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# Memorandum

The City of Traverse City



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TO: MAYOR & CITY COMMISSION  
FROM: R. BEN BIFOSS, CITY MANAGER   
DATE: MAY 14, 2009  
SUBJECT: BUDGET SUPPLEMENTAL INFORMATION

## Water Contract

The City of Traverse City supplies “bulk” water to Garfield, Peninsula and Elmwood Townships under contracts, with the Garfield Township contract dating back to the 1970s. The contracts use the same basic formula to establish the cost of the bulk water. The water is metered at the City limits. The Townships are responsible for their own distribution system along with customer metering, billing, maintenance and other system costs.

The formula used to establish the bulk rate is somewhat complicated; but basically takes the total cost of the water production that includes depreciation on the plant, all fixed and variable operating costs and a factor for administrative expenses. After these costs are totaled, an additional 25% is added for the cost of transmission to the Townships, 13% is added for profit and 4% is added for accounting for the Township expenses. These additions total 42%.

The total water production at the plant is metered. The total gallons of water produced are reduced by 15% for “line loss and shrinkage.” The total cost as calculated above is divided by the total gallons produced for a “per gallon” charge. That rate is then applied to the number of gallons of water sold to the Townships. The Townships add their own costs of distribution along with other expenses that result in the following customer rates:

	Monthly Bill for Average Consumption*
City Current	\$10.50
City Proposed	\$11.90
Elmwood Current	\$27.40
Garfield Current	\$20.92
Peninsula Current	\$30.40

\* The average residential customer consumes 7,480 gallons of water per month.

**Fund Balance**

The draft General Fund Budget includes a fund balance of \$4,506,720 or approximately 31% of the total General Fund expenses. Ignoring the accounting change for the Act 345 levy, the fund balance would be approximately 29% of total expenses. A 25% fund balance on that larger total would be \$3,830,275. The draft fund balance exceeds that amount by \$676,445.

If \$220,000 of that amount were included in the transfer to the Public Improvements Fund for infrastructure improvements, the transfer for infrastructure improvements would total \$1,000,000. The fund balance would remain above the 25% target. Please note: while the use of a portion of the fund balance does not jeopardize the fund balance, it should not be relied upon as a long-term sustainable revenue source for infrastructure funding.

**Tax Base**

The total taxable value for the City of Traverse City increased by 4.62% to a new total of \$781,652,450. The tax base is broken down as follows and on the attachments:

	Dollar Value	Percent of Total
Residential	\$429,643,538	55%
Commercial	\$289,382,988	37%
Industrial	\$ 57,538,324	7.4%
Utilities	\$ 5,087,600	0.7%

The tax burden is exactly proportional to the tax base, residential property owners pay 55% of the taxes collected by the City.

**Pension Funds**

The City of Traverse City provides annual contributions to a number of Pension Funds. Details are provided in the attachments, summary information is below:

Fund	Last Valuation Date	Funded Ratio	Annual Contribution*
Act 345 Fund Pension	June 30, 2008	88.6%	\$924,911
Act 345 Fund Other**	June 30, 2008	54.5%	\$279,931
MERS Pension	Dec. 31, 2007	79.7%	\$1,399,592

MERS	Dec. 31, 2006	23.4%	\$ 274,606
Other**			
Total			\$2,879,040

\* The Annual Contribution information is as of the Last Valuation Date.

\*\* Other is the pre-funding of Retiree Health Insurance costs. While the percent funded is relatively low, it should be noted that many municipalities do not pre-fund these expenses.

The total cost of Pension Fund contributions is spread between various appropriate funds. Generally speaking, all City employees except the City Attorney and City Manager are eligible for a pension after a six-year vesting period. Benefit amounts vary by labor contract.

**Other**

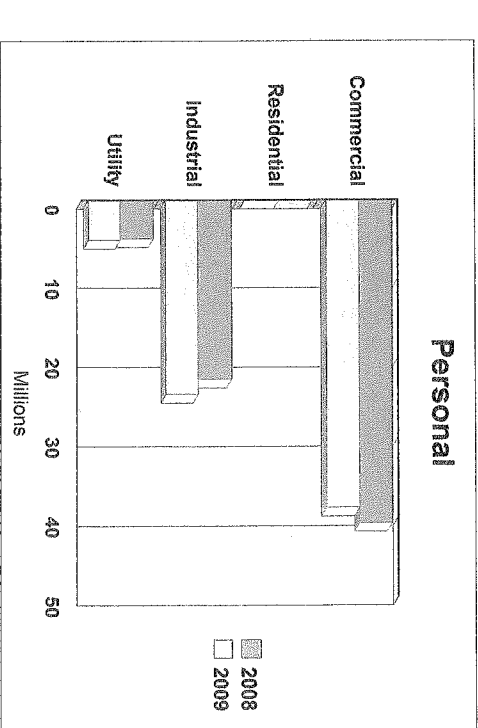
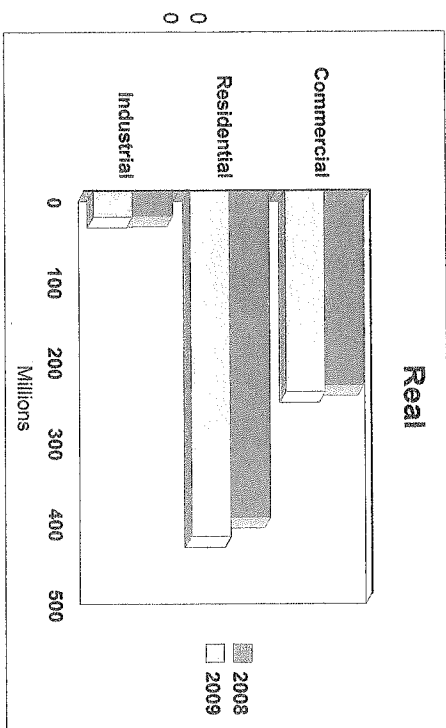
New supplemental pages have been attached and will be included in the final budget document for the General Fund Revenue and Expenditure Totals and Police and Fire Department budgets that include a comparison if the Act 345 accounting change was not made. These new totals represent a fair comparison from year to year.

