

City of Warren



JAMES R. FOUTS
MAYOR

ONE CITY SQUARE
WARREN, MICHIGAN 48093

ADMINISTRATION

City of Warren was incorporated January 1, 1957, under Act 279, P.A. 1909, as amended (Home Rule Act). The 2000 population per Federal Census, 138,247

City is administered by a Mayor, a Council of nine members, Treasurer and Clerk, all of whom are elected for four-year terms.

PRESENT ELECTIVE OFFICERS (Terms expire November 13, 2011)

MAYOR
JAMES R. FOUTS

COUNCIL

MARY M. KAMP, President
DONNA KACZOR CAUMARTIN, Vice President
KEITH J. SADOWSKI, Secretary

SCOTT C. STEVENS, Asst. Secretary
ROBERT BOCCOMINO
PATRICK GREEN

MARK LISS
KATHY J. VOGT
STEVEN G. WARNER

TREASURER
CAROLYN KURKOWSKI MOCERI

CITY CLERK
PAUL WOJNO

DEPARTMENT HEADS (Appointed Officials)

RICHARD A. FOX, City Controller
PHILIP O. MASTIN III, City Assessor
ROBERT H. VOUGHT, Fire Commissioner
DAVID L. RICHARDS, City Attorney

EDWIN A. BAYER III, Planning Director
RICHARD D. SABAUGH, Public Services Director
HENRY BOWMAN, Parks and Recreation Director
GEORGE G. CONSTANCE, Labor Relations Director
RICHARD SIMONI, Budget Director

WILLIAM DWYER, Police Commissioner
AMY L. HENDERSTEIN, Library Director
DENISE L. WILLIAMS, Director of Personnel
Management

City Seal

The inscription “City of Warren, Michigan -Seal-” encompasses the circular seal. The hand holding a sheaf of wheat at the bottom represents the agricultural heritage of the community. The residential dwelling on the lower left hand side represents the residential character of the community. A factory on the right side represents commerce and industry. A hand holding a rocket on the upper left side represents national defense technology. The heads of a young man and young woman in center at the top represent the youth of the City.



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June 27, 2008

Honorable Mayor and
Members of the Warren City Council

Dear Mayor and Council Members:

The Mayor's Recommended Budget has been modified pursuant to City Council's amendments and is now the final Fiscal 2009 Annual Budget for the City of Warren. The final adoption of the Budget by the City Council has followed the legally required public hearings prescribed by State law and City Charter. The Appropriations Resolution is the City's legislative vehicle for appropriations and sets the legal expenditures by budgetary center and may not be changed, except with City Council approval, as provided by the State Budget Act.

With the adoption of this budget, the property tax levy for all services will be 16.9424 mills (\$16.9424 of taxes for every \$1000 of taxable valuation). City property taxes will average \$943.66 per residential property taxpayer.

2009 General Fund

The General Fund revenues and expenditures total \$103,673,624. The Budget reflects City Council's decisions made since the Mayor presented the Recommended Budget on April 14, 2008. The City Council reviewed the Budget during seven budget sessions and the Charter required public hearing on the Budget.

Changes to the Mayor's Recommended Budget

General Fund:

In summary, the City Council decreased the Mayor's recommended \$103,825,927 General Fund Budget to \$103,673,624 resulting in a total decrease of \$152,303.

Some of the significant changes and subsequent financial impacts include:

• Reduce Deputy Council Secretary's salary to \$69,288- Council Office	\$ (45,584)
• Add \$2,000 to Educational Expense- Council Office	2,000
• Add \$17,000 to Contractual Services- Council Office	17,000
• Add \$8,000 to Clerical Co-op- Council Office	8,629
• Reclassification of License Officer & Voting Machine Custodian to Election Technician & License Officer- City Clerk	12,216
• Reduce Election Expense \$7,200- City Clerk	(7,200)
• Reduce Printing and Publishing \$5,000- City Clerk	(5,000)
• Add \$2,500 to Educational Expense- Zoning Board of Appeals	2,500
• Add \$800 for Display Window Kiosk- Historical Commission	800
• Add \$3,000 for Fallen Hero Memorial- Crime Commission	3,000
• Reduce Professional Services \$75,000- Administration Unallocated Expense	(75,000)
• Add \$10,000 to Contractual Services for CERT Program- Civil Defense	10,000
• Delete reclassification of Administrative Supervisor- Public Service	(19,702)
• Reduce Public Works Superintendent's salary to \$82,248- DPW Garage	(4,976)
• Reduce Building & Grounds Superintendent's salary to \$66,910- Building Maintenance	(12,732)
• Reduce Overtime \$20,000- Building Maintenance	<u>(38,254)</u>
Total General Fund	\$ <u>(152,303)</u>

