these changes, the 2014-15 budget anticipates total expenditures and transfers out to other funds of \$30,066,447. Once again, there is no appropriation for retiree benefits.

Retiree Benefits

The City is contributing \$2,000,000 each fiscal year to the Police and Fire Pension Fund; however, the single largest expense to the City for which the current residents receive no benefit is for the legacy costs of retiree health and other insurance benefits estimated at \$6,000,000. These were promises made to employees many years ago by former city councils and mayors who failed to set aside sufficient money to fund these promises. Last year, I notified retirees that they will need to share the cost of health and dental insurance to the same extent that active City employees share insurance costs. The cost sharing notification has resulted in a larger savings than anticipated as many retirees have approached the City and have asked to have dependents removed from the insurance plans or in some cases, have asked to have themselves removed because their spouse has credible coverage. Despite a change in insurance plans and the institution of cost sharing by retirees that began July 1, 2012, the City does not have sufficient revenue to meet these obligations. This means the City needs to explore other options.

The best option would be to have the GERS Retirement Board approve a transfer of the GERS pension plan to MERS (Michigan Employee Retirement System), which would result in 120% funded pension plan and would leave approximately \$150 million to be placed in the MERS retirement post employment benefit trust to cover the cost of retiree health insurance. The City of Pontiac's pension funds would be separately accounted for in the MERS system and protected. Unfortunately, the GERS Retirement Board has rejected this option. Another option is to again request the voters to approve a dedicated tax

millage on the November ballot for the purpose of paying for retiree insurance benefits. The voters soundly rejected this option in November of 2012 by a 79% to 21% margin. Neither of these two options is reflected in the proposed budget and neither is the cost of retiree health insurance and other post employment benefits after September 1, 2013.

Use of Proceeds from Monetization of Waste Water Treatment Plant

Last fiscal year, the monetization of the wastewater treatment plant resulted in an immediate cash infusion of \$55 million by August 31, 2012. \$5 million was set aside in escrow for necessary capital improvements required for the water and sewer systems and another \$4.2 million was used to pay existing debt in the water and sewer funds, leaving \$45.8 million to be used by the general fund. To maximize the value of the balance, I used \$36.2 million to pay off existing bonds issued by the City, including the Fiscal Stabilization Bond and a Tax Increment Finance Authority bond, both issued in 2006 and another \$2 million to pay off a tax refund due to General Motors. By paying off long-term debt, the City realized an immediate long-term debt reduction of \$64.1 million. I also used \$4.2 million to pay off VEBA and pension obligations that the City failed to pay in previous fiscal years, and by doing so, avoided a court-ordered millage. I used the remaining balance to eliminate the City's short-term general fund deficit of \$3.4 million as of June 30, 2012.

Significant Changes from 2012-13 Fiscal Year

During the 2012-13 fiscal year, the City subcontracted all services provided by the Department of Public Works, sold all the vehicles and equipment, and sold the DPW building and property. As a result, the City closed the Equipment Revolving Fund and transferred all remaining assets to the General Fund. The City maintained ownership of six plow trucks that will be used by the Road Commission of Oakland County to plow and salt several of the City's major roads. The City will charge the Major Street Fund rental rates for the vehicle usage by the Road Commission and deposit those proceeds into the General Fund. The City sold the DPW building and property back to the previous owner because the building was in need of repair and sitting on contaminated property.

The City has also made personnel changes to be effective July 1, 2013. Staffing the window at the Treasurer's Office during peak processing times will now be done by temporary contractors replacing two full-time employees. The sanitation inspector retired and will be replaced with a part-time employee. SMART senior bus service was returned to SMART, which will offer a longer service period than provided by the City. The City also will hire a person to process accounts payable and to serve as a back up to payroll; the person had previously been an employee of a temporary staff agency. Another part-time employee will be hired to assist the DPW in park maintenance and other building maintenance issues, replacing a full-time employee. The City's building code official retired and will not be replaced with a City employee as state law no longer requires to have a city employee in this capacity.

Unfunded Requests

As a result of the City's continuing financial challenges, I needed to deny a number of requests.

Retirees have requested reinstatement of the previous health and dental insurance plans that they had upon retirement and to stop the sharing of the cost of the premiums. The City cannot afford to either administer or offer these plans again, and cannot afford to offer any health, dental, or life insurance plans to any retiree at this time; current benefits will cease September 1, 2013. Limited funds must be used to operate the City and provide public safety.

The City Council has requested staff to assist them in investigating and addressing resident complaints. Council members do not have the authority to provide direction to any administrative official. Council members should direct residents directly to the mayor's office or to the appropriate department. Furthermore, the City Council is a part-time body as are nearly all city councils in the state, and most councils do not have staff.

The Mayor had requested three full-time employees for his office to assist him in operating the City. The general fund only allows for the funding of two full-time positions. In order to allow the mayor to have three staff people, the position of Deputy Mayor was funded with a meeting stipend.

The City's insurance carrier has recommended that the City implement a sidewalk inspection program to identify dangerous sidewalks, cite the abutting property owner, and in accordance with the City's ordinance, transfer the liability from the City to the property owner. The annual losses that the City incurs for sidewalk related lawsuits are less than the cost the City would incur to inspect all sidewalks. The Department of Public Works is encouraged to use the limited resources available to inspect sidewalks in high pedestrian traffic areas and shift the liability to the property owner by placing property owners on notice of defective sidewalks bordering their property.

The Finance Director has discussed the possibility of prosecuting delinquent income tax payers. The City has a significant level of outstanding income tax payments owed to the City. The costs of prosecution and a more aggressive approach to enforcement need to be more closely examined in relation to the amount of taxes that will be realized before this program is implemented, but I have authorized an additional \$100,000 expenditure offset by a \$100,000 increase in collections in each of the next two fiscal years to examine the feasibility of a more aggressive approach.

Wade Trim had conducted a survey of business license fees after hearing complaints about the City's high cost of business licenses. They had proposed to reduce the fees from 50 to 80 percent. The rationale is that a lower fee will attract more businesses to register, which in turn would result in increased income taxes collected. Due to the large number of unlicensed businesses in the City, the City needs to devote additional resources to this task, and until the City is able to register more businesses, the City is unable to reduce the licensing fees at this time. If Wade Trim is able to register more businesses and demonstrate an increase in income tax revenue, then the City could consider a fee reduction in the future.

Also in the area of Community Development, the Director has identified that the city has several privately owned structures that are abandoned and open to trespass. The City does not have the funds to secure these structures. Rather, the City should continue its aggressive condemnation process and demolish dangerous structures as soon as possible. Although the number of dangerous structures exceeds the grants received to demolish such buildings, the City does not have general fund capability to demolish all homes. The Community Development Director is encouraged to continue to use outside sources of revenue to demolish dangerous structures in accordance with the master demolition plan.

The Director of Community Development has requested funding to abate tall grass complaints. This program must be funded by the vacant property registration fee as the City does not have the additional funds to supplement this program.

Other Funds

A structural deficit is reflected in the Senior Citizens fund; however, this function can continue to operate provided no large capital expenditures are required until such time that a millage renewal is placed before the voters in 2016.

The fund balance in the Chapter 20 Drain Fund is decreasing. The City will need to consider issuing special assessments for drain maintenance within the next few years as the City did several years ago.

The Tax Increment Finance Authority no longer captures enough taxes to make its last remaining bond payments. Because the bonds are general obligation, the general fund must subsidize the shortfall each year by a transfer out.

Capital Projects

In the Major Street Fund, the City continues improvements to various bridges. The City is also improving Walton Blvd between Baldwin and Joslyn. Although these road projects are predominantly funded by state and federal funds, the City is still required to contribute a match. The Capital Project Fund this year will be used to improve the City's streetlights and demolish two bridges. These and other projects are listed in detail in a later section in this budget packet.

Conclusion

The proposed budget that follows is structurally balanced for the next two ensuing fiscal years. The City will need to continue to address funding challenges in the future and continue to explore options that will allow the City to provide increased or better services at a lower cost and increasing fund balance.

Louis H. Schimmel
Emergency Manager

Financial and Operating Plan

City of Pontiac Financial and Operating Plan, June 7, 2013

The following plan is submitted in accordance with Public Act 436 of 2012 and replaces all other financial and operating plans on file.

Current Financial Condition of the City of Pontiac

As of June 30, 2013, the City of Pontiac is projected to complete the 2012-2013 fiscal year with a surplus of approximately \$575,000. According to professional standards, the City should have a fund balance of approximately two months of operating expenditures, which would be about \$5,000,000. This demonstrates that the City is not yet considered financially healthy, but the fund balance demonstrates that the City has improved significantly since the end of the 2011-2012 fiscal year, which ended with a fund deficit of \$3.4 million.

The positive estimated fund balance for the current fiscal year was the result of a significant one-time source of revenue. In August of 2013, the City realized a one-time revenue infusion of \$50 million upon the monetization of the waste water treatment plant. Proceeds from the monetization allowed the City to retire \$36.2 million of existing bonds issued by the City saving the City an additional \$12.7 million in interest over the next 15 years. These proceeds also allowed the City to make contributions of \$4.2 million to the Police and Fire Pension and VEBA plans of the City, thus eliminating the need for a court-ordered tax judgment on the property owners, and a \$4.0 million payment to General Motors in exchange for General Motors forgiving the City \$11 million for a property tax refund owed by the City.

On occasion, I have been criticized for using the proceeds from the monetization of the waste water treatment plant to retire bonds rather than using the proceeds to pay retiree health insurance and other post employment benefits. My response is that by paying off bonds early, the City has saved \$12.7 million of interest costs which is now available to pay for city services such as police and fire protection. My plan as Emergency Manager has always been to reduce the City's debt rather than to issue more bonds and increase the City's debt, which would simply delay the impact of the City's financial crisis. If I had not paid off the bonds, the City would not have a structurally balanced budget and would have needed to consider the reduction of police and fire services since those two services comprise about \$17 million of the City's \$30 million budget.

I have prepared a two-year budget for the City of Pontiac as required by Public Act 436. The budget is structurally balanced. The budget message discusses the current financial condition of the City in greater detail. I continue to stress my concerns of the decreasing property tax base over the next three years and the method to fund retiree health insurance into the future.

After all one-time revenues and expenditures are removed from the budget, the City must operate on revenues of approximately \$30 million each year. These revenue challenges have forced the city to make difficult policy decisions on which programs the City can and cannot offer. Under more favorable revenue projections, the City could budget additional funding for nuisance abatement such as illegal dumping, tall grass, buildings open to trespass, and dangerous buildings, but until revenues recover, the City will need to provide limited nuisance abatement programs. The City also needs to implement a sidewalk inspection program and inform property owners of defective sidewalks to shift the liability from the City to the property owners.

The financial condition of the City has significantly improved over the past year as a result of the successful implementation of a variety of initiatives that have helped reduce long term liabilities and improved service delivery to the residents of Pontiac. However, additional savings or revenues need to be achieved so that at the minimum, the fund balance is increased to a professionally accepted level of at least two months of operating expenditures.

Successful initiatives completed to balance the budget over time include:

Completed Major Projects with Long Term Benefits

- Reduction in General Fund expenditures from nearly \$57 million six years ago to \$28 million to match the reduction in revenue. Working to finalize a structurally balanced five-year budget where operating revenues support operating expenditures without the use of one-time sources of revenue.
- Water and Sewage Disposal System – sale of excess capacity for \$55 million with proceeds used to retire City debt.
- Reduced City's bonded general fund obligation debt from \$106 million (June 2010) to \$29 million (May 2013). Saved City's general fund \$12.7 in future interest payments.
- Negotiated \$4 million payment to GM to settle \$15 million of debt owed.
- Upgraded City's bond outlook from negative to stable (Fitch).
- Structured the City's tax increment finance authority to meet its debt obligations without incurring a subsidy from the general fund.
- Negotiated Labor Union Contracts with present contracts expiring in 2016 giving the City a solid cost structure. Among the concessions gained from most unions included: elimination of retiree insurance for new hires; closure of the GERS defined benefit pension plan and creation of a defined contribution pension plan for new hires. Acceptance of new health and dental insurance cost sharing program. Acceptance of new health and dental insurance plan designs. Elimination of optical insurance, hearing insurance, disability insurance and longevity payments for current employees. Contracting of law enforcement services with Oakland County Sheriff. Contracting of fire protection services with Waterford Regional Fire Department.
- Reduced number of full-time city employees from nearly 502 six years ago to the proposed number of 20 (excluding court employees), thus nearly eliminating the long

term costs of pensions, health insurance, and other post employment benefits to future retirees, as only five employees will receive these benefits.

- Hired educated, professionally trained, experienced, flexible, and motivated staff members whom work to address the needs of the City without the long-term liabilities of pensions and other post employment benefits.
- Numerous lawsuits settled resulting in substantial savings to the City.
- Instituted general liability insurance revisions resulting in substantial savings to City.
- As of July 1, 2013, City is no longer self-insured for workmen's compensation.
- Pontiac Public Library separated from City, eliminating liability and financial dependence.
- Pontiac Housing Commission separated from City, eliminating liability.
- Retirement Board personnel separated from City, eliminating liability.
- Police department disbanded, eliminating liability.
- Fire department disbanded, eliminated liability.
- Water and sewer system transferred to Oakland County Water Resources Commission, eliminating liability; customers to realize cost savings.
- Contracted all DPW City services and sold all equipment and property, thus eliminating the cost of equipment, facility improvement and management, and eliminating the long term costs of pensions, health insurance, and other post employment benefits to retirees. DPW Equipment Auction resulting in one-time net revenues of \$633,000 million. Sold DPW Building to Consumers Power, eliminating the potential for environmental liabilities.
- Streamlined, consolidated, relocated, and improved efficiency of departments within one building - City Hall - to improve customer service.
- Installed security cameras in City Hall and restricted after hour access to the building to only critical staff. Staffed city hall during public meetings for security reasons and to insure compliance with the Open Meetings Act.
- Instituted a program of retention, storage and shredding of records - (252,250 lbs. or 126 tons shredded to date) in conformance with the Record Retention Policy.
- New telephone system and new computer systems purchased to improve customer service.
- New BS&A software purchased which consolidated four non-interfaced financial management software systems into one integrated financial management system saving over \$200,000 per year and allowing management to better monitor the City's finances and enhanced internal controls.
- Redesigned city web site to be more user friendly.
- Revised or adopted dozens of ordinances to comply with State law and improve the operations of the City.
- Reviewed various fees and adjusted fees to cover the cost of the City providing service.
- Implemented sanitation fee to eliminate general fund support.
- 50th District Court funding subsidy reduced about \$500,000 along with cooperation with the Court to increase efficiencies in operations.

- Centerpoint Parkway agreement cancelled, saving City at least \$1,000,000 in necessary improvements.
- Signed lease agreement with Martin Baseball Group to improve Jaycee Park and operate a youth baseball program.
- Abolished nonfunctioning and inactive boards and commissions.
- Appointed a Board of Appeals comprised of three construction professionals and two residents concerned with blight to make the final decision on the condemnation of dangerous buildings, thereby removing the city council from the decision making process.
- Required a cash bond from property owners who promise to correct major property violations in exchange for not condemning a structure.
- Released liens on over 200 privately owned properties that had previously received federal funds for property improvement; liens should have been released many years ago.

Economic Development Projects

- Improved the ability for developers to work with the City by eliminating the need for the City Council to approve each new business opening in the City.
- Approval of the Oakland County One-Stop Ready program that demonstrates to developers that the City is an easy place to do business.
- Ended the unofficial and illegal practice of requiring developers to receive support from local council districts before plans being considered by the Planning Commission.
- Worked in cooperation with the Pontiac Downtown Business Association for special events inside the loop.
- Worked with the Pontiac Downtown Business Association to continue the Main Street USA program.
- Abolished the Economic Development Corporation and Downtown Development Authority, eliminating the fractured economic development governing structure that was often at odds with the City and eliminating unnecessary costs of duplicated services.
- Supported the rezoning petitions of a former GM Site rezoned to make way for new retail, M1 Concourse on a former GM site, and Ultimate Soccer for new development which will increase the property tax roll and increase income taxes.
- Authorization to allow the Oakland County Brownfield Redevelopment Authority to manage the cleanup and redevelopment for M1 Concourse.
- Approved the Brownfield Redevelopment Plan at the site of the former Sears that resulted in the construction of the Lafayette Lofts, Lafayette Market, and Ultimate Fitness.
- Granted tax abatement to General Motors for new research facility which will result in 300 new jobs and increased property taxes.
- Granted tax abatement to 28 North LLC for the purpose of creating residential lofts in downtown Pontiac.

- Denied tax abatement to the owners of the Pontiac Silverdome which would not have resulted in any new jobs.
- Cancelled the Bloomfield Park Brownfield Plan freeing thousands of dollars in previously captured property taxes to be used for the City's general fund.

