

**CITY OF
ANN ARBOR, MICHIGAN**



**ADOPTED
2004/2005 BUDGET**



2004-2005
Approved Budget

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Mayor

Council Members

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Special Thanks to the
2004-2005
Executive Budget Committee
for their hard work and dedication
in preparing the budget:

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Also, special thanks to all of the department budget representatives
who contributed to their service area and unit budgets – Great Job!

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CITY OF ANN ARBOR, MICHIGAN
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Office of The City Administrator

June 25, 2004

To Mayor Hieftje and Members of the City Council:

We are pleased to present to the Mayor, City Council, and citizens of Ann Arbor, the budget for fiscal year 2004/05.

Overview

On May 24, City Council met in a continuation of the May 17 meeting of City Council to consider the 2004/2005 budget that I proposed in April. As expected, Council deliberated at length, but brought to conclusion a budget preparation process that began in December, 2003. I compliment the Ann Arbor City Council for their dedicated and extensive efforts to understand the fiscal circumstances of the City and to fully explore the budget proposed for their consideration. The adopted budget reflects dramatic efforts by staff throughout the City to address serious shortfalls in the available revenue compared to projected expenses. For your benefit, a summary of the Council approved changes to the proposed budget and the adopted budget resolution follow this message.

The adopted \$288 million budget (\$76.8 million and \$46.7 million of which represent our General Fund and Capital Improvement program budgets, respectively) is balanced in accordance with the City Charter and lives within the available revenues without relying on a transfer from our General Fund reserve balance. It is important to emphasize that the City's General Fund reserve remains at \$7.6 million, a healthy 10.5 percent of our budget. Council's decisions to maintain the current operating mill levy and to adopt the .8% Administrative Fee for tax collections increased general fund revenue forecasts by \$1.8 million. However, it is important to remember that even with those revenues, this balanced budget was achieved only with significant and difficult cuts in the General Fund.

Significant Changes

Employee Reductions

The most difficult changes in this budget involve reductions in the number of jobs. With changes made by City Council, 34.55 full-time equivalent (FTE) positions will not be funded next year, compared to the 41.42 FTE reductions in the proposed budget. Up to 20 lay-offs are anticipated.

Solid Waste Fund

The new budget establishes a Solid Waste Enterprise Fund (Fund 0072). Establishment of this fund assures that solid waste expenses and revenues are accounted for within a single fund and that the solid waste operation as a whole is self-funding, including funding of facilities and equipment. The net negative impact to the General Fund in fiscal year 2004/05 of removing solid waste activities from the General Fund is \$2.5 million. As an enterprise fund, Fund 0072 will fund depreciation expense to provide for proper asset reinvestment and will pay its equity share for services provided by the General Fund.

Hydropower Fund

The adopted budget consolidates the Hydropower Fund (Fund 0019) into the General Fund. Operation of the Hydroelectric Facilities and structures as an enterprise fund is financially impractical. The sole source of revenue for Fund 0019 is the sale of electricity generated annually. Electric sales fluctuate with river flows resulting in negative fund performance on the annual consolidated financial reports in most years due to enterprise fund recognition of both operating expenses and depreciation. As a general fund operation, revenues will regularly exceed operating expenses, resulting in a net positive impact on the General Fund budget of the City. Historically, significant investments in hydroelectric facilities have been funded by issuance of General Obligation Debt. This budget includes use of a portion of the hydroelectric fund balance to retire the outstanding hydroelectric bond. An equipment reserve in the amount of \$500,000 is retained.

Capital Improvement Budget

The fiscal year 2004/05 Capital Improvement budget represents a significant change in how the Service Areas capital needs have been budgeted in prior years. Previously, project resolutions were submitted to Council for approval at varying times during the fiscal year, depending upon when the project was intended to begin. This year, all of the City's new capital projects are included in this budget. This process change enables the Council to better visualize the scope and magnitude, in total, of new projects to be undertaken. New and expanding capital projects total \$95.9 million, of which \$46.7 million will be spent during the upcoming fiscal year 2004/05.

Employee Health Insurance

As previously reported, we eliminated HMOs as a health care option in favor of the Blue Cross Blue Shield designed Preferred Provider program. This change is expected to provide approximately \$850,000 in budget savings.

Other Budget Changes

Other significant changes in this budget include:

- The number of Service Areas and Service Area Administrators is reduced from five to four. Support Services is dissolved and the Support Services units are assigned to other Service Areas. A new organization chart with the representative changes is included.
- The creation of a new position of Transportation Manager to represent and help plan for the community's dramatic transportation issues and priorities.
- The staff from Planning and Building is consolidated into a new Planning and Development Services Unit with dedicated funding from building fees.
- The creation and inclusion of Service Area Units' performance goals, objectives, and activities in the annual budget.
- Full funding of depreciation in our equipment pool for vehicle replacements in Fire and Parks services.
- The creation of the Construction Code Fund (Fund 0026) to isolate the revenue received from, and expenses related to, permits, inspections, appeals, and plan reviews for construction projects. This fund is required by State Law to be used only for construction code enforcement purposes.

Closing Comments

We wish we could predict when the financial difficulties will end. While we continue to work with our elected State officials to find long-term solutions to the municipal funding crisis, a solution does not appear on the horizon. Until the State is able to solve its own fiscal problems, it appears that they will look at revenues that historically went to local government as a "take" to balance their own budget. An economic rebound in Michigan would certainly help. In the meantime, we must presume that we will have continued pressure to not only reduce costs, but to identify new sources of revenue as well.

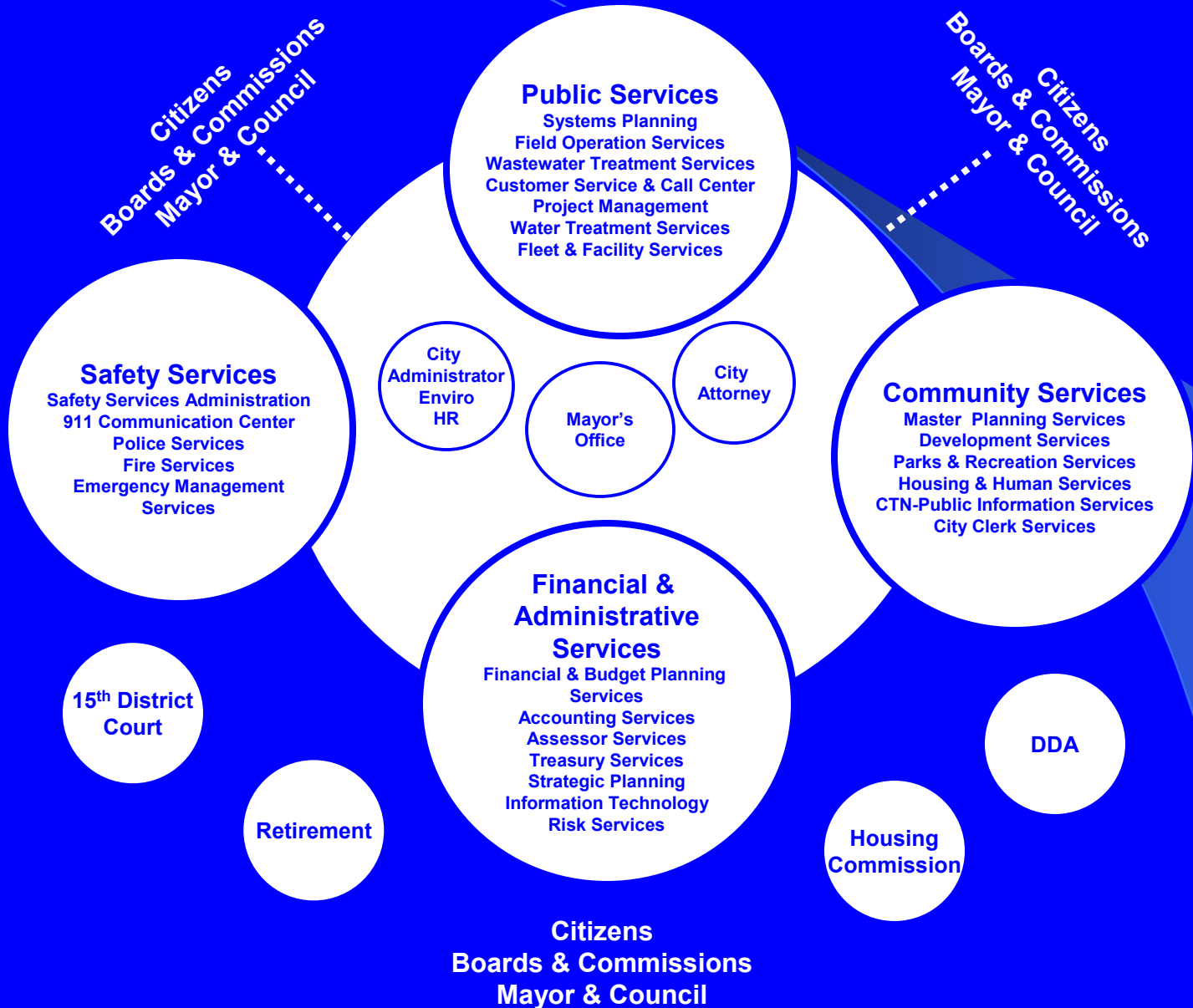
We will continue to look for ways to improve our services and the cost of delivery of those services. I am proud of the work our Service Areas and our dedicated employees have done to date in cutting the budget without significant changes to service delivery in the community. In many ways, the work that we have done appears seamless in the community – that has always been our number one goal! It is important to note that our employees are doing more with less and are still doing a great job for the citizens.

This budget represents a great deal of hard work by a number of employees in the City. I thank them all for their hard work.

Respectfully submitted,

Roger Fraser
City Administrator

City of Ann Arbor Proposed FY 2004/05



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Summary of Changes – Recommended to Approved Budget

REVENUES

SERVICE AREA	FUND	AMOUNT	DESCRIPTION
CITY ADMINISTRATOR	GENERAL	(\$665,863)	Reduction in Municipal Service Charge revenue from the Solid Waste Fund 0010-011-1000-5372
COMMUNITY SERVICES	GENERAL	(\$1,000)	Reduction in Senior Center revenue 0010-060-4000-6315-5407
COMMUNITY SERVICES	PARKS REHAB & DEVELOPMENT MILLAGE	\$6,106	Added use of fund balance to restore .10 FTE funding
FINANCIAL SERVICES	GENERAL	\$721,537	Increased General Operating Levy by .0721 mills 0010-018-1000-1111
FINANCIAL SERVICES	GENERAL	\$1,702,293	Added Admin Fee 0010-018-1000-1342
PUBLIC SERVICES	GENERAL/ FLEET	\$400,000	Added transfer in from Fleet Fund balance 0010-013-8000-2712; Increase use of Fleet fund balance
PUBLIC SERVICES	GENERAL/ HYDROPOWER	\$400,000	Added transfer in from Hydro fund balance 0010-073-4200-2719; Increased use of Hydropower fund balance
PUBLIC SERVICES	MAJOR STREETS	\$44,635	Added use of fund balance to balance fund for added FTE
PUBLIC SERVICES	SOLID WASTE	\$210,990	Added revenue for front-load 0072-071-2000-5537
NON-DEPARTMENTAL	GENERAL/ INSURANCE	\$1,925,000	Added transfer in from Insurance Fund balance 0010-019-1000-2757; Increased use of Insurance fund balance
NON-DEPARTMENTAL	GENERAL	\$38,355	Added use of fund balance for Housing/Human Services Contingency 0010-019-1270-6998
NON-DEPARTMENTAL	GENERAL	\$120,000	Added insurance reimbursement for non-union health insurance cost sharing 0010-019-1000-7924

Summary of Changes – Recommended to Approved Budget

EXPENDITURES

SERVICE AREA	FUND	AMOUNT	DESCRIPTION
MAYOR AND CITY COUNCIL	GENERAL	(\$2,400)	Reduction of Council travel budget by \$2,400 (\$240 per Council member) 0010-010-1010-1010-2700
COMMUNITY SERVICES	GENERAL	\$850,000	Added building technology reserve to 0010-033-1300-1000-4520
COMMUNITY SERVICES	GENERAL/ CONSTRUCTION CODE/ PARK MILLAGE	\$61,065	Restored 50% of GIS FTE to 0010-060-6000-6139-1092-xxxx (\$30,533); 40% to 0026-060-6000-6139-1092-xxxx (\$24,426); 10% to 0018-060-6000-6139-1092-xxxx (\$6,106)
FINANCIAL SERVICES	INSURANCE	\$1,925,000	Added transfer out to the General Fund 0057-019-1000-1000-4420
PUBLIC SERVICES	GENERAL	\$747,163	Added back depreciation owed to Fleet fund for Parks Ops equipment 0010-061-2000-6139-1000-4420
PUBLIC SERVICES	HYDROPOWER	\$400,000	Added transfer out to the General Fund 0019-073-4200-4420
PUBLIC SERVICES	FLEET SERVICES	\$400,000	Added transfer out to the General Fund 0012-091-4910-1000-4420
PUBLIC SERVICES	MAJOR STREETS	\$80,000	Added Transportation Manager FTE 0021-040-4210-4137-xxxx (Job Class 403970)
PUBLIC SERVICES	SOLID WASTE	\$763,754	Added back programs (multiple account numbers) and 4.0 FTEs (2.0 FTE for front load and 2.0 FTE for leaf collection)
SAFETY SERVICES	GENERAL	\$71,188	Restored Grant FTE to 0010-031-2000-3120-xxxx
SAFETY SERVICES	GENERAL	\$28,347	0010-032-1000-1000-4520
SAFETY SERVICES	GENERAL	\$761,026	Added back depreciation owed to Fleet fund for Fire equipment 0010-032-1000-1000-4420

Summary of Changes – Recommended to Approved Budget

EXPENDITURES (continued)

SERVICE AREA	FUND	AMOUNT	DESCRIPTION
NON-DEPARTMENTAL	GENERAL	\$1,260,000	Added amount for union retros for 0010-019-1114-1000-4520
NON-DEPARTMENTAL	GENERAL	\$830,000	Added transfer out for 0010-019-1000-1000-4420
NON-DEPARTMENTAL	GENERAL	\$38,355	Added Housing/Human Services Contingency 0010-019-1270-6998

R-210-5-04

**RESOLUTION (B) TO ADOPT ANN ARBOR CITY BUDGET AND RELATED
PROPERTY TAX MILLAGE RATES FOR FISCAL YEAR 2004/2005**

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2004-2005 for the City of Ann Arbor; and

Whereas, A public hearing has been held to obtain citizen input on the proposed budget.

Whereas, The City Administrator's proposed 2004/2005 budget establishes an enterprise fund for Solid Waste;

Whereas, The proposed budget for Solid Waste anticipates dramatic reductions in fall leaf pick-up, front-load trash container service, Christmas tree collection, yard waste collection and other services;

RESOLVED, That the Solid Waste services provided through the 2004/2005 fiscal year be provided in the manner as proposed by staff except that:

1. Yard waste pick up will continue to be provided on a weekly basis, however, grass clippings will be prohibited, increasing expenses by \$207,784.00 and retaining two rear-load trucks;
2. One pick-up of Christmas trees will be conducted in late January at a cost of \$15,000.00;
3. The current holiday schedules for recycling will be continued at a cost of \$25,000.00;
4. Fall leaf pick-up will continue, increasing expenses by \$375,733.00.

RESOLVED, that front-load container service be continued, but that a service fee of \$7.50 be assessed for each service to a front-load trash container of non-residential commercial, government and school customers and, therefore, that estimated revenues for Solid Waste be increased by \$210,990.00 and that related expenditures be increased by \$806,100.00;

RESOLVED, That the authorized number of full-time equivalent positions (FTE) in Solid Waste be increased by 4 FTEs;

RESOLVED, That Council adopt the General Fund Allocations as listed in the FY 2004/05 Consolidated Plan, to be funded out of the Community Development Budget;

RESOLVED, That the following four agencies also be funded for the current fiscal year 2003/04 Housing and Human Services Contingency Balance which is \$38,355.00:

- | | | |
|----|--|-------------|
| 1. | St Andrews Breakfast Program | \$ 7,000.00 |
| 2. | Arrowwood Hills Summer Camp and After School Program | 24,000.00 |
| 3. | Trailblazer Art Oasis Program | 5,355.00 |
| 4. | Christmas in April | 2,000.00 |

RESOLVED, That the municipal service charge assessed to the Solid Waste Fund be reduced by \$665,863.00;

RESOLVED, THAT the Mayor and City Council travel budget be reduced by \$2,400.00;

RESOLVED, That the unexpended grant entitlement for the Community Development Block Grant and the HOME Funds be reappropriated at the end of the fiscal year until such time as all grant funds have been expended;

RESOLVED, That any contributions for the Youth Program be appropriated upon receipt of the funds for the purpose of the Youth Program;

RESOLVED, That any contributions to the Special Assistance Fund and the Housing Trust fund in excess of the budgeted amount, shall be appropriated at the time of receipt and for the purpose of the Ann Arbor Assistance Fund and the Housing Trust Fund, respectively;

RESOLVED, That the Capital Improvements projects in the amount of \$112,869,731 are approved with \$46,736,318 to be appropriated in 2004-05 and may be carried forward without regard to fiscal year;

RESOLVED, That the Technology Improvements projects in the amount of \$766,500 may be appropriated without regard to fiscal year;

RESOLVED, That the position of Transportation Manager be created and \$80,000.00 be added in the major streets fund to cover the cost of adding the (1) FTE;

RESOLVED, That a total 827 full-time equivalent positions be adopted in the FY2004-2005 budget;

RESOLVED, That \$830,000.00 be transferred to the building fund;

RESOLVED, That the City Administrator be authorized to transfer funds between service units within the designated service areas;

RESOLVED, That the following appropriations constitute the general fund budget for 2004-2005;

REVENUES

CITY ATTORNEY	\$118,000
CITY ADMINISTRATOR	\$4,103,407
COMMUNITY SERVICES	
City Clerk	\$100,394
Community Services Administration	\$124,901
Development	\$1,088,633
Parks and Recreation	\$2,128,036
FINANCIAL SERVICES	
Accounting	\$52,875
Assessor	\$15,000
Financial and Budget Planning	\$54,889,184
Information Technology	\$30,000
Treasury	\$205,067
PUBLIC SERVICES	
Customer Service Center	\$30,000
Field Operations	\$116,400
Fleet & Facility	\$583,080
Project Management	\$2,525,180
Water Treatment	\$730,000
SAFETY SERVICES	
Police	\$4,540,988
Fire	\$531,653
DISTRICT COURT	\$2,890,900
NON-DEPARTMENTAL	\$2,180,755
TOTAL GENERAL FUND REVENUES	\$76,984,453

EXPENDITURES

MAYOR AND CITY COUNCIL	\$317,469
CITY ATTORNEY	\$1,583,595
CITY ADMINISTRATOR	
City Administrator	\$581,429
Environmental Coordination	\$319,796
Human Resources	\$1,191,242
COMMUNITY SERVICES	
City Clerk	\$631,030
Community Services Administration	\$1,826,014
Development	\$1,602,993
Housing and Human Services	\$1,609,543
Master Planning	\$177,470
Parks and Recreation	\$2,566,395
FINANCIAL SERVICES	
Accounting	\$1,310,087
Assessor	\$643,479
Financial and Budget Planning	\$940,567
Information Technology	\$2,089,534
Treasury	\$627,727
PUBLIC SERVICES	
Customer Service Center	\$45,600
Field Operations	\$5,516,907
Fleet & Facility	\$1,147,003
Project Management	\$1,681,686
Public Services Administration	\$33,244
Water Treatment	\$187,754
SAFETY SERVICES	
Police	\$21,368,330
Fire	\$10,723,483
DISTRICT COURT	\$3,491,798
NON-DEPARTMENTAL	\$14,587,035
TOTAL GENERAL FUND EXPENDITURES	\$76,801,210

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY2004-2005 budget; and

REVENUES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0019	HYDROPOWER OPERATING FUND (use of fund balance to pay remaining debt and GF)	1,261,972
0042	WATER SUPPLY SYSTEM	22,186,673
0043	SEWAGE DISPOSAL SYSTEM	19,819,842
0048	AIRPORT	738,494
0069	STORMWATER SEWER SYSTEM	4,375,463
0011	CENTRAL STORES	1,315,692
0012	FLEET SERVICES	4,065,897
0015	PARKS SERVICE HEADQUARTERS	115,104
0057	INSURANCE	19,099,438
0055	ELIZABETH R DEAN TRUST	89,799
0006	PARKS REPAIR AND RESTORATION MILLAGE	1,874,028
0021	MAJOR STREET	6,576,343
0022	LOCAL STREET	1,819,910
0054	CEMETERY PERPETUAL CARE	3,200
0062	STREET REPAIR MILLAGE	9,866,299
0072	SOLID WASTE EQUIPMENT FUND	11,176,523
0002	ENERGY PROJECTS	168,891
0070	AFFORDABLE HOUSING	627,844
0024	OPEN SPACE & PARKLAND PRESERVATION	5,726,937
0025	BANDEMER PROPERTY	37,780
0026	CONSTRUCTION CODE FUND	1,893,400
0046	MARKET	142,037
0038	ANN ARBOR ASSISTANCE	6,050
0047	GOLF ENTERPRISE	1,265,701
0016	COMMUNITY TELEVISION NETWORK	1,393,700
0018	PARKS REHAB & DEVELOPMENT MILLAGE	3,812,320
0078	COMMUNITY DEVELOPMENT BLOCK GRANT	1,831,300

REVENUES (continued)

0090	HOME PROGRAM	3,534,924
0014	INFORMATION TECHNOLOGY	950,000
00MG	MAJOR GRANT PROGRAMS FUND	283,515
0027	DRUG ENFORCEMENT	12,000
0028	FEDERAL EQUITABLE SHARING FORFEITURES	106,000
0053	POLICE AND FIRE RELIEF	12,000
0064	MICHIGAN JUSTICE TRAINING	47,000
0023	COURT FACILITIES	220,000
0044	PARKING SYSTEM	22,754
0035	GENERAL DEBT SERVICE	4,407,218
0060	GENERAL DEBT /SPECIAL ASSESSMENTS	495,337
0061	ALTERNATIVE TRANSPORTATION	364,721
0076	SEWER BOND SERIES XIX 2004	16,030,347
0093	WATER BONDS	20,000
0095	WATER BOND SERIES Z 2004	8,560,444
0097	ENVIRONMENTAL BOND ISSUE	1,250,000
00CP	GENERAL CAPITAL IMPROVEMENTS	1,595,500
0004	MAINTENANCE FACILITY	11,500,000
0052	VEBA TRUST	3,832,325
0059	EMPLOYEES RETIREMENT SYSTEM	26,873,002
0001	DDA/HOUSING FUND	223,421
0003	DOWNTOWN DEVELOPMENT AUTHORITY	5,756,529
0063	DDA PARKING SYSTEM	12,397,729
	TOTAL ALL OTHER FUNDS	\$219,785,403
	GENERAL FUND (PAGE 1)	\$76,984,453
	TOTAL ALL FUNDS' REVENUES	\$296,769,856

EXPENDITURES

0019	HYDROPOWER OPERATING FUND (debt service payment/transfer of fund balance)	\$422,972
0042	WATER SUPPLY SYSTEM	22,161,438
0043	SEWAGE DISPOSAL SYSTEM	17,527,149
0048	AIRPORT	738,494
0069	STORMWATER SEWER SYSTEM	4,155,667
0011	CENTRAL STORES	1,262,276
0012	FLEET SERVICES	4,065,897
0015	PARKS SERVICE HEADQUARTERS	115,104
0057	INSURANCE	19,098,212
0055	ELIZABETH R DEAN TRUST	89,799
0006	PARKS REPAIR AND RESTORATION MILLAGE	1,832,790
0021	MAJOR STREET	6,576,343
0022	LOCAL STREET	1,797,187
0054	CEMETERY PERPETUAL CARE	-
0062	STREET REPAIR MILLAGE	9,199,150
0072	SOLID WASTE EQUIPMENT FUND	11,033,821
0002	ENERGY PROJECTS	163,762
0070	AFFORDABLE HOUSING	627,844
0024	OPEN SPACE & PARKLAND PRESERVATION	5,718,160
0025	BANDEMER PROPERTY	37,596
0026	CONSTRUCTION CODE FUND	1,767,681
0046	MARKET	142,037
0038	ANN ARBOR ASSISTANCE	6,050
0047	GOLF ENTERPRISE	1,265,701
0016	COMMUNITY TELEVISION NETWORK	1,393,700
0018	PARKS REHAB & DEVELOPMENT MILLAGE	3,812,163
0078	COMM DEVELOP BLOCK GR	1,831,300
0090	HOME PROGRAM	3,534,924
0014	INFORMATION TECHNOLOGY	950,000

00MG	MAJOR GRANT PROGRAMS FUND	5,447
0027	DRUG ENFORCEMENT	12,000
0028	FEDERAL EQUITABLE SHARING FORFEITURES	106,000
0053	POLICE AND FIRE RELIEF	-
0064	MICHIGAN JUSTICE TRAINING	47,000
0023	COURT FACILITIES	209,500
0044	PARKING SYSTEM	22,754
0035	GENERAL DEBT SERVICE	4,391,557
0060	GENERAL DEBT/SPECIAL ASSESSMENTS	495,337
0061	ALTERNATIVE TRANSPORTATION	364,721
0076	SEWER BOND SERIES XIX 2004	16,030,347
0093	WATER BONDS	20,000
0095	WATER BOND SERIES Z 2004	8,560,444
0097	ENVIRONMENTAL BOND ISSUE	1,250,000
00CP	GENERAL CAPITAL IMPROVEMENTS	1,595,500
0004	MAINTENANCE FACILITY	11,500,000
0052	VEBA TRUST	152,750
0059	EMPLOYEES RETIREMENT SYSTEM	26,873,002
0001	DDA/HOUSING FUND	68,075
0003	DOWNTOWN DEVELOPMENT AUTHORITY	5,756,529
0063	DDA PARKING SYSTEM	12,397,729
	TOTAL ALL OTHER FUNDS	\$211,185,909
	GENERAL FUND (PAGE 2)	\$76,801,210
	TOTAL ALL FUNDS' EXPENDITURES	\$287,987,119

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY2004-2005:

	APPROVED
GENERAL OPERATING	6.2125
EMPLOYEE BENEFITS	2.0948
REFUSE COLLECTION	2.5137
AATA	2.0948
STREET REPAIR	1.9693
PARKS REPAIR AND RESTORATION	0.4692
PARK REHAB AND DEVELOPMENT	0.4601
PARK ACQUISITION	0.4871
DEBT SERVICE	<u>0.6000</u>
TOTAL	16.9015

As Amended by City Council, May 24, 2004

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Information Pages: The Budget Process

The Annual Operating Budget is the City's plan for providing services to the community during the fiscal year. The budget process involves determining the nature and level of services provided to the public according to the priorities established by the City Council and City Administrator.

The actual budget process begins in late fall with the City Administrator formulating a series of goals in cooperation with the City Council that are to be accomplished in the next budget year. These goals are then used to guide the individual service areas in preparing their budgets. The City Council also establishes citywide goals and objectives that identify areas in need of service improvement(s) or other areas of special concentration by the service unit.

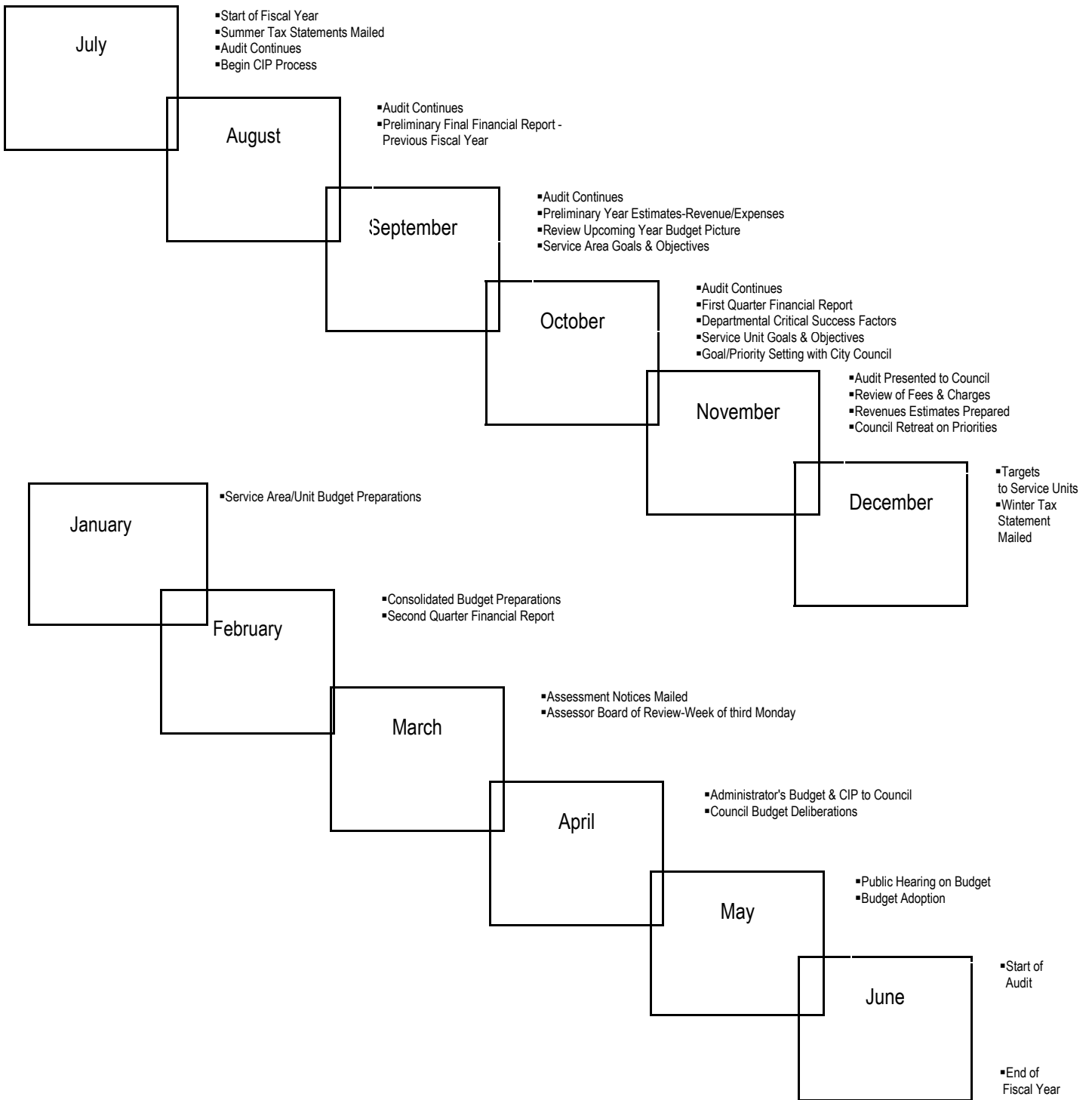
Individual service units begin the budget process essentially the same way the City Administrator does – by formulating department goals and objectives that support those of the City Administrator. Once the goals and objectives have been developed, the departments prepare the financial budget requests, which are submitted in late January.

In recent years, the City has moved towards performance-based budgeting. This technique has proven to be extremely successful for the City of Ann Arbor. Under this system, the City Administrator determines funding levels for each service unit by working with the service area administrators to match funding needs with available revenue. Budget targets are established based on anticipated revenues and growth in expenditures while incorporating the strategic goals and objectives identified earlier in the budget process. The goals, objectives, and related performance metrics assist in determining where more resources are needed. After the budget has been adopted, the service units then determine the best way to allocate funds among expenses to remain within the target while meeting the assigned goals. By allowing the service units to determine how funds are spent within the unit, the operating units have a greater ownership in how they provide services.

In accordance with the City Charter, the City Administrator's Recommended Budget is submitted to City Council on or before April 15th. The City Council, with at least seven affirmative votes, must adopt the budget no later than the end of its second meeting in May. According to the City Charter, should the City Council not adopt an amended Budget, the City Administrator's Recommended Budget will automatically take effect as submitted.

After the budget has been adopted, City Council may amend the budget by a concurring vote of not fewer than eight members of City Council.

Information Pages: The Budget Process - Financial Calendar



Information Pages: Long Term Financial Plan

Mission

To ensure the City's financial strength while retaining the ability to maintain desired service levels and meet infrastructure needs.

Introduction

The ongoing diagnosis of the financial health is part of a long-term financial planning process the City has undertaken for a number of years. Recently, in fiscal year 2003/04, the City began a strategic planning process to identify appropriate goals, objectives, and related activities - from a financial and non-financial perspective. This strategic planning process will continue throughout the 2004/05 fiscal year with the development of performance objectives. The goals and objectives that were developed appear in each Service Area section of this Budget. As a part of this process, the Finance & Administrative Services Area revised and updated the City's long-term financial plan.

A summary of the plan is included in the sections below. These activities will guide the City's fiscal activities over the course of the 2004/05 fiscal year and beyond. This financial planning provides a process for continuing discussion, analysis, policy change and re-analysis with a focus on the City's financial future.

Assessment of condition

It is very important to monitor financial trends and indicators to assess the City's financial condition. The assessment makes observations covering five areas of financial planning: (1) the City's financial health, (2) financial independence and flexibility, (3) municipal productivity, (4) deferral of current costs and (5) financial management practices.

General Observations - Financial Health

- The City received a AAA bond rating on its most recent general obligation debt issuance and a AAA bond rating on its most recent revenue bond issuance.
- Per capita property value slightly leads inflation for the past five years.
- The City's population remains stable.
- Per capita income adjusted for inflation is trending upward.
- Property Tax revenue increases slightly exceeded inflation rates for the past four years.
- Tax base growth from additions has led inflation rates for the past six years.

Financial Independence and Flexibility

- The percent of total expenditures funded by grants and state-shared revenues for fiscal years 2000 to 2003 ranges from 23% to 30%.
- The ratio of debt to valuation is low (1.33%) compared to other cities our size.
- Net direct and indirect debt per capita is \$430; this is low relative to the national average for cities of similar size.
- Debt service payments as a percentage of general governmental expenditures is stable at 4.1%.

Information Pages: Long Term Financial Plan

- Retiree health care costs are projected to continue rising, and are being pre-funded with a VEBA Trust.

Municipal Productivity

- The number of employees per thousand residents has decreased from 8.8 in 1999-2000 to 7.6 in 2003-04.
- Expenditures per capita adjusted for inflation increased 2.0 percent in 2002-2003.
- Voters have been willing to support specific tax levies.
- Enterprise funds have had positive operating income in a majority of the past ten years.
- Water fund debt coverage ratios have been below 1.25 in four of ten years. Bond rating agencies recommend debt coverage ratios of 1.25 to insure bondholders there are adequate revenues to pay debt service.

Deferral of Current Costs

- The City's pension liability is well-funded at 118.1% on June 30, 2003.

Financial Management Practices

- The General Fund undesignated fund balance on June 30, 2003 was at 9.6% of operating expenditures.
- Delinquent taxes have not exceeded 1% for the past ten years.
- The City has set aside \$8.8 million for future capital improvements as of June 30, 2003.

Conclusions

Revenue growth has kept pace with inflation and the local economy is healthy. There has been some growth of expenditures over time. Revenues from grants and state shared revenues are carefully monitored and are decreasing due to decreasing State-shared revenues (sales and income taxes). The City's low debt ratio gives it the flexibility to provide financing for capital needs that may be required in coming years. Municipal productivity as measured by the number of employees and expenditures per capita has decreased. The City's long-term pension liabilities are well-funded.

The City of Ann Arbor enjoys a strong economy reflected in a low tax delinquency rate and a General Fund undesignated fund balance which has grown to a level of 9.6% of expenditures by June 30, 2003. The City maintains an Aa General Obligation bond rating on its uninsured bonds, reflecting well on the City's financial strength and financial health.

Information Pages: Long Term Financial Plan

Financial Management Goals

Immediate Goals (FY 2004-2005)

1. **Review position vacancies to determine potential reductions.** On an annual basis, FTE vacancies are monitored to determine if the position is needed for the remainder of the fiscal year and to ensure that the related funds are not spent on non-personnel activities unless approved by the City Administrator and/or the City Council.
2. **Assist with internal reorganizations.** As the City moves toward the Service Area/Unit structure from the previous Departmental structure, Finance will continue to assist the new Units with setting up appropriate workflow and chart of accounts that reflect the new structure.
3. **Establish a Solid Waste enterprise fund.** As part of the fiscal year 2004/05 budget adoption, the City Council directed staff to establish a special enterprise fund to fully account for the solid waste activities and charges.
4. **Explore new revenue sources.** The City is undergoing an income tax study that may provide recommendations or alternatives to assist developing a long-term, stable revenue base for the City given the uncertainty of state shared revenues. The City will also be implementing an administrative fee on the tax bill for the costs associated with billing and collecting the property taxes for the City, as well as other governmental entities.
5. **Monitor insurance fund for revised self-insurance programs.** Staff made estimates regarding the changes to the City's insurance programs. These estimates will be monitored throughout the budget year and the anticipated savings will be adjusted as needed.

Short-term Goals (FY 2004-2005 and FY 2005-2006)

1. **Revise the City's strategic business plan and related goals, objectives, activities, and performance metrics.** The strategic business planning process will continue throughout 2004/05. Changes and updates to the 2003/04 plan will be made as needed and as appropriate.
2. **Review Municipal Service Charge/cost allocation.** An updated cost allocation plan used for calculating the Municipal Service Charge was completed and recommendations will be implemented by the City Administrator in the 2004-2005 budget. The study will be updated again in 2004-2005 for the following fiscal year.
3. **Maintain a balance of revenues and expenditures to avoid deficit spending.** Decisions concerning the provision of services should always be within this framework of maintaining this balance.

Information Pages: Long Term Financial Plan

4. **Maintain an undesignated General Fund fund balance within a range of 8% to 12% provided that when necessary use of these funds occurs, subsequent budgets will be planned for additions to fund balance to maintain a rolling 5 year average fund balance level of 10%.**
5. **Continue the development of a long-term financial operating and capital financial plan. The financial plan will integrate the Capital Improvements Program (CIP).** Capital improvements were integrated with the 2004-05 annual budgets.
6. **Continue to development strategies to curb escalating health care and pension costs.** The City has created a task force that will study the pension system and related expenditures including the escalating cost of retiree health care.
7. **Continue to develop funding mechanisms for capital and infrastructure needs including equipment costs.** The City is in the final planning stages of constructing a maintenance facility as well as a joint dispatch center. The City is also in the preliminary stages of examining options for refurbishing City Hall.
8. **To substantially increase investment in equipment and technology to improve efficiency and service to our customers.** The Strategic Technology Plan is currently being updated for presentation to the Mayor and City Council. The City is also examining an internal service fund structure for the Information Technology function in order to better allocate the costs of the services funded for technology needs. The City will be investigating the costs associated with a web-based system.

Long-term Goals (FY 2007 and beyond)

1. **Maintain a balance of revenues and expenditures to avoid deficit spending.**
2. **Maintain an undesignated General Fund fund balance within a range of 8% to 12% provided that when necessary use of these funds occur, subsequent budgets will be planned for additions to fund balance to maintain a rolling 5 year average fund balance level of 10%.**
3. **Develop strategies for VEBA and pension funding.**
4. **Implement technology upgrades for the City's enterprise-wide financial systems.**
5. **Develop a policy for the long-term funding of infrastructure for City facilities.**

Financial Health Policy Objectives

- I. **Financial Health**
 - a. Maintaining a balance of revenues and expenditures.
 - b. Striving to accommodate an appropriate and sustainable level of new construction activities and preserve market value of existing real property.

Information Pages: Long Term Financial Plan

- c. Striving to maintain services and infrastructure to accommodate, encourage and support an appropriate and sustainable level of commercial activities.
- d. Striving to maintain population levels.
- e. Striving to improve economic conditions for residents of the City.
- f. Evaluating potential revenue sources.

II. Financial Independence and Flexibility

- a. Striving to retain financial independence by monitoring grant-funded programs to insure the City does not become dependent on grants for long term operating costs.
- b. Incurring additional debt only as necessary after exhausting other available sources.
- c. Fund a vehicle for post-retirement health care liabilities.
- d. Attaining and maintaining a level of unused taxing authority to provide financial flexibility and improve credit strength.

III. Municipal Productivity

- a. Providing desired services in an efficient manner.
- b. Maintaining a number of employees per thousand residents consistent with the level of services demanded or delivered.
- c. Striving to maintain stable expenditures per capita.
- d. Striving for sufficient positive operating income in Enterprise funds to provide for necessary operating and capital infrastructure needs while maintaining sufficient debt service coverage ratios.
- e. Limiting rate increases in Enterprise funds to the minimum needed to satisfy system costs so as not to burden rate payers.

IV. Deferral of Current Costs

- a. Budgeting a consistent level of capital outlays sufficient to maintain infrastructure.
- b. Maintaining actuarially recommended funding levels of pension liabilities.

V. Financial Management Practices

- a. Maintaining an undesignated General Fund fund balance ranging from 8% to 12% of operating expenditures (total expenditures less transfers).
- b. Maintaining a strong tax collection policy and monitor tax delinquency.

Information Pages: Debt Management Policy

The following debt management policy should be used to provide the general framework for planning and reviewing debt proposals. City Council recognizes there are no absolute rules or easy formulas that can substitute for a thorough review of all information affecting the City's debt position. Debt decisions should be the result of deliberative consideration of all factors involved.

1. General Debt Policy

- 1.1 The City shall seek to maintain and, if possible, to improve its current Aa/AA bond rating so borrowing costs are minimized and access to credit is preserved. It is imperative that the City demonstrate to rating agencies, investment bankers, creditors, and taxpayers that City officials are following a prescribed financial plan. The City will follow a policy of full disclosure by communicating with bond rating agencies to inform them of the City's financial condition.
- 1.2 Every future bond issue proposal will be accompanied by an analysis provided by the proposing service area, demonstrating conformity to the debt policies adopted by City Council. The Finance Director will review and comment on each bond issue proposal regarding conformance with existing debt and financial policies, and specific aspects of the proposed financing package and its impact on the City's creditworthiness.
- 1.3 The City recognizes that it is of the utmost importance that elected and appointed City officials, and all others associated with the issuance of City debt, not only avoid the reality of a conflict of interest, but the appearance thereof as well. City officials must conduct themselves in a manner consistent with the best interests of the City and taxpayers. Elected and appointed City officials should avoid even the appearance of linkages between politics and public finance that can erode the confidence of taxpayers, ratepayers, and voters. This includes avoiding gratuities, and political contributions of more than nominal value from service providers and the disclosure of all possible conflicts of interest shall be provided in writing and filed with the City Clerk.
- 1.4 Bonds will be sold on a competitive basis unless it is in the best interest of the City to conduct a negotiated sale. Competitive sales will be the preferred method. Negotiated sales may occur when selling bonds for a defeasance of existing debt, for current or advanced refunding of debt, or for other appropriate reasons.

2. Taxpayer Equity

- 2.1 Ann Arbor's property taxpayers and citizens who benefit from projects financed by bonds should be the source of the related debt service funding. This principle of taxpayer equity should be a primary consideration in determining the type of projects selected for financing through bonds. Furthermore, the principle of taxpayer equity shall be applied for setting rates in determining net revenues for bond coverage ratios.

3. Uses

- 3.1 Bond proceeds should be limited to financing the costs of planning, design, land acquisition, buildings, permanent structures, attached fixtures or equipment, and movable pieces of equipment, such as fire engines, or other costs as permitted by law. Utility revenue bond proceeds may be used to establish a

Information Pages: Debt Management Policy

debt service reserve as allowed by State law. Acceptable uses of bond proceeds can be viewed as items which can be capitalized. Non-capital furnishings and supplies will not be financed from bond proceeds. Refunding bond issues designed to restructure currently outstanding debt are an acceptable use of bonds proceeds.

- 3.2 The City will not use short-term borrowing to finance operating needs except in the case of an extreme financial emergency which is beyond its control or reasonable ability to forecast. Recognizing that bond issuance costs add to the total interest costs of financing, bond financing should not be used if the aggregate cost of projects to be financed by the bond issue does not exceed \$1,000,000.

4. Decision Analysis

- 4.1 Whenever the City is contemplating a possible bond issue, information will be developed concerning the following four categories commonly used by rating agencies assessing the City's creditworthiness. The subcategories are representative of the types of items to be considered. This information will be presented by the Finance Director to the Budget Finance Advisory Committee for its review and recommendation to the City Administrator.

4.1.a Debt Analysis

- Debt capacity analysis
- Purpose for which debt is issued
- Debt structure
- Debt burden
- Debt history and trends
- Adequacy of debt and capital planning
- Obsolescence of capital plant

4.1.b Financial Analysis

- Stability, diversity, and growth rates of tax or other revenue sources
- Trend in assessed valuation and collections
- Current budget trends
- Appraisal of past revenue and expenditure trends
- History and long-term trends of revenues and expenditures
- Evidences of financial planning
- Adherence to generally accepted accounting principles
- Audit results
- Fund balance status and trends in operating and debt funds
- Financial monitoring systems and capabilities
- Cash flow projections

4.1.c Governmental and Administrative Analysis

- Government organization structure
- Location of financial responsibilities and degree of control
- Adequacy of basic service provision
- Intergovernmental cooperation/conflict and extent of duplication
- Overall city planning efforts

Information Pages: Debt Management Policy

4.1.d Economic Analysis

- Geographic and location advantages
- Population and demographic characteristics
- Wealth indicators
- Housing characteristics
- Level of new construction
- Types of employment, industry, and occupation
- Evidences of industrial decline
- Trend of the economy

4.2 The City may use the services of qualified internal staff and outside advisors to assist in the analysis, evaluation, and decision process, including bond counsel and financial advisors. Recognizing the importance and value to the City's creditworthiness and marketability of the City's bonds, this policy is intended to insure that potential debt complies with all laws and regulations, as well as sound financial principles.

5. **Debt Planning**

5.1 Unlimited-tax general obligation bond borrowing should be planned and the details of the plan must be incorporated in the Ann Arbor Capital Improvement Plan.

5.2 Unlimited-tax general obligation bond issues should be included in at least two Capital Improvement Plans preceding the year of the bond sale. The first inclusion should contain a general description of the project, its timing, and financial limits; subsequent inclusions should become increasingly specific.

6. **Communication and Disclosure**

6.1 Significant financial reports affecting or commenting on the City will be forwarded to the rating agencies. Each bond prospectus will follow the disclosure guidelines of the Government Finance Officers Association of the U.S. & Canada.

6.2 The City should attempt to develop coordinated communication processes with all other jurisdictions with which it shares a common property tax base concerning collective plans for future debt issues. Reciprocally, shared information on debt plans including amounts, purposes, timing, and types of debt would aid each jurisdiction in its debt planning decisions.

Information Pages: Debt Management Policy

7. General Obligation Bonds

- 7.1 Every project proposed for financing through general obligation debt should be accompanied by a full analysis of the future operating and maintenance costs associated with the project.
- 7.2 Generally, bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed. The City will attempt to keep the average maturity of general obligation bonds at or below 20 years. The City will limit the total of its general obligation debt to 8% of the City's assessed value.
- 7.3 Whenever possible, the City will finance capital projects by using self-supporting revenue bonds. Revenue bonds assure the greatest degree of equity because those who benefit from a project and those who pay for a project are most closely matched.

8. Limited Tax General Obligation Debt

- 8.1 Limited tax general obligation bonds should be considered only when constraints preclude the preferred practice of voter approved general obligation bonds. As a precondition to the issuance of limited tax general obligation bonds, all alternative methods of financing should have been investigated. Consideration should always be given to provide a pledge of facility revenue to accompany the basic pledge of limited tax revenues.
- 8.2 Limited tax general obligation bonds should only be issued under certain conditions:
 - 8.2.a A project to be financed will generate positive net revenues, i.e., additional revenues generated by the project will be greater than the debt service requirements. The net revenues should be positive over the life of the bonds, and be positive each year if possible. The City recognizes that net revenues may not be positive in the early years of certain projects, but should be positive within a reasonable time period of five to seven years. These calculations will be made on a conservative basis so that the potential for a long-term net decrease in general fund revenues is minimized.
 - 8.2.b Matching fund monies are available which may be lost if not applied for in a timely manner.
 - 8.2.c Catastrophic conditions.

9. Revenue Bonded Debt

- 9.1 It will be a long-term goal that each utility or enterprise will ensure future capital financing needs are met by using a combination of current operating revenues and revenue bond financing. Therefore a goal is established that 15% of total project costs should come from operating funds of the utility or enterprise.
- 9.2 It is City policy that each utility or enterprise should provide adequate debt service coverage. A specific factor is established by City Council that projected operating revenues in excess of operating expenses less capital expenditures, depreciation and amortization in the operating fund should be at

Information Pages: Debt Management Policy

least 1.25 times the annual debt service costs. An example of the debt coverage calculation is on the following page.

Debt Coverage Example:

Operating Revenues	\$13,903,166
Operating Investment Income	<u>751,270</u>
Total Operating Revenue	\$14,654,436
Operating Expenses	\$11,644,355
Less: Depreciation and Amortization	<u>1,155,004</u>
Net Expenses	\$10,489,351
Net Revenue Available for Debt Service	\$ 4,165,085 (1*)
Principal	\$ 1,520,000
Interest	<u>1,963,116</u>
Total Debt Service	\$ 3,483,116 (2*)
Debt Coverage Ratio (1* divided by 2*)	1.19

10. **Short Term Financing/Capital Lease Debt**

- 10.1 Short-term financing or capital lease debt will be considered to finance certain equipment and rolling stock purchases when the aggregate cost of equipment to be purchased exceeds \$25,000. Adequate funds for the repayment of principal and interest must be included in the requesting service area's approved budget.
- 10.2 The term of short-term financing will be limited to the usual useful life period of the vehicle or equipment, but in no case will exceed ten years.
- 10.3 Service areas requesting capital financing must have an approved budget appropriation. Service areas shall submit documentation for approved purchases to the Financial Services area each year within sixty days after the annual budget is adopted. The Financial Services area will consolidate all requests and may solicit competitive or negotiated proposals for capital financing to insure the lowest possible interest costs.

Information Pages: Capital Improvement Program Policies

Explicit policies are necessary to guide capital programming because: 1) they provide a better understanding of the basis for a CIP; 2) they raise issues that should be discussed; and 3) they provide more specific guidance to the City Administrator as well as to the operating service areas that propose capital improvements. These policies are intended to be the basis for deliberation and debate. Both policies and priorities change over time as new components of the master plan are adopted.

- 1) The Capital Improvements Plan plays an increasingly significant role in the implementation of the master plan, providing the link between planning and budgeting for capital projects. Nearly all of the capital improvement project requests will evolve, over time, from a component of the master plan. All City service areas will be asked to take a more active role in the planning process so that master plan components more consistently contain objectives and policies for capital improvements.
- 2) The capital improvements program will continue to develop by adding features each year to gradually improve its quality and sophistication. Greater attention will be devoted to more detailed information about individual project requests, program planning, fiscal analysis, fiscal policies, and developing debt strategy.
- 3) Projects first will be evaluated in relation to each other before consideration is given to available financing. Projects will be prioritized as a matter of implementing the goals and objectives of adopted plans and policies, not as a matter of available funds.
- 4) Capital projects which encourage private economic investment in the City will be considered in components of the master plan.
- 5) Projects which maintain the existing infrastructure normally will take precedence over projects which create or expand facilities.
- 6) The City must develop sources of revenue to pay for capital expenditures that do not use, or compete for, resources from the General Fund.
- 7) A successful capital improvements program cannot be achieved without the understanding and support of the taxpayers and voters. A more comprehensive effort to involve the public in the process will evolve to ensure that their concerns, preferences, and priorities are considered.
- 8) The City may not automatically be able to provide infrastructure to serve private development, as it once did. There are pros and cons of shifting the costs of new infrastructure and public facilities from the public sector to developers and new home buyers. For instance, shifting the allocation of costs too much on the developer may raise the cost of new housing to a point at which it may have exclusionary effects. In approving development sites and plans the City needs to assess the economic impacts of developments more carefully.
- 9) The City needs to take a more active role in inter-jurisdictional planning to formulate coherent infrastructure policies in the area. Many of the systems developed through capital investment (water, sewer, parks, etc.) have the potential to extend beyond the City limits. The City must make every effort to avoid service delivery fragmentation among the City, townships, special

Information Pages: Capital Improvement Program Policies

districts, and the private sector.

- 10) The capital improvements program must strive to provide for services equally among all residents of the City and to focus on those projects which provide the most benefit to the entire community. Likewise, careful evaluation must be made as to which projects more appropriately should be paid for in greater measure by those who benefit from them, and which are better spread among all residents.
- 11) Projects which are necessary to protect against a clear and immediate risk to public health or public safety should be regarded as highest priority.
- 12) Unlimited-tax general obligation bond issues should be included in at least two Capital Improvement Plans preceding the year of the bond sale. The first inclusion should contain a general description of the project, its timing, and financial limits; subsequent inclusions should become increasingly specific.

Information Pages: Community Profile

The City of Ann Arbor is located in the approximate center of Washtenaw County in the southeastern section of Michigan's lower peninsula. The City is approximately 28 square miles in area and serves as the county seat. It is the home of the University of Michigan, which currently employs over 16,800 people.

Ann Arbor offers a unique blend of business, education and recreational opportunities. Through the efforts of local builders, contractors, and retailers, the City has not only grown at its outer boundaries, but the central City remains a vibrant retail, service, and entertainment location. The area is serviced by prominent legal counsel, excellent account and brokerage houses, several advertising agencies, employment services, insurance companies, realtors, data processing centers, travel agencies, and testing facilities, as well as consultants and engineering firms for all needs. Additionally, the City has attracted high technology research industries in the computer, engineering, and energy fields which are expected to aid in the future economic growth of the area.

Among the cultural and recreational attractions available to Ann Arbor residents are the Professional Theater Program at the University of Michigan, Ann Arbor Civic Theater, Ann Arbor Symphony Orchestra, University Musical Society presentations, and a number of museums and galleries. There are several public and private golf courses, and the City park system encompasses 2,027 acres which includes 147 park sites. The collegiate sports spectator can see first-class sporting events throughout the year at the University, including football, basketball, baseball, and hockey.

EMPLOYMENT

Residents of the City are well-educated; at the 2000 U. S. Census, 69.3% of its residents over 25 years of age had completed four or more years of college. Forty-two percent of the total work force is engaged in managerial and professional occupations, with the largest portions in the health service, education and research, retail and manufacturing industries.

HOUSING

A varied housing supply exists in Ann Arbor to meet the wide range of needs of local residents. The housing stock includes single-family homes, duplexes, condominiums, multiple family apartments, and rooms in houses and dormitories. The housing market generally follows the University of Michigan's schedule (more housing is available in the spring and less at the start of each semester). In addition to several newer subdivisions in and around the City, Ann Arbor's older housing is, for the most part, in excellent condition and in considerable demand. The City's west side and downtown have been designated historical districts, where the homes retain the charm, character and unique architecture of days past.

Information Pages: Community Profile

Rental housing is available throughout the City in a wide range of styles, sizes, and prices, furnished and unfurnished. The following statistics further identify Ann Arbor's housing characteristics:

	1980 <u>U. S.</u> <u>Census</u>	1990 <u>U. S.</u> <u>Census</u>	2000 <u>U. S.</u> <u>Census</u>
Total year round housing units	40,139	44,010	47,218
Total occupied housing units	38,945	41,657	45,693
Median value owner occupied, single-family housing unit	\$69,600	\$116,400	\$181,400

POPULATION CHARACTERISTICS

The residents of the City are generally homeowners, have an above average education and enjoy a stable, fairly high income. The following comparative statistics were taken from 1980, 1990, and 2000 U.S. Census reports.

	1980 <u>U. S.</u> <u>Census</u>	1990 <u>U. S.</u> <u>Census</u>	2000 <u>U. S.</u> <u>Census</u>
Age Distribution			
Percent of persons 17 years & under	19.1%	17.3%	25.2%*
Percent of persons 18-64 years old	75.0	75.5	67.0**
Percent of persons 65 years and over	5.9	7.2	7.9

* Persons 19 years and under

** Persons 20-64 years old

Education Levels

Percent of persons who completed 4 years of high school or more	90.6%	93.9% ¹	95.7%
Percent of persons who completed 4 years of college or more	56.2%	64.2%	69.3%
Median Family Income	\$25,202	\$50,192	\$71,293

¹Persons 25 years and older

Information Pages: Community Profile

HIGHER EDUCATION

The University of Michigan has a reputation for academic excellence and is one of Ann Arbor's greatest assets. Rated among the top ten universities by the American Council of Education, the University enrolls over 38,000 students in 19 schools and colleges. The school is well equipped to provide instruction and research opportunities in a wide variety of fields.

There are four other institutions of higher learning located within a ten-mile radius of downtown Ann Arbor. They are: Washtenaw Community College, Cleary College, Eastern Michigan University, and Concordia College.

MEDICAL FACILITIES

Students and residents of Ann Arbor are served by the nationally acclaimed University of Michigan Medical Center, which houses seven hospitals and an eight-story patient tower with over 800 beds and outpatient clinics in 15 major clinical areas. Ann Arbor area residents are also served by these medical institutions: Veterans Administration Hospital and St. Joseph's Mercy Health System.

TRANSPORTATION

A major expressway network surrounds Ann Arbor including Interstate 94, the major east-west artery across Michigan connecting Detroit and Chicago, and U. S. 23, which links Ann Arbor to northern Michigan and to Ohio to the south. M-14 is a major eastbound connector to I-275 and I-96, which supplies access to the northern metropolitan areas of Wayne, Oakland and Macomb Counties.

A variety of local transportation services are provided by the Ann Arbor Transportation Authority. Greyhound Bus Lines, Overland Travel, and Indian Trails Motor Coach provide bus service to and from Ann Arbor.

Passenger rail service is available to the east through Detroit and to the west through Chicago from the Amtrak Passenger Station in Ann Arbor. Rail freight service is provided by Conrail and Norfolk & Western Rail Road Companies.

Corporate and flight training service is provided by the Ann Arbor Municipal Airport, located on the south side of Ann Arbor. Willow Run Airport, 11 miles from Ann Arbor, is a cargo transportation center; and airline service is available on major commercial carriers from Detroit Wayne County Metropolitan Airport, 23 miles east of the City.

UTILITIES

Ann Arbor residents are supplied with electric power by Detroit Edison and with natural gas by Michigan Consolidated Gas Company. Local telephone service is provided by Ameritech. Water and sewage disposal is provided by the City of Ann Arbor Water Utilities Service Unit.

DEVELOPMENT

During the 2003 fiscal year, the City approved a number of significant residential, non-residential, and mixed-use projects, including Kessler Commons at 936 Wall Street for six attached condominium units; Stone School

Information Pages: Community Profile

Townhomes, 55 attached residential dwelling units on Stone School Road; a 60-unit attached residential project called Balmoral Condominiums, located at the northwest corner of Oakbrook and South Main Street; Cloverly Village, consisting of 76 townhouse condominiums at 3985 Stone School Road; and Evans Scholarship House at 1800 Washtenaw Avenue, consisting of demolishing the existing building and constructing a new building to house 54 students.

Non-residential projects approved were Food Gatherers warehouse building at 1731 Dhu Varren Road; an addition to the Amerinet building at 1241 South Maple Road; an addition to the Discovery Center at 775 South Maple Road; Ann Arbor Medical/Dental Office Building on the north side of Eisenhower Parkway between Ann Arbor-Saline Road and South Main Street; an addition to buildings at Arborland Shopping Center; South State Commons, consisting of a four-story office building on the east side of South State Street, north of Eisenhower Parkway; State Street Self-Storage, consisting of a two-story storage building, two one-story storage buildings and a manager's residence at 2333 South State Street; a dental office at 2715 Packard Road, consisting of three attached office buildings; a dental office at 2881 Platt Road; an addition to the Ann Arbor Church of Christ at 2500 South Main Street; Wingate Inn & Suites at 3155 and 3175 Boardwalk Drive; additions to the Church of the Good Shepherd at 2145 Independence Boulevard; and construction of a mechanical building and an addition to the child care facility at the Pfizer complex at 2800 Plymouth Road. One public project was reviewed: Bandemer Park bicycle pathway.

Information Pages: Miscellaneous Community Statistics

Date of incorporation	1851
Form of government	Council - Administrator
Miles of streets	289.74
Number of street lights	8,701
Fire protection:	
Number of stations	6
Number of fire hydrants	3,294
Municipal water department:	
Average daily consumption	17.21 MGD
Miles of water mains	440
Sewers:	
Miles of sanitary sewers	364
Miles of storm sewers	271
Culture and recreation:	
Number of parks	147 with 2,027 acres 2 18-hole golf courses 1 enclosed ice arena, 1 with roof 3 outdoor pools, 1 indoor pool 3 historic sites 1 art center, 1 senior center 2 canoe liveries
Permanent employees:	820

Area and Population Data:

<u>Year</u>	<u>Population</u>	<u>Area in Square Miles</u>
1950	48,251	7.3
1960	67,340	15.0
1970	100,035	23.3
1980	107,969	23.5
1990	109,592	27.0
2000	109,472	28.5
2001	113,992	28.6
2002	114,024	28.6

Information Pages: Deciphering the Budget Format

The format used by this budget document is intended to provide clarity through consistency. Every service area will follow the same basic format, with minor variation for some service areas that require additional information.

Each service area budget consists of:

- 1) A Service Area summary page;
- 2) The Service Area's organizational structure;
- 3) Summary of Revenues and Expenditures by Service Unit within Service Area;
- 4) An FTE count by Service Unit within Service Area;
- 5) A Service Unit summary page;
- 6) Summaries of Revenues and Expenditures by Category by Service Unit;
- 7) Significant Notes and Adjustments;
- 8) Goals and Objectives for the Service Area by Service Unit;
- 9) A Position Summary.