Budget Overview

The budget is balanced and financially conservative. It continues the City's commitment to providing high quality, dependable services and it allocates available resources to service areas experiencing the greatest demands. Building from a strong base, this budget addresses current and future needs of our community and balances demands for service, with conservative financial management.

Warren accepts the challenge of keeping tax rates as low as possible by providing strong responsible leadership and offering efficient City services. This budget adequately meets the City's equipment, infrastructure, vehicle, and general operating needs while maintaining and in certain cases, enhancing current City service levels. There are no significant capital expenditures planned for this fiscal year.

The total General Fund recommended budget is \$103,825,927, which represents an increase of \$429,748 or 0.4% from the previous year's amended budget. The largest portion of the budget is for salaries and benefits that amount to 83.6% of the total overall budget.

The millage rates applied to our estimated Taxable Value of \$4.47 billion will generate approximately \$75,732,528. Since the recommended budget is based on an estimated Taxable Value, some adjustments may be necessary upon final review by the Macomb County Equalization Department and State Tax Commission. Based upon our estimated Taxable Value, the average market value of a single-family residence in Warren is \$128,060. City taxes for a typical Warren home will be \$943.66 in fiscal 2008-2009, or \$2.59 per day. I am confident that as you examine this budget, you will be convinced that our taxpayers are getting outstanding service for their tax dollars.

Budget Highlights

Highlights of the 2008-2009 budget include:

- Development of 312 acres of G.M. Land West of Mound Road

- Efficiencies and Cost Cutting reforms

- Development of New Residential neighborhoods

- New Vision of Library services – library/community police mini-station combinations

- Development of New Downtown Area

The recommended budget attempts to prioritize the areas of most importance to our community, including the following:

Public Safety

Neighborhoods

Library and Education

Parks and Recreation

Economic Development and Redevelopment

Major and Local Roads

Sanitation and Environment

Financial Planning

PUBLIC SAFETY

In recent years, City negotiations with Public Safety personnel have focused on allocating resources to the areas where they are most needed and have the most impact. The Police Command Officers agreed to the elimination of four (4) sergeant positions, freeing funds to maintain a visible presence on City streets. Other reductions in marginally effective and expensive activities have helped to direct limited funds to areas that protect the safety of our citizens and preserve property values in a time already ravaged by economic factors outside our control. City Council is urged to approve staffing levels as recommended.

In the 2004-2005 fiscal year, our struggle to offset the impact of state-shared revenue cuts resulted in the elimination of 40 Firefighter positions reducing the budget by almost \$4 million. Agreement was reached with the Firefighters union allowing the return of all laid off firefighters. This agreement included a no layoff clause effective until June 30, 2007. The City and the Firefighters union are currently in negotiation on an extension of this agreement with provisions that will allow for the rebirth of a lean, cost-effective and responsive EMS service.

NEIGHBORHOODS

The neighborhoods are the backbone of our community. We are committed to improving them to provide a healthy atmosphere for everyone to live, work and raise their families.

Our residents and businesses must be informed of all important programs and decisions affecting this community. Community pride and community standards are vital to the neighborhoods and businesses throughout the entire City. The budget provides for communications with residents and businesses on issues of importance to them about our City.

Code enforcement efforts along with an aggressive nuisance abatement program is a strong priority in the current administration. New policies have been instituted and ordinances amended to get an early start on control of summer blight issues. New leadership, coupled with the restructuring of enforcement personnel duties, have boosted our efforts to curb blight in the City of Warren.

We provide programs to assist residents in need of improving their homes but without the financial resources to do so. The C.D.B.G. residential rehabilitation program is available to improve and upgrade their home to an acceptable level. The Federal Government has continued funding the Community Development Block Grant Program for fiscal year 2008-2009 that will hopefully allow for additional improvements in our neighborhoods.

