

City of Ann Arbor, Michigan



2005-06 Adopted Budget and Fiscal Plan



**2005-2006
Approved Budget**

**John Hieftje
Mayor**

Council Members

**Kim Groome
Joan Lowenstein
Jean Carlberg
Margie Teall
Wendy Woods**

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Mike Reid
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**Roger Fraser
City Administrator**



Special Thanks to the
2005-2006
Budget Staff
for their hard work and dedication
in preparing the budget:

Kenneth Bogan
Tom Crawford

Karen Lancaster
Jason Meketa

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

Table of Contents

Budget Message

Administrator's Budget Message	1
Summary of Changes – Recommended to Approved Budget	5
Budget Resolution	7
City Organization Chart	19

Process & Information

The Budget Process	20
Financial Calendar	21
Long term Financial Plan	23
Debt Management Policy	28
Capital Improvement Program Policy	33
Community Profile	35
Miscellaneous Community Statistics	39
Deciphering the Budget Format	40
Basis of Accounting for the Budget	43
Fund Descriptions	44

Budget Summaries

City Guiding Principles, Goals & Objectives	51
Overview of the City Budget	52
General Fund Overview	53
Property Taxes	56
Tax Revenues	57
State Shared Revenue History	59
Employee Summary	60
2005-06 Budgeted Revenues by Fund Type Pie Chart	61
Service Area Expenditures' Pie Charts	62
General Governmental Fund Types Analysis of Fund Balances	65
Enterprise and Internal Service Fund Types Analysis of Fund Equity	66

Revenues

Description of Revenue Categories	67
All Funds Revenue Summary	72
Revenue Category by Fund	73

Expenditures

Definition of Expenditure Categories	81
All Funds Expenditures Summary	82
Expenditure Category by Fund	83
FTE Count by Service Area/Unit	91

Mayor and City Council	93
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City Attorney	97
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Table of Contents

City Administrator	105
Community Services	125
Financial & Administrative Services	173
Public Services	235
Safety Services	311
Fifteenth District Court	333
Retirement System	339
Downtown Development Authority	345
Non-Departmental and Debt Service	351
Technology	357
Capital Improvement Program	
Capital Improvement Program Executive Summary	359
Capital Projects Summary	366
Significant Nonrecurring Capital Expenditures	369
Glossary	371



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Ann Arbor
Michigan**

For the Fiscal Year Beginning

July 1, 2004

President

Executive Director



CITY OF ANN ARBOR, MICHIGAN

100 North Fifth Avenue, P.O. Box 8647, Ann Arbor, Michigan 48107
Phone: (734) 994-2650

Office of The City Administrator

July 1, 2005

To Mayor Hieftje and Members of the City Council:

I am pleased to present the approved, balanced budget for fiscal year 2005/06 and a balanced projection for FY 2006/07. This budget is different from previous years in that it plans for two years instead of one year. With City Council's approval of this budget on May 16, 2005, the 2005/06 projections were adopted, with amendments, as the City's budget. The 2006/07 budget projections have been recognized as the fiscal plan for the following year. It is anticipated that at the end of FY 2005/06, minor adjustments will be made to update the 2006/07 fiscal plan to reflect the latest available information. Then, in April 2006 the 2006/2007 fiscal plan would be offered to Council as the 2006/2007 budget. By moving the organization to a two-year budget cycle, the City's focus in the second year will be on strategic planning and streamlining the many organizational changes recently adopted.

PERSPECTIVE

It is important to recognize the City of Ann Arbor is approaching a very difficult financial environment from a sound financial position. Ann Arbor has a history of balancing its operating budget, has 10.6% in General Fund reserves, and has very little bonded debt. Furthermore, Ann Arbor's economy has continued to enjoy modest growth despite the general economic weakness across the State of Michigan.

The attached budget reflects a balanced fiscal plan through FY 2006/07. After projecting revenues and expenses for ongoing operations including planned changes plus inflation, the City's General Fund had an initial shortfall of \$3.2 million in FY 2005/06 and an incremental \$1.8 million shortfall in FY 2006/07.

- In this budget the forecasted shortfall is eliminated with \$2.0 million in cost reductions and \$1.2 million in additional revenue from the City Council's re-negotiation of the parking lease with the DDA.

The City's substantial operational changes accomplished during the past few years have produced tremendous efficiencies. The results include a dramatically reduced and more efficient workforce. City staffing in 2005 is at the lowest level in over twenty years. These reductions occurred without significant impact to the services the City delivers,

reflecting the hardwork and dedication to public service of our employees. In addition, a significant change in the City's healthcare plan reduced the cost of healthcare by approximately \$1 million in FY 2004/05, which should continue to benefit the City in future years. There have been many other actions including settlement of labor contracts that should improve future operating performance and costs.

This budget reduces FTEs to 822 from 839 in 2004-05. The 17 FTEs are reduced primarily through attrition in the following areas:

- 6 FTEs in Safety Services
- 5 FTEs in Community Services
- 3 FTEs in Public Services
- 1 FTE in City Administration
- 2 FTEs in Financial & Administrative Services

The City continues to pro-actively streamline and reduce costs in an effort to provide quality municipal services at the lowest possible cost. But, in the future, million dollar saving opportunities are unlikely without significant impacts to services.

To create this budget with minimum impact to core services, the following priorities were utilized for determining which services would or would not be affected:

- Protection of the City's citizens through effective police and fire services
- Investment in the City's core infrastructure to cure deferred maintenance and prevent catastrophic failure
- Support for mandated services such as building, permitting, etc.
- Support for affordable housing, the disadvantaged, and parks & recreational facilities
- Funding for core and other services to citizens

In spite of the City's recent efforts, Ann Arbor still faces the structural problem of costs increasing faster than its constrained revenues -- the same issue facing most Michigan municipalities. Although Ann Arbor is positioned better than most to face this challenge, the recent infusion of DDA cash merely defers the problem until 2007/08. Extending Ann Arbor's ability to operate within the present environment for two years will permit additional time for changes to occur without severely damaging or dismantling Ann Arbor's support of the community. However, without a fundamental change in personnel costs, the municipal finance system, an improved State economy, or the elimination of existing services, the structural financial problem is unlikely to be resolved.

RECOMMENDED SERVICE REDUCTIONS

To summarize the impacts in this proposal, there are three general areas of the organization that benefit from separate comment. These areas include the General Fund activities, the Non-General Fund activities, and the transfer of Information Technology to an Internal Service Fund.

1. General Fund Activities

This budget reduces the projected 2005/2006 General Fund costs by \$2.0 million. In order to achieve the required reductions, some services have been impacted. The following General Fund service reductions (or fee increases for selected services) are implemented with this budget:

Safety Services

- Parking ticket fees and collection policies are revised.

Public Services

- Ball field maintenance is reduced to dragging and mowing
- Moratorium on new streetlights is in place.
- A millage to remove all Ash trees (due to the Emerald Ash Borer) for safety is planned for the November, 2005 election.

Community Services

- A minimum amount is budgeted for investment in the former YMCA building to maintain affordable housing for existing residents
- Increased support for Housing Commission
- Restructure Historic Preservation Coordination
- Increase fees on selected services

2. Non-General Fund Activities

- Improved customer service and service unit effectiveness with water issues from the installation of automatic meter reading system

3. Information Technology Internal Service Fund

The transfer of Information Technology Services into an Internal Service Fund allows for the full recognition and billing of costs to the service units that derive benefit from them, and it provides a mechanism for improved monitoring of investments in IT. The transfer resulted in a \$430,000 net savings to the General Fund. With respect to other, non-General Fund operating funds, the effect was an overall increase in costs to reflect their usage of IT services and to fund depreciation of existing systems.

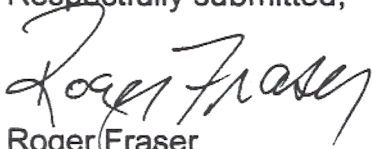
THE FUTURE

This fiscal plan outlines a way to navigate the next two years, but the structural problems facing municipalities are not expected to improve anytime soon. I anticipate seeing many communities re-define their role and reduce the services they provide. In many cases, we may see the financial demise of municipalities as they struggle with the very difficult regulatory and financial environment of Michigan.

Incorporated in this plan is the expectation for continued public dialogue on the priorities and the role of City government in this community. The present staff has demonstrated the capability to work within the constraints of Michigan's difficult environment. We will continue to seek out best practices, greater efficiency and effectiveness, and to offer quality services at the lowest possible cost. Council and staff must use this next two years to engage our intelligent and collaborative citizenry in a productive public discussion. I look forward to working with you and the rest of our citizenry through these challenging times.

The preparation of this budget involved a great deal of hard work from members of City Council and from many dedicated and hard working staff members. I thank you all.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Roger Fraser". The signature is written in a cursive style with a large initial "R".

Roger Fraser
City Administrator

Summary of Changes – Recommended to Approved Budget

REVENUES

SERVICE AREA	FUND	AMOUNT	DESCRIPTION
COMMUNITY SERVICES	GENERAL	(\$15,000)	Reduced Historic Preservation Fee Revenue
COMMUNITY SERVICES	GENERAL	\$20,342	Increased donation revenue for the Leslie Science Center to partially restore funding for an FTE
FINANCIAL SERVICES	GENERAL	\$74,720	Increased General Operating Levy to maximum of 6.2318 mills
PUBLIC SERVICES	SOLID WASTE	\$346,500	Added use of fund balance to fund restoration of solid waste programs
NON-DEPARTMENTAL	GENERAL	\$75,216	Added use of fund balance to fund various General Fund budget adjustments

Summary of Changes – Recommended to Approved Budget

EXPENDITURES

SERVICE AREA	FUND	AMOUNT	DESCRIPTION
CITY ADMINISTRATOR	GENERAL	(\$48,000)	Decreased Human Resources budget for Leadership training
COMMUNITY SERVICES	GENERAL	\$52,234	Increased Community Development budget to restore human service programs
COMMUNITY SERVICES	GENERAL	\$78,023	Increased Parks and Recreation budget to restore Mack Pool
COMMUNITY SERVICES	GENERAL	\$39,000	Increased Planning and Development budget to restore funding for Historic Preservation
COMMUNITY SERVICES	GENERAL	\$7,000	Increased Parks and Recreation budget to restore funding for Commission for Art in Public Places
COMMUNITY SERVICES	GENERAL	\$27,342	Increased Parks and Recreation budget to restore funding for the Leslie Science Center to partially restore funding for an FTE
COMMUNITY SERVICES	GENERAL	(\$7,321)	Decreased Parks and Recreation budget for Senior Center
COMMUNITY SERVICES	GENERAL	\$7,000	Increased Parks and Recreation budget to restore funding for Project Grow
PUBLIC SERVICES	SOLID WASTE	\$299,653	Increased budget to restore Solid Waste programs

RESOLUTION TO ADOPT ANN ARBOR CITY BUDGET
AND RELATED PROPERTY TAX MILLAGE RATES
FOR FISCAL YEAR 2005/2006

Whereas, City Council has reviewed the City Administrator's proposed budget for FY 2005-06 for the City of Ann Arbor; and

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

RESOLVED, That Council adopt the General Fund Allocations as listed in the FY 2005-06 Consolidated Plan, to be funded out of the Community Development Budget;

RESOLVED, That the unexpended grant entitlement for the Community Development Block Grant and the HOME Funds be re-appropriated 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 Affordable 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 Affordable Housing Trust Fund, respectively;

RESOLVED, That the Capital Improvement projects in the amount of \$291,881,868.00 are approved with \$60,932,070.00 to be appropriated in 2005-06 and may be carried forward without regard to fiscal year;

RESOLVED, That the Technology Improvement projects in the amount of \$777,560.00 may be appropriated without regard to fiscal year;

RESOLVED, That a total 822 full-time equivalent positions be adopted in the FY2005-06 budget;

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

RESOLVED, That any funds contributed to the Parks Memorials and Contributions fund in excess of the budgeted amount, shall be appropriated at the time of receipt for the purpose of park memorials without regard to fiscal year;

RESOLVED, That the following appropriations constitute the General Fund budget for 2005-06;

REVENUES

CITY ATTORNEY	\$118,000.00
CITY ADMINISTRATOR	4,236,321.00
COMMUNITY SERVICES	
Clerk Services	139,462.00
Planning & Development Services	1,070,697.00
Parks and Recreation Services	2,375,572.00
FINANCIAL SERVICES	
Assessor	15,000.00
Financial and Budget Planning	56,507,801.00
Procurement	27,000.00
Treasury	199,414.00
PUBLIC SERVICES	
Field Operations	41,500.00
Fleet & Facility	147,109.00
Water Treatment	370,000.00
SAFETY SERVICES	
Police	4,515,521.00
Fire	442,600.00
DISTRICT COURT	2,675,300.00
NON-DEPARTMENTAL	4,084,441.00
TOTAL GENERAL FUND REVENUES	\$76,965,738.00

EXPENDITURES

MAYOR AND CITY COUNCIL	\$305,185.00
CITY ATTORNEY	1,658,515.00
CITY ADMINISTRATOR	
City Administrator	601,689.00
Human Resources	1,245,178.00
COMMUNITY SERVICES	
Clerk Services	677,903.00
Planning & Development Services	2,334,911.00
Office of Community Development	2,029,269.00
Parks and Recreation	3,543,220.00
FINANCIAL SERVICES	
Accounting	689,758.00
Assessor	823,314.00
Financial and Budget Planning	868,288.00
Procurement	655,953.00
Treasury	595,527.00
PUBLIC SERVICES	
Customer Services	252,221.00
Field Operations	8,087,828.00
Fleet & Facilities	1,207,156.00
Public Services Administration	368,217.00
Systems Planning	150,540.00
Water Treatment Services	170,268.00
SAFETY SERVICES	
Police	24,404,522.00
Fire	11,615,681.00
DISTRICT COURT	3,686,653.00
NON-DEPARTMENTAL	10,993,942.00
TOTAL GENERAL FUND EXPENDITURES	\$76,965,738.00

RESOLVED, That the following other funds revenue and expenditure appropriations are adopted for FY2005-2006 budget; and

REVENUES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0042	WATER SUPPLY SYSTEM	\$ 24,373,265.00
0043	SEWAGE DISPOSAL SYSTEM	22,681,241.00
0048	AIRPORT	738,686.00
0069	STORMWATER SEWER SYSTEM	5,380,494.00
0011	CENTRAL STORES	1,317,349.00
0012	FLEET SERVICES	6,670,228.00
0015	PARKS SERVICE HEADQUARTERS	132,752.00
0049	PROJECT MANAGEMENT	2,065,013.00
0057	INSURANCE	20,970,479.00
0055	ELIZABETH R DEAN TRUST	87,387.00
0006	PARKS REPAIR AND RESTORATION MILLAGE	1,887,200.00
0021	MAJOR STREET	7,474,638.00
0022	LOCAL STREET	1,846,985.00
0054	CEMETERY PERPETUAL CARE	4,500.00
0062	STREET REPAIR MILLAGE	8,392,251.00
0072	SOLID WASTE FUND	12,515,164.00
0002	ENERGY PROJECTS	160,000.00
0070	AFFORDABLE HOUSING	786,359.00
0024	OPEN SPACE & PARKLAND PRESERVATION	5,335,423.00
0025	BANDEMER PROPERTY	21,618.00
0026	CONSTRUCTION CODE FUND	2,554,293.00
0046	MARKET	128,742.00
0038	ANN ARBOR ASSISTANCE	5,650.00
0047	GOLF ENTERPRISE	1,282,803.00
0016	COMMUNITY TELEVISION NETWORK	1,313,455.00
0018	PARKS REHAB & DEVELOPMENT MILLAGE	1,993,024.00
0034	PARKS MEMORIALS & CONTRIBUTIONS	70,000.00
0078	COMMUNITY DEVELOPMENT BLOCK GRANT	2,185,514.00
0090	HOME PROGRAM	2,272,543.00
0014	INFORMATION TECHNOLOGY	5,269,186.00
00MG	MAJOR GRANT PROGRAMS FUND	112,100.00
0027	DRUG ENFORCEMENT	12,000.00
0028	FEDERAL EQUITABLE SHARING FORFEITURES	37,686.00
0053	POLICE AND FIRE RELIEF	10,000.00
0064	MICHIGAN JUSTICE TRAINING	46,000.00
0023	COURT FACILITIES	225,000.00

0035	GENERAL DEBT SERVICE	5,933,447.00
0060	GENERAL DEBT /SPECIAL ASSESSMENTS	438,849.00
0061	ALTERNATIVE TRANSPORTATION	375,677.00
0031	SPECIAL ASSESSMENTS	150,000.00
0074	2005-06 SEWER BOND	1,004,513.00
0076	SEWER BOND SERIES XIX 2004	10,419,083.00
0082	2005-06 STORMWATER BOND	417,200.00
0092	2005-06 WATER BOND	4,206,816.00
0095	WATER BOND SERIES Z 2004	5,980,536.00
0097	ENVIRONMENTAL BOND ISSUE	3,099,200.00
0004	MAINTENANCE FACILITY	12,220,660.00
0008	MUNICIPAL CENTER	7,088,000.00
0052	VEBA TRUST	8,091,720.00
0059	EMPLOYEES RETIREMENT SYSTEM	31,980,210.00
0001	DDA/HOUSING FUND	226,921.00
0003	DOWNTOWN DEVELOPMENT AUTHORITY	3,686,544.00
0030	DDA-SIDEWALK & STREETSCAPES	432,500.00
0033	DDA PARKING MAINTENANCE	1,391,572.00
0063	DDA PARKING SYSTEM	11,801,136.00
	TOTAL ALL OTHER FUNDS	\$249,303,612.00
	GENERAL (PAGE 10)	76,965,738.00
	TOTAL ALL FUNDS' REVENUES	\$ 326,269,350.00

EXPENDITURES

<u>Fund</u>	<u>Fund Name</u>	<u>Amount</u>
0042	WATER SUPPLY SYSTEM	\$ 24,242,750.00
0043	SEWAGE DISPOSAL SYSTEM	21,000,940.00
0048	AIRPORT	738,686.00
0069	STORMWATER SEWER SYSTEM	5,026,190.00
0011	CENTRAL STORES	1,317,349.00
0012	FLEET SERVICES	6,621,992.00
0015	PARKS SERVICE HEADQUARTERS	132,752.00
0049	PROJECT MANAGEMENT	2,065,013.00
0057	INSURANCE	20,970,479.00
0055	ELIZABETH R DEAN TRUST	87,387.00
0006	PARKS REPAIR AND RESTORATION MILLAGE	1,887,200.00
0021	MAJOR STREET	7,474,338.00
0022	LOCAL STREET	1,846,985.00
0062	STREET REPAIR MILLAGE	8,392,251.00
0072	SOLID WASTE FUND	11,841,375.00
0002	ENERGY PROJECTS	160,000.00
0070	AFFORDABLE HOUSING	786,359.00
0024	OPEN SPACE & PARKLAND PRESERVATION	5,335,423.00
0025	BANDEMER PROPERTY	21,618.00
0026	CONSTRUCTION CODE FUND	2,554,293.00
0046	MARKET	128,742.00
0038	ANN ARBOR ASSISTANCE	5,650.00
0047	GOLF ENTERPRISE	1,282,803.00
0016	COMMUNITY TELEVISION NETWORK	1,313,455.00
0018	PARKS REHAB & DEVELOPMENT MILLAGE	1,662,163.00
0034	PARKS MEMORIALS & CONTRIBUTIONS	70,000.00
0078	COMMUNITY DEVELOPMENT BLOCK GRANT	2,185,514.00
0090	HOME PROGRAM	2,272,543.00
0014	INFORMATION TECHNOLOGY	4,623,648.00
0027	DRUG ENFORCEMENT	12,000.00
0028	FEDERAL EQUITABLE SHARING FORFEITURES	37,686.00
0064	MICHIGAN JUSTICE TRAINING	42,000.00
0023	COURT FACILITIES	206,000.00
0035	GENERAL DEBT SERVICE	5,897,200.00
0060	GENERAL DEBT/SPECIAL ASSESSMENTS	438,849.00
0061	ALTERNATIVE TRANSPORTATION	375,677.00
0031	SPECIAL ASSESSMENTS	150,000.00

0074	2005-06 SEWER BOND	1,004,513.00
0076	SEWER BOND SERIES XIX 2004	10,419,083.00
0082	2005-06 STORMWATER BOND	417,200.00
0092	2005-06 WATER BOND	4,206,816.00
0095	WATER BOND SERIES Z 2004	5,980,536.00
0097	ENVIRONMENTAL BOND ISSUE	3,099,200.00
0004	MAINTENANCE FACILITY	12,220,660.00
0008	MUNICIPAL CENTER	7,088,000.00
0052	VEBA TRUST	150,821.00
0059	EMPLOYEES RETIREMENT SYSTEM	31,980,210.00
0001	DDA/HOUSING FUND	76,325.00
0003	DOWNTOWN DEVELOPMENT AUTHORITY	3,686,544.00
0030	DDA-SIDEWALK & STREETSCAPES	100,000.00
0033	DDA PARKING MAINTENANCE	1,391,572.00
0063	DDA PARKING SYSTEM	11,801,136.00
	TOTAL ALL OTHER FUNDS	\$ 236,829,926.00
0010	GENERAL	76,965,738.00
	TOTAL ALL FUNDS' EXPENDITURES	\$ 313,795,664.00

RESOLVED, That the following millages shall be levied for the City of Ann Arbor for FY2005-06.

	PROPOSED
GENERAL OPERATING	6.2318
EMPLOYEE BENEFITS	2.0772
REFUSE COLLECTION	2.4925
AATA	2.0772
STREET REPAIR	1.9527
PARKS REPAIR AND RESTORATION	0.4651
PARK REHAB AND DEVELOPMENT	0.4562
PARK ACQUISITION	0.4829
DEBT SERVICE	<u>0.5800</u>
TOTAL	16.8156

Budget Amendments

Amendment 1

RESOLUTION TO AMEND 2005-2006 RECOMMENDED BUDGET AND FISCAL PLAN TO INCREASE GENERAL FUND EXPENDITURES FOR HUMAN SERVICES

WHEREAS, The 2005-2006 Recommended Budget and Fiscal Plan includes a proposal to reduce by \$52,234.00 the General Fund expenditures for human services;

WHEREAS, General Fund expenditures for human services help fund a variety of programs in the community that are administered by non-profit agencies and that support low-income residents and at-risk youth, and therefore constitute an investment in the Ann Arbor community;

WHEREAS, A reduction in funding for human service programs will significantly reduce the quality and quantity of programs available to assist low-income residents and at-risk youth in the Ann Arbor community;

RESOLVED, That the 2005-2006 Recommended Budget and Fiscal Plan is amended to increase by \$52,234.00 the General Fund expenditures for human services;

RESOLVED, That General Fund revenues be increased by \$52,234.00 by the appropriation of \$52,234.00 from rents received from the Downtown Development Authority.

Amendment 2

RESOLVED, That funding for the Mack Pool be restored in the General Fund Parks and Recreation expenditure budget by \$45,023.00 and \$33,000.00 be restored for related impact of funding for temporary staffing at Veterans' Sports Complex in the General Fund Parks and Recreation expenditure budget.

Amendment 3

RESOLVED, That the General Fund Community Services Planning and Development expenditure budget be increased in the amount of \$39,000.00 to restore funding for an historic preservation coordinator.

Amendment 4

RESOLVED, That funding for Commission for Art in Public Places be restored in the General Fund Community Services Parks and Recreation expenditure budget in the amount of \$7,000.00.

Amendment 5

RESOLVED, That funding in the amount of \$60,000.00 for the Leadership Training Program contracted through Washtenaw County be removed from the General Fund Human Resources expenditure budget and \$12,000.00 be restored for an in-house training program.

Amendment 6

RESOLUTION TO AMEND THE SOLID WASTE ENTERPRISE FUND
FY06 BUDGET TO INCLUDE RESTORATION OF SERVICES
(CHRISTMAS TREE PICKUP, WEEKLY YARDWASTE PICKUP
AND TWICE PER YEAR LEAF PICKUP) (\$194,000.00) AND TO APPROPRIATE
FUNDS FROM THE SOLID WASTE OPERATING FUND BALANCE TO PURCHASE A
SPLIT REAR LOAD TRUCK AND A LOADER IN FY06 (\$346,500.00)

Whereas, Council desires to restore all Solid Waste programs, at a cost of \$194,000.00, that were cut from the proposed Solid Waste Enterprise Fund FY06 budget;

Whereas, Council desires to provide a living wage amendment to the MRF contract with FCR; and

Whereas, Council authorizes an appropriation of \$346,500.00 from the Solid Waste Operating Fund balance in FY06 for the purchase of a split rear load truck and a loader;

RESOLVED, That Council amends the proposed FY 06 Solid Waste Enterprise Fund budget to include an additional \$194,000.00 to restore service cuts;

RESOLVED, That Council appropriates \$346,500.00 from the Solid Waste operating fund balance to the proposed FY06 Solid Waste Enterprise Fund for the purchase of a split rear load truck and a loader; and

RESOLVED, That the City Administrator be authorized to take the necessary administrative actions to implement this resolution.

Amendment 7

RESOLUTION TO AMEND THE 2005-06 AND 2006-07 RECOMMENDED
BUDGET AND FISCAL PLAN FOR LESLIE SCIENCE CENTER

Whereas, The Leslie Science Center (LSC), as a facility and program of City of Ann Arbor Parks, is faced with challenges of decreased general fund support and increased costs for personnel, and

Whereas, The LSC is unique in that it has an endowment for the facility itself, has content based programming that generates revenues, yet relies heavily on the quality of

its education and program development staff and facilities to guarantee continued demand for that programming, and

Whereas, The LSC generates nearly 90% of its budget from non-general fund sources and is working toward becoming self-sustaining, and

Whereas, Current budget management policies and procedures are creating disincentives for the LSC to further develop its ability to raise outside funds, and

Whereas, The proposed 2005-06 budget will create difficulties for the LSC to retain continuity and quality in staff by requiring 10-month appointments for all temporary staff for year-round work;

Whereas, The current proposal will increase costs by \$15,000.00 or more annually due to increased training and hiring costs and decrease revenues by approximately \$26,000.00 due to reduced grant funding, camp opportunities and demand for its programs and,

Whereas, The LSC is in a unique position currently in that the LSC Advisory Committee and LSC staff have just begun a long-range strategic planning process intended to address the concerns highlighted above;

RESOLVED, That the LSC Advisory Committee be challenged to work with LSC Staff and Parks Staff on a two year pilot, to begin July 1, 2005, that would include development of long term strategy for implementation of sustainable organizational, human resource and funding/finance solutions for the LSC, possibly serving as a model/pilot for strategies that may be useful for other Parks operations;

RESOLVED, That the sum of \$7,000.00, in each of the next two budget years (2005-06/06-07), be provided as a challenge grant, with a \$3,500.00 fundraising match required from Leslie Science Center each year, for the LSC and its Advisory Committee to use for outside technical expertise and consulting in this strategic planning process. The \$7,000.00 General Fund contribution for each of the next two years shall be appropriated from DDA rents;

RESOLVED, That the General Fund contribution to the LSC budget be \$27,000.00/year, in this two-year period, and that additional fundraising by the LSC will not lead to a dollar-for-dollar decrease in the General Fund contribution. These funds will be expended according to the budget provided for and adopted by City Council, the fund balance will be retained in the LSC budget at the end of each year, and City Administration will have the ability to modify that budget should additional funding be secured during the year (e.g. foundation grants) to reflect the additional programming expenses that such funding would make possible;

RESOLVED, That the LSC budget during this two-year period will include an additional permanent (with benefits) full time assistant facility director, upgraded from one of the

temporary full time positions at the LSC. The FY 05-06 projected cost for this is \$20,342.00. The FY 05-06 LSC budget is hereby amended to reflect an additional \$20,342.00 in revenue and \$20,342.00 in staff benefit costs;

RESOLVED, That during this two year period, as funding becomes available, six of the existing temporary part time personnel who are currently 50 week/year SAP employees will move to permanent positions and the three existing casual employees will remain at 50 weeks/year.

RESOLVED, That the LSC Advisory Committee be charged with reporting to City Council, no later than March 2006 and March 2007, the results of the long range strategic planning process and the recommendations for organizational, human resource and funding/finance arrangements that will address the issues cited above.

RESOLVED, That the budget goal for these changes are targeted at a net savings of \$25,000.00 to the General Fund during this two year period.

Amendment 8

RESOLVED, That funding for the Senior Center be reduced in the General Fund Parks and Recreation expenditure budget by \$7,321.00.

Amendment 9

RESOLUTION TO AMEND 2005-2006 RECOMMENDED BUDGET AND FISCAL PLAN TO ESTABLISH GENERAL OPERATING PROPERTY TAX MILLAGE RATE OF 6.2318

Whereas, The 2005-2006 Recommended Budget and Fiscal Plan includes a proposal to reduce the City's total property tax millage rate from 16.9013 to 16.7963 due to the Headlee rollback provisions required by State of Michigan law that apply to the City's non-general operating property tax millage rates;

Whereas, The costs for providing City services, including health insurance and pension benefits for current and retired City employees, are skyrocketing;

Whereas, Revenues received by the City from many State and federal programs are declining;

Whereas, The maximum general operating property tax millage rate that may be levied by the City under State law in FY 2005-2006 is 6.2318;

RESOLVED, That the 2005-2006 Recommended Budget and Fiscal Plan is amended to establish a general operating property tax millage rate of 6.2318; is amended to establish a total City property tax millage rate of 16.8156 (which constitutes a reduction

from the 2004-2005 total City property tax millage rate of 16.9013); and is amended to increase the General Fund operating revenues in the amount of \$74,720.00.

Amendment 10

RESOLVED, That the Historic District fees revenue be reduced in the General Fund Parks and Recreation revenue budget by \$20,000.00.

Amendment 11

RESOLVED, That funding for Project Grow be restored in the General Fund Community Services Parks and Recreation expenditure budget in the amount of \$7,000.00.

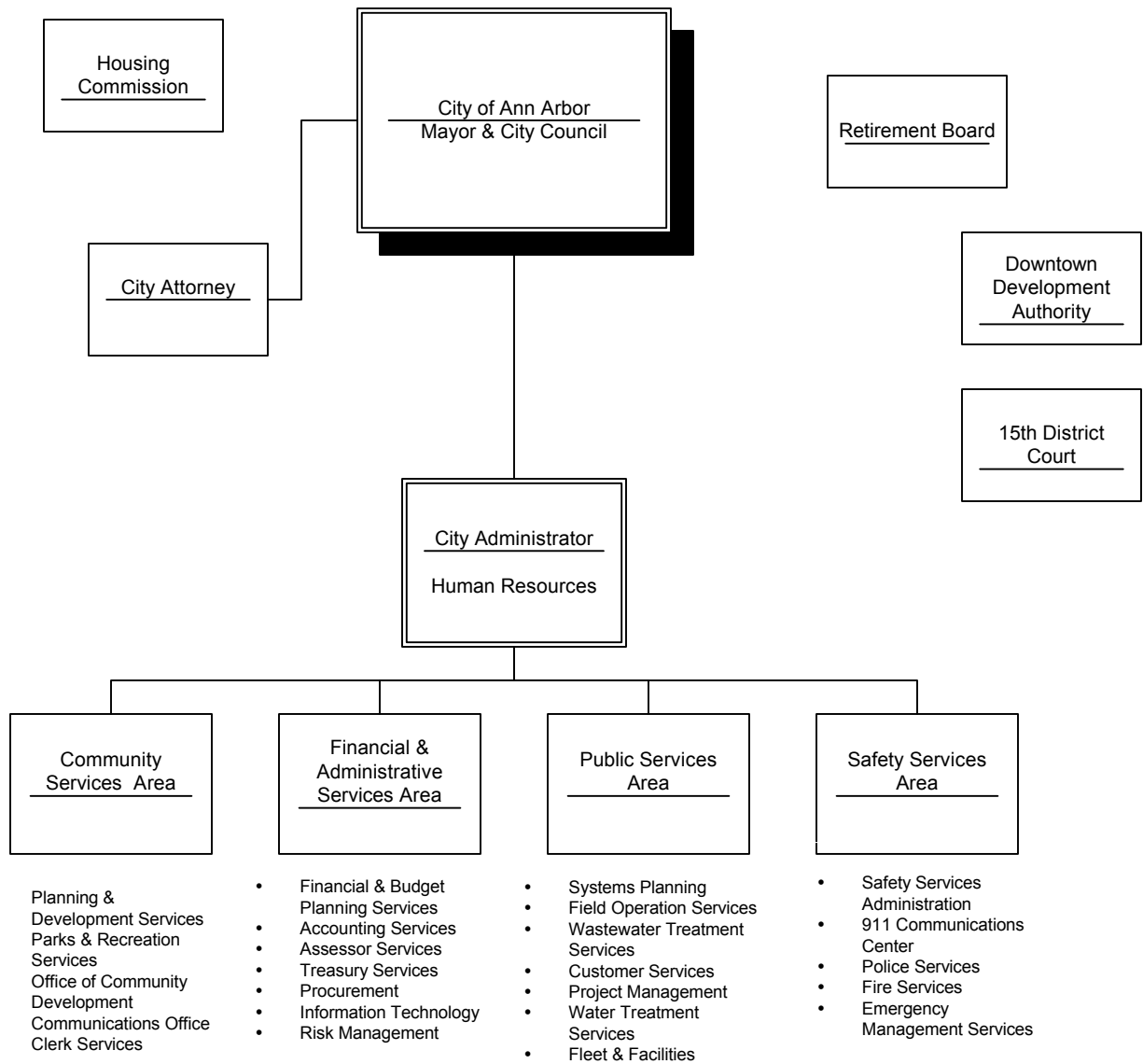
Amendment 12

RESOLVED, That the General Fund revenue budget be amended to increase the use of fund balance in the amount of \$80,216.00 in order to balance the 2005-06 General Fund budget.

Amendment 13

RESOLVED, That the Historic District fees revenues be increased in the General Fund Parks and Recreation revenue budget by \$5,000.00 and the use of General Fund fund balance be reduced by \$5,000.00.

As Amended by Ann Arbor City Council on May 16, 2005



The Mayor and the City Council appoint the City Attorney and the City Administrator. The City is organized into four service areas including Community Services, Financial & Administrative Services, Public Services and Safety Services. Detailed organizational functions and activities for these service areas may be found in the budget in each service area section.

City of Ann Arbor - Fiscal Year 2005/06

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 service unit goals and objectives that support those of the City Administrator. Once the goals and objectives have been developed, the service units prepare the financial budget requests, which are submitted in late January.

In recent years, the City has used the “Target Based” budgeting technique because of limited revenue growth. This technique has proven to be successful for the short-term resolution of challenges created by the structural deficit. Under this system, the City Council decides which services will receive the highest priority. The City Administrator then 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 and objectives 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.

For the 2005/06 budget the Council adopted a two-year fiscal plan. The first year is adopted as the budget and the second year as a projection. Next year, the projection will be modified for key assumption changes and adopted as the budget. The expectation is that a two year plan will require only minor changes for the second year, which will allow the organization time to examine strategic planning in greater detail.

Information Pages: The Budget Process-Financial Calendar

Adopted Budget Fiscal Year 2005/06

<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Planning											
Long-term Financial Planning											
	Benchmarking										
Strategic Business Plan											
FY07 Goals & Objectives Setting					Council Retreat on Priorities	SBP Community Discussions					
Capital Improvement Plan FY 2007-12											
					CIP to Council						
Budgeting											
						Budget preparation FY 2006-07					
						Review Fiscal Plan Assumptions for FY07	Service Area/Unit Budget Preparation	Consolidated Budget Preparation	Administrator Budget to Council	Public Hearing on Budget	
						Budget & Finance Committee of Council Review Budget Proposals with Service Areas		Council Budget Deliberations	FY07 Budget Adoption		
Financial & Performance Reporting											
Summer Tax Statements Mailed		FY05 4th Qtr Financial Report	FY06 1st Qtr Financial Report		Winter Tax Statements Mailed	FY06 2nd Qtr Financial Report		Assessment Notices Mailed	FY06 3rd Qtr Financial Report		
								Assessor Board of Review			
Annual Audit FY05											FY 06 Audit
				FY05 Audit to Council							
Performance Metrics											
Develop Pilot Performance Metrics			Evaluate Pilot & Roll-out Development of Performance Metrics with Remaining Service Areas								

Information Pages: The Budget Process-Financial Calendar

Projected Fiscal Year 2006/07

<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
Planning											
			Update Long-term Financial Plan								
Update Strategic Business Plan											
FY08 &09 Goals & Objectives				Revenue & Expenditure Estimates	Council Retreat on Priorities						
					Targets to Service Units						
Capital Improvement Plan FY 2008-13											
					CIP to Council						
Budgeting											
						Budget preparation FY 2007-08 & FY 2008-09 Fiscal Plan					
				Review of Fees & Charges		Service Area/Unit Budget Preparation	Consolidated Budget Preparation	Administrator Budget to Council	Public Hearing on Budget		
						Budget & Finance Committee of Council Review Budget Proposals with Service Areas	Community Budget Meetings	Council Budget Deliberations	FY07 Budget Adoption		
Financial & Performance Reporting											
Summer Tax Statements Mailed		FY06 4th Qtr Financial Report	FY07 1st Qtr Financial Report		Winter Tax Statements Mailed	FY07 2nd Qtr Financial Report		Assessment Notices Mailed	FY07 3rd Qtr Financial Report		
								Assessor Board of Review			
Annual Audit FY06					FY06 Audit to Council						FY 07 Audit
Performance Metrics											

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

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 2005/06 fiscal year with some benchmarking efforts versus comparable cities, refinement of financial projections, discussion of core versus non-core services, and the development of performance objectives. The goals and objectives that were developed appear in each Service Area section of this Budget.

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 2005/06 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 four areas of financial planning: (1) the City's financial health, (2) financial independence and flexibility, (3) municipal productivity, and (4) financial management practices.

General Observations - Financial Health

- The City received an AA bond rating on its most recent general obligation debt issuance and an AA 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.
- The City's economic base has remained stable despite statewide weakness related to the automotive sector.

Financial Independence and Flexibility

- The percent of total expenditures funded by grants and state-shared revenues for fiscal years 2000 to 2005 ranges from 20% to 30%.
- The ratio of debt to valuation is low (1.28%) compared to other cities our size.
- Net direct and indirect debt per capita is \$430; this is low relative to the national

Information Pages: Long Term Financial Plan

average for cities of similar size.

- Debt service payments as a percentage of general governmental expenditures are stable at 4.4%.
- Retiree health care costs are projected to continue rising. In addition to paying health care costs, the City has been pre-funding a VEBA Trust; however current trends suggest the City will not be able to fully fund it.
- Voters have a mixed willingness to support specific tax levies.
- The City's pension liability is adequately funding at 110.5% as of June 30, 2004.

Municipal Productivity

- The number of employees per thousand residents has decreased from 8.8 in 1999-2000 to 7.4 in 2003-04.
- Expenditures per capita adjusted for inflation increased 1.5 percent in 2002-2003.
- 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.

Financial Management Practices

- The General Fund undesignated fund balance on June 30, 2004 was at 9.8% of operating expenditures.
- Delinquent taxes have not exceeded 1% for the past ten years.
- The City has set aside \$7.0 million for future capital improvements as of June 30, 2004.

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 adequately funded but retiree health cost increases continue to pose a financial burden.

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 9.8% of expenditures by June 30, 2004. The City maintains an Aa General Obligation bond rating on its uninsured bonds, reflecting well on the City's financial strength and financial health.

Financial Management Goals

Immediate Goals (FY 2005-2006)

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 in development of performance metrics** and related benchmarking to assist service units in providing quality service at the lowest reasonable cost.
3. **Explore new revenue sources.** This budget includes a proposal to put a temporary millage on the November 2005 ballot to raise funds to remove Ash trees damaged by the Emerald Ash Borer.
4. **Develop an Economic Development Plan** and related details to integrate and coordinate various existing efforts.

Short-term Goals (FY 2005-2006 and FY 2006-2007)

1. **Revise the City's strategic business plan and related goals, objectives, activities, and performance metrics.** The strategic business planning process will continue throughout 2005/06 with an emphasis in defining core versus non-core activities. Changes and updates to the 2004/05 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 were implemented by the City Administrator in the 2005-2006 budget. The study will be updated again in 2005-2006 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.
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**

Information Pages: Long Term Financial Plan

financial plan. The financial plan will integrate the Capital Improvements Program (CIP). Capital improvements were integrated with the 2005-06 annual budgets.

6. **Continue development of 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. **Funding investments 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 and replacing its antiquated phone system.
8. **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 has established an internal service fund structure for the Information Technology function in order to better allocate the costs of the services.

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. Maintain a balance of revenues and expenditures.
 - b. Strive to accommodate an appropriate and sustainable level of new construction activities and preserve market value of existing real property.
 - c. Strive to maintain services and infrastructure to accommodate, encourage and support an appropriate and sustainable level of commercial activities.
 - d. Strive to maintain population levels.

Information Pages: Long Term Financial Plan

- e. Strive to improve economic conditions for residents of the City.
- f. Evaluate potential revenue sources.

II. Financial Independence and Flexibility

- a. Strive 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. Incur additional debt only as necessary after exhausting other available sources.
- c. Fund a vehicle for post-retirement health care liabilities.
- d. Manage capital improvement projects within the funding identified in the fiscal plans.
- e. Budget a consistent level of capital outlay sufficient to maintain infrastructure.
- f. Maintain actuarially recommended funding levels of pension liabilities.

III. Municipal Productivity

- a. Provide desired services in an efficient manner.
- b. Maintain a number of employees per thousand residents consistent with the level of services demanded or delivered.
- c. Strive to maintain stable expenditures per capita.
- d. Strive 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. Limit rate increases in Enterprise funds to the minimum needed to satisfy system costs so as not to burden rate payers.

IV. Financial Management Practices

- a. Maintain an undesignated General Fund fund balance ranging from 8% to 12% of operating expenditures (total expenditures less transfers).
- b. Maintain a strong tax collection policy and monitor tax delinquency.
- c. Perform periodic internal audits to ensure policies and procedures are being followed.
- d. Respond to audit comments so deficiencies found do not impede prudent financial management.

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 Financial Services Area Administrator 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 Financial Services Area Administrator 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 below.

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 23,044 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 dining, 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 2,055 acres, which includes 153 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% 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 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 39,000 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 six 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, Concordia College, Ave Maria College and Ave Maria School of Law.

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 and natural gas by DTE Energy Company. Local telephone service is provided by SBC. Water and sewage disposal is provided by the City of Ann Arbor Water Utilities Service Unit.

DEVELOPMENT

During the 2004-2005 fiscal year, several residential projects were approved, including Somerset Estates on the north side of Dhu Varren Road between Birchwood and OmlesAd for 11 single-family lots; Oaks of Ann

Information Pages: Community Profile

Arbor at 3589, 3599 and 3621 Stone School Road for 44 single-family townhouse dwelling units; Maple View Apartments at 900 South Maple Road for a ten-unit apartment building; 828 Greene Street for a six-unit apartment building; North Sky on the west side of Pontiac Trail, south of Dhu Varren Road, for 182 single-family, duplex and townhome buildings; and several other residential projects. Mixed-use projects approved included First and William Lofts at 315 South First Street for 60 residential units and commercial uses. Non-residential projects approved included Ann Arbor Assembly of God at 2455 Washtenaw Avenue for an addition to the existing building; Washtenaw Veterinary Hospital at 2729 Packard Road for a new veterinary hospital; Korean United Methodist Church at 1526 Franklin Street for a building north of the existing church building; Pfizer Global Research & Development at 2800 Plymouth Road for an addition to an existing laboratory/office building (Building 35); Farah Professional Center at 3100 West Liberty Road for an office building; Karnik Pet Lodge at 405 North Maple Road for a kennel building; Research Park (Lot 16) at 3971 Research Park Drive for additions to an existing building; 3354 Washtenaw Avenue for a retail building; Chalmers Place at 3365 Washtenaw Avenue for a retail/office building; and Pizza House Restaurant at 618 Church Street for an addition to the existing restaurant.

Information Pages: Miscellaneous Community Statistics

Date of incorporation	1851
Form of government	Council - Administrator
Miles of streets	291.46
Number of street lights	8,786
Fire protection:	
Number of stations	5
Number of fire hydrants	3,345
Municipal water department:	
Average daily consumption	15.27 MGD
Miles of water mains	441
Sewers:	
Miles of sanitary sewers	365
Miles of storm sewers	271
Culture and recreation:	
Number of parks	153 with 2,055 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:	822

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
2004	114,061	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 found in the second column from the right. For planning purposes estimates are included for an additional fiscal year.

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 found in the second column from the right. For planning purposes estimates are included for an additional fiscal year. Detailed expenditure information by fund and descriptions of expenditure categories can be found in the Expenditure section of this document.

SIGNIFICANT NOTES AND ADJUSTMENTS

Information Pages: Deciphering the Budget Format

Significant Notes and Adjustments are used to explain notable items in the Service Unit's revenues and 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. The City's goals are included in order to show how the units initiatives are tied to the overall entity's goals.

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.

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 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.

Information Technology - to account for operation and maintenance of the City's Information Technology equipment and software.

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.

Project Management - to account for the centralized project management and engineering services provided for the City's various capital improvement projects.

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 was 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.

Stormwater Bond 2006 Series - to account for the proceeds of 2006 Series bonds and construction of infrastructure related to the City's Stormwater Sewer System.

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.

Water Bonds 2006 Series - to account for the proceeds of 2006 Series 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.

Information Pages: Fund Descriptions

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.

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.

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

Information Pages: Fund Descriptions

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.

Parks Memorials & Contributions - to account for the proceeds of a various contributions to the Parks System to erect memorials or finance special parks improvement projects.

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.

Information Pages: Fund Descriptions

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 improvements to certain City-owned facilities.

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

Municipal Center - to account for revenues expended for the construction of new City Hall, police and district court facilities.

Special Assessments - to account for capital project expenditures financed through various special assessments.

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.

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.

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

Information Pages: Fund Descriptions

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

DDA Sidewalk & Streetscapes - to account for the construction of various sidewalk and street improvements made in the downtown area by the Downtown Development Authority.

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Budget Summaries

CITY GUIDING PRINCIPLES, GOALS & OBJECTIVES

In fiscal year 2004/05, the City continued to refine its guiding principles, goals and objectives for its Service Areas. An effort was made to establish City goals that are long-term in nature, to which the Service Areas' goals would have a direct "line of sight." These goals and objectives provide the framework for the overall budget.

In fiscal year 2005/06, the Service Areas will continue the process by developing and implementing performance metrics for each of the established goals and objectives. The performance metrics will be used to track the progress of various programs and services, as well as a basis for future resource allocation. While drafting the Service Area goals and objectives, which are published in the Service Area sections of the budget, the following overall City Guiding Principles and Goals 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

- Ensure the long-term financial health and stability of the City.
- Support a safe and reliable municipal infrastructure.
- Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.
- Foster a community with respect for diversity and the open exchange of ideas.
- Deliver high quality City services in a cost effective manner.

Citywide Budget Communications

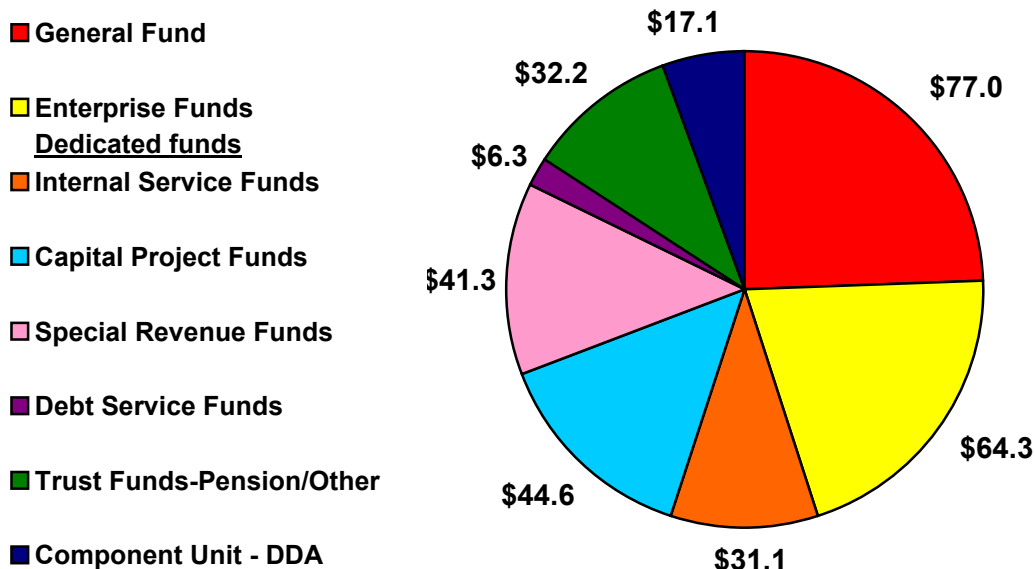
As a part of the budget development process, the City Council's Budget/Finance Committee held six public meetings to develop and understand priorities when considering cost reduction ideas, and to hear the projections and recommendations from each of the Service Areas within the City. Each of these meetings were followed with a press release to the media and publication on the City's website. The City Administrator then prepared his budget and presented it in three meetings with the community.

Budget Summaries

OVERVIEW OF CITY BUDGET

The City offers many services and utilizes separate funds for large areas or specialized purposes. The funds fall into three broad categories: General Fund, Enterprise Funds, and other funds dedicated for various purposes. For fiscal year 2005/06, the City's total expenditure budget is \$313 million. The following chart illustrates how this budget is divided by fund type. A complete summary of funds is included in the "Revenues" and "Expenditures" tabs of the proposed budget.

2005/06 BUDGETED EXPENDITURES BY FUND TYPE (\$ Millions)



Although General Fund money may be used to supplement the needs of other funds, the reverse is usually not true. For example, money collected for park acquisition and green space may not be used for recreation programs or to pave streets. Even when money is available in other funds, it typically cannot be used for General Fund services or programs.

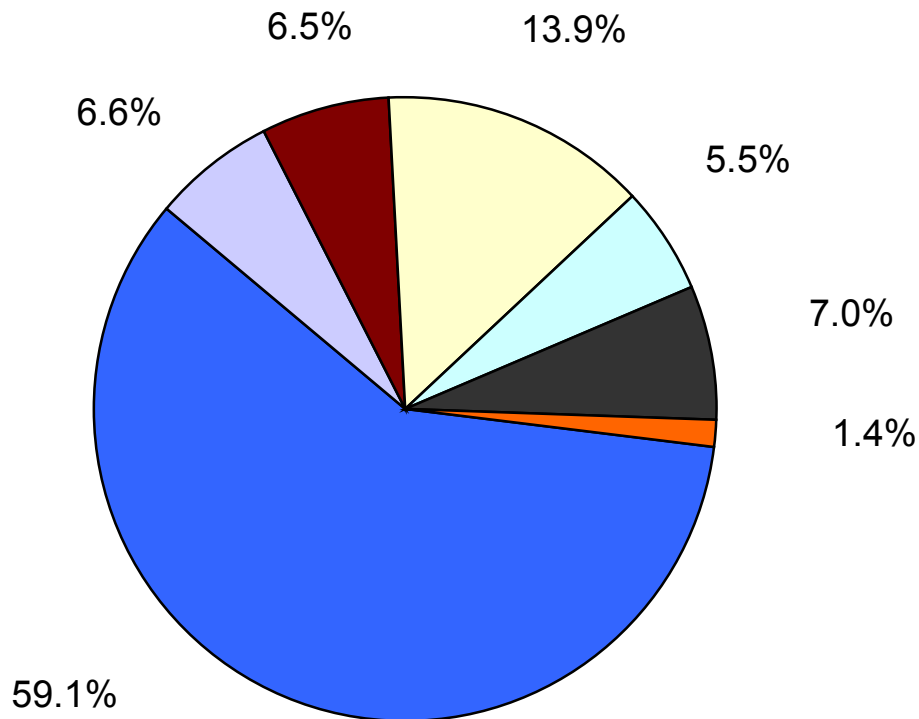
Budget Summaries

GENERAL FUND OVERVIEW

The City has been concentrating their efforts on financial planning to resolve projected revenue shortfalls in the upcoming fiscal years. The proposed fiscal year 2005/06 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 56 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 (primarily revenues from the State of Michigan), charges for services, and various other sources as indicated in the chart below:

2005/06 GENERAL FUND REVENUES

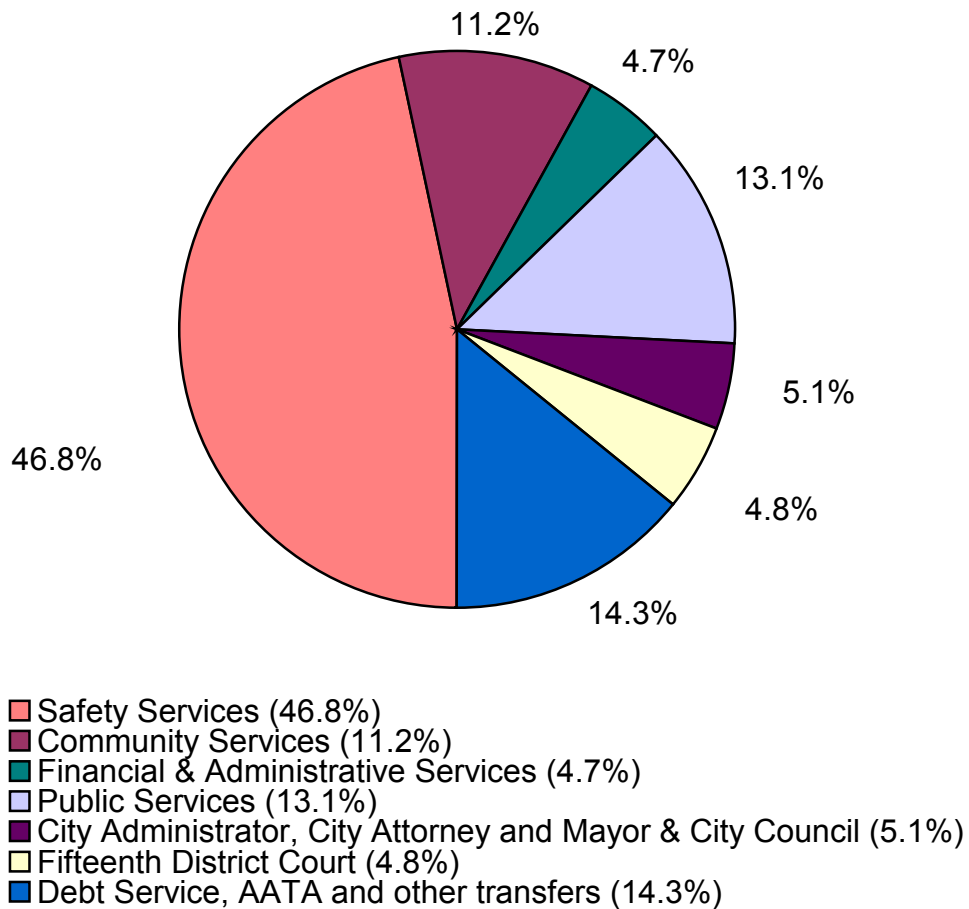


- Taxes (59.1%)
- Charges for Services (6.6%)
- Contributions, Investment Income, Miscellaneous, Operating Transfers, Use of Fund Balance (6.5%)
- Intergovernmental Revenues (13.9%)
- Intra-governmental Sales (5.5%)
- Fines & Forfeits (7.0%)
- Licenses, Permits and Registration (1.4%)

Budget Summaries

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

2005/06 GENERAL FUND EXPENDITURES



Budget Summaries

Proposed General Fund Service Changes

Financial projections for fiscal year 2005/06 indicated a \$3.2 million shortfall between General Fund revenues and expenditures. This shortfall results from a long-term trend of expenditures increasing approximately 5% per year (largely driven by rising employee benefits and healthcare costs) while revenues increase approximately 2% per year. It is this trend that many municipalities and private sector employers are facing which has created a difficult environment to balance budgets.

