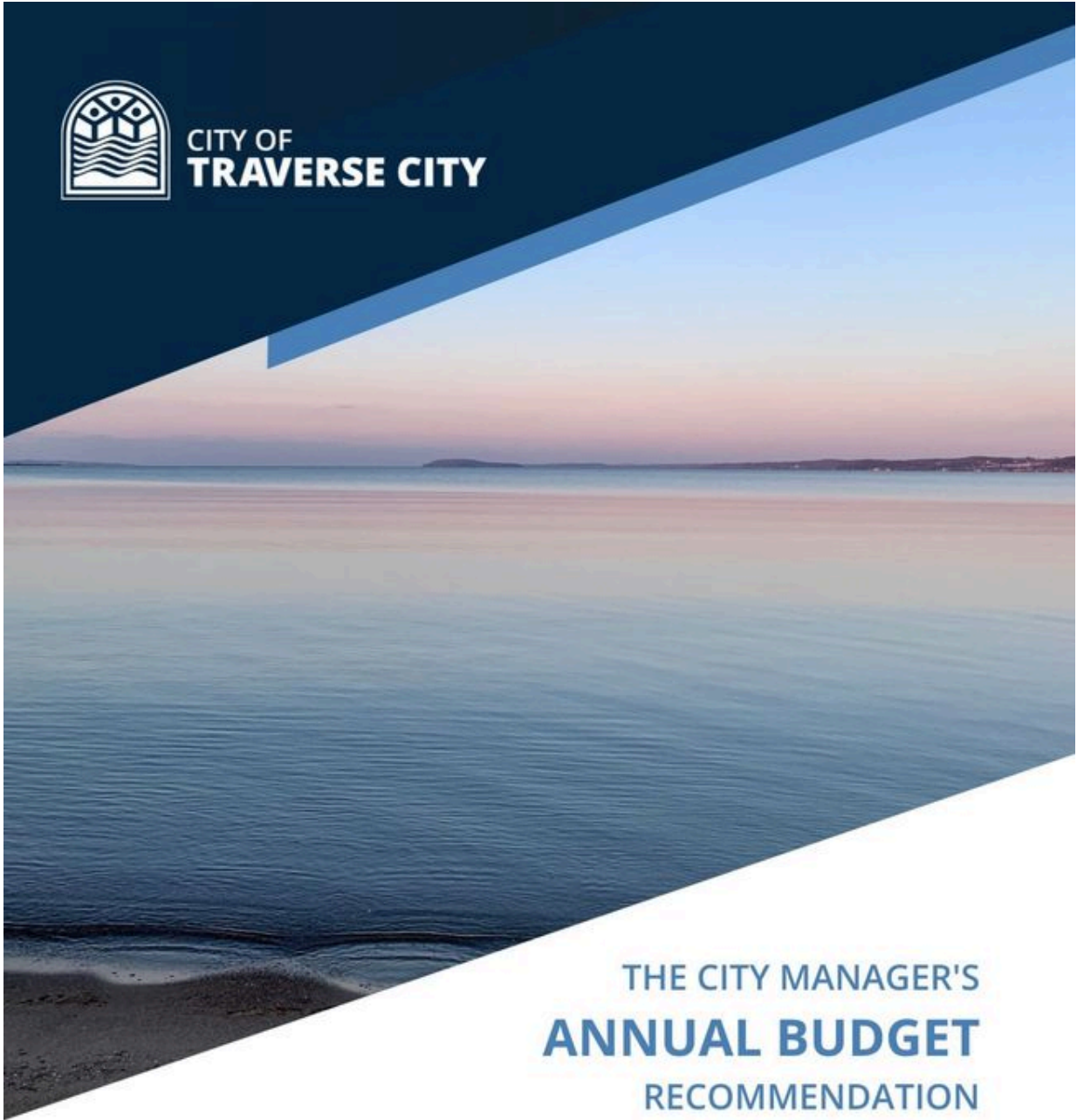




CITY OF
TRAVERSE CITY



THE CITY MANAGER'S
ANNUAL BUDGET
RECOMMENDATION
FY 2026-2027

Prepared by the City Treasurer's Office

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2026-2027 Budget Reader's Guide

Welcome to the City of Traverse City's Annual Operating Budget for the fiscal year beginning July 1, 2026, and ending June 30, 2027. Thank you for taking the time to learn about the appropriation of resources within the City of Traverse City. Hopefully, the time you invest in familiarizing yourself with this information will be time well spent. If you have historically reviewed our budget, you'll notice this year's format is much different than how it has been presented in the past. The City is committed to transparency and accountability in serving the citizens, businesses, and industries of the Traverse City community. This brief "Budget Reader's Guide" will help you understand this robust document as well as introduce you to the process that has led to its production.



Financial Structure Overview

The City (the "City") was incorporated in 1895. The City operates under a commission-manager form of government and provides services as authorized by its charter.

The City of Traverse City organizes its finances through a system of distinct "funds," each operating like a separate entity with its own balanced budget. This structure ensures transparency and accountability in how public resources are managed.

The General Operating Fund, or **General Fund**, serves as the City's primary operating fund and supports essential services that residents commonly associate with local government. These include police and fire protection, tax collection, elections, administrative operations, parks maintenance, and community planning and zoning. A full section of this document is dedicated to detailing the General Fund.

Under the **GASB 54 and Special Revenue Funds**, the City accounts for core services not covered by the General Fund. This includes street and right-of-way maintenance, the City Opera House, Brown Bridge Maintenance, the Senior Center, the Public Arts Commission, and more. Additionally, the **Fire Department** has been moved to a dedicated **Fire/EMS Fund** to align with a new voter-approved millage. The cost not recovered by the millage is supplemented by an annual General Fund appropriation. Information about the City's debt obligations is found in the **Debt Funds** section.

The **Enterprise Funds** section includes services that are largely self-funded through user fees. These cover operations such as Auto Parking, Clinch Park Marina, Hickory Hills, Water Delivery, and Wastewater Treatment. Each of these funds tracks revenues and expenses separately, allowing for more precise cost analysis.

Basis of Budgeting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund and permanent fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources' measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities for the current period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Budget Cycle



The City of Traverse City has developed a comprehensive, year-round budgeting process that ensures funding and appropriation decisions are based on thorough analysis and broad input. This 12-month cycle begins with the development of the Capital Improvement Plan (CIP) and concludes with an independent financial audit—completing the financial planning and accountability loop.

Capital Improvement Plan - In late fall each year, work begins on a 6-year capital improvement plan, or CIP. This plan lays out projects with a cost greater than \$50,000 and a useful life of more than one year. While inclusion in the CIP does not guarantee funding, it establishes a long-term framework for strategic capital investment. This forward-looking approach is especially important given ongoing funding challenges. The public is encouraged to provide input during this stage, and the finalized plan is adopted by the City Planning Commission and formally submitted to the City Commission.

Annual Operating Budget - The City of Traverse City Charter requires that the annual operating budget is approved no later than the first meeting in June. The operating budget will appropriate all resources that will flow through the City, matching expenditures with various sources of revenue. The current year's items from the CIP, that are recommended by the City manager, roll into the annual operating budget. As the CIP is wrapping up, the departmental budget is kicking off. Beginning in February, the departments start entering and identifying budget requests. In March, the City Manager and Treasurer's office review the requests with department heads, attempt to identify funding and make recommendations to develop a balanced budget. In May, the Administration and the Treasurer's office bring the summarized budget request to the City Commission for review and discussion, highlighting requested items recommended for approval and offering the opportunity to argue for items not recommended for approval. This process culminates in the document that you now hold in your hand which must be adopted by the City Commission.

Annual Independent Audit - Each year, the city retains an independent auditing firm to review the financial reports of the City and express an opinion on whether they fairly and adequately report the financial activities of the City. The results of this process are a vital part of the planning and budgeting process, as actual results are analyzed and compared with what was budgeted and appropriated. Any variances are closely analyzed, and necessary adjustments are made in subsequent planning efforts.

The City of Traverse City is dedicated to responsible financial stewardship. Every phase of the budgeting and reporting process is designed to be transparent and accountable to the public. By engaging stakeholders, maintaining rigorous internal review, and upholding independent oversight, the City ensures that taxpayer resources are managed effectively and in the best interest of the community.

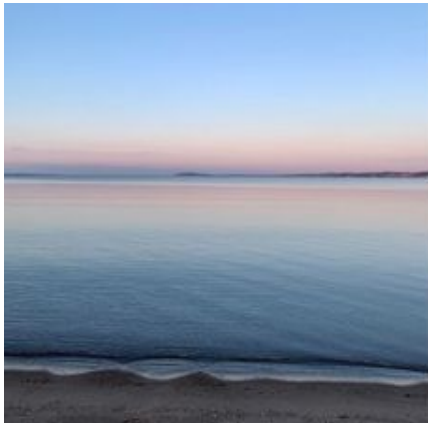
Discretely Presented Component Units

The City has adopted the position of the Governmental Accounting Standards Board (GASB) regarding the definition of the “reporting entity”. The following component units are included in the City’s reporting entity.

Downtown Development Authority (the “DDA”) • Includes the DDA General Fund, the Tax Incremental Financing District #97, and the Old Town Tax Incremental Financing District Special Revenue Funds. Effective 7/1/2024, the City took over parking services from the DDA, that activity is reported under Enterprise funds.

Traverse City Light and Power (the “Department”) - Includes the Light and Power Enterprise Fund and the Fiber Enterprise Fund

These discretely presented component units are legally separate, and while the City is not responsible for the operations of the entities, the City is financially accountable for them. In addition, the City appoints the DDA’s Board of Trustees and the Department’s Board of Directors. The budgets of these entities must be approved by the City Commission and the City has the ability to influence their operations.



Traverse City: A Brief History

Traverse City, situated at the head of Grand Traverse Bay in Northern Michigan, is a community rooted in both natural beauty and rich cultural history. The area is part of the ancestral and contemporary lands of the **Anishinaabe people**, including the **Grand Traverse Band of Ottawa and Chippewa Indians**, who have lived on and cared for this land for generations. Their enduring presence continues to shape the region’s identity and cultural landscape.

Grand Traverse Bay received its name from 18th-century French voyageurs who referred to their route across the mouth of the bay—from present-day Norwood to Northport—as *la grande traverse*, meaning “the long crossing.” Originally French territory, the area later became part of the British Province of Quebec before being ceded to the United States in 1783 following the Treaty of Paris, becoming part of the Northwest Territory.

Modern settlement began in **1847**, when **Captain Horace Boardman** of Naperville, Illinois, purchased land at the mouth of the Boardman River (then known as the Ottawa River). Along with his son and their employees, he built a home and a sawmill near the river’s mouth. In **1851**, the sawmill was sold to **Hannah, Lay & Co.**, a firm led by **Perry Hannah**, who significantly

expanded its operations. This growth spurred the development of the surrounding community, and Perry Hannah is now widely regarded as the **founding father of Traverse City**.

From its Indigenous roots and French exploration to its rise as a milling town, Traverse City has evolved into a dynamic hub for culture, tourism, and civic life—while continuing to honor its past and the people who have shaped it.

Executive Summary



City Manager Benjamin Marentette

The proposed budget for Fiscal Year 2026–2027 for the City of Traverse City reflects the continued commitment to transparent, strategic, and community-centered financial planning. Developed through close collaboration with department heads, it aligns fiscal resources with the City's responsibilities for providing essential services, ensuring public safety, and maintaining long-term financial stability.

This budget balances the delivery of core municipal services with targeted investments that support the City's long-term vision. The City operates through a fund-based financial structure that promotes accountability and clarity in how public resources are allocated, ensuring that services such as public safety, infrastructure, parks, and community planning remain reliable and sustainable.

Collaborative Approach

This budget is the result of detailed departmental reviews, coordination across City leadership, and a long-term planning mindset. Through this collaborative approach, the City is advancing vital services, investing in its workforce, and enhancing the infrastructure that supports Traverse City's quality of life.

Departments worked collectively to identify operational needs, capital priorities, and strategic opportunities, ensuring that resources are aligned not only with current service demands but also with future community goals. This approach strengthens organizational alignment and supports informed decision-making across all areas of City operations.

Long-Term Financial and Organizational Considerations

Personnel costs remain the largest expenditure, totaling approximately **\$30.5 million across all funds**.

The budget reflects a balanced approach across:

- General Fund (core services)
- Special Revenue Funds (dedicated funding sources)
- Enterprise Funds (user-fee supported services)
- Internal Service Funds (shared services like IT)

The City continues to navigate a changing workforce environment. Like many municipalities, the City faces ongoing challenges related to recruitment and retention, as well as the need to remain competitive with wages and benefits in an evolving labor market. These factors must be balanced with service expectations and long-term financial sustainability.

For the FY 2026–2027 budget, new positions are not being recommended. However, positions have been reallocated to better align staffing resources with operational needs and strategic priorities. While this approach supports efficiency in the near term, additional staffing needs may need to be considered in future budget cycles as service demands evolve and strategic initiatives advance.

In addition, the City anticipates the retirement of several experienced employees in the coming years. This will require proactive workforce planning strategy to ensure continuity of operations, maintain institutional knowledge, and support the transition of leadership across departments.

As part of this broader financial strategy, the City has included a \$1,200,000 contribution to the Municipal Employees' Retirement System (MERS) in the 2025/2026 budget, as recommended by the City Commission on February 17, 2026. This contribution represents an intentional effort to draw down General Fund fund balance and improve the City's pension funding status, bringing it closer to the State of Michigan's 60% funded threshold. Recent union agreements have resulted in increased wages over the next several years, which will impact long-term pension liabilities. The City will continue to monitor these impacts and may consider adjustments to future annual contributions to ensure long-term fiscal stability.

At the same time, the ability to sustain both core services and strategic investments will depend on clearly defined and sustainable funding strategies. As projects identified through the Strategic Action Plan and OKRs move forward, the City will

need to continue identifying and aligning funding sources, including existing revenues, grants, partnerships, and potential policy decisions. Balancing these investments with ongoing operational needs will remain a key focus of future budget planning.

The City is also evaluating budgetary impacts as it approaches the expiration of TIF 97 in 2027. From an administrative and financial standpoint, the future of TIF will directly impact future budgeting, fund balance strategy, and long-term financial planning. We have a tremendous amount of facility maintenance and investment needs on the near-medium term horizon, including a new facility for our primary transport services which is not funded by the 2023 millage, and facilities needs. I anticipate that these projects could exceed tens of millions of dollars.

Decisions on how to sustainably fund both core services and strategic investments tied to the Commission's OKRs and the Strategic Action Plan will need to be made. The outcome of discussions related to TIF 97 will influence how the City plans for the next decade and beyond, including investment levels, revenue strategies, and the ability to advance key community priorities.

Core Services & Major Investments (Baseline / Ongoing Operations & Asset Maintenance)

The Fiscal Year 2026–2027 budget prioritizes continued investment in the City's core services and major infrastructure systems, which are essential to maintaining reliable operations, meeting regulatory requirements, and preserving the City's assets over time. These investments represent the foundation of service delivery and ensure the City can sustain current service levels while addressing ongoing maintenance and lifecycle replacement needs.

A significant portion of funding is directed toward transportation and street infrastructure, including annual street reconstruction, pavement preservation, traffic signal improvements, and bridge maintenance. These investments support safe and efficient mobility throughout the City while protecting the long-term condition of the roadway network. The North Union Street Bridge repair project is one such example, representing a proactive investment to address structural needs, extend the life of a critical asset, and avoid more costly reconstruction in the future.

The City also continues to make substantial investments in its water and wastewater systems, with major projects such as the Headworks and UV improvements, membrane replacement program, lift station upgrades, and ongoing system maintenance. These projects are critical to regulatory compliance, environmental protection, and system reliability, and represent some of the most significant capital commitments within the budget.

In addition, funding is allocated to stormwater management, including continued implementation of the Stormwater Management Plan and annual allocations to address system needs. These efforts are essential to managing runoff, protecting water quality, and improving system resilience.

Public safety and facility investments remain a priority, with funding for equipment such as police body cameras, cardiac monitor systems, and necessary facility repairs to ensure safe and effective service delivery. Supporting these efforts, the City maintains its commitment to fleet and equipment replacement, ensuring operational readiness across all departments.

The budget also includes ongoing investment in the parking system, including parking deck restoration, lot reconstruction, and equipment upgrades, as well as facility maintenance improvements such as HVAC system replacements to preserve City-owned assets.

Conclusion

Underlying these investments is a continued focus on implementing a comprehensive asset management approach. By proactively maintaining infrastructure, scheduling timely replacements, and prioritizing preventative maintenance, the City is able to extend the useful life of its assets, reduce the risk of costly failures, and avoid more significant capital expenses in the future. This approach not only protects past and current investments but also promotes long-term financial sustainability and responsible stewardship of public resources.

Collectively, these core service and major investment areas reflect a disciplined approach to asset management—focusing on maintaining infrastructure, ensuring compliance, and supporting the daily operations that residents rely on. These foundational investments are critical to sustaining service delivery today while positioning the City to support future strategic initiatives.

It is an honor of my professional lifetime to serve as City Manager for the City of Traverse City, supporting the City Commission, our excellent employee team and this incredible community. I want to specifically thank our employees - at all

levels of the organization – for their devotion to their work, continuous improvement and conscientiousness; their desire is singularly focused: making our community better.

Yours in service,

A handwritten signature in black ink, appearing to read "Benjamin Marentette". The signature is stylized and cursive.

Benjamin Marentette

City Manager

Strategic Alignment

The Fiscal Year 2026–2027 budget represents the first full implementation cycle of the [Strategic Action Plan](#) (adopted June 2025), the [City Commission's Objectives and Key Results](#) (OKRs, adopted January 2026), and the [OKR Work Plan](#) (adopted March 2026). This budget reflects a deliberate and integrated approach to aligning financial resources with the City's long-term priorities.

As implementation continues, advancing these priorities will require the ongoing identification of necessary resources, including funding, staffing capacity, external partnerships, and policy support. This work is iterative and will continue to evolve as projects are refined, timelines are adjusted, and new opportunities emerge. The budget reflects this dynamic approach by integrating strategic initiatives into both departmental operations and capital planning.

It is important to recognize that many of the projects included in this budget are the result of several years of planning, coordination, and evaluation. Large-scale infrastructure and community investments require time to identify funding sources, align internal capacity, and coordinate with external partners. While this budget reflects the first full year of formal SAP and OKR implementation, many of the projects outlined have been in development well before their adoption.

At its foundation, the City's budget continues to prioritize core services that support regulatory compliance, system reliability, and uninterrupted service delivery. Investments in water and wastewater infrastructure, streets and mobility systems, fleet and equipment, and public safety facilities represent the backbone of City operations. Notably, nearly half of the General Fund is dedicated to public safety services, including police and fire, underscoring the City's ongoing commitment to emergency response, community safety, and essential service delivery.

At the same time, the budget advances targeted strategic investments aligned with the SAP pillars, with a concentration in:

- Placemaking and neighborhood character (Pillar 2)
- Urban design and mobility (Pillar 1)
- Environmental sustainability and resilience (Pillar 5)

Many capital projects are designed to deliver multiple benefits, reflecting an intentional approach to maximize the impact of each investment. Projects such as Monroe Street reconstruction integrate utility replacement, stormwater improvements, and Complete Streets elements—supporting infrastructure reliability while also advancing mobility, environmental, and placemaking objectives.

This integrated framework demonstrates how the City is:

- Maintaining and reinvesting in core systems, while
- Advancing community-driven priorities through strategic investments

In addition to capital improvements, SAP and OKR implementation is supported through a range of organizational, operational, and staff-driven initiatives. Many elements of the OKR work plan rely on internal coordination, policy development, partnership building, and ongoing service delivery to achieve measurable outcomes.

The following examples highlight initiatives that have been accomplished, are underway, or planned in the near term, demonstrating how staff efforts are advancing strategic priorities:

- Elevation and expansion of the Communications Department to the Department of Communications and Strategic Initiatives, to serve as a key partner to the City Manager in driving achievement of strategic priorities, routine, transparent reporting, and resource allocation
- Focused, reinvigorated efforts to develop a stormwater management
- Establishment of the President's Council to enhance cross-departmental alignment
- Partnership with the Grand Traverse Conservation District to expand day camp programming at Hickory Hills
- Joint City Commission and Planning Commission coordination to align the SAP with the Master Plan
- Continued public education efforts, including Water and Wastewater Treatment Plant tours
- Strengthening relationships with elected officials and regional partners
- Evaluation of park usage fees to support long-term system sustainability

- Convening of the Complete Streets Committee to guide implementation of mobility priorities

These efforts reflect the ongoing work of City staff to integrate the SAP and OKRs into daily operations and decision-making. While not exhaustive, this list illustrates how strategic progress is being achieved through both capital investments and operational execution.

As projects move from planning into implementation, funding strategies will remain a critical component of success. Identifying and securing sustainable funding sources—whether through existing revenues, grants, partnerships, or future policy decisions—will be necessary to advance projects while maintaining the City's commitment to fiscal responsibility.

Overall, this budget reflects a disciplined approach to financial planning—ensuring that core service delivery remains strong while strategic investments and staff-led initiatives continue to move the City forward in alignment with the SAP and OKRs.

STRATEGIC PILLARS EQUITABLE & SUSTAINABLE



SAP & OKR Alignment & Implementation

The following investments in the Fiscal Year 2026–2027 budget are aligned with the community's vision and contribute to long-term outcomes associated with placemaking, sustainability, and economic development priorities.

Projects denoted with an asterisk are specifically identified in the OKR Work Plan.

PILLAR 1: Proactively Manage Urban Design

Proactively manage urban design to protect local character and community feel

(Streets, infrastructure design, mobility, safety, and system planning)

- Complete Streets General Fund Allocation of 1% of Expenditures*
- Union & 7th Intersection (mobility improvements)*
- 7th Street Reconstruction Design*
- 16th & Cass Pedestrian Crosswalk*
- Boardman/Washington/Cass Brownfield Project*
- Bike Infrastructure & Mobility Amenities*
- Monroe Reconstruction (street + utilities coordination + mobility improvements)

PILLAR 2: Strengthen Placemaking & Neighborhood Character

Protecting the character of downtown and neighborhoods

(Public spaces, parks, trails, community gathering spaces)

- Rotary Square*
- Lot B Farmers Market Pavilion*
- Lower Boardman/Ottaway Riverwalk Phase 1*
- Tennis/Pickleball Courts*
- East Side Placemaking Project (People for Public Spaces Grant)*
- TC Vibes Council*
- Destination Downtown*
- Gateway Sculpture (public art)*
- West Front Traffic Calming Project (public art)*
- Downtown Community Police Officer*
- Garfield Avenue Sidewalk Infill*
- West Boardman Lake Trail Maintenance*
- Spring Lake Property Improvements*
- River's Edge Riverwalk*
- Boardman/Washington/Cass Brownfield Project*
- Retail Study
- Hickory Hills Mountain Bike Trail
- Highland Park Improvements
- Citywide Park Bathroom Upgrades
- Open Space Master Plan / Design

PILLAR 3: Fostering a Regional Collaborative Approach

To help manage resources, utilities, and climate adaptation, and lead on key issues

(Partnership-driven, multi-agency, watershed, and regional systems)

- Stormwater System Compliance & MS4 Implementation*
- 11th Street Kids Creek Culvert*
- Add Communications Staffing*
- SAP/OKR Dashboard*
- Employee Performance Software*
- TIF Funded Stormwater Investments*
- East Bay Park Storm Sewer Outlet (*regional water impact*)
- Brown Bridge Quiet Area – Spring Lake (GTCD)
- Marina Master Plan & CAMIS Marina System (MDNR partnership)
- DDA/Grant-funded coastal habitat restoration (NOAA)
- EGLE-funded West End environmental cleanup

PILLAR 4: Creating a Complete Community

Build socio-economic systems and amenities that foster demographic balance

(Housing, accessibility, community services, equity, and quality of life)

- Housing & Homelessness Investments, with a dedicated appropriation of 1% of the General Fund Budget for Homelessness Services

- CDBG Housing Initiatives
- Citywide ADA / accessibility-related improvements (embedded across projects)
- Public restroom upgrades (equity/access)
- Sidewalk network expansion (Garfield Ave, etc.)
- Traverse Connect Economic Development Services retainer: piloted MiHome Program, legislative and policy advocacy for childcare programs and center expansion*

PILLAR 5: Support Environmental Sustainability

Helping to adapt to a challenging world and supporting a thriving ecosystem

(Climate, water quality, green infrastructure, resilience)

- Stormwater System Compliance & MS4 Implementation*
- Stormwater Management Plan *(strategic portion beyond compliance)**
- Upcoming, reinvigorated work on developing a stormwater management
- Composting Program*
- Boardman Riverwall Study*
- Green Fleet Investments*
- Wastewater system modernization (strategic resilience component)*
 - WWTP UV & Headworks Project (energy reduction)
 - Sanitary Sewer Lining Program (energy reduction)
- Lakeshore Restoration*
- Brown Bridge Boardwalk
- Green infrastructure integration (embedded in street projects like Monroe)
- EV Charging Infrastructure Replacement

PILLAR 6: Build a Thriving Year-Round Economy

Expand business diversity and innovation capability to build a year-round economy

(Downtown vitality, sustainable tourism, business environment, economic activity)

- Parking system enhancements (user experience + economic access + TDM approaches)*
- East Front Street Design*
- Farmers Market Pavilion *(economic + placemaking overlap)**
- Rotary Square *(event + economic activation)**
- Traverse Connect Economic Development Services retainer (talent-focused economic development, strengthening year-round employment; uncrewed systems (drone) industry cluster development; targeted industry attraction*)
- Marina improvements (tourism + recreation economy)
- Destination Downtown Program
- Retail Study

City Commission 2025-2027

Elected officials play a significant role in the operations of the City. They have the final adoptive authority in each process detailed in this guide. They set strategic plans into place and guide many of the decisions related to the appropriation of resources. In the picture below, from left to right are; Jackie Anderson, Mayor Pro Tem Laura Ness, Mitchell Treadwell, Mayor Amy Shamroe, Lance Boehmer, Kenneth Funk, & Heather Shaw to familiarize readers with the names and faces of the officials that have been elected to guide and direct City staff in the delivery of services.



Mission: *The mission of the Traverse City City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the city's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.*

City Commission

Amy Shamroe - Mayor

Laura Ness - Mayor Pro Tem

Jackie Anderson - City Commissioner

Lance Boehmer - City Commissioner

Kenneth Funk - City Commissioner

Heather Shaw - City Commissioner

Mitchell Treadwell - City Commissioner

History of Employee Count by Department

	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
City Manager	3	3	3	3	3	3	3	3	3	3	3
Human Resources	2	2	2	2	2	2	2	3	3	3	3
City Attorney	2	2	2	2	2	2	2	2	2	2	0
Communications and Strategic Initiatives	0	0	0	0	0	0	0	0	0	1	2
City Engineering	6	6	7	7	7	8	8	8	8	9	9
Planning & Zoning	4	4	4	4	4	4	4	5	5	5	5
City Clerk	4	4	4	4	5	5	5	5	6	5	5
City Assessor	4	4	4	4	4	4	4	4	4	4	4
City Treasurer/Utility Accounting	10	10	10	10	10	10	10	10	10	10	10
Director of Public Services	1	1	1	1	1	1	1	1	1	1	0
Asset Management	2	2	2	2	2	2	2	2	2	2	2
IT/GIS Department	1	1	1	1	1	1	1	1	2	3	3
Marina	*0.5	*0.5	*0.5	*0.5	*0.5	0	0	0	0	1	1
Hickory Hills	*0.5	*0.5	*0.5	*0.5	*0.5	1	1	1	1	1	1
City Cemetery	1.5	1.5	1.5	1.5	1.5	1.5	2	2	2	2	2
Senior Center	1	1	1	1	0	0	0	0	0	0	0
Auto Parking Services	1	0	0	0	0	0	0	0	14	14	14
Director of Public Utilities	1	1	1	1	1	1	1	1	1	1	2
Water Treatment Plant	6	6	6	6	6	6	6	6	6	7	7
Mobility Infrastructure	15	15	15	15	15	16	16	16	16	17	17
Fleet Management	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5
Parks & Recreation	13	13	13	13	13	13	13	13	13	14	15
Water & Sewer Maintenance	11	11	11	11	11	11	11	11	11	11	10
Police Department	30	30	30	31	31	32	34	36	37	38	38
Fire Department	24	24	24	26	26	26	29	29	30	35	36
Total	152	151	152	155	155	159	164.5	168.5	186.5	198.5	198.5

*Hickory Hills and Marina position was split by 1 employee

.5 employees are part-time (Garage and Cemetery)

Summary of Annual Personnel

Changes 2026-2027: None proposed

2025-2026: Positions for City Commission approval: (1) Systems Administrator; (1) Forestry/Parks Maintenance Worker; (1) Water Treatment Plant Operator; (1) Marina Dockmaster; (1) Stormwater Specialist/Equipment Operator; (1) Detective Sergeant; (1) Project Coordinator; (6) Firefighter/Paramedic; Existing Communications Manager moving from Clerk's Office to Communications Department.

2024-2025: New positions added in the fiscal year: (1) IT Support Specialist (1) EMS Administrator (1) Clerks Office Operations Coordinator (14) Parking Services

2023-2024: New positions added in the fiscal year: (1) HR Specialist; (1) Deputy Planner (1) Social Worker (1) School Officer

2022-2023: New positions added in the fiscal year: (3) Firefighters, (1) Police Social Worker (1) North Boardman Police Officer, Cemetery Office Clerk from Part-time to full-time

2021-2022: New positions added in the fiscal year: (1) FT Hickory Hills Mgr; Fire Admin Assistant; (1) Equipment Operator (1) Engineering-Cad; (made part-time Police Administrative clerk to Full-Time)

2020-2021: New positions added in the fiscal year: (1) Communications Specialist added to Clerk's Office; Senior Center Director retired (did not fill)

2019-2020: New positions added in the fiscal year: (1) DDA Community Police Officer (2) Fire Fighters

2018-2019: New positions added in the fiscal year: (Planning/Engineering Admin position was split into two full-time positions, Planning Admin and Engineering Admin)

2017-2018: New positions added in the fiscal year: (no positions added) Auto Parking Retirement (not Filled)

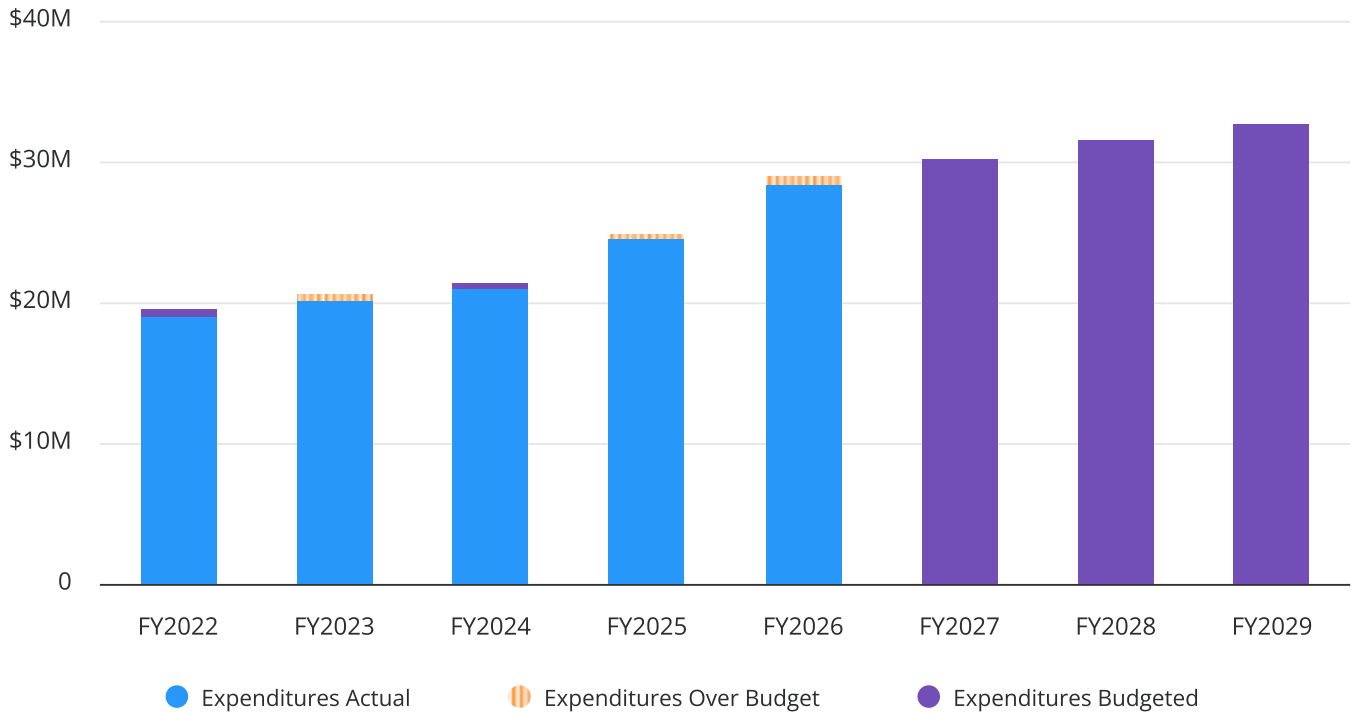
2016-2017: New positions added in the fiscal year: (1) HR Director; (1) GIS Coordinator; (1) Patrol Officer; (1) Fire Inspector; (1) Director of Public Utilities; (1) Forester (not filled, not included in count)

Personnel Summary

Below is a summary of total personnel wages & benefit costs for all employees across all funds. Personnel is a fixed cost based on contract negotiations and agreements.

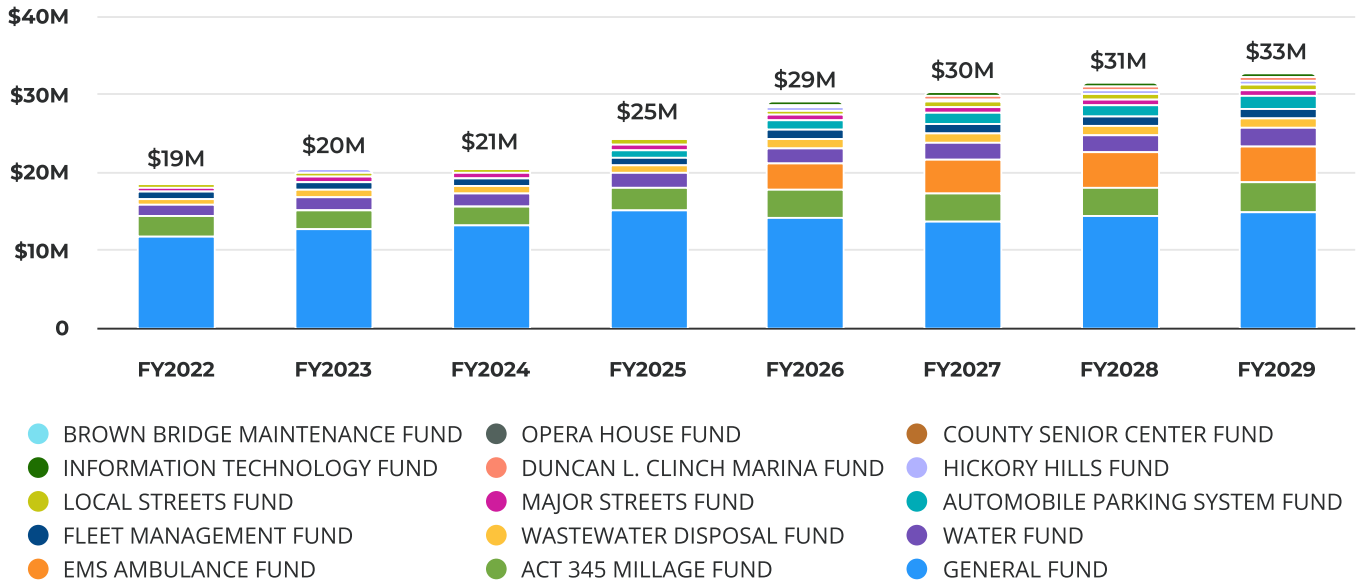
Payroll Expenditure Summary

Historical Payroll Expenditures Across Expense Type Summary



Payroll Expenditures by Fund

Historical Payroll Expenditures by Fund



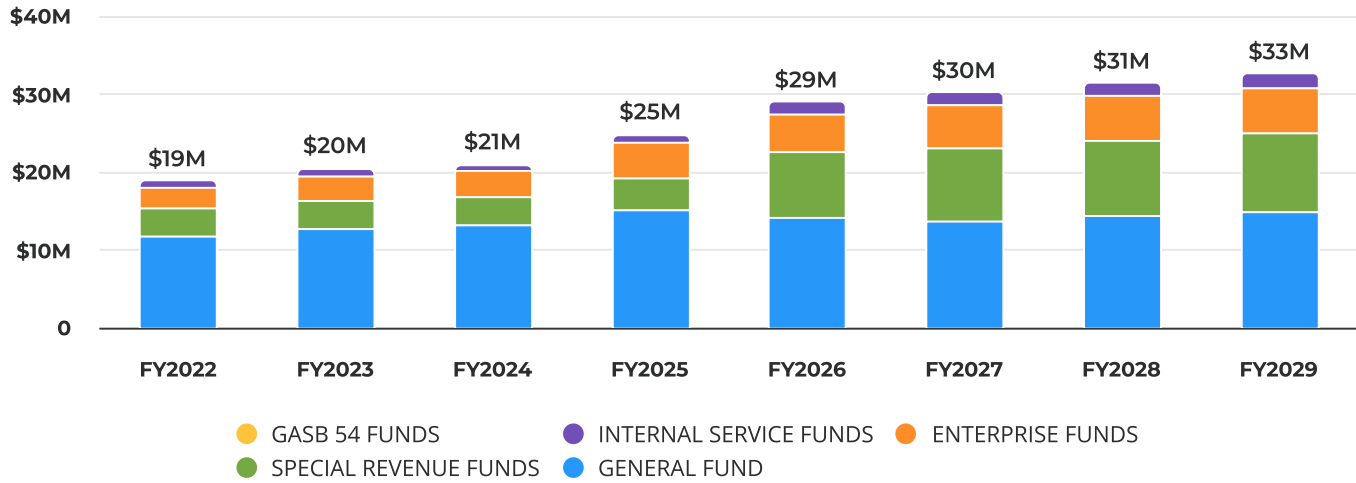
FY27 Payroll Expenditures by Fund



● GENERAL FUND	\$13,620,250	45.15%
● EMS AMBULANCE FUND	\$4,308,400	14.28%
● ACT 345 MILLAGE FUND	\$3,634,500	12.05%
● WATER FUND	\$2,107,400	6.99%
● AUTOMOBILE PARKING SYSTEM FUND	\$1,373,400	4.55%
● WASTEWATER DISPOSAL FUND	\$1,238,900	4.11%
● FLEET MANAGEMENT FUND	\$1,197,400	3.97%
● MAJOR STREETS FUND	\$719,100	2.38%
● LOCAL STREETS FUND	\$717,400	2.38%
● INFORMATION TECHNOLOGY FUND	\$464,600	1.54%
● HICKORY HILLS FUND	\$444,200	1.47%
● DUNCAN L. CLINCH MARINA FUND	\$338,600	1.12%
● COUNTY SENIOR CENTER FUND	\$3,100	0.01%
● OPERA HOUSE FUND	\$500	0.00%

Payroll Expenditures by Fund Summary

Historical Payroll Expenditures by Fund Summary



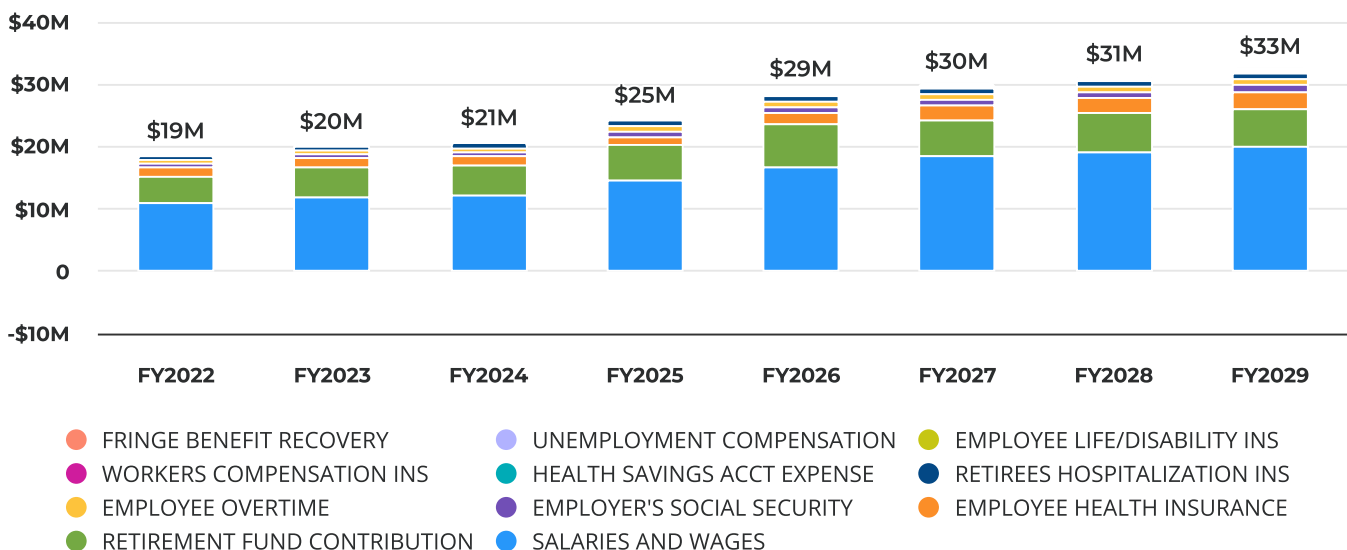
The primary source of revenue to cover personnel costs is the General Fund & special revenue funds are the property tax revenue & Fire/EMS millage. Enterprise & Internal service fund costs are covered by fees generated by the fund.

Payroll Expenditures by Fund Summary

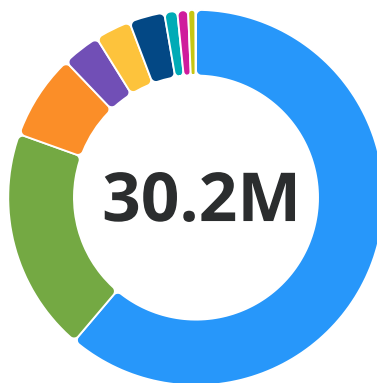
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$15,177,221	\$14,444,460	\$14,151,000	\$13,620,250	\$14,234,450	\$14,828,000
GASB 54 FUNDS	\$7,557	\$1,800	\$2,500	\$3,600	\$3,100	\$3,000
SPECIAL REVENUE FUNDS	\$4,084,866	\$7,593,500	\$8,391,200	\$9,379,400	\$9,748,100	\$10,051,900
ENTERPRISE FUNDS	\$4,449,650	\$4,854,700	\$4,917,800	\$5,502,500	\$5,689,800	\$5,905,000
INTERNAL SERVICE FUNDS	\$1,033,430	\$1,505,300	\$1,465,600	\$1,662,000	\$1,738,600	\$1,822,100
Total Expenditures	\$24,752,724	\$28,399,760	\$28,928,100	\$30,167,750	\$31,414,050	\$32,610,000

Payroll Expenditures by Object

Historical Payroll Expenditures by Object



FY27 Expenditures by Object



● SALARIES AND WAGES	\$18,461,400	61.20%
● RETIREMENT FUND CONTRIBUTION	\$5,817,650	19.28%
● EMPLOYEE HEALTH INSURANCE	\$2,225,000	7.38%
● EMPLOYER'S SOCIAL SECURITY	\$986,900	3.27%
● EMPLOYEE OVERTIME	\$939,100	3.11%
● RETIREES HOSPITALIZATION INS	\$917,500	3.04%
● HEALTH SAVINGS ACCT EXPENSE	\$336,900	1.12%
● WORKERS COMPENSATION INS	\$277,900	0.92%
● EMPLOYEE LIFE/DISABILITY INS	\$196,100	0.65%
● UNEMPLOYMENT COMPENSATION	\$9,300	0.03%

Payroll Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES AND WAGES	\$14,693,402	\$16,466,800	\$16,702,500	\$18,461,400	\$19,191,800	\$19,878,500
EMPLOYEE OVERTIME	\$890,950	\$737,260	\$897,200	\$939,100	\$926,700	\$963,200
FRINGE BENEFIT RECOVERY	\$0	\$0	-\$12,300	\$0	\$0	\$0
HEALTH SAVINGS ACCT EXPENSE	\$315,060	\$333,600	\$339,500	\$336,900	\$337,000	\$337,100
EMPLOYER'S SOCIAL SECURITY	\$837,877	\$912,700	\$945,300	\$986,900	\$1,024,100	\$1,064,700
EMPLOYEE HEALTH INSURANCE	\$1,403,549	\$2,002,800	\$1,893,900	\$2,225,000	\$2,458,150	\$2,718,700
EMPLOYEE LIFE/DISABILITY INS	\$116,469	\$132,400	\$137,300	\$196,100	\$201,100	\$206,900
RETIREMENT FUND CONTRIBUTION	\$5,522,842	\$6,649,600	\$6,814,000	\$5,817,650	\$6,068,400	\$6,232,800
RETIREES HOSPITALIZATION INS	\$722,986	\$923,500	\$923,500	\$917,500	\$917,500	\$917,500
UNEMPLOYMENT COMPENSATION	\$17,446	\$13,400	\$8,600	\$9,300	\$9,300	\$9,300
WORKERS COMPENSATION INS	\$232,144	\$227,700	\$278,600	\$277,900	\$280,000	\$281,300
Total Expenditures	\$24,752,724	\$28,399,760	\$28,928,100	\$30,167,750	\$31,414,050	\$32,610,000

Nine EMS positions approved in FY 2025/2026 but not budgeted until FY 2026/2027 contribute to the significant increase in personnel costs.

Personnel Changes

For the FY 2026–2027 budget, no new positions are being recommended. However, positions have been reallocated to better align staffing resources with operational needs and strategic priorities. While this approach supports efficiency in the near term, additional staffing needs may need to be considered in future budget cycles as service demands evolve and strategic initiatives advance.

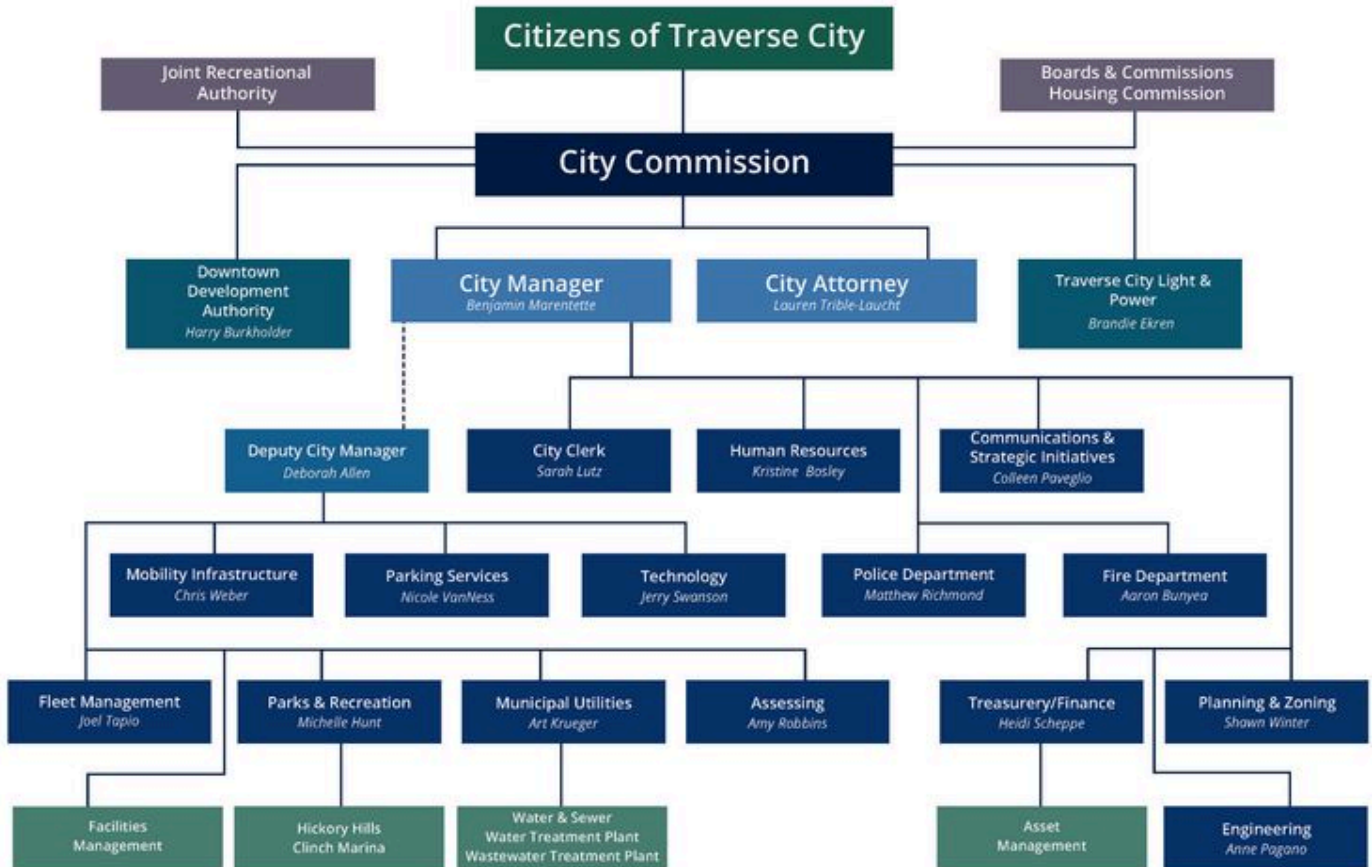
As part of ongoing efforts to ensure long-term financial sustainability, the City will continue evaluating staffing needs in alignment with its broader financial outlook. This includes convening the City Commission Ad Hoc Committee on Fund Balance in the fall, which will also review pension obligations and overall fiscal capacity. Based on these discussions and emerging service demands, new positions may be considered and brought forward through a mid-year budget amendment, if appropriate. In accordance with Charter Section 38, the City Manager is authorized to fix the compensation of officers and employees within the appropriations approved in this budget.

Lastly, City Attorney Lauren Tribble-Laucht has tendered her resignation, effective June 30, 2026. The City Commission has indicated a desire to retain a firm, rather than an in-house City Attorney. The City Attorney's Budget has been reorganized to adjust funding allocations based on the City Commission's direction.

2026/27 Organizational Chart



ORGANIZATIONAL CHART



Funds Description

General Fund: The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

GASB 54 Funds: These funds are used to account for and report the activity of specific revenue sources that are ultimately rolled into the General Fund for financial reporting purposes.

Special Revenue Funds: Account for the proceeds of specific revenue sources (other than permanent trust or major capital projects) that are set aside for a specific purpose.

Debt Service Funds: Account for the accumulation of resources set aside to meet current and future debt service requirements on general long-term debt.

Capital Project Funds: Account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Permanent Funds: Account for resources that are legally restricted to specific uses.

Enterprise Funds: Account for the operations that are financed and operated in a manner similar to a private business enterprise, where costs are primarily recovered through user charges.

Internal Service Funds: Account for fleet and equipment management and Information Technology services provided to other departments or agencies of the government, on a cost reimbursement basis.

Component Unit Funds: Account for operations maintained and operated by related entities of the City created through State Statute or City Charter.

Major Funds

A Major Fund is described by GFOA Government Finance Officers Association as those funds whose revenues, expenditures/expenses, assets or liabilities are at least ten percent of the total for their fund category (governmental or proprietary) and five percent of the aggregate of all governmental and proprietary funds in total. The City also has the discretion to report funds that do not meet these guidelines as Major Funds. Governmental Major Funds identified in the City 2024/25 audit are; General Fund, Major Streets Fund, Local Streets Fund, Senior Center Building Fund, Capital Projects Fund and the Brown Bridge Trust Fund. Proprietary Major Funds include; Wastewater Plant, Water Plant, Hickory Hills, Marina, and the Automobile Parking Fund.

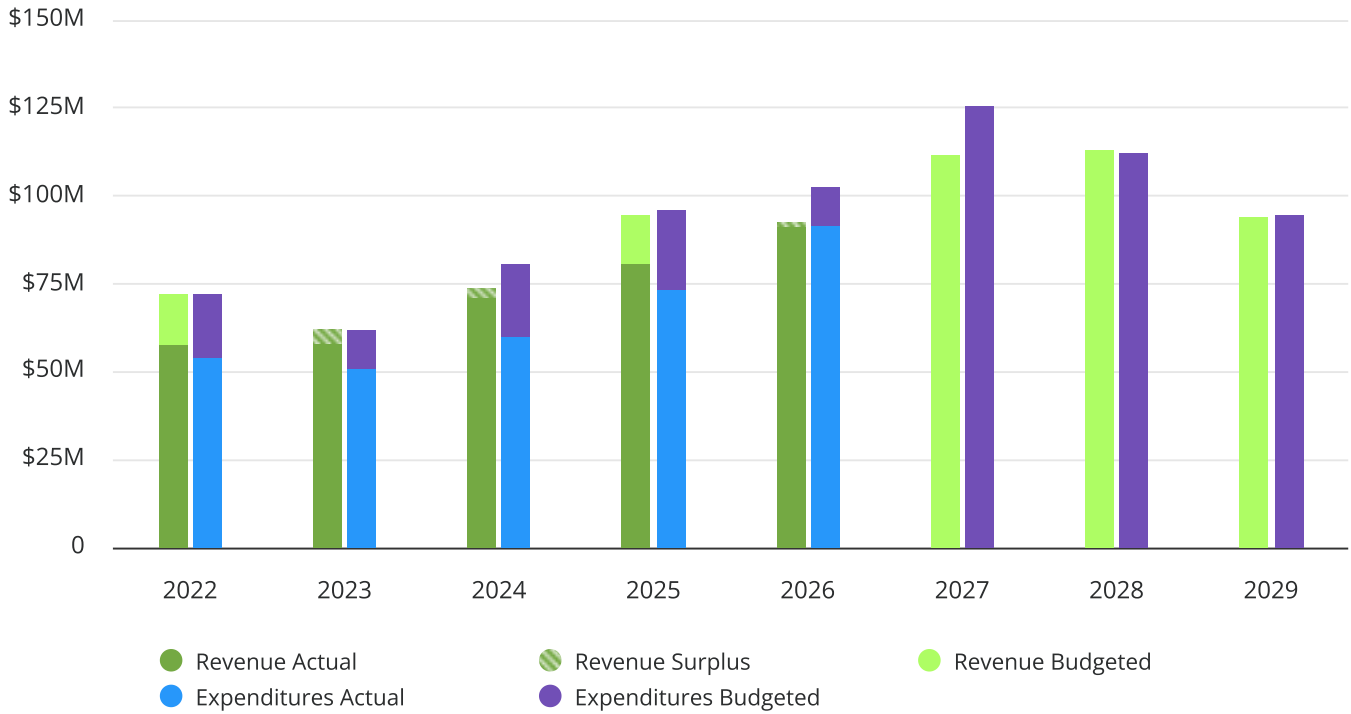
Funds, Departments, & Activities

<p>GENERAL OPERATING FUND</p> <p>City Commission (101-101) City Manager (101-172) Asset Management Division (101-174) City Clerk (101-215) City Treasurer (101-253) City Assessor (101-257) Facilities Maintenance (101-265) City Attorney (101-266) Communications & Strategic Initiatives (101-267) Human Resources (101-270) Appropriations (101-272) Police Department (101-301) Substance Response (101-302) Mobility Infrastructure (101-441) City Engineering (101-447) Oakwood Cemetery (101-567) Planning & Zoning Dept (101-701) Parks & Recreation (101-751) Contingencies (101-941) Transfers to Other Funds (101-966)</p>	<p>SPECIAL REVENUE FUNDS</p> <p>GASB 54 Funds Budget Stabilization (102) Hazardous Materials (103) Carnegie Building (104) Senior Center Operations & Maintenance (105) BrownBridge Maintenance (106) Public Arts Commission (107) Coast Guard Committee (108) Banner Program (109) Opera House (110) Economic Development (112) Other Special Revenue Funds Major Streets (202) State Trunkline (202-204) Local Streets (203) EMS - Ambulance (210) Tree Ordinance (211) Act 302 Police Training (214) College Parking (231) Act 345 Millage (233) Brown Bridge Trust Parks Improvement (239) Traverse City/Garfield Joint Planning (241) PEG Capital (251) CDBG Grant SEFA #14.218 (272)</p>	<p>DEBT SERVICE FUNDS</p> <p>Parking Bond Debt Retirement (306) Sidewalk & Trail Debt Retirement (309)</p> <p>CAPITAL PROJECT FUNDS</p> <p>Street Capital Project (447) Boardman Lake Trail (488) Governmental Capital Projects (499) Special Assessments (812)</p> <p>PERMANENT FUNDS</p> <p>Cemetery Perpetual Care (151) Cemetery Trust (152) Brown Bridge Trust (153)</p> <p>ENTERPRISE FUNDS</p> <p>Hickory Hills (504) Parking System (514) Wastewater (590) Water (591) Marina (594)</p> <p>INTERNAL SERVICE FUND</p> <p>IT/G.I.S. (636-000/636-261) Fleet Management (661)</p>
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FUND NUMBERS ARE LISTED BESIDE FUND DESCRIPTIONS IN PARENTHESIS.

Primary Government Summary

Revenues vs Expenditures Summary



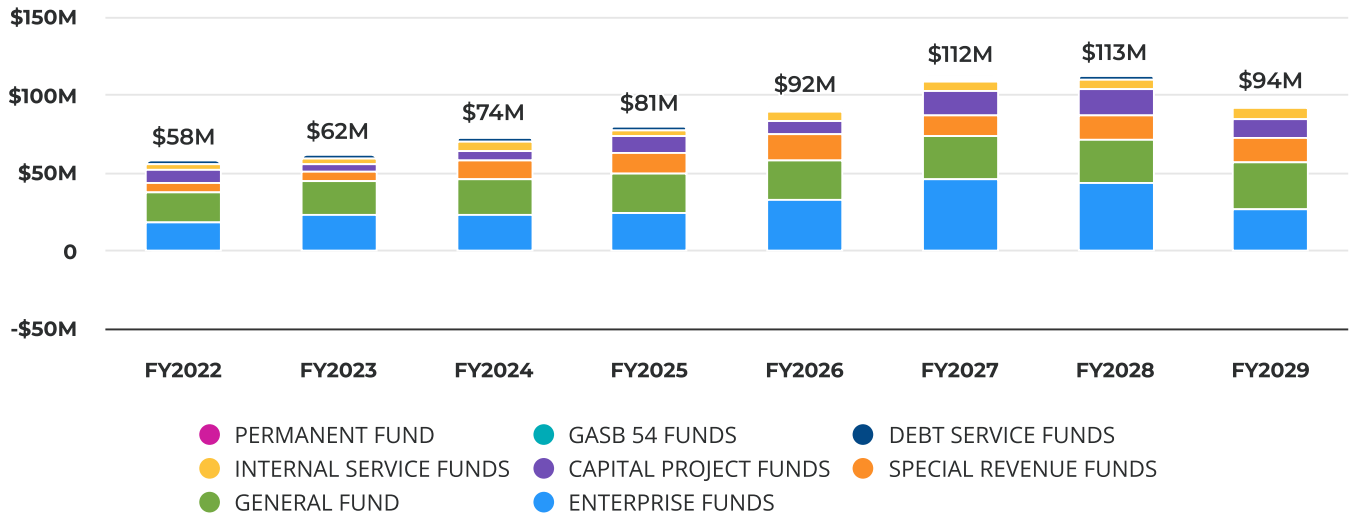
Above is a summary of historical activity throughout all primary funds in the City.

Revenues by Fund

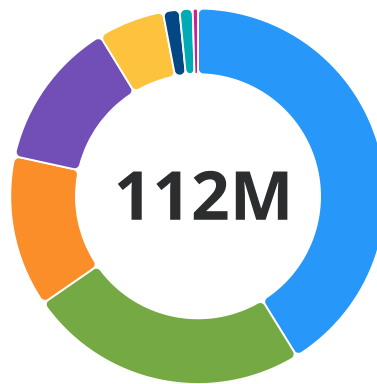
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
BUDGET STABILIZATION FUND	\$290,651	\$34,000	\$531,000	\$533,000	\$233,200	\$233,500
ECONOMIC DEVELOPMENT FUND	\$23,585	\$19,700	\$16,500	\$9,500	\$6,800	\$4,100
GENERAL FUND	\$25,886,752	\$25,655,790	\$25,942,800	\$26,993,000	\$27,612,400	\$29,830,200
HAZ-MAT FUND	\$19,355	\$19,600	\$19,800	\$40,500	\$43,400	\$41,300
CARNEGIE BUILDING FUND	\$108,300	\$85,500	\$86,300	\$99,700	\$99,000	\$106,000
COUNTY SENIOR CENTER FUND	\$48,982	\$100,000	\$111,000	\$115,000	\$125,000	\$135,000
BROWN BRIDGE MAINTENANCE FUND	\$125,949	\$115,000	\$167,300	\$126,500	\$128,500	\$131,000
PUBLIC ARTS COMMISSION FUND	\$45,000	\$61,000	\$72,000	\$80,000	\$60,000	\$60,000
COAST GUARD COMMITTEE FUND	-	\$200	-	\$200	\$200	\$200
BANNER PROGRAM FUND	\$1,200	\$1,400	\$700	\$1,200	\$1,200	\$1,200
OPERA HOUSE FUND	\$90,558	\$198,000	\$249,000	\$253,200	\$238,100	\$239,100
EMS AMBULANCE FUND	\$1,322,637	\$4,594,600	\$4,756,100	\$5,515,600	\$6,235,900	\$6,600,800
CEMETERY PERPETUAL CARE TRUST FUND	\$27,350	\$26,000	\$25,000	\$28,000	\$28,000	\$28,000
CEMETERY TRUST FUND	\$29,076	\$29,300	\$39,000	\$35,000	\$35,000	\$35,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
BROWN BRIDGE TRUST FUND	\$697,400	\$416,600	\$660,000	\$447,200	\$399,000	\$376,000
MAJOR STREETS FUND	\$2,044,273	\$2,036,900	\$2,284,300	\$2,795,200	\$2,827,000	\$2,934,000
LOCAL STREETS FUND	\$1,484,212	\$1,634,600	\$1,766,700	\$1,847,400	\$2,018,600	\$2,062,800
TREE ORDINANCE FUND	\$26,223	\$17,600	\$32,300	\$12,300	\$12,400	\$12,400
ACT 302 POLICE TRAINING FUND	\$62,630	\$35,200	\$41,300	\$42,900	\$42,900	\$45,500
MCCAULEY ESTATE TRUST FUND	\$884	-	-	-	-	-
COLLEGE PARKING FUND	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200
ACT 345 MILLAGE FUND	\$3,163,639	\$3,074,600	\$3,348,700	\$3,442,600	\$4,227,800	\$4,421,100
CDBG FUND SEFA#14.218	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
BRWN BRIDGE TRUST PARKS IMPROVEMENT FUND	\$81,907	\$71,550	\$3,020,000	\$15,000	\$10,000	\$5,000
PEG CAPITAL FUND	\$22,458	\$19,000	\$17,100	\$18,000	\$17,900	\$17,800
SENIOR CENTER BUILDING FUND	\$4,985,006	-	-	-	-	-
ARPA CORONAVIRUS FISCAL RECOVERY FUND	\$500,319	\$380,000	\$385,000	-	-	-
PARKING DECK BOND REDEMPTION-NON TAXABLE	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	-
SIDEWALK & TRAIL DEBT RETIREMENT FUND	\$756,866	\$756,400	\$756,500	\$756,000	\$759,900	\$763,000
STREET CAPITAL PROJECTS FUND	\$4,981,153	\$3,772,600	\$3,665,500	\$6,280,800	\$4,849,100	\$3,929,900
BOARDMAN LAKE TRAIL CONSTRUCTION FUND	\$171,550	\$24,000	\$46,800	\$46,000	\$46,300	\$46,500
CAPITAL PROJECTS FUND	\$4,676,000	\$5,353,280	\$4,985,500	\$8,177,000	\$11,630,100	\$7,983,000
HICKORY HILLS FUND	\$734,900	\$717,000	\$875,000	\$1,109,000	\$1,154,800	\$1,218,000
AUTOMOBILE PARKING SYSTEM FUND	\$3,838,880	\$3,543,600	\$3,686,400	\$3,834,500	\$3,876,500	\$3,852,500
WASTEWATER DISPOSAL FUND	\$11,709,640	\$20,296,000	\$14,560,900	\$32,765,800	\$27,111,800	\$13,079,000
WATER FUND	\$6,513,830	\$10,066,000	\$12,203,500	\$7,414,100	\$10,410,800	\$7,471,600
DUNCAN L. CLINCH MARINA FUND	\$795,880	\$791,400	\$853,600	\$853,600	\$861,800	\$874,400
FLEET MANAGEMENT FUND	\$4,330,480	\$4,943,600	\$5,052,800	\$5,350,600	\$5,595,000	\$5,856,500
SPECIAL ASSESSMENT FUND	\$70,320	\$82,500	\$71,000	\$71,000	\$71,000	\$71,000
INFORMATION TECHNOLOGY FUND	-	\$915,500	\$904,000	\$1,033,000	\$1,085,200	\$1,139,800
Total Revenues	\$80,602,822	\$91,126,520	\$92,472,500	\$111,622,100	\$113,016,400	\$93,989,400

Historical Revenues by Fund Type Summary



FY27 Revenues by Fund Summary



Fund Type	Revenue	Percentage
ENTERPRISE FUNDS	\$45,977,000	41.19%
GENERAL FUND	\$26,993,000	24.18%
CAPITAL PROJECT FUNDS	\$14,574,800	13.06%
SPECIAL REVENUE FUNDS	\$14,343,000	12.85%
INTERNAL SERVICE FUNDS	\$6,383,600	5.72%
DEBT SERVICE FUNDS	\$1,581,700	1.42%
GASB 54 FUNDS	\$1,258,800	1.13%
PERMANENT FUND	\$510,200	0.46%

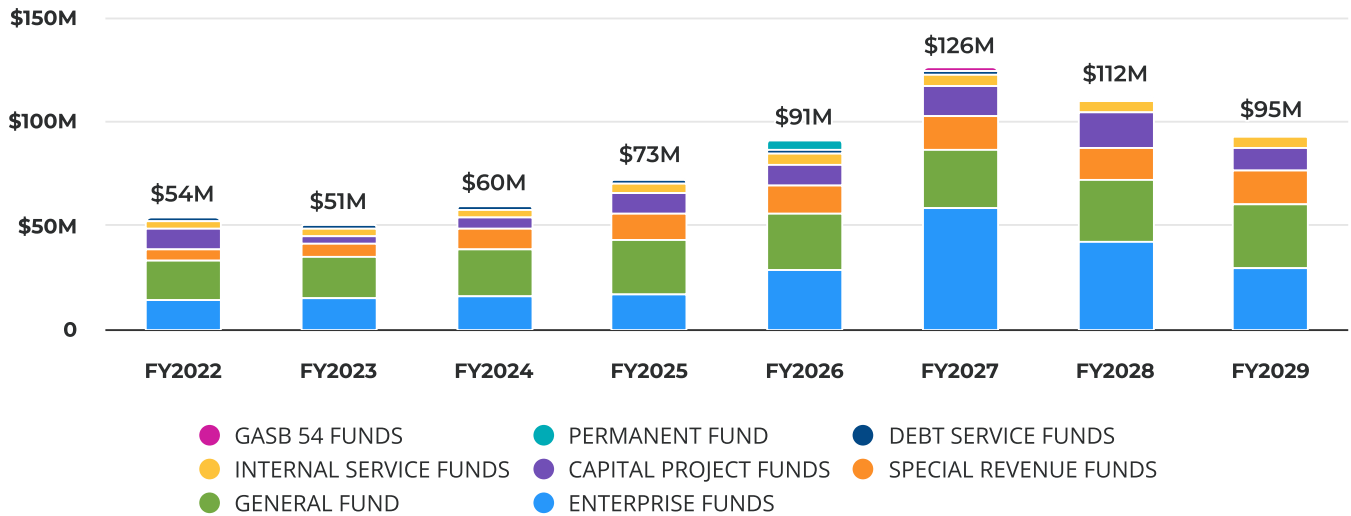
Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
BUDGET STABILIZATION FUND	\$31,875	\$34,000	\$31,000	\$33,000	\$33,200	\$33,500
ECONOMIC DEVELOPMENT FUND	\$478,064	\$19,700	\$16,300	\$61,400	\$61,900	\$62,300
GENERAL FUND	\$26,195,921	\$28,185,920	\$27,600,700	\$28,551,600	\$29,901,300	\$30,542,300
HAZ-MAT FUND	\$41,617	\$49,200	\$40,200	\$40,500	\$43,400	\$41,300
CARNEGIE BUILDING FUND	\$158,886	\$85,500	\$84,500	\$109,500	\$98,600	\$105,800
COUNTY SENIOR CENTER FUND	\$63,532	\$186,600	\$146,800	\$176,000	\$188,200	\$200,300
BROWN BRIDGE MAINTENANCE FUND	\$70,647	\$213,400	\$80,400	\$248,500	\$79,700	\$79,900
PUBLIC ARTS COMMISSION FUND	\$13,521	\$80,000	\$80,000	\$118,000	\$105,000	\$105,000
COAST GUARD COMMITTEE FUND	\$0	\$500	\$500	\$4,000	\$500	\$500
BANNER PROGRAM FUND	\$0	\$1,400	\$700	\$1,200	\$1,200	\$1,200
OPERA HOUSE FUND	\$183,499	\$325,300	\$337,000	\$253,000	\$237,900	\$238,700
EMS AMBULANCE FUND	\$21,146	\$4,920,600	\$4,663,700	\$6,232,200	\$6,434,150	\$6,632,600
CEMETERY PERPETUAL CARE TRUST FUND	\$60,360	\$104,000	\$105,000	\$105,000	\$75,000	\$45,000
CEMETERY TRUST FUND	\$19,460	\$9,300	\$12,000	\$10,000	\$10,000	\$10,000
BROWN BRIDGE TRUST FUND	\$432,020	\$1,030,000	\$4,332,600	\$300,000	\$250,000	\$225,000
MAJOR STREETS FUND	\$2,007,809	\$2,197,840	\$2,120,900	\$2,289,600	\$2,390,800	\$2,452,800
LOCAL STREETS FUND	\$1,465,626	\$1,634,600	\$1,756,700	\$1,847,400	\$2,018,600	\$2,062,800
TREE ORDINANCE FUND	\$0	\$15,000	\$0	\$50,000	\$5,000	\$5,000
ACT 302 POLICE TRAINING FUND	\$20,878	\$35,200	\$33,200	\$67,900	\$67,900	\$64,000
MCCAULEY ESTATE TRUST FUND	\$155,783	\$0	\$0	\$0	\$0	\$0
COLLEGE PARKING FUND	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200
ACT 345 MILLAGE FUND	\$2,713,273	\$2,600,900	\$3,524,300	\$3,634,500	\$3,727,500	\$3,817,500
CDBG FUND SEFA#14.218	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
BRWN BRIDGE TRUST PARKS IMPROVEMENT FUND	\$348,065	\$196,050	\$284,000	\$1,229,000	\$750,000	\$750,000
PEG CAPITAL FUND	\$6,020	\$21,200	\$20,700	\$6,000	\$6,500	\$7,000
SENIOR CENTER BUILDING FUND	\$5,159,962	\$0	\$0	\$0	\$0	\$0
ARPA CORONAVIRUS FISCAL RECOVERY FUND	\$480,183	\$380,000	\$385,000	\$0	\$0	\$0
PARKING DECK BOND REDEMPTION-NON TAXABLE	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	\$0
SIDEWALK & TRAIL DEBT RETIREMENT FUND	\$756,866	\$756,400	\$756,400	\$756,000	\$759,900	\$763,000
STREET CAPITAL PROJECTS FUND	\$1,868,220	\$7,921,500	\$5,441,900	\$5,389,700	\$4,553,000	\$3,016,000
BOARDMAN LAKE TRAIL CONSTRUCTION FUND	\$330,000	\$340,000	\$340,000	\$350,000	\$365,000	\$375,000
CAPITAL PROJECTS FUND	\$7,844,080	\$6,291,480	\$4,431,700	\$9,082,300	\$11,627,600	\$7,980,500
HICKORY HILLS FUND	\$968,070	\$906,700	\$974,500	\$1,223,000	\$1,253,800	\$1,312,000
AUTOMOBILE PARKING SYSTEM FUND	\$3,274,150	\$4,396,600	\$3,777,400	\$6,797,600	\$4,192,300	\$4,778,150
WASTEWATER DISPOSAL FUND	\$7,314,280	\$20,765,500	\$13,754,300	\$38,161,900	\$25,449,400	\$13,270,800
WATER FUND	\$4,709,010	\$11,734,600	\$9,261,100	\$10,639,800	\$10,093,150	\$9,099,100

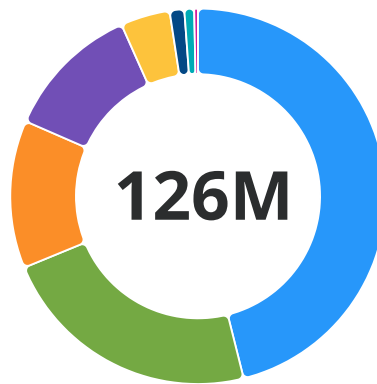
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
DUNCAN L. CLINCH MARINA FUND	\$513,500	\$692,020	\$642,100	\$1,099,600	\$864,100	\$833,700
FLEET MANAGEMENT FUND	\$4,013,620	\$4,291,500	\$4,298,700	\$4,336,100	\$4,248,000	\$4,344,600
SPECIAL ASSESSMENT FUND	\$316,140	\$0	\$0	\$0	\$0	\$0
INFORMATION TECHNOLOGY FUND	\$0	\$915,500	\$786,600	\$1,009,700	\$1,031,000	\$1,082,900
Total Expenditures	\$72,971,063	\$102,576,510	\$91,360,000	\$125,693,700	\$112,085,400	\$94,722,450

The Senior Center was completed in 2025 and the Building fund was closed in the 2024/2025 fiscal year. ARPA fund will be closed out in the 2025/2026 fiscal year.

Historical Expenditures by Fund Summary



FY27 Expenditures by Fund Summary

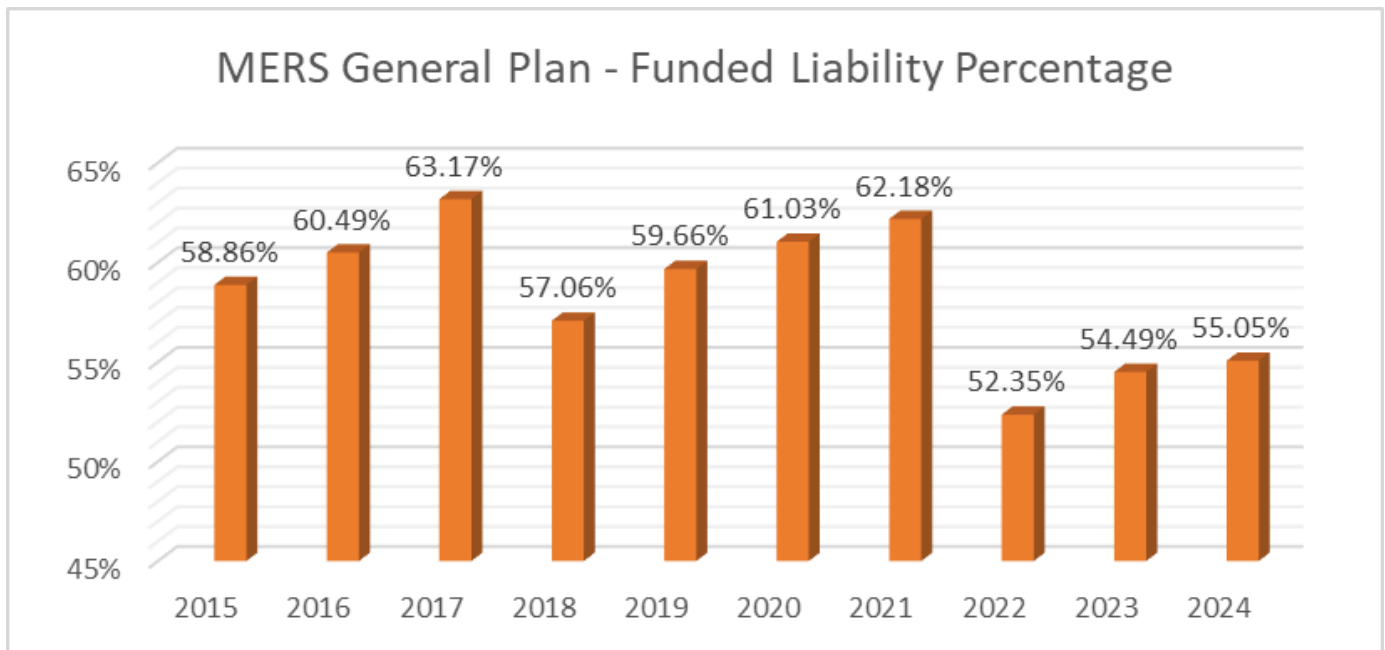


ENTERPRISE FUNDS	\$57,921,900	46.08%
GENERAL FUND	\$28,551,600	22.72%
SPECIAL REVENUE FUNDS	\$16,010,600	12.74%
CAPITAL PROJECT FUNDS	\$14,822,000	11.79%
INTERNAL SERVICE FUNDS	\$5,345,800	4.25%
DEBT SERVICE FUNDS	\$1,581,700	1.26%
GASB 54 FUNDS	\$1,045,100	0.83%
PERMANENT FUND	\$415,000	0.33%

Expenditures by Fund Summary

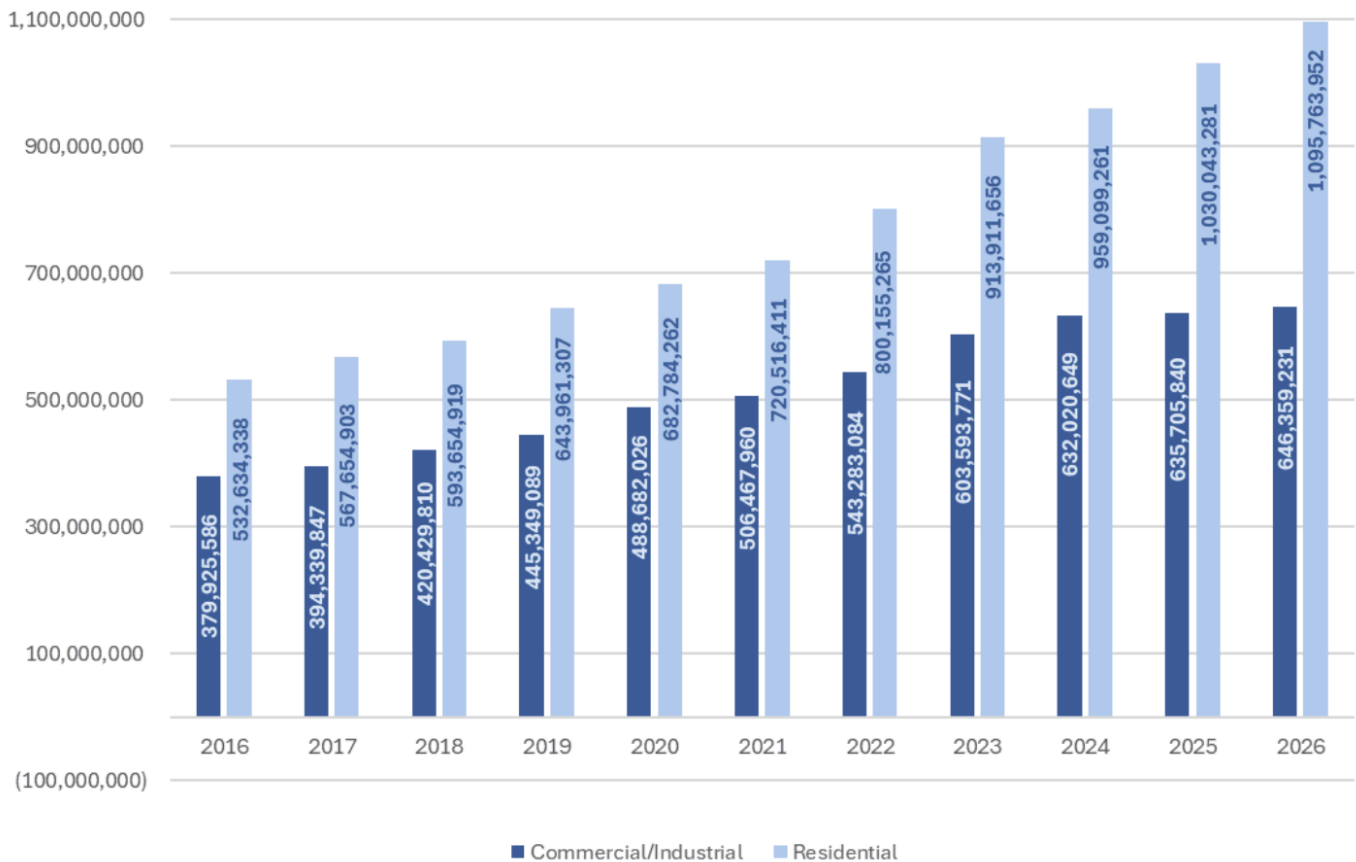
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$26,195,921	\$28,185,920	\$27,600,700	\$28,551,600	\$29,901,300	\$30,542,300
GASB 54 FUNDS	\$1,041,642	\$995,600	\$817,400	\$1,045,100	\$849,600	\$868,500
SPECIAL REVENUE FUNDS	\$12,400,003	\$12,365,390	\$13,153,100	\$16,010,600	\$15,779,650	\$16,175,900
ENTERPRISE FUNDS	\$16,779,010	\$38,495,420	\$28,409,400	\$57,921,900	\$41,852,750	\$29,293,750
PERMANENT FUND	\$511,840	\$1,143,300	\$4,449,600	\$415,000	\$335,000	\$280,000
INTERNAL SERVICE FUNDS	\$4,013,620	\$5,207,000	\$5,085,300	\$5,345,800	\$5,279,000	\$5,427,500
DEBT SERVICE FUNDS	\$1,670,586	\$1,630,900	\$1,630,900	\$1,581,700	\$1,542,500	\$763,000
CAPITAL PROJECT FUNDS	\$10,358,440	\$14,552,980	\$10,213,600	\$14,822,000	\$16,545,600	\$11,371,500
Total Expenditures	\$72,971,063	\$102,576,510	\$91,360,000	\$125,693,700	\$112,085,400	\$94,722,450

City of Traverse City MERS General Employee Plan Pension Liability



The percent funded of the City's pension liability is an area that we are monitoring to ensure we comply with the Defined Benefit Pension Retirement Systems Waiver that the Commission approved at the March 17, 2025, meeting as required by the State of Michigan. We made the budgeted additional contribution of \$250,000 in July 2024 and \$300,000 in July 2025. The effects of this will not show in the actuarial valuation until December 2025 & 2026. We have included \$1,200,000 in this budget as recommended by the City Commission on February 17, 2026 as an attempt to draw down General Fund, fund balance. This should get us close to the required 60% funded by the State of Michigan. The current union contracts have significantly increased wages over the next couple of years. We will continue to review the pension liabilities as it relates to these increases, and may propose an increase in the additional annual contribution.

City of Traverse City Taxable Value History



Taxable values reflect annual equalized numbers and do not include any subsequent adjustments.

Historical Taxable Value

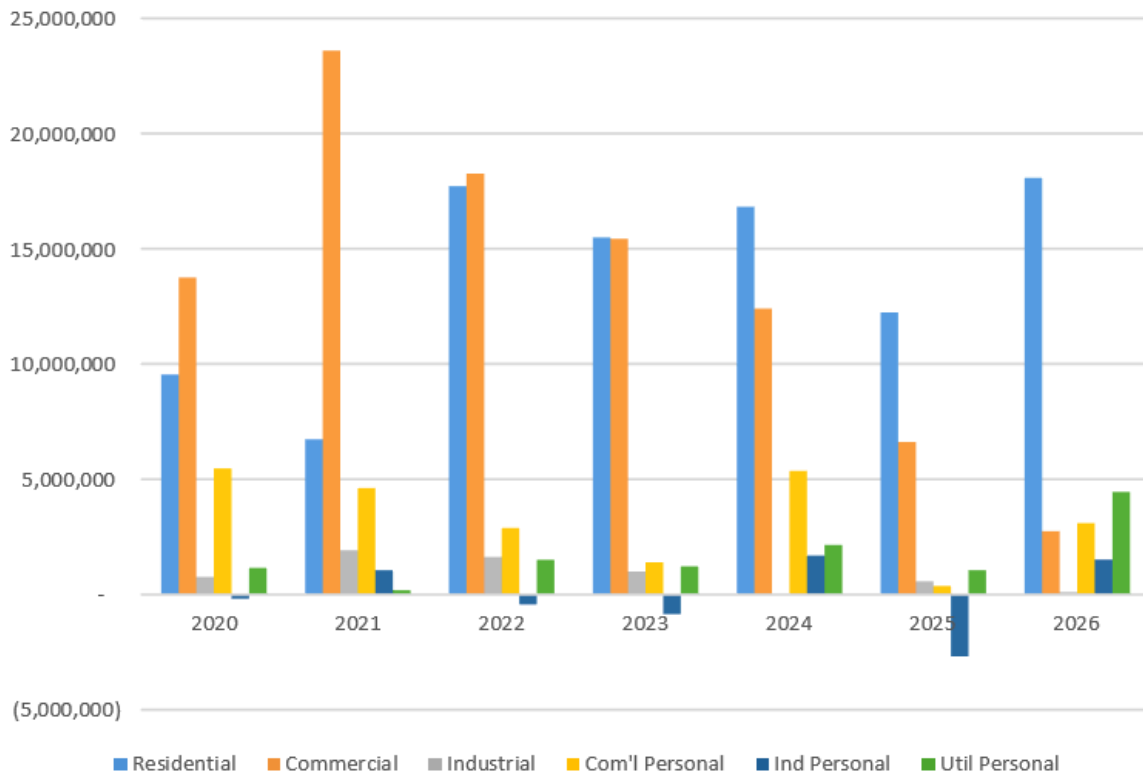
Taxable values, in general, change by the Inflation Rate Multiplier (IRM) annually unless there have been physical changes to a property such as New Construction or Demolition. This is the basis of the CAP on property taxes approved by voters through the passage of Proposal “A” of 1994. In addition, property improvements realized from New Construction will increase taxable values, while removing improvements (Demolition) will decrease taxable values.

In Michigan, there is also the Headlee amendment, which reduces the allowable millage rates the various taxing jurisdictions can charge taxpayers, so changes in revenue from taxes are limited to the rate of inflation. The Headlee amendment does allow for increased, or decreased, tax revenues due to new construction or demolition.

In essence, this means that taxpayers in Michigan have **two** restraints that limit how much their annual tax bills can change in any given year.

The chart above shows the past ten (10) years of historical taxable values for Commercial-Industrial and Residential property in Traverse City, along with the current 2026 taxable values. Through this chart, the leveling off of Commercial-Industrial taxable values over the past few years can be seen, while Residential taxable values continue to rise.

Increase in Taxable Value due to Construction



As one would expect after seeing what has been built around Traverse City over the past several years, residential properties have experienced the highest increase in taxable value. Although there has been significant new construction in the commercial property class, it has slowed significantly since the boom of 2021-2022.

This graph shows the changes in net taxable value due to construction and demolition by type (or classification) since 2020. The classes are listed below and include:

- **Residential** – homes and condominiums, and multi-unit properties with fewer than four (4) units
- **Commercial** – businesses except manufacturing, apartments and multi-unit residential properties with five (5) or more units
- **Industrial** – manufacturing
- **Commercial Personal** – furniture, fixtures, signs, equipment, computers, etc. used by a company to run the business
- **Industrial Personal** – manufacturing equipment as well as all furniture, fixtures, signs, equipment, computers, etc. used by a company to run the business
- **Utility Personal** – substations, transmission lines, fiber, etc. used by utility companies to get their product to consumers

All classes of property have experienced increases in taxable value due to construction. The exception is Industrial Personal Property, which has seen slight gains in some years, but overall the taxable value of this property class has declined. Through Statewide efforts to retain manufacturing businesses in Michigan, the taxable value of this class has decreased due to the phasing out of taxing this property class at the local level. This phase out began in 2013, by providing a property tax exemption for certain personal property for small businesses and qualified manufacturers. These businesses instead pay for an Essential Services Assessment (ESA), which is funneled through the State back to the local jurisdictions.

Tax Allocation

When property owners within the City of Traverse City pay their annual tax bills, a common misperception is that the entire amount collected stays with the City. In reality, only about \$0.27 of every \$1 in taxes paid is collected by the City. The other portion is collected on behalf of other taxing jurisdictions and is then paid to the jurisdiction within a couple of weeks of collection as governed by state law.

A primary source of revenue for FY2026/27 is property taxes levied on property within the City. Authorized tax levies in the form of millage (one mill equals \$1 in taxes for each \$1,000 in taxable value) are levied against the taxable value of a property by the Grand Traverse & Leelanau County Equalization Departments. The Assessor determines the taxable value of properties, which is then used to calculate the tax levy due each year.

Authorization

Authorization to levy the City's operating millage rests in the City Charter. The charter authorizes a maximum operating levy of 15 mills. Due to the Headlee Amendment, which restricts the growth in property tax levies, the City's operating millage has been reduced over the years and can only be increased back to the charter maximum levy by a vote of the City electors.

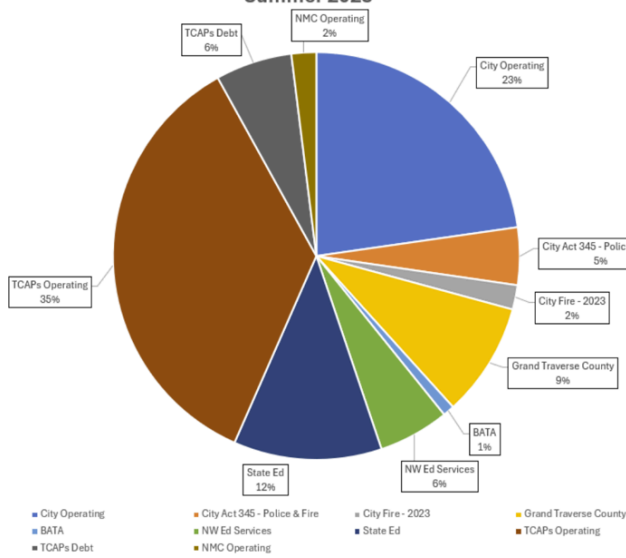
The Emergency Transportation Services Millage was established when the City electors approved the restoration of up to 1 mill for the purpose of the fire departments' emergency transportation services and facilities on November 7, 2023.

The Police and Fire Retirement Millage was established when the City established an Act 345 Retirement System for sworn officers of the police and fire departments when the city electorate voted for it in 1970. This millage rate is determined by comparing the City's taxable value to the annual required contribution to the pension determined by the annual actuarial valuation. The millage is set at a rate that will provide sufficient revenue to cover the required actuarial determined contribution.

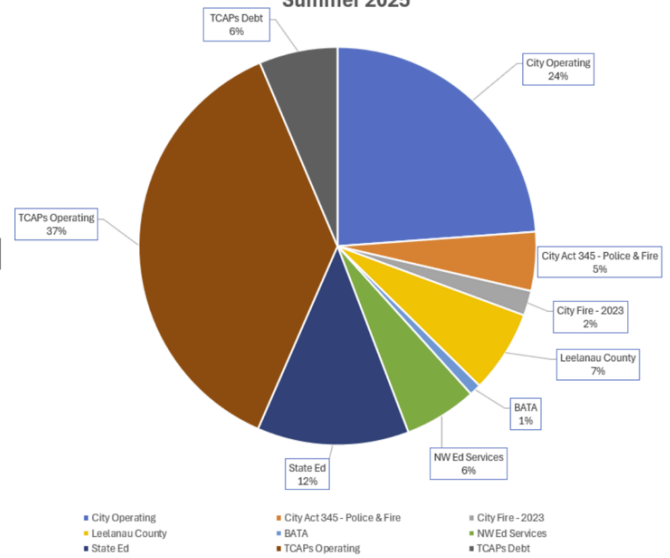
Property Tax Revenue Estimates

Property tax estimates throughout the FY2026/27 budget are based on preliminary numbers agreed upon between the City Assessor and the Grand Traverse and Leelanau County Equalization Departments. Conservative revenue estimates are utilized to provide some margin in the case of taxable value reductions through the Board of Review, State Tax Commission or Michigan Tax Tribunal. Once the roll is set and tax bills are sent out, the actual revenue received from taxes is not expected to change materially during the year.

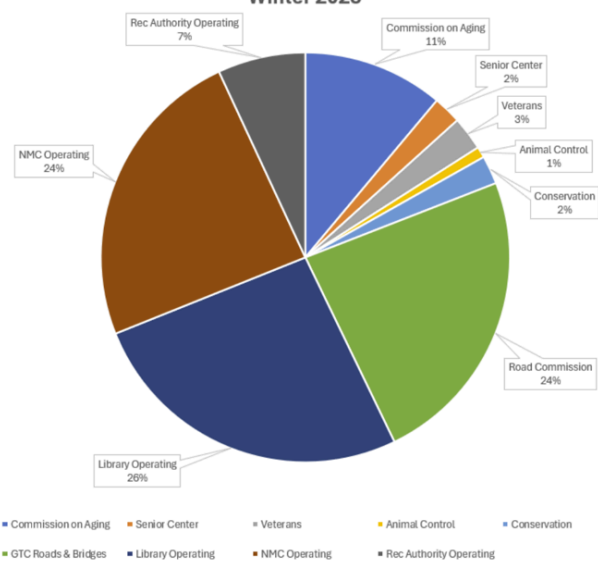
City of Traverse City, Grand Traverse County, Resident Tax Proportions - Summer 2025



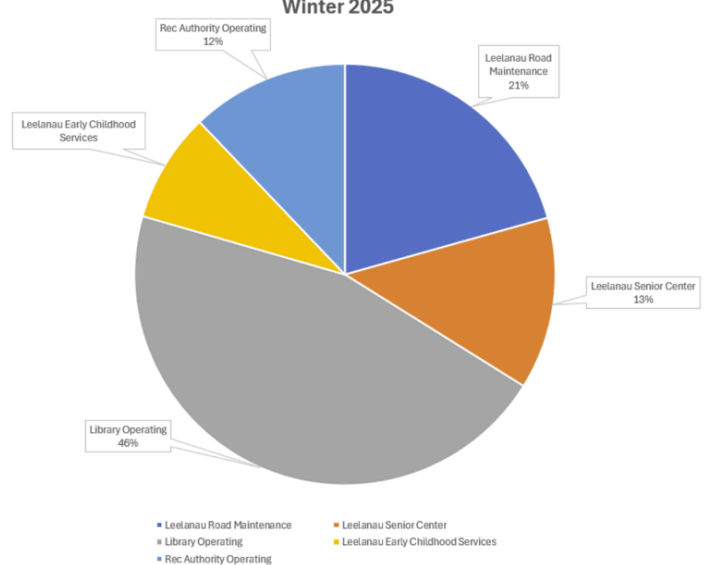
City of Traverse City, Leelanau County, Resident Tax Proportions - Summer 2025



City of Traverse City, Grand Traverse County Resident Tax Proportions - Winter 2025



City of Traverse City, Leelanau County Resident Tax Proportions - Winter 2025



Historical Millages

City of Traverse City Historical Millages

Tax Year	City Operating	ACT 345	Fire 2023	Total City		Total Inc
				Mils	DDA	DDA
2012	11.1167	1.94		13.0567	1.8038	14.8605
2013	11.1167	2.32		13.4367	1.8038	15.2405
2014	11.1167	2.32		13.4367	1.8038	15.2405
2015	11.1167	2.32		13.4367	1.8038	15.2405
2016	11.1167	2.32		13.4367	1.8038	15.2405
2017	11.1167	2.32		13.4367	1.7424	15.1791
2018	12.1167	2.32		14.4367	1.7188	16.1555
2019	12.1167	2.32		14.4367	1.6658	16.1025
2020	12.1167	2.32		14.4367	1.6431	16.0798
2021	12.0954	2.32		14.4154	1.6371	16.0525
2022	11.7688	2.32		14.0888	1.5927	15.6815
2023	11.7688	2.32		14.0888	1.5927	15.6815
2024	11.6322	2.32	0.9884	14.9406	1.5879	16.5285
2025	11.5775	2.32	0.9837	14.8812	1.5879	16.4691
2026*	11.5358	2.32	0.9801	14.8359	1.5842	16.4201
Proposed						

Property Tax Abatements

The City has two types of property tax abatements:

- PILOT Housing Assistance Abatements
- Brownfield Redevelopment Plans

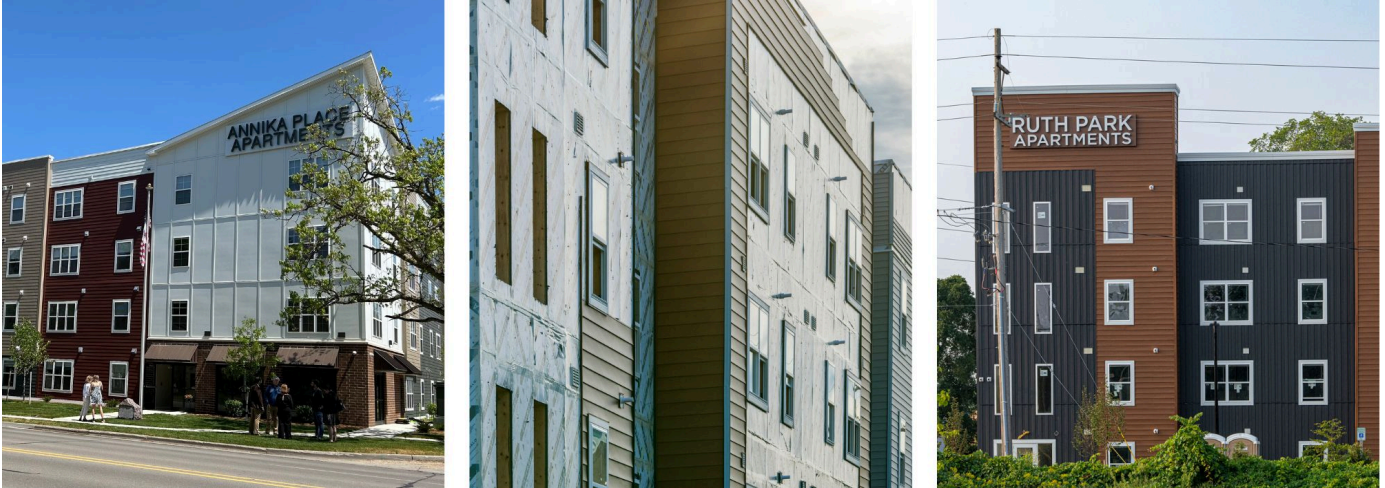
2025 PILOT Revenue

		2025 PILOT Tax Revenue									
		Actual PILOT Revenue		*Revenue if not PILOT		Difference		# Years in PILOT to date	Estimated Concession to date		
Year	Project Name	Total Actual PILOT Revenue	City only share of Revenue	Total Ad Valorem Revenue	City Only Ad Valorem Revenue	Total Revenue Concession	City Share Revenue Concession		Total Revenue Concession	City Share Revenue Concession	
	Fern Street	1,368.36	333.22	\$ 18,255.97	\$ 4,933.28	(16,887.62)	(4,600.06)	30	(506,628.47)	(138,001.81)	
2051	Bay Hill 1	66,359.98	16,159.90	\$ 128,886.65	\$ 34,828.82	(62,526.67)	(18,668.93)	28	(1,750,746.82)	(522,729.95)	
	Kelly St	800.88	195.03	\$ 7,841.39	\$ 2,118.97	(7,040.50)	(1,923.94)	26	(183,053.12)	(50,022.34)	
2036	Bay Hill 2	44,895.00	10,932.77	\$ 67,722.86	\$ 18,300.64	(22,827.86)	(7,367.87)	28	(639,180.19)	(206,300.26)	
	12th Street	1,030.37	250.91	\$ 16,261.98	\$ 4,394.45	(15,231.61)	(4,143.53)	25	(380,790.30)	(103,588.36)	
1952	Bay Oaks	7,410.83	1,804.68	\$ 17,483.87	\$ 4,724.64	(10,073.04)	(2,919.96)	13	(130,949.48)	(37,959.49)	
	Three Mile	1,317.56	320.85	\$ 8,076.97	\$ 2,182.63	(6,759.41)	(1,861.78)	25	(168,985.27)	(46,544.42)	
2053	Bay Front	2,251.28	548.23	\$ 22,358.79	\$ 6,041.98	(20,107.51)	(5,493.75)	22	(442,365.24)	(120,862.50)	
2053	Woodmere Ridge	4,416.08	1,075.40	\$ 37,706.41	\$ 10,189.34	(33,290.33)	(9,113.94)	22	(732,387.23)	(200,506.72)	
2062	Apartments at TC Commons 630 Lofts	13,049.28	3,177.74	\$ 222,913.38	\$ 60,237.51	(209,864.10)	(57,059.77)	13	(2,728,233.35)	(741,776.98)	
2038	East Bay Flats Goodwill	20,881.44	5,085.02	\$ 177,322.24	\$ 47,917.49	(156,440.80)	(42,832.47)	2	(312,881.60)	(85,664.94)	
2039	Annika Place I Garfield Rd	17,052.56	4,152.62	\$ 224,865.08	\$ 60,764.91	(207,812.52)	(56,612.30)	2	(415,625.04)	(113,224.60)	
2040	Ruth Park 520 Wellington	30,243.26	7,364.80	\$ 322,026.85	\$ 87,020.78	(291,783.60)	(79,655.98)	1	(291,783.60)	(79,655.98)	
2070	Parkview Apartments	-	-	\$ -	\$ -	-	-	-	-	-	
2041	Oakwood Townhouses	3,547.93	863.99	\$ 14,015.99	\$ 3,787.52	(10,468.06)	(2,923.53)	4	(41,872.24)	(11,694.12)	
2070	Riverview Terrace 150 Pine St	52,690.56	12,507.53	\$ 486,393.10	\$ 127,767.69	(433,702.54)	(115,260.16)	27	(11,709,968.61)	(3,112,024.43)	
2038	Innovo Breakwater	70,816.73	16,810.13	\$ 318,350.27	\$ 83,625.53	(247,533.54)	(66,815.40)	2	(495,067.08)	(133,630.80)	
2070	Carver St	-	-	\$ -	\$ -	-	-	-	-	-	
2068	Orchardview 1020 Carter Centre	11,340.27	2,986.58	\$ 71,014.07	\$ 20,918.11	(59,673.80)	(17,931.52)	31	(1,849,887.77)	(555,877.24)	
	Total	349,472.37	84,569.39	\$ 2,161,495.88	\$ 579,754.28	(1,812,023.51)	(495,184.89)		(22,780,405.39)	(6,260,064.94)	
	Variance	-	\$ -	\$ -	\$ -	\$ -	\$ -				
	Admin Fee 0.05			\$ 108,074.79	\$ 108,074.79	\$ 108,074.79	\$ 108,074.79				
	Grand Total	349,472.37	84,569.39	\$ 2,269,570.67	\$ 687,829.07	(1,920,098.31)	(603,259.68)				

Estimated Concession to date is calculated using the total current year revenue x the number of years, it does not take into consideration rent variations or taxable value increases.

*Taxable value is calculated based on taxable value determined by Assessing. Without the PILOT there is no guarantee the project would have been developed & revenue generated.

PILOT - Payment in Lieu of Taxes



Under the authority of Policy NO. CC-055, the City has entered into property tax abatement agreements with local organizations to provide housing for Low Income Persons and Families and to encourage the development of such housing by providing for a service charge in lieu of property taxes in accordance with the State Housing Development Authority Act of 1966 (1966 PA 346, as amended, MCL 125.1401, et seq, MSA 116.11-4(1), et seq). Under the agreement, the organization pays a percentage of the annual shelter rents in lieu of ad valorem property taxes, whichever is smaller. The agreement is approved for a term dependent on the status of outstanding loans, participation in low-income housing tax credits, and rehabilitation of the property.

Above shows a list of those properties with PILOT payment agreements and the amount of reported rents and corresponding revenue received by the City for the 2025 tax year.

In 2025, the City Commission also approved the use of two additional housing exemption programs to encourage the development and rehabilitation of rental property. The Attainable Housing Exemption was authorized by PA 236 of 2022 is an incentive for renovation and expansion of aging facilities and to assist in building new facilities of not more than four (4) units. Whereas, the Residential Housing Exemption was authorized by PA 237 of 2022 also as an incentive for renovation and expansion of aging facilities and to assist in building new facilities of more than four (4) units. Both programs have tenant income-related qualifications that must be met in order for participation and provide for a nearly 50% reduction in property taxes for a period of 1-12 years.

2025 Brownfield Capture

Summer 2025 Brownfield Capture

	Summer 2025 Brownfield Capture															Total	
	Uptown	TBA	CSX	Park St	Calcutt	Kinney	Blarney Cast	GT Commons	Traverse House	Socks	Graetz	Riverwest	CSX 1	Park Place	Envision 8th		East Bay Plaza
City	-	22,173.89	309,027.05	-	-	-	48,081.12	293,303.48	16,946.69	17,746.42	2,892.04	-	3,142.71	60,499.07	79,323.21	43,967.72	897,103.40
City Act 345	-	4,443.39	61,924.87	-	-	-	9,634.77	58,774.37	3,395.92	3,556.18	579.53	-	629.76	12,123.32	15,895.47	8,810.59	179,768.17
City Fire 2023	-	1,884.03	26,256.29	-	-	-	4,085.15	24,920.39	1,439.89	1,507.85	245.72	-	267.03	5,140.38	6,739.77	3,735.72	76,222.22
County	-	8,822.63	122,956.38	-	-	-	19,130.58	116,700.40	6,742.81	7,061.01	1,150.69	-	1,250.43	24,071.60	31,561.41	17,494.03	356,941.97
BATA	-	891.55	12,424.50	-	-	-	1,933.05	11,792.41	681.37	713.54	116.28	-	126.36	2,432.49	3,189.34	1,767.77	36,068.66
NorthEd	20,370.63	5,482.23	76,402.68	25,534.88	73,740.47	10,567.71	11,887.39	72,515.42	4,189.86	7,396.85	715.02	48,115.03	20,080.15	14,957.67	19,611.70	10,870.45	422,438.14
SET	42,699.89	11,491.54	160,152.09	-	154,568.16	22,151.44	24,917.84	152,003.50	-	-	1,498.79	100,856.03	42,090.86	31,353.44	41,108.99	-	784,892.57
TCAPS Oper	22,380.41	34,474.64	138,627.91	-	450,943.90	65,968.36	68,905.49	382,965.00	-	-	4,496.38	299,224.91	75,376.93	88,657.93	122,939.39	-	1,754,961.25
TCAPS Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NMC Oper	-	1,919.85	26,755.49	-	-	-	4,162.78	25,394.24	1,467.26	1,536.52	250.39	-	272.10	5,238.10	6,867.91	3,806.74	77,671.38
NMC Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DDA	-	-	-	-	-	-	-	-	-	-	-	-	-	8,297.68	-	-	8,297.68
Total	85,450.93	91,583.75	934,527.26	25,534.88	679,252.53	98,687.51	192,738.17	1,138,369.21	34,863.80	39,518.37	11,944.84	448,195.97	143,236.33	252,771.68	327,237.19	90,453.02	4,594,365.44

Winter 2025 Brownfield Capture

	Winter 2025 Brownfield Capture															Total	
	Uptown	TBA	CSX	Park St	Calcutt	Kinney	Blarney Cast	GT Commons	Traverse House	Socks	Graetz	Riverswest	CSX 1	Park Place	Envision 8th		East Bay Plaza
COA	-	884.46	12,325.66	-	-	-	1,917.70	11,698.60	675.95	644.34	115.35	-	125.36	2,413.15	3,163.98	1,753.72	35,718.27
COA-Sr Ctr	-	176.20	2,454.92	-	-	-	381.91	2,330.24	134.66	128.36	22.98	-	24.97	480.74	630.32	349.32	7,114.62
Veterans	-	211.63	2,948.76	-	-	-	458.73	2,798.85	161.73	154.18	27.60	-	30.00	577.41	757.06	419.58	8,545.53
Animal Control	-	68.75	957.56	-	-	-	148.91	908.86	52.53	50.09	8.96	-	9.75	187.58	245.93	136.27	2,775.19
Conservation	-	178.50	2,486.94	-	-	-	386.88	2,360.56	136.41	130.04	23.28	-	25.30	487.01	638.52	353.87	7,207.31
Road Com	-	1,888.82	26,323.05	-	-	-	4,095.51	24,983.83	1,443.55	1,376.02	246.35	-	267.70	5,153.45	6,756.92	3,745.23	76,280.43
Library-Oper	-	2,077.67	28,954.80	-	-	-	4,504.98	27,481.69	1,587.88	1,513.59	270.98	-	294.47	5,668.68	7,432.48	4,119.68	83,906.90
NMC Oper	-	1,920.23	26,760.73	-	-	-	4,163.62	25,399.28	1,467.56	1,398.90	250.44	-	272.15	5,239.14	6,869.28	3,807.52	77,548.85
NMC Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rec Auth-Oper	-	552.16	7,694.57	-	-	-	1,197.14	7,303.27	421.99	402.25	72.01	-	78.26	1,506.52	1,975.26	1,094.82	22,298.25
Rec Auth-Debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Millage Specials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	7,958.42	110,906.99	-	-	-	17,255.38	105,265.18	6,082.26	5,797.77	1,037.95	-	1,127.96	21,713.68	28,469.75	15,780.01	321,395.35
2025 Grand Total	85,450.93	99,542.17	1,045,434.25	25,534.88	679,252.53	98,687.51	209,993.55	1,243,634.39	40,946.06	45,316.14	12,982.79	448,195.97	144,364.29	274,485.36	355,706.94	106,233.03	4,915,760.79

Brownfield

Public Act 381 of 1996, the Brownfield Redevelopment Financing Act, adopted in the State of Michigan as a means to authorize municipalities to create a Brownfield Redevelopment Authority to facilitate the implementation of brownfield plans; to create brownfield redevelopment zones; to promote the revitalization, redevelopment, and reuse of certain property, including, but not limited to, needing environmental remediation, tax reverted, blighted, or functionally obsolete property and most recently to include affordable housing; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing

Above shows a summary of approved Brownfield plans in the City and the amount of TIF captured by taxing jurisdictions from the 2025 tax roll.

2025 Tax Year

Old Town & TIF97 TIF Captures

Total TIF 97 Capture		
Taxing Jurisdiction	Millage	BS&A Total
City	11.5775	\$ 2,031,467.44
City Act 345	2.3200	\$ 407,080.14
City Fire 2023	0.9837	\$ 172,603.42
County	4.6065	\$ 808,285.84
BATA	0.4655	\$ 81,675.80
NMC Oper	1.0024	\$ 175,884.49
NMC Debt	0	\$ -
DDA	1.5879	\$ 278,620.29
COA	0.4618	\$ 81,022.27
COA-Sr Ctr	0.092	\$ 16,138.13
Veterans	0.1105	\$ 19,383.83
Animal Control	0.0359	\$ 6,294.94
Conservation	0.0932	\$ 16,349.11
Road Com	0.9862	\$ 173,031.69
NMC-Oper	1.0026	\$ 175,908.90
Rec Auth-Oper	0.2883	\$ 50,580.02
Rec Auth-Debt	0	\$ -
		\$ 4,494,326.31

Total TIF 2/Old Town Tif Capture		
Taxing Jurisdiction	Millage	BS&A Total
City	11.5775	\$ 455,794.19
City Act 345	2.3200	\$ 91,334.53
City Fire 2023	0.9837	\$ 38,725.66
County	4.6065	\$ 181,352.24
BATA	0.4655	\$ 18,324.51
NMC Oper	1.0024	\$ 39,461.86
NMC Debt	0.0000	\$ -
DDA	1.5879	\$ 62,512.36
COA	0.4618	\$ 18,178.95
COA-Sr Ctr	0.0920	\$ 3,620.34
Veterans	0.1105	\$ 4,348.48
Animal Control	0.0359	\$ 1,411.58
Conservation	0.0932	\$ 3,667.44
Road Com	0.9862	\$ 38,823.96
NMC-Oper	1.0026	\$ 39,469.80
Rec Auth-Oper	0.2883	\$ 11,348.36
Rec Auth-Debt	0.0000	\$ -
	Total	\$ 1,008,374.26

Total TIF 97 & Old Town Tif Capture		
Taxing Jurisdiction	Millage	BS&A Total
City	11.5775	\$ 2,487,261.63
City Act 345	2.3200	\$ 498,414.67
City Fire 2023	0.9837	\$ 211,329.08
County	4.6065	\$ 989,638.08
BATA	0.4655	\$ 100,000.31
NMC Oper	1.0024	\$ 215,346.35
NMC Debt	0.0000	\$ -
DDA	1.5879	\$ 341,132.65
COA	0.4618	\$ 99,201.22
COA-Sr Ctr	0.0920	\$ 19,758.47
Veterans	0.1105	\$ 23,732.31
Animal Control	0.0359	\$ 7,706.52
Conservation	0.0932	\$ 20,016.55
Road Com	0.9862	\$ 211,855.65
NMC-Oper	1.0026	\$ 215,378.70
Rec Auth-Oper	0.2883	\$ 61,928.38
Rec Auth-Debt	0.0000	\$ -
	Total	\$ 5,502,700.57

Total City Captured		
Summer	Millage	ACTUAL***
City	11.5775	2,031,467.44
City Act 345	2.3200	407,080.14
City Fire 2023	0.9837	172,603.42
Total City Captured		2,611,151.00

Total City Captured		
Summer	Millage	ACTUAL***
City	11.5775	455,794.19
City Act 345	2.3200	91,334.53
City Fire 2023	0.9837	38,725.66
Total City Captured		585,854.38

Total City Captured		
Summer	Millage	ACTUAL***
City	11.5775	2,487,261.63
City Act 345	2.3200	498,414.67
City Fire 2023	0.9837	211,329.08
Total City Captured		3,197,005.38

County Wide Taxing Jurisdiction Capture contributing to Traverse City DDA		
Total millages not including City	\$ 1,883,175.31	Total millages not including City
		\$ 422,519.88
		Total millages not including City
		\$ 2,305,695.19

There are two tax increment financing (TIF) authorities within the City of Traverse City. Both have authority to capture a portion of each component of property taxes for use within the authority's specific district. The tax captures are based on the right of each authority to utilize TIF for approved funding uses within the districts. The amounts captured from the 2025 property tax roll are shown above.

Additionally, properties that are located within the DDA district pay an additional 1.5879 mills, which provides funds for activities that target development within the DDA. Managing the Downtown Traverse City Association, Sara Hardy Downtown Farmers Market and Traverse City Arts Commission are just a few of the services provided by the DDA.

See component unit section for more information.



Rotary Square, shown here, is the current project that the DDA is working on. Previous public infrastructure projects funded under TIF include the Hardy Parking Deck, pedestrian kiosks, way-finding signage, structural and mechanical improvements to the City Opera House, improvements to Clinch Park, boardwalks along the Boardman/Ottawa River, the Pine Street pedestrian bridge, public restrooms, bridge rehabilitation, and our downtown police officer. In addition, TIF 97 has funded street and

sidewalk improvements (e.g., sidewalks with brick ribbon, mid-block crossings, flower planters, and trees) throughout the downtown district.

The TIF 97 plan is scheduled to expire in 2027. The plan captures revenue from millage rates assessed by local units. The capture is based on the increase in taxable value of properties within the district from their original (base) taxable values established in 1998. In 2024, TIF 97 captured taxes on 26.017 mills from local units including 11.7688 mills from the City's General Operating Fund, 2.3200 mills from the City's Act 345 Police and Fire Pension Fund, and 11.9282 mills from other taxing units. When the plan expires, the General Operating Fund and Act 345 Pension Fund will begin collecting taxes on the taxable values of property previously captured by TIF 97, based on their respective millage rates. While the General Operating and Act 345 Pension Funds will collect more tax revenue after the plan expires, it is important to remember that TIF 97 captured taxes from ALL taxing units in the district not just the General Operating and Act 345 Pension Funds. It is also important to understand what the TIF 97 captured revenues were used for.

TIF 97 captured revenues were used to pay administrative fees to the Downtown Development Authority and the City's General Operating Fund AND to pay for various infrastructure projects throughout the district. This included paying 100% of the debt service for the Hardy Parking Deck Construction Bond issue as well as a multitude of other infrastructure related projects. Over the past 10 years TIF 97 expenditures for General Operating Fund administration and district infrastructure related projects totaling \$19,757,000. In those same ten years, TIF 97 captured tax revenue from the General Operating Fund and Act 345 Pension Fund totaled \$13,515,000. This means that \$6,242,000 of revenue captured from OTHER taxing units was spent on City related expenditures that either would have had to have been funded by the City (most likely by the General Operating Fund) or projects would not have been able to be done at all.

If TIF 97 is not renewed, future General Operating Fund budgets will have to take into consideration how (or if) projects, similar to the ones previously paid for by dollars captured from other taxing units within the TIF 97 district ,will be funded.

Old Town TIF

The Old Town development area is a vibrant, walkable district. The DDA wants to maintain and improve this environment for businesses, residents, and visitors alike. The 2016 Development and Tax Increment Financing Plan for the Old Town Area seeks to position the Old Town area for continued growth while respecting the needs and character of the surrounding neighborhoods. The growth of the Old Town area must enhance, not diminish, the long-term economic health and quality of life of the City of Traverse City.

This plan is founded on the following four goals:

1. Improve accessibility
2. Improve housing choices in and around the Development Area
3. Create a signature park at the Union Street Dam
4. Other Park Improvements

Federal Revenue Awards

CITY OF TRAVERSE CITY, MICHIGAN
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor/PassThrough Grantor/Program Title	COVID-19 related	Federal Assistance Listing Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Agriculture				
National Resource Conservation Service Urban Agriculture and Innovative Production	no	10.935	NR233A750005C014	\$ 46,464
U.S. Department of Housing and Urban Development				
Office of Community Planning and Development Community Development Block Grant Program	no	14.218	B-24-MC-26-0043	15,235
U.S. Department of Justice				
Passed through Michigan State Police Comprehensive Opioid, Stimulant & Substance Abuse Program	no	16.838	15PBJA-21-04538-COAP	197,459
U.S. Department of Treasury				
Passed through Michigan Department of Treasury American Rescue Plan Act - Corona Virus State & Local Fiscal Recovery Fund	yes	21.027	MI2841	480,183
Passed through Michigan EGLE American Rescue Plan Act - Corona Virus State & Local Fiscal Recovery Fund	yes	21.027	FRF2970-EM016	225,830
United States Environmental Protection Agency				
Passed Through Michigan Department of Environment, Great Lakes and Energy Drinking Water State Revolving Fund - Surface Water Intake Program	no	66.468	na	492
U.S. Department of Health and Human Services				
Passed through Michigan Department of Health and Human Services Epidemiology and Laboratory Capacity for Infectious Diseases	yes	93.323	E20242548-00	130,903
Epidemiology and Laboratory Capacity for Infectious Diseases	yes	93.323	E20251902-00	<u>335,840</u>
Total Federal Awards				<u>\$ 1,432,406</u>

The City has applied for and received multiple sources of Federal Funds. Above is a list of Audited Federal Awards received by the City of Traverse City in the 2024/25 Fiscal year. The City will be applying for additional funds in the current and upcoming fiscal years as funding opportunities arise and are approved by the Commission.

Housing and Homelessness

One of the core Strategic Action Plan tenets, based on robust public input, calls for fostering a regional collaborative approach, particularly with other units of government. Addressing challenges of regional significance requires shared investment, and other governmental partners, including Grand Traverse County, play an important role in supporting these efforts. The City's financial contribution is intended to be leveraged alongside contributions from county and township governments to advance meaningful progress on this issue.

The budget includes a commitment to allocate approximately 1% of General Fund expenditures over the next three years to support homelessness-related initiatives. This aligns with the Housing and Homelessness Task Force's goal of implementing a coordinated strategy within the next three to five years. For the fiscal year beginning July 1, 2026, this allocation equates to approximately \$260,000.

A strategic framework will be developed in the coming months to guide the use of these funds, ensuring resources are deployed effectively and in coordination with regional partners.

The City has taken a comprehensive, multi-layered approach to addressing housing insecurity through budget allocations, supportive infrastructure, zoning reform, and collaboration. For fiscal years 2026–2027, over \$525,000 is allocated to support critical services, including transitional housing, continued support for year-round shelter operations at Safe Harbor, and resources for outreach and day shelter services. On-the-ground support has also been expanded through the addition of a dedicated police officer and a second police social worker to enhance engagement with unsheltered individuals, particularly in areas such as the former Pines encampment.

Additionally, as a Community Development Block Grant (CDBG) Entitlement Community, the City is implementing a five-year plan that began in 2024, leveraging approximately \$1.8 million in federal funding to support housing, infrastructure, and essential services aligned with broader equity and development goals.

The City remains committed to both short- and long-term solutions through participation in the Homelessness Collective and support for permanent housing planning. Since 2019, Payment in Lieu of Taxes (PILOT) agreements have supported the development of 463 inclusive housing units, including 35 units designated for individuals experiencing chronic homelessness. Zoning amendments continue to promote housing diversity, and opportunities to redevelop public properties for future housing remain under exploration. These efforts reflect a coordinated, compassionate, and forward-looking approach to addressing the region's housing challenges.

