



2008 / 2009 Operating Budget

# Smart Growth



# Strong Development

August 6th, 2008





## The Mission of the City of Sturgis is...

To deliver high-quality public services  
in a professional, efficient and  
nondiscriminatory manner to its  
residents and businesses;

To continue to strengthen the economy  
and quality of life; and

To ensure that the expression of views  
by citizens are recognized and  
responded to by the City.

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## Sturgis City Commission

Mayor – Caralee Mayer – Precinct 1

Vice-Mayor – Karl Littman – Precinct 4

### COMMISSIONERS

John Carmichael	.....	Precinct 1
Karen Stephens	.....	Precinct 2
Ina Taulbee	.....	Precinct 2
Barbara Fisher	.....	Precinct 3
Kenneth Malone	.....	Precinct 3
Suzanne Walters	.....	Precinct 4
Michael Gay	.....	At-Large



# CITY OF STURGIS



## City Commission Priorities • FY 2008-09

### Public Safety

- Continue Drug Enforcement efforts
- Maintain relationships with other Public Safety agencies and the County Court system
- Continue planning for emergency management needs
- Support VIP Program
- Promote formation of Ambulance Authority

### Economic & Community Development

- Partner with LaGrange County to implement Fawn River Crossing marketing plan
- Construct sewer for Fawn River Crossing development area
- Implement strategic plan for economic development
- Implement "Excellence in Neighborhoods Initiative" to improve housing
- Continue Dresser Industrial Park infrastructure development
- Promote Business Development Team program
- Continue collaboration with County Economic Development Board and surrounding counties
- Conduct 5-year update of Master Plan

### Public Services

- Coordinate education and planning of M-66 By-Pass/Haines Boulevard Truck Route
- Continue Street Improvement Program
- Continue planning efforts for Public Services and Electric Department facility
- Complete planning for Storm Water Demonstration Project
- Complete State Revolving Sewer Fund Project including the construction of the Westside Sewer Interceptor
- Complete Airport Taxiway project
- Complete construction of Salt Storage Shed
- Continue Big Hill Road Treatment Plant Improvements

### Recreation, Parks & Culture

- Implement Doyle Center Strategic Plan
- Complete auditorium seat replacement project
- Continue Tree City USA award
- Continue Community Planting Day
- Begin implementation of 5-year Recreation Master Plan

### Administrative Services

- Continue *eWire* newsletter
- Develop online surveys to receive citizen input
- Participate in Michigan Local Government Benchmarking Consortium
- Continue efforts of Hospital Review Committee
- Continue implementation of risk management program
- Develop a local preference policy for purchases
- Continue customer service training

**The Mission of the City of Sturgis is to deliver high-quality services in a professional, efficient and nondiscriminatory manner to its residents and businesses; to continue to strengthen the economy and quality of life; and to ensure that the expression of views by citizens are recognized and responded to by the City.**







July 23, 2008

Dear Honorable Mayor and City Commission:

In accordance with Chapter XIV, Section 3 of the City Charter, the City Manager is required to submit a recommended budget for the ensuing fiscal year to the City Commission on or before August 1<sup>st</sup>. The City Commission must adopt a budget on or before August 20<sup>th</sup> of each year and fix the amount of appropriations. The General Property Tax Act requires that the City Commission hold a public hearing before its final adoption.

## INTRODUCTION

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As a result of the mortgage foreclosure crisis and the dramatic rise in fuel and food costs, the struggling national economy in 2008 added to Michigan's economic woes. The economic environment is uncertain due to changes in the banking industry, the complexity of the United States' reliance on oil, and the exponential growth of foreign countries and the associated demand for world products.

As of today, the State of Michigan plans to appropriate a 2% increase in statutory revenue sharing after seven consecutive years without an increase. The increase is estimated to provide an additional \$8,000 to the City. However, given the uncertainty of State politics a 2% increase was not used for budgeting purposes. Act 51 funds distributed to local governments for street improvements have decreased 10% since 2004. While the City of Sturgis is in a more stable financial position than many communities due to its diversity of revenues, increasing costs related to health care, fuel, and utilities create a significant challenge in maintaining the current level of services as these revenue sources diminish or remain stagnant.

One element of the City of Sturgis' mission is to strengthen the economy and quality of life of the community. To this end, the Sturgis City Commission, through its FY 2008-09 budget, exercises commitment to reinvestment in infrastructure and implementation of improvement plans. The budget allocations speak to the City Commission's dedication to fiscal responsibility while addressing established goals and objectives.

With respect to reinvestment in infrastructure, which is key to continued growth and vitality, the City of Sturgis will experience or is planning once in a generation improvements such as construction of sewer for the Fawn River Crossing development area, water and sewer for Dresser Industrial Park, and Haines Boulevard, a new street for rerouting truck traffic. The FY 2008-09 budget provides for the adequate maintenance and orderly replacement of capital facilities including improvements to the Kirsch Municipal Airport, repair of the Police/Fire Building façade, a new sound system for the Sturges-Young Auditorium, and repair of the cemetery maintenance building roof.

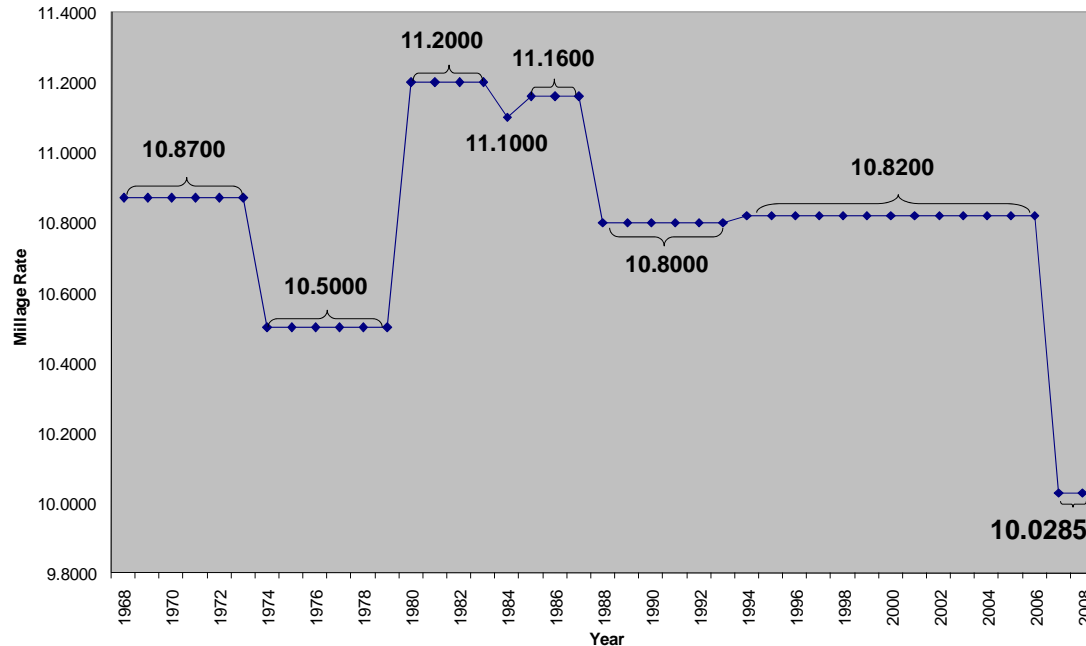
Two planning efforts were recently completed that will be critical to the City's future. The Chesapeake Group was hired to develop an Economic Development Strategic Plan. The plan identifies specific strategies along with detailed actions to facilitate recruitment, expansion and retention of business and industry. The City's Parks and Recreation Master Plan was also completed in 2007. The implementation of the recommendations in these plans will be a critical undertaking in the next several years. Programmed for FY 2007-08 is the five year review of the Master Plan of Future Land Use. The Master Plan establishes goals with respect to land use and related policy issues. Amended in 2002, the Municipal Planning Act requires each community to review its Master Plan every five years.





The City's millage rate, 10.0285, which is the lowest since 1967, compares favorably to other like cities in southwest Michigan. This demonstrates a tradition of fiscal responsibility by the City of Sturgis, but also allows the City Commission flexibility to consider increasing the millage rate for projects or services that it deems necessary while maintaining a competitive edge.

### City of Sturgis Millage Rate History



### BUDGET GOALS

The primary goal in developing the annual operating budget is to continue to provide a wide range of City services that meet the community's needs, and at the same time, maintain the current City operating levy. This goal has been accomplished while:

- Maintaining an adequate contingency reserve in the City's General Fund balance at 22% of operating revenues to address any future unanticipated expenditures (a General Fund balance accumulation of \$4,517 is budgeted for FY 2008-09);
- Providing service levels and quality as established by the City Commission;
- Continuing to provide for the City's needed infrastructure improvements;
- Contributing to the capital reserve fund established in 2005 for equipment replacement or repairs to facilities.

### BUDGET HIGHLIGHTS

#### General Fund

General fund revenues are projected at \$7,402,861, a 7% increase from the FY 2007-08 budget year. The increase predominately results from modifying administrative reimbursement and reallocation of capital reserve. A 0.9% increase in State Revenue Sharing is projected, while real and personal property taxes are projected to increase by 1.8%. The General fund will generate new revenue from a recycling surcharge established to fund a new curbside recycling program started in 2008. City staff has done an excellent job in controlling expenditures and finding innovative ways to cut costs.

#### Major/Local Streets and Street Repair Fund

Act 51 dollars received from the State of Michigan have dwindled. Both Major and Local Street funds struggle to pay for operational expenditures and are now using fund balance. This presents a question of



long-range service delivery solvency; simply, are adequate funds budgeted for expenses to meet the demand for services?

In response to the decreasing revenue from the State of Michigan, a Street Repair Fund was developed in 2005 to address necessary street repairs. Approximately \$280,000, or 1 mill, is dedicated in the General Fund and transferred to the Street Repair Fund. The Street Repair Fund is intended to provide funding exclusively for street repair, reconstruction, or maintenance.

### **Building Department Fund**

During FY 2007-08 the Building Department Fund experienced a dramatic increase in revenues from building permit fees. The approved budget for permit revenue was \$30,000 and at June 30<sup>th</sup> revenue was over \$60,000, twice the budgeted amount and three times the amount at the same point of the previous year. Also as of June 30<sup>th</sup>, the number of permits increased from 150 to 284, an 89% increase. Given the fact that building permits are an indicator of economic growth and performance, Sturgis is showing a marked improvement from 2007 to 2008.

### **Housing Fund**

In partnership with the Sturgis Neighborhood Program, the Community Development Department developed the framework for the “Excellence in Neighborhoods Initiative”. In recent years, improving the City’s housing stock has been a top priority of the City Commission. The Excellence in Neighborhoods Initiative is a comprehensive strategy designed to improve neighborhoods and housing by building community and pride of ownership. The initiative promotes what it means to be a “Great Neighbor”; which is both helping fellow neighbors in need as well as requiring individuals to be responsible for maintaining their properties. The primary focus of the initiative is to support and strengthen single-family owner occupied housing. The initiative components for FY 2008-09 include the Neighbor2Neighbor program that assists homeowners with repairs and improvements; development of a Housing Resource Guide; and formation of the Housing Improvement Alliance, which seeks to engage financial institutions in supporting the initiative.

### **Parks and Recreation Fund**

As mentioned, the Parks and Recreation Master Plan was completed in 2007. There is no doubt that access to recreation is an important variable in determining the quality of life, and a community’s ability to attract human capital. One of the goals of the plan is to upgrade and improve existing parks to provide quality recreational opportunities that are safe and accessible. As such, funding is allocated in the FY 2008-09 budget to make improvements to Langrick Park.

### **Doyle Community Center Fund**

The Doyle Community Center Fund is supported primarily by revenues from memberships, but also court rentals and various other program revenues. Increasing trends of healthy and active life styles and modest growth in memberships and programs/events has improved the financial condition of the Doyle Community Center. Since its operation by the City of Sturgis, the Doyle Community Center Fund has received transfers from the City’s General Fund; however, this amount has steadily declined over time from \$65,000 in 1999 to \$0 for FY 2008-09. Prompted by Norman & Paulsen’s cost analysis and subsequent review by the Doyle Community Center and Recreation Board, a 2-year rate plan was approved by the City Commission in September of 2007. Major components of the rate and fee changes included a 5% increase in membership rates in both FY 2007-08 and FY 2008-09 and fee increases for day passes and childcare.

### **Wastewater and Water**

Prior to 2005, the combinations of operational losses as well as several substantial capital improvement projects placed both funds in a negative cash position. In 2006, the City Commission took positive action to improve the health of the funds. A five-year rate design was approved and implemented effective June 1, 2006. While the rate increases have been necessary to stabilize the funds, the Water Fund continues to struggle due to decreasing consumption. Research completed by City staff indicates that a shift in consumption has occurred, specifically a decrease in usage by industrial and commercial customers. A



heavier reliance on residential customers will most likely result in greater variances in consumption related to weather.

The City of Sturgis planned substantial sewer capital improvements by utilizing the State of Michigan's State Revolving Fund (SRF). The program offers low interest loans for financing sewer capital improvements. For FY 2008-09, \$6 million of sewer system improvements and expansion will take place in part to accommodate Abbott Nutrition's need to phase out their land application system. The City also received a grant from the SRF S2 grant program for \$1,000,000 for expenses related to design engineering and project planning for the wastewater improvements.

LaGrange County and the City of Sturgis have partnered to cost share on the construction of sanitary sewer to service the Fawn River Crossing development area, which is located in both Michigan and Indiana. The project cost is estimated at \$1.28 million with cost sharing between LaGrange County and the City of Sturgis at 41.3% and 58.7%, respectively. In addition, the LaGrange County Redevelopment Commission agreed as part of an Interlocal Agreement to pay the City of Sturgis a capacity allocation fee of \$925,000. Construction of the sewer is planned for FY 2008-09.

### **Electric Fund**

The Electric Fund is maintaining a healthy position with budgeted net earnings of \$737,518. \$4.2 million worth of capital improvements are planned for FY 2008-09 including the proposed DPS facility, rebuilding distribution and hydro dam maintenance.

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I wish to take this opportunity to thank City staff for their hard work and dedication in preparing this budget. Our management team works diligently to improve the performance of their departments, which is especially challenging during these difficult economic times. Special recognition should be given to City Controller/Finance Director Holly Keyser, City Clerk/Treasurer Ken Rhodes, and Assistant to the City Manager Andrew Kuk for exceptional dedication and skill in meeting the challenge to create a budget that achieves the priorities of the City Commission and Sturgis citizens.

Respectfully Submitted,  
CITY OF STURGIS

Michael L. Hughes  
City Manager





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# CITY OF STURGIS 2008-2009 FISCAL YEAR BUDGET SUMMARY AND APPROPRIATION RESOLUTION

Moved by Commissioner Littman and seconded by Commissioner Stephens that the proposed annual budget for the year 2008-2009, of the City of Sturgis be approved. After holding a public hearing on August 6, 2008 and receiving public comment on the 2008-2009 Budget, the City elected to levy a tax rate below the maximum tax rate authorized of 11.8894 mills after statutory roll-back. The City tax rate for the 2008-2009 fiscal year, to be levied in July 2008, is set at 10.0285 mills. City taxes shall be distributed among City funds as set forth below, and total Revenue and Expenditure appropriations shall be approved as presented in this Appropriation Resolution. Furthermore, no transfer between funds shall occur without City Commission approval.

FUND	CONTRIBUTION FROM GENERAL FUND	TOTAL REVENUE	TOTAL EXPENDITURES	REVENUES OVER (UNDER) EXPENDITURES
General [a]	\$20,000	\$7,402,861	\$5,942,244	\$1,460,617
Street Repair	\$285,000	\$0	\$270,000	(\$270,000)
Major Streets	\$0	\$592,350	\$674,340	(\$81,990)
Local Streets	\$0	\$460,650	\$572,473	(\$111,823)
Cemetery	\$100,000	\$92,500	\$286,395	(\$193,895)
Drug Enforcement	\$0	\$9,500	\$34,425	(\$24,925)
Kirsch Municipal Airport	\$125,000	\$641,000	\$762,706	(\$121,706)
Downtown Development	\$0	\$183,777	\$182,844	\$933
Building Department	\$60,000	\$30,000	\$98,233	(\$68,233)
Housing Department	\$30,000	\$0	\$57,858	(\$57,858)
Auditorium	\$266,100	\$459,000	\$690,691	(\$231,691)
Council of the Arts	\$0	\$156,088	\$156,795	(\$707)
Parks & Recreation	\$400,000	\$94,000	\$533,582	(\$439,582)
Doyle Community Center	\$0	\$343,700	\$352,980	(\$9,280)
Hospital	\$0	\$40,211,000	\$40,211,000	(\$0)
Capital Reserve	\$70,000	\$14,000	\$130,000	(\$116,000)
Electric	\$100,000	\$20,733,700	\$19,996,182	\$737,518
Wastewater	\$0	\$4,163,921	\$2,706,629	\$1,457,292
Water	\$0	\$1,165,150	\$1,335,684	(\$170,534)
Economic Loan	\$0	\$21,000	\$100	\$20,900
Motor Vehicle & Equipment	\$0	\$965,184	\$1,020,853	(\$55,669)
Employee Benefit	\$0	\$1,874,629	\$1,821,833	\$52,796
Workers Compensation	\$0	\$86,200	\$90,372	(\$4,172)
<b>BUDGET TOTALS</b>	<b><u>\$1,456,100</u></b>	<b><u>\$79,700,210</u></b>	<b><u>\$77,928,219</u></b>	<b><u>\$1,771,991</u></b>

[a] Contribution includes Capital Outlay.



## Debt Summary As of Year End 9/30/2008

FUND SERVICING DEBT	DESCRIPTION OF DEBT	YEARS TO PAY	OUTSTANDING AS OF 9/30/2008	PAYMENTS: PRINCIPAL 2008-2009	PAYMENTS: INTEREST 2008-2009
Electric	Revenue Bond 2005 3.25%-5.0%	9	\$4,845,000	\$460,000	\$213,588
<b>Sturgis Building Authority Bonds</b>					
	Limited Tax General Obligation				
	Sturgis Hospital Addition			*	*
2005	3.25%-5.0%	26	\$9,600,000	\$140,000	\$431,300
2006	4.25%-4.8%	28	\$945,000	\$20,000	\$43,348
	* Paid from Hospital Revenue				
Grobheiser Med & Prof Building	Electric Loan (s) #1 6.0%	18	\$404,540	\$26,969	\$23,531
Water	Revenue Bonds				
	5.19%	1	\$210,000	\$210,000	\$11,550
	Electric Loan				
	5.22%	4	\$593,000	\$0	\$15,480
	DWRF Loan				
	2.13%	19	\$1,115,000	\$45,000	\$24,172
WWTP	State (RLF)				
1996	2.25%	9	\$2,610,000	\$295,000	\$65,362
	SRF Loan-non-taxable				
2008	2.25%	20	\$6,000,000	\$0	\$0
	SRF Loan-non-taxable				
2007	1.63%	20	\$2,660,000	\$115,000	\$43,226
Total Outstanding Debt			\$28,982,540		
Current Year's Principal Payments				\$1,311,969	
Current Year's Interest Payments					\$871,556
2008-2009 Combined Debt Service					\$2,183,526

The Statutory Limitation on General Obligation Debt is 10% of (SEV) State Equalized Value, the City currently has \$10,545,000 outstanding in regard to hospital improvements. The combined debt service changed from \$2,138,427 to \$2,183,526.

## 101 General Fund - Revenue

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Real & Personal Property Taxes [a]	2,610,544	2,668,857	2,609,440	2,717,083	1.8%
Contribution from Capital Reserve Fund	0	0	0	100,000	
Utility Payment In-Lieu Tax (Pilot)	1,445,557	1,498,263	1,498,263	1,567,285	4.6%
MSHDA Payment In-Lieu Tax	0	10,000	5,000	5,000	-50.0%
Justice Training	4,279	3,600	3,600	3,600	0.0%
State Grant - Airport	12,952	0	0	0	0.0%
State Revenue Sharing [b]	1,051,131	1,053,000	1,051,000	1,063,000	0.9%
Fines & Forfeitures	44,342	40,000	40,000	40,000	0.0%
<b>LICENSES &amp; PERMITS</b>					
Fees	9,374	15,000	13,000	13,000	-13.3%
Business Licenses & Permits	106	1,500	1,000	1,000	-33.3%
Franchise Fees	43,063	42,506	44,000	44,000	3.5%
Liquor Licenses	5,931	5,500	5,500	5,500	0.0%
Rental Registration Fees	36,476	20,000	15,000	20,000	0.0%
Charges for Services Rendered	785	3,000	3,000	3,000	0.0%
Civil Infraction Bureau Fines & Fees	952	2,500	2,500	2,500	0.0%
<b>INTEREST EARNINGS &amp; Misc. Revenue</b>					
Interest - Special Assessments	1,498	500	1,400	1,400	180.0%
Investment Interest	731,881	550,000	580,000	575,000	4.5%
Interest & Penalty on Property Taxes	35,327	20,000	20,000	20,000	0.0%
Land Rental	35,738	23,000	23,000	23,000	0.0%
Rent - Salt Storage Facility	0	15,000	15,000	15,000	0.0%
Election Reimbursement	0	1,050	1,050	1,050	0.0%
Youth Officer - Reimbursement [c]	25,848	26,494	21,116	24,000	-9.4%
Sidewalk Reimbursement [d]	12,141	11,000	13,000	12,000	9.1%
Airport Fuel Sales	64,560	0	0	0	0.0%
Recycling Surcharge	0	0	52,000	78,000	
Miscellaneous Income	85,884	30,000	30,000	30,000	0.0%
Administrative Reimbursement	807,307	878,272	878,272	1,038,443	18.2%
<b>Total Revenues</b>	<b>7,065,677</b>	<b>6,919,042</b>	<b>6,926,141</b>	<b>7,402,861</b>	

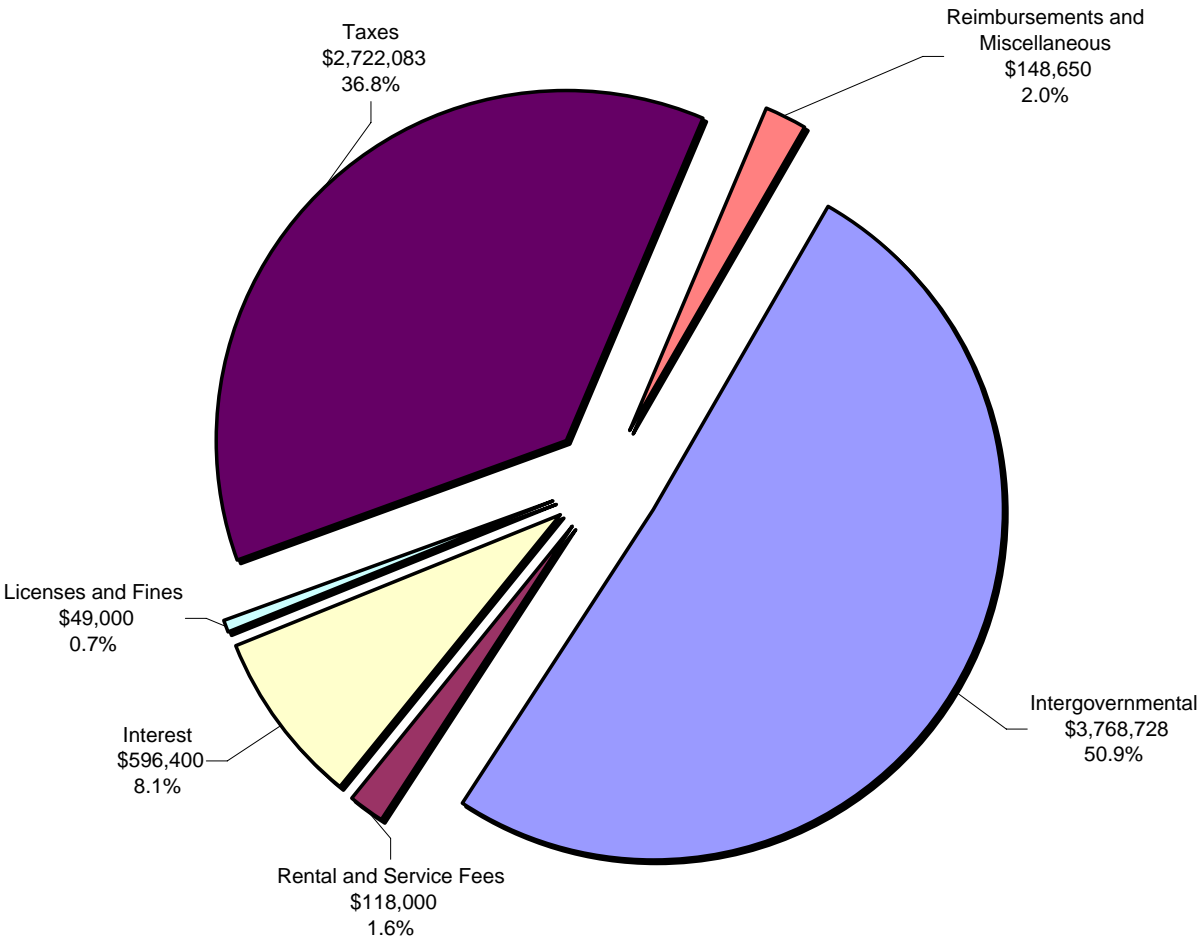
[a] Property taxes based on taxable value of **\$297,749,622** (includes the Industrial Facility Exempted properties paying at 50% and distributions for TIFA and Township 425 agreement distributions - See Attachment A).

