



CITY OF HILLSDALE, MI

**ADOPTED BUDGET
2016-2017**

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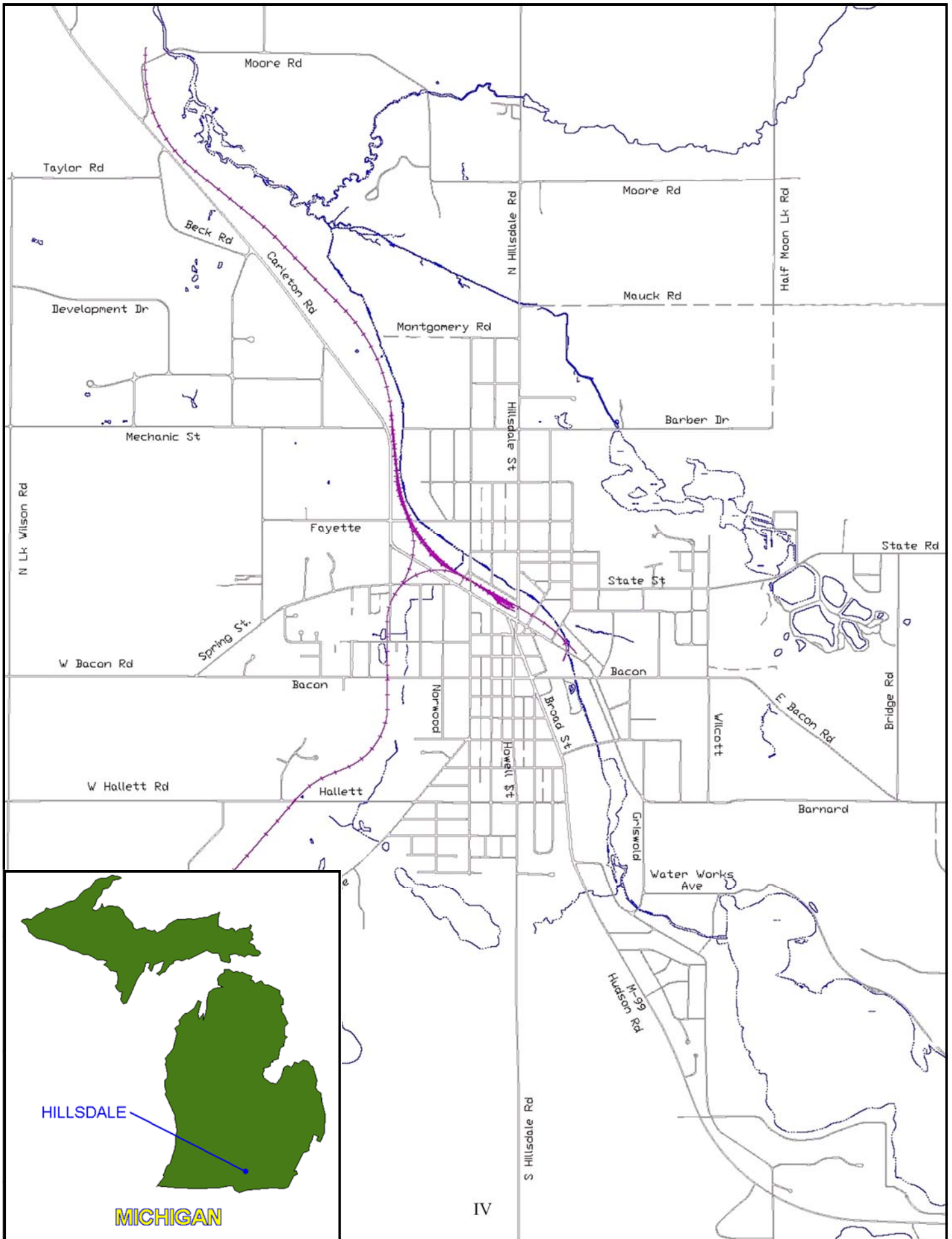
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WELCOME TO THE CITY OF HILLSDALE

Hillsdale, Michigan was founded in 1839 and incorporated as a City in 1869. Since 1844, it has been the county seat of Hillsdale County and currently has a population of approximately 8,300 people. The City is situated in the lush, wooded hills of south-central Michigan where the landscape is dotted with numerous lakes and rivers, suitable for fishing, boating, and water skiing. Close to the Ohio/Indiana boarder, Hillsdale is located within convenient driving distance to Lansing, Ann Arbor, and Battle Creek, Michigan along with Toledo, Ohio and Fort Wayne, Indiana. The City is home to nationally recognized Hillsdale College, the Hillsdale County Fair and many other entertainment events. 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 overseas 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, arts and recreational opportunities and high speed internet fiber allowing telecommuting possible in the workforce.

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 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.

According to City Charter, the budget is required to be adopted by the first Council meeting in June of the preceding fiscal year. The fiscal year is July 1st through June 30th. Property taxes and State revenue sharing are the City's largest revenue sources. Grants and fees are also received from a variety of sources. The City provides a full array of services including police, fire, recycling, planning, assessing, library services, economic development incentives and recreation. Over and above these services, the City also 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 compose the other half of the City’s tax base. A diverse mix of products are manufactured within the city limits; indeed, the majority of manufactured products center around several key industries: the automotive industry, including machine and dye of motor components, as well as automotive belts, plastics, and adhesives; consumer products, including commercially sewn upholstery products, sports lighting, and meat products; and the building supply industry, including commercial window production. There is also warehousing and distribution of commercial garden pottery and wicker products. The Hillsdale manufacturing market has lost a large part of its job base over the last twenty years as area companies have consolidated and invested in automated equipment; while this investment in capital has raised efficiency and profits, its contribution to job growth has been less than in previous periods. It is also important to note that seven of the top ten largest employers in the City of Hillsdale are tax exempt, non-profit entities which do not contribute to the property tax base of the City. Please see the table below compiled by City staff.

LARGEST EMPLOYERS

<u>Employer</u>	<u>Principal Product or Services</u>	<u>Approximate</u>
Hillsdale College	Private Education	671
Hillsdale Hospital	Hospital	462
Hillsdale County Medical Care Facility	Nursing Home Facility	284
Hillsdale County	Government	196
Hillsdale Community Schools	Public Education	174
Bob Evans Farms, Inc.	Meat Processing	134
Kroger	Retail/Grocery	120
Hillsdale Intermediate School District	Public Education	111
City/BPU	Government	108
County National Bank	Banking	87
	Total	2347

There are numerous banking options in Hillsdale. Banking services are provided by American 1 Federal Credit Union, County National Bank, Fifth Third Bank, Flagstar Bank, Michigan Community Credit Union, Chemical Bank, and Southern Michigan Bank & Trust. 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 \$855,000, or about 19% of total general fund revenues. The City receives 6% of gross revenues generated by BPU from the sale of 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% of its rental revenues (but not less than \$25,000.00); Greenwood Village pays 10% of rental revenues for the current year. Comcast cable television pays approximately \$84,000 in franchise fees to the City annually.

LARGEST TAX PAYERS

<u>Taxpayers</u>	<u>2015 Principal Product or Service</u>	<u>Taxable Valuation</u>	<u>% of 2015 Total Taxable Valuation</u>
Essex Specialty Products	OEM windshield adhesive	5,197,276	3.88%
BEF Foods, Inc.	Slaughter/meat packaging	3,289,600	2.46%
Metal Technologies	Manufacturing/OEM	4,244,800	3.17%
Mechanic Street Properties, LLC	Manufacturing/OEM	1,433,000	1.07%
Hallett St. Prof. Development Co.	Medical Services Building	1,171,600	0.87%
Forest City Dillon Inc.	Beacon Hill - apartments	1,104,100	0.82%
Surmac Investments, LLC	Kroger Plaza—Retail	1,290,800	0.96%
Hillsdale College	Higher Education	1,207,900	0.90%
Hillsdale Capitol, LLC	Theater/Save-A-Lot Plaza	1,423,300	1.06%
Michigan Gas Utilities Corp	Gas Utility	1,039,900	0.78%
Total		\$21,402,276	15.98%

SOURCE: *City of Hillsdale Treasurer 12-9-2015*

The City's Board of Public Utilities (BPU) operates the water, sanitary sewer/wastewater treatment and electric power supply/distribution systems within the City. BPU has 50 megawatts of electrical capacity with internal distribution through a 13.2 kV primary line to any secondary voltage required. Electricity is provided in a looped system rated 99.9% reliable. BPU has also received the American Public Power Provider Platinum Award. Water is provided through 12 inch water mains with 70 psi from six wells capable of delivering 3.5 MGD. Sewage is collected in an 8 inch main to an activated sludge treatment facility.

Recent developments in internet connectivity open up a whole new sector of technology employment opportunities in Hillsdale. In 2014, Hillsdale became one of the best connected areas in the country after 72 strands of high speed optic fiber were brought to Hillsdale through the Merit REACH-3MC project. The project helped construct additional fiber-optic infrastructure providing increased redundancy and internet performance. This 10 Gbps direct connection between Chicago, Ann Arbor and Lansing provides a high-capacity, triple redundant path to major internet connection points to the north, east and west. In addition, Hillsdale has a 96 strand fiber-optic connection south to Ohio through the Oarnet fiber network thereby creating a 10 Gbps fiber optic connection in and out of Hillsdale in every direction. The BPU has also recently signed a contract with ACD.net to make fiber available to commercial and residential customers. The recent fiber upgrades enable the City of Hillsdale to host jobs in the technology sector and will allow for much more home-based, telecommuting technology employment.

Michigan Gas Utilities is the City's natural gas utility provider. Land-line telephone service is available through AT&T, Comcast, Frontier Communications and several other smaller providers while cell

phone service is provided by many national and regional carriers such as Verizon and Sprint.

Begun as a sanitarium in 1915 and operating as a hospital since 1920, Hillsdale Hospital has grown from a humble establishment to a 21st century healthcare facility. Hillsdale Hospital includes 93 physician members, 32 health professionals, 47 acute care beds, 39 skilled nursing facility beds and the ten-bed Dempster W. Muffitt Center for Psychiatric Care. In 2013, Hillsdale Hospital opened the MacRitchie North Wing. The addition features 19 additional beds for the Center's Skilled Nursing Unit, while the bottom floor is dedicated to the hospital's Obstetrics Department and Birthing Center.

Hillsdale Hospital is a technologically advanced health center, utilizing a 64 slice CT scanner and magnetic resonance imaging, high-tech critical care and a 24 hour physician staffed emergency department, a modern surgery department, including four surgical suites and an ophthalmology unit. The third floor is dedicated to the Hillsdale Center for Joint Replacement with private suites for orthopedic patients as well as a sleep lab diagnostic center. In addition, Hillsdale Hospital has a large Home Care Department, Home Oxygen and Infusion Chemotherapy Center. The Hospital has continued to expand their physical plant, service and expertise to meet the needs of their patients.

Hillsdale is accessed by Michigan State Highway M-99 running directly through town mostly in a north/south direction. US-12 runs east and west approximately five miles to the north of the City and Interstate 94 is 20 miles to the north of that. The Ohio and Indiana toll roads (I-80/90) are approximately 20 miles to the south. 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 4 vehicle fleet of buses and operates between 7:15 a.m. and 4:15 p.m., Monday through Friday. Three buses operate daily, each of which has 2 wheelchair seats, and approximately 14 regular seats. The other bus has 21 seats and serves as a back-up.

The Hillsdale Municipal Airport is a state-licensed "Public Use-General Utility Airport". The runway was recently reconstructed and expanded to 5000 feet by 100 feet. The crowned and grooved construction offers superior drainage for excellent braking/steering characteristics and the weight bearing capacity rating has been increased up to the "Gulfstream" category of business aircraft. Full-time maintenance and monitoring staff as well as complementary facilities for flight crews help expedite arrivals and departures. Future development includes a new terminal building/parking area, hangars, fuel farm and full length taxiway. Rail freight service is provided by Indiana Northeastern Railroad connecting with Norfolk Southern.

Hillsdale Community Schools District is a community school system with programs for pre-school children, K-12 students, college dual-enrollments, and adult education programs. The school district has an average K-12 class size of 100 students per grade level in K-12. The building configuration includes the Bailey Early Childhood Center for pre-school programs including ½ day and full day options. Gier Elementary School provides K-4th grade instruction. This building had a remodeling project completed in the Fall of 2015 that included four classrooms and new gymnasium. Davis Middle School serves students in 5th – 8th grades and is a top-rated middle school for academics in the county. Most students in grades 9-12 attend the Hillsdale High School. The district does also operate a separate alternative high school program. The district has been recognized for academic excellence in 2013, 2014 and 2015. Hillsdale High School has been in the Top 5% of schools in the state for improving student achievement. Most recently, US News and World Report identified Hillsdale High School with a bronze medal of distinction as a "Best High Schools in America" in preparing students for college and career readiness. The school district has an outstanding reputation for a strong vocal and instrumental music programs and drama department. Athletic teams are very successful with perennial state playoff appearances in several sports and back to back state championships in 2014 and 2015 in track and field. The district provides an excellent well-rounded education to children in the Hillsdale community.

The Hillsdale Area Career Center is located in the heart of the Hillsdale Manufacturing and Technology Park. The Center is operated by the Hillsdale County Intermediate School District (ISD) and is home to five certified Career and Technical Programs open to all Hillsdale County High School Juniors and Seniors. The Career Center currently offers training in: Health Sciences; Advanced Manufacturing;

Multi Media and Marketing; Home Building Trades, with the construction and sale of a new home within the Three Meadows Subdivision and Criminal Justice/Public Safety. Students may earn a variety of business and industry certifications and credit at the High School and College levels through every program.

Jackson College (JC), LeTarte Center is a satellite campus of Jackson College within the City of Hillsdale. The LeTarte Center in Hillsdale has an average of 550 students per semester and currently offers technical training, skill sets, certificates, associate degrees and currently two Bachelor degree programs. Students have the ability to complete a number of programs completely in Hillsdale. The LeTarte Center provides seven smart classrooms including a science lab, two computer labs, four classrooms, and a student lounge.

Hillsdale College, founded in 1844 has a current enrollment of approximately 1,450 students. Situated on more than 300 acres, the College is an independent, nonsectarian, co-educational and residential institution. Hillsdale College has attracted students from all 50 states as well as a variety of other nations. The Mossey Library and Heritage Room with its collection of rare books and coins are open to residents of the community. Slayton Arboretum, an 80-acre Nature Laboratory and Children's Garden, with its many scheduled events is also available to residents of all ages. The Sage Center for the Arts offers theater, musical and dance performances in its 400-seat auditorium and offers art exhibits in the Daugherty Gallery 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.

Hillsdale College continues to make important investments in the Hillsdale community. In October of 2015, the College completed renovations which created the Searle Center. A grand entry and lobby greets visitors to the center and gives the college a place to host large galas and other presentations for a greater number of visitors to the College lecture series and CCA programs. The expanded dining facility seats 850. Most recently, the College has created an area for new residences to be built in close proximity to the college campus. "College Park" is ideally suited for those who are actively involved with Hillsdale College and those desiring a seasonal retreat, including: alumni, trustees, friends, parents (current and former) as well as business and national leaders. In Spring, 2013, Hillsdale College completed construction of the Margot V. Beirmann Athletic Center, a full-service track and tennis facility; in Spring, 2015, the College finished renovations to the Roche Sports Complex with updated recreational and fitness facilities. Both of these buildings offer community members access to their fitness facilities with the purchase of membership. The College and the community look forward to the addition of a chapel/performance building, two new residence halls, an archive addition to the library and renovations to the Dow Leadership Center.

Hillsdale offers many recreational facilities and opportunities, including city parks, swimming, roller-skating, bowling, tennis, boating, water skiing and fishing. The Hillsdale Golf and Country Club and two 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 three 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 over 130 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, with the donation by Charles Mitchell of his family home for the location of the library on the corner of Manning and McCollum Streets.

In 2012, the City of Hillsdale received another donation to its collection from John Pulver, a native of Hillsdale who began his collection of "Michigan" authors, books and ephemera, over fifty years ago. At his request, this donation of more than 5,000 books, letters, and manuscripts housed in the Mitchell Building which now serves the community as a resource for research in family and local history. The Mitchell Research Center cares for a collection of approximately 3,000 documents, books, and historical records.

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 44,000 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 3,464 children each year.

Numerous churches are located in and around the City providing a range of worship opportunities for residents. Many of the churches, government buildings and commercial structures in our historic downtown are significant architecturally and contribute to our Victorian setting. Hillsdale's entire commercial center is listed on the National Register of Historic Places and present a late 19th, early 20th century commercial district almost in entirety. The rich history found in Hillsdale and the ongoing investment in our City by Hillsdale College and local business and industry provide a firm basis for the local economy and bode well for future recovery.



CITY OF HILLSDALE

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April 4, 2016

Mayor Sessions & City Council Members
City of Hillsdale

Dear Mayor, Council and Hillsdale Residents,

The following is the City of Hillsdale's fiscal year 2016-17 budget. Staff made every effort possible to maximize the City's resources to their fullest potential, while at the same time continuing to provide its residents the level of services that they expect from their government.

This budget contains appropriations of \$9,328,870. That is down eleven percent from the 2015-16 adopted budget. The \$1.14 million decrease is attributable to the Airport expansion project funded and completed in 2015.

Budget Process

On Friday, March 11 and Saturday, March 12, the City of Hillsdale officials, both elected and appointed, met to discuss the future of the City. Council and staff discussed the challenges and opportunities facing Hillsdale and they collectively created a vision with major goals. The four major goal areas with key objectives were outlined. The City Manager and staff will review this information in the coming weeks and present to Council a formal action plan for their adoption. Upon adoption, the Council will receive updates monthly. In November or December Council and staff will hold a special meeting to take a look at their progress and make any necessary adjustments. In the spring of 2017 the parties will reconvene to update and revise the plan and create a new one-year tasks list.

For a more detailed explanation of the budgeting process please refer to the Process section of this document.

Priorities

The following goals and objectives came out of the joint Council/staff meeting:

1. Infrastructure Improvements

- a. Street improvements – continue maintenance and reconstruction as funding is available.
- b. Airport improvements – continue on with the 10-year plan established by the Michigan Department of Transportation Aeronautics.
- c. Parks Improvements – improve parks to usable standards and add park attractions.
- d. Stable government – continued communication and training for both staff and council.

2. Strengthen Sense of Community

- a. Improve community interaction and involvement - creating community branding by involving community, city leadership, and non-profits.
- b. Neighborhoods that claim ownership and identify with each other as a group. Each neighborhood or district create an identity.
- c. Festivals – promote community events/festivals/block parties (i.e. Air Show and Art Around Town, etc.).

3. Vibrant Downtown

- a. Variety of restaurants and eateries in downtown locations.
- b. Activities creating the downtown as a go to place – facilitating and generating energy to support the businesses downtown and help to align the various groups and support events.
- c. Keefer House building development.

4. Economic Development

- a. Fully occupied Industrial Park - marketing the fiber community that currently exists.
- b. Sale of Three Meadows lots - marketing the community as a whole.
- c. Well educated workforce.
- d. Business friendly city – overall economic development and marketing strategy.
- e. Fiber oriented/business incubator – continue team approach to helping businesses.

General Fund Revenues

This budget projects General Fund revenues will increase six percent (6%) over the prior year's estimations. State revenue sharing, payments in lieu of taxes, grants and donations, and a variety of miscellaneous revenues are the major sources of income for this fund.

Approximately half of all General Fund's revenue comes from property taxes. These revenues are projected to decrease by two percent (2%). The reason for this decline is primarily due to the change in the personal property tax law being phased in over several years.

Payments in lieu of taxes (PILOT) are expected to double from the prior year's estimates. PILOT payments are payments made to the City instead of (in lieu of) paying property taxes. The City receives these payments from three housing developments located in the City which pay 3-10% of their annual rents minus utilities. The City's utility department will begin paying six percent (6%) of its gross receipts in lieu of paying taxes in July 2016.

The third largest source of funding comes from state shared revenues. These revenues are projected to increase about seven percent (6.8%). This increase is mostly attributed to the Personal Property Tax Reform passed in 2012. In 2017 the City anticipates receiving \$63,000 from the new Essential Services Tax as compensation for the loss in personal property tax revenues brought about by the reform. This reclassifies revenue formerly identified as taxes, to revenue sharing. The program we have associated with Revenue Sharing still exists. It distributes sales taxes collected by the State of Michigan to local governments, villages, townships, and cities. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). Funding for the State Revenue Sharing program consists of dedicated revenues outlined by the State Constitution as 15% of the 4% gross collections of the state sales tax. The State legislature has historically distributed by statute 21.3% of the 4% gross collections of the state sales to local governments. The constitutional portion is distributed on a per capita basis. The legislature must appropriate whatever is calculated. It cannot reduce or increase the constitutional portion. Since state law sets the statutory portion, the Governor and legislature have the ability to determine what amount they will distribute and how. For fiscal year 2015, the legislature established the City, Village, and Township Revenue Sharing (CVTRS) program. This is a simplified version of the earlier Economic Vitality Insinuate Program. It is anticipated the CVTRS program will continue for 2017 required that the municipality meet the accountability and transparency requirements set forth by the State (publishing and submitting to the State: a Citizen Guide, Performance Dashboard, Debt Service Report and a Projected Budget for a minimum of 2-5 years). With all the changes through the years, the City has successfully met the criteria for each fiscal year, obtaining the maximum amount of revenue sharing available.

A Michigan Economic Development Blight Eliminating Grant was granted for the property at 42 Union Street. Work has begun on this \$1.5 Million project that will create retail and commercial space on the first floor and eight (8) three-bedroom, family-sized apartments on the second and third floors. A single story, attached building will be restored and used for commercial activity as well. Extensive renovations to the attached parking area will also be done to complete the restoration of this property. As the completion of this work will not happen until the City's new fiscal year is well under way, a portion of the revenue and expenditures were re-appropriated in this budget.

General Fund Expenditures

General Fund expenditures can be separated into six categories; personnel, operating, contractual services, capital outlay, debt service and transfers out. More than half of General Fund expenditures, fifty-five percent (55%), are personnel related. Personnel costs consist of employee wages and fringe benefits. This budget reflects a stable work force, with no reductions and a proposed two percent wage increase for all employees. Fringe benefit costs have been aggressively managed in the last decade by City administration to minimize costs. The various employee insurances have been reconfigured over the years (disability, life, and health) in an effort to keep these costs as low as possible. All employees contribute 20% of the premium cost for their health insurance.

The City's pension program is managed by the Municipal Employees Retirement System (MERS) of Michigan. In this budget the City will contribute from 6.01% to 24.49% of payroll into the retirement system. The percentages vary depending on which division of MERS the employee is in. Each bargaining unit or job classification has its own division, i.e. Police, Fire and Teamsters. The percentage paid is determined by MERS on an annual basis and is a result of their annual review of each division's assets and pension liabilities.

Other Funds

This document contains budgets for the City's twenty-two funds, plus three utility funds. The utility puts together its own budget report, but the numbers are included here for reference purposes. The General Fund is the City's largest fund but there are several other funds that are noteworthy.

Two of the most familiar are the Major and Local Street Funds. The revenues for these two funds are projected to be up over nine percent (9%). These revenue streams represent a portion of the gasoline tax collected by the State refunded back to municipalities for road maintenance only. Revenue is shared with communities based on the type of street (major or local), miles of road and population.

The other two large funds are capital improvement funds, used primarily to pay for large expenditures like street projects. One is the general Capital Improvement Fund (401). This fund is used for major infrastructure improvements throughout the City. The other is the Airport Improvement Fund (481) which is dedicated for Airport related capital projects. The funding comes from the General fund and various governmental grants.

The Library Fund (271) revenues come from two primary sources: a one mill property tax levy, and penal fines from the county court system. There is no appropriation or subsidy given to them from the General Fund.

The remaining City funds receive their revenue directly or indirectly from the General Fund, or from charges for services, or contributions and donations, and/or grants. Some have a special purpose (Special Revenue Funds) such as the Recreation Fund which provides recreational activities for City residents. Other funds (Internal Service Funds) are used to service other departments of the City, such as the Revolving Mobile Equipment Fund (640). That fund maintains, purchases and repairs all the vehicles owned by the City except for Fire and BPU vehicles.

Meeting the Public Priorities of Capital Improvements

This budget appropriates more than \$1.5 Million for various capital projects throughout the City. These revenues come from federal and state grants, fund reserves and contributions and donations from residents. The capital projects planned in this budget include: \$52,600 for sidewalk reconstruction; \$230,000 to complete the State Street project from Wolcott to the City limits that is scheduled to begin in May 2016; \$300,000 for local street reconstruction at a location(s) not yet determined; \$50,000 for street seal coating; \$50,000 for repairs to the Mill Pond Dam; \$40,000 for computer software/hardware upgrades; \$15,100 for plantings, and miscellaneous improvements at Mrs. Stocks Park; \$36,525 for infrastructure improvements not yet determined at Fields of Dreams; \$54,500 for Airport improvements in line with their 10 year plan; and \$270,000 for TIFA to purchase and promote a downtown building renovation; Equipment purchases planned for this budget are: one police patrol car for \$35,000; turbine leaf blower with attachments for \$3,900; OSHA compliant flammable storage cabinet and a computer for the mechanics at \$3,980 and a front-end loader for \$147,580. The transit system anticipates receiving \$194,000 in federal and state grant funding for the purchase of two replacement bus.

For many years the City's debt policy has been "pay-as-you-go" for capital projects. Consequently the City has no outstanding debt obligations. The Board of Public Utilities (BPU) will make their final payment on the water system improvements for the iron removal treatment plant in October 2016. They also have an installment purchase agreement, under PA99 of 1933 for electric meters and the AMI system with a balance of

For many years the City's debt policy has been "pay-as-you-go" for capital projects. Consequently the City has no outstanding debt obligations. The Board of Public Utilities (BPU) will make their final payment on the water system improvements for the iron removal treatment plant in October 2016. They also have an installment purchase agreement, under PA99 of 1933 for electric meters and the AMI system with a balance of \$1,133,685.70. In March 10, 2015 the City approved a resolution to purchase, acquire and construct improvements to the City of Hillsdale Sanitary Sewer system with a \$7.5 Million revenue bond issue. The bonds were issued September 17, 2015. Construction of these improvements began in November 2015, with an expected completion date of May 2017. Full appropriations for this project was noted in the BPU's sewer department capital budget.

Past Successes

In October of 2015, Hillsdale College completed renovation on the Searle Center; created an area for those actively involved on campus to build new residences (College Park) and finished renovations to the Roche Sports Complex. The Market House is in the beginning stages of a complete renovation of their existing Hillsdale property. Geir Elementary completed a classroom and auditorium addition last summer. The Kroger store also added a new fuel center in front of the store on Carleton Road. The long vacant Stock's Mill was purchased by Marvo Minerals and is in the process of being fully renovated for a new manufacturing tenant.

Several years ago, the foresight of the Board of Public Utilities (BPU), along with other local governmental and educational entities, resulted in a collaborative effort to locate the Merit Fiber Optic Network through Hillsdale. The Merit Network has now been completed providing a 40 Gbps path between Hillsdale and Lansing rendering Hillsdale "one" of the best connected areas in the county. This valuable connection allows Hillsdale to become an even more attractive location for technology based business and industry.

While street conditions remain a major issue. Three years ago we were able to reconstruct a local street (Charles) after years of being in a deteriorated condition. That was the first local street reconstruction since the 1990's.

The City of Hillsdale, as well as other major organizations within the City, such as the local hospital, the community's schools, Jackson College and Hillsdale College continue to face economic challenges in the year ahead. However, if all parties work cooperatively and in collaboration, we can meet the challenges to make our community successful, not only financially but as a standout in terms of what it has to offer its residents, students and visitors.

Future Challenges

By far the most difficult issues we face in our community is how to pay for critical infrastructure improvements and unfunded pension liabilities. Many of our roads were never constructed properly with an adequate sub-base or drainage. The cost to address these needs with today's dollars is around \$40 million which exceeds the City's ability to pay. Our other challenge is unfunded accrued pension liability. Based on the 2015 retirement fund (MERS) actuarial of January 31, 2015, the unfunded accrued pension liability is \$3,498,600 and must be addressed to secure future retirements. These challenges for the City will require the creation of revenue, reducing and/or holding expenditures levels stable in all areas of the City and taking a leadership role in making the tough decisions necessary to improve the community.

Conclusion

We have made several leadership changes in the Board of Public Utilities, Airport, Department of Public Services, and City Clerk which I believe will move the City in a more progressive direction. I am eager to lead the team with the direction of City Council through a successful year.

According to our City Charter, a budget must be approved by the City Council by its first June meeting. Amendments are necessary from time to time and can be made throughout the year by a simple majority vote of Council.

According to our City Charter, a budget must be approved by the City Council by its first June meeting. Amendments are necessary from time to time and can be made 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.

CITY OF HILLSDALE

A handwritten signature in cursive script, appearing to read "David Mackie".

David Mackie
City Manager

**CITY OF HILLSDALE, MICHIGAN
RESOLUTION NO. 3284**

APPROVAL OF CITY BUDGET FOR FY2017

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, 2016 and ending June 30, 2017.

Revenues:

Property Taxes.....	\$ 2,174,500
Payment in Lieu of Taxes.....	1,060,000
Grants & Donations.....	1,085,015
State Revenue Sharing.....	1,606,605
Internal Transfers	1,086,040
Miscellaneous Other Revenues	1,505,995
Fund Balance Reserves	806,715

Total Revenues City at Large **\$9,324,870**

General Fund Expenditures:

City Council	\$ 27,425
City Manager.....	237,735
Economic Development	490,000
Administrative Services	179,600
Elections	15,600
Assessing Department	98,135
City Clerk	154,115
Finance	103,560
City Treasurer.....	138,200
Building & Grounds	125,835
Parking Lots	34,955
Cemeteries	122,220
Airport	110,155
Police Department	1,363,400
Fire Department.....	456,765
Code Enforcement	44,990
Planning Department.....	78,880
Public Services	283,030
Street Lighting.....	68,500
Parks	195,495
Transfers to Other Funds.....	564,405

Total General Fund **\$4,893,000**

Major Streets/Trunkline Fund	\$ 609,570
Local Streets Fund	362,000
Recreation Fund.....	140,950
Economic Development Corp. Fund	60,400
Tax Increment Finance Authority Fund	428,000
Drug Forfeiture Fund.....	2,000
Library Fund	234,425
Children’s Library	9,880
Police OWI Enforcement Fund	4,000
Capital Improvement Fund	1,000,600
Fields of Dreams.....	36,525
Mrs. Stock’s Park Fund	15,100
Airport Improvement Fund.....	54,500
Dial-a-Ride Transportation Fund.....	553,405
DPS Inventory Fund	215,675
Revolving Mobile Equipment Fund	501,425
Unemployment Insurance Fund.....	5,000
DPS Leave & Fringe Benefits Fund	178,415
Cemetery Perpetual Care Fund.....	20,000

Total Expenditures City at Large **\$9,324,870**

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:

Revenues:

Electric Fund.....	\$13,746,120
Water Fund	1,192,592
Sewer Fund	1,476,760

Expenditures:

Electric Fund.....	\$12,417,928
Water Fund	1,045,365
Sewer Fund	1,128,527

Capital Projects

Administrative Services	\$ 225,000
Electric.....	1,165,000
Water	362,000
Sewer	122,000
Wastewater Sewer Improvements, Phase 1	7,500,000

BE IT FURTHER RESOLVED, that pursuant to Section 13.6 of the City Charter, those projects which are to begin in fiscal year 2016-2017 as indicated on the report the Board of Utilities presented to Council are hereby approved for the fiscal year 2016-2017.


BE IT FURTHER RESOLVED, that the wage and salary schedule for all non-union, non-contractual employees of the city, including the Board of Public Utilities employees, shall be increased by two percent (2.0%) from the current levels, effective July 1, 2016. This is exclusive of all employment contracts and/or agreements.

PASSED IN OPEN COUNCIL MEETING THIS 6TH DAY OF JUNE, 2016.



Scott Sessions, Mayor

ATTEST:



Stephen M. French, MMC
City Clerk

**CITY OF HILLSDALE, MICHIGAN
RESOLUTION: 3283**

ESTABLISHING MILLAGE RATE FOR FY2017

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

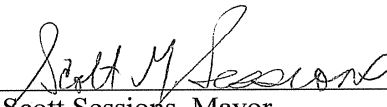
WHEREAS, the Council finds it necessary to levy the City's full available millage rate with rollback caused by PA 5 of 1982;

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 \$1,810,387.25 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 \$120,692.48 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 6th DAY OF June, 2016.



Scott Sessions, Mayor

ATTEST:



Stephen M. French, MMC
City Clerk

BUDGET PROCESS & CALENDAR

Planning & Goal Setting

The Council and Staff met March 11 & 12th this year to begin development of a formal 5-Year Strategic Plan. The first step was to establish four key goals. They came up with four tentative Major Goals:

- Infrastructure Improvements
- Strengthen Sense of Community
- Destination—Vibrant Downtown
- Economic Development

In the coming year the City Manager and staff will review the One Year Tasks developed at the planning session and identify what action steps they can take to move closer to these goals. Council will hold monthly strategic planning updates and meet back with staff in seven months to evaluate their progress.

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. The Council as a whole will meet in several sessions during April and May to review with staff each department budget. Each year the public is given an opportunity to review the budget and make comments at public hearing in mid May. At their first meeting in June, Council approves the budget resolution 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 15	Worksheets distributed to all Department Heads.
February 8	All Department Head budget numbers entered into BS&A software and capital projects, expense sheets, and supporting documentation turned into Finance Department.
February 8 – 29	Department Head meetings with City Manager and Finance Director begin to discuss budgets just as soon as departmental budgets are ready for review.
March 1 - 11	City Manager and Finance Department prepare Manager's recommended budget.
March 14-25	Finance Department updates/edits final budget documents.
March 28-April 1	Final budget prepared for distribution to council.
April 4	Council receives budget document and sets Budget Hearing for May 16.
April 4	Proposed Budget is placed on file for public inspection.
April 4-29	Council to hold work sessions to review budgets with staff.
May 2	Notice of public hearing published in the newspaper.
May 16	Council holds Budget Hearing.
June 6	Council adopts 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.

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

BASIS OF BUDGETING/ACCOUNTING

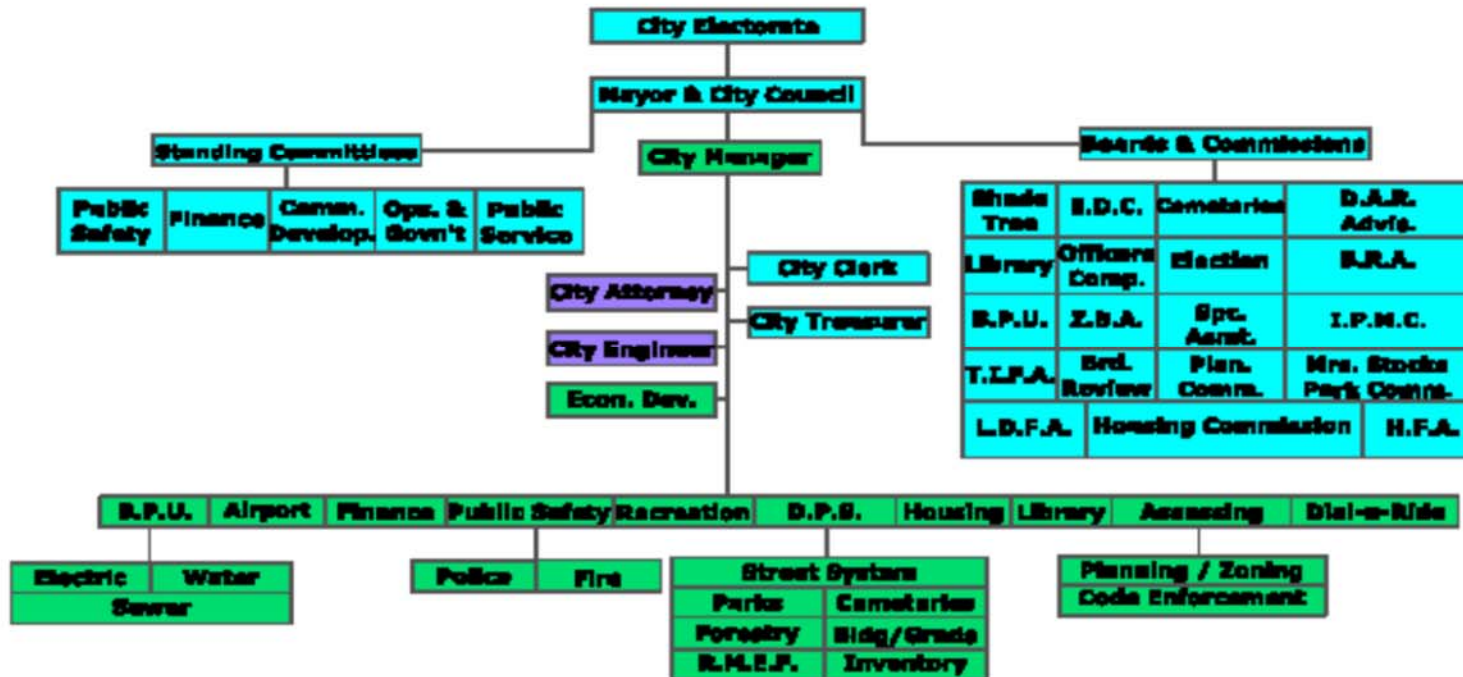
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considered a measurement of “available spend-able resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spend-able 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 expenses are recognized when they are incurred.

CITY OF HILLSDALE

Organizational Structure



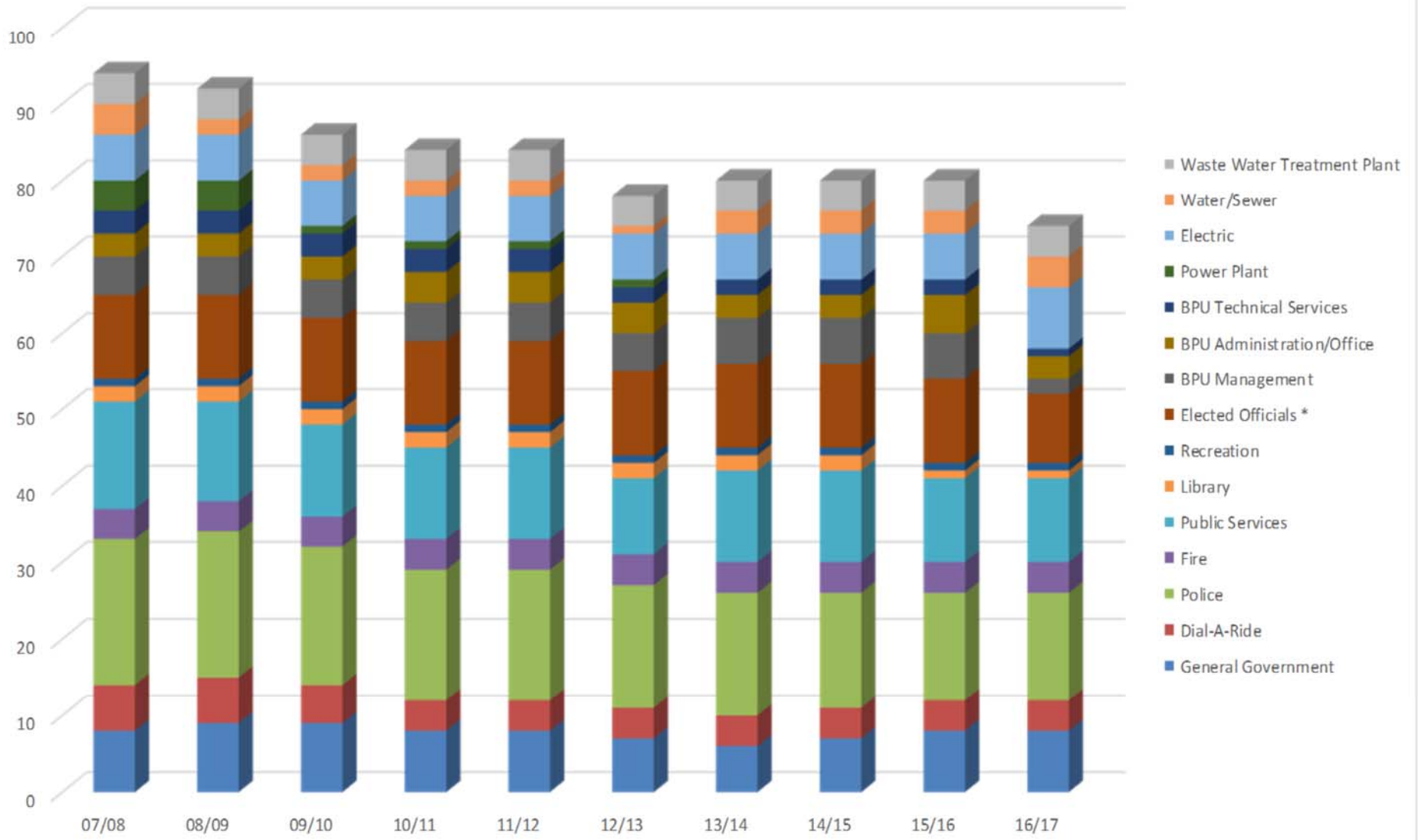
PERSONNEL

Department	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	16/17
General Government	8	9	9	8	8	7	6	7	8	8
Dial-A-Ride	6	6	5	4	4	4	4	4	4	4
Police	19	19	18	17	17	16	16	15	14	14
Fire	4	4	4	4	4	4	4	4	4	4
Public Services	14	13	12	12	12	10	12	12	11	11
Library	2	2	2	2	2	2	2	2	1	1
Recreation	1	1	1	1	1	1	1	1	1	1
Elected Officials *	11	11	11	11	11	11	11	11	11	9
BPU Management	5	5	5	5	5	5	6	6	6	2
BPU Administration/Office	3	3	3	4	4	4	3	3	5	3
BPU Technical Services	3	3	3	3	3	2	2	2	2	1
Power Plant	4	4	1	1	1	1	0	0	0	0
Electric	6	6	6	6	6	6	6	6	6	8
Water/Sewer	4	2	2	2	2	1	3	3	3	4
Waste Water Treatment Plant	4	4	4	4	4	4	4	4	4	4
Totals	94	92	86	84	84	78	80	80	80	74

* All elected officials are part-time.