General Fund Departmental Cost Savings and Service Improvements

General Government

- City Council - Staff eliminated. Benefits for elected officials eliminated. Salary reflects the charter identified role of a part-time councilmember. Annual savings - \$450,000.
- Mayor's Office - Staff reduced. Current staff receives no benefits. Annual savings - \$200,000.
- Controller and Budget Administration (Plante Moran) - All staff eliminated. Contracted with a full-service governmental accounting firm with all staff being licensed CPAs. Annual savings - \$46,000.
- Accounts Payable and Purchasing - Hired accounting specialists in the field. Annual savings \$125,000.
- Income Tax Administration (Innovative Software Solutions) - All staff eliminated. Software vendor processes income tax returns and payments. Income tax returns entered into system upon receipt. Electronic filing instituted. Electronic payments instituted. Income tax refunds issued within two weeks, saving the City from paying interest. Participated in State non-filer program to identify additional tax revenue. Invoices mailed to delinquent tax payers. Annual savings - \$175,000.
- Vital Records (Oakland County Clerk) - Reduced staff. Transferred to Oakland County Clerk. Vital records now protected from fire. Revenue from sales failed to cover cost of staff needed to service requests and pay for proper protection.
- Internal Auditor - Eliminated staff. Simplicity of current operations negates the need for an internal auditor. Function can be performed by City's external auditor upon request. Annual savings - \$265,000.
- IT Services (SARCOM) - Eliminated staff. Annual savings - \$60,000.
- Assessing & Property Tax Appeals (Oakland County Equalization) - Maintained by previous action of City; however, renewed agreement now has Oakland County handling minor matters before the Tax Tribunal saving the city legal fees of approximately \$100,000.
- Elections - Reduced number of precincts from 28 to 21 and number of voting locations from 11 to 9, making election setup and Election Day administration more manageable. Reduced election costs by 25%.
- Building and Grounds (Kristel Cleaning) - Selected new service provider. Biannual carpet cleaning included in contract. Annual savings - \$38,400.
- Legal Department (Giamarco, Mullins & Horton) - Staff eliminated. All attorney services, previously provided by fifteen outside firms in addition to city staff, now less than one multispecialty firm. Annual savings - \$280,000.
- Human Resources - Staff reduced commensurate to the overall reduction in City staffing. Payroll function separated from Human Resources to improve internal controls. Annual savings - \$300,000.

Public Safety

- Police Services (Oakland County Sheriff) - More officers on the street and significantly better response time. Annual savings \$2.2 million.
- Dispatch (Oakland County) - Savings and efficiencies included with police services.
- Crossing Guards - Crossing guards assigned and supervised by Oakland County Sheriff. Annual savings - \$100,000.
- Fire Services (Waterford Township) - Improved response time. Annual savings \$3.6 million.
- Building Department (Wade Trim) – Number of inspections per inspector per day increased from 2.12 in fiscal year 2008-09 to 9.38 in fiscal year 2011-12. Wade Trim staff performed more code enforcement inspections during the first nine months of 2011 than City inspectors performed in all of 2008, 2009, and 2010 combined. Wade Trim inspectors average 2,365 inspections per year while previous City staff averaged 525 inspections annually per inspector. Improved business licensing and rental registration program.
- Animal Control (Oakland County) - County now provides service the County is required to provide to the City by law for free. Annual savings - \$80,000.

Public Works

- Street Patching & Rail Maintenance (Asphalt Specialists Inc.), Street Sweeping (National Industrial Maintenance, Inc.), Street Winter Maintenance – major roads (Oakland Co. Road Commission), Street Winter Maintenance – major and local roads (TDE Group USA Inc.), Street Signs Maintenance (Great Lakes Municipal), Traffic Signal Maintenance (J. Ranck Electric), Street Light Maintenance (J. Ranck Electric) – Eliminated staff. Sold all equipment. Sold DPW property. Annual savings will be several hundred thousand dollars.
- Engineering Department (Tucker Young Jackson Tull) - Eliminated staff. Engineering services on call. Annual savings \$650,000.
- Soil Erosion and Sedimentation Control (Oakland County Water Resources Commission) - County now provides service the County is required to provide to the City by law for free.
- Trash Pick-up (Advanced Waste/Veolia) - Call center, special pickups, downtown and park waste collection services now provided by vendor. Annual savings – Increased and improved customer service at no cost to the City.
- Water, Sewer and Sewage Disposal System (Oakland County Water Resources Commission) - System now operated by professional waste water treatment operators.

Health and Welfare

- Emergency Medical Services (Star EMS) - Service provided at no cost to the City. Annual savings included with Fire Department savings.

Community and Economic Development

- HUD Federal Programs Administration (Oakland County) - Assignment of funds to Oakland County prevented federal government from withholding all funding due to 20 plus-year long record of federally documented poor management of prior programs. Home improvement program reinstated after being suspended. Greater focus on a limited number of projects allows projects to be bigger and more effective. Hired an attorney who specializes in federal funds to insure funds are properly spent.
- Planning and Zoning (Wade Trim) - Planning Commission reconstituted to comply with new State law. Planning commissioners properly trained. Zoning amendment updated to comply with new State law. Annual savings - \$100,000.

Recreation and Culture

- Grounds Maintenance –All services provided by subcontractors. Community Centers closed or sold. Annual savings \$440,000.

Other Functions

- Insurance Administration (Meadowbrook & Huttenlocher) – Risk Management staff eliminated and duties disbursed among remaining staff and insurance agents. Annual savings - \$80,000.

Debt Service

- Eliminated annual payments of direct general fund expenses of \$2.1 million to pay Budget Stabilization Bonds.
- Eliminated annual payments to subsidize shortfall in the Tax Increment Finance Authority of at least \$2,369,394.

Transfers Out (Subsidies)

- Parking System - All parking lots sold. Parking meters removed. Downtown parking enforcement assigned to Downtown Business Association - Annual savings - \$445,000 in personnel costs and any capital and maintenance costs.
- Cemeteries managed by Detroit Memorial Park Cemetery Management - Annual savings - \$475,000
- Golf Course Management (Torre Golf Management) - Annual savings - \$430,000 and capital costs.

State-Approved Temporary Contract Modifications

- Health Care and other Insurance Reforms - 87 plans consolidated into 5, improving management efficiencies.
- Instituted Pension & VEBA funding changes

One-Time Projects

- Applied for and received \$996,000 in State Demolition Grant Funds allowing the City to demolish approximately 150 dangerous buildings which will improve neighborhood stability and public safety.
- Applied for and received State EVIP Funds for the Fire cooperative agreements receiving nearly \$250,000 in implementation cost recovery.
- Streetlight Improvements – new LED lights installed in downtown area to improve public safety in the business district
- Property Sales – numerous and ongoing, reducing liability and maintenance expenses. Placed all of the City's parking lots, former landfills, former community centers, long-closed fire station, former library building, and hundreds of vacant residential lots on the tax roll.

- Sold vacant Strand Theatre and 8 N. Saginaw office building for redevelopment in downtown Pontiac, eliminating the drain on the City's finances.

Nearing Completion

Among the projects still pending and nearing completion are:

- Phoenix Center Demolition (in process, litigation pending), will save the City at least \$500,000 annually in expenses for the structure to stand vacant.
- Working to transfer the small business loan program from the now abolished Pontiac Economic Development Corporation to the Oakland County Economic Development Corporation.
- Closure of the Collier Road Landfill. Should free several hundred thousand dollars that can be used to reduce the sanitation user fee.
- Neighborhood Enterprise Zone for fifty new owner-occupied housing units.
- Adoption of revised personnel policies and financial management policies and several other ordinance revisions.

Financial and Operating Plan

In order for the City to return to local control and operate as a progressive modern American City, the City must continue my initiatives highlighted above and also address those issues under its control, including working to stabilize and begin to increase its sources of revenue by supporting private sector economic development projects and creating a business-friendly environment in City Hall.

The major initiatives going forward are as follows:

1. Modifications to Collective Bargaining Agreements – Under Public Act 4 of 2011, the City received permission from the State Treasurer to temporarily modify provisions of collective bargaining agreements. These temporary modifications assisted the City in reducing expenditures and balancing its budget:
 - Consolidation of over 72 health, dental, life, optical, hearing, and disability plans into four health insurance plans, two dental insurance plans, four classes of life insurance, and the elimination of optical, hearing, and disability plans for active employees and retirees. These waivers save the City \$6,000,000.
 - Waiver of the provision of the contracts with the police and firefighters to make an annual contribution to Police and Firemen VEBA. This waiver saves the City \$5,079,102.

These waivers need to be continued through the period of receivership as the City does not have the revenue to support the original contractual provisions.

2. Retiree Health Care Funding Solutions – The single largest expense to the City for which the current residents receive no benefit is for the legacy costs of retiree benefits, totaling over \$6 million in the general fund, despite the reasonable changes made to health, dental, optical, and

life insurance over the past year. The City is self-insured for health insurance up to the first \$200,000 of claims submitted per employee and retiree insurance contract of non-Medicare eligible retirees. With 1,200 retirees, 500 of which are on the City's self-insured plan, this means that the City faces an annual exposure up to \$100 million per year. Currently, the city does not generate enough revenue to continue to support these benefits at any level. In November of 2012, the voters of the city clearly stated that they do not want to increase taxes to pay for such benefits as they defeated a proposed millage dedicated to paying the benefits of retirees. Therefore, the City is left with limited options. The best option is to close the city's defined benefit pension plan and to transfer the assets to the Michigan Employee Retirement System. At its latest actuarial evaluation dated December 31, 2012, the GERS plan has total assets of \$450 million to pay benefits valued at \$300 million. This leaves an overfunding of \$150 million that can be used to fund retiree health insurance and other post employment benefits. Even with the transfer of the \$150 million, the pension plan would be more than adequately funded, at a level of 120%, and professionally managed and will allow approximately \$150 million to be divested from the pension plan and deposited into the Michigan Employee Retirement System Health Care Savings Account. MERS has a proven record of sound investment strategies. Unfortunately, this decision can only be made by the GERS Board, and they are opposed to even investigating the possibility. Therefore, there is only one feasible option: the elimination of retiree health care and dental benefits. The City's current benefit administrator has identified a plan that retirees could enroll in, but the benefit levels are lower than retirees currently receive. To assist in the deferment of the costs of the plan, a one-year pension enhancement in an amount to be determined will be provided to all pensioner recipients. Understanding that the overfunding of the pension plan was the result of the overfunded hospital pension plan merging with the underfunded GERS plan many years ago, hospital retirees will also be given a one-year increase in their pension. After the one year, unless the GERS Board agrees to dissolve and transfer its assets to MERS, offsetting the cost of retiree health insurance will not be possible. The Pontiac City Council has submitted an alternative to this plan to the Treasury Department. Either my plan or the Council's plan will be accepted.

3. Sale of Golf Course – At best the golf course breaks even; in previous years it has been a money loser. Currently the City is fortunate to have a company leasing and operating the golf course on a month-to-month basis. The revenues generated do not cover the cost of any capital improvements or any legacy costs. The City has listed the golf course with a specialty golf course broker at a minimum price of \$800,000. The City Council failed to approve or deny the request to sell the golf course, and thus the proposed sale is considered approved. By placing the property in the hands of a private owner, the property would generate tax revenues in the future.
4. Sale of Lot 9 – Lot 9 was originally created by the Downtown Development Authority for the purpose of assembling a large parcel of downtown property for future development. During an open auction in March, the City received an offer of \$1.28 million for the property, but the purchaser failed to close due to pending litigation. The City needs to sell the property with the proceeds targeted to offset the cost of retiree health insurance through August 31, 2013.
5. Sale of Excess City Properties – The City has hundreds of parcels of excess property that only serve as a liability to the City. For several of the large parcels, the City has either received offers to purchase or has individuals expressing an interest in the property. The City Council failed to

approve or deny the request to sell the following parcels, and thus the proposed sales are considered approved at the following levels:

- Lot 1AH - \$75,750
- Lot 1AP - \$230,000
- Lot 5 - \$50,250
- Kennett Road Landfill - \$150,000

In addition, the City has several hundred residential lots available sized at one-half acre or less. Lots one-quarter acre or less will be sold for a minimum price of \$150 per lot and lots one-half acre or less but greater than one-quarter acre will be sold for a minimum price of \$300 per lot. Exceptions to these prices are properties purchased with federal funds that must be sold for a \$300 minimum and parcels that are being packaged with other parcels to create a larger parcel group that will be sold at near-market rates.

The City has other parcels that are generally larger than one-half acre, may contain a structure valued at less than \$50,000, may be zoned for commercial use and have a higher market value, or may be grouped with other parcels to create a larger parcel package. These properties should also be sold, and their sale proceeds can be used to fund one-time expenditures.

6. Demolition of the Phoenix Center and Sale of the Property – The City received an engineering study stating that the structure needs \$1.8 million of repairs to be made over the next 18 months and a total of \$8 million over the next 10 years in order to be fully usable. The City does not have the money to make such repairs. If the Center was repaired it is estimated that it would cost the City \$500,000 annually to properly operate the facility. The facility is viewed by many as a deterrent to the development of the downtown area and demolition of the facility would represent a milestone in the turnaround of the City of Pontiac. The City has received a bid in the amount of \$1,825,000 for the demolition of the facility. Oakland County has received grant money to do a study and is assisting in putting together a plan to redevelop the area that includes the Phoenix Center land area consisting of 12.7 acres. Demolishing the facility would open up the access to Saginaw Street which is the main downtown street in the City. The City was able to retire all outstanding debt on the Phoenix Center, and is now free to sell the remaining property. Assuming that the property receives as much interest as the sale of Lot 9, the City will be able to realize a one-time general fund revenue increase of \$750,000 or more.
7. Reorganization of City Departments and Staffing Plan – The City of Pontiac is now a model City for communities facing financial distress, or as a way to operate more efficiently and effectively than the standard governing model. Nearly all services are either provided by another governing unit, which benefits both governing units, or services are provided by private contractors. In either case, Pontiac is now receiving better services for a lower cost annual cost in addition to the long term savings by no longer needing to pay pensions or health insurance benefits to retirees if the City continued to employ staff to deliver service. Most importantly, the City has shed the accumulation of significant future long-term uncontrollable liabilities such as retiree insurance benefits and pensions because the City no longer has employees eligible to receive such benefits for the rest of their lives. As a result, the need for many city departments and employees has been eliminated. The City can now function on a more compact model and organizational chart. Ordinances are in the process of being drafted and adopted to reflect the new governing model for the City of Pontiac, and will include minimal educational and experience requirements for department heads.

The City of Pontiac shall be organized into three departments and two offices effective July 1, 2013:

Department of Community Development

Responsible for construction code enforcement, vacant property registration, residential rental registration program, business license program, planning, zoning, economic development liaison, cable, historic district commission, federal grant implementation, fire insurance withholding program, city real estate disposition, tax abatements, capital improvement planning, support and reporting for the TIFA and BRA, document retention for the former GBA, DDA, PBDC, and EDC. The Department will be staffed by up to three full-time and up to one part-time employees.

Department of Public Works

Responsible for summer and winter road maintenance, park maintenance, sanitation, engineering, city owned public lighting, city-owned traffic control devices, city building and property maintenance, cemeteries, senior citizen centers, and sidewalks. The Department will be staffed by up to five full time employees, six part-time employees, and two seasonal part-time employees.

Department of Finance

Responsible for accounting, budgeting, income tax , purchasing, investing of surplus funds, information technology, payroll, assessing, employee and retiree benefits, workers' compensation, human resource functions, grant administration, unemployment reporting, collections of delinquent debts, and debt payments. The Department will be staffed by up to seven full-time employees.

Office of the Clerk

Responsible for serving as secretary to the City Council, conducting elections, posting all Open Meeting Act notices, and processing daily receipts. The Office will be staffed by up to two full-time and one part-time employees and 900 hours of seasonal assistance.

Office of the Mayor

The Mayor is responsible for contract administration of the city attorneys, Star EMS, Oakland County Sheriff, and Waterford Regional Fire Department, and oversight of the three department heads and document retention for the files of the former Law Department. The Mayor will also have a Community Relations Specialist and Administrative Assistant to assist the mayor in carrying out the duties of the office. The Mayor's Office will become the central telephone operator for the City. Risk management liaison will fall under this office. The office will be

staffed by one elected official and two full-time employees. The Deputy Mayor will be compensated on a per-diem based on the deputy mayor's attendance at a council meeting.