Each page layout is discussed in depth below.

SERVICE AREA SUMMARY PAGE

The summary page shows the name of the service area and a description of the service area.

SERVICE AREA ORGANIZATIONAL STRUCTURE

This depicts a graphical layout of the service area's organization. The organization chart depicts the service area and its various service units. All service units are presumed to be on the same "line" organizationally, i.e., all service units are equal in status within the service area.

Information Pages: Deciphering the Budget Format

SUMMARY OF REVENUES AND EXPENDITURES BY SERVICE UNIT WITHIN SERVICE AREA

The summary page for the service area outlines revenues and expenditures by service unit and by fund. FTE's are also detailed by service unit. Service unit summary pages follow in order for each service unit listed on the service area summary page. They outline revenues and expenditures by category.

FTE COUNT

The FTE Count shows the number of permanent, authorized positions by Full Time Equivalents, or FTEs. The FTE figure represents the number of work years "funded" for a particular position. For example, a permanent half-time position would be shown as .50 FTE.

Additionally, one position may be charged against several service units or cost centers. Each service unit or cost center charged shows a fraction of the total position. For example, a full-time position charging 60% of its time to the Administration Service Unit and 40% of its time to the Maintenance Service Unit would be shown as:

		<u>FTE</u>
Administration	.60	
Maintenance		<u>.40</u>
Total		1.00

SERVICE UNIT SUMMARY PAGE

The summary page shows the name of the service unit and a description of the service unit.

SUMMARY OF REVENUES AND EXPENDITURES BY CATEGORY BY SERVICE UNIT

Revenues

Service unit revenues are listed by category with a three year history. The new fiscal year information is always found at the far right side of the page. Below the revenue by category, is the service unit's revenue by fund. Detailed revenue information by fund and descriptions of revenue categories can be found in the Revenue section of this document.

Expenditures

Service area expenditures are listed by service unit with a three year history. The new fiscal year information is always found at the far right side of the page. Detailed expenditure information by fund and descriptions of expenditure categories can be found in the Expenditure section of this document.

SIGNIFICANT NOTES AND ADJUSTMENTS

Significant Notes and Adjustments are used to explain notable items in the Service Unit's revenues and

Information Pages: Deciphering the Budget Format

expenditures which are significantly higher or lower than the prior fiscal year budget.

GOALS AND OBJECTIVES FOR THE SERVICE AREA BY SERVICE UNIT

The service units' goals and objectives are listed following the Significant Notes and Adjustments. They represent specific initiatives that a service unit will accomplish during the fiscal year. These may represent improvements to the operations of the service unit or other specific objectives that are not typically done on an annual basis.

POSITION SUMMARY

This summary provides a list of all funded positions within the service area, along with the positions' corresponding FTE status for the budget year. Salary information is based on wages and benefits as agreed to in labor contracts for 2004/2005 fiscal year or on the respective Union's last negotiated wage scale. For non-union positions, all "step" increases to be granted for the position as outlined in the Personnel Rules & Regulations are included. All Executive/Professional Pay Plan positions include a 3% merit increase that may be earned during the year. These merit increases are given when a successful evaluation is earned upon the employee's anniversary date and are not automatic as "step" increases for other personnel.

Information Pages: The Basis of Accounting for the Budget

The City of Ann Arbor uses the modified-accrual basis of accounting for all governmental fund types, including the General Fund, Special Revenue Funds, Trust Funds, and General Debt Service Funds. For Enterprise and Internal Service Funds, the City uses the full accrual basis of accounting. The City adopts budgets for all funds according to the basis of accounting of their fund type.

The basis of accounting for the budget includes the following policies:

- a. Property taxes and other revenues that are both measurable and available for use are budgeted as revenue on the basis of when they are earned. Other revenues such as fines and forfeitures, admissions, contributions, etc. are recorded when received.

Properties are assessed as of December 31st of each year and the related property taxes are assessed and recorded as earned on the following July 1st. These taxes are due on July 31st, with those taxes that are still unpaid as of the following February 28th being placed on the county tax rolls, the county then advances the amounts due at that time.

- b. Revenues from special assessments are budgeted on the basis of when the assessments are due.
- c. Principal and interest payments on outstanding debt are budgeted on the basis of when they are due and payable. Principal is not budgeted for Enterprise and Internal Service Funds.
- d. Payments for the acquisition of materials and supplies inventories and fixed assets are budgeted on the basis of when the obligation is incurred.
- e. Depreciation is budgeted for Enterprise and Internal Service Funds.
- f. All other expenditures are budgeted on the basis of when the expenditure is incurred and payable.

Information Pages: Fund Descriptions

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

INTERNAL SERVICE FUNDS

To account for the costs of the various services below which are billed to the various other funds on the basis of services used. The costs include, but are not limited to, administrative, operation, maintenance and financing costs.

Central Stores - to account for various inventories of road repair materials, repair parts, and other miscellaneous items which are inventoried by the City.

Fleet Services - to account for the operation and maintenance of the City's motor vehicle fleet and other equipment.

Insurance - to account for the City's self-insurance program along with all other coverage necessary.

Park Service Headquarters - to account for the operation and maintenance of the Headquarters building.

ENTERPRISE FUNDS

Includes all revenue and expenses necessary to operate the funds including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

Airport - to account for the operation of the City's airport including the rental of hangars and tie-down space.

Golf Enterprise - to account for two 18-hole golf courses.

Hydro Power System - to account for sale of power from two City power generation dams. This activity is being consolidated within the General Fund for 2004-05.

Market - to account for the costs of operating the City's Farmers' Market.

Parking System - to account for the City's parking structures.

Information Pages: Fund Descriptions

Sewage Disposal System - to account for the collection and treatment of the sewage of the City and some township residents.

Sewer Bond Series XIX 2004- to account for the proceeds of bonds and construction of infrastructure related to the City's Sewage Disposal System.

Solid Waste- to account for the collection of solid waste and material recovery activities and processing of solid waste, recovered materials, and composting activities.

Stormwater Sewer System - to account for the collection and disposal of the City's stormwater.

Water Supply System - to account for the provision of treated water of the City and some township residents.

Water Bonds- to account for the proceeds of bonds and construction of infrastructure related to the City's Water Supply System.

Water Bonds Series Z- to account for the proceeds of Series Z bonds and construction of infrastructure related to the City's Water Supply System.

SPECIAL REVENUE FUNDS

To account for the proceeds of specific revenue sources (other than those from expendable trusts or for major capital projects) that are restricted legally to expenditure for specified purposes.

1995 Parks Rehab. & Development - to account for the proceeds of a special millage to rehabilitate and develop various parks.

2003 Parks Repair & Restoration - to account for the proceeds of a special millage to provide for certain maintenance and repair cost of the Parks System.

2004 Open Space and Parkland Preservation - to account for the proceeds of a special millage to preserve and protect open space, natural habitats, parkland and the City's source water inside and outside the City limits.

Affordable Housing - to account for funding of selected affordable housing projects with the General Fund and federal funds.

Ann Arbor Assistance - to account for funds provided by a utility bill checkoff to provide assistance to needy citizens.

Bandemer Property - to account for rental income used to maintain and operate Bandemer Park.

Cemetary Perpetual Care- to account for the receipt and expenditures of fees paid for the perpetual care of gravesites at the City-owned Fairview Cemetary.

Information Pages: Fund Descriptions

Community Television Network - to account for the costs of running the City's community access channels on the local cable television system. Revenues are derived primarily from franchise fees.

Community Development Block Grant - to account for funds received from the federal government for the City's Community Development Block Grant programs.

Construction Code Fund- To account for revenues and expenditures related to permits, inspections, appeals and plan reviews for construction projects.

Court Facilities - To account for a court fee to pay for facility improvements for the court.

Drug Enforcement - to account for confiscated property and money related to drug law enforcement activity and provide funds for future enforcement activity.

Energy Projects - to account for funds used to finance energy improvements and the related energy savings which will be used for future projects.

Federal Equitable Sharing Forfeitures- to account for monies received as a result of joint operations with federal law enforcement.

HOME Program - to account for funds received from the federal government for the City's HOME grant program.

Information Technology - to account for funds set aside to pay for improvements to the City's Information Technology equipment and software.

Local Law Enforcement Block Grant- to account for federal grant monies received for fingerprinting equipment and other law enforcement items.

Local Streets - to account for repairs, maintenance and construction on the City's local streets. The revenues consist primarily of State-shared gasoline and weight tax collections.

Major Grant Programs - to account for various grant monies other than community development.

Major Streets - to account for repairs, maintenance and construction on the City's major streets. The revenues consist primarily of State-shared gasoline and weight tax collections.

Michigan Economic Development SMART Zone Grant- to account for the monies passed through to establish a technology zone in the City limits.

Michigan Justice Training - to account for State funds used for law enforcement training.

Information Pages: Fund Descriptions

Police and Fire Relief- to account for the receipt of investment earnings on previously transferred General Fund monies. These earnings are used to subsidize the incomes of certain beneficiaries of deceased police officers and firefighters.

Street Repair Millage - to account for the proceeds of a special millage to repair streets.

TRUST FUNDS

To account for the assets held by the City in a trustee capacity and the expenditures of such funds.

Elizabeth R. Dean - a permanent fund used to account for monies provided by a private bequest to finance tree planting and maintenance. The principal amount of the bequest is to remain intact and invested. Investment earnings are used for the above stated purposes.

Employees' Retirement System - a pension trust fund to account for the accumulation of resources to be used for retirement pension and annuity payments. Resources are contributed by employees at rates fixed by law and by the City at amounts determined by an annual actuarial study.

VEBA Trust - a pension trust fund which provides funds for post retirement medical and life insurance for the retirees of the City.

DEBT SERVICE FUNDS

To account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

General Debt Service - to accumulate operating transfers for payment of principal and interest on general obligation bonds sold to finance various capital projects.

Special Assessment General Debt - to accumulate operating transfers for payment of principal and interest on general obligation bonds sold to finance the City's share of special assessment projects.

CAPITAL PROJECTS FUNDS

To account for funds related to the purchase and construction of City assets.

Alternative Transportation- to account for projects related to the City's alternative transportation plan.

Environmental Bonds - to account for bond proceeds and related revenues expended for improvements to the City's landfill.

General Capital Improvements - to account for capital project expenditures for various non-bonded

Information Pages: Fund Descriptions

improvements to certain City-owned facilities.

Maintenance Facility Construction - to account for revenues expended for the construction of a new vehicle maintenance facility.

2003 Michigan Transportation – to account for the related expenditures for the replacement of the existing two Broadway Bridges.

COMPONENT UNITS

Legally separate organizations for which the elected officials of the primary government are financially accountable.

DDA Parking System - to account for the operation of 6 parking structures and 4 parking lots by the Downtown Development Authority.

Downtown Development Authority - to account for the tax increment revenue that is derived from new construction in the Downtown Development District which is used to finance various parking structures and street improvements in the downtown area.

DDA Housing - to account for the funds that the Downtown Development Authority has set aside for housing in the downtown area.

Budget Summaries

CITY GUIDING PRINCIPLES, GOALS & OBJECTIVES

In fiscal year 2003/04, the City launched a project to define its guiding principles and to establish goals, objectives, and related activities for its Service Areas. Representatives from each of the City's Service Areas met to develop appropriate goals and objectives that could be used to identify priorities for the coming year, but to connect related performance metrics to resource allocation as well. These goals and objectives provide the framework for the overall budget.

In 2004/05, the Service Areas will complete the process by developing and implementing performance metrics for each of the established goals. The performance metrics will be used to track the progress of various programs and services, as well as be used as a basis for resource allocation in the future. While drafting the Service Area goals, objectives and activities (which are published in the Service Area sections of the budget), the following overall City Principles, Goals, and Objectives were used as a guide:

City Guiding Principles

- Open and honest communication
- Integrity
- Partnership with community
- Trust
- Community and employee engagement
- Accountability
- Employee growth and enjoyment
- Teamwork
- Employee development opportunity

City Goals and Objectives

- Improve financial strength and stability of City
- Improve City's communication to employees and citizens to improve morale and image of the City
- Develop a strategic technology plan oriented toward optimizing technology in all city activities and eliminate City inefficiencies to improve services delivery
- Streamline business processes
- Collectively improve City services in the most cost efficient manner
- Develop a strategy to improve the leadership of the City
- Ensure the adequacy of City infrastructure

Citywide Budget Communications

As a part of the budget development process, the City held five budget overview meetings within the community to highlight the City's anticipated budget shortfall and the City Administrator's revenue and expenditure recommendations. Residents who

Budget Summaries

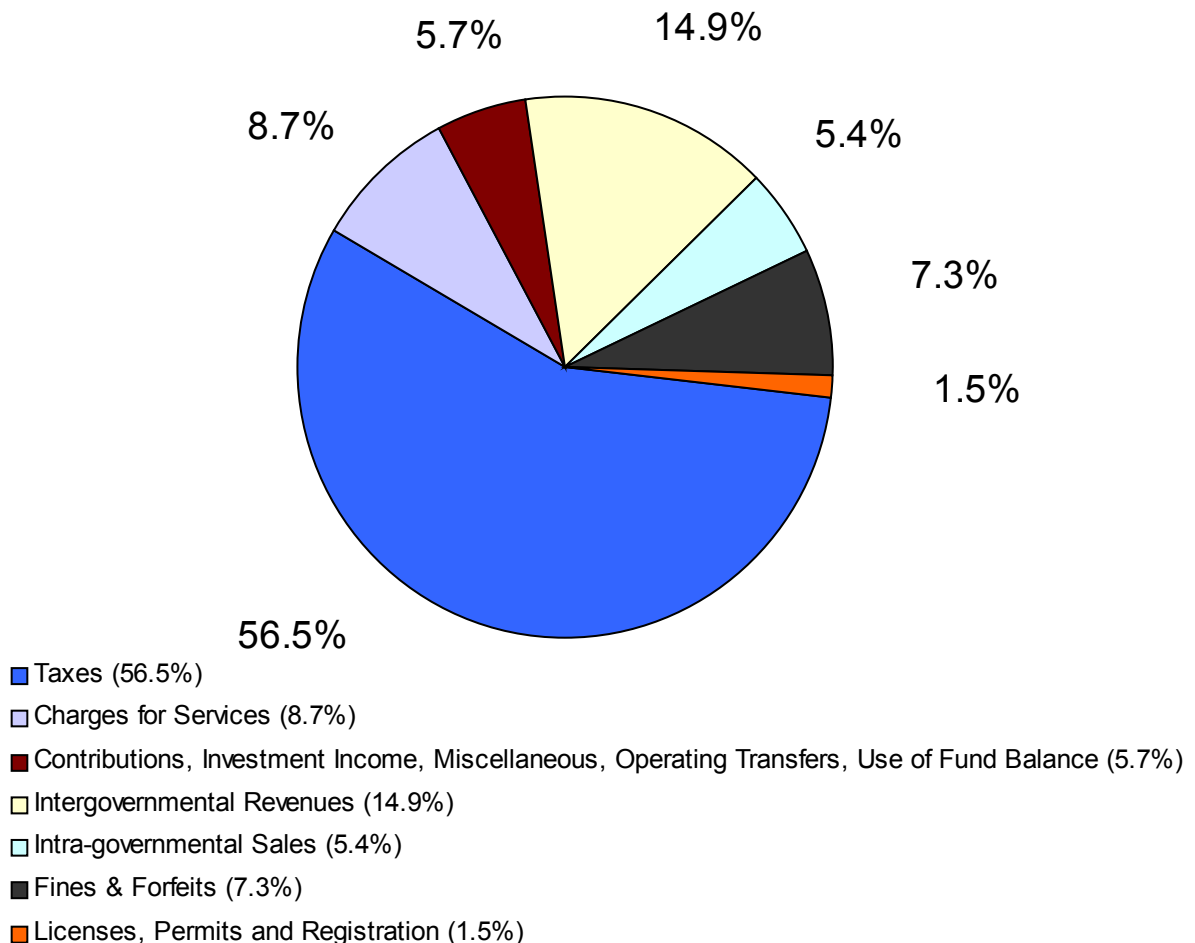
attended the presentations were given an opportunity to provide input on the budget process, as well as recommended expenditures and cuts.

GENERAL FUND OVERVIEW

Over the past few months, the City has been spending much of its energies on financial planning in response to a projected revenue shortfall in fiscal year 2004/05. The proposed 2004/05 Budget is balanced, but not without significant and difficult cuts. As the Budget is reviewed, it is important to note that the shortfall the City has been addressing is in the City's General Fund.

The City's General Fund is the largest and most visible of the City's 51 budgeted funds established for the financial administration of the City. Monies going into the General Fund come from a variety of sources such as the City's share of the property tax, intergovernmental revenues, charges for services, and various other sources as depicted in the following chart:

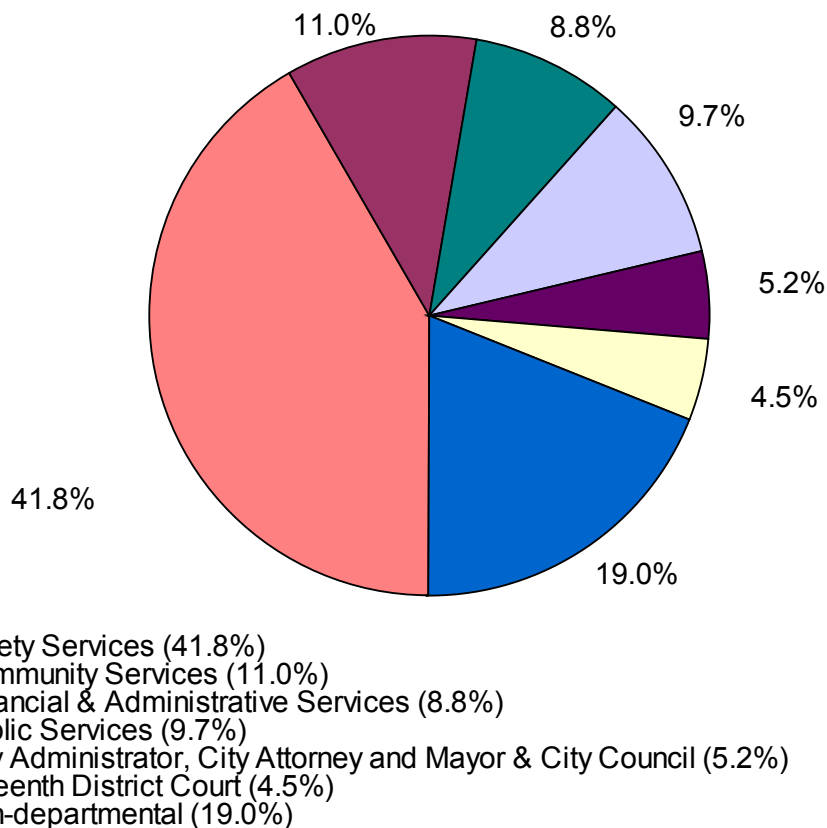
2004/05 GENERAL FUND REVENUES



Budget Summaries

Expenditures from the General Fund go to services such as public safety (police, fire, and emergency management); recreation programs; City insurance program; building, planning, and community development services; the City's legal and general government administration; housing and human services programs; and a variety of other services and programs provided by our four Service Areas:

2004/05 GENERAL FUND EXPENDITURES



Funds other than the General Fund are set up for both legal and policy purposes. Some of the other special funds include those set up under the adoption of special millages including parks repair and restoration, open space and parkland preservation, and park rehab and development. Other special funds include those set up to capture the City's water and wastewater revenues, street improvements, solid waste, and employee retirement contributions, among others. A summary of all funds is included in the "Revenues" and "Expenditures" tabs of the proposed Budget.

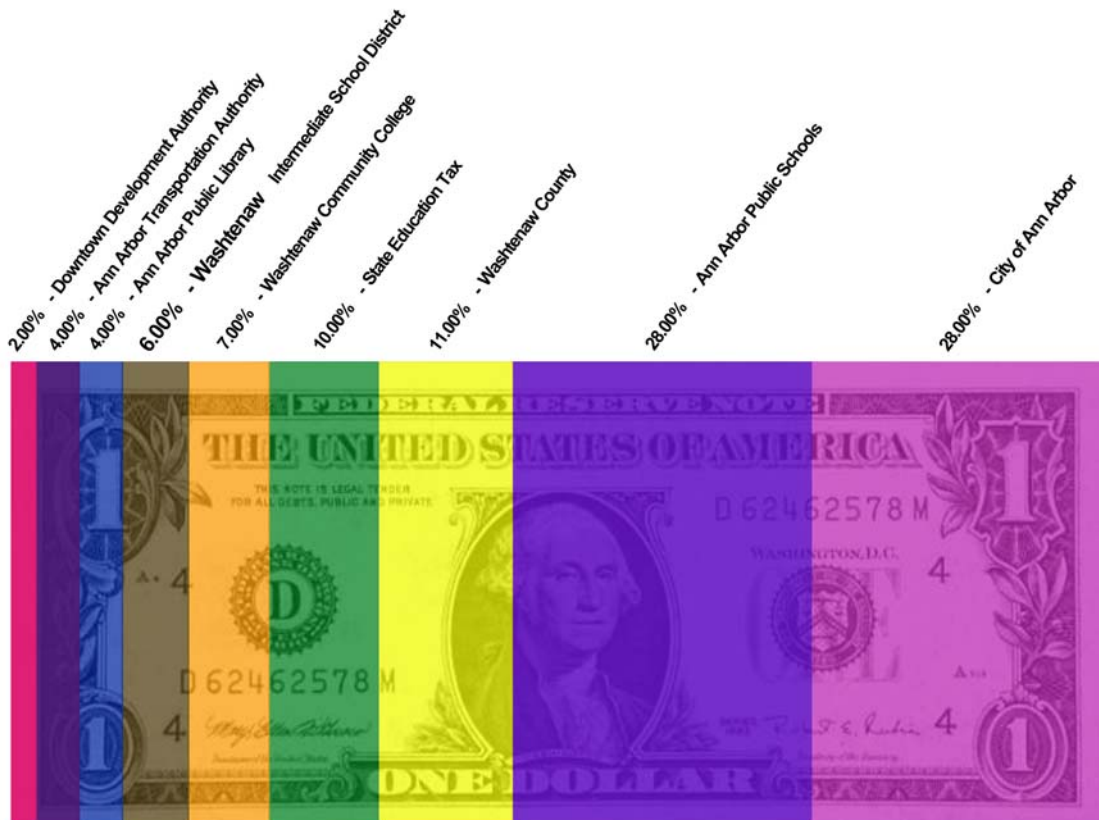
Although General Fund money may be used to supplement these other special funds, the reverse is generally not true. For example, money collected for park acquisition and green space may not be used for recreation programs or to pave streets and roads. Even when money is available in a special fund it most likely cannot be used for General Fund programs and services.

Budget Summaries

PROPERTY TAXES

The largest share of our General Fund revenues comes from the property taxes that are paid by Ann Arbor property owners. Many of us pay our property tax bill without paying close attention to it. In fact, some residents may not even see their itemized tax bill as it is paid through a mortgage company. The following chart shows where the City's property tax dollars go:

WHERE ANN ARBOR PROPERTY TAX DOLLARS GO



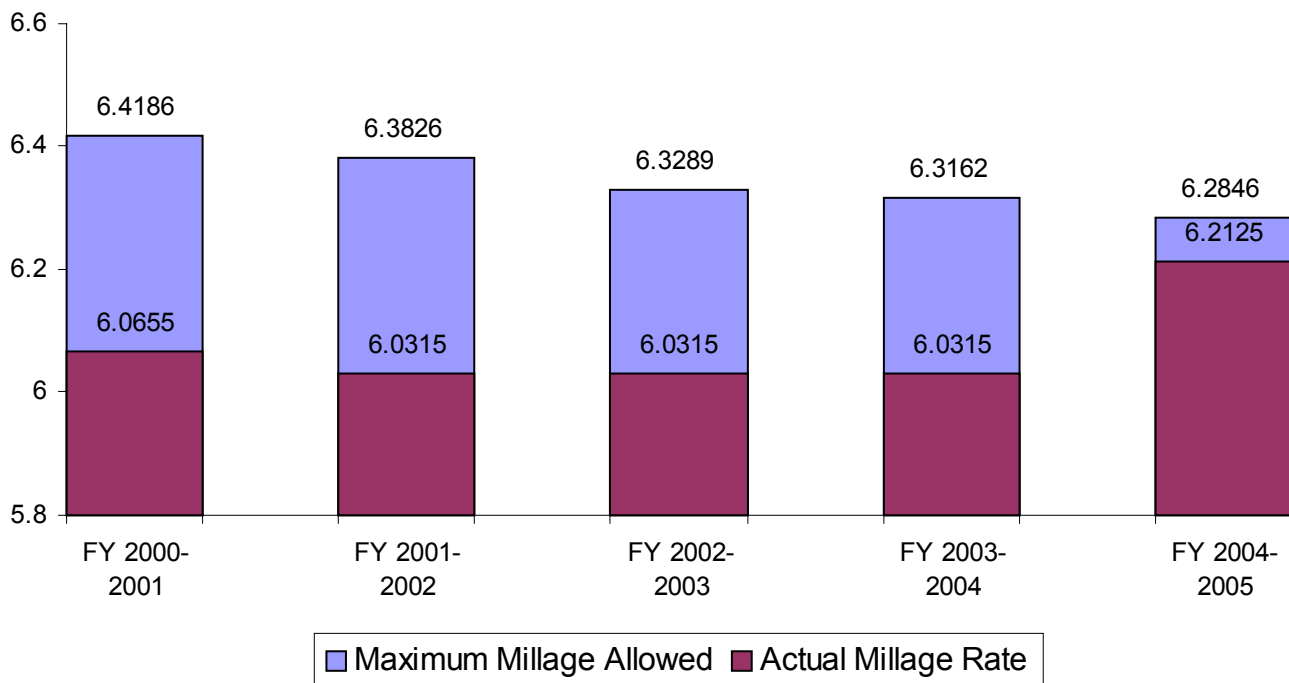
Many are surprised to learn that only about \$ 0.28 of every dollar paid in property taxes goes to the City of Ann Arbor to fund vital services such as public safety. Much of what is paid is distributed to various education agencies including the Ann Arbor Public Schools, Washtenaw Intermediate Schools, the State of Michigan, and the Washtenaw Community College district – about \$ 0.51 of every dollar paid – over half of the tax bill.

Budget Summaries

TAX REVENUES

Property taxes are a critical source of revenue for the City of Ann Arbor, as well as neighboring communities. Over the last 26 years, there have been two constitutional amendments – the Headlee Amendment and Proposition A – and other related statutory changes that have impacted property tax revenue for local governments. Currently, the City does not charge the maximum General Operating Levy allowed under the Headlee Amendment. By law, the City is restricted in its ability to raise revenue. However, the City is able, by City Council action, to adjust the General Operating Levy to the maximum allowed under the Headlee Amendment. The following charts and tables give a historical view of the General Levy, as well as City millage trends and tax revenues collected by the City:

CITY MILLAGE HISTORY MAXIMUM MILLAGE ALLOWED - ACTUAL MILLAGE RATE



Budget Summaries

With the passage of Proposal A in 1994, differences in taxable revenue growth and state equalized value growth were created due to the growth cap placed on taxable value – e.g., growth on taxable value of individual parcels limited to the lesser of inflation or 5 percent, plus new construction. Now, as a result of the market value growth of real property in Michigan, the difference has become substantial.

As a result, communities that have had substantial market growth in existing property values are penalized when their millage rates are rolled back as required by law under Headlee and Proposal A – an unanticipated consequence of Proposal A when drafted nearly 10 years ago. This has been the case in Ann Arbor as can be seen in the chart below:

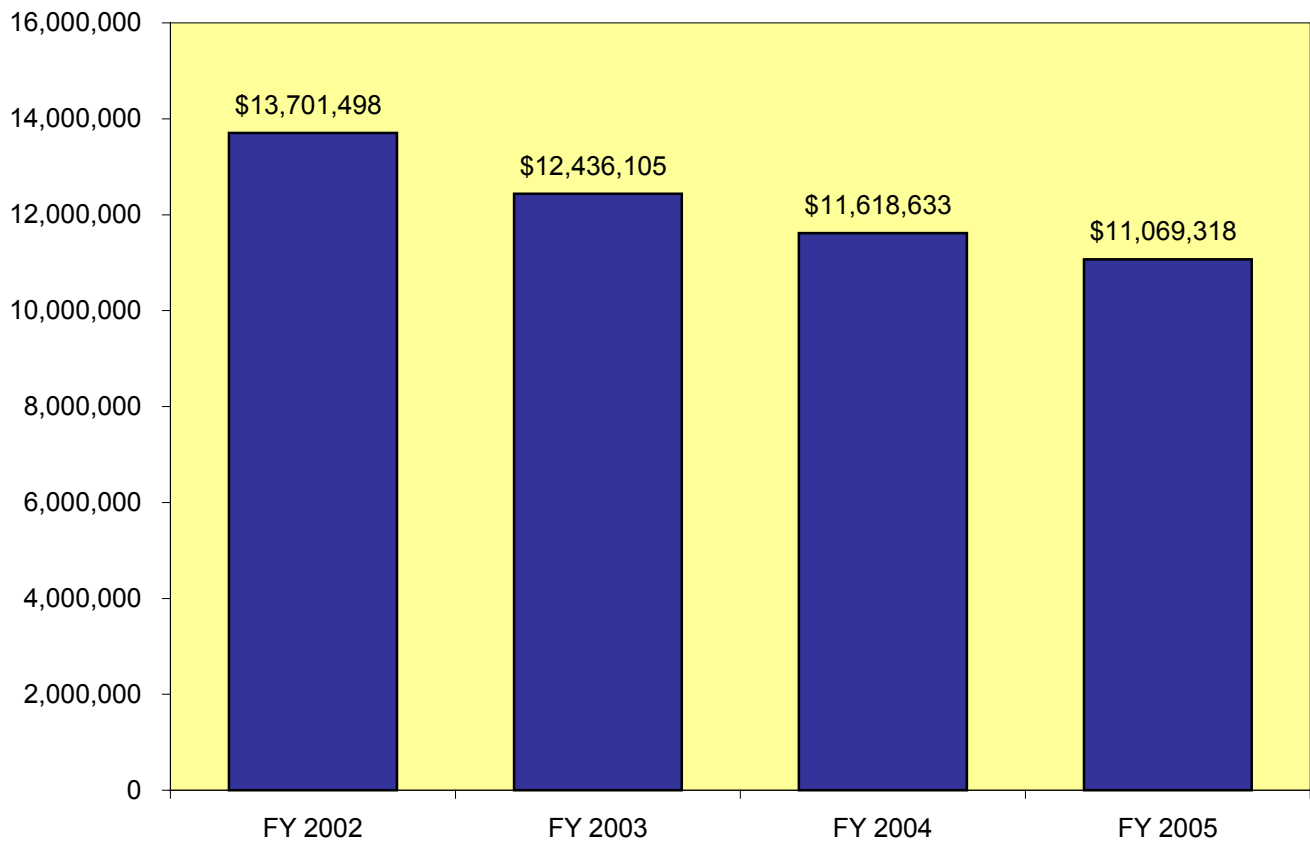
CITY MILLAGE TRENDS

<i>Type</i>	<i>FY 2000/01</i>	<i>FY 2001/02</i>	<i>FY 2002/03</i>	<i>FY 2003/04</i>	<i>FY 2004/05</i>	<i>Change from Previous Year</i>
General Operating-Actual	6.0655	6.0315	6.0315	6.0315	6.2125	0.1810
Employee Benefits	2.1395	2.1275	2.1085	2.1054	2.0948	(0.0106)
Refuse Collection	2.5674	2.5530	2.5302	2.5264	2.5137	(0.0127)
AATA	2.1395	2.1275	2.1085	2.1054	2.0948	(0.0106)
Street Repair	1.9898	1.9786	1.9822	1.9792	1.9693	(0.0099)
Parks (combined)	1.4377	1.4295	1.4259	1.4235	1.4162	(0.0073)
Debt Service	0.7901	0.7549	0.6916	0.7300	0.6000	(0.1300)
Total City Millage	17.1295	17.0025	16.8784	16.9014	16.9013	(0.0001)

STATE SHARED REVENUES

Nearly all Michigan communities are currently experiencing financial stress. The City of Ann Arbor is no different and has felt the impact of the declining revenues due to economic impacts exacerbated by the rising costs of general operating expenditures including insurance, wages, and other service costs. Another impact has been the decline in revenues traditionally shared by the State with local government entities. The following chart shows the decline in state shared revenues that the City has experienced beginning in fiscal year 2001/02:

STATE SHARED REVENUE HISTORY

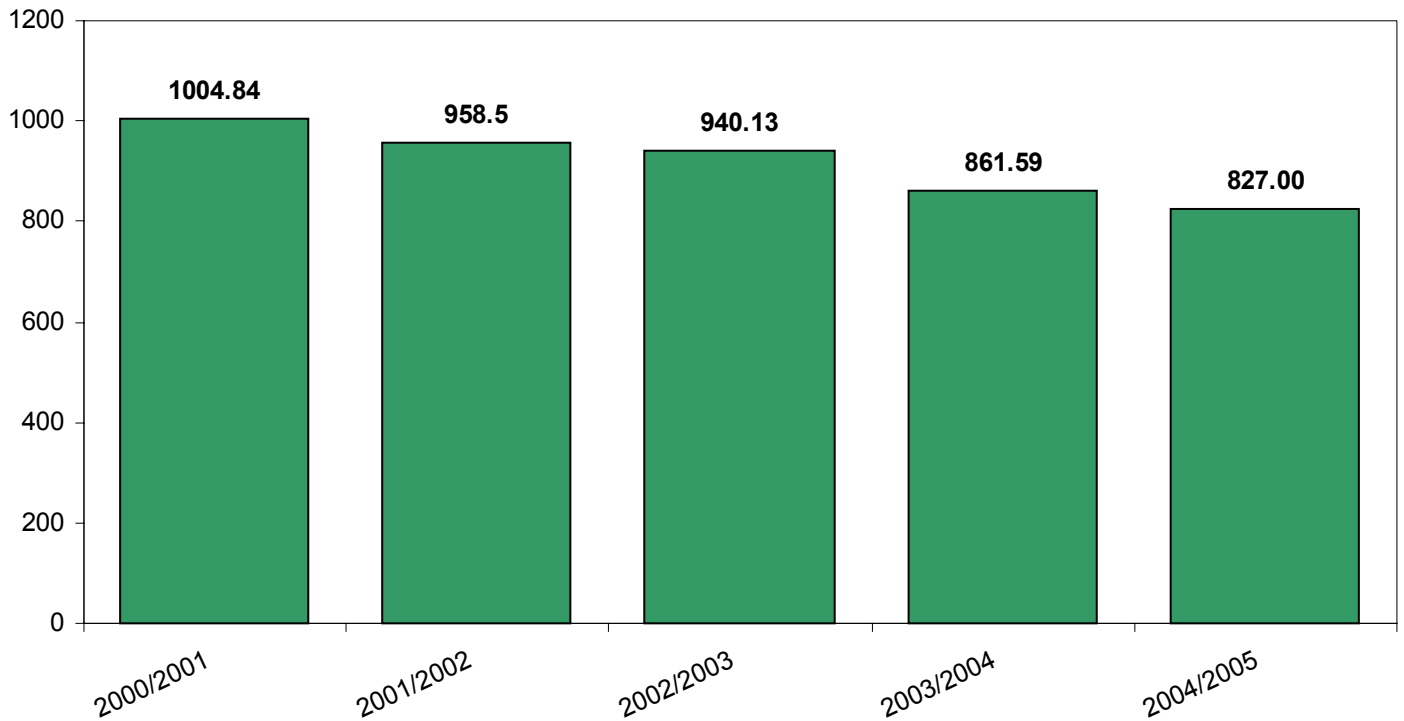


Budget Summaries

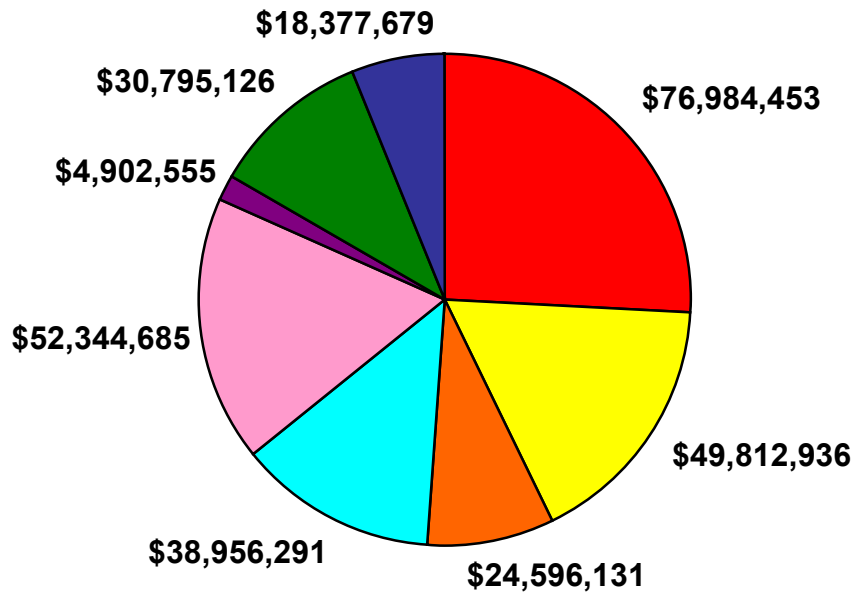
EMPLOYEE SUMMARY

Since fiscal year 2000/01, the City has been taking steps to reduce its full-time equivalent (FTE) employee headcount, while still delivering the high level of service the residents of Ann Arbor have come to expect. The City has been able to achieve the reductions through a combination of not filling vacancies, strategically deploying existing personnel, and an early retirement program offered in 2001 and 2002. However, for 2004/05 the proposed reductions to 827 FTEs may not be accomplished without certain layoffs. The following chart depicts the City's FTE history since FY 2000/01.

**FTE EMPLOYEE HISTORY
2000/01 – 2004/05**

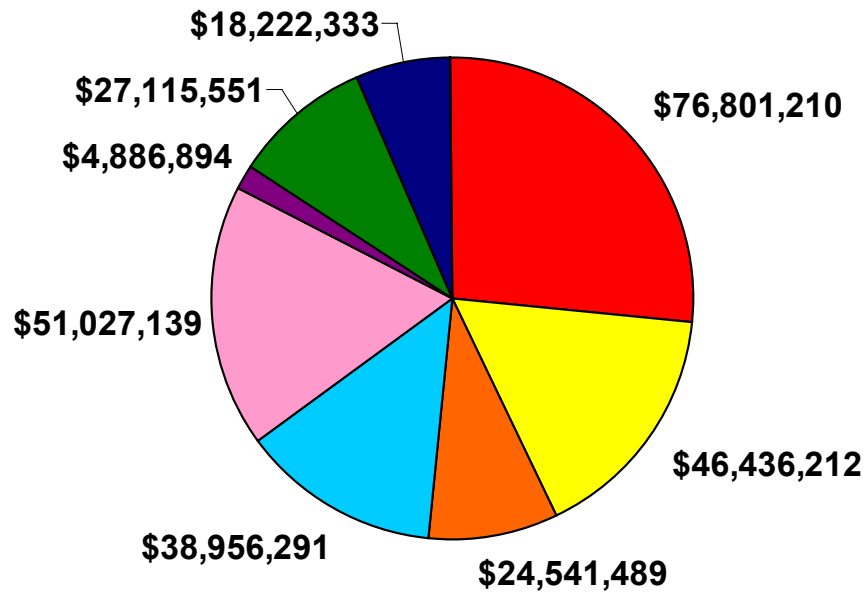


2004-05 Budgeted Revenues by Fund Type



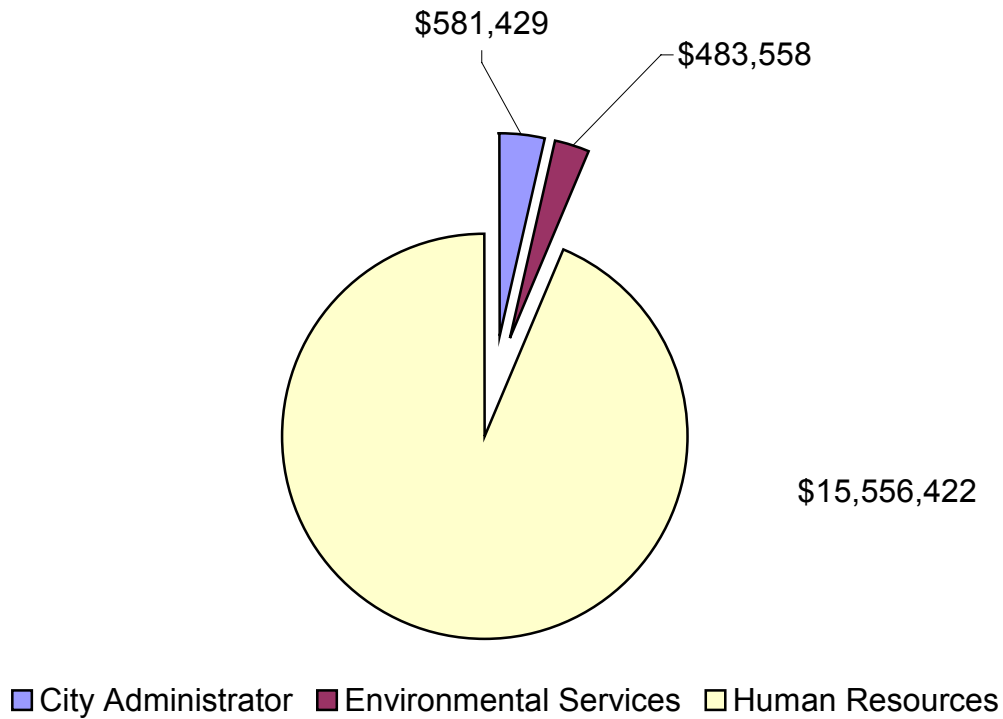
- | | |
|--|---|
| ■ General Fund | ■ Enterprise Funds |
| ■ Internal Service Funds | ■ Capital Project Funds |
| ■ Special Revenue Funds | ■ Debt Service Funds |
| ■ Trust Funds-Pension and Other | ■ Component Unit - DDA |

2004-05 Budgeted Expenditures by Fund Type

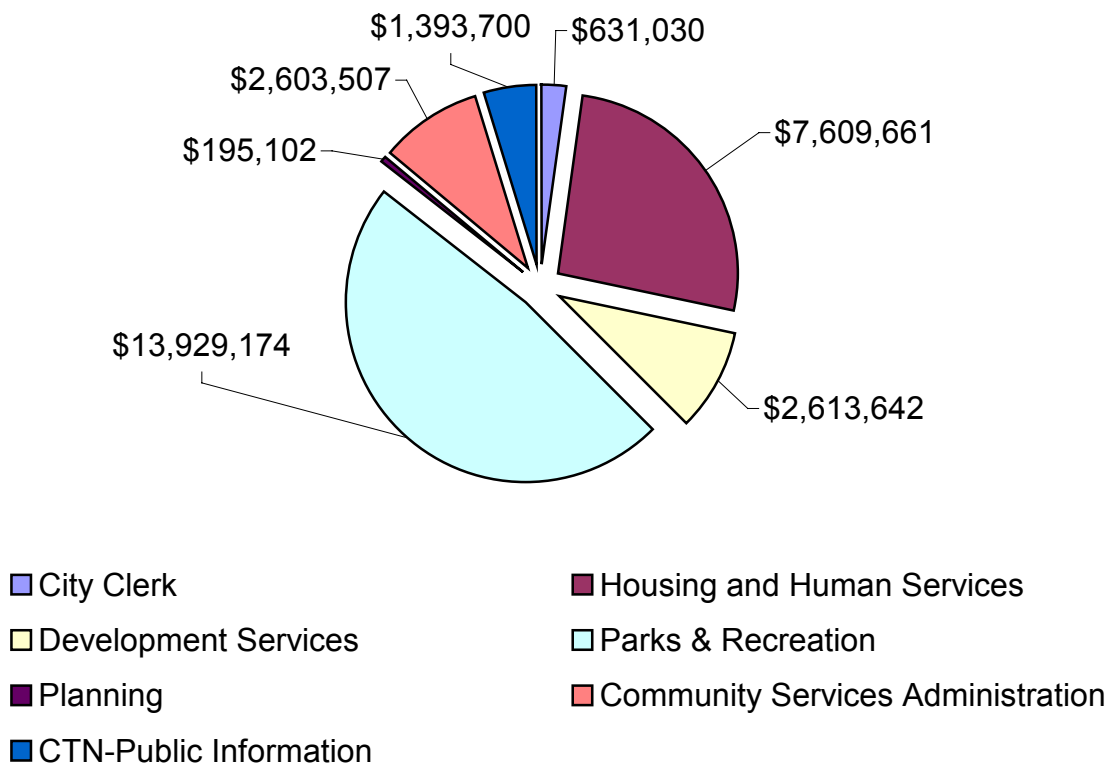


- | | |
|---------------------------------|-------------------------|
| ■ General Fund | ■ Enterprise Funds |
| ■ Internal Service Funds | ■ Capital Project Funds |
| ■ Special Revenue Funds | ■ Debt Service Funds |
| ■ Trust Funds-Pension and Other | ■ Component Unit - DDA |

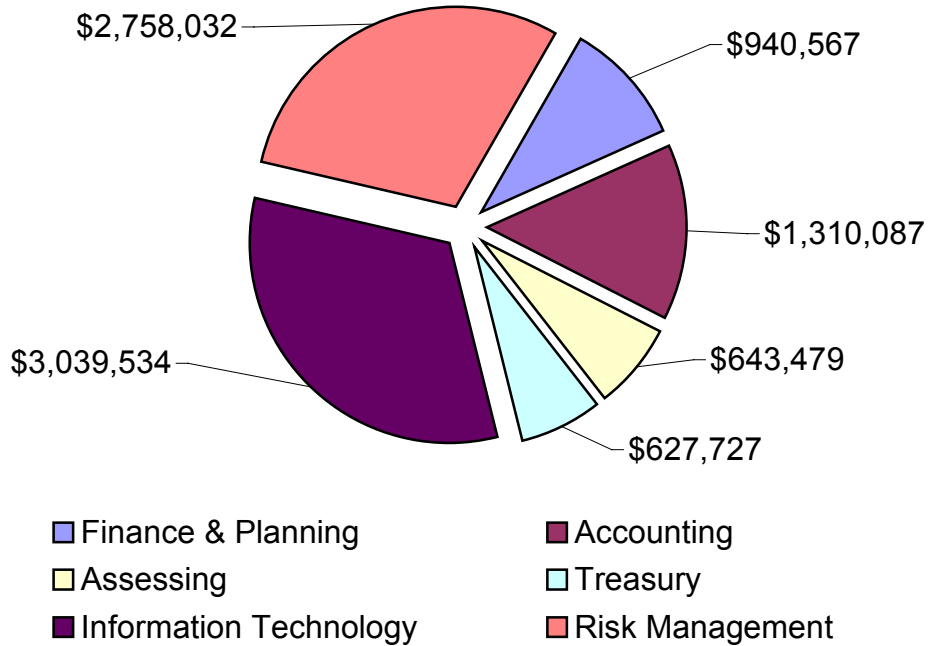
2004-05 City Administrator Expenditures



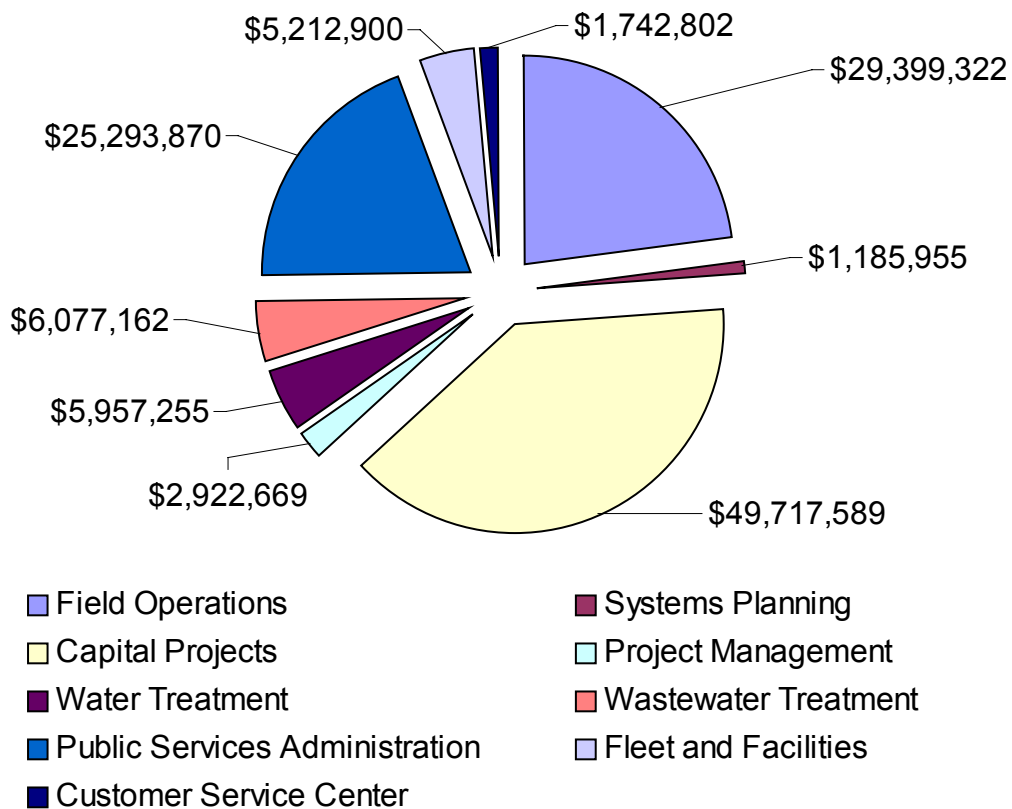
2004-05 Community Services Expenditures



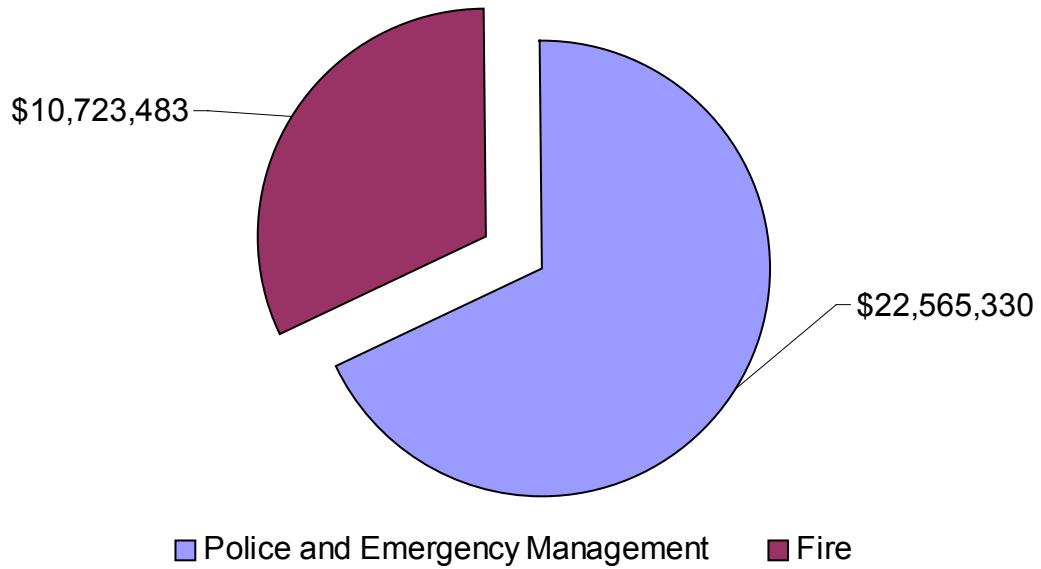
2004-05 Financial & Administrative Services Expenditures



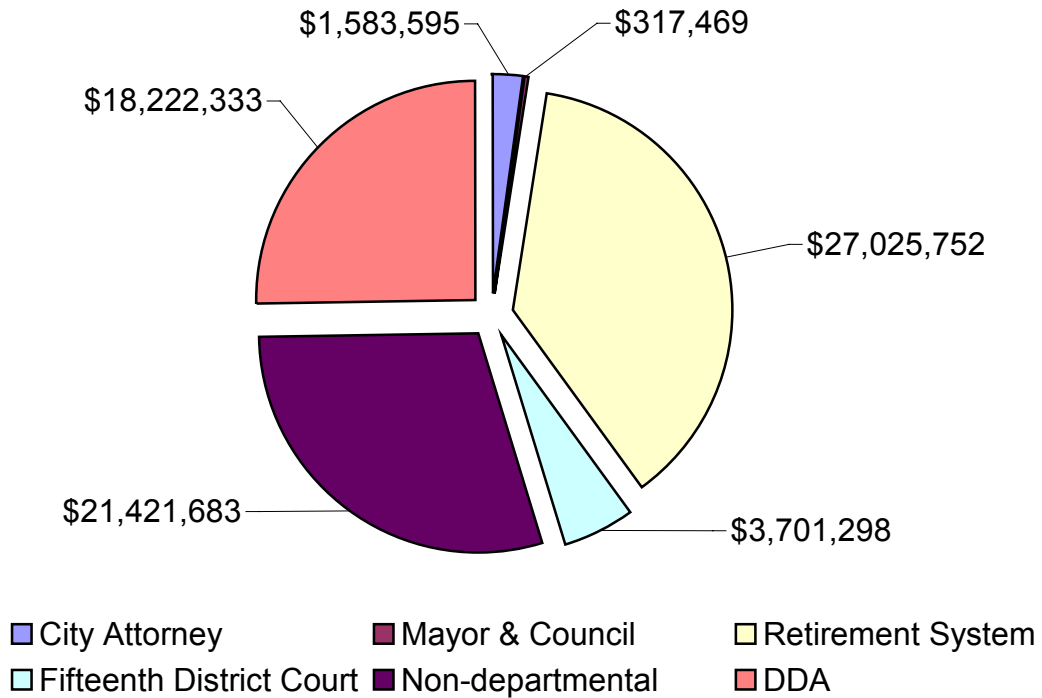
2004-05 Public Services Expenditures



2004-05 Safety Services Expenditures



2004-05 Other Services' Expenditures



**GENERAL GOVERNMENTAL FUND TYPES
ANALYSIS OF FUND BALANCES**

Fund Balance June 30, 2003	2003/2004 Projected Revenues	2003/2004 Projected Expenditures	Projected Fund Balance June 30, 2004	Fund	2004/2005 Approved Revenues	2004/2005 Approved Expenditures	Approved Use of Fund Balance	Projected Fund Balance June 30, 2005
8,557,443	82,684,012	82,619,038	8,622,417	General	76,984,453	76,801,210	38,355	8,767,305
				Special Revenue Funds				
2,958,953	2,227,805	2,484,769	2,701,989	1995 Parks Rehab. & Development	3,812,320	3,812,163	1,761,616	940,530
57,471	1,781,981	1,775,336	64,116	2003 Parks Maintenance & Repair	1,874,028	1,832,790		105,354
4,053,891	1,849,618	2,118,196	3,785,313	2004 Open Space and Parkland Preservation	5,726,937	5,718,160	3,785,313	8,777
733,044	224,000	443,000	514,044	Affordable Housing	627,844	627,844	513,944	100
400	5,620	5,620	400	Ann Arbor Assistance	6,050	6,050		400
215,936	33,233	11,945	237,224	Bandemer Property	37,780	37,596		237,408
44,882	3,200		48,082	Cemetary Perpetual Care	3,200			51,282
7,422	1,745,830	1,753,252		Community Development Block Grant	1,831,300	1,831,300		
1,946,483	1,192,500	1,532,462	1,606,521	Community Television Network	1,393,700	1,393,700	139,100	1,467,421
				Construction Code Fund	1,893,400	1,767,681		125,719
634,124	218,000		852,124	Court Facilities	220,000	209,500		862,624
13,779	8,000	10,000	11,779	Drug Enforcement	12,000	12,000	5,000	6,779
215,951	173,611	100,000	289,562	Energy Projects	168,891	163,762		294,691
42,697	210,693	104,000	149,390	Federal Equitable Sharing Forfeitures	106,000	106,000	96,000	53,390
	879,475	826,759	52,716	HOME Program	3,534,924	3,534,924		52,716
451	950,000	670,000	280,451	Information Technology	950,000	950,000		280,451
1,368,844	1,759,658	1,734,217	1,394,285	Local Streets	1,819,910	1,797,187		1,417,008
11,211	131,701		142,912	Major Grant Programs	283,515	5,447		420,980
5,702,412	6,276,958	5,803,934	6,175,436	Major Streets	6,576,343	6,576,343	44,635	6,130,801
61,863	37,000	15,000	83,863	Michigan Justice Training	47,000	47,000	15,000	68,863
633,371	12,000		645,371	Police and Fire Relief	12,000			657,371
17,607,560	8,392,548	92,329	25,907,779	Street Repair Millage	9,866,299	9,199,150	175,833	26,399,095
				Trust Funds				
2,233,586	111,037	128,895	2,215,728	Elizabeth R. Dean	89,799	89,799		2,215,728
354,065,182	28,146,615	28,146,615	354,065,182	Employees' Retirement System	26,873,002	26,873,002		354,065,182
27,151,506	7,693,946	127,489	34,717,963	VEBA Trust	3,832,325	152,750		38,397,538
				General Debt Service				
42,233	4,705,641	4,574,037	173,837	General Debt Service	4,407,218	4,391,557		189,498
1,948,526	109,000	522,936	1,534,590	Special Assessment General Debt	495,337	495,337	386,337	1,148,253
				Component Units				
8,653,952	3,292,408	2,826,908	9,119,452	Downtown Development Authority	5,756,529	5,756,529	2,270,528	6,848,924
8,042,911	11,659,415	9,436,224	10,266,102	DDA Parking System	12,397,729	12,397,729	754,137	9,511,965
652,922	219,000	115,736	756,186	DDA Housing	223,421	68,075		911,532
				Capital Projects Funds				
4,156,908			4,156,908	Alternative Transportation	364,721	364,721		
725,145		268,000	457,145	Environmental Bonds	1,250,000	1,250,000	750,000	3,406,908
8,818,052			8,818,052	General Capital Improvements	1,595,500	1,595,500		457,145
				Maintenance Facility Construction	11,500,000	11,500,000	1,500,000	7,318,052

**ENTERPRISE AND INTERNAL SERVICE FUND TYPES
ANALYSIS OF FUND EQUITY**

Fund Equity June 30, 2003	2003/2004 Projected Revenues	2003/2004 Projected Expenditures	Projected Fund Equity June 30, 2004	Fund	2004/2005 Approved Revenues	2004/2005 Approved Expenditures	Approved Use of Fund Balance	Projected Fund Equity June 30, 2005
<u>Intergovernmental Service Funds</u>								
944,668	1,248,850	1,166,832	1,026,686	Central Stores	1,315,692	1,262,276		1,080,102
4,963,095	3,919,817	3,400,950	5,481,962	Fleet Services	4,065,897	4,065,897	400,000	5,081,962
3,681,024	19,475,972	18,998,833	4,158,163	Insurance	19,099,438	19,098,212	1,975,000	2,184,389
103,132	115,104	115,104	103,132	Parks Service Headquarters	115,104	115,104		103,132
<u>Enterprise Funds</u>								
1,251,802	691,129	715,231	1,227,700	Airport	738,494	738,494		1,227,700
838,174	1,200,137	1,319,737	718,574	Golf Enterprise	1,265,701	1,265,701	28,362	690,212
2,152,032	606,163	472,401	2,285,794	Hydro Power System	1,261,972	422,972	1,261,972	1,862,822
763,860	123,467	158,504	728,823	Market	142,037	142,037		728,823
23,287,535			23,287,535	Parking System	22,754	22,754	22,754	23,264,781
61,001,647	18,014,620	14,638,282	64,377,985	Sewage Disposal System	19,819,842	17,527,149		66,670,678
				Sewer Bond Series XIX 2004	16,030,347	16,030,347		
4,265,926	623,859	1,140,500	3,749,285	Solid Waste	11,176,523	11,033,821	500,000	3,391,987
3,835,056	3,075,661	3,189,473	3,721,244	Stormwater Sewer System	4,375,463	4,155,667		3,941,040
44,829,812	17,578,156	16,668,535	45,739,433	Water Supply System	22,186,673	22,161,438	2,050,000	43,714,668
				Water Bonds Series Z	8,560,444	8,560,444		
				Water Bonds	20,000	20,000		

ANALYSIS OF NET OPERATING FUNDS AVAILABLE

Net Operating Funds Available* June 30, 2003	2003/2004 Projected Revenues	2003/2004 Projected Expenditures	Projected Net Operating Funds Available* June 30, 2004	Fund	2004/2005 Approved Revenues	2004/2005 Approved Expenditures	Approved Use of Fund Balance	Projected Net Operating Funds Available* June 30, 2005
<u>Intergovernmental Service Funds</u>								
914,978	1,248,850	1,166,832	996,996	Central Stores	1,315,692	1,262,276		1,050,412
1,571,602	3,919,817	3,400,950	2,090,469	Fleet Services	4,065,897	4,065,897	400,000	1,690,469
3,713,084	19,475,972	18,998,833	4,190,223	Insurance	19,099,438	19,098,212	1,975,000	2,216,449
(6,844)	115,104	115,104	(6,844)	Parks Service Headquarters	115,104	115,104		(6,844)
<u>Enterprise Funds</u>								
242,564	691,129	715,231	218,462	Airport	738,494	738,494		218,462
(830,566)	1,200,137	1,319,737	(950,166)	Golf Enterprise	1,265,701	1,265,701	28,362	(978,528)
1,219,494	606,163	472,401	1,353,256	Hydro Power System	1,261,972	422,972	1,261,972	930,284
450,850	123,467	158,504	415,813	Market	142,037	142,037		415,813
492,009			492,009	Parking System	22,754	22,754	22,754	469,255
16,619,072	18,014,620	14,638,282	19,995,410	Sewage Disposal System	19,819,842	17,527,149		22,288,103
4,265,926	623,859	1,140,500	3,749,285	Solid Waste	11,176,523	11,033,821	500,000	3,391,987
1,486,780	3,075,661	3,189,473	1,372,968	Stormwater Sewer System	4,375,463	4,155,667		1,592,764
8,570,227	17,578,156	16,668,535	9,479,848	Water Supply System	22,186,673	22,161,438	2,050,000	7,455,083

*Net Operating Funds Available: Represents, for Enterprise and Internal Service Funds, Total Fund Equity less (a) Fixed Assets net of Long-term Liabilities; (b) Restricted Assets net of Current Liabilities, and (c) Non-Liquid assets (i.e. inventories, Long-term Receivables, etc.) which is a close equivalent to the General Governmental Fund Type's definition of Fund Balance.

