

BUDGET 2026-2027



PORT HURON MICHIGAN

OFFICE OF THE
CITY MANAGER

PROPOSED BUDGET
CITY OF PORT HURON
FOR
THE FISCAL YEAR
2026-2027

Prepared by the Director of Finance for the City Manager
and submitted to the City Council on April 27, 2026

CITY OF PORT HURON BUDGET

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Schedule of Estimated Revenues – General Fund

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2026-2027

	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
TAXES:						
Real property taxes	\$ 9,516,174	\$ 10,048,904	\$ 10,780,000	\$ 11,110,000	\$ 330,000	\$ -
Personal property taxes	718,787	759,023	870,000	1,040,000	170,000	-
Property tax administration fee	399,259	396,002	375,000	390,000	15,000	-
Income tax	9,585,727	10,402,746	9,660,000	10,400,000	740,000	-
Payment in lieu of taxes	73,249	24,794	70,000	25,000	-	45,000
Penalties and interest on taxes	226,426	414,718	225,000	275,000	50,000	-
	<u>20,519,622</u>	<u>22,046,187</u>	<u>21,980,000</u>	<u>23,240,000</u>	<u>1,305,000</u>	<u>45,000</u>
BUSINESS LICENSES AND PERMITS:						
Demolitions	440	1,760	1,000	1,000	-	-
Cable television	307,592	267,019	300,000	225,000	-	75,000
Miscellaneous	70,680	113,170	65,000	50,000	-	15,000
	<u>378,712</u>	<u>381,949</u>	<u>366,000</u>	<u>276,000</u>	<u>-</u>	<u>90,000</u>
NONBUSINESS LICENSES AND PERMITS:						
Building	310,721	385,624	300,000	300,000	-	-
Electrical	103,977	102,978	100,000	100,000	-	-
Heating	113,080	100,527	110,000	110,000	-	-
Plumbing	37,935	47,825	40,000	40,000	-	-
Right-of-way	31,792	6,194	30,000	5,000	-	25,000
Black river canal permit	-	-	-	50,000	50,000	-
Miscellaneous	3,635	500	3,000	-	-	3,000
	<u>601,140</u>	<u>643,648</u>	<u>583,000</u>	<u>605,000</u>	<u>50,000</u>	<u>28,000</u>
GRANTS:						
American Rescue Plan	1,728,277	2,761,000	-	-	-	-
Other grants	315,012	1,135,509	445,000	480,000	35,000	-
	<u>2,043,289</u>	<u>3,896,509</u>	<u>445,000</u>	<u>480,000</u>	<u>35,000</u>	<u>-</u>
STATE SHARED REVENUE:						
Sales and use tax - constitutional	\$ 3,128,639	\$ 3,658,987	\$ 3,190,000	\$ 3,010,000	\$ -	\$ 180,000
Sales and use tax - statutory	1,282,034	1,589,254	1,400,000	1,370,000	-	30,000
Local community stabilization authority	916,626	1,080,406	925,000	1,000,000	75,000	-
Adult-use marijuana payments	-	232,915	290,000	270,000	-	20,000
Liquor licenses	46,886	23,902	45,000	25,000	-	20,000
	<u>5,374,185</u>	<u>6,585,464</u>	<u>5,850,000</u>	<u>5,675,000</u>	<u>75,000</u>	<u>250,000</u>

Continued

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2026-2027

	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
CHARGES FOR SERVICES:						
Zoning board of appeals	5,700	4,000	5,000	5,000	-	-
20th and Court pool	-	-	-	-	-	-
Sanborn pool	31,001	44,749	30,000	30,000	-	-
Lakeside parking	270,193	335,946	325,000	350,000	25,000	-
Boat launch fees	42,638	39,782	40,000	90,000	50,000	-
Recreational fees	389,252	287,734	240,000	310,000	70,000	-
Children's museum	-	156,446	200,000	175,000	-	25,000
Lot splits	2,160	2,160	2,500	500	-	2,000
Fort Gratiot township canal reimbursement	-	-	-	25,000	25,000	-
Port Huron township canal reimbursement	-	-	-	35,000	35,000	-
Hydrant maintenance	59,040	59,040	59,040	59,040	-	-
Blue Water Bridge reimbursement	300,000	350,000	400,000	400,000	-	-
DTF/School resource officer reimbursement	455,044	647,631	765,244	790,706	25,462	-
Summer tax collection fee	1,662	3,312	1,500	3,000	1,500	-
County parks millage	155,835	166,830	160,000	175,000	15,000	-
Miscellaneous	105,057	307,107	200,000	118,000	-	82,000
	<u>1,817,582</u>	<u>2,404,737</u>	<u>2,428,284</u>	<u>2,566,246</u>	<u>246,962</u>	<u>109,000</u>
FINES AND FORFEITS:						
Parking violations	66,910	63,187	70,000	100,000	30,000	-
Ordinance fines	187,169	190,351	190,000	250,000	60,000	-
	<u>254,079</u>	<u>253,538</u>	<u>260,000</u>	<u>350,000</u>	<u>90,000</u>	<u>-</u>
INVESTMENT INCOME	<u>542,199</u>	<u>498,690</u>	<u>400,000</u>	<u>475,000</u>	<u>75,000</u>	<u>-</u>
RENTS	<u>324,237</u>	<u>321,454</u>	<u>325,000</u>	<u>330,000</u>	<u>5,000</u>	<u>-</u>
SALE OF PROPERTY AND EQUIPMENT	<u>3,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER INCOME	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,335,000</u>	<u>5,335,000</u>	<u>-</u>