During the past few months, the City has spent a great deal of energy evaluating alternatives to eliminate the shortfall without affecting services to the residents. In past years, the City was able to accomplish this. In this budget, some service reductions or fee increases for selected services are required. The changes include:

Safety Services

- Parking ticket fees and collection policies are revised.

Public Services

- Ball field maintenance is reduced to dragging and mowing.
- Moratorium on new street lights is in place.
- A millage to remove all Ash trees (due to the Emerald Ash Borer) for safety is planned for the November, 2005 election.

Community Services

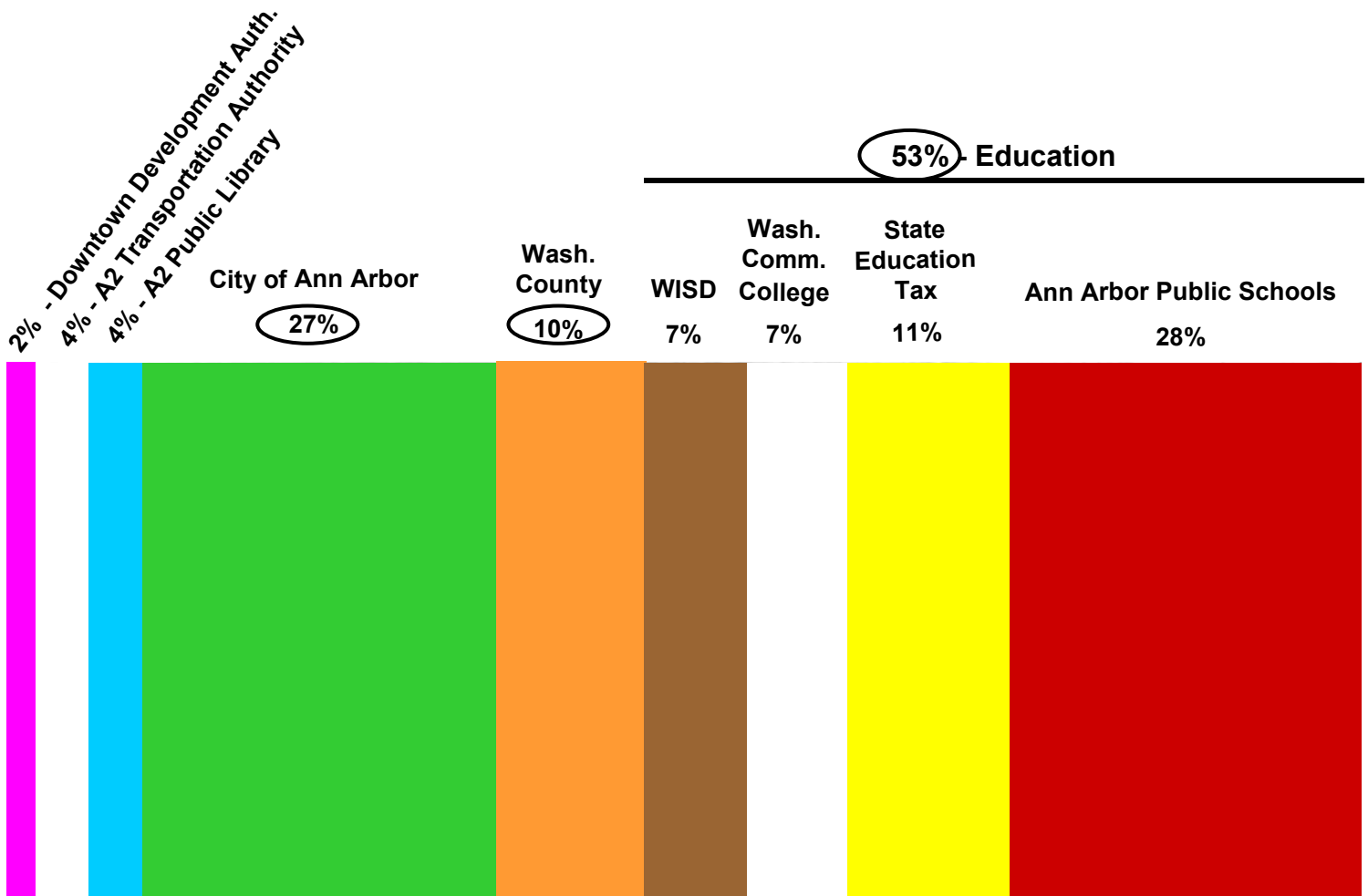
- A minimum amount is budgeted for investment in the former YMCA building to maintain affordable housing for existing residents.
- Increase support for Housing Commission.
- Restructure Historic Preservation Coordination.
- Increase fees on selected services.

Budget Summaries

PROPERTY TAXES

The largest share of our General Fund revenues comes from the property taxes. Many Ann Arbor taxpayers are surprised to learn that only about \$ 0.27 of every dollar paid in property taxes goes to the City of Ann Arbor to fund vital services such as public safety. Most 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 – about \$ 0.53 of every dollar paid – over half of the tax bill. The following chart shows where the City’s property tax dollars go:

WHERE ANN ARBOR PROPERTY TAX DOLLARS GO

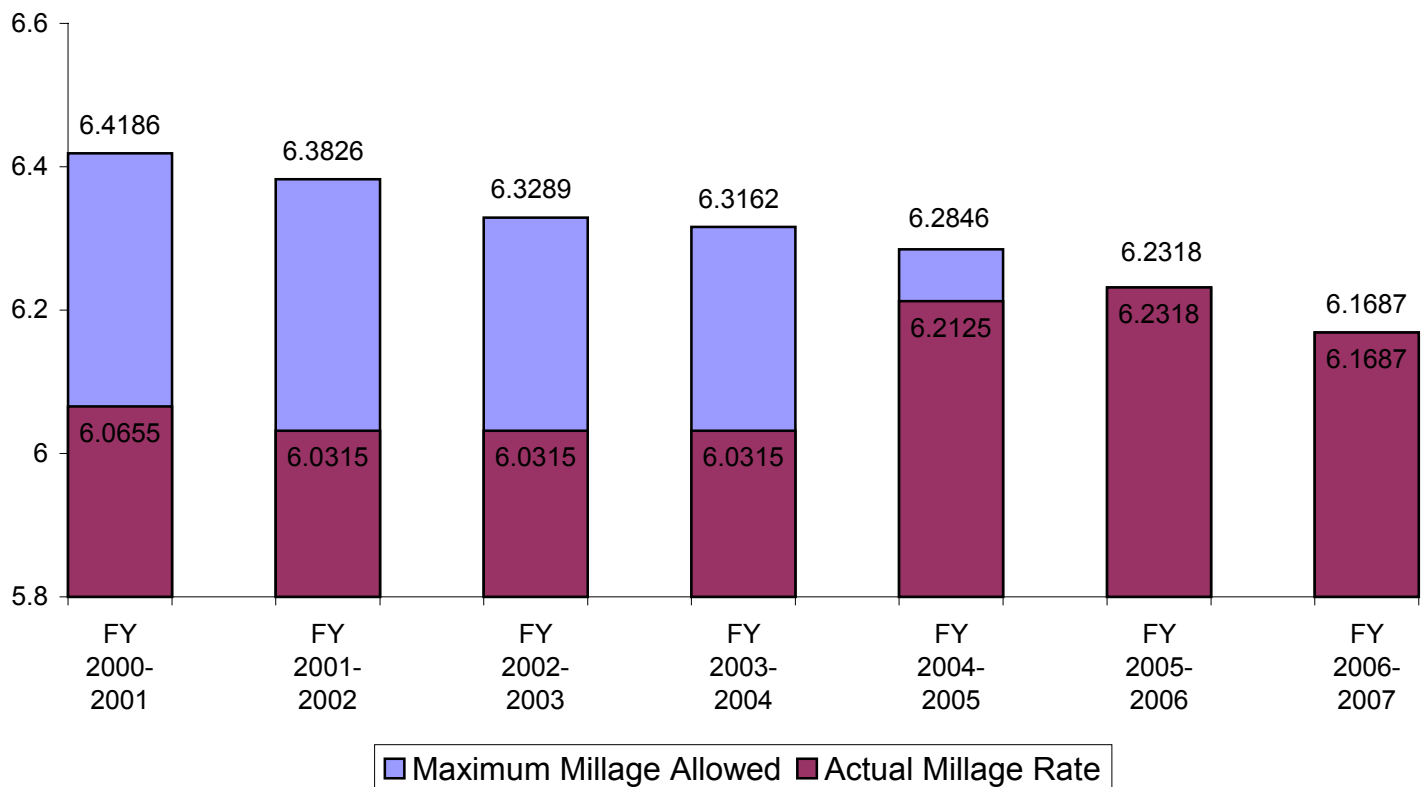


Budget Summaries

TAX REVENUES

Property taxes are a critical source of revenue for the City of Ann Arbor, as well as neighboring communities. Over the last 27 years, there have been two State of Michigan constitutional amendments – the Headlee Amendment and Public Act 415 of 1994 (commonly known as Proposal 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. It is projected that in 2006/07, the Headlee rollback will start reducing the levy. The following charts and tables give a historical view of the General Levy, as well as City millage trends.

CITY MILLAGE HISTORY MAXIMUM MILLAGE ALLOWED - ACTUAL MILLAGE RATE



Budget Summaries

In addition to the General Operating millage, the City's General Fund collects money from the Employee Benefits and Ann Arbor Transportation Authority (AATA) millage. The remaining millages are assessed for dedicated purposes and are used to finance the activities of other funds. The chart below demonstrates the impact of Headlee on the City's property tax millages.

CITY MILLAGE TRENDS

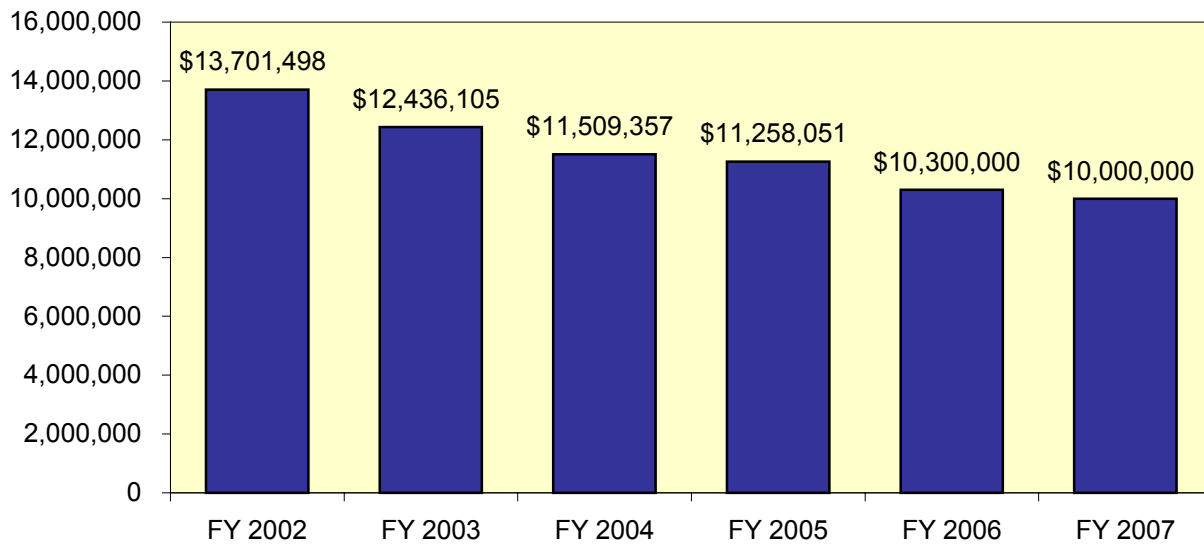
<i>Type</i>	<i>FY 2000/01</i>	<i>FY 2001/02</i>	<i>FY 2002/03</i>	<i>FY 2003/04</i>	<i>FY 2004/05</i>	<i>FY 2005/06</i>	<i>Change from Previous Year</i>	<i>Memo: FY 2006/07</i>
General Operating-Actual	6.0655	6.0315	6.0315	6.0315	6.2125	6.2318	0.0193	6.1687
Employee Benefits	2.1395	2.1275	2.1085	2.1054	2.0948	2.0772	(0.0176)	2.0561
AATA	2.1395	2.1275	2.1085	2.1054	2.0948	2.0772	(0.0176)	2.0561
Total General Fund	10.3445	10.2865	10.2485	10.2423	10.4021	10.3862	(0.0159)	10.2809
Street Repair	1.9898	1.9786	1.9822	1.9792	1.9693	1.9527	(0.0166)	1.9329
Refuse Collection	2.5674	2.5530	2.5302	2.5264	2.5137	2.4925	(0.0212)	2.4673
Parks (combined)	1.4377	1.4295	1.4259	1.4235	1.4162	1.4042	(0.0120)	1.3898
Debt Service	0.7901	0.7549	0.6916	0.7300	0.6000	0.5800	(0.0200)	0.5800
Total City Millage	17.1295	17.0025	16.8784	16.9014	16.9013	16.8156	(0.0857)	16.6509

Budget Summaries

STATE SHARED REVENUES

Another major source of revenue for the City's General Fund is State shared revenue. This revenue sharing arrangement was created when the aforementioned Headlee Amendment removed the ability of municipalities to institute certain taxes on its residents (i.e. sales tax). To compensate communities for this loss in ability to tax, State shared revenue was established, which is generated from a State sales tax and apportioned to communities. As the chart below suggests, the State has been using some of these funds to balance their budget at the expense of communities. The chart also shows the City's recent experience with State shared revenue.

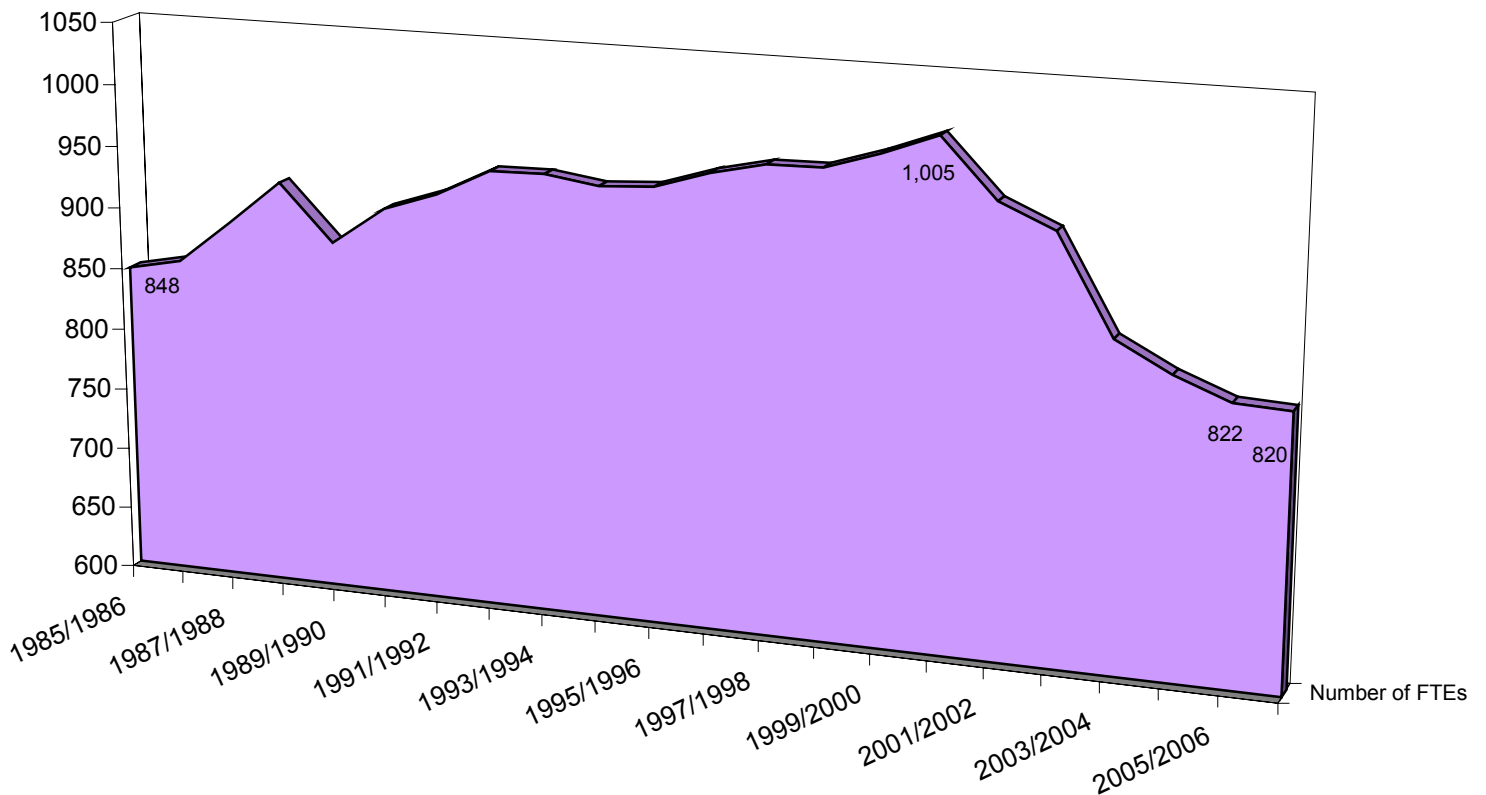
STATE SHARED REVENUE HISTORY AND PROJECTIONS



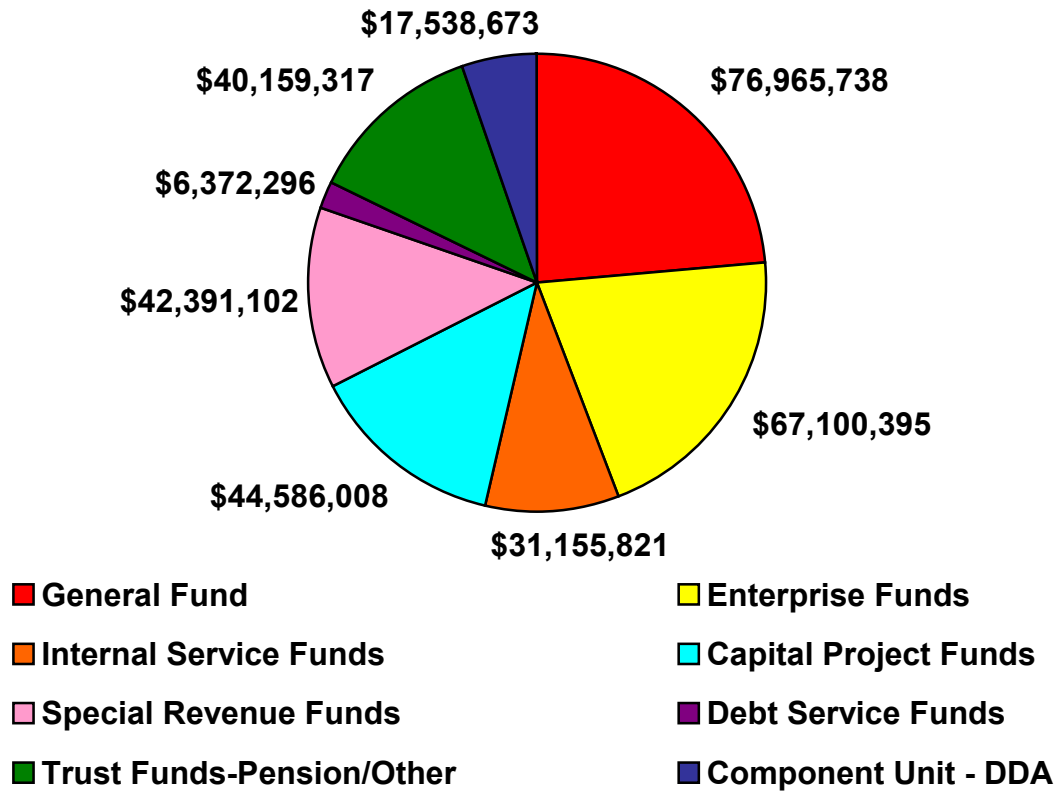
Budget Summaries

EMPLOYEE SUMMARY

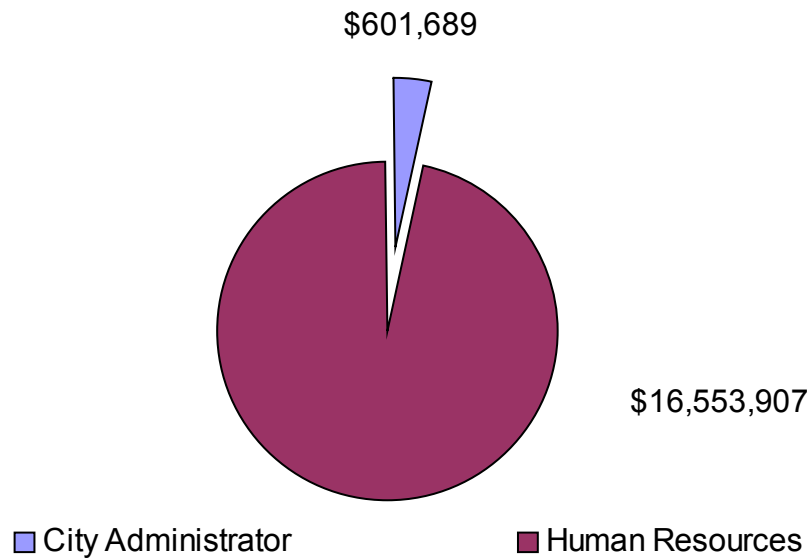
Since employees and related expenditures represent the majority of the General Fund's expenditures, the City began taking steps in fiscal year 2000/01 to reduce its full-time equivalent (FTE) employee staffing, without impacting the level of service provided. The City has been able to achieve the reductions through a combination of not filling vacancies, strategically deploying existing personnel, and an early retirement program offered in fiscal year 2001 and fiscal year 2002. However, as indicated above, the fiscal year 2005/06 budget cannot be balanced without a reduction in services. As the graph below illustrates, the City staffing is down to its lowest level in twenty years. It is unlikely additional reductions can be made without additional significant reductions in services.



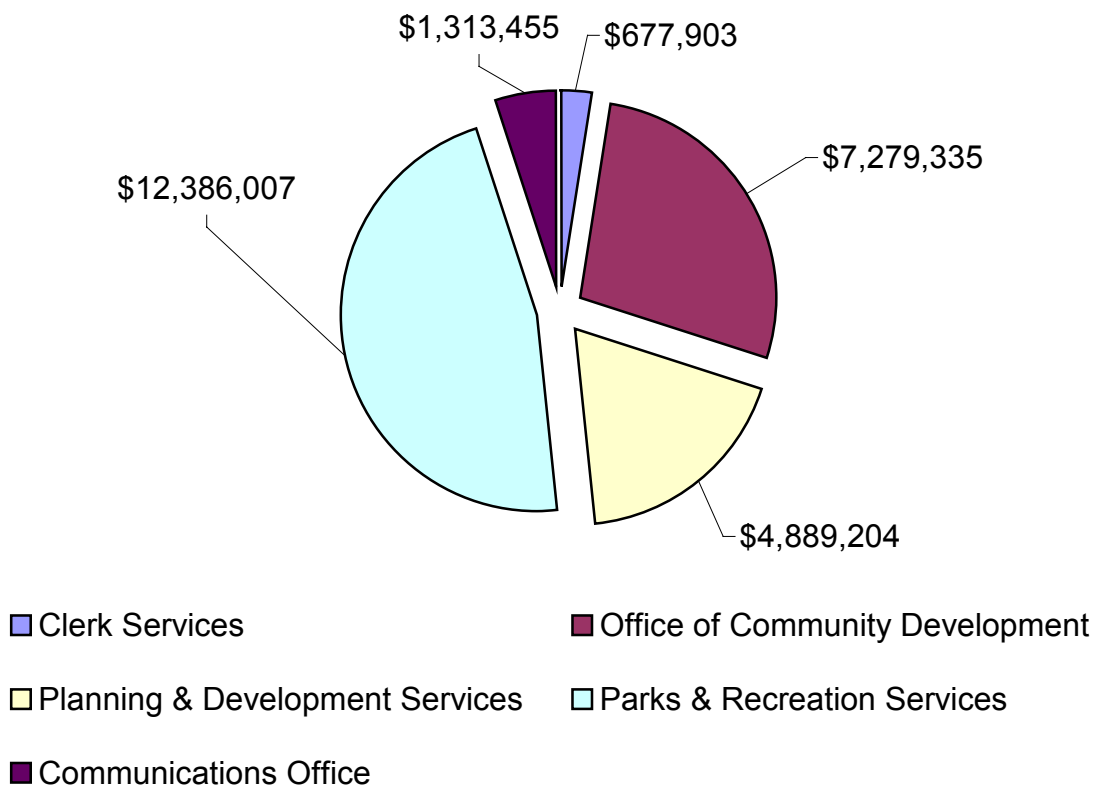
2005-06 Budgeted Revenues by Fund Type



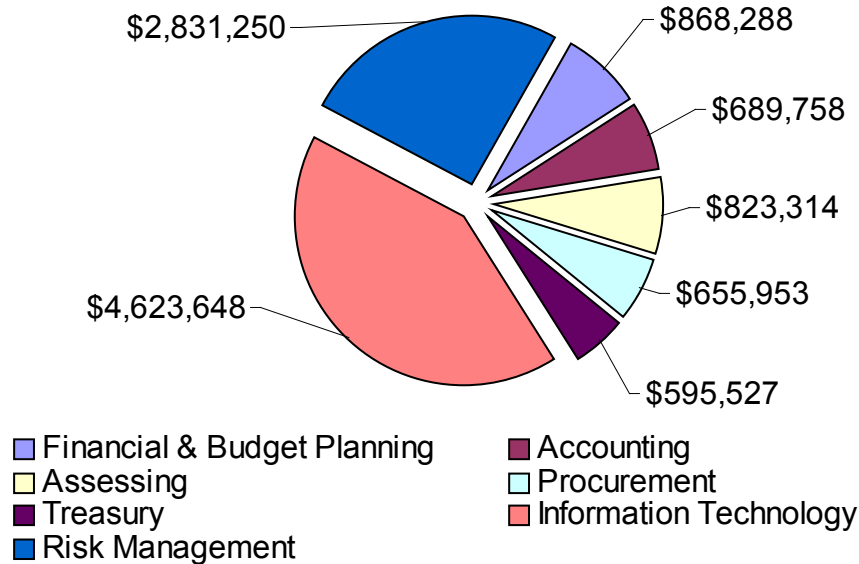
2005-06 City Administrator Expenditures



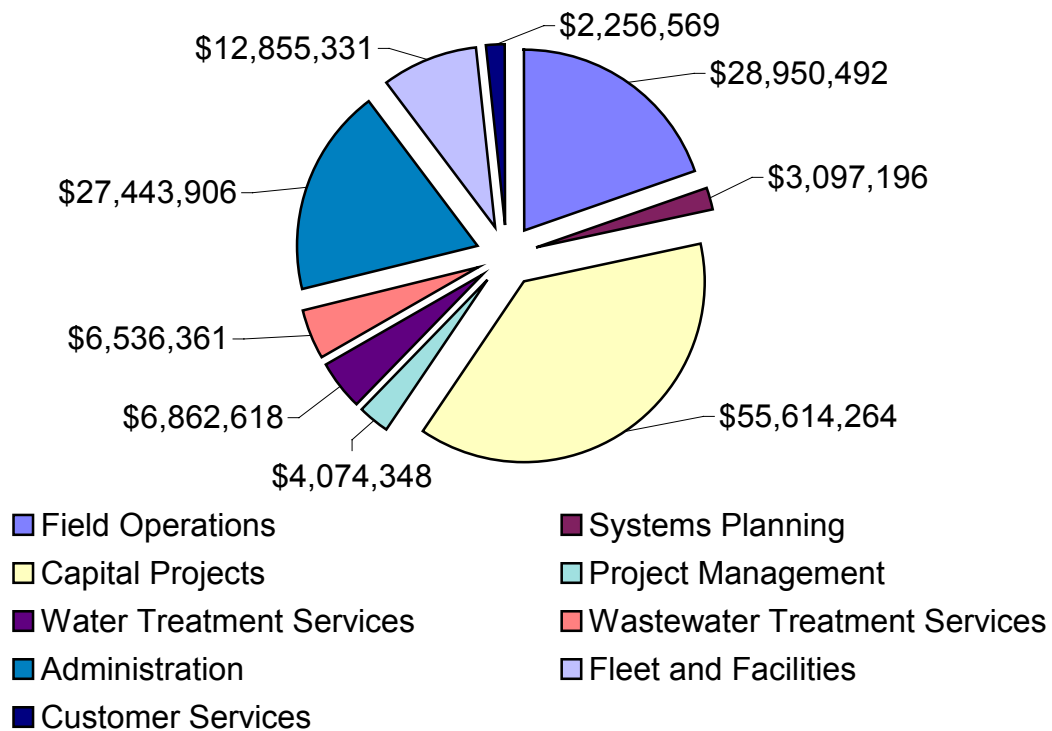
2005-06 Community Services Expenditures



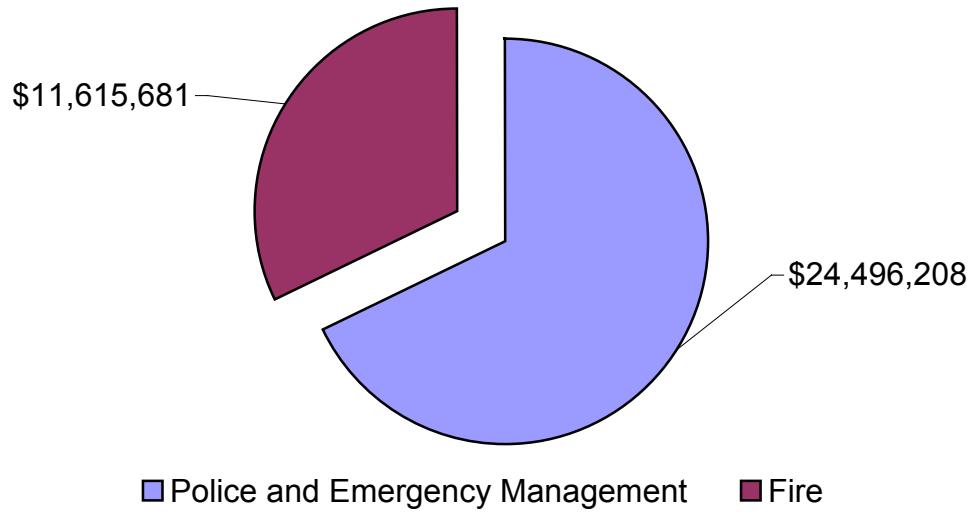
2005-06 Financial & Administrative Services Expenditures



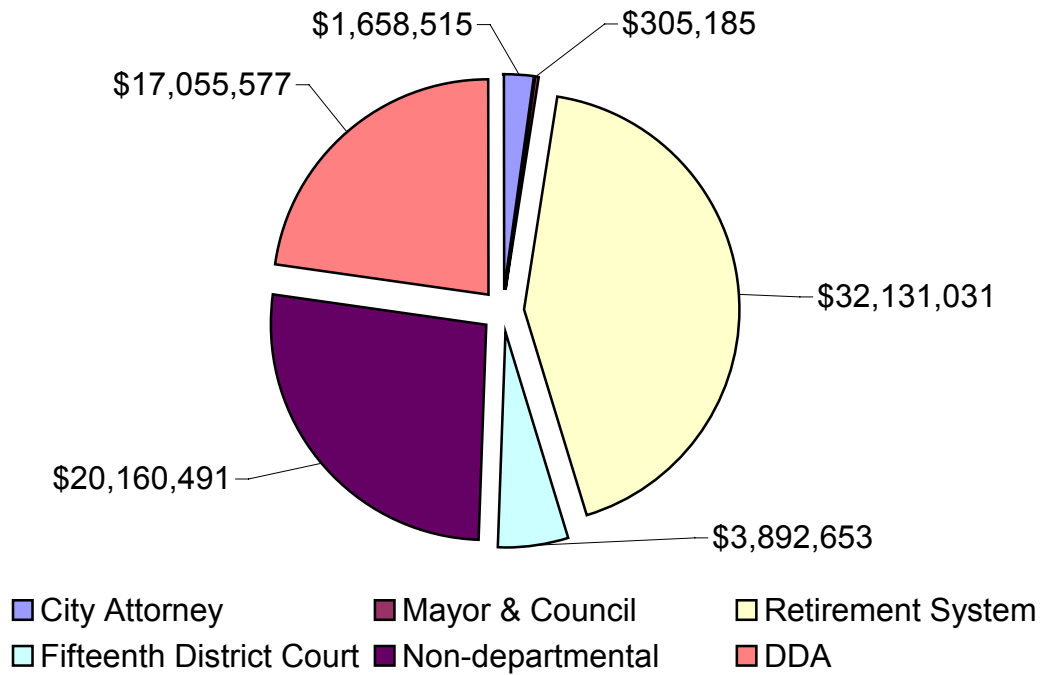
2005-06 Public Services Expenditures



2005-06 Safety Services Expenditures



2005-06 Other Services' Expenditures



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

<u>Fund Balance June 30, 2004</u>	<u>2004/2005 Projected Revenues</u>	<u>2004/2005 Projected Expenditures</u>	<u>Projected Fund Balance June 30, 2005</u>	<u>Fund</u>	<u>2005/2006 Approved Revenues</u>	<u>2005/2006 Approved Expenditures</u>	<u>Approved Use of Fund Balance</u>	<u>Projected Fund Balance June 30, 2006</u>
9,463,514	76,637,652	76,598,917	9,502,249	General	76,965,738	76,965,738	75,216	9,427,033
				<u>Special Revenue Funds</u>				
2,566,762	2,049,712	3,812,163	804,311	1995 Parks Rehab. & Development	1,993,024	1,662,163		1,135,172
376,713	1,871,817	1,848,990	399,540	2003 Parks Maintenance & Repair	1,887,200	1,887,200		399,540
4,260,286	1,991,374	2,200,000	4,051,660	2004 Open Space and Parkland Preservation	5,335,423	5,335,423	3,339,478	712,182
561,615	290,000	209,000	642,615	Affordable Housing	786,359	786,359	641,859	756
528	6,050	6,050	528	Ann Arbor Assistance	5,650	5,650		528
241,566	38,380	11,701	268,245	Bandemer Property	21,618	21,618	13,238	255,007
47,462	4,500		51,962	Cemetary Perpetual Care	4,500			56,462
5,111	1,336,287	1,223,207	118,191	Community Development Block Grant	2,185,514	2,185,514		118,191
1,846,382	1,246,500	1,349,208	1,743,674	Community Television Network	1,313,455	1,313,455		1,743,674
	1,912,900	1,747,988	164,912	Construction Code Fund	2,554,293	2,554,293		164,912
760,697	220,000	209,500	771,197	Court Facilities	225,000	206,000		790,197
6,331	8,000	9,300	5,031	Drug Enforcement	12,000	12,000	5,000	31
328,573	168,891	163,762	333,702	Energy Projects	160,000	160,000	94,723	238,979
143,208	2,600	106,000	39,808	Federal Equitable Sharing Forfeitures	37,686	37,686	37,686	2,122
2,250	2,774,211	2,774,211	2,250	HOME Program	2,272,543	2,272,543		2,250
1,675,562	1,816,545	1,789,780	1,702,327	Local Streets	1,846,985	1,846,985		1,702,327
8,642	49,704		58,346	Major Grant Programs	112,100			170,446
7,134,474	6,644,890	6,205,811	7,573,553	Major Streets	7,474,638	7,474,338	597,891	6,975,962
52,415	38,000	47,000	43,415	Michigan Justice Training	46,000	42,000	15,000	32,415
	55,000	55,000		Parks Memorials & Contributions	70,000	70,000		
637,074	12,000		649,074	Police and Fire Relief	10,000			659,074
12,827,015	9,587,612	9,199,150	13,215,477	Street Repair Millage	8,392,251	8,392,251	132,800	13,082,677
				<u>Trust Funds</u>				
2,110,582	89,799	50,180	2,150,201	Elizabeth R. Dean	87,387	87,387		2,150,201
376,166,173	26,873,002	23,318,443	379,720,732	Employees' Retirement System	31,980,210	31,980,210	31,980,210	347,740,522
37,610,589	3,832,325	154,750	41,288,164	VEBA Trust	8,091,720	150,821		49,229,063
				<u>General Debt Service</u>				
70,276	4,407,218	4,391,557	85,937	General Debt Service	5,933,447	5,897,200		122,184
1,757,977	109,000	495,337	1,371,640	Special Assessment General Debt	438,849	438,849	329,849	1,041,791
				<u>Component Units</u>				
10,471,993	3,455,797	2,224,266	11,703,524	Downtown Development Authority	3,686,544	3,686,544	137,318	11,566,206
6,749,264	11,081,669	10,424,352	7,406,581	DDA Parking System	11,801,136	11,801,136	379,344	7,027,237
611,038	34,000	5,640	639,398	DDA Housing	226,921	76,325		789,994
	3,486,405	553,146	2,933,259	DDA Parking Maintenance	1,391,572	1,391,572	124,437	2,808,822
	420,000		420,000	DDA Sidewalk & Streetscapes	432,500	100,000		752,500
				<u>Capital Projects Funds</u>				
94,952	364,721	364,721	94,952	Alternative Transportation	375,677	375,677		94,952
4,040,913	500,000	1,250,000	3,290,913	Environmental Bonds	3,099,200	3,099,200	3,099,200	191,713
1,647,214	1,595,500	1,595,500	1,647,214	General Capital Improvements				1,647,214
1,549,896		1,500,000	49,896	Maintenance Facility Construction	12,220,660	12,220,660		49,896
5,500,000			5,500,000	Municipal Center	7,088,000	7,088,000	5,500,000	
78,456			78,456	Special Assessments	150,000	150,000		78,456

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

Net Assets June 30, 2004	2004/2005 Projected Revenues	2004/2005 Projected Expenditures	Projected Fund Equity June 30, 2005	Fund	2005/2006 Approved Revenues	2005/2006 Approved Expenditures	Approved Use of Fund Balance	Projected Fund Equity June 30, 2006
<u>Intergovernmental Service Funds</u>								
1,012,798	1,280,192	1,253,598	1,039,392	Central Stores	1,317,349	1,317,349		1,039,392
5,012,709	3,791,150	4,480,479	4,323,380	Fleet Services	6,670,228	6,621,992	993,468	3,378,148
643,775	950,000	31,811	1,561,964	Information Technology	5,269,186	4,623,648		2,207,502
7,837,256	17,141,227	18,889,529	6,088,954	Insurance	20,970,479	20,970,479	3,330,500	2,758,454
104,643	115,104	105,984	113,763	Parks Service Headquarters	132,752	132,752		113,763
				Project Management	2,065,013	2,065,013		
<u>Enterprise Funds</u>								
1,164,162	768,698	811,779	1,121,081	Airport	738,686	738,686		1,121,081
697,302	1,193,636	1,175,743	715,195	Golf Enterprise	1,282,803	1,282,803		715,195
2,213,859		422,171	1,791,688	Hydro Power System				1,791,688
767,291	138,317	131,533	774,075	Market	128,742	128,742		774,075
40,028,924	18,872,788	17,019,835	41,881,877	Sewage Disposal System	22,681,241	21,000,940	2,908,900	40,653,278
5,251,984	10,722,968	12,549,102	3,425,850	Solid Waste	12,515,164	11,841,375	1,076,500	3,023,139
4,777,976	3,810,833	3,071,004	5,517,805	Stormwater Sewer System	5,380,494	5,026,190	612,232	5,259,877
40,602,358	20,102,125	19,268,217	41,436,266	Water Supply System	24,373,265	24,242,750	3,055,004	38,511,777

ANALYSIS OF NET OPERATING FUNDS AVAILABLE

Net Operating Funds Available* June 30, 2004	2004/2005 Projected Revenues	2004/2005 Projected Expenditures	Projected Net Operating Funds Available* June 30, 2005	Fund	2005/2006 Approved Revenues	2005/2006 Approved Expenditures	Approved Use of Fund Balance	Projected Net Operating Funds Available* June 30, 2006
<u>Intergovernmental Service Funds</u>								
991,989	1,280,192	1,253,598	1,018,583	Central Stores	1,317,349	1,317,349		1,018,583
2,215,617	3,791,150	4,480,479	1,526,288	Fleet Services	6,670,228	6,621,992	993,468	581,056
643,775	950,000	31,811	1,561,964	Information Technology	5,269,186	4,623,648		2,207,502
7,870,656	17,141,227	18,889,529	6,122,354	Insurance	20,970,479	20,970,479	3,330,500	2,791,854
(1,570)	115,104	105,984	7,550	Parks Service Headquarters	132,752	132,752		7,550
				Project Management	2,065,013	2,065,013		
<u>Enterprise Funds</u>								
227,382	768,698	811,779	184,301	Airport	738,686	738,686		184,301
(1,016,325)	1,193,636	1,175,743	(998,432)	Golf Enterprise	1,282,803	1,282,803		(998,432)
1,388,232		422,171	966,061	Hydro Power System				966,061
462,518	138,317	131,533	469,302	Market	128,742	128,742		469,302
53,245,588	18,872,788	17,019,835	55,098,541	Sewage Disposal System	22,681,241	21,000,940	2,908,900	53,869,942
	10,722,968	12,549,102	(1,826,134)	Solid Waste	12,515,164	11,841,375	1,076,500	(2,228,845)
1,936,104	3,810,833	3,071,004	2,675,933	Stormwater Sewer System	5,380,494	5,026,190	612,232	2,418,005
13,397,830	20,102,125	19,268,217	14,231,738	Water Supply System	24,373,265	24,242,750	3,055,004	11,307,249

*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 Restricted 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.

Description 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 23% of the City's 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 using trend analysis. In Michigan, property tax revenue growth is restricted by Proposal A and the Headlee Amendment.

LICENSES, PERMITS & REGISTRATIONS

The major sources of revenue in this category are derived from various permit fees issued for building and trades and represent 1% of the City's revenues. Also included are the various permits and licenses issued through the Clerk's office and fees associated with the services of the Planning and Development Unit. These revenues are projected for the Clerk's office 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 Planning and Development 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 and income taxes. State shared revenues contribute 7% of the City's revenue. These revenues are forecasted on the basis of data supplied from the State of Michigan for State Shared Sales and Income Tax and historical trends for other revenues. Due to increasing budget pressures at the State level, local units of government are experiencing a decreasing revenue trend.

GRANTS

Most federal or state grants are accounted for in separate funds, 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 City revenues. These are based on grants that have been awarded or are expected to be awarded in the coming fiscal year.

CHARGES FOR SERVICES

The major sources of revenue in this category represent 19% of City revenues and are described in more detail below.

POLICE & FIRE

Description 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 year's fire services 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 service areas 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.

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. The revenues for the Water and

Description of Revenue Categories

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 Recreation Facilities revenues are forecasted in the same manner as the Recreation Charges above. The Airport and Market 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 Fifteenth District Court. Much of this revenue comes from moving traffic violations, delinquent parking tickets and other City ordinance violations. This represents about 2% of City's revenues. The expected revenues are forecasted based on changes in fines and the volume of tickets anticipated.

Description of Revenue Categories

INVESTMENT INCOME

Investment earnings are derived by the placing of excess funds in approved investments until needed and represents less than 1% of the City's revenues. The investment earnings are forecasted on the basis of expected investable funds times an average of expected investment rates based on the economic outlook.

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. This category represents less than 1% of the City's revenues.

PRIOR YEAR SURPLUS

Prior Year Surplus represents the use of surplus funds from previous years' budgets and represents 21% of the City's revenues. 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.

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. Operating transfers represent 17% of the City's revenues.

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 occasional windfalls that are hard to forecast. This category represents less than 1% of the City's revenues.

SALE OF BONDS

This represents revenues received from bond proceeds for capital projects and represents 5% of the City's revenues. Revenues are determined based on approved projects from the City's Capital Improvement Plan.

Description of Revenue Categories

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. This category represents 3% of City revenues.

2005-2006 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	\$76,965,738		\$118,000	\$4,236,321	\$3,580,389	\$56,674,495	\$558,609	\$4,958,121	\$2,675,300	\$4,009,225	
0042 WATER SUPPLY SYSTEM	24,373,265						24,373,265				
0043 SEWAGE DISPOSAL SYSTEM	22,681,241						22,681,241				
0048 AIRPORT	738,686						738,686				
0069 STORMWATER SEWER SYSTEM	5,380,494						5,380,494				
0011 CENTRAL STORES	1,317,349						1,317,349				
0012 FLEET SERVICES	6,670,228						6,670,228				
0015 PARKS SERVICE HEADQUARTERS	132,752						132,752				
0049 PROJECT MANAGEMENT	2,065,013						2,065,013				
0057 INSURANCE	20,970,479					20,970,479					
0055 ELIZABETH R DEAN TRUST	87,387						87,387				
0006 PARKS REPAIR AND RESTORATION MILLAGE	1,887,200						1,887,200				
0021 MAJOR STREET	7,474,638						7,474,638				
0022 LOCAL STREET	1,846,985						1,846,985				
0054 CEMETERY PERPETUAL CARE	4,500						4,500				
0062 STREET REPAIR MILLAGE	8,392,251						8,392,251				
0072 SOLID WASTE FUND	12,515,164						12,515,164				
0002 ENERGY PROJECTS	160,000						160,000				
0070 AFFORDABLE HOUSING	786,359				786,359						
0024 OPEN SPACE & PARKLAND PRESERVATION	5,335,423				5,335,423						
0025 BANDEMERE PROPERTY	21,618				21,618						
0026 CONSTRUCTION CODE FUND	2,554,293				2,554,293						
0046 MARKET	128,742						128,742				
0038 ANN ARBOR ASSISTANCE	5,650				5,650						
0047 GOLF ENTERPRISE	1,282,803				1,282,803						
0016 COMMUNITY TELEVISION NETWORK	1,313,455				1,313,455						
0018 PARKS REHAB & DEVELOPMENT MILLAGE	1,993,024				1,993,024						
0034 PARKS MEMORIALS & CONTRIBUTIONS	70,000				70,000						
0078 COMMUNITY DEVELOPMENT BLOCK GRANT	2,185,514				2,185,514						
0090 HOME PROGRAM	2,272,543				2,272,543						
0014 INFORMATION TECHNOLOGY	5,269,186					5,269,186					
00MG MAJOR GRANT PROGRAMS FUND	112,100							112,100			
0027 DRUG ENFORCEMENT	12,000							12,000			
0028 FEDERAL EQUITABLE SHARING FORFEITURES	37,686							37,686			
0053 POLICE AND FIRE RELIEF	10,000							10,000			
0064 MICHIGAN JUSTICE TRAINING	46,000							46,000			
0023 COURT FACILITIES	225,000								225,000		
0035 GENERAL DEBT SERVICE	5,933,447									5,933,447	
0060 GENERAL DEBT /SPECIAL ASSESSMENTS	438,849									438,849	
0061 ALTERNATIVE TRANSPORTATION	375,677										375,677
0031 SPECIAL ASSESSMENTS	150,000										150,000
0074 2005-06 SEWER BOND	1,004,513										1,004,513
0076 SEWER BOND SERIES XIX 2004	10,419,083										10,419,083
0082 2005-06 STORMWATER BOND	417,200										417,200
0092 2005-06 WATER BOND	4,206,816										4,206,816
0095 WATER BOND SERIES Z 2004	5,980,536										5,980,536
0097 ENVIRONMENTAL BOND ISSUE	3,099,200										3,099,200
0004 MAINTENANCE FACILITY	12,220,660										12,220,660
0008 MUNICIPAL CENTER	7,088,000										7,088,000
0052 VEBA TRUST	8,091,720										8,091,720
0059 EMPLOYEES RETIREMENT SYSTEM	31,980,210										31,980,210
0001 DDA/HOUSING FUND	226,921										226,921
0003 DOWNTOWN DEVELOPMENT AUTHORITY	3,686,544										3,686,544
0030 DDA-SIDEWALK & STREETSCAPES	432,500										432,500
0033 DDA PARKING MAINTENANCE	1,391,572										1,391,572
0063 DDA PARKING SYSTEM	11,801,136										11,801,136
	326,269,350		\$118,000	\$4,236,321	\$21,529,813	\$82,914,160	\$96,285,762	\$5,175,907	\$2,900,300	\$10,381,521	\$102,572,288

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07	
General	General							
	TAXES	46,449,620	48,566,214	43,484,636	43,462,744	45,502,931	47,254,151	
	LICENSES, PERMITS & REGISTRATION	3,001,462	3,145,924	1,136,093	1,175,703	1,104,797	1,140,082	
	INTERGOVERNMENTAL REVENUES	12,833,260	11,792,337	11,476,818	11,638,700	10,702,700	10,382,700	
	CHARGES FOR SERVICES	5,493,522	10,535,704	6,733,707	6,558,951	5,041,665	5,149,920	
	FINES & FORFEITS	5,652,987	5,041,599	5,624,024	5,472,731	5,382,820	5,389,745	
	INVESTMENT INCOME	565,536	297,320	269,000	351,200	268,200	268,200	
	MISCELLANEOUS REVENUE	263,124	96,677	335,521	249,828	183,754	200,438	
	PRIOR YEAR SURPLUS			38,355	455,670	75,216	75,216	
	OPERATING TRANSFERS	2,711,388	1,546,027	3,656,392	3,438,615	4,370,334	3,026,829	
	CONTRIBUTIONS	40,019	438,570	69,500	133,773	70,000	70,000	
	INTRA GOVERNMENTAL SALES	3,281,016	2,776,946	4,160,407	4,155,407	4,263,321	4,499,327	
	Total		\$ 80,291,934	\$ 84,237,318	\$ 76,984,453	\$ 77,093,322	\$ 76,965,738	\$ 77,456,608
Debt Service	General Debt Service							
	TAXES	2,578,292	2,754,802	2,391,836	2,391,836	2,401,112	2,407,951	
	INVESTMENT INCOME	2,844	4,435	2,000	2,000	2,000	2,000	
	OPERATING TRANSFERS	1,576,589	1,835,823	2,013,382	2,013,382	3,530,335	3,472,743	
	CONTRIBUTIONS	7,388						
	Total		\$ 4,165,113	\$ 4,595,060	\$ 4,407,218	\$ 4,407,218	\$ 5,933,447	\$ 5,882,694
	Special Assessment/Debt Service							
	TAXES	86,489	59,095	100,000	100,000	100,000	100,000	
	CHARGES FOR SERVICES	790,925	271,356					
	INVESTMENT INCOME	29,092	18,512	9,000	9,000	9,000	9,000	
	PRIOR YEAR SURPLUS			386,337		329,849	304,369	
Total		\$ 906,506	\$ 348,963	\$ 495,337	\$ 109,000	\$ 438,849	\$ 413,369	
Capital Projects	Environmental Bonds							
	INVESTMENT INCOME		26,105					
	PRIOR YEAR SURPLUS			750,000		3,099,200	1,501,000	
	OPERATING TRANSFERS			500,000				
	Total		\$ -	\$ 26,105	\$ 1,250,000	\$ -	\$ 3,099,200	\$ 1,501,000
	General Capital Improvements							
	INTERGOVERNMENTAL REVENUES		114,263	417,000				
	INVESTMENT INCOME		14,882					
	PRIOR YEAR SURPLUS			1,118,500				
	OPERATING TRANSFERS		1,300,000	60,000				
Total		\$ -	\$ 1,429,145	\$ 1,595,500	\$ -	\$ -	\$ -	
Maintenance Facility								
INVESTMENT INCOME		55,081						
OPERATING TRANSFERS		400,000						
PRIOR YEAR SURPLUS			1,500,000		7,280,200			
SALE OF BONDS			10,000,000		4,940,460	8,000,000		
Total		\$ -	\$ 455,081	\$ 11,500,000	\$ -	\$ 12,220,660	\$ 8,000,000	
Municipal Center								
OPERATING TRANSFERS					600,000	1,350,000		
PRIOR YEAR SURPLUS					5,500,000			
SALE OF BONDS					988,000	15,180,000		
Total		\$ -	\$ -	\$ -	\$ -	\$ 7,088,000	\$ 16,530,000	
Special Assessments								
CHARGES FOR SERVICES					150,000	150,000		
Total		\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	
Enterprise	Hydropower							
	CHARGES FOR SERVICES	214,556	261,730					
	INVESTMENT INCOME	46,378	8,288					
	PRIOR YEAR SURPLUS			1,261,972				
	OPERATING TRANSFERS	297,593	289,593					
Total		\$ 558,527	\$ 559,611	\$ 1,261,972	\$ -	\$ -	\$ -	