Additional supplemental information on the total number of City employees by department and average salary and benefit cost is included. Also, please note the attachment that shows the summary of all funds and totals. The entire City operation including Component Units is a \$68,245,100 business.

# 2009 MBOR CITY REVENUE

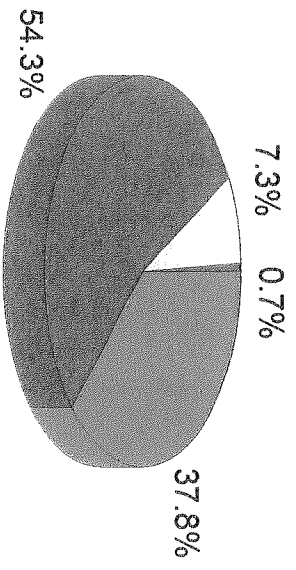
05/11/2009

	2008	2009	CHANGE	PER CENT CHANGE
<b>MBOR TAXABLE VALUE</b>	<b>747,110,960</b>	<b>781,652,450</b>	<b>34,541,490</b>	<b>4.62%</b>
<b>Real</b>				
Commercial	241,560,707	250,586,188	9,025,481	3.74%
Residential	405,772,669	429,643,538	23,870,869	5.88%
Industrial	31,571,444	32,995,324	1,423,880	4.51%
<b>Personal</b>				
Commercial	40,733,910	38,796,800	(1,937,110)	-4.76%
Residential	0	0	0	0.00%
Industrial	22,600,930	24,543,000	1,942,070	8.59%
Utility	4,871,300	5,087,600	216,300	4.44%
<b>MILLAGE (ESTIMATE)</b>	<b>13.1765</b>	<b>13.1765</b>	<b>0</b>	<b>0.00%</b>
TIF 97 CAPTURE	41,745,120	42,960,447	1,215,327	2.91%
TIF II CAPTURE	25,872,894	27,571,412	1,698,518	6.56%
CSX CAPTURE	5,272,704	5,938,181	665,477	12.62%
TRAVERSE HOUSE CAPTURE	220,922	220,962	40	NA
TC CAST CAPTURE	69,354	1,246,168	1,176,814	NA
COMMONS	127,129	133,722	6,593	5.19%
RENNISSANCE ZONES	5,358,367	9,196,845	3,838,478	71.64%
BLARNEY CASTLE	9,721	16,280	6,559	67.47%
<b>NET TAXABLE</b>	<b>668,434,749</b>	<b>694,368,433</b>	<b>25,933,684</b>	<b>3.88%</b>
<b>GROSS REVENUE</b>	<b>\$9,844,308</b>	<b>\$10,299,444</b>	<b>\$455,136</b>	<b>4.62%</b>
<b>Real</b>				
Commercial	\$3,182,925	\$3,301,849	\$118,924	3.74%
Residential	\$5,346,664	\$5,661,198	\$314,535	5.88%
Industrial	\$416,001	\$434,763	\$18,762	4.51%
Utility	\$0	\$0	\$0	0.00%
<b>Personal</b>				
Commercial	\$536,730	\$511,206	(\$25,524)	-4.76%
Residential	\$0	\$0	\$0	0.00%
Industrial	\$297,801	\$323,391	\$25,590	8.59%
Utility	\$64,187	\$67,037	\$2,850	4.44%
TIF 97 CAPTURE	\$550,055	\$566,068	\$16,014	2.91%
TIF II CAPTURE	\$340,914	\$363,295	\$22,381	6.56%
CSX CAPTURE	\$69,476	\$78,244	\$8,769	12.62%
TRAVERSE HOUSE CAPTURE	\$2,911	\$2,912	\$1	NA
TC CAST CAPTURE	\$914	\$16,420	\$15,506	NA
COMMONS	\$1,975	\$1,762	(\$213)	-10.77%
RENNISSANCE ZONES	\$70,297	\$121,182	\$50,885	72.39%
BLARNEY CASTLE	\$128	\$215	\$86	67.47%
BRIAR HILL	0	0	\$0	0.00%
JIMMY JOHNS	0	0	\$0	0.00%
GARFIELD TWP (425 )	38,000	38,000	\$38,000	0.00%
<b>NET REVENUE</b>	<b>\$8,769,638</b>	<b>\$9,111,346</b>	<b>\$341,708</b>	<b>3.90%</b>