[b] City has not received an increase in Revenue Sharing since 2001.

[c] Sturgis Schools reimbursement of a portion of the Youth Officer cost.

[d] Sidewalk Reimbursement is the amount of special assessments paid during year.

# General Fund Revenue Sources







## 101 General Fund - Expenditures

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>GENERAL GOVERNMENT</b>					
City Commission	33,547	39,958	39,958	40,023	0.2%
City Manager's Office	206,933	229,292	229,292	261,961	14.2%
Elections	11,615	20,000	20,000	20,000	0.0%
Assessor's Office	50,338	57,000	57,000	60,000	5.3%
City Legal Services	106,982	115,500	115,500	130,000	12.6%
City Clerk / Treasurer's Office	211,402	212,887	212,887	235,561	10.7%
City Controller's Office	338,526	378,087	388,587	494,246	30.7%
City Hall & Grounds	34,659	40,000	40,000	40,000	0.0%
<b>Total General Government</b>	<b>994,003</b>	<b>1,092,724</b>	<b>1,103,224</b>	<b>1,281,791</b>	
<b>POLICE DEPARTMENT</b>					
Wages & Benefits	1,508,228	1,541,013	1,556,423	1,656,665	7.5%
Wages & Benefits - Overtime	207,878	175,000	192,500	195,000	11.4%
Wages & Benefits - Bike Patrol	0	0	3,250	3,500	
Crossing Guards	43,839	41,943	41,943	41,019	-2.2%
Training	5,136	13,000	10,000	18,000	38.5%
Training 302 State funds	5,019	4,000	4,000	4,000	0.0%
Office Supplies	10,423	8,000	8,000	15,500	93.8%
Operating Supplies [a]	34,654	36,000	36,000	32,300	-10.3%
Repair & Maintenance Supplies	1,734	2,500	2,500	2,500	0.0%
Professional Services	11,219	17,000	16,000	17,000	0.0%
Communications	8,164	11,500	11,000	13,900	20.9%
Transportation	116,531	126,763	126,763	125,475	-1.0%
Printing & Publishing	922	2,000	1,500	2,000	0.0%
Insurance & Audit	40,788	43,000	35,574	44,290	3.0%
Utilities	23,392	28,500	28,250	27,000	-5.3%
Repairs & Maintenance	29,766	32,000	30,000	32,000	0.0%
Crime Prevention [b]	2,101	8,500	6,000	4,000	-52.9%
Animal Control Wage & Benefits [c]	31,511	29,392	31,198	33,010	12.3%
Animal Control Supplies	1,160	750	500	750	0.0%
Capital Outlay [d]	12,628	19,300	15,300	63,340	228.2%
<b>Total Police Department</b>	<b>2,095,092</b>	<b>2,140,161</b>	<b>2,156,701</b>	<b>2,331,249</b>	

[a] Operating Supplies: Body Armor Replacement, Raid Team supplies, New Officer Uniforms and Equipment, VIP Office Supplies, badges, \$3,000, and sonic gun cleaner, \$1,800

[b] Includes Bike Safety Programs and VIP Program.

[c] Animal Control Wage & Benefits - 20 hours to Police and 20 hours to Code Enforcement.

[d] Capital Outlay: Chiller Replacement, \$13,340; Façade Repair, \$50,000, both split 50/50 with fire department.

## General Government Expense Information

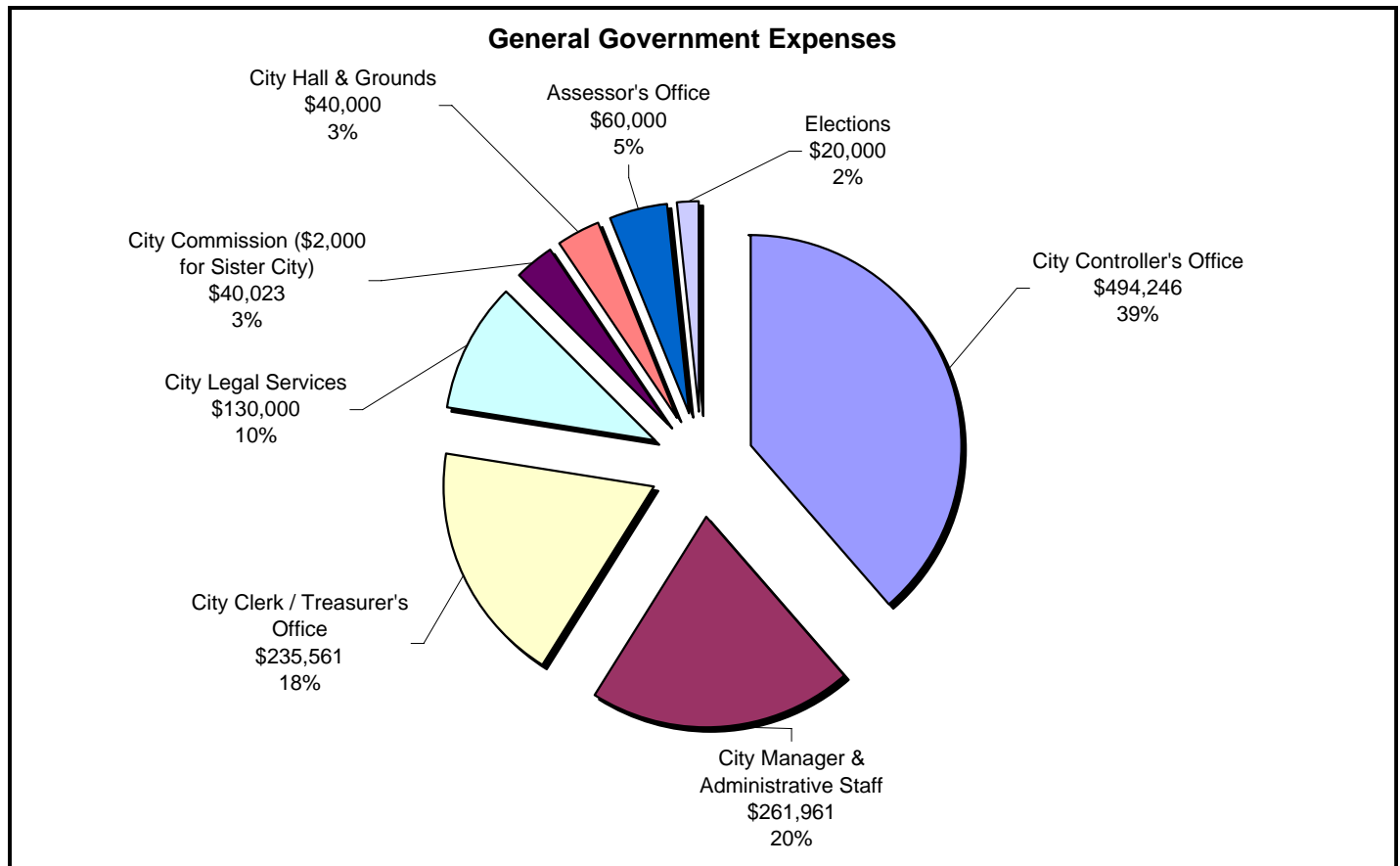


The City of Sturgis has a Commission-Manager form of government. The City Commission is the legislative body of the community and consists of nine members; two elected from each City precinct and one elected from the community at-large.

The City Manager is the Chief Administrative Officer of the City, appointed by the City Commission. The City Manager is responsible for the day-to-day activities of the City and provides overall direction to and is responsible for the management, staffing, administration, and operation of all City Departments.

The City Controller's Office is a support department to the City Manager and the other City Departments which make up the administrative and service delivery structure of the City. The Controller's Office carries out the ongoing day-to-day financial operation of the City and oversees the Human Resources department.

The City Clerk/Treasurer's office bills and collects both real and personal property taxes and collects all City revenue. The Clerk/Treasurer is further responsible for preparing the agenda and meeting minutes of City Commission meetings and organizing and overseeing elections in the City of Sturgis.



## Police Department Information



Several officers have received new assignments for this next year due to reassignments or regular rotations. This includes rotating a new Youth Services Officer into the school, rotating two new Tactical Team officers onto the county-wide Special Response Team and assigning the City's drug officer to S.W.E.T. (Southwest Michigan Enforcement Team), a multi-county drug team run through the State Police.

In addition, it became necessary to train a new K-9 named 'Dasti' when 'Spyke' acquired bad hips and was not able to continue as our K-9. K-9 development will continue during this next year to assure quality K-9 service.

Three new VIP positions to replace those that had been vacated have just been filled and the Department continues to look to expand the use of VIP's in areas such as community relations and crime prevention.

Finally, a phased repair plan is being reviewed to address required building repairs to the Police / Fire facility facade.



## 101 General Fund - Expenditures cont.

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>FIRE DEPARTMENT</b>					
Wages & Benefits	857,811	893,722	956,283	1,086,641	21.6%
Wages & Benefits - Premium Time	79,351	80,000	82,400	82,872	3.6%
Training	5,056	5,000	5,000	7,000	40.0%
Office Supplies	267	2,500	2,500	2,500	0.0%
Operating Supplies [a]	29,156	30,000	30,000	30,100	0.3%
Repairs & Maintenance Supplies	1,811	4,500	4,500	4,500	0.0%
Professional Services	5,112	6,000	6,000	6,000	0.0%
Communications	4,977	10,000	9,500	8,000	-20.0%
Transportation [b]	104,304	106,462	106,462	124,724	17.2%
Printing & Publishing	0	200	200	200	0.0%
Insurance & Audit	12,532	14,000	9,955	10,254	-26.8%
Utilities	19,552	20,000	20,000	20,600	3.0%
Repairs & Maintenance Supplies [c]	12,726	8,000	8,800	8,800	10.0%
Rentals (Hydrant Maintenance)	6,158	6,500	6,500	6,500	0.0%
Citizens Academy	0	1,000	1,000	0	-100.0%
Capital Outlay [d]	2,440	47,000	47,000	75,340	60.3%
<b>Total Fire Department</b>	<b>1,141,253</b>	<b>1,234,884</b>	<b>1,296,100</b>	<b>1,474,031</b>	

[a] Includes \$3,000 for bunker repair.

[b] Includes annual pump and ladder test.

[c] Includes HVAC maintenance contract.

[d] Capital Outlay: Façade Repair, \$50,000; SCBA Packs and Bottles (4), \$12,000 and Chiller Replacement, \$13,340.

<b>PROPERTY MAINTENANCE</b>					
Wages & Benefits	106,056	111,215	111,215	85,094	-23.5%
Office Expense	1,976	3,000	3,000	3,000	0.0%
Operating Expense	462	500	500	500	0.0%
Training	233	600	600	600	0.0%
Transportation	2,897	2,301	2,301	3,021	31.3%
<b>Total Property Maintenance</b>	<b>111,624</b>	<b>117,616</b>	<b>117,616</b>	<b>92,215</b>	

<b>PLANNING &amp; ZONING</b>					
Planning Board	5	1,000	1,000	1,000	0.0%
Wages & Benefits	92,668	90,853	85,000	78,264	-13.9%
Wages & Benefits - Overtime	715	1,000	1,000	1,000	0.0%
Transportation	3,369	2,676	2,676	3,513	31.3%
Office Expense	1,952	2,600	2,600	2,600	0.0%
Operating Expense	1,803	2,600	2,600	2,600	0.0%
Training	321	1,000	1,193	1,193	19.3%
Professional Services	0	25,000	25,000	5,000	-80.0%
<b>Total Planning &amp; Zoning</b>	<b>100,834</b>	<b>126,729</b>	<b>121,069</b>	<b>95,170</b>	

<b>PROPERTY MAINTENANCE</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
Units Inspected	964	777	796	829	850
Revenues \$	28,750	\$ 24,670	\$ 31,725	\$ 34,221	\$ 36,476
Property Maintenance numbers fluctuate from year to year due to the number of rental housing units in the precincts inspected in that year. Additionally the type of unit inspected will cause an inconsistency in the revenue generated.					



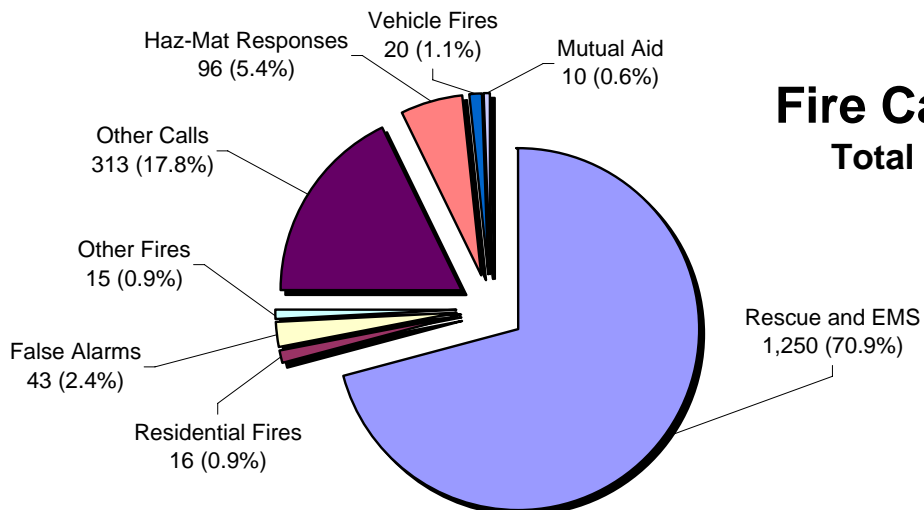
## Fire Department Information

Sturgis Fire Department will be a busy place again in 2009. In April, the Department will take delivery of a new rescue pumper. The truck is currently on order from KME Fire Equipment and will replace two existing pieces of equipment.

In June, the department will celebrate its 150th anniversary. On June 20, 1859, the Sturgis Village Council purchased an apparatus affectionately known as the "Old Tub" along with a hose car and 200 feet of hose and thus established Sturgis' first fire department.

Department goals for 2009 include training of existing personnel to work on intervention programs for juvenile fire setters and to add an additional fire inspector. Our budget includes the continuation of our self-contained breathing apparatus (SCBA) replacement program and necessary repairs to the station.

We will continue to work with local businesses to provide free smoke detectors and batteries to Sturgis residents, as well as our secured key lock box program.



**Fire Calls in 2007**  
Total Calls - 1,763

## 101 General Fund - Expenditures cont.

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>PARKING LOTS</b>					
Wages & Benefits	10,994	18,000	26,610	23,000	27.8%
Repair & Maintenance Supplies	1,048	4,120	4,000	5,000	21.4%
Utilities	2,296	2,600	1,900	2,600	0.0%
Repairs & Maintenance [a]	1,961	12,800	11,500	16,000	25.0%
Transportation	19,889	5,532	5,532	7,416	34.1%
<b>Total Parking</b>	<b>36,187</b>	<b>43,052</b>	<b>49,542</b>	<b>54,016</b>	
<b>ENGINEERING DEPARTMENT</b>					
Wages & Benefits	170,581	173,838	173,838	186,743	7.4%
Wages & Benefits - Overtime	1,360	0	0	0	0.0%
Office Expense	6,610	9,400	8,000	9,400	0.0%
Transportation	4,901	6,927	6,927	4,850	-30.0%
Repair & Maintenance	175	0	0	0	0.0%
Professional Services [b]	2,514	5,000	5,000	5,000	0.0%
<b>Total Engineering Department</b>	<b>186,141</b>	<b>195,165</b>	<b>193,765</b>	<b>205,993</b>	
[a] Increase related to necessary parking lot repairs.					
[b] Outside Engineering & Surveying Services.					

## 101 General Fund - Expenditures cont.

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>PUBLIC SERVICES</b>					
Emergency Plan	0	0	0	500	
Street Lighting	72,000	72,000	72,000	72,000	0.0%
Ambulance Subsidy	20,877	51,126	51,126	53,280	4.2%
Salt Storage Bldg. Lease Payment	0	15,000	15,000	15,000	0.0%
Curbside Recycling	0	0	52,000	75,000	
Streets (not Act 51)	277	0	0	0	0.0%
<b>Total Public Services</b>	<b>93,154</b>	<b>138,126</b>	<b>190,126</b>	<b>215,780</b>	
<b>CULTURE / SOCIAL SERVICES</b>					
Culture / Social Services	2	0	0	0	0.0%
Library Retiree Health Insurance	0	46,704	46,704	42,500	-9.0%
Senior Transportation Coupons	0	2,500	2,500	2,500	0.0%
Museum	140	0	0	0	0.0%
<b>Total Culture / Social Services</b>	<b>142</b>	<b>49,204</b>	<b>49,204</b>	<b>45,000</b>	
<b>OTHER SERVICES</b>					
Information Technology	50,254	60,000	60,000	60,000	0.0%
Grant Writer	0	0	0	10,000	0.0%
Contingencies	77,042	60,000	50,000	45,000	-25.0%
Tax Tribunal	0	2,000	2,000	2,000	0.0%
Community Information Activities [a]	28,741	27,000	30,000	30,000	11.1%
<b>Total Other Services</b>	<b>156,037</b>	<b>149,000</b>	<b>142,000</b>	<b>147,000</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>4,914,467</b>	<b>5,286,662</b>	<b>5,419,347</b>	<b>5,942,244</b>	
CONTR. TO OTHER FUNDS [b]	1,225,371	1,028,000	988,000	1,005,000	-2.2%
PRIGEON PROPERTY LEASE	69,500	69,500	30,000	0	-100.0%
CONTR. TO HOUSING DEPT. FUND	9,255	40,000	40,000	30,000	-25.0%
CONTR. TO STREET REPAIR FUND [c]	263,158	277,963	527,963	285,000	2.5%
CONTR. TO CAPITAL RESERVE [d]	50,000	70,000	70,000	70,000	0.0%
CONTR. TO AUDITORIUM - ROOF LEASE	52,000	46,100	46,100	46,100	0.0%
CONTR. TO AMBULANCE FUND	146,176	0	0	0	0.0%
CAPITAL OUTLAY [e]	32,452	108,000	108,000	20,000	-81.5%
<b>Total Expenditures</b>	<b>6,762,380</b>	<b>6,926,225</b>	<b>7,229,411</b>	<b>7,398,344</b>	
NET INCOME OR (LOSS)	303,297	(7,183)	(303,270)	4,517	
<b>FUND BALANCE</b>	<b>1,920,097</b>	<b>1,912,914</b>	<b>1,616,827</b>	<b>1,621,344</b>	

[a] City Newsletter / Community Promotions / Website Maintenance and Improvements.

[b] Contribution to Other Funds: Cemetery \$100,000, Building \$60,000, Auditorium \$220,000, Parks & Recreation \$400,000, Airport Fund \$125,000, and Electric for Forestry \$100,000.

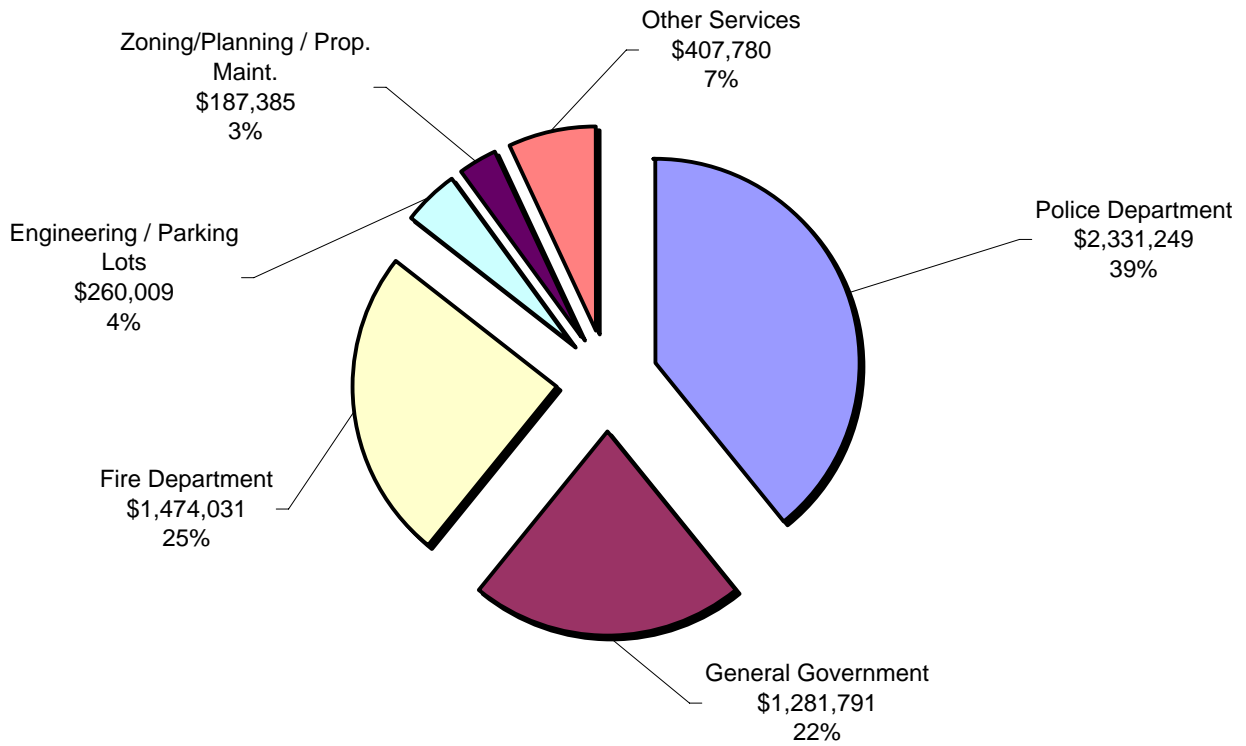
[c] One Mill Dedicated to Street Repair Fund.

[d] Set aside for major capital purchases.

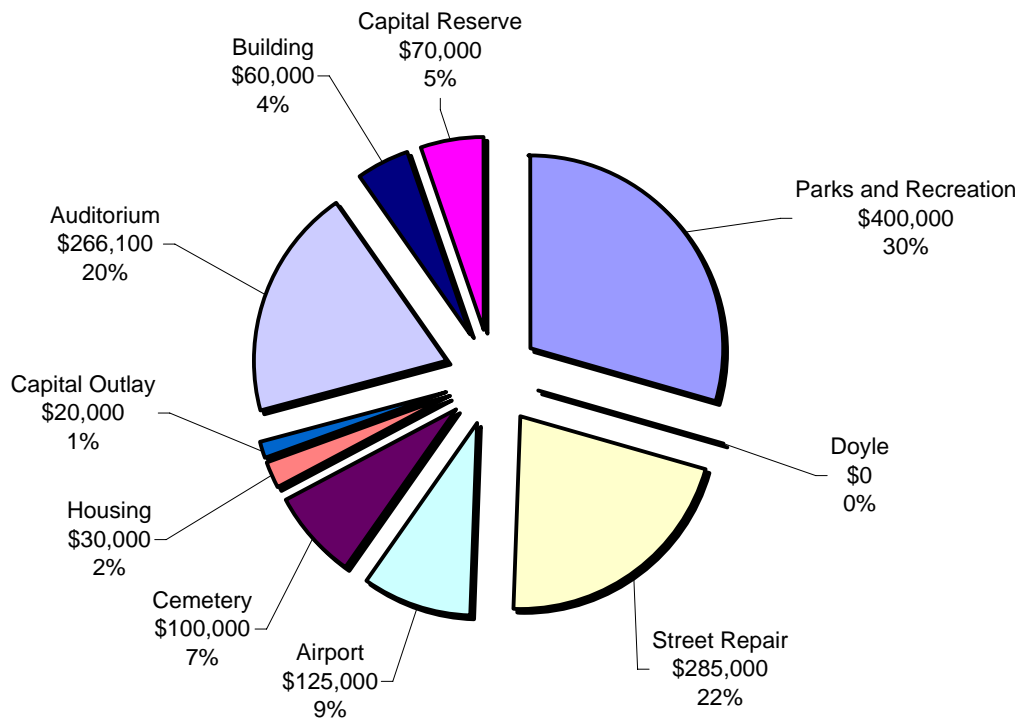
[e] Capital Outlay: Sidewalk Replacement, \$-0-; Computer Replacement Program, \$20,000.