City Council

Because Pontiac operates under a strong-mayor form of government, the City Council does not have any administrative or executive authority, and thus is not involved in the day-to-day operation of the City. The charter clearly prohibits the council as a body and its members as individuals from giving direction to city employees. The role of the city council is that of a legislative body, and the charter clearly identifies the roles and responsibilities of the city council: to adopt ordinances to govern the city, to set the salaries of city employees, to award contracts, and to adopt and amend the budget when necessary. State law also bestows additional responsibilities on the city council such as making or confirming the mayor's appointments to certain boards and commissions, designate certain areas of the city for special tax treatment, and set the tax rate of the city. As such, the Pontiac City Council has the same roles and responsibilities as most other cities in the State of Michigan, and thus has no need to be present daily in City Hall or operate an office; however, due to the tradition in the City of Pontiac, council members, should they choose, may continue to have individual offices and office hours in City Hall, but the City will not financially support any operations of the council office. The council area will be remodeled to allow greater opportunity for the public to access their individual council members. The new compensation package for city council represents their true function by paying council members on a per diem for meetings attended.

In addition, current members of the city council will receive training so they understand their roles and responsibilities under the charter, under the Open Meetings Act, and in reading and understanding financial statements and periodic financial reports. Also, all persons who will appear on the general election ballot for each elective office will be provided complete copies of the agenda packet provided to council members. This will allow those elected to office to have a smooth transition. In addition, training and orientation sessions should be provided to newly elected officials before assuming office to assist the person to understand their roles and responsibilities of their new position and to understand the finances and operations of the City.

The city council should also be encouraged to change its operating rules and meeting procedures to improve the operations of the city council. All items submitted to the council for action should be placed on the council's agenda immediately and not held back by the council president. An agenda item should be listed for hearing and receiving committee reports. Public comments should be limited to two minutes per person. The process of calling special meetings on the same day as regular meetings should be eliminated by incorporating such items on the council agenda. Agenda packets should be distributed to council members no less than 48 hours before the meeting.

8. Adoption of Model Charter Provisions – The Pontiac City Charter is presently under review by vote of the people. The Charter Revision Commission needs to consider the following amendments to the Pontiac City Charter to reflect the new operating model and needs of the City:
 - 2.105 – Remove city assessor from election commission and replace with one registered voter appointed by the city council since Oakland County Equalization

has notified the City that it will not send a representative to sit on the election commission.

- 2.107 – Require 250 signatures to run for Mayor and 150 signatures to run for City Council.
- 3.105 – Change from weekly council meetings to regular meetings only twice per month. Most city councils in Michigan meet only twice per month, and the responsibilities of the city council do not warrant more than two meetings each month.
- 3.114 – delete (hospital does not exist).
- 3.115 – delete (council does not need staff).
- 3.301 – delete (internal auditor no longer required).
- Article IV, Chapter 2 – delete all references to the Law Department and make clear that the City Attorney can be a firm appointed by the Mayor.
- 4.204 – delete (allowing the city council to appoint their own legal counsel encourages conflict between the mayor and the city council and the city attorney).
- Article IV, Chapter 4 – (Police Department) delete in its entirety and replace with a provision that states that the City may contract for law enforcement services.
- Article IV, Chapter 5 – (Fire Department) delete in its entirety and replace with a provision that states that the City may contract for fire protection services.
- 5.104 – require budget to be adopted on a functional basis rather than on a departmental or line item basis.
- 5.105 – delete because the provision allowing for an interim budget is illegal, and replace with a provision that docks the mayor one month pay for every month or portion thereof that he is late in fulfilling his budget preparation duties and the city council one month pay for every month or portion thereof that the council is late in adopting the budget, and prohibit retroactive payment upon fulfillment of duties.
- 5.205 – Change to read as follows (eliminates reference to minimum staffing in fire department):

The total amount of taxes which may be levied against property for City purposes in any one year shall not exceed \$10.00 on each \$1,000.00 of

the taxable valuation. An additional tax of \$1.50 on each \$1,000.00 of the taxable valuation may be levied for capital improvements or to pay any principal and interest on bonds therefore; and a further additional tax of \$2.00 on each \$1,000.00 of the taxable valuation may be levied to for fire protection services, in addition to such other revenues as may be regularly utilized for those purposes. The provisions of this Section shall not prevent the levy and collection of the full amount of taxes required by law for payment of debts.

- 5.305 – allow audit to be completed by December 31, not 120 days after the end of the fiscal year.
- 6.301 – delete (Administrative Rules) as rule making is an executive function.
- 6.302 – delete (Emergency Rules) not needed if 6.301 is deleted.

I am proposing to include all of the above initiatives in the City budget I am preparing for the coming fiscal year beginning July 1, 2013. It is my opinion that the above initiatives will result in structurally balancing the City of Pontiac's revenues and expenses for the coming years providing there is no further significant decline in City revenues.

Louis H. Schimmel
Emergency Manager
City of Pontiac

Capital Projects

The City defines a capital asset as a purchase that will have a lifespan of at least one year and has a total cost of the following minimum amounts:

<u>Asset Class</u>	<u>Minimum</u>
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

Additionally, an expenditure can be considered capital if the result will increase the expected life of the asset and improve its use.

The capital plan is prepared by the Director of Community Development with input from the Director of the Department of Public Works and the Finance Director. Over the next five years, the City is focusing the use of its capital improvement millage for upgrade to the City's street lights. Major and Local Street Funds will be used to match grants obtained to repair several bridges and roads.

The following capital projects are provided in the 2013-14 budget:

Major Street Fund

- Walton Blvd. between Joslyn and Baldwin (\$170,000)
- Featherstone bridge (\$366,765)
- Orchard Lake bridge (\$21,345)
- University Drive bridge (\$19,285)
- Joslyn bridge (\$32,800)
- N. Saginaw (\$20,000)
- S. Saginaw (\$400,000)

Local Street Fund

- To be determined (\$191,250)

Capital Projects Fund

- Demolition of pedestrian bridge over M-59 near the Silverdome (\$235,000)
- Demolition of pedestrian bridge over Auburn Road (\$20,000)
- City Hall heating/cooling system (\$40,000)
- Streetlight improvements (\$625,000)
- Miscellaneous concrete improvements around town (\$100,000)
- Backup upgrade (\$60,000)

Senior Activities Fund

- Router upgrade (\$10,000)

The following capital projects are provided in the 2014-15 budget:

Major Street Fund

- Opdyke (\$77,000)
- N. Saginaw (\$230,000)
- Various roads to be identified (\$200,000)

Local Street Fund

- Various roads to be identified (\$700,000)

Capital Projects Fund

- Streetlight improvements (\$600,000)
- Computer upgrades (\$50,000)

The improvements to the City's streetlights will result in the conversion to LED lights which in turn will reduce the City's street lighting bill, which is funded by the general fund. Thus, the City is using other funds as leverage to reduce expenditures in the general fund.

The City will also be conducting an evaluation survey of all of the streets in Pontiac in order to identify and prioritize streets to be repaired in future years.

Debt Obligations

When the City issues debt, the City is admitting that the City does not have the current financial resources to pay for a function of government at the time of use or purchase and has chosen to pay off the cost of such use or function over time, with interest. As debt levels increase, the City has fewer resources to use to pay for current expenditures.

During the fiscal year that began July 1, 2012, the City retired \$53,154,481.88 in long term debt by paying off the following bonds:

<u>Year</u>	<u>Issue</u>	<u>Call Date</u>	<u>Redeemed Principal</u>	<u>Total Interest Savings</u>	<u>Call Premium</u>	<u>Total</u>
1995	water supply system revenue bond	1/1/2013	\$ 585,000.00	\$ 57,525.00	\$ -	\$ 642,525.00
2002	water supply system revenue bond	1/1/2013	\$ 775,000.00	\$ 239,225.00	\$ -	\$ 1,014,225.00
2002	sewage disposal system revenue bonds	1/1/2013	\$ 2,820,000.00	\$ 867,960.00	\$ -	\$ 3,687,960.00
2002	TIFA Dev. Area No. 2 bonds	6/1/2013	\$ 2,310,000.00	\$ 833,625.00	\$ -	\$ 3,143,625.00
2002	TIFA Dev. Area No. 3 bonds	6/1/2012	\$ 2,590,000.00	\$ 648,750.00	\$ -	\$ 3,238,750.00
2006	fiscal stabilization bonds	5/1/2013	\$ 13,945,000.00	\$ 3,668,343.75	\$ 418,350.00	\$ 18,031,693.75
2006	Oakland County Building Authority bonds (taxable)	6/1/2013	\$ 8,700,000.00	\$ 3,599,812.50	\$ -	\$ 12,299,812.50
2006	Oakland County Building Authority bonds (non-taxable)	6/1/2013	\$ 7,375,000.00	\$ 2,689,562.50	\$ -	\$ 10,064,562.50
2007	TIFA Dev. Area No. 2 bonds	6/1/2012	\$ 935,000.00	\$ 96,328.13	\$ -	\$ 1,031,328.13
TOTAL			\$40,035,000.00	\$ 12,701,131.88	\$ 418,350.00	\$ 53,154,481.88

By paying off these bonds, the City freed principal and interest payments into the future that can now be used to fund the general operations of the City.

In addition, the City also retired a \$15,000,000 debt owed to General Motors by paying only \$4,000,000 and \$1,777,044 in capital lease obligations on DPW equipment.

As of July 1, 2013, the City has no direct general fund debt; however, the City does have general fund obligations if other sources of funding are not available to make principal and interest payments out of Tax Increment Finance Authority captures.

For the 2013-14 and 2014-15 fiscal years, the City has only one bond issue. In 2007, the Tax Increment Finance Authority issued a \$31,080,000 bond issue. The bond payments are due in annual installments of \$590,000 to \$1,985,000 through the year 2031 with interest rates at 3.5% to 5.0%. 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. The property tax capture for the 2013-14 fiscal year is projected to be \$1,427,000 while principal and interest payments are scheduled to be \$1,767,832 in each of the next two fiscal years. 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 transfer out from the general fund to the Tax Increment Finance Authority Area #3 Fund.

The City set aside \$275,000 to pay the accrued sick time of police officers who separated from the City in 2011. The City agreed to pay these officers their sick time upon application for retirement as a condition of the agreement to allow the Oakland County Sheriff to patrol Pontiac. Payments will be made over the next several years as former officers apply for retirement.

In addition to the bond issue, the City also has other debt obligations that it does not intend to make nor is required to make under the law. The first debt obligation is a contribution to fund retiree health care and other post employment benefits for police and fire personnel who retired before August 22, 1996 and all non police and fire personnel. That contribution has been actuarially calculated to be \$10,058,807.

The second debt obligation is a contribution to fund retiree health care and other post employment benefits for police and fire personnel who retired after August 22, 1996. That contribution has been actuarially calculated to be \$5,079,102.

By not funding these two contributions, the City's governmental funds will incur a liability at the end of the fiscal year totaling \$15,137,909.

Adopted Tax Rates to Support 2013-14 Budget

The following are the adopted tax rates to support the budget for the 2013-14 fiscal year:

<u>Millage</u>	<u>Original Rate</u>	<u>2012 Rate</u>	<u>2013 Allowed</u>	<u>2013 Adopted</u>
Operating	12.0000	11.2737	11.2737	11.2737
Capital Improvement	1.5000	1.4091	1.4091	1.4091
Sanitation	3.0000	2.8183	2.8183	2.8183
Senior Services	0.5000	0.5000	0.5000	0.5000

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 expires on December 31, 2016 and would need to be renewed by vote of the people.

Because the millage reduction factor for 2014 is not available until May of 2014, the millage rate to support the 2014-15 fiscal year budget cannot be calculated; however, the City is assuming that because of decreasing property values, all millage rates levied by the City will remain constant. The City Council will be required to hold a public hearing on the proposed tax rates in June of 2014 before adopting the rates.

Performance Dashboard

	2010	2011	2012	Trend	Performance
Fiscal Stability					
Annual GF Expenditures per capita	\$622	\$495	\$671	35.5%	Negative
Fund Balance as % of Annual GF Expenditures	-11.1%	1.9%	-8.6%	-555.6%	Negative
Unfunded Pension & Retiree health care liability, as a % of annual GF revenue	229%	594%	607%	2.2%	Negative
Debt burden per capita	\$1,335	\$1,243	\$1,159	-6.8%	Positive
Percentage of road funding provided by the General Fund	0.0%	0.0%	0.0%	0%	Neutral
Ratio of pensioners to employees	4.26	5.31	8.47	59.5%	Negative
Number of services delivered via cooperative venture	1	1	6	500.0%	Positive
Economic Strength					
% of community with access to high speed broadband	100%	100%	100%	0.0%	Neutral
% of community age 25+ with Bachelor's Degree or higher.	12%	12%	12%	0.0%	Neutral
Average age of critical infrastructure (years)	17.8	18.3	17.9	-2.3%	Positive
Public Safety					
Violent crimes per thousand	37	41	39	-4.8%	Positive
Property crimes per thousand	59	68	55	-9.4%	Positive
Traffic injuries or fatalities	428	583	392	-32.8%	Positive
Quality of Life					
Miles of sidewalks and non-motorized paths/trails as a factor of total miles of local/major road streets	1.33	1.33	1.33	0.0%	Neutral
Percent of GF Expenditures Committed to Arts, Culture and Recreation	1.8%	1.6%	0.7%	-56.3%	Neutral
Acres of park per thousand residents	15.5	15.5	15.5	0.0%	Neutral
Percent of community being provided with curbside recycling	0%	0%	0%	0.0%	Negative

Trends

General Fund's Revenues, Expenditures, Other Items, Annual Change in Fund Balance, and Fund Balance at the End of the Fiscal Year.

*Year End 6/30/2013 is estimated.

<u>Year End</u>	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Sources (Uses) and Special Items</u>	<u>Change in Fund Balance</u>	<u>Fund Balance (end of year)</u>
6/30/2013	\$ 31,177,521	\$ 56,386,546	\$ 29,210,301	\$ 4,001,276	\$ 575,682
6/30/2012	\$ 38,709,018	\$ 39,958,067	\$ (2,731,277)	\$ (3,980,326)	\$ (3,425,594)
6/30/2011	\$ 35,632,707	\$ 29,482,321	\$ (1,506,455)	\$ 4,643,931	\$ 554,732
6/30/2010	\$ 37,806,348	\$ 36,994,403	\$ (111,073)	\$ 700,872	\$ (4,089,199)
6/30/2009	\$ 43,473,421	\$ 41,046,081	\$ (209,454)	\$ 2,217,886	\$ (4,790,071)
6/30/2008	\$ 48,826,048	\$ 46,193,123	\$ (3,562,642)	\$ (929,717)	\$ (7,007,957)
6/30/2007	\$ 45,761,033	\$ 47,487,525	\$ (238,545)	\$ (1,965,037)	\$ (6,078,240)
6/30/2006	\$ 47,361,896	\$ 50,110,618	\$ 30,333,066	\$ 27,584,344	\$ (4,113,203)
6/30/2005	\$ 48,936,199	\$ 55,834,525	\$ (3,953,252)	\$ (10,851,578)	\$ (31,697,547)
6/30/2004	\$ 49,207,772	\$ 54,102,915	\$ (3,461,406)	\$ (8,356,549)	\$ (20,845,969)

Ten-Year Trend of State Equalized Value and Taxable Value in the City of Pontiac and Total Property Taxes Levied by the City across All Funds.