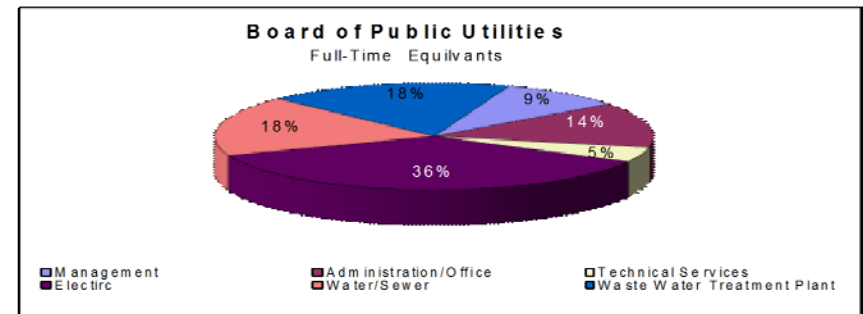
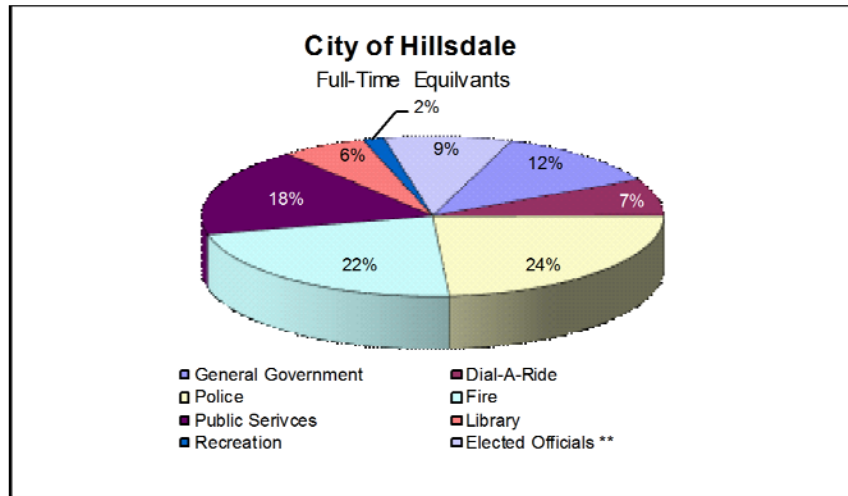
Part-time / temporary employees are utilized at various times throughout the year for a variety of purposes in the following departments: Dial-A-Ride; Recreation, Fire, Library, Public Services, and BPU. The numbers portrayed here, with the exception of the elected officials, are full-time employees only.

Full-Time Employees



PERSONNEL 2016-2017

City of Hillsdale	Full-Time	Part-Time	* Full Time Equivalents	Board of Public Utilities	Full-Time	Part-Time	* Full-Time Equivalents
General Government	8		8	Management	2		2
Dial-A-Ride	4	1	5	Administration/Office	3		3
Police	14	2	16	Technical Services	1		1
Fire	4	22	15	Power Plant	0		0
Public Services	12		12	Electric	8		8
Library	1	7	4	Water/Sewer	4		4
Recreation	1		1	Waste Water Treatment Plant	4		4
Elected Officials **		10	6				
	44	42	67		22	0	22



* 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 Operating While Intoxicated Enforcement (OWI) Fund generates its revenue from fines paid by those convicted of driving while intoxicated. The money is used to further the enforcement of the intoxicated driving laws.

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.

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:

FUND STRUCTURE

continued

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.

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 Services 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.

FUND STRUCTURE

continued

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 three Expendable Trust funds:

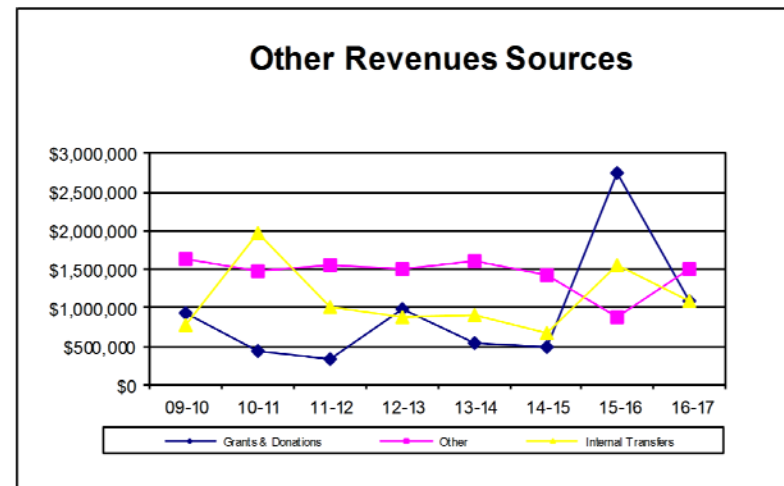
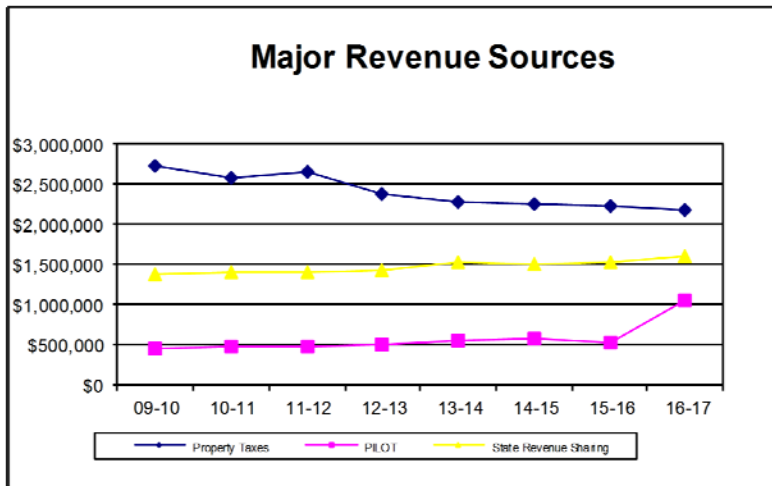
1. R.L. Owen Memorial Park Trust Fund was established to make improvements to the R.L. Owen Memorial Park.
2. Cemetery Perpetual Care Fund gets its revenue from the sale of cemetery lots and interest earned on investments. These funds are used to help offset the costs of maintaining the cemeteries and for capital improvements.
3. Stocks Park Maintenance Fund was established 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:

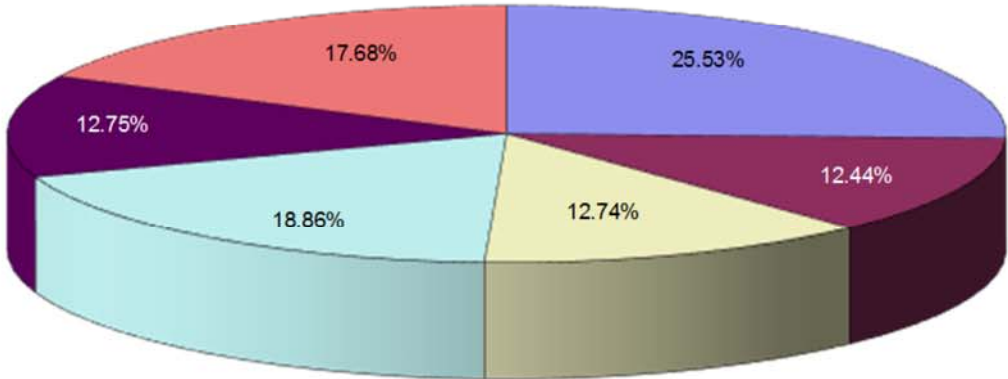
1. Imprest Payroll Fund is used to disburse payroll and payroll withholdings.
2. Treasurer's Tax Collection Fund receipts and disburses all the treasurer's tax collections.

MAJOR REVENUES

	Actual				Budget		
	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Property Taxes	2,573,066	2,669,879	2,379,650	2,290,300	2,259,266	2,227,950	2,174,500
PILOT	468,701	481,452	504,990	558,307	564,081	520,000	1,060,000
Grants & Donations	438,404	333,177	974,191	542,918	480,468	2,738,200	1,085,015
State Revenue Sharing	1,391,864	1,412,722	1,430,860	1,523,293	1,504,251	1,522,100	1,606,605
Internal Transfers	1,961,611	1,015,539	883,410	913,411	669,367	1,557,390	1,086,040
Other	1,471,885	1,557,255	1,498,532	1,603,716	1,414,507	885,190	1,505,995
Totals	\$ 8,305,531	\$ 7,470,024	\$ 7,671,633	\$ 7,431,945	\$ 6,891,940	\$ 9,450,830	\$ 8,518,155



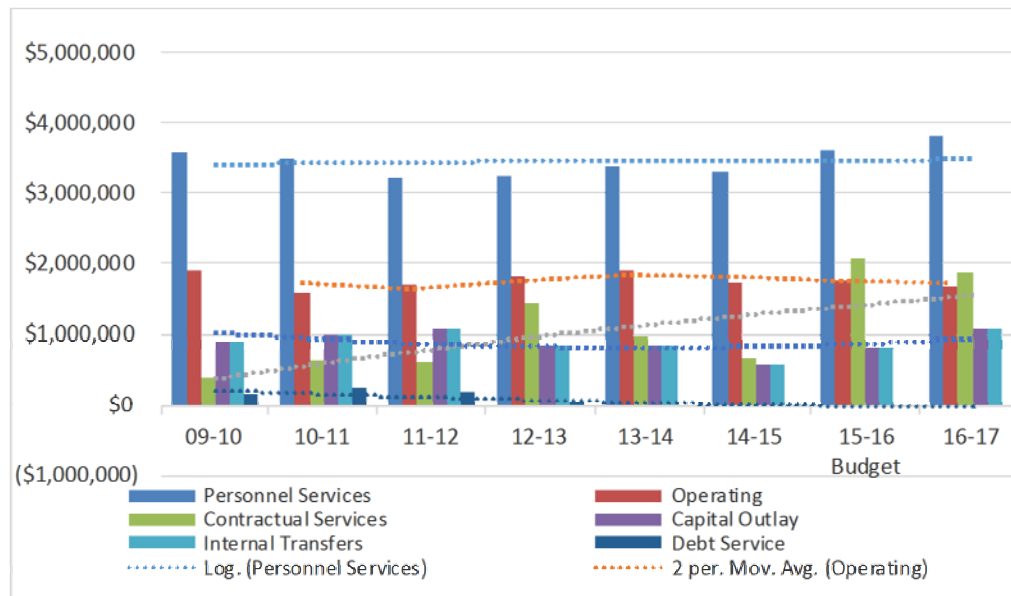
**Total Revenues
2016/17 Budget**



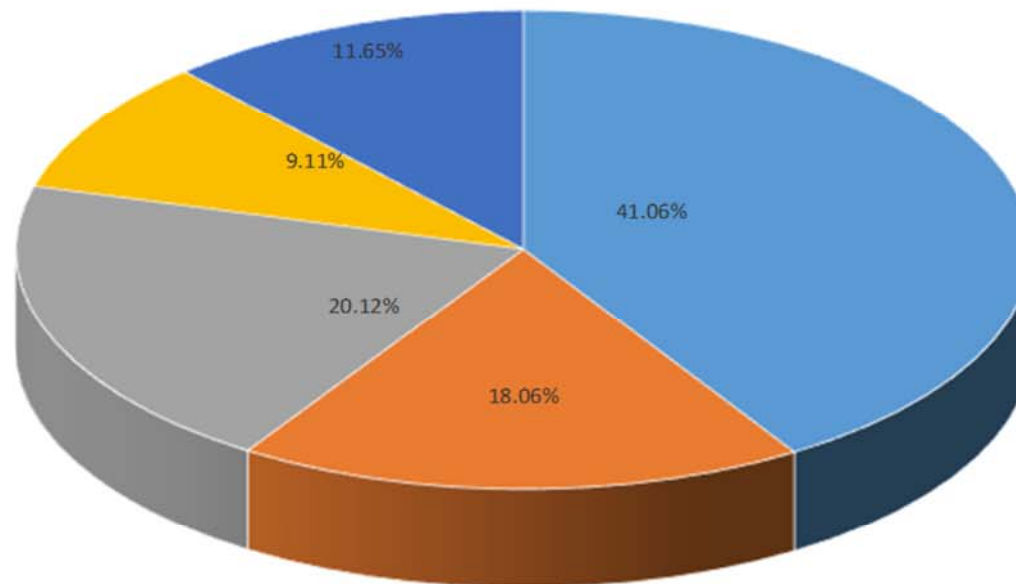
■ Property Taxes ■ PILOT ■ Grants & Donations ■ State Revenue Sharing ■ Internal Transfers ■ Other

MAJOR EXPENDITURES

	Actual						Budget	
	09-10	10-11	11-12	12-13	13-14	14-15	15-16	16-17
Personnel Services	\$3,598,017	\$3,493,651	\$3,223,397	\$3,261,727	\$3,402,380	\$3,302,180	\$3,616,470	\$3,830,050
Operating	1,890,351	1,586,460	1,696,823	1,830,500	1,892,120	1,735,066	1,764,480	1,684,110
Contractual Services	401,545	648,410	614,276	1,444,529	951,090	678,605	2,075,530	1,876,965
Capital Outlay	812,560	1,236,320	214,498	289,827	475,170	148,274	2,198,170	849,840
Internal Transfers	896,227	985,764	1,066,190	858,916	856,590	589,835	815,190	1,086,905
Debt Service	156,391	255,088	178,000	52,994	0			
Totals	\$7,755,091	\$8,205,693	\$6,993,184	\$7,738,493	\$7,577,350	\$6,453,960	\$10,469,840	\$9,324,870



Budget 2016/17 Expenditures



■ Personnel Services ■ Operating Expenses ■ Contractual Services ■ Capital Outlay ■ Transfers

CITY OF HILLSDALE BUDGET SUMMARY 2016-17

<u>REVENUES</u>	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Amended Budget 2015-16	Manager Requested 2016-17	Percent Change
Governmental Funds:							
General Fund (101)	\$ 4,569,757	\$ 4,167,143	\$ 4,049,561	\$ 4,045,911	\$ 4,605,760	\$ 4,893,000	6.24%
Major St. Fund (202)	473,081	479,141	548,141	503,424	496,750	520,350	4.75%
Local St. Fund (203)	222,298	276,290	316,565	302,929	310,500	362,000	16.59%
Recreation Fund (208)	110,426	110,048	125,415	125,985	134,170	140,950	5.05%
E.D.C. Fund (244)	14,147	146	67	122	10,100	20,100	99.01%
T.I.F.A. Fund (247)	142,248	138,619	124,698	132,574	102,180	120,500	17.93%
Drug Forfeiture Fund (265)	-	-	998	2,206	1,000	2,000	100.00%
Library Fund (271)	277,876	279,382	247,414	249,494	229,890	244,305	6.27%
Police OWI Enforcement Fund (274)	2,065	4,144	-	-	-	3,000	3000.00%
Bond & Interest Redemption (362)	178,000	24,994	-	-	-	-	0.00%
Capital Improvement (401)	562,230	897,450	446,074	239,273	738,230	700,000	-5.18%
Fields of Dreams (408)	3,394	3,209	7,823	13,199	4,050	36,525	801.85%
Stock's Park (409)	18,684	27,515	22,949	10,323	10,050	15,100	50.25%
Library Improvement (471)	14,341	1,352	2	-	-	-	0.00%
Airport Improvement (481)	128,323	164,797	491,326	153,902	1,513,120	78,925	-94.78%
Proprietary Funds:							
Dial-A-Ride (588)	314,008	446,758	311,819	451,530	452,710	553,405	22.24%
Public Services Inventory (633)	66,723	110,209	129,600	121,834	198,110	215,675	8.87%
Revolving Mobile Equipment Fund (640)	259,594	358,775	392,331	356,812	385,300	382,830	-0.64%
Fire Equipment & Vehicle Fund (663)	437	25,694	25,861	181	730	150	-79.45%
Unemployment Insurance Fund (677)	17,929	9,261	9,435	4,466	4,250	2,325	-45.29%
DPS Leave & Benefits (699)	142,769	125,322	143,389	137,441	207,810	178,415	-14.15%
Fiduciary Funds:							
Cemetery Perpetual Care (711)	34,662	15,073	29,321	22,384	34,500	35,000	1.45%
Stock's Park Perpetual Maint. Fund (712)	1,243	441	5,806	11,691	5,120	7,600	48.44%
R.L.Owens Memorial Park (715)	6,081	5,870	3,350	6,259	6,500	6,000	-7.69%
TOTAL REVENUES	\$ 7,560,316	\$ 7,671,633	\$ 7,431,945	\$ 6,891,940	\$ 9,450,830	\$ 8,518,155	-9.87%

CITY OF HILLSDALE BUDGET SUMMARY 2016-17

<u>EXPENDITURES</u>	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Amended Budget 2015-16	Manager Requested 2016-17	Percent Change
GOVERNMENTAL FUNDS:							
General Fund (101)							
City Council	\$ 25,730	\$ 33,653	\$ 31,684	\$ 30,361	\$ 28,650	\$ 27,425	-4.28%
City Manager	199,648	200,478	201,742	174,081	241,650	237,735	-1.62%
Economic Development	32,715	65,746	52,185	80,432	660,900	490,000	-25.86%
Administrative Services	217,854	161,306	211,236	159,175	172,000	179,600	4.42%
Elections	12,126	9,627	12,050	11,099	15,100	15,600	3.31%
Assessing Department	138,413	136,880	178,762	117,179	95,000	98,135	3.30%
City Clerk	66,290	78,632	73,899	83,396	106,140	154,115	45.20%
Finance Department	92,736	95,205	96,214	92,949	99,070	103,560	4.53%
City Treasurer	190,071	124,682	137,180	130,374	136,730	138,200	1.08%
Building & Grounds	116,449	142,063	141,830	108,644	130,940	125,835	-3.90%
Parking Lots	20,178	17,381	28,868	55,473	30,240	34,955	15.59%
Cemeteries	115,477	131,927	100,640	105,884	117,200	122,220	4.28%
Airport	81,853	95,615	108,431	93,160	147,640	110,155	-25.39%
Police Department	1,253,177	1,295,343	1,288,837	1,235,043	1,325,990	1,363,400	2.82%
Fire Department	422,481	555,516	449,776	464,425	454,700	456,765	0.45%
Code Enforcement	2,050	1,716	6,062	39,899	44,000	44,990	2.25%
Planning Department	2,634	3,922	4,367	66,800	74,750	78,880	5.53%
Public Services	252,169	259,254	248,133	263,191	263,680	283,030	7.34%
Street Lighting	61,302	62,876	70,158	69,992	71,600	68,500	-4.33%
Parks	149,165	146,427	173,906	216,269	156,010	195,495	25.31%
Transfers Out	847,313	677,959	548,855	433,450	360,490	564,405	56.57%
Total General Fund (101)	\$ 4,299,831	\$ 4,296,208	\$ 4,164,815	\$ 4,031,276	\$ 4,732,480	\$ 4,893,000	3.39%
Major Street Fund (202)							
Administrative Services	\$ 42,643	\$ 93,239	\$ 198,110	\$ 70,474	\$ 95,000	\$ 147,500	55.26%
Administrative Services - Trunkline	2,967	2,993	4,665	3,212	3,000	3,000	0.00%
Street Surface	51,251	39,438	77,670	57,894	98,110	71,115	-27.52%
Trunkline Surface	4,900	3,281	12,170	10,597	14,200	13,955	-1.73%

CITY OF HILLSDALE BUDGET SUMMARY 2016-17

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Amended Budget 2015-16	Manager Requested 2016-17	Percent Change
GOVERNMENTAL FUNDS: EXPENDITURES (cont.)							
R.O.W Maintenance	\$ 69,225	\$ 106,830	\$ 73,679	\$ 78,415	\$ 72,040	\$ 92,160	27.93%
Trunkline R.O.W.	4,245	5,815	5,216	6,088	8,850	10,050	13.56%
Trees	45,355	44,485	38,415	26,080	44,990	38,280	-14.91%
Trunkline Trees	788	593	204	743	710	905	27.46%
R.O.W. Drainage	42,300	24,184	36,147	31,469	39,020	44,425	13.85%
Trunkline Drainage	4,148	126	1,308	898	5,120	1,735	-66.11%
Traffic	65,409	35,711	31,270	55,206	48,450	59,090	21.96%
Trunkline Traffic	4,759	4,766	5,696	5,907	7,530	7,380	-1.99%
Winter Maintenance	46,073	64,820	106,472	71,119	98,860	97,070	-1.81%
Trunkline Winter Maint.	12,867	19,675	37,540	16,403	26,020	22,905	-11.97%
Total Major Street Fund (202)	\$ 396,930	\$ 445,956	\$ 628,562	\$ 434,505	\$ 561,900	\$ 609,570	8.48%
Local Street Fund (203)							
Administrative Services	\$ 14,010	\$ 14,199	\$ 14,647	\$ 14,957	\$ 14,700	\$ 15,000	2.04%
Street Surface	54,075	64,557	69,389	77,476	80,510	100,920	25.35%
R.O.W. Maintenance	49,225	54,163	70,709	67,577	68,800	79,690	15.83%
Trees	52,625	46,878	46,498	43,349	52,130	57,420	10.15%
R.O.W. Drainage	12,507	16,650	20,941	27,270	22,270	37,090	66.55%
Traffic	14,245	10,453	8,693	13,842	11,740	18,330	56.13%
Winter Maintenance	26,361	41,627	58,724	44,998	60,350	53,550	-11.27%
Total Local Street Fund (203)	\$ 223,048	\$ 248,527	\$ 289,601	\$ 289,469	\$ 310,500	\$ 362,000	16.59%
Recreation Fund (208)	\$ 101,002	\$ 116,332	\$ 122,750	\$ 125,451	\$ 134,170	\$ 140,950	5.05%
E.D.C. Fund (244)	\$ 1,947	\$ 707	\$ 717	\$ 3,991	\$ 58,400	\$ 60,400	10.27%
T.I.F.A. Fund (247)	\$ 151,388	\$ 51,083	\$ 55,617	\$ 77,534	\$ 432,750	\$ 428,000	-1.10%
Drug Forfeiture Fund (265)	\$ -	\$ -	\$ -	\$ 873	\$ 1,000	\$ 2,000	100.00%
Library Fund (271)	\$ 233,521	\$ 233,227	\$ 236,960	\$ 213,257	\$ 229,890	\$ 244,305	6.27%

CITY OF HILLSDALE BUDGET SUMMARY 2016-17

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Amended Budget 2015-16	Manager Requested 2016-17	Percent Change
GOVERNMENTAL FUNDS: EXPENDITURES (cont.)							
Police OWI Enforcement Fund (274)	\$ -	\$ -	\$ -	\$ -	\$ -	4,000	4000.00%
Debt Service Fund (362)	\$ 178,000	\$ 28,000	\$ -	\$ -	\$ -	-	0.00%
Capital Improvement Fund (401)	\$ 212,063	\$ 1,178,596	\$ 539,260	\$ 50,560	\$ 1,000,000	\$ 1,000,600	0.06%
Fields of Dreams (408)	\$ -	\$ 609	\$ 280	\$ 26,930	\$ 100	\$ 36,525	36425.00%
Stock's Park (409)	\$ 17,340	\$ 13,312	\$ 17,874	\$ 24,542	\$ 10,050	\$ 15,100	50.25%
Library Improvement Fund (471)	\$ -	\$ 2,549	\$ 119	\$ -	\$ -	-	0.00%
Airport Improvement Fund (481)	\$ 140,589	\$ 89,201	\$ 409,149	\$ 117,393	\$ 1,729,670	\$ 54,500	-96.85%
<u>PROPRIETARY FUNDS:</u>							
Dial-A-Ride Fund (588)	\$ 343,262	\$ 356,448	\$ 388,293	\$ 385,665	\$ 452,710	\$ 553,405	22.24%
DPS Inventory Fund (633)	\$ 75,627	\$ 99,793	\$ 124,673	\$ 148,174	\$ 198,110	\$ 215,675	8.87%
Revolving Mobile Equipment Fund (640)	\$ 422,428	\$ 423,251	\$ 433,719	\$ 369,006	\$ 385,300	\$ 501,425	30.14%
Fire Vehicle & Equipment Fund (663)	\$ -	\$ -	\$ -	\$ -	\$ -	-	0.00%
Unemployment Insurance Fund (677)	\$ 21,909	\$ 1,053	\$ 306	\$ 4,594	\$ 5,000	\$ 5,000	0.00%
DPS Leave & Benefits (699)	\$ 142,769	\$ 125,322	\$ 128,704	\$ 137,441	\$ 207,810	\$ 178,415	-14.15%

CITY OF HILLSDALE BUDGET SUMMARY 2016-17

	Actual 2011-12	Actual 2012-13	Actual 2013-14	Actual 2014-15	Amended Budget 2015-16	Manager Requested 2016-17	Percent Change
<u>FIDUCIARY FUNDS:</u>							
Cemetery Perpetual Care (711)	\$ 20,000	\$ 20,500	\$ 35,951	\$ 13,300	\$ 20,000	\$ 20,000	0.00%
Stock's Park Perpetual Maint. Fund (712)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0.00%
R.L. Owens Memorial Fund (715)	\$ 5,997	\$ 3,675	\$ -	\$ -	\$ -	\$ -	0.00%
<u>TOTAL EXPENDITURES</u>	\$ 6,987,651	\$ 7,734,349	\$ 7,577,350	\$ 6,453,961	\$ 10,469,840	\$ 9,324,870	-10.90%

FUND BALANCES

Fund	Fund Name	2015-16				2016-17		Ending Fund Bal.	Percent Changed
		Begin. Fund Bal.	Est. Revenues	Est. Expend.	Est. Ending Bal.	Revenues	Expend.		
101	General Fund	\$ 941,510	\$4,605,760	\$ 4,732,480	\$ 814,790	\$4,893,000	\$ 4,893,000	\$ 814,790	0.00%
202	Major St./Trunkline Fund	240,380	496,750	561,900	175,230	520,350	609,570	86,010	-50.92%
203	Local St. Fund	111,514	310,500	310,500	111,514	362,000	362,000	111,514	0.00%
208	Recreation Fund	6,776	134,170	134,170	6,776	140,950	140,950	6,776	0.00%
244	Economic Development Corp. Fund	295,454	10,100	58,400	247,154	20,100	60,400	206,854	-16.03%
247	Tax Increment Finance Authority Fund	690,262	102,180	162,750	629,692	120,500	428,000	322,192	-48.83%
265	Drug Foreiture/Grant Fund	3,041	645	1,460	2,226	2,000	2,000	2,226	0.00%
271	Library Fund	152,627	229,890	229,890	152,627	244,305	244,305	152,627	0.00%
274	Police OWI Enforcement Fund	-	14,982	8,000	6,982	3,000	4,000	5,982	-14.32%
362	Bond and Interest Redem. Fund	-	-	-	-	-	-	-	0.00%
401	Capital Improvement Fund	497,786	252,430	267,590	482,626	700,000	1,000,600	182,026	-62.28%
408	Fields of Dreams Fund	5,937	8,586	3,950	10,573	36,525	36,525	10,573	0.00%
409	Mrs. Stock's Park Fund	23,904	11,000	23,904	11,000	15,100	15,100	11,000	0.00%
471	Library Improvement Fund	13,027	-	4,500	8,527	-	-	8,527	0.00%
481	Airport Improvement Fund	271,512	1,513,120	1,729,670	54,962	78,925	54,500	79,387	44.44%
588	Dial-A-Ride Fund	881,220	364,710	364,710	881,220	553,405	553,405	881,220	0.00%
633	Public Services Inv. Fund	223,626	198,110	198,110	223,626	215,675	215,675	223,626	0.00%
640	Revolving Mobile Equipment Fund	340,976	415,300	385,300	370,976	382,830	501,425	252,381	-31.97%
663	Fire Vehicle & Equipment Fund	91,447	5,500	59,047	37,900	150	-	38,050	0.40%
677	Unemployment Insurance Fund	67,477	4,250	5,000	66,727	2,325	5,000	64,052	-4.01%
699	DPS Leave and Benefits Fund	22,579	207,810	207,810	22,579	178,415	178,415	22,579	0.00%
711	Cemetery Perpetual Care Fund	625,732	34,500	20,000	640,232	35,000	20,000	655,232	2.34%
712	Stock's Park Perpetual Maintenance Fund	36,429	8,000	-	44,429	7,600	-	52,029	17.11%
715	R.L. Owen Memorial Fund	41,037	6,500	-	47,537	6,000	-	53,537	12.62%
		\$ 5,583,697	\$8,934,793	\$ 9,502,051	\$ 5,016,439	\$8,518,155	\$ 9,324,870	\$4,209,724	-16.08%

CHANGES IN FUND BALANCE

Major Street Funds (202)

Fund Balance Reduction of \$89,220

The anticipated reduction in fund balance is intentional. The budget for the Major Street fund historically anticipates using a portion of its fund balance each year. This year the reduction is attributable to a transfer to the Local Street Fund of \$100,000. This transfer will help lessen the Local Street contribution from General Fund.

Economic Development Corporation Fund (244)

Fund Balance Reduction of \$40,300

The Economic Development Cooperation board is planning a variety of projects for the 2016-17 fiscal year. These undertakings will use any projected income from the sale of lots at Three Meadows subdivision plus approximately 18% of their fund balance. It is the hope that these projects and allocations will generate interest and create activity in the subdivision and boost the sale of these lots, which is the only source of income into this fund.

Tax Increment Finance Authority (247)

Fund Balance Reduction of \$307,500

The TIFA board has been building a sizeable fund balance over the past several years. This year they plan to purchase a building (s) for \$270,000 to facilitate redevelopment. They are also working on several beatification projects in the downtown area. They are hoping to do some target marketing, promote a downtown event and begin restaurant and business attraction programs.

Police OWI Fund (274)

Fund Balance Reduction of \$1,000

These funds are from driving citations relating to operating a vehicle while intoxicated. These funds had typically been held at the county level and used to purchase items for enforcement agencies county wide. The County changed their policy and now distribute these funds to each jurisdiction monthly. The Police department plans to use some of these accumulated funds to purchase new electronic equipment for their squad cars.

Capital Improvement Fund (401)

Fund Balance Reduction of \$300,600

The City is planning to use down it's capital improvement fund balance to complete the State Street project set to get underway in the spring of 2016. There is also an additional \$300,000 budgeted to do work on a local street which has not yet been determined.

Airport Improvement Fund (481)

Fund Balance Increase of \$24,400

The city plans to build its reserves in this fund for future projects outlined in the MDOT Aeronautics Division 10-year plan.

Stocks Park Perpetual Maintenance Fund (712)

Fund Balance Increase of \$7,600

These funds are generated through community contributions and donations. These funds are set aside in perpetuity so that the income earned can be used to offset future

CHANGES IN FUND BALANCE

continued

maintenance cost of Mrs. Stocks Park.

R.L.Owans Memorial Fund (715)

Fund Balance increase of \$6,000

This fiduciary fund holds the interest from donated assets to benefit the lakefront park by that name. There are no projects planned for that park in this fiscal year.

**Combined Statement of Revenues, Expenditures, and Change in Fund Balances
Budget 2016-17**

	GOVERNMENTAL FUNDS							
	General Fund	Street Funds	Recreation	Library	Debt Service	Capital Imp.	Other	
Major Revenue Sources:								
Property Taxes	\$ 1,931,500			\$ 124,000				\$ 119,000
Payment in Lieu of Taxes	1,060,000							
Special Assessments								
State Revenue Sharing	913,000			14,605				
Act 51 (Gas & Weight Tax)		679,000						
Fines and Violations								
Grants/Donations	435,000			22,500		225,000		
Charges for Services								
Interest	7,000	850		150		125		1,600
Other	399,000	2,500	81,300	83,050		35,425		25,000
Total Revenues	\$ 4,745,500	\$ 682,350	\$ 81,300	\$ 244,305	\$ -	\$ 260,550		\$ 145,600
Major Expenditures:								
Personnel Services	2,679,860	341,300	116,550	159,205		2,100		-
Operating Expenses	849,275	330,950	21,400	46,500	-	27,125		23,400
Contractual Services	799,460	133,820	3,000	13,220		667,500		173,000
Capital Outlay	-	-	-	23,380		410,000		32,000
Total Expenditures	\$ 4,328,595	\$ 806,070	\$ 140,950	\$ 242,305	\$ -	\$ 1,106,725		\$ 228,400
Revenues Over (Under) Expenditures	416,905	(123,720)	(59,650)	2,000	-	(846,175)		(82,800)
Other Financing Sources (Uses):								
Transfers in	147,500	200,000	59,650			570,000		-
Transfers out	(564,405)	(165,500)		(2,000)		-		(270,000)
Total Other Financing Sources (Uses)	\$ (416,905)	\$ 34,500	\$ 59,650	\$ (2,000)	\$ -	\$ 570,000		\$ (270,000)
Changes in Fund Balances	0	(89,220)	0	0		(276,175)		(352,800)
Beginning Fund Balances	814,786	286,745	6,776	152,627	-	567,688		1,117,151
Ending Fund Balances	\$ 814,786	\$ 197,525	\$ 6,776	\$ 152,627	\$ -	\$ 291,513		\$ 764,351

CITY OF HILLSDALE
Combined Statement of Revenues, Expenditures, and Change in Fund Balances
Budget 2016-17

	PROPRIETARY FUNDS		R.L. Owens	FIDUCIARY FUNDS	
	DART	Internal Serv.		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	389,015			7,500	
Charges for Services	55,500				
Interest		675	6,000	100	15,000
Other		778,720			20,000
Total Revenues	\$ 444,515	\$ 779,395	\$ 6,000	\$ 7,600	\$ 35,000
Major Expenditures:					
Personnel Services	245,355	285,680			
Operating Expenses	54,550	331,910			
Contractual Services	4,500	92,465			
Capital Outlay	194,000	190,460			
Total Expenditures	\$ 498,405	\$ 900,515	\$ -	\$ -	\$ -
Revenues Over (Under) Expenditures	(53,890)	(121,120)	6,000	7,600	35,000
Other Financing Sources (Uses):					
Transfers in	108,890				
Transfers out	(55,000)				(20,000)
Total Other Financing Sources (Uses)	\$ 53,890	\$ -	\$ -	\$ -	\$ (20,000)
Changes in Fund Balances	0	(121,120)	6,000	7,600	15,000
Beginning Fund Balances	881,220	737,164	47,537	44,429	640,232
Ending Fund Balances	\$ 881,220	\$ 616,044	\$ 53,537	\$ 52,029	\$ 655,232

GENERAL FUND FORECAST

Fire-Year Forecasting Model

The following graph is a snapshot of what the General Fund revenues and expenditures **might** look like in the next five years based on a certain set of assumptions. This graph is a part of the Financial Model completed by Municipal Analytics as part of the Income Tax Feasibility Study. The purpose of this graph is to assist the administrative staff and elected officials in future difficult decision making. With this model different assumptions can be instated to see what affect they would have on future budgets. This information was included here for strategic planning and decision making analysis only. As time progresses, these assumptions will change, ultimately altering the outcomes depicted here.

The black line running across the bottom of the graph is the General Fund balance. Based on these assumptions, the City's \$940,000 fund balance would be completely depilated by June 2020.

Assumptions

In the development of these assumptions, the administration has taken a moderate approach to the revenue forecasts and an optimistic approach for the expenditures. The following is a partial listing of the major assumptions used in the preparation of this graph

Revenues:

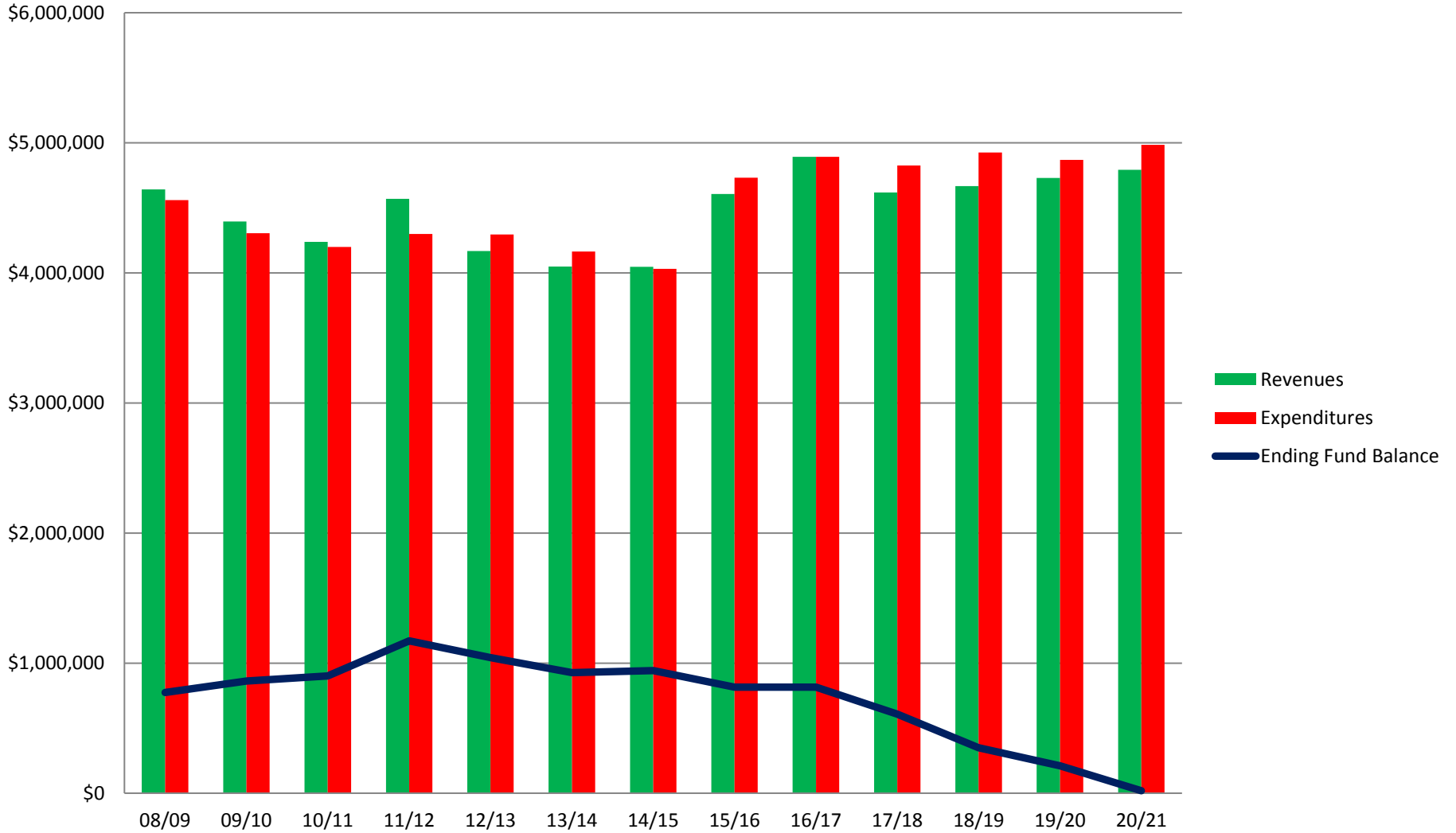
1. A 1% increase in the property taxes was projected for the first three years, 1.5% the fourth year, and fifth years.
2. State Revenue sharing increases at 2% each year.
3. Interest and penalties on property taxes assumed to go down by 1% each year.
4. Interest earnings were projected to remain unchanged for the five year period.
5. No changes were anticipated to all other general revenue sources.
6. Street funding is projected increase 2% each year.