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
Water Supply System							
	TAXES	15,125	9,089	100	230		
	INTERGOVERNMENTAL REVENUES	12,051					
	CHARGES FOR SERVICES	14,166,669	13,811,444	17,159,398	17,155,170	17,764,213	18,554,612
	INVESTMENT INCOME	340,626	91,365	425,850	272,162	280,000	285,000
	MISCELLANEOUS REVENUE	203,248	(83,876)	115,000	115,000	150,000	155,000
	PRIOR YEAR SURPLUS			2,050,000		3,055,004	690,285
	OPERATING TRANSFERS	169,147	198,250	1,721,305	2,262,242	1,565,548	1,618,153
	CONTRIBUTIONS					1,404,000	1,656,000
	INTRA GOVERNMENTAL SALES	1,781,426	1,888,789	715,020	297,321	154,500	154,500
	Total	\$ 16,688,292	\$ 15,915,061	\$ 22,186,673	\$ 20,102,125	\$ 24,373,265	\$ 23,113,550
Water Bonds							
	PRIOR YEAR SURPLUS			20,000			
	Total	\$ -	\$ -	\$ 20,000	\$ -	\$ -	\$ -
Water Bonds Series Z 2004							
	INVESTMENT INCOME		5,870				
	PRIOR YEAR SURPLUS			3,823,625		309,575	307,115
	OPERATING TRANSFERS			2,050,000			
	CONTRIBUTIONS			100,000		360,000	1,500,000
	SALE OF BONDS			2,586,819		5,310,961	776,042
	Total	\$ -	\$ 5,870	\$ 8,560,444	\$ -	\$ 5,980,536	\$ 2,583,157
Water Bonds 2005-06							
	OPERATING TRANSFERS					1,532,238	1,578,524
	SALE OF BONDS					2,674,578	2,224,443
	Total	\$ -	\$ -	\$ -	\$ -	\$ 4,206,816	\$ 3,802,967
Water Bonds Series 2004-A DWRP							
	INVESTMENT INCOME		199				
	Total	\$ -	\$ 199	\$ -	\$ -	\$ -	\$ -
Sewage Disposal System							
	TAXES	19,797	13,686	19,150	19,150	15,000	15,000
	CHARGES FOR SERVICES	15,122,496	15,198,199	18,129,511	17,493,298	18,696,281	20,359,291
	INVESTMENT INCOME	634,997	107,421	849,540	548,000	550,000	560,000
	MISCELLANEOUS REVENUE	17,756	18,844	18,500	1,000	10,000	10,000
	PRIOR YEAR SURPLUS					2,908,900	
	OPERATING TRANSFERS	587,848	641,004	400,000	400,000	476,060	478,400
	INTRA GOVERNMENTAL SALES	925,578	613,768	403,141	411,340	25,000	26,000
	Total	\$ 17,308,472	\$ 16,592,922	\$ 19,819,842	\$ 18,872,788	\$ 22,681,241	\$ 21,448,691
Sewer Bonds XIX 2004							
	INVESTMENT INCOME		(143,448)				
	PRIOR YEAR SURPLUS			11,112,175		10,419,083	15,728,629
	OPERATING TRANSFERS		3,641,419	3,341,687			
	CONTRIBUTIONS			100,000			
	SALE OF BONDS			1,476,485			16,812,900
	Total	\$ -	\$ 3,497,971	\$ 16,030,347	\$ -	\$ 10,419,083	\$ 32,541,529
Sewer Bonds Series 2004-A SRF							
	INVESTMENT INCOME		199				
	OPERATING TRANSFERS		918,876				
	Total	\$ -	\$ 919,075	\$ -	\$ -	\$ -	\$ -
Sewer Bonds 2005-06							
	SALE OF BONDS					1,004,513	1,853,310
	Total	\$ -	\$ -	\$ -	\$ -	\$ 1,004,513	\$ 1,853,310
Stormwater Bonds 2005-06							
	SALE OF BONDS					417,200	2,276,639
	Total	\$ -	\$ -	\$ -	\$ -	\$ 417,200	\$ 2,276,639

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Parking System						
	CHARGES FOR SERVICES						
	INVESTMENT INCOME	61,692	355				
	MISCELLANEOUS REVENUE		(6,200)				
	PRIOR YEAR SURPLUS			22,754			
	INTRA GOVERNMENTAL SALES						
	Total	\$ 61,692	\$ (5,845)	\$ 22,754	\$ -	\$ -	\$ -
	Market						
	CHARGES FOR SERVICES	75,294	94,620	94,250	93,650	83,175	91,829
	INVESTMENT INCOME	14,160	1,847	5,000	5,000	5,000	5,000
	MISCELLANEOUS REVENUE	4,868	8,247	15,220	12,000	13,000	14,000
	CONTRIBUTIONS				100		
	OPERATING TRANSFERS		48,377	27,567	27,567	27,567	27,567
	Total	\$ 94,322	\$ 153,091	\$ 142,037	\$ 138,317	\$ 128,742	\$ 138,396
	Golf Courses						
	LICENSES, PERMITS & REGISTRATION						
	CHARGES FOR SERVICES	1,197,652	1,168,100	1,237,339	1,193,231	1,282,053	1,332,930
	INVESTMENT INCOME	(17,044)	(760)		405	750	750
	MISCELLANEOUS REVENUE	4,184	(6,753)				
	PRIOR YEAR SURPLUS			28,362			
	INTRA GOVERNMENTAL SALES	100					
	Total	\$ 1,184,892	\$ 1,160,587	\$ 1,265,701	\$ 1,193,636	\$ 1,282,803	\$ 1,333,680
	Airport						
	INTRAGOVERNMENTAL SALES		37,544		43,500		
	CHARGES FOR SERVICES	686,861	672,654	715,844	713,048	724,686	729,400
	INVESTMENT INCOME	5,727	2,788	17,000	8,500	9,500	9,500
	MISCELLANEOUS REVENUE	695	6,042	5,650	3,650	4,500	4,500
	PRIOR YEAR SURPLUS				45,000		87,537
	Total	\$ 693,283	\$ 719,028	\$ 738,494	\$ 813,698	\$ 738,686	\$ 830,937
	Stormwater Sewer System						
	TAXES	1,755	899				
	LICENSES, PERMITS & REGISTRATION		101,544	110,000	110,000	110,000	110,000
	CHARGES FOR SERVICES	2,628,388	2,713,491	3,506,895	3,496,895	4,303,351	4,546,774
	INVESTMENT INCOME	41,907	12,596	43,848	38,938	39,911	40,909
	MISCELLANEOUS REVENUE	20,603	37,860	126,120	25,000	15,000	15,000
	PRIOR YEAR SURPLUS					612,232	
	OPERATING TRANSFERS	54,542	59,557			300,000	
	SALE OF BONDS			400,000			
	INTRA GOVERNMENTAL SALES		28,131	188,600	140,000		
	Total	\$ 2,747,195	\$ 2,954,078	\$ 4,375,463	\$ 3,810,833	\$ 5,380,494	\$ 4,712,683
	Solid Waste Fund						
	TAXES			10,020,633	10,020,633	10,441,500	10,859,160
	CHARGES FOR SERVICES	29,644	36,854	439,890	451,494	402,164	467,164
	INVESTMENT INCOME	132,060	28,598	100,000	160,807	180,000	200,000
	MISCELLANEOUS REVENUE		20,101	34,000	8,034	20,000	20,000
	PRIOR YEAR SURPLUS			500,000	2,136,900	1,076,500	1,450,000
	OPERATING TRANSFERS	89,454	2,166,708	82,000	82,000	125,000	125,000
	CONTRIBUTIONS					270,000	1,050,000
	Total	\$ 251,158	\$ 2,252,261	\$ 11,176,523	\$ 12,859,868	\$ 12,515,164	\$ 14,171,324
Internal Service	Central Stores						
	CHARGES FOR SERVICES	15,808	22,556	35,000	35,000	40,000	40,000
	INVESTMENT INCOME	10,384	1,657	500			
	OPERATING TRANSFERS						
	INTRA GOVERNMENTAL SALES	1,056,303	1,053,781	1,280,192	1,245,192	1,277,349	1,304,816
	Total	\$ 1,082,495	\$ 1,077,994	\$ 1,315,692	\$ 1,280,192	\$ 1,317,349	\$ 1,344,816

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Fleet Services						
	CHARGES FOR SERVICES	40,074	9,000				
	INVESTMENT INCOME	32,130	(6,623)	18,000	28,000	20,000	18,000
	MISCELLANEOUS REVENUE	161,830	125,806	120,000	120,000	160,000	90,000
	PRIOR YEAR SURPLUS			400,000	652,296	993,468	
	OPERATING TRANSFERS		63,615	616,966	616,966	255,702	250,000
	INTRA GOVERNMENTAL SALES	3,465,027	3,550,140	2,910,931	3,026,184	5,241,058	5,494,094
	Total	\$ 3,699,061	\$ 3,741,938	\$ 4,065,897	\$ 4,443,446	\$ 6,670,228	\$ 5,852,094
	Information Technology						
	INVESTMENT INCOME	(11,528)	(18,585)				
	MISCELLANEOUS REVENUE		6,114				190,926
	OPERATING TRANSFERS	1,049,000	950,000	950,000	950,000	5,269,186	5,113,394
	Total	\$ 1,037,472	\$ 937,529	\$ 950,000	\$ 950,000	\$ 5,269,186	\$ 5,304,320
	Park Service Headquarters						
	INVESTMENT INCOME	(686)	34				
	INTRA GOVERNMENTAL SALES	122,250	100,104	115,104	115,104	132,752	132,752
	Total	\$ 121,564	\$ 100,138	\$ 115,104	\$ 115,104	\$ 132,752	\$ 132,752
	Project Management						
	CHARGES FOR SERVICES					1,639,074	1,644,385
	OPERATING TRANSFERS					425,939	447,055
	Total	\$ -	\$ -	\$ -	\$ -	\$ 2,065,013	\$ 2,091,440
	Insurance						
	LICENSES, PERMITS & REGISTRATION						
	INVESTMENT INCOME	41,553	31,315	60,000	60,000	60,000	
	MISCELLANEOUS REVENUE	35,231					
	PRIOR YEAR SURPLUS			1,975,000		3,330,500	1,555,400
	OPERATING TRANSFERS	15,549,421	19,188,169	17,032,749	17,032,749	17,573,505	19,560,044
	CONTRIBUTIONS	85,763	212,281	31,689	48,478	6,474	
	Total	\$ 15,711,968	\$ 19,431,765	\$ 19,099,438	\$ 17,141,227	\$ 20,970,479	\$ 21,115,444
Permanent	Elizabeth Dean Fund						
	CHARGES FOR SERVICES						
	INVESTMENT INCOME	170,974	(4,016)	89,799	89,799	87,387	89,821
	Total	\$ 170,974	\$ (4,016)	\$ 89,799	\$ 89,799	\$ 87,387	\$ 89,821
Pension Trust	VEBA						
	INVESTMENT INCOME	(1,206,940)	2,803,544				
	OPERATING TRANSFERS	6,866,489	7,781,184	3,832,325		8,091,720	9,224,020
	CONTRIBUTIONS		22,688				
	Total	\$ 5,659,549	\$ 10,607,416	\$ 3,832,325	\$ -	\$ 8,091,720	\$ 9,224,020
	Employees' Retirement System						
	INVESTMENT INCOME	51,987,069	49,127,518				
	MISCELLANEOUS REVENUE	107,383	65,642				
	PRIOR YEAR SURPLUS			26,873,002	26,873,002	31,980,210	34,823,128
	OPERATING TRANSFERS	2,485,304	2,504,689				
	CONTRIBUTIONS	137,269	134,175				
	Total	\$ 54,717,025	\$ 51,832,024	\$ 26,873,002	\$ 26,873,002	\$ 31,980,210	\$ 34,823,128
Special Revenue	Energy Projects						
	INVESTMENT INCOME	4,504	1,333	3,000	3,000	2,000	2,000
	PRIOR YEAR SURPLUS					94,723	107,785
	OPERATING TRANSFERS	139,079	158,224	156,259	156,259	53,645	50,215
	CONTRIBUTIONS	9,632	9,632	9,632	9,632	9,632	
	Total	\$ 153,215	\$ 169,189	\$ 168,891	\$ 168,891	\$ 160,000	\$ 160,000

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Parks Maint & Repair Millage						
	TAXES	1,670,480					
	CHARGES FOR SERVICES	1,957					
	INVESTMENT INCOME	35,113	1,607				
	MISCELLANEOUS REVENUE	266	8,459				
	PRIOR YEAR SURPLUS						
	OPERATING TRANSFERS						
	INTRA GOVERNMENTAL SALES	7,140					
	Total	\$ 1,714,956	\$ 10,066	\$ -	\$ -	\$ -	\$ -
	Parks Repair And Restoration Millage						
	TAXES		1,779,677	1,870,328	1,870,017	1,885,000	1,939,000
	LICENSES, PERMITS & REGISTRATION			700			
	INVESTMENT INCOME		11,406				
	CHARGES FOR SERVICES		1,815	3,000	1,800	2,200	2,300
	Total	\$ -	\$ 1,792,898	\$ 1,874,028	\$ 1,871,817	\$ 1,887,200	\$ 1,941,300
	Local Law Enforcement Block Grant						
	INTERGOVERNMENTAL REVENUES	222,426	24,882				
	OPERATING TRANSFERS		11,013				
	INVESTMENT INCOME	684	230				
	Total	\$ 223,110	\$ 36,125	\$ -	\$ -	\$ -	\$ -
	Mi Edc Smart Zone Grant						
	INVESTMENT INCOME	457	(110)				
	Total	\$ 457	\$ (110)	\$ -	\$ -	\$ -	\$ -
	Community Television Network						
	LICENSES, PERMITS & REGISTRATION	1,461,217	1,285,139	1,209,600	1,216,000	1,270,080	1,333,584
	CHARGES FOR SERVICES	20,284					
	INVESTMENT INCOME	57,871	22,942	45,000	30,000	36,000	36,000
	MISCELLANEOUS REVENUE	1,135	1,252		500	7,375	7,375
	PRIOR YEAR SURPLUS			139,100	179,245		
	Total	\$ 1,540,507	\$ 1,309,333	\$ 1,393,700	\$ 1,425,745	\$ 1,313,455	\$ 1,376,959
	Parks Rehab & Development Mill						
	TAXES	1,670,480	1,745,337	1,834,284	1,885,701	1,939,024	1,993,317
	INTERGOVERNMENTAL REVENUES	199,079	386,130	117,970	110,011		
	CHARGES FOR SERVICES						
	INVESTMENT INCOME	93,788	31,005	53,450	54,000	54,000	54,000
	MISCELLANEOUS REVENUE		541				
	PRIOR YEAR SURPLUS			1,761,616	1,885,696		
	OPERATING TRANSFERS						
	CONTRIBUTIONS	127,536	17,769	45,000			
	Total	\$ 2,090,883	\$ 2,180,782	\$ 3,812,320	\$ 3,935,408	\$ 1,993,024	\$ 2,047,317
	Major Street						
	TAXES	160	2,665	200			
	INTERGOVERNMENTAL REVENUES	5,477,229	6,146,775	5,819,008	5,890,800	6,006,547	6,486,834
	CHARGES FOR SERVICES	1,309		2,000	250	200	200
	INVESTMENT INCOME	176,090	17,716	160,000	170,000	170,000	170,000
	MISCELLANEOUS REVENUE	85,638	117,507	24,500	14,000	12,000	12,000
	PRIOR YEAR SURPLUS			44,635		597,891	763,738
	OPERATING TRANSFERS	527,499	530,398	520,000	520,000	645,000	645,000
	INTRA GOVERNMENTAL SALES	39,720	526,339	6,000	49,840	43,000	43,200
	Total	\$ 6,307,645	\$ 7,341,400	\$ 6,576,343	\$ 6,644,890	\$ 7,474,638	\$ 8,120,972
	Local Street						
	INTERGOVERNMENTAL REVENUES	1,544,045	1,674,710	1,620,910	1,621,545	1,651,085	1,686,408
	INVESTMENT INCOME	48,463	6,504	49,000	45,000	45,900	50,250
	OPERATING TRANSFERS	150,000	153,000	150,000	150,000	150,000	150,000
	INTRA GOVERNMENTAL SALES	188					
	Total	\$ 1,742,696	\$ 1,834,214	\$ 1,819,910	\$ 1,816,545	\$ 1,846,985	\$ 1,886,658

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Court Facilities						
	FINES & FORFEITS	218,650	225,313	220,000	220,000	225,000	225,000
	PRIOR YEAR SURPLUS						750,000
	INVESTMENT INCOME	14,564	3,016				
	Total	\$ 233,214	\$ 228,329	\$ 220,000	\$ 220,000	\$ 225,000	\$ 975,000
	Open Space & Parkland Preservation						
	TAXES	1,767,522	1,847,226	1,941,624	1,991,374	1,995,945	2,052,258
	CHARGES FOR SERVICES		87,115				
	INVESTMENT INCOME	100,318	36,198				
	MISCELLANEOUS REVENUE						
	PRIOR YEAR SURPLUS			3,785,313	208,626	3,339,478	100,000
	OPERATING TRANSFERS						
	Total	\$1,867,840	\$1,970,539	\$5,726,937	\$2,200,000	\$5,335,423	\$2,152,258
	Bandemer Property						
	CHARGES FOR SERVICES			3,600		4,200	4,200
	INVESTMENT INCOME	4,188	706	4,180	4,180	4,180	4,180
	MISCELLANEOUS REVENUE	36,000	36,000	30,000	34,200	13,238	
	Total	\$40,188	\$36,706	\$37,780	\$38,380	\$21,618	\$8,380
	Construction Code Fund						
	LICENSES, PERMITS & REGISTRATION			1,893,400	1,912,900	2,252,293	2,317,219
	INVESTMENT INCOME					2,000	2,600
	MISCELLANEOUS REVENUE					300,000	100,000
	Total			\$1,893,400	\$1,912,900	\$2,554,293	\$2,419,819
	Drug Enforcement						
	FINES & FORFEITS	16,255	1,974	7,000	7,768	7,000	7,000
	INVESTMENT INCOME	657	102				
	PRIOR YEAR SURPLUS			5,000	5,000	5,000	5,000
	Total	\$16,912	\$2,076	\$12,000	\$12,768	\$12,000	\$12,000
	Federal Equitable Sharing Forf						
	CHARGES FOR SERVICES	13,336	210,693	5,000			
	INVESTMENT INCOME	1,249	(462)	5,000			
	PRIOR YEAR SURPLUS			96,000		37,686	
	Total	\$ 14,585	\$ 210,231	\$ 106,000	\$ -	\$ 37,686	\$ -
	Parks Memorials & Contributions						
	CONTRIBUTIONS				55,000	70,000	70,000
	Total	\$ -	\$ -	\$ -	\$ 55,000	\$ 70,000	\$ 70,000
	Ann Arbor Assistance						
	INVESTMENT INCOME	19	35	50	50	50	50
	CONTRIBUTIONS	6,150	6,270	6,000	6,000	5,600	5,600
	Total	\$ 6,169	\$ 6,305	\$ 6,050	\$ 6,050	\$ 5,650	\$ 5,650
	Police And Fire Relief						
	INVESTMENT INCOME	15,867	3,703	12,000	12,000	10,000	10,000
	Total	\$ 15,867	\$ 3,703	\$ 12,000	\$ 12,000	\$ 10,000	\$ 10,000
	Cemetery Perpetual Care						
	CHARGES FOR SERVICES	4,000	2,420	3,200	4,500	4,500	4,500
	INVESTMENT INCOME	1,005	160				
	Total	\$ 5,005	\$ 2,580	\$ 3,200	\$ 4,500	\$ 4,500	\$ 4,500

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Street Repair Millage						
	TAXES	7,148,127	7,468,908	7,850,466	7,850,406	8,242,925	8,655,071
	INTERGOVERNMENTAL REVENUES	463,100	123,270				
	CHARGES FOR SERVICES	206,026	355,889				
	INVESTMENT INCOME	445,144	189,885	450,000			
	MISCELLANEOUS REVENUE	39,136					
	PRIOR YEAR SURPLUS			175,833		132,800	
	OPERATING TRANSFERS	4,748,182	40,746	1,390,000	1,737,206		
	CONTRIBUTIONS	441,000	107,876			16,526	
	Total	\$ 13,490,715	\$ 8,286,574	\$ 9,866,299	\$ 9,587,612	\$ 8,392,251	\$ 8,655,071
	Alternative Transportation						
	CHARGES FOR SERVICES		30,000				
	INVESTMENT INCOME		(1,601)				
	PRIOR YEAR SURPLUS						244,629
	OPERATING TRANSFERS		427,500	364,721		375,677	383,191
	Total	\$ -	\$ 455,899	\$ 364,721	\$ -	\$ 375,677	\$ 627,820
	Michigan Justice Training						
	INTERGOVERNMENTAL REVENUES	38,293	19,118	30,000		30,000	30,000
	INVESTMENT INCOME	1,610	549	2,000		1,000	1,000
	MISCELLANEOUS REVENUE						
	PRIOR YEAR SURPLUS			15,000		15,000	15,000
	Total	\$ 39,903	\$ 19,667	\$ 47,000	\$ -	\$ 46,000	\$ 46,000
	Affordable Housing						
	INVESTMENT INCOME	15,402	3,671	5,000	5,000	5,000	5,000
	MISCELLANEOUS REVENUE	166,576	120,137	8,900	8,900	39,500	39,500
	PRIOR YEAR SURPLUS			513,944	513,944	641,859	691,859
	OPERATING TRANSFERS	125,000	100,000	100,000	100,000	100,000	100,000
	SALE OF BONDS		2,075,000				
	Total	\$ 306,978	\$ 2,298,808	\$ 627,844	\$ 627,844	\$ 786,359	\$ 836,359
	Comm Develop Block Grant						
	INTERGOVERNMENTAL REVENUES	1,941,994	1,567,723	1,826,300	1,331,287	2,185,514	1,907,346
	MISCELLANEOUS REVENUE		1,575	5,000	5,000		
	Total	\$ 1,941,994	\$ 1,569,298	\$ 1,831,300	\$ 1,336,287	\$ 2,185,514	\$ 1,907,346
	Home Program						
	INTERGOVERNMENTAL REVENUES	311,057	324,579	3,534,924	2,774,211	2,272,543	2,356,727
	MISCELLANEOUS REVENUE		(220)				
	Total	\$ 311,057	\$ 324,359	\$ 3,534,924	\$ 2,774,211	\$ 2,272,543	\$ 2,356,727
	Leslie Homestead						
	CHARGES FOR SERVICES	77,671	70,776				
	INVESTMENT INCOME	(2,425)	882				
	MISCELLANEOUS REVENUE	73,229	88,878				
	OPERATING TRANSFERS	28,000	33,007				
	CONTRIBUTIONS	27,711	33,009				
	Total	\$ 204,186	\$ 226,552	\$ -	\$ -	\$ -	\$ -
	Major Grant Programs Fund						
	INTERGOVERNMENTAL REVENUES	571,914	323,204	9,000	34,995		
	INVESTMENT INCOME	(4,587)	1,949				
	OPERATING TRANSFERS	108,957		274,515		112,100	112,100
	CONTRIBUTIONS	2,283	1,481				
	INTRAGOVERNMENTAL SALES		231,566		14,709		
	Total	\$ 678,567	\$ 558,200	\$ 283,515	\$ 49,704	\$ 112,100	\$ 112,100

Revenue Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
Component Unit	DDA/Housing Fund						
	INVESTMENT INCOME	17,786	6,852	23,421	14,000	26,921	31,439
	SALE OF BONDS		1,425,000				
	OPERATING TRANSFERS	200,000		200,000	20,000	200,000	200,000
	Total	\$ 217,786	\$ 1,431,852	\$ 223,421	\$ 34,000	\$ 226,921	\$ 231,439
	Downtown Development Authority						
	TAXES	3,171,528	4,124,929	3,200,797	3,200,797	3,280,637	3,295,039
	INVESTMENT INCOME	260,767	84,576	285,204	250,000	268,589	245,942
	MISCELLANEOUS REVENUE	135,000			5,000		
	PRIOR YEAR SURPLUS			2,270,528		137,318	72,563
	CONTRIBUTIONS						
	Total	\$ 3,567,295	\$ 4,209,505	\$ 5,756,529	\$ 3,455,797	\$ 3,686,544	\$ 3,613,544
	DDA Sidewalk & Streetscapes						
	INVESTMENT INCOME					12,500	12,500
	MISCELLANEOUS REVENUE				420,000	420,000	420,000
	Total	\$ -	\$ -	\$ -	\$ 420,000	\$ 432,500	\$ 432,500
	DDA Parking Maintenance						
	INVESTMENT INCOME					105,000	105,000
	PRIOR YEAR SURPLUS					124,437	366,148
	OPERATING TRANSFERS				3,486,405	1,162,135	1,162,135
	Total	\$ -	\$ -	\$ -	\$ 3,486,405	\$ 1,391,572	\$ 1,633,283
	DDA Parking System						
	CHARGES FOR SERVICES	11,592,052	5,596,073	10,757,545	10,746,802	11,157,031	11,157,031
	INVESTMENT INCOME	28,104	100,862	334,867	334,867	264,261	252,899
	MISCELLANEOUS REVENUE	266,741	(124)	(520)		500	500
	PRIOR YEAR SURPLUS			754,137		379,344	634,857
	OPERATING TRANSFERS	563,198	652,100	551,700			
	Total	\$ 12,450,095	\$ 6,348,911	\$ 12,397,729	\$ 11,081,669	\$ 11,801,136	\$ 12,045,287
City Totals	Total City Revenues						
	TAXES	64,579,375	68,372,527	72,714,054	72,792,888	75,804,074	78,570,947
	LICENSES, PERMITS & REGISTRATION	4,462,679	4,532,607	4,349,793	4,414,603	4,737,170	4,900,885
	INTERGOVERNMENTAL REVENUES	23,614,448	22,796,991	24,851,930	23,401,549	22,848,389	22,850,015
	CHARGES FOR SERVICES	52,378,524	51,150,489	58,826,179	57,944,089	61,294,793	64,234,536
	FINES & FORFEITS	5,887,892	5,268,886	5,851,024	5,700,499	5,614,820	5,621,745
	INVESTMENT INCOME	54,197,569	52,990,213	3,321,709	2,495,908	2,517,149	2,468,440
	MISCELLANEOUS REVENUE	1,622,643	662,509	837,891	602,112	617,629	570,913
	PRIOR YEAR SURPLUS			61,421,188	32,955,379	69,208,511	60,465,184
	OPERATING TRANSFERS	38,026,690	45,639,279	39,991,568	33,413,391	54,941,891	49,594,370
	CONTRIBUTIONS	884,751	983,751	361,821	252,983	2,212,232	4,351,600
	SALE OF BONDS		3,500,000	14,463,304		15,335,712	47,123,334
	INTRA GOVERNMENTAL SALES	10,678,748	10,807,108	9,779,395	9,498,597	11,136,980	11,654,689
	Total	\$256,333,319	\$266,704,360	\$296,769,856	\$243,471,998	\$326,269,350	\$352,406,658

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 U.S. Department of Housing and Urban Development for Community Development Block Grants and HOME grants, as well as allocated General Fund monies.

2005-2006 All Funds Expenditure Analysis by Service Area

	Total Expenditures	Mayor & Council	City Attorney	City Administrator	Community Services	Financial Services	Public Services	Safety Services	15th District Court	Non-departmental	Other
0010 GENERAL	76,965,738	\$305,185	\$1,658,515	\$1,846,867	\$8,585,303	\$3,632,840	\$10,236,230	\$36,020,203	\$3,686,653	\$10,993,942	
0042 WATER SUPPLY SYSTEM	24,242,750						24,242,750				
0043 SEWAGE DISPOSAL SYSTEM	21,000,940						21,000,940				
0048 AIRPORT	738,686						738,686				
0069 STORMWATER SEWER SYSTEM	5,026,190						5,026,190				
0011 CENTRAL STORES	1,317,349						1,317,349				
0012 FLEET SERVICES	6,621,992						6,621,992				
0015 PARKS SERVICE HEADQUARTERS	132,752						132,752				
0049 PROJECT MANAGEMENT	2,065,013						2,065,013				
0057 INSURANCE	20,970,479			15,401,456		2,738,523				2,830,500	
0055 ELIZABETH R DEAN TRUST	87,387						87,387				
0006 PARKS REPAIR AND RESTORATION MILLAGE	1,887,200				342,038		1,545,162				
0021 MAJOR STREET	7,474,338						7,474,338				
0022 LOCAL STREET	1,846,985						1,846,985				
0062 STREET REPAIR MILLAGE	8,392,251						8,392,251				
0072 SOLID WASTE FUND	11,841,375						11,841,375				
0002 ENERGY PROJECTS	160,000						160,000				
0070 AFFORDABLE HOUSING	786,359				786,359						
0024 OPEN SPACE & PARKLAND PRESERVATION	5,335,423				5,335,423						
0025 BANDEMER PROPERTY	21,618				21,618						
0026 CONSTRUCTION CODE FUND	2,554,293				2,554,293						
0046 MARKET	128,742				128,742						
0038 ANN ARBOR ASSISTANCE	5,650				5,650						
0047 GOLF ENTERPRISE	1,282,803				1,282,803						
0016 COMMUNITY TELEVISION NETWORK	1,313,455				1,313,455						
0018 PARKS REHAB & DEVELOPMENT MILLAGE	1,662,163				1,662,163						
0034 PARKS MEMORIALS & CONTRIBUTIONS	70,000				70,000						
0078 COMMUNITY DEVELOPMENT BLOCK GRANT	2,185,514				2,185,514						
0090 HOME PROGRAM	2,272,543				2,272,543						
0014 INFORMATION TECHNOLOGY	4,623,648					4,623,648					
0027 DRUG ENFORCEMENT	12,000							12,000			
0028 FEDERAL EQUITABLE SHARING FORFEITURES	37,686							37,686			
0064 MICHIGAN JUSTICE TRAINING	42,000							42,000			
0023 COURT FACILITIES	206,000								206,000		
0035 GENERAL DEBT SERVICE	5,897,200									5,897,200	
0060 GENERAL DEBT/SPECIAL ASSESSMENTS	438,849									438,849	
0061 ALTERNATIVE TRANSPORTATION	375,677										375,677
0031 SPECIAL ASSESSMENTS	150,000										150,000
0074 2005-06 SEWER BOND	1,004,513										1,004,513
0076 SEWER BOND SERIES XIX 2004	10,419,083										10,419,083
0082 2005-06 STORMWATER BOND	417,200										417,200
0092 2005-06 WATER BOND	4,206,816										4,206,816
0095 WATER BOND SERIES Z 2004	5,980,536										5,980,536
0097 ENVIRONMENTAL BOND ISSUE	3,099,200										3,099,200
0004 MAINTENANCE FACILITY	12,220,660										12,220,660
0008 MUNICIPAL CENTER	7,088,000										7,088,000
0052 VEBA TRUST	150,821										150,821
0059 EMPLOYEES RETIREMENT SYSTEM	31,980,210										31,980,210
0001 DDA/HOUSING FUND	76,325										76,325
0003 DOWNTOWN DEVELOPMENT AUTHORITY	3,686,544										3,686,544
0030 DDA-SIDEWALK & STREETSCAPES	100,000										100,000
0033 DDA PARKING MAINTENANCE	1,391,572										1,391,572
0063 DDA PARKING SYSTEM	11,801,136										11,801,136
	\$313,795,664	\$305,185	\$1,658,515	\$17,248,323	\$26,545,904	\$10,995,011	\$102,729,400	\$36,111,889	\$3,892,653	\$20,160,491	\$94,148,293

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07	
General	General							
	PERSONNEL SERVICES	37,704,941	38,497,074	37,505,980	36,568,459	33,616,573	33,194,171	
	PAYROLL FRINGES/INSURANCE	13,137,132	14,475,685	13,032,990	13,595,065	13,645,740	16,203,114	
	OTHER SERVICES	11,832,483	11,149,251	8,484,922	8,740,097	11,163,005	9,200,911	
	MATERIALS & SUPPLIES	1,674,675	1,219,618	1,279,044	1,240,497	1,171,439	1,168,503	
	OTHER CHARGES	2,194,233	2,725,467	2,427,054	2,110,550	5,449,877	5,446,503	
	PASS THROUGHGS	9,458,213	12,266,489	12,295,159	12,167,076	9,797,319	9,893,624	
	CAPITAL OUTLAY	1,236,294	935,791	384,436	304,096	300,960	321,280	
	VEHICLE OPERATING COSTS	328,244	307,768	64,306	59,149	44,725	40,525	
	COMMUNITY DEVELOPMENT RECIPIENTS	1,409,545	1,303,777	1,479,328	1,445,973	1,400,000	1,331,401	
	EMPLOYEE ALLOWANCES	375,800	450,700	350,304	367,954	376,100	375,600	
	Total		\$79,351,560	\$83,331,620	\$77,303,523	\$76,598,916	\$76,965,738	\$77,175,632
	Debt Service	General Debt Service						
		OTHER SERVICES	6,352	9,124				
OTHER CHARGES		4,063,622	4,298,300	4,391,557	4,391,557	5,897,200	5,823,543	
PASS THROUGHGS		270,093	259,593					
Total		\$4,340,067	\$4,567,017	\$4,391,557	\$4,391,557	\$5,897,200	\$5,823,543	
Special Assessments								
OTHER CHARGES		535,233	539,512	495,337	495,337	438,849	413,369	
Total		\$535,233	\$539,512	\$495,337	\$495,337	\$438,849	\$413,369	
Capital Projects		Environmental Bonds						
		PERSONNEL SERVICES		3,628				
	PAYROLL FRINGES/INSURANCE		483					
	OTHER SERVICES		119,741					
	MATERIALS & SUPPLIES		11,123					
	OTHER CHARGES					3,099,200	1,501,000	
	CAPITAL OUTLAY		7,125					
	Total		\$142,100			\$3,099,200	\$1,501,000	
	General Capital Improvements							
	PERSONNEL SERVICES		20,935					
	PAYROLL FRINGES/INSURANCE		4,160					
	OTHER SERVICES		276,674					
	MATERIALS & SUPPLIES		301					
	OTHER CHARGES		57,648	786,617				
	CAPITAL OUTLAY		(212,448)	285,000				
	Total		\$147,270	\$1,071,617				
	Maintenance Facility							
	PERSONNEL SERVICES		45,583					
	PAYROLL FRINGES/INSURANCE		6,774					
	OTHER SERVICES		228,812					
MATERIALS & SUPPLIES		43,070						
OTHER CHARGES		46,147			2,079,390	1,733,000		
PASS THROUGHGS		1,300,000						
CAPITAL OUTLAY		552,850			10,141,270	6,267,000		
Total		\$2,223,236			\$12,220,660	\$8,000,000		
Municipal Center								
OTHER CHARGES					821,300	1,253,250		
CAPITAL OUTLAY					6,266,700	15,276,750		
Total					\$7,088,000	\$16,530,000		
Special Assessments								
CAPITAL OUTLAY					150,000	150,000		
Total					\$150,000	\$150,000		
Enterprise	Hydropower Operating Fund							
	PERSONNEL SERVICES	21,336	17,563					
	PAYROLL FRINGES/INSURANCE	2,183	5,436					
	OTHER SERVICES	35,061	98,411					
	MATERIALS & SUPPLIES	7,889	2,310					
	OTHER CHARGES	381,285	374,063	22,972	22,171			
	PASS THROUGHGS			400,000	400,000			
Total	\$447,754	\$497,783	\$422,972	\$422,171				

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Water Supply System						
	PERSONNEL SERVICES	3,371,474	4,223,405	3,835,687	3,835,477	4,059,771	4,177,437
	PAYROLL FRINGES/INSURANCE	1,212,286	1,465,839	1,645,607	1,674,520	1,649,144	1,984,286
	OTHER SERVICES	3,013,186	2,918,688	3,836,693	3,613,964	3,852,629	4,073,717
	MATERIALS & SUPPLIES	1,810,472	1,509,115	1,765,485	1,778,274	1,934,894	1,981,125
	OTHER CHARGES	5,376,783	5,882,846	7,926,144	7,090,044	8,120,813	8,961,779
	PASS THROUGHGS	79,522	112,000	633,433	633,433	3,216,049	356,087
	CAPITAL OUTLAY	(176,314)	(650,646)	593,305	529,405	1,274,450	962,938
	VEHICLE OPERATING COSTS	55,430	76,533	63,684	113,100	135,000	136,400
	Total	\$14,742,839	\$15,537,780	\$20,300,038	\$19,268,217	\$24,242,750	\$22,633,769
	Water Bond Series Z 2004						
	PERSONNEL SERVICES					187,808	94,513
	PAYROLL FRINGES/INSURANCE					51,057	31,394
	OTHER SERVICES		54,441			679,500	178,750
	OTHER CHARGES					612,171	2,278,500
	PASS THROUGHGS		3,095,565				
	CAPITAL OUTLAY					4,450,000	
	Total		\$3,150,006			\$5,980,536	\$2,583,157
	2005-06 Water Bond						
	PERSONNEL SERVICES					117,325	107,338
	PAYROLL FRINGES/INSURANCE					33,795	33,748
	OTHER SERVICES					40,000	
	OTHER CHARGES					3,865,696	3,661,881
	CAPITAL OUTLAY					150,000	
	Total					\$4,206,816	\$3,802,967
	Water Bond Series 2004-A DWRF						
	OTHER SERVICES		23,597				
	Total		\$23,597				
	Sewage Disposal System						
	PERSONNEL SERVICES	2,525,630	2,753,604	3,085,060	3,125,161	3,358,014	3,409,975
	PAYROLL FRINGES/INSURANCE	911,042	1,023,772	1,034,131	969,824	1,379,398	1,601,752
	OTHER SERVICES	3,203,254	3,788,742	3,508,810	3,131,263	3,339,951	3,395,014
	MATERIALS & SUPPLIES	659,278	720,731	777,736	730,898	783,400	805,750
	OTHER CHARGES	6,930,333	5,894,223	7,412,643	7,396,412	7,408,817	8,677,863
	PASS THROUGHGS	13,362	5,862	1,031,372	1,031,372	4,079,791	1,206,607
	CAPITAL OUTLAY	(55,747)	20,506	583,797	499,331	505,294	246,250
	VEHICLE OPERATING COSTS	89,619	115,267	93,600	135,575	146,275	149,260
	Total	\$14,276,771	\$14,322,707	\$17,527,149	\$17,019,836	\$21,000,940	\$19,492,471
	Sewer Bond Series XIX 2004						
	PERSONNEL SERVICES		19,364			155,041	85,378
	PAYROLL FRINGES/INSURANCE		4,261			43,451	27,627
	OTHER SERVICES		84,701			2,757,700	750,000
	MATERIALS & SUPPLIES		1,113				
	PASS THROUGHGS		918,876			1,532,238	1,578,524
	CAPITAL OUTLAY					5,930,653	30,100,000
	Total		\$1,028,315			\$10,419,083	\$32,541,529
	Sewer Bond Series 2004-A SRF						
	PERSONNEL SERVICES		13,468				
	PAYROLL FRINGES/INSURANCE		4,379				
	OTHER SERVICES		134,606				
	Total		\$152,453				
	2005-06 Sewer Bond						
	PERSONNEL SERVICES					29,604	29,757
	PAYROLL FRINGES/INSURANCE					9,409	11,053
	OTHER CHARGES					965,500	1,812,500
	Total					\$1,004,513	\$1,853,310
	2005-06 Stormwater Bond						
	PERSONNEL SERVICES						37,202
	PAYROLL FRINGES/INSURANCE						11,937
	OTHER SERVICES						817,000
	OTHER CHARGES					417,200	1,410,500
	Total					\$417,200	\$2,276,639

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Parking System						
	PERSONNEL SERVICES	(52,823)					
	PAYROLL FRINGES/INSURANCE	4					
	OTHER SERVICES	2,002					
	OTHER CHARGES	910,907	899,041	22,754			
	PASS THROUGHGS	1,799,840					
	Total	\$2,659,930	\$899,041	\$22,754			
	Market						
	PERSONNEL SERVICES	41,626	40,157	46,182	46,966	46,686	46,938
	PAYROLL FRINGES/INSURANCE	9,091	14,665	24,537	13,809	16,733	19,529
	OTHER SERVICES	40,347	62,726	37,344	30,034	21,950	25,198
	MATERIALS & SUPPLIES	8,510	7,039	7,400	11,250	6,089	7,500
	OTHER CHARGES	22,292	24,424	26,574	29,474	37,284	39,231
	CAPITAL OUTLAY		650				
	Total	\$121,866	\$149,661	\$142,037	\$131,533	\$128,742	\$138,396
	Golf Enterprise						
	PERSONNEL SERVICES	673,235	509,403	504,773	459,121	512,452	511,646
	PAYROLL FRINGES/INSURANCE	148,542	142,643	111,638	110,245	134,022	149,281
	OTHER SERVICES	88,129	81,836	93,192	82,273	99,777	99,790
	MATERIALS & SUPPLIES	152,644	126,385	160,805	131,942	170,318	202,925
	OTHER CHARGES	271,813	272,361	326,423	325,177	283,799	301,493
	PASS THROUGHGS	133,591	124,063	33,020	33,020	29,670	27,780
	VEHICLE OPERATING COSTS	44,552	37,716	35,850	33,965	52,765	40,765
	Total	\$1,512,506	\$1,294,407	\$1,265,701	\$1,175,743	\$1,282,803	\$1,333,680
	Airport						
	PERSONNEL SERVICES	318,837	323,484	278,590	258,764	242,769	249,550
	PAYROLL FRINGES/INSURANCE	112,157	131,834	126,486	119,240	132,461	154,395
	OTHER SERVICES	278,576	159,330	164,940	173,657	106,671	89,589
	MATERIALS & SUPPLIES	39,206	28,931	27,000	26,750	27,552	27,398
	OTHER CHARGES	134,794	147,907	215,593	215,583	210,265	291,269
	PASS THROUGHGS	7,935	2,665	6,885	6,885	9,218	8,786
	VEHICLE OPERATING COSTS	(46,319)	12,525	(36,000)	10,900	9,750	9,950
	Total	\$845,186	\$806,676	\$783,494	\$811,779	\$738,686	\$830,937
	Stormwater Sewer System						
	PERSONNEL SERVICES	371,994	449,141	574,420	569,968	668,387	625,532
	PAYROLL FRINGES/INSURANCE	85,994	135,869	140,097	142,491	186,682	203,383
	OTHER SERVICES	514,289	330,848	1,091,450	1,019,795	1,047,270	1,040,475
	MATERIALS & SUPPLIES	66,440	181,638	144,200	130,600	168,400	168,600
	OTHER CHARGES	959,338	981,818	533,451	533,851	1,693,923	617,327
	PASS THROUGHGS	133,712	81,000	604,499	604,499	524,478	533,718
	CAPITAL OUTLAY	(164,034)	(152,496)	561,800	61,300	722,300	1,187,000
	VEHICLE OPERATING COSTS	12,697	8,612	5,750	8,500	14,750	14,750
	Total	\$1,980,430	\$2,016,430	\$3,655,667	\$3,071,004	\$5,026,190	\$4,390,785
	Solid Waste Fund						
	PERSONNEL SERVICES			1,728,059	1,700,923	1,880,257	1,942,851
	PAYROLL FRINGES/INSURANCE			779,647	764,615	887,935	1,031,712
	OTHER SERVICES			4,283,054	4,204,945	5,094,608	5,039,241
	MATERIALS & SUPPLIES			81,851	67,952	73,352	73,730
	OTHER CHARGES			1,914,158	1,918,705	2,721,861	3,965,381
	PASS THROUGHGS	126,896	1,266,205	863,802	863,802	630,981	632,573
	CAPITAL OUTLAY			2,951,650	2,966,160	346,500	
	VEHICLE OPERATING COSTS			68,500	62,000	205,881	262,575
	Total	\$126,896	\$1,266,205	\$12,670,721	\$12,549,102	\$11,841,375	\$12,948,063
Internal Service	Central Stores						
	PERSONNEL SERVICES	182,153	218,424	190,947	193,862	182,287	185,617
	PAYROLL FRINGES/INSURANCE	68,053	60,154	76,893	78,543	90,310	104,479
	OTHER SERVICES	104,341	118,359	118,043	114,700	149,665	153,035
	MATERIALS & SUPPLIES	654,276	578,397	810,600	800,700	803,100	803,100
	OTHER CHARGES	26,631	34,527	57,132	57,132	86,152	92,458
	PASS THROUGHGS	3,513		8,661	8,661	5,835	6,127
	Total	\$1,038,967	\$1,009,861	\$1,262,276	\$1,253,598	\$1,317,349	\$1,344,816

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Fleet Services						
	PERSONNEL SERVICES	940,934	933,535	851,652	887,582	958,675	960,849
	PAYROLL FRINGES/INSURANCE	338,370	351,213	353,872	360,069	391,899	457,789
	OTHER SERVICES	154,887	135,487	67,199	70,126	60,449	62,896
	MATERIALS & SUPPLIES	30,100	25,570	15,650	18,700	15,359	15,132
	OTHER CHARGES	1,055,943	1,189,816	286,569	266,237	244,662	256,349
	PASS THROUGHGS	37,713	2,580	518,281	518,281	2,161,906	665,266
	CAPITAL OUTLAY	(29,440)	(54,887)	1,154,070	1,206,924	1,625,882	801,822
	VEHICLE OPERATING COSTS	1,069,696	1,109,008	1,144,100	1,152,560	1,163,160	1,191,935
	Total	\$3,598,203	\$3,692,322	\$4,391,393	\$4,480,479	\$6,621,992	\$4,412,038
	Information Technology						
	PERSONNEL SERVICES	144,915				1,314,788	1,315,088
	PAYROLL FRINGES/INSURANCE	5,579				432,762	502,063
	OTHER SERVICES	1,354,994	125,125		134	1,330,021	1,039,964
	MATERIALS & SUPPLIES					17,000	17,000
	OTHER CHARGES	400		39,500	31,677	557,117	1,944,017
	CAPITAL OUTLAY	135,606	169,079			971,960	486,188
	Total	\$1,641,494	\$294,204	\$39,500	\$31,811	\$4,623,648	\$5,304,320
	Parks Service Headquarters						
	PERSONNEL SERVICES	33,097	23,712	37,722	24,400	39,711	40,493
	PAYROLL FRINGES/INSURANCE	12,099	8,802	12,007	8,210	14,819	17,296
	OTHER SERVICES	56,885	53,180	43,193	50,992	64,484	60,123
	MATERIALS & SUPPLIES	10,597	6,531	4,000	4,200	4,000	4,400
	OTHER CHARGES	10,028	6,405	18,182	18,182	9,738	10,440
	Total	\$122,706	\$98,630	\$115,104	\$105,984	\$132,752	\$132,752
	Project Management						
	PERSONNEL SERVICES					975,435	978,508
	PAYROLL FRINGES/INSURANCE					344,251	403,057
	OTHER SERVICES					72,740	74,083
	MATERIALS & SUPPLIES					18,350	18,375
	OTHER CHARGES					598,195	558,958
	PASS THROUGHGS					48,042	50,444
	CAPITAL OUTLAY					8,000	8,015
	Total					\$2,065,013	\$2,091,440
	Insurance						
	PERSONNEL SERVICES	290,771	313,221	175,819	228,883	186,096	186,896
	PAYROLL FRINGES/INSURANCE	6,330	49,657	66,859	73,896	71,808	84,242
	OTHER SERVICES	1,007,144	793,340	892,684	936,570	814,325	866,370
	MATERIALS & SUPPLIES	8,439	6,042	12,950	8,000	11,000	12,000
	OTHER CHARGES	11,565,802	14,113,277	15,969,600	15,717,180	17,056,750	18,910,536
	PASS THROUGHGS			1,930,300	1,925,000	2,830,500	1,055,400
	CAPITAL OUTLAY	2,349					
	Total	\$12,880,835	\$15,275,537	\$19,048,212	\$18,889,529	\$20,970,479	\$21,115,444
Permanent	Elizabeth R Dean Trust						
	PERSONNEL SERVICES	50,497	62,394	48,764	28,005	36,470	36,761
	PAYROLL FRINGES/INSURANCE	12,953	25,552	13,677	5,200	12,200	14,264
	OTHER SERVICES	29,678	13,054	9,865	3,964	15,476	14,256
	MATERIALS & SUPPLIES	18,299	14,899	17,272	7,857	12,415	13,710
	OTHER CHARGES	2,166	3,087	221	5,154	10,826	10,830
	Total	\$113,593	\$118,986	\$89,799	\$50,180	\$87,387	\$89,821
Pension Trust	VEBA Trust						
	OTHER SERVICES	121,975	139,990	150,000	152,000	150,500	154,250
	MATERIALS & SUPPLIES			250	250	250	250
	OTHER CHARGES	4,827	8,343	2,500	2,500	71	78
	Total	\$126,802	\$148,333	\$152,750	\$154,750	\$150,821	\$154,578
	Employees Retirement System						
	PERSONNEL SERVICES	243,536	249,533	286,626	283,321	269,192	242,992
	PAYROLL FRINGES/INSURANCE	19,991,859	20,691,750	20,470,783	18,059,379	21,662,202	22,388,286
	OTHER SERVICES	1,650,527	1,695,032	2,071,250	1,621,300	2,500,850	2,330,350
	MATERIALS & SUPPLIES	4,194	3,029	8,000	2,000	8,000	8,000
	OTHER CHARGES	1,851,816	1,008,016	1,052,695	377,795	522,313	523,965
	PASS THROUGHGS	5,563,590	6,083,674	2,974,648	2,974,648	6,997,653	9,319,535
	CAPITAL OUTLAY	4,426		9,000		20,000	10,000
	Total	\$29,309,948	\$29,731,034	\$26,873,002	\$23,318,443	\$31,980,210	\$34,823,128

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
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Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
Special Revenue	Energy Projects						
	PERSONNEL SERVICES		10,000	20,000	19,534	20,000	20,000
	OTHER SERVICES	6,950	5,305				
	MATERIALS & SUPPLIES	55,892					
	OTHER CHARGES			3,762	3,762		
	CAPITAL OUTLAY	1,085	41,262	140,000	140,466	140,000	140,000
	Total	\$63,927	\$56,567	\$163,762	\$163,762	\$160,000	\$160,000
	Parks Maint & Repair Millage						
	PERSONNEL SERVICES	654,471	(4,551)				
	PAYROLL FRINGES/INSURANCE	110,373	240				
	OTHER SERVICES	651,830	7,116				
	MATERIALS & SUPPLIES	192,386					
	OTHER CHARGES	112,444	9				
	CAPITAL OUTLAY	782,536					
	VEHICLE OPERATING COSTS	31,409					
	Total	\$2,535,449	\$2,814				
	Parks Repair And Restoration Millage						
	PERSONNEL SERVICES		657,180	902,403	797,153	917,964	947,143
	PAYROLL FRINGES/INSURANCE		153,517	217,289	162,354	260,838	307,744
	OTHER SERVICES		340,494	535,822	680,185	538,994	510,057
	MATERIALS & SUPPLIES		137,482	128,421	119,680	89,310	91,960
	OTHER CHARGES		77,096	36,855	71,418	80,090	84,396
	PASS THROUGHGS		15,454	2,000	18,200		
	CAPITAL OUTLAY		34,972	10,000			
	VEHICLE OPERATING COSTS					4	
	Total		\$1,416,195	\$1,832,790	\$1,848,990	\$1,887,200	\$1,941,300
	Local Law Enforcement Block Grant						
	OTHER SERVICES	75,600	6,928				
	MATERIALS & SUPPLIES	37,956	350				
	CAPITAL OUTLAY	109,554	28,846				
	Total	\$223,110	\$36,124				
	Mi Edc Smart Zone Grant						
	OTHER SERVICES			320,000			
	Total			\$320,000			
	Community Television Network						
	PERSONNEL SERVICES	447,945	514,738	556,930	469,626	559,339	563,155
	PAYROLL FRINGES/INSURANCE	127,270	136,423	172,233	171,491	190,364	222,639
	OTHER SERVICES	175,839	184,669	250,000	209,994	194,541	196,151
	MATERIALS & SUPPLIES	13,650	16,542	23,500	17,005	17,000	17,000
	OTHER CHARGES	136,653	153,879	102,637	101,692	119,547	130,014
	PASS THROUGHGS	24,278		69,100	69,000	40,000	40,000
	CAPITAL OUTLAY	86,742	403,185	259,445	310,400	192,664	208,000
	Total	\$1,012,377	\$1,409,436	\$1,433,845	\$1,349,208	\$1,313,455	\$1,376,959
	Parks Rehab & Development Mill						
	PERSONNEL SERVICES	152,844	145,703	65,891	63,096	158,209	155,208
	PAYROLL FRINGES/INSURANCE	51,111	42,194	23,553	22,966	54,223	61,428
	OTHER SERVICES	150,779	162,682	27,566	26,016	26,949	26,774
	MATERIALS & SUPPLIES	14,123	3,602	2,617	712	670	680
	OTHER CHARGES	166,935	187,703	68,441	68,441	1,422,112	1,523,361
	PASS THROUGHGS			3,400			
	CAPITAL OUTLAY	1,435,378	2,031,088				
	Total	\$1,971,170	\$2,572,972	\$191,468	\$181,231	\$1,662,163	\$1,767,451
	Major Street						
	PERSONNEL SERVICES	1,606,825	1,727,554	1,916,908	1,711,613	1,860,761	1,933,037
	PAYROLL FRINGES/INSURANCE	692,848	927,612	905,148	862,788	910,237	1,063,248
	OTHER SERVICES	1,155,456	1,329,176	1,579,426	1,563,844	2,251,793	1,717,113
	MATERIALS & SUPPLIES	485,853	617,914	506,461	485,650	523,371	518,234
	OTHER CHARGES	400,233	642,788	790,161	790,071	821,401	1,681,688
	PASS THROUGHGS	2,060,715	552,995	787,245	787,245	1,105,475	1,119,722
	CAPITAL OUTLAY	10,487	98,980	20,094	4,000	1,000	1,030
	VEHICLE OPERATING COSTS	4,367	12,334	900	600	300	300
	Total	\$6,416,784	\$5,909,353	\$6,506,343	\$6,205,811	\$7,474,338	\$8,034,372

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Local Street						
	PERSONNEL SERVICES	435,980	481,562	478,427	521,801	442,028	435,591
	PAYROLL FRINGES/INSURANCE	74,846	152,890	129,863	131,540	125,991	147,141
	OTHER SERVICES	646,431	522,513	782,630	717,600	754,602	805,882
	MATERIALS & SUPPLIES	139,448	136,608	189,678	202,500	215,000	216,050
	OTHER CHARGES	87,834	115,129	91,906	91,906	104,772	98,602
	PASS THROUGHGS	542,493	118,799	124,433	124,433	204,592	183,392
	CAPITAL OUTLAY	9,800					
	VEHICLE OPERATING COSTS	240		250			
	Total	\$1,937,072	\$1,527,501	\$1,797,187	\$1,789,780	\$1,846,985	\$1,886,658
	Court Facilities						
	PERSONNEL SERVICES		207				
	PAYROLL FRINGES/INSURANCE		45				
	OTHER SERVICES	8,577	32,692	107,500		31,000	6,000
	MATERIALS & SUPPLIES		2,755				
	OTHER CHARGES					160,000	
	PASS THROUGHGS						750,000
	CAPITAL OUTLAY	6,319	66,056	102,000		15,000	
	Total	\$14,896	\$101,755	\$209,500		\$206,000	\$756,000
	Open Space & Parkland Preservation						
	PERSONNEL SERVICES	9,156	9,248	3,486	1,042	13,572	13,572
	PAYROLL FRINGES/INSURANCE	7,886	2,373	845	248	4,535	5,207
	OTHER SERVICES	20,162	43,211	60,000	400,000	350,000	76,042
	MATERIALS & SUPPLIES		779	2,500	200		
	OTHER CHARGES	80,106	80,157	16,425	19,500	4,967,316	2,057,437
	CAPITAL OUTLAY		1,628,377	5,634,904	1,779,010		
	Total	\$117,310	\$1,764,145	\$5,718,160	\$2,200,000	\$5,335,423	\$2,152,258
	Bandemer Property						
	PERSONNEL SERVICES		1,604				
	PAYROLL FRINGES/INSURANCE		542				
	OTHER SERVICES	4,955	292	21,950	1,450	20,450	450
	MATERIALS & SUPPLIES		3,395	3,500	200		
	OTHER CHARGES		5,245	12,146	10,051	1,168	1,232
	Total	\$4,955	\$11,078	\$37,596	\$11,701	\$21,618	\$1,682
	Construction Code Fund						
	PERSONNEL SERVICES			923,773	911,270	963,500	906,101
	PAYROLL FRINGES/INSURANCE			388,401	383,537	435,179	500,627
	OTHER SERVICES			91,206	92,181	142,773	139,996
	MATERIALS & SUPPLIES			13,000	13,053	15,075	13,630
	OTHER CHARGES			346,301	343,947	976,669	819,748
	PASS THROUGHGS					17,097	17,769
	CAPITAL OUTLAY			1,000			
	VEHICLE OPERATING COSTS			4,000	4,000	4,000	4,000
	Total			\$1,767,681	\$1,747,988	\$2,554,293	\$2,401,871
	Drug Enforcement						
	OTHER SERVICES	9,543	5,798	6,500	6,500	6,500	6,500
	MATERIALS & SUPPLIES	2,379					
	CAPITAL OUTLAY	4,445	3,726	5,500	5,500	5,500	5,500
	COMMUNITY DEVELOPMENT RECIPIENTS	9,500					
	Total	\$25,867	\$9,524	\$12,000	\$12,000	\$12,000	\$12,000
	Federal Equitable Sharing Forf						
	MATERIALS & SUPPLIES		3,049				
	CAPITAL OUTLAY		106,671	106,000	106,000	37,686	
	Total		\$109,720	\$106,000	\$106,000	\$37,686	
	Parks Memorials & Contributions						
	MATERIALS & SUPPLIES				5,000	20,000	20,000
	CAPITAL OUTLAY				50,000	50,000	50,000
	Total				\$55,000	\$70,000	\$70,000
	Ann Arbor Assistance						
	COMMUNITY DEVELOPMENT RECIPIENTS	6,090	6,178	6,050	6,050	5,650	5,650
	Total	\$6,090	\$6,178	\$6,050	\$6,050	\$5,650	\$5,650

