



CITY OF HILLSDALE, MI

**ADOPTED BUDGET
2008-2009**



The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Hillsdale for its annual budget for the fiscal year beginning July 1, 2007.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, operations guide and financial plan as well as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

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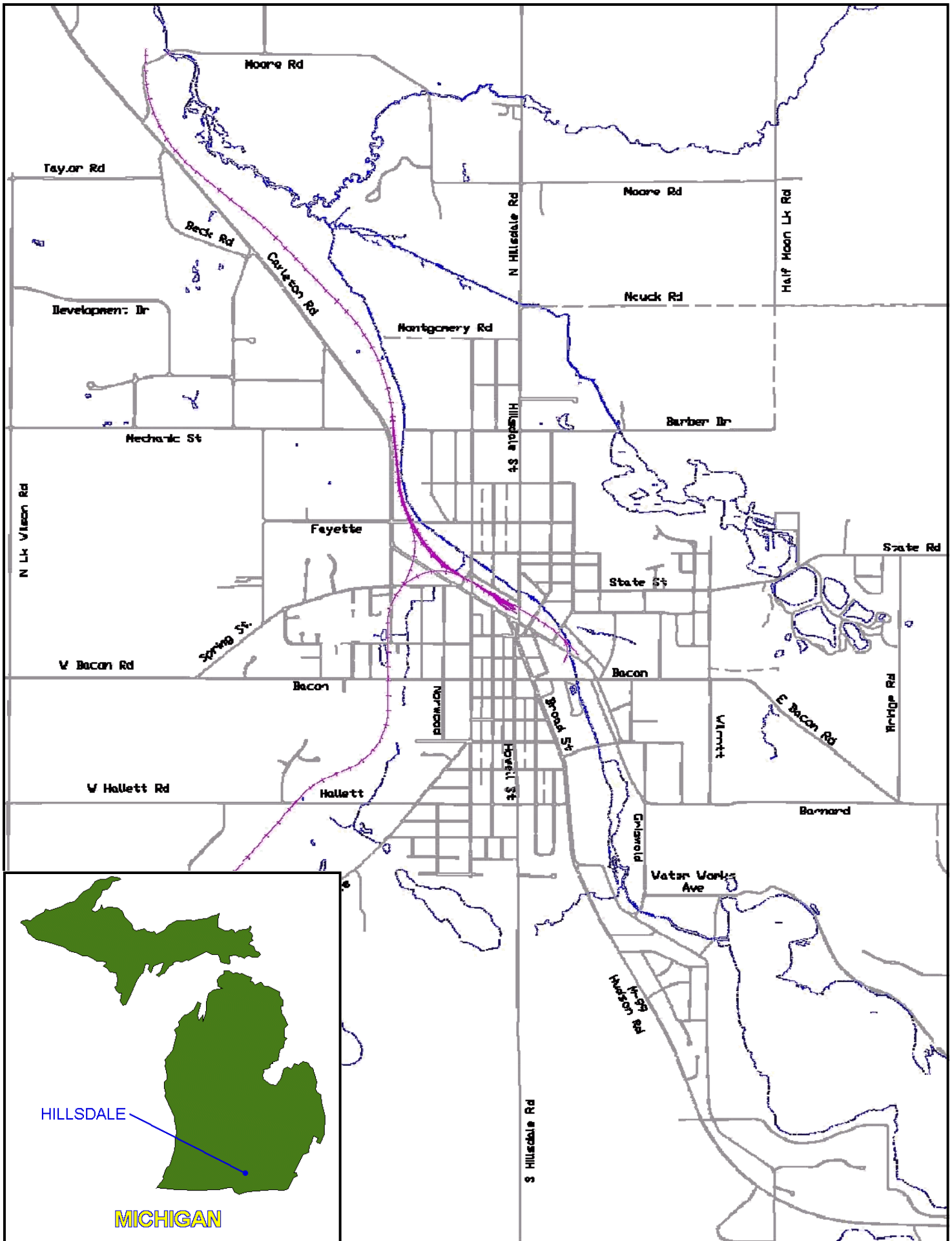
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WELCOME TO THE CITY OF HILLSDALE

The City of Hillsdale (pop. 8,233) was founded in 1869 and is the county seat of Hillsdale County. The City is situated amongst the hills and dales of south-central Michigan where the landscape is dotted with numerous lakes and rivers suitable for fishing, boating, and water skiing. Hillsdale is within easy driving distance to Ann Arbor, Battle Creek, and Toledo, Ohio and is just minutes away from the Ohio/Indiana boarder. The City is home to nationally recognized Hillsdale College as well as many cultural events in the region. For over a century the City has prided itself on its quantity and quality of manufacturing output, but similar to the rest of Michigan much of this production has moved to locations such as Asia and Central America. Hillsdale is now in the process of re-inventing itself as a highly affordable and livable community, with great natural resources, recreational and world-class educational opportunities and as a home to the arts in south central Michigan

Hillsdale is a home rule city and is administered by a council/manager form of government. The Mayor is elected at-large, while councilpersons represent their respective wards. The City Manager is the chief administrative officer and is a contracted employee hired by the council. The Director of Public Safety is also appointed directly by City Council. All other city employees are hired by the City Manager with the exception of the Board of Public Utilities (BPU) Director who is appointed by the BPU Board and the City Manager.

According to the City's Charter, the budget is required to be adopted by the first Council meeting in June of the preceding fiscal year. The City's fiscal year runs from July through June. The City's largest revenue sources are property taxes and State revenue sharing. The City also receives grants and fees from a variety of sources. The City provides a full array of services including police, fire, trash pick up and recycling, planning, assessing, library services, economic development incentives and recreation. The City owns its own water, sewer and electric utility and airport.

ECONOMIC PROFILE

The single largest revenue source for the City government is property taxes. Residential property accounts for approximately 50% of the City's taxable valuation, with total housing units of 3,274. The City maintains an adequate mix of single family and multi-family units.

Industrial and commercial entities make up the other half of the City's tax base. Products manufactured and processed include tools, dies, hydraulic pumps, chemicals, wire, meat products, motor vehicle parts and accessories, sheet metal products, plastics, screw machine products, clothing, plumbing fixtures, mill work, castings, and wicker furniture.

State revenue sharing, payments in lieu of taxes (PILOT), and franchise fees round out the other major sources of revenue received by the city. State Revenue Sharing is budgeted at \$900,000, or about 19% of total general fund revenues. The city receives 3% of gross revenues generated by the water, sewer and electric utilities, amounting to approximately 10% of general fund revenues. Three local apartment complexes also contribute to revenue through PILOT payments. Hilltop Apartments pays 10% of its rental revenues; Hillsdale Place pays 4% (but not less than \$25,000.00) of its rental revenues; Greenwood Village will pay 7.5% of rental revenues for the current year (this percentage increases .5% per year up to 10%). Comcast cable television pays approximately \$60,000 in franchise fees to the city annually, 20% of which is spent to operate the community access channel.

LARGEST EMPLOYERS

<u>Employer</u>	<u>Principal Product or Services</u>	<u>Approximate</u>
Hillsdale College	Private education	485
Hillsdale Community Health Center	Hospital	316
Alsons Corporation	Bathroom fixtures	245
Dow Automotive	OEM Adhesive & Primers	210
Hillsdale County	Government	198
Hillsdale Community Schools	Public Education	195
Hillsdale Medical Care Facility	Nursing Care Facility	170
Key Opportunities	Subcontracting—sorting, packing, etc.	151
Bob Evans	Meat Processing	141
Cadence Innovations, Inc.	Plastic products	100
	Total	2,211

LARGEST TAX PAYERS

<u>Taxpayers</u>	<u>Principal Product or Service</u>	<u>2006 Taxable Valuation</u>	<u>% of 2006 Total Taxable Valuation</u>
Essex Specialty Products	OEM windshield	\$12,118,573	6.89%
Precision Gage	OEM parts	5,195,459	2.95%
Alsons Corporation	Bathroom fixtures	3,438,482	1.96%
Cadence Innovations, LLC	Plastics	3,262,227	1.85%
Southern Mich. Tool & Machine	OEM Parts	2,374,187	1.35%
Bob Evans Farms	Meat Processing	2,215,089	1.26%
Hallett St. Prof. Development Co.	Medical Services	1,922,535	1.09%
Bundy Corporation	OEM Parts	1,405,001	0.80%
Hillsdale Tool & Manufacturing	OEM Parts	1,368,710	0.78%
Hillsdale Capitol, LLC	Apartments	1,329,990	0.76%
		\$34,630,253	19.69%

Hillsdale has lost a large part of its manufacturing job base over the last 20 years; however, there has recently been significant investment in new and automated equipment by the remaining firms. While this investment adds greatly to efficiency and productivity it does not add proportionately to new jobs the way it would have in prior years.

There are numerous banking options in Hillsdale. Banking services are provided by Fifth Third Bank, County National Bank, Southern Michigan National Bank, Flagstar Bank, Monarch Community Bank, American One Federal Credit Union, Educators and Employees Credit Union and First Federal Bank.

The City's Board of Public Utilities (BPU) operates water supply, sanitary sewer and electric power supply/distribution systems within the City. The BPU owns significant power generating capacity with a 26% share in a coal-fired plant in nearby Litchfield and additional diesel and natural gas generating capacity located within Hillsdale. The BPU recently added to their ability to tap into significant amounts of new generation capacity by joining AMP Ohio, a nonprofit corporation organized in Ohio in 1971 for the purpose of owning and operating electric facilities or otherwise providing for the generation, transmission and distribution of electric power and energy to its members. Today this purpose is served by coordinating, negotiating and developing power-supply options and interconnection agreements.

Michigan Gas Utilities is the City's natural gas utility provider, with telephone service provided by AT&T.

A source of community pride for Hillsdale residents is the Hillsdale Community Health Center (HCHC), an 86 bed full-service, community owned, non-profit hospital. HCHC prides itself on being a small rural facility with state of the art diagnostic technology. HCHC is one of only 6 Michigan hospitals with a 64-slice CT scanner, and permanent open MRI. In February, 2007 HCHC officially opened the Dempster W. Muffitt Center for Psychiatric Care, a 10 bed psychiatric unit.

Highway access is provided by Michigan State Route 99 running directly through town mostly in a north-south manner. US Route 12 runs east and west approximately five miles to the north of town. Interstate 94 is just a few miles to the north of US 12 and the Ohio and Indiana toll roads (I80/90) are approximately 20 miles to the south of town. The City operates an on-demand transit service called Dial-A-Ride, which can provide rides to and from any two points within the City boundaries. Dial-A-Ride maintains a 6 vehicle fleet of 21 passenger capacity buses and operates between 7:30 a.m. and 4:30 p.m., Monday through Friday.

Rail freight service is provided by Indiana Northeastern Railroad connecting with Norfolk Southern. The City of Hillsdale owns and operates a municipal airport with a 4,000 foot long run way. The airport is in the process of a runway expansion and renovation project that will expand the runway to 5,000 feet long, capable of handling various sizes of corporate jets.

The Hillsdale Community School District maintains a high school, a middle school, and three elementary schools, with a total enrollment of 1801 students as of the 2007/2008 school year. The Hillsdale Community School District prides itself in providing comprehensive K-Adult Education. The school district also provides Advanced Placement courses enabling students to earn college credits in 3 areas and plans to add 2 additional courses during the next school year. Strong vocal and instrumental programs as well as athletics programs are also integral parts of the school district. There are two charter schools also located in the city. Will Carleton Academy with 231 students offers K-12 education. The K-8 self-contained program emphasizes phonics instruction and content rich core subjects while the high school curriculum emphasizes core academics and the arts, preparing students for success in college or the work force. Students may also choose from a wide variety of extracurricular and MSHAA athletic programs. Hillsdale Preparatory has a total enrollment of 63 students offering K-5 education. Hillsdale Academy, operated by Hillsdale College, is a K-12 private school with a total enrollment of 176 for the 2007-08 school year.

Hillsdale College, founded in 1844 has a current enrollment of approximately 1,300 students. Situated on more than 200 acres, the College is an independent, nonsectarian, co-educational and residential institution. Hillsdale College has attracted students from 42 states and 14 foreign countries. College facilities are available to people of the community for many purposes as well as college athletic events. The College's Mossey Library and Richardson Heritage Library are open to residents of the community. Slayton Arboretum, an 80-acre Nature Laboratory and Children's Garden is also available to residents of all ages. The Sage Center for the Arts offers theater productions and musical performances in its 400-seat auditorium and offers art exhibits free to the public. The Dow Leadership Conference Center and hotel provides training for national firms as well as meeting rooms and services for local businesses and is utilized by many industrial, commercial, and educational groups.

Two construction projects have been completed on the campus; Grewcock Student Union and the Moss Family Laboratory Wing of Strosacker Science Center opened in January of 2008. Now in the marketing stage, Independence Grove is planning to build a retirement community with 62 independent living units. This project will offer a wide range of amenities including a partnership with a local assisted-living facility.

Jackson Community College (JCC) has a satellite campus in the City with an enrollment of 518 students. They offer one and two-year certificate and degree programs, technical training, and continuing education classes. JCC's Hillsdale Campus has completed the first phase of a \$1 million physical upgrade. The upgrade included a new science lab, smart classroom new computers, a student lounge and wireless internet. This is the first of 3 phases to be completed in a 3 year period.

Hillsdale offers many recreational facilities and opportunities, including city parks, swimming, roller-skating, tennis, boating, water skiing and fishing. The Hillsdale Golf and Country Club and 2 public golf courses provide golfing opportunities in close proximity. Baw Beese Lake is home to Waterworks Park, Owen Memorial Park and Sandy Beach as well as docking space for boaters. A paved biking/hiking trail and the Fields of Dreams sports park on the north edge of town, provide additional sources of recreation. Mrs. Stock's Park, located in downtown Hillsdale, has been under renovation for 3 years and offers summer music concerts, art shows and family gathering areas. Hillsdale College offers many sporting events, plays, and concerts. The College also makes its modern sports complex available to the public for swimming, racquetball, weight training, walking, and other gymnasium activities on a membership basis.

Library services, in one form or another, have been offered for nearly 125 years in the city of Hillsdale. In 1879 a group of women established a library association formed with the intention to "circulate good literature among the people of Hillsdale." The books they collected would eventually become the foundation of the Mitchell Public Library, which opened its doors in 1908 on the corner of Manning and McCollum Streets.

The Mitchell Public Library served Hillsdale for 95 years until the construction of the Hillsdale Community Library in 2003, a \$2 million state-of-the-art library building located on the corner of Manning and Bacon Streets in the central business district. Growing from the initial collection of 2,666 volumes, the Hillsdale Community Library collection currently stands at over 39,000 volumes and continues to grow.

The new library also includes dedicated space for children's programming, a young adults' area and expanded technology. The new facility offers spacious community meeting rooms that not only provide programming space for the library, but also for local civic and other organizations to use for presentations and meetings.

Each year the library circulates over 60,000 books. Programs for children serve approximately 1,500 children each year.

Numerous churches are located in and around the City providing a range of worship opportunities for residents. Churches located in Historic Downtown Hillsdale are significant contributors to the Victorian setting of Hillsdale.

The following table reflects the breakdown of employment by major industry groups for the City of Hillsdale residents and the State of Michigan from the 2000 U.S. Census:

	<i>City of Hillsdale</i>			<i>State of Michigan</i>	
	# of Workers	% of Total Workers		# of Workers	% of Total Workers
Agriculture, Forestry, Mining and Fishing	28	0.7%		49,496	1.1%
Construction	202	5.2%		278,079	6.0%
Manufacturing	1,248	32.1%		1, 045,651	22.5%
Transportation, Communications & Utilities	93	2.4%		191,799	4.1%
Information	72	1.9%		98,887	2.1%
Wholesale	138	3.5%		151,656	3.3%
Retail Trade	334	8.6%		550,918	11.9%
Finance, Insurance, Real Estate and Rental and Leasing	139	3.6%		246,633	5.3%
Professional Services	138	3.5%		371,119	8.0%
Public Administration	71	1.8%		167,731	3.6%
Educational, Health and Social Services	931	23.9%		921,395	19.9%
Arts, Entertainment, Recreation, Accommodation and Food Services	336	8.6%		351,229	7.6%
Other Categories of Employment	159	4.1%		212,868	4.6%
Total	3,889	100.00%		4,637,461	100.0%



CITY OF HILLSDALE

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April 7, 2008

Mayor Sessions & City Council Members
City of Hillsdale

Dear Mayor, Council and Hillsdale Residents,

I present for your consideration, the fiscal year 2008-09 Budget. This year, we are requesting appropriations of \$9,849,245 compared to last year's amended budget of \$10,180,960. The decrease is due to a reduction in capital improvements and increased general operational costs. This document reflects the overall strategies of the City Council.

For the tenth consecutive year, the 2007-2008 Budget Document earned the Government Finance Officers Association (GFOA) Budget Presentation Award for Excellence. This high honor affirms the quality of a document containing the most significant source of financial and policy data, providing the blue print for the coming year. It also reflects the quality and competence of our staff who have worked to communicate this information in a comprehensive, yet understandable, format.

Budget Process

As there has been a change in the City Manager position in September of 2007 some changes have taken place in terms of communication between residents and City personnel. Previously, on the first Monday of each month, city residents provided feedback to the city manager on WCSR Radio. Questions were presented about a variety of subjects with direct answers provided by the manager on live radio. In an effort to increase communication, the new manager and staff have begun a regular series of speaking engagements with various groups and organizations so that personnel can present the priorities and strategies of the City while being able to engage residents in dialogue on issues that face the community and to provide open ended question and answer forums which have received positive feedback from participants versus the radio format, which had a much smaller number of contacts.

In previous years, a community goal session has been held to gather additional input from residents regarding their top priorities for the coming year.

A new strategic planning methodology has been implemented for the FY 2008-2009. Council and City personnel have been engaged to provide strategies that will govern the direction of the City in this upcoming fiscal year and to provide much needed direction in succeeding years as well. Specific measurable tasks to achieve the City's strategies are being developed so that Council, City personnel and residents can all know and assist in the implementation of these tasks to achieve the direction that the City's strategies encompass.

1. Attract and expand businesses to create new jobs and wealth
2. Sustain existing businesses to retain jobs and tax base by frequent communication with existing business owners/managers
3. Communication (100 vs. 1) and promotion (promote the positives, correct the negatives)
4. Municipal Cooperation with the City of Hillsdale leading the way (cities, villages, townships, county, K-12 schools, colleges)
5. Infrastructure (streets, sidewalks, trees, storm water)

6. Efficient and effective City operations
7. Long-term planning of City services (proactive instead of reactive)
8. Sustain and improve quality of life aspects
9. Educating and training future elected officials, board members and personnel administrators
(Sustainability)
10. Generating new and sustainable revenue for City services

The City strategies included in this document provides the basis for funding priorities. While the strategies have not been formally adopted by Council, it is my desire that this formulation of strategies for the City of Hillsdale will provide the groundwork for multiple years of staff prioritization of projects and funding.

Over the next sixty days, the Council Standing Committees will meet to review their respective sections of the budget. In addition, a public hearing will be conducted in May before Council gives its final approval in the first meeting of June, according to the City Charter.

Priorities

A longstanding high priority is for improvements to our streets, storm sewers and sidewalks. Assisting in the process of job creation is another longstanding strategy residents have requested City involvement in. The budget continues to include a full-time economic development position, fully funded by the Hillsdale Board of Public Utilities. While this budget tries to adequately address the priorities of improved infrastructure, public safety and economic development this would not be possible without some sacrifice in other areas and some interagency cooperation. It is a strategy of the City to pursue interagency cooperation with Hillsdale taking the lead role in facilitating the discussions and implementation.

Continuing to provide high levels of public service is a challenge for all of Michigan's communities, but especially those like Hillsdale who have lost a sizable percentage of their manufacturing jobs in recent years. Hillsdale saw less than \$3 million in new industrial investment over the last year, but the investment does not create the jobs like it has in the past. In addition, the State has been dealing with its own budget and economic woes which threaten to reduce not only school funding, but possible local revenue sharing, our second largest general fund revenue source. With a county-wide unemployment rate still hovering near 8.5% it makes it more difficult for homeowners to pay rents and mortgages and to simply maintain homes and other properties. The City of Hillsdale has also seen the effects of the sub-prime mortgage collapse with increases in foreclosures. This creates a situation where the taxable value of entire neighborhoods begins to drop and the main revenue source of the general fund decreases.

In FY 2007-2008 there has been some commercial redevelopment efforts that have resulted in the opening of a Peebles Department Store, Time Out Sports Bar & Restaurant, Warner's Family Restaurant, renovations to some existing businesses and some sales of commercial properties with plans to renovate and create new commercial business ventures. In addition, M-99 phase II was completed and phase III of the project is scheduled to begin in October of 2008. Independence Grove continues to adjust its timeline regarding breaking ground. We are hopeful it will bring an infusion of new residents looking to invest in and enjoy our community.

General Fund Revenues

Proposal A, a 1994 Michigan property tax initiative, limits increases in the taxable value assessments on properties to the rate of inflation (2.3% this year) unless title is transferred on a property. In addition to the inflation cap, the Headlee Amendment also limits the overall growth in tax revenues. These two issues will continue to squeeze local governments in Michigan for many years to come, especially mature cities like Hillsdale where new building starts have slowed considerably and economic growth has been difficult.

Revenues are relatively flat this year (.3% increase) as a result of no increases in State revenue sharing as well as relatively flat property tax revenues. While the 2008-2009 State budget has not included an increase in State Revenue sharing, there has also not been a recommended decrease so those payments to local units of government are projected to remain the same as the 2007-08 fiscal year.

We are projecting property tax revenues, which account for more than 50% of General Fund revenues, to remain relatively the same as last year's budget.

Another source of revenue is interest earnings. Due to the recent action by the Federal Reserve Board, these revenues are projected to decrease based on a projected return on investments in the 3% range or less.

Approximately 10% of general revenue funds are derived from Payments In Lieu Of Taxes (PILOT). These payments represent 3% of the gross receipts of the BPU as well as from three (3) housing developments who pay 4%-10% of annual rents minus utilities.

General Fund Expenditures

The bulk of General Fund expenditures fall into the category of personnel. Personnel costs are wages and fringe benefits that staff receives. These costs are about forty-one percent (41%) of total budgeted expenditures. While most of these costs have been aggressively managed over the past several years by reducing overall head count and reconfiguring disability, life, health insurance and drug coverage. The city's pension program is managed by the Michigan Employees Retirement System (MERS) of Michigan and while over funded for nearly 20 years, the past four years have required significant employer contributions. Those increase have leveled off somewhat, with the costs to the city in this budget year remaining unchanged from 2007-08 levels. This year some departments have a required employer contribution equal to 12.33% of wages.

The cost of health insurance this year has been projected to increase another 15%, the eighth straight year of double-digit premium hikes. The double digit inflation has led the administration to change the health care coverage's offered its employees to a high deductible plan with a Health Saving Account (HSA). With these plans the employee pays the first \$1,250 or \$2,500, depending on their coverage, of health care costs. The insurance then pays everything over that at 100%. The employee is eligible to put their deductible amounts into a HSA account, without incurring any income taxes. This change will reduce the health care premiums by about 26%. However, the city will only realize a net savings in this year of about \$10,000 because the city is funding the first year's deductible for the non-union employees. The Fire and Police unions made the change prior to the start of 2008-09 fiscal year. The Department of Public Services and Dial-A-Ride employees will be negotiating their contract in the coming months. It is the hopes of the administration that they too will agree to this type of coverage. Union contracts required average increases of wages at approximately 2.5% for most employees. The Fire contract was renewed for a three (3) year period which included wages for four full-time firefighters. The most recent contract with the Police included an average increase of 2.3% over three years. The Teamsters contract will expire on June 30, 2008 with negotiations beginning in April of 2008. A 2.5% increase was assumed for this contract group. Estimated wages for union and contractual employee was based on those contracts. All non-union employees' wages were also increased by 2.5% from their current levels.

Other Funds

Revenues for the two street funds have remained flat for the past several years. These revenue streams represent a portion of the gasoline tax refunded back to municipalities for road maintenance. Inasmuch as revenue is shared with communities based on the number of gallons sold during a given period of time, not based on the per gallon price of gasoline, So, even though we experienced higher gasoline prices, Michigan gasoline sales have flattened. During the winter period of December 2007 and April 2008 the severity of the winter weather has caused overages in both major, trunkline and local winter maintenance line items. This is not due to improper estimation, but rather an unusually severe winter which has caused many occasions where personnel have been working on winter snow removal on holidays, weekends and after work hours. The supplies needed to perform winter maintenance have also been stretched to the limit. An allocation of \$50,000 has been put in the Capital Improvement Fund to increase the repair ability of personnel due to the severe impact the winter has had on streets in terms of freeze/thaw damage.

Library revenues decreased approximately \$5,400. The library expenditures include a transfer to the Capital Improvement Fund to cover debt service payments related to the library expansion project. Library personnel costs increased approximately 2% (\$3,455) due to wage increases. Library transfer expenditures increased 22% to cover the Library debt service.

Meeting the Public Priorities of Capital Improvements

After several years of flat revenues and increasing personnel expenses, addressing the critical infrastructure needs of our community like streets, storm sewers and sidewalks proved to be a daunting task.

To address these challenges, every departmental budget was scrutinized and shall continue to be reviewed. All requests were challenged during budget formulation and prioritizing projects with limited funding was the task given to each department. In some cases departmental budgets had slight increases, but only where absolutely necessary. As much as possible, the line was held on increases. This budget proposes a total City employee staffing level to remain at FY 2007-2008 amounts. Research will be conducted during the year to look at further staffing changes and an organizational review so as to provide the most efficient and effective workforce for the City services needed and desired by taxpayers in today's economy.

In addition to stingy expenditure allowances, we were able to take advantage of grant funding opportunities. We will be receiving Local Jobs Today funding for the resurfacing and spot replacement of curb and gutter as well as a portion of new curb and gutter on E. Bacon Street (up to \$374,400 in Federal funds has already been secured for the project through the Small Urban Funds program). The City grant award through the Local Jobs Today Program means, the State of Michigan will provide the local match of \$93,600 and provide a low-interest loan of the Federal money so that work can be completed during this budget year. That will assist with ingress and egress during the 2009 phase III of MDOT M-99 reconstruction.

We will be investing much of our road improvement dollars into storm sewer improvements made in conjunction with the phase III M-99 reconstruction. In FY 2007-2008 the rerouting of M-99 from the east side to the west side of City Hall was completed, as the state highway was reconstructed from Lewis Street to Bacon. The City of Hillsdale obtained the \$500,000 Enhancement grant in collaboration with MDOT for brick accents, lighting, benches and other amenities.

In FY 2008-2009, MDOT will be doing an asphalt overlay along Budlong Street from Hallett Street north all the way to M-99. The cost for this overlay is being paid by MDOT as they plan to use Budlong Street as the detour route in 2009 when they begin work on M-99 from Bacon Street south to Steamburg Road.

In 2009, M-99 will be reconstructed from Bacon Street south to the city limits. In this budget, there is \$25,000 set aside to fund remaining expenditures on M-99 Phase I & II projects.. This year's remaining appropriation of \$250,000 will be used for phase III of the M-99 reconstruction project which is scheduled to begin in the spring of 2009 inside the City of Hillsdal. Work outside the City will begin in October of 2008. The city's anticipated cost of this project is \$500,000. Half of which is being appropriated in this year, with the remainder to be funded in the 2009-10 budget.

The City of Hillsdale continues to take a very aggressive approach to sidewalk repairs. In 2003 the council increased the amounts paid by property owners to 75% of the cost of sidewalk repairs which are then special assessed. A multi-year program has been implemented to upgrade the existing sidewalks on at least one side of each street in every neighborhood. This year we will be targeting areas around the planed reconstruction sites along East Bacon and Budlong Streets with the \$200,000 appropriation in Capital Improvement Fund.

The Rotary Club has been working with the City on the expansion of this recreational trail for the past several years. This year's project will construct the area along the St. Joe River from West Street to Galloway (near the waste water treatment plant). A major fund raising initiative has been undertaken by the Rotary Club to address this lengthy section, which will require a good deal of surface preparation. All costs affiliated for this project are expected to come from donations. The approximate investment will be \$100,000.

Construction of a new Dial-A-Ride storage/repair facility is in design and a site location is being finalized. Grant funding has previously been allocated from State and Federal sources in the approximate amount of \$625,000 for construction of the storage/repair facility. Additional appropriations have been requested this year in the amount of \$400,000 to complete the construction costs.

Finally, the airport continues to prepare for a major expansion of the runway from 4,000' to 5,000' as well as

the construction of new terminal building and hangars. This budget anticipates continued acquisition of property and aviation easements. State and Federal funding will pay for most of those costs. \$100,000 included in this budget is for the local share (2.5%).

Hillsdale City Council prefers to utilize a pay-as-you-go approach for capital projects. The primary debt obligation for the City involves work done in the Industrial Park, in cooperation with the Michigan Economic Development Corporation. Ownership of the Three Meadows Subdivision was transferred to EDC, together with the debt owed to BPU. BPU has elected to continue to hold repayment of the amounts owed in abeyance until 2016. The Economic Development Commission has been charged with finding the method to sell lots in the subdivision and to put the development back on track in terms of lot sales and home construction. The EDC has created a Neighborhood Enterprise Zone for the Three Meadows Subdivision to aggressively market and offer tax breaks to lot buyers who build homes within the development. All City of Hillsdale boards and commissions have been charged with coming up with ways to increase redevelopment within the City and to find new ways of encouraging economic development and promotion of job retention and creation.

This budget also retains a 15% fund balance in the General Fund, a policy established by the City Council in 1992. A future consideration for Council might be to increase this amount once revenues are stabilized and City services standards are established.

Impact of Capital Improvement spending on future Operating Budgets

Although we have a long way to go, the investment in capital improvements has already made a positive favorable impact on operating budgets, with even more impact expected in the future. As street surfaces are improved, less time will need to be spent patching and repairing. As sidewalks are improved, fewer lawsuits are anticipated. There is a long journey in front of us, but it is necessary and well worth it.

Our biggest challenge

By far the most difficult issue we face in our community is how to pay for the critical infrastructure improvements needed. Many of our roads were never constructed properly with an adequate sub-base or drainage. The cost to address these needs is at least \$15 million (estimated in 2007), and clearly exceeds our ability to generate the revenues to pay for them. We are a mature city, surrounded by developed township properties, with little growth potential, in property values or population. With the loss of several factories in the past few years to overseas facilities, those goals seem even more difficult to achieve.

For many years, we have contemplated a City Income Tax as a possible source of revenue. Since Hillsdale is a county seat, the home of a college, hospital, public school system, two charter schools, one private school, and a community college, a large portion of our city is tax exempt, which limits our ability to pay for the services needed. Other revenue sources must be researched and the public engaged to seek the best solution to the continuing decline in our current revenue sources.

Because of local, state and national economic conditions, the City Council faces the task of seeking out new and sustainable revenue sources to overcome the continued shortfalls that the City faces due to economic downturn. While all citizens would like to see the roads repaired and City services expanded or enhanced, many are unemployed (Hillsdale has an 8.5% unemployment rate) and are not able to pay for desired services.

Phases II and III of the reconstruction of M-99 will provide additional steps toward dealing with our flooding problems and road needs on our main business corridor. Since the highway runs along the river in many areas, the city has collaborated with the State to construct storm water outlets to which newly constructed city streets' storm systems can be eventually connected. While funding for local projects may be delayed, construction of the storm water outlets is a major step towards the completion of these priorities. Certainly M-99 is the most heavily traveled road in the city and county, so getting that major project finished will be another significant achievement.

Past Successes & Future Challenges

The City has been successful in meeting past challenges. The City of Hillsdale faces even more difficult challenges in the year ahead and for the immediate future. As the economy at the federal, state and local levels

have continued to decline the City must find ways to maintain services with less resources and revenues. The challenge is to not only maintain, but continue to seek ways to provide more efficient and effective services to our residents and businesses. The City must partner with other major organizations within the City such as the local hospital, schools, Jackson Community College and Hillsdale College to forge a new economy for the community that can sustain and weather economic cycles more effectively.

We have seen the results of the work of dedicated residents to assist in this creation of a new and sustainable community through the efforts of the Mrs. Stock's Park Committee which has shown that community efforts led by citizens can have lasting positive impacts on the City of Hillsdale. The Committee continues to implement its design plan, utilizing only funds obtained through donations and fundraising efforts. It is the hope of the City personnel that more such efforts will begin on various aspects of our community to create a common goal to improve Hillsdale and provide a basis to showcase what can be done by citizens to make their community great.

The challenges of providing services in a declining revenue environment, as well as upgrading our infrastructure are difficult issues. This budget reflects difficult decisions and tough choices which will impact services to our residents, yet allows us to be prudent with the resources we are responsible for managing on their behalf. Our staff will utilize their knowledge and experience to meet the challenges ahead and seek to find opportunities to grow the community economically and provide more efficient City services.

According to our City Charter, a budget must be approved by the City Council by its first June meeting. The budget may be amended from time to time as needed throughout the year by a simple majority vote of Council. Thank you for your efforts in considering this budget and your contributions to the success of the City of Hillsdale.

A handwritten signature in cursive script, appearing to read "Michael D. Mitchell".

Michael D. Mitchell
City Manager

**CITY OF HILLSDALE, MICHIGAN
RESOLUTION NO.**

BE IT RESOLVED, that the following sums shall be approved as budgeted and appropriated to meet the expenses of the several funds and activities of the City of Hillsdale for the fiscal year beginning July 1, 2008, and ending June 30, 2009.

General Fund:

City Council	\$31,530
City Manager	228,425
Assistant City Manager	85,260
Economic Development	100,000
Administrative Services	226,500
Elections	14,265
Assessing Department	150,535
City Clerk	101,285
Finance	101,475
City Treasurer	141,875
Building & Grounds	107,795
Parking Lots	34,095
Cemeteries	109,865
Airport	89,835
Police Department	1,394,450
Fire Department	453,685
Building Inspection	39,880
Planning Department	7,400
Public Services	305,520
Street Lighting	63,000
Parks	155,865
Transfers to Other Funds	758,560
 Total General Fund	 \$4,701,100

Major Streets/Trunkline Fund	\$488,320
Local Streets Fund	340,725
Recreation Fund	135,945
Economic Development Corp. Fund	86,350
Tax Increment Finance Authority Fund	248,100
Library Fund	277,120
Children's Library Fund	9,500
Police Department Public Relations Fund	12,500
Debt Service Fund	160,465
Capital Improvement Fund	1,672,000
Fields of Dreams	21,000
Mrs. Stocks Park	30,000
Library Improvement Fund	82,465
Airport Improvement Fund	106,440
Dial-a-Ride Transportation Fund	505,010
DPS Inventory Fund	216,805

Revolving Mobile Equipment Fund.....	\$506,245
Unemployment Insurance Fund.....	15,000
DPS Leave & Fringe Benefits Fund	204,155
Cemetery Perpetual Care Fund	20,000
R.L. Owens Memorial Fund	10,000
Total City at Large	\$ 9,849,245

BE IT FURTHER RESOLVED, that pursuant to Section 13.7 of the City Charter, the budgets for the Hillsdale Board of Public Utilities are hereby approved as follows:

Electric Fund.....	\$ 13,407,250
Water Fund	905,750
Sewer Fund.....	925,750

Capital Projects

Administrative Services	\$90,000
Electric	1,645,000
Water.....	120,000
Sewer	327,000

BE IT FURTHER RESOLVED, that pursuant to Section 13.6 of the City Charter, those projects which are to begin in fiscal year 2008-2009 as indicated on the report the Board of Utilities presented to Council are hereby approved for the fiscal year 2008-2009.

BE IT FURTHER RESOLVED, that the wage and salary schedule for all full-time non-union, non-contractual employees of the City, excluding the Board of Public Utilities employees, shall be increased by two and one-half percent (2.50 %) from the current levels, effective July 1, 2008. This is exclusive of all employment contracts/and or agreements.

PASSED IN OPEN COUNCIL MEETING THIS 2ND DAY OF JUNE, 2008.

Michael S. Sessions, Mayor

ATTEST:

Parke Hayes, City Clerk

**CITY OF HILLSDALE, MICHIGAN
RESOLUTION NO.**

WHEREAS, the Hillsdale City Council has held a public hearing pursuant to Public Act 5 of 1982, as amended, being 211.24e of the Michigan Compiled Laws; and

WHEREAS, the Council finds it necessary to levy the City's full available millage rate with rollback caused by PA 5 of 1982;

THEREFORE, BE IT RESOLVED, that for the purpose of defraying the general expenses and liabilities of the City and for the purpose of defraying the expenses of working upon, improving, repairing, and cleaning the streets of the City, the sum of \$2,424,905 shall be raised by a general tax of fourteen and 9205 hundredths mills (\$14.9205 per \$1,000 of taxable valuation) upon the ad valorem real and personal property in the City; and

BE IT FURTHER RESOLVED, that for the purposes of defraying the expenses of the City's public Library, the sum of \$161,660 shall be raised by a general tax 9947 hundredths of a mill (\$.9947 per \$1,000 of taxable valuation) upon the ad valorem real and personal property in the City; and

BE IT FURTHER RESOLVED, that pursuant to Public Act 88 of 1983, as amended, the City Treasurer is hereby authorized and directed to impose and collect such property tax administration fees, collection fees, and late payment charges as are authorized by law and charter.

PASSED IN OPEN COUNCIL MEETING THIS 2ND DAY OF JUNE, 2008.

Michael S. Sessions, Mayor

ATTEST:

Parke Hayes, City Clerk

BUDGET PROCESS & CALENDAR

Planning

In November of each year the City Council and staff hold a public community planning and goal setting session. City officials invite members of the public, local business owners, and community board members to discuss the City's past successes and the upcoming year's operational plans and future capital projects. This session is a good tool by which community interests, desires, and expectations are revealed. It also provides a means to communicate to the public what the City can reasonably do to meet these goals and expectations. Council then decides which goals are reasonable and assigns the City Manager the responsibility to formulate the Strategic Plan.

Goal Setting

The information obtained in the public goal setting meeting is brought back to the department head level to formulate objectives and action plans to meet the goals designated by Council through the planning process. The City Manager will meet with staff once as a group and again individually to assist each department in developing their goals, objectives, and plans of action. In December, upon receipt of staff's information, the City Manager's office then drafts the Strategic Plan document. In January, Council reviews the plan but does not formally adopt it until completion of the budget in March.

Collection of Data

The various City boards and commissions discuss up-coming projects and plans in their January meetings and forward that information to the appropriate city department to be included in the budget discussions. The Finance department distributes budget packets to all department heads at this time. With this information they prepare their requested budgets with their departmental goals and objectives as their guides.

Budget Preparation

It is the ultimate responsibility of the City Manager to develop a recommended budget to present to Council. During the month of February, the City Manager and the Finance Director meet with each department head to review their budget requests. These meetings provide a good forum to discuss each department's contribution to the City's overall goals and objectives and what resources will be available to them. This also provides for a good review of their current budget performance. In March the final document is created.

Budget Approval

The budget document is submitted to Council at their first meeting in April as stipulated by the charter. Council Committees meet during April and May with the City Manager and staff to review the recommended budgets. The public is given an opportunity to review the budget and make comments at a public hearing in May. At their first meeting in June, Council approves the budget ordinance and gives millage rate authorization to the Treasurer to levy related taxes.

BUDGET PROCESS & CALENDAR

continued

Budget Amendments

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. If changes to the budget become necessary, the City Manager submits the proposed amendments to Council for their approvals as needed throughout the year.

Progress Calendar

January 14	Worksheets distributed to all Department Heads
January—February	Meetings with various boards/committees to discuss budgets and projects for 2007-2008.
February 8	All Department Head budget sheets, capital projects expense sheets and supporting documentation turned in to Finance Department.
February 11—15	Finance Department keys data into computer and submits first draft to City Manager.
February 3—28	Department Heads meet with City Manager to discuss budgets.
March 3—March 7	City Manager and Finance Department prepare Manager's recommended budget.
March 10—28	Finance Department updates/edits final budget documents.
March 31—April 4	Budget printed and bound.
April 7	Council receives budget.
April 7	Council sets Budget Hearing for May 19.
April 7—May 16	Council Committee meetings for departmental budget review.
May 1	Notice in newspaper for hearings on budget and the Proposed Budget on file for public inspection.
May 19	Council holds Budget Hearing.
June 2	Council approves the budget, and approves the full millage rate authorizing the City Treasurer to levy the taxes.

BASIS OF BUDGETING/ACCOUNTING

Basis of Budgeting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all City funds including its Capital Improvement Funds. The General Fund budget is adopted on a functional basis, while all other budgets are adopted on a fund basis.

- Property taxes and other revenues that are 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.
- Revenues from special assessments are budgeted on the basis of when the assessments are due.
- Principal and interest payments on outstanding debt are budgeted on the basis of when they are due and payable.
- Payments for acquisition of materials and supplies inventories and fixed assets are budgeted on the basis of when the obligation is incurred.
- All other expenditures are budgeted on the basis of when the expenditure is incurred and payable.
- Appropriations for depreciation and year-end vacation and sick leave accruals are not made in the enterprise funds.
- All appropriations lapse at the fiscal year end.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. It also relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental, expendable trust and agency funds are accounted for using the modified-accrual basis of accounting for all governmental fund types, including General Fund, Special Revenue Funds, Trust Funds, and Debt Service Funds. For Enterprise and Internal Service Funds, the City uses the full accrual basis of accounting.