<u>Year</u>	<u>State Equalized Value</u>	<u>Taxable Value</u>
2013	\$ 607,058,490	\$ 574,588,690
2012	\$ 840,440,760	\$ 791,583,260
2011	\$ 980,172,850	\$ 907,996,950
2010	\$ 1,339,878,320	\$ 1,177,478,710
2009	\$ 1,674,413,280	\$ 1,377,212,650
2008	\$ 1,952,517,700	\$ 1,472,949,920
2007	\$ 1,986,819,560	\$ 1,437,075,310
2006	\$ 1,970,814,650	\$ 1,403,513,742
2005	\$ 1,897,656,450	\$ 1,325,354,962
2004	\$ 1,811,264,850	\$ 1,286,757,160
2003	\$ 1,726,666,710	\$ 1,210,474,968

Summer and Winter Millage Rates for Pontiac Property Owners

<i>Tax Season</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
<i>Fiscal Year</i>	<i>FY04</i>	<i>FY05</i>	<i>FY06</i>	<i>FY07</i>	<i>FY08</i>
CITY - SUMMER TAX BILL					
City Operating	11.3853	11.2737	11.2737	11.2737	11.2737
Capital Improvement	1.4231	1.4091	1.4091	1.4091	1.4091
Refuse Collection	2.8462	2.8183	2.8183	2.8183	2.8183
Debt	2.3400	2.1400	4.3000	2.4700	
CITY TOTAL	17.9946	17.6411	19.8011	17.9711	15.5011
LIBRARY					1.0000
SENIORS					0.5000
MINOR RECREATION					0.5000
POLICE					0.8172
TOTAL CITY VOTED	-	-	-	-	2.8172
SCHOOL DISTRICT					
Operating Nonhomestead	18.0000	18.0000	18.0000	18.0000	18.0000
Debt		0.7000	1.7200	1.3500	1.3500
STATE EDUCATION TOTAL	6.0000	6.0000	6.0000	6.0000	6.0000
OAKLAND INTERMEDIATE SCHOOL DISTRICT					
Operating	0.2021	0.2009	0.2003	0.2003	0.2003
Special Education	2.5682	2.5530	2.5456	2.5456	2.5456
Vocational Education	0.6288	0.6250	0.6231	0.6231	0.6231
INTERMEDIATE SCHOOL TOTAL	3.3991	3.3789	3.3690	3.3690	3.3690
OAKLAND COMMUNITY COLLEGE					
Operating	1.5983	1.5889	1.5844	1.5844	1.5844
CHAPTER 20 DRAINS	0.6558	0.6558	-	-	
COUNTY					
Operating				2.8000	4.1900
CITY LAW SUITS					
ORDERED DEBT					
ORDERED DEBT					
TOTAL JULY TAX RATE HOMESTEAD	29.6478	29.9647	32.4745	30.2745	30.6217
TOTAL JULY TAX RATE NON HOMESTEAD	47.6478	47.9647	50.4745	48.2745	48.6217

<i>Tax Season</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>Fiscal Year</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>
CITY - SUMMER TAX BILL					
City Operating	9.9068	11.2737	11.2737	11.2737	11.2737
Capital Improvement	1.4091	1.4091	1.4091	1.4091	1.4091
Refuse Collection	2.8183	2.8183	2.8183	2.8183	2.8183
Debt					
CITY TOTAL	14.1342	15.5011	15.5011	15.5011	15.5011
LIBRARY	1.0000	1.0000	1.0000	1.0000	1.0000
SENIORS	0.5000	0.5000	0.5000	0.5000	0.5000
MINOR RECREATION					
POLICE					
TOTAL CITY VOTED	1.5000	1.5000	1.5000	1.5000	1.5000
SCHOOL DISTRICT					
Operating Nonhomestead	18.0000	18.0000	18.0000	18.0000	18.0000
Debt	1.7400	1.8500	2.1800	2.2500	3.0500
STATE EDUCATION TOTAL	6.0000	6.0000	6.0000	6.0000	6.0000
OAKLAND INTERMEDIATE SCHOOL DISTRICT					
Operating	0.2003	0.2003	0.2003	0.2003	0.2003
Special Education	2.5456	2.5456	2.5456	2.5456	2.5456
Vocational Education	0.6231	0.6231	0.6231	0.6231	0.6231
INTERMEDIATE SCHOOL TOTAL	3.3690	3.3690	3.3690	3.3690	3.3690
OAKLAND COMMUNITY COLLEGE					
Operating	1.5844	1.5844	1.5844	1.5844	1.5844
CHAPTER 20 DRAINS					
COUNTY					
Operating	4.1900	4.1900	4.1900	4.1900	4.1900
CITY LAW SUITS					
ORDERED DEBT				0.0470	
ORDERED DEBT				0.0070	0.0542
TOTAL JULY TAX RATE HOMESTEAD	32.5176	33.9945	34.3245	34.3945	35.1945
TOTAL JULY TAX RATE NON HOMESTEAD	50.5176	51.9945	52.3245	52.3945	53.1945

<i>Tax Season</i>	<i>2003</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>
<i>Fiscal Year</i>	<i>FY04</i>	<i>FY05</i>	<i>FY06</i>	<i>FY07</i>	<i>FY08</i>
WINTER TAX BILL					
COUNTY					
Operating	4.1900	4.1900	4.1900	1.3900	
Parks & Recreation	0.2436	0.2422	0.2415	0.2415	0.2415
Huron Clinton Authority	0.2161	0.2154	0.2146	0.2146	0.2146
SMART	0.5974	0.5962	0.5950	0.5900	0.5900
ZOO AUTHORITY					
ART INSTITUTE					
CITY LAW SUITS					
ORDERED DEBT					
ORDERED DEBT					
TOTAL DECEMBER TAX RATE	5.2471	5.2438	5.2411	2.4361	1.0461

<i>Tax Season</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>
<i>Fiscal Year</i>	<i>FY09</i>	<i>FY10</i>	<i>FY11</i>	<i>FY12</i>	<i>FY13</i>
WINTER TAX BILL					
COUNTY					
Operating					
Parks & Recreation	0.2415	0.2415	0.2415	0.2415	0.2415
Huron Clinton Authority	0.2146	0.2146	0.2146	0.2146	0.2146
SMART	0.5900	0.5900	0.5900	0.5900	0.5900
ZOO AUTHORITY	0.1000	0.1000	0.1000	0.1000	0.1000
ART INSTITUTE				0.2000	0.2000
CITY LAW SUITS					
ORDERED DEBT			0.18	0.0470	
ORDERED DEBT			0.04	0.0070	
TOTAL DECEMBER TAX RATE	1.1461	1.1461	1.3661	1.4001	1.3461

Services Provided by Third Parties with Direct Cost to the City, 2013-14.

The City has contracted with the following vendors to provide the following services to the City.

Vendor	Service	Cost	Expires
<u>General Fund</u>			
Oakland County Sheriff	police patrol	\$ 9,920,500	10/30/2015
Oakland County Sheriff	police overtime	\$ 1,205,000	10/30/2015
Kristel Cleaning	janitorial - substation	\$ 38,400	6/30/2016
TDE Group	salting and plowing - substation	\$ 10,000	1/4/2018
Waterford Regional Fire Department	fire protection	\$ 6,200,000	1/17/2022
Star EMS	emergency medical service	\$ -	1/31/2016
Wade Trim	building inspection	\$ 1,380,000	6/30/2017
Wade Trim	planning	\$ 114,000	6/30/2017
Wade Trim	nuisance abatement - admin	\$ 720,000	6/30/2017
Wade Trim	nuisance abatement - clearing	\$ 280,000	6/30/2017
Wade Trim	master plan	\$ 22,000	4/1/2014
Innovative Software	income tax collection	\$ 265,500	upon notice
Innovative Software	income tax collection - court	\$ 100,000	upon notice
Oakland County	assessing	\$ 413,000	6/30/2016
Plante Moran	accounting	\$ 250,000	6/30/2015
Plante Moran	budget	\$ 40,000	6/30/2015
SARCOM	information technology	\$ 400,120	10/17/2015
Rehman	external audit	\$ 96,000	upon notice
Giamarco, Mullins & Horton	city attorney	\$ 400,000	upon notice
Kristel Cleaning	janitorial - City Hall	\$ 40,000	6/30/2016
TDE Group	salting and plowing - City Hall	\$ 81,000	1/4/2018
Tucker Young Jackson Tull	civil engineering	\$ 10,000	5/29/2016
Detroit Memorial Park	cemeteries	\$ -	2/28/2017
United Lawnscape	grass cutting, city property	\$ 105,000	12/31/2014
GENERAL FUND TOTAL		\$ 22,090,520	
<u>Major and Local Street Funds</u>			
Road Commission for Oakland County	salting and plowing	\$ 225,000	12/20/2018
Asphalt Specialists	pothole patching	\$ 375,000	11/21/2015
National Industrial Maintenance	street sweeping	\$ 271,200	1/14/2015
TDE Group	salting and plowing	\$ 156,000	1/4/2018
J. Ranck Electric	street light maintenance	\$ 250,000	1/14/2014
J. Ranck Electric	traffic signal maintenance	\$ 177,000	1/14/2016
Great Lakes Municipal	street and traffic signs	\$ 80,000	11/11/2014
WB Maintenance	grass cutting, right-of-way	\$ 100,000	12/31/2014
MAJOR AND LOCAL STREET FUNDS TOTAL		\$ 1,634,200	
<u>Sanitation Fund</u>			
Advanced Disposal	garbage collection	\$ 2,950,000	6/30/2024

Services Provided by Third Parties with Direct Cost to the City, 2014-15.

The City has contracted with the following vendors to provide the following services to the City.

Vendor	Service	Cost	Expires
<u>General Fund</u>			
Oakland County Sheriff	police patrol	\$ 10,085,500	10/30/2015
Oakland County Sheriff	police overtime	\$ 1,205,000	10/30/2015
Kristel Cleaning	janitorial - substation	\$ 38,400	6/30/2016
TDE Group	salting and plowing - substation	\$ 10,000	1/4/2018
Waterford Regional Fire Department	fire protection	\$ 6,200,000	1/17/2022
Star EMS	emergency medical service	\$ -	1/31/2016
Wade Trim	building inspection	\$ 1,380,000	6/30/2017
Wade Trim	planning	\$ 114,000	6/30/2017
Wade Trim	nuisance abatement - admin	\$ 720,000	6/30/2017
Wade Trim	nuisance abatement - clearing	\$ 280,000	6/30/2017
Innovative Software	income tax collection	\$ 265,500	upon notice
Innovative Software	income tax collection - court	\$ 100,000	upon notice
Oakland County	assessing	\$ 413,000	6/30/2016
Plante Moran	accounting	\$ 250,000	6/30/2015
Plante Moran	budget	\$ 40,000	6/30/2015
SARCOM	information technology	\$ 400,120	10/17/2015
Rehman	external audit	\$ 93,000	upon notice
Giamarco, Mullins & Horton	city attorney	\$ 400,000	upon notice
Kristel Cleaning	janitorial - City Hall	\$ 40,000	6/30/2016
TDE Group	salting and plowing - City Hall	\$ 81,000	1/4/2018
Tucker Young Jackson Tull	civil engineering	\$ 10,000	5/29/2016
Detroit Memorial Park	cemeteries	\$ -	2/28/2017
United Lawnscape	grass cutting, city property	\$ 105,000	12/31/2014
	GENERAL FUND TOTAL	\$ 22,230,520	
<u>Major and Local Street Funds</u>			
Road Commission for Oakland County	salting and plowing	\$ 225,000	12/20/2018
Asphalt Specialists	pothole patching	\$ 375,000	11/21/2015
National Industrial Maintenance	street sweeping	\$ 271,200	1/14/2015
TDE Group	salting and plowing	\$ 156,000	1/4/2018
J. Ranck Electric	street light maintenance	\$ 250,000	1/14/2014
J. Ranck Electric	traffic signal maintenance	\$ 50,000	1/14/2016
Great Lakes Municipal	street and traffic signs	\$ 80,000	11/11/2014
WB Maintenance	grass cutting, right-of-way	\$ 100,000	12/31/2014
	MAJOR AND LOCAL STREET FUNDS TOTAL	\$ 1,507,200	
<u>Sanitation Fund</u>			
Advanced Disposal	garbage collection	\$ 2,950,000	6/30/2024

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.

<u>Provider</u>	<u>Service</u>	<u>Telephone Number</u>
Oakland County	animal control	248-391-4102
Water Resources Commission	soil erosion and sedimentation control	248-858-5389
Water Resources Commission	waste water treatment	248-335-6399
Water Resources Commission	drinking water distribution	248-335-6399
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

Staffing Levels

The following staffing levels are represented by function in the proposed budget:

Function	Full Time Employees				Part-Time Employees			
	Ended 2011-12	Adopted 2012-13	Proposed 2013-14	Proposed 2014-15	Ended 2011-12	Adopted 2012-13	Proposed 2013-14	Proposed 2013-14
City Council	0	0	0	0	0	0	7	7
Emergency Manager	4	4	0	0	0	0	0	0
Mayor	0	0	3	3	0	0	1	1
Finance	1	1	1	1	0	0	0	0
Accounts Payable	1	0	1	1	0	0	0	0
Attorney	2	0	0	0	0	0	0	0
City Clerk	1	1	2	2	1	2	1	1
Human Resources	1	1	1	1	1	1	1	0
Purchasing	0	0.5	0.5	0.5	0	0	0	0
Risk Management	1	1	0.5	0.5	0	0	0	0
Payroll	0.5	1	0.5	0.5	0	0	0	0
Treasurer	5	5	3	3	0	0	0	0
Building Maintenance	1	1	1	1	0	0	0	0
Crossing Guards	0	0	0	0	14	4	4	4
Building Safety	1	1	0	0	0	0	0	0
Department of Public Works	19	18	4	4	0	2	3	2
Tele-Van	1	1	0	0	0	0	0	0
Redevelopment and Housing	5	1	1.5	1.5	0	2	1	1
Cable	1	1	1	1	0	0	0	0
Senior Centers	4	4	0	0	0	0	6	6
Totals:	48.5	41.5	20	20	16	11	24	22
District Court	Totals:	34	34	32	32	0	0	2

For the 2013-14 fiscal year, the City will be operating with less than half of the number of full-time employees authorized one year ago. The reduced staffing levels are sufficient to maintain existing operations and to supervise subcontractors as all operations of the City. Remaining line staff will be cross-trained.

Beginning July 1, 2013, the Treasurer's Office will be staffed with three full-time staff members and will use seasonal assistance through a temporary staffing agency during the busy tax seasons.

The City Clerk's Office will have two full-time and one part-time staff members along with another 900 part-time office hours to assist with elections.

The DPW has been authorized 3,216 hours for part-time staff during the fiscal year. The sanitation inspector retired and will be replaced with a part-time employee and the City will have one part-time employee dedicated to park maintenance during the summer.

SMART senior bus service was returned to SMART which will offer a longer service period than provided by the City. The City anticipates SMART hiring the City's current driver, so the City has continued the current driver's position in the budget for a few months. The City is also retaining a part-time position in Human Resources for a few months to assist in the retiree health insurance transition.

State law was recently changed and no longer requires the City to employ a building code official. The incumbent employee retired at the end of the fiscal year and the position was eliminated.

The City will hire a person to process accounts payable and to serve as a back up to payroll. The City will hire a full-time human resource specialist. The City will also hire a full-time customer service representative to provide clerical assistance to the Oakland County Sheriff substation. By bringing on these three employees without benefits, the City will save money in the current year as well as in the future.

Cost of Employees

Dept	LAST_NAME	JOB_CURR_TITLE	Annual Salary	Total Fringes	Total Wages and Fringes	Pension	Retiree Health Care
City Council	Carter	Council Person	6,700.00	539.35	7,239.35	No	No
City Council	Jones	Council Person	6,700.00	539.35	7,239.35	No	No
City Council	Pietila	Council Person	6,700.00	539.35	7,239.35	No	No
City Council	Waterman	Council Person	6,700.00	539.35	7,239.35	No	No
City Council	Watkins	Council Person	6,700.00	539.35	7,239.35	No	No
City Council	Williams	Council Person	6,700.00	539.35	7,239.35	No	No
City Council	Williams	Council Person	6,700.00	539.35	7,239.35	No	No
Mayor's office	Jukowski	Mayor	100,000.00	25,852.00	125,852.00	No	No
Mayor's office	Holzer	Executive Assistant	60,000.00	4,830.00	64,830.00	No	No
Mayor's office	Scott	Community Relations Specialist	40,000.00	3,220.00	43,220.00	No	No
Mayor's office	Glass	Deputy Mayor	7,800.00	627.90	8,427.90	No	No
Finance	Naglick	Finance Director	120,000.00	9,660.00	129,660.00	No	No
Finance	Vacant	City Treasurer	62,225.00	5,009.11	67,234.11	No	No
Finance	Wilson	Deputy City Treasurer	47,125.00	21,729.56	68,854.56	Yes	Yes
Finance	Maher	Purchasing Agent/Fiscal Analyst	50,000.00	4,025.00	54,025.00	No	No
Finance	Peters	Payables/Receivables Manager	45,000.00	3,622.50	48,622.50	No	No
Finance	to be hired	Human Resources Specialist	45,000.00	3,622.50	48,622.50	No	No
Finance	to be hired	Customer Service Representative	45,000.00	3,622.50	48,622.50	No	No
Finance	Jimenez	Part - Time Assistant	8,991.00	863.14	9,854.14	No	No
Clerk	Hawkins	City Clerk	80,000.00	6,440.00	86,440.00	No	No
Clerk	Grandison	Deputy City Clerk	45,000.00	3,622.50	48,622.50	No	No
Clerk	Wesley	Part - Time Assistant	22,620.00	1,820.91	24,440.91	No	No
Police	Reis	Customer Service Representative	45,000.00	3,622.50	48,622.50	No	No
DPW	King	DPW Director	90,000.00	7,245.00	97,245.00	No	No
DPW	Robinson	Building Superintendent	70,720.00	19,834.08	90,554.08	Yes	Yes
DPW	Balint	City Engineer	80,000.00	7,680.00	87,680.00	Yes	No
DPW	Stewart	Accounting Assistant	47,125.00	13,397.56	60,522.56	Yes	Yes
DPW	to be hired	Customer Service Representative	45,000.00	4,320.00	49,320.00	No	No
DPW	Brimm	Part - Time Assistant	22,620.00	1,820.91	24,440.91	No	No
DPW	to be hired	Part - Time Assistant	22,620.00	1,820.91	24,440.91	No	No
DPW	Whittaker	Customer Service Representative	3,505.00	5,686.15	9,191.15	Yes	Yes