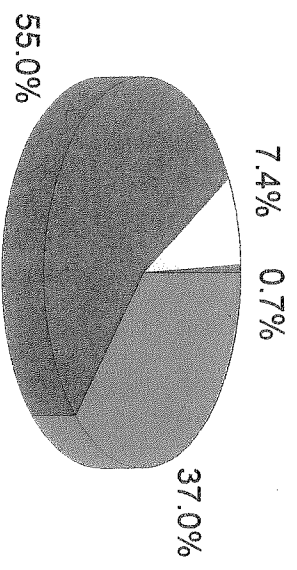


# Traverse City

2008



2009



- Commercial
- Residential
- Industrial
- Utility

**CITY OF TRAVERSE CITY**  
**Required Supplementary Information**  
**ACT 345 Pension Trust Fund**  
**Schedule of Funding Progress - Pension Benefits**

Actuarial valuation date	Actuarial value of assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b - a) / c)
6/30/1998	\$ 17,885,188	\$ 15,171,393	\$ (2,713,795)	117.90%	\$ 2,259,312	0.00%
6/30/1999	20,405,330	17,147,459	(3,257,871)	119.0%	2,337,289	0.00%
6/30/2000	22,497,159	18,756,152	(3,741,007)	119.9%	2,470,379	0.00%
6/30/2001	23,695,203	19,552,221	(4,142,982)	121.2%	2,467,235	0.00%
6/30/2002	23,592,627	20,540,751	(3,051,876)	114.9%	2,393,258	0.00%
6/30/2003	22,842,110	21,175,431	(1,666,679)	107.8%	2,402,524	0.00%
6/30/2004	22,038,257	22,711,298	673,041	97.0%	2,671,393	25.20%
6/30/2005	21,881,463	24,977,924	3,096,461	87.6%	3,139,509	98.63%
6/30/2006	22,591,340	26,163,253	3,571,913	86.3%	3,509,371	101.78%
6/30/2007	24,182,785	26,789,239	2,606,454	90.3%	3,234,852	80.60%
6/30/2008	24,838,458	28,047,507	3,209,049	88.6%	3,173,479	101.10%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year ended/valuation June 30	Annual Required Contribution	Percentage Contributed	Percentage of General Fund Total Actual Expenditures
1999 / 1998	\$ 193,624	100	1.88%
2000 / 1999	227,662	100	2.12%
2001 / 2000	294,964	100	2.70%
2002 / 2001	276,417	100	2.52%
2003 / 2002	342,511	100	3.04%
2004 / 2003	396,681	100	3.31%
2005 / 2004	615,269	100	4.84%
2006 / 2005	877,938	100	6.53%
2007 / 2006	987,602	100	7.05%
2008 / 2007	897,502	100	6.19%
2009 / 2008	924,911	100	6.55%

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2008
Actuarial cost method	Entry-age actuarial cost method
Amortization method	Level percent
Remaining amortization period	20 years open
Asset valuation method	4 years smoothed market
Actuarial assumptions	
Investment rate of return	7.50%
Projected salary increases	4.5-7.5%
Cost-of-living adjustments	2.5% of original pension for 20 years payable to police captains unit, pre-July 1, 1990 retirees, Police sergeants (effective 8-1-98) and police patrol (effective 1-1-99) and firefighters unit (effective 7-1-00)

**NORMAL SERVICE RETIREMENT QUALIFICATIONS**

**ELIGIBILITY**

Police: Age 50 with 25 or more years of service or age 60.  
Fire: Any age with 25 or more years of service, age 55 with a minimum of 10 years of service, or age 60.

**AMOUNT**

Straight line pension equals 2.5% (2.8% for Police) of 3 years average final compensation ("AFC") times first 25 years of service plus 1% of AFC times years of service in excess of 25 years.

**NOTE**

Other forms of retirement are available please see actuarial for more information.

**CITY OF TRAVERSE CITY**  
**Required Supplementary Information**  
**ACT 345 Pension Trust Fund**  
**Schedule of Funding Progress - Other Postemployment Benefits**

Actuarial valuation date	Actuarial value of assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b - a) / c)
6/30/2000	\$ 2,091,217	\$ 6,269,112	\$ 4,177,895	33.4%	\$ 2,470,379	169.12%
6/30/2001	2,331,155	6,983,905	4,652,750	33.4%	2,467,235	188.58%
6/30/2002	2,434,672	7,769,958	5,335,286	31.3%	2,393,258	222.93%
6/30/2003	2,590,432	8,072,071	5,481,639	32.1%	2,402,524	228.16%
6/30/2004	2,645,396	8,091,713	5,446,317	32.7%	2,671,393	203.88%
6/30/2005	2,723,028	8,218,900	5,495,872	33.1%	3,139,509	175.06%
6/30/2006	2,977,346	8,643,119	5,665,773	34.4%	3,509,371	161.45%
6/30/2007	3,444,580	8,402,945	4,958,365	41.0%	3,234,852	153.28%
6/30/2008	3,655,194	6,710,657	3,055,463	54.5%	3,173,479	96.28%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year ended/valuation June 30	Annual Required Contribution	Percentage Contributed	Percentage of General Fund Total Actual Expenditures
1999 / 1998	\$ 177,783	100	1.73%
2000 / 1999	178,319	100	1.66%
2001 / 2000	236,104	100	2.16%
2002 / 2001	253,936	100	2.32%
2003 / 2002	291,832	100	2.59%
2004 / 2003	306,560	100	2.56%
2005 / 2004	303,755	100	2.39%
2006 / 2005	313,977	100	2.33%
2007 / 2006	408,471	100	2.91%
2008 / 2007	373,161	100	2.57%
2009 / 2008	279,931	100	1.98%