**City of Traverse City
Housing and Homeless Related Expenditures**

Agency	FYE 2024/2025 Actual	FYE 2025/2026 Projected	FYE 2026/2027 Budget
GT Band pass thru award to Safe Harbor	\$ 50,000	\$ -	\$ -
Rfp - workforce housing at 715 beitner	500	-	-
Rfp - West End Development	-	5,100	-
Networks Northwest contribution	3,434	3,471	3,600
GT Regional pass through - Pines Bathrooms	10,000	-	-
Transitional beds at addiction treatment	100,000	-	-
East Bay Flats supportive housing	360,000	-	-
CDBG program	323,000	360,000	370,257
Jubilee House General Fund Appropriation	-	92,000	-
Jubilee House ARPA funded	40,000	40,000	-
Safe Harbor ARPA funded	125,000	125,000	-
Annual General Operating Fund Appropriation	-	-	260,000
	<u>\$ 1,011,934</u>	<u>\$ 625,571</u>	<u>\$ 633,857</u>

Note this schedule includes only payments to outside agencies, it does not consider the inkind contributions provided by City Police, Fire, DPW, Parks and City Managers office

Capital Outlay and Equipment Related Budget Items

City of Traverse City
Fiscal Year End June 30, 2027
Budgeted Capital Outlay & Equipment Related Purchases Summary by Fund

Description	Amount
Fund 101 General Operating Fund:	
Direct Capital Outlay/Equipment Purchases	
Facilities Management Building Security Projects	\$ 25,000
Police Body Camera New Contract	345,000
Current Year Contributions to Street Capital Projects Fund #447	
Annual Street Reconstruction Allocation	995,500
Annual Stormwater Issues Allocation	100,000
Annual Traffic Signals Allocation	400,000
Annual Complete Streets Allocation	269,900
7th Street Reconstruction Design Phase	250,000
Current Year Contributions to Capital Projects Fund #499	
Annual Sidewalk Maintenance	50,000
Annual Bridge Maintenance	250,000
Stormwater Management Plan	25,000
Total General Operating Fund	\$ 2,710,400
Fund 104 Carnegie Building Fund:	
HVAC Equipment	\$ 10,000
Fund 107 Public Arts Commission Fund:	
Gateway Sculpture	\$ 35,000
West Front Traffic Calming Project	20,000
Total Public Arts Commission Fund	\$ 55,000

Fund 110 Opera House Fund:

Rooftop HVAC Unit	\$ 75,000
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Fund 106 Brown Bridge Maintenance Fund:

Blacklocust Boardwalk	\$ 50,000
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Fund 210 EMS/Fire Fund:

Cardiac Monitor System	\$ 77,500
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\$ 77,500

Fund 239 Brown Bridge Trust Parks Special Revenue Fund:**Current Year Contributions to Capital Projects Fund# 499**

Tennis/Pickleball Court Reconstruction	\$ 379,000
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Hickory Hills Mountain Biking Trail	200,000
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16th & Cass Pedestrian Walkway	100,000
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Spring Lake Property Improvements	250,000
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Open Space Master Site Plan/Design	250,000
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Current Directly Funded Project

Lake shore Restoration	50,000
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Total Brown Bridge Trust Parks Fund	\$ 1,229,000
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Fund 251 PEG Special Revenue Fund:

LIAA Contribution	\$ 6,000
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Fund 447 Street Capital Projects Fund:

11th Street Kids Creek Culvert	\$ 823,000
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Street Improvement Plan	100,000
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State St Crosswalks	345,500
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HSIP Signal Improvement	800,000
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2026 Street Reconstruction (Monroe St)	633,500
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2026 Pavement Preservation Program	741,000
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Union & 7th Intersection	1,078,100
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State St Two Way Project	118,600
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Boardman/Washington/Cass Brownfield Project	500,000
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7th St Reconstruction Design	250,000
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Total Street Capital Projects Fund	\$ 5,389,700
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Fund 499 Capital Projects Fund:

Annual Sidewalk Maintenance	\$	50,000
Boardman Riverwall Study		46,500
City Wide Park Bathroom Upgrades		58,400
East Bay Park Storm Sewer Outlet		58,300
Highland Park Upgrade		30,000
North Union Street Bridge Repair		931,600
Stormwater Management Plan		125,000
Tennis/Pickleball Courts Reconstruction		379,000
Hickory Hills Mountain Biking Trail		350,000
16th & Cass Pedestrian Crossing		83,000
Brown Bridge Quiet Area - Spring Lake Improvements		250,000
Fire Station 1&2 Concrete Repair		100,000
Lower Boardman/Ottaway Riverwalk Phase 1		400,000
Farmers Market Pavillion		3,083,000
Open Space Master Site Plan/Design		250,000
Rivers Edge Riverwalk		250,000
Rotary Square		2,600,000
WBLT Maintenance		35,000
		<hr/>
	\$	<u>9,079,800</u>

Fund 514 Autoparking Enterprise Fund:

Single Space Meter Replacement and Expansion	\$	185,000
Bike Infrastructure		10,000
Workstation Replacement		17,000
Mobility Amenities		10,000
Hardy Deck Cameras		10,000
Old Town Deck Cameras		10,000
Lot P Expansion		300,000
Lot B Reconstruction		1,000,000
Parking Decks Restoration/Repair Project		1,200,000
		<hr/>
	\$	2,742,000
		<hr/> <hr/>

Fund 590 Waste Water Fund:

	Distribution	
Woodmere Coast Guard Riverine Engineering Evaluation	\$	85,000
2026 Street Reconstruction - Monroe St.		1,620,000
Birchwood Lift Station Pump		110,000
Annual Sanitary Sewer Lining Program		500,000
		<hr/>
	Plant	
Front St. Lift Station and Forcemain Upgrade		4,680,000
Headworks & UV Upgrade construction - bond funded		20,000,000
Membrane Replacement		1,948,100
Digester 4 Cleaning and Condition Assessment		259,000
Membrane System PLC Update		550,000
Odor control system engineering Study		50,000
Plant Engineering Study/Facility Plan		600,000
West Sludge Storage Tank Repair		60,000
Scour Blower Rebuilds		76,000
Return Activated Sludge Pump Rebuilds		52,000
		<hr/>
	\$	30,590,100
		<hr/> <hr/>

Fund 591 Water Fund:

	Distribution	
2026 Street Reconstruction - Monroe St.	\$	1,139,300
Union & 7th Intersection		1,845,900
		<hr/>
	Plant	
Electrical Motor Control Center Upgrades & New generator at Low Service		2,600,000
Freight Elevator Replacement		360,000
High and Low Service Pump Repair		260,000
		<hr/>
	\$	6,205,200
		<hr/> <hr/>

Fund 661 Garage Internal Service Fund:

2 Hybrid Police Interceptors	\$	160,000
Ford E350 - Police Rapid Deployment Command Vehicle		80,000
Police replace Ford Exploer with Hybrid		50,000
Police replace Ford Escapw with Hybrid		50,000
Police replace Ford Flex with Hybrid		50,000
Parks replace 3 Ford F-150's with EV		180,000
Parks 2 Ford F-350 Dump Boxes		210,000
Parks/Cemetery Ford F-350 Dump Box		105,000
Parks Aerial Bucket Truck		330,000
Parks Tree Chipper		80,000
Parks Ford F-550 with Debris Body		100,000
Streets replace Ford F-150 with EV		60,000
Streets Ford F-550 Dump Body		105,000
Streets 2 Western Plow/Dump Trucks		680,000
Streets 2 V-Box Spreaders		102,000
Streets Concrete Saw		26,000
Streets Water Tank for Dump Truck		35,000
Streets Asphalt Roller		60,000
Streets & Water/Sewer Freightliner Vactor Sewer Cleaner		620,000
Auto Parking Polaris Ranger replace with EV		25,000
Streets V-Box Spreader		51,000
Hickory Hills Snowmobile replace with EV model		23,000
Parks Beach Cleaner		135,000
Streets K&M International Asphalt Recycler		100,000
		<hr/>
	\$	3,417,000
		<hr/> <hr/>

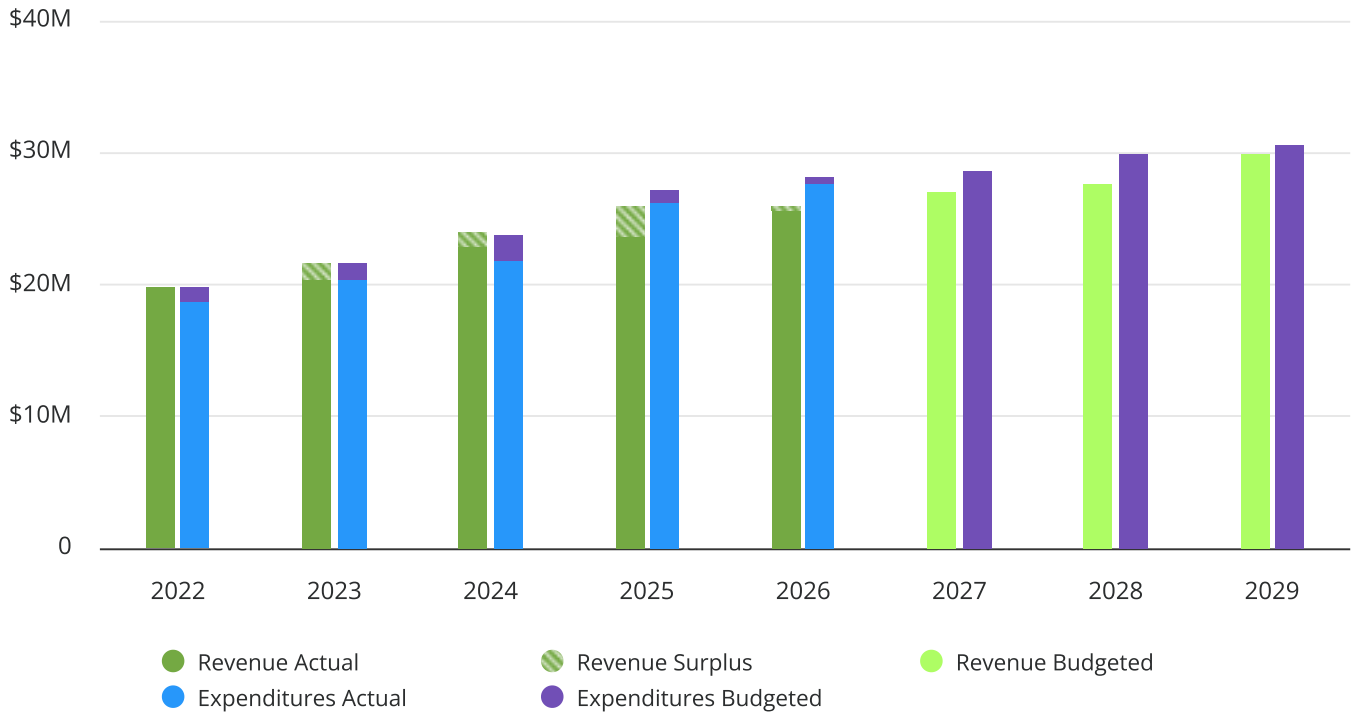
General Fund



General Fund Summary

Below is a summary of General Fund Revenue & Expenditure activity.

Revenues vs Expenditures Summary



As you can see, both revenue and expenditures are trending upward. We have been conservative when budgeting our revenue and departments do a great job of staying within their expenditure budgets. We are required to budget for all approved positions, but historically, it takes time to fill positions. This contributes to the increase in fund balance each year. We have quantified the potential budgeted savings due to unfilled positions in this budget and accounted for them in hopes of reducing our fund balance increase in the 2026/2027 budget year.

Comprehensive Fund Summary General Fund Budget

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$10,575,777	\$10,266,610	\$10,266,610	\$8,608,710	\$7,050,110	\$4,761,210
Revenues						
TAXES	\$378,166	\$390,000	\$389,100	\$405,000	\$427,000	\$445,000
PROPERTY TAXES	\$15,198,595	\$16,075,000	\$16,063,100	\$16,726,600	\$17,543,600	\$20,552,100
INTRAGOVERNMENTAL CITY FEE	\$3,206,626	\$3,169,200	\$3,128,600	\$3,286,400	\$3,267,500	\$3,322,400
FINES AND FORFEITURES	\$26,794	\$35,500	\$34,000	\$33,500	\$34,500	\$35,500
LICENSES AND PERMITS	\$511,688	\$425,700	\$451,800	\$464,100	\$455,900	\$447,100
CHARGES FOR SERVICES	\$277,400	\$182,400	\$163,700	\$164,700	\$169,300	\$174,400
INTERGOVERNMENTAL	\$3,328,557	\$3,037,160	\$3,078,100	\$3,045,400	\$2,814,000	\$2,741,000
OTHER REVENUE	\$1,275,196	\$835,130	\$957,300	\$1,285,800	\$1,289,900	\$1,292,400
REIMBURSEMENTS	\$1,181,390	\$1,054,700	\$1,120,700	\$1,131,900	\$1,176,700	\$397,000
TRANSFER IN	\$502,341	\$451,000	\$556,400	\$449,600	\$434,000	\$423,300
Total Revenues	\$25,886,752	\$25,655,790	\$25,942,800	\$26,993,000	\$27,612,400	\$29,830,200
Expenditures						

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES & WAGES	\$11,076,216	\$9,330,160	\$9,438,500	\$9,989,400	\$10,380,000	\$10,772,400
FRINGE BENEFITS	\$4,101,005	\$5,114,300	\$4,712,500	\$3,630,850	\$3,854,450	\$4,055,600
OFFICE/OPERATING SUPPLIES	\$605,754	\$505,930	\$413,000	\$392,000	\$481,000	\$467,500
PROFESSIONAL SERVICES	\$1,672,367	\$2,061,280	\$1,705,900	\$2,697,950	\$2,647,650	\$2,763,100
COUNTY RECORDS CONTRACT	\$201,211	\$203,950	\$210,000	\$275,000	\$295,000	\$295,000
INSURANCE & BONDS	\$136,159	\$127,630	\$125,700	\$115,500	\$120,500	\$125,100
PROFESSIONAL DEVELOPMENT	\$232,896	\$229,350	\$172,400	\$195,300	\$207,400	\$201,300
COMMUNICATION	\$126,072	\$109,440	\$97,200	\$80,000	\$81,600	\$83,600
TRANSPORTATION	\$231,774	\$237,300	\$215,200	\$228,100	\$230,700	\$233,100
COMMUNITY PROMOTION	\$648	\$6,500	\$5,500	\$37,000	\$74,000	\$76,000
HUMAN RIGHTS COMISSION	\$1,493	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
APPROPRIATIONS	\$5,000	\$0	\$0	\$10,000	\$5,000	\$5,000
INDEPENDENCE DAY FIREWORKS	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
LAND INFORMATION ACCESS ASSOC	\$62,709	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
PRINTING & PUBLISHING	\$61,445	\$79,400	\$47,000	\$70,100	\$76,700	\$77,000
UTILITIES	\$259,744	\$282,100	\$244,000	\$308,500	\$313,200	\$320,700
REPAIRS & MAINTENANCE	\$178,558	\$174,900	\$156,200	\$172,800	\$195,300	\$201,700
RENTALS	\$1,439,930	\$1,156,480	\$1,090,800	\$1,366,600	\$1,395,800	\$1,465,900
MISCELLANEOUS EXP	\$24,272	\$71,400	\$29,700	\$36,500	\$32,800	\$33,300
POLICE RESERVES	\$2,490	\$0	\$1,000	\$0	\$0	\$0
CAPITAL OUTLAY	\$157,852	\$165,500	\$50,500	\$370,000	\$305,000	\$225,000
CONTINGENCIES	\$0	\$109,070	\$0	\$75,000	\$75,000	\$75,000
TRANSFER OUT MVH-STREETS FUND	\$810,580	\$956,200	\$920,500	\$948,400	\$1,114,600	\$1,153,800
TRANSFER OUT CAPITAL PROJECTS FUND	\$2,628,481	\$1,060,930	\$1,061,000	\$325,000	\$520,000	\$300,000
TRANSFER OUT SIDEWALK DEBT SERVICE FUND	\$375,667	\$376,000	\$376,000	\$376,700	\$377,000	\$382,000
TRANSFER OUT OPERA HOUSE FUND	\$0	\$60,000	\$110,000	\$107,000	\$89,000	\$87,000
TRANSFER OUT CARNEGIE BUILDING FUND	\$58,600	\$34,300	\$34,300	\$0	\$4,000	\$11,000
TRANSFER OUT	\$890,400	\$0	\$500,000	\$520,700	\$223,600	\$221,500
TRANSFER OUT HICKORY HILLS FUND	\$370,000	\$390,000	\$540,000	\$702,300	\$759,200	\$808,200
TRANSFER OUT PUBLIC ARTS COMMISSION	\$45,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
TRANSFER OUT - STREET CAPITAL PROJECTS	\$436,100	\$1,971,800	\$1,971,800	\$2,015,400	\$1,912,300	\$1,972,000
TRANSFER OUT - TO FIRE EMS FUND	\$0	\$3,241,500	\$3,241,500	\$3,375,000	\$4,000,000	\$4,000,000
Total Expenditures	\$26,195,921	\$28,185,920	\$27,600,700	\$28,551,600	\$29,901,300	\$30,542,300
Total Revenues Less Expenditures	-\$309,169	-\$2,530,130	-\$1,657,900	-\$1,558,600	-\$2,288,900	-\$712,100
Ending Fund Balance	\$10,266,607	\$7,736,480	\$8,608,710	\$7,050,110	\$4,761,210	\$4,049,110

In an attempt to draw down the General Fund fund balance based on a review of the fund balance on 6/30/25, the City Commission approved a \$1,200,000 contribution to MERS to work on getting the City plan funded to 60% as required by the State of Michigan pension waiver. We have planned a review of the City Fund Balance policy in September to provide more direction.

Also note that taxable revenue in the General Fund increases in FY 2028–2029 due to the anticipated expiration of TIF 97. However, no TIF revenue is currently projected to support capital projects, and despite this increase, the General Fund is still projected to incur a loss that year. The absence of TIF revenue may also require future adjustments to planned capital projects.

Revenues by Source

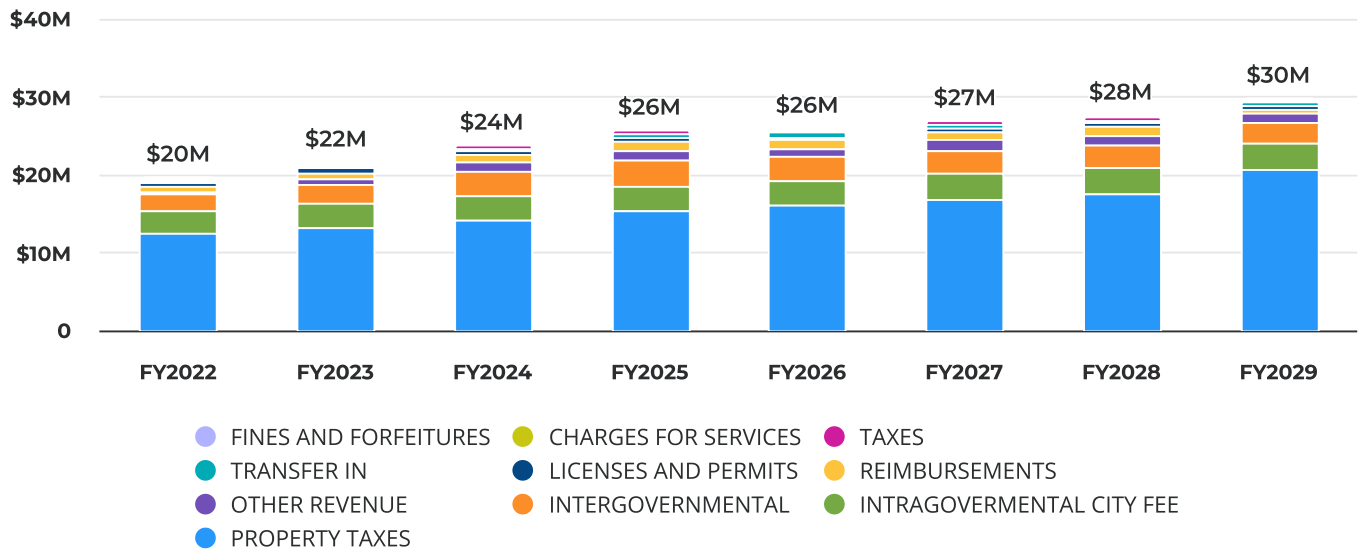
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REAL ESTATE/PERSONAL PROPERTY TAX	\$15,077,689	\$15,970,000	\$15,943,100	\$16,586,600	\$17,403,600	\$20,412,100
INTRAGOVERNMENTAL CITY FEE	\$3,206,626	\$3,169,200	\$3,128,600	\$3,286,400	\$3,267,500	\$3,322,400
CANNIBIS EXCISE TAX	\$758,089	\$711,000	\$594,200	\$582,300	\$580,000	\$524,000
PENALTIES & INTEREST ON TAXES	\$120,906	\$105,000	\$120,000	\$140,000	\$140,000	\$140,000
COLLECTION FEES	\$378,166	\$390,000	\$389,100	\$405,000	\$427,000	\$445,000
BUSINESS LICENSES & PERMITS	\$244,349	\$145,000	\$202,600	\$208,300	\$203,500	\$198,500
FRANCHISE FEES	\$195,954	\$200,000	\$175,000	\$180,000	\$175,000	\$170,000
NON-BUSINESS PERMITS	\$71,385	\$80,700	\$74,200	\$75,800	\$77,400	\$78,600
OTHER INCOME	\$20,092	\$15,000	\$20,900	\$19,800	\$19,900	\$20,000
FEDERAL GRANTS	\$237,505	\$153,360	\$180,000	\$58,000	\$0	\$0
STATE GRANT	\$63,650	\$0	\$46,400	\$181,500	\$45,000	\$45,000
STATE LIQUOR LICENSES	\$45,529	\$55,000	\$57,000	\$57,000	\$58,000	\$59,000
STATE LOCAL COMMUNITY STABILIZATION	\$308,147	\$169,200	\$304,500	\$307,000	\$310,000	\$313,000
STATE SALES & USE TAX	\$1,915,637	\$1,948,600	\$1,896,000	\$1,859,600	\$1,821,000	\$1,800,000
GENERAL FEES & SERVICES	\$67,073	\$58,300	\$47,300	\$42,100	\$42,600	\$43,700
USE & ADMISSION FEES	\$210,319	\$124,100	\$116,400	\$122,600	\$126,700	\$130,700
ORDINANCE FINES & COSTS	\$26,794	\$35,500	\$34,000	\$33,500	\$34,500	\$35,500
INTEREST REVENUE	\$698,181	\$500,000	\$596,500	\$1,065,000	\$1,065,000	\$1,065,000
CHANGE IN FAIR VALUE INVESTMENTS	\$379,465	\$0	\$0	\$0	\$0	\$0
RENT & ROYALTIES	\$98,215	\$116,900	\$119,200	\$124,500	\$126,500	\$128,600
SALE OF FIXED ASSETS	\$8	\$0	\$0	\$0	\$0	\$0
CONTRIBUTIONS-PRIVATE SOURCES	\$53,176	\$147,250	\$170,000	\$30,000	\$30,000	\$30,000
CONTRIBUTIONS-PUBLIC SOURCES	\$750	\$29,480	\$26,000	\$20,000	\$20,000	\$20,000
REIMBURSEMENTS	\$1,181,390	\$1,054,700	\$1,120,700	\$1,131,900	\$1,176,700	\$397,000
OPIOID REVENUE	\$25,318	\$26,500	\$24,700	\$26,500	\$28,500	\$28,800
TRANSFER IN OTHER FUNDS	\$70,470	\$50,400	\$50,400	\$49,600	\$49,000	\$48,300
TRANSFER IN BROWN BRIDGE TRUST FUND	\$431,871	\$400,600	\$506,000	\$400,000	\$385,000	\$375,000
Total Revenues	\$25,886,752	\$25,655,790	\$25,942,800	\$26,993,000	\$27,612,400	\$29,830,200

As you can see, property taxes, intragovernmental fees, and sales tax revenue are the 3 largest sources of revenue for the City.

We have shifted our budgeting process so we do not include unknown grant or reimbursement revenue. When the revenue is received, we will process a budget adjustment to cover associated expenditures earmarked for use of the revenue. Cannabis revenue has started to plateau as the number of licenses adjusts to the market demand. This revenue has been instrumental in helping to fund the additional Police positions and additional City contributions to public health & safety.

Our refined revenue forecasting methodology improved accuracy in the FY 2025/2026 budget. We are hopeful this will remain consistent going forward.

Historical Revenue by Revenue Source Summary



Expenditures by Type Summary

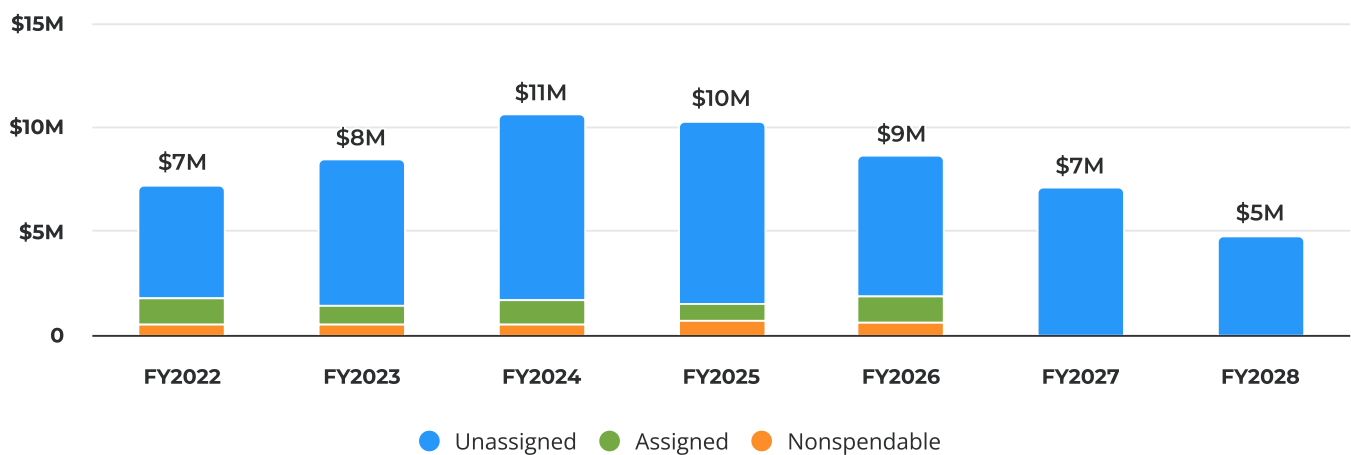
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES & WAGES	\$11,076,216	\$9,330,160	\$9,438,500	\$9,989,400	\$10,380,000	\$10,772,400
FRINGE BENEFITS	\$4,101,005	\$5,114,300	\$4,712,500	\$3,630,850	\$3,854,450	\$4,055,600
OFFICE/OPERATING SUPPLIES	\$605,754	\$505,930	\$413,000	\$392,000	\$481,000	\$467,500
PROFESSIONAL SERVICES	\$1,672,367	\$2,061,280	\$1,705,900	\$2,697,950	\$2,647,650	\$2,763,100
COUNTY RECORDS CONTRACT	\$201,211	\$203,950	\$210,000	\$275,000	\$295,000	\$295,000
INSURANCE & BONDS	\$136,159	\$127,630	\$125,700	\$115,500	\$120,500	\$125,100
PROFESSIONAL DEVELOPMENT	\$232,896	\$229,350	\$172,400	\$195,300	\$207,400	\$201,300
COMMUNICATION	\$126,072	\$109,440	\$97,200	\$80,000	\$81,600	\$83,600
TRANSPORTATION	\$231,774	\$237,300	\$215,200	\$228,100	\$230,700	\$233,100
COMMUNITY PROMOTION	\$648	\$6,500	\$5,500	\$37,000	\$74,000	\$76,000
HUMAN RIGHTS COMMISSION	\$1,493	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
APPROPRIATIONS	\$5,000	\$0	\$0	\$10,000	\$5,000	\$5,000
INDEPENDENCE DAY FIREWORKS	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
LAND INFORMATION ACCESS ASSOC	\$62,709	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
PRINTING & PUBLISHING	\$61,445	\$79,400	\$47,000	\$70,100	\$76,700	\$77,000
UTILITIES	\$259,744	\$282,100	\$244,000	\$308,500	\$313,200	\$320,700
REPAIRS & MAINTENANCE	\$178,558	\$174,900	\$156,200	\$172,800	\$195,300	\$201,700
RENTALS	\$1,439,930	\$1,156,480	\$1,090,800	\$1,366,600	\$1,395,800	\$1,465,900
MISCELLANEOUS EXP	\$24,272	\$71,400	\$29,700	\$36,500	\$32,800	\$33,300
POLICE RESERVES	\$2,490	\$0	\$1,000	\$0	\$0	\$0
CAPITAL OUTLAY	\$157,852	\$165,500	\$50,500	\$370,000	\$305,000	\$225,000
CONTINGENCIES	\$0	\$109,070	\$0	\$75,000	\$75,000	\$75,000
TRANSFER OUT MVH-STREETS FUND	\$810,580	\$956,200	\$920,500	\$948,400	\$1,114,600	\$1,153,800
TRANSFER OUT CAPITAL PROJECTS FUND	\$2,628,481	\$1,060,930	\$1,061,000	\$325,000	\$520,000	\$300,000
TRANSFER OUT SIDEWALK DEBT SERVICE FUND	\$375,667	\$376,000	\$376,000	\$376,700	\$377,000	\$382,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
TRANSFER OUT OPERA HOUSE FUND	\$0	\$60,000	\$110,000	\$107,000	\$89,000	\$87,000
TRANSFER OUT CARNEGIE BUILDING FUND	\$58,600	\$34,300	\$34,300	\$0	\$4,000	\$11,000
TRANSFER OUT	\$890,400	\$0	\$500,000	\$520,700	\$223,600	\$221,500
TRANSFER OUT HICKORY HILLS FUND	\$370,000	\$390,000	\$540,000	\$702,300	\$759,200	\$808,200
TRANSFER OUT PUBLIC ARTS COMMISSION	\$45,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
TRANSFER OUT - STREET CAPITAL PROJECTS	\$436,100	\$1,971,800	\$1,971,800	\$2,015,400	\$1,912,300	\$1,972,000
TRANSFER OUT - TO FIRE EMS FUND	\$0	\$3,241,500	\$3,241,500	\$3,375,000	\$4,000,000	\$4,000,000
Total Expenditures	\$26,195,921	\$28,185,920	\$27,600,700	\$28,551,600	\$29,901,300	\$30,542,300

The significant reduction in the personnel and operating accounts budget is due to Fire & GIS staff being moved out of the General fund into separate funds.

Fund Balance

Fund Balance Projections

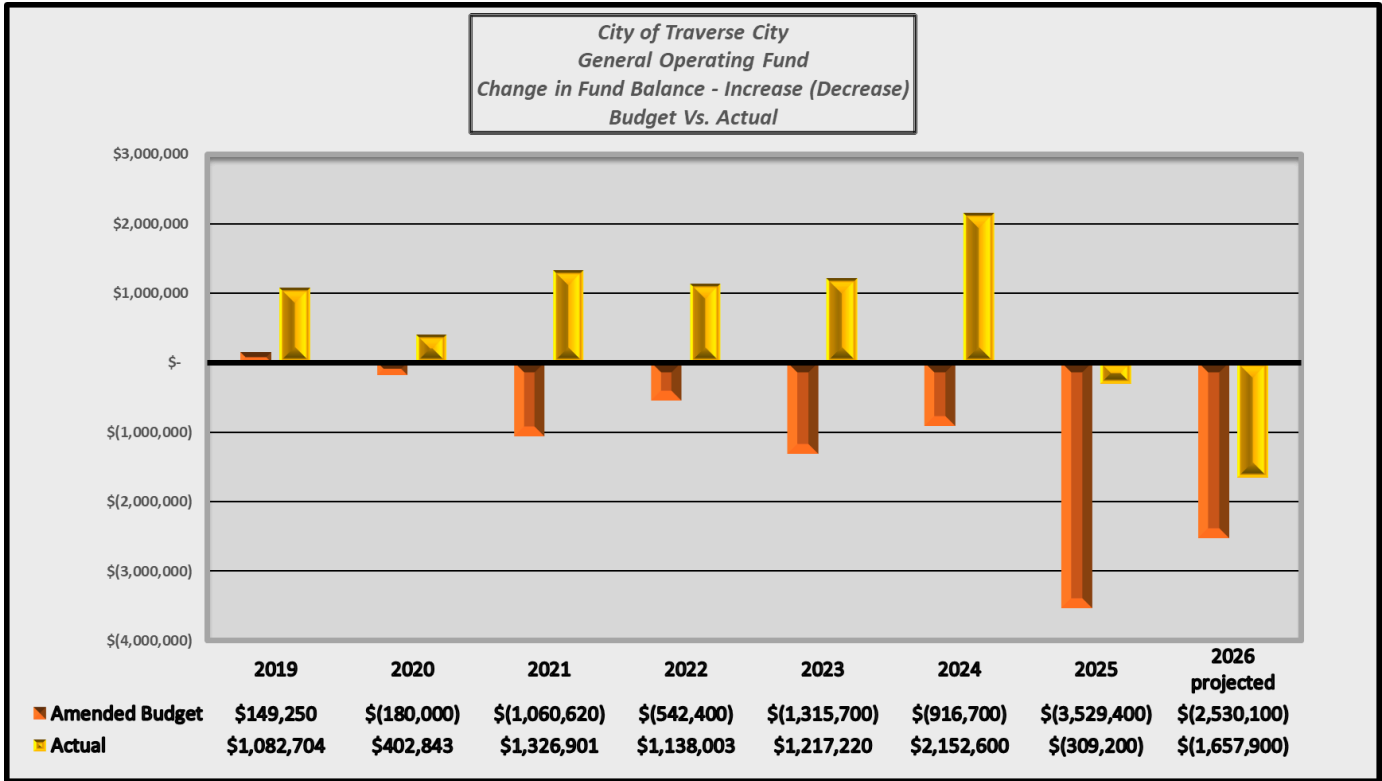


We have been drawing down the fund balance over the last couple years, and we will be reviewing the fund balance policy in September to ensure responsible use of funds.

Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$7,011,015	\$8,895,631	\$8,793,709	\$6,733,710
Assigned	\$916,700	\$1,144,900	\$821,200	\$1,300,000
Nonspendable	\$493,263	\$535,246	\$651,701	\$575,000
Total Fund Balance	\$8,420,979	\$10,575,777	\$10,266,610	\$8,608,710

General Operating Fund History of Fund Balance



Fund balance projection anticipates an additional contribution to MERS of 1,200,000 to increase the funding percentage to 60%.

General Operating Fund Unassigned Fund Balance History

Fund Balance projection/additional analysis

	2024/2025	2023/2024	2022/2023	2021/2022	2020/2021
Total Fund Balance at 6/30	\$ 10,266,610	\$ 10,575,777	\$ 8,240,977	\$ 7,203,757	\$ 6,065,754
Nonspendable - Inventory, and Prepaid Items	(651,701)	(535,246)	(493,264)	(480,698)	(540,350)
Assigned - Subsequent years budgeted deficit	(821,200)	(1,144,900)	(916,700)	(1,315,700)	(624,400)
Total General Operating Fund Unassigned Fund Balance	\$ 8,793,709	\$ 8,895,631	\$ 6,831,013	\$ 5,407,359	\$ 4,901,004
Budgeted 6/30 subsequent year total expenditures	26,276,200	\$ 24,759,600	\$ 23,768,600	\$ 21,675,300	\$ 19,771,600
Current Unassigned Fund Balance as a % of budgeted subsequent year expenditures	33.47%	35.93%	28.74%	24.95%	24.79%
Fund balance required to achieve commission required 20% maximum	\$ 5,255,240	\$ 4,951,920	\$ 4,753,720	\$ 4,335,060	\$ 3,954,320
Potential additional fund balance available for current or subsequent budgets	\$ 3,538,469	\$ 3,943,711	\$ 2,077,293	\$ 1,072,299	\$ 946,684

The City Commission General Fund Balance Policy CC-056

The City Commission desires to have a minimum unassigned fund balance that will not go below 15% of General Operating Fund expenditures. Should the unassigned fund balance go below the 15% level, the City Commission in conjunction with City Staff shall develop a plan for bringing the unassigned fund balance up to at least that level. An exception to this requirement would be the desire of the City Commission for the use of funds for matching a grant with a time limit on the expenditure of the grant proceeds. The city Commission desires to have a maximum unassigned fund balance that will not exceed 20% of the General Operating Fund expenditures. Should the unassigned fund balance go above the 20% level, the City Commission, in conjunction with staff, shall develop a plan for the utilization of those funds to bring the unassigned fund balance back down to the 20% level. An exception to this requirement would be the desire of the City Commission to plan the use of the funds for a future specific purpose within a specific timeline.

We have planned discussions to review this policy September 2026

Unassigned Fund Balance in Relation to Policy

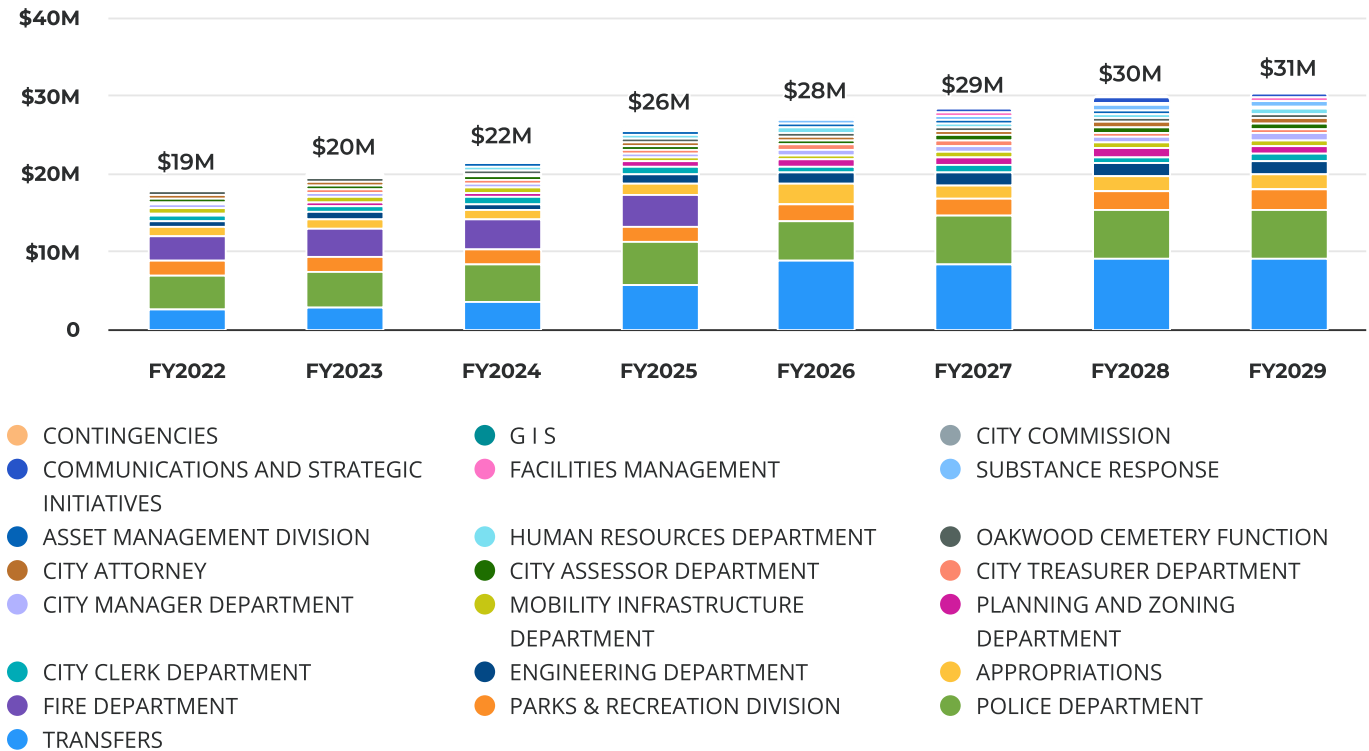
City of TC
 General Operating Fund
 Budget Summary and Fund Balance Review

	FYE 6/30/26 Projected	FYE 6/30/27 Budget
Revenues before adjustments	\$ 25,834,700	\$ 26,324,500
Expenditures before adjustments	(28,052,800)	(31,398,700)
Fund Balance increase (decrease) before adjustments	(2,218,100)	(5,074,200)
Adjusted Revenue increase (decrease)	108,100	668,500
Adjusted Expenditures (increase) decrease	452,100	2,847,100
Adjusted increase (decrease) fund balance	(1,657,900)	(1,558,600)
Beginning Fund Balance	10,266,600	8,608,700
Ending Fund Balance	\$ 8,608,700	\$ 7,050,100
Fund Balance Analysis:		
Ending total Fund Balance	\$ 8,608,700	\$ 7,050,100
esimate unavailable for prepaids and inventory	(650,000)	(650,000)
assigned for subsequent budget	(1,558,600)	(2,288,500)
Unassigned Fund Balance	\$ 6,400,100	\$ 4,111,600
Unassigned Fund Balance as % of total expenditures	23.19%	14%

General Fund Department Budgeted Expenditures

Below is a summary of departmental expenditures budgeted in the General Operating Fund.

Historical Expenditures by Department



FY27 Expenditures by Department



● TRANSFERS	\$8,430,500	29.53%
● POLICE DEPARTMENT	\$6,065,700	21.24%
● PARKS & RECREATION DIVISION	\$2,326,000	8.15%
● APPROPRIATIONS	\$1,693,400	5.93%
● ENGINEERING DEPARTMENT	\$1,589,200	5.57%
● CITY CLERK DEPARTMENT	\$1,025,000	3.59%
● PLANNING AND ZONING DEPARTMENT	\$991,500	3.47%
● MOBILITY INFRASTRUCTURE DEPARTMENT	\$766,900	2.69%
● CITY TREASURER DEPARTMENT	\$699,500	2.45%
● CITY MANAGER DEPARTMENT	\$684,300	2.40%
● CITY ASSESSOR DEPARTMENT	\$637,800	2.23%
● SUBSTANCE RESPONSE	\$619,200	2.17%
● HUMAN RESOURCES DEPARTMENT	\$555,700	1.95%
● OAKWOOD CEMETERY FUNCTION	\$494,000	1.73%
● CITY ATTORNEY	\$491,950	1.72%
● COMMUNICATIONS AND STRATEGIC INITIATIVES	\$470,350	1.65%
● FACILITIES MANAGEMENT	\$393,900	1.38%
● ASSET MANAGEMENT DIVISION	\$359,000	1.26%
● CITY COMMISSION	\$182,700	0.64%
● CONTINGENCIES	\$75,000	0.26%

Police Department makes up just over 21% of the General Fund budget, followed by transfers to other funds, including a transfer to the new EMS Fund for Fire activity and 1.000 mil for street repairs in the Street Fund & approved capital projects in the Capital Improvement Fund. These 2 items alone make up over 50% of the general fund expenditures.

Expenditures by Department

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CITY COMMISSION	\$269,846	\$275,250	\$190,600	\$182,700	\$178,400	\$174,000
CITY MANAGER DEPARTMENT	\$583,130	\$588,820	\$695,100	\$684,300	\$717,200	\$749,900
ASSET MANAGEMENT DIVISION	\$444,026	\$450,250	\$489,200	\$359,000	\$381,000	\$400,400
CITY CLERK DEPARTMENT	\$835,258	\$787,000	\$714,800	\$1,025,000	\$916,900	\$961,600
CITY TREASURER DEPARTMENT	\$545,164	\$707,800	\$622,100	\$699,500	\$671,200	\$703,600
CITY ASSESSOR DEPARTMENT	\$486,392	\$541,360	\$580,100	\$637,800	\$667,700	\$698,000
GIS	\$349,974	-	-	-	-	-
FACILITIES MANAGEMENT	\$164,092	\$375,750	\$336,500	\$393,900	\$411,600	\$419,500
CITY ATTORNEY	\$511,872	\$534,430	\$533,300	\$491,950	\$605,150	\$614,100
HUMAN RESOURCES DEPARTMENT	\$437,727	\$480,550	\$500,400	\$555,700	\$594,300	\$622,300
APPROPRIATIONS	\$1,438,850	\$2,721,700	\$2,751,300	\$1,693,400	\$1,808,500	\$1,841,500
POLICE DEPARTMENT	\$5,523,343	\$5,644,390	\$5,026,900	\$6,065,700	\$6,245,200	\$6,400,400
FIRE DEPARTMENT	\$4,090,486	-	-	-	-	-
MOBILITY INFRASTRUCTURE DEPARTMENT	\$426,595	\$704,530	\$641,800	\$766,900	\$726,700	\$734,100
ENGINEERING DEPARTMENT	\$1,183,709	\$1,478,470	\$1,420,100	\$1,589,200	\$1,639,400	\$1,708,700
OAKWOOD CEMETERY FUNCTION	\$473,461	\$473,620	\$500,400	\$494,000	\$514,800	\$533,000
PLANNING AND ZONING DEPARTMENT	\$779,769	\$920,250	\$839,300	\$991,500	\$1,020,200	\$1,062,500
PARKS & RECREATION DIVISION	\$2,037,400	\$2,454,830	\$2,158,100	\$2,326,000	\$2,495,000	\$2,611,700
CONTINGENCIES	-	\$109,070	-	\$75,000	\$75,000	\$75,000
TRANSFERS	\$5,614,828	\$8,150,730	\$8,815,100	\$8,430,500	\$9,059,700	\$8,995,500
COMMUNICATIONS AND STRATEGIC INITIATIVES	-	\$248,350	\$235,200	\$470,350	\$530,450	\$560,700
SUBSTANCE RESPONSE	-	\$538,770	\$550,400	\$619,200	\$642,900	\$675,800
Total Expenditures	\$26,195,921	\$28,185,920	\$27,600,700	\$28,551,600	\$29,901,300	\$30,542,300

The requested budget for GIS & Fire are \$0 due to activity being moved to separate funds.

City Commission (101-101)

Mission Statement: *To guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens coupled with the expertise of the City's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government.*

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The City Commission is the legislative body for the City of Traverse City. The primary function of the City Commission is to establish the direction and policies by which the City operates through its boards, commissions and departments.

The goals and priorities of the Commission are reflected through the adopted budget in keeping with the policy of maintaining the economic well being of the City.

The City Commission consists of seven (7) members including the Mayor, all elected at large. Commissioners each have four-year terms of office and the Mayor has a two-year term of office. At the annual organizational meeting, the City Commission meets and chooses one of its members as Mayor Pro Tem for one year until the following organizational meeting. The City Commission elected terms are arranged so that not more than four members shall be retired at any one time.

The Mayor presides at the meetings of the City Commission and has a voice and a vote in its proceedings, but no veto power. The Mayor authenticates by signature such instruments as the City Commission, City Charter or the laws of the State require.

The City Commission meetings are held in the Commission Chambers on the 2nd Floor of the Governmental Center, 400 Boardman Avenue, Traverse City. Regular Meetings are held the first and third Monday of each month. Possible Study Sessions are held on the second and fourth Monday of each month. Special meetings are scheduled as needed.

This department's expenditures include the salaries paid to the City Commissioners, the General Fund's portion of the City Audit, strategic planning initiatives, upgrades to public information sharing tools and membership to the Michigan Municipal League

SUMMARY OF SIGNIFICANT BUDGET CHANGES

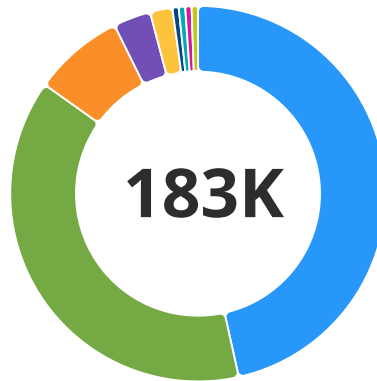
OKR & communication costs moved to the Department of Communications and Strategic Initiatives.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$269,846	\$275,250	\$190,600	\$182,700	\$178,400	\$174,000
CITY COMMISSION	\$269,846	\$275,250	\$190,600	\$182,700	\$178,400	\$174,000
SALARIES & WAGES	\$64,176	\$61,200	\$65,200	\$70,000	\$72,100	\$74,300
FRINGE BENEFITS	\$5,221	\$4,900	\$5,700	\$5,900	\$6,100	\$6,300
OFFICE/OPERATING SUPPLIES	\$1,233	\$8,000	\$6,000	\$1,000	\$1,000	\$1,000
PROFESSIONAL SERVICES	\$190,025	\$164,800	\$89,000	\$85,000	\$73,000	\$78,700
INSURANCE & BONDS	\$1,114	\$950	\$1,000	\$1,000	\$1,100	\$1,200
PROFESSIONAL DEVELOPMENT	\$7,640	\$29,500	\$20,000	\$14,300	\$19,600	\$7,000
COMMUNITY PROMOTION	\$0	\$1,000	\$0	\$1,000	\$1,000	\$1,000
PRINTING & PUBLISHING	\$0	\$3,400	\$3,600	\$3,500	\$3,500	\$3,500
MISCELLANEOUS EXP	\$438	\$1,500	\$100	\$1,000	\$1,000	\$1,000
Total Expenditures	\$269,846	\$275,250	\$190,600	\$182,700	\$178,400	\$174,000

Professional services includes, annual audit costs, security guard service for commission meetings, Strategic plan/OKR costs moved to the Communications department.

FY27 Expenditures by Expense Type Summary



● PROFESSIONAL SERVICES	\$85,000	46.52%
● SALARIES & WAGES	\$70,000	38.31%
● PROFESSIONAL DEVELOPMENT	\$14,300	7.83%
● FRINGE BENEFITS	\$5,900	3.23%
● PRINTING & PUBLISHING	\$3,500	1.92%
● MISCELLANEOUS EXP	\$1,000	0.55%
● COMMUNITY PROMOTION	\$1,000	0.55%
● INSURANCE & BONDS	\$1,000	0.55%
● OFFICE/OPERATING SUPPLIES	\$1,000	0.55%

City Manager (101-172)

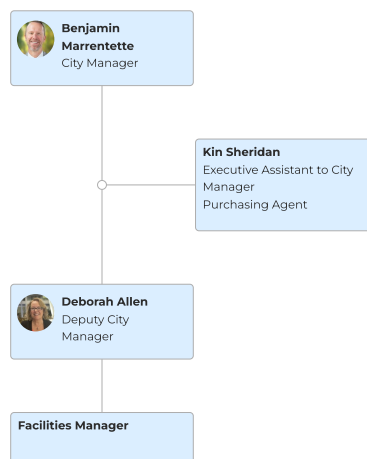
Mission Statement: *To work in partnership with the City Commission and employee team to achieve the City's mission and goals.*

The City Manager's Department is the administrative office of the city, with the City Manager essentially functioning as CEO of city government, with all city employees, except the City Attorney, ultimately reporting to the City Manager through department directors and the Deputy City Manager.

More specifically, the City Manager's office is responsible for executing the vision, policies and programs established by the City Commission, for overseeing and providing strategic leadership and executive oversight for all City departments, and for handling the administrative duties outlined in the City Charter, City Code of Ordinances and State statutes and City Commission policy including recommending and implementing the City budget. Importantly, the City Manager is responsible for the implementation of the City Commission's Strategic Action Plan and the related Objectives and Key Results (OKRs). The Facilities Management Division serves as a function of the City Manager's Office.

City Manager Benjamin Marentette believes in a culture rooted in feedback and centered around a mindset of possibilities and leads the entire city organization with vision, openness, curiosity, innovation and empowerment. Mr. Marentette is proud to serve alongside Deputy City Manager Deborah Allen who provides direct executive oversight over a number of departments and the Facilities Management Division.

City Manager Office



Goals

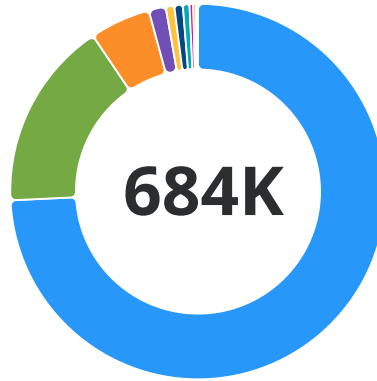
1. Implement the Traverse City Strategic Action Plan, through the City Manager's Work Plan for Objectives and Key Results (OKRs) established by the City Commission.
2. Development and implementation of Department Director routine evaluation framework, co-created with individual Department Directors.
3. Develop a long-range succession and workforce planning strategy in consultation with the Deputy City Manager, Human Resources Director and Department Directors.
4. Negotiation of five collective bargaining agreements, in collaboration with the Human Resources Director and labor counsel.
5. Developing, with a City Commission Ad Hoc Committee and City Treasurer/Finance Director, a longer-term financial strategy and outlook, including revisiting the City Commission Fund Balance Policy.
6. Reinvigorating efforts toward storm water management.
7. Advancement of the strategy for the Coalition on Housing and Homelessness.
8. Continued organizational transformation through nurturing a culture of feedback and possibilities, in partnership with the Deputy City Manager, Human Resources Director and Department Director Leadership Team.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$583,130	\$588,820	\$695,100	\$684,300	\$717,200	\$749,900
CITY MANAGER DEPARTMENT	\$583,130	\$588,820	\$695,100	\$684,300	\$717,200	\$749,900
SALARIES & WAGES	\$403,620	\$419,700	\$519,000	\$508,200	\$530,700	\$553,700
FRINGE BENEFITS	\$99,168	\$108,100	\$109,500	\$111,500	\$118,300	\$125,700
OFFICE/OPERATING SUPPLIES	\$4,676	\$6,000	\$4,700	\$5,000	\$5,700	\$6,000
PROFESSIONAL SERVICES	\$55,805	\$33,000	\$38,000	\$35,700	\$36,900	\$38,000
INSURANCE & BONDS	\$2,136	\$2,020	\$2,000	\$2,100	\$2,300	\$2,400
PROFESSIONAL DEVELOPMENT	\$7,695	\$8,000	\$11,000	\$10,000	\$10,500	\$11,000
COMMUNICATION	\$3,482	\$5,500	\$5,200	\$5,000	\$6,100	\$6,200
TRANSPORTATION	\$330	\$1,000	\$1,700	\$1,000	\$1,000	\$1,000
PRINTING & PUBLISHING	\$4,247	\$4,000	\$2,800	\$4,000	\$4,200	\$4,400
RENTALS	\$0	\$180	\$200	\$200	\$0	\$0
MISCELLANEOUS EXP	\$1,972	\$1,320	\$1,000	\$1,600	\$1,500	\$1,500
Total Expenditures	\$583,130	\$588,820	\$695,100	\$684,300	\$717,200	\$749,900

Significant increase in salaries & wages in 2025/2026 due to increase of current City Manager salary and pay out of previous City Manager.

FY27 Expenditures by Expense Type Summary

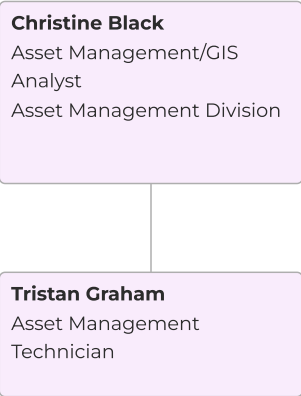


● SALARIES & WAGES	\$508,200	74.27%
● FRINGE BENEFITS	\$111,500	16.29%
● PROFESSIONAL SERVICES	\$35,700	5.22%
● PROFESSIONAL DEVELOPMENT	\$10,000	1.46%
● COMMUNICATION	\$5,000	0.73%
● OFFICE/OPERATING SUPPLIES	\$5,000	0.73%
● PRINTING & PUBLISHING	\$4,000	0.58%
● INSURANCE & BONDS	\$2,100	0.31%
● MISCELLANEOUS EXP	\$1,600	0.23%
● TRANSPORTATION	\$1,000	0.15%
● RENTALS	\$200	0.03%

Asset Management Division (101-174)

Mission Statement: *Our mission is to create, provide, and maintain comprehensive asset inventories, including condition assessments, for all City assets. This data supports a strategic approach to long-term financial and economic management, enables the implementation of sound policies and strategic plans, and allows for the monitoring, reporting, and measurement of performance. We strive to provide accessible information to assist in operational activities and develop effective Asset Management Plans and Programs.*

Asset Management Division



2025 Catch Basin Cleaning Contractor Dashboard

Asset Management Division Functions & Services

- **Long-Term Planning**
 - Develops plans to maintain and improve city infrastructure, like streets, water systems, and public buildings.
 - Helps prioritize repairs and upgrades to keep city services running efficiently.
- **Tracking City Assets**
 - Uses Geographic Information Systems (GIS) to map and monitor infrastructure, including roads, utilities, parks, and public buildings.
 - Collects and updates data to assess the condition of city assets.
- **Supporting City Departments**
 - Works with the Department of Public Services, the Department of Municipal Utilities and other city departments to manage and analyze infrastructure data.
 - Conducts inspections and assessments to help departments make informed maintenance and budgetary decisions.
- **Technology & Data Management**
 - Uses specialized software to store and analyze infrastructure data.
 - Integrates GIS with other systems to improve efficiency and decision-making.
- **Data Analysis & Reporting**
 - Collects, analyzes, and interprets data to create reports for city leaders, department heads, and state and federal agencies to support decision-making and regulatory compliance.
 - Assesses the effectiveness of maintenance programs and infrastructure investments.
- **Training & Technical Support**
 - Teaches city employees how to use asset management principles, software and GIS tools.
 - Provides ongoing technical support to various city departments.
- **IT & Record Management**
 - Maintains digital records of infrastructure conditions and maintenance history.
 - Ensures data accuracy and keeps systems up to date.
 - Serves as the IT liaison for the Department of Public Services.

Achievements

- Prosci® Change Management Practitioner Certification (Christine Black)
- Pavement Asset Management Plan (PAMP) completion
- Implementation of the Streets field crew's collection of sign inventory, including pictures of each sign.
- Pavement Marking & Catch Basin Dashboards — Used our inventory to create web dashboards used by our contractors to locate and then record their work in real-time while allowing city staff to monitor their work LIVE.
- Real-time access to multiple inventories via Asset Management Software — Successfully implemented Clerk's Department access to multiple inventories to eliminate redundancy.

Goals

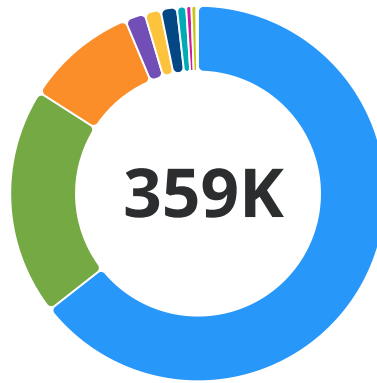
- Asset Management/GIS Analyst II Position Request: Funding is requested to support increasing asset management needs across multiple departments.
- Collaborate across all departments to provide asset data and support fiscally sound decisions through effective asset management.
- Clerk's Department editing access to Asset Management Software to eliminate dual entry of information in multiple departments.
- Implementation of the Parking Department's use of tablets for signs, pavement markings, and pavement symbols inventory in the field.
- Digitize all asset files and attach to assets in Asset Management Software.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$444,026	\$450,250	\$489,200	\$359,000	\$381,000	\$400,400
ASSET MANAGEMENT DIVISION	\$444,026	\$450,250	\$489,200	\$359,000	\$381,000	\$400,400
SALARIES & WAGES	\$321,836	\$285,900	\$338,000	\$231,300	\$241,800	\$252,300
FRINGE BENEFITS	\$77,871	\$75,500	\$90,500	\$70,400	\$76,100	\$82,400
OFFICE/OPERATING SUPPLIES	\$10,879	\$4,800	\$4,800	\$5,000	\$5,300	\$5,600
PROFESSIONAL SERVICES	\$27,141	\$66,900	\$38,200	\$34,600	\$39,200	\$41,000
INSURANCE & BONDS	\$1,708	\$1,550	\$1,600	\$1,600	\$1,700	\$1,800
PROFESSIONAL DEVELOPMENT	\$1,305	\$8,000	\$6,000	\$5,000	\$6,000	\$6,000
COMMUNICATION	\$2,133	\$4,100	\$2,000	\$2,900	\$2,400	\$2,500
TRANSPORTATION	\$1,030	\$2,500	\$2,000	\$1,500	\$1,500	\$1,500
PRINTING & PUBLISHING	\$0	\$500	\$0	\$0	\$0	\$0
RENTALS	\$0	\$0	\$5,600	\$6,200	\$6,500	\$6,800
MISCELLANEOUS EXP	\$124	\$500	\$500	\$500	\$500	\$500
Total Expenditures	\$444,026	\$450,250	\$489,200	\$359,000	\$381,000	\$400,400

Overage in salaries & wages 2025/2026 expense is due to DPS director retirement date being extended past projections. Personnel reduction is due to restructuring of department divisions in the upcoming fiscal year.

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$231,300	64.43%
● FRINGE BENEFITS	\$70,400	19.61%
● PROFESSIONAL SERVICES	\$34,600	9.64%
● RENTALS	\$6,200	1.73%
● PROFESSIONAL DEVELOPMENT	\$5,000	1.39%
● OFFICE/OPERATING SUPPLIES	\$5,000	1.39%
● COMMUNICATION	\$2,900	0.81%
● INSURANCE & BONDS	\$1,600	0.45%
● TRANSPORTATION	\$1,500	0.42%
● MISCELLANEOUS EXP	\$500	0.14%

City Clerk Department (101-215)

Mission Statement: *To serve community residents and business owners, the City Commission, the City Manager and City departments by rendering equal service to all, providing top-level enthusiastic, accurate and courteous service.*

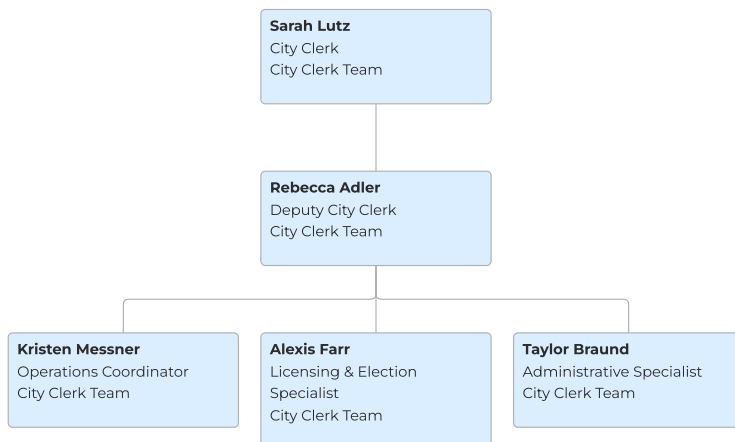
The City Clerk's Office serves as the legislative and corporate office of the City, with many operational responsibilities, serving in accordance with and upholding the Michigan Constitution, City Charter, ordinances, policies, federal and state laws and Administrative Orders of the City Manager.

Here's a snapshot of our primary responsibilities:

- Federal, State, and local elections' administrator – planning, organizing, and executing all aspects of elections.
- Clerk to the City Commission — legislative process administration; in collaboration with the City Manager's Office, preparing briefing packets for all official sessions of the City Commission; tracking, expediting, and completing documentation for all City Commission business items, including various contractual terms.
- Corporate Officer – reviewing and providing final authorization for all financial disbursements, including Traverse City Light and Power, which totals approximately \$150 million annually; executing official legal documents, including contracts, leases, and various permissions, and tracking contractual terms and various business touch points/transactions
- Liability insurance and risk administrator – managing the City's liability and specialty insurance programs (protecting over \$155M in City assets); analyzing and recommending insurance policy requirements (approximately \$1 billion annually in various endeavors); handling all insurance claims against the City and administering all cross-claims against other parties, pursuing subrogation, etc.; and all aspects of enterprise-wide risk management, protecting the City's financial poise
- General City-Wide Customer Service: with approximately 30,000 interactions each year, functioning as a primary service point for residents, visitors, business owners, nonprofit agencies, internal customers, and anyone who needs assistance on a wide range of issues, many of which are not direct City services. With a smile, we assist tens of thousands of inquiries by email, phone, web, in-person, etc.
- License and permit authority – managing all phases of the City's 30 key licenses and permits, including approximately 50 special events per year.
- Record manager for the City's vital records, reviewing items for completeness and cataloging them in the City's authenticated document management system.
- Freedom of Information Act Coordinator – ensuring compliance with public records disclosure requirements
- HIPAA (Health Insurance Portability and Accountability Act) Privacy Official – managing the security of, and proper access to all HIPAA-protected records under the City's care and performing compliance functions as mandated by HIPAA.
- Title VI Non-Discrimination Compliance Officer, ensuring compliance with nondiscrimination requirements under Federal Title VI
- Open Meetings Act compliance officer

Coordinating the recruitment and appointment process for all Mayoral and City Commission appointments, and staffing other special City Commission Ad Hoc Committees as requested

City Clerk Team



SUMMARY OF SIGNIFICANT BUDGET CHANGES

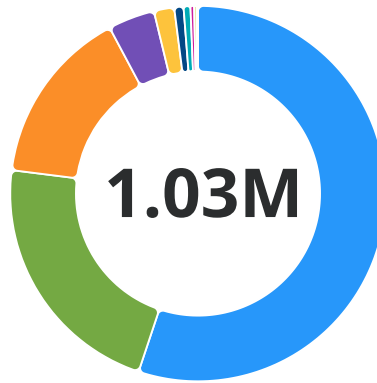
Budgeted for potential election equipment replacement costs in the event of little to no state-level appropriation.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$835,258	\$787,000	\$714,800	\$1,025,000	\$916,900	\$961,600
CITY CLERK DEPARTMENT	\$835,258	\$787,000	\$714,800	\$1,025,000	\$916,900	\$961,600
SALARIES & WAGES	\$551,544	\$474,500	\$463,300	\$565,100	\$586,500	\$619,200
FRINGE BENEFITS	\$152,469	\$135,900	\$129,900	\$156,000	\$163,800	\$171,600
OFFICE/OPERATING SUPPLIES	\$34,641	\$61,000	\$30,000	\$41,000	\$41,000	\$41,500
PROFESSIONAL SERVICES	\$62,818	\$83,400	\$69,000	\$224,100	\$89,600	\$94,000
INSURANCE & BONDS	\$3,700	\$3,000	\$3,000	\$3,200	\$3,400	\$3,600
PROFESSIONAL DEVELOPMENT	\$3,010	\$5,000	\$4,200	\$8,200	\$4,400	\$3,000
COMMUNICATION	\$6,492	\$3,700	\$5,000	\$6,000	\$7,000	\$7,500
TRANSPORTATION	\$619	\$2,000	\$400	\$1,000	\$1,000	\$1,000
COMMUNITY PROMOTION	\$648	\$0	\$0	\$0	\$0	\$0
PRINTING & PUBLISHING	\$17,897	\$16,500	\$8,000	\$18,000	\$18,000	\$18,000
REPAIRS & MAINTENANCE	\$12	\$0	\$100	\$200	\$200	\$200
RENTALS	\$1,410	\$2,000	\$1,900	\$2,200	\$2,000	\$2,000
Total Expenditures	\$835,258	\$787,000	\$714,800	\$1,025,000	\$916,900	\$961,600

The reduction compared to the 2024/25 budget is due to the transfer of communications activity to a new department and having only one scheduled election this fiscal year. The Professional Service increase includes the plan for the purchase of new election equipment; the State recommends setting aside \$15,000 per precinct.

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$565,100	55.13%
● PROFESSIONAL SERVICES	\$224,100	21.86%
● FRINGE BENEFITS	\$156,000	15.22%
● OFFICE/OPERATING SUPPLIES	\$41,000	4.00%
● PRINTING & PUBLISHING	\$18,000	1.76%
● PROFESSIONAL DEVELOPMENT	\$8,200	0.80%
● COMMUNICATION	\$6,000	0.59%
● INSURANCE & BONDS	\$3,200	0.31%
● RENTALS	\$2,200	0.21%
● TRANSPORTATION	\$1,000	0.10%
● REPAIRS & MAINTENANCE	\$200	0.02%

City Treasurer Department (101-253)

Mission Statement: *To provide competent and comprehensive financial services to the City and its residents.*

The City Treasurer’s Office is responsible for the collection and disbursement of all monies for the City and maintaining appropriate accounting and financial records to document these transactions.

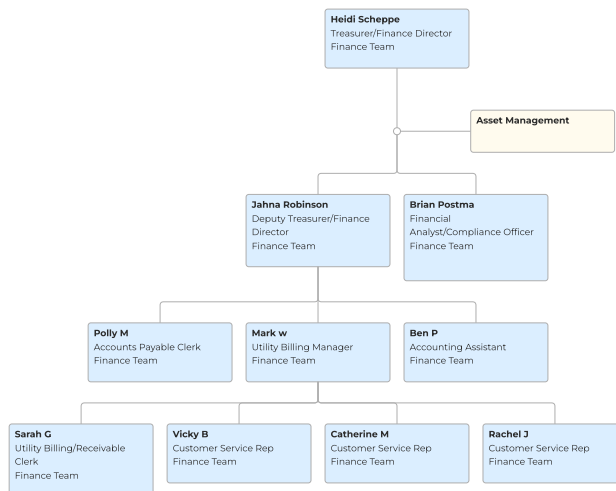
This office handles:

- Billing and collection of payments for utility customers monthly.
- Billing and collection of tax parcel payments in both the summer and winter.
- Invoicing for miscellaneous services performed by City departments.
- Collection of assessments on parcels which have special improvement districts.
- Payroll is processed and disbursed by the department on a bi-weekly basis.
- Payment of all City expenses.

In addition to the accounting functions, this Department is responsible for:

- Preparation of the City’s budget, assisting various departments with key aspects of budget preparation and guidance on the treatment of certain budget matters.
- Preparation of the City’s annual financial statements.
- The City’s financial reporting for both internal and external purposes. It includes but is not limited to federal and state agencies, and nationally recognized municipal securities information repositories.
- Investment of excess funds.
- Assisting with monitoring the internal control of the City as a whole.
- Administering an independent and state-authorized retirement system (ACT 345) and retiree healthcare benefit system for its police and firefighters.
- Credit card processing/reconciliation and PCI compliance audits.
- Reporting to bond rating agencies.

Treasury/Finance Department



Goals

- Switch to BS&A cloud for all modules November 2026
- Expand 53rd ACH payment process for eligible vendors
- Implement BS&A online payment integration August 2026.
- Work through Sewer & Water rate study to coincide with renegotiation of bulk water agreements with townships. Prepare to bring rate structure improvement to City Commission in time for 2027/2028 fiscal year.
- Implement payment processing software at the front counter.

Accomplishments

- Implemented 53rd ACH payment process for eligible vendors
- Implemented ordinance changes for Sewer & Water billings, facilitated multiple data collection analysis for negotiations with Garfield Township regarding Commons water pressure/infrastructure & Long Lake water permits.
- Started the process for a RFP for a rate study to coincide with renegotiation of bulk water agreements with townships.
- Completed DDA integration into BS&A for budget, A/P & payroll.

SUMMARY OF SIGNIFICANT BUDGET CHANGES

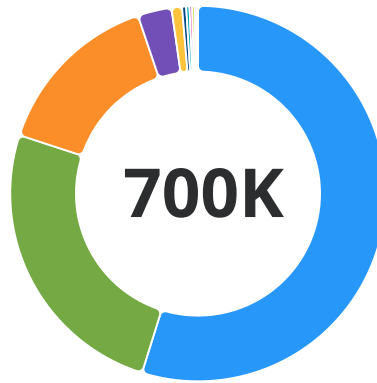
BS&A Cloud conversion costs are included in the 2026/2027 budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$545,164	\$707,800	\$622,100	\$699,500	\$671,200	\$703,600
CITY TREASURER DEPARTMENT	\$545,164	\$707,800	\$622,100	\$699,500	\$671,200	\$703,600
SALARIES & WAGES	\$344,949	\$373,700	\$344,100	\$383,500	\$397,600	\$412,400
FRINGE BENEFITS	\$79,766	\$83,100	\$96,500	\$103,400	\$109,800	\$116,600
OFFICE/OPERATING SUPPLIES	\$19,092	\$17,300	\$16,800	\$20,300	\$19,000	\$19,900
PROFESSIONAL SERVICES	\$79,721	\$196,660	\$138,400	\$176,400	\$128,900	\$135,400
INSURANCE & BONDS	\$3,727	\$2,300	\$2,300	\$2,400	\$2,600	\$2,700
PROFESSIONAL DEVELOPMENT	\$3,943	\$13,100	\$5,000	\$6,400	\$7,600	\$10,700
COMMUNICATION	\$5,671	\$6,340	\$6,300	\$700	\$700	\$700
PRINTING & PUBLISHING	\$1,802	\$1,500	\$1,600	\$1,600	\$1,700	\$1,800
REPAIRS & MAINTENANCE	\$0	\$400	\$100	\$1,600	\$100	\$100
RENTALS	\$954	\$1,000	\$1,000	\$1,200	\$1,200	\$1,300
MISCELLANEOUS EXP	\$5,538	\$12,400	\$10,000	\$2,000	\$2,000	\$2,000
Total Expenditures	\$545,164	\$707,800	\$622,100	\$699,500	\$671,200	\$703,600

Professional Services include tax bill processing, ClearGov, BS&A cloud conversion, annual subscriptions, GASB actuarial audits, and implementation of deposit processing software. Professional Development includes staff memberships, training, and NMC Soft Skills Certificate courses. Additionally, county telephone costs have been reclassified from Communications to Information Technology to better reflect their function.

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$383,500	54.82%
● PROFESSIONAL SERVICES	\$176,400	25.22%
● FRINGE BENEFITS	\$103,400	14.78%
● OFFICE/OPERATING SUPPLIES	\$20,300	2.90%
● PROFESSIONAL DEVELOPMENT	\$6,400	0.91%
● INSURANCE & BONDS	\$2,400	0.34%
● MISCELLANEOUS EXP	\$2,000	0.29%
● REPAIRS & MAINTENANCE	\$1,600	0.23%
● PRINTING & PUBLISHING	\$1,600	0.23%
● RENTALS	\$1,200	0.17%
● COMMUNICATION	\$700	0.10%

City Assessing Department (101-257)

Mission Statement: *To provide professional assessment services in compliance with state and local laws and in accordance with the standards established by the Michigan State Tax Commission.*

The Assessing Department is charged with valuing all tangible real and personal property within the City of Traverse City as prescribed by State Law. The General Property Tax Act [MCL211.1] requires an annual assessment of all real and personal property located within each township or city by a certified assessing officer. Due to the total assessed value of all properties within the city, the City of Traverse City is required to have an Assessor with the highest level of certification obtainable, a Michigan Master Assessing Officer (MMAO/previously known as a Level IV Assessor).

The City Assessing Department is responsible for maintaining fair and equitable assessment practices, and performing these services efficiently and professionally. Efficiency and compliance are measured annually.

The Assessing Department establishes assessed and taxable values, at the legally mandated uniform percentage of market value, within 49-50%, for each class of property, including valuations for Special Act and Exempt properties, as determined each year as of December 31, known as tax day.

The Assessing Department administers the City's Property Assessing System. This includes any necessary communication with the Michigan State Tax Commission, the Michigan Tax Tribunal, the Grand Traverse and Leelanau County Equalization Departments, and the City's Board of Review. The City Assessor is responsible for planning and implementation of the annual valuation of real and personal property and compilation of the City's assessment rolls. At a minimum, this responsibility includes the following:

- Meeting or exceeding annual state certification continuing educational requirements for each certified employee
- Processing: deeds/transfers of ownership, property transfer affidavits, principal residence exemptions/rescinds, boundary line adjustments/splits/combinations, verification of tax/legal descriptions, and updating map descriptions
- Maintaining current records of all real and personal property within the City
- Preparing the tax rolls for the City Treasurer – summer & winter seasons
- Monitoring real estate transactions, trends, reports, and construction costs for annual property valuation
- Preparing appraisals of new or remodeled commercial, industrial, and residential buildings; inspecting buildings; evaluating construction blueprints and specifications; preparing sketches and descriptions, ...
- Conducting annual canvassing/review of personal property via statements & auditing of accounting records
- Meeting with property owners to answer assessment/taxable value questions, and explain the appeal process
- Staffing to assist with Board of Review meetings
- Assigning addresses for properties with the City of Traverse City, Grand Traverse County
- Defending property appeals — Representing the City before the State Tax Commission & Michigan Tax Tribunal
- Preparation of cost estimates spread for Special Improvement Districts
- Preparation of compliance reports for the Liquor Commission for Liquor License Registration, State Tax Commission, Department of Treasury, MEDC, and Grand Traverse and Leelanau County Equalization Departments.
- Review/Process PILOT (Payment in Lieu of Tax) and Industrial Facilities Tax (IFT) requests
- Preparing annual budget reports for general operating revenue
- Updating the Departmental website and working to enhance the City's Tax Parcel Viewer application continually
- Advising and assisting the City on matters relating to property acquisition or disposal

The City Assessor, as Assessor of Record, is responsible for defending all Michigan Tax Tribunal appeals, in accordance with state statute, policies, and procedures, as established by the State Tax Commission. The City Assessor is required to process and defend assessments on appeal and to work toward settlement of such property tax appeal matters.

Staff are responsible for maintaining an inventory of all property located within the City of Traverse City, managing approximately 12,000 parcels. Nearly 68% of the City's General Fund Revenue is a direct result of the work provided by the Assessing Department.

The Assessing Department is responsible for the preparation of regular and special assessment rolls, maintenance of real and personal property records, revisions of assessment rolls, maintenance of staff certification levels as required by law, and preparation of reports and administrative assistance dealing with property, taxation and any other matters as required by the City. Values are generated annually for each parcel, and these values become the basis to generate revenue for Grand Traverse County, Leelanau County, the City of Traverse City, TCAPS, NorthWest Education Services, Northwestern Michigan College, BATA, Recreation Authority, Library, County Road Commission, and any other voter authorized millages.

Mass appraisal is the process used to establish the true cash values for groups of properties as of a given date using standardized procedures and statistical testing. Its purpose is the equitable and efficient appraisal of property for ad valorem purposes. (Ad Valorem means "according to value".) This process involves data collection, market analysis, and quality control. The annual established assessed valuations are used in conjunction with millage rates to determine property taxes. The value assigned to a property may differ from the amount for which it was sold or purchased, depending on factors of the sale and market conditions in the area. Assessors determine three (3) separate values annually.

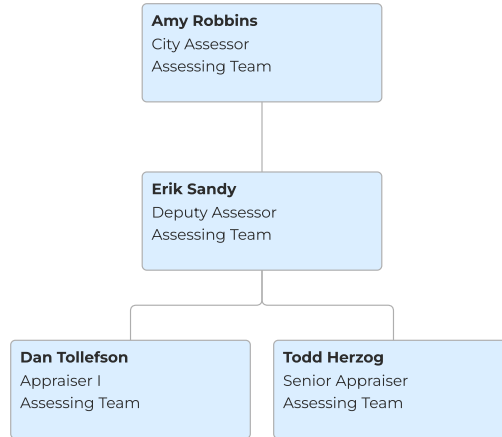
The first value is the **assessed value**, and it starts with calculating the True Cash Value of each property. The True Cash Value reflects a property's usual selling price. All property is assessed at one-half (50%) of its True Cash Value. The assessed value can go up or down as much as the market requires each year. The second is the **capped value**. The capped value starts with the previous year's taxable value, subtracts anything demolished or removed, multiplies the result by the Inflation Rate Multiplier (IRM), then adds any new construction as of tax day, December 31. The result of these calculations is known as the capped value.

The final value is the **taxable value**, which is essentially the lesser of the assessed or capped values. Michigan law limits the amount by which **taxable value** can increase in any given year to the lesser of five percent (5%) or the IRM, which is determined annually by the State of Michigan. But there are exceptions to this limit. Those exceptions include demolition or removal, new construction, and transfers of ownership. When a property sells (changes ownership), the taxable value becomes the same as the assessed value in the year AFTER the sale. This means that new owners will pay higher taxes than owners that have held their property for several years. Taxable value can go down if the assessed value (50% of the True Cash Value) falls below the capped value calculation which is normally seen in a market (or area) with decreasing values.

As a result, three values are assigned to every property: assessed value (also known as State Equalized Value, "SEV"), capped value, and taxable value — which is the value used to determine the amount of property taxes levied annually. The Assessor is required to recalculate these values for every property each year, as of tax day, December 31.

The City Assessing Department assists in accomplishing the City Commission's Goals and Objectives, by continuing to educate and make available State Tax Commission updates, changes in Property Tax Laws, sales, and other pertinent information to our customers. In 2019, the City Commission approved a 6-year contract to obtain annual aerial imagery through EagleView. This imagery assists in enhancing work done by various City Departments and complements the overall services to the public. The contract was updated in 2021 to include additional services and enhancements, which include sketch verification and area tiles for the Hickory Hills area, at a reduced annual cost from the original contract, and again in 2023 for a winter flyover project. Additionally, with this service, data is shared with Grand Traverse County 911/Emergency Services, in continuation of our cooperative relationship.

City Assessing Team



Goals

- Review & inspect 20% of property annually; update record card information including photos, sketches, & miscellaneous attachments (deeds, property transfer affidavits, principal residence exemptions, exemption applications, news articles, and any other relevant information pertaining to properties within the City)
- Educate staff and the public on current state laws/procedural changes, and implement those laws and changes in accordance with Michigan State Tax Commission recommendations
- Continue to enhance public understanding of the assessment/taxation process and dissemination of property data, property tax forms, and values
- Continually increase accessibility and ease of online information via the City's website and Tax Parcel Viewer

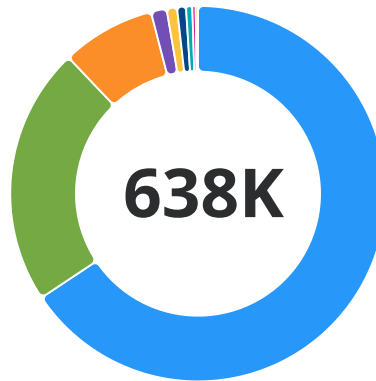
SUMMARY OF SIGNIFICANT BUDGET CHANGES

The City Assessor continues to review current practices looking for ways to improve procedures to create efficiencies, including handling tax appeals. No significant changes were requested for the 2026/2027 budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$486,392	\$541,360	\$580,100	\$637,800	\$667,700	\$698,000
CITY ASSESSOR DEPARTMENT	\$486,392	\$541,360	\$580,100	\$637,800	\$667,700	\$698,000
SALARIES & WAGES	\$336,074	\$373,100	\$380,000	\$418,800	\$436,400	\$453,500
FRINGE BENEFITS	\$91,459	\$93,200	\$126,500	\$141,800	\$151,400	\$161,900
OFFICE/OPERATING SUPPLIES	\$7,720	\$8,000	\$10,300	\$8,600	\$8,800	\$9,300
PROFESSIONAL SERVICES	\$30,343	\$45,900	\$46,300	\$51,500	\$53,200	\$54,800
INSURANCE & BONDS	\$1,907	\$1,860	\$1,800	\$1,800	\$1,900	\$2,000
PROFESSIONAL DEVELOPMENT	\$1,136	\$3,500	\$5,200	\$5,700	\$6,000	\$6,500
COMMUNICATION	\$5,079	\$4,300	\$3,300	\$3,400	\$3,400	\$3,400
TRANSPORTATION	\$1,624	\$3,000	\$2,100	\$1,300	\$1,400	\$1,400
PRINTING & PUBLISHING	\$10,832	\$8,500	\$4,600	\$4,900	\$5,200	\$5,200
MISCELLANEOUS EXP	\$217	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$486,392	\$541,360	\$580,100	\$637,800	\$667,700	\$698,000

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$418,800	65.66%
● FRINGE BENEFITS	\$141,800	22.23%
● PROFESSIONAL SERVICES	\$51,500	8.07%
● OFFICE/OPERATING SUPPLIES	\$8,600	1.35%
● PROFESSIONAL DEVELOPMENT	\$5,700	0.89%
● PRINTING & PUBLISHING	\$4,900	0.77%
● COMMUNICATION	\$3,400	0.53%
● INSURANCE & BONDS	\$1,800	0.28%
● TRANSPORTATION	\$1,300	0.20%

Facilities Management (101-265)

The City of Traverse City is committed to ensuring that all city-owned buildings and facilities remain safe, functional, and compliant with applicable regulations. This department tracks costs related to the operation and maintenance of city-owned and operated facilities.

Goals

Continue to improve and streamline facilities management processes across all City-owned properties through asset management strategies, preventive maintenance, and effective oversight of leased spaces. These efforts support the efficient use of budgeted funds and help ensure City facilities are safe, functional, and well maintained.

- Continuing implementation of preventive maintenance programs, identification of facility deficiencies, project management, and energy management strategies across all City facilities.
- Continue to streamline service contracts with vendors to improve operational efficiency and service delivery.
- Continue management of leased spaces and ensure rent and utility billing processes are accurately coordinated and administered.
- Continue to strengthen relationships with tenants of leased and City-operated facilities to provide responsive and effective customer service.
- Continue oversight of life safety requirements and building code compliance at all facilities to maintain compliance standards.
- Continue collecting and organizing asset management data to support informed, data-driven infrastructure improvement decisions.
- Manage each facility to promote operational efficiency and meet the needs of all stakeholders.

These efforts will help ensure City facilities continue to operate efficiently and support a high level of service for tenants, staff, and the public.

Accomplishments

- Maintained and advanced preventive maintenance programs across City facilities, while identifying building deficiencies and implementing energy management strategies.
- Improved efficiency in service contract administration by continuing to streamline vendor coordination and oversight.
- Managed leased spaces and coordinated rent and utility billing processes to support accurate and timely administration.
- Strengthened working relationships with tenants and occupants of leased and City-operated buildings to support responsive customer service.
- Maintained oversight of life safety requirements and building code compliance across City facilities.
- Continued gathering and organizing asset management data to support long-term facility planning and infrastructure improvement decisions.
- Managed City facilities to support efficient operations and meet the needs of building users and stakeholders.

SUMMARY OF SIGNIFICANT BUDGET CHANGES

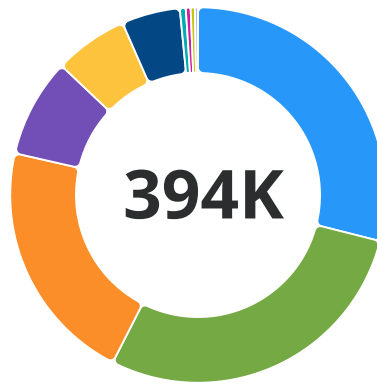
As Facilities Management responsibilities continue to expand across City facilities, the need for preventive maintenance and the identification and replacement of aging equipment will also increase, requiring additional funding support.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$164,092	\$375,750	\$336,500	\$393,900	\$411,600	\$419,500
FACILITIES MANAGEMENT	\$164,092	\$375,750	\$336,500	\$393,900	\$411,600	\$419,500
SALARIES & WAGES	\$0	\$82,600	\$94,200	\$112,500	\$119,700	\$123,200
FRINGE BENEFITS	\$0	\$30,500	\$14,200	\$19,800	\$20,900	\$21,700
PROFESSIONAL SERVICES	\$1,598	\$47,900	\$9,800	\$33,500	\$46,500	\$47,800
INSURANCE & BONDS	\$164	\$1,450	\$1,500	\$1,600	\$1,700	\$1,800
COMMUNICATION	\$0	\$500	\$1,000	\$1,000	\$1,000	\$1,000
TRANSPORTATION	\$0	\$3,000	\$900	\$1,500	\$1,800	\$2,000
UTILITIES	\$90,979	\$82,000	\$92,000	\$114,000	\$98,000	\$100,000
REPAIRS & MAINTENANCE	\$59,989	\$87,500	\$87,000	\$83,000	\$95,000	\$95,000
RENTALS	\$0	\$700	\$900	\$2,000	\$2,000	\$2,000
CAPITAL OUTLAY	\$11,363	\$39,600	\$35,000	\$25,000	\$25,000	\$25,000
Total Expenditures	\$164,092	\$375,750	\$336,500	\$393,900	\$411,600	\$419,500

Increase in Salaries & Fringes due to the Facilities Management Director position. Increased Repairs & Maintenance to give the Director ability to make improvements if needed.

FY27 Expenditures by Expense Type Summary



● UTILITIES	\$114,000	28.94%
● SALARIES & WAGES	\$112,500	28.56%
● REPAIRS & MAINTENANCE	\$83,000	21.07%
● PROFESSIONAL SERVICES	\$33,500	8.50%
● CAPITAL OUTLAY	\$25,000	6.35%
● FRINGE BENEFITS	\$19,800	5.03%
● RENTALS	\$2,000	0.51%
● INSURANCE & BONDS	\$1,600	0.41%
● TRANSPORTATION	\$1,500	0.38%
● COMMUNICATION	\$1,000	0.25%

City Attorney Department (101-266)

Mission Statement: *The Office of the City Attorney is committed to providing the highest quality legal services to the City Commission, administrative staff, departments, boards and commissions of the City of Traverse City, on matters that affect the conduct of City business. The City Attorney also strives to provide the City with timely topical legal advice concerning staff recommendations, commission policies, administrative procedures, and developing issues.*

The City Attorney acts as the legal advisor to, and attorney and counsel for, the City and all its officers in matters relating to their official duties. The City Attorney's role as the chief legal advisor is to interpret and apply relevant laws with the primary goal of protecting the interests of the City.

The City Attorney provides the City with professional legal advice and services so City activities, staff recommendations, commission policies and administrative procedures are undertaken after consideration of all appropriate laws. The City Attorney also provides representation of the City in all legal proceedings and acts as a liaison to outside counsel who may represent the City from time to time.

This Department specifically:

- Provides timely and topical legal advice to City staff and all its officials.
- Reviews, revises, and prepares legal documents.
- Defends the City in litigation.
- Represents the City before judicial or administrative boards and agencies.
- Prosecutes violations of the City Code.
- Provides legal counsel at City Commission meetings.

SUMMARY OF SIGNIFICANT BUDGET CHANGES

The City Attorney has tendered their resignation, effective June 30, 2026. The City Commission has indicated a desire to retain a firm, rather than an in-house City Attorney. The City Attorney's Budget moved personnel funds to Professional Services to reflect this direction.

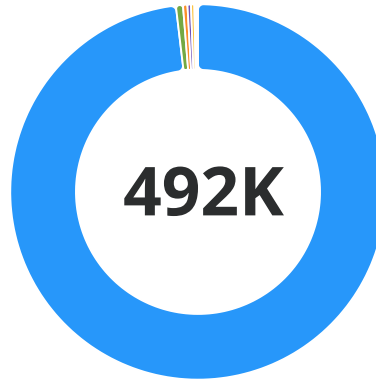
Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$511,872	\$534,430	\$533,300	\$491,950	\$605,150	\$614,100
CITY ATTORNEY	\$511,872	\$534,430	\$533,300	\$491,950	\$605,150	\$614,100
SALARIES & WAGES	\$290,396	\$269,800	\$281,200	\$0	\$0	\$0
FRINGE BENEFITS	\$76,071	\$85,400	\$87,900	\$0	\$0	\$0
OFFICE/OPERATING SUPPLIES	\$3,701	\$17,500	\$17,500	\$1,500	\$1,500	\$1,500
PROFESSIONAL SERVICES	\$134,992	\$154,000	\$139,000	\$482,650	\$595,650	\$604,500
INSURANCE & BONDS	\$2,145	\$1,830	\$1,800	\$1,900	\$2,100	\$2,200
PROFESSIONAL DEVELOPMENT	\$2,638	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
COMMUNICATION	\$1,467	\$1,400	\$1,400	\$1,400	\$1,400	\$1,400
TRANSPORTATION	\$0	\$500	\$500	\$500	\$500	\$500
PRINTING & PUBLISHING	\$462	\$500	\$500	\$500	\$500	\$500

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
MISCELLANEOUS EXP	\$0	\$500	\$500	\$500	\$500	\$500
Total Expenditures	\$511,872	\$534,430	\$533,300	\$491,950	\$605,150	\$614,100

Professional service increased due to moving attorney costs from personnel to contract services.

FY27 Expenditures by Expense Type Summary



● PROFESSIONAL SERVICES	\$482,650	98.11%
● PROFESSIONAL DEVELOPMENT	\$3,000	0.61%
● INSURANCE & BONDS	\$1,900	0.39%
● OFFICE/OPERATING SUPPLIES	\$1,500	0.30%
● COMMUNICATION	\$1,400	0.28%
● MISCELLANEOUS EXP	\$500	0.10%
● PRINTING & PUBLISHING	\$500	0.10%
● TRANSPORTATION	\$500	0.10%

Department of Communications & Strategic Initiatives (101-267)

Communications & Strategic Initiatives Overview

The Department of Communications and Strategic Initiatives leads the City's efforts to ensure clear, transparent, and effective communication while advancing key organizational priorities.

This director serves as a strategic partner to the City Manager, helping guide how the City connects with residents, stakeholders, and the broader community. At the core of this position is the coordination of citywide communication and strategic initiatives—ensuring alignment with the City's Strategic Action Plan and Commission-adopted Objectives and Key Results (OKRs). The role supports measurable progress, accountability, and public reporting on key initiatives.

Responsibilities

- Leads the City's internal and external communication strategies, ensuring consistent, accurate, and timely messaging
- Advances major strategic initiatives across departments, helping align priorities and track progress
- Oversees public engagement efforts, strengthening community awareness, participation, and trust
- Serves as a primary liaison to media, community organizations, and key stakeholders
- Manages the City's digital presence, including website, social media, and public-facing communications
- Supports leadership with strategic guidance on messaging, reputation management, and public engagement
- Coordinates communication during emergencies and high-profile situations to ensure clear and timely public information
- Supports cross-departmental collaboration, helping translate complex initiatives into clear, accessible information while reinforcing a consistent and trusted City voice



Communications & Strategic Initiatives

Colleen Paveglio
 Director of
 Communications &
 Strategic Initiatives

Vacant
 Communications Specialist
 Communications &
 Strategic Initiatives

SUMMARY OF BUDGET & CHANGES

In February 2026, the Communications Department was elevated to the Department of Communications & Strategic Initiatives, reflecting an expanded role in aligning organizational priorities, advancing the Strategic Action Plan (SAP), and supporting Objectives and Key Results (OKRs) across departments. Budget adjustments reflect this transition, including the reclassification of the Director position and the addition of a Communications Specialist to support increased workload and coordination needs.

Core Budget Focus: Communications, Engagement, and Transparency

The Department's budget is primarily focused on delivering core communications functions—strategic outreach, public engagement, and branding—while also introducing targeted investments to support the City's evolving strategic framework. The Department continues to absorb the majority of communications and strategic initiative functions internally, maximizing staff capacity and limiting reliance on external services.

Professional & Contractual Services

The largest share of funding supports professional and contractual services essential for day-to-day operations. This includes subscriptions to graphic design software, email marketing platforms, and social media management tools, as well as web support, hosting, and development. These tools enable efficient, consistent, and accessible communication across platforms. Funding is also included for professional services, such as photography, to support high-quality visual storytelling.

Printing & Publishing

Printing and publishing allocations support public-facing materials that keep the community informed, including the annual performance report, project mailers, postcards, and other outreach collateral. These materials remain a critical component of equitable communication, ensuring information reaches residents through multiple channels.

Community Engagement & Promotions

This portion of the budget supports programs such as City Academy and other outreach initiatives designed to strengthen transparency, build relationships, and encourage civic participation.

New & Expanded Investments

In addition to ongoing operations, several new or expanded allocations are included in this year's budget to support strategic priorities. Software and digital platforms remain essential to advancing this work, including tools for digital newsletter distribution, graphic programs, and AI-assisted public engagement. Notably, this budget introduces a strategic planning platform to support SAP and OKR tracking, reporting, and organizational alignment. The Department will also assume costs associated with future SAP/OKR consulting services, which were previously included in the City Commission's budget.

Future Investment: Website Accessibility

Looking ahead, the budget reflects planned future investment in website accessibility, with updates anticipated beginning in 2027 to meet evolving ADA requirements and a compliance deadline of April 24, 2028.

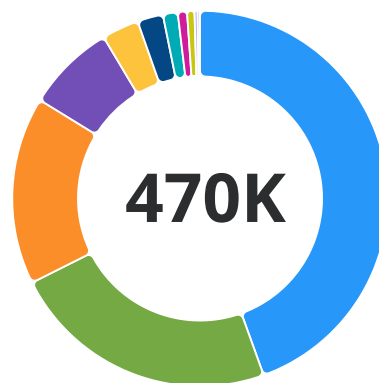
Pilot Initiative: Vibes Council

The budget includes a \$20,000 pilot allocation for the "Vibes Council," as identified in the OKR Work Plan. This initiative is intended to explore new approaches to community engagement and activation of social gathering spaces, representing a targeted investment in innovative, community-driven programming.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$0	\$248,350	\$235,200	\$470,350	\$530,450	\$560,700
COMMUNICATIONS AND STRATEGIC INITIATIVES	\$0	\$248,350	\$235,200	\$470,350	\$530,450	\$560,700
SALARIES & WAGES	\$0	\$92,000	\$102,700	\$209,300	\$223,900	\$238,600
FRINGE BENEFITS	\$0	\$35,000	\$36,300	\$76,050	\$80,550	\$85,900
OFFICE/OPERATING SUPPLIES	\$0	\$17,000	\$14,500	\$10,400	\$14,500	\$14,500
PROFESSIONAL SERVICES	\$0	\$73,000	\$69,000	\$108,700	\$108,500	\$116,700
INSURANCE & BONDS	\$0	\$850	\$900	\$900	\$1,000	\$1,000
PROFESSIONAL DEVELOPMENT	\$0	\$3,000	\$0	\$3,000	\$3,000	\$3,000
COMMUNICATION	\$0	\$2,000	\$800	\$1,300	\$1,300	\$1,300
TRANSPORTATION	\$0	\$500	\$0	\$3,700	\$3,700	\$3,700
COMMUNITY PROMOTION	\$0	\$5,500	\$5,500	\$36,000	\$73,000	\$75,000
PRINTING & PUBLISHING	\$0	\$14,500	\$5,000	\$15,000	\$15,000	\$15,000
MISCELLANEOUS EXP	\$0	\$5,000	\$500	\$6,000	\$6,000	\$6,000
Total Expenditures	\$0	\$248,350	\$235,200	\$470,350	\$530,450	\$560,700

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$209,300	44.50%
● PROFESSIONAL SERVICES	\$108,700	23.11%
● FRINGE BENEFITS	\$76,050	16.17%
● COMMUNITY PROMOTION	\$36,000	7.65%
● PRINTING & PUBLISHING	\$15,000	3.19%
● OFFICE/OPERATING SUPPLIES	\$10,400	2.21%
● MISCELLANEOUS EXP	\$6,000	1.28%
● TRANSPORTATION	\$3,700	0.79%
● PROFESSIONAL DEVELOPMENT	\$3,000	0.64%
● COMMUNICATION	\$1,300	0.28%
● INSURANCE & BONDS	\$900	0.19%

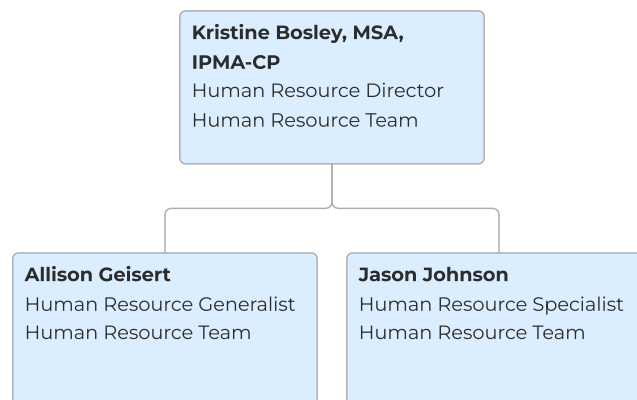
Human Resource Department (101-270)

Department Statement: The Human Resources Department attracts, supports, and empowers City employees through exceptional service, fostering a workplace that aligns with the City's strategic vision and organizational goals.

The Human Resources Office provides comprehensive personnel management, benefits administration, and payroll services for City operations. This includes supporting both City employees and Traverse City Light & Power employees through the administration of employee benefits and payroll. The department also manages payroll for part-time, temporary, and seasonal employees throughout the fiscal year and administers benefit support for retirees.

Human Resources works closely with the City Manager to represent the City's interests in collective bargaining, labor agreement administration, and contract interpretation across six bargaining units. Through these efforts, the department promotes fair, consistent, and effective labor relations while supporting a productive and engaged workforce.

Human Resources Team



Responsibilities of the Human Resource Department include:

- Employment, recruiting and interviewing
 - Selection / Recruitment processes
 - Internal promotional processes
 - Temporary workforce coordination
- Compensation
 - Wage and salary administration
 - Payroll administration
- Benefits Administration
 - Medical Insurance
 - Dental Insurance
 - Vision Insurance
 - Life Insurance
 - Short-Term Disability
 - Long-Term Disability
 - Flexible Savings Account
 - Health Care Savings Plan
 - Deferred Compensation Plans
 - MERS Retirement Plan
 - Employee Assistance Program
 - COBRA Administration
 - Educational Reimbursement Plan
 - Retirement Administration and Assistance
- Employee Relations
 - Equal Employment Opportunity Coordinator
 - Labor Relations
 - Labor Agreement Administration and Compliance
- Personnel/Human Resource Records
 - Personnel record keeping
 - HR Information Systems
 - Legal compliance
- Health and Safety
 - Workers Compensation Administration
 - Health and Fitness Program
 - Drug-Free Workforce Testing
 - Safety Committee

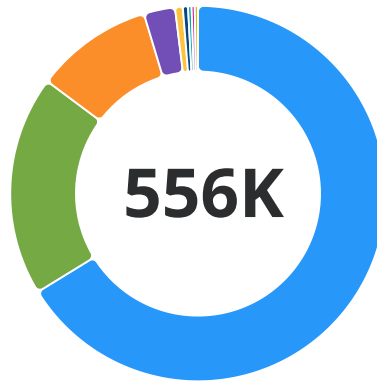
SUMMARY OF SIGNIFICANT BUDGET CHANGES

No significant changes.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$437,727	\$480,550	\$500,400	\$555,700	\$594,300	\$622,300
HUMAN RESOURCES DEPARTMENT	\$437,727	\$480,550	\$500,400	\$555,700	\$594,300	\$622,300
SALARIES & WAGES	\$295,241	\$312,100	\$330,000	\$368,100	\$392,400	\$411,200
FRINGE BENEFITS	\$83,319	\$88,900	\$101,000	\$105,300	\$113,500	\$121,400
OFFICE/OPERATING SUPPLIES	\$13,960	\$6,500	\$2,100	\$3,700	\$3,500	\$3,500
PROFESSIONAL SERVICES	\$31,901	\$47,400	\$48,000	\$56,400	\$62,500	\$63,700
INSURANCE & BONDS	\$1,674	\$1,650	\$1,600	\$1,700	\$1,900	\$2,000
PROFESSIONAL DEVELOPMENT	\$3,054	\$11,600	\$10,000	\$15,000	\$15,000	\$15,000
COMMUNICATION	\$4,623	\$4,500	\$4,700	\$2,500	\$2,500	\$2,500
TRANSPORTATION	\$1,348	\$5,000	\$1,000	\$0	\$0	\$0
PRINTING & PUBLISHING	\$1,241	\$1,400	\$1,000	\$1,500	\$1,500	\$1,500
MISCELLANEOUS EXP	\$1,364	\$1,500	\$1,000	\$1,500	\$1,500	\$1,500
Total Expenditures	\$437,727	\$480,550	\$500,400	\$555,700	\$594,300	\$622,300

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$368,100	66.24%
● FRINGE BENEFITS	\$105,300	18.95%
● PROFESSIONAL SERVICES	\$56,400	10.15%
● PROFESSIONAL DEVELOPMENT	\$15,000	2.70%
● OFFICE/OPERATING SUPPLIES	\$3,700	0.67%
● COMMUNICATION	\$2,500	0.45%
● INSURANCE & BONDS	\$1,700	0.31%
● MISCELLANEOUS EXP	\$1,500	0.27%
● PRINTING & PUBLISHING	\$1,500	0.27%

Appropriations/Projects (101-272)

This budget reflects the allocation of General Fund proceeds for specific functions which are not necessarily part of the daily activities of any specific department. Beginning with fiscal year-end June 30, 2022, the MERS closed division retirement contribution is reported as a separate line item identified as Fringe benefits in the chart below. In prior periods, the payment was allocated among departments.

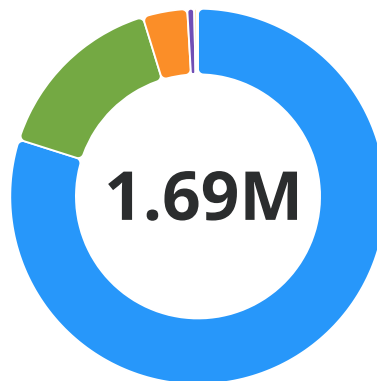
SUMMARY OF SIGNIFICANT BUDGET CHANGES

No significant changes were requested for the 2026/2027 budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$1,438,850	\$2,721,700	\$2,751,300	\$1,693,400	\$1,808,500	\$1,841,500
APPROPRIATIONS	\$1,438,850	\$2,721,700	\$2,751,300	\$1,693,400	\$1,808,500	\$1,841,500
FRINGE BENEFITS	\$1,263,148	\$2,538,800	\$2,588,800	\$1,352,900	\$1,470,000	\$1,500,000
PROFESSIONAL SERVICES	\$103,000	\$112,400	\$92,000	\$260,000	\$263,000	\$266,000
HUMAN RIGHTS COMISSION	\$1,493	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
APPROPRIATIONS	\$5,000	\$0	\$0	\$10,000	\$5,000	\$5,000
INDEPENDENCE DAY FIREWORKS	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500	\$3,500
LAND INFORMATION ACCESS ASSOC	\$62,709	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
Total Expenditures	\$1,438,850	\$2,721,700	\$2,751,300	\$1,693,400	\$1,808,500	\$1,841,500

FY27 Expenditures by Expense Type Summary



● FRINGE BENEFITS	\$1,352,900	79.89%
● PROFESSIONAL SERVICES	\$260,000	15.35%
● LAND INFORMATION ACCESS ASSOC	\$65,000	3.84%
● APPROPRIATIONS	\$10,000	0.59%
● INDEPENDENCE DAY FIREWORKS	\$3,500	0.21%
● HUMAN RIGHTS COMISSION	\$2,000	0.12%

City Police Department (101-301)

Mission Statement:

Excellence in public service and safety through community policing

Core Values:

Compassion, Courage, Excellence, Fairness, Integrity, Resourcefulness, Respect, and Work Ethic

21st Century Policing Pillars:

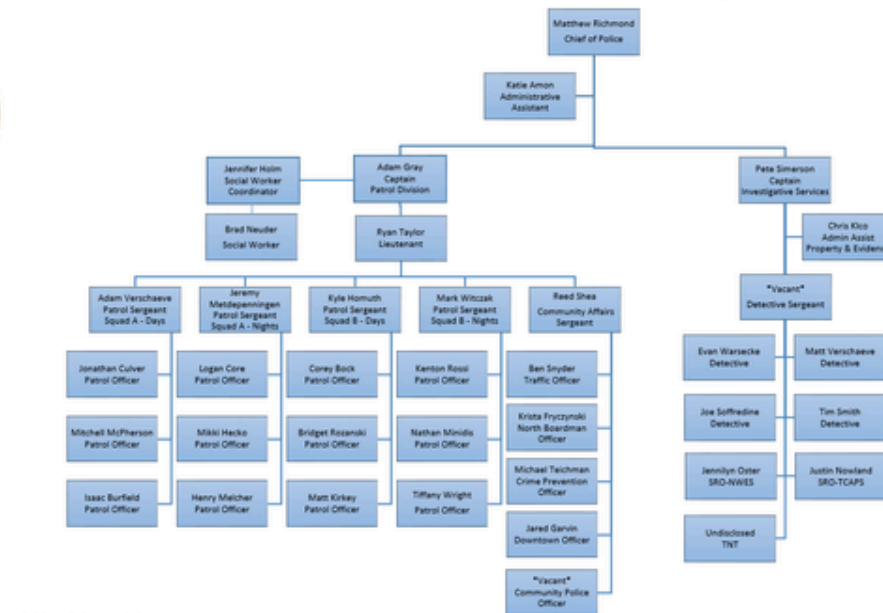
Building Trust and Legitimacy, Policy and Oversight, Technology and Social Media, Community Policing and Crime Reduction, Training and Education, and Officer Wellness and Safety

Traverse City Strategic Action Plan Pillars:

Proactively manage urban design, Strengthening place-making and neighborhood character, Fostering a regional collaborative approach, Creating a complete community, Supporting environmental sustainability, and Building a thriving year-round economy.

The Traverse City Police Department's budget reflects its mission, values, and goals. Additional guidance is sought from the 21st Century Policing Report's six pillars, and the Traverse City Strategic Action Plan. To provide our primary function of serving and protecting the citizens of Traverse City, our department must continue to evolve as society does. Enhancing our services and the community's quality of life are top priorities. The department's budget reflects community policing philosophies, technology, a welcoming culture, training, professional development, and collaboration to ensure these priorities are met.

TRAVERSE CITY POLICE DEPARTMENT ORGANIZATIONAL CHART JANUARY, 2026



Field Training: Kaleb Hauser

Calls for Service, Cases and Arrest from the 2017 - 2024

Incidents:

Are calls for service (either dispatched or officer-initiated). All calls for service are documented in our Computer Aided Dispatch (CAD).

Cases:

Calls for service needing a police report for information purposes, when requesting charges or upon arrest.

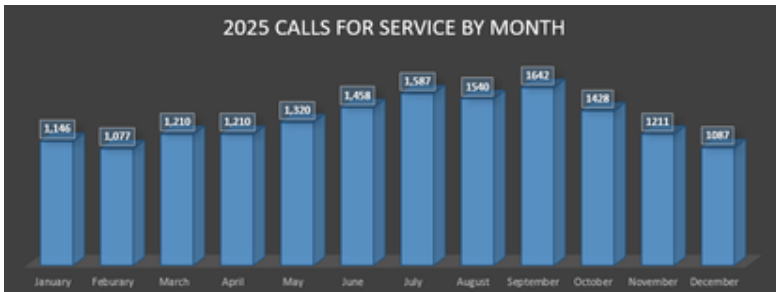
Arrests:

The number of individuals lodged or cited for a misdemeanor or felony. The arrest number only accounts for the number of individuals arrested, not the number of charges associated with each individual.

Incidents, Cases, and Arrest (2017-2025)			
Year	Incidents	Cases	Arrest
2017	12800	2806	1119
2018	13415	2420	925
2019	15000	2342	932
2020	13299	1882	499
2021	13591	2149	530
2022	13689	2054	654
2023	13989	2200	757
2024	13526 [*] / 14014	2072 [*]	745 [*]
2025	15916	2148	1162

^{*}Cyber Attack

Calls for Service by Month



It should be noted that June stats were affected by a cyberattack against Grand Traverse County and the City of Traverse City.

Calls for Service - Heat Map (Days and Hours)

The heat map allows for a quick glimpse into the time of day and day of the week the Traverse City Police Department responds to most calls for service (CFS). The darker green the cells are, the fewer CFS experienced. The darker red the cell is, the more CFS experienced during that time.

	SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY	TOTAL
Hour	INCIDENTS	INCIDENTS	INCIDENTS	INCIDENTS	INCIDENTS	INCIDENTS	INCIDENTS	INCIDENTS
0	75	32	45	52	47	60	70	381
1	85	48	72	44	45	44	77	395
2	54	32	40	42	45	39	65	317
3	33	53	70	36	48	48	48	334
4	32	31	37	31	41	30	34	236
5	19	18	20	18	22	18	12	127
6	21	32	27	23	26	31	35	195
7	33	58	78	86	76	81	36	448
8	52	110	124	110	139	90	61	686
9	58	161	154	181	156	98	61	869
10	79	160	171	172	143	151	101	977
11	83	174	177	156	162	125	96	973
12	84	144	169	165	129	146	120	957
13	92	196	180	208	154	154	99	1083
14	84	194	151	180	162	146	122	1039
15	80	135	164	182	143	132	102	938
16	84	160	186	175	148	144	94	991
17	92	160	157	162	139	109	92	911
18	98	120	133	113	149	138	87	838
19	100	97	107	108	115	125	110	762
20	80	82	96	73	83	115	80	609
21	72	86	92	92	82	108	88	620
22	85	84	83	91	101	104	103	631
23	94	73	65	82	80	120	85	599
Totals:	1629	2440	2598	2582	2435	2354	1878	15916

Goals

1. Reduce the occurrence of crime by implementing strategies that are evidence and intelligence-based.
2. Identify, arrest, and assist in the prosecution of people who commit crimes.
3. Develop a departmental culture that is welcoming, transparent, fair, and respectful.
4. Recruit, hire, and retain individuals that reflect the department and community's values.
5. Provide staff with training, professional development and resources to achieve excellence in service.
6. Provide a more effective and efficient service through the use of technology.
7. Embrace community collaboration on issues that directly affect OUR community.
8. Provide effective communication both within our department and with the community.
9. Mobilize City resources when needed to address citizen concerns and problems.
10. Maintain Michigan Law Enforcement Accreditation through the Michigan Law Enforcement Accreditation Commission (MLEAC) and the Michigan Association of Chiefs of Police.

Accomplishments

- The department opened a new substation at 128 West State Street in downtown Traverse City. In addition to providing an office for the Downtown Community Policing Officer, all Traverse City Police Department Officers will be able to utilize the substation to further the department's community policing philosophies. The substation will allow Officers to integrate more into the community, provide additional Officer presence downtown, and reduce response times to areas of the City. The substation will not be open to the public, but it will have all the amenities for officers to complete reports, conduct follow-up investigations, and provide a safe space for breaks or meals.
- Sergeant Kyle Homuth was assigned as the department's new Detective Sergeant, Officer Benjamin Snyder was promoted to Patrol Sergeant and Officer Jared Garvin became our new Downtown Community Police Officer.
- The department hired one new officer, bringing the total number of sworn officers to thirty-three with one vacancy. The department employs an additional four non-sworn personnel.
- The Quick Response Team was rebranded as the **RESILIENCE Program** on February 10, maintaining its core design while expanding its mission, goals, and measures. The program has gained significant traction, with formal presentations at 14 events (including two national conferences, and two more accepted for 2026) and supporting replication efforts in multiple communities. TCAPS has already replicated, while Grand Rapids, Antrim Co, and Sault Ste. Marie are in the process.
- The department was awarded another no-cost extension and an additional \$102,500 to its current **Comprehensive Opioid, Stimulant, and Substance Use Program's (COSSUP)** Grant. This brought the total grant award to \$585,050. The RESILIENCE Program consists of Jen Holm, Police Social Worker Coordinator, and Brad Neuder, Police Support Service Worker. The RESILIENCE Program currently partners with sixty-one community partners.
- As of March 1, the RESILIENCE Program has received 507 referrals, with 71% of eligible individuals participating, 57% engaging in community services, and 21% having their needs met or being safely relocated. 223 potholes have been discussed with 61% filled and 25% in progress.
 - A University of Michigan evaluation of the RESILIENCE Program found a statistically significant reduction in law enforcement calls among participants, reinforcing the program's impact.
<https://drive.google.com/file/d/1P6XbyL65PtWFNeaS4-0RuZ7z8bqNCZxb/view>
- Following the implementation of a Tactical Bike Unit in the 2024/2025 budget, the department added five additional members to the team. The department also added an instructor allowing training and refreshers to be handled in-house. Officers will be trained in basic police bike operation and crowd management.
- The department added another department member to the Northern Michigan Mutual Aid Task Force Team (Emergency Response or SWAT Team). This brings the total number of department members assigned to the NMMATF to seven. Four operators and three negotiators.

- After conducting comprehensive research, the department finished the process of updating and switching its duty weapons. The department switched from the Glock 22 (.40 caliber) to the Glock 45 Gen 5 (9mm) MOS with Red Dot sights. The Glock 45 (9mm) allows for better accuracy, a larger capacity magazine. Modular Optic Systems (MOS) are one of the latest advancements in handgun technology, allowing for faster target acquisition and enhanced shooter performance. The department's current weapon-mounted lights are compatible with the Glock 45.
- The department conducted research into new patrol rifles as we begin to replace and upgrade our current equipment. All but four of our current patrol rifles were implemented in the 1990s. The majority of costs associated with this project will be covered by a private donor.
- The department added a second mobile surveillance trailer from BackStreet. This trailer is equipped with 4 long-range Pan-Tilt-Zoom (PTZ) cameras. The trailer is used to supplement the department's crime reduction strategies, effectively allocate and deploy personnel, and to enhance public safety and security in the downtown and other public areas. The trailer was purchased by the Downtown Development Authority.
- The motor unit implemented SetCom headsets, enhancing communication and officer safety while patrolling on the department's six Harley-Davidson motorcycles.
- The department added four additional patrol vehicles, allowing for the department's first fully implemented take-home car program.
- As we wish TCPD K9 "ENO" a well-deserved retirement, we will be welcoming a new dual-purpose explosive detection K9 to the department. K9 "ENO" has served this department honorably since June 2020. The cost of the new K9, K9 ballistic vest and training for both the new K9 and handler will be covered by a private donor. This will be the donors fourth K9 purchased for the department.

SUMMARY OF SIGNIFICANT BUDGET CHANGES

The department did not request any additional personnel be added during the 2026/2027 budget.

Building Rental:

This increase is based on a new lease agreement between Grand Traverse County and the City for rent of shared and TCPD only space within the Law Enforcement Center (LEC) at 851 Woodmere Ave. Prior to this year, the city and county had a reciprocating agreement between properties at 500 W. Front St and 851 Woodmere Ave.

County Records Contract:

The department contracts with Grand Traverse County for Records Service at the LEC. Per our contract, the City is responsible for 25% of the Central Records budget outlined in the Grand Traverse County Fiscal Budget. It should be noted that Grand Traverse County’s fiscal year is from January 1 to December 31. Also included in this increase is our portion of a records’ management software upgrade, approximated at \$10,000.

Rentals:

The department was authorized to purchase four new patrol cars during the 2025/2026 fiscal year, increasing the number of vehicles leased from the Garage. As a result, the department was able to fully implement a take-home vehicle program, fulfilling a department goal. The garage has also established a yearly replacement plan in order to provide the department with a modern and reliable fleet. This fiscal year, the garage has determined that four fleet vehicles will be replaced.

Additional safety features installed and implemented with new vehicles also contributed to the increase.

Body Worn Cameras:

As the department begins the process of upgrading BWCs in 2026 and the ongoing issues with our current vendor, we researched several BWC vendors for consideration. The department obtained three different proposals with quotes. At the conclusion of the research, the recommendation would be to switch vendors to Axon. While Axon was quoted as the most expensive option, the recommendation was based on the product’s capabilities, ability to be tailored specifically to TCPDs wants/needs, reliability, redaction capabilities, user-friendliness, management platform (Evidence.com), and overall impressions from all agencies contacted that currently use Axon products. We currently have a relationship with Axon through the department’s use of Tasers. With Axon, Central Records would prepare our videos for submission to the PAO and monitor uncategorized videos, saving officers time. The PAO has worked with both Axon and our current vendor as part of case authorization and trial prep and is supportive of a switch of vendors.

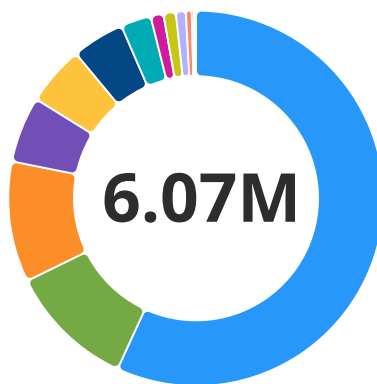
Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$5,523,343	\$5,644,390	\$5,026,900	\$6,065,700	\$6,245,200	\$6,400,400
POLICE DEPARTMENT	\$5,523,343	\$5,644,390	\$5,026,900	\$6,065,700	\$6,245,200	\$6,400,400
SALARIES & WAGES	\$3,307,200	\$3,034,840	\$3,070,000	\$3,448,700	\$3,566,000	\$3,680,100
FRINGE BENEFITS	\$973,274	\$1,123,260	\$600,900	\$629,900	\$676,500	\$727,800
OFFICE/OPERATING SUPPLIES	\$148,510	\$185,850	\$150,200	\$157,500	\$187,300	\$164,500
PROFESSIONAL SERVICES	\$199,915	\$325,780	\$296,200	\$311,400	\$315,100	\$340,600
COUNTY RECORDS CONTRACT	\$201,211	\$203,950	\$210,000	\$275,000	\$295,000	\$295,000
INSURANCE & BONDS	\$46,862	\$52,320	\$51,100	\$52,000	\$52,500	\$53,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL DEVELOPMENT	\$75,665	\$64,660	\$62,500	\$66,600	\$70,100	\$71,800
COMMUNICATION	\$45,458	\$42,750	\$38,900	\$30,800	\$31,500	\$31,600
TRANSPORTATION	\$66,756	\$65,000	\$65,000	\$65,000	\$65,000	\$65,000
PRINTING & PUBLISHING	\$7,957	\$8,400	\$6,100	\$4,400	\$8,400	\$8,400
UTILITIES	\$1,355	\$2,100	\$2,000	\$5,500	\$5,700	\$6,000
REPAIRS & MAINTENANCE	\$915	\$2,000	\$2,000	\$0	\$0	\$0
RENTALS	\$435,398	\$488,500	\$445,000	\$661,900	\$679,600	\$743,600
MISCELLANEOUS EXP	\$10,377	\$29,080	\$10,500	\$12,000	\$12,500	\$13,000
POLICE RESERVES	\$2,490	\$0	\$1,000	\$0	\$0	\$0
CAPITAL OUTLAY	\$0	\$15,900	\$15,500	\$345,000	\$280,000	\$200,000
Total Expenditures	\$5,523,343	\$5,644,390	\$5,026,900	\$6,065,700	\$6,245,200	\$6,400,400

Police Fringe was reduced due to OPEB costs being moved to fund 233 to be funded by ACT345 millage.

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$3,448,700	56.86%
● RENTALS	\$661,900	10.91%
● FRINGE BENEFITS	\$629,900	10.38%
● CAPITAL OUTLAY	\$345,000	5.69%
● PROFESSIONAL SERVICES	\$311,400	5.13%
● COUNTY RECORDS CONTRACT	\$275,000	4.53%
● OFFICE/OPERATING SUPPLIES	\$157,500	2.60%
● PROFESSIONAL DEVELOPMENT	\$66,600	1.10%
● TRANSPORTATION	\$65,000	1.07%
● INSURANCE & BONDS	\$52,000	0.86%
● COMMUNICATION	\$30,800	0.51%
● MISCELLANEOUS EXP	\$12,000	0.20%
● UTILITIES	\$5,500	0.09%
● PRINTING & PUBLISHING	\$4,400	0.07%

Substance Response (101-302)

This budget reflects the allocation of police salaries & benefits, equipment, training, and programs dedicated to the education, prevention, and enforcement of substance use and the regulation of medical and recreational marijuana sales within the City. This is new this year, since we have had multiple substance response revenue sources, we started tracking them in a separate department.

Marijuana Revenue

Each year, marijuana funds collected under the *Michigan Regulation and Taxation of Marihuana Act* (Initiated Law 1 of 2018) are distributed, upon appropriation to municipalities and other governmental entities. Municipalities receive: 15% from municipalities and Indian tribes in which a licensed marijuana retail store or microbusiness is located. Distributions are allocated in proportion to the number of licensed marijuana retail stores and microbusinesses located within the municipality or Indian lands to the total of all licensed marijuana retail stores and microbusinesses located in the state." Adult-Use Marijuana distributions, based on marijuana revenues collected in Fiscal Year 2025 for the City of Traverse City, were \$594,188.10. See reference <https://www.michigan.gov/treasury/local/share/marijuana/adult-use>

The Traverse City Police Department, in conjunction with the State of Michigan, has been tasked with ensuring that both Medical and Adult-Use Marijuana Facilities within the City Limits are regulated to comply with state law and city ordinances. In 2025, the Traverse City Police Department handled two transfers of ownership/new permits, two renewals, one amendment/change of shareholder, and ten bi-annual inspections involving marijuana facilities within the city limits.

Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP)

In 2022, the Traverse City Police Department applied for and was awarded two grants to facilitate a community policing initiative to address the ongoing opioid crisis, the need for coordinated responses to overdoses, and our vulnerable population. The grants awarded were the Comprehensive Opiate, Stimulant, and Substance Use Program (COSSUP) through the Michigan State Police and the Emerging Needs Grant through our local Rotary Charities. As a direct result of these awards, the Traverse City Police Department hired its first police social worker and an additional community policing officer.

As part of the COSSUP grant metrics, the department formed a Quick Response Team (QRT) through MOUs between the Traverse City Police Department and community service providers. Unlike a traditional QRT, our department's QRT quickly evolved into a comprehensive program with wrap-around services for our community's vulnerable population. A vulnerable person is an individual who is experiencing a crisis related to two or more of the following: substance use, mental health, and homelessness or a recent overdose. Today, the program comprises partnerships with 60+ community service providers, has had over 500 referrals and has collaboratively served almost 300 program participants from the city's vulnerable population.

In 2025, the Traverse City Police Department rebranded the QRT Program into the RESILIENCE Program. *"The Traverse City Police Department developed the RESILIENCE Program to address the high prevalence of co-occurring substance use, mental health crises, and homelessness in Traverse City. The program offers voluntary wrap-around services for vulnerable people, encourages participant-led goals, and strengthens community collaboration. The RESILIENCE Program is designed to reduce repeat law enforcement contacts, lower overdose deaths, increase participant engagement in meaningful activities, reduce service fragmentation, and eliminate barriers in local service systems, fostering resilience for individuals and the community."*

RESILIENCE Program Information

- **Program Pillars:**

- **EMPOWER:** the community by working together to address large gaps ("potholes") in agency services

- **SUPPORT:** people experiencing crises related to substance use, mental health and homelessness through an interdisciplinary team of 60+ community partner agencies

- **IMPROVE:** Participants' well-being through self-identified goals related to the eight dimensions of wellness

- **RESILIENCE:** The ability of individuals and communities to ensure and recover from challenges or trauma, especially those connected to substance use, mental health, and homelessness.

We believe our participants are inherently resilient, and by reducing barriers and creating meaningful opportunities, we aim to foster and cultivate the strengths they already hold.

- **Eligibility:** City limits and a combination of homelessness, substance use & mental health OR OD
- **Program Information:** Voluntary program. Police Support Services Workers (PSWs) follow up quarterly and stay involved with program participants until needs are met, or they leave the area and become "inactive." After 6 months, the case is closed but can be re-opened with new needs. Those screened out are provided agency referrals. The active caseload may not match active participant numbers if the person cannot be located promptly.
- **Overdose Information:** The ORT provides 4 contacts for every eligible overdose in the city limits, offering recovery, harm reduction and RESILIENCE Program referral if eligible. Victims are provided resources local to their area. Late-reported ODs or lack of contact information may delay 24-72 hour follow up.

After the initial COSSUP grant award of \$211,276 in 2022, the department has received two grant extensions for a revised total of \$585,050. The grant is set to expire on 9/30/2026.

Opioid Settlement

The City of Traverse City utilizes Opioid Settlement Funds in accordance with State of Michigan settlement guidance to support evidence-based strategies that reduce overdose morbidity and mortality, strengthen emergency response, and expand community-wide prevention and harm-reduction efforts. These investments were informed by local data indicating a continued and urgent need for intervention.

In calendar year 2025, according to OD Map, Grand Traverse County has 62 reported overdoses, a 20% increase from 2024. 18 of those overdoses occurred within the City of Traverse City. Officers from the Traverse City Police Department responded to 13 of the 18. 16 of the 18 overdoses in the city were followed up on by the Traverse City Police Department RESILIENCE Program Overdose Response Team. Of the 16 followed up on by the RESILIENCE Team, "14 victims have received four contacts from the RESILIENCE Team overdose response; 2 require additional follow-up. 1 victim was not located directly. To date, the RESILIENCE Team has responded to 65 overdoses. 31 victims of overdose (48%) are now RESILIENCE program participants. An additional 22 people (34%) have elected not to receive further services after completing their follow-ups, and 12 people (24%) live outside the RESILIENCE program's service area. These 12 individuals were provided with additional resources in their location."

The Crime Prevention Officer, Traffic/K9 Officer, and the North Boardman Community Police Officer, members of the Community Affairs Team, provide additional prevention and enforcement measures regarding the use of illegal substances.

The department utilizes a dual-purpose narcotics and tracking K9, KILO, in the department's efforts to interdict illegal substances within the city. In 2025, KILO's indications led to the seizure of 24.75 grams of Heroin and Fentanyl/Methamphetamine compound.

The department also assigns an officer to the Traverse Narcotics Team (TNT), which is a multi-jurisdictional narcotics task force led by the Michigan State Police. In 2025, Methamphetamine and Fentanyl were top narcotics seized and Grand Traverse County (City of Traverse City) accounted for the most arrests. The current TCPD officer assigned to TNT is also a Drug Enforcement Agency (DEA) task force officer. The duties of the task force officer are to disrupt the illicit trafficking of narcotics, gather intelligence and conduct undercover operations to assist in the prosecution in federal and state courts. As a result of this partnership, the DEA may reimburse the TCPD for overtime associated with a task force investigation.

City of Traverse City Opioid Receipts

	22/23 FY	23/24 FY	24/25 FY	25/26 FY	
	22/23 FY Total	23/24 FY Total	24/25 FY Total	25/26 FY Total	TOTAL RECEIVED AS OF 4/30/26
Receipts					
Allergen	\$ -	\$ 2,980.86	\$ 3,012.42	\$ 3,012.42	\$ 9,005.70
CVS	\$ -	\$ 2,839.63	\$ 2,071.12	\$ 5,088.27	\$ 9,999.02
Distributors	\$10,473.80	\$ 8,286.57	\$ 11,668.33	\$ -	\$ 30,428.70
Janssen	\$31,076.83	\$ 7,393.68	\$ -	\$ 11,668.33	\$ 50,138.84
Kroger	\$ -	\$ -	\$ -	\$ 3,034.99	\$ 3,034.99
Litigation Costs	\$ -	\$ -	\$ -	\$ -	\$ -
Malinckrodt	\$ -	\$ -	\$ -	\$ -	\$ -
Masters	\$ -	\$ 51.21	\$ -	\$ -	\$ 51.21
McKinsey	\$ -	\$ -	\$ 4,301.92	\$ -	\$ 4,301.92
Meijer	\$ -	\$ -	\$ -	\$ -	\$ -
Publicis	\$ -	\$ -	\$ -	\$ -	\$ -
Teva	\$ -	\$ 2,323.63	\$ 2,378.53	\$ 2,378.52	\$ 7,080.68
Walgreens	\$ -	\$ 5,282.44	\$ 1,885.37	\$ 1,885.37	\$ 9,053.18
Walmart	\$ -	\$ 27,066.74	\$ -	\$ -	\$ 27,066.74
TOTAL RECEIVED	\$41,550.63	\$ 56,224.76	\$ 25,317.69	\$ 27,067.90	\$150,160.98
General Ledger Total					\$150,160.98

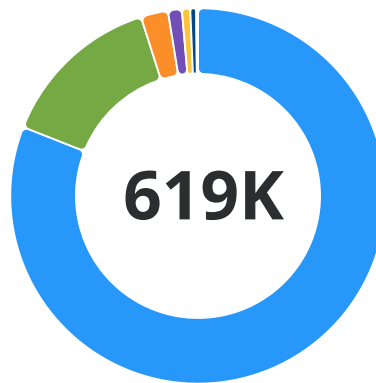
SUMMARY OF SIGNIFICANT BUDGET CHANGES

New budget this year

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$0	\$538,770	\$550,400	\$619,200	\$642,900	\$675,800
SUBSTANCE RESPONSE	\$0	\$538,770	\$550,400	\$619,200	\$642,900	\$675,800
SALARIES & WAGES	\$0	\$472,020	\$480,400	\$501,400	\$527,200	\$551,800
FRINGE BENEFITS	\$0	\$50,540	\$56,700	\$87,400	\$94,100	\$101,400
OFFICE/OPERATING SUPPLIES	\$0	\$970	\$1,000	\$3,200	\$2,400	\$2,700
PROFESSIONAL SERVICES	\$0	\$0	\$0	\$4,400	\$4,300	\$4,300
PROFESSIONAL DEVELOPMENT	\$0	\$13,590	\$10,600	\$14,500	\$11,700	\$12,400
COMMUNICATION	\$0	\$1,050	\$1,100	\$900	\$900	\$900
MISCELLANEOUS EXP	\$0	\$600	\$600	\$7,400	\$2,300	\$2,300
Total Expenditures	\$0	\$538,770	\$550,400	\$619,200	\$642,900	\$675,800

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$501,400	80.98%
● FRINGE BENEFITS	\$87,400	14.11%
● PROFESSIONAL DEVELOPMENT	\$14,500	2.34%
● MISCELLANEOUS EXP	\$7,400	1.20%
● PROFESSIONAL SERVICES	\$4,400	0.71%
● OFFICE/OPERATING SUPPLIES	\$3,200	0.52%
● COMMUNICATION	\$900	0.15%

Mobility Infrastructure Department (101-441)

Mission Statement: *The mission of the Mobility Infrastructure Department is to maintain and enhance the City's growing infrastructure, including streets and roadways, signage, traffic signals, stormwater systems, alleys, sidewalks, and trails. Through proactive maintenance, responsible stewardship, and efficient operations, the department works to ensure safe and accessible travel for residents and visitors while protecting and preserving the City's vital water resources.*

The Mobility Infrastructure Department is staffed by one Director, one Supervisor, 15 Equipment Operators, and five Sidewalk Snow Removal Equipment Operators, including four part-time and one full-time position. During winter operations, the division maintains 24-hour coverage Monday through Friday to support snow and ice control activities. Weekend and holiday coverage is provided as needed through overtime to ensure safe and passable roadways and sidewalks throughout the community.

General Overview

Core responsibilities include roadway maintenance activities such as street sweeping, crack sealing, pavement marking, and pothole repair, as well as maintenance of the City's stormwater system, including catch basins, pipes, and other drainage infrastructure that protect local water resources. In recent years, the division has expanded its **in-house paving and pavement preservation capabilities**, allowing the City to complete more roadway improvements efficiently while extending the lifespan of existing infrastructure.

The division also provides essential seasonal services, including snow plowing, snow removal, and ice control during winter operations, with 24-hour weekday coverage and additional weekend and holiday response as needed. Additional seasonal operations include spring and fall leaf collection and composting, as well as right-of-way mowing.

In 2025, Mobility Infrastructure Department staff successfully completed the **14th Street paving project**, demonstrating the department's growing ability to deliver larger infrastructure improvements using internal resources. Expanding these capabilities allows the City to respond more quickly to maintenance needs and maximize the value of public investments in transportation infrastructure.

The Mobility Infrastructure Department is staffed by one Director, one Supervisor, 14 Equipment Operators, and five Sidewalk Snow Removal Equipment Operators, including four part-time and one full-time position. Through proactive maintenance, expanded operational capabilities, and efficient service delivery, the division supports safe mobility and helps maintain the community's infrastructure and quality of life.



The Mobility Infrastructure Department is responsible for a wide range of infrastructure maintenance and operational programs that support safe and efficient transportation throughout the City. Core responsibilities include, but are not limited to, the following:

Winter Operations

- Snow plowing and snow removal
- Ice control and mitigation to maintain safe travel conditions

Street and Transportation Infrastructure Maintenance

- Maintenance of the City's transportation network, including:
 - 28.78 miles of major streets
 - 49.62 miles of local streets
 - 7.2 miles of state highways maintained in coordination with MDOT

- 22.5 miles of alleys
- 95.3 miles of sidewalks
- 10.18 miles of multi-use trails

Street Maintenance Programs

- Street sweeping
- Crack sealing
- Pavement marking maintenance
- Pothole patching
- Additional preventative and corrective roadway maintenance activities

Stormwater System Maintenance

- Inspection, cleaning, and repair of catch basins, pipes, manholes, and stormwater treatment systems to ensure proper drainage and protect the City’s water resources.

Seasonal Services

- Spring and fall leaf collection and composting operations.

Right-of-Way Maintenance

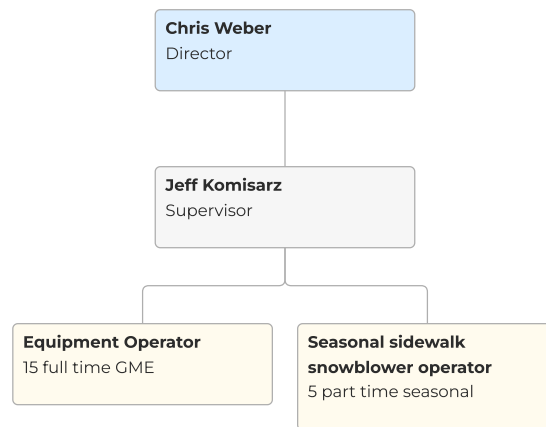
- Mowing and maintenance of non-parkland areas located within the City’s public rights-of-way.

Traffic Control Infrastructure

- Maintenance, repair, and installation of more than 5,200 traffic control and street name signs throughout the City.

Mobility Infrastructure Department Staff

Mobility Infrastructure Department



SUMMARY OF SIGNIFICANT BUDGET CHANGES

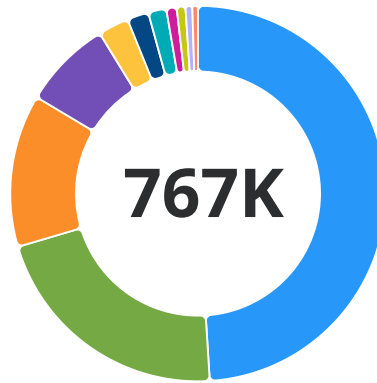
No significant increases were requested in the Mobility Infrastructure budget for the 26/27 Fiscal Year.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$426,595	\$704,530	\$641,800	\$766,900	\$726,700	\$734,100
MOBILITY INFRASTRUCTURE DEPARTMENT	\$426,595	\$704,530	\$641,800	\$766,900	\$726,700	\$734,100
SALARIES & WAGES	\$347,186	\$473,400	\$401,200	\$409,600	\$415,600	\$420,800
FRINGE BENEFITS	-\$193,822	-\$155,100	-\$128,300	-\$69,000	-\$121,600	-\$122,800
OFFICE/OPERATING SUPPLIES	\$19,481	\$26,900	\$21,100	\$22,000	\$22,200	\$22,500
PROFESSIONAL SERVICES	\$20,342	\$30,000	\$45,500	\$64,100	\$65,800	\$67,600
INSURANCE & BONDS	\$24,404	\$26,630	\$26,300	\$15,500	\$16,500	\$17,600
PROFESSIONAL DEVELOPMENT	\$2,894	\$7,000	\$3,000	\$4,000	\$7,000	\$7,000
COMMUNICATION	\$6,067	\$7,900	\$6,000	\$6,200	\$6,500	\$6,500
TRANSPORTATION	\$102,982	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
PRINTING & PUBLISHING	\$6,934	\$6,000	\$7,000	\$7,500	\$7,500	\$7,500
UTILITIES	\$4,347	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
REPAIRS & MAINTENANCE	\$11,749	\$13,000	\$13,000	\$13,000	\$13,200	\$13,400
RENTALS	\$74,031	\$153,800	\$132,000	\$179,000	\$179,000	\$179,000
Total Expenditures	\$426,595	\$704,530	\$641,800	\$766,900	\$726,700	\$734,100

Note: Fringe Benefits are reported as a negative amount by the Streets Department due to the fringe benefit recovery line item which allocates fringe costs to Street Funds based on an MDOT-approved allocation model. This model includes retirement fringes that are not initially reported by the General Fund Streets Department.

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$409,600	53.41%
● RENTALS	\$179,000	23.34%
● TRANSPORTATION	\$110,000	14.34%
● PROFESSIONAL SERVICES	\$64,100	8.36%
● OFFICE/OPERATING SUPPLIES	\$22,000	2.87%
● INSURANCE & BONDS	\$15,500	2.02%
● REPAIRS & MAINTENANCE	\$13,000	1.70%
● PRINTING & PUBLISHING	\$7,500	0.98%
● COMMUNICATION	\$6,200	0.81%
● UTILITIES	\$5,000	0.65%
● PROFESSIONAL DEVELOPMENT	\$4,000	0.52%
● FRINGE BENEFITS	-\$69,000	-9.00%

City Engineering Department (101-447)

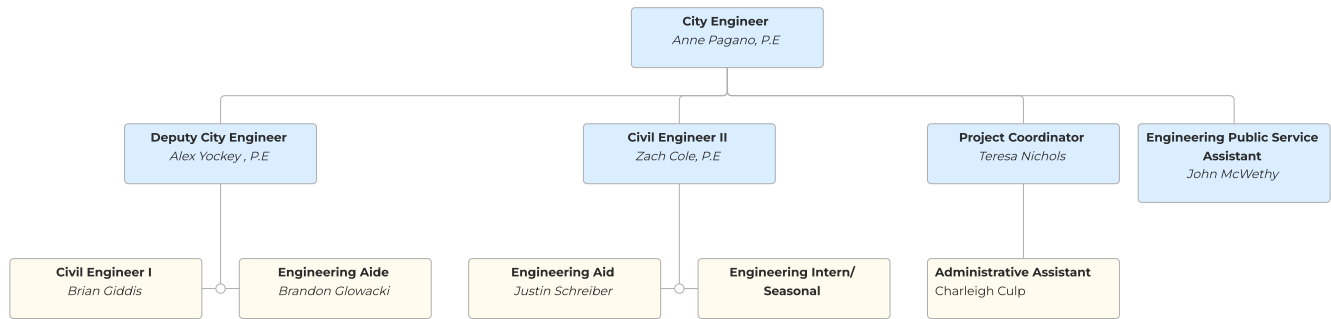
Mission Statement: *To develop, implement, design (or manage), monitor and coordinate all public improvements constructed by or for the City in collaboration with other City Departments, with public safety as the highest priority.*



The work performed by the Engineering Department includes but is not limited to:

- **Development of a Municipal Separate Storm Sewer System (MS4):** A Program in compliance with National Pollutants Discharge Elimination System (NPDES) requirements
- **Permit Administration & Inspection:** Oversight of right-of-way permits, stormwater runoff control permits, and soil erosion permits.
- **Utility & Land Use Reviews:** Coordination of utility reviews related to land use permits, right-of-way permits, stormwater runoff control permits, and soil erosion permits.
- **Traffic Studies & Safety Analysis:** Conducting motorized and non-motorized traffic counts, stop warrant analysis, speed studies, and pedestrian safety assessments.
- **Engineering Design & Infrastructure Projects:**
 - Street and parking lot reconstruction and resurfacing
 - Storm, Sewer, and Stormwater quality project
 - Sanitary Sewer and Water system improvements
 - Bridge and culvert inspection, construction, and rehabilitation
 - City building construction
 - Sidewalk improvements, repair, and infill
 - Bike path and trail development
 - City park and bayfront enhancements
- **Construction & Project Management:** Providing construction engineering, project monitoring, and contract administration.
- **Policy & Development:** Developing City engineering reports, best practice guidelines, and collaborating with various city entities.
- **Multi-Jurisdictional Representation:** Serving on intergovernmental committees.
- **Additional City Support:** Assisting with ordinance compliance, budgeted capital improvements, and grant applications.

Engineering Department



Goals

1. Complete the Street Reconstruction and Pavement Preservation Projects which will improve 4.6 miles of streets (Summer 2026) and a new ADA-compliant pedestrian mid-block crossing on Cass St.
2. Implement and Track new Municipal Separate Storm Sewer System (MS4) Permit and required reporting (permit expected Spring 2026).
3. Assist the DDA with construction of Parking Lot B and Farmer's Market Pavilion, 7th and Union Street Intersection, and Rotary Square.
4. Oversee the construction of the Kid's Creek Culvert at 11th St., funded through a Michigan Department of Environment, Great Lakes and Energy (EGLE) Nonpoint Source grant administered by the Watershed Center.
5. Construct a missing link sidewalk project on the east side of Garfield Ave. adjacent to the airport.
6. Continue to design, implement and close out the 80+ projects that engineering staff are currently managing in various stages of design and close-out, for multiple departments including DPS, DMU, Parking Services, and Parks.
7. Continue digitization of paper files and maps, and improving efficiencies and digital file storage.

Accomplishments

On average, the Engineering Department manages an average of \$7.5 million in capital improvement projects per construction season. This past year, the Engineering Department managed the design and implementation of 4.00 miles of pavement preservation and 0.8 miles of street reconstruction. These improvements included new bicycle facilities, improved ADA access, traffic-calming, and pedestrian safety upgrades. Other projects constructed in 2025 included the West End Beach Parking Lot Reconstruction and Restrooms, and the Eastern Ave. Sidewalk (from Peninsula Dr. to Milliken Dr.), which all featured pedestrian and ADA improvements. Engineering also completed the required submittal of the City's Municipal Separate Storm Sewer System (MS4) Permit application to the State of Michigan's Department of Environment, Great Lakes, and Energy (EGLE). These efforts reflect our commitment to building a strong, safer, sustainable and more accessible community for all.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$1,183,709	\$1,478,470	\$1,420,100	\$1,589,200	\$1,639,400	\$1,708,700
ENGINEERING DEPARTMENT	\$1,183,709	\$1,478,470	\$1,420,100	\$1,589,200	\$1,639,400	\$1,708,700
SALARIES & WAGES	\$800,177	\$927,700	\$896,600	\$995,000	\$1,039,000	\$1,078,500
FRINGE BENEFITS	\$224,856	\$279,500	\$287,900	\$296,200	\$315,900	\$336,800
OFFICE/OPERATING SUPPLIES	\$29,075	\$17,800	\$17,800	\$22,800	\$13,300	\$13,400

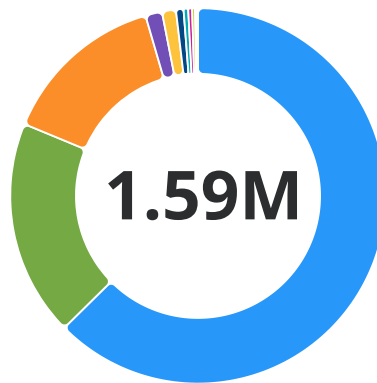
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL SERVICES	\$81,622	\$206,640	\$174,000	\$226,400	\$219,800	\$227,900
INSURANCE & BONDS	\$4,878	\$5,630	\$5,600	\$5,200	\$5,600	\$5,900
PROFESSIONAL DEVELOPMENT	\$12,462	\$12,400	\$12,400	\$10,400	\$12,400	\$12,400
COMMUNICATION	\$10,400	\$6,300	\$6,300	\$6,300	\$6,400	\$6,600
TRANSPORTATION	\$1,168	\$3,000	\$1,000	\$3,000	\$3,000	\$3,000
PRINTING & PUBLISHING	\$4,306	\$3,600	\$3,600	\$4,000	\$4,000	\$4,000
REPAIRS & MAINTENANCE	\$0	\$1,000	\$0	\$0	\$0	\$0
RENTALS	\$13,766	\$13,900	\$13,900	\$18,900	\$19,000	\$19,200
MISCELLANEOUS EXP	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Total Expenditures	\$1,183,709	\$1,478,470	\$1,420,100	\$1,589,200	\$1,639,400	\$1,708,700

Professional Services have increased by 35.00%, primarily due to the inclusion of Municipal Separate Storm Sewer System (MS4) consulting services to support compliance with new regulatory requirements. These services represent a new cost that has not been incurred in previous years.

In addition, we have allocated funds to begin the digitization of our file room, a substantial initiative that is expected to take several years to complete.

Ongoing professional services such as Traffic Engineering and Traffic Counts continue to support the development of Traffic Control Orders (TCOs) and ensure compliance with Act 51 funding requirements.

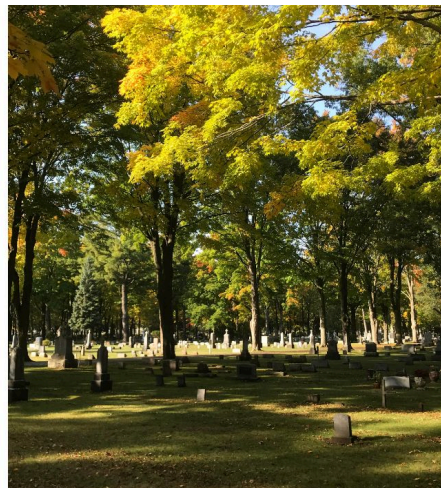
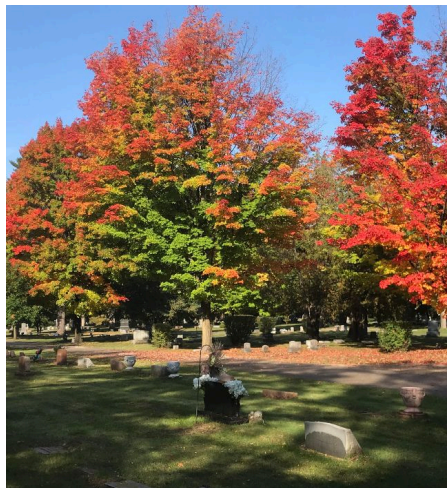
FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$995,000	62.61%
● FRINGE BENEFITS	\$296,200	18.64%
● PROFESSIONAL SERVICES	\$226,400	14.25%
● OFFICE/OPERATING SUPPLIES	\$22,800	1.43%
● RENTALS	\$18,900	1.19%
● PROFESSIONAL DEVELOPMENT	\$10,400	0.65%
● COMMUNICATION	\$6,300	0.40%
● INSURANCE & BONDS	\$5,200	0.33%
● PRINTING & PUBLISHING	\$4,000	0.25%
● TRANSPORTATION	\$3,000	0.19%
● MISCELLANEOUS EXP	\$1,000	0.06%

Oakwood Cemetery (101-567)

The Traverse City Parks and Recreation Department administers all operations at Oakwood Cemetery on an annual basis. Oakwood Cemetery is 91 acres and currently has approximately 20,000-30,000 graves. The Sexton provides administrative oversight and burial services along with conducting sales of burial rights for in-ground plots, cremation niches and mausoleum crypts.

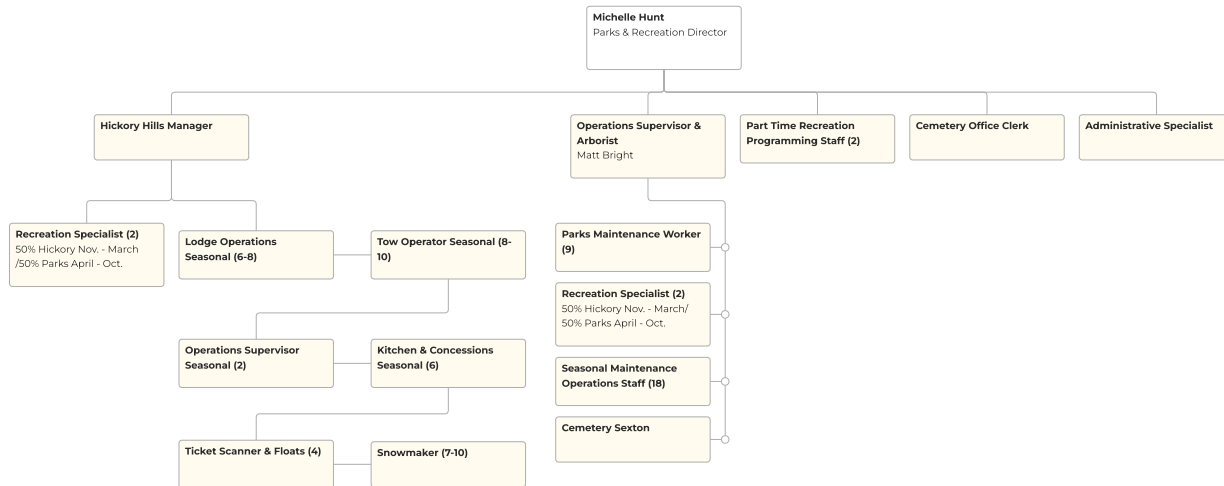


Oakwood Cemetery is staffed by: 1 Parks & Recreation Director, 1 Parks Supervisor/Arborist, 1 Sexton, 1 Office Clerk, 1 full-time laborer split with Parks, and 5 seasonal maintenance employees and 1 part-time office clerk.

The City's Oakwood staff also performs the administration, burial services and grounds maintenance for the Oakwood Catholic Diocesan Cemetery. Both cemeteries are administered by the City in the Diocesan-owned office building within the cemetery. In addition, the cemetery staff assists with genealogy inquiries, installation of monument foundations, and performs grounds maintenance. A maintenance building within the cemetery houses all cemetery vehicles, equipment and supplies securely on site. Also periodically Parks & Recreation maintenance employees complete work onsite such as tree trimming and other specialty work as required. Every Memorial Day holiday, Oakwood Cemetery staff partner with American Legion to place flags on military headstones.

Staff continue to digitize the 20,000+ burial and ownership records into BS&A. This data will be used to create a map for locating burial records.

Parks & Recreation



Accomplishments

- Continue with consultant to map graves, develop GIS database for staff and public use
- Data entry into BS&A Cemetery Module

SUMMARY OF SIGNIFICANT BUDGET CHANGES

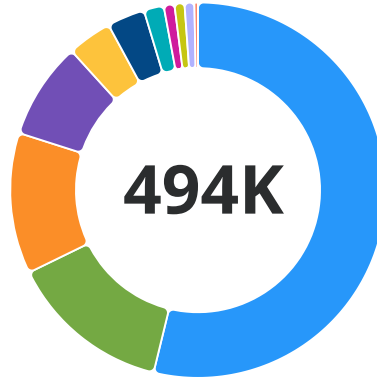
No significant changes were requested for the 2026/2027 budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$473,461	\$473,620	\$500,400	\$494,000	\$514,800	\$533,000
OAKWOOD CEMETERY FUNCTION	\$473,461	\$473,620	\$500,400	\$494,000	\$514,800	\$533,000
SALARIES & WAGES	\$272,264	\$241,600	\$287,000	\$265,800	\$274,200	\$283,400
FRINGE BENEFITS	\$57,726	\$64,800	\$63,700	\$69,000	\$73,800	\$79,300
OFFICE/OPERATING SUPPLIES	\$15,711	\$20,800	\$13,200	\$16,000	\$19,500	\$20,000
PROFESSIONAL SERVICES	\$24,632	\$46,500	\$41,500	\$41,200	\$42,800	\$44,300
INSURANCE & BONDS	\$3,664	\$4,020	\$4,000	\$4,200	\$4,500	\$4,800
PROFESSIONAL DEVELOPMENT	\$45	\$1,000	\$0	\$1,500	\$2,500	\$2,500
COMMUNICATION	\$2,986	\$4,200	\$4,200	\$4,200	\$4,500	\$5,000
TRANSPORTATION	\$4,153	\$3,800	\$4,600	\$4,600	\$4,800	\$5,000
PRINTING & PUBLISHING	\$0	\$100	\$0	\$0	\$0	\$0
UTILITIES	\$16,446	\$18,000	\$19,000	\$19,000	\$19,500	\$19,700
REPAIRS & MAINTENANCE	\$5,942	\$8,000	\$3,000	\$8,500	\$8,700	\$9,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
RENTALS	\$69,892	\$60,800	\$60,200	\$60,000	\$60,000	\$60,000
Total Expenditures	\$473,461	\$473,620	\$500,400	\$494,000	\$514,800	\$533,000

FY27 Expenditures by Expense Type Summary

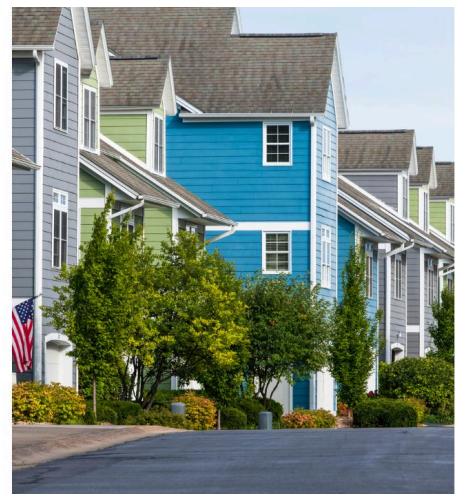


● SALARIES & WAGES	\$265,800	53.81%
● FRINGE BENEFITS	\$69,000	13.97%
● RENTALS	\$60,000	12.15%
● PROFESSIONAL SERVICES	\$41,200	8.34%
● UTILITIES	\$19,000	3.85%
● OFFICE/OPERATING SUPPLIES	\$16,000	3.24%
● REPAIRS & MAINTENANCE	\$8,500	1.72%
● TRANSPORTATION	\$4,600	0.93%
● COMMUNICATION	\$4,200	0.85%
● INSURANCE & BONDS	\$4,200	0.85%
● PROFESSIONAL DEVELOPMENT	\$1,500	0.30%

City Planning & Zoning Department (101-701)

Mission Statement: *The Planning Department's primary purpose is to guide the City's land use and planning in order to enhance the quality of life in the community and ensure it remains a place where both citizens and businesses love to call home.*

The Planning & Zoning Department is responsible for preparing the City's Master Plan, which influences the regulations and standards in the zoning ordinance and any future changes to it. They are responsible for zoning districts and appropriate regulation enforcement, code enforcement, and approval of site plans. In addition, the Planning Department administers the Capital Improvement Plan (CIP) program by working with all City Departments on project submissions and coordinating reports.



The annual Planning & Zoning department budget provides the financial support to advance the programs and operations of the department:

Comprehensive Planning & Community Vitality

- Sustainability & Resilience: Serving as the central hub for the City's sustainability efforts and environmental initiatives.
- Economic Development: Managing the Redevelopment Ready Communities (RRC) program to attract investment and playing a key role in community-wide economic advancement.
- Capital Programming: Helping to coordinate the six-year Capital Improvement Plan (CIP) to ensure public infrastructure investments align with long-term growth goals.

Development Review & Board Support

- Professional guidance for the City's decision-making bodies.
- Administrative Support: Providing staff and research for the Planning Commission, Grand Traverse Commons Joint Planning Commission, Board of Zoning Appeals, and Historic Districts Commission.

Regulatory Compliance & Enforcement

- Enforcing the Zoning, Sign, and Historic Districts Ordinances.

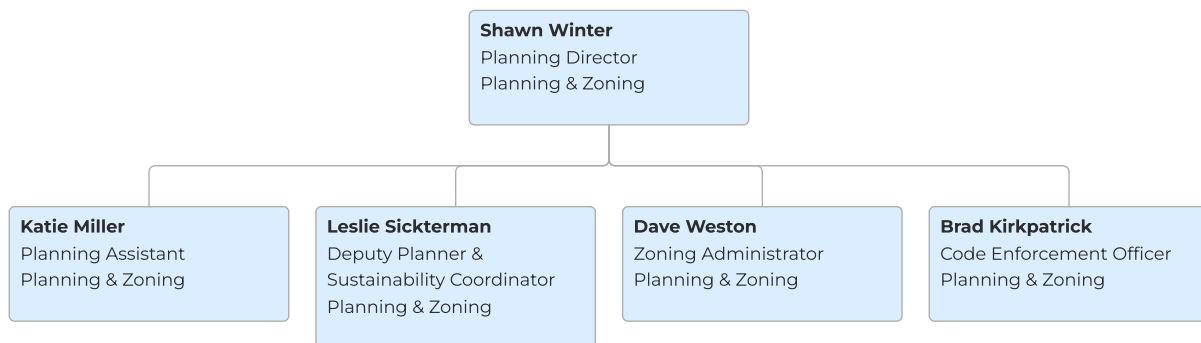
- **Housing & Maintenance Inspections:** Conducting regular inspections of multifamily rental units and rooming houses, and addressing property maintenance and nuisance complaints.
- **Compliance Monitoring:** Managing the short-term rental program and near-shore anchoring regulations to minimize community friction and ensure safety.

Grants & Public Engagement

- **Grant Development:** Assisting various departments in the application process for state and federal funding.
- **CDBG Entitlement Program:** Administering the City's Community Development Block Grant funds to support low- to moderate-income residents and housing needs.
- **Public Education:** Developing engagement programs to simplify complex zoning concepts and street design for the general public.



Planning & Zoning Team



SUMMARY OF SIGNIFICANT BUDGET CHANGES

No significant changes were requested for the 2026/2027 budget.

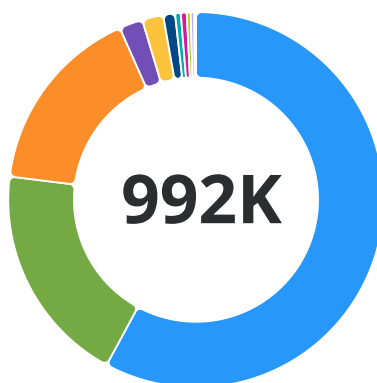
Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$779,769	\$920,250	\$839,300	\$991,500	\$1,020,200	\$1,062,500

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PLANNING AND ZONING DEPARTMENT	\$779,769	\$920,250	\$839,300	\$991,500	\$1,020,200	\$1,062,500
SALARIES & WAGES	\$504,286	\$529,400	\$545,600	\$574,000	\$599,600	\$624,000
FRINGE BENEFITS	\$131,289	\$148,800	\$147,500	\$162,400	\$174,100	\$186,300
OFFICE/OPERATING SUPPLIES	\$10,698	\$17,000	\$14,000	\$18,000	\$23,500	\$26,000
PROFESSIONAL SERVICES	\$96,157	\$128,800	\$94,000	\$189,300	\$160,000	\$161,500
INSURANCE & BONDS	\$2,900	\$3,150	\$3,100	\$3,300	\$3,500	\$3,700
PROFESSIONAL DEVELOPMENT	\$9,412	\$40,000	\$15,000	\$20,000	\$20,500	\$21,000
COMMUNICATION	\$5,543	\$8,500	\$6,000	\$1,000	\$1,000	\$1,000
TRANSPORTATION	\$4,199	\$8,000	\$1,000	\$5,000	\$5,000	\$5,000
PRINTING & PUBLISHING	\$4,793	\$10,000	\$3,000	\$5,000	\$7,000	\$7,000
REPAIRS & MAINTENANCE	\$0	\$1,000	\$1,000	\$500	\$5,500	\$6,000
RENTALS	\$8,175	\$7,600	\$5,100	\$10,000	\$16,500	\$17,000
MISCELLANEOUS EXP	\$2,317	\$18,000	\$4,000	\$3,000	\$4,000	\$4,000
Total Expenditures	\$779,769	\$920,250	\$839,300	\$991,500	\$1,020,200	\$1,062,500

Professional Development includes annual conference for planning commissioners, Misc Exp includes venues, equipment etc for public meetings.

FY27 Expenditures by Expense Type Summary



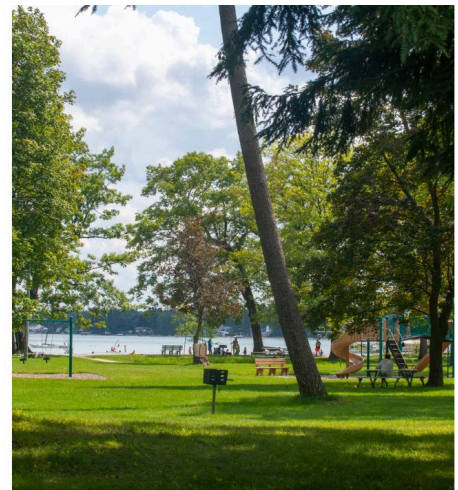
● SALARIES & WAGES	\$574,000	57.89%
● PROFESSIONAL SERVICES	\$189,300	19.09%
● FRINGE BENEFITS	\$162,400	16.38%
● PROFESSIONAL DEVELOPMENT	\$20,000	2.02%
● OFFICE/OPERATING SUPPLIES	\$18,000	1.82%
● RENTALS	\$10,000	1.01%
● PRINTING & PUBLISHING	\$5,000	0.50%
● TRANSPORTATION	\$5,000	0.50%
● INSURANCE & BONDS	\$3,300	0.33%
● MISCELLANEOUS EXP	\$3,000	0.30%
● COMMUNICATION	\$1,000	0.10%
● REPAIRS & MAINTENANCE	\$500	0.05%

City Parks & Recreation Department (101-751)

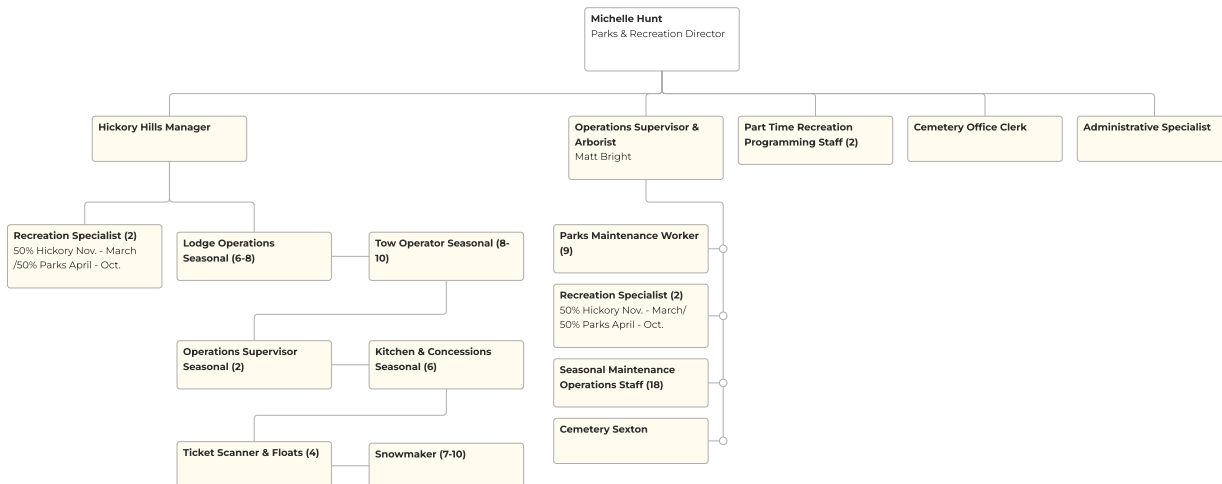
The Traverse City Parks and Recreation Department takes pride in maintaining the City's parkland, beaches, open spaces, urban forest and City-owned property and buildings. Parks and Recreation staff also manage the Clinch Marina, Oakwood Cemetery operations, Hickory Hills Ski Area, recreational programs for the community, park usage and capital improvements.

Parks staff are responsible for snow removal at the Water Treatment Plant, Carnegie Building, Fire Station # 1 and # 2, the Senior Center, and 26 parking lots, in addition to 8 bridges and 4 bridge sidewalks. The Parks Department Certified Arborist is responsible for maintaining the urban forest canopy for all city-owned trees, updating the tree inventory and assessing tree health. Staff are responsible for performing year-round tree pruning, maintenance and removals. Employees facilitate annual tree and flower planting, mowing, trash removal, playground repair, beach grooming, irrigation repair and general property maintenance.

Staff are responsible for administering an average of 150 Low Impact Park Usage Permits for 15 parks.



Parks & Recreation



Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$2,037,400	\$2,454,830	\$2,158,100	\$2,326,000	\$2,495,000	\$2,611,700
PARKS & RECREATION DIVISION	\$2,037,400	\$2,454,830	\$2,158,100	\$2,326,000	\$2,495,000	\$2,611,700
SALARIES & WAGES	\$755,293	\$906,600	\$840,000	\$928,100	\$957,300	\$995,400
FRINGE BENEFITS	\$255,452	\$323,200	\$297,300	\$311,900	\$331,200	\$353,300
OFFICE/OPERATING SUPPLIES	\$63,723	\$90,510	\$89,000	\$56,000	\$112,500	\$115,600
PROFESSIONAL SERVICES	\$285,188	\$298,200	\$278,000	\$312,600	\$342,900	\$376,300
INSURANCE & BONDS	\$14,693	\$18,420	\$18,100	\$17,100	\$18,200	\$19,400
PROFESSIONAL DEVELOPMENT	\$6,388	\$6,000	\$4,500	\$7,700	\$8,100	\$9,000
COMMUNICATION	\$4,345	\$6,400	\$5,000	\$6,400	\$5,000	\$5,500
TRANSPORTATION	\$23,553	\$30,000	\$25,000	\$30,000	\$32,000	\$34,000
PRINTING & PUBLISHING	\$70	\$500	\$200	\$200	\$200	\$200
UTILITIES	\$119,064	\$175,000	\$126,000	\$165,000	\$185,000	\$190,000
REPAIRS & MAINTENANCE	\$70,775	\$62,000	\$50,000	\$66,000	\$72,600	\$78,000
RENTALS	\$438,857	\$428,000	\$425,000	\$425,000	\$430,000	\$435,000
CAPITAL OUTLAY	\$0	\$110,000	\$0	\$0	\$0	\$0
Total Expenditures	\$2,037,400	\$2,454,830	\$2,158,100	\$2,326,000	\$2,495,000	\$2,611,700

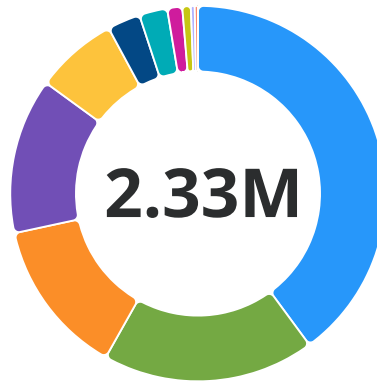
Office/Operating Supplies

The annual tree purchase is now budgeted in the Tree Fund. In previous years the annual tree purchase was paid for by ARPA funds and the Parks Fund.

Professional Services

The cost of cleaning, garbage removal and contractor maintenance repairs are all expected to rise.

FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$928,100	39.90%
● RENTALS	\$425,000	18.27%
● PROFESSIONAL SERVICES	\$312,600	13.44%
● FRINGE BENEFITS	\$311,900	13.41%
● UTILITIES	\$165,000	7.09%
● REPAIRS & MAINTENANCE	\$66,000	2.84%
● OFFICE/OPERATING SUPPLIES	\$56,000	2.41%
● TRANSPORTATION	\$30,000	1.29%
● INSURANCE & BONDS	\$17,100	0.74%
● PROFESSIONAL DEVELOPMENT	\$7,700	0.33%
● COMMUNICATION	\$6,400	0.28%
● PRINTING & PUBLISHING	\$200	0.01%

Contingencies (101-941)

SUMMARY OF SIGNIFICANT BUDGET CHANGES

Reduced contingency for the 2026/2027 budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$0	\$109,070	\$0	\$75,000	\$75,000	\$75,000
CONTINGENCIES	\$0	\$109,070	\$0	\$75,000	\$75,000	\$75,000
CONTINGENCIES	\$0	\$109,070	\$0	\$75,000	\$75,000	\$75,000
Total Expenditures	\$0	\$109,070	\$0	\$75,000	\$75,000	\$75,000

Tranfers Out (101-966)

General Fund transfers to other funds to cover budgeted expenses or deficits

SUMMARY OF SIGNIFICANT BUDGET CHANGES

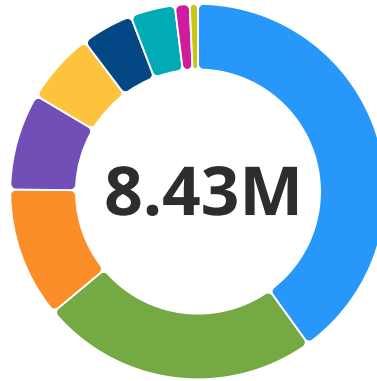
New Haz-Mat fund 103 transfer out to cover projected fund deficit in the 2026/2027 budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$5,614,828	\$8,150,730	\$8,815,100	\$8,430,500	\$9,059,700	\$8,995,500
TRANSFERS	\$5,614,828	\$8,150,730	\$8,815,100	\$8,430,500	\$9,059,700	\$8,995,500
TRANSFER OUT MVH-STREETS FUND	\$810,580	\$956,200	\$920,500	\$948,400	\$1,114,600	\$1,153,800
TRANSFER OUT CAPITAL PROJECTS FUND	\$2,628,481	\$1,060,930	\$1,061,000	\$325,000	\$520,000	\$300,000
TRANSFER OUT SIDEWALK DEBT SERVICE FUND	\$375,667	\$376,000	\$376,000	\$376,700	\$377,000	\$382,000
TRANSFER OUT OPERA HOUSE FUND	\$0	\$60,000	\$110,000	\$107,000	\$89,000	\$87,000
TRANSFER OUT CARNEGIE BUILDING FUND	\$58,600	\$34,300	\$34,300	\$0	\$4,000	\$11,000
TRANSFER OUT	\$890,400	\$0	\$500,000	\$520,700	\$223,600	\$221,500
TRANSFER OUT HICKORY HILLS FUND	\$370,000	\$390,000	\$540,000	\$702,300	\$759,200	\$808,200
TRANSFER OUT PUBLIC ARTS COMMISSION	\$45,000	\$60,000	\$60,000	\$60,000	\$60,000	\$60,000
TRANSFER OUT - STREET CAPITAL PROJECTS	\$436,100	\$1,971,800	\$1,971,800	\$2,015,400	\$1,912,300	\$1,972,000
TRANSFER OUT - TO FIRE EMS FUND	\$0	\$3,241,500	\$3,241,500	\$3,375,000	\$4,000,000	\$4,000,000
Total Expenditures	\$5,614,828	\$8,150,730	\$8,815,100	\$8,430,500	\$9,059,700	\$8,995,500

- Transfer of 1 mill dedicated for streets moved from capital fund to streets capital fund for better tracking capability.
- Annual general fund transfer to Hickory significantly increased due to revenue not being enough to cover annual expenses.
- Fire/EMS fund general fund contribution
- Strategically increasing annual transfers to reach the target balance of the Budget Stabilization Fund over a multi-year period.

FY27 Expenditures by Expense Type Summary



●	TRANSFER OUT - TO FIRE EMS FUND	\$3,375,000	40.03%
●	TRANSFER OUT - STREET CAPITAL PROJECTS	\$2,015,400	23.91%
●	TRANSFER OUT MVH-STREETS FUND	\$948,400	11.25%
●	TRANSFER OUT HICKORY HILLS FUND	\$702,300	8.33%
●	TRANSFER OUT	\$520,700	6.18%
●	TRANSFER OUT SIDEWALK DEBT SERVICE FUND	\$376,700	4.47%
●	TRANSFER OUT CAPITAL PROJECTS FUND	\$325,000	3.86%
●	TRANSFER OUT OPERA HOUSE FUND	\$107,000	1.27%
●	TRANSFER OUT PUBLIC ARTS COMMISSION	\$60,000	0.71%

**City of Traverse City
General Operating Fund
Transfers to Capital Project Funds**

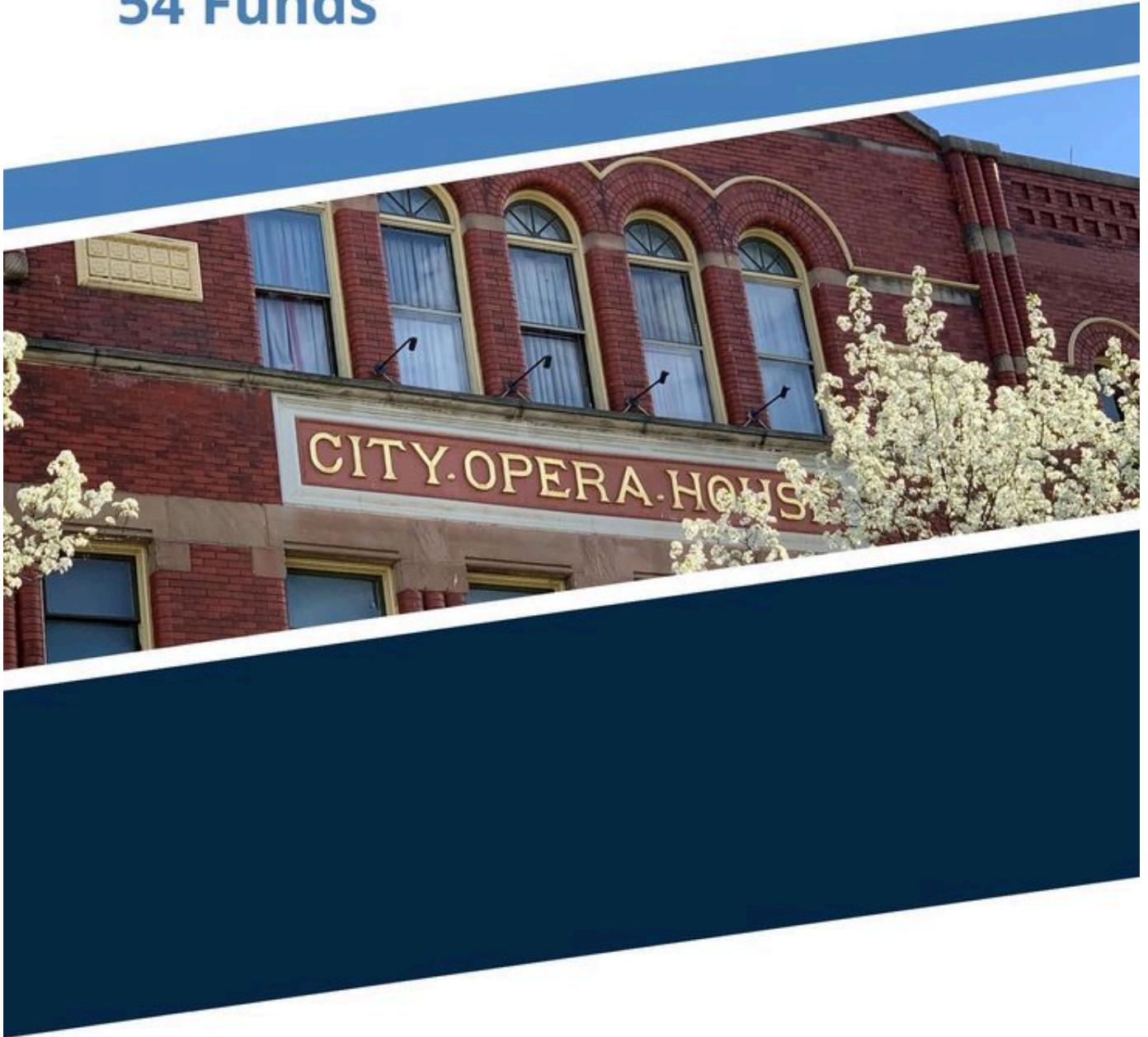
Transfers to Street Capital Projects Fund #447

Annual Street Reconstruction	\$	995,500
Annual Stormwater Issues		100,000
Annual Traffic Signals		400,000
Annual Complete Streets		269,900
7th Street Reconstruction Design Phase		250,000
Total	\$	2,015,400

Transfers to Capital Projects Fund # 499

Annual Bridge Maintenance	\$	50,000
Annual Sidewalk Maintenance		250,000
Stormwater Management Plan supplement		25,000
Total	\$	325,000

Governmental Accounting Standards Board Statement # 54 Funds

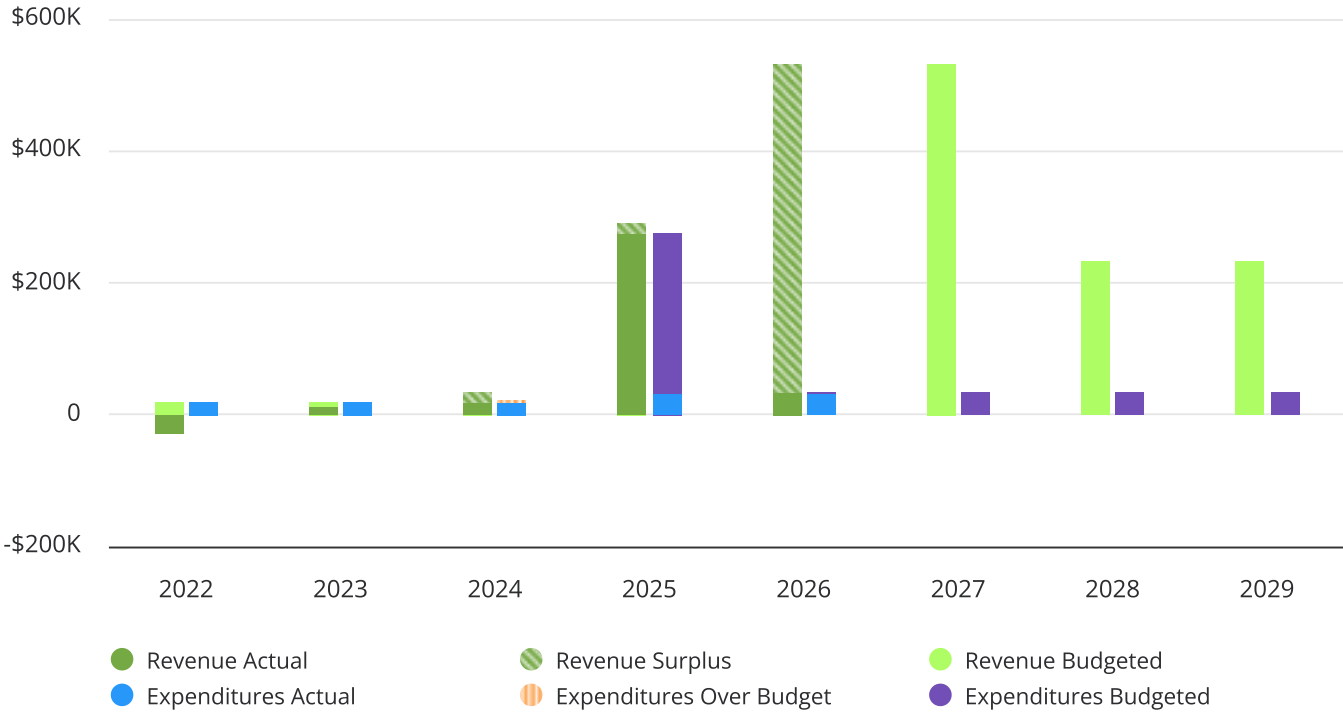


GASB 54 Funds are Funds that have been established by the City to track certain activities separately from the General Operating Fund. Following Generally Accepted Accounting Principles, these Funds are combined with the General Operating Fund in the City's Audited Annual Financial Report.

Budget Stabilization

This fund was approved by City ordinance pursuant to Public Act 30 of 1978. The only revenues are transfers from the General Fund and interest on investments held by the fund. Such transfers can only be made when a surplus exists in the General Fund from an excess of revenues over expenditures. The money in the Budget Stabilization Fund cannot exceed the smaller of 15% of the City's General Fund budget for the most recent year or an average of the five most recent years. Monies in this fund may be used to cover a General Fund deficit, prevent a reduction in the level of public services or to cover the expenses of a natural disaster. However, these monies are not to be used as part of a general capital improvement program.

Revenues vs Expenditures Summary

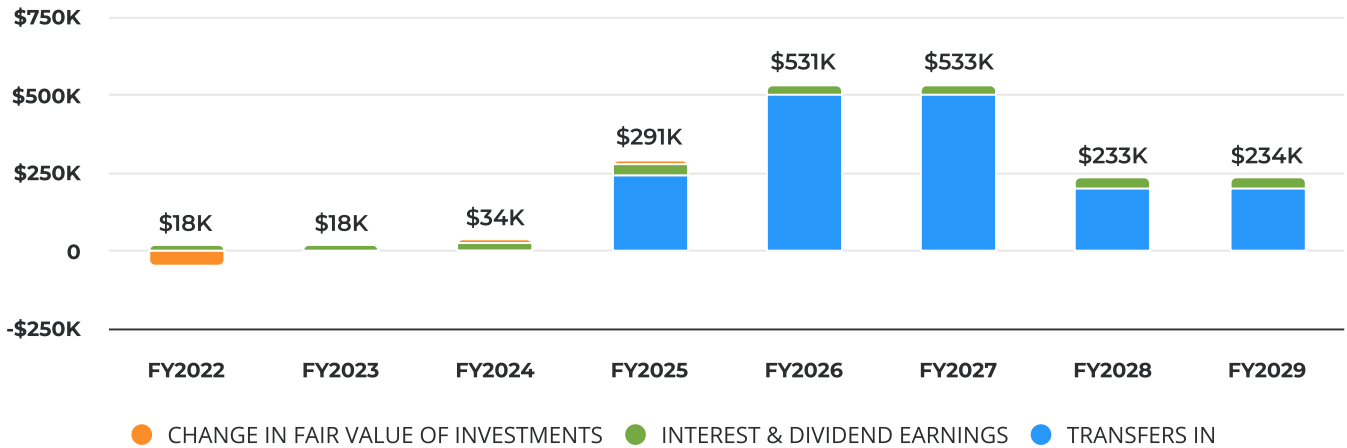


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$757,609	\$1,016,385	\$1,016,385	\$1,516,380	\$2,016,380	\$2,216,380
Revenues						
OTHER REVENUE	\$48,251	\$34,000	\$31,000	\$33,000	\$33,200	\$33,500
TRANSFER IN	\$242,400	\$0	\$500,000	\$500,000	\$200,000	\$200,000
Total Revenues	\$290,651	\$34,000	\$531,000	\$533,000	\$233,200	\$233,500
Expenditures						
TRANSFER OUT	\$31,875	\$34,000	\$31,000	\$33,000	\$33,200	\$33,500
Total Expenditures	\$31,875	\$34,000	\$31,000	\$33,000	\$33,200	\$33,500
Total Revenues Less Expenditures	\$258,776	\$0	\$500,000	\$500,000	\$200,000	\$200,000
Ending Fund Balance	\$1,016,385	\$1,016,385	\$1,516,385	\$2,016,380	\$2,216,380	\$2,416,380

15% of the average of the five most recent years in the general operating fund expenditures would be \$3,353,694. The Budget Stabilization Fund Balance at 6/30/25 is \$1,016,383 so we are well within guidelines. We are reviewing the General Fund fund balance policy, we are proposing a slight increase the fund balance for greater cash flow security.

Historical Revenues by Object

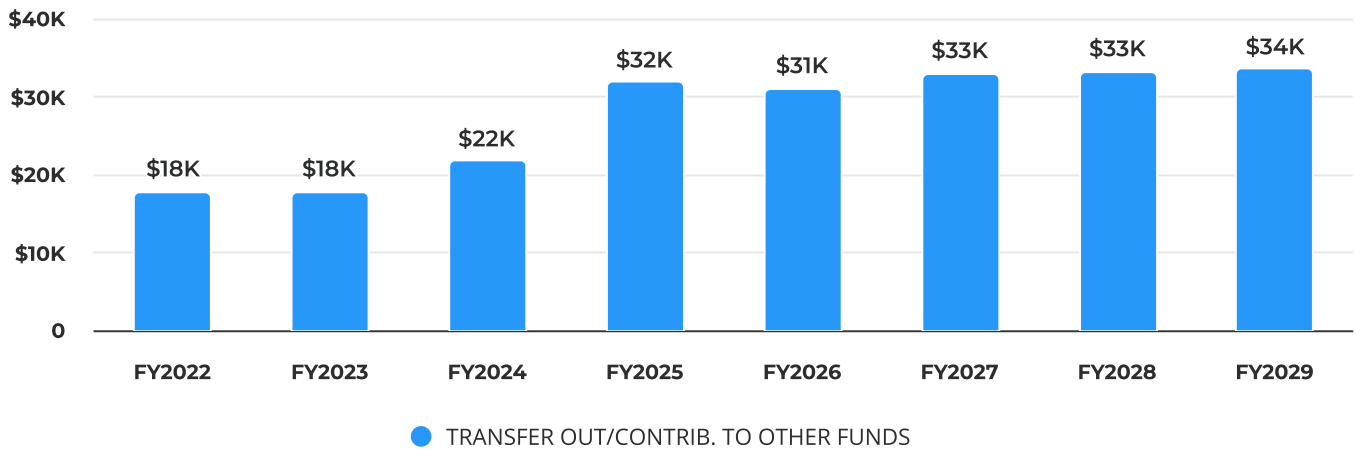


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$31,788	\$34,000	\$31,000	\$33,000	\$33,200	\$33,500
CHANGE IN FAIR VALUE OF INVESTMENTS	\$16,463	\$0	\$0	\$0	\$0	\$0
TRANSFERS IN	\$242,400	\$0	\$500,000	\$500,000	\$200,000	\$200,000
Total Revenues	\$290,651	\$34,000	\$531,000	\$533,000	\$233,200	\$233,500

Expenditures by Object

Historical Expenditures by Object

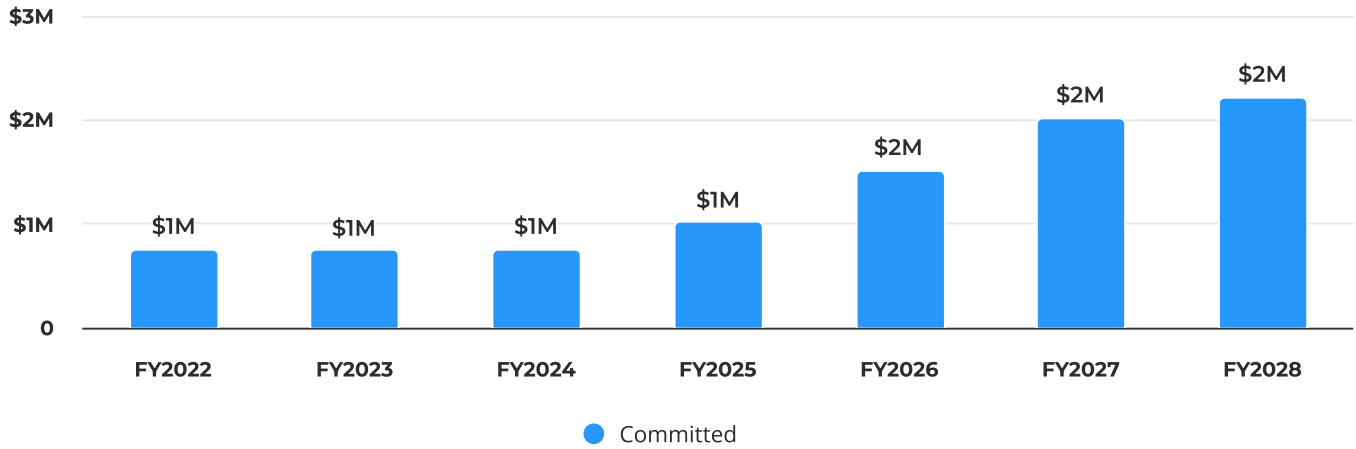


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$31,875	\$34,000	\$31,000	\$33,000	\$33,200	\$33,500
Total Expenditures	\$31,875	\$34,000	\$31,000	\$33,000	\$33,200	\$33,500

Fund Balance

Fund Balance Projections



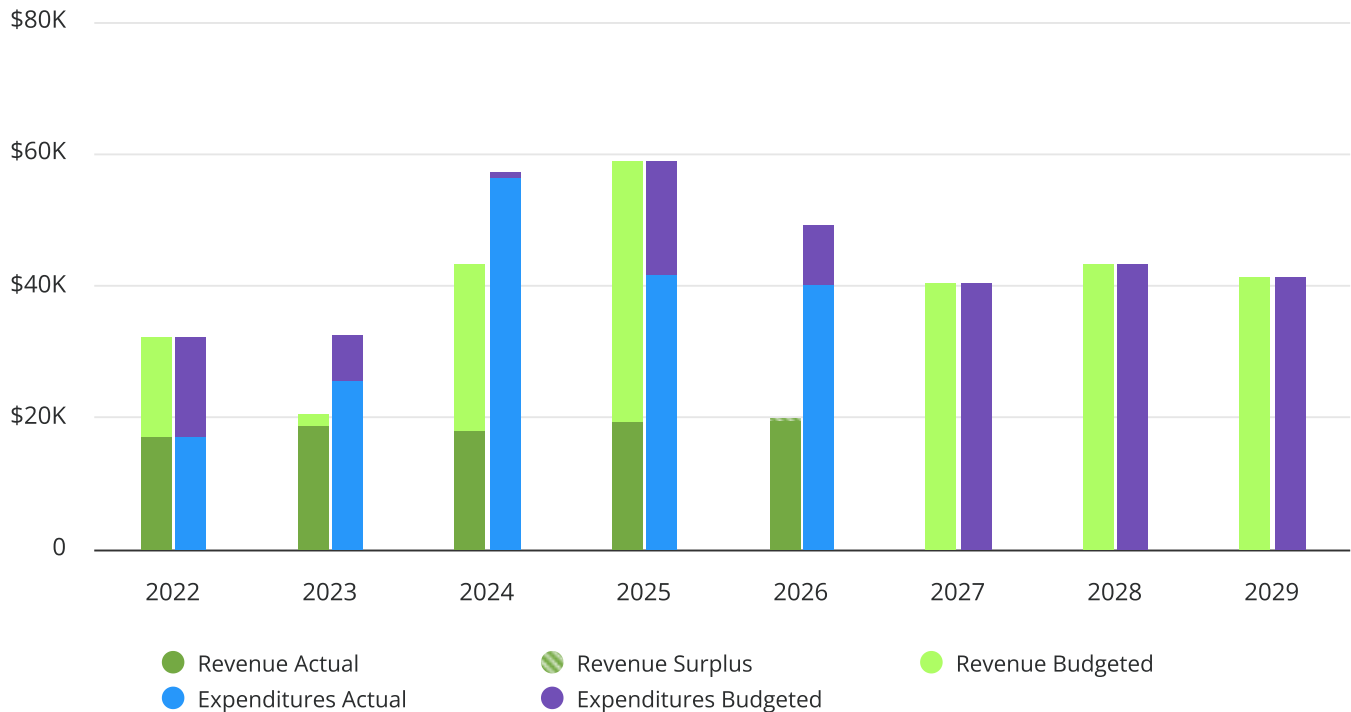
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Committed	\$745,066	\$757,609	\$1,016,385	\$1,516,380
Total Fund Balance	\$745,066	\$757,609	\$1,016,385	\$1,516,380

Hazardous Material Response Team Fund

This fund was created in 1994 for the purpose of recording revenues and expenditures related to emergency response calls to hazardous material spills. Revenues are derived from annual "subscriber" fees and from billings to the person(s), or entity(s), that caused the hazardous material emergency incident.

Revenues vs Expenditures Summary



Changes in this budget reflect the decision to pay the HazMat response vehicle's rent, which is upwards of \$2000 monthly, from this fund as opposed to the Vehicle Rental line item, as done previous to 2025/2026. This expense, at \$24,000 annually, equates to 75% of the annual budget. There have also been discussions regarding raising the rate for area HazMat subscription annual fees from \$395, which they have been for years, in order to better support this fund.

Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$47,422	\$25,160	\$25,160	\$4,760	\$4,760	\$4,760
Revenues						
CHARGES FOR SERVICES	\$0	\$0	\$1,200	\$1,200	\$1,200	\$1,200
INTERGOVERNMENTAL	\$19,355	\$19,400	\$18,600	\$18,600	\$18,600	\$18,600
OTHER REVENUE	\$0	\$200	\$0	\$0	\$0	\$0
TRANSFER IN	\$0	\$0	\$0	\$20,700	\$23,600	\$21,500
Total Revenues	\$19,355	\$19,600	\$19,800	\$40,500	\$43,400	\$41,300
Expenditures						
OFFICE/OPERATING SUPPLIES	\$7,671	\$11,000	\$10,300	\$3,000	\$8,000	\$8,000
PROFESSIONAL SERVICES	\$995	\$1,500	\$0	\$1,500	\$1,500	\$1,500
INSURANCE & BONDS	\$877	\$1,000	\$900	\$900	\$900	\$900
PROFESSIONAL DEVELOPMENT	\$5,192	\$4,000	\$0	\$6,500	\$6,500	\$6,500

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
COMMUNICATION	\$0	\$1,000	\$0	\$0	\$0	\$0
TRANSPORTATION	\$0	\$200	\$0	\$200	\$200	\$200
PRINTING & PUBLISHING	\$0	\$300	\$0	\$300	\$300	\$300
REPAIRS & MAINTENANCE	\$2,774	\$3,500	\$1,000	\$3,500	\$3,500	\$3,500
RENTALS	\$23,859	\$26,700	\$28,000	\$24,600	\$22,500	\$20,400
CAPITAL OUTLAY	\$249	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$41,617	\$49,200	\$40,200	\$40,500	\$43,400	\$41,300
Total Revenues Less Expenditures	-\$22,262	-\$29,600	-\$20,400	\$0	\$0	\$0
Ending Fund Balance	\$25,160	-\$4,440	\$4,760	\$4,760	\$4,760	\$4,760

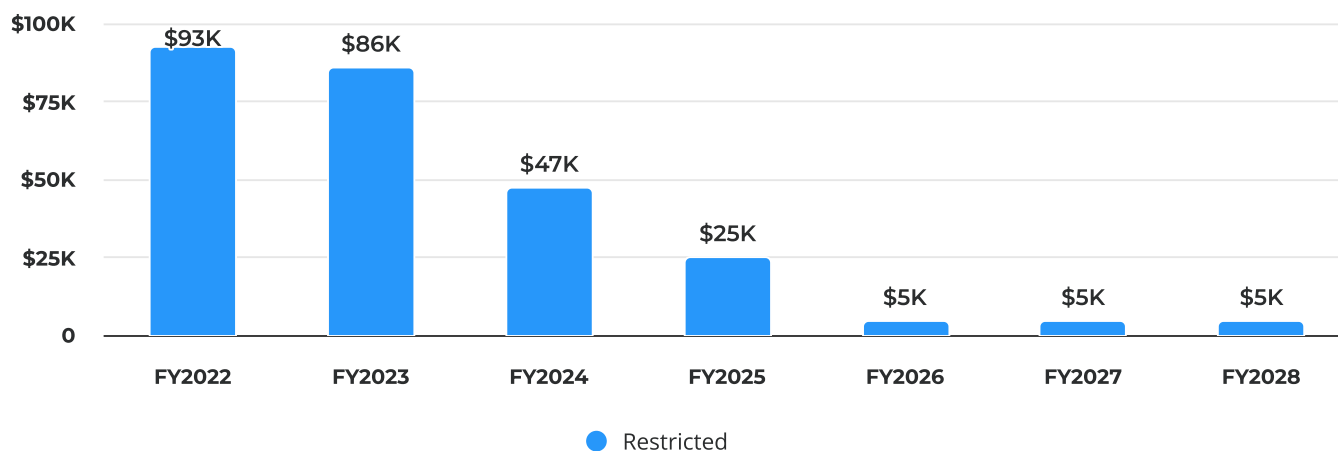
Over the last few years, we have been spending more than the revenue earned from annual subscriber fees. We may need to discuss evaluating this fee in the near future.

Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GRANTS FROM LOCAL UNITS	\$19,355	\$19,400	\$18,600	\$18,600	\$18,600	\$18,600
CHARGES FOR SERVICES RENDERED	\$0	\$0	\$1,200	\$1,200	\$1,200	\$1,200
INTEREST & DIVIDEND EARNINGS	\$0	\$200	\$0	\$0	\$0	\$0
TRANSFERS IN	\$0	\$0	\$0	\$20,700	\$23,600	\$21,500
Total Revenues	\$19,355	\$19,600	\$19,800	\$40,500	\$43,400	\$41,300

Fund Balance

Fund Balance Projections



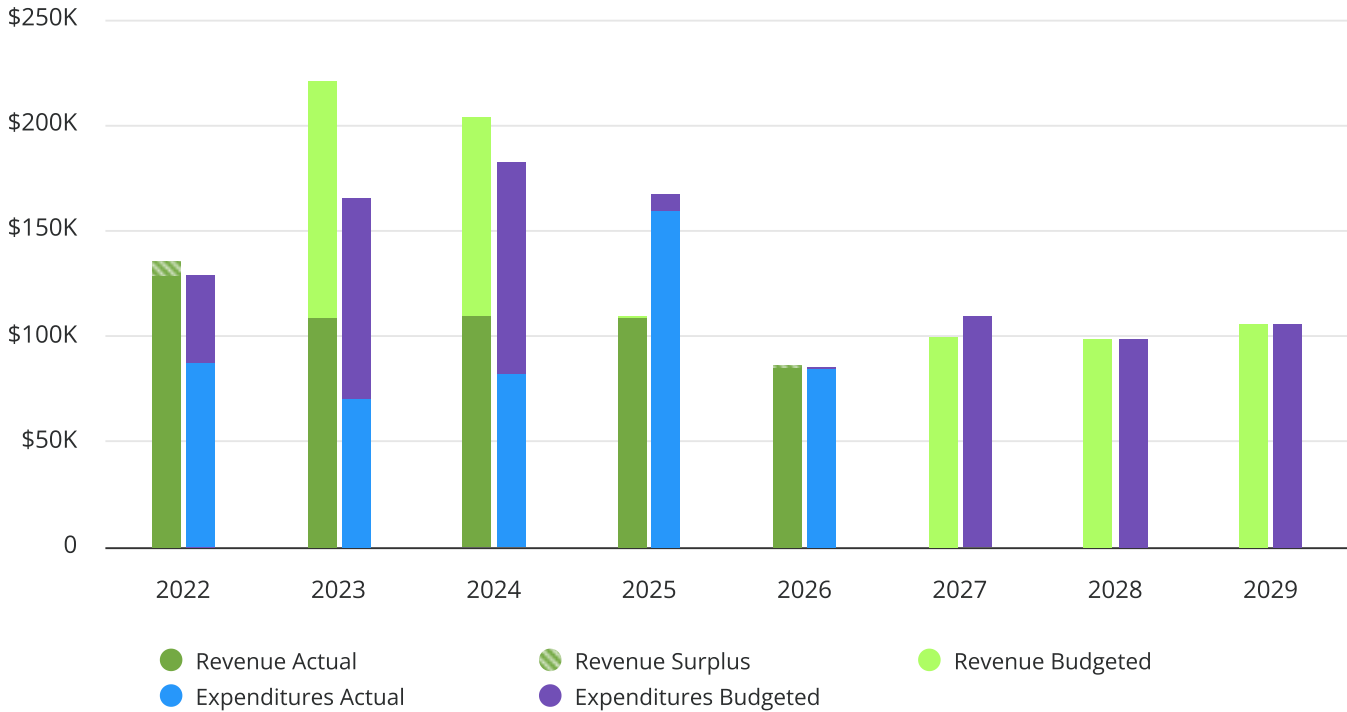
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$86,001	\$47,422	\$25,160	\$4,760
Total Fund Balance	\$86,001	\$47,422	\$25,160	\$4,760

Carnegie Building Fund (104)

The objective of the Carnegie Building Fund is to preserve the historic Carnegie Building. Rental agreements will be revisited through a Request for Proposals (RFP) process in April, with the goal of establishing a new lease agreement that increases funding by 2027. This is expected to reduce reliance on General Fund contributions for operational costs while also supporting future major maintenance and repairs.

Revenues vs Expenditures Summary



A new chiller was installed in 2024. Replacement of two air handling units, along with window replacement, is proposed in the Capital Improvement Plan. The building's four air handling units are 23 years old and nearing the end of their useful life. Increased maintenance funding is needed to support preventive maintenance and the repair or replacement of aging HVAC components. Anticipated rent increases by 2027 are expected to help offset maintenance and utility expenses. Additional funding for IT infrastructure improvements is also included in the budget.

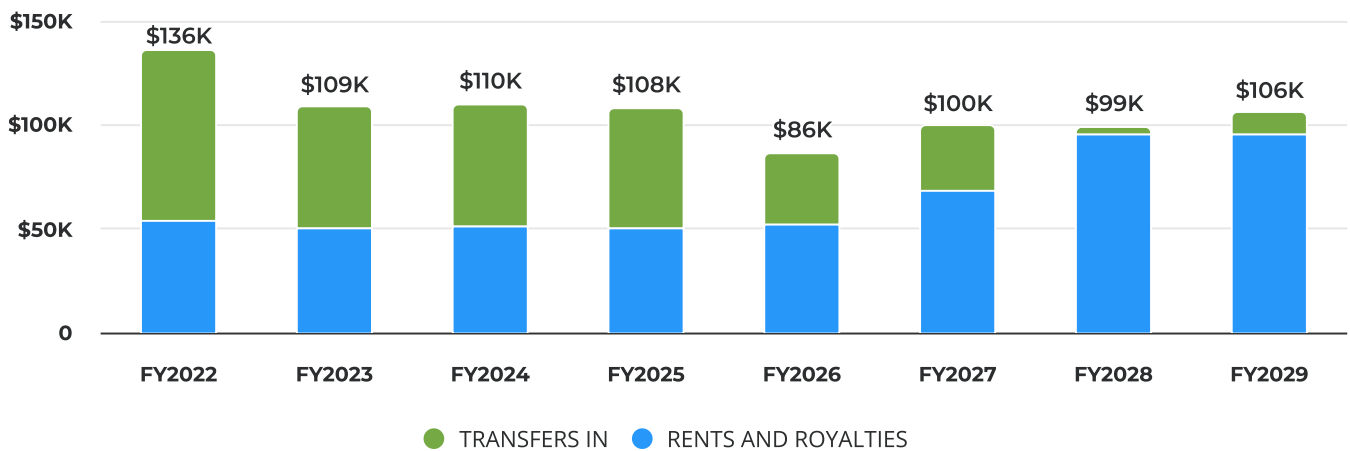
Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$125,056	\$74,470	\$74,470	\$76,270	\$66,470	\$66,870
Revenues						
OTHER REVENUE	\$49,700	\$51,200	\$52,000	\$68,500	\$95,000	\$95,000
TRANSFER IN	\$58,600	\$34,300	\$34,300	\$31,200	\$4,000	\$11,000
Total Revenues	\$108,300	\$85,500	\$86,300	\$99,700	\$99,000	\$106,000
Expenditures						
OFFICE/OPERATING SUPPLIES	\$607	\$2,000	\$300	\$200	\$200	\$200
PROFESSIONAL SERVICES	\$33,490	\$35,000	\$34,400	\$36,000	\$38,000	\$40,000
INSURANCE & BONDS	\$3,939	\$4,000	\$4,000	\$3,600	\$3,900	\$4,100
COMMUNICATION	\$2,787	\$2,900	\$3,300	\$5,800	\$2,000	\$2,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
UTILITIES	\$24,774	\$29,000	\$29,000	\$30,000	\$30,000	\$32,000
REPAIRS & MAINTENANCE	\$90,745	\$10,000	\$11,000	\$21,400	\$22,000	\$25,000
RENTALS	\$2,544	\$2,600	\$2,500	\$2,500	\$2,500	\$2,500
CAPITAL OUTLAY	\$0	\$0	\$0	\$10,000	\$0	\$0
Total Expenditures	\$158,886	\$85,500	\$84,500	\$109,500	\$98,600	\$105,800
Total Revenues Less Expenditures	-\$50,586	\$0	\$1,800	-\$9,800	\$400	\$200
Ending Fund Balance	\$74,470	\$74,470	\$76,270	\$66,470	\$66,870	\$67,070

The current funds for maintenance and repairs will be depleted prior to the end of the 2025-2026 budget cycle. A new lease agreement will provide additional funds for maintenance and repairs in the 2026-2027 budget cycle.

Historical Revenues by Object

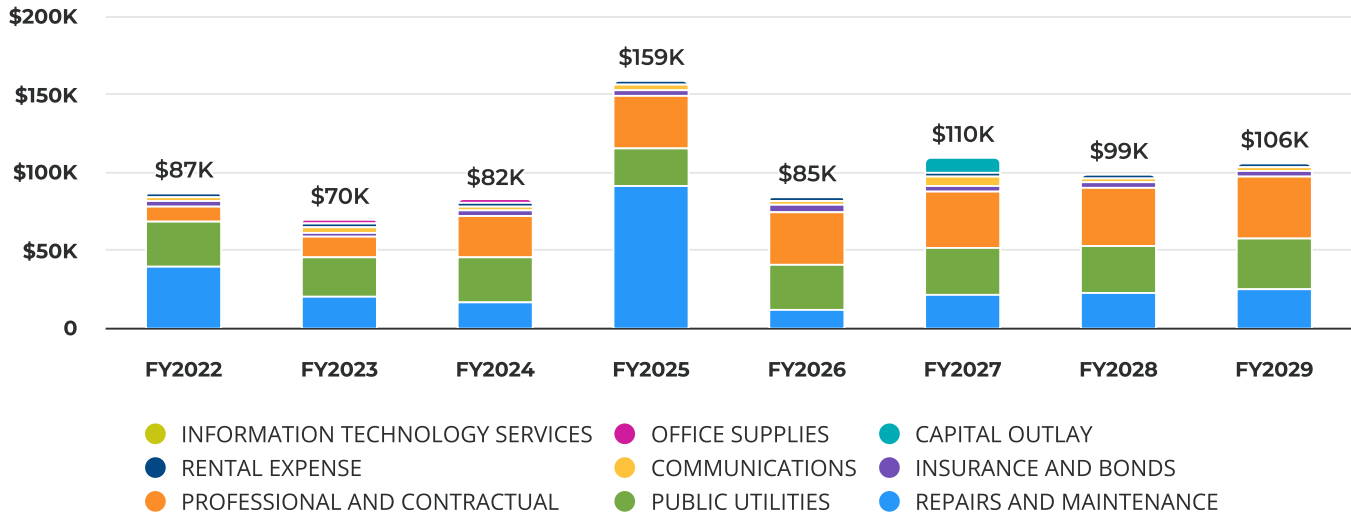


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
RENTS AND ROYALTIES	\$49,700	\$51,200	\$52,000	\$68,500	\$95,000	\$95,000
TRANSFERS IN	\$58,600	\$31,300	\$34,300	\$31,200	\$4,000	\$11,000
TRANSFER IN - FROM GENERAL FUND	\$0	\$3,000	\$0	\$0	\$0	\$0
Total Revenues	\$108,300	\$85,500	\$86,300	\$99,700	\$99,000	\$106,000

Expenditures by Object

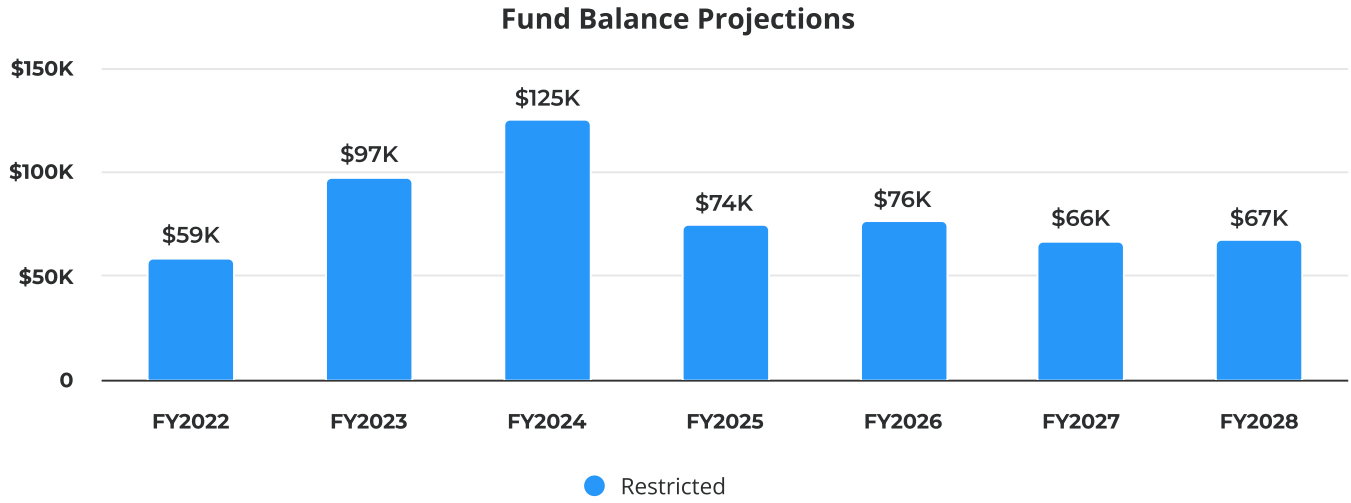
Historical Expenditures by Object



Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
OFFICE SUPPLIES	\$607	\$2,000	\$300	\$200	\$200	\$200
PROFESSIONAL AND CONTRACTUAL	\$33,490	\$35,000	\$34,400	\$36,000	\$38,000	\$40,000
INSURANCE AND BONDS	\$3,939	\$4,000	\$4,000	\$3,600	\$3,900	\$4,100
COMMUNICATIONS	\$2,787	\$2,900	\$3,300	\$5,800	\$2,000	\$2,000
PUBLIC UTILITIES	\$24,774	\$29,000	\$29,000	\$30,000	\$30,000	\$32,000
REPAIRS AND MAINTENANCE	\$90,745	\$10,000	\$11,000	\$21,400	\$22,000	\$25,000
RENTAL EXPENSE	\$2,544	\$2,600	\$2,500	\$2,500	\$2,500	\$2,500
CAPITAL OUTLAY	\$0	\$0	\$0	\$10,000	\$0	\$0
Total Expenditures	\$158,886	\$85,500	\$84,500	\$109,500	\$98,600	\$105,800

Fund Balance



Financial Summary

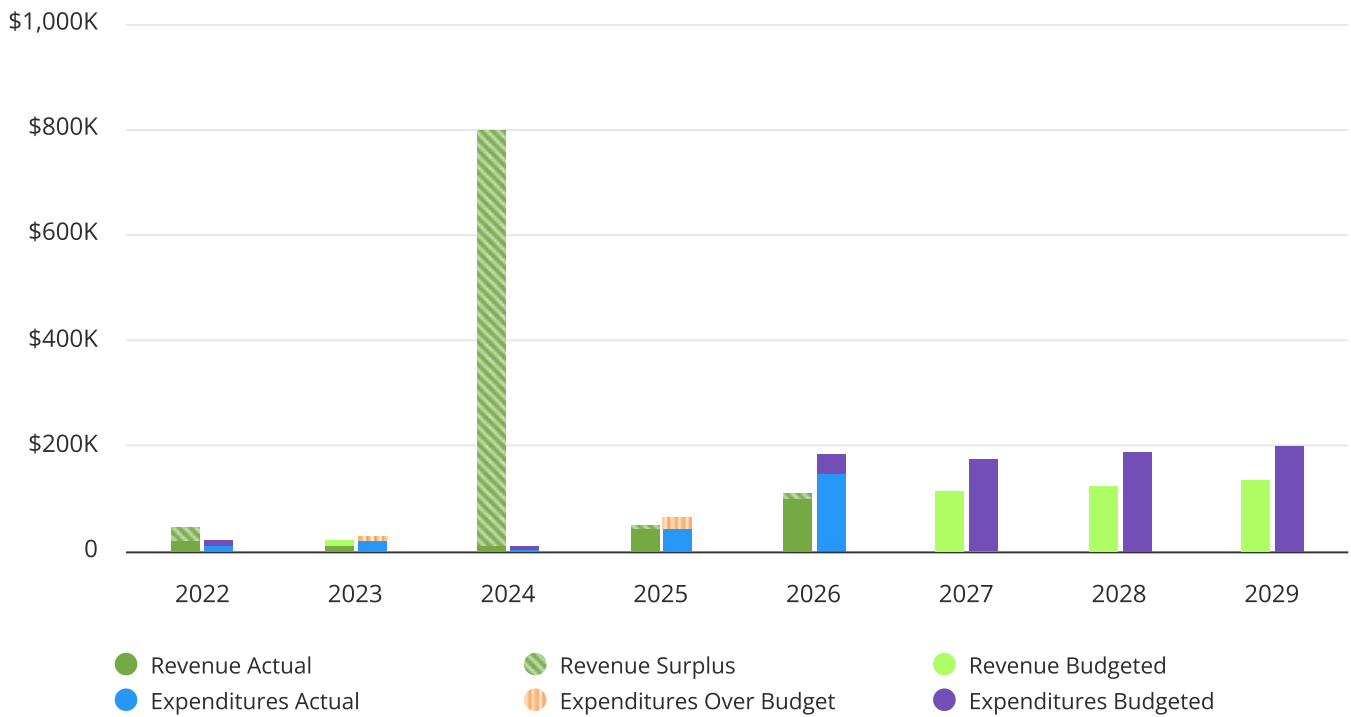
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$97,427	\$125,056	\$74,470	\$76,270
Total Fund Balance	\$97,427	\$125,056	\$74,470	\$76,270

Senior Center Fund (105)

The Senior Center Fund supports the maintenance and care of the recently completed Senior Center building. Facilities Management has established preventive maintenance schedules to ensure the facility continues to operate efficiently. Energy management strategies, combined with the new geothermal HVAC system, provide highly efficient climate control.



Revenues vs Expenditures Summary



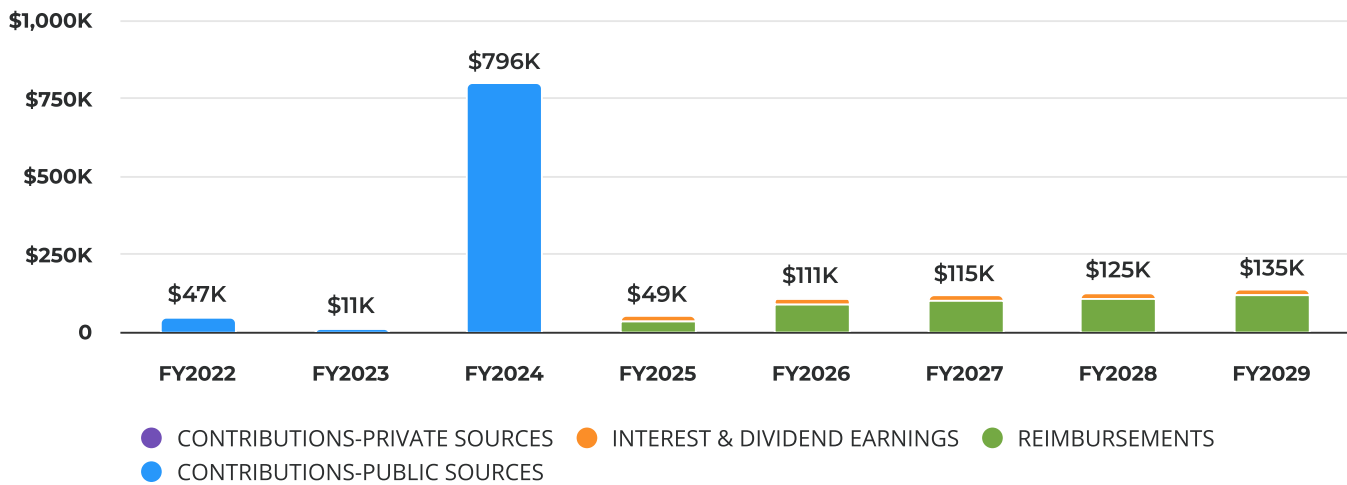
Increased maintenance funding is needed to ensure the facility remains clean, well-maintained, and operating efficiently. Preventive maintenance programs and energy management strategies have been implemented to support optimal performance.

Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$853,220	\$838,660	\$838,660	\$802,860	\$741,860	\$678,660
Revenues						
OTHER REVENUE	\$16,680	\$0	\$23,000	\$17,000	\$17,000	\$17,000
REIMBURSEMENTS	\$32,302	\$100,000	\$88,000	\$98,000	\$108,000	\$118,000
Total Revenues	\$48,982	\$100,000	\$111,000	\$115,000	\$125,000	\$135,000
Expenditures						
SALARIES & WAGES	\$6,501	\$1,000	\$2,000	\$3,100	\$3,100	\$3,000
OFFICE/OPERATING SUPPLIES	\$1,923	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
PROFESSIONAL SERVICES	\$33,022	\$100,000	\$90,000	\$103,700	\$114,300	\$124,900
INSURANCE & BONDS	\$3,283	\$1,000	\$7,300	\$8,700	\$9,300	\$9,900
UTILITIES	\$14,682	\$70,000	\$38,000	\$39,000	\$40,000	\$41,000
REPAIRS & MAINTENANCE	\$225	\$10,000	\$6,500	\$20,000	\$20,000	\$20,000
RENTALS	\$3,896	\$3,600	\$2,000	\$500	\$500	\$500
Total Expenditures	\$63,532	\$186,600	\$146,800	\$176,000	\$188,200	\$200,300
Total Revenues Less Expenditures	-\$14,550	-\$86,600	-\$35,800	-\$61,000	-\$63,200	-\$65,300
Ending Fund Balance	\$838,670	\$752,060	\$802,860	\$741,860	\$678,660	\$613,360

The increase in services and maintenance expenses reflects the funding necessary to maintain the facility in excellent condition and to meet community service expectations.

Historical Revenues by Object



Revenues by Object

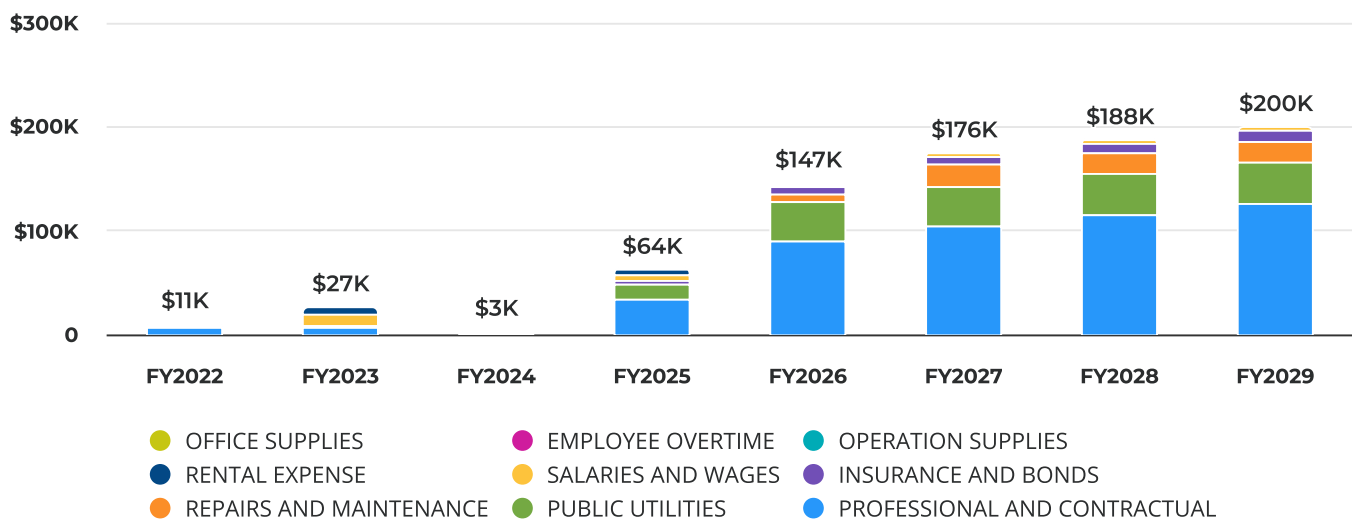
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$16,680	\$0	\$17,000	\$17,000	\$17,000	\$17,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CONTRIBUTIONS-PRIVATE SOURCES	\$0	\$0	\$6,000	\$0	\$0	\$0
REIMBURSEMENTS	\$32,302	\$100,000	\$88,000	\$98,000	\$108,000	\$118,000
Total Revenues	\$48,982	\$100,000	\$111,000	\$115,000	\$125,000	\$135,000

Reimbursement is projected reimbursement from GTC for billable expenses.

Expenditures by Object

Historical Expenditures by Object

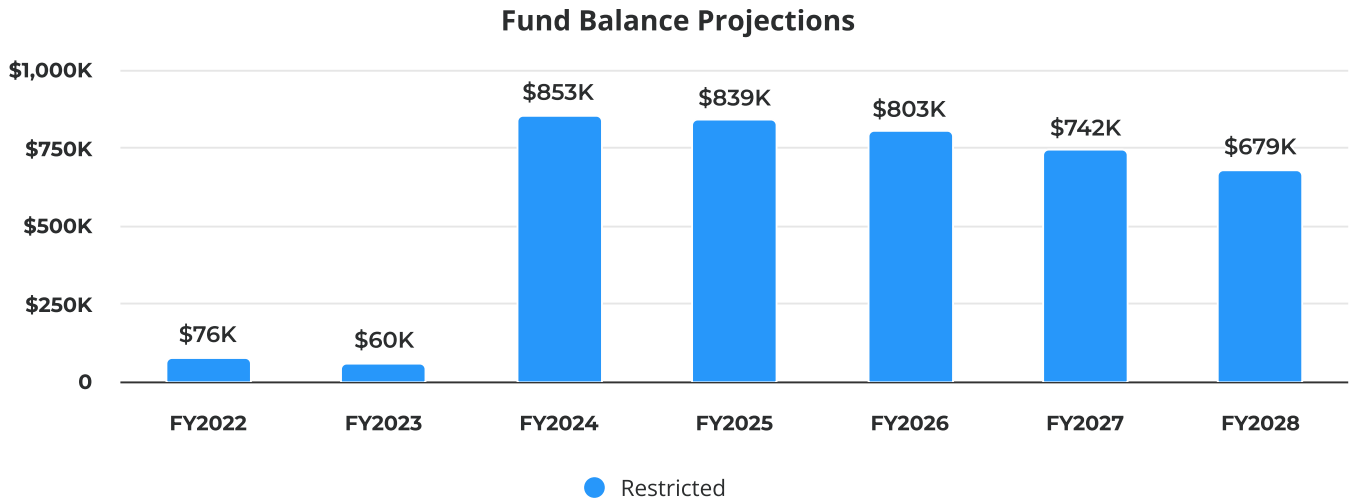


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES AND WAGES	\$6,445	\$1,000	\$1,800	\$3,000	\$3,000	\$3,000
EMPLOYEE OVERTIME	\$57	\$0	\$200	\$100	\$100	\$0
OFFICE SUPPLIES	\$268	\$0	\$0	\$0	\$0	\$0
OPERATION SUPPLIES	\$1,655	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
PROFESSIONAL AND CONTRACTUAL	\$33,022	\$100,000	\$90,000	\$103,700	\$114,300	\$124,900
INSURANCE AND BONDS	\$3,283	\$1,000	\$7,300	\$8,700	\$9,300	\$9,900
PUBLIC UTILITIES	\$14,682	\$70,000	\$38,000	\$39,000	\$40,000	\$41,000
REPAIRS AND MAINTENANCE	\$225	\$10,000	\$6,500	\$20,000	\$20,000	\$20,000
RENTAL EXPENSE	\$3,896	\$3,600	\$2,000	\$500	\$500	\$500
Total Expenditures	\$63,532	\$186,600	\$146,800	\$176,000	\$188,200	\$200,300

Now that the Senior Center is complete and open, we have contractual costs for janitorial, utility & maintenance costs,

Fund Balance



Financial Summary

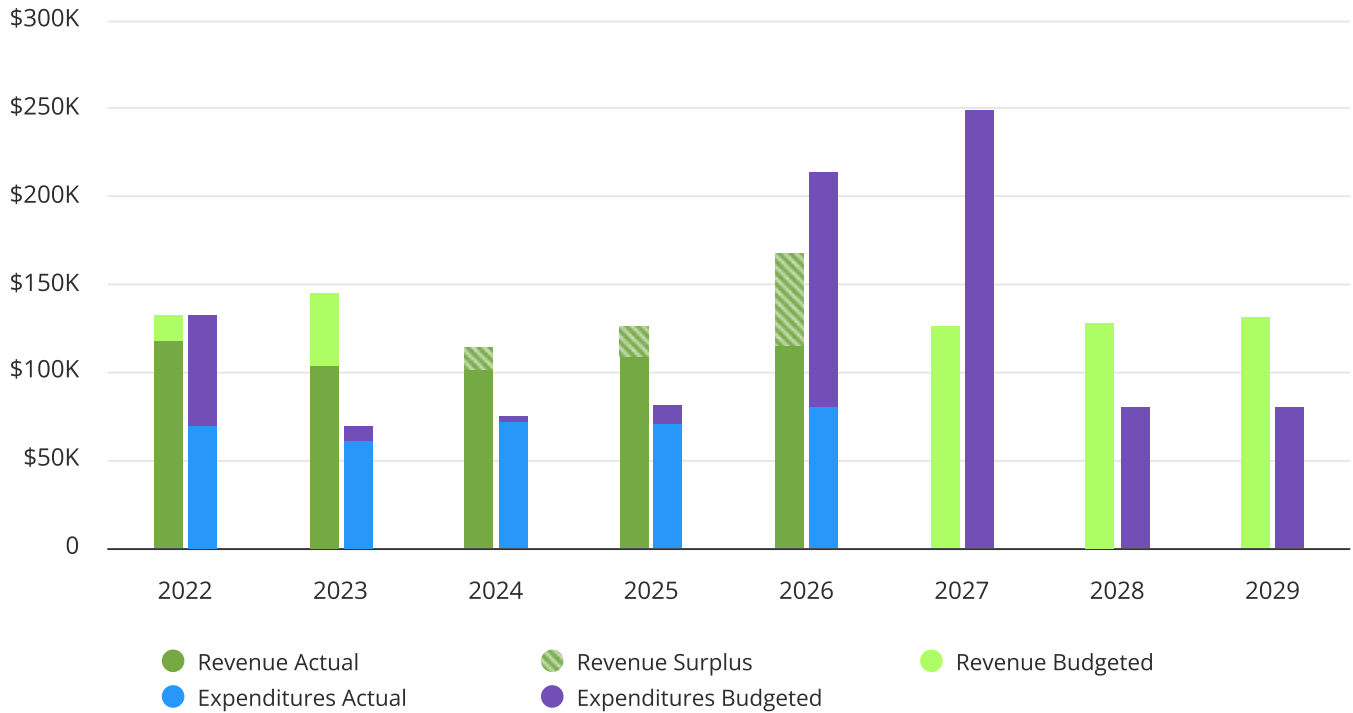
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$59,760	\$853,220	\$838,660	\$802,860
Total Fund Balance	\$59,760	\$853,220	\$838,660	\$802,860

Brown Bridge Maintenance Funds (106)

This fund is used to account for the repairs and maintenance costs at the Brown Bridge Quiet Area. It is funded by cell tower leases.



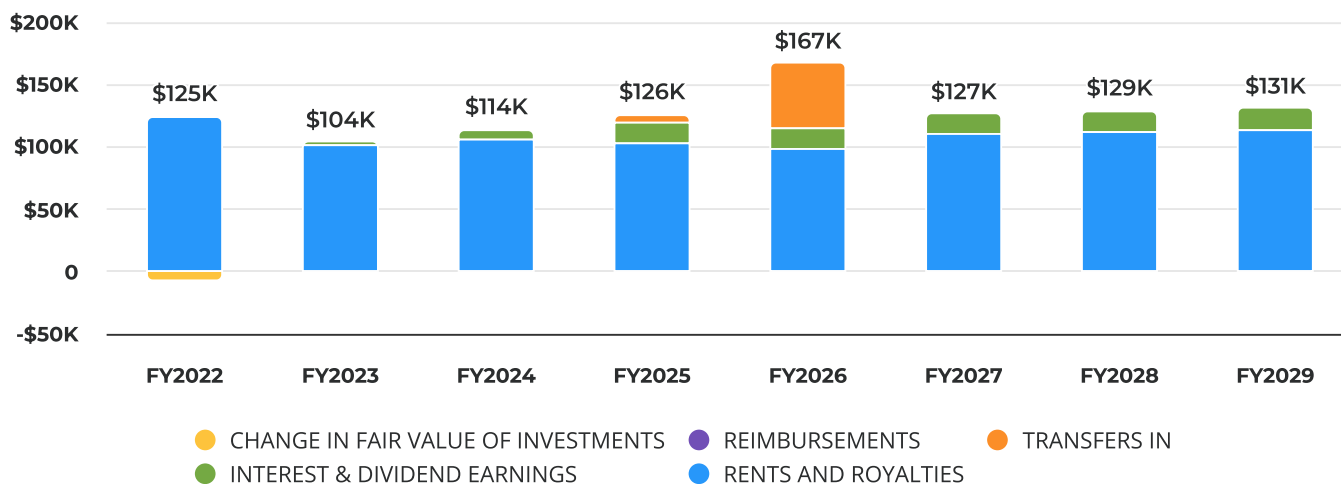
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$345,119	\$400,430	\$400,430	\$487,330	\$365,330	\$414,130
Revenues						
OTHER REVENUE	\$118,884	\$115,000	\$114,900	\$126,500	\$128,500	\$131,000
REIMBURSEMENTS	\$0	\$0	\$300	\$0	\$0	\$0
TRANSFER IN	\$7,065	\$0	\$52,100	\$0	\$0	\$0
Total Revenues	\$125,949	\$115,000	\$167,300	\$126,500	\$128,500	\$131,000
Expenditures						
PROFESSIONAL SERVICES	\$51,303	\$75,000	\$75,000	\$148,000	\$75,000	\$75,000
INSURANCE & BONDS	\$23	\$0	\$100	\$100	\$100	\$100
UTILITIES	\$1,598	\$1,500	\$1,400	\$1,500	\$1,600	\$1,700
REPAIRS & MAINTENANCE	\$15,327	\$134,000	\$1,000	\$96,000	\$0	\$0
RENTALS	\$2,396	\$2,900	\$2,900	\$2,900	\$3,000	\$3,100
Total Expenditures	\$70,647	\$213,400	\$80,400	\$248,500	\$79,700	\$79,900
Total Revenues Less Expenditures	\$55,301	-\$98,400	\$86,900	-\$122,000	\$48,800	\$51,100
Ending Fund Balance	\$400,420	\$302,030	\$487,330	\$365,330	\$414,130	\$465,230

Historical Revenues by Object



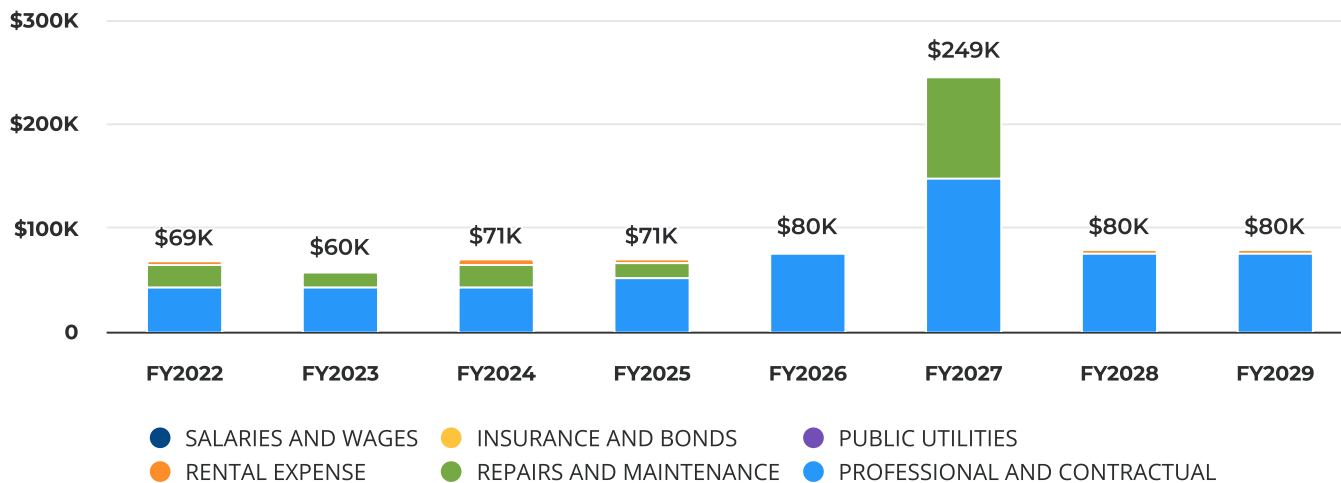
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$15,712	\$7,600	\$16,000	\$16,500	\$16,500	\$17,000
RENTS AND ROYALTIES	\$103,172	\$107,400	\$98,900	\$110,000	\$112,000	\$114,000
REIMBURSEMENTS	\$0	\$0	\$300	\$0	\$0	\$0
TRANSFERS IN	\$7,065	\$0	\$52,100	\$0	\$0	\$0
Total Revenues	\$125,949	\$115,000	\$167,300	\$126,500	\$128,500	\$131,000

Cell tower rents

Expenditures by Object

Historical Expenditures by Object

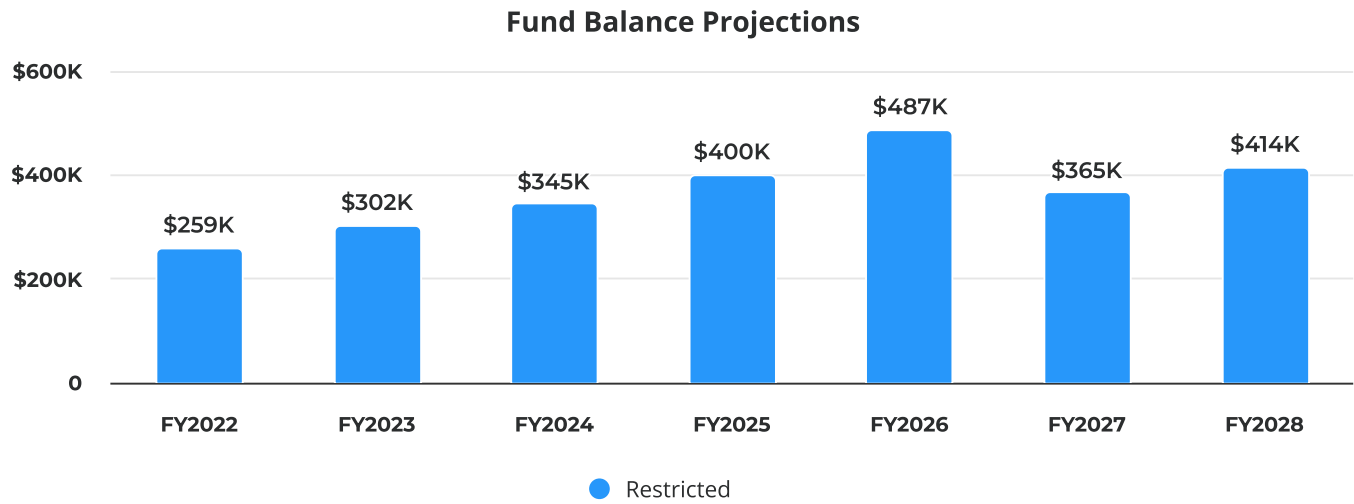


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$51,303	\$75,000	\$75,000	\$148,000	\$75,000	\$75,000
INSURANCE AND BONDS	\$23	\$0	\$100	\$100	\$100	\$100
PUBLIC UTILITIES	\$1,598	\$1,500	\$1,400	\$1,500	\$1,600	\$1,700
REPAIRS AND MAINTENANCE	\$15,327	\$134,000	\$1,000	\$96,000	\$0	\$0
RENTAL EXPENSE	\$2,396	\$2,900	\$2,900	\$2,900	\$3,000	\$3,100
Total Expenditures	\$70,647	\$213,400	\$80,400	\$248,500	\$79,700	\$79,900

The increase in both line items for Repairs and Maintenance and Professional and Contractor for 26/27 account for the Brown Bridge Parks Improvement Fund dollars previously allocated for the construction of amenities such as a parking lot, trail head signage, bathroom and overlook at the new Brown Bridge Quiet Area acquisition property. This also accounts for an increase in our management agreement with the GT Conservation District to cover the addition of new Spring Lake property purchase. Repairs & Maintenance includes new Spring Lake property improvements and black locust boardwalk repairs.

Fund Balance



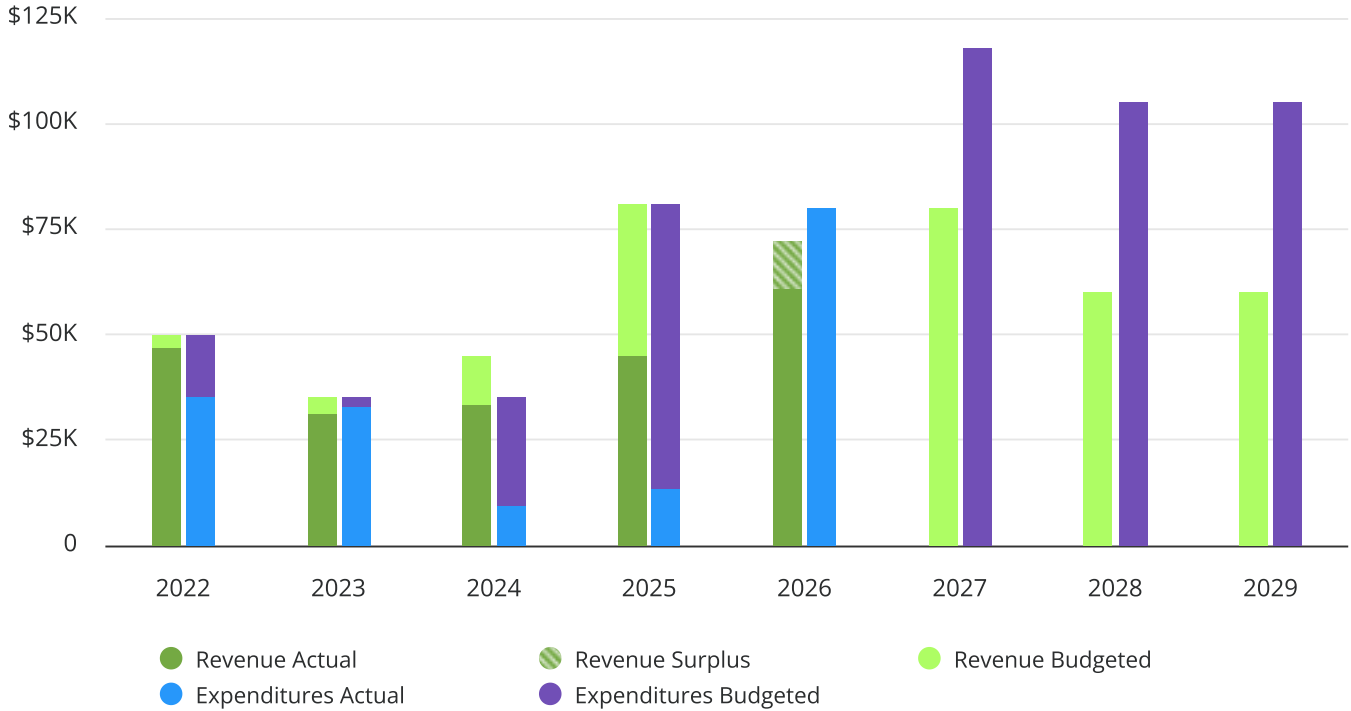
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$302,374	\$345,119	\$400,430	\$487,330
Total Fund Balance	\$302,374	\$345,119	\$400,430	\$487,330

Public Arts Commission Fund (107)

This fund uses transfers from the General Operating Fund, public contributions and private contributions which may be made for the acquisition, commission, exhibition, and maintenance of works of art throughout the City.

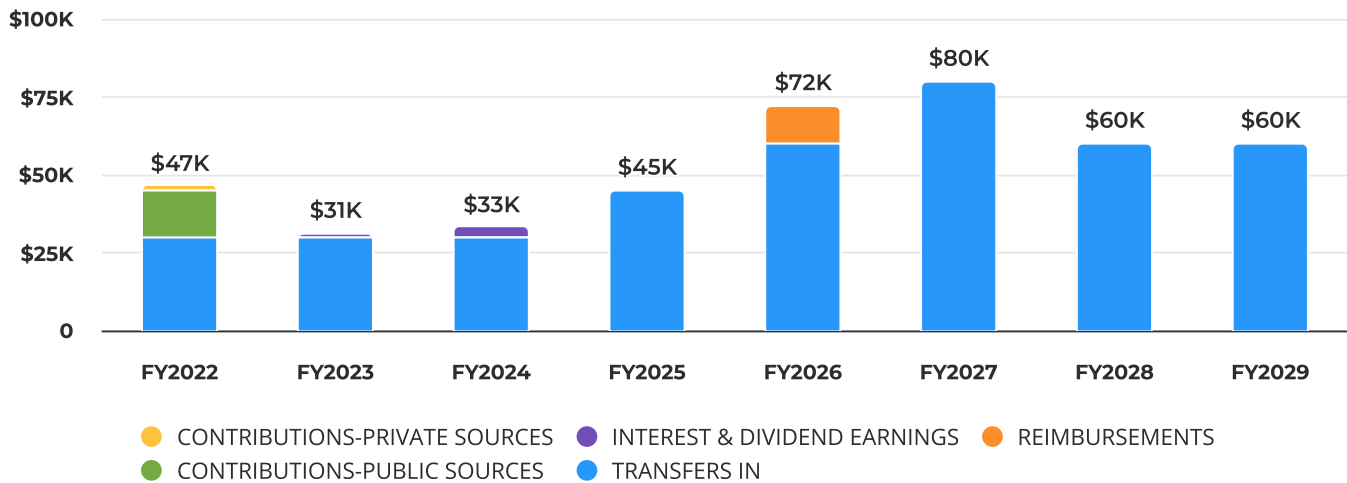
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$154,091	\$185,570	\$185,570	\$177,570	\$139,570	\$94,570
Revenues						
OTHER REVENUE	\$0	\$1,000	\$0	\$0	\$0	\$0
REIMBURSEMENTS	\$0	\$0	\$12,000	\$0	\$0	\$0
TRANSFER IN	\$45,000	\$60,000	\$60,000	\$80,000	\$60,000	\$60,000
Total Revenues	\$45,000	\$61,000	\$72,000	\$80,000	\$60,000	\$60,000
Expenditures						
PROFESSIONAL SERVICES	\$13,368	\$80,000	\$80,000	\$48,000	\$50,000	\$50,000
PRINTING & PUBLISHING	\$154	\$0	\$0	\$0	\$0	\$0
REPAIRS & MAINTENANCE	\$0	\$0	\$0	\$15,000	\$15,000	\$15,000
CAPITAL OUTLAY	\$0	\$0	\$0	\$55,000	\$40,000	\$40,000
Total Expenditures	\$13,521	\$80,000	\$80,000	\$118,000	\$105,000	\$105,000
Total Revenues Less Expenditures	\$31,479	-\$19,000	-\$8,000	-\$38,000	-\$45,000	-\$45,000
Ending Fund Balance	\$185,570	\$166,570	\$177,570	\$139,570	\$94,570	\$49,570

Historical Revenues by Object



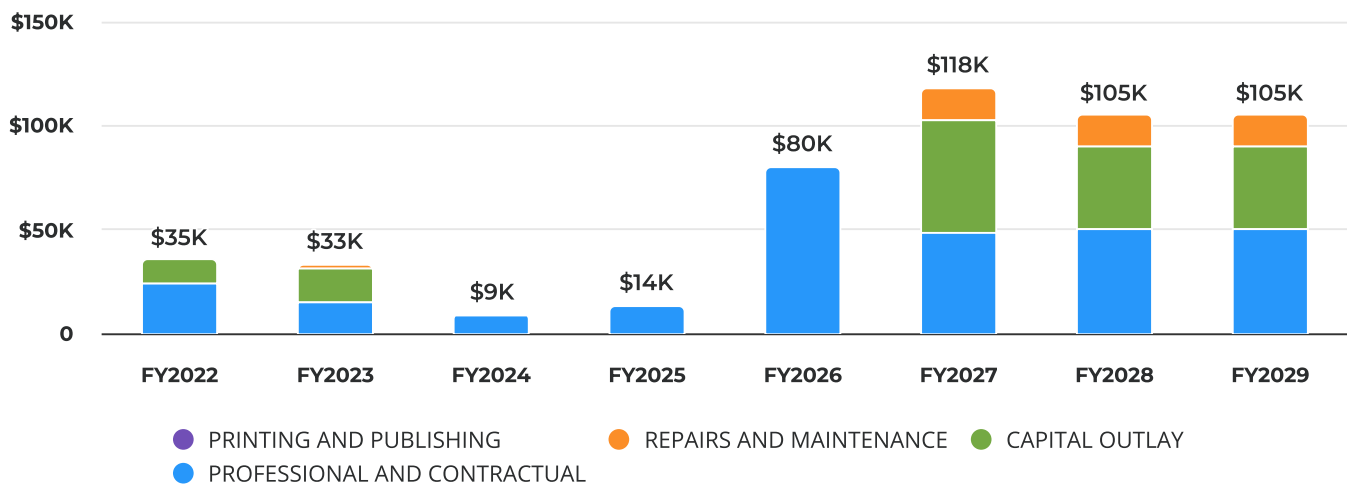
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$0	\$1,000	\$0	\$0	\$0	\$0
REIMBURSEMENTS	\$0	\$0	\$12,000	\$0	\$0	\$0
TRANSFERS IN	\$45,000	\$60,000	\$60,000	\$80,000	\$60,000	\$60,000
Total Revenues	\$45,000	\$61,000	\$72,000	\$80,000	\$60,000	\$60,000

Transfer from the General Fund increased from \$30,000 to \$60,000 per board action 5/5/25, Arts Commission received grant for mural festival facilitated by DDA. Increase in 2026/2027 budget request to cover additional art requests.