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Definition of Revenue Categories

TAXES

Taxes represent Property Taxes that are levied upon real and personal property of the City. Also included in this category are payments in lieu of taxes and penalties and interest on delinquent taxes. Property taxes represent 49% of the City's external (ie: not an Operating Transfer, Intra Governmental Sale or use of Prior Year Fund Balance) revenues. Taxes are based on the Taxable value of all taxable property as of January 1 of the calendar year times the applicable millage rate. Other amounts are forecasted on the basis of projected values of the underlying property and past history for penalties.

LICENSES, PERMITS & REGISTRATIONS

The major sources of revenue in this category are derived from various permit fees issued for building and trades. Also included are the various permits and licenses issued through the City Clerk's office and fees associated with the services of the Master Planning and Development service units. These revenues are projected for the City Clerk on the basis of the history and any adjustments to fees. The Planning fees take into account economic projections and interest expressed in future developments. Building Permits are forecasted using information from Master Planning on planned developments and economic forecasts on new construction.

INTERGOVERNMENTAL REVENUES

STATE SHARED REVENUE

This category accounts for revenues received from other units of government. The major portion of this source is state shared sales taxes. State shared revenues contribute 17% of the city's external revenue. These revenues are forecasted on the basis of data supplied from the State of Michigan for State Shared Sales Tax and historical trends for other revenues.

GRANTS

Most federal or state grants are accounted for in a separate fund, however, occasionally it is appropriate to reflect grant revenues which are received as reimbursement for expenditures incurred by general fund service units. Grants represent less than 1% of external revenues. These are based on grants that have been awarded or are expected to be awarded in the coming fiscal year.

CHARGES FOR SERVICES

POLICE & FIRE

Definition of Revenue Categories

These accounts include revenues for services performed by the city. The principal sources of revenues are for providing police services to the University of Michigan, or security services to local high schools. Another major revenue source in this category is payment from the State of Michigan for fire protection services. The police services are forecasted using the upcoming years football schedule and changes to the general level of service that the University and public schools have requested. The fire protection services are forecasted based on the current years fire department expenditures and expected change in state owned property in the City which are used in calculating the level of funding.

MUNICIPAL SERVICES

Enterprise funds and other agencies receive a variety of services from the general fund. The services provided include revenue collection, accounting, payroll, purchasing and general supervision. These indirect costs are allocated to the user departments through the municipal service charge. This number is set by an outside consultant engaged to perform a cost allocation study.

WORK PERFORMED

This category includes various municipal services provided to residents for such services as special inspecting and weed cutting.

RECREATION CHARGES

This category includes the accounts which record the various user fees associated with recreational facilities such as swimming pools, canoe liveries and ice-skating rinks. These fees are based on projected attendance for the period during which the facility is open times the user fees adjusted for any rate increases and closing of facilities for rehabilitation.

CEMETERY

This category includes revenue from the sale of lots and burial permits. These numbers have remained stable and are only adjusted for change in rates.

Definition of Revenue Categories

LANDFILL

This category includes special services provided for disposal of materials at the city landfill. These revenues are forecasted on the basis of expected levels of service adjusting for changes in fees and new services.

ENTERPRISE SALES

This category includes the sale and/or rental income associated with the various enterprise funds. The major source of income is the sale of water and sewer services. These sales represent 23% of external revenues. The revenues for the Water and Wastewater systems are based on expected water sales as adjusted for new customers being added through construction or annexations, significant changes in weather patterns and changes in rates. The Stormwater system rates are based on the existing land uses adjusted for expected changes, new annexations and changes in rates. The Parking system has a stable source of revenues and is adjusted for newly installed meters and changes in rates. The Recreation Facilities revenues are forecasted in the same manner as the Recreation Charges above. The Airport, Market and Hydro Power revenues are only impacted when there is a change in rates or level of service to be provided.

SPECIAL ASSESSMENTS

Special Assessments are assessed against the property owner for public improvements made that benefits the property owner. These numbers are based on the actual assessments to be levied in the next fiscal year.

FINES & FORFEITS

Fines associated with the enforcement of parking regulations constitute nearly half of this revenue source. The rest of this revenue category is collected through various fines assessed by the district court. Much of this revenue comes from moving traffic violations, delinquent parking tickets and other city ordinance violations. This represents about 8% of external revenues. The expected revenues are adjusted only for changes in fines and the volume of tickets anticipated.

INVESTMENT INCOME

Investment earnings are derived by the placing of excess funds in approved investments until needed. The investment earnings are forecasted on the basis of expected investable funds times an average of expected investment rates based on the economic outlook.

Definition of Revenue Categories

MISCELLANEOUS

This category accounts for revenues which do not fit into other categories and includes rentals, sale of property and equipment and other miscellaneous revenues. These revenues are generally stable from year to year with adjustments being made in special circumstances.

PRIOR YEAR SURPLUS

Prior Year Surplus represents the use of surplus funds from previous years' budgets. This is used only during times in which revenue growth temporarily increases at a rate less than expenditures to avoid a reduction in services. At other times fund balances are increased so that specific projects can be paid for in the future without having to borrow the funds.

CONTRIBUTIONS

This represents donations that the City receives from the public for various purposes. The level of contributions remains constant from year to year with an occasional windfalls that are hard to forecast.

TRANSFERS/REIMBURSEMENTS

OPERATING TRANSFERS

The majority of the transfers in this revenue category are reimbursements for fringe benefit costs. The exceptions to this are project and utility credits which are reimbursements for engineering costs on construction projects. The project credit is based on expected construction activity on City projects.

INTRA GOVERNMENTAL SALES

Services provided to other funds which are direct billed are recorded here as revenues. These services include equipment maintenance, central duplicating and office supplies. These numbers are based on the level of service being rendered and the expected cost to provide the service which determines the expected revenues for the year.

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2004-2005 All Funds Revenue Analysis by Service Area

	Total Revenues	Mayor & Council	City Attorney	City Administrator	Community Services	Financial Services	Public Services	Safety Services	15th District Court	Non-departmental	Other
0010 GENERAL	\$76,984,453		\$118,000	\$4,103,407	\$3,441,964	\$55,192,126	\$3,984,660	\$5,072,641	\$2,890,900	\$2,180,755	
0019 HYDROPOWER OPERATING FUND	1,261,972						1,261,972				
0042 WATER SUPPLY SYSTEM	22,186,673						22,186,673				
0043 SEWAGE DISPOSAL SYSTEM	19,819,842						19,819,842				
0048 AIRPORT	738,494						738,494				
0069 STORMWATER SEWER SYSTEM	4,375,463						4,375,463				
0011 CENTRAL STORES	1,315,692						1,315,692				
0012 FLEET SERVICES	4,065,897						4,065,897				
0015 PARKS SERVICE HEADQUARTERS	115,104						115,104				
0057 INSURANCE	19,099,438					19,049,438	50,000				
0055 ELIZABETH R DEAN TRUST	89,799						89,799				
0006 PARKS REPAIR AND RESTORATION MILLAGE	1,874,028						1,874,028				
0021 MAJOR STREET	6,576,343						6,576,343				
0022 LOCAL STREET	1,819,910						1,819,910				
0054 CEMETERY PERPETUAL CARE	3,200						3,200				
0062 STREET REPAIR MILLAGE	9,866,299						9,866,299				
0072 SOLID WASTE EQUIPMENT FUND	11,176,523						11,176,523				
0002 ENERGY PROJECTS	168,891			168,891							
0070 AFFORDABLE HOUSING	627,844				627,844						
0024 OPEN SPACE & PARKLAND PRESERVATION	5,726,937				5,726,937						
0025 BANDEMER PROPERTY	37,780				37,780						
0026 CONSTRUCTION CODE FUND	1,893,400				1,893,400						
0046 MARKET	142,037				142,037						
0038 ANN ARBOR ASSISTANCE	6,050				6,050						
0047 GOLF ENTERPRISE	1,265,701				1,265,701						
0016 COMMUNITY TELEVISION NETWORK	1,393,700				1,393,700						
0018 PARKS REHAB & DEVELOPMENT MILLAGE	3,812,320				3,812,320						
0078 COMMUNITY DEVELOPMENT BLOCK GRANT	1,831,300				1,831,300						
0090 HOME PROGRAM	3,534,924				3,534,924						
0014 INFORMATION TECHNOLOGY	950,000					950,000					
00MG MAJOR GRANT PROGRAMS FUND	283,515						283,515				
0027 DRUG ENFORCEMENT	12,000						12,000				
0028 FEDERAL EQUITABLE SHARING FORFEITURES	106,000						106,000				
0053 POLICE AND FIRE RELIEF	12,000						12,000				
0064 MICHIGAN JUSTICE TRAINING	47,000						47,000				
0023 COURT FACILITIES	220,000							220,000			
0044 PARKING SYSTEM	22,754									22,754	
0035 GENERAL DEBT SERVICE	4,407,218									4,407,218	
0060 GENERAL DEBT /SPECIAL ASSESSMENTS	495,337									495,337	
0061 ALTERNATIVE TRANSPORTATION	364,721										364,721
0076 SEWER BOND SERIES XIX 2004	16,030,347										16,030,347
0093 WATER BONDS	20,000										20,000
0095 WATER BOND SERIES Z 2004	8,560,444										8,560,444
0097 ENVIRONMENTAL BOND ISSUE	1,250,000										1,250,000
00CP GENERAL CAPITAL IMPROVEMENTS	1,595,500										1,595,500
0004 MAINTENANCE FACILITY	11,500,000										11,500,000
0052 VEBA TRUST	3,832,325										3,832,325
0059 EMPLOYEES RETIREMENT SYSTEM	26,873,002										26,873,002
0001 DDA/HOUSING FUND	223,421										223,421
0003 DOWNTOWN DEVELOPMENT AUTHORITY	5,756,529										5,756,529
0063 DDA PARKING SYSTEM	12,397,729										12,397,729
	\$296,769,856		\$118,000	\$4,272,298	\$23,713,957	\$75,191,564	\$89,319,899	\$5,533,156	\$3,110,900	\$7,106,064	\$88,404,018

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
General	General					
	TAXES	55,094,193	46,449,620	48,621,817	48,646,738	43,484,636
	LICENSES, PERMITS & REGISTRATION	2,856,377	3,001,462	2,623,648	3,076,501	1,136,093
	INTERGOVERNMENTAL REVENUES	14,173,927	12,833,260	13,050,066	12,060,283	11,476,818
	CHARGES FOR SERVICES	5,823,436	5,493,522	6,127,208	8,211,672	6,733,707
	FINES & FORFEITS	5,128,826	5,652,987	6,146,885	5,146,760	5,624,024
	INVESTMENT INCOME	875,209	565,536	753,750	402,000	269,000
	MISCELLANEOUS REVENUE	173,023	263,124	602,875	75,195	335,521
	PRIOR YEAR SURPLUS			993,649		38,355
	OPERATING TRANSFERS	2,171,157	2,711,388	1,803,515	2,305,603	3,656,392
CONTRIBUTIONS	76,851	40,019	56,762	39,527	69,500	
INTRA GOVERNMENTAL SALES	3,447,296	3,281,016	2,827,564	2,719,732	4,160,407	
	Total	\$ 89,820,293	\$ 80,291,934	\$ 83,607,739	\$ 82,684,012	\$ 76,984,453
Debt Service	General Debt Service					
	TAXES	2,707,538	2,578,292	2,783,490	2,746,585	2,391,836
	INVESTMENT INCOME	27,441	2,844	2,000	4,000	2,000
	OPERATING TRANSFERS	1,459,656	1,576,589	1,951,268	1,948,372	2,013,382
	CONTRIBUTIONS	5,325	7,388	6,684	6,684	
	Total	\$ 4,199,960	\$ 4,165,113	\$ 4,743,442	\$ 4,705,641	\$ 4,407,218
	Special Assessment/Debt Service					
TAXES	120,128	86,489	100,000	100,000	100,000	
CHARGES FOR SERVICES	293,355	790,925				
INVESTMENT INCOME	51,730	29,092	24,000	9,000	9,000	
PRIOR YEAR SURPLUS			398,936	413,936	386,337	
	Total	\$ 465,213	\$ 906,506	\$ 522,936	\$ 522,936	\$ 495,337
Capital Projects	Environmental Bonds					
	PRIOR YEAR SURPLUS					750,000
	OPERATING TRANSFERS					500,000
		Total				\$ 1,250,000
	General Capital Improvements					
	INTERGOVERNMENTAL REVENUES					417,000
	PRIOR YEAR SURPLUS					1,118,500
	OPERATING TRANSFERS					60,000
		Total				\$ 1,595,500
	Maintenance Facility					
PRIOR YEAR SURPLUS					1,500,000	
SALE OF BONDS					10,000,000	
	Total				\$ 11,500,000	
Enterprise	Hydropower					
	CHARGES FOR SERVICES	308,471	214,556	419,000	275,000	
	INVESTMENT INCOME	68,032	46,378	70,000	42,000	
	PRIOR YEAR SURPLUS			308,188	308,188	1,261,972
	OPERATING TRANSFERS	305,365	297,593	289,163	289,163	
	Total	\$ 681,868	\$ 558,527	\$ 1,086,351	\$ 914,351	\$ 1,261,972

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Water Supply System					
	TAXES	47,403	15,125	7,650	7,500	100
	INTERGOVERNMENTAL REVENUES		12,051			
	CHARGES FOR SERVICES	15,259,228	14,166,669	15,071,943	15,000,535	17,159,398
	INVESTMENT INCOME	287,725	340,626	410,000	271,477	425,850
	MISCELLANEOUS REVENUE	211,345	203,248	180,000	132,600	115,000
	PRIOR YEAR SURPLUS			726,144	696,144	2,050,000
	OPERATING TRANSFERS	152,862	169,147	182,796	182,796	1,721,305
	CONTRIBUTIONS	333,695				
	INTRA GOVERNMENTAL SALES	1,680,137	1,781,426	2,035,948	1,983,248	715,020
	Total	\$ 17,972,396	\$ 16,688,292	\$ 18,614,481	\$ 18,274,300	\$ 22,186,673
	Water Bonds					
	PRIOR YEAR SURPLUS					20,000
	Total					\$ 20,000
	Water Bonds Series Z 2004					
	INVESTMENT INCOME					
	PRIOR YEAR SURPLUS					3,823,625
	OPERATING TRANSFERS					2,050,000
	CONTRIBUTIONS					100,000
	SALE OF BONDS					2,586,819
	Total					\$ 8,560,444
	Sewage Disposal System					
	TAXES	23,498	19,797	15,250	12,150	19,150
	CHARGES FOR SERVICES	14,254,549	15,122,496	16,337,649	16,356,684	18,129,511
	INVESTMENT INCOME	735,113	634,997	812,000	606,000	849,540
	MISCELLANEOUS REVENUE	1,147,003	17,756	1,900	15,400	18,500
	OPERATING TRANSFERS	634,088	587,848	641,004	641,004	400,000
	INTRA GOVERNMENTAL SALES	684,856	925,578	383,382	383,382	403,141
	Total	\$ 17,479,107	\$ 17,308,472	\$ 18,191,185	\$ 18,014,620	\$ 19,819,842
	Sewer Bonds XIX 2004					
	INVESTMENT INCOME					
	PRIOR YEAR SURPLUS					11,112,175
	OPERATING TRANSFERS					3,341,687
	CONTRIBUTIONS					100,000
	SALE OF BONDS					1,476,485
	Total					\$ 16,030,347
	Parking System					
	CHARGES FOR SERVICES	1,860,666				
	INVESTMENT INCOME	180,652	61,692			
	MISCELLANEOUS REVENUE	(3,860)				
	PRIOR YEAR SURPLUS					22,754
	INTRA GOVERNMENTAL SALES	23,802				
	Total	\$ 2,061,261	\$ 61,692			\$ 22,754
	Market					
	CHARGES FOR SERVICES	60,806	75,294	82,400	83,400	94,250
	INVESTMENT INCOME	22,653	14,160	12,805	5,000	5,000
	MISCELLANEOUS REVENUE	14,120	4,868	7,500	7,500	15,220
	PRIOR YEAR SURPLUS			38,450	38,450	
	OPERATING TRANSFERS				27,567	27,567
	Total	\$ 97,579	\$ 94,322	\$ 141,155	\$ 161,917	\$ 142,037

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Golf Courses					
	LICENSES, PERMITS & REGISTRATION					
	CHARGES FOR SERVICES	1,290,098	1,197,652	1,415,420	1,199,894	1,237,339
	INVESTMENT INCOME	(4,176)	(17,044)		243	
	MISCELLANEOUS REVENUE	10,008	4,184			
	PRIOR YEAR SURPLUS					28,362
	INTRA GOVERNMENTAL SALES	180	100			
	Total	\$ 1,296,109	\$ 1,184,892	\$ 1,415,420	\$ 1,200,137	\$ 1,265,701
	Airport					
	INTERGOVERNMENTAL REVENUES	173				
	CHARGES FOR SERVICES	687,750	686,861	702,859	675,479	715,844
	INVESTMENT INCOME	12,971	5,727	13,150	13,000	17,000
	MISCELLANEOUS REVENUE	19,756	695	4,000	2,650	5,650
	Total	\$ 720,650	\$ 693,283	\$ 720,009	\$ 691,129	\$ 738,494
	Stormwater Sewer System					
	TAXES	1,406	1,755	100	100	
	LICENSES, PERMITS & REGISTRATION			110,000	110,000	110,000
	CHARGES FOR SERVICES	2,421,358	2,628,388	3,014,431	2,867,431	3,506,895
	INVESTMENT INCOME	54,334	41,907	35,000	41,630	43,848
	MISCELLANEOUS REVENUE		20,603	500		126,120
	PRIOR YEAR SURPLUS			30,000	30,000	
	OPERATING TRANSFERS	88,967	54,542	59,557	56,500	
	SALE OF BONDS					400,000
	INTRA GOVERNMENTAL SALES					188,600
	Total	\$ 2,566,065	\$ 2,747,195	\$ 3,249,588	\$ 3,105,661	\$ 4,375,463
	1994 Stormwater Bonds Series I					
	INVESTMENT INCOME	2,086				
	Total	\$ 2,086				
Internal Service	Central Stores					
	CHARGES FOR SERVICES	21,805	15,808	35,000	30,000	35,000
	INVESTMENT INCOME	14,790	10,384	500	500	500
	OPERATING TRANSFERS			11,541	11,541	
	INTRA GOVERNMENTAL SALES	975,383	1,056,303	1,194,809	1,206,809	1,280,192
	Total	\$ 1,011,978	\$ 1,082,495	\$ 1,241,850	\$ 1,248,850	\$ 1,315,692
	Fleet Services					
	CHARGES FOR SERVICES		40,074			
	INVESTMENT INCOME	34,299	32,130	28,000	17,775	18,000
	MISCELLANEOUS REVENUE	136,460	161,830	120,700	150,050	120,000
	PRIOR YEAR SURPLUS			273,195		400,000
	OPERATING TRANSFERS			63,615	63,615	616,966
	INTRA GOVERNMENTAL SALES	3,527,181	3,465,027	3,685,782	3,688,377	2,910,931
	Total	\$ 3,697,940	\$ 3,699,061	\$ 4,171,292	\$ 3,919,817	\$ 4,065,897
	Park Service Headquarters					
	INVESTMENT INCOME	433	(686)			
	INTRA GOVERNMENTAL SALES	139,324	122,250	115,104	115,104	115,104
	Total	\$ 139,757	\$ 121,564	\$ 115,104	\$ 115,104	\$ 115,104

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Insurance					
	LICENSES, PERMITS & REGISTRATION					
	INVESTMENT INCOME	134,461	41,553	20,000	20,000	60,000
	MISCELLANEOUS REVENUE	44,886	35,231			
	PRIOR YEAR SURPLUS					1,975,000
	OPERATING TRANSFERS	13,513,507	15,549,421	19,496,544	19,325,755	17,032,749
	CONTRIBUTIONS	162,821	85,763		130,217	31,689
	Total	\$ 13,855,675	\$ 15,711,968	\$ 19,516,544	\$ 19,475,972	\$ 19,099,438
Permanent	Elizabeth Dean Fund					
	CHARGES FOR SERVICES	500				
	INVESTMENT INCOME	152,443	170,974	117,500	111,037	89,799
	Total	\$ 152,943	\$ 170,974	\$ 117,500	\$ 111,037	\$ 89,799
Pension Trust	VEBA					
	INVESTMENT INCOME	765,726	(1,206,940)			
	OPERATING TRANSFERS	6,996,824	6,866,489	7,693,946	7,693,946	3,832,325
	Total	\$ 7,762,550	\$ 5,659,549	\$ 7,693,946	\$ 7,693,946	\$ 3,832,325
	Employees' Retirement System					
	INVESTMENT INCOME	6,365,611	51,987,069			
	MISCELLANEOUS REVENUE	124,586	107,383			
	PRIOR YEAR SURPLUS			27,377,247	28,146,615	26,873,002
	OPERATING TRANSFERS	2,612,260	2,485,304	2,500,000		
	CONTRIBUTIONS	317,285	137,269			
	Total	\$ 9,419,742	\$ 54,717,025	\$ 29,877,247	\$ 28,146,615	\$ 26,873,002
Special Revenue	Energy Projects					
	INVESTMENT INCOME	3,122	4,504	5,000	5,000	3,000
	OPERATING TRANSFERS	123,768	139,079	158,979	158,979	156,259
	CONTRIBUTIONS	9,632	9,632	9,632	9,632	9,632
	Total	\$ 136,522	\$ 153,215	\$ 173,611	\$ 173,611	\$ 168,891
	Parks Maint & Repair Millage					
	TAXES		1,670,480			
	CHARGES FOR SERVICES	3,548	1,957			
	INVESTMENT INCOME	80,139	35,113			
	MISCELLANEOUS REVENUE	500	266			
	PRIOR YEAR SURPLUS			125,931		
	OPERATING TRANSFERS	1,573,011				
	INTRA GOVERNMENTAL SALES		7,140			
	Total	\$ 1,657,198	\$ 1,714,956	\$ 125,931		
	Parks Repair And Restoration Millage					
	TAXES			1,784,477	1,781,981	1,870,328
	LICENSES, PERMITS & REGISTRATION					700
	CHARGES FOR SERVICES			3,000		3,000
	Total			\$ 1,787,477	\$ 1,781,981	\$ 1,874,028
	Local Law Enforcement Block Grant					
	INTERGOVERNMENTAL REVENUES	60,982	222,426			
	INVESTMENT INCOME	4,037	684			
	Total	\$ 65,019	\$ 223,110			
	Mi Edc Smart Zone Grant					
	INVESTMENT INCOME		457			
	Total		\$ 457			

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Information Technology					
	INVESTMENT INCOME	66,941	(11,528)			
	OPERATING TRANSFERS	1,000,000	1,049,000	950,000	950,000	950,000
	Total	\$ 1,066,941	\$ 1,037,472	\$ 950,000	\$ 950,000	\$ 950,000
	Community Television Network					
	LICENSES, PERMITS & REGISTRATION	1,284,256	1,461,217	1,152,000	1,152,000	1,209,600
	CHARGES FOR SERVICES		20,284	21,000		
	INVESTMENT INCOME	63,909	57,871	40,000	40,000	45,000
	MISCELLANEOUS REVENUE	13,115	1,135		500	
	PRIOR YEAR SURPLUS			349,810	349,810	139,100
	Total	\$ 1,361,279	\$ 1,540,507	\$ 1,562,810	\$ 1,542,310	\$ 1,393,700
	Parks Rehab & Development Mill					
	TAXES		1,670,480	1,750,109	1,747,596	1,834,284
	INTERGOVERNMENTAL REVENUES	25,375	199,079	329,919	391,030	117,970
	CHARGES FOR SERVICES	185				
	INVESTMENT INCOME	133,367	93,788		59,179	53,450
	MISCELLANEOUS REVENUE	65				
	PRIOR YEAR SURPLUS	(200)		805,175	256,964	1,761,616
	OPERATING TRANSFERS	1,573,011				
	CONTRIBUTIONS	46,032	127,536	111,100	30,000	45,000
	Total	\$ 1,777,835	\$ 2,090,883	\$ 2,996,303	\$ 2,484,769	\$ 3,812,320
	Major Street					
	TAXES		160	200	200	200
	INTERGOVERNMENTAL REVENUES	5,549,255	5,477,229	5,528,335	5,555,758	5,819,008
	CHARGES FOR SERVICES	1,822	1,309	2,000	2,000	2,000
	INVESTMENT INCOME	209,995	176,090	116,000	145,000	160,000
	MISCELLANEOUS REVENUE	3,702	85,638	5,000	36,500	24,500
	PRIOR YEAR SURPLUS			16,094		44,635
	OPERATING TRANSFERS	468,640	527,499	520,000	520,000	520,000
	INTRA GOVERNMENTAL SALES	83,826	39,720	23,070	17,500	6,000
	Total	\$ 6,317,241	\$ 6,307,645	\$ 6,210,699	\$ 6,276,958	\$ 6,576,343
	Local Street					
	INTERGOVERNMENTAL REVENUES	1,551,623	1,544,045	1,558,568	1,560,658	1,620,910
	INVESTMENT INCOME	66,785	48,463	57,000	49,000	49,000
	OPERATING TRANSFERS	155,000	150,000	150,000	150,000	150,000
	INTRA GOVERNMENTAL SALES		188			
	Total	\$ 1,773,408	\$ 1,742,696	\$ 1,765,568	\$ 1,759,658	\$ 1,819,910
	Court Facilities					
	FINES & FORFEITS	190,462	218,650	200,000	218,000	220,000
	INVESTMENT INCOME	2,587	14,564			
	Total	\$ 193,049	\$ 233,214	\$ 200,000	\$ 218,000	\$ 220,000
	Park Acquisition Millage					
	TAXES		1,767,522	1,852,457	1,849,618	1,941,624
	INTERGOVERNMENTAL REVENUES	575,500				
	INVESTMENT INCOME	70,020	100,318	75,000		
	MISCELLANEOUS REVENUE	750				
	PRIOR YEAR SURPLUS			265,000	196,785	3,785,313
	OPERATING TRANSFERS	1,664,373				
	Total	\$2,310,643	\$1,867,840	\$2,192,457	\$2,046,403	\$5,726,937

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Bandemer Property					
	CHARGES FOR SERVICES					3,600
	INVESTMENT INCOME	5,320	4,188	3,756	3,233	4,180
	MISCELLANEOUS REVENUE	33,763	36,000	33,725	30,000	30,000
	Total	\$39,083	\$40,188	\$37,481	\$33,233	\$37,780
	Construction Code Fund					
	LICENSES, PERMITS & REGISTRATION					1,893,400
	Total					\$1,893,400
	Drug Enforcement					
	FINES & FORFEITS	2,446	16,255	15,000	8,000	7,000
	INVESTMENT INCOME	1,744	657			
	PRIOR YEAR SURPLUS			5,000		5,000
	Total	\$4,190	\$16,912	\$20,000	\$8,000	\$12,000
	Federal Equitable Sharing For					
	CHARGES FOR SERVICES	27,824	13,336		210,693	5,000
	INVESTMENT INCOME	289	1,249	15,000		5,000
	PRIOR YEAR SURPLUS					96,000
	Total	\$ 28,112	\$ 14,585	\$ 15,000	\$ 210,693	\$ 106,000
	Ann Arbor Assistance					
	INVESTMENT INCOME	49	19	200	50	50
	CONTRIBUTIONS	5,918	6,150	8,000	5,570	6,000
	Total	\$ 5,967	\$ 6,169	\$ 8,200	\$ 5,620	\$ 6,050
	Police And Fire Relief					
	INVESTMENT INCOME	25,729	15,867		12,000	12,000
	Total	\$ 25,729	\$ 15,867		\$ 12,000	\$ 12,000
	Cemetery Perpetual Care					
	CHARGES FOR SERVICES	900	4,000	2,500	3,200	3,200
	INVESTMENT INCOME	1,765	1,005			
	Total	\$ 2,665	\$ 5,005	\$ 2,500	\$ 3,200	\$ 3,200
	Street Repair Millage					
	TAXES		7,148,127	7,489,894	7,489,894	7,850,466
	INTERGOVERNMENTAL REVENUES	1,427,908	463,100	250,000	200,000	
	CHARGES FOR SERVICES	112,588	206,026		54,998	
	INVESTMENT INCOME	652,440	445,144	490,000	490,000	450,000
	MISCELLANEOUS REVENUE	65,700	39,136			
	PRIOR YEAR SURPLUS					175,833
	OPERATING TRANSFERS	6,658,165	4,748,182	48,900	48,900	1,390,000
	CONTRIBUTIONS		441,000		108,756	
	Total	\$ 8,916,800	\$ 13,490,715	\$ 8,278,794	\$ 8,392,548	\$ 9,866,299
	Alternative Transportation					
	OPERATING TRANSFERS					364,721
	Total					\$ 364,721
	Michigan Justice Training					
	INTERGOVERNMENTAL REVENUES	38,776	38,293	40,000	37,000	30,000
	INVESTMENT INCOME	2,838	1,610	2,000		2,000
	MISCELLANEOUS REVENUE	15				
	PRIOR YEAR SURPLUS			66,658		15,000
	Total	\$ 41,629	\$ 39,903	\$ 108,658	\$ 37,000	\$ 47,000

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Affordable Housing					
	INVESTMENT INCOME	19,291	15,402	5,000	3,000	5,000
	MISCELLANEOUS REVENUE	28,820	166,576	15,000	8,000	8,900
	PRIOR YEAR SURPLUS			330,000	733,044	513,944
	OPERATING TRANSFERS	150,000	125,000	200,000	100,000	100,000
	Total	\$ 198,111	\$ 306,978	\$ 550,000	\$ 844,044	\$ 627,844
	Solid Waste Fund					
	TAXES					10,020,633
	CHARGES FOR SERVICES	28,282	29,644	15,000		439,890
	INVESTMENT INCOME	210,847	132,060			100,000
	MISCELLANEOUS REVENUE					34,000
	PRIOR YEAR SURPLUS					500,000
	OPERATING TRANSFERS	336,484	89,454	615,000	623,859	82,000
	Total	\$ 575,614	\$ 251,158	\$ 630,000	\$ 623,859	\$ 11,176,523
	Comm Develop Block Gr					
	INTERGOVERNMENTAL REVENUES	1,675,082	1,941,994	2,177,443	1,741,593	1,826,300
	MISCELLANEOUS REVENUE	1,802				5,000
	Total	\$ 1,676,884	\$ 1,941,994	\$ 2,177,443	\$ 1,741,593	\$ 1,831,300
	Home Program					
	INTERGOVERNMENTAL REVENUES	524,253	311,057	3,136,603	879,475	3,534,924
	Total	\$ 524,253	\$ 311,057	\$ 3,136,603	\$ 879,475	\$ 3,534,924
	Leslie Homestead					
	CHARGES FOR SERVICES	60,484	77,671	66,700	66,400	
	INVESTMENT INCOME	(216)	(2,425)			
	MISCELLANEOUS REVENUE	89,487	73,229	97,009	82,927	
	OPERATING TRANSFERS	45,000	28,000	50,416	50,416	
	CONTRIBUTIONS	34,626	27,711	27,000	33,009	
	Total	\$ 229,381	\$ 204,186	\$ 241,125	\$ 232,752	
	Major Grant Programs Fund					
	INTERGOVERNMENTAL REVENUES	196,800	571,914	181,833	14,000	9,000
	INVESTMENT INCOME		(4,587)			
	OPERATING TRANSFERS	301,466	108,957	117,701	117,701	274,515
	CONTRIBUTIONS	7,500	2,283			
	Total	\$ 505,766	\$ 678,567	\$ 299,534	\$ 131,701	\$ 283,515
Component Unit	DDA/Housing Fund					
	INVESTMENT INCOME	18,760	17,786	20,314	19,000	23,421
	OPERATING TRANSFERS	200,000	200,000	200,000	200,000	200,000
	Total	\$ 218,760	\$ 217,786	\$ 220,314	\$ 219,000	\$ 223,421
	Downtown Development Authority					
	TAXES	2,885,717	3,171,528	3,031,184	3,031,184	3,200,797
	INVESTMENT INCOME	420,259	260,767	280,000	261,224	285,204
	MISCELLANEOUS REVENUE		135,000			
	PRIOR YEAR SURPLUS			9,603,584		2,270,528
	CONTRIBUTIONS	109,000				
	Total	\$ 3,414,976	\$ 3,567,295	\$ 12,914,768	\$ 3,292,408	\$ 5,756,529

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Dda Parking System					
	CHARGES FOR SERVICES	9,208,821	11,592,052	11,077,590	10,911,959	10,757,545
	INVESTMENT INCOME	79,437	28,104	209,480	196,000	334,867
	MISCELLANEOUS REVENUE	(648)	266,741		(244)	(520)
	PRIOR YEAR SURPLUS					754,137
	OPERATING TRANSFERS	442,894	563,198	651,700	551,700	551,700
	Total	<u>\$ 9,730,505</u>	<u>\$ 12,450,095</u>	<u>\$ 11,938,770</u>	<u>\$ 11,659,415</u>	<u>\$ 12,397,729</u>
City Totals	Total City Revenues					
	TAXES	60,879,883	64,579,375	67,436,628	67,413,546	72,714,054
	LICENSES, PERMITS & REGISTRATION	4,140,633	4,462,679	3,885,648	4,338,501	4,349,793
	INTERGOVERNMENTAL REVENUES	25,799,654	23,614,448	26,252,767	22,439,797	24,851,930
	CHARGES FOR SERVICES	51,726,476	52,378,524	54,393,700	55,949,345	58,826,179
	FINES & FORFEITS	5,321,734	5,887,892	6,361,885	5,372,760	5,851,024
	INVESTMENT INCOME	11,920,987	54,197,569	3,617,455	2,826,348	3,321,709
	MISCELLANEOUS REVENUE	2,114,398	1,622,643	1,068,209	541,078	837,891
	PRIOR YEAR SURPLUS	(200)		41,713,061	31,169,936	61,421,188
	OPERATING TRANSFERS	42,626,498	38,026,690	38,355,645	36,017,417	39,991,568
	CONTRIBUTIONS	1,108,685	884,751	219,178	363,395	361,821
	SALE OF BONDS					14,463,304
	INTRA GOVERNMENTAL SALES	10,561,985	10,678,748	10,265,659	10,114,152	9,779,395
	Total	<u>\$216,200,732</u>	<u>\$256,333,319</u>	<u>\$253,569,835</u>	<u>\$236,546,276</u>	<u>\$296,769,856</u>

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Definition of Expenditure Categories

PERSONNEL SERVICES

These expenditures represent all budgeted salary costs for permanent and temporary staff.

PAYROLL FRINGES

This category represents all personnel-related insurances, such as unemployment and health care. It also includes pension and social security costs.

OTHER SERVICES

These expenditures represent a wide array of charges and contracts with outside agencies. Examples of this type of expenditure include fees incurred for consultation with bond counsel, payments for audit services, and travel.

MATERIALS AND SUPPLIES

This category includes consumable items costing with an estimated life of less than two years. Items include office supplies, chemicals, parts, sign materials, road salt, etc.

OTHER CHARGES

This category contains expenditures for miscellaneous items such as payments for utility bills, dues, licenses, etc.

PASS THROUGHS

This category includes transfers to other funds and transfers to other agencies for taxes.

CAPITAL OUTLAY

This category includes all purchases in excess of \$2,500 of a capital nature. Vehicles and heavy equipment are excellent examples of normal expenditures in this category.

VEHICLE OPERATING COSTS

This category includes costs to maintain fleet vehicles such as gas, oil, and repairs.

COMMUNITY DEVELOPMENT RECIPIENTS

This category is for grants from the Community Development Department of Community Development Block Grant, HOME, and General Fund funds.

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05	
General	General						
	PERSONNEL SERVICES	39,704,796	37,704,941	37,271,653	38,083,805	34,210,148	
	PAYROLL FRINGES/INSURANCE	12,501,332	13,137,132	14,197,232	14,234,387	13,032,990	
	OTHER SERVICES	11,770,775	11,832,483	12,787,033	11,600,747	8,150,572	
	MATERIALS & SUPPLIES	1,731,841	1,674,675	1,491,474	1,262,776	1,228,515	
	OTHER CHARGES	2,651,756	2,194,233	3,396,485	2,780,592	4,873,611	
	PASS THROUGHGS	21,048,378	9,458,213	10,884,727	10,588,223	13,101,470	
	CAPITAL OUTLAY	1,007,628	1,236,294	1,599,115	1,957,759	399,438	
	VEHICLE OPERATING COSTS	240,121	328,244	81,216	160,215	64,306	
	COMMUNITY DEVELOPMENT RECIPIENTS EMPLOYEE ALLOWANCES	1,243,550 423,923	1,409,545 375,800	1,431,605 467,200	1,383,250 567,284	1,389,855 350,304	
Total	<u>\$92,324,099</u>	<u>\$79,351,560</u>	<u>\$83,607,740</u>	<u>\$82,619,038</u>	<u>\$76,801,210</u>		
Debt Service	General Debt Service						
	OTHER SERVICES		6,352				
	OTHER CHARGES	3,935,504	4,063,622	4,317,741	4,314,844	4,391,557	
	PASS THROUGHGS	275,365	270,093	259,193	259,193		
	Total	<u>\$4,210,869</u>	<u>\$4,340,067</u>	<u>\$4,576,934</u>	<u>\$4,574,037</u>	<u>\$4,391,557</u>	
	Special Assessments						
	OTHER CHARGES	485,329	535,233	522,936	522,936	495,337	
	Total	<u>\$485,329</u>	<u>\$535,233</u>	<u>\$522,936</u>	<u>\$522,936</u>	<u>\$495,337</u>	
	Capital Projects	Environmental Bonds					
		PERSONNEL SERVICES					37,354
PAYROLL FRINGES/INSURANCE						8,478	
OTHER CHARGES						1,204,168	
Total						<u>\$1,250,000</u>	
General Capital Improvements							
PERSONNEL SERVICES						29,720	
PAYROLL FRINGES/INSURANCE						8,305	
OTHER CHARGES					268,000	1,557,475	
Total					<u>\$268,000</u>	<u>\$1,595,500</u>	
Maintenance Facility							
PERSONNEL SERVICES					88,060		
PAYROLL FRINGES/INSURANCE					14,490		
OTHER SERVICES					2,350,000		
OTHER CHARGES					1,047,450		
CAPITAL OUTLAY					8,000,000		
Total					<u>\$11,500,000</u>		
Enterprise	Hydropower Operating Fund						
	PERSONNEL SERVICES	65,431	21,336	51,314	33,298		
	PAYROLL FRINGES/INSURANCE		2,183	13,104	13,104		
	OTHER SERVICES	99,286	35,061	87,713	77,400		
	MATERIALS & SUPPLIES	30,073	7,889	21,000	21,000		
	OTHER CHARGES	499,904	381,285	327,599	327,599	22,972	
	PASS THROUGHGS					400,000	
	CAPITAL OUTLAY	(109,502)					
	Total	<u>\$585,191</u>	<u>\$447,754</u>	<u>\$500,730</u>	<u>\$472,401</u>	<u>\$422,972</u>	

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Water Supply System					
	PERSONNEL SERVICES	3,386,517	3,371,474	3,523,280	3,421,780	3,835,687
	PAYROLL FRINGES/INSURANCE	1,027,816	1,212,286	1,419,706	1,517,150	1,645,607
	OTHER SERVICES	2,553,340	3,013,186	2,946,766	2,745,958	3,816,343
	MATERIALS & SUPPLIES	1,507,168	1,810,472	1,881,100	1,756,620	1,765,485
	OTHER CHARGES	6,028,732	5,376,783	7,183,725	5,908,380	7,926,144
	PASS THROUGHGS		79,522	138,260	692,597	2,515,183
	CAPITAL OUTLAY	(334,799)	(176,314)	539,700	559,850	593,305
	VEHICLE OPERATING COSTS	33,914	55,430	40,800	66,200	63,684
	Total	\$14,202,687	\$14,742,839	\$17,673,337	\$16,668,535	\$22,161,438
	Water Bonds					
	PASS THROUGHGS					20,000
	Total					\$20,000
	Water Bond Series Z 2004					
	PERSONNEL SERVICES					229,570
	PAYROLL FRINGES/INSURANCE					55,076
	OTHER SERVICES					1,219,515
	OTHER CHARGES					2,032,554
	PASS THROUGHGS					3,705,854
	CAPITAL OUTLAY					1,317,875
	Total					\$8,560,444
	Sewage Disposal System					
	PERSONNEL SERVICES	2,611,236	2,525,630	2,682,046	2,693,276	3,085,060
	PAYROLL FRINGES/INSURANCE	784,208	911,042	1,047,762	1,050,696	1,034,131
	OTHER SERVICES	5,553,122	3,203,254	3,188,083	2,942,576	3,517,810
	MATERIALS & SUPPLIES	672,840	659,278	889,090	872,017	777,736
	OTHER CHARGES	9,455,040	6,930,333	7,101,140	6,420,661	7,412,643
	PASS THROUGHGS	5,862	13,362	32,122	171,778	1,022,372
	CAPITAL OUTLAY	(685,249)	(55,747)	665,816	408,478	583,797
	VEHICLE OPERATING COSTS	51,963	89,619	75,300	78,800	93,600
	Total	\$18,449,022	\$14,276,771	\$15,681,359	\$14,638,282	\$17,527,149
	Sewer Bond Series XIX 2004					
	PERSONNEL SERVICES					297,795
	PAYROLL FRINGES/INSURANCE					74,489
	OTHER SERVICES					3,725,316
	MATERIALS & SUPPLIES					3,460,113
	OTHER CHARGES					7,997,634
	CAPITAL OUTLAY					475,000
	Total					\$16,030,347
	Parking System					
	PERSONNEL SERVICES	508,276	(52,823)			
	PAYROLL FRINGES/INSURANCE	256,521	4			
	OTHER SERVICES	167,310	2,002			
	MATERIALS & SUPPLIES	12,055				
	OTHER CHARGES	952,877	910,907			22,754
	PASS THROUGHGS	2,075,034	1,799,840			
	CAPITAL OUTLAY	603,250				
	Total	\$4,575,323	\$2,659,930			\$22,754
	Market					
	PERSONNEL SERVICES	45,905	41,626	40,812	40,812	46,182
	PAYROLL FRINGES/INSURANCE	2,830	9,091	3,703	12,657	24,537
	OTHER SERVICES	26,397	40,347	65,191	74,229	37,344
	MATERIALS & SUPPLIES	2,806	8,510	6,600	6,791	7,400
	OTHER CHARGES	18,640	22,292	24,199	24,015	26,574
	CAPITAL OUTLAY			650		
	Total	\$96,577	\$121,866	\$141,155	\$158,504	\$142,037

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Golf Enterprise					
	PERSONNEL SERVICES	658,118	673,235	559,383	529,943	504,772
	PAYROLL FRINGES/INSURANCE	115,330	148,542	139,687	139,754	111,638
	OTHER SERVICES	101,463	88,129	100,365	91,376	93,193
	MATERIALS & SUPPLIES	177,806	152,644	195,021	169,274	160,806
	OTHER CHARGES	246,276	271,813	350,817	281,517	326,423
	PASS THROUGHGS	131,718	133,591	4,720	72,223	33,020
	CAPITAL OUTLAY			12,077		
	VEHICLE OPERATING COSTS	44,726	44,552	36,650	35,650	35,850
	Total	\$1,475,436	\$1,512,506	\$1,398,720	\$1,319,737	\$1,265,701
	Airport					
	PERSONNEL SERVICES	267,227	318,837	273,590	281,474	278,590
	PAYROLL FRINGES/INSURANCE	77,037	112,157	130,369	130,768	126,486
	OTHER SERVICES	123,408	278,576	151,557	141,254	119,940
	MATERIALS & SUPPLIES	26,123	39,206	35,500	28,500	27,000
	OTHER CHARGES	151,938	134,794	156,030	156,080	215,593
	PASS THROUGHGS	7,949	7,935	8,002	2,655	6,885
	CAPITAL OUTLAY					
	VEHICLE OPERATING COSTS	(20,966)	(46,319)	(41,600)	(25,500)	(36,000)
	Total	\$632,715	\$845,186	\$713,448	\$715,231	\$738,494
	Stormwater Sewer System					
	PERSONNEL SERVICES	260,955	371,994	440,606	489,032	574,420
	PAYROLL FRINGES/INSURANCE	85,060	85,994	144,741	174,181	140,097
	OTHER SERVICES	658,929	514,289	487,299	609,209	1,091,450
	MATERIALS & SUPPLIES	137,899	66,440	174,300	154,300	144,200
	OTHER CHARGES	1,010,174	959,338	1,162,736	1,087,513	533,451
	PASS THROUGHGS		133,712	161,076	150,788	1,104,499
	CAPITAL OUTLAY	(216,727)	(164,034)	534,801	518,700	561,800
	VEHICLE OPERATING COSTS	2,531	12,697	5,600	5,750	5,750
	Total	\$1,938,820	\$1,980,430	\$3,111,159	\$3,189,473	\$4,155,667
	1994 Stormwater Bonds Series I					
	PERSONNEL SERVICES	22,578				
	OTHER SERVICES	4,883				
	MATERIALS & SUPPLIES	486				
	OTHER CHARGES	12,221				
	CAPITAL OUTLAY	(40,169)				
	Total					
Internal Service	Central Stores					
	PERSONNEL SERVICES	144,794	182,153	201,171	179,307	190,947
	PAYROLL FRINGES/INSURANCE	52,553	68,053	59,118	62,305	76,893
	OTHER SERVICES	97,747	104,341	119,777	119,877	118,043
	MATERIALS & SUPPLIES	493,373	654,276	808,925	762,950	810,600
	OTHER CHARGES	29,049	26,631	37,717	37,742	57,132
	PASS THROUGHGS	2,853	3,513	3,151	3,151	8,661
	CAPITAL OUTLAY	23,931		1,500	1,500	
	Total	\$844,300	\$1,038,967	\$1,231,359	\$1,166,832	\$1,262,276
	Fleet Services					
	PERSONNEL SERVICES	1,037,219	940,934	955,836	883,454	851,652
	PAYROLL FRINGES/INSURANCE	298,133	338,370	369,972	370,712	353,872
	OTHER SERVICES	165,673	154,887	143,211	136,435	67,199
	MATERIALS & SUPPLIES	44,138	30,100	29,825	22,850	15,650
	OTHER CHARGES	911,498	1,055,943	103,428	103,423	309,408
	PASS THROUGHGS	30,481	37,713	2,580	2,580	518,281
	CAPITAL OUTLAY	26,754	(29,440)	1,131,705	840,731	805,735
	VEHICLE OPERATING COSTS	1,095,171	1,069,696	1,286,390	1,040,765	1,144,100
	EMPLOYEE ALLOWANCES	1,114				
	Total	\$3,610,182	\$3,598,203	\$4,022,947	\$3,400,950	\$4,065,897

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Parks Service Headquarters					
	PERSONNEL SERVICES	41,762	33,097	38,796	45,100	37,722
	PAYROLL FRINGES/INSURANCE	12,147	12,099	15,759	14,440	12,007
	OTHER SERVICES	60,031	56,885	56,440	45,200	43,193
	MATERIALS & SUPPLIES	12,350	10,597	1,000	7,200	4,000
	OTHER CHARGES	5,832	10,028	3,109	3,164	18,182
	Total	\$132,122	\$122,706	\$115,104	\$115,104	\$115,104
	Insurance					
	PERSONNEL SERVICES	196,378	290,771	269,134	282,205	181,005
	PAYROLL FRINGES/INSURANCE	39,218	6,330	91,811	50,603	67,559
	OTHER SERVICES	927,541	1,007,144	825,802	815,982	925,684
	MATERIALS & SUPPLIES	9,645	8,439	9,850	9,850	12,950
	OTHER CHARGES	12,866,420	11,565,802	18,014,076	17,840,193	15,980,714
	PASS THROUGHGS					1,930,300
	CAPITAL OUTLAY	140	2,349			
	Total	\$14,039,341	\$12,880,835	\$19,210,673	\$18,998,833	\$19,098,212
Permanent	Elizabeth R Dean Trust					
	PERSONNEL SERVICES	38,375	50,497	60,966	70,191	48,764
	PAYROLL FRINGES/INSURANCE	9,476	12,953	23,087	22,636	13,677
	OTHER SERVICES	28,887	29,678	7,208	12,288	9,865
	MATERIALS & SUPPLIES	28,257	18,299	12,835	21,660	17,272
	OTHER CHARGES	2,453	2,166	3,087	2,120	221
	PASS THROUGHGS			6,460		
	Total	\$107,449	\$113,593	\$113,643	\$128,895	\$89,799
Pension Trust	Veba Trust					
	OTHER SERVICES	97,695	121,975	145,250	118,500	150,000
	MATERIALS & SUPPLIES			250		250
	OTHER CHARGES	4,167	4,827	6,989	8,989	2,500
	Total	\$101,862	\$126,802	\$152,489	\$127,489	\$152,750
	Employees Retirement System					
	PERSONNEL SERVICES	226,920	243,536	237,269	236,334	286,626
	PAYROLL FRINGES/INSURANCE	16,506,750	19,991,859	20,075,084	20,626,951	20,470,783
	OTHER SERVICES	1,862,069	1,650,527	2,118,900	1,308,144	2,071,250
	MATERIALS & SUPPLIES	5,307	4,194	8,000	5,000	8,000
	OTHER CHARGES	4,835,763	1,851,816	1,045,596	406,596	1,052,695
	PASS THROUGHGS	3,753,020	5,563,590	6,388,398	5,563,590	2,974,648
	CAPITAL OUTLAY	5,507	4,426	4,000		9,000
	Total	\$27,195,335	\$29,309,948	\$29,877,247	\$28,146,615	\$26,873,002
Special Revenue	Energy Projects					
	PERSONNEL SERVICES				10,000	20,000
	OTHER SERVICES		6,950			
	MATERIALS & SUPPLIES	95,955	55,892			
	OTHER CHARGES					3,762
	CAPITAL OUTLAY		1,085	100,000	90,000	140,000
	Total	\$95,955	\$63,927	\$100,000	\$100,000	\$163,762
	Parks Maint & Repair Millage					
	PERSONNEL SERVICES	521,414	654,471	21,940		
	PAYROLL FRINGES/INSURANCE	92,617	110,373			
	OTHER SERVICES	695,954	651,830	103,991		
	MATERIALS & SUPPLIES	140,004	192,386			
	OTHER CHARGES	33,201	112,444			
	CAPITAL OUTLAY	133,826	782,536			
	VEHICLE OPERATING COSTS	35,126	31,409			
	Total	\$1,652,143	\$2,535,449	\$125,931		

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Parks Repair And Restoration Millage					
	PERSONNEL SERVICES			671,634	659,524	902,403
	PAYROLL FRINGES/INSURANCE			181,255	161,818	217,289
	OTHER SERVICES			665,031	664,976	535,822
	MATERIALS & SUPPLIES			172,290	201,939	128,421
	OTHER CHARGES			75,824	74,792	36,855
	PASS THROUGHGS					2,000
	CAPITAL OUTLAY			13,935	12,287	10,000
	VEHICLE OPERATING COSTS					
	Total			\$1,779,969	\$1,775,336	\$1,832,790
	Local Law Enforcement Block Grant					
	OTHER SERVICES	6,556	75,600			
	MATERIALS & SUPPLIES	8,669	37,956			
	CAPITAL OUTLAY	55,612	109,554			
	Total	\$70,837	\$223,110			
	Information Technology					
	PERSONNEL SERVICES	119,920	144,915		28,080	
	PAYROLL FRINGES/INSURANCE		5,579		2,211	
	OTHER SERVICES	1,522,111	1,354,994		264,344	
	MATERIALS & SUPPLIES	195				
	OTHER CHARGES		400	939,710	255,365	950,000
	CAPITAL OUTLAY	883,521	135,606		120,000	
	Total	\$2,525,748	\$1,641,494	\$939,710	\$670,000	\$950,000
	Community Television Network					
	PERSONNEL SERVICES	411,790	447,945	484,006	476,882	556,930
	PAYROLL FRINGES/INSURANCE	93,275	127,270	131,610	127,263	172,233
	OTHER SERVICES	243,225	175,839	228,000	215,000	250,000
	MATERIALS & SUPPLIES	17,373	13,650	26,000	22,000	23,500
	OTHER CHARGES	165,485	136,653	177,998	177,623	102,637
	PASS THROUGHGS	3,532	24,278	83,694	83,694	69,100
	CAPITAL OUTLAY	130,413	86,742	431,502	430,000	219,300
	Total	\$1,065,094	\$1,012,377	\$1,562,810	\$1,532,462	\$1,393,700
	Parks Rehab & Development Mill					
	PERSONNEL SERVICES	197,166	152,844	130,330	133,826	188,455
	PAYROLL FRINGES/INSURANCE	35,523	51,111	41,585	41,660	55,789
	OTHER SERVICES	175,025	150,779	16,404	15,829	27,567
	MATERIALS & SUPPLIES	10,922	14,123	2,000	3,200	2,617
	OTHER CHARGES	42,470	166,935	186,584	189,754	3,534,335
	PASS THROUGHGS					3,400
	CAPITAL OUTLAY	449,026	1,435,378	363,420	2,100,500	
	Total	\$910,133	\$1,971,170	\$740,323	\$2,484,769	\$3,812,163
	Major Street					
	PERSONNEL SERVICES	1,556,354	1,606,825	1,699,672	1,946,230	1,921,912
	PAYROLL FRINGES/INSURANCE	650,408	692,848	956,132	961,376	906,587
	OTHER SERVICES	1,327,862	1,155,456	1,611,712	1,617,737	1,579,426
	MATERIALS & SUPPLIES	405,680	485,853	572,250	515,860	506,461
	OTHER CHARGES	465,347	400,233	416,282	416,232	853,718
	PASS THROUGHGS	40,055	2,060,715	704,471	345,599	787,245
	CAPITAL OUTLAY	47,976	10,487	18,944		20,094
	VEHICLE OPERATING COSTS	6,503	4,367	3,200	900	900
	Total	\$4,500,184	\$6,416,784	\$5,982,663	\$5,803,934	\$6,576,343

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Local Street					
	PERSONNEL SERVICES	391,310	435,980	441,229	454,921	478,427
	PAYROLL FRINGES/INSURANCE		74,846	138,065	152,713	129,863
	OTHER SERVICES	678,402	646,431	657,458	671,549	782,630
	MATERIALS & SUPPLIES	130,742	139,448	227,500	181,540	189,678
	OTHER CHARGES	58,242	87,834	115,129	115,129	91,906
	PASS THROUGHGS	10,991	542,493	158,115	158,115	124,433
	CAPITAL OUTLAY	10,648	9,800	2,190		
	VEHICLE OPERATING COSTS	233	240	250	250	250
	Total	\$1,280,568	\$1,937,072	\$1,739,936	\$1,734,217	\$1,797,187
	Court Facilities					
	PERSONNEL SERVICES					
	PAYROLL FRINGES/INSURANCE					
	OTHER SERVICES	2,474	8,577			107,500
	OTHER CHARGES	9,707				
	CAPITAL OUTLAY		6,319	200,000		102,000
	Total	\$12,181	\$14,896	\$200,000		\$209,500
	Park Acquisition Millage					
	PERSONNEL SERVICES	30,714	9,156	7,868	8,664	3,486
	PAYROLL FRINGES/INSURANCE	6,711	7,886	2,325	2,351	845
	OTHER SERVICES	23,586	20,162	32,000	28,034	60,000
	MATERIALS & SUPPLIES	1,875		2,500	2,000	2,500
	OTHER CHARGES	31,385	80,106	73,503	73,503	16,425
	PASS THROUGHGS	26,924				
	CAPITAL OUTLAY			2,000,000	2,003,644	5,634,904
	Total	\$121,195	\$117,310	\$2,118,196	\$2,118,196	\$5,718,160
	Bandemer Property					
	PERSONNEL SERVICES	337		1,400	1,200	
	OTHER SERVICES	35,164	4,955	20,600	5,000	21,950
	MATERIALS & SUPPLIES			1,000	500	3,500
	OTHER CHARGES	5,627		8,500	5,245	12,146
	Total	\$41,128	\$4,955	\$31,500	\$11,945	\$37,596
	Construction Code Fund					
	PERSONNEL SERVICES					923,772
	PAYROLL FRINGES/INSURANCE					388,401
	OTHER SERVICES					91,207
	MATERIALS & SUPPLIES					13,000
	OTHER CHARGES					346,302
	CAPITAL OUTLAY					1,000
	VEHICLE OPERATING COSTS					4,000
	Total					\$1,767,681
	Drug Enforcement					
	OTHER SERVICES	5,154	9,543	5,000	5,000	6,500
	MATERIALS & SUPPLIES	15,183	2,379	5,000		
	OTHER CHARGES	130		10,000		
	CAPITAL OUTLAY	1,213	4,445		5,000	5,500
	COMMUNITY DEVELOPMENT RECIPIENTS	7,500	9,500			
	Total	\$29,180	\$25,867	\$20,000	\$10,000	\$12,000
	Federal Equitable Sharing Forf					
	CAPITAL OUTLAY				104,000	106,000
	Total				\$104,000	\$106,000
	Ann Arbor Assistance					
	COMMUNITY DEVELOPMENT RECIPIENTS	5,798	6,090	8,200	5,620	6,050
	Total	\$5,798	\$6,090	\$8,200	\$5,620	\$6,050

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Street Repair Millage					
	PERSONNEL SERVICES	433,126	575,897	911,922		595,605
	PAYROLL FRINGES/INSURANCE		83,385	224,022		144,138
	OTHER SERVICES	993,422	1,511,245			
	MATERIALS & SUPPLIES	20,896	29,906			
	OTHER CHARGES	665,375	824,328	861,364	92,329	8,168,662
	PASS THROUGHGS		687,088			290,745
	CAPITAL OUTLAY	4,213,573	4,479,292			
	Total	\$6,326,391	\$8,191,141	\$1,997,308	\$92,329	\$9,199,150
	Alternative Transportation					
	PERSONNEL SERVICES					33,555
	PAYROLL FRINGES/INSURANCE					6,027
	OTHER CHARGES					325,139
	Total					\$364,721
	Michigan Justice Training					
	OTHER SERVICES	34,878	49,661	60,000	15,000	47,000
	Total	\$34,878	\$49,661	\$60,000	\$15,000	\$47,000
	Affordable Housing					
	PASS THROUGHGS					68,075
	COMMUNITY DEVELOPMENT RECIPIENTS	100,000	6,975	550,000	443,000	559,769
	Total	\$100,000	\$6,975	\$550,000	\$443,000	\$627,844
	Solid Waste Fund					
	PERSONNEL SERVICES					1,728,059
	PAYROLL FRINGES/INSURANCE					779,647
	OTHER SERVICES					4,216,554
	MATERIALS & SUPPLIES					81,851
	OTHER CHARGES					1,914,158
	PASS THROUGHGS	605,755	126,896	590,000	1,140,500	803,802
	CAPITAL OUTLAY					1,374,750
	VEHICLE OPERATING COSTS					135,000
	Total	\$605,755	\$126,896	\$590,000	\$1,140,500	\$11,033,821
	Comm Develop Block Gr					
	PERSONNEL SERVICES	276,684	290,922	511,371	332,838	305,161
	PAYROLL FRINGES/INSURANCE	34,720	30,389	71,906	319	81,455
	OTHER SERVICES	8,752	10,567	21,260	10,727	26,083
	MATERIALS & SUPPLIES	6,154	7,998	7,816	2,900	8,400
	OTHER CHARGES	1,392	235,414	5,785	935	245,291
	PASS THROUGHGS					3,000
	CAPITAL OUTLAY	18,065				
	COMMUNITY DEVELOPMENT RECIPIENTS	1,331,285	1,360,750	1,558,305	1,405,055	1,160,360
	VEHICLE OPERATING COSTS	674	511	1,000	478	1,550
	Total	\$1,677,727	\$1,936,551	\$2,177,443	\$1,753,252	\$1,831,300
	Home Program					
	PERSONNEL SERVICES	76,525	50,072	80,106	51,820	109,262
	PAYROLL FRINGES/INSURANCE	6,120	9,494	24,327	13,774	22,284
	OTHER SERVICES	2,107		200	(1,720)	400
	MATERIALS & SUPPLIES	17	96			
	OTHER CHARGES			721		1,853
	CAPITAL OUTLAY					500
	COMMUNITY DEVELOPMENT RECIPIENTS	436,950	251,107	3,031,249	762,885	3,400,625
	Total	\$521,719	\$310,769	\$3,136,603	\$826,759	\$3,534,924

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
	Leslie Homestead					
	PERSONNEL SERVICES	163,616	151,661	168,249	164,749	
	PAYROLL FRINGES/INSURANCE	23,451	18,382	24,531	24,531	
	OTHER SERVICES	22,954	19,184	24,752	23,002	
	MATERIALS & SUPPLIES	14,516	8,588	13,000	9,700	
	OTHER CHARGES	2,617	4,252	10,147	10,209	
	Total	\$227,155	\$202,067	\$240,679	\$232,191	
	Major Grant Programs Fund					
	PERSONNEL SERVICES	442,880	268,071	93,564		4,443
	PAYROLL FRINGES/INSURANCE		24,864	25,956		1,004
	OTHER SERVICES	4,694	91,029			
	MATERIALS & SUPPLIES	24,346	14,298			
	OTHER CHARGES	24,387	39,565			
	PASS THROUGHGS					
	CAPITAL OUTLAY		178,239			
	EMPLOYEE ALLOWANCES	7,500	18,684	2,600		
	Total	\$503,807	\$634,750	\$122,120		\$5,447
Component Unit	DDA/Housing Fund					
	OTHER SERVICES	4,587				
	OTHER CHARGES	127,725	85,000		81,605	
	PASS THROUGHGS				34,131	68,075
	Total	\$132,312	\$85,000		\$115,736	\$68,075
	Downtown Development Authority					
	PERSONNEL SERVICES	63,924	62,450	152,210	124,643	74,440
	PAYROLL FRINGES/INSURANCE	7,659	7,639	25,138		7,565
	OTHER SERVICES	219,159	382,173	581,100	475,245	1,083,875
	MATERIALS & SUPPLIES	4,075	2,959	9,000	3,700	5,000
	OTHER CHARGES	644,527	125,732	7,512,905	213,905	209,358
	PASS THROUGHGS	2,047,199	1,920,203	2,001,915	1,901,915	3,566,291
	CAPITAL OUTLAY	196,430	253,806	2,382,500	107,500	810,000
	Total	\$3,182,974	\$2,754,962	\$12,664,768	\$2,826,908	\$5,756,529
	Dda Parking System					
	PERSONNEL SERVICES	101,005	91,852	123,058		202,546
	PAYROLL FRINGES/INSURANCE	12,149	18,345	23,499		39,657
	OTHER SERVICES	4,189,268	4,855,062	4,930,088	4,702,074	6,145,890
	MATERIALS & SUPPLIES	571	34,883	2,000	750	2,000
	OTHER CHARGES	24,529	351,331	376,250	154,250	193,684
	PASS THROUGHGS	3,930,369	4,655,965	4,349,150	4,574,150	4,036,952
	CAPITAL OUTLAY	29,702	132,069	5,000	5,000	1,777,000
	Total	\$8,287,594	\$10,139,507	\$9,809,045	\$9,436,224	\$12,397,729
City Totals	PERSONNEL SERVICES	54,003,252	51,660,299	52,104,415	51,663,388	52,862,530
	PAYROLL FRINGES/INSURANCE	32,731,044	37,310,506	39,601,486	39,908,360	40,223,899
	OTHER SERVICES	34,493,890	33,319,153	32,188,191	29,550,972	42,489,121
	MATERIALS & SUPPLIES	5,789,340	6,185,434	6,605,126	6,044,877	9,406,905
	OTHER CHARGES	46,405,719	38,948,073	54,528,112	42,355,240	74,513,423
	PASS THROUGHGS	33,995,485	27,518,722	25,776,034	25,744,882	37,164,291
	CAPITAL OUTLAY	6,450,769	8,442,892	10,006,855	9,264,949	22,946,998
	VEHICLE OPERATING COSTS	1,489,996	1,590,446	1,488,806	1,363,508	1,512,990
	COMMUNITY DEVELOPMENT RECIPIENTS	3,125,083	3,043,967	6,579,359	3,999,810	6,516,659
	EMPLOYEE ALLOWANCES	432,537	394,484	469,800	567,284	350,304
	Total	\$218,917,115	\$208,413,976	\$229,348,184	\$210,463,270	\$287,987,119

FTE Count by Service Area/Unit

	2001/02	2002/03	2003/04	2004/05
MAYOR & CITY COUNCIL	1.50	1.00	1.00	1.00
Total Mayor & City Council	1.50	1.00	1.00	1.00
CITY ATTORNEY	13.75	14.00	12.50	14.00
Total City Attorney	13.75	14.00	12.50	14.00
CITY ADMINISTRATOR	4.45	4.45	4.80	3.80
ENVIRONMENTAL COORDINATION	2.00	2.00	3.00	2.00
HUMAN RESOURCES	13.80	13.80	11.80	12.00
Total City Administrator Service Area	20.25	20.25	19.60	17.80
CITY CLERK	6.32	5.44	4.88	5.12
COMMUNITY SERVICES ADMINISTRATION	-	-	-	17.45
CTN-PUBLIC INFORMATION	11.00	13.00	12.00	12.00
DEVELOPMENT	35.00	35.50	29.00	22.00
HOUSING & HUMAN SERVICES	8.50	8.50	9.00	8.13
MASTER PLANNING	10.75	10.75	9.75	2.21
PARKS & RECREATION	32.33	33.55	22.99	18.02
Total Community Services Area	103.90	106.74	87.62	84.93
ACCOUNTING	15.25	15.25	11.50	10.00
ASSESSOR	10.00	10.00	8.00	8.00
FINANCIAL & BUDGET PLANNING	3.00	3.00	3.00	4.00
INFORMATION TECHNOLOGY	18.85	19.00	17.00	16.75
RISK MANAGEMENT	4.00	3.00	3.00	1.00
TREASURY	15.50	15.50	11.00	9.00
Total Financial Services Area	66.60	65.75	53.50	48.75
CAPITAL PROJECTS	-	-	-	16.75
CUSTOMER SERVICE CENTER	16.00	17.00	14.00	15.70
FIELD OPERATIONS	188.32	174.00	154.66	145.55
FLEET & FACILITY	27.00	27.00	23.00	21.00
PROJECT MANAGEMENT	35.00	35.00	34.00	18.89
PUBLIC SERVICES ADMINISTRATION	7.00	6.00	13.35	14.27
SYSTEMS PLANNING	-	-	-	6.21
WASTEWATER TREATMENT	45.00	39.00	36.00	35.06
WATER TREATMENT	32.00	32.00	28.00	24.34
Total Public Services Area	350.32	330.00	303.01	297.77

FTE Count by Service Area/Unit

	2001/02	2002/03	2003/04	2004/05
FIRE	113.50	115.00	100.08	90.00
POLICE	242.43	239.84	236.33	224.84
Total Safety Services Area	355.93	354.84	336.41	314.84
FIFTEENTH DISTRICT COURT	39.75	40.00	41.00	41.00
Total Fifteenth District Court	39.75	40.00	41.00	41.00
RETIREMENT SYSTEM	3.50	3.75	3.75	3.75
Total Retirement System	3.50	3.75	3.75	3.75
DOWNTOWN DEVELOPMENT AUTHORITY	2.00	2.80	3.20	3.20
Total Downtown Development Authority	2.00	2.80	3.20	3.20
NON-DEPARTMENTAL	1.00	1.00	-	-
Total Non-departmental	1.00	1.00	0.00	0.00
Grand total of City FTEs	958.50	940.13	861.59	827.04



MAYOR & CITY COUNCIL

Composed of the Mayor and ten Council members, two from each of five wards, the City Council is the governing body for the City of Ann Arbor. The role of City Council is to determine policy for the City. The Mayor and City Council address the needs of all citizens by providing information and general assistance.