Governmental fund revenues are recognized when they become measurable and available as net current assets. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within the 60 days after the year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

BASIS OF BUDGETING/ACCOUNTING

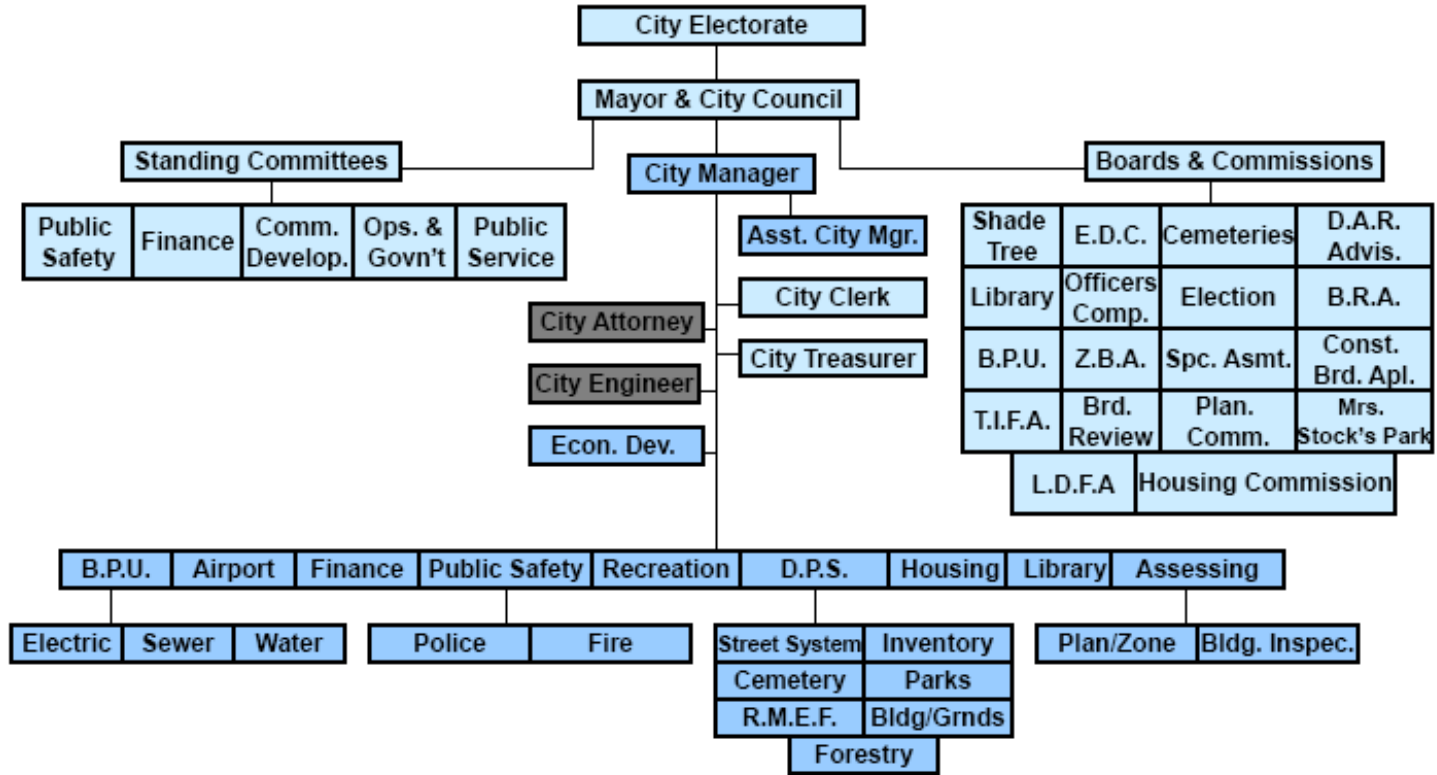
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All governmental funds and expendable trust funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measurement of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

All proprietary funds and nonexpendable trust funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CITY OF HILLSDALE

Organizational Structure

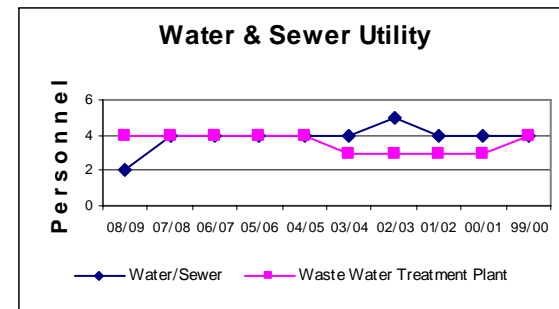
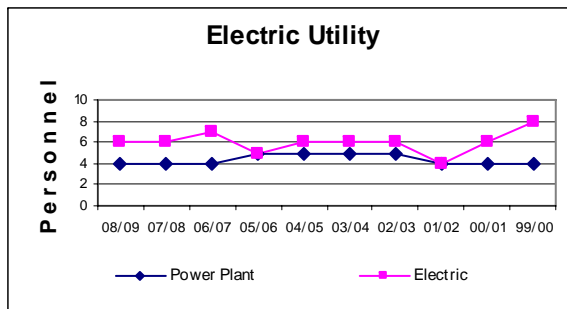
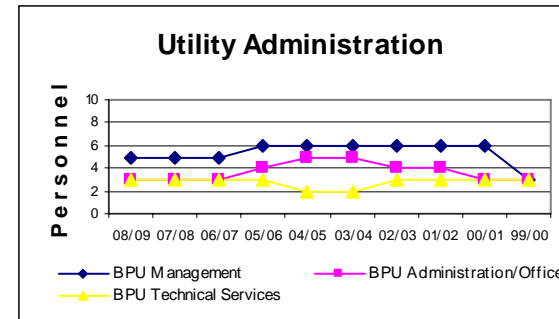
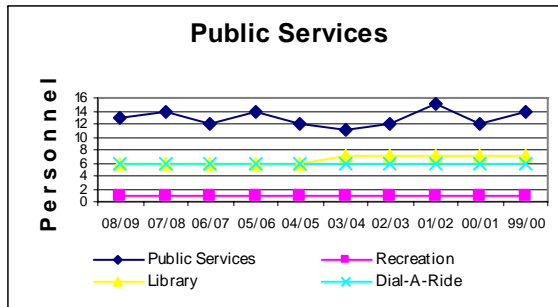
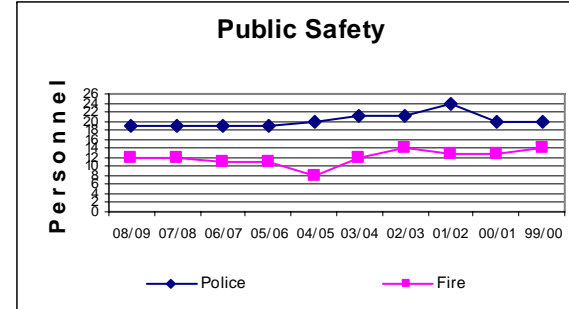
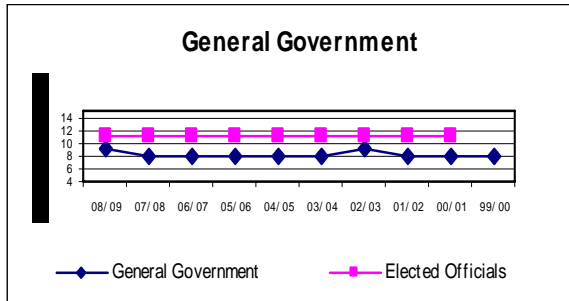


PERSONNEL

Department	08/09	07/08	06/07	05/06	04/05	03/04	02/03	01/02	00/01	99/00
General Government	9	8	8	8	8	8	9	8	8	8
Dial-A-Ride	6	6	6	6	6	6	6	6	6	6
Police	19	19	19	19	20	21	21	24	20	20
Fire	12	12	11	11	8	12	14	13	13	14
Public Services	13	14	12	14	12	11	12	15	12	14
Library	6	6	6	6	6	7	7	7	7	7
Recreation	1	1	1	1	1	1	1	1	1	1
Elected Officials	11	11	11	11	11	11	11	11	11	11
BPU Management	5	5	5	6	6	6	6	6	6	3
BPU Administration/Office	3	3	3	4	5	5	4	4	3	3
BPU Technical Services	3	3	3	3	2	2	3	3	3	3
Power Plant	4	4	4	5	5	5	5	4	4	4
Electric	6	6	7	5	6	6	6	4	6	8
Water/Sewer	2	4	4	4	4	4	5	4	4	4
Waste Water Treatment Plant	4	4	4	4	4	3	3	3	3	4
Totals	104	106	104	107	104	108	113	113	107	110

* Two part-time positions equals one full time equivalent.

** All elected officials are part-time.

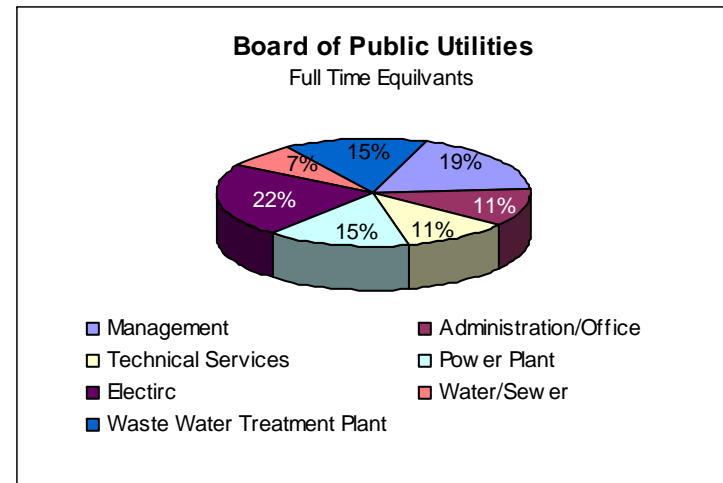
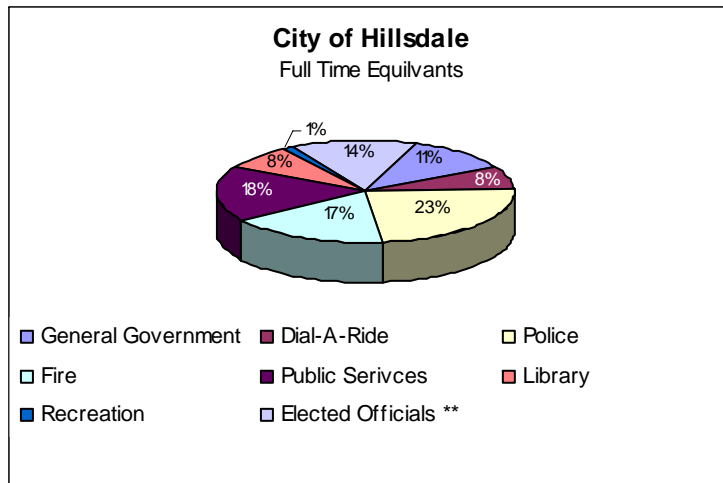


* Two part-time positions equals one full time equivalent.

** All elected officials are part-time.

PERSONNEL 2008-2009

City of Hillsdale	Full Time	Part Time	* Full Time Equivalents	Board of Public Utilities	Full Time	Part Time	* Full Time Equivalents
General Government	9		9	Management	5		5
Dial-A-Ride	6		6	Administration/Office	2		2
Police	17	4	19	Technical Services	3		3
Fire	4	20	14	Power Plant	4		4
Public Services	13	3	14	Electric	6		6
Library	2	8	6	Water/Sewer	4		4
Recreation	1	1	1	Waste Water Treatment Plant	4		4
Elected Officials **		11	11				
	52	47	80		28		28



* Two part-time positions equals one full time equivalent.

** All elected officials are part-time.

FUND STRUCTURE

The accounts of the City are organized by funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriated. Government resources are allocated to and accounted for individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds in this report are grouped into three (3) fund categories: Governmental, Proprietary, and Fiduciary.

Governmental Funds

The governmental fund category includes the General Fund, Special Revenue Funds, Long-term Debt Funds, and Capital Projects Funds.

The *General Fund* is used to account for all financial transactions not accounted for in another fund. This fund contains the general operating expenditures of the local unit including general government services, public safety (police and fire protection), assessing, building inspection, and general maintenance for the parks, cemeteries, parking lots, street lights, and city buildings expenditures. Revenues are derived primarily from property taxes, and State and Federal distributions, grant and other intergovernmental revenues.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes:

1. The Major Street Fund derives its revenue from the State Gas & Weight taxes and is used for the maintenance and repair of the major streets and the state highway (M-99) that runs through the City.
2. The Local Street Fund also gets its revenue from the State Gas & Weight taxes and is used to maintain the neighborhood streets in the City.
3. The Recreation Fund gets its revenue from the various sporting and athletic program fees it offers residents and non-residents. It also receives money from the General Fund.
4. Revenue for the Library Fund comes from a dedicated millage, court fines, state aid, and charges for services.
5. The Police Public Relations Fund generates the bulk of its revenue from a benefit golf outing held once a year. The money is used to purchase supplies to promote public safety awareness in the community.

The *Long-term Debt Service Fund* is used to record the funding and payment of principal and interest on all debt of the City lasting longer than one year.

FUND STRUCTURE

continued

Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital facilities other than those financed by Proprietary and Trust Funds:

1. Capital Improvement Fund expenditures are for major City capital projects such as sidewalks, street reconstruction, etc. Revenues come from federal, state and local grants and the General Fund.
2. Fields of Dreams Fund is used to track construction of Fields of Dreams Park which provides baseball/softball fields and other athletic activities. Its revenues come from grants and community fundraisers.
3. Mrs. Stock's Park Fund was created to renovate a City park by that name. Its revenue comes from grants and community donations.
4. Airport Improvement Fund receives revenue from hanger rentals, fuel flowage fees, and land leases. The expenditures in this fund are for capital improvements to the airport.
5. Library Improvement Fund expenditures are for capital improvements to the Library facilities and its revenues come from community contributions/donations and grants.
6. The Three Meadows Fund was established to construct infrastructure in a new housing development of the same name in the City.

Proprietary Funds (Enterprise/Internal Service Funds)

The proprietary fund category includes the Enterprise and Internal Service Funds.

Enterprise Funds are used to account for operations (a) that are financed and operated similarly to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes:

1. The Board of Public Utilities provides water, sewer and electric services in and outside of the City. Its revenues come from customer charges.
2. The Dial-A-Ride Fund receives its revenues from Federal and State operating grants, user fees, and the General Fund. These funds are used to provide public transportation to handicapped, disabled, and senior citizens of the City.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies within the city on a cost-reimbursement basis. The City of Hillsdale maintains five such funds:

1. Department of Public Service Leave & Benefits Fund is used to record and distribute fringe benefit costs of the Public Ser-

FUND STRUCTURE

continued

vices staff to different funds based on the tasks they are performing and where the work was done (i.e., General, Streets, Capital, etc.)

2. Public Service Inventory Fund purchases materials used in the general maintenance of the City. Its revenues come from the departments/funds that used the material.
3. Revolving Mobile Equipment Fund derives its revenues from rents charged to the various departments for the use of city owned vehicles. Those funds are used to operate and maintain those vehicles and to purchase new equipment as needed.
4. Unemployment Insurance Fund revenues come from the various City departments and are used to self-fund the City's unemployment insurance program.
5. Fire Vehicle and Equipment Fund was established to purchase vehicles and equipment for the Fire Department. Revenues in this fund are from the General Fund.

Fiduciary Funds

The Fiduciary Funds are used to account for assets held by the city in a trustee capacity. These include Expendable Trust, Nonexpendable Trust and Agency Funds. The City utilizes two Fiduciary Funds at this time:

Expendable Trust funds are accounted for in essentially the same manner as governmental funds. *Nonexpendable Trust* funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical; however, these funds are not utilized by the City at this time. There are 3 Expendable Trust funds:

1. R.L. Owen Memorial Park Trust Fund was established to make improvements to the R.L. Owen Memorial Park.
2. Cemetery Perpetual Care Fund gets its revenue from the sale of cemetery lots and interest earned on investments. These funds are used to help offset the costs of maintaining the cemeteries and for capital improvements.
3. Stocks Park Maintenance Fund is a new fund established by the City in February of 2007 to help offset the cost of maintaining the new renovations in that park. This fund gets its revenues from donations and interest earned on those monies.

Agency Funds are Custodial in nature (assets equal liabilities). These funds are used to receipt and disburse payroll and tax collections. Everything that comes into these funds is disbursed out:

1. Imprest Payroll Fund is used to disburse payroll and payroll withholdings.
2. Treasurer's Tax Collection Fund receipts and disburses all the treasurer's tax collections.

FUND BALANCES

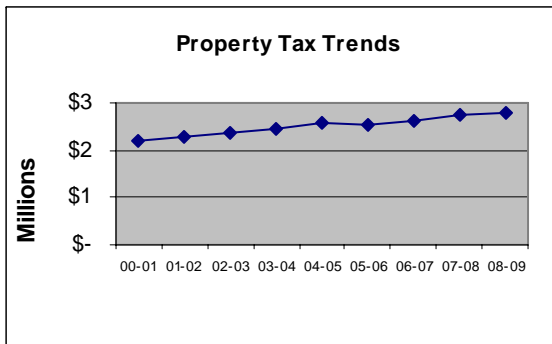
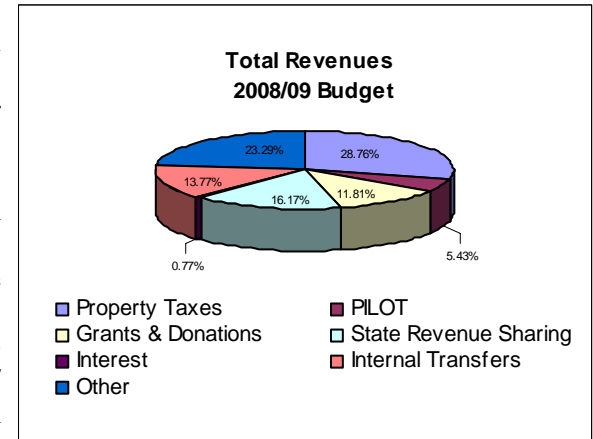
Fund	Fund Name	2007-2008				2008-2009		
		Beginning Fund Balance.	Estimated Revenues	Estimated Expend.	Estimated Ending Bal.	Estimated Revenues	Estimated Expend.	Estimated Ending Bal.
101	General Fund	\$ 681,337	\$4,685,600	\$ 4,685,600	\$ 681,337	\$4,701,100	\$ 4,701,100	\$ 681,337
202	Major St./Trunkline Fund	118,063	476,700	537,020	57,743	476,500	488,320	45,923
203	Local St. Fund	85,191	358,275	358,275	85,191	340,725	340,725	85,191
208	Recreation Fund	5,407	136,635	136,635	5,407	135,945	135,945	5,407
244	Economic Development Corp. Fund	105,852	5,000	1,000	109,852	35,300	86,350	58,802
247	Tax Increment Finance Authority Fund	314,787	105,000	117,500	302,287	110,000	248,100	164,187
271	Library Fund	149,544	274,205	272,205	151,544	268,805	286,620	133,729
274	Police Public Relations Fund	9,127	9,650	10,000	8,777	13,500	12,500	9,777
362	Bond and Interest Redem. Fund	5,736	163,400	163,400	5,736	160,465	160,465	5,736
401	Capital Improvement Fund	470,027	970,920	850,000	590,947	1,167,090	1,672,000	86,037
408	Fields of Dreams Fund	54	35,000	35,000	54	21,000	21,000	54
409	Mrs. Stock's Park Fund	22,432	60,000	75,000	7,432	32,000	30,000	9,432
471	Library Improvement Fund	938	85,400	85,400	938	82,465	82,465	938
481	Airport Improvement Fund	157,224	72,885	100,000	130,109	72,160	106,440	95,829
496	Three Meadows Development Fund	423	-	-	423	-	-	423
588	Dial-A-Ride Fund	40,333	1,037,370	1,037,370	40,333	505,010	505,010	40,333
633	Public Services Inv. Fund	149,883	210,570	210,570	149,883	216,805	216,805	149,883
640	Revolving Mobile Equipment Fund	571,809	362,500	444,635	489,674	420,000	506,245	403,429
663	Fire Vehicle & Equipment Fund	28,416	12,750	-	41,166	13,000	-	54,166
677	Unemployment Insurance Fund	56,491	13,400	13,500	56,391	6,700	15,000	48,091
699	DPS Leave and Benefits Fund	7,569	199,145	199,145	7,569	204,155	204,155	7,569
711	Cemetery Perpetual Care Fund	535,263	40,500	44,000	531,763	33,000	20,000	544,763
712	Stock's Park Perpetual Maintenance Fund	10,246	1,250	-	11,496	5,250	-	16,746
715	R.L. Owen Memorial Fund	20,250	6,500	12,000	14,750	4,500	10,000	9,250
		\$ 3,546,400	\$9,322,655	\$ 9,388,255	\$ 3,480,800	\$9,025,475	\$ 9,849,245	\$2,657,030

TOTAL BUDGET REVENUE SUMMARY

Overview

The major revenue sources for fiscal year 2008-09 are consistent with prior years. Property taxes and contributions in lieu of taxes amount to over 34% of all revenues received. State shared revenues (16%), grants and donations (12%), internal transfers (14%), interest earned on investments (1%), and other (miscellaneous) revenues (23%) round out the major sources.

The 2008-09 budget reflects an overall decrease in projected revenues of about four percent (4%) from the 2007-08 budget projections. Although property tax revenues are expected to increase slightly (2%) and grant and donation revenues are anticipated to go up more than three and one half percent (3.5%); the internal transfers between funds went down thirteen percent (13%) and other miscellaneous revenues went down over sixteen percent (16%) from the 2007-08 estimates. These reductions are partially due to having less money available in general fund to subsidize other funds. State revenue sharing (sales taxes/gas & weight taxes) and contributions in lieu of taxes (PILOT) payments both remained unchanged from the prior year. Interest income is projected to decrease about four percent (4%) due to recent action by the Federal Reserve to lower the interest rates.

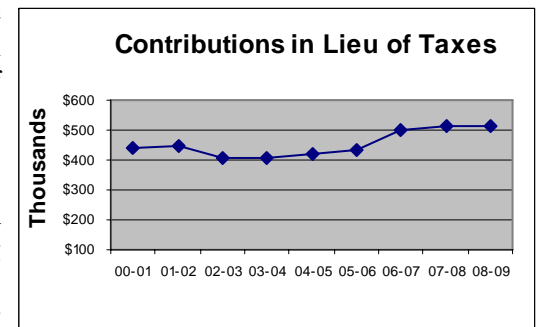


Property Taxes

Proposal A, a 1994 Michigan property tax initiative, limits increases in the taxable value assessments on properties to the rate of inflation (2.3 % this year), unless title is transferred. In addition to the inflation cap, the Headlee Amendment also limits the overall growth in tax revenues. These two issues continue to squeeze property tax revenues in this mature city. In the overall budget, property taxes account for about twenty-nine percent (29%) of total revenues. In General Fund, they comprise about thirty-one percent (31%) and in the Library fund, they account for sixty-one percent (61%) of total revenues. This budget projects an increase in property tax revenues of about six and one-half percent (6.5%) from the actual taxes collected in 2006-07.

Contributions in Lieu of Taxes

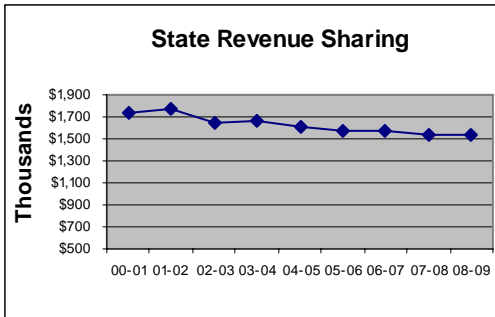
Payment (contributions) in Lieu of Taxes (PILOT) is about eleven percent (11%) of the General Fund revenues. This payment is made to the City by the Board of Public Utilities (BPU), and three housing developments in town instead of (in lieu of) property taxes. The BPU contributes 3% of gross revenues generated by the water, sewer, and electric utilities to the General Fund. Three housing developments pay



TOTAL BUDGET REVENUE SUMMARY

continued

from three percent (3%) to ten percent (10%) of rents depending on their individual agreements. PILOT amount in the next year will remain unchanged from the 2007-08 fiscal year projections.



State Revenue Sharing

This is the seventh consecutive year of declining or flat State Revenue Sharing. The Michigan economy has suffered adversely in the past year, dealing with the affects of the manufacturing communities' downsizing and restructuring. At the printing of this document the State House of Representatives has passed a 4 percent boost in statutory revenue sharing from the previous year. This is the largest percentage increase to any part of the State budget. This reinforces the belief that giving locals the opportunity to provide services and programs that create quality of life will attract the talent and employers Michigan needs to compete in the new economy. However, that legislation still has to pass in the Senate. In light of this uncertainty, this budget projection for Revenue Sharing was unchanged from the 2007-08 levels. The Major and Local Street Funds receive State shared revenues designated for street maintenance. The State-

collected gas and weight taxes are distributed, according to Act 51, by a formula based on number of miles of major and local streets in the municipality and the City's population. In addition, the street funds receive maintenance reimbursement funds from the State for maintaining the State highway (M-99) that runs through town. This fiscal year's revenue projection for the Act 51 Street revenues remains unchanged from the 2007-08 estimates. These predictions were based on prior year actual payments (2006-07) and current year (2007-08) estimates.

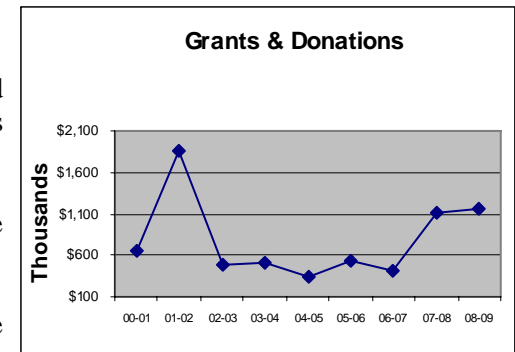
Metro Act revenues come from telecommunication providers for the use of street rights-of-way. The State distributes these funds annually, which are equally split between the Major and Local Street Funds and designated solely for use in the rights-of-way. This budget anticipates the level of these revenues to remain consistent with actual receipts received in 2006-07.

Grants and Donations

This category reflects grants received from Federal, State, and local sources as well as contributions and donations from civic organizations, area foundations, businesses, and individuals. This budget anticipates that 11.81% of total revenues will come from these sources.

The only grant and/or contribution money received by the General Fund is \$3,500. This is Michigan Justice Training Commission Act 302 Police training funding.

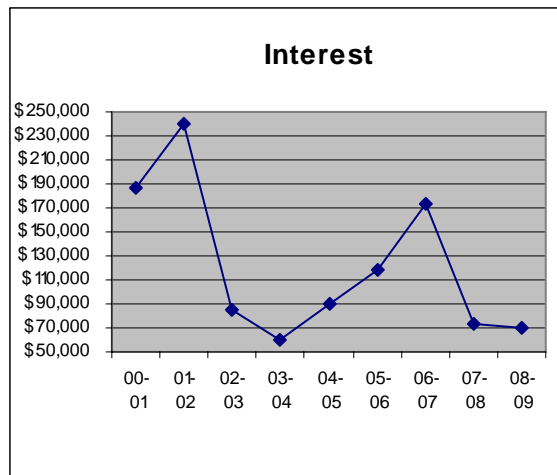
A new trend in local government is seeking out contributions for worthwhile community projects. The Library has been doing this successfully for several years now. It will continue these efforts in this budget



TOTAL BUDGET REVENUE SUMMARY

continued

year and hopes to raise \$30,000 in contributions. This money will be used to pay the debt service on their new building. The Library also raises money from community supporters for their Children’s Summer Reading Program (\$3,500). The Fields of Dreams Committee has been successful over the years at raising contributions to construct that facility. They anticipate raising \$21,000 in the coming year to install 6 dugouts and 6 sets of refurbished bleachers in the park during the spring of 2008. The Mrs. Stock’s Park Committee continues its fundraising efforts it began several years ago to renovate that facility, and anticipates it will raise \$30,000 in the next year for further park development. The local Rotary Club has worked with the city over the past several years expanding the Baw Beese Trail bike path. This civic group is hoping to raise \$100,000 this budget year to continue this work.



This budget reflects a total of \$941,410 in Federal and State operating and capital grants for Dial-A-Ride. The operational grants are based on a percentage of total eligible operating expenditures. This year DART will receive 16% of eligible operating expenditures from Federal sources and 36% from State sources. The city was awarded Federal and State capital grants totaling about \$640,000 for the design and construction of a 10,000 square foot bus storage and dispatch facility. The city was also successful in obtaining funding in the amount of \$81,600 for the purchase of a replacement bus.

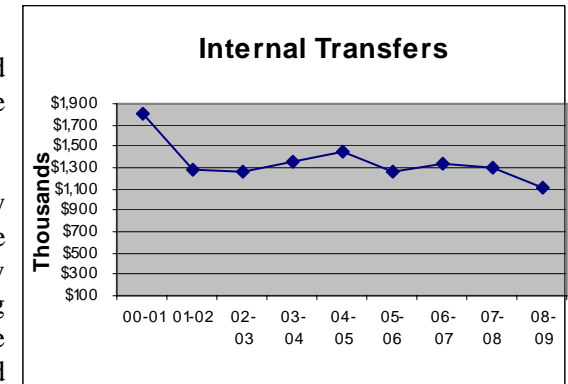
Interest

Another source of revenues is interest earned on City investments of fund balance. The City Council has established a fifteen percent (15%) fund balance policy. Returns on that balance have steadily risen over the past couple of years. This budget reflects an increase in interest revenues based on the anticipated return of 3% or less on its investments.

Internal Transfers

In fund accounting, when funds are moved from one fund to another, the transfer is recorded as expenditure in the fund transferring the money and revenue in the fund receiving the transfer. The most common inter-fund transfers are done by the General Fund.

In this budget, the General Fund will receive \$132,000 from the Major and Local Street Funds, Library Fund, Dial-A-Ride, and the Cemetery Fund. Ten percent of the Gas & Weight Tax revenues are transferred to General Fund for administration of the Street Funds. The Library transfers \$2,000 annually because the Public Service Department clears sidewalks for them and performs miscellaneous building maintenance. This year, Dial-A-Ride is appropriating a transfer back to General Fund for administrative services provided by other City departments (payroll, financial reporting, auditing, receipt collection and

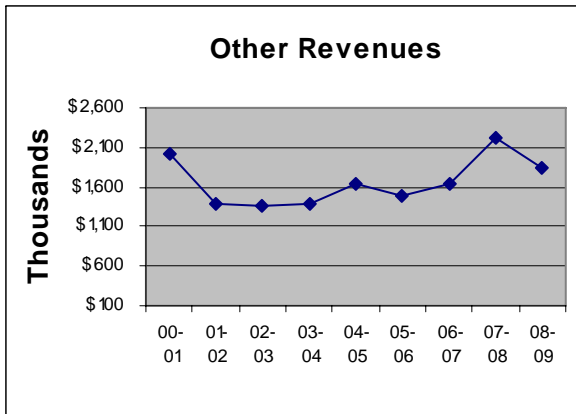


TOTAL BUDGET REVENUE SUMMARY

continued

billing, etc). Part of the eligible Dial-A-Ride expenditures reimbursed by the Federal and State grants include an allocation allowance for contributed services by other City departments based on a ratio of DART employees to total City employees.

The General Fund transfers money to the Local Street Fund, the Recreation Fund, Dial-A-Ride, Capital Improvement Fund, Airport Improvement Fund, Debt Service Fund, and the Fire Vehicle & Equipment Fund. General Fund transfers account for 69% of all internal transfers.



Other Revenues Sources

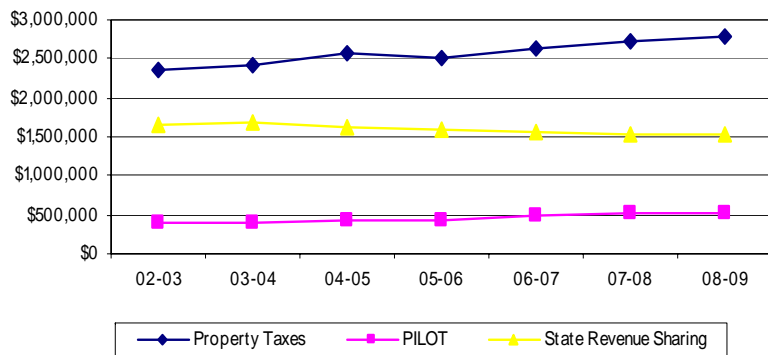
This category includes, charges for permits and copies, fines, property and equipment rents, special assessments, employee insurance premium co-pays, and miscellaneous other revenues. These revenues continue to increase as the special assessment roles continue to swell with new sidewalk construction being assessed at 75/25 ratio. The City pays twenty-five percent (25%) and residents are special assessed the seventy-five percent (75%), payable over a 10-year period.

In 2005 the Board of Public Utilities (BPU) agreed to fund Economic Development in the city with \$100,000 per year for three years. In January of 2007 made this commitment more permanent by agreeing to fund the City's Economic Development department as long as economically feasible for the BPU to do so. This money is for the expressed purpose of furthering economic growth within the city through various means. This budget is inclusive of \$100,000 of that money to fund the Economic Development department in General Fund.

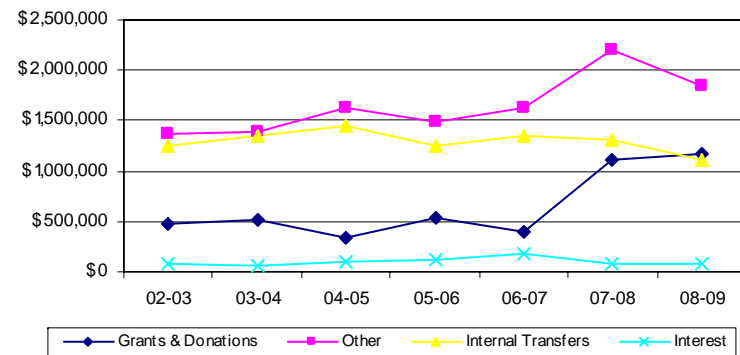
MAJOR REVENUE TRENDS

	Actual			Budget			
	02-03	03-04	04-05	05-06	06-07	07-08	08-09
Property Taxes	\$ 2,366,872	\$ 2,431,966	\$ 2,574,541	\$ 2,517,188	\$ 2,617,663	\$ 2,729,300	\$ 2,788,400
PILOT	403,653	404,147	421,319	430,428	496,704	515,000	515,000
Grants & Donations	480,949	508,608	339,690	542,476	402,900	1,120,510	1,161,410
State Revenue Sharing	1,640,215	1,669,129	1,616,563	1,577,994	1,564,421	1,534,505	1,534,105
Interest	85,201	59,647	90,017	117,938	174,079	73,300	70,550
Internal Transfers	1,258,066	1,348,658	1,445,165	1,256,532	1,343,593	1,306,790	1,105,490
Other	1,364,516	1,380,613	1,636,446	1,494,005	1,628,407	2,210,400	1,850,520
Loan Proceeds	700,000						
Totals	\$ 8,299,472	\$ 7,802,768	\$ 8,123,741	\$ 7,936,561	\$ 8,227,767	\$ 9,489,805	\$ 9,025,475

Major Revenue Sources



Other Revenues Sources



TOTAL BUDGET EXPENDITURES SUMMARY

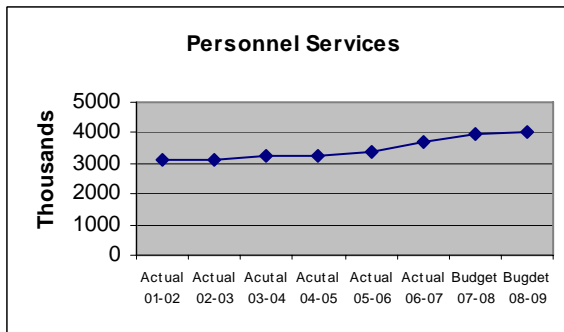
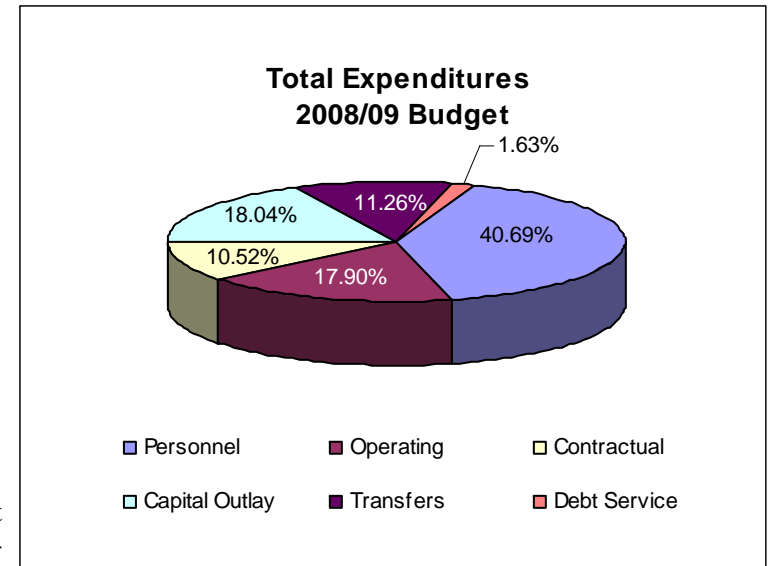
Overview

Total expenditures for the 2008-09 budget are \$9,849,245, three percent (3%) lower than for 2007-08. Forty-one percent (41%) is for personnel services, which consist of wages and fringe benefits for the city's forty-five (45) full-time employees. Operating costs (supplies, training, and general expenses incurred in doing business) make up about eighteen percent (18%) of total expenditures. Contractual services are at eleven percent (11%) and capital outlay expenditures contribute around eighteen percent (18%) of the total expenditures. In fund accounting when funds are moved from one fund to another, the transfer is recorded as expenditure in the fund transferring the money and as revenue in the fund receiving the money. These expenditure transfers for the 2008-09 fiscal year are eleven (11%) of all budgeted expenditures. Total debt payments, excluding the Board of Public Utility's revenue bonds, amounts to over one percent (1%) of appropriations this budget year.

Personnel Costs

Personnel costs are wages and fringe benefits received by staff. These costs are about forty-one percent (41%) of total budgeted expenditures. Staffing levels, employer contributions to the retirement system, and health care costs are the areas that have greatly impacted this budget. Staffing levels will remain the same as in the prior year. Health care cost significantly affected this budget as it is anticipated to go up 15%. Double digit inflation has led the administration to change the health care coverage offered its employees to a high deductible plan with a Health Saving Account (HSA). Under this plan, the employee pays the first \$1,250 or \$2,500 of health care costs. Insurance then pays everything over

that at 100%. The employee is eligible to put their deductible amounts into a HSA account, without incurring any income taxes. This change will reduce health care premiums by about 25%. Because the city is funding the first year's deductible for non-union employees, it will only realize a net savings of about \$10,000 this year. The Fire and Police unions have already made the change in the current year. The Department of Public Services and Dial-A-Ride employees will be negotiating their contract in the coming months. It is the hopes of the administration that they too will agree to this type of coverage. Until four years ago, the City had not made contributions to the employee's retirement system (Michigan Municipal Employee's Retirement System) in well over 10 years. With the stock market decline and declining working employees, this budget year the City will make contributions of between 7.94% and 12.39% of payroll to MMERS. Finally, this document reflects increased health insurance premium costs of 15%.



TOTAL BUDGET EXPENDITURES SUMMARY

continued

Estimated *wages* for union and contractual employee was based on those contracts. The current Teamsters contract will expire June 30, 2008. Negotiations have not yet begun, so a 2.5% increase was assumed for this contract group. All non-union employees' wages were also increased by 2.5% from their current levels.

Holiday and vacation amounts were determined by the number of days awarded by contract or established by personnel policy.

Sick and personal days are paid off if not used by the employee, according to current personnel policy. This amount is over and above annual wages. Any unused sick days in excess of 30 days is paid off at a factor of 75%. Personal days are paid off at 100%. The number of sick and personal days is determined by contract or City personnel policy which ever applies.

Employee costs for FICA were calculated at 7.65% of total wages of all employees except Police and Fire. Police and Fire rates are: pre-April 1986 hire dates - 0%; since April 1986 - 1.45%.

Retirement costs actually remained relatively stable. The employer contribution percentages either stayed the same or decreased slightly. The issue of employer contributions to the employee retirement system significantly affected the budgets for the past three years. Up until four years ago, the City had not made contributes to the employee's retirement system (Michigan Municipal Employees Retirement System) in well over 10 years. Contributions to the retirement system were budgeted at \$50 per full-time employee for Teamsters employees (Dial-A-Ride and Public Service personnel) only; 12.11% of total wages for the Police; for the Fire 12.33%; for the Treasurer 8.93%; and all clerical staff were budgeted at 7.93%.

Workers Compensation rates were anticipated to increase slightly overall because of increased rates, while the employer modifier remained the same. Most departments show an increase as a result.

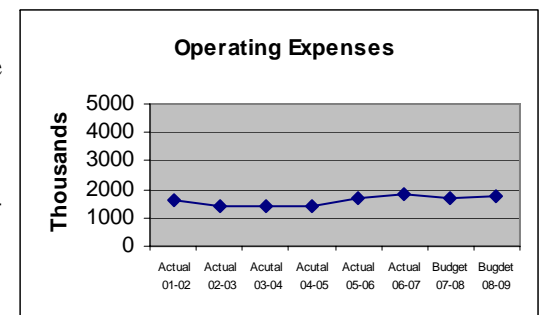
The City self-funds its *Unemployment Insurance* by setting aside \$100 per full-time employee annually.

Disability Insurance rate is .60percent of base payroll, excluding overtime and longevity (i.e. \$30,000 base wages X .60% = annual premium of \$180.00). This reflects a three percent (3%) increase.

Operating Expenditures

These costs include supplies, training, and general expenses incurred in doing business and amount to almost 18% of all budget appropriations. It does not include capital purchases and contractual labor cost.

The Revolving Mobile Equipment Fund charges the various City departments a per hour rental rate when



TOTAL BUDGET EXPENDITURES SUMMARY

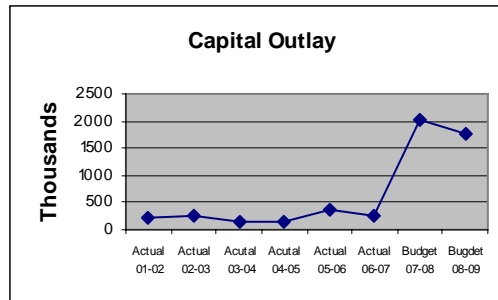
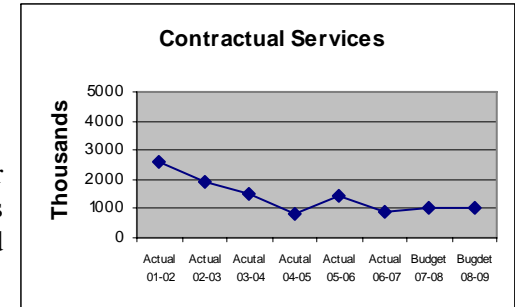
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city equipment is used to do work for that department. These rents pay for the operations, maintenance, and replacement of this equipment. The Public Services rate schedule is included in this document in the Equipment Funds section.

The Police are charged a per mile rental rate on all police vehicles. That rate is currently at \$.55 per mile.

Contractual Services

These costs represent more than 10.5% of total expenditures for 2008-09 and consists of contracted labor for services that staff does not have time to do, skilled trades or professional services. They include such things as software technical support, plumbing and electrical services, legal and accounting services, mowing, and temporary employees.



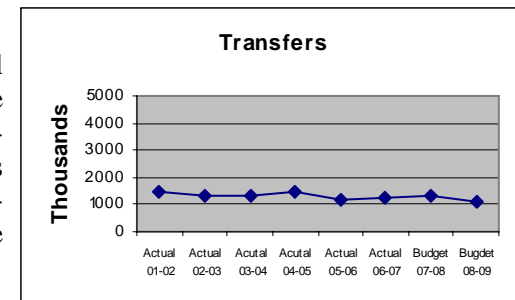
Capital Outlay

These are large equipment purchases for the various departments as well as building and site improvements, and office furnishings. These appropriations amount to about 18% of the total City budget. A list of all the capital purchases planned for the 2008-09 can be found in the Capital Projects section of this document. Although street and sidewalk construction are capital purchases, the cost of those items are identified in this budget as contractual services. The Capital Improvement Fund has almost \$695,000 in appropriations for street and sidewalk projects throughout the City. These are outlined in the Capital Improvements section as well.

Internal Transfers

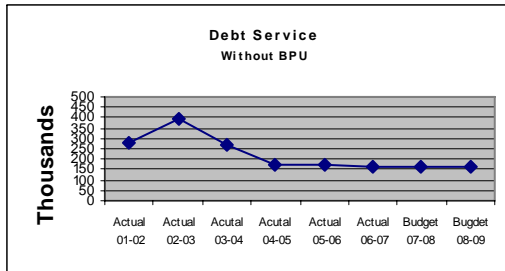
In fund accounting when funds are moved from one fund to another, the transfer is recorded as expenditure in the fund transferring the money and revenue in the fund receiving the transfer. The most common internal transfers are done from the General Fund.

Total General Fund transfers out are down overall by \$99,830 or 11% from the 2007-08 Budget. The Local Street Fund transfer is up more than 20% because no transfer from Major Streets to Local is planned. The Recreation Fund transfer is comparable to the 2007-08 amended budget. The transfer to the Capital Improvement Fund is down 37% from last year. That represents a significant drop in capital investment. This is largely due to shrinking revenues, increased operational costs, and additional general fund subsidy appropriations for both Local Streets (up 20%) and Dial-A-Ride (up 7.5%). There is a transfer of \$50,000 to the Airport Improvement Fund this year to continue work on the runway expansion project.



TOTAL BUDGET EXPENDITURES SUMMARY

continued



Debt Service

The City of Hillsdale maintains a low debt service relative to total budget expenditures. In the 2008-09 budget debt service payments are less than two percent (2%) of total appropriations. The city has primarily used debt for large capital projects such as water and sewer improvements, expansion of the Industrial Park, infrastructure improvements, and expansion of the Library. All utility capital debt repayment is accounted for in the Board of Public Utilities budget and is not reflected in the total Budget charts and graphs in this document. For more information on debt service see the tabbed section of this document entitled “Debt Service.”

Miscellaneous

Although the Board of Public Utilities (BPU) is considered a department of the City, they publish their own detailed budget document which is adopted by its board and incorporated into the City’s overall budget. Those numbers are not reflected in the Total Budget charts and graphs in this budget but a brief summary can be located in the “BPU” tabbed section of this document.