Expenditures by Object

Historical Expenditures by Object

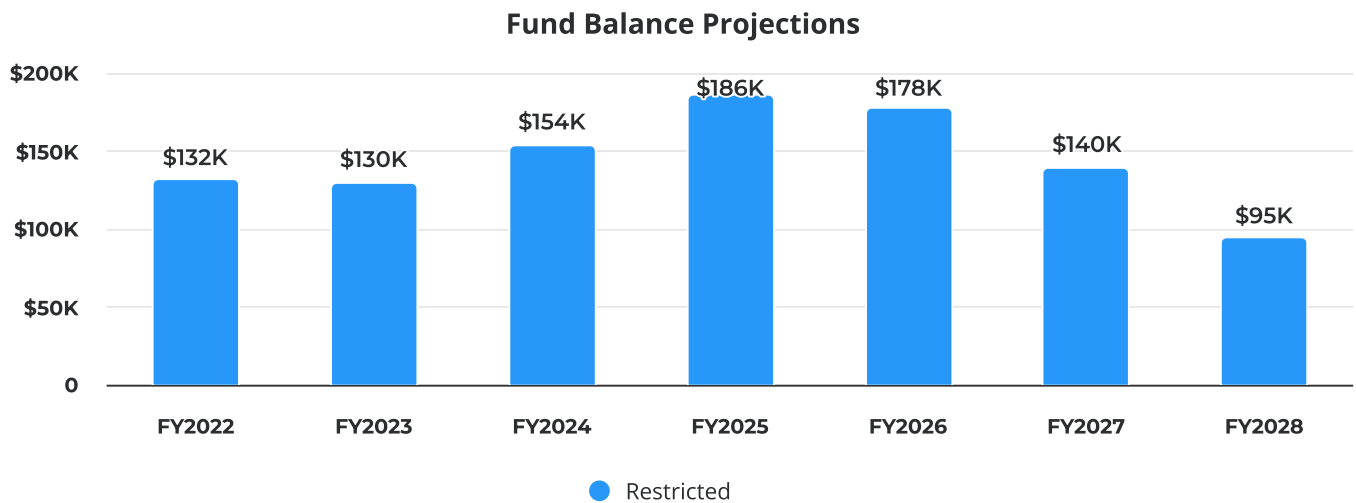


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$13,368	\$80,000	\$80,000	\$48,000	\$50,000	\$50,000
PRINTING AND PUBLISHING	\$154	\$0	\$0	\$0	\$0	\$0
REPAIRS AND MAINTENANCE	\$0	\$0	\$0	\$15,000	\$15,000	\$15,000
CAPITAL OUTLAY	\$0	\$0	\$0	\$55,000	\$40,000	\$40,000
Total Expenditures	\$13,521	\$80,000	\$80,000	\$118,000	\$105,000	\$105,000

The increase in contractual in 2025/2026 was for the Mural festival. The capital outlay request is for Gateway sculpture & West Front traffic-calming art.

Fund Balance



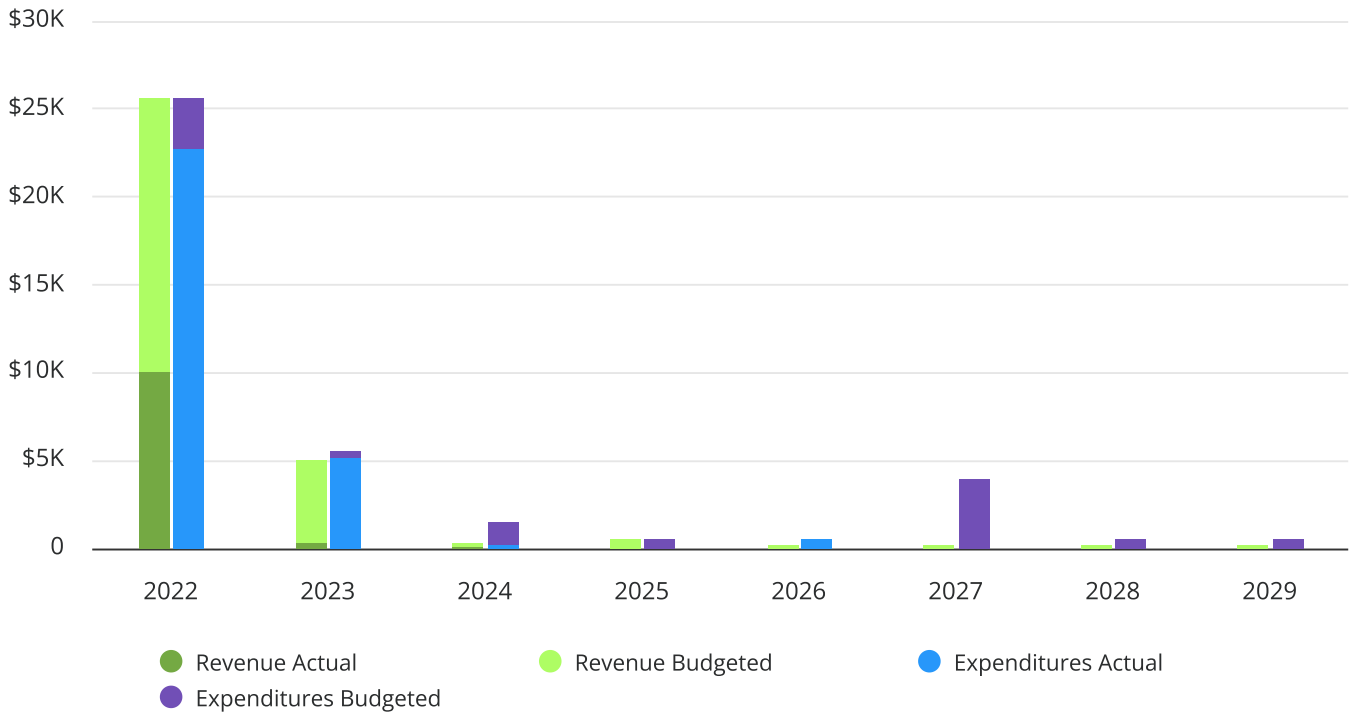
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$129,995	\$154,091	\$185,570	\$177,570
Total Fund Balance	\$129,995	\$154,091	\$185,570	\$177,570

Coast Guard Committee Fund (108)

The fund was created to account for the activities of the United States Coast Guard Committee, as established by Ordinance Chapter 279. The United States Coast Guard Committee serves in an advisory capacity and makes recommendations to the City Commission on matters related to the operation, development and planning of the United States Coast Guard services, facilities and programs within the City. The committee is staffed by the City Clerk's Office.

Revenues vs Expenditures Summary

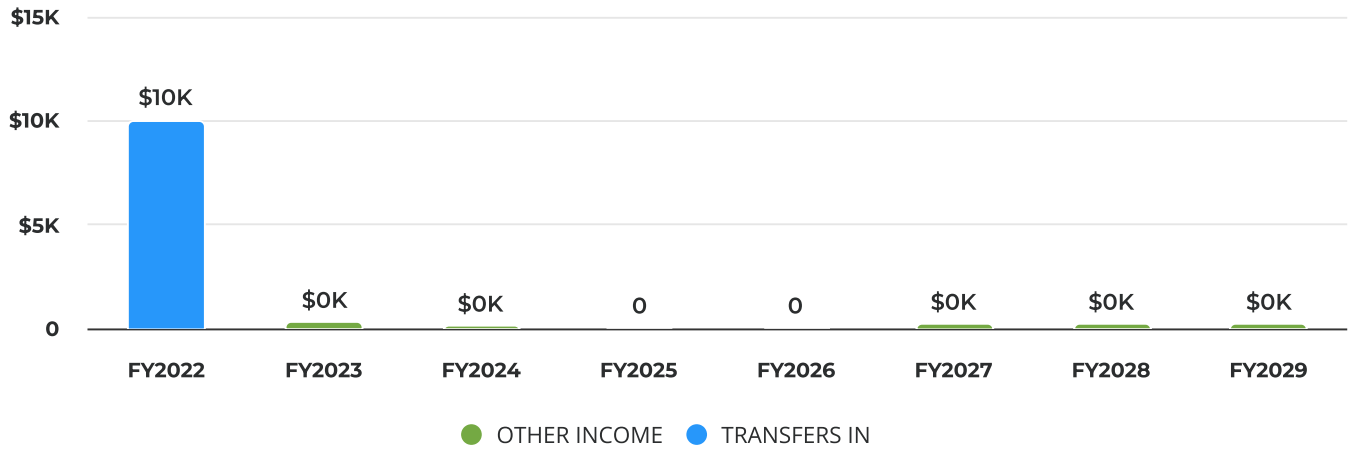


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$6,160	\$6,160	\$6,160	\$5,660	\$1,860	\$1,560
Revenues						
OTHER REVENUE	\$0	\$200	\$0	\$200	\$200	\$200
Total Revenues	\$0	\$200	\$0	\$200	\$200	\$200
Expenditures						
OFFICE/OPERATING SUPPLIES	\$0	\$500	\$500	\$500	\$500	\$500
CAPITAL OUTLAY	\$0	\$0	\$0	\$3,500	\$0	\$0
Total Expenditures	\$0	\$500	\$500	\$4,000	\$500	\$500
Total Revenues Less Expenditures	\$0	-\$300	-\$500	-\$3,800	-\$300	-\$300
Ending Fund Balance	\$6,160	\$5,860	\$5,660	\$1,860	\$1,560	\$1,260

In 2026/2027, we are planning to purchase picnic tables for a mini-park, we will utilize fund balance if donations are not procured.

Historical Revenues by Object

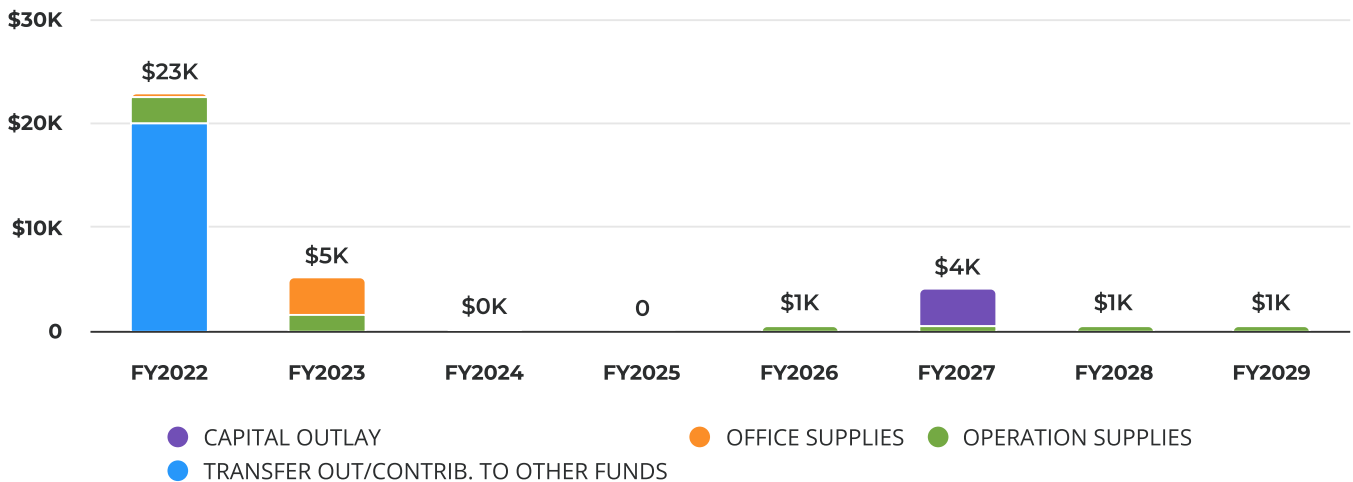


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
OTHER INCOME	\$0	\$200	\$0	\$200	\$200	\$200
Total Revenues	\$0	\$200	\$0	\$200	\$200	\$200

Expenditures by Object

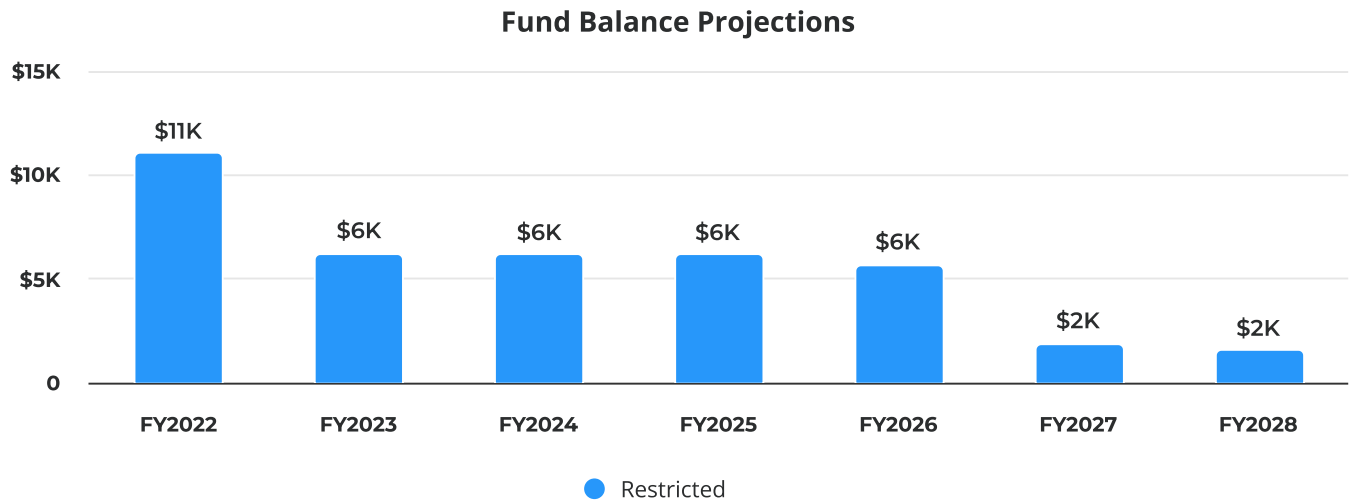
Historical Expenditures by Object



Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
OPERATION SUPPLIES	\$0	\$500	\$500	\$500	\$500	\$500
CAPITAL OUTLAY	\$0	\$0	\$0	\$3,500	\$0	\$0
Total Expenditures	\$0	\$500	\$500	\$4,000	\$500	\$500

Fund Balance



Financial Summary

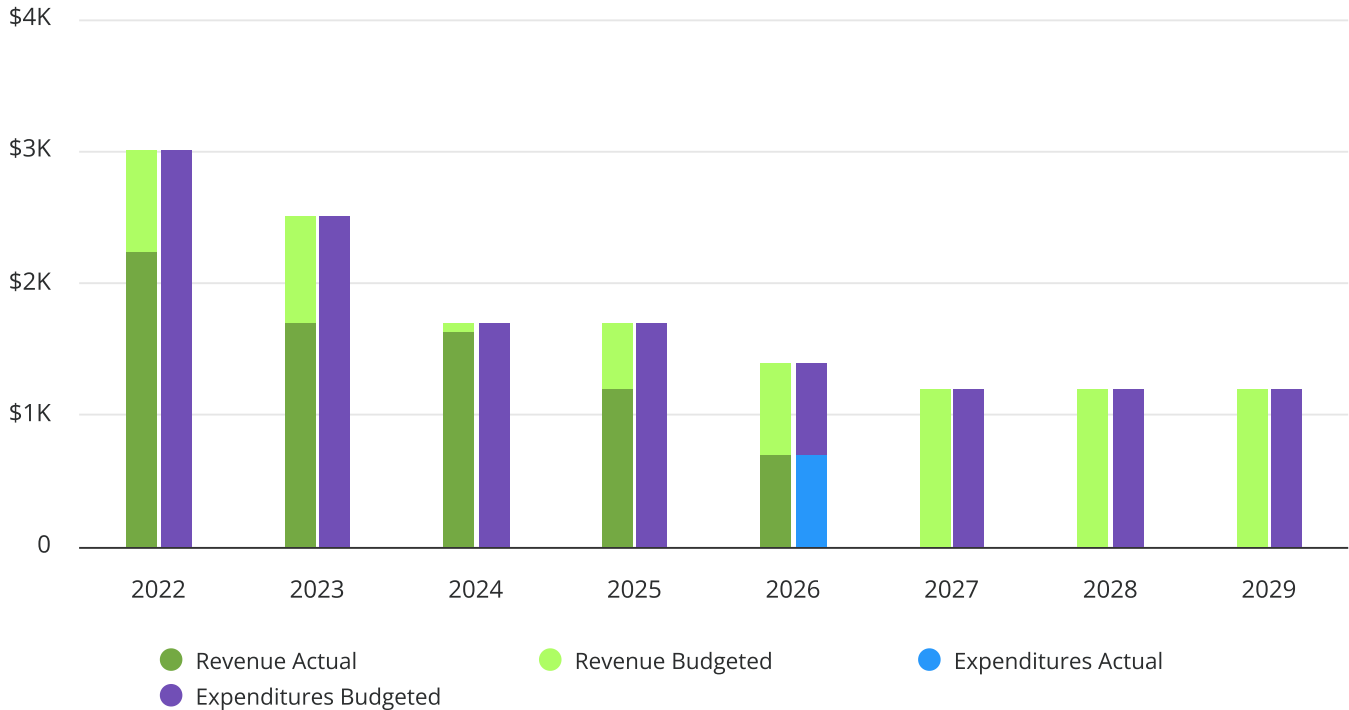
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$6,221	\$6,160	\$6,160	\$5,660
Total Fund Balance	\$6,221	\$6,160	\$6,160	\$5,660

Banner Program Fund (109)

The Banner Fund previously utilized private contributions through the Banner Program agreement to maintain and replace flags and banners displayed throughout the City promoting current events.

The program has come to close with the contracted vendor. Funds may be used in the future for City banners, but no revenue is anticipated.

Revenues vs Expenditures Summary

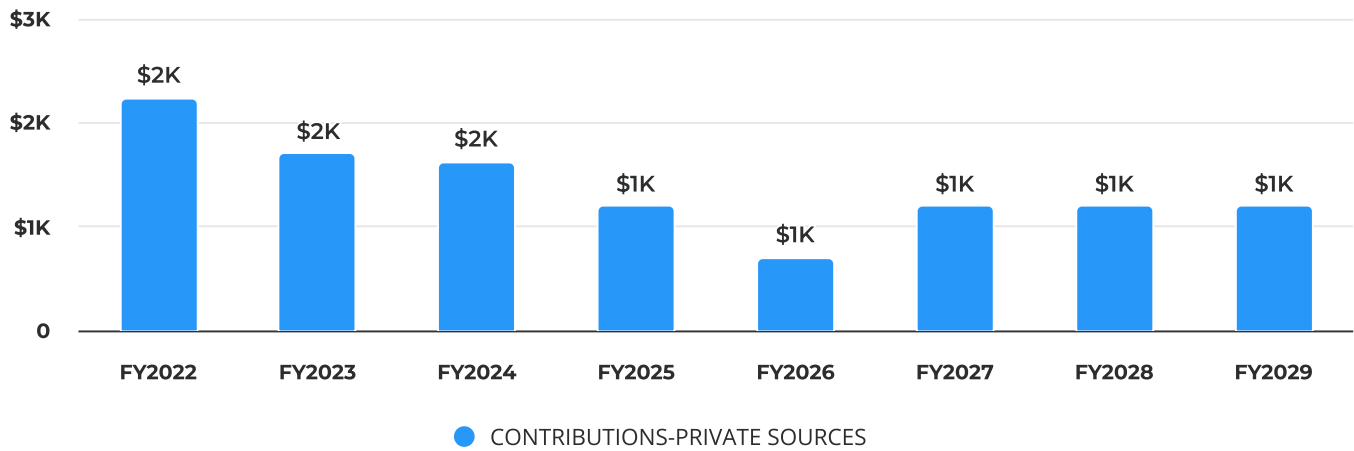


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$10,145	\$11,345	\$11,345	\$11,345	\$11,345	\$11,345
Revenues						
OTHER REVENUE	\$1,200	\$1,400	\$700	\$1,200	\$1,200	\$1,200
Total Revenues	\$1,200	\$1,400	\$700	\$1,200	\$1,200	\$1,200
Expenditures						
REPAIRS & MAINTENANCE	\$0	\$1,400	\$700	\$1,200	\$1,200	\$1,200
Total Expenditures	\$0	\$1,400	\$700	\$1,200	\$1,200	\$1,200
Total Revenues Less Expenditures	\$1,200	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$11,345	\$11,345	\$11,345	\$11,345	\$11,345	\$11,345

Banner program is transitioning from DDA to the Communications & Strategic Initiatives department. Look for upcoming changes in the future.

Historical Revenues by Object

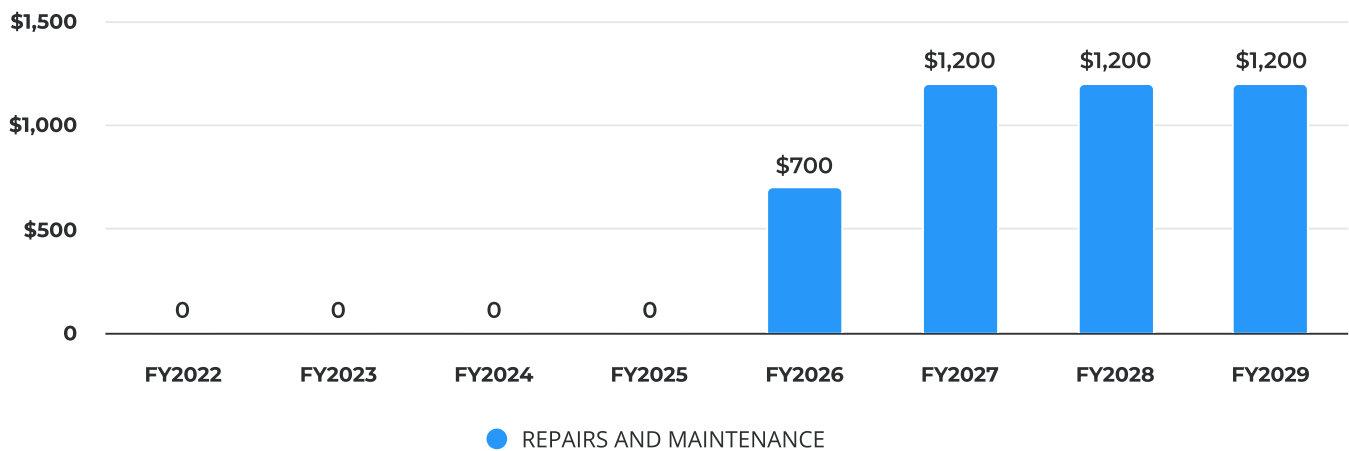


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CONTRIBUTIONS-PRIVATE SOURCES	\$1,200	\$1,400	\$700	\$1,200	\$1,200	\$1,200
Total Revenues	\$1,200	\$1,400	\$700	\$1,200	\$1,200	\$1,200

Expenditures by Object

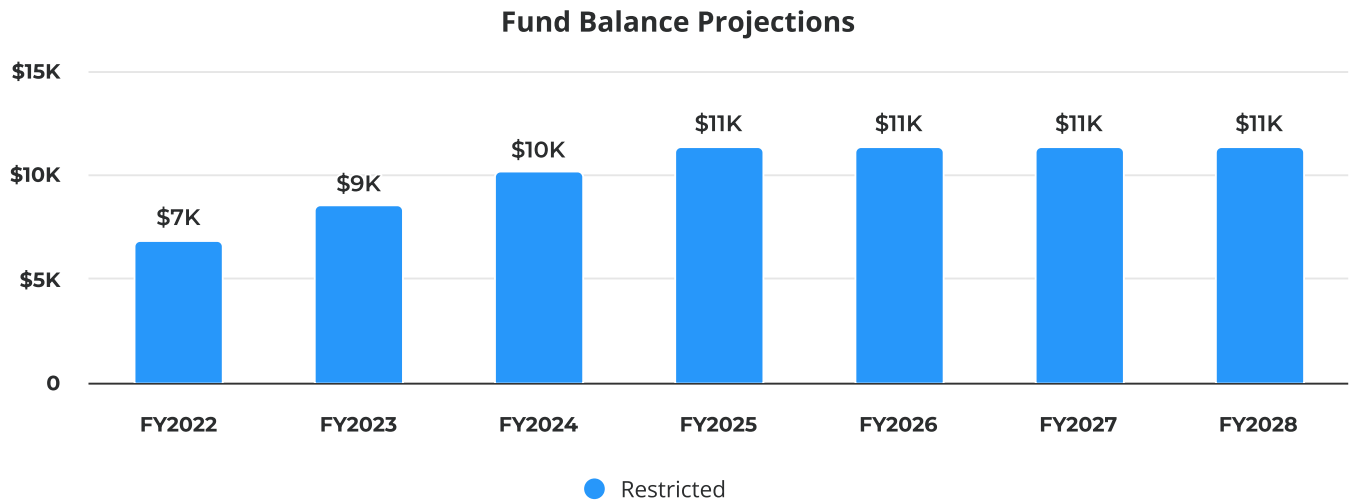
Historical Expenditures by Object



Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REPAIRS AND MAINTENANCE	\$0	\$1,400	\$700	\$1,200	\$1,200	\$1,200
Total Expenditures	\$0	\$1,400	\$700	\$1,200	\$1,200	\$1,200

Fund Balance



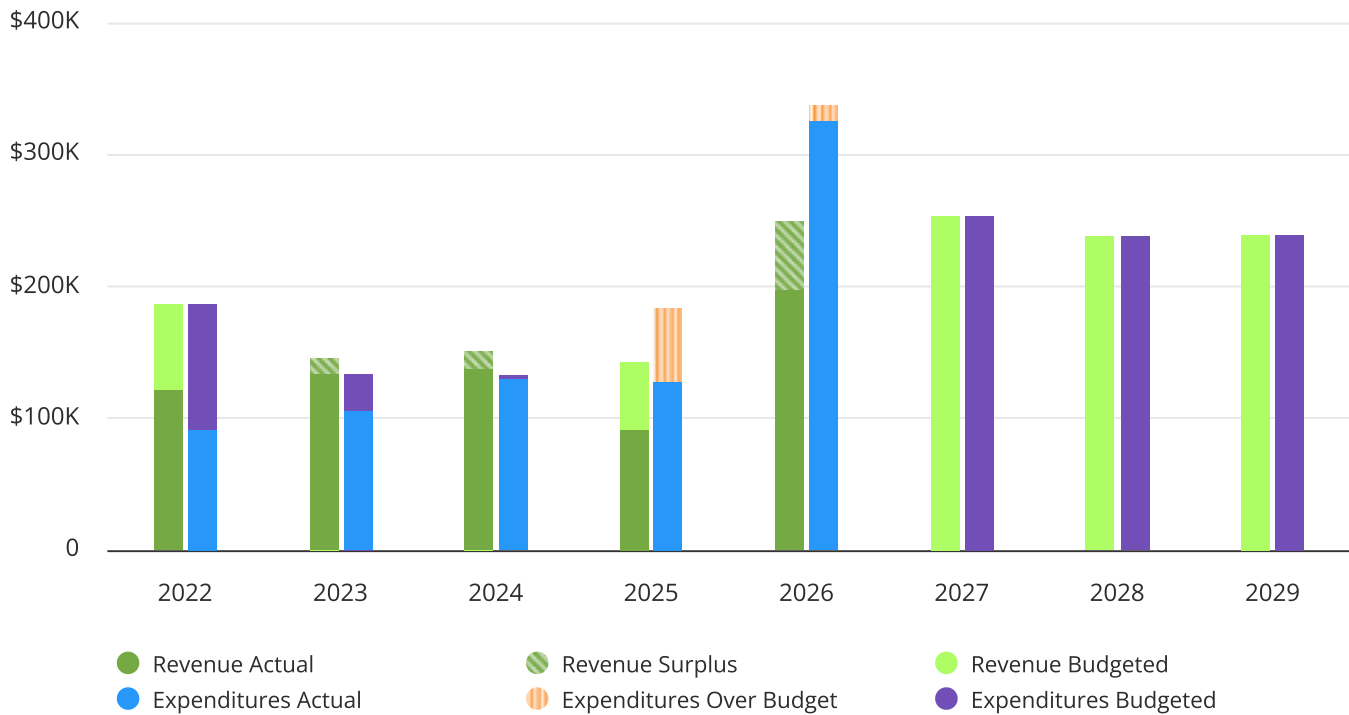
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$8,525	\$10,145	\$11,345	\$11,345
Total Fund Balance	\$8,525	\$10,145	\$11,345	\$11,345

Opera House Fund (110)

This fund was established to account for lease revenues and related expenses associated with the operation of the City Opera House. Facilities Management continues to enhance oversight and strengthen tenant relationships for the leased properties. These efforts have resulted in increased rental income and improved recovery of utility expenses. Preventive maintenance schedules have been implemented, and utility expenses have been audited.

Revenues vs Expenditures Summary



Increased preventive maintenance schedules and the roof replacement will help to keep unexpected repairs to a minimum.

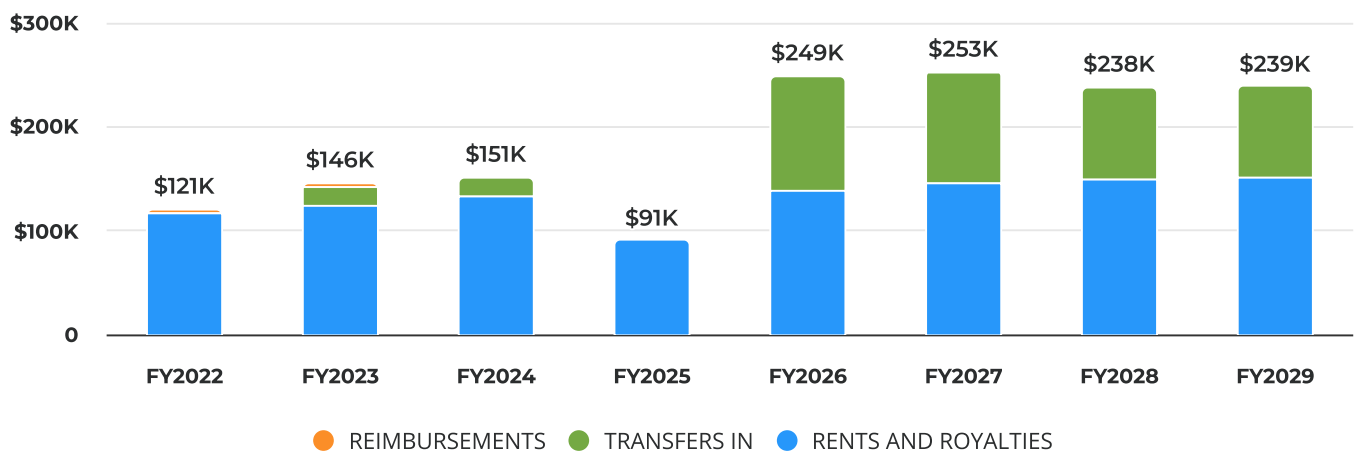
Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$206,654	\$113,713	\$113,713	\$25,710	\$25,910	\$26,110
Revenues						
OTHER REVENUE	\$90,558	\$138,000	\$138,500	\$145,700	\$148,600	\$151,600
REIMBURSEMENTS	\$0	\$0	\$500	\$500	\$500	\$500
TRANSFER IN	\$0	\$60,000	\$110,000	\$107,000	\$89,000	\$87,000
Total Revenues	\$90,558	\$198,000	\$249,000	\$253,200	\$238,100	\$239,100
Expenditures						
SALARIES & WAGES	\$1,056	\$800	\$500	\$500	\$0	\$0
OFFICE/OPERATING SUPPLIES	\$32	\$0	\$0	\$500	\$500	\$500
PROFESSIONAL SERVICES	\$21,780	\$2,400	\$5,500	\$4,500	\$4,500	\$4,500
INSURANCE & BONDS	\$8,817	\$9,100	\$9,300	\$11,200	\$11,900	\$12,700
UTILITIES	\$81,898	\$69,000	\$78,000	\$75,000	\$70,000	\$70,000
REPAIRS & MAINTENANCE	\$51,894	\$31,000	\$40,000	\$60,300	\$50,000	\$50,000
RENTALS	\$271	\$0	\$700	\$2,000	\$2,000	\$2,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
MISCELLANEOUS EXP	\$17,750	\$23,000	\$23,000	\$24,000	\$24,000	\$24,000
CAPITAL OUTLAY	\$0	\$190,000	\$180,000	\$75,000	\$75,000	\$75,000
Total Expenditures	\$183,499	\$325,300	\$337,000	\$253,000	\$237,900	\$238,700
Total Revenues Less Expenditures	-\$92,941	-\$127,300	-\$88,000	\$200	\$200	\$400
Ending Fund Balance	\$113,713	-\$13,587	\$25,713	\$25,910	\$26,110	\$26,510

An increase in funding for maintenance and capital investment reflects the resources necessary to preserve the City Opera House as a cornerstone of a vibrant downtown. Continued investment will support the upkeep of the historic facility, address aging building systems, and ensure the venue remains safe, functional, and welcoming for the community. These efforts will help sustain the Opera House as a key cultural and economic asset.

Historical Revenues by Object

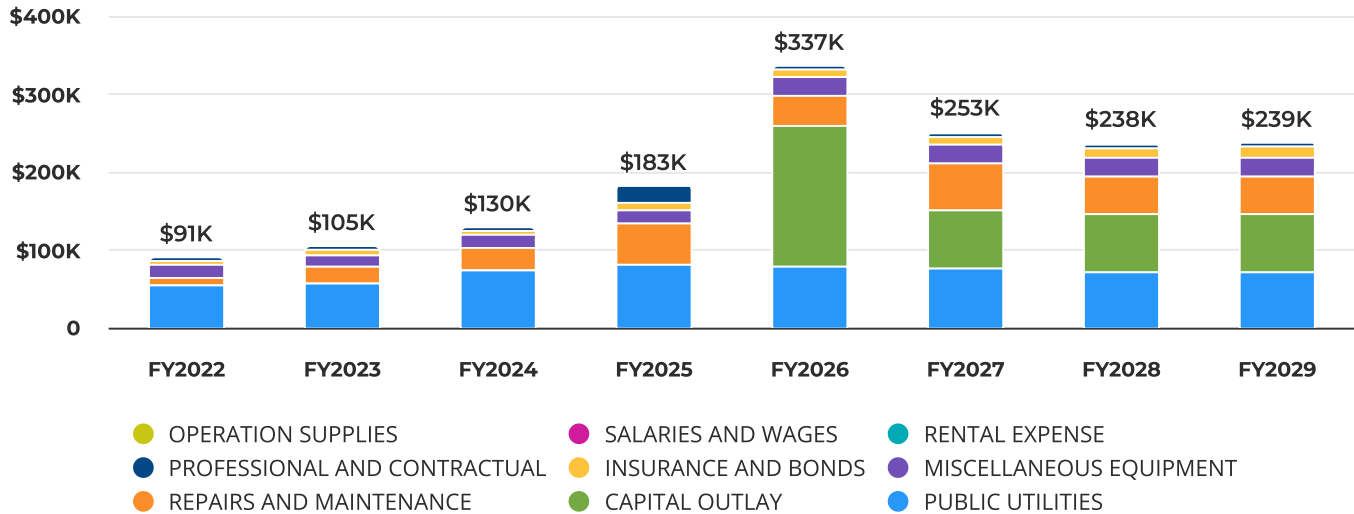


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
RENTS AND ROYALTIES	\$90,558	\$138,000	\$138,500	\$145,700	\$148,600	\$151,600
REIMBURSEMENTS	\$0	\$0	\$500	\$500	\$500	\$500
TRANSFERS IN	\$0	\$60,000	\$110,000	\$107,000	\$89,000	\$87,000
Total Revenues	\$90,558	\$198,000	\$249,000	\$253,200	\$238,100	\$239,100

Expenditures by Object

Historical Expenditures by Object

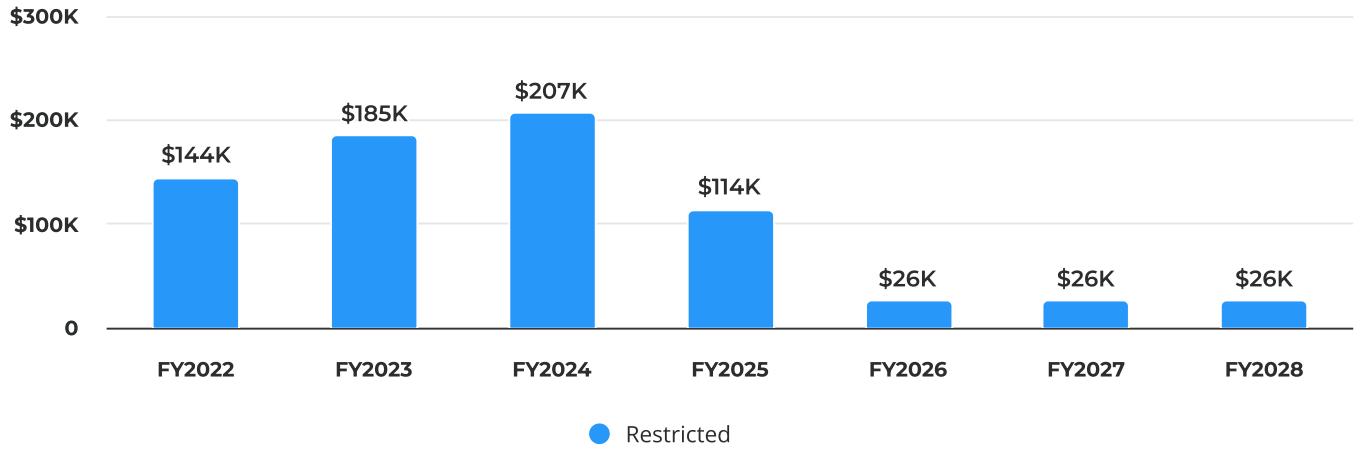


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES AND WAGES	\$1,056	\$800	\$500	\$500	\$0	\$0
OPERATION SUPPLIES	\$32	\$0	\$0	\$500	\$500	\$500
PROFESSIONAL AND CONTRACTUAL	\$21,780	\$2,400	\$5,500	\$4,500	\$4,500	\$4,500
INSURANCE AND BONDS	\$8,817	\$9,100	\$9,300	\$11,200	\$11,900	\$12,700
PUBLIC UTILITIES	\$81,898	\$69,000	\$78,000	\$75,000	\$70,000	\$70,000
REPAIRS AND MAINTENANCE	\$51,894	\$31,000	\$40,000	\$60,300	\$50,000	\$50,000
RENTAL EXPENSE	\$271	\$0	\$700	\$2,000	\$2,000	\$2,000
MISCELLANEOUS EQUIPMENT	\$17,750	\$23,000	\$23,000	\$24,000	\$24,000	\$24,000
CAPITAL OUTLAY	\$0	\$190,000	\$180,000	\$75,000	\$75,000	\$75,000
Total Expenditures	\$183,499	\$325,300	\$337,000	\$253,000	\$237,900	\$238,700

Fund Balance

Fund Balance Projections



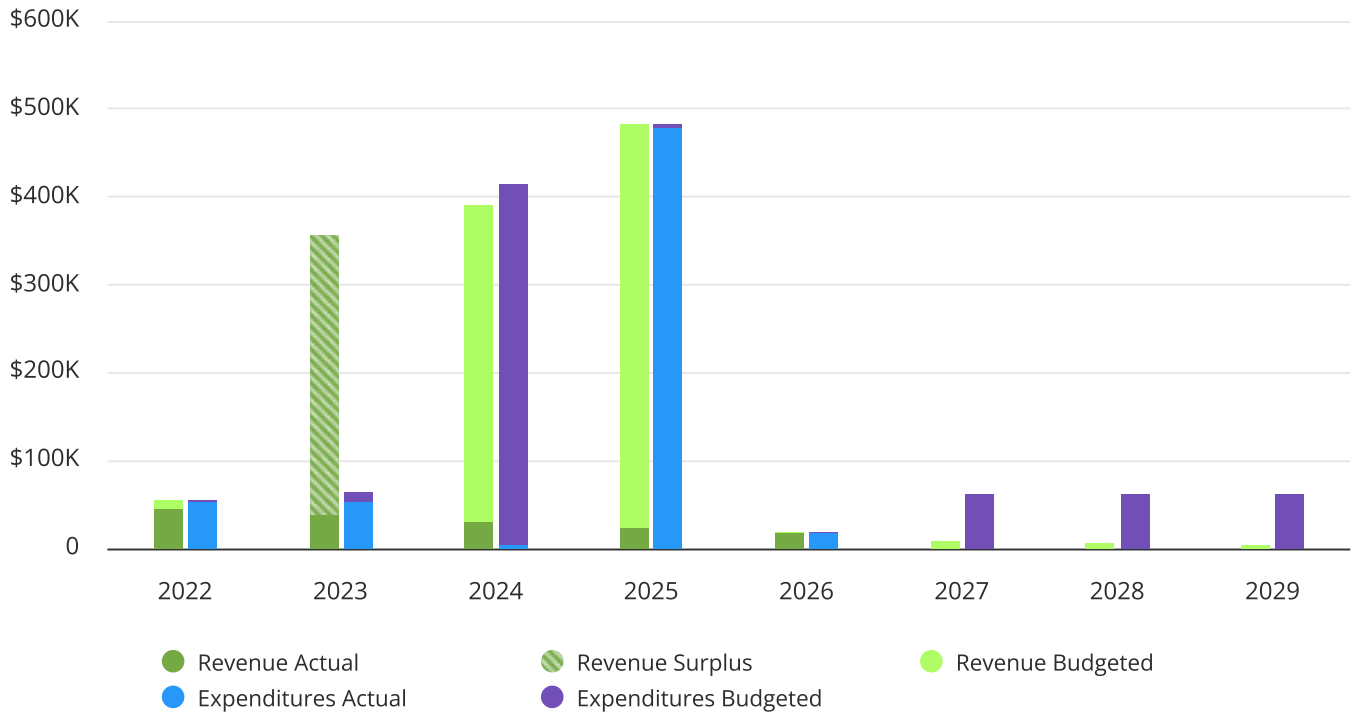
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$184,945	\$206,654	\$113,713	\$25,710
Total Fund Balance	\$184,945	\$206,654	\$113,713	\$25,710

Economic Development Fund (112)

This fund was originally created in 1949 to account for the sale of lots in industrial parks developed by the City and funded by federal grants. Currently, the City does not have any industrial parks under development or lots for sale. The fund has since been renamed the Economic Development Fund. Primarily, this fund has been used to provide inter-fund loans to other funds, such as the Marina fund and the Opera House fund, in situations where municipal bonding does not make financial sense. Presently, this fund has an inter-fund loan outstanding of \$411,970 to the Marina fund and \$160,000 to Traverse City Light and Power - Fiber Fund.

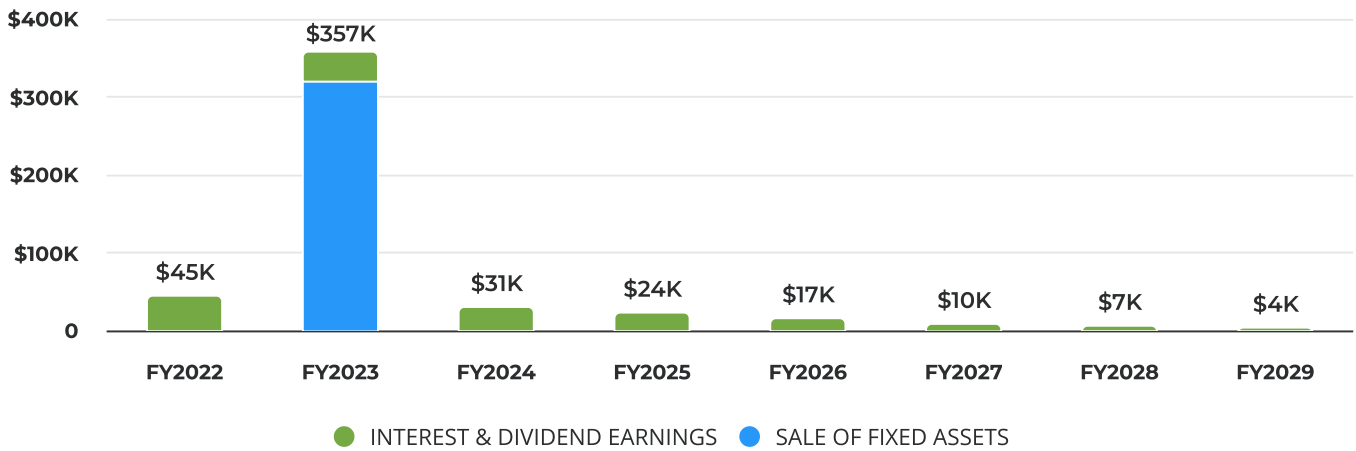
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$1,922,078	\$1,467,590	\$1,467,590	\$1,467,790	\$915,890	\$860,790
Revenues						
OTHER REVENUE	\$23,585	\$19,700	\$16,500	\$9,500	\$6,800	\$4,100
Total Revenues	\$23,585	\$19,700	\$16,500	\$9,500	\$6,800	\$4,100
Expenditures						
PROFESSIONAL SERVICES	\$428,900	\$13,000	\$13,000	\$58,000	\$58,200	\$58,400
UTILITIES	\$1,315	\$2,700	\$2,800	\$2,800	\$3,000	\$3,200
REPAIRS & MAINTENANCE	\$47,849	\$4,000	\$500	\$600	\$700	\$700
Total Expenditures	\$478,064	\$19,700	\$16,300	\$61,400	\$61,900	\$62,300
Total Revenues Less Expenditures	-\$454,478	\$0	\$200	-\$51,900	-\$55,100	-\$58,200
Ending Fund Balance	\$1,467,600	\$1,467,590	\$1,467,790	\$1,415,890	\$860,790	\$802,590

Historical Revenues by Object



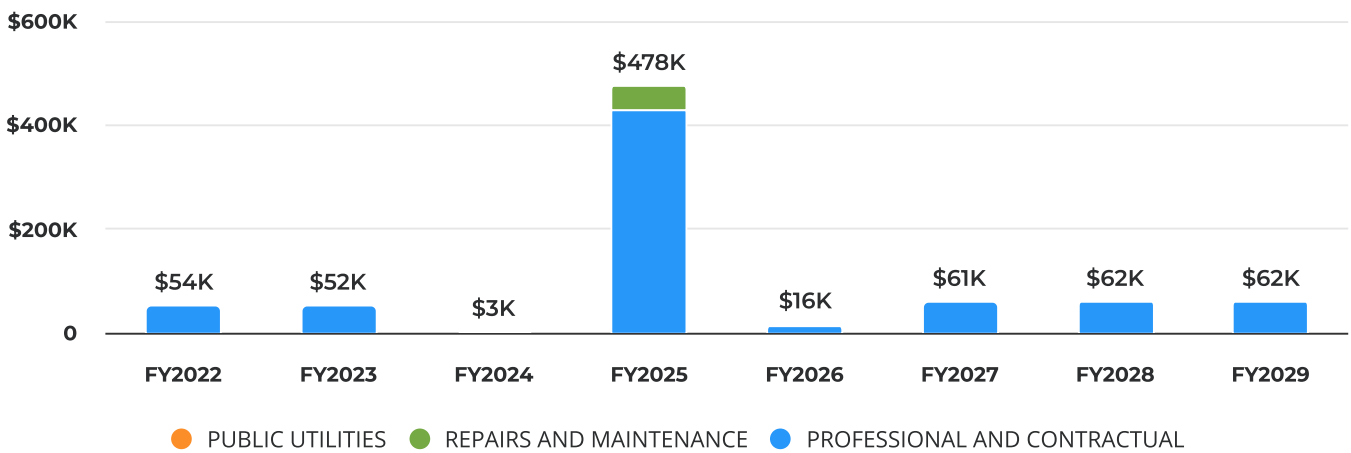
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$23,585	\$19,700	\$16,500	\$9,500	\$6,800	\$4,100
Total Revenues	\$23,585	\$19,700	\$16,500	\$9,500	\$6,800	\$4,100

Interest earned from Marina & TCLP interfund loans

Expenditures by Object

Historical Expenditures by Object



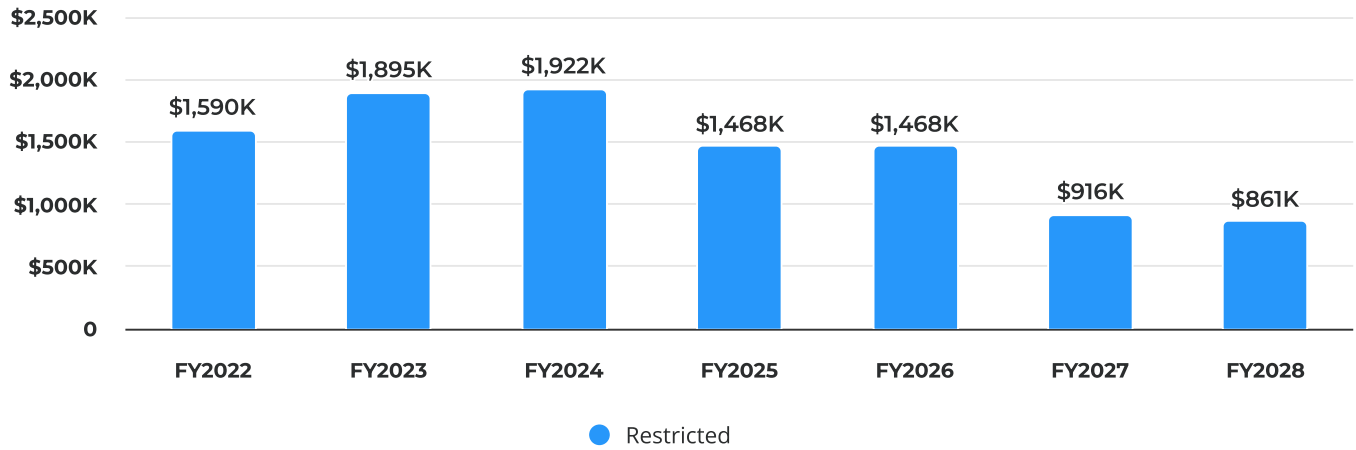
Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$428,900	\$13,000	\$13,000	\$58,000	\$58,200	\$58,400
PUBLIC UTILITIES	\$1,315	\$2,700	\$2,800	\$2,800	\$3,000	\$3,200
REPAIRS AND MAINTENANCE	\$47,849	\$4,000	\$500	\$600	\$700	\$700
Total Expenditures	\$478,064	\$19,700	\$16,300	\$61,400	\$61,900	\$62,300

Professional and contractual expenses include utilities at Industrial Park and Traverse Connect contribution.

Fund Balance

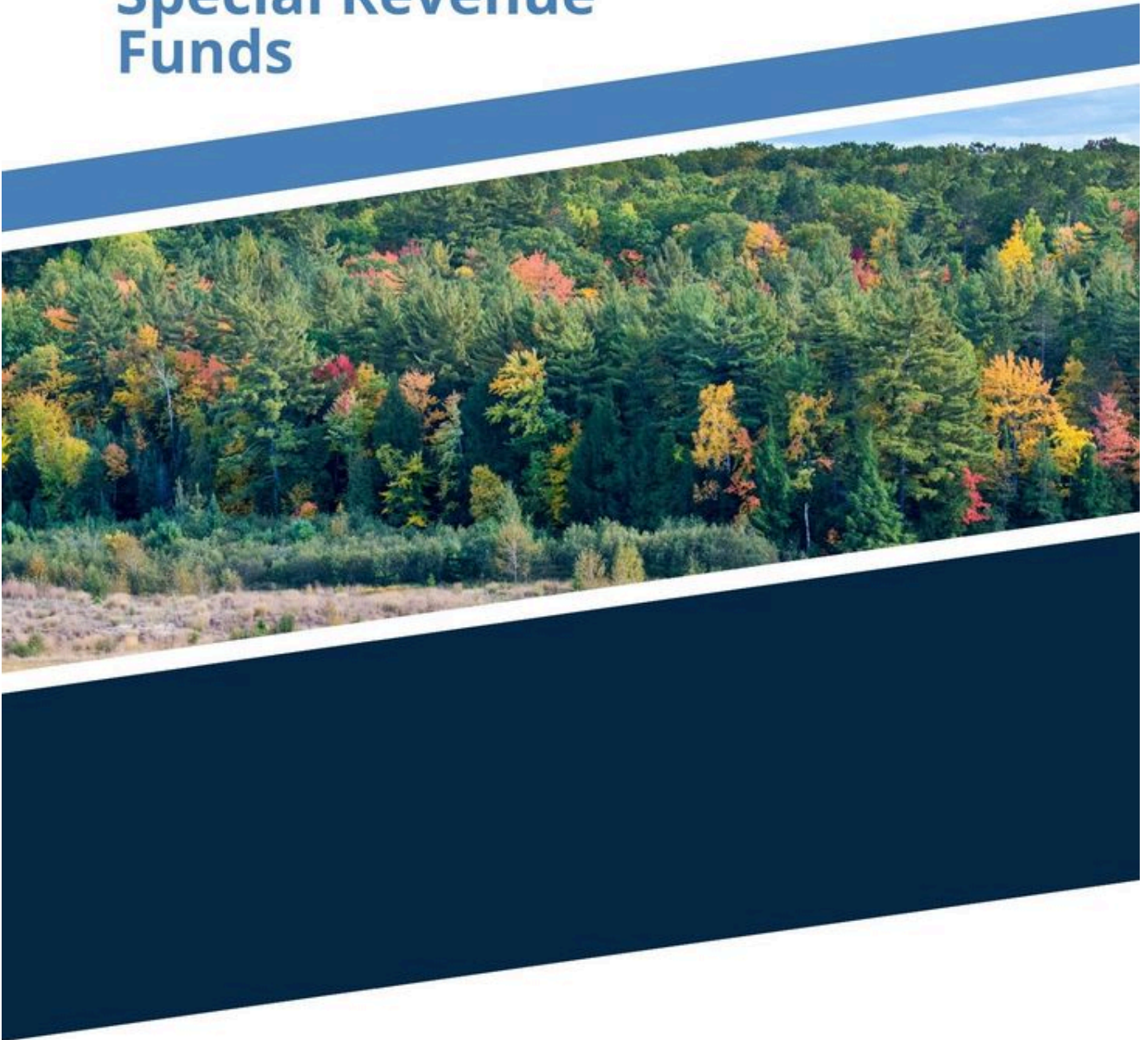
Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$1,894,908	\$1,922,078	\$1,467,590	\$1,467,790
Total Fund Balance	\$1,894,908	\$1,922,078	\$1,467,590	\$1,467,790

Special Revenue Funds



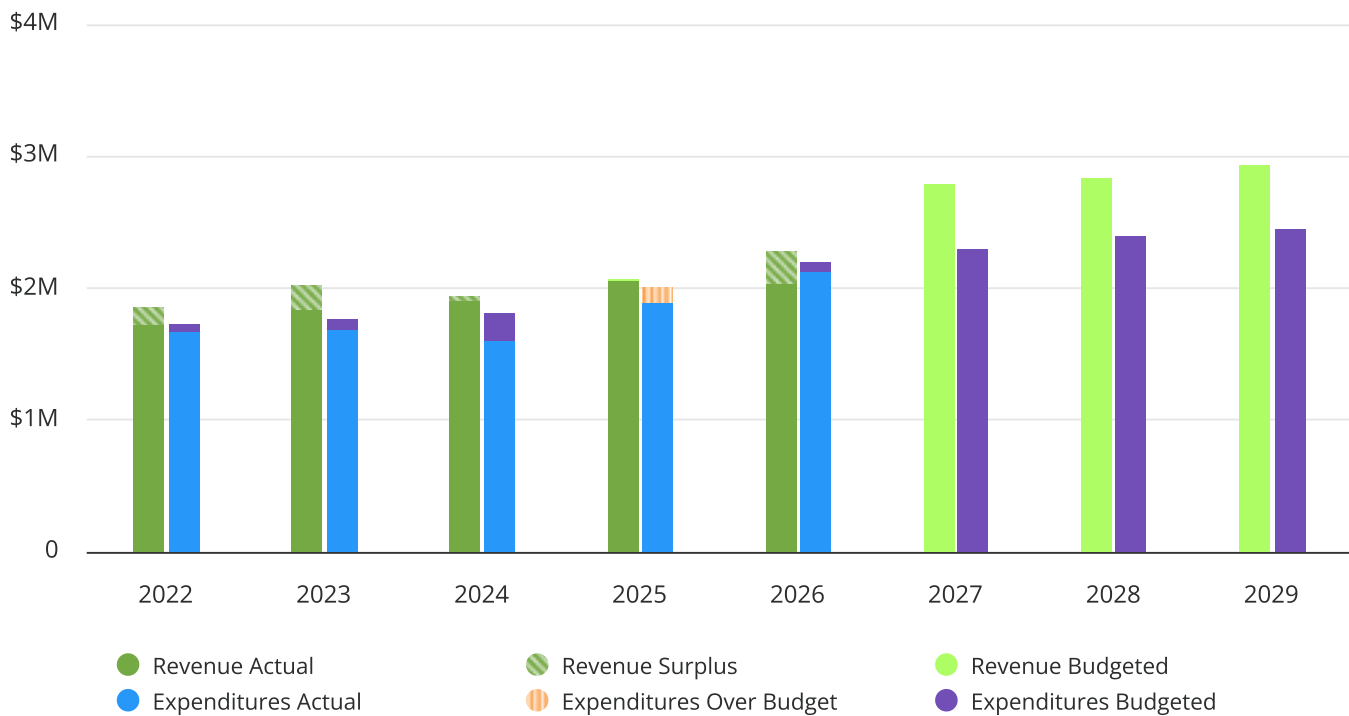
The special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Motor Vehicle Highway-Major Street/Trunkline Fund (202)

This fund accounts for the operations and maintenance of the Major Streets system, which includes approximately 28.78 miles of major roadways maintained by the Street Maintenance Department. Funding for this program is primarily provided through special revenues received under Public Act 51, including State Shared Gas and Weight Taxes, along with other related revenues.

The fund also supports the maintenance and upkeep of approximately 8.7 miles of State Trunkline highways located within the City limits. Under an agreement with the Michigan Department of Transportation (MDOT), the City performs routine maintenance activities on these trunkline roads. The State reimburses the City for eligible expenses incurred by Department of Public Works staff in maintaining this portion of the transportation network.

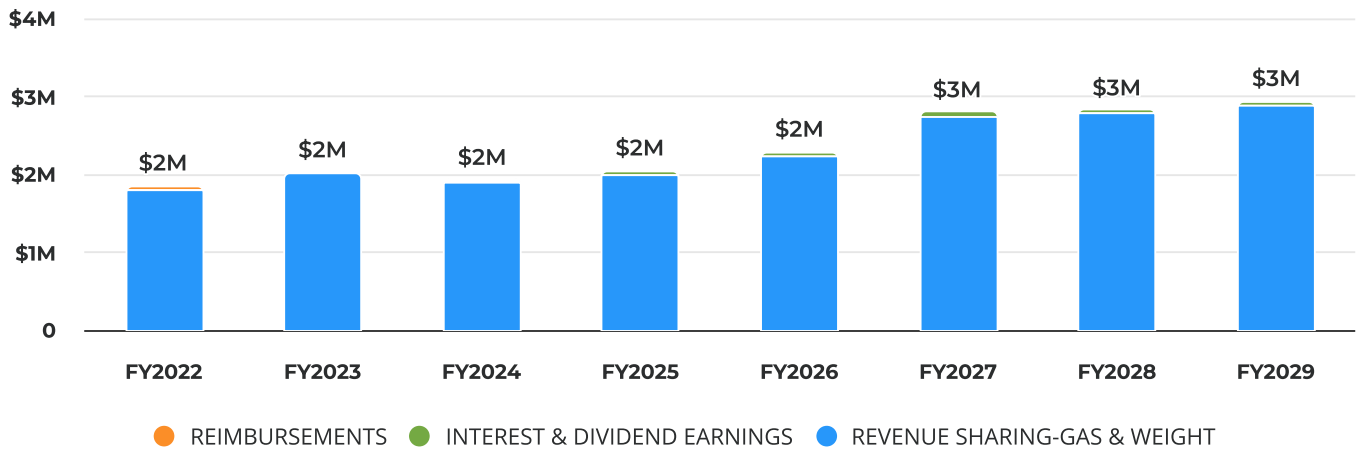
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$1,819,124	\$1,853,360	\$1,853,360	\$2,016,760	\$2,522,360	\$2,958,560
Revenues						
INTERGOVERNMENTAL	\$1,997,875	\$2,004,900	\$2,227,200	\$2,745,200	\$2,775,000	\$2,880,000
OTHER REVENUE	\$46,398	\$32,000	\$47,000	\$50,000	\$52,000	\$54,000
REIMBURSEMENTS	\$0	\$0	\$10,100	\$0	\$0	\$0
Total Revenues	\$2,044,273	\$2,036,900	\$2,284,300	\$2,795,200	\$2,827,000	\$2,934,000
Expenditures						
SALARIES & WAGES	\$391,447	\$394,600	\$374,000	\$395,200	\$398,200	\$401,300
FRINGE BENEFITS	\$334,232	\$344,200	\$316,600	\$323,900	\$366,200	\$387,000
OFFICE/OPERATING SUPPLIES	\$171,090	\$182,300	\$182,000	\$232,000	\$242,000	\$252,000
PROFESSIONAL SERVICES	\$275,033	\$560,840	\$372,000	\$522,000	\$547,000	\$572,000
UTILITIES	\$16,062	\$18,900	\$19,300	\$19,300	\$19,400	\$21,500
REPAIRS & MAINTENANCE	\$26,713	\$40,000	\$40,000	\$45,000	\$45,000	\$45,000
RENTALS	\$793,232	\$657,000	\$817,000	\$752,200	\$773,000	\$774,000
Total Expenditures	\$2,007,809	\$2,197,840	\$2,120,900	\$2,289,600	\$2,390,800	\$2,452,800
Total Revenues Less Expenditures	\$36,463	-\$160,940	\$163,400	\$505,600	\$436,200	\$481,200
Ending Fund Balance	\$1,855,588	\$1,692,420	\$2,016,760	\$2,522,360	\$2,958,560	\$3,439,760

Historical Revenues by Object

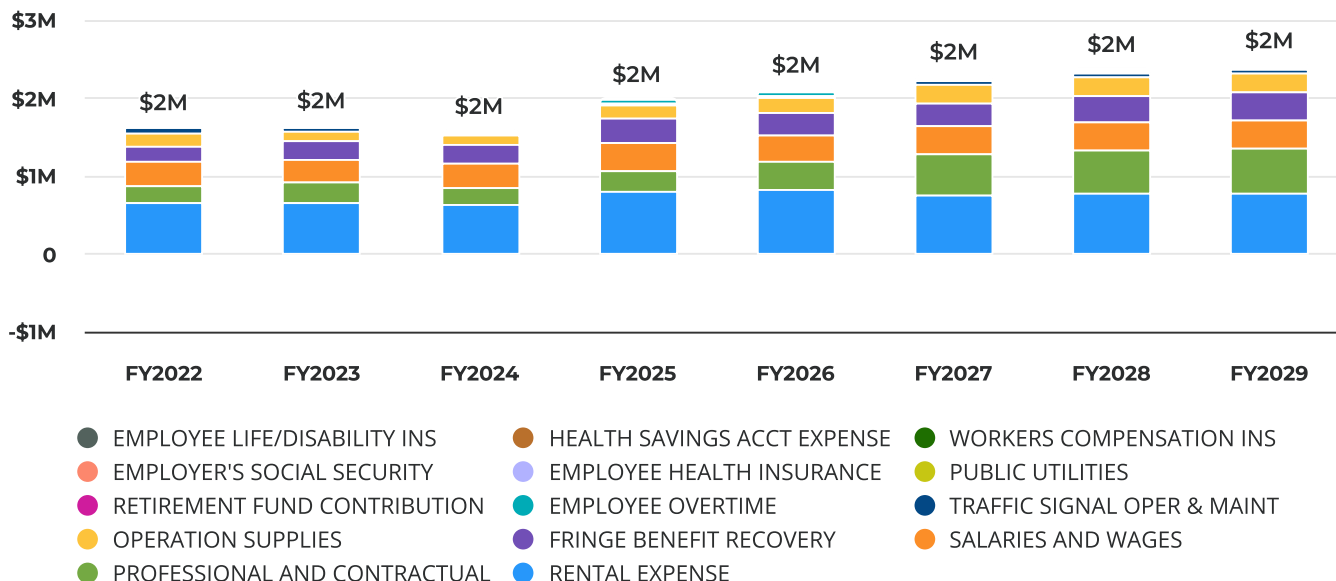


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REVENUE SHARING-GAS & WEIGHT	\$1,997,875	\$2,004,900	\$2,227,200	\$2,745,200	\$2,775,000	\$2,880,000
INTEREST & DIVIDEND EARNINGS	\$46,398	\$32,000	\$47,000	\$50,000	\$52,000	\$54,000
REIMBURSEMENTS	\$0	\$0	\$10,100	\$0	\$0	\$0
Total Revenues	\$2,044,273	\$2,036,900	\$2,284,300	\$2,795,200	\$2,827,000	\$2,934,000

Expenditures by Object

Historical Expenditures by Object



Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES AND WAGES	\$358,907	\$375,600	\$338,000	\$367,200	\$370,200	\$373,300
EMPLOYEE OVERTIME	\$32,540	\$19,000	\$36,000	\$28,000	\$28,000	\$28,000
FRINGE BENEFIT RECOVERY	\$310,389	\$310,500	\$283,400	\$288,000	\$328,700	\$348,100
HEALTH SAVINGS ACCT EXPENSE	-\$77	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
EMPLOYER'S SOCIAL SECURITY	\$2,015	\$2,700	\$2,700	\$3,000	\$3,300	\$3,500
EMPLOYEE HEALTH INSURANCE	\$3,294	\$5,900	\$5,900	\$6,000	\$6,700	\$7,500
EMPLOYEE LIFE/DISABILITY INS	\$220	\$400	\$400	\$500	\$500	\$500
RETIREMENT FUND CONTRIBUTION	\$16,759	\$21,900	\$21,900	\$24,300	\$24,600	\$24,900
UNEMPLOYMENT COMPENSATION	\$0	\$200	\$0	\$0	\$0	\$0
WORKERS COMPENSATION INS	\$1,633	\$1,600	\$1,300	\$1,100	\$1,400	\$1,500
OPERATION SUPPLIES	\$171,090	\$182,300	\$182,000	\$232,000	\$242,000	\$252,000
TRAFFIC SIGNAL OPER & MAINT	\$26,713	\$40,000	\$40,000	\$45,000	\$45,000	\$45,000
PROFESSIONAL AND CONTRACTUAL	\$275,033	\$560,840	\$372,000	\$522,000	\$547,000	\$572,000
PUBLIC UTILITIES	\$16,062	\$18,900	\$19,300	\$19,300	\$19,400	\$21,500
RENTAL EXPENSE	\$793,232	\$657,000	\$817,000	\$752,200	\$773,000	\$774,000
Total Expenditures	\$2,007,809	\$2,197,840	\$2,120,900	\$2,289,600	\$2,390,800	\$2,452,800

30% increase for 202-202-740.000 Operation Supplies due to more paving projects being done in house, and a large-scale repair project ahead of the Cape Seal project.

Fund Balance

Fund Balance Projections



Financial Summary

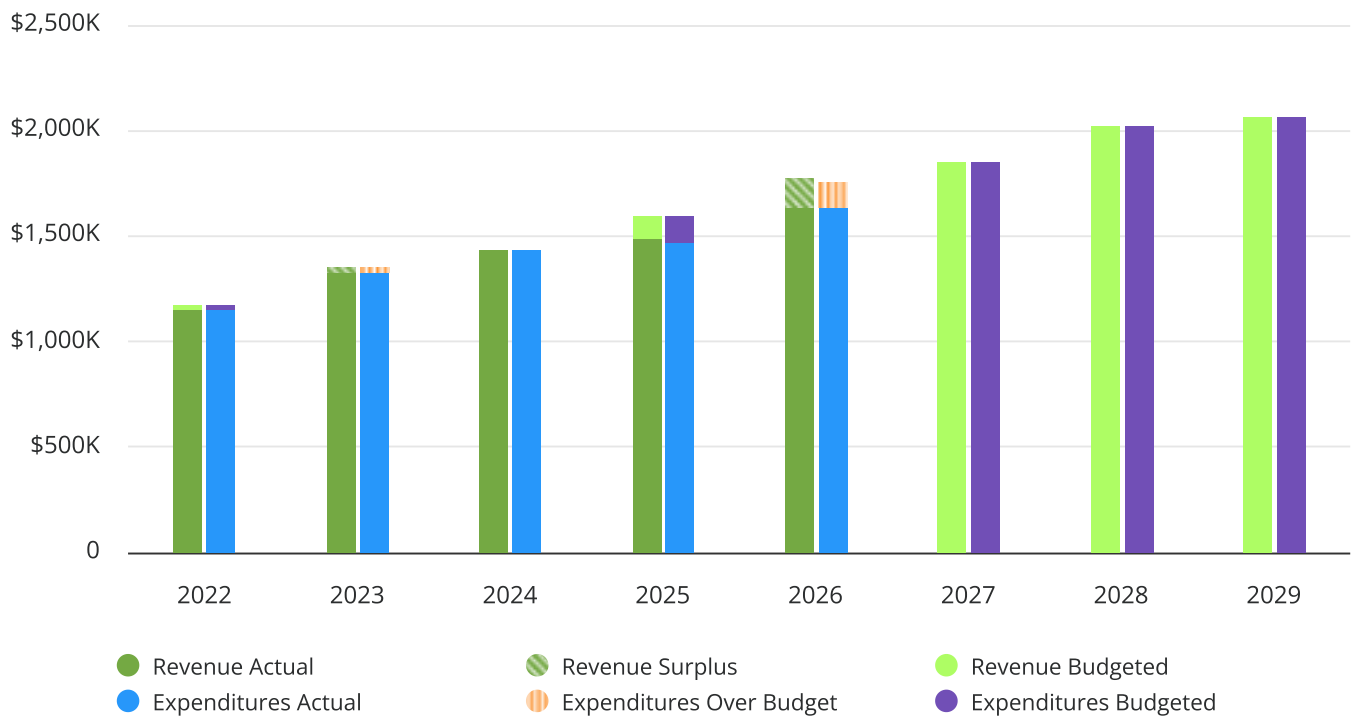
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$1,485,579	\$1,819,124	\$1,853,360	\$2,016,760
Total Fund Balance	\$1,485,579	\$1,819,124	\$1,853,360	\$2,016,760

Motor Vehicle Highway-Local Street Fund (203)

This fund accounts for the maintenance and upkeep of the City's Local Street system, which includes approximately 49.62 miles of roadways within the City limits. The Local Streets Fund supports routine maintenance, preservation, and operational activities necessary to maintain safe and reliable neighborhood transportation infrastructure.

Funding for this program is primarily provided through special revenues distributed under Public Act 51, including State Shared Gas and Weight Taxes, along with annual contributions from the City's General Operating Fund to support ongoing maintenance and infrastructure needs.

Revenues vs Expenditures Summary

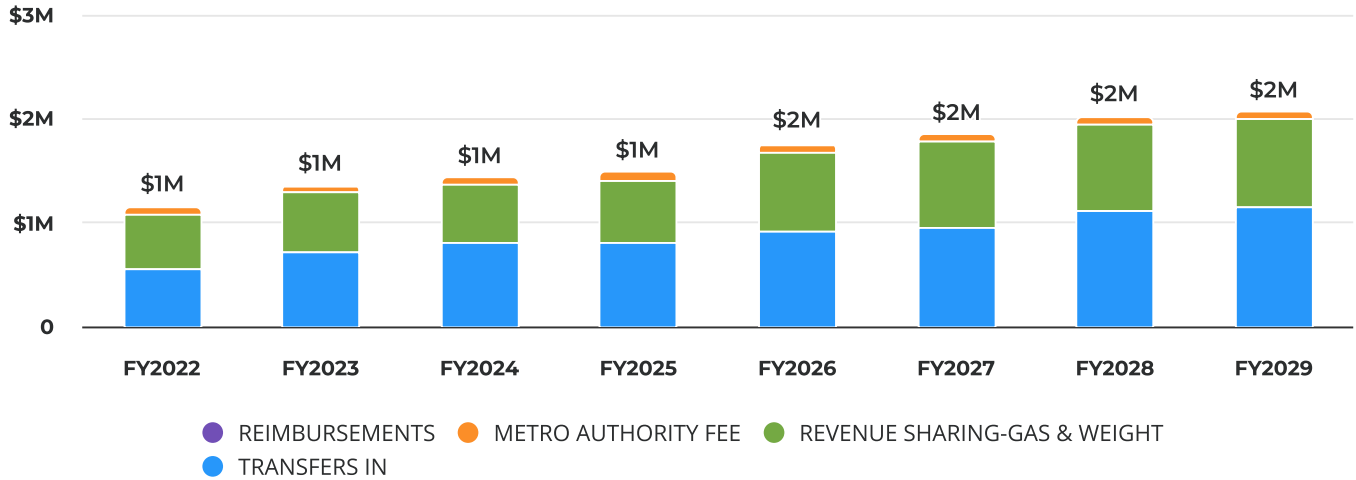


Comprehensive Fund Summary

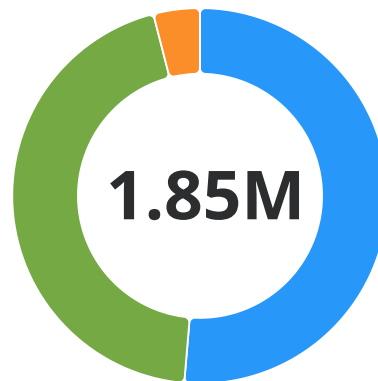
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$0	\$18,580	\$18,580	\$28,580	\$28,580	\$28,580
Revenues						
INTERGOVERNMENTAL	\$673,249	\$678,400	\$828,500	\$899,000	\$904,000	\$909,000
REIMBURSEMENTS	\$383	\$0	\$17,700	\$0	\$0	\$0
TRANSFER IN	\$810,580	\$956,200	\$920,500	\$948,400	\$1,114,600	\$1,153,800
Total Revenues	\$1,484,212	\$1,634,600	\$1,766,700	\$1,847,400	\$2,018,600	\$2,062,800
Expenditures						
SALARIES & WAGES	\$346,762	\$370,100	\$372,400	\$382,400	\$384,900	\$387,400
FRINGE BENEFITS	\$299,152	\$324,500	\$319,300	\$335,000	\$378,700	\$400,400
OFFICE/OPERATING SUPPLIES	\$122,913	\$110,000	\$120,000	\$150,000	\$160,000	\$170,000
PROFESSIONAL SERVICES	\$142,070	\$305,000	\$305,000	\$400,000	\$515,000	\$525,000
RENTALS	\$554,729	\$525,000	\$640,000	\$580,000	\$580,000	\$580,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Total Expenditures	\$1,465,626	\$1,634,600	\$1,756,700	\$1,847,400	\$2,018,600	\$2,062,800
Total Revenues Less Expenditures	\$18,586	\$0	\$10,000	\$0	\$0	\$0
Ending Fund Balance	\$18,586	\$18,580	\$28,580	\$28,580	\$28,580	\$28,580

Historical Revenues by Object



FY27 Revenues by Object



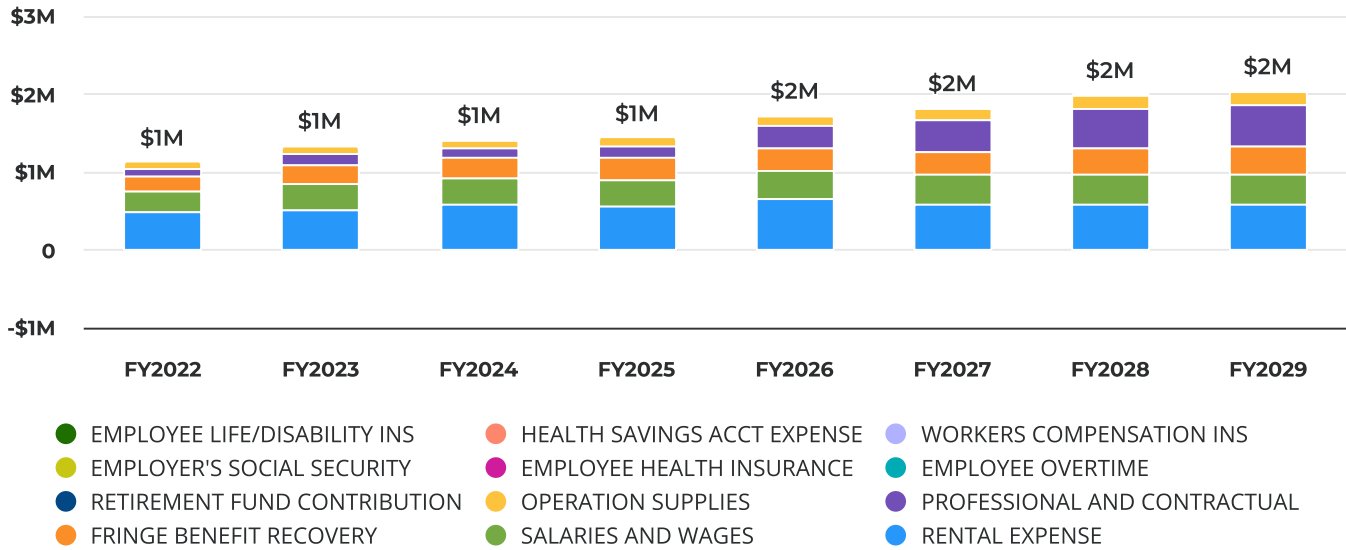
TRANSFERS IN	\$948,400	51.34%
REVENUE SHARING-GAS & WEIGHT	\$825,000	44.66%
METRO AUTHORITY FEE	\$74,000	4.01%

Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REVENUE SHARING-GAS & WEIGHT	\$598,344	\$609,400	\$754,500	\$825,000	\$830,000	\$835,000
METRO AUTHORITY FEE	\$74,905	\$69,000	\$74,000	\$74,000	\$74,000	\$74,000
REIMBURSEMENTS	\$383	\$0	\$17,700	\$0	\$0	\$0
TRANSFERS IN	\$810,580	\$956,200	\$920,500	\$948,400	\$1,114,600	\$1,153,800
Total Revenues	\$1,484,212	\$1,634,600	\$1,766,700	\$1,847,400	\$2,018,600	\$2,062,800

Expenditures by Object

Historical Expenditures by Object

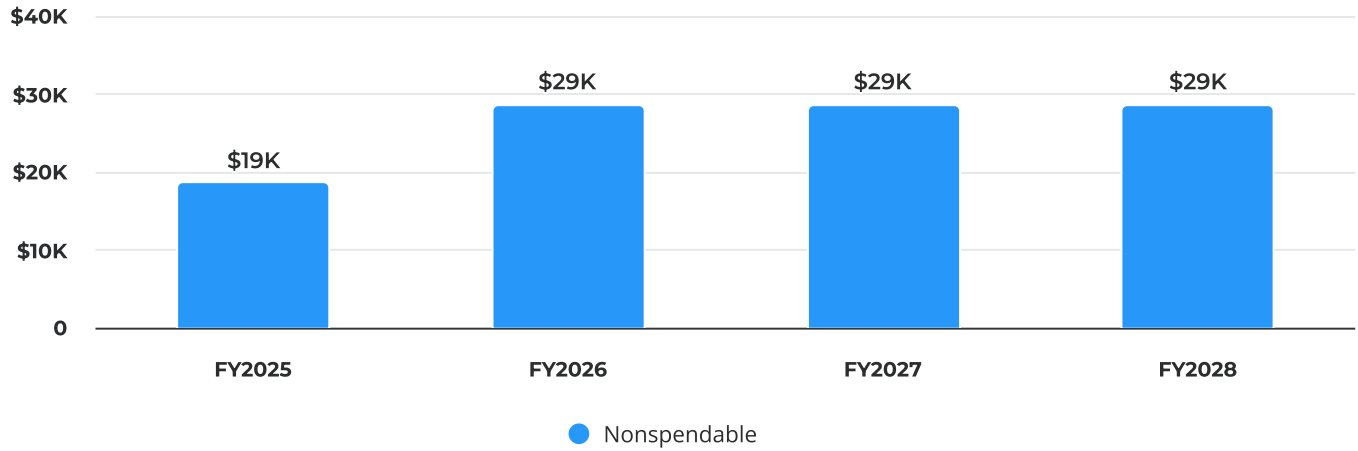


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES AND WAGES	\$341,329	\$363,100	\$361,400	\$374,600	\$377,100	\$379,600
EMPLOYEE OVERTIME	\$5,433	\$7,000	\$11,000	\$7,800	\$7,800	\$7,800
FRINGE BENEFIT RECOVERY	\$277,653	\$294,900	\$290,000	\$303,000	\$345,800	\$366,300
HEALTH SAVINGS ACCT EXPENSE	-\$64	\$800	\$800	\$800	\$800	\$800
EMPLOYER'S SOCIAL SECURITY	\$1,667	\$2,200	\$2,200	\$2,500	\$2,700	\$2,900
EMPLOYEE HEALTH INSURANCE	\$2,726	\$4,900	\$4,900	\$5,000	\$5,500	\$6,200
EMPLOYEE LIFE/DISABILITY INS	\$182	\$300	\$300	\$400	\$400	\$400
RETIREMENT FUND CONTRIBUTION	\$15,637	\$20,000	\$20,000	\$22,200	\$22,400	\$22,700
WORKERS COMPENSATION INS	\$1,351	\$1,400	\$1,100	\$1,100	\$1,100	\$1,100
OPERATION SUPPLIES	\$122,913	\$110,000	\$120,000	\$150,000	\$160,000	\$170,000
PROFESSIONAL AND CONTRACTUAL	\$142,070	\$305,000	\$305,000	\$400,000	\$515,000	\$525,000
RENTAL EXPENSE	\$554,729	\$525,000	\$640,000	\$580,000	\$580,000	\$580,000
Total Expenditures	\$1,465,626	\$1,634,600	\$1,756,700	\$1,847,400	\$2,018,600	\$2,062,800

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Nonspendable	\$0	\$0	\$18,580	\$28,580
Total Fund Balance			\$18,580	\$28,580

EMS Ambulance Fund (210)

Mission Statement: *The Traverse City Fire Department is an all-hazards emergency response agency that will provide protection and safety for the public. The history of the Fire Department's financial activity is recorded in this department. The 2025/26 budget has been moved over to fund 210 to properly track the new EMS millage.*

This fund was established to track the use of a voter-approved millage to provide first response ambulance and paramedic services to City residents. City Firefighting activities are also tracked here and funded by an appropriation from the General Operating Fund. EMS specific expenditures will increase as the program is implemented in a multi-phase process.

Traverse City Fire Department

The Traverse City Fire Department (TCFD) is a 24/7 all-risk response agency providing emergency and non-emergency services to the Traverse City Community and its visitors. Our mission is to rescue victims, aid the sick and injured, and preserve property. Our dedicated personnel are the reason for our success - their commitment to the community and the fire service is our most valuable resource. The capabilities of the highly skilled firefighters are a direct result of a comprehensive, performance-based training program requiring hundreds of hours of annual training and also the support from the Community through the General Fund.

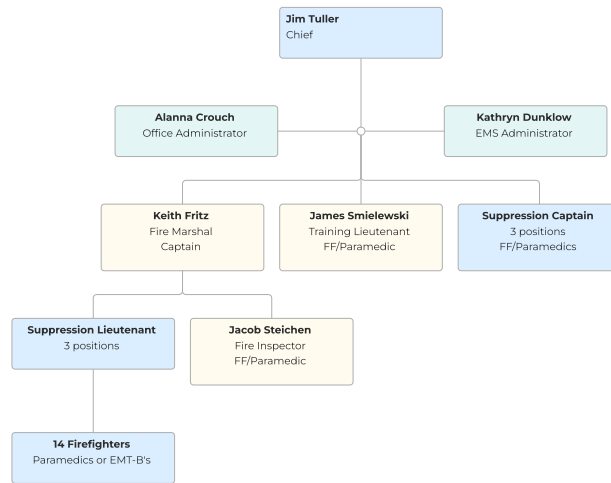


Services the Traverse City Fire Department provides:

- **Fire Suppression:** TCFD personnel are trained in all aspects of fire suppression including: industrial, commercial, residential, wildland, aircraft, chemical, vehicle, and boat.
- **Advanced Life Support:** 22 of our 25 personnel are Paramedics licensed through the State of Michigan, providing to our Community the highest level of pre-hospital care available in the nation. The other 3 are EMT's who have committed to obtaining their Paramedic license with 36 months of their hire date. Rescue 01, located at 500 West Front Street transported 131 patients to Munson Medical Center during the 2024 calendar year. A paramedic from TCFD rode with Mobile Medical Response on a transport 52 times in 2024.
- **Fire Prevention/Inspection:** Fire code compliance and safety inspections performed in the City of Traverse City are under the Fire Prevention/Inspection Section. Plans for all new construction/re-modeling within the City are reviewed for fire/life safety concerns. In 2024, our Fire Inspector was able to update several hundred Knox Boxes with critical correct information on building contacts and proper keys.
- **Public Education:** Public Education includes fire safety awareness classes for various organizations and businesses, tours of our fire stations, an annual "Fire Safety Open House," a Juvenile Fire Setter Counseling Program, fire extinguisher training and certified child car seat installation. With the addition of a Fire Inspector, we have been able to reach several classrooms during school hours to create "Firefighter Familiarization", especially during Fire Prevention Week in October.
- **Hazardous Materials and Weapons of Mass Destruction (WMD) Teams:** Every firefighter is HazMat and WMD trained. Due to financial support received through a subscription fee process, the HazMat team responds to HazMat incidents in a 4-county area. The WMD team covers Michigan's Region 07, which includes 17 counties, for terrorism incidents.
- **Technical Rescue:** Personnel are cross-trained in varying aspects of technical rescue. This includes: Confined Space Rescue, High Angle Rope Rescue, Water and Ice Rescue, Trench Rescue, and Vehicle Extrication.

- **Community Engagement:** Free blood pressure checks at the fire stations and Senior Center, a Christmas Toy Program, the “Fill the Boot” program for MDA, antique fire truck rides at Friday Night Live and “Special Kids Day” at the Cherry Festival, Career Days at area junior and senior high schools as well as hosted at the Fire Station.

Traverse City Fire Department



Goals

1. To meet National Fire Protection Association (NFPA) Standard 1710, response for EMS to be less than eight minutes ninety percent of the time.
2. To phase in Primary Advanced Life Support Transport, as voted in by the electors during the November 2023 election, over the 12-24 months since that election. This will include the hiring of 6 firefighter/paramedics and various related medical equipment.
3. To replace our current Marine 01 water rescue vessel, a 1984 Avon rigid hull inflatable.

Performance Measurements

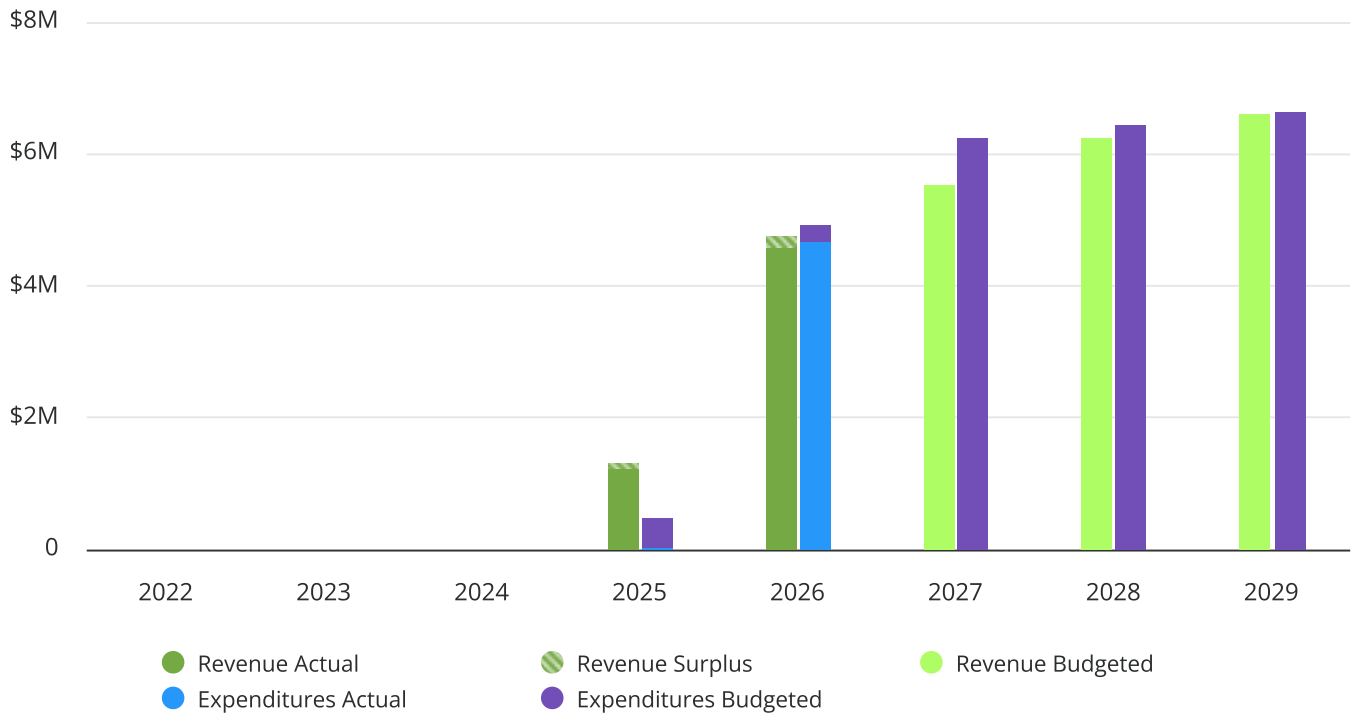
Performance Indicators	2020	2021	2022	2023	2024
Total Fire Related Responses	53	73	54	46	46
Fire Code Inspections	346	376	202	200	466
Plan Reviews	272	174	15	140	121
Public Education Events	4	5	25	32	125
EMS Calls for Service	2147	2466	2361	2465	2770

- There are 906 additional calls for service in the 2024/2025 year that do not fall under EMS or Fire response calls that were handled by the Fire Department.

SUMMARY OF SIGNIFICANT BUDGET CHANGES

Salaries and Wages/Fringe Benefits – Planned staffing increases necessary to implement the EMS transport plan are included in the 2025/2026 budget.

Revenues vs Expenditures Summary



Fire Department Revenues come from two sources: EMS transports and Fire Inspections/Plan Reviews.

For 2026/2027, the projected EMS revenue is based on 2123 transports at 318.00 per trip, and then a 10% increase per year pursuant. Fire Inspections/Plan review revenue is based off of reports provided by the Treasurer's Office and also considers a 10% increase per year thereafter.

Expenditures for EMS are projected based on the need for the updating of some equipment, as well as considering inflation in costs for disposable material and equipment. Also to be considered is the cost for Professional Development, such as Paramedic School and EMS Conferences, various medical re-certifications required by the State of Michigan for licensing, and training equipment. We are also required to have various software for Patient Care Reporting and EMS training tracking purposes.

Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$0	\$1,301,490	\$1,301,490	\$1,393,890	\$1,602,290	\$1,404,040
Revenues						
PROPERTY TAXES	\$1,288,498	\$1,261,100	\$1,358,200	\$1,407,100	\$1,437,700	\$1,731,000
CHARGES FOR SERVICES	\$0	\$92,000	\$115,000	\$696,500	\$766,200	\$842,800
INTERGOVERNMENTAL	\$0	\$0	\$16,400	\$17,000	\$17,000	\$17,000
OTHER REVENUE	\$34,139	\$0	\$25,000	\$20,000	\$15,000	\$10,000
TRANSFER IN	\$0	\$3,241,500	\$3,241,500	\$3,375,000	\$4,000,000	\$4,000,000
Total Revenues	\$1,322,637	\$4,594,600	\$4,756,100	\$5,515,600	\$6,235,900	\$6,600,800
Expenditures						
SALARIES & WAGES	\$0	\$2,636,900	\$2,982,000	\$3,624,600	\$3,771,200	\$3,896,000
FRINGE BENEFITS	\$0	\$922,300	\$502,600	\$683,800	\$721,400	\$762,300
OFFICE/OPERATING SUPPLIES	\$1,731	\$226,700	\$213,700	\$425,100	\$462,000	\$488,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL SERVICES	\$0	\$206,700	\$177,000	\$245,600	\$250,650	\$255,900
INSURANCE & BONDS	\$0	\$22,000	\$19,200	\$21,900	\$23,400	\$24,900
PROFESSIONAL DEVELOPMENT	\$113	\$108,000	\$85,000	\$180,000	\$200,000	\$200,000
COMMUNICATION	\$0	\$28,000	\$15,000	\$24,700	\$24,000	\$24,000
TRANSPORTATION	\$0	\$36,000	\$26,000	\$36,000	\$36,000	\$36,000
PRINTING & PUBLISHING	\$0	\$4,000	\$4,000	\$2,000	\$2,000	\$2,000
UTILITIES	\$0	\$42,500	\$31,400	\$43,000	\$45,000	\$45,000
REPAIRS & MAINTENANCE	\$705	\$108,000	\$70,000	\$167,000	\$120,000	\$120,000
RENTALS	\$18,597	\$466,500	\$460,000	\$700,000	\$700,000	\$700,000
MISCELLANEOUS EXP	\$0	\$1,000	\$800	\$1,000	\$1,000	\$1,000
CAPITAL OUTLAY	\$0	\$112,000	\$77,000	\$77,500	\$77,500	\$77,500
Total Expenditures	\$21,146	\$4,920,600	\$4,663,700	\$6,232,200	\$6,434,150	\$6,632,600
Total Revenues Less Expenditures	\$1,301,491	-\$326,000	\$92,400	-\$716,600	-\$198,250	-\$31,800
Ending Fund Balance	\$1,301,491	\$975,490	\$1,393,890	\$677,290	\$1,404,040	\$1,372,240

For 2026/2027, As MSU Extension vacates the building at 520 West Front Street, and the Fire Department is able to expand their Administrative offices into the space, it is anticipated that some new office and reception furniture will need to be purchased, which is reflected in the Office/Operational supplies line request. Also included in this line are the usual uniform/turnout gear and Fire and EMS equipment requests, as well as Technical Rescue items, and Fire Prevention and Public Education. We have applied a standard 10% cost increase across the board for inflation purposes on all products and services for each budget cycle.

The Professional and Contractual line contains things such as licensing and membership fees, as well as software fees for all of our reporting and tracking modules. It also includes such things as testing of large equipment such as the pumps and aerial devices on our apparatus, our 2000+ feet of fire hose and 300+ feet of ground ladders, our fire extinguishers and Ansul system, and fitness testing for both current employees and new hires.

There are no significant changes to Communications, Transportation, Printing and Publishing, or Miscellaneous.

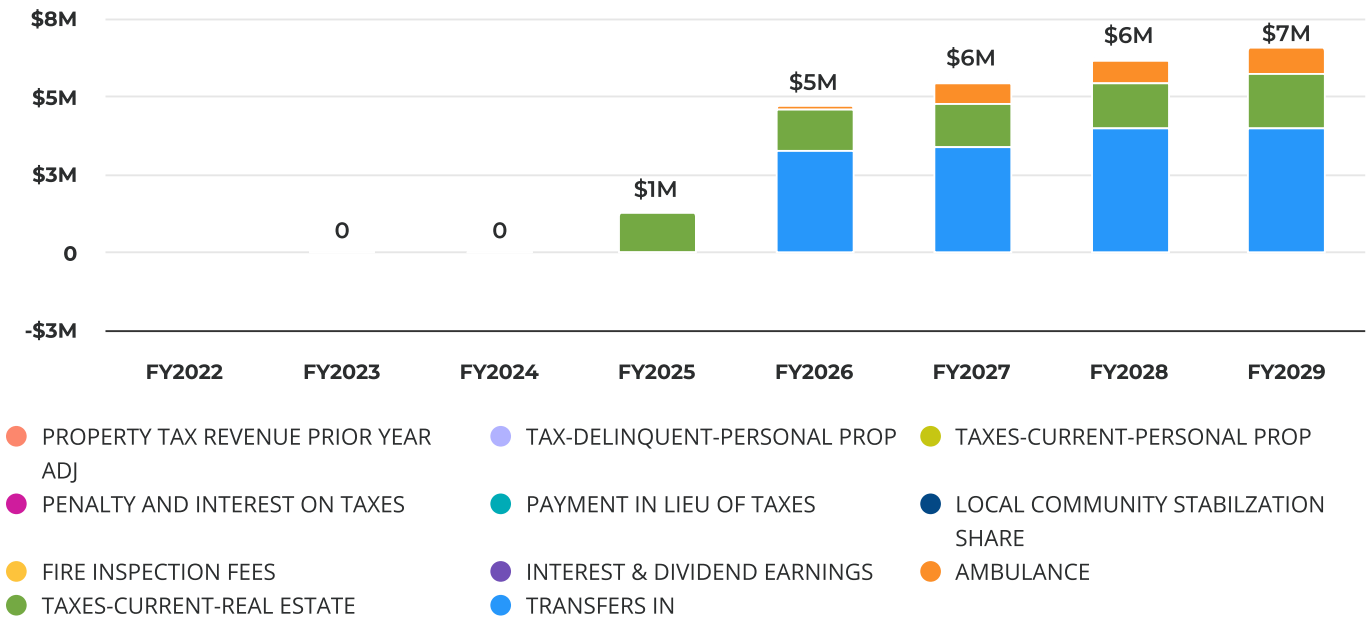
Repairs and Maintenance see increases due to an aging facility with numerous HVAC, electrical and plumbing issues, and the addition of the 520 West Front Street conjoined building and the shared need for repairs in HVAC, electrical and plumbing. As we continue to hire more crew members for Primary Transport purposes, more sleeping space and increased restroom facilities will be not only be necessary but will also place more strain on the aforementioned existing mechanical systems.

Professional Development also sees some increases. We anticipate hiring some EMT's and having to send them through Paramedic School at a cost of approximately \$13,000 each. The EMS training required annually constitutes a large portion of this forecasted cost, as we anticipate staffing levels increasing. Other required annual training is required for Fire Fighting, as well as Specialized Technical Rescue, Fire Investigation and Inspection training; Apparatus training, and Management training. Also included in this line item is all equipment required for practical experience.

Rental expenses are provided by City Garage. Our fleet currently consists of one ladder truck, three engines (one reserve), a HazMat response vehicle, three ambulances, four fleet pickups, an ATV, and a heavy duty utility truck, as well as two Marine units.

Capital Outlay is projected at 77,500 for the next three cycles in order to upgrade our current cardiac monitors. Our vendor, Styrker, offers a three year installment plan for payment, which takes into account that we receive the new equipment immediately. We would trade in our outdated monitors as well. This makes budgeting more palatable over a three year period instead of one lump sum.

Historical Revenues by Object



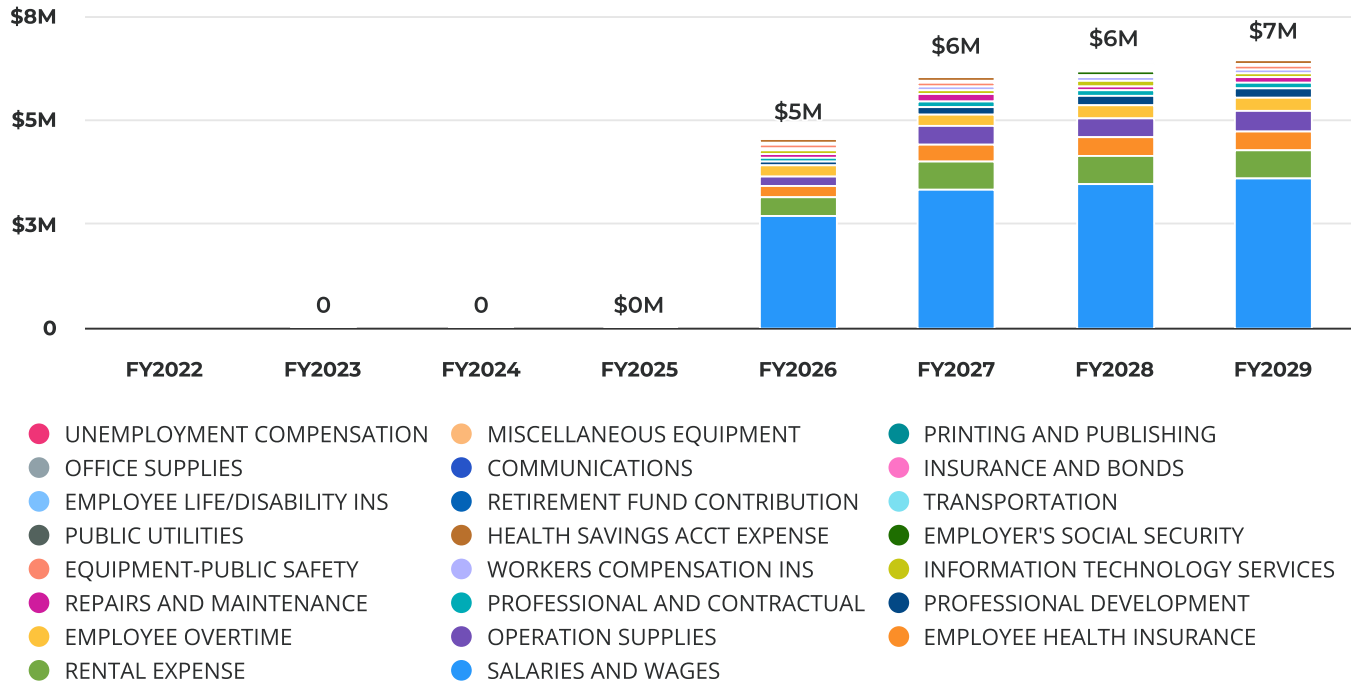
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROPERTY TAX REVENUE PRIOR YEAR ADJ	-\$1,358	\$0	\$300	\$100	\$200	\$300
TAXES-CURRENT-REAL ESTATE	\$1,282,384	\$1,260,000	\$1,349,200	\$1,400,700	\$1,431,100	\$1,724,200
TAXES-CURRENT-PERSONAL PROP	\$0	\$0	\$2,500	\$0	\$0	\$0
TAX-DELINQUENT-PERSONAL PROP	\$0	\$0	\$200	\$200	\$200	\$200
PAYMENT IN LIEU OF TAXES	\$4,481	\$0	\$4,500	\$4,600	\$4,700	\$4,800
PENALTY AND INTEREST ON TAXES	\$2,992	\$1,100	\$1,500	\$1,500	\$1,500	\$1,500
LOCAL COMMUNITY STABILIZATION SHARE	\$0	\$0	\$16,400	\$17,000	\$17,000	\$17,000
FIRE INSPECTION FEES	\$0	\$0	\$20,000	\$22,000	\$24,200	\$26,600
AMBULANCE	\$0	\$92,000	\$95,000	\$674,500	\$742,000	\$816,200
INTEREST & DIVIDEND EARNINGS	\$34,139	\$0	\$25,000	\$20,000	\$15,000	\$10,000
TRANSFERS IN	\$0	\$3,241,500	\$3,241,500	\$3,375,000	\$4,000,000	\$4,000,000
Total Revenues	\$1,322,637	\$4,594,600	\$4,756,100	\$5,515,600	\$6,235,900	\$6,600,800

Transfer in from General fund; taxes are incoming from EMS Millage of 2023. Ambulance revenue will increase as we transition into Primary Transport.

Expenditures by Object

Historical Expenditures by Object



For 2026/2027, As MSU Extension vacates the building at 520 West Front Street, and the Fire Department is able to expand their Administrative offices into the space, it is anticipated that some new office and reception furniture will need to be purchased, which is reflected in the Office/Operational supplies line request. Also included in this line are the usual uniform/turnout gear and Fire and EMS equipment requests, as well as Technical Rescue items, and Fire Prevention and Public Education. We have applied a standard 10% cost increase across the board for inflation purposes on all products and services for each budget cycle.

The Professional and Contractual line contains things such as licensing and membership fees, as well as software fees for all of our reporting and tracking modules. It also includes such things as testing of large equipment such as the pumps and aerial devices on our apparatus, our 2000+ feet of fire hose and 300+ feet of ground ladders, our fire extinguishers and Ansul system, and fitness testing for both current employees and new hires.

There are no significant changes to Communications, Transportation, Printing and Publishing, or Miscellaneous.

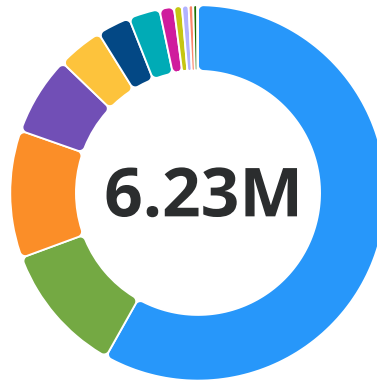
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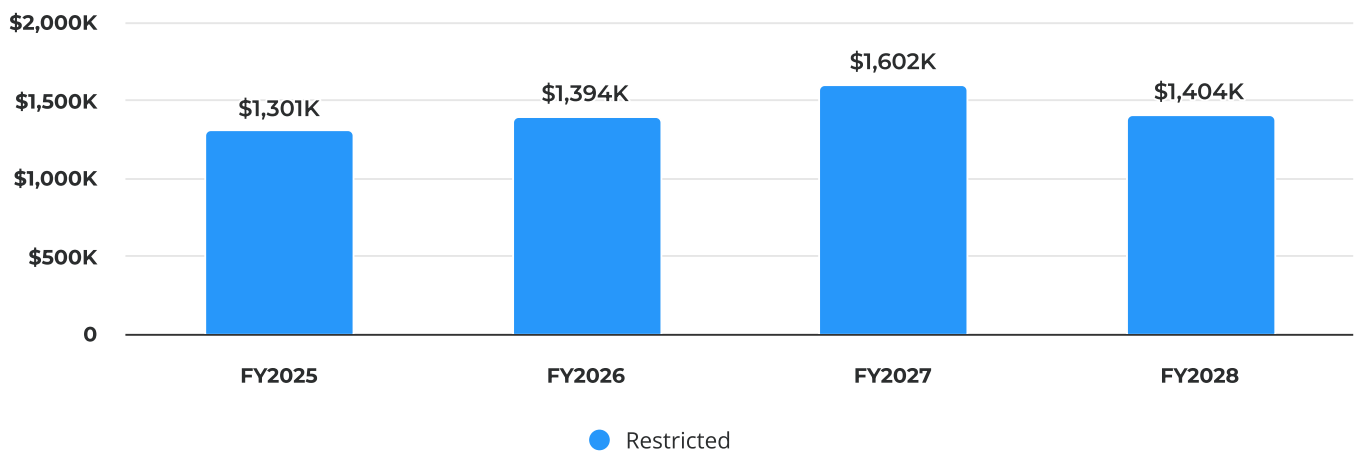
FY27 Expenditures by Expense Type Summary



● SALARIES & WAGES	\$3,624,600	58.16%
● RENTALS	\$700,000	11.23%
● FRINGE BENEFITS	\$683,800	10.97%
● OFFICE/OPERATING SUPPLIES	\$425,100	6.82%
● PROFESSIONAL SERVICES	\$245,600	3.94%
● PROFESSIONAL DEVELOPMENT	\$180,000	2.89%
● REPAIRS & MAINTENANCE	\$167,000	2.68%
● CAPITAL OUTLAY	\$77,500	1.24%
● UTILITIES	\$43,000	0.69%
● TRANSPORTATION	\$36,000	0.58%
● COMMUNICATION	\$24,700	0.40%
● INSURANCE & BONDS	\$21,900	0.35%
● PRINTING & PUBLISHING	\$2,000	0.03%
● MISCELLANEOUS EXP	\$1,000	0.02%

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$0	\$0	\$1,301,490	\$1,393,890
Total Fund Balance			\$1,301,490	\$1,393,890

Tree Ordinance Fund (211)

This fund was established in 2022 to account for the collection of proceeds related to the City's Tree Ordinance and track expansion of the City's tree canopy.



The City is committed by ordinance, policy, and long-standing tradition to the full management of all trees located on City-owned public lands. This responsibility includes tree planting, maintenance, and removal, which together support a thriving, sustainable urban forest.

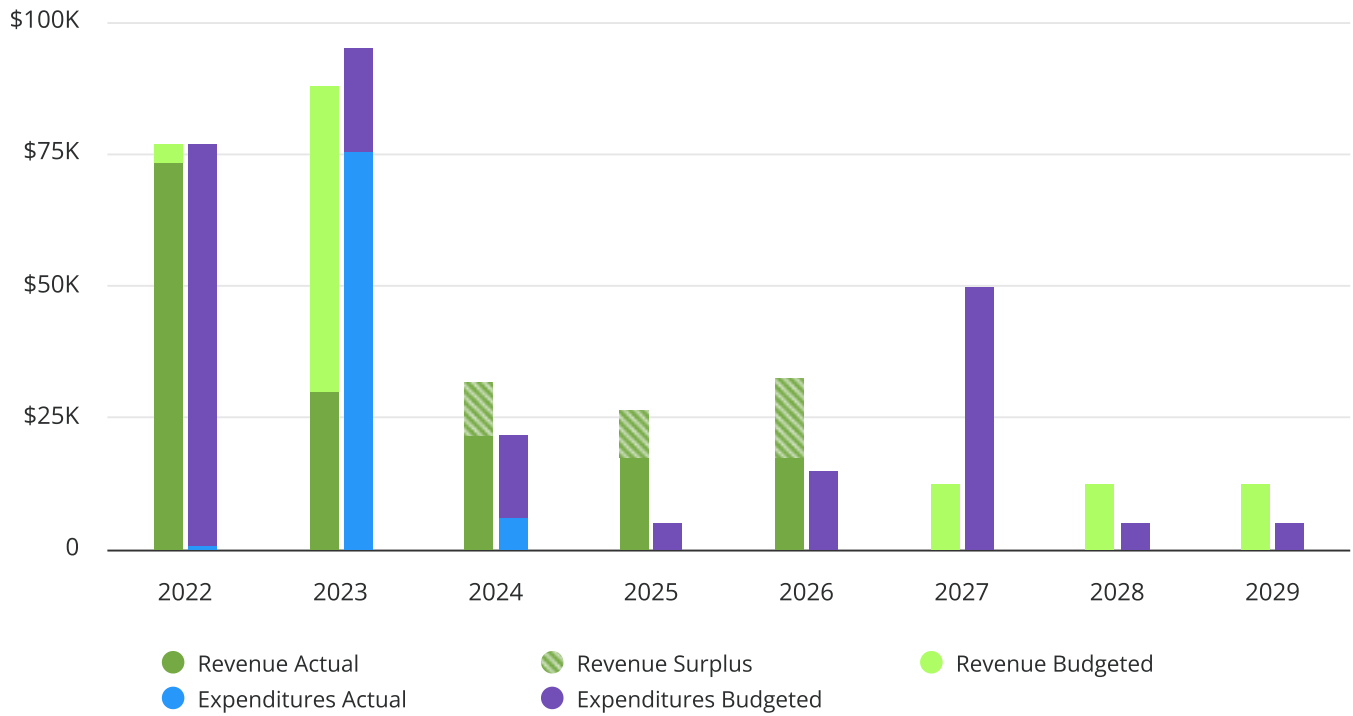
Traverse City maintains more than 34 parks, multiple trails, seasonal amenities, and public spaces, all of which require consistent, year-round attention from City staff. Urban forestry plays a critical role in this system. With more than 15,000 trees currently inventoried across City-owned lands—including street rights-of-way, parks, and other public properties—the inventory does not include Hickory Hills or the Brown Bridge Quiet Area. The tree inventory continues to grow annually due to the number of trees planted each year. The Parks Department consistently plants more trees than it removes. For example, last year approximately 120 trees were removed, while over 400 trees and shrubs were planted. This practice aligns with the recommended planting-to-removal ratio. In fact, for the past seven years, staff have maintained a policy of planting at least twice as many trees as are removed annually. Our goal is to continue building a resilient and diverse tree canopy to support stormwater management, air quality, and habitat preservation.

Traverse City has proudly held the Tree City USA designation for 36 consecutive years, meeting the Arbor Day Foundation's standards for community forestry. This includes expectations for regular pruning cycles, proactive tree health care, and sustainable urban canopy growth. However, due to limited staffing, the City's current urban forestry operations remain largely reactive. Most tree removals and maintenance occur in response to storm damage or risk rather than preventive care. As a result, the City is not yet able to fully implement best practices outlined in the Davey Resource Group's Tree Management Plan, such as scheduled pruning cycles, weekly watering of newly planted trees, and proactive disease mitigation.

Urban trees, particularly in city environments, face higher stress levels and require specialized maintenance to ensure health and longevity. Parks and Recreation follows industry best practices and continually updates its tree inventory using an interactive public map. Residents can report issues or donate to the City's Tree Fund through this platform.

Oversight is provided by a Certified Arborist on staff, underscoring the City's commitment to professional excellence and evidence-based urban forestry practices. Seasonal planting projects, conducted each spring and fall, focus primarily on public rights-of-way and often replace previously removed trees. Site and species selection are guided by environmental suitability and long-term maintenance considerations.

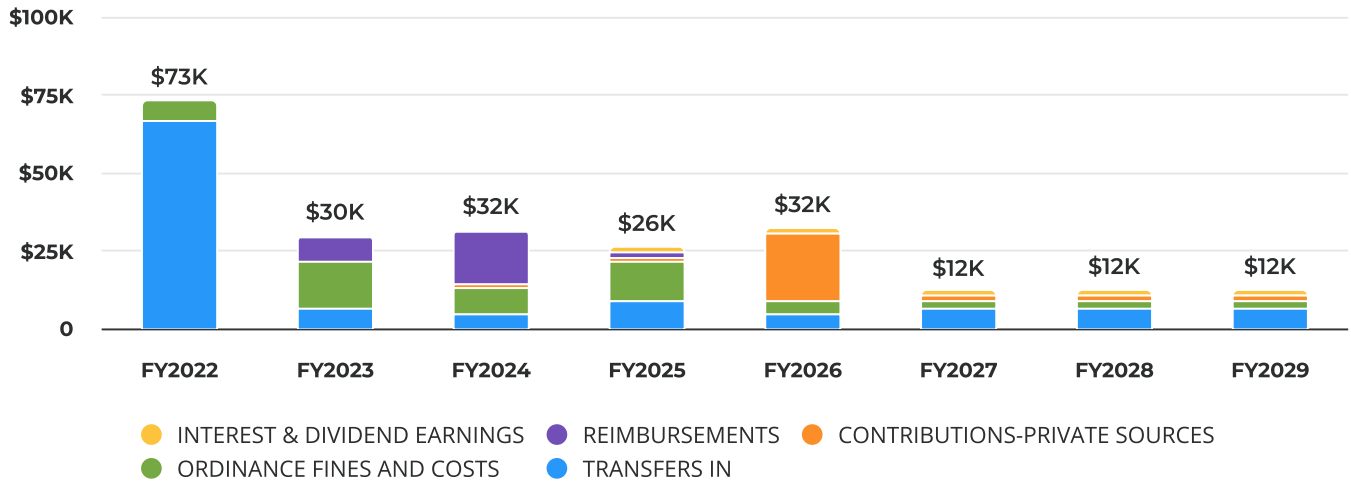
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$52,772	\$79,000	\$79,000	\$111,300	\$73,600	\$81,000
Revenues						
FINES AND FORFEITURES	\$12,900	\$7,500	\$4,000	\$2,000	\$2,000	\$2,000
OTHER REVENUE	\$3,073	\$2,900	\$23,800	\$3,800	\$3,800	\$3,800
REIMBURSEMENTS	\$1,550	\$0	\$0	\$0	\$0	\$0
TRANSFER IN	\$8,700	\$7,200	\$4,500	\$6,500	\$6,600	\$6,600
Total Revenues	\$26,223	\$17,600	\$32,300	\$12,300	\$12,400	\$12,400
Expenditures						
PROFESSIONAL SERVICES	\$0	\$15,000	\$0	\$50,000	\$5,000	\$5,000
Total Expenditures	\$0	\$15,000	\$0	\$50,000	\$5,000	\$5,000
Total Revenues Less Expenditures	\$26,223	\$2,600	\$32,300	-\$37,700	\$7,400	\$7,400
Ending Fund Balance	\$78,996	\$81,600	\$111,300	\$73,600	\$81,000	\$88,400

Historical Revenues by Object

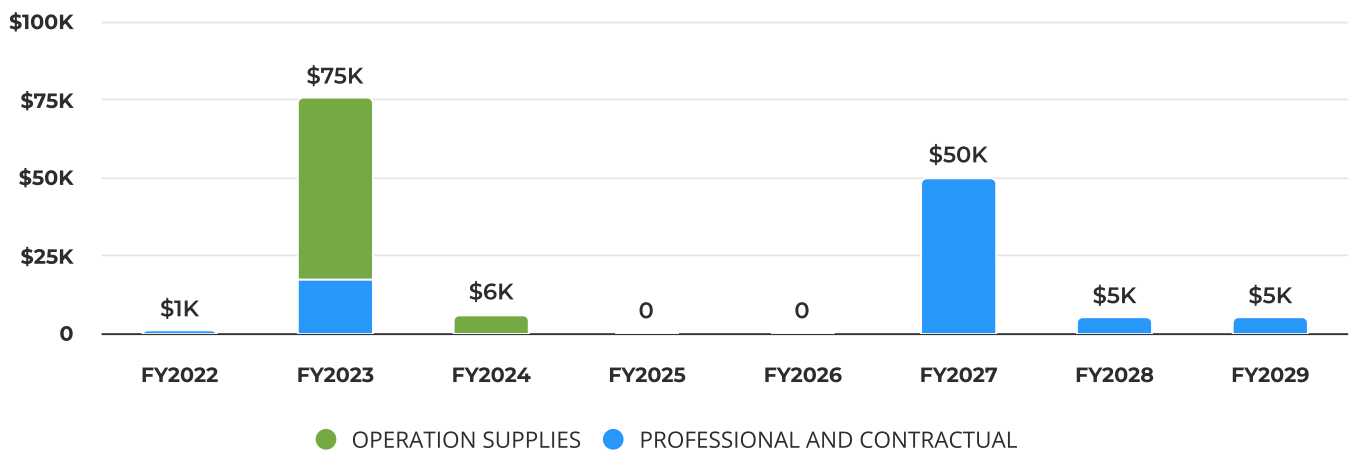


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
ORDINANCE FINES AND COSTS	\$12,900	\$7,500	\$4,000	\$2,000	\$2,000	\$2,000
INTEREST & DIVIDEND EARNINGS	\$1,798	\$900	\$1,800	\$1,800	\$1,800	\$1,800
CONTRIBUTIONS-PRIVATE SOURCES	\$1,275	\$2,000	\$22,000	\$2,000	\$2,000	\$2,000
REIMBURSEMENTS	\$1,550	\$0	\$0	\$0	\$0	\$0
TRANSFERS IN	\$8,700	\$7,200	\$4,500	\$6,500	\$6,600	\$6,600
Total Revenues	\$26,223	\$17,600	\$32,300	\$12,300	\$12,400	\$12,400

Expenditures by Object

Historical Expenditures by Object



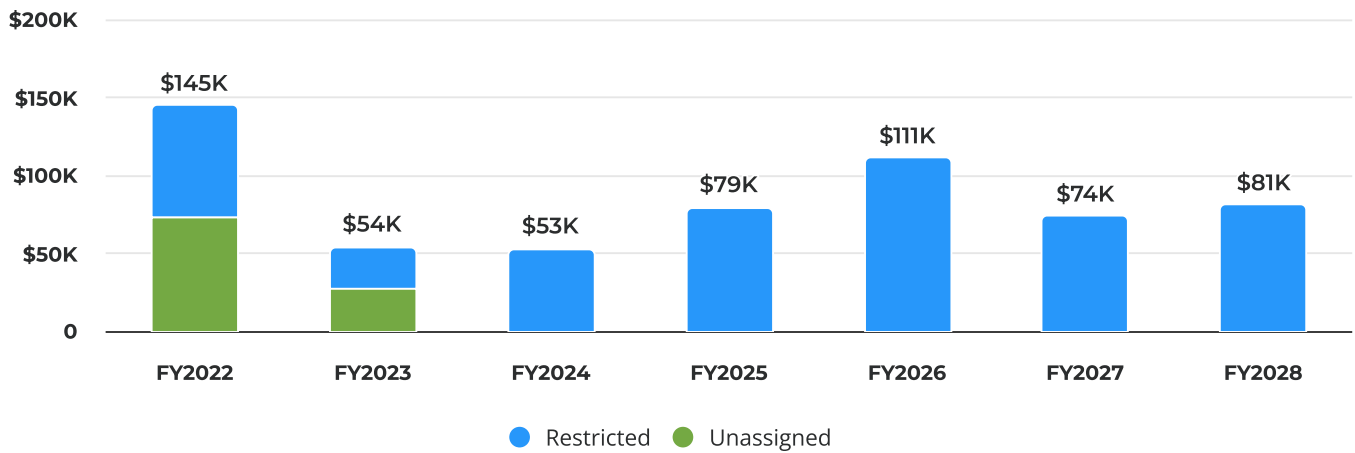
Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$0	\$15,000	\$0	\$50,000	\$5,000	\$5,000
Total Expenditures	\$0	\$15,000	\$0	\$50,000	\$5,000	\$5,000

Parks utilized ARPA funding for tree planting in the 2023/2024 and 2024/2025 fiscal years to allow fund balance to grow. That funding has depleted, and we are budgeting to use this fund in the 2026/2027 fiscal year for new tree plantings.