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
	Street Repair Millage						
	PERSONNEL SERVICES	575,897	552,307	214,243	175,199	476,343	416,549
	PAYROLL FRINGES/INSURANCE	83,385	137,185	44,738	6,626	137,550	144,923
	OTHER SERVICES	1,511,245	2,682,908		100		
	MATERIALS & SUPPLIES	29,906	29,916				
	OTHER CHARGES	824,328	2,755,638	216,959	216,959	7,255,026	8,026,891
	PASS THROUGHGS	687,088		114,912	114,912	339,532	66,708
	CAPITAL OUTLAY	4,479,292	6,909,167			183,800	
	Total	\$8,191,141	\$13,067,121	\$590,852	\$513,796	\$8,392,251	\$8,655,071
	Alternative Transportation						
	PERSONNEL SERVICES		42,605	9,738	9,738	25,674	78,080
	PAYROLL FRINGES/INSURANCE		4,650	2,447	2,447	6,883	26,914
	OTHER SERVICES		64,445				
	MATERIALS & SUPPLIES		1,937				
	OTHER CHARGES		48,662			343,120	522,826
	CAPITAL OUTLAY		198,648				
	Total		\$360,947	\$12,185	\$12,185	\$375,677	\$627,820
	Michigan Justice Training						
	OTHER SERVICES	49,661	29,116	47,000	47,000	42,000	40,000
	Total	\$49,661	\$29,116	\$47,000	\$47,000	\$42,000	\$40,000
	Affordable Housing						
	OTHER SERVICES					5,000	44,500
	OTHER CHARGES					39,500	
	PASS THROUGHGS		34,131	68,075	68,075	68,075	68,075
	CAPITAL OUTLAY		2,075,000				
	COMMUNITY DEVELOPMENT RECIPIENTS	6,975	361,105	559,769	559,769	673,784	723,784
	Total	\$6,975	\$2,470,236	\$627,844	\$627,844	\$786,359	\$836,359
	Comm Develop Block Grant						
	PERSONNEL SERVICES	290,922	222,603	326,738	45,757	204,882	206,010
	PAYROLL FRINGES/INSURANCE	30,389	61,313	81,455	9,887	61,908	73,104
	OTHER SERVICES	10,567	11,590	36,733	10,733	103,593	301,282
	MATERIALS & SUPPLIES	7,998	5,240	8,400	4,900	4,810	4,474
	OTHER CHARGES	235,414	1,349	247,274	74,703	200,275	275
	PASS THROUGHGS			3,000	3,000		
	VEHICLE OPERATING COSTS	511	666	1,550	550	1,000	1,000
	COMMUNITY DEVELOPMENT RECIPIENTS	1,360,750	1,266,028	1,404,426	1,073,677	1,609,046	1,321,201
	Total	\$1,936,551	\$1,568,789	\$2,109,576	\$1,223,207	\$2,185,514	\$1,907,346
	Home Program						
	PERSONNEL SERVICES	50,072	51,623	109,888	109,738	77,433	77,637
	PAYROLL FRINGES/INSURANCE	9,494	22,567	22,284	22,284	24,432	28,788
	OTHER SERVICES		1,920	400	1,050	42,712	41,100
	MATERIALS & SUPPLIES	96				1,200	1,000
	OTHER CHARGES			1,853	1,853	10,200	10,200
	CAPITAL OUTLAY			500			
	COMMUNITY DEVELOPMENT RECIPIENTS	251,107	248,818	3,779,869	2,639,286	2,116,566	2,198,002
	Total	\$310,769	\$324,928	\$3,914,794	\$2,774,211	\$2,272,543	\$2,356,727
	Leslie Homestead						
	PERSONNEL SERVICES	151,661	168,817				
	PAYROLL FRINGES/INSURANCE	18,382	25,302				
	OTHER SERVICES	19,184	18,591				
	MATERIALS & SUPPLIES	8,588	13,212				
	OTHER CHARGES	4,252	5,761				
	Total	\$202,067	\$231,683				
	Major Grant Programs Fund						
	PERSONNEL SERVICES	268,071	204,017	4,443			
	PAYROLL FRINGES/INSURANCE	24,864	49,364	1,004			
	OTHER SERVICES	91,029	127,154				
	MATERIALS & SUPPLIES	14,298	5,139				
	OTHER CHARGES	39,565	23,725				
	CAPITAL OUTLAY	178,239	137,277				
	VEHICLE OPERATING COSTS		10,000				
	EMPLOYEE ALLOWANCES	18,684	4,100				
	Total	\$634,750	\$560,776	\$5,447			

Expenditure Category by Fund

Fund Type	Fund Name/Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
Component Unit	DDA/Housing Fund						
	OTHER SERVICES				5,490	8,000	8,750
	OTHER CHARGES	85,000	14,605		150	250	300
	PASS THROUGHS		34,131	68,075		68,075	68,075
	CAPITAL OUTLAY		1,425,000				
	Total	\$85,000	\$1,473,736	\$68,075	\$5,640	\$76,325	\$77,125
	Downtown Development Authority						
	PERSONNEL SERVICES	62,450	86,163	74,440	131,121	124,970	128,719
	PAYROLL FRINGES/INSURANCE	7,639	11,331	7,565	17,730	26,361	30,420
	OTHER SERVICES	382,173	297,334	1,083,875	503,980	471,141	402,749
	MATERIALS & SUPPLIES	2,959	40,062	5,000	6,000	6,000	6,180
	OTHER CHARGES	125,732	112,469	209,358	53,500	466,866	469,829
	PASS THROUGHS	1,920,203	1,692,780	3,566,291	1,511,935	1,920,206	1,904,497
	CAPITAL OUTLAY	253,806	151,327	810,000		671,000	671,150
	Total	\$2,754,962	\$2,391,466	\$5,756,529	\$2,224,266	\$3,686,544	\$3,613,544
	DDA-Sidewalks & Streetscapes						
	OTHER SERVICES					100,000	100,000
	Total					\$100,000	\$100,000
	DDA Parking Maintenance						
	OTHER SERVICES				203,146	205,000	325,000
	CAPITAL OUTLAY				350,000	1,186,572	1,308,283
	Total				\$553,146	\$1,391,572	\$1,633,283
	DDA Parking System						
	PERSONNEL SERVICES	91,852	167,959	202,546	151,870	168,488	173,543
	PAYROLL FRINGES/INSURANCE	18,345	30,920	39,657	32,145	44,566	50,408
	OTHER SERVICES	4,855,062	2,820,041	6,145,890	6,105,327	5,174,007	5,341,966
	MATERIALS & SUPPLIES	34,883	840	2,000	2,000	2,000	2,060
	OTHER CHARGES	351,331	141,795	193,684	91,058	459,946	499,783
	PASS THROUGHS	4,655,965	4,453,506	4,036,952	4,036,952	5,942,129	5,967,527
	CAPITAL OUTLAY	132,069	27,499	1,777,000	5,000	10,000	10,000
	Total	\$10,139,507	\$7,642,560	\$12,397,729	\$10,424,352	\$11,801,136	\$12,045,287
City Totals	PERSONNEL SERVICES	51,660,299	53,756,967	54,960,135	53,329,450	54,850,505	54,513,838
	PAYROLL FRINGES/INSURANCE	37,310,506	40,361,396	39,925,706	37,801,149	43,473,145	48,097,278
	OTHER SERVICES	33,319,153	31,289,070	35,949,137	34,520,410	43,830,626	39,555,324
	MATERIALS & SUPPLIES	6,185,434	5,504,664	5,997,320	5,816,770	6,119,354	6,218,766
	OTHER CHARGES	38,948,073	42,873,238	46,265,438	42,993,729	80,687,225	86,472,601
	PASS THROUGHS	27,518,722	32,420,368	30,143,543	27,900,429	41,568,861	35,520,236
	CAPITAL OUTLAY	8,442,892	15,982,605	15,389,501	8,267,592	35,307,191	58,161,206
	VEHICLE OPERATING COSTS	1,590,446	1,690,429	1,446,490	1,580,899	1,777,610	1,851,460
	COMMUNITY DEVELOPMENT RECIPIENTS	3,043,967	3,185,906	7,229,442	5,724,755	5,805,046	5,580,038
	EMPLOYEE ALLOWANCES	394,484	454,800	350,304	367,954	376,100	375,600
	Total	\$208,413,976	\$227,519,443	\$237,657,016	\$218,303,137	\$313,795,663	\$336,346,347

FTE Count by Service Area/Unit

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
MAYOR & CITY COUNCIL	1.50	1.00	1.00	1.00	1.00	1.00
Total Mayor & City Council	1.50	1.00	1.00	1.00	1.00	1.00
CITY ATTORNEY	13.75	14.00	12.50	14.00	13.50	13.50
Total City Attorney	13.75	14.00	12.50	14.00	13.50	13.50
CITY ADMINISTRATOR	4.45	4.45	4.80	3.80	3.00	3.00
ENVIRONMENTAL COORDINATION	2.00	2.00	3.00	2.00	0.00	0.00
HUMAN RESOURCES	13.80	13.80	11.80	12.00	12.50	12.50
Total City Administrator Service Area	20.25	20.25	19.60	17.80	15.50	15.50
CITY CLERK	6.32	5.44	4.88	5.12	4.66	4.76
COMMUNITY SERVICES ADMINISTRATION	-	-	-	17.45	0.00	0.00
COMMUNICATIONS OFFICE	11.00	13.00	12.00	12.00	11.73	11.73
DEVELOPMENT	35.00	35.50	29.00	22.00	32.58	31.41
HOUSING & HUMAN SERVICES	8.50	8.50	9.00	8.13	7.13	7.13
MASTER PLANNING	10.75	10.75	9.75	2.21	0.00	0.00
PARKS & RECREATION	32.33	33.55	22.99	18.02	23.79	23.79
Total Community Services Area	103.90	106.74	87.62	84.93	79.89	78.82
ACCOUNTING	15.25	15.25	11.50	10.00	7.25	7.25
ASSESSOR	10.00	10.00	8.00	8.00	8.00	8.00
FINANCIAL & BUDGET PLANNING	3.00	3.00	3.00	4.00	4.00	4.00
INFORMATION TECHNOLOGY	18.85	19.00	17.00	16.75	20.00	20.00
RISK MANAGEMENT	4.00	3.00	3.00	1.00	1.00	1.00
PROCUREMENT					1.00	1.00
TREASURY	15.50	15.50	11.00	9.00	6.00	6.00
Total Financial Services Area	66.60	65.75	53.50	48.75	47.25	47.25
CAPITAL PROJECTS	-	-	-	16.75	17.65	14.84
CUSTOMER SERVICE CENTER	16.00	17.00	14.00	15.70	17.40	18.45
FIELD OPERATIONS	188.32	174.00	154.66	145.55	124.73	124.06
FLEET & FACILITY	27.00	27.00	23.00	21.00	36.26	36.26
PROJECT MANAGEMENT	35.00	35.00	34.00	18.89	17.78	18.43
PUBLIC SERVICES ADMINISTRATION	7.00	6.00	13.35	14.27	12.19	12.19
SYSTEMS PLANNING	-	-	-	6.21	17.40	17.45
WASTEWATER TREATMENT	45.00	39.00	36.00	35.06	32.15	32.17
WATER TREATMENT	32.00	32.00	28.00	24.34	21.56	22.60
Total Public Services Area	350.32	330.00	303.01	297.77	297.12	296.45
FIRE	113.50	115.00	100.08	102.00	94.00	94.00
POLICE	242.43	239.84	236.33	224.84	226.42	226.00
Total Safety Services Area	355.93	354.84	336.41	326.84	320.42	320.00
FIFTEENTH DISTRICT COURT	39.75	40.00	41.00	41.00	41.00	40.00
Total Fifteenth District Court	39.75	40.00	41.00	41.00	41.00	40.00
RETIREMENT SYSTEM	3.50	3.75	3.75	3.75	3.75	3.75
Total Retirement System	3.50	3.75	3.75	3.75	3.75	3.75
DOWNTOWN DEVELOPMENT AUTHORITY	2.00	2.80	3.20	3.20	3.00	3.00
Total Downtown Development Authority	2.00	2.80	3.20	3.20	3.00	3.00
NON-DEPARTMENTAL	1.00	1.00	-	-	-	-
Total Non-departmental	1.00	1.00	0.00	0.00	0.00	0.00
Grand total of City FTEs	958.50	940.13	861.59	839.04	822.43	819.27

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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

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	158,790	171,603	238,608	238,608	237,600	237,600
PAYROLL FRINGES/INSURANCE	21,503	25,060	64,574	63,110	32,988	35,784
OTHER SERVICES	6,820	5,244	13,100	13,100	13,100	13,100
MATERIALS & SUPPLIES	5,513	966	1,050	1,085	1,085	1,085
OTHER CHARGES	2,897	4,047	137	137	20,412	22,453
Total	\$195,523	\$206,920	\$317,469	\$316,040	\$305,185	\$310,022

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	195,523	206,920	317,469	316,040	305,185	310,022
Total	\$195,523	\$206,920	\$317,469	\$316,040	\$305,185	\$310,022

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
MAYOR & CITY COUNCIL	1.00	1.00	1.00	1.00	1.00
Total	1.00	1.00	1.00	1.00	1.00

MAYOR & CITY COUNCIL

EXPENSES

Other Charges – The 2005/06 increase reflects the costs associated with the use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this 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 Mayor and City Council would be charged \$111,571 in 2005/06.

MAYOR & CITY COUNCIL

Allocated Positions

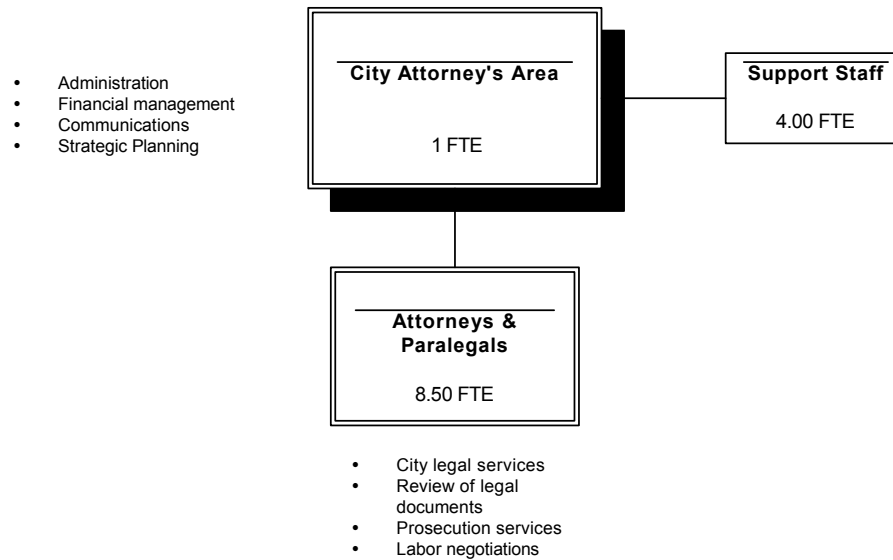
Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
EXECUTIVE ASSISTANT TO MAYOR	401490	1.00	1.00
Total		1.00	1.00



CITY ATTORNEY

The City Attorney's Office performs legal services for the City, including legal advice to City Council, the City Administrator and other 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 litigation and labor matters.

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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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
FINES & FORFEITS	(280)	-	-	-	-	-
MISCELLANEOUS REVENUE	75	-	-	-	-	-
OPERATING TRANSFERS	67,000	112,000	118,000	118,000	118,000	118,000
Total	\$66,795	\$112,000	\$118,000	\$118,000	\$118,000	\$118,000

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	66,795	112,000	118,000	118,000	118,000	118,000
Total	\$66,795	\$112,000	\$118,000	\$118,000	\$118,000	\$118,000

CITY ATTORNEY

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	671,713	851,444	999,546	1,005,754	1,045,231	1,025,244
PAYROLL FRINGES/INSURANCE	182,136	218,831	361,360	362,352	316,112	375,374
OTHER SERVICES	322,502	343,493	162,800	162,400	113,300	68,300
MATERIALS & SUPPLIES	58,865	49,945	52,500	51,000	53,000	53,000
OTHER CHARGES	21,939	30,746	7,389	1,989	117,772	117,846
CAPITAL OUTLAY	12,708	8,284	-	-	13,100	5,000
Total	\$1,269,863	\$1,502,743	\$1,583,595	\$1,583,495	\$1,658,515	\$1,644,764

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	1,269,863	1,502,743	1,583,595	1,583,495	1,658,515	1,644,764
Total	\$1,269,863	\$1,502,743	\$1,583,595	\$1,583,495	\$1,658,515	\$1,644,764

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
CITY ATTORNEY	14.00	12.50	14.00	13.50	13.50
Total	14.00	12.50	14.00	13.50	13.50

CITY ATTORNEY

EXPENSES

Personnel Services – The FY07 decrease reflects the combination of two clerk positions for a decrease of .25 FTE staff. The decrease also reflects the decrease of .25 FTE of attorney. The reduction of staff may reduce efficiency and service.

Other Services – The decrease reflects the anticipated reduction in the use of outside counsel, contract attorneys, and temporary clerical services. Actual numbers may depend upon the labor situation. An adjustment to the budget may be necessary in December 2005 if problems develop regarding additional labor matters.

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 would be charged \$167,683 in 2005/06.

CITY ATTORNEY

Allocated Positions

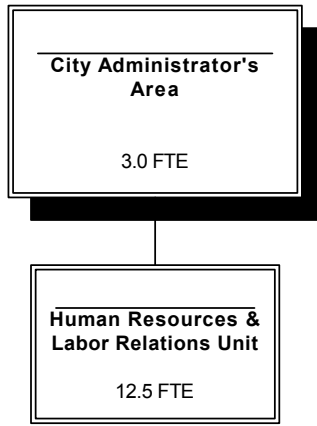
Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ASSISTANT CITY ATTORNEY	403210	1.00	1.00
CHIEF ASST CITY ATTORNEY	403750	1.00	1.00
CITY ATTORNEY	403280	1.00	1.00
LEGAL SECRETARY	000190	2.00	2.00
LEGAL ASSISTANT PARALEGAL	402100	2.00	2.00
LEGAL SUPPORT SPECIALIST	000210	1.00	1.00
OFFICE MANAGER LEGAL DEPT	402010	1.00	1.00
SENIOR ASSISTANT CITY ATTORNEY	403300	4.50	4.50
Total		13.50	13.50

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CITY ADMINISTRATOR SERVICE AREA

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- City Administration
- 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 two service functions: Administration and Human Resources. The City Administrator's Area provides the organization with a broad array of services such as: employee policies, benefits, training, development, and labor relations; public policy analysis, citizen communications, and general City administration.

City Administrator's Area

CITY ADMINISTRATOR SERVICE AREA

Revenues By Service Unit

Service Unit	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CITY ADMINISTRATOR	4,749,733	2,622,771	4,103,407	4,103,407	4,236,321	4,469,327
Total	\$4,749,733	\$2,622,771	\$4,103,407	\$4,103,407	\$4,236,321	\$4,469,327

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	4,749,733	2,622,771	4,103,407	4,103,407	4,236,321	4,469,327
Total	\$4,749,733	\$2,622,771	\$4,103,407	\$4,103,407	\$4,236,321	\$4,469,327

CITY ADMINISTRATOR SERVICE AREA

Expenses By Service Unit

Service Unit	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
HUMAN RESOURCES	1,318,865	14,880,704	15,556,422	15,296,312	16,553,907	18,322,262
CITY ADMINISTRATOR	754,927	553,984	581,429	575,126	601,689	605,515
Total	\$2,073,792	\$15,434,688	\$16,137,851	\$15,871,438	\$17,155,596	\$18,927,777

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INSURANCE (0057)	141,631	13,790,599	14,365,180	14,136,410	15,308,729	17,068,422
GENERAL (0010)	1,932,161	1,644,089	1,772,671	1,735,028	1,846,867	1,859,355
Total	\$2,073,792	\$15,434,688	\$16,137,851	\$15,871,438	\$17,155,596	\$18,927,777

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
CITY ADMINISTRATOR	4.45	4.80	3.80	3.00	3.00
HUMAN RESOURCES	13.80	11.80	12.00	12.50	12.50
Total	18.25	16.60	15.80	15.50	15.50





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 the daily operations of the City. Other responsibilities include organizational development, community relations, intergovernmental relations, public policy analysis, strategic planning, and communications. There are 3.0 FTE employees in the City Administrator's Unit.

CITY ADMINISTRATOR SERVICE AREA
CITY ADMINISTRATOR

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INTRA GOVERNMENTAL SALES	2,949,829	2,622,564	4,103,407	4,103,407	4,236,321	4,469,327
MISCELLANEOUS REVENUE	64	207	-	-	-	-
OPERATING TRANSFERS	1,799,840	-	-	-	-	-
Total	\$4,749,733	\$2,622,771	\$4,103,407	\$4,103,407	\$4,236,321	\$4,469,327

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	4,749,733	2,622,771	4,103,407	4,103,407	4,236,321	4,469,327
Total	\$4,749,733	\$2,622,771	\$4,103,407	\$4,103,407	\$4,236,321	\$4,469,327

**CITY ADMINISTRATOR SERVICE AREA
CITY ADMINISTRATOR**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	491,237	325,730	298,749	300,749	259,612	256,212
PAYROLL FRINGES/INSURANCE	126,158	107,709	109,277	109,277	113,010	132,101
OTHER SERVICES	118,933	99,393	161,400	156,900	189,000	178,000
MATERIALS & SUPPLIES	5,454	4,590	5,600	5,100	5,600	5,500
OTHER CHARGES	13,145	16,562	6,403	3,100	31,967	31,202
CAPITAL OUTLAY	-	-	-	-	2,500	2,500
Total	\$754,927	\$553,984	\$581,429	\$575,126	\$601,689	\$605,515

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	754,927	553,984	581,429	575,126	601,689	605,515
Total	\$754,927	\$553,984	\$581,429	\$575,126	\$601,689	\$605,515

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
CITY ADMINISTRATOR	4.45	4.80	3.80	3.00	3.00
Total	4.45	4.80	3.80	3.00	3.00

CITY ADMINISTRATOR

REVENUES

Intra-governmental Sales- The increase in this revenue reflects the increase in the Municipal Service Charge to various City funds for their share of administrative costs.

EXPENSES

Personnel Services - The decrease in this expense is due to the elimination of the Management Assistant position.

Payroll Fringes/Insurance – The increase for retiree medical insurance costs for FY 2005/06 is \$7,000 and \$8,000 for FY 2006/07. The increase for retirement plan contributions for FY 2005/06 is \$7,000 and \$10,000 for FY 2006/07.

Other Charges – The increase of \$23,678 reflects the new charges to the Transfer to IT Fund.

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 Administrator would be charged \$91,241 in 2005/06.

CITY ADMINISTRATOR

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Deliver Council's annual objectives on or under budget.
- Establish a balanced 2-year performance measurement based budget.
- Update and monitor City's conformance with long-range financial plan.
- Manage City resources so as to help maintain City's Aa bond rating.

❖ Support a safe and reliable municipal infrastructure.

➤ Invest in organizational infrastructure to more effectively deliver services to the community.

- Maintenance facility (Stone School Road).
- Police and Courts Space.
- Municipal Building.

❖ Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.

➤ Improve the quality of life in Ann Arbor, while balancing economic development and the preservation and conservation of natural resources.

- Facilitate policy development process for downtown rezoning.
- Actively represent the City's interests on Washtenaw Development Council (WDC).
- With CFO, develop and implement A2 specific economic development strategy.

CITY ADMINISTRATOR (continued)

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Foster a community with respect for diversity and the open exchange of ideas.**

➤ Increase partnership opportunities with local agencies and organizations.

- Establish at least two new partnerships during next fiscal year.

❖ **Deliver high quality City services in a cost effective manner.**

➤ Implement next stages of performance management system.

- At each work unit, assist in the development of meaningful performance measures.
- Periodically evaluate results and celebrate successes.

➤ Communicate effectively with our customers, both internally and externally.

- Develop new, ongoing communication strategy involving available media.
- Conduct Citizen's survey to collect data regarding City programs and services.
- Implement employee work groups to develop improvement strategies pursuant to Denison survey results.

CITY ADMINISTRATOR SERVICE AREA
CITY ADMINISTRATOR

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ASST TO THE CITY ADMINISTRATOR	403130	1.00	1.00
CITY ADMINISTRATOR	403120	1.00	1.00
OFFICE SUPR CITY ADMINISTRATOR	402020	1.00	1.00
Total		3.00	3.00

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CITY ADMINISTRATOR SERVICE AREA

HUMAN RESOURCES

Human Resources is responsible for employee/labor relations, contract negotiations, employee benefits, compensation, performance management, staffing and training/development, affirmative action, and human resources policies and procedures. There are 12.5 FTE employees in the Human Resources Unit.

**CITY ADMINISTRATOR SERVICE AREA
HUMAN RESOURCES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	746,611	712,769	776,983	776,024	787,992	788,492
PAYROLL FRINGES/INSURANCE	218,062	223,321	273,978	272,976	314,674	369,225
OTHER SERVICES	268,049	262,048	241,940	212,191	159,835	121,588
MATERIALS & SUPPLIES	57,627	26,508	38,100	37,000	40,410	36,740
OTHER CHARGES	25,333	13,651,259	14,215,721	13,998,121	15,246,996	17,004,217
PASS THROUGH	-	-	5,300	-	-	-
CAPITAL OUTLAY	3,183	4,799	4,400	-	4,000	2,000
Total	\$1,318,865	\$14,880,704	\$15,556,422	\$15,296,312	\$16,553,907	\$18,322,262

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INSURANCE (0057)	141,631	13,790,599	14,365,180	14,136,410	15,308,729	17,068,422
GENERAL (0010)	1,177,234	1,090,105	1,191,242	1,159,902	1,245,178	1,253,840
Total	\$1,318,865	\$14,880,704	\$15,556,422	\$15,296,312	\$16,553,907	\$18,322,262

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
HUMAN RESOURCES	13.80	11.80	12.00	12.50	12.50
Total	13.80	11.80	12.00	12.50	12.50

**CITY ADMINISTRATOR SERVICES AREA
HUMAN RESOURCES SERVICES UNIT**

EXPENSES

Payroll Fringes/Insurance – The increase reflects the additional amount needed for retiree health care.

Other Services – This reflects:

- A decrease for Professional/Consulting needs due to the increase in staff expertise;
- A decrease for Parking Space Rent that has been paid out of non-HR funds, and;
- A decrease in Conference, Training & Travel has been made in an effort to reduce costs while maintaining adequate training for staff and \$5,000 training for the Disabilities Commission.

Other Charges –The increase reflects increased costs for retiree and employee fringe benefits. In addition, the increase reflects the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this 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 Human Resources Services Unit would be charged \$238,525 in 2005/06.

**CITY ADMINISTRATOR SERVICES AREA
HUMAN RESOURCES SERVICES UNIT**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Motivate and encourage employees to achieve their potential through performance management, employee development and sustainable incentives.
 - Promote leadership and coaching development opportunities for managers through AALP and other programs.
 - Optimize the performance management system for all salaried employees.
 - Roll out “Total Rewards” compensation/benefits concept to employees.
 - Implement recognition programs.
- Attract, hire and retain high caliber employees through fair employment practices and sustainable high quality benefits and compensation.
 - Investigate and implement alternatives to current benefit programs to realize potential cost efficiencies.
 - Establish wellness program initiatives.
 - Implement health reimbursement accounts for salaried employees.
 - Negotiate eight labor contracts.
 - Study and recommend Pension Plan revisions and alternatives.
 - Facilitate implementation and delivery of strategic staffing planning and analysis.
 - Continue refinement of compensation program, planning, analysis, and salary administration.

**CITY ADMINISTRATOR SERVICES AREA
HUMAN RESOURCES SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

➤ Streamline business processes.

- Utilize technology (AMS/Intranet) to streamline human resource processes, and improve efficiency for managers.
- Head AMS/HRIS system up-grade project, and move toward a web-based, employee self-service environment.
- Develop and maintain consistent and appropriate application of human resources and labor policies, practices and procedures.

CITY ADMINISTRATOR SERVICE AREA
HUMAN RESOURCES

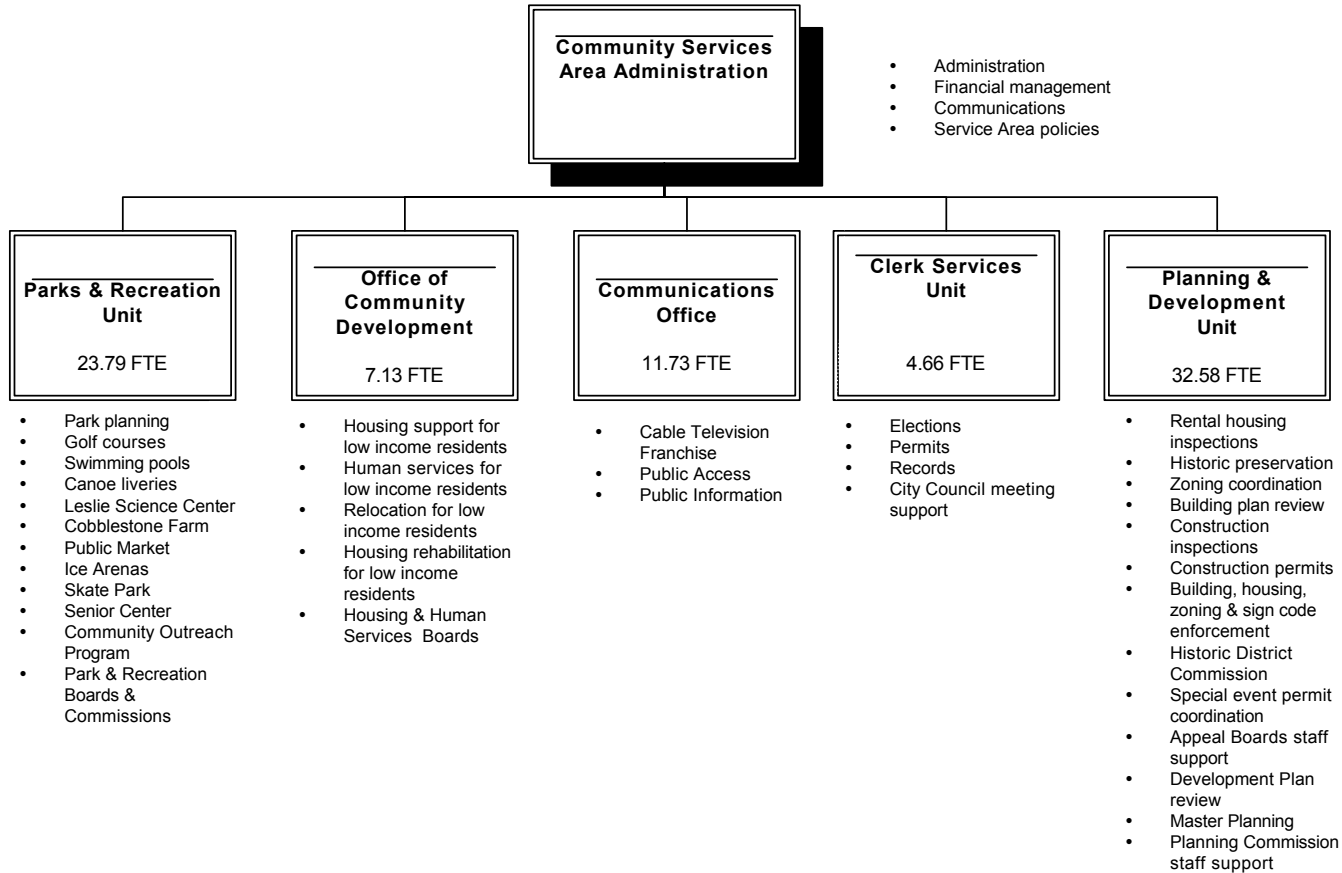
Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
AFSCME PRESIDENT	110500	1.00	1.00
BENEFITS ADMINISTRATOR	404050	1.00	1.00
COMPENSATION & HRMS MANAGER	404070	1.00	1.00
EMP/LABOR RELATIONS CONSULTANT	401150	1.00	1.00
EMPLOYEE BENEFITS MANAGER	403690	1.00	1.00
HR & LABOR RELATIONS MANAGER	403890	1.00	1.00
HRMS CONSULTANT	401110	0.50	0.50
HUMAN RESOURCE ASSISTANT	000250	2.00	2.00
HUMAN RESOURCES RECEPTIONIST	000260	1.00	1.00
MANAGEMENT ASSISTANT	000200	1.00	1.00
STAFF/DEVELOPMENT MANAGER	401040	1.00	1.00
STAFFING & DEVELOPMENT CONSULT	401120	1.00	1.00
Total		12.50	12.50



COMMUNITY SERVICES AREA

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The Community Services Area is comprised of five Service Area Units: Planning & Development, Office of Community Development, Parks & Recreation, Clerk Services, and Communications Office. 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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PARKS & RECREATION SERVICES	7,364,562	7,584,346	13,242,311	9,760,092	11,207,182	8,242,928
OFFICE OF COMMUNITY DEVELOPMENT	2,566,179	4,198,735	6,725,448	4,833,865	5,250,066	5,106,082
PLANNING & DEVELOPMENT SERVICES	3,001,016	3,091,251	3,012,434	3,044,121	3,624,990	3,525,801
COMMUNICATIONS OFFICE	1,555,507	1,309,333	1,433,845	1,425,745	1,313,455	1,376,959
CLERK SERVICES	48,012	126,410	100,394	135,400	139,462	143,646
Total	\$14,535,276	\$16,310,075	\$24,514,432	\$19,199,223	\$21,535,155	\$18,395,416

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
OPEN SPACE & PARKLAND PRESERVATION (0024)	1,867,840	1,970,539	5,726,937	2,200,000	5,335,423	2,152,258
GENERAL (0010)	4,880,715	5,063,598	3,566,437	3,555,445	3,585,731	3,742,525
CONSTRUCTION CODE FUND (0026)	-	-	1,893,400	1,912,900	2,554,293	2,419,819
HOME PROGRAM (0090)	311,057	324,359	3,914,794	2,774,211	2,272,543	2,356,727
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	1,941,994	1,569,298	2,087,287	1,336,287	2,185,514	1,907,346
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	2,090,883	2,180,782	3,812,320	3,935,408	1,993,024	2,047,317
COMMUNITY TELEVISION NETWORK (0016)	1,540,507	1,309,333	1,433,845	1,425,745	1,313,455	1,376,959
GOLF ENTERPRISE (0047)	1,184,892	1,160,587	1,265,701	1,193,636	1,282,803	1,333,680
AFFORDABLE HOUSING (0070)	306,978	2,298,808	627,844	627,844	786,359	836,359
MARKET (0046)	94,322	153,091	142,037	138,317	128,742	138,396
PARKS MEMORIALS & CONTRIBUTIONS (0034)	-	-	-	55,000	70,000	70,000
BANDEMER PROPERTY (0025)	40,188	36,706	37,780	38,380	21,618	8,380
ANN ARBOR ASSISTANCE (0038)	6,150	6,270	6,050	6,050	5,650	5,650
LESLIE HOMESTEAD (0096)	204,186	226,552	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	7,310	7,183	-	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	54,254	2,969	-	-	-	-
CEMETERY PERPETUAL CARE (0054)	4,000	-	-	-	-	-
Total	\$14,535,276	\$16,310,075	\$24,514,432	\$19,199,223	\$21,535,155	\$18,395,416

COMMUNITY SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PARKS & RECREATION SERVICES	8,687,465	9,901,264	11,091,359	7,414,455	12,386,007	9,446,205
OFFICE OF COMMUNITY DEVELOPMENT	4,015,925	5,967,691	8,449,643	6,422,691	7,279,335	7,184,306
PLANNING & DEVELOPMENT SERVICES	3,319,859	3,320,745	4,572,007	4,543,863	4,889,204	4,416,085
COMMUNICATIONS OFFICE	1,044,296	1,404,206	1,433,845	1,349,208	1,313,455	1,376,959
CLERK SERVICES	628,450	577,345	631,030	653,029	677,903	733,889
Total	\$17,695,995	\$21,171,251	\$26,177,884	\$20,383,246	\$26,545,904	\$23,157,444

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	9,187,406	9,034,077	8,537,918	8,479,753	8,585,303	8,480,579
OPEN SPACE & PARKLAND PRESERVATION (0024)	112,599	1,756,640	5,718,160	2,200,000	5,335,423	2,152,258
CONSTRUCTION CODE FUND (0026)	-	-	1,767,681	1,747,988	2,554,293	2,401,871
HOME PROGRAM (0090)	310,163	324,537	3,914,794	2,774,211	2,272,543	2,356,727
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	1,939,809	1,567,571	2,109,576	1,223,207	2,185,514	1,907,346
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	1,954,696	2,565,380	191,468	181,231	1,662,163	1,767,451
COMMUNITY TELEVISION NETWORK (0016)	1,014,780	1,404,206	1,433,845	1,349,208	1,313,455	1,376,959
GOLF ENTERPRISE (0047)	1,512,506	1,294,407	1,265,701	1,175,743	1,282,803	1,333,680
AFFORDABLE HOUSING (0070)	6,975	2,470,236	627,844	627,844	786,359	836,359
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	350,185	407,582	407,592	342,038	328,486
MARKET (0046)	121,866	149,661	142,037	131,533	128,742	138,396
PARKS MEMORIALS & CONTRIBUTIONS (0034)	-	-	-	55,000	70,000	70,000
BANDEMER PROPERTY (0025)	4,955	11,078	37,596	11,701	21,618	1,682
ANN ARBOR ASSISTANCE (0038)	6,090	6,178	6,050	6,050	5,650	5,650
ALTERNATIVE TRANSPORTATION (0061)	-	-	12,185	12,185	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	55,477	4,881	5,447	-	-	-
LESLIE HOMESTEAD (0096)	204,033	231,748	-	-	-	-
PARKS SERVICE HEADQUARTERS (0015)	(398)	466	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,254,648	-	-	-	-	-
DRUG ENFORCEMENT (0027)	9,500	-	-	-	-	-
ELIZABETH R DEAN TRUST (0055)	890	-	-	-	-	-
Total	\$17,695,995	\$21,171,251	\$26,177,884	\$20,383,246	\$26,545,904	\$23,157,444

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
CLERK SERVICES	5.44	4.88	5.12	4.66	4.76
COMMUNICATIONS OFFICE	13.00	12.00	12.00	11.73	11.73
OFFICE OF COMMUNITY DEVELOPMENT	8.50	9.00	9.37	7.13	7.13
PARKS & RECREATION SERVICES	33.55	22.99	22.80	23.79	23.79
PLANNING & DEVELOPMENT SERVICES	46.25	38.75	35.64	32.58	31.41
Total	106.74	87.62	84.93	79.89	78.82





COMMUNITY SERVICES AREA

CLERK SERVICES

The City Clerk's Office is one of five service units in the Community Services Area. It has 4.66 FTEs (05/06) and 4.76 FTEs (06/07) 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
CLERK SERVICES**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INTERGOVERNMENTAL REVENUES	-	70,280	67,000	100,000	100,000	100,000
LICENSES, PERMITS & REGISTRATION	48,012	57,151	33,394	35,400	35,400	35,400
MISCELLANEOUS REVENUE	-	(1,021)	-	-	4,062	8,246
OPERATING TRANSFERS	-	-	-	-	-	-
Total	\$48,012	\$126,410	\$100,394	\$135,400	\$139,462	\$143,646

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	48,012	126,410	100,394	135,400	139,462	143,646
Total	\$48,012	\$126,410	\$100,394	\$135,400	\$139,462	\$143,646

**COMMUNITY SERVICES AREA
CLERK SERVICES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	333,797	329,954	269,351	292,925	274,756	291,770
PAYROLL FRINGES/INSURANCE	104,468	129,066	167,087	174,599	180,463	209,406
OTHER SERVICES	159,071	94,688	178,140	172,853	165,915	172,415
MATERIALS & SUPPLIES	19,518	8,225	15,000	12,300	14,944	14,331
OTHER CHARGES	11,596	15,412	1,452	352	41,825	45,967
Total	\$628,450	\$577,345	\$631,030	\$653,029	\$677,903	\$733,889

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	628,450	577,345	631,030	653,029	677,903	733,889
Total	\$628,450	\$577,345	\$631,030	\$653,029	\$677,903	\$733,889

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
CLERK SERVICES	5.44	4.88	5.12	4.66	4.76
Total	5.44	4.88	5.12	4.66	4.76

**COMMUNITY SERVICES AREA
CLERK SERVICES**

REVENUE 05/06

The increase reflects anticipated increases in volume of licenses & permits, and an increase in fees.

EXPENSES 05/06

Personnel Services - The increase is a result of:

- Anticipated salary increases.
- Reduced Election Recruiter from .50 FTE to .25 FTE

Payroll Fringes - The increase is primarily attributable to increased Retirement Contributions.

Other Services - The decrease reflects costs that will not be incurred, as the Clerk will not be conducting a national election.

Materials & Supplies - The decrease reflects costs that will not be incurred, as the Clerk will not be conducting a national election.

Other Charges - The increase is a result of a transfer to the Information Technology Fund.

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 Services Unit would be charged \$234,516 in 2005/06.

**COMMUNITY SERVICES AREA
CLERK SERVICES (continued)**

REVENUE 06/07

The increase reflects an increase in fees.

EXPENSES 06/07

Personnel Services – The increase is a result of:

- Increased Election Recruiter from .25 FTE to .35 FTE
- Increased temporary personnel costs

Payroll Fringes – The increase is primarily attributable to increased Retirement Contributions and Retiree Medical Insurance.

Other Services - The increase reflects costs that will be incurred, as the Clerk will be conducting a Gubernatorial election.

Materials & Supplies – The increase reflects costs that will be incurred, as the Clerk will be conducting a Gubernatorial election.

Other Charges – The increase is a result of an increased transfer to the Information Technology Fund.

COMMUNITY SERVICES AREA CLERK SERVICES

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Continue to effectively monitor and make appropriate adjustments to activity cost centers to ensure financial health of service area.**

❖ Foster a community with respect for diversity and the open exchange of ideas.

- Continue to utilize service area boards and commissions and public meetings for citizen involvement and open exchange of ideas with City staff.**

❖ Deliver high quality City services in a cost effective manner.

➤ Deliver quality services to external and internal customers.

- Assess and implement election process improvements for customer service delivery and cost effectiveness of practices.**
- Implement software system to complete automated e-packet process for all citizen boards and commissions.**
- Develop comprehensive customer service measurement strategies for all service units.**

COMMUNITY SERVICES AREA
CLERK SERVICES

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 2	110024	0.62	0.62
ADMIN SUPPORT SPECIALIST LVL 3	110034	1.00	1.00
ADMIN SUPPORT SPECIALIST LVL 4	110044	1.65	1.65
CITY CLERK	403990	1.00	1.00
COMM SERVICES ADMINISTRATOR	403630	0.02	0.02
ELECTION WORKER-RECRUITER	001270	0.25	0.35
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.07	0.07
GIS COORDINATOR	401520	0.02	0.02
GRAPHIC SPECIALIST	401370	0.01	0.01
MANAGEMENT ASSISTANT	000200	0.02	0.02
Total		4.66	4.76

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COMMUNITY SERVICES AREA

COMMUNICATIONS OFFICE

The Communications Office is one of five service units in the Community Services Area. It has 11.73 FTEs and coordinates communication across the City organization as well as public information to citizens of Ann Arbor through a variety of mediums. This office also supports the cable television franchise, operates the public access and public information stations on CTN Channels 16, 17, 18 & 19 and supports the Cable Commission.

**COMMUNITY SERVICES AREA
COMMUNICATIONS OFFICE**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	20,284	-	-	-	-	-
INVESTMENT INCOME	57,871	22,942	45,000	30,000	36,000	36,000
LICENSES, PERMITS & REGISTRATION	1,461,217	1,285,139	1,209,600	1,216,000	1,270,080	1,333,584
MISCELLANEOUS REVENUE	1,135	1,252	-	500	7,375	7,375
PRIOR YEAR SURPLUS	-	-	179,245	179,245	-	-
OPERATING TRANSFERS	15,000	-	-	-	-	-
Total	\$1,555,507	\$1,309,333	\$1,433,845	\$1,425,745	\$1,313,455	\$1,376,959

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
COMMUNITY TELEVISION NETWORK (0016)	1,540,507	1,309,333	1,433,845	1,425,745	1,313,455	1,376,959
GENERAL (0010)	15,000	-	-	-	-	-
Total	\$1,555,507	\$1,309,333	\$1,433,845	\$1,425,745	\$1,313,455	\$1,376,959

**COMMUNITY SERVICES AREA
COMMUNICATIONS OFFICE**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	475,977	509,508	556,930	469,626	559,339	563,155
PAYROLL FRINGES/INSURANCE	131,157	136,423	172,233	171,491	190,364	222,639
OTHER SERVICES	175,839	184,669	250,000	209,994	194,541	196,151
MATERIALS & SUPPLIES	13,650	16,542	23,500	17,005	17,000	17,000
OTHER CHARGES	136,653	153,879	102,637	101,692	119,547	130,014
PASS THROUGHES	24,278	-	69,100	69,000	40,000	40,000
CAPITAL OUTLAY	86,742	403,185	259,445	310,400	192,664	208,000
Total	\$1,044,296	\$1,404,206	\$1,433,845	\$1,349,208	\$1,313,455	\$1,376,959

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
COMMUNITY TELEVISION NETWORK (0016)	1,014,780	1,404,206	1,433,845	1,349,208	1,313,455	1,376,959
GENERAL (0010)	29,516	-	-	-	-	-
Total	\$1,044,296	\$1,404,206	\$1,433,845	\$1,349,208	\$1,313,455	\$1,376,959

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
COMMUNICATIONS OFFICE	13.00	12.00	12.00	11.73	11.73
Total	13.00	12.00	12.00	11.73	11.73

**COMMUNITY SERVICES AREA
COMMUNICATIONS OFFICE**

REVENUE 05/06

The decrease of \$120,390 reflects a conservative estimate of cable franchise fees.

EXPENSES 05/06

Personnel Services – No material change, however there is a .50 FTE reduction in an Administrative Support Specialist position.

Payroll Fringes – The increase is primarily attributable to increased Retirement Contributions.

Other Services - The decrease is a result of decreased Professional/Consulting, Attorney/Legal, Telecommunications, Contracted Services, and Advertising expenses.

Materials & Supplies – The decrease is a result of an anticipated reduction in quantity of Materials & Supplies used.

Other Charges – The increase is a result of a transfer to the Information Technology Fund, decreased Municipal Service Charge, and decreased Contingency.

REVENUE 06/07

The increase reflects a conservative estimate of cable franchise fees.

EXPENSES 06/07

Personnel Services – No material change.

Payroll Fringes – The increase is primarily attributable to increased Insurance costs, Retiree Medical Insurance, and Retirement Contributions

Other Services – No change.

Materials & Supplies – No material change.

Other Charges – No change.

COMMUNITY SERVICES AREA COMMUNICATION OFFICE

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Continue to effectively monitor and make appropriate adjustments to activity cost centers to ensure financial health of service area.**

❖ Foster a community with respect for diversity and the open exchange of ideas.

- Continue to utilize service area boards and commissions and public meetings for citizen involvement and open exchange of ideas with City staff.**

❖ Deliver high quality City services in a cost effective manner.

➤ Deliver quality services to external and internal customers.

- Assess and implement customer service delivery improvements at CTN.**
- Identify and implement improvements to increase the quality of CTN-Public Information services to the community.**
- Identify and implement structural changes to integrate City-wide public information functions within the Communications Office.**
- Implement software system to complete automated e-packet process for all citizen boards and commissions.**
- Develop comprehensive customer service measurement strategies for all service units.**

COMMUNITY SERVICES AREA
COMMUNICATIONS OFFICE

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 2	110024	0.50	0.50
ASSOCIATE PRODUCER/REPORTER	000610	1.00	1.00
CABLE ADMINISTRATOR	403530	1.00	1.00
COMM SERVICES ADMINISTRATOR	403630	0.05	0.05
CTN ASST FACILITY MANAGER	401450	1.00	1.00
CTN ASST PROGRAM MANAGER	401470	1.00	1.00
CTN FACILITY MANAGER	401440	1.00	1.00
CTN PROGRAM MANAGER	401460	1.00	1.00
FACILITY ASSISTANT - HALF STEP	119240	3.00	3.00
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.03	0.03
GIS COORDINATOR	401520	0.05	0.05
GRAPHIC SPECIALIST	401370	0.05	0.05
MANAGEMENT ASSISTANT	000200	0.05	0.05
PROGRAM ASSISTANT	110270	1.00	1.00
PUBLIC INFORMATION OFFICER	401220	1.00	1.00
Total		11.73	11.73



COMMUNITY SERVICES AREA

PLANNING & DEVELOPMENT SERVICES

The Planning and Development Services Unit is comprised of the former Building and Planning Departments and is one of five service units in the Community Services Area. It has 32.58 FTEs (05/06) and 31.41 FTEs (06/07) and handles rental housing inspections, historic preservation, zoning coordination, construction inspections and permits. It provides enforcement for building, housing and sign codes. It handles master planning, site plan review, and provides support for the Planning Commission, Historic District Commission, and the Sign, Building, Housing and Zoning Boards of Appeal.

**COMMUNITY SERVICES AREA
PLANNING & DEVELOPMENT SERVICES**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INVESTMENT INCOME	-	-	-	-	-	-
LICENSES, PERMITS & REGISTRATION	2,953,306	3,088,684	2,996,099	3,053,103	3,321,690	3,421,901
MISCELLANEOUS REVENUE	5,010	2,567	16,335	(8,982)	3,300	3,900
TAXES	-	-	-	-	-	-
OPERATING TRANSFERS	42,700	-	-	-	300,000	100,000
Total	\$3,001,016	\$3,091,251	\$3,012,434	\$3,044,121	\$3,624,990	\$3,525,801

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CONSTRUCTION CODE FUND (0026)	-	-	1,893,400	1,912,900	2,554,293	2,419,819
GENERAL (0010)	3,001,016	3,091,251	1,119,034	1,131,221	1,070,697	1,105,982
Total	\$3,001,016	\$3,091,251	\$3,012,434	\$3,044,121	\$3,624,990	\$3,525,801

**COMMUNITY SERVICES AREA
PLANNING & DEVELOPMENT SERVICES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	2,223,411	2,156,359	2,086,754	2,107,797	2,033,362	1,870,047
PAYROLL FRINGES/INSURANCE	770,760	828,394	860,390	854,284	964,314	1,099,176
OTHER SERVICES	224,940	203,933	312,439	264,775	355,392	289,277
MATERIALS & SUPPLIES	19,734	28,224	34,600	48,942	39,675	35,230
OTHER CHARGES	66,863	91,582	1,269,324	1,260,565	1,171,864	997,086
PASS THROUGH	11,054	9,988	-	-	317,097	117,769
CAPITAL OUTLAY	-	-	2,500	1,500	1,500	1,500
VEHICLE OPERATING COSTS	3,097	2,265	6,000	6,000	6,000	6,000
Total	\$3,319,859	\$3,320,745	\$4,572,007	\$4,543,863	\$4,889,204	\$4,416,085

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CONSTRUCTION CODE FUND (0026)	-	-	1,743,255	1,747,988	2,554,293	2,401,871
GENERAL (0010)	3,319,859	3,320,745	2,811,120	2,783,690	2,334,911	2,014,214
ALTERNATIVE TRANSPORTATION (0061)	-	-	12,185	12,185	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	-	-	5,447	-	-	-
Total	\$3,319,859	\$3,320,745	\$4,572,007	\$4,543,863	\$4,889,204	\$4,416,085

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
PLANNING & DEVELOPMENT SERVICES	46.25	38.75	35.64	32.58	31.41
Total	46.25	38.75	35.64	32.58	31.41

COMMUNITY SERVICES AREA PLANNING & DEVELOPMENT SERVICES

REVENUES 05/06

The decrease in the General Fund and the increase in the Construction Fund are the result of assigning construction related revenues to the appropriate fund, and fee increases.

EXPENSES 05/06

Personnel Services – The decrease is a result of the following changes:

- Elimination of 1.00 FTE Housing Inspector position
- Elimination of 1.00 FTE Historic Preservation Coordinator position
- Elimination of 0.58 FTE Zoning Coordinator position

Payroll Fringes – The increase is a result of increased insurance costs, retiree medical insurance, and retirement contributions.

Other Services – The increase is a result of increased fleet charges.

Other Charges – The overall decrease is a result of a shift in funding for technology improvements within Planning and Development to Pass-Throughs (see below) offset by increases reflecting the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this budget. There is an additional offsetting increase reflecting higher municipal service charge.

Pass Throughs- The increase is a result of a shift in costs from Other Charges to Pass-Throughs to reflect the costs associated with the funding for technology improvements within Planning and Development.

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 Planning and Development Services Unit would be charged \$407,867 in 2005/06.

**COMMUNITY SERVICES AREA
PLANNING & DEVELOPMENT SERVICES (continued)**

REVENUES 06/07

The increase in the General Fund and the decrease in the Construction Fund are the result of fee increases and a reduced transfer from the General Fund to the Construction Fund.

EXPENSES 06/07

Personnel Services – The decrease is the result of elimination of payouts to retiring employees from FY 06.

Payroll Fringes – The increase is a result of increased insurance costs, retiree medical insurance, and retirement contributions.

Other Services – The decrease is due to decreased Professional/Consulting and Contracted Services Fees partially offset by increased radio and fleet charges.

Other Charges – The decrease in the General Fund is a result of decreased investment in technology.

Pass Throughs- The decrease is a result of reduced costs associated with the funding for technology improvements within Planning and Development.

COMMUNITY SERVICES AREA PLANNING & DEVELOPMENT SERVICES

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Continue to effectively monitor and make appropriate adjustments to activity cost centers to ensure financial health of service area.**

❖ Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.

➤ Maintain and enhance the current information systems in support of high-geographic analysis.