CITY OF HILLSDALE

BUDGET SUMMARY 2008-09

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Amended Budget 2007-08	Manager Requested 2008-09	Percent Change
REVENUES						
Governmental Funds:						
General Fund (101)	\$ 4,569,997	\$ 4,449,942	\$ 4,756,560	\$ 4,683,600	\$ 4,701,100	0.37%
Major St. Fund (202)	513,258	495,364	486,125	476,700	476,500	-0.04%
Local St. Fund (203)	251,821	295,985	334,767	358,275	340,725	-5.15%
Recreation Fund (208)	98,131	92,103	102,596	136,635	135,945	-0.51%
E.D.C. Fund (244)	63,219	3,552	5,326	205,300	35,300	-481.59%
T.I.F.A. Fund (247)	93,393	103,310	114,443	105,000	110,000	4.55%
Drug Forfeiture Fund (265)	-	-	-	-	-	0.00%
Library Fund (271)	257,868	260,445	283,758	274,205	268,805	-2.01%
Police Department Public Relations Fund (274)	12,051	13,352	13,445	13,500	13,500	0.00%
Bond & Interest Redemption (362)	172,200	169,270	166,335	163,400	160,465	-1.83%
Capital Improvement (401)	826,250	775,836	537,073	970,920	1,167,090	16.81%
Fields of Dreams (408)	1,058	41	55	35,000	21,000	-66.67%
Stock's Park (409)	24,173	22,694	35,183	30,000	32,000	6.25%
Library Improvement (471)	90,760	108,822	88,986	85,400	82,465	-3.56%
Airport Improvement (481)	68,181	46,439	119,901	72,885	72,160	-1.00%
Three Meadows Development (496)	60,680	-	56,190	-	-	0.00%
Proprietary Funds:						
Dial-A-Ride (588)	329,668	429,904	395,953	1,037,370	505,010	-105.42%
Public Services Inventory (633)	85,818	97,272	100,939	210,570	216,805	2.88%
Revolving Mobile Equipment Fund (640)	398,700	371,124	404,053	362,500	420,000	13.69%
Fire Equipment & Vehicle Fund (663)	1,625	12,264	12,494	12,750	13,000	1.92%
Unemployment Insurance Fund (677)	6,565	7,732	8,222	8,400	6,700	-25.37%
DPS Leave & Benefits (699)	153,824	150,767	153,668	199,145	204,155	2.45%
Fiduciary Funds:						
Cemetery Perpetual Care (711)	38,208	27,151	35,217	40,500	33,000	-22.73%
Stock's Park Perpetual Maint. Fund (409)	-	-	10,246	1,250	5,250	76.19%
R.L.Owens Memorial Park (715)	6,293	3,192	6,232	6,500	4,500	-44.44%
TOTAL REVENUES	\$ 8,123,741	\$ 7,936,561	\$ 8,227,767	\$ 9,489,805	\$ 9,025,475	-5.14%

CITY OF HILLSDALE BUDGET SUMMARY 2008-09

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Amended Budget 2007-08	Manager Requested 2008-09	Percent Change
EXPENDITURES						
GOVERNMENTAL FUNDS:						
General Fund (101)						
City Council	\$ 24,277	\$ 30,351	\$ 26,687	\$ 31,520	\$ 31,530	0.03%
City Manager	182,536	196,936	263,971	200,790	228,425	12.10%
Assistant City Manager	73,231	77,818	84,082	82,975	85,260	2.68%
Economic Development	-	17,877	78,339	100,000	100,000	0.00%
Administrative Services	132,601	159,786	180,751	182,200	226,500	19.56%
Elections	9,198	4,868	13,362	13,105	14,265	8.13%
Assessing Department	127,273	125,288	€ 127,213	143,535	150,535	4.65%
City Clerk	125,710	125,039	121,722	97,925	101,285	3.32%
Finance Department	82,063	88,160	90,204	98,995	101,475	2.44%
City Treasurer	121,017	218,367	182,873	141,015	141,875	0.61%
Building & Grounds	139,519	98,486	108,727	106,520	107,795	1.18%
Parking Lots	15,855	11,351	37,906	32,680	34,095	4.15%
Cemeteries	85,643	97,844	107,618	91,555	109,865	16.67%
Airport	80,434	85,181	80,984	91,385	89,835	-1.73%
Police Department	1,207,278	1,269,009	1,364,604	1,368,390	1,394,450	1.87%
Fire Department	361,189	362,068	417,159	457,400	453,685	-0.82%
Building Inspector	33,139	27,747	29,547	38,265	39,880	4.05%
Planning Department	4,974	4,608	5,791	7,400	7,400	0.00%
Public Services	355,776	378,592	308,790	335,270	305,520	-9.74%
Street Lighting	49,830	51,246	60,117	63,000	63,000	0.00%
Parks	106,067	152,957	160,271	143,285	155,865	8.07%
Transfers Out	1,236,070	788,980	947,175	858,390	758,560	-13.16%
Total General Fund (101)	\$ 4,553,680	\$ 4,372,559	\$ 4,797,893	\$ 4,685,600	\$ 4,701,100	0.33%
Major Street Fund (202)						
Administrative Services	\$ 81,389	\$ 218,341	\$ 67,846	\$ 92,000	\$ 42,000	-119.05%
Administrative Services - Trunkline	5,360	4,836	3,093	4,000	4,000	0.00%
Street Surface	77,521	134,649	61,448	87,865	82,395	-6.64%
Trunkline Surface	24,856	10,802	11,585	17,740	16,715	-6.13%

CITY OF HILLSDALE BUDGET SUMMARY 2008-09

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Amended Budget 2007-08	Manager Requested 2008-09	Percent Change
GOVERNMENTAL FUNDS: EXPENDITURES (cont.)						
R.O.W Maintenance	\$ 58,964	\$ 66,400	\$ 68,878	\$ 60,545	\$ 62,225	2.70%
Trunkline R.O.W.	13,890	6,478	8,235	6,215	8,290	25.03%
Trees	39,751	46,706	54,813	55,795	55,975	0
Trunkline Trees	418	837	126	3,420	1,910	(1)
R.O.W. Drainage	26,231	27,285	29,321	38,895	43,280	10.13%
Trunkline Drainage	922	1,385	2,611	9,510	7,960	-19.47%
Traffic	32,393	69,916	60,583	53,285	55,810	4.52%
Trunkline Traffic	8,244	8,863	7,524	11,470	9,185	-24.88%
Winter Maintenance	70,376	51,326	66,790	78,855	78,035	-1.05%
Trunkline Winter Maint.	18,980	11,986	17,542	17,425	20,540	15.17%
Total Major Street Fund (202)	\$ 459,295	\$ 659,810	\$ 460,395	\$ 537,020	\$ 488,320	-9.97%
Local Street Fund (203)						
Administrative Services	\$ 14,446	\$ 14,270	\$ 14,098	\$ 14,000	\$ 14,000	0.00%
Street Surface	73,803	82,419	69,272	95,825	84,865	-12.91%
R.O.W. Maintenance	63,337	61,743	88,996	72,260	81,180	10.99%
Trees	50,128	51,529	70,934	71,430	61,070	-16.96%
R.O.W. Drainage	23,935	15,854	29,473	38,905	34,765	-11.91%
Traffic	11,433	13,233	10,617	19,345	16,505	-17.21%
Winter Maintenance	38,230	21,540	36,328	46,510	48,340	3.79%
Maint. of Adjacent Municipal Streets	-	-	-	-	-	0.00%
Total Local Street Fund (203)	\$ 275,312	\$ 260,588	\$ 319,718	\$ 358,275	\$ 340,725	-5.15%
Recreation Fund (208)	\$ 97,959	\$ 92,107	\$ 102,596	\$ 136,635	\$ 135,945	-0.51%
E.D.C. Fund (244)	\$ 200	\$ 615	\$ 1,602	\$ 133,100	\$ 86,350	-54.14%
T.I.F.A. Fund (247)	\$ 7,500	\$ 4,676	\$ 14,581	\$ 241,100	\$ 248,100	2.82%
Library Fund (271)	\$ 281,329	\$ 292,479	\$ 292,618	\$ 272,205	\$ 286,620	5.03%
Police Department Public Relations Fund (274)	\$ 11,755	\$ 9,807	\$ 14,385	\$ 12,500	\$ 12,500	0.00%

CITY OF HILLSDALE BUDGET SUMMARY 2008-09

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Amended Budget 2007-08	Manager Requested 2008-09	Percent Change
GOVERNMENTAL FUNDS: EXPENDITURES (cont.)						
Debt Service Fund (362)	\$ 172,197	\$ 169,264	\$ 166,331	\$ 163,400	\$ 160,465	-1.83%
Capital Improvement Fund (401)	\$ 251,226	\$ 1,151,899	\$ 536,235	\$ 1,337,945	\$ 1,672,000	19.98%
Fields of Dreams (408)	\$ 1,003	\$ -	\$ 1,045	\$ 35,000	\$ 21,000	-66.67%
Stock's Park (409)	\$ 13,006	\$ 19,471	\$ 31,611	\$ 67,120	\$ 30,000	-123.73%
Library Improvement Fund (471)	\$ 94,200	\$ 108,635	\$ 88,986	\$ 85,400	\$ 82,465	-3.56%
Airport Improvement Fund (481)	\$ 5,830	\$ 24,854	\$ 103,885	\$ 154,440	\$ 106,440	-45.10%
Three Meadows Development (496)	\$ 60,680	\$ 400	\$ -	\$ -	\$ -	0.00%
PROPPRIETARY FUNDS:						
Transfer Facility Fund (517)	\$ -	\$ -	\$ -	\$ -		0.00%
Dial-A-Ride Fund (588)	\$ 402,904	\$ 429,267	\$ 446,078	\$ 1,037,370	\$ 505,010	-105.42%
Refuse Collection Fund (596)	\$ -	\$ -	\$ -	\$ -		0.00%
DPS Inventory Fund (633)	\$ 73,641	\$ 88,527	\$ 103,209	\$ 210,570	\$ 216,805	2.88%
Revolving Mobile Equipment Fund (640)	\$ 388,134	\$ 351,261	\$ 381,750	\$ 444,635	\$ 506,245	12.17%
Fire Vehicle & Equipment Fund (663)	\$ -	\$ -	\$ -	\$ -		0.00%
Unemployment Insurance Fund (677)	\$ 3,287	\$ 2,631	\$ 12,939	\$ 13,500	\$ 15,000	10.00%
DPS Leave & Benefits (699)	\$ 146,254	\$ 150,768	\$ 153,669	\$ 199,145	\$ 204,155	2.45%

**CITY OF HILLSDALE
BUDGET SUMMARY 2008-09**

	Actual 2004-05	Actual 2005-06	Actual 2006-07	Amended Budget 2007-08	Manager Requested 2008-09	Percent Change
FIDUCIARY FUNDS:						
Cemetery Perpetual Care (711)	\$ 20,000	\$ 29,471	\$ 44,037	\$ 44,000	\$ 20,000	-120.00%
Stock's Park Perpetual Maint. Fund (712)	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
R.L. Owens Memorial Fund (715)	\$ -	\$ 12,000	\$ -	\$ 12,000	\$ 10,000	-20.00%
TOTAL EXPENDITURES	\$ 7,319,392	\$ 8,231,089	\$ 8,073,563	\$ 10,180,960	\$ 9,849,245	-3.37%

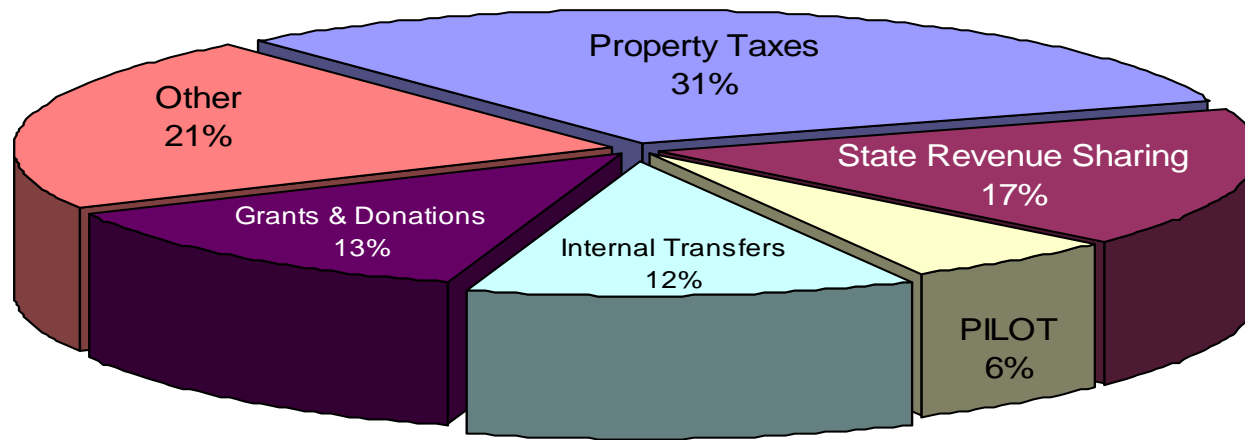
CITY OF HILLSDALE
Combined Statement of Revenues, Expenditures, and Change in Fund Balances
Budget 2008-09

	GOVERNMENTAL FUNDS						
	General Fund	Street Funds	Recreation	Library	Debt Service	Capital Imp.	Other
Major Revenue Sources:							
Property Taxes	\$ 2,523,000			\$ 165,400			\$ 95,000
Payment in Lieu of Taxes	515,000						
Special Assessments							
State Revenue Sharing	900,000			8,105			
Act 51 (Gas & Weight Tax)		\$626,000					
Fines and Violations							
Grants/Donations				10,000		\$831,000	
Charges for Services							
Interest	45,000	20500		7,000		2,000	15,300
Other	586,100	2,500	85,800	78,300		122,160	200,000
Total Revenues	\$ 4,559,100	\$ 630,500	\$ 85,800	\$ 268,805	\$ 0	\$ 955,160	\$ 310,300
Major Expenditures:							
Personnel Services	2,763,655	314,130	109,495	166,005		44,565	
Operating Expenses	859,515	291,115	25,450	36,150	163,400	50,435	2,200
Contractual Services	300,570	163,800	1,000	18,000		277,440	95,000
Capital Outlay	18,800			22,000		1,457,000	
Total Expenditures	\$ 3,942,540	\$ 769,045	\$ 135,945	\$ 242,155	\$ 163,400	\$ 1,829,440	\$ 97,200
Revenues Over (Under) Expenditures	626,560	(138,545)	(50,145)	26,650	(163,400)	(874,280)	213,100
Other Financing Sources (Uses):							
Transfers in	132,000	186,725	50,145		163,400	419,555	
Transfers out	(758,560)	(60,000)	0	(44,465)		(82,465)	(200,000)
Total Other Financing Sources (Uses)	\$ (626,560)	\$ 126,725	\$ 50,145	\$ (44,465)	\$ 163,400	\$ 337,090	\$ (200,000)
Changes in Fund Balances	0	(11,820)	0	(17,815)	0	(537,190)	13,100
Beginning Fund Balances	681,337	142,934	5,407	151,544	5,732	729,903	505,452
Ending Fund Balances	\$ 681,337	\$ 131,114	\$ 5,407	\$ 133,729	\$ 5,732	\$ 192,713	\$ 518,552

CITY OF HILLSDALE
Combined Statement of Revenues, Expenditures, and Change in Fund Balances
Budget 2007-08

	PROPRIETARY FUNDS		FIDUCIARY FUNDS		
	DART	Internal Serv.	R.L. Owen	Stock's Park	Cemetery
Major Revenue Sources:					
Property Taxes					
Payment in Lieu of Taxes					
Special Assessments					
State Revenue Sharing					
Act 51 (Gas & Weight Tax)					
Fines and Violations					
Grants/Donations	\$ 2,410				
Charges for Services	55,000				
Interest		\$ 14,500	\$ 4,500	\$ 250	\$ 25,000
Other	1,000	836,160		5,000	8,000
Total Revenues	\$ 358,410	\$ 850,660	\$ 4,500	\$ 5,250	\$ 33,000
Major Expenditures:					
Personnel Services	292,210	317,420			
Operating Expenses	122,200	351,285			
Contractual Services	9,000	111,000			
Capital Outlay	81,600	162,500			
Total Expenditures	\$ 505,010	\$ 942,205	\$ 0	\$ 0	\$ 0
Revenues Over (Under) Expenditures	(146,600)	(91,545)	4,500	5,250	33,000
Other Financing Sources (Uses):					
Transfers in	146,600	10,000	0	0	
Transfers out	-	-	(10,000)		(20,000)
Total Other Financing Sources (Uses)	\$ 146,600	\$ 10,000	\$ (10,000)	\$ 0	\$ (20,000)
Changes in Fund Balances	0	(81,545)	(5,500)	5,250	13,000
Beginning Fund Balances	40,333	744,683	14,750	11,496	531,763
Ending Fund Balances	\$ 40,333	\$ 663,138	\$ 9,250	\$ 16,746	\$ 544,763

General Fund Revenue Sources



FUND 101	GENERAL FUND REVENUES	Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
402.000	CURRENT TAXES	2,400,000	2,360,000	2,172,731	2,221,195	2,115,224	2,104,818	2,043,662
412.000	DELINQUENT TAXES	5,000	3,000	6,633	9,293	11,240	1,213	3,817
437.000	INDUSTRIAL FACILITIES TAX	98,000	90,000	98,440	86,235	100,048	120,295	125,938
437.001	IND. FACILITIES TAX - CLAW BACKS	0-	0	0	0	0	80,905	0
445.000	DEL. TAXES-PENALTIES AND INT.	20,000	20,000	17,898	46,206	45,994	26,633	29,246
447.000	PROPERTY TAX ADMIN. FEE	80,000	75,000	74,808	77,869	73,662	72,622	70,033
448.000	TRAILER FEES	2,500	3,200	1,596	3,081	3,183	3,240	3,171
460.000	LICENSE FEES	5,000	4,500	5,396	4,630	4,700	4,626	4,579
461.000	C.A.T.V. FRANCHISE FEES	60,000	60,000	32,971	62,830	59,578	56,891	61,257
477.000	PERMITS	50,000	45,000	10,176	64,460	32,015	59,340	34,959
505.000	FEDERAL GRANT - PUBLIC SAFETY	0	0	0	0	7,081	23,122	0
574.000	STATE REVENUE SHARING	900,000	900,000	509,357	921,869	931,294	943,008	985,578
576.000	ACT 302 POLICE TRAINING FUNDS	3,500	3,500	1,820	3,467	3,517	3,456	3,539
627.000	INTERMENT FEES	17,000	17,000	12,134	18,561	18,114	16,802	14,560
629.000	COPIES / DUPLICATING	1,400	1,300	1,026	1,429	1,645	1,265	1,508
640.000	REFUSE COLLECTION CHARGES	0	0	0	16,070	95,197	85,361	86,501
658.000	ORDINANCE FINES	2,500	4,500	1,460	2,611	4,314	5,092	5,588
658.001	PARKING FINES	5,000	5,500	2,505	5,010	4,210	6,509	4,635
665.000	INTEREST	45,000	65,000	55,291	93,230	64,468	41,337	24,259
667.000	RENTS	10,500	15,900	13,828	21,306	10,626	11,239	10,390
667.517	RENTS - TRANSFER FACILITY	37,200	37,200	24,800	37,200	31,600	31,200	28,600
668.517	ROYALTIES - TRANSFER FACILITY	19,000	19,000	9,760	20,439	15,709	16,082	16,500
672.000	SPECIAL ASSESSMENTS	95,000	85,000	85,050	95,154	89,763	91,926	89,522
673.000	SALE OF CITY PROPERTY	500	1,000	1,775	115	4,018	5,628	700
674.000	CONTRIBUTIONS IN LIEU OF TAX	515,000	515,000	234,643	496,704	430,428	421,319	404,147
687.000	REFUNDS - MAJOR ST. ADMIN.	46,000	46,000	23,148	45,939	48,176	49,249	49,696
688.000	REFUNDS - LOCAL ST. ADMIN.	14,000	14,000	6,891	14,098	14,270	14,446	14,988
689.000	REFUNDS - DART ADMIN.	50,000	45,000	0	60,867	48,612	0	0
690.000	OTHER REFUNDS	35,000	75,000	46,249	128,898	100,682	172,709	84,287
690.441	OTHER REFUNDS - BPU FORRESTER	0	0	0	0	0	10,809	20,753
690.790	OTHER REFUNDS - MITCHL BLD MAINT	6,000	6,000	4,000	6,000	6,000	1,500	0
690.806	OTHER REFUNDS - LEGAL SERVICES	1,000	1,000	1,094	1,050	1,372	788	1,654
692.000	OTHER REVENUE	26,000	15,000	2,732	14,606	3,502	30,644	19,709
692-174	OTHER REVENUE - ECONOMIC DEVELOP.	100,000	100,000	50,000	100,003	20,833	0	0
692.301	OTHER REVENUES - POLICE DEPT	28,000	28,000	19,067	28,010	25,667	28,000	28,009
692.336	OTHER REVENUES - LOC FIRE GRANTS	1,000	1,000	300	26,125	1,200	3,263	0
692.47	OTHER REVENUES -TREES	0	0	0	0	0	2,660	0
699.271	TRANSFER IN - LIBRARY	2,000	2,000	2,000	2,000	2,000	2,000	2,000
699.409	TRANSFER IN - STOCKS PARK FUND	0	0	475	0	0	0	0
699.711	TRANSFERS IN - CEMETERY CARE	20,000	20,000	20,000	20,000	20,000	20,000	20,000
	TOTAL GENERAL FUND REVENUES	4,701,100	4,683,600	3,550,054	4,756,560	4,449,942	4,569,997	4,294,721

CITY COUNCIL

Michael Sessions – Mayor

Department Summary

The City of Hillsdale has a Council/Manager form of government; the manager is appointed by the elected City Council members.

The City Council is elected by the voters of the City of Hillsdale to four year terms. The City is divided into four wards, each with two representatives. Elections are held every other year, on the odd-numbered years (2007, 2009 etc.), with each ward having one expiring term per election. Term limits prohibit more than two consecutive four year terms as a Councilperson or Mayor.

Mayor Sessions was newly elected in 2005. Also elected in 2005 for a first term was C.W. Amburgey. David Williams, Rich Péwé, and Michael Parney were all re-elected for another 4 year term in November 2005.

Mayor and City Council Members

Mayor
Michael Sessions2009

First Ward
David Williams 2009
Douglas Moon.....2011

Second Ward
Rich Péwé 2009
Sally Baxter2011

Third Ward
Bruce Sharp2009
Rick Richardson 2011

Fourth Ward
C.W. Amburgey.....2009
Mary Beth Bail2011

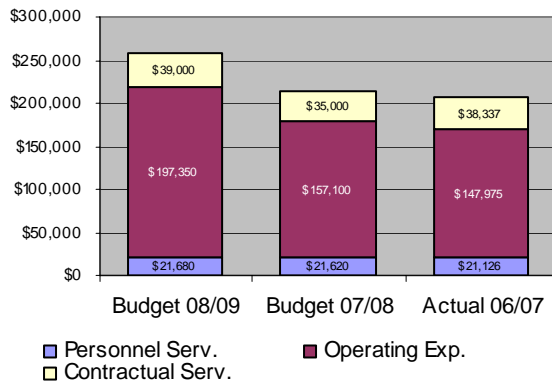
Council Goals

- Preservation of the city’s historical character.
- Economic Development.
- Community and neighborhood development.
- Functional and well-maintained infrastructure.
- Efficient and effective government.

Budget Summary

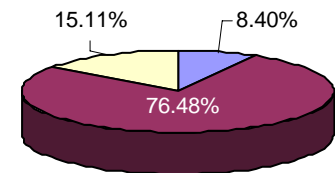
1. Personnel services consists of the wages for the 9 part-time council members
2. Operating expenses include supplies, legal and auditing services, insurances, professional subscriptions and training.
3. Contractual services consist of public access channel and technological services.

3 Year Comparison



SUMMARY:	Percent	Budget	Budget	Actual
	Change	08/09	07/08	06/07
Personnel Services	0.28%	\$ 21,680	\$ 21,620	\$ 21,126
Operating Expenses	25.62%	\$ 197,350	\$ 157,100	\$ 147,975
Contractual Services	11.43%	\$ 39,000	\$ 35,000	\$ 38,337
Total	20.73%	\$ 258,030	\$ 213,720	\$ 207,438

Proposed Budget



- Personnel Serv.
- Operating Exp.
- Contractual Serv.

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101 GENERAL FUND EXPENDITURES		08/09	07/08 Thru 02/08	06/07	05/06	04/05	03/04	
101.000 CITY COUNCIL								
<i>Personnel Services</i>								
702.000	WAGES	20,000	20,000	12,197	19,560	17,648	18,833	17,903
717.000	WORKERS' COMPENSATION	150	90	89	70	66	66	57
720.000	EMPLOYER'S FICA	1,530	1,530	933	1,496	1,350	1,441	1,370
Total Personnel Services		21,680	21,620	13,219	21,126	19,064	20,340	19,330
<i>Operating Expenses</i>								
726.000	SUPPLIES	250	200	218	242	878	75	117
810.000	DUES AND SUBSCRIPTIONS	5,300	5,200	94	5,217	9,588	295	5,351
860.000	TRANSPORTATION AND MILEAGE	500	500	0	0	8	58	69
861.000	TRAINING & SEMINARS	1,500	1,500	394	0	730	1,439	1,266
862.000	LODGING AND MEALS	2,300	2,500	205	102	83	2,070	753
Total Operating Expenses		9,850	9,900	911	5,561	11,287	3,937	7,556
TOTAL CITY COUNCIL		31,530	31,520	14,130	26,687	30,351	24,277	26,886

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101	GENERAL FUND EXPENDITURES	08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
175.000 ADMINISTRATIVE SERVICES								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0		0	5,000	0
720.000	EMPLOYER'S FICA	0	0	0		0	383	0
Total Personnel Services		0	0	0	0	0	5,383	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	3,200	0	3,240	3,018	2,267	4,846
806.000	LEGAL SERVICES	75,000	40,000	56,033	52,965	32,895	25,985	22,542
806.002	LEGAL SERVICES - TAX CASES	25,000	10,000	17,661	1,067	9,088	105	8,207
807.000	ENGINEERING SERVICES - CONTRACT	0	0	0	0	760	0	0
808.000	AUDITING SERVICES	15,000	15,000	11,000	16,951	10,200	10,200	21,740
810.000	DUES AND SUBSCRIPTIONS	8,000	8,000	7,654	7,654	7,779	1,839	1,919
850.000	INSURANCE	55,000	60,000	43,283	51,291	58,342	49,544	49,391
861.000	TRAINING & SEMINARS	2,500	2,500	2,625	1,504	2,310	1,568	1,941
900.000	PRINTING	500	500	1,160	0	2,249	69	97
955.101	MISC. - DOMESTIC HARMONY	5,500	5,500	0	5,500	5,000	10,000	0
955.103	MISC. - EMPLOYEE RECOGNITION	0	1,500	0	1,224	2,105	1,235	1,082
955.104	MISC. - DOWNTOWN DEVELOPMENT	0	0	0	0	0	0	0
955.125	MISC. - FLOWERS/TREE-MENDES FESTIVAL	1,000	1,000	933	1,018	559	1,461	1,300
Total Operating Expenses		187,500	147,200	140,349	142,414	134,305	104,273	113,065
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	24,000	20,000	20,763	25,768	13,841	14,327	24,103
801.461	CONTRACTUAL SERVICES-PUBLIC ACCESS CHANNEL	15,000	15,000	3,166	12,569	11,640	8,618	0
Total Contractual Services and Capital Outlay		39,000	35,000	23,929	38,337	25,481	22,945	24,103
TOTAL ADMINISTRATIVE SERVICES		226,500	182,200	164,278	180,751	159,786	132,601	137,168
TOTAL CITY COUNCIL & ADMINISTRATIVE SERVICES		258,030	213,720	178,408	207,438	190,137	156,878	164,054

CITY MANAGER

517-437-6444

Michael Mitchell

mmitchell@ci.hillsdale.mi.us

Department Summary

The City Manager is the chief administrative officer and reports to the Hillsdale City Council. The position of City Manager carries a broad range of responsibilities which include appointment and supervision of department heads; coordination of all city and utility departments; and preparation and maintenance of a balanced annual budget of the city's goals.

Department Goals

1. Provide and maintain effective and efficient city government.
2. Encourage historical preservation.
3. Improve quality of life for the city's residents.

4. As revenues decline, reduce expenditures without reducing quality of service.

Department Objectives

- Manage and motivate staff. Staff meetings are held twice monthly. This allows direct communication between the department heads and encourages interdepartmental cooperation. Department heads also meet with the City Manager individually at least once each week.
- Economic Development – collaboratively work with Jay Bahr and the BPU as well as the Economic Growth Group (EGG) and Chamber of Commerce.
- Promote Hillsdale by upgrading marketing materials, implementing business friendly

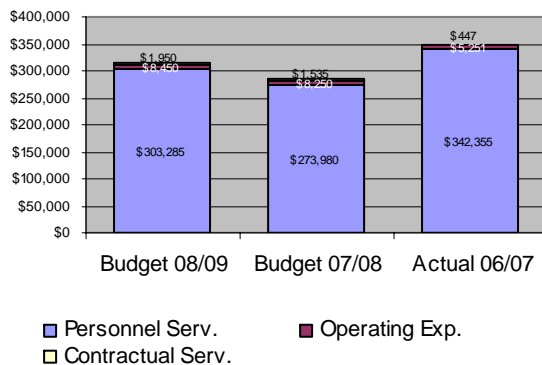
practices and improving communications with citizens.

- Update personnel policies and procedures.

Budget Summary

1. Personnel covers the cost of wages and benefits of three full time employees: the City Manager, Assistant City Manager, Linda Brown and Executive Assistant, Kay Freese.
2. Operating expenses include supplies, training and seminars, and professional subscriptions.
3. Contractual services are: copier repair.
4. No capital outlay expenditures are planned.

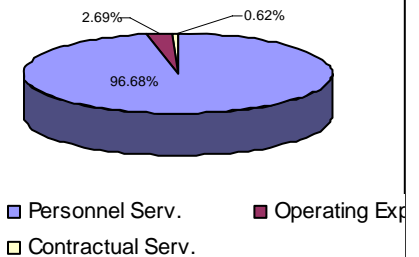
3 Year Comparison



SUMMARY:

	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	10.70%	\$ 303,285	\$ 273,980	\$ 342,355
Operating Expenses	2.42%	\$ 8,450	\$ 8,250	\$ 5,251
Contractual Services	27.04%	\$ 1,950	\$ 1,535	\$ 447
Capital Outlay	0.00%	\$ 0-	\$ 0-	\$ 0-
Total	10.54%	\$ 313,685	\$ 283,765	\$ 348,053

Proposed Budget



		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101	GENERAL FUND EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
172.000 CITY MANAGER								
<i>Personnel Services</i>								
702.000	WAGES	131,900	120,000	72,106	183,081	115,468	115,032	111,984
704.000	SICK TIME PAY	3,880	3,400	1,559	936	2,997	2,927	2,871
705.000	VACATION TIME PAY	11,845	7,025	1,966	17,018	9,085	7,225	8,716
706.000	PERSONAL TIME PAY	1,625	1,500	949	2,332	1,499	1,463	1,436
707.000	LONGEVITY PAY	1,220	1,100	1,100	4,682	4,350	4,100	3,850
710.000	HOLIDAY AND OTHER PAY	6,055	3,500	4,479	4,787	5,245	5,115	5,170
715.000	HEALTH AND LIFE INSURANCE	35,640	32,000	20,304	22,431	26,208	22,669	24,974
716.000	RETIREMENT	13,935	10,840	6,348	8,631	9,569	5,567	100
717.000	WORKERS' COMPENSATION	500	1,500	406	443	390	421	322
718.000	UNEMPLOYMENT INSURANCE	200	200	200	200	200	200	200
720.000	EMPLOYER'S FICA	11,975	10,445	5,967	13,491	9,942	9,761	9,138
721.000	DISABILITY INSURANCE	700	670	253	413	497	530	575
Total Personnel Services		219,475	192,180	115,637	258,445	185,450	175,010	169,336
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,000	2,000	1,141	2,034	2,506	1,317	2,471
810.000	DUES AND SUBSCRIPTIONS	950	950	630	145	1,281	805	1,239
860.000	TRANSPORTATION AND MILEAGE	1,000	800	901	489	1,245	676	1,142
861.000	TRAINING & SEMINARS	2,000	2,000	1,208	786	2,637	1,437	1,402
862.000	LODGING AND MEALS	2,000	2,000	1,506	1,397	2,002	2,681	1,949
930.000	REPAIRS & MAINTENANCE	500	500	35	400	85	250	786
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
955.000	MISCELLANEOUS	0	0	0	0	0	0	0
Total Operating Expenses		8,450	8,250	5,421	5,251	9,756	7,166	8,989
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	500	360	317	275	1,730	360	426
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
Total Contractual Services and Capital Outlay		500	360	317	275	1,730	360	426
TOTAL CITY MANAGER		228,425	200,790	121,375	263,971	196,936	182,536	178,751

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101 GENERAL FUND EXPENDITURES		08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
173.000 ASSISTANT CITY MANAGER								
<i>Personnel Services</i>								
702.000	WAGES	56,140	55,500	32,913	55,525	50,603	46,897	47,555
704.000	SICK TIME PAY	975	720	479	233	650	1,138	2,613
705.000	VACATION TIME PAY	4,140	3,800	3,426	3,646	2,348	3,829	1,091
706.000	PERSONAL TIME PAY	730	750	719	698	636	621	609
707.000	LONGEVITY PAY	900	800	800	700	600	480	360
710.000	HOLIDAY AND OTHER PAY	9,015	8,515	6,283	3,422	2,238	2,173	2,131
715.000	HEALTH AND LIFE INSURANCE	60	100	40	9,774	11,781	10,364	10,357
716.000	RETIREMENT	5,700	5,565	4,134	4,686	3,716	2,162	50
717.000	WORKERS' COMPENSATION	200	250	167	180	158	158	121
718.000	UNEMPLOYMENT INSURANCE	100	100	100	100	100	100	100
720.000	EMPLOYER'S FICA	5,500	5,360	3,359	4,691	4,097	3,981	3,940
721.000	DISABILITY INSURANCE	350	340	169	255	223	237	265
Total Personnel Services		83,810	81,800	52,589	83,910	77,150	72,140	69,192
<i>Operating Expenses</i>								
726.000	SUPPLIES	300	300	273	172	419	272	155
810.000	DUES AND SUBSCRIPTIONS	100	75	110	0	0	75	75
860.000	TRANSPORTATION AND MILEAGE	300	200	315	0	79	218	0
861.000	TRAINING & SEMINARS	400	400	0	0	80	285	418
862.000	LODGING AND MEALS	350	200	493	0	90	241	0
930.000	REPAIRS & MAINTENANCE	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
955.000	MISCELLANEOUS	0	0	0	0	0	0	0
Total Operating Expenses		1,450	1,175	1,191	172	668	1,091	648
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	0	0	0	0	0	0	0
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
Total Contractual Services and Capital Outlay		0	0	0	0	0	0	0
TOTAL ASSISTANT CITY MANAGER		85,260	82,975	53,780	84,082	77,818	73,231	69,840

ECONOMIC DEVELOPMENT

517-437-6479

Jay M. Bahr—Director

jbahr@ci.hillsdale.mi.us

Department Summary

The Economic Development Department consists of a one-person staff, the director. While departmental funding is provided via an inter-fund transfer from the BPU, the department resides with the City. The Economic Development Director provides support to the City's Economic Development Corporation (EDC), Local Development Finance Authority (LDFA) and Tax Increment Finance Authority (TIFA), as well as facilitating all other economic development related activities for the City such as business retention and attraction activities as well as economic/community development grant writing and administration.

Department Goals

1. Promote further development of the Hillsdale Industrial Park.
2. Preserve the historic assets in Downtown Hillsdale.

3. Retain existing commercial activity.
4. Attract new commercial activity, especially that which creates employment opportunities for City residents.

Department Objectives

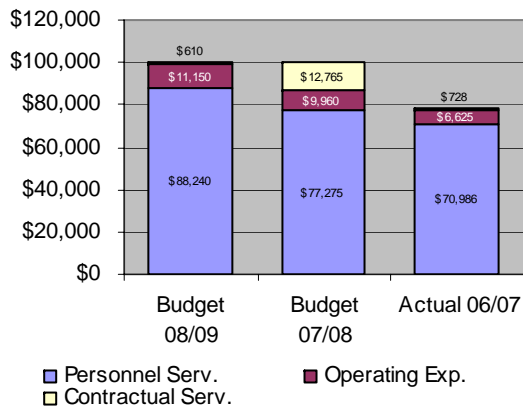
- Seek out and apply for State and Federal grants that will assist with the further redevelopment of Downtown Hillsdale.
- Promote and pursue a strategic planning process for downtown/TIFA activities.
- Work with the EDC to promote further development of Three Meadows.
- Attend all MEDC Advisory Committee meetings to further the interests of the City at the State level.

- Work with TIFA to encourage historically accurate rehabilitations of downtown building facades.

Budget Summary

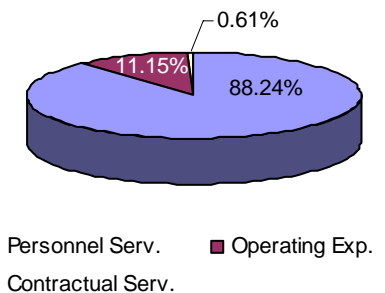
1. Personnel includes the cost of wages and benefits for one full-time employee.
2. Operating expenses include supplies, training and seminars, and professional association dues.
3. Contractual services include legal and planning work necessary to encourage redevelopment activities.
4. No capital expenditures are planned.

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	14.19%	\$ 88,240	\$ 77,275	\$ 70,986
Operating Expenses	11.95%	\$ 11,150	\$ 9,960	\$ 6,625
Contractual Services	0.00%	\$ 610	\$ 12,765	\$ 728
Capital Outlay	0.00%	\$ 0-	\$ 0	\$ 0-
Total	0.00%	\$ 100,000	\$ 100,000	\$ 78,339

Proposed Budget



Budgets

FUND	Budgets						
	Proposed	Current	Actual	Actual	Actual	Actual	Actual
101 GENERAL FUND EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
174.000 ECONOMIC DEVELOPMENT							
<i>Personnel Services</i>							
702.000 WAGES	61,255	54,100	32,945	51,615	11,305	0	0
704.000 SICK TIME PAY	695	750	450	852	0	0	0
705.000 VACATION TIME PAY	2,305	1,125	2,024	437	0	0	0
706.000 PERSONAL TIME PAY	1,845	675	450	634	0	0	0
707.000 LONGEVITY PAY	240	120	120	0	0	0	0
710.000 HOLIDAY AND OTHER PAY	10,175	9,320	6,468	8,357	205	0	0
715.000 HEALTH AND LIFE INSURANCE	60	75	345	55	0	0	0
716.000 RETIREMENT	5,990	5,250	3,032	4,008	280	0	0
717.000 WORKERS' COMPENSATION	200	350	0	0	0	0	0
718.000 UNEMPLOYMENT INSURANCE	100	100	100	100	100	0	0
720.000 EMPLOYER'S FICA	5,045	5,060	3,219	4,695	881	0	0
721.000 DISABILITY INSURANCE	330	350	169	233	0	0	0
Total Personnel Services	88,240	77,275	49,322	70,986	12,771	0	0
<i>Operating Expenses</i>							
726.000 SUPPLIES	1,770	1,560	351	2,036	2,222	0	0
810.000 DUES AND SUBSCRIPTIONS	700	530	545	321	270	0	0
860.000 TRANSPORTATION AND MILEAGE	2,190	1,940	1,929	1,206	213	0	0
861.000 TRAINING & SEMINARS	2,370	1,410	710	945	1,240	0	0
862.000 LODGING AND MEALS	1,420	1,920	1,910	1,586	432	0	0
900.000 PRINTING	600	500	0	0	66	0	0
905.000 PUBLISHING/NOTICES	2,100	2,100	0	531	663	0	0
Total Operating Expenses	11,150	9,960	5,445	6,625	5,106	0	0
<i>Contractual Services and Capital Outlay</i>							
801.000 CONTRACTUAL SERVICES	610	12,765	240	728	0	0	0
TOTAL ECONOMIC DEVELOPMENT	100,000	100,000	55,007	78,339	17,877	0	0

CITY CLERK

517-437-6441

Parke Hayes

hdclerk@ci.hillsdale.mi.us

Department Summary

The function of the City Clerk's office is to maintain the official City records, conduct elections, and provide the public with information. This department also serves as the collection office for all cash receipting except for taxes. This year the Clerk's Office will be conducting a Primary Election on August 5, 2008 and a General Election on November 4, 2008.

Department Goals

1. Move toward an electronic filing system as part of improving the current filing system.
2. Implement an open paper filing system.
3. Cross train with the Treasurer.

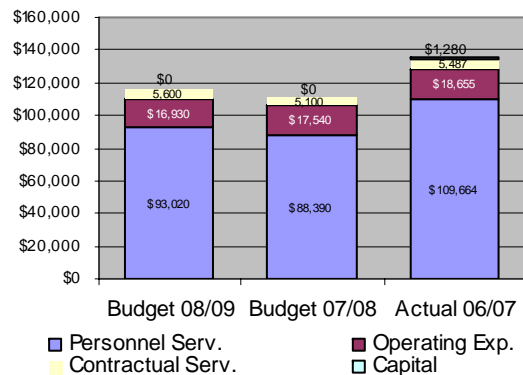
Department Objectives

1. Continue certification training for Deputy Clerk.
2. Optimize the election experience for workers and voters alike.
3. Provide updated information for both the paper City code books and the electronic code book on the website.
4. Maintain a friendly, courteous manner toward the public on the phone and as a first point of contact for visitors to register them and direct them to the appropriate offices and personnel.

Budget Summary

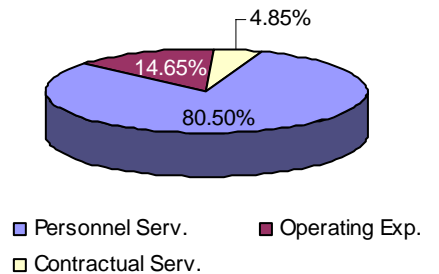
1. Personnel consists of one part-time clerk, Parke Hayes, a full time Deputy Clerk, Lesslie Keeling, and a part-time Clerk Typist, Christine Bowman.
2. Operating expenses are supplies, training, publishing, and general maintenance.
3. Contractual services are for copier expenses and code book maintenance.
4. No capital expenditures are planned for this budget year.