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$26,952	\$0	\$0	\$0
Restricted	\$26,952	\$52,772	\$79,000	\$111,300
Total Fund Balance	\$53,904	\$52,772	\$79,000	\$111,300

Act 302 Police Training Fund (214)

This fund was established to track funds received from the State of Michigan legislative acts regarding mandated and requested police training activity.

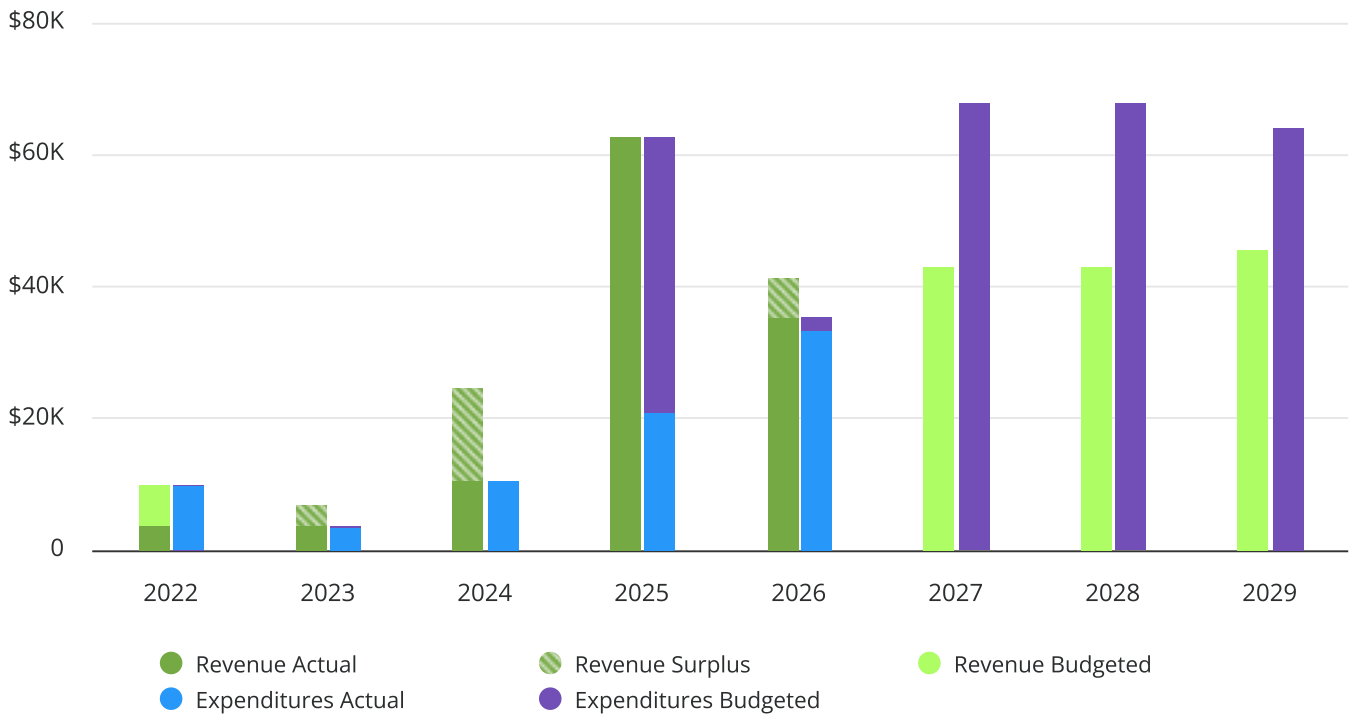
Summary

The Traverse City Police Department has developed a training program that seeks to enhance service to the community through increased technical expertise, overall effectiveness, and continued professional development. The program complies with federal, state, and local requirements as well as requirements set forth by the Michigan Commission on Law Enforcement Standards (MCOLES) and the Michigan Law Enforcement Accreditation Commission (MLEAC). The department's training program and guidelines are outlined in departmental policy, Policy 203 – Training.

Training opportunities fall under two categories, mandated and requested. Most mandated training is required by MCOLES, MLEAC, policy, or the administration. Requested training comes from department members who request to attend training that enhances them personally or their specialty assignments. All requested training must be approved by the administration. The Traverse City Police Department receives funding from an array of sources, including the city budget, legislative acts, grants, and private donors. Different funding sources have different requirements for how funds are used. Other than the city budget, the Traverse City Police Department currently receives training funds from the State of Michigan through Public Act 302 of 1982 (302 Funding) and Public Act 1 of 2023 (Continuing Professional Education Funding, CPE).

The department is also a recipient of a federal Comprehensive Opioid, Stimulant, and Substance Use Program (COSSUP) grant administered by the Michigan State Police.

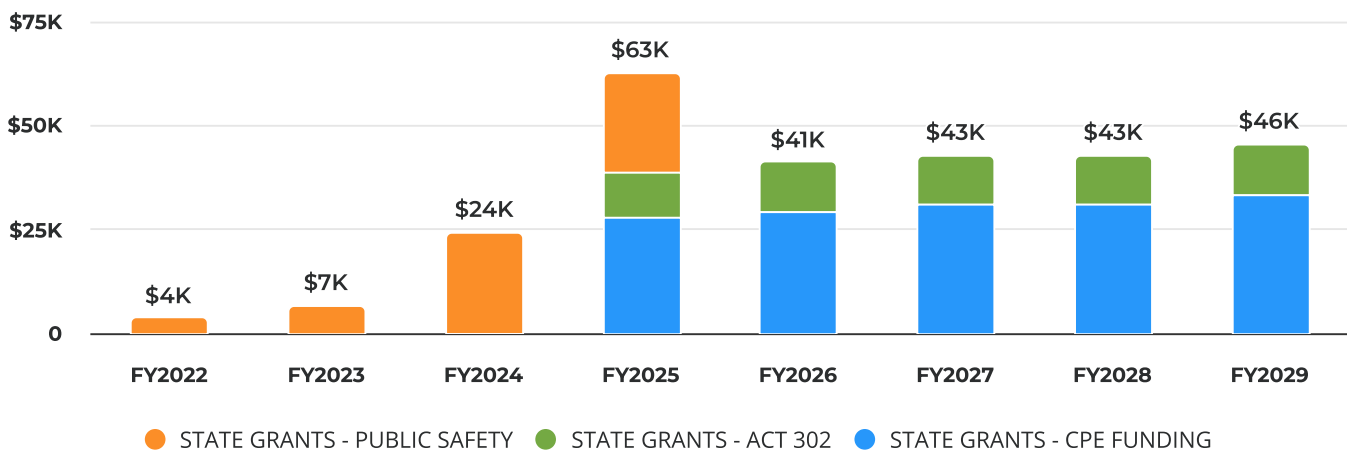
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$18,651	\$60,400	\$60,400	\$68,500	\$43,500	\$18,500
Revenues						
INTERGOVERNMENTAL	\$24,000	\$0	\$0	\$0	\$0	\$0
OTHER REVENUE	\$38,630	\$35,200	\$41,300	\$42,900	\$42,900	\$45,500
Total Revenues	\$62,630	\$35,200	\$41,300	\$42,900	\$42,900	\$45,500
Expenditures						
PROFESSIONAL DEVELOPMENT	\$20,878	\$35,200	\$33,200	\$67,900	\$67,900	\$64,000
Total Expenditures	\$20,878	\$35,200	\$33,200	\$67,900	\$67,900	\$64,000
Total Revenues Less Expenditures	\$41,752	\$0	\$8,100	-\$25,000	-\$25,000	-\$18,500
Ending Fund Balance	\$60,402	\$60,400	\$68,500	\$43,500	\$18,500	\$0

Historical Revenues by Object



Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
STATE GRANTS - PUBLIC SAFETY	\$24,000	\$0	\$0	\$0	\$0	\$0
STATE GRANTS - ACT 302	\$10,630	\$6,200	\$12,300	\$11,900	\$11,900	\$12,500
STATE GRANTS - CPE FUNDING	\$28,000	\$29,000	\$29,000	\$31,000	\$31,000	\$33,000
Total Revenues	\$62,630	\$35,200	\$41,300	\$42,900	\$42,900	\$45,500

302 Funding:

Public Act 302 of 1982 “directs the Michigan Justice Training Commission (MJTC) to annually distribute 60% of the Michigan Justice Training Fund to eligible law enforcement agencies.” The funds are to be used for in-service training of sworn law enforcement personnel. The annual distribution is distributed biannually, in spring and fall (in conjunction with the state’s fiscal year). In 2024, the Traverse City Police Department received \$4,650.80 (spring distribution) and \$5,590.76 (fall distribution) for a total of \$10,241.56. The 2025 spring distribution was calculated at \$173.75 per full-time equivalent (FTE). In April of this year, the Traverse City Police Department received \$5,038.75.

302 funding may be used for salaries of instructors, in-state travel, consortium fees, supplies and equipment, rental costs, leasing or purchase of direct delivery in-service training, contractual trainers, web-based programs based upon interactive learning, and automated firearms training systems. An annual expenditure report must be submitted to the state. Agencies

must return any unspent funds within five years after receiving that year’s annual distribution.

<https://www.michigan.gov/mcoles/mjtc>

CPE Funding:

MCOLES piloted a new program beginning in July 2024, requiring annual in-service training for all sworn law enforcement officers. The three-year pilot runs from July 1, 2024, through December 31, 2027. The program provides funding, based on the number of FTE’s and agencies each year. The training period runs concurrently with the calendar year. Funds are distributed in December of the previous year, except 2024, when funds were distributed in June. \$1000 per FTE is distributed each year, except 2024, when it was \$500 per FTE. Agencies have two years to spend the allocated funding. Twenty-four hours of training is required per year, except in 2024, when only twelve hours were required. MCOLES selects the topic for eight of the hours, allowing the agency to select the topics for the remaining sixteen hours as long as they meet the following requirements.

CPE funds may be used for salaries, travel, supplies and equipment, rental costs, leasing or purchase of direct delivery in-service training, contractual trainers, and web-based programs based upon interactive learning.

<https://www.michigan.gov/mcoles/continuing-professional-education>

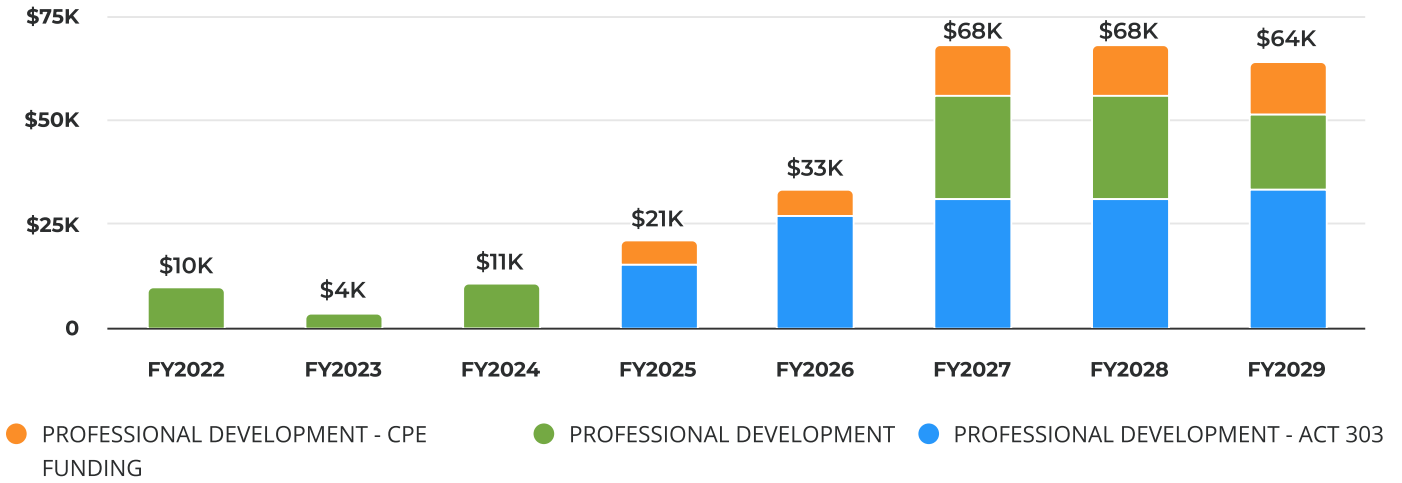
CPE PILOT QUICK REFERENCE GUIDE

Published Date: 01/08/2026

2025	2026	2027
Twenty-four (24) hours of Continuing Professional Education (CPE) as outlined below, completed by December 31, 2025.	Twenty-four (24) hours of Continuing Professional Education (CPE) as outlined below, completed by December 31, 2026.	Twenty-four (24) hours of Continuing Professional Education (CPE) as outlined below, completed by December 31, 2027.
No less than eight (8) hours shall be completed in the Commission Designated topic of MENTAL HEALTH CRISIS.	No less than eight (8) hours shall be completed in the Commission Designated topic of TACTICAL OPERATIONS.	No less than eight (8) hours shall be completed in the Commission Designated topic of INVESTIGATIONS.
Suggested topics include, but are not limited to:	Suggested topics include, but are not limited to:	Suggested topics include, but are not limited to:
<ul style="list-style-type: none"> Behavioral Health Emerg. Partnership (MCOLES offers 20hr. course) Autism Speaks Alzheimer’s Awareness Legal Updates related to Mental Health Crisis (e.g., Michigan Mental Health Code, mental health petitions, legal considerations) 	<ul style="list-style-type: none"> First Aid / TECC Subject Control / DT Civil Disorders Emerg. Prep / Disaster Ctrl. Terrorism / Extremist Aware. CQB / CQC Patrol Rifle Active Violence Training Incident Command Sys. 	<ul style="list-style-type: none"> Human Trafficking Juvenile Crimes Sexual Assault Domestic Violence Narcotics & Dangerous Drugs Investigations (e.g., criminal, administrative, background, etc.)
The remaining sixteen (16) hours may be in any Agency Elected topic that meets the following three requirements*:	The remaining sixteen (16) hours may be in any Agency Elected topic that meets the following three requirements*:	The remaining sixteen (16) hours may be in any Agency Elected topic that meets the following three requirements*:
<ol style="list-style-type: none"> enhances law enforcement performance, professionalism, public and officer safety, and officer decision making, is pre-approved by the law enforcement agency head or their delegate, and is registered in MITN as CPE by MCOLES. 	<ol style="list-style-type: none"> enhances law enforcement performance, professionalism, public and officer safety, and officer decision making, is pre-approved by the law enforcement agency head or their delegate, and is registered in MITN as CPE by MCOLES. 	<ol style="list-style-type: none"> enhances law enforcement performance, professionalism, public and officer safety, and officer decision making, is pre-approved by the law enforcement agency head or their delegate, and is registered in MITN as CPE by MCOLES.
<i>*Refer to the FAQ document for more information. www.michigan.gov/mcoles/continuing-professional-education-pilot/cpe-faqs</i>	<i>*Refer to the FAQ document for more information. www.michigan.gov/mcoles/continuing-professional-education-pilot/cpe-faqs</i>	<i>*Refer to the FAQ document for more information. www.michigan.gov/mcoles/continuing-professional-education-pilot/cpe-faqs</i>
Suggested topics for Agency Elected CPE courses include, but are not limited to:		
<ul style="list-style-type: none"> Accident Investigations Communication Skills Community Policing & Problem-Solving Computer and Technology Use Computer Crimes Critical Incident Response 	<ul style="list-style-type: none"> Cultural Competencies Domestic Violence* Emergency Vehicle Operations Evidence/ Forensics Field Training Officers Firearms Training** 	<ul style="list-style-type: none"> First Aid First Line Supervisors Instructor Development*** Investigations Juvenile Legal Issues / Legal Update
		<ul style="list-style-type: none"> Management/ Executive Patrol Activities Personnel Development Specialized Assignments Speed Measurement Support Operations
		<ul style="list-style-type: none"> Traffic Enforcement Use of Force
<p>* MCOLES provides free STOP GRANT CLASSES</p> <p>** In addition to / over & above the annual Active-Duty Firearms Standard and PA 552 Response to Active Violence mandates</p> <p>*** MCOLES provides free IDC - Instructor Development Courses</p>		

Expenditures by Object

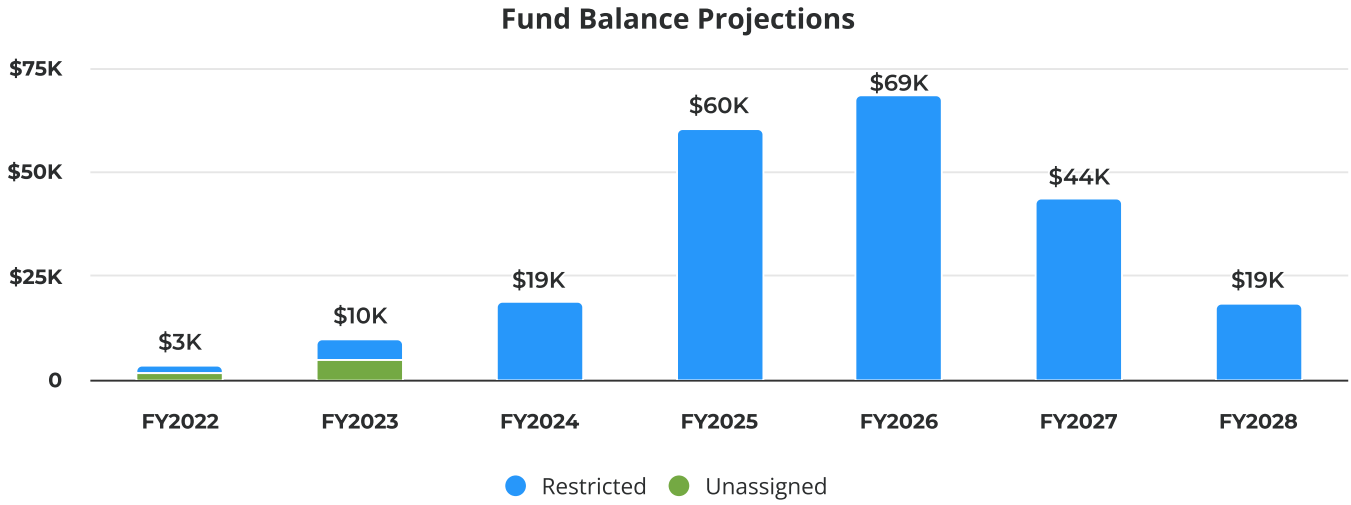
Historical Expenditures by Object



Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL DEVELOPMENT	\$0	\$0	\$0	\$25,000	\$25,000	\$18,500
PROFESSIONAL DEVELOPMENT - CPE FUNDING	\$5,590	\$6,200	\$6,200	\$11,900	\$11,900	\$12,500
PROFESSIONAL DEVELOPMENT - ACT 303	\$15,288	\$29,000	\$27,000	\$31,000	\$31,000	\$33,000
Total Expenditures	\$20,878	\$35,200	\$33,200	\$67,900	\$67,900	\$64,000

Fund Balance



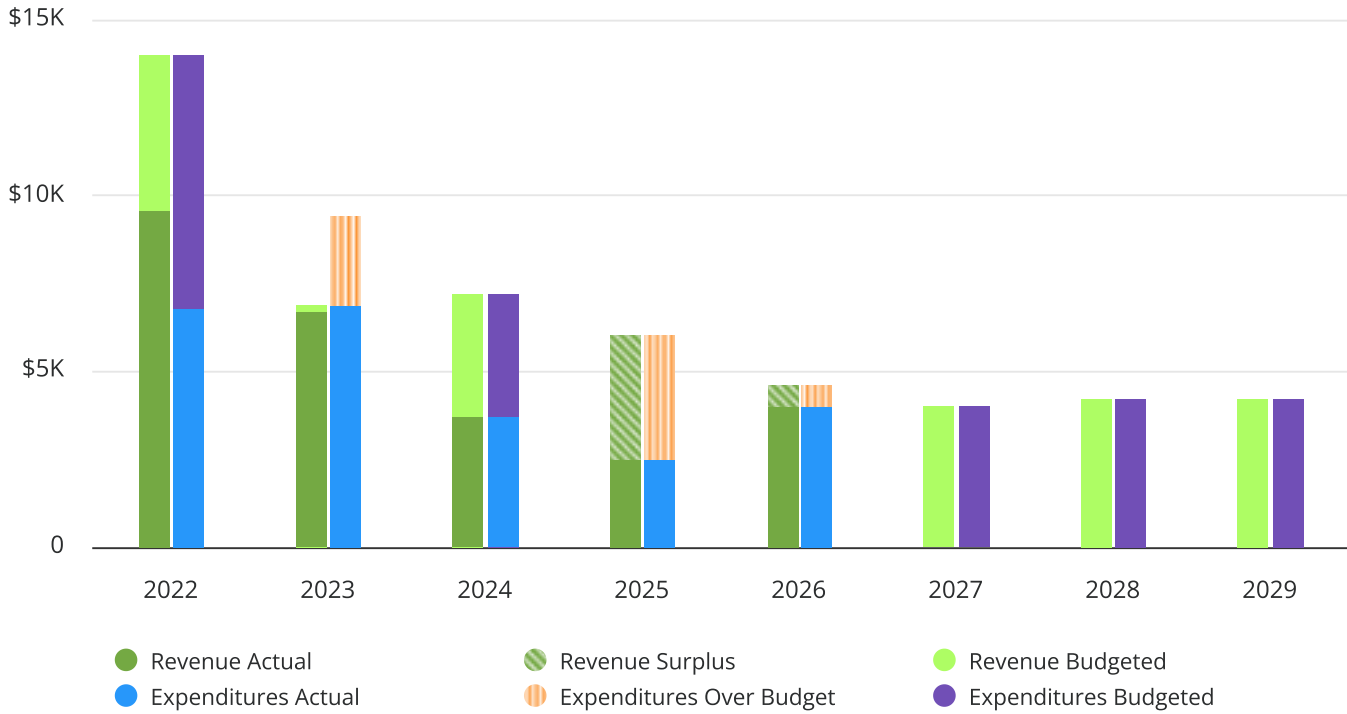
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$4,862	\$0	\$0	\$0
Restricted	\$4,862	\$18,651	\$60,400	\$68,500
Total Fund Balance	\$9,724	\$18,651	\$60,400	\$68,500

College Parking Fund (231)

This fund was created in the 1992-93 fiscal year to account for funds received and expended to enforce parking at Northwestern Michigan College. The College entered into a contractual agreement with the City to provide for this enforcement. The Professional Services line item reflects the net amount that is split between the City and NMC. The City's share is transferred to the General Operating Fund.

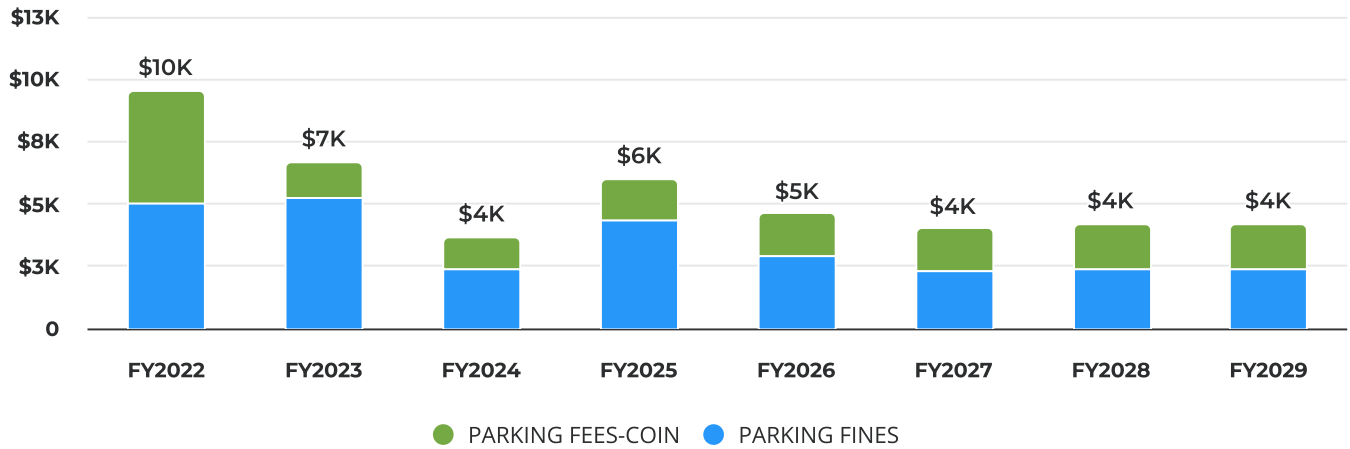
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
Revenues						
OPERATING REVENUES	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200
Total Revenues	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200
Expenditures						
PROFESSIONAL SERVICES	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200
Total Expenditures	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200
Total Revenues Less Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0

Historical Revenues by Object

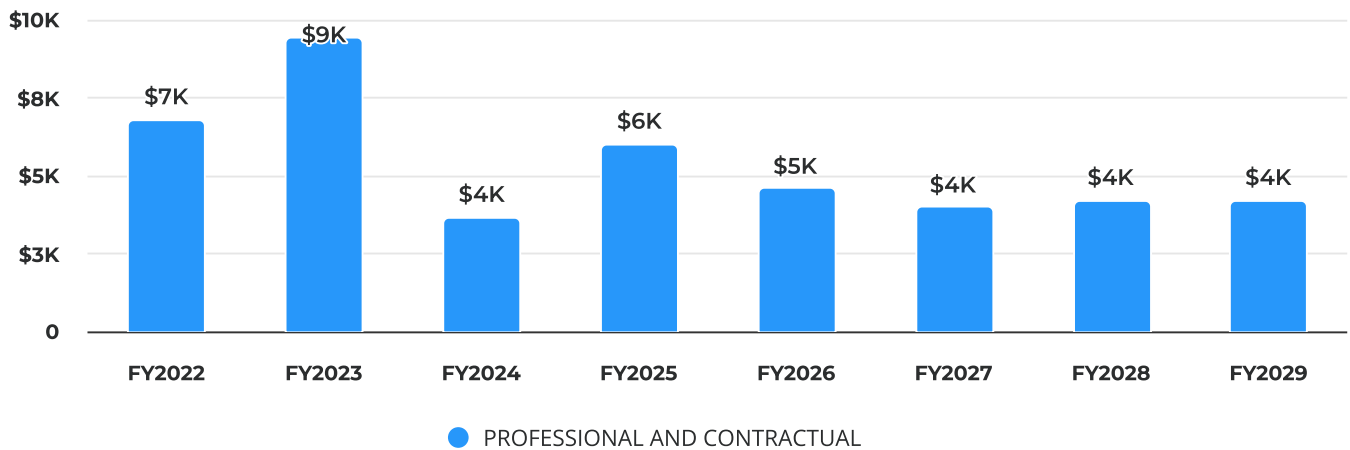


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PARKING FEES-COIN	\$1,701	\$1,500	\$1,700	\$1,700	\$1,800	\$1,800
PARKING FINES	\$4,322	\$2,500	\$2,900	\$2,300	\$2,400	\$2,400
Total Revenues	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200

Expenditures by Object

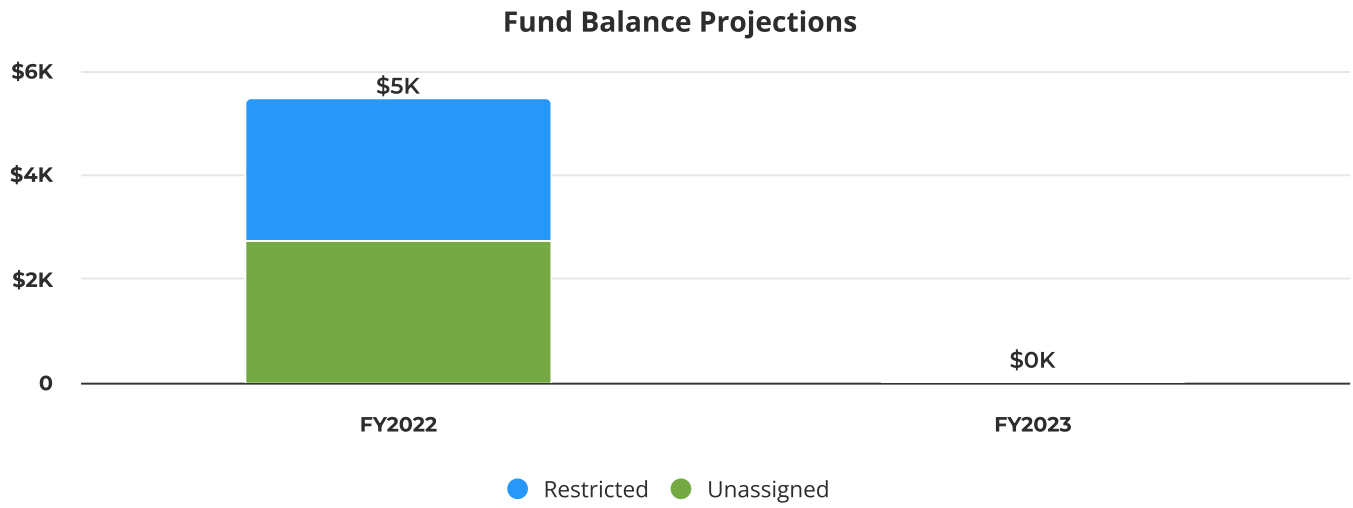
Historical Expenditures by Object



Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200
Total Expenditures	\$6,023	\$4,000	\$4,600	\$4,000	\$4,200	\$4,200

Fund Balance



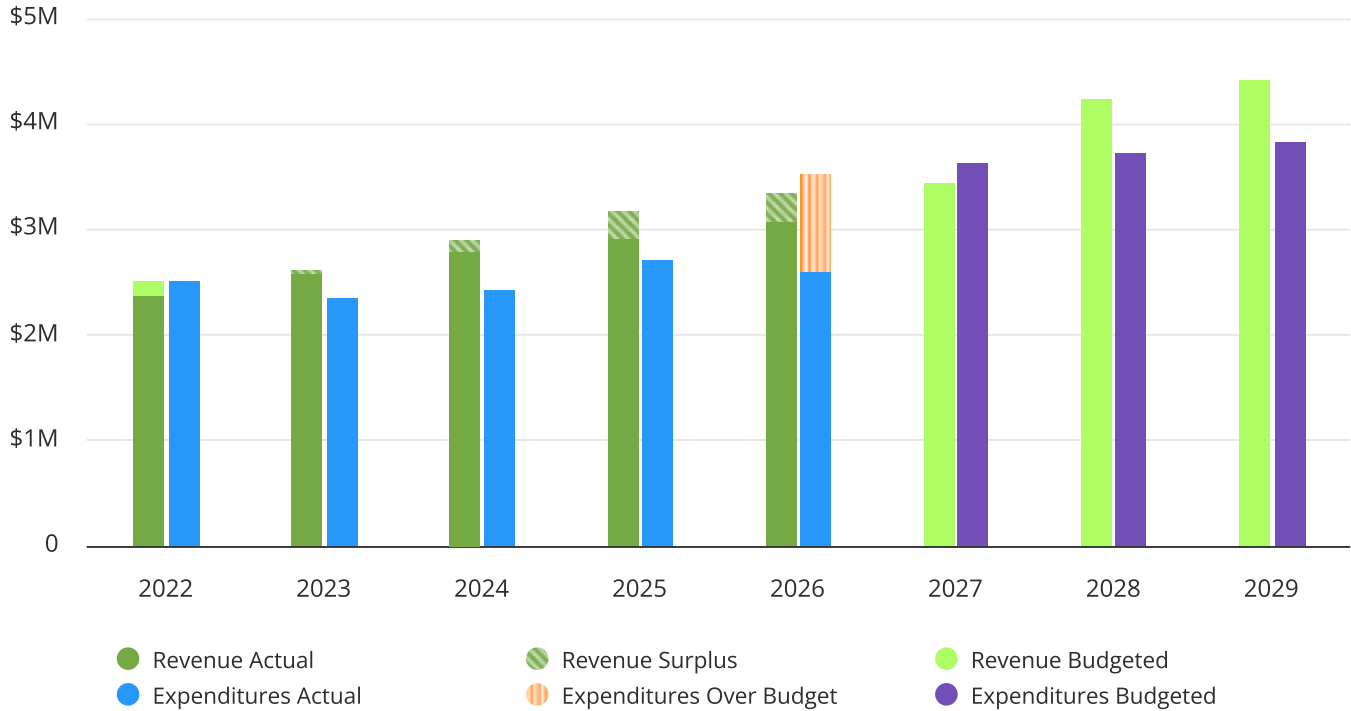
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$3	\$0	\$0	\$0
Restricted	\$3	\$0	\$0	\$0
Total Fund Balance	\$6			

Act 345 Millage Fund (233)

This fund is used to account for the Act 345 millage that is designated for funding the annual required contributions to the police and fire Act 345 Pension & OPEB Plans.

Revenues vs Expenditures Summary

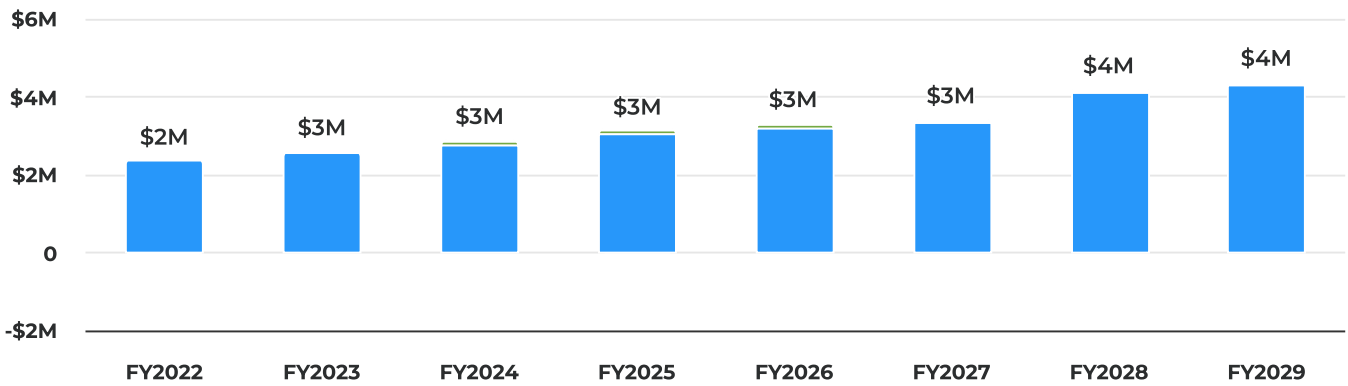


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$1,092,484	\$1,542,840	\$1,542,840	\$1,367,240	\$1,175,340	\$1,675,640
Revenues						
PROPERTY TAXES	\$3,031,231	\$2,982,400	\$3,215,200	\$3,339,200	\$4,123,100	\$4,320,300
INTERGOVERNMENTAL	\$32,188	\$32,200	\$38,500	\$38,400	\$39,700	\$40,800
OTHER REVENUE	\$100,220	\$60,000	\$95,000	\$65,000	\$65,000	\$60,000
Total Revenues	\$3,163,639	\$3,074,600	\$3,348,700	\$3,442,600	\$4,227,800	\$4,421,100
Expenditures						
FRINGE BENEFITS	\$2,713,273	\$2,600,900	\$3,524,300	\$3,634,500	\$3,727,500	\$3,817,500
Total Expenditures	\$2,713,273	\$2,600,900	\$3,524,300	\$3,634,500	\$3,727,500	\$3,817,500
Total Revenues Less Expenditures	\$450,366	\$473,700	-\$175,600	-\$191,900	\$500,300	\$603,600
Ending Fund Balance	\$1,542,850	\$2,016,540	\$1,367,240	\$1,175,340	\$1,675,640	\$2,279,240

Effective in the 2025/2026 fiscal year and going forward, this fund will cover both Pension and OPEB Annual Required Contributions, which accounts for the increase from 2024/2025 to 2025/2026.

Historical Revenues by Object



- CHANGE IN FAIR VALUE OF INVESTMENTS
- TAX-DELINQUENT-PERSONAL PROP
- LOCAL COMMUNITY STABILIZATION SHARE
- PROPERTY TAX REVENUE PRIOR YEAR ADJ
- PENALTY AND INTEREST ON TAXES
- INTEREST & DIVIDEND EARNINGS
- TAXES-CURRENT-PERSONAL PROP
- PAYMENT IN LIEU OF TAXES
- TAXES-CURRENT-REAL ESTATE

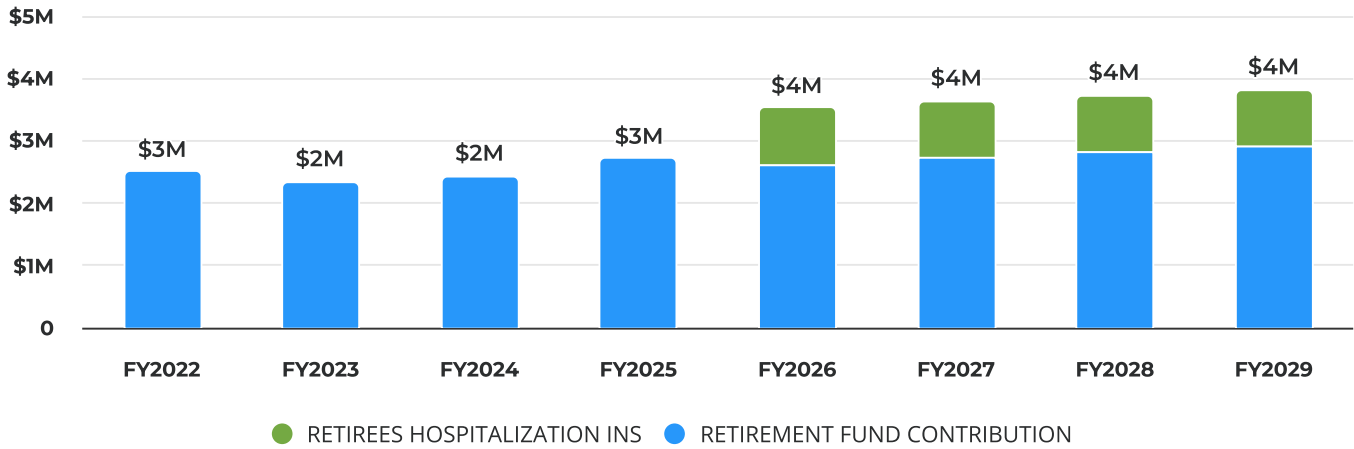
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROPERTY TAX REVENUE PRIOR YEAR ADJ	-\$6,121	\$0	\$2,300	\$0	\$0	\$0
TAXES-CURRENT-REAL ESTATE	\$3,014,788	\$2,960,000	\$3,177,200	\$3,311,100	\$4,094,400	\$4,293,300
TAXES-CURRENT-PERSONAL PROP	\$0	\$0	\$10,900	\$4,500	\$4,500	\$4,000
TAX-DELINQUENT-PERSONAL PROP	\$5,069	\$5,100	\$4,600	\$2,500	\$2,000	\$2,000
PAYMENT IN LIEU OF TAXES	\$10,472	\$14,700	\$13,200	\$14,600	\$15,400	\$14,000
PENALTY AND INTEREST ON TAXES	\$7,023	\$2,600	\$7,000	\$6,500	\$6,800	\$7,000
LOCAL COMMUNITY STABILIZATION SHARE	\$32,188	\$32,200	\$38,500	\$38,400	\$39,700	\$40,800
INTEREST & DIVIDEND EARNINGS	\$100,220	\$60,000	\$95,000	\$65,000	\$65,000	\$60,000
Total Revenues	\$3,163,639	\$3,074,600	\$3,348,700	\$3,442,600	\$4,227,800	\$4,421,100

The Act 345 millage is not subject to Headlee rollback, which means it is generating revenue at a higher rate compared to other City millages. We are closely monitoring this revenue growth in relation to the Annual Required Contribution (ARC) for Act 345 retirees to ensure the long-term sustainability of the retirement system. The 2027/2028 and 2028/2029 property tax estimates assume that TIF 97 ends and is not replaced. If TIF 97 continues, it would capture approximately \$460,000 per year from ACT 345 millage revenue.

Expenditures by Object

Historical Expenditures by Object



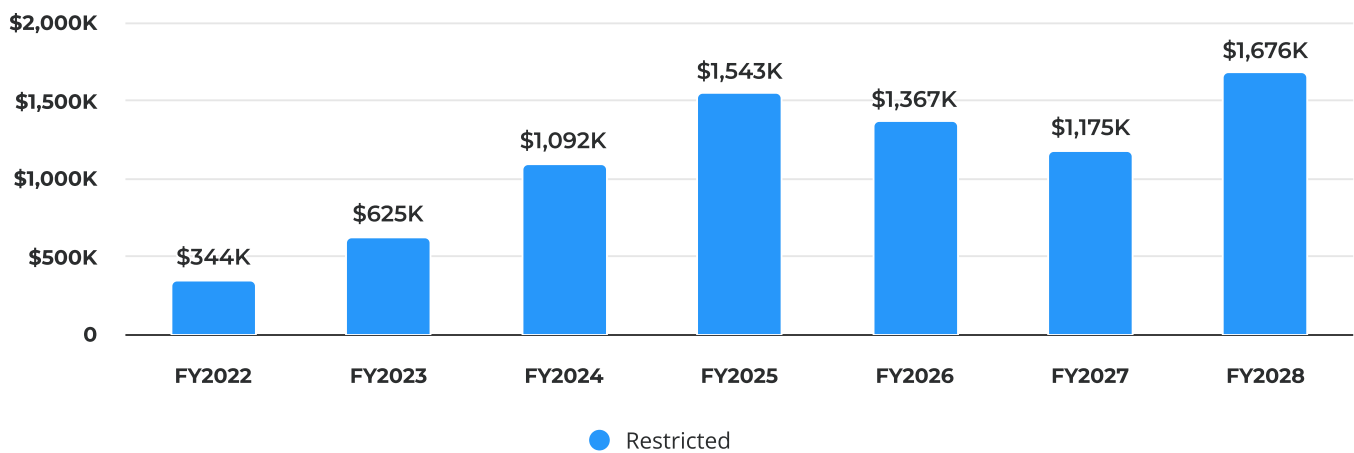
Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
RETIREMENT FUND CONTRIBUTION	\$2,713,273	\$2,600,900	\$2,600,800	\$2,717,000	\$2,810,000	\$2,900,000
RETIREES HOSPITALIZATION INS	\$0	\$0	\$923,500	\$917,500	\$917,500	\$917,500
Total Expenditures	\$2,713,273	\$2,600,900	\$3,524,300	\$3,634,500	\$3,727,500	\$3,817,500

The ARC (Annual Required Contribution) for retirement is projected to increase a little over \$116,000 in the 2026/2027 fiscal year. Based on precedent created by recent municipal lawsuits and policy approved by the ACT 345 board, we are now funding OPEB ARC payments with ACT345 millage funds.

Fund Balance

Fund Balance Projections



Financial Summary

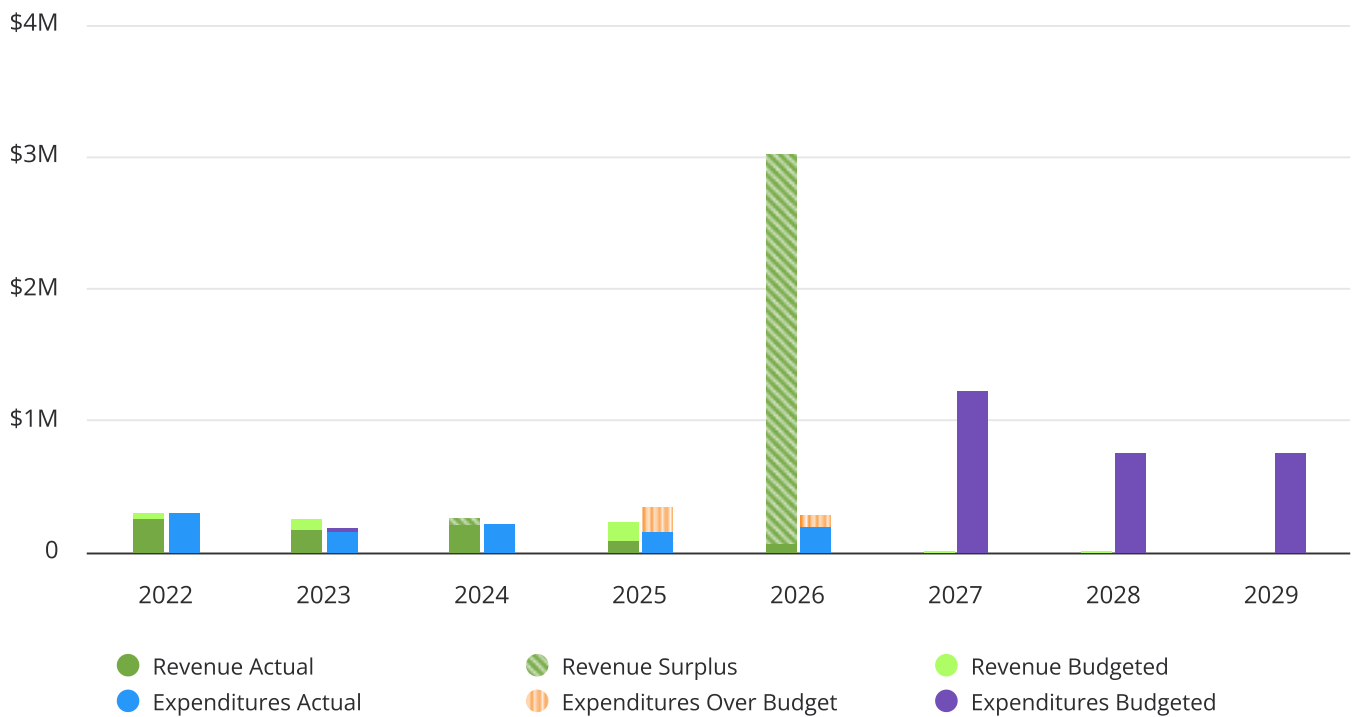
Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$624,597	\$1,092,484	\$1,542,840	\$1,367,240

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Total Fund Balance	\$624,597	\$1,092,484	\$1,542,840	\$1,367,240

Brown Bridge Trust Parks Improvement Fund (239)

As of November 2024, the ballot language requiring gas & oil royalties to be utilized for parks improvements has expired. The parks department is finishing up their final approved projects with the balance of funds available. The Brown Bridge Trust Committee has identified additional parks projects for the next 5 years. Ballot language was approved by the public in the 2025 general election in November. The proposal to transfer 3 million from the Brown Bridge Trust for identified capital projects in City Parks in lieu of gas & oil revenue being recorded as earned was approved. At the end of 5 years, progress will be evaluated.

Revenues vs Expenditures Summary

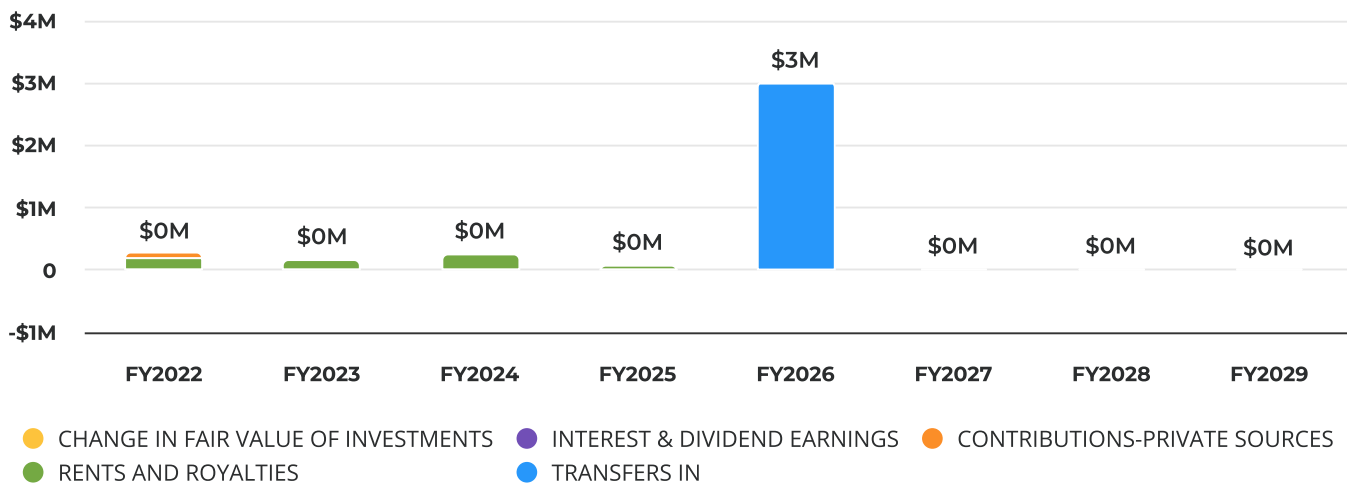


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$5,485	\$290,670	\$290,670	\$3,026,670	\$2,041,670	\$1,301,670
Revenues						
OTHER REVENUE	\$81,907	\$500	\$20,000	\$15,000	\$10,000	\$5,000
TRANSFER IN	\$0	\$71,050	\$3,000,000	\$0	\$0	\$0
Total Revenues	\$81,907	\$71,550	\$3,020,000	\$15,000	\$10,000	\$5,000
Expenditures						
PROFESSIONAL SERVICES	\$0	\$10,000	\$0	\$0	\$0	\$0
CAPITAL OUTLAY	\$0	\$0	\$0	\$50,000	\$0	\$0
TRANSFER OUT	\$348,065	\$186,050	\$284,000	\$1,179,000	\$750,000	\$750,000
Total Expenditures	\$348,065	\$196,050	\$284,000	\$1,229,000	\$750,000	\$750,000
Total Revenues Less Expenditures	-\$266,158	-\$124,500	\$2,736,000	-\$1,214,000	-\$740,000	-\$745,000
Ending Fund Balance	-\$260,673	\$166,170	\$3,026,670	\$1,812,670	\$1,301,670	\$556,670

Ballot language approved 3 million transfer from BBTF for approved Parks expenditures. This transfer was recognized in 2025/2026 budget. Budgeted \$750,000 annual transfer to Capital fund 499 to properly capitalize approved expenditures.

Historical Revenues by Object

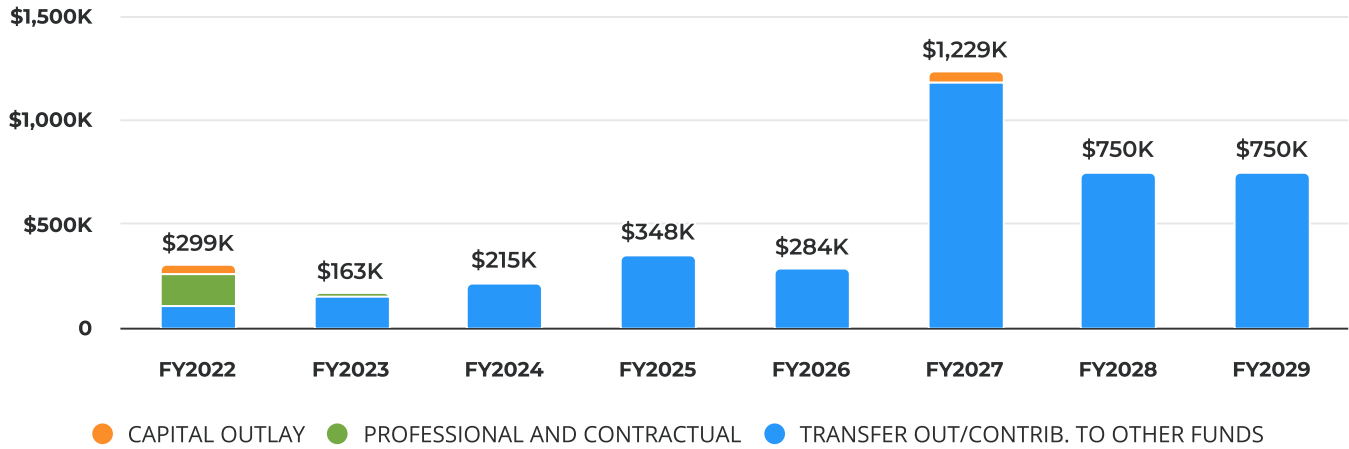


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$10,166	\$500	\$20,000	\$15,000	\$10,000	\$5,000
RENTS AND ROYALTIES	\$71,741	\$0	\$0	\$0	\$0	\$0
TRANSFERS IN	\$0	\$71,050	\$3,000,000	\$0	\$0	\$0
Total Revenues	\$81,907	\$71,550	\$3,020,000	\$15,000	\$10,000	\$5,000

Expenditures by Object

Historical Expenditures by Object

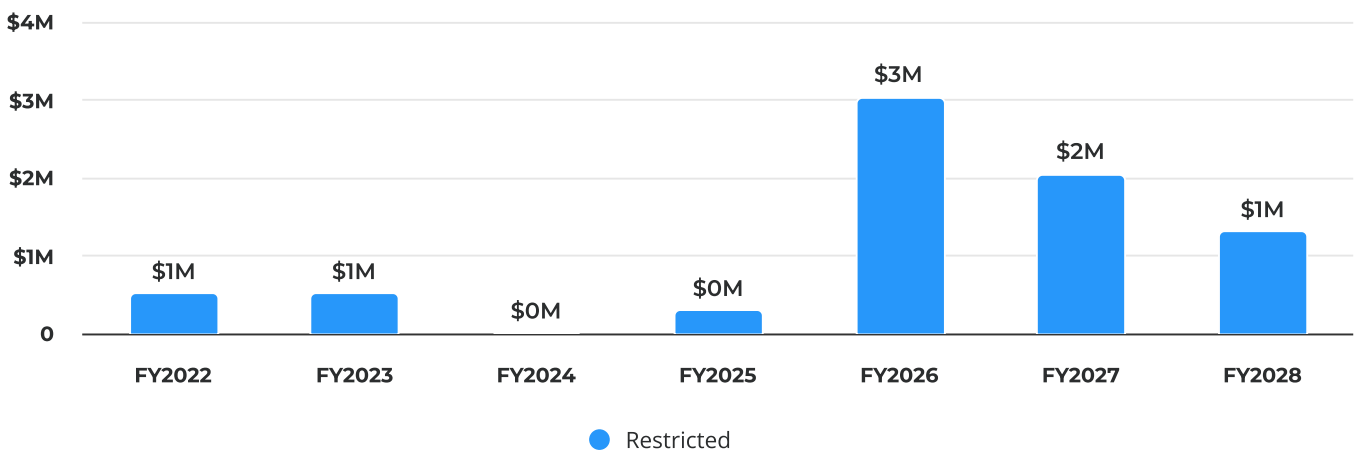


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$0	\$10,000	\$0	\$0	\$0	\$0
CAPITAL OUTLAY	\$0	\$0	\$0	\$50,000	\$0	\$0
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$348,065	\$186,050	\$284,000	\$1,179,000	\$750,000	\$750,000
Total Expenditures	\$348,065	\$196,050	\$284,000	\$1,229,000	\$750,000	\$750,000

Fund Balance

Fund Balance Projections



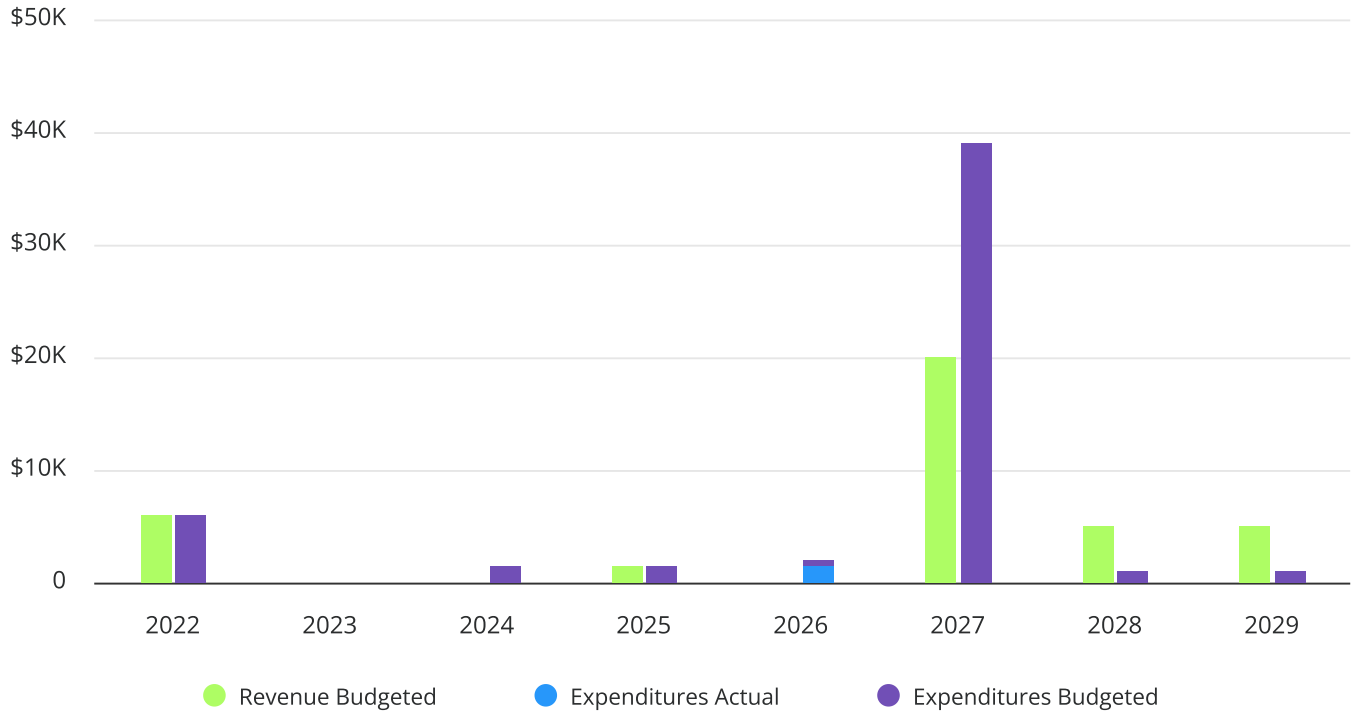
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$518,057	\$5,485	\$290,670	\$3,026,670
Total Fund Balance	\$518,057	\$5,485	\$290,670	\$3,026,670

Traverse City/Garfield Joint Planning Fund (241)

This fund was created to account for the Joint Planning Commission costs such as packets, public notification and legal fees. Contributions, when required, are provided equally by the City of Traverse City and Charter Township of Garfield.

Revenues vs Expenditures Summary

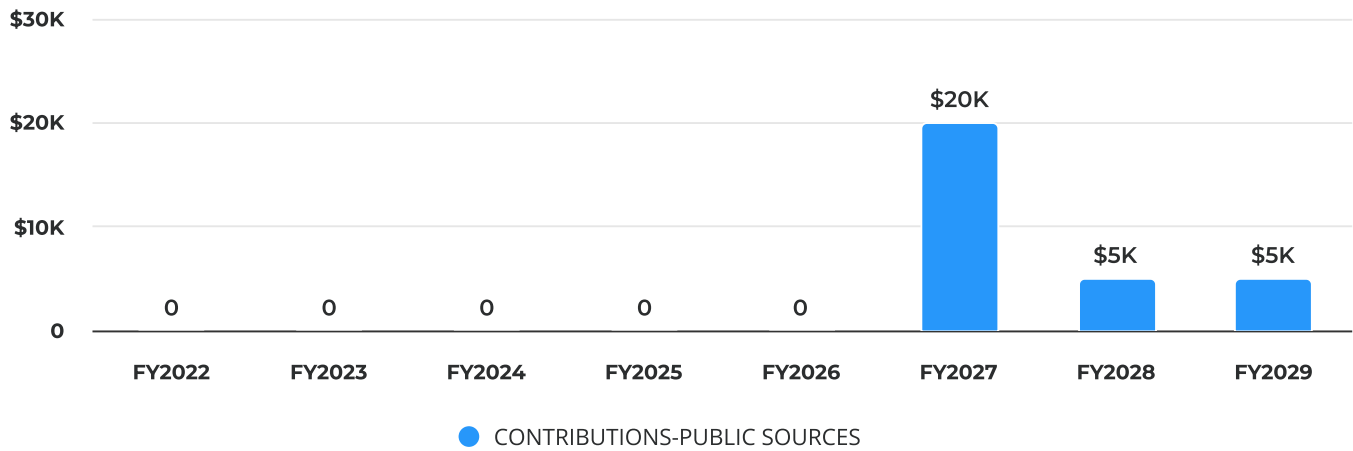


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$20,140	\$20,140	\$20,140	\$18,640	-\$360	\$3,640
Revenues						
OTHER REVENUE	\$0	\$0	\$0	\$20,000	\$5,000	\$5,000
Total Revenues	\$0	\$0	\$0	\$20,000	\$5,000	\$5,000
Expenditures						
PROFESSIONAL SERVICES	\$0	\$1,500	\$1,000	\$38,000	\$0	\$0
PRINTING & PUBLISHING	\$0	\$500	\$500	\$1,000	\$1,000	\$1,000
Total Expenditures	\$0	\$2,000	\$1,500	\$39,000	\$1,000	\$1,000
Total Revenues Less Expenditures	\$0	-\$2,000	-\$1,500	-\$19,000	\$4,000	\$4,000
Ending Fund Balance	\$20,140	\$18,140	\$18,640	-\$360	\$3,640	\$7,640

There has been very little activity in this fund over the years. We are planning the intentional use of fund balance rather than requesting an appropriation from the City & Garfield Township.

Historical Revenues by Object



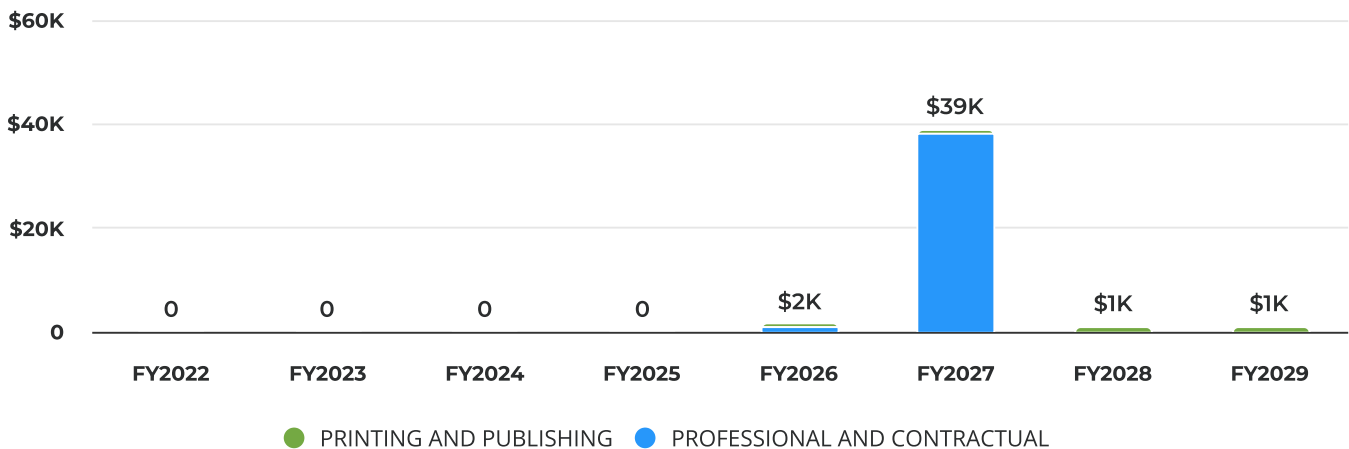
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CONTRIBUTIONS-PUBLIC SOURCES	\$0	\$0	\$0	\$20,000	\$5,000	\$5,000
Total Revenues	\$0	\$0	\$0	\$20,000	\$5,000	\$5,000

Expenditures by Object

The adoption of the Grand Traverse Commons Development Regulations in 2017 greatly streamlined the review, approval, and permitting processes for the Commons. With most uses allowed by right and the staff of the City and Township managing the administration, fund expenses have been minimal to non-existent over the last five years. For FY2027, however, the Joint Planning Commission and staff will begin the process of rewriting the Commons Master Plan. Adopted in 2010, the current master plan created a framework for the creation of the development regulations and processes in support of the continued investment and redevelopment of the property. Multiple agencies, associations, and entities have ownership stakes in the Commons today and creating a new master plan that emphasizes ongoing governance within the Commons will be critical in maintaining a sustainable and resilient asset to the community. A local consultant will be retained to provide additional capacity to complete this meaningful update in a timely manner.

Historical Expenditures by Object

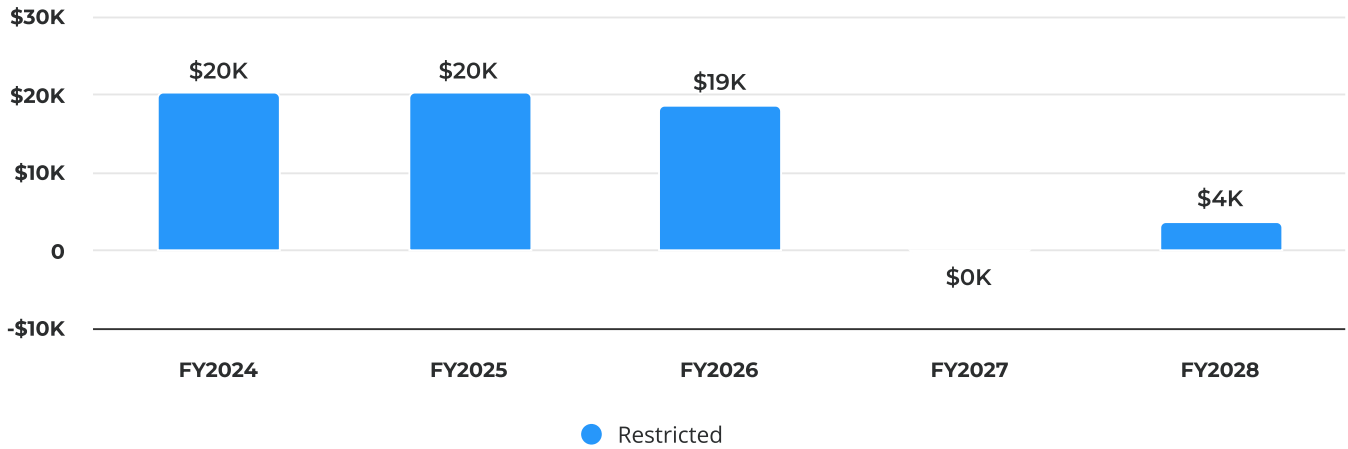


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$0	\$1,500	\$1,000	\$38,000	\$0	\$0
PRINTING AND PUBLISHING	\$0	\$500	\$500	\$1,000	\$1,000	\$1,000
Total Expenditures	\$0	\$2,000	\$1,500	\$39,000	\$1,000	\$1,000

Fund Balance

Fund Balance Projections



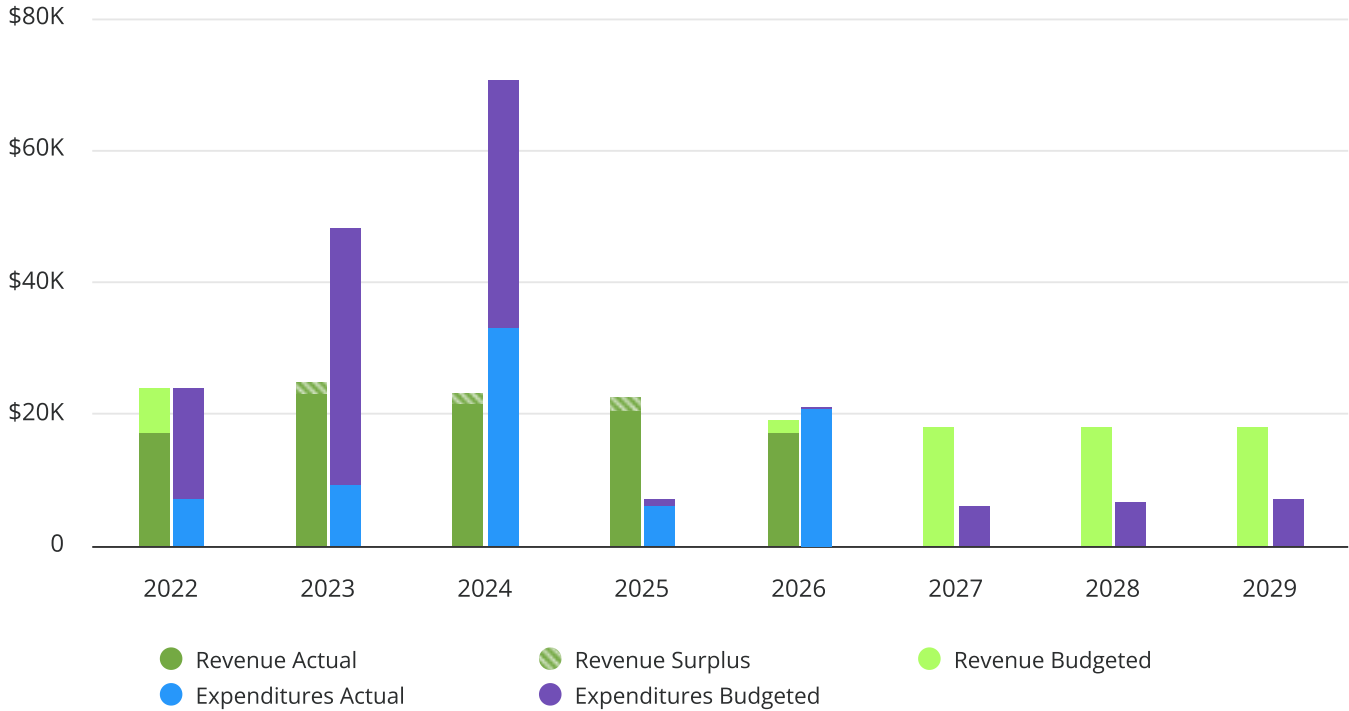
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$0	\$20,140	\$20,140	\$18,640
Total Fund Balance		\$20,140	\$20,140	\$18,640

PEG Capital Fund (251)

This fund was created to account for the franchise fees received from the local cable provider related to providing the public education and government channel. Proceeds are used to upgrade equipment used to provide programming for the channel.

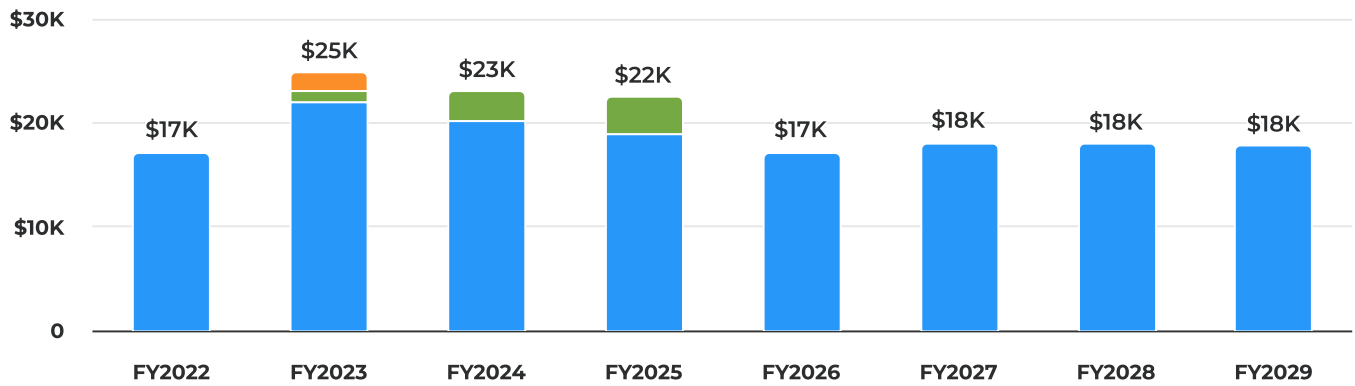
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$116,362	\$132,800	\$132,800	\$129,200	\$141,200	\$152,600
Revenues						
OTHER REVENUE	\$22,458	\$19,000	\$17,100	\$18,000	\$17,900	\$17,800
Total Revenues	\$22,458	\$19,000	\$17,100	\$18,000	\$17,900	\$17,800
Expenditures						
CAPITAL OUTLAY	\$6,020	\$21,200	\$20,700	\$6,000	\$6,500	\$7,000
Total Expenditures	\$6,020	\$21,200	\$20,700	\$6,000	\$6,500	\$7,000
Total Revenues Less Expenditures	\$16,438	-\$2,200	-\$3,600	\$12,000	\$11,400	\$10,800
Ending Fund Balance	\$132,800	\$130,600	\$129,200	\$141,200	\$152,600	\$163,400

Historical Revenues by Object



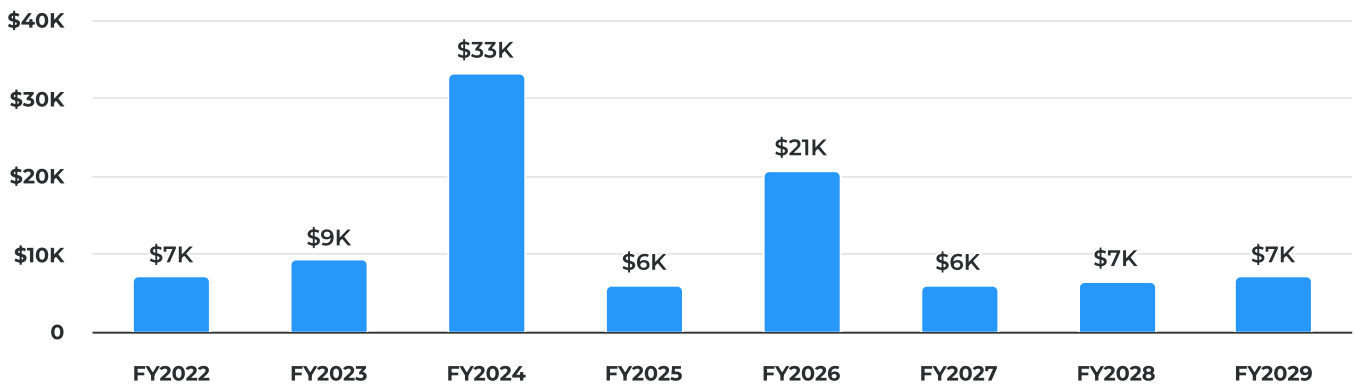
● CONTRIBUTIONS-PUBLIC SOURCES
 ● INTEREST & DIVIDEND EARNINGS
 ● CONTRIBUTIONS-PRIVATE SOURCES

Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$3,639	\$0	\$0	\$0	\$0	\$0
CONTRIBUTIONS-PRIVATE SOURCES	\$18,819	\$19,000	\$17,100	\$18,000	\$17,900	\$17,800
Total Revenues	\$22,458	\$19,000	\$17,100	\$18,000	\$17,900	\$17,800

Expenditures by Object

Historical Expenditures by Object



● CAPITAL OUTLAY

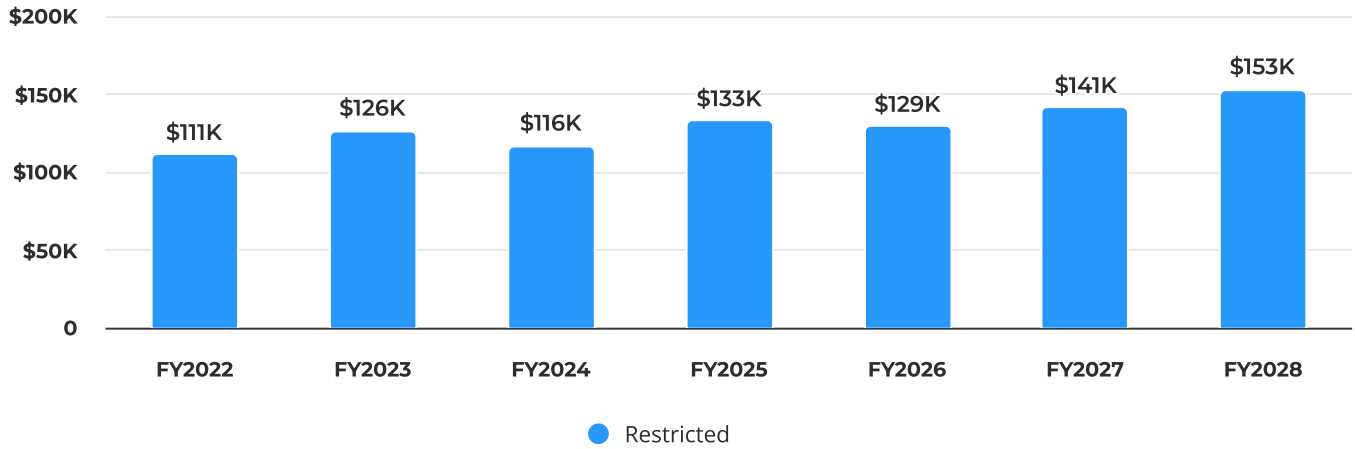
Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CAPITAL OUTLAY	\$6,020	\$21,200	\$20,700	\$6,000	\$6,500	\$7,000
Total Expenditures	\$6,020	\$21,200	\$20,700	\$6,000	\$6,500	\$7,000

2025/2026 includes \$15,000 for a retainer agreement with counsel to renegotiate the franchise agreement with Charter Communications jointly with other Townships.

Fund Balance

Fund Balance Projections



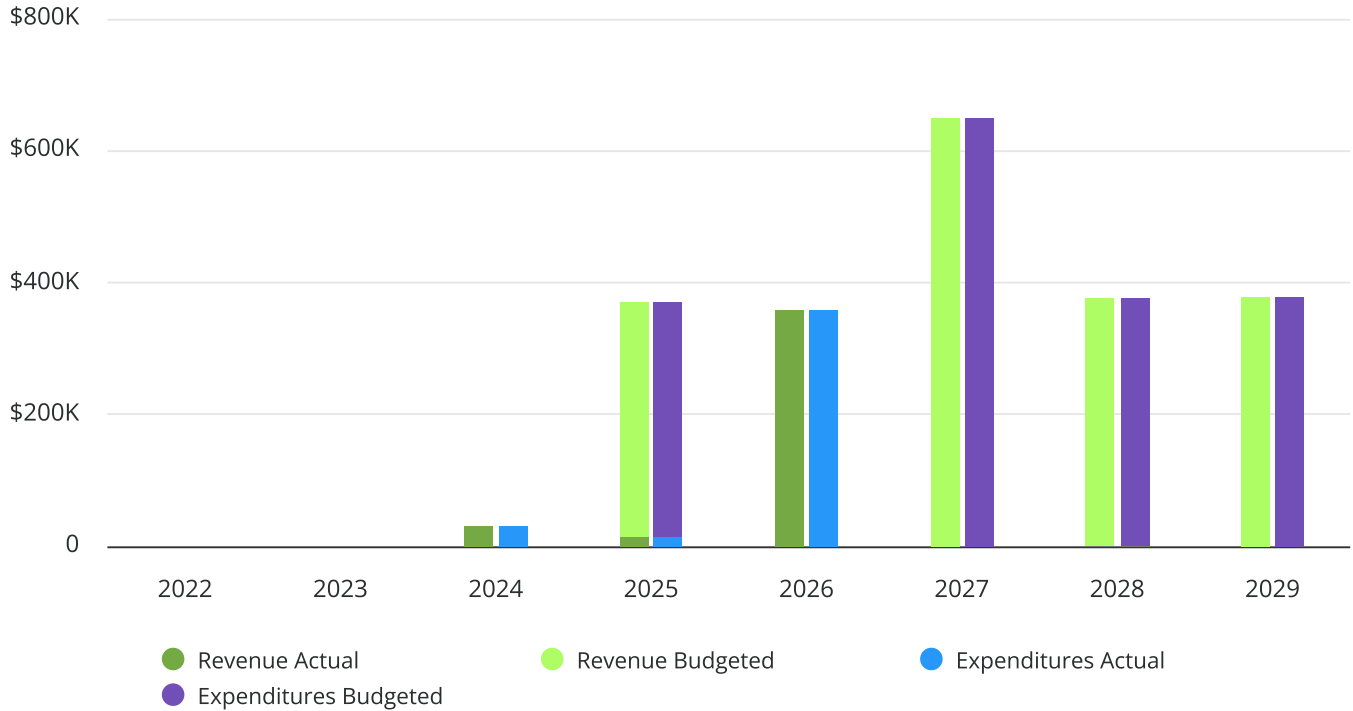
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$126,475	\$116,362	\$132,800	\$129,200
Total Fund Balance	\$126,475	\$116,362	\$132,800	\$129,200

CDBG Grant SEFA#14.218 Fund (272)

This fund was established in 2024 to account for the City's participation in the CDBG entitlement grant program.

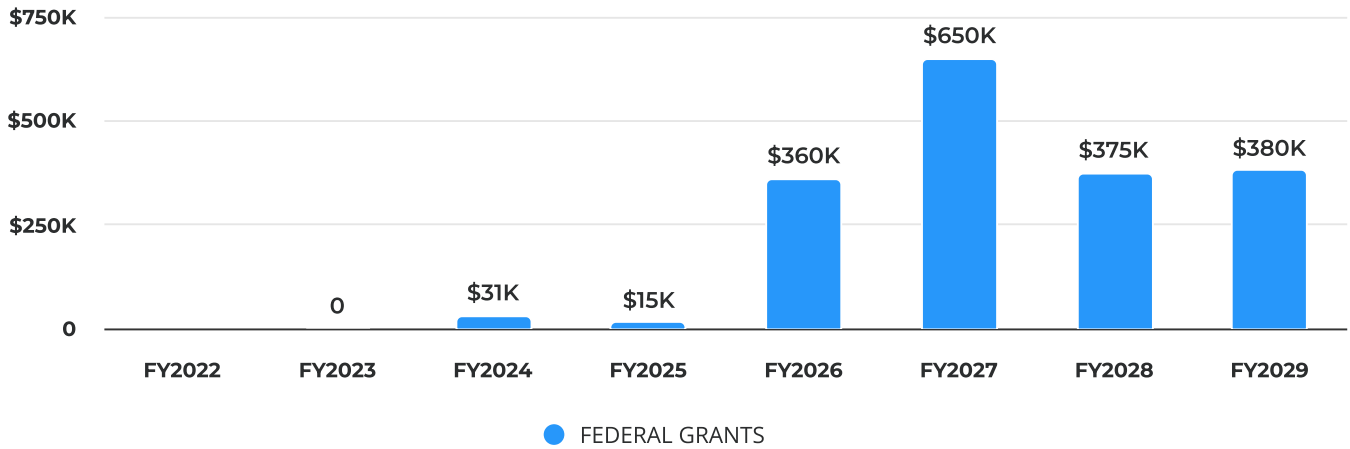
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0
Revenues						
INTERGOVERNMENTAL	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
Total Revenues	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
Expenditures						
PROFESSIONAL SERVICES	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
Total Expenditures	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
Total Revenues Less Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0

Historical Revenues by Object

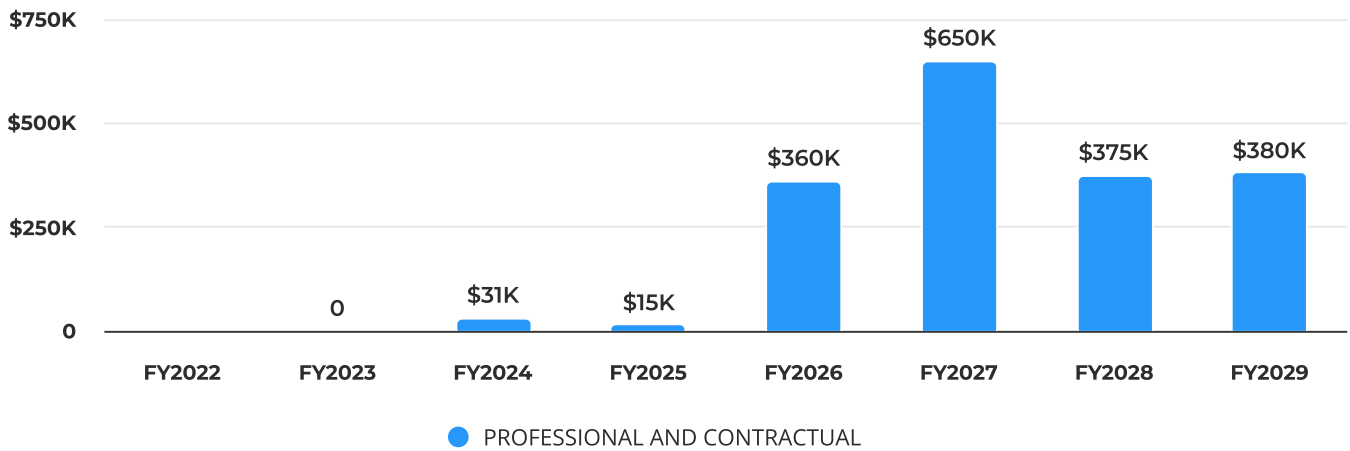


Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
FEDERAL GRANTS	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
Total Revenues	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000

Expenditures by Object

Historical Expenditures by Object



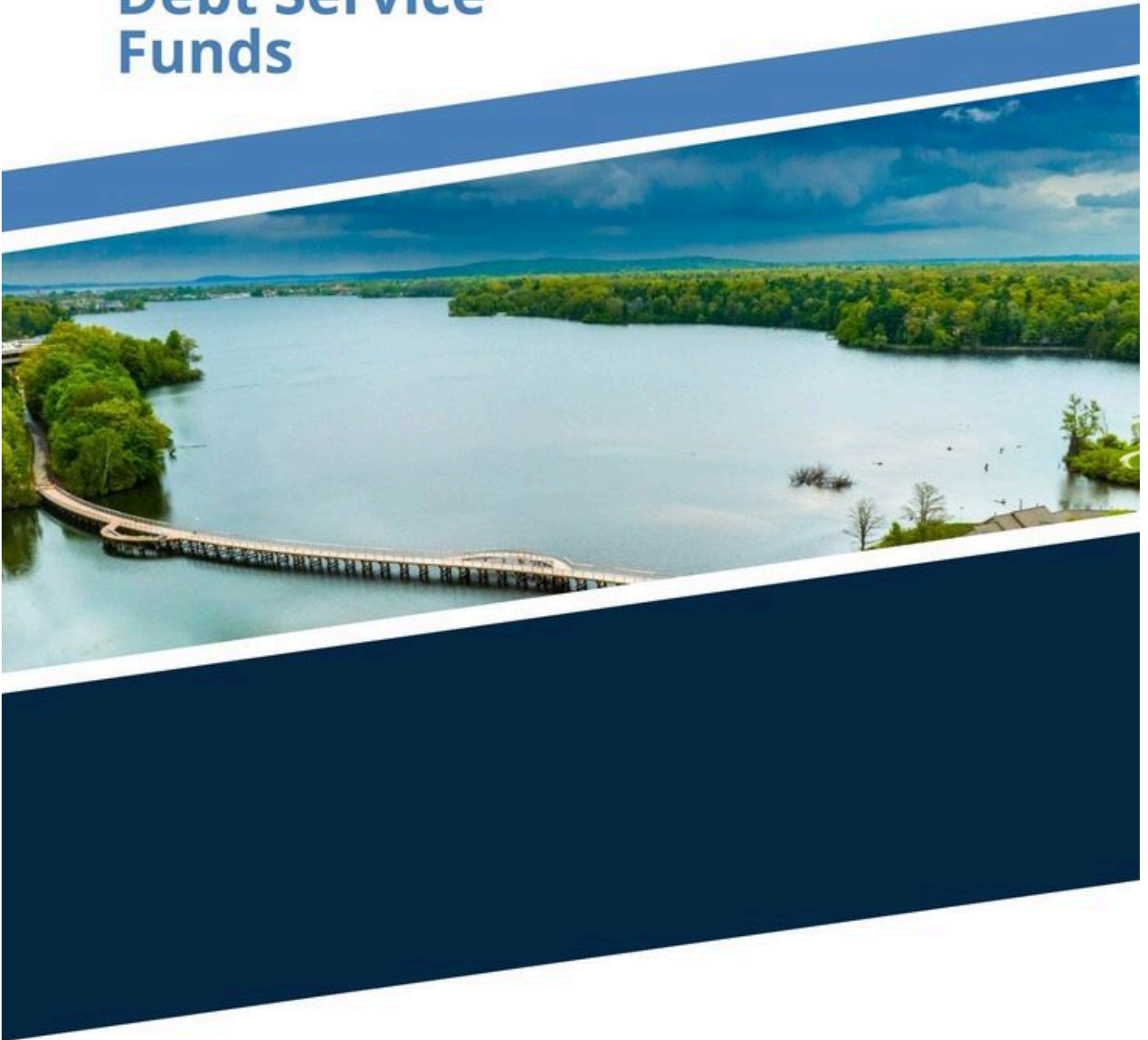
Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000
Total Expenditures	\$15,235	\$360,000	\$360,000	\$650,000	\$375,000	\$380,000

The annual federal allocation of Community Development Block Grant (CDBG) funds for FY26/27 is estimated to be approximately \$370,000 with residual funds of roughly \$250,000 from prior years available as well. The specific allocations and recipients of the funding will be determined throughout the fiscal year in alignment with the Department of Housing and Urban Development’s (HUD) program timeline and approved by the City Commission. The allocation of the funds must comply with the federal programmatic requirements, be consistent with the overarching local five-year CDBG plan, and be identified in the annual work plan authorized under the five-year plan. Engagement with eligible stakeholders is already underway to identify the projects to be funded in the upcoming fiscal year.

The residual funds are the result of selected recipients who were not able to utilize the allocated funds. They can be repurposed, but require amending the five-year plan and the last two annual work plans to reflect the change in distribution. This process is already under way and will be presented to the City Commission for approval before the distribution of funds.

Debt Service Funds

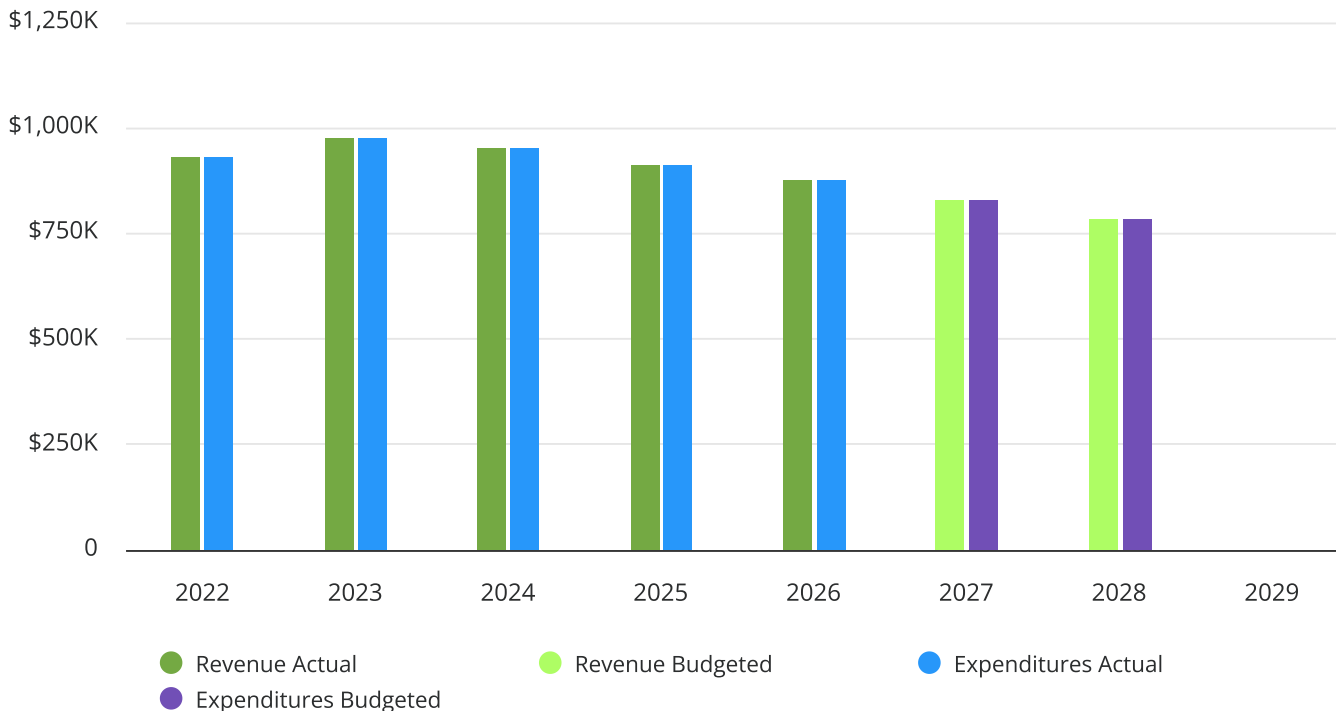


The debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on Governmental Fund Type Debt.

Parking Bond Debt Retirement Fund (306)

This fund is established to account for the payment of the debt service of the tax-exempt portion of limited tax general obligation bonds outstanding for the Hardy Parking Deck and related projects. Final payment is scheduled for 4/1/2028.

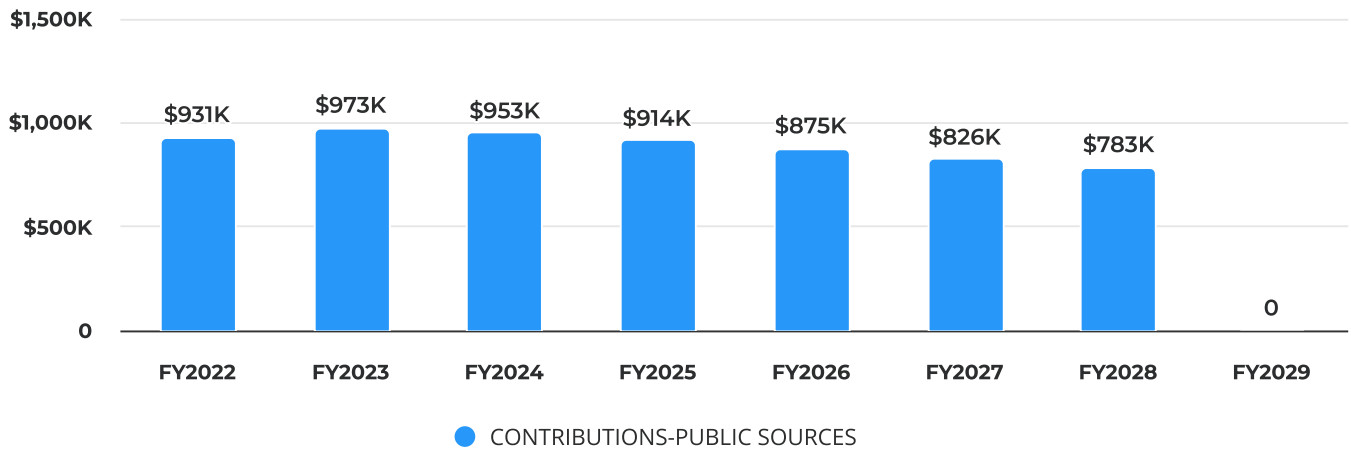
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676
Revenues						
OTHER REVENUE	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	\$0
Total Revenues	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	\$0
Expenditures						
PRINCIPAL	\$840,000	\$820,000	\$820,000	\$790,000	\$765,000	\$0
INTEREST EXPENSE & FEES	\$73,720	\$54,500	\$54,500	\$35,700	\$17,600	\$0
Total Expenditures	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	\$0
Total Revenues Less Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676	\$3,676

Historical Revenues by Object



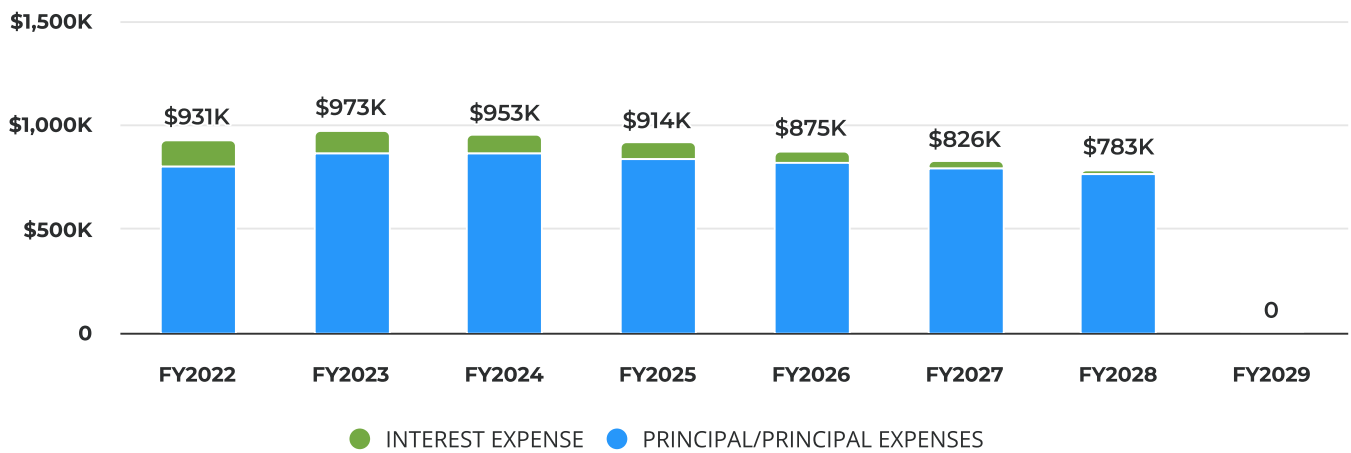
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CONTRIBUTIONS-PUBLIC SOURCES	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	\$0
Total Revenues	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	\$0

Revenue is reimbursement from DDA for Hardy Parking Deck bond payment

Expenditures by Object

Historical Expenditures by Object

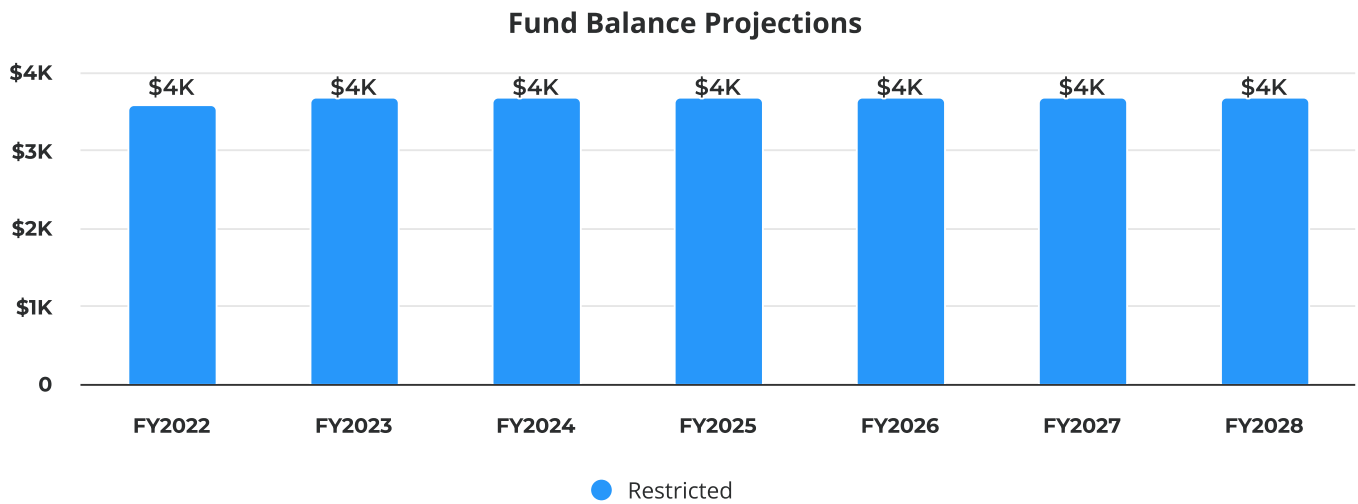


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PRINCIPAL/PRINCIPAL EXPENSES	\$840,000	\$820,000	\$820,000	\$790,000	\$765,000	\$0
INTEREST EXPENSE	\$73,720	\$54,500	\$54,500	\$35,700	\$17,600	\$0
Total Expenditures	\$913,720	\$874,500	\$874,500	\$825,700	\$782,600	\$0

Principal & interest payment due on Hardy Parking Deck bond payment

Fund Balance



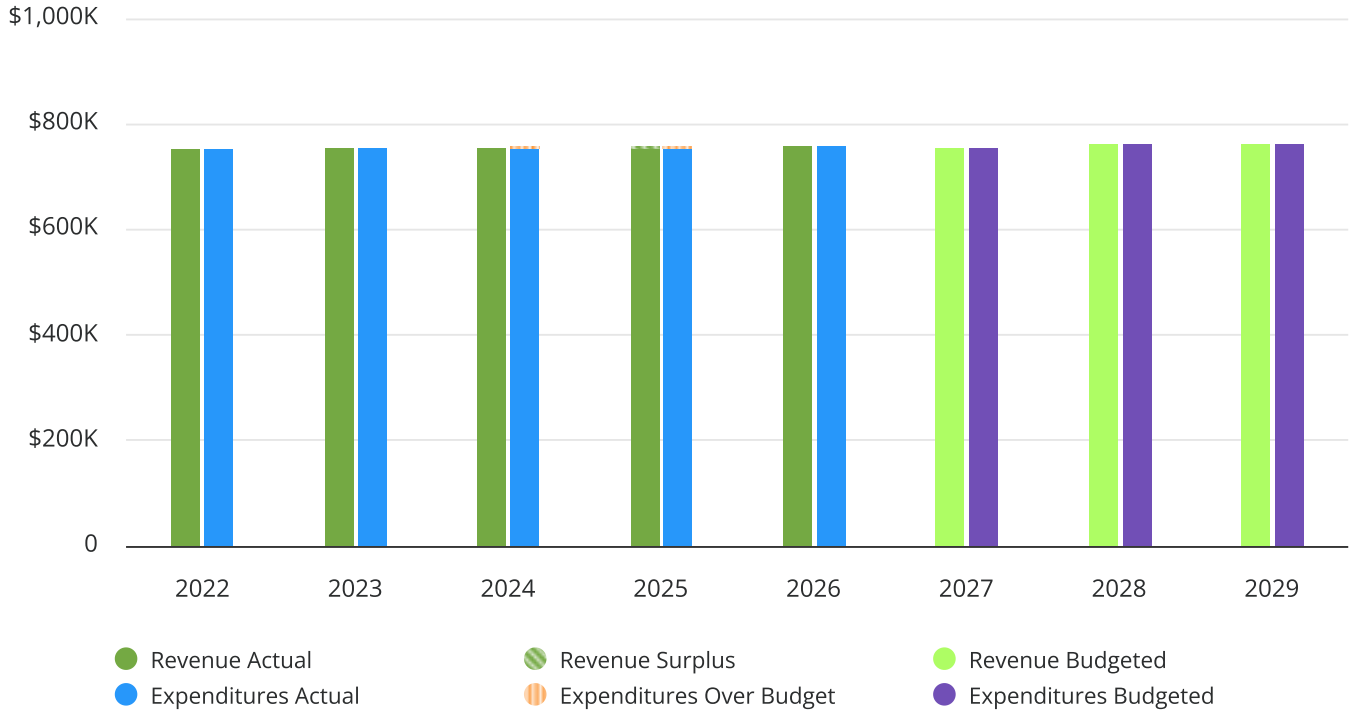
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$3,676	\$3,676	\$3,676	\$3,676
Total Fund Balance	\$3,676	\$3,676	\$3,676	\$3,676

Sidewalk & Trail Debt Retirement Fund (309)

This fund was established to account for the payment of the debt service of the limited tax general obligation bonds for Sidewalk improvements and West Boardman Lake Trail expansion. Final payment is scheduled on 10/1/2033

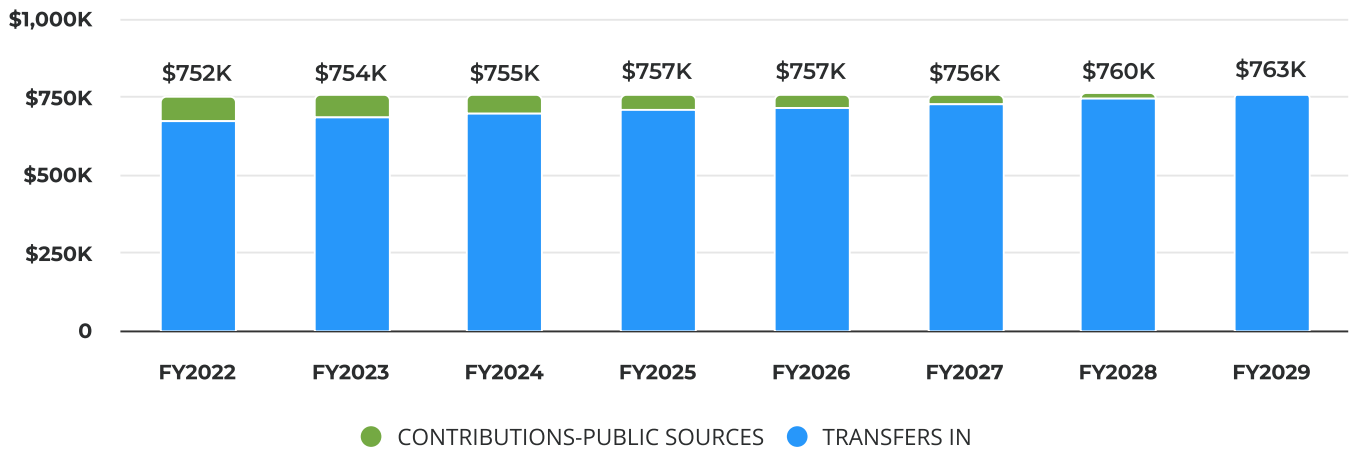
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$50	\$50	\$50	\$150	\$150	\$150
Revenues						
OTHER REVENUE	\$51,200	\$40,400	\$40,500	\$29,400	\$17,900	\$6,000
TRANSFER IN	\$705,667	\$716,000	\$716,000	\$726,600	\$742,000	\$757,000
Total Revenues	\$756,866	\$756,400	\$756,500	\$756,000	\$759,900	\$763,000
Expenditures						
PRINCIPAL	\$605,000	\$625,000	\$625,000	\$645,000	\$670,000	\$695,000
INTEREST EXPENSE & FEES	\$151,866	\$131,400	\$131,400	\$111,000	\$89,900	\$68,000
Total Expenditures	\$756,866	\$756,400	\$756,400	\$756,000	\$759,900	\$763,000
Total Revenues Less Expenditures	\$0	\$0	\$100	\$0	\$0	\$0
Ending Fund Balance	\$50	\$50	\$150	\$150	\$150	\$150

Historical Revenues by Object



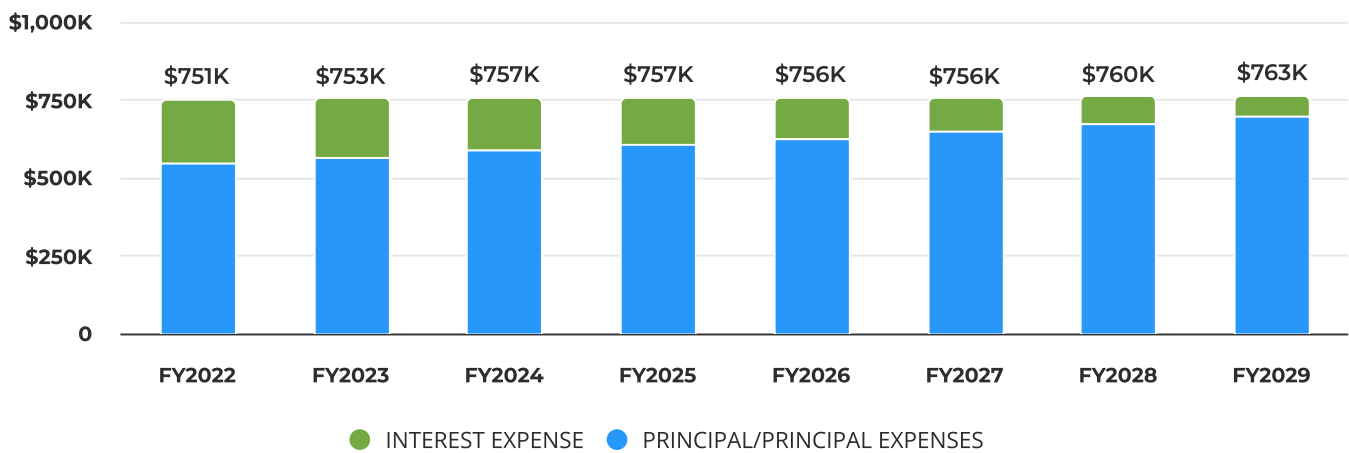
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CONTRIBUTIONS-PUBLIC SOURCES	\$51,200	\$40,400	\$40,500	\$29,400	\$17,900	\$6,000
TRANSFERS IN	\$705,667	\$716,000	\$716,000	\$726,600	\$742,000	\$757,000
Total Revenues	\$756,866	\$756,400	\$756,500	\$756,000	\$759,900	\$763,000

Public contribution is reimbursement from Boardman Lake Brownfield for interest expense on Boardman Lake trail portion or bond. A portion of the transfer in is from fund 488 Boardman Lake Trail Const Fund, the balance is from the general fund to cover the sidewalk portion of the bond.

Expenditures by Object

Historical Expenditures by Object

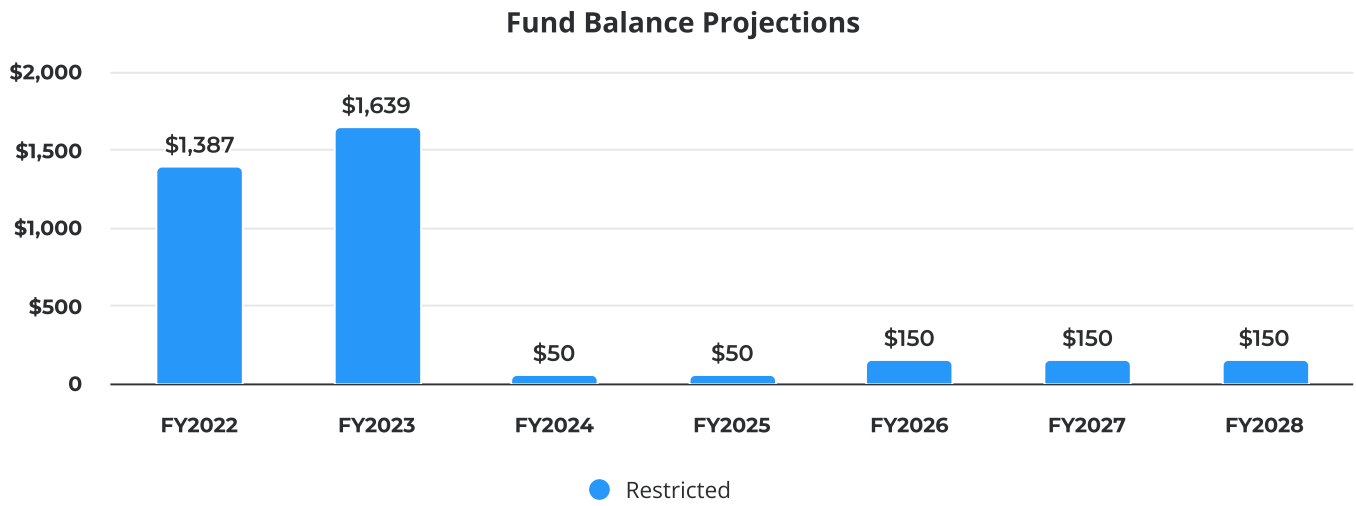


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PRINCIPAL/PRINCIPAL EXPENSES	\$605,000	\$625,000	\$625,000	\$645,000	\$670,000	\$695,000
INTEREST EXPENSE	\$151,866	\$131,400	\$131,400	\$111,000	\$89,900	\$68,000
Total Expenditures	\$756,866	\$756,400	\$756,400	\$756,000	\$759,900	\$763,000

Principal & interest bond payment

Fund Balance



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$1,639	\$50	\$50	\$150
Total Fund Balance	\$1,639	\$50	\$50	\$150

Capital Projects Funds

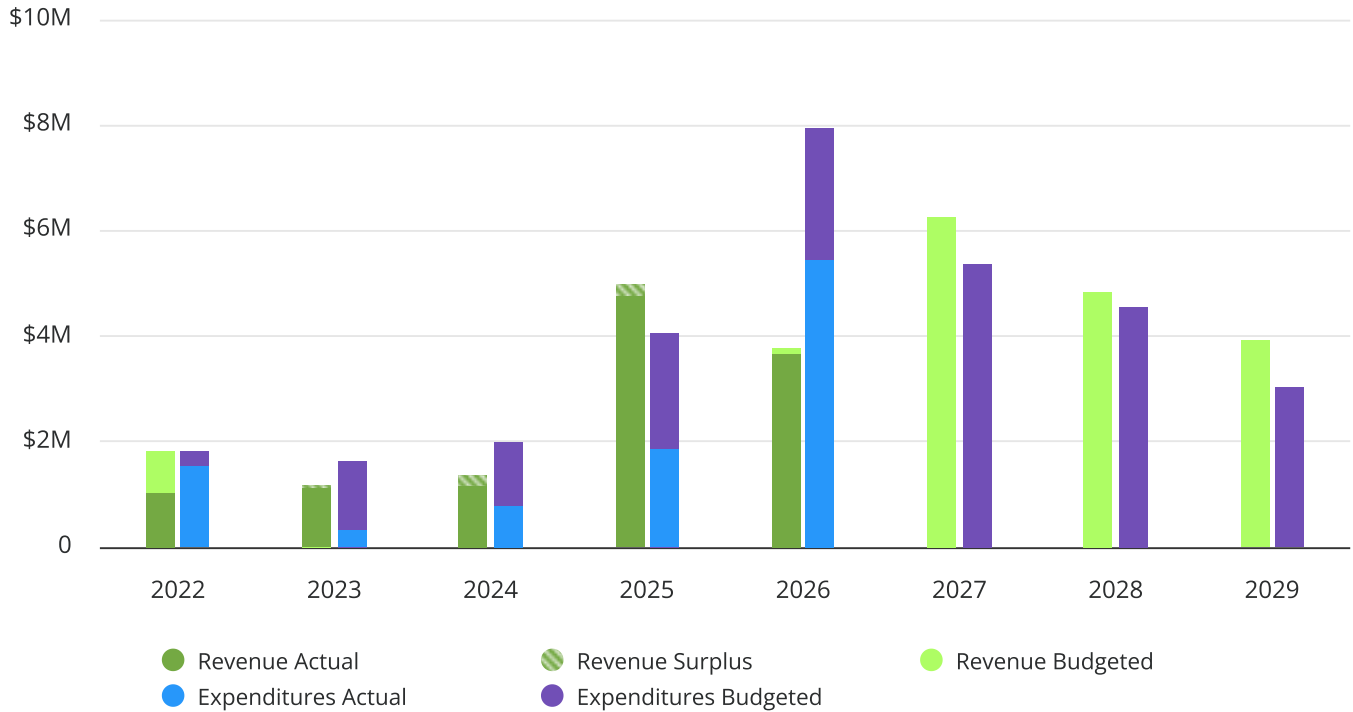


The Capital Projects Funds accounts for transfers from the General Fund and various grants for miscellaneous equipment transactions, property development and construction projects. The capital project funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Street Improvement Fund (447)

This fund was initially established to track proceeds from the Grand Traverse County Road Commission for the City's share of a voter-approved Street Improvement Millage. With the Chart of Accounts conversion, we moved the 1.000 mill of the City General Operating millage dedicated for City Street projects to this fund. This allows for all road construction funding to all be accounted for in one fund. We have separated the activity by department for appropriate tracking capabilities.

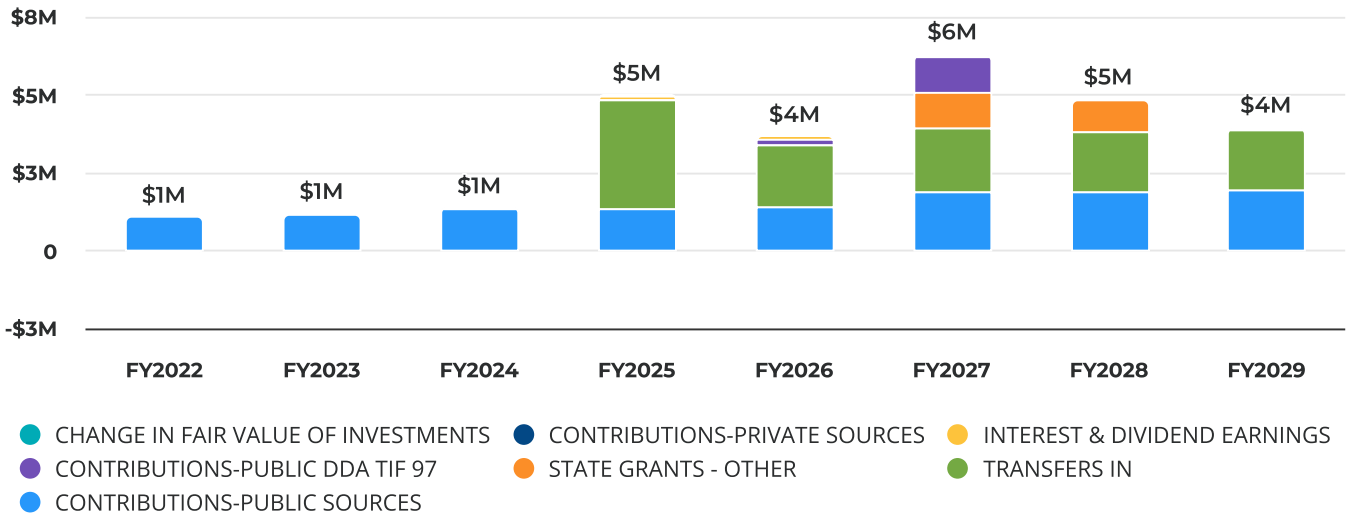
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$3,107,371	\$6,220,310	\$6,220,310	\$4,443,910	\$5,335,010	\$5,631,110
Revenues						
INTERGOVERNMENTAL	\$0	\$0	\$0	\$1,175,000	\$1,000,000	\$0
OTHER REVENUE	\$1,472,114	\$1,800,800	\$1,675,800	\$3,090,400	\$1,936,800	\$1,957,900
TRANSFER IN	\$3,509,038	\$1,971,800	\$1,989,700	\$2,015,400	\$1,912,300	\$1,972,000
Total Revenues	\$4,981,153	\$3,772,600	\$3,665,500	\$6,280,800	\$4,849,100	\$3,929,900
Expenditures						
CAPITAL OUTLAY	\$1,793,220	\$7,921,500	\$5,441,900	\$5,389,700	\$4,553,000	\$3,016,000
TRANSFER OUT	\$75,000	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,868,220	\$7,921,500	\$5,441,900	\$5,389,700	\$4,553,000	\$3,016,000
Total Revenues Less Expenditures	\$3,112,932	-\$4,148,900	-\$1,776,400	\$891,100	\$296,100	\$913,900
Ending Fund Balance	\$6,220,303	\$2,071,410	\$4,443,910	\$5,335,010	\$5,631,110	\$6,545,010

Historical Revenues by Object



Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
STATE GRANTS - OTHER	\$0	\$0	\$0	\$1,175,000	\$1,000,000	\$0
INTEREST & DIVIDEND EARNINGS	\$113,914	\$50,000	\$113,000	\$50,000	\$50,000	\$50,000
CONTRIBUTIONS-PRIVATE SOURCES	\$30,924	\$0	\$3,600	\$0	\$0	\$0
CONTRIBUTIONS-PUBLIC SOURCES	\$1,322,776	\$1,250,800	\$1,375,200	\$1,876,300	\$1,886,800	\$1,907,900
TRANSFERS IN	\$3,509,038	\$1,971,800	\$1,989,700	\$2,015,400	\$1,912,300	\$1,972,000
CONTRIBUTIONS-PUBLIC DDA TIF 97	\$4,500	\$500,000	\$184,000	\$1,164,100	\$0	\$0
Total Revenues	\$4,981,153	\$3,772,600	\$3,665,500	\$6,280,800	\$4,849,100	\$3,929,900

- Public Contribution is estimated County road millage revenue.
- Transfers In is 1.000 mil dedicated for street improvements, 2025/2026 also includes balance of street projects that had been budgeted in Capital Projects fund.