Continued

SCHEDULE OF ESTIMATED REVENUES

GENERAL FUND

2026-2027

	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
CHARGES TO OTHER FUNDS:						
Streets fund	-	-	-	421,200	421,200	-
Garbage and rubbish collection fund	143,884	153,519	159,732	163,946	4,214	-
Marina fund	74,981	45,071	35,168	38,152	2,984	-
Parking fund	10,940	10,728	11,376	10,510	-	866
Water fund	809,940	839,860	905,677	1,014,165	108,488	-
Wastewater fund	1,386,057	1,468,324	1,499,390	1,835,314	335,924	-
Central stores fund	9,203	9,051	11,831	11,831	-	-
Data processing fund	99,350	114,874	120,343	82,369	-	37,974
Motor vehicle fund	194,498	219,548	224,403	234,945	10,542	-
Southside neighborhood improvement authority	-	-	-	25,000	25,000	-
	<u>2,728,853</u>	<u>2,860,975</u>	<u>2,967,920</u>	<u>3,837,432</u>	<u>908,352</u>	<u>38,840</u>
Subtotal	<u>34,587,098</u>	<u>39,893,151</u>	<u>35,605,204</u>	<u>43,169,678</u>	<u>8,125,314</u>	<u>560,840</u>
TRANSFERS FROM OTHER FUNDS:						
Land purchase fund	-	-	-	256,885	256,885	-
Edison Redevelopment fund	-	359,500	-	41,700	41,700	-
	<u>-</u>	<u>359,500</u>	<u>-</u>	<u>298,585</u>	<u>298,585</u>	<u>-</u>
TOTAL	<u>34,587,098</u>	<u>40,252,651</u>	<u>35,605,204</u>	<u>43,468,263</u>	<u>8,423,899</u>	<u>560,840</u>

Concluded

Schedule of Estimated Expenditures

SCHEDULE OF ESTIMATED EXPENDITURES

2026-2027

GENERAL FUND	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
General Government:						
City council	\$ 125,126	\$ 141,759	\$ 176,815	\$ 104,990	\$ -	\$ 71,825
City manager	416,743	497,278	402,990	501,860	98,870	-
Elections	99,435	87,916	102,080	140,353	38,273	-
Finance and accounting	751,737	715,989	766,466	775,611	9,145	-
Income tax	502,661	561,424	586,786	589,314	2,528	-
Assessor	460,499	426,930	480,040	411,471	-	68,569
Legal	130,329	117,819	160,000	160,000	-	-
Clerk	369,737	386,097	409,432	432,900	23,468	-
Human Resources	452,903	456,922	471,399	511,267	39,868	-
Purchasing	85,690	87,154	90,140	91,573	1,433	-
Board of review	2,123	2,133	2,800	2,800	-	-
Treasurer	279,597	322,563	301,790	337,629	35,839	-
Municipal office center	895,736	1,929,733	1,091,229	1,324,610	233,381	-
	<u>4,572,316</u>	<u>5,733,717</u>	<u>5,041,967</u>	<u>5,384,378</u>	<u>482,805</u>	<u>140,394</u>
Public Safety:						
Police administration	1,939,969	1,923,438	2,107,651	2,187,614	79,963	-
Detectives	1,505,576	1,376,106	1,849,433	1,929,498	80,065	-
Patrol	7,960,769	10,297,296	9,565,324	10,322,787	757,463	-
Communications	41,093	49,178	64,080	73,580	9,500	-
Fire	7,156,953	7,279,663	7,503,093	8,104,137	601,044	-
	<u>18,604,360</u>	<u>20,925,681</u>	<u>21,089,581</u>	<u>22,617,616</u>	<u>1,528,035</u>	<u>-</u>
Public Works:						
Inspection	538,364	525,313	569,016	559,060	-	9,956
Emergency management	796,042	254,661	35,348	26,604	-	8,744
Public works administration	153,557	156,669	166,858	103,971	-	62,887
Engineering	539,988	529,482	481,919	574,358	92,439	-
Street lighting	864,266	855,472	892,405	896,960	4,555	-
Blight and code enforcement	390,562	435,489	410,889	450,571	39,682	-
	<u>3,282,779</u>	<u>2,757,086</u>	<u>2,556,435</u>	<u>2,611,524</u>	<u>136,676</u>	<u>81,587</u>
Senior Citizens:						
Wastewater and water discounts	3,798	4,892	4,500	5,500	1,000	-