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 2007
Actuarial cost method	Individual entry-age actuarial cost method
Amortization method	Level percent
Remaining amortization period	30 years
Asset valuation method	4 years smoothed market
Actuarial assumptions	
Investment rate of return	7.50%
Projected salary increases	4.5-7.5%

**HEALTH INSURANCE COVERAGE QUALIFICATIONS AND OTHER INFORMATION**

**ELIGIBILITY**

- 1) To retired members of the Retirement System and members must be at least 50 years old.
- 2) To spouses of retirees during the retiree's lifetime.
- 3) To unmarried surviving spouses of deceased active employees.

**AMOUNT**

- 1) Health insurance is provided, except for the increase in employer paid annual premiums for Police and Fire members retired after 7/1/95. They are limited to 5% per year. Police and Fire retirees are responsible for that portion of the premium increases not provided by the employer.

**NOTE**

Other forms of postemployment benefits are available please see actuarial for more information.

**CITY OF TRAVERSE CITY**  
**Required Supplementary Information**  
**MERS Pension Plan**  
**Schedule of Funding Progress - Pension Benefits**

Actuarial valuation date	Actuarial value of assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b - a) / c)
12/31/1998	\$ 24,346,546	\$ 26,952,075	\$ 2,605,529	90.33%	\$ 5,092,769	51.16%
12/31/1999	27,461,627	28,449,868	988,241	96.53%	5,239,153	18.86%
12/31/2000	29,610,635	32,485,324	2,874,689	91.2%	5,455,915	52.69%
12/31/2001	30,940,918	34,985,033	4,044,115	88.4%	5,989,759	67.52%
12/31/2002	31,188,955	37,247,805	6,058,850	83.7%	6,388,977	94.83%
12/31/2003	32,827,731	40,174,115	7,346,384	81.7%	6,905,057	106.39%
12/31/2004	34,215,650	44,008,390	9,792,740	77.7%	7,656,396	127.90%
12/31/2005	35,574,162	45,667,466	10,093,304	77.9%	7,442,267	135.62%
12/31/2006	37,648,129	47,608,085	9,959,956	79.1%	7,921,231	125.74%
12/31/2007	40,033,232	50,210,221	10,176,989	79.7%	8,079,158	125.97%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year ended/valuation June 30	Annual Required Contribution	Percentage Contributed
1999 / 1998	\$ 844,546	100
2000 / 1999	771,362	100
2001 / 2000	735,001	100
2002 / 2001	660,626	100
2003 / 2002	724,741	100
2004 / 2003	946,826	100
2005 / 2004	1,013,415	100
2006 / 2005	1,226,873	100
2007 / 2006	1,352,653	100
2008 / 2007	1,399,592	100

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2007
Actuarial cost method	Entry age normal cost method
Amortization method	Level percent
Remaining amortization period	28 years
Asset valuation method	10 year smoothed market
Actuarial assumptions	
Investment rate of return	8.00%
Projected salary increases	4.5-12.90%

**NORMAL SERVICE RETIREMENT QUALIFICATIONS**

**ELIGIBILITY**

City Administration	Age 55 with 25 or more years of service or age 60 with 6 years of service.
Light and Power Administration	Age 55 with 25 or more years of service or age 60 with 10 years of service.
GME Union	Age 55 with 25 or more years of service or age 60 with 6 years of service.
Light and Power Union	Age 50 with 25 or more years of service or age 60 with 6 years of service.

**BENEFIT**

2.25% of Final Average Compensation ("FAC"), with a maximum benefit of 80% of FAC. All groups except for City Administration receive a 2.5% annual noncompounded benefit limited to increases in the Consumer Price Index.

**NOTE**

Other forms of retirement are available please see actuarial for more information.

**CITY OF TRAVERSE CITY**  
**Required Supplementary Information**  
**MERS Retiree Health Funding Vehicle**  
**Schedule of Funding Progress - Other Postemployment Benefits**

Actuarial valuation date	Actuarial value of assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b - a) / c)
12/31/2006	\$ 1,079,242	\$ 4,622,001	\$ 3,542,759	23.4%	\$ 7,921,231	44.72%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year ended/valuation June 30	Annual Required Contribution	Percentage Contributed
2008 / 2007	\$ 274,606	100%

**SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2006
Actuarial cost method	Individual entry age actuarial cost method
Amortization method	Level percent
Remaining amortization period	30 years
Asset valuation method	10 year smoothed market
Actuarial assumptions	
Investment rate of return	8.00%
Projected salary increases	4.8-12.90%

**HEALTH INSURANCE COVERAGE QUALIFICATIONS AND OTHER INFORMATION**

**ELIGIBILITY**

City Administration	Age 55 with 25 or more years of service or age 60 with 6 years of service.
Light and Power Administration	Age 55 with 25 or more years of service or age 60 with 10 years of service.
GME Unions	Age 55 with 25 or more years of service or age 60 with 6 years of service.
Light and Power Union	Age 50 with 25 or more years of service or age 60 with 6 years of service.