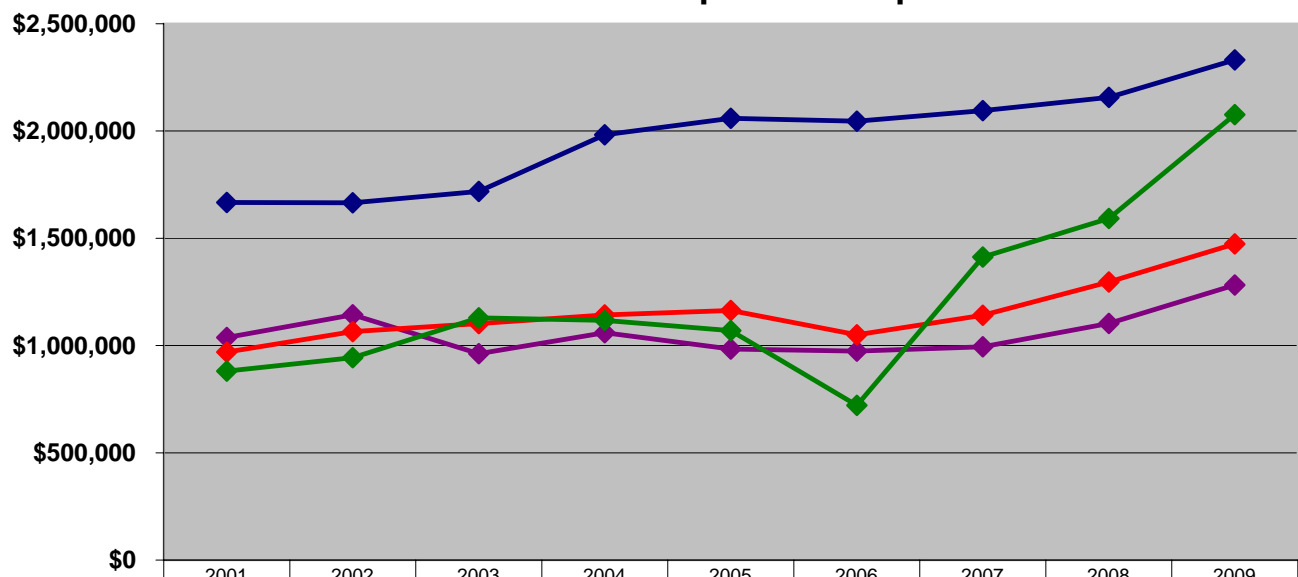
## General Fund Expenditures



## General Fund Contributions to Supported Funds, Capital & Reserve



### 10 Year General Fund Expenses Graph



General Government	1,037,534	1,143,043	962,469	1,060,155	983,547	974,367	994,003	1,103,224	1,281,791
Fire Department	969,437	1,065,388	1,102,383	1,142,741	1,163,373	1,049,829	1,141,253	1,296,100	1,474,031
Police Department	1,666,926	1,665,091	1,718,385	1,982,460	2,058,967	2,045,429	2,095,092	2,156,701	2,331,249
Other General Fund	880,794	943,801	1,128,876	1,116,885	1,069,403	720,920	1,412,806	1,592,010	2,076,360

## 201 Street Repair Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Interest Income	0	0	0	0	0.0%
<b>Total Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>EXPENDITURES</b>					
Road Construction - Contractual [a]	270,119	180,000	639,000	190,000	5.6%
Maintenance [b]	0	50,000	50,000	50,000	0.0%
Contractual Services	0	30,000	80,000	30,000	0.0%
<b>Total Expenditures</b>	<b>270,119</b>	<b>260,000</b>	<b>769,000</b>	<b>270,000</b>	
NET INCOME OR LOSS	(270,119)	(260,000)	(769,000)	(270,000)	
Contribution from General Fund	263,158	277,963	527,963	285,000	
<b>FUND BALANCE</b>	<b>258,023</b>	<b>275,986</b>	<b>16,986</b>	<b>31,986</b>	

[a] Activities such as Reconstruction and Milling & Resurfacing.

[b] Activities such as Chip & Seal and Crack Sealing.

## 202 Major Street Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Grants	0	0	0	0	0.0%
State Highway Maint. Contract	35,795	30,000	30,000	30,000	0.0%
State Grant - R/W Maint. Act 48	24,290	25,000	25,000	25,000	0.0%
Weight & Gas Tax - Act 51	533,326	543,001	522,612	507,350	-6.6%
Interest	0	0	0	0	0.0%
Special Assessments	0	0	0	0	0.0%
Grants - State	0	1,000	1,000	0	-100.0%
Miscellaneous Income	5,763	5,000	5,000	5,000	0.0%
County Road Millage [a]	0	0	0	25,000	
<b>Total Revenues</b>	<b>599,174</b>	<b>604,001</b>	<b>583,612</b>	<b>592,350</b>	
[a] County Road Millage levied until 2015.					
<b>EXPENDITURES</b>					
Construction	70,454	0	0	0	0.0%
Pavement Preservation	0	0	0	0	0.0%
Routine Maintenance	326,260	301,029	294,024	311,492	3.5%
Traffic Services	23,705	37,100	35,760	37,100	0.0%
Winter Maintenance	32,859	47,900	49,256	48,200	0.6%
Administration & Engineering	37,771	18,000	15,300	18,000	0.0%
State Trunkline Maintenance	18,353	46,000	37,665	46,000	0.0%
Transportation	97,139	92,989	92,989	115,317	24.0%
Facility Rent	0	7,500	7,500	7,500	0.0%
Administrative Reimbursement	105,305	77,219	77,219	90,731	17.5%
<b>Total Expenditures</b>	<b>711,846</b>	<b>627,737</b>	<b>609,713</b>	<b>674,340</b>	
NET INCOME OR LOSS	(112,673)	(23,736)	(26,101)	(81,990)	
Contribution from Other Funds	0	0	0	0	
<b>FUND BALANCE</b>	<b>111,373</b>	<b>87,637</b>	<b>85,272</b>	<b>3,282</b>	

## 203 Local Street Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
State Grant - R/W Maint. Act 48	8,984	8,000	8,000	8,000	0.0%
Weight & Gas Tax - Act 51	196,124	199,701	192,202	187,650	-6.0%
Interest	2,166	2,000	2,000	2,000	0.0%
Special Assessments	7,414	8,000	8,000	8,000	0.0%
Transfer from Major Streets	0	0	0	0	0.0%
Misc. Income	6,116	0	0	0	0.0%
County Road Millage [a]	257,136	248,000	255,000	255,000	2.8%
<b>Total Revenues</b>	<b>477,940</b>	<b>465,701</b>	<b>465,202</b>	<b>460,650</b>	

[a] County Road Millage levied until 2015.

<b>EXPENDITURES</b>					
Construction	0	0	0	0	0.0%
Pavement Preservation	0	0	0	0	0.0%
Routine Maintenance	301,883	268,453	269,248	313,161	16.7%
Traffic Services	10,459	16,500	15,212	16,500	0.0%
Winter Maintenance	32,690	48,500	43,909	48,800	0.6%
Administration & Engineering	5,490	12,000	14,839	12,000	0.0%
Transportation	105,547	105,547	105,547	119,462	13.2%
Facility Rent	0	7,500	7,500	7,500	0.0%
Administrative Reimbursement	77,164	77,164	77,164	55,050	-28.7%
<b>Total Expenditures</b>	<b>533,232</b>	<b>535,664</b>	<b>533,419</b>	<b>572,473</b>	
NET INCOME OR LOSS	(55,293)	(69,963)	(68,217)	(111,823)	
Contribution from Other Funds	0	0	0	0	
<b>FUND BALANCE</b>	<b>327,669</b>	<b>257,706</b>	<b>259,452</b>	<b>147,629</b>	

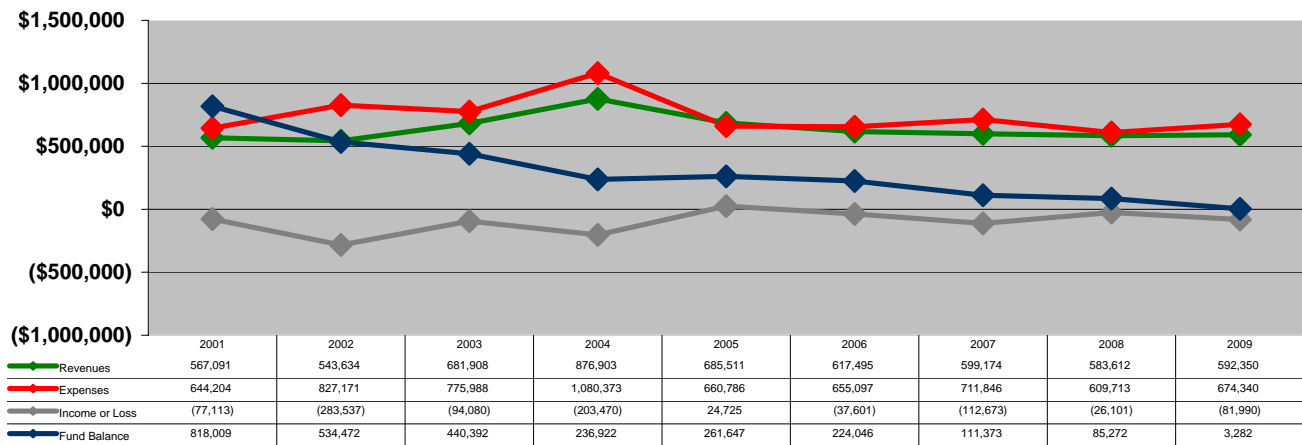
## Streets Information



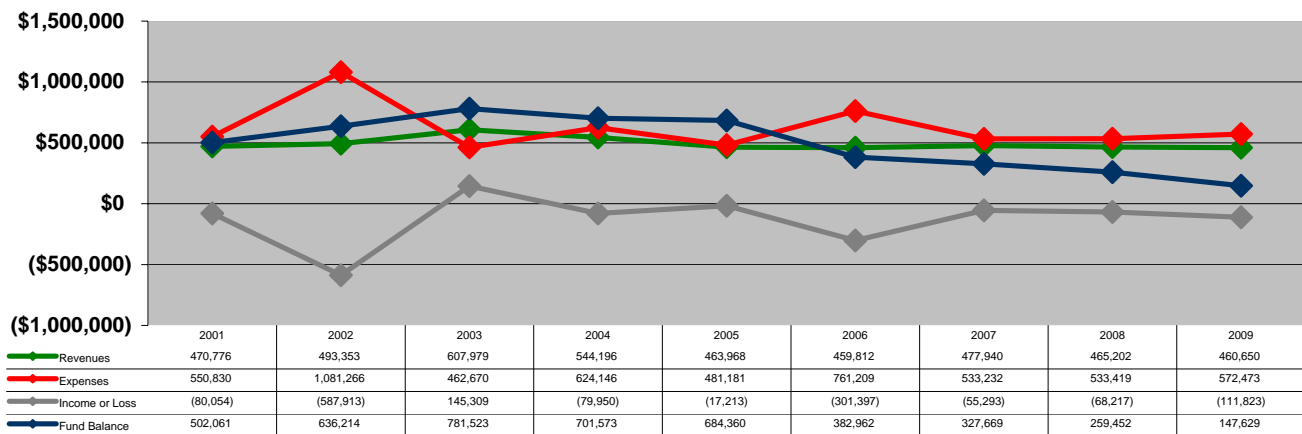
The City of Sturgis has approximately 52 miles of streets that are maintained by the Public Services Department. This year between 3 and 3.5 miles of streets are scheduled to be milled and resurfaced. City streets are constantly monitored and chosen for repair based on condition.

DPS staff is always searching for new and improved methods of maintaining existing asphalt pavements, including crack sealing, mill and resurface, and chip and seal.

### Major Street Fund



### Local Street Fund



## 209 Cemetery Fund

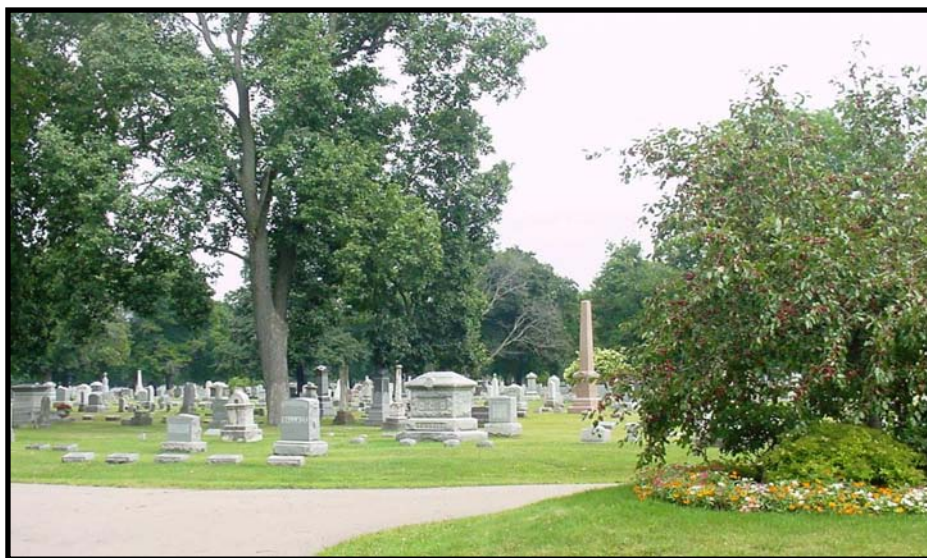
	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Foundations	15,585	15,000	7,428	15,000	0.0%
Grave Openings	47,079	40,000	66,825	40,000	0.0%
Cemetery Lots	22,655	31,000	24,232	24,000	-22.6%
Monuments Sales	1,394	300	500	1,000	233.3%
Rent - Farm Land and Rental Home	8,790	9,000	11,126	9,000	0.0%
Miscellaneous (Mausoleum)	1,305	3,500	3,500	3,500	0.0%
<b>Total Revenue</b>	<b>96,809</b>	<b>98,800</b>	<b>113,611</b>	<b>92,500</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	103,681	143,999	127,000	139,286	-3.3%
Wages & Benefits - Overtime	12,813	10,000	10,000	10,300	3.0%
Wages & Benefits - Mowing	19,564	20,000	25,000	27,000	35.0%
Office Supplies	1,813	3,000	1,200	3,000	0.0%
Operating Supplies	11,732	13,500	13,500	13,900	3.0%
Repair & Maintenance Supplies	5,790	6,500	6,500	6,700	3.1%
Professional Services	818	2,500	2,500	2,600	4.0%
Communications	1,086	1,000	700	1,000	0.0%
Insurance & Audit	2,014	3,300	1,654	2,500	-24.2%
Utilities	3,751	3,900	3,226	4,000	2.6%
Repairs & Maintenance	0	0	0	0	0.0%
Rental Structure Maintenance	1,540	2,000	2,500	2,250	12.5%
Transportation	34,446	34,446	34,446	37,766	9.6%
Miscellaneous	428	0	0	0	0.0%
Capital Outlay [a]	0	7,000	5,040	18,000	157.1%
Administrative Reimbursement	12,628	12,628	12,628	18,093	43.3%
<b>Total Expenditures</b>	<b>212,102</b>	<b>263,773</b>	<b>245,894</b>	<b>286,395</b>	
NET INCOME OR LOSS	(115,294)	(164,973)	(132,283)	(193,895)	
Transfers from Endowment Fund	27,018	25,000	25,000	25,000	
Contribution from General Fund	140,000	120,000	120,000	100,000	
<b>FUND BALANCE</b>	<b>90,770</b>	<b>70,797</b>	<b>103,487</b>	<b>34,593</b>	

[a] Rental House Roof, \$7,500; Cemetery Maintenance Building Roof, \$10,500.

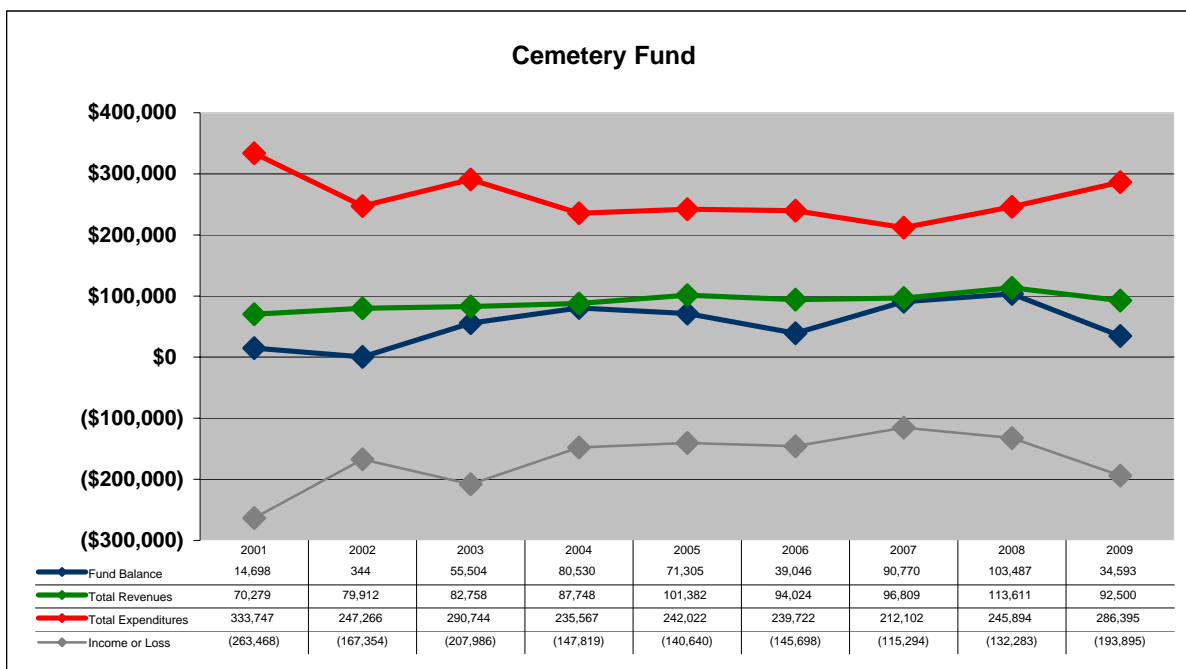


## Cemetery Information

There are 45 acres comprising Oak Lawn and Sturgis Memorial Gardens Cemeteries with over 14,000 interred and over 100 burials yearly. Oak Lawn cemetery was started in 1867 on a 12 acre wooded knoll known as Buck's Woods. Sturgis Memorial Gardens was dedicated in May of 1983. The landscaping of both Cemeteries is groomed and maintained by City staff.



A number of people visit the Cemeteries on a daily basis. They walk, bicycle, and jog on the paved driveways, visit loved ones who have passed, or sit for a moment on a bench in the shade.



## 213 Drug Enforcement Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
State Drug Forfeitures	9,817	2,000	18,340	5,000	150.0%
K - 9 Donations	150	0	0	0	0.0%
State Non Drug Forfeitures	0	1,000	0	1,000	0.0%
D.A.R.E. Miscellaneous Income	3,095	3,500	0	3,500	0.0%
Miscellaneous Income	2,457	0	0	0	0.0%
<b>Total Revenues</b>	<b>15,519</b>	<b>6,500</b>	<b>18,340</b>	<b>9,500</b>	
<b>EXPENDITURES</b>					
Wages & Benefits [a]	8,900	5,000	5,000	5,000	0.0%
Training	290	600	600	600	0.0%
K - 9 Expenses	451	0	0	0	0.0%
Operating Expense	8,126	10,000	10,000	10,000	0.0%
Drug Enforcement Expense	3,420	0	0	0	0.0%
State Drug Expenditures	573	0	0	0	0.0%
D.A.R.E. Expenses	3,471	4,000	4,000	4,000	0.0%
Transportation [b]	0	5,000	1,300	10,836	116.7%
Printing & Publishing	0	200	100	200	0.0%
Miscellaneous Expense - Tip Line	2,000	2,000	2,000	2,000	0.0%
Administrative Reimbursement	2,796	2,805	2,805	1,789	-36.2%
<b>Total Expenditures</b>	<b>30,026</b>	<b>29,605</b>	<b>25,805</b>	<b>34,425</b>	
NET INCOME OR LOSS	(14,507)	(23,105)	(7,465)	(24,925)	
Transfer from General Fund (Drug Fund)	0	0	0	0	
<b>FUND BALANCE</b>	<b>46,596</b>	<b>23,491</b>	<b>39,131</b>	<b>14,206</b>	

[a] Includes overtime for undercover and drug patrols.

[b] K-9 Vehicle Rental

## 214 Downtown Development Authority Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Tax Increment Financing	82,402	82,034	84,500	84,677	3.2%
Interest & Rentals	15,509	3,000	5,000	13,600	353.3%
Private Donations	0	0	0	0	0.0%
Legacy Contributions	0	0	0	0	0.0%
Grant Income	0	0	0	75,000	0.0%
Dumpsters	0	7,300	8,000	8,000	9.6%
Misc. Income	1,475	0	5,533	2,500	
Building Sales	0	0	0	0	0.0%
<b>Total Revenues</b>	<b>99,386</b>	<b>92,334</b>	<b>103,033</b>	<b>183,777</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	38,876	39,998	39,248	39,248	-1.9%
Office Expenses	624	400	400	400	0.0%
Professional Services	800	1,000	1,000	1,000	0.0%
Communications	1,348	1,300	1,400	1,400	7.7%
Printing & Publishing	0	300	0	400	-100.0%
Promotion & Business Recruitment	1,453	1,700	0	1,700	-100.0%
Insurance & Audit	0	100	0	0	-100.0%
Utilities	470	500	500	1,700	240.0%
Repairs & Maintenance	9,424	0	0	2,500	0.0%
Rentals	1,500	1,440	1,530	1,560	8.3%
Miscellaneous	745	1,000	1,000	1,350	35.0%
Reimbursement for Buildings	6,551	10,000	10,000	10,000	0.0%
Debt Service - Principal	13,095	0	13,731	14,397	
Debt Service - Interest	12,891	0	12,255	11,589	
Dumpster Fees	0	7,300	0	8,000	9.6%
Dumpster Enclosures	4,083	0	0	0	0.0%
Experience Sturgis	0	600	0	2,000	233.3%
Jefferson House	0	0	0	83,100	0.0%
Dues	0	350	0	0	-100.0%
Streetscape	87,855	25,992	0	0	-100.0%
Seasonal Worker	0	2,500	0	2,500	0.0%
<b>Total Expenditures</b>	<b>179,715</b>	<b>94,480</b>	<b>81,064</b>	<b>182,844</b>	
NET INCOME OR LOSS	(80,329)	(2,146)	21,969	933	
Contribution from General Fund	0	0	0	0	
<b>FUND BALANCE</b>	<b>214,431</b>	<b>212,285</b>	<b>236,400</b>	<b>237,333</b>	

Taxing Unit (Captured by TIFA)	2007 Millage Rate	Captured TV	Revenue to TIFA
City of Sturgis	10.0285	4,109,806	41,215.19
Glen Oaks	2.7410	4,109,806	11,264.98
County Operating	4.5482	4,109,806	18,692.22
Commission On Aging	0.7500	4,109,806	3,082.35
County 911	0.7500	4,109,806	3,082.35
County Roads	0.9932	4,109,806	4,081.86
District Library	1.1000	4,109,806	4,520.79
County Transportation Authority	0.3300	4,109,806	1,356.24

## 231 Kirsch Municipal Airport Fund

	Actual [a] 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Federal/State Grant [b]	12,952	0	463,000	0	0.0%
Airport Hangar Rental	0	10,000	15,000	15,000	50.0%
Airport Fuel Sales	64,560	611,000	626,000	626,000	2.5%
<b>Total Revenue</b>		<b>621,000</b>	<b>1,104,000</b>	<b>641,000</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	6,132	7,000	3,000	3,000	-57.1%
Wages & Benefits - Snow Removal	0	4,000	4,000	4,000	0.0%
Wages & Benefits - Mowing	6,208	4,000	4,000	4,000	0.0%
Office Supplies	0	0	0	0	0.0%
Operating Supplies	2,755	0	0	0	0.0%
Fuel System	80,328	600,000	626,000	626,000	4.3%
Repair & Maintenance Supplies	1,256	1,000	1,000	1,000	0.0%
Professional Services	10,026	14,400	14,400	14,400	0.0%
Communications	7,546	8,000	6,000	6,000	-25.0%
Insurance & Audit	4,358	8,000	8,000	8,000	0.0%
Utilities	15,996	20,000	23,000	25,000	25.0%
Repairs & Maintenance [c]	44,752	45,000	40,000	35,000	-22.2%
AWOS-Maintenance	5,764	6,000	4,500	5,000	-16.7%
Transportation	10,590	11,287	11,287	11,306	0.2%
Capital Improvements [d]	0	0	476,000	20,000	
Administrative Reimbursement	0	0	0	0	0.0%
<b>Total Expenditures</b>	<b>195,711</b>	<b>728,687</b>	<b>1,221,187</b>	<b>762,706</b>	
NET INCOME OR LOSS	(118,199)	(107,687)	(117,187)	(121,706)	
Contribution from General Fund	118,000	118,000	118,000	125,000	
<b>FUND BALANCE</b>		<b>10,313</b>	<b>813</b>	<b>4,107</b>	

[a] Memo only

[b] Taxiway Grant (2008)

[c] Includes \$15,000 for vegetation control.