Comm. Dev.	Sobota	Comm. Dev. Dir./Deputy Finance Dir.	100,000.00	8,050.00	108,050.00	No	No
Comm. Dev.	Cayton	Cable Director	65,000.00	28,434.50	93,434.50	Yes	Yes
Comm. Dev.	Doyle	Deputy Comm. Dev. Director	70,000.00	5,635.00	75,635.00	No	No
Comm. Dev.	Beach	Part - Time Assistant	22,620.00	1,820.91	24,440.91	No	No
Crossing Guard	Butler	Crossing Guard	4,000.00	384.00	4,384.00	No	No
Crossing Guard	Hardy	Crossing Guard	4,000.00	384.00	4,384.00	No	No
Crossing Guard	Millmine	Crossing Guard	4,000.00	384.00	4,384.00	No	No
Crossing Guard	Murphy	Crossing Guard	4,000.00	384.00	4,384.00	No	No
Seniors	Kaiser	Senior Center Director	30,160.00	2,427.88	32,587.88	No	No
Seniors	Moss	Senior Center Director	30,160.00	2,427.88	32,587.88	No	No
Seniors	Teasley	Senior Service Provider	18,096.00	1,737.22	19,833.22	No	No
Seniors	Stevens	Senior Service Provider	18,096.00	1,456.73	19,552.73	No	No
Seniors	Vacant	Senior Service Provider	12,480.00	1,004.64	13,484.64	No	No
Seniors	Vacant	Senior Service Provider	12,480.00	1,004.64	13,484.64	No	No
District Court	Ward	Court Administrator	100,000.00	28,315.79	128,315.79	Yes	Yes
District Court	Polanco	Court Warrant Officer	40,372.00	33,105.44	73,477.44	Yes	Yes
District Court	Ewing	Court Warrant Officer	40,372.00	30,499.16	70,871.16	Yes	Yes
District Court	Zanin	Court Officer	40,372.00	30,499.16	70,871.16	Yes	Yes
District Court	Bell	Court Officer	40,372.00	29,628.16	70,000.16	Yes	Yes
District Court	Chandler	Court Officer	40,372.00	29,628.16	70,000.16	Yes	Yes
District Court	Gracey	Court Warrant Officer	40,373.00	27,740.30	68,113.30	Yes	Yes
District Court	Bibbs	Chief Account Clerk	39,437.00	27,894.68	67,331.68	Yes	Yes
District Court	King	Compliance Auditor	58,240.00	7,676.61	65,916.61	Yes	Yes
District Court	Flye	Chief Court Officer	56,742.00	8,108.43	64,850.43	Yes	Yes
District Court	Garner	Court Clerk I	35,069.00	29,764.01	64,833.01	Yes	Yes
District Court	Thomas	District Court Judge	45,724.00	17,729.90	63,453.90	Yes	Yes
District Court	Martinez	District Court Judge	45,724.00	17,297.90	63,021.90	Yes	Yes
District Court	Walker	District Court Judge	45,724.00	16,877.90	62,601.90	Yes	Yes
District Court	Powell	Court Clerk	35,069.00	27,484.05	62,553.05	Yes	Yes
District Court	Adams	Court Clerk	32,965.00	27,290.68	60,255.68	Yes	Yes
District Court	Thomas	Court Clerk	31,180.00	26,265.99	57,445.99	Yes	Yes
District Court	Herrgott	Court Officer	40,372.00	16,875.16	57,247.16	Yes	Yes
District Court	Devine	Court Recorder	42,702.00	14,388.38	57,090.38	Yes	Yes

District Court	Wilkerson	Court Recorder	44,948.00	11,888.12	56,836.12	Yes	Yes
District Court	Finley	Court Recorder	35,610.00	20,760.49	56,370.49	Yes	Yes
District Court	Gross	District Court Judge	45,724.00	8,444.90	54,168.90	Yes	Yes
District Court	Ratliff	Court Clerk I	35,069.00	16,535.01	51,604.01	Yes	Yes
District Court	Neill	Court Recorder	47,653.00	3,836.07	51,489.07	Yes	Yes
District Court	Nelson	Court Assistant	32,615.00	17,332.51	49,947.51	Yes	Yes
District Court	Escobar	Court Clerk I	35,069.00	14,255.05	49,324.05	Yes	Yes
District Court	Thompson	Court Clerk	35,069.00	14,245.05	49,314.05	Yes	Yes
District Court	Mathes	Court Warrant Officer	40,373.00	6,851.18	47,224.18	Yes	Yes
District Court	Chamberlain	Court Clerk	32,430.00	14,018.62	46,448.62	Yes	Yes
District Court	to be hired	Part Time Assistant	18,775.00	12,617.39	20,286.39	No	No
District Court	to be hired	Part Time Assistant	18,774.50	12,617.35	20,286.39	No	No
Court Probation	Greer-Alvrez	Chief Probation Officer	59,592.00	26,093.58	85,685.58	Yes	Yes
Court Probation	Huff	Probation Officer I	49,816.00	31,069.71	80,885.71	Yes	Yes
Court Probation	Sellers	Court Secretary	34,570.00	18,604.26	53,174.26	Yes	Yes

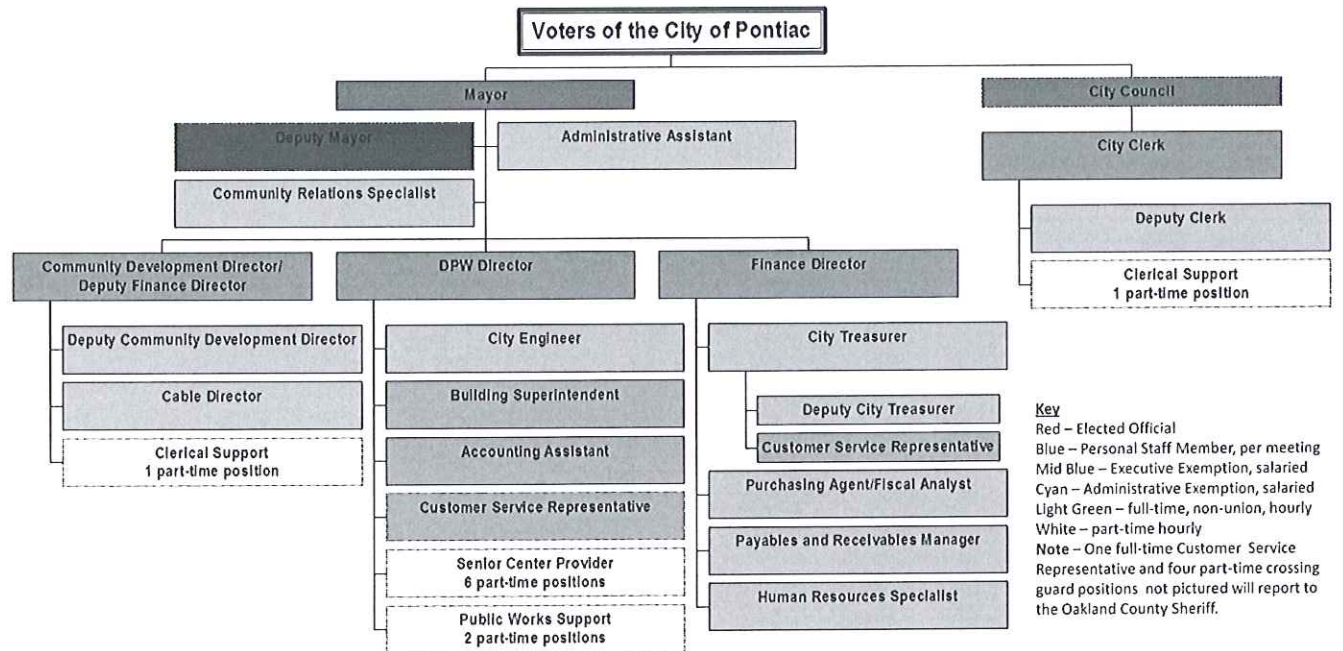
The City is budgeting for a five percent increase in health insurance benefits for the 2014-15 fiscal year for employees of the 50th District Court and the five city employees that will receive health insurance benefits.

City Council members will also be eligible for an additional \$300 per year in compensation in fiscal year 2014-15 as a result of the compensation package recommended by the Local Officials Compensation Commission and approved by the Emergency Manager.

Jimenez and Whittaker are only budgeted for a portion of the 2013-14 fiscal year and will not be replaced upon their departure.

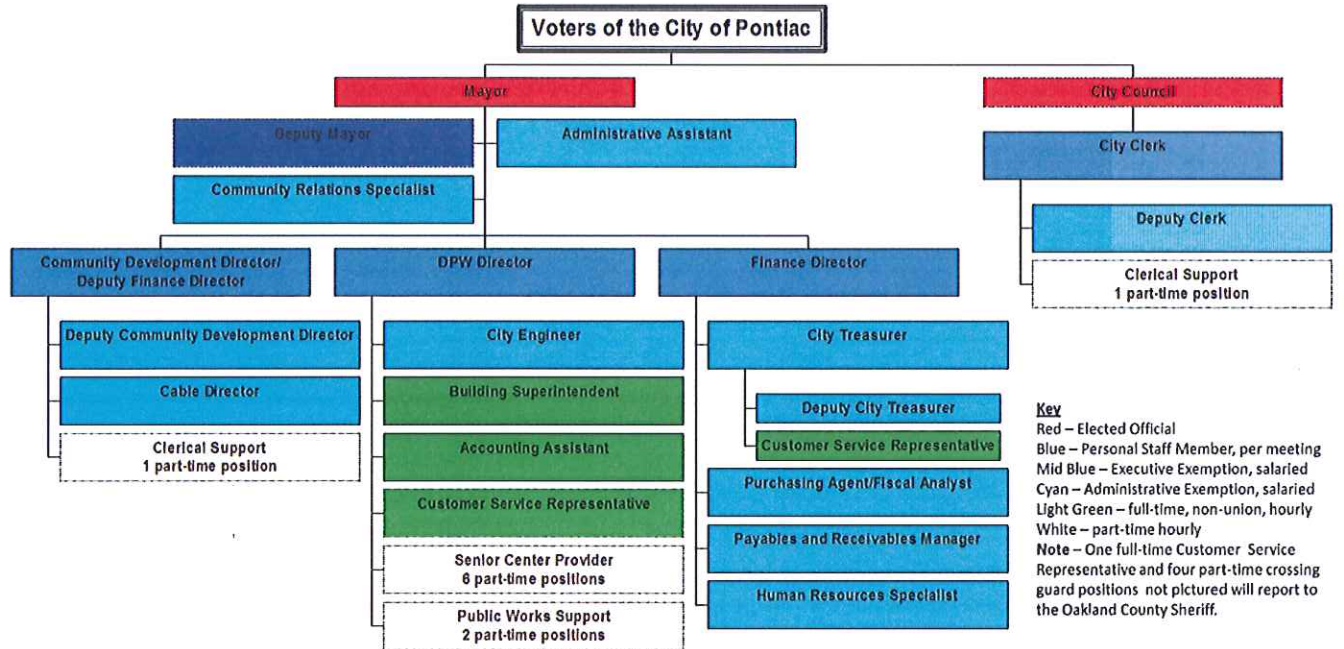
Organizational Chart

City of Pontiac Organization Chart, Post Emergency Manager



Organizational Chart

City of Pontiac Organization Chart, Post Emergency Manager



ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	18,150,674	16,007,526	12,371,278	16,008,179	15,968,316
450	LICENSES AND PERMITS	2,998,183	2,363,400	2,344,270	2,353,400	2,898,200
699	OPERATING TRANSFERS IN	210,345	50,629,125	50,629,680	50,810,051	245,867
0	Unclassified	0	0	121,348	0	0
501	FEDERAL GRANTS	936,428	0	0	0	25,000
539	STATE GRANTS	8,498,184	8,894,649	6,036,888	8,898,751	9,006,266
580	CONTRIBUTION FROM LOCAL UNITS	33,745	136,100	117,260	136,100	0
600	CHARGES FOR SERVICES	2,512,076	1,492,380	1,428,584	1,465,091	1,280,382
664	INTEREST AND RENTS	18,895	29,300	29,400	29,300	75,000
671	OTHER REVENUE	3,704,711	2,298,425	2,282,985	2,286,700	1,137,016
695	OTHER FINANCING SOURCES	1,856,122	0	0	0	0
TOTAL ESTIMATED REVENUES		38,919,363	81,850,905	75,361,693	81,987,572	30,636,047
APPROPRIATIONS						
100	GENERAL GOVERNMENT	5,122,405	5,265,797	4,739,238	5,374,737	3,838,799
300	PUBLIC SAFETY	23,022,818	20,428,206	19,709,889	20,413,248	21,205,363
440	PUBLIC WORKS	998,188	1,254,159	1,239,391	1,561,435	1,466,005
600	HEALTH AND WELFARE	101,567	143,852	103,089	147,196	0
690	COMMUNITY AND ECONOMIC DEVELOPMEN	210,758	374,287	267,960	327,953	361,610
750	RECREATION AND CULTURE	282,936	451,547	480,506	367,287	282,827
850	OTHER FUNCTIONS	6,491,134	11,716,077	13,390,797	11,702,138	2,150,000
905	DEBT SERVICE	2,159,963	16,489,052	16,492,552	16,492,552	0
965	TRANSFERS (OUT) AND OTHER SOURCES	4,509,920	21,864,400	14,397,405	21,599,773	1,331,082
TOTAL APPROPRIATIONS		42,899,689	77,987,377	70,820,827	77,986,319	30,635,686
NET OF REVENUES/APPROPRIATIONS - FUND 101		(3,980,326)	3,863,528	4,540,866	4,001,253	361
BEGINNING FUND BALANCE		554,734	(3,425,571)	(3,425,592)	(3,425,571)	575,682
ENDING FUND BALANCE		(3,425,592)	437,957	1,115,274	575,682	576,043

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
600	CHARGES FOR SERVICES	127,976	134,210	135,054	125,700	130,000
	TOTAL ESTIMATED REVENUES	127,976	134,210	135,054	125,700	130,000
APPROPRIATIONS						
100	GENERAL GOVERNMENT	42,932	246,761	167,289	247,481	185,188
	TOTAL APPROPRIATIONS	42,932	246,761	167,289	247,481	185,188
	NET OF REVENUES/APPROPRIATIONS - FUND 113	85,044	(112,551)	(32,235)	(121,781)	(55,188)
	BEGINNING FUND BALANCE	1,034,345	1,119,389	1,119,389	1,119,389	997,608
	ENDING FUND BALANCE	1,119,389	1,006,838	1,087,154	997,608	942,420

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

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GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
699	OPERATING TRANSFERS IN	60,216	0	0	0	0
501	FEDERAL GRANTS	186,401	0	0	0	0
539	STATE GRANTS	3,535,803	3,117,222	2,640,242	3,117,222	3,140,380
600	CHARGES FOR SERVICES	20	13,175	31,162	31,164	0
	TOTAL ESTIMATED REVENUES	3,782,440	3,130,397	2,671,404	3,148,386	3,140,380
APPROPRIATIONS						
440	PUBLIC WORKS	3,359,620	2,461,529	1,702,522	1,934,363	3,150,485
965	TRANSFERS (OUT) AND OTHER SOURCES	0	426,257	213,129	426,257	471,100
	TOTAL APPROPRIATIONS	3,359,620	2,887,786	1,915,651	2,360,620	3,621,585
	NET OF REVENUES/APPROPRIATIONS - FUND 202	422,820	242,611	755,753	787,766	(481,205)
	BEGINNING FUND BALANCE	117,550	540,369	540,370	540,369	1,328,135
	ENDING FUND BALANCE	540,370	782,980	1,296,123	1,328,135	846,930

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
699	OPERATING TRANSFERS IN	0	426,257	213,129	426,257	471,100
539	STATE GRANTS	962,373	946,833	802,310	946,833	954,205
	TOTAL ESTIMATED REVENUES	962,373	1,373,090	1,015,439	1,373,090	1,425,305
APPROPRIATIONS						
440	PUBLIC WORKS	775,492	1,024,940	885,419	910,473	787,782
	TOTAL APPROPRIATIONS	775,492	1,024,940	885,419	910,473	787,782
	NET OF REVENUES/APPROPRIATIONS - FUND 203	186,881	348,150	130,020	462,617	637,523
	BEGINNING FUND BALANCE	181,067	367,952	367,948	367,952	830,569
	ENDING FUND BALANCE	367,948	716,102	497,968	830,569	1,468,092