This graph uses very conservative revenue projections. There are several unknowns that were not addressed here that have the potential of changing the appearance of this graph. The new road funding tax is set to phase in during the 2017 -18 fiscal year. What that will look like for the City of Hillsdale is yet unknown. Also in 2016 the Essential Services Tax goes into effect for commercial and industrial personal property tax. The proposed budget for 2016-17 projected a modest amount for those revenues but no attempt was made to include them in subsequent years.

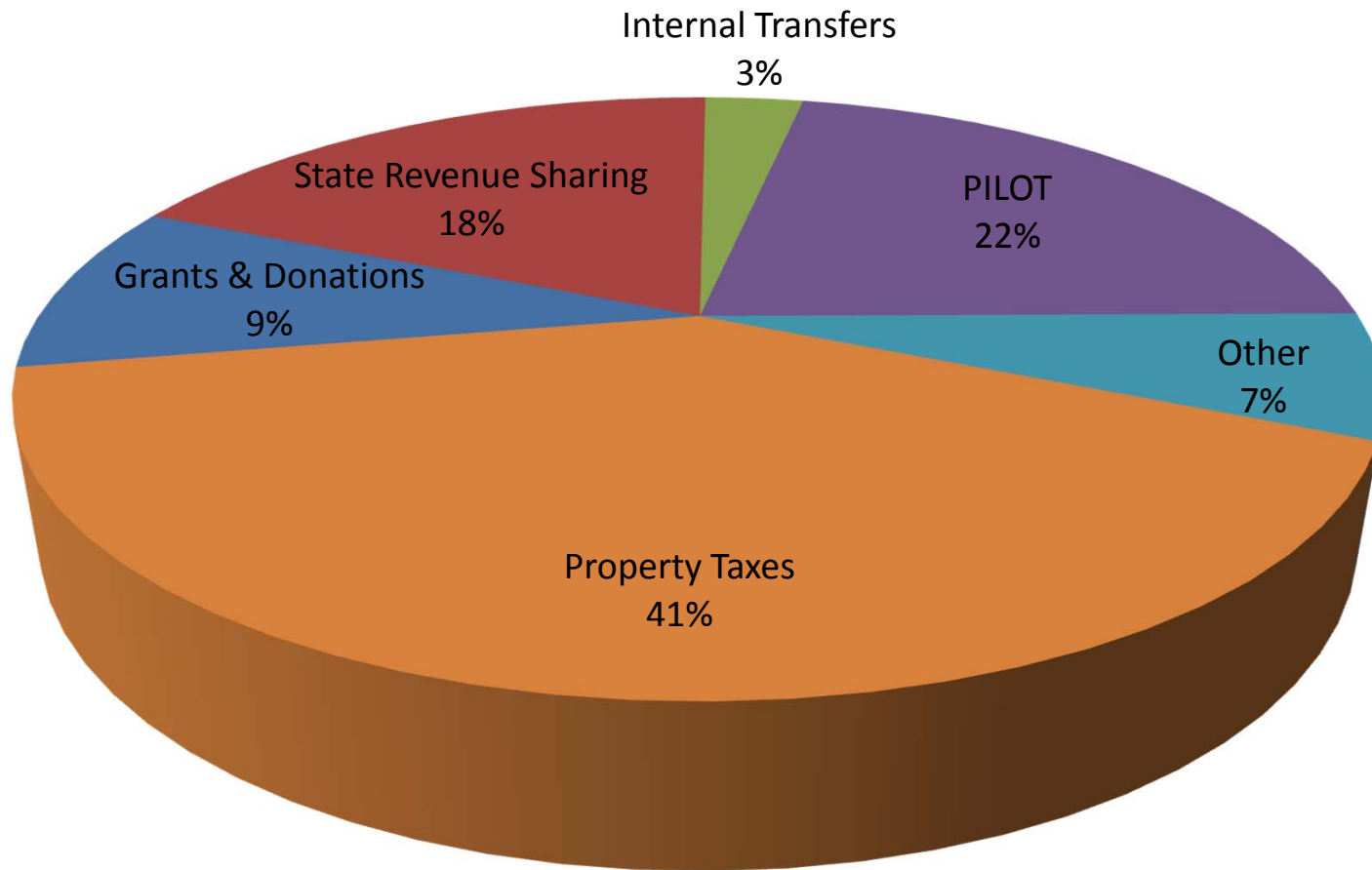
Expenditures:

1. Inflation was projected to be 1% per year.
2. Utility costs up 1% the first year, 1.5% the second and 2% the remaining three years.
3. Fuel and Lubricants approximately the same as utility costs only not quite as fast.
4. Administrative costs increase at 0.5% for two years and 1% each year after that.
5. Wage costs were projected to go up 2% for the first 2 years and 1% each year after that.
6. Retirement costs projected to increase about 2.5% each year.
7. Health insurance costs were projected to increase 21% each year.
8. The General Fund transfer to the Capital Improvement was set at \$300,000 for two years and \$150,000 for the remaining three.

City of Hillsdale General Fund Historical, Budgeted and Estimated Revenues, Expenditures and Fund Balance



General Fund Revenue Sources



Fund 101	GENERAL FUND REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
412.001	CURRENT TAXES	2,146,472	2,039,646	1,967,763	1,897,258	1,797,817	1,920,500	1,876,000
412.000	DELINQUENT TAXES	141,605	1,798	1,634	13,064	5,241	2,000	5,000
437.000	INDUSTRIAL FACILITIES TAX	48,656	27,740	33,385	48,484	52,110	50,250	35,500
445.000	DEL. TAXES-PENALTIES AND INT.	41,532	34,549	29,624	37,930	12,792	25,000	15,000
447.000	PROPERTY TAX ADMIN. FEE	71,551	71,358	62,943	61,267	55,389	60,000	56,000
448.000	TRAILER FEES	2,502	2,715	2,823	2,904	1,941	2,800	2,900
460.000	LICENSE FEES	5,429	5,871	6,206	6,348	6,056	6,300	6,300
461.000	C.A.T.V. FRANCHISE FEES	75,357	81,575	84,822	85,369	40,838	84,000	83,000
477.000	PERMITS	7,985	9,645	11,625	17,520	13,420	15,000	17,000
530.001	FEDERAL GRANTS OTHER - CDBG ACQUISITION					80,150	-	-
530.002	FEDERAL GRANTS OTHER - CDBG BLIGHT ELIMINATION					103,222	-	350,000
525.000	FEDERAL GRANT - RENTAL REHAB	778,694	-	-	5,000	22,254	292,680	75,000
573.000	LOCAL COMMUNITY STABILIZATION SHARE					-	-	63,000
574.000	STATE REVENUE SHARING	2,461	782,235	806,685	828,856	565,970	855,000	850,000
576.000	ACT 302 POLICE TRAINING FUNDS	-	2,453	2,681	2,540	1,236	2,500	3,000
627.000	INTERMENT FEES	17,093	22,005	16,962	19,826	13,232	18,500	19,500
627.000	ABATEMENT FEES				2,017	1,000	1,000	1,000
629.000	COPIES / DUPLICATING	434	147	581	315	22	100	100
658.000	ORDINANCE FINES	4,131	4,599	3,338	3,914	2,751	2,500	4,000
658.001	PARKING FINES	4,150	2,538	2,535	1,730	1,380	2,000	2,000
665.000	INTEREST	9,663	8,936	5,479	7,828	4,424	5,750	7,000
667.000	RENTS	13,000	25,584	25,584	25,584	16,000	25,580	16,000
667.517	RENTS - TRANSFER FACILITY	37,200	37,200	37,200	37,200	24,800	37,200	37,200
668.517	ROYALTIES - TRANSFER FACILITY	25,425	18,848	18,848	18,369	10,183	18,900	17,500
672.000	SPECIAL ASSESSMENTS	80,060	67,592	60,801	47,391	28,824	40,000	26,500
673.000	SALE OF CITY PROPERTY	2,138	1	20	20	26,000	-	-
674.000	CONTRIBUTIONS IN LIEU OF TAX	481,452	504,990	558,307	564,081	256,016	520,000	1,060,000
675.247	CONTRIBUTIONS & DONATIONS - TIFA			10,000	-	10,000	-	-
675.756	CONTRIBUTIONS & DONATIONS - PARKS					2,338	-	-
687.000	REFUNDS - MAJOR ST. ADMIN.	45,610	46,232	-	-	-	-	-
688.000	REFUNDS - LOCAL ST. ADMIN.	14,010	14,199	-	-	-	-	-
689.000	REFUNDS - DART ADMIN.	43,850	46,731	-	-	-	-	-
690.000	OTHER REFUNDS	393,017	96,921	99,589	90,714	75,490	100,000	100,000
690.806	OTHER REFUNDS - LEGAL SERVICES	350	400	-	317	-	500	-
692.000	OTHER REVENUE	10,696	5,718	3,471	6,480	4,175	5,000	7,000
692.100	OTHER REVENUE - 100TH ANNIVERSARY	845	-	-	-	-	-	-
692.174	OTHER REVENUE - ECONOMIC DEVELOP.	31,543	57,465	-	-	-	-	-

Fund 101	GENERAL FUND REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
692.247	OTHER REVENUE - TIFA	-	-	-	10,000	-	10,000	10,000
692.301	OTHER REVENUES - POLICE DEPT	498	66	-	22	-	-	-
692.336	OTHER REVENUES - LOC FIRE GRANTS	-	-	1,000	4,234	28,200	-	-
692.470	OTHER REVENUES -TREES	-	100	-	-	-	-	-
699.174	TRANSFER IN - BPU ECONOMIC DEVELOPMENT			57,171	73,945	30,948	65,000	-
699.202	TRANSFER IN - MAJOR STREETS			52,775	48,686	24,927	48,000	55,500
699.203	TRANSFER IN - LOCAL STREETS			14,647	14,957	7,798	14,700	15,000
692.690	OTHER REVENUES - RENTAL REHAB	-	-	-	-	-	303,000	-
699.271	TRANSFER IN - LIBRARY	2,000	2,000	2,000	2,000	2,000	2,000	2,000
699.588	TRANSFER IN - DIAL-A-RIDE			49,062	46,441	-	50,000	55,000
699.711	TRANSFERS IN - CEMETERY CARE	20,000	20,000	20,000	13,300	-	20,000	20,000
	TOTAL GENERAL FUND REVENUES	4,569,757	4,167,143	4,049,561	4,045,911	3,331,446	4,605,760	4,893,000

CITY COUNCIL

517-437-5089

Scott Sessions - Mayor

scott_m_sessions@yahoo.com

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 (2017, 2019 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.

The next City Election will be held on the first Tuesday in November 2017.

Mayor and City Council Members

Mayor
 Scottt Sessions..... 2017

First Ward
 Adam Stockford 2017
 Brian Watkins..... 2019

Second Ward
 Vacancy.....2017
 Tim Dixon.....2019

Third Ward
 Vacancy2017
 Bruce Sharp2019

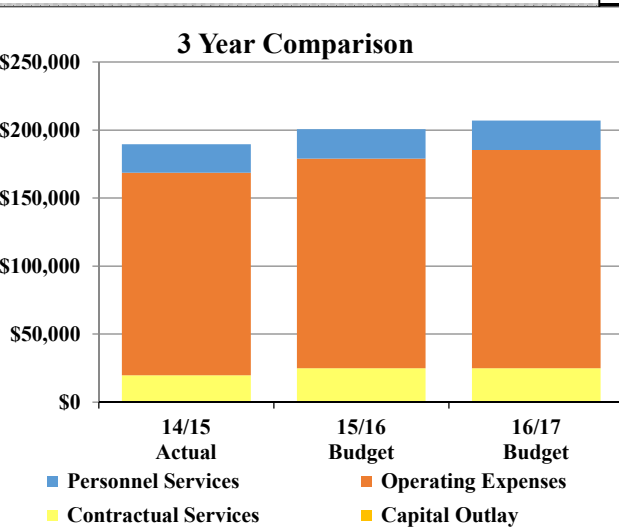
Fourth Ward
 Patrick Flannery 2017
 Matthew Bell2019

Council Goals

1. Infrastructure improvements
2. Strengthen Sense of Community
3. Destination - Vibrant Downtown
4. Economic Development

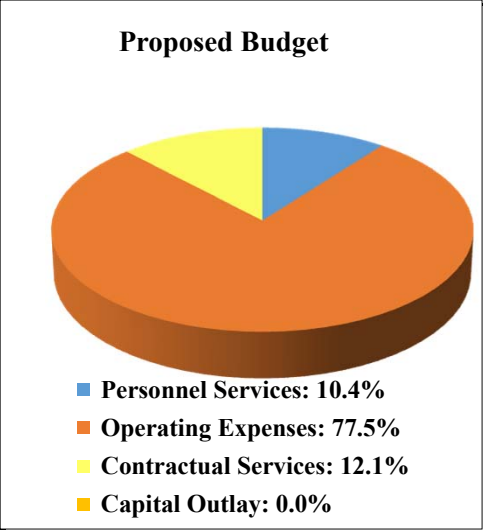
Budget Summary

1. Personnel expenses consist of payments to Council based on meetings and committee meetings attended, as authorized by the Officers Compensation Commission.
2. Operating expenses include Council training and membership dues in the Michigan Municipal League, auditing and legal services, technology and repair services for computer equipment and engineering reviews of site plans.



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	20,803	21,700	21,575	-0.58%
Operating Expenses	148,918	153,950	160,450	4.22%
Contractual Services	19,765	25,000	25,000	0.00%
Capital Outlay	-	-	-	
	\$ 189,486	\$ 200,650	\$ 207,025	3.18%



							Budgets	
		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
Fund 101 GENERAL FUND EXPENDITURES		11/12	12/13	13/14	14/15	02/16	15/16	16/17
101.000 CITY COUNCIL								
<i>Personnel Services</i>								
702.000	WAGES	19,342	18,803	18,060	19,242	11,182	20,000	20,000
717.000	WORKERS' COMPENSATION	45	36	100	97	100	200	75
720.000	EMPLOYER'S FICA	1,480	1,438	1,380	1,464	855	1,500	1,500
Total Personnel Services		20,867	20,277	19,540	20,803	12,137	21,700	21,575
<i>Operating Expenses</i>								
726.000	SUPPLIES	83	176	200	295	74	300	300
810.000	DUES AND SUBSCRIPTIONS	4,619	4,730	-	4,806	4,883	5,000	5,000
860.000	TRANSPORTATION AND MILEAGE	-	-	-	-	-	250	-
861.000	TRAINING & SEMINARS	-	-	-	-	-	500	-
862.000	LODGING AND MEALS	161	-	-	52	-	350	-
955.000	MISCELLANEOUS	-	-	-	-	10	-	-
955.175	MISC.-MAYORS EXCHANGE DAY	-	-	-	-	-	-	-
955.176	MISC. - COMMUNICATIONS	-	8,470	11,940	4,355	500	550	550
Total Operating Expenses		4,863	13,376	12,140	9,508	5,467	6,950	5,850
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	-	-	-	50	-	-	-
TOTAL CITY COUNCIL		25,730	33,653	31,680	30,361	17,604	28,650	27,425

							Budgets	
Fund 101 GENERAL FUND EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
175.000 ADMINISTRATIVE SERVICES								
<i>Personnel Services</i>								
702.000	WAGES	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	-	-	-	-	-	-
Total Personnel Services		-	-	-	-	-	-	-
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,235	-	194	348	-	500	500
805.000	ACCOUNTING SERVICES	-	-	-	-	-	-	-
806.000	LEGAL SERVICES	41,729	45,865	54,354	35,041	24,580	45,000	50,000
806.002	LEGAL SERVICES - TAX CASES	51,009	14,320	47,123	38,269	21,534	15,000	15,000
806.004	LEGAL SERVICES-HLSD IRON/METAL	-	-	-	-	-	-	-
807.000	ENGINEERING SERVICES - CONTRACT	8,323	3,110	2,197	1,885	3,411	5,000	5,000
808.000	AUDITING SERVICES	19,100	13,100	13,700	11,589	13,935	16,000	16,500
810.000	DUES AND SUBSCRIPTIONS	180	249	340	180	340	500	400
850.000	INSURANCE	51,132	57,356	52,990	47,098	50,301	60,000	60,000
861.000	TRAINING & SEMINARS	938	1,552	-	-	1,141	-	1,200
900.000	PRINTING	-	-	-	-	-	-	-
955.000	MISCELLANEOUS	-	-	-	-	-	-	-
955.101	MISC. - DOMESTIC HARMONY	5,500	5,500	5,500	5,000	-	5,000	5,000
955.102	MISC. - COUNTY DRAIN	-	-	-	-	-	-	-
955.103	MISC. - EMPLOYEE RECOGNITION	-	-	-	-	-	-	500
955.104	MISC. - DOWNTOWN DEVELOPMENT	-	-	-	-	-	-	-
955.105	MISC. - COUNCIL APPROVED STUDY	-	-	-	-	-	-	-
955.125	MISC. - FLOWERS/TREE-MENDES FESTIVAL	792	977	904	-	381	-	500
Total Operating Expenses		179,938	142,029	177,302	139,410	115,623	147,000	154,600
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	37,908	19,658	33,934	19,765	13,455	25,000	25,000
801.461	CONTRACTUAL SERVICES-PUBLIC ACCESS CHANNEL	-	-	-	-	-	-	-
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		37,908	19,658	33,934	19,765	13,455	25,000	25,000
TOTAL ADMINISTRATIVE SERVICES		217,847	161,687	211,236	159,175	129,078	172,000	179,600

CITY MANAGER

517-437-6444

David Mackie

dmackie@cityofhillsdale.org

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

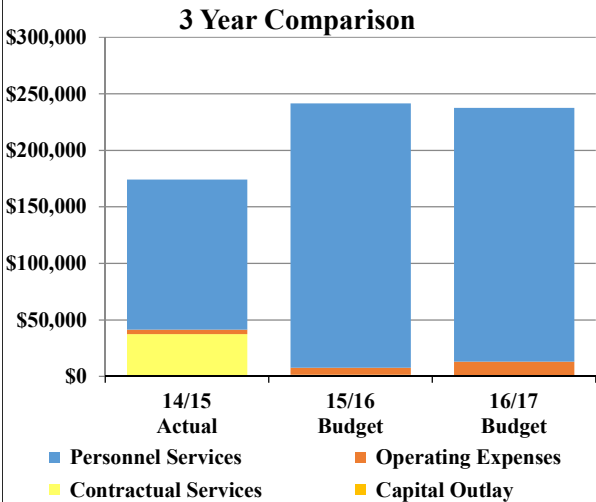
1. Provide and maintain effective and efficient city government.
2. Improve quality of life for the city's residents.
3. Re-integrate the City and BPU into one cohesive government entity.
4. Implement a department head review and development process.
5. Annual strategic planning sessions.
6. Encourage historical preservation.

Department Objectives

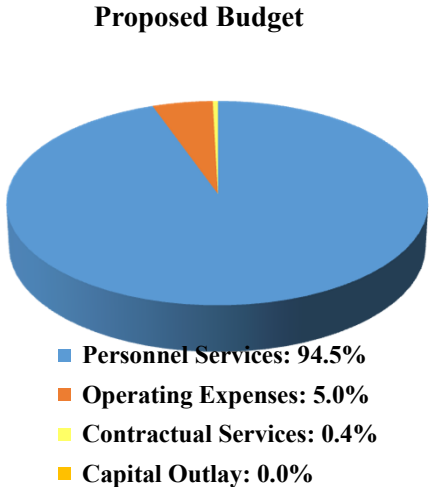
1. Manage and motivate staff by working as a team to serve the citizens of Hillsdale.
2. Economic Development – collaboratively work with Economic Development Coordinator, the BPU and Hillsdale County Economic Development Partnership.
3. Promote Hillsdale by upgrading marketing materials, implementing business friendly practices and improving communications with citizens.
4. Create administrative efficiencies between the General Fund and BPU divisions.
5. Facilitate and implement strategic plan improvements.
6. Update personnel policies and procedures.

Budget Summary

1. Personnel covers the cost of wages and benefits of two full time employees: the City Manager, and Human Resource Director, 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



	Summary			
	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	132,707	233,850	224,735	-3.90%
Operating Expenses	3,894	6,300	12,000	90.48%
Contractual Services	37,481	1,500	1,000	-33.33%
Capital Outlay	-	-	-	
	\$ 174,082	\$ 241,650	\$ 237,735	-1.62%



							Budgets	
Fund 101 GENERAL FUND EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
172.000 CITY MANAGER								
<i>Personnel Services</i>								
702.000	WAGES	141,558	134,998	135,883	84,748	97,677	147,000	154,850
704.000	SICK TIME PAY	3,653	4,829	6,749	3,560	1,441	4,650	1,470
705.000	VACATION TIME PAY	9,628	14,266	14,453	11,488	1,921	12,500	13,435
706.000	PERSONAL TIME PAY	691	1,847	1,861	1,770	720	2,000	1,830
707.000	LONGEVITY PAY	1,100	1,220	1,600	1,850	2,200	2,000	1,220
710.000	HOLIDAY AND OTHER PAY	6,393	6,465	6,627	5,200	9,340	17,630	17,890
715.000	HEALTH AND LIFE INSURANCE	11,039	12,001	9,232	5,817	4,434	27,600	7,180
716.000	RETIREMENT	6,984	6,868	7,233	8,721	7,338	5,400	11,460
717.000	WORKERS' COMPENSATION	355	514	594	751	633	870	500
718.000	UNEMPLOYMENT INSURANCE	800	400	400	200	200	200	100
720.000	EMPLOYER'S FICA	12,190	12,244	12,559	8,163	8,597	13,200	14,000
721.000	DISABILITY INSURANCE	620	660	605	438	519	800	800
Total Personnel Services		195,010	196,312	197,796	132,707	135,020	233,850	224,735
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,472	2,861	2,460	1,354	1,328	2,500	2,000
810.000	DUES AND SUBSCRIPTIONS	-	-	110	-	110	1,000	500
860.000	TRANSPORTATION AND MILEAGE	519	251	138	2,050	565	500	2,000
861.000	TRAINING & SEMINARS	220	100	-	-	1,144	900	5,000
862.000	LODGING AND MEALS	164	99	44	490	638	900	2,000
930.000	REPAIRS & MAINTENANCE	-	350	-	-	-	500	500
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
955.000	MISCELLANEOUS	-	-	-	-	-	-	-
Total Operating Expenses		3,375	3,661	2,752	3,894	3,785	6,300	12,000
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	1,262	505	1,194	37,481	5,513	1,500	1,000
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		1,262	505	1,194	37,481	5,513	1,500	1,000
TOTAL CITY MANAGER		199,647	200,478	201,742	174,082	144,318	241,650	237,735

ECONOMIC DEVELOPMENT

517-437-6479

econdev@cityofhillsdale.org

Department Summary

The Office of Economic Development-is staffed on a contractual basis with personnel from the Hillsdale Policy Group, LTD. This office provides support to the City's Economic Development Corporation (EDC), Tax Increment Finance Authority (TIFA), the Office of Planning and Zoning, City Council and all City departments as needed for economic development.

Department Goals

1. Attract business to the Hillsdale Manufacturing and Technology Park.
2. Promote retention, growth, and attraction of all types of business – retail, commercial, industrial, agricultural, technology, and tourism related industries.
3. Promote development of Three Meadows Subdivision.
4. Promote revitalization and occupancy of buildings in downtown Hillsdale.
5. Improve the corridor to Hillsdale College and connection to downtown.
6. Improve walkability and ease of access to downtown Hillsdale.
7. Promote the new fiber optic network that makes Hillsdale one of the best connected communities in the country.

Department Objectives

1. Work with the Michigan Economic Development Corporation (MEDC) to rehabilitate historical and blighted properties and to attract and retain business. Support the Redevelopment Ready Communities and Rising Tide programs.
2. Implement a program for rental rehabilitation through the Michigan State Housing Development Authority (MSHDA).

Department Objectives (continued)

3. Administer an MEDC grant for renovation of a blighted property.
4. Partner with local economic development entities, local businesses and other community organizations to coordinate economic development.
5. Work with City boards and departments to develop business friendly policies.
6. Seek out and apply for grants, investment financing and other funding opportunities that support economic development activities.
7. Implement a coordinated business attraction marketing plan and strategy.
8. Pursue funding opportunities for site assessment and remediation of contamination at industrial facilities.

Budget Summary

1. Expenses include the contract cost of one year with Hillsdale Policy Group, LTD.
2. There is no personnel budgeted within this fund.
3. Contractual services also includes expenditures for the MEDC grants.
4. No capital expenditures are planned.

Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	-	-	-	
Operating Expenses	865	220	-	-100.00%
Contractual Services	79,567	660,680	490,000	-25.83%
Capital Outlay	-	-	-	
	<u>\$ 80,432</u>	<u>\$ 660,900</u>	<u>\$ 490,000</u>	<u>-25.86%</u>

MEDC Blight Elimination Grant is for the restoration of a three story, 18,000 square foot cement building, as well as a single story, 1,000 square foot attached building located at 42 Union Street. When the renovations are complete this property will house eight three-bedroom, apartments and commercial space. The single story attached building will be restored and used for commercial space as well.

CDBG grant:	\$756,000
Owner investment:	\$755,766
Grant Administration:	\$29,500

Fund 101 GENERAL FUND EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
						Current 15/16	Proposed 16/17
174.000 ECONOMIC DEVELOPMENT							
<i>Personnel Services</i>							
702.000	WAGES	-	-	-	-	-	-
704.000	SICK TIME PAY	-	-	-	-	-	-
705.000	VACATION TIME PAY	-	-	-	-	-	-
706.000	PERSONAL TIME PAY	-	-	-	-	-	-
707.000	LONGEVITY PAY	-	-	-	-	-	-
710.000	HOLIDAY AND OTHER PAY	-	-	-	-	-	-
715.000	HEALTH AND LIFE INSURANCE	1,050	-	-	-	-	-
716.000	RETIREMENT	-	-	-	-	-	-
717.000	WORKERS' COMPENSATION	-	-	-	-	-	-
718.000	UNEMPLOYMENT INSURANCE	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	-	-	-	-	-
721.000	DISABILITY INSURANCE	-	-	-	-	-	-
Total Personnel Services		1,050	-	-	-	-	-
<i>Operating Expenses</i>							
726.000	SUPPLIES	-	-	33	33	-	30
726.525	SUPPLIES - RENTAL REHAB	-	-	-	-	-	-
810.000	DUES AND SUBSCRIPTIONS	-	-	-	-	-	-
860.000	TRANSPORTATION AND MILEAGE	(78)	-	-	-	-	-
861.000	TRAINING & SEMINARS	-	-	-	-	-	-
862.000	LODGING AND MEALS	-	-	-	-	-	-
900.000	PRINTING	-	-	-	-	-	-
905.000	PUBLISHING/NOTICES	-	-	-	832	324	190
Total Operating Expenses		(78)	-	33	865	324	220
<i>Contractual Services and Capital Outlay</i>							
801.000	CONTRACTUAL SERVICES	31,743	65,746	52,152	74,288	35,463	65,000
801.525	CONTRACT. SERV. - RENTAL REHAB	-	-	-	5,279	22,254	595,680
967.001	PROJECT COSTS - CDBG ACQUISITION	-	-	-	-	80,150	-
967.002	PROJECT COSTS - CDBG BLIGHT ELIMINATION	-	-	-	-	103,222	350,000
Total Contractual Services and Capital Outlay		31,743	65,746	52,152	79,567	241,089	660,680
TOTAL ECONOMIC DEVELOPMENT		32,715	65,746	52,185	80,432	241,413	490,000

CITY CLERK

517-437-6441

Stephen French

sfrench@cityofhillsdale.org

Department Summary

The City Clerk's office duties include maintaining the official City records, administering elections and providing information to the public.

Department Goals

1. Updating the city's website and social media sites to provide more up-to-date information and easier-to-navigate pages.
2. Verification that all records maintained match Federal, State, and local retention requirements.
3. Maintain electronic files and work towards getting previous hard files switched over to become electronic files, as necessary.
4. Continue to improve the appearance and delivery of City Council packets on-line and improve the audio/visual delivery of Council meetings via the Livestream broadcast.
5. Administer all municipal elections and maintain an

accurate voter file database utilizing the Qualified Voter File (QVF)

Department Objectives

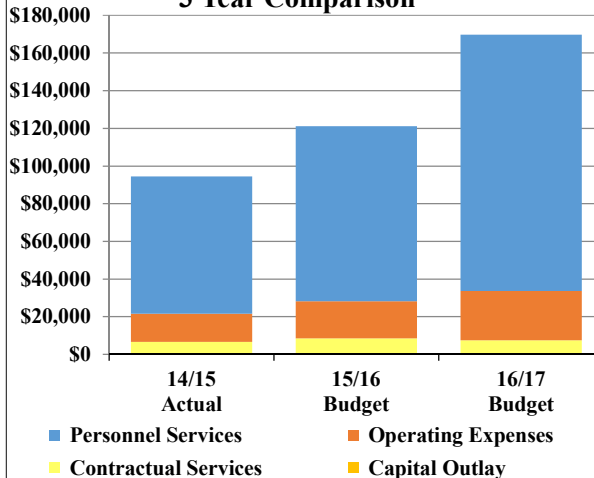
1. Finalize the installation of an updated city website by August 2016, while maintaining the city's social media sites on a regular basis.
2. Finalize the improvements to the audio and visual systems in the City Council Chambers by June 2016.
3. Provide updated information for both the paper City of Ordinance Code Books and the electronic code book on the city's website, as necessary.
4. Maintain a friendly, courteous manner toward the public on the phone and as a first point of contact for visitors to City Hall. Register visitors and direct them to the appropriate offices and personnel.
5. Review all Clerk files stored in the City Clerk's Office by December 2016, purge old files, and transfer files (as necessary) to storage area at City Hall

6. Review all files stored in the fourth floor of City Hall by June 2017, purge old files, and transfer files to an electronic medium where appropriate.
7. Continue to improve delivery of the election process, including the August Primary and November General Elections in 2016; and, maintain on-going training to the city's poll workers.

Budget Summary

1. Personnel consist of one full-time Clerk (City Clerk-Stephen M. French) and a full time clerical assistant (Katy Price).
2. Operating expenses are supplies, training, publishing and general maintenance.
3. Contractual services are for copier expenses, and code book maintenance, and monthly record shredding services on-site.
4. No capital expenditures are planned for this budget year.

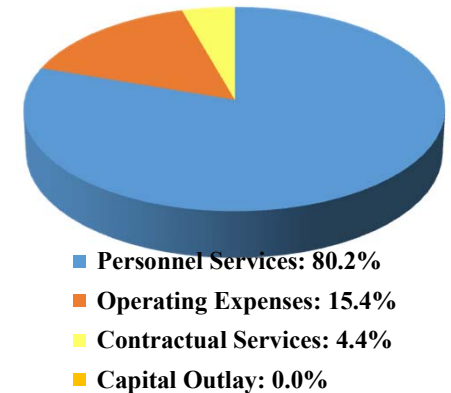
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	72,893	93,040	136,140	46.32%
Operating Expenses	14,913	19,700	26,075	32.36%
Contractual Services	6,686	8,500	7,500	-11.76%
Capital Outlay	-	-	-	
	\$ 94,493	\$ 121,240	\$ 169,715	39.98%

Proposed Budget



Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
215.000 CITY CLERK DEPT.								
<i>Personnel Services</i>								
702.000	WAGES	33,800	38,581	39,629	42,603	41,104	57,670	77,250
703.000	OVERTIME PAY	2,721	353	142	68	12	200	400
704.000	SICK TIME PAY	1,224	908	1,240	810	860	1,060	2,680
705.000	VACATION TIME PAY	2,123	389	926	2,050	-	1,320	3,350
706.000	PERSONAL TIME PAY	606	259	529	132	397	400	1,005
707.000	LONGEVITY PAY	-	-	120	240	360	360	480
710.000	HOLIDAY AND OTHER PAY	316	1,362	1,441	1,967	1,675	1,890	3,525
715.000	HEALTH AND LIFE INSURANCE	4,637	11,919	13,056	13,729	10,756	16,600	27,600
716.000	RETIREMENT	858	1,680	1,409	1,492	702	1,150	5,330
717.000	WORKERS' COMPENSATION	92	126	112	164	152	360	150
718.000	UNEMPLOYMENT INSURANCE	400	200	200	100	100	100	100
720.000	EMPLOYER'S FICA	2,944	2,890	2,960	3,141	2,992	4,770	6,785
721.000	DISABILITY INSURANCE	73	179	164	179	167	160	485
Total Personnel Services		49,795	58,846	61,928	66,676	59,277	86,040	129,140
<i>Operating Expenses</i>								
726.000	SUPPLIES	3,114	3,948	1,196	1,474	1,821	3,000	4,500
734.000	POSTAGE	3,194	4,746	4,485	4,636	1,488	5,500	5,500
810.000	DUES AND SUBSCRIPTIONS	85	-	-	-	215	150	225
860.000	TRANSPORTATION AND MILEAGE	154	-	-	-	-	500	500
861.000	TRAINING & SEMINARS	-	-	-	-	-	500	1,200
862.000	LODGING AND MEALS	22	-	-	-	-	200	800
900.000	PRINTING	840	3,175	1,550	3,670	3,596	3,000	4,000
905.000	PUBLISHING / NOTICES	5,052	4,687	2,125	4,066	7,058	3,500	3,500
930.000	REPAIRS & MAINTENANCE	234	-	-	91	-	250	250
Total Operating Expenses		12,696	16,556	9,356	13,937	14,178	16,600	20,475
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	3,801	3,230	2,615	2,784	3,506	3,500	4,500
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
980.000	CAPITAL OUTLAY - OFFICE EQUIP	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		3,801	3,230	2,615	2,784	3,506	3,500	4,500
TOTAL CITY CLERK DEPT.		66,292	78,632	73,899	83,397	76,961	106,140	154,115

Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
191.000 ELECTIONS								
<i>Personnel Services</i>								
702.000	WAGES	5,156	6,221	5,219	6,108	3,723	7,000	6,500
720.000	EMPLOYER'S FICA	250	261	-	109	101	-	500
Total Personnel Services		5,406	6,482	5,219	6,217	3,824	7,000	7,000
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,021	203	66	70	1,906	1,500	4,000
860.000	TRANSPORTATION AND MILEAGE	728	-	867	127	147	350	350
862.000	LODGING AND MEALS	523	500	333	757	435	1,000	900
905.000	PUBLISHING / NOTICES	-	151	552	22	468	250	350
Total Operating Expenses		2,273	854	1,818	976	2,956	3,100	5,600
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	4,448	2,291	5,087	3,903	2,086	5,000	3,000
TOTAL ELECTIONS		12,127	9,627	12,124	11,096	8,866	15,100	15,600

CITY TREASURER

517-437-6454

Julie Beeker

treasurer@cityofhillsdale.org

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 a 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.

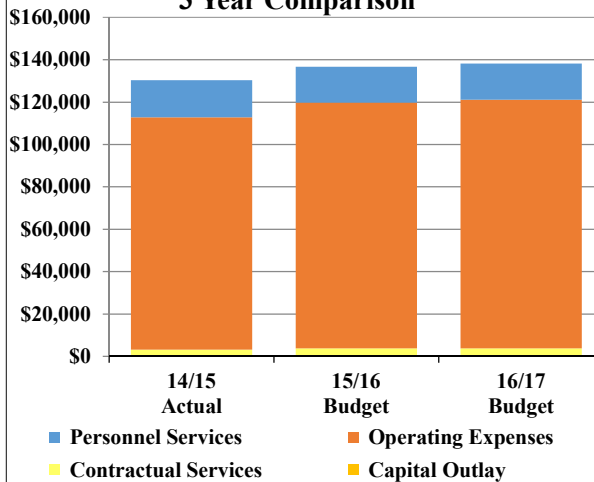
Department Goals and Objectives

1. Continue to collect and disburse Delinquent Personal Property taxes for the taxing units.
2. Implement online payment options for taxpayers.
3. Implement credit/debit payment system.
4. Maintain a good working relationship with taxing units and mortgage companies in order to facilitate the sharing of information.
5. Provide a location for area residents to purchase City-required dog licenses.
6. Maintain a friendly, courteous manner toward the taxpayers on the phone, and as a first point of contact for visitors to City Hall.
7. Assist in the proper execution of cash handling and cash receipting with the Clerk's office.

Budget Summary

1. Personnel consists of one part-time, appointed Treasurer.
2. Operating expenses are supplies, postage, training, publishing, dues and subscriptions, printing and tax refunds and rebates (425 Area and PILOT disbursements to other jurisdictions).
3. Contractual services reflect tax software support.
4. No capital items are planned for this year.

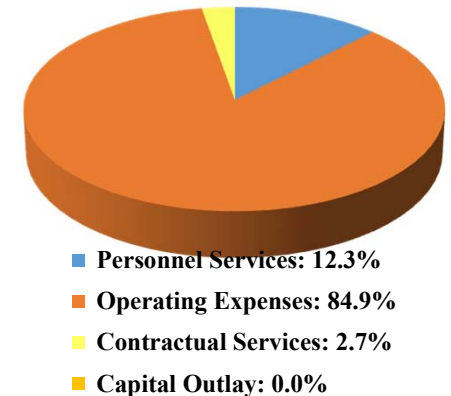
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	17,544	16,980	17,040	0.35%
Operating Expenses	109,698	115,950	117,360	1.22%
Contractual Services	3,131	3,800	3,800	0.00%
Capital Outlay	-	-	-	
Total	\$ 130,373	\$ 136,730	\$ 138,200	1.08%

Proposed Budget



		Actual	Actual	Actual	Actual	Actual Thru	Budgets	
Fund 101 GENERAL FUND EXPENDITURES		11/12	12/13	13/14	14/15	02/16	Current	Proposed
							15/16	16/17
253.000 CITY TREASURER								
<i>Personnel Services</i>								
702.000	WAGES	15,806	15,746	15,746	16,123	10,194	15,750	15,750
715.000	HEALTH AND LIFE INSURANCE	82	82	78	85	(7)	-	-
716.000	RETIREMENT	778	561	398	-	-	-	-
717.000	WORKERS' COMPENSATION	8	31	14	16	40	20	80
720.000	EMPLOYER'S FICA	1,209	1,205	1,205	1,233	780	1,210	1,210
721.000	DISABILITY INSURANCE	82	87	80	87	(7)	-	-
Total Personnel Services		17,965	17,712	17,521	17,544	11,000	16,980	17,040
<i>Operating Expenses</i>								
726.000	SUPPLIES	798	376	785	756	579	850	850
734.000	POSTAGE	2,407	2,639	2,658	3,706	1,386	2,700	3,700
810.000	DUES AND SUBSCRIPTIONS	108	195	195	50	50	200	100
860.000	TRANSPORTATION AND MILEAGE	293	-	273	143	-	400	400
861.000	TRAINING & SEMINARS	295	-	325	1,275	560	600	600
862.000	LODGING AND MEALS	471	-	393	350	-	700	1,200
900.000	PRINTING	-	-	-	417	508	500	510
964.000	REFUNDS AND REBATES	163,617	99,132	111,340	103,001	53,200	110,000	110,000
Total Operating Expenses		167,989	102,342	115,969	109,698	56,283	115,950	117,360
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	4,117	4,628	3,690	3,131	2,427	3,800	3,800
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		4,117	4,628	3,690	3,131	2,427	3,800	3,800
TOTAL CITY TREASURER		190,071	124,682	137,180	130,373	69,710	136,730	138,200

FINANCE DEPARTMENT

517-437-6446

Bonnie Tew-Director

btew@cityofhillsdale.org

Department Summary

The Finance Department is responsible for maintaining a system of accounts which shall conform to the uniform system established by the state and is consistent with generally accepted accounting principles. It is responsible for collection of all monies, other than property taxes, received by the city, for maintaining the financial records of the city, including records of property owned by and belonging to the city, for issuance of purchase orders for goods and services requisitioned by the various administrative departments and for providing assistance to the City Clerk and City Treasurer in carrying out the duties and functions of their respective offices. This department also handles all city investments and debt. The two major functions of the department are to facilitate the audit and assist the City Manager in preparation of the annual budget. In addition this department prepares and files all necessary

intergovernmental reports; assists other departments with cost analysis, purchasing, and capital improvement planning; and performs analysis of various financial and non-financial issues as requested by the City Manager and the City Council.

Department Goals

1. To provide useful and timely financial information to city staff, various city boards and commissions, as well as city residents 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.
4. Monitor cost to reduce waste and maximize productivity and efficiency.