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	5.24%	\$ 93,020	\$ 107,085	\$ 109,664
Operating Expenses	-3.48%	\$ 16,930	\$ 17,540	\$ 6,655
Contractual Services	49.17%	\$ 4,475	\$ 3,000	\$ 3,220
Capital Outlay	-53.38%	\$ 1,725	\$ 3,700	\$ 9,722
Total	9.52%	\$ 140,880	\$ 128,635	\$ 35,280

Proposed Budget



Budgets

FUND 101	GENERAL FUND EXPENDITURES	Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
215.000 CITY CLERK DEPT.								
	<i>Personnel Services</i>							
702.000	WAGES	49,605	50,000	26,411	58,438	61,036	57,594	56,523
703.000	OVERTIME PAY	980	310	369	298	238	0	0
704.000	SICK TIME PAY	260	300	32	879	296	3,514	2,286
705.000	VACATION TIME PAY	1,695	1,655	667	1,889	1,437	7,635	4,044
706.000	PERSONAL TIME PAY	390	385	0	715	542	714	945
707.000	LONGEVITY PAY	700	600	0	480	720	1,340	1,220
710.000	HOLIDAY AND OTHER PAY	1,370	1,340	1,397	2,377	2,430	2,744	2,191
715.000	HEALTH AND LIFE INSURANCE	20,500	17,455	12,554	27,783	28,344	19,782	14,927
716.000	RETIREMENT	2,850	3,250	1,784	3,918	3,845	2,479	100
717.000	WORKERS' COMPENSATION	195	250	180	227	183	196	116
718.000	UNEMPLOYMENT INSURANCE	100	200	100	200	200	200	200
720.000	EMPLOYER'S FICA	4,210	3,140	1,996	4,424	4,571	5,201	4,840
721.000	DISABILITY INSURANCE	150	150	88	218	205	245	241
	Total Personnel Services	83,005	79,035	45,578	101,846	104,047	101,644	87,633
	<i>Operating Expenses</i>							
726.000	SUPPLIES	2,000	2,500	1,053	1,976	3,029	1,572	2,260
734.000	POSTAGE	5,600	5,600	3,421	6,235	5,823	4,632	4,818
810.000	DUES AND SUBSCRIPTIONS	280	280	280	100	40	100	285
860.000	TRANSPORTATION AND MILEAGE	600	660	96	392	743	125	39
861.000	TRAINING & SEMINARS	700	750	300	225	40	0	400
862.000	LODGING AND MEALS	500	500	357	255	444	5	0
900.000	PRINTING	0	0	0	1,159	0	272	1,330
905.000	PUBLISHING / NOTICES	4,500	4,500	1,887	4,203	7,156	5,089	3,406
930.000	REPAIRS & MAINTENANCE	200	200	0	276	0	289	35
	Total Operating Expenses	14,380	14,990	7,394	14,821	17,275	12,084	12,573
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	3,900	3,900	1,641	3,775	3,717	2,260	3,268
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
980.000	CAPITAL OUTLAY - OFFICE EQUIP	0	0	0	1,280	0	9,722	5,000
	Total Contractual Services and Capital Outlay	3,900	3,900	1,641	5,055	3,717	11,982	8,268
	TOTAL CITY CLERK DEPARTMENT	101,285	97,925	54,613	121,722	125,039	125,710	108,474

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101	GENERAL FUND EXPENDITURES	08/09	07/08 Thru 02/08	06/07	05/06	04/05	03/04	
191.000 ELECTIONS								
<i>Personnel Services</i>								
702.000	WAGES	9,305	8,690	3,503	7,503	2,638	6,034	2,114
720.000	EMPLOYER'S FICA	710	665	171	315	124	274	101
Total Personnel Services		10,015	9,355	3,674	7,818	2,762	6,308	2,215
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,500	1,500	927	2,813	1,214	1,410	1,441
860.000	TRANSPORTATION AND MILEAGE	0	0	0	0	0	0	14
862.000	LODGING AND MEALS	800	800	351	644	192	257	64
905.000	PUBLISHING / NOTICES	250	250	72	377	208	263	294
Total Operating Expenses		2,550	2,550	1,350	3,834	1,614	1,930	1,813
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	1,700	1,200	588	1,712	492	960	428
TOTAL ELECTIONS		14,265	13,105	5,612	13,364	4,868	9,198	4,456

CITY TREASURER

517-437-6454

Susan Arnold

hdtreas@ci.hillsdale.mi.us

Department Summary

The Treasurer's Office is responsible for collecting and disbursing funds collected through property taxes for the City of Hillsdale. Taxes are collected two times per year for the City, the Hillsdale Community Library, Hillsdale County, Hillsdale Community Schools, Hillsdale County Intermediate School District, and the State of Michigan. Reports are filed with the State of Michigan at the end of each tax season for all tax abatements issued to businesses in the City of Hillsdale.

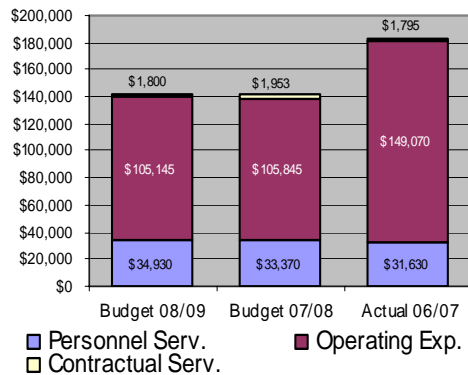
Department Goals and Objectives

1. Update Delinquent Personal Property Taxes.
2. Implement online payment option for tax payers.
3. Implement credit/debit payment system.
4. Make online tax information available to the public.

Budget Summary

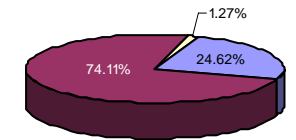
1. Personnel consists of one part-time, elected Treasurer.
2. Operating expenses are supplies, postage, training, publishing, dues and subscriptions, printing, and tax refunds and rebates.
3. Contractual services reflect tax software support.
4. No capital items are planned for this budget year.

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	4.67%	\$ 34,930	\$ 33,370	\$ 31,630
Operating Expenses	-0.66%	\$ 105,145	\$ 105,845	\$ 87,101
Contractual Services	0.00%	\$ 1,800	\$ 1,800	\$ 1,705
Capital Outlay	0.00%	\$ 0	\$ 0	\$ 220
Total	0.61%	\$ 141,875	\$ 141,015	\$ 182,873

Proposed Budget



■ Personnel Serv.
 ■ Operating Exp.
 ■ Contractual Serv.

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101	GENERAL FUND EXPENDITURES	08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
	253.000 CITY TREASURER							
	<i>Personnel Services</i>							
702.000	WAGES	16,000	16,000	9,992	15,788	15,764	15,806	15,927
715.000	HEALTH AND LIFE INSURANCE	16,120	14,520	10,468	13,162	5,940	60	160
716.000	RETIREMENT	1,430	1,485	957	1,567	1,649	1,085	671
717.000	WORKERS' COMPENSATION	55	50	-5	23	21	24	19
720.000	EMPLOYER'S FICA	1,225	1,225	648	1,014	1,134	1,209	1,218
721.000	DISABILITY INSURANCE	100	90	50	76	67	71	81
	Total Personnel Services	34,930	33,370	22,110	31,630	24,575	18,255	18,076
	<i>Operating Expenses</i>							
726.000	SUPPLIES	750	750	846	416	1,125	475	875
734.000	POSTAGE	2,250	2,250	1,680	1,943	2,192	1,633	1,500
810.000	DUES AND SUBSCRIPTIONS	245	245	35	241	326	356	241
860.000	TRANSPORTATION AND MILEAGE	200	300	156	364	273	0	48
861.000	TRAINING & SEMINARS	800	1,200	170	1,075	580	0	110
862.000	LODGING AND MEALS	500	700	200	698	442	0	206
900.000	PRINTING	400	400	0	709	20	245	683
964.000	REFUNDS AND REBATES	100,000	100,000	42,614	143,624	187,039	98,362	83,438
	Total Operating Expenses	105,145	105,845	45,701	149,070	191,997	101,071	87,101
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	1,800	1,800	980	1,953	1,795	1,691	1,705
970.000	CAPITAL OUTLAY	0	0	0	220	0	0	0
	Total Contractual Services and Capital Outlay	1,800	1,800	980	2,173	1,795	1,691	1,705
	TOTAL CITY TREASURER	141,875	141,015	68,791	182,873	218,367	121,017	106,882

FINANCE DEPARTMENT

517-437-6446

Bonnie Tew - Director

hdfindpt@ci.hillsdale.mi.us

Department Summary

The Finance Department is responsible for maintaining all financial records of the City and handles all City investments and debt. The department is also responsible for preparing and filing all necessary intergovernmental reports and assists with coordination and planning for the computer system.

The major annual projects overseen by the department include the audit, budget, and Capital Improvement Plan. Other projects include analysis of both financial and non-financial issues as requested by the City Manager and the City Council.

Department Goals

1. To provide financial information to all users in an appropriate format, maximizing the usefulness of the data.
2. To provide safety, liquidity and yield in City investments.
3. To facilitate computer and technology use in all city departments, to increase staff effectiveness and service.

Department Objectives

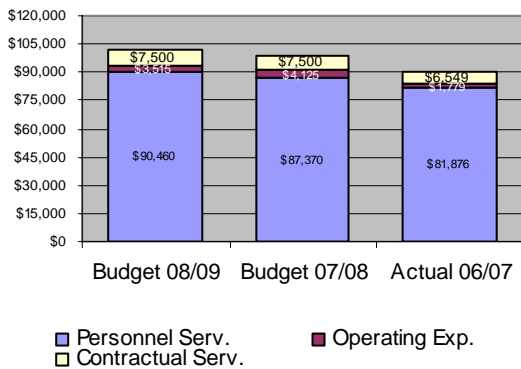
- Complete requirements for Government Finance Officers Association's (GFOA) Certificate of Excellence in Financial Reporting
- Computerized Capital Assets
- Utilize internet banking system

- Develop a system of tracking infrastructure projects over multiple fiscal years

Budget Summary

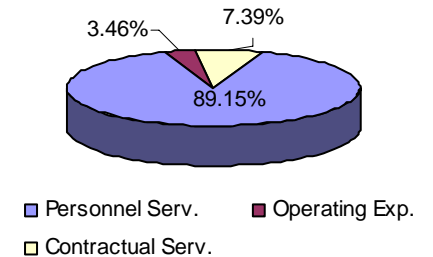
1. Personnel consists of one full-time employee.
2. Operating expenses include general office supplies, training, and dues for Michigan Government Finance Officers Association (MGFOA), the national Government Finance Officers Association (GFOA), and the Michigan Municipal Treasurers Association (MMTA).
3. Contractual services consist of accounting software support and printing of the budget document.
4. No capital purchases are planned for this fiscal year.

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	3.54%	\$ 90,460	\$ 87,370	\$ 81,876
Operating Expenses	-14.79%	\$ 3,515	\$ 4,125	\$ 1,779
Contractual Services	0.00%	\$ 7,500	\$ 7,500	\$ 6,549
Capital Outlay	0.00%	\$ 0	\$ 0	\$ 0
Total	3.35%	\$ 101,475	\$ 98,995	\$ 90,204

Proposed Budget



		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101	GENERAL FUND EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
219.000 FINANCE DEPARTMENT								
	<i>Personnel Services</i>							
702.000	WAGES	53,965	52,400	34,500	50,853	48,099	48,346	46,056
703.000	OVERTIME PAY	0	0	0	0	0	0	0
704.000	SICK TIME PAY	1,430	1,400	1,394	1,310	1,273	1,242	1,178
705.000	VACATION TIME PAY	5,340	5,100	1,859	4,891	4,455	3,518	2,783
706.000	PERSONAL TIME PAY	715	700	697	655	636	621	589
707.000	LONGEVITY PAY	1,100	1,100	1,100	1,100	1,100	1,100	1,100
710.000	HOLIDAY AND OTHER PAY	2,500	2,440	2,091	2,191	2,228	2,173	2,004
715.000	HEALTH AND LIFE INSURANCE	14,700	13,875	9,351	12,216	10,827	9,618	11,165
716.000	RETIREMENT	5,160	5,015	3,302	3,923	3,809	2,245	50
717.000	WORKERS' COMPENSATION	200	200	170	186	156	146	99
718.000	UNEMPLOYMENT INSURANCE	100	100	100	100	100	100	100
720.000	EMPLOYER'S FICA	4,975	4,830	2,896	4,213	4,056	4,011	3,841
721.000	DISABILITY INSURANCE	275	210	158	238	209	222	236
	Total Personnel Services	90,460	87,370	57,618	81,876	76,948	73,342	69,201
	<i>Operating Expenses</i>							
726.000	SUPPLIES	1,000	1,000	538	693	1,894	515	1,176
810.000	DUES AND SUBSCRIPTIONS	265	225	70	230	225	190	40
860.000	TRANSPORTATION AND MILEAGE	600	1,300	204	266	858	445	690
861.000	TRAINING & SEMINARS	850	600	285	220	415	190	718
862.000	LODGING AND MEALS	800	1,000	461	370	986	439	915
930.000	REPAIRS & MAINTENANCE	0	0	0	0	0	0	0
	Total Operating Expenses	3,515	4,125	1,558	1,779	4,378	1,779	3,539
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	7,500	7,500	5,790	6,549	6,834	6,942	6,787
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
	Total Contractual Services and Capital Outlay	7,500	7,500	5,790	6,549	6,834	6,942	6,787
	TOTAL FINANCE DEPARTMENT.	101,475	98,995	64,966	90,204	88,160	82,063	79,527

ASSESSING, PLANNING & BLDG INSP.

517-437-5633

Debbie Sikorski – Director

dsikorski@ci.hillsdale.mi.us

Department Summary

The Assessor's Department encompasses knowledge of the land. Land is defined by value, size, description, history or regulatory use. Building/Code Enforcement is also a service of this department. Property maintenance, Building Code, and Zoning violations are processed by the Code Enforcement Officer. The department's function is to better serve the development of the community by providing accurate information for the land, its values and uses, and easier access to that information

Department Goals

1. Provide joint planning opportunities
2. Provide economic development support
3. Improve public planning awareness

4. Improve code enforcement efficiency

Department Objectives

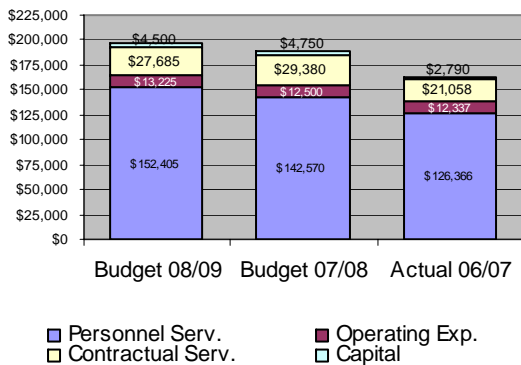
- Maintain an accurate database of the land inventory, its value, and use.
- Conduct joint planning sessions with the County Planning Commission and surrounding jurisdictions.
- Assist in the economic development
- Assist in the development of a commercial rehabilitation district
- Assist in the development of residential rehabilitation program
- Provide efficient code enforcement
- Provide an efficient storage system for prints.
- Provide continued education and training

for staff and board members.

Budget Summary

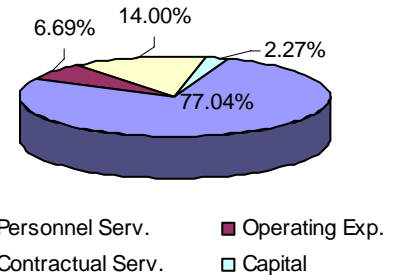
1. Personnel services cover wages and benefits for two (2) full-time employees. The Code Enforcement Officer's wage is split between two budgets: Assessing 2/3 and Building Inspection 1/3.
2. Operating expenses are supplies, postage, training, publishing and maintenance.
3. Contractual services include program maintenance agreements for mapping, assessing, building, the website and two contracted employees.
3. Capital outlay represents the purchase of a new filing cabinet for personal property tax records, print storage system and paint

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/05
Personnel Services	6.90%	\$ 152,405	\$ 142,570	\$ 126,366
Operating Expenses	5.80%	\$ 13,225	\$ 12,500	\$ 12,337
Contractual Services	-5.77%	\$ 27,685	\$ 29,380	\$ 21,058
Capital Outlay	0.00%	\$ 4,500	\$ 4,750	\$ 2,790
Total	4.55%	\$ 197,815	\$ 189,200	\$ 162,551

Proposed Budget



		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101	GENERAL FUND EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
209.000 ASSESSING DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	73,350	72,785	44,754	68,824	66,815	68,487	65,968
703.000	OVERTIME PAY	0	0	0	0	0	0	0
704.000	SICK TIME PAY	4,950	2,900	2,272	3,042	3,241	1,796	2,822
705.000	VACATION TIME PAY	5,305	5,100	3,058	4,740	5,805	4,369	4,126
706.000	PERSONAL TIME PAY	1,135	700	728	1,375	1,026	1,127	1,317
707.000	LONGEVITY PAY	1,460	1,350	1,340	1,220	1,100	1,700	1,480
710.000	HOLIDAY AND OTHER PAY	3,975	3,800	3,283	4,221	6,189	3,434	3,473
715.000	HEALTH AND LIFE INSURANCE	34,140	31,290	13,594	19,340	15,113	24,541	24,434
716.000	RETIREMENT	8,015	6,880	4,886	6,054	5,731	3,552	100
717.000	WORKERS' COMPENSATION	750	1,000	497	894	881	789	691
718.000	UNEMPLOYMENT INSURANCE	200	200	0	200	200	200	200
720.000	EMPLOYER'S FICA	6,900	6,630	3,870	5,863	6,050	5,707	5,632
721.000	DISABILITY INSURANCE	470	470	271	408	328	387	426
Total Personnel Services		140,650	133,105	78,553	116,181	112,479	116,089	110,669
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,200	1,200	696	862	1,199	1,177	1,208
734.000	POSTAGE	1,500	1,500	1,970	1,646	1,905	1,155	1,252
810.000	DUES AND SUBSCRIPTIONS	700	550	680	478	916	350	770
860.000	TRANSPORTATION AND MILEAGE	1,000	1,000	889	1,208	1,007	442	406
861.000	TRAINING & SEMINARS	800	800	590	1,310	680	745	338
862.000	LODGING AND MEALS	1,400	2,000	1,402	1,771	1,406	1,459	781
900.000	PRINTING	0	0	0	0	0	0	0
905.000	PUBLISHING / NOTICES	100	200	0	47	225	46	59
930.000	REPAIRS & MAINTENANCE	0	0	0	0	0	80	0
Total Operating Expenses		6,700	7,250	6,227	7,322	7,338	5,454	4,814
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	2,685	2,680	1,271	2,503	4,353	2,730	4,235
970.000	CAPITAL OUTLAY	500	500	682	1,207	1,118	3,000	0
Total Contractual Services and Capital Outlay		3,185	3,180	1,953	3,710	5,471	5,730	4,235
TOTAL ASSESSING DEPARTMENT		150,535	143,535	86,733	127,213	125,288	127,273	119,718

		Budgets						
FUND 101 GENERAL FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
371.000 BUILDING INSPECTION DEPT.								
<i>Personnel Services</i>								
702.000	WAGES	10,920	8,790	6,405	9,498	8,705	9,595	9,426
717.000	WORKERS' COMPENSATION	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	835	675	459	687	649	666	661
		<u>11,755</u>	<u>9,465</u>	<u>6,864</u>	<u>10,185</u>	<u>9,354</u>	<u>10,261</u>	<u>10,087</u>
<i>Operating Expenses</i>								
726.000	SUPPLIES	650	400	197	356	646	300	211
810.000	DUES AND SUBSCRIPTIONS	275	200	100	100	100	0	200
860.000	TRANSPORTATION AND MILEAGE	300	0	0	0	74	0	0
861.000	TRAINING & SEMINARS	500	250	0	15	195	0	85
862.000	LODGING AND MEALS	400	0	0	0	105	0	0
	Total Operating Expenses	<u>2,125</u>	<u>850</u>	<u>297</u>	<u>471</u>	<u>1,120</u>	<u>300</u>	<u>496</u>
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	25,000	26,700	12,210	18,555	17,005	22,555	18,435
970.000	CAPITAL OUTLAY	1,000	1,250	0	336	268	23	324
	Total Contractual Services and Capital Outlay	<u>26,000</u>	<u>27,950</u>	<u>12,210</u>	<u>18,891</u>	<u>17,273</u>	<u>22,578</u>	<u>18,759</u>
TOTAL BUILDING INSPECTION DEPARTMENT		<u>39,880</u>	<u>38,265</u>	<u>19,371</u>	<u>29,547</u>	<u>27,747</u>	<u>33,139</u>	<u>29,342</u>
400.000 PLANNING DEPARTMENT								
<i>Operating Expenses</i>								
726.000	SUPPLIES	150	150	44	32	60	122	37
810.000	DUES AND SUBSCRIPTIONS	2,450	2,450	2,408	2,283	2,458	2,458	2,283
861.000	TRAINING & SEMINARS	800	800	0	1,293	806	651	0
905.000	PUBLISHING / NOTICES	1,000	1,000	355	936	671	1,143	695
	Total Operating Expenses	<u>4,400</u>	<u>4,400</u>	<u>2,807</u>	<u>4,544</u>	<u>3,995</u>	<u>4,374</u>	<u>3,015</u>
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	0	0	0	0	60	0	0
970.000	CAPITAL OUTLAY	3,000	3,000	145	1,247	553	600	785
	Total Contractual Services and Capital Outlay	<u>3,000</u>	<u>3,000</u>	<u>145</u>	<u>1,247</u>	<u>613</u>	<u>600</u>	<u>785</u>
TOTAL PLANNING DEPARTMENT		<u>7,400</u>	<u>7,400</u>	<u>2,952</u>	<u>5,791</u>	<u>4,608</u>	<u>4,974</u>	<u>3,800</u>

AIRPORT

517-437-4755

James Scheibner - Director

flyguy1@voyager.net

Department Summary

The City contracts with James Scheibner, President of Hillsdale Aero, Inc. to operate and manage the Airport. The Airport continues to serve the community as an important component of the transportation infrastructure. It is the responsibility of management to assure that the Airport meets or exceeds all State and Federal regulations. Keeping the facility in excellent condition is crucial to attract tenants and supporters as well as gaining local, State and Federal funding for needed improvements. Management continues its commitment to improving facilities, increasing community utilization of and enhancing safety at the Hillsdale Municipal Airport.

Department Goals

1. Complete Land/Easement Acquisition Phase of the Improvement Project.
2. Initiate grounds clearing and stream relocation phase of the Improvement Project.
3. Establish an Independent Airport User Group to gain a broader perspective on airport issues.
4. Pursue additional funding through federal and state grant programs for further development under the updated Airport Layout Plan (ALP).

- Finalize stream relocation and slearing engineering.
- Host the annual Fly-in
- Provide opportunity for public participation in flight related activities

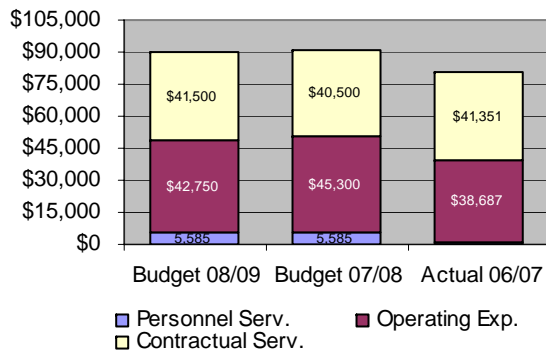
Budget Summary

1. Personnel consists of Public Service hours allocated for taxi-way crack sealing and runway zone turf rolling.
2. Operating expenses are supplies, utilities, repairs and maintenance, insurance, training, transportation, lodging, dues and equipment rental.
3. Contractual services are the Airport Manager's compensation, snow removal and grounds maintenance.

Department Objectives

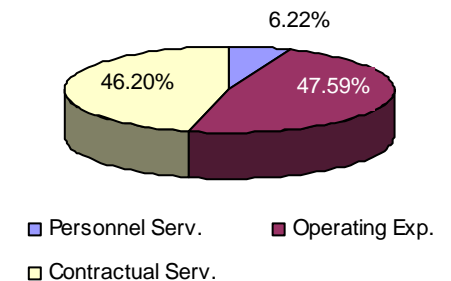
- Acquire the needed property and easements for runway project.

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	0.00%	\$ 5,585	\$ 5,585	\$ 946
Operating Expenses	-5.63%	\$ 42,750	\$ 45,300	\$ 38,687
Contractual Services	2.47%	\$ 41,500	\$ 40,500	\$ 41,351
Capital Outlay	0.00%	\$ 0	\$ 0	\$ 0
Total	-1.70%	\$ 89,835	\$ 91,385	\$ 80,984

Proposed Budget



		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101	GENERAL FUND EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
295.000 AIRPORT								
<i>Personnel Services</i>								
702.000	WAGES	3,035	2,960	134	300	442	179	134
717.000	WORKERS' COMPENSATION	650	625	468	565	456	461	398
720.000	EMPLOYER'S FICA	230	225	10	22	32	13	10
725.000	FRINGE BENEFITS - ALLOCATED	1,670	1,775	37	59	370	89	132
Total Personnel Services		5,585	5,585	649	946	1,300	742	674
<i>Operating Expenses</i>								
726.000	SUPPLIES	500	500	532	152	464	194	651
810.000	DUES AND SUBSCRIPTIONS	325	325	365	268	324	139	437
850.000	INSURANCE	20,000	25,000	5,313	17,426	24,061	18,124	16,864
860.000	TRANSPORTATION AND MILEAGE	75	75	0	0	0	0	0
861.000	TRAINING & SEMINARS	250	250	125	125	125	250	600
862.000	LODGING AND MEALS	250	250	0	25	0	0	0
920.000	UTILITIES	13,500	14,000	9,118	13,318	12,229	9,862	9,791
925.000	TELEPHONE	1,850	1,900	1,040	1,934	1,691	1,700	1,054
930.000	REPAIRS & MAINTENANCE	5,000	2,000	2,400	5,305	7,176	11,697	4,254
940.000	EQUIPMENT RENTAL	1,000	1,000	31	134	1,477	184	283
Total Operating Expenses		42,750	45,300	18,924	38,687	47,547	42,150	33,934
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	41,500	40,500	25,660	41,351	36,334	37,542	33,365
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
Total Contractual Services and Capital Outlay		41,500	40,500	25,660	41,351	36,334	37,542	33,365
TOTAL AIRPORT		89,835	91,385	45,233	80,984	85,181	80,434	67,973

HILLSDALE POLICE DEPARTMENT

517-437-6461

Christopher Gutowski - Director

hdpdadmin@ci.hillsdale.mi.us

Department Summary

The police department is a fully staffed police agency providing 24-hour public safety protection. Staff includes 15 full-time officers, 1 full-time dispatcher/clerk, 9 reserve police officers, 7 crossing guards, and an administrative secretary. The department operates 24 hours per day, seven days per week with dispatch working 8 hours per day, Monday through Friday. Central Dispatch responds to all calls after normal business hours.

Department Goals

1. Improve community relations
2. Expand police reserve program
3. Improve pedestrian safety
4. Assign officer(s) to drug enforcement unit

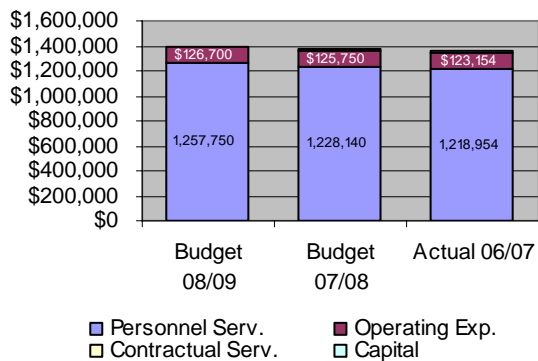
Department Objectives

- Establish an internet web site.
- Increase interaction regarding school safety.
- Increase training for reserve officers.
- Implement selective enforcement criteria for traffic safety in school zones.
- Secure funding to assign officer(s) to drug enforcement.

Budget Summary

1. Personnel services were reduced by one patrol officer and reflects budget salary increases of 2.5% for all officers and 2.5 % for clerical.
2. Operating expenses are supplies, training/education, vehicle operation, uniforms and cleaning. RMEF payments are \$.55 per mile this budget year.
3. Contractual services are computer maintenance/, license fees, cell phone(s), pagers and court witness fees.
4. Capital outlay items include a repeater system, dispatch console radio and office desk.

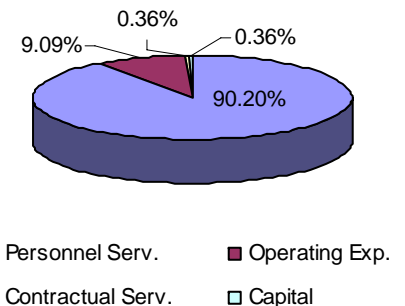
3 Year Comparison



SUMMARY:

	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	2.41%	\$1,257,750	\$1,228,140	\$1,218,954
Operating Expenses	0.76%	\$ 126,700	\$ 125,750	\$ 123,154
Contractual Services	11.11%	\$ 5,000	\$ 4,500	\$ 4,252
Capital Outlay	0.00%	\$ 5,000	\$ 10,000	\$ 9,566
Total	1.90%	\$ 1,394,450	\$1,368,390	\$1,364,604

Proposed Budget



		Budgets						
FUND 101 GENERAL FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
301.000 POLICE DEPARTMENT								
	<i>Personnel Services</i>							
702.000	WAGES	691,700	675,400	424,580	669,312	630,557	646,769	679,390
703.000	OVERTIME PAY	95,000	95,000	54,809	93,914	97,160	81,704	82,345
704.000	SICK TIME PAY	16,500	16,600	23,758	21,790	20,448	18,138	25,231
705.000	VACATION TIME PAY	65,150	63,200	41,085	60,535	67,762	50,687	62,102
706.000	PERSONAL TIME PAY	8,800	8,600	4,983	9,193	9,354	7,979	9,208
707.000	LONGEVITY PAY	16,600	16,250	16,800	16,510	16,410	15,410	18,320
710.000	HOLIDAY AND OTHER PAY	33,530	39,600	30,098	32,889	31,144	30,252	30,399
715.000	HEALTH AND LIFE INSURANCE	187,000	167,700	107,020	177,892	154,854	157,149	174,957
716.000	RETIREMENT	110,000	111,040	70,552	103,287	81,697	53,711	32,574
717.000	WORKERS' COMPENSATION	15,000	16,000	12,270	14,923	12,311	13,681	10,371
718.000	UNEMPLOYMENT INSURANCE	1,650	1,650	1,650	1,650	1,650	1,750	1,850
720.000	EMPLOYER'S FICA	13,320	13,000	7,837	13,761	12,566	12,621	12,784
721.000	DISABILITY INSURANCE	3,500	4,100	2,200	3,298	2,894	3,067	3,726
	Total Personnel Services	1,257,750	1,228,140	797,642	1,218,954	1,138,807	1,092,918	1,143,257
	<i>Operating Expenses</i>							
726.000	SUPPLIES	8,500	9,000	4,349	8,256	8,854	8,848	7,280
742.000	CLOTHING / UNIFORMS	11,000	12,000	6,814	11,106	9,751	9,792	9,499
810.000	DUES AND SUBSCRIPTIONS	600	600	512	598	688	540	591
860.000	TRANSPORTATION AND MILEAGE	600	600	73	413	553	471	553
861.000	TRAINING & SEMINARS	3,600	3,600	866	9,228	746	725	1,174
861.005	STATE TRAINING FUNDS	3,600	3,600	1,533	2,609	1,876	3,526	3,641
862.000	LODGING AND MEALS	800	800	49	538	753	623	1,097
900.000	PRINTING	1,500	1,000	1,171	432	1,118	882	822
905.000	PUBLISHING / NOTICES	300	300	0	472	0	0	469
925.000	TELEPHONE	1,500	1,500	758	1,434	1,073	1,361	1,604
930.000	REPAIRS & MAINTENANCE	4,000	4,000	1,935	2,798	2,530	2,376	2,863
940.000	EQUIPMENT RENTAL	90,000	88,000	57,023	84,992	90,009	77,030	81,659
955.221	MISC - PHYSICAL EXAMINATIONS	500	500	209	278	610	166	110
955.222	MISC - SHOTS & TRAINING	200	250	0	0	114	0	0
	Total Operating Expenses							
	<i>Contractual Services and Capital Outlay</i>							
		126,700	125,750	75,292	123,154	118,675	106,340	111,362
801.000	CONTRACTUAL SERVICES	5,000	4,500	3,764	4,252	4,784	3,723	3,225
970.000	CAPITAL OUTLAY	5,000	10,000	6,992	18,244	6,743	4,297	3,838
	Total Contractual Services and Capital Outlay	10,000	14,500	10,756	22,496	11,527	8,020	7,063
TOTAL POLICE DEPARTMENT		1,394,450	1,368,390	883,690	1,364,604	1,269,009	1,207,278	1,261,682

HILLSDALE FIRE DEPARTMENT

517-437-6461

Christopher Gutowski - Director

hdpdadmin@ci.hillsdale.mi.us

Department Summary

The fire department is staffed by four (4) full-time fire fighters and twenty-five (25) part-time (on-call) fire fighters. The staff is trained in light rescues, medical first responders, haz-mat (hazardous materials) as well as up to date fire fighting tactics. The fire department continues to maintain an excellent I.S.O. class "5" fire rating through staffing, training, equipment purchases and water supply capabilities.

Department Goals

1. Improve community relations.
2. Increase medical first responder staff.
3. Improve fire safety in the downtown area.

Department Objectives

- Establish an internet web site.
- Secure funding for additional medical first responder staff.
- Develop a fire pre-plan for the downtown area.

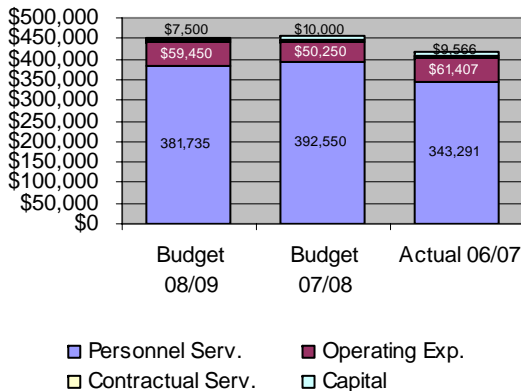
Budget Summary

1. Personnel service reflects the full-time status of four (4) employees plus half the salary and fringes of the Public Safety Director. In addition, the department is staffed with twenty-five (25) part-paid on-call firefighters.
2. Operating expenses include supplies, vehicle repairs and maintenance, utilities, fuel, training, uniform cleaning/

replacement, and medical exams including immunizations.

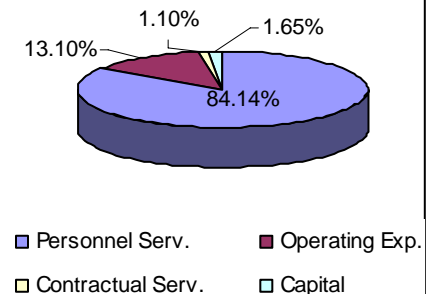
3. Contractual services are: linen services, software licensing, air testing and annual maintenance of the air purification system.
4. Capital outlay items include truck radio with repeater system, fire pagers and turnout gear.
5. The Department will again be applying for federal grant funds for staffing and equipment (SCBA's).

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	-2.76%	\$ 381,735	\$ 392,550	\$ 343,291
Operating Expenses	18.31%	\$ 59,450	\$ 50,250	\$ 61,407
Contractual Services	8.70%	\$ 5,000	\$ 4,600	\$ 2,895
Capital Outlay	0.00%	\$ 7,500	\$ 10,000	\$ 9,566
Total	-0.81%	\$ 453,685	\$ 457,400	\$ 417,159

Proposed Budget



		Budgets						
FUND 101 GENERAL FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
336.000 FIRE DEPARTMENT.								
	<i>Personnel Services</i>							
702.000	WAGES	187,500	182,300	113,131	152,292	136,165	142,513	135,325
702.336	WAGES - PART-TIME FIREFIGHTERS	44,000	40,000	27,013	44,885	35,423	31,273	33,330
703.000	OVERTIME PAY	19,000	32,400	25,891	45,962	44,970	37,305	43,852
704.000	SICK TIME PAY	2,800	3,450	3,811	3,163	861	1,815	1,195
705.000	VACATION TIME PAY	18,360	14,750	10,069	10,565	16,632	7,861	11,252
706.000	PERSONAL TIME PAY	4,850	4,650	1,751	3,793	2,282	1,084	2,755
707.000	LONGEVITY PAY	3,770	3,700	3,000	3,450	3,350	3,130	2,360
710.000	HOLIDAY AND OTHER PAY	8,630	9,700	7,631	8,073	8,314	9,552	5,749
715.000	HEALTH AND LIFE INSURANCE	49,000	58,000	35,936	34,688	32,397	27,807	25,411
716.000	RETIREMENT	30,500	31,100	18,948	24,944	18,738	10,845	2,752
717.000	WORKERS' COMPENSATION	6,500	5,350	5,992	4,988	4,709	5,421	4,474
718.000	UNEMPLOYMENT INSURANCE	450	450	450	350	350	450	450
720.000	EMPLOYER'S FICA	5,700	5,800	3,128	5,618	4,639	4,433	4,556
721.000	DISABILITY INSURANCE	675	900	435	520	445	474	509
	Total Personnel Services	381,735	392,550	257,186	343,291	309,275	283,963	273,970
	<i>Operating Expenses</i>							
726.000	SUPPLIES	7,000	5,000	3,751	6,248	4,934	4,626	5,047
730.000	VEH./EQUIP. MAINT. SUPPLIES	2,000	1,000	998	1,601	467	241	608
740.000	FUEL AND LUBRICANTS	3,500	3,000	2,770	3,494	2,779	2,343	1,220
742.000	CLOTHING / UNIFORMS	4,000	3,000	4,379	4,688	2,675	2,427	1,658
810.000	DUES AND SUBSCRIPTIONS	500	500	500	530	657	475	460
850.000	INSURANCE	6,800	7,200	6,787	3,491	3,148	6,294	4,628
860.000	TRANSPORTATION AND MILEAGE	500	500	0	151	0	0	86
861.000	TRAINING & SEMINARS	3,000	3,000	785	1,923	761	1,765	1,785
862.000	LODGING AND MEALS	500	500	0	266	90	0	63
905.000	PUBLISHING / NOTICES	150	50	138	222	0	0	0
920.000	UTILITIES	14,500	14,500	8,148	14,549	13,465	12,541	14,298
925.000	TELEPHONE	0	0	0	0	0	0	0
930.000	REPAIRS & MAINTENANCE	15,000	10,000	11,136	22,187	11,259	9,407	15,926
955.221	MISC - PHYSICAL EXAMINATIONS	500	500	139	603	0	170	165
955.222	MISC - SHOTS & TRAINING	500	500	516	462	0	240	30
955.336	LOCAL GRANT PURCHASES	1,000	1,000	12,378	992	1,055	1,000	0
	Total Operating Expenses	59,450	50,250	52,425	61,407	41,290	41,529	45,974

FUND 101	GENERAL FUND EXPENDITURES	Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
	336.000 FIRE DEPARTMENT							
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	5,000	4,600	3,900	2,895	3,033	3,066	2,983
970.000	CAPITAL OUTLAY	7,500	10,000	5,423	9,566	8,470	32,631	7,453
970.336	CAPITAL OUTLAY - SAFETY HOUSE	0	0	0	0	0	0	0
	<i>Total Contractual Services and Capital Outlay</i>	12,500	14,600	9,323	12,461	11,503	35,697	10,436
	TOTAL FIRE DEPARTMENT	453,685	457,400	318,934	417,159	362,068	361,189	330,380

PUBLIC SERVICES

517-437-6490

Keith Richard - Director

krichard@ci.hillsdale.mi.us

Department Summary

The Department of Public Services (DPS) consists of a director, administrative assistant, forester, two (2) mechanics, eight (8) service employees and three (3) seasonal employees. The DPS administers street and Right of Way permits, building demolitions, select inspections, and other planning activities. Services are provided to the general public, businesses and other governmental agencies. Support for the Airport, Dial-A-Ride, BPU and a number of Capital Improvement projects is also provided by the DPS. Informational services, maintaining cemetery properties and records and grant writing is done within the Department as well.

Department Goals

1. An infrastructure system that is designed to be functional, well-constructed and properly maintained to serve the people now and into the future.

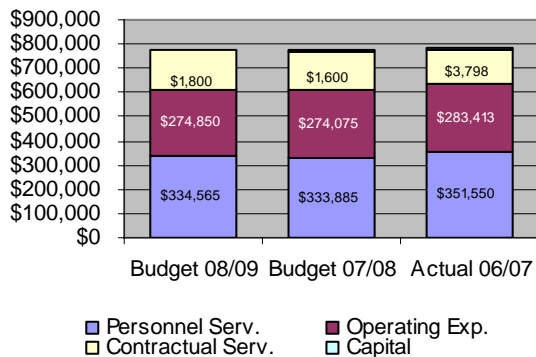
Department Objectives

- Facilitate completion of Phase II of the M-99 Reconstruction Project and continued planning for Phase III in 2009.
- Assist in the development phase of Three Meadows Subdivision via the EDC Development Plan.

Budget Summary

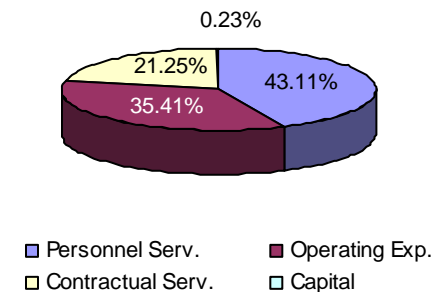
1. Personnel consists of a director, administrative assistant, and other full time and seasonal employees totaling 12,774 man-hours.
2. Operating expenses include supplies, employee training, uniforms, publishing, utilities, CDL licensing, repairs and maintenance, drug and alcohol testing, solid waste coupons, equipment rental and professional dues and subscriptions.
3. Contractual services consists of engineering, lawn maintenance, copier maintenance, compost site maintenance, city hall cleaning and maintenance.
4. Capital outlay expenses for Public Services consist of the replacement of portable 2-way radios.