**BENEFIT**

City Administration	100% of single Priority premium is deposited into the Retiree Health Savings Account for the first three years of retirement.
Light and Power Administration	100% of health insurance premiums until time of death.
GME Unions	Each month \$225 is deposited into the Retiree Health Savings Account.
Light and Power Union	100% of health insurance premiums until time of death.

**NOTE**

Other forms of postemployment benefits are available please see actuarial for more information.

City of Traverse City, Michigan  
GENERAL FUND  
2009-10 Budgeted Revenues

	FY 07/08 Actual	FY 08/09 Budgeted	FY 08/09 Projected	FY 09/10 Approved
<b>TAXES</b>				
Real Estate / Personal Property	\$ 8,430,586	\$ 8,785,000	\$ 8,771,000	\$ 8,195,800
ACT 345 Millage	-	-	-	944,200
Collection Fees	343,661	13,000	14,500	14,000
Penalties and Interest on Taxes	95,055	90,000	120,000	92,000
<b>Total Taxes</b>	<b>8,869,302</b>	<b>8,888,000</b>	<b>8,905,500</b>	<b>9,246,000</b>
<b>LICENSES AND PERMITS</b>				
Business Licenses and Permits	12,361	9,850	9,650	10,000
Franchise Fees	186,461	185,000	190,000	188,000
Non-Business Permits	17,923	13,050	13,500	13,500
<b>Total Licenses &amp; Permits</b>	<b>216,745</b>	<b>207,900</b>	<b>213,150</b>	<b>211,500</b>
<b>INTERGOVERNMENTAL</b>				
Federal Grants	39,621	37,000	37,000	38,000
State-Shared Revenues				
State Sales and Use Taxes	1,328,895	1,328,750	1,328,750	1,336,000
State Liquor Licenses	26,677	26,500	27,850	27,000
<b>Total Intergovernmental</b>	<b>1,395,193</b>	<b>1,392,250</b>	<b>1,393,600</b>	<b>1,401,000</b>
<b>CHARGES FOR SERVICES</b>				
General Fees and Services	54,162	43,100	40,250	37,100
Use and Admission Fees	219,076	226,050	239,950	246,300
Sale of Fixed Assets	-	2,500	16,950	2,500
Ordinance Fines and Costs	50,700	60,000	50,000	48,000
<b>Total Charges for Services</b>	<b>323,938</b>	<b>331,650</b>	<b>347,150</b>	<b>333,900</b>
<b>FINES AND FORFEITURES</b>				
Parking Violations	64,028	63,000	75,800	68,000
<b>INTRAGOVERNMENTAL-City Fee</b>	<b>1,937,522</b>	<b>2,040,000</b>	<b>1,944,600</b>	<b>1,973,700</b>
<b>MISCELLANEOUS</b>				
Interest Revenue	469,061	200,000	150,000	125,000
Rents and Royalties	2,930	2,500	2,400	2,500
Refunds and Rebates	(3,055)	100	-	2,500
Contributions-Public Sources	337,797	387,584	392,700	414,500
Contributions-Private Sources	24,300	1,000	350	1,000
Other Income	51,490	32,000	30,100	40,000
<b>Total Miscellaneous</b>	<b>882,523</b>	<b>623,184</b>	<b>575,550</b>	<b>585,500</b>

City of Traverse City, Michigan  
GENERAL FUND  
2009-10 Budgeted Revenues

	FY 07/08 Actual	FY 08/09 Budgeted	FY 08/09 Projected	FY 09/10 Approved
REIMBURSEMENTS	\$ 498,853	\$ 550,000	\$ 500,000	\$ 600,000
TRANSFERS IN				
Traverse City Light and Power	-	-	-	182,000
Cemetery Perpetual and Trust Fund	-	-	-	22,000
Economic Development Fund	-	-	-	30,000
Brown Bridge Trust Fund	462,714	410,000	432,000	335,000
Budget Stabilization Fund	52,920	53,000	52,000	7,500
Total Transfers In	515,634	463,000	484,000	576,500
PRIOR YEARS' SURPLUS	-	286,716	-	325,000
TOTAL REVENUES	\$ 14,703,738	\$ 14,845,700	\$ 14,439,350	\$ 15,321,100

Revenues for the Downtown Development Authority and City authorized tax incentive programs are not included in the above figures. Other than the brownfield TIF's and incentives that defer real or personal property taxes, revenues and corresponding expenditures are reported in those appropriate funds included in the comprehensive budget report. Brownfield TIF revenues collected are directly distributed to the Grand Traverse County Brownfield Authority.