Continued

SCHEDULE OF ESTIMATED EXPENDITURES

2026-2027

	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
Recreation, Parks and Culture:						
Parks and forestry	\$ 2,473,457	\$ 2,200,888	\$ 2,169,102	\$ 2,375,963	\$ 206,861	\$ -
Boat launch ramps	17,436	15,578	17,472	16,207	-	1,265
Recreation	827,705	856,457	709,029	956,700	247,671	-
Rockin the rivers	37,916	42,240	27,942	24,476	-	3,466
20th and Court pool	193,709	136,199	193,392	183,008	-	10,384
Sanborn pool	277,714	203,207	226,200	265,483	39,283	-
Chillyfest	36,351	30,852	38,050	-	-	38,050
Parades & special events	45,228	34,750	54,100	55,725	1,625	-
Lighthouse park	27,918	33,540	88,823	72,959	-	15,864
Lakeside park	302,937	338,644	359,115	316,906	-	42,209
Palmer park recreation center	457,987	362,649	374,691	397,912	23,221	-
Library	8,000	8,000	8,000	8,000	-	-
Harvey reinvestment center	-	-	-	93,173	93,173	-
Children's museum	264,506	371,728	304,304	294,839	-	9,465
Museum	120,786	111,981	67,663	99,294	31,631	-
	<u>5,091,650</u>	<u>4,746,713</u>	<u>4,637,883</u>	<u>5,160,645</u>	<u>643,465</u>	<u>120,703</u>
Other Functions:						
Planning	340,572	335,182	298,584	242,612	-	55,972
Telephone service	4,533	13,242	9,004	8,742	-	262
Contingencies	-	-	40,000	40,000	-	-
Insurance, health and safety	108,455	112,344	132,994	123,333	-	9,661
Taxes written off	-	-	15,000	15,000	-	-
Demolitions	22	152,460	84,543	50,000	-	34,543
Other community and economic development	95,552	-	-	-	-	-
	<u>549,134</u>	<u>613,228</u>	<u>580,125</u>	<u>479,687</u>	<u>-</u>	<u>100,438</u>
Subtotal	<u>32,104,037</u>	<u>34,781,317</u>	<u>33,910,491</u>	<u>36,259,350</u>	<u>2,791,981</u>	<u>443,122</u>
Public Improvements:						
Parks and recreation projects	657,059	2,334,686	570,000	580,000	10,000	-
Black river canal tainer gate project	-	-	-	5,050,000	5,050,000	-
Fire station #1 & #3 construction	6,895,783	303,898	-	-	-	-
	<u>7,552,842</u>	<u>2,638,584</u>	<u>570,000</u>	<u>5,630,000</u>	<u>5,060,000</u>	<u>-</u>
Subtotal	<u>39,656,879</u>	<u>37,419,901</u>	<u>34,480,491</u>	<u>41,889,350</u>	<u>7,851,981</u>	<u>443,122</u>

Continued

SCHEDULE OF ESTIMATED EXPENDITURES

2026-2027

	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
Debt Service:						
Principal and interest payments	\$ 570,513	\$ 569,113	\$ 571,413	\$ 1,091,598	\$ 520,185	\$ -
Transfer to Other Funds:						
Land purchase fund	255,000	-	-	-	-	-
Streetsdape fund	1,600	17,500	-	17,485	17,485	-
Beautification commission fund	3,300	3,300	3,300	3,300	-	-
McMorran fund	800,000	965,000	550,000	774,000	224,000	-
	1,059,900	985,800	553,300	794,785	241,485	-
TOTAL GENERAL FUND	41,287,292	38,974,814	35,605,204	43,775,733	8,613,651	443,122
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	6,554,156	4,533,516	8,736,335	10,394,950	1,658,615	-
Local streets	3,028,568	2,066,478	2,526,637	3,947,500	1,420,863	-
Municipal streets	499,168	447,823	3,737,696	5,732,582	1,994,886	-
	10,081,892	7,047,817	15,000,668	20,075,032	5,074,364	-
Cemetery fund	766,599	647,008	700,713	636,500	-	64,213
Garbage and rubbish collection fund	2,924,309	3,019,838	3,144,193	3,230,465	86,272	-
Rental certification fund	548,178	583,380	669,388	611,910	-	57,478
OUIL fund	3,490	-	5,000	5,000	-	-
Drug law enforcement fund	17,000	519	20,000	20,000	-	-
Law enforcement fund	6,262	15,647	47,000	75,000	28,000	-
Enhanced 911 fund	-	-	-	-	-	-
Ambulance fund	338,531	181,717	400,000	425,000	25,000	-
Opioid Settlement fund	101,801	156,000	175,000	175,000	-	-
Community development block grant fund	1,151,369	884,629	1,366,403	1,397,059	30,656	-
Home program fund	302,825	98,745	1,428,339	1,514,776	86,437	-
Streetscape maintenance fund	36,869	38,111	34,750	50,150	15,400	-
Beautification commission fund	4,772	4,649	5,800	5,800	-	-
TOTAL SPECIAL REVENUE FUNDS	16,283,897	12,678,060	22,997,254	28,221,692	5,346,129	121,691