3 Year Comparison



SUMMARY:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	0.20%	\$ 334,565	\$ 333,885	\$ 351,550
Operating Expenses	0.28%	\$ 274,850	\$ 274,075	\$ 283,413
Contractual Services	1.34%	\$ 164,925	\$ 162,750	\$ 144,668
Capital Outlay	0.00%	\$ 1,800	\$ 1,600	\$ 3,798
Total	0.50%	\$ 776,140	\$ 772,310	\$ 783,429

Proposed Budget



		Budgets						
FUND 101 GENERAL FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
441.000 PUBLIC SERVICES DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	115,835	123,985	79,312	121,885	122,472	117,998	120,546
703.000	OVERTIME PAY	2,500	2,000	2,541	2,768	2,073	1,871	1,755
704.000	SICK TIME PAY	2,345	2,380	1,690	3,977	954	596	2,430
705.000	VACATION TIME PAY	6,700	6,420	6,243	5,360	4,404	4,401	3,756
706.000	PERSONAL TIME PAY	1,105	1,060	1,080	1,048	1,018	615	1,098
707.000	LONGEVITY PAY	1,900	1,800	0	1,700	1,580	480	1,340
710.000	HOLIDAY AND OTHER PAY	3,875	3,705	3,232	3,669	3,603	3,405	4,631
715.000	HEALTH AND LIFE INSURANCE	35,640	32,070	23,021	30,143	28,099	22,303	38,065
716.000	RETIREMENT	8,390	7,225	5,074	6,247	6,006	3,419	150
717.000	WORKERS' COMPENSATION	800	1,000	511	904	891	799	703
718.000	UNEMPLOYMENT INSURANCE	200	200	200	200	200	200	200
720.000	EMPLOYER'S FICA	8,860	10,815	6,620	9,707	10,064	8,953	9,338
721.000	DISABILITY INSURANCE	400	505	264	398	325	504	591
725.000	FRINGE BENEFITS - ALLOCATED	12,345	27,180	16,744	20,907	17,887	24,898	21,565
Total Personnel Services		200,895	220,345	146,532	208,913	199,576	190,442	206,168
<i>Operating Expenses</i>								
726.000	SUPPLIES	12,000	12,000	11,510	12,052	13,104	11,014	10,092
742.000	CLOTHING / UNIFORMS	3,000	3,000	1,705	2,701	2,655	2,658	2,674
810.000	DUES AND SUBSCRIPTIONS	1,000	925	1,149	1,078	1,104	884	836
860.000	TRANSPORTATION AND MILEAGE	1,000	1,000	158	367	667	1,073	51
861.000	TRAINING & SEMINARS	2,300	2,300	20	475	150	740	2,310
862.000	LODGING AND MEALS	2,000	2,000	119	246	1,087	804	497
905.000	PUBLISHING / NOTICES	1,000	1,000	518	1,061	658	753	869
920.000	UTILITIES	12,000	12,000	6,612	11,504	11,458	11,148	9,949
930.000	REPAIRS & MAINTENANCE	2,500	5,000	0	445	661	40	878
940.000	EQUIPMENT RENTAL	20,000	20,000	17,994	17,217	12,309	21,346	16,397
955.000	MISCELLANEOUS	0	0	0	0	40	0	0
955.441	MISCELLANEOUS - SHOE ALLOWANCE	250	250	225	180	90	0	15
955.517	MISC - SOLID WASTE COUPONS	13,500	18,000	7,463	13,135	10,825	15,413	24,088
955.588	MISC. - CDL LICENSING/TESTING	850	850	522	1,188	1,082	533	218
Total Operating Expenses		71,400	78,325	47,995	61,649	55,890	66,406	68,874

FUND 101	GENERAL FUND EXPENDITURES	Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
	441.000 PUBLIC SERVICES DEPARTMENT							
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	31,425	35,000	18,405	21,307	27,176	11,836	9,850
801.596	CONTRACTUAL SERVICES - TR. FACILITY	0	0	64	13,123	94,530	84,787	86,113
970.000	CAPITAL OUTLAY	1,800	1,600	1,324	3,798	1,420	2,305	3,146
	Total Contractual Services and Capital Outlay	33,225	36,600	19,793	38,228	123,126	98,928	99,109
	TOTAL PUBLIC SERVICES DEPARTMENT	305,520	335,270	214,320	308,790	378,592	355,776	374,151

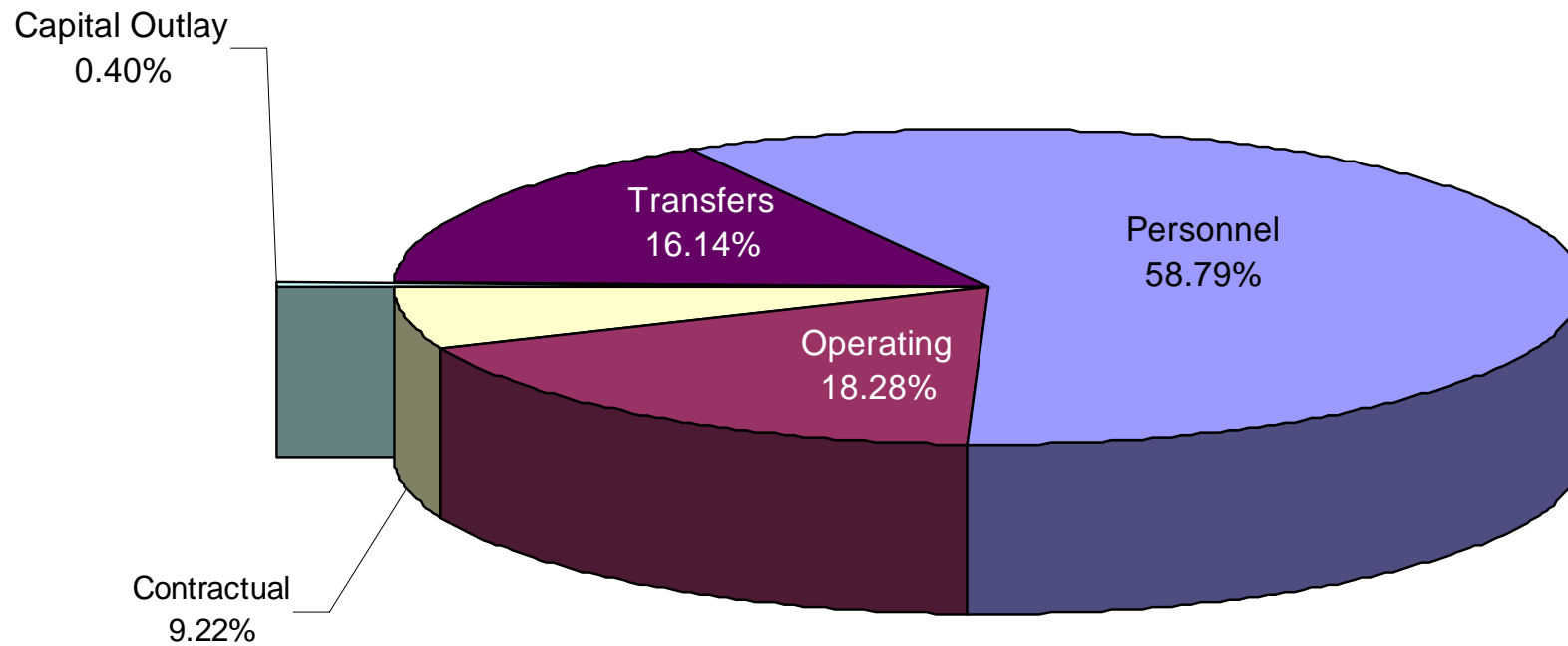
		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 101 GENERAL FUND EXPENDITURES		08/09	07/08	Thru 02/08	06/07	05/06	04/06	03/04
265.000 BUILDING AND GROUNDS								
<i>Personnel Services</i>								
702.000	WAGES	9,765	7,920	12,833	11,519	7,623	17,515	6,802
703.000	OVERTIME PAY	100	100	323	221	101	126	303
717.000	WORKERS' COMPENSATION	1,500	1,075	925	995	501	499	421
720.000	EMPLOYER'S FICA	755	615	938	837	558	1,277	521
725.000	FRINGE BENEFITS - ALLOCATED	5,425	4,810	7,689	5,601	4,918	9,742	3,381
Total Personnel Services		17,545	14,520	22,708	19,173	13,701	29,159	11,428
<i>Operating Expenses</i>								
726.000	SUPPLIES	6,000	6,000	5,261	3,285	4,910	6,771	2,960
920.000	UTILITIES	22,000	22,000	13,298	21,678	21,580	21,156	22,607
925.000	TELEPHONE	10,000	8,000	5,292	10,766	8,730	9,979	12,738
930.000	REPAIRS & MAINTENANCE	10,000	10,000	4,801	6,310	17,739	10,021	9,300
940.000	EQUIPMENT RENTAL	5,000	5,000	8,760	5,000	4,878	6,021	2,049
957.000	PROPERTY TAXES	0	3,000	1,509	18,547	1,770	2,917	2,864
Total Operating Expenses		53,000	54,000	38,921	65,586	59,607	56,865	52,518
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	36,250	36,000	23,620	23,708	23,675	37,666	35,717
801.790	CONTRACTUAL SRV-MITCHELL BLDG	1,000	2,000	178	260	1,503	15,829	0
Total Contractual Services and Capital Outlay		37,250	38,000	23,798	23,968	25,178	53,495	35,717
TOTAL BUILDING AND GROUNDS		107,795	106,520	85,427	108,727	98,486	139,519	99,663
266.000 PARKING LOTS								
<i>Personnel Services</i>								
702.000	WAGES	6,550	4,275	1,057	5,693	509	1,786	4,396
703.000	OVERTIME PAY	1,500	1,200	1,567	1,562	846	1,247	463
720.000	EMPLOYER'S FICA	615	420	190	520	99	223	359
725.000	FRINGE BENEFITS - ALLOCATED	4,430	3,285	2,297	3,893	711	1,754	2,301
Total Personnel Services		13,095	9,180	5,111	11,668	2,165	5,010	7,519
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,500	2,500	1,879	3,210	778	1,288	2,232
920.000	UTILITIES	4,500	4,500	2,284	4,790	4,358	3,600	3,844
940.000	EQUIPMENT RENTAL	4,000	5,000	4,477	6,026	1,933	4,008	3,409
Total Operating Expenses		11,000	12,000	8,640	14,026	7,069	8,896	9,485
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	10,000	11,500	3,153	12,212	2,117	1,949	6,569
TOTAL PARKING LOTS		34,095	32,680	16,904	37,906	11,351	15,855	23,573

FUND 101 GENERAL FUND EXPENDITURES		Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/06	Actual 03/04
276.000 CEMETERIES								
	<i>Personnel Services</i>							
702.000	WAGES	29,335	28,060	17,227	30,661	29,919	26,449	28,560
703.000	OVERTIME PAY	1,200	1,200	942	1,219	1,999	1,249	1,071
720.000	EMPLOYER'S FICA	2,335	2,240	1,294	2,306	2,332	2,023	2,173
725.000	FRINGE BENEFITS - ALLOCATED	16,795	17,555	11,934	15,807	17,120	15,546	13,919
	Total Personnel Services	49,665	49,055	31,397	49,993	51,370	45,267	45,723
	<i>Operating Expenses</i>							
726.000	SUPPLIES	3,000	3,000	1,354	4,613	4,282	2,168	1,503
920.000	UTILITIES	600	750	341	508	579	591	772
930.000	REPAIRS & MAINTENANCE	350	500	84	317	551	254	148
940.000	EQUIPMENT RENTAL	30,000	20,000	20,231	33,047	29,194	26,281	25,722
	Total Operating Expenses	33,950	24,250	22,010	38,485	34,606	29,294	28,145
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	26,250	18,250	12,941	19,140	11,868	11,082	11,590
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
	Total Contractual Services and Capital Outlay	26,250	18,250	12,941	19,140	11,868	11,082	11,590
	TOTAL CEMETERIES	109,865	91,555	66,348	107,618	97,844	85,643	85,458

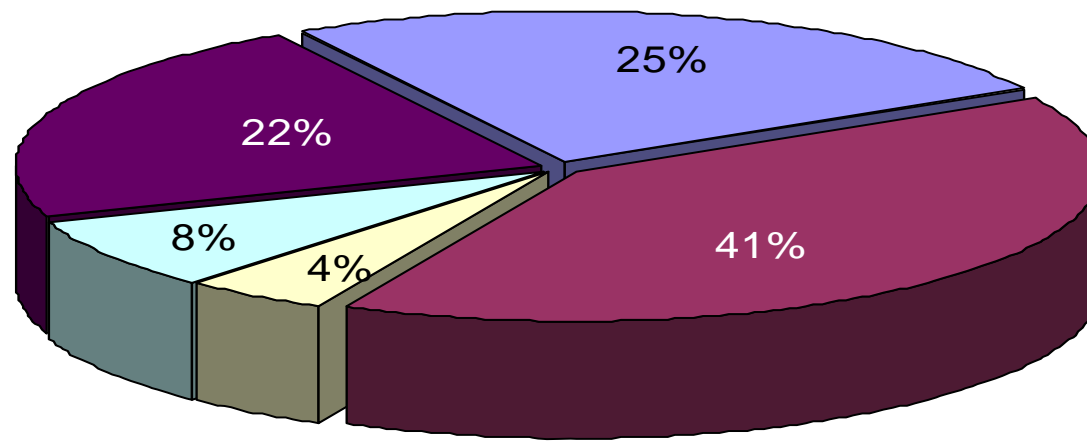
		Budgets						
FUND 101	GENERAL FUND EXPENDITURES	Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
	756.000 PARKS							
	<i>Personnel Services</i>							
702.000	WAGES	31,810	23,335	16,842	38,733	31,024	22,865	26,601
703.000	OVERTIME PAY	1,000	1,000	435	1,020	1,385	552	592
720.000	EMPLOYER'S FICA	2,510	1,850	1,236	2,835	2,354	1,829	1,968
725.000	FRINGE BENEFITS - ALLOCATED	18,045	14,600	10,351	19,215	16,957	12,870	12,796
	Total Personnel Services	53,365	40,785	28,864	61,803	51,720	38,116	41,957
	<i>Operating Expenses</i>							
726.000	SUPPLIES	10,000	10,000	3,122	10,857	12,473	6,708	12,327
920.000	UTILITIES	5,000	10,000	2,884	4,593	3,869	2,569	12,900
930.000	REPAIRS & MAINTENANCE	2,500	5,000	550	1,449	7,563	2,908	1,246
940.000	EQUIPMENT RENTAL	25,000	17,500	23,141	26,651	19,377	15,630	16,710
	Total Operating Expenses	42,500	42,500	29,697	43,550	43,282	27,815	43,183
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	60,000	60,000	31,180	54,918	57,955	40,136	48,053
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
	Total Contractual Services and Capital Outlay	60,000	60,000	31,180	54,918	57,955	40,136	48,053
	TOTAL PARKS	155,865	143,285	89,741	160,271	152,957	106,067	133,193
	448.000 STREET LIGHTING							
	<i>Operating Expenses</i>							
920.202	UTILITIES - MAJOR STREETS	60,000	60,000	31,108	57,534	48,895	47,491	37,190
920.203	UTILITIES - LOCAL STREETS	3,000	3,000	1,191	2,583	2,351	2,339	2,131
	Total Operating Expenses	63,000	63,000	32,299	60,117	51,246	49,830	39,321
	TOTAL STREET LIGHTING	63,000	63,000	32,299	60,117	51,246	49,830	39,321

		Budgets						
FUND 101 GENERAL FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
	965.000 TRANSFERS TO OTHER FUNDS							
999.203	TRANSFER - LOCAL ST.	186,725	155,075	77,550	151,970	40,000	55,615	107,150
999.208	TRANSFER - RECREATION	50,145	53,135	40,135	25,200	22,590	31,015	50,000
999.244	TRANSFER - ECON. DEVL. CORP.	0	0	0	0	0	62,500	0
999.362	TRANSFER - BOND & INT. REDEM.	78,000	78,000	78,000	78,000	78,000	78,000	78,000
999.401	TRANSFER - CAPITAL IMPROVEMENT	237,090	375,920	168,200	479,955	555,440	805,000	660,000
999.408	TRANSFER - FIELDS OF DREAMS	0	0	0	0	0	0	0
999.481	TRANSFER - AIRPORT IMPROVEMENTS	50,000	50,000	50,000	100,000	25,000	50,000	0
999.496	TRANSFER - THREE MEADOWS	0	0	0	0	0	60,680	46,965
999.588	TRANSFER - DIAL-A-RIDE	146,600	136,260	68,130	102,050	57,950	68,260	120,785
999.64	TRANSFER - REVLE. MOBILE EQPT.	0	0	0	0	0	25,000	0
999.663	TRANSFER - FIRE VEHICLE & EQPT	10,000	10,000	10,000	10,000	10,000	0	0
	TOTAL TRANSFERS TO OTHER FUNDS	758,560	858,390	492,015	947,175	788,980	1,236,070	1,062,900
	Total General Fund Expenditures	4,701,100	4,685,600	2,956,519	4,797,895	4,372,559	4,553,680	4,343,138

General Fund Expenditures By Type



General Fund Expenditures By Function



■ General Government

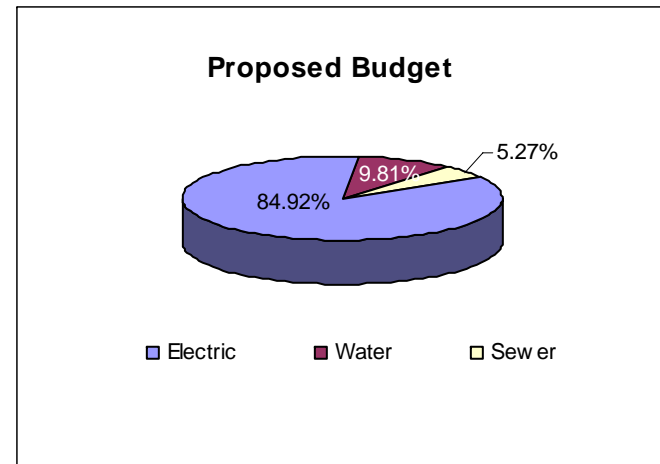
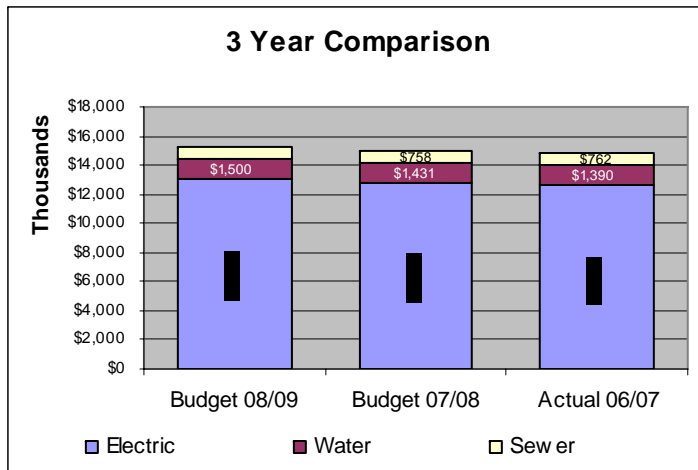
■ Public Safety

■ Recreation & Culture

■ Capital & Debt

■ Public Services

BOARD OF PUBLIC UTILITIES REVENUES *	Budgets					
	Proposed 08/09	Current 07/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
Electric Department						
Customer Sales	12,753,500	12,615,500	12,312,752	9,856,197	9,886,567	10,158,204
Other Revenue from Operations	47,500	50,000	47,683	40,211	36,450	31,141
Non-operating Revenues	189,000	70,500	310,352	74,560	127,729	95,165
Electric Department Total Revenues	12,990,000	12,736,000	12,670,787	9,970,968	10,050,746	10,284,510
Water Department						
Customer Sales	1,590,500	1,537,000	1,465,109	1,109,760	1,102,919	1,105,470
Other Revenue from Operations	6,500	5,000	9,594	4,761	6,665	3,265
Non-operating Revenues	(96,750)	(111,250)	(84,569)	(135,569)	(128,822)	(137,085)
Total Water Department Revenues	1,500,250	1,430,750	1,390,134	978,952	980,762	971,650
Sewer Department						
Customer Sales	788,000	752,000	710,646	1,137,259	1,123,702	1,126,465
Other Revenue from Operations	6,500	4,000	9,039	14,577	28,397	22,853
Non-operating Revenues	11,250	2,250	42,677	21,364	(50,559)	(20,808)
Total Sewer Department Revenues	805,750	758,250	762,362	1,173,200	1,101,540	1,128,510
TOTAL UTILITY REVENUE	15,296,000	14,925,000	14,823,283	12,123,120	12,133,048	12,384,670

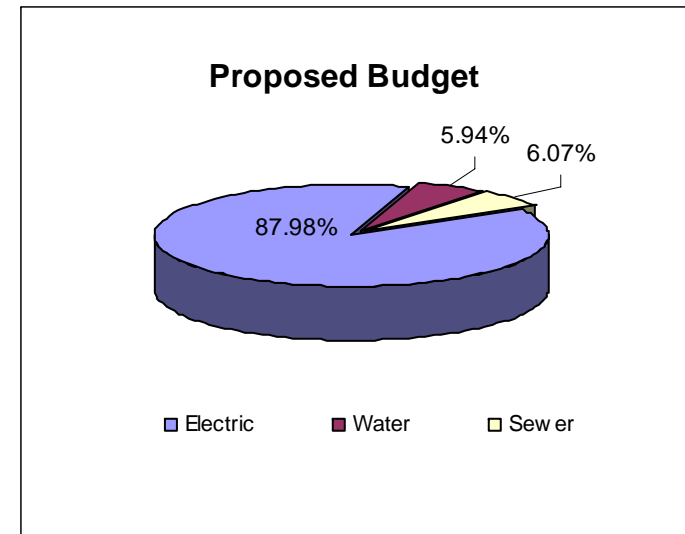
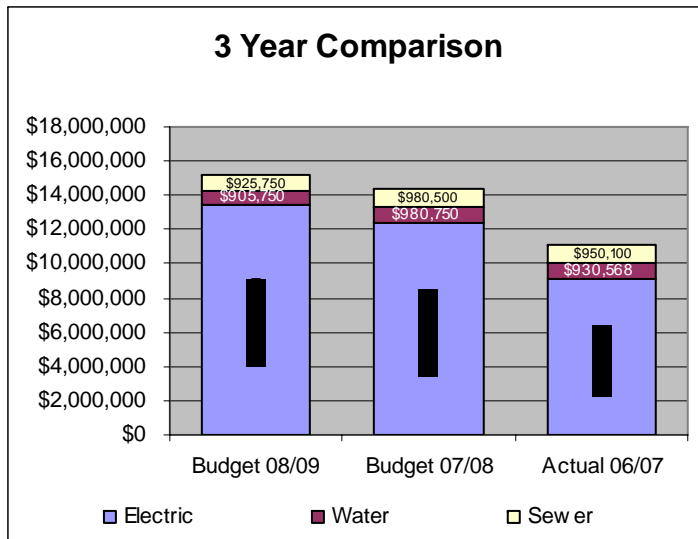


* Specific detail of the Board of Public Utilities' budget is contained in a separate document, consequently their numbers are not included in any of the City's charts and graphs contained in this document.

BOARD OF PUBLIC UTILITIES EXPENSES *	Budgets					
	Proposed 08/09	Current 07/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
Electric Department						
Purchased Power Cost	10,542,000	9,305,000	6,304,512	6,604,744	6,329,229	7,445,141
Total Production Expense	825,250	970,000	863,999	890,746	940,206	948,546
Total Transmission & Distribution Expense	1,108,500	1,118,000	1,164,928	994,123	979,198	935,666
Total Administration & General Expense	931,500	966,500	838,674	752,005	843,725	875,882
Total Electric Department Expense	13,407,250	12,359,500	9,172,113	9,241,618	9,092,358	10,205,235
Electric Department Net Income (Revenues less Expenses)	-417,250	376,500	3,498,674	729,350	958,388	79,275
Water Department						
Total Production Expense	61,000	61,500	55,740	50,336	44,536	63,011
Total Purification Expense	220,500	242,000	232,292	205,935	206,046	205,026
Total Distribution Expense	330,250	400,250	415,352	399,878	314,452	304,850
Total Administration & General Expense	294,000	277,000	227,184	223,520	236,543	222,606
Total Water Department Expense	905,750	980,750	930,568	879,669	801,577	795,493
Water Department Net Income (Revenues less Expenses)	594,500	450,000	459,566	99,283	179,185	176,157

* Specific detail of the Board of Public Utilities' budget is contained in a separate document, consequently their numbers are not included in any of the City's charts and graphs contained in this document.

BOARD OF PUBLIC UTILITIES EXPENSES *	Budgets					
	Proposed 08/09	Current 07/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
Sewer Department						
Total Collection Expense	162,750	181,500	177,480	202,331	171,880	204,281
Total Treatment Expense	486,000	510,750	559,491	508,910	612,076	588,623
Total Administration & General Expense	277,000	288,250	213,129	241,369	250,552	195,633
Total Sewer Department Expenses	925,750	980,500	950,100	952,610	1,034,508	988,537
Sewer Department Net Income (Revenues less Expenses)	-120,000	-222,250	-187,738	220,590	67,032	139,973
Total Utility Expenses	15,238,750	14,320,750	11,052,781	11,073,897	10,928,443	11,989,265
Total Utility Net Income (Loss)	57,250	604,250	3,770,502	1,049,223	1,204,605	395,405



* Specific detail of the Board of Public Utilities' budget is contained in a separate document, consequently their numbers are not included in any of the City's charts and graphs contained in this document.

BOARD OF PUBLIC UTILITIES CAPITAL PROJECTS *	Budget 08/09	Budget 07/08	Budget 06/07	Budget 05/06	Budget 04/05	Budget 03/04
Electric Department Capital Projects	1,645,000	725,000	2,125,000	455,000	382,000	1,075,000
Water Department Capital Projects	120,000	125,000	135,000	101,000	63,000	180,000
Sewer Department Capital Projects	337,000	350,000	350,000	112,000	162,000	756,000
Administration Capital Projects	90,000	48,500	82,500	45,000	0	132,500
Total Capital Projects	2,192,000	1,248,500	2,692,500	713,000	607,000	2,143,500

* Specific detail of the Board of Public Utilities' budget is contained in a separate document, consequently their numbers are not included in any of the City's charts and graphs contained in this document.

MAJOR/TRUNKLINE AND LOCAL STREETS

517-437-6491

Keith Richard- Director

krichard@ci.hillsdale.mi.us

Department Summary

This department is responsible for the maintenance and repair of a large portion of infrastructure found along 18.70 miles of major streets, 3.03 miles of State trunkline, and 25.38 miles of local streets within the City of Hillsdale. These areas of responsibility include surface, right-of-way, forestry, traffic, storm drains and winter maintenance. Maintenance tasks include street sweeping, asphalt patching, crack sealing, curb & gutter replacement, catch basin repairs, storm sewer repairs, traffic counts, pavement markings, tree replacement, brush pickup, issuance of Right-of-Way permits & inspections, road condition surveys, snow removal, and any other work done within the street right-of-way. In addition, this department maintains a state trunkline (M-99)

under a state contract where, with few exceptions, the City is reimbursed dollar for dollar for any maintenance work done along this portion of highway.

Department Goals

1. An infrastructure system that is designed to be functional, well-constructed and properly maintained to serve the people now and into the future.

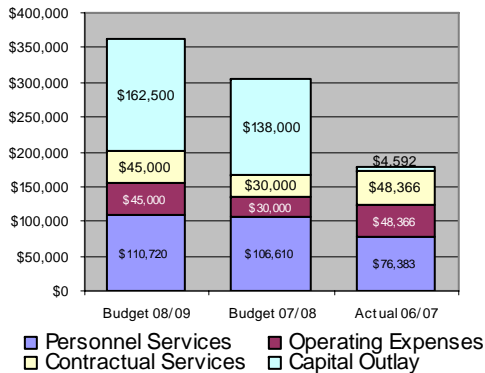
Department Objectives

- Facilitate completion of Phase II of the M-99 Reconstruction Project and continue planning for Phase III in 2009.
- Assist in the development phase of Three Meadows Subdivision.

Budget Summary

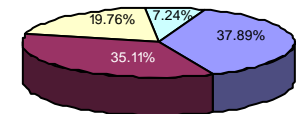
1. Personnel consists of 10,558 man-hours plus fringe benefits.
2. Operating expenses include supplies (asphalt, road salt, signs, etc.), equipment rental and general maintenance activities.
3. Contractual services include lawn maintenance, tree trimming, tree removal, pavement marking, railroad signal maintenance, televising and cleaning storm sewers, and traffic light maintenance.
4. Capital outlay for street reconstruction, paving, etc. is funded through the Capital Improvement Fund.

3 Year Comparison



Summary:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	0.05%	\$ 314,130	\$ 313,970	\$238,447
Operating Expenses	-5.64%	\$ 291,115	\$ 308,525	\$304,513
Contractual Services	0.61%	\$ 163,800	\$ 162,800	\$152,116
Transfers	-45.45%	\$ 60,000	\$ 110,000	\$85,037
Total	-7.40%	\$ 829,045	\$895,295	\$780,113

Proposed Budget



■ Personnel Services ■ Operating Exp
 ■ Contractual Services ■ Transfers

		Budgets						
FUND 202 MAJOR STREET FUND REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
546.000	STATE GRANT - GAS & WEIGHT TAX	420,000	420,000	209,442	428,455	433,406	438,893	455,168
546.048	STATE GRANT-METRO ROW ACT	13,000	13,200	0	13,072	13,130	14,251	12,933
546.110	STATE GRANT - ACT 110	0	0	0	0	0	0	0
547.000	STATE GRANT - TRUNKLINE MAINT.	40,000	40,000	22,037	38,863	36,230	53,600	40,360
665.000	INTEREST	2,000	3,500	3,421	3,247	7,926	6,116	1,529
692.000	OTHER REVENUE	1,000	0	4,548	1,116	4,672	48	1,727
692.039	OTHER REVENUE - BPU	0	0	466	0	0	0	400
692.470	OTHER REVENUE - TREES	500	0	3,400	1,372	0	350	0
TOTAL MAJOR STREET FUND REVENUES		476,500	476,700	243,314	486,125	495,364	513,258	512,117

		Budgets						
FUND 202 MAJOR STREET FUND EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
175.000 ADMINISTRATIVE SERVICES								
<i>Operating Expenses</i>								
955.000	MISCELLANEOUS	0	0	0	0	0	0	0
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	42,000	42,000	20,944	42,846	43,341	43,889	45,660
999.203	TRANSFER - LOCAL ST.	0	50,000	50,000	25,000	100,000	37,500	0
999.401	TRANSFER - CAPITAL IMPROVEMENT	0	0	0	0	75,000	0	22,500
		42,000	92,000	70,944	67,846	218,341	81,389	68,160
TOTAL ADMINISTRATIVE SERVICES		42,000	92,000	70,944	67,846	218,341	81,389	68,160
175.500 ADMIN. SERVICES - TRUNKLINE								
999.101	TRANSFER - GENERAL FUND	4,000	4,000	2,204	3,093	4,836	5,360	4,036
TOTAL ADMIN. SERVICES - TRUNKLINE		4,000	4,000	2,204	3,093	4,836	5,360	4,036

		Budgets						
FUND 202 MAJOR STREET FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
450.000 STREET SURFACE								
<i>Personnel Services</i>								
702.000	WAGES	21,390	20,985	7,011	11,173	26,794	17,661	15,919
703.000	OVERTIME PAY	1,600	1,600	87	983	7,796	1,231	2,041
720.000	EMPLOYER'S FICA	1,760	1,730	501	872	2,525	1,374	1,317
725.000	FRINGE BENEFITS - ALLOCATED	12,645	13,550	4,813	5,892	17,347	10,903	8,512
	Total Personnel Services	37,395	37,865	12,412	18,920	54,462	31,169	27,789
<i>Operating Expenses</i>								
726.000	SUPPLIES	10,000	15,000	4,989	6,115	20,468	14,439	8,267
940.000	EQUIPMENT RENTAL	25,000	25,000	14,565	26,711	39,499	27,772	23,195
	Total Operating Expenses	35,000	40,000	19,554	32,826	59,967	42,211	31,462
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	10,000	10,000	4,262	9,702	20,220	4,141	6,596
	TOTAL STREET SURFACE	82,395	87,865	36,228	61,448	134,649	77,521	65,847
450.500 TRUNKLINE SURFACE								
<i>Personnel Services</i>								
702.000	WAGES	4,800	4,665	828	2,744	3,128	7,200	5,035
703.000	OVERTIME PAY	250	250	46	257	0	33	342
720.000	EMPLOYER'S FICA	385	375	61	216	227	525	394
725.000	FRINGE BENEFITS - ALLOCATED	2,780	2,950	542	1,481	1,591	3,894	2,534
	Total Personnel Services	8,215	8,240	1,477	4,698	4,946	11,652	8,305
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,000	2,000	61	763	1,209	2,165	1,160
940.000	EQUIPMENT RENTAL	7,000	7,000	817	5,971	4,200	10,478	7,412
	Total Operating Expenses	8,000	9,000	878	6,734	5,409	12,643	8,572
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	500	500	0	153	447	561	281
	TOTAL TRUNKLINE SURFACE	16,715	17,740	2,355	11,585	10,802	24,856	17,158

		Budgets						
FUND 202 MAJOR STREET FUND EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
460.000 R.O.W. MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	15,000	14,145	9,526	15,033	13,108	9,827	12,918
703.000	OVERTIME PAY	200	200	76	12	0	0	834
720.000	EMPLOYER'S FICA	1,165	1,095	690	1,090	958	716	1,013
725.000	FRINGE BENEFITS - ALLOCATED	8,360	8,605	4,739	7,627	7,123	5,724	6,369
Total Personnel Services		24,725	24,045	15,031	23,762	21,189	16,267	21,134
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,500	2,500	1,441	1,322	348	144	1,257
940.000	EQUIPMENT RENTAL	20,000	18,000	20,108	28,422	27,532	18,425	19,272
Total Operating Expenses		21,500	20,500	21,549	29,744	27,880	18,569	20,529
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	16,000	16,000	16,885	15,372	17,331	24,128	15,035
TOTAL R.O.W. MAINTENANCE		62,225	60,545	53,465	68,878	66,400	58,964	56,698
460.500 TRUNKLINE R.O.W. MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	695	680	1,315	572	386	331	435
703.000	OVERTIME PAY	100	105	0	107	23	0	0
720.000	EMPLOYER'S FICA	60	60	93	49	30	24	32
725.000	FRINGE BENEFITS - ALLOCATED	435	470	662	340	208	176	148
Total Personnel Services		1,290	1,315	2,070	1,068	647	531	615
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	27	0	0	0	0
940.000	EQUIPMENT RENTAL	1,000	900	645	991	731	510	484
Total Operating Expenses		1,000	900	672	991	731	510	484
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	6,000	4,000	7,303	6,176	5,100	12,849	8,521
TOTAL TRUNKLINE R.O.W. MAINTENANCE		8,290	6,215	10,045	8,235	6,478	13,890	9,620

		Budgets						
FUND 202 MAJOR STREET FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
470.000 TREES								
<i>Personnel Services</i>								
702.000	WAGES	15,935	15,445	8,832	13,491	10,374	7,641	9,095
703.000	OVERTIME PAY	250	150	279	673	348	45	398
720.000	EMPLOYER'S FICA	1,240	1,195	654	1,005	792	542	676
725.000	FRINGE BENEFITS - ALLOCATED	8,900	9,355	5,528	6,933	5,696	4,459	4,526
	Total Personnel Services	26,325	26,145	15,293	22,102	17,210	12,687	14,695
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,000	2,000	233	7,336	3,511	192	369
940.000	EQUIPMENT RENTAL	5,000	5,000	3,059	4,933	3,841	2,277	3,025
	Total Operating Expenses	7,000	7,000	3,292	12,269	7,352	2,469	3,394
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	22,650	22,650	10,623	20,442	22,144	24,595	17,979
	TOTAL TREES	55,975	55,795	29,208	54,813	46,706	39,751	36,068
470.500 TRUNKLINE TREES								
<i>Personnel Services</i>								
702.000	WAGES	315	300	65	24	0	167	107
720.000	EMPLOYER'S FICA	25	25	5	2	0	12	8
725.000	FRINGE BENEFITS - ALLOCATED	170	195	11	13	302	0	21
	Total Personnel Services	510	520	81	39	302	179	136
<i>Operating Expenses</i>								
726.000	SUPPLIES	350	350	0	0	0	0	0
940.000	EQUIPMENT RENTAL	300	300	76	47	0	139	76
	Total Operating Expenses	650	650	76	47	0	139	76
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	750	2,250	16	41	535	100	0
	TOTAL TRUNKLINE TREES	1,910	3,420	173	127	837	418	212

		Budgets						
FUND 202MAJOR STREET FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
480.000 DRAINAGE								
<i>Personnel Services</i>								
702.000	WAGES	10,630	10,375	4,479	6,226	7,166	7,178	5,683
703.000	OVERTIME PAY	300	300	318	186	962	307	497
720.000	EMPLOYER'S FICA	835	815	341	459	591	541	449
725.000	FRINGE BENEFITS - ALLOCATED	6,015	6,405	3,209	3,129	3,972	4,264	2,920
Total Personnel Services		17,780	17,895	8,347	10,000	12,691	12,290	9,549
<i>Operating Expenses</i>								
726.000	SUPPLIES	5,000	4,000	680	1,721	4,339	5,199	537
940.000	EQUIPMENT RENTAL	6,500	7,500	4,146	5,632	8,575	5,735	3,797
Total Operating Expenses		11,500	11,500	4,826	7,353	12,914	10,934	4,334
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	14,000	9,500	7,129	11,968	1,680	3,007	9,343
TOTAL DRAINAGE		43,280	38,895	20,302	29,321	27,285	26,231	23,226
 480.500 TRUNKLINE R.O.W. DRAINAGE								
<i>Personnel Services</i>								
702.000	WAGES	2,465	2,410	542	997	559	417	661
703.000	OVERTIME PAY	400	400	0	82	10	0	102
720.000	EMPLOYER'S FICA	220	215	38	76	41	30	55
725.000	FRINGE BENEFITS - ALLOCATED	1,575	1,685	355	520	265	248	364
Total Personnel Services		4,660	4,710	935	1,675	875	695	1,182
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,000	1,500	0	0	6	9	1,593
940.000	EQUIPMENT RENTAL	1,500	2,500	1,809	832	494	213	256
Total Operating Expenses		2,500	4,000	1,809	832	500	222	1,849
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	800	800	263	104	10	5	852
TOTAL TRUNKLINE R.O.W. DRAINAGE		7,960	9,510	3,007	2,611	1,385	922	3,883

		Budgets						
FUND 202 MAJOR STREET FUND EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
490.000 TRAFFIC								
<i>Personnel Services</i>								
702.000	WAGES	9,470	9,395	4,251	10,404	17,177	7,623	11,046
703.000	OVERTIME PAY	250	200	288	1,639	662	42	557
720.000	EMPLOYER'S FICA	745	735	323	872	1,306	554	841
725.000	FRINGE BENEFITS - ALLOCATED	5,345	5,755	2,835	5,532	9,684	4,306	5,538
	Total Personnel Services	15,810	16,085	7,697	18,447	28,829	12,525	17,982
<i>Operating Expenses</i>								
726.000	SUPPLIES	10,000	12,500	4,352	12,353	16,623	8,075	8,794
920.000	UTILITIES	4,000	4,000	2,188	3,701	4,040	2,908	3,134
940.000	EQUIPMENT RENTAL	7,000	7,500	2,322	6,184	11,729	3,109	4,670
	Total Operating Expenses	21,000	24,000	8,862	22,238	32,392	14,092	16,598
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	19,000	13,200	4,113	19,898	8,695	5,776	7,758
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
	Total Contractual Services and Capital Outlay	19,000	13,200	4,113	19,898	8,695	5,776	7,758
TOTAL TRAFFIC		55,810	53,285	20,672	60,583	69,916	32,393	42,338

FUND 202MAJOR STREET FUND EXPENDITURES		Budgets						Actual 03/04
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	
490.500 TRUNKLINE TRAFFIC								
<i>Personnel Services</i>								
702.000	WAGES	780	755	290	272	238	283	825
703.000	OVERTIME PAY	75	75	66	59	83	0	231
720.000	EMPLOYER'S FICA	65	65	26	23	23	21	73
725.000	FRINGE BENEFITS - ALLOCATED	300	500	234	145	187	199	528
	Total Personnel Services	1,220	1,395	616	499	531	503	1,657
<i>Operating Expenses</i>								
726.000	SUPPLIES	100	500	20	66	630	491	553
920.000	UTILITIES	7,000	7,500	2,114	6,819	7,326	6,983	6,926
940.000	EQUIPMENT RENTAL	365	475	120	119	294	226	423
	Total Operating Expenses	7,465	8,475	2,254	7,004	8,250	7,700	7,902
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	500	1,600	60	21	82	41	26
	TOTAL TRUNKLINE TRAFFIC	9,185	11,470	2,930	7,524	8,863	8,244	9,585
500.000 WINTER MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	12,705	12,620	11,176	8,408	7,103	9,502	9,320
703.000	OVERTIME PAY	6,500	6,500	10,873	6,562	5,292	7,338	5,561
720.000	EMPLOYER'S FICA	1,470	1,465	1,599	1,081	901	1,228	1,093
725.000	FRINGE BENEFITS - ALLOCATED	10,560	11,470	17,490	7,283	6,458	9,439	7,181
	Total Personnel Services	31,235	32,055	41,138	23,334	19,754	27,507	23,155
<i>Operating Expenses</i>								
726.000	SUPPLIES	20,000	20,000	29,264	20,415	14,043	17,032	15,584
940.000	EQUIPMENT RENTAL	25,000	25,000	48,607	21,280	16,629	25,081	19,452
		45,000	45,000	77,871	41,695	30,672	42,113	35,036
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	1,800	1,800	536	1,760	900	756	370
	TOTAL WINTER MAINTENANCE	78,035	78,855	119,545	66,789	51,326	70,376	58,561

FUND		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
202	MAJOR STREET FUND EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
	500.500 TRUNKLINE WINTER MAINTENANCE							
	<i>Personnel Services</i>							
702.000	WAGES	3,055	2,730	1,959	894	639	1,476	958
703.000	OVERTIME PAY	2,500	2,000	3,032	2,397	1,911	2,334	1,827
720.000	EMPLOYER'S FICA	425	360	367	238	797	278	205
725.000	FRINGE BENEFITS - ALLOCATED	3,060	2,835	4,059	1,613	1,336	2,165	1,373
	Total Personnel Services	9,040	7,925	9,417	5,142	4,683	6,253	4,363
	<i>Operating Expenses</i>							
726.000	SUPPLIES	5,500	4,500	9,986	6,601	4,015	6,349	4,815
940.000	EQUIPMENT RENTAL	6,000	5,000	11,264	5,799	3,288	6,378	4,409
	Total Operating Expenses	11,500	9,500	21,250	12,400	7,303	12,727	9,224
	TOTAL TRUNKLINE WINTER MAINTENANCE	20,540	17,425	30,667	17,542	11,986	18,980	13,587
	TOTAL MAJOR STREET FUND EXPENDITURES	488,320	537,020	401,745	460,395	659,810	459,295	408,979

FUND MAJOR STREET FUND REVENUES	Budgets						
	Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
546.000 STATE GRANT - GAS & WEIGHT TAX	140,000	140,000	68,914	140,985	142,699	144,455	149,610
546.048 STATE GRANT - METRO ROW ACT	13,000	13,200	0	13,072	13,130	14,251	12,933
634.000 MAINT. ADJACENT MUNICIPAL STRS	0	0	305	0	0	0	3,036
692.000 OTHER REVENUE	0	0	0	238	156	0	182
692.039 OTHER REVENUE - BPU	0	0	0	0	0	0	0
692.470 OTHER REVENUE - TREES	1,000	0	1,600	3,502	0	0	0
699.101 TRANSFERS IN - GENERAL FUND	186,725	155,075	77,550	151,970	40,000	55,615	107,150
699.202 TRANSFERS IN - MAJOR STREETS	0	50,000	50,000	25,000	100,000	37,500	0
Total Revenues	340,725	358,275	198,369	334,767	295,985	251,821	272,911

FUND MAJOR STREET FUND EXPENDITURES	Budgets						
	Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
175.000 ADMINISTRATIVE SERVICES							
999.101 TRANSFER - GENERAL FUND	14,000	14,000	6,891	14,098	14,270	14,446	14,988
TOTAL ADMINISTRATIVE SERVICES	14,000	14,000	6,891	14,098	14,270	14,446	14,988
450.000 STREET SURFACE							
<i>Personnel Services</i>							
702.000 WAGES	21,050	20,965	5,293	13,517	16,067	20,225	13,305
703.000 OVERTIME PAY	1,000	1,000	244	554	3,251	380	322
720.000 EMPLOYER'S FICA	1,685	1,680	394	1,011	1,163	1,500	992
725.000 FRINGE BENEFITS - ALLOCATED	12,130	13,180	4,044	6,795	10,460	10,567	6,676
Total Personnel Services	35,865	36,825	9,975	21,877	30,941	32,672	21,295
<i>Operating Expenses</i>							
726.000 SUPPLIES	15,000	25,000	7,206	15,539	16,050	11,159	6,522
940.000 EQUIPMENT RENTAL	25,000	25,000	7,905	21,451	25,848	25,009	15,505
Total Operating Expenses	40,000	50,000	15,111	36,990	41,898	36,168	22,027
<i>Contractual Services and Capital Outlay</i>							
801.000 CONTRACTUAL SERVICES	9,000	9,000	13,447	10,405	9,580	4,963	3,349
TOTAL STREET SURFACE	84,865	95,825	38,533	69,272	82,419	73,803	46,671

FUND 203 LOCAL STREET FUND EXPENDITURES		Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
460.000 R.O.W. MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	21,380	16,460	8,893	20,124	13,829	15,992	16,884
703.000	OVERTIME PAY	250	100	0	1,456	42	76	20
720.000	EMPLOYER'S FICA	1,655	1,265	632	1,552	1,007	1,169	1,244
725.000	FRINGE BENEFITS - ALLOCATED	11,895	9,935	3,626	10,316	7,243	8,777	7,977
	Total Personnel Services	35,180	27,760	13,151	33,448	22,121	26,014	26,125
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,000	3,000	81	4,957	91	223	584
940.000	EQUIPMENT RENTAL	28,000	26,000	19,301	33,406	27,283	23,828	24,886
	Total Operating Expenses	29,000	29,000	19,382	38,363	27,374	24,051	25,470
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	17,000	15,500	9,846	17,185	12,248	13,272	11,776
	TOTAL R.O.W. MAINTENANCE	81,180	72,260	42,379	88,996	61,743	63,337	63,371
470.000 TREES								
<i>Personnel Services</i>								
702.000	WAGES	14,190	16,360	10,395	17,637	11,230	6,469	12,269
703.000	OVERTIME PAY	300	300	349	557	187	173	202
720.000	EMPLOYER'S FICA	1,110	1,275	770	1,289	843	470	888
725.000	FRINGE BENEFITS - ALLOCATED	7,970	9,995	6,732	8,961	6,040	3,824	5,771
	Total Personnel Services	23,570	27,930	18,246	28,444	18,300	10,936	19,130
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,500	2,000	172	6,313	4,420	149	508
940.000	EQUIPMENT RENTAL	5,000	5,000	3,633	7,261	3,907	2,638	2,558
	Total Operating Expenses	7,500	7,000	3,805	13,574	8,327	2,787	3,066
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	30,000	36,500	18,729	28,916	24,902	36,405	32,077
	TOTAL TREES	61,070	71,430	40,780	70,934	51,529	50,128	54,273

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 203 LOCAL STREET FUND EXPENDITURES		08/09	07/08Thru	02/08	06/07	05/06	04/05	03/04
480.000 DRAINAGE								
	<i>Personnel Services</i>							
702.000	WAGES	8,005	7,845	4,293	6,190	3,560	6,835	4,078
703.000	OVERTIME PAY	150	150	513	33	11	83	375
720.000	EMPLOYER'S FICA	625	610	343	446	258	501	326
725.000	FRINGE BENEFITS - ALLOCATED	4,485	4,800	3,131	3,017	1,875	3,942	2,119
	Total Personnel Services	13,265	13,405	8,280	9,686	5,704	11,361	6,898
	<i>Operating Expenses</i>							
726.000	SUPPLIES	1,500	2,500	1,383	870	729	1,972	1,282
940.000	EQUIPMENT RENTAL	7,500	7,500	7,100	10,808	6,196	8,071	3,664
	Total Operating Expenses	9,000	10,000	8,483	11,678	6,925	10,043	4,946
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	12,500	15,500	2,566	8,109	3,225	2,531	4,551
	TOTAL DRAINAGE	34,765	38,905	19,329	29,473	15,854	23,935	16,395
490.000 TRAFFIC								
	<i>Personnel Services</i>							
702.000	WAGES	4,155	4,290	1,316	2,904	3,623	2,972	5,013
703.000	OVERTIME PAY	150	150	0	0	110	0	86
720.000	EMPLOYER'S FICA	330	340	94	211	273	218	373
725.000	FRINGE BENEFITS - ALLOCATED	2,370	2,665	903	1,320	2,026	1,550	2,390
	Total Personnel Services	7,005	7,445	2,313	4,435	6,032	4,740	7,862
	<i>Operating Expenses</i>							
726.000	SUPPLIES	4,000	5,500	1,244	2,298	3,089	3,699	3,655
940.000	EQUIPMENT RENTAL	2,500	3,000	941	2,020	2,125	1,544	1,888
	Total Operating Expenses	6,500	8,500	2,185	4,318	5,214	5,243	5,543
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	3,000	3,400	1,173	1,864	1,987	1,450	4,101
	TOTAL TRAFFIC	16,505	19,345	5,671	10,617	13,233	11,433	17,506

		Budgets						
FUND 203 LOCAL STREET FUND EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
500.000 WINTER MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	10,435	10,865	6,968	6,503	3,889	5,943	6,630
703.000	OVERTIME PAY	2,500	2,500	2,773	428	525	2,453	1,015
720.000	EMPLOYER'S FICA	990	1,025	710	502	323	615	564
725.000	FRINGE BENEFITS - ALLOCATED	7,115	8,020	8,230	3,438	2,275	4,647	3,679
	Total Personnel Services	21,040	22,410	18,681	10,871	7,012	13,658	11,888
<i>Operating Expenses</i>								
726.000	SUPPLIES	12,000	9,500	17,593	10,786	6,020	10,020	9,705
940.000	EQUIPMENT RENTAL	15,000	14,000	25,794	14,671	8,508	14,552	13,714
	Total Operating Expenses	27,000	23,500	43,387	25,457	14,528	24,572	23,419
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	300	600	142	0	0	0	100
	TOTAL WINTER MAINTENANCE	48,340	46,510	62,210	36,328	21,540	38,230	35,407
505.000 MAINT.OF ADJACENT MUNICIPAL ST								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	0	0	0	175
703.000	OVERTIME PAY	0	0	0	0	0	0	208
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	28
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	210
	Total Personnel Services	0	0	0	0	0	0	621
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	1,519
	Total Operating Expenses	0	0	0	0	0	0	1,519
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	0	0	0	0	0	0	0
	TOTAL MAINT.OF ADJACENT MUNICIPAL ST	0	0	0	0	0	0	4,280
TOTAL LOCAL ST. FUND EXPENDITURES		340,725	358,275	215,793	319,718	260,588	275,312	252,891

DIAL-A-RIDE

517-437-3385

Michael Mitchell – Transportation Coordinator

517-437-6704 (alt.)