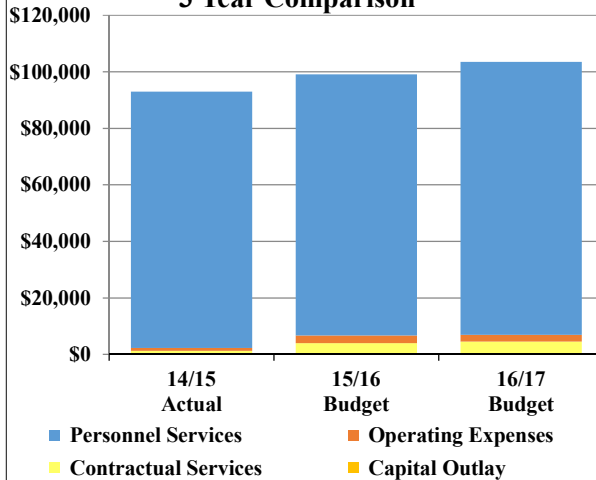
Department Objectives

1. Complete requirements for Government Finance Officers Association's (GFOA) Certificate of Excellence in Financial Reporting.
2. Utilize internet banking system to accept payments.
3. Develop a system of tracking infrastructure projects over multiple fiscal years.

Budget Summary

1. Personnel consist of one full time employee.
2. Operating expenses include 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.

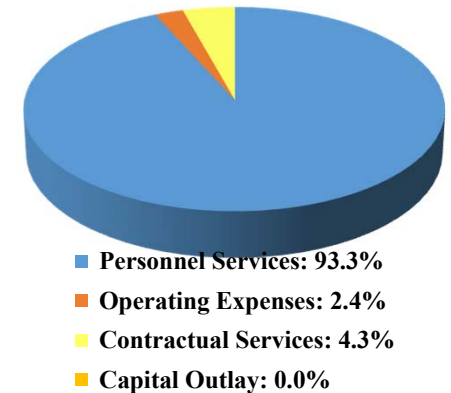
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	90,654	92,350	96,590	4.59%
Operating Expenses	1,011	2,720	2,470	-9.19%
Contractual Services	1,284	4,000	4,500	12.50%
Capital Outlay	-	-	-	
Total	\$ 92,949	\$ 99,070	\$ 103,560	4.53%

Proposed Budget



Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
219.000 FINANCE DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	55,592	54,539	55,290	55,108	34,827	55,700	56,810
703.000	OVERTIME PAY	-	-	-	-	-	-	-
704.000	SICK TIME PAY	1,428	1,471	1,500	1,488	1,488	1,490	1,520
705.000	VACATION TIME PAY	4,166	6,618	5,240	6,450	4,465	6,210	6,325
706.000	PERSONAL TIME PAY	714	735	750	744	744	750	760
707.000	LONGEVITY PAY	1,100	1,100	1,100	1,100	1,100	1,100	1,100
710.000	HOLIDAY AND OTHER PAY	2,381	2,574	4,451	3,581	3,819	3,110	3,160
715.000	HEALTH AND LIFE INSURANCE	10,870	11,919	13,056	13,752	10,271	15,970	16,670
716.000	RETIREMENT	3,251	3,199	2,685	3,032	1,258	2,110	4,190
717.000	WORKERS' COMPENSATION	148	201	238	305	259	320	300
718.000	UNEMPLOYMENT INSURANCE	400	200	200	100	100	100	50
720.000	EMPLOYER'S FICA	4,555	4,662	4,754	4,743	3,257	5,190	5,330
721.000	DISABILITY INSURANCE	258	274	251	251	268	300	375
Total Personnel Services		84,864	87,492	89,515	90,654	61,856	92,350	96,590
<i>Operating Expenses</i>								
726.000	SUPPLIES	403	136	152	614	122	750	500
810.000	DUES AND SUBSCRIPTIONS	295	355	320	325	165	370	370
860.000	TRANSPORTATION AND MILEAGE	193	252	102	72	166	300	300
861.000	TRAINING & SEMINARS	199	309	219	-	100	800	800
862.000	LODGING AND MEALS	78	481	517	-	-	500	500
930.000	REPAIRS & MAINTENANCE	-	-	-	-	-	-	-
Total Operating Expenses		1,168	1,533	1,310	1,011	553	2,720	2,470
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	6,705	6,180	5,389	1,284	100	4,000	4,500
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		6,705	6,180	5,389	1,284	100	4,000	4,500
TOTAL FINANCE DEPT.		92,737	95,205	96,214	92,949	62,509	99,070	103,560

ASSESSING, CODE ENFORCEMENT & PLANNING

517-437-6456

Kim Thomas - Assessor

kthomas@cityofhillsdale.org

Department Summary

The department's three full-time employees are responsible for property tax assessments, land use planning, and enforcement of property maintenance and zoning codes. Property assessment includes description, ownership identification, inventory, annual valuation, and administration of exemptions.

The assessor represents the city in the Michigan Tax Tribunal in the event of an appeal and is certified by the State Tax Commission.

The Planning and Zoning Administrator works with the Planning Commission to develop and update the City's master plan and ordinances. The administrator also is responsible for tracking and processing applications for zoning compliance, sign and fence permits. Use and Occupancy Permits are tracked by the department to ensure compliance with property maintenance codes in coordination with fire department personnel.

Department Goals

1. Update and improve accuracy of property information, including values, uses, and regulations.
2. Improve access to reliable property information.
3. Update ordinances as needed.
4. Provide economic development support.
5. Better the aesthetics and quality of life for residents and visitors to the city through effective code enforcement.

Department Objectives

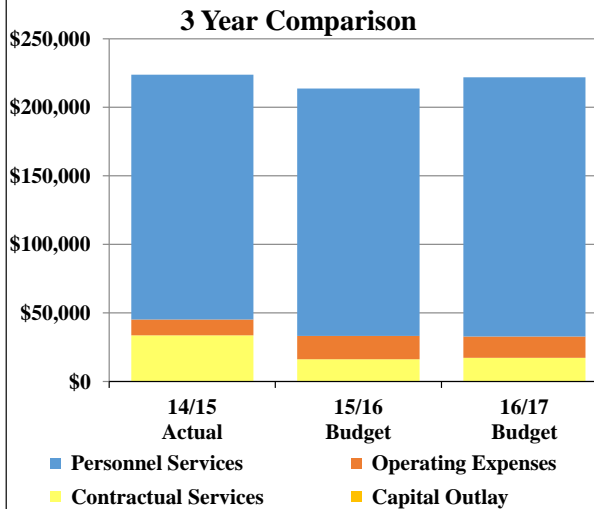
1. Review written and computerized property records and maps for accuracy.
2. Physically inspect at least 20% of properties annually for assessment review and code enforcement.
3. Work with TIFA, EDC, EDP and Hillsdale Policy Group to identify properties for redevelopment; identify and implement available property tax abatements, grants and incentives to encourage development and

rehabilitation of blighted properties.

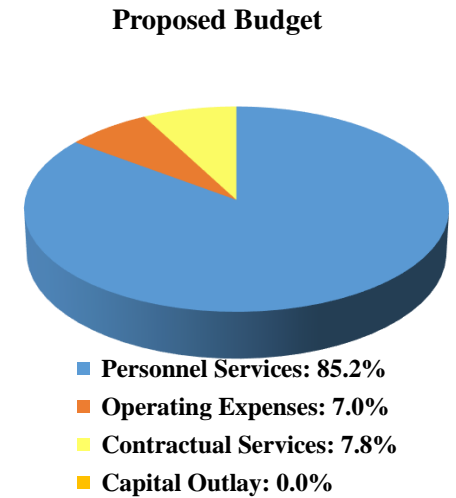
4. Educate property owners and the public on code requirements.
5. Continuing education for staff in best practices for all functions of the department, including state-mandated hours for annual assessor certification.

Budget Summary

1. Personnel covers the cost of wages and benefits for three (3) full time employees: the Assessor/Code Official, Planning & Zoning Administrator, and Administrative Assistant.
2. Operating expenses are supplies, postage, transportation, training, publishing and maintenance.
3. Contractual services include software maintenance agreements, parcel mapping, appraisals for Tax Tribunal, office equipment leases, inspections and maintenance of non-compliant properties (reimbursed through tax liens).



	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	178,628	180,470	189,095	4.78%
Operating Expenses	11,618	16,980	15,610	-8.07%
Contractual Services	33,632	16,000	17,300	8.13%
Capital Outlay	-	300	-	-100.00%
Total	\$ 223,877	\$ 213,750	\$ 222,005	3.86%



							Budgets	
Fund 101 GENERAL FUND EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
209.000 ASSESSING DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	86,372	74,067	122,310	62,607	38,867	56,880	59,035
703.000	OVERTIME PAY	-	-	-	-	-	-	-
704.000	SICK TIME PAY	2,428	1,593	559	1,000	750	2,000	2,040
705.000	VACATION TIME PAY	5,443	7,713	5,802	3,378	1,000	2,500	2,550
706.000	PERSONAL TIME PAY	1,123	3,239	1,805	1,128	250	750	765
707.000	LONGEVITY PAY	1,460	1,580	-	120	240	240	360
710.000	HOLIDAY AND OTHER PAY	3,931	4,432	6,419	4,300	3,262	3,630	3,680
715.000	HEALTH AND LIFE INSURANCE	13,892	7,686	12,576	85	107	90	170
716.000	RETIREMENT	5,099	4,457	5,455	3,043	1,300	2,100	4,110
717.000	WORKERS' COMPENSATION	543	559	1,190	394	609	700	575
718.000	UNEMPLOYMENT INSURANCE	800	400	600	100	100	100	50
720.000	EMPLOYER'S FICA	7,084	6,658	10,337	5,476	3,358	5,050	5,235
721.000	DISABILITY INSURANCE	459	386	622	361	271	360	365
Total Personnel Services		128,634	112,770	167,675	81,992	50,114	74,400	78,935
<i>Operating Expenses</i>								
726.000	SUPPLIES	674	1,459	2,393	638	867	1,000	1,000
734.000	POSTAGE	2,377	1,930	1,646	1,965	1,343	2,100	1,500
810.000	DUES AND SUBSCRIPTIONS	385	690	263	422	420	800	500
860.000	TRANSPORTATION AND MILEAGE	1,636	922	1,246	424	214	1,200	1,200
861.000	TRAINING & SEMINARS	685	425	544	235	225	700	500
862.000	LODGING AND MEALS	1,280	921	-	370	10	1,500	1,500
900.000	PRINTING	-	-	-	-	-	-	-
905.000	PUBLISHING / NOTICES	57	253	89	480	715	300	-
930.000	REPAIRS & MAINTENANCE	-	-	-	-	-	-	-
Total Operating Expenses		7,093	6,600	6,181	4,534	3,794	7,600	6,200
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	2,685	17,510	4,906	30,653	9,135	13,000	13,000
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		2,685	17,510	4,906	30,653	9,135	13,000	13,000
TOTAL ASSESSING DEPT.		138,412	136,880	178,762	117,179	63,043	95,000	98,135

							Budgets	
Fund 101 GENERAL FUND EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
400.000 PLANNING DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	-	-	-	33,906	23,768	35,620	37,330
704.000	SICK TIME PAY	-	-	-	462	385	1,240	1,255
705.000	VACATION TIME PAY	-	-	-	923	1,077	1,540	1,570
706.000	PERSONAL TIME PAY	-	-	-	539	154	470	470
707.000	LONGEVITY PAY	-	-	-	120	240	240	360
710.000	HOLIDAY AND OTHER PAY	-	-	-	1,577	1,730	1,620	1,650
715.000	HEALTH AND LIFE INSURANCE	-	-	-	17,159	12,813	20,580	20,570
716.000	RETIREMENT	-	-	-	1,841	780	1,300	2,565
717.000	WORKERS' COMPENSATION	-	-	-	593	609	700	575
718.000	UNEMPLOYMENT INSURANCE	-	-	-	100	100	100	50
720.000	EMPLOYER'S FICA	-	-	-	2,612	1,892	3,120	3,260
721.000	DISABILITY INSURANCE	-	-	-	204	160	220	225
	Total Personnel Services	-	-	-	60,034	43,708	66,750	69,880
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	303	219	257	283	500	500
810.000	DUES AND SUBSCRIPTIONS	2,427	2,427	2,302	2,427	2,427	2,500	2,500
860.000	TRANSPORTATION AND MILAGE	-	37	229	429	225	700	700
861.000	TRAINING & SEMINARS	-	80	1,204	1,950	-	2,000	2,000
862.000	LODGING AND MEALS	-	-	-	1,277	-	500	500
905.000	PUBLISHING / NOTICES	207	1,075	413	-	902	1,000	1,000
	Total Operating Expenses	2,634	3,922	4,367	6,341	3,837	7,200	7,200
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	-	-	-	425	1,718	500	1,800
970.000	CAPITAL OUTLAY	-	-	-	-	-	300	-
	Total Contractual Services and Capital Outlay	-	-	-	425	1,718	800	1,800
	TOTAL PLANNING DEPARTMENT	2,634	3,922	4,367	66,800	49,263	74,750	78,880

Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
372.000 CODE ENFORCEMENT								
<i>Personnel Services</i>								
702.000	WAGES	-	-	-	28,969	20,277	29,640	30,225
704.000	SICK TIME PAY	-	-	-	128	208	1,030	1,045
705.000	VACATION TIME PAY	-	-	-	256	640	1,280	1,305
706.000	PERSONAL TIME PAY	-	-	-	384	128	390	390
707.000	LONGEVITY PAY	-	-	-	240	240	240	360
710.000	HOLIDAY AND OTHER PAY	-	-	-	2,133	2,030	2,350	2,370
715.000	HEALTH AND LIFE INSURANCE	-	-	-	85	107	90	170
716.000	RETIREMENT	-	-	-	1,578	668	1,110	1,245
717.000	WORKERS' COMPENSATION	-	-	-	134	77	230	200
718.000	UNEMPLOYMENT INSURANCE	-	-	-	100	100	100	50
720.000	EMPLOYER'S FICA	-	-	-	2,410	1,751	2,670	2,730
721.000	DISABILITY INSURANCE	-	-	-	185	145	190	190
Total Personnel Services		-	-	-	36,602	26,371	39,320	40,280
<i>Operating Expenses</i>								
726.000	SUPPLIES	92	616	414	251	57	100	100
742.000	CLOTHING / UNIFORMS	-	-	-	-	-	-	-
810.000	DUES AND SUBSCRIPTIONS	-	-	-	-	-	60	60
860.000	TRANSPORTATION AND MILEAGE	527	-	-	47	-	450	450
861.000	TRAINING & SEMINARS	-	-	-	430	-	450	450
862.000	LODGING AND MEALS	-	-	-	15	-	120	150
940.000	EQUIPMENT RENTAL	351	-	-	-	-	1,000	1,000
Total Operating Expenses		970	616	414	743	57	2,180	2,210
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	1,080	1,100	-	2,554	982	2,500	2,500
970.000	CAPITAL OUTLAY	-	-	5,648	-	-	-	-
Total Contractual Services and Capital Outlay		1,080	1,100	5,648	2,554	982	2,500	2,500
TOTAL CODE ENFORCEMENT		2,050	1,716	6,062	39,898	27,410	44,000	44,990

AIRPORT

517-797-4833

Jason Walters-Manager

jasonwalters@gmail.com

Department Summary

The City contracts with Jason Walters, President of Patriot Aviation, Inc. to operate and manage the Airport. The Airport continues to serve the community as an important component of the transportation infrastructure and economic development of the City as well as the entire county. 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 attracting 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. Establish a goal list for terminal relocation and completion of the parallel taxi way.
2. Pursue additional funding through federal and state grant programs for further development under updated Airport Layout Plan (ALP).
3. Identify businesses to relocate to Hillsdale.
4. Refocus on master plan, targeting key customers.

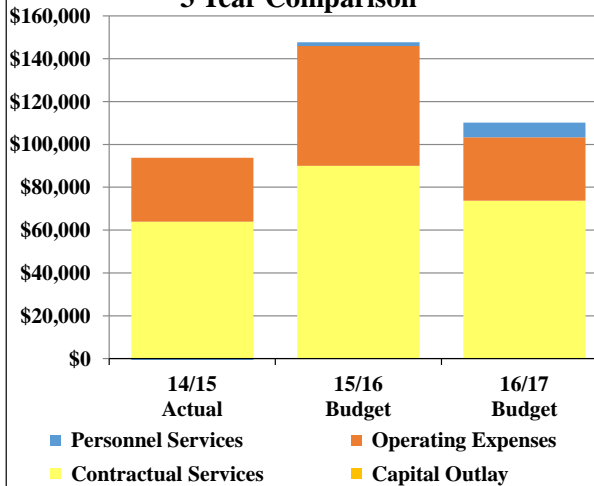
Department Objectives

1. Continue to assist in the ongoing expansion projects.
2. Market airport facilities.
3. Cultivate a significant aviation community and support group.

Budget Summary

1. Personnel consist of Department of Public Service hours allocated for miscellaneous tasks to assist the routine operations.
2. Operating expenses are supplies, utilities, repairs and maintenance, insurance, dues and subscriptions and equipment rental.
3. Contractual services are the Airport Manager's compensation, grounds and equipment maintenance.
4. Capital Outlay items are appropriated through the Airport Improvement Fund (481).

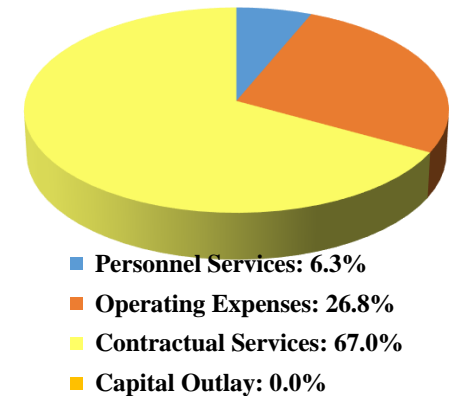
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	(656)	1,670	6,905	313.47%
Operating Expenses	29,860	55,970	29,500	-47.29%
Contractual Services	63,957	90,000	73,750	-18.06%
Capital Outlay	-	-	-	
	\$ 93,817	\$ 147,640	\$ 110,155	-25.39%

Proposed Budget



Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
295.000 AIRPORT								
<i>Personnel Services</i>								
702.000	WAGES	183	289	704	369	2,271	1,000	3,500
703.000	OVERTIME PAY	-	-	-	-	260	-	500
717.000	WORKERS' COMPENSATION	358	930	1,334	(1,315)	6	50	50
720.000	EMPLOYER'S FICA	13	20	48	26	190	80	305
725.000	FRINGE BENEFITS - ALLOCATED	107	82	71	264	565	540	2,550
Total Personnel Services		661	1,321	2,157	(656)	3,292	1,670	6,905
<i>Operating Expenses</i>								
726.000	SUPPLIES	376	412	824	469	4,874	15,400	500
810.000	DUES AND SUBSCRIPTIONS	220	220	70	70	-	70	70
850.000	INSURANCE	11,734	10,938	11,013	6,651	5,564	12,000	6,000
860.000	TRANSPORTATION AND MILEAGE	-	-	-	-	-	-	-
861.000	TRAINING & SEMINARS	-	-	-	-	150	-	-
862.000	LODGING AND MEALS	111	-	-	-	-	-	-
920.000	UTILITIES	14,029	17,508	21,386	16,186	7,529	22,500	15,000
925.000	TELEPHONE	2,283	2,439	1,817	787	1,282	2,000	2,000
930.000	REPAIRS & MAINTENANCE	4,657	8,788	2,072	5,463	9,179	3,500	5,500
940.000	EQUIPMENT RENTAL	211	74	212	233	245	500	430
Total Operating Expenses		33,621	40,379	37,394	29,860	28,823	55,970	29,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	47,571	53,915	68,880	63,957	44,879	90,000	73,750
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		47,571	53,915	68,880	63,957	44,879	90,000	73,750
TOTAL AIRPORT		81,853	95,615	108,431	93,161	76,994	147,640	110,155

POLICE DEPARTMENT

517-437-6460

Scott Hephner-Chief

police@cityofhillsdale.org

Department Summary

The Hillsdale City Police Department consists of a Chief, eight (8) Patrol Officers, three (3) Sergeants, one (1) Detective, one (1) Administrative Assistant, one (1) part-time Records Manager/Dispatcher, one (1) part-time Police Officer, six (6) Reserve Officers and one (1) full-time and two (2) part-time Crossing Guards.

Total hours worked increased 4.5% from 24,920 in 2014 to 26,100 in 2015.

Total incident complaints increased 14.3% from 8029 in 2014 to 9178 in 2015. Within this timeframe there was a 22% increase in narcotics cases and a 9.7% increase in arrest charges.

Department Goals

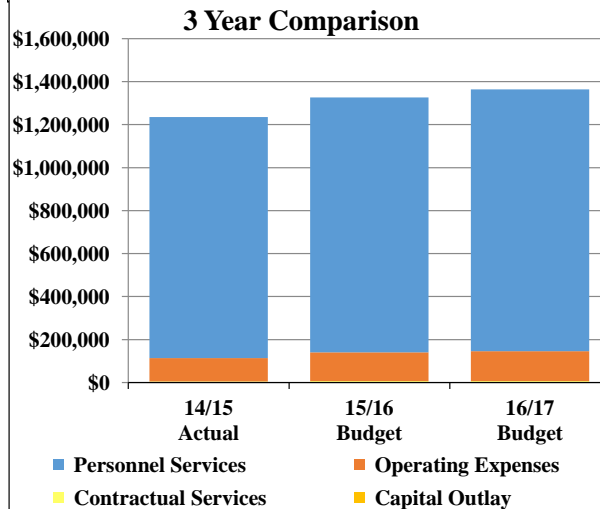
1. Maintain narcotics enforcement as a priority.
2. Increase our presence inside our local schools and build upon our existing relationships.
3. Acquire certified instructors in non-lethal force areas of Controlled Force and Taser.
4. Institute physical standards along with a testing and evaluation process.

Department Objectives

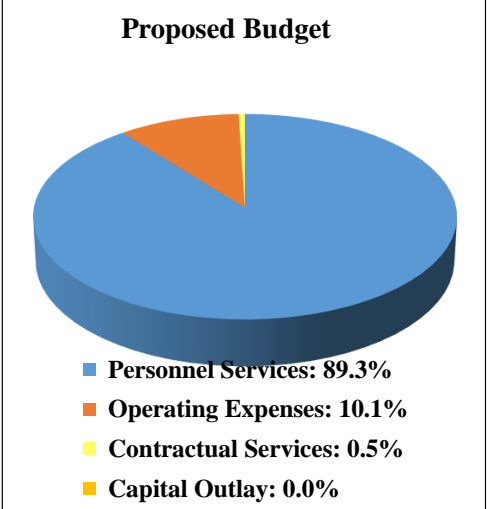
1. Reduce the amount of criminal narcotic activity involving injury and death.
2. To be proactive within the schools in regards to potential threat and violence.
3. To increase our level and options in training regarding physical confrontations which relates to Officer Safety, Public Safety, and reduced liability.
4. To improve and/or maintain the physical wellbeing of Police Officers.

Budget Summary

1. Personnel services reflects thirteen (13) full-time Police Officers, one (1) part-time Police Officer one (1) full-time support staff, one (1) part-time support staff one (1) full-time and two (2) part-time Crossing Guards.
2. Operating expenses include supplies, training/education, vehicle operation, uniforms and cleaning. We will be replacing body armor for three (3) officers this year. RMEF (Revolving Mobile Equipment Fund) payments are \$0.75 per mile.
3. Contractual services consist of: Network Access Fee for In-Car Mobile Data Terminals, Service Agreement/Lease Fax Machine, Software License Fees, Range Fees, M.D.T Fees and Program Use Fees.
4. Capital outlay requests for the **Police Department** are as follows; Two (2) laptop computers to replace existing six year old MDT's with XP operating systems. Three (3) Verizon 4G wireless modems to replace existing AT&T wireless modems. AT&T has advised they will not be supporting 3G later this year and we have continual connectivity issues within the city with AT&T.



	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	1,120,832	1,185,990	1,218,070	2.70%
Operating Expenses	109,071	133,000	138,330	4.01%
Contractual Services	5,139	7,000	7,000	0.00%
Capital Outlay	-	-	-	-
Total	\$ 1,235,041	\$ 1,325,990	\$ 1,363,400	2.82%



							Budgets	
Fund 101 GENERAL FUND EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
301.000 POLICE DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	671,037	660,071	643,672	580,460	402,407	595,000	622,000
703.000	OVERTIME PAY	42,003	38,861	45,923	57,767	31,806	50,000	50,000
704.000	SICK TIME PAY	14,954	20,129	21,755	34,945	14,579	20,000	20,000
705.000	VACATION TIME PAY	48,195	61,801	51,909	52,312	27,762	50,000	50,000
706.000	PERSONAL TIME PAY	6,948	12,239	10,710	6,451	6,804	8,600	8,600
707.000	LONGEVITY PAY	14,150	15,045	12,950	11,880	10,500	11,360	11,200
710.000	HOLIDAY AND OTHER PAY	27,245	27,152	37,759	44,907	39,215	49,600	50,200
715.000	HEALTH AND LIFE INSURANCE	159,593	186,745	177,880	167,918	131,572	212,510	195,500
716.000	RETIREMENT	102,456	114,553	125,838	128,196	87,166	150,200	174,500
717.000	WORKERS' COMPENSATION	10,304	11,857	17,246	18,799	19,569	21,000	18,000
718.000	UNEMPLOYMENT INSURANCE	5,800	3,200	3,200	1,500	1,400	1,400	700
720.000	EMPLOYER'S FICA	12,330	12,390	13,713	12,797	8,092	12,600	13,870
721.000	DISABILITY INSURANCE	3,305	3,441	3,081	2,900	2,653	3,720	3,500
Total Personnel Services		1,118,320	1,167,484	1,165,636	1,120,832	783,525	1,185,990	1,218,070
<i>Operating Expenses</i>								
726.000	SUPPLIES	6,302	8,520	6,886	8,670	6,599	8,000	10,000
742.000	CLOTHING / UNIFORMS	11,452	10,573	7,047	10,812	3,952	10,000	9,500
810.000	DUES AND SUBSCRIPTIONS	545	448	503	666	348	600	600
850.301	INSURANCE - POLICE	-	-	18,420	8,946	16,765	20,000	19,000
860.000	TRANSPORTATION AND MILEAGE	1,155	834	307	170	17	1,000	500
861.000	TRAINING & SEMINARS	3,142	2,667	1,167	2,205	1,075	4,200	4,200
861.005	STATE TRAINING FUNDS	2,729	1,120	2,485	3,705	940	3,000	3,000
862.000	LODGING AND MEALS	1,563	2,363	770	598	301	1,200	1,200
900.000	PRINTING	315	1,522	557	885	1,577	1,000	1,000
905.000	PUBLISHING / NOTICES	198	300	-	817	-	300	300
925.000	TELEPHONE	1,178	1,096	1,195	570	-	-	-
930.000	REPAIRS & MAINTENANCE	2,314	1,965	1,568	1,292	-	3,000	3,000
940.000	EQUIPMENT RENTAL	97,928	89,536	73,068	68,423	53,534	80,000	85,330
955.221	MISC - PHYSICAL EXAMINATIONS	228	79	766	1,313	-	500	500
955.222	MISC - SHOTS & TRAINING	100	-	-	-	-	200	200
Total Operating Expenses		129,150	121,023	114,739	109,071	85,108	133,000	138,330
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	4,813	3,915	4,261	5,139	4,348	7,000	7,000
970.000	CAPITAL OUTLAY	895	2,921	4,201	-	-	-	-
Total Contractual Services and Capital Outlay		5,708	6,836	8,462	5,139	4,348	7,000	7,000
TOTAL POLICE DEPT.		1,253,177	1,295,343	1,288,837	1,235,041	872,981	1,325,990	1,363,400

FIRE DEPARTMENT

517-437-6451

Kevin Pauken- Chief

kpauken@cityofhillsdale.org

Department Summary

The City Fire Department consists of a Chief, two (2) Captains, one (1) Lieutenant and twenty five (25) part-time (on-call) firefighters. The department is licensed as a medical first responder agency and staff is trained in fire rescue, hazardous materials operations, confined space rescue, vehicle extrications as well as up-to-date firefighting 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. Reorganize officer duty assignments.
2. Replace damaged or missing equipment on vehicles.
3. Clean up station (paint interior) and address maintenance issues (termites in basement, etc.)

Department Objectives

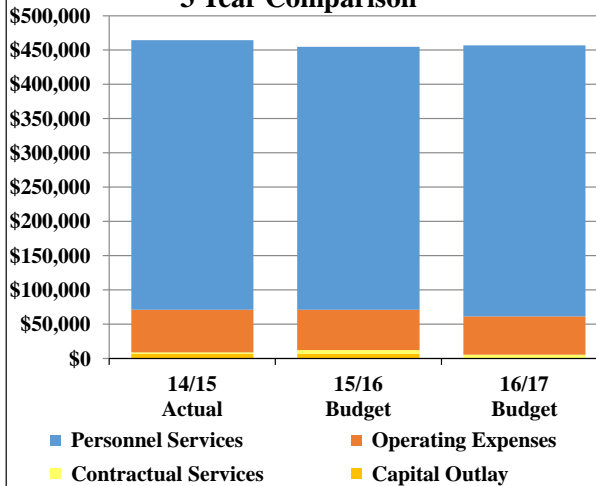
1. Recruitment and training of new part-time firefighters.
2. Improve communication with the Hillsdale County Building Department on area inspections.
3. Advanced training for (senior) part-time firefighters.

Budget Summary

1. Personnel service reflects the full-time status of four employees. In addition, the department is staffed with twenty five part-time on-call firefighters.

2. Operating expenses include supplies, vehicle repairs and maintenance, utilities, fuel, training, uniform replacement and medical exams including immunizations.
3. Contractual services consist of; linen services, software licensing, compressed breathing air testing and annual maintenance of the air purification system, Hurst rescue tools, engines annual pump testing, aerial and ground ladder testing and SCBA Harness Systems test and Inspection. All of which are required by OSHA and NFPA.
4. Capital outlay requests for the **Fire Department** are as follows; A/B Firefighting Foam, Industrial-duty Rechargeable Portable Lanterns, Ball Intake Relief Valve, Gas Leak Detector and tools.

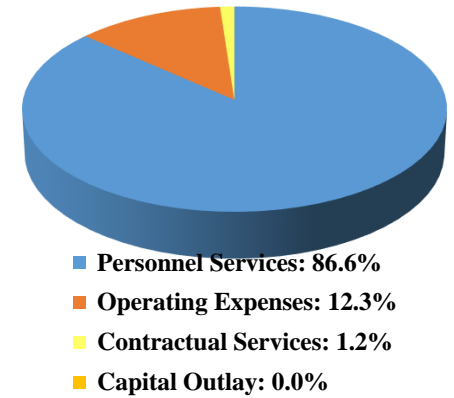
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	393,419	383,750	395,365	3.03%
Operating Expenses	61,956	58,800	56,000	-4.76%
Contractual Services	2,397	5,400	5,400	0.00%
Capital Outlay	6,651	6,750	-	-100.00%
	\$ 464,424	\$ 454,700	\$ 456,765	0.45%

Proposed Budget



Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
336.000 FIRE DEPT.								
<i>Personnel Services</i>								
702.000	WAGES	193,755	193,835	194,774	179,438	112,121	175,000	179,000
702.336	WAGES - PART-TIME FIREFIGHTERS	33,203	33,291	38,352	51,670	45,137	40,000	45,000
703.000	OVERTIME PAY	19,217	19,151	21,701	20,478	17,242	21,000	21,000
704.000	SICK TIME PAY	5,404	3,847	6,356	8,105	2,685	4,200	4,200
705.000	VACATION TIME PAY	17,575	22,438	17,180	20,445	12,489	18,440	18,800
706.000	PERSONAL TIME PAY	4,695	2,762	6,035	3,263	4,100	4,290	4,380
707.000	LONGEVITY PAY	4,330	3,900	4,942	4,100	4,200	4,200	4,300
710.000	HOLIDAY AND OTHER PAY	8,210	5,368	10,294	9,842	12,025	8,720	8,850
715.000	HEALTH AND LIFE INSURANCE	40,070	43,996	52,474	57,457	42,818	67,930	68,435
716.000	RETIREMENT	27,824	30,373	25,654	19,650	11,147	20,570	23,900
717.000	WORKERS' COMPENSATION	4,594	6,142	8,937	11,531	11,642	12,500	10,000
718.000	UNEMPLOYMENT INSURANCE	1,800	1,000	1,000	400	400	400	200
720.000	EMPLOYER'S FICA	5,176	5,231	5,572	6,287	5,082	5,700	6,000
721.000	DISABILITY INSURANCE	709	754	691	754	846	800	1,300
Total Personnel Services		366,561	372,088	393,962	393,419	281,934	383,750	395,365
<i>Operating Expenses</i>								
726.000	SUPPLIES	7,088	7,008	4,843	7,074	3,412	6,000	6,500
730.000	VEH./EQUIP. MAINT. SUPPLIES	734	855	787	720	818	1,000	1,000
740.000	FUEL AND LUBRICANTS	4,005	4,441	4,505	3,942	1,763	4,500	3,500
742.000	CLOTHING / UNIFORMS	3,224	5,016	4,446	5,475	2,354	5,800	4,800
810.000	DUES AND SUBSCRIPTIONS	549	535	222	629	-	400	400
850.000	INSURANCE	7,643	8,689	9,386	9,696	10,535	10,000	11,000
860.000	TRANSPORTATION AND MILEAGE	-	59	-	67	-	300	300
861.000	TRAINING & SEMINARS	471	2,865	1,340	1,913	940	2,000	2,200
862.000	LODGING AND MEALS	-	95	94	-	54	300	300
905.000	PUBLISHING / NOTICES	57	-	-	-	-	-	-
920.000	UTILITIES	10,021	10,968	16,781	11,540	5,260	12,500	10,000
925.000	TELEPHONE	-	-	-	-	-	-	-
930.000	REPAIRS & MAINTENANCE	10,113	12,542	7,332	18,177	4,638	15,000	15,000
955.000	MISCELLANEOUS	-	-	-	-	-	-	-
955.221	MISC - PHYSICAL EXAMINATIONS	237	158	136	476	204	500	500
955.222	MISC - SHOTS & TRAINING	402	396	-	625	-	500	500
955.336	LOCAL GRANT PURCHASES	-	114,750	-	1,623	-	-	-
Total Operating Expenses		44,543	168,377	49,872	61,956	29,978	58,800	56,000

Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	3,876	2,503	4,832	2,397	4,333	5,400	5,400
970.000	CAPITAL OUTLAY	7,499	12,548	1,110	6,651	4,440	6,750	-
970.336	CAPITAL OUTLAY - SAFETY HOUSE	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		11,375	15,051	5,942	9,049	8,773	12,150	5,400
TOTAL FIRE DEPARTMENT		422,480	555,516	449,776	464,424	320,685	454,700	456,765

PUBLIC SERVICES

517-437-6490

Jake Hammel-Interim Director

jhammel@cityofhillsdale.org

Department Summary

The Public Services Department consists of a Director, Administrative Assistant, City Forester, two (2) Mechanics, seven (7) Service employees, and three (3) seasonal employees that provide services to the general public, businesses, and other government agencies. This department is responsible for a number of budgets including; Administration, Major/Trunkline & Local Streets, Parks, Forestry, Cemeteries, Building & Grounds, Parking Lots, Sidewalk Replacement, Inventory, and RMEF (Fleet Vehicles). This department provides information services as well as maintains records, writes grants, administers street and right-of-way permits, building demolitions, select inspections and other planning activities. This department also provides support to the Airport, Dial-A-Ride, BPU and a number of Capital Improvement Projects.

Department Goals

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

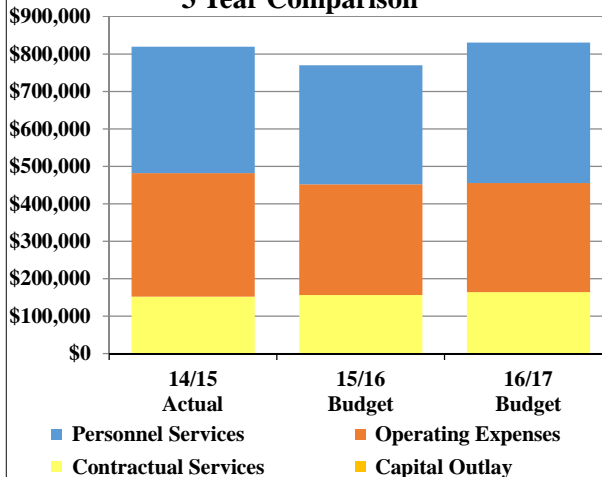
Department Objectives

1. Provide support to engineering and contractors during the reconstruction of State Street from Wolcott to the east city limit planned to begin in June 2016.
2. Assist in Development of Three Meadows Subdivision via E.D.C Dev. Plan

Budget Summary

1. Personnel consists of a Director, Secretary, full-time and seasonal employees totaling 11,095 man-hours.
2. Operating expenses include; supplies, employee training, uniforms, publishing, utilities, CDL licensing, repairs and maintenance, drug and alcohol testing, solid waste bags, equipment rental and professional dues and subscriptions.
3. Contractual services consist of; engineering, lawn maintenance, compost site maintenance (turning, screening, and site grading), city hall cleaning, maintenance, and library maintenance.
4. Capital outlay requests for **Public Services** are as follows; Replacement of (1) Service Entry Door at the Public Services Facility. Capital outlay requests for **Parks** include; Rebuilding and replacing wooden picnic tables and purchasing polymer coated steel tables to make matching facilities at Owens Park pavillions. Capital Outlay requests for **Cemeteries** include; Spray patching of cemetery roads. Capital Outlay expenditures for Public Services, Parks and Cemeteries are appropriated through the Capital Improvement Fund.