Continued

SCHEDULE OF ESTIMATED EXPENDITURES

2026-2027

ENTERPRISE FUNDS	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
McMorran fund	\$ 2,241,738	\$ 2,748,068	\$ 2,671,703	\$ 2,505,000	\$ -	\$ 166,703
Marina fund	357,323	450,455	366,941	398,078	31,137	-
Land purchase fund	274,494	115,760	197,120	446,885	249,765	-
Parking fund	82,956	107,454	118,699	109,661	-	9,038
Water Fund:						
Treatment plant	2,745,398	2,975,893	8,664,192	11,582,840	2,918,648	-
Distribution	1,525,779	1,396,698	1,631,261	1,819,223	187,962	-
Customer accounting	520,405	564,277	574,619	602,118	27,499	-
Meter reading	351,488	393,449	482,529	544,969	62,440	-
Debt service	2,153,865	2,026,467	1,642,362	1,009,490	-	632,872
Capital outlay	2,352,502	1,681,155	3,877,000	4,457,000	580,000	-
	9,649,437	9,037,939	16,871,963	20,015,640	3,776,549	632,872
Wastewater Fund:						
Treatment plant	6,618,912	6,595,132	28,901,405	28,677,680	-	223,725
Collection, general	2,021,405	2,090,602	4,702,381	5,997,267	1,294,886	-
Collection system no. 1	21	21	-	-	-	-
Collection system no. 2	36,897	33,058	80,347	67,164	-	13,183
Collection system no. 3	35,187	34,041	103,884	103,959	75	-
Debt service	3,966,253	3,702,764	3,001,305	2,787,466	-	213,839
Capital outlay	4,735,032	4,099,706	1,940,000	3,098,000	1,158,000	-
	17,413,707	16,555,324	38,729,322	40,731,536	2,452,961	450,747
TOTAL ENTERPRISE FUNDS	30,019,655	29,015,000	58,955,748	64,206,800	6,510,412	1,259,360

Continued

SCHEDULE OF ESTIMATED EXPENDITURES

2026-2027

	Actual		Budget			
	2023-2024	2024-2025	2025-2026	2026-2027	Increase	Decrease
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 103,438	\$ 117,636	\$ 131,300	\$ 130,941	\$ -	\$ 359
Data processing fund	1,069,028	1,374,707	1,295,655	922,170	-	373,485
Motor vehicle fund	2,857,323	2,219,387	3,209,767	3,337,658	127,891	-
Energy performance services fund	399,256	411,400	399,286	-	-	399,286
Insurance and fringe benefit fund	15,197,088	15,953,506	17,501,525	18,670,332	1,168,807	-
TOTAL INTERNAL SERVICE FUNDS	19,626,133	20,076,636	22,537,533	23,061,101	1,296,698	773,130
TAX INCREMENT FUNDS						
Peerless site tax increment fund	87,807	80,753	90,000	94,000	4,000	-
Downtown development authority operating fund	436,963	471,664	506,705	509,450	2,745	-
Water street tax increment fund	369,932	82,084	1,292,600	1,200,000	-	92,600
Bank tax increment fund	62,770	62,620	19,605	63,100	43,495	-
Harrington Hotel tax increment fund	10,180	10,270	10,500	-	-	10,500
Edison redevelopment tax increment fund	355,570	361,040	390,000	380,000	-	10,000
Mainstreet tax increment fund	160,627	185,500	186,000	122,000	-	64,000
Industrial park expansion tax increment fund	128,174	136,123	1,191,600	1,070,000	-	121,600
Southside neighborhood initiative authority fund	-	4,921	264,000	944,000	680,000	-
Brownfield redevelopment tax increment fund:					-	-
Southside redevelopment	325,411	304,048	301,000	316,000	15,000	-
Harker Street redevelopment	27,350	26,500	40,000	46,000	6,000	-
Water Street Marina redevelopment	117,062	118,902	110,000	112,000	2,000	-
Wrigley center	-	52,990	138,000	-	-	138,000
Ben's 314 redevelopment	-	-	-	-	-	-
TOTAL TAX INCREMENT FUNDS	2,081,846	1,897,415	4,540,010	4,856,550	753,240	436,700
TOTAL ALL FUNDS	\$ 109,298,823	\$ 102,641,925	\$ 144,635,749	\$ 164,121,876	\$ 22,520,130	\$ 3,034,003