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

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GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 THRU 06/30/13 ACTIVITY	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	320,663	253,884	176,215	228,133	223,537
664	INTEREST AND RENTS	7,860	11,000	10,693	10,605	9,000
	TOTAL ESTIMATED REVENUES	328,523	264,884	186,908	238,738	232,537
APPROPRIATIONS						
750	RECREATION AND CULTURE	397,367	379,077	350,382	387,789	325,913
	TOTAL APPROPRIATIONS	397,367	379,077	350,382	387,789	325,913
	NET OF REVENUES/APPROPRIATIONS - FUND 212	(68,844)	(114,193)	(163,474)	(149,051)	(93,376)
	BEGINNING FUND BALANCE	1,274,923	1,206,079	1,206,079	1,206,079	1,057,028
	ENDING FUND BALANCE	1,206,079	1,091,886	1,042,605	1,057,028	963,652

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	(1,998,732)	(10,000)	(34)	(500)	(250)
	TOTAL ESTIMATED REVENUES	(1,998,732)	(10,000)	(34)	(500)	(250)
APPROPRIATIONS						
440	PUBLIC WORKS	0	45,237	18,619	(13,907)	197,762
905	DEBT SERVICE	142,225	0	0	0	0
	TOTAL APPROPRIATIONS	142,225	45,237	18,619	(13,907)	197,762
	NET OF REVENUES/APPROPRIATIONS - FUND 213	(2,140,957)	(55,237)	(18,653)	13,407	(198,012)
	BEGINNING FUND BALANCE	2,822,734	681,778	681,777	681,778	695,185
	ENDING FUND BALANCE	681,777	626,541	663,124	695,185	497,173

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

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GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	3,185,481	1,475,825	985,813	1,475,830	1,336,118
600	CHARGES FOR SERVICES	797,542	3,363,553	2,132,300	3,361,973	2,800,000
664	INTEREST AND RENTS	68	0	117	117	0
	TOTAL ESTIMATED REVENUES	3,983,091	4,839,378	3,118,230	4,837,920	4,136,118
APPROPRIATIONS						
440	PUBLIC WORKS	4,302,931	4,409,854	3,907,064	4,233,305	4,064,001
	TOTAL APPROPRIATIONS	4,302,931	4,409,854	3,907,064	4,233,305	4,064,001
	NET OF REVENUES/APPROPRIATIONS - FUND 226	(319,840)	429,524	(788,834)	604,615	72,117
	BEGINNING FUND BALANCE	2,498,255	2,178,413	2,178,415	2,178,413	2,783,028
	ENDING FUND BALANCE	2,178,415	2,607,937	1,389,581	2,783,028	2,855,145

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	47,171	13,604	18,431	13,681	69,730
699	OPERATING TRANSFERS IN	49,439	0	0	0	0
	TOTAL ESTIMATED REVENUES	96,610	13,604	18,431	13,681	69,730
APPROPRIATIONS						
690	COMMUNITY AND ECONOMIC DEVELOPMEN	295,407	21,818	0	0	69,730
	TOTAL APPROPRIATIONS	295,407	21,818	0	0	69,730
	NET OF REVENUES/APPROPRIATIONS - FUND 235	(198,797)	(8,214)	18,431	13,681	0
	BEGINNING FUND BALANCE	198,796	0	(1)	0	13,681
	ENDING FUND BALANCE	(1)	(8,214)	18,430	13,681	13,681

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

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GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	266,499	(1,284,536)	(1,273,929)	(1,284,536)	0
699	OPERATING TRANSFERS IN	1,700,057	20,261,553	12,890,558	20,260,881	0
600	CHARGES FOR SERVICES	38,000	38,000	38,000	38,000	38,000
664	INTEREST AND RENTS	26,590	26,600	26,593	26,600	0
671	OTHER REVENUE	89,373	683,457	683,457	683,457	0
TOTAL ESTIMATED REVENUES		2,120,519	19,725,074	12,364,679	19,724,402	38,000
APPROPRIATIONS						
690	COMMUNITY AND ECONOMIC DEVELOPMEN	382,645	0	(1,830)	0	0
905	DEBT SERVICE	3,266,240	20,763,409	20,763,408	20,763,409	0
965	TRANSFERS (OUT) AND OTHER SOURCES	0	0	0	0	38,000
TOTAL APPROPRIATIONS		3,648,885	20,763,409	20,761,578	20,763,409	38,000
NET OF REVENUES/APPROPRIATIONS - FUND 239		(1,528,366)	(1,038,335)	(8,396,899)	(1,039,007)	0
BEGINNING FUND BALANCE		2,567,373	1,039,007	1,039,007	1,039,007	0
ENDING FUND BALANCE		1,039,007	672	(7,357,892)	0	0

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

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GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	1,558,598	1,194,867	1,090,183	1,194,867	1,102,000
699	OPERATING TRANSFERS IN	733,394	0	0	0	590,199
664	INTEREST AND RENTS	129,313	0	0	0	0
	TOTAL ESTIMATED REVENUES	2,421,305	1,194,867	1,090,183	1,194,867	1,692,199
APPROPRIATIONS						
690	COMMUNITY AND ECONOMIC DEVELOPMEN	3,874,695	0	0	0	0
905	DEBT SERVICE	1,303,206	1,770,332	1,767,081	1,770,332	1,771,082
	TOTAL APPROPRIATIONS	5,177,901	1,770,332	1,767,081	1,770,332	1,771,082
	NET OF REVENUES/APPROPRIATIONS - FUND 240	(2,756,596)	(575,465)	(676,898)	(575,465)	(78,883)
	BEGINNING FUND BALANCE	3,410,945	654,348	654,349	654,348	78,883
	ENDING FUND BALANCE	654,349	78,883	(22,549)	78,883	0

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

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GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	454,458	402,933	291,974	402,933	325,000
	TOTAL ESTIMATED REVENUES	454,458	402,933	291,974	402,933	325,000
APPROPRIATIONS						
690	COMMUNITY AND ECONOMIC DEVELOPMEN	856,252	0	0	0	0
965	TRANSFERS (OUT) AND OTHER SOURCES	0	510,849	510,849	510,849	246,117
	TOTAL APPROPRIATIONS	856,252	510,849	510,849	510,849	246,117
	NET OF REVENUES/APPROPRIATIONS - FUND 241	(401,794)	(107,916)	(218,875)	(107,916)	78,883
	BEGINNING FUND BALANCE	509,710	107,916	107,916	107,916	0
	ENDING FUND BALANCE	107,916	0	(110,959)	0	78,883

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

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GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 THRU 06/30/13 ACTIVITY	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	902,210	737,823	492,854	737,823	680,746
539	STATE GRANTS	0	225,000	221,442	225,000	0
	TOTAL ESTIMATED REVENUES	902,210	962,823	714,296	962,823	680,746
APPROPRIATIONS						
100	GENERAL GOVERNMENT	5,245	42,000	38,271	39,522	64,810
300	PUBLIC SAFETY	1,771,587	47,795	47,792	47,795	0
440	PUBLIC WORKS	910,000	516,475	516,475	516,475	1,020,000
750	RECREATION AND CULTURE	800,000	0	0	0	0
850	OTHER FUNCTIONS	599,828	154,220	121,187	148,500	0
	TOTAL APPROPRIATIONS	4,086,660	760,490	723,725	752,292	1,084,810
	NET OF REVENUES/APPROPRIATIONS - FUND 245	(3,184,450)	202,333	(9,429)	210,531	(404,064)
	BEGINNING FUND BALANCE	3,437,202	252,754	252,752	252,754	463,285
	ENDING FUND BALANCE	252,752	455,087	243,323	463,285	59,221

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 THRU 06/30/13 ACTIVITY	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
501	FEDERAL GRANTS	1,000,755	1,487,428	39,278	492,301	497,398
	TOTAL ESTIMATED REVENUES	1,000,755	1,487,428	39,278	492,301	497,398
APPROPRIATIONS						
690	COMMUNITY AND ECONOMIC DEVELOPMEN	1,000,754	1,487,428	89,948	492,299	497,398
	TOTAL APPROPRIATIONS	1,000,754	1,487,428	89,948	492,299	497,398
	NET OF REVENUES/APPROPRIATIONS - FUND 263	1	0	(50,670)	2	0
	BEGINNING FUND BALANCE	0	0	1	0	2
	ENDING FUND BALANCE	1	0	(50,669)	2	2

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 THRU 06/30/13 ACTIVITY	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
655	FINES AND FORFEITS	91,593	43,000	42,612	43,000	0
	TOTAL ESTIMATED REVENUES	91,593	43,000	42,612	43,000	0
APPROPRIATIONS						
300	PUBLIC SAFETY	113,036	325,340	248,758	284,737	142,980
	TOTAL APPROPRIATIONS	113,036	325,340	248,758	284,737	142,980
	NET OF REVENUES/APPROPRIATIONS - FUND 270	(21,443)	(282,340)	(206,146)	(241,737)	(142,980)
	BEGINNING FUND BALANCE	495,857	474,416	474,414	474,416	232,679
	ENDING FUND BALANCE	474,414	192,076	268,268	232,679	89,699

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
539	STATE GRANTS	196,490	205,000	200,419	205,000	200,000
	TOTAL ESTIMATED REVENUES	196,490	205,000	200,419	205,000	200,000
APPROPRIATIONS						
440	PUBLIC WORKS	4	24,628	24,352	24,628	0
965	TRANSFERS (OUT) AND OTHER SOURCES	210,345	553,270	553,270	733,641	200,000
	TOTAL APPROPRIATIONS	210,349	577,898	577,622	758,269	200,000
	NET OF REVENUES/APPROPRIATIONS - FUND 480	(13,859)	(372,898)	(377,203)	(553,269)	0
	BEGINNING FUND BALANCE	567,129	553,269	553,270	553,269	0
	ENDING FUND BALANCE	553,270	180,371	176,067	0	0

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
401	TAXES	496,897	(25,000)	(7,164)	(7,164)	(35,000)
699	OPERATING TRANSFERS IN	1,852,023	32,696	28,611	28,611	0
600	CHARGES FOR SERVICES	428,370	182,800	182,931	194,485	85,875
664	INTEREST AND RENTS	18,100	6,000	3,000	3,000	0
671	OTHER REVENUE	13,225	0	0	0	0
TOTAL ESTIMATED REVENUES		2,808,615	196,496	207,378	218,932	50,875
APPROPRIATIONS						
440	PUBLIC WORKS	714,195	556,678	18,314	64,234	45,000
750	RECREATION AND CULTURE	640,312	1,086,426	254,511	681,523	2,582,820
TOTAL APPROPRIATIONS		1,354,507	1,643,104	272,825	745,757	2,627,820
NET OF REVENUES/APPROPRIATIONS - FUND 585		1,454,108	(1,446,608)	(65,447)	(526,825)	(2,576,945)
BEGINNING FUND BALANCE		14,031,525	15,485,634	15,485,633	15,485,634	14,958,809
ENDING FUND BALANCE		15,485,633	14,039,026	15,420,186	14,958,809	12,381,864

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 THRU 06/30/13 ACTIVITY	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
671	OTHER REVENUE	38,625	693,605	708,675	563,000	600,000
	TOTAL ESTIMATED REVENUES	38,625	693,605	708,675	563,000	600,000
APPROPRIATIONS						
850	OTHER FUNCTIONS	(54,549)	693,605	689,406	563,000	600,000
	TOTAL APPROPRIATIONS	(54,549)	693,605	689,406	563,000	600,000
	NET OF REVENUES/APPROPRIATIONS - FUND 677	93,174	0	19,269	0	0
	BEGINNING FUND BALANCE	0	93,174	93,174	93,174	93,174
	ENDING FUND BALANCE	93,174	93,174	112,443	93,174	93,174

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 THRU 06/30/13 ACTIVITY	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
<hr/>						
ESTIMATED REVENUES						
671	OTHER REVENUE	1,869,858	200,000	218,166	275,000	0
	TOTAL ESTIMATED REVENUES	1,869,858	200,000	218,166	275,000	0
APPROPRIATIONS						
850	OTHER FUNCTIONS	1,869,858	205,000	324,826	0	25,000
	TOTAL APPROPRIATIONS	1,869,858	205,000	324,826	0	25,000
	NET OF REVENUES/APPROPRIATIONS - FUND 729	0	(5,000)	(106,660)	275,000	(25,000)
	BEGINNING FUND BALANCE	0	0	0	0	275,000
	ENDING FUND BALANCE	0	(5,000)	(106,660)	275,000	250,000

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
699	OPERATING TRANSFERS IN	0	670,000	0	670,000	0
671	OTHER REVENUE	17,880,689	13,102,862	12,299,163	12,545,855	1,411,062
	TOTAL ESTIMATED REVENUES	17,880,689	13,772,862	12,299,163	13,215,855	1,411,062
APPROPRIATIONS						
100	GENERAL GOVERNMENT	260,207	317,746	204,418	211,790	24,679
850	OTHER FUNCTIONS	17,639,013	12,792,855	8,963,107	11,715,000	2,675,448
	TOTAL APPROPRIATIONS	17,899,220	13,110,601	9,167,525	11,926,790	2,700,127
	NET OF REVENUES/APPROPRIATIONS - FUND 759	(18,531)	662,261	3,131,638	1,289,065	(1,289,065)
	BEGINNING FUND BALANCE	18,529	0	(2)	0	1,289,065
	ENDING FUND BALANCE	(2)	662,261	3,131,636	1,289,065	0

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12 ACTIVITY	12-13 AMENDED BUDGET	12-13 ACTIVITY THRU 06/30/13	12-13 PROJECTED ACTIVITY	13-14 APPROVED BUDGET
ESTIMATED REVENUES						
699	OPERATING TRANSFERS IN	2,229,277	2,000,000	2,000,000	0	1,025,000
539	STATE GRANTS	228,620	193,000	137,172	0	183,000
600	CHARGES FOR SERVICES	826,829	796,190	758,836	0	793,550
655	FINES AND FORFEITS	881,496	775,200	706,621	0	755,001
664	INTEREST AND RENTS	2,319	1,400	1,476	0	0
671	OTHER REVENUE	(7,484)	(12,000)	(8,689)	0	(6,910)
TOTAL ESTIMATED REVENUES		4,161,057	3,753,790	3,595,416	0	2,749,641
APPROPRIATIONS						
100	GENERAL GOVERNMENT	4,161,060	3,753,790	3,547,767	0	2,749,641
TOTAL APPROPRIATIONS		4,161,060	3,753,790	3,547,767	0	2,749,641
NET OF REVENUES/APPROPRIATIONS - FUND 760		(3)	0	47,649	0	0
BEGINNING FUND BALANCE		0	0	(3)	0	0
ENDING FUND BALANCE		(3)	0	47,646	0	0

ADOPTED BUDGET SUMMARY, 2013-14 FISCAL YEAR

GL NUMBER	DESCRIPTION	11-12	12-13	12-13	12-13	13-14
		ACTIVITY	AMENDED BUDGET	ACTIVITY THRU 06/30/13	PROJECTED ACTIVITY	APPROVED BUDGET
	ESTIMATED REVENUES - ALL FUNDS	80,147,818	134,234,346	114,279,364	129,022,700	48,014,788
	APPROPRIATIONS - ALL FUNDS	92,539,596	132,604,696	116,747,161	124,679,814	52,570,622
	NET OF REVENUES/APPROPRIATIONS -	(12,391,778)	1,629,650	(2,467,797)	4,342,886	(4,555,834)

Ordinance No. 2285

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, 2013; to require the City tax to be levied upon all taxable property in the City.

The City of Pontiac Ordains:

Section 1. Title.

This ordinance shall be known as the City of Pontiac 2013-2014 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 Tuesday, June 11, 2013 and a public hearing on the proposed budget was held on Monday, June 17, 2013.

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

The Emergency Manager of the City of Pontiac causes to be levied and collected the general property tax on all real and personal property within the City upon the current tax roll an allocated millage of: General Operating – 11.2737 mills; Capital Improvement – 1.4091 mills; Sanitation – 2.8183 mills; Senior Services - .5000 mills.. 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 Emergency Manager of the City of Pontiac adopts the 2013-2014 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.