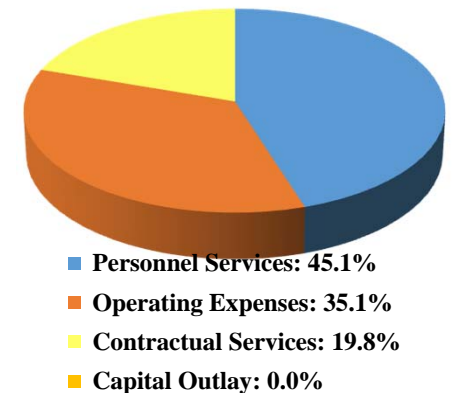
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	337,402	317,320	374,345	17.97%
Operating Expenses	329,646	295,850	291,480	-1.48%
Contractual Services	152,409	156,500	164,210	4.93%
Capital Outlay	-	-	-	
	\$ 819,456	\$ 769,670	\$ 830,035	7.84%

Proposed Budget



Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
441.000 PUBLIC SERVICES DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	92,347	100,078	104,054	101,443	78,137	102,040	104,310
703.000	OVERTIME PAY	916	264	862	2,429	2,308	500	3,000
704.000	SICK TIME PAY	3,497	341	2,453	3,278	8,034	2,390	2,735
705.000	VACATION TIME PAY	6,962	5,399	8,517	8,033	12,348	7,700	6,610
706.000	PERSONAL TIME PAY	1,106	2,599	1,162	1,157	1,272	1,160	1,135
707.000	LONGEVITY PAY	2,200	2,200	2,200	2,200	2,200	2,200	2,000
710.000	HOLIDAY AND OTHER PAY	4,209	3,988	4,180	3,962	3,684	4,070	3,965
715.000	HEALTH AND LIFE INSURANCE	24,305	26,811	29,356	30,872	23,013	37,250	37,240
716.000	RETIREMENT	5,230	5,028	4,210	4,345	2,031	3,700	6,835
717.000	WORKERS' COMPENSATION	352	391	756	668	755	900	900
718.000	UNEMPLOYMENT INSURANCE	800	400	400	200	200	200	100
720.000	EMPLOYER'S FICA	7,623	7,784	8,468	8,359	7,482	9,180	9,470
721.000	DISABILITY INSURANCE	431	458	420	458	294	550	540
725.000	FRINGE BENEFITS - ALLOCATED	9,121	5,714	8,176	12,209	6,706	7,090	12,640
Total Personnel Services		159,098	161,455	175,214	179,613	148,464	178,930	191,480
<i>Operating Expenses</i>								
726.000	SUPPLIES	7,827	15,251	9,256	11,812	5,348	12,000	12,000
742.000	CLOTHING / UNIFORMS	2,277	2,387	2,444	2,337	1,152	2,500	1,085
810.000	DUES AND SUBSCRIPTIONS	864	922	1,070	874	384	1,350	1,170
860.000	TRANSPORTATION AND MILEAGE	108	294	9	13	-	350	500
861.000	TRAINING & SEMINARS	469	1,113	75	413	2,305	2,000	4,675
862.000	LODGING AND MEALS	636	1,044	636	601	459	1,500	1,500
905.000	PUBLISHING / NOTICES	1,284	894	222	314	324	1,200	600
920.000	UTILITIES	7,996	8,938	8,876	7,433	3,434	10,000	8,000
930.000	REPAIRS & MAINTENANCE	324	35	329	138	-	2,500	1,500
940.000	EQUIPMENT RENTAL	11,144	8,734	7,887	11,852	6,701	12,000	12,000
955.000	MISCELLANEOUS	-	-	-	-	-	-	-
955.441	MISCELLANEOUS - SHOE ALLOWANCE	226	434	319	241	367	500	750
955.517	MISC - SOLID WASTE COUPONS	8,875	9,200	8,363	3,663	-	-	-
955.588	MISC. - CDL LICENSING/TESTING	631	656	694	652	669	850	1,000
Total Operating Expenses		42,660	49,902	40,180	40,343	21,143	46,750	44,780

Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	50,409	47,897	32,739	43,235	25,582	38,000	46,770
801.596	CONTRACTUAL SERVICES - TR. FACILITY	-	-	-	-	-	-	-
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		50,409	47,897	32,739	43,235	25,582	38,000	46,770
TOTAL PUBLIC SERVICES DEPARTMENT		252,167	259,254	248,133	263,191	195,189	263,680	283,030

Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
266.000 PARKING LOTS								
<i>Personnel Services</i>								
702.000	WAGES	4,383	3,393	5,283	12,509	1,394	6,300	9,690
703.000	OVERTIME PAY	188	232	2,136	1,196	761	1,000	1,000
720.000	EMPLOYER'S FICA	324	255	530	980	155	560	820
725.000	FRINGE BENEFITS - ALLOCATED	2,522	1,788	3,579	6,328	1,436	3,880	6,820
Total Personnel Services		7,416	5,668	11,528	21,013	3,746	11,740	18,330
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,054	2,106	3,168	14,898	1,535	3,500	3,500
920.000	UTILITIES	3,498	3,559	3,734	4,255	2,357	4,500	4,500
940.000	EQUIPMENT RENTAL	5,037	3,851	8,789	9,611	2,206	7,000	5,500
Total Operating Expenses		10,589	9,516	15,691	28,764	6,098	15,000	13,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	2,172	2,197	1,649	5,696	2,420	3,500	3,125
Total Contractual Services and Capital Outlay		2,172	2,197	1,649	5,696	2,420	3,500	3,125
TOTAL PARKING LOTS		20,177	17,381	28,868	55,473	12,264	30,240	34,955

GENERAL FUND EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
						Current 15/16	Proposed 16/17
265.000 BUILDING AND GROUNDS							
<i>Personnel Services</i>							
WAGES	19,335	24,023	20,656	13,614	8,822	16,660	16,130
OVERTIME PAY	346	228	1,480	63	305	100	100
WORKERS' COMPENSATION	374	873	1,331	1,189	1,236	1,500	1,000
EMPLOYER'S FICA	1,417	1,691	1,593	1,003	664	1,280	1,245
FRINGE BENEFITS - ALLOCATED	11,184	12,275	10,186	6,816	5,987	8,900	10,360
Total Personnel Services	32,656	39,090	35,246	22,686	17,014	28,440	28,835
<i>Operating Expenses</i>							
SUPPLIES	2,710	7,021	8,388	5,268	6,914	7,000	7,500
UTILITIES	26,813	29,123	36,655	32,723	16,674	30,500	30,000
TELEPHONE	19,253	21,858	21,484	16,746	9,997	17,500	17,000
REPAIRS & MAINTENANCE	4,521	10,424	4,324	4,438	3,398	10,000	10,000
EQUIPMENT RENTAL	5,712	8,401	9,874	6,058	5,410	7,500	7,500
RENTALS	-	-	-	-	-	-	-
PROPERTY TAXES	631	-	7,586	440	219	-	-
Total Operating Expenses	59,641	76,827	88,311	65,673	42,612	72,500	72,000
<i>Contractual Services and Capital Outlay</i>							
CONTRACTUAL SERVICES	20,522	27,181	17,880	20,235	17,870	30,000	25,000
CONTRACTUAL SRV-MITCHELL BLDG	3,631	(1,035)	393	51	-	-	-
CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay	24,153	26,146	18,273	20,287	17,870	30,000	25,000
TOTAL BUILDING AND GROUNDS	116,450	142,063	141,830	108,645	77,496	130,940	125,835

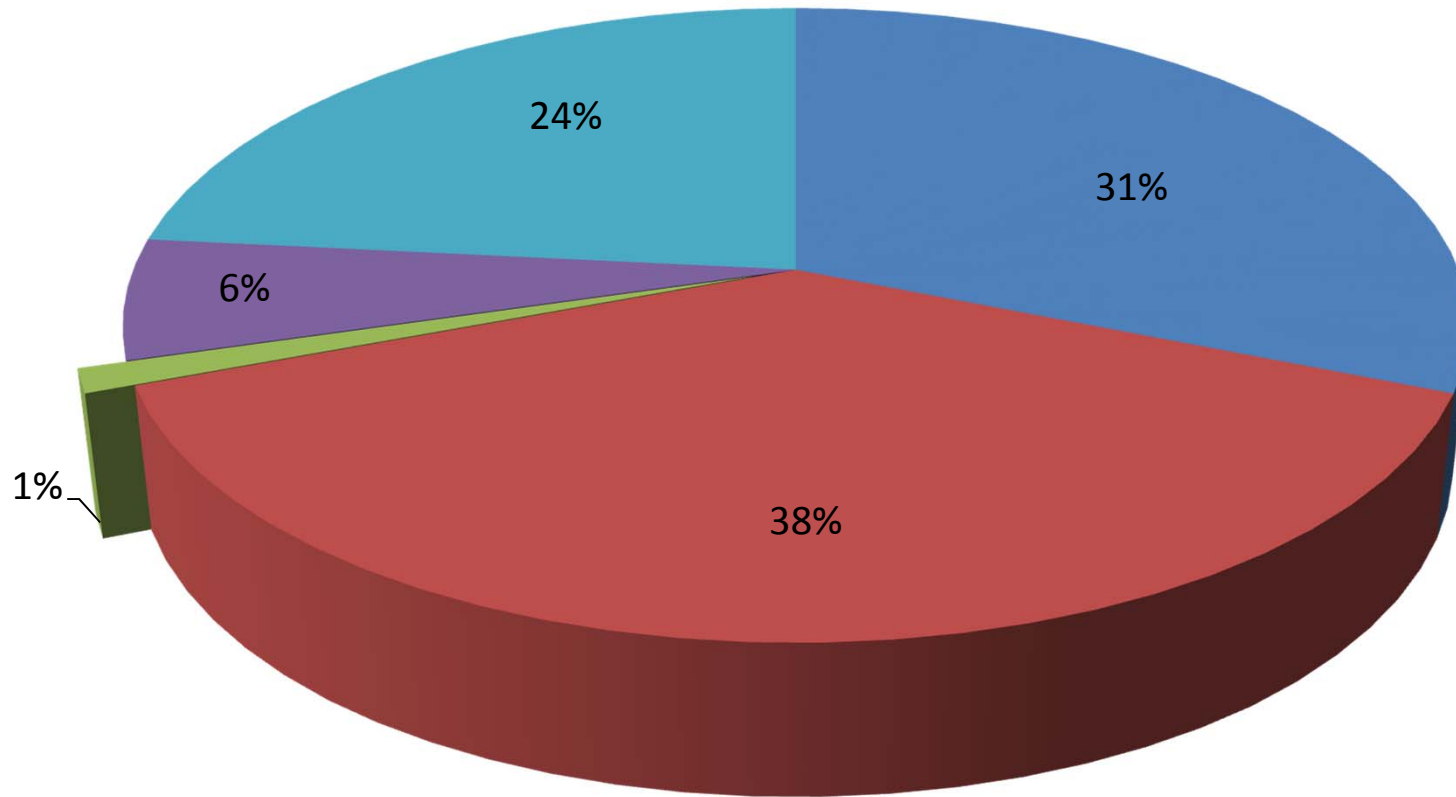
GENERAL FUND EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
						Current 15/16	Proposed 16/17
276.000 CEMETERIES							
<i>Personnel Services</i>							
WAGES	34,079	36,438	25,397	26,638	18,853	29,420	29,335
OVERTIME PAY	1,161	1,521	1,188	1,582	693	1,500	1,500
EMPLOYER'S FICA	2,515	2,644	1,890	2,059	1,401	2,360	2,360
FRINGE BENEFITS - ALLOCATED	19,802	18,380	13,650	13,971	11,925	16,420	19,675
Total Personnel Services	57,557	58,983	42,125	44,250	32,872	49,700	52,870
<i>Operating Expenses</i>							
SUPPLIES	2,407	3,243	3,434	13,358	3,852	3,500	5,000
UTILITIES	808	949	1,024	847	466	1,000	1,000
REPAIRS & MAINTENANCE	150	231	175	63	17	500	500
EQUIPMENT RENTAL	44,121	46,883	40,807	35,124	30,465	42,500	42,500
Total Operating Expenses	47,487	51,306	45,440	49,393	34,800	47,500	49,000
<i>Contractual Services and Capital Outlay</i>							
CONTRACTUAL SERVICES	10,434	21,638	13,075	12,242	12,440	20,000	20,350
CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay	10,434	21,638	13,075	12,242	12,440	20,000	20,350
TOTAL CEMETERIES	115,478	131,927	100,640	105,885	80,112	117,200	122,220

GENERAL FUND EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
						Current 15/16	Proposed 16/17
756.000 PARKS							
<i>Personnel Services</i>							
WAGES	35,249	31,738	33,489	42,021	16,242	29,170	47,310
OVERTIME PAY	485	563	1,526	1,667	140	1,000	1,000
EMPLOYER'S FICA	2,537	2,201	2,470	3,120	1,162	2,310	3,695
FRINGE BENEFITS - ALLOCATED	20,063	15,630	17,840	23,032	10,012	16,030	30,825
Total Personnel Services	58,334	50,132	55,325	69,840	27,556	48,510	82,830
<i>Operating Expenses</i>							
SUPPLIES	5,162	8,859	12,342	37,034	3,758	5,000	7,500
SUPPLIES - REPLACEMENT TREES	-	-	490	-	-	-	-
UTILITIES	6,168	6,941	7,300	7,445	5,439	7,000	7,500
REPAIRS & MAINTENANCE	2,234	2,001	1,616	765	83	2,500	1,500
EQUIPMENT RENTAL	25,371	25,424	43,091	30,237	15,170	28,000	27,200
Total Operating Expenses	38,935	43,225	64,839	75,481	24,450	42,500	43,700
<i>Contractual Services and Capital Outlay</i>							
CONTRACTUAL SERVICES	51,896	53,070	53,742	70,948	38,274	65,000	68,965
CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay	51,896	53,070	53,742	70,948	38,274	65,000	68,965
TOTAL PARKS	149,166	146,427	173,906	216,269	90,280	156,010	195,495

GENERAL FUND EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
						Current 15/16	Proposed 16/17
448.000 STREET LIGHTING							
<i>Operating Expenses</i>							
UTILITIES - MAJOR STREETS	58,253	60,368	67,220	66,687	34,487	68,500	64,500
UTILITIES - LOCAL STREETS	3,049	2,508	2,938	3,305	2,146	3,100	4,000
Total Operating Expenses	61,302	62,876	70,158	69,992	36,633	71,600	68,500
TOTAL STREET LIGHTING	61,302	62,876	70,158	69,992	36,633	71,600	68,500

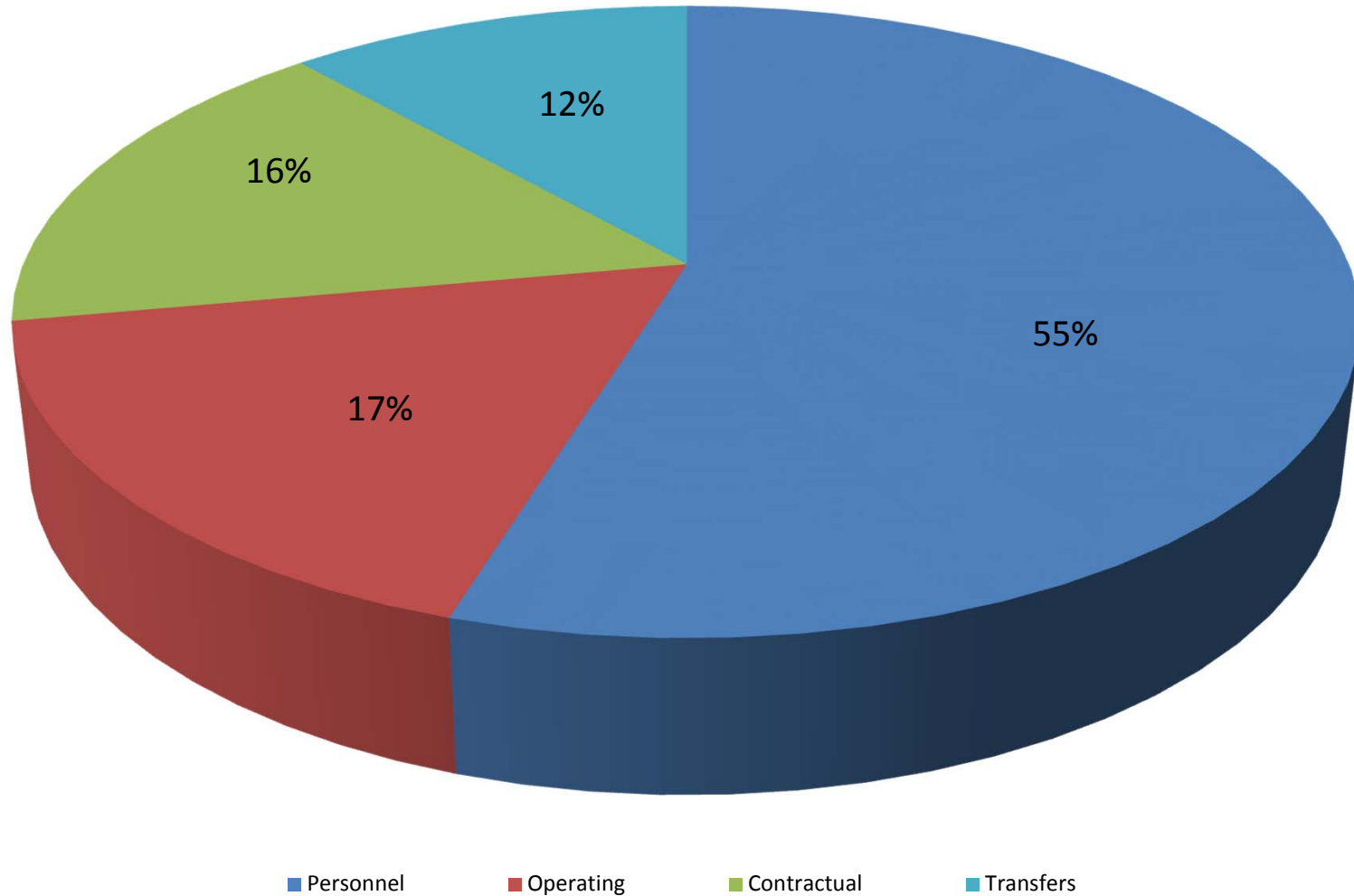
Fund 101 GENERAL FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
965.000 TRANSFERS TO OTHER FUNDS								
999.203	TRANSFER - LOCAL ST.	68,535	65,000	156,750	114,165	-	100,000	100,000
999.208	TRANSFER - RECREATION	47,555	47,965	59,155	60,025	25,000	62,070	59,650
999.244	TRANSFER - ECON. DEVL. CORP.	-	-	-	-	-	-	-
999.362	TRANSFER - BOND & INT. REDEM.	178,000	24,994	-	-	-	-	-
999.401	TRANSFER - CAPITAL IMPROVEMENT	477,800	365,000	170,000	150,000	-	80,000	300,000
999.408	TRANSFER - FIELDS OF DREAMS	-	-	-	-	-	-	-
999.481	TRANSFER - AIRPORT IMPROVEMENTS	-	50,000	50,000	-	-	-	-
999.496	TRANSFER - THREE MEADOWS	-	-	-	-	-	-	-
999.588	TRANSFER - DIAL-A-RIDE	75,000	100,000	87,950	109,260	-	118,420	104,755
999.640	TRANSFER - REVLE. MOBILE EQPT.	423	-	-	-	-	-	-
999.663	TRANSFER - FIRE VEHICLE & EQPT	-	25,000	25,000	-	-	-	-
999.699	TRANSFER - DPS LEAVE & BENEFIT	-	-	-	-	-	-	-
TOTAL TRANSFERS TO OTHER FUNDS		847,313	677,959	548,855	433,450	25,000	360,490	564,405

General Fund Expenditures By Function

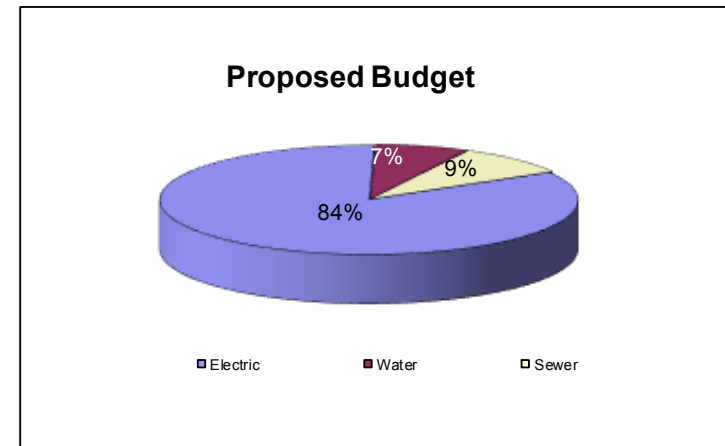
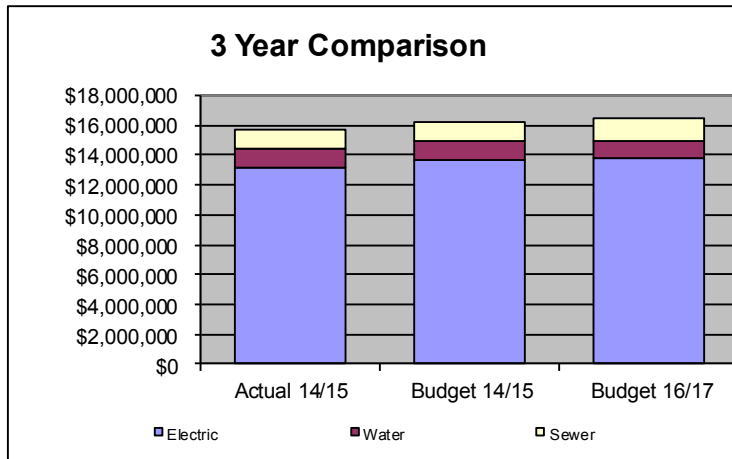


■ General Government ■ Public Safety ■ Recreation & Culture ■ Capital & Debt ■ Public Services

Total General Fund Expenditures By Type



BOARD OF PUBLIC UTILITIES REVENUES *	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Budgets	
					Current 15/16	Proposed 16/17
Electric Department						
Customer Sales	10,528,738	11,376,509	13,198,597	13,123,328	13,670,700	13,710,920
Other Revenue from Operations	40,143	39,895	45,479	41,434	42,000	42,000
Non-operating Revenues	(193,251)	22,653	32,795	22,753	(14,500)	(6,800)
Electric Department Total Revenues	10,375,630	11,439,057	13,276,871	13,187,515	13,698,200	13,746,120
Water Department						
Customer Sales	1,232,234	1,259,068	1,269,575	1,254,947	1,223,000	1,218,392
Other Revenue from Operations	7,596	4,918	4,445	4,924	6,000	6,000
Non-operating Revenues	(57,018)	(37,561)	(19,635)	1,082	(31,800)	(31,800)
Total Water Department Revenues	1,182,812	1,226,425	1,254,385	1,260,953	1,197,200	1,192,592
Sewer Department						
Customer Sales	1,261,665	1,210,237	1,171,888	1,258,330	1,278,000	1,475,560
Other Revenue from Operations	9,551	9,158	4,415	4,875	5,200	5,200
Non-operating Revenues	4,287	514	2,634	1,580	(11,000)	(4,000)
Total Sewer Department Revenues	1,275,503	1,219,909	1,178,937	1,264,785	1,272,200	1,476,760
TOTAL UTILITY REVENUE	12,833,945	13,885,391	15,710,193	15,713,253	16,167,600	16,415,472

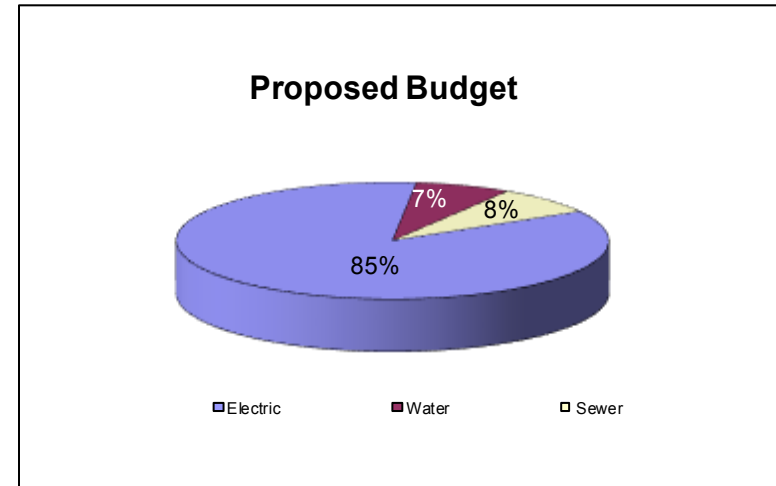
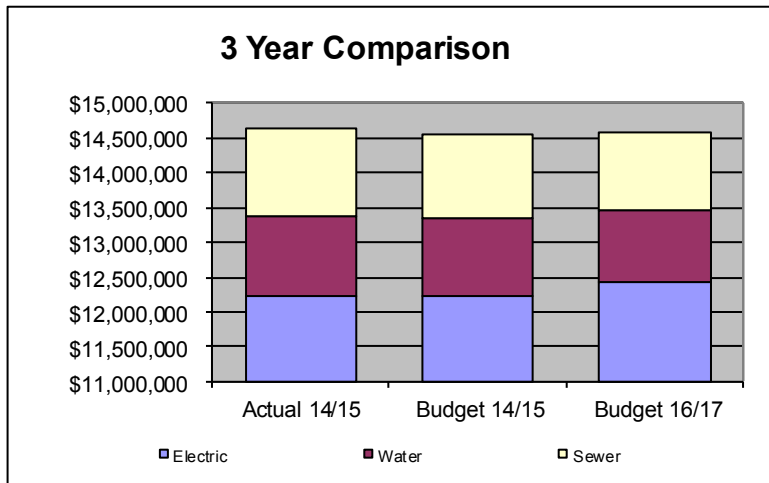


* Specific detail of the Board of Public Utilities' budget is contained in a separate document, consequently their numbers are not included in any of the City's charts and graphs contained in this document.

BOARD OF PUBLIC UTILITIES EXPENSES *	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Budgets	
					Current 15/16	Proposed 16/17
Electric Department						
Purchased Power Cost	8,138,350	10,513,057	8,760,283	9,211,316	9,375,138	9,375,000
Total Production Expense	661,722	452,295	480,104	458,696	452,700	443,200
Total Transmission & Distribution Expense	1,241,340	1,159,017	1,269,810	1,431,028	1,210,400	1,187,250
Total Administration & General Expense	892,561	1,108,453	1,247,646	1,139,391	1,191,125	1,412,478
Total Electric Department Expense	<u>10,933,973</u>	<u>13,232,822</u>	<u>11,757,843</u>	<u>12,240,431</u>	<u>12,229,363</u>	<u>12,417,928</u>
Electric Department Net Income (Revenues less Expenses)	(558,343)	(1,793,765)	1,519,028	947,084	1,468,837	1,328,192
Water Department						
Total Production Expense	62,783	91,481	114,154	112,791	114,561	110,450
Total Purification Expense	250,408	285,006	278,868	288,638	288,422	277,450
Total Distribution Expense	359,727	391,079	508,418	454,315	385,861	368,450
Total Administration & General Expense	262,649	319,409	309,152	271,200	338,841	289,015
Total Water Department Expense	<u>935,567</u>	<u>1,086,975</u>	<u>1,210,592</u>	<u>1,126,944</u>	<u>1,127,685</u>	<u>1,045,365</u>
Water Department Net Income (Revenues less Expenses)	247,245	139,450	43,793	134,009	69,515	147,227

* 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 *	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Budgets	
					Current 15/16	Proposed 16/17
Sewer Department						
Total Collection Expense	217,627	214,139	253,907	246,301	220,572	201,200
Total Treatment Expense	608,249	809,512	845,483	734,410	677,784	654,500
Total Administration & General Expense	322,372	324,339	304,871	283,736	285,538	272,827
Total Sewer Department Expenses	1,148,248	1,347,990	1,404,261	1,264,447	1,183,894	1,128,527
Sewer Department Net Income (Revenues less Expenses)	127,255	(128,081)	(225,324)	338	88,306	348,233
Total Utility Expenses	13,017,788	15,667,787	14,372,696	14,631,822	14,540,942	14,591,820
Total Utility Net Income (Loss)	(183,843)	(1,782,396)	1,337,497	1,081,431	1,626,658	1,823,652



* 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 11/12	Budget 12/13	Budget 13/14	Budget 14/15	Budget 15/16	Budget 16/17
Electric Department Capital Projects	1,195,000	989,000	510,000	704,000	1,190,000	1,165,000
Water Department Capital Projects	226,000	245,000	251,000	144,000	240,500	362,000
Sewer Department Capital Projects	41,500	106,000	51,400	155,000	231,000	122,000
Administration Capital Projects	85,000	75,000	120,000	110,000	110,000	225,000
Total Capital Projects	1,547,500	1,415,000	932,400	1,113,000	1,771,500	1,874,000

PROPOSED BPU CAPITAL 2017

Electric Department Capital Projects

Remaining Balance of Bucket Truck (39-04) \$40,000

The remaining balance owed on the bucket truck, which is one of the line crew's primary pieces of equipment.

Distribution Automation and Monitoring (2008-103) \$50,000

Continuation of our automation work started last year, which entails the continuation of smart switches, capacitor controls, voltage regulation controls and the expansion of our SCADA platform.

Replace Transclosures with Pad Mount Transformers \$25,000

A large number of medium to large size three-phase power banks were designed and built using pole mount transformers and metal enclosures and many of these pieces of equipment have reached their expected lifespan and are in need of replacement. We propose to replace these over a period of years with pad mount units so this will be an annual item until all units have been replaced.

Line Extensions \$15,000

This is an annual item for small line extensions completed during the budget period and is treated in aggregate at the end of the fiscal year as a capital expense. As we are continually required to make small capital investments to provide service to new locations that total under \$5,000, we combine these jobs for the year, and capitalize them at the end of that budget.

PROPOSED BPU CAPITAL 2017

continued

Add Hendrix Circuit to Alley between HCHC and Hillsdale Place \$350,000

To better utilize our distribution system feeders and allow more versatility for switching operations we propose to add one or two hendrix tight bundle configuration circuits along the alley between the hospital and high rise.

Repairs and Upgrades Engines 5 & 6 \$400,000

This funding is for upgrading engines 5 & 6 from emergency status to full backup condition. With the RICE-NESHAP regulations in place it will be necessary to invest in catalytic conversion for these engines. It will also allow us to receive capacity credits from MISO, which will provide income based upon the MISO capacity market.

LED Street Light Conversion \$75,000

Continue the upgrade process of our LED streetlight replacement program.

Repair/Replace Compressor Room Roof at Power Plant (2015-101) \$10,000

The Power Plant compressor room roof is in need of repair or replacement. This is routine facilities maintenance.

277 Upgrades – Phase 1 \$200,000

Phase 1 of the 277 transmission line upgrade. The transmission line is approximately 50 years of age and is need of imminent major maintenance.

Total of Proposed Electric Department Projects **\$1,165,000**

PROPOSED BPU CAPITAL 2017

continued

Water Department Capital Projects

Automated Meter Infrastructure \$30,000

As part of our ongoing automated metering infrastructure we anticipate replacement of both water nodes and water meters. This will give us two way communication and new highly accurate water meters. These costs are in addition to the electric capital projects budget.

Clean and Overhaul Well \$26,000

Our wells lose capacity over time due to the accumulation of mineral in the well screen and erosion of the pump bowls. This is an annual expense to extend the life of our well infrastructure.

Large Turbo Meter Replacement \$10,000

We propose to replace a number of large turbo meters with high-low flow dual register meters. This will increase water sales by catching the low flow portion of a customer's use.

Fire Hydrant Replacement \$8,000

Funds to replace defective and/or broken hydrants.

Curb Stop Repairs \$8,000

Funds for the materials to replace broken curb stops.

PROPOSED BPU CAPITAL 2017

continued

Water Main Replacement

\$50,000

This will fund water main replacement when the City does street reconstruction.

Valve Replacement

\$10,000

This will fund the capital expenses for valves found needing to be replaced.

Lift Station Communication Replacement

\$20,000

This will replace the communication systems at four of our remaining five lift stations, Barber Drive having been completed in February 2016.

Replace Vactor Truck

\$200,000

We will continue to accrue funds to replace the 1999 Vactor truck. This is a critical piece of equipment for the maintenance of our sewer system. We can replace the existing unit with a used chassis and new Vactor components for 65% of a new unit. Total cost would be \$276,250 of which \$85,000 was budgeted in 2016.

Total Proposed Water Department Projects

\$362,000

PROPOSED BPU CAPITAL 2017

continued

Sewer Department Capital Projects

I & I Reduction Manhole Rehabilitation \$25,000

The ongoing issue with infiltration & inflow reduces available plant capacity by the introduction of rain, snowmelt, and groundwater into the sanitary system. We will continue our efforts to lower our levels of I & I by continuing a manhole rehabilitation program this fiscal year.

Rebuild Tertiary Pump #3 \$10,000

Ongoing maintenance requires we rebuild the #3 tertiary process pump.

Replace Effluent Meter \$7,000

This is the WWTP's master output meter that gives us our total flow into the St. Joe.

Sewer Main Replacement \$50,000

This fund will be used for needed sewer main replacement when the city conducts any street reconstruction.

CIP/Fleis \$30,000

Recurring capital outlay as suggested by our WWTP engineers.

PROPOSED BPU CAPITAL 2017

continued

Wastewater Sewer Improvement SRF Phase I \$7,500,000

This is a \$7.5 million wastewater sewer improvement project that includes an annual interest payment of approximately \$160,876. A principle loan forgiveness of \$1 million is available at the end of the project if there is “Green Money” funding available at that time.

Total Proposed Sewer Department Projects **\$7,622,000**

Administration Projects

Various Computer Items & Licensing/Phones \$50,000

Projects include two network switches, software licensing and BPU’s 34 phones.

Financial Software \$150,000

Purchase of BS&A Financial Software program.

Replace 30kw Single Phase Generator \$25,000

Replace the current 30kw single-phase generator with a 80kw single-phase generator.

Total Proposed Administration Projects **\$225,000**

MAJOR/TRUNKLINE AND LOCAL STREETS

517-437-6490

Jake Hammel- Interim Director

jhammel@cityofhillsdale.org

Department Summary

The Public Services Department is responsible for the maintenance and repair of a large portion of infrastructure found along 18.86 miles of major streets, 3.03 miles of State trunk line, and 25.58 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, pavement markings, tree trimming, removal and replacement, brush pickup, issuance and inspection of right-of-way permits, road condition surveys, traffic counts, snow removal, and any other work done within the street right-of-way. In addition, this department maintains a state trunk line (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 is well constructed and properly maintained to serve the people now and into the future.

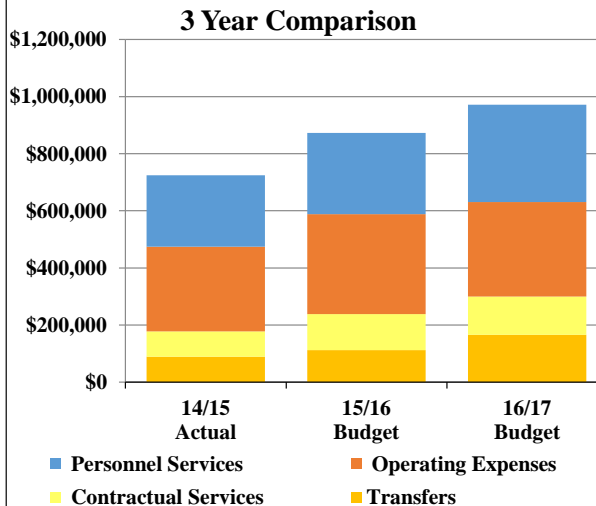
Department Objectives

1. Assist in the completion of the update process of identifying and maintaining a Capital Improvement Plan requested by City Council. This will first require the establishment of a long term funding stream for Local streets by City Council and the Citizens of Hillsdale. Staff continues to seek grant funding for Major Streets such as we have successfully done in the past with the State of Michigan Small Urban Grant. In each of the following years up to \$375,000 was awarded to the City of Hillsdale,

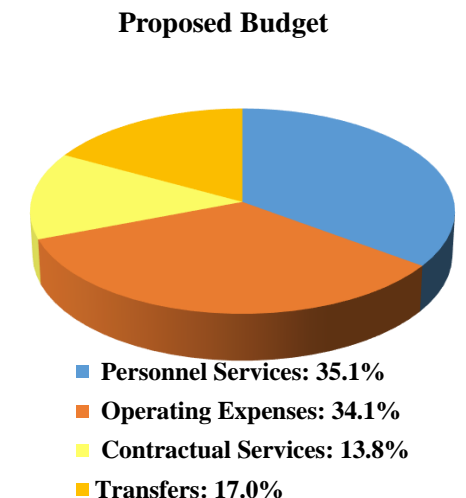
when combined with matching funds, allowed for the rehabilitation or reconstruction of various Major Streets: \$315,300 for a small portion of State St and storm water lift station in 2016, a large segment of State St. in 2012, \$212,200 for two blocks of E. Fayette St. [E. of Hillsdale St.] in 2010, \$374,400 for E. Bacon St. in 2008, and \$212,000 for W. Fayette St. [W. of M-99] in 2006.
3. Assist in the continued Development phase of Three Meadows Subdivision via E.D.C. Development Plan.

Budget Summary

1. Personnel consist of 10,414 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 requests include; TBD. Capital outlay items for street reconstruction, paving, etc. are funded through the Capital Improvement Fund.



	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	250,033	284,530	341,300	19.95%
Operating Expenses	295,866	349,170	330,950	-5.22%
Contractual Services	89,428	126,000	133,820	6.21%
Transfers	88,643	112,700	165,500	46.85%
	<u>\$ 723,971</u>	<u>\$ 872,400</u>	<u>\$ 971,570</u>	<u>11.37%</u>



Fund 202 MAJOR STREET FUND REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
MAJOR STREET FUND REVENUES								
546.000	STATE GRANT - GAS & WEIGHT TAX	426,430	432,392	481,897	454,738	237,363	450,000	475,000
546.048	STATE GRANT-METRO ROW ACT	13,661	13,934	13,181	11,747	-	13,500	12,000
546.110	STATE GRANT - ACT 110	-	-	-	-	-	-	-
547.000	STATE GRANT - TRUNKLINE MAINT.	29,673	29,931	46,652	32,124	11,905	3,000	30,000
665.000	INTEREST	476	977	704	844	573	750	850
692.000	OTHER REVENUE	445	1,907	1,776	2,971	2,364	1,500	2,500
692.039	OTHER REVENUE - BPU	-	-	-	-	-	-	-
692.470	OTHER REVENUE - TREES	2,396	-	3,931	1,000	1,460	1,000	-
TOTAL MAJOR STREET FUND REVENUES		473,081	479,141	548,141	503,424	253,665	469,750	520,350

Fund 202 MAJOR STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
175.000 ADMINISTRATIVE SERVICES								
<i>Operating Expenses</i>								
955.000	MISCELLANEOUS	-	-	-	-	-	-	-
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	42,643	43,239	48,110	45,474	23,736	45,000	47,500
999.203	TRANSFER - LOCAL ST.	-	50,000	-	25,000	50,000	50,000	100,000
999.401	TRANSFER - CAPITAL IMPROVEMENT	-	-	150,000	-	-	-	-
Total Operating Expenses & Transfers		42,643	93,239	198,110	70,474	73,736	95,000	147,500
TOTAL ADMINISTRATIVE SERVICES		42,643	93,239	198,110	70,474	73,736	95,000	147,500
175.500 ADMIN. SERVICES - TRUNKLINE								
999.101	TRANSFER - GENERAL FUND	2,967	2,993	4,665	3,212	1,191	3,000	3,000
TOTAL ADMIN. SERVICES - TRUNKLINE		2,967	2,993	4,665	3,212	1,191	3,000	3,000

Fund 202 MAJOR STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
450.000 STREET SURFACE								
<i>Personnel Services</i>								
702.000	WAGES	13,625	11,123	15,069	13,531	7,349	18,040	18,955
703.000	OVERTIME PAY	382	539	627	456	588	1,000	1,000
720.000	EMPLOYER'S FICA	980	810	1,071	954	556	1,460	1,525
725.000	FRINGE BENEFITS - ALLOCATED	7,922	5,649	8,204	7,564	4,850	10,110	12,735
Total Personnel Services		22,908	18,121	24,971	22,505	13,343	30,610	34,215
<i>Operating Expenses</i>								
726.000	SUPPLIES	4,231	4,332	25,657	14,315	5,316	27,500	27,500
940.000	EQUIPMENT RENTAL	18,679	14,578	23,101	18,995	9,721	25,000	2,200
Total Operating Expenses		22,910	18,910	48,758	33,310	15,037	52,500	29,700
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	5,432	2,407	3,941	2,079	4,104	15,000	7,200
Total Contractual Services and Capital Outlay		5,432	2,407	3,941	2,079	4,104	15,000	7,200
TOTAL STREET SURFACE		51,250	39,438	77,670	57,894	32,484	98,110	71,115
450.500 TRUNKLINE SURFACE								
<i>Personnel Services</i>								
702.000	WAGES	977	965	3,191	2,946	1,026	4,540	4,100
703.000	OVERTIME PAY	-	18	196	95	-	250	250
720.000	EMPLOYER'S FICA	69	68	239	211	72	370	330
725.000	FRINGE BENEFITS - ALLOCATED	558	458	1,974	1,572	618	2,540	2,775
Total Personnel Services		1,604	1,509	5,600	4,823	1,716	7,700	7,455
<i>Operating Expenses</i>								
726.000	SUPPLIES	112	210	1,654	722	322	1,000	1,000
940.000	EQUIPMENT RENTAL	3,123	1,517	4,889	4,990	1,546	5,000	5,000
Total Operating Expenses		3,235	1,727	6,543	5,712	1,868	6,000	6,000
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	61	45	27	61	461	500	500
Total Contractual Services and Capital Outlay		61	45	27	61	461	500	500
TOTAL TRUNKLINE SURFACE		4,900	3,281	12,170	10,596	4,045	14,200	13,955

Fund 202 MAJOR STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
460.000 R.O.W. MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	16,984	22,488	16,025	18,641	14,293	13,510	20,755
703.000	OVERTIME PAY	-	1,154	175	378	605	200	800
720.000	EMPLOYER'S FICA	1,238	1,628	1,146	1,364	1,064	1,050	1,650
725.000	FRINGE BENEFITS - ALLOCATED	9,312	11,407	7,953	11,720	9,317	7,280	13,755
	Total Personnel Services	27,535	36,677	25,299	32,103	25,279	22,040	36,960
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,093	12,013	2,408	3,132	4,711	2,500	5,000
940.000	EQUIPMENT RENTAL	27,625	32,496	25,144	28,001	21,188	27,500	28,000
	Total Operating Expenses	28,718	44,509	27,552	31,134	25,899	30,000	33,000
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	12,973	25,644	20,828	15,179	17,865	20,000	22,200
	Total Contractual Services and Capital Outlay	12,973	25,644	20,828	15,179	17,865	20,000	22,200
	TOTAL R.O.W. MAINTENANCE	69,225	106,830	73,679	78,415	69,043	72,040	92,160
460.500 TRUNKLINE R.O.W. MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	407	209	361	561	436	740	1,245
703.000	OVERTIME PAY	-	-	-	-	-	100	100
720.000	EMPLOYER'S FICA	29	15	26	40	31	60	95
725.000	FRINGE BENEFITS - ALLOCATED	411	103	181	417	250	450	860
	Total Personnel Services	847	327	568	1,018	717	1,350	2,300
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	722	708	928	1,225	973	1,000	1,250
	Total Operating Expenses	722	708	928	1,225	973	1,000	1,250
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	2,676	4,780	3,720	3,845	1,282	6,500	6,500
	Total Contractual Services and Capital Outlay	2,676	4,780	3,720	3,845	1,282	6,500	6,500
	TOTAL TRUNKLINE R.O.W. MAINTENANCE	4,245	5,815	5,216	6,089	2,972	8,850	10,050