Concluded

Schedule of Estimated Requirments by Budget Class

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2026-2027

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
GENERAL FUND						
General Government:						
City council	\$ 13,020	\$ 4,500	\$ 87,470	\$ 104,990	\$ -	\$ 104,990
City manager	424,927	11,300	65,633	501,860	-	501,860
Elections	90,050	17,100	33,203	140,353	-	140,353
Finance and accounting	670,892	7,100	97,619	775,611	-	775,611
Income tax	398,779	31,900	158,635	589,314	-	589,314
Assessor	216,558	10,950	183,963	411,471	-	411,471
Legal	-	-	160,000	160,000	-	160,000
Clerk	395,188	1,925	35,787	432,900	-	432,900
Human resources	454,557	3,300	53,410	511,267	-	511,267
Purchasing	82,540	-	9,033	91,573	-	91,573
Board of review	1,800	-	1,000	2,800	-	2,800
Treasurer	248,949	13,700	74,980	337,629	-	337,629
Municipal office center	405,423	44,463	499,724	949,610	375,000	1,324,610
	<u>3,402,683</u>	<u>146,238</u>	<u>1,460,457</u>	<u>5,009,378</u>	<u>375,000</u>	<u>5,384,378</u>
Public Safety:						
Police administration	1,841,298	51,250	295,066	2,187,614	-	2,187,614
Detectives	1,726,980	35,950	166,568	1,929,498	-	1,929,498
Patrol	8,785,694	347,370	1,189,723	10,322,787	-	10,322,787
Communications	-	-	73,580	73,580	-	73,580
Fire	6,824,848	361,136	876,153	8,062,137	42,000	8,104,137
	<u>19,178,820</u>	<u>795,706</u>	<u>2,601,090</u>	<u>22,575,616</u>	<u>42,000</u>	<u>22,617,616</u>
Public Works:						
Inspection	335,233	5,000	218,827	559,060	-	559,060
Emergency management	-	900	25,704	26,604	-	26,604
Public works administration	103,971	-	-	103,971	-	103,971
Engineering	505,407	6,700	62,251	574,358	-	574,358
Street lighting	4,866	1,000	891,094	896,960	-	896,960
Blight and code enforcement	388,702	7,200	54,669	450,571	-	450,571
	<u>1,338,179</u>	<u>20,800</u>	<u>1,252,545</u>	<u>2,611,524</u>	<u>-</u>	<u>2,611,524</u>
Senior Citizens:						
Wastewater and water discounts	-	-	5,500	5,500	-	5,500

Continued

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2026-2027

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Recreation, Parks and Culture:						
Parks and forestry	\$ 1,403,802	\$ 120,898	\$ 851,263	\$ 2,375,963	\$ -	\$ 2,375,963
Boat launch ramps	9,707	2,000	4,500	16,207	-	16,207
Recreation	640,910	74,582	241,208	956,700	-	956,700
Rockin the rivers	2,900	5,100	16,476	24,476	-	24,476
20th and Court pool	75,926	36,985	70,097	183,008	-	183,008
Sanborn pool	172,049	40,735	52,699	265,483	-	265,483
Chilly Fest	-	-	-	-	-	-
Parades and Special Events	45,725	1,000	9,000	55,725	-	55,725
Lighthouse park	50,175	8,000	14,784	72,959	-	72,959
Lakeside park	117,670	27,555	171,681	316,906	-	316,906
Palmer park recreation center	340,301	4,035	53,576	397,912	-	397,912
Harvey reinvestment center	64,753	6,500	21,920	93,173	-	93,173
Library	-	-	8,000	8,000	-	8,000
Children's musuem	222,627	12,140	60,072	294,839	-	294,839
Museum	-	200	99,094	99,294	-	99,294
	<u>3,146,545</u>	<u>339,730</u>	<u>1,674,370</u>	<u>5,160,645</u>	<u>-</u>	<u>5,160,645</u>
Other Functions:						
Planning	210,327	4,000	28,285	242,612	-	242,612
Telephone service	-	-	8,742	8,742	-	8,742
Contingencies	-	-	40,000	40,000	-	40,000
Insurance, health and safety	11,217	9,550	102,566	123,333	-	123,333
Taxes written off	-	-	15,000	15,000	-	15,000
Demolitions	-	-	50,000	50,000	-	50,000
	<u>221,544</u>	<u>13,550</u>	<u>244,593</u>	<u>479,687</u>	<u>-</u>	<u>479,687</u>
Subtotal	<u>27,287,771</u>	<u>1,316,024</u>	<u>7,238,555</u>	<u>35,842,350</u>	<u>417,000</u>	<u>36,259,350</u>
Public Improvements:						
Parks and recreation projects	-	-	-	-	580,000	580,000
MOC Capital	-	-	-	-	-	-
Black river canal tainer gate project	-	-	-	-	5,050,000	5,050,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,630,000</u>	<u>5,630,000</u>
Subtotal	<u>27,287,771</u>	<u>1,316,024</u>	<u>7,238,555</u>	<u>35,842,350</u>	<u>6,047,000</u>	<u>41,889,350</u>