Revenues not realized in the General Fund because of the approved tax incentive programs include PILOT's (Payment in Lieu of Taxes), Industrial Facilities Taxes and the following:

	2009-10
TIF 97	\$ 566,068
TIF 2	363,295
Brownfield TIF's	99,553
Garfield Twp (Industrial)	41,000
Renaissance Zone	121,182
Total	\$ 1,191,098

City of Traverse City, Michigan  
GENERAL FUND  
2009-10 Departmental Budgets Summary

	FY 07/08 Actual	FY 08/09 Budgeted	FY 08/09 Projected	FY 09/10 Approved
<b>Department</b>				
City Commission	\$ 109,941	\$ 84,150	\$ 79,500	\$ 125,100
City Manager Department	347,335	350,350	332,000	346,100
Human Resources Department	195,951	201,650	204,100	202,900
Community Development Department	-	-	-	30,000
City Assessor Department	316,458	315,750	313,600	310,500
City Attorney Department	83,798	134,500	126,000	140,600
City Clerk Department	369,320	400,600	379,700	408,200
City Treasurer Department	353,590	313,850	311,300	348,100
Police Department	3,825,485	3,904,300	3,824,150	3,452,200
Fire Department	3,290,514	3,505,100	3,166,400	2,679,000
Engineering Department	648,674	698,200	677,000	707,800
Planning and Zoning Department	272,643	278,650	292,800	350,100
Parks and Recreation Department	1,662,899	1,632,550	1,587,100	1,602,100
Oakwood Cemetery Division	332,589	389,100	340,700	390,200
DPS Director and Streets Administration	(42,488)	103,250	(56,800)	(155,000)
Street Lighting	181,783	182,000	182,000	182,000
Government Owned Buildings	158,446	141,000	141,000	135,000
Appropriations	223,802	239,700	239,700	220,000
Contingencies	-	-	-	325,600
<b>Total Department</b>	<b>12,330,740</b>	<b>12,874,700</b>	<b>12,140,250</b>	<b>11,800,500</b>
<b>ACT 345 Retirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>944,200</b>
<b>Other Expenditures</b>				
Transfers Out	2,134,936	1,936,950	1,939,450	2,546,400
Capital Outlay	27,100	34,050	34,000	30,000
<b>Total Other Expenditures</b>	<b>2,162,036</b>	<b>1,971,000</b>	<b>1,973,450</b>	<b>2,576,400</b>
<b>Total General Fund Expenditures</b>	<b>14,492,776</b>	<b>14,845,700</b>	<b>14,113,700</b>	<b>15,321,100</b>
<b>EXCESS OF REVENUES OVER/ (UNDER) EXPENDITURES</b>	<b>210,962</b>	<b>-</b>	<b>325,650</b>	<b>-</b>
<b>Beginning Fund Balance</b>	<b>3,970,108</b>	<b>4,181,070</b>	<b>4,181,070</b>	<b>4,506,720</b>
<b>Ending Fund Balance</b>	<b>\$ 4,181,070</b>	<b>\$ 4,181,070</b>	<b>\$ 4,506,720</b>	<b>\$ 4,506,720</b>

City of Traverse City, Michigan  
GENERAL FUND  
2009-10 Departmental Budgets

	FY 07/08 Actual	FY 08/09 Budgeted	FY 08/09 Projected	FY 09/10 Approved
<b>POLICE DEPARTMENT</b>				
Salaries and Wages	\$ 2,004,794	\$ 2,074,600	\$ 2,041,000	\$ 2,075,250
Fringe Benefits	1,021,435	1,039,500	1,031,150	577,650
Office/Operation Supplies	63,875	79,900	68,000	79,900
Professional Services	46,364	49,900	45,000	49,900
County Records Contract	200,141	189,750	189,000	200,200
Communications	35,665	31,600	28,000	31,600
Transportation	86,360	75,000	69,000	70,000
Professional Development	19,328	30,000	20,000	30,000
Printing and Publishing	4,061	5,000	4,000	5,000
Insurance and Bonds	79,847	85,000	85,000	85,000
Utilities	613	1,250	1,000	1,250
Repairs and Maintenance	18,435	24,550	17,000	24,550
Rentals	232,471	204,000	216,000	207,600
Miscellaneous	4,657	6,500	5,000	6,500
Police Reserves	7,439	7,750	5,000	7,800
<b>Total Police Department</b>	<b>3,825,485</b>	<b>3,904,300</b>	<b>3,824,150</b>	<b>3,452,200</b>
<b>ACT 345 Retirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>501,700</b>
<b>Total Police Dept w/ ACT 345 Retirement</b>	<b>3,825,485</b>	<b>3,904,300</b>	<b>3,824,150</b>	<b>3,953,900</b>
<b>Personnel Services %</b>	<b>84.34%</b>	<b>84.62%</b>	<b>85.28%</b>	<b>82.65%</b>
<b>F.T.E. Employees = 34.5 (does not include crossing guards)</b>				
<b>Department Associated Revenues</b>				
Witness Fees	118	200	100	100
Crossing Guard Reimbursement	10,124	6,550	10,100	10,000
Federal Grants	39,621	37,000	37,000	38,000
Liquor License Revenue Sharing	26,677	26,500	27,850	27,000
Police and Fire Reports	8,252	7,000	7,500	7,000
OUIL Fines	29,417	26,500	15,000	15,000
Ordinance Fines and Costs	50,700	60,000	50,000	48,000
School Liaison Officer Reimb.	25,000	25,000	25,000	25,000
HEMP Grant	2,156	2,000	1,500	2,000
Film Festival	4,528	4,000	4,000	4,000
Other Reimbursements	7,645	7,500	7,000	7,000
TIF 97 Downtown Officer Reimb.	-	71,300	-	-
<b>Total Revenues</b>	<b>204,238</b>	<b>273,550</b>	<b>185,050</b>	<b>183,100</b>
<b>Percent of Department Expenditures</b>				
<b>Covered by Revenues</b>	<b>5.34%</b>	<b>7.01%</b>	<b>4.84%</b>	<b>5.30%</b>