- Conduct demographic research to evaluate effectiveness of services provided across service area.**
- Provide accurate and valuable parcel, land use and occupancy information to service area for potential park, recreation, program, and service changes or expansions.**

➤ Actively initiate and prepare City Master Plan elements and keep them up-to-date to ensure compliance with State law.

- Establish a multi-year schedule of updating Master Plan elements.**
- Complete the Natural Features Master Plan.**
- Complete the Northeast Area Master Plan.**
- Complete the Non-motorized Plan.**
- Institute and complete consolidation process for one comprehensive Master Plan.**

**COMMUNITY SERVICES AREA
PLANNING & DEVELOPMENT SERVICES (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.**

➤ Sustain implementation of the City Master Plan and adherence to it throughout City government and the community.

- Provide information about land use recommendations in City Master Plan.
- Ensure CIP implements capital recommendations in City Master Plan.
- Review, amend or create ordinances to implement recommendations in City Master Plan.

❖ **Foster a community with respect for diversity and the open exchange of ideas.**

➤ Continue to utilize service area boards and commissions and public meetings for citizen involvement and open exchange of ideas with City staff.

- Incorporate e-agenda software to provide more effective manner for public notification of board and commission information.

**COMMUNITY SERVICES AREA
PLANNING & DEVELOPMENT SERVICES (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Deliver quality services to external and internal customers.
 - Assess and implement customer service delivery improvements in Planning and Development Services.
 - Implement software system to complete automated e-packet process for all citizen boards and commissions.
 - Develop comprehensive customer service measurement strategies for all service units.
- Analyze and implement changes to improve the internal management of the development process to create a seamless, more responsive work flow.
 - Identify and implement improvements needed for internal management and coordination of the planning and development process.
 - Identify improvements needed in coordination of overall planning and development process.
- Select and implement updated, fully integrated technology throughout units involved in the planning and development process.
 - Identify technology needs to improve customer service and effectiveness of service delivery at all stages of the planning and development process.
 - Purchase and implement technology improvements to improve customer service and effectiveness of service delivery at all stages of the planning and development process.

COMMUNITY SERVICES AREA
PLANNING & DEVELOPMENT SERVICES

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 2	110024	1.00	1.00
ADMIN SUPPORT SPECIALIST LVL 3	110034	3.00	3.00
ADMIN SUPPORT SPECIALIST LVL 4	110044	2.27	2.10
BUILDING INSPECTOR I	114100	3.00	3.00
BUILDING INSPECTOR II	114110	0.08	-
BUILDING OFFICIAL	403260	1.00	1.00
CITY PLANNER I	112600	1.00	1.00
CITY PLANNER I	112601	1.00	1.00
CITY PLANNER II	112611	2.85	2.85
CITY PLANNER III	401030	1.00	1.00
COMM SERVICES ADMINISTRATOR	403630	0.17	0.17
DEVELOPMENT SERVICES UNIT MGR	401510	1.00	1.00
ELECTRICAL INSPECTOR I	114151	1.00	1.00
ELECTRICAL INSPECTOR II	114160	1.00	1.00
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.35	0.35
GIS COORDINATOR	401520	0.31	0.31
GIS SPECIALIST	401480	0.44	0.44
GRAPHIC SPECIALIST	401370	0.25	0.25
HOUSING INSPECTOR I	114010	3.50	3.00
HOUSING INSPECTOR II	114020	1.00	1.00
INSPECTION SUPERVISOR	192831	1.00	1.00
MANAGEMENT ASSISTANT	000200	0.94	0.94
MECHANICAL INSPECTOR I	114201	1.00	1.00
MECHANICAL INSPECTOR II	114210	1.00	1.00
ORDINANCE ENFORCEMENT INSP	114080	1.00	1.00
PLUMBING INSPECTOR I	114250	1.00	1.00
PLUMBING INSPECTOR II	114261	1.00	1.00
ZONING COORDINATOR	403640	0.42	-
Total		32.58	31.41

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COMMUNITY SERVICES AREA

OFFICE OF COMMUNITY DEVELOPMENT

The Office of Community Development is one of five service units in the Community Services Area. The office has been merged with its Washtenaw County counterpart, to provide streamlined service delivery within the City of Ann Arbor/Washtenaw County region. It has 7.13 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
OFFICE OF COMMUNITY DEVELOPMENT**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CONTRIBUTIONS	6,150	6,270	6,000	6,000	5,600	5,600
INTERGOVERNMENTAL REVENUES	2,253,051	1,892,302	6,019,370	4,105,498	4,458,057	4,264,073
INVESTMENT INCOME	15,402	3,671	5,050	5,050	5,050	5,050
MISCELLANEOUS REVENUE	166,576	121,492	13,900	13,900	39,500	39,500
SALE OF BONDS	-	2,075,000	-	-	-	-
PRIOR YEAR SURPLUS	-	-	603,417	603,417	641,859	691,859
OPERATING TRANSFERS	125,000	100,000	100,000	100,000	100,000	100,000
Total	\$2,566,179	\$4,198,735	\$6,747,737	\$4,833,865	\$5,250,066	\$5,106,082

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
HOME PROGRAM (0090)	311,057	324,359	3,914,794	2,774,211	2,272,543	2,356,727
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	1,941,994	1,569,298	2,109,576	1,336,287	2,185,514	1,907,346
AFFORDABLE HOUSING (0070)	306,978	2,298,808	627,844	627,844	786,359	836,359
ANN ARBOR ASSISTANCE (0038)	6,150	6,270	6,050	6,050	5,650	5,650
GENERAL (0010)	-	-	89,473	89,473	-	-
Total	\$2,566,179	\$4,198,735	\$6,747,737	\$4,833,865	\$5,250,066	\$5,106,082

**COMMUNITY SERVICES AREA
OFFICE OF COMMUNITY DEVELOPMENT**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	448,281	426,703	559,557	278,181	387,577	389,185
PAYROLL FRINGES/INSURANCE	133,337	168,760	207,381	136,151	187,476	218,597
OTHER SERVICES	14,079	14,643	37,633	12,190	595,805	684,707
MATERIALS & SUPPLIES	8,582	5,405	8,800	5,300	6,010	5,474
OTHER CHARGES	267,168	45,072	322,060	149,489	128,346	137,230
PASS THROUGHS	100,000	134,131	171,075	171,075	168,075	168,075
CAPITAL OUTLAY	-	2,075,000	500	-	-	-
VEHICLE OPERATING COSTS	511	666	1,550	550	1,000	1,000
COMMUNITY DEVELOPMENT RECIPIENTS	3,043,967	3,097,311	7,141,087	5,669,755	5,805,046	5,580,038
Total	\$4,015,925	\$5,967,691	\$8,449,643	\$6,422,691	\$7,279,335	\$7,184,306

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
HOME PROGRAM (0090)	310,163	324,537	3,914,794	2,774,211	2,272,543	2,356,727
COMMUNITY DEVELOPMENT BLOCK						
GRANT (0078)	1,939,809	1,567,571	2,109,576	1,223,207	2,185,514	1,907,346
GENERAL (0010)	1,743,388	1,599,169	1,791,379	1,791,379	2,029,269	2,078,224
AFFORDABLE HOUSING (0070)	6,975	2,470,236	627,844	627,844	786,359	836,359
ANN ARBOR ASSISTANCE (0038)	6,090	6,178	6,050	6,050	5,650	5,650
DRUG ENFORCEMENT (0027)	9,500	-	-	-	-	-
Total	\$4,015,925	\$5,967,691	\$8,449,643	\$6,422,691	\$7,279,335	\$7,184,306

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
OFFICE OF COMMUNITY DEVELOPMENT	8.50	9.00	9.37	7.13	7.13
Total	8.50	9.00	9.37	7.13	7.13

**COMMUNITY SERVICES AREA
OFFICE OF COMMUNITY DEVELOPMENT**

EXPENSES 05/06

Personnel Services – The decreases in the General Fund, CDBG Fund, and HOME Fund are the result of:

- Elimination of 1.00 Program Specialist position
- Contracted management through Washtenaw County
- Elimination of 1.00 Community Development Manager position

Payroll Fringes – The decrease in the CDBG Fund is primarily attributable to decreased Medical Insurance costs.

Other Services - The increase in the CDBG Fund is attributable to increased Professional/Consulting, Contracted Services, Rent, and Contingencies.

Materials & Supplies – No material change.

Other Charges – The increase in the General Fund is a result of decreased Insurance costs and a transfer to the Information Technology Fund. The decrease in the CDBG Fund is a result of decreased Contingency.

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 Community Development Services Unit would be charged \$274,130 in 2005/06.

EXPENSES 06/07

Personnel Services – No material change.

Payroll Fringes – The increases in the General Fund, CDBG Fund, and HOME Fund are primarily attributable to increased Insurance costs, Retiree Medical Insurance, and Retirement Contributions.

Other Services - The increase in the General Fund is attributable to increased Contingencies.

Materials & Supplies – No material change.

Other Charges – No material change.

**COMMUNITY SERVICES AREA
OFFICE OF COMMUNITY DEVELOPMENT**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Ensure the long-term financial health and stability of the City.**

➤ Ensure the long-term financial health and stability of the City.

- Continue to effectively monitor and make appropriate adjustments to activity cost centers to ensure financial health of service area.

❖ **Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.**

➤ Complete and implement required update of the 5 Year Consolidated Plan.

- Conduct housing needs assessment study for the region.
- Evaluate and implement improvements to existing performance measures.

➤ Preserve and expand the number of affordable housing units in the City.

- Facilitate construction of 50 new units of affordable housing.
- Facilitate acquisition/rehabilitation of 30 units of affordable housing.
- Maintain existing affordable housing to ensure long-term affordability.

**COMMUNITY SERVICES AREA
OFFICE OF COMMUNITY DEVELOPMENT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Foster a community with respect for diversity and the open exchange of ideas.**

➤ Compete required update of the 5 year Consolidated Plan.

- Evaluate, develop improvements, and implement changes to the citizen participation process.

➤ Continue to utilize service area boards and commissions and public meetings for citizen involvement and open exchange of ideas with City staff.

❖ **Deliver high quality City services in a cost effective manner.**

➤ Deliver quality services to external and internal customers.

- Assess and implement customer service delivery improvements in the Office of Community Development.
- Implement software system to complete automated e-packet process for all citizen boards and commissions.
- Develop comprehensive customer service measurement strategies for all service units.

COMMUNITY SERVICES AREA
OFFICE OF COMMUNITY DEVELOPMENT

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 3	110034	1.00	1.00
ADMIN SUPPORT SPECIALIST LVL 4	110044	0.10	0.10
CD HOUSING/RELOCATION SPEC	114070	1.00	1.00
COMM SERVICES ADMINISTRATOR	403630	0.32	0.32
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.30	0.30
GIS COORDINATOR	401520	0.02	0.02
GRAPHIC SPECIALIST	401370	0.07	0.07
HOUSING PROGRAM COORDINATOR	404080	1.00	1.00
HOUSING REHAB SPECIALIST I	114050	1.00	1.00
HOUSING REHAB SPECIALIST II	114060	1.00	1.00
HUMAN SERVICES PROGRAM COORDINATOR	404090	1.00	1.00
MANAGEMENT ASSISTANT	000200	0.32	0.32
Total		7.13	7.13

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COMMUNITY SERVICES AREA

PARKS & RECREATION SERVICES

Parks and Recreation Services is one of five service units in the Community Services Area. It has 23.79 FTEs and handles the functions of the parks administration and recreation facilities. Parks and Recreation administration is responsible for the policy development, park planning and improvements, park shelter reservations and several boards and commissions related to parks and recreation. Recreation facilities include 2 golf courses, 4 pools, 2 ice rinks, 2 community centers, 2 canoe liveries, a senior center, a skate park, a farmers market and a science center.

**COMMUNITY SERVICES AREA
PARKS & RECREATION SERVICES**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	3,151,325	3,248,763	3,376,264	3,290,796	3,525,858	3,688,714
CONTRIBUTIONS	157,530	52,786	75,500	87,207	100,000	100,000
INTERGOVERNMENTAL REVENUES	251,050	387,618	117,970	110,011	-	-
INTRA GOVERNMENTAL SALES	10,498	-	-	-	-	-
INVESTMENT INCOME	192,985	69,878	62,630	63,585	63,930	63,930
LICENSES, PERMITS & REGISTRATION	144	89	-	100	-	-
MISCELLANEOUS REVENUE	127,528	151,265	196,181	174,429	172,142	187,142
PRIOR YEAR SURPLUS	-	-	5,610,291	2,129,322	3,352,716	100,000
TAXES	3,438,002	3,592,563	3,775,908	3,877,075	3,934,969	4,045,575
OPERATING TRANSFERS	35,500	81,384	27,567	27,567	57,567	57,567
Total	\$7,364,562	\$7,584,346	\$13,242,311	\$9,760,092	\$11,207,182	\$8,242,928

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
OPEN SPACE & PARKLAND PRESERVATION (0024)	1,867,840	1,970,539	5,726,937	2,200,000	5,335,423	2,152,258
GENERAL (0010)	1,816,687	1,845,937	2,257,536	2,199,351	2,375,572	2,492,897
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	2,090,883	2,180,782	3,812,320	3,935,408	1,993,024	2,047,317
GOLF ENTERPRISE (0047)	1,184,892	1,160,587	1,265,701	1,193,636	1,282,803	1,333,680
MARKET (0046)	94,322	153,091	142,037	138,317	128,742	138,396
PARKS MEMORIALS & CONTRIBUTIONS (0034)	-	-	-	55,000	70,000	70,000
BANDEMER PROPERTY (0025)	40,188	36,706	37,780	38,380	21,618	8,380
LESLIE HOMESTEAD (0096)	204,186	226,552	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	7,310	7,183	-	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	54,254	2,969	-	-	-	-
CEMETERY PERPETUAL CARE (0054)	4,000	-	-	-	-	-
Total	\$7,364,562	\$7,584,346	\$13,242,311	\$9,760,092	\$11,207,182	\$8,242,928

**COMMUNITY SERVICES AREA
PARKS & RECREATION SERVICES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	2,665,718	2,588,141	2,450,845	2,307,166	2,561,406	2,556,715
PAYROLL FRINGES/INSURANCE	1,126,558	1,051,290	608,348	583,684	761,150	862,888
OTHER SERVICES	1,151,441	1,122,092	1,131,410	1,482,777	1,481,576	1,173,285
MATERIALS & SUPPLIES	503,369	356,042	400,768	340,187	388,337	443,094
OTHER CHARGES	833,081	844,269	750,646	828,407	7,091,509	4,327,828
PASS THROUGHS	214,612	209,805	58,438	50,644	37,189	31,405
CAPITAL OUTLAY	2,139,190	3,680,334	5,645,784	1,779,010	3,850	2,000
VEHICLE OPERATING COSTS	53,496	49,291	45,120	42,580	60,990	48,990
Total	\$8,687,465	\$9,901,264	\$11,091,359	\$7,414,455	\$12,386,007	\$9,446,205

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
OPEN SPACE & PARKLAND PRESERVATION (0024)	112,599	1,756,640	5,718,160	2,200,000	5,335,423	2,152,258
GENERAL (0010)	3,466,193	3,536,818	3,304,389	3,251,655	3,543,220	3,654,252
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	1,954,696	2,565,380	191,468	181,231	1,662,163	1,767,451
GOLF ENTERPRISE (0047)	1,512,506	1,294,407	1,265,701	1,175,743	1,282,803	1,333,680
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	350,185	407,582	407,592	342,038	328,486
MARKET (0046)	121,866	149,661	142,037	131,533	128,742	138,396
PARKS MEMORIALS & CONTRIBUTIONS (0034)	-	-	-	55,000	70,000	70,000
BANDEMER PROPERTY (0025)	4,955	11,078	37,596	11,701	21,618	1,682
CONSTRUCTION CODE FUND (0026)	-	-	24,426	-	-	-
LESLIE HOMESTEAD (0096)	204,033	231,748	-	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	55,477	4,881	-	-	-	-
PARKS SERVICE HEADQUARTERS (0015)	(398)	466	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,254,648	-	-	-	-	-
ELIZABETH R DEAN TRUST (0055)	890	-	-	-	-	-
Total	\$8,687,465	\$9,901,264	\$11,091,359	\$7,414,455	\$12,386,007	\$9,446,205

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
PARKS & RECREATION SERVICES	33.55	22.99	22.80	23.79	23.79
Total	33.55	22.99	22.80	23.79	23.79

**COMMUNITY SERVICES AREA
PARKS & RECREATION SERVICES**

REVENUE 05/06

The increase in the General Fund reflects fee increases.

EXPENSES 05/06

Personnel Services – The increase is the result of the salary increases of 3% over the 2004/05 budget and accurate allocation of administrative personnel.

Payroll Fringes – The increase is primarily attributable to increased retiree medical insurance premiums and retirement contributions.

Other Services – No material change.

Materials & Supplies – The increase is a result of an anticipated increase in quantity of Materials & Supplies used and increased Cost of Goods Sold.

Other Charges – The increase is a result of two primary items. First, the 2005/06 increase reflects the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this budget. Second, the 05/06 activity reflects \$5 million of anticipated acquisitions by the Open Space and Parkland Preservation Millage, as well as other projects in other funds. Project expenses are cyclical in nature and vary from one fiscal year to the next.

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 \$995,962 in 2005/06.

**COMMUNITY SERVICES AREA
PARKS & RECREATION SERVICES**

REVENUE 06/07

The decrease is due to reduction in use of fund balances.

EXPENSES 06/07

Personnel Services – No material change.

Payroll Fringes – The increase is primarily attributable to increased insurance costs, retiree medical insurance, and retirement contributions

Other Services – The decrease is due to the reduced activity in FY07 in the Open Space and Parkland Preservation Millage fund due to a reduced number of projects.

Materials & Supplies – The increase is attributable to increased Chemical and Materials & Supplies costs.

Other Charges – The decrease reflects reduced activity in the Open Space and Parkland Preservation Millage due to a reduced number of projects. Project expenses are cyclical in nature and vary from one fiscal year to the next.

COMMUNITY SERVICES AREA PARKS & RECREATION SERVICES

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Increase level of self-support for recreation facilities from 85% to 88%.**
- Create a funding mechanism/sponsorship program to raise funds from outside sources to offset scholarship costs.**
- Develop and implement a fee philosophy identifying the levels of self-support for all programs and activities.**
- Reduce energy use and costs through opportunities in the City's Energy Fund program.**
- Integrate Point of Sale and with the City's financial system within service area.**
- Continue to effectively monitor and make appropriate adjustments to activity cost centers to ensure financial health of service area.**

❖ Support a safe and reliable municipal infrastructure.

➤ Maintain a high quality parks and recreation system through park planning and practicing responsible environmental stewardship and asset management.

- Maintain Clean Streams Program certification at all recreation facilities.**
- Continue to utilize Mainsaver system for long-term asset maintenance management.**

➤ Achieve a high level of organization efficiency through integration of the City infrastructure into GIS.

**COMMUNITY SERVICES AREA
PARKS & RECREATION SERVICES (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Ensure a high quality of life, while balancing economic development and the preservation and conservation of natural resources.**

➤ Maintain and enhance the current information systems in support of high-geographic analysis.

▪ Conduct demographic research to evaluate effectiveness of services provided across service area.

▪ Provide accurate and valuable parcel, land use and occupancy information to service area for potential park, recreation, program, and service changes or expansions.

➤ Maintain a high quality park and recreation system through park rehabilitation and development and environmental stewardship.

▪ Develop the Parks & Recreation Open Space Plan for 2006-11.

▪ Implement elements of 2006-11 PROS plan to be implemented in fy05/06 and fy06/07.

❖ **Foster a community with respect for diversity and the open exchange of ideas.**

➤ Continue to utilize service area boards and commissions and public meetings for citizen involvement and open exchange of ideas with City staff.

**COMMUNITY SERVICES AREA
PARKS & RECREATION SERVICES (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

➤ Deliver quality services to external and internal customers.

- Conduct program and service delivery evaluations of current Parks and Recreation operations and implement improvements based on the evaluations.
- Implement software system to complete automated e-packet process for all citizen boards and commissions.
- Develop comprehensive customer service measurement strategies for all service units.

**COMMUNITY SERVICES AREA
PARKS & RECREATION SERVICES**

Allocated Positions

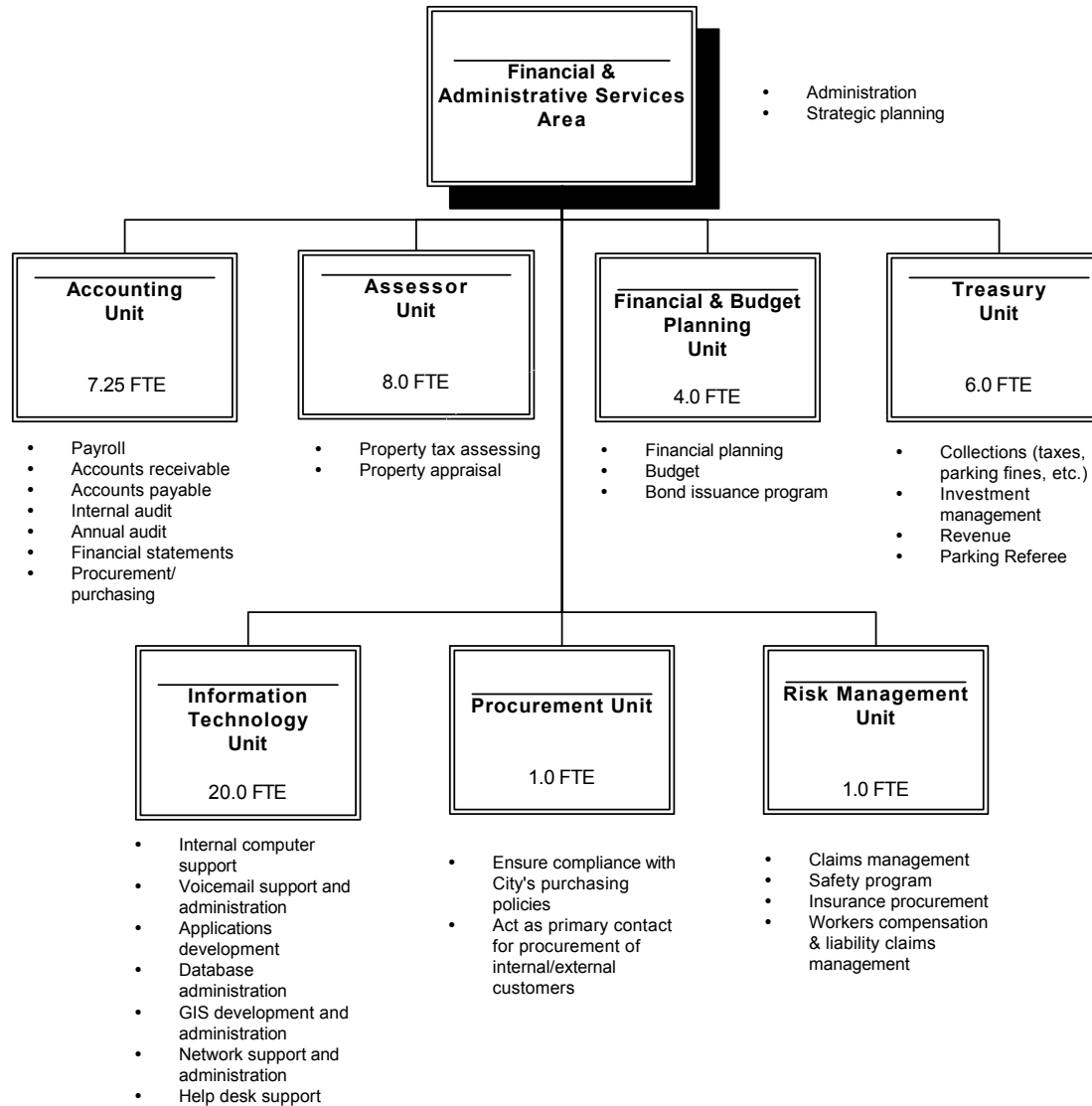
Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 3	110034	2.00	2.00
ADMIN SUPPORT SPECIALIST LVL 4	110044	0.15	0.15
ASSOC REC FAC SUPV	193000	2.00	2.00
COMM SERVICES ADMINISTRATOR	403630	0.44	0.44
FACILITIES MAINTENANCE TECH IV	110234	1.00	1.00
FINANCIAL MANAGER/SUPPORT SUPR	401500	0.25	0.25
GIS COORDINATOR	401520	0.60	0.60
GIS SPECIALIST	401480	0.56	0.56
GOLF ENTERPRISE UNIT SUPV	197210	1.00	1.00
GRAPHIC SPECIALIST	401370	0.62	0.62
GROUNDS SPECIALIST CP	117201	2.00	2.00
LANDSCAPE ARCHITECT II	401360	2.00	2.00
MANAGEMENT ASSISTANT	000200	0.42	0.42
MARKET MANAGER	401430	1.00	1.00
PARKS & REC SERVICES MANAGER	403480	1.00	1.00
REC FACILITIES UNIT SUPERVISOR	193060	1.00	1.00
RECREATION FAC SUPERV II	193020	5.75	5.75
RECREATION FAC SUPERVISOR III	193030	1.00	1.00
YOUTH OUTREACH COORDINATOR	199060	1.00	1.00
Total		23.79	23.79

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

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The Financial Services Area is comprised of seven Service Area Units: Financial & Budget Planning, Accounting, Assessing, Treasury, Information Technology, Procurement 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, Procurement 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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
FINANCIAL & BUDGET PLANNING	59,641,417	60,468,595	54,889,184	54,981,251	56,507,801	57,961,451
RISK MANAGEMENT	15,711,968	19,431,765	19,049,438	17,141,227	20,970,479	21,115,444
INFORMATION TECHNOLOGY	1,037,472	937,729	980,000	950,000	5,269,186	5,304,320
TREASURY	370,840	284,129	205,067	204,567	199,414	206,339
PROCUREMENT	-	-	-	45,000	27,000	30,000
ASSESSOR	2,829	-	15,000	15,000	15,000	15,000
ACCOUNTING	334,996	140,964	52,875	-	-	-
Total	\$77,099,522	\$81,263,182	\$75,191,564	\$73,337,045	\$82,988,880	\$84,632,554

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	60,318,146	60,870,031	55,192,126	55,245,818	56,749,215	58,212,790
INSURANCE (0057)	15,711,968	19,431,765	19,049,438	17,141,227	20,970,479	21,115,444
INFORMATION TECHNOLOGY (0014)	1,037,472	937,529	950,000	950,000	5,269,186	5,304,320
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	29,092	18,146	-	-	-	-
GENERAL DEBT SERVICE (0035)	2,844	4,435	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	-	1,276	-	-	-	-
Total	\$77,099,522	\$81,263,182	\$75,191,564	\$73,337,045	\$82,988,880	\$84,632,554

FINANCIAL & ADMINISTRATIVE SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INFORMATION TECHNOLOGY	3,664,849	2,317,859	2,129,034	2,121,121	4,623,648	5,304,320
RISK MANAGEMENT	12,737,311	1,483,467	2,758,032	2,828,119	2,831,250	2,991,622
FINANCIAL & BUDGET PLANNING	855,193	808,167	940,567	1,191,298	868,288	940,819
ASSESSOR	556,552	560,822	643,479	620,562	823,314	773,434
ACCOUNTING	1,737,276	1,383,582	1,310,087	663,349	689,758	713,948
PROCUREMENT	-	-	-	627,031	655,953	577,654
TREASURY	812,743	752,034	627,727	637,740	595,527	620,761
Total	\$20,363,924	\$7,305,931	\$8,408,926	\$8,689,220	\$11,087,738	\$11,922,558

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INFORMATION TECHNOLOGY (0014)	1,641,494	294,204	39,500	31,811	4,623,648	5,304,320
GENERAL (0010)	5,985,119	5,488,120	5,611,394	5,829,290	3,632,840	3,626,616
INSURANCE (0057)	12,737,311	1,483,467	2,758,032	2,828,119	2,831,250	2,991,622
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	40,140	-	-	-	-
Total	\$20,363,924	\$7,305,931	\$8,408,926	\$8,689,220	\$11,087,738	\$11,922,558

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
ACCOUNTING	15.25	11.50	10.00	7.25	7.25
ASSESSOR	10.00	8.00	8.00	8.00	8.00
FINANCIAL & BUDGET PLANNING	3.00	3.00	4.00	4.00	4.00
INFORMATION TECHNOLOGY	19.00	17.00	16.75	20.00	20.00
PROCUREMENT	-	-	-	1.00	1.00
RISK MANAGEMENT	3.00	3.00	1.00	1.00	1.00
TREASURY	15.50	11.00	9.00	6.00	6.00
Total	65.75	53.50	48.75	47.25	47.25





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.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INTRA GOVERNMENTAL SALES	327,929	133,244	50,000	-	-	-
INVESTMENT INCOME	6,831	3,537	-	-	-	-
MISCELLANEOUS REVENUE	236	4,183	2,875	-	-	-
Total	\$334,996	\$140,964	\$52,875	\$	\$	\$

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	334,996	140,964	52,875	-	-	-
Total	\$334,996	\$140,964	\$52,875	\$	\$	\$

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	771,652	639,135	598,240	533,819	436,023	437,769
PAYROLL FRINGES/INSURANCE	81,411	123,274	131,817	111,303	97,896	117,354
OTHER SERVICES	432,195	376,181	305,550	7,522	13,890	10,300
MATERIALS & SUPPLIES	449,438	241,962	272,530	8,755	9,000	9,000
OTHER CHARGES	2,580	3,030	1,950	1,950	132,949	139,525
Total	\$1,737,276	\$1,383,582	\$1,310,087	\$663,349	\$689,758	\$713,948

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	1,737,276	1,383,582	1,310,087	663,349	689,758	713,948
Total	\$1,737,276	\$1,383,582	\$1,310,087	\$663,349	\$689,758	\$713,948

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
ACCOUNTING	15.25	11.50	10.00	7.25	7.25
Total	15.25	11.50	10.00	7.25	7.25

**FINANCIAL & ADMINISTRATIVE SERVICES
ACCOUNTING SERVICES UNIT**

REVENUES

Intra-governmental sales – In 2005/06 the Procurement Services Unit was separated from the Accounting Services Unit. Transfers from other service units for postage charges have been moved to the Procurement Services Unit.

EXPENSES

Personnel Services –

The decrease reflects the following staff reductions:

- Elimination of (1) FTE Payroll Coordinator for \$63,000
- Transfer of (1) FTE position to Financial & Budget Planning

Other Charges – The 2005/06 increase reflects the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this 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 Accounting Unit would be charged \$290,422 in 2005/06.

FINANCIAL & ADMINISTRATIVE SERVICES AREA ACCOUNTING SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure financial reporting activities are relevant, timely and accurate.

- Support organizational ad hoc requests for financial analysis/advice with high quality and thorough analysis and in an appropriate time.**
- Support audit review by independent auditors and prepare CAFR for customer insight into financial position.**

❖ Foster a community with respect for cultural diversity and the open exchange of ideas.

➤ Support and demonstrate the City's guiding principals and desired behaviors.

❖ Deliver high quality City services in a cost effective manner.

➤ Deliver high quality City services in a cost effective manner.

- Review effectiveness of Service Area financial support in relation to centralized activities.**

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Motivate and encourage employees to achieve their potential through performance management, employee development and sustainable incentives.
 - Increase employee satisfaction by holding communication meetings with employees and developing plans to improve areas of concern to be at minimum equal to City's average as measured by Denison report.
 - Establish, document and review with service unit managers objectives, career goals, training plans and performance appraisals for all direct reports.
- Streamline business processes.
 - Evaluate alternatives for efficiency in payroll services.
 - Evaluate the AMS payroll system to determine if it should be upgraded or replaced.
 - Review City-wide timekeeping processes to determine potential efficiencies.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ACCOUNTING

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ACCOUNTANT I	001250	1.00	1.00
ACCOUNTANT II	001260	2.00	2.00
ACCOUNTING SERVICES MANAGER	401280	0.75	0.75
ADMIN SUPPORT SPECIALIST LVL 3	110034	0.75	0.75
ADMIN SUPPORT SPECIALIST LVL 4	110044	1.75	1.75
ADMIN SUPPORT SPECIALIST LVL 5	110054	1.00	1.00
Total		7.25	7.25

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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 service areas and service units within the City with valuation, real estate and property taxation issues.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
MISCELLANEOUS REVENUE	-	-	-	-	-	-
TAXES	2,829	-	15,000	15,000	15,000	15,000
Total	\$2,829	\$	\$15,000	\$15,000	\$15,000	\$15,000

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	2,829	-	15,000	15,000	15,000	15,000
Total	\$2,829	\$	\$15,000	\$15,000	\$15,000	\$15,000

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	421,613	406,496	468,235	447,648	479,354	483,716
PAYROLL FRINGES/INSURANCE	58,567	107,090	120,504	119,374	132,846	158,388
OTHER SERVICES	60,164	38,760	44,050	45,650	129,830	46,200
MATERIALS & SUPPLIES	4,558	5,626	6,750	3,950	3,850	3,850
OTHER CHARGES	2,701	2,850	3,940	3,940	77,434	81,280
CAPITAL OUTLAY	8,949	-	-	-	-	-
Total	\$556,552	\$560,822	\$643,479	\$620,562	\$823,314	\$773,434

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	556,552	560,822	643,479	620,562	823,314	773,434
Total	\$556,552	\$560,822	\$643,479	\$620,562	\$823,314	\$773,434

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
ASSESSOR	10.00	8.00	8.00	8.00	8.00
Total	10.00	8.00	8.00	8.00	8.00

**FINANCIAL & ADMINISTRATIVE SERVICES
ASSESSOR SERVICES UNIT**

EXPENSES

Other Services- The increase reflects the costs associated with a commercial personal property audit scheduled for the 2005-06 fiscal year.

Other Charges – The 2005/06 increase reflects the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this 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 Assessor's Unit would be charged \$240,344 in 2005/06.

FINANCIAL & ADMINISTRATIVE SERVICES AREA ASSESSOR SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Perform a commercial personal property audit to ensure compliance with existing tax laws.**

❖ Ensure a high quality of life which balancing economic development with the preservation and conservation of natural resources.

➤ Support, as required, the evaluation and approval of economic development projects (i.e., Lowertown, abatement requests, etc.)

❖ Foster a community with respect for cultural diversity and the open exchange of ideas.

➤ Support and demonstrate the City's guiding principals and desired behaviors.

❖ Deliver high quality City services in a cost effective manner.

➤ Motivate and encourage employees to achieve their potential through performance management, employee development and sustainable incentives.

- Develop and implement action plans based on the 2005 Denison study on employee satisfaction and morale.**
- Establish, document and review with service unit managers objectives, career goals, training plans and performance appraisals for all direct reports.**

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

➤ Streamline business processes.

- Review document processes to determine if there are paper driven processes, which could be eliminated.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
ASSESSOR

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 3	110034	2.00	2.00
ASSESSOR SERVICES MANAGER	403220	1.00	1.00
CHIEF APPRAISER	403430	1.00	1.00
REAL PROPERTY APPRAISER I	119180	1.00	1.00
REAL PROPERTY APPRAISER I	119181	1.00	1.00
SENIOR APPRAISER	401260	2.00	2.00
Total		8.00	8.00

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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, managing the debt issuance program, supporting economic development initiatives and acting as a resource for Citywide issues related to financial management.

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

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	76,113	79,541	83,130	83,507	452,870	455,300
INTERGOVERNMENTAL REVENUES	12,505,594	11,509,357	11,069,318	11,100,000	10,300,000	10,000,000
INVESTMENT INCOME	587,349	314,412	267,000	350,000	267,000	267,000
MISCELLANEOUS REVENUE	26,453	652	100	-	-	-
TAXES	46,445,908	48,564,633	43,469,636	43,447,744	45,487,931	47,239,151
OPERATING TRANSFERS	-	-	-	-	-	-
Total	\$59,641,417	\$60,468,595	\$54,889,184	\$54,981,251	\$56,507,801	\$57,961,451

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	59,609,481	60,444,738	54,889,184	54,981,251	56,507,801	57,961,451
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	29,092	18,146	-	-	-	-
GENERAL DEBT SERVICE (0035)	2,844	4,435	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	-	1,276	-	-	-	-
Total	\$59,641,417	\$60,468,595	\$54,889,184	\$54,981,251	\$56,507,801	\$57,961,451

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

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	250,562	276,776	463,064	448,645	308,924	309,224
PAYROLL FRINGES/INSURANCE	413,096	286,371	417,900	662,204	438,336	503,298
OTHER SERVICES	88,651	122,611	53,285	71,397	79,600	87,100
MATERIALS & SUPPLIES	4,799	3,003	3,050	4,200	4,380	2,217
OTHER CHARGES	86,590	119,406	3,268	4,852	37,048	38,980
CAPITAL OUTLAY	11,495	-	-	-	-	-
Total	\$855,193	\$808,167	\$940,567	\$1,191,298	\$868,288	\$940,819

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	855,193	808,167	940,567	1,191,298	868,288	940,819
Total	\$855,193	\$808,167	\$940,567	\$1,191,298	\$868,288	\$940,819

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
FINANCIAL & BUDGET PLANNING	3.00	3.00	4.00	4.00	4.00
Total	3.00	3.00	4.00	4.00	4.00

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

REVENUES

Taxes – General Fund property taxes are projected to increase 4.5% in 2005/06 due to increased property values and inflation. In recent years, the City has not levied the maximum general operating millage approved by voters, which has partially limited the impact of the Headlee rollback on revenues. Starting in 2006/07, the City's operating levy will be reduced by the Headlee rollback. This impact reduces the projected 2006/07 revenue increase from 4.5% to 3.9%.

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

EXPENSES

Personnel Services – The 2004/05 increase reflects one-time severance costs for department heads.

Other Charges – The 2005/06 increase reflects the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this 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 \$59,887 in 2005/06.

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

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Ensure the long-term financial health and stability of the City.**

➤ Ensure the long-term financial health and stability of the City.

- Coordinate and drive the development of the CIP with Public Services with focus on improving estimates of annual cash flows and project closing process.
- Coordinate and drive the development of a strategic plan with performance based budgets.
- Develop long-term financial plan.
- Support millage for Emerald Ash Borer remediation.

❖ **Support a safe and reliable municipal infrastructure.**

➤ Invest in organizational infrastructure to more effectively deliver services to the community.

- Develop a plan for funding the City's other capital needs.
- Develop and implement funding alternatives for a new District Court/Police facility.

❖ **Foster a community with respect for diversity and the open exchange of ideas.**

➤ Support and demonstrate the City's guiding principals and desired behaviors.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
FINANCIAL & BUDGET PLANNING SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Deliver high quality City services in a cost effective manner.
 - Update existing policies and procedures for finance and offer training to organization where needed.
- Communicate effectively with our customers, both internally and externally.
 - Create opportunities for the Finance team to interact with other service units and foster a customer oriented Finance organization by city examples, demonstrating personally, and rewarding behaviors.
- Motivate and encourage employees to achieve their potential through performance management, employee development, and sustainable incentives.
 - Increase employee satisfaction by holding quarterly communication meetings with employees and developing plans to improve areas of concern.
 - Establish, document and review with service unit managers objectives, career goals, training plans and performance appraisals for all direct reports.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
FINANCIAL & BUDGET PLANNING

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
FINANCIAL & ADMIN AREA ADMIN	403520	1.00	1.00
MANAGEMENT ASSISTANT	000200	1.00	1.00
MANAGERIAL ANALYST	403380	1.00	1.00
SENIOR ACCOUNTANT/AUDITOR	403870	1.00	1.00
Total		4.00	4.00

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

INFORMATION TECHNOLOGY

The Information Technology (IT) Services Unit is responsible for planning, establishing, maintaining, and supporting the City's computing environments including network infrastructure, servers, personal computing devices such as desktop PCs and laptops, printers and other handheld devices such as PDAs. Additionally, IT integrates and leverages service area computing requirements and supports service area process efficiency initiatives.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INVESTMENT INCOME	(11,528)	(18,585)	-	-	-	-
MISCELLANEOUS REVENUE	-	6,314	-	-	-	-
PRIOR YEAR SURPLUS	-	-	-	-	-	190,926
TAXES	-	-	-	-	-	-
OPERATING TRANSFERS	1,049,000	950,000	980,000	950,000	5,269,186	5,113,394
Total	\$1,037,472	\$937,729	\$980,000	\$950,000	\$5,269,186	\$5,304,320

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INFORMATION TECHNOLOGY (0014)	1,037,472	937,529	950,000	950,000	5,269,186	5,304,320
GENERAL (0010)	-	200	30,000	-	-	-
Total	\$1,037,472	\$937,729	\$980,000	\$950,000	\$5,269,186	\$5,304,320

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	1,275,408	1,069,602	1,215,065	1,254,298	1,314,788	1,315,088
PAYROLL FRINGES/INSURANCE	287,204	301,177	336,513	337,013	432,762	502,063
OTHER SERVICES	1,854,752	682,808	507,476	466,956	1,330,021	1,039,964
MATERIALS & SUPPLIES	17,370	18,501	15,000	15,697	17,000	17,000
OTHER CHARGES	38,268	52,561	50,980	43,157	557,117	1,944,017
PASS THROUGHS	49,000	-	-	-	-	-
CAPITAL OUTLAY	142,847	193,210	4,000	4,000	971,960	486,188
Total	\$3,664,849	\$2,317,859	\$2,129,034	\$2,121,121	\$4,623,648	\$5,304,320

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INFORMATION TECHNOLOGY (0014)	1,641,494	294,204	39,500	31,811	4,623,648	5,304,320
GENERAL (0010)	2,023,355	1,983,515	2,089,534	2,089,310	-	-
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	40,140	-	-	-	-
Total	\$3,664,849	\$2,317,859	\$2,129,034	\$2,121,121	\$4,623,648	\$5,304,320

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
INFORMATION TECHNOLOGY	19.00	17.00	16.75	20.00	20.00
Total	19.00	17.00	16.75	20.00	20.00

FINANCIAL & ADMINISTRATIVE SERVICES AREA INFORMATION TECHNOLOGY SERVICES UNIT

REVENUES (05/06)

Operating Transfer – The information Technology Fund (0014) prior to 2005/06 contained annual IT project costs. In this budget proposal the funds are converted to an Internal Service Fund so that the fund now includes revenue from each service unit for equipment and usage of IT services. The internal service fund allows for a centralized accounting of organizational IT costs, which facilitates improved monitoring of IT expenditures. In addition, an internal service fund allows for the accretion of fund balance to fund replacement costs for existing applications, which could not be done when it was part of the general fund. The periodic accretion of fund balance will normalize costs in future years.

EXPENSES (05/06)

Personnel Services – The increase of \$60,490 reflects shifting 3 temporary positions to full time positions and re-mixing of skill sets.

Payroll Fringes – The increase reflects the cost increase in insurance, pension, and other benefits to employees.

Other Services – The increase reflects the following changes:

- Increase of \$265,000 in software maintenance cost directly related to consolidating support of Safety Services and 15th District Court into the central IT budget.
- Carry over of \$180,000 for two projects (Enterprise Intranet Portal and Document Management system) from previous year's budget included in "Other Charges."
- Three new projects requested for \$265,000 (Cityworks, Justice Information Systems, and Jury Management System).
- Allocation of \$50,000 to cover all software usage cost.
- Allocation of \$40,000 to cover an increase in vendor support cost.
- Other \$64,000 includes maintenance and service charge increase, including \$20,000 increase for AMS yearly maintenance cost for financial and HR applications.

Other Charges – The increase reflects the following changes: an increase of \$385,000 for municipal service charges (MSC), and increase of \$129,000 for IT's share of the IT Internal Service Fund.

Capital Outlay – The increase of \$968,000 reflects the transfer of \$570,000 from the "Other Charges" category from previous year (for capital improvements in telecommunications), and \$402,000 increase for computer hardware including server, desktop, laptop, network, and other computing environment upgrades.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY SERVICES UNIT (continued)**

EXPENSES (06/07)

Payroll Fringes – The increase of \$69,000 reflects the increasing costs of employee benefits.

Other Services – Reduction of \$290,000 in software purchase costs.

Other Charges – The increase represents the use of fund balance to cover expenses relating software upgrades and project costs including approximately \$900,000 for a major upgrade to the HR application.

Capital Outlay – Reduction of \$486,000 reflects completion of the Enterprise Telecommunication project in the prior year.

FINANCIAL & ADMINISTRATIVE SERVICES AREA INFORMATION TECHNOLOGY SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

- Maximize City's investments in computing environment by delivering relevant, reliable, consistent, and timely IT services.
 - Standardize City's computing environment to lower the complexity of supporting City's computing systems.
 - Centralize purchasing of all software and hardware to maximize purchasing power and ensure that all software and or hardware conform to City's computing standards.

❖ Support a safe and reliable municipal infrastructure.

- Invest in organizational infrastructure to more effectively deliver services to the community.
 - Establish Service Level Agreement on all Enterprise and Service Area applications to build proper support structure.
 - Develop IT strategy to provide secure and relevant internet and intranet capability.

❖ Foster a community with respect for diversity and the open exchange of ideas.

- Support and demonstrate the City's guiding principals and desired behaviors.
 - Provide technical leadership through partnership and collaboration with internal and external agencies and the local community.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Communicate effectively with our customers, both internally and externally.
 - Create a continuous improvement program to measure delivery of service and provide increase in customer satisfaction.
 - Establish and follow project management methodology to ensure success of all IT projects.

- Motivate and encourage employees to achieve their potential through performance management, employee development, and sustainable incentives.
 - Increase employee satisfaction by holding communication meetings with employees and developing plans to improve areas of concern.
 - Establish, document and review objectives, career goals, training plans and performance appraisals for all direct reports.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
INFORMATION TECHNOLOGY

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
DATABASE ADMINISTRATOR	403510	2.00	2.00
HELP/DESK TECHNICAL	000300	3.00	3.00
ITSD MANAGER	403700	1.00	1.00
LEAD COMPUTER OPERATOR	119230	1.00	1.00
NETWORK ADMINISTRATOR	403500	2.00	2.00
NETWORK PROGRAMMER	403660	1.00	1.00
NETWORK SYSTEMS ADMINISTRATOR	403180	1.00	1.00
POLICE PROGRAMMER ANALYST	401100	1.00	1.00
PROJECT MANAGEMENT MANAGER	403140	2.00	2.00
SR APPLICATIONS ANALYST	401050	2.00	2.00
SYSTEM ADMINISTRATOR	401130	2.00	2.00
SYSTEMS PROGRAMMER ANALYST	403810	1.00	1.00
URBAN INFO SYSTEM ANALYST	401240	1.00	1.00
Total		20.00	20.00



FINANCIAL & ADMINISTRATIVE SERVICES AREA

PROCUREMENT

The Procurement Unit is responsible for ensuring the City's procurement policies and procedures are being followed. The Unit also provides general and administrative support in the preparation, reconciliation, and reporting of the City's procurement of goods and services.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
PROCUREMENT**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INTRA GOVERNMENTAL SALES	-	-	-	45,000	27,000	30,000
Total	\$	\$	\$	\$45,000	\$27,000	\$30,000

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	-	-	-	45,000	27,000	30,000
Total	\$	\$	\$	\$45,000	\$27,000	\$30,000

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
PROCUREMENT**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	-	-	-	47,509	52,146	53,088
PAYROLL FRINGES/INSURANCE	-	-	-	16,718	16,662	19,728
OTHER SERVICES	-	-	-	354,757	367,646	285,339
MATERIALS & SUPPLIES	-	-	-	207,947	210,000	210,000
OTHER CHARGES	-	-	-	100	9,499	9,499
Total	\$	\$	\$	\$627,031	\$655,953	\$577,654

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	-	-	-	627,031	655,953	577,654
Total	\$	\$	\$	\$627,031	\$655,953	\$577,654

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
PROCUREMENT	-	-	-	1.00	1.00
Total	0.00	0.00	0.00	1.00	1.00

FINANCIAL & ADMINISTRATIVE SERVICES PROCUREMENT SERVICES UNIT

In 2005/06 the Procurement Services Unit was separated from the Accounting Services Unit. In this budget submission forecasted revenues and expenses for 2004/05 are included to indicate existing performance.

REVENUES

Intra-governmental sales – Amounts in 2005/06 represent transfers from other service units for postage charges; past years also included amounts for central duplicating and office supplies.

EXPENSES

Other Services – The decrease in costs are associated with the delay of a new system to replace Centrex phone lines.

Other Charges – The 2005/06 increase reflects the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this 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 Accounting Unit would be charged \$175,054 in 2005/06.

FINANCIAL & ADMINISTRATIVE SERVICES AREA PROCUREMENT SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

- Pursue partnership opportunities with local agencies and organizations to reduce the cost of conducting the City's business and to enhance services within the community.
 - Establish collective purchasing schedule with Washtenaw County, City of Ypsilanti, UM and neighboring townships.
 - Work with other agencies to conduct joint purchases.

❖ Foster a community with respect for cultural diversity and the open exchange of ideas.

- Support and demonstrate the City's guiding principals and desired behaviors.

❖ Deliver high quality City services in a cost effective manner.

- Motivate and encourage employees to achieve their potential through performance management, employee development and sustainable incentives.
 - Increase employee satisfaction by holding communication meetings with employees and developing plans to improve areas of concern to be at minimum equal to City's average as measured by Denison report.
 - Establish, document and review with service unit managers objectives, career goals, training plans and performance appraisals for all direct reports.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
PROCUREMENT SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

➤ Evaluate existing workflows, processes, and systems; and identify opportunities to streamline, eliminate non-value work, or increase efficiency through technology.

▪ Streamline the procurement process to improve customer satisfaction and achieve cost efficiencies.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
PROCUREMENT

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 5	110054	1.00	1.00
Total		1.00	1.00

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FINANCIAL & ADMINISTRATIVE SERVICES AREA

RISK MANAGEMENT

The Risk Management Unit is responsible for administering the City's property, general liability, and worker's compensation insurance programs. Activities include interfacing with a risk management consultant, administering citizen and workers' compensation claims process, and supporting the RFP process for contract renewals. In addition, the unit supports the City's safety procedures.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
RISK MANAGEMENT**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CONTRIBUTIONS	85,763	212,281	31,689	48,478	6,474	-
INVESTMENT INCOME	41,553	31,315	60,000	60,000	60,000	-
LICENSES, PERMITS & REGISTRATION	-	-	-	-	-	-
MISCELLANEOUS REVENUE	35,231	-	-	-	-	-
PRIOR YEAR SURPLUS	-	-	1,925,000	-	3,330,500	1,555,400
OPERATING TRANSFERS	15,549,421	19,188,169	17,032,749	17,032,749	17,573,505	19,560,044
Total	\$15,711,968	\$19,431,765	\$19,049,438	\$17,141,227	\$20,970,479	\$21,115,444

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INSURANCE (0057)	15,711,968	19,431,765	19,049,438	17,141,227	20,970,479	21,115,444
GENERAL (0010)	-	-	-	-	-	-
Total	\$15,711,968	\$19,431,765	\$19,049,438	\$17,141,227	\$20,970,479	\$21,115,444

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
RISK MANAGEMENT**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	166,656	172,625	36,936	90,000	45,528	45,828
PAYROLL FRINGES/INSURANCE	(10,886)	19,205	34,062	41,469	33,648	38,798
OTHER SERVICES	1,007,069	789,779	877,684	926,570	802,325	854,370
MATERIALS & SUPPLIES	8,214	6,042	12,450	8,000	8,000	8,000
OTHER CHARGES	11,563,909	495,816	1,796,900	1,762,080	1,941,749	2,044,626
CAPITAL OUTLAY	2,349	-	-	-	-	-
Total	\$12,737,311	\$1,483,467	\$2,758,032	\$2,828,119	\$2,831,250	\$2,991,622

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
INSURANCE (0057)	12,737,311	1,483,467	2,758,032	2,828,119	2,831,250	2,991,622
Total	\$12,737,311	\$1,483,467	\$2,758,032	\$2,828,119	\$2,831,250	\$2,991,622

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
RISK MANAGEMENT	3.00	3.00	1.00	1.00	1.00
Total	3.00	3.00	1.00	1.00	1.00

**FINANCIAL & ADMINISTRATIVE SERVICES
RISK MANAGEMENT SERVICES UNIT**

REVENUES

Operating Transfers- The 2006/07 increase represents the additional funding needed for the projected increases in health, property and liability insurance premiums.

EXPENSES

Other Services – The decrease reflects the changes to the City's Workers' Compensation Program due to joining the Michigan Municipal League.

FINANCIAL & ADMINISTRATIVE SERVICES AREA RISK MANAGEMENT SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Ensure the operations of the City are adequately covered by insurance.**
- Support initiatives to create a safe working environment.**

❖ Foster a community with respect for cultural diversity and the open exchange of ideas.

➤ Support and demonstrate the City's guiding principals and desired behaviors.

❖ Deliver high quality City services in a cost effective manner.

➤ Motivate and encourage employees to achieve their potential through performance management, employee development and sustainable incentives.

- Increase employee satisfaction by holding communication meetings with employees and developing plans to improve areas of concern to be at minimum equal to City's average as measured by Denison report.**
- Establish, document and review with service unit managers objectives, career goals, training plans and performance appraisals for all direct reports.**

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
RISK MANAGEMENT SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

➤ Evaluate existing workflows, processes, and systems; and identify opportunities to streamline, eliminate non-value work, or increase efficiency through technology.

▪ Streamline the risk management process to improve customer satisfaction and achieve cost efficiencies.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
RISK MANAGEMENT

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
RISK MANAGEMENT ADMINISTRATOR	401530	1.00	1.00
Total		1.00	1.00

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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 ticket revenues and special assessments. This unit is also responsible for investment and cash flow management.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
TREASURY**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
FINES & FORFEITS	306,089	276,635	195,067	197,567	192,414	199,339
MISCELLANEOUS REVENUE	63,868	5,913	10,000	7,000	7,000	7,000
TAXES	883	1,581	-	-	-	-
Total	\$370,840	\$284,129	\$205,067	\$204,567	\$199,414	\$206,339

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	370,840	284,129	205,067	204,567	199,414	206,339
Total	\$370,840	\$284,129	\$205,067	\$204,567	\$199,414	\$206,339

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
TREASURY**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	606,005	562,567	457,376	445,886	360,636	360,636
PAYROLL FRINGES/INSURANCE	94,427	137,349	122,871	122,871	99,252	116,964
OTHER SERVICES	68,265	43,908	38,130	61,683	46,857	51,012
MATERIALS & SUPPLIES	10,593	7,118	8,300	6,450	4,700	4,900
OTHER CHARGES	20,479	1,092	1,050	850	83,032	87,249
CAPITAL OUTLAY	12,974	-	-	-	1,050	-
Total	\$812,743	\$752,034	\$627,727	\$637,740	\$595,527	\$620,761

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	812,743	752,034	627,727	637,740	595,527	620,761
Total	\$812,743	\$752,034	\$627,727	\$637,740	\$595,527	\$620,761

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
TREASURY	15.50	11.00	9.00	6.00	6.00
Total	15.50	11.00	9.00	6.00	6.00

**FINANCIAL & ADMINISTRATIVE SERVICES
TREASURY SERVICES UNIT**

EXPENSES

Personnel Services – The decrease reflects the following staff reductions:

- Transfer of (3) FTE Administrative Support Specialists to the Public Services Customer Service Center.
- Addition of (1) FTE Personal Property Tax Specialist

Other Charges – The increase reflects the costs associated with the transfer of Information Technology services into an Internal Service Fund.