Continued

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2026-2027

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
Debt Service:						
Principal and interest payments	\$ -	\$ -	\$ 1,091,598	\$ 1,091,598	\$ -	\$ 1,091,598
Transfer to Other Funds:						
Streetscape fund	-	-	17,485	17,485	-	17,485
Beautification commission fund	-	-	3,300	3,300	-	3,300
McMorran fund	-	-	774,000	774,000	-	774,000
	-	-	794,785	794,785	-	794,785
TOTAL GENERAL FUND	27,287,771	1,316,024	9,124,938	37,728,733	6,047,000	43,775,733
SPECIAL REVENUE FUNDS						
Street funds:						
Major streets	1,674,337	331,042	2,148,571	4,153,950	6,241,000	10,394,950
Local streets	791,692	138,953	521,855	1,452,500	2,495,000	3,947,500
Municipal streets	411,124	2,500	5,318,958	5,732,582	-	5,732,582
	2,877,153	472,495	7,989,384	11,339,032	8,736,000	20,075,032
Cemetery fund	372,042	28,700	147,258	548,000	88,500	636,500
Garbage and rubbish collection fund	36,262	4,000	3,190,203	3,230,465	-	3,230,465
Rental certification fund	540,465	10,500	60,945	611,910	-	611,910
OUIL fund	-	1,000	1,000	2,000	3,000	5,000
Drug law enforcement fund	-	5,000	1,000	6,000	14,000	20,000
Law enforcement fund	-	15,000	25,000	40,000	35,000	75,000
Ambulance fund	-	-	425,000	425,000	-	425,000
Opioid Settlement fund	-	-	175,000	175,000	-	175,000
Community development block grant fund	236,722	2,682	15,193	254,597	1,142,462	1,397,059
Home program fund	55,404	-	3,312	58,716	1,456,060	1,514,776
Streetscape maintenance fund	13,200	6,750	30,200	50,150	-	50,150
Beautification commission fund	-	5,650	150	5,800	-	5,800
TOTAL SPECIAL REVENUE FUNDS	4,131,248	551,777	12,063,645	16,746,670	11,475,022	28,221,692

Continued

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2026-2027

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
ENTERPRISE FUNDS						
McMorran fund	\$ 1,225,521	\$ 96,649	\$ 1,161,730	\$ 2,483,900	\$ 21,100	\$ 2,505,000
Marina fund	192,126	76,500	129,452	398,078	-	398,078
Land purchase fund	-	-	446,885	446,885	-	446,885
Parking fund	35,700	13,180	60,781	109,661	-	109,661
Water Fund:						
Treatment plant	1,714,624	254,544	1,570,672	3,539,840	8,043,000	11,582,840
Distribution	885,957	184,522	730,037	1,800,516	18,707	1,819,223
Customer accounting	339,004	63,750	199,364	602,118	-	602,118
Meter reading	238,289	93,262	164,176	495,727	49,242	544,969
Debt service and capital projects	-	-	1,009,490	1,009,490	4,457,000	5,466,490
	3,177,874	596,078	3,673,739	7,447,691	12,567,949	20,015,640
Wastewater Fund:						
Treatment plant	3,527,914	1,055,720	3,534,046	8,117,680	20,560,000	28,677,680
Collection, general	1,132,214	207,242	1,701,811	3,041,267	2,956,000	5,997,267
Collection system no. 1	-	-	-	-	-	-
Collection system no. 2	10,985	5,300	38,879	55,164	12,000	67,164
Collection system no. 3	14,362	2,800	74,797	91,959	12,000	103,959
Debt service and capital projects	-	-	2,787,466	2,787,466	3,098,000	5,885,466
	4,685,475	1,271,062	8,136,999	14,093,536	26,638,000	40,731,536
TOTAL ENTERPRISE FUNDS	9,316,696	2,053,469	13,609,586	24,979,751	39,227,049	64,206,800

Continued

SCHEDULE OF ESTIMATED REQUIREMENTS BY BUDGET CLASSES

2026-2027

	Personal Services	Supplies and Materials	Contractual Services	Total Recurring Expenses	Capital Outlay	Total
INTERNAL SERVICE FUNDS						
Central stores fund	\$ 5,782	\$ 9,500	\$ 108,159	\$ 123,441	\$ 7,500	\$ 130,941
Data processing fund	294,295	109,057	458,818	862,170	60,000	922,170
Motor vehicle fund	995,145	473,830	982,433	2,451,408	886,250	3,337,658
Energy performance services fund	-	-	-	-	-	-
Insurance and fringe benefit fund	15,320,728	11,000	3,338,604	18,670,332	-	18,670,332
TOTAL INTERNAL SERVICE FUNDS	16,615,950	603,387	4,888,014	22,107,351	953,750	23,061,101
TAX INCREMENT FUNDS						
Peerless site tax increment fund	-	-	94,000	94,000	-	94,000
Downtown development authority operating fund	151,037	59,630	298,783	509,450	-	509,450
Water street tax increment fund	-	-	1,200,000	1,200,000	-	1,200,000
Bank tax increment fund	-	-	63,100	63,100	-	63,100
Harrington Hotel tax increment fund	-	-	-	-	-	-
Edison redevelopment tax increment fund	-	-	380,000	380,000	-	380,000
Mainstreet tax increment fund	-	-	122,000	122,000	-	122,000
Industrial park expansion tax increment fund	-	-	1,070,000	1,070,000	-	1,070,000
Southside neighborhood initiative authority fund	-	-	209,000	209,000	735,000	944,000
Brownfield redevelopment tax increment funds:						
Southside redevelopment	-	-	316,000	316,000	-	316,000
Harker Street redevelopment	-	-	46,000	46,000	-	46,000
Water Street Marina redevelopment	-	-	112,000	112,000	-	112,000
Wrigley center	-	-	-	-	-	-
TOTAL TAX INCREMENT FUNDS	151,037	59,630	3,910,883	4,121,550	735,000	4,856,550
TOTAL ALL FUNDS	\$ 57,502,702	\$ 4,584,287	\$ 43,597,066	\$ 105,684,055	\$ 58,437,821	\$ 164,121,876