Fund 202 MAJOR STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
470.000 TREES								
<i>Personnel Services</i>								
702.000	WAGES	14,096	13,082	10,040	10,577	7,912	13,740	10,855
703.000	OVERTIME PAY	454	302	272	332	61	250	410
720.000	EMPLOYER'S FICA	1,015	919	716	756	554	1,070	815
725.000	FRINGE BENEFITS - ALLOCATED	7,966	6,565	5,303	5,396	5,074	7,430	6,800
Total Personnel Services		23,532	20,868	16,331	17,061	13,601	22,490	18,880
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,007	563	1,167	466	765	1,500	1,250
726.470	SUPPLIES - REPLACEMENT TREES	-	3,838	2,158	-	-	-	-
940.000	EQUIPMENT RENTAL	5,721	5,727	2,923	3,035	2,617	5,000	3,500
Total Operating Expenses		6,728	10,128	6,248	3,501	3,382	6,500	4,750
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	15,096	13,489	15,836	5,518	7,320	16,000	14,650
Total Contractual Services and Capital Outlay		15,096	13,489	15,836	5,518	7,320	16,000	14,650
TOTAL TREES		45,356	44,485	38,415	26,080	24,303	44,990	38,280
470.500 TRUNKLINE TREES								
<i>Personnel Services</i>								
702.000	WAGES	438	257	127	467	74	320	410
703.000	OVERTIME PAY	53	101	-	-	-	-	-
720.000	EMPLOYER'S FICA	34	25	9	32	5	20	30
725.000	FRINGE BENEFITS - ALLOCATED	115	84	32	234	75	170	265
Total Personnel Services		639	467	168	734	154	510	705
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	137	76	36	10	111	100	100
Total Operating Expenses		137	76	36	10	111	100	100
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	11	50	-	-	-	100	100
Total Contractual Services and Capital Outlay		11	50	-	-	-	100	100
TOTAL TRUNKLINE TREES		787	593	204	744	265	710	905

Fund 202 MAJOR STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
480.000 DRAINAGE								
<i>Personnel Services</i>								
702.000	WAGES	12,326	7,849	9,182	11,343	9,883	10,960	12,870
703.000	OVERTIME PAY	118	209	655	28	411	250	500
720.000	EMPLOYER'S FICA	878	547	685	808	736	860	1,025
725.000	FRINGE BENEFITS - ALLOCATED	7,108	3,985	4,748	5,364	6,702	5,950	8,530
Total Personnel Services		20,431	12,590	15,270	17,542	17,732	18,020	22,925
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,962	1,183	4,177	2,888	3,306	3,500	4,500
940.000	EQUIPMENT RENTAL	15,983	9,208	7,570	9,337	7,191	7,500	9,000
Total Operating Expenses		18,945	10,391	11,747	12,225	10,497	11,000	13,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	2,925	1,203	9,130	1,701	2,821	10,000	8,000
Total Contractual Services and Capital Outlay		2,925	1,203	9,130	1,701	2,821	10,000	8,000
TOTAL DRAINAGE		42,300	24,184	36,147	31,468	31,050	39,020	44,425
480.500 TRUNKLINE R.O.W. DRAINAGE								
<i>Personnel Services</i>								
702.000	WAGES	813	25	255	295	37	1,500	385
703.000	OVERTIME PAY	-	-	439	8	-	100	100
720.000	EMPLOYER'S FICA	58	2	49	22	3	120	40
725.000	FRINGE BENEFITS - ALLOCATED	474	21	123	165	23	850	310
Total Personnel Services		1,345	48	866	489	63	2,570	835
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	51	-	250	150
940.000	EQUIPMENT RENTAL	2,541	72	425	357	33	2,000	750
Total Operating Expenses		2,541	72	425	407	33	2,250	900
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	262	6	17	-	-	300	-
Total Contractual Services and Capital Outlay		262	6	17	-	-	300	-
TOTAL TRUNKLINE R.O.W. DRAINAGE		4,148	126	1,308	896	96	5,120	1,735

Fund 202 MAJOR STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
490.000 TRAFFIC								
<i>Personnel Services</i>								
702.000	WAGES	19,489	9,455	7,473	10,860	8,541	10,290	12,320
703.000	OVERTIME PAY	382	207	204	477	565	250	1,000
720.000	EMPLOYER'S FICA	1,420	675	541	827	659	810	1,020
725.000	FRINGE BENEFITS - ALLOCATED	11,336	4,654	3,596	5,891	5,674	5,600	8,500
Total Personnel Services		32,628	14,991	11,814	18,054	15,439	16,950	22,840
<i>Operating Expenses</i>								
726.000	SUPPLIES	6,736	6,500	3,199	6,219	3,984	7,000	7,000
920.000	UTILITIES	4,290	4,394	5,046	5,351	2,845	5,000	5,500
940.000	EQUIPMENT RENTAL	7,680	3,897	3,150	3,820	3,351	5,500	5,500
Total Operating Expenses		18,706	14,791	11,395	15,390	10,180	17,500	18,000
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	14,076	5,929	8,061	21,761	8,134	14,000	18,250
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		14,076	5,929	8,061	21,761	8,134	14,000	18,250
TOTAL TRAFFIC		65,409	35,711	31,270	55,205	33,753	48,450	59,090
490.500 TRUNKLINE TRAFFIC								
<i>Personnel Services</i>								
702.000	WAGES	200	8	251	275	90	660	295
703.000	OVERTIME PAY	18	49	-	-	-	70	70
720.000	EMPLOYER'S FICA	15	4	17	20	6	60	30
725.000	FRINGE BENEFITS - ALLOCATED	115	32	126	150	52	390	235
Total Personnel Services		349	93	394	445	148	1,180	630
<i>Operating Expenses</i>								
726.000	SUPPLIES	36	-	-	38	19	500	500
920.000	UTILITIES	4,345	4,451	4,983	5,215	2,901	5,000	5,500
940.000	EQUIPMENT RENTAL	18	24	57	52	2	250	250
Total Operating Expenses		4,399	4,475	5,040	5,304	2,922	5,750	6,250
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	12	198	262	157	-	600	500
Total Contractual Services and Capital Outlay		12	198	262	157	-	600	500
TOTAL TRUNKLINE TRAFFIC		4,760	4,766	5,696	5,906	3,070	7,530	7,380

Fund 202 MAJOR STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
500.000 WINTER MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	5,801	9,703	17,055	10,504	4,477	15,180	11,910
703.000	OVERTIME PAY	2,448	2,916	6,730	3,224	3,221	6,500	6,500
720.000	EMPLOYER'S FICA	577	907	1,663	978	549	1,660	1,410
725.000	FRINGE BENEFITS - ALLOCATED	4,400	6,088	12,030	7,199	4,417	11,520	11,750
Total Personnel Services		13,227	19,614	37,478	21,905	12,664	34,860	31,570
<i>Operating Expenses</i>								
726.000	SUPPLIES	17,752	26,340	26,468	23,049	15,693	27,500	27,500
940.000	EQUIPMENT RENTAL	14,013	18,632	42,526	24,579	11,008	35,000	35,000
Total Operating Expenses		31,766	44,972	68,994	47,628	26,701	62,500	62,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	1,082	234	-	1,586	316	1,500	3,000
Total Contractual Services and Capital Outlay		1,082	234	-	1,586	316	1,500	3,000
TOTAL WINTER MAINTENANCE		46,074	64,820	106,472	71,119	39,681	98,860	97,070
500.500 TRUNKLINE WINTER MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	695	1,202	5,756	1,685	4,724	2,800	2,110
703.000	OVERTIME PAY	910	978	2,108	884	2,028	2,500	2,500
720.000	EMPLOYER'S FICA	112	151	548	182	474	400	355
725.000	FRINGE BENEFITS - ALLOCATED	889	1,066	3,742	1,403	446	2,820	2,940
Total Personnel Services		2,606	3,397	12,154	4,154	7,672	8,520	7,905
<i>Operating Expenses</i>								
726.000	SUPPLIES	7,000	11,909	10,388	6,576	9,851	10,000	7,500
940.000	EQUIPMENT RENTAL	3,261	4,369	14,998	5,673	14,017	7,500	7,500
Total Operating Expenses		10,262	16,278	25,386	12,249	23,868	17,500	15,000
TOTAL TRUNKLINE WINTER MAINTENANCE		12,868	19,675	37,540	16,403	31,540	26,020	22,905
TOTAL MAJOR STREET FUND EXPENDITURES		396,934	445,956	628,562	434,501	347,229	561,900	609,570

							Budgets	
Fund 203 LOCAL STREET FUND REVENUES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
LOCAL STREET FUND REVENUES								
546.000	STATE GRANT - GAS & WEIGHT TAX	140,102	141,985	146,475	149,567	77,977	147,000	150,000
546.048	STATE GRANT - METRO ROW ACT	13,661	13,934	13,181	11,747	-	13,500	12,000
634.000	MAINT. ADJACENT MUNICIPAL STRS	-	-	-	-	-	-	-
692.000	OTHER REVENUE	-	62	159	-	569	-	-
692.039	OTHER REVENUE - BPU	-	-	-	-	4,204	-	-
692.470	OTHER REVENUE - TREES	-	5,309	-	2,450	-	-	-
699.101	TRANSFERS IN - GENERAL FUND	68,535	65,000	156,750	114,165	50,000	100,000	100,000
699.202	TRANSFERS IN - MAJOR STREETS	-	50,000	-	25,000	-	50,000	100,000
Total Revenues		222,299	276,290	316,565	302,929	132,750	310,500	362,000

							Budgets	
Fund 203 LOCAL STREET FUND EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
999.101	TRANSFER - GENERAL FUND	14,010	14,199	14,647	14,957	7,798	14,700	15,000
TOTAL ADMINISTRATIVE SERVICES		14,010	14,199	14,647	14,957	7,798	14,700	15,000
450.000 STREET SURFACE								
<i>Personnel Services</i>								
702.000	WAGES	13,946	16,392	15,499	14,036	15,747	17,980	22,720
703.000	OVERTIME PAY	192	151	170	890	675	1,000	1,000
720.000	EMPLOYER'S FICA	998	1,136	1,089	1,054	1,159	1,450	1,815
725.000	FRINGE BENEFITS - ALLOCATED	7,991	8,118	7,404	9,324	9,882	10,080	15,135
Total Personnel Services		23,126	25,797	24,162	25,305	27,463	30,510	40,670
<i>Operating Expenses</i>								
726.000	SUPPLIES	12,847	13,949	20,390	31,029	9,429	25,000	30,000
940.000	EQUIPMENT RENTAL	15,579	16,744	17,817	17,160	17,559	20,000	20,000
Total Operating Expenses		28,425	30,693	38,207	48,189	26,988	45,000	50,000
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	2,522	8,067	7,020	3,983	4,826	5,000	10,250
Total Contractual Services and Capital Outlay		2,522	8,067	7,020	3,983	4,826	5,000	10,250
TOTAL STREET SURFACE		54,073	64,557	69,389	77,477	59,277	80,510	100,920

Fund 203 LOCAL STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
460.000 R.O.W. MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	12,147	10,818	16,401	16,160	19,316	17,930	20,255
703.000	OVERTIME PAY	64	18	179	154	838	250	500
720.000	EMPLOYER'S FICA	878	734	1,160	1,158	1,445	1,390	1,590
725.000	FRINGE BENEFITS - ALLOCATED	6,876	5,091	9,530	9,648	11,938	9,660	13,245
Total Personnel Services		19,964	16,661	27,270	27,120	33,537	29,230	35,590
<i>Operating Expenses</i>								
726.000	SUPPLIES	69	854	4,695	3,521	6,151	4,570	4,500
940.000	EQUIPMENT RENTAL	21,315	19,757	27,421	27,966	25,470	25,000	30,000
Total Operating Expenses		21,384	20,611	32,116	31,486	31,621	29,570	34,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	7,876	16,891	11,323	8,970	13,897	10,000	9,600
Total Contractual Services and Capital Outlay		7,876	16,891	11,323	8,970	13,897	10,000	9,600
TOTAL R.O.W. MAINTENANCE		49,224	54,163	70,709	67,577	79,055	68,800	79,690
470.000 TREES								
<i>Personnel Services</i>								
702.000	WAGES	14,593	13,762	11,042	15,216	11,222	13,470	17,400
703.000	OVERTIME PAY	134	863	269	214	119	300	300
720.000	EMPLOYER'S FICA	1,019	1,017	785	1,070	786	1,050	1,355
725.000	FRINGE BENEFITS - ALLOCATED	8,275	7,124	5,656	7,336	7,041	7,310	11,295
Total Personnel Services		24,021	22,766	17,752	23,836	19,168	22,130	30,350
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,088	800	725	1,331	673	2,500	1,500
726.470	SUPPLIES - REPLACEMENT TREES	-	-	1,833	-	-	-	-
940.000	EQUIPMENT RENTAL	6,843	6,583	3,014	4,182	4,074	7,500	5,000
Total Operating Expenses		7,931	7,383	5,572	5,513	4,747	10,000	6,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	20,673	16,729	23,174	14,000	5,972	20,000	20,570
Total Contractual Services and Capital Outlay		20,673	16,729	23,174	14,000	5,972	20,000	20,570
TOTAL TREES		52,625	46,878	46,498	43,349	29,887	52,130	57,420

Fund 203 LOCAL STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
480.000 DRAINAGE								
<i>Personnel Services</i>								
702.000	WAGES	5,233	5,469	7,606	8,340	6,177	6,650	12,540
703.000	OVERTIME PAY	36	110	130	128	71	50	50
720.000	EMPLOYER'S FICA	370	376	537	591	445	510	965
725.000	FRINGE BENEFITS - ALLOCATED	2,761	2,710	3,225	6,084	3,823	3,560	8,035
Total Personnel Services		8,400	8,665	11,498	15,143	10,516	10,770	21,590
<i>Operating Expenses</i>								
726.000	SUPPLIES	585	486	2,550	2,379	1,764	2,500	3,000
940.000	EQUIPMENT RENTAL	3,260	5,351	5,649	7,257	6,861	5,000	7,500
Total Operating Expenses		3,846	5,837	8,199	9,636	8,625	7,500	10,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	262	2,148	1,244	2,491	954	4,000	5,000
Total Contractual Services and Capital Outlay		262	2,148	1,244	2,491	954	4,000	5,000
TOTAL DRAINAGE		12,508	16,650	20,941	27,270	20,095	22,270	37,090
490.000 TRAFFIC								
<i>Personnel Services</i>								
702.000	WAGES	2,874	3,223	2,635	2,116	3,736	3,110	2,815
703.000	OVERTIME PAY	-	379	170	101	130	150	150
720.000	EMPLOYER'S FICA	204	251	200	161	281	250	225
725.000	FRINGE BENEFITS - ALLOCATED	1,941	1,584	982	1,292	2,358	1,730	1,890
Total Personnel Services		5,020	5,437	3,987	3,669	6,505	5,240	5,080
<i>Operating Expenses</i>								
726.000	SUPPLIES	2,262	2,882	2,044	2,118	3,442	2,500	4,500
940.000	EQUIPMENT RENTAL	1,152	1,022	819	495	1,059	2,000	1,500
Total Operating Expenses		3,414	3,904	2,863	2,613	4,501	4,500	6,000
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	5,812	1,112	1,843	7,559	1,732	2,000	7,250
Total Contractual Services and Capital Outlay		5,812	1,112	1,843	7,559	1,732	2,000	7,250
TOTAL TRAFFIC		14,246	10,453	8,693	13,842	12,738	11,740	18,330

Fund 203 LOCAL STREET FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
500.000 WINTER MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	5,444	7,809	11,489	8,411	4,187	9,850	9,630
703.000	OVERTIME PAY	113	240	1,052	563	733	2,500	2,500
720.000	EMPLOYER'S FICA	389	569	880	642	352	940	930
725.000	FRINGE BENEFITS - ALLOCATED	3,107	4,125	6,585	4,510	2,822	6,560	7,740
	Total Personnel Services	9,054	12,743	20,006	14,126	8,094	19,850	20,800
<i>Operating Expenses</i>								
726.000	SUPPLIES	9,389	16,861	17,435	17,681	9,630	17,500	17,500
940.000	EQUIPMENT RENTAL	7,668	11,806	21,277	12,653	6,383	22,500	15,000
	Total Operating Expenses	17,057	28,667	38,712	30,333	16,013	40,000	32,500
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	251	217	6	538	269	500	250
	Total Contractual Services and Capital Outlay	251	217	6	538	269	500	250
TOTAL WINTER MAINTENANCE		26,362	41,627	58,724	44,997	24,376	60,350	53,550
TOTAL LOCAL ST. FUND EXPENDITURES		223,048	248,527	289,601	289,469	233,226	310,500	362,000

DIAL-A-RIDE

517-437-3385

Susan Kehn -Dispatch/Manager

skehrn@cityofhillsdale.org

Department Summary

Dial-A-Ride provides demand-response public transportation service to City of Hillsdale residents. They transport a wide variety of people to & 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 7:15 a.m. and 4:15 p.m. Monday through Friday.

The bus fleet consists of four (4) buses, with wheelchair lifts, which are purchased with federal and state grant funding. Three (3) of these buses are in use daily and one is used as a standby or back-up bus. Approximately 150 – 175 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 90 fares per day.

Adults pay \$3.00 per ride, with children and senior/disabled passengers paying \$1.50 per ride. Dial-A-Ride is funded from Federal sources (18.5%), State sources (36%), fares (15.5%) and a local subsidy from general fund (30%).

Department Goals

1. Provide safe and efficient transportation for residents of the City
2. Maintain a courteous and professional attitude at all times

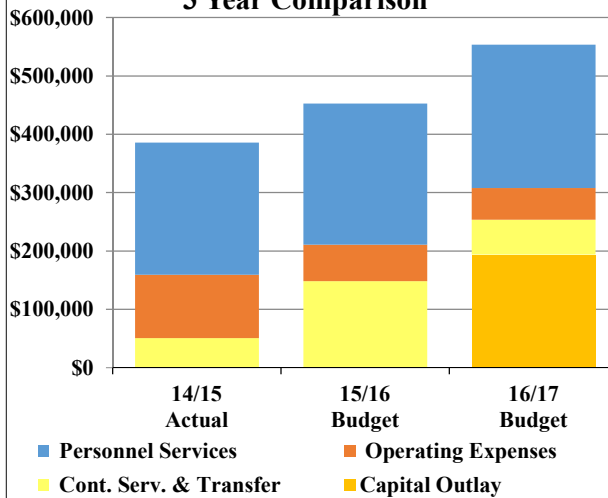
Department Objectives

1. Maintain a well-trained courteous staff
2. Increase operating revenues by 5%
3. Decrease operating costs 5%

Budget Summary

1. Personnel costs cover wages and benefits for three full-time drivers and one dispatcher.
2. Operating expenses include everything essential for daily operations (supplies, fuel, parts, etc.), building utilities/maintenance, and administrative services.
3. Contractual services consist of bus repairs not done by the City mechanics.
4. Capital outlay consists of an appropriation for two new replacement buses, which will be funded through Federal and State grants.

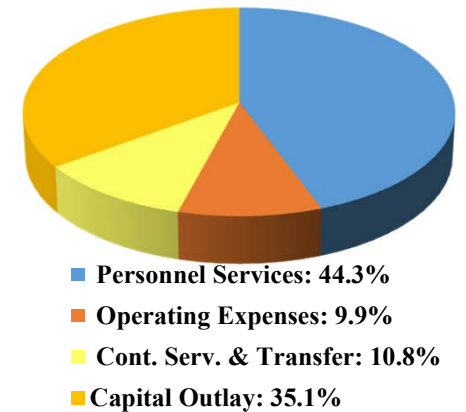
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	226,193	242,040	245,355	1.37%
Operating Expenses	108,827	62,670	54,550	-12.96%
Cont. Serv. & Transfer	50,643	148,000	59,500	-59.80%
Capital Outlay	-	-	194,000	
Total	\$ 385,663	\$ 452,710	\$ 553,405	22.24%

Proposed Budget



Fund 588 D.A.R.T. REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
529.000	FEDERAL GRANT	54,778	51,177	38,951	68,847	48,468	58,350	66,490
569.000	STATE GRANT	106,049	118,137	125,454	130,437	90,358	132,940	128,525
569.001	STATE GRANT - MARKETING	-	-	-	-	-	-	-
569.588	STATE GRANT - CAPITAL	26,171	124,594	-	87,404	-	88,000	194,000
651.000	USE AND ADMISSION FEES	49,896	49,693	57,248	55,390	31,985	55,000	55,500
673.000	SALE OF CITY PROPERTY	1,600	2,761	-	-	-	-	-
692.000	OTHER REVENUE	514	396	2,216	192	3,528	-	-
699.101	TRANSFERS IN - GENERAL FUND	75,000	100,000	87,950	109,260	-	118,420	108,890
TOTAL D.A.R.T. REVENUES		314,007	446,758	311,819	451,530	174,339	452,710	553,405

							Budgets	
Fund 588 D.A.R.T. EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
175.000 ADMINISTRATIVE SERVICES								
999.101	TRANSFER - GENERAL FUND	43,850	46,731	49,062	46,441	-	50,000	55,000
TOTAL ADMINISTRATIVE SERVICES		43,850	46,731	49,062	46,441	-	50,000	55,000
588.000 DIAL-A-RIDE								
<i>Personnel Services</i>								
702.000	WAGES	116,991	119,057	130,017	127,376	75,645	132,500	131,000
703.000	OVERTIME PAY	1,602	1,897	1,695	1,283	154	1,350	1,500
704.000	SICK TIME PAY	3,470	6,315	3,615	4,066	6,661	3,800	4,000
705.000	VACATION TIME PAY	8,384	8,003	12,946	11,550	12,093	8,950	9,000
706.000	PERSONAL TIME PAY	1,431	1,676	2,079	1,472	1,779	1,600	1,550
707.000	LONGEVITY PAY	4,400	4,400	4,400	4,400	3,300	3,420	2,320
710.000	HOLIDAY AND OTHER PAY	4,948	5,094	5,429	5,716	6,140	5,500	5,410
715.000	HEALTH AND LIFE INSURANCE	45,547	40,290	41,174	49,480	35,004	61,500	67,580
716.000	RETIREMENT	1,712	1,749	1,703	1,915	865	1,350	2,680
717.000	WORKERS' COMPENSATION	2,389	2,654	4,200	4,845	4,684	5,100	4,775
718.000	UNEMPLOYMENT INSURANCE	1,600	800	800	400	400	400	200
720.000	EMPLOYER'S FICA	9,721	9,933	10,962	10,877	6,972	13,170	11,840
721.000	DISABILITY INSURANCE	554	590	540	590	525	650	750
725.000	FRINGE BENEFITS - ALLOCATED	2,245	2,101	2,675	2,224	1,791	2,750	2,750
Total Personnel Services		204,993	204,559	222,235	226,193	156,013	242,040	245,355
<i>Operating Expenses</i>								
726.000	SUPPLIES	1,140	1,881	1,214	1,124	1,434	1,500	1,500
730.000	VEH./EQUIP. MAINT. SUPPLIES	3,547	3,712	6,695	5,155	2,974	7,000	7,000
740.000	FUEL AND LUBRICANTS	23,637	25,771	26,868	19,250	8,016	24,000	20,000
742.000	CLOTHING / UNIFORMS	-	-	-	-	-	-	-
850.000	INSURANCE	8,565	6,669	9,930	20,814	13,183	20,000	15,000
861.000	TRAINING & SEMINARS	295	722	310	192	15	500	500
900.000	PRINTING	-	400	352	167	352	300	400
905.000	PUBLISHING / NOTICES	76	264	124	327	379	120	250
920.000	UTILITIES	5,138	5,428	5,894	5,299	3,369	5,500	5,500
925.000	TELEPHONE	1,093	960	980	1,260	726	1,500	1,500
930.000	REPAIRS & MAINTENANCE	422	395	681	807	295	750	1,000
940.000	EQUIPMENT RENTAL	0	0	1,141	965	676	1,200	1,200
950.000	RENTALS	-	-	0	-	-	-	-
955.000	MISCELLANEOUS	452	399	565	329	-	300	700
955.588	MISC. - CDL LICENSING/TESTING	35,643	53,139	53,139	53,139	682	-	-
Total Operating Expenses		80,007	99,740	107,893	108,827	32,101	62,670	54,550

Fund 588 D.A.R.T. EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	3,632	3,467	9,103	4,202	2,737	10,000	4,500
801.588	CONT SERV - ENGINEERING	-	-	-	-	-	-	-
970.000	CAPITAL OUTLAY	10,778	1,505	-	-	-	88,000	194,000
Total Contractual & Capital Outlay		14,410	4,972	9,103	4,202	2,737	98,000	198,500
TOTAL D.A.R.T. EXPENDITURES		343,260	256,262	388,293	385,663	190,851	452,710	553,405

HILLSDALE COMMUNITY LIBRARY

517-437-7790

LeAnn Beckwith - Director

lbeckwith@hillsdale-library.org

Department Summary

The Hillsdale Community Library is dedicated to providing access to informational, educational, cultural, and recreational needs of the citizens of Hillsdale. The library is committed to achieving these goals within the context of the needs of the local community. The library cooperates with other organizations, agencies, and institutions to provide library service.

Department Goals

1. To provide responsive service that meets the community's needs and interests.
2. To increase staff productivity and ensure the delivery of library services to the community.
3. To update and expand the library's collection both in-house and electronically.
4. To increase community awareness regarding the vital role of the library and all we have to offer.

5. To educate the community on the challenge of funding.
6. To increase programming to serve all ages and interests.

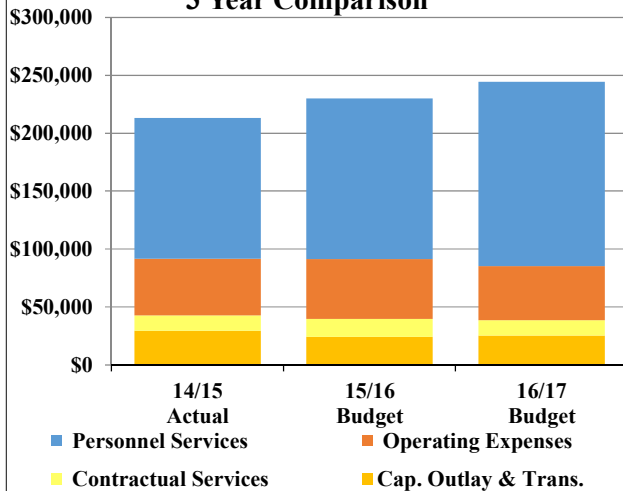
Department Objectives

1. Continue to update public access computers for greater productivity and Patrons' ease of use.
2. Provide opportunities for staff development.
3. Continue to collaborate with the Woodlands Library Cooperative to offer the most up-to-date electronic material available and obtain discounts on vendor services, supplies, and MeL delivery.
4. Continue to collaborate with other Hillsdale County libraries.

Budget Summary

1. Personnel services cover the cost of wages and benefits for one (1) full-time and nine (9) 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, computer maintenance, membership payment to Woodlands Library Cooperative and service contracts for the fire alarm system, and the library automation system.
4. Capital outlay items are new book purchases.

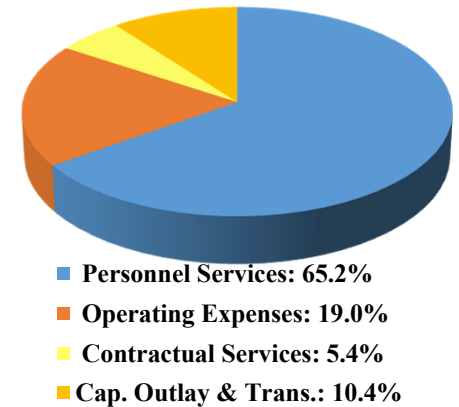
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	121,862	138,570	159,205	14.89%
Operating Expenses	48,665	51,820	46,500	-10.27%
Contractual Services	13,450	15,000	13,220	-11.87%
Cap. Outlay & Trans.	29,279	24,500	25,380	3.59%
Total	\$ 213,256	\$ 229,890	\$ 244,305	6.27%

Proposed Budget



Fund 271 LIBRARY FUND REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
						Current 15/16	Proposed 16/17
402.000 CURRENT TAXES	143,729	135,363	131,171	126,465	119,846	125,000	122,500
412.000 DELINQUENT TAXES	1,908	112	107	871	6	100	500
437.000 INDUSTRIAL FACILITIES TAX	3,244	2,367	2,226	3,232	1,882	3,370	1,000
520.000 FEDERAL GRANTS -LITERACY	-	-	-	-	-	-	-
523.000 FEDERAL GRANTS - REC & CULTURE	-	-	-	-	-	-	-
569.000 STATE GRANT	5,397	8,344	7,117	7,367	3,528	5,000	6,500
574.000 STATE REVENUE SHARING	8,105	8,105	8,105	8,105	-	8,100	8,105
587.000 CONT./LOCAL UNITS-CULTURE/REC.	16,800	13,800	13,800	13,800	-	13,800	13,800
588.000 SUBSCRIPTION CARD SALES	3,077	2,579	4,551	4,190	2,844	4,500	4,500
629.000 COPIES / DUPLICATING	3,635	4,323	5,209	5,524	3,798	4,500	6,000
656.000 PENAL FINES	32,004	43,820	38,568	48,536	2	38,500	50,000
657.000 BOOK FINES	3,005	3,266	2,644	2,820	1,646	2,500	2,500
658.000 ORDINANCE FINES	4,131	4,599	3,338	3,914	2,726	2,500	4,000
665.000 INTEREST	153	203	90	165	265	120	150
667.000 RENTS	264	267	243	214	202	200	250
667.271 RENTS-MEETING ROOMS	5,181	6,571	2,252	945	460	1,200	1,000
675.000 CONTRIBUTIONS AND DONATIONS	13,120	4,307	12,158	2,765	9,322	2,000	15,000
675.002 CONT. & DONAT. - TECHNOLOGY	-	10,150	8,483	659	4,691	4,000	4,000
675.471 CONT. & DONAT. - LIBRARY EXPAN	15,610	22,623	853	10,983	1,477	10,000	-
675.790 CONTR. & DON'T. - BOOK CLUB	-	1,365	940	6,310	2,506	1,500	1,500
675.791 CONTR. & DON'T. - BIG READ	-	-	-	-	-	-	-
675.792 CONTR. & DON'T. - CHILD. LIBRARY	6,002	1,689	505	395	561	2,000	2,000
692.000 OTHER REVENUE	6,936	4,677	5,054	2,234	-	1,000	1,000
692.002 OTHER Rev. - N.B. REVENUE CNTR	5,575	-	-	-	-	-	-
694.000 CASH OVER & (SHORT)	-	-	-	-	-	-	-
TOTAL LIBRARY REVENUES	277,875	278,530	247,414	249,492	155,762	229,890	244,305

							Budgets	
Fund 271 LIBRARY FUND EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
790.000 LIBRARY								
<i>Personnel Services</i>								
702.000	WAGES	107,792	102,024	102,604	107,486	68,408	118,640	136,950
704.000	SICK TIME PAY	491	612	2,708	324	-	1,300	1,300
705.000	VACATION TIME PAY	2,446	2,683	4,689	1,622	1,785	2,400	2,430
706.000	PERSONAL TIME PAY	1,000	844	1,356	487	487	500	485
707.000	LONGEVITY PAY	800	854	1,000	240	360	360	480
710.000	HOLIDAY AND OTHER PAY	2,572	2,644	3,214	2,756	2,472	3,300	2,705
715.000	HEALTH AND LIFE INSURANCE	22,899	11,915	13,801	(2,147)	107	80	175
716.000	RETIREMENT	3,451	3,500	2,831	1,998	841	1,530	2,990
717.000	WORKERS' COMPENSATION	131	165	258	278	288	400	365
718.000	UNEMPLOYMENT INSURANCE	800	400	400	100	100	100	50
720.000	EMPLOYER'S FICA	8,435	8,123	8,530	8,516	5,524	9,730	11,045
721.000	DISABILITY INSURANCE	247	338	310	203	176	230	230
Total Personnel Services		151,063	134,102	141,701	121,862	80,548	138,570	159,205
<i>Operating Expenses</i>								
726.000	SUPPLIES	6,024	6,403	5,666	6,086	3,731	6,000	6,000
726.002	SUPPLIES- N.B. RESOURCE CENTER	3,094	1,135	-	-	-	-	-
726.003	SUPPLIES- TECHNOLOGY GRANT	-	7,797	1,660	7,419	2,952	4,000	4,000
726.791	SUPPLIES - BIG READ	-	-	-	-	-	-	-
734.000	POSTAGE	29	146	307	276	122	300	300
750.000	PERIODICALS / MAGAZINES	1,138	1,434	1,431	1,428	1,417	1,500	1,500
810.000	DUES AND SUBSCRIPTIONS	1,395	1,012	473	579	-	1,000	800
860.000	TRANSPORTATION AND MILEAGE	710	1,140	779	576	100	650	650
861.000	TRAINING & SEMINARS	435	185	655	423	-	500	500
862.000	LODGING AND MEALS	6	31	299	-	-	500	500
865.000	INTEREST EXPENSE	4,807	3,736	2,228	872	10	20	-
905.000	PUBLISHING / NOTICES	554	398	524	271	-	500	500
920.000	UTILITIES	15,529	17,300	22,654	19,467	10,156	22,500	19,500
925.000	TELEPHONE	3,153	3,753	3,847	3,098	1,765	3,850	3,250
930.000	REPAIRS & MAINTENANCE	4,011	4,889	4,953	6,952	4,391	6,000	6,000
Total Operating Expenses		40,883	49,359	45,476	47,447	24,644	47,320	43,500

Fund 271 LIBRARY FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	13,318	19,669	21,597	13,450	9,790	15,000	13,220
970.000	CAPITAL OUTLAY	-	1,112	666	-	-	-	-
982.000	BOOKS	16,659	13,096	14,146	14,064	12,463	15,000	15,000
982.001	BOOKS - FROM DONATION MONIES	68	1,221	1,866	7,557	854	1,500	1,500
<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	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay/Transfers		32,046	37,098	40,275	37,071	25,107	33,500	31,720
TOTAL LIBRARY		223,992	220,559	227,452	206,380	130,299	219,390	234,425

Fund 271 LIBRARY FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
792.000 LIBRARY - CHILDREN'S AREA								
726.000	SUPPLIES	1,518	1,283	1,384	770	402	1,500	1,000
726.010	SUPPLIES-SUMMER READING	-	482	231	938	356	1,000	1,000
726.792	SUPPLIES - SUMMER READING PROGRAM	3,698	4,361	1,888	(490)	239	2,000	1,000
982.000	BOOKS	3,988	5,954	5,837	5,658	5,469	6,000	6,880
982.001	BOOKS - FROM DONATION MONIES	323	-	-	-	-	-	-
TOTAL LIBRARY - CHILDREN'S AREA		9,527	12,080	9,340	6,876	6,466	10,500	9,880
TOTAL LIBRARY EXPENDITURES		233,519	232,639	236,792	213,256	136,765	229,890	244,305

							Budgets	
Fund 471 LIBRARY IMPROVE. REVENUES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
665.000	INTEREST	-	-	-	-	-	-	-
675.000	CONTRIBUTIONS AND DONATIONS	14,341	1,352	2	-	-	3,046	3,748
698.790	PROCEEDS FROM NOTE ISSUANCE	-	-	-	-	-	-	-
699.271	TRANSFER IN - LIBRARY	-	-	-	-	-	-	-
TOTAL LIBRARY IMPROVE. REVENUES		14,341	1,352	2	-	-	3,046	3,748

							Budgets	
Fund 471 LIBRARY IMPROVE. EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
790.000 LIBRARY								
726.000	SUPPLIES	-	2,049	119	-	-	-	-
801.000	CONTRACTUAL SERVICES	-	-	-	-	4,500	-	-
970.000	CAPITAL OUTLAY	-	500	-	-	-	-	-
999.362	TRANSFER - BOND & INT. REDEM.	-	-	-	-	-	-	-
TOTAL LIBRARY IMPROVE. EXPENDITURES		-	2,549	119	-	4,500	-	-

RECREATION DEPARTMENT

517-437-6457

Michelle Loren-Director

recreation@cityofhillsdale.org

Department Summary

The City of Hillsdale Recreation Department provides City and County residents with leisure and competitive recreation programs, activities and facilities enhancing quality of life for community members.

The Recreation Department serves as the events coordinator and planner for recreational programs such as baseball/softball, basketball, football and volleyball for youth and adults.

Parks programming for the various parks and outdoor facilities also falls under the scope of the Recreation Department. Mrs. Stock's Park, Owen Memorial, Sandy Beach, Cold Springs Park, Fields of Dreams, the Baw Beese Trail, and dock slips along Baw Beese Lake are some of the most frequented parks and facilities serving residents throughout the County. The Department continually works to further improve and develop each facility.

While maintenance expense is with the Parks Maintenance Fund, the Department has and continues to develop ways for the facilities to generate revenues in order to contribute to these expenses whenever possible.

Department Goals

1. Provide and develop a diverse range of quality programs and facilities to serve the community adding to quality of life in Hillsdale.
2. Continually utilize and improve the community's existing resources.
3. Create self-sufficiency within the park system.

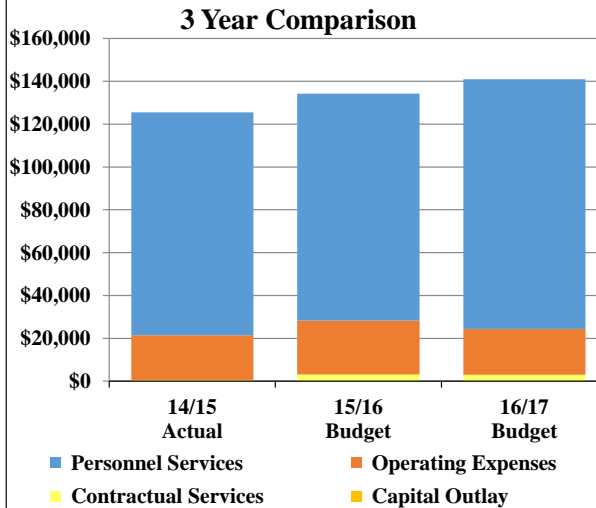
Department Objectives

1. Update 5-Year Recreation Plan.
2. Continue to improve website and social media capabilities in order to provide the community with current program and event information in order to broaden participation base.

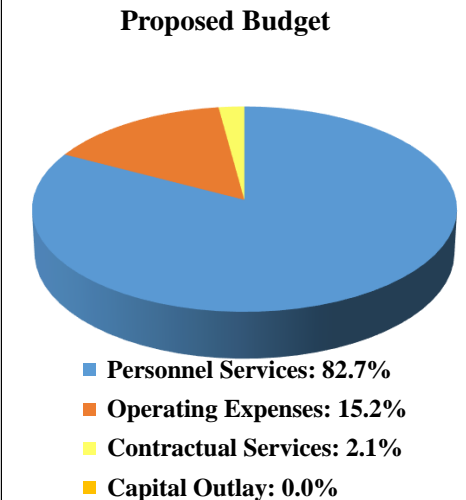
3. Continue working with area service groups on community park renovations and track operations.
4. Continue working collaboratively with community and charter schools and Hillsdale College in order to provide recreational programming for area youth.
5. Update and develop policy and procedure in order to better streamline operations.

Budget Summary

1. Department Personnel consists of one full-time director and several part-time/seasonal staff (beach staff, referees, program supervisors, officials)
2. Operating expenses include: supplies, concession supplies, dues and subscriptions, outside program fees.
3. Contractual services include: equipment rental, cleaning services
4. No capital outlay items are planned for this year.