Department Summary

Dial-A-Ride provides demand-response public transportation service to City of Hillsdale residents. They transport a wide variety of people to and from school, work, appointments, shopping facilities, and various other sites located within the City limits. The system does not run regular routes, services are provided upon request between the hours of 7:25 a.m. and 4:25 p.m. Monday through Friday.

The bus fleet consists of six (6) buses with wheelchair lifts, which are provided by the State of Michigan. Five (5) of these buses are in use daily and one is used as a standby or back-up bus. Approximately 250-275 people ride our buses each day, except during the summer months of June to August, when school is not in session. During this time, buses transport approximately 150 fares per day. Adult's pay \$2.00

per ride, with children and senior/disabled passengers paying \$1.00 per ride.

Dial-A-Ride is funded from federal sources (16%), state sources (36%), fares (13%) and a local subsidy (35%). Buses are funded through the federal and state grants at 100%.

Department Goals

1. Provide safe and efficient transportation for residents of the City.
2. Maintain a courteous and professional attitude at all times .
3. Improve response time to each call.
4. Reduce local subsidy to 30%.

Department Objectives

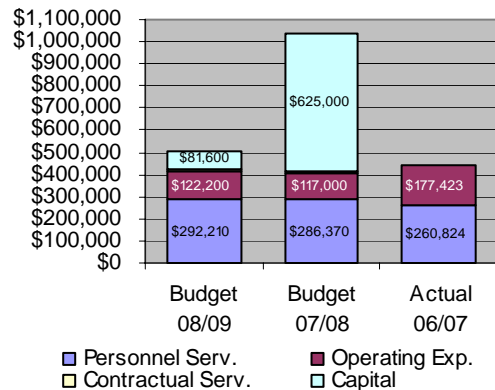
- Train drivers how to deal with the public courteously.

- Assist drivers in job stress management.
- Increase operating revenues.

Budget Summary

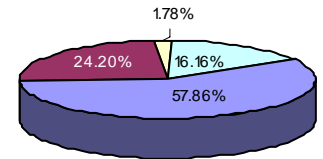
1. Personnel costs cover wages and benefits for five full-time drivers and one dispatcher.
2. Operating expenses include everything essential for daily operations (supplies, fuel, parts, etc.), building rentals, and administrative services.
3. Contractual services consist of bus repairs not done by the City mechanics.
4. Capital outlay consists of an appropriation for one replacement bus. Appropriations for construction of a new bus storage and dispatch facility can be found in the Capital Improvement Fund. (401).

3 Year Comparison



Summary:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	2.04%	\$ 292,210	\$ 286,370	\$ 260,824
Operating Expenses	4.44%	\$ 122,200	\$ 117,000	\$ 177,423
Contractual Services	0.00%	\$ 9,000	\$ 9,000	\$ 7,831
Capital Outlay	-86.94%	\$ 81,800	\$ 625,000	\$ 0
Total	-51.32%	\$ 505,010	\$ 1,037,370	\$ 446,078

Proposed Budget



- Personnel Serv.
- Operating Exp.
- Contractual Serv.
- Capital

		Budgets						
FUND 588 DIAL-A-RIDE REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
529.000	FEDERAL GRANT	67,750	61,855	34,588	67,016	66,510	44,892	82,795
569.000	STATE GRANT	153,060	159,255	75,272	167,029	173,031	160,634	150,763
569.001	STATE GRANT - MARKETING	0	0	0	0		0	0
569.588	STATE GRANT - CAPITAL	81,600	625,000	0	375	73,410	0	81,697
651.000	USE AND ADMISSION FEES	55,000	55,000	38,348	59,012	59,003	49,977	43,269
673.000	SALE OF CITY PROPERTY	1,000	0	0	0	0	0	2,551
692.000	OTHER REVENUE	0	0	594	471	0	5,905	3,329
699.101	TRANSFERS IN - GENERAL FUND	146,600	136,260	68,130	102,050	57,950	68,260	120,785
TOTAL D.A.R.T. REVENUES		505,010	1,037,370	216,932	395,953	429,904	329,668	485,189

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 588 DIAL-A-RIDE EXPENDITURES		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
175.000 ADMINISTRATIVE SERVICES								
999.101	TRANSFER - GENERAL FUND	50,000	50,000	0	60,867	0	0	0
	TOTAL ADMINISTRATIVE SERVICES	50,000	50,000	0	60,867	0	0	0
588.000 DIAL-A-RIDE								
	<i>Personnel Services</i>							
702.000	WAGES	159,500	157,910	103,257	148,058	144,759	146,955	147,457
703.000	OVERTIME PAY	4,000	5,900	2,708	3,470	5,524	11,946	13,683
704.000	SICK TIME PAY	6,300	5,370	3,204	5,763	5,482	4,696	6,138
705.000	VACATION TIME PAY	11,100	10,500	7,641	9,373	8,788	7,730	4,902
706.000	PERSONAL TIME PAY	2,000	1,960	1,460	1,670	2,510	1,827	1,727
707.000	LONGEVITY PAY	5,700	5,300	0	4,880	4,064	4,030	3,420
710.000	HOLIDAY AND OTHER PAY	6,875	6,710	5,257	6,410	7,155	14,224	8,788
715.000	HEALTH AND LIFE INSURANCE	68,160	66,750	41,677	59,567	53,091	52,553	43,868
716.000	RETIREMENT	300	300	300	300	300	300	300
717.000	WORKERS' COMPENSATION	5,000	4,850	3,662	4,519	3,947	3,974	3,166
718.000	UNEMPLOYMENT INSURANCE	600	600	600	600	600	600	600
720.000	EMPLOYER'S FICA	14,900	15,300	8,557	12,551	12,693	13,446	13,653
721.000	DISABILITY INSURANCE	775	750	507	764	669	713	795
725.000	FRINGE BENEFITS - ALLOCATED	7,000	4,170	2,987	2,899	2,361	4,661	6,595
	Total Personnel Services	292,210	286,370	181,817	260,824	251,943	267,655	255,092
	<i>Operating Expenses</i>							
726.000	SUPPLIES	1,000	1,000	986	5,474	1,284	748	1,304
730.000	VEH./EQUIP. MAINT. SUPPLIES	15,000	10,000	8,450	6,691	6,753	14,853	14,809
740.000	FUEL AND LUBRICANTS	30,000	25,800	19,571	28,239	26,615	21,286	14,221
742.000	CLOTHING / UNIFORMS	0	0	0	0	0	0	0
850.000	INSURANCE	9,000	12,000	8,209	10,043	14,582	16,553	18,127
861.000	TRAINING & SEMINARS	0	0	0	859	0	0	165
900.000	PRINTING	400	650	154	365	521	519	702
905.000	PUBLISHING / NOTICES	100	100	0	0	356	53	32
925.000	TELEPHONE	750	1,500	370	1,615	1,439	1,521	1,476
950.000	RENTALS	15,600	15,600	10,400	15,600	15,600	15,600	14,600
955.000	MISCELLANEOUS	0	0	0	0	0	0	0
955.588	MISC. - CDL LICENSING/TESTING	350	350	82	355	419	410	316
955.905	MISCELLANEOUS - DART MARKETING	0	0	0	0	0	0	0
968.000	DEPRECIATION	0	0	0	47,315	57,194	57,576	57,131
	Total Operating Expenses	72,200	67,000	48,222	116,556	124,763	129,119	122,883

		Budgets						
FUND 588	DIAL-A-RIDE EXPENDITURES	Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
	<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	9,000	9,000	5,797	7,456	52,561	2,228	6,691
801.588	CONT SERV - ENGINEERING	0	0	0	375	0	3,902	37,207
970.000	CAPITAL OUTLAY	81,600	625,000	0	0	0	0	0
	Total Operating Expenses	140,600	684,000	5,797	68,698	52,561	6,130	43,898
	TOTAL D.A.R.T. EXPENDITURES	505,010	1,037,370	235,836	446,078	429,267	402,904	421,873

HILLSDALE COMMUNITY LIBRARY

517-437-6472

Mark Maier - Director

mmaier@hillsdale-library.org

Department Summary

The Hillsdale Community Library is dedicated to providing access to informational, educational, cultural and recreational materials and services in a variety of formats and technologies. The library is committed to achieving these goals within the context of the needs of the local community. Capital improvement plans are to repay the remaining cost for construction of the new facility.

Department Goals

1. Provide responsive service that meets the community's needs and interests
2. Increase access to the library's collections
3. Continue to better position the library in the mind of the community
4. Develop and improve fundraising operations

5. Increase staff productivity and ensure the delivery of effective library services

Department Objectives

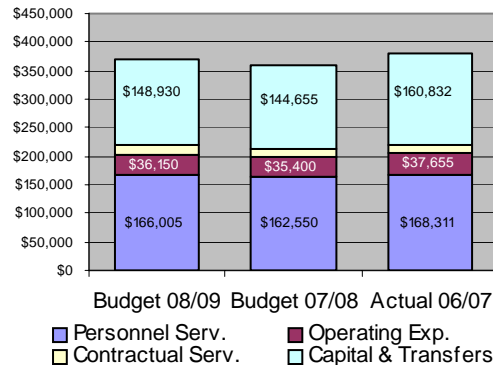
- Provide opportunities (and budget resources) for staff development
- Further develop website and related technologies
- Develop marketing plan to promote library resources, services, and programs
- Evaluate job descriptions and staff scheduling to ensure maximum efficiency of personnel

Budget Summary

1. Personnel services cover the cost of wages and benefits for two (2) full time and seven (7) part-time employees.

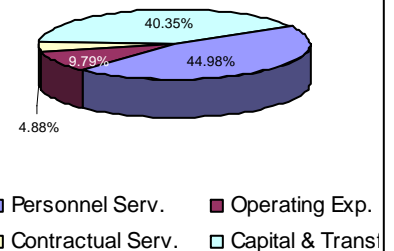
2. Operating expenses include those things essential for operations such as non print materials, supplies, staff training, and building maintenance.
3. Contractual services include payments for equipment upkeep, cleaning services, computer maintenance, service contracts for the fire alarm system, the library automation system, microfilming of newspapers and membership payment to Woodlands Library Cooperative.
4. Capital outlay items are new book purchases and a transfer to the Bond & Interest Redemption Fund for the annual payment of the building loan.

3 Year Comparison



Summary:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	2.13%	\$ 166,005	\$162,550	\$168,311
Operating Expenses	2.12%	\$ 36,150	\$ 35,400	\$ 37,655
Contractual Services	20.00%	\$ 18,000	\$ 15,000	\$ 14,155
Capital Outlay & Transfers	2.96%	\$ 148,930	\$144,655	\$160,832
Total	3.21%	\$ 369,085	\$357,605	\$380,953

Proposed Budget



		Budgets						
FUND 271 LIBRARY FUND REVENUES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
402.000	CURRENT TAXES	159,000	155,000	145,064	148,080	141,015	140,309	136,231
412.000	DELINQUENT TAXES	400	300	294	595	1,155	57	254
437.000	INDUSTRIAL FACILITIES TAX	6,000	6,000	6,495	5,749	6,659	8,043	8,396
520.000	FEDERAL GRANTS -LITERACY	0	0	0	0	0	0	0
523.000	FEDERAL GRANTS - REC & CULTURE	0	0	0	0	0	0	0
569.000	STATE GRANT	5,000	6,000	5,134	9,334	8,564	4,432	5,768
574.000	STATE REVENUE SHARING	8,105	8,105	0	8,105	8,105	8,105	12,547
587.000	CONT./LOCAL UNITS-CULTURE/REC.	16,800	16,800	0	22,800	12,800	15,466	8,810
588.000	SUBSCRIPTION CARD SALES	3,000	3,000	2,318	3,271	3,439	113	0
629.000	COPIES / DUPLICATING	3,000	2,500	2,151	3,348	2,557	2,420	2,357
656.000	PENAL FINES	42,500	49,500	0	46,457	49,720	43,223	45,655
657.000	BOOK FINES	3,500	3,500	2,562	3,733	3,571	3,538	3,449
658.000	ORDINANCE FINES	2,500	4,000	1,460	2,611	4,314	5,092	5,588
665.000	INTEREST	7,000	8,500	6,290	9,568	7,784	3,713	1,485
667.000	RENTS	400	500	236	404	488	72	20
667.271	RENTS-MEETING ROOMS	2,000	2,000	710	2,335	2,640	33	0
675.000	CONTRIBUTIONS AND DONATIONS	1,000	0	222	5,282	(2,686)	12,073	7,680
675.790	CONYR. & DON'T. - BOOK CLUB	500	500	1,136	2,152	357	25	0
675.792	CONTR. & DON'T. - CHILD. LIBRARY	3,500	3,500	379	5,135	2,379	4,002	350
692.000	OTHER REVENUE	4,600	4,500	2,866	4,799	7,584	7,152	10,217
694.000	CASH OVER & (SHORT)	0	0	0	0	0	0	0
	TOTAL LIBRARY REVENUES	268,805	274,205	177,317	283,758	260,445	257,868	248,807

		Budgets						
FUND 271 LIBRARY FUND EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
790.000 LIBRARY								
<i>Personnel Services</i>								
702.000	WAGES	111,520	115,215	66,842	107,467	112,264	114,869	105,847
704.000	SICK TIME PAY	2,130	805	1,153	4,582	1,159	505	2,965
705.000	VACATION TIME PAY	3,475	2,595	2,652	6,751	3,576	3,911	5,602
706.000	PERSONAL TIME PAY	800	780	559	1,099	1,303	697	1,060
707.000	LONGEVITY PAY	960	720	0	1,380	1,700	1,360	2,085
710.000	HOLIDAY AND OTHER PAY	10,550	8,535	6,787	8,973	9,060	8,690	8,661
715.000	HEALTH AND LIFE INSURANCE	19,500	17,550	11,298	21,571	34,752	32,214	17,469
716.000	RETIREMENT	6,240	5,685	3,805	5,894	6,916	4,231	200
717.000	WORKERS' COMPENSATION	350	250	183	256	210	187	163
718.000	UNEMPLOYMENT INSURANCE	200	200	200	400	400	400	400
720.000	EMPLOYER'S FICA	9,900	9,845	5,766	9,571	9,263	9,544	9,300
721.000	DISABILITY INSURANCE	380	370	182	367	475	484	400
Total Personnel Services		166,005	162,550	99,427	168,311	181,078	177,092	154,152
<i>Operating Expenses</i>								
726.000	SUPPLIES	6,000	6,000	4,532	6,525	4,350	5,811	6,266
734.000	POSTAGE	500	500	356	328	104	160	200
750.000	PERIODICALS / MAGAZINES	1,400	1,700	1,349	1,989	1,521	919	2,682
810.000	DUES AND SUBSCRIPTIONS	700	700	346	576	270	212	91
815.000	LIBRARY GRANT EXPENDITURES	0	0	0	0	0	0	0
860.000	TRANSPORTATION AND MILEAGE	500	500	241	492	511	41	180
861.000	TRAINING & SEMINARS	800	800	65	60	320	365	188
862.000	LODGING AND MEALS	300	300	109	262	54	0	0
905.000	PUBLISHING / NOTICES	100	100	65	0	125	467	401
920.000	UTILITIES	17,000	17,000	11,222	19,245	17,678	15,976	15,920
925.000	TELEPHONE	1,350	1,300	777	1,337	1,751	1,429	2,868
930.000	REPAIRS & MAINTENANCE	3,000	2,000	2,854	2,354	764	3,539	965
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
964.000	REFUNDS AND REBATES	0	0	0	0	0	0	0
Total Operating Expenses		31,650	30,900	21,916	33,168	27,448	28,919	29,761

		Budgets						
FUND 271 LIBRARY FUND REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	18,000	15,000	13,081	14,155	11,896	10,893	16,212
970.000	CAPITAL OUTLAY	1,000	0	0	4,471	1,954	9,537	8,861
982.000	BOOKS	16,000	16,000	8,252	12,542	14,302	9,039	12,461
982.001	BOOKS - FROM DONATION MONIES	0	0	0	106	622	0	0
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	2,000	2,000	2,000	2,000	2,000	2,000	2,000
999.471	TRANSFER TO LIBRARY IMPR FUND	42,465	36,255	0	49,000	45,500	34,200	0
Total Contractual Services and Capital Outlay/Transfers		79,465	69,255	23,333	82,274	76,274	65,669	39,534
TOTAL LIBRARY		277,120	262,705	144,676	283,753	284,800	271,680	223,447
792.000 LIBRARY - CHILDREN'S AREA								
726.000	SUPPLIES	1,000	1,000	1,090	1,182	1,102	564	2,730
726.792	SUPPLIES - SUMMER READING PROGRAM	3,500	3,500	1,224	3,305	1,729	3,225	0
982.000	BOOKS	5,000	5,000	4,676	4,347	4,848	5,860	5,767
982.001	BOOKS - FROM DONATION MONIES	0	0	0	31	0	0	0
TOTAL LIBRARY - CHILDREN'S AREA		9,500	9,500	6,990	8,865	7,679	9,649	8,497
TOTAL LIBRARY EXPENDITURES		286,620	272,205	151,666	292,618	292,479	281,329	231,944

		Budgets						
FUND 471 LIBRARY IMPROVE. REVENUES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
665.000	INTEREST	0	0	0	0	0	133	14,464
675.000	CONTRIBUTIONS AND DONATIONS	40,000	49,145	41,702	39,986	63,322	56,427	98,311
698.790	PROCEEDS FROM NOTE ISSUANCE	0	0	0	0	0	0	0
699.271	TRANSFER IN - LIBRARY	42,465	36,255	0	49,000	45,500	34,200	0
TOTAL LIBRARY IMPROVE. REVENUES		82,465	85,400	41,702	88,986	108,822	90,760	112,775

		Budgets						
FUND 471 LIBRARY IMPROVE. EXPENDITURES		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
790.000 LIBRARY								
726.000	SUPPLIES	0	0	0	0	0	0	611
801.000	CONTRACTUAL SERVICES	0	0	0	0	0	0	0
970.000	CAPITAL OUTLAY	0	0	0	0	17,365	0	41,509
999.362	TRANSFER - BOND & INT. REDEM.	82,465	85,400	43,065	88,335	91,270	94,200	97,200
TOTAL LIBRARY IMPROVE. EXPENDITURES		82,465	85,400	43,065	88,335	108,635	94,200	139,320

RECREATION DEPARTMENT

517-437-6457

Michelle Loren– Director

hdrecdpt@ci.hillsdale.mi.us

Department Summary

The purpose of the Recreation Department is to provide competitive, noncompetitive and leisure recreation programs for residents of all ages for the City of Hillsdale which contributes toward the making of a healthy and united community.

Approximately 75% of the Recreation Department's revenues come from various user fees and sales. The remaining quarter is subsidized by the General Fund.

The Recreation Department is also responsible for a small portion of the maintenance of the City park system as well as the operation of Sandy Beach. This department also coordinates events at Fields of Dreams and works with the Fields of Dreams Committee to further the

development of the facility and continued maintenance.

Department Goals

1. To provide and develop a diverse range of quality programs and facilities.
2. To better utilize and improve the community's existing resources.

Department Objectives

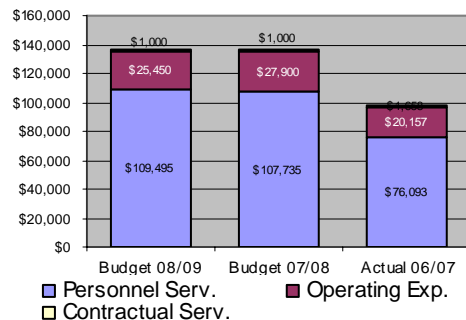
- Improve parks facilities, equipment, and infrastructure.
- Put in place technology to facilitate on-line registration.
- Provide training and program expectations.
- Organize fundraisers in order to enhance

facilities and programming.

Budget Summary

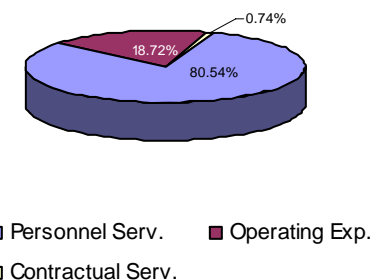
1. Personnel in the department consists of one fulltime director and several part-time/seasonal staff (summer beach staff, referees, supervisors, umpires, etc).
2. Operating expenses include: supplies, utilities, equipment rentals, items for pass-through sale, etc.
3. Contractual services are: well water testing, lifeguard certification fees and other miscellaneous operations fees.
4. No capital outlay items are planned for this budget year.

3 Year Comparison



Summary:	Percent Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	1.63%	\$ 109,495	\$ 107,735	\$ 76,093
Operating Expenses	-8.78%	\$ 25,450	\$ 27,900	\$ 20,157
Contractual Services	0.00%	\$ 1,000	\$ 1,000	\$ 1,658
Capital Outlay	0.00%	\$ 0	\$ 0	\$ 0
Total	0.50%	\$ 136,645	\$ 136,635	\$ 97,908

Proposed Budget



		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 208	RECREATION FUND REVENUES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
644.000	CONCESSION SALES	3,100	2,600	1,651	2,704	870	3,018	2,714
646.000	AMUSEMENT TICKET SALES	2,000	5,000	1,169	3,287	3,638	4,479	5,683
651.000	USE AND ADMISSION FEES	7,000	4,200	3,749	7,678	2,402	2,009	2,732
653.000	TEAM AND EVENT FEES	13,150	13,150	12,268	14,644	13,018	13,600	13,110
653.001	YOUTH PROGRAM FEES	27,050	27,050	13,671	19,170	27,878	22,498	26,870
667.000	RENTS	30,000	30,000	10,358	26,475	20,852	19,655	19,973
675.000	CONTRIBUTIONS AND DONATIONS	500	500	50	0	0	0	0
692.000	OTHER REVENUE	3,000	1,000	2,105	3,438	855	1,857	1,574
699.101	TRANSFERS IN - GENERAL FUND	50,145	53,135	40,135	25,200	22,590	31,015	50,000
	TOTAL RECREATION REVENUES	135,945	136,635	85,156	102,596	92,103	98,131	122,656

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 208	RECREATION FUND EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
751.000 RECREATION DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	76,500	75,420	45,692	66,131	49,857	49,007	49,635
704.000	SICK TIME PAY	300	1,000	147	71	0	0	562
705.000	VACATION TIME PAY	2,115	3,300	1,030	571	511	785	1,451
706.000	PERSONAL TIME PAY	490	450	441	0	0	37	580
707.000	LONGEVITY PAY	700	600	600	0	0	0	240
710.000	HOLIDAY AND OTHER PAY	1,710	1,500	1,177	143	0	0	1,524
715.000	HEALTH AND LIFE INSURANCE	16,200	14,500	9,388	2,169	0	0	12,224
716.000	RETIREMENT	3,450	2,855	2,013	267	0	102	50
717.000	WORKERS' COMPENSATION	1,550	1,600	2,176	1,573	1,515	1,416	1,060
718.000	UNEMPLOYMENT INSURANCE	100	100	100	100	100	100	100
720.000	EMPLOYER'S FICA	6,260	6,305	3,600	5,051	3,815	3,782	3,897
721.000	DISABILITY INSURANCE	120	105	67	17	0	0	179
Total Personnel Services		109,495	107,735	66,431	76,093	55,798	55,229	71,502
<i>Operating Expenses</i>								
726.000	SUPPLIES	15,000	14,450	9,585	12,325	12,443	10,207	13,896
726.006	CONCESSION SUPPLIES	2,000	1,850	432	1,505	1,231	856	813
761.000	ITEMS FOR PASS THRU SALES	2,000	4,800	818	3,906	2,660	6,679	6,157
810.000	DUES AND SUBSCRIPTIONS	500	1,000	361	250	500	344	1,540
812.000	OUTSIDE PROGRAM FEES	2,500	2,500	75	899	945	1,414	827
860.000	TRANSPORTATION AND MILEAGE	300	300	67	152	0	0	0
861.000	TRAINING & SEMINARS	1,000	1,000	0	0	0	0	552
862.000	LODGING AND MEALS	300	150	0	30	0	0	135
900.000	PRINTING	100	100	0	0	0	25	366
905.000	PUBLISHING / NOTICES	350	350	182	25	0	0	43
920.000	UTILITIES	0	0	0	0	385	0	0
925.000	TELEPHONE	1,200	1,200	524	1,055	977	1,178	1,130
930.000	REPAIRS & MAINTENANCE	0	0	1,492	10	0	0	0
940.000	EQUIPMENT RENTAL	200	200	0	0	120	183	0
963.000	WRITE OFF BAD DEBT(S)	0	0	0	0	0	0	0
Total Operating Expenses		25,450	27,900	13,536	20,157	19,261	20,886	25,459

FUND 208 RECREATION FUND EXPENDITURES		Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	1,000	1,000	1,157	1,658	17,048	21,201	24,877
970.000	CAPITAL OUTLAY	0	0	0	0	0	643	2,446
<i>Total Contractual Services and Capital Outlay</i>		1,000	1,000	1,157	1,658	17,048	21,844	27,323
TOTAL RECREATION EXPENDITURES		135,945	136,635	81,124	97,908	92,107	97,959	124,284

CAPITAL IMPROVEMENTS

Department Summary

The Capital Improvement Fund is used to account for most major capital and infrastructure improvements made in the city. The fund depends on grants or transfers from other funds (i.e., General Fund, TIFA) for revenue as it has no specific source for collection of revenues. Projects included in the CIF represent significant investments in organizational or a community infrastructure. There will no impact on future operating budgets from these projects except through non-quantifiable efficiencies.

In the past several years, the City of Hillsdale, in cooperation with the Board of Public Utilities (BPU), had formulated a formal five/ten Capital Improvement Plan (CIP). Because the current economic climate in Hillsdale has been very difficult, as several factories have closed in the past few years, City council has not been willing to borrow nor increase taxes. As a result, that plan is now obsolete. The 2008/2009 budget presentation includes those projects to be undertaken during the year that can be funded with available cash from current operations as well as a sketchy overview of projects being discussed for 2009-12. Future capital projects beyond that are included so discussion can begin in advance and potential

funding sources explored. This should allow greater coordination of capital activities by multiple departments, improve grant application potential, and assure more attention is given to long-term problem solving.

CAPITAL PROJECTS

Major Street Reconstruction - \$100,000

Prior Years

When we utilize street grant funding sources (i.e. Small Urban Fund) available through federal and state governing agencies, it takes several years for all costs to flow through the necessary channels and finally be paid. Therefore, the City has reserved some revenues (\$20,000) to cover expenditures still outstanding for the N. Hillsdale, Fayette, and Spring Street projects. All these projects were completed prior to 2008.

East Bacon Street reconstruction (mill and resurface from East St. Joe to the city limits) will be funded, in part, through a Small Urban Fund grant of up to \$374,400 with a local match of up to \$93,600 to be paid through the Local Jobs Today Program. The City's only costs for the project will be engineering costs. This budget includes approximately \$30,000 to cover the cost of construction engineering.

Miscellaneous Major Streets specific projects have not yet been identified. Street conditions will be evaluated, as the weather allows. Money (\$50,000) has been designated to repair freeze/thaw damage on the City's major streets.

Downtown Alley – \$55,000

The heavily traveled alley behind the Howell Street downtown buildings, from North to Bacon Street, will be milled and resurfaced with funding from TIFA. TIFA will also fund asphalt overlays on Cook Street from Broad Street to Ferris Street and Barry Street from Broad Street all the way to Manning Street.

M-99 widening and local share of storm sewer work - \$275,000

M-99 Reconstruction began in 2006 and will not be completed until the summer of 2009. The 2006 phase involved widening the intersection at Fayette Street, adding turn lanes from M-99 to Fayette. Some sidewalks were installed as well as a new water main and a storm sewer connection at Lewis Street.

During the summer of 2007, the rerouting of M-99 from the east side to the west side of City Hall was completed, as the state highway was reconstructed from Lewis Street to Bacon.

CAPITAL IMPROVEMENTS

continued

The City of Hillsdale obtained a \$500,000 enhancement grant in collaboration with MDOT for brick accents, lighting, benches and other amenities behind the curbs.

This summer (2008), MDOT will do an asphalt overlay along Budlong Street from Hallett Street north to M-99. The cost for this overlay will be paid by MDOT as they plan to use Budlong Street as the detour route in 2009 when work begins on M-99 north from Steamburg to Bacon Street.

In 2009, M-99 will be reconstructed from Bacon Street south to the city limits. All three phases of the M-99 Project have required a contribution from the City's General Fund. Although work on the first two phases of the reconstruction has been completed, there are still costs being incurred by the city. As with the grant programs, these costs come trickling in for several years after the work is essentially done. The City has set aside additional funding of \$25,000 to cover these expenditures. This year's remaining appropriation of \$250,000 will be used for the final phase of the M-99 reconstruction project which will start in October of 2008. The city's anticipated cost of for the project is \$500,000, half of which is being appropriated this year,

with the remainder to be funded in the 2009-10 budget.

Sidewalk Program - \$200,000

The City of Hillsdale continues to take a very aggressive approach to sidewalk repairs. This project began in 2003 after increasing the amounts paid by property owners to 75% of the cost of sidewalk repairs which are then special assessed. A multi-year program has been implemented to upgrade the existing sidewalks on at least one side of each street in every neighborhood. Once complete, the cycle will begin on the other side. At the current pace it will take approximately 18 years to upgrade all sidewalks in all neighborhoods. Future budgets will benefit from the repayment of special assessment districts. This year we will be targeting areas around the planned reconstruction sites along East Bacon and Budlong Streets.

Although not specifically identified as a budgeted, line item, the City also has a voluntary sidewalk replacement program. If any homeowner wishes to replace their sidewalks, the city will remove the old sidewalk at no cost to the property owner and waive permit fees.

Baw Beese Trail - \$100,000

The Rotary Club has been working with the City on the expansion of this recreational trail for the past several years. This year's project will construct the area along the St. Joe River from West Street to Galloway (near the waste water treatment plant). A major fund raising initiative has been undertaken by the Rotary Club to address this lengthy section, which will require a good deal of surface preparation. All costs affiliated with this project are expected to come from donations.

Parking Lot Repairs – \$65,000

TIFA plans to do some asphalt overlays, crack filling, seal coating and re-striping in four of the downtown parking lots. Lot A next to Dr. Brichta's office on S. Hillsdale Street, the Midtown Parking Lot on Manning Street-Lot C, the City Center Parking Lot across from City Hall at the light on M-99, or Lot E, and Lot K located across from the Elks Lodge on North Street will all be repaired.

Computers - \$12,000

This year's budget includes hardware upgrades, repairs and software licenses, as the City continues to invest in technology in all departments.

CAPITAL IMPROVEMENTS

continued

Parks - \$15,000

Several projects were proposed for this department. Plans are underway to upgrade electrical and lighting services available in Owen Memorial Park to broaden its use. When the old Owens residence is vacated, and possibly demolished, a suitable provision will have to be made to secure the power and water supply (well house/sump pit). Permanent picnic tables are desired for the pavilions and along the waterfront to replace the current wooden tables. Sadly, there was not enough funding available to accomplish all these projects. The \$15,000 appropriation will be used for the demolition of some of the out buildings at the residence and the remainder will be used as determined by staff on one or more of the three proposed projects.

DART Facility \$840,000

In 2002-03 the city received an Architectural and Engineering grant from Federal and State sources to design a 10,000 square foot bus storage/dispatch facility for Dial-A-Ride. Then in 2006 the city was awarded additional funding of \$619,000 from Federal and State sources for construction. Unfortunately that was not enough to build the facility. The city has been working to secure additional funding

to move this project forward, but have not been successful thus far. The city has added an additional \$200,000 to that in order to move forward on this project. The local money was diverted from previous plans to relocate the DPS salt storage building. In 2006 we were successful in getting funding for the construction of a new DART bus storage/dispatch facility. Unfortunately that was not enough to actually fund the facility. The city has continued to ask the Federal Transportation Agency for additional funding for this project. So far, that has not materialized. Additional funds were diverted from the DPS salt storage facility will be solicited, but plans are in motion to construct at least the shell of the building in 2007 if feasible. In the years thereafter, we hope to add more space to the existing DPS facility with major upgrades to the building. Funding has not been available to complete this work, but it remains a high priority.

FUTURE PLANS

Major & Local Street Reconstruction (2009-12)

The City has been aggressively trying to repair and reconstruct deteriorating streets and storm water drainage systems throughout the city. In 2005, a significant number of major streets

were resurfaced with an inch and a half asphalt surface. In most cases this was applied directly to the existing surfaces. This provided a few years of smooth surfaces, but is now beginning to determinate.

The 2008-09 budget partially funds the final phase for the M-99 reconstruction project, which will be completed by the fall of 2009. The conditions of the city street system will be evaluated in the coming months. Once that process is complete city council and staff will formulate a capital spending strategy for future infrastructure improvements, including the identification of the revenue sources to fund these projects.

Computers/GIS (2009-12)

Future goals for computer upgrades include mapping/ GIS accessibility for DPS and other departments. Now that a fiber optic connection exists between most city buildings, scheduling software and other data sharing tools are feasible and being planned.

Cemetery Improvements (2009-12)

As funding becomes available, the city would like to add additional wrought iron style fence along the frontage of both its cemeteries. In Oak Grove, the fence would be placed along

CAPITAL IMPROVEMENTS

continued

the frontage on Montgomery Street on the east end of the adjoining property were we have begun the new addition to the cemetery. In Lakeview, the new fencing would replace the existing fence with a wrought iron style similar to the type used for Oak Grove. This new fencing will also include up to five gates that would be placed along cemetery frontage on Barnard Street to denote the property limits and control ingress and egress access to the cemetery.

Storm Water Management (2009-2012)

The Storm Water Master Plan was completed three years ago. It has become a key component for capital planning, as we continue to address areas in our city that are problem flooding hills and dales in our City on a project-by-project basis.

City Centre Project (2010)

A targeted area for development is directly across from City Hall presently used by the railroad. The project includes reducing active railroad lines and providing commercial and parking space. Action is contingent upon acquiring property owned by MDOT and removal of a locomotive repair facility.

Sidewalks (2009-12)

Our five-year plan includes a replacement of existing sidewalks on at least one side of the street in the entire city by the year 2011. This will have taken approximately 18 years to complete, as the amount invested was quite small in the early years. Now that this has become a higher priority we expect to complete the remaining sections of town within a 4-6 year period following the 2012 date.

OTHER CAPITAL IMPROVEMENT FUNDS

Fields of Dreams Fund (408) - \$21,000

Plans have been made to install 6 dugouts and 6 sets of refurbished bleachers at Fields of Dreams in the spring of 2008. The dugouts will be in-ground with poured floors and drainage. The bleachers will be sandblasted, powder coated and new boards installed. Cement pads will be poured in order to anchor the bleachers. Money for this project will come from an endowment at the Community Foundation.

Mrs. Stocks Park Fund (409) – \$30,000

The committee has many projects it wants to complete in the park. As funding becomes available, there are plans to install fencing

along the street frontage of the park matching the gate. Historic bricks are being sold to construct a pathway to the new pavilion constructed in the park this past fall in honor of MaryAnn MacRitchie, former chair and founder of the committee. The BPU will be installing electrical service and street lighting.

Airport Improvement Fund (481) - \$106,440
Runway expansion

The City of Hillsdale has been working with the Michigan Bureau of Aeronautics for several years to complete an expansion of the airport runway from 4,000 to 5,000 feet. In addition, a new terminal building will be constructed along with a parallel taxiway. The majority of the \$10 million costs will come from federal and state sources (95-97.5%) with local funds supplementing as needed. The project is currently in the acquisition phase with approximately fifty (50%) per cent completed.