MAYOR & CITY COUNCIL

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CHARGES FOR SERVICES	25	25	-	-	-
MISCELLANEOUS REVENUE	29,364	-	-	-	-
Total	\$29,389	\$25	\$	\$	\$

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	29,389	25	-	-	-
Total	\$29,389	\$25	\$	\$	\$

MAYOR & CITY COUNCIL

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	155,202	158,790	160,039	175,355	238,608
PAYROLL FRINGES/INSURANCE	20,084	21,503	25,032	25,660	64,574
OTHER SERVICES	3,952	6,820	14,300	2,142	13,100
MATERIALS & SUPPLIES	4,890	5,513	1,050	1,050	1,050
OTHER CHARGES	4,030	2,897	4,047	4,047	137
Total	\$188,159	\$195,523	\$204,468	\$208,254	\$317,469

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	188,159	195,523	204,468	208,254	317,469
Total	\$188,159	\$195,523	\$204,468	\$208,254	\$317,469

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
MAYOR & CITY COUNCIL	1.50	1.00	1.00	1.00
Total	1.50	1.00	1.00	1.00

MAYOR & CITY COUNCIL

EXPENSES

Mayor & the City Council – This increase represents the salary increase for the Mayor and the City Council recommended by the local office of the State Officers' Compensation Committee.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the offices of the Mayor & the City Council would be charged \$125,546 in 2004/05.

MAYOR & CITY COUNCIL

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
EXEC ASSISTANT TO THE MAYOR	000200	1.00	58,643
Total		1.00	\$58,643

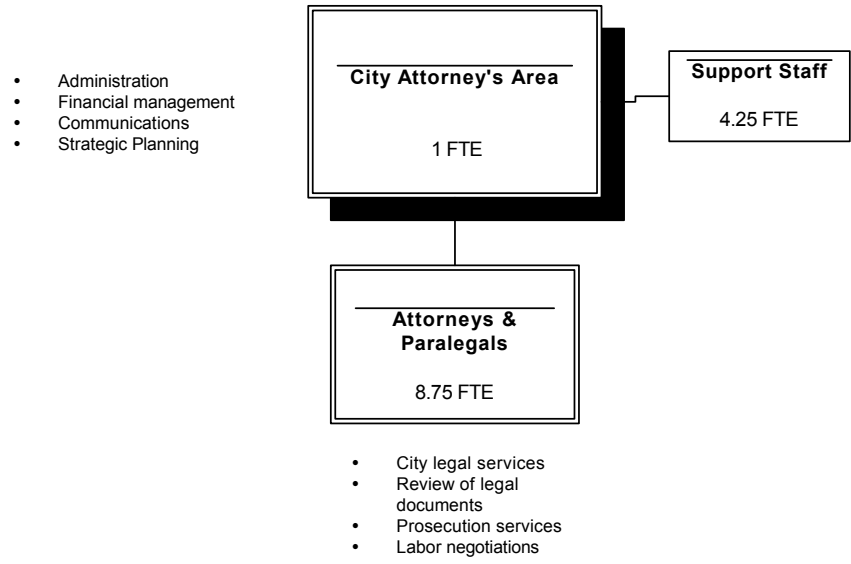




CITY ATTORNEY

The City Attorney's Office performs legal services for the City, including legal advice to city officials, preparation and review of legal documents, prosecution of persons accused of violating city ordinances, and representation of the City and city officials in lawsuits.

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The City Attorney is appointed by and responsible to the City Council. The City Attorney is the City's Chief Legal Officer. The City Attorney's Area provides the organization with a broad array of services such as: performing legal services for the City, legal advice to City officials, preparation and review of legal documents, drafting and review of ordinances, prosecution of persons accused of violating City ordinances, labor negotiations, and representation of the City in lawsuits.

CITY ATTORNEY

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OPERATING TRANSFERS	-	67,000	122,000	122,000	118,000
PRIOR YEAR SURPLUS	-	-	17,560	-	-
MISCELLANEOUS REVENUE	-	75	-	-	-
LICENSES, PERMITS & REGISTRATION	7,260	-	-	-	-
FINES & FORFEITS	-	(280)	-	-	-
Total	\$7,260	\$66,795	\$139,560	\$122,000	\$118,000

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	7,260	66,795	139,560	122,000	118,000
Total	\$7,260	\$66,795	\$139,560	\$122,000	\$118,000

CITY ATTORNEY

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	665,122	671,713	873,717	868,905	999,546
PAYROLL FRINGES/INSURANCE	168,400	182,136	241,914	216,132	361,360
OTHER SERVICES	202,650	322,502	258,360	331,280	162,800
MATERIALS & SUPPLIES	47,337	58,865	55,500	55,500	52,500
OTHER CHARGES	33,620	21,939	32,939	32,939	7,389
CAPITAL OUTLAY	-	12,708	9,000	8,284	-
Total	\$1,117,129	\$1,269,863	\$1,471,430	\$1,513,040	\$1,583,595

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	1,117,129	1,269,863	1,471,430	1,513,040	1,583,595
Total	\$1,117,129	\$1,269,863	\$1,471,430	\$1,513,040	\$1,583,595

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CITY ATTORNEY	13.75	14.00	12.50	14.00
Total	13.75	14.00	12.50	14.00

CITY ATTORNEY

EXPENSES

Other Services – The decrease reflects the anticipated reduction in the use of outside counsel and temporary clerical services. Actual numbers may depend on labor situation. An adjustment to the budget may be necessary in December 2004.

Personnel Services – The increase reflects the addition of personnel to the City Attorney budget and the “pay plan adjustment” for the City Attorney’s office approved by Council in August 2003, phased in, but not budgeted in FY 2003/04. Staff changes include the:

- Addition of .25 FTE Attorney; and
- Addition of 1.25 FTE Support staff.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City’s administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the City Attorney’s Area would be charged \$170,566 in 2004/05.

CITY ATTORNEY

Allocated Positions

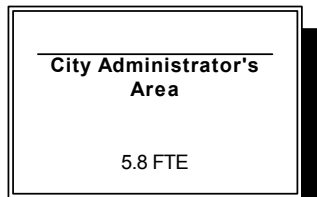
Job Description	Job Class	FTE's	Total Costs
ADMINISTRATIVE ASSISTANT II	000570	1.00	67,451
ASSISTANT CITY ATTORNEY	403210	1.00	86,591
CHIEF ASST CITY ATTORNEY	403750	1.00	124,309
CITY ATTORNEY	403280	1.00	155,017
CLERK STENOGRAPHER III	000170	0.75	39,515
CLERK TYPIST II	000110	0.50	22,619
LEGAL SECRETARY	000190	2.00	100,162
LEGAL ASSISTANT PARALEGAL	402100	2.00	121,429
SENIOR ASSISTANT CITY ATTORNEY	403300	4.75	510,124
Total		14.00	\$1,227,217



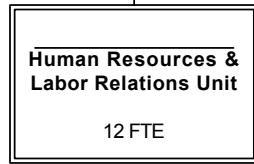


CITY ADMINISTRATOR SERVICE AREA

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- City Administration
- Environmental Coordination Program
- Strategic Planning
- Public Policy Analysis
- Citizen Communications



- Employee policies
- Labor relations, contract negotiations, grievances & arbitration
- Employee Benefits
- Wage & salary administration
- Compensation analysis
- Job design & descriptions
- Performance management system
- Affirmative Action Program
- Training & development
- Recruitment

The City Administrator is appointed by the City Council and is the Chief Administrative Officer for the City. The City Administrator provides management and direction to nearly all City functions. The City Administrator's Service Area is comprised of three service functions: Administration, Human Resources, and Environmental Coordination. The City Administrator's Area provide the organization with a broad array of services such as: employee policies, benefits, training, development, and labor relations; environmental programs, public policy analysis, citizen communications, and general City administration.

City Administrator's Area

CITY ADMINISTRATOR SERVICE AREA

Revenues By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CITY ADMINISTRATOR	3,040,381	4,749,733	2,622,564	2,622,564	4,103,407
ENVIRONMENTAL COORDINATION	151,022	422,748	173,611	173,611	168,891
HUMAN RESOURCES	4,896	-	-	-	-
Total	\$3,196,299	\$5,172,481	\$2,796,175	\$2,796,175	\$4,272,298

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	3,051,777	4,859,409	2,622,564	2,622,564	4,103,407
ENERGY PROJECTS (0002)	136,522	153,215	173,611	173,611	168,891
MAJOR GRANT PROGRAMS FUND (00MG)	8,000	159,857	-	-	-
Total	\$3,196,299	\$5,172,481	\$2,796,175	\$2,796,175	\$4,272,298

CITY ADMINISTRATOR SERVICE AREA

Expenses By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
HUMAN RESOURCES	1,287,829	1,318,865	16,305,238	16,085,447	15,556,422
CITY ADMINISTRATOR	570,458	754,927	673,227	632,730	581,429
ENVIRONMENTAL COORDINATION	523,660	676,402	441,438	413,829	483,558
Total	\$2,381,947	\$2,750,194	\$17,419,903	\$17,132,006	\$16,621,409

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INSURANCE (0057)	41,773	141,631	15,105,348	15,069,861	14,365,180
GENERAL (0010)	2,236,220	2,430,836	2,214,555	1,962,145	2,092,467
ENERGY PROJECTS (0002)	95,955	63,927	100,000	100,000	163,762
MAJOR GRANT PROGRAMS FUND (00MG)	8,000	113,800	-	-	-
Total	\$2,381,947	\$2,750,194	\$17,419,903	\$17,132,006	\$16,621,409

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CITY ADMINISTRATOR	4.45	4.45	4.80	3.80
ENVIRONMENTAL COORDINATION	2.00	2.00	3.00	2.00
HUMAN RESOURCES	13.80	13.80	11.80	12.00
Total	20.25	20.25	19.60	17.80

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CITY ADMINISTRATOR SERVICE AREA

CITY ADMINISTRATOR

The City Administrator is the Chief Executive Officer of the City and is appointed by the Mayor & the City Council. The City Administrator's office is responsible for directing and supervising most of the service operations of the City. Other responsibilities include organizational development, community relations, intergovernmental relations, public policy analysis, strategic planning, and communications. There are 3.8 FTE employees in the City Administrator's Unit.

CITY ADMINISTRATOR SERVICE AREA
CITY ADMINISTRATOR

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INTRA GOVERNMENTAL SALES	3,040,309	2,949,829	2,622,564	2,622,564	4,103,407
OPERATING TRANSFERS	-	1,799,840	-	-	-
MISCELLANEOUS REVENUE	72	64	-	-	-
Total	\$3,040,381	\$4,749,733	\$2,622,564	\$2,622,564	\$4,103,407

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	3,040,381	4,749,733	2,622,564	2,622,564	4,103,407
Total	\$3,040,381	\$4,749,733	\$2,622,564	\$2,622,564	\$4,103,407

CITY ADMINISTRATOR SERVICE AREA
CITY ADMINISTRATOR

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	387,568	491,237	373,761	384,525	298,749
OTHER SERVICES	40,916	118,933	158,950	161,520	161,400
PAYROLL FRINGES/INSURANCE	109,544	126,158	118,303	78,003	109,277
OTHER CHARGES	26,526	13,145	16,513	2,982	6,403
MATERIALS & SUPPLIES	5,903	5,454	5,700	5,700	5,600
Total	\$570,458	\$754,927	\$673,227	\$632,730	\$581,429

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	570,458	754,927	673,227	632,730	581,429
Total	\$570,458	\$754,927	\$673,227	\$632,730	\$581,429

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CITY ADMINISTRATOR	4.45	4.45	4.80	3.80
Total	4.45	4.45	4.80	3.80

CITY ADMINISTRATOR – ADMINISTRATION UNIT

EXPENSES

Personnel Services – The decrease in this area is due to the transfer of the Chief Financial Officer position to the Financial & Administrative Services budget.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Administration Unit would be charged \$91,841 in 2004/05.

CITY ADMINISTRATOR

GOAL: Improve City communications to employees and citizens to improve morale and image of the City

OBJECTIVE: Update City Communications Plan and Website

ACTIVITIES	SCHEDULED COMPLETION DATE
Update City Communications Plan	May 2005
Establish Website contact list for written materials and content	June 2005
Develop schedule for Website updates	June 2005
Work with IT contacts to improve "look" of website in addition to content	July 2005
Regular updates to Website	Ongoing

GOAL: Improve City communications to employees and citizens to improve morale and image of the City

OBJECTIVE: Implement Community email List-serve in City

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify contractor to host Community List-serve	May 2005
Establish List-serve connections through IT Service Unit	June 2005
Develop communication for Website and press release	June 2005
Develop schedule for List-serve updates	June 2005
Email communications to community through List-serve	Ongoing; Twice per month

CITY ADMINISTRATOR

GOAL: Improve City services in the most cost effective manner

OBJECTIVE: Conduct Citizen's Survey to collect data regarding City programs and services

ACTIVITIES	SCHEDULED COMPLETION DATE
Engage National Research Center, Inc. (NRC) to conduct National Citizen Survey through ICMA	May 2005
Gather data and information needed by NRC for survey	May 2005
Surveys mailed in community	June 2004
Data collection by NRC	June 2004
Final count /assimilation of data from survey	July 2004
Draft report from NRC	August 2004
Final report from NRC	September 2004

CITY ADMINISTRATOR SERVICE AREA
CITY ADMINISTRATOR

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ASST TO THE CITY ADMINISTRATOR	403130	1.00	87,527
CITY ADMINISTRATOR	403120	1.00	162,226
CLERK STENOGRAPHER III	000170	0.80	41,390
OFFICE ADMINISTRATOR	000580	1.00	60,551
Total		3.80	\$351,694

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CITY ADMINISTRATOR SERVICE AREA

ENVIRONMENTAL COORDINATION

The Environmental Coordinator's Office is responsible for the City's environmental policy and program management. The Office advises City officials regarding environmental issues. Duties of the Office include the preparation of an annual report on the environment, corresponding budget, and support of the environmental management initiatives established by the City. There are 2 FTE employees who coordinate the environmental activities for the City.

CITY ADMINISTRATOR SERVICE AREA
ENVIRONMENTAL COORDINATION

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OPERATING TRANSFERS	123,768	139,079	158,979	158,979	156,259
CONTRIBUTIONS	9,632	9,632	9,632	9,632	9,632
INVESTMENT INCOME	3,122	(83)	5,000	5,000	3,000
INTERGOVERNMENTAL REVENUES	10,500	253,320	-	-	-
MISCELLANEOUS REVENUE	4,000	20,800	-	-	-
Total	\$151,022	\$422,748	\$173,611	\$173,611	\$168,891

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
ENERGY PROJECTS (0002)	136,522	153,215	173,611	173,611	168,891
MAJOR GRANT PROGRAMS FUND (00MG)	8,000	159,857	-	-	-
GENERAL (0010)	6,500	109,676	-	-	-
Total	\$151,022	\$422,748	\$173,611	\$173,611	\$168,891

CITY ADMINISTRATOR SERVICE AREA
ENVIRONMENTAL COORDINATION

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	147,516	205,729	158,488	156,520	174,992
CAPITAL OUTLAY	97,748	210,727	102,919	90,000	140,500
PASS THROUGH	100,000	100,000	110,000	100,000	100,000
OTHER SERVICES	49,443	45,953	26,283	32,840	32,450
PAYROLL FRINGES/INSURANCE	12,027	28,335	29,565	26,252	27,124
OTHER CHARGES	12,531	15,704	8,251	5,917	6,192
MATERIALS & SUPPLIES	103,695	69,954	5,932	2,300	2,300
EMPLOYEE ALLOWANCES	700	-	-	-	-
Total	\$523,660	\$676,402	\$441,438	\$413,829	\$483,558

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	419,705	498,675	341,438	313,829	319,796
ENERGY PROJECTS (0002)	95,955	63,927	100,000	100,000	163,762
MAJOR GRANT PROGRAMS FUND (00MG)	8,000	113,800	-	-	-
Total	\$523,660	\$676,402	\$441,438	\$413,829	\$483,558

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
ENVIRONMENTAL COORDINATION	2.00	2.00	3.00	2.00
Total	2.00	2.00	3.00	2.00

**CITY ADMINISTRATOR
ENVIRONMENTAL UNIT**

EXPENSES

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Environmental Coordination Unit would be charged \$57,435 in 2004/05.

CITY ADMINISTRATOR
ENVIRONMENTAL COORDINATION UNIT

GOAL: Reduce Energy Costs

OBJECTIVE: Improve energy data collection and analysis

ACTIVITIES	SCHEDULED COMPLETION DATE
Complete transition to new energy management software	June 2004
Evaluate opportunities to use a centralized energy bill payment system to improve data entry and analysis	July 2004

GOAL: Reduce Energy Costs

OBJECTIVE: Use Energy Fund to support energy efficiency projects

ACTIVITIES	SCHEDULED COMPLETION DATE
Use Energy Fund to purchase additional LED street light replacements	December 2005
Implement LED street light experiment for City Hall	December 2005
Review energy efficiency opportunities for current facilities and new maintenance building	January 2005
Implement new efficiency programs	June 2005

CITY ADMINISTRATOR
ENVIRONMENTAL COORDINATION UNIT

GOAL: Reduce Energy Costs

OBJECTIVE: Explore opportunities to purchase energy

ACTIVITIES	SCHEDULED COMPLETION DATE
Explore opportunities for Natural Gas purchase	July 2004
Explore opportunities for electricity purchase	December 2005
Evaluate existing purchase programs	January 2005

GOAL: Improve public environmental education

OBJECTIVE: State of the Environment Report

ACTIVITIES	SCHEDULED COMPLETION DATE
Complete drafts of major sections	June 2004
Complete review by City staff and Environmental Commission	September 2004
Web based version available on the City Website	January 2005
Updates	Ongoing

CITY ADMINISTRATOR SERVICE AREA
ENVIRONMENTAL COORDINATION

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ENERGY COORDINATOR	401170	1.00	74,015
ENVIRONMENTAL COORDINATOR	401410	1.00	87,559
Total		2.00	\$161,574

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CITY ADMINISTRATOR SERVICE AREA

HUMAN RESOURCES

Human Resources is responsible for the personnel function in the City including recruitment, employee relations, training/development, employee benefits program, labor relations & negotiations, compensation program, performance management, affirmative action, and employee policies and procedures. There are 12 FTE employees in the Human Resources Unit.

CITY ADMINISTRATOR SERVICE AREA
HUMAN RESOURCES

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
MISCELLANEOUS REVENUE	4,896	-	-	-	-
Total	\$4,896	\$	\$	\$	\$

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	4,896	-	-	-	-
Total	\$4,896	\$	\$	\$	\$

CITY ADMINISTRATOR SERVICE AREA
HUMAN RESOURCES

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER CHARGES	32,462	25,333	15,002,809	14,962,331	14,215,721
PERSONNEL SERVICES	736,055	746,611	732,749	596,667	778,983
PAYROLL FRINGES/INSURANCE	164,019	218,062	236,015	238,167	273,978
OTHER SERVICES	294,221	268,049	283,265	256,832	239,940
MATERIALS & SUPPLIES	56,098	57,627	46,000	27,450	38,100
PASS THROUGHGS	-	-	-	-	5,300
CAPITAL OUTLAY	4,974	3,183	4,400	4,000	4,400
Total	\$1,287,829	\$1,318,865	\$16,305,238	\$16,085,447	\$15,556,422

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INSURANCE (0057)	41,773	141,631	15,105,348	15,069,861	14,365,180
GENERAL (0010)	1,246,057	1,177,234	1,199,890	1,015,586	1,191,242
Total	\$1,287,829	\$1,318,865	\$16,305,238	\$16,085,447	\$15,556,422

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
HUMAN RESOURCES	13.80	13.80	11.80	12.00
Total	13.80	13.80	11.80	12.00

CITY ADMINISTRATOR – HUMAN RESOURCES UNIT

EXPENSES

Materials & Supplies – The decrease of \$8,400 reflects efforts to reduce costs, while maintaining \$17,000 for the Employee Recognition Program.

Other Charges – This reflects:

- An increase of \$8,100 for allocated costs for property and liability insurance;
- A decrease of \$64,300 for parking space rent due to distribution to individual cost centers; and
- An increase for Benefits for new healthcare program that will contain cost to 4% vs. 14% projected if the HMO and PPO offerings were both continued. HMO premiums will no longer be incurred. The Blue Cross healthcare expense represent a fully self-funded health care program including administrative fees and stop-loss insurance.

Other Services – The decrease of \$43,000 reflects reductions in most object codes while maintaining \$10,000 for a Customer Service Program and adding \$5,000 for Disabilities Commission training.

Payroll Fringes – The increase of \$30,000 reflects the increases in retirement medical costs despite a \$12,000 savings due to elimination of the Childcare Reimbursement Program.

Personnel Services – No significant amount change with the reduction of (.75) FTE Human Rights Coordinator position.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Human Resources Unit would be charged \$977,200 in 2004/05.

CITY ADMINISTRATOR
HUMAN RESOURCES UNIT

GOAL: Improve financial strength and stability of the City

OBJECTIVE: Improve employee and labor relations

ACTIVITIES	SCHEDULED COMPLETION DATE
Successfully conclude AAPOA and IAFF contract negotiations and/or Act 312 processes	September 2004
Lead labor contract negotiations strategy for COAM, Teamsters Police Clericals and Teamsters Deputy Chiefs	November 2004
Design and offer Employee/Labor Relations supervisory training	December 2004
Revise City-wide Human Resources policies and implement a policy manual as a single source of reference for all employees	June 2005
Create and maintain Human Resources Intranet site	December 2004

GOAL: Improve the leadership of the City

OBJECTIVE: Implement changes to the City's employment and staff development programs

ACTIVITIES	SCHEDULED COMPLETION DATE
Implement a comprehensive new hire orientation program	October 2004
Re-examine and expand upon Leadership Program (AALP) ensuring offerings are supportive of strategic plan and job progression models	August 2004
Establish a tracking system and communications/coaching processes to facilitate building of competencies outlined in progression models with employees and responsible-managers	September 2004

CITY ADMINISTRATOR
HUMAN RESOURCES UNIT

GOAL: Improve financial strength and stability of the City

OBJECTIVE: Revise and make improvements in City compensation and HRIS programs

ACTIVITIES	SCHEDULED COMPLETION DATE
Institute a revised performance planning and evaluation system for all salaried employees stressing individuals' objectives aligned with the strategic business plan	July 2004
Revise the salary pay plan structure, communicate to all salaried employees and utilize for merit pay process in 2004	August 2004
Support job redesign activities and job progression models	Ongoing
Continue refinement and utilization of AMS HRIS throughout the City and design and promote management reports for the business areas	Ongoing
Facilitate the design, education and implementation of a new Teamsters supervisory pay-for-performance evaluation program	August 2004

CITY ADMINISTRATOR
HUMAN RESOURCES UNIT

GOAL: Improve financial strength and stability of the City

OBJECTIVE: Maintain competitive employee benefits program while achieving cost effectiveness

ACTIVITIES	SCHEDULED COMPLETION DATE
Manage conversion of health plans from one PPO and three HMOs into one PPO offering with large potential cost savings to City	July 2004
Develop ongoing communications program to provide consistent, accurate, timely and useful information to employees to ensure benefit offerings are properly understood and utilized	Ongoing
Analyze alternatives to current benefit programs to discover potential cost-efficiencies	December 2004
With Compensation, develop "Total Rewards" compensation / benefits concept and promote to employees	December 2004

CITY ADMINISTRATOR SERVICE AREA
HUMAN RESOURCES

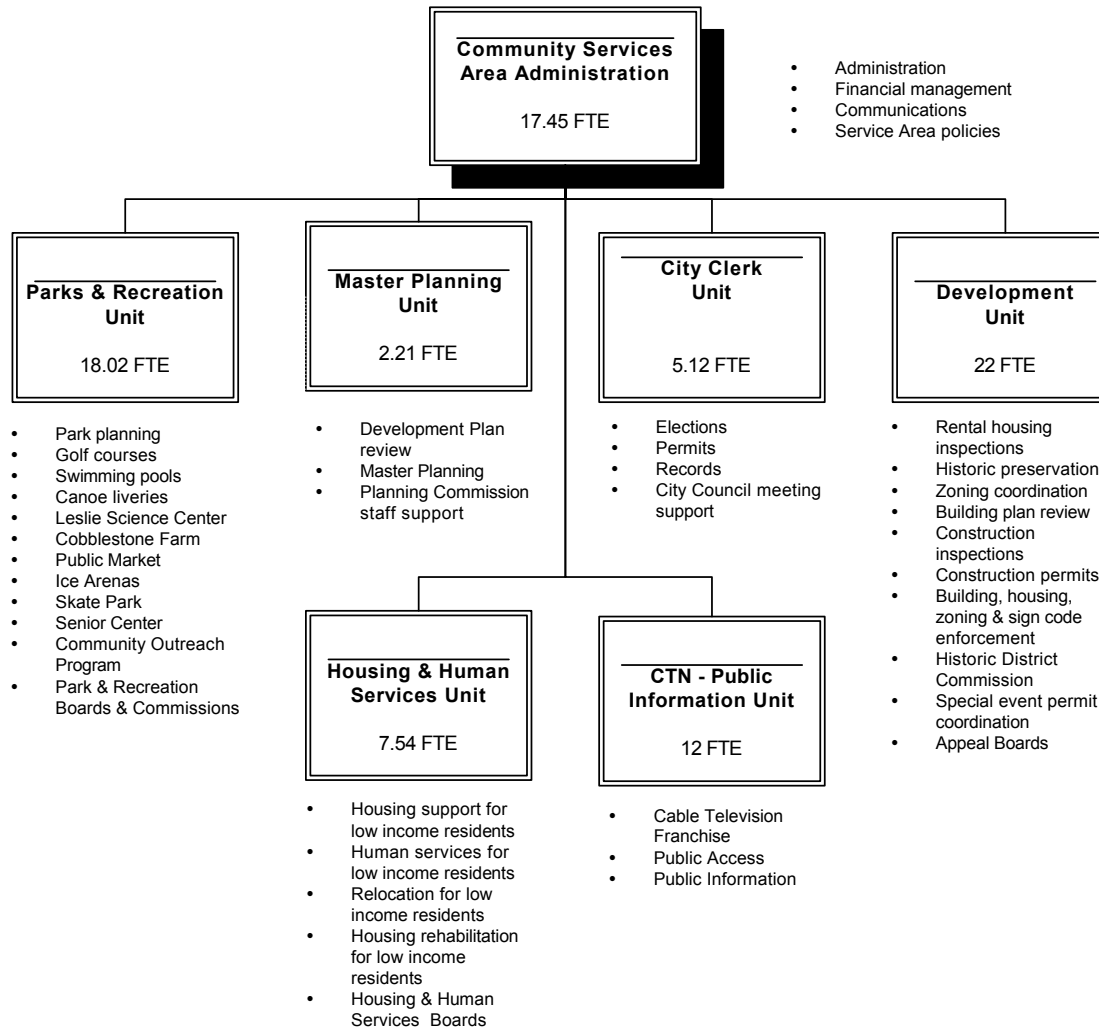
Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ADMIN SERVICES SPECIALIST	000140	1.00	49,187
AFSCME PRESIDENT	110500	1.00	71,363
BENEFITS CONSULTANT	404050	1.00	71,165
COMPENSATION CONSULTANT	404070	1.00	90,120
EMP/LABOR RELATIONS CONSULTANT	401150	1.00	77,387
EMPLOYEE BENEFITS MANAGER	403690	1.00	99,015
HR & LABOR RELATIONS DIRECTOR	403890	1.00	118,825
HUMAN RESOURCE TECHNICIAN	000250	2.00	102,466
HUMAN RESOURCES RECEPTIONIST	000260	1.00	33,791
RECRUITMENT/HIRING CONSULTANT	401120	1.00	87,337
STAFF/DEVELOPMENT MANAGER	401040	1.00	97,331
Total		12.00	\$897,987



COMMUNITY SERVICES AREA

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The Community Services Area is comprised of six Service Area Units: Development, Housing & Human Services, Parks & Recreation, Master Planning, City Clerk, and CTN-Public Information . These Service Units provide the organization with a broad array of services such as: parks planning, recreation programs, development plan review, building inspections, low-income housing support, historic preservation, zoning, public information, elections, records, and permits.

COMMUNITY SERVICES AREA

Revenues By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PARKS & RECREATION	5,820,935	7,229,750	8,549,690	7,868,833	13,112,811
HOUSING & HUMAN SERVICES DEVELOPMENT	202,275	2,566,179	5,872,246	3,470,732	6,000,118
CTN-PUBLIC INFORMATION	2,642,576	2,739,050	2,433,508	2,827,850	2,982,033
COMMUNITY SERVICES ADMINISTRATION	1,361,279	1,555,507	1,562,810	1,542,310	1,393,700
CITY CLERK	5,754,248	262,518	915,409	301,313	124,901
MASTER PLANNING	76,384	48,012	92,890	107,943	100,394
	57,463	134,260	-	-	-
Total	\$15,915,159	\$14,535,276	\$19,426,553	\$16,118,981	\$23,713,957

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PARK ACQUISITION MILLAGE (0024)	2,310,643	1,867,840	2,192,457	2,046,403	5,726,937
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	1,777,835	2,090,883	2,996,303	2,484,769	3,812,320
HOME PROGRAM (0090)	524,253	311,057	3,136,603	879,475	3,534,924
GENERAL (0010)	4,697,824	4,880,715	4,863,565	4,946,728	3,441,964
CONSTRUCTION CODE FUND (0026)	-	-	-	-	1,893,400
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	1,676,884	1,941,994	2,177,443	1,741,593	1,831,300
COMMUNITY TELEVISION NETWORK (0016)	1,361,279	1,540,507	1,562,810	1,542,310	1,393,700
GOLF ENTERPRISE (0047)	1,296,711	1,184,892	1,415,420	1,200,137	1,265,701
AFFORDABLE HOUSING (0070)	198,111	306,978	550,000	844,044	627,844
MARKET (0046)	97,579	94,322	141,155	161,917	142,037
BANDEMER PROPERTY (0025)	39,083	40,188	37,481	33,233	37,780
ANN ARBOR ASSISTANCE (0038)	5,862	6,150	8,200	5,620	6,050
LESLIE HOMESTEAD (0096)	229,381	204,186	241,125	232,752	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,643,298	7,310	103,991	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	54,201	54,254	-	-	-
CEMETERY PERPETUAL CARE (0054)	2,215	4,000	-	-	-
Total	\$15,915,159	\$14,535,276	\$19,426,553	\$16,118,981	\$23,713,957

COMMUNITY SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PARKS & RECREATION	6,033,019	7,484,127	7,723,016	9,140,802	13,929,174
HOUSING & HUMAN SERVICES DEVELOPMENT	3,886,958	4,015,925	7,502,683	4,685,305	7,609,661
COMMUNITY SERVICES ADMINISTRATION	1,545,448	1,911,329	1,855,365	1,923,273	2,613,642
CTN-PUBLIC INFORMATION	2,575,856	2,511,550	1,964,806	1,879,114	2,603,507
CITY CLERK	1,066,600	1,044,296	1,562,810	1,532,462	1,393,700
MASTER PLANNING	541,088	628,450	523,224	516,615	631,030
	396,418	100,318	453,980	410,027	195,102
Total	\$16,045,386	\$17,695,995	\$21,585,884	\$20,087,598	\$28,975,815

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	8,965,889	9,187,406	8,978,081	8,797,079	8,413,445
PARK ACQUISITION MILLAGE (0024)	121,350	112,599	2,118,196	2,118,196	5,718,160
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	910,099	1,954,696	740,323	2,484,769	3,812,163
HOME PROGRAM (0090)	523,372	310,163	3,136,603	826,759	3,534,924
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	1,680,639	1,939,809	2,177,443	1,753,252	1,831,300
CONSTRUCTION CODE FUND (0026)	-	-	-	-	1,767,681
COMMUNITY TELEVISION NETWORK (0016)	1,066,600	1,014,780	1,562,810	1,532,462	1,393,700
GOLF ENTERPRISE (0047)	1,472,962	1,512,506	1,398,720	1,319,737	1,265,701
AFFORDABLE HOUSING (0070)	100,000	6,975	550,000	443,000	627,844
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	-	404,174	404,084	407,582
MARKET (0046)	95,236	121,866	141,155	158,504	142,037
BANDEMER PROPERTY (0025)	41,128	4,955	31,500	11,945	37,596
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	12,185
ANN ARBOR ASSISTANCE (0038)	5,798	6,090	8,200	5,620	6,050
MAJOR GRANT PROGRAMS FUND (00MG)	53,908	55,477	-	-	5,447
LESLIE HOMESTEAD (0096)	228,348	204,033	240,679	232,191	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	772,556	1,254,648	98,000	-	-
DRUG ENFORCEMENT (0027)	7,500	9,500	-	-	-
ELIZABETH R DEAN TRUST (0055)	-	890	-	-	-
PARKS SERVICE HEADQUARTERS (0015)	-	(398)	-	-	-
Total	\$16,045,386	\$17,695,995	\$21,585,884	\$20,087,598	\$28,975,815

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CITY CLERK	6.32	5.44	4.88	5.12
COMMUNITY SERVICES ADMINISTRATION	-	-	-	17.45
CTN-PUBLIC INFORMATION	11.00	13.00	12.00	12.00
DEVELOPMENT	35.00	35.50	29.00	22.00
HOUSING & HUMAN SERVICES	8.50	8.50	9.00	8.13
MASTER PLANNING	10.75	10.75	9.75	2.21
PARKS & RECREATION	32.33	33.55	22.99	18.02
Total	103.90	106.74	87.62	84.93

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COMMUNITY SERVICES AREA

CITY CLERK

The City Clerk Unit is one of seven service units in the Community Services Area. It has 5.12 FTEs and handles all city elections with the City Clerk serving as Chief Elections Officer. This unit also maintains records of all Council proceedings, serves as custodian of city ordinances, city contracts voter registration and other public documents. The office issues domestic partnership agreements, dog and bike licenses, noise, block and banner permits.

COMMUNITY SERVICES AREA
CITY CLERK

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INTERGOVERNMENTAL REVENUES	-	-	65,000	69,358	67,000
LICENSES, PERMITS & REGISTRATION	44,528	48,012	27,890	38,585	33,394
CHARGES FOR SERVICES	31,780	-	-	-	-
MISCELLANEOUS REVENUE	75	-	-	-	-
Total	\$76,384	\$48,012	\$92,890	\$107,943	\$100,394

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	76,384	48,012	92,890	107,943	100,394
Total	\$76,384	\$48,012	\$92,890	\$107,943	\$100,394

COMMUNITY SERVICES AREA
CITY CLERK

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	316,461	333,797	245,048	260,698	269,351
OTHER SERVICES	104,281	159,071	139,665	113,135	176,140
PAYROLL FRINGES/INSURANCE	94,667	104,468	111,338	116,309	167,087
MATERIALS & SUPPLIES	6,790	19,518	11,350	11,350	17,000
OTHER CHARGES	18,888	11,596	15,823	15,123	1,452
Total	\$541,088	\$628,450	\$523,224	\$516,615	\$631,030

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	541,088	628,450	523,224	516,615	631,030
Total	\$541,088	\$628,450	\$523,224	\$516,615	\$631,030

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CITY CLERK	6.32	5.44	4.88	5.12
Total	6.32	5.44	4.88	5.12

COMMUNITY SERVICES – CITY CLERK SERVICES UNIT

EXPENSES

Materials & Supplies – The increase reflects \$9,500 in costs associated with purchasing additional material and supplies related to the national election.

Other Services – The increase reflects \$116,900 in administrative costs and contract services related to the national election.

Personnel Services – The increase reflects the following:

- Additional contract costs of \$12,000 for the Election Personnel Supervisor;
- (.25) FTE increase for \$12,500 changing the Election Recruitment position from .25FTE to .50FTE; and
- An increase of \$32,500 for temporary pay and election support staff.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the City Clerk Unit would be charged \$257,963 in 2004/05.

COMMUNITY SERVICES AREA
CITY CLERK UNIT

GOAL: To deliver quality external and internal customer service

OBJECTIVE: To consistently assess Customer Satisfaction of Clerk Services

ACTIVITIES	SCHEDULED COMPLETION DATE
Compile an informational brochure/customer satisfaction survey	July 2004
Create Database tracking responses	July 2004

GOAL: To deliver a quality elections process to the voters

OBJECTIVE: Establish election process oversight that assures continuous process improvement and establishes quality measures

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide additional precinct workers for each polling location to maintain appropriate staffing levels throughout the election as required by law	June 2004
Implement a more reliable communication system between City Clerk staff, precinct workers and election personnel	June 2004
Conduct an in depth training course for Election Inspectors	June 2004
Require attendance at Election Official's Accreditation Course offered by State of Michigan	June 2004

COMMUNITY SERVICES AREA
CITY CLERK UNIT

GOAL: To improve the mayor and council meeting e-agenda packets

OBJECTIVE: Implementation of software system to complete the automated E-packet process

ACTIVITIES	SCHEDULED COMPLETION DATE
System selection	February 2004
Implement the software	April 2004
Training	April 2004

GOAL: To inform newly elected Council members of the Clerk's procedures and services

OBJECTIVE: Establish an orientation program for newly elected City Council

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop in-house training consultation to educate newly elected Council Members on City procedures and policies	September 2004, Implemented November 2004

COMMUNITY SERVICES AREA
CITY CLERK

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
CITY CLERK	403990	1.00	79,653
CLERK TYPIST I	110100	0.62	21,947
CLERK TYPIST II	110110	1.00	47,759
COUNCIL ADMIN COORDINATOR	110221	1.00	58,775
ELECTION WORKER-RECRUITER	001270	0.50	23,963
RESEARCH CLERK	110230	1.00	56,471
Total		5.12	\$288,568

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COMMUNITY SERVICES AREA

COMMUNITY SERVICES ADMINISTRATION

The Administration Unit is one of seven service units in the Community Services Area. It has 17.45 FTEs and oversees the management functions for the service area. The Unit handles executive decisions for the service area including financial management, communications and service area policies. This Unit also includes the Clerical staff that provides support to the entire Community Services Area.

**COMMUNITY SERVICES AREA
COMMUNITY SERVICES ADMINISTRATION**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CHARGES FOR SERVICES	66,458	72,462	75,000	88,000	90,000
MISCELLANEOUS REVENUE	8,601	52,674	45,725	3,247	20,835
LICENSES, PERMITS & REGISTRATION	111,879	122,696	272,490	210,066	14,066
PRIOR YEAR SURPLUS	-	-	368,991	-	-
INVESTMENT INCOME	121,264	4,188	78,756	-	-
OPERATING TRANSFERS	3,237,384	-	74,447	-	-
INTRA GOVERNMENTAL SALES	9,712	10,498	-	-	-
INTERGOVERNMENTAL REVENUES	2,198,940	-	-	-	-
CONTRIBUTIONS	10	-	-	-	-
Total	\$5,754,248	\$262,518	\$915,409	\$301,313	\$124,901

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	165,812	210,920	433,937	301,313	124,901
PARK ACQUISITION MILLAGE (0024)	1,711,344	-	340,000	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,639,750	7,310	103,991	-	-
BANDEMER PROPERTY (0025)	39,083	40,188	37,481	-	-
CEMETERY PERPETUAL CARE (0054)	2,215	4,000	-	-	-
GOLF ENTERPRISE (0047)	(6,791)	100	-	-	-
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	1,678,376	-	-	-	-
HOME PROGRAM (0090)	524,459	-	-	-	-
Total	\$5,754,248	\$262,518	\$915,409	\$301,313	\$124,901

**COMMUNITY SERVICES AREA
COMMUNITY SERVICES ADMINISTRATION**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	580,974	806,589	510,920	487,033	949,232
PAYROLL FRINGES/INSURANCE	1,551,105	1,273,320	867,585	924,961	722,294
OTHER CHARGES	292,051	267,408	278,482	278,392	583,314
OTHER SERVICES	79,706	83,909	214,460	113,844	296,493
MATERIALS & SUPPLIES	22,314	17,286	28,418	21,797	40,050
PASS THROUGHES	42,651	59,941	59,941	48,887	11,124
CAPITAL OUTLAY	6,304	-	1,000	200	1,000
VEHICLE OPERATING COSTS	750	3,097	4,000	4,000	-
Total	\$2,575,856	\$2,511,550	\$1,964,806	\$1,879,114	\$2,603,507

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	2,525,063	2,392,939	1,812,559	1,824,957	1,826,014
CONSTRUCTION CODE FUND (0026)	-	-	-	-	732,607
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	-	54,247	54,157	44,886
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	34,345	110,313	98,000	-	-
MARKET (0046)	7,898	8,298	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	7,149	-	-	-	-
PARK ACQUISITION MILLAGE (0024)	1,400	-	-	-	-
Total	\$2,575,856	\$2,511,550	\$1,964,806	\$1,879,114	\$2,603,507

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
COMMUNITY SERVICES ADMINISTRATION	-	-	-	17.45
Total	-	-	-	17.45

COMMUNITY SERVICES – ADMINISTRATION UNIT

REVENUES

Licenses, Permits and Registration – The decrease reflects the reduction in General Fund revenue appropriated to the new Construction Fund 0026.

EXPENSES

Materials & Supplies – The increase reflects the shift in materials and supplies to the Community Services – Administration Unit from other units in the service area.

Other Charges – The increase reflects the shift in dues and license expenses to the Community Services – Administration Unit, creation of municipal service charge (\$334,904) to Fund 0026.

Other Services – The increase reflects the shift in contracted work and conference and training to the Community Services – Administration Unit from other units in the service area.

Payroll Fringes – The decrease reflects the changes made to the employee health benefits program reductions in insurance premiums and the shift in the personnel charges to the Administration Unit.

Personnel Services – The increase reflects the creation of an Administrative Services Unit and the shift of Community Services Administration staff costs to the unit from other units in the service area. Staff changes include the:

- Addition of a portion of the Financial Manager position at \$60,800; and
- Addition of a portion of the GIS Coordinator position at \$33,600.

Pass Throughs – The decrease reflects the pay off of energy payments and reappropriation of radio charges to Public Services – Field Operations Unit.

Vehicle Operating Costs – The decrease reflects a shift in charges and a reduction in the vehicle fleet.

COMMUNITY SERVICES AREA
COMMUNITY SERVICES ADMINISTRATION

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111110	0.90	48,924
ADMINISTRATIVE ASSISTANT II	000570	0.75	45,755
BOOKKEEPER/TYPIST II	110240	1.00	49,091
BUILDING DEPT DIRECTOR	403260	1.00	111,239
CITY PLANNER II	112611	0.44	32,022
CLERK II	110060	0.50	19,967
CLERK STENOGRAPHER III	110171	1.00	55,151
CLERK TYPIST II	110110	4.00	192,362
CLERK TYPIST III	110120	1.00	52,163
COMM SERVICES ADMINISTRATOR	403630	1.00	123,583
DEVELOPMENT AND BUILD SER MGR	401510	1.00	96,778
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.88	67,928
GIS COORDINATOR	401520	0.72	46,380
GRAPHIC SPECIALIST	401370	0.91	49,332
MGR - REC FAC & SVCS	403480	1.00	96,323
PLANNING DIRECTOR	403360	0.35	43,814
SR SECRETARY	000180	1.00	57,059
Total		17.45	\$1,187,871

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COMMUNITY SERVICES AREA

CTN-PUBLIC INFORMATION

The Public Information Unit is one of seven service units for the Community Services Area. It has 12 FTEs and supports the cable television franchise. This Unit also handles the public access and public information stations on CTN Channels 16, 17, 18 & 19 and serves as support to the Cable Commission.

**COMMUNITY SERVICES AREA
CTN-PUBLIC INFORMATION**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
LICENSES, PERMITS & REGISTRATION	1,284,256	1,461,217	1,152,000	1,152,000	1,209,600
PRIOR YEAR SURPLUS	-	-	349,810	349,810	139,100
INVESTMENT INCOME	63,909	57,871	40,000	40,000	45,000
MISCELLANEOUS REVENUE	13,115	1,135	-	500	-
CHARGES FOR SERVICES	-	20,284	21,000	-	-
OPERATING TRANSFERS	-	15,000	-	-	-
Total	\$1,361,279	\$1,555,507	\$1,562,810	\$1,542,310	\$1,393,700

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
COMMUNITY TELEVISION NETWORK (0016)	1,361,279	1,540,507	1,562,810	1,542,310	1,393,700
GENERAL (0010)	-	15,000	-	-	-
Total	\$1,361,279	\$1,555,507	\$1,562,810	\$1,542,310	\$1,393,700

**COMMUNITY SERVICES AREA
CTN-PUBLIC INFORMATION**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	413,296	475,977	484,006	476,882	556,930
OTHER SERVICES	243,225	175,839	228,000	215,000	250,000
CAPITAL OUTLAY	130,413	86,742	431,502	430,000	219,300
PAYROLL FRINGES/INSURANCE	93,275	131,157	131,610	127,263	172,233
OTHER CHARGES	165,485	136,653	177,998	177,623	102,637
PASS THROUGH	3,532	24,278	83,694	83,694	69,100
MATERIALS & SUPPLIES	17,373	13,650	26,000	22,000	23,500
Total	\$1,066,600	\$1,044,296	\$1,562,810	\$1,532,462	\$1,393,700

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
COMMUNITY TELEVISION NETWORK (0016)	1,066,600	1,014,780	1,562,810	1,532,462	1,393,700
GENERAL (0010)	-	29,516	-	-	-
Total	\$1,066,600	\$1,044,296	\$1,562,810	\$1,532,462	\$1,393,700

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CTN-PUBLIC INFORMATION	11.00	13.00	12.00	12.00
Total	11.00	13.00	12.00	12.00

COMMUNITY SERVICES – CTN-PUBLIC INFORMATION SERVICES UNIT

EXPENSES

Capital Outlay – The decrease of \$235,822 reflects the completion of Institutional Network equipment acquisition in FY 03/04. The FY 04/05 Capital Outlay expenditures will be applied to Community Television Network (CTN) production facilities and several CTN special projects.

Materials & Supplies – The increase reflects the costs associated with support of Public Information activity.

Other Charges – The decrease reflects the changes made to the City's general liability insurance program and a reduction in the applicable Municipal Service Charge (per the MAXIMUS study).

Other Services – The Advertising increase of \$20,000 each for CTN and City Clerk reflects the commitment to fund City Clerk election-related advertising expense from the CTN-PI budget.

Payroll – The increase reflects the changes made to the employee health benefits program.

Personnel Services – The increase reflects the following staff changes:

- Elimination of (1) FTE City Hall Information Desk Clerk due to retirement. FTE is eliminated from Financial & Administrative Services Area – Information Technology Services Unit. However, the \$30,000 funding was retained to support a portion of the Call Center;
- Addition of (1) FTE new position request for Public Information Officer; and
- Wage adjustments approved and implemented mid-FY 03/04.

COMMUNITY SERVICES AREA
CTN – PUBLIC INFORMATION UNIT

GOAL: Continuous improvement in CTN services

OBJECTIVE: Consistently assess CTN-Public Information operations to find and implement process and/or cost efficiencies

ACTIVITIES	SCHEDULED COMPLETION DATE
Perform cost-analysis of CTN-PI across (6) "Business Units"	June 2004
Electronic management of cable complaints	September 2004
In Service" training for CTN staff	February 2005
Upgrade CTN Desktop PC's for media	July 2005
Evaluate/Implement Program Changes	July 2005

GOAL: Enhance customer service to the community

OBJECTIVE: Increase the quality of CTN-Public Information Services to the community

ACTIVITIES	SCHEDULED COMPLETION DATE
Measure overall customer satisfaction (survey)	Every April
Improve quality of CTN Meeting Coverage	September 2004
Convert CTN production & playback to digital	July 2006
Cable System Technical Audit (semi-annual)	June 2004
Cable Franchise Fee Audit (semi-annual)	June 2005
Cable System Technical Audit	June 2006
Cable Franchise Fee Audit	June 2007

COMMUNITY SERVICES AREA
CTN – PUBLIC INFORMATION UNIT

GOAL: Maximize growth opportunities for CTN

OBJECTIVE: Identify and capitalize on growth opportunities for CTN
Public Information services

ACTIVITIES	SCHEDULED COMPLETION DATE
Cultivate “new” partnership projects	April 2005
Grow CTN programming and service volume	June 2005
Create digital archive system for CTN content	June 2005
Implement Emergency Operations Center override of CTN Channel(s)	July 2005

GOAL: Effective Marketing of CTN Services

OBJECTIVE: Expand community awareness and “brand recognition” of
CTN-Public Information services

ACTIVITIES	SCHEDULED COMPLETION DATE
Create/implement marketing and promotion plan	July 2005
Develop “On-Channel” promotion spots	July 2005

COMMUNITY SERVICES AREA
CTN – PUBLIC INFORMATION UNIT

GOAL: Enhance the public information program for the City

OBJECTIVE: Integrate City Public Information functions into the CTN
Public Information structure and operations

ACTIVITIES	SCHEDULED COMPLETION DATE
Assessment of City public information needs and resources	July 2004
Draft City Public Information Plan	September 2004
Implement Public Information Plan	December 2004

COMMUNITY SERVICES AREA
CTN-PUBLIC INFORMATION

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ASSOCIATE PRODUCER/REPORTER	000610	1.00	41,639
CABLE ADMINISTRATOR	403530	1.00	85,035
CLERK III	110070	1.00	52,067
CTN ASST FACILITY MANAGER	401450	1.00	53,281
CTN ASST PROGRAM MANAGER	401470	1.00	53,163
CTN FACILITY MANAGER	401440	1.00	64,571
CTN PROGRAM MANAGER	401460	1.00	63,926
FACILITY ASSISTANT - HALF STEP	119240	3.00	135,987
PROGRAM ASSISTANT	110270	1.00	44,753
PUBLIC INFORMATION OFFICER	401220	1.00	72,983
Total		12.00	\$667,405



COMMUNITY SERVICES AREA

DEVELOPMENT

Formerly known as the Building Department, the Development Unit is one of seven service units in the Community Services Area. It has 22 FTEs and handles rental housing inspections, historic preservation, zoning coordination, construction inspections and permits. It also provides enforcement for building, housing and sign codes. Site Plan review is a function that used to be performed in the former Planning Department but will now be handled in the Development Unit.

**COMMUNITY SERVICES AREA
DEVELOPMENT**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
LICENSES, PERMITS & REGISTRATION	2,642,576	2,696,350	2,323,168	2,827,850	2,982,033
MISCELLANEOUS REVENUE	-	-	69,000	-	-
OPERATING TRANSFERS	-	42,700	41,340	-	-
Total	\$2,642,576	\$2,739,050	\$2,433,508	\$2,827,850	\$2,982,033

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CONSTRUCTION CODE FUND (0026)	-	-	-	-	1,893,400
GENERAL (0010)	2,642,576	2,739,050	2,433,508	2,827,850	1,088,633
Total	\$2,642,576	\$2,739,050	\$2,433,508	\$2,827,850	\$2,982,033

**COMMUNITY SERVICES AREA
DEVELOPMENT**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	1,403,040	1,466,094	1,333,659	1,398,180	1,304,714
OTHER CHARGES	1,415	7,865	1,700	1,595	852,602
PAYROLL FRINGES/INSURANCE	520	253,507	376,596	376,596	333,874
OTHER SERVICES	127,199	170,035	128,910	128,002	107,952
MATERIALS & SUPPLIES	13,274	13,828	13,000	18,200	7,000
VEHICLE OPERATING COSTS	-	-	-	-	6,000
CAPITAL OUTLAY	-	-	1,500	700	1,500
Total	\$1,545,448	\$1,911,329	\$1,855,365	\$1,923,273	\$2,613,642

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	1,545,448	1,911,329	1,855,365	1,923,273	1,602,993
CONSTRUCTION CODE FUND (0026)	-	-	-	-	1,010,648
Total	\$1,545,448	\$1,911,329	\$1,855,365	\$1,923,273	\$2,613,642

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
DEVELOPMENT	35.00	35.50	29.00	22.00
Total	35.00	35.50	29.00	22.00

COMMUNITY SERVICES – DEVELOPMENT SERVICES UNIT
(Formerly Building Department and Development Review in Planning)

NOTE: The Construction Code Fund reflects the establishment of a new fund to isolate the revenue received from, and expenses related to, permits, inspections, appeals, and plan reviews for construction projects. The fund is required by State Law to be used only for construction code enforcement purposes.

REVENUES

Construction Code – The increase reflects the establishment of a new fund to isolate the revenue received from permits, inspections, appeals and plan reviews.

General Fund – The decrease reflects the revenue appropriated to the new Construction Code Fund 0026.

EXPENSES

Capital Outlay –

- The decrease in the General Fund reflects the shift in expenses to the Construction Fund and Administration; and
- The increase in the Construction Code Fund reflects capital outlay expenses that have been shifted from the General Fund.

Materials & Supplies –

- The decrease in General Fund reflects the shift in expenses to the Construction Fund and Administration; and
- The increase in the Construction Code Fund reflects the costs that have been shifted from the General Fund.

Other Charges –

- The decrease in the General Fund reflects the general liability insurance changes and the shift in expenses to the Construction Fund and Administration; and
- The increase in the Construction Code Fund reflects the general liability insurance and dues and licenses associated with the Fund that were shifted from the General Fund, and the municipal service charge that is a new charge to Development Services.

COMMUNITY SERVICES – DEVELOPMENT SERVICES UNIT
(Formerly Building Department and Development Review in Planning)

Other Services –

- The decrease in the General Fund reflects the reduction of the vehicle fleet by four vehicles, shift of some expenses to the Administration Unit, and shift in expenses to the Construction Fund; and
- The increase in the Construction Code Fund reflects conference and training, printing, equipment maintenance, professional services, and attorney fees that have been shifted from the General Fund.

Payroll Fringes -

- The decrease in the General Fund reflects the changes made to the employee health benefits program and the shift in personnel charges to the Construction Fund and Administration; and
- The increase in the Construction Code Fund reflects employee benefit costs associated with personnel in the Fund.