	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	104,052	105,920	116,550	10.04%
Operating Expenses	20,807	25,150	21,400	-14.91%
Contractual Services	593	3,100	3,000	-3.23%
Capital Outlay	-	-	-	
Total	\$ 125,452	\$ 134,170	\$ 140,950	5.05%



							Budgets	
Fund 208 RECREATION FUND REVENUES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
644.000	CONCESSION SALES	-	1,692	4,145	4,650	7,526	4,000	10,000
646.000	AMUSEMENT TICKET SALES	250	-	-	-	-	-	-
651.000	USE AND ADMISSION FEES	1,950	4,172	10,637	10,189	12,938	10,600	16,000
653.000	TEAM AND EVENT FEES	7,258	7,512	7,465	6,801	4,210	7,500	7,000
653.001	YOUTH PROGRAM FEES	26,080	24,355	21,650	21,588	9,900	24,000	24,300
667.000	RENTS	20,390	20,120	18,270	18,487	11,008	20,000	20,000
675.000	CONTRIBUTIONS AND DONATIONS	1,893	(1,893)	-	-	1,726	-	-
692.000	OTHER REVENUE	5,050	6,125	4,093	4,245	3,650	6,000	4,000
699.101	TRANSFERS IN - GENERAL FUND	47,555	47,965	59,155	60,025	25,000	62,070	59,650
TOTAL RECREATION REVENUES		110,426	110,048	125,415	125,985	75,958	134,170	140,950

Fund 208 RECREATION FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
751.000 RECREATION DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	58,210	62,266	70,277	72,731	38,844	70,500	77,000
704.000	SICK TIME PAY	1,114	1,258	1,650	1,089	1,599	1,460	1,580
705.000	VACATION TIME PAY	1,498	1,963	2,384	1,024	2,524	2,930	4,340
706.000	PERSONAL TIME PAY	518	719	550	544	349	550	600
707.000	LONGEVITY PAY	1,000	1,100	1,100	1,100	1,100	1,100	1,100
710.000	HOLIDAY AND OTHER PAY	1,789	1,887	1,099	2,170	1,255	1,920	2,075
715.000	HEALTH AND LIFE INSURANCE	10,870	11,919	13,056	13,729	10,271	16,590	16,670
716.000	RETIREMENT	2,323	2,501	2,169	2,647	1,127	1,600	3,280
717.000	WORKERS' COMPENSATION	1,234	1,555	2,356	3,033	2,782	3,000	2,950
718.000	UNEMPLOYMENT INSURANCE	400	200	200	100	100	100	50
720.000	EMPLOYER'S FICA	4,627	5,010	5,573	5,769	3,340	6,050	6,630
721.000	DISABILITY INSURANCE	109	116	107	116	203	120	275
Total Personnel Services		83,691	90,494	100,521	104,052	63,494	105,920	116,550
<i>Operating Expenses</i>								
726.000	SUPPLIES	15,295	20,105	13,297	13,514	8,131	18,000	14,000
726.006	CONCESSION SUPPLIES	-	2,429	3,906	5,408	4,298	4,000	5,300
761.000	ITEMS FOR PASS THRU SALES	-	-	-	-	-	-	-
810.000	DUES AND SUBSCRIPTIONS	276	210	288	300	310	300	300
812.000	OUTSIDE PROGRAM FEES	926	1,438	555	855	455	1,100	900
860.000	TRANSPORTATION AND MILEAGE	-	-	-	-	-	150	-
861.000	TRAINING & SEMINARS	-	-	-	-	-	350	-
862.000	LODGING AND MEALS	-	317	327	54	-	350	-
905.000	PUBLISHING / NOTICES	-	-	-	-	-	-	-
925.000	TELEPHONE	513	785	829	675	290	900	900
Total Operating Expenses		17,010	25,284	19,202	20,807	13,484	25,150	21,400
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	300	554	3,027	593	2,142	3,100	3,000
Total Contractual Services and Capital Outlay		300	554	3,027	593	2,142	3,100	3,000
TOTAL RECREATION EXPENDITURES		101,001	116,332	122,750	125,452	79,120	134,170	140,950

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 and/or community infrastructure. There will not be any impact on future operating budgets from these projects except through non-quantifiable efficiencies.

The 2016-17 presentation includes the following projects which are funded through available cash, grants and contributions and/or donations.

CAPITAL PROJECTS

Capital Improvement Fund (401)

Sidewalks - \$52,600

It has been a few years since any sidewalk has been scheduled to be replaced. This budget appropriates \$52,600 to do special assessed sidewalk/ramp reconstruction of approximately 10,500 square feet of sidewalk/ramp construction. Sidewalk replacement in conjunction with local street reconstruction will take precedence. Locations are yet to be determined.

Major Street Reconstruction - \$230,000

The city received grant funding through the State of Michigan's Small Urban Program to complete the reconstruction of State Street from Wolcott to the City limits. The projects considered for this grant program come from the Hillsdale County Road Commission, the City, and the City of Jonesville. These funds are restricted for use to those arterial roads which connect to the urban boundary.

It was agreed by the participating entities that the 2016 funding be appropriated to the City for the State Street project. This project will also provide needed help with drainage issues on Wolcott which are, in part, caused from the water shed from State Street. The engineers have convinced the State to include a lift station on Wolcott to take the water accumulating there, up the hill to the storm-system on State Street depositing it then into the rearing ponds. The project would also include the installation of a sidewalk on the south side of State from Wolcott to the City limits. The County Road Commission has agreed to pay for the extension of this project beyond the City limits. This would allow for safe pedestrian travel from the City out to the rearing ponds.

This project is estimated to cost approximately \$500,000 plus engineering costs of \$150,000. The Small urban grant is for a maximum of \$375,000 leaving the remaining \$275,000 as the City's share. It is anticipated that approximately 65% of this work will be completed in fiscal year 2015-16. The balance was re-appropriated in this budget.

Local Street Reconstruction - \$300,000

It has been several years since the City did any reconstruction work on Local Streets. This budget appropriates \$300,000 towards the reconstruction of a local street. Capital sidewalk dollars will be spent in these areas first. At the printing of this budget, the specific street has not been identified.

Street Sealing – Current Year - \$50,000

It is the belief of the current administration that the life of some of our streets could be prolonged through the application of street sealing material. Conversations with the County Road Commission and others are ongoing to come up with a process and to identify which streets would benefit from this process. Sealing prevents water intrusion and oxidation from sunlight prolonging the asphalt binders. Street life can be extended 2-7 years depending on the sealing process applied.

Parks - \$8,000

The DPS would like to purchase five additional plastic coated steel tables to place in the pavilions in Owens Park. This purchase will give us thirteen of these tables for the pavilions. These tables will be permanently lagged into the pavilions to provide equal facilities at both pavilions for rental. The cost also includes building twenty more of our standard wooden picnic tables used in all the City's parks.

Mill Pond Dam Repair – \$50,000

In 2012 City Council approved funding of \$15,000 to repair the existing corrugated metal pipe that holds the overflow drain for the Mill Pond Dam. However, Michigan Department of Environmental Quality (MDEQ) modified the plan submitted by the city's engineer prior to issuing the permit. Due to these modifications, the contractor required significantly more money to make the repairs in accordance with MDEQ's specifications. The City did receive a permit from MDEQ to make the repairs back in June 2014 but due to the increased cost new bids will have to be sought to complete this work. The permit is good until June of 2016. It is estimated that the cost of this work will be approximately \$50,000.

CAPITAL IMPROVEMENTS

Continued

CAPITAL PROJECTS (continued)

TIFA – Building Purchases - \$270,000

The City of Hillsdale’s Tax Increment Finance Authority (TIFA) Board has set aside \$270,000 for the purchase of deteriorating buildings within their geographical boundaries in hopes of encouraging building preservation and rehabilitation. They hope to assist the business community in preserving the historic character of the TIFA district especially the downtown area. At the same time they would be providing entrepreneurial support for current, new and expanding businesses.

Computers - \$40,000

This budget anticipates the purchase of three more BS&A modules (Human Resources, Employee Portal and Fixed Assets). The City and the Board of Public Utilities will be sharing all financial software modules once the BPU has purchased the utility component of BS&A and can get their data converted. This appropriation also includes funding for the replacement/upgrading of computer hardware/software throughout the various city departments. In recent weeks we have had issues with the telephone system. Three of the phones in City Hall were damaged by lightning. The BPU has been exploring a new system for some time and to move forward with that, our telephones will all need of being replaced. The line item includes \$10,000 for the purchase of new phones.

Fields of Dreams Fund (408) – \$36,525

The Recreation Department continues to make improvements to the facility. While 2015-16 saw several improvements paid for from the FOD, Parks Maintenance Fund, Community Foundation grant (epoxy coated restroom floors, bench seating on stamped concrete pads, installation of trees and landscaping, a stamped concrete, ADA compliant approach to the concession building, lighted commercial grade flag pole, and the delineation of the parking lot). In 2016-17 approximately \$30,000 in memorial funds held at the Hillsdale County Community Foundation collected in recognition of William Smith, a co-founder of Fields of Dreams will be used for improvements. While the final projects are yet to be finalized, it has been narrowed down to one or two of the following: historical kiosk, shade sails for over the bleachers, screened pavilion or a basketball court.

Mrs. Stocks Park Fund (409) - \$15,100

The committee is turning its attention to plantings and provide ongoing expansion of the gardens. The Mrs. Stocks Park Committee is working with Art Works of Hillsdale, Inc., overseers of the Winona Statue Project. These organizations are working together to raise funds for the creation of a life size statue of Winona, daughter of Potawatomi Chief Baw Beese. The completed bronze statue, designed for an outdoor setting will reside in Mrs. Stock’s Park. The Mrs. Stock’s Park Committee is also working to build its perpetual maintenance fund to ensure the continued maintenance of the park into the future.

Airport Improvement Fund (481)

Continued work on the Airport 10-year plan - \$50,000

FUTURE PLANS

Major & Local Street Reconstruction (2017-2020)

Staff will continue to seek all available grant funding sources for street improvements which continues to be one of Council’s top priorities. Category F, Category A, and MEDC grants are being explored as some of the possible funding sources. Decisions regarding future improvements will be driven by the direction of Council and the citizens as a steady and secure funding source is sought.

								Budgets	
Fund 401 CAPITAL IMPROVEMENTS REVENUES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed	
		11/12	12/13	13/14	14/15	02/16	15/16	16/17	
529.000	FEDERAL GRANT	-	377,474	-	-	-	375,000	130,000	
566.000	STATE GRANTS-RECREATION CULTURAL	-	-	-	-	-	13,230	-	
569.000	STATE GRANT	-	-	-	52,908	47,661	-	-	
587.000	CONT./LOCAL UNITS-CULTURE/REC.	-	-	-	-	-	-	-	
665.000	INTEREST	-	-	-	-	-	-	-	
672.000	SPECIAL ASSESSMENTS	-	-	-	-	-	-	-	
675.000	CONTRIBUTIONS AND DONATIONS	-	97,334	53,210	7,895	-	-	-	
692.000	OTHER REVENUE	-	41,353	53,963	28,470	8,275	-	-	
698.000	PROCEEDS-SALE OF BONDS/NOTES	-	-	-	-	-	-	-	
699.101	TRANSFERS IN - GENERAL FUND	477,800	365,000	170,000	150,000	-	80,000	300,000	
699.202	TRANSFERS IN - MAJOR STREETS	-	-	150,000	-	-	-	-	
699.244	TRANSFERS IN - EDC FUND	-	-	-	-	-	-	-	
699.247	TRANSFERS IN - T.I.F.A FUND	78,433	12,614	3,300	-	-	270,000	270,000	
699.408	TRANSFERS IN - F.O.D.	-	-	-	-	-	-	-	
699.517	TRANSFER IN - TRANSFER FACILITY	-	-	-	-	-	-	-	
699.711	TRANSFERS IN - CEMETERY CARE	-	-	15,601	-	-	-	-	
699.715	TRANSFERS IN - OWENS PARK	5,997	3,675	-	-	-	-	-	
TOTAL CAPITAL IMPROVEMENTS REVENUES		562,230	897,450	446,074	239,273	55,936	738,230	700,000	

								Budgets	
Fund 401 CAPITAL IMPROVEMENTS EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed	
		11/12	12/13	13/14	14/15	02/16	15/16	16/17	
276.000 CEMETERIES									
<i>Personnel Services</i>									
702.000	WAGES	-	-	-	-	-	-	-	
703.000	OVERTIME PAY	-	-	-	-	-	-	-	
720.000	EMPLOYER'S FICA	-	-	-	-	-	-	-	
725.000	FRINGE BENEFITS - ALLOCATED	-	-	-	-	-	-	-	
Total Personnel Services		-	-	-	-	-	-	-	
<i>Operating Expenses</i>									
726.000	SUPPLIES	-	-	-	-	-	-	-	
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-	
Total Operating Expenses		-	-	-	-	-	-	-	
<i>Contractual Services</i>									
801.000	CONTRACTUAL SERVICES	-	222	15,601	-	-	-	-	
Total Contractual Services and Capital Outlay/Transfers		-	222	15,601	-	-	-	-	
TOTAL CEMETERIES		-	222	15,601	-	-	-	-	

							Budgets	
Fund 401 CAPITAL IMPROVEMENTS EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
443.000 SIDEWALKS								
<i>Personnel Services</i>								
702.000	WAGES	874	10,606	11,056	-	-	-	1,170
703.000	OVERTIME PAY	-	831	302	-	-	-	100
720.000	EMPLOYER'S FICA	59	778	795	-	-	-	80
725.000	FRINGE BENEFITS - ALLOCATED	489	5,465	5,732	-	-	-	750
Total Personnel Services		1,422	17,680	17,885	-	-	-	2,100
<i>Operating Expenses</i>								
726.000	SUPPLIES	420	7,883	10,351	-	-	-	2,500
940.000	EQUIPMENT RENTAL	115	2,855	4,225	-	-	-	-
Total Operating Expenses		535	10,738	14,576	-	-	-	2,500
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	1,100	92,912	88,952	-	-	-	48,000
otal Contractual Services and Capital Outlay/Transfers		1,100	92,912	88,952	-	-	-	48,000
TOTAL SIDEWALKS		3,057	121,330	121,413	-	-	-	52,600

							Budgets	
Fund 401 CAPITAL IMPROVEMENTS EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
452.000 MAJOR STREET RECONSTRUCTION								
<i>Personnel Services</i>								
702.000	WAGES	-	13	-	-	-	-	-
703.000	OVERTIME PAY	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	1	-	-	-	-	-
725.000	FRINGE BENEFITS - ALLOCATED	-	-	-	-	-	-	-
Total Personnel Services		-	14	-	-	-	-	-
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	-	-	-	-
905.000	PUBLISHING / NOTICES	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
Total Operating Expenses		-	-	-	-	-	-	-
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	90,595	725,451	10,314	14,304	91,529	650,000	230,000
807.000	ENGINEERING SERVICES - CONTRAC	-	-	-	-	-	-	-
Total Contractual Services		90,595	725,451	10,314	14,304	91,529	650,000	230,000
TOTAL MAJOR ST. RECONSTRUCTION		90,595	725,465	10,314	14,304	91,529	650,000	230,000

		Actual	Actual	Actual	Actual	Actual Thru	Budgets	
Fund 401	CAPITAL IMPROVEMENTS EXPENDITURES	11/12	12/13	13/14	14/15	02/16	Current	Proposed
							15/16	16/17
453.000 LOCAL STREET RECONSTRUCTION								
<i>Personnel Services</i>								
702.000	WAGES	-	-	12	-	-	-	-
703.000	OVERTIME PAY	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	-	1	-	-	-	-
725.000	FRINGE BENEFITS - ALLOCATED	-	-	6	-	-	-	-
Total Personnel Services		-	-	19	-	-	-	-
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
Total Operating Expenses		-	-	-	-	-	-	-
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	-	10,400	251,529	-	-	-	300,000
807.000	ENGINEERING SERVICES - CONTRAC	-	-	-	-	-	-	-
Total Contractual Services		-	10,400	251,529	-	-	-	300,000
LOCAL STREET RECONSTRUCTION		-	10,400	251,548	-	-	-	300,000
454.000 STREET SEALING-CURRENT YEAR								
<i>Personnel Services</i>								
702.000	WAGES	-	-	-	-	-	-	-
703.000	OVERTIME PAY	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	-	-	-	-	-	-
725.000	FRINGE BENEFITS - ALLOCATED	-	-	-	-	-	-	-
Total Personnel Services		-	-	-	-	-	-	-
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
Total Operating Expenses		-	-	-	-	-	-	-
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	-	-	-	-	-	-	50,000
Total Contractual Services		-	-	-	-	-	-	50,000
TOTAL STREET SEALING-CURRENT YEAR		-	-	-	-	-	-	50,000

							Budgets	
Fund 401 CAPITAL IMPROVEMENTS EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
480.000 DRAINAGE								
<i>Personnel Services</i>								
702.000	WAGES	-	220	8	-	-	-	-
703.000	OVERTIME PAY	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	16	1	-	-	-	-
725.000	FRINGE BENEFITS - ALLOCATED	-	-	-	-	-	-	-
Total Personnel Services		-	236	9	-	-	-	-
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
Total Operating Expenses		-	-	-	-	-	-	-
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	7,140	77,753	164	-	-	-	-
Total Contractual Services		7,140	77,753	164	-	-	-	-
TOTAL DRAINAGE		7,140	77,989	173	-	-	-	-

							Budgets	
Fund 401 CAPITAL IMPROVEMENTS EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
756.000 PARKS								
<i>Personnel Services</i>								
702.000	WAGES	-	-	-	-	-	-	-
703.000	OVERTIME PAY	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	-	-	-	-	-	-
725.000	FRINGE BENEFITS - ALLOCATED	-	-	-	-	-	-	-
Total Personnel Services		-	-	-	-	-	-	-
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	39,851	-	-	-	8,000
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
Total Operating Expenses		-	-	39,851	-	-	-	8,000
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	5,997	3,675	-	-	-	-	-
Total Contractual Services		5,997	3,675	-	-	-	-	-
TOTAL PARKS		5,997	3,675	39,851	-	-	-	8,000

Fund 401 CAPITAL IMPROVEMENTS EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
						Current 15/16	Proposed 16/17
900.000 CAPITAL OUTLAY							
975.002 POST OFFICE EXPANSION	-	-	-	-	-	-	-
975.004 HILLSDALE'S PROJECT PRESERVE	-	-	-	-	-	-	-
975.004 FIELDS OF DREAMS - BIKE PATH	-	-	-	-	-	-	-
975.005 INDUSTRIAL PARK EXPANSION - LAND	-	-	-	-	-	-	-
975.006 TIFA PROJECT-ALLEY REPAVING	-	-	-	-	-	-	-
975.007 DOWNTOWN TRASH RECEPTALS	-	-	-	-	-	-	-
975.008 FERRIS STREET PARKING LOT	-	-	-	-	-	-	-
975.009 TELEPHONE EQUIPMENT	-	-	-	-	-	-	-
975.010 BIKE PATH - BAW BEESE TRAIL	-	-	-	-	-	-	-
975.011 TIFA BUILDING DEMOLITION	-	-	-	-	-	-	-
975.013 STREETScape/M-99 - TIFA PROJECT	-	-	-	-	-	-	-
975.014 MITCHELL BUILDING IMPROVEMENTS	78,433	12,613	3,300	4,750	-	-	-
975.015 COUNTY GARAGE BUILDING/LAND	-	-	-	-	-	-	-
975.016 T.I.F.A. - FERRIS PK LOT STAIRS	-	-	-	-	-	-	-
975.017 D.A.R.T. FACILITY	-	-	-	-	-	-	-
975.018 MILLPOND DAM REPAIRS	-	5,690	170	3,810	-	50,000	50,000
975.019 T.I.F.A. - PARKING LOT REPAIRS	-	-	-	20,378	-	-	-
975.021 COMPREHENSIVE PLAN UPDATE	-	13,000	-	-	-	-	-
975.022 INCOME TAX FEASIBILITY STUDY	20,292	1,060	-	-	-	-	-
975.023 SANDY BEACH RENOVATIONS	3,100	135,098	16,209	-	-	-	-
975.024 T.I.F.A. BUILDING PURCHASES	-	-	-	-	-	250,000	270,000
975.031 RESURFACE ELKS PARKING LOT	-	-	-	-	-	-	-
975.034 DPS SITE IMPROVEMENTS	-	61,725	26,904	-	-	-	-
975.035 DPS UNDERGROUND FUEL TANKS	-	-	-	-	-	-	-
975.038 CITY HALL RENOVATION	-	-	-	-	-	20,000	-
975.040 COMPREHENSIVE COMPUTER UPDATE	2,505	9,851	53,777	7,318	1,806	10,000	40,000
975.041 CITY CENTER STUDY	-	-	-	-	-	-	-
975.042 T.I.F.A. PROJECT CITY CENTER	-	-	-	-	-	-	-
975.043 T.I.F.A. - 2003 SIDEWALK PROJECT	-	-	-	-	-	-	-
975.044 FACILITIES IMPROVEMENT	-	-	-	-	-	-	-
975.045 M-99 RECONSTRUCTION	944	478	-	-	-	-	-
975.050 INDUSTRIAL PARK SIGN	-	-	-	-	-	-	-
975.051 HOUSING DEVELOPMENT	-	-	-	-	-	-	-
975.045 MRS. STOCKS PACK CAPITAL IMPRV	-	-	-	-	-	-	-
975.055 TIFA 2015 INFRASTRUCTURE IMPROVEMENTS	-	-	-	-	-	20,000	-
975.999 WORK IN PROGRESS-TO BE BILLED	-	-	-	-	-	-	-
TOTAL CAPITAL OUTLAY	105,274	239,515	100,360	36,256	1,806	350,000	360,000
TOTAL CAPITAL IMPROVE. FUND EXPEND.	212,063	1,178,596	539,260	50,560	93,335	1,000,000	1,000,600

							Budgets	
Fund 408 FIELDS OF DREAMS REVENUES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
523.000	FEDERAL GRANTS - REC & CULTURE	-	-	-	-	-	-	-
665.000	INTEREST	8	11	8	14	15	50	25
675.000	CONTRIBUTIONS AND DONATIONS	-	-	-	17,200	-	-	30,000
692.408	OTHER REVENUE - TOURNAMENTS	3,386	3,198	7,815	(4,015)	8,571	4,000	6,500
699.101	TRANSFERS IN - GENERAL FUND	-	-	-	-	-	-	-
TOTAL FIELDS OF DREAMS REVENUES		3,394	3,209	7,823	13,199	8,586	4,050	36,525

							Budgets	
Fund 408 FIELDS OF DREAMS EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
751.000 RECREATION DEPARTMENT								
<i>Personnel Services</i>								
702.000	WAGES	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	-	-	-	-	-	-	-
725.000	FRINGE BENEFITS - ALLOCATED	-	-	-	-	-	-	-
Total Personnel Services		-	-	-	-	-	-	-
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	33	-	50	6,525
726.006	CONCESSION SUPPLIES	-	-	-	-	-	-	-
734.000	POSTAGE	-	-	-	7	-	50	-
900.000	PRINTING	-	-	-	-	-	-	-
905.000	PUBLISHING / NOTICES	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
Total Operating Expenses		-	-	-	40	-	100	6,525
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	-	609	280	26,890	1,374	-	30,000
999.401	TRANSFER - CAPITAL IMPROVEMENT	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		-	609	280	26,890	1,374	-	30,000
TOTAL FIELDS OF DREAMS EXPENDITURES		-	609	280	26,930	1,374	100	36,525

Fund 409 MRS. STOCK'S PARK REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
665.000	INTEREST	21	84	23	32	38	50	100
675.000	CONTRIBUTIONS AND DONATIONS	18,663	12,781	21,276	10,091	10,775	10,000	15,000
675.000	CONTRA. & DONAT. - FENCE	-	14,650	850	200	-	-	-
675.409	CONT. & DON'T. - PAVILION	-	-	800	-	-	-	-
TOTAL MRS. STOCK'S PARK REVENUES		18,684	27,515	22,949	10,323	10,813	10,050	15,100

Fund 409 MRS. STOCK'S PARK EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
756.000 PARKS DEPARTMENT								
<i>Operating Expenses</i>								
726.000	SUPPLIES	7,106	3,696	2,450	6,267	1,270	5,050	10,100
Total Operating Expenses		7,106	3,696	2,450	6,267	1,270	5,050	10,100
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	10,234	9,616	15,424	12,275	2,965	5,000	5,000
975.053	MACRITCHIE PAVILION	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay		10,234	9,616	15,424	12,275	2,965	5,000	5,000
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	-	-	-	-	-	-	-
999.712	TRANSFER-STOCKS PK PERPT MAINT	-	-	-	6,000	0	-	-
Total Transfers		-	-	-	6,000	0	-	-
TOTAL STOCKS PARK EXPENDITURES		17,340	13,312	17,874	24,542	4,235	10,050	15,100

							Budgets	
Fund 481 AIRPORT IMPROVE. REVENUES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
515.000	FEDERAL GRANT - AIRPORT	64,784	10,933	346,546	75,152	-	1,350,000	50,000
569.000	STATE GRANT	-	-	-	1,978	-	75,000	-
665.000	INTEREST	15	21	35	115	56	50	-
667.000	RENTS-Farmland	506	25,617	32,589	30,597	21,782	30,600	21,785
667.481	RENTS - AIRPORT HANGARS	5,524	5,535	5,626	5,186	5,843	5,600	1,000
667.482	RENTS - GROUND LEASE	870	-	1,740	1,470	1,140	870	1,140
690.000	OTHER REFUNDS	-	-	318	-	-	-	-
692.000	OTHER REVENUE	486	502	4,319	865	-	1,000	5,000
690.481	OTHER REFUNDS-LANDING FEES	-	-	-	-	-	-	-
690.957	OTHER REFUNDS-PROPERTY TAXES	-	-	-	-	-	-	-
692.000	OTHER REVENUE-Fuel Sales	56,138	72,189	50,153	38,539	27,410	50,000	-
698.000	PROCEEDS-SALE OF BONDS/NOTES	-	-	-	-	-	-	-
699.101	TRANSFERS IN - GENERAL FUND	-	50,000	50,000	-	-	-	-
TOTAL AIRPORT IMPROVE. REVENUES		128,323	164,797	491,326	153,903	56,231	1,513,120	78,925

							Budgets	
Fund 481 AIRPORT IMPROVE. EXPENDITURES		Actual	Actual	Actual	Actual	Actual Thru	Current	Proposed
		11/12	12/13	13/14	14/15	02/16	15/16	16/17
900.000 CAPITAL OUTLAY								
<i>Contractual Services and Capital Outlay</i>								
726.000	SUPPLIES-FUEL PURCHASES	-	-	-	-	-	-	-
740.295	FUEL AND LUBRICANTS - AVIATION	69,034	55,886	54,113	30,063	26,868	55,000	-
801.000	CONTRACTUAL SERVICES	3,657	7,274	3,769	3,431	2,461	5,000	1,000
801.481	CONTRACTUAL SERV- A.W.O.S.	2,364	2,862	2,029	2,857	1,636	3,000	3,500
806.000	LEGAL SERVICES	-	-	-	-	-	-	-
957.000	PROPERTY TAXES	-	-	-	-	-	-	-
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
975.481	AIRPORT RUNWAY PROJECT	-	23,179	349,238	81,042	241,643	1,666,670	50,000
<i>Transfers</i>								
999.362	TRANSFER - BOND & INT. REDEM.	65,534	-	-	-	-	-	-
Total Contractual Services and Capital Outlay/Transfers		140,589	89,201	409,149	117,394	272,608	1,729,670	54,500
TOTAL AIRPORT IMPROVE. EXPENDITURES		140,589	89,201	409,149	117,394	272,608	1,729,670	54,500

DEPARTMENTAL CAPITAL OUTLAY

Department	Capital Item (s)	Approved
Police	Three (3) Modems, Extended Warranty \$2,294	Approved - to come out of Fund 274
	Two (2) Dell Latitude 14 Rugged CTO Laptops for Patrol Cars \$4,904	Approved - to come out of Fund 274
Fire	Ten (10) five-gallon buckets of Class A/B Fire Fighting Foam \$1,930	Not Approved
	Ten (10) E-spot Fire box Industrial-duty Rechargeable Portable Lanterns \$1,840	Not Approved
	Four(4) Twin-Size Mattresses \$1,664	Not Approved
	5" Storz X6" NH Ball Intake Releaf Valves \$1,194	Not Approved
	36-inch Hooligan Tool \$197	Not Approved
	Towo (2) 8 lb. Sledge Hammer 36-inch \$104	Not Approved
	Sensit TKX Combustible Gas Leak Detector \$195	Not Approved
	Three (3) 18-inch Deluxe Canvas Tool Bags \$255	Not Approved
	Two (2) Hydrant Wrenches \$58	Not Approved
Assessing/Code Enforcement	New/Used car \$15,000	Not Approved
Revolving Mobile Equipment	Front-end payloader \$147,580	Approved
	Turbine leaf blower attachment for mower \$3,900	Approved
	Fire Truck Outfitting for DPS Use \$2,500	Not Approved - slated for 2015-16 FY
	Police patrol car \$35,000	Approved
	Computer for maintenance shop \$1,080	Approved - Small Equipmnet
	Two (2) OSHA compliant fuel storage cabinets \$2,900	Approved - Small Equipmnet

REVOLVING MOBILE EQUIPMENT

517-437-6490

Jake Hammel- Interim Director

jhammel@cityofhillsdale.org

Department Summary

This department consists of (2) full-time mechanics that are responsible for the maintenance and repair of more than 130 city-owned vehicles and pieces of equipment from Public Services, Police, 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 our 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 vehicles/ 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.

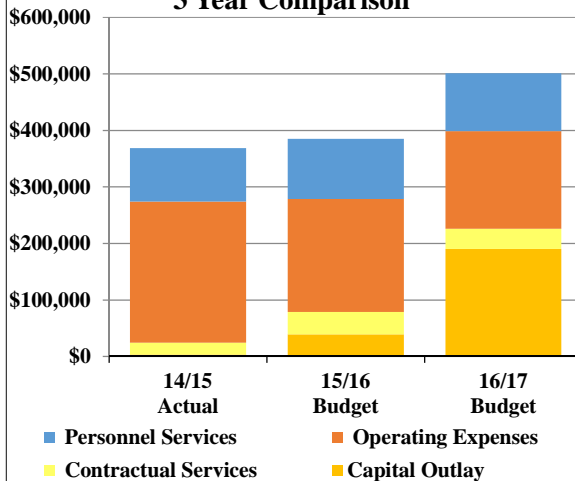
Department Objectives

1. Outfit old firetruck for DPS usage
2. Make body repairs on various DPS vehicles

Budget Summary

1. Personnel consist of two (2) full-time mechanics totaling 2540 man-hours.
2. Operating expenses are supplies, equipment rental, and general maintenance activities.
3. Contractual Services includes various types of repairs, recycling of waste oil, antifreeze and tires, parts cleaner service, uniforms, and computer software (Fleet Controller) maintenance and upgrades.
4. The Capital Equipment requests for RMEF are as follows: Replacement of (1) Front – End Loader (w/Claw bucket), Small Equipment requests (totaling no more than \$4,000) include: (1) Turbine Leaf/ Material Blower attachment.

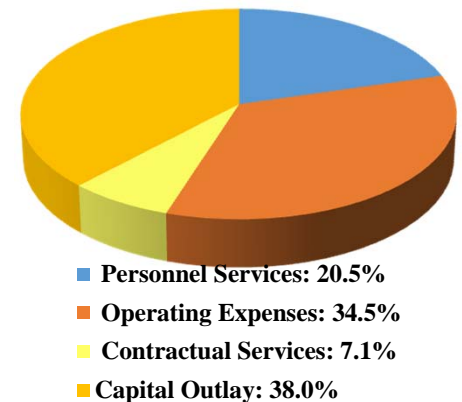
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	94,721	106,680	102,700	-3.73%
Operating Expenses	249,659	199,620	172,800	-13.44%
Contractual Services	20,931	40,000	35,465	-11.34%
Capital Outlay	3,696	39,000	190,460	388.36%
	\$ 369,008	\$ 385,300	\$ 501,425	30.14%

Proposed Budget



Fund 640 R.M.E.F. REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
665.000	INTEREST	714	833	243	463	394	300	500
667.000	RENTS	259,992	256,848	310,573	267,661	185,777	300,000	280,000
667.301	RENTS - POLICE VEHICLES	88,228	89,536	73,068	68,423	53,534	80,000	85,330
673.000	SALE OF CITY PROPERTY	3,678	5,258	2,407	6,133	5,740	-	2,000
692.000	OTHER REVENUE	6,559	6,300	5,492	14,132	17,404	5,000	15,000
692.039	OTHER REVENUE - BPU	-	-	548	-	-	-	-
699.101	TRANSFERS IN - GENERAL FUND	423	-	-	-	-	-	-
699.247	TRANSFERS IN - T.I.F.A FUND	-	-	-	-	-	-	-
TOTAL R.M.E.F. REVENUES		359,594	358,775	392,331	356,811	262,849	385,300	382,830

Fund 640 R.M.E.F. EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
444.000 MOBILE EQUIPMENT MAINTENANCE								
<i>Personnel Services</i>								
702.000	WAGES	48,262	60,888	45,067	40,880	31,017	50,100	40,760
703.000	OVERTIME PAY	303	-	117	24	321	960	960
704.000	SICK TIME PAY	3,492	1,385	1,350	2,503	534	2,360	2,410
705.000	VACATION TIME PAY	1,979	2,451	3,547	5,526	3,518	4,680	4,775
706.000	PERSONAL TIME PAY	1,243	968	945	741	741	880	905
707.000	LONGEVITY PAY	2,200	1,100	1,220	1,340	1,460	1,460	1,580
710.000	HOLIDAY AND OTHER PAY	2,836	3,025	3,100	3,172	2,657	3,170	3,235
715.000	HEALTH AND LIFE INSURANCE	25,617	25,674	28,801	32,196	23,009	33,470	37,660
716.000	RETIREMENT	1,563	1,856	1,619	1,826	774	1,280	2,580
717.000	WORKERS' COMPENSATION	1,139	1,501	2,229	2,373	2,480	2,750	2,750
718.000	UNEMPLOYMENT INSURANCE	800	400	400	200	200	200	100
720.000	EMPLOYER'S FICA	4,665	4,772	3,668	3,576	2,741	4,950	4,180
721.000	DISABILITY INSURANCE	248	364	333	364	320	420	805
Total Personnel Services		94,348	104,384	92,396	94,721	69,772	106,680	102,700
<i>Operating Expenses</i>								
726.000	SUPPLIES	8,424	6,437	5,193	3,707	2,423	8,000	6,000
726.005	SUPPLIES - POLICE	750	-	-	44	-	500	500
730.000	VEH./EQUIP. MAINT. SUPPLIES	42,559	35,554	34,587	37,607	25,716	40,000	40,000
730.301	POLICE VEH/EQUIP MAINT SUPPLIES	236	464	-	155	25	500	500
730.336	FIRE VEH/EQUIP MAINT SUPPLIES	-	56	1,314	409	279	-	-
740.000	FUEL AND LUBRICANTS	50,875	58,688	66,411	46,391	20,398	60,000	50,000
740.301	FUEL AND LUBRICANTS -POLICE	43,624	43,426	36,508	22,984	11,049	40,000	25,415
742.000	CLOTHING / UNIFORMS	732	869	791	768	451	900	900
850.000	INSURANCE	25,538	26,720	29,678	31,455	30,740	32,500	32,500
850.301	INSURANCE - POLICE	2,838	6,081	6,663	8,001	7,653	8,000	8,500
861.000	TRAINING & SEMINARS	-	-	-	-	-	-	750
920.000	UTILITIES	6,555	8,684	8,596	7,075	3,267	9,000	7,500
940.000	EQUIPMENT RENTAL	-	-	-	130	166	-	-
955.000	MISCELLANEOUS	-	-	-	-	-	-	-
955.441	MISCELLANEOUS - SHOE ALLOWANCE	-	-	-	-	-	100	100
955.588	MISC. - CDL LICENSING/TESTING	180	-	-	-	135	120	135
968.000	DEPRECIATION	111,327	100,861	96,311	90,932	-	-	-
Total Operating Expenses		293,639	287,840	286,052	249,659	102,417	199,620	172,800

Fund 640 R.M.E.F. EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	11,072	7,305	33,661	6,919	15,985	20,000	20,050
801.039	CONTRACTUAL SERVICES - BPU EQP	-	-	-	-	-	-	-
801.301	CONTRACTUAL SERVICES - POLICE VEHICLE REPAIR	19,891	19,977	18,576	14,012	7,267	20,000	15,415
Total Contractual Services Expenses		30,963	27,282	52,237	20,931	23,252	40,000	35,465
<i>Capital Outlay</i>								
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
981.000	CAPITAL OUTLAY - VEHICLES	-	-	-	-	-	-	151,480
981.301	CAPITAL OUTLAY - POLICE VEHICLES	-	-	-	-	32,059	35,000	35,000
983.000	CAPITAL OUTLAY - SMALL EQUIPMENT	3,480	3,745	3,034	3,696	-	4,000	3,980
Total Capital Outlay Expenses		3,480	3,745	3,034	3,696	32,059	39,000	190,460
TOTAL R.M.E.F. EXPENDITURES		422,430	423,251	433,719	369,008	227,500	385,300	501,425

		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
Fund 663 FIRE VEHICLE & EQUIP. REVENUES								
665.000	INTEREST	37	53	45	88	110	80	50
690.000	OTHER REFUNDS	400	641	816	93	-	650	100
699.101	TRANSFERS IN - GENERAL FUND	-	25,000	25,000	-	-	-	-
TOTAL FIRE VEHICLE & EQUIP. REVENUES		437	25,694	25,861	181	110	730	150

		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
Fund 663 FIRE VEHICLE & EQUIP. REVENUES								
336.000 FIRE DEPARTMENT								
970.000	CAPITAL OUTLAY	-	-	-	-	59,157	-	-
TOTAL FIRE VEH. & EQUIP. EXPENDITURES		-	-	-	-	59,157	-	-

PUBLIC SERVICES 10-YEAR EQUIPMENT REPLACEMENT SCHEDULE

Equipment Number - Description	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Current FY	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Vehicle 1 - 2003 4x4 Pick-up trk [2016 4X4 Pick-up trk]			34,500								38,000
Vehicle 2 - 1997 Pick-up trk [w/lift gate]			29,500								
Vehicle 3 - 1994 Pick-up trk [2015 1 Ton 4x4 Dump/Utility box trk w/liftgate]											
Vehicle 4 - 2008 4X4 Pick-up trk [w/liftgate]										35,500	
Vehicle 5 - 2009 Pick-up trk [w/liftgate]											
Vehicle 6 - 2011 4X4 Pick-up trk [w/liftgate]											
Vehicle 7 - 1994 4x4 Pick-up trk (Firetruck)	2,500						43,000				
Vehicle 8 - 2002 1 Ton HD Dump [w/frnt plow & sprdr]									47,500		
Vehicle 9 - 2001 1 Ton HD 4x4 Dump [w/frnt plow & sprdr]							43,000				
Vehicle 10 - 1992 1 Ton Stake Rack trk [w/lift gate]					42,500						
Vehicle 11 - 1994 1 Ton Dump [w/arrow board]					40,000						
Vehicle 13 - 2008 1 Ton HD Dump [w/arrow board]											
Vehicle 14 - 2000 1 Ton HD 4x4 Dump [w/frnt plow & sprdr]								49,000			
Vehicle 15 - 2008 1 Ton HD 4x4 Dump [w/frnt plow & sprdr]											
Vehicle 16 - 2006 12 yd Tandem Dump [w/frnt and und. plows & sprdr.]									165,000		
Vehicle 17 - 1991 5 yd Dump [w/und. plow]				125,000							
Vehicle 39 - 2009 6 yd Dump [w/sprdr. & und. plow]											
Vehicle 40 - 1993 6 yd Dump [w/sprdr. & und. plow]						135,000					
Vehicle 41 - 2014 6 yd Dump [w/spreader & underbody plow]											
Vehicle 42 - 1996 6 yd Dump [w/sprdr & und. plow]								145,000			
Vehicle 43 - 2001 6 yd Dump [w/frnt and und. plows & sprdr.]										150,000	
Vehicle 18 - 2000 Backhoe						92,000					
Vehicle 19 - 1989 Backhoe			77,000								

PUBLIC SERVICES 10-YEAR EQUIPMENT REPLACEMENT SCHEDULE

Equipment Number - Description	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Current FY	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Vehicle 20 - 1996 Wheel End Loader					165,000						
Attach 20.4 - 2001 Claw Bucket					18,000						
Vehicle 21 - 1994 Wheel End Loader		131,580									
Attach 21.4 - 1998 Claw Bucket		16,000									
Vehicle 22 - 1999 1 T Utility [w/ Aerial Lift]				77,500							
Vehicle 24 - 1954 Road Grader											
Vehicle 25 - 2003 Fork Lift											
Unit 27 - 1995 Leroi Air Compressor										16,000	
Unit 28 - 2006 Ingersall Air Compressor											
Unit 32 - 2006 Vermeer Brush Chipper										35,000	
Unit 33- Utility Vehicle/ Loader/ Sweeper			35,500								
Vehicle 34 - 2004 Sterling Vactor/Sweeper							225,000				
Unit 35 - 2004 Trailer Mounted Arrow Board				4,500							
Unit 37 - 2004 Line Lazer IV Paint Striper								11,000			
Unit 46 - 1972 Mower Trailer											
Unit 47 - 1999 Water Trailer											
Unit 48 - 2000 Sidewalk Forms Trailer								11,500			
Unit 50 - 1986 Tractor				26,000							
Unit 51 - 1995 Tractor [w/broom] FOD Ball Field Grooming			17,000								
Unit 52 - 1999 Z-Trak Mower					10,500						13,000
Unit 53 - 2005 Off-Road Utility Vehicle - J.D. Gator or equal				13,000							
Unit 54 - 2001 4x4 Tractor [w/broom]									33,500		
Unit 54.4 - 2008 Broom attachment					8,000				8,000		

PUBLIC SERVICES 10-YEAR EQUIPMENT REPLACEMENT SCHEDULE

Equipment Number - Description	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
	Current FY	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
Unit 58 - 1997 Sidewalk Grinder											19,000
Unit 70 - 1994 Crackfilling Machine											39,250
Unit 71 - 1998 Pre-Mix Asphalt Heater			30,000								23,000
Unit 108- 2002 Z-Track Mower								9,500			
Unit 109 - 2007 Z-Track Mower											
Unit 78 - 1998 4 ton Asphalt Roller			9,500								
Unit 140 - 2010 Zero Turn Mower											17500
Unit 140.1 - [2014] Zero Turn Mower Turbine Leaf/Material Blower atchmt			5,500								
Chipper Box- 1 ton HD dump truck mounted on #14								6,500			
Turbine leaf blower attachment for mower		3,900									
PUBLIC SERVICES EQUIPMENT REPLACEMENT TOTALS	2,500	151,480	238,500	246,000	284,000	227,000	311,000	232,500	254,000	236,500	149,750
	Current FY	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]
SMALL EQUIPMENT REPLACEMENT SCHEDULE (below)											
Unit 29 - 1987 Vibrator Compactor			2,700								
Unit 31 - 2008 Vibrator Plate						1,650					
Unit 59 Thru 63 - Snow Blower(s)		0			1,300			1,400			1500
Unit 55 - Concrete Cutting Saw - Hand-Held		0			900						
Unit 65 - Concrete Cutting Saw - Walk Behind				3,200			3,500		3,500		
Unit 68 - Power Generator			1325			1,450				1,500	
Unit 82 Thru 91- Leaf Blowers		0		1,300		1,400		1,500		1,600	
Unit 92 Thru 102 - String Trimmers		0	975		1,000		1000		1,000		1000
Unit 103 Thru 107 - Push Lawn Mowers					950			1,000		1,000	
Unit 110 Thru 123 - Chain Saws/ Equip		0		500	850	500	500	1,100	500	900	500
OSHA Compliant Flammable storage Cabinets		2,900									
Maintenance Computer Terminal		1,080									
P. S. SMALL EQUIPMENT REPLACEMENT TOTALS	0	3,980	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	3,000

POLICE VEHICLE REPLACEMENT SCHEDULE

	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Car 2-1 - 2012 Patrol Vehicle Dodge Charger	35,000				35,000				35,000	
Car 2-3 - 2015 Patrol Vehicle Ford Explorer			35,000				35,000			
Car 2-4 - 2014 Patrol Vehicle Ford Explorer		35,000				35,000				35,000
Car 2-5 - 2016 Patrol Vehicle Ford Explorer				35,000				35,000		
Car 2-9 - 2010 Chief's Vehicle Ford Crown Victoria		REMOVE FROM FLEET 2017/18								
Car 2-6 - 2010 Detective's Vehicle Chevy Impala				30,000						
TOTAL	35,000	35,000	35,000	65,000	35,000	35,000	35,000	35,000	35,000	35,000

FIRE EQUIPMENT & VEHICLE REPLACEMENT SCHEDULE

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	FUTURE
Unit 331		\$425,000							
Unit 333					\$500,000				\$600,000
Unit 341			\$350,000						
Unit 371									\$45,000
TOTALS	\$0	\$425,000	\$350,000	\$0	\$500,000	\$0	\$0	\$0	\$645,000
Date Acquired	Unit #	Vehicle I.D. #		Original Cost		Description			
Mar-92	331	46JRBAA88K1002849		\$119,000	1989 FEDERAL MOTOR E1 PUMPER				
Jul-00	333	4PICT02S9YA000725		\$349,556	2000 PIERCE FIRE PUMPER				
Jul-02	341	1PQCA01F0DA040498		\$796,556	1983 PIERCE LTI PLATFORM TRUCK				
Oct-15	371	1FT8W3B61GEB17328		\$33,285	2016 FORD F-350 CREW CAB 4X4 PICKUP TRUCK				
Oct-09	351	1FDKE30FXVHA29560		DONATED	1997 FORD-MARQUE AMBULANCE				

MISCELLANEOUS FUNDS

Special Revenue Funds

Police OWI Enforcement Fund

This fund receives its revenues from fines paid by drivers convicted of Operating While Intoxicated (OWI). The law mandates that these funds be used to further enforce intoxicated driving laws.