		Budgets						
FUND 401 CAPITAL IMPROVE. REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
566.000	STATE GRANTS-RECREATION CULTURAL	0	0	0	0	0	0	0
569.000	STATE GRANT	640,000	0	0	0	0	0	0
587.000	CONT./LOCAL UNITS-CULTURE/REC.	0	0	0	0		0	0
665.000	INTEREST	0	0	0	0		0	0
672.000	SPECIAL ASSESSMENTS	0	0	0	0		0	0
675.000	CONTRIBUTIONS AND DONATIONS	100,000	100,000	179	0	110,500	13,750	51,229
692.000	OTHER REVENUE	50,000	259,000	317,207	27,129	12,172	0	13,149
698.000	PROCEEDS-SALE OF BONDS/NOTES	0	0	0	0		0	0
699.101	TRANSFERS IN - GENERAL FUND	237,090	375,920	168,200	479,955	555,440	805,000	660,000
699.202	TRANSFERS IN - MAJOR STREETS	0	0	0	0	75,000	0	22,500
699.244	TRANSFERS IN - EDC FUND	0	0	0	0	0	0	0
699.247	TRANSFERS IN - T.I.F.A FUND	130,000	200,000	97,464	5,989	1,853	7,500	49,374
699.408	TRANSFERS IN - F.O.D.	0	0	0	0	0	0	0
699.517	TRANSFER IN - TRANSFER FACILITY	0	0	0	0	0	0	0
699.711	TRANSFERS IN - CEMETERY CARE	0	24,000	10,636	24,000	8,871	0	0
699.715	TRANSFERS IN - OWENS PARK	10,000	12,000	0	0	12,000	0	30,000
TOTAL CAPITAL IMPROVEMENTS REVENUES		1,167,090	970,920	593,686	537,073	775,836	826,250	826,252

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 401	CAPITAL IMPROVE. EXPENDITURES	08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
276.000 CEMETERIES								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
Total Personnel Services		0	0	0	0	0	0	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	1,123	4,589	0	0
940.000	EQUIPMENT RENTAL	0	0	0	97	0	0	0
Total Operating Expenses		0	0	0	1,220	4,589	0	0
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	0	24,000	11,936	26,830	6,121	0	0
TOTAL CEMETERIES		0	24,000	11,936	28,050	10,710	0	0
443.000 SIDEWALKS								
<i>Personnel Services</i>								
702.000	WAGES	25,960	28,590	15,407	24,454	17,447	16,830	19,535
703.000	OVERTIME PAY	1,500	1,500	1,798	757	1,533	1,588	866
720.000	EMPLOYER'S FICA	1,985	2,300	1,225	1,826	1,379	1,338	1,483
725.000	FRINGE BENEFITS - ALLOCATED	15,120	18,055	11,152	13,698	9,534	9,841	9,418
Total Personnel Services		44,565	50,445	29,582	40,735	29,893	29,597	31,302
<i>Operating Expenses</i>								
726.000	SUPPLIES	17,935	10,000	9,091	19,347	14,108	6,870	4,875
940.000	EQUIPMENT RENTAL	12,500	9,500	9,283	13,967	9,672	9,572	11,645
Total Operating Expenses		30,435	19,500	18,374	33,314	23,780	16,442	16,520
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	125,000	100,000	98,771	161,852	71,945	131,285	195,640
TOTAL SIDEWALKS		200,000	169,945	146,727	235,901	125,618	177,324	243,462

		Budgets						
FUND 401 CAPITAL IMPROVE. EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
452.000 MAJOR STREET RECONSTRUCTION								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	162	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	12	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	134	0	0	0
Total Personnel Services		0	0	0	308	0	0	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	195	1,706	3	294
905.000	PUBLISHING / NOTICES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	117	0	0	0
Total Operating Expenses		0	0	0	312	1,706	3	294
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	100,000	65,000	9,579	143,300	625,657	42,961	256,786
807.000	ENGINEERING SERVICES - CONTRAC	0	0	0	0	0	0	0
Total Contractual Services		100,000	65,000	9,579	143,300	625,657	42,961	256,786
TOTAL MAJOR ST. RECONSTRUCTION		100,000	65,000	9,579	143,920	627,363	42,964	257,080
453.000 LOCAL STREET RECONSTRUCTION								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
Total Personnel Services		0	0	0	0	0	0	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
Total Operating Expenses		0	0	0	0	0	0	0

FUND 401	CAPITAL IMPROVE. EXPENDITURES	Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
	<i>Contractual Services</i>							
801.000	CONTRACTUAL SERVICES	0	0	0	5,740	136,447	3,629	77,426
807.000	ENGINEERING SERVICES - CONTRAC	0	0	0	0	0	0	0
	Total Contractual Services	0	0	0	5,740	136,447	3,629	77,426
	LOCAL STREET RECONSTRUCTION	0	0	0	5,740	136,447	3,629	77,426
	454.000 STREET SEALING-CURRENT YEAR							
	<i>Personnel Services</i>							
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
	Total Personnel Services	0	0	0	0	0	0	0
	<i>Operating Expenses</i>							
726.000	SUPPLIES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
	Total Operating Expenses	0	0	0	0	0	0	0
	<i>Contractual Services</i>							
801.000	CONTRACTUAL SERVICES	0	0	0	24,949	0	0	0
	TOTAL STREET SEALING-CURRENT YEAR	0	0	0	24,949	0	0	0

FUND 401	CAPITAL IMPROVE. EXPENDITURES	Budgets						
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
455.000 INDUSTRIAL PARK EXPANSION-MRF								
	<i>Personnel Services</i>							
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
	Total Personnel Services	0	0	0	0	0	0	0
	<i>Operating Expenses</i>							
726.000	SUPPLIES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
	Total Operating Expenses	0	0	0	0	0	0	0
	<i>Contractual Services</i>							
801.000	CONTRACTUAL SERVICES	0	0	0	0	0	0	0
	TOTAL INDUSTRIAL PARK EXPANSION-MRF	0	0	0	0	0	0	0
456.000 INDUSTRIAL PARK EXPANSION-CDBG								
	<i>Personnel Services</i>							
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
	Total Personnel Services	0	0	0	0	0	0	0
	<i>Operating Expenses</i>							
726.000	SUPPLIES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
	Total Operating Expenses	0	0	0	0	0	0	0
	<i>Contractual Services</i>							
801.000	CONTRACTUAL SERVICES	0	0	0	0	0	0	0
	TOTAL INDUSTRIAL PARK EXPANSION-CDBG	0	0	0	0	0	0	0

		Budgets						
FUND 401 CAPITAL IMPROVE. EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08Thru	02/08	06/07	05/06	04/05	03/04
480.000 DRAINAGE								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
Total Personnel Services		0	0	0	0	0	0	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
Total Operating Expenses		0	0	0	0	0	0	0
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	0	90,000	130	3,770	3,203	0	20,436
TOTAL DRAINAGE		0	90,000	130	3,770	3,203	0	20,436
528.000 TRANSFER FACILITY								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
Total Personnel Services		0	0	0	0	0	0	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
Total Operating Expenses		0	0	0	0	0	0	0
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	0	0	0	0	0	0	0
TOTAL TRANSFER FACILITY		0	0	0	0	0	0	0

		Budgets						
FUND 401 CAPITAL IMPROVE. EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
756.000 PARKS								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	0	0	0	0
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
Total Personnel Services		0	0	0	0	0	0	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	1,555	220	24	1,137
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
Total Operating Expenses		0	0	0	1,555	220	24	1,137
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	15,000	12,000	0	0	14,251	6,116	30,000
TOTAL PARKS		15,000	12,000	0	1,555	14,471	6,140	31,137

FUND 401 CAPITAL IMPROVE. EXPENDITURES		Budgets						Actual 03/04
		Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	
900.000 CAPITAL OUTLAY								
975.002	POST OFFICE EXPANSION	0	0	0	0	0	0	0
975.004	HILLSDALE'S PROJECT PRESERVE	0	0	0	0	0	0	0
975.004	FIELDS OF DREAMS - BIKE PATH	0	0	178	0	0	0	0
975.005	INDUSTRIAL PARK EXPANSION - LAND	0	0	0	0	0	0	0
975.006	TIFA PROJECT-ALLEY REPAVING	120,000	0	0	0	0	0	0
975.007	DOWNTOWN TRASH RECEPTALS	0	0	0	0	0	0	0
975.008	FERRIS STREET PARKING LOT	0	0	0	0	0	0	0
975.009	TELEPHONE EQUIPMENT	0	0	0	0	0	0	0
975.010	BIKE PATH - BAW BEESE TRAIL	100,000	100,000	130	0	0	875	18,593
975.011	TIFA BUILDING DEMOLITION	0	0	0	0	0	0	0
975.013	STREETSCAPE/M-99 - TIFA PROJECT	10,000	100,000	109,685	4,503	1,853	7,500	0
975.014	MITCHELL BUILDING IMPROVEMENTS	0	100,000	10,752	9,243	0	0	0
975.015	COUNTY GARAGE BUILDING/LAND	0	0	0	0	0	0	0
975.016	T.I.F.A. - FERRIS PK LOT STAIRS	0	0	0	5,989	0	0	0
975.017	D.A.R.T. FACILITY	840,000	0	0	0	0	0	0
975.018	MILLPOND DAM REPAIRS	0	13,000	11,344	0	0	0	0
975.021	COMPREHENSIVE PLAN UPDATE	0	0	0	0	0	0	0
975.031	RESURFACE ELKS PARKING LOT	0	0	0	0	0	0	31,362
975.034	DPS SITE IMPROVEMENTS	0	200,000	12,850	1,860	0	0	15,681
975.035	DPS UNDERGROUND FUEL TANKS	0	0	0	0	0	0	0
975.038	CITY HALL RENOVATION	0	0	0	0	0	0	0
975.040	COMPREHENSIVE COMPUTER UPDATE	12,000	20,000	6,659	18,621	19,113	10,638	15,543
975.041	CITY CENTER STUDY	0	0	0	0	0	0	0
975.042	T.I.F.A. PROJECT CITY CENTER	0	0	0	0	0	0	0
975.043	T.I.F.A. - 2003 SIDEWALK PROJECT	0	0	0	0	0	0	28,012
975.044	FACILITIES IMPROVEMENT	0	0	6,498	0	0	0	0
975.045	M-99 RECONSTRUCTION	275,000	444,000	405,595	52,134	33,121	2,156	783
975.050	INDUSTRIAL PARK SIGN	0	0	0	0	0	0	0
975.051	HOUSING DEVELOPMENT	0	0	0	0	180,000	0	0
975.999	WORK IN PROGRESS-TO BE BILLED	0	0	0	0	0	0	0
TOTAL CAPITAL OUTLAY		1,357,000	977,000	563,691	92,350	234,087	21,169	109,974
TOTAL CAPITAL IMPROVE. FUND EXPENDITURES		1,672,000	1,337,945	732,063	536,235	1,151,899	251,226	739,515

		Budgets						
FUND 408 FIELDS OF DREAMS REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
523.000	FEDERAL GRANTS - REC & CULTURE	0	0	0	0		0	0
665.000	INTEREST	0	0	0	36	41	8	2
675.000	CONTRIBUTIONS AND DONATIONS	21,000	35,000	35,000	0	0	1,050	8,947
699.101	TRANSFERS IN - GENERAL FUND	0	0	0	0	0	0	0
TOTAL FIELDS OF DREAMS REVENUES		21,000	35,000	35,000	36	41	1,058	8,949

		Budgets						
FUND 408 FIELDS OF DREAMS EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
751.000 RECREATION DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	0	0	0	0	0	0	0
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
Total Personnel Services		0	0	0	0	0	0	0
<i>Operating Expenses</i>								
726.000	SUPPLIES	10,000	20,000	0	295	0	55	0
726.006	CONCESSION SUPPLIES	0	0	0	0	0	0	0
734.000	POSTAGE	0	0	0	0	0	0	0
900.000	PRINTING	0	0	0	0	0	0	0
905.000	PUBLISHING / NOTICES	0	0	0	0	0	0	0
940.000	EQUIPMENT RENTAL	0	0	0	0	0	0	0
Total Operating Expenses		10,000	20,000	0	295	0	55	0
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	11,000	15,000	0	750	0	0	9,377
999.401	TRANSFER - CAPITAL IMPROVEMENT	0	0	0	0			0
Total Contractual Services and Capital Outlay		11,000	15,000	0	750	0	0	9,377
TOTAL FIELDS OF DREAMS EXPENDITURES		21,000	35,000	0	1,045	0	55	9,377

		Budgets						
FUND 409 MRS. STOCK'S PARK REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
665.000	INTEREST	2,000	0	0	0	0	0	0
675.000	CONTRIBUTIONS AND DONATIONS	30,000	31,000	61,500	29,065	22,694	24,173	5103.52
TOTAL FIELDS OF DREAMS REVENUES		32,000	31,000	61,500	29,065	22,694	24,173	5103.52

		Budgets						
FUND 408 MRS. STOCK'S PARK EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
756.000 PARKS DEPARTMENT								
<i>Operating Expenses</i>								
726.000	SUPPLIES	10,000	10,000	1,177	17,897	4,375	2,107	4
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	20,000	57,120	9,596	8,714	15,096	10,899	630
975.053	MACRITCHIE PAVILION	0	0	55,399	0	0	0	0
		20,000	57,120	64,995	8,714	15,096	10,899	630
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	0	0	475	0	0	0	0
999.712	TRANSFER-STOCKS PK PERPT MAINT	0	0	0	5,000	0	0	0
		0	0	475	5,000	0	0	0
TOTAL STOCKS PARK EXPENDITURES		30,000	67,120	66,647	31,611	19,471	13,006	634

		Budgets						
FUND 481 AIRPORT IMPROVE. REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
569.000	STATE GRANT	0	0	0	0	0	0	0
667.000	RENTS	12,000	13,725	11,236	13,230	12,128	8,820	8,820
667.481	RENTS - AIRPORT HANGARS	7,290	7,290	4,860	3,645	7,290	7,290	7,290
667.482	RENTS - GROUND LEASE	870	870	870	870	870	870	870
690.000	OTHER REVENUE	0			0	0	0	0
690.481	OTHER REFUNDS-LANDING FEES	0	0	0	0	0	0	0
690.957	OTHER REFUNDS-PROPERTY TAXES	0	0	366	0	0	0	0
692.000	OTHER REVENUE	2,000	1,000	389	2,156	1,151	1,201	1,331
698.000	PROCEEDS-SALE OF BONDS/NOTES	0		0	0	0	0	0
699.101	TRANSFERS IN - GENERAL FUND	50,000	50,000	50,000	100,000	25,000	50,000	0
TOTAL AIRPORT IMPROVE. REVENUES		72,160	72,885	67,721	119,901	46,439	68,181	18,311

		Budgets						
FUND 481 AIRPORT IMPROVE. EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
900.000 CAPITAL OUTLAY								
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	0	0	1,019	2,583	0	2,500	444
801.481	CONTRACTUAL SERV- A.W.O.S.	4,440	4,440	2,568	4,208	4,403	3,330	5,540
806.000	LEGAL SERVICES	0	0	0	0	0	0	0
957.000	PROPERTY TAXES	2,000	0	0	0	0	0	0
970.000	CAPITAL OUTLAY	0	0	1,327	48,629	8,346	0	0
975.481	AIRPORT RUNWAY PROJECT	100,000	150,000	75,674	48,465	12,105	0	60
<i>Transfers</i>								
999.362	TRANSFER - BOND & INT. REDEM.	0	0	0	0	0	0	0
Total Contractual Services and Capital Outlay/Transfers		106,440	154,440	80,588	103,885	24,854	5,830	6,044
TOTAL AIRPORT IMPROVE. EXPENDITURES		106,440	154,440	80,588	103,885	24,854	5,830	6,044

DEPARTMENTAL CAPITAL OUTLAY

Department	Capital Item ('s)	Approved
Assessing Department	Mapping annotation (\$500)	Approved
Police Department	Repeater system (\$2,500) 4 Protective vests (\$1,600) Digital camera (\$500) Dispatch console Radio (\$2,600) Building camera (\$3,500) Office desk for Deputy Chief Whorley (\$1,000)	Approved \$5,000 to be spent on requested items at the department's discretion.
Fire Department	4 Sets of turn-out gear (\$8,800) 4 replacement pagers (\$8,800) 3 portable hand lanterns (\$600) 4 MSA mask (SCBA) (\$1,400) Kitchen table and chairs for fire station (\$800) Training room tables (\$1,000) Truck radio w/repeater system (\$4,500)	Approved \$7,500 to be spent on requested items at the department's discretion.
Building Inspection	Print storage system for building permit plans (\$1,000)	Approved
Planning Department	Paint program (\$3,000)	Approved
Public Services Department	Portable 2-sway radios (\$1,800)	Approved
Dial-A-Ride	Bus (\$81,600)	

DEPARTMENTAL CAPITAL OUTLAY

Department	Capital Item ('s)	Approved
Revolving Mobile Equipment	Pickup truck (\$32,000) 1-Ton dump truck (\$38,500) Five-yard dump truck w/underbody plow & salt spreader (\$85,000) Crack-filling machine (\$32,000) Trailer mounted pre-mix asphalt heater-hot box (\$24,000) Broom Attachment for John Deere tractor (\$6,000) Utility trailer (\$9,000) Police patrol vehicle (\$26,500) Deputy Chief's vehicle (\$25,000) Vibrator compactor (\$2,550) Leaf blowers (\$1,150) Chain saws (\$300)	Approved \$158,500 to be spent on requested items at the department's discretion.

REVOLVING MOBILE EQUIPMENT

517-437-6490

Keith Richard - Director

krichard@ci.hillsdale.mi.us

Department Summary

This department consists of two full-time mechanics responsible for maintenance and repair of more than 130 city owned vehicles and equipment for the Public Services Department, the Police Department, and Dial-A-Ride. In addition, this fund allocates money used for purchase of vehicles/ equipment used by the Public Services and Police departments, tools and equipment needed to maintain these vehicles, purchase of fuel used by these vehicles, maintenance of the repair facility, as well as funds for the labor costs of the mechanics. This department is self supporting in that it generates its revenues from rent charged through the use of any equipment, interest and the sale of used equipment.

Department Goals

1. Keep City owned vehicles and equipment in a functional and presentable condition that best represents the City of Hillsdale by repairing, maintaining, and replacing these vehicles or equipment when needed.

Department Objectives

- Recondition four (4) salt spreaders used during the winter.
- Refurbish the dump box on one DPS dump truck.
- Make body repairs on various DPS vehicles.

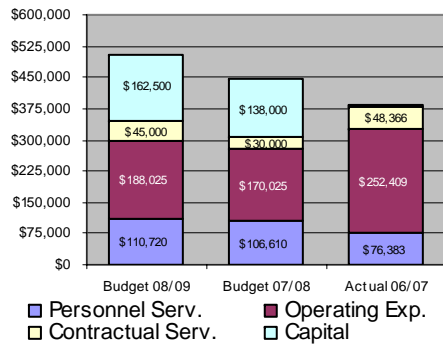
Budget Summary

1. Personnel consists of two (2) full-time mechanics totaling 3640 man-hours..
2. Operating expenses consist of supplies,

equipment rental and general maintenance activities.

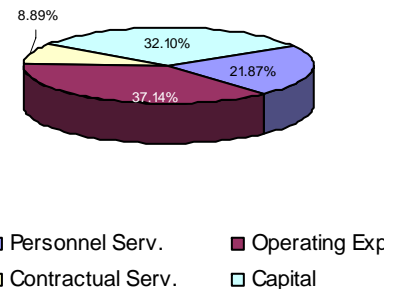
3. Contractual services include various types of repairs, recycling of waste oil, antifreeze and tires, parts cleaner service, uniforms, and computer software (Fleet Controller) maintenance and upgrades.
4. Capital outlay is for equipment purchases as follows: replacement of (1) pick-up truck, (1) 1-Ton dump truck, (1) 5-yard dump truck w/ underbody plow & salt spreader, (1) tandem utility trailer, (1) crack-fill machine, (1) trailer mounted pre-mix asphalt heater and (1) broom attachment, replacement of (1) vibratory compactor, (1) leaf blower and (1) chain saw.

3 Year Comparison



Summary:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	3.68%	\$ 110,720	\$ 106,610	\$ 76,383
Operating Expenses	10.59%	\$188,025	\$ 170,025	\$252,409
Contractual Services	50.00%	\$ 45,000	\$ 30,000	\$ 48,366
Capital Outlay	17.75%	\$162,500	\$ 138,000	\$ 4,592
Total	13.86%	\$506,245	\$ 444,635	\$381,750

Proposed Budget



		Budgets						
FUND 640 R.M.E.F. FUND REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
665.000	INTEREST	12,000	5,500	9,076	12,101	8,146	5,268	4,982
667.000	RENTS	400,000	350,000	314,910	383,865	360,226	337,904	307,826
673.000	SALE OF CITY PROPERTY	5,000	5,000	0	5,188	15	20,160	9,517
692.000	OTHER REVENUE	3,000	2,000	3,365	2,899	2,737	8,619	8,920
692.039	OTHER REVENUE - BPU	0	0	0	0	0	1,749	362
699.101	TRANSFERS IN - GENERAL FUND	0	0	0	0	0	25,000	0
699.247	TRANSFERS IN - T.I.F.A FUND	0	0	0	0	0	0	0
TOTAL R.M.E.F. REVENUES		420,000	362,500	327,351	404,053	371,124	398,700	331,607

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 640 R.M.E.F. FUND EXPENDITURES		08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
444.000 MOBILE EQUIPMENT MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	52,530	53,215	36,026	45,418	30,511	43,225	44,948
703.000	OVERTIME PAY	500	500	1,273	633	625	823	309
704.000	SICK TIME PAY	1,990	1,965	265	3,696	898	(450)	1,934
705.000	VACATION TIME PAY	5,520	3,770	2,186	3,519	3,633	5,900	5,209
706.000	PERSONAL TIME PAY	860	850	440	367	427	776	766
707.000	LONGEVITY PAY	2,100	1,100	900	1,100	1,100	2,200	2,200
710.000	HOLIDAY AND OTHER PAY	2,935	2,910	2,115	1,639	1,453	2,500	2,601
714.000	COMPENSATED ABSENCES	0	0	0	0	0	0	0
715.000	HEALTH AND LIFE INSURANCE	33,780	30,270	10,660	12,020	11,825	20,140	22,782
716.000	RETIREMENT	3,310	5,030	2,089	2,541	2,562	1,575	100
717.000	WORKERS' COMPENSATION	1,500	1,550	957	997	1,373	1,394	1,130
718.000	UNEMPLOYMENT INSURANCE	200	200	200	200	200	200	0
720.000	EMPLOYER'S FICA	5,085	4,845	3,092	4,087	2,764	4,160	4,145
721.000	DISABILITY INSURANCE	410	405	121	166	145	249	330
725.000	FRINGE BENEFITS - ALLOCATED	0	0	0	0	0	0	0
Total Personnel Services		110,720	106,610	60,324	76,383	57,516	82,692	86,454
<i>Operating Expenses</i>								
726.000	SUPPLIES	10,000	10,000	3,177	9,667	7,742	9,498	7,049
730.000	VEH./EQUIP. MAINT. SUPPLIES	50,000	57,000	39,066	34,502	51,681	50,878	49,140
730.039	BPU VEHICLE MAINT/SUPPLIES	0	0	0	0	0	0	0
740.000	FUEL AND LUBRICANTS	85,000	60,000	56,722	77,450	70,351	56,173	39,761
742.000	CLOTHING / UNIFORMS	1,000	1,000	409	351	341	781	984
850.000	INSURANCE	30,000	30,000	27,740	27,568	26,561	28,151	18,064
861.000	TRAINING & SEMINARS	800	800	0	0	0	0	130
920.000	UTILITIES	11,000	11,000	6,451	11,455	11,240	10,908	9,953
955.000	MISCELLANEOUS	0	0	0	0	0	0	0
955.441	MISCELLANEOUS - SHOE ALLOWANCE	100	100	0	0	0	15	30
955.588	MISC. - CDL LICENSING/TESTING	125	125	21	0	58	116	76
968.000	DEPRECIATION	0	0	0	91,416	92,608	119,482	100,171
Total Operating Expenses		188,025	170,025	133,586	252,409	260,582	276,002	225,358

FUND 640 R.M.E.F. FUND EXPENDITURES		Budgets						
		Proposed 08/09	Current 07/08 Thru	Actual 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	20,000	18,000	7,201	21,479	12,822	19,943	13,987
801.039	CONTRACTUAL SERVICES - BPU EQP	0	0	0	0	0	0	0
801.301	CONTRACTUAL SERVICES - POLICE VEHICLE REPAIR	25,000	12,000	13,149	26,887	18,020	9,497	14,818
Total Contractual Services Expenses		45,000	30,000	20,350	48,366	30,842	29,440	28,805
<i>Capital Outlay</i>								
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
981.000	CAPITAL OUTLAY - VEHICLES	158,500	134,000	28,750	1,721	0	0	0
983.000	CAPITAL OUTLAY - SMALL EQUIPMENT	4,000	4,000	472	2,871	2,321	0	0
Total Capital Outlay Expenses		162,500	138,000	29,222	4,592	2,321	0	0
TOTAL R.M.E.F. EXPENDITURES		506,245	444,635	243,482	381,750	351,261	388,134	340,617

		Budgets						
FUND 663 FIRE VEHICLE & EQUIP. REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
665.000	INTEREST	1,000	750	1,031	1,128	414	65	10
690.000	OTHER REFUNDS	2,000	2,000	2,085	1,366	1,850	1,560	1,173
699.101	TRANSFERS IN - GENERAL FUND	10,000	10,000	10,000	10,000	10,000	0	0
TOTAL FIRE VEHICLE & EQUIP. REVENUES		13,000	12,750	13,116	12,494	12,264	1,625	1,183

		Budgets						
FUND 663 FIRE VEHICLE & EQUIP. EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
336.000 FIRE DEPARTMENT								
970.000	CAPITAL OUTLAY	0	0	0	0	0	0	0
TOTAL FIRE VEH. & EQUIP. EXPENDITURES		0	0	0	0	0	0	0

PUBLIC SERVICES EQUIPMENT REPLACEMENT SCHEDULE

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Vehicle 1 - <u>2003</u> 4x4 Pick-up trk			32,500							35,000
Vehicle 2 - 1996 Pick-up trk [w/lift gate]	32,000									
Vehicle 3 - <u>1994</u> Pick-up trk [w/utility box/lift gate-Mechanics]			45,000							
Vehicle 4 - 2007* Pick-up trk [w/service body/lift gate]							35,500			
Vehicle 5 - 1992 Pick-up trk									34,000	
Vehicle 6 - 1995 Pick-up trk		31,000								
Vehicle 7 - 1995 S-10 Pick-up trk				35,000						
Vehicle 8 - 2002 1 T HD Dump [w/front plow & sprdr]									47,500	
Vehicle 9 - 2001 1 T 4x4 Dump [w/front plow & sprdr]							48,500			
Vehicle 10 - 1992 1 T Stake Rack trk [w/lift gate]			42,500							
Vehicle 11 - 1994 1 T Dump [w/arrow board]										
Vehicle 12 - 1994 1 T Dump [w/arrow board]		38,500								
Vehicle 14 - 2000 1 T 4x4 Dump [w/front plow & sprdr]					47,750					

PUBLIC SERVICES EQUIPMENT REPLACEMENT SCHEDULE

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Vehicle 16 - 2005 12 yd Tandem Dump [w/sprd & 2 plows]										110,000
Vehicle 17 - 1991 5 yd Dump [w/sprd & und plow]	85,000									
Vehicle 40 - 1993 5 yd Dump [w/sprd & und plow]		86,750								
Vehicle 41 - 1994 5 yd Dump [w/sprd & und plow]				91,000						
Vehicle 42 - 1995 5 yd Dump [w/sprd & und plow]						96,500				
Vehicle 43 - 2001 5 yd Dump [w/sprd & 2 plows]								100,000		
Vehicle 18 - 2000 Backhoe							78,000			
Vehicle 19 - 1989 Backhoe		70,000								
Vehicle 20 - 1996 Wheel End Loader						115,000				
Attachment 20.4 - 2001 Claw Bucket						18,000				
Vehicle 21 - 1994 Wheel End Loader			120,000							
Attachment 21.4 - 1998 Claw Bucket			16,500							
Vehicle 22 - 1999 1 T Utility [w/ Aerial Lift]				67,500						
Vehicle 24 - 1954 Road Grader										

PUBLIC SERVICES EQUIPMENT REPLACEMENT SCHEDULE

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Unit 27 - 1995 Leroi Air Compressor										
Unit 28 - 2006 Ingersall Air Compressor										
Unit 32 - 2006 Vermeer Brush Chipper										
Unit 33- Skid-Steer Loader [w/trailer]		32,000								
Vehicle 34 - 2004 Sterling Vactor/ Sweeper					225,000					
Unit 35 - Trailer Mounted Arrow Board						4,500				
Unit 37 - 2004 Line Lazer III Paint Stripper										
Unit 47 - 1999 Water Trailer	9,000									
Unit 48 - 2000 Sidewalk Forms Trailer								11,500		
Unit 50 - 1986 Tractor				26,000						
Unit 51 - 1995 Tractor [w/broom]				26,000						
Unit 52 - 1999 Z-Track Mower							13,000			
Unit 52.1 - Leaf Blower attachment							4,000			

PUBLIC SERVICES EQUIPMENT REPLACEMENT SCHEDULE

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Unit 53 - 2002 Off-Road Utility Vehicle-Gator								13,000		
Unit 54 - 2001 Tractor [w/broom]				23,500						
Unit 54.4 - 2008 Broom attachment	6,000									
Unit 58 - 1997 Sidewalk Grinder			19,000							
Unit 70 - 1994 Crackfilling Machine		32,000								
Unit 71 - 1998 Pre-Mix Asphalt Heater		24,000							23,000	
Unit 74 - Paint Striper						6,200				
Unit 78 - 1998 4 ton Asphalt Roller				9,500						
Chipper Box- 1 ton HD dump truck mount type										
Total	132,000	314,250	275,000	278,500	272,750	240,200	179,000	124,500	104,500	145,000

PUBLIC SERVICES SMALL EQUIPMENT REPLACEMENT SCHEDULE

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Unit 29 - 1987 Vibrator Compactor	2,550				3,500					
Unit 59 Thru 62 - Snow Blower		1,050		1,100		1,200		1,300		1,400
Unit 55 - Concrete Cutting Saw - Hand-Held				850				900		
Unit 65 - Concrete Cutting Saw - Walk Behind			3,000				3,200			
Unit 68 - Power Generator		1250							1,450	
Unit 85 Thru 91- Leaf Blowers	1,150		1,175		1,225		1,300		1,400	
Unit 92 Thru 100 - String Trimmers		875		925		975		1,000		1100
Unit 101 Thru 105 - Push Lawn Mowers		1,350		1425		1,500		1,600		1600
Unit 110 Thru 115 - Chain Saws	300	325	350	375	400	425	450	475	500	600
Total	4,000	4,850	4,525	4,675	5,125	4,100	4,950	5,275	3,350	4,700

POLICE VEHICLE REPLACEMENT SCHEDULE

	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
Car 2-1 - 2008 Patrol vehicle				27,500			28,500			29,500
Chevy Impala										
Car 2-2 - 2006 Patrol vehicle		27,000			28,000			28,500		
Chevy Impala										
Car 2-3 - 2007 Patrol Vehicle			27,500			28,500			29,000	
Ford Crown Victoria										
Car 2-4 - 2005 Patrol Vehicle	26,500			27,500			28,500			29,500
Ford Crown Victoria										
Car 2-5 - 2000 Director's vehicle			26,000							
Mercury Sable										
Car 2-8 - 1997 Detective's vehicle		25,500							27,000	
Bonneville Sedan										
Car 2-9 - 2001 Deputy Chief's vehicle								27,000		
Chevy Impala										
Total	26,500	77,500	53,500	55,000	28,000	28,500	57,000	55,500	56,000	59,000

FIRE EQUIPMENT & VEHICLE REPLACEMENT SCHEDULE

	2008-09	2009-10	2011-12	2012-13	2013-14	2014-15	2015-16	Future
Unit 331				\$425,000				
Unit 333								\$600,000
Unit 341		\$500,000						
Unit 374			\$45,000					
Unit 377	Will Not Be Replaced							
TOTALS	<u>\$0</u>	<u>\$500,000</u>	<u>\$45,000</u>	<u>\$425,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$600,000</u>

Date Acquired	Unit #	Vehicle I.D. #	Original Cost	Description
Mar-92	331	46JRBAA88K1002849	\$119,000	1989 Federal Motor Emergency One pumper
Jul-00	333	4P1CT02S9YA000725	\$349,556	2000 PIERCE FIRE TRUCK
Jul-02	341	1P9CA01F0DA040498	\$79,656	1983 EMER PIERCE LTI PLATFORM FIRE TK
Mar-94	374	1FTJW36M2REA21057	\$24,834	1994 Ford pickup, extended cab 4x4
Jul-70		68015	\$30,000	1931 SEAGRAVE ANTIQUE FIRE TRUCK

DPS EQUIPMENT RATES

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
1	2003	Pickup, GMC w/radio	\$10.11	12.300
2	1997	Pickup, Ford F-250 w/lift & radio	\$11.31	12.300
3	1994	Pickup, Ford Ranger w/radio	\$10.11	12.300
5	1992	Pickup, Ford w/radio	\$10.11	12.300
6	1995	Pickup, Ford F-250 w/radio	\$10.11	12.300
7	1995	Pickup, GMC Sonoma w/radio	\$10.11	12.300
8	2002	Dump, Chevy GMT-400 w/radio	\$17.17	12.301
8.2	2003	w/plow, Western	\$35.09	62.350
8.6	2003	w/salt spreader, Monroe	\$21.77	63.350
8.8		w/all accessories	\$39.69	
9	2001	Dump, Ford F-350 4x4 w/radio	\$17.17	12.301
9.2	2001	w/plow, Boss (9 ft v-plow)	\$35.09	62.350
9.6	2001	w/salt spreader	\$21.77	63.350
9.8		w/all accessories	\$39.69	
10	1992	Stake w/lift, GMC w/radio	\$11.31	12.300
11	1994	Dump, Ford 1-Ton w/radio	\$10.11	12.300
11.1		w/arrow board	\$15.71	96.900
12	1994	Dump, Ford 1-Ton w/radio	\$10.11	12.300
12.1	2002	w/arrow board, Traffic Manager	\$15.71	96.900

DPS EQUIPMENT RATES

continued

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
14	2000	Dump, Ford 1-Ton 4x4 w/radio	\$17.17	12.301
14.2	2000	w/plow, Meyer (8 ft)	\$35.09	62.350
14.6	2000	w/salt spreader	\$21.77	63.350
14.8		w/all accessories	\$39.69	
16	2006	Dump, International 64,000 GVWR w/radio	\$46.11	12.504
16.1	2007	w/conveyor belt -Monroe (18")	\$53.31	63.352
16.2	2006	w/front plow-Monroe	\$64.02	62.300
16.4	2006	w/underbody scraper -Monroe	\$56.26	48.202
16.6	2006	w/salt spreader - Monroe	\$53.31	63.352
16.7	2006	w/comb. plow & spreader	\$71.22	
16.8	2006	w/comb. underbody & spreader	\$63.46	
16.9	2006	w/comb. plow, underbody & spreader	\$81.37	
17	1991	Dump, International 2-Ton w/radio	\$32.91	12.305
17.4	1991	w/underbody scraper (12 ft)	\$43.06	48.202
18	2000	Tractor, Caterpillar 416-C w/radio	\$42.11	70.104
18.2	2000	w/front end loader, Caterpillar (3/4 cu yd)	\$47.48	85.304
18.4	2000	w/backhoe, Caterpillar	\$46.11	70.500
18.6	2000	w/backhoe, Caterpillar	\$46.11	70.500
19	1989	Tractor, John Deere	\$41.83	70.104
19.2	1989	w/front end loader, John Deere (3/4 cu yd)	\$47.20	85.304
19.4	1989	w/backhoe, John Deere (4.1 cu ft)	\$45.83	70.500
19.6	1989	w/backhoe, John Deere (7.9 cu ft)	\$45.83	70.500
20	1996	Tractor, Caterpillar IT14G w/radio	\$42.11	70.104

DPS EQUIPMENT RATES

continued

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
20.2	1983	w/bucket, Caterpillar (1.5 yd attachment)	\$47.48	85.304
20.4	1983	w/claw bucket, Tink (4.0 cu yd)	\$47.10	85.500
20.6	2004	w/pallet lifter	\$46.79	47.470
21	1994	Tractor, Caterpillar IT28F w/radio	\$64.28	70.105
21.2	1994	w/bucket, Caterpillar (2.25 yd)	\$62.70	85.306
21.4	1994	w/claw bucket, Caterpillar (4.0 cu yd)	\$69.27	85.500
21.6	2004	w/pallet lifter	\$68.96	47.470
22	1999	Aerial Lift C-3500 HD Utility Truck w/radio	\$17.17	12.301
22.2	1999	w/buckets, Altec	\$22.35	93.200
22.3	1990	w/post driver, (hyd) - Rhino(used w/bucket)	\$18.03	80.510
23	1995	Patch Machine, Vac Patch	\$57.23	21.301
24	1954	Grader, Cat (series-12, 22,000lb)	\$43.27	45.104
24.2	1954	w/scarcifier	\$57.76	45.200
27	4.84	Air Compressor, Leroi	\$4.12	87.200
27.4	1990	w/post driver, Rhino - Hyd	\$6.54	80.540
28	2006	Air Compressor, Indersall	\$10.43	87.400
29	1987	Vibratory Compactor, Stone (5 hp)	\$10.94	89.400
30	1987	Vibratory Plate, Wacker (5.5 hp)	\$10.94	89.400
32	2006	Brush Chipper, Vermeer (1500)	\$22.29	82.210
34	2004	Vacall Sweeper, Ford w/radio	\$38.05	12.306
34.2	2004	w/Leaf Vac, Leach	\$80.47	83.301

DPS EQUIPMENT RATES

continued

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
34.4	2004	w/Sweeper Unit, Leach	\$80.47	83.301
35	2004	Trailer Mounted Arrow Board, Solar Tech	\$6.38	96.900
37	2004	Paint Stripping, Line Lazer III	\$18.33	86.202
40	1993	Dump, International 2-Ton w/radio	\$32.91	12.305
40.4	1993	w/underbody scraper, Monroe (12 ft)	\$43.06	48.202
40.6	1993	w/salt spreader, Concord	\$40.11	63.352
40.8		w/all accessories	\$50.26	
41	1994	Dump, Ford 2-Ton w/radio	\$32.94	12.305
41.4	1994	w/underbody scraper, Monroe (12 ft)	\$43.06	48.202
41.6	1994	w/salt spreader, Meyer	\$40.11	63.352
41.8		w/all accessories	\$50.26	
42	1996	Dump, International 2-Ton w/radio	\$32.91	12.305
42.4	1995	w/underbody scraper, Root (12 ft)	\$43.06	48.202
42.6	1995	w/salt spreader, Meyer 27.60	\$40.11	63.352
42.8		w/all accessories	\$50.26	
43	2001	Dump, International 2-Ton w/radio	\$38.05	12.306
43.2	2001	w/front plow, Root (11 ft)	\$55.96	62.300
43.4	2001	w/underbody scraper, Root (12 ft)	\$48.20	48.202
43.6	2001	w/salt spreader, Meyer	\$45.25	63.352
43.7		Combination/plow & spreader	\$63.16	

DPS EQUIPMENT RATES

continued

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
43.8		Combination/underbody & spreader	\$55.40	
43.9		Combination/plow, underbody & spreader	\$73.31	
45		Farm Cart, Huskee (500 # cap)	\$5.26	11.100
46		Mower Trailer, Fabricated	\$12.83	11.101
47	1999	Water Trailer, R & R (7000 # cap)	\$12.83	11.101
48	2000	Forms Trailer, Rettig (3500 # cap)	\$5.26	11.100
49		Cement Trailer	\$5.26	11.100
50	1986	Tractor, Ford 4610	\$35.41	70.101
50.2		w/bush hog attachment, Woods	\$48.48	81.140
50.4	1992	w/flail mower attachment, John Deere	\$49.13	81.120
50.6		w/auger attachment, Ford	\$63.70	80.700
50.8		w/sickle bar, Ford	\$54.35	81.110
50.9	2004	w/soil pulverize, seeder	\$65.43	80.312
51	1995	Tractor, John Deere 425	\$19.76	70.100
51.2	1995	w/front plow, John Deere (4 ft)	\$37.67	62.300
51.4	1995	w/broom attachment, John Deere	\$44.47	83.130
51.6	1995	w/snow blower attachment, John Deere	\$34.82	62.501

DPS EQUIPMENT RATES

continued

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
52	1999	Riding Mower, John Deere Z-Track (5 ft)	\$17.90	81.256
53	2005	Gator, John Deere TH 6x4	\$11.23	96.415
53.2	2005	w/mounted sprayer	\$17.33	84.400
54	2001	Tractor, John Deere 4100 4x4	\$35.69	70.101
54.2	2003	w/front plow, John Deere	\$53.60	62.300
54.4	2001	w/Broom Attachment, John Deere	\$70.40	83.130
54.6	2007	w/mid mount side discharge mower-J. Deere	\$53.59	81.256
55	1-Oct	Cement Saw (hand held)	\$38.47	31.100
58	1997	Cement Grinder, Bartell (SP8G)	\$34.33	32.145
59	2001	Snow Blower, Toro (22 inch)	\$3.07	62.490
60	2001	Snow Blower, Snapper (22 inch)	\$3.07	62.490
61	1994	Snow Blower, Snapper (3 hp)	\$3.07	62.490
62	1994	Snow Blower, Snapper (3 hp)	\$37.37	62.490
65	1991	Cement Saw, Clipper	\$38.47	31.100
67	May-93	Power Washer, Karcher (hot/cold)	\$19.57	96.071
68		Generator, Power Mate (11 hp)	\$1.74	96.023
69	2001	Pump, Pacer (2 inch)	\$7.55	88.101
70	1994	Crack Filling Machine, Stepp (24 lp)	\$7.79	20.402
71	1998	Hot Box, Trailer	\$14.05	21.260

DPS EQUIPMENT RATES

continued

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
72	1988	Paver Trailer (1200 # cap)	\$12.97	11.102
73	1988	Paver, AEM (DM-4000)	\$96.86	23.202
74	1994	Paint Stripping, Kelly-Cr (6 hp)	\$18.33	86.202
75	2002	Power Sidewalk Edger	\$9.38	81.258
76	1988	Roller Trailer, Eager Beaver	\$12.97	11.102
77		Lawn Roller (9x3)	\$3.78	89.101
78	1998	Roller, Leeboy	\$19.51	89.201
81	2003	Cement Mixer on Wheels	\$13.87	30.513
82	2003	Leaf Blower, Little Wonder	\$3.04	83.302
83	2003	Leaf Blower, Little Wonder	\$3.04	83.302
84	2007	Leaf Blower, Stihl (back pack)	\$3.84	96.013
85	Nov.-05	Leaf Blower, Little Wonder	\$3.04	83.302
86	Jun-91	Leaf Blower, Green Machine (back pack)	\$3.84	96.013
87	2007	Leaf Blower, Little Wonder (10 hp)	\$3.04	83.302
89	Oct-93	Leaf Blower, Little Wonder (5 hp)	\$3.04	83.302
91	Nov.-05	Leaf Blower, Little Wonder (8 hp)	\$3.04	83.302
101	1999	Push Mower, Snapper (20 in)	\$4.80	81.252
102	1999	Push Mower, Snapper (20 in)	\$4.80	81.252

DPS EQUIPMENT RATES

continued

Rate No.	Year	Type of Equipment	Rate Per Hour	State Code
103	1999	Push Mower, Snapper (20 in)	\$4.80	81.252
104	1999	Push Mower, Snapper (20 in)	\$4.80	81.252
105	1999	Push Mower, Snapper (20 in)	\$4.80	81.252
108	2002	Tractor, John Deere Z-Track(5ft)	\$17.90	81.256
108.1	2003	w/debris blower attachment	\$28.15	83.303
109		Riding Mower, Yard Machine (42")	\$14.77	81.255
110	2000	Chain Saw, Stihl (18 in)	\$6.47	82.120
111		Chain Saw, Stihl (20 in)	\$6.47	82.120
112	1999	Chain Saw, Shindaiwa (18 in)	\$6.47	82.120
113	2006	Chain Saw, Stihl (16 in)	\$4.67	82.119
114	2007	Chain Saw, Stihl (14")	\$4.67	82.119
115	2007	Chain Saw, Stihl (14")	\$4.67	82.119
116	2003	Chain Saw, Stihl (14")	\$4.67	82.119
117	2003	Chain Saw, Stihl (14")	\$4.67	82.119
118	2003	Tree Pruning Saw, Stihl (18")	\$5.50	82.290
119	2006	Chain Saw, Stihl (18")	\$6.47	82.120
120	2006	Chain Saw, Stihl (14")	\$4.67	82.119

MISCELLANEOUS FUNDS

Special Revenue Funds

Police Public Relations Fund

This fund is financed by donations and supports such projects as the youth bike helmets, coloring books, fingerprint cards (children’s I.D.) and gun safety locks that promote public safety. It also supports the D.A.R.E./T.E.A.M. programs which are designed to encourage youth to avoid being involved in drugs and to work against the spread of drug abuse.

Internal Service Funds

Public Services Inventory

This fund tracks the purchase and use of inventory items such as salt and asphalt. Departments purchase goods from this fund as necessary to support operations.

DPS Leave & Benefits

This fund accounts for all leave time pay and other benefits associated with personnel in the Department of Public Safety. Operating funds for which services are rendered pay charges into this fund on a pay for use basis.

Unemployment Insurance

The City of Hillsdale is self-insured against unemployment claims rather than pay a third-party insurer. This fund accounts for all unemployment claims and is supported by transfers from the operating funds.

Fiduciary Funds

Cemetery Care

This fiduciary fund is primarily funded by portions of the fees charged for services at the Lakeview and Oak Grove Cemeteries. Funds are used to provide for the perpetual upkeep of the cemeteries.

R. L. Owen Park Memorial

Owen Park was created with donated funds and property and is maintained with the interest and principal in this fiduciary fund.

Stock’s Park Perpetual Maintenance

A citizen initiative group has worked to raised money to renovate Mrs. Stock’s Park. In 2006 this committee received designated donations for the expressed purpose of establishing an endowment fund to help with future maintenance costs of this park. The earnings from these investments will be used to maintain the park.