2026/2027 General Fund Transfer proposed projects

Transfers to Street Capital Projects Fund #447

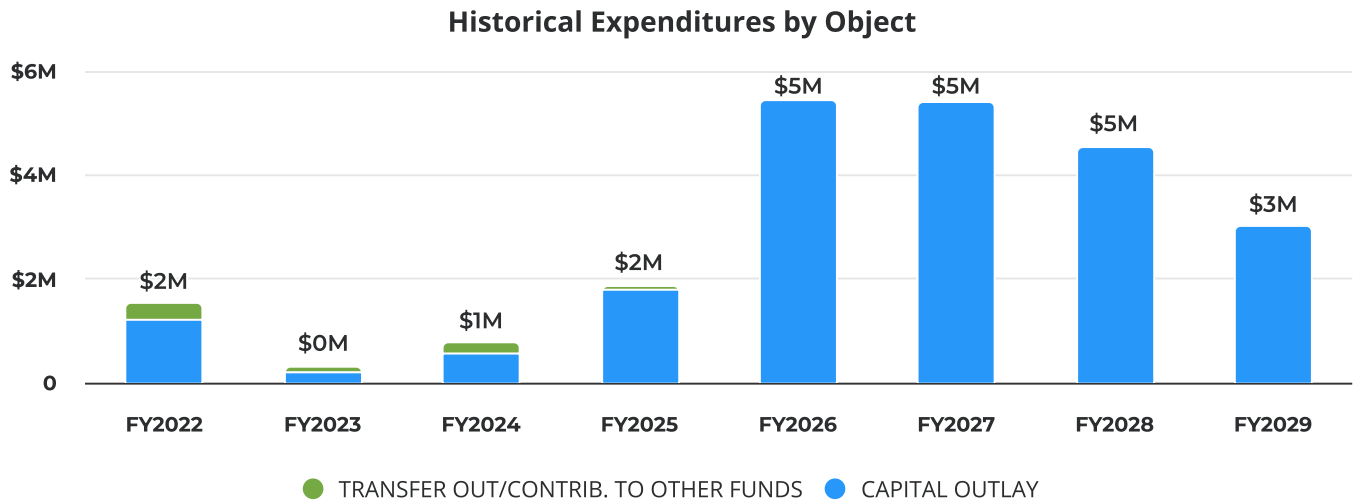
Annual Street Reconstruction	\$	995,500
Annual Stormwater Issues		100,000
Annual Traffic Signals		400,000
Annual Complete Streets		269,900
7th Street Reconstruction Design Phase		250,000
Total	\$	2,015,400

TIF Funding:

2026/2027 projects funded by TIF

State Street Crosswalks	345,500	TIF 97
Union & 7th Intersection	700,000	OLD TOWN TIF
State Street Two Way	118,600	TIF 97
Total	\$	1,164,100

Expenditures by Object



Expenditures by Object

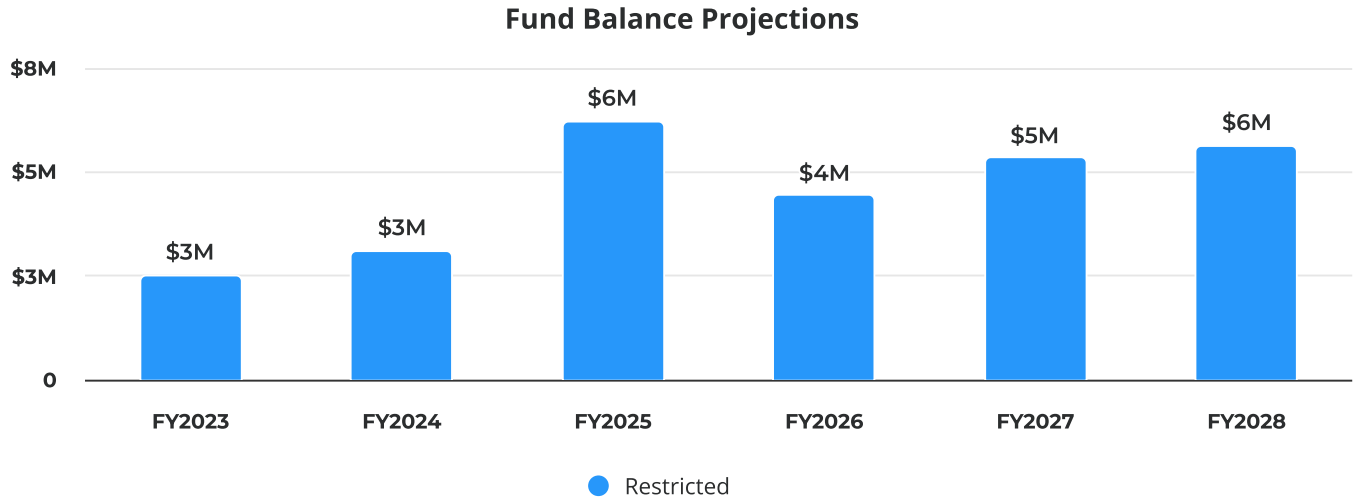
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CAPITAL OUTLAY	\$1,793,220	\$7,921,500	\$5,441,900	\$5,389,700	\$4,553,000	\$3,016,000
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$75,000	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$1,868,220	\$7,921,500	\$5,441,900	\$5,389,700	\$4,553,000	\$3,016,000

We have moved all street projects from fund 499 to 447 for easier tracking. This accounts for the significant jump over last year.

**City of Traverse City
Fund 447 Street Capital Projects Fund
FYE 6/30/27 Project Budget Detail**

11th St. Kids Creek Culverty	\$ 823,000
Street Improvement Plan	100,000
26/27 Street Reconstruction - Monroe St.	633,500
26/27 Pavement Preservation	741,000
State Street Crosswalks	345,500
Union & 7th Intersection	1,078,100
State Street Two Way	118,600
Boardman/Washington/Cass Brownfield Project	500,000
7th Street Reconstruction Design Phase	250,000
HSIP Traffic Signal Improvements	800,000
	\$ 5,389,700

Fund Balance



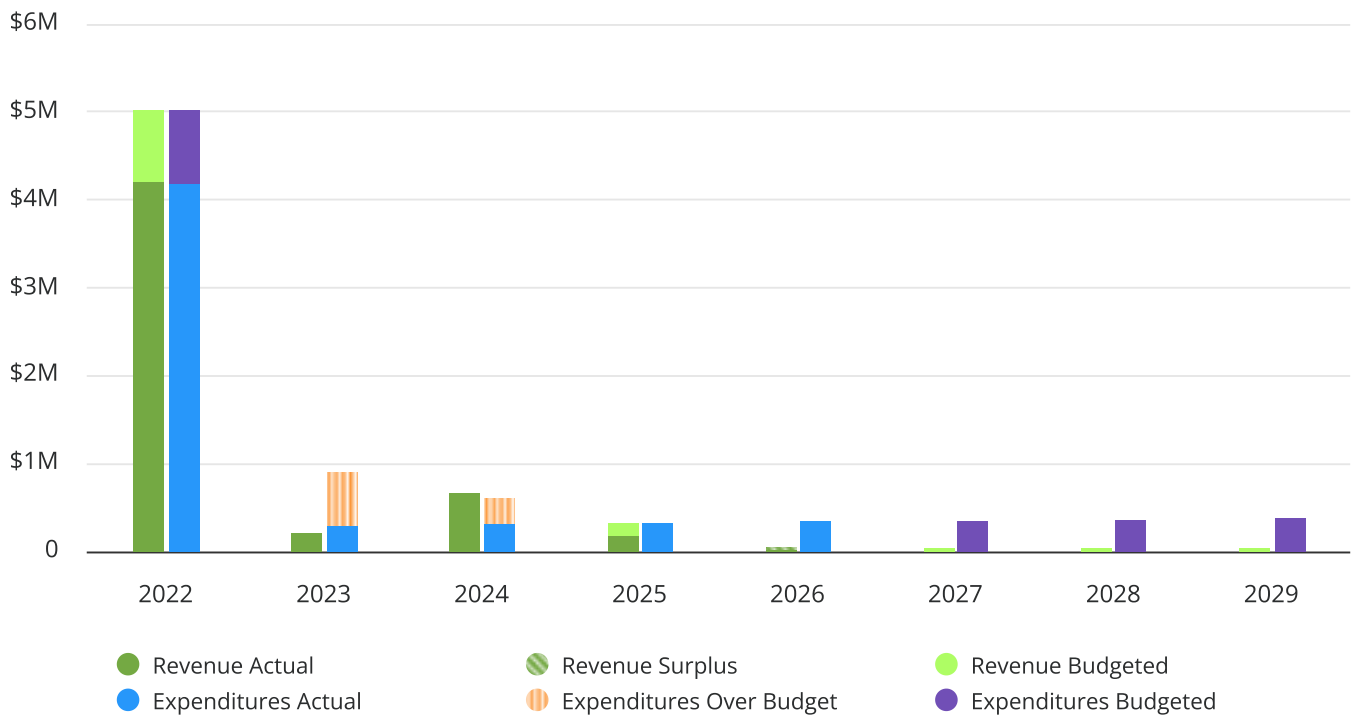
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$2,510,640	\$3,107,371	\$6,220,310	\$4,443,910
Total Fund Balance	\$2,510,640	\$3,107,371	\$6,220,310	\$4,443,910

Boardman Lake Trail Construction Fund (488)

This fund was established to account for the sources and uses of the limited tax general obligation bond undertaken for the construction of the West Boardman Lake Trail Loop. After completion of the trail, annual transfers to the debt service fund will be made from the available fund balance.

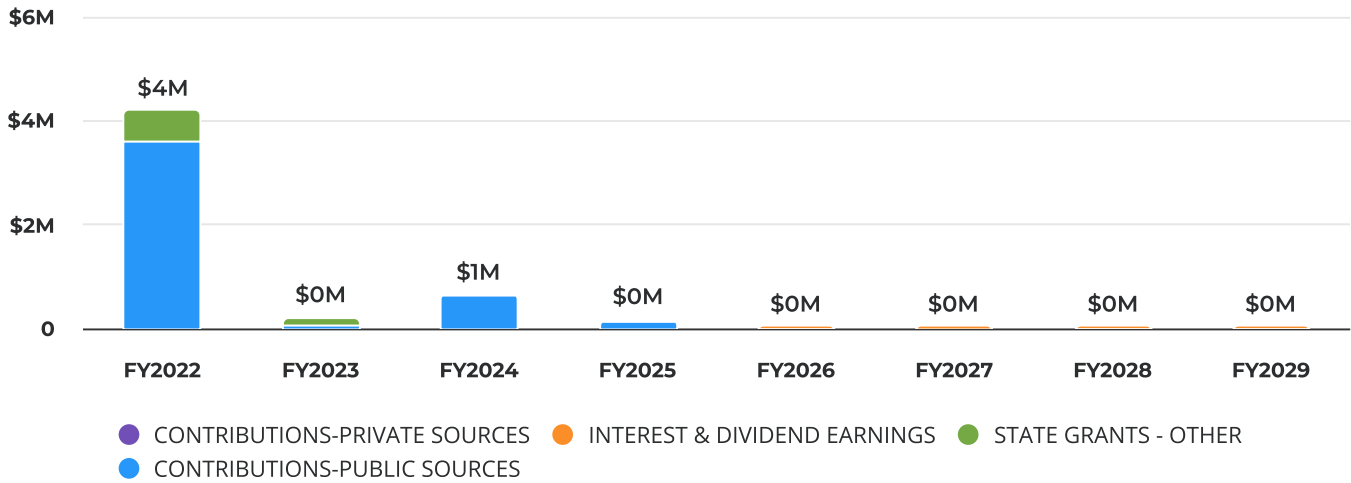
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$1,730,774	\$1,572,320	\$1,572,320	\$1,279,120	\$975,120	\$656,420
Revenues						
OTHER REVENUE	\$171,550	\$24,000	\$46,800	\$46,000	\$46,300	\$46,500
Total Revenues	\$171,550	\$24,000	\$46,800	\$46,000	\$46,300	\$46,500
Expenditures						
TRANSFER OUT	\$330,000	\$340,000	\$340,000	\$350,000	\$365,000	\$375,000
Total Expenditures	\$330,000	\$340,000	\$340,000	\$350,000	\$365,000	\$375,000
Total Revenues Less Expenditures	-\$158,450	-\$316,000	-\$293,200	-\$304,000	-\$318,700	-\$328,500
Ending Fund Balance	\$1,572,324	\$1,256,320	\$1,279,120	\$975,120	\$656,420	\$327,920

Historical Revenues by Object



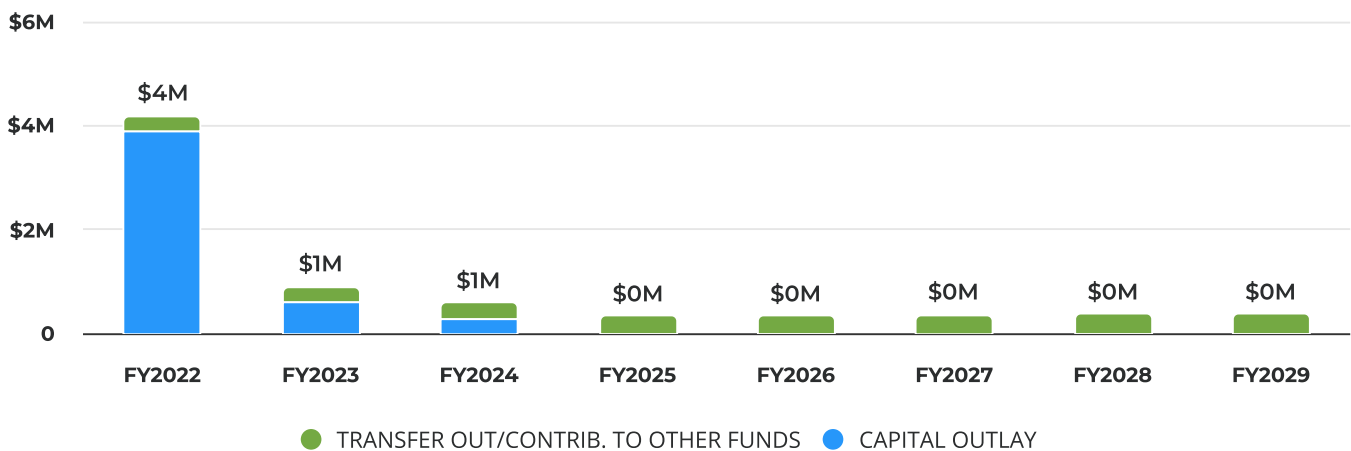
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$47,436	\$24,000	\$46,800	\$46,000	\$46,300	\$46,500
CONTRIBUTIONS-PUBLIC SOURCES	\$124,115	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$171,550	\$24,000	\$46,800	\$46,000	\$46,300	\$46,500

We received the final contribution from Boardman Lake Brownfield tif reimbursement for eligible expenditures in 2025.

Expenditures by Object

Historical Expenditures by Object

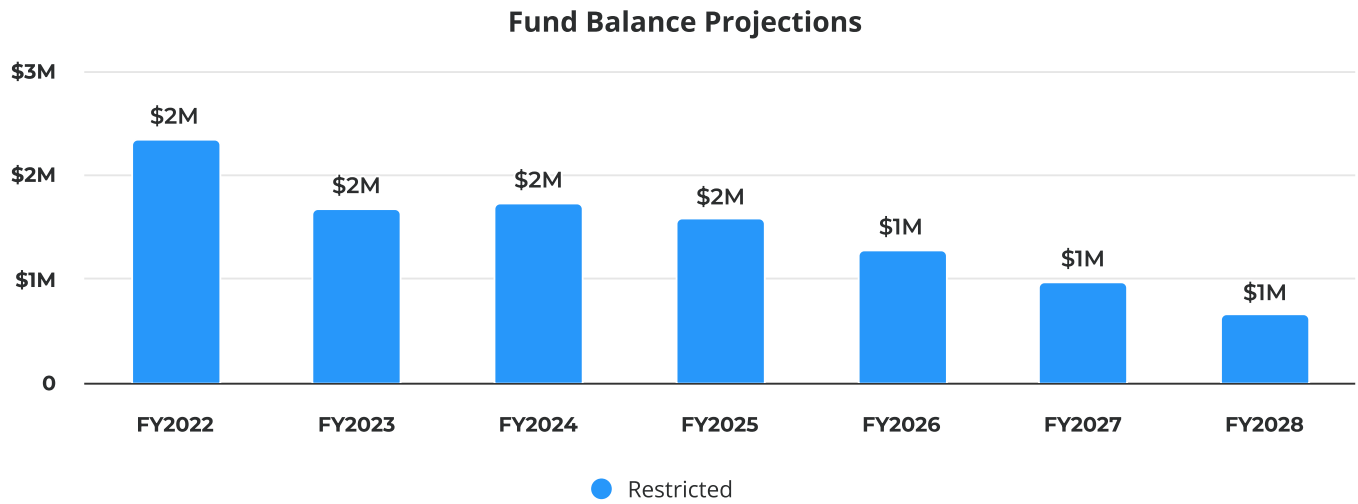


Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$330,000	\$340,000	\$340,000	\$350,000	\$365,000	\$375,000
Total Expenditures	\$330,000	\$340,000	\$340,000	\$350,000	\$365,000	\$375,000

Transfer out to debt fund to cover bond principal payment for boardman lake trail.

Fund Balance



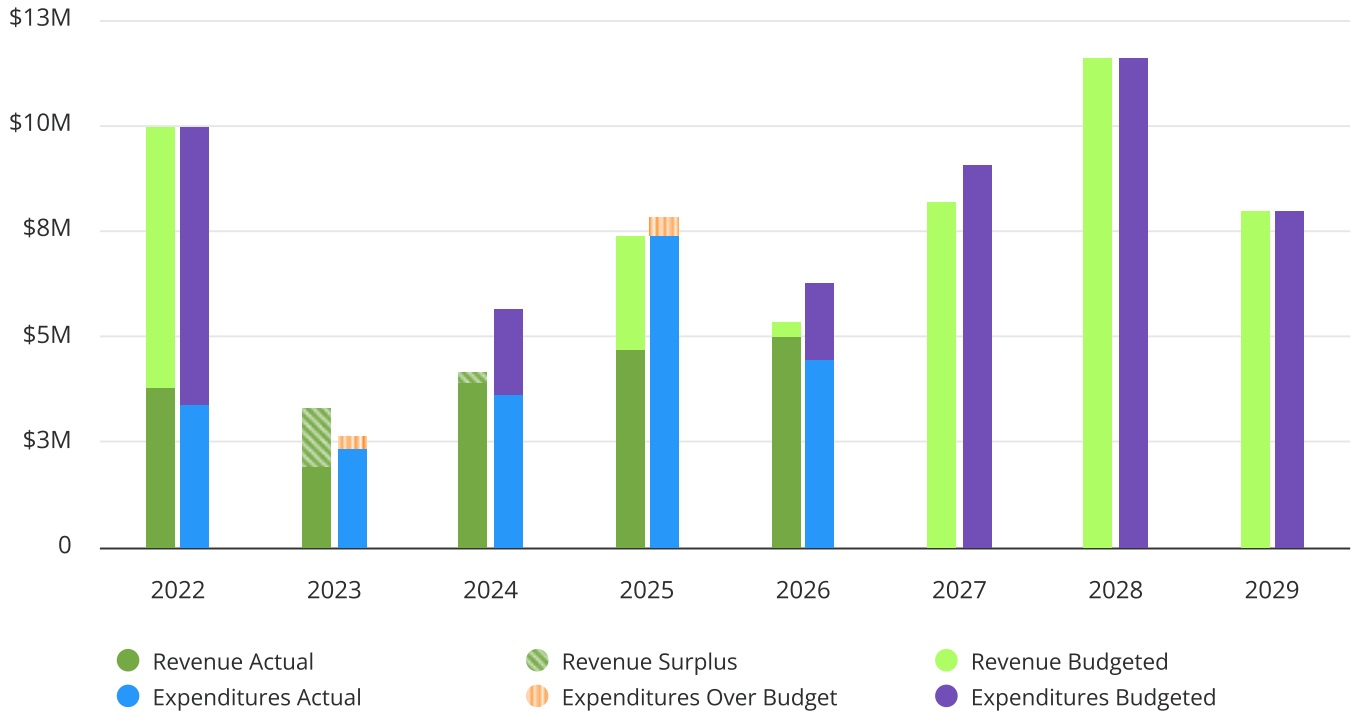
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Restricted	\$1,671,688	\$1,730,774	\$1,572,320	\$1,279,120
Total Fund Balance	\$1,671,688	\$1,730,774	\$1,572,320	\$1,279,120

Capital Projects Fund (499)

This fund was created to account for revenues and expenditures associated with property development and public improvement construction projects. This fund holds the funding proceeds for those projects associated with the City's General Fund as well as multi-source funded projects. Street activity was moved to fund 447 for better tracking capability.

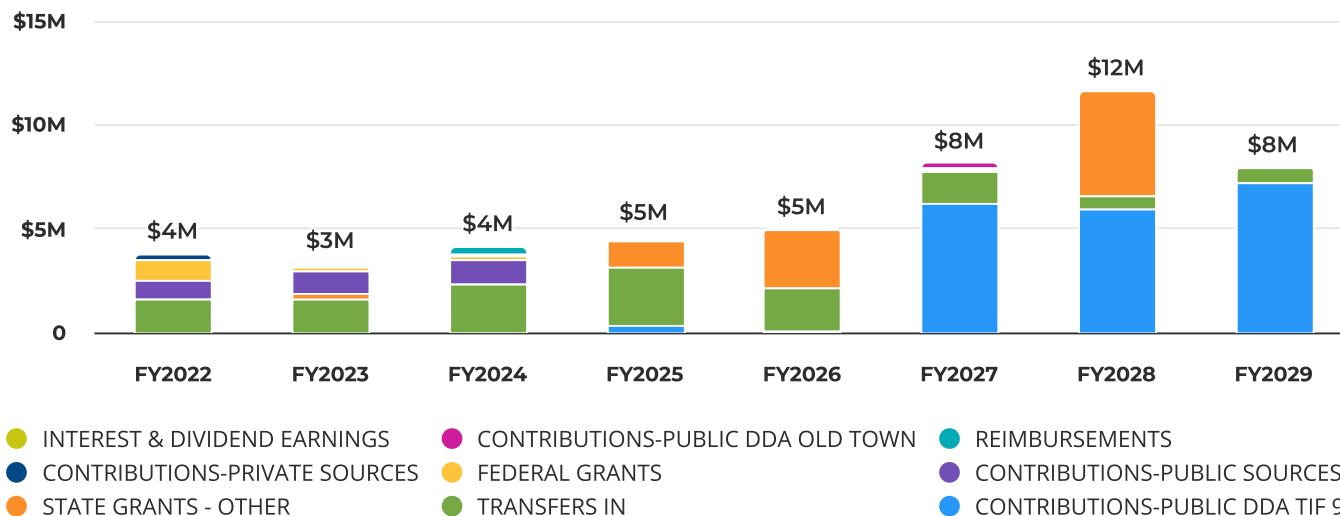
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$4,177,567	\$1,009,490	\$1,009,490	\$1,563,290	\$657,990	\$660,490
Revenues						
INTERGOVERNMENTAL	\$1,326,360	\$2,587,700	\$2,856,700	\$0	\$5,000,000	\$0
OTHER REVENUE	\$555,160	\$692,000	\$9,800	\$6,673,000	\$5,960,100	\$7,233,000
TRANSFER IN	\$2,794,480	\$2,073,580	\$2,119,000	\$1,504,000	\$670,000	\$750,000
Total Revenues	\$4,676,000	\$5,353,280	\$4,985,500	\$8,177,000	\$11,630,100	\$7,983,000
Expenditures						
PROFESSIONAL SERVICES	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
CAPITAL OUTLAY	\$4,768,640	\$6,288,980	\$4,411,300	\$9,079,800	\$11,625,100	\$7,978,000
TRANSFER OUT	\$3,072,940	\$0	\$17,900	\$0	\$0	\$0
Total Expenditures	\$7,844,080	\$6,291,480	\$4,431,700	\$9,082,300	\$11,627,600	\$7,980,500
Total Revenues Less Expenditures	-\$3,168,080	-\$938,200	\$553,800	-\$905,300	\$2,500	\$2,500
Ending Fund Balance	\$1,009,487	\$71,290	\$1,563,290	\$657,990	\$660,490	\$662,990

Historical Revenues by Object



Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
FEDERAL GRANTS	\$46,460	\$0	\$76,400	\$0	\$0	\$0
STATE GRANTS - OTHER	\$1,279,900	\$2,587,700	\$2,780,300	\$0	\$5,000,000	\$0
INTEREST & DIVIDEND EARNINGS	\$4,560	\$5,000	\$4,800	\$5,000	\$5,000	\$5,000
CONTRIBUTIONS-PRIVATE SOURCES	\$1,740	\$0	\$0	\$150,000	\$0	\$0
CONTRIBUTIONS-PUBLIC SOURCES	\$150,470	\$25,000	\$0	\$35,000	\$35,000	\$35,000
TRANSFERS IN	\$2,794,480	\$2,073,580	\$2,119,000	\$1,504,000	\$670,000	\$750,000
CONTRIBUTIONS-PUBLIC DDA TIF 97	\$289,390	\$662,000	\$5,000	\$6,233,000	\$5,920,100	\$7,193,000
CONTRIBUTIONS-PUBLIC DDA OLD TOWN	\$109,000	\$0	\$0	\$250,000	\$0	\$0
Total Revenues	\$4,676,000	\$5,353,280	\$4,985,500	\$8,177,000	\$11,630,100	\$7,983,000

State Grants include an EGLE Dam risk reduction grant for the fish pass project in 2024/25 and MNRTF grant for the Brown Bridge property purchase, and the MDNR grant for the West-End Bathhouse project in 2025/26. No grant revenue is expected in the 2026/2027 fiscal year.

Revenue detail

General Operating Fund Transfers

Annual Bridge Maintenance	\$ 50,000
Annual Sidewalk Maintenance	250,000
Stormwater Management Plan Supplemental	<u>25,000</u>
General FundTotal	<u>\$ 325,000</u>

Brown Bridge Trust Parks Improvement Fund Transfers

Tennis/Pickleball Courts	379,000
Hickory Hills Mountain Biking Trail	200,000
16th & Cass Pedestrian Crosswalk	100,000
Brown Bridge Quite Area - Spring Lake Improvements	250,000
Open Space Master Site Plan/Design	<u>250,000</u>
	1,179,000

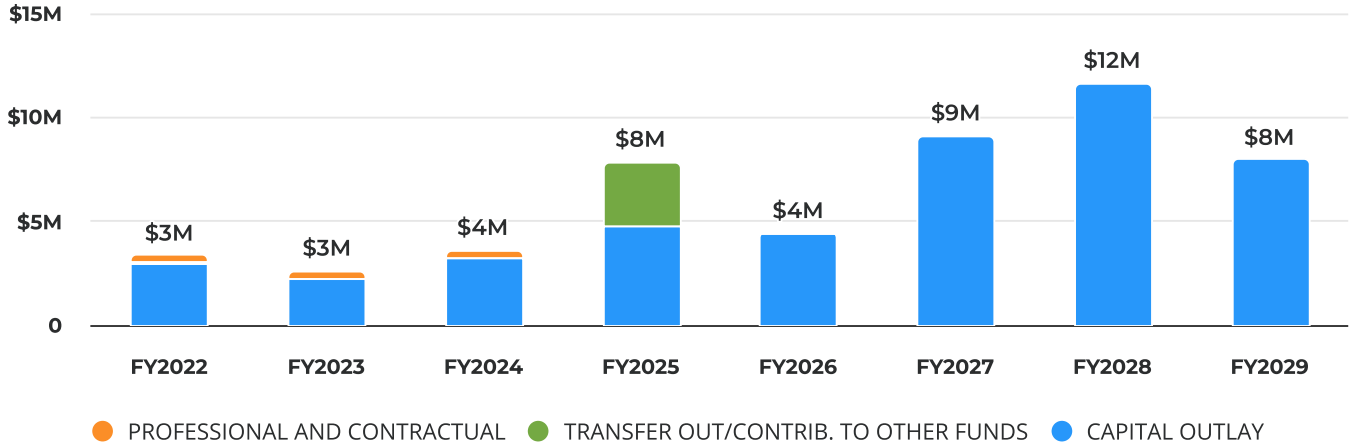
Total Transfer In **1,504,000**

TIF Funding:

North Union St. Bridge Repair	150,000	TIF 97
Lower Boardman/Ottaway Riverwalk Phase 1	400,000	TIF 97
Lot B - Farmers Market Pavillion	3,083,000	TIF 97
Rotary Square	2,600,000	TIF 97
Total TIF97	<u>6,233,000</u>	
River's Edge Riverwalk	250,000	OLD TOWN
Total Old Town TIF	<u>250,000</u>	

Expenditures by Object

Historical Expenditures by Object



Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
CAPITAL OUTLAY	\$4,768,640	\$6,288,980	\$4,411,300	\$9,079,800	\$11,625,100	\$7,978,000
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$3,072,940	\$0	\$17,900	\$0	\$0	\$0
Total Expenditures	\$7,844,080	\$6,291,480	\$4,431,700	\$9,082,300	\$11,627,600	\$7,980,500

2024/2025 Transfer out to move previously funded road projects to fund 447 for better tracking.

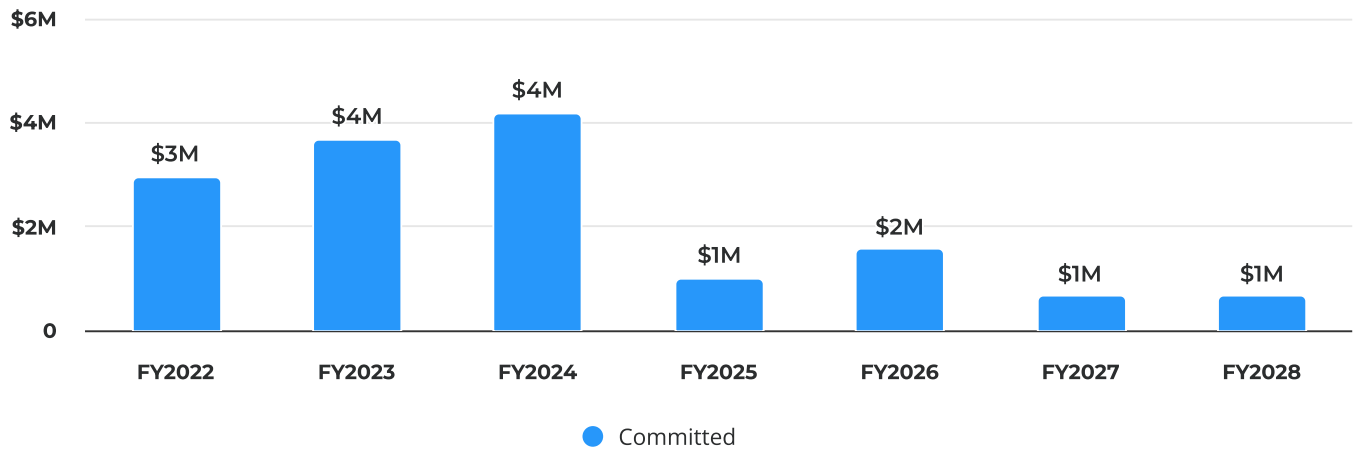
2025/2026 & 2026/2027 budgeted Capital Expenditures

**City of Traverse City
Fund 499 Capital Improvement Fund
FYE 6/30/27 Project Budget Detail**

Boardman Riverwall Study	\$	46,500
City Wide Park Bathroom Upgrades		58,400
East Bay Park Storm Sewer Outlet		58,300
Highland Park Improvements		30,000
North Union St. Bridge Repair		931,600
Stormwater Management Plan		125,000
Tennis/Pickleball Courts		379,000
Hickory Hills Mountain Biking Trail		350,000
16th & Cass Pedestrian Crosswalk		83,000
Brown Bridge Quite Area - Spring Lake		250,000
Concrete Repair Fire Station 1&2		100,000
Lower Boardman/Ottaway Riverwalk Phase 1		400,000
Lot B - Farmers Market Pavillion		3,083,000
Open Space Master Site Plan/Design		250,000
River's Edge Riverwalk		250,000
Rotary Square		2,600,000
Sidewalk Maintenance		50,000
West Boardman Lake Trail Maintenance		35,000
TOTAL BUDGETED FYE 2027 CAPITAL PROJECTS	\$	9,079,800

Fund Balance

Fund Balance Projections



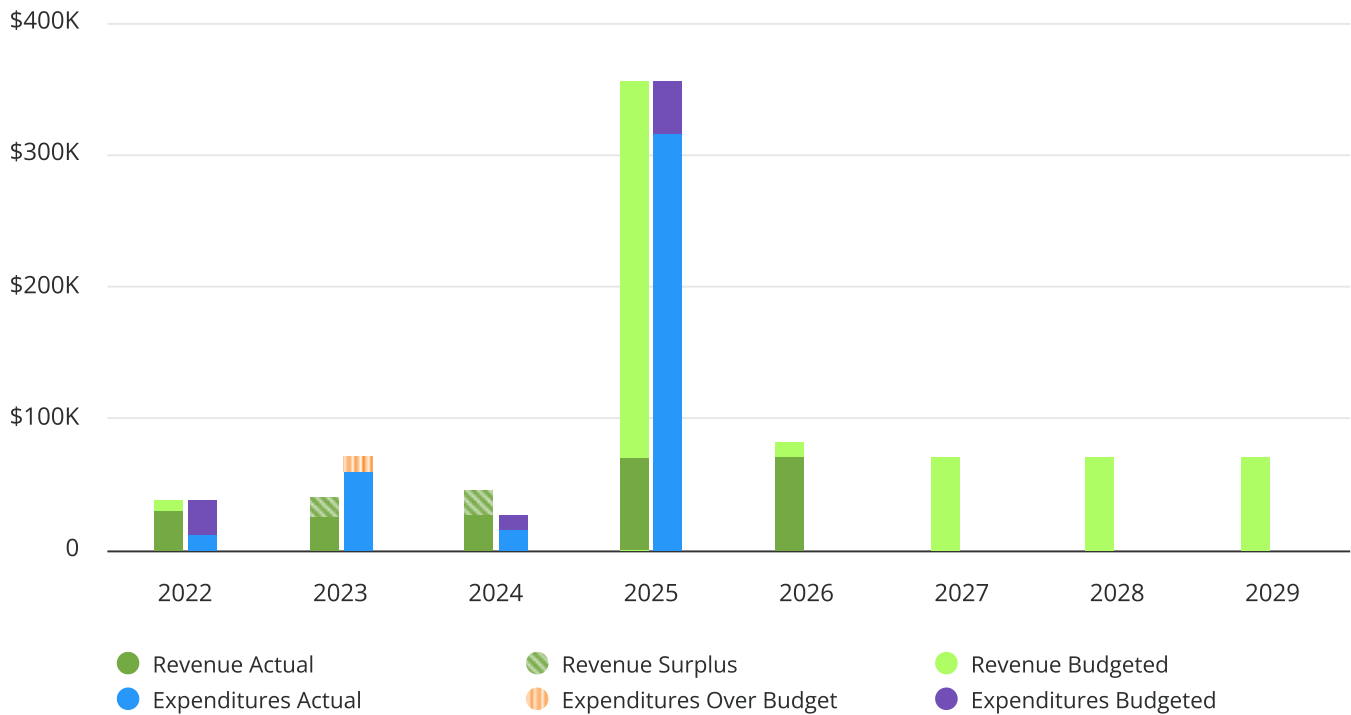
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Committed	\$3,669,354	\$4,177,567	\$1,009,490	\$1,563,290
Total Fund Balance	\$3,669,354	\$4,177,567	\$1,009,490	\$1,563,290

Special Assessment Fund (812)

This fund was created to account for the financing of various public improvements to benefit specific property owners. The City Commission approves all special assessment projects and specifies the cost to be paid by special assessments to the benefited property owners and the cost to be paid by the City at large. Additional pro rata assessments can be made by the City Commission for costs in excess of estimates. Assessment estimates in excess of costs by more than 5% must be refunded pro-rata. The period of payment varies between five to ten years and actual interest rates for an assessment is based 2% above the relevant Treasury bill rate but not to exceed 6%. This fund was established during 1988 when the City implemented the provisions of the Governmental Accounting Standards Board Statement Number 6, which eliminates the special assessment fund type. Unpaid assessments as of April 1, for the prior year, are added to the City tax roll and become a lien on the property.

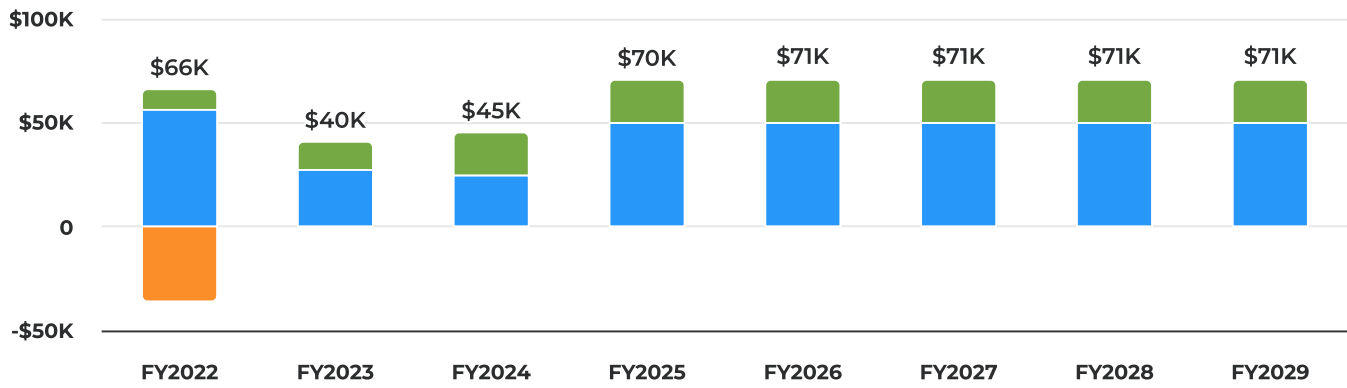
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$745,961	\$500,140	\$500,140	\$571,140	\$642,140	\$713,140
Revenues						
OTHER REVENUE	\$20,720	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
REVENUES	\$49,600	\$61,500	\$50,000	\$50,000	\$50,000	\$50,000
Total Revenues	\$70,320	\$82,500	\$71,000	\$71,000	\$71,000	\$71,000
Expenditures						
CAPITAL OUTLAY	\$316,140	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$316,140	\$0	\$0	\$0	\$0	\$0
Total Revenues Less Expenditures	-\$245,820	\$82,500	\$71,000	\$71,000	\$71,000	\$71,000
Ending Fund Balance	\$500,141	\$582,640	\$571,140	\$642,140	\$713,140	\$784,140

Historical Revenues by Object



● CHANGE IN FAIR VALUE OF INVESTMENTS ● INTEREST & DIVIDEND EARNINGS ● CONSTRUCTION REVENUE

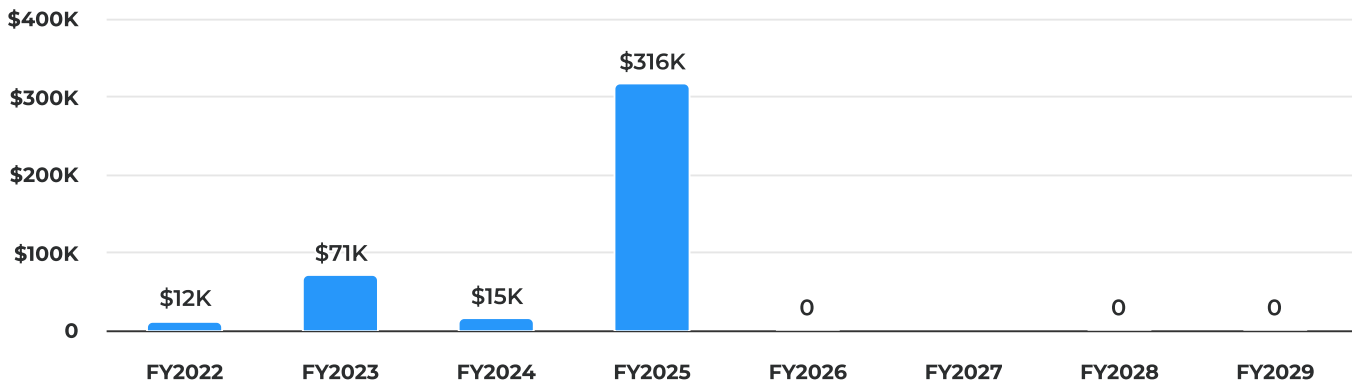
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$20,720	\$21,000	\$21,000	\$21,000	\$21,000	\$21,000
CONSTRUCTION REVENUE	\$49,600	\$61,500	\$50,000	\$50,000	\$50,000	\$50,000
Total Revenues	\$70,320	\$82,500	\$71,000	\$71,000	\$71,000	\$71,000

Construction Revenue is the recognition of annual reimbursement billings to Special Assessment customers.

Expenditures by Object

Historical Expenditures by Object



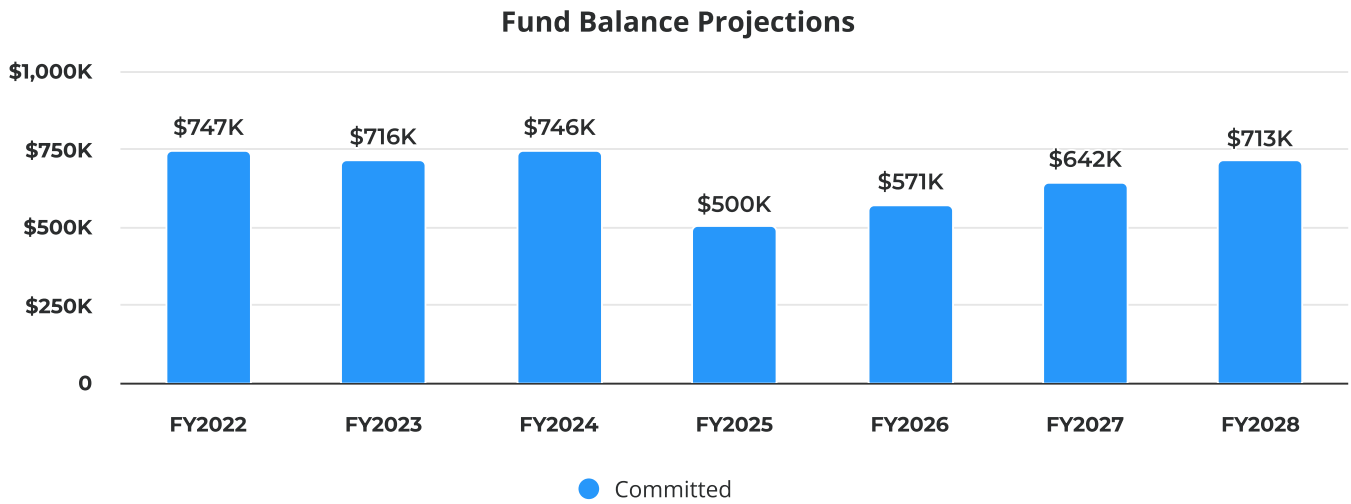
● CAPITAL OUTLAY

Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CAPITAL OUTLAY	\$316,140	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$316,140	\$0	\$0	\$0	\$0	\$0

2024/25 expenses for Peninsula Dr alley & various locations and East Bay Blvd. No known new districts for 2025/2026 at this time, will do budget adjustment if new project approved.

Fund Balance



The fund balance in this fund is used to provide the City's share of future special assessment projects. Nearly all special assessment projects include a City share, which is normally 50% of the total project cost.

Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Committed	\$716,154	\$745,961	\$500,140	\$571,140
Total Fund Balance	\$716,154	\$745,961	\$500,140	\$571,140

Permanent Funds

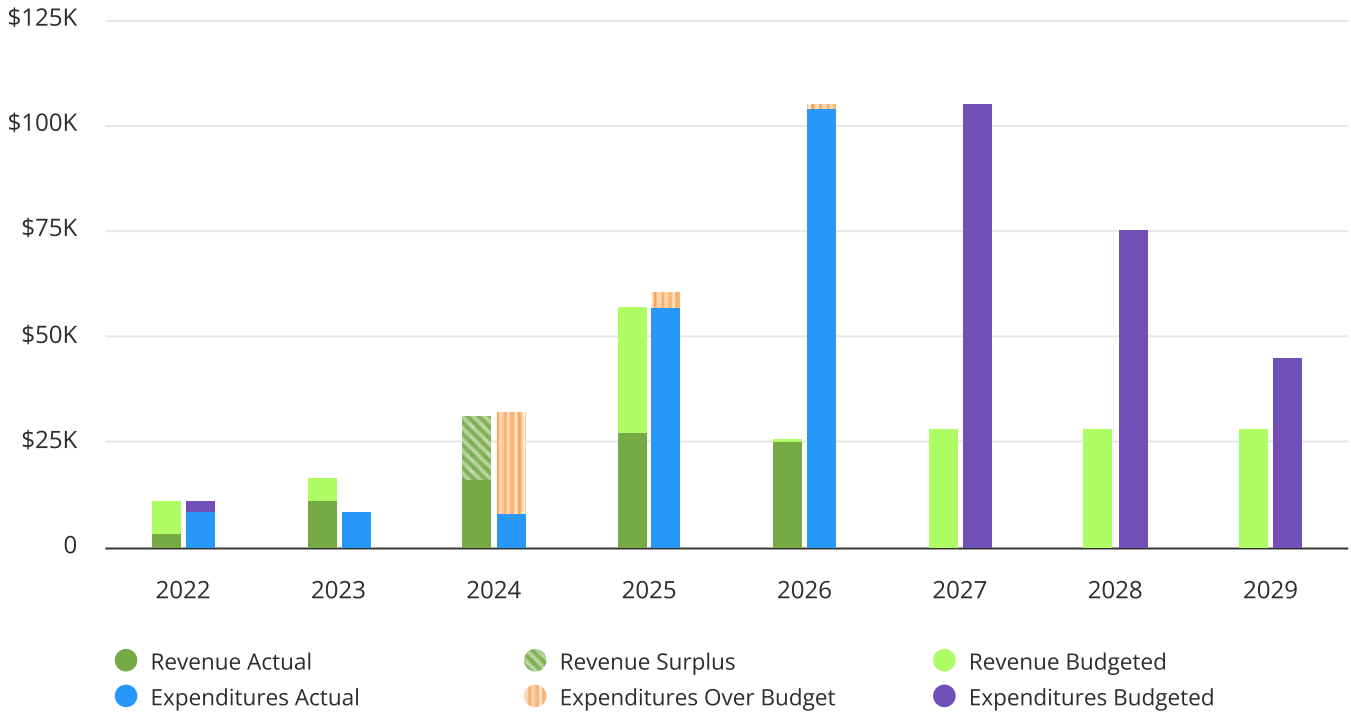


The permanent fund accounts for and reports resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs. Interest income is transferred to the General Fund to subsidize operations.

Cemetery Perpetual Care Trust Fund (151)

For each lot or crypt sale 15% of the proceeds are deposited in the Cemetery Perpetual Care Fund, 42 1/2% is deposited in the Cemetery Trust Fund, and the remaining 42 1/2% is deposited in the General Fund. Interest income in this fund is transferred to the General Fund annually to help offset the costs associated with operating the cemetery.

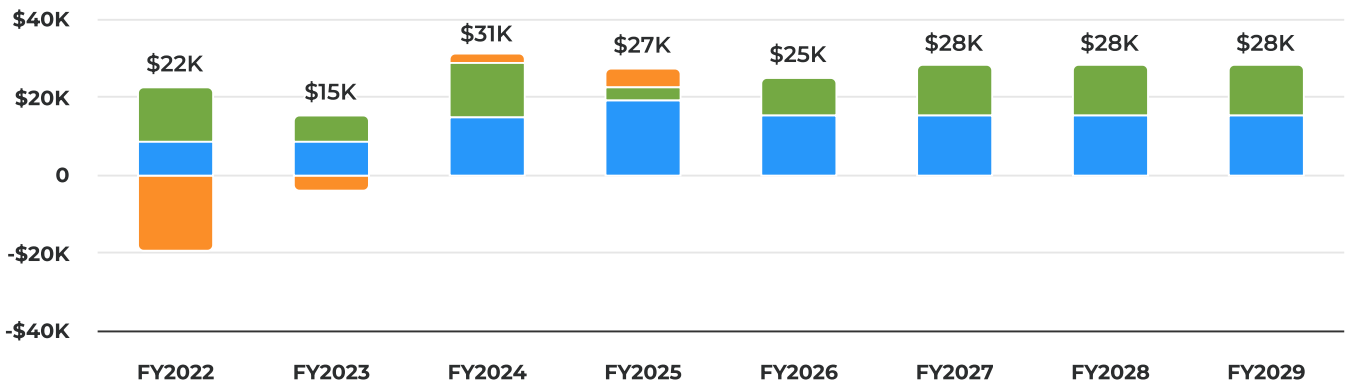
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$447,063	\$414,060	\$414,060	\$334,060	\$257,060	\$210,060
Revenues						
CHARGES FOR SERVICES	\$3,400	\$12,000	\$10,000	\$13,000	\$13,000	\$13,000
OTHER REVENUE	\$23,950	\$14,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Revenues	\$27,350	\$26,000	\$25,000	\$28,000	\$28,000	\$28,000
Expenditures						
PROFESSIONAL SERVICES	\$41,220	\$90,000	\$90,000	\$90,000	\$60,000	\$30,000
TRANSFER OUT	\$19,140	\$14,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Expenditures	\$60,360	\$104,000	\$105,000	\$105,000	\$75,000	\$45,000
Total Revenues Less Expenditures	-\$33,010	-\$78,000	-\$80,000	-\$77,000	-\$47,000	-\$17,000
Ending Fund Balance	\$414,053	\$336,060	\$334,060	\$257,060	\$210,060	\$193,060

Historical Revenues by Object



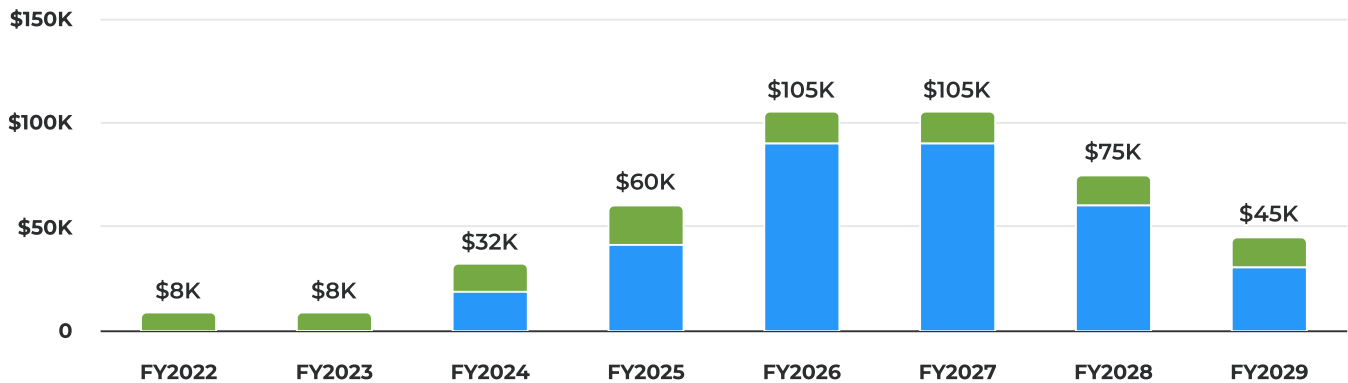
● CHANGE IN FAIR VALUE OF INVESTMENTS ● CHARGES FOR SERVICES-FEES ● INTEREST & DIVIDEND EARNINGS

Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CHARGES FOR SERVICES-FEES	\$3,400	\$12,000	\$10,000	\$13,000	\$13,000	\$13,000
INTEREST & DIVIDEND EARNINGS	\$19,090	\$14,000	\$15,000	\$15,000	\$15,000	\$15,000
CHANGE IN FAIR VALUE OF INVESTMENTS	\$4,860	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$27,350	\$26,000	\$25,000	\$28,000	\$28,000	\$28,000

Expenditures by Object

Historical Expenditures by Object



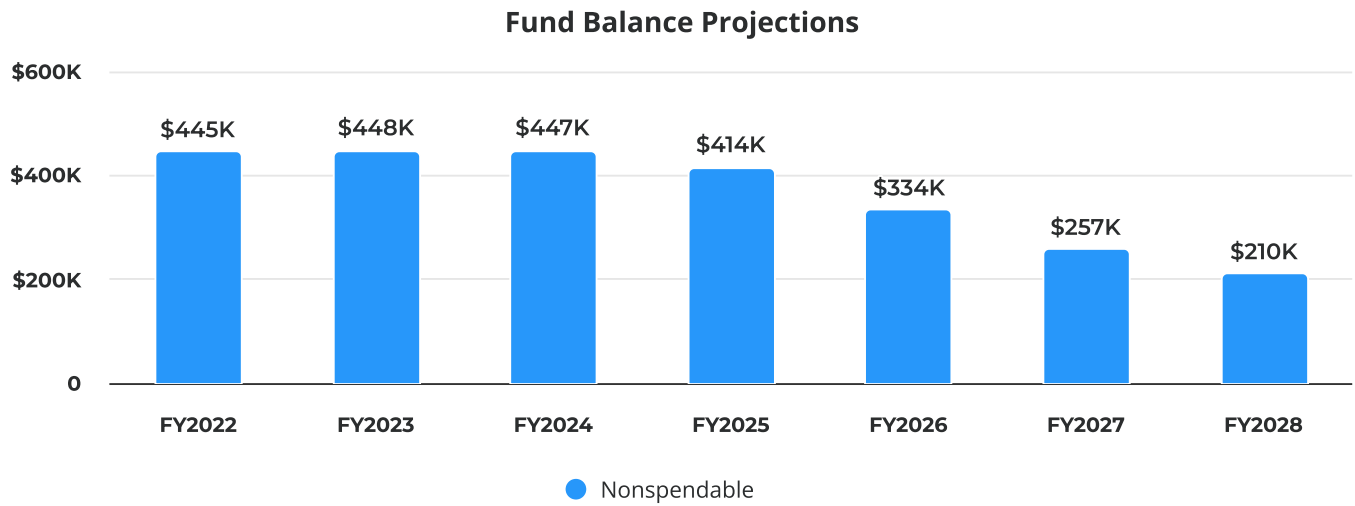
● TRANSFER OUT/CONTRIB. TO OTHER FUNDS ● PROFESSIONAL AND CONTRACTUAL

Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL AND CONTRACTUAL	\$41,220	\$90,000	\$90,000	\$90,000	\$60,000	\$30,000
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$19,140	\$14,000	\$15,000	\$15,000	\$15,000	\$15,000
Total Expenditures	\$60,360	\$104,000	\$105,000	\$105,000	\$75,000	\$45,000

Professional and Contractual includes an agreement for professional services for GIS Mapping, database management and a public-facing cemetery map.

Fund Balance



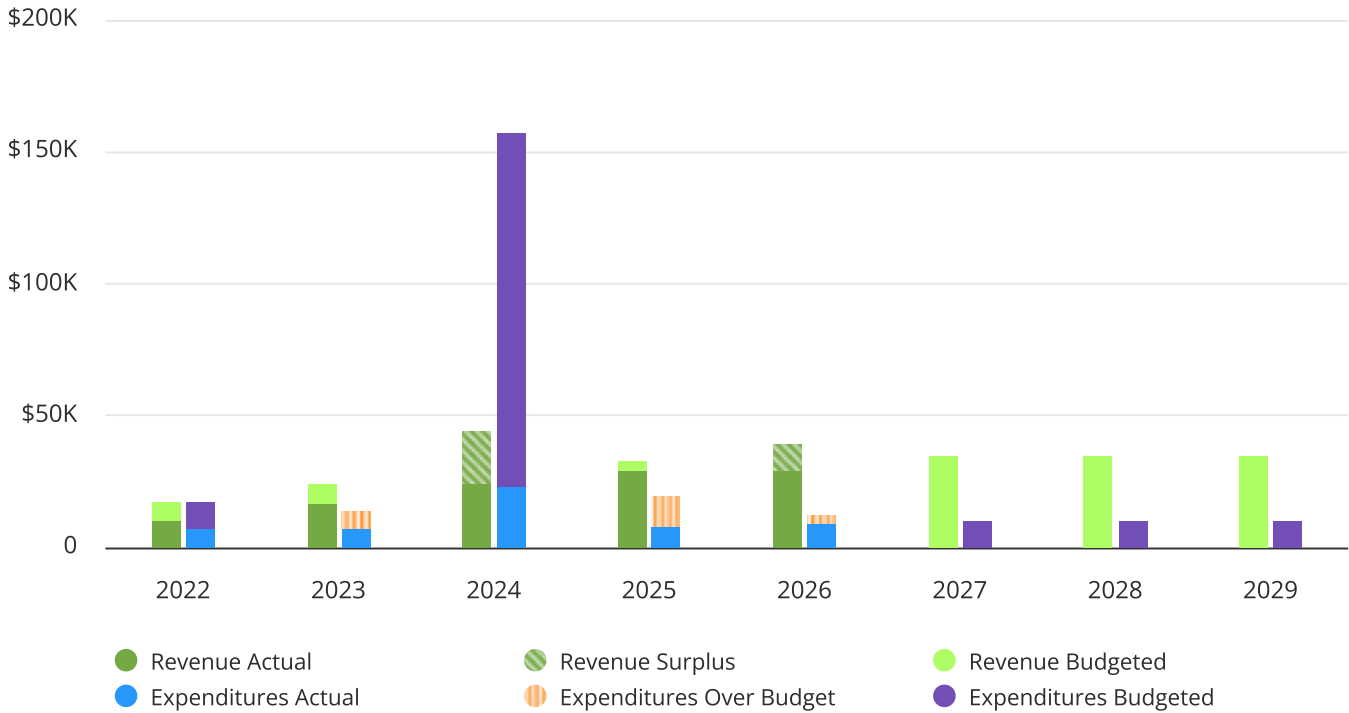
Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Nonspendable	\$447,989	\$447,063	\$414,060	\$334,060
Total Fund Balance	\$447,989	\$447,063	\$414,060	\$334,060

Cemetery Trust Fund (152)

For each lot or crypt sale, 15% of the proceeds are deposited in the Cemetery Perpetual Care Fund, 42 1/2% is deposited in the Cemetery Trust Fund, and the remaining 42 1/2% is deposited in the General Fund. Interest income in this fund is transferred to the General Fund annually to help offset the costs associated with operating the cemetery.

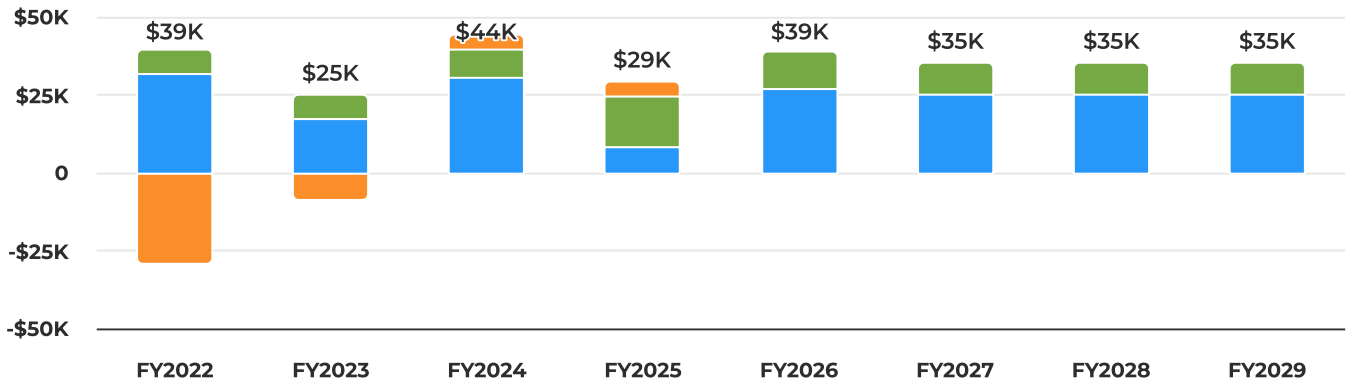
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$346,819	\$356,430	\$356,430	\$383,430	\$408,430	\$433,430
Revenues						
CHARGES FOR SERVICES	\$8,209	\$20,000	\$27,000	\$25,000	\$25,000	\$25,000
OTHER REVENUE	\$20,867	\$9,300	\$12,000	\$10,000	\$10,000	\$10,000
Total Revenues	\$29,076	\$29,300	\$39,000	\$35,000	\$35,000	\$35,000
Expenditures						
TRANSFER OUT	\$19,460	\$9,300	\$12,000	\$10,000	\$10,000	\$10,000
Total Expenditures	\$19,460	\$9,300	\$12,000	\$10,000	\$10,000	\$10,000
Total Revenues Less Expenditures	\$9,616	\$20,000	\$27,000	\$25,000	\$25,000	\$25,000
Ending Fund Balance	\$356,435	\$376,430	\$383,430	\$408,430	\$433,430	\$458,430

Historical Revenues by Object



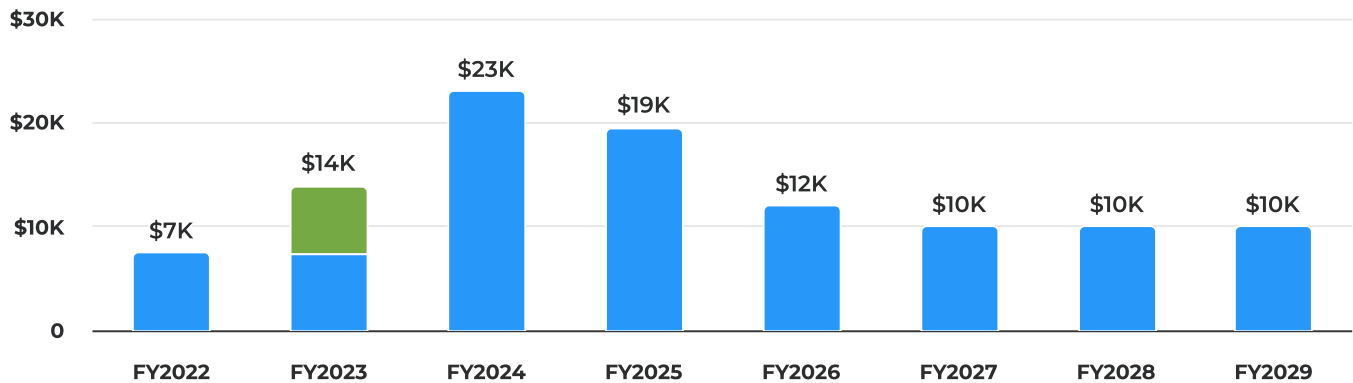
● CHANGE IN FAIR VALUE OF INVESTMENTS ● INTEREST & DIVIDEND EARNINGS ● CHARGES FOR SERVICES-SALES

Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CHARGES FOR SERVICES-SALES	\$8,209	\$20,000	\$27,000	\$25,000	\$25,000	\$25,000
INTEREST & DIVIDEND EARNINGS	\$16,003	\$9,300	\$12,000	\$10,000	\$10,000	\$10,000
CHANGE IN FAIR VALUE OF INVESTMENTS	\$4,864	\$0	\$0	\$0	\$0	\$0
Total Revenues	\$29,076	\$29,300	\$39,000	\$35,000	\$35,000	\$35,000

Expenditures by Object

Historical Expenditures by Object



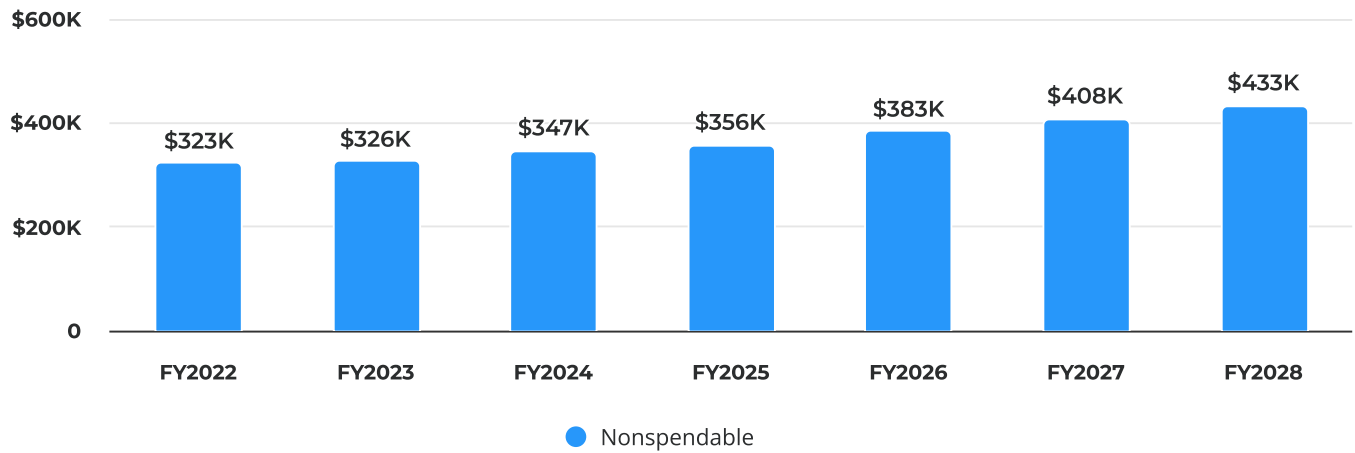
● CAPITAL OUTLAY ● TRANSFER OUT/CONTRIB. TO OTHER FUNDS

Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$19,460	\$9,300	\$12,000	\$10,000	\$10,000	\$10,000
Total Expenditures	\$19,460	\$9,300	\$12,000	\$10,000	\$10,000	\$10,000

Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Nonspendable	\$325,795	\$346,819	\$356,430	\$383,430
Total Fund Balance	\$325,795	\$346,819	\$356,430	\$383,430

Brown Bridge Trust Fund (153)

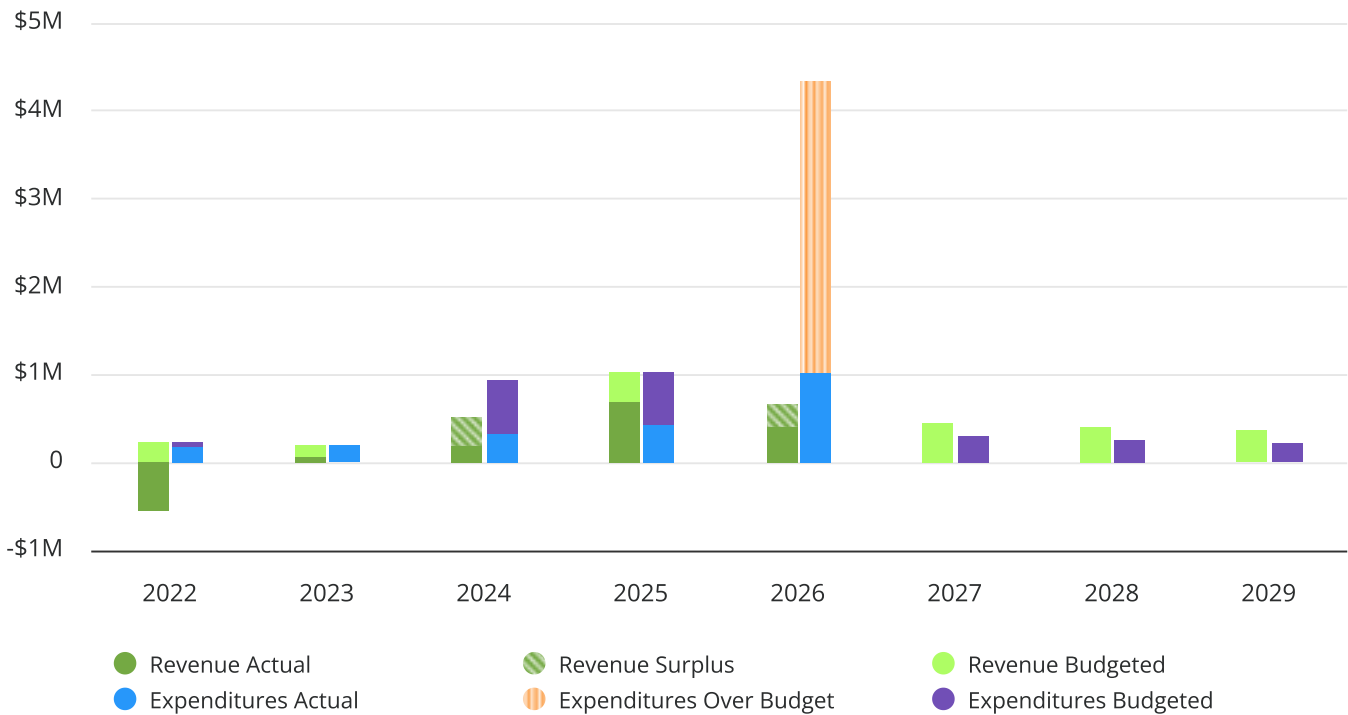
This fund was created by a charter amendment to Section 129, adopted November 7, 1978. In 2014 a voter-approved ballot proposal amended the distribution guidelines to provide that money derived from oil, gas or mineral exploration at the Brown Bridge property be deposited in the Brown Bridge Park Improvement Fund. As initially established, the interest income from the remaining balance in the Brown Bridge Trust Fund is used to supplement City taxes as a credit against the General Fund levy. The Brown Bridge Trust Committee has worked to prepare a list of projects to be completed with the proposed 3 million dollar drawdown.

Brown Bridge Trust Fund Parks Fund: Proposal Approved November 4, 2025

PROPOSAL 1 *Shall the Charter of the City of Traverse City, Section 129, which currently provides that the principal of the Brown Bridge Trust Fund may only be used upon approval of the voters, be amended to allow the City Commission for a period of five years to place \$3,000,000.00 of Brown Bridge Trust Fund principal in a separate trust fund for City park capital improvements and/or improvements that increase accessibility to City parkland, and any of the three million dollars not contractually committed to a project within five years, shall be returned to the Brown Bridge Trust Fund?*

The proposal is to transfer 3 million from the BBTF (153) for identified capital projects in City Parks in lieu of gas & oil revenue historically being recorded in the Brown Bridge Trust Parks Imp Fund (239). This fund, BBTF (153), will continue to receipt gas & oil revenue to replenish a portion of the fund balance transferred to Fund 239 as it has done since November 2024. At the end of 5 years, progress will be evaluated.

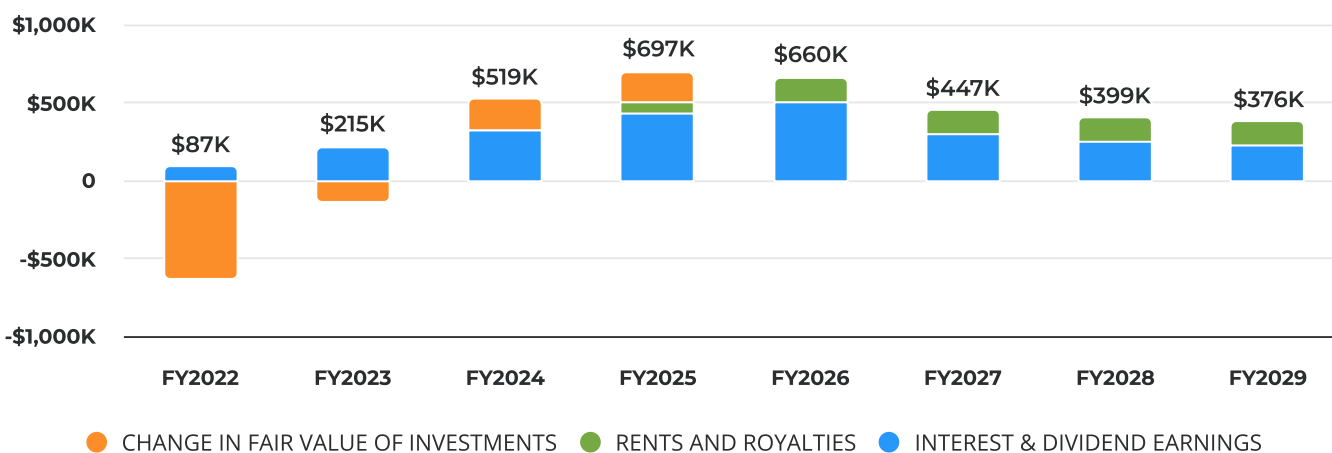
Revenues vs Expenditures Summary



Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$11,671,522	\$11,936,900	\$11,936,900	\$8,264,300	\$8,411,500	\$8,560,500
Revenues						
OTHER REVENUE	\$697,400	\$416,600	\$660,000	\$447,200	\$399,000	\$376,000
Total Revenues	\$697,400	\$416,600	\$660,000	\$447,200	\$399,000	\$376,000
Expenditures						
CAPITAL OUTLAY	\$150	\$0	\$0	\$0	\$0	\$0
TRANSFER OUT	\$431,870	\$1,030,000	\$4,332,600	\$300,000	\$250,000	\$225,000
Total Expenditures	\$432,020	\$1,030,000	\$4,332,600	\$300,000	\$250,000	\$225,000
Total Revenues Less Expenditures	\$265,380	-\$613,400	-\$3,672,600	\$147,200	\$149,000	\$151,000
Ending Fund Balance	\$11,936,902	\$11,323,500	\$8,264,300	\$8,411,500	\$8,560,500	\$8,711,500

Historical Revenues by Object



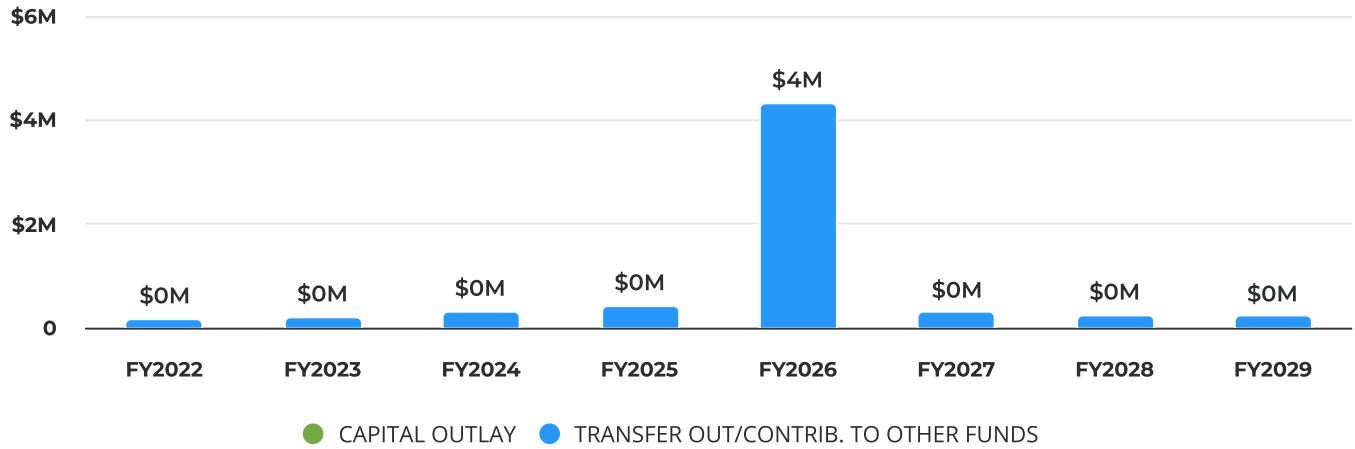
Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
INTEREST & DIVIDEND EARNINGS	\$425,660	\$380,600	\$506,000	\$300,000	\$250,000	\$225,000
CHANGE IN FAIR VALUE OF INVESTMENTS	\$193,010	\$0	\$0	\$0	\$0	\$0
RENTS AND ROYALTIES	\$78,730	\$36,000	\$154,000	\$147,200	\$149,000	\$151,000
Total Revenues	\$697,400	\$416,600	\$660,000	\$447,200	\$399,000	\$376,000

Rent and Royalties include gas and oil royalties for wells on the Brown Bridge Quiet Area property.

Expenditures by Object

Historical Expenditures by Object



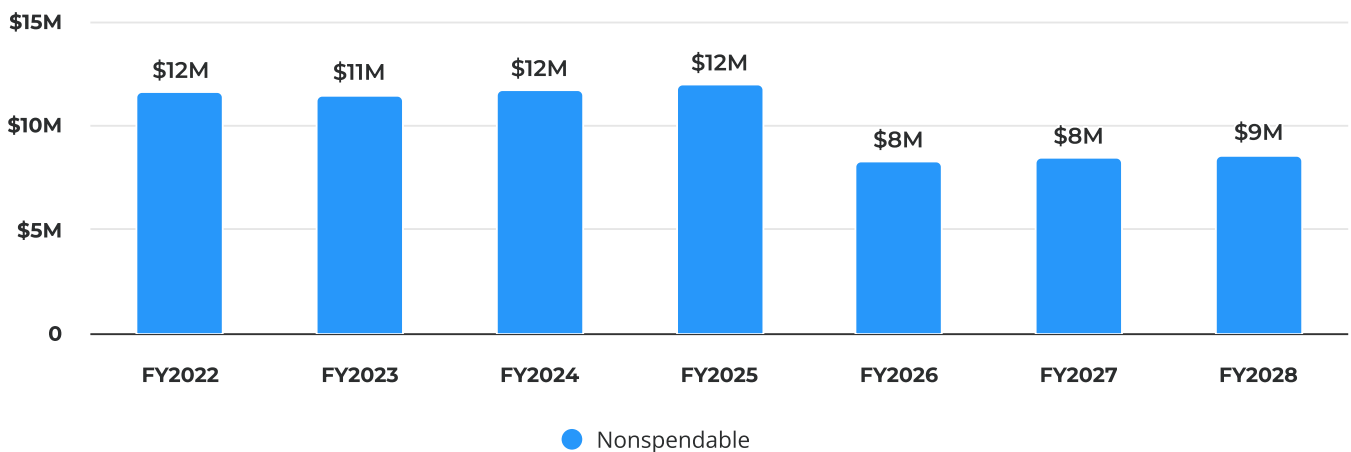
Expenditures by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
CAPITAL OUTLAY	\$150	\$0	\$0	\$0	\$0	\$0
TRANSFER OUT/CONTRIB. TO OTHER FUNDS	\$431,870	\$1,030,000	\$4,332,600	\$300,000	\$250,000	\$225,000
Total Expenditures	\$432,020	\$1,030,000	\$4,332,600	\$300,000	\$250,000	\$225,000

Transfers include a transfer to the Capital Projects fund for the planned purchase of Brown Bridge Quiet Area property for \$826,600 and the transfer of interest earnings to the General Operating Fund.

Fund Balance

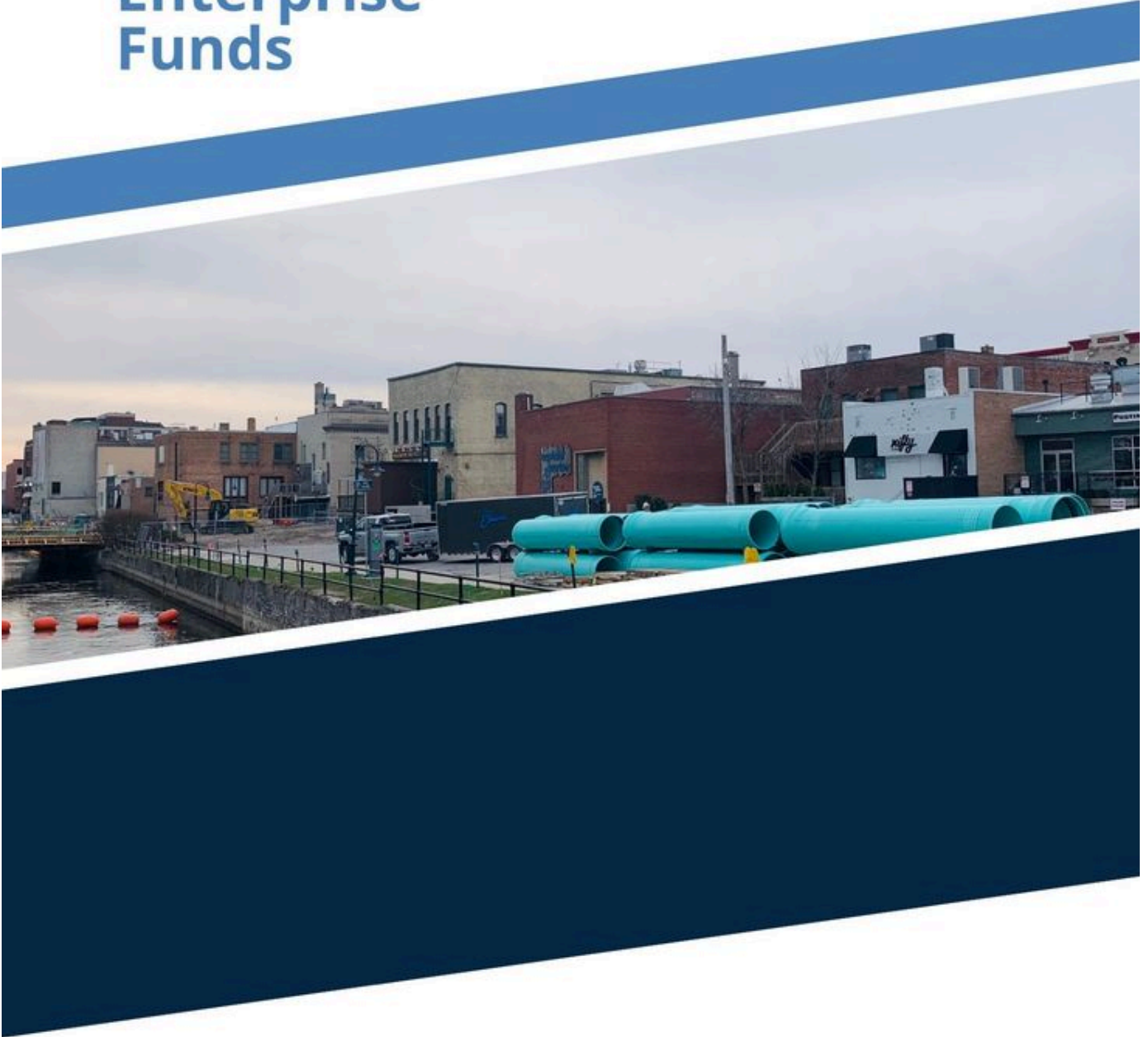
Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Nonspendable	\$11,465,624	\$11,671,522	\$11,936,900	\$8,264,300
Total Fund Balance	\$11,465,624	\$11,671,522	\$11,936,900	\$8,264,300

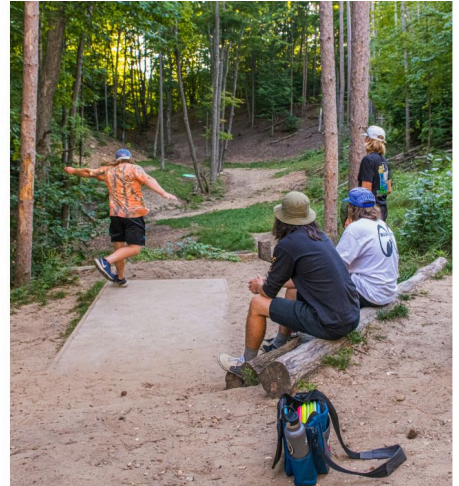
Enterprise Funds



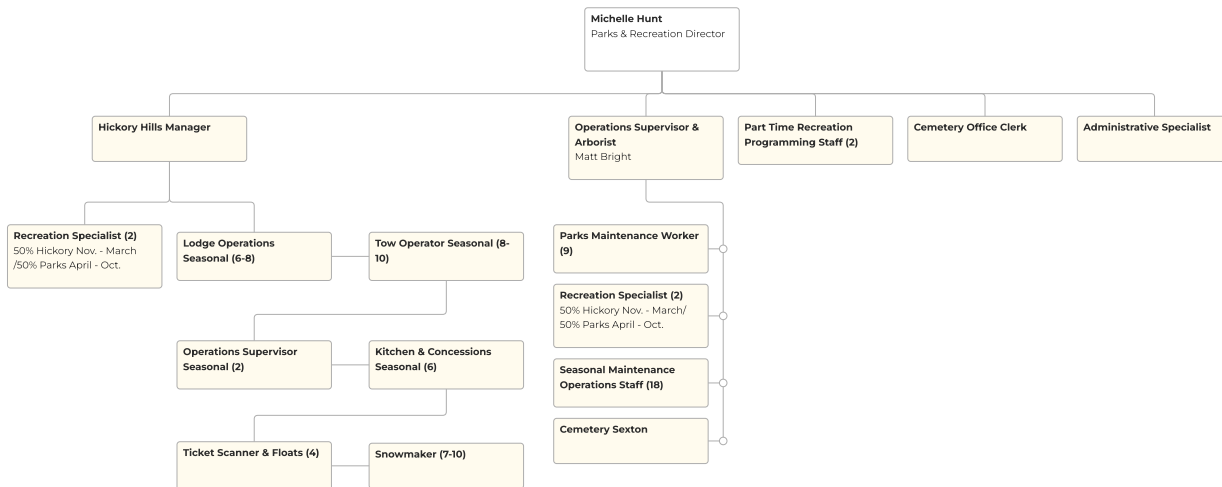
Enterprise Funds: Account for operations that are financed and operated in a manner similar to a private business enterprise, where costs are primarily recovered through user charges.

Hickory Hills Fund (504)

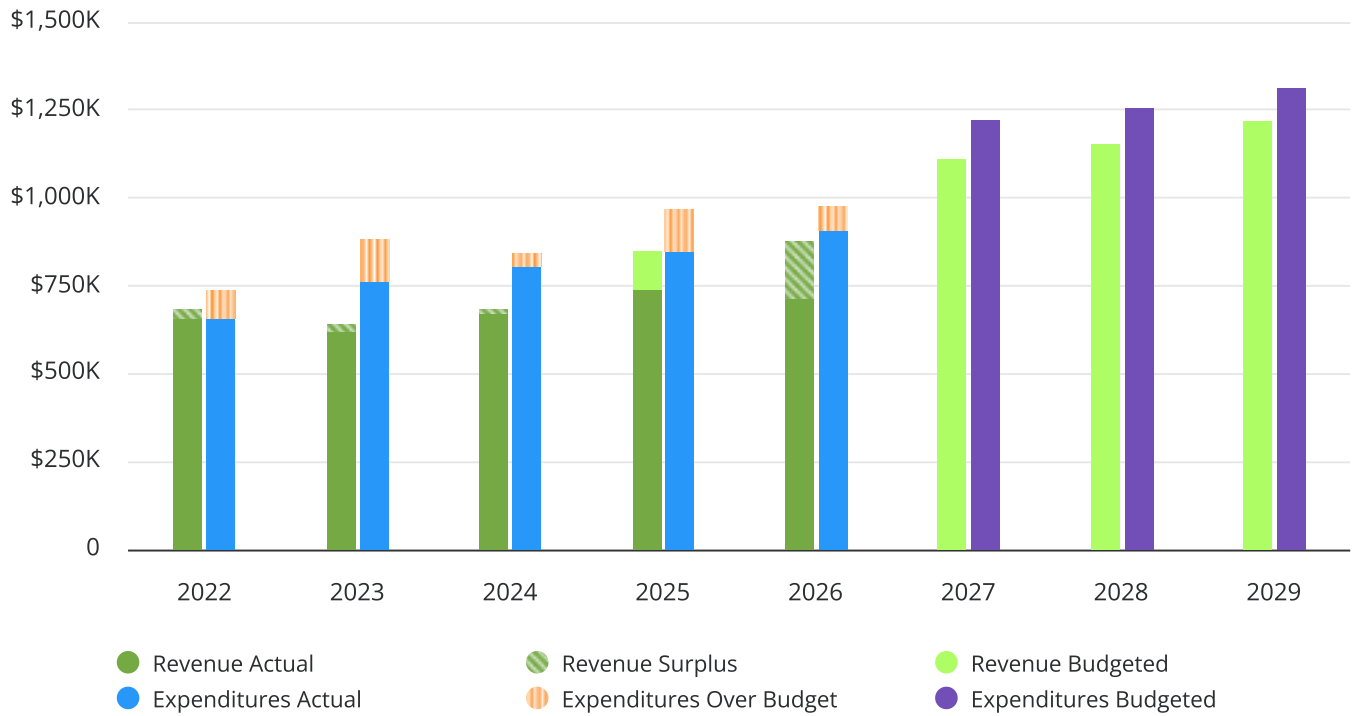
Hickory Hills is a municipally owned and operated ski area established in 1952. This treasured community asset offers four-season recreation opportunities including disc golf, hiking, downhill skiing, snowboarding, and Nordic trails, and is beloved for its accessibility, family-friendly atmosphere, and integration into the natural landscape. The facility serves both recreational users and youth athletic programs and has seen substantial improvements in recent years.



Parks & Recreation



Revenues vs Expenditures Summary



Comprehensive Fund Summary

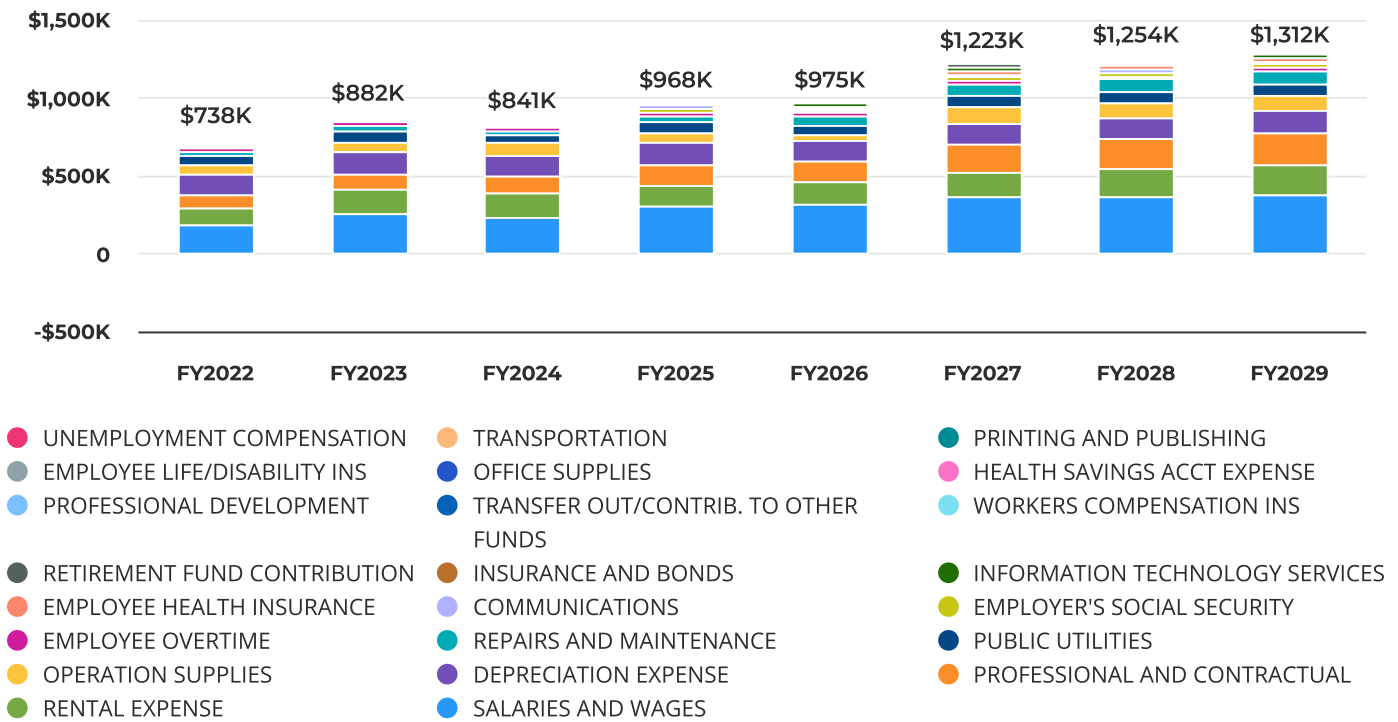
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$5,290,998	\$5,057,830	\$5,057,830	\$4,958,330	\$4,844,330	\$4,745,330
Revenues						
CHARGES FOR SERVICES	\$0	\$0	\$0	\$65,000	\$46,000	\$47,000
OPERATING REVENUES	\$364,900	\$327,000	\$329,800	\$341,700	\$349,600	\$362,800
TRANSFER IN	\$370,000	\$390,000	\$540,000	\$702,300	\$759,200	\$808,200
NON-OPERATING REVENUES	\$0	\$0	\$5,200	\$0	\$0	\$0
Total Revenues	\$734,900	\$717,000	\$875,000	\$1,109,000	\$1,154,800	\$1,218,000
Expenditures						
SALARIES & WAGES	\$329,410	\$286,500	\$326,600	\$377,600	\$384,400	\$391,500
FRINGE BENEFITS	\$30,560	\$27,500	\$36,500	\$66,600	\$69,200	\$71,200
OFFICE/OPERATING SUPPLIES	\$72,140	\$57,500	\$34,300	\$100,700	\$92,000	\$101,200
PROFESSIONAL SERVICES	\$133,250	\$90,000	\$145,000	\$199,800	\$215,300	\$233,400
INSURANCE & BONDS	\$5,580	\$5,700	\$5,500	\$6,300	\$6,700	\$7,200
PROFESSIONAL DEVELOPMENT	\$930	\$2,000	\$100	\$2,000	\$2,200	\$2,500
COMMUNICATION	\$19,950	\$12,000	\$12,000	\$18,500	\$16,000	\$16,000
TRANSPORTATION	\$0	\$500	\$0	\$0	\$0	\$0
PRINTING & PUBLISHING	\$160	\$500	\$0	\$0	\$0	\$0
UTILITIES	\$72,940	\$70,000	\$60,000	\$70,000	\$70,000	\$72,000
REPAIRS & MAINTENANCE	\$33,020	\$65,500	\$65,500	\$82,500	\$84,000	\$86,000
RENTALS	\$131,170	\$150,000	\$150,000	\$160,000	\$175,000	\$192,000
DEPRECIATION EXPENSE	\$138,960	\$139,000	\$139,000	\$139,000	\$139,000	\$139,000
Total Expenditures	\$968,070	\$906,700	\$974,500	\$1,223,000	\$1,253,800	\$1,312,000
Total Revenues Less Expenditures	-\$233,170	-\$189,700	-\$99,500	-\$114,000	-\$99,000	-\$94,000
Ending Fund Balance	\$5,057,828	\$4,868,130	\$4,958,330	\$4,844,330	\$4,745,330	\$4,651,330

Historical Revenues by Object

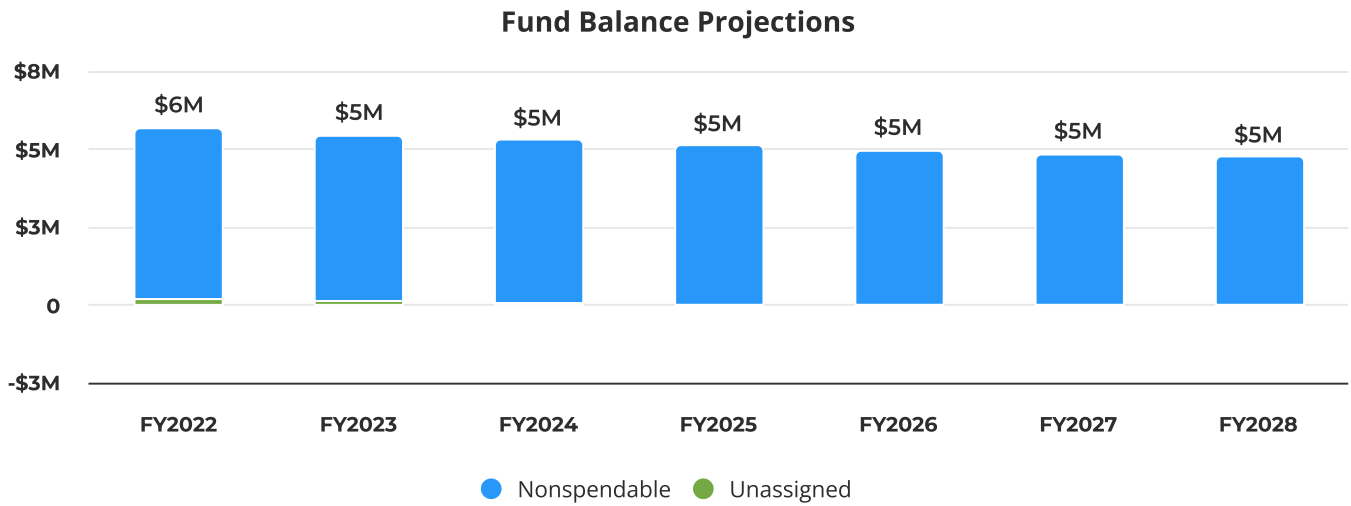


Expenditures by Object

Historical Expenditures by Object



Fund Balance



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$94,272	\$48,507	-\$45,702	\$0
Nonspendable	\$5,352,452	\$5,242,492	\$5,103,532	\$4,958,330
Total Fund Balance	\$5,446,725	\$5,290,998	\$5,057,830	\$4,958,330

Parking System Fund (514)

Mission Statement: *Traverse City Parking Services promotes commerce and quality of life for Downtown, NMC Campus, Munson Hospital and residential neighborhoods by providing, maintaining, and developing parking, for present and for future bicyclists and motorists, through efficient and effective management.*

The Parking Services Department, known as Traverse City Parking Services (TCPS), manages and operates all the parking assets and oversees the Auto Parking Fund enterprise fund. The Parking System has four primary revenue sources for the enterprise fund: parking permits, hourly meter fees, hourly parking structure fees, and parking violations. The department is responsible for maintaining these assets, which include the operation of two parking structures, on-street and off-street metered parking and parking permit programs. Being an enterprise fund, the Auto Parking Fund is vulnerable where performance is based solely on the use of the system.



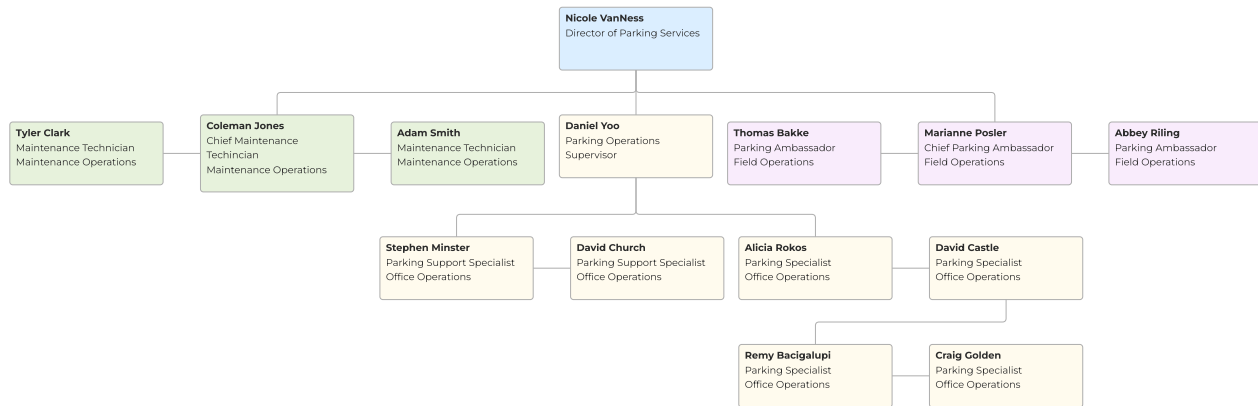
The projects planned for the 2026/27 fiscal year include an estimated \$1.5 million in phase 2 (medium priority) repairs identified in the parking structure restoration repair plan from 2022, an estimated \$1 million reconstruction of parking lot B, the rescheduled paving project for parking lot P (based on the decision of the West End Development proposals) and replacing end-of-life EV charging stations at the Old Town Parking Structure. All the planned projects will utilize surplus funds.

Continuing to make system-wide changes using the Transportation Demand Management initiatives will increase the efficient utilization of existing parking spaces to maintain net-zero parking. The new initiatives will evaluate short-term parking and continue seasonal meter rates and extended meter times to shift demand into underutilized areas. Pricing based on demand will create better utilization of the overall system.

Permit rates will increase on July 1, 2026, and the increases are estimated to generate an additional \$20,000 in permit revenue combined for surface, Hardy and Old Town. Additional rate increases are planned per the published three-year schedule for fiscal years 2027 and 2028. The 2026 rate increases will consider the additional fluctuation in overall inventory with the loss of spaces in parking lot B, planned losses in parking lot K and planned losses in parking lot P.

Parking Services Employees

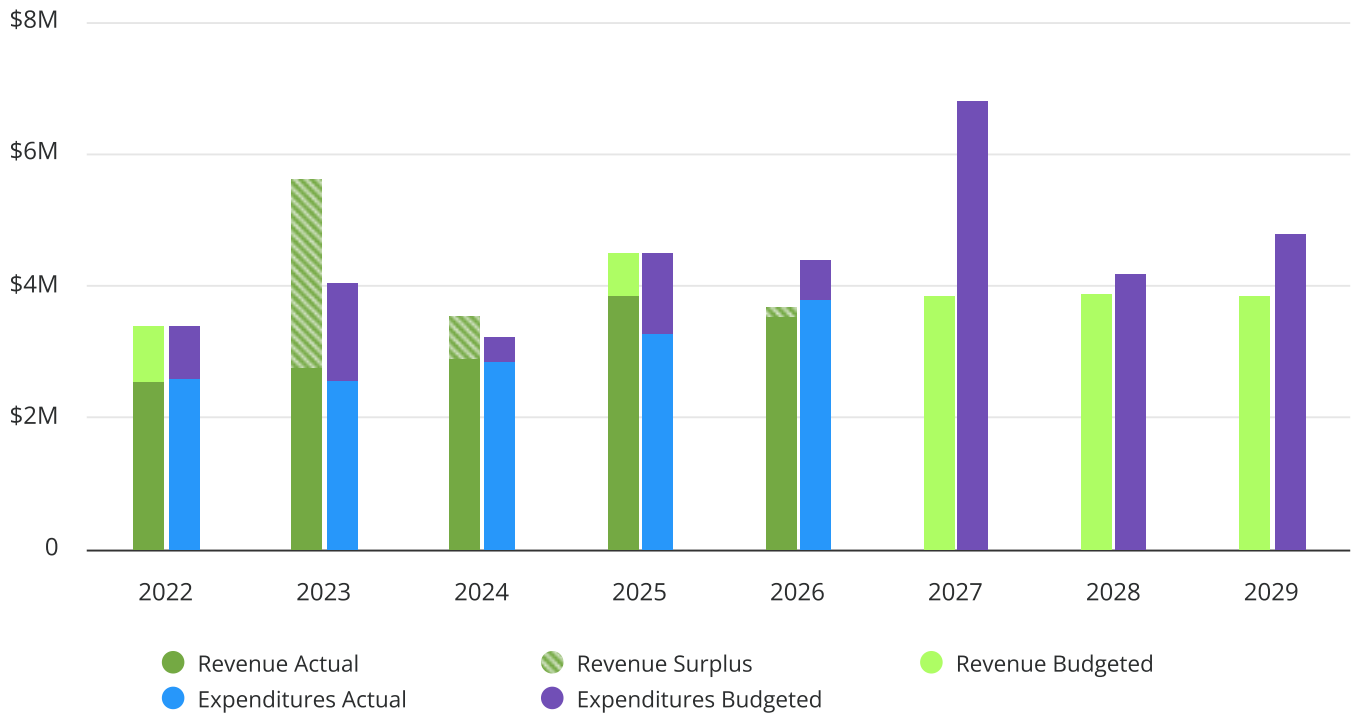
Parking Services Department



Goals

1. Provide a successful, attractive parking environment that supports economic growth and tourism downtown
 - a. Support employees of downtown to increase the growth in total permits sold/spaces utilized
 - b. Support businesses to increase the growth in meter revenue
 - c. Foster private investment in the Downtown Development Authority district, which is indicative of confidence in our parking system
 - d. Continually invest in parking infrastructure to maintain a high-quality experience
2. Promote a higher quality of life through reduced reliance on surface parking and increased parking alternatives
 - a. Reduce the amount of surface parking spaces in the downtown district by redeveloping surface parking lots
 - b. Increase bicycle parking in the downtown district
 - c. Increase commuter amenities and multi-modal initiatives.
 - d. Make efficient use of resources by partnering with other agencies

Revenues vs Expenditures Summary



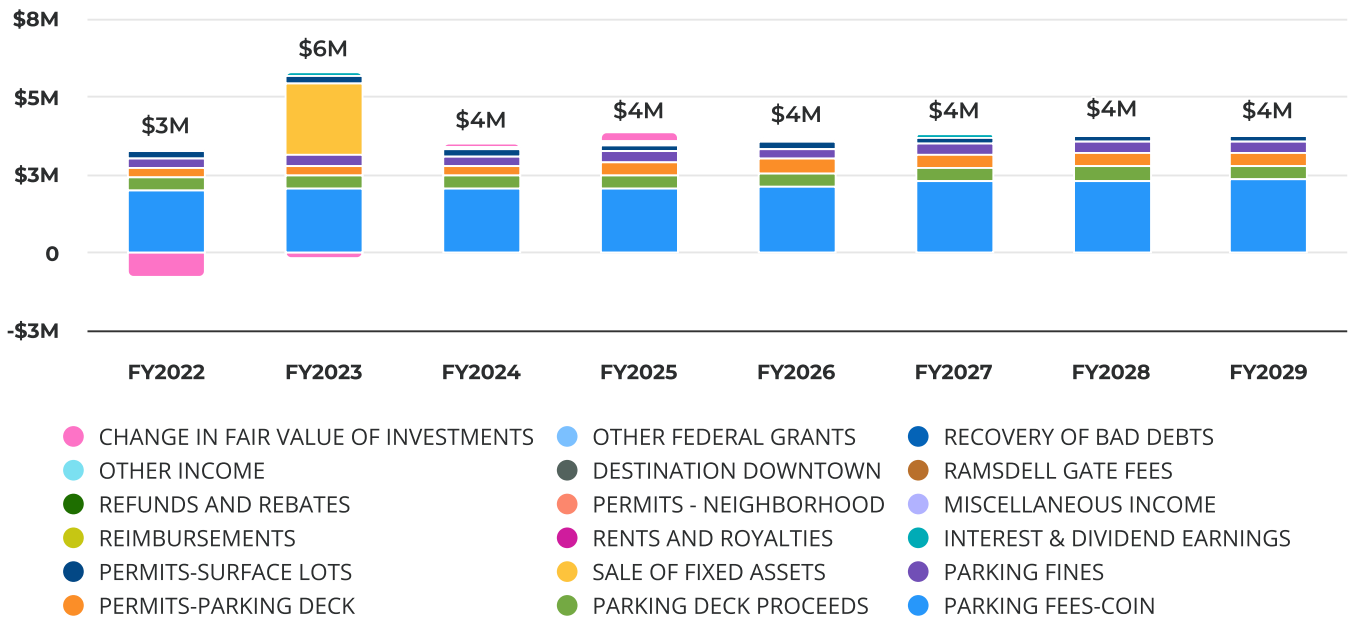
Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$27,971,140	\$28,535,900	\$28,535,900	\$28,444,900	\$25,481,800	\$25,166,000
Revenues						
CHARGES FOR SERVICES	\$430	\$200	\$0	\$0	\$0	\$0
OPERATING REVENUES	\$3,439,450	\$3,477,700	\$3,600,400	\$3,748,500	\$3,790,500	\$3,766,500
REIMBURSEMENTS	\$7,040	\$700	\$6,000	\$6,000	\$6,000	\$6,000
NON-OPERATING REVENUES	\$391,960	\$65,000	\$80,000	\$80,000	\$80,000	\$80,000
Total Revenues	\$3,838,880	\$3,543,600	\$3,686,400	\$3,834,500	\$3,876,500	\$3,852,500
Expenditures						
SALARIES & WAGES	\$624,560	\$845,000	\$908,000	\$1,014,800	\$1,045,500	\$1,091,500
FRINGE BENEFITS	\$226,860	\$271,600	\$296,500	\$358,600	\$381,600	\$409,200
OFFICE/OPERATING SUPPLIES	\$60,830	\$158,000	\$146,000	\$163,000	\$160,000	\$176,000
PROFESSIONAL SERVICES	\$555,430	\$959,500	\$770,000	\$1,880,800	\$474,300	\$565,150
INSURANCE & BONDS	\$36,170	\$44,000	\$35,300	\$39,700	\$42,300	\$45,000
COLLECTION COST	\$2,360	\$3,000	\$2,500	\$5,000	\$5,000	\$5,000
PROFESSIONAL DEVELOPMENT	\$12,400	\$6,000	\$3,400	\$8,000	\$8,000	\$8,000
COMMUNICATION	\$43,670	\$52,300	\$40,000	\$47,600	\$47,600	\$47,600
TRANSPORTATION	\$3,580	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
COMMUNITY PROMOTION	\$630	\$0	\$0	\$0	\$0	\$0
PRINTING & PUBLISHING	\$7,790	\$10,000	\$10,000	\$49,500	\$54,500	\$55,500
UTILITIES	\$117,350	\$140,000	\$130,000	\$130,400	\$136,900	\$137,900
REPAIRS & MAINTENANCE	\$744,970	\$940,900	\$569,900	\$1,899,800	\$696,700	\$1,099,700
RENTALS	\$62,370	\$113,600	\$105,400	\$132,000	\$136,100	\$134,700
MISCELLANEOUS EXP	\$74,000	\$86,300	\$62,000	\$85,000	\$85,000	\$85,000
TRANSFER OUT CITY FEE	\$172,420	\$173,900	\$180,000	\$186,400	\$188,800	\$187,900
DEPRECIATION EXPENSE	\$528,760	\$497,500	\$510,000	\$550,000	\$550,000	\$550,000
CAPITAL OUTLAY	\$0	\$90,000	\$3,400	\$242,000	\$175,000	\$175,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Total Expenditures	\$3,274,150	\$4,396,600	\$3,777,400	\$6,797,600	\$4,192,300	\$4,778,150
Total Revenues Less Expenditures	\$564,730	-\$853,000	-\$91,000	-\$2,963,100	-\$315,800	-\$925,650
Ending Fund Balance	\$28,535,870	\$27,682,900	\$28,444,900	\$25,481,800	\$25,166,000	\$24,240,350

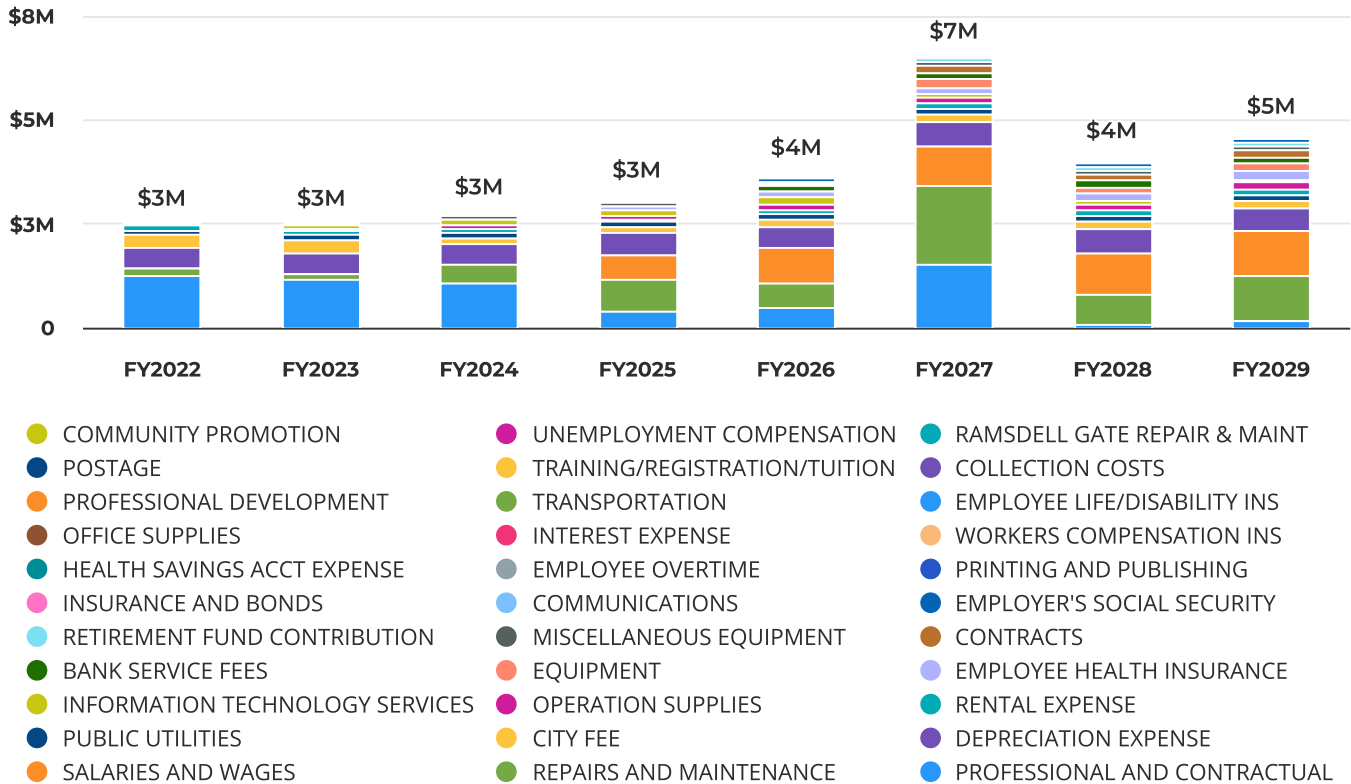
Ending net position represents the difference between total assets (including long-term fixed assets) and total liabilities. The Cash and Investment balance at 3/31/26 was \$7,074,000.

Historical Revenues by Object



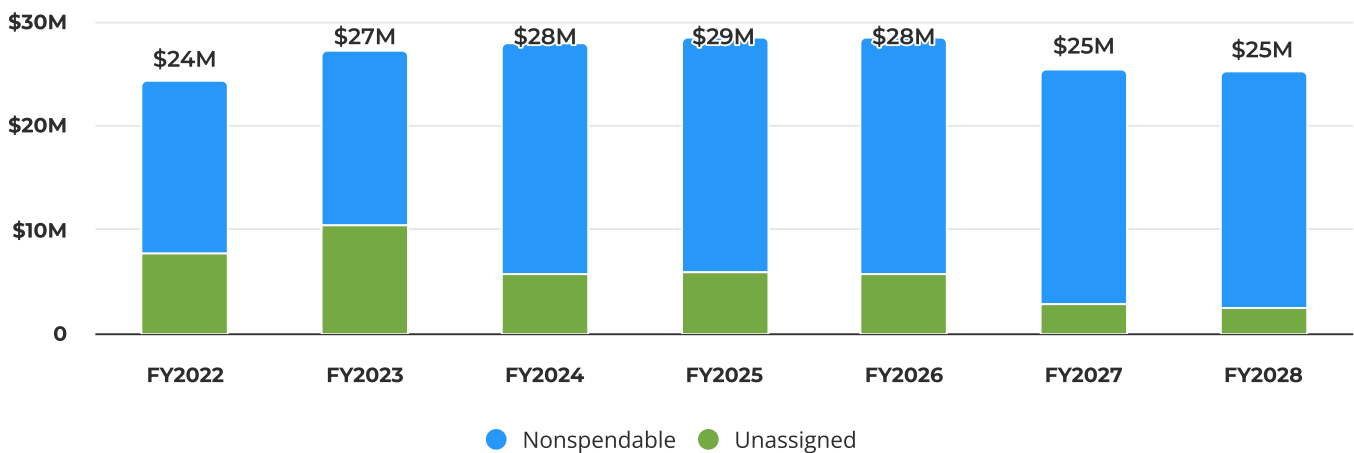
Expenditures by Object

Historical Expenditures by Object



Fund Balance

Fund Balance Projections

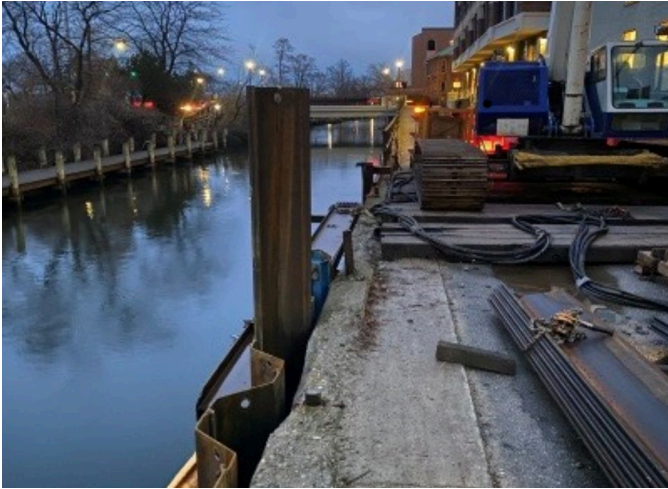


Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$10,446,863	\$5,649,095	\$5,833,143	\$5,742,143
Nonspendable	\$16,836,224	\$22,322,045	\$22,702,757	\$22,702,757
Total Fund Balance	\$27,283,087	\$27,971,140	\$28,535,900	\$28,444,900

Department of Municipal Utilities (Wastewater 590 & Water 591)

Mission Statement: *Preserve and enhance the safety, health and quality of life for the people of Traverse City through the effective management and maintenance of its drinking water and wastewater infrastructure.*



The Director of Municipal Utilities oversees the activities of three divisions, including the Water Treatment Plant, Water and Sewer Maintenance and Wastewater Treatment Plant. The Director is responsible for planning, directing and supervising all aspects of the City's Public Utilities, including wastewater collection and transmission systems, storm water collection and treatment systems, and water treatment, distribution and water storage systems, as well as providing oversight for the wastewater treatment plant operations agreement, currently with Jacobs. Other responsibilities include establishing project priorities, estimating project costs, exploring grant and project funding sources and assisting with project administration on construction projects.

The Director coordinates departmental activities with other City staff and synchronizes projects between departments/divisions and works with employees and supervisors to develop and implement policies, procedures and programs, as well as oversees contracts, collective bargaining agreements, budgets, training, safety and infrastructure replacement, expansion and maintenance.

The Director also works with the Asset Management/GIS Analyst and the Asset Management Technician on asset management plans for City assets, including water & sewer utilities, water system reliability, modeling and other long-term infrastructure-related assets.

Goals

1. Continue to evaluate and incorporate into our Asset Management Program the remaining sewer collection system (approximately 50%) that was not included in the SAW Grant (completed May 2017). Complete the Sanitary Sewer Evaluation Study (SSES) and implement these recommendations that aim to remove Infiltration and Inflow (I&I), and complete critical sewer repairs, lining and sewer replacements.
2. Continue to successfully secure adequate funding source(s) to complete planned Capital Improvement Projects for our critical water and wastewater infrastructure.
3. Continue to foster close relationships with our neighboring partnering Townships and the Grand Traverse County Board of Public Works by effectively administering the Bulk Water and Master Sewer Agreements.
4. Work toward implementing a fair and equitable funding source to effectively manage our storm water collection and treatment systems

Wastewater Fund (590)

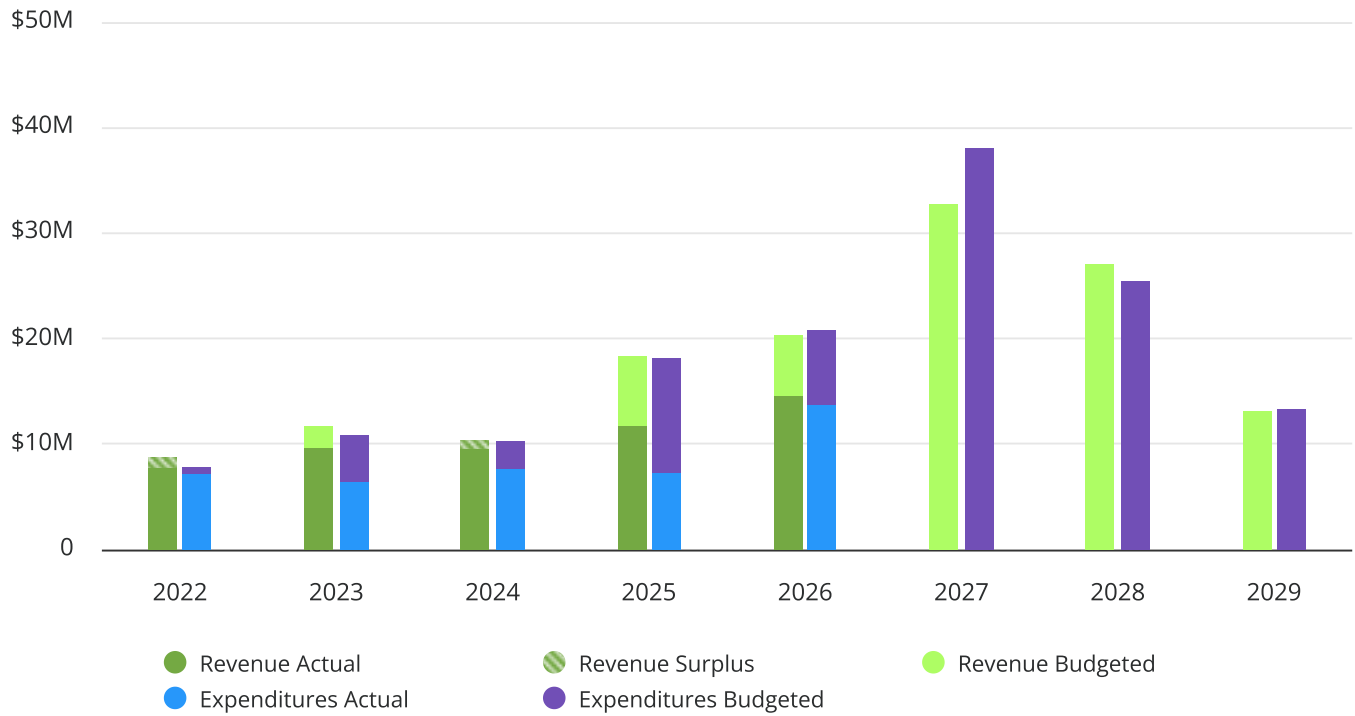
Mission Statement: *To reliably treat the community's wastewater to a level of quality such that it will have no impact on receiving waters and to do so efficiently, minimizing consumption of energy and resources, carbon footprint, and inconvenience to neighbors.*

Traverse City and the surrounding townships are leading the way with environmental leadership and in executing their responsibility to reflect the local environmental ethic in its policies.

The Traverse City Regional Wastewater Treatment Plant treats sewage from the City of Traverse City and the townships of Acme, East Bay, Elmwood, Garfield, Peninsula, and Blair. All are parties to the Master Sewer Agreement, originally adopted in 1987, revised in 2001, and amended and restated in 2017. The City has a unique and central role under that agreement; the plant is located in the City, the City is responsible for its operation, and holds the NPDES permit to discharge the high quality effluent into the Boardman River. The City is also the entity to which the role of "Control Authority" is delegated by the other parties, that is, the City administers the system-wide Industrial Pretreatment Program (IPP) and enforces townships as well as City sewer use ordinances. The above is accomplished through an operations and management contract with Jacobs.