The City's Rental Inspection Program further improves our neighborhoods. In this program all rental houses are required to be inspected to insure the house is up to code and in livable condition. There is also a plan in place to extend the inspection program to include apartment dwellings.

The Sidewalk and Tree Program was initiated to address citizen concerns in the areas of sidewalk replacement and sewer obstruction. A comprehensive program to alleviate raised sidewalk flags and plugged sewer laterals has been too long in coming to the City. This shared-cost program results in considerable infrastructure improvement.

Another valuable program is our Home Program. Through it many new homes in the older sections of our City have been constructed, making available affordable quality housing for our residents. Several more are planned for the 2008 construction season.

The Warren Community Development Corporation has been in existence since July 12, 1996. This non-profit housing group works hand-in-hand with the Home Program to purchase vacant lots and dilapidated properties for rehabilitation or redevelopment. The WCDC has partnered with the Carpenters Union to rehab or build new homes in our City. It is a 501(C)3 organization and future funding will be dependent on foundation grants, private donations and in kind support from Local, State and Federal Funding.

Various volunteer organizations receive funding in the 2008-2009 City Budget. The Beautification Commission, Cultural Commission, Crime Commission, Historical Commission and Village Historical Commission, among others, provide programs that enhance the quality of life in our community.

LIBRARY AND EDUCATION

The Library recommended budget is \$3,199,724, which represents an increase of \$128,669 or 4.2% from the previous year's amended budget. The recommended millage rate for the library is .4873 mills.

The Community Center Miller Library is an approximately 14,000 square foot facility with materials and operations relocated from the former Miller Branch. The Civic Center library, a 35,000 square foot state of the art facility, opened to the public in January of 2007, relocating from the Whitman branch. The library is the centerpiece of the Civic Center, providing an exciting array of information gathering technologies for residents and businesses of our community.

The Administration is examining the possibility of a new library/community police mini-station combination to serve the older section of the City. Potential sites include the Owen-Jax Center located at Nine Mile and Van Dyke, as well as other areas within the T.I.F.A. district. Neighborhood libraries have become difficult to cost-effectively maintain. However, creative planning can make it possible to keep educational and recreational resources within easy reach of all our citizens.

PARKS AND RECREATION

The total recommended Parks and Recreation budget is \$7,680,835, which represents an increase of \$42,539 or 0.6% from the previous year's amended budget. The recommended millage rate for Parks and Recreation is .9746 mills and is unchanged from the previous fiscal period. The principal sources of additional revenues for Parks & Recreation are memberships and other user fees generated by the new Community Center.

The new Community Center and Park at the old Warren High School site has enhanced the area by offering both youth and seniors recreational activities. This approximately 135,000 square foot facility consolidates most of Parks and Recreation's office and maintenance staff operations. It finally offers a home for our commissions and new historical museum for our residents.

The community park around the new City Hall is still very much a "work-in-progress" but is rapidly becoming a major focal point for residents and visitors. In the cold of winter it is not unusual to find many individuals utilizing the outdoor ice rink. On hot summer days, a large, diverse contingent of people can be found utilizing the wading pool. The Farmer's Market on Sundays is enjoying increasing popularity. There is a continuous array of concerts, art shows and other social events to be found taking place in what is becoming the first ever identifiable downtown area in the City of Warren.

ECONOMIC DEVELOPMENT AND REDEVELOPMENT

The City is committed to an aggressive effort of attracting new companies into the City and creating new jobs for our residents. We endorse Public/Private Partnerships not only to retain existing jobs, but also to create new ones. Prime examples are improvements at Daimler-Chrysler facilities and new developments with the General Motors Corporation. The City, schools and other taxing entities will benefit through the additional tax dollars captured and most importantly, employment levels will be maintained at those facilities.

The Tax Increment Finance Authority (T.I.F.A.), succeeded in developing a Walgreens at the intersection of Nine Mile Road and Van Dyke with adjacent parking. With the addition of road improvements, businesses can better serve their customers and our citizens.

A 7,000 square foot retail site has been developed on Eight Mile Road. This new development will compliment the Rite-Aid, completed in the fall of 1999, and will help revive the entrance to the City.

The T.I.F.A. Board will continue to pursue vacant buildings and parcels of land to promote new development that will improve the area. The T.I.F.A. Board is working in partnership with the City of Center Line to coordinate redevelopment from 8 Mile to 11 Mile along Van Dyke Avenue.