		Budgets						
FUND 274 POLICE DEPT. PUB. REL. FUND REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
505.000	FEDERAL GRANT - PUBLIC SAFETY	0	0	0	0	0	0	0
675.000	CONTRIBUTIONS AND DONATIONS	13,000	13,000	9,317	13,135	12,597	11,530	11,489
692.000	OTHER REVENUES	500	500	310	310	755	521	429
TOTAL POLICE DPT. PUB. REL. REVENUES		13,500	13,500	9,627	13,445	13,352	12,051	11,918

		Budgets						
FUND 274 POLICE DEPT. PUB. REL. FUND EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
301.000 POLICE DEPARTMENT								
Operating Expenses								
726.000	SUPPLIES	4,500	4,500	4,642	6,568	4,365	6,176	5,232
723.301	DARE GOLF OUTING SUPPLIES	7,000	7,000	5,133	7,767	5,442	5,549	6,399
810.000	DUES AND SUBSCRIPTIONS	100	100	0	50	0	30	0
861.000	TRAINING & SEMINARS	800	800	0	0	0	0	468
900.000	PRINTING	100	100	0	0	0	0	
Total Operating Expenses		12,500	12,500	9,775	14,385	9,807	11,755	12,099
Transfers								
999.101	TRANSFER - GENERAL FUND	0	0	0	0		0	0
TOTAL POLICE DPT. PUB. REL. EXPENDITURES		12,500	12,500	9,775	14,385	9,807	11,755	12,099

		Budgets						
FUND 633 PUBLIC SERVICES INV. REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
650.000	SALE OF MATERIALS	216,805	210,570	102,323	100,939	97,252	85,818	62,988
699.999	OTHER REFUNDS	0	0	0	0	20	0	0
TOTAL PUBLIC SERVICES INV. REVENUES		216,805	210,570	102,323	100,939	97,252	85,818	62,988

		Budgets						
FUND 633 PUBLIC SERVICES INV. EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
233.000 PUBLIC SERVICES INVENTORY								
<i>Personnel Services</i>								
702.000	WAGES	1,565	1,530	3,112	539	601	306	2,796
703.000	OVERTIME PAY	0	0	0	0	0	0	0
720.000	EMPLOYER'S FICA	120	120	226	39	44	23	205
725.000	FRINGE BENEFITS - ALLOCATED	860	920	0	0	0	0	0
Total Personnel Services		2,545	2,570	3,338	578	645	329	3,001
<i>Operating Expenses</i>								
726.000	SUPPLIES	147,260	141,500	67,587	101,827	87,768	73,220	12,386
940.000	EQUIPMENT RENTAL	1,000	500	1,920	804	114	92	37
Total Operating Expenses		148,260	142,000	69,507	102,631	87,882	73,312	12,423
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	66,000	66,000	23,115	0	0	0	28,895
TOTAL PUBLIC SERVICES INV. EXPENDITURES		216,805	210,570	95,960	103,209	88,527	73,641	44,319

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 699 DPS LEAVE AND BENEFITS REVENUES		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
690.000	OTHER REFUNDS	204,155	199,145	131,349	153,668	150,767	153,824	132,349
	TOTAL DPS LEAVE & BENEFIT REVENUES	204,155	199,145	131,349	153,668	150,767	153,824	132,349

		Budgets						
		Proposed	Current	Actual	Actual	Actual	Actual	Actual
FUND 699 DPS LEAVE AND BENEFITS EXPENDITURES		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
441.000 PUBLIC SERVICES DEPARTMENT								
<i>Personnel Services</i>								
704.000	SICK TIME PAY	9,830	10,000	6,953	9,193	8,953	10,999	6,054
705.000	VACATION TIME PAY	20,320	20,700	14,013	15,037	17,033	13,674	13,778
706.000	PERSONAL TIME PAY	3,890	3,870	2,962	3,061	3,145	3,724	2,785
707.000	LONGEVITY PAY	7,120	7,280	6,680	7,040	6,620	7,300	6,440
710.000	HOLIDAY AND OTHER PAY	12,130	11,960	9,376	12,129	10,823	10,538	9,373
715.000	HEALTH AND LIFE INSURANCE	128,700	125,175	74,418	88,651	88,367	80,441	77,966
716.000	RETIREMENT	3,630	2,450	2,210	2,706	1,219	1,491	500
717.000	WORKERS' COMPENSATION	11,500	10,700	9,946	9,982	9,318	12,879	10,464
718.000	UNEMPLOYMENT INSURANCE	1,000	1,000	1,000	1,000	1,000	1,000	1,000
720.000	EMPLOYER'S FICA	4,075	4,115	2,904	3,442	3,205	3,096	2,761
721.000	DISABILITY INSURANCE	1,960	1,895	886	1,428	1,085	1,112	1,228
	TOTAL DPS LEAVE & BENEFITS EXPENDITURES	204,155	199,145	131,348	153,669	150,768	146,254	132,349

		Budgets						
FUND 677 UNEMPLOYMENT INS. REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
665.000	INTEREST	1,500	3,000	2,500	1,864	2,332	1,065	471
692.000	OTHER REVENUE	5,200	5,400	5,400	5,300	5,400	5,500	5,600
TOTAL UNEMPLOYMENT INS. REVENUES		6,700	8,400	7,900	7,164	7,732	6,565	6,071

		Budgets						
FUND 677 UNEMPLOYMENT INS. REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
175.000 ADMINISTRATIVE SERVICES								
964.000	REFUNDS AND REBATES	15,000	13,500	13,336	12,939	2,631	3,287	31,455
TOTAL UNEMPLOYMENT INS. EXPENDITURES		15,000	13,500	13,336	12,939	2,631	3,287	31,455

		Budgets						
FUND 711 CEMETERY CARE REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
642.100	SALE OF CEMETERY LOTS-LAKEVIEW	3,000	6,500	950	3,050	8,358	4,700	7,625
642.200	SALE OF CEMETERY LOTS-OAK GROVE	5,000	4,000	1,475	6,157	6,167	9,325	6,150
665.000	INTEREST	25,000	30,000	20,633	26,010	12,626	24,183	5,771
670.000	GAIN (LOSS) ON SALE OF INVEST.	0	0	0	0	0	0	0
TOTAL CEMETERY CARE REVENUES		33,000	40,500	23,058	35,217	27,151	38,208	19,546

		Budgets						
FUND 711 CEMETERY CARE EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
276.000 CEMETERIES								
761.000	ITEMS FO PASS THRU SALES	0	0	0	350	600	0	0
TOTAL CEMETERIES DEPARTMENT		0	0	0	37	600	0	0
965.000 TRANSFERS TO OTHER FUNDS								
999.101	TRANSFER - GENERAL FUND	20,000	20,000	20,000	20,000	20,000	20,000	20,000
999.401	TRANSFER - CAPITAL IMPROVEMENT	0	24,000	24,000	24,000	8,871		
TOTAL TRANSFERS		20,000	44,000	44,000	44,000	28,871	20,000	20,000
TOTAL CEMETERY CARE EXPENDITURES		20,000	44,000	44,000	44,037	29,471	20,000	20,000

		Budgets						
FUND 712 STOCK'S PK. PERPETUAL MAINT. REV.		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
665.000	INTEREST	250	250	189	146	0	0	0
675.000	CONTRIBUTIONS AND DONATIONS	5,000	1,000	944	5,100	0	0	0
699.409	TRANSFER IN - STOCKS PARK FUND	0	0	0	5,000			
TOTAL STOCK'S PK. PERPETUAL. MAINT. REV.		5,250	1250	1133	10246	0	0	0

		Budgets						
FUND 711 STOCK'S PK. PERPETUAL MAINT. EXP.		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
756.000 PARKS								
999.101	TRANSFER - GENERAL FUND	0	0	0	0	0	0	0
TOTAL STOCK'S PK. PERPETUAL. MAINT. EXP.		0	0	0	0	0	0	0

		Budgets							
		Pro-	Current	Actual	Actual	Actual	Actual	Actual	
FUND 715 R. L. OWEN MEMORIAL REVENUES		posed	07/08	Thru 02/08	06/07	05/06	04/05	03/04	02/03
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04	02/03
665.000	INTEREST	4,500	6,500	6,171	6,232	3,192	6,293	4,954	5,270
TOTAL R.L. OWEN MEMORIAL REVENUES		4,500	6,500	6,171	6,232	3,192	6,293	4,954	5,270

		Budgets							
		Pro-	Current	Actual	Actual	Actual	Actual	Actual	
FUND 715 R. L. OWEN MEMORIAL EXPENDITURES		posed	07/08	Thru 02/08	06/07	05/06	04/05	03/04	02/03
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04	02/03
265.000 BUILDING AND GROUNDS									
999.101	TRANSFER - GENERAL FUND	0	0	0	0	0	0	0	0
999.401	TRANSFER - CAPITAL IMPROVEMENT	10,000	12,000	0	0	12,000	0	30,000	0
TOTAL R. L. OWEN MEMORIAL EXPENDITURES		10,000	12,000	0	0	12,000	0	30,000	0

TAX INCREMENT FINANCING AUTHORITY

Authority Summary

The City of Hillsdale Tax Increment Finance Authority (TIFA) was established in 1984 to facilitate the redevelopment, reuse and economic viability of Downtown Hillsdale. Financing for projects within the TIFA's approximate 22 block area is derived from incremental property taxes that are in excess of a base year amount set when the district was established in 1984. These revenues can only be expended on projects within the geographical boundaries of the TIFA.

Authority Goals

1. Prevent the further deterioration of Downtown Hillsdale.
2. Encourage the economic development of Downtown Hillsdale.

3. Encourage neighborhood revitalization and historic preservation of Downtown Hillsdale.

Authority Objectives

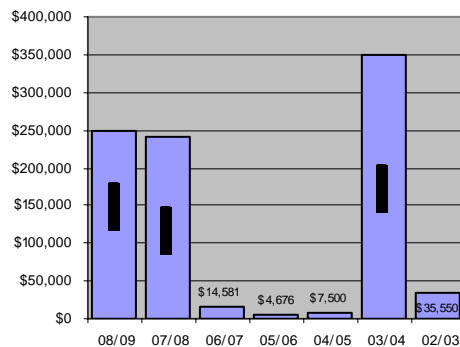
1. Support the use of MSHDA's Rental Rehabilitation Program by Downtown Hillsdale Building owners.
2. Pursue the Blueprints for Michigan Downtowns process and act on recommendation that come from this process.
3. Encourage the rehabilitation of downtown building facades via the TIFA façade grant program.
4. Actively plan and support events and activities that promote Downtown Hillsdale as a place to work, play and shop.

Budget Summary

1. There is no personnel budgeted within the TIFA fund, although the Economic Development Director serves as staff to the TIFA Board.
2. There are no operating expenses budgeted within the TIFA fund.
3. Contractual services in this budget include funding for: local match for Blueprints for Michigan Downtowns and local match related to feasibility study for the NE Corner of McCollum and Broad Streets.
4. Capital outlays in this budget include numerous paving projects throughout the district

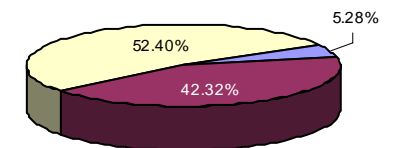
History

Budget/ Actual Expenditures



Summary:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Operating Expenses	1090.91%	\$ 13,100	\$ 1,100	\$ 1,950
Contractual Services	162.50%	\$ 105,000	\$ 40,000	\$ 6,642
Capital Outlay	0.00%	\$ 130,000	\$ 200,000	\$ 5,989
Total	2.90%	\$ 248,100	\$ 241,100	\$ 14,581

Proposed Budget



■ Operating Exp. ■ Contractual Serv. □ Cap.

		Budgets						
FUND 247 T.I.F.A. FUND REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
402.000	CURRENT TAXES	100,000	95,000	107,750	100,310	95,853	92,268	84,422
412.000	DELINQUENT TAXES	0	0	0	0	0	0	0
437.000	INDUSTRIAL FACILITIES TAX	0	0	0	0	0	0	0
665.000	INTEREST	10,000	10,000	11,349	14,133	7,457	1,125	1,458
692.000	OTHER REVENUE	0	0	0	0	0	0	0
TOTAL T.I.F.A. REVENUES		110,000	105,000	119,099	114,443	103,310	93,393	85,880

		Budgets						
FUND 247 T.I.F.A. FUND EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08	Thru 02/08	06/07	05/06	04/05	03/04
900.000 CAPITAL OUTLAY								
<i>Operating Expenses</i>								
806.000	LEGAL SERVICES	1,000	1,000	0	0	150	0	390
862.000	LODGING AND MEALS	100	100	90	0	20	0	0
957.000	PROPERTY TAXES	12,000	0	0	0	0	0	0
964.000	REFUNDS AND REBATES	0	0	0	1,950		0	0
Total Operating Expenses		13,100	1,100	90	1,950	170	0	390
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	105,000	40,000	15,039	6,642	2,653	0	300,000
<i>Transfers</i>								
999.401	TRANSFER - CAPITAL IMPROVEMENT	130,000	200,000	97,464	5,989	1,853	7,500	49,374
999.640	TRANSFER - R.M.E.F.	0	0	0	0	0	0	0
Total Contractual Services and Capital Outlay/Transfers		235,000	240,000	112,503	12,631	4,506	7,500	349,374
TOTAL TIFA FUND EXPENDITURES		248,100	241,100	112,593	14,581	4,676	7,500	349,764

ECONOMIC DEVELOPMENT CORPORATION

Corporation Summary

The Economic Development Corporation of the City of Hillsdale (EDC) was incorporated in 1978 under the provisions of Public Act 338 of 1974 to undertake projects relative to the economic development of the City of Hillsdale. The EDC can function much like any private corporation and may make loans, grants, transfers, and conveyances of funds and property; it may create subsidiary neighborhood development corporations; it may receive funds and property.

In 2006 the Hillsdale EDC entered into an agreement with the Michigan Economic Development Corporation (MEDC) and formally became one of the MEDC's Local Partners. As a result of this agreement, the Hillsdale EDC now retains a seat on the MEDC Advisory Committee. Over the last year the EDC has worked with the City to implement a Neighborhood Enterprise Zone for phase one of the Three Meadows

Development and has recently adopted a revised, market sensitive, pricing plan for the phase one lots.

Goals

1. Use available tools to attract new commerce.
2. Retain existing commerce within the city.
3. Encourage and facilitate new development.
4. Promotion of Hillsdale as place where families want to live, work and play.

Objectives

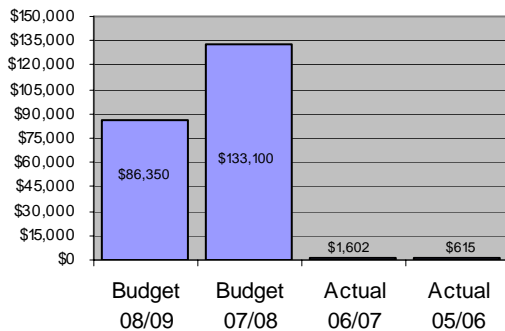
- Facilitate new mid-level, market-rate residential development.
- Appropriate commercial development within the Three Meadows subdivision.
- Maintain representation on the MEDC Advisory Committee.

Budget Summary

1. There is no personnel budgeted within the EDC.
2. There are no operating expenses budgeted within the EDC.
3. Contractual services in this budget include funding for marketing expenses related to Three Meadows and legal and planning services.
4. There are no planned capital outlays.

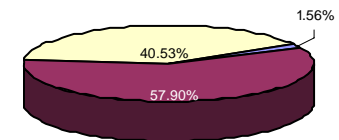
History

Budget/Actual Expenditures



Summary:	Percent of Change	Budget 08/09	Budget 07/08	Actual 06/07
Personnel Services	0.00%	\$ 0	\$ 0	\$ 0
Operating Expenses	22.73%	\$ 1,350	\$ 1,100	\$ 1,302
Contractual Services	-9.09%	\$ 50,000	\$ 55,000	\$ 300
Capital Outlay	-54.55%	\$ 35,000	\$ 77,000	\$ 0
Total	-35.12%	\$ 86,350	\$ 133,100	\$ 1,602

Proposed Budget



■ Operating Exp. ■ Contractual Serv. □

		Budgets						
FUND 244 E.D.C. FUND REVENUES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
665.000	INTEREST	5,300	5,300	3,493	5,326	3,552	719	262
673.000	SALE OF CITY PROPERTY	3,000	200,000	0	0	0	0	0
692.000	OTHER REVENUE	0	0	0	0	0	0	0
699.101	TRANSFER IN - GENERAL FUND	0	0	0	0	0	62,500	0
TOTAL E.D.C. REVENUES		8,300	205,300	3,493	5,326	3,552	63,219	262

		Budgets						
FUND 244 E.D.C. FUND EXPENDITURES		Proposed	Current	Actual	Actual	Actual	Actual	Actual
		08/09	07/08 Thru	02/08	06/07	05/06	04/05	03/04
244.000 ECONOMIC DEVELOPMENT								
<i>Operating Expenses</i>								
726.000	SUPPLIES	0	0	0	0	0	0	0
806.000	LEGAL SERVICES	1,000	1,000	0	1,268	0	0	0
862.000	LODGING AND MEALS	350	100	0	34	0	0	0
955.000	MISCELLANEOUS	0	0	0	0	0	0	0
957.000	PROPERTY TAXES	0	0	0	0	0	0	0
Total Operating Expenses		1,350	1,100	0	1,302	0	0	0
<i>Capital Outlay and Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	50,000	55,000	842	300	615	200	0
970.000	CAPITAL OUTLAY	35,000	77,000	0	0	0	0	0
999.101	TRANSFER - GENERAL FUND	0	0	0	0	0	0	0
999.401	TRANSFER - CAPITAL IMPROVEMENT FUND	0	0	0	0	0	0	0
Total Contractual Services and Capital Outlay/Transfers		85,000	132,000	842	300	615	200	0
TOTAL E.D.C. EXPENDITURES		86,350	133,100	842	1,602	615	200	0

“LONG-TERM” DEBT SERVICE

The City of Hillsdale maintains a fairly low debt service relative to the total budget, issued primarily for capital projects such as water and sewer improvements, expansion of the Industrial Park, infrastructure improvements, and expansion of the Library. The City prefers to use dedicated funds to support debt service rather than relying on general obligation debt. State law does not allow the City to issue general obligation debt in excess of 10% of the State Equalized Value (SEV), which is \$ 190,340,660 for 2007. In Fiscal Year 2008-09, the City's total outstanding general obligation debt attributable to the limit is \$755,000 or .39% of total SEV. BPU revenue bond outstanding debt for Fiscal Year 2008-09 is \$3,610,000.

There is no limit on other types of debt except as necessary to maintain high ratings with the bond rating agencies. These other debts are financed through specific revenues such as water and sewer rates or direct charges to individual recipients of services such as special assessments. Debts with dedicated financing sources are not counted against the 10% of State Equalized Value (SEV) limit. Debt service payments for all types of debts in Fiscal Year 2008-09 equal \$716,861.

Standard and Poors' underlying bond rating for the City of Hillsdale is BBB.

Purpose	Principal	Interest	Fiscal Year Total
1992-93 Waste Water Treatment Plant Improvements	\$150,000	\$15,699	\$165,699
Water System Improvements (Iron Removal Treatment Plant)	\$115,000	\$77,513	\$192,513
Water System Improvements (Line Loop and Tower) Refunded	\$155,000	\$40,184	\$195,184
Industrial Park Infrastructure Improvements (Alsons)	\$50,000	\$0	\$50,000
Industrial Park Expansion And Infrastructure Development (CDBG)	\$28,000	\$0	\$28,000
Library Expansion (Construction)	\$70,000	\$12,465	\$85,465
TOTALS	\$568,000	\$145,861	\$716,861

“LONG-TERM” DEBT SERVICE

continued

Legal Debt Margin as of December 31, 2006

2006 State Equalized Value (SEV)		\$190,340,660
Debt Limit		19,034,066
Debt Outstanding	\$4,573,000	
Less: Exempt Obligations	\$3,755,000	
Debt applicable to limit		818,000
Additional Debt which can be legally incurred		\$18,216,066,
Debt applicable to limit as a percent of SEV	0.43	

Net City Share (1)

	Gross	City Share as % of Gross	Net City Share	% of Taxable Valuation
City Direct Debt	\$4,573,000		\$818,000	\$99.36 0.36%
City Overlapping Debt (2)				
Hillsdale Community School District	\$2,870,000	47.551%	\$1,363,537	
Hillsdale County	\$13,290,000	12.32%	\$1,637,358	
Hillsdale Intermediate School District	\$365,000	14.56%	\$53,144	
Total Overlapping Debt	\$16,525,000		\$3,054,009	\$370.90 1.89%
 Total City Direct & Overlapping Debt	\$21,098,000		\$3,872,009	\$470.30 2.40%

(1) Based upon the 2000 Census population of 8,233 and 2007 Valorem Taxable Valuation of \$161,414,460.

(2) Overlapping debt is the portion of other taxing units debt for which a City taxpayer is responsible in addition to debt of the City.

SOURCE: City of Hillsdale as of December 31, 2007 and the Municipal Advisory Council of Michigan as of June 30, 2007

OUTSTANDING DEBT SUMMARY

Purpose	Original Issue	Date Issued	Date Due	Interest Rate	Interest Remaining	Principal Remaining	Total Remaining To Maturity
1992-93 Waste Water Treatment Plant Improvements	\$2,725,600	1992	2013	2.00%	\$47,763	\$785,000	\$832,763
Water System Improvements (Line Loop and Tower) Refunded	\$1,660,000	2002	2014	3.00%	\$163,334	\$1,190,000	\$1,353,334
Water System Improvements (Iron Removal Treatment Plant)	\$2,500,000	1999	2019	4.75%	\$486,046	\$1,635,000	\$2,121,046
Industrial Park Infrastructure Improvements (Alsons)	\$600,000	1999	2013	0.00%	\$0	\$300,000	\$300,000
Industrial Park Expansion and Infrastructure Development	\$280,000	1998	2012	0.00%	\$0	\$140,000	\$140,000
Library Expansion (Beck Building)	\$700,000	2002	2012	4.19%	\$32,996	\$315,000	\$347,996
TOTALS	\$8,465,600				\$730,139	\$4,365,000	\$5,095,139

		Budgets						
FUND 362	BOND & INT. REDEM. REVENUES	Proposed 08/09	Current 07/08	Actual Thru 02/08	Actual 06/07	Actual 05/06	Actual 04/05	Actual 03/04
665.000	INTEREST	0	0	0	0	0	0	0
699.101	TRANSFERS IN - GENERAL FUND	78,000	78,000	78,000	78,000	78,000	78,000	78,000
699.471	TRANSFERS IN - LIBRARY IMPROVEMENT	82,465	85,400	43,065	88,335	91,270	94,200	97,200
699.481	TRANSFERS IN - AIRPORT IMPROVERMENT	0	0	0	0	0	0	0
699.496	TRANSFERS IN - 3 MEADOWS DEVELOPMENT	0	0	0	0	0	0	0
	TOTAL BOND & INT. REDEM. REVENUES	160,465	163,400	121,065	166,335	169,270	172,200	175,200

		Budgets					
		Proposed	Current	Actual	Actual	Actual	Actual
		08/09	07/08	Thru	06/07	05/06	04/05
FUND 362 BOND & INT. REDEM. EXPENDITURES				02/08			03/04
900.000 CAPITAL OUTLAY - IND'L PARK - MEDC							
991.000	DEBT SERVICE - PRINCIPAL	50,000	50,000	50,000	50,000	50,000	50,000
995.000	DEBT SERVICE - INTEREST	0	0	0	0	0	0
	TOTAL CAPITAL OUTLAY	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
905.000 DEBT SERVICE - CITY HALL							
991.000	DEBT SERVICE - PRINCIPAL	0	0	0	0	0	0
995.000	DEBT SERVICE - INTEREST	0	0	0	0	0	0
	TOTAL DEBT SERVICE - CITY HALL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
910.000 DEBT SERVICE-INDUSTRIAL PARK							
801.000	CONTRACTUAL SERVICES	0	0	0	0	0	0
991.000	DEBT SERVICE - PRINCIPAL	28,000	28,000	28,000	28,000	28,000	28,000
995.000	DEBT SERVICE - INTEREST	0	0	0	0	0	0
	TOTAL DEBT SERVICE-INDUSTRIAL PARK	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>	<u>28,000</u>
915.000 DEBT SERVICE-LIBRARY EXPANSION							
991.000	DEBT SERVICE - PRINCIPAL	70,000	70,000	35,000	70,000	70,000	70,000
995.000	DEBT SERVICE - INTEREST	12,465	15,400	8,066	18,331	21,264	27,130
	TOTAL CAPITAL OUTLAY	<u>82,465</u>	<u>85,400</u>	<u>43,066</u>	<u>88,331</u>	<u>91,264</u>	<u>97,130</u>
	TOTAL BOND & INT. REDEM . FUND EXP.	<u>160,465</u>	<u>163,400</u>	<u>121,066</u>	<u>166,331</u>	<u>172,197</u>	<u>175,130</u>

CITY OF HILLSDALE
STATEMENT OF BOND INDEBTEDNESS
JULY 1, 2008

Michigan Municipal Bond Authority - Debt of March 26, 1992

Original Issue of \$2,725,600.00

						FISCAL YEAR	
	RATE	PRINCIPAL	INTEREST		PRINCIPAL	INTEREST	TOTAL
Oct. 1, 2008	2.00%	\$0.00	\$7,849.72	Apr. 1, 2009	\$150,000.00	\$7,849.72	\$165,699.44
Oct. 1, 2009	2.00%	\$0.00	\$6,349.72	Apr. 1, 2010	\$155,000.00	\$6,349.72	\$167,699.44
Oct. 1, 2010	2.00%	\$0.00	\$4,791.11	Apr. 1, 2011	\$155,000.00	\$4,791.11	\$164,582.22
Oct. 1, 2011	2.00%	\$0.00	\$3,241.11	Apr. 1, 2012	\$160,000.00	\$3,241.11	\$166,482.22
Oct. 1, 2012	2.00%	\$0.00	\$1,650.00	Apr. 1, 2013	\$165,000.00	\$1,650.00	\$168,300.00
TOTALS		\$0.00	\$23,881.66		\$785,000.00	\$23,881.66	\$841,763.32
TOTAL INTEREST		\$47,763.32					

Purpose: 1992-93 Waste Water Treatment Plant Improvements

CITY OF HILLSDALE

STATEMENT OF BOND INDEBTEDNESS

July 1, 2008

REFUNDING WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM REVENUE BONDS

Series 2002 System Revenue Bonds - Debt of December 12, 2002

Original Issue of \$1,660,000.00

	RATE	PRINCIPAL	INTEREST		PRINCIPAL	INTEREST	FISCAL YEAR TOTAL
Oct. 1, 2008	3.00%	\$155,000.00	\$21,254.37	Apr. 1, 2009	\$0.00	\$18,929.37	\$195,183.74
Oct. 1, 2009	3.20%	\$155,000.00	\$18,929.38	Apr. 1, 2010	\$0.00	\$16,449.37	\$190,378.75
Oct. 1, 2010	3.45%	\$160,000.00	\$16,449.38	Apr. 1, 2011	\$0.00	\$13,689.38	\$190,138.76
Oct. 1, 2011	3.55%	\$170,000.00	\$13,689.38	Apr. 1, 2012	\$0.00	\$10,671.87	\$194,361.25
Oct. 1, 2012	3.63%	\$175,000.00	\$10,671.88	Apr. 1, 2013	\$0.00	\$7,500.00	\$193,171.88
Oct. 1, 2013	4.00%	\$185,000.00	\$7,500.00	Apr. 1, 2014	\$0.00	\$3,800.00	\$196,300.00
Oct. 1, 2014	4.00%	\$190,000.00	\$3,800.00				\$193,800.00
TOTALS		\$1,190,000.00	\$92,294.39		\$0.00	\$71,039.99	\$1,353,334.38
TOTAL INTEREST			\$163,334.38				

Purpose: Refunding of 1994 Water System Improvements (Line Loop and Tower)

CITY OF HILLSDALE

STATEMENT OF BOND INDEBTEDNESS

July 1, 2008

WATER SUPPLY AND SEWAGE DISPOSAL

Series 1999 System Revenue Bonds - Debt of May 1, 1999

Original Issue of \$2,500,000.00

	COUPON RATE	PRINCIPAL	INTEREST		PRINCIPAL	INTEREST	FISCAL YEAR TOTAL
Oct. 1, 2008	4.750%	\$115,000.00	\$40,122.00	Apr. 1, 2009	\$0.00	\$37,391.00	\$192,513.00
Oct. 1, 2009	4.750%	\$120,000.00	\$37,391.00	Apr. 1, 2010	\$0.00	\$34,541.00	\$191,932.00
Oct. 1, 2010	4.750%	\$130,000.00	\$34,541.00	Apr. 1, 2011	\$0.00	\$31,453.00	\$195,994.00
Oct. 1, 2011	4.750%	\$135,000.00	\$31,453.00	Apr. 1, 2012	\$0.00	\$28,247.00	\$194,700.00
Oct. 1, 2012	4.800%	\$140,000.00	\$28,247.00	Apr. 1, 2013	\$0.00	\$24,887.00	\$193,134.00
Oct. 1, 2013	4.875%	\$145,000.00	\$24,887.00	Apr. 1, 2014	\$0.00	\$21,353.00	\$191,240.00
Oct. 1, 2014	4.900%	\$155,000.00	\$21,353.00	Apr. 1, 2015	\$0.00	\$17,555.00	\$193,908.00
Oct. 1, 2015	4.875%	\$160,000.00	\$17,555.00	Apr. 1, 2016	\$0.00	\$13,555.00	\$191,110.00
Oct. 1, 2016	4.875%	\$170,000.00	\$13,555.00	Apr. 1, 2017	\$0.00	\$9,262.00	\$192,817.00
Oct. 1, 2017	4.875%	\$180,000.00	\$9,262.00	Apr. 1, 2018	\$0.00	\$4,718.00	\$193,980.00
Oct. 1, 2018	4.875%	\$185,000.00	\$4,718.00	Apr. 1, 2019	\$0.00	\$0.00	\$189,718.00
TOTALS		\$1,635,000.00	\$263,084.00			\$222,962.00	\$2,121,046.00
TOTAL INTEREST			\$486,046.00				

Purpose: Water System Improvements (Iron Removal Treatment Plant)

CITY OF HILLSDALE

STATEMENT OF INDEBTEDNESS

July 1, 2008

Michigan Economic Development Corp. (No-Interest Loan) - January 7, 1999

Original Loan:	\$1,000,000.00
Infrastructure Credit:	<u>(\$400,000.00)</u>
Balance of Note Payable:	\$600,000.00

Sept. 1, 2008	\$50,000.00
Sept. 1, 2009	\$50,000.00
Sept. 1, 2010	\$50,000.00
Sept. 1, 2011	\$50,000.00
Sept. 1, 2012	\$50,000.00
Sept. 1, 2013	<u>\$50,000.00</u>

TOTALS	\$300,000.00
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Purpose: Industrial Park Improvements - Alsons Corporation

CITY OF HILLSDALE

STATEMENT OF INDEBTEDNESS

July 1, 2008

Community Development Block Grant/Loan 1998

Original Loan:	\$978,742.35
Credits:	<u>(\$698,742.35)</u>
Balance of Note Payable:	\$280,000.00

January 1, 2009	\$28,000.00
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January 1, 2010	\$28,000.00
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January 1, 2011	\$28,000.00
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January 1, 2012	\$28,000.00
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January 1, 2012	<u>\$28,000.00</u>
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TOTAL	\$140,000.00
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Purpose: Industrial Park Expansion and Infrastructure Development

STATEMENT OF INDEBTEDNESS

July 1, 2008

LIBRARY EXPANSION PROJECT

Act 99 Financing Agreement of December 9, 2002

Original Issue of \$700,000.00

	RATE	PRINCIPAL	INTEREST		PRINCIPAL	INTEREST	FISCAL YEAR TOTAL
Nov. 1, 2008	4.19%	\$35,000.00	\$6,599.25	May 1, 2009	\$35,000.00	\$5,866.00	\$82,465.25
Nov. 1, 2009	4.19%	\$35,000.00	\$5,132.75	May 1, 2010	\$35,000.00	\$4,399.50	\$79,532.25
Nov. 1, 2010	4.19%	\$35,000.00	\$3,666.25	May 1, 2011	\$35,000.00	\$2,933.00	\$76,599.25
Nov. 1, 2011	4.19%	\$35,000.00	\$2,199.75	May 1, 2012	\$35,000.00	\$1,466.50	\$73,666.25
Nov. 1, 2012	4.19%	<u>\$35,000.00</u>	<u>\$733.25</u>				<u>\$35,733.25</u>
TOTALS		\$175,000.00	\$18,331.25		\$140,000.00	\$14,665.00	\$347,996.25
TOTAL INTEREST		\$32,996.25					

Purpose: Expansion of Library Facilities

FINANCIAL POLICIES

Balanced Budget Policy

The City of Hillsdale operates under the fundamental principle of a balanced budget for all funds. This means that projected expenditures match projected revenues. Occasionally a fund will have projects that take more than one year to complete or are accumulating funds to be spent at a later time. In these cases expenditures and revenues would not be equal. In years where expenditures were larger than the revenues, a decrease in that fund's unrestricted fund balance would occur. In years when revenues were larger than expenditures, an increase would occur in the fund balance.

Any year end operating surpluses revert to unappropriated balances for use in maintaining reserve levels set by policy.

Budget Document Policy

The operating budget shall serve as the annual financial plan for the city. The budget shall provide staff the resources necessary to accomplish City Council determined goals and objectives.

The City Manager shall annually prepare and present a proposed operating budget to the City Council no later than the first Council meeting in April; a public hearing shall be held in May; and the budget shall be approved at the first Council meeting in June.

Budget Control and Accountability Policy

The City will maintain a budgetary control system to ensure adherence to the budget and will prepare monthly reports comparing actual revenues, and expenditures to budgeted amounts.

Budget accountability rests primarily with the operating departments of the City and their expenditures will be monitored on a monthly basis to ensure conformity to budgets and decide on actions to bring the budget into balance, if necessary.

The annual budget will provide for adequate maintenance and replacement of capital assets.

The Enterprise Funds shall be supported by their own rates and not subsidized by the General Fund.

Fund Balance Reserve Policy

In October 1992 City Council passed a motion that set the desired fund balance in its General Fund at 15% of revenues. The purpose of this motion is to insure that the City has adequate reserves on hand should unexpected circumstances require expenditures of an emergency nature.

Accounting, Auditing, and Financial Reporting Policy

The City of Hillsdale will have an independent audit performed annually. The auditing firm will produce comprehensive annual financial reports in

accordance with Generally Accepted Accounting Principles (GAAP), the body of accounting and financial reporting standards, conventions, and practices that have authoritative support from standard setting bodies such as the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standards Board (FASB).

Cash Management Policy

The City of Hillsdale has set numerous cash management policies in place to secure appropriate depositories; ordering and purchasing procedures; bid requirements; payroll and disbursement regulations; and infrastructure replacement guidelines. Many of these cash management policies are mandated by the charter, local ordinance, and/or state law.

Investment Policy

This policy applies to all financial assets of the City of Hillsdale except pension funds. The surplus funds of the City shall be invested in accordance with State of Michigan laws, policies, and written administrative procedures. It is the City's intention to provide safe, diversified, liquid investments that will provide the maximum rate of return possible while meeting its daily cash flow demands.

Debt Management Policy

Although there is no formal written debt management policy, the City of Hillsdale's Council has unofficially adopted the philosophy of "pay-as-

FINANCIAL POLICIES

continued

you-go.” For the past decade or more, the City Council has been unwilling to borrow money for major infrastructure projects. Rather than incurring large debts that need to be repaid, limiting future capital projects, the Council has chosen to fund these projects from existing cash supplies and grants as they become available. Consequently the City’s debt as a percent of SEV is only .62%, with the bulk of that utility revenue bond debt.

Capitalization Policy

This policy is a guideline for management used to track and report fixed assets. Any individual item purchased for \$5,000 or more with a useful life of two or more years is recognized as a fixed asset and is capitalized.

ASSESSMENT DATA

Real Property Taxable Values	2006 Board of Review	% of Total	2007 Board of Review	% of Total	2008 Board of Review	% of Total
Agricultural	0	0.00%	0	0.00%	0	0.00%
Commercial	36,880,472	23.90%	38,482,237	23.90%	39,724,133	24.44%
Industrial	14,198,510	9.20%	14,475,930	9.20%	14,387,618	8.85%
Residential	78,227,308	50.70%	82,423,199	50.70%	84,000,515	51.69%
Personal Property						
Commercial	7,662,948	4.97%	9,043,871	4.97%	8,609,553	5.30%
Industrial	16,698,023	10.82%	16,369,722	10.82%	15,176,705	9.34%
Utility	634,685	0.41%	619,501	0.41%	623,150	0.38%
TOTALS	\$154,301,946	100.00%	\$161,414,460	100.00%	\$162,521,674	100.00%

Real Property	2007 Parcel Count	% of Total	2008 Parcel Count	% of Total
Agricultural	0	0.00%	0	0.00%
Commercial	337	11.49%	339	11.53%
Industrial	86	2.92	86	2.93
Residential	2,258	76.88%	2,238	76.15%
Exempt	256	8.71%	276	9.39%
TOTALS	\$2,937	100.00%	\$2,939	100.00%

FEE SCHEDULE

<u>Parks</u>		<u>Permits</u>				
Dock Rentals:	Resident	Non-Resident	Right-of-Way:	Zoning Board of Appeals:		
Dock Space	\$175.00	\$300.00	Application	\$5.00	Filing Fee	\$250.00
Premium Dock Space	\$225.00	\$350.00	Annual Blanket	\$55.00	Rezoning Fee	\$250.00
(Dock space rentals effective 2/05/07)			Sidewalk over 25'	\$30.00	<u>Dial-A-Ride Transportation</u>	
Beach Admissions:			Telecommunications	\$500.00	Adult	\$2.00
Daily	\$3.00	\$3.00	Driveway	\$30.00	Children	\$1.00
Weekend	\$5.00	\$5.00	Street Openings	\$50.00	Senior/Disabled	\$1.00
Annual	\$20.00	\$20.00	Terrace/Curb Cuts	\$30.00		
Pavilions:			Building:			
Pavilion #1 w/ Electric		\$50.00	Residential (per Sq. Ft.) *	\$38.00		
Pavilion #2 w/Electric		\$50.00	Additions (per Sq. Ft.) *	\$24.00		
(Pavilion rates effective 2/20/06)			Demolition	\$25.00		
<u>Cemeteries</u>			Fence	25.00		
	Resident	Non-Resident	Signs—permanent	\$25.00		
Cemetery Lots	\$350.00	\$600.00	Signs— temporary	\$5.00		
Cremation	\$200.00	\$200.00	Stairs	\$25.00		
Grave Openings			Awnings	\$50.00		
Adult	\$375.00	\$375.00	Other Miscellaneous	\$25.00		
Child	\$300.00	\$300.00	Site Plan Review:			
Infant	\$175.00	\$175.00	Residential	\$25.00		
			Commercial	\$50.00		

(Cemetery Rates effective 2/20/06)

* Additional cost may be added dependent upon construction factors.

GLOSSARY

A

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.

Adoption: the formal action taken by the City Council to authorize or approve the budget.

Allocation: the distribution of available monies, personnel and equipment among various City functions.

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 that financial records are accurate and in compliance with all legal requirements for the 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.

Budget (Operating): a plan of financial operation embodying an estimate of proposed expenditures for a given period of time and the proposed means of financing them.

Budget Calendar: the schedule of key dates or milestones that a government follows in the preparation and adoption of the budget.

Budget Message: a general discussion of the submitted budget and financial conditions of the City presented in writing by the City Administrator as part of the budget document.

C

Capital Budget: a plan of proposed capital expenditures and the means of financing them. The capital budget is enacted as part of the annual budget, which includes both capital operating and capital outlays. The capital budget is based on the Capital Improvement Program (CIP).

Capital Improvement Program (CIP): a plan for capital expenditures to be incurred each year over a fixed period of years setting forth each capital project, the duration of the project and the amount to be expended each year in financing those projects.

Capital Outlay: the purchase of items that cost over \$1,000 and have a useful life of more than one year.

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.

Component Unit: a legally separate organization for which the elected officials of the City are financially accountable. A component unit can be another organization for which the nature and significance of its relationship with the City is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

D

DART: is an acronym for Dial-A-Ride Transportation.

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.

GLOSSARY

continued

Department: an organizational and/or budgetary unit established by City Council to carry out specified public services and implement policy directives.

Depreciation: the portion of the cost of a fixed asset (i.e. a car or treatment plant) charged as an expense during the fiscal year. Eventually the entire cost of the fixed asset will be charged off as an expense.

Direct Expenses: expenses specifically incurred as the result of providing a product or service (e.g., labor and material used).

Disbursements: funds actually expended.

E
Economic Development Corporation (EDC): is a component unit of the City chartered by the Council to enhance commercial and industrial development.

Encumbrance: an obligation in the form of a purchase order, contract or salary commitment that is chargeable to an appropriation, and for which part of an appropriation is reserved. These obligations become disbursements upon payment.

Enterprise Funds: a fund established to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the full costs of providing the goods or services be financed primarily through charges and fees, thus removing the expenses from the tax rate.

Expenditures: the amount of money, cash or checks actually paid or obligated for payment from the treasury.

F

Fiscal Year: a twelve month period for which an organization plans the use of its funds. In Hillsdale, the fiscal year is July 1 to June 30.

Fixed Charges: expenses that are generally recurring and constant.

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 (G.O.) Bond: a type of bond that is backed by the full faith, credit, and taxing power of the city.

Goal: a broad statement of direction or purpose. A goal is general and often timeless in nature.

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 monies are usually dedicated for specific purposes.

I

Infrastructure: vital facilities such as roads, sewers, bridges, waterlines, public buildings, parks, airports, that are fixed in location.

Intergovernmental: revenue from another governmental agency such as the State of Michigan or the Federal government. Some revenues from local units are treated as charges for service.

Internal Transfers: payments from one administrative budget fund to another which result in the recording of a receipt and an expenditure.

Internal Service Fund: centralized services that serve all or many funds are established in separate funds. The other funds are charged a fee for the services provided by the internal service fund.

GLOSSARY

continued

L

Local Development Finance Authority (L.D.F.A.): Public Act 281 of 1986, as amended, allows a city, village, or urban township to utilize tax increment financing to fund public infrastructure improvements. The tool is designed to promote economic growth and job creation. The City of Hillsdale established an LDFA that encompasses a majority of the industrial park in 2006.

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 one year.

M

Millage: rate used in calculating taxes based upon the value of the property (SEV), expressed in mills per dollar of property value.

Materials & Supplies: includes chemicals, office supplies, postage, repair parts, and inventory purchases.

Modified Accrual: basis of accounting for all governmental funds and expendable trust and agency funds under which revenues are recorded when they become measurable and available. Expenditures are recorded when the liability is incurred, except for interest on general long term obligations which is recorded when due.

O

Objective: desired output oriented accomplishments, which can be measured and achieved within a set time period. Achievement of objectives advances the organization toward a goal.

Operating Budget: authorized expenditures for on-going municipal services (e.g., police and fire protection, street maintenance, etc.)

Operating Expenses: an expenditure group that includes materials and supplies, charges, equipment and other miscellaneous expenses.

Ordinance: a law set forth by a governmental authority; a municipal regulation.

P

Payment in Lieu of Taxes: contributions paid to the local governing unit instead of a property tax.

Payroll Fringes: the cost of employee benefits including insurances, retirement, uniforms etc.

Per Capita Cost: cost expressed as an amount per city resident.

Personnel Services: expenditures that represent the cost of salaries and wages and related benefits.

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 Manager or City Council.

Priority: a value that ranks goals and objectives in order of importance relative to one another.

Procedure: a method used in carrying out a policy or plan of action.

Program: collections of work-related activities initiated to accomplish a desired end.

Property Tax: a tax levied on real estate as well as commercial and industrial personal property based on the value of the property as determined by the SEV.

Proposal A: a 1994 Michigan property tax initiative that limits increases in the taxable value assessments on properties to the rate of inflation unless title is transferred.

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.

GLOSSARY

continued

Revenue Bond: a bond that is backed by a particular revenue source such as water user fees.

Revenue Sharing: State distribution of monies raised through State Sales, Income and Single Business Taxes to local governments.

Right-of-Way: land dedicated for public use that is primarily for the distribution of infrastructure, i.e. water, sewer, roads, lights, cable (usually 66 feet in width).

S
Special Revenue Funds: a fund used to account for the revenue and expenditure of special earmarked or legally restricted monies.

Shared Revenue: money coming into a fund (other than a transfer) such as taxes, user fees, grants, fines and any other source of money.

Special Assessment: a compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

State Equalized Valuation (SEV): the value placed on a piece of real or personal property as certified by the State. The value is 50% of market value.

T
Tax Increment Financing Authority (T.I.F.A): a component unit of the City that has the responsibility of

improving a designated district with revenue generated by the increase value in SEV reserved to pay for certain capital projects within the district.

Tax Levy: the total amount of revenue raised from general property taxes.

Taxable Value: the value of real property used to calculate property taxes under the provisions of Proposal A which limits increases in assessments as well as increases in taxes levied upon individual properties.

Tax Rate: the amount of tax levied for each \$1,000 of assessed valuation which is often called a millage rate.

Transfer: a transfer is movement of money or assets from one fund to another that is not a payment for service. Sometimes a transfer is one fund subsidizing another fund.

Trunkline: the State Highway M-99 that goes all the way through the City.

U
User Fee: revenue paid by a party directly benefiting from the use or receipt of a public service.

Z
Zoning Board of Appeals (ZBA): refers to the board that governs the City's zoning ordinance.