Drug Forfeiture/Grant Fund

This fund is used to account for all money and property seized by police during a drug investigation. It must be used to pay expenses of processing the forfeiture and sale, as well as enhance law enforcement efforts pertaining to drug law enforcement.

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 raise 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.

Fund 274	POLICE - OWI ENFORCEMENT	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
505.000	FEDERAL GRANT - PUBLIC SAFETY	-	-	-	-	-	-	-
675.000	CONTRIBUTIONS AND DONATIONS	2,065	4,144	5,000	-	-	-	-
692.000	OTHER REVENUES	-	-	-	-	14,982	-	3,000
TOTAL POLICE DPT. PUB. REL. REVENUES		2,065	4,144	5,000	-	14,982	-	3,000

Fund 274	POLICE - OWI ENFORCEMENT	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
301.000 POLICE DEPARTMENT								
<i>Operating Expenses</i>								
726.000	SUPPLIES	5,536	3,016	-	-	-	-	3,400
726.301	GOLF OUTING SUPPLIES	-	1,665	811	-	-	-	-
723.301	DARE GOLF OUTING SUPPLIES	-	-	-	-	-	-	-
810.000	DUES AND SUBSCRIPTIONS	-	-	-	-	-	-	-
861.000	TRAINING & SEMINARS	-	-	-	-	-	-	600
900.000	PRINTING	-	-	-	-	-	-	-
Total Operating Expenses		5,536	4,681	811	-	-	-	4,000
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	-	-	-	-	-	-	-
TOTAL POLICE DPT. PUB. REL. EXPENDITURES		5,536	4,681	811	-	-	-	4,000

Fund 265 DRUG FORFEITURE REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
543.000	STATE GRANTS - PUBLIC SAFETY	-	-	-	-	-	-	-
659.000	DRUG FORFEITURES	-	-	998	2,197	645	1,000	2,000
665.000	INTEREST	-	-	-	-	-	-	-
692.000	OTHER REVENUE	-	-	998	2,197	645	1,000	2,000
TOTAL DRUG FORFEITURE REVENUES								

Fund 265 DRUG FORFEITURE EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
301.000 POLICE DEPARTMENT								
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	-	873	1,460	1,000	2,000
925.000	TELEPHONE	-	-	-	-	-	-	-
940.000	EQUIPMENT RENTAL	-	-	-	-	-	-	-
950.000	RENTALS	-	-	-	-	-	-	-
Total Operating Expenses		-	-	-	873	1,460	1,000	2,000
<i>Contractual Services and Capital Outlay</i>								
801.000	CONTRACTUAL SERVICES	-	-	-	-	-	-	-
970.000	CAPITAL OUTLAY	-	-	-	-	-	-	-
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay/Transfers		-	-	-	-	-	-	-
TOTAL DRUG FORFEITURE EXPENDITURES		-	-	-	873	1,460	1,000	2,000

							Budgets	
Fund 633	PUBLIC SERVICES INV. REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Current 15/16	Proposed 16/17
650.000	SALE OF MATERIALS	68,723	110,209	129,600	121,834	63,849	198,110	215,675
699.999	OTHER REFUNDS	-	-	-	-	-	-	-
	TOTAL PUBLIC SERVICES INV. REVENUES	68,723	110,209	129,600	121,834	63,849	198,110	215,675

							Budgets	
Fund 633	PUBLIC SERVICES INV. EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Current 15/16	Proposed 16/17
	233.000 PUBLIC SERVICES INVENTORY							
	<i>Personnel Services</i>							
702.000	WAGES	3,445	3,942	2,673	2,586	1,553	2,360	2,660
703.000	OVERTIME PAY	-	-	-	-	-	-	-
720.000	EMPLOYER'S FICA	240	277	189	186	109	180	205
725.000	FRINGE BENEFITS - ALLOCATED	-	138	40	877	1,286	1,260	1,700
	Total Personnel Services	3,685	4,357	2,902	3,649	2,948	3,800	4,565
	<i>Operating Expenses</i>							
726.000	SUPPLIES	38,790	87,577	115,616	136,808	46,476	134,310	149,110
940.000	EQUIPMENT RENTAL	3,103	7,613	6,022	3,373	2,909	5,000	5,000
	Total Operating Expenses	41,894	95,190	121,638	140,181	49,385	139,310	154,110
	<i>Contractual Services</i>							
801.000	CONTRACTUAL SERVICES	30,049	246	133	4,344	478	55,000	57,000
	Total Contractual & Capital Outlay	30,049	246	133	4,344	478	55,000	57,000
	TOTAL PUBLIC SERVICES INV. EXPENDITURES	75,628	99,793	124,673	148,174	52,811	198,110	215,675

Fund 699	DPS LEAVE & BENEFIT REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
690.000	OTHER REFUNDS	142,769	125,322	143,389	137,441	106,350	207,810	178,415
699.101	TRANSFERS IN -GENERAL FUND	-	-	-	-	-	-	-
	TOTAL DPS LEAVE & BENEFIT REVENUES	142,769	125,322	143,389	137,441	106,350	207,810	178,415

Fund 699	DPS LEAVE & BENEFIT EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
	441.000 PUBLIC SERVICES DEPARTMENT							
	<i>Personnel Services</i>							
704.000	SICK TIME PAY	6,199	11,002	3,414	4,062	2,844	10,130	9,045
705.000	VACATION TIME PAY	17,339	13,365	12,240	9,551	7,513	14,950	12,340
706.000	PERSONAL TIME PAY	2,898	3,139	3,297	2,324	3,013	3,800	3,395
707.000	LONGEVITY PAY	7,652	5,734	4,940	4,520	4,080	5,080	4,760
710.000	HOLIDAY AND OTHER PAY	11,333	11,323	11,556	10,805	9,293	13,860	12,365
715.000	HEALTH AND LIFE INSURANCE	79,258	63,594	70,779	84,566	57,172	132,450	116,245
716.000	RETIREMENT	1,897	1,881	1,585	1,791	745	1,240	2,400
717.000	WORKERS' COMPENSATION	8,000	9,241	14,250	15,717	17,829	20,000	12,500
718.000	UNEMPLOYMENT INSURANCE	3,200	1,600	1,600	800	900	900	400
720.000	EMPLOYER'S FICA	3,799	3,094	3,820	2,011	1,951	3,660	3,210
721.000	DISABILITY INSURANCE	1,194	1,349	1,223	1,294	1,010	1,740	1,755
	TOTAL DPS LEAVE & BENEFITS EXPENDITURES	142,769	125,322	128,704	137,441	106,350	207,810	178,415

Fund 677	UNEMPLOYMENT INS. REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
665.000	INTEREST	45	61	35	66	99	50	125
692.000	OTHER REVENUE	17,884	9,200	9,400	4,400	4,400	4,200	2,200
	TOTAL UNEMPLOYMENT INS. REVENUES	17,929	9,261	9,435	4,466	4,499	4,250	2,325

Fund 677	UNEMPLOYMENT INS. EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
	175.000 ADMINISTRATIVE SERVICES							
964.000	REFUNDS AND REBATES	21,909	1,053	306	4,594	777	5,000	5,000
	TOTAL UNEMPLOYMENT INS. EXPENDITURES	21,909	1,053	306	4,594	777	5,000	5,000

Fund 711	CEMETERY CARE REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
642.100	SALE OF CEMETERY LOTS-LAKEVIEW	6,575	3,450	11,963	7,123	7,961	12,000	10,000
642.200	SALE OF CEMETERY LOTS-OAK GROVE	6,800	6,675	6,503	5,525	12,050	7,500	10,000
665.000	INTEREST	21,302	17,818	12,446	13,319	9,057	15,000	15,000
670.000	GAIN (LOSS) ON SALE OF INVEST.	(15)	(12,870)	(1,591)	(3,583)	-	-	-
TOTAL CEMETERY CARE REVENUES		34,662	15,073	29,321	22,384	29,068	34,500	35,000

Fund 711	CEMETERY CARE EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
276.000 CEMETERIES								
761.000	ITEMS FO PASS THRU SALES	-	500	350	-	-	-	-
TOTAL CEMETERIES DEPARTMENT		-	500	350	-	-	-	-
965.000 TRANSFERS TO OTHER FUNDS								
999.101	TRANSFER - GENERAL FUND	20,000	20,000	20,000	13,300	-	20,000	20,000
999.401	TRANSFER - CAPITAL IMPROVEMENT	-	-	15,601	-	-	-	-
TOTAL TRANSFERS		20,000	20,000	35,601	13,300	-	20,000	20,000
TOTAL CEMETERY CARE EXPENDITURES		20,000	20,500	35,951	13,300	-	20,000	20,000

Fund 712	STOCK'S PK. PERPETUAL. MAINT. REV.	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
665.000	INTEREST	168	116	115	103	60	120	100
675.000	CONTRIBUTIONS AND DONATIONS	1,075	325	5,691	5,588	7,267	5,000	7,500
699.409	TRANSFER IN - STOCKS PARK FUND	-	-	-	6,000	25	-	-
TOTAL STOCK'S PK. PERPETUAL. MAINT. REV.		1,243	441	5,806	11,691	7,352	5,120	7,600

Fund 712	STOCK'S PK. PERPETUAL. MAINT. EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
756.000 PARKS								
999.101	TRANSFER - GENERAL FUND	-	-	-	-	-	-	-
TOTAL STOCK'S PK. PERPETUAL. MAINT. EXP.		-	-	-	-	-	-	-

Fund 715	R.L. OWEN MEMORIAL REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
665.000	INTEREST	6,081	5,870	3,350	6,259	5,883	6,500	6,000
	TOTAL R.L. OWEN MEMORIAL REVENUES	6,081	5,870	3,350	6,259	5,883	6,500	6,000

Fund 715	R.L. OWEN MEMORIAL EXPENDITURES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
	265.000 BUILDING AND GROUNDS							
999.101	TRANSFER - GENERAL FUND	-	-	-	-	-	-	-
999.401	TRANSFER - CAPITAL IMPROVEMENT	5,997	3,675	-	-	-	-	-
	TOTAL R. L. OWEN MEMORIAL EXPENDITURES	5,997	3,675	-	-	-	-	-

ECONOMIC DEVELOPMENT CORPORATION

Economic Development Corporation Summary

The City of Hillsdale Economic Development Corporation (EDC) was incorporated in 1978 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, or conveyance of funds and property; it may create subsidiary neighborhood development corporations; it may receive funds and property. EDC funds may be used to support a broad range of economic development activities. The EDC currently owns Three Meadows Subdivision and takes an active role in the oversight of the Hillsdale Manufacturing and Technology Park.

Corporation Goals

1. Encourage economic development and community revitalization activities.
2. Provide support for existing, expanding, or new

businesses.

3. Market the City of Hillsdale as an attractive place to live, work, and play.

Corporation Objectives

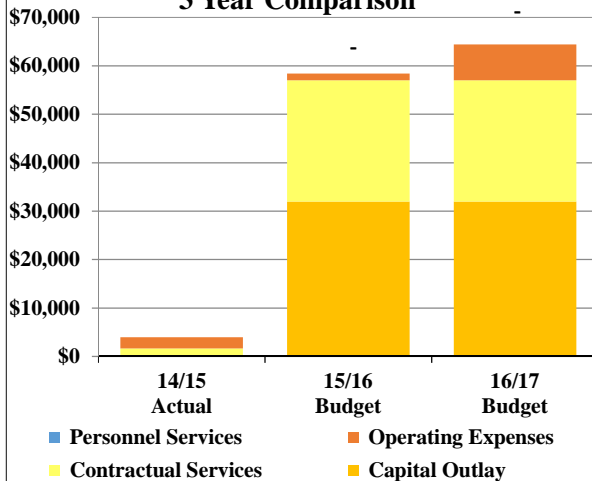
1. Promote the further development of the Hillsdale Manufacturing & Technology Park, especially with regard to attracting high-tech businesses.
2. Promote the further development of Three Meadows Subdivision.
3. Obtain and install a sign for the Manufacturing and Technology Park along M-99.
4. Populate vacant buildings and reduce the number of obsolete properties.
5. Pursue funding opportunities for site assessment and remediation of contamination at industrial facilities.
6. Implement infrastructure improvements to the City of Hillsdale, as suggested by the Small Town Design Initiative - Community Revitalization Plan.
7. Work with the City of Hillsdale Office of Economic

9. Development in the implementation of business and attraction plans and marketing strategy.
10. Partner with other organizations and institutions such as the Tax Increment Finance Authority (TIFA), Nonik Technologies, the Michigan Economic Development Corporation (MEDC) and Hillsdale College, in marketing and promotion efforts for the City of Hillsdale.

Budget Summary

1. There is no personnel budget within this fund. Hillsdale Policy Group, LTD, contracted by Hillsdale Board of Public Utilities, serves in a consultant capacity to the EDC Board.
2. Operating expenses include meeting supplies and marketing materials.
3. Contractual services include engineering, marketing and planning work necessary to encourage redevelopment activities and marketing efforts.
4. Capital outlays in this budget include signs, infrastructure and beautification projects.

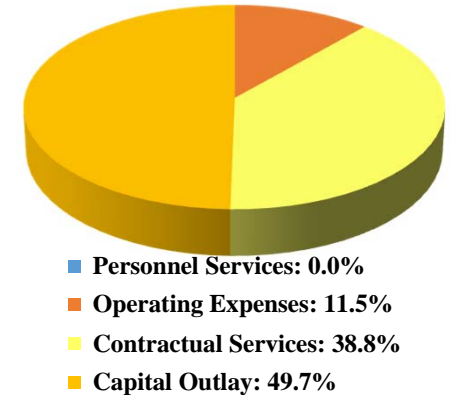
3 Year Comparison



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	-	-	-	
Operating Expenses	2,361	1,400	7,400	428.57%
Contractual Services	1,630	25,000	25,000	0.00%
Capital Outlay	-	32,000	32,000	0.00%
	\$ 3,991	\$ 58,400	\$ 64,400	10.27%

Proposed Budget



Fund 244 E.D.C. FUND REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
665.000	INTEREST	114	146	67	122	207	100	100
673.000	SALE OF CITY PROPERTY	14,033	-	-	-	27,817	10,000	20,000
692.000	OTHER REVENUE	-	-	-	-	-	-	-
699.101	TRANSFER IN - GENERAL FUND	-	-	-	-	-	-	-
TOTAL E.D.C. REVENUES		14,147	146	67	122	28,024	10,100	20,100

Fund 244 E.D.C. FUND EXPENDITURES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
174.000 ECONOMIC DEVELOPMENT								
<i>Operating Expenses</i>								
726.000	SUPPLIES	-	-	626	2,361	422	200	1,200
806.000	LEGAL SERVICES	235	52	-	-	300	500	5,000
860.000	TRANSPORTATION AND MILEAGE	-	-	-	-	-	500	500
862.000	LODGING AND MEALS	-	-	-	-	-	200	200
955.000	MISCELLANEOUS	-	-	-	-	-	-	500
957.000	PROPERTY TAXES	184	-	91	-	224	-	-
Total Operating Expenses		419	52	717	2,361	946	1,400	7,400
<i>Capital Outlay and Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	1,528	655	-	1,630	358	25,000	25,000
970.000	CAPITAL OUTLAY	-	-	-	-	-	32,000	32,000
999.101	TRANSFER - GENERAL FUND	-	-	-	-	-	-	-
999.401	TRANSFER - CAPITAL IMPROVEMENT FUND	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay/Transfers		1,528	655	-	1,630	358	57,000	57,000
TOTAL E.D.C. EXPENDITURES		1,947	707	717	3,991	1,304	58,400	64,400

TAX INCREMENT FINANCING AUTHORITY

The City of Hillsdale Tax Increment Finance Authority (TIFA) was established in 1984 to facilitate the redevelopment, re-use and economic viability of Downtown Hillsdale. Financing for projects within the approximate 22-block TIFA district 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.

Authority Goals

1. Prevent the further deterioration of the infrastructure within the TIFA district.
2. Prevent the further deterioration of the building stock within the TIFA district.
3. Encourage building preservation and rehabilitation in keeping with the historic character of the TIFA district, especially the downtown area.
4. Encourage economic development of the TIFA district.

5. Provide entrepreneurial support for existing, expanding, or new businesses.
6. Market the TIFA district as an attractive place to live, work, and play.

Authority Objectives

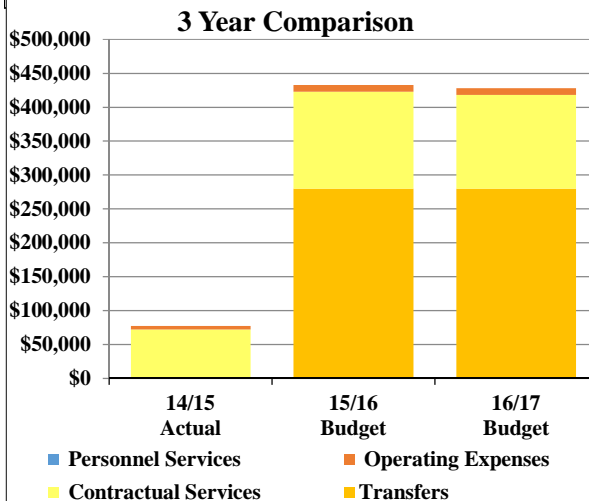
1. Provide funds for the acquisition of buildings in order to facilitate redevelopment.
2. Continue financial support for long-term infrastructure improvements.
3. Encourage the rehabilitation of the building facades through the TIFA Façade Improvement and Historic Building Improvement/Special Project Program.
4. Encourage new full-service restaurants in the downtown through the Restaurant Attraction Program.
5. Encourage new businesses to locate in the downtown through the Business Attraction Programs
6. Encourage existing businesses to expand through the Business Expansion Program.
7. Seek out and apply for funding opportunities that support

economic development activities, such as the MSHDA rental rehabilitation program and the CDBG Blight Elimination program. Develop targeted marketing programs for specific businesses desired in Hillsdale's downtown that would be an asset to the TIFA district.

8. Support local beautification, marketing and promotional efforts.
9. Continue implementation of the Downtown Hillsdale Blueprint Plan and the Small Town Design Initiative community revitalization plan.

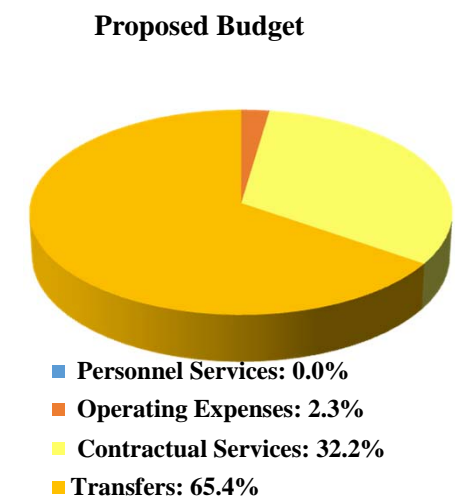
Budget Summary

1. There is no personnel budgeted within this fund.
2. Consultants for the Office of Economic Development and staff from the Planning Office provide support for TIFA.
3. Operating expenses include beautification supplies and meeting expenses.
4. Contractual services include legal services, marketing expenses, business startup and expansion through forgivable loan programs and building improvements through the façade grant and special project programs.
5. Capital outlays in this budget include building acquisition and infrastructure improvements.



Summary

	Actual 14/15	Amended Budget 15/16	Proposed Budget 16/17	Percent of Change
Personnel Services	-	-	-	
Operating Expenses	5,364	9,750	10,000	2.56%
Contractual Services	72,169	143,000	138,000	-3.50%
Transfers	-	280,000	280,000	0.00%
	\$ 77,534	\$ 432,750	\$ 428,000	-1.10%



Fund 244 T.I.F.A. FUND REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
402.000	CURRENT TAXES	142,733	138,075	124,390	105,595	127,793	76,730	70,555
412.000	DELINQUENT TAXES	-	-	-	-	-	-	-
437.000	INDUSTRIAL FACILITIES TAX	-	-	-	-	-	-	-
665.000	INTEREST	423	544	308	612	901	450	1,500
667.000	RENTS	-	-	-	-	-	-	-
692.000	OTHER REVENUE	92	-	-	-	-	-	-
TOTAL T.I.F.A. REVENUES		143,248	138,619	124,698	106,207	128,694	77,180	72,055

Fund 244 T.I.F.A. FUND REVENUES		Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
900.000 CAPITAL OUTLAY								
<i>Operating Expenses</i>								
726.000	SUPPLIES	5,844	1,940	3,924	4,267	601	8,750	9,000
806.000	LEGAL SERVICES	365	75	315	1,098	150	1,000	1,000
817.000	ECONOMIC DEVELOPMENT GRANT EXP	-	-	-	-	-	-	-
850.000	INSURANCE	-	-	-	-	-	-	-
862.000	LODGING AND MEALS	-	-	-	-	-	-	-
920.000	UTILITIES	-	-	-	-	-	-	-
957.000	PROPERTY TAXES	-	-	-	-	-	-	-
964.000	REFUNDS AND REBATES	-	-	-	-	-	-	-
968.000	DEPRECIATION	25,445	12,722	-	-	-	-	-
Total Operating Expenses		31,654	14,737	4,239	5,364	751	9,750	10,000
<i>Contractual Services</i>								
801.000	CONTRACTUAL SERVICES	7,831	1,457	11,000	41,650	10,181	83,000	78,000
801.247	CONTRACTUAL SERVICES - FAÇADE GRANTS	24,493	12,275	37,078	30,519	30,255	60,000	60,000
<i>Transfers</i>								
999.101	TRANSFER - GENERAL FUND	8,977	10,000	-	-	-	10,000	10,000
999.401	TRANSFER - CAPITAL IMPROVEMENT	78,433	12,614	3,300	-	-	270,000	270,000
999.640	TRANSFER - R.M.E.F.	-	-	-	-	-	-	-
Total Contractual Services and Capital Outlay/Transfers		119,733	36,346	51,378	72,169	40,436	423,000	418,000
TOTAL TIFA FUND EXPENDITURES		151,387	51,083	55,617	77,534	41,187	432,750	428,000

“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, and infrastructure improvements. 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 \$ 144,812,300 for 2015. In Fiscal Year 2016-17, the City has only one outstanding debt of \$1,019,627 for the electrical utility that is attributable toward that limit.

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 2016-17 equal \$506,244. This includes the final payment on BPU 2009 Series revenue bonds and the second interest payment on the new wastewater sewer project.

Purpose	Principal	Interest	Fiscal Year Total
Water System Improvements (Iron Removal Treatment Plant)	\$183,000	\$3,569	\$186,569
Capital Lease Agreement—Electric Meters & AMI System	\$189,603	\$37,134	\$226,737
Wastewater Sewer Improvements SRF Phase I	\$0.00	\$92,938	\$92,938
TOTALS	\$372,603	\$133,641	\$506,244

“LONG-TERM” DEBT SERVICE

continued

Legal Debt Margin as of June 30, 2015

2015 State Equalized Value (SEV)		\$144,812,300
Debt Limit		14,481,230
Debt Outstanding	\$8,637,627	
Less: Exempt Obligations	\$7,618,000	
Debt applicable to limit		1,019,627
Additional Debt which can be legally incurred		\$13,461,603,
Debt applicable to limit as a percent of SEV	0.70%	

Net City Share (1)

	Gross	City Share as % of Gross	Net City Share	Per Capita	% of Taxable Valuation
City Direct Debt	\$1,019,627	100.00%	\$1,019,627	\$122.77	0.76%
City Overlapping Debt (2)					
Hillsdale Community School District	\$0	43.32%	\$0		
Hillsdale County	\$3,814,000	10.36%	\$395,130		
Hillsdale Intermediate School District	\$0	12.15%	\$0		
Total Overlapping Debt	\$3,814,000		\$395,130	\$47.58	0.30%
Total City Direct & Overlapping Debt	\$4,833,627		\$1,414,757	\$170.35	1.19%

(1) Based upon the 2010 Census population of 8,305 and 2015 Ad Valorem Taxable Valuation of \$133,910,488

(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 June 30, 2016 and the Municipal Advisory Council of Michigan as of June 30, 2015

OUTSTANDING DEBT SUMMARY

Purpose	Original Issue	Date Issued	Date Due	Interest Rate	Interest Remaining	Principal Remaining	Total Remaining To Maturity
Water System Improvements (Iron Removal Treatment Plant)	\$1,156,000	2009	2016	3.80%	\$3,568.50	\$183,000.00	\$186,568.50
Capital Lease Agreement—Electric Meters & AMI System	1,379,079	2014	2020	3.61%	\$114,058.73	\$1,019,626.96	\$1,133,685.70
Wastewater Sewer Improvements SRF Phase I	\$7,435,000.	2015	2037	2.50%	\$2,288,875	\$7,435,000.00	\$9,723,875.00
TOTALS	\$9,970,079				\$2,406,502.23	\$8,637,626.96	\$11,441,129.20

Fund 362	BOND & INT. REDEM. REVENUES	Actual 11/12	Actual 12/13	Actual 13/14	Actual 14/15	Actual Thru 02/16	Budgets	
							Current 15/16	Proposed 16/17
665.000	INTEREST	-	-	-	-	-	-	-
699.101	TRANSFERS IN - GENERAL FUND	178,000	24,994	-	-	-	-	-
699.271	TRANSFER IN - LIBRARY	-	-	-	-	-	-	-
699.471	TRANSFERS IN - LIBRARY IMPROVEMENT	-	-	-	-	-	-	-
	TOTAL BOND & INT. REDEM. REVENUES	178,000	24,994	-	-	-	-	-

Fund		Actual	Actual	Actual	Actual	Actual	Budgets	
							Thru	Current
362	BOND & INT. REDEM. EXPENDITURES	11/12	12/13	13/14	14/15	02/16	15/16	16/17
	900.000 CAPITAL OUTLAY - IND'L PARK - MEDC							
991.000	DEBT SERVICE - PRINCIPAL	150,000	-	-	-	-	-	-
	TOTAL CAPITAL OUTLAY	150,000	-	-	-	-	-	-
	905.000 DEBT SERVICE - CITY HALL							
	TOTAL DEBT SERVICE - CITY HALL	-	-	-	-	-	-	-
	910.000 DEBT SERVICE-INDUSTRIAL PARK							
801.000	CONTRACTUAL SERVICES	-	-	-	-	-	-	-
991.000	DEBT SERVICE - PRINCIPAL	28,000	28,000	-	-	-	-	-
995.000	DEBT SERVICE - INTEREST	-	-	-	-	-	-	-
	TOTAL DEBT SERVICE-INDUSTRIAL PARK	28,000	28,000	-	-	-	-	-
	915.000 DEBT SERVICE-LIBRARY EXPANSION							
991.000	DEBT SERVICE - PRINCIPAL	-	-	-	-	-	-	-
995.000	DEBT SERVICE - INTEREST	-	-	-	-	-	-	-
	TOTAL CAPITAL OUTLAY	-	-	-	-	-	-	-
	920.000 DEBT SERVICE-3 MEADOWS DEVELOPMENT							
	TOTAL CAPITAL OUTLAY	-	-	-	-	-	-	-
	TOTAL BOND & INT. REDEM . FUND EXP.	178,000	28,000	-	-	-	-	-

CITY OF HILLSDALE

STATEMENT OF BOND INDEBTEDNESS

July 1, 2016

WATER SUPPLY AND SEWAGE DISPOSAL

Series 2009 System Revenue Bonds - Debt of August 27, 2009

Original Issue of \$1,156,000.00

	COUPON RATE	PRINCIPAL	INTEREST			FISCAL YEAR
				PRINCIPAL	INTEREST	TOTAL
Oct. 1, 2016	3.900%	\$183,000.00	\$3,568.50			\$186,568.50
TOTALS		\$183,000.00	\$3,568.50			\$186,568.50
INTEREST REMAINING		\$3,568.50				

Purpose: Water System Improvements (Iron Removal Treatment Plant)

CITY OF HILLSDALE

STATEMENT OF INDEBTEDNESS

July 1, 2016

Michigan Installment Purchase Agreement
Capital Lease for Electric Meters
Michigan PA 99 of 1933

Debt of September 16, 2013

Original Issue of \$1,379,078.59

	TOTAL PAYMENT	PRINCIPAL	INTEREST	OPTION TO PURCHASE
September 16, 2016	\$226,737.14	\$189,602.67	\$37,134.47	\$844,823.58
September 16, 2017	\$226,737.14	\$196,507.94	\$30,229.20	\$642,586.32
September 16, 2018	\$226,737.14	\$203,664.69	\$23,072.45	\$434,484.18
September 16, 2019	\$226,737.14	\$211,082.09	\$15,655.05	\$220,347.08
September 16, 2020	\$226,737.14	\$218,769.58	\$7,967.56	\$1.00
TOTALS	\$1,133,685.70	\$1,019,626.96	\$114,058.73	

Total Interest Expense: \$208 081.39

Purpose: Electric Meters & AMI System

CITY OF HILLSDALE
STATEMENT OF BOND INDEBTEDNESS
July 1, 2016
Wastewater Sewer Improvement SRF Phase I

System Revenue bonds - Debt of September 9, 2015

Original Issue of \$7,435,000

			Fiscal Year			
Date	Rate	Interest	Date	Principal	Interest	Total
10/1/2016	2.50%	\$92,937.50	4/1/2017		92,937.50	\$185,875.00
10/1/2017	2.50%	92,937.50	4/1/2018	\$290,000.00	92,937.50	\$475,875.00
10/1/2018	2.50%	89,312.50	4/1/2019	300,000.00	89,312.50	\$478,625.00
10/1/2019	2.50%	85,562.50	4/1/2020	305,000.00	85,562.50	\$476,125.00
10/1/2020	2.50%	81,750.00	4/1/2021	315,000.00	81,750.00	\$478,500.00
10/1/2021	2.50%	77,812.50	4/1/2022	320,000.00	77,812.50	\$475,625.00
10/1/2022	2.50%	73,812.50	4/1/2023	330,000.00	73,812.50	\$477,625.00
10/1/2023	2.50%	69,687.50	4/1/2024	340,000.00	69,687.50	\$479,375.00
10/1/2024	2.50%	65,437.50	4/1/2025	345,000.00	65,437.50	\$475,875.00
10/1/2025	2.50%	61,125.00	4/1/2026	355,000.00	61,125.00	\$477,250.00
10/1/2026	2.50%	56,687.50	4/1/2027	365,000.00	56,687.50	\$478,375.00
10/1/2027	2.50%	52,125.00	4/1/2028	375,000.00	52,125.00	\$479,250.00
10/1/2028	2.50%	47,437.50	4/1/2029	380,000.00	47,437.50	\$474,875.00
10/1/2029	2.50%	42,687.50	4/1/2030	390,000.00	42,687.50	\$475,375.00
10/1/2030	2.50%	37,812.50	4/1/2031	400,000.00	37,812.50	\$475,625.00
10/1/2031	2.50%	32,812.50	4/1/2032	410,000.00	32,812.50	\$475,625.00
10/1/2032	2.50%	27,687.50	4/1/2033	420,000.00	27,687.50	\$475,375.00
10/1/2033	2.50%	22,437.50	4/1/2034	430,000.00	22,437.50	\$474,875.00
10/1/2034	2.50%	17,062.50	4/1/2035	445,000.00	17,062.50	\$479,125.00
10/1/2035	2.50%	11,500.00	4/1/2036	455,000.00	11,500.00	\$478,000.00
10/1/2036	2.50%	5,812.50	4/1/2037	465,000.00	5,812.50	\$476,625.00
Totals		\$1,144,437.50		\$7,435,000.00	\$ 1,144,437.50	\$9,723,875.00

Interest Remaining \$2,288,875.00

This is a \$7.5 million wastewater sewer improvement project that includes an annual interest payment of approximately \$160,876. A principle loan forgiveness of \$1 million is available at the end of the project if there is "Green Money" funding available at that time.

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	2014 Board of Review	% of Total	2015 Board of Review	% of Total	2016 Board of Review	% of Total		
Agricultural	0	0.00%	0	0.00%	0	0.00%		
Commercial	36,757,641	27.86%	34,262,449	25.59%	31,102,843	25.63%		
Industrial	12,820,867	9.72%	13,406,043	10.01%	12,462,432	10.27%		
Residential	65,927,061	49.97%	65,949,396	49.25%	66,241,182	54.59%		
Developmental	9,415	0.00	0	0.00%	0	0.00%		
Personal Property								
Commercial	6,392,700	4.85%	9,134,900	6.82%	9,104,400	7.50%		
Industrial	9,013,500	6.83%	10,111,400	7.55%	4,339,400	3.57%		
Utility	1,010,400	0.77%	1,046,300	0.78%	1,085,300	0.89%		
TOTALS	131,931,584	100.00%	131,910,488	100.00%	121,335,562	100.00%		
Real Property	2015 Parcel Count		% of Total		2016 Parcel Count		% of Total	
Agricultural	0	0.00%	0	0.00%	0	0.00%	0.00%	
Commercial	361	12.28%	452	16.22%	49	1.75%	73.10%	
Industrial	83	2.83%	2036	73.10%	248	8.90%	0.00%	
Residential	2,209	75.16%	0	0.00%	0	0.00%	0.00%	
Exempt	286	9.73%	0	0.00%	0	0.00%	0.00%	
Developmental	0	0.00%	0	0.00%	0	0.00%	0.00%	
TOTALS	2,939	100.00%	2785	100.00%	2785	100.00%	100.00%	

FEE SCHEDULE

<u>Parks</u>		<u>Permits</u>		<u>Cemeteries</u>			
	<u>Resident</u>	<u>Non-Resident</u>			<u>Resident</u>	<u>Non-Resident</u>	
<i>Dock Rentals:</i>			<i>Right-of-Way:</i>		<i>Cemetery Lots</i>		
Dock Space	\$200.00	\$325.00	Application	\$10.00	Cremation	\$225.00	\$250.00
Premium Dock Space	\$250.00	\$375.00	Annual Blanket	\$150.00	Single Niche	\$500.00	\$750.00
			Sidewalk over 25'	\$50.00	Double Niche	\$750.00	\$1,000.00
<i>Pavilions:</i>			Storm Sewer Connection		<i>Grave Openings:</i>		
Pavilion #1 w/Electric		\$75.00	Driveway	\$50.00	Adult	\$400.00	\$400.00
Pavilion #2 w/Electric		\$75.00	Street Openings	\$100.00	Child	\$325.00	\$325.00
			Terrace/Curb Cuts	\$50.00	Infant	\$200.00	\$200.00
<i>Mrs. Stock's Park</i>			<i>Zoning:</i>		<i>Niche Openings:</i>		
Pavilion		\$100.00	Fence *	\$25.00	Weekdays	\$200.00	\$200.00
Island Ceremony		\$100.00	Signs - Permanent *	\$50.00	Saturdays	\$275.00	\$275.00
Pavilion & Island		\$400.00	Signs - Temporary *	\$5.00	Sundays	\$500.00	\$500.00
Deposit (refundable)		\$150.00	Awnings *	\$50.00	<i>Shutter Lettering</i>		
			<i>Other Miscellaneous:</i>		Single Niche	\$275.00	\$275.00
			Site Plan Review:		Double Niche	\$325.00	\$325.00
			Residential		Date Lettering	\$100.00	\$100.00
			Commercial				
Adult	\$3.00		Use & Occupancy				
Children	\$1.50						
Senior/Disabled	\$1.50		<i>Zoning Board of Appeals:</i>				
			Filing Fee		\$300.00		
			Rezoning Fee		\$500.00		
			<i>Code Enforcement</i>				
			Board of Appeals		\$50.00		

* 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.

American Recovery & Reinvestment Act 2009 (ARRA): On February 17, 2009 President Barack Obama signed the ARRA of 2009. This act is an unprecedented effort to jumpstart our economy, create or save millions of jobs, and put a down payment on addressing long-neglected challenges so our country can thrive in the 21st century. ARRA is an extraordinary response to a crisis unlike any since the Great Depression. With much at stake, the Act provides for unprecedented levels of transparency and accountability so that you will be able to know how, when, and where your tax dollars are being spent. Spearheaded by a new Recovery Board, this Act contains built-in measures to root out waste, inefficiency, and unnecessary spending. This website,

Recovery.gov, will be the main vehicle to provide each and every citizen with the ability to monitor the progress of the recovery.

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.

GLOSSARY

continued

D
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: (PILOT) 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

Reserves: an account used to indicate that portion of fund equity which is legally restricted for a specific purpose or not available for appropriation and subsequent spending.

Revenue: additions to the City's financial assets (such as taxes and grants) which do not, in themselves, increase the City's liabilities or cancel out a previous expenditure.

Revenue 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.