The Administration, Council Members, and City Staff should be proud of their efforts to redevelop the Tank Plant Property. The City made major infrastructure improvements and sold all of the property to private companies. A once blighted area is now a showcase for urban redevelopment, including a wide array of technology-based businesses and educational facilities.

The amended DDA plan broadens the scope of its impact, providing direct benefits to residents and businesses from one end of the City to the other. Enhancements to existing City facilities and new developments will provide residents and businesses with access to educational, recreational and public safety services.

General Motors development of 312 acres of previously vacant land west of Mound is the largest private investment seen in our community in many years. With a Meijer Superstore as its cornerstone, this mixed commercial/retail/residential development continues to grow and mature into a successful business venture with a spillover effect on the surrounding community.

The new Civic Center is completed and operational. Utilizing modern technologies and workflow techniques, the City Center provides efficient and cost effective services to Warren residents and businesses.

As a peripheral benefit of the project, an outdated commercial facility has been reborn as the new Majestic Center and has become the home of state and county health services and other retail businesses.

MAJOR AND LOCAL ROADS

Road maintenance is important to the daily lives of the hundreds of thousands of people who use our roads everyday. Our state-shared Michigan Transportation funds are not sufficient to keep up with the repair needs of deteriorating major and local roads throughout our City. The City must consider supplementing these funds with a taxpayer-approved special millage.

We are committed to an aggressive street sweeping program. Again this year we will hire seasonal laborers to assist in removing debris from our streets, cutting grass and general maintenance throughout the entire City.

SANITATION AND ENVIRONMENT

The total recommended Sanitation budget is \$9,964,955, which represents a decrease of \$98,465 or 1.0% from the previous year's amended budget.

The City Administration is concerned with environmental issues that face this community. The current administration is committed to a very aggressive policy of maintaining a safe environment for all residents in Warren.

Our Recycling and Composting program is one of the best in our Great State. We remain committed to providing a quality Recycling and Composting program at a reasonable price to our community.

With the support of City Council we are currently utilizing Material Recovery Facility Equipment (MRFE) through our contract with Great Lakes Recycling. This will allow for the delivering of recycling materials without having to pre-sort at the curb and also provide additional cost savings to our taxpayers.

The Sanitation Division has upgraded two pits and completed a third one that will allow our facility to process solid waste and composting more efficiently and to increase royalties from our transfer station. .

FINANCIAL PLANNING

The City of Warren has again received the "Distinguished Budget Presentation Award". This award recognizes the quality of financial leadership to the community and other interested readers. I would like to thank my Staff for their hard work and dedication that enabled our City to receive this award.

The City maintains its “AA-” credit rating from Standard and Poors. This AA- rating improves the investments of our bondholders and reduces the cost of borrowing to our taxpayers.

Financial planning and responsible management are mandatory to create an ongoing balanced budget in a community for its short-term and long-term welfare. With the new GASB 34 Financial Statement requirements, the recording of many new accruals will appear on our Financial Statements. A large portion of our sick time bank and compensatory time liability has been funded through our Tank Plant proceeds and other reserves.

A V.E.B.A. (Voluntary Employee Benefit Association Trust) has been established and partially funded for the both general and public safety employees. The general employees V.E.B.A. trust was funded with \$10 million of Tank Plant proceeds and the public safety V.E.B.A. trust was funded with over \$17 million from the Police & Fire pension reserve. V.E.B.A. trusts accumulate funds to pay retiree healthcare costs. Healthcare costs are escalating at a very high level and our City must strive to manage these rising healthcare costs while properly funding the V.E.B.A. trusts for the future.

PERSONNEL COSTS AND STAFFING LEVELS

As you are aware, the City has seven (7) Labor Unions with contracts that are currently settled, with the exception of one. Below is a list naming each Union and the expiration dates of each contract.

Police – W.P.O.A.	6-30-2009
Police – Command	6-30-2009
Fire	6-30-2007
U.A.W. 59	6-30-2009
U.A.W. 35	6-30-2009
A.F.S.C.M.E. 1917	6-30-2009
A.F.S.C.M.E. 1250	6-30-2009

For far too long, some union officials (and others) have been concerned with what they can get today without considering the long-term impact on City finances. We all have a stake in, and must take responsibility for, controlling short-term and long-term contractual obligations of the City.