Section 6: Estimated 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, 2013 are:

<u>Fund Number</u>	<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
101	General	\$ 30,636,047.00	\$ 30,635,686.00
113	Cable	\$ 130,000.00	\$ 185,188.00
202	Major Street	\$ 3,140,380.00	\$ 3,621,585.00
203	Local Street	\$ 1,425,305.00	\$ 787,782.00
212	Senior Activities	\$ 232,537.00	\$ 325,913.00
213	Chapter 20 Drain	\$ (250.00)	\$ 197,762.00
226	Sanitation Fund	\$ 4,136,118.00	\$ 4,064,001.00
235	Brownfield Redevelopment Authority	\$ 69,730.00	\$ 69,730.00
239	TIFA District 2	\$ 38,000.00	\$ 38,000.00
240	TIFA District 3	\$ 1,692,199.00	\$ 1,771,082.00
241	TIFA District 4	\$ 325,000.00	\$ 246,117.00
245	Capital Improvement	\$ 680,746.00	\$ 1,084,810.00
263	HOME Buyers Assistance	\$ 497,398.00	\$ 497,398.00
270	Drug Enforcement	\$ -	\$ 142,980.00
480	Public Act 48	\$ 200,000.00	\$ 200,000.00
585	Parking	\$ 50,875.00	\$ 2,627,820.00
677	Self-Insurance Wk Comp	\$ 600,000.00	\$ 600,000.00
729	Sick and Vacation	\$ -	\$ 25,000.00
759	Insurance	\$ 1,411,062.00	\$ 2,720,741.00
760	District Court	\$ 2,749,641.00	\$ 2,749,641.00

with expenditure authorization by function as herein provided:

General Fund

ESTIMATED REVENUES

Taxes	15,968,316
Licenses and Permits	2,898,200
State Grants	9,006,266
Federal Grants	25,000
Charges for Services	1,280,382
Interest and Rents	75,000
Other Revenue	<u>1,137,016</u>
TOTAL ESTIMATED REVENUES	30,390,180
Transfers In and Other Uses	245,867

APPROPRIATIONS

General Government	3,838,799
Public Safety	21,205,363
Public Works	1,466,005
Community and Economic Development	361,610
Recreation and Culture	282,827
Other Functions	<u>2,150,000</u>
TOTAL APPROPRIATIONS	29,304,604
Transfers Out and Other Uses	1,331,082

General Fund		NET OF REVENUES/APPROPRIATIONS	361
		Estimated Beginning Fund Balance	575,682
		Estimated Ending Fund Balance	576,043
<u>Cable Fund</u>			
ESTIMATED REVENUES			
Charges for Services			<u>130,000</u>
		TOTAL ESTIMATED REVENUES	130,000
Transfers In and Other Sources			0
APPROPRIATIONS			
General Government			<u>185,188</u>
		TOTAL APPROPRIATIONS	185,188
Transfers Out and Other Uses			0
		NET OF REVENUES/APPROPRIATIONS	(55,188)
Cable Fund		Estimated Beginning Fund Balance	997,608
		Estimated Ending Fund Balance	942,420
<u>Major Street Fund</u>			
ESTIMATED REVENUES			
State Grants			<u>3,140,380</u>
		TOTAL ESTIMATED REVENUES	3,140,380
Transfers In and Other Sources			0
APPROPRIATIONS			
Public Works			<u>3,150,485</u>
		TOTAL APPROPRIATIONS	3,150,485
Transfers Out and Other Uses			471,100
		NET OF REVENUES/APPROPRIATIONS	(481,205)
Major Street Fund		Estimated Beginning Fund Balance	1,328,135
		Estimated Ending Fund Balance	846,930
<u>Local Street Fund</u>			
ESTIMATED REVENUES			
State Grants			<u>954,205</u>
		TOTAL ESTIMATED REVENUES	954,205
Transfers In and Other Sources			471,100
APPROPRIATIONS			
Public Works			<u>787,782</u>
		TOTAL APPROPRIATIONS	787,782
Transfers Out and Other Uses			0

Local Street Fund	NET OF REVENUES/APPROPRIATIONS	637,523
	Estimated Beginning Fund Balance	830,569
	Estimated Ending Fund Balance	1,468,092

Senior Activities

ESTIMATED REVENUES

Taxes	223,537
Charges for Services	<u>9,000</u>
	232,537
Transfers In and Other Sources	0

TOTAL ESTIMATED REVENUES

APPROPRIATIONS

Recreation and Culture	<u>325,913</u>
	325,913
Transfers Out and Other Uses	0

TOTAL APPROPRIATIONS

Senior Activities Fund	NET OF REVENUES/APPROPRIATIONS	(93,376)
	Estimated Beginning Fund Balance	1,057,028
	Estimated Ending Fund Balance	963,652

Chapter 20 Drain Fund

ESTIMATED REVENUES

Taxes	(250)
	(250)
Transfers In and Other Sources	0

TOTAL ESTIMATED REVENUES

APPROPRIATIONS

Public Works	<u>197,762</u>
	197,762
Transfers Out and Other Uses	0

TOTAL APPROPRIATIONS

Chapter 20 Drain Fund	NET OF REVENUES/APPROPRIATIONS	(198,012)
	Estimated Beginning Fund Balance	695,185
	Estimated Ending Fund Balance	497,173

Sanitation Fund

ESTIMATED REVENUES

Taxes	1,336,118
Charges for Services	2,800,000
Interest and Rents	<u>0</u>
	4,136,118
Transfers In and Other Sources	0

TOTAL ESTIMATED REVENUES

APPROPRIATIONS		
Public Works		<u>4,064,001</u>
	TOTAL APPROPRIATIONS	4,064,001
Transfers Out and Other Uses		0
Sanitation Fund	NET OF REVENUES/APPROPRIATIONS	72,117
	Estimated Beginning Fund Balance	2,783,028
	Estimated Ending Fund Balance	2,855,145

Brownfield Redevelopment Authority

ESTIMATED REVENUES		
Taxes		<u>69,730</u>
	TOTAL ESTIMATED REVENUES	69,730
Transfers In and Other Sources		0

APPROPRIATIONS		
Community and Economic Development		<u>69,730</u>
	TOTAL APPROPRIATIONS	69,730
Transfers Out and Other Uses		0

Brownfield Redevelopment Authority Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	13,681
	Estimated Ending Fund Balance	13,681

Tax Increment Financing Authority
District 2

ESTIMATED REVENUES		
Charges for Services		<u>38,000</u>
	TOTAL ESTIMATED REVENUES	38,000
Transfers In and Other Sources		0

APPROPRIATIONS		
Community and Economic Development		<u>0</u>
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		38,000

Tax Increment Financing District 2 Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Tax Increment Financing Authority
District 3

ESTIMATED REVENUES

Taxes		<u>1,102,000</u>
	TOTAL ESTIMATED REVENUES	1,102,000
Transfers In and Other Sources		590,199

APPROPRIATIONS

Debt Service		<u>1,771,082</u>
	TOTAL APPROPRIATIONS	1,771,082
Transfers Out and Other Uses		0

	NET OF	
Tax Increment Financing District 3 Fund	REVENUES/APPROPRIATIONS	(78,883)
	Estimated Beginning Fund	
	Balance	78,883
	Estimated Ending Fund Balance	0

Tax Increment Financing Authority
District 4

ESTIMATED REVENUES

Taxes		<u>325,000</u>
	TOTAL ESTIMATED REVENUES	325,000
Transfers In and Other Sources		0

APPROPRIATIONS

Community and Economic Development		<u>0</u>
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		246,117

	NET OF	
Tax Increment Financing District 4 Fund	REVENUES/APPROPRIATIONS	78,883
	Estimated Beginning Fund	
	Balance	0
	Estimated Ending Fund Balance	78,883

Capital Improvement

ESTIMATED REVENUES

Taxes		<u>680,746</u>
	TOTAL ESTIMATED REVENUES	680,746
Transfers In and Other Sources		0

APPROPRIATIONS

General Government		64,810
Public Works		<u>1,020,000</u>
	TOTAL APPROPRIATIONS	1,084,810
Transfers Out and Other Uses		0

Capital Improvement Fund	NET OF REVENUES/APPROPRIATIONS	(404,064)
	Estimated Beginning Fund Balance	463,285
	Estimated Ending Fund Balance	59,221
<u>HOME Investment Partnerships Grant</u>		
ESTIMATED REVENUES		
Federal Grants		<u>497,398</u>
	TOTAL ESTIMATED REVENUES	497,398
Transfers In and Other Sources		0
APPROPRIATIONS		
Community and Economic Development		<u>497,398</u>
	TOTAL APPROPRIATIONS	497,398
Transfers Out and Other Uses		0
HOME Investment Partnerships Grant Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	2
	Estimated Ending Fund Balance	2
<u>Drug Enforcement Fund</u>		
ESTIMATED REVENUES		
Fines and Forfeits		<u>0</u>
	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		0
APPROPRIATIONS		
Public Safety		<u>142,980</u>
	TOTAL APPROPRIATIONS	142,980
Transfers Out and Other Uses		0
Drug Enforcement Fund	NET OF REVENUES/APPROPRIATIONS	(142,980)
	Estimated Beginning Fund Balance	232,679
	Estimated Ending Fund Balance	89,699

PA 48 Telecommunications Fund**ESTIMATED REVENUES**

State Grants		<u>200,000</u>
	TOTAL ESTIMATED REVENUES	200,000
Transfers In and Other Sources		0

APPROPRIATIONS

Public Works		<u>0</u>
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		200,000

PA 48 Telecommunications Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Parking Fund**ESTIMATED REVENUES**

Taxes		(35,000)
Charges for Services		<u>85,875</u>
	TOTAL ESTIMATED REVENUES	50,875
Transfers In and Other Sources		0

APPROPRIATIONS

Public Works		45,000
Recreation and Culture		<u>2,582,820</u>
	TOTAL APPROPRIATIONS	2,627,820
Transfers Out and Other Uses		0

Parking Fund	NET OF REVENUES/APPROPRIATIONS	(2,576,945)
	Estimated Beginning Net Assets	14,958,809
	Estimated Ending Net Assets	12,381,864

**Self-Insurance Workers'
Compensation Fund****ESTIMATED REVENUES**

Other Revenue		<u>600,000</u>
	TOTAL ESTIMATED REVENUES	600,000
Transfers In and Other Sources		0

APPROPRIATIONS

Other Functions		<u>600,000</u>
	TOTAL APPROPRIATIONS	600,000
Transfers Out and Other Uses		0

Self-Insurance Worker's Compensation Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Net Assets	93,174
	Estimated Ending Net Assets	93,174

Employee Sick and Vacation Fund

ESTIMATED REVENUES

Other Revenue		0
	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		0

APPROPRIATIONS

Other Functions		25,000
	TOTAL APPROPRIATIONS	25,000
Transfers Out and Other Uses		0

Sick and Vacation Fund	NET OF REVENUES/APPROPRIATIONS	(25,000)
	Estimated Beginning Net Assets	275,000
	Estimated Ending Net Assets	250,000

Insurance Fund

ESTIMATED REVENUES

Other Revenue		1,411,062
	TOTAL ESTIMATED REVENUES	1,411,062
Transfers In and Other Sources		0

APPROPRIATIONS

General Government		24,679
Other Functions		2,675,448
	TOTAL APPROPRIATIONS	2,700,127
Transfers Out and Other Uses		0

Insurance Fund	NET OF REVENUES/APPROPRIATIONS	(1,309,679)
	Estimated Beginning Net Assets	1,289,065
	Estimated Ending Net Assets	0

District Court Fund

ESTIMATED REVENUES

State Sources		183,000
Charges for Services		793,550
Fines and Forfeits		755,001
Other Revenue		(6,910)
	TOTAL ESTIMATED REVENUES	1,724,641
Transfers In and Other Sources		1,025,000

APPROPRIATIONS		
General Government		2,749,641
	TOTAL APPROPRIATIONS	2,749,641
Transfers Out and Other Uses		0
District Court Fund		
	NET OF	
	REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund	
	Balance	0
	Estimated Ending Fund Balance	0

Section 7. Specific Appropriations.

There are no specific appropriations contained in the budget.

Section 8. Periodic Financial Reports.

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

Section 9. Budget Monitoring and Amending.

Whenever it appears to the Finance Director that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation upon which appropriations from such fund were based, the Finance Director shall present to the Emergency Manager and Mayor recommendations to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues or both. The Finance Director is hereby authorized to amend accounts within functions in a fund and among functions in a fund during the fiscal year provided that such amendments do not change the total revenues or total expenditures for the fund as approved by the Emergency Manager. 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.

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. Effective Date.

This Ordinance shall be effective ten days after date of adoption.

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
401	TAXES	15,676,425
450	LICENSES AND PERMITS	2,898,200
699	OPERATING TRANSFERS IN	245,867
501	FEDERAL GRANTS	25,000
539	STATE GRANTS	9,006,266
600	CHARGES FOR SERVICES	1,278,382
664	INTEREST AND RENTS	15,000
671	OTHER REVENUE	924,516
TOTAL ESTIMATED REVENUES		30,069,656
APPROPRIATIONS		
100	GENERAL GOVERNMENT	3,799,388
300	PUBLIC SAFETY	21,000,155
440	PUBLIC WORKS	1,309,036
690	COMMUNITY AND ECONOMIC DEVELOPMEN	339,610
750	RECREATION AND CULTURE	213,915
850	OTHER FUNCTIONS	2,030,000
965	TRANSFERS (OUT) AND OTHER SOURCES	1,374,340
TOTAL APPROPRIATIONS		30,066,444
NET OF REVENUES/APPROPRIATIONS - FUND 101		3,212

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
600	CHARGES FOR SERVICES	130,000
	TOTAL ESTIMATED REVENUES	130,000
APPROPRIATIONS		
100	GENERAL GOVERNMENT	179,015
	TOTAL APPROPRIATIONS	179,015
	NET OF REVENUES/APPROPRIATIONS - FUND 113	(49,015)

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
<hr/>		
ESTIMATED REVENUES		
539	STATE GRANTS	3,140,380
TOTAL ESTIMATED REVENUES		3,140,380
APPROPRIATIONS		
440	PUBLIC WORKS	2,504,361
965	TRANSFERS (OUT) AND OTHER SOURCES	471,100
TOTAL APPROPRIATIONS		2,975,461
NET OF REVENUES/APPROPRIATIONS - FUND 202		164,919

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
699	OPERATING TRANSFERS IN	471,100
539	STATE GRANTS	954,205
TOTAL ESTIMATED REVENUES		1,425,305
APPROPRIATIONS		
440	PUBLIC WORKS	1,309,684
TOTAL APPROPRIATIONS		1,309,684
NET OF REVENUES/APPROPRIATIONS - FUND 203		115,621

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
401	TAXES	208,362
664	INTEREST AND RENTS	9,000
TOTAL ESTIMATED REVENUES		217,362
APPROPRIATIONS		
750	RECREATION AND CULTURE	335,331
TOTAL APPROPRIATIONS		335,331
NET OF REVENUES/APPROPRIATIONS - FUND 212		(117,969)

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
<hr/>		
ESTIMATED REVENUES		
401	TAXES	(250)
	TOTAL ESTIMATED REVENUES	(250)
APPROPRIATIONS		
440	PUBLIC WORKS	197,762
	TOTAL APPROPRIATIONS	197,762
	NET OF REVENUES/APPROPRIATIONS - FUND 213	(198,012)

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
401	TAXES	1,336,118
600	CHARGES FOR SERVICES	2,800,000
TOTAL ESTIMATED REVENUES		4,136,118
APPROPRIATIONS		
440	PUBLIC WORKS	4,063,882
TOTAL APPROPRIATIONS		4,063,882
NET OF REVENUES/APPROPRIATIONS - FUND 226		72,236

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
<hr/>		
ESTIMATED REVENUES		
401	TAXES	69,730
TOTAL ESTIMATED REVENUES		69,730
APPROPRIATIONS		
690	COMMUNITY AND ECONOMIC DEVELOPMEN	69,730
TOTAL APPROPRIATIONS		69,730
NET OF REVENUES/APPROPRIATIONS - FUND 235		0

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
600	CHARGES FOR SERVICES	38,000
	TOTAL ESTIMATED REVENUES	38,000
APPROPRIATIONS		
965	TRANSFERS (OUT) AND OTHER SOURCES	38,000
	TOTAL APPROPRIATIONS	38,000
	NET OF REVENUES/APPROPRIATIONS - FUND 239	0

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
401	TAXES	1,034,400
699	OPERATING TRANSFERS IN	747,965
TOTAL ESTIMATED REVENUES		1,782,365
APPROPRIATIONS		
905	DEBT SERVICE	1,771,082
TOTAL APPROPRIATIONS		1,771,082
NET OF REVENUES/APPROPRIATIONS - FUND 240		11,283

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
401	TAXES	304,500
	TOTAL ESTIMATED REVENUES	304,500
APPROPRIATIONS		
965	TRANSFERS (OUT) AND OTHER SOURCES	383,383
	TOTAL APPROPRIATIONS	383,383
	NET OF REVENUES/APPROPRIATIONS - FUND 241	(78,883)