Personnel Services – The increase in the Construction Code Fund reflects construction-related personnel costs that were previously in the General Fund.

The personnel service changes in the Construction Fund and General Fund reflect the following shift in FTEs:

- Addition of (3) FTE Planners at \$192,242 from Planning’s budget, split into both funds;
- Addition of (1) FTE Development Services Manager at \$29,075, split into both funds;
- Reduction of \$83,000 staff costs due to elimination of (1) FTE Housing Bureau Supervisor and elimination of (1) FTE Central Permit Desk/Construction Supervisors by combining duties and addition of (1) FTE Inspection Supervisor – all split into both funds;
- Elimination of (2) vacant Clerk Typist II positions at \$96,000, split into both funds;
- Reduction of \$31,716 staff costs due to shift in clerical staff position to Community Services Administration Unit, split into both funds; and
- Reduction of \$912,802 staff costs due to shift in expenses from General Fund to Construction Fund.

Vehicle Operating Costs –

- The decrease in the General Fund reflects the shift in expenses to the Construction Code Fund; and
- The increase in the Construction Code Fund reflects the vehicle costs that have been shifted from the General Fund.

COMMUNITY SERVICES – DEVELOPMENT SERVICES UNIT
(Formerly Building Department and Development Review in Planning)

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City’s administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Development Unit would be charged \$369,543 in 2004/05.

COMMUNITY SERVICES AREA
DEVELOPMENT SERVICES UNIT

GOAL: Analyze and implement changes to improve the internal management of the development process to create a seamless, more responsive work flow

OBJECTIVE: Improve Internal Management of the Development Process

ACTIVITIES	SCHEDULED COMPLETION DATE
Establish a design team responsible for analysis and evaluation of potential improvements to the development process	Completed
Outline existing processes	June 2004
Complete the redesign and/or improvement of internal processes	December 2004

GOAL: Analyze and implement changes to improve the internal management of the development process to create a seamless, more responsive work flow

OBJECTIVE: Improve customer service and coordination of overall development process

ACTIVITIES	SCHEDULED COMPLETION DATE
Survey customers on current development process	September 2004
Formulate recommendations for presentation to policy makers including process and job redesign	December 2004
Design, create, or configure necessary tools and organizational structure to manage the process including software and customer handbook	March 2005

COMMUNITY SERVICES AREA
DEVELOPMENT SERVICES UNIT

GOAL: Select and implement updated, fully integrated technology throughout units involved in the development and inspection process

OBJECTIVE: Improve customer service by enabling faster processing of information at all stages of the development and inspection processes

ACTIVITIES	SCHEDULED COMPLETION DATE
Assemble a technology team and analyze and evaluate system options	April 2004
Create a request for proposal or select a pre-existing software system based upon analysis above	June 2004
If pre-existing: Determine bounds of collaboration for use of system with existing users	June 2004
If request for proposal: Complete and issue and evaluate bids	September 2004
Initial stage of implementation	January 2005

COMMUNITY SERVICES AREA
DEVELOPMENT

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
BUILDING INSPECTOR I	114100	2.00	126,634
BUILDING INSPECTOR II	114110	1.00	72,563
CITY PLANNER I	112601	1.00	66,971
CITY PLANNER II	112611	1.00	73,139
CITY PLANNER III	401030	1.00	86,034
ELECTRICAL INSPECTOR I	114151	1.00	65,855
ELECTRICAL INSPECTOR II	114160	1.00	71,663
HISTORIC DIST PRESERV COORD	403920	1.00	54,431
HOUSING INSPECTOR I	114010	4.00	273,418
HOUSING INSPECTOR II	114020	1.00	73,554
INSPECTION SUPERVISOR	192831	1.00	82,870
MECHANICAL INSPECTOR I	114201	1.00	69,731
MECHANICAL INSPECTOR II	114210	1.00	71,579
ORDINANCE ENFORCEMENT INSP	114080	1.00	68,879
PLAN EXAMINER	403600	1.00	65,879
PLUMBING INSPECTOR I	114250	1.00	64,655
PLUMBING INSPECTOR II	114261	1.00	73,139
ZONING COORDINATOR	403640	1.00	77,615
Total		22.00	\$1,538,609

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COMMUNITY SERVICES AREA

HOUSING & HUMAN SERVICES

Formerly known as the Community Development Department, the Housing and Human Services Unit is one of seven service units in the Community Services Area. It has 7.54 FTEs and provides housing and human services support for low-income residents. This Unit also provides relocation and housing rehabilitation for low-income residents and serves as support for the Housing and Human Services Boards.

**COMMUNITY SERVICES AREA
HOUSING & HUMAN SERVICES**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INTERGOVERNMENTAL REVENUES	-	2,253,051	5,314,046	2,621,068	5,361,224
PRIOR YEAR SURPLUS	-	-	330,000	733,044	513,944
OPERATING TRANSFERS	150,000	125,000	200,000	100,000	100,000
MISCELLANEOUS REVENUE	28,820	166,576	15,000	8,000	13,900
CONTRIBUTIONS	5,843	6,150	8,000	5,570	6,000
INVESTMENT INCOME	17,613	15,402	5,200	3,050	5,050
Total	\$202,275	\$2,566,179	\$5,872,246	\$3,470,732	\$6,000,118

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
HOME PROGRAM (0090)	(206)	311,057	3,136,603	879,475	3,534,924
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	(1,492)	1,941,994	2,177,443	1,741,593	1,831,300
AFFORDABLE HOUSING (0070)	198,111	306,978	550,000	844,044	627,844
ANN ARBOR ASSISTANCE (0038)	5,862	6,150	8,200	5,620	6,050
Total	\$202,275	\$2,566,179	\$5,872,246	\$3,470,732	\$6,000,118

**COMMUNITY SERVICES AREA
HOUSING & HUMAN SERVICES**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
COMMUNITY DEVELOPMENT RECIPIENTS	3,041,820	3,043,967	6,452,409	3,928,560	6,428,304
PERSONNEL SERVICES	484,449	448,281	674,105	497,238	462,339
OTHER SERVICES	14,327	14,079	23,960	9,947	265,544
PAYROLL FRINGES/INSURANCE	100,213	133,337	183,954	101,814	190,033
PASS THROUGHES	150,000	100,000	100,000	100,000	171,075
OTHER CHARGES	54,196	267,168	52,439	43,968	81,516
MATERIALS & SUPPLIES	6,437	8,582	13,816	3,300	8,800
VEHICLE OPERATING COSTS	674	511	2,000	478	1,550
CAPITAL OUTLAY	34,841	-	-	-	500
Total	\$3,886,958	\$4,015,925	\$7,502,683	\$4,685,305	\$7,609,661

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
HOME PROGRAM (0090)	523,372	310,163	3,136,603	826,759	3,534,924
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	1,680,639	1,939,809	2,177,443	1,753,252	1,831,300
GENERAL (0010)	1,569,649	1,743,388	1,630,437	1,656,674	1,609,543
AFFORDABLE HOUSING (0070)	100,000	6,975	550,000	443,000	627,844
ANN ARBOR ASSISTANCE (0038)	5,798	6,090	8,200	5,620	6,050
DRUG ENFORCEMENT (0027)	7,500	9,500	-	-	-
Total	\$3,886,958	\$4,015,925	\$7,502,683	\$4,685,305	\$7,609,661

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
HOUSING & HUMAN SERVICES	8.50	8.50	9.00	8.13
Total	8.50	8.50	9.00	8.13

COMMUNITY SERVICES – HOUSING & HUMAN SERVICES UNIT

REVENUES

Intergovernmental Revenues – The increase reflects the use of HOME and CDBG funds prior year fund balances.

EXPENSES

Other Charges –

- The increase in the Community Development Block Grant Fund reflects a proposed series of lead hazard training workshops for homeowners, non-profits, and contractors; and
- The increase in the General Fund reflects increased insurance costs and increased retiree health insurance costs.

Other Services – The increase in the Community Development Block Grant Fund reflects \$233,845 in CDBG residuals from FY 03/04 for use in FY 04/05.

Personnel Services –

- The increase in HOME Grant reflects reallocation of Housing and Human Services staff from General Fund to HOME Funds; and
- The decrease in General Fund reflects the reallocation of \$17,739 in Housing and Human Services staff from General Fund to CDBG and Home Funds; and Elimination of (1) FTE Grants Coordinator position at \$16,974.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Housing and Human Services Unit would be charged \$117,088 in 2004/05.

COMMUNITY SERVICES AREA
HOUSING AND HUMAN SERVICES UNIT

GOAL: Complete required update of the Consolidated Plan

OBJECTIVE: Conduct research on housing and human services needs and trends in the region

ACTIVITIES	SCHEDULED COMPLETION DATE
Work with Washtenaw Human Services Collaborative Council to develop shared outcomes for the County	September 2004
Review housing profile prepared by Washtenaw County	October 2004
Conduct series of public forums to identify needs	November 2004
Create report on gaps in housing supply and human services provision	January 2005

GOAL: Complete required update of the Consolidated Plan

OBJECTIVE: Evaluate the citizen participation process and develop improvements

ACTIVITIES	SCHEDULED COMPLETION DATE
Conduct focus groups and interviews to determine desired involvement strategies	September 2004
Review case studies of other similar communities for best practices	October 2004
Create revised citizen participation plan	November 2004

COMMUNITY SERVICES AREA
HOUSING AND HUMAN SERVICES UNIT

GOAL: Complete required update of the Consolidated Plan

OBJECTIVE: Evaluate existing performance measures and develop improvements

ACTIVITIES	SCHEDULED COMPLETION DATE
Evaluate current performance indicators	September 2004
Review case studies of other similar communities for best practices	October 2004
Create revised performance measures	November 2004

GOAL: Preserve and expand the number of affordable housing units in the City

OBJECTIVE: Facilitate construction of 50 new units of affordable housing

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide technical assistance and funding to private sector developers through the development review process to create new units	July 2005
Provide technical assistance and funding to non-profit housing developers to create new units	July 2005

COMMUNITY SERVICES AREA
HOUSING AND HUMAN SERVICES

GOAL: Preserve and expand the number of affordable housing units in the City

OBJECTIVE: Facilitate acquisition/rehabilitation of 40 units of affordable housing

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide technical assistance and funding to non-profit housing developers to acquire and rehabilitate affordable units	July 2005
Provide technical assistance to non-profit housing providers to develop long-term maintenance and renewal plans for their units	July 2005

GOAL: Preserve and expand the number of affordable housing units in the City

OBJECTIVE: Maintain existing affordable housing to ensure long-term affordability

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide rehabilitation loans to project management services to low income homeowners	July 2005
Ensure compliance with City contracts	July 2005

COMMUNITY SERVICES AREA
HOUSING & HUMAN SERVICES

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
BOOKKEEPER/TYPIST II	110240	1.00	54,071
CD HOUSING/RELOCATION SPEC	114070	1.00	62,123
COMMUNITY DEVELOPMENT ADMIN	403250	1.00	95,782
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.07	5,400
GIS COORDINATOR	401520	0.04	2,280
GRAPHIC SPECIALIST	401370	0.02	727
HOUSING PROGRAM COORDINATOR	404080	1.00	65,423
HOUSING REHAB SPECIALIST I	114050	1.00	64,655
HOUSING REHAB SPECIALIST II	114060	1.00	71,063
HUMAN SERVICES PROGRAM COORDINATOR	404090	1.00	63,382
PROGRAM SPECIALIST	119050	1.00	57,215
Total		8.13	\$542,121



COMMUNITY SERVICES AREA

MASTER PLANNING

Formerly known as the Planning Department, the Master Planning Unit is one of seven service units in the Community Services Area. It has 2.21 FTEs and handles master planning and serves as support for the Planning Commission. Site Plan review is a service that used to be provided in the former Planning Department but will be performed in the Development Unit.

COMMUNITY SERVICES AREA
MASTER PLANNING

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
LICENSES, PERMITS & REGISTRATION	57,463	134,260	-	-	-
Total	\$57,463	\$134,260	\$	\$	\$

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	57,463	134,260	-	-	-
Total	\$57,463	\$134,260	\$	\$	\$

COMMUNITY SERVICES AREA
MASTER PLANNING

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	396,418	99,435	367,751	379,142	159,345
PAYROLL FRINGES/INSURANCE	-	883	86,229	30,885	35,757
Total	\$396,418	\$100,318	\$453,980	\$410,027	\$195,102

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	396,418	100,318	453,980	410,027	177,470
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	12,185
MAJOR GRANT PROGRAMS FUND (00MG)	-	-	-	-	5,447
Total	\$396,418	\$100,318	\$453,980	\$410,027	\$195,102

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
MASTER PLANNING	10.75	10.75	9.75	2.21
Total	10.75	10.75	9.75	2.21

COMMUNITY SERVICES – MASTER PLANNING SERVICES UNIT
(formerly Planning Department)

REVENUES

Licenses, Permits and Registration – The decrease reflects the change of appropriating the revenue in the Community Services Administration Unit budget.

EXPENSES

Payroll Fringes – The decrease reflects the changes made to the employee health benefits program and the changes in personnel services expenses.

Personnel Services – The decrease reflects the following staff changes:

- Elimination of (1) FTE Assistant City Planner at \$62,909;
- Elimination of (1) FTE City Planner I from Systems Planning at no cost to the General Fund;
- Reallocation of (1) FTE City Planner III to the Public Services - Systems Planning Unit at \$98,081;
- Reallocations of (1) FTE City Planner III, (1) FTE City Planner II, and (1) FTE City Planner I to the Community Services - Development Services Unit at \$226,533.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Master Planning Services Unit would be charged \$218,067 in 2004/05.

COMMUNITY SERVICES AREA
MASTER PLANNING UNIT

GOAL: Actively initiate and prepare City Master Plan elements and keep them up-to-date

OBJECTIVE: Establish a multi-year schedule of updating

ACTIVITIES	SCHEDULED COMPLETION DATE
Work with City Planning Commission to prepare and adopt schedule	June 2005
Annually update the schedule	June 2006

GOAL: Actively initiate and prepare City Master Plan elements and keep them up-to-date

OBJECTIVE: Complete the Natural Features Master Plan

ACTIVITIES	SCHEDULED COMPLETION DATE
Work with City Planning Commission and City Council to adopt plan	July 2004
Print plan and post on city web page	October 2004

GOAL: Actively initiate and prepare City Master Plan elements and keep them up-to-date

OBJECTIVE: Complete the Northeast Area Master Plan

ACTIVITIES	SCHEDULED COMPLETION DATE
Work with City Planning Commission and City Council to adopt plan	Winter 2005
Print plan and post on city web page	September 2005

**COMMUNITY SERVICES AREA
MASTER PLANNING UNIT**

GOAL: Actively initiate and prepare City Master Plan elements and keep them up-to-date

OBJECTIVE: Complete the Non-motorized Plan

ACTIVITIES	SCHEDULED COMPLETION DATE
Work with City Planning Commission and City Council to adopt plan	June 2005
Print plan and post on city web page	September 2005

GOAL: Sustain implementation of the City Master Plan and adherence to it

OBJECTIVE: Provide information about land use recommendations in City Master Plan

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide timely written comments to development services planners about individual petitions	Within timeframes established by Development Services Unit
Provide periodic training to Development Services planners and City Planning Commission about the City Master Plan	Within 2 months of adoption of master plan elements

COMMUNITY SERVICES AREA
MASTER PLANNING UNIT

GOAL: Sustain implementation of the City Master Plan and adherence to it

OBJECTIVE: Ensure Capital Improvements Plan implements capital recommendations in City Master Plan

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide annual reminder to other service areas and units about capital recommendations in City Master Plan	Prior to initiation of annual CIP cycle
Ensure rating criteria in annual CIP give priority to those capital projects in the City Master Plan	May 2005

GOAL: Sustain implementation of the City Master Plan and adherence to it

OBJECTIVE: Review, amend or create ordinances to implement recommendations in City Master Plan

ACTIVITIES	SCHEDULED COMPLETION DATE
Establish list of ordinance changes recommended in the City Master Plan	December 2004
Prioritize list with input from City Council, City Planning Commission and Administration	March 2005

COMMUNITY SERVICES AREA
MASTER PLANNING

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
CITY PLANNER II	112611	1.56	113,620
PLANNING DIRECTOR	403360	0.65	81,482
Total		2.21	\$195,102



COMMUNITY SERVICES AREA

PARKS & RECREATION

The Parks and Recreation Unit is one of seven service units in the Community Services Area. It has 18.02 FTEs and handles the functions of the Parks Administration and Recreation Facilities. The Parks Administration is responsible for the Parks policy development, park planning and improvements, park shelter reservations and the Parks and Recreation Boards and Commissions. The Recreation Facilities include 2 golf courses, 4 pools, 2 ice rinks, 2 community centers, 2 canoe liveries, a senior center, a farmers market and a science center. The Natural Area Preservation (NAP), Forestry and Parks Operations are functions that are now in the Field Operations Unit in the Public Services Area.

**COMMUNITY SERVICES AREA
PARKS & RECREATION**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PRIOR YEAR SURPLUS	(200)	-	843,625	492,199	5,575,291
TAXES	-	3,438,002	3,602,566	3,597,214	3,775,908
CHARGES FOR SERVICES	3,144,363	3,078,863	3,412,650	3,056,591	3,286,264
MISCELLANEOUS REVENUE	136,280	79,864	159,509	122,625	191,681
INTERGOVERNMENTAL REVENUES	648,878	251,050	329,919	391,030	117,970
CONTRIBUTIONS	98,533	157,530	138,100	63,536	75,500
INVESTMENT INCOME	174,955	188,797	12,805	67,655	62,630
OPERATING TRANSFERS	1,618,011	35,500	50,416	77,983	27,567
LICENSES, PERMITS & REGISTRATION	115	144	100	-	-
Total	\$5,820,935	\$7,229,750	\$8,549,690	\$7,868,833	\$13,112,811

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PARK ACQUISITION MILLAGE (0024)	599,300	1,867,840	1,852,457	2,046,403	5,726,937
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	1,777,835	2,090,883	2,996,303	2,484,769	3,812,320
GENERAL (0010)	1,755,590	1,733,473	1,903,230	1,709,622	2,128,036
GOLF ENTERPRISE (0047)	1,303,502	1,184,792	1,415,420	1,200,137	1,265,701
MARKET (0046)	97,579	94,322	141,155	161,917	142,037
BANDEMER PROPERTY (0025)	-	-	-	33,233	37,780
LESLIE HOMESTEAD (0096)	229,381	204,186	241,125	232,752	-
MAJOR GRANT PROGRAMS FUND (00MG)	54,201	54,254	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	3,548	-	-	-	-
Total	\$5,820,935	\$7,229,750	\$8,549,690	\$7,868,833	\$13,112,811

**COMMUNITY SERVICES AREA
PARKS & RECREATION**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CAPITAL OUTLAY	489,887	2,139,190	2,386,697	4,106,431	5,645,784
OTHER CHARGES	428,060	624,671	750,191	648,570	3,981,749
PERSONNEL SERVICES	2,875,979	2,517,011	2,372,103	2,291,681	2,317,957
OTHER SERVICES	1,200,218	1,122,437	1,141,210	1,066,788	1,076,334
PAYROLL FRINGES/INSURANCE	215,152	369,608	498,202	502,724	426,397
MATERIALS & SUPPLIES	554,505	491,989	458,880	394,403	388,519
PASS THROUGHGS	216,919	165,725	69,867	86,954	47,314
VEHICLE OPERATING COSTS	52,299	53,496	45,866	43,251	45,120
Total	\$6,033,019	\$7,484,127	\$7,723,016	\$9,140,802	\$13,929,174

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PARK ACQUISITION MILLAGE (0024)	119,950	112,599	2,118,196	2,118,196	5,718,160
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	902,949	1,954,696	740,323	2,484,769	3,812,163
GENERAL (0010)	2,388,223	2,381,466	2,702,516	2,465,533	2,566,395
GOLF ENTERPRISE (0047)	1,472,962	1,512,506	1,398,720	1,319,737	1,265,701
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	-	349,927	349,927	362,696
MARKET (0046)	87,338	113,568	141,155	158,504	142,037
BANDEMER PROPERTY (0025)	41,128	4,955	31,500	11,945	37,596
CONSTRUCTION CODE FUND (0026)	-	-	-	-	24,426
LESLIE HOMESTEAD (0096)	228,348	204,033	240,679	232,191	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	738,211	1,144,335	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	53,908	55,477	-	-	-
ELIZABETH R DEAN TRUST (0055)	-	890	-	-	-
PARKS SERVICE HEADQUARTERS (0015)	-	(398)	-	-	-
Total	\$6,033,019	\$7,484,127	\$7,723,016	\$9,140,802	\$13,929,174

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
PARKS & RECREATION	32.33	33.55	22.99	18.02
Total	32.33	33.55	22.99	18.02

COMMUNITY SERVICES - PARKS & RECREATION SERVICES UNIT

IMPORTANT NOTES:

1. Leslie Homestead has always operated with funding from the general fund and, as a result, the operation was moved into the general fund. The elimination of expenses reflects this change;
2. The Open Space and Parkland Preservation Millage reflects the establishment of the new Greenbelt Millage replacing the Park Acquisition Millage. All expenses are costs associated with land acquisition and purchase of development rights; and
3. The Overall Recreation Facility Services: Program and service changes are included to maximize use of facilities and programs while minimizing expenses. The changes include:
 - Modify Mack Pool summer schedule to maintain high demand services, Dawn Ducks, swim lessons, and public swimming during high-use times;
 - Move cross-country ski center operation from Huron Hills Golf Course to Buhr Park;
 - Reduce Buhr Park skate park hours to match Buhr Park swimming pool hours;
 - Eliminate night security at Veterans Memorial Pool. Close fitness center at 9:00pm rather than 12:00am during same months;
 - Add Saturday morning swim instruction at Buhr Pool and move swim team meets to Mack Pool;
 - Open Buhr and Veterans pools for weekday swim hours at 3:30pm rather than 12:00pm until Ann Arbor Public Schools summer break begins;
 - Delay opening Argo Canoe Livery for one month and Gallup Canoe Livery by 2 weeks, during cool/wet spring weather when attendance is low;
 - Institute toddler play program at Cobblestone Farm;
 - Add three weeks of day camp at Burns Park Sports Camp;
 - Reduce Sunday hours at Senior Center by 2 hours; and
 - Enhance services for coordinating weddings throughout parks system.

COMMUNITY SERVICES - PARKS & RECREATION SERVICES UNIT

REVENUES

Park Acquisition Millage – The increase reflects the use of prior year surplus for the purpose of purchasing park land.

General Fund – The increase reflects the additional revenue generated by moving the Leslie Homestead into the General Fund and the creation of a scholarship donation fund.

Development Millage – The increase reflects the use of the prior year surplus for Capital Outlay projects.

Leslie Homestead – The decrease reflects the move of the Leslie Homestead into the General Fund.

EXPENSES

Capital Outlay –

- The decrease in the Golf Enterprise Fund reflects a reduction in capital outlay expenses;
- The increase in the Park Acquisition Millage reflects the anticipated land acquisition purchases; and
- The decrease in the Parks Rehabilitation and Development Millage reflects the shift in capital project costs from capital outlay to other charges.

Materials & Supplies –

- The decrease in the General Fund reflects the re-appropriation of charges for the Community Services Administration budget; and
- The decrease in the Golf Enterprise Fund reflects reductions in materials and supplies and inventory purchases.

Other Charges –

- The decrease in the General Fund reflects the re-appropriation of radio debt service charges to the Public Services – Field Operations Unit;
- The decrease in the Golf Enterprise Fund reflects changes made to the City's general liability insurance program and municipal service charge;
- The increase in the Market Fund reflects an increased municipal service charge; and
- The increase in the Parks Rehabilitation and Development Millage reflects related capital project costs.

COMMUNITY SERVICES - PARKS & RECREATION SERVICES UNIT

Other Services –

- The increase in the General Fund reflects the installation of on-line registration services, reduction in conference and training, and re-appropriation of charges to the Community Services Administration budget;
- The decrease in the Golf Enterprise Fund reflects reductions in printing, telecommunications, and utility costs; and
- The decrease in the Market Fund reflects lower utility, building maintenance, and consulting costs.

Pass Throughs –

- The decrease in the General Fund reflects the re-appropriation of radio charges to the Public Services – Field Operations Unit and the payoff of energy payments; and
- The decrease in the Golf Enterprise Fund reflects changes made to the Fund's debt service charges.

Payroll Fringes –

- The decrease in the General Fund reflects the changes made to the employee health benefits program, staff changes, and the re-appropriation of charges to the Public Services – Field Operations Unit;
- The decrease in the Golf Enterprise Fund reflects the changes made to the employee health benefits program and staffing changes;
- The increase in the Market Fund reflects the addition of medical, dental, and vision insurance costs;
- The decrease in the Park Acquisition Millage reflects the changes in personnel costs to the Fund;
- The increase in the Parks Rehabilitation and Development Millage reflects the appropriation in staff costs to Millage projects; and
- The increase in the Parks Repair and Restoration Millage reflects the appropriation in staff costs to Millage projects.

Personnel Services –

The decrease in the General Fund reflects the following staff changes:

- Elimination of (1) FTE vacant Bookkeeper/Typist II position at \$53,000;
- Severance pay for Recreation Facility Supervisor II retirement at \$34,800;
- Moving Assistant Neighborhood Facilities Coordinator and elimination of SAP Clerk position at \$20,833;
- Additional costs due to shift of (1) FTE Unit Supervisor to (1) FTE Parks and Recreation Manager at \$13,000;
- Reduction by charging staff time to appropriate Millage projects of \$35,676; and
- Addition of Leslie Science Center staff costs at \$76,000.

COMMUNITY SERVICES - PARKS & RECREATION SERVICES UNIT

Personnel Services (continued) –

The decrease in the Golf Enterprise Fund reflects the following staff reorganization:

- Elimination of (1) FTE Recreation Facility Supervisor III at \$77,999;
- Elimination of (1) FTE Recreation Facility Supervisor II at \$43,584;
- An increase in Unit Supervisor costs at \$16,000;
- Additional Seasonal staff costs at \$46,840; and
- Additional costs associated with Service Area Financial Manager and Graphics Specialist positions at \$4,132.

The increase in the Market Fund reflects additional costs associated with Services Area's Financial Manager & Graphics Specialist at \$2,340.

The decrease in the Park Acquisition Millage reflects the following change:

- Addition of personnel costs for the NAP Manager at \$3,486.

The increase in the Parks Rehabilitation and Development Millage reflects:

- Additional charges in staff costs to Millage projects; and
- Additional costs associated with Service Area Financial Manager & GIS Coordinator at \$17,295.

The increase in the Parks Repair and Restoration Millage reflects:

- Additional charges in staff costs to Millage projects; and
- Additional costs associated with Service Area Financial Manager at \$7,854.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Parks and Recreation Services Unit would be charged \$732,673 in 2004/05.

COMMUNITY SERVICES AREA
PARKS AND RECREATION UNIT

GOAL: Maintain a high quality park and recreation system through park planning and practicing responsible environmental stewardship

OBJECTIVE: Develop the PROS (Parks & Recreation Open Space) Plan for 2006-2011

ACTIVITIES	SCHEDULED COMPLETION DATE
Preliminary meetings with Parks staff to gather questions for PROS survey	March 2004
Prepare RFP, finalize list of questions for PROS survey and select consultant based on proposals received	April 2004
Gather public input through public meetings, telephone surveys, interviews, focus groups, task force meetings, and other public forums	December 2004
Prepare PROS plan	April 2005
Submit plan to PAC, CPC and City Council for review and approval	June 2005

GOAL: Maintain a high quality parks and recreation system through park planning and practicing responsible environmental stewardship

OBJECTIVE: Obtain Clean Streams Program certification for all recreation facilities

ACTIVITIES	SCHEDULED COMPLETION DATE
Review disposal of materials practices at all recreation facilities	March 2004
Conduct assessment of practices with staff from the Clean Streams Program	April 2004
Correct items noted on assessment results	July 2004
Begin process for annual review	December 2004

COMMUNITY SERVICES AREA
PARKS AND RECREATION UNIT

GOAL: Maintain a high quality parks and recreation system through park planning and practicing responsible environmental stewardship

OBJECTIVE: Reduce energy use and costs through opportunities in the City's Energy Fund Program

ACTIVITIES	SCHEDULED COMPLETION DATE
Review energy bills at all recreational facilities	April 2004
Conduct assessment of practices with staff from the energy coordination services unit	June 2004
Apply for funds through the energy program at facilities that have renovation projects that would reduce their energy costs	July 2004
Begin process for annual review	December 2004

GOAL: Increase level of self-support for general fund recreation facilities from 85 percent to 88 percent

OBJECTIVE: Create a funding mechanism/sponsorship program to raise funds from outside sources to supplement scholarship costs

ACTIVITIES	SCHEDULED COMPLETION DATE
Meet with Finance to establish revenue codes for donations	March 2004
Develop solicitation plan for donations/sponsorship to offset scholarship costs	May 2004
Incorporate plan and begin market donations/sponsorship request	September 2004
Analyze donation/sponsorship levels and reassess plan for next fiscal year	December 2004
Begin solicitation process	September 2005

COMMUNITY SERVICES AREA
PARKS AND RECREATION UNIT

GOAL: Increase level of self-support for general fund recreation facilities from 85 to 88 percent

OBJECTIVE: Develop a fee philosophy identifying the levels of self-support for all programs and activities

ACTIVITIES	SCHEDULED COMPLETION DATE
Create fee philosophy assigning percentages to community vs. individual benefit activities and programs	March 2004
Meet with staff to identify category placement of all activities and programs	May 2004
Analyze fee structure for all activities and programs, create plan to achieve percentage of self-support levels	July 2004
Monitor monthly revenues	Ongoing
Re-evaluate fees as part of annual budget process	March 2005

COMMUNITY SERVICES AREA
PARKS & RECREATION

Allocated Positions

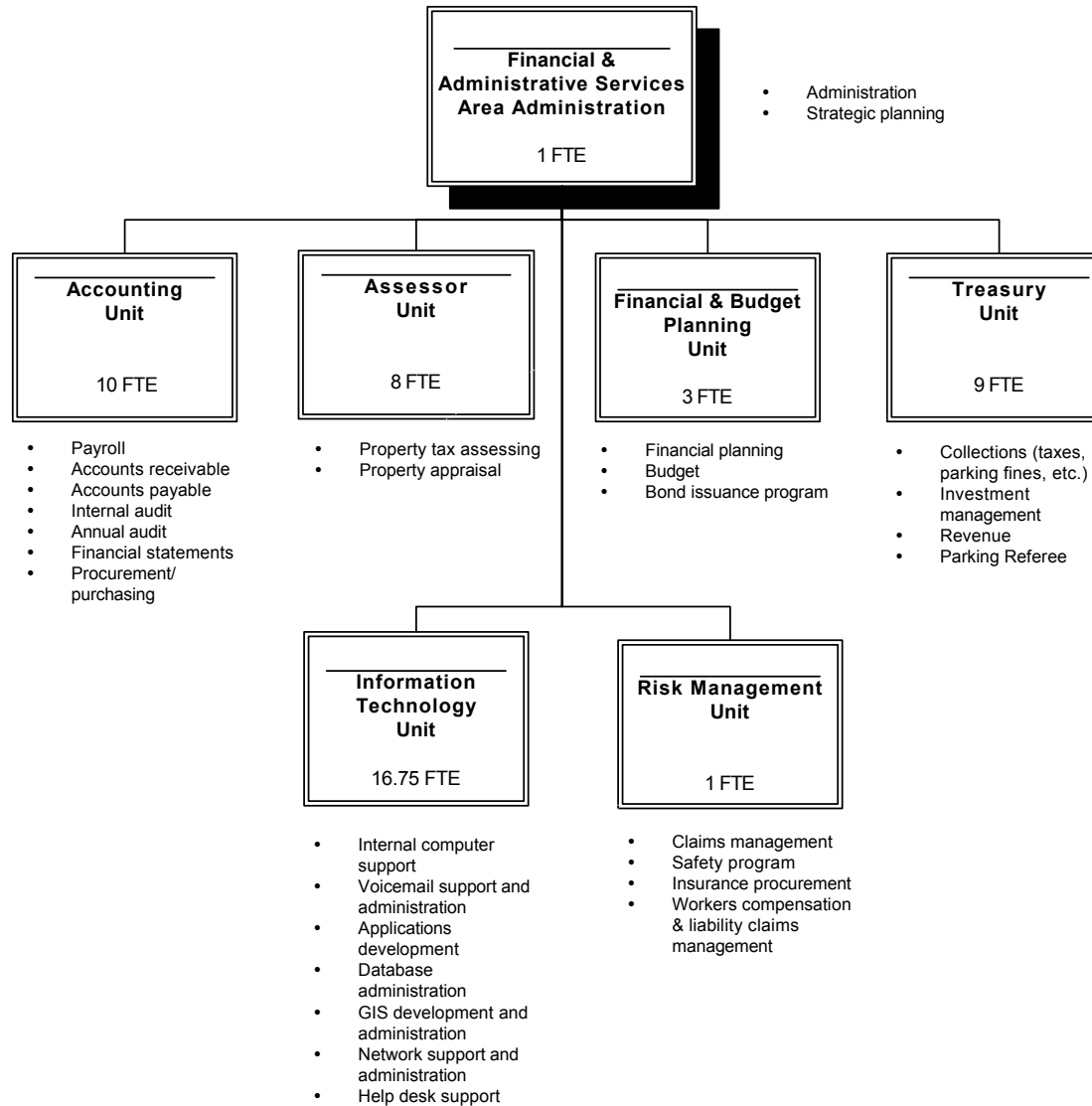
Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111110	0.10	5,447
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.05	3,876
GIS COORDINATOR	401520	0.25	16,175
GIS SPECIALIST	401340	1.00	54,948
GOLF ENTERPRISE UNIT SUPV	197210	0.85	71,058
GRAPHIC SPECIALIST	401370	0.07	3,760
GROUNDS SPECIALIST CP	117201	2.00	126,694
LANDSCAPE ARCHITECT II	401360	2.00	142,323
MARKET MANAGER	401430	1.00	54,047
NEIGHBORHOOD FACILITIES ASST	119020	1.00	50,903
PARKS - NAP MANAGER	403320	0.05	4,319
PARKS MAINTENANCEPERSON II	117021	1.00	61,835
REC FACILITIES UNIT SUPERVISOR	193060	1.00	81,279
RECREATION FAC SUPERV II	193020	5.65	369,217
RECREATION FAC SUPERVISOR III	193030	1.00	69,335
YOUTH OUTREACH COORDINATOR	199060	1.00	68,819
Total		18.02	\$1,184,035





FINANCIAL & ADMINISTRATIVE SERVICES AREA

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The Financial Services Area is comprised of six Service Area Units: Financial & Budget Planning, Accounting, Assessing, Treasury, Information Technology, and Risk Management Services. These Service Units provide the organization with a broad array of services such as: Accounts Payable and Receivable, Payroll, Property Valuations, Tax Revenue Billings and Collections, Cash Management, Investment Services, Debt Management, Assessing and Strategic Business Planning.

FINANCIAL & ADMINISTRATIVE SERVICES AREA

Revenues By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
FINANCIAL & BUDGET PLANNING	66,789,310	59,641,417	62,182,056	60,875,336	54,889,184
RISK MANAGEMENT	13,647,424	15,711,968	19,516,544	19,475,972	19,049,438
INFORMATION TECHNOLOGY	1,033,344	1,037,472	950,000	950,000	980,000
TREASURY	3,566,892	370,840	321,595	326,011	205,067
ACCOUNTING	330,304	334,996	206,000	100,044	52,875
ASSESSOR	90,606	2,829	-	-	15,000
Total	\$85,457,880	\$77,099,522	\$83,176,195	\$81,727,363	\$75,191,564

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	70,533,613	60,318,146	62,709,651	61,301,391	55,192,126
INSURANCE (0057)	13,855,675	15,711,968	19,516,544	19,475,972	19,049,438
INFORMATION TECHNOLOGY (0014)	1,066,941	1,037,472	950,000	950,000	950,000
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	2,609	29,092	-	-	-
GENERAL DEBT SERVICE (0035)	(431)	2,844	-	-	-
ANN ARBOR ASSISTANCE (0038)	75	-	-	-	-
GOLF ENTERPRISE (0047)	(602)	-	-	-	-
Total	\$85,457,880	\$77,099,522	\$83,176,195	\$81,727,363	\$75,191,564

FINANCIAL & ADMINISTRATIVE SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INFORMATION TECHNOLOGY	4,551,787	3,664,849	3,141,338	2,699,257	3,039,534
RISK MANAGEMENT	13,994,946	12,737,311	4,105,325	3,928,972	2,758,032
ACCOUNTING	1,629,401	1,737,276	1,598,038	1,445,588	1,310,087
FINANCIAL & BUDGET PLANNING	1,038,334	855,193	737,352	762,694	940,567
ASSESSOR	620,473	556,552	603,906	560,344	643,479
TREASURY	752,823	812,743	765,704	739,135	627,727
Total	\$22,587,765	\$20,363,924	\$10,951,663	\$10,135,990	\$9,319,426

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	6,067,071	5,985,119	5,906,628	5,537,018	5,611,394
INSURANCE (0057)	13,994,946	12,737,311	4,105,325	3,928,972	2,758,032
INFORMATION TECHNOLOGY (0014)	2,525,748	1,641,494	939,710	670,000	950,000
Total	\$22,587,765	\$20,363,924	\$10,951,663	\$10,135,990	\$9,319,426

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
ACCOUNTING	15.25	15.25	11.50	10.00
ASSESSOR	10.00	10.00	8.00	8.00
FINANCIAL & BUDGET PLANNING	3.00	3.00	3.00	4.00
INFORMATION TECHNOLOGY	18.85	19.00	17.00	16.75
RISK MANAGEMENT	4.00	3.00	3.00	1.00
TREASURY	15.50	15.50	11.00	9.00
Total	66.60	65.75	53.50	48.75

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

ACCOUNTING

The Accounting Service Unit is responsible for maintaining the accounting ledgers of all financial transactions for the City. This function includes disbursing accounts payable, billing accounts receivable, and preparing financial reporting for management and the public. Another important function is the preparation of payroll disbursements for all City employees. The addition of the Procurement function now resides in the Accounting service activities.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INTRA GOVERNMENTAL SALES	397,455	327,929	205,000	97,168	50,000
MISCELLANEOUS REVENUE	-	236	1,000	2,876	2,875
INVESTMENT INCOME	(67,151)	6,831	-	-	-
Total	\$330,304	\$334,996	\$206,000	\$100,044	\$52,875

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	330,304	334,996	206,000	100,044	52,875
Total	\$330,304	\$334,996	\$206,000	\$100,044	\$52,875

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	803,574	771,652	651,306	637,688	598,240
OTHER SERVICES	398,585	432,195	439,650	403,828	305,550
MATERIALS & SUPPLIES	426,053	449,438	338,530	281,897	272,530
PAYROLL FRINGES/INSURANCE	-	81,411	129,257	118,915	131,817
OTHER CHARGES	1,190	2,580	39,295	3,260	1,950
Total	\$1,629,401	\$1,737,276	\$1,598,038	\$1,445,588	\$1,310,087

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	1,629,401	1,737,276	1,598,038	1,445,588	1,310,087
Total	\$1,629,401	\$1,737,276	\$1,598,038	\$1,445,588	\$1,310,087

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
ACCOUNTING	15.25	15.25	11.50	10.00
Total	15.25	15.25	11.50	10.00

FINANCIAL & ADMINISTRATIVE SERVICES – ACCOUNTING SERVICES UNIT

EXPENSES

Materials & Supplies – The decrease of \$66,000 reflects the costs associated with the elimination of Central Services' sale of office supplies.

Other Charges – The decrease of \$37,000 reflects the costs associated with contingency no longer needed.

Other Services – The decrease of \$135,000 reflects the reduced costs of \$100,000 associated with a new system to replace Centrex phone lines and \$35,000 INET project savings for telecommunications.

Personnel Services –

The decrease reflects the following "Procurement Services" staff reductions:

- Elimination of (1) FTE Senior Secretary/Purchasing Agent for \$67,500

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Accounting Unit would be charged \$1,409,019 in 2004/05.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING SERVICES UNIT

GOAL: Complete financial reporting activities timely and accurately

OBJECTIVE: Ensure the financial health and stability of the City

ACTIVITIES	SCHEDULED COMPLETION DATE
Record all revenues and expenses on a timely basis.	Ongoing
Conduct assessments of financial reporting needs	Ongoing
Creation of a monthly reporting package for Service Area Administrators and Council	Ongoing
Create standard financial review process with Service Area leaders/City Administrator to determine risks and opportunities	Ongoing

GOAL: Improve procurement process to enhance efficiencies

OBJECTIVE: Continue to work with other agencies to conduct joint purchases

ACTIVITIES	SCHEDULED COMPLETION DATE
Confirm (3) cooperative agreements with outside partners, i.e. Washtenaw County, State of Michigan, and U of M	September 2004
Set-up bids for goods and services used by multiple service areas	December 2004
Optimize the consolidation of cell phone and pager services to reduce costs by 10%	August 2004

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING SERVICES UNIT

GOAL: Streamline the procurement process

OBJECTIVE: Improve internal customer satisfaction and achieve cost efficiencies

ACTIVITIES	SCHEDULED COMPLETION DATE
Procurement Redesign Team to meet weekly to make recommendations for changes in processes	July 2004
Survey Internal and External Customers every (6) Months to Assess Customer Satisfaction	December 2004
Full utilization of the AMS purchasing module and train staff	March 2005
Enable purchasing transactions to occur via the Intranet	February 2005
Implement recommendations of the Purchasing Design Team where appropriate	March 2005

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTANT I	001250	1.00	66,395
ACCOUNTANT II	001260	2.00	144,202
ACCOUNTING CLERK II	111110	0.50	23,315
ACCOUNTING CLERK III	111120	1.75	100,504
ACCOUNTING CLERK III	111121	1.00	63,791
ASSOC FINANCE DIRECTOR	401280	0.75	85,577
PAYROLL COORDINATOR	001170	1.00	59,879
PROCUREMENT ANALYST	110040	1.00	63,929
SENIOR ACCOUNTANT/AUDITOR	403870	1.00	94,983
Total		10.00	\$702,575

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

ASSESSOR

The Assessing Service Unit is responsible for tax assessing and property appraisals for all taxable property within the City. Other duties include granting of homesteads, processing of divisions of land reviewing and processing exemption applications, calculating Payments in Lieu of Taxes, establishing special assessment districts and apportioning the special assessment within that special assessment district, defending Assessed and Taxable Values before the Michigan Tax Tribunal and assisting other departments and divisions within the City with valuation, real estate and property taxation issues.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
TAXES	90,606	2,829	-	-	15,000
Total	\$90,606	\$2,829	\$	\$	\$15,000

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	90,606	2,829	-	-	15,000
Total	\$90,606	\$2,829	\$	\$	\$15,000

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	564,717	421,613	436,685	392,058	468,235
PAYROLL FRINGES/INSURANCE	-	58,567	119,236	119,620	120,504
OTHER SERVICES	48,155	60,164	38,400	38,890	46,850
MATERIALS & SUPPLIES	3,856	4,558	3,950	4,776	3,950
OTHER CHARGES	3,745	2,701	5,635	5,000	3,940
CAPITAL OUTLAY	-	8,949	-	-	-
Total	\$620,473	\$556,552	\$603,906	\$560,344	\$643,479

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	620,473	556,552	603,906	560,344	643,479
Total	\$620,473	\$556,552	\$603,906	\$560,344	\$643,479

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
ASSESSOR	10.00	10.00	8.00	8.00
Total	10.00	10.00	8.00	8.00

**FINANCIAL & ADMINISTRATIVE SERVICES
ASSESSOR SERVICES UNIT**

Revenues

Property Transfer Affidavit Fine – The Assessor’s Office will begin to fine property owners for non-filing of property transfer affidavits as provide by law. It is estimated that approximately 75 properties will be fined in the amount of \$200, for a total of \$15,000.

Expenses

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City’s administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Assessor’s Unit would be charged \$274,344 in 2004/05.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR SERVICES UNIT

GOAL: Complete commercial property conversion

OBJECTIVE: Conduct and complete fieldwork

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify properties to be inspected and assign areas to be completed	March 2004
Inspect and update of properties	September 2005
Follow-through to completion of project	September 2005

GOAL: Complete commercial property conversion

OBJECTIVE: Establish land values and set economic condition factors

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify areas to be completed	March 2004
Develop Unit rates, factor curves, and models	November 2005
Final project wrap up	January 2006

GOAL: Complete all State mandated duties

OBJECTIVE: Gather commercial property market data

ACTIVITIES	SCHEDULED COMPLETION DATE
Income and Vacancy Survey	August 2005
Development of capitalization rates & gross rent multipliers	September 2005
Development of income approach variables	November 2005

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR SERVICES UNIT

GOAL: Complete All State mandated duties

OBJECTIVE: Up-to-Date Parcel Mapping

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify Tasks to Accomplish	August 2004
Creation of Flow Chart and Check list	September 2004
Cross Train Other Staff	March 2005

GOAL: Complete all State mandated duties

OBJECTIVE: Value all new construction

ACTIVITIES	SCHEDULED COMPLETION DATE
Import and reconcile building permits; Print and distribute to Appraisers	August 1 and November 15 of each year
Inspection, measuring, imaging, input and value reconciliation	November 15 of each year
Audit process for errors and omissions	January 31 of each year

GOAL: Complete all State mandated duties

OBJECTIVE: Canvas of businesses in the City

ACTIVITIES	SCHEDULED COMPLETION DATE
Compiling of data, allocation of resources	October 1 of each year
Field inspections, updating roll	December 5 of each year
Data verification	December 10 of each year

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR UNIT

GOAL: Complete all State mandated duties

OBJECTIVE: In-Depth Neighborhood Analysis

ACTIVITIES	SCHEDULED COMPLETION DATE
Field Verification of Neighborhood Boundaries	August 2006
Analysis of Neighborhood attributes	August 2006

GOAL: Complete all State mandated duties

OBJECTIVE: Accurate commercial, industrial, & residential market studies

ACTIVITIES	SCHEDULED COMPLETION DATE
Sales analysis	July 31 of each year
Ratio Review	July 31 of each year
Neighborhood factoring	August 31 of each year

GOAL: Complete all State mandated duties

OBJECTIVE: Annual land studies (residential, commercial, industrial)

ACTIVITIES	SCHEDULED COMPLETION DATE
Sales analysis, land residual abstractions	August 31 of each year
Rate verification	September 30 of each year

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR UNIT

GOAL: Complete all State mandated duties

OBJECTIVE: Timely and Appropriate Defense of Michigan Tax Tribunal Appeals

ACTIVITIES	SCHEDULED COMPLETION DATE
Tracking and Monitoring of Appeals	Ongoing
Timely filings of motions, briefs, initial appeals, interrogatories	10 Days prior to deadlines
Discovery requests, interrogatories, and other information	30 Days from Original Petition date

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ASSESSMENT SPECIALIST	000460	1.00	58,847
CHIEF APPRAISER	403430	1.00	84,478
CITY ASSESSOR	403220	1.00	115,779
CLERK III	110070	1.00	50,939
REAL PROPERTY APPRAISER I	119181	2.00	133,342
SENIOR APPRAISER	401260	2.00	142,354
Total		8.00	\$585,739

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

FINANCIAL & BUDGET PLANNING

The Financial & Budget Planning Service Unit is responsible for strategic financial planning, coordination of the annual budget process, and managing the debt issuance program.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
FINANCIAL & BUDGET PLANNING**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
TAXES	51,762,759	46,445,908	48,621,817	48,645,238	43,469,636
INTERGOVERNMENTAL REVENUES	13,771,260	12,505,594	12,729,566	11,750,425	11,069,318
INVESTMENT INCOME	974,085	587,349	750,000	400,000	267,000
CHARGES FOR SERVICES	72,390	76,113	79,673	79,673	83,130
MISCELLANEOUS REVENUE	249	26,453	1,000	-	100
CONTRIBUTIONS	162,897	-	-	-	-
OPERATING TRANSFERS	45,430	-	-	-	-
FINES & FORFEITS	196	-	-	-	-
LICENSES, PERMITS & REGISTRATION	45	-	-	-	-
Total	\$66,789,310	\$59,641,417	\$62,182,056	\$60,875,336	\$54,889,184

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	66,545,810	59,609,481	62,182,056	60,875,336	54,889,184
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	2,609	29,092	-	-	-
GENERAL DEBT SERVICE (0035)	(431)	2,844	-	-	-
INSURANCE (0057)	208,251	-	-	-	-
INFORMATION TECHNOLOGY (0014)	33,598	-	-	-	-
ANN ARBOR ASSISTANCE (0038)	75	-	-	-	-
GOLF ENTERPRISE (0047)	(602)	-	-	-	-
Total	\$66,789,310	\$59,641,417	\$62,182,056	\$60,875,336	\$54,889,184

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
FINANCIAL & BUDGET PLANNING**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	271,289	250,562	274,144	274,144	463,064
PAYROLL FRINGES/INSURANCE	610,153	413,096	284,152	285,239	417,900
OTHER SERVICES	30,986	88,651	55,450	80,855	53,285
OTHER CHARGES	118,190	86,590	119,651	119,456	3,268
MATERIALS & SUPPLIES	5,945	4,799	3,955	3,000	3,050
CAPITAL OUTLAY	1,772	11,495	-	-	-
Total	\$1,038,334	\$855,193	\$737,352	\$762,694	\$940,567

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	1,038,334	855,193	737,352	762,694	940,567
Total	\$1,038,334	\$855,193	\$737,352	\$762,694	\$940,567

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
FINANCIAL & BUDGET PLANNING	3.00	3.00	3.00	4.00
Total	3.00	3.00	3.00	4.00

**FINANCIAL & ADMINISTRATIVE SERVICES –
FINANCIAL & BUDGET PLANNING SERVICES UNIT**

REVENUES

Taxes – Decrease is due to the transfer of millage revenue to the corresponding Service Areas.

Intergovernmental Revenues – Decrease is due to reduction in State Shared Revenue reimbursement.

Investment Income – Decrease is due to over estimating FY 03/04 Investment Income and a decreased interest rate environment.

EXPENSES

Personnel Services – The increase reflects the following staff reorganization:

- Transfer of Chief Financial Officer from the City Administrator's budget.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Financial and Budget Planning Services Unit would be charged \$72,430 in 2004/05.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
FINANCIAL & BUDGET PLANNING SERVICES UNIT

GOAL: Ensure the financial health and stability of the City

OBJECTIVE: Improve the City credit ratings with all Rating Agencies

ACTIVITIES	SCHEDULED COMPLETION DATE
Benchmark five AAA cities and determine steps and costs to achieve AAA rating.	March 2005
Develop a plan for overall rating improvement	September 2005
Develop a long range Strategic Planning Process	March 2005 initial plan complete
Completion of 5-Year Plan	November 2005

GOAL : Ensure the financial health and stability of the City

OBJECTIVE: Create a disciplined financial planning and budgeting process that promotes a performance-based culture across the City

ACTIVITIES	SCHEDULED COMPLETION DATE
Organize cross-functional team to develop a plan to implement performance-based initiatives	September 2004
Implement a working capital/asset management program to improve City debt structure.	May 2004
Conduct unit cost analysis to migrate to a performance base budgeting	September 2004

FINANCIAL & ADMINISTRATIVE SERVICES AREA
FINANCIAL & BUDGET PLANNING SERVICES UNIT

GOAL: Ensure the financial health and stability of the City

OBJECTIVE: Create opportunities for the Finance team to interact with service units and develop a customer service oriented Finance organization

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop activity plan for Finance staff	September 2004
Develop financial training program for non-financial users to improve organizational decision-making process	November 2004
Implement training program Citywide	March 2005

FINANCIAL & ADMINISTRATIVE SERVICES AREA
FINANCIAL & BUDGET PLANNING

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ADMINISTRATIVE ASSISTANT II	000570	1.00	66,395
ASSOC CITY ADMIN/PARKS SUPER	403230	1.00	136,458
CHIEF FINANCIAL OFFICER	403520	1.00	119,605
FINANCE DIRECTOR	403730	1.00	129,024
Total		4.00	\$451,482

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

INFORMATION TECHNOLOGY

The Information Technology (IT) Services Unit is responsible for maintaining the City's Network Computing Systems. IT develops interfaces between existing applications, develops needed programs and reports, provides customer friendly help desk and system support, deploys desktop computers, and laptops. Planning and implementing technology projects that coincide with the City's E-Government initiatives and business plans are accomplished through collaboration with all Service Areas. IT has set a business goal to increase partnerships with other jurisdictions to maximize technology opportunities for the City. As a result, the citizens, neighbors, visitors, and businesses of Ann Arbor will have increased access to City Services and information through the City's website.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OPERATING TRANSFERS	1,000,000	1,049,000	950,000	950,000	980,000
MISCELLANEOUS REVENUE	-	-	-	-	-
INVESTMENT INCOME	33,344	(11,528)	-	-	-
Total	\$1,033,344	\$1,037,472	\$950,000	\$950,000	\$980,000

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INFORMATION TECHNOLOGY (0014)	1,033,344	1,037,472	950,000	950,000	950,000
GENERAL (0010)	-	-	-	-	30,000
Total	\$1,033,344	\$1,037,472	\$950,000	\$950,000	\$980,000

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	1,265,930	1,275,408	1,145,787	1,108,301	1,215,065
OTHER CHARGES	41,920	38,268	1,004,271	319,926	961,480
OTHER SERVICES	2,038,923	1,854,752	610,408	799,214	507,476
PAYROLL FRINGES/INSURANCE	185,011	287,204	345,872	336,816	336,513
MATERIALS & SUPPLIES	17,838	17,370	19,000	15,000	15,000
CAPITAL OUTLAY	928,892	142,847	16,000	120,000	4,000
PASS THROUGH	73,273	49,000	-	-	-
Total	\$4,551,787	\$3,664,849	\$3,141,338	\$2,699,257	\$3,039,534

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	2,026,039	2,023,355	2,201,628	2,029,257	2,089,534
INFORMATION TECHNOLOGY (0014)	2,525,748	1,641,494	939,710	670,000	950,000
Total	\$4,551,787	\$3,664,849	\$3,141,338	\$2,699,257	\$3,039,534

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
INFORMATION TECHNOLOGY	18.85	19.00	17.00	16.75
Total	18.85	19.00	17.00	16.75

FINANCIAL & ADMINISTRATIVE SERVICES – INFORMATION TECHNOLOGY UNIT

EXPENSES

Materials & Supplies – The decrease of \$16,500 reflects the costs associated with the reduction of printing paper due to the implementation of the Financial, Payroll, HR, and Parking Ticket System. This item also reflects a reduction of office printing supplies such as toner cartridges, printer ribbons, and other cutbacks in office supplies.

Other Charges – The decrease of \$58,000 reflects the following changes:

- A decrease of \$12,000 eliminates the reserve for small unbudgeted equipment, reflecting project planning phase of requested and budgeted items;
- A decrease of \$23,000 reflects the reduction in current application licenses, including the difference in licenses purchased new in FY 03/04 and the lower maintenance and support cost for FY 04/05; and
- A decrease of \$23,000 reflects the completion of training from FY 03/04 and IT's new approach to acquire technical training on product and new tools as costs included in new project implementation.

Payroll Fringes – The increase of \$22,000 reflects the severance payout of \$55,000 for employee retirement in FY 04/05 and the supplemental revenue of \$30,000 from Fund 0016 for I-NET support from IT.

Personnel Services – The decrease reflects the following staff reductions:

- Elimination of (1) FTE City Hall Public Information Clerk (funding for position is reduced from Community Services Area – CTN Unit); and
- Reduction of \$21,000 by filling one vacant FTE that will assist with internet/intranet development and application support, lower rate reflects elimination of this FTE's web services tasks.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Information Technology Unit would be charged \$523,813 in 2004/05.

FINANCIAL & ADMINISTRATIVE SERVICES
INFORMATION TECHNOLOGY UNIT

GOAL: Strengthen IT services

OBJECTIVE: Provide Technical leadership through partnership with internal and external agencies

ACTIVITIES	SCHEDULED COMPLETION DATE
Host technical summits to exchange information on emerging technologies between business units, vendors, and IT	April 2005
Understand the technology and its application to business partners goals and processes	April 2005
Active participation in internal and external agencies technical planning	April 2005
Identify and establish IT opportunities with partners (Government, University, Non-Profit)	July 2005

GOAL: Evolve the E-Government Plan

OBJECTIVE: Implement the City's Strategic Technology Plan through formalizing its Project Management Program

ACTIVITIES	SCHEDULED COMPLETION DATE
Aid in the prioritization project requests	June 2005
Improve project status reporting	June 2005
Implement and use modern Project Management tools	June 2005

**FINANCIAL & ADMINISTRATIVE SERVICES
INFORMATION TECHNOLOGY UNIT**

GOAL: Increase customer satisfaction

OBJECTIVE: Create a continuous improvement program to measure delivery of service and provide increased customer satisfaction

ACTIVITIES	SCHEDULED COMPLETION DATE
Minimize the financial impact of service delivery	June 2005
Define the services and their corresponding Service Level Agreements (SLA)	June 2005
Standardize Measurement Tool for SLAs	June 2005

GOAL: Improve IT service delivery capabilities

OBJECTIVE: Establish a world-class digital IT infrastructure

ACTIVITIES	SCHEDULED COMPLETION DATE
Establish IT Business Continuity Plan to ensure stability of City Services	June 2005
Establish IT Security plan to ensure stability of City Services	June 2005
Research, pilot, and implement emerging technologies to improve City Service Delivery	June 2005

FINANCIAL & ADMINISTRATIVE SERVICES
INFORMATION TECHNOLOGY UNIT

GOAL: Fully trained IT staff to meet the challenges of the Citywide organization

OBJECTIVE: Align staff capabilities with Unit Goals and Objectives

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop IT Staff Development Plan	June 2005
Provide Cross-training for all functional areas of IT to increase customer service delivery	June 2005

GOAL: Modernize the telecommunications (telephone) capabilities within City Service Units

OBJECTIVE: Implement a Citywide comprehensive cost effective telecommunications system

ACTIVITIES	SCHEDULED COMPLETION DATE
Conduct Citywide cost analysis	May 2004
Develop implementation plan	April 2004
Implement City Hall and all downtown (Phase 1)	June 2004
Implement remainder of City	June 2006

FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
DATABASE ADMINISTRATOR	403510	1.00	94,787
ITSD DIRECTOR	403700	1.00	124,366
LEAD COMPUTER OPERATOR	119230	2.00	103,990
MAINFRAME APPLICATIONS MANAGER	403270	0.75	78,550
NETWORK ADMINISTRATOR	403500	2.00	168,418
NETWORK PROGRAMMER	403660	1.00	63,287
NETWORK SYSTEM ADMINISTRATOR	403180	2.00	164,326
SR APPLICATIONS ANALYST	401050	2.00	167,460
SR SECRETARY/VOICEMAIL ADMIN	000350	1.00	51,245
SYSTEM ADMINISTRATOR	401130	2.00	142,626
SYSTEMS PROGRAMMER ANALYST	403810	1.00	96,023
URBAN INFO SYSTEM ANALYST	401240	1.00	85,343
Total		16.75	\$1,340,421



FINANCIAL & ADMINISTRATIVE SERVICES AREA

RISK MANAGEMENT

Risk Management is responsible for administering the general liability insurance program. Specific duties include negotiating the contracts with our insurance providers, manages the self-insurance fund, coordinates all activities between the worker compensation claims program and the Michigan Municipal League Worker Compensation Insurance Pool Program, and administers citizen and worker compensation claims process.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
RISK MANAGEMENT**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OPERATING TRANSFERS	13,468,077	15,549,421	19,496,544	19,325,755	17,032,749
PRIOR YEAR SURPLUS	-	-	-	-	1,925,000
INVESTMENT INCOME	134,461	41,553	20,000	20,000	60,000
CONTRIBUTIONS	-	85,763	-	130,217	31,689
MISCELLANEOUS REVENUE	44,886	35,231	-	-	-
Total	\$13,647,424	\$15,711,968	\$19,516,544	\$19,475,972	\$19,049,438

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INSURANCE (0057)	13,647,424	15,711,968	19,516,544	19,475,972	19,049,438
Total	\$13,647,424	\$15,711,968	\$19,516,544	\$19,475,972	\$19,049,438

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
RISK MANAGEMENT**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER CHARGES	12,866,420	11,563,909	3,046,145	2,912,000	1,796,900
OTHER SERVICES	926,093	1,007,069	812,982	812,982	877,684
PERSONNEL SERVICES	154,376	166,656	170,055	170,055	36,936
PAYROLL FRINGES/INSURANCE	39,218	(10,886)	66,293	24,085	34,062
MATERIALS & SUPPLIES	8,700	8,214	9,850	9,850	12,450
CAPITAL OUTLAY	140	2,349	-	-	-
Total	\$13,994,946	\$12,737,311	\$4,105,325	\$3,928,972	\$2,758,032

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INSURANCE (0057)	13,994,946	12,737,311	4,105,325	3,928,972	2,758,032
Total	\$13,994,946	\$12,737,311	\$4,105,325	\$3,928,972	\$2,758,032

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
RISK MANAGEMENT	4.00	3.00	3.00	1.00
Total	4.00	3.00	3.00	1.00

**FINANCIAL & ADMINISTRATIVE SERVICES
RISK SERVICES UNIT**

EXPENSES

Other Charges – The decrease of \$1,115,100 reflects the changes made to the City’s general liability insurance program.