[d] Repair doors on 10 unit tee hangars, \$7,500, basement lighting, \$1,300, gutters \$1,000, \$5,000 for five-year development plan (Design for Taxiway and Apron Rehab, 405 Survey)

## Airport Information

Kirsch Municipal Airport serves the Sturgis community as a transportation avenue for business, agricultural, and recreational fliers.

A home to several aviation businesses, the airport offers pilots amenities such as a refueling station supplying both low-lead and jet fuels, hanger space for rent, and access to repair services.

Day-to-day operations at the airport are run by Riley Aviation via an airport management agreement.



In the past several years the airport has undergone capital improvements to upgrade its facilities and infrastructure. These include the addition of a fueling station, construction of a taxiway extension to Runway 18, and replacement of the terminal building roof. The largest project was the reconstruction and widening of the main runway (18/36) which included new runway lighting and turnarounds at each end.

The majority of the cost for these improvements was supported via a 97.5% grant from the Michigan Department of Transportation and FAA. In addition, replacement of the airport terminal building roof donated by a local business. The total cost of improvements over the past five years was \$2,421,614, of which the City paid less than five percent.

Looking ahead, the airport expects further improvements in 2008-2009, again with 97.5% funding from the Michigan Department of Transportation and FAA. Projects include design for the rehabilitation of taxiways and apron (airplane parking area) and design and survey work to prepare for an instrument landing system.





## 249 Building Department Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Building Permits & Fees	25,000	30,000	50,000	30,000	0.0%
<b>Total Revenue</b>	<b>25,000</b>	<b>30,000</b>	<b>50,000</b>	<b>30,000</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	97,582	104,871	90,000	80,712	-23.0%
Wages - Overtime	806	1,000	1,000	1,000	0.0%
Office Expense	1,596	3,000	3,000	3,000	0.0%
Operating Expense	2,362	3,000	3,000	3,000	0.0%
Training	233	900	900	900	0.0%
Transportation	1,737	1,380	1,380	1,811	31.2%
Administrative Reimbursement	4,402	7,545	7,545	7,810	3.5%
<b>Total Expenditures</b>	<b>108,719</b>	<b>121,696</b>	<b>106,825</b>	<b>98,233</b>	
NET INCOME OR LOSS	(83,720)	(91,696)	(56,825)	(68,233)	
Contribution from General Fund	71,000	100,000	60,000	60,000	
<b>FUND BALANCE</b>	<b>11,945</b>	<b>20,249</b>	<b>15,120</b>	<b>6,887</b>	

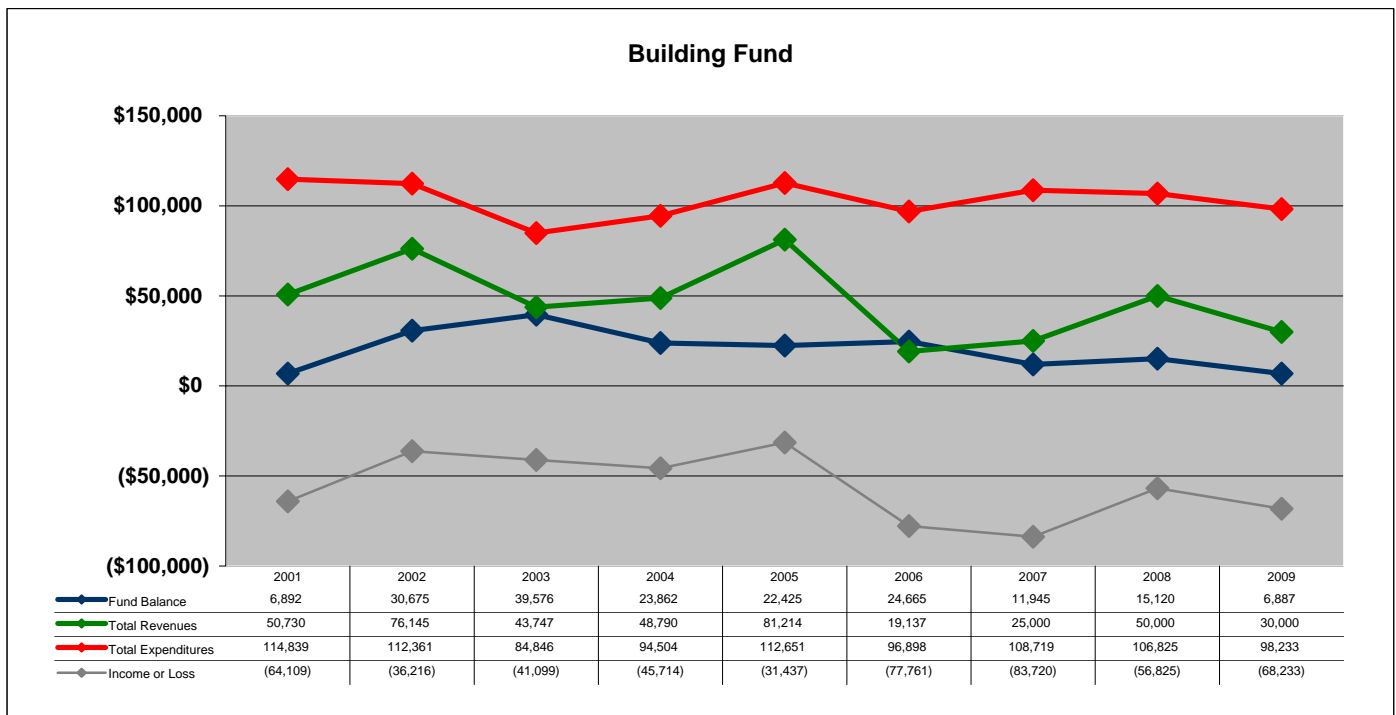
Note: The State of Michigan Construction Code Act Number 230 of Public Acts 1972 states in Section 22: "The legislative body of a governmental subdivision shall only use fees generated under this section for the operation of the enforcing agency or the construction board of appeals, or both, and shall not use the fees for any other purpose."

## Building Department Information

The Building, Planning and Zoning Departments have been very productive and successful this past year. While economic conditions are difficult throughout State of Michigan, the City of Sturgis is fortunate to be experiencing more commercial development now than we have seen in the last decade.



Permits Issued	2001	2002	2003	2004	2005	2006	2007
COMMERCIAL	25	37	32	32	26	11	27
RESIDENTIAL	232	170	143	103	128	85	94
DEMOLITION	9	6	8	12	0	3	7
SIGNS	14	31	39	18	17	19	22
TOTALS	280	244	222	165	171	118	150
	\$ 35,892	\$ 77,497	\$ 37,733	\$ 25,000	\$ 76,353	\$ 19,125	\$ 22,286



## 251 Housing Department Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Grants	4,250	80,000	0	0	-100.0%
<b>Total Revenue</b>	<b>4,250</b>	<b>80,000</b>	<b>0</b>	<b>0</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	891	0	0	0	0.0%
Office Expense	371	500	500	500	0.0%
Operating Expense	441	1,500	100	100	-93.3%
Training	122	1,000	100	100	-90.0%
Advertising & Promotion	351	1,500	1,000	1,000	-33.3%
ADR 1 Grant Expense	4,250	0	0	0	0.0%
Transportation	1,000	1,000	1,000	1,000	0.0%
Capital Outlay	12,864	115,000	0	40,000	-65.2%
Professional Services	3,000	15,000	15,000	15,000	0.0%
Administrative Reimbursement	189	205	205	158	-22.9%
<b>Total Expenditures</b>	<b>23,479</b>	<b>135,705</b>	<b>17,905</b>	<b>57,858</b>	
NET INCOME OR LOSS	(19,229)	(55,705)	(17,905)	(57,858)	
Contribution from General Fund	0	40,000	40,000	30,000	
<b>FUND BALANCE</b>	<b>18,872</b>	<b>3,167</b>	<b>40,967</b>	<b>13,109</b>	

Capital Outlay in Fiscal Year 2009	
Excellence In Neighborhoods Initiative	\$40,000

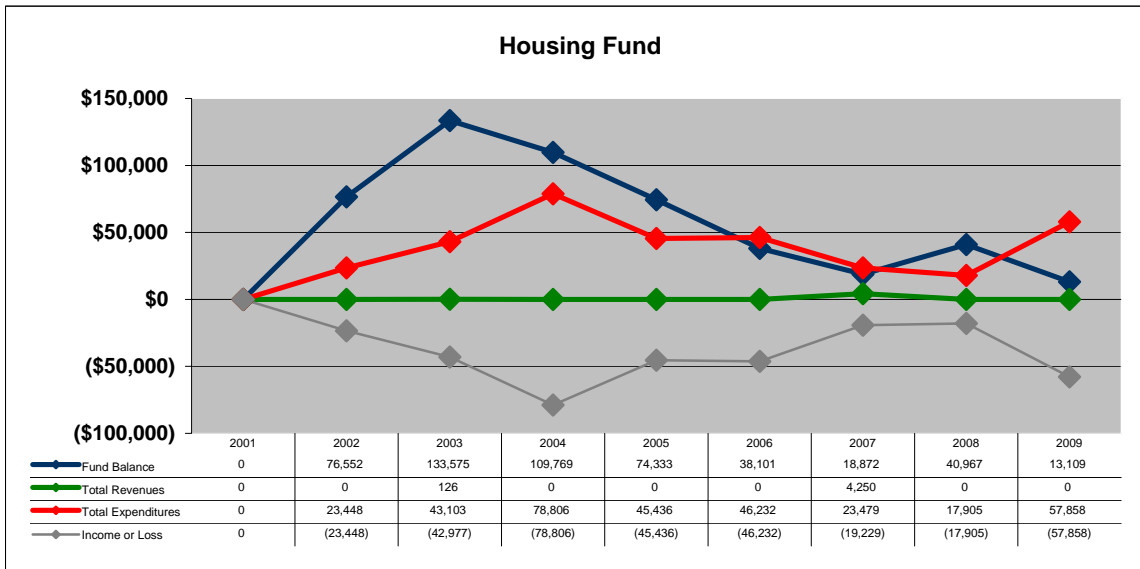


## Housing Department Information

The Excellence in Neighborhoods Initiative is a comprehensive strategy designed to improve neighborhoods and housing by building community and pride of ownership. The initiative promotes what it means to be a “Great Neighbor”; which is both helping fellow neighbors in need as well as requiring individuals to be responsible for maintaining their properties with the overall goal of preserving property values in a given neighborhood. The primary focus of the initiative is to support and strengthen single-family owner occupied housing.



The City's Housing Department partners with the Sturgis Neighborhood Program to provide adequate capacity for implementation of the Excellence in Neighborhoods Initiative. The initiative components for fiscal year 2008-09 include the Neighbor2Neighbor program that assists homeowners with repairs and improvements; development of a Housing Resource Guide; and formation of the Housing Improvement Alliance, which seeks to engage financial institutions in supporting the program.



## 261 Auditorium Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Charges for Services Rendered	47,285	45,000	46,578	46,000	2.2%
Food Sale	296,680	285,000	296,168	295,000	3.5%
Liquor Sales	35,451	30,000	38,350	35,000	16.7%
Cake & Pastry Sales	1,295	1,000	1,000	0	-100.0%
Use & Admission Fees	11,179	20,000	11,750	12,000	-40.0%
Rent	31,473	30,000	29,494	31,000	3.3%
Private Donations	0	1,000	0	1,000	0.0%
Capital Projects Revenue	0	0	0	30,000	
Special Programs	37,634	93,000	0	0	-100.0%
Miscellaneous Income	8,468	11,000	7,722	9,000	-18.2%
<b>Total Revenues</b>	<b>469,464</b>	<b>516,000</b>	<b>431,062</b>	<b>459,000</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	361,806	342,990	348,128	359,100	4.7%
Wages & Benefits - Overtime	11,797	10,000	10,000	10,500	5.0%
Office Supplies	30,716	19,000	19,000	18,000	-5.3%
Food Supplies	118,278	96,289	100,495	105,000	9.0%
Liquor Supplies	10,942	8,000	11,543	9,000	12.5%
Operating Supplies	28,804	28,500	35,935	28,000	-1.8%
Maintenance Supplies	5,245	5,500	5,000	5,500	0.0%
Professional Services	1,466	2,200	1,710	2,000	-9.1%
Communications	702	1,600	1,120	1,300	-18.8%
Transportation	1,531	2,189	2,189	2,459	12.3%
Programs	19,718	10,000	5,800	7,000	-30.0%
Printing & Publishing	13,199	12,000	12,000	13,000	8.3%
Insurance & Audit	4,687	9,000	4,526	4,800	-46.7%
Utilities	54,628	57,000	50,000	52,000	-8.8%
Repairs & Maintenance	25,750	25,000	22,000	22,000	-12.0%
Miscellaneous	5,544	2,000	750	2,000	0.0%
Capital Outlay [a]	5,827	6,000	6,000	32,000	433.3%
Special Programs	24,831	90,000	0	0	-100.0%
Administrative Reimbursement	9,366	10,854	10,854	17,032	56.9%
<b>Total Expenditures</b>	<b>734,835</b>	<b>738,122</b>	<b>647,050</b>	<b>690,691</b>	
NET INCOME OR LOSS	(265,371)	(222,122)	(215,988)	(231,691)	
Gen. Fd. Contr. for Roof Lease	52,000	46,100	46,100	46,100	
Roof Repair Lease Payment	(51,870)	(46,100)	(46,100)	(46,100)	
Contribution from General Fund	220,000	220,000	220,000	220,000	
<b>FUND BALANCE</b>	<b>10,995</b>	<b>8,872</b>	<b>15,007</b>	<b>3,316</b>	

[a] Sound System Upgrade

## Auditorium Information

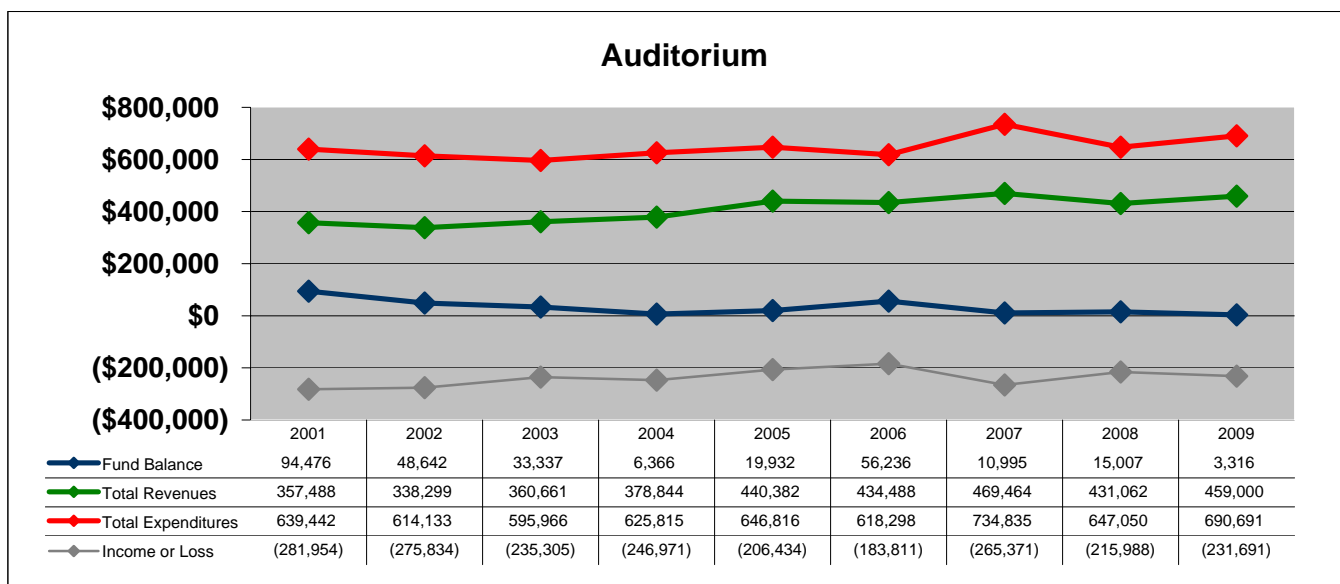
For over 50 years the Sturges-Young Civic Center and Auditorium has hosted nationally known artists and performances by local talent. Working closely with the Sturgis Council of the Arts and its director, their annual "Great Performance" series promises to dazzle Auditorium guests again this year.



Thanks to the generosity of the community the "Best Seat in the House" campaign was successful and the Auditorium will have completely refurbished seats, a refinished floor, and a new coat of paint on the ceiling in 2008-2009.

Fundraising efforts at the Auditorium will also continue next fiscal year. On June 26, 2009 the Auditorium will host its second Pro-Am golf outing, with proceeds going towards a new sign for the front of the building. Also, sponsorships for many seats are still available for individuals looking to donate to the facility.

Sturges-Young continues to offer catering services both in-house and to outside locations. A sumptuous array of foods are prepared by a dedicated staff to meet any catering need. The facility also hosts many community meetings and events, the weekly breakfast buffet on Sundays, and meals before many performances.



## 262 Council of the Arts Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Use & Admission Fees	64,132	87,650	70,048	81,500	-7.0%
Private Donations	27,854	27,500	28,468	27,500	0.0%
Advertising Revenue	18,405	13,500	15,097	15,000	11.1%
Fund Raising Revenue	2,984	3,200	2,078	2,180	-31.9%
Art Revenue	3,200	3,360	3,635	3,360	0.0%
Frew Memorial Fund	500	500	500	500	0.0%
Corporate Donations	18,294	28,413	25,798	25,798	-9.2%
Miscellaneous Income	490	250	278	250	0.0%
<b>Total Revenues</b>	<b>135,859</b>	<b>164,373</b>	<b>145,902</b>	<b>156,088</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	19,101	22,808	21,171	20,829	-8.7%
Office Supplies	1,018	1,100	1,200	1,100	0.0%
Operating Supplies	125	100	0	220	120.0%
Credit Card Expense	1,417	1,100	1,500	1,500	36.4%
Professional Service	0	250	0	0	-100.0%
Programs	101,609	122,504	122,504	128,161	4.6%
Printing & Publishing	2,863	300	0	300	0.0%
Frew Memorial Expense	0	400	0	0	-100.0%
Miscellaneous Expense	50	250	100	100	-60.0%
Capital Outlay	0	0	0	500	
Administrative Reimbursement	2,548	2,546	2,546	4,085	60.4%
<b>Total Expenditures</b>	<b>128,731</b>	<b>151,358</b>	<b>149,021</b>	<b>156,795</b>	
Transfer to Foundation	0	0	0	0	
NET INCOME OR LOSS	7,128	13,015	(3,119)	(707)	
<b>FUND BALANCE</b>	<b>60,932</b>	<b>73,946</b>	<b>57,813</b>	<b>57,106</b>	



## Council of the Arts Information

The Sturgis Council of the Arts was established in 1974 through the generosity of Flora Kirsch Beck, who recognized the value of the arts to a community. She established an endowment which was given to the City of Sturgis to fund the Council's work. This endowment, along with others, are now within the Sturgis Area Community Foundation.

Supporting the arts solely through private and corporate donations, Council strives to fulfill its mission of making the arts and humanities available to the Sturgis area and to foster participation in and encourage greater awareness of the arts. Its efforts include programs supporting the theater, art, and literature in the Sturgis community.