City of Traverse City, Michigan  
GENERAL FUND  
2009-10 Departmental Budgets

	FY 07/08 Actual	FY 08/09 Budgeted	FY 08/09 Projected	FY 09/10 Approved
<b>FIRE DEPARTMENT</b>				
Salaries and Wages	\$ 1,786,712	\$ 1,899,750	\$ 1,787,000	\$ 1,707,700
Fringe Benefits	940,731	1,073,200	869,000	434,150
Office/Operation Supplies	59,099	57,350	57,000	57,350
Professional Services	41,498	42,100	36,000	37,000
Communications	18,695	14,500	15,000	14,800
Transportation	23,683	22,900	21,000	25,500
Professional Development	25,867	33,500	27,000	28,000
Printing and Publishing	6,775	1,700	1,500	1,600
Insurance and Bonds	28,667	31,000	29,500	31,000
Utilities	33,655	35,600	32,000	36,700
Repairs and Maintenance	21,630	17,850	15,000	19,850
Rentals-Equip and Hydrants	303,233	275,300	276,000	285,000
Miscellaneous	269	350	400	350
<b>Total Fire Department</b>	<b>3,290,514</b>	<b>3,505,100</b>	<b>3,166,400</b>	<b>2,679,000</b>
<b>ACT 345 Retirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>442,500</b>
<b>Total Fire Dept w/ ACT 345 Retirement</b>	<b>3,290,514</b>	<b>3,505,100</b>	<b>3,166,400</b>	<b>3,121,500</b>
<b>Personnel Services % F.T.E. Employees = 27</b>	<b>82.89%</b>	<b>84.82%</b>	<b>83.88%</b>	<b>79.95%</b>

<b>Department Associated Revenues</b>				
Contributions-Public Entities	337,797	387,600	392,701	415,000
Fire Inspections	23,946	19,000	15,000	12,000
Plan Review Fees	45	-	1,800	50
State of Michigan	4,893	4,000	2,000	2,000
Film Festival	4,528	4,500	3,000	3,000
Ambulance Services	2,570	4,000	4,000	4,000
Other Reimbursements	11,887	2,000	-	-
<b>Total Revenues</b>	<b>385,666</b>	<b>421,100</b>	<b>418,501</b>	<b>436,050</b>
<b>Percent of Department Expenditures Covered by Revenues</b>	<b>11.72%</b>	<b>12.01%</b>	<b>13.22%</b>	<b>16.28%</b>

**City of Traverse City, Michigan**  
**GENERAL FUND**  
**2009-10 Expenditures by Type**

	<b>FY 07/08</b>	<b>FY 08/09</b>	<b>FY 08/09</b>	<b>FY 09/10</b>	<b>FY 09/10</b>
	<b>Actual</b>	<b>Budgeted</b>	<b>Projected</b>	<b>Approved</b>	<b>% allocation</b>
Salaries and wages	\$ 6,612,182	\$ 6,927,250	\$ 6,757,800	\$ 6,701,650	46.61%
Fringe Benefits	2,856,948	3,039,150	2,788,150	1,917,050	13.33%
Office/Operating Supplies	274,491	307,750	278,400	321,800	2.24%
Professional Services	721,198	571,850	568,900	657,300	4.57%
County Records Contract	200,141	189,750	189,000	200,200	1.39%
Communication	94,978	94,000	83,800	93,900	0.65%
Transportation	287,296	245,400	250,500	270,200	1.88%
Professional Development	77,546	121,700	84,000	123,850	0.86%
Community Promotion	20,235	-	-	2,500	0.02%
Printing and Publishing	69,065	60,800	56,400	72,300	0.50%
Insurance and Bonds	168,340	177,850	173,700	179,850	1.25%
Utilities	372,349	370,150	366,500	376,650	2.62%
Repairs and Maintenance	241,375	209,400	194,600	205,350	1.43%
Rentals	95,903	301,500	96,500	112,300	0.78%
Miscellaneous	7,452	10,700	7,300	12,200	0.08%
Police Reserves	7,439	7,750	5,000	7,800	0.05%
Appropriations	223,802	239,700	239,700	220,000	1.53%
Contingencies	-	-	-	325,600	2.26%
Capital Outlay	27,100	34,050	34,000	30,000	0.21%
Transfers Out	2,134,936	1,936,950	1,939,450	2,546,400	17.71%
<b>Total</b>	<b>\$ 14,492,776</b>	<b>\$ 14,845,700</b>	<b>\$14,113,700</b>	<b>\$14,376,900</b>	<b>100%</b>