Concluded

Budget Overview



BUDGET OVERVIEW

A. Budget Pressures

The City of Port Huron continues to feel the impact of increasing cost pressures outside the government's control. The city is experiencing an increase in operating cost with health care cost and pension payments rising 8% and 30%, respectively, during fiscal year 2026. The Consumer Price Index (CPI) has been steadily on the rise since the 2007-08 financial crisis. CPI increased 2.70% from June 30, 2024 to June 30, 2025. It is estimated CPI will increase between 2.80% and 3.5% by June 30, 2026. The city faces an annual pressure of covering expenditures with ordinary revenues collected by the city. This is particularly due to the city recovering from the declines in property values and state cuts of revenue sharing beginning in 2002. Overall taxable values are rising, increasing 5.21% from year ending June 30, 2025 to June 30, 2026. As a result, property tax revenue is expected to increase by 4.58% for the year ending June 30, 2026.

The City will continue its efforts to reduce overall costs without the reduction of staff through continuous monitoring of the budget and reducing controllable cost such as postponement of non-grant funded projects, repair and rehabilitation projects and certain programs offered to city and county residents through the city's recreation program.

B. General Fund

The General Fund budget reflects expected increases in property tax revenue and state shared revenue. Income Tax revenues are expected to be at \$10.4 million. As part of an effort to reduce expenses, each budget activity has been carefully scrutinized and changes have been implemented where appropriate.

In order to assure rating agencies and bond holders that costs will continue to be controlled, the City Council adopted both a Debt Management Policy and a Fund Balance Policy during January, 2015. The Debt Management Policy outlines the principles, guidelines and restrictions for incurring debt and payment of debt service. The Fund Balance Policy states the City's intention to manage the fund balance in its governmental funds in a manner consistent with Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Fund Balance Policy also stated the City Council's intent to manage the General Fund's activities in such a manner that over time the Unrestricted Fund Balance of the General Fund would move toward 25% of adopted expenditures. As of June 30, 2025, based on the proposed budget the percentage is expected to be 17.87%.

General Fund revenues have been relatively stagnant, increasing at substantially less than the rate of inflation. General Fund revenues are concentrated on the results of property and income taxes and state revenue sharing, expecting to generate \$28.9 million or 78.32% in General Fund revenue for the year ending June 30, 2027.

The General Fund provides for a variety of governmental services, including public safety (police and fire services); parks, recreation and culture; public works; planning and inspection and general governmental services. The stagnant revenues discussed above have required that costs be reduced. Revenue constrictions have impacted the City's ability to fund certain recreation programs utilized by city and county residents as well as capital projects and many repair or rehabilitation projects within the General Fund.

It is important to remember that there is some uncertainty to all of the revenue projections as the direction of the economy is unclear. This will necessitate close review of revenues throughout the year to determine if additional cuts will be necessary.

In summary, the General Fund budget, as proposed, continues, but does not expand, most government services. The proposed General Fund budget is predicated on current expected income tax revenues and the assumption that the City will qualify for the full amount of State shared revenues based upon current State estimates. It may need further review by Council during the upcoming year to either increase revenues or reduce services.

C. Garbage and Solid Waste

Funds received for garbage and solid waste removal not only provide for weekly garbage and recycling services, but also provided for public area pickup in the City's various parks, beaches and parkways, a brush and branch pickup program and two monthly street sweepings during the warmer months. The city charges an annual flat rate. The fee is to be assessed on parcels containing a residential dwelling. The annual fee will be at rate equivalent to the value of services provided to ensure the fund will breakeven at year end. For the year ending June 30, 2027 it is anticipated provided services will be funded for \$3,215,872 or \$324 per parcel compared to \$3,144,193 or \$317 per parcel for the year ending June 30, 2026.

D. Street Funds

Cities in Michigan receive state shared gas and weight taxes to partially offset the costs of maintaining and rebuilding major and local streets. These revenues have generally been sufficient for maintenance needs, but not for construction or major repairs. Michigan Legislature enacted and the Governor signed into law a series of new road funding laws which increased vehicle registration fees and gas taxes for all Michigan residents. This resulted in a substantial increase in the City's state shared revenue for the Street funds. This additional revenue will continue to help mitigate the effect of increasing costs.

The proposed budget will continue maintenance and preventative maintenance programs at levels somewhat reduced from prior years to allow annual operating expenses to continue to be more closely aligned with the expected revenues. The street construction millage, which was renewed for ten years during May, 2024, will provide approximately \$13.0 million for construction and street improvements for the ten-year period ending June 30, 2034. The street construction millage is an integral component of streets funding. This millage will allow the major rehabilitation of the City's streets to continue, when coupled with federal grants, state grants and the use of accumulated funds.