STURGIS  
COUNCIL  
OF THE  
ARTS

# 2008-2009



The Capitol Steps

September 27, 2008



Pieces of Dreams

October 25, 2008



The Guess Who

November 8, 2008



Jimmy Dillon

February 7, 2009



Restless Heart

April 18, 2009



Galliard Brass Ensemble

April 18, 2009



The London Trio

March 27, 2008

## 264 Parks & Recreation Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Adult Fees	32,575	31,500	34,000	34,000	7.9%
Youth Fees	33,801	30,700	27,000	27,000	-12.1%
Park Fees	6,625	2,000	2,000	2,000	0.0%
Pay for Play - Parks	2,940	10,000	10,000	10,000	0.0%
Miscellaneous Income	471	0	0	0	0.0%
Contributions - Private Sources	1,848	0	240	0	0.0%
DDA Maintenance Reimbursement	2,500	2,500	2,500	2,500	0.0%
Contributions - Sturgis Foundation	6,277	0	0	6,000	
Contributions - United Fund Programs	15,130	12,500	12,500	12,500	0.0%
<b>Total Revenues</b>	<b>102,167</b>	<b>89,200</b>	<b>88,240</b>	<b>94,000</b>	
<b>EXPENDITURES - PARKS</b>					
Wages & Benefits	91,995	126,592	126,592	119,478	-5.6%
Wages & Benefits - Overtime	7,850	6,000	7,162	6,200	3.3%
Wages & Benefits - Mowing	19,381	18,000	18,000	18,000	0.0%
Operating Supplies	25,978	22,100	16,604	22,700	2.7%
Office Supplies	856	300	327	300	0.0%
Repairs & Maintenance Supplies	3,879	4,000	6,389	4,150	3.8%
Professional Services	664	1,000	1,000	1,100	10.0%
Communication	1,752	3,000	3,000	3,100	3.3%
Office Rents	2,400	2,400	2,400	0	-100.0%
Insurance & Audit	1,542	2,200	968	1,400	-36.4%
Utilities	12,238	12,000	3,185	12,000	0.0%
Repairs & Maintenance	8,966	8,000	3,307	8,250	3.1%
Transportation	42,865	50,143	50,143	54,402	8.5%
Printing & Advertising	182	0	60	250	
Fields Maintenance	8,493	15,000	15,000	15,450	3.0%
Administrative Reimbursement	24,570	23,617	23,617	33,492	41.8%
Capital Outlay [a]	17,080	10,000	10,000	75,000	650.0%
<b>Total Parks</b>	<b>270,691</b>	<b>304,352</b>	<b>287,754</b>	<b>375,272</b>	
<b>EXPENDITURES - RECREATION</b>					
Wages & Benefits	80,197	87,898	66,600	67,790	-22.9%
Wages & Benefits - Overtime	945	700	800	0	-100.0%
Operating Supplies	3,481	9,500	9,000	10,000	5.3%
Office Supplies	734	1,000	1,000	1,000	0.0%
Professional Services	22,788	23,650	24,500	27,000	14.2%
Communication	1,436	2,400	2,500	2,500	4.2%
Transportation	6,749	5,945	5,945	6,450	8.5%
Printing & Advertising	5,250	7,000	7,000	7,000	0.0%
Insurance & Audit	5,648	4,000	968	1,000	-75.0%
Programming	8,296	7,550	7,750	9,000	19.2%
Utilities	1,018	0	500	0	0.0%
United Way	13,077	15,250	15,000	15,000	-1.6%
Office Rents	2,400	2,400	2,400	2,400	0.0%
Capital Outlay	0	6,000	5,500	4,000	-33.3%
Administrative Reimbursement	4,554	4,042	4,042	5,170	27.9%
<b>Total Recreation</b>	<b>156,574</b>	<b>177,335</b>	<b>153,505</b>	<b>158,310</b>	
<b>TOTAL PARKS &amp; RECREATION</b>	<b>427,265</b>	<b>481,687</b>	<b>441,259</b>	<b>533,582</b>	
NET INCOME OR LOSS	(325,098)	(392,487)	(353,019)	(439,582)	
Contribution from the General Fund	388,660	380,000	380,000	400,000	
<b>FUND BALANCE</b>	<b>70,470</b>	<b>57,982</b>	<b>97,451</b>	<b>57,869</b>	

[a] Langrick Park Playground Upgrade, \$70,000; Franks Park Parking Lot repair, \$5,000

## Parks and Recreation Information

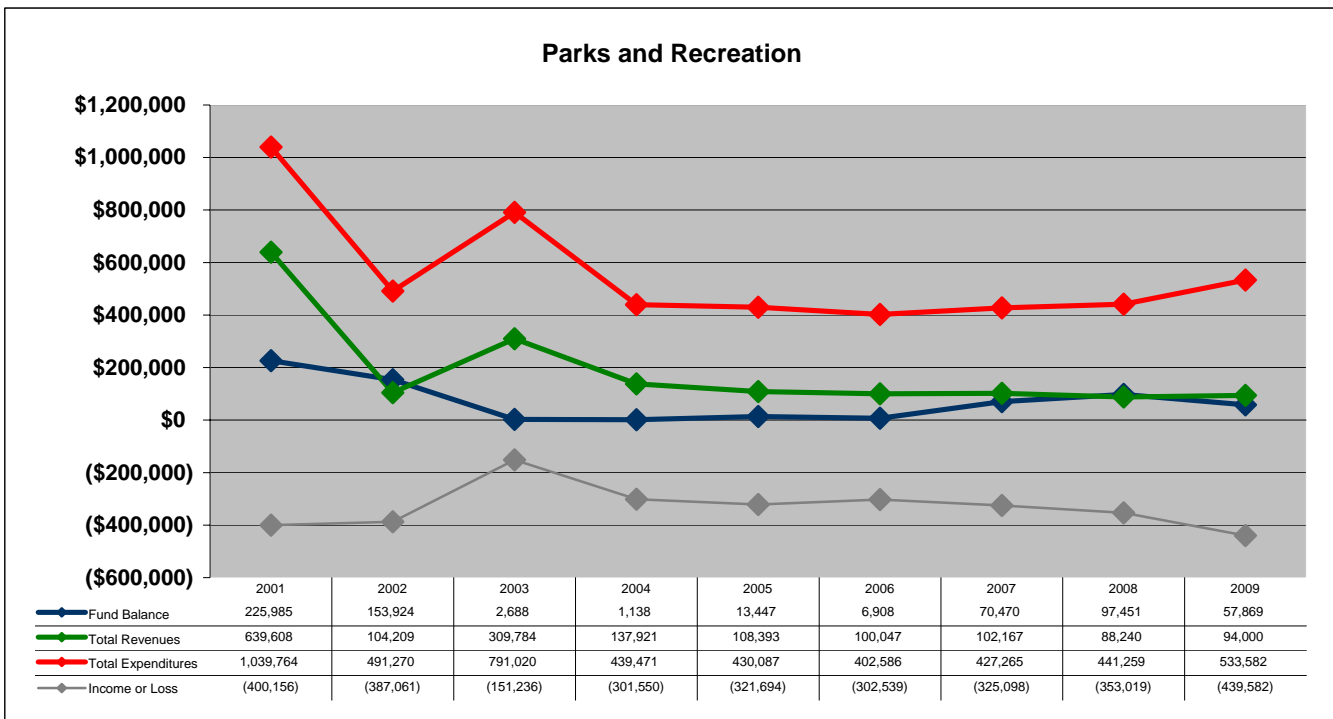
The Sturgis Parks and Recreation Department provides area residents and visitors with the opportunity to participate in clean, safe, and accessible open spaces throughout the City including parks, playgrounds and athletic facilities. We provide opportunities for youth and adults to satisfy both their active and passive recreation needs.



Some of the active sports include softball, basketball, tennis, volleyball, soccer and floor hockey. Picnic pavilions and playgrounds are available at various parks throughout the City for more passive enjoyment.

2008-2009 will see the Parks and Recreation Department begin implementation of the Recreation Master Plan completed last year.

As part of these efforts, funding has been allocated for new equipment and renovations at Langrick Park.



## 265 Doyle Community Center Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Memberships	216,787	235,000	235,000	235,000	0.0%
Programming	25,155	24,000	22,000	24,000	0.0%
Court Rental	38,297	35,000	30,000	30,000	-14.3%
Tennis Revenue	3,696	5,500	9,000	5,500	0.0%
Childcare	2,316	2,500	1,500	2,000	-20.0%
Locker Rentals	1,080	900	900	1,000	11.1%
Gift Certificates	65	300	500	500	66.7%
Day Passes	18,857	13,000	11,000	11,000	-15.4%
Miscellaneous Taxable	188	300	200	300	0.0%
Endowment Fund	30,010	30,000	30,000	30,000	0.0%
Office Rental	4,800	4,800	4,800	2,400	-50.0%
Contributions from Private Sources	10,705	1,500	1,500	1,500	0.0%
Miscellaneous Income	607	500	500	500	0.0%
<b>Total Revenues</b>	<b>352,563</b>	<b>353,300</b>	<b>346,900</b>	<b>343,700</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	172,034	230,552	165,800	167,639	-27.3%
Wages & Benefits - Overtime	275	500	40	500	0.0%
Operating Supplies	18,166	17,000	17,000	17,000	0.0%
Maintenance Supplies	3,939	3,000	3,000	3,000	0.0%
Contract Services - Tennis	2,894	4,000	5,000	4,000	0.0%
Programming	2,833	4,000	4,000	4,000	0.0%
Office Supplies	3,419	3,000	3,500	3,500	16.7%
Professional Services	10,438	10,500	10,500	12,000	14.3%
Communications	1,840	2,500	2,500	2,500	0.0%
Transportation	1,229	1,500	1,500	1,500	0.0%
Printing & Advertising	10,806	14,000	14,000	14,000	0.0%
Utilities	52,585	48,500	48,000	48,000	-1.0%
Repair & Maintenance	12,279	10,000	23,000	36,000	260.0%
Insurance & Audit	5,021	5,000	4,100	4,500	-10.0%
Fitness Equipment Lease	4,489	12,500	6,400	12,000	-4.0%
Capital Outlay [a]	10,260	8,000	12,400	5,500	-31.3%
Administrative Reimbursement	14,780	17,065	17,065	17,341	1.6%
<b>Total Expenditures</b>	<b>327,284</b>	<b>391,617</b>	<b>337,805</b>	<b>352,980</b>	
NET INCOME OR LOSS	25,279	(38,317)	9,095	(9,280)	
Contribution from General Fund	0	10,000	10,000	0	
<b>FUND BALANCE</b>	<b>53,492</b>	<b>25,176</b>	<b>72,587</b>	<b>63,308</b>	

[a] Lease/Purchase a Floor Scrubber through 2009.

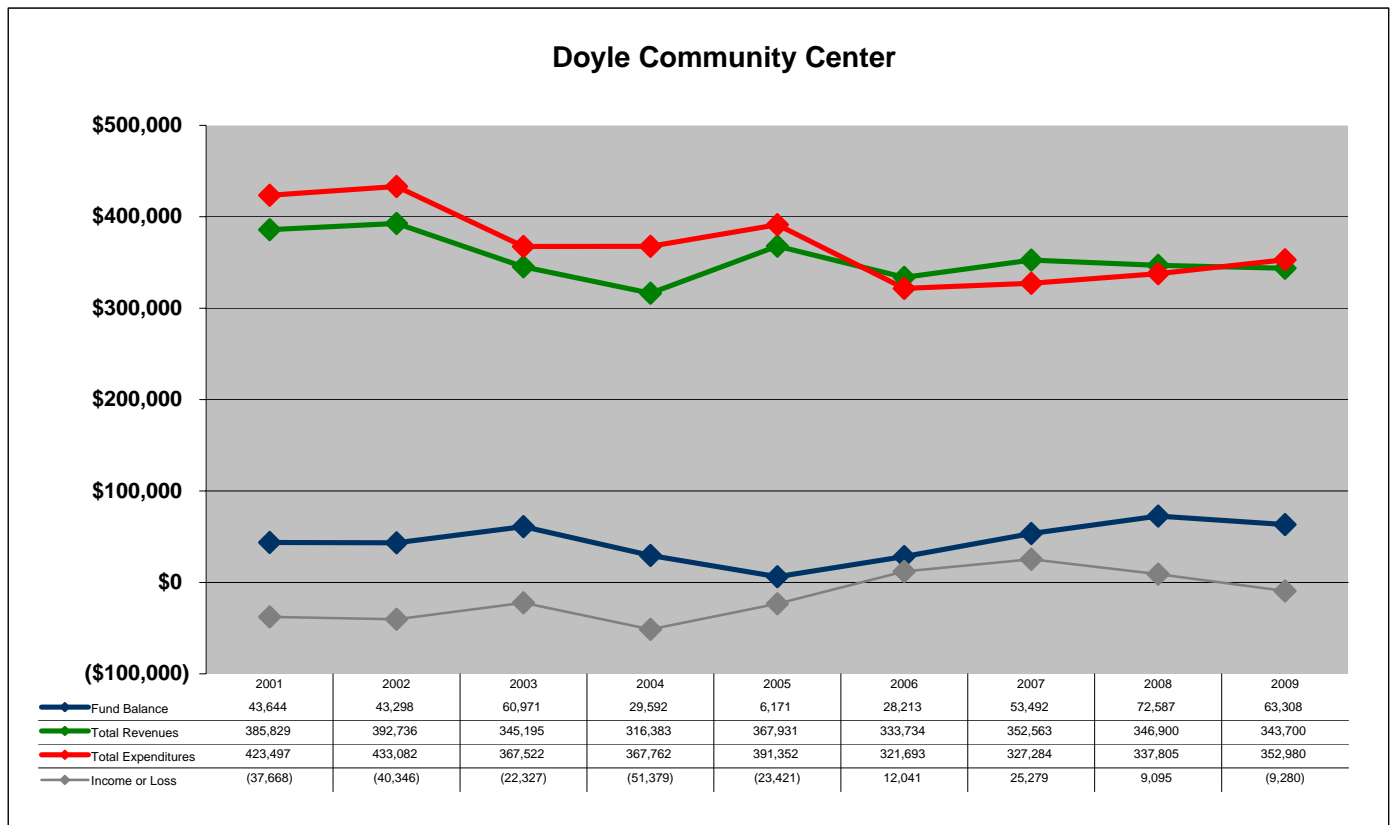


## Doyle Community Center Information

The Doyle Community Center is the area's leader in fitness since 1995. Over the years, the Doyle has expanded its fitness profile to offer all of the latest equipment and services including group exercise, personal training, cardiovascular equipment, increased core weight lifting equipment, Pilates, and yoga.

Originally the facility's multi-purpose courts were designed for tennis, basketball and volleyball. Today, we have adapted our facility to offer even more sports including indoor soccer, floor hockey, flag football and dodgeball.

Although the Doyle Community Center is evolving, a constant part of the facility's mission is our goal to promote healthy lifestyles while strengthening family and community relationships through recreation, education and fitness.



## 401 Capital Reserve Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Fuel System Payback [a]	0	5,000	0	5,000	0.0%
Interest Income [b]	9,105	9,000	9,000	9,000	0.0%
<b>Total Revenue</b>	<b>9,105</b>	<b>14,000</b>	<b>9,000</b>	<b>14,000</b>	
<b>EXPENDITURES</b>					
General Fund Projects [c]	17,764	18,000	18,000	100,000	455.6%
Special Revenue Fund Projects [d]	0	137,500	137,500	30,000	-78.2%
<b>Total Expenditures</b>	<b>17,764</b>	<b>155,500</b>	<b>155,500</b>	<b>130,000</b>	
NET INCOME OR LOSS	(8,659)	(141,500)	(146,500)	(116,000)	
Contribution from General Fund [e]	50,000	70,000	70,000	70,000	
<b>FUND BALANCE</b>	<b>266,621</b>	<b>195,121</b>	<b>190,121</b>	<b>144,121</b>	

CAPITAL RESERVE FUND DETAIL 2006-2009					
Description	FY	Fund	Expense	Revenue	Balance
Contribution [e]	2006	General		\$225,000	\$225,000
Interest [b]	2006	General		\$280	\$225,280
Contribution [e]	2007	General		\$50,000	\$275,280
Interest [b]	2007	General		\$9,105	\$284,385
Fuel System [c]	2007	Airport	(\$17,764)		\$266,621
Contribution [e]	2008	General		\$70,000	\$336,621
Interest [b]	2008	General		\$9,000	\$345,621
Fuel System Payback [b]	2008	Airport		\$0	\$345,621
HVAC [d]	2008	Auditorium	(\$100,000)		\$245,621
Roof [c]	2008	Airport	(\$18,000)		\$227,621
French Fryer [d]	2008	Auditorium	(\$7,500)		\$220,121
Seating and Painting [d]	2008	Auditorium	(\$30,000)		\$190,121
Contribution [e]	2009	General		\$70,000	\$260,121
Interest [b]	2009	General		\$9,000	\$269,121
Fuel System Payback [b]	2009	Airport		\$5,000	\$274,121
Sound System [d]	2009	Auditorium	(\$30,000)		\$244,121
Police/Fire Building Façade [c]	2009	General	(\$100,000)		\$144,121

## 521 Hospital Fund

Operating Fund	2007/2008	2008/2009
<b>REVENUES</b>		
Revenue After Revenue Deductions	\$ 39,040,000	\$ 40,211,000
	<b>39,040,000</b>	<b>40,211,000</b>
Expense	40,120,000	38,721,000
	<b>40,120,000</b>	<b>38,721,000</b>
Net Income or Loss	(1,080,000)	1,490,000
minus Depreciation	1,439,000	1,490,000
<b>Surplus (Deficit)</b>	<b>\$ (2,519,000)</b>	<b>\$ (0)</b>

### PROJECTED FISCAL YEAR 2008-2009 FUND BALANCES

	UNRESTRICTED FUNDS: OPERATING & PLANT	RENTAL PROPERTIES
Balance on 10/01/2008	\$ 13,163,000	\$ 883,000
Operating Revenue	40,211,000	227,000
Investment Income	100,000	0
Funded Depreciation	1,490,000	110,000
Contributions	50,000	0
<b>Sub Total</b>	<b>55,014,000</b>	<b>1,220,000</b>
Operating Expenditures	38,721,000	245,000
Bond Payment	170,000	0
Interest Payment	603,000	24,000
Capital Outlay *	2,800,000	0
<b>Projected Balance on 10/01/2009</b>	<b>\$ 12,720,000</b>	<b>\$ 951,000</b>

\*Includes Hardings Building Project

## 582 Electric Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Power Sales [a]	19,995,483	19,430,000	20,500,000	20,235,000	4.1%
Interest	149,078	50,100	61,000	50,100	0.0%
Rent	85,375	55,000	110,000	100,000	81.8%
Miscellaneous Income	120,892	53,600	115,000	53,600	0.0%
Late Charges	57,003	10,000	100,000	20,000	100.0%
Disconnect/Reconnect Fees	25,527	10,000	26,000	15,000	50.0%
Contribution from General Fund	169,500	80,000	80,000	100,000	25.0%
Security Light Fees	149,677	140,000	148,000	148,000	5.7%
State Grant	37,611	0	0	0	0.0%
Metro Network Revenue	13,040	7,200	12,000	12,000	0.0%
<b>Total Revenue</b>	<b>20,803,186</b>	<b>19,835,900</b>	<b>21,152,000</b>	<b>20,733,700</b>	

[a] Power contribution to community pool is capped at \$10,000 annually.

### EXPENDITURES

#### PURCHASED POWER

AEP (Indiana & Michigan)	12,540,036	11,396,500	12,500,000	12,500,000	9.7%
Other Purchased Power	102,026	90,000	119,000	120,000	33.3%
Diesel Generation Credit	0	0	(2,300)	(3,000)	
<b>Total Purchased Power</b>	<b>12,642,062</b>	<b>11,486,500</b>	<b>12,616,700</b>	<b>12,617,000</b>	

#### GENERAL & ADMINISTRATION

Wages & Benefits	359,877	463,291	375,000	486,602	5.0%
Wages & Benefits - Overtime	0	0	0	0	0.0%
Office Expense	224,192	230,000	280,000	230,000	0.0%
Legal & Accounting	5,371	25,000	10,000	15,000	-40.0%
Industrial Development	50,482	0	0	0	0.0%
Geographic Information System - GIS	10,835	50,000	40,000	50,000	0.0%
Safety Services	1,158	1,500	1,000	1,500	0.0%
Transportation	184,533	174,718	174,718	188,142	7.7%
Advertising & Promotion	2,293	10,000	2,500	5,000	-50.0%
Community Promotion	31,623	30,000	30,000	30,000	0.0%
Christmas Decorations	14,205	40,000	55,000	20,000	-50.0%
Insurance & Audit	110,694	110,000	105,000	110,000	0.0%
Office Building Maintenance	47,965	67,000	64,000	90,000	34.3%
Miscellaneous	20,108	20,000	76,000	20,000	0.0%
Bad Debts	145,158	30,000	20,000	30,000	0.0%
Forestry	110,376	80,000	80,000	100,000	25.0%
Administrative Reimbursement	323,309	338,946	338,946	415,655	22.6%
<b>Total General &amp; Admin.</b>	<b>1,642,180</b>	<b>1,670,455</b>	<b>1,652,164</b>	<b>1,791,899</b>	

#### DIESEL PLANT

Wages & Benefits	400,212	156,033	336,000	192,372	23.3%
Wages - Overtime	1,898	2,000	2,100	8,841	342.1%
Training	3,257	5,000	3,500	5,000	0.0%
Safety Services	3,272	2,500	3,500	4,000	60.0%
Operating Supplies	8,115	6,000	8,000	9,000	50.0%
Fuel Oil & Natural Gas	6,558	20,000	7,000	20,000	0.0%
Lubricating Oil	112	2,000	400	2,000	0.0%
Utilities	12,633	20,000	13,000	20,000	0.0%
Repairs & Maintenance	41,134	30,000	35,000	30,000	0.0%
<b>Total Diesel Plant</b>	<b>477,191</b>	<b>243,533</b>	<b>408,500</b>	<b>291,213</b>	

#### HYDRO PLANT

Wages & Benefits	61,647	97,520	52,000	44,206	-54.7%
Wages - Overtime	15,625	15,000	21,000	15,244	1.6%
Repairs & Maintenance	85,380	116,000	116,000	160,000	37.9%
Park Maintenance	4,835	10,000	5,000	10,000	0.0%
Dwelling Maintenance	12,426	15,000	12,000	35,000	133.3%
<b>Total Hydro</b>	<b>179,913</b>	<b>253,520</b>	<b>206,000</b>	<b>264,450</b>	

## 582 Electric Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>TRANSMISSION</b>					
Wages & Benefits	59	5,000	2,500	5,467	9.3%
Wages - Overtime	0	2,000	1,000	2,187	9.3%
Wages - Mowing	0	2,000	1,000	2,000	0.0%
Repairs & Maintenance	10,275	35,000	15,000	35,000	0.0%
<b>Total Transmission</b>	<b>10,334</b>	<b>44,000</b>	<b>19,500</b>	<b>44,654</b>	
<b>SUBSTATION</b>					
Wages & Benefits	9,942	68,512	25,000	25,579	-62.7%
Wages - Overtime	726	1,000	1,000	1,093	9.3%
Wages - Mowing	333	2,000	500	2,000	0.0%
Repairs & Maintenance	21,136	75,000	65,000	100,000	33.3%
<b>Total Substation</b>	<b>32,137</b>	<b>146,512</b>	<b>91,500</b>	<b>128,672</b>	
<b>DISTRIBUTION</b>					
Wages & Benefits	467,403	495,000	400,000	323,666	-34.6%
Wages - Overtime	26,236	28,000	30,000	31,710	13.3%
Wages - Mowing	1,461	1,000	1,000	2,500	150.0%
Training	0	5,000	1,000	5,000	0.0%
Safety	2,675	2,500	4,000	4,000	60.0%
Operating Supplies	11,697	5,000	3,100	5,000	0.0%
Repairs & Maintenance	339,379	288,000	200,000	288,000	0.0%
Line Clearance	213,465	175,000	150,000	175,000	0.0%
<b>Total Distribution</b>	<b>1,062,316</b>	<b>999,500</b>	<b>789,100</b>	<b>834,876</b>	
<b>TRANSFORMERS - DISTRIBUTION</b>					
New Accounts					
Wages and Benefits				10,935	
Wages - Overtime				500	
Repairs and Maintenance				5,000	
Testing and Disposal				10,000	
<b>Total Transformers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,435</b>	
<b>SECONDARY</b>					
New Accounts					
Wages and Benefits				54,673	
Wages - Overtime				500	
Repairs and Maintenance				10,000	
<b>Total Secondary</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>65,173</b>	
<b>STREET LIGHTING</b>					
Wages & Benefits	20,605	30,750	26,000	27,337	-11.1%
Wages - Overtime	78	1,000	750	1,093	9.3%
Repairs & Maintenance	11,768	35,000	16,000	35,000	0.0%
<b>Total Street Lighting</b>	<b>32,451</b>	<b>66,750</b>	<b>42,750</b>	<b>63,430</b>	
<b>METER READING</b>					
Wages & Benefits	110,761	117,103	105,000	109,353	-6.6%
Wages - Overtime	1,766	3,000	2,500	3,000	0.0%
Wages - Mowing	97	1,000	200	1,000	0.0%
Training	0	5,000	1,500	5,000	0.0%
Safety	2,636	2,500	4,000	4,000	60.0%
Operating Supplies	1,915	5,000	3,500	5,000	0.0%
Utilities	3,332	4,000	2,800	4,000	0.0%
Repairs & Maintenance	8,795	20,000	8,500	20,000	0.0%
Meter Reading	52,707	24,000	61,900	67,776	182.4%
<b>Total Meter Reading</b>	<b>182,010</b>	<b>181,603</b>	<b>189,900</b>	<b>219,130</b>	
<b>MAINTENANCE BUILDING</b>					
Wages & Benefits	60,086	58,383	58,400	33,364	-42.9%
Utilities	39,875	40,000	40,000	40,000	0.0%
Utilities - RAM Property	51,322	5,000	31,000	5,000	0.0%
Repairs & Maintenance	17,257	15,000	18,600	15,000	0.0%
<b>Total Maintenance Building</b>	<b>168,539</b>	<b>118,383</b>	<b>148,000</b>	<b>93,364</b>	