**City of Traverse City, Michigan**  
**Home Department Totals - Past Ten Years**

<b>Department</b>	<b>1999-00</b>	<b>2000-01</b>	<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>	<b>2009-10</b>
City Manager	4	4	4	4	4	3	3	3	3	3	3
Human Resources	2	2	2	2	2	2	2	2	2	2	2
DPS Director	1	1	1	1	1	1	1	1	2	0	0
City Assessor	4	4	4	4	4	4	4	4	4	4	4
City Attorney	0	0	0	0	0	0	0	0	2	2	2
City Clerk	3	3	3	3	4	4	4	4	4	4	4
City Treasurer/Util. Acct.	10	10	10	10	10	10	10	10	10	10	10
City Cemetery	1	1	1	1	1	1	1	1	1	1	1
Police Department	35	35	37	37	36	36	36	36	36	36	34
Fire Department	23	23	23	26	27	29	31	31	31	31	27
Protective Inspection	1	0	0	0	0	0	0	0	0	0	0
Street Department	21	21	21	21	21	21	21	20	20	21	20
City Engineering	5	5	6	6	8	8	8	8	7	7	7
Parks & Recreation	17	17	17	17	17	17	16	16	16	15	14
Zoo Department	4	4	4	4	4	4	3	2	0	0	0
Planning & Zoning	3	3	3	3	3	3	3	3	3	3	4
Senior Center	2	2	2	2	2	2	2	2	2	2	2
Auto Parking	2	2	2	2	2	2	2	2	2	2	1
Water Treatment Plant	6	6	6	6	6	6	6	6	6	6	6
Water & Sewer Maint.	12	12	12	12	12	12	12	12	12	12	12
Marina	1	2	2	2	1	1	1	1	1	1	1
Garage Department	10	10	10	10	10	10	10	10	10	10	9
<b>Total</b>	<b>167</b>	<b>167</b>	<b>170</b>	<b>173</b>	<b>175</b>	<b>176</b>	<b>176</b>	<b>174</b>	<b>174</b>	<b>172</b>	<b>163</b>

**City of Traverse City, Michigan**  
**Average Salary and Fringe Benefits by Home Department**  
**For the Fiscal Year End June 30, 2010**

<b>Department</b>	<b>Average Salary</b>	<b>Average Fringe Benefits</b>
City Manager	82,700	19,567
Human Resources	59,250	21,090
City Assessor	57,629	17,100
City Attorney	67,333	13,333
City Clerk	55,050	23,175
City Treasurer/Util. Acctg	54,054	20,838
City Cemetery	49,450	23,425
Police Department	59,196	31,286
Fire Department	63,230	32,469
Street Department	47,786	21,053
City Engineering	59,730	25,297
Parks & Recreation	48,198	16,271
Planning & Zoning	65,000	22,278
Senior Center	63,000	19,150
Auto Parking	44,667	15,444
Water Treatment Plant	50,887	21,306
Water & Sewer Maint.	50,231	21,731
Marina	46,893	12,316
Garage Department	47,715	18,893

**Note 1:** Average salary includes base salary, longevity, short term leave, retiree health savings account, deferred comp, health insurance waiver and overtime. Not all employees have the same composition of salaries, it is based upon each individual union contract.

**Note 2:** Average fringe benefits are based on union contract which may include health insurance, dental insurance, vision insurance, life insurance, short term disability, long term disability, defined benefit pension, unemployment and workers compensation.

## TOTAL CITY BUDGETS

<u>FUND</u>	<u>BUDGET</u>
General Fund	\$14,376,900
Budget Stabilization Fund	\$7,500
Major Street Fund	\$1,254,000
Local Street Fund	\$1,442,500
Trunkline Fund	\$281,000
Haz Mat Response Team Fund	\$20,750
Act 302 Police Training Fund	\$8,000
FETN Academy Fund	\$3,300
State Domestic Preparedness Equipment Grant Fund	\$30,000
College Parking Fund	\$22,750
Safe Communities Grant Fund	\$35,000
Traverse City/Garfield Joint Planning Fund	\$6,000
Heritage Center Fund	\$110,000
Senior Center Fund	\$250,800
Senior Center Building Fund	\$8,000
Homeland Security Training Grant Fund	\$30,000
City Opera House Fund	\$100,000
Banner Program Fund	\$3,000
Economic Development Fund	\$57,000
McCauley Estate Trust Fund	\$3,100
Brown Bridge Maintenance Fund	\$100,000
ACT 345 Millage Fund	\$944,200
Parking Bond Debt Retirement Fund-Tax Exempt	\$467,250
Parking Bond Debt Retirement Fund-Taxable	\$204,600
Parking Construction Bond Fund - Tax Exempt	\$960,000
Parking Construction Bond Fund - Taxable	\$108,000
Recaptured Grant Revolving Loan Fund	\$6,000
Capital Projects Fund	\$1,131,500
Special Assessment Fund	\$80,000
Brown Bridge Trust Fund	\$800,000
Cemetery Trust Fund	\$20,000
Cemetery Perpetual Care Trust Fund	\$20,000
Automobile Parking System Fund	\$1,049,050
Sewer Fund	\$5,645,000
Water Fund	\$2,618,200
Duncan L. Clinch Marina Fund	\$581,650
Garage Fund	\$2,551,500
Municipal Retired Employees Health Insurance Fund	\$111,350
<u>Sub Total</u>	<u>\$35,447,900</u>
<u>Light &amp; Power including Fiber Optics</u>	<u>\$28,276,300</u>
<u>Downtown Development Authority Including TIFs</u>	<u>\$4,520,900</u>
<u>Grand Total</u>	<u>\$68,245,100</u>