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 \$332,650 in 2005/06.

FINANCIAL & ADMINISTRATIVE SERVICES AREA TREASURY SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

- Ensure financial assets are invested appropriately and financial processes are efficient and accurate.
 - Revise and improve financial policies and controls.
 - Improve the process of collecting delinquent personal property taxes.
 - Ensure the smooth and successful transition of the cashiering function to the Customer Service Center.
- Improve cash management activities.
 - Obtain financial information from all City service units, to improve the forecasting of necessary cash flows.
 - Research feasibility of in-house investments.

❖ Foster a community with respect for diversity and the open exchange of ideas.

- Support and demonstrate the City's guiding principals and desired behaviors.

**FINANCIAL & ADMINISTRATIVE SERVICES AREA
TREASURY SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Motivate and encourage employees to achieve their potential through performance management, employee development, and sustainable incentives.
 - Increase employee satisfaction by holding communication meetings with employees and developing plans to improve areas of concern to be at minimum equal to City's average as measured by Denison report.
 - Establish, document and review with service unit managers objectives, career goals, training plans and performance appraisals for all direct reports.
- Evaluate existing workflows, processes, and systems; and identify opportunities to streamline, eliminate non-value work, or increase efficiency through technology.
 - Acquire a Citywide revenue management system.
 - Research 3rd party and self-service delivery options.
 - Establish on-line payment option for customers.
 - Monitor parking ticket policies and collection effectiveness and efficiency.

FINANCIAL & ADMINISTRATIVE SERVICES AREA
TREASURY

Allocated Positions

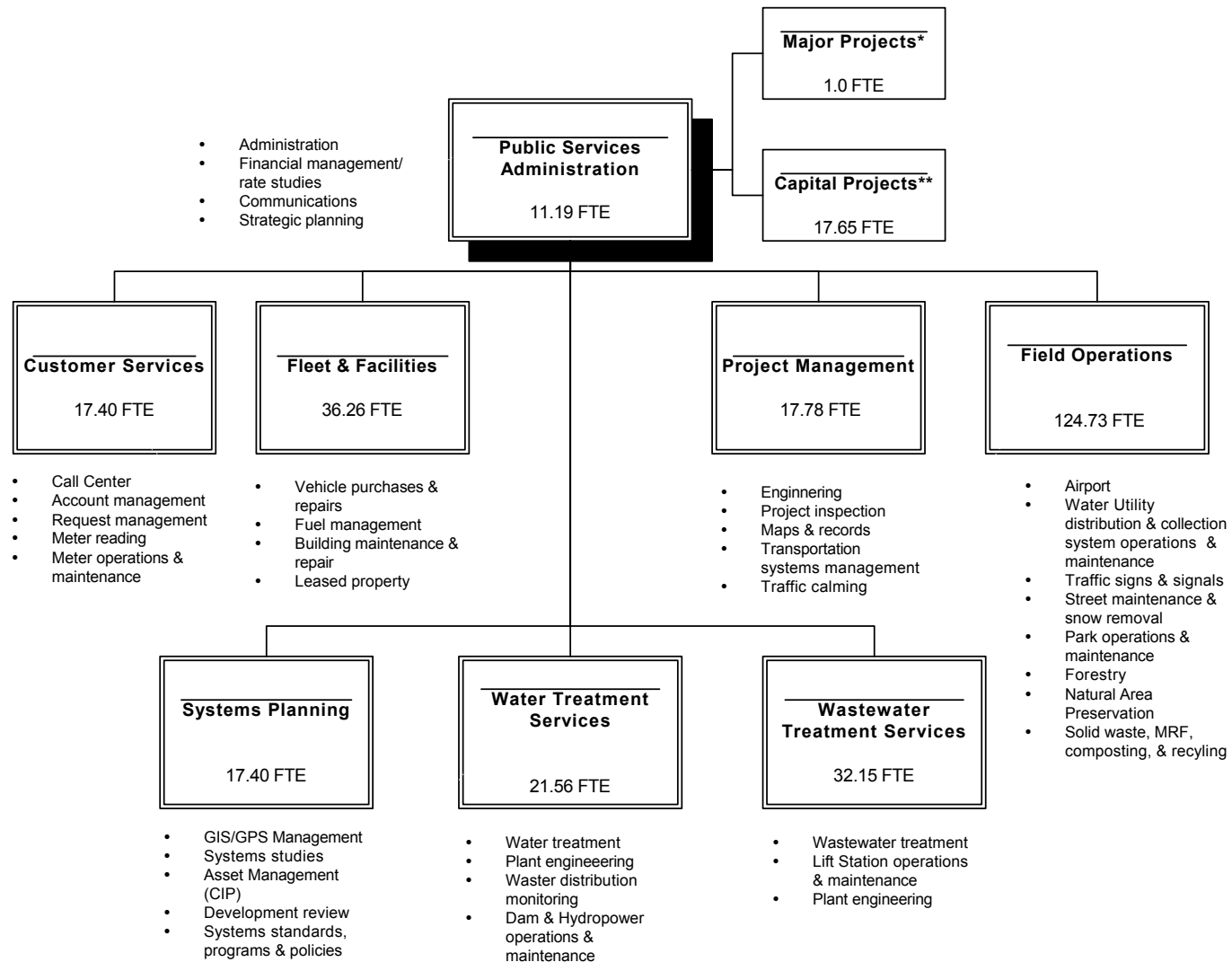
Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 5	110054	1.00	1.00
ASST TREASURY SRVS MANAGER	401090	1.00	1.00
FISCAL ANALYST	401290	1.00	1.00
PARKING REFEREE	401200	2.00	2.00
TREASURY SERVICES MANAGER	403310	1.00	1.00
Total		6.00	6.00

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PUBLIC SERVICES AREA

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The Public Services Area is comprised of eight Service Area Units: Administration, Customer Services, Fleet & Facilities, Project Management, Systems Planning, Field Operations, Water Treatment Services, 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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CAPITAL PROJECTS	7,605,322	13,213,561	-	-	48,924,761	75,858,567
CUSTOMER SERVICES	32,692,281	33,186,593	38,669,168	37,962,727	40,359,157	43,187,177
ADMINISTRATION	4,162,491	3,413,606	25,693,248	25,027,195	29,220,544	23,664,943
FIELD OPERATIONS	12,207,190	14,348,294	12,302,506	11,976,971	12,069,684	12,311,495
FLEET & FACILITIES	4,589,376	5,329,937	5,850,667	5,933,924	7,651,023	6,910,830
PROJECT MANAGEMENT	7,228,647	6,473,250	2,975,180	4,267,986	2,227,278	2,254,318
WATER TREATMENT SERVICES	366,145	496,701	1,724,293	854,821	380,000	380,000
WASTEWATER TREATMENT SERVICES	229,277	250,000	250,000	250,500	255,000	255,000
SYSTEMS PLANNING	324,829	184,561	168,891	168,891	160,000	160,000
ENVIRONMENTAL COORDINATION	97,919	81,215	-	-	-	-
Total	\$69,503,477	\$76,977,718	\$87,633,953	\$86,443,015	\$141,247,447	\$164,982,330

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
WATER SUPPLY SYSTEM (0042)	16,688,292	15,915,061	20,340,273	20,102,125	24,373,265	23,113,550
SEWAGE DISPOSAL SYSTEM (0043)	17,308,472	16,592,922	19,819,842	18,872,788	22,681,241	21,448,691
MAINTENANCE FACILITY (0004)	-	455,081	-	-	12,220,660	8,000,000
SOLID WASTE (0072)	251,158	2,252,261	12,813,423	12,859,868	12,515,164	14,171,324
SEWER BOND SERIES XIX 2004 (0076)	-	3,497,971	-	-	10,419,083	32,541,529
STREET REPAIR MILLAGE (0062)	13,490,715	8,286,574	8,300,466	9,587,612	8,392,251	8,655,071
MAJOR STREET (0021)	6,307,645	7,341,400	6,576,343	6,644,890	7,474,638	8,120,972
MUNICIPAL CENTER (0008)	-	-	-	-	7,088,000	16,530,000
FLEET SERVICES (0012)	3,699,061	3,741,938	4,391,393	4,443,446	6,670,228	5,852,094
WATER BOND SERIES Z 2004 (0095)	-	5,870	-	-	5,980,536	2,583,157
STORMWATER SEWER SYSTEM (0069)	2,747,195	2,954,078	3,975,463	3,810,833	5,380,494	4,712,683
2005-06 WATER BOND (0092)	-	-	-	-	4,206,816	3,802,967
1990 SOLID WASTE BOND ISSUE (0097)	-	26,105	-	-	3,099,200	1,501,000
PROJECT MANAGEMENT (0049)	-	-	-	-	2,065,013	2,091,440
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	1,792,898	1,874,028	1,871,817	1,887,200	1,941,300
LOCAL STREET (0022)	1,742,696	1,834,214	1,819,910	1,816,545	1,846,985	1,886,658
CENTRAL STORES (0011)	1,082,495	1,077,994	1,315,692	1,280,192	1,317,349	1,344,816
2005-06 SEWER BOND (0074)	-	-	-	-	1,004,513	1,853,310
AIRPORT (0048)	693,283	719,028	783,494	813,698	738,686	830,937
GENERAL (0010)	2,619,677	7,990,681	3,984,660	3,960,907	558,609	559,299
2005-06 STORMWATER BOND (0082)	-	-	-	-	417,200	2,276,639
ALTERNATIVE TRANSPORTATION (0061)	-	455,899	-	-	375,677	627,820
ENERGY PROJECTS (0002)	153,215	169,189	168,891	168,891	160,000	160,000
SPECIAL ASSESSMENTS (0031)	-	-	-	-	150,000	150,000
PARKS SERVICE HEADQUARTERS (0015)	121,564	100,138	115,104	115,104	132,752	132,752
ELIZABETH R DEAN TRUST (0055)	170,974	(4,016)	89,799	89,799	87,387	89,821
CEMETERY PERPETUAL CARE (0054)	1,005	2,580	3,200	4,500	4,500	4,500
HYDROPOWER OPERATING FUND (0019)	558,527	559,611	1,261,972	-	-	-
SEWER BOND SERIES 2004-A SRF (0077)	-	919,075	-	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	159,857	160,215	-	-	-	-
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	129,145	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,707,646	1,607	-	-	-	-
WATER BOND SERIES 2004-A DWRF (0098)	-	199	-	-	-	-
Total	\$69,503,477	\$76,977,718	\$87,633,953	\$86,443,015	\$141,247,447	\$164,982,330

PUBLIC SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CAPITAL PROJECTS	8,541,638	20,608,400	-	-	55,614,264	80,822,733
FIELD OPERATIONS	20,351,177	21,272,363	25,867,069	24,663,327	28,950,492	28,354,759
ADMINISTRATION	19,308,423	15,659,155	26,057,471	24,850,162	27,443,906	22,835,483
FLEET & FACILITIES	8,437,163	8,879,228	10,544,585	10,582,574	12,855,331	10,272,475
WATER TREATMENT SERVICES	5,791,090	6,572,097	5,957,254	6,000,627	6,862,618	6,557,842
WASTEWATER TREATMENT SERVICES	5,671,293	5,956,844	6,077,162	5,975,161	6,536,361	6,871,942
PROJECT MANAGEMENT	2,390,867	1,984,692	2,570,133	2,497,422	4,074,348	6,247,895
SYSTEMS PLANNING	575,665	837,024	1,817,478	1,538,380	3,097,196	2,946,959
CUSTOMER SERVICES	1,053,420	1,943,089	1,742,802	1,734,950	2,256,569	2,388,931
ENVIRONMENTAL COORDINATION	100,737	88,323	-	-	-	-
Total	\$72,221,473	\$83,801,215	\$80,633,954	\$77,842,603	\$147,691,085	\$167,299,019

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
WATER SUPPLY SYSTEM (0042)	14,742,839	15,537,780	20,300,038	19,268,217	24,242,750	22,633,769
SEWAGE DISPOSAL SYSTEM (0043)	14,276,771	14,322,707	17,527,149	17,019,835	21,000,940	19,492,471
MAINTENANCE FACILITY (0004)	-	922,894	-	-	12,220,660	8,000,000
SOLID WASTE (0072)	126,896	1,266,205	12,670,721	12,549,102	11,841,375	12,948,063
SEWER BOND SERIES XIX 2004 (0076)	-	1,027,135	-	-	10,419,083	32,541,529
GENERAL (0010)	15,165,709	17,059,526	8,931,989	8,695,707	10,236,230	8,716,790
STREET REPAIR MILLAGE (0062)	8,171,906	13,037,465	590,852	513,796	8,392,251	8,655,071
MAJOR STREET (0021)	6,433,427	5,890,667	6,506,343	6,205,811	7,474,338	8,034,372
MUNICIPAL CENTER (0008)	-	-	-	-	7,088,000	16,530,000
FLEET SERVICES (0012)	3,598,203	3,692,322	4,391,393	4,480,479	6,621,992	4,412,038
WATER BOND SERIES Z 2004 (0095)	-	3,150,006	-	-	5,980,536	2,583,157
STORMWATER SEWER SYSTEM (0069)	1,980,430	2,016,430	3,655,667	3,071,004	5,026,190	4,390,785
2005-06 WATER BOND (0092)	-	-	-	-	4,206,816	3,802,967
1990 SOLID WASTE BOND ISSUE (0097)	-	141,801	-	-	3,099,200	1,501,000
PROJECT MANAGEMENT (0049)	-	-	-	-	2,065,013	2,091,440
LOCAL STREET (0022)	1,937,072	1,527,401	1,797,187	1,789,780	1,846,985	1,886,658
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	1,043,947	1,425,208	1,441,398	1,545,162	1,612,814
CENTRAL STORES (0011)	1,038,967	1,009,861	1,262,276	1,253,598	1,317,349	1,344,816
2005-06 SEWER BOND (0074)	-	-	-	-	1,004,513	1,853,310
AIRPORT (0048)	845,186	806,676	783,494	811,779	738,686	830,937
2005-06 STORMWATER BOND (0082)	-	-	-	-	417,200	2,276,639
ALTERNATIVE TRANSPORTATION (0061)	-	360,947	-	-	375,677	627,820
ENERGY PROJECTS (0002)	63,927	56,567	163,762	163,762	160,000	160,000
SPECIAL ASSESSMENTS (0031)	-	-	-	-	150,000	150,000
PARKS SERVICE HEADQUARTERS (0015)	123,104	98,164	115,104	105,984	132,752	132,752
ELIZABETH R DEAN TRUST (0055)	112,703	117,565	89,799	50,180	87,387	89,821
HYDROPOWER OPERATING FUND (0019)	447,754	497,783	422,972	422,171	-	-
SEWER BOND SERIES 2004-A SRF (0077)	-	152,453	-	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	113,800	142,668	-	-	-	-
WATER BOND SERIES 2004-A DWRF (0098)	-	23,597	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,275,354	12,043	-	-	-	-
DDA PARKING SYSTEM (0063)	(7,778)	6,389	-	-	-	-
INSURANCE (0057)	1,893	1,471	-	-	-	-
PARKING SYSTEM (0044)	1,755,135	-	-	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	14,018	-	-	-	-	-
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	4,157	-	-	-	-	-

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	(121,255)	-	-	-	-
Total	\$72,221,473	\$83,801,215	\$80,633,954	\$77,842,603	\$147,691,085	\$167,299,019

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
ADMINISTRATION	6.00	13.35	14.27	12.19	12.19
CAPITAL PROJECTS	-	-	16.75	17.65	14.84
CUSTOMER SERVICES	17.00	14.00	15.70	17.40	18.45
ENVIRONMENTAL COORDINATION	2.00	3.00	-	-	-
FIELD OPERATIONS	169.00	149.66	128.91	124.73	124.06
FLEET & FACILITIES	32.00	28.00	36.04	36.26	36.26
PROJECT MANAGEMENT	35.00	34.00	18.89	17.78	18.43
SYSTEMS PLANNING	-	-	9.81	17.40	17.45
WASTEWATER TREATMENT SERVICES	39.00	36.00	35.06	32.15	32.17
WATER TREATMENT SERVICES	32.00	28.00	24.34	21.56	22.60
Total	332.00	306.01	299.77	297.12	296.45



PUBLIC SERVICES AREA

CAPITAL PROJECTS

The Capital Project Service Unit, as part of the Public Services Service Area, is responsible for \$55.6 million (FY 05/06) and \$80.8 million (FY 06/07) in capital improvements for roads, water and sewer infrastructure, and the municipal facility improvements.

**PUBLIC SERVICES AREA
CAPITAL PROJECTS**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	-	30,000	-	-	238,188	105,000
CONTRIBUTIONS	-	-	-	-	2,050,526	4,206,000
INTERGOVERNMENTAL REVENUES	12,051	136,973	-	-	-	370,000
INVESTMENT INCOME	445,144	189,885	-	-	-	-
MISCELLANEOUS REVENUE	-	-	-	-	-	-
SALE OF BONDS	-	-	-	-	15,335,712	47,123,334
PRIOR YEAR SURPLUS	-	-	-	-	21,224,485	20,755,396
TAXES	7,148,127	7,468,908	-	-	-	-
OPERATING TRANSFERS	-	5,387,795	-	-	10,075,850	3,298,837
Total	\$7,605,322	\$13,213,561	\$	\$	\$48,924,761	\$75,858,567

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
MAINTENANCE FACILITY (0004)	-	400,000	-	-	12,220,660	8,000,000
SEWER BOND SERIES XIX 2004 (0076)	-	3,641,419	-	-	10,419,083	32,541,529
MUNICIPAL CENTER (0008)	-	-	-	-	7,088,000	16,530,000
WATER BOND SERIES Z 2004 (0095)	-	-	-	-	5,980,536	2,583,157
2005-06 WATER BOND (0092)	-	-	-	-	4,206,816	3,802,967
1990 SOLID WASTE BOND ISSUE (0097)	-	-	-	-	3,099,200	1,501,000
WATER SUPPLY SYSTEM (0042)	12,051	-	-	-	1,587,704	2,346,285
STORMWATER SEWER SYSTEM (0069)	-	-	-	-	1,150,420	105,000
2005-06 SEWER BOND (0074)	-	-	-	-	1,004,513	1,853,310
SOLID WASTE (0072)	-	-	-	-	1,000,000	2,500,000
2005-06 STORMWATER BOND (0082)	-	-	-	-	417,200	2,276,639
ALTERNATIVE TRANSPORTATION (0061)	-	457,500	-	-	363,412	614,942
MAJOR STREET (0021)	-	-	-	-	237,891	1,133,738
STREET REPAIR MILLAGE (0062)	7,593,271	7,658,793	-	-	149,326	-
SEWER BOND SERIES 2004-A SRF (0077)	-	918,876	-	-	-	-
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	114,263	-	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	-	22,710	-	-	-	-
AIRPORT (0048)	-	-	-	-	-	70,000
COURT FACILITIES (0023)	-	-	-	-	-	-
Total	\$7,605,322	\$13,213,561	\$	\$	\$48,924,761	\$75,858,567

**PUBLIC SERVICES AREA
CAPITAL PROJECTS**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	642,369	878,767	-	-	1,114,729	934,702
PAYROLL FRINGES/INSURANCE	97,255	193,541	-	-	319,142	316,578
OTHER SERVICES	2,334,300	5,019,733	-	-	3,477,200	1,745,750
MATERIALS & SUPPLIES	53,910	277,213	-	-	-	-
OTHER CHARGES	743,073	3,057,862	-	-	22,048,532	24,603,429
PASS THROUGHES	-	4,014,441	-	-	1,532,238	1,578,524
CAPITAL OUTLAY	4,670,731	7,166,843	-	-	27,122,423	51,643,750
Total	\$8,541,638	\$20,608,400	\$	\$	\$55,614,264	\$80,822,733

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
MAINTENANCE FACILITY (0004)	-	922,894	-	-	12,220,660	8,000,000
SEWER BOND SERIES XIX 2004 (0076)	-	1,027,135	-	-	10,419,083	32,541,529
MUNICIPAL CENTER (0008)	-	-	-	-	7,088,000	16,530,000
STREET REPAIR MILLAGE (0062)	7,339,683	12,865,773	-	-	6,838,829	4,964,166
WATER BOND SERIES Z 2004 (0095)	-	3,150,006	-	-	5,980,536	2,583,157
2005-06 WATER BOND (0092)	-	-	-	-	4,206,816	3,802,967
1990 SOLID WASTE BOND ISSUE (0097)	-	31,543	-	-	3,099,200	1,501,000
WATER SUPPLY SYSTEM (0042)	325,906	362,986	-	-	1,587,704	2,346,285
STORMWATER SEWER SYSTEM (0069)	998	69,093	-	-	1,150,420	105,000
2005-06 SEWER BOND (0074)	-	-	-	-	1,004,513	1,853,310
SOLID WASTE (0072)	-	-	-	-	1,000,000	2,500,000
2005-06 STORMWATER BOND (0082)	-	-	-	-	417,200	2,276,639
ALTERNATIVE TRANSPORTATION (0061)	-	360,947	-	-	363,412	614,942
MAJOR STREET (0021)	182,120	637,680	-	-	237,891	1,133,738
SEWAGE DISPOSAL SYSTEM (0043)	652,472	1,079,240	-	-	-	-
SEWER BOND SERIES 2004-A SRF (0077)	-	152,453	-	-	-	-
HYDROPOWER OPERATING FUND (0019)	22,000	38,448	-	-	-	-
WATER BOND SERIES 2004-A DWRF (0098)	-	23,597	-	-	-	-
DDA PARKING SYSTEM (0063)	(7,778)	6,389	-	-	-	-
INSURANCE (0057)	1,893	1,471	-	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	14,018	-	-	-	-	-
PARKING SYSTEM (0044)	6,169	-	-	-	-	-
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	4,157	-	-	-	-	-
AIRPORT (0048)	-	-	-	-	-	70,000
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	(121,255)	-	-	-	-
Total	\$8,541,638	\$20,608,400	\$	\$	\$55,614,264	\$80,822,733

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
CAPITAL PROJECTS	-	-	16.75	17.65	14.84
Total	0.00	0.00	16.75	17.65	14.84

PUBLIC SERVICES AREA CAPITAL PROJECTS

Pass Throughs – The total budgeted expenditures for the Public Services Capital Projects Unit are \$55,614,264. However, that amount includes operating transfers between funds of \$1,557,040; which makes the project costs appear higher. As represented in the capital summaries, the actual budgeted project costs, net of the transfers, total \$54,057,224 which is the request for authorization.

The total budgeted revenues for the Public Services Capital Projects Unit are \$48,924,761. As with the expenditure budget the amount includes operating transfers between funds of \$1,557,040; which makes the project revenues appear higher. As represented in the capital summaries, the actual budgeted project revenues, net of the transfers, total \$47,367,721 which is the request for authorization.

PUBLIC SERVICES AREA
CAPITAL PROJECTS

Allocated Positions

Job Description	Job Class	2005-06	2006-07
		FTE's	FTE's
ADMIN SUPPORT SPECIALIST LVL 4	110044	0.15	0.15
AMR PROJECT COORDINATOR	115170	0.35	-
ASST WTP SUPERINTENDENT	401020	0.17	0.06
ASST WWTP SUPERINTENDENT	401010	0.15	0.18
CITY PLANNER II	112611	0.15	0.15
CIVIL ENGINEER II	002110	2.26	2.26
CIVIL ENGINEER III	403620	0.73	0.73
CIVIL ENGINEER IV	403840	0.73	0.73
CIVIL ENGINEER V	401330	1.36	1.26
CUSTOMER SERV SUPERINTENDENT	401390	0.35	-
DRAFTSPERSON III	112210	0.61	0.44
ELECTRICAL & CONTROL TECH IV	116244	0.12	0.02
ENGINEERING TECHNICIAN III	112030	0.75	0.75
ENGINEERING TECHNICIAN IV	112040	3.70	3.56
ENGINEERING TECHNICIAN IV	112041	1.53	1.46
ENVIRONMENTAL LAB ANALYST III	110334	0.07	0.02
FIELD OPER TECH III - COMM SYS	112724	0.03	0.03
FIELD OPER TECH IV - COMM SYS	112734	0.44	0.44
FIELD OPER TECH V - COMM SYS	112744	0.13	0.13
PROCESS CONTROL SYSTEM SPEC	403190	0.17	0.04
PROCUREMENT COORDINATOR	117450	0.07	0.07
PUBLIC SVCS - MAJOR PROJECTS	403780	-	-
SENIOR SURVEYOR	112100	0.72	0.55
SENIOR UTILITIES ENGINEER	404000	1.64	1.47
UTILITIES SERVICEPERSON	116450	0.35	-
WATER QUALITY MANAGER	403820	0.43	0.06
WATER UTILITY SUPERVISOR III	197421	0.10	0.03
WATER UTILITY TECHNICIAN I	117400	0.03	0.03
WATER UTILITY TECHNICIAN V	117440	0.09	0.03
WTP SUPERINTENDENT	401310	0.12	0.04
WWTP SUPERINTENDENT	401300	0.15	0.15
Total		17.65	14.84

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PUBLIC SERVICES AREA

CUSTOMER SERVICES

Customer Services has the primary responsibility to assure we respond to customer inquiries, complaints and requests for service. Customer Services has 17.4 FTEs (FY 05/06) and 18.45 FTEs (FY 06/07). 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 SERVICES**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	31,745,018	32,226,698	38,639,168	37,962,727	40,359,157	43,187,177
INTRA GOVERNMENTAL SALES	907,137	907,137	-	-	-	-
MISCELLANEOUS REVENUE	40,126	52,758	-	-	-	-
OPERATING TRANSFERS	-	-	30,000	-	-	-
Total	\$32,692,281	\$33,186,593	\$38,669,168	\$37,962,727	\$40,359,157	\$43,187,177

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
SEWAGE DISPOSAL SYSTEM (0043)	15,323,946	15,274,399	18,068,475	17,398,762	18,634,781	20,297,791
WATER SUPPLY SYSTEM (0042)	14,749,965	15,252,215	17,079,398	17,082,670	17,679,213	18,469,612
STORMWATER SEWER SYSTEM (0069)	2,618,370	2,659,979	3,491,295	3,481,295	4,045,163	4,419,774
GENERAL (0010)	-	-	30,000	-	-	-
Total	\$32,692,281	\$33,186,593	\$38,669,168	\$37,962,727	\$40,359,157	\$43,187,177

**PUBLIC SERVICES AREA
CUSTOMER SERVICES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	491,981	1,417,328	787,127	787,437	902,982	978,922
PAYROLL FRINGES/INSURANCE	146,244	203,442	215,537	215,575	406,686	496,899
OTHER SERVICES	306,764	224,716	462,387	461,037	487,371	460,595
MATERIALS & SUPPLIES	177,474	167,441	73,850	74,000	82,050	83,791
OTHER CHARGES	23,378	35,450	2,546	2,546	172,980	181,779
CAPITAL OUTLAY	(92,421)	(106,228)	201,355	194,355	199,000	181,245
VEHICLE OPERATING COSTS	-	940	-	-	5,500	5,700
Total	\$1,053,420	\$1,943,089	\$1,742,802	\$1,734,950	\$2,256,569	\$2,388,931

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
WATER SUPPLY SYSTEM (0042)	991,758	1,739,074	1,570,056	1,564,116	1,844,818	1,956,220
GENERAL (0010)	-	25,882	45,600	43,688	252,221	264,867
MAJOR STREET (0021)	-	44,762	127,146	127,146	98,225	103,497
PROJECT MANAGEMENT (0049)	-	-	-	-	61,305	64,347
SEWAGE DISPOSAL SYSTEM (0043)	20,118	173,670	-	-	-	-
STORMWATER SEWER SYSTEM (0069)	41,544	(40,299)	-	-	-	-
Total	\$1,053,420	\$1,943,089	\$1,742,802	\$1,734,950	\$2,256,569	\$2,388,931

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
CUSTOMER SERVICES	17.00	14.00	15.70	17.40	18.45
Total	17.00	14.00	15.70	17.40	18.45

**PUBLIC SERVICES AREA
CUSTOMER SERVICES**

REVENUES

Charges for Services – This increase reflects a requested increase in rates for the Water Supply System, Sewage Disposal System and Stormwater System.

EXPENSES

Personnel Services – The Customer Service Center consolidation that was accomplished within Public Services in March 2005 was not reflected in the FY 05 budget. The FY 06/07 budget reflects:

- An increase of (2.5) FTE clerical staff previously accounted for in the Financial Services Unit to perform the cashiering function (0010)
- An increase in salaries of 3.0% in FY06 and FY07.

Payroll Fringes –

- The increases are primarily attributable to pension and retiree health care cost increases. In addition, the following increases are expected: health care- no change in FY06 and up 12.0% in FY07, and vision and dental up 7.3 % in FY06 and 2.4% in FY07. (0042, 0072, 0010)

Other Services –

- Expense increase due to the IT charges being allocated to Service Units on a services provided basis. (0042, 0072)

Materials & Supplies –

- Consolidation of cashiering into the Call Center increased staff and associated materials and supplies needed to perform their jobs. (0010)

PUBLIC SERVICES AREA CUSTOMER SERVICES

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Deliver high quality City services in a cost effective manner.

- Improve City's communication to employees and citizens to improve morale and image of the City.
 - Develop and implement a communication strategy geared toward the community.
 - Implement action plan based on 2005 Customer Satisfaction survey by December 31, 2005.
 - Administer a Customer Satisfaction survey with Water Utility customers identifying process improvement and communication opportunities during FY06/07.
- Streamline business processes.
 - Implement collections telephone tagging procedure by December 31, 2005.
 - Continue use of Barrier Buster to qualify low-income residents for Water Utility bill payment assistance.
 - Reduce walk-in payment of parking tickets from 40% to 15% of total tickets issued by October 1, 2005 and participate in RFP and selection process for a new parking ticket issuing/processing system by December 2005.
 - Complete implementation of the revenue management system for the cashiering function by December 31, 2005.

**PUBLIC SERVICES AREA
CUSTOMER SERVICES (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery.
 - Complete the Automatic Meter Reading (AMR) installation project for water by March 1, 2006.
 - Provide customers on-line access to AMR water consumption data by December 31, 2005.
 - Evaluate and implement on-line bill presentment and payment options for Solid Waste and Water Utility bills by December 31, 2005.
 - Implement City Works/ArcView complaint tracking and service order software by December 31, 2005.
 - Complete account setup and billing for the new Solid Waste cart program by December 2005.
 - Implement a credit card payment option for Water Utility bills by December 31, 2005.

**PUBLIC SERVICES AREA
CUSTOMER SERVICES (concluded)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Develop a strategy to improve the leadership of the City and capabilities of employees including safety.
 - Train and deploy multi-skilled employees.
 - Cross train clerical staff on cashiering, Solid Waste, Transportation, and Water Utility activities targeting specific business needs for level IV specialists. Ongoing.
 - Train Service staff on AMR troubleshoot techniques and on Hexagram software by March 1, 2006.
 - Provide Supervision staff the opportunity to participate in leadership training – at least two classes per FY.
 - Train call center staff on new parking ticket system by January 2006.
 - Conduct employee evaluations and performance management, and provide feedback at least twice per year.
 - Administer the Denison Cultural survey to evaluate results of the 2005 action plan and develop new action plan by June 2007.

PUBLIC SERVICES AREA
CUSTOMER SERVICES

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 3	110034	5.20	5.20
ADMIN SUPPORT SPECIALIST LVL 4	110044	4.10	4.10
AMR PROJECT COORDINATOR	115170	0.65	1.00
ASST. TO UTILITIES DIRECTOR	401060	1.00	1.00
CALL CENTER SUPERVISOR	194510	1.00	1.00
CUSTOMER SERV SUPERINTENDENT	401390	0.65	1.00
MANAGEMENT ASSISTANT	000200	0.15	0.15
PLUMBING INSPECTOR II	114261	1.00	1.00
UTILITIES SERVICEPERSON	116450	2.65	3.00
WATER UTIL INFO SYSTEM SPEC	403170	1.00	1.00
Total		17.40	18.45



PUBLIC SERVICES AREA

FIELD OPERATIONS

Field Operations is the combination of field oriented maintenance and operational divisions from across the organization. There are 124.73 FTEs (FY 05/06) and 124.06 FTEs (FY 06/07) responsible for park maintenance, forestry, natural area preservation, street lighting, signals, signs, radio communications, street maintenance, solid waste and material recovery activities, 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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	447,608	753,259	611,926	571,450	495,564	508,164
CONTRIBUTIONS	-	-	-	-	-	-
INTERGOVERNMENTAL REVENUES	7,021,274	7,821,485	7,439,918	7,522,345	7,667,632	7,813,242
INTRA GOVERNMENTAL SALES	1,913,268	2,196,346	2,115,835	1,681,476	1,632,601	1,661,268
INVESTMENT INCOME	222,588	12,416	90,299	90,606	87,387	89,821
LICENSES, PERMITS & REGISTRATION	-	-	700	-	-	-
MISCELLANEOUS REVENUE	43,935	108,587	23,500	71,231	20,500	19,000
TAXES	1,670,480	1,779,677	1,870,328	1,870,017	1,885,000	1,939,000
OPERATING TRANSFERS	888,037	1,676,524	150,000	169,846	281,000	281,000
Total	\$12,207,190	\$14,348,294	\$12,302,506	\$11,976,971	\$12,069,684	\$12,311,495

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
MAJOR STREET (0021)	5,520,108	6,697,567	5,845,008	5,954,890	6,186,747	6,297,234
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	1,792,898	1,874,028	1,871,817	1,887,200	1,941,300
LOCAL STREET (0022)	1,544,045	1,674,710	1,620,910	1,621,545	1,651,085	1,686,408
CENTRAL STORES (0011)	1,082,495	1,077,994	1,315,692	1,280,192	1,317,349	1,344,816
SOLID WASTE (0072)	20,798	217,818	337,190	348,601	299,164	317,164
WATER SUPPLY SYSTEM (0042)	876,270	699,682	662,699	245,000	229,500	229,500
SEWAGE DISPOSAL SYSTEM (0043)	286,338	294,137	306,876	312,876	212,500	213,500
PARKS SERVICE HEADQUARTERS (0015)	121,564	100,138	115,104	115,104	132,752	132,752
ELIZABETH R DEAN TRUST (0055)	170,974	(4,016)	89,799	89,799	87,387	89,821
GENERAL (0010)	803,433	1,642,342	116,400	117,047	41,500	32,500
STORMWATER SEWER SYSTEM (0069)	72,514	150,837	15,600	15,600	20,000	22,000
CEMETERY PERPETUAL CARE (0054)	1,005	2,580	3,200	4,500	4,500	4,500
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,707,646	1,607	-	-	-	-
Total	\$12,207,190	\$14,348,294	\$12,302,506	\$11,976,971	\$12,069,684	\$12,311,495

**PUBLIC SERVICES AREA
FIELD OPERATIONS**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	6,924,851	7,010,904	7,511,165	7,143,672	7,518,359	7,525,283
PAYROLL FRINGES/INSURANCE	1,512,372	2,454,368	2,334,062	2,176,618	3,031,930	3,507,213
OTHER SERVICES	7,155,763	6,759,274	7,986,618	7,896,476	12,513,078	10,941,572
MATERIALS & SUPPLIES	2,343,178	2,017,701	2,511,016	2,446,912	2,533,808	2,521,522
OTHER CHARGES	1,740,136	1,897,560	291,099	307,819	1,131,036	1,190,921
PASS THROUGHS	689,277	1,163,890	1,783,658	1,799,858	620,605	623,650
CAPITAL OUTLAY	(363,665)	(411,594)	3,261,231	2,614,747	1,305,347	1,748,288
VEHICLE OPERATING COSTS	349,265	380,260	188,220	277,225	296,329	296,310
Total	\$20,351,177	\$21,272,363	\$25,867,069	\$24,663,327	\$28,950,492	\$28,354,759

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	7,484,395	7,798,963	5,516,907	5,515,586	8,087,828	6,459,454
SOLID WASTE (0072)	2,000	650,500	5,117,188	4,989,865	4,374,278	4,470,354
MAJOR STREET (0021)	2,483,288	3,328,314	3,902,723	3,608,084	4,143,605	4,294,466
WATER SUPPLY SYSTEM (0042)	2,463,031	1,885,268	2,526,922	2,441,144	2,949,483	3,269,931
SEWAGE DISPOSAL SYSTEM (0043)	1,577,702	1,852,955	2,123,742	2,011,462	2,488,229	2,329,575
STORMWATER SEWER SYSTEM (0069)	1,937,888	1,778,916	2,076,315	1,542,008	2,075,723	2,563,475
LOCAL STREET (0022)	1,937,072	1,527,113	1,710,885	1,704,018	1,748,696	1,787,301
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	1,043,947	1,425,208	1,441,398	1,545,162	1,612,814
CENTRAL STORES (0011)	1,038,967	1,009,861	1,262,276	1,253,598	1,317,349	1,344,816
PARKS SERVICE HEADQUARTERS (0015)	123,104	98,164	115,104	105,984	132,752	132,752
ELIZABETH R DEAN TRUST (0055)	112,703	117,565	89,799	50,180	87,387	89,821
1990 SOLID WASTE BOND ISSUE (0097)	-	110,258	-	-	-	-
AIRPORT (0048)	(3,251)	31,848	-	-	-	-
FLEET SERVICES (0012)	(28,200)	26,648	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	1,275,354	12,043	-	-	-	-
PARKING SYSTEM (0044)	(52,876)	-	-	-	-	-
Total	\$20,351,177	\$21,272,363	\$25,867,069	\$24,663,327	\$28,950,492	\$28,354,759

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
FIELD OPERATIONS	169.00	149.66	128.91	124.73	124.06
Total	169.00	149.66	128.91	124.73	124.06

PUBLIC SERVICES AREA
FIELD OPERATIONS

EXPENSES

Personnel Services –

- An increase above contracted salary increases is attributed to the .2 FTE allocated from Natural Area Preservation to assist with the Adopt-A-Park Program. (0010)
- Decrease associated with elimination of .5 FTE in clerical area. Work will be distributed throughout the unit to other administrative support specialists. (0011)

Payroll Fringes –

- Increase attributed to retiree medical insurance being charged to specific agencies. (0010)
- Increase attributed to charges for retiree medical now being charged to the appropriate activity. These were previously charged in administration. (0042 & 0043)

Other Services –

- Increase reflects contracted services for Emerald Ash Borer remediation. (0010)
- Increase to fleet charges associated with actual repair and usage records (0021)
- Increase reflects increases to radio system maintenance charges.
- Increase is attributed to increased fleet charges and depreciation now being associated with each activity. (shift of equipment charges from 0714000 to 0712000 shifts expenses for vehicles by approximately \$300,000) (0072)

Other Charges –

- Increase reflects IT charges for computer and software licenses and usage. (0021, 0011, 0072, 0042 & 0043)

Pass Throughs –

- Decrease due to new fleet charges with an offsetting increase in other services. This budget associates vehicle charges with activities. In FY 04/05 depreciation was recorded as a lump sum transfer. (0010)
- Increase reflects incremental buy-in of equipment into the fleet fund for maintenance, repair, and replacement. (0072)

Capital Outlay –

- Decrease results from purchases of curb carts and new automated collection vehicles in the current year and no budgeted purchases for the upcoming year.
- In the utility funds equipment purchases are still budgeted in the operating budget. This increase is the projected need for vehicle replacement including a frontload, rubber-tired loader in FY 05/06, and heavy-duty dump trucks in 06/07. (0042 & 0043)

PUBLIC SERVICES AREA
FIELD OPERATIONS (continued)

Vehicle Operating Costs-

- Increase associated with anticipated increases in gasoline and diesel prices. (0072, 0042 & 0043)

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 \$675,545 in 2005/06.

PUBLIC SERVICES AREA FIELD OPERATIONS

❖ City Goals

➤ Service Area Goals

- **Service Unit Objectives**

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Consolidate formerly separate operational divisions and units to reduce cost and improve efficiencies.
- Review fees and charges to ensure cost recovery of services.

❖ Support a safe and reliable municipal infrastructure.

➤ Ensure the adequacy of City infrastructure.

- Provide a high level of maintenance and repair of the City's roadway, traffic signal systems, signs, radio communications, park operations and forestry, and solid waste and material recovery programs.
- Ensure the proper coordination between maintenance and re-building efforts.
- Perform Emerald Ash removals to assure public safety and reduce economic risk.

**PUBLIC SERVICES AREA
FIELD OPERATIONS (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.**

➤ Pursue high quality standards to enhance the quality of life and continue the preservation and conservation of natural resources.

- Continue to maintain high-level park aesthetics and forestry standards while increasing efficiencies.
- Actively pursue reforestation option after Ash Borer removals.
- Review street signage to limit the number of signs while providing proper guidance levels.

❖ **Deliver high quality City services in a cost effective manner.**

➤ Improve City's communication to employees and citizens to improve efficiencies, standards and the quality of life of the City.

- Continue team-building efforts in the Field Operations Unit.
- Analyze operations and activities on a regular basis to identify opportunities for improvement and cost containment.

➤ Develop a strategic technology plan to optimize technology in all Field Operations activities and eliminate inefficiencies to improve service delivery.

- Configure laptop computers with wireless network connection to receive and process Miss Dig requests in the field.
- Expand the use of Cityworks to include scheduled valve maintenance (pilot program.)

**PUBLIC SERVICES AREA
FIELD OPERATIONS SERVICES UNIT (concluded)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Develop a strategy to improve the leadership of the City and capabilities of employees including safety.
 - Implement safety standards that include safety training and exercises.
 - Maintain excellent safety program that identifies and minimizes risk.
 - Identify alternatives and strategies during program evaluation and review to increase cost effectiveness such as leaf collection and street sign programs.

PUBLIC SERVICES AREA
FIELD OPERATIONS

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 3	110034	2.90	2.90
ADMIN SUPPORT SPECIALIST LVL 4	110044	2.85	2.85
BOTANIST	401180	0.83	1.00
CIVIL ENGINEER IV	403840	0.10	0.10
CIVIL ENGINEER V	401330	0.10	0.10
ENVIRONMENTAL COORDINATOR	401410	0.06	0.06
FIELD OP TECH V - INFRA SYS CP	112845	5.00	5.00
FIELD OPER TECH I - INFRA SYS	112804	4.00	4.00
FIELD OPER TECH I-COMM SYS	112704	-	-
FIELD OPER TECH II - FOR/FAC	112764	1.00	1.00
FIELD OPER TECH II - INFRA SYS	112814	7.76	7.76
FIELD OPER TECH III - COMM SYS	112724	1.97	1.97
FIELD OPER TECH III - FOR/FAC	112774	10.00	10.00
FIELD OPER TECH IV - COMM SYS	112734	3.56	3.56
FIELD OPER TECH IV - FOR/FAC	112784	5.98	5.98
FIELD OPER TECH IV - INFRA SYS	112834	25.39	25.39
FIELD OPER TECH V - COMM SYS	112744	4.87	4.87
FIELD OPER TECH V - FOR/FAC	112794	10.15	9.15
FIELD OPER TECH V - INFRA SYS	112844	13.00	13.00
FIELD OPERATIONS SERIVCES MANG	403450	0.77	0.77
FIELD OPERATIONS SUPV II	192110	3.00	3.00
FIELD OPERATIONS SUPV III	192120	2.50	2.50
FIELD OPERATIONS SUPV IV	192130	1.00	1.00
FIELD OPERATIONS SUPV V	192140	4.00	4.00
FORESTRY FOREPERSON II	192891	-	-
FORESTRY GROUNDSPERSON I	112831	1.00	1.00
GIS COORDINATOR	401520	1.00	1.00
MANAGEMENT ASSISTANT	000200	0.05	0.05
MANAGER - NAP PARKS	403320	1.00	1.00
NAP TECHNICIAN	193050	2.00	2.00
OPERATIONS ANALYST III	000600	1.00	1.00
OPERATIONS TECHNICIAN I	112090	1.00	1.00
PARK RANGER II	113000	1.00	1.00
PUBLIC SERVICES AREA ADMIN	403410	0.05	0.05
RADIO COMM TECHNICIAN II	116880	1.00	1.00
TREE TRIMMER I	112851	2.00	2.00
TREE TRIMMER II	112861	1.00	1.00
VEHICLE & EQUIPMENT TECH IV	110115	1.00	1.00
YOUTH OUTREACH COORDINATOR	199060	0.83	1.00
Total		124.73	124.06

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PUBLIC SERVICES AREA

FLEET & FACILITIES

Fleet and Facilities Services 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. Management of Fire vehicles and Parks specialty equipment is provided by this unit. Additionally, the unit is responsible for consolidated facility maintenance including repairs, renovations, preventive maintenance, snow removal, grounds maintenance and general upkeep of 19 City-owned buildings. There are 36.26 FTEs requested in this budget to accomplish the above described unit responsibilities.

**PUBLIC SERVICES AREA
FLEET & FACILITIES**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	829,262	790,860	808,544	806,748	819,686	870,400
INTRA GOVERNMENTAL SALES	3,465,027	3,587,684	2,917,931	3,076,684	5,241,058	5,494,094
INVESTMENT INCOME	37,857	(3,835)	35,000	36,500	29,500	27,500
MISCELLANEOUS REVENUE	257,230	151,949	125,650	123,650	164,500	94,500
PRIOR YEAR SURPLUS	-	-	770,496	697,296	993,468	17,537
OPERATING TRANSFERS	-	803,279	1,193,046	1,193,046	402,811	406,799
Total	\$4,589,376	\$5,329,937	\$5,850,667	\$5,933,924	\$7,651,023	\$6,910,830

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
FLEET SERVICES (0012)	3,699,061	3,741,938	4,391,393	4,443,446	6,670,228	5,852,094
AIRPORT (0048)	693,283	719,028	783,494	813,698	738,686	760,937
GENERAL (0010)	197,032	438,458	583,080	583,080	147,109	156,799
SOLID WASTE (0072)	-	430,513	92,700	93,700	95,000	141,000
Total	\$4,589,376	\$5,329,937	\$5,850,667	\$5,933,924	\$7,651,023	\$6,910,830

**PUBLIC SERVICES AREA
FLEET & FACILITIES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	1,890,392	1,830,312	2,045,419	2,057,758	2,160,618	2,171,056
PAYROLL FRINGES/INSURANCE	547,795	680,552	692,915	694,647	824,794	962,200
OTHER SERVICES	2,661,795	2,491,178	3,289,833	3,215,182	3,126,100	3,092,494
MATERIALS & SUPPLIES	127,481	113,378	129,853	130,550	134,874	136,682
OTHER CHARGES	1,195,142	1,344,567	664,069	643,727	983,627	815,188
PASS THROUGHS	287,061	1,057,908	566,466	566,466	2,194,145	678,573
CAPITAL OUTLAY	650,759	214,765	1,979,430	2,048,784	2,052,382	951,822
VEHICLE OPERATING COSTS	1,076,738	1,146,568	1,176,600	1,225,460	1,378,791	1,464,460
Total	\$8,437,163	\$8,879,228	\$10,544,585	\$10,582,574	\$12,855,331	\$10,272,475

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
FLEET SERVICES (0012)	3,626,403	3,665,674	4,391,393	4,480,479	6,621,992	4,412,038
SOLID WASTE (0072)	124,896	615,705	4,222,696	4,242,062	4,287,497	3,844,490
GENERAL (0010)	3,837,427	3,829,619	1,147,002	1,048,254	1,207,156	1,255,010
AIRPORT (0048)	848,437	768,230	783,494	811,779	738,686	760,937
Total	\$8,437,163	\$8,879,228	\$10,544,585	\$10,582,574	\$12,855,331	\$10,272,475

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
FLEET & FACILITIES	32.00	28.00	36.04	36.26	36.26
Total	32.00	28.00	36.04	36.26	36.26

PUBLIC SERVICES AREA FLEET & FACILITIES

REVENUES

Intra Governmental Sales – Fleet revenue increase is attributed to depreciation associated with phased buy-in of a portion of the Solid Waste vehicles. The increase also reflects the cost of bonding for the new maintenance facility and a substantial increase in vehicle fuel cost fleet charges to other units.

Operating Transfers – Fleet Revenue attributed to catch-up depreciation associated with phased buy-in of the Solid Waste vehicles.

Operating Transfers – Facility Revenue is to recover maintenance expenses for the facility at 721 N. Main St. covered from the three Units operating there.

EXPENSES

Personnel Services –

- The Fleet budget increase reflects the cost of transitioning staff into the reorganized job descriptions and the severance pay of one retiring Vehicle and Equipment Technician III.
- The Facility budget increase reflects the elimination of one Fleet & Facilities Supervisor position and the transfer of two Facility Maintenance Technicians from Fleet to Facilities.

Payroll Fringes –

- The Fleet budget increase reflects the Citywide increase to the employee health benefits program and retiree medical insurance.
- The Facility budget increase reflects an increase in retiree health care for a staff member that retired in fiscal year 2005/06.

Other Services –

The Fleet budget decrease reflects the movement of the support charge for Mainsaver software from the Fleet budget to Information Technology.

Other Charges –

- The Fleet budget decrease reflects the reduction in the Municipal Services Charge.
- The Facility increase reflects the new charge for the IT Fund.

Pass Throughs –

The Fleet budget Increase is a combination of a pay down on the cost of the new maintenance facility and the yearly bond payment for the remainder of the cost.

**PUBLIC SERVICES AREA
FLEET & FACILITIES (continued)**

Capital Outlay –

- The Fleet budget decrease reflects the normal variation in the type and quantity of vehicles and equipment that need to be replaced from year to year; and
- The Facility budget increase is to cover estimated critical capital repairs to various City facilities.

PUBLIC SERVICES AREA FLEET & FACILITIES

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

- Ensure the long-term financial health and stability of the City.
 - Optimize the size and cost of the City's fleet.
 - Maintain an energy efficient fleet by implementing fully the Green Fleet Policy.
- Upgrade City facilities to reduce long-term maintenance costs.
 - Deploy computerized "Mainsaver" maintenance management system for preventative maintenance of City facilities.
 - Complete integration of all targeted facilities into the computerized Energy Management system.

❖ Deliver high quality City services in a cost effective manner.

- Improve City's communication to employees and citizens to improve morale and image of the City.
 - Ensure equipment maintenance services meet customer expectations.
- Motivate and encourage employees to achieve their potential through performance management, employee development and sustainable incentives.
 - Enhance the mechanic training plan, to maintain quality Fleet mechanics.
- Enhance the efficiency of the Fleet fuel management.
 - Complete the installation of the computerized fuel management system.

**PUBLIC SERVICES AREA
FLEET & FACILITIES**

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 5	110054	1.00	1.00
FACILITIES MAINTENANCE TECH IV	110234	4.00	4.00
FACILITIES MAINTENANCE TECH V	110244	2.00	2.00
FIELD OPER TECH I - INFRA SYS	112804	4.00	4.00
FIELD OPER TECH II - INFRA SYS	112814	3.24	3.24
FIELD OPER TECH IV - FOR/FAC	112784	1.02	1.02
FIELD OPER TECH IV - INFRA SYS	112834	1.61	1.61
FIELD OPER TECH V - FOR/FAC	112794	0.85	0.85
FIELD OPERATIONS SUPV III	192120	0.50	0.50
FLEET & FAC OPER ASSISTANT	000590	1.00	1.00
FLEET & FACILITIES SUPV II	190014	3.00	3.00
FLEET & FACILITY SERVICE MNGR	403200	1.00	1.00
MANAGEMENT ASSISTANT	000200	0.04	0.04
OPERATIONS ANALYST II	000530	1.00	1.00
PROCUREMENT COORDINATOR	117450	1.00	1.00
SCALEMASTER	116160	1.00	1.00
VEHICLE & EQUIPMENT TECH III	110104	2.00	2.00
VEHICLE & EQUIPMENT TECH IV	110115	8.00	7.00
VEHICLE & EQUIPMENT TECH V	110124	-	1.00
Total		36.26	36.26

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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 FY 2005-06 budget includes 17.78 FTEs (FY 05/06) and 18.43 FTEs (FY 06/07).

**PUBLIC SERVICES AREA
PROJECT MANAGEMENT**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	1,410,192	6,199,055	2,153,491	2,149,491	1,789,074	1,794,385
CONTRIBUTIONS	441,000	107,876	-	-	-	-
INTERGOVERNMENTAL REVENUES	463,100	123,270	-	-	-	-
INVESTMENT INCOME	-	-	450,000	-	-	-
MISCELLANEOUS REVENUE	36,441	2,303	2,000	11,600	-	-
OPERATING TRANSFERS	4,877,914	40,746	369,689	2,106,895	438,204	459,933
Total	\$7,228,647	\$6,473,250	\$2,975,180	\$4,267,986	\$2,227,278	\$2,254,318

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PROJECT MANAGEMENT (0049)	-	-	-	-	2,065,013	2,091,440
SPECIAL ASSESSMENTS (0031)	-	-	-	-	150,000	150,000
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	12,265	12,878
GENERAL (0010)	1,323,703	5,845,469	2,525,180	2,530,780	-	-
STREET REPAIR MILLAGE (0062)	5,897,444	627,781	450,000	1,737,206	-	-
MAJOR STREET (0021)	7,500	-	-	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	-	-	-	-	-	-
Total	\$7,228,647	\$6,473,250	\$2,975,180	\$4,267,986	\$2,227,278	\$2,254,318

**PUBLIC SERVICES AREA
PROJECT MANAGEMENT**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	1,244,937	1,010,497	1,193,435	1,165,376	1,138,278	1,182,239
PAYROLL FRINGES/INSURANCE	183,149	238,227	702,678	658,543	389,939	470,905
OTHER SERVICES	75,921	94,742	149,321	152,614	122,634	147,810
MATERIALS & SUPPLIES	15,505	13,378	19,800	15,675	19,650	19,650
OTHER CHARGES	144,834	137,406	283,359	283,674	1,834,773	4,152,639
PASS THROUGHS	713,940	490,418	214,040	214,040	411,574	117,152
CAPITAL OUTLAY	9,118	-	7,500	7,500	157,500	157,500
VEHICLE OPERATING COSTS	3,463	24	-	-	-	-
Total	\$2,390,867	\$1,984,692	\$2,570,133	\$2,497,422	\$4,074,348	\$6,247,895

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PROJECT MANAGEMENT (0049)	-	-	-	-	2,003,708	2,027,093
STREET REPAIR MILLAGE (0062)	832,223	171,692	590,852	513,796	1,553,422	3,690,905
MAJOR STREET (0021)	-	119,954	211,293	216,783	256,664	267,662
SPECIAL ASSESSMENTS (0031)	-	-	-	-	150,000	150,000
LOCAL STREET (0022)	-	-	86,302	85,762	98,289	99,357
ALTERNATIVE TRANSPORTATION (0061)	-	-	-	-	12,265	12,878
GENERAL (0010)	1,558,644	1,693,046	1,681,686	1,681,081	-	-
Total	\$2,390,867	\$1,984,692	\$2,570,133	\$2,497,422	\$4,074,348	\$6,247,895

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
PROJECT MANAGEMENT	35.00	34.00	18.89	17.78	18.43
Total	35.00	34.00	18.89	17.78	18.43

PUBLIC SERVICES AREA PROJECT MANAGEMENT

REVENUES

Charges for Services – Significant decrease is the result of transferring the Project Management unit from the General Fund to its own Internal Service Fund (ISF). The new Project Management internal service fund receives transfers from other funds that are directly benefiting from Project Management services, therefore reducing capital project revenues.