## 582 Electric Fund

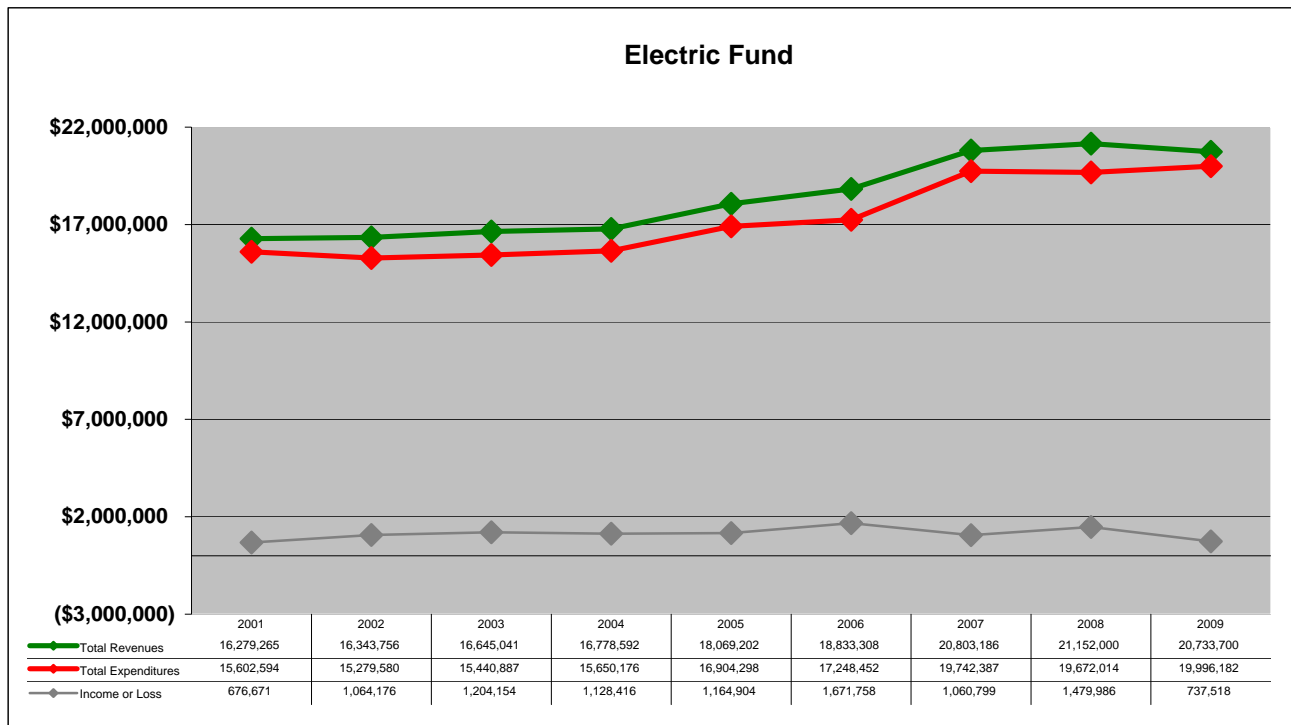
	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>TRUNKLINE FIBER (Loop)</b>					
Repair and Maintenance	579	10,000	1,000	2,000	-80.0%
Repairs and maintenance - Hardware	26	0	1,200	500	
Repairs and maintenance - Software	0	0	0	2,000	
<b>Total Trunkline Fiber Maintenance</b>	<b>606</b>	<b>10,000</b>	<b>2,200</b>	<b>4,500</b>	
<b>LOCAL FIBER</b>					
Wages and Benefits	0	0	0	1,000	
Electronics	0	0	0	500	
Repairs and Maintenance	0	0	0	2,000	
<b>Total Local Fiber</b>		<b>0</b>	<b>0</b>	<b>3,500</b>	
<b>ACCESS FIBER</b>					
Wages and Benefits	5,550	0	0	1,000	
Electronics	0	0	0	500	
Repairs and Maintenance	0	0	0	2,000	
<b>Total Access Fiber</b>	<b>5,550</b>	<b>0</b>	<b>0</b>	<b>3,500</b>	
<b>METROPOLITAN AREA NETWORK</b>					
Office Expense	0	0	0	500	
Network Administration	6,050	6,600	6,600	6,600	0.0%
Managed Internet Service	0	0	5,200	5,000	0.0%
Trunkline Access Fee	0	0	0	0	0.0%
Repairs	2,414	1,000	6,500	3,000	0.0%
<b>Total Metro Network</b>	<b>8,464</b>	<b>7,600</b>	<b>18,300</b>	<b>15,100</b>	
<b>RENTAL BUILDINGS (West St.)</b>					
Wages & Benefits	2,042	2,000	500	2,000	0.0%
Wages - Mowing	0	500	0	0	-100.0%
Interest -- Land Contract	0	0	0	0	0.0%
Utilities	6,413	6,500	6,000	6,500	0.0%
Repairs & Maintenance	10,167	25,000	18,000	30,000	20.0%
<b>Total Rental Buildings</b>	<b>18,623</b>	<b>34,000</b>	<b>24,500</b>	<b>38,500</b>	
<b>ECONOMIC DEVELOPMENT</b>					
Wages & Benefits	48,778	115,616	115,616	102,057	-11.7%
Office Expense	1,452	1,000	1,000	1,000	0.0%
Operating Supplies	0	950	950	1,450	0.0%
Professional Services [b]	3,331	5,000	5,000	3,000	-40.0%
Travel & Training	2,730	2,500	2,500	2,000	-20.0%
Printing & Publishing	350	2,000	2,000	2,500	25.0%
Advertising & Promotion	678	1,500	1,500	1,500	0.0%
Miscellaneous Expense	2,450	1,000	1,000	1,000	0.0%
Pidgeon Lease Purchase Payment	63,592	0	0	0	0.0%
County EDC Membership	9,028	15,000	15,000	15,000	0.0%
<b>Total Economic Development</b>	<b>132,388</b>	<b>144,566</b>	<b>144,566</b>	<b>129,507</b>	
[b] Project Development Services; Environmental and Site Development Plans.					
<b>Subtotal Electric Fund Expense</b>	<b>16,594,764</b>	<b>15,406,922</b>	<b>16,353,680</b>	<b>16,634,904</b>	
Depreciation	1,676,414	1,800,000	1,800,000	1,800,000	0.0%
Interest	235,975	230,000	229,000	213,588	-7.1%
In-Lieu Tax Payments	1,235,234	1,289,334	1,289,334	1,347,691	4.5%
Contributions to Other Funds	0	0	0	0	0.0%
<b>Total Electric Fund Expense</b>	<b>19,742,387</b>	<b>18,726,256</b>	<b>19,672,014</b>	<b>19,996,182</b>	
<b>NET EARNINGS OR LOSS</b>	<b>1,060,799</b>	<b>1,109,644</b>	<b>1,479,986</b>	<b>737,518</b>	

## Electric Department Information

The City of Sturgis Electric Department strives to always improve system reliability and performance while maintaining competitive electric rates.

To help meet these goals, several major projects have been included in this budget for fiscal year 2008 – 2009:

- Continued distribution system voltage conversion;
- Performance and recreational improvements at the hydroelectric plant;
- Substation upgrades to improve reliability and system flexibility;
- Street lights along Chicago Road west of Centerville Road; and
- Site improvements at the Centerville Road maintenance facility.



**CITY OF STURGIS  
ELECTRIC DEPARTMENT  
CAPITAL AND EXTRAORDINARY EXPENSES**

	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012+	TOTAL
<b>General and Administrative</b>						
GIS server for West Street		50,000				50,000
VoIP Equipment		90,000				90,000
City Hall HVAC Controls			30,000			30,000
<b>Subtotal</b>	<b>0</b>	<b>140,000</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>170,000</b>
<b>Diesel</b>						
Roof Inspection and repair		10,000				10,000
Black Start Generator		10,000				10,000
Thermopane Windows			90,000			90,000
Masonry Restoration			30,000			30,000
Title V Permit (every 5 years)						
<b>Subtotal</b>	<b>0</b>	<b>20,000</b>	<b>120,000</b>	<b>0</b>	<b>0</b>	<b>140,000</b>
<b>Hydro</b>						
Concrete crest repairs		150,000				150,000
Construct Tailrace Fishing Pier		95,000				95,000
Oxbow Restoration		40,000	465,000			505,000
Project Improvements - FERC License Items			100,000	100,000	50,000	250,000
Reduce Hazard Classification			300,000			300,000
IDF Passage (FERC Requirement)				2,200,000		2,200,000
Pave Sturgis Dam Road				45,000		45,000
Technology Review (Escrow Funds)						
Independent Consultant Inspection						
<b>Subtotal</b>	<b>0</b>	<b>285,000</b>	<b>865,000</b>	<b>2,345,000</b>	<b>50,000</b>	<b>3,545,000</b>
<b>Substation</b>						
69 Kv Tie Breaker - Central Substation		200,000				200,000
Industrial Park Control House		50,000				50,000
Differential Relays - Southeast Substation		100,000				100,000
SCADA Buildout		5,000	60,000			65,000
Replace L and M Breakers - Central Substation			300,000			300,000
<b>Subtotal</b>	<b>0</b>	<b>355,000</b>	<b>360,000</b>	<b>0</b>	<b>0</b>	<b>715,000</b>
<b>Transmission</b>						
Extend transmission to Shimmel Corridor		500,000	500,000	500,000		1,500,000
<b>Subtotal</b>	<b>0</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>0</b>	<b>1,500,000</b>
<b>Fiber</b>						
Cisco Packeteer		10,500				10,500
Fiber to Doyle		15,000				15,000
<b>Subtotal</b>	<b>0</b>	<b>25,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25,500</b>
<b>Distribution</b>						
Distribution Rebuild		710,000	860,000	110,000	230,000	1,910,000
Banner Poles		25,000				25,000
<b>Subtotal</b>	<b>0</b>	<b>735,000</b>	<b>860,000</b>	<b>110,000</b>	<b>230,000</b>	<b>1,935,000</b>
<b>Street Lights</b>						
Series Replacement		100,000	100,000	100,000	100,000	400,000
US-12, west of Centerville Road			300,000			300,000
<b>Subtotal</b>	<b>0</b>	<b>100,000</b>	<b>400,000</b>	<b>100,000</b>	<b>100,000</b>	<b>700,000</b>
<b>Meter</b>						
Fencing		12,000				12,000
AMR Study		16,000				16,000
<b>Subtotal</b>	<b>0</b>	<b>28,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28,000</b>
<b>Maintenance Building</b>						
DPS Facility		2,000,000				2,000,000
<b>Subtotal</b>	<b>0</b>	<b>2,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,000,000</b>
<b>Rental Properties</b>						
Replace boiler			8,000			8,000
<b>Subtotal</b>	<b>0</b>	<b>-</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>8,000</b>
<b>TOTAL</b>	<b>0</b>	<b>4,188,500</b>	<b>3,143,000</b>	<b>3,055,000</b>	<b>380,000</b>	<b>21,483,000</b>



**CITY OF STURGIS  
ELECTRIC DEPARTMENT  
CURRENT ELECTRIC RATES**

Electric rates effective for all usage on and after October 1, 2007

**Current Rates**

**Residential Service**

Service Charge	\$	7.50
First 600 kWh	\$	0.0823
All kWh over 600	\$	0.0768

**Residential Rural Service**

Service Charge	\$	8.75
First 250 kWh	\$	0.0948
Next 400 kWh	\$	0.0893
Over 650 kWh	\$	0.0816

**General Commercial Service**

Service Charge	\$	12.10
First 400 kWh	\$	0.1388
Next 4,600 kWh	\$	0.1157
Over 5,000 kWh	\$	0.1014

**Commercial-All Electric**

Service Charge	\$	13.20
First 200 kWh	\$	0.1410
Next 4,800 kWh	\$	0.0968
Over 5,000 kWh	\$	0.0854

**Small Commercial & Industrial**

Service Charge	\$	36.00
Demand - All kW	\$	13.20
Energy - All kWh	\$	0.0567

**Large Primary Power Service**

Service Charge	\$	83.00
Demand - All kW	\$	12.38
Energy - All kWh	\$	0.0439

**Primary Power Service**

Service Charge	\$	83.00
Demand - All kW	\$	12.38
Energy - All kWh	\$	0.0451

**Base Power Cost Adjustment**

\$	0.0506
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Notes:

\* All rates are subject to a monthly Power Cost Adjustment Factor (PCAF).

## 590 Wastewater Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Grants	857,887	0	142,113		0.0%
Service Charges	1,367,890	1,465,665	1,280,436	1,626,916	11.0%
Customer Charges	495,160	537,555	525,061	569,375	5.9%
Interest	108	50	0	50	0.0%
Miscellaneous	224	62	0	0	0.0%
Land Rent	0	5,370	5,370	2,400	-55.3%
Late Charges	0	0	0	0	0.0%
Sale of Fixed Assets	0	0	0	0	0.0%
Donations/contributions (IN, Abbott)			1,454,835	1,950,700	
Misc. Revenue	102,495	0	24,800	14,480	0.0%
<b>Total Revenues</b>	<b>2,823,764</b>	<b>2,008,702</b>	<b>3,432,615</b>	<b>4,163,921</b>	
<b>EXPENSES</b>					
<b>Sewer System and Administration</b>					
Wages & Benefits	93,994	208,778	112,578	188,659	-9.6%
Wages - Overtime	220	0	200	206	0.0%
Wages - Mowing	53	0	100	103	0.0%
Meter Reading & Maintenance	19,802	13,427	21,147	16,517	23.0%
Office Expense	25,870	29,477	48,711	35,937	21.9%
Insurance & Audit	40,116	41,200	62,000	41,000	-0.5%
Professional Services - Office	370	915	20,300	23,909	2513.0%
Repairs & Maintenance	48,962	46,815	52,406	53,978	15.3%
Sewer Cleaning	55,133	103,000	63,000	103,394	0.4%
Sewer Backup Reimbursement	700	3,090	3,000	3,000	-2.9%
Solids Disposal from sewer cleaning	1,286	1,236	1,327	1,327	7.4%
Lift Stations	71,194	66,950	53,667	60,299	-9.9%
Big Hill Treatment System	71,249	124,315	123,633	69,977	-43.7%
Safety Services	0	1,545	200	1,500	-2.9%
Transportation	38,622	48,083	48,383	56,562	17.6%
Bad Debt	10,959	0	0	0	0.0%
Administrative Reimbursement	99,251	142,279	142,279	166,673	17.1%
<b>Total Sewer System and Admin.</b>	<b>577,781</b>	<b>831,110</b>	<b>752,931</b>	<b>823,041</b>	
<b>Wastewater Treatment Plant</b>					
Wages & Benefits	314,516	358,930	359,110	338,900	-5.6%
Wages - Overtime	9,056	0	7,000	0	0.0%
Wages - Mowing	206	200	300	0	0.0%
Training		0	8,650	8,910	0.0%
Office Expense	3,143	7,470	9,320	9,390	25.7%
Operating Supplies	14,923	15,850	15,700	16,788	5.9%
Professional Services	17,394	27,475	28,700	32,997	20.1%
Safety Services	6,950	6,550	7,800	8,731	33.3%
Chemicals	19,960	21,950	25,575	30,571	39.3%
Utilities	96,386	109,625	98,730	102,361	-6.6%
Repairs & Maintenance	39,729	23,500	62,320	80,490	242.5%
Transportation	11,378	10,564	10,564	11,960	13.2%
Land Applied Biosolids & Disposal	33,696	36,250	80,630	66,700	84.0%
Misc - Industrial Pretreatment-ReBillable	3,989	0	14,380	14,476	100.0%
<b>Total Wastewater Treatment</b>	<b>571,327</b>	<b>618,364</b>	<b>728,779</b>	<b>722,274</b>	
<b>Subtotal of Expenses</b>	<b>1,149,108</b>	<b>1,449,474</b>	<b>1,481,710</b>	<b>1,545,315</b>	
Depreciation	659,938	764,557	691,782	879,955	15.1%
Interest Expense	78,188	111,000	111,000	137,500	23.9%
In-Lieu Tax Payments	111,431	130,566	130,566	143,859	10.2%
<b>TOTAL EXPENSES</b>	<b>1,998,664</b>	<b>2,455,597</b>	<b>2,415,058</b>	<b>2,706,629</b>	
<b>NET EARNINGS OR LOSS</b>	<b>825,100</b>	<b>(446,895)</b>	<b>1,017,557</b>	<b>1,457,292</b>	

## Wastewater Department Information

The City Wastewater System is comprised of over 51 miles of pipeline, several pumping stations and a Wastewater Treatment Plant. The department plans to continue to improve the sewer collection system by targeting problem areas for more aggressive root and/or grease control.

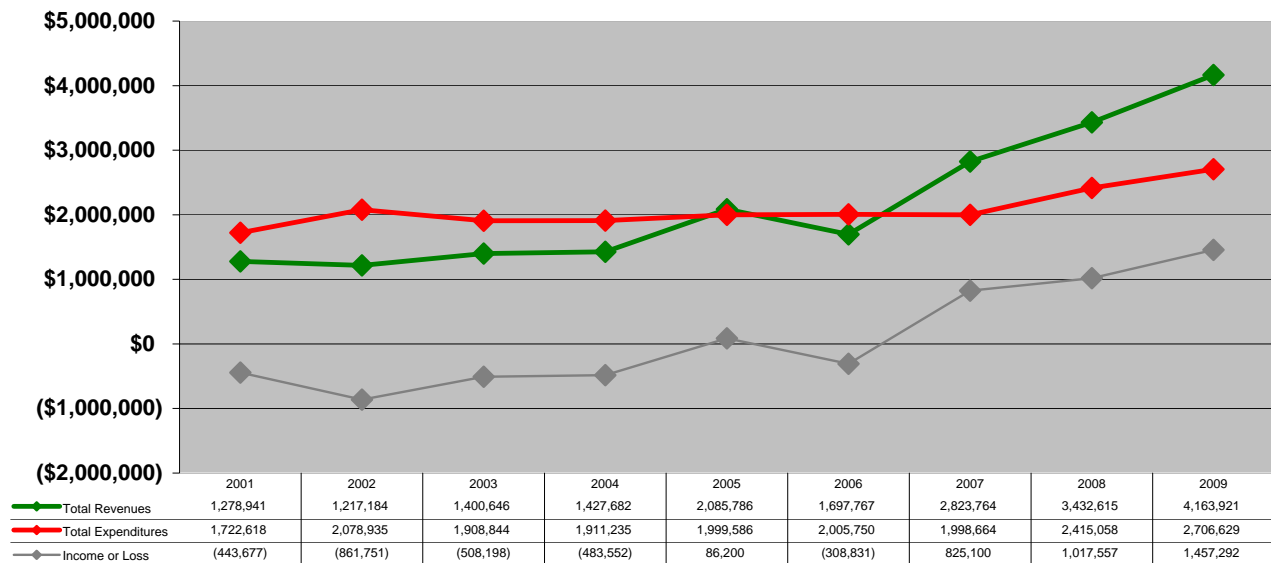


This coming year we will continue to improve and expand our infrastructure and begin the second phase of a multi-year construction project to address several areas. The 2008 SRF project includes upsizing of pipelines, replacing an aged force main and adding a large interceptor sewer to accept the discharge from Abbott Nutrition's new pretreatment facility which is currently under construction.

During the year the City will also begin construction on a sewer extension from the wastewater treatment plant south to the Indiana-Michigan state line to serve the

Fawn River Crossing development area and will design a sewer extension along Bogen Road to serve the Dresser Industrial Park. The sewer fund is also contributing to the improvements at the DPS facility on Centerville Road.

**Wastewater Fund**



**CITY OF STURGIS  
WASTEWATER DEPARTMENT  
CAPITAL AND EXTRAORDINARY EXPENSES**

		FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012+	TOTAL
	<b>Project Description</b>						
SRF 2008	Construction of the Prairie Avenue interceptor sewer, replacement of the Diesel Plant Lift Station forcemain, construction of the new Fawn River Lift Station and forcemain, construction and installation of the West Side interceptor sewer, elimination of four existing Lift Stations (Stockdale, Ohio Court, Gateway Village and Fawn River), groundwater remediation for dewatering as necessary for construction of the new lift station and interceptors along Fawn River Road and the purchase and installation of emergency standby generators.	246,024	7,699,250	0	0	0	7,945,274
DRESSER INDUSTRIAL	Bogen Rd. from S. Centerville Rd. to S. Nottawa St.		800,000				800,000
	Bogen Rd. from S. Nottawa St. to S. Lakeview St.			500,000			500,000
	From Bogen Rd to 700 feet North on Nottawa St.					106,575	106,575
	S. Nottawa St. from Bogen Rd to MI State Line					380,000	380,000
	<b>Subtotal Dresser Industrial</b>	<b>0</b>	<b>800,000</b>	<b>500,000</b>	<b>0</b>	<b>486,575</b>	<b>1,786,575</b>
FAWN RIVER CROSSING	M66 from Bogen Rd to Fawn River Crossing	1,635,622					1,635,622
OTHER PROJECTS	S. Centerville Rd from SIM to Bogen Rd.					800,000	800,000
	Sanitary Sewer Master Plan	30,000					30,000
	Replace accounting software	14,795					14,795
	Folder Inserter	4,573					4,573
	DPS Facility Upgrade		300,000				300,000
	WWTP Headworks upgrade (grit/screening)					2,000,000	2,000,000
	<b>Subtotal Other Projects</b>	<b>49,368</b>	<b>300,000</b>	<b>0</b>	<b>0</b>	<b>2,800,000</b>	<b>3,149,368</b>
SRF 2007	Improvements to the wastewater treatment facility of the City, including replacement of the secondary digester cover, replacement of the digester sludge heater recirculation pump, improved digester mixing, and replacement of existing 24-inch effluent sewer with 30-inch.	3,430,037	0	0	0	0	3,430,037
	<b>TOTAL</b>	<b>5,361,051</b>	<b>8,799,250</b>	<b>500,000</b>	<b>0</b>	<b>3,286,575</b>	<b>17,946,876</b>
	<b>SOURCES OF FUNDING</b>						
	Abbott Portion of SRF 2008 project: West Side Trunk Sewer = 50% portion of dewatering, portion of contingencies		1,950,700				1,950,700
	State Revolving Loan Fund	2,650,000	6,000,000				8,650,000
	S2 Grant amount	1,000,000					1,000,000
	Revenue Bonds					2,200,000	2,200,000
	Sewer Fund	111,000	675,000	500,000		800,000	2,086,000
	Indiana portion of construction costs - est. 41.3 %	702,100					702,100
	Indiana Buy In	925,000					925,000
	Economic Development Corporation - for Dresser Industrial		425,000				425,000
	<b>TOTAL</b>	<b>5,388,100</b>	<b>9,050,700</b>	<b>500,000</b>	<b>0</b>	<b>3,000,000</b>	<b>17,938,800</b>

# CITY OF STURGIS WASTEWATER DEPARTMENT CURRENT SEWER RATES

**Wastewater rates effective for all usage on and after June 1, 2006**

## Current Rates

	2006	2007	2008	2009
	1000 Gal \$2.89	1000 Gal \$3.17	1000 Gal \$3.47	1000 Gal \$3.63
Meter Size and classification	Customer Charge	Customer Charge	Customer Charge	Customer Charge
5/8 - Inside	\$ 7.50	\$ 8.21	\$ 8.99	\$ 9.40
3/4 - Inside	\$ 11.11	\$ 12.17	\$ 13.33	\$ 13.93
1 - Inside	\$ 16.59	\$ 18.17	\$ 19.89	\$ 20.79
1.5 - Inside	\$ 20.26	\$ 22.18	\$ 24.29	\$ 25.38
2 - Inside	\$ 38.49	\$ 42.15	\$ 46.15	\$ 48.23
3 - Inside	\$ 56.78	\$ 62.17	\$ 68.08	\$ 71.14
4 - Inside	\$ 75.01	\$ 82.13	\$ 89.94	\$ 93.98
6 - Inside	\$ 184.51	\$ 202.04	\$ 221.23	\$ 231.18
8 - Inside	\$ 330.53	\$ 361.93	\$ 396.31	\$ 414.14
Flat Charged - Inside	\$ 28.39	\$ 31.16	\$ 34.31	\$ 35.86
5/8 - Rural	\$ 10.24	\$ 11.21	\$ 12.28	\$ 12.83
3/4 - Rural	\$ 15.66	\$ 17.15	\$ 18.77	\$ 19.62
1 - Rural	\$ 23.87	\$ 26.14	\$ 28.62	\$ 29.91
1.5 - Rural	\$ 29.38	\$ 32.17	\$ 35.23	\$ 36.81
2 - Rural	\$ 56.72	\$ 62.11	\$ 68.01	\$ 71.07
3 - Rural	\$ 84.15	\$ 92.15	\$ 100.90	\$ 105.44
4 - Rural	\$ 111.50	\$ 122.10	\$ 133.70	\$ 139.71
6 - Rural	\$ 275.75	\$ 301.95	\$ 330.64	\$ 345.51
8 - Rural	\$ 494.78	\$ 541.78	\$ 593.25	\$ 619.94
Flat Charged - Rural	\$ 31.13	\$ 34.08	\$ 37.32	\$ 39.00