Other Services – The increase of \$64,702 reflects the changes to the City’s Workers Compensation Program due to joining the Michigan Municipal League and additional consulting fees for claim and safety services due to the reduction of 2 FTEs.

Personnel Services – The decrease of \$133,199 reflects the following staff reductions:

- Elimination of (1) FTE Safety and Risk Manager; and
- Elimination of (1) FTE Claims Specialist.

FINANCIAL & ADMINISTRATIVE SERVICES AREA

RISK MANAGEMENT

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ADMIN SUPPORT TECHNICIAN	000240	1.00	49,223
Total		1.00	\$49,223

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

TREASURY

The Treasury Service Unit oversees the collection and distribution of City revenues, such as property taxes, parking revenue collection, and cash and investment management.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
TREASURY

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
FINES & FORFEITS	294,414	306,089	315,595	317,311	195,067
MISCELLANEOUS REVENUE	31,649	63,868	6,000	7,200	10,000
TAXES	3,240,828	883	-	1,500	-
Total	\$3,566,892	\$370,840	\$321,595	\$326,011	\$205,067

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	3,566,892	370,840	321,595	326,011	205,067
Total	\$3,566,892	\$370,840	\$321,595	\$326,011	\$205,067

FINANCIAL & ADMINISTRATIVE SERVICES AREA
TREASURY

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	706,111	606,005	557,000	532,040	457,376
PAYROLL FRINGES/INSURANCE	-	94,427	139,644	140,012	122,871
OTHER SERVICES	35,472	68,265	56,565	60,233	38,130
MATERIALS & SUPPLIES	9,671	10,593	10,300	5,700	8,300
OTHER CHARGES	1,570	20,479	1,595	1,150	1,050
CAPITAL OUTLAY	-	12,974	600	-	-
Total	\$752,823	\$812,743	\$765,704	\$739,135	\$627,727

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	752,823	812,743	765,704	739,135	627,727
Total	\$752,823	\$812,743	\$765,704	\$739,135	\$627,727

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
TREASURY	15.50	15.50	11.00	9.00
Total	15.50	15.50	11.00	9.00

**FINANCIAL & ADMINISTRATIVE SERVICES
TREASURY SERVICES UNIT**

REVENUES

FINES & FORFEITS/GENERAL – The amounts included in this category are monies that will be received from the University of Michigan for costs associated with the processing of parking tickets. The revenue decrease is due to the renegotiated contract with the University of Michigan for performing collection activities.

MISCELLANEOUS REVENUE/GENERAL – The amount included in this category increased reflecting the increase cost of Non-Sufficient Funds charged by our main depository bank. This increase will be passed on customer's whose checks are returned to the City for Non-Sufficient Funds. The amount will increase from \$25.00 to 35.00.

EXPENSES

Capital Outlay – The decrease reflects the cost to purchase an Interactive Voice Response system (IVR). This IVR system was not implemented since Treasury needs were incorporated in the Public Services – Customer Service & Call Center Unit.

Payroll Fringes – The decrease reflects the reduction of (2) FTE positions.

Personnel Services – The decrease reflects the following staff reductions:

- Elimination of (1) FTE Account Clerk I;
- Elimination of (1) FTE Collections Manager; and
- Elimination of cost associated with contracted services for temporary clerical support.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Treasury Services Unit would be charged \$418,692 in 2004/05.

FINANCIAL & ADMINISTRATIVE SERVICES
TREASURY UNIT

GOAL: Increase efficiency through technology

OBJECTIVE: Acquire citywide revenue management system

ACTIVITIES	SCHEDULED COMPLETION DATE
Research revenue management products and determine service unit needs	February 2004
Provide product recommendation	February 2004
Implement selected revenue system	June 2004

GOAL: Increase efficiency through technology

OBJECTIVE: Research 3rd party and self-service delivery options

ACTIVITIES	SCHEDULED COMPLETION DATE
Determine possible automated & self service delivery of collection activities	June 2005
Research prospective vendors and products	June 2005
Prepare cost/benefit analysis	October 2005
Recommend appropriate course of action	December 2005

FINANCIAL & ADMINISTRATIVE SERVICES
TREASURY UNIT

GOAL: Improve cash management activities

OBJECTIVE: Obtain financial information from all City Service Units

Activities	SCHEDULED COMPLETION DATE
Determine types of financial information required and sources	July 2004
Establish regular revenue schedules and exception items	August 2004
Prepare 3 year cash flow projections	September 2004 & Ongoing

GOAL: Improve cash management efficiencies

OBJECTIVE: Research feasibility of in-house investments

ACTIVITIES	SCHEDULED COMPLETION DATE
Survey similar communities regarding investment policies & cash mgmt tools	October 2005
Review current Investment Policy with Finance Advisory Committee and recommend to Council	December 2005
Review Investment Benchmarks	February 2006
Research, recommend, conduct cost-benefit analysis of investment management modules (example: Bloomberg)	April 2006

FINANCIAL & ADMINISTRATIVE SERVICES AREA
TREASURY

Allocated Positions

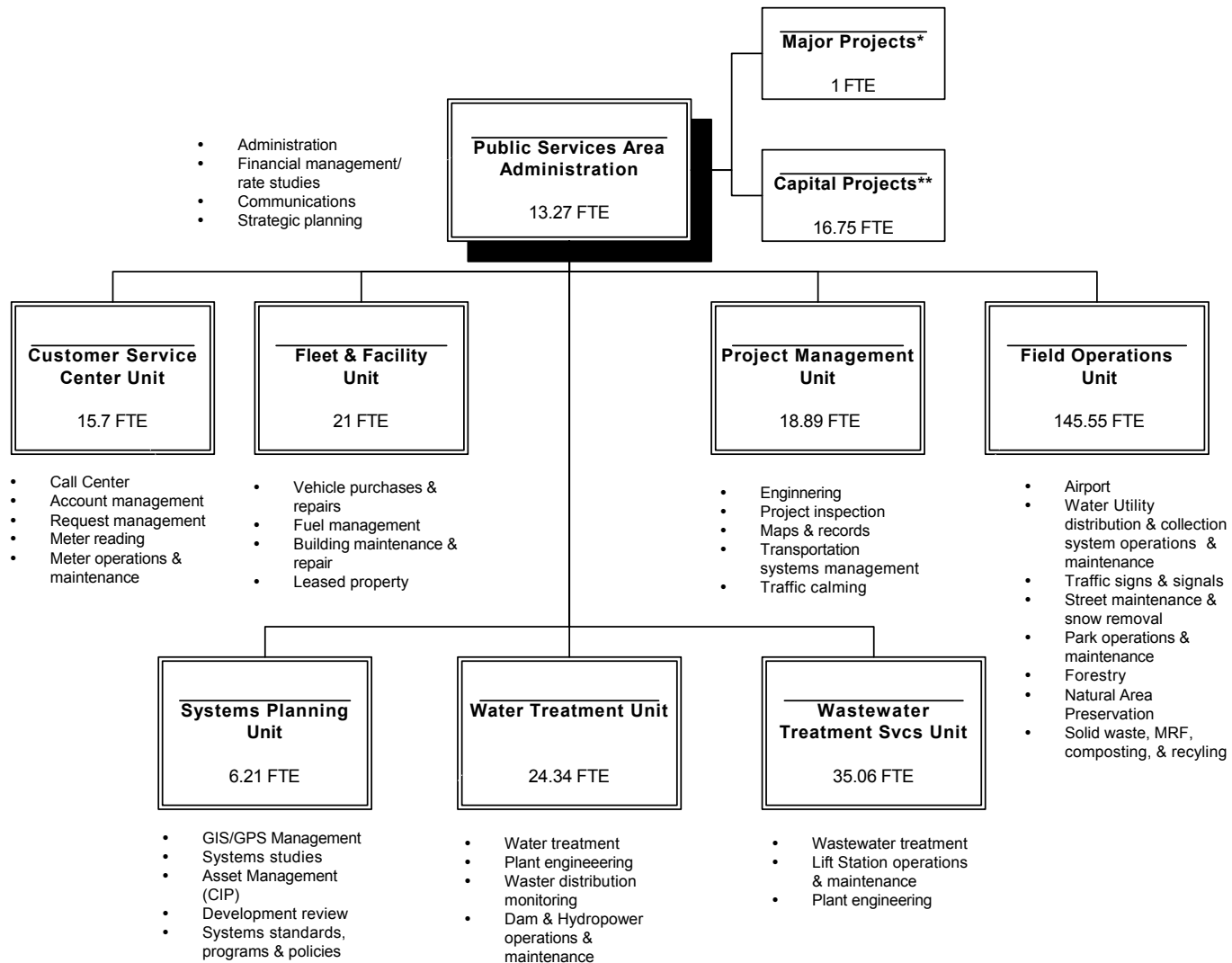
Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111110	4.00	204,811
ACCOUNTING CLERK III	111120	1.00	62,423
CITY TREASURER	403310	1.00	89,141
DEPUTY TREASURER	401090	1.00	81,074
PARKING REFEREE	401200	2.00	137,798
Total		9.00	\$575,247





PUBLIC SERVICES AREA

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The Public Services Area is comprised of seven Service Area Units: Customer Service, Fleet & Facility, Project Management, Systems Planning, Field Operations, Water Treatment, and Wastewater Treatment Services. These Service Units provide the organization with a broad array of services such as: customer service center, City fleet vehicles, solid waste & recycling, MRF, water, wastewater & stormwater services, engineering, project inspection, traffic calming, and the airport. *NOTE: Special Projects is not a Service Unit. It represents a special administrative assignment to oversee identified construction projects. **NOTE: Capital Projects is not a Service Unit. It represents the partial FTE allocations to support the design and management of capital projects.

Public Services Area

PUBLIC SERVICES AREA

Revenues By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CAPITAL PROJECTS	166,142	7,605,322	7,489,894	7,489,894	50,340,590
CUSTOMER SERVICE CENTER	31,747,933	32,692,281	35,321,024	35,017,466	38,669,168
PUBLIC SERVICES ADMINISTRATION	6,862,745	4,162,491	4,978,055	4,619,972	15,502,282
FIELD OPERATIONS	11,419,734	13,092,900	14,061,376	14,144,588	13,133,700
FLEET & FACILITY	3,703,214	3,703,666	4,171,292	3,919,817	4,648,977
PROJECT MANAGEMENT	10,178,809	7,228,647	3,013,268	5,579,382	3,339,901
WATER TREATMENT	347,914	366,145	883,797	750,397	1,724,293
WASTEWATER TREATMENT	250,000	229,277	250,000	250,000	250,000
Total	\$64,676,491	\$69,080,729	\$70,168,706	\$71,771,516	\$127,608,911

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
WATER SUPPLY SYSTEM (0042)	17,972,396	16,688,292	18,614,481	18,274,300	22,186,673
SEWAGE DISPOSAL SYSTEM (0043)	17,479,107	17,308,472	18,191,185	18,014,620	19,819,842
SEWER BOND SERIES XIX 2004 (0076)	-	-	-	-	16,030,347
MAINTENANCE FACILITY (0004)	-	-	-	-	11,500,000
SOLID WASTE (0072)	575,614	251,158	630,000	623,859	11,176,523
STREET REPAIR MILLAGE (0062)	8,911,348	13,490,715	8,278,794	8,392,548	9,866,299
WATER BOND SERIES Z 2004 (0095)	-	-	-	-	8,560,444
MAJOR STREET (0021)	6,317,241	6,307,645	6,210,699	6,276,958	6,576,343
STORMWATER SEWER SYSTEM (0069)	2,566,065	2,747,195	3,249,588	3,105,661	4,375,463
FLEET SERVICES (0012)	3,697,940	3,699,061	4,171,292	3,919,817	4,065,897
GENERAL (0010)	2,659,741	2,510,001	3,964,368	6,538,443	3,984,660
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	-	1,787,477	1,781,981	1,874,028
LOCAL STREET (0022)	1,773,408	1,742,696	1,765,568	1,759,658	1,819,910
CENTRAL STORES (0011)	1,011,978	1,082,495	1,241,850	1,248,850	1,315,692
HYDROPOWER OPERATING FUND (0019)	681,868	558,527	1,086,351	914,351	1,261,972
1990 SOLID WASTE BOND ISSUE (0097)	-	-	-	-	1,250,000
AIRPORT (0048)	720,650	693,283	720,009	691,129	738,494
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	-	563,500
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	364,721
PARKS SERVICE HEADQUARTERS (0015)	139,757	121,564	115,104	115,104	115,104
ELIZABETH R DEAN TRUST (0055)	152,943	170,974	117,500	111,037	89,799
INSURANCE (0057)	-	-	-	-	50,000
WATER BONDS (0093)	-	-	-	-	20,000
CEMETERY PERPETUAL CARE (0054)	450	1,005	2,500	3,200	3,200
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	13,900	1,707,646	21,940	-	-
1994 STORM SEWER BONDS (0081)	2,086	-	-	-	-
Total	\$64,676,491	\$69,080,729	\$70,168,706	\$71,771,516	\$127,608,911

PUBLIC SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CAPITAL PROJECTS	8,605,000	8,541,638	-	-	49,717,589
FIELD OPERATIONS	22,769,965	24,315,904	29,579,087	29,926,731	29,399,322
PUBLIC SERVICES ADMINISTRATION	22,869,378	19,308,423	18,024,524	16,175,803	25,293,870
WASTEWATER TREATMENT	5,691,030	5,671,293	6,627,997	6,425,475	6,077,162
WATER TREATMENT	5,524,413	5,791,090	6,197,238	6,045,972	5,957,255
FLEET & FACILITY	4,343,157	4,472,436	4,965,886	4,323,417	5,212,900
PROJECT MANAGEMENT	1,676,402	2,390,867	4,424,547	2,644,821	2,922,669
CUSTOMER SERVICE CENTER	1,211,579	1,053,420	1,541,295	1,441,458	1,742,802
SYSTEMS PLANNING	-	-	-	210,061	1,185,955
Total	\$72,690,924	\$71,545,071	\$71,360,574	\$67,193,738	\$127,509,524

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
WATER SUPPLY SYSTEM (0042)	14,285,169	14,742,839	17,673,337	16,668,535	22,161,438
SEWAGE DISPOSAL SYSTEM (0043)	18,475,160	14,276,771	15,681,359	14,638,282	17,527,149
SEWER BOND SERIES XIX 2004 (0076)	-	-	-	-	16,030,347
MAINTENANCE FACILITY (0004)	-	-	-	-	11,500,000
SOLID WASTE (0072)	605,755	126,896	590,000	1,140,500	11,033,821
STREET REPAIR MILLAGE (0062)	6,326,354	8,171,906	1,997,308	92,329	9,199,150
GENERAL (0010)	14,602,711	14,667,034	16,483,855	16,555,803	8,612,193
WATER BOND SERIES Z 2004 (0095)	-	-	-	-	8,560,444
MAJOR STREET (0021)	4,493,324	6,433,427	5,982,663	5,803,934	6,576,343
STORMWATER SEWER SYSTEM (0069)	1,931,393	1,980,430	3,111,159	3,189,473	4,155,667
FLEET SERVICES (0012)	3,571,606	3,598,203	4,022,947	3,400,950	4,065,897
LOCAL STREET (0022)	1,280,568	1,937,072	1,739,936	1,734,217	1,797,187
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	-	1,375,795	1,371,252	1,425,208
CENTRAL STORES (0011)	839,663	1,038,967	1,231,359	1,166,832	1,262,276
1990 SOLID WASTE BOND ISSUE (0097)	-	-	-	-	1,250,000
AIRPORT (0048)	654,029	845,186	713,448	715,231	738,494
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	-	563,500
HYDROPOWER OPERATING FUND (0019)	585,191	447,754	500,730	472,401	422,972
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	352,536
PARKS SERVICE HEADQUARTERS (0015)	132,448	123,104	115,104	115,104	115,104
ELIZABETH R DEAN TRUST (0055)	120,020	112,703	113,643	128,895	89,799
INSURANCE (0057)	1,389	1,893	-	-	50,000
WATER BONDS (0093)	-	-	-	-	20,000
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	880,177	1,275,354	27,931	-	-
PARKING SYSTEM (0044)	3,905,807	1,755,135	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	147	14,018	-	-	-
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	-	4,157	-	-	-
DDA PARKING SYSTEM (0063)	11	(7,778)	-	-	-
Total	\$72,690,924	\$71,545,071	\$71,360,574	\$67,193,738	\$127,509,524

PUBLIC SERVICES AREA

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CAPITAL PROJECTS	-	-	-	16.75
CUSTOMER SERVICE CENTER	16.00	17.00	14.00	15.70
FIELD OPERATIONS	188.32	174.00	154.66	145.55
FLEET & FACILITY	27.00	27.00	23.00	21.00
PROJECT MANAGEMENT	35.00	35.00	34.00	18.89
PUBLIC SERVICES ADMINISTRATION	7.00	6.00	13.35	14.27
SYSTEMS PLANNING	-	-	-	6.21
WASTEWATER TREATMENT	45.00	39.00	36.00	35.06
WATER TREATMENT	32.00	32.00	28.00	24.34
Total	350.32	330.00	303.01	297.77



PUBLIC SERVICES AREA

CAPITAL PROJECTS

The Capital Project Service Unit, as part of the Public Services Service Area, is responsible for \$43.6 million in capital improvements for roads, water and sewer infrastructure, and the municipal facility improvements.

**PUBLIC SERVICES AREA
CAPITAL PROJECTS**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PRIOR YEAR SURPLUS	-	-	-	-	20,068,133
SALE OF BONDS	-	-	-	-	14,463,304
TAXES	-	7,148,127	7,489,894	7,489,894	7,850,466
OPERATING TRANSFERS	-	-	-	-	7,341,687
INTERGOVERNMENTAL REVENUES	-	12,051	-	-	417,000
CONTRIBUTIONS	-	-	-	-	200,000
INVESTMENT INCOME	166,142	445,144	-	-	-
Total	\$166,142	\$7,605,322	\$7,489,894	\$7,489,894	\$50,340,590

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
SEWER BOND SERIES XIX 2004 (0076)	-	-	-	-	16,030,347
MAINTENANCE FACILITY (0004)	-	-	-	-	11,500,000
STREET REPAIR MILLAGE (0062)	166,142	7,593,271	7,489,894	7,489,894	9,416,299
WATER BOND SERIES Z 2004 (0095)	-	-	-	-	8,560,444
WATER SUPPLY SYSTEM (0042)	-	12,051	-	-	2,050,000
1990 SOLID WASTE BOND ISSUE (0097)	-	-	-	-	1,250,000
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	-	563,500
SOLID WASTE (0072)	-	-	-	-	500,000
STORMWATER SEWER SYSTEM (0069)	-	-	-	-	400,000
INSURANCE (0057)	-	-	-	-	50,000
WATER BONDS (0093)	-	-	-	-	20,000
Total	\$166,142	\$7,605,322	\$7,489,894	\$7,489,894	\$50,340,590

**PUBLIC SERVICES AREA
CAPITAL PROJECTS**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER CHARGES	719,032	743,073	-	-	20,833,655
CAPITAL OUTLAY	3,403,920	4,670,731	-	-	9,792,875
OTHER SERVICES	3,934,789	2,334,300	-	-	7,329,831
PASS THROUGHS	-	-	-	-	6,966,687
MATERIALS & SUPPLIES	24,588	53,910	-	-	3,460,113
PERSONNEL SERVICES	522,672	642,369	-	-	1,072,051
PAYROLL FRINGES/INSURANCE	-	97,255	-	-	262,377
Total	\$8,605,000	\$8,541,638	\$	\$	\$49,717,589

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
SEWER BOND SERIES XIX 2004 (0076)	-	-	-	-	16,030,347
MAINTENANCE FACILITY (0004)	-	-	-	-	11,500,000
STREET REPAIR MILLAGE (0062)	6,255,064	7,339,683	-	-	8,608,298
WATER BOND SERIES Z 2004 (0095)	-	-	-	-	8,560,444
WATER SUPPLY SYSTEM (0042)	5,361	325,906	-	-	2,065,000
1990 SOLID WASTE BOND ISSUE (0097)	-	-	-	-	1,250,000
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	-	563,500
STORMWATER SEWER SYSTEM (0069)	-	998	-	-	500,000
SOLID WASTE (0072)	-	-	-	-	500,000
MAJOR STREET (0021)	199,206	182,120	-	-	70,000
INSURANCE (0057)	1,389	1,893	-	-	50,000
WATER BONDS (0093)	-	-	-	-	20,000
SEWAGE DISPOSAL SYSTEM (0043)	2,142,323	652,472	-	-	-
HYDROPOWER OPERATING FUND (0019)	-	22,000	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	147	14,018	-	-	-
PARKING SYSTEM (0044)	1,499	6,169	-	-	-
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	-	4,157	-	-	-
DDA PARKING SYSTEM (0063)	11	(7,778)	-	-	-
Total	\$8,605,000	\$8,541,638	\$	\$	\$49,717,589

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CAPITAL PROJECTS	-	-	-	16.75
Total				16.75

**PUBLIC SERVICES
CAPITAL PROJECTS UNIT**

Pass Throughs – The total budgeted expenditures for the Public Services Capital Projects Unit are \$49,717,589. However, that amount includes operating transfers between funds of \$6,966,687; which makes the project costs appear higher. As represented in the capital summaries, the actual budgeted project costs, net of the transfers, total \$42,750,902 which is the request for authorization.

The total budgeted revenues for the Public Services Capital Projects Unit are \$50,340,590. As with the expenditure budget the amount includes operating transfers between funds of \$6,966,687; which makes the project revenues appear higher. As represented in the capital summaries, the actual budgeted project revenues, net of the transfers, total \$43,373,903 which is the request for authorization.

PUBLIC SERVICES AREA
CAPITAL PROJECTS

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111111	0.15	8,293
ASST WTP SUPERINTENDENT	401020	0.22	21,573
ASST WWTP SUPERINTENDENT	401010	0.34	31,909
CIVIL ENGINEER I	002100	0.84	54,177
CIVIL ENGINEER II	002110	1.43	98,732
CIVIL ENGINEER IV	403840	0.58	55,710
CIVIL ENGINEER V	401330	1.18	114,764
CUSTOMER SERV SUPERINTENDENT	401390	0.50	54,547
DIRECTOR OF SOLID WASTE	403370	0.35	31,324
DRAFTSPERSON III	112210	0.58	37,411
ENGINEERING TECHNICIAN III	112030	0.75	48,636
ENGINEERING TECHNICIAN III	112031	1.41	95,674
ENGINEERING TECHNICIAN IV	112040	3.03	217,840
FIELD OPER TECH III - COMM SYS	112724	0.03	1,847
FIELD OPER TECH IV - COMM SYS	112734	0.44	28,761
FIELD OPER TECH V - COMM SYS	112744	0.13	9,020
PROCESS CONTROL SYSTEM SPEC	403190	0.14	11,061
PROCUREMENT COORDINATOR	117450	0.04	2,351
PUBLIC SERVICES DIRECTOR	403780	0.75	102,550
SENIOR SURVEYOR	112100	0.71	52,234
SENIOR UTILITIES ENGINEER	404000	1.44	128,121
UTILITIES FIELD SUPERINTENDENT	401320	0.10	9,716
UTILITIES INSTRUMENT TECH	116250	0.12	8,184
UTILITIES SERVICEPERSON	116450	0.60	35,886
WATER METER REPAIRPERSON II	116480	0.20	12,345
WATER QUALITY MANAGER	403820	0.33	28,702
WATER UTILITY SUPERVISOR III	197421	0.08	6,668
WATER UTILITY TECHNICIAN I	117400	0.06	3,198
WATER UTILITY TECHNICIAN V	117440	0.02	1,316
WTP SUPERINTENDENT	401310	0.10	10,480
WWTP SUPERINTENDENT	401300	0.10	11,398
Total		16.75	\$1,334,428

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PUBLIC SERVICES AREA

CUSTOMER SERVICE CENTER

The Customer Service Center has primary responsibility to assure we respond to customer inquiries, complaints and requests for service from Public Service. The Customer Service Unit has 15.7 FTE's. Within the unit a consolidated call center routes City calls and specifically handles Public Services calls. These calls are associated with Project Management, Solid Waste, Street Maintenance, Traffic Control, Treasury (payment processing), and Water Utilities. Customer Service also provides all types of general information for walk-in customers. Additionally this unit is responsible for water utility metering reading, installation and repair. All water and solid waste billing services are provided by this unit.

PUBLIC SERVICES AREA
CUSTOMER SERVICE CENTER

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CHARGES FOR SERVICES	30,954,693	31,745,018	34,338,887	34,068,329	38,639,168
OPERATING TRANSFERS	-	-	-	-	30,000
INTRA GOVERNMENTAL SALES	793,240	907,137	907,137	907,137	-
MISCELLANEOUS REVENUE	-	40,126	75,000	42,000	-
Total	\$31,747,933	\$32,692,281	\$35,321,024	\$35,017,466	\$38,669,168

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
SEWAGE DISPOSAL SYSTEM (0043)	14,044,801	15,323,946	16,312,013	16,295,263	18,068,475
WATER SUPPLY SYSTEM (0042)	15,314,006	14,749,965	16,003,080	15,869,272	17,079,398
STORMWATER SEWER SYSTEM (0069)	2,389,126	2,618,370	3,005,931	2,852,931	3,491,295
GENERAL (0010)	-	-	-	-	30,000
Total	\$31,747,933	\$32,692,281	\$35,321,024	\$35,017,466	\$38,669,168

PUBLIC SERVICES AREA
CUSTOMER SERVICE CENTER

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	560,651	491,981	700,316	706,116	787,127
OTHER SERVICES	215,361	306,764	307,499	296,519	462,387
PAYROLL FRINGES/INSURANCE	166,294	146,244	192,826	194,169	215,537
CAPITAL OUTLAY	21,456	(92,421)	38,000	23,000	201,355
MATERIALS & SUPPLIES	215,031	177,474	270,850	189,850	73,850
OTHER CHARGES	32,786	23,378	31,804	31,804	2,546
Total	\$1,211,579	\$1,053,420	\$1,541,295	\$1,441,458	\$1,742,802

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
WATER SUPPLY SYSTEM (0042)	1,211,579	991,758	1,541,295	1,441,458	1,570,056
MAJOR STREET (0021)	-	-	-	-	127,146
GENERAL (0010)	-	-	-	-	45,600
STORMWATER SEWER SYSTEM (0069)	-	41,544	-	-	-
SEWAGE DISPOSAL SYSTEM (0043)	-	20,118	-	-	-
Total	\$1,211,579	\$1,053,420	\$1,541,295	\$1,441,458	\$1,742,802

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
CUSTOMER SERVICE CENTER	16.00	17.00	14.00	15.70
Total	16.00	17.00	14.00	15.70

**PUBLIC SERVICES
CUSTOMER SERVICE CENTER SERVICE UNIT**

REVENUES

Charges for Services – Revenue increase results from water and sewer rate increases effective 4/1/04 and connection and improvement charge increases effective 3/1/04. This also includes an increase due to a recommended storm water rate increase to be effective 7/04.

Operating Transfers – Effective FY 05, Customer Service will incorporate the general public information desk function previously performed in Information Services. This is the CTN transfer to partially fund the information desk activity.

EXPENSES

Capital Outlay –

- Our Capital Outlay request increases by \$150,000 to restock meter and radio reader inventory at the end of the AMR project.
- An increase of \$25,000 reflects a work management module tying our Customer Information/Billing System to the dynamic scheduling of our meter service personnel accounting for a variety of tasks, meetings, employee time off, equipment and stock availability, etc.

Materials & Supplies –

- We are replacing all water meters in FY 05 as part of the AMR Capital project which reflects a \$200,000 decrease (to \$0) for FY 05 Revolving Supply funding.
- Consolidation of Call Center increased staff and associated materials and supplies needed to perform their jobs.

Other Services – Overall increase of \$91,000 between these two items.

- This reflects a decrease of \$50,000 for Contracted Services due to reducing the need for contract meter reading (AMR Project Implementation) and by transferring some clerical contract labor to the AMR capital project; and
- This reflects an increase of \$141,000 in Telecommunications for the purchase of Cityworks and ARCGIS software seats for the Call Center and Administration, and to provide for the annual maintenance contract of the new Call Center call switch and any IVR (phone tree menu programming) first year adjustments.

**PUBLIC SERVICES
CUSTOMER SERVICE CENTER SERVICE UNIT**

Payroll Fringes – This reflects a decrease in Retiree Medical and Insurance premiums to the Customer Services budget as these same costs have been consolidated into the Administration Unit budget. However overall payroll fringes have increased due to the consolidation of the Call Center and the addition of 4 FTE's.

Personnel Services – The Customer Service Center consolidation that was accomplished within Public Services was not reflected in the FY 04 budget. The FY 05 budget reflects:

- An increase of (4) FTE clerical staff previously accounted for elsewhere within Public Services;
- A decrease by (1.3) FTE for Fund 0042 Permanent Time Worked due to labor allocations to the AMR capital project; and
- No change in FTE, however, the Customer Service Center will incorporate the functions of the information desk.

This budget request does not reflect the planned consolidation of the customer support activities currently provided for in Treasury.

PUBLIC SERVICES AREA
CUSTOMER SERVICE CENTER SERVICE UNIT

GOAL: Streamline business processes

OBJECTIVE: Improve billing and revenue collection processes

ACTIVITIES	SCHEDULED COMPLETION DATE
Improve customer collection process	June 2004
Improve auto-estimates billing process	June 2004
Rectify stopped meter accounts	June 2004

GOAL: Improve City's communication to employees & citizens to improve morale and image of the City

OBJECTIVE: Develop and implement a communication strategy geared toward the community

ACTIVITIES	SCHEDULED COMPLETION DATE
Create and conduct citizen satisfaction survey	June 2005

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Train and deploy multi-skilled employees

ACTIVITIES	SCHEDULED COMPLETION DATE
Cross-train Call Center clerks to handle multiple service unit areas	Ongoing

PUBLIC SERVICES AREA
CUSTOMER SERVICE CENTER SERVICE UNIT

GOAL: Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery

OBJECTIVE: Automate customer call and water meter-reading systems

ACTIVITIES	SCHEDULED COMPLETION DATE
Install & groom phone switch (Nortel BCM) for the Call Center	June 2004
Develop and implement customer self-help technologies	December 2004
Implement Automated Meter Reading program	September 2005
Implement "Open Arms"	September 2004
Implement City-wide complaint tracking/request	December 2004

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Conduct employee evaluations and performance management

ACTIVITIES	SCHEDULED COMPLETION DATE
Evaluate strengths and weaknesses of existing employees in call center	Ongoing
Conduct annual Denison Survey	September 2004

PUBLIC SERVICES AREA
CUSTOMER SERVICE CENTER

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111110	4.00	219,728
ACCOUNTING CLERK III	111120	1.00	59,615
CALL CENTER SUPERVISOR	194510	1.00	72,431
CLERK TYPIST II	110110	2.00	90,442
CUSTOMER SERV SUPERINTENDENT	401390	0.50	54,530
PLUMBING INSPECTOR II	114261	1.00	73,139
UTILITIES SERVICEPERSON	116450	4.40	262,453
WATER METER REPAIRPERSON II	116480	0.80	49,406
WATER UTIL INFO SYSTEM SPEC	403170	1.00	86,315
Total		15.70	\$968,059



PUBLIC SERVICES AREA

FIELD OPERATIONS

Field Operations is the combination of field oriented maintenance and operational divisions from across the organization. There are 145.55 FTE's responsible for park maintenance, forestry, natural area preservation, street lighting, signals, signs, radio communications, street maintenance, solid waste and material recovery activities, the airport and all water, wastewater and storm water distribution and collection. By consolidating these operational activities into one service unit, significant coordination, cross-training opportunities and improved efficiencies are developing. These changes are facilitated by the new job progressions and the thorough examination and subsequent redesign of work processes.

**PUBLIC SERVICES AREA
FIELD OPERATIONS**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INTERGOVERNMENTAL REVENUES	7,101,051	7,021,274	7,086,903	7,116,416	7,439,918
INTRA GOVERNMENTAL SALES	1,801,470	1,913,268	2,013,423	1,967,153	2,115,835
TAXES	-	1,670,480	1,784,477	1,781,981	1,870,328
CHARGES FOR SERVICES	1,394,327	1,236,796	1,293,495	1,352,280	1,420,470
OPERATING TRANSFERS	418,753	888,037	1,689,894	1,763,071	150,000
INVESTMENT INCOME	194,987	228,315	131,150	124,537	107,299
MISCELLANEOUS REVENUE	175,452	134,730	24,000	39,150	29,150
LICENSES, PERMITS & REGISTRATION	-	-	-	-	700
PRIOR YEAR SURPLUS	-	-	38,034	-	-
CONTRIBUTIONS	333,695	-	-	-	-
Total	\$11,419,734	\$13,092,900	\$14,061,376	\$14,144,588	\$13,133,700

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
MAJOR STREET (0021)	5,659,857	5,520,108	5,569,499	5,603,258	5,845,008
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	-	1,787,477	1,781,981	1,874,028
LOCAL STREET (0022)	1,551,623	1,544,045	1,558,568	1,560,658	1,620,910
CENTRAL STORES (0011)	1,011,978	1,082,495	1,241,850	1,248,850	1,315,692
AIRPORT (0048)	720,650	693,283	720,009	691,129	738,494
WATER SUPPLY SYSTEM (0042)	1,350,504	876,270	808,254	759,354	662,699
SOLID WASTE (0072)	15,000	20,798	630,000	623,859	429,890
SEWAGE DISPOSAL SYSTEM (0043)	260,351	286,338	274,618	302,943	306,876
GENERAL (0010)	421,522	995,860	1,146,000	1,272,215	116,400
PARKS SERVICE HEADQUARTERS (0015)	139,757	121,564	115,104	115,104	115,104
ELIZABETH R DEAN TRUST (0055)	152,943	170,974	117,500	111,037	89,799
STORMWATER SEWER SYSTEM (0069)	121,199	72,514	68,057	71,000	15,600
CEMETERY PERPETUAL CARE (0054)	450	1,005	2,500	3,200	3,200
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	13,900	1,707,646	21,940	-	-
Total	\$11,419,734	\$13,092,900	\$14,061,376	\$14,144,588	\$13,133,700

**PUBLIC SERVICES AREA
FIELD OPERATIONS**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER SERVICES	9,953,796	9,090,578	10,191,820	9,642,155	10,541,502
PERSONNEL SERVICES	6,895,235	7,670,378	7,806,112	7,903,601	8,476,622
PAYROLL FRINGES/INSURANCE	746,709	1,692,112	2,675,937	2,810,230	2,628,526
MATERIALS & SUPPLIES	1,926,436	2,399,098	2,796,855	2,675,199	2,573,619
CAPITAL OUTLAY	278,172	316,534	2,193,036	2,453,355	2,432,691
PASS THROUGHS	849,142	911,562	1,734,517	2,107,749	1,790,543
OTHER CHARGES	1,834,251	1,879,335	2,097,260	2,113,815	668,599
VEHICLE OPERATING COSTS	286,225	356,307	83,550	220,627	287,220
Total	\$22,769,965	\$24,315,904	\$29,579,087	\$29,926,731	\$29,399,322

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
SOLID WASTE (0072)	605,755	126,896	590,000	1,140,500	7,910,949
GENERAL (0010)	10,470,148	10,475,789	11,649,708	11,751,763	5,516,907
MAJOR STREET (0021)	2,141,216	2,483,288	3,845,177	3,869,114	3,902,723
WATER SUPPLY SYSTEM (0042)	2,018,687	2,463,031	2,797,141	2,764,339	2,526,922
SEWAGE DISPOSAL SYSTEM (0043)	1,695,860	1,577,702	2,461,739	2,258,794	2,123,742
STORMWATER SEWER SYSTEM (0069)	1,931,393	1,937,888	2,918,106	2,910,690	2,076,315
LOCAL STREET (0022)	1,280,568	1,937,072	1,739,936	1,734,217	1,710,885
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	-	1,375,795	1,371,252	1,425,208
CENTRAL STORES (0011)	839,663	1,038,967	1,231,359	1,166,832	1,262,276
AIRPORT (0048)	654,029	845,186	713,448	715,231	738,494
PARKS SERVICE HEADQUARTERS (0015)	132,448	123,104	115,104	115,104	115,104
ELIZABETH R DEAN TRUST (0055)	120,020	112,703	113,643	128,895	89,799
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	880,177	1,275,354	27,931	-	-
FLEET SERVICES (0012)	-	(28,200)	-	-	-
PARKING SYSTEM (0044)	-	(52,876)	-	-	-
Total	\$22,769,965	\$24,315,904	\$29,579,087	\$29,926,731	\$29,399,322

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
FIELD OPERATIONS	188.32	174.00	154.66	145.55
Total	188.32	174.00	154.66	145.55

**PUBLIC SERVICES
FIELD OPERATION SERVICES UNIT**

REVENUES

Operating Transfers – Significant decrease is the result of moving solid waste services from the General Fund eliminating the need for transfer to occur from the old Equipment Fund to the General Fund. All solid waste activities are in one Enterprise Fund now eliminating the need to transfer money for equipment purchases. Equipment will be depreciated annually in the operating budget.

Intergovernmental Revenues – This increase is the result of increased state revenues received from the weight and gas tax. This is funding provided to the city for maintenance of all major and local roadways.

EXPENSES

Capital Outlay – The enterprise funds 0042, 0043, 0069, and 0072 are the only funds utilized for capital outlay. There are no significant changes in funds 0042, 0043, or 0069; equipment is replaced according to lifecycle and condition assessment. Fund 0072 includes over \$500,000 for the purchase of curb carts.

Materials & Supplies – The decrease across all funds reflects purchasing as-needed and reducing inventory to a minimum.

Other Charges – The decrease reflects changes made to the accounting procedures. Other Charges are predominately captured in the Administration Unit budget of Public Services.

Other Services –

- The decrease in most funds reflects the workforce as it becomes more broadly skilled as a result of the reorganization and new job designs allowing for more in-house work and decreased dependence on contracted services; and
- The increase in Utilities reflects the need to address capital projects with the utilization of contracted services.

Payroll Fringes –

- The decrease reflects a decrease in workers compensation and medical insurance; and
- The General Fund reflects the shift of funding from the “old” Parks & Recreation Department to the new service area. The accounting change reflects the association of retiree medical with Field Operations, from which the majority of the retired employees came.

PUBLIC SERVICES FIELD OPERATIONS SERVICES UNIT

Personnel Services – The overall increase of 7.3% results from negotiated and planned increases. However, the general fund expenses decreased by 15.5%. The reorganization reflects the following personnel changes:

- Shift (.5) vacant FTE to Safety Services for Clean Community. Additionally, (1) FTE is an unauthorized/unfunded position that was eliminated;
- Addition of (2) Field Operations Technicians for front-load refuse services.
- Reallocation (1) vacant FTE Field Operations Technician from Funds 0021 and 0022 to a Natural Area Preservation (NAP) Technician. This results from improved efficiencies of the new job progression and the need for a permanent position to fulfill objectives of the growing programs in Natural Area Preservation;
- The increase in NAP is partially offset by elimination of a 10 month Seasonal Active Personnel (net increase \$24,679); and
- Reallocation of (1) vacant FTE Field Operations Technician to a GIS Specialist. This change is attributed to improved efficiencies of the new job progression and the need for a GIS Specialist to map infrastructure and implement new GIS-based maintenance management system.
- The budget includes the addition of a Transportation Manager to provide coordination and planning of transportation issues within the City of Ann Arbor.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Field Operations Unit would be charged \$492,353 in 2004/05.

**PUBLIC SERVICES AREA
FIELD OPERATIONS UNIT**

GOAL: Improve City's communication to employees & citizens to improve morale and image of the City

OBJECTIVE: Team building at the Field Operations Unit

ACTIVITIES	SCHEDULED COMPLETION DATE
Quarterly team luncheons	Ongoing
Annual seasonal celebration	September 2004
Field trips arranged outside the work paid for by attendees	June 2004

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Train supervisors to be safety trainers

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify Supervisors training needs	February 2004
PowerPoint training for Supervisors	June 2004
Subject matter training for Supervisors	January 2005
Refresher training for Supervisors	Ongoing

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Maintain excellent safety program and minimize risk

ACTIVITIES	SCHEDULED COMPLETION DATE
Update safety programs	Ongoing
Provide safety training to employees	Ongoing
Create a safer work environment through worksite supervision and inspection for Field Operations	December 2004
Reduce property damage and work force injuries	June 2004

PUBLIC SERVICES AREA
FIELD OPERATIONS

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111110	1.00	50,939
ACCOUNTING CLERK II	111111	1.85	102,201
ADMINISTRATIVE ASSISTANT II	000570	1.00	66,395
AIRPORT MAINTENANCEPERSON II	116960	1.00	59,459
AIRPORT MANAGER	403200	0.97	92,255
BOOKKEEPER/TYPIST II	110240	1.00	54,491
CITY PLANNER III	401030	0.10	9,439
CIVIL ENGINEER I	002100	0.10	6,215
CIVIL ENGINEER V	401330	0.10	9,587
CLERK II	110060	0.50	19,667
CLERK IV	110080	0.50	27,640
CLERK IV	110081	1.00	57,983
DATA ENTRY KEYING OPERATOR	110360	0.50	21,515
DIRECTOR OF SOLID WASTE	403370	0.40	35,662
FIELD OPER TECH I - INFRA SYS	112804	4.00	196,220
FIELD OPER TECH I-COMM SYS	112704	2.58	143,241
FIELD OPER TECH II - FOR/FAC	112764	1.00	57,059
FIELD OPER TECH II - INFRA SYS	112814	14.00	819,850
FIELD OPER TECH III - COMM SYS	112724	1.47	90,510
FIELD OPER TECH III - FOR/FAC	112774	10.00	604,358
FIELD OPER TECH IV - COMM SYS	112734	3.06	197,892
FIELD OPER TECH IV - FOR/FAC	112784	4.00	252,236
FIELD OPER TECH IV - INFRA SYS	112834	31.00	1,981,391
FIELD OPER TECH V - COMM SYS	112744	5.45	375,705
FIELD OPER TECH V - FOR/FAC	112794	12.00	771,822
FIELD OPER TECH V - INFRA SYS	112844	19.00	1,262,033
FIELD OPERATIONS SUPV II	192110	3.00	217,389
FIELD OPERATIONS SUPV III	192120	4.00	304,412
FIELD OPERATIONS SUPV IV	192130	1.00	79,823
FIELD OPERATIONS SUPV V	192140	2.00	169,306
FORESTRY FOREPERSON II	192891	1.00	73,127
FORESTRY GROUNDSPERSON I	112831	2.00	118,102
GIS SPECIALIST	401340	1.10	70,956
GOLF ENTERPRISE UNIT SUPV	197210	0.15	12,537
NAP TECHNICIAN	193050	2.00	117,718
OPERATIONS TECHNICIAN I	112090	1.00	47,723
PARK RANGER II	113000	1.00	58,859
PARKING & STREET MAINT MGR	403970	1.00	79,451
PARKS - NAP MANAGER	403320	0.95	81,916
PARKS & FORESTRY OPS MANAGER	403450	0.76	78,131
RECYCLING COORDINATOR	401230	1.00	79,715
SCALEMASTER	116160	1.00	54,872
SOLID WASTE FOREPERSON	196150	1.00	72,249
TREE TRIMMER I	112851	2.00	118,534
TREE TRIMMER II	112861	1.00	61,799
UTILITIES AUTO/EQUIP MECHANIC	117571	1.00	63,791
Total		145.55	\$9,326,175

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PUBLIC SERVICES AREA

FLEET & FACILITY

The Fleet and Facilities Unit moves to Public Services from Support Services as part of the new structure proposed in the 04/05-budget request. This unit is responsible for all fleet services including fuel procurement and management and procurement, sale, and maintenance and repair of the City's 400+ pieces of rolling stock and 100+ pieces of additional specialized equipment. Beginning in FY 05, management of Fire vehicles and Parks specialty equipment is provided by this unit. Additionally the unit will be responsible for consolidated facility maintenance including repairs, renovations, preventive maintenance, snow removal, grounds maintenance and general upkeep of 19 City-owned buildings. There are 21 FTE's requested in this budget to accomplish the above described unit responsibilities.

**PUBLIC SERVICES AREA
FLEET & FACILITY**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
INTRA GOVERNMENTAL SALES	3,527,181	3,465,027	3,685,782	3,688,377	2,917,931
OPERATING TRANSFERS	-	-	63,615	63,615	1,193,046
PRIOR YEAR SURPLUS	-	-	273,195	-	400,000
MISCELLANEOUS REVENUE	141,734	166,435	120,700	150,050	120,000
INVESTMENT INCOME	34,299	32,130	28,000	17,775	18,000
CHARGES FOR SERVICES	-	40,074	-	-	-
Total	\$3,703,214	\$3,703,666	\$4,171,292	\$3,919,817	\$4,648,977

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
FLEET SERVICES (0012)	3,697,940	3,699,061	4,171,292	3,919,817	4,065,897
GENERAL (0010)	5,274	4,605	-	-	583,080
Total	\$3,703,214	\$3,703,666	\$4,171,292	\$3,919,817	\$4,648,977

**PUBLIC SERVICES AREA
FLEET & FACILITY**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	1,175,228	1,144,865	1,136,340	1,063,958	1,197,833
VEHICLE OPERATING COSTS	1,095,171	1,069,696	1,286,390	1,040,765	1,144,100
CAPITAL OUTLAY	26,754	(29,440)	1,231,705	920,731	882,735
OTHER SERVICES	672,269	726,980	666,863	675,802	626,749
PASS THROUGHES	76,181	64,776	44,630	44,630	559,581
PAYROLL FRINGES/INSURANCE	298,133	368,055	421,005	406,256	425,244
OTHER CHARGES	911,498	1,055,943	104,428	103,423	309,408
MATERIALS & SUPPLIES	86,809	71,561	74,525	67,852	67,250
EMPLOYEE ALLOWANCES	1,114	-	-	-	-
Total	\$4,343,157	\$4,472,436	\$4,965,886	\$4,323,417	\$5,212,900

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
FLEET SERVICES (0012)	3,571,606	3,626,403	4,022,947	3,400,950	4,065,897
GENERAL (0010)	771,551	846,033	942,939	922,467	1,147,003
Total	\$4,343,157	\$4,472,436	\$4,965,886	\$4,323,417	\$5,212,900

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
FLEET & FACILITY	27.00	27.00	23.00	21.00
Total	27.00	27.00	23.00	21.00

**PUBLIC SERVICES
FLEET & FACILITY SERVICES UNIT**

REVENUES

Intra Governmental Sales – Decrease is the result of reduced fleet size therefore resulting in reduced charges to user groups. Newly included fleet from Fire and Parks contribute depreciation through operating transfers.

Operating Transfers – Fleet revenue increase attributed to catch-up depreciation associated with Fire vehicles and Parks equipment rolling into the citywide fleet and annual depreciation for the fiscal year.

Operating Transfers – New line item established to recover expenses attributed to facility use and maintenance of general fund buildings by activities funded outside the General Fund.

EXPENSES

Capital Outlay –

- The Fleet budget decrease reflects the normal variation in the type and quantity of vehicles and equipment that are needed to be replaced from year to year; and
- The Facility budget decrease of \$20,000 reflects the cost of deferring tuck point caulk on City Hall.

Materials & Supplies –

- The Fleet budget decrease reflects the movement of Garage and Facility Maintenance at 721 N Main from Fleet Services budget to the Facilities Maintenance budget in the General Fund. This expense in the General Fund will be offset by a transfer from the Motor Equipment Fund; and
- The Facility budget decrease of \$7,000 reflects the charge back for building materials to non-General Fund service units.

Other Charges –

- The Fleet budget increase reflects the Municipal Services Charge that Fleet Services did not pay previously. This charge was partially offset by the changes made to the City's general liability insurance program;
- The Facilities budget decrease of \$7,200 reflects the savings realized through energy management systems for electricity and HVAC;
- The Facilities budget increase of \$175,000 reflects the estimated costs associated with maintenance of non-General Fund Fleet Service, Solid Waste, and Transportation Services (with off-setting revenues);
- The Facilities budget decrease of \$114,000 reflects the rental obligation of non-General Fund City Center occupants; and

**PUBLIC SERVICES
FLEET & FACILITY SERVICES UNIT**

- The Facilities budget increase of \$107,000 reflects an estimated amount for General Fund allocated staff costs associated with facility maintenance expenses.

Other Services –

- The Fleet budget decrease reflects the movement of Garage and Facility Maintenance at 721 N Main from Fleet Services budget to the Facilities Maintenance budget in the General Fund. This expense in the General Fund will be offset by a fund transfer from the Motor Equipment Fund; and
- This also reflects a decrease of \$20,000 for an outside consultant to review the Fleet Operation completed in FY 03/04.

Payroll Fringes – The Fleet budget decrease reflects the changes made to the employee health benefits program and retiree medical insurance.

Personnel Services – The Fleet budget decrease reflects the following staff reductions:

- Elimination of (1) FTE Automotive Parks Clerk;
- Transfer of (1) FTE Utilities Auto/Equip Mechanic back to water funds offset by (1) FTE equivalent revenue reduction; and
- Cost of paid time off for all employees was previously charged to the Administration Activity and is now distributed to all Activities.

Vehicle Operating Cost – The Fleet budget increase relates to the increase in repair costs and fuel.

PUBLIC SERVICES AREA
FLEET & FACILITIES SERVICE UNIT

GOAL: Contain the size and cost of the City's Fleet

OBJECTIVE: Identify the appropriate size of the City's Fleet to meet the needs of its customers

ACTIVITIES	SCHEDULED COMPLETION DATE
Survey customer vehicle needs and end user satisfaction	Ongoing
Establish and maintain City-wide replacement schedule	April 2005

GOAL: Maintain an energy efficient Fleet

OBJECTIVE: Implement fully the Green Fleet Policy

ACTIVITIES	SCHEDULED COMPLETION DATE
Implement Green Fleet Policy	February 2004
Explore alternative fuel options when purchasing new vehicles	Ongoing

GOAL: Enhance the efficiency of the Fleet fuel management

OBJECTIVE: Install new computerized fuel management system

ACTIVITIES	SCHEDULED COMPLETION DATE
Determine fuel management requirements	March 2004
Increase the use of alternative fuels	Ongoing
Evaluate fueling cost	Ongoing
Install E-85 fuel pump	July 2004

PUBLIC SERVICES AREA
FLEET & FACILITIES SERVICE UNIT

GOAL: Maintain quality Fleet mechanics

OBJECTIVE: Enhance the mechanic training plan

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide Reimbursement for testing/certification fees	June 2005
Provide incentive for attaining Master Mechanic certifications	April 2005

GOAL: Ensure equipment maintenance services meet customer expectations

OBJECTIVE: Survey customer vehicle needs and end user satisfaction

ACTIVITIES	SCHEDULED COMPLETION DATE
Survey customer satisfaction	September and December 2004, March and June 2005
Continual staff training in specialty assets	Ongoing
Eliminate Duplicate Repairs	July 2004

PUBLIC SERVICES AREA
FLEET & FACILITIES SERVICE UNIT

GOAL: Reduce Energy consumption in City buildings

OBJECTIVE: Add energy management system (Novar) to six City facilities

ACTIVITIES	SCHEDULED COMPLETION DATE
Expand computerized energy management system	September 2004
Identify six facilities and prioritize their conversion to a computerized system for tracking	September 2004
Track energy costs by building	June 2005
Install energy management to control HVAC systems	June 2005
Inspect each City facility for energy saving possibilities	June 2005

GOAL: Reduce City building maintenance costs

OBJECTIVE: Expand deployment of the computerized Main Saver Maintenance management for City facilities

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop a permanent management program for each City facility	June 2005
Train staff on Mainsaver software	June 2005
Expand Mainsaver system	June 2005

PUBLIC SERVICES AREA
FLEET & FACILITIES SERVICE UNIT

GOAL: Reduce city building maintenance costs

OBJECTIVE: Develop a Citywide team approach to enhancing the effectiveness of building management and maintenance

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify citywide staff resources and capabilities dedicated to facility maintenance	June 2005
Develop a coordinated system to maximize use of staff resources	June 2005
Consolidate maintenance services contracts	June 2005
Coordinate staff utilization, quantify site specific capacity, and identify sites with gaps in capacity	June 2005

PUBLIC SERVICES AREA
FLEET & FACILITY

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK III	111120	1.00	62,279
ASSTISTANT FACILITIES MANAGER	196051	1.00	67,115
AUTOMOTIVE MECHANIC I - CP	117551	2.00	120,808
AUTOMOTIVE MECHANIC II	117561	8.00	508,252
AUTOMOTIVE PARTS CLERK	117500	1.00	58,391
FACILITIES MANAGER	196071	1.00	75,575
FLEET-MAINTEN PERSON II	117610	3.00	172,521
GARAGE FOREPERSON I	197600	1.00	70,391
GARAGE FOREPERSON II	197610	1.00	72,927
MAINTENANCE WORKER II	116040	1.00	56,471
OPERATIONS ANALYST II	000530	1.00	66,551
Total		21.00	\$1,331,281



PUBLIC SERVICES AREA

PROJECT MANAGEMENT

The Project Management unit provides a wide range of engineering services including design and construction management, construction inspection, and traffic and transportation engineering. The unit focuses on timely completion of the City's capital improvement projects, traffic engineering services, private development construction services, infrastructure records maintenance, and securing outside funds and grants for the City's capital improvement projects. The proposed FY 2004-05 budget includes 18.89 FTE's.

**PUBLIC SERVICES AREA
PROJECT MANAGEMENT**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CHARGES FOR SERVICES	1,415,083	1,410,192	1,298,140	3,834,998	2,153,491
OPERATING TRANSFERS	6,756,099	4,877,914	943,628	943,628	734,410
INVESTMENT INCOME	486,298	-	490,000	490,000	450,000
MISCELLANEOUS REVENUE	93,343	36,441	1,500	2,000	2,000
INTERGOVERNMENTAL REVENUES	1,427,986	463,100	250,000	200,000	-
CONTRIBUTIONS	-	441,000	-	108,756	-
PRIOR YEAR SURPLUS	-	-	30,000	-	-
Total	\$10,178,809	\$7,228,647	\$3,013,268	\$5,579,382	\$3,339,901

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	1,478,325	1,323,703	2,194,368	4,676,728	2,525,180
STREET REPAIR MILLAGE (0062)	8,700,484	5,897,444	788,900	902,654	450,000
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	364,721
WATER SUPPLY SYSTEM (0042)	-	-	30,000	-	-
MAJOR STREET (0021)	-	7,500	-	-	-
Total	\$10,178,809	\$7,228,647	\$3,013,268	\$5,579,382	\$3,339,901

**PUBLIC SERVICES AREA
PROJECT MANAGEMENT**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	1,434,812	1,244,937	2,050,763	1,273,349	1,217,252
PAYROLL FRINGES/INSURANCE	-	183,149	478,771	317,667	706,258
OTHER CHARGES	31,647	144,834	862,589	93,834	608,498
PASS THROUGH	20,420	713,940	411,541	411,541	214,040
OTHER SERVICES	127,696	75,921	586,223	523,165	149,321
MATERIALS & SUPPLIES	24,759	15,505	19,260	20,265	19,800
CAPITAL OUTLAY	37,067	9,118	15,400	5,000	7,500
VEHICLE OPERATING COSTS	-	3,463	-	-	-
Total	\$1,676,402	\$2,390,867	\$4,424,547	\$2,644,821	\$2,922,669

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	1,605,111	1,558,644	2,427,239	2,426,884	1,681,686
STREET REPAIR MILLAGE (0062)	71,290	832,223	1,997,308	92,329	590,852
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	352,536
MAJOR STREET (0021)	-	-	-	125,608	211,293
LOCAL STREET (0022)	-	-	-	-	86,302
Total	\$1,676,402	\$2,390,867	\$4,424,547	\$2,644,821	\$2,922,669

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
PROJECT MANAGEMENT	35.00	35.00	34.00	18.89
Total	35.00	35.00	34.00	18.89

**PUBLIC SERVICES
PROJECT MANAGEMENT SERVICE UNIT**

REVENUES

Charges for Services – Increase is the result of increased activity and fees for private development plan review and assistance, and bond user fees associated with FY 05 projects. FY 03/04 included one-time grant money not available in FY 05.

EXPENSES

Personnel Services – The majority of the decrease reflects the shift in accounting to the new structure for capital projects. With this new system in place Project Management personnel were allocated directly to the projects in which they will be working. The overall net impact to personnel in Project Management is the elimination of 1 (FTE) Civil Engineer. With staff appropriately allocated and scheduled, the impact to the overall work output of the unit from this position being eliminated, should be minimal.

**PUBLIC SERVICES AREA
PROJECT MANAGEMENT**

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
CHIEF ENGINEER	403140	1.00	119,317
CIVIL ENGINEER I	002100	2.06	130,633
CIVIL ENGINEER II	002110	2.32	150,260
CIVIL ENGINEER III	403620	0.75	56,899
CIVIL ENGINEER IV	403840	0.42	40,385
CIVIL ENGINEER V	401330	1.82	174,753
DRAFTSPERSON III	112210	2.42	157,634
ENGINEERING TECH SUPERVISOR	192050	1.00	72,203
ENGINEERING TECHNICIAN II	112020	2.00	116,518
ENGINEERING TECHNICIAN III	112030	2.25	146,367
ENGINEERING TECHNICIAN III	112031	0.59	40,211
ENGINEERING TECHNICIAN IV	112040	1.97	142,966
SENIOR SURVEYOR	112100	0.29	21,320
Total		18.89	\$1,369,466

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PUBLIC SERVICES AREA

PUBLIC SERVICES ADMINISTRATION

Administration provides leadership, budgetary, accounting, administrative, and public relations support. There are 14.27 FTE's assigned to perform these functions in support of the service area. The proposed FY 2004-05 budget consolidates administrative staff from several previous Departments/Divisions into one Public Service Area Administrative unit.

**PUBLIC SERVICES AREA
PUBLIC SERVICES ADMINISTRATION**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
TAXES	72,307	36,837	23,200	19,950	10,040,083
OPERATING TRANSFERS	2,115,876	1,378,473	911,004	1,461,504	2,473,305
INVESTMENT INCOME	1,634,919	1,414,723	1,500,000	1,155,107	1,628,238
INTRA GOVERNMENTAL SALES	968,817	987,739	714,432	714,432	474,901
PRIOR YEAR SURPLUS	-	-	1,583,019	983,019	444,635
MISCELLANEOUS REVENUE	1,212,062	256,042	106,400	123,500	300,120
LICENSES, PERMITS & REGISTRATION	-	-	110,000	110,000	110,000
CHARGES FOR SERVICES	858,764	88,677	30,000	52,460	31,000
INTERGOVERNMENTAL REVENUES	-	-	-	-	-
Total	\$6,862,745	\$4,162,491	\$4,978,055	\$4,619,972	\$15,502,282

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
SOLID WASTE (0072)	560,614	230,360	-	-	10,246,633
WATER SUPPLY SYSTEM (0042)	1,298,443	925,917	1,648,826	1,510,753	2,262,255
SEWAGE DISPOSAL SYSTEM (0043)	2,923,955	1,468,911	1,354,554	1,166,414	1,194,491
MAJOR STREET (0021)	657,384	780,037	641,200	673,700	731,335
STORMWATER SEWER SYSTEM (0069)	55,740	56,311	175,600	181,730	468,568
HYDROPOWER OPERATING FUND (0019)	343,397	316,471	326,875	298,875	400,000
LOCAL STREET (0022)	221,785	198,651	207,000	199,000	199,000
GENERAL (0010)	754,619	185,833	624,000	589,500	-
STREET REPAIR MILLAGE (0062)	44,722	-	-	-	-
1994 STORM SEWER BONDS (0081)	2,086	-	-	-	-
Total	\$6,862,745	\$4,162,491	\$4,978,055	\$4,619,972	\$15,502,282

PUBLIC SERVICES AREA
PUBLIC SERVICES ADMINISTRATION

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER CHARGES	15,360,359	11,912,255	13,969,189	11,932,680	18,301,779
PASS THROUGHS	2,157,592	3,947,859	739,959	1,115,253	2,613,157
PAYROLL FRINGES/INSURANCE	1,989,492	1,702,617	1,442,785	1,443,291	2,029,760
OTHER SERVICES	606,718	397,510	608,354	418,569	1,424,932
PERSONNEL SERVICES	2,077,337	1,292,737	1,110,487	1,102,710	853,838
MATERIALS & SUPPLIES	68,462	49,345	49,900	60,300	66,904
CAPITAL OUTLAY	608,996	3,789	102,850	101,000	3,500
VEHICLE OPERATING COSTS	420	2,311	1,000	2,000	-
Total	\$22,869,378	\$19,308,423	\$18,024,524	\$16,175,803	\$25,293,870

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
WATER SUPPLY SYSTEM (0042)	6,110,321	5,596,808	7,638,393	6,836,810	10,375,784
SEWAGE DISPOSAL SYSTEM (0043)	8,945,946	6,355,186	6,591,623	5,899,690	9,038,369
SOLID WASTE (0072)	-	-	-	-	2,622,872
MAJOR STREET (0021)	2,152,901	3,768,019	2,137,486	1,791,561	2,211,824
STORMWATER SEWER SYSTEM (0069)	-	-	193,053	193,053	1,011,777
GENERAL (0010)	1,755,901	1,786,568	1,463,969	1,454,689	33,244
PARKING SYSTEM (0044)	3,904,308	1,801,842	-	-	-
Total	\$22,869,378	\$19,308,423	\$18,024,524	\$16,175,803	\$25,293,870

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
PUBLIC SERVICES ADMINISTRATION	7.00	6.00	13.35	14.27
Total	7.00	6.00	13.35	14.27

**PUBLIC SERVICES
ADMINISTRATION UNIT**

REVENUES

Taxes/0072– Increase is the result of reporting Solid Waste Millage in Public Services Administration as an outcome of creating Fund 0072, the Solid Waste enterprise fund.