EXPENSES

Personnel Services – The net impact to personnel in Project Management is the elimination of 1.2 (FTE) Civil Engineer. The impact to the overall work output of the unit from this position elimination is expected to be minimal with reallocation of the staff and adjustments to capital projects schedules.

Payroll Fringes – The net increase is due to incremental adjustments to the cost of benefits including retiree medical and planned salary increases.

Other Charges - The net increase is the result of transferring the Project Management unit from the General Fund to its own Internal Service Fund (ISF) which now must pay for new charges including a Municipal Service Charge and Transfer to IT Funds.

PUBLIC SERVICES AREA PROJECT MANAGEMENT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Implement Project Management's Internal Service Fund (ISF), monitor its progress and make the necessary adjustments to ensure its successful deployment.
- Ensure successful completion of the capital projects within their approved budgets.
- Coordinate with the other agencies to ensure the maximum benefits from available Federal and State funds for the completion of capital projects.
- Maintain an up-to-date fee schedule for an efficient private development construction plan review and inspection operation.
- Maintain an up-to-date fee schedule for new connections to City utilities.

❖ Support a safe and reliable municipal infrastructure.

➤ Ensure the adequacy of City infrastructure.

- Complete the capital improvement projects in a timely manner and in accordance with the approved FY 2006-2011 Capital Improvements Plan.
- Inspect the construction of public infrastructure by private developments and ensure their proper installation.
- Monitor and inspect existing bridges and plan for their maintenance and replacement.

**PUBLIC SERVICES AREA
PROJECT MANAGEMENT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Support a safe and reliable municipal infrastructure.**

➤ Ensure the adequacy of City infrastructure.

- Monitor and inspect existing major and local streets and plan for their timely resurfacing or reconstruction.
- Replace underground utilities to ensure their dependable and safe operations.
- Review and manage traffic signs and signals, conduct and review traffic impact studies and ensure safe operation of all modes of traffic in the City.
- Complete the Non-Motorized Plan and plan for the implementation of its parts to provide for safe and reliable bicycle and pedestrian transportation throughout the City.
- Improve the Traffic Calming program to ensure safe traffic movements in the residential neighborhoods.
- Maintain and update infrastructure As-Builts records.

❖ **Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.**

➤ Ensure compliance with Federal and State environmental rules and requirements.

- Ensure full compliance of public construction projects with the Americans with the Disability Act (ADA) requirements.
- Ensure full compliance of all public projects with the requirements of State of Michigan Department of Environmental Quality.

**PUBLIC SERVICES AREA
PROJECT MANAGEMENT (concluded)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Foster a community with respect for diversity and the open exchange of ideas.**

➤ Encourage public involvement in capital improvement projects.

▪ Inform and invite public input in the design and construction of public facilities.

❖ **Deliver high quality City services in a cost effective manner.**

➤ Continue to deliver high quality services while utilizing the existing resources.

▪ Complete the Project Management Work Redesign Team process and implement its recommendations to utilize current staff expertise to achieve established goals and objectives.

PUBLIC SERVICES AREA
PROJECT MANAGEMENT

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPP SPEC LVL 6 Red Line	110064	0.25	0.25
ADMIN SUPPORT SPECIALIST LVL 3	110034	0.35	0.35
ADMIN SUPPORT SPECIALIST LVL 5	110054	0.97	0.97
CIVIL ENGINEER II	002110	1.49	1.49
CIVIL ENGINEER III	403620	1.02	1.02
CIVIL ENGINEER IV	403840	1.17	1.17
CIVIL ENGINEER V	401330	1.39	1.49
DRAFTSPERSON III	112210	2.39	2.56
ENGINEERING TECH SUPERVISOR	192050	1.00	1.00
ENGINEERING TECHNICIAN II	112020	2.00	2.00
ENGINEERING TECHNICIAN III	112030	1.25	1.25
ENGINEERING TECHNICIAN IV	112040	2.30	2.44
ENGINEERING TECHNICIAN IV	112041	0.47	0.54
MANAGEMENT ASSISTANT	000200	0.45	0.45
PROJECT MANAGEMENT MANAGER	403140	1.00	1.00
SENIOR SURVEYOR	112100	0.28	0.45
Total		17.78	18.43



PUBLIC SERVICES AREA

ADMINISTRATION

Administration provides leadership, budgetary, accounting, administrative, and public relations support. Administration also provides support for the design and management of capital projects. There are 12.19 FTEs assigned to perform these functions in support of the service area.

**PUBLIC SERVICES AREA
ADMINISTRATION**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	88,677	(640,905)	31,000	33,000	32,000	33,000
INTRA GOVERNMENTAL SALES	987,739	994,510	474,901	460,000	-	-
INVESTMENT INCOME	1,414,723	228,207	1,628,238	1,234,100	1,265,811	1,306,159
LICENSES, PERMITS & REGISTRATION	-	101,544	110,000	110,000	110,000	110,000
MISCELLANEOUS REVENUE	256,042	(72,438)	300,120	148,534	190,000	195,000
PRIOR YEAR SURPLUS	-	-	2,785,135	2,136,900	6,486,700	-
TAXES	36,837	26,339	17,890,549	17,890,419	18,699,425	19,529,231
OPERATING TRANSFERS	1,378,473	2,776,349	2,473,305	3,014,242	2,436,608	2,491,553
Total	\$4,162,491	\$3,413,606	\$25,693,248	\$25,027,195	\$29,220,544	\$23,664,943

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
SOLID WASTE (0072)	230,360	1,603,930	12,383,533	12,417,567	11,121,000	11,213,160
STREET REPAIR MILLAGE (0062)	-	-	7,850,466	7,850,406	8,242,925	8,655,071
WATER SUPPLY SYSTEM (0042)	925,917	(200,889)	2,465,855	2,649,634	4,866,848	2,058,153
SEWAGE DISPOSAL SYSTEM (0043)	1,468,911	774,386	1,194,491	910,650	3,578,960	682,400
MAJOR STREET (0021)	780,037	643,833	731,335	690,000	1,050,000	690,000
LOCAL STREET (0022)	198,651	159,504	199,000	195,000	195,900	200,250
STORMWATER SEWER SYSTEM (0069)	56,311	143,262	468,568	313,938	164,911	165,909
HYDROPOWER OPERATING FUND (0019)	316,471	267,881	400,000	-	-	-
GENERAL (0010)	185,833	64,412	-	-	-	-
MAINTENANCE FACILITY (0004)	-	55,081	-	-	-	-
1990 SOLID WASTE BOND ISSUE (0097)	-	26,105	-	-	-	-
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	14,882	-	-	-	-
WATER BOND SERIES Z 2004 (0095)	-	5,870	-	-	-	-
SEWER BOND SERIES 2004-A SRF (0077)	-	199	-	-	-	-
WATER BOND SERIES 2004-A DWRF (0098)	-	199	-	-	-	-
ALTERNATIVE TRANSPORTATION (0061)	-	(1,601)	-	-	-	-
SEWER BOND SERIES XIX 2004 (0076)	-	(143,448)	-	-	-	-
Total	\$4,162,491	\$3,413,606	\$25,693,248	\$25,027,195	\$29,220,544	\$23,664,943

**PUBLIC SERVICES AREA
ADMINISTRATION**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	1,292,737	1,069,998	853,839	864,322	864,988	869,198
PAYROLL FRINGES/INSURANCE	1,702,617	1,417,311	2,029,760	2,025,010	1,326,068	1,521,551
OTHER SERVICES	397,510	367,878	1,445,282	1,085,542	1,012,614	825,985
MATERIALS & SUPPLIES	49,345	66,644	66,904	51,203	46,804	48,602
OTHER CHARGES	11,912,255	10,526,530	18,301,779	17,465,678	15,041,085	16,129,119
PASS THROUGHS	3,947,859	2,207,439	3,356,407	3,356,407	9,146,097	3,438,428
CAPITAL OUTLAY	3,789	1,844	3,500	2,000	6,250	2,600
VEHICLE OPERATING COSTS	2,311	1,511	-	-	-	-
Total	\$19,308,423	\$15,659,155	\$26,057,471	\$24,850,162	\$27,443,906	\$22,835,483

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
SEWAGE DISPOSAL SYSTEM (0043)	6,355,186	5,235,662	9,038,369	8,805,472	11,306,478	9,607,470
WATER SUPPLY SYSTEM (0042)	5,596,808	5,317,623	10,579,385	9,643,187	10,422,574	7,682,583
MAJOR STREET (0021)	3,768,019	1,753,059	2,211,824	2,211,474	2,190,549	2,042,421
SOLID WASTE (0072)	-	-	3,182,872	3,176,548	1,875,371	1,877,796
STORMWATER SEWER SYSTEM (0069)	-	82,597	1,011,777	1,011,777	1,280,717	1,205,834
GENERAL (0010)	1,786,568	3,263,686	33,244	1,704	368,217	419,379
AIRPORT (0048)	-	6,528	-	-	-	-
PARKING SYSTEM (0044)	1,801,842	-	-	-	-	-
Total	\$19,308,423	\$15,659,155	\$26,057,471	\$24,850,162	\$27,443,906	\$22,835,483

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
ADMINISTRATION	6.00	13.35	14.27	12.19	12.19
Total	6.00	13.35	14.27	12.19	12.19

**PUBLIC SERVICES AREA
ADMINISTRATION SERVICES UNIT**

EXPENSES

Payroll Fringes –

- The decrease reflects the allocation of the Public services Area – Administrative Unit staff to other funds to more accurately reflect where time is spent. A similar increase in Payroll Fringes will be reflected in other Units. This expense category reflects the decentralization of all Retiree Medical Insurances and Worker’s Compensation into the Operational Units. Similar increases will be reflected in other Units. (0042 Water)

Other Charges –

- A decrease in Water Revenue Bonds Principal and Interest payments due to refunding is reflected here. (0042 Water)
- Insurance premiums decreased due to decrease in Sewage Disposal System loss experience. (0043 Sewer)
- An increase in Sewer Revenue Bonds Principal and Interest payments is reflected here. (0043 Sewer)
- 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.
- A decrease is reflected in Fund 0072 (Solid Waste) due to a decrease in the municipal service charge and a decrease in depreciation as Solid Waste buys in to Fleet and transfers depreciation to the Fleet Fund.

PUBLIC SERVICES AREA ADMINISTRATION

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure the long-term financial health and stability of the City.

➤ Ensure the long-term financial health and stability of the City.

- Facilitate long-term sustainable operational changes to maximize services while minimizing costs.**
- Develop a long-term financial plan for Transportation services.**
- Assure the timely collection of outstanding charges as provided in Sale-for-Resale contracts.**

❖ Deliver high quality City services in a cost effective manner.

➤ Improve City's communication to employees and citizens to improve morale and image of the City.

- Develop and implement a communication strategy geared towards community and employees.**
- Continue publication of WaterMatters and Waste Watcher newsletters.**

➤ Streamline business processes.

- Standardize financial procedures and forms for accounting, budget monitoring, billing management and payroll.**
- Streamline the project closure process to reduce costs.**
- Facilitate changes across Service Units to allow for a better workflow.**

**PUBLIC SERVICES AREA
ADMINISTRATION (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Motivate and encourage employees to achieve their potential through performance management, employee development and sustainable incentives.
 - Provide training to facilitate upward mobility through the clerical progression.
 - Conduct employee evaluations and performance management.
 - Empower employees so that decisions are made by those with the most information.
- Develop a strategy to improve the leadership of the City and capabilities of employees including safety.
 - Provide cross training and deploy multi-skilled employees.
 - Create a Safety Program headed by a Safety Officer.
 - Implement self-directed work teams.

PUBLIC SERVICES AREA
ADMINISTRATION

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPP SPEC LVL 6 Red Line	110064	0.75	0.75
ADMIN SUPPORT SPECIALIST LVL 3	110034	1.05	1.05
ADMIN SUPPORT SPECIALIST LVL 4	110044	0.90	0.90
ASST LAND DEVELOPMENT COORD	114410	1.00	1.00
ASST. TO UTILITIES DIRECTOR	401060	1.00	1.00
COOR - PUBLIC INFO & EDUCATION	401160	1.00	1.00
FIELD OPERATIONS SERVICES MANG	403450	0.23	0.23
MANAGEMENT ASSISTANT	000200	1.21	1.21
MGR - SAFETY & RISK MGMT	403110	1.00	1.00
ORDINANCE ENFORCEMENT INSP	114080	1.00	1.00
PUBLIC SERVICES AREA ADMIN	403410	0.95	0.95
PUBLIC SVCS - MAJOR PROJECTS	403780	1.00	1.00
SOLID WASTE PROGRAM COORD	404100	0.10	0.10
STAFF/DEVELOPMENT MANAGER	401040	1.00	1.00
Total		12.19	12.19

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PUBLIC SERVICES AREA

SYSTEMS PLANNING

The Systems Planning Unit of is comprised of 17.40 FTEs (FY 05/06) and 17.45 FTEs (FY 06/07). 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**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CONTRIBUTIONS	9,632	9,632	9,632	9,632	9,632	-
INTERGOVERNMENTAL REVENUES	155,401	13,423	-	-	-	-
INVESTMENT INCOME	(83)	3,282	3,000	3,000	2,000	2,000
MISCELLANEOUS REVENUE	20,800	-	-	-	-	-
PRIOR YEAR SURPLUS	-	-	-	-	94,723	107,785
OPERATING TRANSFERS	139,079	158,224	156,259	156,259	53,645	50,215
Total	\$324,829	\$184,561	\$168,891	\$168,891	\$160,000	\$160,000

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
ENERGY PROJECTS (0002)	153,215	169,189	168,891	168,891	160,000	160,000
MAJOR GRANT PROGRAMS FUND (00MG)	79,839	15,372	-	-	-	-
GENERAL (0010)	91,775	-	-	-	-	-
Total	\$324,829	\$184,561	\$168,891	\$168,891	\$160,000	\$160,000

**PUBLIC SERVICES AREA
SYSTEMS PLANNING**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	205,729	529,876	768,128	756,860	1,273,286	1,274,382
PAYROLL FRINGES/INSURANCE	28,335	103,565	154,246	152,454	289,365	343,984
OTHER SERVICES	30,350	47,420	601,000	446,388	1,056,200	803,835
MATERIALS & SUPPLIES	63,136	5,903	16,570	8,500	86,400	86,400
OTHER CHARGES	4,704	6,878	14,334	14,362	190,745	204,658
PASS THROUGHGS	100,000	100,000	100,000	-	-	-
CAPITAL OUTLAY	143,411	43,382	163,200	159,816	201,200	233,700
Total	\$575,665	\$837,024	\$1,817,478	\$1,538,380	\$3,097,196	\$2,946,959

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
WATER SUPPLY SYSTEM (0042)	-	160,989	277,147	228,010	745,821	983,863
SEWAGE DISPOSAL SYSTEM (0043)	-	24,336	287,876	227,740	669,872	683,484
MAJOR STREET (0021)	-	6,898	53,357	42,324	547,404	192,588
STORMWATER SEWER SYSTEM (0069)	-	126,123	567,575	517,219	519,330	516,476
SOLID WASTE (0072)	-	-	147,965	140,627	304,229	255,423
ENERGY PROJECTS (0002)	63,927	56,567	163,762	163,762	160,000	160,000
GENERAL (0010)	427,312	448,330	319,796	218,698	150,540	155,125
MAJOR GRANT PROGRAMS FUND (00MG)	84,426	13,423	-	-	-	-
LOCAL STREET (0022)	-	288	-	-	-	-
AIRPORT (0048)	-	70	-	-	-	-
Total	\$575,665	\$837,024	\$1,817,478	\$1,538,380	\$3,097,196	\$2,946,959

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
SYSTEMS PLANNING	-	-	9.81	17.40	17.45
Total	0.00	0.00	9.81	17.40	17.45

PUBLIC SERVICES SYSTEMS PLANNING

EXPENSES

Personnel Services –

- An increase of is due to the first full year of Transportation Program Manager (0021 Major Streets)
- Increases across all Funds are due to the incorporation of Labs, Environmental Services and Energy Management into Systems Planning.

Other Services –

The increase includes:

- the undertaking of Transportation Master Planning (0021 Major Streets)
- the designing and submitting landfill closure plan/report to MDEQ (0072 Solid Waste)
- combining environmental labs (0042 Water)
- combining environmental labs (0043 Sewage Disposal Systems)
- continuing public education (0069 Stormwater)

PUBLIC SERVICES AREA

SYSTEMS PLANNING

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Support a safe and reliable municipal infrastructure.

- Ensure the adequacy of City infrastructure.
 - Complete the Distribution System Monitoring project.
 - Undertake and manage the City Transportation Plan update.
 - Lead the City's Alternative Transportation Program.
 - Manage the expansion of the Materials Recovery Facility.
 - Manage the expansion of the Compost Center.
 - Conduct environmental audits of two major City facilities.
 - Perform energy audits of City facilities.
 - Manage oversight of Pall Gelman site remediation.

❖ Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.

- Minimize development impacts.
 - Manage the City's flood plain planning grant.
 - Lead the City's Soil Erosion Sedimentation Control (SESC) Management Program for public projects.
 - Support the City's SESC Management Program for private projects.
 - Manage Brownfield projects (Lowertown).

❖ Foster a community with respect for diversity and the open exchange of ideas.

- Support and demonstrate the City's guiding principles and desired behaviors.
 - Prepare the 2005 State of the Environment Report.

**PUBLIC SERVICES AREA
SYSTEMS PLANNING (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

- Deliver high quality City services in a cost effective manner.
 - Manage the City's Stormwater rate study.
 - Continue the implementation of, and manage the City's Automated Trash Cart program.
 - Manage Energy Fund projects and purchases to minimize City energy expenses.
- Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery.
 - Install and implement usage of CityWorks (CMMS) at other Public Services facilities and units.
 - Complete the creation of the Stormwater Geographic Information System (GIS.)
 - Provide GIS Support for Public Services Units.
 - Update Water System Hydraulic Model, and perform model scenarios & fire flow evaluations as needed.
 - Complete Sanitary System Hydraulic Model, and perform model scenarios as needed.
- Streamline business processes.
 - Complete the central lab re-organization (implementation and training.)
 - Support the job redesign of the development review process.
 - Support the creation of a developer manual by the Community Services Area.

PUBLIC SERVICES AREA
SYSTEMS PLANNING

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 3	110034	0.05	0.05
ADMIN SUPPORT SPECIALIST LVL 5	110054	0.03	0.03
CITY PLANNER III	401030	1.00	1.00
CIVIL ENGINEER II	002110	0.25	0.25
CIVIL ENGINEER III	403620	0.25	0.25
CIVIL ENGINEER V	401330	0.95	0.95
ENERGY COORDINATOR	401170	1.00	1.00
ENVIRONMENTAL COORDINATOR	401410	0.94	0.94
ENVIRONMENTAL LAB ANALYST III	110334	5.93	5.98
LAND DEVELOPMENT COORDINATOR	114420	1.00	1.00
MANAGEMENT ASSISTANT	000200	0.10	0.10
RECYCLING COORDINATOR	401230	1.00	1.00
SENIOR GIS SPECIALIST	401340	1.00	1.00
SENIOR UTILITIES ENGINEER	404000	0.80	0.80
SOLID WASTE PROGRAM COORD	404100	0.90	0.90
SYSTEMS PLANNING MANAGER	401320	1.00	1.00
TRANSPORTATION PROGRAM MANAGER	404030	1.00	1.00
WATER QUALITY MANAGER	403820	0.20	0.20
Total		17.40	17.45

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PUBLIC SERVICES AREA

WASTEWATER TREATMENT SERVICES

Wastewater Treatment Services is responsible for the effective collection, treatment and environmentally acceptable discharge of the wastewater generated by the Ann Arbor community. There are 32.15 FTEs assigned to Wastewater Treatment Services 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 06.

PUBLIC SERVICES AREA
WASTEWATER TREATMENT SERVICES

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
MISCELLANEOUS REVENUE	110	-	-	500	5,000	5,000
OPERATING TRANSFERS	229,167	250,000	250,000	250,000	250,000	250,000
Total	\$229,277	\$250,000	\$250,000	\$250,500	\$255,000	\$255,000

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
SEWAGE DISPOSAL SYSTEM (0043)	229,277	250,000	250,000	250,500	255,000	255,000
Total	\$229,277	\$250,000	\$250,000	\$250,500	\$255,000	\$255,000

**PUBLIC SERVICES AREA
WASTEWATER TREATMENT SERVICES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	1,973,366	2,018,956	2,188,177	2,240,486	2,143,265	2,177,755
PAYROLL FRINGES/INSURANCE	700,506	779,215	518,145	517,148	886,456	1,034,325
OTHER SERVICES	2,191,628	2,209,684	2,550,845	2,472,620	2,585,005	2,653,617
MATERIALS & SUPPLIES	550,318	540,956	584,800	558,228	571,730	591,680
OTHER CHARGES	267,174	359,717	54,195	37,296	244,158	336,665
PASS THROUGHS	13,362	5,862	9,000	9,000	-	-
CAPITAL OUTLAY	(25,061)	42,454	172,000	140,384	105,747	77,900
Total	\$5,671,293	\$5,956,844	\$6,077,162	\$5,975,161	\$6,536,361	\$6,871,942

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
SEWAGE DISPOSAL SYSTEM (0043)	5,671,293	5,956,844	6,077,162	5,975,161	6,536,361	6,871,942
Total	\$5,671,293	\$5,956,844	\$6,077,162	\$5,975,161	\$6,536,361	\$6,871,942

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
WASTEWATER TREATMENT SERVICES	39.00	36.00	35.06	32.15	32.17
Total	39.00	36.00	35.06	32.15	32.17

**PUBLIC SERVICES AREA
WASTEWATER TREATMENT SERVICES UNIT**

EXPENSES

Personnel Services – The FY06 decrease in Personnel Services costs as compared to FY 05 is due to the removal of three Environmental Laboratory Analyst FTE's from the WWTP, which is offset by scheduled and anticipated pay increases for all WWTP staff. However, all laboratory costs for the WWTP including these personnel costs are being funded from the WWT Services Unit budget as an offset. The increase in FY07 is due to slightly increased costs for Permanent Time Worked, Comp Time Used, Overtime Paid and Severance Pay.

Payroll Fringes – The majority of the increase in FY06 is due to moving Retiree Medical Insurance and Workers Compensation charges back into the Unit's budget from Public Services Area, Administration budget. The rest of the increase is mainly due to higher costs in Retirement Contribution. Other service units in the City determine all charges for payroll fringes. The increase in FY07 is due to increased costs for Medical Insurance, Retiree Medical Insurance and Retirement Contribution. Other service units in the City determine all charges for payroll fringes.

Other Services – The increase in FY06 is due to increased costs for natural gas and electricity, which are offset by a decrease in the amount of contracted work costs. The increase in FY07 is due to increased costs for natural gas, electricity and contracted work.

Materials & Supplies – The decrease in FY06 is due to the removal of laboratory costs from the Unit's budget, which is offset by the increased unit costs for chemicals used in treatment processes. However, all laboratory costs for the WWTP including these materials and supplies costs are included in the Systems Planning Unit budget. The increase from FY 06 to FY 07 reflects increased unit costs for materials and supplies necessary for the operation and maintenance of the WWTP.

Other Charges – The increase in FY06 is due to the implementation of Transfer to IT Fund charges in FY 06. The increase in FY07 is due to an increase in the Transfer to IT Fund charges and the inclusion of a contingency for wage increases for all WWTP staff.

PUBLIC SERVICES AREA
WASTEWATER TREATMENT SERVICES UNIT (continued)

Capital Outlay – The decrease in FY 06 reflects the difference in cost for capital purchases and projects between FY 05 and FY 06. Capital outlay expenses are for items necessary to maintain treatment process integrity and vary from one fiscal year to the next. The decrease in FY 07 reflects the difference in cost for capital purchases and projects between FY 06 and FY 07. Capital outlay expenses are for items necessary to maintain treatment process integrity and vary from one fiscal year to the next.

**PUBLIC SERVICES AREA
WASTEWATER TREATMENT SERVICES UNIT**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Support a safe and reliable municipal infrastructure.**

➤ Ensure the adequacy of City Infrastructure.

- Complete Lakewood Pump Station and Force Main Project to renovate the sanitary sewage pump station and replace the force main, including installation of an emergency electricity generator.
- Complete design and begin construction of Facilities Renovation Project to renovate and replace existing structures and equipment.
- Complete design and begin construction of Residuals Handling Improvements Project to renovate and replace existing solids handling equipment.
- Complete design and construction of Sewage Lift Pump Repair Project to renovate existing sanitary sewage lift pumps.
- Install emergency electricity generators at Sequoia and Franklin sanitary sewage pump stations.

❖ **Deliver high quality City services in a cost effective manner.**

➤ Deliver high quality City services in a cost effective manner.

- Voluntarily comply with phosphorus waste load allocation.
- Use Mainsaver program for preventive maintenance optimization.
- Maintain excellent safety program.
- Provide plant specific operations and maintenance competency training.

PUBLIC SERVICES AREA
WASTEWATER TREATMENT SERVICES

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 2	110024	1.00	1.00
ADMIN SUPPORT SPECIALIST LVL 3	110034	1.00	1.00
ASST WWTP SUPERINTENDENT	401010	1.85	1.82
ELECTIRICAL & CONTROL TECH III	116234	3.00	3.00
PROCESS CONTROL SYSTEM SPEC	403190	1.00	1.00
SENIOR UTILITIES ENGINEER	404000	0.45	0.50
UTILITIES MAINT SUPERVISOR	196281	1.00	1.00
WATER UTILITY SUPERVISOR II	197411	2.00	2.00
WATER UTILITY SUPERVISOR III	197420	1.00	1.00
WATER UTILITY SUPERVISOR III	197421	2.00	2.00
WATER UTILITY TECHNICIAN I	117400	1.00	1.00
WATER UTILITY TECHNICIAN I	117401	2.00	2.00
WATER UTILITY TECHNICIAN IV	117431	5.00	5.00
WATER UTILITY TECHNICIAN V	117440	5.00	5.00
WATER UTILITY TECHNICIAN V	117441	4.00	4.00
WWTP SUPERINTENDENT	401300	0.85	0.85
Total		32.15	32.17

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PUBLIC SERVICES AREA

WATER TREATMENT SERVICES

Water Treatment Services 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 21.56 FTEs (FY 05/06) and 22.6 FTEs (FY 06/07) 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 06.

**PUBLIC SERVICES AREA
WATER TREATMENT SERVICES**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	221,324	278,462	315,000	307,500	350,000	350,000
INTERGOVERNMENTAL REVENUES	-	16,229	-	-	-	-
INTRA GOVERNMENTAL SALES	117,321	142,010	117,321	117,321	-	-
MISCELLANEOUS REVENUE	-	30,000	-	-	-	-
PRIOR YEAR SURPLUS	-	-	861,972	-	-	-
OPERATING TRANSFERS	27,500	30,000	430,000	430,000	30,000	30,000
Total	\$366,145	\$496,701	\$1,724,293	\$854,821	\$380,000	\$380,000

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	-	-	730,000	730,000	370,000	370,000
WATER SUPPLY SYSTEM (0042)	124,089	164,053	132,321	124,821	10,000	10,000
HYDROPOWER OPERATING FUND (0019)	242,056	291,730	861,972	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	-	40,918	-	-	-	-
Total	\$366,145	\$496,701	\$1,724,293	\$854,821	\$380,000	\$380,000

**PUBLIC SERVICES AREA
WATER TREATMENT SERVICES**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	1,705,464	1,802,399	1,657,067	1,610,618	1,662,959	1,674,348
PAYROLL FRINGES/INSURANCE	530,475	657,736	364,133	364,182	655,881	787,842
OTHER SERVICES	1,978,431	1,779,574	1,864,574	1,894,257	2,047,675	2,103,603
MATERIALS & SUPPLIES	1,066,171	1,106,259	1,243,849	1,296,028	1,418,047	1,461,778
OTHER CHARGES	503,745	1,226,129	114,131	111,042	216,561	224,897
PASS THROUGHS	-	-	400,000	400,000	10,495	11,374
CAPITAL OUTLAY	6,804	-	313,500	324,500	851,000	294,000
Total	\$5,791,090	\$6,572,097	\$5,957,254	\$6,000,627	\$6,862,618	\$6,557,842

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
WATER SUPPLY SYSTEM (0042)	5,365,336	6,071,840	5,346,528	5,391,760	6,692,350	6,394,887
GENERAL (0010)	-	-	187,754	186,696	170,268	162,955
HYDROPOWER OPERATING FUND (0019)	425,754	459,335	422,972	422,171	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	-	40,922	-	-	-	-
Total	\$5,791,090	\$6,572,097	\$5,957,254	\$6,000,627	\$6,862,618	\$6,557,842

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
WATER TREATMENT SERVICES	32.00	28.00	24.34	21.56	22.60
Total	32.00	28.00	24.34	21.56	22.60

**PUBLIC SERVICES AREA
WATER TREATMENT SERVICES**

EXPENSES

Payroll Fringes –

- The budget increase in FY06 and in FY07 reflects the cost of retiree medical insurance and retirement contribution. (0042)
- The decrease in FY06 and in FY07 in the budget reflects decrease in medical insurance due to reduction in Personnel Services. (0010)

Other Services –

- The increase reflects the increase in natural gas, electrical, building maintenance, equipment maintenance, and sludge hauling costs and the cost software maintenance for WTP control system. (0042)
- A \$4,000 FY06 decrease in the budget is due to reduction in cost of equipment maintenance. The FY07 increase in the Hydropower budget reflects cost of hiring a contractor to calibrate hydropower generation controls equipment and crane rental. (0010)

Materials & Supplies –

- An increase in FY06 and in FY07 is due to the rising costs of water treatment chemicals and materials and supplies that includes spares for equipment, consumables and replacement Granular Activated Carbon. (0042)

Other Charges –

- The budget increase in FY06 and in FY07 reflects the transfer to IT Fund. (0042)

Capital Outlay –

- The budget increase in FY06 in Fund 0042 reflects the cost of a replacement copier, replacing obsolete computer switch for WTP control system, replacing a fork-lift, security enhancements, building masonry repairs, concrete repairs and an HVAC unit in ozone building. The FY07 budget includes replacement of second obsolete computer switch for WTP control system and two lime-slakers.
- The increase in Fund 0010 reflects the cost of replacing steps at the Barton Hydro and construction of toe drain monitoring system at the Barton Dam.

PUBLIC SERVICES AREA WATER TREATMENT SERVICES

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Support a safe and reliable municipal infrastructure.

- Ensure the adequacy of City infrastructure.
 - Complete modifications at the North Campus pump station.
 - Update West High service pumps at the WTP.
 - Maintain and improve water treatment facilities.
 - Enhance security of the drinking water system, dams and hydropower.
 - Implement system improvements/rehabilitation identified in the Master Plan per priorities based upon customers' values, infrastructure needs and sound economic principles.

❖ Deliver high quality City services in a cost effective manner.

- Deliver high quality City services in a cost effective manner.
 - Improve customer satisfaction with distribution water quality.
 - Maintain compliance with all applicable drinking water regulations.
- Develop a strategic technology plan to optimize technology in all City activities and eliminate City inefficiencies to improve service delivery.
 - Maximize use of PICS.
 - Utilize predictive maintenance technologies at the WTP.
- Develop a strategy to improve the leadership of the City and capabilities of employees including safety.
 - Continue training for supervisors to be effective leaders.
 - Maintain excellent safety program.
 - Provide plant-specific competency training at WTP.

PUBLIC SERVICES AREA
WATER TREATMENT SERVICES

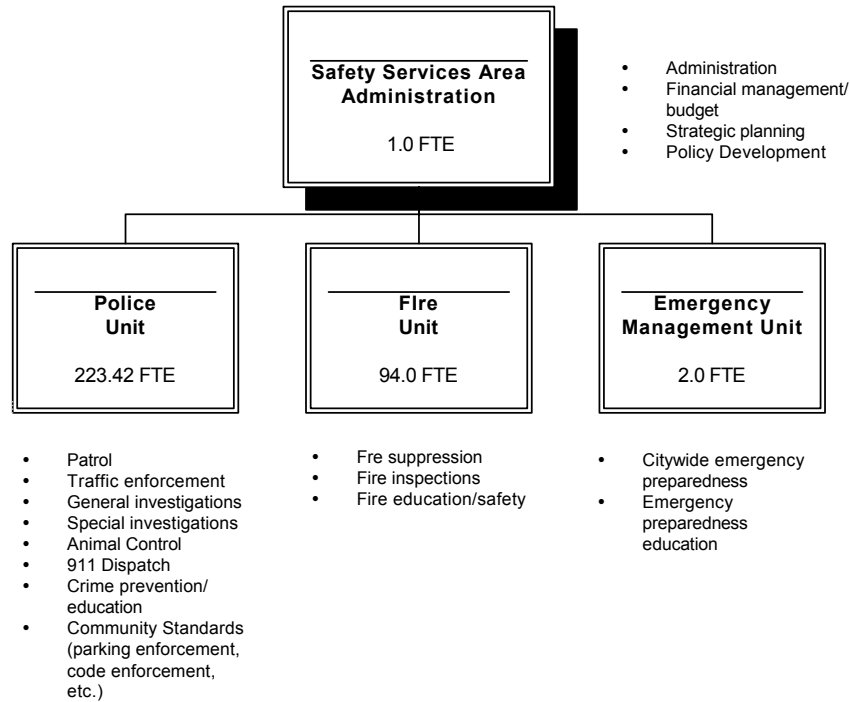
Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ADMIN SUPPORT SPECIALIST LVL 3	110034	0.95	0.95
ASST WTP SUPERINTENDENT	401020	0.83	0.94
ELECTIRICAL & CONTROL TECH IV	116244	1.88	1.98
PROCESS CONTROL SYSTEM SPEC	403190	0.83	0.96
PROCUREMENT COORDINATOR	117450	0.93	0.93
SENIOR UTILITIES ENGINEER	404000	0.11	0.23
WATER QUALITY MANAGER	403820	0.37	0.74
WATER UTILITY SUPERVISOR II	197410	1.00	1.00
WATER UTILITY SUPERVISOR II	197411	1.00	1.00
WATER UTILITY SUPERVISOR III	197421	2.90	2.97
WATER UTILITY TECHNICIAN I	117400	4.97	4.97
WATER UTILITY TECHNICIAN IV	117431	2.00	2.00
WATER UTILITY TECHNICIAN V	117440	0.91	0.97
WATER UTILITY TECHNICIAN V	117441	2.00	2.00
WTP SUPERINTENDENT	401310	0.88	0.96
Total		21.56	22.60



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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
POLICE	4,908,917	5,695,576	6,363,348	5,071,958	4,663,307	4,635,621
FIRE	595,870	938,934	610,266	471,559	512,600	512,600
Total	\$5,504,787	\$6,634,510	\$6,973,614	\$5,543,517	\$5,175,907	\$5,148,221

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	4,729,954	4,667,692	5,450,482	5,469,045	4,958,121	4,968,121
MAJOR GRANT PROGRAMS FUND (00MG)	464,456	395,016	274,515	49,704	112,100	112,100
MICHIGAN JUSTICE TRAINING (0064)	39,903	19,667	47,000	-	46,000	46,000
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	14,585	210,231	106,000	-	37,686	-
DRUG ENFORCEMENT (0027)	16,912	2,076	12,000	12,768	12,000	12,000
POLICE AND FIRE RELIEF (0053)	15,867	3,703	12,000	12,000	10,000	10,000
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	1,300,000	1,071,617	-	-	-
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	223,110	36,125	-	-	-	-
HOMELAND SECURITY GRANT FUND (0017)	-	-	-	-	-	-
Total	\$5,504,787	\$6,634,510	\$6,973,614	\$5,543,517	\$5,175,907	\$5,148,221

SAFETY SERVICES AREA

Expenses By Service Unit

Service Unit	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
POLICE	20,951,358	22,807,493	24,468,387	22,909,940	24,496,208	25,632,358
FIRE	11,499,459	11,128,579	12,494,757	12,503,435	11,615,681	12,130,548
Total	\$32,450,817	\$33,936,072	\$36,963,144	\$35,413,375	\$36,111,889	\$37,762,906

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	31,696,206	33,109,976	35,726,527	35,248,375	36,020,203	37,710,906
MICHIGAN JUSTICE TRAINING (0064)	49,661	29,116	47,000	47,000	42,000	40,000
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	-	109,720	106,000	106,000	37,686	-
DRUG ENFORCEMENT (0027)	16,367	9,524	12,000	12,000	12,000	12,000
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	228,385	1,071,617	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	465,473	413,227	-	-	-	-
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	223,110	36,124	-	-	-	-
Total	\$32,450,817	\$33,936,072	\$36,963,144	\$35,413,375	\$36,111,889	\$37,762,906

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
FIRE	115.00	100.08	102.00	94.00	94.00
POLICE	239.84	236.33	224.84	226.42	226.00
Total	354.84	336.41	326.84	320.42	320.00





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 94.0 FTEs.

**SAFETY SERVICES AREA
FIRE**

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	421,344	454,884	531,653	428,879	442,600	442,600
CONTRIBUTIONS	-	398,767	-	-	-	-
INTERGOVERNMENTAL REVENUES	158,740	6,289	-	-	-	-
INTRA GOVERNMENTAL SALES	-	56,342	-	-	-	-
MISCELLANEOUS REVENUE	15,786	22,652	-	-	-	-
PRIOR YEAR SURPLUS	-	-	42,491	42,680	-	-
OPERATING TRANSFERS	-	-	36,122	-	70,000	70,000
Total	\$595,870	\$938,934	\$610,266	\$471,559	\$512,600	\$512,600

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	437,130	876,303	574,144	471,559	442,600	442,600
MAJOR GRANT PROGRAMS FUND (00MG)	158,740	62,631	36,122	-	70,000	70,000
Total	\$595,870	\$938,934	\$610,266	\$471,559	\$512,600	\$512,600

**SAFETY SERVICES AREA
FIRE**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	7,721,211	6,867,903	8,006,319	8,006,311	6,785,396	6,697,037
PAYROLL FRINGES/INSURANCE	2,209,421	2,564,132	2,401,933	2,406,112	3,091,955	3,708,568
OTHER SERVICES	601,555	319,530	415,082	469,805	849,708	822,450
MATERIALS & SUPPLIES	187,060	101,459	172,538	171,935	160,250	160,250
OTHER CHARGES	196,094	270,611	77,884	78,387	415,494	456,343
PASS THROUGH	161,759	182,729	1,179,434	1,179,434	96,978	70,000
CAPITAL OUTLAY	238,691	559,607	122,913	60,913	90,000	90,000
VEHICLE OPERATING COSTS	51,756	53,008	-	84	-	-
EMPLOYEE ALLOWANCES	131,912	209,600	118,654	130,454	125,900	125,900
Total	\$11,499,459	\$11,128,579	\$12,494,757	\$12,503,435	\$11,615,681	\$12,130,548

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	11,340,719	11,044,870	12,494,757	12,503,435	11,615,681	12,130,548
MAJOR GRANT PROGRAMS FUND (00MG)	158,740	83,709	-	-	-	-
Total	\$11,499,459	\$11,128,579	\$12,494,757	\$12,503,435	\$11,615,681	\$12,130,548

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
FIRE	115.00	100.08	102.00	94.00	94.00
Total	115.00	100.08	102.00	94.00	94.00

**SAFETY SERVICES AREA
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, and fire plan review fees. 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 projections made when last year's budget was prepared.

EXPENSES

Personnel Services – The decrease reflects the following staff changes:

- The reduction of 7 vacant firefighter positions;
- The Fire Department will operate a minimum of five trucks, one in each of stations 1, 3, 4, 5, and 6.

Payroll Fringes – This reflects the changes made to the employee health benefits program.

Materials & Supplies –A 20% reduction from the FY 05 budget.

Other Charges –

- An increase in IT fund;
- The increase includes transfers to other funds to cover matching funds for anticipated grants.

Capital Outlay – The changes are reflected in:

- The replacement of 2 new fire trucks;
- A transfer of funds to fleet services to cover the maintenance costs of the fire fleet.

**SAFETY SERVICES AREA
FIRE SERVICES 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 Fire Services Unit would be charged \$1,294,724 in 2005/06.

SAFETY SERVICES AREA FIRE SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.

➤ Minimize and/or prevent the occurrence of fires in the community.

- Increase the annual amount of inspections of existing buildings by the Fire Prevention Division.**
- Institute a regular program of fire company familiarization inspections of existing buildings, and coordinate these efforts and findings with the Fire Prevention Division.**
- Capture all data from inspections with Firehouse software and produce monthly reports and useful data for analysis and deployment purposes.**
- Utilize CTN, the school system and live demonstrations to disseminate information that will help achieve our safety objectives.**

➤ Maintain a high level of service in a cost effective manner.

- Utilize response time data from the new CAD system implemented in January 2005 to analyze and improve service.**
- Strategically deploy staffing and equipment to improve response time for primary and secondary units.**

**SAFETY SERVICES AREA
FIRE SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.**

- Re-establish a consistent and comprehensive training program for all members of the Fire Services Unit.
 - Prepare and implement a comprehensive plan for training all members of the Unit annually in all required subjects to comply with State and Federal law.
 - Restaff the HAZMAT and Technical Rescue Team to the appropriate levels to maintain proper readiness, and conduct quarterly training of each team.
 - Participate in at least one comprehensive major disaster exercise as directed by the Office of Emergency Management.

❖ **Deliver high quality City services in a cost effective manner.**

- Utilize information technology to be as efficient as possible.
 - Develop and utilize reports and statistical analysis to increase efficiencies.
 - Share intra-department information to expedite common tasks.

SAFETY SERVICES AREA
FIRE

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
APPARATUS MASTER MECH 40 HRS	131730	1.00	1.00
ASST FIRE CHIEF 40 HRS	131760	2.00	2.00
ASST TRAINING CHIEF/EMS COORD	131810	1.00	1.00
BATTALION CHIEF 50.40/HRS	131741	3.00	3.00
DRIVER/OPERATOR 50.40 HRS	131660	9.00	9.00
DRIVER/OPERATOR 50.40 HRS	131661	5.00	5.00
DRIVER/OPERATOR 50.40 HRS	131662	6.00	6.00
FIRE - CAPTAIN 50.40 HRS	131771	1.00	1.00
FIRE - CAPTAIN 50.40 HRS	131772	1.00	1.00
FIRE CAPTAIN 50.40 HRS	131770	1.00	1.00
FIRE CHIEF	403390	1.00	1.00
FIRE INSPECTOR 40 HRS	131722	2.00	2.00
FIRE LIEUTENANT 50.40 HRS	131710	12.00	12.00
FIRE LIEUTENANT 50.40 HRS	131711	6.00	6.00
FIRE LIEUTENANT 50.40 HRS	131712	4.00	4.00
FIRE MARSHAL 40 HRS	131750	1.00	1.00
FIREFIGHTER 50.4 HIRED > 1/92	131820	22.00	22.00
FIREFIGHTER 50.4 HIRED > 1/92	131821	7.00	7.00
FIREFIGHTER 50.4 HIRED > 1/92	131822	7.00	7.00
MANAGEMENT ASSISTANT	000200	2.00	2.00
Total		94.00	94.00



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 224.42 FTEs (FY 05/06) and 224.0 FTEs (FY 06/07). The Emergency Management Services Unit has 2.0 FTEs and is responsible for the coordination of City-wide 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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	1,583,624	1,862,443	1,553,458	1,563,189	1,632,765	1,642,765
CONTRIBUTIONS	39,906	39,276	50,833	101,666	40,000	40,000
FINES & FORFEITS	2,679,523	2,074,065	2,787,557	2,797,132	2,712,006	2,712,006
INTERGOVERNMENTAL REVENUES	457,478	222,874	130,000	234,995	134,000	134,000
INTRA GOVERNMENTAL SALES	-	167,271	-	14,709	-	-
INVESTMENT INCOME	20,067	4,122	19,000	12,000	11,000	11,000
MISCELLANEOUS REVENUE	16,840	14,512	27,750	54,750	3,750	3,750
PRIOR YEAR SURPLUS	-	-	1,476,134	293,517	57,686	20,000
OPERATING TRANSFERS	111,479	1,311,013	318,616	-	72,100	72,100
Total	\$4,908,917	\$5,695,576	\$6,363,348	\$5,071,958	\$4,663,307	\$4,635,621

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	4,292,824	3,791,389	4,876,338	4,997,486	4,515,521	4,525,521
MICHIGAN JUSTICE TRAINING (0064)	39,903	19,667	47,000	-	46,000	46,000
MAJOR GRANT PROGRAMS FUND (00MG)	305,716	332,385	238,393	49,704	42,100	42,100
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	14,585	210,231	106,000	-	37,686	-
DRUG ENFORCEMENT (0027)	16,912	2,076	12,000	12,768	12,000	12,000
POLICE AND FIRE RELIEF (0053)	15,867	3,703	12,000	12,000	10,000	10,000
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	1,300,000	1,071,617	-	-	-
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	223,110	36,125	-	-	-	-
HOMELAND SECURITY GRANT FUND (0017)	-	-	-	-	-	-
Total	\$4,908,917	\$5,695,576	\$6,363,348	\$5,071,958	\$4,663,307	\$4,635,621

**SAFETY SERVICES AREA
POLICE**

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	14,178,458	15,367,807	15,999,348	15,172,695	15,600,844	15,554,190
PAYROLL FRINGES/INSURANCE	3,692,686	4,420,095	4,407,213	4,435,129	5,438,867	6,628,782
OTHER SERVICES	1,778,130	1,668,481	2,029,483	2,296,921	1,371,244	1,436,412
MATERIALS & SUPPLIES	224,081	153,242	193,392	214,071	165,500	165,500
OTHER CHARGES	363,233	503,259	815,165	30,448	1,493,307	1,458,194
PASS THROUGHS	108,957	17,254	238,393	238,393	42,100	42,100
CAPITAL OUTLAY	295,374	386,259	524,743	255,783	105,146	68,480
VEHICLE OPERATING COSTS	47,867	45,896	29,000	29,000	29,000	29,000
EMPLOYEE ALLOWANCES	262,572	245,200	231,650	237,500	250,200	249,700
Total	\$20,951,358	\$22,807,493	\$24,468,387	\$22,909,940	\$24,496,208	\$25,632,358

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	20,355,487	22,065,106	23,231,770	22,744,940	24,404,522	25,580,358
MICHIGAN JUSTICE TRAINING (0064)	49,661	29,116	47,000	47,000	42,000	40,000
FEDERAL EQUITABLE SHARING FORFEITURE (0028)	-	109,720	106,000	106,000	37,686	-
DRUG ENFORCEMENT (0027)	16,367	9,524	12,000	12,000	12,000	12,000
GENERAL CAPITAL IMPROVEMENTS (00CP)	-	228,385	1,071,617	-	-	-
MAJOR GRANT PROGRAMS FUND (00MG)	306,733	329,518	-	-	-	-
LOCAL LAW ENFORCEMENT BLOCK GRANT (0007)	223,110	36,124	-	-	-	-
Total	\$20,951,358	\$22,807,493	\$24,468,387	\$22,909,940	\$24,496,208	\$25,632,358

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
POLICE	239.84	236.33	224.84	226.42	226.00
Total	239.84	236.33	224.84	226.42	226.00

**SAFETY SERVICES AREA
POLICE SERVICES UNIT**

REVENUES

Prior Year Fund Balance – This reflects the completion of the combined safety services dispatch center project during FY 04/05. (This funding was not authorized last year until after the budget had gone into effect.)

Federal Equitable Sharing Forfeiture Fund/0028 Fund – This also reflects the completion of the combined safety services dispatch center and the purchase of tasers for the police officers during FY 04/05. The remaining funds will be used for a special law enforcement project. (0028 Funds were an unexpected disbursement from the federal government as a result of the massage parlor investigation for which the fund was originally set up for.)

Charges for Services – It is expected that the new 911 Cellular fee revenue will generate \$80,000.

EXPENSES

Personnel Services – Police Unit – The FY06 increase is reflected in the following staff changes:

- Elimination of (.5) Animal Control Officer;
- Hire (3) FTE Community Services Assistants to put police officers back on patrol;
- Elimination of (4) Police Officers through attrition.

Payroll Fringes – This reflects the increased costs of pension contribution and retiree health care.

Other Charges –

- The 2005/06 increase reflects the costs associated with this service unit's use of Information Technology resources. Years prior to 2005/06 do not have this charge because the direct allocation of IT resources was made possible with the creation of an IT internal service fund in this budget.
- The increase also reflects increased Fleet rates on police vehicles.

**SAFETY SERVICES AREA
POLICE SERVICES 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 Police Services Unit would be charged \$2,208,888 in 2005/06.

SAFETY SERVICES AREA POLICE SERVICES UNIT

❖ City Goals

➤ Service Area Goals

▪ Service Unit Objectives

❖ Ensure a high quality of life, while balancing economic development with the preservation and conservation of natural resources.

- Reduce Major Index Crime and vehicular accidents through strategic resource allocation.
 - Create and implement standard monthly Police reports that are electronically accessible by section commanders that show emerging trends in crime and traffic related issues.
- Reduce traffic accidents in top 10 high accident locations.
 - Increase patrol and enforcement hours at high accident locations.
- Reduce home invasions/larcenies in targeted areas.
 - Increase uniformed patrol presence in areas that historically have high instances of home invasions and larcenies during times of spikes in activity.
 - Conduct plain-clothes surveillance in conjunction with uniformed patrol activities.
 - Track known property crime offenders with ties to the City through courts, probation, and parole offices.
 - Identify known property crime offenders or other suspicious persons in areas where spikes in home invasions and larcenies have been identified.
- Positively impact public perception of safety of the community.
 - Continue to conduct household and business surveys annually.

**SAFETY SERVICES AREA
POLICE SERVICES UNIT (continued)**

❖ **City Goals**

➤ **Service Area Goals**

▪ **Service Unit Objectives**

❖ **Deliver high quality City services in a cost effective manner.**

➤ Deliver high quality law enforcement services in a cost effective manner.

- Create and implement standard monthly reports electronically accessible by section commanders that show key performance data for their sections and for individual members under their command.
- Evaluate resource allocation to identify and eliminate duplication of work in the Police Services Unit.

SAFETY SERVICES AREA
POLICE

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ACCOUNT CLERK III	681120	1.00	1.00
ACCOUNTS COORDINATOR	180340	1.00	1.00
ACCOUNTS COORDINATOR W/EDUC	180341	1.00	1.00
ADMIN SUPPORT SPECIALIST LVL 3	110034	1.00	1.00
ADMINISTRATIVE SPECIALIST	180330	1.00	1.00
ASSISTANT EMERGENCY MANAGER	401400	1.00	1.00
CIV DISPATCHER-FIRE 40 HRS	131680	1.00	1.00
COMMUNITY SERV SPECIALIST	128550	6.00	6.00
COMMUNITY STANDARDS OFFICE III	118524	4.00	4.00
COMMUNITY STANDARDS OFFICER I	118504	4.00	4.00
COMMUNITY STANDARDS OFFICER II	118514	4.00	4.00
COMMUNITY STANDARDS SUPER II	196714	1.00	1.00
COMMUNITY STANDARDS SUPER III	196724	1.00	1.00
COMMUNITY SVCS SPEC	128551	6.00	6.00
DATA ENTRY SPECIALIST	180360	1.00	1.00
DATA ENTRY SPECIALIST	180361	1.00	1.00
DEPUTY CHIEF	168810	2.00	2.00
DETECTIVE I W/EDUC	148711	1.00	1.00
DETECTIVE II W/ ASSOC	148802	1.00	1.00
DETECTIVE II W/EDUC	148801	7.00	7.00
DETECTIVE III (EES > 11-87)	148770	1.00	1.00
DETECTIVE III W/EDUC (> 11-87)	148771	8.00	8.00
DISPATCHER-PARKING	116680	1.00	1.00
LAWNET W/EDUC	148601	1.00	1.00
MANAGEMENT ASSISTANT	000200	2.00	2.00
PARKING ENFORCEMENT OFFICER I	618550	1.00	1.00
PAYROLL COORDINATOR	180350	1.00	1.00
POLICE LIEUTENANT - W/3%	158731	10.00	10.00
POLICE OFFICER	148700	4.00	4.00
POLICE OFFICER W/ ASSOC	148702	12.00	12.00
POLICE OFFICER W/EDUC	148701	29.00	29.00
POLICE STAFF SERGEANT (7/92)	158760	1.00	1.00
POLICE STAFF SGT (W/3%)	158761	20.00	20.00
PROFESSIONAL SERVICES ASST	128561	4.42	4.00
PROPERTY MANAGEMENT ASSISTANT	180320	2.00	2.00
RECORD SYSTEM SUPERVISOR	198650	1.00	1.00
RECORDS MANAGEMENT ASSISTANT	180310	1.00	1.00
RECORDS MANAGEMENT ASSISTANT	180311	1.00	1.00
SAFETY SERVICES AREA ADMIN	403400	1.00	1.00
SAFETY SERVICES DISPATCHER I	148400	2.00	2.00
SAFETY SERVICES DISPATCHER III	148420	5.00	5.00
SAFETY SERVICES DISPATCHER III	148421	4.00	4.00
SAFETY SERVICES DISPATCHER IV	148430	6.00	6.00
SAFETY SERVICES DISPATCHER IV	148431	4.00	4.00
SENIOR OFFICER I	148690	3.00	3.00
SENIOR OFFICER I	148707	1.00	1.00
SENIOR OFFICER I W/ ASSOC	148692	8.00	8.00
SENIOR OFFICER I W/ BACH	148691	31.00	31.00
SENIOR OFFICER II	148900	1.00	1.00
SENIOR OFFICER II W/ ASSOC	148902	3.00	3.00
SENIOR OFFICER II W/EDUC	148901	9.00	9.00
SIU W/EDUC	148751	1.00	1.00
TELECOMMUNICATOR W/ DEGREE	148511	1.00	1.00
Total		226.42	226.00



FIFTEENTH DISTRICT COURT

The 15th District Court is responsible for adjudicating criminal misdemeanor cases filed for violation of local ordinances, the University of Michigan Regents' Ordinance 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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	(703)	-	-	-	-	-
FINES & FORFEITS	2,902,560	2,918,186	2,868,400	2,705,800	2,710,400	2,710,400
INTERGOVERNMENTAL REVENUES	238,790	215,676	240,500	228,700	188,700	168,700
INVESTMENT INCOME	17,856	4,968	2,000	1,200	1,200	1,200
MISCELLANEOUS REVENUE	33	-	-	-	-	-
PRIOR YEAR SURPLUS	-	-	-	-	-	750,000
Total	\$3,158,536	\$3,138,830	\$3,110,900	\$2,935,700	\$2,900,300	\$3,630,300

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	2,925,322	2,910,501	2,890,900	2,715,700	2,675,300	2,655,300
COURT FACILITIES (0023)	233,214	228,329	220,000	220,000	225,000	975,000
Total	\$3,158,536	\$3,138,830	\$3,110,900	\$2,935,700	\$2,900,300	\$3,630,300

FIFTEENTH DISTRICT COURT

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	1,773,753	1,768,701	1,810,260	1,812,968	1,877,877	1,845,703
PAYROLL FRINGES/INSURANCE	556,599	659,117	741,073	707,601	766,980	867,534
OTHER SERVICES	650,251	728,127	927,660	775,610	842,650	748,480
MATERIALS & SUPPLIES	84,798	117,821	71,500	66,500	61,000	60,000
OTHER CHARGES	59,373	80,318	23,305	22,240	311,146	150,634
PASS THROUGH	-	-	-	-	-	750,000
CAPITAL OUTLAY	27,308	69,520	127,500	8,900	33,000	5,300
Total	\$3,152,082	\$3,423,604	\$3,701,298	\$3,393,819	\$3,892,653	\$4,427,651

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	3,137,186	3,321,849	3,491,798	3,393,819	3,686,653	3,671,651
COURT FACILITIES (0023)	14,896	101,755	209,500	-	206,000	756,000
Total	\$3,152,082	\$3,423,604	\$3,701,298	\$3,393,819	\$3,892,653	\$4,427,651

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
FIFTEENTH DISTRICT COURT	40.00	41.00	41.00	41.00	40.00
Total	40.00	41.00	41.00	41.00	40.00

FIFTEENTH DISTRICT COURT

REVENUES

Fines and Forfeits- The decrease reflects the decrease in number of issued citations projected for FY06 and FY07.