Revenues vs Expenditures Summary



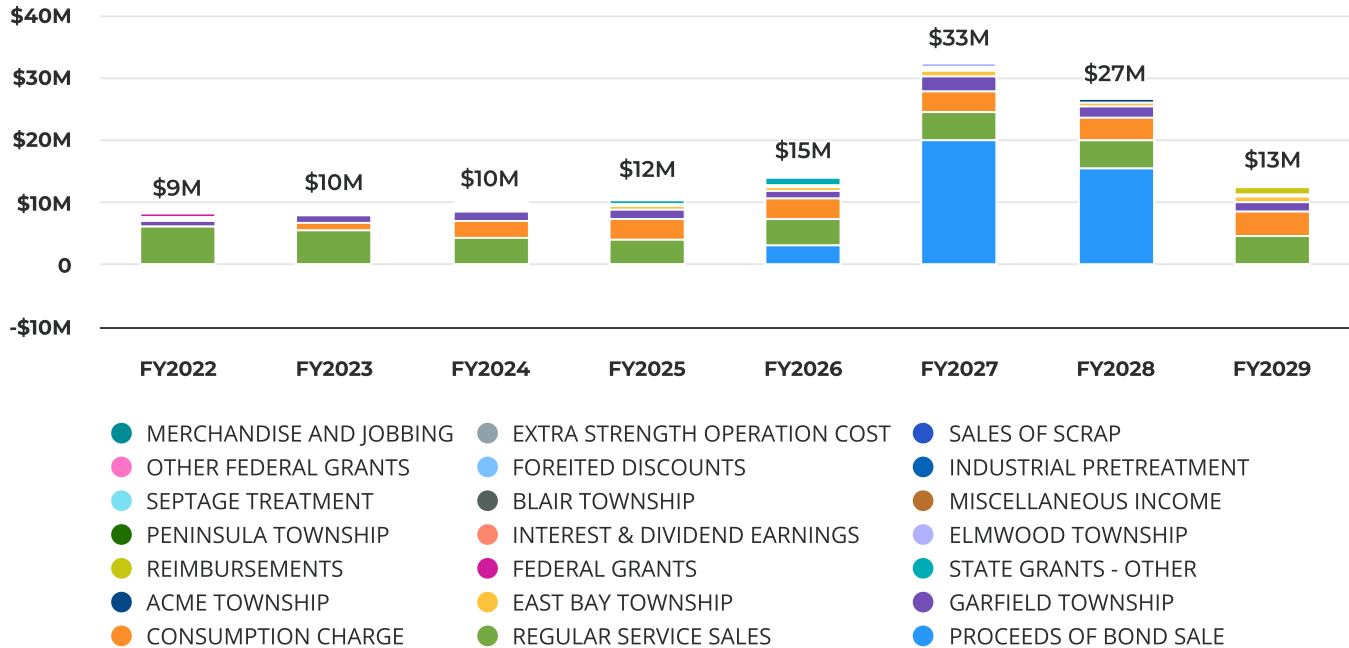
Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$29,186,307	\$33,581,680	\$33,581,680	\$34,388,280	\$28,992,180	\$30,654,580
Revenues						
INTERGOVERNMENTAL	\$786,960	\$733,200	\$1,320,300	\$0	\$0	\$0
OPERATING REVENUES	\$10,703,090	\$10,903,200	\$9,801,700	\$12,517,700	\$11,266,100	\$11,661,300
OTHER REVENUE	\$0	\$8,200,000	\$3,158,900	\$20,000,000	\$15,598,300	\$0
REIMBURSEMENTS	\$50,840	\$379,600	\$110,000	\$78,100	\$77,400	\$1,247,700
NON-OPERATING REVENUES	\$168,750	\$80,000	\$170,000	\$170,000	\$170,000	\$170,000
Total Revenues	\$11,709,640	\$20,296,000	\$14,560,900	\$32,765,800	\$27,111,800	\$13,079,000
Expenditures						
SALARIES & WAGES	\$767,320	\$815,900	\$791,500	\$869,800	\$901,800	\$932,100
FRINGE BENEFITS	\$325,850	\$329,100	\$350,100	\$369,100	\$382,700	\$397,300
OFFICE/OPERATING SUPPLIES	\$63,660	\$83,500	\$77,700	\$98,000	\$98,200	\$98,400
PROFESSIONAL SERVICES	\$4,508,600	\$6,509,500	\$4,998,600	\$12,615,800	\$6,002,800	\$6,353,700
INSURANCE & BONDS	\$99,890	\$103,200	\$98,200	\$107,300	\$114,200	\$121,600
PROFESSIONAL DEVELOPMENT	\$2,150	\$9,000	\$3,500	\$9,000	\$9,000	\$9,000
COMMUNICATION	\$25,910	\$26,500	\$26,300	\$26,200	\$26,500	\$27,200
TRANSPORTATION	\$6,800	\$7,000	\$6,500	\$7,000	\$7,500	\$8,000
UTILITIES	\$7,360	\$9,500	\$13,000	\$13,000	\$13,500	\$14,000
REPAIRS & MAINTENANCE	\$11,230	\$15,000	\$6,000	\$25,000	\$27,500	\$30,000
RENTALS	\$131,960	\$132,500	\$130,000	\$145,000	\$195,000	\$195,000
MISCELLANEOUS EXP	\$0	\$200	\$0	\$0	\$0	\$0
TRANSFER OUT CITY FEE	\$515,090	\$545,200	\$496,000	\$625,900	\$563,300	\$583,100
DEPRECIATION EXPENSE	\$802,270	\$710,400	\$814,200	\$835,000	\$910,000	\$910,000
CAPITAL OUTLAY	\$0	\$10,704,600	\$5,870,600	\$22,315,000	\$16,098,300	\$2,496,500
OTHER CHARGES	\$11,300	\$0	\$10,400	\$11,000	\$11,000	\$11,200
NON OPERATING EXPENSE	\$34,890	\$764,400	\$61,700	\$89,800	\$88,100	\$1,083,700

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Total Expenditures	\$7,314,280	\$20,765,500	\$13,754,300	\$38,161,900	\$25,449,400	\$13,270,800
Total Revenues Less Expenditures	\$4,395,360	-\$469,500	\$806,600	-\$5,396,100	\$1,662,400	-\$191,800
Ending Fund Balance	\$33,581,667	\$33,112,180	\$34,388,280	\$28,992,180	\$30,654,580	\$30,462,780

Note other revenue includes Bond Proceeds, which are included for cash flow management purposes only and will not be included as revenue in the annual audited financial statements. Similarly, the Capital Outlay line item is for budget and cash flow management only. Capital additions are reported as fixed assets for financial reporting purposes, not as expenses.

Historical Revenues by Object



Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
FEDERAL GRANTS	\$466,740	\$0	-\$2,600	\$0	\$0	\$0
STATE GRANTS - OTHER	\$320,220	\$733,200	\$1,322,900	\$0	\$0	\$0
REGULAR SERVICE SALES	\$3,987,250	\$4,271,200	\$4,228,400	\$4,356,000	\$4,491,700	\$4,631,600
CONSUMPTION CHARGE	\$3,387,190	\$3,258,800	\$3,210,800	\$3,423,300	\$3,581,600	\$3,747,200
BLAIR TOWNSHIP	\$60,320	\$60,900	\$50,900	\$90,800	\$70,000	\$72,000
ELMWOOD TOWNSHIP	\$148,940	\$172,900	\$149,600	\$653,100	\$173,100	\$177,800
PENINSULA TOWNSHIP	\$88,670	\$110,900	\$78,200	\$181,500	\$103,900	\$106,900
ACME TOWNSHIP	\$341,610	\$461,800	\$284,500	\$507,600	\$390,900	\$402,000
EAST BAY TOWNSHIP	\$566,230	\$647,900	\$478,300	\$853,400	\$657,300	\$675,900
GARFIELD TOWNSHIP	\$1,590,530	\$1,854,800	\$1,264,700	\$2,370,000	\$1,728,500	\$1,777,400
INDUSTRIAL PRETREATMENT	\$24,230	\$23,000	\$24,000	\$24,500	\$24,800	\$25,000
SEPTAGE TREATMENT	\$39,550	\$40,400	\$32,200	\$57,400	\$44,200	\$45,400
INTEREST & DIVIDEND EARNINGS	\$168,750	\$80,000	\$170,000	\$170,000	\$170,000	\$170,000
REIMBURSEMENTS	\$50,840	\$379,600	\$110,000	\$78,100	\$77,400	\$1,247,700
SALES OF SCRAP	\$250	\$600	\$100	\$100	\$100	\$100
MISCELLANEOUS INCOME	\$468,320	\$0	\$0	\$0	\$0	\$0
PROCEEDS OF BOND SALE	\$0	\$8,200,000	\$3,158,900	\$20,000,000	\$15,598,300	\$0

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Total Revenues	\$11,709,640	\$20,296,000	\$14,560,900	\$32,765,800	\$27,111,800	\$13,079,000

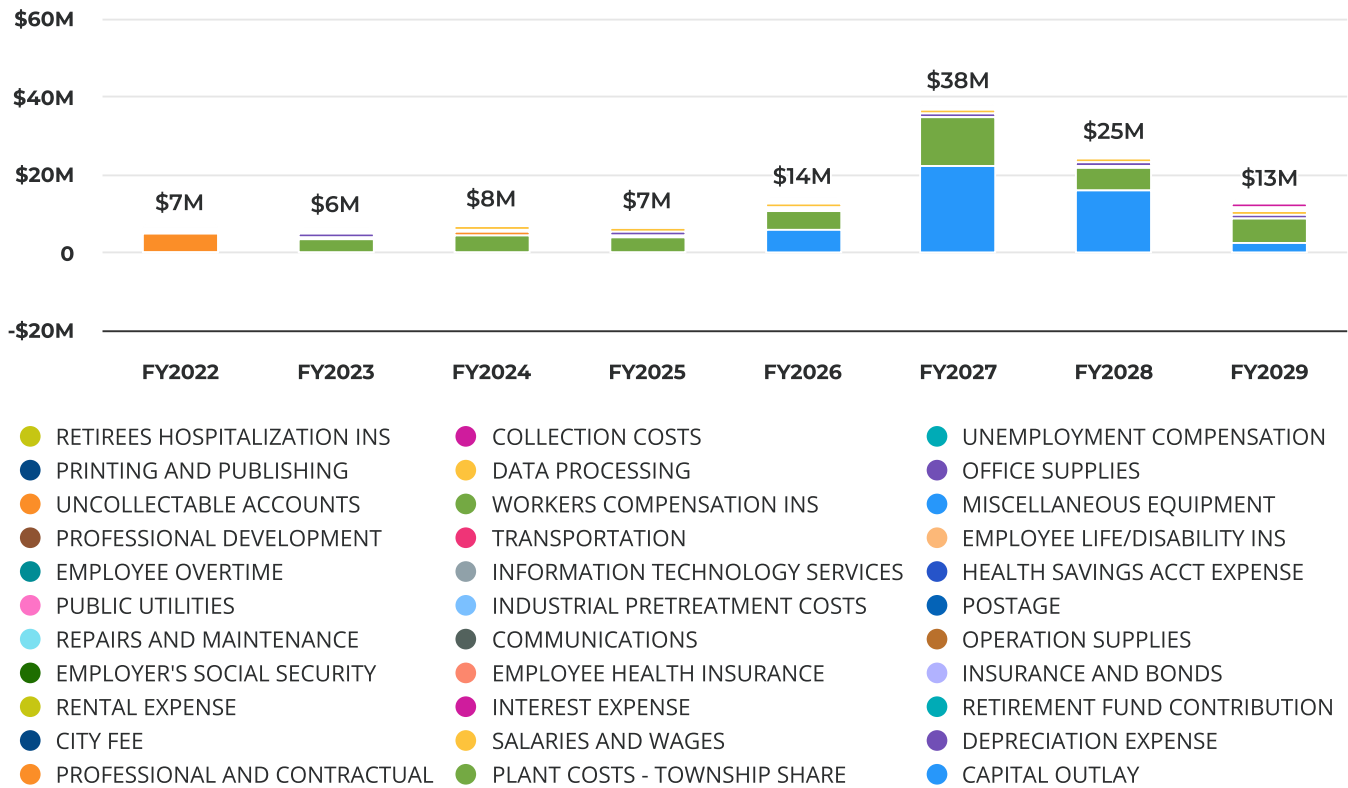
Note: Regular service sales and consumption charges have been calculated based on the current billing structure. However, a rate study is planned to align future rates with the township’s bulk sales agreements, with the goal of minimizing significant impacts on customers.

The federal grants for COVID testing have been completely eliminated, as well as a reduction in the state solar grant revenue.

Township shares increased significantly due to their share of capital expenditures increasing with the large upcoming capital projects. Township contributions are determined by bulk sales agreements.

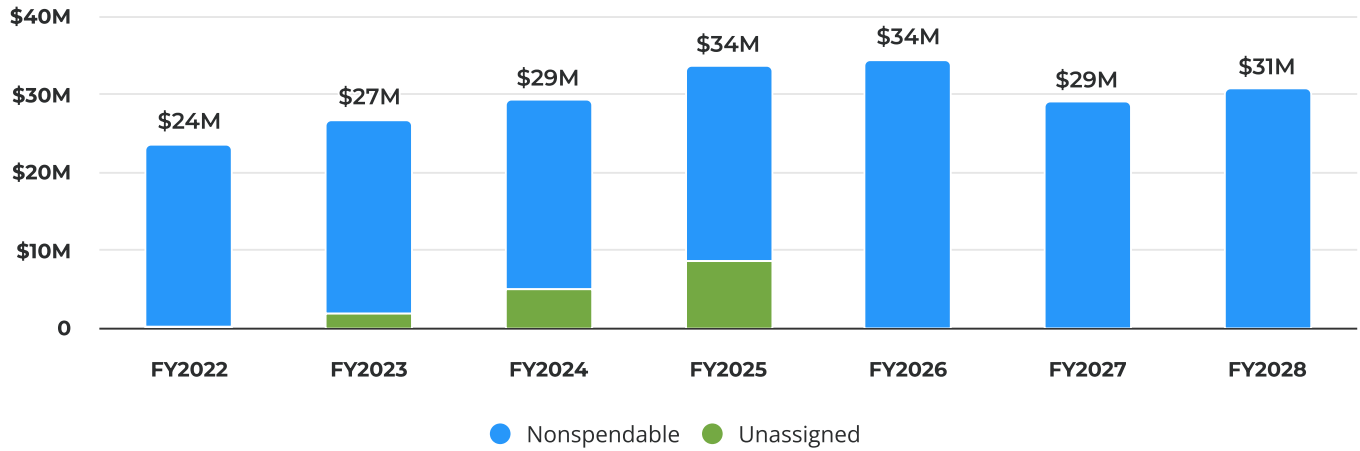
Expenditures by Object

Historical Expenditures by Object



Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$1,896,475	\$4,873,753	\$8,490,152	\$0
Nonspendable	\$24,745,916	\$24,312,554	\$25,091,528	\$34,388,280
Total Fund Balance	\$26,642,391	\$29,186,307	\$33,581,680	\$34,388,280

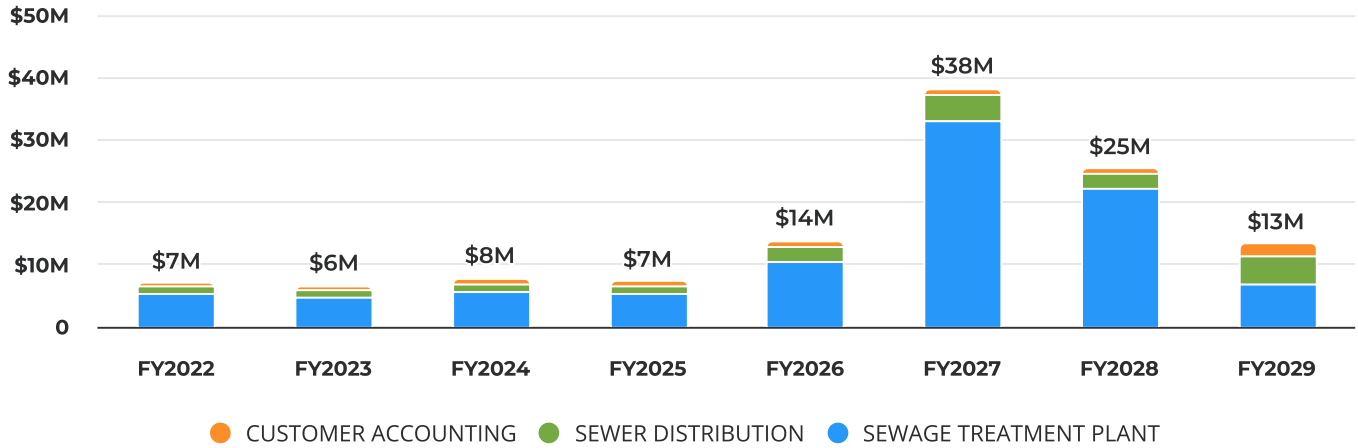
Wastewater Fund Department Summary (590)

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WASTEWATER DISPOSAL FUND	\$7,314,280	\$20,765,500	\$13,754,300	\$38,161,900	\$25,449,400	\$13,270,800
SEWAGE TREATMENT PLANT	\$5,138,730	\$15,790,550	\$10,286,900	\$33,055,800	\$22,131,200	\$6,883,600
SALARIES & WAGES	\$35,990	\$36,000	\$36,500	\$41,100	\$43,400	\$44,700
FRINGE BENEFITS	\$6,350	\$7,200	\$7,100	\$8,100	\$8,600	\$8,900
PROFESSIONAL SERVICES	\$4,367,800	\$6,157,800	\$4,744,600	\$12,308,400	\$5,703,700	\$6,048,300
INSURANCE & BONDS	\$99,210	\$63,950	\$59,900	\$62,200	\$66,200	\$70,500
RENTALS	\$2,400	\$2,500	\$0	\$0	\$0	\$0
DEPRECIATION EXPENSE	\$615,680	\$590,000	\$615,700	\$625,000	\$700,000	\$700,000
CAPITAL OUTLAY	\$0	\$8,933,100	\$4,812,700	\$20,000,000	\$15,598,300	\$0
OTHER CHARGES	\$11,300	\$0	\$10,400	\$11,000	\$11,000	\$11,200
SEWER DISTRIBUTION	\$1,276,400	\$3,307,150	\$2,541,100	\$4,001,100	\$2,271,100	\$4,310,100
SALARIES & WAGES	\$538,080	\$574,800	\$556,200	\$614,900	\$635,900	\$655,700
FRINGE BENEFITS	\$252,210	\$251,500	\$252,200	\$274,500	\$283,600	\$293,700
OFFICE/OPERATING SUPPLIES	\$52,050	\$70,000	\$65,000	\$85,000	\$85,000	\$85,000
PROFESSIONAL SERVICES	\$87,820	\$307,000	\$212,000	\$255,400	\$253,600	\$259,400
INSURANCE & BONDS	\$680	\$39,250	\$38,300	\$45,100	\$48,000	\$51,100
PROFESSIONAL DEVELOPMENT	\$2,150	\$9,000	\$3,500	\$9,000	\$9,000	\$9,000
COMMUNICATION	\$1,870	\$2,200	\$2,000	\$2,200	\$2,500	\$2,700
TRANSPORTATION	\$6,800	\$7,000	\$6,500	\$7,000	\$7,500	\$8,000
UTILITIES	\$7,360	\$9,500	\$13,000	\$13,000	\$13,500	\$14,000
REPAIRS & MAINTENANCE	\$11,230	\$15,000	\$6,000	\$25,000	\$27,500	\$30,000
RENTALS	\$129,560	\$130,000	\$130,000	\$145,000	\$195,000	\$195,000
DEPRECIATION EXPENSE	\$186,590	\$120,400	\$198,500	\$210,000	\$210,000	\$210,000
CAPITAL OUTLAY	\$0	\$1,771,500	\$1,057,900	\$2,315,000	\$500,000	\$2,496,500
CUSTOMER ACCOUNTING	\$899,150	\$1,667,800	\$926,300	\$1,105,000	\$1,047,100	\$2,077,100
SALARIES & WAGES	\$193,250	\$205,100	\$198,800	\$213,800	\$222,500	\$231,700
FRINGE BENEFITS	\$67,290	\$70,400	\$90,800	\$86,500	\$90,500	\$94,700
OFFICE/OPERATING SUPPLIES	\$11,610	\$13,500	\$12,700	\$13,000	\$13,200	\$13,400
PROFESSIONAL SERVICES	\$52,980	\$44,700	\$42,000	\$52,000	\$45,500	\$46,000
COMMUNICATION	\$24,040	\$24,300	\$24,300	\$24,000	\$24,000	\$24,500
MISCELLANEOUS EXP	\$0	\$200	\$0	\$0	\$0	\$0
TRANSFER OUT CITY FEE	\$515,090	\$545,200	\$496,000	\$625,900	\$563,300	\$583,100

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
NON OPERATING EXPENSE	\$34,890	\$764,400	\$61,700	\$89,800	\$88,100	\$1,083,700
Total Expenditures	\$7,314,280	\$20,765,500	\$13,754,300	\$38,161,900	\$25,449,400	\$13,270,800

Historical Expenditures by Department



FY27 Expenditures by Department



● SEWAGE TREATMENT PLANT	\$33,055,800	86.62%
● SEWER DISTRIBUTION	\$4,001,100	10.48%
● CUSTOMER ACCOUNTING	\$1,105,000	2.90%

Expenditures by Department

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SEWAGE TREATMENT PLANT	\$5,138,730	\$15,790,550	\$10,286,900	\$33,055,800	\$22,131,200	\$6,883,600
SEWER DISTRIBUTION	\$1,276,400	\$3,307,150	\$2,541,100	\$4,001,100	\$2,271,100	\$4,310,100
CUSTOMER ACCOUNTING	\$899,150	\$1,667,800	\$926,300	\$1,105,000	\$1,047,100	\$2,077,100
Total Expenditures	\$7,314,280	\$20,765,500	\$13,754,300	\$38,161,900	\$25,449,400	\$13,270,800

Wastewater Capital Projects Summary

The following capital improvement projects are planned for the upcoming fiscal year, targeting both the collection system and plant operations. These investments are designed to extend asset life, improve operational reliability, and ensure regulatory compliance.

Plant Costs - Township Share 590-550-801.002

Front St Lift station and forcemain (Elmwood, Peninsula & Garfield only)	\$	4,680,000
membrane replacement		1,948,100
digester 4 clean and condition assessment		259,000
membrane system PLC update		550,000
Oder control system study		50,000
engineering study/facility plan		600,000
west sludge storage tank concrete repair		60,000
scour blower rebuild		76,000
return activated sludge pump rebuild		52,000
Total included in 590-550-801.002		<u>8,275,100</u>

Capital Outlay - SRF Loan 590-550-970.000-SRF2

Headworks & UV Upgrade construction	<u>20,000,000</u>
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Capital Outlay - Distribution System 590-555-970.0000

Woodmere Coast Guard Riverine Engineering Evaluation	85,000
2026 Street Reconstruction - Monroe St.	1,620,000
Birchwood Lift Station Pump	110,000
Annual Sanitary Sewer Lining Program	500,000
Total 590-555-970.000	<u>2,315,000</u>
	<u><u>\$ 30,590,100</u></u>

Wastewater Fund Plant operations (590-550)

Strategic Goals – WWTP and Pump Stations

- **Commission new rooftop solar and battery energy storage system (BESS)** to reduce energy costs and improve sustainability.
- **Investigate alternative phosphorus precipitating chemicals** to lower costs, reduce safety risks, and minimize corrosion.
- **Implement phase two of the facility perimeter tree planting plan** for environmental enhancement.
- **Support upgrades to headworks, primary treatment, and UV systems** to improve treatment efficiency and process longevity.
- **Complete installation of a new aeration turbo blower (Jacobs-funded)** to optimize aeration and energy use.

Performance Measurements (2020-2025)– WWTP

The following table summarizes key performance indicators for TCRWWTP over the past six years. The treated volume stayed consistent with last year as the City works to address infiltration and inflow issues and contends with lower lake levels after previous record highs. Organic loading, measured in millions of pounds of BOD treated, has been rising, likely due to growth in the Grand Traverse area. We track both flow and loading to determine if future capacity upgrades are needed, and the facility currently remains well within capacity. However, with BOD loading increasing, a comprehensive capacity study should be considered soon to ensure readiness for future growth. The plant has maintained 100% compliance with NPDES permit limits, thanks to Jacobs' environmental stewardship, city support, and excellent effluent quality from the membrane filtration process. In 2025, kilowatt-hours per pound of BOD and per million gallons treated increased slightly, mainly due to greater reliance on scour blowers to address seasonal permeability challenges. The membrane system typically uses a reduced scour aeration mode, which lowers electrical consumption and is preferred when possible. Planned upgrades including membrane replacement, solar and battery energy storage, headworks and UV improvements, and aeration blower enhancements are expected to further reduce electrical use, with completion anticipated in 2026. Safety remains a top priority, with over 2,251 days without a recordable incident.

Performance Indicator		2020	2021	2022	2023	2024	2025
Output	Billions of Gallons Treated	2.16	1.77	1.66	1.66	1.57	1.59
	Millions of Pounds of BOD Treated	2.53	3.06	3.28	3.10	3.69	3.42
	Recordable Safety Incidents	1	0	0	0	0	0
Efficiency	% Effluent in Compliance (NPDES)	100%	100%	100%	100%	100%	100%
	kWh Used / Pound BOD Treated	2.34	1.62	1.49	1.65	1.21	2.15
	Avg kWh Used / Million Gallons Treated	2694	2782	2934	3084	2848	3068
Safety	Total Recordable Rates	6.9	0.0	0.0	0.0	0.0	0.0
	Days Away or Restricted Duty	8	0	0	0	0	0
	Recordable Safety Incidents	1	0	0	0	0	0

Key Takeaways

- Treated volume has remained stable, reflecting ongoing efforts to address infiltration and inflow in the collection system and lower lake levels.
- Organic loading (BOD) has trended upward, likely due to regional growth. The facility remains well within capacity, but a comprehensive capacity study is recommended to plan for future needs.
- The plant has maintained 100% compliance with NPDES permit limits, underscoring Jacobs' commitment to environmental stewardship.
- Energy usage per unit of treatment increased slightly in 2025, driven by greater reliance on scour blowers to address seasonal permeability challenges. Planned upgrades including membrane replacement, solar/BESS installation, and aeration improvements are expected to reduce electrical consumption.
- Safety performance remains exemplary, with over 2,251 days without a recordable incident.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WASTEWATER DISPOSAL FUND	\$5,138,730	\$15,790,550	\$10,286,900	\$33,055,800	\$22,131,200	\$6,883,600
SEWAGE TREATMENT PLANT	\$5,138,730	\$15,790,550	\$10,286,900	\$33,055,800	\$22,131,200	\$6,883,600

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES & WAGES	\$35,990	\$36,000	\$36,500	\$41,100	\$43,400	\$44,700
FRINGE BENEFITS	\$6,350	\$7,200	\$7,100	\$8,100	\$8,600	\$8,900
PROFESSIONAL SERVICES	\$4,367,800	\$6,157,800	\$4,744,600	\$12,308,400	\$5,703,700	\$6,048,300
INSURANCE & BONDS	\$99,210	\$63,950	\$59,900	\$62,200	\$66,200	\$70,500
RENTALS	\$2,400	\$2,500	\$0	\$0	\$0	\$0
DEPRECIATION EXPENSE	\$615,680	\$590,000	\$615,700	\$625,000	\$700,000	\$700,000
CAPITAL OUTLAY	\$0	\$8,933,100	\$4,812,700	\$20,000,000	\$15,598,300	\$0
OTHER CHARGES	\$11,300	\$0	\$10,400	\$11,000	\$11,000	\$11,200
Total Expenditures	\$5,138,730	\$15,790,550	\$10,286,900	\$33,055,800	\$22,131,200	\$6,883,600

FY27 Expenditures by Expense Type Summary



● CAPITAL OUTLAY	\$20,000,000	60.50%
● PROFESSIONAL SERVICES	\$12,308,400	37.24%
● DEPRECIATION EXPENSE	\$625,000	1.89%
● INSURANCE & BONDS	\$62,200	0.19%
● SALARIES & WAGES	\$41,100	0.12%
● OTHER CHARGES	\$11,000	0.03%
● FRINGE BENEFITS	\$8,100	0.02%

Wastewater Fund Distribution (590-555)

Mission Statement: *To maintain the sanitary sewer collection system, while holding paramount the health, safety and welfare of the public.*

Responsibilities include:

- Cleaning, televising and repairing 90 miles of gravity sewer; maintaining 4.8 miles of force main sanitary sewer.
- Cleaning and maintaining 2,084 sewer manholes.
- Administering the Cross-Connection Inspection Program.
- Locating all water, sanitary and storm lines for MISS DIG.
- Assisting all DPS Divisions with confined space entries.

Goals – Maintenance & Repairs

1. Continue to televise and evaluate sewers for condition assessment.
2. Reduce I&I by removing illicit stormwater connections to the sanitary system.
3. Increase efforts to reduce the number of sewer calls by cleaning approximately 30 percent of the sanitary system on an annual basis.

Performance Measurements - Maintenance & Repairs

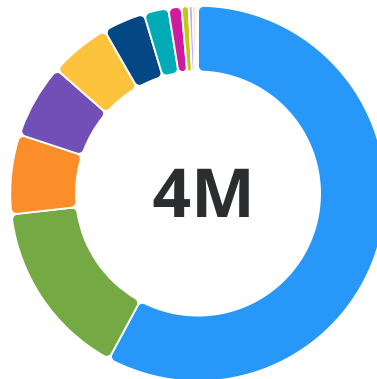
	Performance Indicators	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-to date
Output	Sewer maintenance calls	71	80	120	80	77	79	48
	Footage of Sewers CCTV's	12,320	13,830	16,000	2,500	6,000	5,200	2,100
	Footage of sewers cleaned	61,275	65,860	60,000	80,000	77,000	81,000	37,000
Efficiency	Percentage of maintenance calls responded to within one hour	100%	100%	100%	100%	99%	100%	100%
	Percentage of sewer backups that were the homeowner's responsibility	71%	72%	76%	75%	79%	78%	77%
	Percentage of annual sewers cleaned	15%	16%	14%	17%	17%	17%	12%

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WASTEWATER DISPOSAL FUND	\$1,276,400	\$3,307,150	\$2,541,100	\$4,001,100	\$2,271,100	\$4,310,100
SEWER DISTRIBUTION	\$1,276,400	\$3,307,150	\$2,541,100	\$4,001,100	\$2,271,100	\$4,310,100
SALARIES & WAGES	\$538,080	\$574,800	\$556,200	\$614,900	\$635,900	\$655,700
FRINGE BENEFITS	\$252,210	\$251,500	\$252,200	\$274,500	\$283,600	\$293,700
OFFICE/OPERATING SUPPLIES	\$52,050	\$70,000	\$65,000	\$85,000	\$85,000	\$85,000
PROFESSIONAL SERVICES	\$87,820	\$307,000	\$212,000	\$255,400	\$253,600	\$259,400
INSURANCE & BONDS	\$680	\$39,250	\$38,300	\$45,100	\$48,000	\$51,100
PROFESSIONAL DEVELOPMENT	\$2,150	\$9,000	\$3,500	\$9,000	\$9,000	\$9,000
COMMUNICATION	\$1,870	\$2,200	\$2,000	\$2,200	\$2,500	\$2,700
TRANSPORTATION	\$6,800	\$7,000	\$6,500	\$7,000	\$7,500	\$8,000
UTILITIES	\$7,360	\$9,500	\$13,000	\$13,000	\$13,500	\$14,000
REPAIRS & MAINTENANCE	\$11,230	\$15,000	\$6,000	\$25,000	\$27,500	\$30,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
RENTALS	\$129,560	\$130,000	\$130,000	\$145,000	\$195,000	\$195,000
DEPRECIATION EXPENSE	\$186,590	\$120,400	\$198,500	\$210,000	\$210,000	\$210,000
CAPITAL OUTLAY	\$0	\$1,771,500	\$1,057,900	\$2,315,000	\$500,000	\$2,496,500
Total Expenditures	\$1,276,400	\$3,307,150	\$2,541,100	\$4,001,100	\$2,271,100	\$4,310,100

FY27 Expenditures by Expense Type Summary



● CAPITAL OUTLAY	\$2,315,000	57.86%
● SALARIES & WAGES	\$614,900	15.37%
● FRINGE BENEFITS	\$274,500	6.86%
● PROFESSIONAL SERVICES	\$255,400	6.38%
● DEPRECIATION EXPENSE	\$210,000	5.25%
● RENTALS	\$145,000	3.62%
● OFFICE/OPERATING SUPPLIES	\$85,000	2.12%
● INSURANCE & BONDS	\$45,100	1.13%
● REPAIRS & MAINTENANCE	\$25,000	0.62%
● UTILITIES	\$13,000	0.32%
● PROFESSIONAL DEVELOPMENT	\$9,000	0.22%
● TRANSPORTATION	\$7,000	0.17%
● COMMUNICATION	\$2,200	0.05%

Wastewater Fund Customer Accounting (590-560)

This department tracks administration and billing-related costs.

Responsibilities include:

- Cleaning, televising and repairing 90 miles of gravity sewer; maintaining 4.8 miles of force main sanitary sewer.
- Cleaning and maintaining 1,902 sewer manholes.
- Administering the Cross-Connection Inspection Program.
- Locating all water, sanitary and storm lines for MISS DIG.
- Assisting all DPS Divisions with confined space entries.

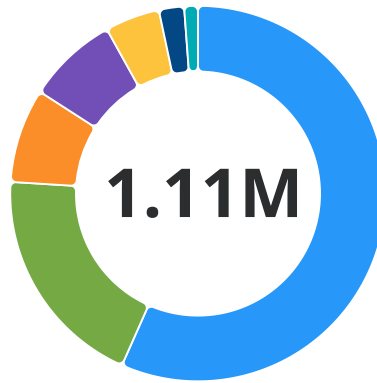
Goals - Maintenance & Repairs

1. Continue to televise and evaluate sewers for condition assessment.
2. Continue with installing the AMI metering system to improve sewer billing accuracy.
3. Increase efforts to reduce the number of sewer calls by cleaning approximately 30 percent of the sanitary system on an annual basis.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WASTEWATER DISPOSAL FUND	\$899,150	\$1,667,800	\$926,300	\$1,105,000	\$1,047,100	\$2,077,100
CUSTOMER ACCOUNTING	\$899,150	\$1,667,800	\$926,300	\$1,105,000	\$1,047,100	\$2,077,100
SALARIES & WAGES	\$193,250	\$205,100	\$198,800	\$213,800	\$222,500	\$231,700
FRINGE BENEFITS	\$67,290	\$70,400	\$90,800	\$86,500	\$90,500	\$94,700
OFFICE/OPERATING SUPPLIES	\$11,610	\$13,500	\$12,700	\$13,000	\$13,200	\$13,400
PROFESSIONAL SERVICES	\$52,980	\$44,700	\$42,000	\$52,000	\$45,500	\$46,000
COMMUNICATION	\$24,040	\$24,300	\$24,300	\$24,000	\$24,000	\$24,500
MISCELLANEOUS EXP	\$0	\$200	\$0	\$0	\$0	\$0
TRANSFER OUT CITY FEE	\$515,090	\$545,200	\$496,000	\$625,900	\$563,300	\$583,100
NON OPERATING EXPENSE	\$34,890	\$764,400	\$61,700	\$89,800	\$88,100	\$1,083,700
Total Expenditures	\$899,150	\$1,667,800	\$926,300	\$1,105,000	\$1,047,100	\$2,077,100

FY27 Expenditures by Expense Type Summary



● TRANSFER OUT CITY FEE	\$625,900	56.64%
● SALARIES & WAGES	\$213,800	19.35%
● NON OPERATING EXPENSE	\$89,800	8.13%
● FRINGE BENEFITS	\$86,500	7.83%
● PROFESSIONAL SERVICES	\$52,000	4.71%
● COMMUNICATION	\$24,000	2.17%
● OFFICE/OPERATING SUPPLIES	\$13,000	1.18%

Water Fund (591)

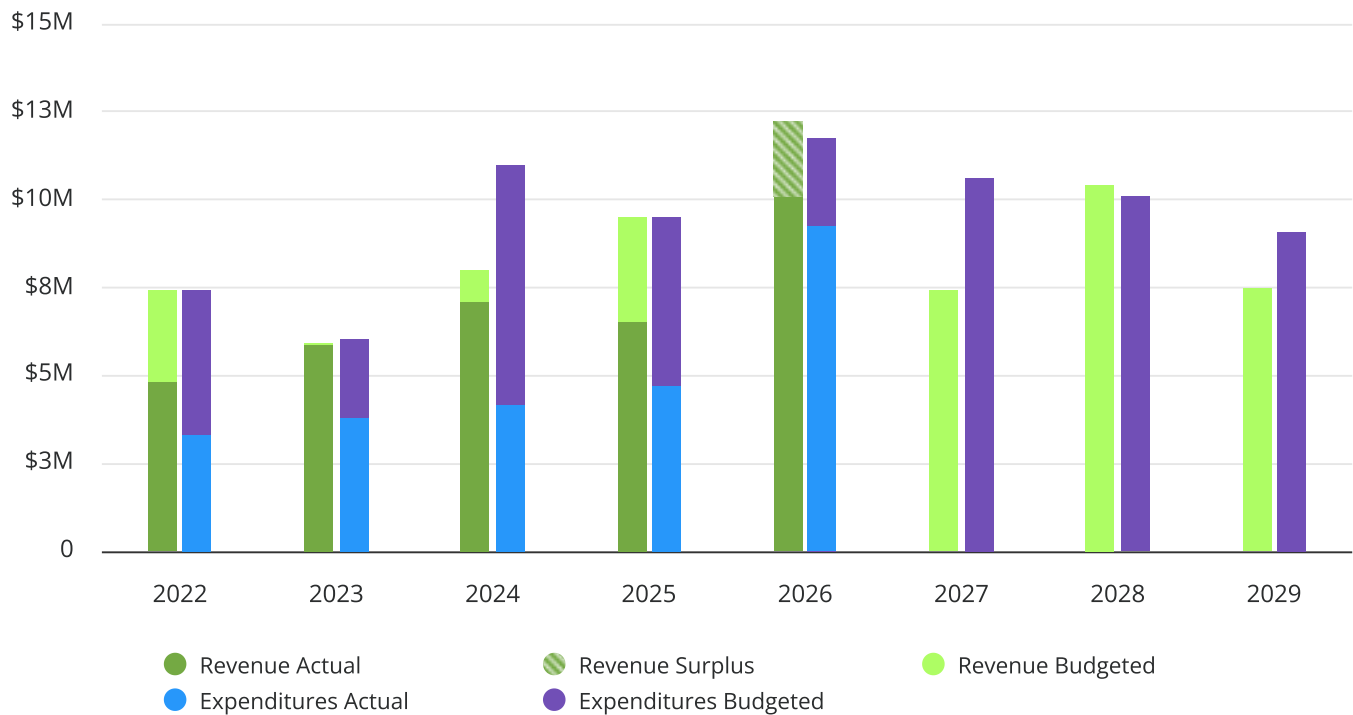
Mission Statement: *To provide abundant, clean, safe and aesthetically pleasing water to our customers.*

The Traverse City Water Treatment Plant provides quality drinking water to customers in Traverse City, and portions of Garfield, Peninsula and Elmwood Townships. The water plant currently has a firm capacity of 19.7 million gallons a day.

The Water Treatment Plant (WTP) produces and supplies approximately 2.0 billion gallons of drinking water annually to the City and portions of three adjacent townships, including Elmwood, Garfield and Peninsula through bulk water agreements. Plant personnel operate a state-certified laboratory to monitor water quality and provide bacteriological testing for the plant and surrounding Township-owned water systems. The WTP laboratory performs daily tests for pH, hardness, calcium hardness, alkalinity, chloride, sulfates, chlorine, fluoride, iron, turbidity, conductivity and suspended solids. Operators are required to be licensed by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) through examination and to maintain certification through continuing education.



Revenues vs Expenditures Summary

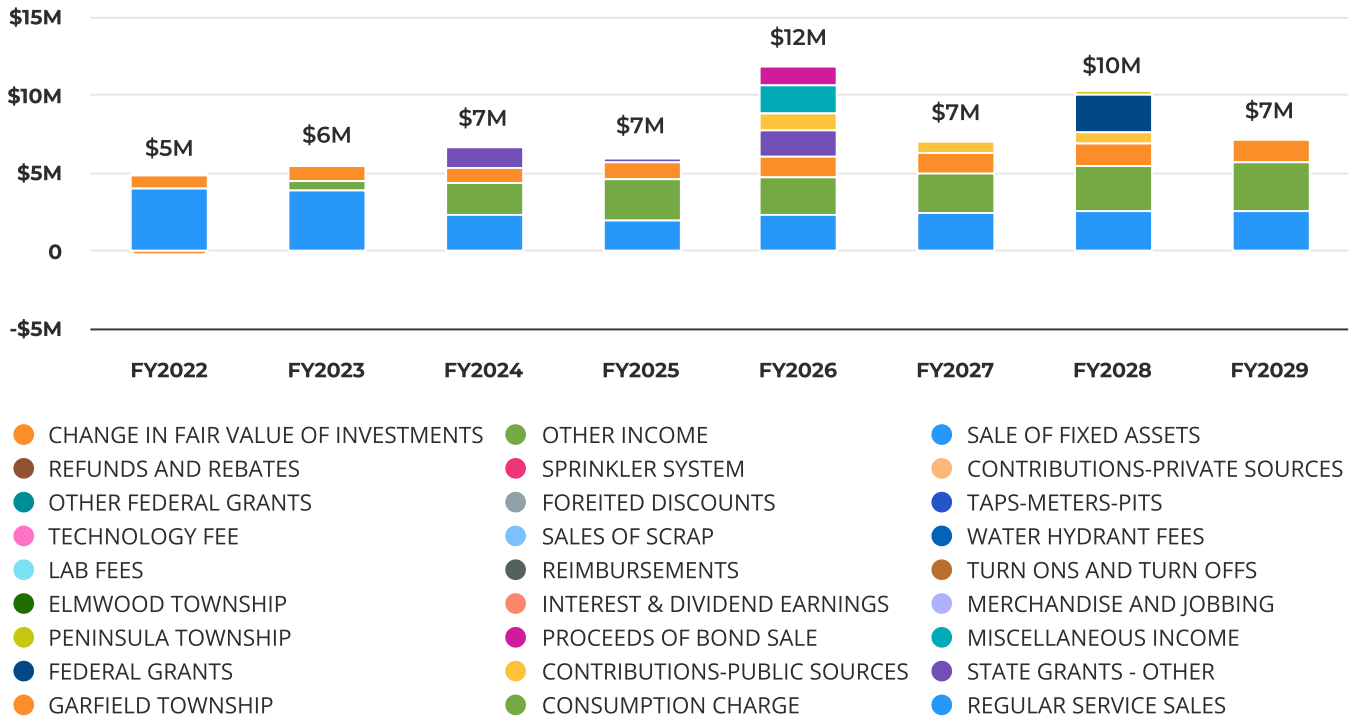


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$24,568,870	\$26,373,700	\$26,373,700	\$29,316,100	\$26,090,400	\$26,408,050
Revenues						
INTERGOVERNMENTAL	\$226,320	\$1,774,200	\$1,774,200	\$0	\$2,400,000	\$0
OPERATING REVENUES	\$6,037,900	\$6,334,800	\$8,007,700	\$6,581,600	\$7,189,100	\$7,397,700
OTHER REVENUE	\$31,890	\$1,892,600	\$2,328,800	\$759,000	\$748,000	\$0
REIMBURSEMENTS	\$16,470	\$5,000	\$24,000	\$5,000	\$5,000	\$5,000
NON-OPERATING REVENUES	\$201,250	\$59,400	\$58,500	\$58,000	\$58,000	\$58,000
TECHNOLOGY FEES	\$0	\$0	\$10,300	\$10,500	\$10,700	\$10,900
Total Revenues	\$6,513,830	\$10,066,000	\$12,203,500	\$7,414,100	\$10,410,800	\$7,471,600
Expenditures						
SALARIES & WAGES	\$1,146,890	\$1,209,600	\$1,163,600	\$1,296,000	\$1,341,200	\$1,392,200
FRINGE BENEFITS	\$750,980	\$763,000	\$749,600	\$811,400	\$835,300	\$861,800
OFFICE/OPERATING SUPPLIES	\$426,240	\$368,500	\$420,700	\$434,200	\$452,900	\$472,000
PROFESSIONAL SERVICES	\$639,520	\$541,900	\$356,700	\$437,800	\$438,200	\$457,300
INSURANCE & BONDS	\$41,750	\$43,200	\$44,600	\$47,800	\$51,000	\$54,200
PROFESSIONAL DEVELOPMENT	\$8,550	\$20,000	\$10,000	\$20,000	\$21,050	\$23,000
COMMUNICATION	\$40,930	\$43,800	\$37,000	\$41,200	\$42,700	\$44,300
TRANSPORTATION	\$7,130	\$10,000	\$9,700	\$11,700	\$12,400	\$13,100
PRINTING & PUBLISHING	\$350	\$500	\$100	\$0	\$0	\$0
UTILITIES	\$335,290	\$358,900	\$349,000	\$377,000	\$396,200	\$416,300
REPAIRS & MAINTENANCE	\$129,130	\$205,000	\$111,400	\$205,000	\$214,000	\$223,500
RENTALS	\$132,580	\$131,000	\$104,700	\$130,700	\$131,300	\$161,900
MISCELLANEOUS EXP	\$0	\$100	\$0	\$0	\$0	\$0
TRANSFER OUT CITY FEE	\$311,540	\$317,000	\$317,100	\$332,900	\$348,800	\$358,900
DEPRECIATION EXPENSE	\$729,230	\$604,700	\$728,700	\$275,700	\$728,700	\$728,700
CAPITAL OUTLAY	\$2,610	\$7,102,800	\$4,843,600	\$6,205,200	\$5,069,000	\$3,884,300
NON OPERATING EXPENSE	\$6,290	\$14,600	\$14,600	\$13,200	\$10,400	\$7,600
Total Expenditures	\$4,709,010	\$11,734,600	\$9,261,100	\$10,639,800	\$10,093,150	\$9,099,100
Total Revenues Less Expenditures	\$1,804,820	-\$1,668,600	\$2,942,400	-\$3,225,700	\$317,650	-\$1,627,500
Ending Fund Balance	\$26,373,689	\$24,705,100	\$29,316,100	\$26,090,400	\$26,408,050	\$24,780,550

Note: Capital Outlay appears for budget and cash management purposes only. Capital additions will be reported as fixed assets on the year-end financial statements, not as expenses. Projected other revenue for year-end 6/30/2025 is estimated bond proceeds, which similarly to capital outlay is included as a cash flow management tool and will not be reported as revenue on the year-end financial statements.

Historical Revenues by Object



Revenues by Object

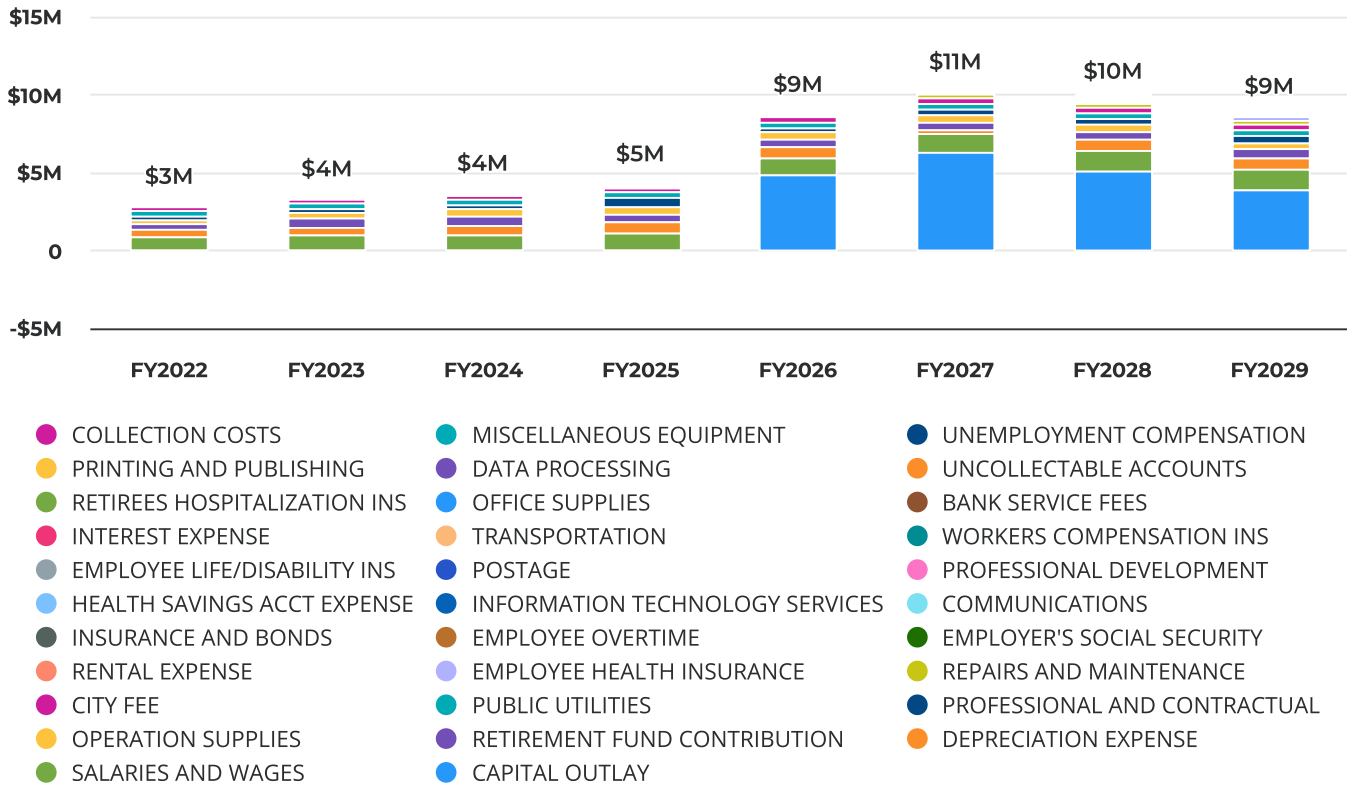
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
FEDERAL GRANTS	\$490	\$0	\$0	\$0	\$2,400,000	\$0
STATE GRANTS - OTHER	\$225,830	\$1,774,200	\$1,774,200	\$0	\$0	\$0
REGULAR SERVICE SALES	\$1,923,720	\$2,202,200	\$2,253,700	\$2,366,400	\$2,497,100	\$2,537,200
CONSUMPTION CHARGE	\$2,662,260	\$2,541,300	\$2,430,600	\$2,552,100	\$2,980,200	\$3,088,100
ELMWOOD TOWNSHIP	\$27,060	\$32,300	\$27,800	\$29,100	\$30,000	\$31,200
PENINSULA TOWNSHIP	\$113,830	\$130,900	\$121,900	\$126,800	\$130,500	\$135,300
GARFIELD TOWNSHIP	\$1,126,770	\$1,288,900	\$1,283,900	\$1,337,300	\$1,377,200	\$1,428,500
SPRINKLER SYSTEM	\$240	\$300	\$300	\$300	\$300	\$300
MERCHANDISE AND JOBBING	\$61,320	\$50,000	\$68,000	\$69,000	\$69,500	\$70,000
TURN ONS AND TURN OFFS	\$11,980	\$9,500	\$21,000	\$21,500	\$22,000	\$22,500
LAB FEES	\$11,340	\$11,400	\$13,700	\$14,000	\$14,300	\$14,600
WATER HYDRANT FEES	\$26,610	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
INTEREST & DIVIDEND EARNINGS	\$58,210	\$59,400	\$58,000	\$58,000	\$58,000	\$58,000
CHANGE IN FAIR VALUE OF INVESTMENTS	\$143,040	\$0	\$0	\$0	\$0	\$0
SALE OF FIXED ASSETS	\$0	\$0	\$500	\$0	\$0	\$0
CONTRIBUTIONS-PUBLIC SOURCES	\$31,890	\$1,092,600	\$1,104,000	\$759,000	\$748,000	\$0
REIMBURSEMENTS	\$16,470	\$5,000	\$24,000	\$5,000	\$5,000	\$5,000
SALES OF SCRAP	\$20,770	\$2,000	\$3,000	\$3,000	\$3,000	\$3,000
MISCELLANEOUS INCOME	\$52,000	\$56,000	\$1,773,800	\$52,100	\$55,000	\$57,000
PROCEEDS OF BOND SALE	\$0	\$800,000	\$1,224,800	\$0	\$0	\$0
TECHNOLOGY FEE	\$0	\$0	\$10,300	\$10,500	\$10,700	\$10,900
Total Revenues	\$6,513,830	\$10,066,000	\$12,203,500	\$7,414,100	\$10,410,800	\$7,471,600

Note: Regular service sales and consumption charges have been calculated based on the current billing structure. However, a rate study is planned to align future rates with the township's bulk sales agreements, with the goal of minimizing significant impacts on customers.

Miscellaneous income includes revenue from cell tower leases.

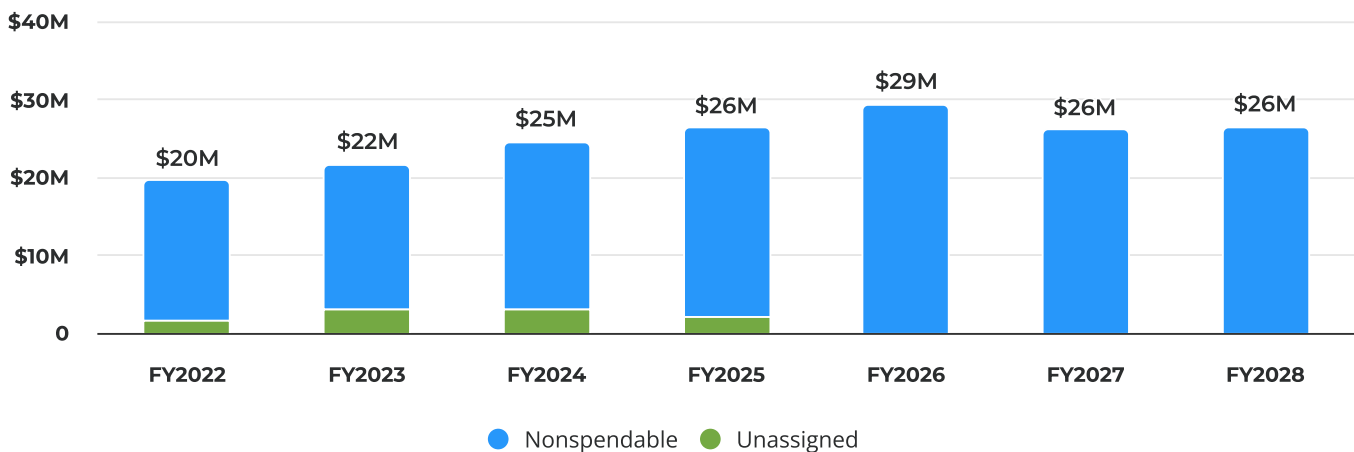
Expenditures by Object

Historical Expenditures by Object



Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$3,123,041	\$2,958,175	\$2,109,345	\$0
Nonspendable	\$18,533,001	\$21,610,694	\$24,264,355	\$29,316,100
Total Fund Balance	\$21,656,042	\$24,568,870	\$26,373,700	\$29,316,100

Water Fund Department Summary (591)

Plant, Storage Tanks & Booster Station

Mission Statement: *To provide abundant, clean, safe and aesthetically pleasing water to our customers.*

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WATER FUND	\$4,709,010	\$11,734,600	\$9,261,100	\$10,639,800	\$10,093,150	\$9,099,100
WATER PLANT	\$1,933,680	\$3,395,400	\$2,009,700	\$5,495,400	\$5,506,750	\$2,856,300
SALARIES & WAGES	\$524,530	\$613,700	\$563,900	\$638,300	\$665,700	\$693,500
FRINGE BENEFITS	\$373,550	\$438,300	\$403,700	\$445,100	\$456,700	\$469,100
OFFICE/OPERATING SUPPLIES	\$155,750	\$152,000	\$153,800	\$167,000	\$175,400	\$184,200
PROFESSIONAL SERVICES	\$82,990	\$139,600	\$125,700	\$144,900	\$148,200	\$155,700
INSURANCE & BONDS	\$40,460	\$41,800	\$19,700	\$19,500	\$20,800	\$22,100
PROFESSIONAL DEVELOPMENT	\$2,630	\$11,000	\$5,000	\$11,000	\$11,550	\$13,000
COMMUNICATION	\$14,260	\$16,000	\$13,000	\$16,200	\$17,000	\$17,900
TRANSPORTATION	\$890	\$2,000	\$3,200	\$3,700	\$3,900	\$4,100
PRINTING & PUBLISHING	\$350	\$0	\$100	\$0	\$0	\$0
UTILITIES	\$324,870	\$346,000	\$336,500	\$364,000	\$382,200	\$401,300
REPAIRS & MAINTENANCE	\$124,380	\$180,000	\$99,400	\$180,000	\$189,000	\$198,500
RENTALS	\$14,110	\$11,000	\$10,700	\$10,700	\$11,300	\$11,900
DEPRECIATION EXPENSE	\$275,010	\$239,000	\$275,000	\$275,000	\$275,000	\$275,000
CAPITAL OUTLAY	-\$100	\$1,205,000	\$0	\$3,220,000	\$3,150,000	\$410,000
CUSTOMER ACCOUNTING	\$684,250	\$711,500	\$709,700	\$743,700	\$764,200	\$786,500
SALARIES & WAGES	\$194,890	\$205,900	\$201,000	\$212,800	\$221,600	\$230,700
FRINGE BENEFITS	\$74,850	\$78,700	\$98,400	\$95,400	\$99,400	\$103,700
OFFICE/OPERATING SUPPLIES	\$15,910	\$16,000	\$16,900	\$17,200	\$17,500	\$17,800
PROFESSIONAL SERVICES	\$56,050	\$53,700	\$40,000	\$50,000	\$44,100	\$45,200
COMMUNICATION	\$24,040	\$24,300	\$21,000	\$21,500	\$21,700	\$21,900
PRINTING & PUBLISHING	\$0	\$500	\$0	\$0	\$0	\$0
MISCELLANEOUS EXP	\$0	\$100	\$0	\$0	\$0	\$0
TRANSFER OUT CITY FEE	\$311,540	\$317,000	\$317,100	\$332,900	\$348,800	\$358,900
DEPRECIATION EXPENSE	\$680	\$700	\$700	\$700	\$700	\$700
NON OPERATING EXPENSE	\$6,290	\$14,600	\$14,600	\$13,200	\$10,400	\$7,600
WATER DISTRIBUTION	\$2,091,080	\$7,627,700	\$6,541,700	\$4,400,700	\$3,822,200	\$5,456,300
SALARIES & WAGES	\$427,470	\$390,000	\$398,700	\$444,900	\$453,900	\$468,000
FRINGE BENEFITS	\$302,580	\$246,000	\$247,500	\$270,900	\$279,200	\$289,000
OFFICE/OPERATING SUPPLIES	\$254,580	\$200,500	\$250,000	\$250,000	\$260,000	\$270,000

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL SERVICES	\$500,480	\$348,600	\$191,000	\$242,900	\$245,900	\$256,400
INSURANCE & BONDS	\$1,290	\$1,400	\$24,900	\$28,300	\$30,200	\$32,100
PROFESSIONAL DEVELOPMENT	\$5,920	\$9,000	\$5,000	\$9,000	\$9,500	\$10,000
COMMUNICATION	\$2,630	\$3,500	\$3,000	\$3,500	\$4,000	\$4,500
TRANSPORTATION	\$6,240	\$8,000	\$6,500	\$8,000	\$8,500	\$9,000
UTILITIES	\$10,420	\$12,900	\$12,500	\$13,000	\$14,000	\$15,000
REPAIRS & MAINTENANCE	\$4,750	\$25,000	\$12,000	\$25,000	\$25,000	\$25,000
RENTALS	\$118,470	\$120,000	\$94,000	\$120,000	\$120,000	\$150,000
DEPRECIATION EXPENSE	\$453,540	\$365,000	\$453,000	\$0	\$453,000	\$453,000
CAPITAL OUTLAY	\$2,710	\$5,897,800	\$4,843,600	\$2,985,200	\$1,919,000	\$3,474,300
Total Expenditures	\$4,709,010	\$11,734,600	\$9,261,100	\$10,639,800	\$10,093,150	\$9,099,100

Water Capital Projects Summary

Below is a list of capital projects that are included in the 2026/2027 budget for the Water Plant, broken down by department and funding source.

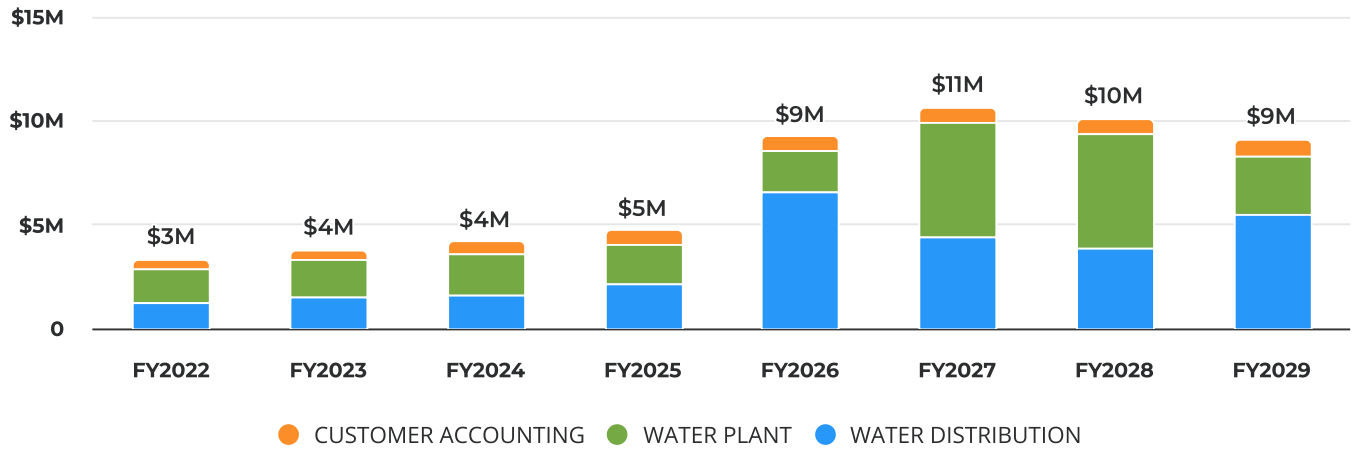
Plant Capital Outlay 591-536-970.000

Electrical Motor Control Center Upgrades & New generator at Low Service	\$ 2,600,000
Freight Elevator Replacement	360,000
High and Low Service Pump Repair	<u>260,000</u>
Total 591-536-970.000	<u><u>3,220,000</u></u>

Distribution Capital Outlay 591-575-970.000

2026 Street Reconstruction - Monroe St.	1,139,300
7th St Cass to Wadsworth	<u>1,845,900</u>
Total 590-555-970.000	<u><u>2,985,200</u></u>
Total Water Fund	<u><u>\$ 6,205,200</u></u>

Historical Expenditures by Department



FY27 Expenditures by Department

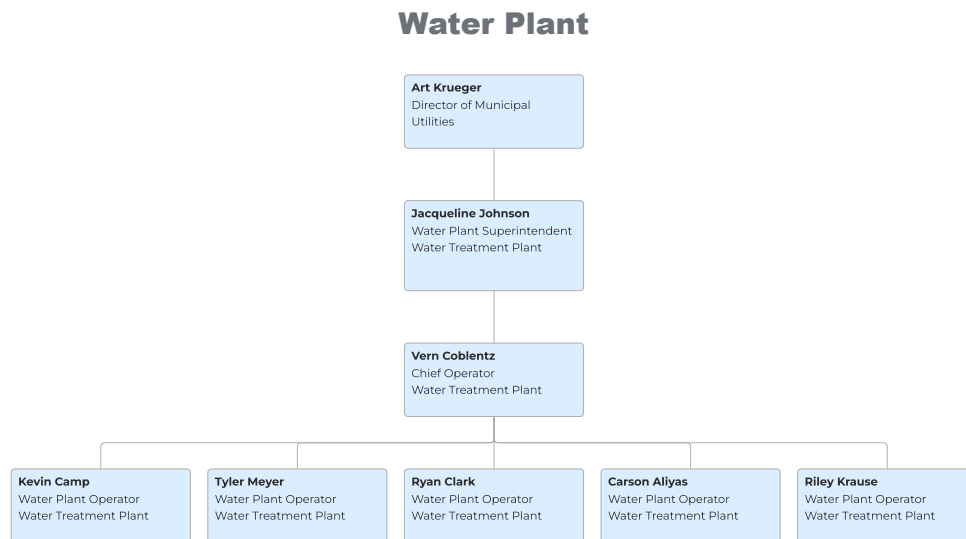


● WATER PLANT	\$5,495,400	51.65%
● WATER DISTRIBUTION	\$4,400,700	41.36%
● CUSTOMER ACCOUNTING	\$743,700	6.99%

Expenditures by Department

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WATER PLANT	\$1,933,680	\$3,395,400	\$2,009,700	\$5,495,400	\$5,506,750	\$2,856,300
CUSTOMER ACCOUNTING	\$684,250	\$711,500	\$709,700	\$743,700	\$764,200	\$786,500
WATER DISTRIBUTION	\$2,091,080	\$7,627,700	\$6,541,700	\$4,400,700	\$3,822,200	\$5,456,300
Total Expenditures	\$4,709,010	\$11,734,600	\$9,261,100	\$10,639,800	\$10,093,150	\$9,099,100

Water Fund - Plant (591-536)



Goals – Plant, Storage Tanks & Booster Stations

Continued focus on Energy Efficiency and Capital Improvement Projects (CIP) as recommended in the 2021 Water System Reliability Study and the 2021 Drinking Water State Revolving Fund (DWSRF) Five-Year Project Plan including construction of new East-West 24-inch water transmission mains (phased plan). Other planned maintenance and equipment upgrades include repair of one high service and low service pump annually, install a VFD control on a high and low service pump.

Performance Measurements – Plant, Storage Tanks & Booster Stations

	Performance Indicators	2020	2021	2022	2023	2024	2025
Output	Million gallons of water pumped	1,774.36	1,959.56	1,883.00	2,014.82	2,010.03	2,151.07
	Chemical costs	\$48,148.00	\$52,851.00	\$60,797.92	\$105,518.25	\$98,757.19	\$97,680.24
	Electrical demand - kWh (kiloWatt-hours)	2,092,204	2,377,040	2,219,229	2,408,880	2,396,147	2,566,252
Efficiency	Chemical cost per million gallons water pumped	\$27.14	\$26.97	\$32.29	\$52.37	\$49.13	\$45.41
	Gallons / kWh	848.08	824.37	848.49	836.42	838.86	838.21

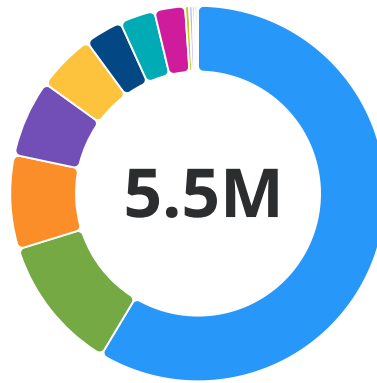
SUMMARY OF SIGNIFICANT BUDGET CHANGES- Plant, Storage Tanks & Booster Stations

No significant changes compared to the previous year's budget line items except for the planned capital improvement projects listed in the Water Capital Projects Summary.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WATER FUND	\$1,933,680	\$3,395,400	\$2,009,700	\$5,495,400	\$5,506,750	\$2,856,300
WATER PLANT	\$1,933,680	\$3,395,400	\$2,009,700	\$5,495,400	\$5,506,750	\$2,856,300
SALARIES & WAGES	\$524,530	\$613,700	\$563,900	\$638,300	\$665,700	\$693,500
FRINGE BENEFITS	\$373,550	\$438,300	\$403,700	\$445,100	\$456,700	\$469,100
OFFICE/OPERATING SUPPLIES	\$155,750	\$152,000	\$153,800	\$167,000	\$175,400	\$184,200
PROFESSIONAL SERVICES	\$82,990	\$139,600	\$125,700	\$144,900	\$148,200	\$155,700
INSURANCE & BONDS	\$40,460	\$41,800	\$19,700	\$19,500	\$20,800	\$22,100
PROFESSIONAL DEVELOPMENT	\$2,630	\$11,000	\$5,000	\$11,000	\$11,550	\$13,000
COMMUNICATION	\$14,260	\$16,000	\$13,000	\$16,200	\$17,000	\$17,900
TRANSPORTATION	\$890	\$2,000	\$3,200	\$3,700	\$3,900	\$4,100
PRINTING & PUBLISHING	\$350	\$0	\$100	\$0	\$0	\$0
UTILITIES	\$324,870	\$346,000	\$336,500	\$364,000	\$382,200	\$401,300
REPAIRS & MAINTENANCE	\$124,380	\$180,000	\$99,400	\$180,000	\$189,000	\$198,500
RENTALS	\$14,110	\$11,000	\$10,700	\$10,700	\$11,300	\$11,900
DEPRECIATION EXPENSE	\$275,010	\$239,000	\$275,000	\$275,000	\$275,000	\$275,000
CAPITAL OUTLAY	-\$100	\$1,205,000	\$0	\$3,220,000	\$3,150,000	\$410,000
Total Expenditures	\$1,933,680	\$3,395,400	\$2,009,700	\$5,495,400	\$5,506,750	\$2,856,300

FY27 Expenditures by Expense Type Summary



● CAPITAL OUTLAY	\$3,220,000	58.59%
● SALARIES & WAGES	\$638,300	11.62%
● FRINGE BENEFITS	\$445,100	8.10%
● UTILITIES	\$364,000	6.62%
● DEPRECIATION EXPENSE	\$275,000	5.00%
● REPAIRS & MAINTENANCE	\$180,000	3.28%
● OFFICE/OPERATING SUPPLIES	\$167,000	3.04%
● PROFESSIONAL SERVICES	\$144,900	2.64%
● INSURANCE & BONDS	\$19,500	0.35%
● COMMUNICATION	\$16,200	0.29%
● PROFESSIONAL DEVELOPMENT	\$11,000	0.20%
● RENTALS	\$10,700	0.19%
● TRANSPORTATION	\$3,700	0.07%

Water Fund - Distribution (591-575)

Mission Statement: : *To distribute abundant, clean and safe potable water to our customers and provide adequate fire protection for the City of Traverse City.*

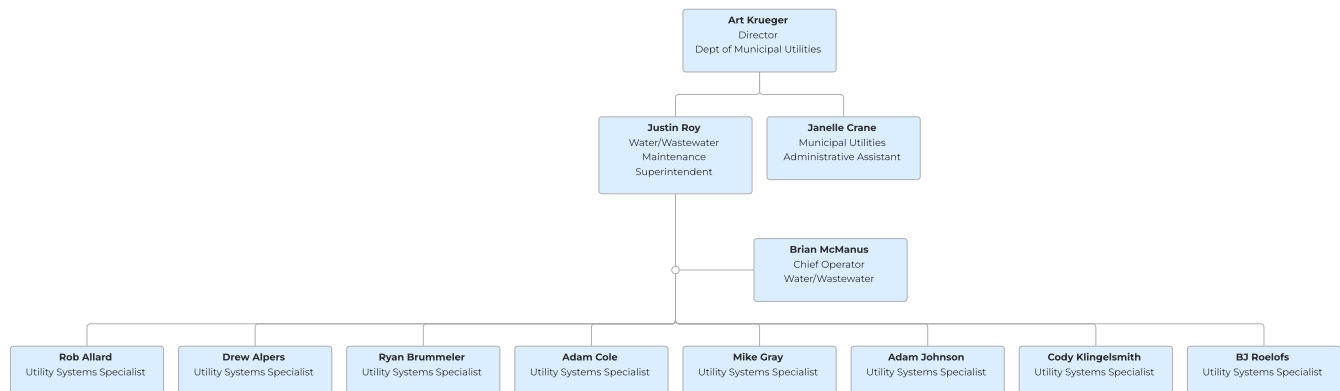
Water Fund – Distribution

Responsibilities include:

- Maintaining, repairing and flushing of water mains
- Maintaining, repairing and exercising main line water valves
- Installing and maintaining water services/meters
- Flushing, repairing and draining of fire hydrants
- Tapping water mains for new service leads as required
- Administering the Cross Connection Inspection Program
- Locating all water, sanitary and storm lines for MISS DIG
- Assisting all DPS Divisions with confined space entries



Water Distribution Org Chart



Goals - Distribution

1. Continue to explore ways to improve efficiencies in the water system, including the reduction of the annual amount of water loss.
2. Continued enforcement of residential & commercial cross connection inspections and illicit sump pump discharge connections.
3. Finish replacing the final 170 galvanized service lines that were required to be replaced in the EGLE Lead and Copper Rules.
4. Exercise 20% of the water system mainline valves.
5. Continue to work with GIS/Asset Management Division to improve utility location maps and utility locating abilities (Miss Dig).

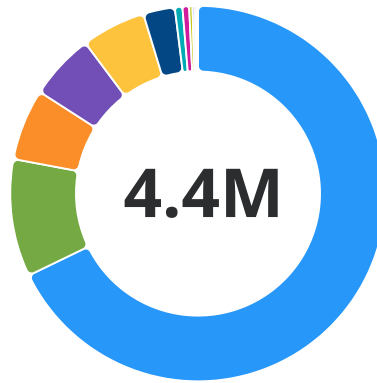
SUMMARY OF SIGNIFICANT BUDGET CHANGES

No significant changes in the distribution budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WATER FUND	\$2,091,080	\$7,627,700	\$6,541,700	\$4,400,700	\$3,822,200	\$5,456,300
WATER DISTRIBUTION	\$2,091,080	\$7,627,700	\$6,541,700	\$4,400,700	\$3,822,200	\$5,456,300
SALARIES & WAGES	\$427,470	\$390,000	\$398,700	\$444,900	\$453,900	\$468,000
FRINGE BENEFITS	\$302,580	\$246,000	\$247,500	\$270,900	\$279,200	\$289,000
OFFICE/OPERATING SUPPLIES	\$254,580	\$200,500	\$250,000	\$250,000	\$260,000	\$270,000
PROFESSIONAL SERVICES	\$500,480	\$348,600	\$191,000	\$242,900	\$245,900	\$256,400
INSURANCE & BONDS	\$1,290	\$1,400	\$24,900	\$28,300	\$30,200	\$32,100
PROFESSIONAL DEVELOPMENT	\$5,920	\$9,000	\$5,000	\$9,000	\$9,500	\$10,000
COMMUNICATION	\$2,630	\$3,500	\$3,000	\$3,500	\$4,000	\$4,500
TRANSPORTATION	\$6,240	\$8,000	\$6,500	\$8,000	\$8,500	\$9,000
UTILITIES	\$10,420	\$12,900	\$12,500	\$13,000	\$14,000	\$15,000
REPAIRS & MAINTENANCE	\$4,750	\$25,000	\$12,000	\$25,000	\$25,000	\$25,000
RENTALS	\$118,470	\$120,000	\$94,000	\$120,000	\$120,000	\$150,000
DEPRECIATION EXPENSE	\$453,540	\$365,000	\$453,000	\$0	\$453,000	\$453,000
CAPITAL OUTLAY	\$2,710	\$5,897,800	\$4,843,600	\$2,985,200	\$1,919,000	\$3,474,300
Total Expenditures	\$2,091,080	\$7,627,700	\$6,541,700	\$4,400,700	\$3,822,200	\$5,456,300

FY27 Expenditures by Expense Type Summary



● CAPITAL OUTLAY	\$2,985,200	67.83%
● SALARIES & WAGES	\$444,900	10.11%
● FRINGE BENEFITS	\$270,900	6.16%
● OFFICE/OPERATING SUPPLIES	\$250,000	5.68%
● PROFESSIONAL SERVICES	\$242,900	5.52%
● RENTALS	\$120,000	2.73%
● INSURANCE & BONDS	\$28,300	0.64%
● REPAIRS & MAINTENANCE	\$25,000	0.57%
● UTILITIES	\$13,000	0.30%
● PROFESSIONAL DEVELOPMENT	\$9,000	0.20%
● TRANSPORTATION	\$8,000	0.18%
● COMMUNICATION	\$3,500	0.08%

Water Fund - Customer Accounting (591-580)

Cost of administration/billing costs

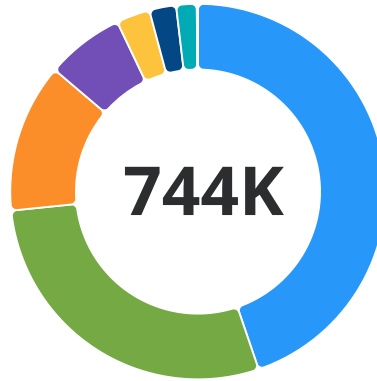
SUMMARY OF SIGNIFICANT BUDGET CHANGES

No significant changes in the customer accounting budget.

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
WATER FUND	\$684,250	\$711,500	\$709,700	\$743,700	\$764,200	\$786,500
CUSTOMER ACCOUNTING	\$684,250	\$711,500	\$709,700	\$743,700	\$764,200	\$786,500
SALARIES & WAGES	\$194,890	\$205,900	\$201,000	\$212,800	\$221,600	\$230,700
FRINGE BENEFITS	\$74,850	\$78,700	\$98,400	\$95,400	\$99,400	\$103,700
OFFICE/OPERATING SUPPLIES	\$15,910	\$16,000	\$16,900	\$17,200	\$17,500	\$17,800
PROFESSIONAL SERVICES	\$56,050	\$53,700	\$40,000	\$50,000	\$44,100	\$45,200
COMMUNICATION	\$24,040	\$24,300	\$21,000	\$21,500	\$21,700	\$21,900
PRINTING & PUBLISHING	\$0	\$500	\$0	\$0	\$0	\$0
MISCELLANEOUS EXP	\$0	\$100	\$0	\$0	\$0	\$0
TRANSFER OUT CITY FEE	\$311,540	\$317,000	\$317,100	\$332,900	\$348,800	\$358,900
DEPRECIATION EXPENSE	\$680	\$700	\$700	\$700	\$700	\$700
NON OPERATING EXPENSE	\$6,290	\$14,600	\$14,600	\$13,200	\$10,400	\$7,600
Total Expenditures	\$684,250	\$711,500	\$709,700	\$743,700	\$764,200	\$786,500

FY27 Expenditures by Expense Type Summary

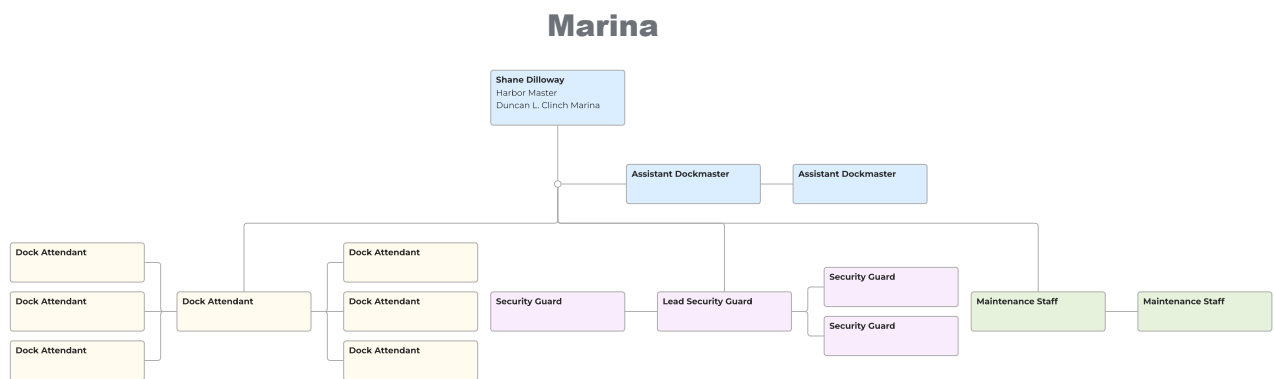


●	TRANSFER OUT CITY FEE	\$332,900	44.76%
●	SALARIES & WAGES	\$212,800	28.61%
●	FRINGE BENEFITS	\$95,400	12.83%
●	PROFESSIONAL SERVICES	\$50,000	6.72%
●	COMMUNICATION	\$21,500	2.89%
●	OFFICE/OPERATING SUPPLIES	\$17,200	2.31%
●	NON OPERATING EXPENSE	\$13,200	1.77%
●	DEPRECIATION EXPENSE	\$700	0.09%

Duncan L Clinch Marina Fund (594)

Mission Statement: *To create a quality boating experience for the benefit and enjoyment of the public. Commitment to consistently provide excellent customer service, ensuring a clean and safe environment and strive to exceed customer needs and expectations.*

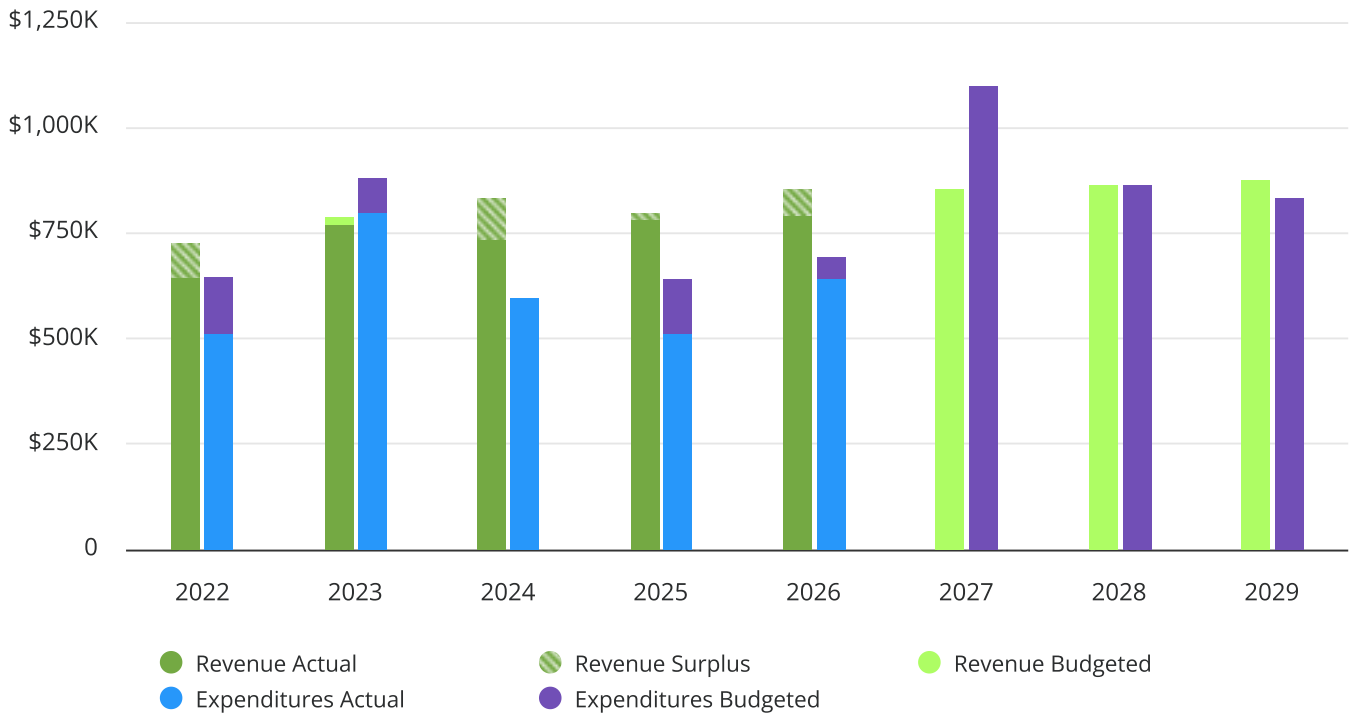
Clinch Marina provides facilities for the boating public. There are 71 slips for seasonal boaters and 48 for transient boaters. There is also nearly 1,200 feet of broadside dockage that can accommodate up to 30 boats of different sizes, including boats of up to 150 feet. Gasoline, diesel fuel and pump-out facilities are available for boaters. Clinch Marina also operates a boat launch that provides access to West Bay.



Goals

- Complete the new Master Plan using the awarded Michigan DNR Waterways grant.
- Add seasonal slip & wait lists to the CAMIS reservation software through Michigan DNR. Transient Slip information and fuel dock sales are already managed in this software and this would centralize all management into one location.

Revenues vs Expenditures Summary

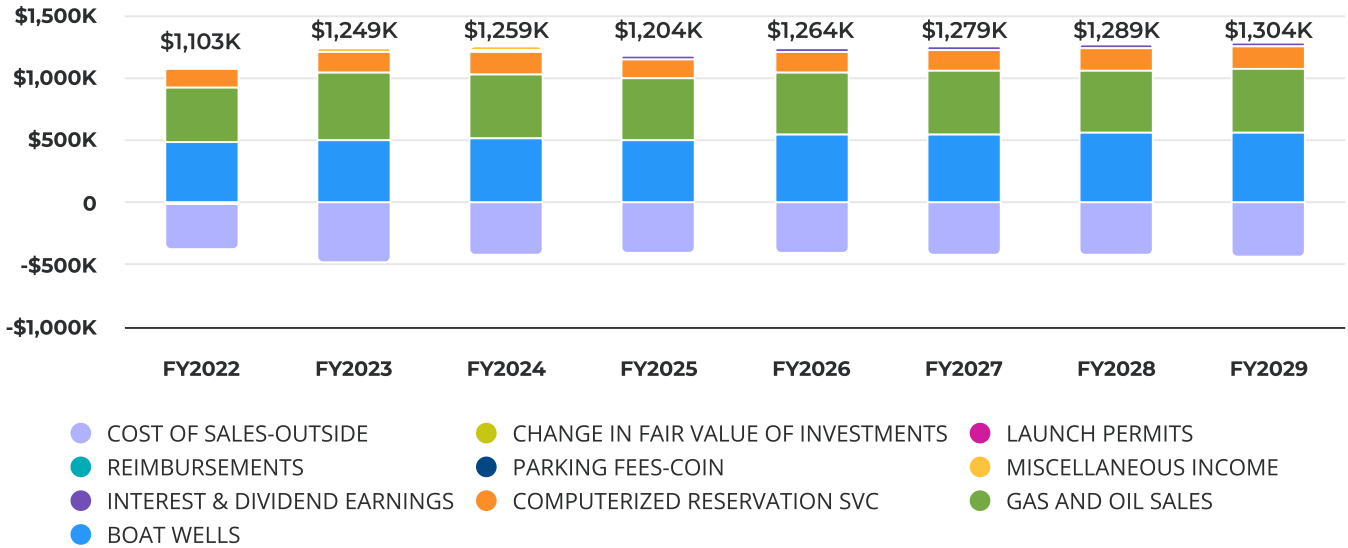


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$9,101,408	\$9,383,790	\$9,383,790	\$9,595,290	\$9,349,290	\$9,346,990
Revenues						
OPERATING REVENUES	\$754,810	\$771,400	\$819,100	\$823,600	\$831,800	\$844,400
REIMBURSEMENTS	\$7,020	\$0	\$4,500	\$0	\$0	\$0
NON-OPERATING REVENUES	\$34,050	\$20,000	\$30,000	\$30,000	\$30,000	\$30,000
Total Revenues	\$795,880	\$791,400	\$853,600	\$853,600	\$861,800	\$874,400
Expenditures						
SALARIES & WAGES	\$214,490	\$251,800	\$241,000	\$279,400	\$285,900	\$292,800
FRINGE BENEFITS	\$32,730	\$54,700	\$54,400	\$59,200	\$62,200	\$65,400
OFFICE/OPERATING SUPPLIES	\$11,970	\$31,600	\$17,600	\$18,800	\$19,800	\$20,800
PROFESSIONAL SERVICES	\$101,830	\$120,500	\$120,500	\$131,100	\$134,800	\$141,400
INSURANCE & BONDS	\$7,920	\$3,420	\$3,400	\$3,700	\$3,900	\$4,200
PROFESSIONAL DEVELOPMENT	\$50	\$1,000	\$500	\$1,000	\$1,000	\$1,000
COMMUNICATION	\$13,770	\$14,000	\$13,800	\$14,000	\$14,300	\$14,600
TRANSPORTATION	\$630	\$700	\$400	\$800	\$800	\$900
PRINTING & PUBLISHING	\$0	\$2,500	\$4,000	\$4,000	\$4,200	\$4,400
UTILITIES	\$39,580	\$64,000	\$67,000	\$70,000	\$71,500	\$73,000
REPAIRS & MAINTENANCE	\$2,320	\$60,000	\$20,000	\$426,000	\$176,000	\$127,100
RENTALS	\$3,250	\$5,000	\$5,000	\$8,600	\$9,000	\$9,500
MISCELLANEOUS EXP	\$0	\$0	\$9,000	\$0	\$0	\$0
TRANSFER OUT CITY FEE	\$37,730	\$38,600	\$41,000	\$41,200	\$41,600	\$42,200
DEPRECIATION EXPENSE	\$32,320	\$32,000	\$32,300	\$32,300	\$32,300	\$32,300
NON OPERATING EXPENSE	\$14,910	\$12,200	\$12,200	\$9,500	\$6,800	\$4,100
Total Expenditures	\$513,500	\$692,020	\$642,100	\$1,099,600	\$864,100	\$833,700
Total Revenues Less Expenditures	\$282,380	\$99,380	\$211,500	-\$246,000	-\$2,300	\$40,700

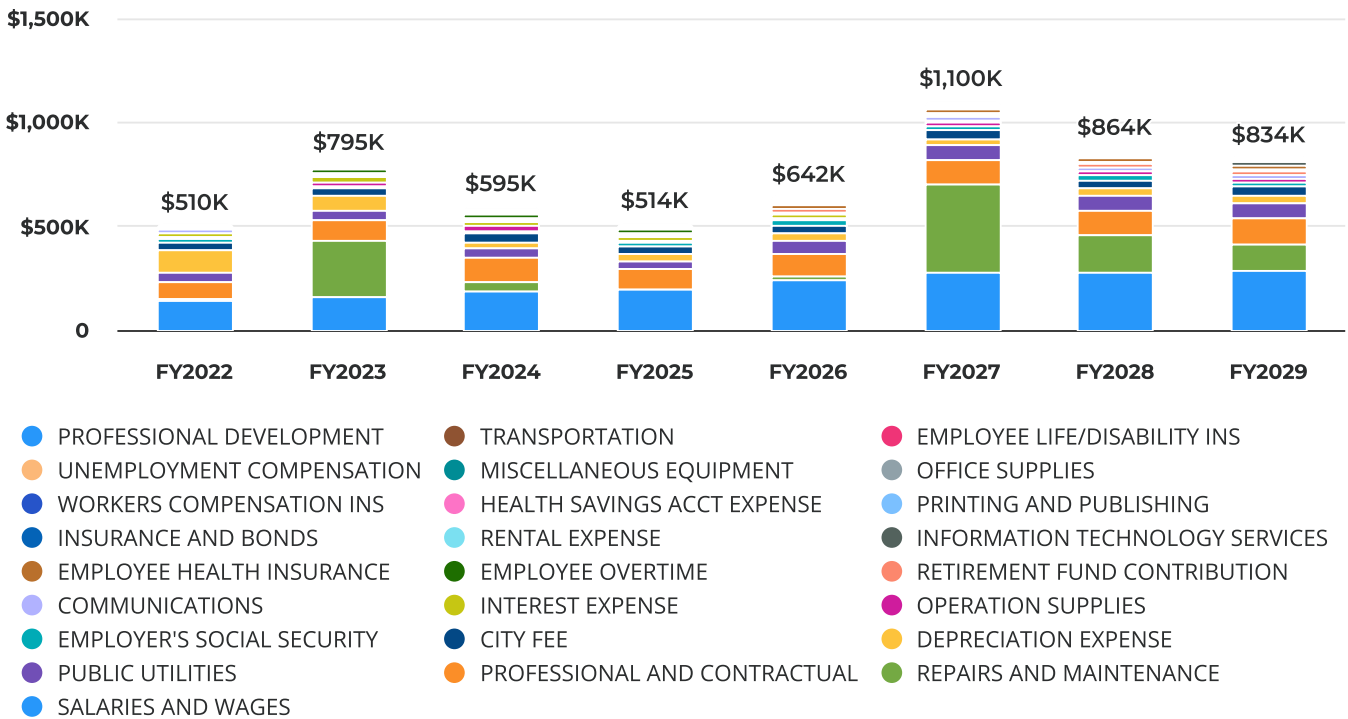
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Ending Fund Balance	\$9,383,788	\$9,483,170	\$9,595,290	\$9,349,290	\$9,346,990	\$9,387,690

Historical Revenues by Object



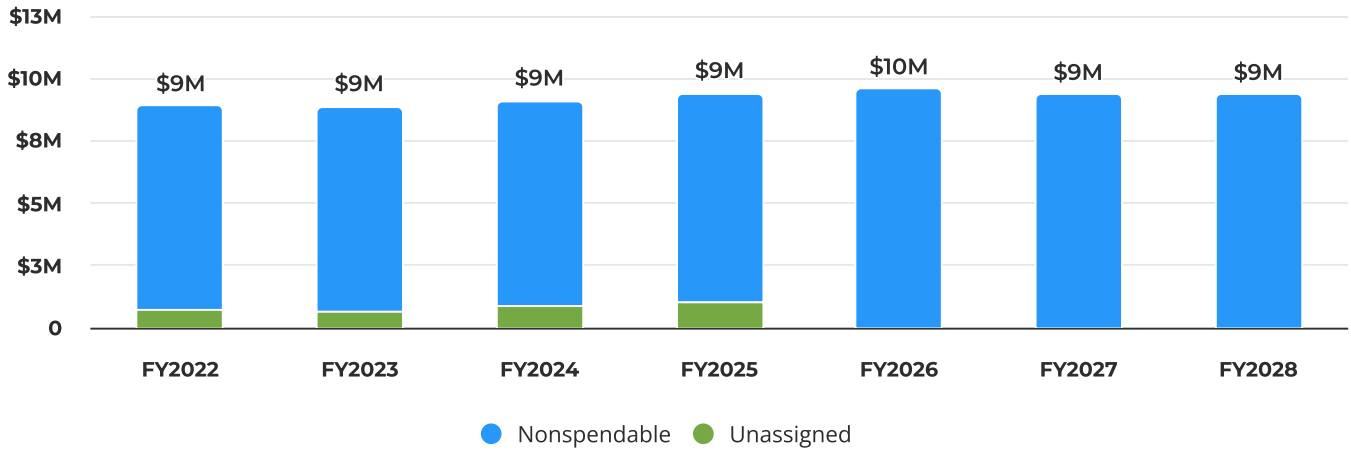
Expenditures by Object

Historical Expenditures by Object



Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$664,047	\$858,976	\$1,046,153	\$0
Nonspendable	\$8,199,001	\$8,242,433	\$8,337,637	\$9,595,290
Total Fund Balance	\$8,863,048	\$9,101,408	\$9,383,790	\$9,595,290

Internal Service Funds



The City operates two internal service funds. The Garage Fund accounts for fleet and equipment management provided to City Departments. The Information Technology Fund manages City-owned IT equipment and software as well as providing IT support services to City departments.

Information Technology Fund (636)

Mission Statement: *To administer and coordinate Information Technology (IT) services across city departments and ensure efficient use of various technologies.*

IT/GIS history is shown in the General Fund section of the budget document.

The City's Information Technology Fund is responsible for organizing and administering the City's IT policies, serving as the City's representative to outside organizations. Other tasks including developing short- and long-term goals, detailed strategic planning and multi-year budgeting for the City. The Technology Department is responsible for managing the City's IT assets including computer hardware and software to ensure optimal operations throughout all City departments. The IT Fund staff also provide technical assistance to all City Funds, Departments and Component Units.

This specifically includes the functions of:

Acting as liaison to the City's managed service providers in all areas of IT and communications, including software, equipment, telecommunications networks and devices, and audio/visual equipment.

Coordinates end user and higher-level support with the city's IT managed services providers.

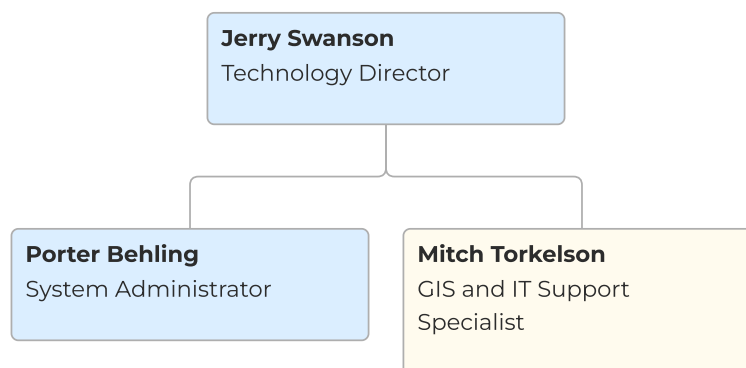
Provides employees on and off boarding to include IT equipment and devices, IT policy and procedure, email, telecommunication devices, and cyber security.

At the direction of the City Manager, manages the procurement and replacement of IT devices and equipment and is responsible for equipment and software inventory to include the disposition of equipment, devices, and software.

Leads strategic technological planning to achieve City's goals by prioritizing technology initiatives and coordinating the evaluation, deployment, and management of current and future technologies.

Collaborates with all City departments to develop and maintain a technology plan that supports their needs.

Information Technology



GIS Division

Mission Statement: *To collaborate, coordinate and maintain the use of city wide Geographic Information System (GIS) data to increase efficiency and assist in decision making*

The City's GIS Division is responsible for organizing and administering the City's GIS policies, serving as the City's representative to outside organizations, developing short and long term goals, detailed strategic planning and multi-year budgeting for the City and community wide use of GIS. The GIS Division also is responsible for tasks related to data creation and maintenance in the City's enterprise GIS database and applications to ensure optimal operations throughout all City departments.

This Division specifically includes the functions of:

- Develop and provide support materials for GIS Steering Committee meetings including agenda and minutes, project status and summaries, new data/applications for consideration, and other topics.
- Develop annual GIS Program plans and budgets as assigned by the City Manager.
- Develop and provide routine and special reports as requested by the City Manager and/or Deputy City Manager.
- Develop and manage GIS Program policies, procedures and standards.
- Project manager to develop a GIS Strategic Plan and Capital Improvement Plan for the City, individual departments, and component unit(s) encompassing medium to long range goals and resource planning for GIS Program sustainability.
- Schedule, collate materials, and facilitate GIS Team meetings.
- Work directly with department heads & agency liaisons to identify, analyze, and promote GIS data and applications.
- Act as liaison with Traverse City Light & Power for the development, installation and administration of any shared GIS server technology.
- Provide training to departments and a broad base of users from general use to high-level editing and analysis.
- Maintain and monitor the enterprise GIS database infrastructure.
- Primary management of the data content and quality of the enterprise GIS database.
- GIS database schema determination and enhancements.
- Primary data quality control officer for final data validation and optimization, including overseeing the establishment of routines, procedures, and tools.
- Maintain and monitor the GIS applications infrastructure.
- Develop client/server applications and mobile apps as needed
- Front line support for GIS application issues.
- Serve as technical lead on aerial photography layering project.
- Act as project manager and administrator for all GIS internal and external applications; including those for water distribution, sanitary sewer collection, storm water collection, property, parks and recreation, streets, etc.
- Lead person in researching and investigating new and updated technologies in the GIS field and develops plans for testing and implementing software/system upgrades, new systems and system enhancements.

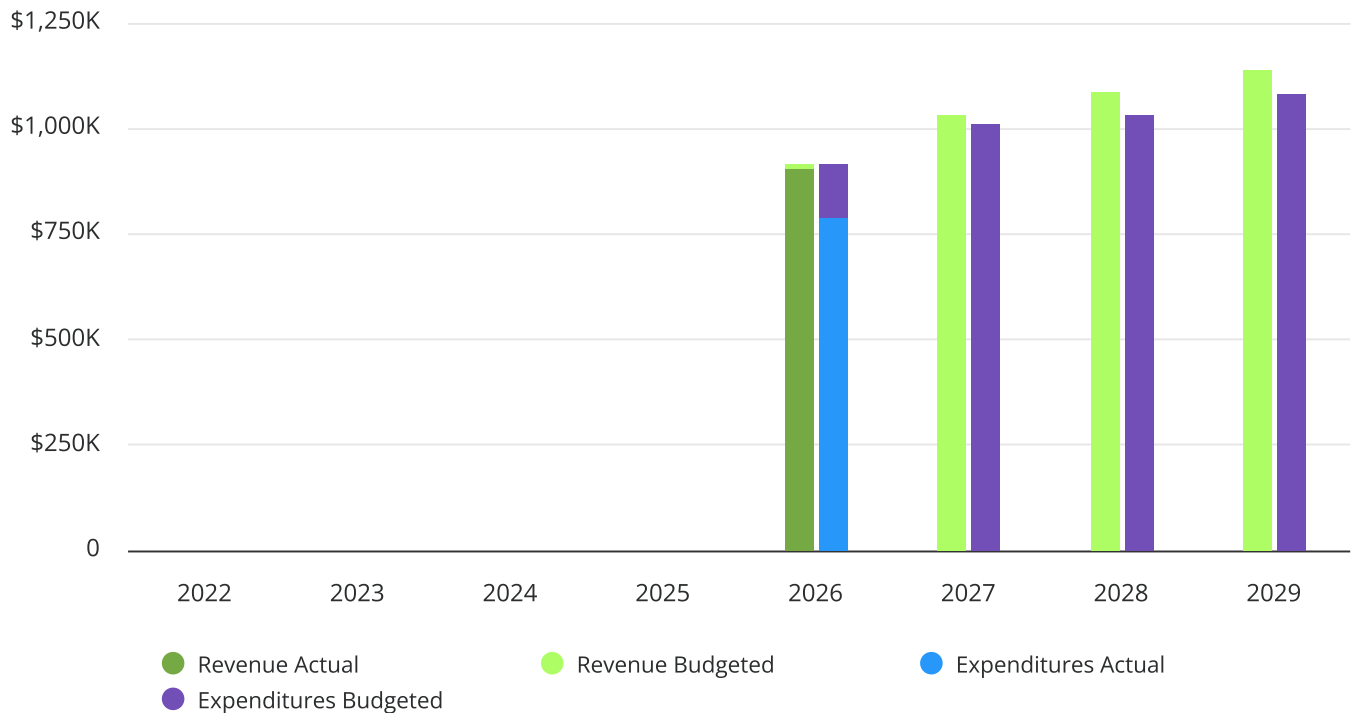
SUMMARY OF SIGNIFICANT BUDGET CHANGES

With the transition from a shared service agreement to fully managing IT services internally, the City now oversees its own internet services, telecommunications, Microsoft Office and Google licenses, cybersecurity software (including CrowdStrike), vendor support agreements, and newly created IT staff positions. As a result, IT expenditures have been moved from the General Fund into a separate Internal Service Fund. This fund is solely funded by chargebacks across all departments, with billing based on the number of computers allocated to each department. The requested budget is higher than in prior years to account for these direct costs of providing IT services independently. Accordingly, increases in IT line items are reflected across all funds and departmental budgets.

In FY23-24, the City paid Grand Traverse County approximately \$32,000 monthly for IT services. The City formally separated from Grand Traverse County in April 2025. With our new service agreement with a third party IT vendor, this fee is

approximately \$11,000, which is a significant cost savings. It should be noted that while we have reduced this monthly fee, the City has incurred additional costs for maintaining our environment but allows for the City to independently manage our IT strategic goals and initiatives moving forward.

Revenues vs Expenditures Summary

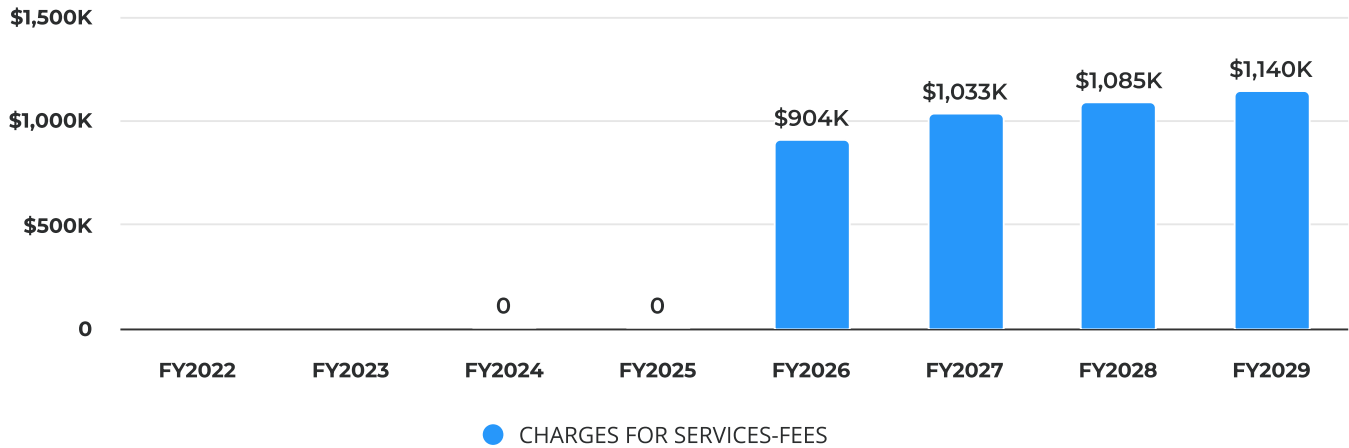


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$0	\$0	\$0	\$117,400	\$140,700	\$194,900
Revenues						
CHARGES FOR SERVICES	\$0	\$915,500	\$904,000	\$1,033,000	\$1,085,200	\$1,139,800
Total Revenues	\$0	\$915,500	\$904,000	\$1,033,000	\$1,085,200	\$1,139,800
Expenditures						
SALARIES & WAGES	\$0	\$316,700	\$272,600	\$369,700	\$391,200	\$414,200
FRINGE BENEFITS	\$0	\$76,300	\$72,500	\$94,900	\$102,000	\$109,800
OFFICE/OPERATING SUPPLIES	\$0	\$64,500	\$69,900	\$89,100	\$73,600	\$77,100
PROFESSIONAL SERVICES	\$0	\$443,500	\$356,000	\$431,900	\$435,400	\$452,700
INSURANCE & BONDS	\$0	\$0	\$4,300	\$4,700	\$5,000	\$5,300
PROFESSIONAL DEVELOPMENT	\$0	\$6,900	\$7,000	\$13,400	\$17,500	\$17,100
COMMUNICATION	\$0	\$3,500	\$3,000	\$1,900	\$2,100	\$2,400
TRANSPORTATION	\$0	\$600	\$600	\$600	\$700	\$800
PRINTING & PUBLISHING	\$0	\$1,000	\$300	\$1,000	\$1,000	\$1,000
REPAIRS & MAINTENANCE	\$0	\$500	\$200	\$500	\$500	\$500
MISCELLANEOUS EXP	\$0	\$2,000	\$200	\$2,000	\$2,000	\$2,000
Total Expenditures	\$0	\$915,500	\$786,600	\$1,009,700	\$1,031,000	\$1,082,900
Total Revenues Less Expenditures	\$0	\$0	\$117,400	\$23,300	\$54,200	\$56,900
Ending Fund Balance	\$0	\$0	\$117,400	\$140,700	\$194,900	\$251,800

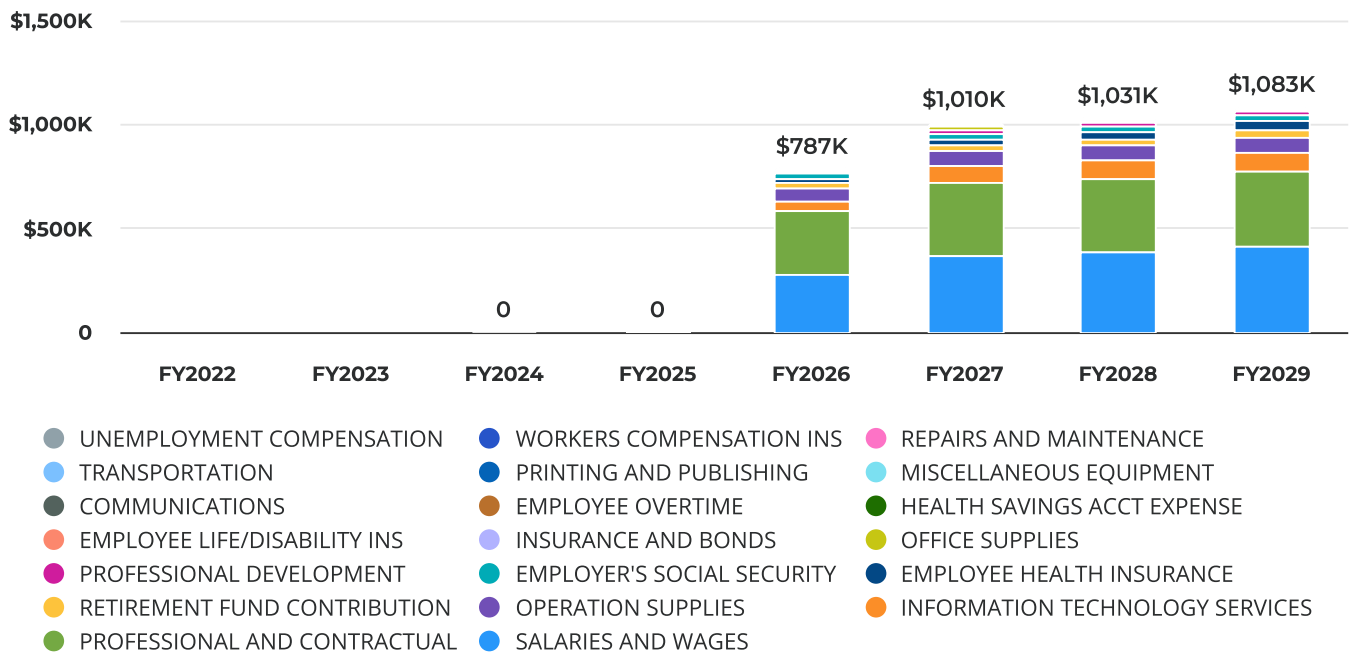
All history of IT expenses are recorded in the General Fund section of the budget document.

Historical Revenues by Object

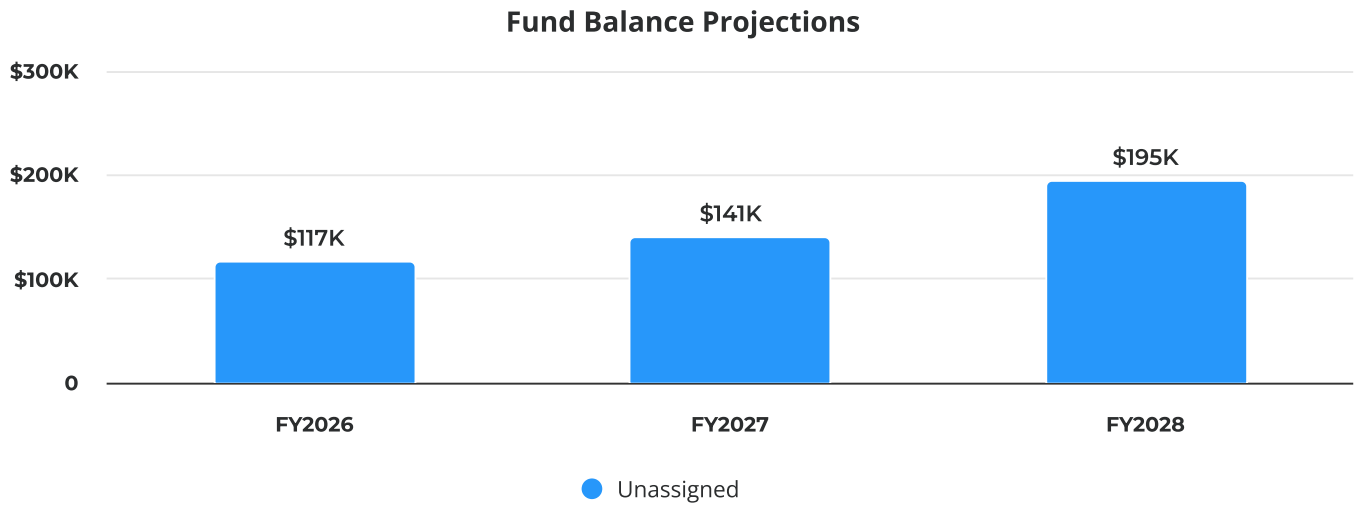


Expenditures by Object

Historical Expenditures by Object



Fund Balance



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$0	\$0	\$0	\$117,400
Total Fund Balance				\$117,400

Fleet Management Fund (661)

Mission Statement: *To ensure 24/7 support for all City departments and divisions by maintaining and servicing their vehicles and equipment in a cost-effective manner, while prioritizing environmentally sustainable solutions.*



The Fleet Management Department is staffed by a dedicated team, including 1 Director, 1 Supervisor, 1 Stores Clerk, 6 Vehicle & Equipment Technicians, and 1 Shopkeeper. Our operations span two shifts throughout the week with 24/7 emergency services available.

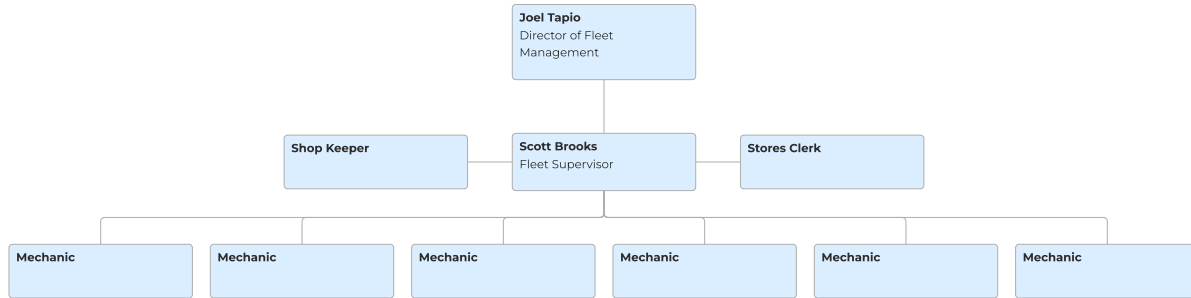
The Fleet Management Department works closely with all City departments and divisions, including Light & Power, to identify and acquire the most cost-effective equipment to meet operational needs. Our responsibilities include research, demonstrations, writing specifications, bidding, purchasing, repairing, maintaining, and disposing of vehicles and equipment. Additionally, the Fleet Management Department maintains the Department of Public Services campus on Woodmere Avenue, offering both indoor and outdoor storage for a wide range of departments—Streets, Parks, Police, Sewer/Water, Fire, Clerk, Treasurer, and Engineering. We also manage a 24/7 fuel depot to ensure all City vehicles are properly fueled.

Additionally, the Garage manages a central storeroom that supplies automotive and maintenance materials to all departments. It also serves as a shipping and receiving hub for various City departments and divisions.

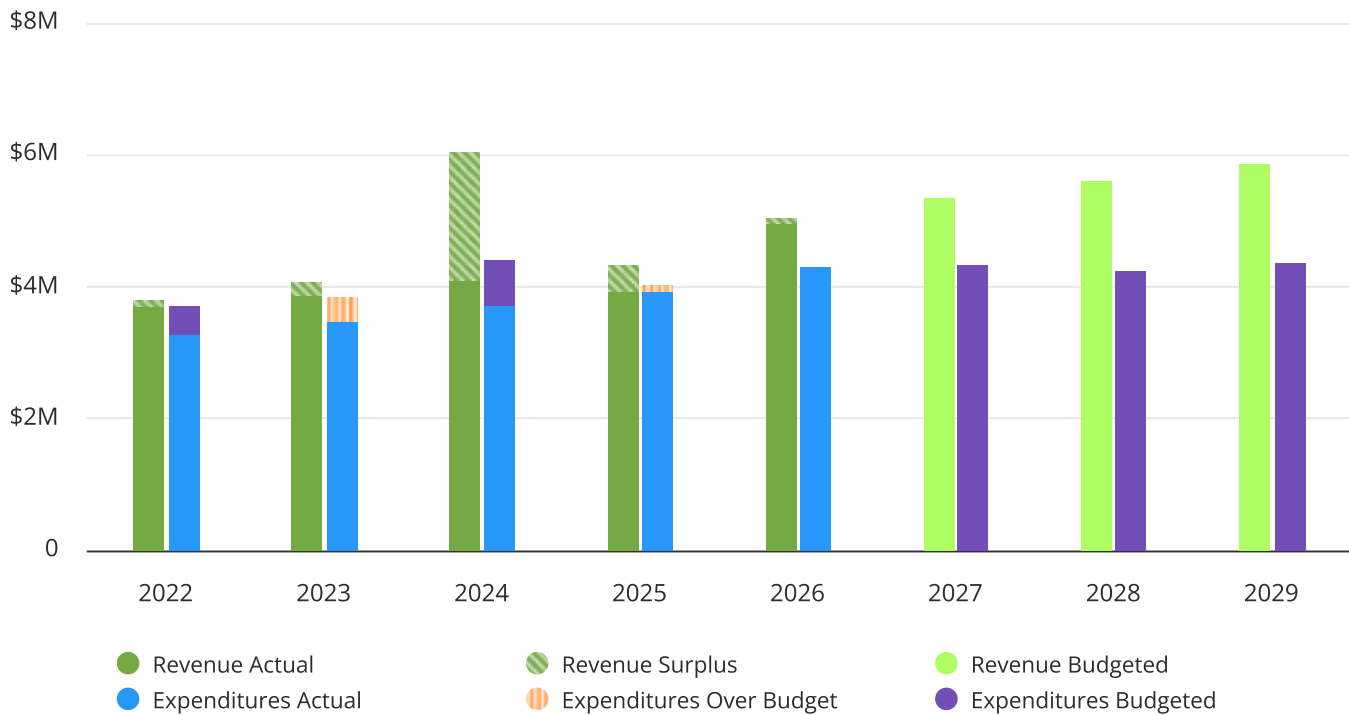
Key Changes and Initiatives:

- Implement custom reports within our fleet management software to track and analyze fleet-related costs, including vehicle operating expenses and lifecycle assessments.
- Continue refining procedures for allocating expenses and determining chargeback rates.
- Strengthen interdepartmental collaboration to align vehicle and equipment purchases with operational demands.
- Expand the adoption of fully electric and hybrid vehicles.

Fleet Management Department



Revenues vs Expenditures Summary

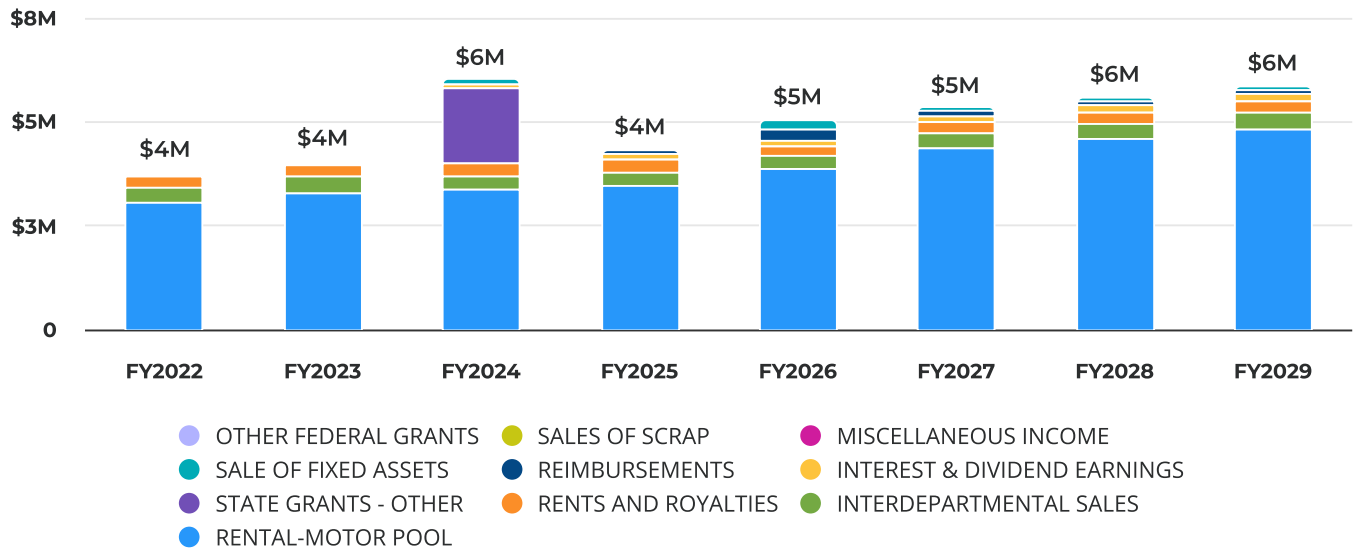


Comprehensive Fund Summary

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$13,019,641	\$13,336,520	\$13,336,520	\$14,090,620	\$15,105,120	\$16,452,120
Revenues						
OPERATING REVENUES	\$4,080,130	\$4,503,600	\$4,427,800	\$4,980,600	\$5,223,000	\$5,481,500
REIMBURSEMENTS	\$84,560	\$240,000	\$270,000	\$100,000	\$100,000	\$100,000
NON-OPERATING REVENUES	\$165,790	\$200,000	\$355,000	\$270,000	\$272,000	\$275,000
Total Revenues	\$4,330,480	\$4,943,600	\$5,052,800	\$5,350,600	\$5,595,000	\$5,856,500
Expenditures						
SALARIES & WAGES	\$679,700	\$745,000	\$727,000	\$798,000	\$831,100	\$867,300
FRINGE BENEFITS	\$353,730	\$367,300	\$393,500	\$399,400	\$414,300	\$430,800
OFFICE/OPERATING SUPPLIES	\$678,150	\$637,500	\$628,000	\$642,000	\$657,200	\$674,400
PROFESSIONAL SERVICES	\$310,520	\$519,000	\$469,000	\$361,300	\$308,500	\$323,300
INSURANCE & BONDS	\$78,680	\$76,600	\$72,000	\$102,900	\$109,500	\$116,700
PROFESSIONAL DEVELOPMENT	\$5,090	\$4,200	\$2,000	\$4,300	\$2,000	\$2,000

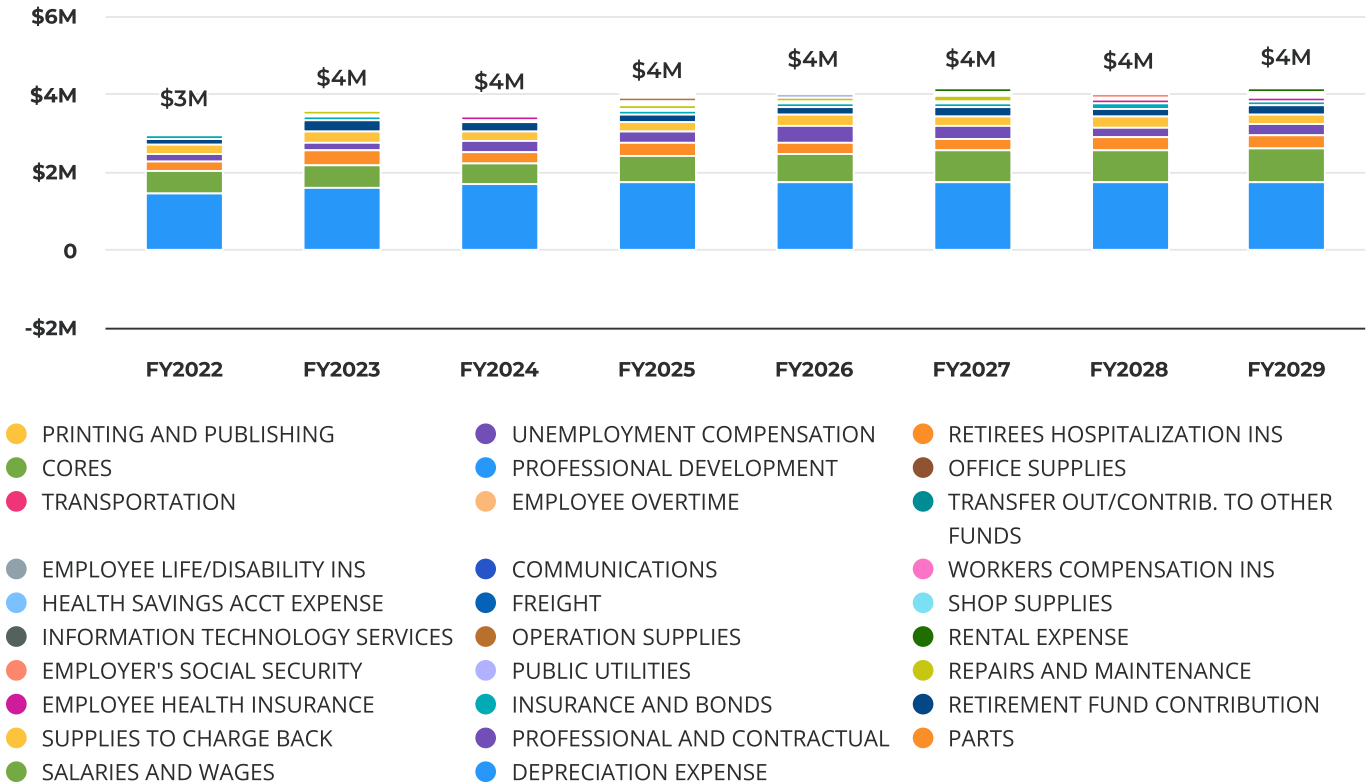
Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
COMMUNICATION	\$12,060	\$12,000	\$12,000	\$3,000	\$3,000	\$3,000
TRANSPORTATION	\$4,260	\$4,200	\$3,000	\$3,200	\$3,400	\$3,600
UTILITIES	\$54,750	\$53,000	\$60,000	\$63,000	\$66,000	\$69,500
REPAIRS & MAINTENANCE	\$59,970	\$137,000	\$100,000	\$124,000	\$17,000	\$17,000
RENTALS	\$27,950	\$28,500	\$75,000	\$76,000	\$77,000	\$78,000
DEPRECIATION EXPENSE	\$1,740,060	\$1,700,000	\$1,750,000	\$1,750,000	\$1,750,000	\$1,750,000
TRANSFER OUT	\$8,700	\$7,200	\$7,200	\$9,000	\$9,000	\$9,000
Total Expenditures	\$4,013,620	\$4,291,500	\$4,298,700	\$4,336,100	\$4,248,000	\$4,344,600
Total Revenues Less Expenditures	\$316,860	\$652,100	\$754,100	\$1,014,500	\$1,347,000	\$1,511,900
Ending Fund Balance	\$13,336,501	\$13,988,620	\$14,090,620	\$15,105,120	\$16,452,120	\$17,964,020

Historical Revenues by Object



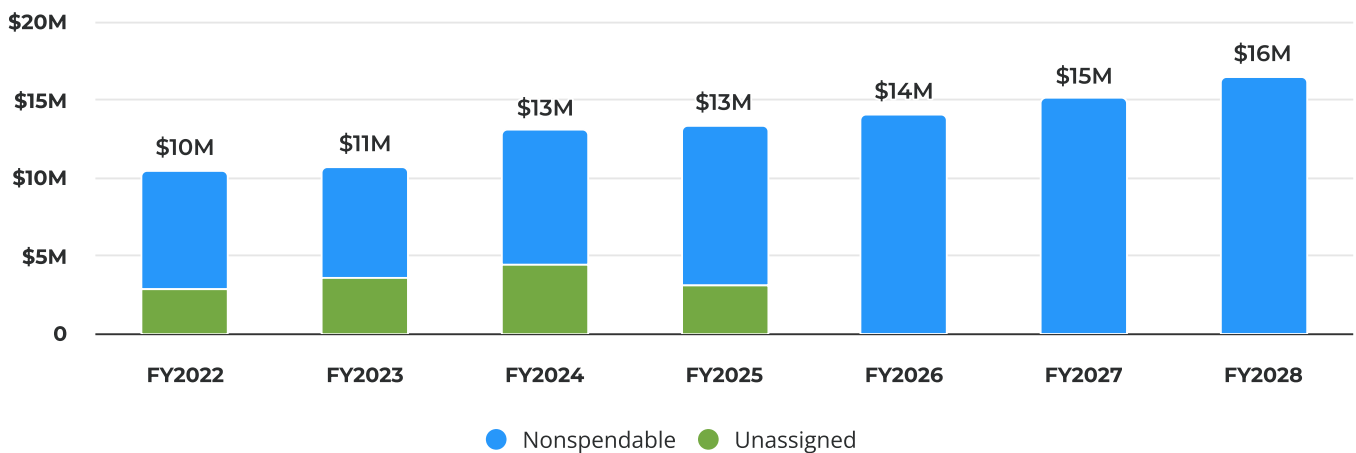
Expenditures by Object

Historical Expenditures by Object



Fund Balance

Fund Balance Projections



Financial Summary

Fund Balance	FY 2023	FY 2024	FY 2025	FY 2026
Unassigned	\$3,601,559	\$4,385,739	\$3,092,563	\$0
Nonspendable	\$7,100,336	\$8,633,902	\$10,243,957	\$14,090,620
Total Fund Balance	\$10,701,895	\$13,019,641	\$13,336,520	\$14,090,620

Component Units



Component Unit Funds: Account for operations maintained and operated by related entities of the City created through the State Statute or City Charter. The City of Traverse City has 2 component units, Traverse City DDA and Traverse City Light & Power.