Intra Governmental Sales/0042, 0043, 0069 - This decrease reflects a change in the vehicle depreciation methodology.

Operating Transfers/0010, 0021, 0022, 0042, 0043, 0069, 0072 – Increase attributed to consolidation of administrative functions with transfers from operating units to cover allocation of administrative costs which include debt service, workers compensation, retiree medical and the municipal service charge.

Prior Year Surplus/0042 –The decrease is due to use of prior year fund balance in FY 03/04 for distribution water quality improvement projects not identified in the CIP.

EXPENSES

Capital Outlay – The decrease reflects the:

- Decrease in Fund 0010 costs associated with consolidating Public Services Area Administration into one unit, formerly in Engineering;
- Decrease in Fund 0021 costs associated with consolidating Public Services Area Administration into one unit; and
- Decrease in Fund 0042 due to completion of the \$100,000 Map Conversion performed by Engineering on Water Utilities behalf.

Materials & Supplies –

- The increase in materials and supplies reflects the consolidation of PSA administrative staff and supplies necessary to perform duties. The increases reflected here are decreases in other units.

Other Charges –

- An increase in Water Revenue Bonds Principal and Interest payments as well as increased depreciation due to new asset completions is reflected here.
- Insurance premiums increased due to centralized costs in Administration, offset by a commensurate decrease in Unit budgets.
- An increase in Sewer Revenue Bonds Principal and Interest payments as well as increased depreciation due to new asset completions is reflected here.

PUBLIC SERVICES ADMINISTRATION UNIT

- An increase in Sewage Disposal System Insurance premiums went up significantly based on loss experience.
- A decrease in the MSC for Water, Sewer and Storm is reflected in other charges which indicates parity to these funds after an updated study.
- An increase is reflected in Fund 0010/0072 to include the addition of a \$1,140,909 depreciation charge and a \$1,180,771 municipal service charge. These charges reflect costs actually incurred by an enterprise fund.

Other Services –

- Increases reflect the consolidation of the PSA Admin Unit. Decreases will be reflected in other unit budgets.
- Another increase in Fund 0021 reflects funds that will be used to pay for the local share of State-participation projects. These projects require City Council approval.
- Increase also reflect a new charge of \$114,000 for rental of space in the City Center Building, an increase in Professional/Consulting for redesign and reconstruction of the first floor Call Center Space, upgrades to the Customer Service billing system, and an asset inventory for the WWTP miscellaneous professional services for new initiatives in FY 05.

Payroll Fringes –

- The increase reflects the consolidation of the Public services Area – Administrative Unit that will be reimbursed via transfers from other funds. A similar decrease in Personnel Services will be reflected in other Units with an increase in transfers out. This expense category reflects the combination of all Retiree Medical Insurances and Worker's Compensation into the Administrative Unit. Similar decreases will be reflected in other Units. Note that Fund 0042 had an increase in Retiree medical insurance of \$542,041.

Personnel Services –

- The increase reflects the consolidation of the Public Services Administrative Unit salaries into the Water Supply System that are reimbursed via transfers from other funds. A similar decrease in Personnel Services will be reflected in other Units with an increase in transfers out. The Administrative Unit reflects the deployment of (1) FTE to a Technical Trainer position and transfers out 2 FTE's to other units. PSA Administrative Unit now "houses" 8.25 FTE's (from 11.25 FTE's) which were originally budgeted elsewhere.

**PUBLIC SERVICES
ADMINISTRATION UNIT**

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Administration Unit would be charged \$700,568 in 2004/05.

PUBLIC SERVICES AREA
ADMINISTRATION UNIT

GOAL: Improve financial strength & stability of the City

OBJECTIVE: Provide financial oversight and financial planning

ACTIVITIES	SCHEDULED COMPLETION DATE
Review revenues & expenditures of each service unit	June 2005
Perform analyses of the financial and capital planning programs	August 2005
Provide reports to service units & identify problems	Monthly
Finalize & close capital projects ASAP after completion of construction activities	Ongoing

GOAL: Improve City's communication to employees & citizens to improve morale and image of the City

OBJECTIVE: Improve communication for employees

ACTIVITIES	SCHEDULED COMPLETION DATE
Produce "Staff Matters" monthly	Ongoing
Produce "Connections" quarterly	Ongoing
Recognize top performers at Field Operations	June 2004

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Train and deploy multi-skilled employees

ACTIVITIES	SCHEDULED COMPLETION DATE
Allocate PS administrative staff equitable to support unit needs	Ongoing

PUBLIC SERVICES AREA
ADMINISTRATION UNIT

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Conduct employee evaluations and performance management

ACTIVITIES	SCHEDULED COMPLETION DATE
Coordinate with managers and supervisors to conduct evaluations and performance management	December 2004
Track annual evaluations	June 2005
Evaluate strengths and weaknesses of existing employees in call center	
Conduct annual Denison Survey	September 2004

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Implement self-directed work teams

ACTIVITIES	SCHEDULED COMPLETION DATE
Development of self-directed work teams concept by Public Services Area Steering Committee	June 2005

GOAL: Streamline Business Processes

OBJECTIVE: Standardize financial procedures and forms for accounting, budget monitoring, billing management, and payroll

ACTIVITIES	SCHEDULED COMPLETION DATE
Collect and evaluate existing procedures and forms	September 2004
Standardize procedures and forms	December 2004
Prepare booklets of procedures and forms	December 2004

PUBLIC SERVICES AREA
ADMINISTRATION UNIT

GOAL: Improve City's communication to employees & citizens to improve morale and image of the City

OBJECTIVE: Develop and implement a communication strategy geared towards community

ACTIVITIES	SCHEDULED COMPLETION DATE
Community engagement in CIPs	Ongoing
Water Matters newsletter	Ongoing

PUBLIC SERVICES AREA
PUBLIC SERVICES ADMINISTRATION

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111110	1.00	54,491
ACCOUNTING CLERK III	111120	1.00	62,123
AIRPORT MANAGER	403200	0.03	2,868
ASST LAND DEVELOPMENT COORD	114410	1.00	65,471
ASST. TO UTILITIES DIRECTOR	401060	1.00	79,343
CLERK IV	110080	1.50	85,038
COORD - SOLID WASTE EDUCATION	401160	1.00	80,983
DIRECTOR OF SOLID WASTE	403370	0.25	22,380
DIRECTOR OF UTILITIES	403410	1.00	139,225
FINANCIAL ANALYST	111151	1.00	66,815
OFFICE ADMINISTRATOR	000580	1.00	66,551
OPERATIONS ANALYST III	000600	1.00	71,318
ORDINANCE ENFORCEMENT INSP	114080	1.00	68,579
PARKS & FORESTRY OPS MANAGER	403450	0.24	25,392
PUBLIC SERVICES DIRECTOR	403780	0.25	34,192
SAFETY & TRAINING OFFICER	401110	1.00	67,595
SENIOR SECRETARY	000181	1.00	52,551
Total		14.27	\$1,044,915



PUBLIC SERVICES AREA

SYSTEMS PLANNING

The Systems Planning Unit of is comprised of 6.21 FTE's drawn from the former Solid Waste, Building, Planning, Water Utilities and Public Services Departments. Systems Planning staff brings together diverse experience in solid waste and recycling, soil erosion, natural features, planning, public engagement, project management, transportation, GIS, run off and water resources, sanitary sewer and drinking water issues. The unit provides asset management for the Public Services Area including parks, solid waste, transportation, non-motorized transportation, sanitary, storm water and drinking water facilities; development of programs and policies that optimize service levels, environmental benefit and public investment; capital planning and budgeting; and infrastructure standards and specifications for facilities and activities within the Public Services Area. The unit also provides support for the implementation of GIS-based work management systems throughout the service area.

PUBLIC SERVICES AREA
SYSTEMS PLANNING

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER SERVICES	-	-	-	29,061	565,250
PERSONNEL SERVICES	-	-	-	142,661	475,264
PAYROLL FRINGES/INSURANCE	-	-	-	37,562	100,329
CAPITAL OUTLAY	-	-	-	-	22,700
MATERIALS & SUPPLIES	-	-	-	200	14,270
OTHER CHARGES	-	-	-	577	8,142
Total	\$	\$	\$	\$210,061	\$1,185,955

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
STORMWATER SEWER SYSTEM (0069)	-	-	-	85,730	567,575
SEWAGE DISPOSAL SYSTEM (0043)	-	-	-	54,323	287,876
WATER SUPPLY SYSTEM (0042)	-	-	-	52,357	277,147
MAJOR STREET (0021)	-	-	-	17,651	53,357
Total	\$	\$	\$	\$210,061	\$1,185,955

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
SYSTEMS PLANNING	-	-	-	6.21
Total				6.21

**PUBLIC SERVICES
SYSTEMS PLANNING UNIT**

NOTE: Systems Planning is an organizational unit established in FY 2003/04 after budget adoption. The personnel performing infrastructure, program planning and evaluation related to Public Services-managed systems are now consolidated into this unit with associated FTE reductions in other units.

EXPENSES

Other Services –

- Includes \$15,250 for the initiation of the “City Works” workflow management system, a GIS-based, spatially oriented work management system; and Fund 0042 includes developing and expanding Capital Budgeting toward a multiyear planning/forecasting system (no net increase-existing Personnel expenses);
- Includes \$15,250 for the initiation of the “City Works” workflow management system, a GIS-based, spatially oriented work management system; and Fund 0043 includes developing and expanding Capital Budgeting toward a multiyear planning/forecasting system (no net increase-existing Personnel expenses); and
- Includes \$175,000 for a storm water rate study to determine cost of service and methodology of credits for best management practices and establishes a property-specific database for billing; Fund 0069 includes developing and expanding Capital Budgeting toward a multiyear planning/forecasting system (no net increase-existing Personnel expenses); and includes the transfer of Contracted Services, Public Education for Permit Compliance from the Field Operations Budget with no net funding change.

PUBLIC SERVICES AREA
SYSTEMS PLANNING UNIT

GOAL: Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery

OBJECTIVE: Sanitary and Storm Sewer GIS creation and attribution

ACTIVITIES	SCHEDULED COMPLETION DATE
Locate and GPS all sanitary manholes; Confirm and generate connectivity of sanitary system	March 2004
Populate associated database with attributes of the sanitary system	March 2004
Locate and GPS all storm manholes; Confirm and generate connectivity of storm system	March 2004
Locate and GPS all storm inlets; Confirm and generate connectivity	June 2005
Populate associated database with attributes of the storm system	June 2005

GOAL: Collectively improve City services in the most cost efficient manner

OBJECTIVE: Improve review of applications for construction permits and development plans

ACTIVITIES	SCHEDULED COMPLETION DATE
Review proposed development petitions for compliance with city ordinances, standards and regulations	Ongoing

PUBLIC SERVICES AREA
SYSTEMS PLANNING UNIT

GOAL: Streamline business processes

OBJECTIVE: Centralized lab services

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify opportunities for centralized lab services	August 2005
Plan transition and implement	June 2005

GOAL: Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery

OBJECTIVE: Arc GIS Conversion and Cityworks Implementation

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop new data models for water, sanitary, and storm GIS data	February 2004
Migrate GIS data for water, sanitary, and storm into the new data models	April 2004
Install GIS data for water, sanitary, and storm onto the new Arc SDE server	April 2004
Install and implement usage of Cityworks at 2000 S Industrial	May 2004
Participate in an organization-wide analysis of GIS opportunities for the Field Operations unit	July 2004

PUBLIC SERVICES AREA
SYSTEMS PLANNING

GOAL: Streamline business processes

OBJECTIVE: Establish requirement for using the AAGRS for developments

ACTIVITIES	SCHEDULED COMPLETION DATE
Draft requirements, and present to the development community	December 2004
Write amendments to Land Development Regulations for requirement, and present to Planning Commission and Council	March 2004
Perform "pilot" of new process on city project	March 2004
Write final submission forms	April 2004
Monitor compliance and performance, and make adjustments as necessary	November 2004

GOAL: Streamline business processes

OBJECTIVE: Coordinated evaluation of impacts of proposed developments through the use of established master plans, models and other data

ACTIVITIES	SCHEDULED COMPLETION DATE
Inventory all current master plans, models and other planning data pertinent to development sites	September 2004
Obtain copies of the current plans, models, etc. and become familiar with their findings and recommendations	December 2004
Factor the findings and recommendations of the current plans, models, etc. in review of proposed developments	Ongoing

PUBLIC SERVICES AREA
SYSTEMS PLANNING UNIT

GOAL: Collectively improve City services in the most cost efficient manner

OBJECTIVE: Automate Refuse and curbside collection

ACTIVITIES	SCHEDULED COMPLETION DATE
Purchase equipment (trucks & carts) – Phase I	October 2004
Develop billing schedule	April 2004
Develop billing system	May 2004
Conduct public outreach program	October 2004
Deliver carts	October 2004
Program Startup	October 2004

GOAL: Collectively improve City services in the most cost efficient manner

OBJECTIVE: Centralized lab services

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify opportunities for centralized lab services	August 2005
Plan transition and implement	June 2005

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Develop asset management procedures for maintaining existing infrastructure items

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop or adapt system for inventory control, condition assessment, and prioritizing replacement needs	October 2004
Manage, assess progress and follow-up implementation of developed procedures	October 2005

PUBLIC SERVICES AREA
SYSTEM PLANNING UNIT

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Develop procedures for infrastructure replacement

ACTIVITIES	SCHEDULED COMPLETION DATE
Draft policies for prioritizing infrastructure replacement	March 2005
Draft procedures to implement asset management spending	October 2005

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Develop an integrated capital improvements planning and budgeting process

ACTIVITIES	SCHEDULED COMPLETION DATE
Review "model" municipalities and organizations	June 2004
Standardize project factors & parameters (e.g., rate of interest, capital escalation rate, debt service interest rates, city-wide overhead rate, etc.)	August 2004
Review project submittal and approval processes	August 2004
Develop project tracking and updating processes	December 2004

PUBLIC SERVICES AREA
SYSTEMS PLANNING UNIT

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Manage the city's portion of joint transportation master planning effort between the city, AATA and U-M Transportation Services

ACTIVITIES	SCHEDULED COMPLETION DATE
Phase 1– Park and Ride Development Study	June 2005
Phase 2 – City Transportation Plan Update	June 2007
Phase 3 – Transit Service Design Evaluation	June 2008

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Create or Update System (Water, Sanitary, Storm) Hydraulic Models

ACTIVITIES	SCHEDULED COMPLETION DATE
Update Water Hydraulic Model (update pipes, check calibration and operating conditions)	October 2005
Perform Water System Model Scenarios & Fire Flow Evaluations	June 2006
Create Sanitary System Hydraulic Model (calibrate and verify flow inputs)	January 2005
Perform Sanitary System Model Scenarios	January 2005
Create Storm System Hydraulic Model (calibrate and verify flow inputs)	August 2007
Perform Storm System Model Scenarios	December 2007
Perform Water Quality & Stormwater Quality Modeling Scenarios	June 2008

PUBLIC SERVICES AREA
SYSTEMS PLANNING UNIT

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Expand and Improve compost center, materials recovery facility, waste transfer and drop-off stations.

ACTIVITIES	SCHEDULED COMPLETION DATE
Planning and Design	December 2004
Construction	Summer 2006
Startup	Fall 2006

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Acquire a comprehensive understanding of the various transportation planning processes, and become the lead coordinating unit in city transportation planning efforts

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify the various planning processes & agencies involved with transportation planning	November 2004
Gain detailed understanding of processes & agencies roles for transportation planning	January 2005
Gain understanding of various funding mechanisms for road projects	April 2005
Become lead contact to internal units and external agencies for transportation planning efforts	July 2005

PUBLIC SERVICES AREA
SYSTEMS PLANNING UNIT

GOAL: Minimize developmental impacts

OBJECTIVE: Lead role in SESC program

ACTIVITIES	SCHEDULED COMPLETION DATE
SESC permit review and issuance	Ongoing
SESC inspections and enforcement	Ongoing
SESC program management	Ongoing

GOAL: Minimize developmental impacts

OBJECTIVE: Support role in SESC program

ACTIVITIES	SCHEDULED COMPLETION DATE
Review site plans for SESC compliance with Chapter 63	Ongoing
Support Bldg. Dept. staff in SESC matters	Ongoing
Take lead role in permitting and inspection for U of M projects until their APA status is restored by the MDEQ	August 2004
Be main SESC contact for City Projects during design and construction	Ongoing

PUBLIC SERVICES AREA
SYSTEMS PLANNING

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
CITY PLANNER III	401030	0.90	84,994
CIVIL ENGINEER II	002110	0.25	17,080
CIVIL ENGINEER III	403620	0.25	18,937
CIVIL ENGINEER V	401330	0.90	92,899
GIS SPECIALIST	401340	0.90	68,990
LAND DEVELOPMENT COORDINATOR	114420	1.00	70,415
SENIOR UTILITIES ENGINEER	404000	0.81	76,794
UTILITIES FIELD SUPERINTENDENT	401320	0.90	87,241
WATER QUALITY MANAGER	403820	0.30	26,083
Total		6.21	\$543,433



PUBLIC SERVICES AREA

WASTEWATER TREATMENT

The Wastewater Treatment Service Unit is responsible for the effective collection, treatment and environmentally acceptable discharge of the wastewater generated by the Ann Arbor community. There are 35.06 FTE's assigned to the Wastewater Treatment Service Unit who are responsible for the operation and maintenance of the City's Wastewater Treatment Plant and eight sewage lift stations located around the City. The reorganization efforts started during FY 03 to combine operations and maintenance functions will continue to be further developed during FY 05. In addition, Wastewater Treatment and Water Treatment Service Units' laboratory staffs are working to consolidate into a Public Services Area Laboratory during FY 05.

PUBLIC SERVICES AREA
WASTEWATER TREATMENT

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OPERATING TRANSFERS	250,000	229,167	250,000	250,000	250,000
MISCELLANEOUS REVENUE	-	110	-	-	-
Total	\$250,000	\$229,277	\$250,000	\$250,000	\$250,000

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
SEWAGE DISPOSAL SYSTEM (0043)	250,000	229,277	250,000	250,000	250,000
Total	\$250,000	\$229,277	\$250,000	\$250,000	\$250,000

PUBLIC SERVICES AREA
WASTEWATER TREATMENT

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER SERVICES	2,391,743	2,191,628	2,486,164	2,330,821	2,559,845
PERSONNEL SERVICES	1,996,048	1,973,366	2,054,646	2,078,370	2,188,177
MATERIALS & SUPPLIES	485,151	550,318	646,300	584,167	584,800
PAYROLL FRINGES/INSURANCE	581,328	700,506	801,109	805,070	518,145
CAPITAL OUTLAY	(2,069)	(25,061)	311,500	304,478	172,000
OTHER CHARGES	232,967	267,174	322,416	316,707	54,195
PASS THROUGH	5,862	13,362	5,862	5,862	-
Total	\$5,691,030	\$5,671,293	\$6,627,997	\$6,425,475	\$6,077,162

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
SEWAGE DISPOSAL SYSTEM (0043)	5,691,030	5,671,293	6,627,997	6,425,475	6,077,162
Total	\$5,691,030	\$5,671,293	\$6,627,997	\$6,425,475	\$6,077,162

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
WASTEWATER TREATMENT	45.00	39.00	36.00	35.06
Total	45.00	39.00	36.00	35.06

**PUBLIC SERVICES
WASTEWATER TREATMENT SERVICES UNIT**

EXPENSES

Capital Outlay – The decrease of \$139,500 reflects the difference in cost for capital purchases and projects between FY 04 and FY 05. Capital outlay expenses are for items necessary to maintain treatment process integrity and vary from one fiscal year to the next.

Materials & Supplies – The decrease of \$61,500 reflects a reduction in the amount of chemicals used in treatment processes due to increased efficiencies gained through changes in operational methods.

Other Charges – The decrease of \$268,221 is due to moving Self Insurance Transfer (4200) and Insurance Premium (4260) charges to the FY 05 budget for the Public Services – Administration Unit. All charges for insurance are determined by other service units in the City.

Other Services – The increase of \$73,681 is due to:

- An increase in costs for Process and Information Control System software maintenance; and
- An increase in costs for contracted services associated with sewage solids management.

Payroll Fringes – The decrease of \$282,964 is due to moving Retiree Medical Insurance (4239) and Workers Compensation (4240) charges to the FY 05 budget for the Public Services – Administration Unit. All charges for payroll fringes are determined by other service units in the City.

Personnel Services – The increase reflects the scheduled and anticipated pay increases for all WWTP staff.

PUBLIC SERVICES AREA
WASTEWATER TREATMENT UNIT

GOAL: Collectively improve City services in the most cost efficient manner

OBJECTIVE: Treat wastewater to high water quality standards

ACTIVITIES	SCHEDULED COMPLETION DATE
Treat wastewater to high water quality standards	Ongoing

GOAL: Collectively improve City services in the most cost efficient manner

OBJECTIVE: Voluntarily comply with phosphorus waste load allocation

ACTIVITIES	SCHEDULED COMPLETION DATE
Voluntarily comply with phosphorus waste load allocation	Ongoing

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Provide plant-specific competency training at WWTP

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop training by function and/or plant area for the WWTP	June 2005
Provide training by function and/or plant area for the WWTP	January 2006

PUBLIC SERVICES AREA
WASTEWATER TREATMENT

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Train supervisors to be safety trainers

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify Supervisors training needs	February 2004
PowerPoint training for Supervisors	June 2004
Subject matter training for Supervisors	January 2005
Refresher training for Supervisors	Ongoing

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Maintain excellent safety program and minimize risk

ACTIVITIES	SCHEDULED COMPLETION DATE
Update safety programs	Ongoing
Provide safety training to employees	Ongoing
Conduct monthly safety inspections at WWTP	Ongoing

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Provide effective wastewater and water systems, and facilities planning

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop master plans for capital improvements at the WWTP	July 2004

PUBLIC SERVICES AREA
WASTEWATER TREATMENT

GOAL: Improve financial strength & stability of the City

OBJECTIVE: Provide financial oversight and financial planning

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop master plan for capital improvements at the WWTP	May 2005

GOAL: Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery

OBJECTIVE: Use of CMMS at the WWTP for maintenance optimization

ACTIVITIES	SCHEDULED COMPLETION DATE
Implement Mainsaver as the CMMS	December 2004
Implement preventative maintenance program within Mainsaver	December 2004

GOAL: Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery

OBJECTIVE: Maximize use of PICS

ACTIVITIES	SCHEDULED COMPLETION DATE
Upgrade SCADA software to iFIX for the WWTP	April 2004
Connect UV disinfection system to PICS	May 2004

PUBLIC SERVICES AREA
WASTEWATER TREATMENT

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111110	1.00	53,351
ASST WWTP SUPERINTENDENT	401010	1.66	151,886
CLERK TYPIST I	110100	1.00	43,127
ELECTRICIAN	116500	1.00	67,823
LABORATORY TECHNICIAN	115150	1.00	54,755
LABORATORY TECHNICIAN II	115160	2.00	121,102
PROCESS CONTROL SYSTEM SPEC	403190	1.00	82,509
SENIOR UTILITIES ENGINEER	404000	0.50	44,867
UTILITIES INSTRUMENT TECH	116251	2.00	139,606
UTILITIES MAINT SUPERVISOR	196281	1.00	77,891
WATER UTILITY SUPERVISOR II	197411	2.00	158,032
WATER UTILITY SUPERVISOR III	197420	1.00	69,455
WATER UTILITY SUPERVISOR III	197421	2.00	167,195
WATER UTILITY TECHNICIAN III	117420	1.00	59,039
WATER UTILITY TECHNICIAN IV	117430	2.00	136,174
WATER UTILITY TECHNICIAN IV	117431	7.00	480,617
WATER UTILITY TECHNICIAN V	117440	4.00	287,727
WATER UTILITY TECHNICIAN V	117441	3.00	215,565
WWTP SUPERINTENDENT	401300	0.90	102,381
Total		35.06	\$2,513,102



PUBLIC SERVICES AREA

WATER TREATMENT

The Water Treatment Plant is primarily responsible for processing and supplying safe drinking water for the citizens of Ann Arbor by operation of the treatment plant and associated facilities. The Water Treatment Plant has 24.34 FTE's responsible for the operation of the treatment plant; six remote pumping stations; nineteen million gallons of storage capacity; four dams; source water facilities and two hydro-electric plants. The reorganization efforts started during FY 03 to combine operations and maintenance functions will continue to be further developed during FY 05. In addition, Wastewater Treatment and Water Treatment Service Units' laboratory staffs are working to consolidate into a Public Services Area Laboratory during FY 05.

**PUBLIC SERVICES AREA
WATER TREATMENT**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PRIOR YEAR SURPLUS	-	-	51,313	51,313	861,972
OPERATING TRANSFERS	30,000	27,500	289,163	289,163	430,000
CHARGES FOR SERVICES	317,914	221,324	426,000	292,600	315,000
INTRA GOVERNMENTAL SALES	-	117,321	117,321	117,321	117,321
Total	\$347,914	\$366,145	\$883,797	\$750,397	\$1,724,293

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
HYDROPOWER OPERATING FUND (0019)	338,471	242,056	759,476	615,476	861,972
GENERAL (0010)	-	-	-	-	730,000
WATER SUPPLY SYSTEM (0042)	9,443	124,089	124,321	134,921	132,321
Total	\$347,914	\$366,145	\$883,797	\$750,397	\$1,724,293

**PUBLIC SERVICES AREA
WATER TREATMENT**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OTHER SERVICES	1,606,414	1,978,431	1,859,258	1,829,109	1,864,574
PERSONNEL SERVICES	1,835,090	1,705,464	1,714,742	1,578,713	1,657,068
MATERIALS & SUPPLIES	1,079,883	1,066,171	1,224,700	1,207,500	1,243,849
PASS THROUGH	-	-	-	-	400,000
PAYROLL FRINGES/INSURANCE	484,384	530,475	675,213	660,207	364,133
CAPITAL OUTLAY	(114,110)	6,804	231,500	283,500	313,500
OTHER CHARGES	632,751	503,745	491,825	486,943	114,131
Total	\$5,524,413	\$5,791,090	\$6,197,238	\$6,045,972	\$5,957,255

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
WATER SUPPLY SYSTEM (0042)	4,939,222	5,365,336	5,696,508	5,573,571	5,346,529
HYDROPOWER OPERATING FUND (0019)	585,191	425,754	500,730	472,401	422,972
GENERAL (0010)	-	-	-	-	187,754
Total	\$5,524,413	\$5,791,090	\$6,197,238	\$6,045,972	\$5,957,255

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
WATER TREATMENT	32.00	32.00	28.00	24.34
Total	32.00	32.00	28.00	24.34

**PUBLIC SERVICES
WATER TREATMENT SERVICES UNIT**

REVENUES

Prior Year Surplus – Increase is due to use of Hydro fund balances to pay off outstanding Hydro Bond balance.

Charges for Services – Change is due to moving Hydro into General Fund and recovery of hydro operating costs incurred at the Water Treatment Plant from the General Fund.

Operating Transfers – FY 04/05 follows historical trends. FY 03/04 revenues reflect hydro revenues used for debt service on outstanding bonds accounted for within the administrative accounts in other years.

EXPENSES

Capital Outlay – The Water Supply budget increase of \$23,500 reflects the cost of security improvements at the Water Treatment facilities and up-sizing the piping to meet the increased water needed for operation of the Water Treatment Plant.

Materials & Supplies – The Water Supply budget increase of \$13,000 reflects the costs associated with the increase in the cost of water treatment chemicals.

Other Charges –

- The \$140,000 Water Supply budget decrease reflects moving all insurance related expenses to the Public Services Administration Unit; and
- The \$260,675 Hydro Power budget decrease reflects the incorporation of hydropower into General Fund and elimination of Depreciation and Municipal Service Charge.

Other Services –

- The Water Supply budget increase of \$53,629 reflects increases in electricity rates, employee training, and educational reimbursement; and
- The Hydro Power budget decrease of \$48,300 reflects the one-time cost associated with the replacement of controls in FY 04.

Payroll Fringes – The Water Supply budget decrease of \$310,500 reflects moving retiree medical insurance expenses to the Public Services Administrative Unit budget, and the changes made to the employee health benefits program.

**PUBLIC SERVICES
WATER TREATMENT SERVICES UNIT**

Personnel Services – The Water Supply budget reflects the following staff reduction:

- Elimination of (1) FTE Equipment Operator I.
- Also includes two temporaries and the normal pay increases due to progression and step increases.

PUBLIC SERVICES AREA
WATER TREATMENT UNIT

GOAL: Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery

OBJECTIVE: Maximize use of PICS

ACTIVITIES	SCHEDULED COMPLETION DATE
Upgrade SCADA software to iFIX for the WTP	May 2004

GOAL: Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery

OBJECTIVE: Utilize Predictive Maintenance Technologies at the WTP

ACTIVITIES	SCHEDULED COMPLETION DATE
Assess & identify needs	June 2005
Choose appropriate technologies	December 2005
Implement chosen technologies	December 2006

GOAL: Collectively improve City services in the most cost efficient manner

OBJECTIVE: Improve customer satisfaction with distribution water quality

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify water quality issues	Ongoing
Analyze existing condition and probable causes	March 2003
Evaluate alternative solutions	Ongoing
Implement selected solutions and evaluate effectiveness	June 2005

PUBLIC SERVICES AREA
WATER TREATMENT UNIT

GOAL: Collectively improve City services in the most cost efficient manner

OBJECTIVE: Maintain compliance with all applicable drinking water regulations

ACTIVITIES	SCHEDULED COMPLETION DATE
Monitor regulated drinking water parameters	Ongoing
Compliance with USEPA's Recycle Stream Rule	June 2006

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Maintain excellent safety program and minimize risk

ACTIVITIES	SCHEDULED COMPLETION DATE
Update safety programs	Ongoing
Provide safety training to employees	Ongoing
Conduct monthly safety inspections at WTP	Ongoing

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Provide plant-specific competency training at WTP

ACTIVITIES	SCHEDULED COMPLETION DATE
Train WUTs at the WTP to meet the requirements of progression	January 2006

PUBLIC SERVICES AREA
WATER TREATMENT UNIT

GOAL: Develop a strategy to improve the leadership of the City and capabilities of employees, and enhance work place safety

OBJECTIVE: Train supervisors to be safety trainers

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify Supervisors training needs	February 2004
PowerPoint training for Supervisors	June 2004
Subject matter training for Supervisors	January 2005
Refresher training for Supervisors	Ongoing

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Provide effective wastewater and water systems, and facilities planning

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop facilities master plan for the WTP	December 2005
Develop water resources plan	December 2005

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Modifications at the North Campus Pump Station

ACTIVITIES	SCHEDULED COMPLETION DATE
Planning and Design	September 2004
Construction	September 2005

PUBLIC SERVICES AREA
WATER TREATMENT UNIT

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Upgrade West High Service Pumps at the WTP

ACTIVITIES	SCHEDULED COMPLETION DATE
Study	October 2004
Design	March 2005
Construction	June 2006

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Maintain and Improve wastewater and water treatment facilities

ACTIVITIES	SCHEDULED COMPLETION DATE
Upgrade & repair emergency electrical power generation systems at the WWTP	June 2004
Implement Phase-I improvements identified in the FMP for WWTP	July 2008
Implement improvements identified in the SRMP for the WWTP	December 2007
Perform weekly lift station inspections & PMs	Ongoing
Maintain lift station communications & redundancy	Ongoing
Review appropriateness of PMs at WTP	December 2004

PUBLIC SERVICES AREA
WATER TREATMENT UNIT

GOAL: Ensure the adequacy of City Infrastructure

OBJECTIVE: Enhance Security of the drinking water system, dams & hydropower

ACTIVITIES	SCHEDULED COMPLETION DATE
Continue staff training	Ongoing
Enhance access control at identified facilities	June 2005
Enhance detection & recording capabilities at identified facilities	June 2005
Periodic review of Vulnerability Assessment	Ongoing
Update operational procedures	Ongoing
Review & update Emergency Action Plans	December 2004

PUBLIC SERVICES AREA
WATER TREATMENT

Allocated Positions

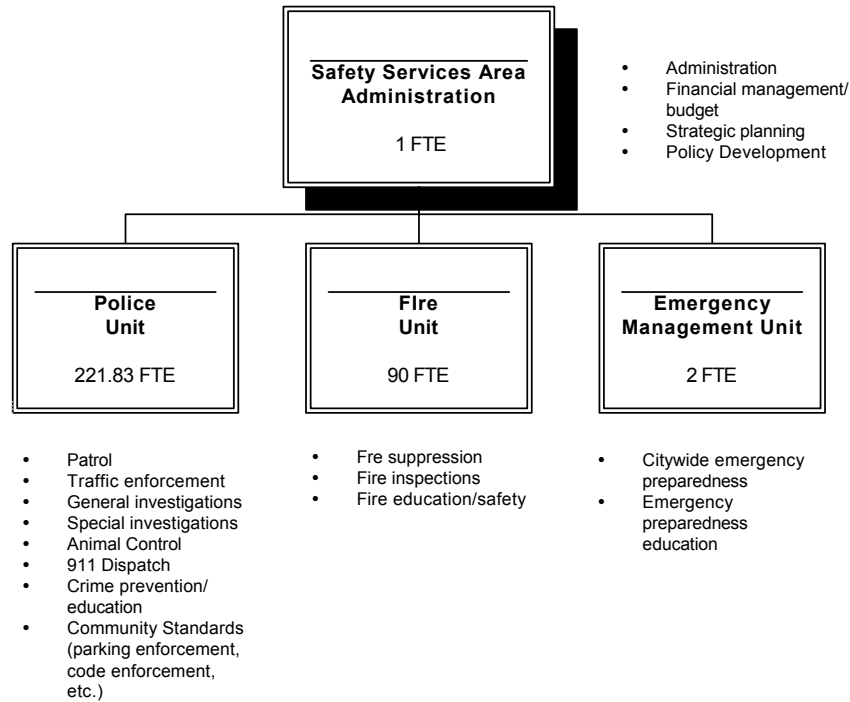
Job Description	Job Class	FTE's	Total Costs
ACCOUNTING CLERK II	111111	1.00	55,547
ASST WTP SUPERINTENDENT	401020	0.78	76,312
ELECTRICIAN	116501	1.00	69,467
LABORATORY TECHNICIAN II	115160	2.50	160,340
PROCESS CONTROL SYSTEM SPEC	403190	0.86	67,913
PROCUREMENT COORDINATOR	117450	0.96	56,400
SENIOR UTILITIES ENGINEER	404000	0.25	21,736
UTILITIES INSTRUMENT TECH	116250	0.88	60,239
WATER QUALITY MANAGER	403820	0.37	32,166
WATER UTILITY SUPERVISOR II	197410	1.00	80,787
WATER UTILITY SUPERVISOR II	197411	2.00	149,770
WATER UTILITY SUPERVISOR III	197421	1.92	159,260
WATER UTILITY TECHNICIAN I	117400	4.94	258,055
WATER UTILITY TECHNICIAN II	117411	1.00	59,837
WATER UTILITY TECHNICIAN IV	117430	2.00	133,858
WATER UTILITY TECHNICIAN V	117440	0.98	64,935
WATER UTILITY TECHNICIAN V	117441	1.00	64,979
WTP SUPERINTENDENT	401310	0.90	94,149
Total		24.34	\$1,665,750





SAFETY SERVICES AREA

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The Safety Services Area is comprised of three Service Area Units: Emergency Management, Fire, and Police Services. These Service Units provide the organization with a broad array of services such as: Citywide emergency preparedness & education, police patrol, traffic enforcement, animal control, parking enforcement, some code enforcement, police investigations, fire suppression, fire inspections, and fire safety.

Safety Services Area

SAFETY SERVICES AREA

Revenues By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
POLICE	4,228,137	4,908,917	5,358,948	4,202,525	5,997,381
FIRE	1,085,922	595,870	1,155,725	455,855	567,775
Total	\$5,314,059	\$5,504,787	\$6,514,673	\$4,658,380	\$6,565,156

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	4,705,814	4,729,954	6,071,481	4,258,986	5,072,641
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	-	1,032,000
MAJOR GRANT PROGRAMS FUND (00MG)	443,565	464,456	299,534	131,701	283,515
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	28,112	14,585	15,000	210,693	106,000
MICHIGAN JUSTICE TRAINING (0064)	41,629	39,903	108,658	37,000	47,000
POLICE AND FIRE RELIEF (0053)	25,729	15,867	-	12,000	12,000
DRUG ENFORCEMENT (0027)	4,190	16,912	20,000	8,000	12,000
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	65,019	223,110	-	-	-
Total	\$5,314,059	\$5,504,787	\$6,514,673	\$4,658,380	\$6,565,156

SAFETY SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
POLICE	20,974,046	20,951,358	22,295,093	22,540,355	22,565,330
FIRE	11,464,929	11,499,459	10,828,568	10,930,576	10,723,483
Total	\$32,438,975	\$32,450,817	\$33,123,661	\$33,470,931	\$33,288,813

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	31,869,681	31,696,206	32,921,541	33,073,931	32,091,813
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	268,000	1,032,000
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	-	-	-	104,000	106,000
MICHIGAN JUSTICE TRAINING (0064)	34,878	49,661	60,000	15,000	47,000
DRUG ENFORCEMENT (0027)	21,680	16,367	20,000	10,000	12,000
MAJOR GRANT PROGRAMS FUND (00MG)	441,899	465,473	122,120	-	-
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	70,837	223,110	-	-	-
Total	\$32,438,975	\$32,450,817	\$33,123,661	\$33,470,931	\$33,288,813

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
FIRE	113.50	115.00	100.08	90.00
POLICE	242.43	239.84	236.33	224.84
Total	355.93	354.84	336.41	314.84

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SAFETY SERVICES AREA

FIRE

The Fire Services Unit provides a broad range of services to the community including traditional fire and emergency medical services, fire prevention and safety education, rescue and hazardous materials operations and fire inspections. The service unit has 90.0 FTEs.

**SAFETY SERVICES AREA
FIRE**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CHARGES FOR SERVICES	942,842	421,344	896,100	455,825	531,653
OPERATING TRANSFERS	-	-	-	-	36,122
MISCELLANEOUS REVENUE	7,031	15,786	259,625	30	-
INTERGOVERNMENTAL REVENUES	136,049	158,740	-	-	-
CONTRIBUTIONS	-	-	-	-	-
Total	\$1,085,922	\$595,870	\$1,155,725	\$455,855	\$567,775

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	1,085,922	437,130	1,155,725	455,855	531,653
MAJOR GRANT PROGRAMS FUND (00MG)	-	158,740	-	-	36,122
Total	\$1,085,922	\$595,870	\$1,155,725	\$455,855	\$567,775

**SAFETY SERVICES AREA
FIRE**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	8,128,453	7,721,211	6,967,487	7,235,829	6,277,504
PAYROLL FRINGES/INSURANCE	1,737,207	2,209,421	2,558,102	2,531,463	2,401,933
PASS THROUGHGS	307,263	161,759	183,855	183,855	1,179,434
OTHER SERVICES	444,356	601,555	209,535	187,016	430,099
MATERIALS & SUPPLIES	230,887	187,060	197,268	113,838	125,055
EMPLOYEE ALLOWANCES	158,383	131,912	211,400	227,684	118,654
CAPITAL OUTLAY	76,701	238,691	195,700	155,970	112,915
OTHER CHARGES	351,374	196,094	268,221	268,221	77,888
VEHICLE OPERATING COSTS	30,305	51,756	37,000	26,700	-
Total	\$11,464,929	\$11,499,459	\$10,828,568	\$10,930,576	\$10,723,483

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	11,464,929	11,340,719	10,828,568	10,930,576	10,723,483
MAJOR GRANT PROGRAMS FUND (00MG)	-	158,740	-	-	-
Total	\$11,464,929	\$11,499,459	\$10,828,568	\$10,930,576	\$10,723,483

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
FIRE	113.50	115.00	100.08	90.00
Total	113.50	115.00	100.08	90.00

SAFETY SERVICES FIRE SERVICES UNIT

REVENUES

Charges for Services/General Fund – This category covers revenue from State shared revenue for U of M fire protection, false alarm fees, fire inspections fees, fire plan review fees, and non-resident fees for service. The decrease is a result of making projections that are based on staffing changes within the fire department and analyzing the limited historical data available. It is a significant change due to some unrealistic projections made when last year's budget was prepared.

EXPENSES

Capital Outlay – The decrease reflects:

- A 42% reduction from the FY 04 capital budget;
- A transfer to fleet services to cover remaining payments on a single piece of fire apparatus; and
- A transfer of funds to fleet services to cover the maintenance costs of the fire fleet.

Materials & Supplies –

- The decrease reflects transfers to fleet services to cover maintenance costs of the fire fleet; and
- A 36% reduction from the FY 04 budget.

Other Charges –

- The increase includes transfers to other funds to cover matching funds for anticipated grants and funds to fleet services to cover the costs of 4 new fire vehicles; and
- A \$192,300 depreciation charge and a \$134,000 maintenance assessment for fleet vehicles. These are new charges since this will be the first year the fire fleet is primarily maintained by fleet services.

Payroll Fringes – The decrease reflects the changes made to the employee health benefits program.

SAFETY SERVICES FIRE SERVICES UNIT

Personnel Services – Savings of \$904,655. The decrease reflects the following staff reductions:

- Elimination of (14) firefighter FTEs. While 14 firefighters are eliminated between FY 03/04 and 04/05, the actual number of firefighters drops from 102 to 83, for a total loss of 19. In FY 03/04, there were 5 retirements, 1 termination, and 1 unanticipated FTE loss through other attrition. In FY 05, there will be 12 layoffs for a total reduction of 19 firefighters over both fiscal years;
- This assumes 2 junior dispatchers will choose transition to Safety Services Dispatcher position rather than accept a layoff;
- There will be a reduction in staffing to a daily minimum of 16 suppression personnel (1 Battalion Chief and 15 firefighters); and
- The Fire Department will operate five trucks, one in each of stations 1, 3, 4, 5, and 6. Absent major contract revisions, use of light rescue vehicles will be eliminated.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Fire Services Unit would be charged \$1,309,137 in 2004/05.

SAFETY SERVICES AREA
FIRE UNIT

GOAL: Reduce and prevent fires

OBJECTIVE: Utilize fire prevention division to train and educate our firefighters and the public

ACTIVITIES	SCHEDULED COMPLETION DATE
Collaborate with Building Department to improve code compliance	Ongoing
Develop a record-keeping program to track all emergency calls, including need for/use of specialized equipment and personnel	December 2004
Create new public fire-prevention education program	January 2005
Develop new building inspection and plan review process using national and state fire codes and guidelines	January 2005

GOAL: Take action to modernize the aging fire department fleet

OBJECTIVE: Achieve a modern fleet that is effective in all emergencies and operates efficiently

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop a new and efficient fleet replacement program	July 2004
Develop a new, comprehensive preventive maintenance program	August 2004
Develop and implement a computerized program to track needs of and repairs on entire fleet	September 2004

**SAFETY SERVICES AREA
FIRE UNIT**

GOAL: Improve Fire Unit members' skills, knowledge and abilities

OBJECTIVE: Overhaul existing training to emphasize firefighter and fire officer development

ACTIVITIES	SCHEDULED COMPLETION DATE
To develop in-house officer training programs (for Incident Command, Fire Officer One, Two, and Three, and Instructor I)	February 2005
Develop a new record-keeping system and matrix to track CEUs and mandated training requirements	February 2005
Maintain and/or upgrade competencies of all Hazmat Team and Technical Rescue Team members through scheduled training	June 2005

GOAL: Reduce and prevent fires

OBJECTIVE: Utilize analysis and relationships with local jurisdictions to achieve efficiencies

ACTIVITIES	SCHEDULED COMPLETION DATE
Prepare an analysis of comparable cities with universities to find efficiencies and adopt best practices	November 2004
Revise and/or develop standard operating procedures to improve efficiencies in operations and administration	March 2005
Review and update mutual aid arrangements with Washtenaw County fire departments	June 2005

SAFETY SERVICES AREA
FIRE

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ADMIN SERVICES SPECIALIST	000140	1.00	53,327
ADMINISTRATIVE ASSISTANT II	000571	1.00	65,903
APPARATUS MASTER MECH 40 HRS	131730	1.00	78,496
ASST FIRE CHIEF 40 HRS	131760	1.00	84,511
ASST TRAINING CHIEF/EMS COORD	131810	1.00	74,814
BATTALION CHIEF 50.40/HRS	131740	3.00	254,939
BATTALION CHIEF/TRNG 40LT DUTY	131850	1.00	75,207
CIV DISPATCHER-FIRE 40 HRS	131680	3.00	169,055
DRIVER/OPERATOR 50.40 HRS	131660	22.00	1,605,821
FIRE CAPTAIN 50.40 HRS	131770	3.00	246,266
FIRE CHIEF	403390	1.00	126,773
FIRE INSPECTOR 40 HRS	131720	3.00	220,916
FIRE LIEUTENANT 50.40 HRS	131710	23.00	1,790,218
FIRE MARSHAL 40 HRS	131750	1.00	81,808
FIREFIGHTER 50.4 HIRED > 1/92	131820	25.00	1,738,016
Total		90.00	\$6,666,070



SAFETY SERVICES AREA

POLICE

The Police Services Unit is comprised of two divisions: Patrol and Support Services. The divisions provide the organization with a broad array of services such as: uniformed patrol, traffic enforcement, animal control, ordinance enforcement, community affairs, professional standards, parking enforcement, general investigations, specialized investigations, training, recruiting, hiring, data processing, records management, and public safety dispatch. The service unit employs 222.84 FTEs. The Emergency Management Services Unit has 2.0 FTEs and is responsible for the coordination of Citywide emergency preparedness. The unit also manages overall emergency response and recovery, intergovernmental emergency cooperation, emergency public information, and administers state and federal grants.

**SAFETY SERVICES AREA
POLICE**

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
FINES & FORFEITS	2,334,254	2,679,523	2,909,690	2,186,049	2,787,557
CHARGES FOR SERVICES	1,160,382	1,583,624	1,445,165	1,756,630	1,518,458
PRIOR YEAR SURPLUS	-	-	392,047	-	1,148,000
OPERATING TRANSFERS	301,466	111,479	117,701	117,701	318,616
INTERGOVERNMENTAL REVENUES	277,810	457,478	236,833	51,000	139,000
CONTRIBUTIONS	64,664	39,906	56,762	39,000	39,000
MISCELLANEOUS REVENUE	62,641	16,840	183,750	40,144	27,750
INVESTMENT INCOME	34,638	20,067	17,000	12,000	19,000
LICENSES, PERMITS & REGISTRATION	(7,718)	-	-	-	-
Total	\$4,228,137	\$4,908,917	\$5,358,948	\$4,202,525	\$5,997,381

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	3,619,891	4,292,824	4,915,756	3,803,131	4,540,988
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	-	1,032,000
MAJOR GRANT PROGRAMS FUND (00MG)	443,565	305,716	299,534	131,701	247,393
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	28,112	14,585	15,000	210,693	106,000
MICHIGAN JUSTICE TRAINING (0064)	41,629	39,903	108,658	37,000	47,000
POLICE AND FIRE RELIEF (0053)	25,729	15,867	-	12,000	12,000
DRUG ENFORCEMENT (0027)	4,190	16,912	20,000	8,000	12,000
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	65,019	223,110	-	-	-
Total	\$4,228,137	\$4,908,917	\$5,358,948	\$4,202,525	\$5,997,381

**SAFETY SERVICES AREA
POLICE**

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	14,928,929	14,178,458	14,619,909	15,175,153	14,436,258
PAYROLL FRINGES/INSURANCE	2,849,036	3,692,686	4,381,085	4,280,044	4,407,213
OTHER SERVICES	1,607,209	1,778,130	2,026,819	1,615,310	1,710,389
OTHER CHARGES	605,381	363,233	516,204	767,919	1,056,738
CAPITAL OUTLAY	141,320	295,374	141,796	144,000	264,743
PASS THROUGH	301,466	108,957	134,393	24,359	238,393
EMPLOYEE ALLOWANCES	272,339	262,572	258,400	339,600	231,650
MATERIALS & SUPPLIES	244,448	224,081	187,487	168,283	190,946
VEHICLE OPERATING COSTS	23,917	47,867	29,000	25,687	29,000
Total	\$20,974,046	\$20,951,358	\$22,295,093	\$22,540,355	\$22,565,330

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	20,404,752	20,355,487	22,092,973	22,143,355	21,368,330
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	-	-	268,000	1,032,000
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	-	-	-	104,000	106,000
MICHIGAN JUSTICE TRAINING (0064)	34,878	49,661	60,000	15,000	47,000
DRUG ENFORCEMENT (0027)	21,680	16,367	20,000	10,000	12,000
MAJOR GRANT PROGRAMS FUND (00MG)	441,899	306,733	122,120	-	-
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	70,837	223,110	-	-	-
Total	\$20,974,046	\$20,951,358	\$22,295,093	\$22,540,355	\$22,565,330

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
POLICE	242.43	239.84	236.33	224.84
Total	242.43	239.84	236.33	224.84

SAFETY SERVICES POLICE SERVICES UNIT

REVENUES

Fines & Forfeits – This decrease reflects the vacancies of 4 Community Standards Officers. However, fines for parking tickets have been increased five dollars per ticket. It is expected that once the vacancies are filled that revenue will increase.

Prior Year Fund Balance – This increase reflects the balance of funds that were allocated to the combined safety services dispatch center project. This funding was not authorized last year until after the budget had gone into effect.

Federal Equitable Sharing Forfeiture Fund/0028 Fund – This increase reflects the remainder of an unexpected disbursement from the federal government as a result of the massage parlor investigation for which the fund was originally set up.

EXPENSES

Other Charges –

- The decrease in Professional Consulting services reflects the anticipated contract closure and final payment to the vendor for the Police Department's Information Management System Project;
- The decrease in telecommunications is offset by an equal increase in Fire Department telecommunications to budget-associated costs where they are being charged;
- In FY 03/04, an activity line called, "Safety Services Administration" was created to combine budgetary administrative costs of both departments, and 8 Fire Department positions were transferred into the Police Department budget. This activity line is removed in this fiscal year's budget, and 7 positions are transferred back to the Fire Department, with 1 position eliminated;
- A decrease in rent charge in the general fund reflects the co-location of one specialty unit with another;
- An increase in uniform costs reflect contractual obligations to pay the cost of new uniforms for the new Community Standards Unit in the Police Department; and
- An increase in transfer to other funds reflects anticipated grant awards that require agency-matching funds.

Payroll Fringes – The decrease reflects the changes made to the employee health benefits program.

SAFETY SERVICES POLICE SERVICES UNIT

Personnel Services – Police Unit – The decrease reflects the following staff changes:

- Elimination of (1) FTE Records Supervisor;
- Elimination of (1) FTE Police Officer. While only 1 officer is eliminated between FY 04 and 05 budgets, actual uniformed officers assigned to PD functions drops from 166 to 160. In FY 04, there were 4 planned retirements, 1 unanticipated resignation, and 1 transfer to Emergency Management duties, which mid-year became a new function in the PD. In FY 05, there will be 3 more police officer retirements, bringing the total uniformed strength down to 157 by the end of FY 05;
- Elimination of (1) FTE Managerial Analyst; and
- Elimination of (1) FTE Fire Dispatcher. This position was eliminated through unanticipated resignation and will not be filled in the transition to Combined Safety Services Dispatch scheduled for October 1, 2004.

Personnel Services – Emergency Management Unit – The Emergency Management function was transferred to the Police Department in FY 03/04. This function had previously resided in the Office of the City Administrator and, before that, in the Fire Department.

- (1) FTE was transferred from the Fire Department to the Police Department. This FTE remains in the Police Department budget in FY 04/05.
- A new Lieutenant position was created in the Police Department in FY 03/04 to be the Emergency Management Director, and (1) police officer position was removed from patrol staffing. This Emergency Management Director FTE remains in the Police Department budget in FY 04/05.

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Police Services Unit would be charged \$4,065,838 in 2004/05.

SAFETY SERVICES AREA
POLICE UNIT

GOAL: Reduce and solve crime

OBJECTIVE: Achieve measurable reductions in Part I and Part II crimes reported to State Police and FBI

ACTIVITIES	SCHEDULED COMPLETION DATE
Provide daily crime analysis of past and current trends	Ongoing
Conduct effective weekly crime strategy meetings	Ongoing
Deploy patrol resources in response to crime trends	Ongoing
Deploy consolidated LAWNET/SIU unit to suppress drug crime and apprehend worst offenders	Ongoing
Prioritize Detective Bureau assignments and deploy resources to apprehend worst offenders	Ongoing

GOAL: Reduce and solve crime

OBJECTIVE: Ensure emergency calls are dispatched within national standard for agencies/cities our size

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop automated response time report	May 2004
Review last three DOJ reports regarding response times to identify trends	May 2004
Review current protocol for response by complaint type to identify inefficiencies that affect response time	June 2004

SAFETY SERVICES AREA
POLICE UNIT

GOAL: Reduce and solve crime

OBJECTIVE: Utilize technology and process reforms to reduce crime

ACTIVITIES	SCHEDULED COMPLETION DATE
Get all detectives to regularly use COPLINK software in investigations	December 2004
Develop automated crime information reports that can be run on demand by Detectives and Patrol Command	December 2004
Test users on crime-report skill level three months after initial training	December 2004
Integrate GIS system mapping component into Police applications where possible	March 2005
Achieve contract closure on IMS project	September 2005

GOAL: Reduce and solve crime

OBJECTIVE: Improve case tracking in Detective Bureau

ACTIVITIES	SCHEDULED COMPLETION DATE
Develop better report to track case status by detective and case type	January 2005
Review/revise investigative policies to ensure that minor cases do not stay active unnecessarily	January 2005
Review/revise investigative policies to ensure that major cases result in closure or significant progress within no more than 21 days	January 2005
Train investigative staff on revised procedures	February 2005

SAFETY SERVICES AREA
POLICE UNIT

GOAL: Combine Police, Fire and Community Standards dispatch functions in a new state-of-the-art 911 Communications Center

OBJECTIVE: Achieve a successful, smooth transition to a combined dispatch center for Police, Fire and Community Standards

ACTIVITIES	SCHEDULED COMPLETION DATE
Execute contract with Irish Construction to build center, and begin construction of dispatch facility	April 2004
Formally offer transition option to Fire dispatchers	July 2004
Complete CAD Fire data-entry	August 2004
Obtain completed and approved design drawings	August 2004
Train dispatchers on new parking computer system and implement	August 2004
Train Police dispatchers as CAD administrators	August 2004
Achieve full staffing	September 2004
Transition Fire to 800 MHz radio system	September 2004
Complete CAD installation and CAD computer training at the Fire Dept.	October 2004
Complete Fire dispatch training for police personnel	October 2004
Complete low voltage wiring and cabling installation	October 2004
Select and install 911 dispatch furniture	December 2004
New 911 Center Complete	January 2005

SAFETY SERVICES AREA
POLICE UNIT

GOAL: Create new Community Standards Unit

OBJECTIVE: To consolidate most non-technical, "quality-of-life" code enforcement in the City into a one efficient and responsive unit

ACTIVITIES	SCHEDULED COMPLETION DATE
Change City Code and ordinances to empower Community Standards Unit to do appropriate enforcement	July 2004
Complete training of personnel in all aspects of new enforcement duties	June 2004
Begin enforcement of all areas of City Code that new unit is responsible for	July 2004
Provide community presentations about enforcement of ordinance re: snow/ice on sidewalks	November 2004
Begin tracking enforcement activities with Cityworks database	January 2005
Conduct comprehensive evaluation of first year's operation; issue FY annual report	August 2005

GOAL: Conduct a full-scale emergency management exercise

OBJECTIVE: To test city's emergency response capabilities

ACTIVITIES	SCHEDULED COMPLETION DATE
Select exercise design team	April 2004
Develop exercise scenario with law enforcement and emergency management partners throughout Washtenaw County	June 2004
Secure funding	June 2004
Hold preliminary tabletop exercises and complete planning	September 2004
Hold exercise	October 2004
Hold post-exercise debriefings and training	November 2004
Complete required state forms for grant reimbursement	December 2004

SAFETY SERVICES AREA
POLICE-EMERGENCY MANAGEMENT UNIT

GOAL: Increase City's cadre of professional emergency managers

OBJECTIVE: Take maximum advantage of free state and federal training to create a diverse pool of emergency-certified city workers

ACTIVITIES	SCHEDULED COMPLETION DATE
Identify interested personnel and secure support from city managers	May 2004
Select personnel, through an interview process, for the extensive 1 – 2 year training program	June 2004
Register personnel to attend Michigan State Police – Emergency Management Program (MSP-EMD)	July 2004
Obtain state certifications	January 2006

GOAL: Construct a new, state-of-the-art Emergency Operations Center

OBJECTIVE: To improve the effectiveness of emergency management and create a contemporary training area that is conducive to learning

ACTIVITIES	SCHEDULED COMPLETION DATE
Coordinate efforts with construction of new 911 Dispatch Center	Ongoing
Acquire furniture and technology	August 2004
Complete construction and occupy	October 2004

SAFETY SERVICES AREA
POLICE – EMERGENCY MANAGEMENT UNIT

GOAL: Improve city's emergency notification system

OBJECTIVE: Better utilize existing technology and resources to inform the public about emergencies

ACTIVITIES	SCHEDULED COMPLETION DATE
Coordinate with CTN to display preparedness information on current or potential emergencies	June 2004
Coordinate with other City service areas to add a link on their websites to critical OEM information	July 2004
Link up existing technologies to provide a city-wide emergency telephone notification system	January 2005

GOAL: Successfully accept, manage, distribute and document 2004-State Homeland Security and Training Grant Programs

OBJECTIVE: Take maximum advantage of state and federal grant revenue to make city safer and provide all police and fire first responders with updated training in hazard mitigation, emergency response and incident command

ACTIVITIES	SCHEDULED COMPLETION DATE
Allocate Training Grant funds to certain predetermined emergency services	April 2004
Formulate state-mandated committee to determine how Security funds should be distributed	May 2004
Accept 2004 SHSGP Security Grants	June 2004
Send personnel to Michigan State Police Academy for pre-determined train-the-trainer courses	September 2004
Train pre-determined emergency service personnel	February 2005
Manage grants through expiration and/or reimbursement is paid	September 2005
Replace a minimum of 35 percent of expiring grants with other funding	Ongoing

SAFETY SERVICES AREA
POLICE

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNT CLERK III	681120	1.00	61,858
ACCOUNTING CLERK II	111111	1.00	52,919
ACCOUNTING CLERK III	181120	2.00	119,690
ACCOUNTING CLERK III W/EDUC	181121	1.00	57,275
CLERK STENOGRAPHER III	180170	2.00	95,296
CLERK STENOGRAPHER III W/EDUC	180171	1.00	50,633
CLERK TYPIST II	180110	1.00	44,903
CLERK TYPIST II	180111	1.00	40,427
COMMUNITY SERV SPECIALIST	128550	3.00	169,653
COMMUNITY STANDARDS OFFICE III	118524	4.00	222,686
COMMUNITY STANDARDS OFFICER I	118504	5.00	232,351
COMMUNITY STANDARDS OFFICER II	118514	3.00	157,509
COMMUNITY STANDARDS SUPER III	196724	1.00	79,216
COMMUNITY STANDARDS SUPERVISOR	196704	1.00	65,945
COMMUNITY SVCS SPEC	128551	6.00	347,526
DEPUTY CHIEF	168810	2.00	220,647
DETECTIVE I W/EDUC	148711	1.00	71,839
DETECTIVE II	148800	1.00	73,748
DETECTIVE II W/EDUC	148801	10.00	762,491
DETECTIVE III (EES > 11-87)	148770	1.00	79,920
DETECTIVE III W/EDUC (> 11-87)	148771	6.00	482,030
DISASTER PREPAREDNESS COORD	401400	1.00	57,343
DISPATCHER-PARKING	116680	1.00	60,143
LAWNET W/EDUC	148601	3.00	213,789
OFFICE ADMINISTRATOR	000580	2.00	132,490
PARKING ENFORCEMENT OFFICER I	618550	1.00	61,235
POLICE CHIEF	403400	1.00	140,849
POLICE LIEUTENANT - W/3%	158731	9.17	866,291
POLICE OFFICER	148700	22.00	1,436,323
POLICE OFFICER W/EDUC	148701	37.00	2,489,355
POLICE PROGRAMMER ANALYST	401100	1.00	85,643
POLICE STAFF SERGEANT (7/92)	158760	1.00	86,895
POLICE STAFF SGT (W/3%)	158761	21.58	1,905,087
PROFESSIONAL SERVICES ASST	128561	5.00	322,015
PROPERTY SECURITY CLERK	180240	2.00	102,207
RECORD SYSTEM SUPERVISOR	198650	1.00	58,463
SAFETY SERVICES DISPATCHER I	148400	4.00	188,612
SAFETY SERVICES DISPATCHER III	148420	2.00	114,138
SAFETY SERVICES DISPATCHER III	148421	3.00	158,163
SAFETY SERVICES DISPATCHER IV	148430	5.00	302,917
SAFETY SERVICES DISPATCHER IV	148431	4.00	246,608
SENIOR OFFICER I	148707	8.00	549,290
SENIOR OFFICER I W/EDUC	148703	23.00	1,656,900
SENIOR OFFICER II	148900	3.00	217,918
SENIOR OFFICER II W/EDUC	148901	7.08	522,840
SIU (AFTER 2 YRS W/EDUC)	148791	1.00	71,488
SIU W/EDUC	148751	1.00	72,007
TELECOMMUNICATOR W/ DEGREE	148511	1.00	53,509
Total		224.83	\$15,661,080



FIFTEENTH DISTRICT COURT

The 15th District Court is responsible for adjudicating criminal misdemeanor cases filed for violation of local ordinances and state laws. Judges conduct preliminary examinations in felony cases, hear general civil cases where the amount claimed as damages does not exceed \$25,000, preside over landlord tenant cases and certain matters filed in the Family Division of the county Trial Court, and hear appeals from small claims cases. The Court's magistrate conducts informal hearings in traffic civil infraction cases, hears small claims cases and presides over other matters as provided by state law.