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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13-14
RECOMMENDED
BUDGET

GL NUMBER	DESCRIPTION	
<hr/>		
ESTIMATED REVENUES		
401	TAXES	637,000
TOTAL ESTIMATED REVENUES		637,000
APPROPRIATIONS		
100	GENERAL GOVERNMENT	50,000
440	PUBLIC WORKS	600,000
TOTAL APPROPRIATIONS		650,000
NET OF REVENUES/APPROPRIATIONS - FUND 245		(13,000)

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
501	FEDERAL GRANTS	40,000
	TOTAL ESTIMATED REVENUES	40,000
APPROPRIATIONS		
690	COMMUNITY AND ECONOMIC DEVELOPMEN	40,000
	TOTAL APPROPRIATIONS	40,000
	NET OF REVENUES/APPROPRIATIONS - FUND 263	0

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
APPROPRIATIONS		
300	PUBLIC SAFETY	89,699
TOTAL APPROPRIATIONS		89,699
NET OF REVENUES/APPROPRIATIONS - FUND 270		(89,699)

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
539	STATE GRANTS	200,000
	TOTAL ESTIMATED REVENUES	200,000
APPROPRIATIONS		
965	TRANSFERS (OUT) AND OTHER SOURCES	200,000
	TOTAL APPROPRIATIONS	200,000
	NET OF REVENUES/APPROPRIATIONS - FUND 480	0

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
ESTIMATED REVENUES		
671	OTHER REVENUE	600,000
	TOTAL ESTIMATED REVENUES	600,000
APPROPRIATIONS		
850	OTHER FUNCTIONS	600,000
	TOTAL APPROPRIATIONS	600,000
	NET OF REVENUES/APPROPRIATIONS - FUND 677	0

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14 RECOMMENDED BUDGET
APPROPRIATIONS		
850	OTHER FUNCTIONS	25,000
	TOTAL APPROPRIATIONS	25,000
	NET OF REVENUES/APPROPRIATIONS - FUND 729	(25,000)

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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13-14
RECOMMENDED
BUDGET

GL NUMBER	DESCRIPTION	
<hr/>		
ESTIMATED REVENUES		
671	OTHER REVENUE	1,411,062
TOTAL ESTIMATED REVENUES		1,411,062
APPROPRIATIONS		
100	GENERAL GOVERNMENT	5,000
850	OTHER FUNCTIONS	1,385,449
TOTAL APPROPRIATIONS		1,390,449
NET OF REVENUES/APPROPRIATIONS - FUND 759		20,613

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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13-14
RECOMMENDED
BUDGET

GL NUMBER	DESCRIPTION	
ESTIMATED REVENUES		
699	OPERATING TRANSFERS IN	1,047,758
539	STATE GRANTS	183,000
600	CHARGES FOR SERVICES	793,550
655	FINES AND FORFEITS	755,000
671	OTHER REVENUE	(6,910)
TOTAL ESTIMATED REVENUES		2,772,398
APPROPRIATIONS		
100	GENERAL GOVERNMENT	2,772,397
TOTAL APPROPRIATIONS		2,772,397
NET OF REVENUES/APPROPRIATIONS - FUND 760		1

ADOPTED BUDGET SUMMARY, 2014-15 FISCAL YEAR
13-14 RECOMMENDED READ AS 14-15 ADOPTED

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GL NUMBER	DESCRIPTION	13-14
		RECOMMENDED BUDGET
	ESTIMATED REVENUES - ALL FUNDS	46,973,626
	APPROPRIATIONS - ALL FUNDS	47,157,319
	NET OF REVENUES/APPROPRIATIONS -	(183,693)

Ordinance No. 2286

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, 2014.

The City of Pontiac Ordains:

Section 1. Title.

This ordinance shall be known as the City of Pontiac 2014-2015 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 Tuesday, June 11, 2013 and a public hearing on the proposed budget was held on Monday, June 17, 2013.

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

In 2014, the City Council shall hold a public hearing in accordance with the General Property Tax Act on the millage rates required to support this adopted budget. The City Council shall levy the millage rates necessary to support this adopted budget. 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 Emergency Manager of the City of Pontiac adopts the 2014-2015 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.

Section 6: Estimated 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, 2014 are:

<u>Fund Number</u>	<u>Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
101	General	\$ 30,069,656.00	\$ 30,066,444.00
113	Cable	\$ 130,000.00	\$ 179,015.00
202	Major Street	\$ 3,140,380.00	\$ 2,975,461.00
203	Local Street	\$ 1,425,305.00	\$ 1,309,684.00
212	Senior Activities	\$ 217,362.00	\$ 335,331.00
213	Chapter 20 Drain	\$ (250.00)	\$ 197,762.00
226	Sanitation Fund	\$ 4,136,118.00	\$ 4,063,882.00
235	Brownfield Redevelopment Authority	\$ 69,730.00	\$ 69,730.00
239	TIFA District 2	\$ 38,000.00	\$ 38,000.00
240	TIFA District 3	\$ 1,782,365.00	\$ 1,771,082.00
241	TIFA District 4	\$ 304,500.00	\$ 383,383.00
245	Capital Improvement	\$ 637,000.00	\$ 650,000.00
263	HOME Buyers Assistance	\$ 40,000.00	\$ 40,000.00
270	Drug Enforcement	\$ -	\$ 89,699.00
480	Public Act 48	\$ 200,000.00	\$ 200,000.00
677	Self-Insurance Wk Comp	\$ 600,000.00	\$ 600,000.00
729	Sick and Vacation	\$ -	\$ 25,000.00
759	Insurance	\$ 1,411,062.00	\$ 1,390,449.00
760	District Court	\$ 2,772,398.00	\$ 2,772,397.00

with expenditure authorization by function as herein provided:

General Fund

ESTIMATED REVENUES

Taxes	15,676,425
Licenses and Permits	2,898,200
State Grants	9,006,266
Federal Grants	25,000
Charges for Services	1,278,382
Interest and Rents	15,000
Other Revenue	<u>924,516</u>

TOTAL ESTIMATED REVENUES 29,823,789

Transfers In and Other Uses 245,867

APPROPRIATIONS

General Government	3,799,388
Public Safety	21,000,155
Public Works	1,309,036
Community and Economic Development	339,610
Recreation and Culture	213,915
Other Functions	<u>2,030,000</u>

TOTAL APPROPRIATIONS 28,692,104

Transfers Out and Other Uses 1,374,340

General Fund		NET OF REVENUES/APPROPRIATIONS	3,212
		Estimated Beginning Fund Balance	576,043
		Estimated Ending Fund Balance	579,255
<u>Cable Fund</u>			
ESTIMATED REVENUES			
Charges for Services			<u>130,000</u>
		TOTAL ESTIMATED REVENUES	130,000
Transfers In and Other Sources			0
APPROPRIATIONS			
General Government			<u>179,015</u>
		TOTAL APPROPRIATIONS	179,015
Transfers Out and Other Uses			0
Cable Fund		NET OF REVENUES/APPROPRIATIONS	(49,015)
		Estimated Beginning Fund Balance	942,420
		Estimated Ending Fund Balance	893,405
<u>Major Street Fund</u>			
ESTIMATED REVENUES			
State Grants			<u>3,140,380</u>
		TOTAL ESTIMATED REVENUES	3,140,380
Transfers In and Other Sources			0
APPROPRIATIONS			
Public Works			<u>2,504,361</u>
		TOTAL APPROPRIATIONS	2,504,361
Transfers Out and Other Uses			471,100
Major Street Fund		NET OF REVENUES/APPROPRIATIONS	164,919
		Estimated Beginning Fund Balance	846,930
		Estimated Ending Fund Balance	1,011,849
<u>Local Street Fund</u>			
ESTIMATED REVENUES			
State Grants			<u>954,205</u>
		TOTAL ESTIMATED REVENUES	954,205
Transfers In and Other Sources			471,100
APPROPRIATIONS			
Public Works			<u>1,309,684</u>
		TOTAL APPROPRIATIONS	1,309,684
Transfers Out and Other Uses			0

Local Street Fund	NET OF REVENUES/APPROPRIATIONS	115,621
	Estimated Beginning Fund Balance	1,468,092
	Estimated Ending Fund Balance	1,583,713

Senior Activities

ESTIMATED REVENUES

Taxes	208,362
Charges for Services	<u>9,000</u>
	TOTAL ESTIMATED REVENUES
Transfers In and Other Sources	217,362
	0

APPROPRIATIONS

Recreation and Culture	<u>335,331</u>
	TOTAL APPROPRIATIONS
Transfers Out and Other Uses	325,913
	0

Senior Activities Fund	NET OF REVENUES/APPROPRIATIONS	(117,969)
	Estimated Beginning Fund Balance	963,652
	Estimated Ending Fund Balance	845,683

Chapter 20 Drain Fund

ESTIMATED REVENUES

Taxes	(250)
	TOTAL ESTIMATED REVENUES
Transfers In and Other Sources	(250)
	0

APPROPRIATIONS

Public Works	<u>197,762</u>
	TOTAL APPROPRIATIONS
Transfers Out and Other Uses	197,762
	0

Chapter 20 Drain Fund	NET OF REVENUES/APPROPRIATIONS	(198,012)
	Estimated Beginning Fund Balance	497,173
	Estimated Ending Fund Balance	299,161

Sanitation Fund

ESTIMATED REVENUES

Taxes	1,336,118
Charges for Services	2,800,000
Interest and Rents	<u>0</u>
	TOTAL ESTIMATED REVENUES
Transfers In and Other Sources	4,136,118
	0

APPROPRIATIONS		
Public Works		<u>4,063,882</u>
	TOTAL APPROPRIATIONS	4,063,882
Transfers Out and Other Uses		0
Sanitation Fund	NET OF REVENUES/APPROPRIATIONS	72,236
	Estimated Beginning Fund Balance	2,855,145
	Estimated Ending Fund Balance	2,927,381

Brownfield Redevelopment Authority

ESTIMATED REVENUES		
Taxes		<u>69,730</u>
	TOTAL ESTIMATED REVENUES	69,730
Transfers In and Other Sources		0
APPROPRIATIONS		
Community and Economic Development		<u>69,730</u>
	TOTAL APPROPRIATIONS	69,730
Transfers Out and Other Uses		0
Brownfield Redevelopment Authority Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	13,681
	Estimated Ending Fund Balance	13,681

Tax Increment Financing Authority District 2

ESTIMATED REVENUES		
Charges for Services		<u>38,000</u>
	TOTAL ESTIMATED REVENUES	38,000
Transfers In and Other Sources		0
APPROPRIATIONS		
Community and Economic Development		<u>0</u>
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		38,000
Tax Increment Financing District 2 Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

Tax Increment Financing Authority**District 3**

ESTIMATED REVENUES

Taxes		<u>1,034,400</u>
	TOTAL ESTIMATED REVENUES	1,034,400
Transfers In and Other Sources		747,965

APPROPRIATIONS

Debt Service		<u>1,771,082</u>
	TOTAL APPROPRIATIONS	1,771,082
Transfers Out and Other Uses		0

	NET OF	
Tax Increment Financing District 3 Fund	REVENUES/APPROPRIATIONS	11,283
	Estimated Beginning Fund	
	Balance	0
	Estimated Ending Fund Balance	11,283

Tax Increment Financing Authority**District 4**

ESTIMATED REVENUES

Taxes		<u>304,500</u>
	TOTAL ESTIMATED REVENUES	304,500
Transfers In and Other Sources		0

APPROPRIATIONS

Community and Economic Development		<u>0</u>
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		383,383

	NET OF	
Tax Increment Financing District 4 Fund	REVENUES/APPROPRIATIONS	(78,883)
	Estimated Beginning Fund	
	Balance	78,883
	Estimated Ending Fund Balance	0

Capital Improvement

ESTIMATED REVENUES

Taxes		<u>637,000</u>
	TOTAL ESTIMATED REVENUES	637,000
Transfers In and Other Sources		0

APPROPRIATIONS

General Government		50,000
		<u>600,000</u>
Public Works		600,000
	TOTAL APPROPRIATIONS	650,000
Transfers Out and Other Uses		0

Capital Improvement Fund	NET OF REVENUES/APPROPRIATIONS	(13,000)
	Estimated Beginning Fund Balance	59,221
	Estimated Ending Fund Balance	46,221

HOME Investment Partnerships Grant

ESTIMATED REVENUES		
Federal Grants		40,000
	TOTAL ESTIMATED REVENUES	40,000
Transfers In and Other Sources		0

APPROPRIATIONS		
Community and Economic Development		40,000
	TOTAL APPROPRIATIONS	40,000
Transfers Out and Other Uses		0

HOME Investment Partnerships Grant Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	2
	Estimated Ending Fund Balance	2

Drug Enforcement Fund

ESTIMATED REVENUES		
Fines and Forfeits		0
	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		0

APPROPRIATIONS		
Public Safety		89,699
	TOTAL APPROPRIATIONS	89,699
Transfers Out and Other Uses		0

Drug Enforcement Fund	NET OF REVENUES/APPROPRIATIONS	(89,699)
	Estimated Beginning Fund Balance	89,699
	Estimated Ending Fund Balance	0

PA 48 Telecommunications Fund

ESTIMATED REVENUES		
State Grants		200,000
	TOTAL ESTIMATED REVENUES	200,000
Transfers In and Other Sources		0

APPROPRIATIONS		
Public Works		0
	TOTAL APPROPRIATIONS	0
Transfers Out and Other Uses		200,000

PA 48 Telecommunications Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	0

**Self-Insurance Workers'
Compensation Fund**

ESTIMATED REVENUES		
Other Revenue		<u>600,000</u>
	TOTAL ESTIMATED REVENUES	600,000
Transfers In and Other Sources		0

APPROPRIATIONS		
Other Functions		<u>600,000</u>
	TOTAL APPROPRIATIONS	600,000
Transfers Out and Other Uses		0

Self-Insurance Worker's Compensation Fund	NET OF REVENUES/APPROPRIATIONS	0
	Estimated Beginning Net Assets	93,174
	Estimated Ending Net Assets	93,174

Employee Sick and Vacation Fund

ESTIMATED REVENUES		
Other Revenue		<u>0</u>
	TOTAL ESTIMATED REVENUES	0
Transfers In and Other Sources		0

APPROPRIATIONS		
Other Functions		<u>25,000</u>
	TOTAL APPROPRIATIONS	25,000
Transfers Out and Other Uses		0

Sick and Vacation Fund	NET OF REVENUES/APPROPRIATIONS	(25,000)
	Estimated Beginning Net Assets	250,000
	Estimated Ending Net Assets	225,000

Insurance Fund

ESTIMATED REVENUES		
Other Revenue		<u>1,411,062</u>
	TOTAL ESTIMATED REVENUES	1,411,062
Transfers In and Other Sources		0

APPROPRIATIONS		
General Government		5,000
Other Functions		<u>1,385,449</u>
	TOTAL APPROPRIATIONS	1,390,449
Transfers Out and Other Uses		0

	NET OF	
Insurance Fund	REVENUES/APPROPRIATIONS	20,613
	Estimated Beginning Net Assets	0)
	Estimated Ending Net Assets	20,613

District Court Fund

ESTIMATED REVENUES		
State Sources		183,000
Charges for Services		793,550
Fines and Forfeits		755,000
Other Revenue		<u>(6,910)</u>
	TOTAL ESTIMATED REVENUES	1,724,640
Transfers In and Other Sources		1,047,758

APPROPRIATIONS		
General Government		<u>2,772,397</u>
	TOTAL APPROPRIATIONS	2,772,397
Transfers Out and Other Uses		0

	NET OF	
District Court Fund	REVENUES/APPROPRIATIONS	1
	Estimated Beginning Fund Balance	0
	Estimated Ending Fund Balance	1

Section 7. Specific Appropriations.

There are no specific appropriations contained in the budget.

Section 8. Periodic Financial Reports.

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

Section 9. Budget Monitoring and Amending.

Whenever it appears to the Finance Director that the actual and probable revenues in any fund will be less than the estimated revenues upon which appropriations from such fund were based, and when it appears that expenditures will exceed an appropriation upon which appropriations from such fund were based, the Finance Director shall present to the Emergency Manager and Mayor recommendations to prevent expenditures from exceeding available revenues or appropriations for the fiscal year. Such recommendations shall include proposals for reducing appropriations, increasing revenues or both. The Finance Director is hereby authorized to amend accounts within functions in a fund and among functions in a fund during the fiscal year provided that such amendments do not change the total revenues or total expenditures for the fund as approved by the Emergency Manager. 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.

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. Effective Date.

This Ordinance shall be effective ten days after date of adoption.