### Surcharges for Wastewater in excess of Domestic Strength

BOD	\$ 0.44	per pound
Total Suspended Solids	\$ 0.28	per pound
Total Phosphorus	\$ 2.12	per pound
Nitrates	\$ 0.33	per pound

## 591 Water Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Grants	32,689	0	8,760	0	0.0%
Water Sales	927,898	1,189,198	960,000	970,000	-18.4%
Customer Charges	111,631	0	170,000	186,150	0.0%
Meters & Taps	6,816	12,400	7,000	7,000	-43.5%
Interest	152	1,000	0	0	-100.0%
Contribution In Aid of Const.	825	0	0	0	0.0%
Miscellaneous	15,137	2,000	1,000	1,000	-50.0%
Disconnect Fees	1,080	1,000	1,000	1,000	0.0%
<b>Total Revenues</b>	<b>1,096,228</b>	<b>1,205,598</b>	<b>1,147,760</b>	<b>1,165,150</b>	
<b>EXPENSES</b>					
<b>General</b>					
Wages & Benefits	141,821	177,981	156,821	122,770	-31.0%
Wages - Overtime	6,577	0	6,283	4,268	0.0%
Training	1,551	4,000	5,000	5,000	25.0%
Office Expense	23,720	28,900	28,754	28,900	0.0%
Insurance & Audit	17,934	51,500	28,754	35,000	-32.0%
Miscellaneous	6,034	6,200	11,016	6,200	0.0%
Administrative Reimbursement	86,223	134,706	134,706	164,053	21.8%
<b>Total General Expense</b>	<b>283,861</b>	<b>403,287</b>	<b>371,334</b>	<b>366,192</b>	
<b>Operations &amp; Maintenance</b>					
Well Material & Pumping	90,569	102,400	89,854	99,400	-2.9%
Chemicals	24,095	29,200	25,428	29,200	0.0%
Repairs & Maintenance	6,005	17,000	6,701	17,000	0.0%
Water Tank Maintenance	6,334	3,500	3,949	4,000	14.3%
Fire Hydrants	22,892	25,750	24,972	26,500	2.9%
Distribution Maintenance	223,779	172,500	152,296	180,491	4.6%
Meter Replacement & Maintenance	31,942	50,000	57,953	51,500	3.0%
Transportation	40,315	55,393	55,393	59,186	6.8%
Miscellaneous	4,430	0	0	0	0.0%
<b>Total Operations &amp; Maintenance</b>	<b>450,361</b>	<b>455,743</b>	<b>416,546</b>	<b>467,277</b>	
<b>Subtotal Expenses</b>	<b>734,222</b>	<b>859,030</b>	<b>787,880</b>	<b>833,469</b>	
Depreciation	291,638	320,688	336,688	345,688	7.8%
Interest	66,738	80,793	80,793	80,793	0.0%
In-Lieu Tax Payments	74,020	78,364	78,364	75,735	-3.4%
<b>TOTAL EXPENSES</b>	<b>1,166,618</b>	<b>1,338,875</b>	<b>1,283,725</b>	<b>1,335,684</b>	
<b>NET EARNINGS OR LOSS</b>	<b>(70,390)</b>	<b>(133,277)</b>	<b>(135,965)</b>	<b>(170,534)</b>	

## Water Department Information

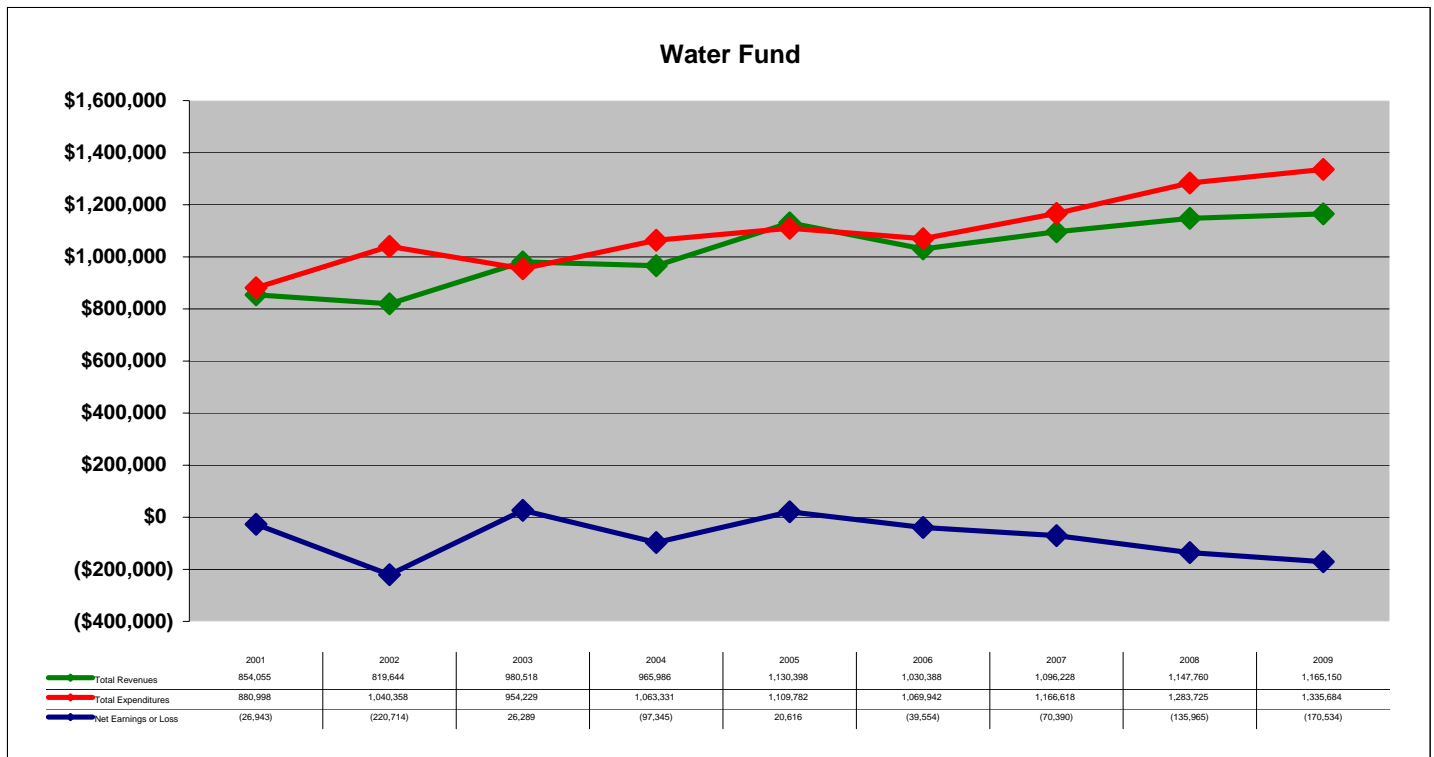


This year the Water Department anticipates pumping nearly 620 million gallons of drinking water. This is done through four separate pump houses located within the City. The Department continuously works to maintain the City's water wells, well pumps, chemical pumps, electrical equipment and the buildings that house them.

As part of the preventive maintenance program, Thurston Woods well #1 will be overhauled in 2008. The roof and access hatch on the Oaklawn well house will also be replaced. The Water Department intends to continue our contract with Hydro Designs Inc. who performs inspections and maintains the database for the City's Cross Connection Program.

There are a total of 4,365 water meters connected to the distribution system. This year the department plans to change out and send in for calibration approximately 300 meters as part of the scheduled 20 year rotation.

Each year the Water Department budgets to replace several old, obsolete, or inoperable fire hydrants. By following this practice there have been few problems with hydrants in emergency situations. The MDEQ is asking communities to seal or properly abandon any unused wells that lie within their Wellhead Protection Area (WHPA). The Department has applied for and received a grant to properly abandon wells but has found at least 2 City owned wells that lie just outside of the WHPA. The Department budgeted for the sealing of those 2 wells to take place next fiscal year.





# CITY OF STURGIS WATER DEPARTMENT CAPITAL AND EXTRAORDINARY EXPENSES

	FYE 2008	FYE 2009	FYE 2010	FYE 2011	FYE 2012+	TOTAL
<b>Dresser Industrial Area &amp; S. Centerville Road Area</b>						
S. Centerville Road from SIM to Bogen Road		250,000				250,000
S. Centerville Road from Bogen Road to State Line					290,000	290,000
Bogen Road from S. Centerville Road to S. Nottawa Street		320,000				320,000
S. Nottawa Road from south of E. Fawn Road to Bogen Road					465,000	465,000
<b>Subtotal Dresser Industrial</b>	<b>0</b>	<b>570,000</b>	<b>0</b>	<b>0</b>	<b>755,000</b>	<b>1,325,000</b>
<b>Watermains</b>						
Haines Blvd. - N. Centerville to N. Nottawa			320,000			320,000
E. Lafayette - N. Lakeview to N. Nottawa				300,600		300,600
W. South - Jefferson to Clay		48,100				48,100
<b>Subtotal Watermains</b>	<b>0</b>	<b>48,100</b>	<b>320,000</b>	<b>300,600</b>	<b>0</b>	<b>668,700</b>
<b>Extraordinary Costs</b>						
Memorial Park - Abandon 2 Wells		10,000				10,000
Thurston Wood Well #1 (MDEQ #6) - Overhaul Well & Pump		20,000				20,000
Hydraulic Valve Turning Tool		5,500				5,500
Thurston Wood Well #1 (MDEQ #6) - Variable Frequency Drive		15,000				15,000
Oaklawn Well (MDEQ #6) - Variable Frequency Drive		15,000				15,000
4" Hydraulic Mole		6,000				6,000
Lakeview Well (MDEQ #3) - Overhaul Well & Pump (1)			20,000			20,000
Oaklawn Well (MDEQ #5) - Variable Frequency Drive			35,000			35,000
Water Tower - Inspection			5,000			5,000
Replace Mueller Tapping Machine			10,000			10,000
Thurston Wood Well #1 (MDEQ #6) - Reroof & Replace Roof Hatch				10,000		10,000
Oaklawn Well (MDEQ #5) - Replace Siding				10,000		10,000
Thurston Wood Well #2 (MDEQ #7) - Overhaul Well & Pump				22,000		22,000
Lakeview Well (MDEQ #3) - Reroof (1)				8,000		8,000
Painting of 1,500,000 gallon Elevated Tank - Exterior		157,700				157,700
Painting of 1,500,000 gallon Elevated Tank - Interior			261,000			261,000
Replace Lakeview Well and Pumphouse				700,000		700,000
Water System Master Plan		33,000				33,000
DPS Facility Upgrade		300,000				300,000
Replacement of Accounting Software	14,795					14,795
Folder Inserter	4,573					4,573
Add One Additional Well and Pumphouse					700,000	700,000
<b>Subtotal Extraordinary Costs</b>	<b>19,368</b>	<b>562,200</b>	<b>331,000</b>	<b>750,000</b>	<b>700,000</b>	<b>2,362,568</b>
<b>TOTAL PROJECTS</b>	<b>19,368</b>	<b>1,180,300</b>	<b>651,000</b>	<b>1,050,600</b>	<b>1,455,000</b>	<b>4,356,268</b>
<b>SOURCES OF FUNDING</b>						
Economic Development Corporation - for Dresser Industrial		570,000				570,000
Water Fund	319,968	630,300	651,000	50,600	700,000	2,351,868
Drinking Water Revolving Loan Fund				1,000,000		1,000,000
<b>TOTAL SOURCES OF FUNDING</b>	<b>319,968</b>	<b>1,200,300</b>	<b>651,000</b>	<b>1,050,600</b>	<b>700,000</b>	<b>3,921,868</b>

**CITY OF STURGIS  
WATER DEPARTMENT  
CURRENT WATER RATES**

**Water rates effective for all usage on and after June 1, 2006**

**Current Rates**

Meter Size and classification	Volume and Range	2006	2007	2008	2009	2006-2009
		Customer Charge	Customer Charge	Customer Charge	Customer Charge	1000 Gallons
5/8 -	(0 to 50,000)	\$ 1.05	\$ 2.20	\$ 3.45	\$ 3.74	\$ 2.02
5/8 -	(Over 50,000)					\$ 1.72
3/4 -	(0 to 50,000)	\$ 1.58	\$ 3.30	\$ 5.18	\$ 5.62	\$ 2.02
3/4 -	(Over 50,000)					\$ 1.72
1 Inch	(0 to 50,000)	\$ 2.63	\$ 5.50	\$ 8.63	\$ 9.36	\$ 2.02
1 Inch	(Over 50,000)					\$ 1.72
1.5 Inch	(0 to 50,000)	\$ 5.25	\$ 11.00	\$ 17.25	\$ 18.72	\$ 2.02
1.5 Inch	(Over 50,000)					\$ 1.72
2 Inch	(0 to 50,000)	\$ 8.40	\$ 17.60	\$ 27.60	\$ 29.95	\$ 2.02
2 Inch	(Over 50,000)					\$ 1.72
3 Inch	(0 to 50,000)	\$ 15.75	\$ 33.00	\$ 51.75	\$ 56.15	\$ 2.02
3 Inch	(Over 50,000)					\$ 1.72
4 Inch	(0 to 50,000)	\$ 26.25	\$ 55.00	\$ 86.25	\$ 93.58	\$ 2.02
4 Inch	(Over 50,000)					\$ 1.72
6 Inch	(0 to 50,000)	\$ 52.50	\$ 110.00	\$ 172.50	\$ 187.16	\$ 2.02
6 Inch	(Over 50,000)					\$ 1.72
8 Inch	(0 to 50,000)	\$ 78.75	\$ 165.00	\$ 258.75	\$ 280.74	\$ 2.02
8 Inch	(0 to 50,000)					\$ 1.72
5/8 Rural	(Over 50,000)	\$ 1.05	\$ 2.20	\$ 3.45	\$ 3.74	\$ 4.04
5/8 Rural	(0 to 50,000)					\$ 4.04
3/4 Rural	(Over 50,000)	\$ 1.58	\$ 3.30	\$ 5.18	\$ 5.62	\$ 4.04
3/4 Rural	(0 to 50,000)					\$ 4.04
1 Inch Rural	(Over 50,000)	\$ 2.63	\$ 5.50	\$ 8.63	\$ 9.36	\$ 4.04
1 Inch Rural	(0 to 50,000)					\$ 4.04
1.5 Inch Rural	(Over 50,000)	\$ 5.25	\$ 11.00	\$ 17.25	\$ 18.72	\$ 4.04
1.5 Inch Rural	(0 to 50,000)					\$ 4.04
2 Inch Rural	(Over 50,000)	\$ 8.40	\$ 17.60	\$ 27.60	\$ 29.95	\$ 4.04
2 Inch Rural	(0 to 50,000)					\$ 4.04
3 Inch Rural	(Over 50,000)	\$ 15.75	\$ 33.00	\$ 51.75	\$ 56.15	\$ 4.04
3 Inch Rural	(0 to 50,000)					\$ 4.04
4 Inch Rural	(Over 50,000)	\$ 26.25	\$ 55.00	\$ 86.25	\$ 93.58	\$ 4.04
4 Inch Rural	(0 to 50,000)					\$ 4.04
6 Inch Rural	(Over 50,000)	\$ 52.50	\$ 110.00	\$ 172.50	\$ 187.16	\$ 4.04
6 Inch Rural	(0 to 50,000)					\$ 4.04
8 Inch Rural	(0 to 50,000)	\$ 78.75	\$ 165.00	\$ 258.75	\$ 280.74	\$ 4.04
8 Inch Rural	(Over 50,000)					\$ 4.04
Flat Charge	In-City	\$ 22.50	\$ 25.00	\$ 27.50	\$ 29.84	
Flat charge	Rural	\$ 45.00	\$ 50.00	\$ 55.00	\$ 59.68	



## 598 Economic Loan Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Principal & Interest Income (Loans) [a]	8,624	20,000	13,800	21,000	5.0%
<b>Total Revenues</b>	<b>8,624</b>	<b>20,000</b>	<b>13,800</b>	<b>21,000</b>	
<b>EXPENDITURES</b>					
Operational Expense	29	2,000	2,000	100	-95.0%
Legal & Accounting	3,499	0	0	0	0.0%
Misc. Expense	10,496	0	0	0	0.0%
Bad Debt	67,576	0	0	0	0.0%
<b>Total Expenditures</b>	<b>81,600</b>	<b>2,000</b>	<b>2,000</b>	<b>100</b>	
NET OPERATING INCOME OR LOSS	(72,976)	18,000	11,800	20,900	16.1%
Interest Revenue (Investments)	29,346	8,000	10,000	10,000	25.0%
Transfers from Electric Fund	0	0	0	0	0.0%
Contribution from the General Fund	0	0	0	0	0.0%
NET INCOME OR LOSS	(43,630)	26,000	21,800	30,900	18.8%
<b>FUND BALANCE</b>	<b>1,105,744</b>	<b>1,131,744</b>	<b>1,127,544</b>	<b>1,158,444</b>	

[a] Includes annual principle and interest from Grav-Co.

<b>Outstanding Loans</b>	<b>10/01/07</b>	<b>10/01/08</b>	<b>10/01/09</b>
Grav-Co	101,415	92,995	77,643
Grant to Dresser Industrial Park (Infrastructure)	0	0	980,000
<b>Total</b>	<b>101,415</b>	<b>92,995</b>	<b>1,057,643</b>

## 661 Motor Vehicle Fund

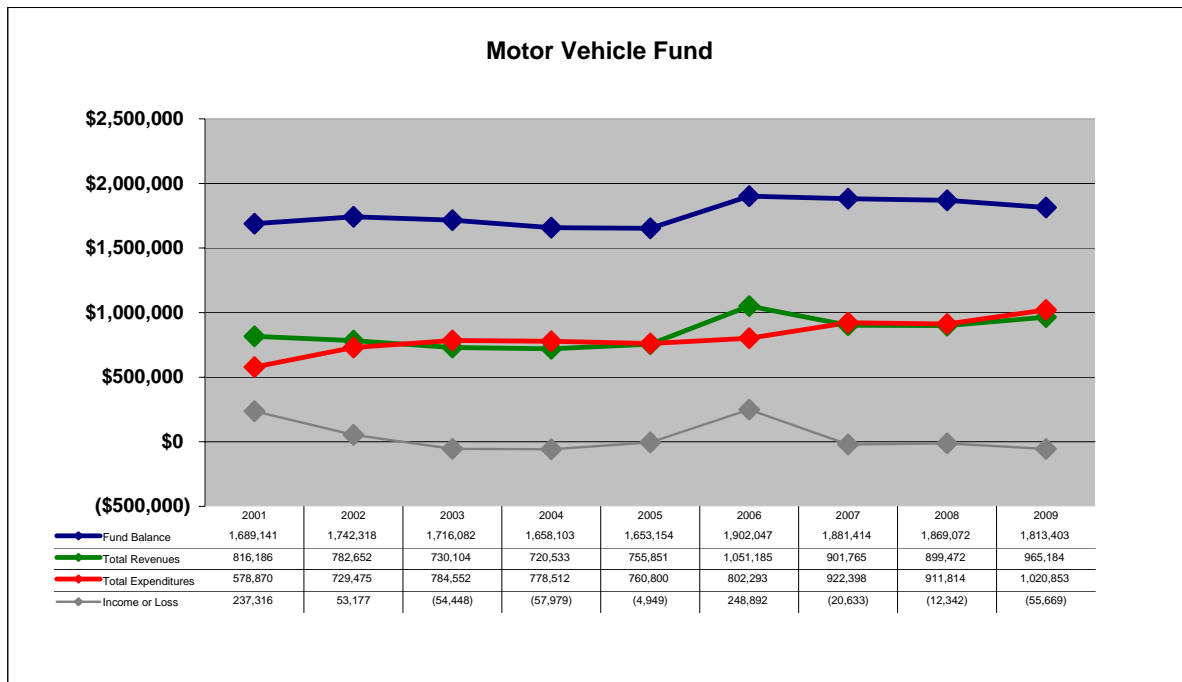
	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Gasoline	4,055	2,700	2,700	2,700	0.0%
Equipment Rental	850,290	881,972	881,972	939,484	6.5%
Sale of Fixed Assets	41,105	14,800	14,800	23,000	55.4%
Miscellaneous Income	6,315	0	0	0	0.0%
<b>Total Revenues</b>	<b>901,765</b>	<b>899,472</b>	<b>899,472</b>	<b>965,184</b>	
<b>EXPENDITURES</b>					
Wages & Benefits	68,817	77,805	69,055	81,435	4.7%
Wages - Overtime	1,370	0	1,800	1,500	0.0%
Operating Supplies	20,681	23,000	25,778	23,500	2.2%
Fuel	142,459	186,000	172,924	190,000	2.2%
Lease Expense	8,396	10,000	0	0	-100.0%
Repair & Maintenance Supplies	63,038	58,300	66,336	60,000	2.9%
Professional Services	0	0	0	0	0.0%
Communications	0	0	0	0	0.0%
Transportation	1,979	500	500	500	0.0%
Printing & Publishing	67	1,000	400	500	-50.0%
Insurance & Audit	46,634	48,400	38,147	42,200	-12.8%
Repairs & Maintenance	121,661	123,100	144,686	143,000	16.2%
Rentals	10,000	10,000	10,000	10,000	0.0%
Depreciation	392,242	330,000	330,000	400,000	21.2%
Interest Expense	27,740	40,000	33,252	45,000	12.5%
Administrative Reimbursement	17,315	18,936	18,936	23,218	22.6%
<b>Total Expenses</b>	<b>922,398</b>	<b>927,041</b>	<b>911,814</b>	<b>1,020,853</b>	
NET INCOME OR LOSS	(20,633)	(27,569)	(12,342)	(55,669)	
<b>FUND BALANCE</b>	<b>1,881,414</b>	<b>1,853,844</b>	<b>1,869,072</b>	<b>1,813,403</b>	

**Note:** Motor Vehicle Fund purchases are to be made through the State Purchasing Program, unless otherwise authorized by City Commission.

## Motor Vehicle Fund Capital Outlay in Fiscal Year 2008-2009

The first financial obligation is the annual principal cost for those vehicles and equipment previously lease purchased.

<b>Annual Lease Purchase Cost</b>		<b>\$ 141,643</b>
<b>Cemetery</b>		
John Deere 935 Front Mower	\$ 24,000	
Skag Mower	\$ 13,382	\$ 37,382
<b>Police</b>		
Dodge Charger	\$ 26,597	
Dodge Durango (CSI)	\$ 27,597	\$ 54,194
<b>Electric</b>		
4x4 ext cab pick up	\$ 21,000	
Ford Focus	\$ 11,709	\$ 32,709
<b>Parks</b>		
Toro Leaf/Debris Blower Trailer	\$ 6,490	\$ 6,490
<b>wwtp</b>		
John Deere Skid Steer	\$ 22,000	\$ 22,000
<b>Vehicle &amp; Equipment Total</b>		<b>\$ 294,418</b>



## 677 Employee Benefit Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Employer's Current Employee Premium	1,243,242	1,322,250	1,157,990	1,250,629	-5.4%
Employer's Retiree Premium	447,234	490,200	490,200	490,000	0.0%
Employees & Retirees Premiums	64,916	70,000	70,000	70,000	0.0%
Employer's 125 Plan Contribution	21,691	21,000	19,000	20,000	-4.8%
Employee's 125 Plan Deduction	31,710	33,000	31,000	29,000	-12.1%
Interest	29,999	20,000	17,000	15,000	-25.0%
Misc. Income	1,297	0	0	0	0.0%
Experience Premium Rebate	55,439	25,000	0	0	-100.0%
<b>Total Revenues</b>	<b>1,895,528</b>	<b>1,981,450</b>	<b>1,785,190</b>	<b>1,874,629</b>	
<b>EXPENSES</b>					
Claims Paid	135,643	130,000	82,000	82,000	-36.9%
Flex Claims	59,578	45,000	45,000	45,000	0.0%
Operating Supplies	0	200	200	200	0.0%
Professional Services	21,890.8	20,000	27,000	27,000	35.0%
Health Incentives	100	37,200	37,200	0	-100.0%
Administrative Reimbursement	16,834	16,751	16,751	17,883	6.8%
Life & Disability Premiums	31,421	25,000	25,000	26,250	5.0%
Insurance & Audit	0	0	0	0	0.0%
Employee Insurance	1,024,572	1,128,750	1,050,000	884,000	-21.7%
Retiree Insurance	498,829	543,950	450,000	486,000	-10.7%
Prescription Expense	0	0	220,000	250,000	100.0%
Misc. Expense	30,431	3,500	3,500	3,500	0.0%
<b>Total Expenses</b>	<b>1,819,298</b>	<b>1,950,351</b>	<b>1,956,651</b>	<b>1,821,833</b>	
NET INCOME OR LOSS	76,229	31,099	(171,461)	52,796	
Interest Revenue	0	0	0	0	
Contributions from Other Funds	0	0	0	0	
<b>FUND BALANCE</b>	<b>515,502</b>	<b>546,601</b>	<b>344,041</b>	<b>396,837</b>	



## 703 Workers Compensation Fund

	Actual 9/30/2007	Budget 9/30/2008	Estimated 9/30/2008	Budget 9/30/2009	Increase or Decrease
<b>REVENUES</b>					
Fees	65,000	65,000	65,000	65,000	0.0%
Interest	7,049	1,000	3,000	3,000	200.0%
Refunds & Rebates	791	0	200	200	0.0%
Reimbursements (misc. & hospital)	57,359	0	18,000	18,000	
	<b>130,198</b>	<b>66,000</b>	<b>86,200</b>	<b>86,200</b>	
<b>EXPENDITURES</b>					
Claims Paid	100,518	35,000	50,000	50,000	42.9%
Professional Services	20,046	16,500	19,000	19,000	15.2%
Insurance & Audit	18,203	20,000	20,000	20,000	0.0%
Administrative Reimbursement	896	594	594	1,372	131.1%
	<b>139,663</b>	<b>72,094</b>	<b>89,594</b>	<b>90,372</b>	
NET INCOME OR LOSS	(9,465)	(6,094)	(3,394)	(4,172)	
Interest Revenue	0	0	0	0	
Contribution from General Fund	0	0	0	0	
<b>FUND BALANCE</b>	<b>388,426</b>	<b>382,332</b>	<b>385,032</b>	<b>380,860</b>	

This is the City's self-funded insurance program for employee worker's compensation.