FIFTEENTH DISTRICT COURT

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
FINES & FORFEITS	2,692,870	2,902,560	3,136,600	2,869,400	2,868,400
INTERGOVERNMENTAL REVENUES	202,442	238,790	240,500	240,500	240,500
INVESTMENT INCOME	5,026	17,856	3,750	2,000	2,000
MISCELLANEOUS REVENUE	50	33	-	-	-
CHARGES FOR SERVICES	(233)	(703)	-	-	-
Total	\$2,900,155	\$3,158,536	\$3,380,850	\$3,111,900	\$3,110,900

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	2,708,107	2,925,322	3,180,850	2,893,900	2,890,900
COURT FACILITIES (0023)	192,048	233,214	200,000	218,000	220,000
Total	\$2,900,155	\$3,158,536	\$3,380,850	\$3,111,900	\$3,110,900

FIFTEENTH DISTRICT COURT

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PERSONNEL SERVICES	1,806,226	1,773,753	1,858,249	1,854,839	1,810,260
OTHER SERVICES	523,149	650,251	764,500	647,916	927,660
PAYROLL FRINGES/INSURANCE	439,427	556,599	701,482	700,448	741,073
CAPITAL OUTLAY	45,951	27,308	200,250	1,800	127,500
MATERIALS & SUPPLIES	70,772	84,798	67,500	64,700	71,500
OTHER CHARGES	97,937	59,373	80,913	57,217	23,305
Total	\$2,983,462	\$3,152,082	\$3,672,894	\$3,326,920	\$3,701,298

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	2,971,281	3,137,186	3,472,894	3,326,920	3,491,798
COURT FACILITIES (0023)	12,181	14,896	200,000	-	209,500
Total	\$2,983,462	\$3,152,082	\$3,672,894	\$3,326,920	\$3,701,298

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
FIFTEENTH DISTRICT COURT	39.75	40.00	41.00	41.00
Total	39.75	40.00	41.00	41.00

FIFTEENTH DISTRICT COURT

EXPENSES

Municipal Service Charge (MSC) – A cost allocation study was performed in order to more effectively allocate the City's administrative and overhead costs to the service units who utilized the General Fund administrative services and facilities. Since 1993, the City has applied the MSC to non-General Funds to recover these costs. Adjustments have been made to the non-General Funds based on the updated cost allocation study. If the MSC were applied to the General Fund, the Fifteenth District Court would be charged \$305,684 in 2004/05.

FIFTEENTH DISTRICT COURT

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCT CLERK II- DISTRICT COURT	001131	1.00	56,391
CHIEF DEPUTY DISTRICT CT CLERK	403860	1.00	92,423
COURT ADMINISTRATOR	403420	1.00	101,375
COURT BAILIFF	000850	3.00	130,292
COURT CLERK II	000930	13.00	584,459
COURT CLERK III	000940	2.00	100,942
COURT RECORDER	000860	4.00	197,425
DISTRICT COURT JUDGE	200030	3.00	176,457
LEAD DIVISION DEPUTY CLERK	000910	2.00	128,242
MAGISTRATE	401880	1.00	76,372
PROBATION AGENT	000800	5.00	333,445
PROBATION SUPERVISOR	000810	1.00	78,131
SENIOR SECRETARY COURTS	000870	4.00	226,028
Total		41.00	\$2,281,982

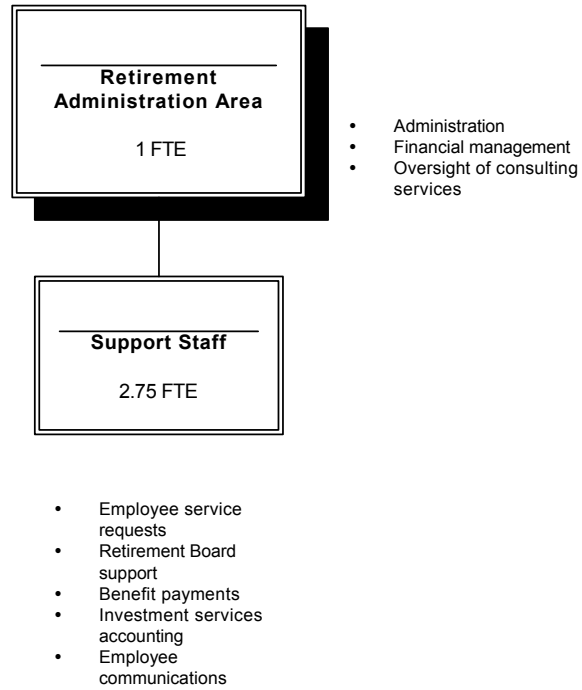




RETIREMENT SYSTEM SERVICE AREA

The Retirement System provides normal retirement, disability, death and surviving beneficiary benefits to the permanent employees of the City of Ann Arbor. The employees of the Retirement Board are responsible for the administration of the Retirement System pursuant to the Retirement Ordinance, the State of Michigan Public Employee Retirement System Investment Act, and the policy and direction of the Board of Trustees of the City of Ann Arbor Employees' Retirement System.

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RETIREMENT SYSTEM

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PRIOR YEAR SURPLUS	-	-	27,377,247	28,146,615	26,873,002
OPERATING TRANSFERS	9,609,084	9,351,793	10,193,946	7,693,946	3,832,325
INVESTMENT INCOME	7,131,337	50,780,129	-	-	-
CONTRIBUTIONS	317,285	137,269	-	-	-
MISCELLANEOUS REVENUE	124,586	107,383	-	-	-
Total	\$17,182,291	\$60,376,574	\$37,571,193	\$35,840,561	\$30,705,327

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
EMPLOYEES RETIREMENT SYSTEM (0059)	9,419,742	54,717,025	29,877,247	28,146,615	26,873,002
VEBA TRUST (0052)	7,762,550	5,659,549	7,693,946	7,693,946	3,832,325
Total	\$17,182,291	\$60,376,574	\$37,571,193	\$35,840,561	\$30,705,327

RETIREMENT SYSTEM

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PAYROLL FRINGES/INSURANCE	16,506,750	19,991,859	20,075,084	20,626,951	20,470,783
PASS THROUGHES	3,753,020	5,563,590	6,388,398	5,563,590	2,974,648
OTHER SERVICES	1,959,764	1,772,502	2,264,150	1,426,644	2,221,250
OTHER CHARGES	4,839,930	1,856,643	1,052,585	415,585	1,055,195
PERSONNEL SERVICES	215,731	243,536	237,269	236,334	286,626
CAPITAL OUTLAY	5,507	4,426	4,000	-	9,000
MATERIALS & SUPPLIES	5,307	4,194	8,250	5,000	8,250
Total	\$27,286,008	\$29,436,750	\$30,029,736	\$28,274,104	\$27,025,752

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
EMPLOYEES RETIREMENT SYSTEM (0059)	27,184,146	29,309,948	29,877,247	28,146,615	26,873,002
VEBA TRUST (0052)	101,862	126,802	152,489	127,489	152,750
Total	\$27,286,008	\$29,436,750	\$30,029,736	\$28,274,104	\$27,025,752

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
RETIREMENT	3.50	3.75	3.75	3.75
Total	3.50	3.75	3.75	3.75

RETIREMENT SYSTEM SERVICE AREA

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
ACCOUNTANT II	001260	0.75	57,251
EXEC DIR PENSION ADMIN	403740	1.00	106,500
PENSION ANALYST	403650	1.00	76,103
SR SECRETARY	000180	1.00	58,031
Total		3.75	\$297,885



DOWNTOWN DEVELOPMENT AUTHORITY

In 1982 the Downtown Development Authority was created by City Council as a vehicle for urban revitalization. Since its creation it has been a key ingredient in the rejuvenation of what is now a very vibrant downtown. Some of the more important DDA projects include increasing and improving parking facilities, and installing pedestrian improvements to enhance the attractiveness and use of downtown.

DOWNTOWN DEVELOPMENT AUTHORITY

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
CHARGES FOR SERVICES	11,069,488	11,592,052	11,077,590	10,911,959	10,757,545
TAXES	2,885,717	3,171,528	3,031,184	3,031,184	3,200,797
PRIOR YEAR SURPLUS	-	-	9,603,584	-	3,024,665
OPERATING TRANSFERS	642,894	763,198	851,700	751,700	751,700
INVESTMENT INCOME	658,637	306,657	509,794	476,224	643,492
CONTRIBUTIONS	109,000	-	-	-	-
INTRA GOVERNMENTAL SALES	23,802	-	-	-	-
LICENSES, PERMITS & REGISTRATION	229	-	-	-	-
MISCELLANEOUS REVENUE	(600)	401,741	-	(244)	(520)
Total	\$15,389,166	\$16,235,176	\$25,073,852	\$15,170,823	\$18,377,679

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
DDA PARKING SYSTEM (0063)	9,730,505	12,450,095	11,938,770	11,659,415	12,397,729
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	3,414,976	3,567,295	12,914,768	3,292,408	5,756,529
DDA/HOUSING FUND (0001)	218,760	217,786	220,314	219,000	223,421
PARKING SYSTEM (0044)	2,024,697	-	-	-	-
GENERAL (0010)	229	-	-	-	-
Total	\$15,389,166	\$16,235,176	\$25,073,852	\$15,170,823	\$18,377,679

DOWNTOWN DEVELOPMENT AUTHORITY

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PASS THROUGHES	5,977,568	6,576,168	6,351,065	6,510,196	7,671,318
OTHER SERVICES	4,413,015	5,236,959	5,511,188	5,177,319	7,229,765
CAPITAL OUTLAY	226,132	385,875	2,387,500	112,500	2,587,000
OTHER CHARGES	796,782	546,279	7,889,155	449,760	403,042
PERSONNEL SERVICES	161,831	178,548	275,268	124,643	276,986
PAYROLL FRINGES/INSURANCE	19,808	25,984	48,637	-	47,222
MATERIALS & SUPPLIES	4,646	37,853	11,000	4,450	7,000
Total	\$11,599,783	\$12,987,666	\$22,473,813	\$12,378,868	\$18,222,333

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
DDA PARKING SYSTEM (0063)	8,286,415	10,149,683	9,809,045	9,436,224	12,397,729
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	3,181,056	2,752,983	12,664,768	2,826,908	5,756,529
DDA/HOUSING FUND (0001)	132,312	85,000	-	115,736	68,075
Total	\$11,599,783	\$12,987,666	\$22,473,813	\$12,378,868	\$18,222,333

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
DOWNTOWN DEVELOPMENT AUTHORITY	2.00	2.80	3.20	3.20
Total	2.00	2.80	3.20	3.20

DOWNTOWN DEVELOPMENT AUTHORITY

Allocated Positions

Job Description	Job Class	FTE's	Total Costs
CLERK STENOGRAPHER III	000170	0.20	10,365
DDA DEPUTY DIRECTOR	403720	1.00	89,255
DDA EXEC DIRECTOR	403290	1.00	104,333
DDA PROJECT ENGINEER	403710	1.00	100,433
Total		3.20	\$304,386



NON-DEPARTMENTAL AND DEBT SERVICE

The Non-Departmental Service Area is used record and track revenue and expenditure activities that are not associated with any specific Service Area. Specific activities include: operating transfers to other funds, contingency for compensation, AATA tax transfer, retiree medical insurance (excess levy to VEBA), city wide dues and licenses, Michigan Tax Tribunal refunds, and other miscellaneous activities.

The Debt Service funds are used to record the debt service and debt service levy of the City. Debt service on voted general obligation debt issues is funded through the Debt Service property tax levy; for FY 2004/2005, this levy is proposed to be 0.60 mills.

The level of outstanding debt is relatively low. State law does not allow the City to issue general obligation debt in excess of 10% of Taxable Value (TV); the limit as of January 1, 2004 was \$398.6 million. The debt subject to that limit as of June 30, 2003 was \$47.9 million, or 1.20% of the total TV limit. Other indebtedness is financed through dedicated millages such as parks millages, specific revenues like water and sewer revenues and direct charges to individual taxpayers as with special assessments. Indebtedness which is repaid from dedicated financing sources does not count against the 10% of TV limit. The total City debt (general obligation and all others) as of June 30, 2003 was \$110.8 million.

NON-DEPARTMENTAL AND DEBT SERVICE

Revenues By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
OPERATING TRANSFERS	2,859,656	1,576,589	1,951,268	1,948,372	4,035,782
TAXES	2,827,666	2,664,781	2,883,490	2,846,585	2,491,836
PRIOR YEAR SURPLUS	-	-	454,636	413,936	447,446
MISCELLANEOUS REVENUE	(3,907)	-	-	-	120,000
INVESTMENT INCOME	119,075	61,692	26,000	13,000	11,000
CONTRIBUTIONS	7,127	7,501	6,684	6,684	-
CHARGES FOR SERVICES	298,197	792,379	-	-	-
INTERGOVERNMENTAL REVENUES	24,738	-	-	-	-
Total	\$6,132,552	\$5,102,942	\$5,322,078	\$5,228,577	\$7,106,064

Revenues By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL DEBT SERVICE (0035)	4,200,391	4,162,269	4,743,442	4,705,641	4,407,218
GENERAL (0010)	1,426,540	1,567	55,700	-	2,180,755
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	462,603	877,414	522,936	522,936	495,337
PARKING SYSTEM (0044)	36,565	61,692	-	-	22,754
STREET REPAIR MILLAGE (0062)	5,453	-	-	-	-
COURT FACILITIES (0023)	1,000	-	-	-	-
Total	\$6,132,552	\$5,102,942	\$5,322,078	\$5,228,577	\$7,106,064

NON-DEPARTMENTAL AND DEBT SERVICE

Expenses By Category

Category	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
PASS THROUGHS	19,960,595	8,957,805	9,358,312	9,358,312	12,152,577
OTHER CHARGES	5,856,723	6,287,808	6,283,739	5,782,476	8,082,040
PAYROLL FRINGES/INSURANCE	3,549,087	1,647,251	1,158,653	1,305,549	857,711
OTHER SERVICES	199,264	178,921	75,000	124,234	141,000
PERSONNEL SERVICES	(63,067)	(514,464)	51,504	100,000	100,000
COMMUNITY DEVELOPMENT RECIPIENTS	83,263	-	126,950	71,250	88,355
MATERIALS & SUPPLIES	11,478	6,828	-	-	-
VEHICLE OPERATING COSTS	234	1,942	-	-	-
Total	\$29,597,578	\$16,566,091	\$17,054,158	\$16,741,821	\$21,421,683

Expenses By Fund

Fund	Actual 2001/02	Actual 2002/03	Budget 2003/04	Projected 2003/04	Request 2004/05
GENERAL (0010)	24,305,958	10,782,387	11,954,288	11,644,848	14,587,035
GENERAL DEBT SERVICE (0035)	4,210,869	4,340,067	4,576,934	4,574,037	4,391,557
INSURANCE (0057)	1,232	-	-	-	1,925,000
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	485,329	535,233	522,936	522,936	495,337
PARKING SYSTEM (0044)	669,517	904,795	-	-	22,754
STREET REPAIR MILLAGE (0062)	37	19,235	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	(590)	5,447	-	-	-
PARK ACQUISITION MILLAGE (0024)	(155)	4,711	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	(114)	2,456	-	-	-
HOME PROGRAM (0090)	(1,653)	606	-	-	-
FLEET SERVICES (0012)	38,576	-	-	-	-
EMPLOYEES RETIREMENT SYSTEM (0059)	11,188	-	-	-	-
STORMWATER SEWER SYSTEM (0069)	7,427	-	-	-	-
CENTRAL STORES (0011)	4,637	-	-	-	-
GOLF ENTERPRISE (0047)	2,474	-	-	-	-
MARKET (0046)	1,341	-	-	-	-
PARKS SERVICE HEADQUARTERS (0015)	(326)	-	-	-	-
ELIZABETH R DEAN TRUST (0055)	(12,572)	-	-	-	-
AIRPORT (0048)	(21,314)	-	-	-	-
SEWAGE DISPOSAL SYSTEM (0043)	(26,138)	-	-	-	-
WATER SUPPLY SYSTEM (0042)	(82,482)	-	-	-	-
LESLIE HOMESTEAD (0096)	(1,194)	(1,966)	-	-	-
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	1,918	(2,178)	-	-	-
DDA PARKING SYSTEM (0063)	1,169	(2,398)	-	-	-
COMMUNITY TELEVISION NETWORK (0016)	(1,506)	(2,403)	-	-	-
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	(2,912)	(3,258)	-	-	-
MAJOR STREET (0021)	6,860	(16,643)	-	-	-
Total	\$29,597,578	\$16,566,091	\$17,054,158	\$16,741,821	\$21,421,683

FTE Count

Category	2001/02	2002/03	2003/04	2004/05
NON-DEPARTMENTAL	1.00	1.00	-	-
Total	1.00	1.00	0.00	0.00



**City of Ann Arbor
Information Technology Projects Budget Summary
Fiscal Year 2004-2005**

Project Name	Anticipated Completion Date	Previously Approved Budget	Additional Budget Request	Total Project Budget	Prior Years	F/Y 2005	Total
Application Integration, Expansion and Upgrade							
Advantage Financial & HR System Upgrade - Project Assessment	June-04	50,000	0	50,000	50,000	0	50,000
BRASS Upgrade	June-05	50,000	0	50,000	0	50,000	50,000
Cityworks GIS Deployment - Safety Services	August-04	60,000	0	60,000	0	60,000	60,000
Council Agenda and Packet Automation Software	June-05	20,000	0	20,000	0	20,000	20,000
GIS Program Improvements - Enterprise	April-04	10,000	0	10,000	10,000	0	10,000
IT Help Desk	June-04	32,000	0	32,000	32,000	0	32,000
Mainsaver Expansion - City Facilities	May-04	10,000	0	10,000	10,000	0	10,000
Online Class Registration & Inquiry (eConnect) - Parks and Rec	June-05	0	27,750	27,750	0	27,750	27,750
Point of Sale Module - Parks and Rec	May-04	24,000	0	24,000	24,000	0	24,000
Revenue Management System (Cashiering) & Integration	August-04	94,000	0	94,000	0	94,000	94,000
Upgrade Windows NT 4.0 to XP Professional. - Enterprise	June-04	50,000	0	50,000	50,000	0	50,000
		400,000	27,750	427,750	176,000	251,750	427,750
Hardare Purchase and Deployment Programs							
Check Printer - Payroll	June-05	0	5,000	5,000	0	5,000	5,000
Fixed Digital Presentation Projector - Council Chambers	June-05	0	5,000	5,000	0	5,000	5,000
Multi-Page Scanner - Council Packet Preparation	June-05	0	7,000	7,000	0	7,000	7,000
Network Printer and Copier Program	June-04	50,000	0	50,000	50,000	0	50,000
PC Deployment	June-05	75,000	120,000	195,000	75,000	120,000	195,000
Scanner - Risk Mgmt	June-05	0	750	750	0	750	750
		125,000	137,750	262,750	125,000	137,750	262,750

**City of Ann Arbor
Information Technology Projects Budget Summary
Fiscal Year 2004-2005**

Project Name	Anticipated Completion Date	Previously Approved Budget	Additional Budget Request	Total Project Budget	Prior Years	F/Y 2005	Total
Other							
City Clerk's Workstation - Public Access to Resolutions & Licensing	June-05	0	2,000	2,000	0	2,000	2,000
Computer Skills Training	June-05	0	50,000	50,000	0	50,000	50,000
Enterprise Information Portal (EIP) Deployment (aka: Intranet)	July-04	130,000	130,000	260,000	130,000	130,000	260,000
		<u>130,000</u>	<u>182,000</u>	<u>312,000</u>	<u>130,000</u>	<u>182,000</u>	<u>312,000</u>
Telecommunications							
Enterprise Telecommunications Improvements	June-04	200,000	(80,000)	120,000	120,000	0	120,000
Interactive Voice Response Inspection/Permit Scheduling	June-05	0	95,000	95,000	0	95,000	95,000
		<u>200,000</u>	<u>15,000</u>	<u>215,000</u>	<u>120,000</u>	<u>95,000</u>	<u>215,000</u>
Wireless Computing							
Wireless Data Access - Field Inspectors	June-05	0	100,000	100,000	0	100,000	100,000
Wireless Wide Area Network Feasibility Study & Design	May-04	25,000	0	25,000	25,000	0	25,000
		<u>25,000</u>	<u>100,000</u>	<u>125,000</u>	<u>25,000</u>	<u>100,000</u>	<u>125,000</u>
Grand Total		<u>880,000</u>	<u>462,500</u>	<u>1,342,500</u>	<u>576,000</u>	<u>766,500</u>	<u>1,342,500</u>

Capital Improvement Program Executive Summary

OVERVIEW

This capital improvements plan (CIP) outlines a schedule of public service expenditures over the ensuing six-year period (fiscal years 2005 – 2010). The CIP does not address all of the capital expenditures for the City, but provides for large, physical improvements that are permanent in nature, including the basic facilities, services, and installations needed for the functioning of the community. These include transportation systems, utilities, municipal facilities and other miscellaneous projects.

To qualify for inclusion into the CIP, a project must meet the following standards:

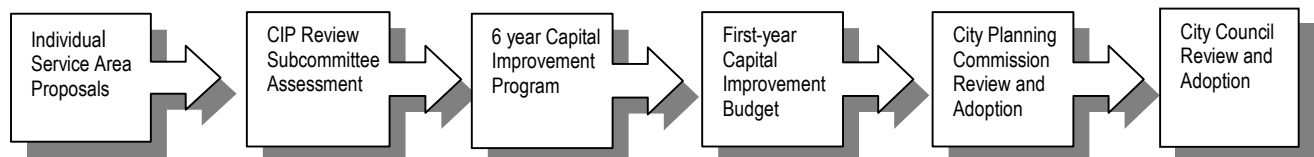
- Be consistent with 1) an adopted or anticipated component of the City master plan, 2) a state or federal requirement, or 3) a City Council approved policy; and
- Constitute permanent, physical or system improvements in excess of \$100,000; or significant equipment purchases in excess of \$100,000 with a useful life of at least ten years; or a study of at least \$100,000 that will lead to such projects; and
- Add to the value or capacity of the infrastructure of the City.

Projects that are considered operational, maintenance or recurring are excluded.

Preparation of the capital improvements plan is done under the authority of the Municipal Planning Commission Act (Section 9 of PA 285 of 1931). It is the City Planning Commission's goal that the CIP be used as a tool to implement the City Master Plan and assist in the City's financial planning.

The capital improvements plan proposes project funding relative to the anticipated availability of fiscal resources and the choice of specific improvements to be achieved throughout the six-year plan.

THE CAPITAL IMPROVEMENTS PLAN PROCESS



Capital Improvement Program Executive Summary

ORGANIZATION

The Capital Improvements Program is divided into three sections:

Section I – Capital Improvements Programming

- Introduction
- Program Summary
- Program Policies
- Program Funding

Section II – FY2005 Recommended Capital Improvements Budget

Section III – FY2005-2010 Capital Improvements Plan

The plan lists individual capital projects categorized by capital program. The following information is included on each project page:

- Project name
- Project Identification Number
- Project Type
- Submitting Department
- Planning Area
- CIP Review Subcommittee Priority
- Total Cost
- Project Description
- Project Justification Score
- Beneficial Impacts
- Initiating Plan/Study/Resolution
- Schedule
- Schedule Justification
- Expenditures

PROJECT PRIORITIZATION

The City Planning Commission Capital Review Subcommittee assesses all capital needs and gives each project a priority rating. The rating indicates that a project is one of the following:

- ▶ Urgent
 - Corrects an emergency or condition dangerous to public health, safety or welfare;
 - Complies with federal or state requirement whose implementation time frame is too short to allow for longer range planning; or
 - Is vital to the economic stability of the city

- ▶ Important
 - Prevents an emergency or condition dangerous to the public health, safety, or welfare;
 - Is consistent with an adopted or anticipated element of the city master plan, a federal or state requirement whose implementation time frame allows longer range planning, or a council approved policy;
 - Is required to complete a major public improvement (this criterion is more important if the major improvement cannot function without the project being completed, and is less important if the project is not key to the functioning of another project); or
 - Provides for a critically needed community program.

- ▶ Desirable
 - Needed to correct an inequitable distribution of public improvements in the past and that would benefit the community;
 - Worthwhile if funding becomes available;
 - Can be postponed without detriment to present services; or
 - Validity of planning and validity of timing have been established.

THE TOTALS

A total of 172 projects were submitted for this year's CIP with a six-year funding need of \$300,987,000. This is a 1.7 percent increase from the previous CIP, which anticipated \$295,824,000 in funding need during fiscal years 2004-2009. The total anticipated cost for all projects is \$546,409,000, which includes project funds spent prior to fiscal year 2005 and anticipated funds needed after fiscal year 2010. The chart below indicates the total number of projects for each category, the total costs, the six-year need and first-year expenditures:

Capital Improvement Program Executive Summary

Category	Number of Projects	Total Project Costs	Six-Year Need	First-Year Expenditures
City Owned Buildings	4	\$42,387,000	\$39,707,000	\$25,207,000
Information Technology	1	\$1,824,000	\$1,744,000	\$1,401,000
Parks and Recreation	19	\$18,009,000	\$11,672,000	\$5,877,000
Public Safety	2	\$1,536,000	\$650,000	\$650,000
Airport	11	\$3,374,000	\$3,374,000	\$387,000
Alternative Transportation	16	\$7,841,000	\$7,015,000	\$1,920,000
Bridges	6	\$39,815,000	\$8,265,000	\$1,250,000
New Streets	1	\$1,400,000	\$1,300,000	\$570,000
Other Transportation Projects	13	\$3,919,000	\$3,162,000	\$1,343,000
Parking Facilities	1	\$21,000,000	\$20,500,000	\$2,500,000
Street Construction	12	\$40,723,000	\$29,723,000	\$11,984,000
Sanitary Sewer System	32	\$292,805,000	\$114,276,000	\$11,220,000
Storm Sewer System	15	\$28,282,000	\$22,227,000	\$5,602,000
Water System	39	\$43,494,000	\$37,372,000	\$10,785,000
TOTAL	172	\$546,409,000	\$300,987,000	\$80,696,000

Capital Improvement Program Executive Summary

PRIORITIES

Eighteen percent of all projects are considered "Urgent", according to the CIP Review Subcommittee. Below is a project breakdown by priority.

Priority	Number of Projects	Percent of Projects	Total Cost	Percent of Cost
Urgent	31	18%	\$164,931,000	30%
Important	116	67%	\$370,598,000	68%
Desirable	25	15%	\$10,880,000	2%
TOTAL	172	100%	\$546,409,000	100%

MAJOR PROJECTS

Below is a list of the top ten project expenditures during fiscal years 2005-2010, including project priority and funding sources. Based on the total cost of all projects (\$546,409,000), the top ten projects constitute approximately 68% of the total funding need.

Project Name	Total Cost	Priority	Funding Sources
Footing Drain Disconnection Project (Long Term)	\$150,000,000	Important	Sewer Revenue Bonds
Facilities Renovation (WWTP)	\$53,100,000	Important	Sewer Revenue Bonds, Operating Funds
Broadway Bridges Reconstruction Project	\$31,200,000	Urgent	Revenue Bonds, LTGO Bonds, Critical Bridge Funds
Annual Street Resurfacing Program	\$23,500,000	Important	Road Millage, Utility Funds
Footing Drain Disconnection Project (Priority 2A)	\$22,659,000	Important	Capital Reserves, Sewer Bonds
First and William Parking Structure	\$21,000,000	Important	Parking Revenue Bonds
Field Operations and Maintenance Facility	\$19,630,000	Urgent	Maintenance Facilities, Bonds, Washtenaw County Gov't
City Hall Expansion/New Building	\$19,550,000	Urgent	Bonds
Residuals Handling Improvements	\$17,103,000	Important	Sewer Revenue Bonds
Ann Arbor Township Sanitary Annexations Ext.	\$12,393,000	Important	Sewer Revenue Bonds
TOTAL	\$370,135,000		

Capital Improvement Program Executive Summary

FUNDING NEEDS AND SOURCES

The anticipated six-year funding need is \$300,987,000. The table below summarizes the major categories of funding. Bonds will fund over sixty percent of the projects. Less than one percent of all funding need is generated by the general fund. Individual projects that fall within each major category are provided in Section II.

Funding Source	in Thousands of Dollars							Percent of Total
	FY05	FY06	FY07	FY08	FY09	FY10	Totals	
Bonds - Miscellaneous	\$21,655	\$26,525	\$6,200	\$0	\$0	\$0	\$54,380	18.07%
Bonds - Utilities	\$23,359	\$35,005	\$42,791	\$25,223	\$21,130	\$13,474	\$160,982	53.48%
Capital Reserves - Utilities	\$1,788	\$1,770	\$200	\$200	\$200	\$200	\$4,358	1.45%
City Funds - Miscellaneous*	\$6,861	\$453	\$7	\$47	\$331	\$0	\$7,699	2.56%
Contributions - Private/Other	\$2,810	\$2,490	\$86	\$0	\$0	\$720	\$6,106	2.03%
Federal & State Grants/Funds	\$9,278	\$5,243	\$4,301	\$2,107	\$3,818	\$3,025	\$27,772	9.23%
General Funds	\$516	\$212	\$0	\$230	\$350	\$560	\$1,868	0.62%
Millages	\$11,369	\$9,063	\$5,376	\$2,005	\$495	\$700	\$29,008	9.64%
Special Assessment	\$686	\$495	\$570	\$35	\$225	\$60	\$2,071	0.69%
Unfunded	\$1,261	\$343	\$0	\$0	\$0	\$0	\$1,604	0.53%
Utility Funds - Miscellaneous	\$1,113	\$1,113	\$1,113	\$600	\$600	\$600	\$5,139	1.71%
TOTAL	\$80,696	\$82,712	\$60,644	\$30,447	\$27,149	\$19,339	\$300,987	100.00%

* Some City funds may include operating reserves which originally came from federal sources.

Capital Improvement Program Executive Summary

NEW PROJECTS

Twenty-four projects are new for this year's CIP. Sixteen are sewer or water related. Only four transportation projects have been added, including two studies that likely will lead to future capital projects. Six of the new projects are considered urgent priority, and eighteen are listed as important. The total cost of all new projects is \$41,628,000 and approximately eleven percent of all project costs.

Project Name	Total Cost	Priority
First & William Parking Structure	\$21,000,000	Important
Miller Creek Restoration	\$7,000,000	Important
Alternative Transportation Program	\$2,786,000	Important
Malletts Creek Restoration (Brown Park Pond Reconstruction)	\$2,545,000	Urgent
Miller Road Transmission Main (Scio Pipe II)	\$1,600,000	Important
Maple Road Transmission Main (Scio Pipe I)	\$1,000,000	Urgent
Traver Creek Repairs	\$852,000	Important
Sunset Transmission Main (Scio Pipe III)	\$800,000	Important
Major Streets Storm water Pipe Repairs	\$550,000	Urgent
Fifth/Division/Huron Streetscape/Outskirt Parking	\$500,000	Important
Awixa Outlet Storm water Pipe Repair	\$375,000	Important
Water Resources Study	\$350,000	Important
Eisenhower Parkway Bridge	\$350,000	Urgent
State/Ellsworth Corridor Study	\$300,000	Important
Golfview Water Main	\$260,000	Urgent
Green Road Water Main Replacement	\$250,000	Important
Galvanized Water Main Replacements	\$250,000	Important
Allen Creek Hydraulic Modeling Study	\$200,000	Important
Residential Streets Storm water Pipe Repairs	\$200,000	Important
Parks and Recreation Open Space Plan 2006-2010	\$150,000	Important
Green Road/Baxter Court Community Center Expansion	\$107,000	Urgent
Nixon Road Study	\$100,000	Important
Cedar Bend Water Main Replacement	\$85,000	Important
Baldwin Ave. Sanitary Repair	\$18,000	Important
	TOTAL	\$41,628,000

Capital Improvement Program Executive Summary

COMPLETED PROJECTS

The following thirty-one projects from the FY2004-2009 CIP have been completed or will be completed before July 1, 2004. These projects have been removed from the FY2005-20010 CIP.

2004 ID	Project Name	Total Cost	Completed or Withdrawn
MF-CB-04-03	Housing Commission Administration Bldg. Expansion	\$650,000	Completed
MF-PR-04-07	Community Center/Gym Study	\$60,000	Completed
MF-PR-04-19	Platt Road House Renovation	\$99,000	Completed
MF-PR-04-21	Scio Church Road Bike Lane/Path	\$275,000	Completed
MF-PR-04-23	Soccer Field Development	\$170,000	Completed
MF-PR-04-24	South State Street Median Improvements	\$70,000	Completed
MF-PS-04-02	Fire Department Computer Aided Dispatch Equipment	\$325,000	Completed
TR-NM-04-10	South Main Street/Malletts Creek Drain Crossing	\$345,000	Completed
TR-NM-04-12	State Street Area Pedestrian Improvements	\$5,000,000	Completed
TR-OT-04-01	Adaptive Traffic Control System (SCOOT)	\$2,192,000	Completed
TR-OT-04-03	Downtown Corridor and Safety Study	\$150,000	Withdrawn
TR-OT-04-05	North Maple/Stadium Signal Interconnect	\$845,000	Completed
TR-OT-04-13	South Main Street Signal Interconnect	\$50,000	Completed
TR-PF-04-01	First and Washington Parking Structure Demolition	\$7,500,000	Withdrawn
TR-SC-04-02	Annual Downtown Street Resurfacing Program	\$4,500,000	Combined
TR-SC-04-07	Eisenhower Parkway Resurfacing	\$900,000	Completed
TR-SC-04-11	North Fourth Avenue Reconstruction	\$335,000	Withdrawn
TR-SC-04-13	North University (Eastbound) Resurfacing	\$100,000	Completed
TR-SC-04-16	Pontiac Trail Pavement Reconstruction	\$1,375,000	Withdrawn
TR-SC-04-17	S. Main and S. Main-Ann Arbor Saline Rd Intersection	\$900,000	Completed
TR-SC-04-18	West Stadium Reconstruction (Phase I)	\$2,749,000	Combined
TR-SC-04-19	West Stadium Reconstruction (Phase II)	\$2,749,000	Completed
UT-SN-04-08	Concordia Sanitary Relief Sewer	\$100,000	Withdrawn
UT-SN-04-30	Spring Street Sanitary Lining	\$100,000	Completed
UT-SN-04-33	Wehr Dental Sanitary (2509 S. State)	\$200,000	Completed
UT-SN-04-35	Yost Sanitary Crosslots	\$110,000	Completed
UT-ST-04-04	Fourth Avenue Storm Sewer Rehabilitation	\$70,000	Completed
UT-WS-04-10	Filtration - Operating Controls	\$4,807,000	Completed
UT-WS-04-16	Kirtland Avenue Replacement	\$235,000	Completed
UT-WS-04-18	Marian Street Rehabilitation	\$250,000	Completed
MF-PS-04-05	Firearms Automated Training Simulator (FATS)	\$250,000	Withdrawn

TOTAL \$37,461,000

Capital Improvement Program Executive Summary

JUSTIFICATION SCORE

Justification scores were assigned to each project by City departments. The assigned score indicates the degree to which the project helps to achieve the following value statements:

- A. Protect health, safety, lives of citizens
- B. Maintain or improve public infrastructure
- C. Reduce energy consumption, impact of the environment
- D. Enhance social, cultural, recreational or aesthetic opportunities
- E. Improve customer service, convenience for citizens

0 = Not Applicable; 1 = Somewhat Important; 2 = Important; 3 = Very Important

The maximum total justification score for a project is fifteen (15), which would indicate that all five criteria were viewed as “very important” by the submitting department.

The intent of the justification score is to guide City departments in assigning priorities (desirable, important or urgent) to projects within each category. The Capital Improvements Review Subcommittee continues to review the use of the justification score as a future tool to evaluate projects within individual categories and projects of similar priority from different categories. The use of a scoring system also may help prioritize the allocation of funding when projects compete for the same funding source.

GEOGRAPHIC DISTRIBUTION

Anticipated funding expenditures are fairly equitable in the four geographic planning areas (central, south, west and northeast). The central area is higher due to projects located at the City Hall building and the Broadway Bridges Project. The city-wide projects are significantly higher due to the three footing drain disconnection projects estimated at more than \$180,000,000 total.

Projects per Geographic Area and Total Expenditures

Geographic Area	Number of Projects	Total Six-Year and Beyond Expenditures	Percent of Cost
Central	13	\$79,574,000	15%
Citywide	25	\$235,789,000	43%
South	30	\$32,818,000	6%
Ann Arbor Township	4	\$70,853,000	13%
West	41	\$30,631,000	6%
Northeast	37	\$56,788,000	10%
Area to be Determined (TBD)	9	\$16,352,000	3%
Pittsfield Township	13	\$23,604,000	4%
TOTAL	172	\$546,409,000	100%

City of Ann Arbor
Capital Projects Budget Summary
By Project Type
Fiscal Year 2005

Project ID	Project Name	Priority	FTE's	SBFS Amt	Previously Approved Budget	Additional Budget Request	Total Project Budget	Prior Years	F/Y 2005	F/Y 2006	F/Y 2007	Beyond F/Y 2007	Total
Municipal Facilities - City Owned Building													
MF-CB-05-01	CITY HALL EXPANSION	Urgent	0.35	47,860	100,000	19,900,000	20,000,000	100,000	1,500,000	9,200,000	9,200,000		20,000,000
	COMPOST CENTER		0.10	8,944	0	1,500,000	1,500,000	0	300,000	1,200,000			1,500,000
MF-CB-05-02	FIELD OP & MAINTENANCE FACILITY	Urgent	0.40	54,690	1,485,000	25,000,000	26,485,000	1,485,000	10,000,000	15,000,000			26,485,000
	LANDFILL GAS MITIGATION		0.07	6,778	57,970	222,030	280,000	80,000	200,000				280,000
	LANDFILL GROUNDWATER PRE-TREATMENT		0.08	7,730	0	100,000	100,000	0	50,000	50,000			100,000
	MRF/TRANSFER STATION		0.25	22,380	0	2,200,000	2,200,000	0	700,000	1,500,000			2,200,000
	UST REMEDIATION - 415 W WASHINGTON		0.04	3,886	501,400	50,000	551,400	501,400	50,000				551,400
			<u>1.29</u>	<u>152,268</u>	<u>2,144,370</u>	<u>48,972,030</u>	<u>51,116,400</u>	<u>2,166,400</u>	<u>12,800,000</u>	<u>26,950,000</u>	<u>9,200,000</u>	<u>0</u>	<u>51,116,400</u>
Municipal Facilities - Parks and Recreation													
MF-PR-05-01	BANDEMER PARK IMPROV	Important	0.05	3,213	0	135,000	135,000	0	135,000				135,000
MF-PR-05-02	BLUFFS PARK DEVELOPMENT	Important	0.05	3,213	5,000	105,000	110,000	5,000	105,000				110,000
MF-PR-05-03	BUHR PARK INFRASTRUCTURE IMPR	Important	0.15	9,602	0	300,000	300,000	0	300,000				300,000
MF-PR-05-07	FARMERS MARKET ADDITION	Important	0.15	10,484	0	150,000	150,000	0	150,000				150,000
MF-PR-05-08	FULLER POOL PHASE II	Important	0.20	15,271	125,000	375,000	500,000	125,000	375,000				500,000
MF-PR-05-09	GALLUP PARK IMPROVEMENTS	Important	0.06	3,903	100,000	0	100,000	68,000	32,000				100,000
MF-PR-05-10	HIST PRES - WEST PARK BANDSHELL	Important	0.01	780	110,000	27,000	137,000	110,000	27,000				137,000
MF-PR-05-11	LANDFILL REUSE PLAN	Important	0.10	6,413	0	389,423	389,423	0	189,423	200,000			389,423
MF-PR-05-12	NEIGH PARK - BUHR	Important	0.05	3,213	40,000	29,000	69,000	40,000	29,000				69,000
MF-PR-05-12	NEIGH PARK - EVERGREEN	Important	0.02	1,286	4,884	55,000	59,884	4,884	55,000				59,884
MF-PR-05-12	NEIGH PARK - FRITZ	Important	0.02	1,286	4,884	55,000	59,884	4,884	55,000				59,884
MF-PR-05-12	NEIGH PARK - GLACIER HIGHLANDS	Important	0.02	1,286	0	59,884	59,884	0	59,884				59,884
MF-PR-05-12	NEIGH PARK - GREENBRIER	Important	0.02	1,286	0	59,884	59,884	0	59,884				59,884
MF-PR-05-12	NEIGH PARK - LAS VEGAS	Important	0.02	1,286	40,000	13,700	53,700	40,000	13,700				53,700
MF-PR-05-12	NEIGH PARK - MEADOWBROOK	Important	0.02	1,286	0	59,884	59,884	0	59,884				59,884
MF-PR-05-12	NEIGH PARK - MIXER	Important	0.02	1,560	0	59,884	59,884	10,000	49,884				59,884
MF-PR-05-12	NEIGH PARK - MIXTWOOD POMONA	Important	0.02	1,560	15,000	44,884	59,884	15,000	44,884				59,884
MF-PR-05-12	NEIGH PARK - MUSHROOM	Important	0.02	1,560	0	59,884	59,884	0	59,884				59,884
MF-PR-05-12	NEIGH PARK - PLYMOUTH PARKWAY	Important	0.02	1,286	59,884	0	59,884	4,884	55,000				59,884
MF-PR-05-12	NEIGH PARK - ROSE WHITE	Important	0.02	1,560	0	59,884	59,884	0	59,884				59,884
MF-PR-05-12	NEIGH PARK - VIRGINIA	Important	0.02	1,560	15,000	44,884	59,884	15,000	44,884				59,884
MF-PR-05-13	NORTHEAST AREA PARK DEVELOP	Important	0.08	5,563	890,000	600,000	1,490,000	890,000	200,000	100,000	300,000		1,490,000
MF-PR-05-14	OUTDOOR ENVIRONMENTAL ED AREAS	Important	0.02	1,560	0	300,000	300,000	0	150,000	0	150,000		300,000
MF-PR-05-15	PARKS & REC OPEN SPACE PLAN	Important	0.12	9,096	0	75,000	75,000	0	75,000				75,000
MF-PR-05-16	RIVER PARKS - ARGO CANOE LIVERY SITE	Important	0.15	11,718	50,000	499,423	549,423	50,000	100,000	110,000	289,423		549,423
MF-PR-05-17	SKATE PARK/X-GAMES FACILITY	Important	0.02	1,286	0	48,000	48,000	0	48,000				48,000
MF-PR-05-18	TARGETS OF OPPORTUNITY	Desirable	0.01	780	0	262,500	262,500	0	62,500	200,000			262,500
MF-PR-05-19	VETERANS MEMORIAL PARK FACILITY	Important	0.25	18,634	200,000	300,000	500,000	200,000	300,000				500,000
N/A	LESLIE SCIENCE CENTER	N/A	0.14	10,380	0	210,000	210,000		110,000	100,000			210,000
N/A	MEMORIALS	N/A	0.05	3,213	15,000	15,000	30,000	15,000	15,000				30,000
N/A	TENNIS COURT RECONSTRUCTION	N/A	0.10	6,413	0	130,000	130,000	0	130,000				130,000
			<u>2.00</u>	<u>141,537</u>	<u>1,674,652</u>	<u>4,523,118</u>	<u>6,197,770</u>	<u>1,597,652</u>	<u>3,150,695</u>	<u>710,000</u>	<u>739,423</u>	<u>0</u>	<u>6,197,770</u>

City of Ann Arbor
Capital Projects Budget Summary
By Project Type
Fiscal Year 2005

Project ID	Project Name	Priority	FTE's	SBFS Amt	Previously Approved Budget	Additional Budget Request	Total Project Budget	Prior Years	F/Y 2005	F/Y 2006	F/Y 2007	Beyond F/Y 2007	Total
Transportation - Alternative Transportation													
TR-NM-03-12	S MAIN ST NON-MOTORIZED PATH	Important	0.56	38,025	344,500	0	344,500	80,000	264,500	0	0	0	344,500
TR-AT-05-01	ALTERNATIVE TRANSPORTATION	Important	0.65	27,397	0	364,721	364,721		364,721				364,721
TR-AT-05-03	BICYCLE FACILITIES DEVELOPMENT	Important	0.04	3,130	100,000	300,000	400,000	100,000	100,000	100,000	100,000		400,000
TR-AT-05-07	GALLUP/ARBORETUM TUNNEL	Important	0.05	3,909	100,000	70,000	170,000	100,000	70,000				170,000
TR-AT-05-10	HURON RIVER MULTI-PURPOSE TRAIL	Important	0.08	6,225	100,000	400,000	500,000	100,000	300,000	100,000			500,000
			<u>1.38</u>	<u>78,686</u>	<u>644,500</u>	<u>1,134,721</u>	<u>1,779,221</u>	<u>380,000</u>	<u>1,099,221</u>	<u>200,000</u>	<u>100,000</u>	<u>0</u>	<u>1,779,221</u>
Transportation - Street Construction													
TR-SC-04-17	S MAIN ST RECONSTRUCTION	Important	0.91	64,089	2,290,000	0	2,290,000	1,375,000	915,000				2,290,000
TR-SC-05-02	ANNUAL STREET RESURFACING 2004	Important	1.88	139,614	0	4,162,465	4,162,465	1,880,000	2,282,465				4,162,465
TR-SC-05-02	ANNUAL STREET RESURFACING 2005	Important	1.19	88,076	0	4,700,000	4,700,000		1,880,000	2,820,000			4,700,000
N/A	HURON PKWY RECONSTR PHASE V	N/A	1.59	113,735	143,420	1,316,580	1,460,000	160,000	1,300,000				1,460,000
N/A	WEST STADIUM RECONSTRUCTION	N/A	0.93	75,248	588,525	2,631,475	3,220,000	590,000	2,055,000	575,000			3,220,000
			<u>6.50</u>	<u>480,762</u>	<u>3,021,945</u>	<u>12,810,520</u>	<u>15,832,465</u>	<u>4,005,000</u>	<u>8,432,465</u>	<u>3,395,000</u>	<u>0</u>	<u>0</u>	<u>15,832,465</u>
Transportation - Other													
TR-OT-05-05	NE TRANSPORTATION PLAN	Important	0.00	0	652,000	0	652,000	353,000	299,000				652,000
N/A	2004 BRIDGE INSPECTION PROGRAM	N/A	0.10	6,443	0	70,000	70,000		70,000				70,000
			<u>0.10</u>	<u>6,443</u>	<u>652,000</u>	<u>70,000</u>	<u>722,000</u>	<u>353,000</u>	<u>369,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>722,000</u>
Utilities - Sanitary Sewer													
UT-SN-05-04	BALWIN AVE SANITARY REPAIR	Important	0.34	24,176	0	95,000	95,000	60,000	35,000				95,000
UT-SN-05-09	FACILITIES RENOVATION (WWTP) PH. 1	Urgent	0.35	32,862	350,000	4,650,000	5,000,000	510,000	3,390,000	1,100,000			5,000,000
UT-SN-05-18	LAKEWOOD PUMP STATION & F MAIN	Urgent	0.11	10,108	180,000	1,570,000	1,750,000	165,000	1,585,000				1,750,000
UT-SN-05-27	RESIDUALS HANDLING PH. 1	Important	0.28	26,191	285,000	1,593,000	1,878,000	463,000	750,000	665,000			1,878,000
UT-SN-05-32	WWTP SEWAGE LIFT PUMPS REPAIR-2	Urgent	0.20	19,029	0	550,000	550,000	100,000	450,000				550,000
	BROOKSIDE SUB SEWER & WATER		0.51	41,538	1,424,318	0	1,424,318	707,000	717,318				1,424,318
UT-SN-04-08	CONCORDIA SANITARY RELIEF SEWER	Urgent	0.37	24,731	22,200	156,165	178,365	30,000	148,365				178,365
	FOOTING DRAIN DISCONNECT PH 2		0.79	55,776		7,330,000	7,330,000	1,123,750	2,835,000	2,247,500	1,123,750		7,330,000
	JENNINGS NEWPORT HTS SEWER		0.12	8,428	0	459,647	459,647	321,752	137,895				459,647
	NEWPORT SANITARY SEWER EXT		0.13	9,109	28,000	292,000	320,000	224,000	96,000				320,000
	YOST SANITARY SEWER REPLACEMENT		0.25	17,558	20,000	105,000	125,000	90,000	35,000				125,000
			<u>3.45</u>	<u>269,506</u>	<u>2,309,518</u>	<u>16,800,812</u>	<u>19,110,330</u>	<u>3,794,502</u>	<u>10,179,578</u>	<u>4,012,500</u>	<u>1,123,750</u>	<u>0</u>	<u>19,110,330</u>

City of Ann Arbor
 Capital Projects Budget Summary
 By Project Type
 Fiscal Year 2005

Project ID	Project Name	Priority	FTE's	SBFS Amt	Previously Approved Budget	Additional Budget Request	Total Project Budget	Prior Years	F/Y 2005	F/Y 2006	F/Y 2007	Beyond F/Y 2007	Total			
Utilities - Water System																
UT-WS-05-03	AUTO METER READING & REPLACE	Urgent	1.30	102,778	6,500,854	0	6,500,854	650,085	5,850,769				6,500,854			
UT-WS-05-10	ELEVATED STORAGE TANK (WHS)	Important	0.20	18,673	0	1,975,000	1,975,000		100,000	875,000	1,000,000		1,975,000			
UT-WS-05-16	GREEN RD WATER MAIN REPLACE	Important	0.00	0	0	250,000	250,000		250,000				250,000			
UT-WS-05-23	N CAMPUS PS MODIFICATION	Important	0.19	16,330	0	435,000	435,000	15,000	420,000				435,000			
UT-WS-05-27	PICS DISTRIBUTION	Important	0.40	32,125	0	2,450,000	2,450,000		250,000			2,200,000	2,450,000			
UT-WS-05-29	RECYCLE STREAMS	Urgent	0.22	19,446	0	2,400,000	2,400,000	150,000	1,100,000	1,150,000			2,400,000			
UT-WS-05-33	WATER DIVISION MASTER PLAN	Important	0.44	37,916	0	450,000	450,000	25,000	425,000				450,000			
UT-WS-05-34	WATER RESOURCES PLAN	Important	0.40	35,531	0	450,000	450,000	25,000	425,000				450,000			
UT-WS-05-37	WEST HIGH SERVICE UPGRADE	Important	0.25	22,589	0	900,000	900,000		100,000	800,000			900,000			
	EISENHOWER PKWY WATERMAIN REPL		0.43	30,247	0	270,000	270,000	100,000	170,000				270,000			
	FACCD WATER MAIN REPLACE		0.00	0	0	1,300,000	1,300,000		1,300,000				1,300,000			
	GOLFVIEW WATER MAIN		0.46	32,322	22,000	193,875	215,875	122,000	93,875				215,875			
	JENNINGS NEWPORT HTS WATER		0.07	4,942	0	153,216	153,216	107,251	45,965				153,216			
	KIRTLAND DR & MARIAN ST WATERMAIN		0.49	34,525	36,850	324,750	361,600	186,850	174,750				361,600			
			4.85	387,424		6,559,704	11,551,841		1,381,186	10,705,359	2,825,000	1,000,000	2,200,000	18,111,545		
Grand Total			19.57	1,516,626		17,006,689	95,863,042		112,869,731		13,677,740	46,736,318	38,092,500	12,163,173	2,200,000	112,869,731

Capital Improvement Program: Significant Non-recurring Projects

City Hall (Larcom Building) Expansion/New Building – To provide a facility of approximately 130,000 square feet to meet the space needs of City and staff services. This will relieve critical space requirements for police and other departments and will enhance customer service. Fiscal year 2005 budget \$1,500,000. Total project budget \$20,000,000.

Field Operations and Maintenance Facility – Construct a new field operations and maintenance facility for the City. This will provide more efficient City operations and avoid costly repair to outdated. Fiscal year 2005 budget \$10,000,000. Total project budget \$26,485,000.

Material Recovery Facility (MRF) Upgrade – Upgrade and replace equipment at the City-owned material recovery facility, construct a new waste transfer station and expand the City's compost processing center. This will meet the recycling and waste transfer needs of the community and surrounding region for the next 15 to 20 years. Fiscal year 2005 budget \$1,000,000. Total project budget \$3,700,000.

Waste Water Treatment Plant Facilities Renovation (Phase 1) – Develop and implement a plan to replace deteriorating infrastructure and equipment. This will optimize plant efficiency and improve treatment capabilities. Fiscal year 2005 budget \$3,390,000. Total project budget \$5,000,000.

Footing Drain Disconnection Project – Disconnect footing drains and install sewage backup protection for 300 homes per year. This will prevent backups of sewage into residents' basements. Fiscal year 2005 budget \$2,835,000. Total project budget \$7,330,000.

Automatic Meter Reading System – Replace current manual meter reading system with automated meter reading system. This will allow for accurate readings for customers along with early leak detection to prevent high usage and high bills. Fiscal year 2005 budget \$5,850,769. Total project budget \$6,500,854.

Elevated Storage Tank (WHS) – Construct elevated storage in West High Service District. This will improve pressure control and reliability of water service. Fiscal year 2005 budget \$100,000. Total project budget \$1,975,000.



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A

AATA: Ann Arbor Transportation Authority provides local bus transportation in the Ann Arbor vicinity.

Accounting System: the total set of records that are used to record, classify, and report information on the financial status and operation of an entity.

Accrual Basis of Accounting: basis of accounting that records the financial effects of transactions and other events that have cash consequences in the periods in which those transactions or events occur rather than only in the periods in which cash is received or paid by the enterprise.

Adopted Budget: a budget that has been approved by the City Council.

Allocation: the distribution of available monies, personnel and equipment among various City functions.

Amortization: the reduction of an account through regular payments over a specific period of time.

Annual Budget: an estimate of expenditures for specific purposes during the fiscal year and the proposed means (estimated revenues) for financing those activities.

Appropriation: an authorization made by the legislative body of a government that permits officials to incur obligations and to make expenditures of governmental resources.

Assessed Value: a valuation set upon real or personal property by the City Assessor as a basis for levying taxes.

Audit: a study of the City's accounting system to ensure financial records are accurate and in compliance with all legal requirements for handling

of public funds, including state law and the City Charter.

B

Bond: a written promise to pay a specified sum of money (principal or face value) at a specified future date (maturity date) along with periodic interest paid at a specified percentage of the principal (interest rate). Bonds are used typically for long term debt and sold to investors.

Bond Anticipation Notes: short term interest bearing notes issued in anticipation of bonds to be issued at a later date.

Budget (Operating): a plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

Budget Calendar: the schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

Budget Message: a general discussion of the submitted budget and financial conditions of the City presented in writing by the City Administrator as part of the budget document.

C

Capital Budget: a plan of proposed capital expenditures and the means of financing them. The capital budget is enacted as part of the annual budget, which includes both capital operating and capital outlays. The capital budget is based on the Capital Improvement Program (CIP).

Capital Improvement Program (CIP): a plan for capital expenditures to be incurred each year over a fixed period of years setting forth each capital project, the duration of the project and the amount to be expended each year in financing those projects.

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Capital Outlay: the purchase of items that cost over \$2,500 and have a useful life of more than two years.

Cash Basis of Accounting: records all revenues and expenditures when cash is either received or disbursed.

Cash Flow Budget: a projection of the cash receipts and disbursements anticipated during a given period.

CDBG Recipients: individuals or organizations that receive grants from Community Development funds.

Cost Center: an organizational and/or budgetary unit within a service area/unit.

CTN: Community Television Network provides access via the local cable network for local

D

DDA: Downtown Development Authority was established to provide and maintain off street parking and pedestrian improvements in the downtown area.

Debt Service: the actual cost of interest and principal on bond maturities as well as the interest costs of bond anticipation notes.

Deficit: (1) the excess of an entity's liabilities over its assets; (2) the excess of expenditures over revenues during a single accounting period.

Direct Expenses: expenses specifically incurred as the result of providing a product of service (e.g., labor and material used).

Disbursements: funds actually expended.

E

Encumbrance: an obligation in the form of a purchase order, contract or salary commitment that is chargeable to an appropriation, and for which part of an appropriation is reserved. These obligations become disbursements upon payment.

Enterprise Funds: a fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the full costs of providing the goods or services be financed primarily through charges and fees thus removing the expenses from the tax rate.

Expenditures: the amount of money, cash or checks actually paid or obligated for payment from the treasury.

F

Fiscal Year: a twelve month period for which an organization plans the use of its funds. In Ann Arbor, the fiscal year is July 1 to June 30.

Fixed Charges: expenses that are generally recurring and constant.

Force Account: construction or maintenance activities performed by a municipality's own personnel, rather than by outside labor.

Full Time Equivalent (FTE): the amount of funding budgeted for a particular position; expressed in fractions of one year.

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Fund: a set of interrelated accounts which record assets and liabilities related to a specific purpose. Also, a sum of money available for specified purposes.

Fund Balance: the excess of an entity's assets over its liabilities.

G

General Fund: the major municipally owned fund which is created with city receipts and which is charged with expenditures from such revenues.

General Obligation Debt: the city issues two types of General Obligation Debt. The first is Unlimited GO Debt which allows the City to raise taxes without limit to pay for the debt service and the second is Limited GO Debt which rely's on the existing revenue stream but becomes a first obligation against the General Operating Tax Levy.

Goals and Objectives: represent specific initiatives that a service unit will accomplish during the fiscal year. These may represent improvements to the operations or other objective that are not normally done on an annual basis.

Grant: a contribution of assets by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the state and federal governments. Grant moneys are usually dedicated for specific purposes.

I

Interfund Transfers: payments from one administrative budget fund to another which result in the recording of a receipt and an expenditure.

L

Liability: debt or other legal obligation arising out of transactions in the past which must be

liquidated, renewed or refunded at some future date.

Longevity: monetary payments to permanent full time employees who have been in the employ of the City for a minimum of five years.

M

Materials & Supplies: includes chemicals, office supplies, postage, repair parts, and inventory purchases.

Modified Accrual: basis of accounting for all governmental funds and expendable trust and agency funds under which revenues are recorded when they become measurable and available. Expenditures are recorded when the liability is incurred, except for interest on general long-term obligations which is recorded when due.

Municipal Service Charge: an administrative fee charged to funds outside the General Fund for general overhead costs including costs associated with City Administrator, City Attorney, City Clerk, Finance, Administrative Services, Information Technology Services, etc.

N

Non-Personal Expenses: an expenditure group that includes services, materials and supplies, charges, equipment and other miscellaneous expenses.

O

Object Code: a unique identification number and title for a class of expenditures; the most detailed level of budgeting and recording expenditures; also known as the "line item."

Operating Budget: authorized expenditures for on-going municipal services (e.g., police and fire protection, street maintenance, etc.)

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Ordinance: a law set forth by a governmental authority; a municipal regulation.

Other Charges: includes debt service, operating transfers between funds, insurance, and transfers to other entities

Other Services: includes consulting, utilities, maintenance, rents, travel, etc.

P

Pass Throughs: money that passes through the fund as a transfer to another fund or are collected and passed on to another entity such as Ann Arbor Transit Authority (AATA).

Payroll Fringes: the cost of employee benefits including insurances, retirement, uniforms, etc.

Per Capita Cost: cost expressed as an amount per city resident.

Performance Indicators: these indicators will include statistics that indicate the performance of the division focusing on effectiveness and efficiencies related to customer service. Included will be indicators that can be used to benchmark service with other communities.

Personnel Services: expenditures that represent the cost of salaries and wages.

Policy: a definite course of action adopted after a review of information and directed at the realization of goals.

Position: a position is present if an employee is permanent and their duties have been authorized by the City Administrator or City Council.

Priority: a value that ranks goals and objectives in order of importance relative to one another.

Procedure: a method used in carrying out a policy or plan of action.

Program: collections of work-related activities initiated to accomplish a desired end.

Property, Plant and Equipment: non-consumable materials and supplies with a value of less than \$2,500.

Purchase Order: an authorization and incurrence of debt for the delivery of specific goods or services.

R

Recommended Budget: the proposed budget that has been prepared by the City Administrator and forwarded to the City Council for approval.

Reimbursements: fees received as payment for the provision of specific municipal services.

Reserves: an account used to indicate that portion of fund equity which is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

Revenue: additions to the City's financial assets (such as taxes and grants) which do not in themselves increase the City's liabilities or cancel out a previous expenditure.

Revenue Sharing: State distribution of monies raised through State Sales, Income and Single Business Taxes to local governments.

S

Service Area: an organizational and/or budgetary unit established by City Council to carry out specified public services and implement policy directives.

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Service Unit: an organizational and/or budgetary unit within a Service Area.

T

Target Based Budgeting: a system by which the City Administrator sets expenditure targets for General Fund service areas based on estimated availability of revenue.

Tax Increment Financing (TIF): a method of financing public improvements to a geographical area by capturing the taxes that are a result of private improvements and new construction in the area.

V

VEBA: Voluntary Employees Beneficiary Association- a trust used to fund the post retirement health and life insurance benefits.

Vehicle Operating Costs: a group of accounts that are used to accumulate the cost of maintaining the City's fleet of vehicles and related equipment.