Downtown Development Authority

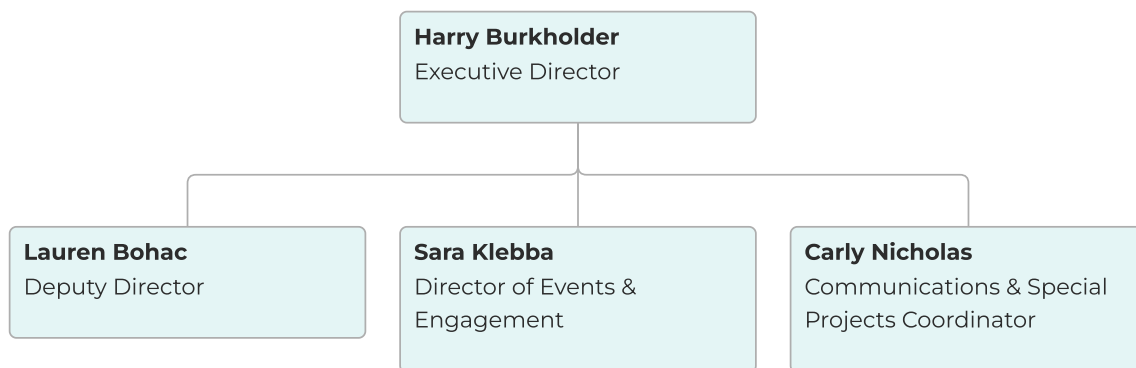
Established in 1978, the Traverse City Downtown Development Authority (DDA) is directed by a nine-member City-appointed board, which hires an Executive Director to lead its operations. The DDA is considered a *Component Unit* of the City of Traverse City and is responsible for creating, supporting and promoting critical public infrastructure and other services that enhance the downtown experience, promote business growth, serve as a catalyst for private investment and contribute to the year-round vitality and unique sense-of-place of Downtown Traverse City.

DDA Mission: To promote economic growth and provide a world-class downtown that is active, thriving and inclusive. In collaboration with all stakeholders, the DDA creates and implements development plans, encourages historic preservation, corrects and prevents deterioration in the downtown district, and makes sound investments in sustainable infrastructure and civic amenities. Serving as the caretakers of Downtown Traverse City, the DDA works with businesses, property owners, and residents to maintain a vibrant city center that is economically healthy.

The DDA facilitates its work in partnership and collaboration with the City. Projects may be led and funded entirely by the DDA, or the City and the DDA may share the cost of collaborative projects.



DDA Organization Chart



Overview

The DDA utilizes the current plans, ongoing initiatives and overarching strategies adopted by the DDA, City and other community entities to develop the framework for its budget, including but not limited to the Capital Improvement Plan, the City's ongoing Strategic Action Plan, the Lower Boardman Unified Plan, the Moving Downtown Forward Plan and priorities/recommendations of the DDA Board.

The Guiding Principles of the DDA's Moving Downtown Forward Plan illustrate the mission and values of the DDA and serve as the basis for its projects and services.

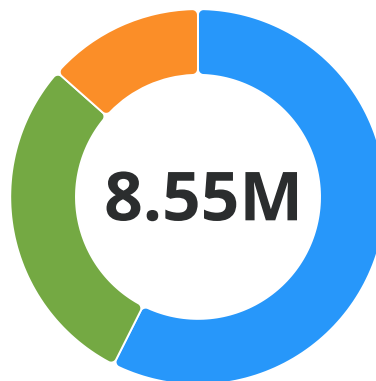
Moving Downtown Forward Guiding Principles

1. Design a great place for all ages and for future generations
2. Protect and preserve small local independent businesses
3. Support job growth and varied career opportunities
4. Champion the development of attainable and workforce housing
5. Advance climate action, sustainability, renewable energy, energy efficiency and resiliency

The DDA has three unique but complementary funds that make up its total budget: the General Fund, the TIF-97 Fund, and the Old Town TIF Fund.

Revenues by Fund

FY27 Revenues by Fund



● DDA TIF 97	\$4,908,400	57.42%
● DOWNTOWN DEVELOPMENT AUTHORITY	\$2,488,200	29.11%
● DDA OLD TOWN TIF	\$1,151,000	13.47%

Revenues by Fund

Category	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
DOWNTOWN DEVELOPMENT AUTHORITY	\$2,752,000	\$1,432,300	\$2,488,200	\$1,956,400	\$2,673,900
DDA OLD TOWN TIF	\$830,100	\$1,012,100	\$1,151,000	\$1,162,000	\$1,299,000
DDA TIF 97	\$4,340,800	\$4,523,900	\$4,908,400	\$4,016,600	\$0
Total Revenues	\$7,922,900	\$6,968,300	\$8,547,600	\$7,135,000	\$3,972,900

Comprehensive Fund Summary

This summary reflects combined total revenues and expenditures across all 3 DDA funds: DDA Admin (248), DDA Old Town TIF Fund (252), and DDA TIF-97 Fund (253).

Comprehensive Fund Summary

Category	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
Beginning Fund Balance	\$6,539,877	\$6,539,877	\$7,553,070	\$4,488,020	\$3,199,000
Revenues					
PROPERTY TAXES	\$5,296,300	\$5,662,700	\$6,181,400	\$5,309,000	\$1,696,500
LICENSES AND PERMITS	\$21,500	\$21,500	\$20,000	\$22,000	\$22,000
CHARGES FOR SERVICES	\$0	\$75,000	\$75,000	\$75,000	\$75,000
INTERGOVERNMENTAL	\$657,700	\$197,200	\$487,000	\$294,700	\$1,672,000
OTHER REVENUE	\$134,900	\$55,900	\$29,700	\$34,800	\$34,300
REIMBURSEMENTS	\$0	\$500	\$0	\$0	\$0
TRANSFER IN	\$712,500	\$712,500	\$746,500	\$799,500	\$173,100
STATE GRANTS	\$600,000	\$1,000	\$750,000	\$600,000	\$300,000
GRANTS FROM PRIVATE RESOURCES	\$500,000	\$242,000	\$258,000	\$0	\$0
Total Revenues	\$7,922,900	\$6,968,300	\$8,547,600	\$7,135,000	\$3,972,900
Expenditures					
SALARIES & WAGES	\$446,200	\$437,000	\$475,000	\$490,000	\$264,900
FRINGE BENEFITS	\$133,000	\$116,700	\$141,000	\$150,900	\$77,050
OFFICE/OPERATING SUPPLIES	\$82,600	\$82,600	\$70,540	\$63,700	\$37,800
PROFESSIONAL SERVICES	\$600,500	\$623,100	\$616,500	\$697,700	\$220,200
PROFESSIONAL DEVELOPMENT	\$5,000	\$0	\$5,000	\$5,000	\$5,000
COMMUNICATION	\$5,000	\$1,500	\$3,500	\$3,500	\$1,000
COMMUNITY PROMOTION	\$20,000	\$20,000	\$0	\$0	\$0
CONTRACTUAL SERVICES	\$90,000	\$90,000	\$111,100	\$111,700	\$21,100
PRINTING & PUBLISHING	\$0	\$1,000	\$6,000	\$6,000	\$1,000
UTILITIES	\$39,000	\$39,000	\$30,600	\$34,100	\$11,600
REPAIRS & MAINTENANCE	\$1,000	\$1,500	\$0	\$0	\$0
RENTALS	\$0	\$4,800	\$0	\$0	\$0
MISCELLANEOUS EXP	\$75,000	\$38,000	\$55,000	\$55,000	\$25,000
TRANSFER OUT CITY FEE	\$639,500	\$639,500	\$739,800	\$752,200	\$158,100
CAPITAL OUTLAY	\$6,598,700	\$4,916,000	\$7,372,000	\$4,958,700	\$1,935,000
PRINCIPAL	\$820,000	\$820,000	\$790,000	\$765,000	\$0
INTEREST EXPENSE & FEES	\$54,500	\$54,500	\$36,700	\$17,500	\$0
TRANSFER OUT	\$712,500	\$712,500	\$746,510	\$799,530	\$173,100
Total Expenditures	\$10,322,500	\$8,597,700	\$11,199,250	\$8,910,530	\$2,930,850
Total Revenues Less Expenditures	-\$2,399,600	-\$1,629,400	-\$2,651,650	-\$1,775,530	\$1,042,050
Ending Fund Balance	\$4,140,277	\$4,910,477	\$4,901,420	\$2,712,490	\$4,241,050

Expenditures by Fund

FY27 Expenditures by Fund

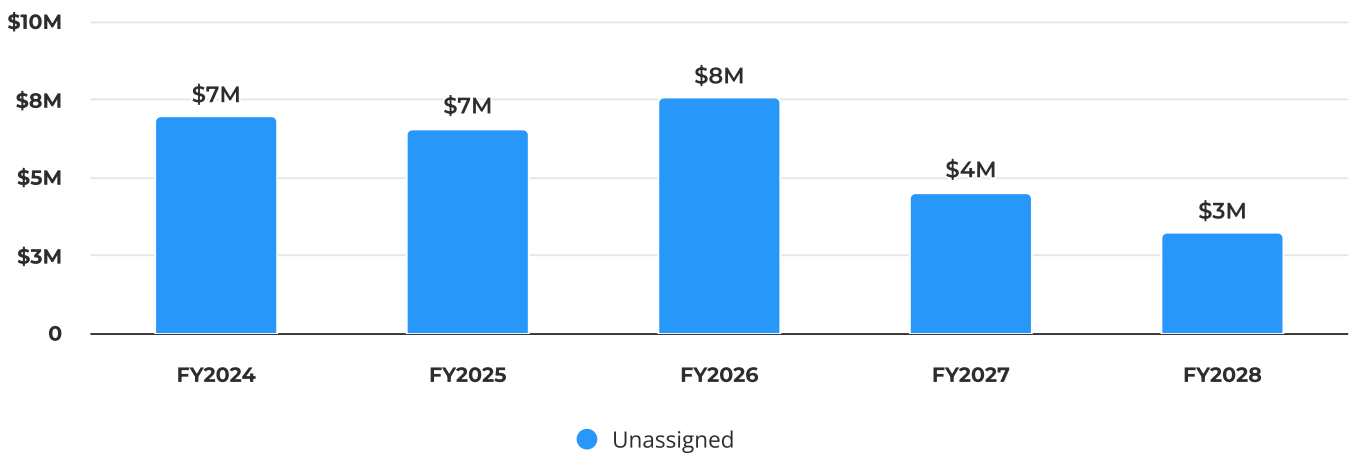


● DDA TIF 97	\$7,385,630	65.95%
● DOWNTOWN DEVELOPMENT AUTHORITY	\$2,331,640	20.82%
● DDA OLD TOWN TIF	\$1,481,980	13.23%

Expenditures by Fund

Category	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
DOWNTOWN DEVELOPMENT AUTHORITY	\$2,609,900	\$920,100	\$2,331,640	\$1,772,800	\$2,485,750
DDA OLD TOWN TIF	\$729,200	\$714,200	\$1,481,980	\$479,540	\$445,100
DDA TIF 97	\$6,983,400	\$6,963,400	\$7,385,630	\$6,658,190	\$0
Total Expenditures	\$10,322,500	\$8,597,700	\$11,199,250	\$8,910,530	\$2,930,850

Fund Balance Projections



Financial Summary

Fund Balance	FY 2025	FY 2026	FY 2027	FY 2028
Unassigned	\$6,539,877	\$7,553,070	\$4,488,020	\$3,199,000
Total Fund Balance	\$6,539,877	\$7,553,070	\$4,488,020	\$3,199,000

DDA Administration Fund (248)

The DDA General Fund is used to pay for the day-to-day operations of the DDA, including employee salaries, office supplies and utilities, professional services and professional development. Revenue sources for the DDA General Fund include a 2-mill levy on property within the Downtown District, administrative fees from the TIF-97 and Old Town TIF funds, booth rental fees from the Farmers Market, a contract with the Downtown Traverse City Association (DTCA), and grants for specific DDA projects and initiatives.



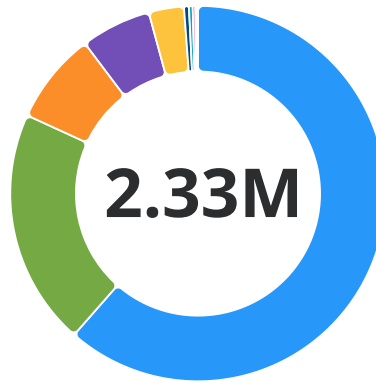
Expenditures Summary

The Capital Outlay expenditure category is supported by grants for three infrastructure projects:

- \$258,000 from Rotary Charities for the development of Rotary Square
- \$425,000 from the National Oceanic & Atmospheric Administration as a sub-recipient of a grant awarded to the Grand Traverse Band of Ottawa and Chippewa Indians for coastal habitat restoration
- \$750,000 from the Michigan Department of Environment, Great Lakes, and Energy (EGLE) for the environmental clean-up and development of deteriorated West End sites

Because these are reimbursement grants, the amount budgeted for each grant does not reflect the total grant award but estimated spending from each grant for FY 26/27.

FY27 Expenditures by Expense Type Summary



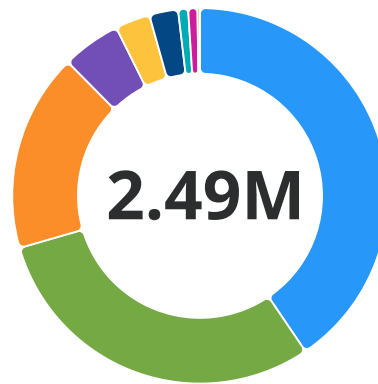
● CAPITAL OUTLAY	\$1,433,000	61.46%
● SALARIES & WAGES	\$475,000	20.37%
● PROFESSIONAL SERVICES	\$184,200	7.90%
● FRINGE BENEFITS	\$141,000	6.05%
● OFFICE/OPERATING SUPPLIES	\$70,540	3.03%
● MISCELLANEOUS EXP	\$10,000	0.43%
● UTILITIES	\$7,400	0.32%
● PROFESSIONAL DEVELOPMENT	\$5,000	0.21%
● COMMUNICATION	\$3,500	0.15%
● PRINTING & PUBLISHING	\$2,000	0.09%

Expenditures by Expense Type Summary

Category	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
SALARIES & WAGES	\$446,200	\$437,000	\$475,000	\$490,000	\$264,900
FRINGE BENEFITS	\$133,000	\$116,700	\$141,000	\$150,900	\$77,050
OFFICE/OPERATING SUPPLIES	\$82,600	\$82,600	\$70,540	\$63,700	\$37,800
PROFESSIONAL SERVICES	\$165,400	\$188,000	\$184,200	\$207,200	\$171,700
PROFESSIONAL DEVELOPMENT	\$5,000	\$0	\$5,000	\$5,000	\$5,000
COMMUNICATION	\$5,000	\$1,500	\$3,500	\$3,500	\$1,000
PRINTING & PUBLISHING	\$0	\$1,000	\$2,000	\$2,000	\$500
UTILITIES	\$4,000	\$4,000	\$7,400	\$7,800	\$7,800
REPAIRS & MAINTENANCE	\$1,000	\$1,500	\$0	\$0	\$0
RENTALS	\$0	\$4,800	\$0	\$0	\$0
MISCELLANEOUS EXP	\$10,000	\$8,000	\$10,000	\$10,000	\$10,000
CAPITAL OUTLAY	\$1,757,700	\$75,000	\$1,433,000	\$832,700	\$1,910,000
Total Expenditures	\$2,609,900	\$920,100	\$2,331,640	\$1,772,800	\$2,485,750

Revenue Summary

FY27 Revenues by Revenue Source



● INTERGOVERNMENTAL	\$1,008,000	40.51%
● TRANSFER IN OTHER FUNDS	\$746,500	30.00%
● FEDERAL GRANTS	\$425,000	17.08%
● REAL ESTATE/PERSONAL PROPERTY TAX	\$125,400	5.04%
● GENERAL FEES & SERVICES	\$75,000	3.01%
● STATE LOCAL COMMUNITY STABILIZATION	\$62,000	2.49%
● RENT & ROYALTIES	\$21,000	0.84%
● BUSINESS LICENSES & PERMITS	\$20,000	0.80%
● INTEREST REVENUE	\$5,300	0.21%

Revenues by Revenue Source

Category	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REAL ESTATE/PERSONAL PROPERTY TAX	\$130,000	\$127,300	\$125,400	\$133,400	\$397,500
BUSINESS LICENSES & PERMITS	\$21,500	\$21,500	\$20,000	\$22,000	\$22,000
FEDERAL GRANTS	\$657,700	\$132,700	\$425,000	\$232,700	\$1,610,000
STATE LOCAL COMMUNITY STABILIZATION	\$0	\$62,000	\$62,000	\$62,000	\$62,000
GRANTS FROM LOCAL SOURCES	\$0	\$2,500	\$0	\$0	\$0
GENERAL FEES & SERVICES	\$0	\$75,000	\$75,000	\$75,000	\$75,000
INTEREST REVENUE	\$5,300	\$5,300	\$5,300	\$5,300	\$5,300
RENT & ROYALTIES	\$50,000	\$50,000	\$21,000	\$24,000	\$26,000
CONTRIBUTIONS-PRIVATE SOURCES	\$0	\$0	\$0	\$2,500	\$3,000
CONTRIBUTIONS-PUBLIC SOURCES	\$75,000	\$0	\$0	\$0	\$0
REIMBURSEMENTS	\$0	\$500	\$0	\$0	\$0
TRANSFER IN OTHER FUNDS	\$712,500	\$712,500	\$746,500	\$799,500	\$173,100
INTERGOVERNMENTAL	\$1,100,000	\$243,000	\$1,008,000	\$600,000	\$300,000
Total Revenues	\$2,752,000	\$1,432,300	\$2,488,200	\$1,956,400	\$2,673,900

DDA Old Town TIF Fund (252)

The Old Town TIF Fund was established through the Old Town Tax Increment Financing (TIF) plan adopted by the DDA and City in 2016 (originally called TIF-2, which was adopted in 1985 and expired in 2015). It is funded through the harnessed appreciation of tax revenue within the Old Town TIF District. The City of Traverse City contributes 53-cents on the dollar of the revenue collected in the Old Town TIF, with the remaining 47-cents contributed by the following regional taxing authorities: Grand Traverse County Commission on Aging; Grand Traverse County Veterans Affairs; Grand Traverse County Road Commission; Northwestern Michigan College; Bay Area Transportation Authority; Grand Traverse County Conservation District; Grand Traverse County Animal Control; the Recreation Authority; and Grand Traverse County, as well the DDA's levied millage.



Expenditure Summary

There are no significant changes to Expenditures, with funding for some projects that were not completed in FY 25/26 rolling over into FY 26/27.

Major projects planned within "Transforming Downtown (A)" include contributing to the City's reconstruction of the Union and Seventh intersection and construction of the Rivers Edge riverwalk in collaboration with FishPass.

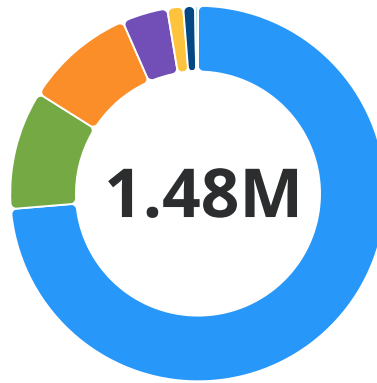
The Capital Outlay expenditure category consists of all items under "Building and Maintaining Downtown (A) Essential Public Infrastructure" and "Transforming Downtown (A) Transformative Public Infrastructure". Most items under "Building and Maintaining Downtown (B) Essential Public Services" and "Transforming Downtown (B) Transformative Public Services" are within the Professional Services expenditure category.

Funds under "(A) Essential Public Infrastructure" may be used for projects developed by the DDA or as a contribution to projects led by the City. A new line was created to contribute to the City's repairs to the Carnegie Building in FY 26/27.

Under "(B) Transformative Public Services," a new line for a retail study was created to conduct a market analysis of downtown's changing retail landscape and strategies to keep small, locally owned businesses from being priced out of their storefronts.

Old Town TIF	Total Taxable	\$	89,419,485
	Captured Taxable Value	\$	43,995,103
	Estimated Revenue	\$	1,121,406
Est. Fund Balance of Previous Fiscal		\$	1,855,000
Running Downtown		\$	288,792
<i>DDA Administration</i>		\$	140,784
<i>Service Agreement with City</i>		\$	129,808
<i>Miscellaneous & Utilities</i>		\$	18,200
Building and Maintaining Downtown			
(A) Essential Public Infrastructure		\$	122,000
<i>Streetscaping/Snowmelt</i>		\$	10,000
<i>Stormwater & Green Infrastructure</i>		\$	15,000
<i>Landscaping**</i>		\$	4,000.00
<i>General Infrastructure Repair</i>		\$	15,000.00
<i>City Infrastructure Contribution</i>		\$	25,000.00
<i>Wayfinding Signage</i>		\$	8,000.00
<i>Placemaking Amenities</i>		\$	10,000.00
<i>Miscellaneous</i>		\$	10,000.00
<i>Carnegie Building Repairs</i>		\$	25,000.00
(B) Essential Public Services		\$	68,650
<i>Community Police Officer (\$3,000)^</i>			
<i>Trash Removal</i>		\$	20,000
<i>Public Restroom Program</i>		\$	1,000
<i>Printing</i>		\$	500
<i>Clean and Green Team (SEEDS & Bin Ninjas)</i>		\$	25,000
<i>City Vehicle Rentals</i>		\$	2,150
<i>Holiday Lights</i>		\$	10,000
<i>Miscellaneous</i>		\$	10,000
Transforming Downtown			
(A) Transformative Public Infrastructure		\$	970,000
<i>Rivers Edge Riverwalk</i>		\$	250,000
<i>Riverwalk Signage</i>		\$	10,000
<i>Union and 7th Intersection</i>		\$	700,000
<i>Mobility & Accessibility Improvements</i>		\$	10,000
(B) Transformative Public Services		\$	12,300
<i>Composting Program</i>		\$	1,300
<i>Retail Study</i>		\$	10,000
<i>Destination Downtown</i>		\$	1,000
Activating Downtown & Growing Business		\$	20,210
<i>Communication, Promotion & Events</i>		\$	20,000
<i>Traverse Connect</i>		\$	210
	Total Expenses	\$	1,481,952
	Estimated Remaining Fund Balance	\$	1,494,454
** Includes flowers, planters, and tools			
^Police Officer included in City service agreement total			

FY27 Expenditures by Expense Type Summary



● CAPITAL OUTLAY	\$1,092,000	73.69%
● TRANSFER OUT CITY FEE	\$152,000	10.26%
● TRANSFER OUT	\$140,780	9.50%
● PROFESSIONAL SERVICES	\$58,300	3.93%
● CONTRACTUAL SERVICES	\$20,200	1.36%
● MISCELLANEOUS EXP	\$15,000	1.01%
● UTILITIES	\$3,200	0.22%
● PRINTING & PUBLISHING	\$500	0.03%

Expenditures by Expense Type Summary

Category	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL SERVICES	\$87,000	\$87,000	\$58,300	\$56,000	\$48,500
COMMUNITY PROMOTION	\$20,000	\$20,000	\$0	\$0	\$0
CONTRACTUAL SERVICES	\$0	\$0	\$20,200	\$20,800	\$21,100
PRINTING & PUBLISHING	\$0	\$0	\$500	\$500	\$500
UTILITIES	\$5,000	\$5,000	\$3,200	\$3,800	\$3,800
MISCELLANEOUS EXP	\$15,000	\$0	\$15,000	\$15,000	\$15,000
TRANSFER OUT CITY FEE	\$124,800	\$124,800	\$152,000	\$155,000	\$158,100
CAPITAL OUTLAY	\$360,000	\$360,000	\$1,092,000	\$72,500	\$25,000
TRANSFER OUT	\$117,400	\$117,400	\$140,780	\$155,940	\$173,100
Total Expenditures	\$729,200	\$714,200	\$1,481,980	\$479,540	\$445,100

Revenue Summary

There are no significant changes to revenue. Revenue is from the tax capture in the Old Town TIF district.

Revenues by Revenue Source

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REAL ESTATE/PERSONAL PROPERTY TAX	\$0	\$830,000	\$1,011,500	\$1,151,000	\$1,162,000	\$1,299,000
INTEREST REVENUE	\$0	\$100	\$600	\$0	\$0	\$0
Total Revenues	\$0	\$830,100	\$1,012,100	\$1,151,000	\$1,162,000	\$1,299,000

DDA TIF 97 Fund (253)

The TIF-97 Fund was established through the Tax Increment Financing (TIF) plan adopted by the DDA and City in 1997. TIF-97 is funded through the harnessed appreciation of tax revenue within the designated TIF-97 District. The City of Traverse City contributes 53-cents on the dollar of the revenue collected in TIF-97, with the remaining 47-cents contributed by the following regional taxing authorities: Grand Traverse County Commission on Aging; Grand Traverse County Veterans Affairs; Grand Traverse County Road Commission; Northwestern Michigan College; Bay Area Transportation Authority; Grand Traverse County Conservation District; Grand Traverse County Animal Control; the Recreation Authority; and Grand Traverse County, as well as the DDA's levied millage.



Expenditure Summary

There are no significant changes to expenditures, with funding for some projects that were not completed in FY 25/26 rolling over into FY 26/27. Other adjustments include increased funding for downtown's Clean and Green Team and shifting Farmers Market administration costs from the DDA Administration Fund to TIF 97.

Major projects planned within "Transforming Downtown (A) Transformative Public Infrastructure" include mid-block crosswalks on State Street, completed construction documents for the first phase of the Lower Boardman/Ottaway Riverwalk's restoration and infrastructure, reconstruction of Rotary Square (which will span two fiscal years), and the long-planned Farmer's Market Pavilion, which would enhance the City's upcoming reconstruction of Lot B.

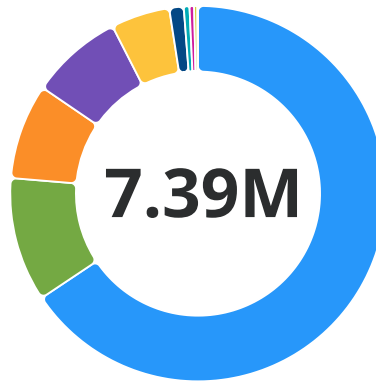
The Capital Outlay expenditure category consists of all items under "Building and Maintaining Downtown (A) Essential Public Infrastructure" and "Transforming Downtown (A) Transformative Public Infrastructure." Most items under "Building and Maintaining Downtown (B) Essential Public Services" and "Transforming Downtown (B) Transformative Public Services" are within the Professional Services expenditure category.

Funds under "(A) Essential Public Infrastructure" may be used for projects developed by the DDA or as a contribution to projects led by the City. Contributions to stormwater reconstruction at Lot B and repairs to the North Union Street bridge are included in their own lines.

Under "(B) Transformative Public Services," a new line for a retail study was created to conduct a market analysis of downtown's changing retail landscape and strategies to keep small, locally owned businesses from being priced out of their storefronts.

TIF-97 Total Taxable Value	\$226,821,791
Captured Taxable Value	\$189,291,061
Estimated Revenue	\$4,828,974
Est. Fund Balance of Previous Fiscal Year	\$4,800,000
Running Downtown	\$ 1,174,964
<i>DDA Administration</i>	605,731
<i>Service Agreement with City</i>	\$ 519,233
<i>Miscellaneous & Utilities</i>	\$ 50,000
Building and Maintaining Downtown	
(A) Essential Public Infrastructure	\$ 1,509,657
<i>Streetscaping/Snowmelt</i>	\$ 75,000
<i>Stormwater & Green Infrastructure (Lot B)</i>	\$ 110,000
<i>Landscaping**</i>	\$ 18,000
<i>General Infrastructure Repair</i>	\$ 70,000
<i>City Infrastructure Contribution</i>	\$ 100,000
<i>Wayfinding Signage</i>	\$ 22,000
<i>Placemaking Amenities</i>	\$ 100,000
<i>Miscellaneous</i>	\$ 25,000
<i>Rotary Square Maintenance</i>	\$ 14,000
<i>N. Union Street Bridge Repair</i>	\$ 150,000
<i>Hardy Parking Deck Payment</i>	\$ 825,657
(B) Essential Public Services	\$ 377,550
<i>Community Police Officer (\$120,431)^</i>	
<i>Trash and Recycling Removal</i>	\$ 60,100
<i>Public Restroom Program</i>	\$ 14,500
<i>Printing</i>	\$ 3,500
<i>Clean and Green Team (SEEDS & Bin Ninjas)</i>	\$ 105,000
<i>City Vehicle Rentals</i>	\$ 8,450
<i>Holiday Lights</i>	\$ 100,000
<i>Miscellaneous</i>	\$ 25,000
<i>Farmers Market Maintenance & Admin</i>	\$ 61,000
Transforming Downtown	
(A) Transformative Public Infrastructure	\$ 4,573,000
<i>Rotary Square</i>	\$ 500,000
<i>Farmers Market Pavillion</i>	\$ 3,083,000
<i>Boardman/Ottaway Riverwalk</i>	\$ 400,000
<i>Two-Way Pilot</i>	\$ 200,000
<i>Mobility & Accessibility Improvements</i>	\$ 380,000
<i>Public Art</i>	\$ 10,000
(B) Transformative Public Services	\$ 68,500
<i>Composting Program</i>	\$ 10,500
<i>Retail Study</i>	\$ 40,000
<i>Destination Downtown</i>	\$ 3,000
<i>City Stormwater Study</i>	\$ 15,000
Activating Downtown & Growing Business	\$ 90,900
<i>Communication, Promotion & Events</i>	\$ 90,000
<i>Traverse Connect</i>	\$ 900
Total Expenses	\$ 7,794,571
Estimated Remaining Fund Balance	\$ 1,834,403
** Includes flowers, planters, tools, and J. Smith maintena	
^Police Officer included in City service agreement total	

FY27 Expenditures by Expense Type Summary



● CAPITAL OUTLAY	\$4,847,000	65.63%
● PRINCIPAL	\$790,000	10.70%
● TRANSFER OUT	\$605,730	8.20%
● TRANSFER OUT CITY FEE	\$587,800	7.96%
● PROFESSIONAL SERVICES	\$374,000	5.06%
● CONTRACTUAL SERVICES	\$90,900	1.23%
● INTEREST EXPENSE & FEES	\$36,700	0.50%
● MISCELLANEOUS EXP	\$30,000	0.41%
● UTILITIES	\$20,000	0.27%
● PRINTING & PUBLISHING	\$3,500	0.05%

Expenditures by Type Summary

Category	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
PROFESSIONAL SERVICES	\$348,100	\$348,100	\$374,000	\$434,500	\$0
CONTRACTUAL SERVICES	\$90,000	\$90,000	\$90,900	\$90,900	\$0
PRINTING & PUBLISHING	\$0	\$0	\$3,500	\$3,500	\$0
UTILITIES	\$30,000	\$30,000	\$20,000	\$22,500	\$0
MISCELLANEOUS EXP	\$50,000	\$30,000	\$30,000	\$30,000	\$0
TRANSFER OUT CITY FEE	\$514,700	\$514,700	\$587,800	\$597,200	\$0
CAPITAL OUTLAY	\$4,481,000	\$4,481,000	\$4,847,000	\$4,053,500	\$0
PRINCIPAL	\$820,000	\$820,000	\$790,000	\$765,000	\$0
INTEREST EXPENSE & FEES	\$54,500	\$54,500	\$36,700	\$17,500	\$0
TRANSFER OUT	\$595,100	\$595,100	\$605,730	\$643,590	\$0
Total Expenditures	\$6,983,400	\$6,963,400	\$7,385,630	\$6,658,190	\$0

Revenues Summary

There are no significant changes to revenue. Revenue is from the tax capture in the TIF-97 TIF district.

Revenues by Revenue Source

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REAL ESTATE/PERSONAL PROPERTY TAX	\$0	\$4,336,300	\$4,523,900	\$4,905,000	\$4,013,600	\$0
INTEREST REVENUE	\$0	\$4,500	\$0	\$3,400	\$3,000	\$0
Total Revenues	\$0	\$4,340,800	\$4,523,900	\$4,908,400	\$4,016,600	\$0

Capital Improvements Plan

The City Capital Improvements Plan (CIP) outlines a schedule of public service expenditures over the ensuing six-year period and is updated annually by the Planning Department through the coordination of scheduled projects with all City Department administrators and the City Manager. The first year of the Capital Improvements Plan serves as the basis for establishing the City's Capital Projects Budget (CPB). The CIP and CPB make up the City's Capital Improvements Program.

See the 2026/27-2031/32CIP [here](#)

[ClearGov](#) | [ClearDocs](#)

Qualifying Projects

The CIP does not address all of the capital expenditures for the City, but provides for large, physical improvements that are permanent in nature, including the basic facilities, services, and installations needed for the functioning of the community. These include transportation systems, utilities, municipal facilities and other miscellaneous projects. To qualify for inclusion into the CIP, a project must:

- Any capital improvement project or program plan or study that the cost is \$25,000 or more or construction or replacement of a new facility (i.e., a public building, water/sanitary sewer mains, storm sewers, major/local roadways, recreational facilities), an addition to, or extension of such a facility, provided that the cost is \$50,000 or more and that the improvement will have a useful life of three years or more.
- Any nonrecurring rehabilitation or replacement of all or a part of a building, its grounds, a facility, or component, provided that the cost is \$50,000 or more and the improvement will have a useful life of three years or more.
- Any new purchase, including land of major equipment to support community programs provided that the cost is \$50,000 or more and will be coded to a capital asset account.
- Any planning, feasibility, engineering, or design study costing \$25,000 or more that is not part of an individual capital improvements project or a program.

Planning Commission Approval

After the plan is prepared, it is the Planning Commission's role to adopt the CIP. [The Michigan Planning Enabling Act](#) states, "to further the desirable future development of the local unit of government under the master plan, a planning commission under the adoption of a master plan, shall annually prepare a capital improvements program of public structures and improvements..."(MCL 125.3865), and that "...A street, square, park, playground, public way, ground, or other open space; or public building or other structure shall not be constructed or authorized for construction in an area covered by a municipal master plan unless the **location, character, and extent** of the street, public way, open space, structure or utility have been submitted to the planning commission by the legislative body..."(MCL 125.3861).

The Planning Commission introduces and reviews the CIP, and schedules a public hearing prior to adoption. This process is to occur before the annual budget process in order to serve as a guide to City Administration and the City Commission.

Capital Improvement Project Ranking and Prioritization Process

The Scorecard

New this year, all capital project requests are evaluated using a standardized, asset management-based project scorecard to support consistent and objective capital planning decisions across departments and asset classes. Projects are assessed using five defined criteria:

- Departmental Priority Ranking
- Consequence of Failure (Level of Service)
- Probability of Failure
- Future Budget Impacts
- Return on Investment (ROI)

Each criterion is scored on a five-point scale using established benchmarks. The Departmental Priority Ranking criterion reflects how closely a project aligns with departmental priorities that are informed by and consistent with the City Commission's adopted Objectives and Key Results (OKRs). To reflect relative importance, each criterion is assigned a weighting factor, and individual scores are combined to produce a total project score.

Projects with higher scores represent assets with greater risk, service impact, safety considerations, financial exposure, or long-term value. These scores are used to inform project prioritization and sequencing within the Capital Improvement Plan, strengthening transparency, consistency, and defensibility in capital decision-making.

The City of Traverse City's Capital Improvement Plan (CIP) for FY 2026/2027 - 2031/2032 outlines a strategic investment of \$119 million over six years to support infrastructure improvements, public facilities, and community development projects. This plan ensures the maintenance, enhancement, and modernization of the City's essential assets while prioritizing safety, economic growth, and sustainability.

Scorecard Totals by Department

Request Title	Project Number	Department	Departmental Priority Ranking	Consequence of Failure (Level of Service)	Probability of Failure	Future budget impacts of Project	Return on Investment (ROI)	Scorecard Total
PARCS Equipment - Scheduled Replacement	2029-001	AUTOMOBILE PARKING SYSTEM	12	15	25	20	10	82
Cameras - Scheduled Replacement	2029-002	AUTOMOBILE PARKING SYSTEM	15	15	25	20	4	79
Parking Lot B Reconstruction	545	AUTOMOBILE PARKING SYSTEM	15	10	25	20	4	74
State Street Properties - Parking Lot P Expansion		AUTOMOBILE PARKING SYSTEM	15	10	25	20	4	74
FishPass Parking Pay Stations / Smart Meters	1198	AUTOMOBILE PARKING SYSTEM	12	15	5	20	6	58
Gate Replacement - Incochee Woods Development		AUTOMOBILE PARKING SYSTEM	15	25	0	0	0	40
200 Block State Midblock Crosswalk (East)	1	DOWNTOWN DEVELOPMENT AUTHORITY	12	10	15	20	8	65
100 Block State Midblock Crosswalk (East)	2	DOWNTOWN DEVELOPMENT AUTHORITY	12	10	15	20	8	65
100 & 200 State Midblock Crosswalks (West)	3	DOWNTOWN DEVELOPMENT AUTHORITY	12	10	15	20	8	65
State Street Two-Way		DOWNTOWN DEVELOPMENT AUTHORITY	15	10	15	16	6	62
East Front Streetscape Improvements		DOWNTOWN DEVELOPMENT AUTHORITY	12	10	15	16	8	61
Lower Boardman/Ottaway Riverwalk (Phase 1)		DOWNTOWN DEVELOPMENT AUTHORITY	15	10	10	20	6	61
Midtown Riverwalk		DOWNTOWN DEVELOPMENT AUTHORITY	9	10	15	16	8	58
Rotary Square		DOWNTOWN DEVELOPMENT AUTHORITY	15	10	10	12	8	55
River's Edge Riverwalk		DOWNTOWN DEVELOPMENT AUTHORITY	15	10	5	16	8	54
Lake Avenue Streetscaping and Plaza		DOWNTOWN DEVELOPMENT AUTHORITY	6	5	5	16	8	40
Riverine Riverwalk		DOWNTOWN DEVELOPMENT AUTHORITY	6	5	5	16	8	40
State of the Art Brine and Salt Storage Facility, including MS4 and EGLE Containment requirements.	1751	DPS DIRECTOR DEPARTMENT	15	20	25	20	4	84
Marina West Wall Gangway and Platform Replacement	2026-594-2	DUNCAN L. CLINCH MARINA	15	20	25	20	6	86
Marina Electrical Pedestal Replacements	2026-594-1	DUNCAN L. CLINCH MARINA	12	20	5	20	10	67
Upgrade traffic signal lights		ENGINEERING DEPARTMENT	15	25	25	20	2	87
HSIP Grant Funded Signal Improvement		ENGINEERING DEPARTMENT	15	25	25	20	2	87
Fourteenth Street Mill and Fill		ENGINEERING DEPARTMENT	15	20	20	20	2	77
Boardman/Washington/State/Cass-Brownfield Project		ENGINEERING DEPARTMENT	15	20	20	16	2	73
7th and Union intersection and 24in Water main at Lake Ave. (Cass to Wadsworth)		ENGINEERING DEPARTMENT	12	20	15	16	8	71
Design for Seventh Street Reconstruction Project		ENGINEERING DEPARTMENT	12	15	20	20	2	69
FEMA Mapping Reconfiguration		ENGINEERING DEPARTMENT	15	15	15	20	2	67
Seventh Street Mill/Fill Division to Union Street		ENGINEERING DEPARTMENT	15	20	25	0	2	62
Stormwater Master Plan		ENGINEERING DEPARTMENT	0	0	0	0	0	0
Carnegie Building HVAC upgrades	2026-104-2	FACILITIES MANAGEMENT	15	20	25	20	8	88
Carnegie Building Windows & Front Entry Door Replacement	2026-104-1	FACILITIES MANAGEMENT	15	20	25	20	6	86
Concrete Repair for Fire Stations 01 & 02	2026-977-1	FIRE DEPARTMENT	12	20	20	8	0	60
Aerial Bucket Truck for Parks Department	2026-661-3	GARAGE	15	10	15	4	4	48
Tree Chipper for Parks Department	2026-661-2	GARAGE	15	10	15	4	4	48
Medium Duty Truck for Parks Department	2026-661-1	GARAGE	15	10	15	4	4	48
Oakwood Cemetery Mausoleum Repairs	2028-567-01	OAKWOOD CEMETERY FUNCTION	15	15	20	16	4	70
Battery Back-up System - Old Town	2026-001	OLD TOWN DECK	12	25	25	20	4	86
EV Charging Stations - Old Town	1234	OLD TOWN DECK	15	15	25	20	4	79
PTAC Units - Old Town	1083	OLD TOWN DECK	12	15	25	20	2	74

Brown Bridge Quiet Area - Spring Lake Improvements	2026-239-003	PARKS & RECREATION DIVISION	15	15	20	20	4	74
Lake Shore Restoration - Brown Bridge Trust Fund	2026-239-002	PARKS & RECREATION DIVISION	9	10	25	16	2	62
Tennis/Pickleball Courts Reconstruction	2026-239-001	PARKS & RECREATION DIVISION	15	20	25	0	0	60
Hickory Hills Mountain Bike Trail Construction	239-2027-003	PARKS & RECREATION DIVISION	15	10	10	16	4	55
16th & Cass Intersection Pedestrian Crossing Improvements	2026-499-16	PARKS & RECREATION DIVISION	9	10	10	20	4	53
LED Lighting Enhancements for Hickory Hills	504-000-2028	PARKS & RECREATION DIVISION	3	5	15	16	4	43
Hickory Hills Snowmaking Upgrades	2027-504-002	PARKS & RECREATION DIVISION	9	10	10	4	8	41
Open Space Master Site Design/Planning	701-2024-1	PLANNING AND ZONING DEPARTMENT	12	20	15	16	6	69
TART Bayfront Trail Improvement and Extension	1256	PLANNING AND ZONING DEPARTMENT	12	15	15	16	4	62
TART Transformation 2	701-2024-02	PLANNING AND ZONING DEPARTMENT	9	20	10	16	4	59
M-72 New Sidewalk Construction	701-2024-03	PLANNING AND ZONING DEPARTMENT	9	20	5	16	4	54
West End Pedestrian Way	701-2024-04	PLANNING AND ZONING DEPARTMENT	6	5	15	16	4	46
WW - Front St. Lift Station and Forcemain Upgrade	1001	SEWAGE TREATMENT PLANT	12	25	25	20	4	86
WW- Front Street Lift Station Forcemain Study/Replacement to WWTP	25-105	SEWAGE TREATMENT PLANT	15	25	20	20	4	84
WW - Digester 4 Reconditioning / Upgrade	2026-590-9	SEWAGE TREATMENT PLANT	12	20	20	20	6	78
WW - Return Activated Sludge Pump Rebuilds	2026-590-11	SEWAGE TREATMENT PLANT	9	15	20	20	8	72
WW - Digester 5 Cleaning and 5 - Year Repairs	2026-590-5	SEWAGE TREATMENT PLANT	12	20	15	20	4	71
WW - Digester 5 Heat Exchanger Replacement	2026-590-10	SEWAGE TREATMENT PLANT	12	20	15	20	4	71
WW - Digester #4 Cleaning and Condition Assessment	2026-590-14	SEWAGE TREATMENT PLANT	12	15	20	20	4	71
WW - West Sludge Storage Tank Concrete Repairs	2026-590-2	SEWAGE TREATMENT PLANT	12	20	15	20	2	69
WW - South Aeration Basin Structural Repairs	2026-590-9	SEWAGE TREATMENT PLANT	12	20	15	20	2	69
WW - North Aeration Basin Structural Repairs	2026-590-15	SEWAGE TREATMENT PLANT	12	15	20	20	2	69
WW - Membrane Replacement (one train)	1044	SEWAGE TREATMENT PLANT	12	15	15	20	6	68
WW - Dual Fuel Boiler Condition Assessments	2026-590-7	SEWAGE TREATMENT PLANT	12	15	15	20	4	66
WW - Membrane System Programmable Logic Controller (PLC) Replacement	2026-590-16	SEWAGE TREATMENT PLANT	12	15	15	20	4	66
WW - Treatment Plant Security Improvements	2026-590-13	SEWAGE TREATMENT PLANT	9	10	25	16	4	64
WW - Digested Solids Thickening Process Upgrade	2026-590-8	SEWAGE TREATMENT PLANT	9	15	15	20	4	63
WW - Facility Master Plan Study	2026-590-3	SEWAGE TREATMENT PLANT	12	10	15	20	6	63
WW - Digester #3 Cleaning	2026-590-4	SEWAGE TREATMENT PLANT	12	15	10	20	4	61
WW - Odor Control System Upgrade	2026-590-6	SEWAGE TREATMENT PLANT	9	10	20	16	4	59
WW - Scour Blower Rebuilds	2026-590-12	SEWAGE TREATMENT PLANT	12	15	10	20	2	59
WW - Woodmere, Coast Guard, Riverine, TBA Lift Station Engineering Evaluation	1031	SEWAGE TREATMENT PLANT	9	10	10	20	4	53
WW - Membrane Tank Enclosure Construction	971	SEWAGE TREATMENT PLANT	3	5	10	20	4	42
Annual Sanitary Sewer Lining Project	2026-590-1	SEWER DISTRIBUTION	15	20	20	20	8	83
WW - Birchwood Lift Station Pump Upgrade	2026-590-1	SEWER DISTRIBUTION	15	15	25	20	4	79
WW - Bay St. and Birchwood Lift Station Upgrades	1718	SEWER DISTRIBUTION	9	10	10	20	4	53
Water Main - Replace 16" Water Main Valves along Washington, Franklin & Front St	1181	WATER DISTRIBUTION	12	20	25	20	8	85
Water Main - Replacement undersize 4-Inch Water Main at Various Locations	2026-591-1	WATER DISTRIBUTION	9	15	20	20	8	72
Water Main - South Union Street Bridge Water Main	25-104	WATER DISTRIBUTION	12	15	20	20	4	71
Water Main - Hannah Ave Water Main Upgrade	932	WATER DISTRIBUTION	9	10	15	20	4	58
Water Main - East-West Transmission Main Upgrade	935	WATER DISTRIBUTION	9	10	10	20	4	53
WTP - Electrical Motor Control Center Upgrades at WTP & Low Service; New generator at Low Service	2026-591-2	WATER PLANT	15	20	25	20	8	88
WTP - High & Low Service Pump Repairs	770	WATER PLANT	15	15	20	20	8	78
WTP - New Raw Water Main from Low Service to WTP	1251	WATER PLANT	12	25	15	20	4	76
WTP - Freight Elevator Replacement	121	WATER PLANT	15	15	20	20	4	74
WTP - Standby Generator Replacement Project	1017	WATER PLANT	12	15	20	20	4	71
WTP - Backwash Pump	1183	WATER PLANT	6	15	15	20	4	60
WTP - Solar Micro-Grid	1760	WATER PLANT	12	10	5	20	8	55

Supplemental Information



Budget Timeline

FYE 6/30/2027 Budget Schedule

The process of creating the Traverse City's Annual Operating Budget is comprehensive and takes considerable time. It begins every November with the creation of the 6-Year Capital Improvement Plan. The first year of the Capital Improvement Plan serves as the foundation for the Capital Budget, which is then reviewed, and approved projects are included in the Annual Operating Budget. The budget document is presented to the City Commission in May each year and approved at the first meeting in June annually. The cycle ends with the Annual Audit and final report presented to the City Commission the following March. The following is a proposed schedule for preparation, review, and the eventual adoption of the 2026-2027 Fiscal Year Budget.

November: Begin Development of 6-Year Capital Improvement Plan

December: Departments begin preliminary discussions regarding budget objectives and priorities & multi-year projections.

January 5th: Department Heads can begin entering Budget Requests in BS&A/ClearGov

February 19th: Budget Requests entered by Department Heads completed

February 20th – March 27th: Budget Meetings between City Manager & Department Heads

May 4th: Initial Budget Proposal provided to City Commission & Commission schedules public Hearing for May 19th

May 11th: Study session at City Commission meeting

May 18th: Budget Public Hearing

June 1st: Approval of Budget by the City Commission

July 1st: Annual Operating Budget takes effect and an audit of the previous year starts.

Amend the Budget

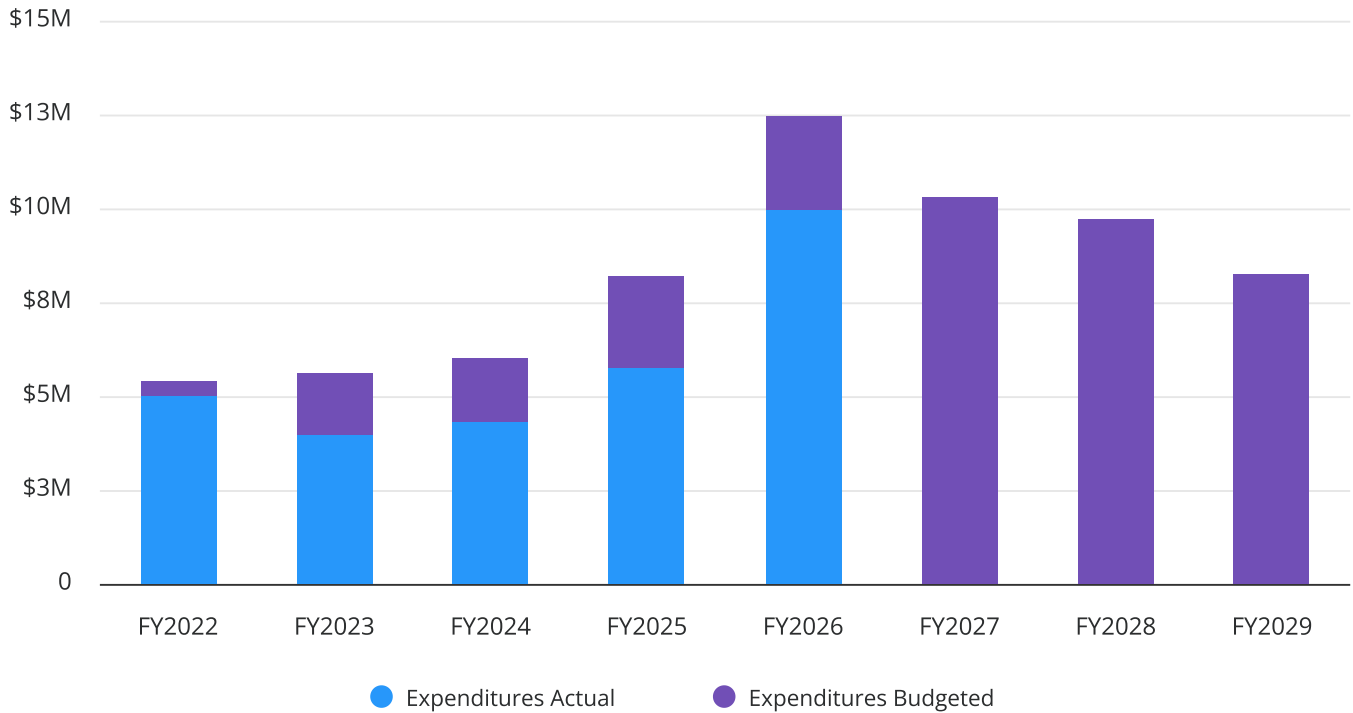
The Annual Operating Budget acts as a guide and ensures accountability by City officials concerning annual expenditure. Due to the dynamic nature of City operations, budget adjustments are frequently necessary throughout the fiscal year. The City Charter and the General Appropriations Act permit amendments.

Summary Street Investment

Street investments are spread across multiple funds and departments. This page brings them all together in one page to show the City's entire investment in City streets.

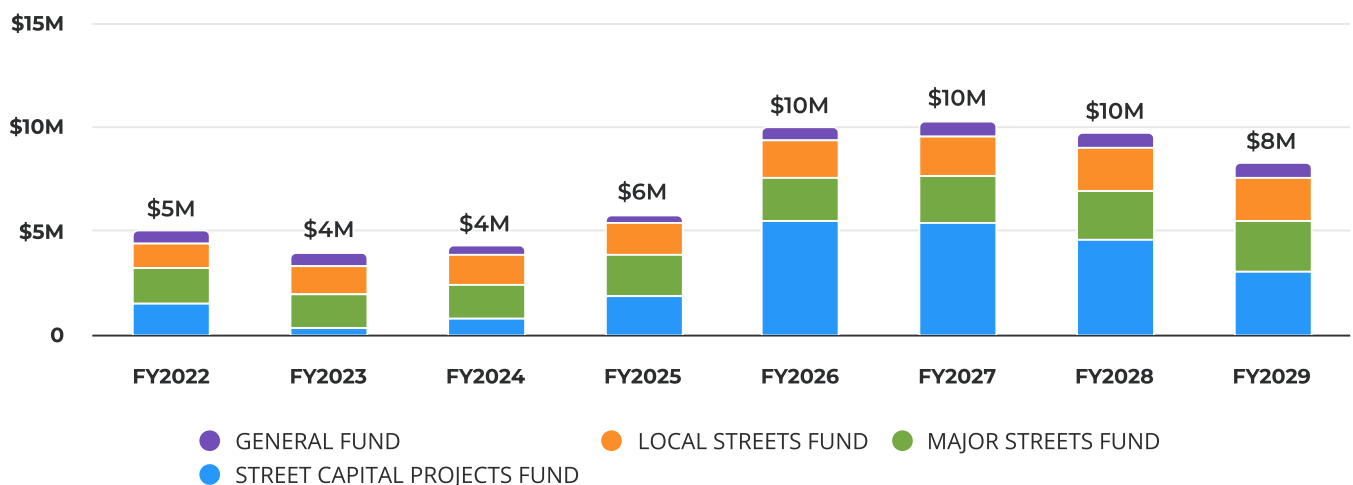
Expenditure Summary

Historical Expenditures Across Department



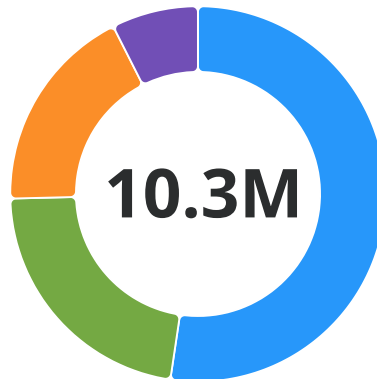
Expenditures by Fund

Historical Expenditures by Fund



Historically, streets had been reported in the Capital projects fund, the new Street Capital Project fund helps isolate just street activity going forward.

FY27 Expenditures by Fund

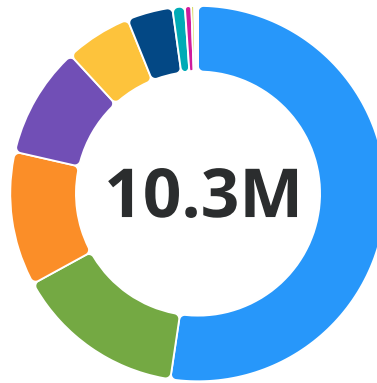


● STREET CAPITAL PROJECTS FUND	\$5,389,700	52.36%
● MAJOR STREETS FUND	\$2,289,600	22.24%
● LOCAL STREETS FUND	\$1,847,400	17.95%
● GENERAL FUND	\$766,900	7.45%

Expenditures by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
GENERAL FUND	\$426,594.77	\$704,530.00	\$641,800.00	\$766,900.00	\$726,700.00	\$734,100.00
MOBILITY INFRASTRUCTURE DEPARTMENT	\$426,594.77	\$704,530.00	\$641,800.00	\$766,900.00	\$726,700.00	\$734,100.00
MAJOR STREETS FUND	\$2,007,809.45	\$2,197,840.00	\$2,120,900.00	\$2,289,600.00	\$2,390,800.00	\$2,452,800.00
MAJOR STREETS	\$1,777,486.48	\$1,948,240.00	\$1,894,300.00	\$2,010,600.00	\$2,106,400.00	\$2,165,000.00
TRUNKLINE MAINTENANCE	\$230,322.97	\$249,600.00	\$226,600.00	\$279,000.00	\$284,400.00	\$287,800.00
LOCAL STREETS FUND	\$1,465,625.78	\$1,634,600.00	\$1,756,700.00	\$1,847,400.00	\$2,018,600.00	\$2,062,800.00
NON-DEPARTMENTAL	\$1,465,625.78	\$1,634,600.00	\$1,756,700.00	\$1,847,400.00	\$2,018,600.00	\$2,062,800.00
STREET CAPITAL PROJECTS FUND	\$1,868,220.35	\$7,921,500.00	\$5,441,900.00	\$5,389,700.00	\$4,553,000.00	\$3,016,000.00
NON-DEPARTMENTAL	\$1,572,155.36	\$1,644,600.00	\$550,100.00	\$2,068,500.00	\$500,000.00	\$500,000.00
ROAD COMMISS MILLAGE STREET PROJ	\$296,064.99	\$6,276,900.00	\$4,891,800.00	\$3,321,200.00	\$4,053,000.00	\$2,516,000.00
Total Expenditures	\$5,768,250.35	\$12,458,470.00	\$9,961,300.00	\$10,293,600.00	\$9,689,100.00	\$8,265,700.00

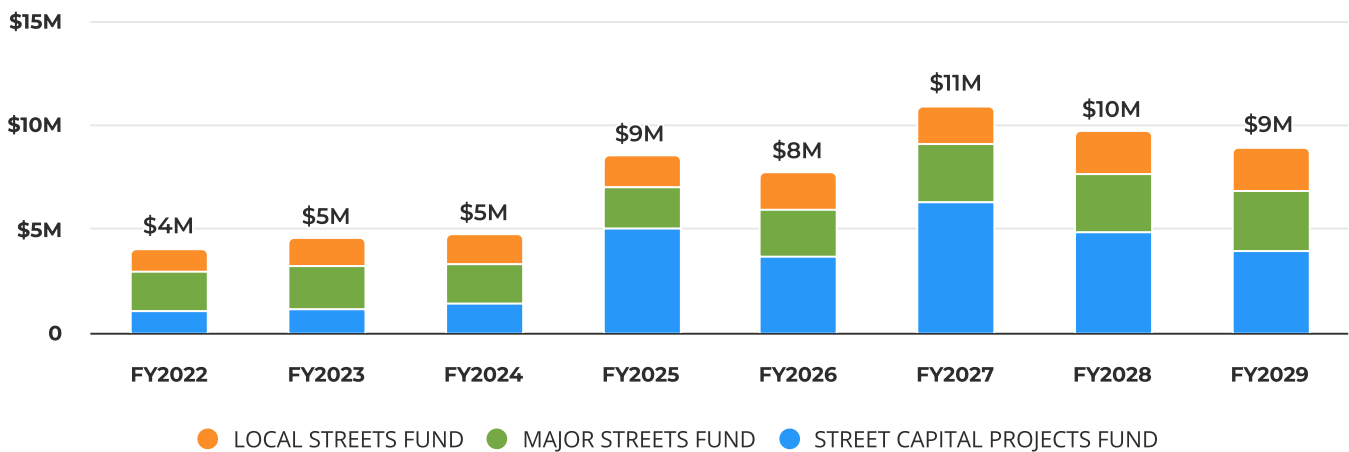
FY27 Expenditures by Expense Type Summary



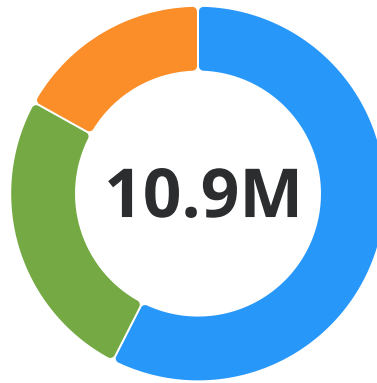
● CAPITAL OUTLAY	\$5,389,700	52.36%
● RENTALS	\$1,511,200	14.68%
● SALARIES & WAGES	\$1,187,200	11.53%
● PROFESSIONAL SERVICES	\$986,100	9.58%
● FRINGE BENEFITS	\$589,900	5.73%
● OFFICE/OPERATING SUPPLIES	\$404,000	3.92%
● TRANSPORTATION	\$110,000	1.07%
● REPAIRS & MAINTENANCE	\$58,000	0.56%
● UTILITIES	\$24,300	0.24%
● INSURANCE & BONDS	\$15,500	0.15%
● PRINTING & PUBLISHING	\$7,500	0.07%
● COMMUNICATION	\$6,200	0.06%
● PROFESSIONAL DEVELOPMENT	\$4,000	0.04%

Revenues by Fund

Historical Revenues by Fund



FY27 Revenues by Fund



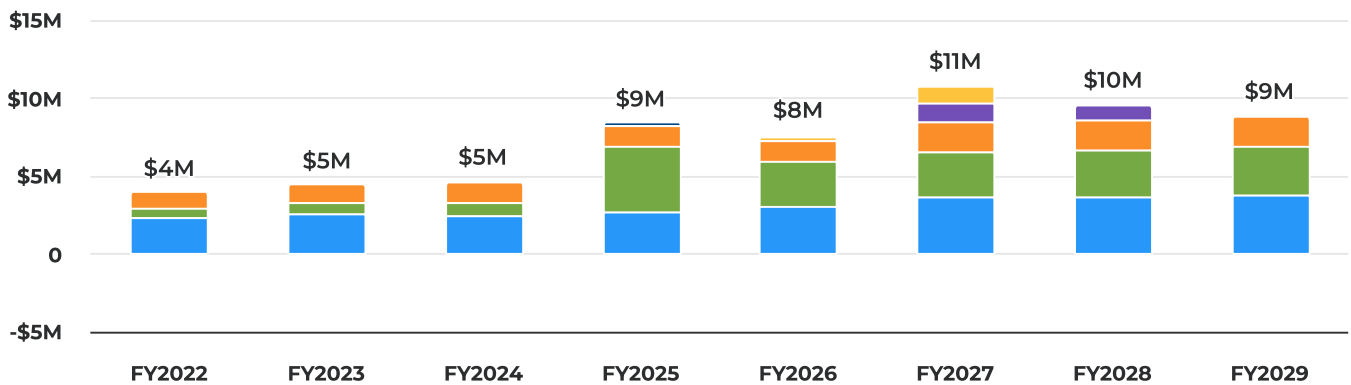
● STREET CAPITAL PROJECTS FUND	\$6,280,800	57.50%
● MAJOR STREETS FUND	\$2,795,200	25.59%
● LOCAL STREETS FUND	\$1,847,400	16.91%

Revenues by Fund

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
MAJOR STREETS FUND	\$2,044,273	\$2,036,900	\$2,284,300	\$2,795,200	\$2,827,000	\$2,934,000
LOCAL STREETS FUND	\$1,484,212	\$1,634,600	\$1,766,700	\$1,847,400	\$2,018,600	\$2,062,800
STREET CAPITAL PROJECTS FUND	\$4,981,153	\$3,772,600	\$3,665,500	\$6,280,800	\$4,849,100	\$3,929,900
Total Revenues	\$8,509,637	\$7,444,100	\$7,716,500	\$10,923,400	\$9,694,700	\$8,926,700

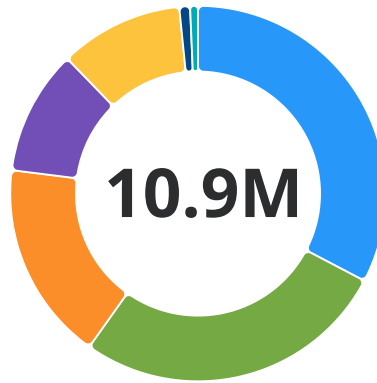
Revenues by Object

Historical Revenues by Object



- CHANGE IN FAIR VALUE OF INVESTMENTS
- METRO AUTHORITY FEE
- STATE GRANTS - OTHER
- REVENUE SHARING-GAS & WEIGHT
- CONTRIBUTIONS-PRIVATE SOURCES
- INTEREST & DIVIDEND EARNINGS
- CONTRIBUTIONS-PUBLIC SOURCES
- REIMBURSEMENTS
- CONTRIBUTIONS-PUBLIC DDA TIF 97
- TRANSFERS IN

FY27 Revenues by Object



● REVENUE SHARING-GAS & WEIGHT	\$3,570,200	32.68%
● TRANSFERS IN	\$2,963,800	27.13%
● CONTRIBUTIONS-PUBLIC SOURCES	\$1,876,300	17.18%
● STATE GRANTS - OTHER	\$1,175,000	10.76%
● CONTRIBUTIONS-PUBLIC DDA TIF 97	\$1,164,100	10.66%
● INTEREST & DIVIDEND EARNINGS	\$100,000	0.92%
● METRO AUTHORITY FEE	\$74,000	0.68%

Revenues by Object

Category	2024/2025 Actual	2025/2026 Amended	2025/2026 Projected	2026/2027 Budgeted	2027/2028 Requested	2028/2029 Requested
REVENUE SHARING-GAS & WEIGHT	\$2,596,218	\$2,614,300	\$2,981,700	\$3,570,200	\$3,605,000	\$3,715,000
STATE GRANTS - OTHER	\$0	\$0	\$0	\$1,175,000	\$1,000,000	\$0
METRO AUTHORITY FEE	\$74,905	\$69,000	\$74,000	\$74,000	\$74,000	\$74,000
INTEREST & DIVIDEND EARNINGS	\$160,312	\$82,000	\$160,000	\$100,000	\$102,000	\$104,000
CONTRIBUTIONS-PRIVATE SOURCES	\$30,924	\$0	\$3,600	\$0	\$0	\$0
CONTRIBUTIONS-PUBLIC SOURCES	\$1,322,776	\$1,250,800	\$1,375,200	\$1,876,300	\$1,886,800	\$1,907,900
REIMBURSEMENTS	\$383	\$0	\$27,800	\$0	\$0	\$0
TRANSFERS IN	\$4,319,619	\$2,928,000	\$2,910,200	\$2,963,800	\$3,026,900	\$3,125,800
CONTRIBUTIONS-PUBLIC DDA TIF 97	\$4,500	\$500,000	\$184,000	\$1,164,100	\$0	\$0
Total Revenues	\$8,509,637	\$7,444,100	\$7,716,500	\$10,923,400	\$9,694,700	\$8,926,700

2026/2027 Budget Resolutions



Budget Resolution Waiving 1/2 Property Tax Admin Fee

Administration Fee for Fiscal Year 2026-2027

Because, the City Commission of the City of Traverse City, Grand Traverse County and Leelanau County, Michigan, adopted a resolution on May 2, 1983, which authorizes the imposition of a 1% property tax administration fee; and

Because, that resolution reserved the right and authority to waive all or part of the property tax administration fee imposed by that resolution for a specific tax levy and collection period by the adoption of a resolution to that effect; now, therefore be it

Resolved, by the City Commission of the City of Traverse City, Grand Traverse County and Leelanau County, Michigan, that ½ of the property tax administration fee be waived and not collected on any property tax levied within the City for Fiscal Year 2026-2027.

I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Establishing Water Rates, Water Service Charges & Sewer Rates

Because, the City Commission shall from time to time determine the water service charges for City users of water from the City water distribution system; and

Because, the City Commission desires to provide enough funds for the operational expenses and the debt service of the water system; and

Because, the City Commission desires to provide enough funds for the capital improvement to the water system; therefore, be it

Resolved, that the City Commission of the City of Traverse City does hereby establish the following rate schedule for users of the city sewer collection system in accordance with the Traverse City Code of Ordinances, effective July 1, 2026.

Inside City Limits

\$47.95 per first 600 cubic feet

\$6.35 per hundred (100) for each additional hundred (100) cubic feet

Customers outside City limits are charged approximately 1 ½ times the City rate;

Outside City Limits

\$71.95 per first 600 cubic feet

\$9.55 per hundred (100) for each additional hundred (100) cubic feet

and further, be it

Resolved, that the City Commission of the City of Traverse City does hereby establish the following water rates and charges schedule for users of water from the city water distribution system in accordance with the Traverse City Code of Ordinances, effective July 1, 2026:

<u>First 600 Cu. Ft or less Limits</u>	<u>Inside City Limits</u>	<u>Outside City</u>
5/8 Inch or 3/4 Inch (Avg, Residence)	\$17.65	\$ 26.50
1 Inch	\$34.20	\$ 51.30
1 ¼ Inch	\$51.80	\$ 77.70
1 ½ Inch	\$68.35	\$102.55
2 Inch	\$102.55	\$153.85
3 Inch	\$136.70	\$205.05

4 Inch	\$205.05	\$307.60
6 – 12 Inch	\$340.65	\$511.00
Over 600 cubic ft. per 100 cu. ft.	\$2.40	\$3.60
BEACON Endpoint Technology Fee (all applicable meter sizes)		\$.90/Month

*Irrigation Meters will be billed year round at 1/2 the monthly rate for the corresponding meter size.

The following are rates for the various services provided by the Water and Sewer Maintenance Division:

Tap Only:

1"	\$300.00
1 ½"	\$350.00
2"	\$400.00
4"	\$600.00
6"	\$800.00
8"	\$1,000.00
10"	\$1,200.00
12"	\$1,400.00

Meter Changes:

New meter installations or changes in meter size requested by customer.

3/4"	\$600.00
1"	\$725.00
Residential Meter with Restrictor Valve	\$900.00

*Greater than 1-inch diameter = time and material cost basis.

Service Turn-Ons and Turn-Offs:

During scheduled work hours	\$60.00
During non-scheduled working hours	\$120.00

Inspection Fee:

Sewer/water cut & caps	\$60.00
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Repeat Calls for Services:

No show, not ready, re-freeze	\$60.00
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Bulk Water Sales:

Fill tankers at our shop – 1 st 600 cu ft	\$52.00
Next 1,000 cu ft	\$22.80

Bacteriological Testing:

Cost for labor, materials and equipment	\$20.00
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Hydrant Flow Test:

Hydrant Flow Test	\$175.00
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I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution to Establish the City Manager's Per-Transaction Spending Authority Pursuant to City Charter Section 40

BECAUSE, Section 40 of the City Charter of the City of Traverse City prescribes, in part, the per-transaction spending limit for the City Manager; and,

BECAUSE, The mission of the Traverse City Commission is to guide the preservation and development of the City's infrastructure, services, and planning based on extensive participation by its citizens, coupled with the expertise of the City's staff. The Commission will both lead and serve Traverse City in developing a vision for sustainability, and the future that is rooted in the hopes and input of its citizens and organizations, as well as cooperation from surrounding units of government, the City Commission adopted a resolution placing a ballot proposal to amend Section 40 of the City Charter before the city's electorate at the November 2, 2021, election, indicating, "the City Charter for the City of Traverse City, in addition to codified ordinances of the City of Traverse City adopted by the City Commission and City Commission policy provide that disbursements of any funds from city accounts must receive approval from the City Treasurer and finally the City Clerk following all other requisite approvals, which provides additional oversight of all fund disbursements as a system of checks and balances; and

BECAUSE, the City Charter for the City of Traverse City provides that the City Manager's appointment and removal of the City Clerk and the City Treasurer must be approved by five (5) affirmative votes of the City Commission, which furthers this system of checks and balances; and

BECAUSE, the per-transaction spending limit of the City Manager as prescribed in the City Charter has not been revised since 2005" and

BECAUSE, at the City Manager's request, the City Clerk, City Treasurer and the City Attorney, reviewed different options for adjustment to the City Manager's spending authority; and

BECAUSE, the Executive Director for Traverse City Light and Power has a spending limit of one-tenth of one percent (0.1%) of budgeted operating expenses for Traverse City Light and Power for the given year; and

BECAUSE, the City Manager presented a similar option, outlined by the City Clerk, at the July 12, 2021, Study Session of the City Commission where the City Commission could present a ballot proposal to the electorate of the City of Traverse City at the November 2, 2021, election, asking to amend the Charter of the City of Traverse City at Section 40 to provide that the City Commission may delegate a per-transaction spending limit to the City Manager equal to an amount up to 0.1% of the budgeted operational expenses for the General Fund of the City of Traverse City for the given fiscal year; and

BECAUSE, the electorate, at the November 2, 2021, election, approved such amendment to the City Charter for the City of Traverse City; and now, therefore be it

RESOLVED, by the City Commission for the City of Traverse City that the City Manager's per-transaction spending authority be established at twenty-eight thousand five hundred dollars (\$28,500) for the Fiscal Year 2026-2027 which is 0.1% of the budgeted operational expenses for the General Fund of the City of Traverse City, with the City Commission retaining the option of modifying the per-transaction spending authority before the conclusion of the Fiscal Year as authorized by City Charter Section 40.

I certify that this resolution was adopted by the City Commission for the City of Traverse City at its June 1, 2026, regular meeting.

Sarah Lutz, City Clerk

Resolution Certifying Tax Levy for Act 345 Police and Fire Pension System for Fiscal Year 2026-2027

Resolved, by the City Commission of the City of Traverse City, Michigan, that the City Assessor of Traverse City, shall as soon as the City Clerk shall certify to her the amount of the ACT 345 tax levy fixed by the City Commission, which is established at 2.32 mills, and within three (3) days after adoption by the City Commission, the budget for fiscal period of July 1, 2026, to June 30, 2027, inclusive, proceed to ratably assess to all persons and pieces of property on the assessment roll accordingly, and in proportion to the valuation entered thereon, the amount of said tax levy.

I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Certifying Tax Levy for the City of Traverse City for Fiscal Year 2026-2027

Resolved, by the City Commission of the City of Traverse City, Michigan, that the City Assessor of Traverse City, shall as soon as the City Clerk shall certify to her the amount of the tax levy fixed by the City Commission, which is established at 11.5358 mills, and within three (3) days after adoption by the City Commission, the budget for fiscal period of July 1, 2026, to June 30, 2027, inclusive, proceed to ratably assess to all persons and pieces of property on the assessment roll accordingly, and in proportion to the valuation entered thereon, the amount of tax with all delinquent special assessments and delinquent wastewater, electrical and water charges, as recorded by the City Treasurer and on file with the Office of the City Treasurer, such record to be a permanent record of the City of Traverse City.

I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Certifying Tax Levy for Fire/EMS for the City of Traverse City for Fiscal Year 2026-2027

Resolved, by the City Commission of the City of Traverse City, Michigan, that the City Assessor of Traverse City, shall as soon as the City Clerk shall certify to her the amount of the tax levy fixed by the City Commission, which is established at .9801 mills, and within three (3) days after adoption by the City Commission, the budget for fiscal period of July 1, 2026, to June 30, 2027, inclusive, proceed to ratably assess to all persons and pieces of property on the assessment roll accordingly, and in proportion to the valuation entered thereon, the amount of tax with all delinquent special assessments and delinquent wastewater, electrical and water charges, as recorded by the City Treasurer and on file with the Office of the City Treasurer, such record to be a permanent record of the City of Traverse City.

I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Adopting the City of Traverse City Fiscal Year 2026-2027 Capital Improvements Plan and Capital Projects Fund

Because, the City Manager has caused a Capital Improvements Plan, to be prepared and presented to this City Commission covering the fiscal year commencing July 1, 2026, and ending June 30, 2027; now, therefore, be it

Resolved, that the following appropriations be and are hereby authorized for the fiscal year beginning July 1, 2026.

Capital Projects Fund	\$9,082,300
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Street Capital projects Fund	\$5,389,700
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I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Adopting the City of Traverse City Fiscal Year 2026-2027 Comprehensive Annual Budget Report

Because, the City Manager has caused a budget document, to be prepared and presented to this City Commission covering the fiscal year commencing July 1, 2026, and ending June 30, 2027; and

Because, this document has been placed on file in the Office of City Clerk and made available for public examination; and

Because, a public hearing upon the adoption of this document has been held as required by the City Charter; and

Because, as a result of this public hearing and its own study, the City Commission has caused certain changes to be made; now, therefore, be it

Resolved, that the proposed budgets listed below as amended by the City Commission of Traverse City entitled: The City of Traverse City 2026-2027 Comprehensive Annual Budget Report of the City of Traverse City, Michigan, for the fiscal period of July 1, 2026, through June 30, 2027, excluding the budgets for Traverse City Light and Power and the Downtown Development Authority, which shall be adopted by separate resolution and that the City Manager be, and is hereby authorized to make expenditures provided for in said budget, providing said expenditures be made according to law; further be it

Resolved, that the budget be placed on file in the Office of the City Clerk and be made a permanent record of the City of Traverse City, and is made part of this resolution by reference; further be it

Resolved, that to defray the costs of the appropriations contained in said budget the estimated sum of \$16,500,000 based on the rate of 11.5358 mills shall be raised in the City of Traverse City, Michigan, by taxation for municipal purposes for the fiscal period of July 1, 2026, through June 30, 2027 inclusive, in accordance with the Charter of the City of Traverse City and the laws of the State of Michigan relative to the taxation of real and personal property; further be it

Resolved, that to defray the costs of the appropriations contained in said budget the estimated sum of \$3,325,000 based on the rate of 2.32 mills shall be raised in the City of Traverse City, Michigan by taxation for, defraying the cost of supporting the retirement plan for qualified personnel of the Department of Public Safety of the City of Traverse City, Michigan pursuant to the provisions of ACT 345 of the Public Acts of 1937, as amended, as approved by a vote on November 3, 1970; further be it

Resolved, that the City Manager is hereby authorized to fix the compensation of officers and employees, in accordance with the appropriations approved in the budget pursuant to Charter Section 38; further be it

Resolved, that any deviations over the approved total departmental and fund amounts will require a budget adjustment and approval by the City Commission; and that the City Manager or designee is authorized to approve transfers within line items so long as the total departmental and fund appropriations authorized by the City Commission are not exceeded; further be it

Resolved, that the following appropriations be and are hereby authorized for the fiscal year beginning July 1, 2026.

General Fund Departmental

CITY COMMISSION	\$	182,700
CITY MANAGER DEPARTMENT		684,300
ASSET MANAGEMENT DIVISION		359,000
CITY CLERK DEPARTMENT		1,025,000
CITY TREASURER DEPARTMENT		699,500
CITY ASSESSOR DEPARTMENT		637,800
FACILITIES MANAGEMENT		393,900
CITY ATTORNEY		491,950
COMMUNICATIONS & STRATEGIC INITIATIVES		470,350
HUMAN RESOURCES FUNCTION		555,700
APPROPRIATIONS		1,693,400
POLICE DEPARTMENT		6,065,700
SUBSTANCE RESPONSE		619,200
MOBILITY INFRASTRUCTURE DEPARTMENT		766,900
ENGINEERING DEPARTMENT		1,589,200
OAKWOOD CEMETERY FUNCTION		494,000
PLANNING AND ZONING DEPARTMENT		991,500
PARKS & RECREATION DIVISION		2,326,000
CONTINGENCIES		75,000
		<hr/>
Total Departmental Expenditures		20,121,100
		<hr/>
Operating Transfers Out		
MOTOR VEHICLE (LOCAL STREETS)		948,400
CAPITAL OUTLAY - PUBLIC IMPROVEMENT		325,000
CAPITAL OUTLAY - STREETS		2,015,400
SIDEWALK DEBT		376,700
OPERA HOUSE		107,000
HAZ MAT		20,700
FIRE EMS		3,375,000
BUDGET STABILIZATION		500,000
PUBLIC ARTS COMMISSION		60,000
HICKORY HILLS		702,300
		<hr/>
Total Operating Transfers Out		8,430,500
		<hr/>
Total General Fund Expenditures & Transfers Out	\$	28,551,600
		<hr/>

GASB 54 Funds

BUDGET STABILIZATION	\$	533,000
HAZ MAT		40,500
CARNEGIE BUILDING		109,500
COUNTY SENIOR CENTER		176,000
BROWN BRIDGE MAINTENANCE		248,500
PUBLIC ARTS COMMISSION		118,000
COAST GUARD COMMITTEE		4,000
BANNER PROGRAM		1,200
CITY OPERA HOUSE		253,200
ECONOMIC DEVELOPMENT		61,400
		<hr/>
	\$	1,545,300

Special Revenue Funds

MAJOR STREET	\$	2,795,200
LOCAL STREET		1,847,400
FIRE/EMS		6,232,200
TREE ORDINANCE		50,000
ACT 302 POLICE TRAINING		67,900
COLLEGE PARKING		4,000
ACT 345 MILLAGE		3,634,500
BROWN BRIDGE TRUST PARKS IMPROVEMENT		1,229,000
TRAVERSE CITY / GARFIELD JOINT PLANNING		39,000
PEG CAPITAL		18,000
CDBG GRANT SEFA # 14.218		650,000
		<hr/>
	\$	16,567,200

Debt Service Funds

PARKING BOND DEBT RETIREMENT	\$	825,700
SIDEWALK AND TRAIL DEBT RETIREMENT		756,000
		<hr/>
	\$	1,581,700

Capital Projects Funds

STREET IMPROVEMENT	\$	6,280,800
BOARDMAN LAKE TRAIL CONSTRUCTION		350,000
CAPITAL PROJECTS		9,082,300
SPECIAL ASSESSMENT		82,500
		<hr/>
	\$	15,795,600

Permanent Funds

CEMETERY PERPETUAL CARE	\$	105,000
CEMETERY TRUST		35,000
BROWN BRIDGE TRUST		447,200
		<hr/>
	\$	587,200

Enterprise Funds

HICKORY HILLS	\$	1,223,000
PARKING SYSTEM		6,797,600
WASTEWATER		38,161,900
WATER		10,639,800
MARINA		1,099,600
		<hr/>
	\$	57,921,900

Internal Service Fund

INFORMATION TECHNOLOGY	\$	1,033,000
FLEET MANAGEMENT		5,350,600
		<hr/>
	\$	6,383,600

Total Primary Government

	\$	128,934,100
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I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Adopting the Traverse City Light and Power Budget for Fiscal Year 2026-2027 Including the Capital Improvement Plan

Resolved, that the Traverse City Light and Power Board has caused a budget document, to be prepared and presented to the City Commission covering the fiscal year commencing July 1, 2026, and ending June 30, 2027, and that the proposed budget document of the Traverse City Light and Power Department for the fiscal period of July 1, 2026, through June 30, 2027, is hereby approved in its entirety in the amount of \$49,589,650 and the Fiber Optics Fund of \$2,675,400, pursuant to the Charter of the City of Traverse City, Section 179(j); and that the Traverse City Light and Power Board is hereby authorized to adopt this budget, as submitted; further, be it

Resolved, that the Traverse City Light and Power Board has caused a Capital Improvements Plan to be prepared and presented to the City Commission covering the fiscal year commencing July 1, 2026, and ending June 30, 2027, and is hereby approved in its entirety; and that the Traverse City Light and Power Board is hereby authorized to adopt this Capital Improvements Plan, as submitted.

I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Certifying Tax Levy for Downtown Development Authority for Fiscal Year 2026-2027

Resolved, by the City Commission of Traverse City, Michigan, that the City Assessor of Traverse City shall, as soon as the City Clerk shall certify to her the amount of the tax levy fixed by the City Commission, which is established at 1.5842 mills, and within three (3) days after the adoption by the City Commission of the DDA Budget for the fiscal period of July 1, 2026, to June 30, 2027, inclusive, proceed to ratably assess to all persons and pieces of property on the assessment roll which are located within the Downtown Development Authority as described in Chapter 298.04 of the Traverse City Code of Ordinances accordingly, and in proportion to the valuation entered thereon the amount of said tax levy.

I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Resolution Adopting Downtown Development Authority Budget Fiscal Year 2026-2027

Resolved, that to defray the cost of appropriations contained in the Downtown Development Authority budget portion of said document, the estimated sum of \$130,000 based on Resolution Adopting Budget on a rate of 1.5897 mills shall be raised by taxation within the area of the Traverse City Downtown Development Authority District as described in Chapter 298.04 of the Traverse City Code of Ordinances, in accordance with the Charter of the City of Traverse City and the laws of the State of Michigan relative to the taxation of real and personal property; further be it

Resolved further, that the following appropriations be and are hereby authorized for the fiscal year beginning July 1, 2026.

Downtown Development Authority Fund	\$	2,331,640
Tax Increment Financing District 97 Fund		7,395,630
Old Town Tax Increment Financing Fund		1,481,980

I hereby certify that the above Resolution was adopted by the City Commission on June 1, 2026, at a regular meeting of the City Commission held in the Commission Chambers, Governmental Center, 400 Boardman Avenue, Traverse City, Michigan.

Sarah Lutz, City Clerk

Supplemental Statistical Information



Debt Service Requirements to Maturity (Unaudited)

CITY OF TRAVERSE CITY, MICHIGAN Debt Service Requirements to Maturity (Unaudited)

Fiscal years ending June 30,	Parking deck non-taxable refunding bond		Boardman Lake Trail and Sidewalk construction bond		Junior Lien Revenue Bond Clean Water State Revolving Loan		Primary government
	Principal	Interest	Principal	Interest	Principal	Interest	Total principal and interest
2026	820,000	54,459	625,000	131,369	84,497	34,518	1,749,843
2027	790,000	35,656	645,000	110,986	89,497	32,933	1,704,072
2028	765,000	17,541	670,000	89,880	89,497	31,255	1,663,173
2029	-	-	695,000	67,972	89,497	29,577	882,046
2030	-	-	330,000	51,521	94,497	27,899	503,917
2031	-	-	340,000	40,767	94,497	26,128	501,392
2032	-	-	355,000	29,612	94,497	24,356	503,465
2033	-	-	365,000	18,056	99,497	22,584	505,137
2034	-	-	380,000	6,099	99,497	20,718	506,314
2035	-	-	-	-	104,497	9,426	113,923
2036-2040	-	-	-	-	542,485	64,592	607,077
2041-2043	-	-	-	-	358,492	13,631	372,123
Total	\$ 2,375,000	\$ 107,656	\$ 4,405,000	\$ 546,262	\$ 1,840,947	\$ 337,617	\$ 9,612,482

Note: A partial draw down on a clean water state revolving loan totalled \$2,272,807 on 6/30/25 and a partial draw down on a drinking water revolving loan totalled \$2,676,239 on 6/30/2025.

Revenues by Source

CITY OF TRAVERSE CITY, MICHIGAN
General Governmental Revenues by Source (Unaudited)
General Fund before GASB 54 Consolidation
Last ten fiscal years

Fiscal years ending June 30,	Taxes	Licenses and permits	Federal sources	State Share Revenue	Other State sources	Charges for services	Fines and forfeitures	Reimbursements	Other revenues	Transfer in	Total revenues
2016	8,559,711	297,926	13,039	1,278,328	48,259	346,864	8,027	655,570	3,277,794	1,176,443	15,661,961
2017	9,109,325	305,043	-	1,342,361	75,285	365,605	9,528	449,244	2,347,529	1,152,596	15,156,516
2018	10,070,208	315,757	-	1,385,247	61,462	434,298	8,100	685,772	2,303,273	1,156,795	16,420,912
2019	11,279,219	737,872	7,938	1,440,190	75,227	258,201	5,745	503,736	2,486,537	1,255,431	18,050,096
2020	11,823,999	370,101	2,377	1,412,539	45,763	235,944	7,084	629,565	2,327,184	1,254,238	18,108,794
2021	12,223,174	457,519	836,423	1,611,761	249,547	203,959	1,920	495,261	2,106,516	1,332,485	19,518,565
2022	12,790,270	519,562	471	1,911,918	239,616	291,325	44,905	566,596	2,149,528	1,233,953	19,748,144
2023	13,563,940	612,986	128,707	1,879,629	373,145	229,727	37,003	709,713	2,749,234	1,294,207	21,578,291
2024	14,569,702	1,190,517	106,279	1,922,165	449,422	212,479	36,018	885,502	3,264,301	1,326,648	23,963,033
2025	15,576,761	1,269,777	197,459	1,915,637	457,372	277,393	26,794	1,181,389	3,445,054	1,539,122	25,886,758

Expenditures by Function

CITY OF TRAVERSE CITY, MICHIGAN
General Governmental Expenditures by Function (Unaudited)
General Fund before GASB 54 Consolidation
Last ten fiscal years

Fiscal years ending June 30,	General government	Public safety	Streets, alleys and sidewalks	Culture and recreation	Other	Transfer out	Total expenditures
2016	2,276,074	6,233,256	829,333	1,855,507	1,670,747	2,503,346	15,368,263
2017	2,571,171	6,739,612	647,013	2,094,037	1,687,453	1,650,430	15,389,716
2018	2,563,345	7,109,604	560,859	2,162,221	1,831,862	1,886,533	16,114,424
2019	2,581,463	7,201,805	873,269	2,205,885	1,796,390	2,308,580	16,967,392
2020	2,656,008	7,396,618	1,260,777	1,844,444	1,928,469	2,619,635	17,705,951
2021	2,834,482	7,716,942	1,400,627	1,912,485	2,120,674	2,206,454	18,191,664
2022	2,985,908	7,667,010	971,819	1,827,591	2,667,998	2,489,815	18,610,141
2023	3,250,457	8,248,584	991,268	1,847,648	3,215,437	2,807,677	20,361,071
2024	3,631,047	8,596,886	886,066	1,949,709	3,276,745	3,467,780	21,808,233
2025	4,183,457	9,478,239	870,623	2,037,401	4,011,377	5,614,828	26,195,925

Overlapping Millage Rates

CITY OF TRAVERSE CITY, MICHIGAN
Property Tax Millage Rates - All Overlapping Governments (Unaudited)
Last ten fiscal years

Fiscal years ending June 30,	City	County	School	ISD	College	State Education Tax	Library	BATA	Recreational Authority	TOTAL
2016 - Homestead	13.4367	6.5838	3.1000	2.9312	2.8300	6.0000	1.1004	0.3454	0.4094	36.7369
2016 - Non-Homestead	13.4367	6.5838	21.1000	2.9312	2.8300	6.0000	1.1004	0.3454	0.4094	54.7369
2017 - Homestead	13.4367	6.7017	3.1000	2.9299	2.8192	6.0000	1.0870	0.3447	0.4294	36.8486
2017 - Non-Homestead	13.4367	6.7017	21.1000	2.9299	2.8192	6.0000	1.0870	0.3447	0.4294	54.8486
2018 - Homestead	13.4367	6.6486	3.1000	2.9234	2.7420	6.0000	0.9467	0.3420	0.4283	36.5677
2018 - Non-Homestead	13.4367	6.6486	21.1000	2.9234	2.7420	6.0000	0.9467	0.3420	0.4283	54.5677
2019 - Homestead	14.4367	6.7608	3.1000	2.9197	2.7140	6.0000	0.9431	0.4978	0.4282	37.8003
2019 - Non-Homestead	14.4367	6.7608	21.1000	2.9197	2.7140	6.0000	0.9431	0.4978	0.4282	55.8003
2020 - Homestead	14.4367	6.6915	3.1000	2.9161	2.6950	6.0000	0.9382	0.4952	0.4278	37.7005
2020 - Non-Homestead	14.4367	6.6915	21.1000	2.9161	2.6950	6.0000	0.9382	0.4952	0.4278	55.7005
2021 - Homestead	14.4367	6.6548	3.1000	2.9091	2.1138	6.0000	0.9292	0.4908	0.4800	37.1144
2021 - Non-Homestead	14.4367	6.6548	21.1000	2.9091	2.1138	6.0000	0.9292	0.4908	0.4800	55.1144
2022 - Homestead	14.4154	6.5560	3.1000	2.9003	2.0935	6.0000	0.9202	0.4863	0.4800	36.9517
2022 - Non-Homestead	14.4154	6.5560	21.1000	2.9003	2.0935	6.0000	0.9202	0.4863	0.4800	54.9517
2023 - Homestead	14.0888	6.5149	3.1000	2.8871	2.0574	6.0000	0.9044	0.4788	0.4800	36.5114
2023 - Non-Homestead	14.0888	6.5149	21.1000	2.8871	2.0574	6.0000	0.9044	0.4788	0.4800	54.5114
2024 - Homestead	14.0888	6.5086	3.1000	2.8871	2.0576	6.0000	0.9044	0.4788	0.3800	36.4053
2024 - Non-Homestead	14.0888	6.5086	21.1000	2.8871	2.0576	6.0000	0.9044	0.4788	0.3800	54.4053
2025 - Homestead	14.8812	6.3861	3.1000	2.8624	2.0050	6.0000	1.0848	0.4655	0.2883	37.0733
2025 - Non-Homestead	14.8812	6.3861	21.1000	2.8624	2.0050	6.0000	1.0848	0.4655	0.2883	55.0733

Notes:

The City's rate does not reflect a 1.5879 mill levy the Downtown Development District established in 1979. Millage rates above reflect operating and debt rates.
 The County's rates include only Grand Traverse County and not Leelanau County.

Property Tax Collection History

CITY OF TRAVERSE CITY, MICHIGAN
Property Tax Collection History (Unaudited)
Last ten fiscal years

Levied July 1st	Adjusted Tax Levy (1)	Collection to March 1, Year Following Levy	Percent Collected
2015	10,182,199	9,887,824	97.1
2016	10,869,344	10,594,460	97.5
2017	11,229,019	11,000,626	98.0
2018	12,758,038	12,440,564	97.5
2019	13,347,929	12,988,529	97.3
2020	14,120,360	13,727,016	97.2
2021	14,730,520	14,442,041	98.0
2022	15,573,578	15,200,872	97.6
2023	16,846,878	16,469,992	97.8
2024	19,401,233	19,022,976	98.1

(1) Real and personal taxes, City operating, ACT 345 pension and Fire/EMS levies combined

Taxable Value by Class

CITY OF TRAVERSE CITY, MICHIGAN
Taxable Value by Use and Class (Unaudited)
Last five years

City	June 30,	June 30,	June 30,	June 30,	June 30,
Use	2021	2022	2023	2024	2025
Commercial	\$ 439,524,486	\$ 468,556,296	\$ 501,336,353	\$ 539,818,696	\$ 582,577,192
Industrial	43,556,284	47,003,977	47,928,127	48,683,701	51,955,696
Residential	681,542,397	718,941,896	798,913,300	869,610,463	958,604,679
Utility	6,069,100	5,742,400	6,920,300	7,736,300	9,448,400
Total	\$ 1,170,692,267	\$ 1,240,244,569	\$ 1,355,098,080	\$ 1,465,849,160	\$ 1,602,585,967
Class					
Real Property	\$ 1,111,518,967	\$ 1,182,207,232	\$ 1,298,338,480	\$ 1,412,274,360	\$ 1,544,262,267
Personal Property	59,173,300	58,037,337	56,759,600	53,574,800	58,323,700
Total	\$ 1,170,692,267	\$ 1,240,244,569	\$ 1,355,098,080	\$ 1,465,849,160	\$ 1,602,585,967

Top 10 Taxpayers

CITY OF TRAVERSE CITY, MICHIGAN
Ten Largest Taxpayers by Taxable Value (Unaudited)
June 30, 2025

Taxpayer	Principal Product or Service	Taxable Value	Percent of Ten Largest Taxpayers
CEGM Traverse City LLC	Commercial property	15,772,314	14.6%
Delamar Traverse City LLC	Hotel property	15,229,347	14.1%
4Front Credit Union	Commercial property	13,621,924	12.6%
PHR TCI	Hotel property	11,648,071	10.8%
MF Developer LLC	Residential Real Estate	10,568,671	9.8%
Grand Traverse Senior Living LLC	Residential Real Estate	9,381,609	8.7%
Toms Food Market	Grocery/retail	9,234,192	8.6%
Regency Midwest Ventures LP	Commercial property	7,602,903	7.1%
Costco Wholesale Corp	Grocery/retail	7,643,775	7.1%
DTE Gas Co	Utility	7,055,416	6.5%

Legal Debt Margin

CITY OF TRAVERSE CITY, MICHIGAN
Legal Debt Margin (Unaudited)
June 30, 2025

Debt limit	\$	160,258,597
Debt outstanding		18,188,209
Legal debt margin	\$	<u>142,070,388</u>

Debt Summary

CITY OF TRAVERSE CITY
Debt Statement (Unaudited)
June 30, 2025

City Direct Debt	<u>Gross</u>	<u>Self Supporting</u>	<u>Net</u>
Share of Michigan Public Power Agency debt	4,381,008	4,381,008	-
USDA Note	237,208	237,208	-
Boardman Lake Trail and Sidewalk Construction Bond	4,405,000	4,405,000	-
Downtown Development Refunding Bond	2,375,000	2,375,000	-
State Revolving Loan Fund	6,789,993	6,789,993	-
Total	<u>\$ 18,188,209</u>	<u>\$ 18,188,209</u>	<u>\$ -</u>
Overlapping Debt			
	<u>Gross</u>	<u>City Share as Percent of Gross</u>	<u>Net</u>
Traverse City Public Schools	\$ 155,627,221	17.79%	\$ 27,686,083
Grand Traverse County	66,649,004	16.69%	11,123,719
Leelanau County	5,738,635	0.88%	50,500
Northwestern Michigan College	21,320,000	16.69%	3,558,308
Traverse City-Garfield Recreational Authority	2,200,000	45.74%	1,006,280
Traverse Area District Library	-	17.07%	-
Total	<u>\$ 164,333,611</u>		<u>\$ 43,424,889</u>

Financial Policies

The City of Traverse City's Finance Policies are designed to ensure fiscal responsibility, transparency, and compliance with applicable standards and regulations. These policies align with the Governmental Accounting Standards Board (GASB) guidelines and adhere to the State of Michigan's statutory requirements.

1. Financial Reporting

- **Accounting Standards:** The City will prepare its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) as established by GASB.
- **Annual Audit:** An independent audit of the City's financial statements will be conducted annually, as mandated by Michigan Statute.
- **Management's Discussion and Analysis (MD&A):** The City will include an MD&A section in its annual financial report to provide an objective analysis of financial activities, in line with GASB requirements.

2. Budgeting

- **Balanced Budget:** The City will adopt a balanced budget annually, ensuring that expenditures do not exceed available revenues, in compliance with Michigan's budget laws.
- **Public Participation:** The budget process will include opportunities for public input, promoting transparency and community involvement.

3. Revenue Management

- **Diversification:** The City will strive to maintain a diversified and stable revenue system to protect against short-term fluctuations in any single revenue source.
- **Fees and Charges:** The City will periodically review user fees and charges to ensure they reflect the cost of services provided.
- **Grant Management:** The City will pursue grants that align with its priorities and ensure compliance with grant requirements.

4. Expenditure Control

- **Authorization:** All expenditures must be authorized through the budget process or by City Commission action.
- **Monitoring:** The City will regularly monitor expenditures to ensure adherence to the approved budget and implement corrective actions as necessary.
- **Purchasing:** The City will follow established procurement policies to ensure fair and competitive purchasing practices.

5. Capital Asset Management

- **Capital Improvement Plan (CIP):** The City will develop and maintain a CIP to plan for the acquisition and maintenance of capital assets.
- **Asset Inventory:** The City will maintain an inventory of all capital assets, including their condition and maintenance schedules.
- **Depreciation:** The City will account for depreciation of capital assets in accordance with GASB standards.

6. Debt Management

- **Debt Issuance:** The City will issue debt only for capital improvements and not for operating expenses, ensuring compliance with Michigan's legal debt limitations.
- **Debt Levels:** The City will maintain debt levels within acceptable limits to ensure creditworthiness and fiscal health.
- **Repayment:** The City will structure debt repayment schedules to ensure timely repayment and minimize interest costs.

7. Fund Balance

- Reserve Levels: The City will maintain adequate reserves in accordance with all applicable regulations to ensure financial stability.

8. Investments

- Investment Policy: The City will adopt an investment policy that prioritizes safety, liquidity, and yield, in that order.
- Authorized Investments: The City will invest only in accordance with its investment policy.
- Monitoring: The City will regularly monitor the performance of its investments and ensure compliance with the investment policy.

9. Internal Controls

- Control Environment: The City will maintain an internal control environment to safeguard assets and ensure accurate financial reporting.
- Segregation of Duties: The City will implement segregation of duties to prevent fraud and errors.
- Regular Reviews: The City will conduct regular reviews and audits of financial processes and controls.

10. Financial Transparency

- Reporting: The City will provide regular financial reports to the City Commission to promote transparency.

Open Records: The City will comply with Freedom of Information Act (FOIA) requirements, ensuring public access to financial information.

Appendix



Glossary

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader of the Annual Budget document in understanding these terms, this budget glossary has been included in the document.

Abatement: A reduction or elimination of a real or personal property tax, motor vehicle excise, a fee, charge, or special assessment imposed by a governmental unit. Granted only on application of the person seeking the abatement and only by the committing governmental unit.

Accounting System: The total structure of records and procedures that identify, record, classify, and report information on the financial position and operations of a governmental unit or any of its funds, account groups, and organizational components.

Accrual Basis of Accounting: A method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.

Accrued Interest: The amount of interest that has accumulated on the debt since the date of the last interest payment, and on the sale of a bond, the amount accrued up to but not including the date of delivery (settlement date). (See Interest)

ACFR: Annual Comprehensive Financial Report - A detailed report of an organization's financial activities and performance over the fiscal year.

Ad Valorem: According to value. "A method of taxation using the value of the thing taxed to determine the amount of tax. Taxes can be either "ad valorem" or "specific." Example: A tax of \$5.00 per \$1000.00 of value per house is "ad valorem." A tax of \$5.00 per house (irrespective of value) is specific.

American Rescue Plan Act of 2021(ARPA): A federal stimulus bill that will provide payments to local units of government for use on Covid-19 related expenses and certain infrastructure projects.

Amortization: The gradual repayment of an obligation over time and in accordance with a predetermined payment schedule.

Appropriation: An authorization made by the City Commission, which permits officials to incur obligations against, and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

Arbitrage: As applied to municipal debt, the investment of tax-exempt bonds or note proceeds in higher yielding, taxable securities. Section 103 of the Internal Revenue Service (IRS) Code restricts this practice and requires (beyond certain limits) that earnings be rebated (paid) to the IRS.

Assessed Valuation: The estimated value placed upon real and personal property by the City assessor. Assessed value is required to be at least 50% of the true cash value.

Assets: Property owned by the City that has economic value, such as cash, investments, property, and equipment.

Audit: An examination of a community's financial systems, procedures, and data by a certified public accountant (independent auditor), and a report on the fairness of financial statements and on local compliance with statutes and regulations. The audit serves as a valuable management tool in evaluating the fiscal performance of a community.

Audit Report: Prepared by an independent auditor, an audit report includes: (a) a statement of the scope of the audit; (b) explanatory comments as to application of auditing procedures; (c) findings and opinions. It is almost always accompanied by a management letter which contains supplementary comments and recommendations.

Available Funds: Balances in the various fund types that represent non-recurring revenue sources. As a matter of sound practice, they are frequently appropriated to meet unforeseen expenses, for capital expenditures or other one-time costs.

Balance Sheet: A statement that discloses the assets, liabilities, reserves and equities of a fund or governmental unit at a specified date.

Bond: A means to raise money through the issuance of debt. A bond issuer/borrower promises in writing to repay a specified sum of money, alternately referred to as face value, par value or bond principal, to the buyer of the bond on a specified future date (maturity date), together with periodic interest at a specified rate. Bonds are typically used for long-term debt to pay for specific capital improvements.

Bond Issue: Generally, the sale of a certain number of bonds at one time by a governmental unit.

Bond Rating (Municipal): A credit rating assigned to a municipality to help investors assess the future ability, legal obligation, and willingness of the municipality (bond issuer) to make timely debt service payments. Stated otherwise, a rating helps prospective investors determine the level of risk associated with a given fixed-income investment. Rating agencies, such as Moody's and Standard and Poors, use rating systems, which designate a letter or a combination of letters and numerals where AAA is the highest rating and C1 is a very low rating.

Budget (Operating): A plan of financial operations allocating resources to support particular services, purposes and functions over a specified period of time.

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

Budgetary Control: The level at which expenditures cannot legally exceed the appropriated amounts.

Capital Assets: All real and tangible property used in the operation of government, which is not easily converted into cash, and has an initial useful life extending beyond a single financial reporting period. Capital assets include land and land improvements; infrastructure such as roads, bridges, water and sewer lines; easements; buildings and building improvements; vehicles, machinery and equipment. Communities typically define capital assets in terms of a minimum useful life and a minimum initial cost. (See Fixed Assets)

Capital Outlay: A disbursement of money which results in the acquisition of or addition to fixed assets. The item must have a purchase price greater than \$5,000 and have a useful life of more than one year.

Cash: Currency, coin, checks, postal and express money orders and bankers' drafts on hand or on deposit with an official or agent designated as custodian of cash and bank deposits.

Cash Flow: The movement of money into or out of an organization, showing its liquidity and ability to meet financial obligations.

Cash Management: The process of monitoring the ebb and flow of money in and out of municipal accounts to ensure cash availability to pay bills and to facilitate decisions on the need for short-term borrowing. Cash management refers to the activities of forecasting the inflows and outflows of cash, mobilizing cash to improve its availability for investment, establishing and maintaining banking relationships, and investing funds in accordance with the Investment Policy.

Certificate of Deposit (CD): A bank deposit evidenced by a negotiable or non-negotiable instrument, which provides on its face that the amount of such deposit plus a specified interest payable to a bearer or to any specified person on a certain specified date, at the expiration of a certain specified time, or upon notice in writing.

Chart of Accounts: A financial organizational tool that provides a complete listing of every account in an accounting system. The State of Michigan updated the chart of accounts in 2017.

Collective Bargaining: The process of negotiating workers' wages, hours, benefits, working conditions, etc., between an employer and some or all of its employees, who are represented by a recognized labor union, regarding wages, hours and working conditions.

Compliance: Adherence to relevant laws, regulations, and internal policies governing financial reporting and operations.

Consumer Price Index: The statistical measure of changes, if any, in the overall price level of consumer goods and services. The index is often called the "cost-of-living index."

Contractual Services: Items of expenditure from services that the city receives from an outside company. Heating and cooling maintenance services, custodial services, and information technology support are examples of contractual services.

Cost-Benefit Analysis: A decision-making tool that allows a comparison of options based on the level of benefit derived and the cost to achieve the benefit from different alternatives.

Current Taxes: Taxes that are levied and due within one year.

Debt Limit: The total amount of money a government is authorized to borrow.

Debt Service: The City's obligation to pay the principal and interest of all bonds and other debt instruments based on an amortization schedule, of the principal and interest on any particular bond issue.

Department: An administration division of the city. Departments are the main groupings within the budget, for example, City Manager, Public Works, Engineering etc.

Depreciation: A noncash expense that reduces the value of an asset as a result of wear and tear, age or obsolescence. Most assets lose their value over time (in other words, they depreciate) and must be replaced when the end of their useful life is reached.

Encumbrance: A reservation of funds to cover obligations arising from purchase orders, contracts, or salary commitments that are chargeable to, but not yet paid from, a specific appropriation account.

Enterprise Funds: A governmental accounting fund which provides a separate accounting and financial reporting mechanism for municipal services for which a fee is charged in exchange for goods or services. The rate schedule for these services is established to ensure that revenues are adequate to meet all necessary expenditures. Enterprise accounting also enables communities to reserve the "surplus" or net assets unrestricted generated by the operation of the enterprise rather than closing it out to the general fund at year-end. Enterprise funds are established for services such as water and sewer.

Equalized Valuations (EQVs): The determination of the full and fair cash value of all property in the community that is subject to local taxation.

Estimated Revenue: The amount of projected revenue to be collected during the fiscal year.

Essential Services: As contained in the Local Community Stabilization Act, essential services are police, fire, ambulance, and jail.

Exemptions: A discharge, established by statute, from the obligation to pay all or a portion of a property tax. The exemption is available to particular categories of property or persons upon the timely submission and approval of an application to the assessors. Properties exempt from taxation include hospitals, schools, houses of worship, and governmental entities. Persons who may qualify for exemptions include disabled veterans, blind individuals, surviving spouses, and seniors.

Expenditure: The cost of goods delivered and services rendered, whether paid or unpaid by municipalities to provide the programs and services within their approved budget.

Fiduciary Funds: Repository of money held by a municipality in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and other funds. These include pension (and other employee benefits) trust funds, investment trust funds, private-purpose trust funds, and agency funds.

Financial Statements: Reports summarizing an organization's financial activities and position, including the balance sheet, income statement, and cash flow statement.

Fiscal Year: The 12-month period for which an organization plans the use of its funds, July 1 through June 30.

Fixed Assets: Long-lived, assets such as buildings, equipment and land obtained or controlled as a result of past transactions or circumstances.

Fixed Costs: Costs that are legally or contractually mandated such as retirement, FICA/Social Security, insurance, debt service costs or interest on loans.

Float: The difference between the bank balance for a local government's account and its book balance at the end of the day. The primary factor creating float is clearing time on checks and deposits. Delays in receiving deposit and withdrawal information also influence float.

Full Faith and Credit: A pledge of the general taxing powers for the payment of governmental obligations. Bonds carrying such pledges are usually referred to as general obligation or full faith and credit bonds.

Fund: A distinct entity within the municipal government in which financial resources and activity (assets, liabilities, fund balances, revenues, and expenditures) are accounted for independently in accordance with specific regulations, restrictions or limitations. Examples include the General Fund for day-to-day activities, Major Streets Funds for activities relating to major streets, Sewer Fund for sewer-related activities, etc.

Fund Balance: The excess of an entity's assets over liabilities. A negative fund balance is often called a deficit.

GAAP: Generally Accepted Accounting Principles - Standard accounting principles, standards, and procedures used to compile financial statements.

GASB (Governmental Accounting Standards Board): An independent private-sector organization that establishes accounting and financial reporting standards for US state and local government following GAAP. www.gasb.org

GASB 34: A major pronouncement of the Governmental Accounting Standards Board that establishes criteria for the form and content of governmental financial statements. GASB 34 requires a report on overall financial health, not just on individual funds. It requires more complete information on the cost of delivering value estimates on public infrastructure assets, such as bridges, roads, sewers, etc. It also requires the presentation of a narrative statement about the government's financial performance, trends and prospects for the future.

GASB 45: This is another Governmental Accounting Standards Board major pronouncement that each public entity accounts for and reports other postemployment benefits in its accounting statements. Through actuarial analysis, municipalities must identify the true costs of the OPEB earned by employees over their estimated years of actual service.

General Fund: The largest fund within the City, the General Fund accounts for most of the day-to-day operations of the government, such as fire and police protection, finance, public works and general administration. The main source of revenue for the General Fund is the City's operating millage.

General Obligation Bonds: Bonds issued by a municipality for purposes allowed by statute that are backed by the full faith and credit of the City.

Geographic Information System: A system designed to capture, store, manipulate, analyze, manage, and present spatial or geographic data.

Governing Body: A board, committee, commission, or other executive or policymaking body of a municipality or school district.

Government Finance Officers Association: A professional association representing public finance officials throughout the United States and Canada. Their mission is to promote excellence in state and local governmental financial management. www.gfoa.org

Governmental Fund: Funds that are generally used to account for tax-supported activities. There are five different types of governmental funds – the general fund, special revenue funds, debt service funds, capital project funds, and permanent funds.

Indirect Cost: Costs of a service not reflected in the operating budget of the entity providing the service. An example of an indirect cost of providing water service would be the value of time spent by non-water department employees processing water bills. A determination of these costs is necessary to analyze the total cost of service delivery.

Internal Controls: Policies and procedures implemented by an organization to ensure the reliability of financial reporting and compliance with laws and regulations, aiming to prevent fraud and errors.

Interest: Compensation paid or to be paid for the use of money, including amounts payable at periodic intervals or discounted at the time a loan is made. In the case of municipal bonds, interest payments accrue on a day-to-day basis, but are paid every six months.

Interest Rate: The interest payable, expressed as a percentage of the principal available for use during a specified period of time. It is always expressed in annual terms.

Investments: The placement of excess City cash assets into instruments approved by the City's Investment Policy for the purpose of earning interest income.

Liabilities: Debts or obligations owed by an organization, including loans, accounts payable, and accrued expenses. The term does not include encumbrances.

Line Item Budget: A budget that separates spending into categories, or greater detail, such as supplies, equipment, maintenance, or salaries, as opposed to a program budget.

Local Community Stabilization Authority: An authority created by the State of Michigan to account for and administer the changes in personal property tax collection and reimbursements.

Long Term Debt: Debt with a maturity of more than one year.

Major Fund: A governmental or enterprise fund reported as a separate column in the basic fund financial statements and subject to a separate opinion in the independent auditor's report.

Maturities: The date on which the principal or stated values of investments or debt obligations mature and may be reclaimed.

Michigan Department of Environmental Quality(EGLE): An agency of the State responsible for overseeing municipal drinking water and sewer systems, together with other health and environmental protection systems.

Michigan Department of Treasury: An agency of the State responsible for oversight of financial reporting in the State of Michigan.

Michigan Economic Development Corporation(MEDC): An agency of the State dedicated to fostering an atmosphere that is positive for economic development. They may make funds available for certain projects, and provide assistance to communities in the area of economic development.

Michigan Government Finance Officers Association(MGFOA): The Michigan chapter of the Government Finance Officers Association. www.migfoa.org

Michigan Municipal Employees Retirement System (MERS): A multi-employer statewide public employee retirement plan created to provide retirement, survivor and disability benefits to local government employees. Michigan Municipal Treasurers Association: The Michigan chapter of the Association of Public Treasurers of the United States and Canada. www.mmta-mi.org
Michigan State Housing Authority: An agency of the State that may have funds available for certain types of economic development. Millage: A rate of taxation expressed as mills per dollar.

Modified Accrual Basis of Accounting: Basis of accounting to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar obligations which should be recognized when due.

Net Income: The difference between an organization's revenues and expenses, representing its profit or loss for a specific period.

Non-Major Fund: A governmental or enterprise fund that is not reported as a separate column in the basic fund financial statements, instead of being reported in the aggregate.

Pavement Surface Evaluation and Rating(PASER): A road rating system that uses visual inspections to evaluate surface conditions that provide a basis for comparing the quality of roadway segments.

Objects of Expenditures: A classification of expenditures that is used for coding any department disbursement, such as "personal services," "expenses," or "capital outlay."

Official Statement: A document prepared for potential investors that contains information about a prospective bond or note issue and the issuer. The official statement is typically published with the notice of sale. It is sometimes called an offering circular or prospectus.

Operating Budget: A plan of proposed expenditures for personnel, supplies, and other expenses for the coming fiscal year.

Overlapping Debt: A community's proportionate share of the debt incurred by an overlapping government entity, such as a regional school district, regional transit authority, etc.

Personnel Services: The expenditures within the budget that relate to personnel, such as salaries and fringe benefits.

Principal: The face amount of a bond, exclusive of accrued interest.

Proprietary Funds: Funds used to record the financial transactions of governmental entities when they engage in activities that are intended to recover the cost of providing goods or services to the general public on a user-fee basis.

Public Act 20 of 1943: An act relative to the investment of public funds for the State of Michigan and political subdivisions.

Public Act 51 of 1951: An act to provide for the classification of all public roads, streets and highways of the State of Michigan.

Refunding of Debt: Transaction where one bond issue is redeemed and replaced by a new bond issue under conditions generally more favorable to the issuer.

Reserve Fund: An amount set aside annually within the budget to provide a funding source for extraordinary or unforeseen expenditures. In the City this is the Budget Stabilization Fund

Revaluation: The assessors of each community are responsible for developing a reasonable and realistic program to achieve the fair cash valuation of property in accordance with constitutional and statutory requirements. The nature and extent of that

program will depend on the assessors' analysis and consideration of many factors, including, but not limited to, the status of the existing valuation system, the results of an in-depth sales ratio study, and the accuracy of existing property record information.

Revenues: Inflows of resources or other enhancements of assets of an organization, usually from sales of goods or services.

Special Assessments: Whenever a specific area of a community receives benefit from a public improvement (e.g., water, sewer, sidewalk, etc.), special property taxes may be assessed to reimburse the governmental entity for all or part of the costs it incurred. Each parcel receiving benefit from the improvement is assessed for its proportionate share of the cost of such improvements. The proportionate share may be paid in full or the property owner may request that the assessors apportion the betterment over 20 years. Over the life of the betterment, one year's apportionment along with one year's committed interest computed from October 1 to October 1 is added to the tax bill until the betterment has been paid.

State Equalized Value: One-half of the market value of real or personal property.

Stormwater, Asset Management, and Wastewater Program: The Michigan Department of Environmental Quality (MDEQ) has established a Stormwater, Asset Management, and Wastewater Grant program to help communities develop an asset management program for stormwater and wastewater collection systems. An asset management program will allow a community to plan for future capital improvement projects, identify critical assets and recognize problem areas before they become emergencies.

Taxable Value: This is a value used as a base for levying property taxes. It was established by a state constitutional amendment. Taxable values may only be increases by 5% or the rate of inflation, whichever is lower. When property changes hands, the value return to 50% of the true cash value.

Transfers In/Transfers Out: A legally authorized funding transfer between funds in which one fund is responsible for the initial receipt and the other fund is responsible for the actual disbursement

Tax Rate: The amount of property tax stated in terms of a unit of the municipal tax base; for example, \$14.80 per \$1,000 of assessed valuation of taxable real and personal property.

Tax Title Foreclosure: The procedure initiated by a municipality to obtain legal title to real property already in tax title and on which property taxes are overdue.

Trust and Agency Fund: These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, other governments or other funds.

Trust Fund: In general, a fund for money donated or transferred to a municipality with specific instructions on its use. As custodian of trust funds, the treasurer invests and expends such funds as stipulated by trust agreements, as directed by the commissioners of trust funds or by the community's legislative body. Both principal and interest may be used if the trust is established as an expendable trust. For nonexpendable trust funds, only interest (not principal) may be expended as directed.

Uncollected Funds: Recently deposited checks included in an account's balance but drawn on other banks and not yet credited by the Federal Reserve Bank or local clearinghouse to the bank cashing the checks. (These funds may not be loaned or used as part of the bank's reserves and they are not available for disbursement.)

Undesignated Fund Balance: Monies in the various government funds as of the end of the fiscal year that are neither encumbered nor reserved, and are therefore available for expenditure once certified as part of free cash.

Unreserved Fund Balance (Surplus Revenue Account): The amount by which cash, accounts receivable, and other assets exceed liabilities and restricted reserves. It is akin to a "stockholders' equity" account on a corporate balance sheet. It is not, however, available for appropriation in full because a portion of the assets listed as "accounts receivable" may be taxes receivable and uncollected.

Valuation (100 Percent): The legal requirement that a community's assessed value on property must reflect its market, or full and fair cash value.

Water and Sewer Funds: These two enterprise funds are used to account for the provision of water and sewer services to the customer, financed primarily by user charges.