## **ATTACHMENT A**

### **City of Sturgis**

### **Property Tax Revenues and Information**



## 2008 City of Sturgis Estimated Revenues

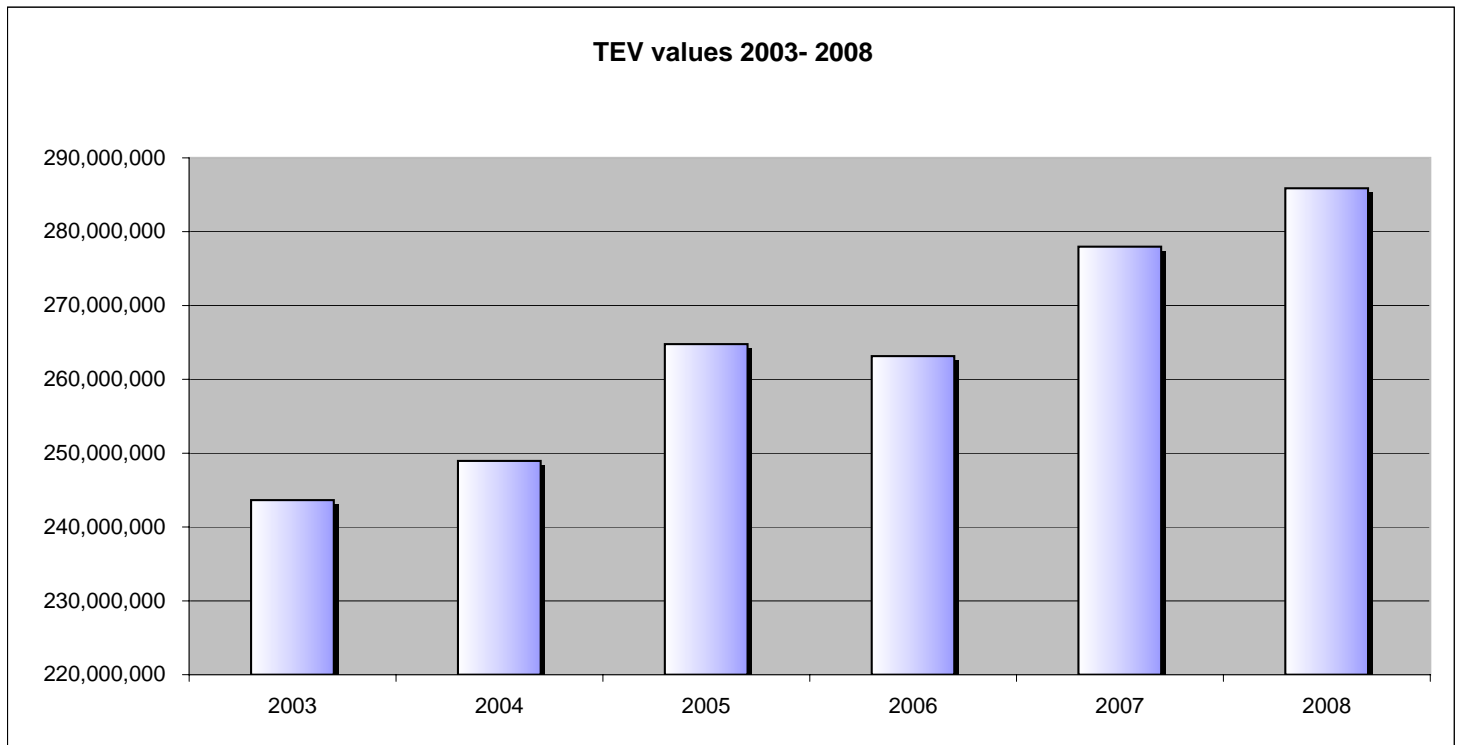
	2008 Assessment Roll	Millage raised from 1 mill	2008 Millage Rate	2008 Estimated Revenues	2007 Actual Revenues	2007 to 2008 Difference
Total Real	208,892,883					
Total Personal	65,139,400					
Total Ad Valorem Roll	274,032,283	274,032	10.0285	<b>2,748,132.75</b>	2,654,703.97	
IFECs	23,717,339	11,859	5.0143	<b>118,924.67</b>	96,615.76	
Totals						<b>4.207%</b>
Total Revenues	297,749,622	285,891	10.0285	<b>2,867,057.42</b>	<b>2,751,319.73</b>	<b>115,737.69</b>
DDA No. 1 & 2	3,939,499		10.0285	<b>(41,215.19)</b>	<b>(41,214.28)</b>	
To Burr Oak	128,554		1.5000	<b>(192.83)</b>	<b>(185.88)</b>	
To Fawn River	2,953,231		1.5000	<b>(4,429.85)</b>	<b>(4,270.06)</b>	
To Sherman	1,977,369		1.5000	<b>(2,966.05)</b>	<b>(2,859.08)</b>	
To Sturgis	11,424,600		1.5000	<b>(17,136.90)</b>	<b>(13,735.95)</b>	
Total Revenues less TIFA & Township Payments				<b>2,801,116.60</b>	2,689,054.48	<b>4.167%</b> <b>112,062.12</b>

Jaime Hutson  
City Assessor

## CITY OF STURGIS

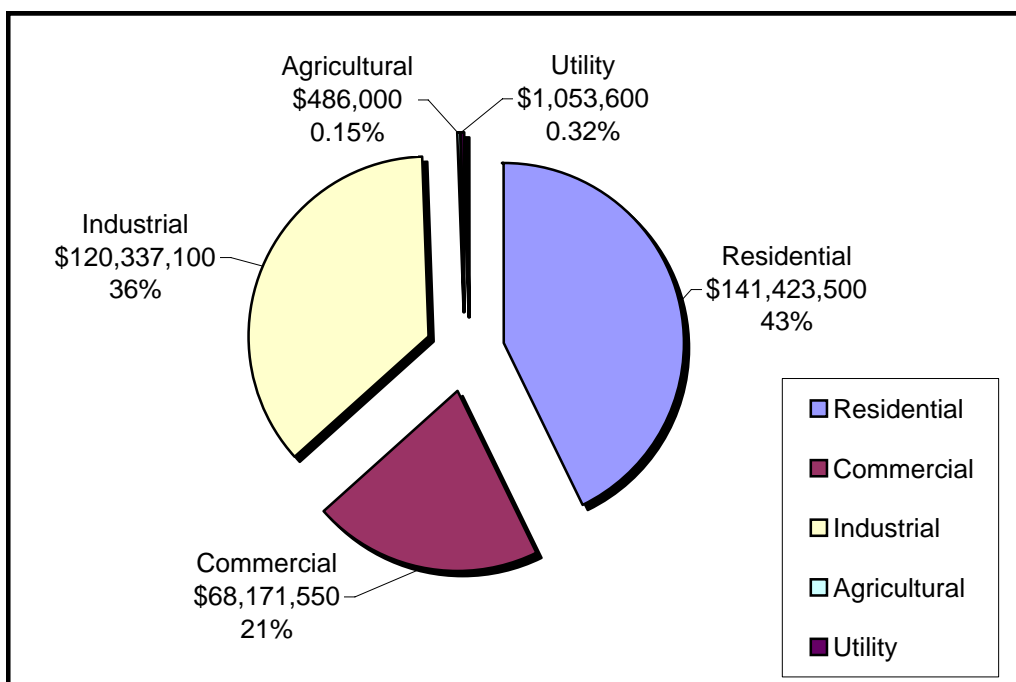
### Property Tax Changes from 2003 to 2008

		2003	2004	2005	2006	2007	2008
<b>Ad Val. Real Property TEV</b>		172,705,171	176,103,202	187,050,377	188,887,638	204,193,590	208,892,883
<b>Ad Val. Pers. Property TEV</b>		51,999,488	52,728,800	59,910,380	57,290,300	62,901,900	65,139,400
<b>Industrial Facilities</b>							
<b>Exemption Certificates</b>	Gross	37,884,700	40,248,435	35,611,521	33,959,667	21,733,904	23,717,339
	Net	18,942,350	20,124,218	17,805,761	16,979,834	10,866,952	11,858,670
<b>TEV Totals</b>		243,647,009	248,956,220	264,766,518	263,157,772	277,962,442	285,890,953
<b>SEV Totals</b>		298,243,300	295,875,400	313,800,780	303,989,550	314,817,600	331,471,750
<b>Total Resulting Tax Revenues</b>		2,636,261	2,693,706	2,864,774	2,847,367	2,787,546	2,867,057
<i>Tax Rate Down to 10.0285 from 10.82 in 2007</i>							
<b>TIFA</b>		10,153,128	10,336,171	10,223,071	10,442,746	10,576,593	10,746,900
<b>TIFA Base</b>		6,637,094	6,637,094	6,637,094	6,637,094	6,637,094	6,637,094
<b>TIFA Capture</b>		3,516,034	3,699,077	3,585,977	3,805,652	3,939,499	4,109,806



## 2008 State Equalized Values by Class

	Real Property	Personal Property	Total	Percent of Total
Residential	\$141,423,500	-	\$141,423,500	42.67%
Commercial	\$53,750,650	\$14,420,900	\$68,171,550	20.57%
Industrial	\$53,925,300	\$66,411,800	\$120,337,100	36.30%
Agricultural	\$486,000	-	\$486,000	0.15%
Utility	-	\$1,053,600	\$1,053,600	0.32%
<b>TOTAL</b>	<b>\$249,585,450</b>	<b>\$81,886,300</b>	<b>\$331,471,750</b>	<b>100%</b>



## 2007 Top 10 Taxpayers

	S.E.V.
Ross Labs / Abbott	\$44,530,600
Burr Oak Tool	\$12,983,000
Morgan Olson	\$6,679,800
Wal-Mart	\$6,206,600
Sturgis Molded	\$4,642,900
Penguin	\$4,145,500
International Paper	\$4,129,100
Sturgis Iron and Metal	\$3,679,300
Americraft	\$3,475,900
Sturgis Plaza	\$2,672,300
<b>Top Ten Total</b>	<b>\$93,145,000</b>





## **ATTACHMENT B**

### **CITY OF STURGIS**

#### **Graph Data**

### 10 Yr Summary of Data Used For Graphs

<b>General Fund</b>	<b>Actual 2001</b>	<b>Actual 2002</b>	<b>Actual 2003</b>	<b>Actual 2004</b>	<b>Actual 2005</b>	<b>Actual 2006</b>	<b>Actual 2007</b>	<b>Estimated 2008</b>	<b>Budget 2009</b>
General Revenues	6,622,703	6,331,262	6,874,351	6,241,737	6,423,277	6,712,126	7,065,677	6,926,141	7,402,861
General Government	1,037,534	1,143,043	962,469	1,060,155	983,547	974,367	994,003	1,103,224	1,281,791
Police Department	1,666,926	1,665,091	1,718,385	1,982,460	2,058,967	2,045,429	2,095,092	2,156,701	2,331,249
Fire Department	969,437	1,065,388	1,102,383	1,142,741	1,163,373	1,049,829	1,141,253	1,296,100	1,474,031
Property Maintenance	91,262	91,394	89,363	93,734	90,594	97,502	111,624	117,616	92,215
Planning and Zoning	121,481	133,045	123,842	87,791	89,538	84,041	100,834	121,069	95,170
Airport	88,967	78,620	71,024	69,861	103,162	103,062	728,687	728,687	1,221,187
Parking	30,548	16,878	32,006	27,838	40,071	24,951	36,187	49,542	54,016
Engineering	164,875	152,154	160,936	176,100	176,553	178,646	186,141	193,765	205,993
Public Services	-	-	-	-	-	72,004	93,154	190,126	215,780
Culture / Social Services	-	-	-	-	-	0	142	49,204	45,000
Other Services	383,661	471,710	651,705	661,561	569,484	160,713	156,037	142,000	147,000
Other General Fund	880,794	943,801	1,128,876	1,116,885	1,069,403	720,920	1,412,806	1,592,010	2,076,360
Total Operating Expenses	4,554,742	4,817,323	4,751,176	5,126,142	5,098,736	4,790,544	4,914,467	5,419,347	5,942,244
Total Expenditures	6,456,701	6,915,992	663,565	6,478,105	6,352,327	6,625,903	6,762,380	7,229,411	7,398,344
Income or Loss	166,002	(584,730)	210,785	(236,368)	70,950	86,223	303,297	(303,270)	4,517
Fund Balance	2,100,266	1,515,536	1,726,321	1,489,953	1,560,903	1,646,293	1,920,097	1,616,827	1,621,344
<b>Major Street</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	567,091	543,634	681,908	876,903	685,511	617,495	599,174	583,612	592,350
Total Expenditures	644,204	827,171	775,988	1,080,373	660,786	655,097	711,846	609,713	674,340
Income or Loss	(77,113)	(283,537)	(94,080)	(203,470)	24,725	(37,601)	(112,673)	(26,101)	(81,990)
Contribution from Other Funds	0	0	0	0	0	0	0	0	0
Fund Balance	818,009	534,472	440,392	236,922	261,647	224,046	111,373	85,272	3,282
<b>Local Street</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	470,776	493,353	607,979	544,196	463,968	459,812	477,940	465,202	460,650
Total Expenditures	550,830	1,081,266	462,670	624,146	481,181	761,209	533,232	533,419	572,473
Income or Loss	(80,054)	(587,913)	145,309	(79,950)	(17,213)	(301,397)	(55,293)	(68,217)	(111,823)
Contribution from Other Funds	265,000	722,066	0	0	0	0	0	0	0
Fund Balance	502,061	636,214	781,523	701,573	684,360	382,962	327,669	259,452	147,629
<b>Cemetery</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	70,279	79,912	82,758	87,748	101,382	94,024	96,809	113,611	92,500
Total Expenditures	333,747	247,266	290,744	235,567	242,022	239,722	212,102	245,894	286,395
Income or Loss	(263,468)	(167,354)	(207,986)	(147,819)	(140,640)	(145,698)	(115,294)	(132,283)	(193,895)
Transfers from Endowment	38,000	38,000	28,046	22,844	31,415	23,439	27,018	25,000	25,000
Contribution from General	112,000	115,000	235,100	150,000	100,000	90,000	140,000	120,000	100,000
Fund Balance	14,698	344	55,504	80,530	71,305	39,046	90,770	103,487	34,593

### 10 Yr Summary of Data Used For Graphs

Building Dept.	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Estimated 2008	Budget 2009
Total Revenues	50,730	76,145	43,747	48,790	81,214	19,137	25,000	50,000	30,000
Total Expenditures	114,839	112,361	84,846	94,504	112,651	96,898	108,719	106,825	98,233
Income or Loss	(64,109)	(36,216)	(41,099)	(45,714)	(31,437)	(77,761)	(83,720)	(56,825)	(68,233)
Contribution from General	71,000	60,000	50,000	30,000	30,000	80,000	71,000	60,000	60,000
Fund Balance	6,892	30,675	39,576	23,862	22,425	24,665	11,945	15,120	6,887
Housing dept	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Revenues	-	0	126	0	0	0	4,250	0	0
Total Expenditures	-	23,448	43,103	78,806	45,436	46,232	23,479	17,905	57,858
Income or Loss	-	(23,448)	(42,977)	(78,806)	(45,436)	(46,232)	(19,229)	(17,905)	(57,858)
Contribution from General	-	100,000	100,000	55,000	10,000	10,000	0	40,000	30,000
Fund Balance	-	76,552	133,575	109,769	74,333	38,101	18,872	40,967	13,109
Auditorium	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Revenues	357,488	338,299	360,661	378,844	440,382	434,488	469,464	431,062	459,000
Total Expenditures	639,442	614,133	595,966	625,815	646,816	618,298	734,835	647,050	690,691
Income or Loss	(281,954)	(275,834)	(235,305)	(246,971)	(206,434)	(183,811)	(265,371)	(215,988)	(231,691)
Contribution from General	230,000	230,000	220,000	220,000	220,000	220,000	220,000	220,000	220,000
Fund Balance	94,476	48,642	33,337	6,366	19,932	56,236	10,995	15,007	3,316
Doyle	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Revenues	385,829	392,736	345,195	316,383	367,931	333,734	352,563	346,900	343,700
Total Expenditures	423,497	433,082	367,522	367,762	391,352	321,693	327,284	337,805	352,980
Income or Loss	(37,668)	(40,346)	(22,327)	(51,379)	(23,421)	12,041	25,279	9,095	(9,280)
Contribution from General	45,000	40,000	40,000	20,000	0	10,000	0	10,000	0
Fund Balance	43,644	43,298	60,971	29,592	6,171	28,213	53,492	72,587	63,308
Parks & Rec	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Revenues	639,608	104,209	309,784	137,921	108,393	100,047	102,167	88,240	94,000
Parks	794,707	248,155	581,726	248,950	254,489	247,590	270,691	287,754	375,272
Recreation	245,057	243,115	209,293	190,520	175,597	154,996	156,574	153,505	158,310
Total Parks & Rec	1,039,764	491,270	791,020	439,471	430,087	402,586	427,265	441,259	533,582
Income or Loss	(400,156)	(387,061)	(151,236)	(301,550)	(321,694)	(302,539)	(325,098)	(353,019)	(439,582)
Contribution from General	450,000	315,000	330,000	300,000	334,000	296,000	388,660	380,000	400,000
Fund Balance	225,985	153,924	2,688	1,138	13,447	6,908	70,470	97,451	57,869
DDA	2001	2002	2003	2004	2005	2006	2007	2008	2009
Total Revenues	144,597	164,028	265,068	86,495	89,202	85,682	99,386	103,033	183,777
Total Expenditures	245,312	184,045	177,395	85,821	72,737	83,226	179,715	81,064	182,844
Income or Loss	(100,715)	(20,017)	87,693	674	16,465	2,456	(80,329)	21,969	933
Contribution from General	100,000	15,000	0	0	0	0	0	0	0
Fund Balance	14,269	9,252	96,225	97,599	112,554	115,009	214,431	236,400	237,333

### 10 Yr Summary of Data Used For Graphs

	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Estimated 2008	Budget 2009
<b>Council of Arts</b>									
Total Revenues	139,502	152,860	129,257	132,620	131,390	139,693	135,859	145,902	156,088
Total Expenditures	231,562	128,953	131,275	128,035	143,974	128,395	128,731	149,021	156,795
Income or Loss	(92,060)	23,907	(2,018)	4,585	(12,584)	11,298	7,128	(3,119)	(707)
Fund Balance	28,616	52,523	50,505	55,090	42,506	53,804	60,932	57,813	57,106
<b>Electric</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	16,279,265	16,343,756	16,645,041	16,778,592	18,069,202	18,833,308	20,803,186	21,152,000	20,733,700
Total Expenditures	15,602,594	15,279,580	15,440,887	15,650,176	16,904,298	17,248,452	19,742,387	19,672,014	19,996,182
Net Earnings or Loss	676,671	1,064,176	1,204,154	1,128,416	1,164,904	1,671,758	1,060,799	1,479,986	737,518
<b>Wastewater</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	1,278,941	1,217,184	1,400,646	1,427,682	2,085,786	1,697,767	2,823,764	3,432,615	4,163,921
Sewer System and Admin	486,901	792,360	626,644	573,671	628,569	581,505	577,781	752,931	823,041
Wastewater Treatment Plant	481,814	513,077	477,461	494,116	525,967	560,289	571,327	728,779	722,274
Total Expenditures	1,722,618	2,078,935	1,908,844	1,911,235	1,999,586	2,005,750	1,998,664	2,415,058	2,706,629
Net Earnings or Loss	(443,677)	(861,751)	(508,198)	(483,552)	86,200	(308,831)	825,100	1,017,557	1,457,292
<b>Water</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	854,055	819,644	980,518	965,986	1,130,398	1,030,388	1,096,228	1,147,760	1,165,150
Total Expenditures	880,998	1,040,358	954,229	1,063,331	1,109,782	1,069,942	1,166,618	1,283,725	1,335,684
Net Earnings or Loss	(26,943)	(220,714)	26,289	(97,345)	20,616	(39,554)	(70,390)	(135,965)	(170,534)
<b>Drug Enforcement</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	12,672	21,663	37,413	37,034	21,458	29,688	15,519	18,340	9,500
Total Expenditures	55,553	39,560	38,548	35,164	37,148	18,961	30,026	25,805	34,425
Income or Loss	(42,881)	(17,897)	(1,135)	1,870	(15,690)	10,728	(14,507)	(7,465)	(24,925)
Transfer from General	10,000	0	0	25,000	0	25,000	0	0	0
Fund Balance	33,227	15,330	14,195	41,065	25,375	61,103	46,596	39,131	14,206
<b>Motor Vehicle</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	816,186	782,652	730,104	720,533	755,851	1,051,185	901,765	899,472	965,184
Total Expenditures	578,870	729,475	784,552	778,512	760,800	802,293	922,398	911,814	1,020,853
Income or Loss	237,316	53,177	(54,448)	(57,979)	(4,949)	248,892	(20,633)	(12,342)	(55,669)
Fund Balance	1,689,141	1,742,318	1,716,082	1,658,103	1,653,154	1,902,047	1,881,414	1,869,072	1,813,403
<b>Employee Benefit</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	1,128,542	1,438,840	1,480,173	1,474,603	1,791,691	1,922,622	1,895,528	1,785,190	1,874,629
Total Expenditures	1,087,644	1,417,937	1,601,714	1,633,773	1,741,017	1,723,771	1,819,298	1,956,651	1,821,833
Income or Loss	40,898	20,903	(121,541)	(159,170)	50,674	198,851	76,229	(171,461)	52,796
Interest Revenue	13,134	0	0	0	0	0	0	0	0
Fund Balance	449,556	470,459	348,918	189,748	240,422	439,272	515,502	344,041	396,837
<b>Workers Compensation</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
Total Revenues	70,231	67,477	81,344	143,169	118,532	37,722	130,198	86,200	86,200
Total Expenditures	26,993	80,576	50,358	161,794	92,930	61,102	139,663	89,594	90,372
Income or Loss	43,238	(13,099)	30,986	(18,625)	25,602	(23,380)	(9,465)	(3,394)	(4,172)
Interest Revenue	8,617	0	0	0	0	0	0	0	0
Fund Balance	396,407	383,308	414,294	395,669	421,271	397,891	388,426	385,032	380,860