EXPENSES

Other Services- The decrease reflects the reduction in software maintenance costs related to a moving from the County's network back to the City's network in FY07.

Pass-Throughs- The increase in FY07 relates to the move of the Court into new facilities.

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 \$271,965 in 2005/06.

FIFTEENTH DISTRICT COURT

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ACCT CLERK II- DISTRICT COURT	001130	1.00	1.00
CHIEF DEPUTY DISTRICT CT CLERK	403860	1.00	-
COURT ADMINISTRATOR	403420	1.00	1.00
COURT BAILIFF	000850	3.00	3.00
COURT CLERK II	000930	13.00	13.00
COURT CLERK III	000940	2.00	2.00
COURT RECORDER	000860	4.00	4.00
DISTRICT COURT JUDGE	200030	3.00	3.00
LEAD DIVISION DEPUTY CLERK	000910	2.00	2.00
MAGISTRATE	401880	1.00	1.00
PROBATION AGENT	000800	5.00	5.00
PROBATION SUPERVISOR	000810	1.00	1.00
SENIOR SECRETARY COURTS	000870	4.00	4.00
Total		41.00	40.00

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RETIREMENT SYSTEM

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.

RETIREMENT SYSTEM

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CONTRIBUTIONS	137,269	156,863	-	-	-	-
INVESTMENT INCOME	50,780,129	51,931,062	-	-	-	-
MISCELLANEOUS REVENUE	107,383	65,642	-	-	-	-
PRIOR YEAR SURPLUS	-	-	26,873,002	26,873,002	31,980,210	34,823,128
OPERATING TRANSFERS	9,351,793	10,285,873	3,832,325	-	8,091,720	9,224,020
Total	\$60,376,574	\$62,439,440	\$30,705,327	\$26,873,002	\$40,071,930	\$44,047,148

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
EMPLOYEES RETIREMENT SYSTEM (0059)	54,717,025	51,832,024	26,873,002	26,873,002	31,980,210	34,823,128
VEBA TRUST (0052)	5,659,549	10,607,416	3,832,325	-	8,091,720	9,224,020
Total	\$60,376,574	\$62,439,440	\$30,705,327	\$26,873,002	\$40,071,930	\$44,047,148

RETIREMENT SYSTEM

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	243,536	249,533	286,626	283,321	269,192	242,992
PAYROLL FRINGES/INSURANCE	19,991,859	20,691,750	20,470,783	18,059,379	21,662,202	22,388,286
OTHER SERVICES	1,772,502	1,835,022	2,221,250	1,773,300	2,651,350	2,484,600
MATERIALS & SUPPLIES	4,194	3,029	8,250	2,250	8,250	8,250
OTHER CHARGES	1,856,643	1,016,359	1,055,195	380,295	522,384	524,043
PASS THROUGHs	5,563,590	6,083,674	2,974,648	2,974,648	6,997,653	9,319,535
CAPITAL OUTLAY	4,426	-	9,000	-	20,000	10,000
Total	\$29,436,750	\$29,879,367	\$27,025,752	\$23,473,193	\$32,131,031	\$34,977,706

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
EMPLOYEES RETIREMENT SYSTEM (0059)	29,309,948	29,731,034	26,873,002	23,318,443	31,980,210	34,823,128
VEBA TRUST (0052)	126,802	148,333	152,750	154,750	150,821	154,578
Total	\$29,436,750	\$29,879,367	\$27,025,752	\$23,473,193	\$32,131,031	\$34,977,706

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
RETIREMENT	3.75	3.75	3.75	3.75	3.75
Total	3.75	3.75	3.75	3.75	3.75

RETIREMENT SYSTEM

EXPENSES

Personnel Services- The decrease in FY06 reflects the removal of severance pay no longer needed. For FY07, the decrease reflects the removal of temporary pay no longer needed.

Payroll Fringes/Insurance- The increase reflects increased payments budgeted for retiree benefits.

Other Services- The decrease reflects the reduction in consulting services for FY07.

Pass-Throughs- The increase in FY07 relates to the increased costs of providing for retiree health care transfer to the City's Insurance Fund.

RETIREMENT SYSTEM

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
ACCOUNTANT II	001260	0.75	0.75
EXEC DIR PENSION ADMIN	403740	1.00	1.00
MANAGEMENT ASSISTANT	000200	1.00	1.00
PENSION ANALYST	403650	1.00	1.00
Total		3.75	3.75

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DOWNTOWN DEVELOPMENT AUTHORITY

In 1982, the Downtown Development Authority was created by City Council as a vehicle for urban revitalization. Since its creation, the DDA has been a key agent in the rejuvenation of what is now a very active 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 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	11,592,052	10,987,033	10,757,545	10,746,802	11,157,031	11,157,031
INTERGOVERNMENTAL REVENUES	-	-	-	-	-	-
INVESTMENT INCOME	306,657	218,492	642,972	598,867	677,271	647,780
MISCELLANEOUS REVENUE	401,741	-	-	5,000	500	500
SALE OF BONDS	-	-	-	-	-	-
PRIOR YEAR SURPLUS	-	-	3,024,665	-	641,099	1,073,568
TAXES	3,171,528	3,189,976	3,200,797	3,200,797	3,280,637	3,295,039
OPERATING TRANSFERS	763,198	300,000	751,700	3,926,405	1,782,135	1,782,135
Total	\$16,235,176	\$14,695,501	\$18,377,679	\$18,477,871	\$17,538,673	\$17,956,053

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
DDA PARKING SYSTEM (0063)	12,450,095	11,210,444	12,397,729	11,081,669	11,801,136	12,045,287
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	3,567,295	3,278,204	5,756,529	3,455,797	3,686,544	3,613,544
DDA PARKING MAINTENANCE (0033)	-	-	-	3,486,405	1,391,572	1,633,283
DDA-SIDEWALK & STREETSCAPES (0030)	-	-	-	420,000	432,500	432,500
DDA/HOUSING FUND (0001)	217,786	206,853	223,421	34,000	226,921	231,439
MI EDC SMART ZONE GRANT (0009)	-	-	-	-	-	-
Total	\$16,235,176	\$14,695,501	\$18,377,679	\$18,477,871	\$17,538,673	\$17,956,053

DOWNTOWN DEVELOPMENT AUTHORITY

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	178,548	223,599	276,986	282,991	293,458	302,262
PAYROLL FRINGES/INSURANCE	25,984	37,855	47,222	49,875	70,927	80,828
OTHER SERVICES	5,236,959	6,952,650	7,229,765	6,817,943	5,958,148	6,178,465
MATERIALS & SUPPLIES	37,853	6,644	7,000	8,000	8,000	8,240
OTHER CHARGES	546,279	2,475,284	403,042	144,708	927,062	969,912
PASS THROUGHGS	6,576,168	3,390,558	7,671,318	5,548,887	7,930,410	7,940,099
CAPITAL OUTLAY	385,875	1,077,884	2,587,000	355,000	1,867,572	1,989,433
Total	\$12,987,666	\$14,164,474	\$18,222,333	\$13,207,404	\$17,055,577	\$17,469,239

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
DDA PARKING SYSTEM (0063)	10,149,683	10,444,642	12,397,729	10,424,352	11,801,136	12,045,287
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	2,752,983	3,598,454	5,756,529	2,224,266	3,686,544	3,613,544
DDA PARKING MAINTENANCE (0033)	-	-	-	553,146	1,391,572	1,633,283
DDA-SIDEWALK & STREETSCAPES (0030)	-	-	-	-	100,000	100,000
DDA/HOUSING FUND (0001)	85,000	121,378	68,075	5,640	76,325	77,125
Total	\$12,987,666	\$14,164,474	\$18,222,333	\$13,207,404	\$17,055,577	\$17,469,239

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
DOWNTOWN DEVELOPMENT AUTHORITY	2.80	3.20	3.20	3.00	3.00
Total	2.80	3.20	3.20	3.00	3.00

DOWNTOWN DEVELOPMENT AUTHORITY

REVENUES

Charges for services - The increase represents increased parking revenues from higher usage with no increase in rates.

Operating transfers – Operating transfers primarily represent a transfer of existing funds from parking operations to parking maintenance to ensure adequate funding for the long-term maintenance of facilities.

EXPENSES

Payroll Fringes/Insurance – The increase for retiree medical insurance costs for FY 2005/06 is \$7,000 and \$8,000 for FY 2006/07. The increase for retirement plan contributions for FY 2005/06 is \$7,000 and \$10,000 for FY 2006/07.

Other Services – The decrease reflects a reduction of professional services for future DDA projects.

Other Charges – Other charges generally reflects increases in general grants.

Capital Outlay – The decrease reflects the cyclical nature of parking repairs and improvements.

DOWNTOWN DEVELOPMENT AUTHORITY

Allocated Positions

Job Description	Job Class	2005-06 FTE's	2006-07 FTE's
DDA DEPUTY DIRECTOR	403720	1.00	1.00
DDA EXEC DIRECTOR	403290	1.00	1.00
MANAGEMENT ASSISTANT	000200	1.00	1.00
Total		3.00	3.00

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NON-DEPARTMENTAL AND DEBT SERVICE

The Non-Departmental Service Area is used to 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 2005/2006, this levy is proposed to be 0.58 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 debt limit as of January 1, 2005 was \$425.6 million. The debt subject to that limit as of June 30, 2004 was \$49.1 million, or 1.28% of the total TV. 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, 2004 was \$141.4 million.

NON-DEPARTMENTAL

Revenues By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
CHARGES FOR SERVICES	792,379	271,356	-	-	-	-
CONTRIBUTIONS	7,501	-	-	-	-	-
INVESTMENT INCOME	61,692	721	11,000	11,000	11,000	11,000
MISCELLANEOUS REVENUE	-	(6,156)	120,000	-	-	-
PRIOR YEAR SURPLUS	-	-	447,446	-	405,065	379,585
TAXES	2,664,781	2,813,897	2,491,836	2,491,836	2,501,112	2,507,951
OPERATING TRANSFERS	1,576,589	1,835,823	4,035,782	3,938,382	7,539,560	6,128,773
Total	\$5,102,942	\$4,915,641	\$7,106,064	\$6,441,218	\$10,456,737	\$9,027,309

Revenues By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL DEBT SERVICE (0035)	4,162,269	4,590,625	4,407,218	4,407,218	5,933,447	5,882,694
GENERAL (0010)	1,567	44	2,180,755	1,925,000	4,084,441	2,731,246
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	877,414	330,817	495,337	109,000	438,849	413,369
PARKING SYSTEM (0044)	61,692	(5,845)	22,754	-	-	-
Total	\$5,102,942	\$4,915,641	\$7,106,064	\$6,441,218	\$10,456,737	\$9,027,309

NON-DEPARTMENTAL

Expenses By Category

Category	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
PERSONNEL SERVICES	(514,464)	479,864	100,000	100,000	100,000	100,000
PAYROLL FRINGES/INSURANCE	1,647,251	1,392,774	857,711	1,200,000	-	-
OTHER SERVICES	178,921	231,992	141,000	141,000	144,525	144,544
MATERIALS & SUPPLIES	6,828	113	-	-	-	-
OTHER CHARGES	6,287,808	6,600,529	5,631,478	5,310,726	7,891,761	7,609,165
PASS THROUGHS	8,957,805	10,562,412	11,346,266	11,322,577	12,024,205	10,593,552
VEHICLE OPERATING COSTS	1,942	-	-	-	-	-
COMMUNITY DEVELOPMENT RECIPIENTS	-	88,595	88,355	55,000	-	-
Total	\$16,566,091	\$19,356,279	\$18,164,810	\$18,129,303	\$20,160,491	\$18,447,261

Expenses By Fund

Fund	Actual 2002/03	Actual 2003/04	Budget 2004/05	Forecasted 2004/05	Request 2005/06	Projected 2006/07
GENERAL (0010)	10,782,387	11,964,320	11,330,162	11,317,409	10,993,942	11,154,949
GENERAL DEBT SERVICE (0035)	4,340,067	4,567,017	4,391,557	4,391,557	5,897,200	5,823,543
INSURANCE (0057)	-	-	1,925,000	1,925,000	2,830,500	1,055,400
GENERAL DEBT/SPECIAL ASSESSMENT (0060)	535,233	539,512	495,337	495,337	438,849	413,369
PARKING SYSTEM (0044)	904,795	899,041	22,754	-	-	-
MAINTENANCE FACILITY (0004)	-	1,300,342	-	-	-	-
STREET REPAIR MILLAGE (0062)	19,235	29,656	-	-	-	-
PARKS REPAIR AND RESTORATION MILLAGE (0006)	-	22,063	-	-	-	-
MAJOR STREET (0021)	(16,643)	18,686	-	-	-	-
PARKS REHAB & DEVELOPMENT MILLAGE (0018)	2,456	7,592	-	-	-	-
OPEN SPACE & PARKLAND PRESERVATION (0024)	4,711	7,505	-	-	-	-
COMMUNITY TELEVISION NETWORK (0016)	(2,403)	5,230	-	-	-	-
ELIZABETH R DEAN TRUST (0055)	-	1,421	-	-	-	-
COMMUNITY DEVELOPMENT BLOCK GRANT (0078)	(3,258)	1,218	-	-	-	-
SEWER BOND SERIES XIX 2004 (0076)	-	1,180	-	-	-	-
HOME PROGRAM (0090)	606	391	-	-	-	-
1990 SOLID WASTE BOND ISSUE (0097)	-	299	-	-	-	-
LOCAL STREET (0022)	-	100	-	-	-	-
DOWNTOWN DEVELOPMENT AUTHORITY (0003)	(2,178)	-	-	-	-	-
DDA PARKING SYSTEM (0063)	(2,398)	-	-	-	-	-
LESLIE HOMESTEAD (0096)	(1,966)	(65)	-	-	-	-
PARKS MAINTENANCE & REPAIR MILLAGE (0005)	5,447	(9,229)	-	-	-	-
Total	\$16,566,091	\$19,356,279	\$18,164,810	\$18,129,303	\$20,160,491	\$18,447,261

FTE Count

Category	2002/03	2003/04	2004/05	2005/06	2006/07
NON-DEPARTMENTAL	1.00	-	-	-	-
Total	1.00	0.00	0.00	0.00	0.00

NON-DEPARTMENTAL

REVENUES

Operating Transfers – Several items comprise the increase in operating transfers:

- Approximately \$1.5 million of the increase is to service the debt for the anticipated Maintenance Facility bonding.
- In 2004/05 there was a one-time transfer from the Insurance Fund to the General Fund of \$1.9 million for an insurance rebate.
- In 2005/06 and 2006/07 there are newly budgeted transfers of \$2.8 million and \$1.1 million respectively from the Insurance Fund to the General Fund for Emerald Ash Borer remediation.

EXPENSES

Payroll Fringes/Insurance- The decrease relates to the payment of excess levy to the VEBA fund. In 05/06, there will be no excess to remit to this fund.

Other Charges –

- Contingency: The decrease in FY 05/06 budget is due to a reduced number of unsettled contingency funds for unsettled contracts that will result in a carry of these funds.
- Operating transfers: Increased debt service payments of approximately \$1.5 million for the anticipated Maintenance Facility bonding.
- Operating transfers: The \$950,000 annual transfer to the technology fund was eliminated.
- Operating transfers: In 2004/05 there was a one-time transfer from the Insurance Fund to the General Fund of \$1.9 million for an insurance rebate.
- Operating transfers: In 2005/06 and 2006/07 there are newly budgeted transfers of \$2.8 million and \$1.1 million respectively from the Insurance Fund to the General Fund for Emerald Ash Borer remediation.

Below is a summary of the governmental activities debt (with various issue dates) and annual debt service requirements as of June 30, 2004:

Fiscal Year Ending	Governmental Activities Debt					Total Governmental Activities Debt Principal	Total Governmental Activities Debt Interest	Total Governmental Activities Debt Requirements	Downtown Development Authority Bonds Principal	Downtown Development Authority Bonds Interest
	Capital Projects Bonds	General Obligation Portion of Special Assessment Bonds	General Obligation Portion of Special Revenue Bonds	Special Assessment Bonds	Other Long-term Debt					
2005	\$1,755,000	\$130,000	\$135,000	\$400,000	\$96,100	\$2,516,100	\$1,035,649	\$3,551,749	\$1,028,614	\$281,821
2006	1,820,000	135,000	140,000	365,000	48,050	2,508,050	922,877	3,430,927	1,085,947	241,554
2007	1,885,000	140,000	145,000	360,000		2,530,000	809,440	3,339,440	1,120,613	199,327
2008	1,925,000	75,000	155,000	125,000		2,280,000	702,716	2,982,716	1,157,946	154,672
2009	1,955,000	75,000	160,000	125,000	3,500,000	5,815,000	534,139	6,349,139	1,199,944	107,213
2010	1,960,000	80,000	170,000	125,000		2,335,000	365,455	2,700,455	575,000	72,825
2011	1,965,000	80,000	175,000	120,000		2,340,000	265,344	2,605,344	610,000	50,400
2012	625,000	80,000	185,000	90,000		980,000	192,223	1,172,223	650,000	26,000
2013	625,000	80,000	190,000	80,000		975,000	146,308	1,121,308		
2014		80,000	200,000	80,000		360,000	116,126	476,126		
2015		20,000	210,000	25,000		255,000	100,864	355,864		
2016		25,000	220,000	20,000		265,000	90,910	355,910		
2017		25,000	230,000	15,000		270,000	80,258	350,258		
2018			240,000			240,000	69,125	309,125		
2019			250,000			250,000	59,230	309,230		
2020			260,000			260,000	48,673	308,673		
2021			275,000			275,000	37,417	312,417		
2022			285,000			285,000	25,256	310,256		
2023			300,000			300,000	12,375	312,375		
	<u>\$14,515,000</u>	<u>\$1,025,000</u>	<u>\$3,925,000</u>	<u>\$1,930,000</u>	<u>\$3,644,150</u>	<u>\$25,039,150</u>	<u>\$5,614,385</u>	<u>\$30,653,535</u>	<u>\$7,428,064</u>	<u>\$1,133,811</u>
Interest Ranges	3.80 - 5.50%	3.00- 6.25%	2.50- 4.50%	3.00- 7.150%	3.60- 5.15%				3.00- 5.00%	

Below is a summary of the business-type activity and component unit debt (with various issue dates) and annual debt service requirements as of June 30, 2004:

Fiscal Year Ending	Enterprise Funds					Total Enterprise Fund Principal Requirements	Total Enterprise Fund Interest Requirements	Total Enterprise Fund Requirements
	Ann Arbor Building Authority Bonds	Lease Contract Payable	Revenue Bonds	Other Long-Term Debt	Other Bonds			
2005	\$1,695,000	\$400,000	\$3,905,000	\$161,739	\$551,386	\$6,713,125	\$4,502,936	\$11,216,061
2006	1,770,000		4,520,000	162,822	554,053	7,006,875	4,185,249	11,192,124
2007	1,845,000		4,675,000	123,062	559,387	7,202,449	3,918,345	11,120,794
2008	1,810,000		4,790,000	84,156	562,054	7,246,210	3,641,987	10,888,197
2009	1,710,000		4,910,000	140,473	360,056	7,120,529	3,333,222	10,453,751
2010	1,790,000		4,965,000	55,000		6,810,000	3,028,530	9,838,530
2011	1,875,000		5,200,000	55,000		7,130,000	2,727,467	9,857,467
2012	1,940,000		5,130,000			7,070,000	2,432,844	9,502,844
2013	2,010,000		5,265,000			7,275,000	2,137,643	9,412,643
2014	2,075,000		3,310,000			5,385,000	1,862,008	7,247,008
2015	2,145,000		2,750,000			4,895,000	1,648,236	6,543,236
2016	2,120,000		2,820,000			4,940,000	1,436,142	6,376,142
2017	2,190,000		2,915,000			5,105,000	1,214,743	6,319,743
2018	1,665,000		2,290,000			3,955,000	1,019,078	4,974,078
2019	1,720,000		2,365,000			4,085,000	838,646	4,923,646
2020	1,070,000		2,465,000			3,535,000	661,197	4,196,197
2021	260,000		2,570,000			2,830,000	516,123	3,346,123
2022	275,000		2,665,000			2,940,000	395,741	3,335,741
2023			2,760,000			2,760,000	272,567	3,032,567
2024			2,845,000			2,845,000	153,496	2,998,496
2025			2,125,000			2,125,000	45,156	2,170,156
	<u>\$29,965,000</u>	<u>\$400,000</u>	<u>\$75,240,000</u>	<u>\$782,252</u>	<u>\$2,586,936</u>	<u>\$108,974,188</u>	<u>\$39,971,356</u>	<u>\$148,945,544</u>
Interest Ranges	2.00-5.88%	5.00%	3.50-7.30%	3.50-6.80%	3.60-5.70%			

**Information Technology Projects Budget Summary
Fiscal Years 2005/06 and 2006/07**

Projects	Previously Authorized	Forecasted Expenditures thru FY05	Remaining Funds Available	Required Funding		Additional Requested Funding	
				FY06	FY07	FY06	FY07
Intranet Deployment (EIP)	\$ 110,000	\$ -	\$ 110,000	\$ 200,000	\$ 60,000	\$ 90,000	\$ 60,000
Document MGT System	70,000	-	70,000	140,000	20,000	70,000	20,000
PC Deployment	105,000	105,000	-	250,000	250,000	250,000	250,000
Enterprise Telecommunications	570,000	-	570,000	570,000	100,000	-	100,000
Cityworks License	-	-	-	150,000	30,000	150,000	30,000
Justice Information System (JIS) pro	-	-	-	90,000	20,000	90,000	20,000
Jury Management System project	-	-	-	25,000	5,000	25,000	5,000
Revenue Management System	66,000	16,500	49,500	49,500	-	-	-
Citywide Technology Strategic Plan	130,000	110,000	20,000	20,000	-	-	-
Server Upgrade/Replacement	150,000	150,000	-	102,560	120,188	102,560	120,188
HR AMS Upgrade	-	-	-	-	900,000	-	900,000
TBD IT Projects	-	-	-	-	490,000	-	490,000
Total	\$ 1,201,000	\$ 381,500	\$ 819,500	\$ 1,597,060	\$ 1,995,188	\$ 777,560	\$ 1,995,188

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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 2006 – 2011). 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.

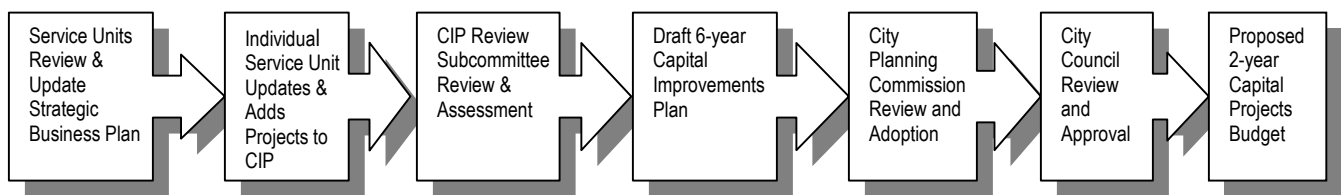
Projects that are considered operational, maintenance or recurring are excluded.

Preparation of the capital improvements plan is done under the authority of the Municipal Planning Commission Act (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 first two years of the capital improvements plan are utilized as the basis for establishing the City's capital projects budget (CPB) programming the implementation of the planned projects for the upcoming two fiscal years. The CIP and CPB make up the City's Capital Improvements Program.

THE CAPITAL IMPROVEMENTS PROGRAM PROCESS

The Capital Improvements Program process begins with a review and update of service units Strategic Business Plans and concludes with the proposed Capital Projects Budget as outlined below:



ORGANIZATION

The Capital Improvements Program is divided into three sections:

Section I – Capital Improvements Programming

- Introduction
- Program Summary
- Program Policies
- Program Funding

Section II – FY2006 & 2007 Recommended Capital Projects Budget

Section III – FY2006-2011 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 Service Area/Unit
- 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 CIP 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(s) 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.

Capital Improvement Program Executive Summary

THE TOTALS

A total of 166 projects were submitted for this year's CIP with a six-year funding need of \$385,886,000. This is a 28.21 percent increase from the previous CIP, which anticipated \$300,987,000 in funding need during fiscal years 2005-20010. The total anticipated cost for all projects is \$511,110,000, which includes project funds spent prior to fiscal year 2006 and anticipated funds needed after fiscal year 2011. The chart below indicates the total number of projects for each category, the total costs, the six-year funding need and first-year and second-year expenditures:

Category	Number of Projects	Total Project Costs*	Six-Year Funding Need	First Year Expenditures	Second Year Expenditures
Municipal Facilities - City Owned Buildings	2	\$100,485,000	\$99,000,000	\$37,850,000	\$37,450,000
Municipal Facilities - Parks and Recreation	14	\$20,959,000	\$15,751,000	\$3,479,000	\$3,449,000
Municipal Facilities - Solid Waste	6	\$8,100,000	\$8,100,000	\$4,099,000	\$4,001,000
Transportation - Airport	10	\$2,600,000	\$2,331,000	\$0	\$138,000
Transportation - Alternative Transportation	16	\$8,187,000	\$5,982,000	\$700,000	\$850,000
Transportation - Bridges	6	\$8,940,000	\$7,473,000	\$408,000	\$2,115,000
Transportation - New Street	1	\$2,000,000	\$2,000,000	\$0	\$0
Transportation - Other	10	\$2,432,000	\$2,432,000	\$705,000	\$873,000
Transportation - Parking Facilities	1	\$21,000,000	\$18,000,000	\$9,000,000	\$9,000,000
Transportation - Street Construction	12	\$68,313,000	\$56,293,000	\$13,296,000	\$8,233,000
Utilities - Sanitary Sewer	27	\$197,098,000	\$114,974,000	\$9,382,000	\$34,633,000
Utilities - Storm Sewer	12	\$13,377,000	\$10,285,000	\$1,205,000	\$2,460,000
Utilities - Water System	49	\$57,619,000	\$43,265,000	\$11,004,000	\$4,585,000
TOTALS	166	\$511,110,000	\$385,886,000	\$91,128,000	\$107,787,000

*Includes project funds spent prior to FY2006 and anticipated funds needed after FY2011

PRIORITIES

Sixteen percent of all projects are considered "Urgent", according to the CIP Review Subcommittee, making up thirty-eight percent of the total CIP costs. Below is a project breakdown by priority.

Priority	Number of Projects	Percent of Projects	Total of Projects Cost	Percent of Total CIP Costs
Urgent	27	16%	\$194,130,000	38%
Important	117	70%	\$307,535,000	60%
Desirable	22	13%	\$9,445,000	2%
TOTALS	166	100%	\$511,110,000	100%

Capital Improvement Program Executive Summary

MAJOR PROJECTS

Below is a list of the top ten project expenditures during fiscal years 2006-2011, including their project priority. Based on the total cost of all projects (\$511,110,000), the top ten projects constitute approximately 63% of the total funding need.

Project Name	Total Cost	Priority
City Hall (Larcom Building) Expansion/New Building	\$70,000,000	Urgent
Facilities Renovation	\$52,779,000	Urgent
Footing Drain Disconnection Project (Long Term)	\$50,000,000	Important
Field Operations and Maintenance Facility	\$30,485,000	Urgent
Residuals Handling Improvements	\$24,062,000	Important
Footing Drain Disconnection Project (Priority 2A)	\$22,659,000	Important
First & William Parking Structure	\$21,000,000	Important
Annual Major Street Resurfacing Program	\$18,900,000	Important
Huron, Fifth & Division	\$16,490,000	Important
Open Space and Park Acquisitions	\$15,225,000	Important
TOTAL	\$321,600,000	

FUNDING NEEDS AND SOURCES

The anticipated six-year funding need is \$385,886,000. The table below summarizes the major categories of funding for these projects. 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
	FY06	FY07	FY08	FY09	FY10	FY11	Totals	
Bond/Note Proceeds	\$50,753	\$68,651	\$61,632	\$32,603	\$20,984	\$13,564	\$248,187	64%
Contributed Capital - Other Fund	\$1,865	\$3,712	\$0	\$0	\$0	\$0	\$5,577	1%
Developer Contributions	\$183	\$159	\$40	\$777	\$0	\$0	\$1,159	0%
MDOT/Federal Participating Costs	\$3,034	\$1,113	\$1,191	\$1,190	\$2,050	\$1,245	\$9,823	3%
MDOT/Other Grants	\$40	\$370	\$520	\$608	\$0	\$200	\$1,738	0%
Metered Service	\$0	\$183	\$175	\$175	\$0	\$0	\$533	0%
Operating Transfers from DDA Fund (0003)	\$0	\$0	\$260	\$0	\$0	\$0	\$260	0%
Operating Transfers from General Fund (0010)	\$116	\$107	\$320	\$250	\$50	\$0	\$843	0%
Operating Transfers from Major Streets Fund (0021)	\$452	\$320	\$290	\$350	\$270	\$270	\$1,952	1%
Operating Transfers from Local Streets Fund (0022)	\$105	\$81	\$81	\$81	\$81	\$81	\$510	0%
Operating Transfers from Market Fund (0046)	\$150	\$0	\$0	\$0	\$0	\$0	\$150	0%
Operating Transfers from Street Millage Fund (0062)	\$5,976	\$5,100	\$4,923	\$5,208	\$4,910	\$4,700	\$30,817	8%
Operating Transfers from Sewer Bond Fund (0076)	\$9,950	\$3,310	\$0	\$0	\$0	\$0	\$13,260	3%
Operating Transfers from Environmental Bond Fund (0097)	\$3,100	\$1,502	\$0	\$0	\$0	\$0	\$4,602	1%
Parks Acquisition Millage	\$2,000	\$2,060	\$2,138	\$2,202	\$2,208	\$2,274	\$12,882	3%
Prior Year Fund Balance	\$12,557	\$19,830	\$5,547	\$4,078	\$2,818	\$2,750	\$47,580	12%
Special Assessment - Road Improvements	\$0	\$0	\$0	\$667	\$0	\$0	\$667	0%
Special Assessment - Sidewalks	\$350	\$150	\$539	\$1,006	\$588	\$290	\$2,923	1%
State of Michigan - Grant	\$0	\$0	\$758	\$0	\$540	\$326	\$1,624	0%
Stormwater Service	\$105	\$105	\$105	\$105	\$105	\$105	\$630	0%
Weight & Gas (Act 51) Major Streets	\$90	\$90	\$0	\$0	\$0	\$0	\$180	0%
TOTALS	\$90,826	\$106,843	\$78,519	\$49,300	\$34,604	\$25,805	\$385,897	100%

Capital Improvement Program Executive Summary

NEW PROJECTS

There are forty new projects in this year's CIP. Five of the new projects are considered urgent priority, thirty-four are listed as important, and one is considered desirable. The total cost of all new projects is \$76,542,000, representing approximately fifteen percent of all project costs.

Project Name	Category	Cost
Leslie Science Center	Municipal Facilities - Parks and Recreation	\$210,000
Compost Center	Municipal Facilities - Solid Waste	\$1,600,000
Transfer Station	Municipal Facilities - Solid Waste	\$1,200,000
Drop-off Station	Municipal Facilities - Solid Waste	\$2,100,000
Landfill Groundwater Pretreatment	Municipal Facilities - Solid Waste	\$1,000,000
Demolition -- Drop-off station & Solid Waste Maintenance Buildings	Municipal Facilities - Solid Waste	\$400,000
Geddes Avenue Non-Motorized Path Repair/Replacement	Transportation - Alternative Transportation	\$250,000
Pedestrian Bridge/Overpass	Transportation - Bridges	\$1,200,000
Huron Street/Fletcher Street Signal	Transportation - Other	\$90,000
New Monitored Intersection Signal	Transportation - Other	\$180,000
Fiber Optic Traffic Control Signal System Relocation	Transportation - Other	\$250,000
Annual Local Street Resurfacing Program	Transportation - Street Construction	\$14,000,000
Annual Major Street Resurfacing Program	Transportation - Street Construction	\$18,900,000
Huron, Fifth & Division	Transportation - Street Construction	\$16,490,000
Detroit Street Brick Pavement Reconstruction	Transportation - Street Construction	\$1,700,000
Easy Street	Transportation - Street Construction	\$530,000
North State Street Brick Pavement Resurfacing/Reconstruction	Transportation - Street Construction	\$500,000
Valhalla Sanitary Sewer Service Extension	Utilities - Sanitary Sewer	\$1,300,000
Bluett Sanitary Sewer Service Extension	Utilities - Sanitary Sewer	\$140,000
West Stadium Reconstruction (Sanitary Sewer Main)	Utilities - Sanitary Sewer	\$415,000
Residential Streets Storm Water Pipe Repairs (Phase II)	Utilities - Storm Sewer	\$400,000
West Stadium Reconstruction (Storm Water)	Utilities - Storm Sewer	\$600,000
Austin, Hillcrest and Carl Water Main Replacement	Utilities - Water System	\$200,000
Detroit and North State Street Water Main Replacements	Utilities - Water System	\$540,000
Water Treatment Plant Sludge Handling Project	Utilities - Water System	\$231,000
Structural Repair and Painting Basin #5 at Water Treatment Plant	Utilities - Water System	\$183,000
Replace Limeslakers at Water Treatment Plant	Utilities - Water System	\$183,000
Geddes and South East District Control Valve	Utilities - Water System	\$200,000
Gravity and West High Boundary Valve Replacement	Utilities - Water System	\$750,000
Downtown Line Stop Isolation Valves	Utilities - Water System	\$110,000
Ferdon/Crestland Area Water Quality Improvements	Utilities - Water System	\$800,000
Hiawatha and Loyola Water Main Replacement	Utilities - Water System	\$260,000
Annual Water Quality Pipe Replacements	Utilities - Water System	\$5,250,000
Clark Road Extension	Utilities - Water System	\$300,000
Washtenaw Water Main Replacement	Utilities - Water System	\$1,470,000
Plymouth Road Water Main Replacement	Utilities - Water System	\$560,000
West Stadium Reconstruction (Water Main)	Utilities - Water System	\$1,100,000
Leak Detection Survey	Utilities - Water System	\$350,000
Stadium/Iroquois Water Main Replacement	Utilities - Water System	\$450,000
Glendaloch Circle Water Main Replacement	Utilities - Water System	\$150,000

TOTAL \$76,542,000

Capital Improvement Program Executive Summary

COMPLETED PROJECTS

The following forty-six projects from the FY2005-2010 CIP have been completed or will be completed before July 1, 2005, or have been withdrawn from the CIP as explained in the footnotes below the table.

Project Name	2005-2010 CIP Cost	Completed/Withdrawn
Green Road/Baxter Court Community Center Expansion	\$107,000	Completed
E-Government	\$1,824,000	Withdrawn ¹
Cobblestone Farm Improvements	\$225,000	Completed
Dolph Park Addition	\$1,139,000	Completed
Fuller Pool (Phase II)	\$500,000	Completed
Skate Park/X-Games Facility	\$70,000	Withdrawn ²
Veterans Memorial Park Pool /Ice Rink (Phase II)	\$745,000	Completed
Parks and Recreation Open Space Plan 2006-2010	\$150,000	Completed
Consolidated Police/Fire Dispatch Center	\$886,000	Completed
VHF Radio System	\$650,000	Completed
Northwest T-Hanger Area Repaving	\$900,000	Completed
Citywide Non-Motorized Transportation Plan	\$80,000	Completed
Broadway Bridges Reconstruction Project	\$31,200,000	Completed
Northeast Ann Arbor Transportation Plan	\$652,000	Completed
Packard Road Signal Interconnect	\$226,000	Completed
Plymouth/Traverwood Signal	\$89,000	Completed
Signal System Improvements	\$256,000	Withdrawn ³
Traffic Calming Improvements	\$560,000	Withdrawn ³
Fifth/Division/Huron Streetscape Improvements and Outskirt Parking	\$500,000	Completed
Annual City Street Surface Treatment	\$3,200,000	Withdrawn ³
North Fifth Avenue Resurfacing	\$470,000	Completed
North Maple Reconstruction	\$940,000	Completed
Pauline Boulevard Resurfacing	\$530,000	Completed
Huron Parkway Median Restoration	\$500,000	Completed
Annual Street Resurfacing Program (2002-2007)	\$23,500,000	Withdrawn ⁴
Administration Building Air Conditioner Unit Replacement	\$100,000	Withdrawn ⁵
Capacity Audit/Modeling	\$1,660,000	Completed
General Sewer Expansion	\$700,000	Withdrawn ⁶
General Sewer Rehabilitation	\$1,400,000	Withdrawn ⁶
Jennings Newport Heights Sanitary Sewer	\$482,000	Completed
WWTP Sewage Lift Pumps Repair - Phase 2	\$550,000	Completed
Baldwin Ave. Sanitary Repair	\$18,000	Completed
Brookside/Baylis Sanitary Sewer	\$705,000	Completed
Ditch Cleaning/Rehabilitation	\$700,000	Withdrawn ³
General Storm Water Expansion	\$700,000	Withdrawn ⁶
General Storm Water Rehabilitation	\$3,500,000	Withdrawn ⁶
Huron Parkway Reconstruction Storm Water (Phase V)	\$350,000	Withdrawn ^{6a}
Malletts Creek Restoration (Brown Park Pond Reconstruction)	\$2,545,000	Withdrawn ^{3a}
Eisenhower Parkway Water Main Replacement	\$390,000	Completed
General Water Main Expansion	\$700,000	Withdrawn ⁶
General Water Main Rehabilitation	\$1,400,000	Withdrawn ⁶
Brookside/Baylis Water Main	\$578,000	Completed
Huron Parkway Reconstruction Water Main (Phase V)	\$100,000	Withdrawn ^{6a}
Jennings Newport Heights Water Main	\$260,000	Completed
Golfview Water Main	\$260,000	Completed
Plant #2 Hydraulic Corrections	\$370,000	Withdrawn ⁷
TOTAL	\$87,367,000	

¹ Future IT Strategic Plan to determine scope and timing of future project

² Below CIP \$ threshold

³ Operating item, not CIP item

^{3a} Operating item, not CIP item (payment to Washtenaw County Drain Commission from Operating Budget)

⁴ Replaced by new projects TR-SC-06-02 & 03 *Annual Local Street Resurfacing & Annual Major Street Resurfacing*

⁵ Rolled into existing project UT-SN-01-09 *Facilities Renovation*

⁶ Was placeholder for budgetary purposes, not named project

^{6a} Was placeholder for budgetary purposes, work not necessary

⁷ Water Division Master Plan to determine scope and timing of future project

Capital Improvement Program Executive Summary

JUSTIFICATION SCORE

The City Service Area/Unit assigned justification scores to each project it submitted. 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, facilities
- C. Reduce energy consumption, impact of the environment
- D. Enhance social, cultural, recreational or aesthetic opportunities
- E. Improve customer service, convenience for citizens
- F. Required to meet new, or maintain existing regulatory compliance

0 = Not Applicable; 1 = Somewhat Important; 2 = Important; 3 = Very Important

The maximum total justification score for a project is eighteen (18), which would indicate that all six criteria were viewed as “very important” by the submitting service area/unit.

The intent of the justification score is to guide City staff 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

The anticipated geographic project distribution is quite equitable in the four city planning areas (central, south, west and northeast). The number of projects in the central area is lower due to the fact that the central area is twenty-five to forty percent of the land area of the each of the other planning areas. In terms of the project cost distribution, six of the top ten project expenditures during fiscal years 2006-2011, are located in the central area (City Hall Expansion/New Building; First & William Parking Structure; and, Huron, Fifth & Division) or are city-wide projects (Footing Drain Disconnection Project [Long Term]; Footing Drain Disconnection Project [Priority 2A]; and, Annual Major Street Resurfacing Program). In addition, the central area is the oldest part of the city, thus requiring more infrastructure re-investment than the more outlying areas. As a result, the central and city-wide areas have the greatest percentage of CIP project costs.

Geographic/Planning Area	Number of Projects	Percent of Projects	Total Project Costs	Percent of Total CIP Costs
Central	12	7%	\$113,855,000	22%
West	39	23%	\$32,877,000	6%
Northeast	39	23%	\$63,201,000	12%
South	35	21%	\$59,799,000	12%
Multiple Planning Areas	4	2%	\$1,410,000	0%
City-wide	13	8%	\$130,680,000	26%
Ann Arbor Township	2	1%	\$76,841,000	15%
Pittsfield Township	11	7%	\$3,300,000	1%
To Be Determined (TBD)	11	7%	\$29,147,000	6%
TOTALS	166	100%	\$511,110,000	100%

**City of Ann Arbor
Capital Projects Budget Summary
By Project Type**

Project ID	Project Name	Priority	F/Y 06 FTEs	F/Y 07 FTEs	PriorYears	F/Y 2006	F/Y 2007	F/Y 2008	F/Y 2009	F/Y 2010	F/Y 2011	F/Y 2012 Out	Total
Municipal Facilities - City Owned Buildings													
MF-CB-01-01	City Hall Expansion/New Building	Important				\$1,500,000	\$7,088,000	\$16,530,000	\$12,882,000				\$38,000,000
MF-CB-02-04	Materials Recovery Facility (MRF) Upgrade	Important					1,299,600	500,500					1,800,100
MF-CB-04-02	Field Operations and Maintenance Facility	Urgent				11,514,340	11,970,660	8,000,000					31,485,000
						<u>13,014,340</u>	<u>20,358,260</u>	<u>25,030,500</u>	<u>12,882,000</u>				<u>71,285,100</u>
Municipal Facilities - Parks and Recreation													
MF-PR-01-01	Bandemer Park Improvements	Important	0.25			135,000	450,000						585,000
MF-PR-01-02	Bluffs Park Development	Important				110,000							110,000
MF-PR-01-04	Open Space and Park Acquisitions	Important	0.06	0.06			5,335,423	2,152,258	2,138,000	2,202,140	2,208,204	2,274,450	18,653,159
MF-PR-01-05	Cobblestone Farm Improvements	Important	0.04			95,000	100,000						195,000
MF-PR-01-07	Farmers Market Addition	Important				300,000							300,000
MF-PR-01-10	Historic Preservation Projects/Kempf House	Important	0.01			145,000	30,000						175,000
MF-PR-01-11	Landfill Reuse Plan	Important	0.15			189,000	200,000						389,000
MF-PR-01-12	Neighborhood Parks Development	Important	0.25	0.25		593,000	299,423	350,000					1,242,423
MF-PR-01-13	Olson Park Development	Important	0.07	0.18		415,000	100,000	300,000					815,000
MF-PR-01-14	Outdoor Environmental Education Areas	Desirable		0.15		150,000		150,000					300,000
MF-PR-01-16	River Parks/Shoreline Preservation	Important	0.10	0.10		150,000	110,000	289,423					549,423
MF-PR-01-18	Targets of Opportunity	Desirable		0.12		37,500		200,000					237,500
MF-PR-06-01	Leslie Science Center	Important		0.10		110,000		100,000					210,000
			<u>0.93</u>	<u>0.96</u>		<u>2,429,500</u>	<u>6,624,846</u>	<u>3,541,681</u>	<u>2,138,000</u>	<u>2,202,140</u>	<u>2,208,204</u>	<u>2,274,450</u>	<u>23,761,505</u>
Municipal Facilities - Solid Waste													
MF-SW-06-01	Compost Center	Urgent					599,600	1,000,500					1,600,100
MF-SW-06-02	Transfer Station	Urgent					1,200,000						1,200,000
MF-SW-06-03	Drop-off Station	Urgent						2,100,000					2,100,000
MF-SW-06-04	Landfill Groundwater Pretreatment	Important					1,000,000						1,000,000
MF-SW-06-05	Demolition- Drop-off station & Maint. Bldg.	Important						400,000					400,000
						<u>2,799,600</u>	<u>3,500,500</u>						<u>6,300,100</u>
Transportation - Airport													
TR-AP-98-06	Airport Maintenance Building Expansion	Important						70,000	470,000				540,000
							<u>70,000</u>	<u>470,000</u>					<u>540,000</u>
Transportation - Alternative Transportation													
TR-AT-01-02	Annual Sidewalk Repair Program	Important	0.35	0.35			150,000	150,000	150,000	150,000	150,000	300,000	1,200,000
TR-AT-01-03	Bicycle Facilities Development	Important	0.05	0.05		200,000	100,000	100,000					400,000
TR-AT-01-10	Huron River Multipurpose Trail	Important				300,000							300,000
TR-AT-04-01	Alternative Transportation Program 05/06	Important		0.40			363,412						363,412
TR-AT-04-01	Alternative Transportation Program 06/07	Important		0.40				370,313	350,000	350,000	350,000	350,000	2,120,313
TR-AT-06-01	Geddes Ave Non-Motorized Path Repair/Repl	Important		0.84				244,629					244,629
			<u>0.80</u>	<u>1.64</u>		<u>500,000</u>	<u>613,412</u>	<u>864,942</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>650,000</u>	<u>4,628,354</u>

**City of Ann Arbor
Capital Projects Budget Summary
By Project Type**

Project ID	Project Name	Priority	F/Y 06 FTEs	F/Y 07 FTEs	PriorYears	F/Y 2006	F/Y 2007	F/Y 2008	F/Y 2009	F/Y 2010	F/Y 2011	F/Y 2012 Out	Total
Transportation - Bridges													
TR-BR-01-06	Huron Parkway Bridge Painting	Urgent	0.28	0.36		148,381	577,376	535,000					1,260,757
TR-BR-03-02	East Medical Center Drive Bridge Widening	Urgent	0.20			16,526							16,526
TR-BR-04-05	Eisenhower Parkway Bridge	Important	0.12	0.12	467,000	193,307	10,113						670,420
			<u>0.60</u>	<u>0.48</u>	<u>467,000</u>	<u>358,214</u>	<u>587,489</u>	<u>535,000</u>					<u>1,947,703</u>
Transportation - Other													
TR-OT-01-03	Nixon Road/Huron Parkway Signal	Important											
TR-OT-01-09	Seventh Street Signal Interconnect	Urgent		0.40			466,659						466,659
TR-OT-06-02	New Monitored Intersection Signal	Urgent	0.03	0.04		89,510	89,703						179,213
TR-OT-06-03	Fiber Optic Traffic Control Signal System Reloc.	Important				250,000							250,000
			<u>0.03</u>	<u>0.43</u>		<u>339,510</u>	<u>556,362</u>						<u>895,872</u>
Transportation - Street Construction													
TR-SC-01-07	Huron Parkway Reconstruction (Phase V)	Urgent	1.00		3,400,000	1,142,956							4,542,956
TR-SC-01-12	West Stadium Reconstruction	Important	2.55	2.20	3,200,000	945,283	417,206						4,562,489
TR-SC-06-02	Annual Local Street Resurfacing Program	Important	1.53	1.54		1,961,623	1,960,855	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	13,922,478
TR-SC-06-03	Annual Major Street Resurfacing Program	Important	2.03	2.04		2,579,134	2,575,992	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	18,655,126
TR-SC-06-06	Easy Street	Important	0.19		30,000	433,188							463,188
			<u>7.29</u>	<u>5.78</u>	<u>6,630,000</u>	<u>7,062,184</u>	<u>4,954,053</u>	<u>4,700,000</u>	<u>4,700,000</u>	<u>4,700,000</u>	<u>4,700,000</u>	<u>4,700,000</u>	<u>42,146,237</u>
Utilities - Sanitary Sewer													
UT-SN-01-05	Bird Road Sanitary Sewer (Phase II)	Important					60,000	200,000					260,000
UT-SN-01-09	Facilities Renovation	Important	0.61	0.62	400,000	4,650,396	14,552,502	13,500,000	14,400,000	4,200,000	1,100,000		52,802,898
UT-SN-01-10	Footing Drain Disconnection (Priority 1A & 1B)	Important	0.44	0.44	6,590,000	1,532,238	1,578,524	1,658,000					11,358,762
UT-SN-01-18	Lakewood Pump Station and Force Main	Important	0.18		372,000	1,380,204							1,752,204
UT-SN-01-27	Residuals Handling Improvements	Desirable	0.25	0.41		540,354	16,384,477	7,150,000					24,074,831
UT-SN-01-31	Swift Run Sanitary Relief	Important	0.26	0.26	230,000	907,490	702,504						1,839,994
UT-SN-03-29	Southside Interceptor Rehabilitation	Important	0.21	0.22		97,023	1,090,806	1,200,000	1,200,000	1,200,000	1,200,000	520,000	6,507,829
UT-SN-06-03	West Stadium Recon Sanitary Sewer Main	Important			300,000	115,000							415,000
			<u>1.95</u>	<u>1.94</u>	<u>7,892,000</u>	<u>9,222,705</u>	<u>34,368,813</u>	<u>23,708,000</u>	<u>15,600,000</u>	<u>5,400,000</u>	<u>2,300,000</u>	<u>520,000</u>	<u>99,011,518</u>

**City of Ann Arbor
Capital Projects Budget Summary
By Project Type**

Project ID	Project Name	Priority	F/Y 06 FTEs	F/Y 07 FTEs	PriorYears	F/Y 2006	F/Y 2007	F/Y 2008	F/Y 2009	F/Y 2010	F/Y 2011	F/Y 2012 Out	Total	
Utilities - Storm Sewer														
UT-ST-01-08	GIS Storm Conversion and Model	Urgent				167,200	749,000	200,000					1,116,200	
UT-ST-01-12	Malletts Creek Restoration (Phase II)	Urgent					230,000	250,000	250,000	250,000	250,000	250,000	1,480,000	
UT-ST-04-01	Allen Creek Improvements Re-Study	Important					83,000	100,000					183,000	
UT-ST-04-10	Major Streets Storm Water Pipe Repairs	Important	0.54		100,000	612,232							712,232	
UT-ST-04-13	Miller Creek Restoration	Important					1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	2,000,000	7,000,000	
UT-ST-04-15	Traver Creek Repairs	Urgent			392,000	105,000	105,000	105,000	105,000	105,000	105,000	50,000	1,072,000	
UT-ST-06-01	Residential Streets Storm Water Repairs (Ph II)	Important		0.21			108,426	275,000					383,426	
UT-ST-06-02	West Stadium Reconstruction (Storm Water)	Important			300,000	250,000	50,000						600,000	
UT-ST-88-05	Evergreen Subdivision Storm Water (Phase II)	Important		0.37			56,213	50,000					106,213	
			0.54	0.58		792,000	1,134,432	2,381,639	1,980,000	1,355,000	1,355,000	1,355,000	2,300,000	12,653,071
Utilities - Water System														
UT-WS-01-04	Broadway Water Main Replacement	Important	0.24	0.46			58,407	395,037					453,444	
UT-WS-01-10	Elevated Storage Tank (West High Service)	Urgent		0.33	25,000	79,500	206,500	1,800,000					2,111,000	
UT-WS-01-14	Glen Leven Road Water Main Rehabilitation	Important	0.36		165,000	277,898							442,898	
UT-WS-01-29	Recycle Streams & Stormwater Handling Impr.	Important	0.46	0.15	447,000	4,317,407	12,551						4,776,958	
UT-WS-01-38	West Stadium Boulevard Water Main Impr.	Urgent	0.46		75,000	146,759							221,759	
UT-WS-02-23	North Campus Pump Station Modifications	Important	0.25	0.02	111,350	774,015	1,669						887,034	
UT-WS-02-33	Water Division Master Plan	Urgent	0.41	0.05	384,000	133,229	4,334						521,563	
UT-WS-03-03	Automatic Meter Reading System	Important	1.08		4,668,266	2,291,089							6,959,355	
UT-WS-04-20	Maple Road Transmission Main (Scio Pipe I)	Urgent	0.64	0.65		1,428,257	1,767,513						3,195,770	
UT-WS-04-34	Water Resources Study	Urgent	0.44	0.03	384,000	136,346	2,781						523,127	
UT-WS-06-03	Water Treatment Plant Sludge Handling	Important	0.17	0.01		203,568	677						204,245	
UT-WS-06-04	WTP Structural Repair and Painting Basin #5	Important		0.16			183,735						183,735	
UT-WS-06-05	Replace Limeslakers at WTP	Important		0.12			180,545						180,545	
UT-WS-06-09	Downtown Line Stop Isolation Valves	Urgent	0.09			101,040							101,040	
UT-WS-06-10	Ferdon/Crestland Area Water Quality Impr.	Important	0.77	0.47		140,039	555,322						695,361	
UT-WS-06-16	West Stadium Reconstruction (Water Main)	Important			550,000	550,000							1,100,000	
UT-WS-92-37	West High Service Upgrade	Important	0.59	0.43	30,000	400,000	1,800,000						2,230,000	
	Maplewood Watermain	Important		0.92			543,221						543,221	
	Parkwood/Oakwood Watermain	Important	0.16			631,353							631,353	
	S Industrial Tank Roof Repair	Important						500,000					500,000	
	Distribution System Monitoring	Important	0.25	0.17		750,000	1,500,000						2,250,000	
			6.37	3.96		6,839,616	12,418,907	7,153,885	2,300,000				28,712,408	
Grand Total			18.51	15.77		\$38,564,456	\$60,932,070	\$83,009,864	\$49,213,000	\$24,357,140	\$14,163,204	\$11,129,450	\$10,512,684	\$291,881,868

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 2006 budget \$7,088,000. Total project budget \$38,000,000.

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 2006 budget \$11,970,660. Total project budget \$31,485,000.

Waste Water Treatment Plant Facilities Renovation – Develop and implement a plan to replace deteriorating infrastructure and equipment. This will optimize plant efficiency and improve treatment capabilities. Fiscal year 2006 budget \$4,650,396. Total project budget \$52,802,898.

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 2006 budget \$1,532,238. Total project budget \$11,358,762.

Residuals Handling Improvements – Develop and implement a plan to replace deteriorating solids handling equipment and systems while optimizing plant efficiency and treatment. Fiscal year 2006 budget \$540,354. Total project budget \$24,074,831.

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 2006 budget \$2,291,089. Total project budget \$6,959,355.



Information Pages: Glossary

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.

Information Pages: Glossary

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.

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 governments and public access.

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.

Information Pages: Glossary

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.

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

Information Pages: Glossary

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-Personnel 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.)

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 (ATA).

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.

Information Pages: Glossary

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.

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.