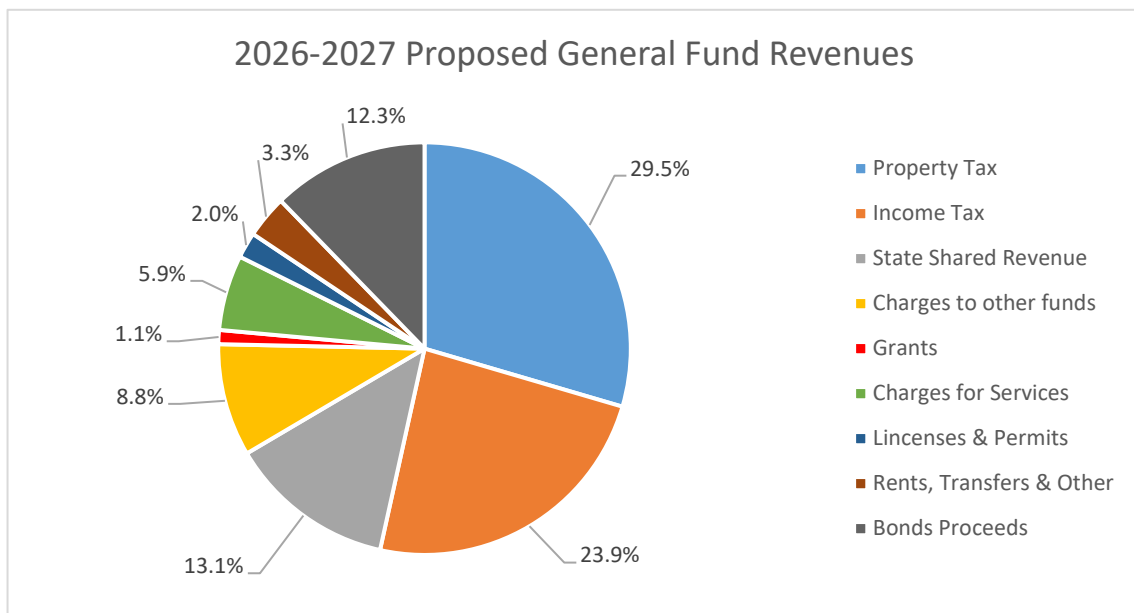
E. Utility Funds

The City's two utility funds, the Water Fund and the Wastewater Fund, are budgeted to receive operating revenues of approximately \$29.1 million. The two funds' cost of operating, debt service, and capital costs are expected to be approximately \$60.7 million. The budget proposes the use of wastewater accumulated balances and anticipates funding from the issuance of long-term bonds. In addition, the budget includes a 4.75% rate increase in water rates, with no increase in sewer rates. This increase has been included in the projected revenues discussed above. Water and wastewater usage has been relatively stable over the last five years.

F. General Fund Revenues

History has shown that General Fund revenues have grown at substantially less than the rate of inflation. This has occurred while many commodities purchased by the City including gasoline, asphalt and natural gas have increased dramatically.

The following chart indicates the various General Fund revenue sources for 2026-27 and the proposed relative percentage supplied by each (without regard to the recognition of ARPA funding currently reported as a liability):



The City Council has the authority to levy a property tax as authorized by City Charter and citizen voted millages as follows:

City Charter Annual Operations	10.6701 mills
Police and Fire Operations	2.8451 mills
Parks and Recreation Programs	0.9483 mills
Municipal Streets Capital Outlay	1.8934 mills
Blue Water Transportation Authority	<u>0.5980 mills</u>
Total	<u>16.9549 mills</u>

The taxable valuation of all property within the City, as compiled by the City Assessor and revised by the Board of Review, is as follows:

Assessment roll:	
Real property	\$ 814,140,232
Personal property	75,418,300
Special Acts assessment rolls:	
Industrial facilities roll:	
New facilities, real property	3,342,837
New facilities, personal property	-
Neighborhood enterprise zone, real property	865,172
Obsolete property rehabilitation, real property	11,497,993
Other real property	<u>6,416,007</u>
	<u>\$ 911,680,541</u>

Taxable valuation has increased by 6.7% overall. Real property values increased 5.5%, while personal property values increased by 21.4%. State equalized valuation (SEV) has increased by 6.4% overall. Real property values increased by 5.6%, while personal property values increased by 21.4%.

Pursuant to legislation approved by voters in the August 2014 statewide election, the State of Michigan has phased out the personal property tax on industrial property. Also, beginning with the 2014-15 budget year, companies having taxable value less than \$40,000 were dropped from the tax rolls.

The State has pledged to provide full reimbursement for lost personal property tax revenue. State projections for the 2026-27 budget year includes \$1,000,000 in the General Fund and \$190,000 in the Municipal Streets Fund. This revenue is described as State Shared Revenue – Local Community Stabilization Authority.

Proposal A, which was approved by the voters on March 15, 1994, increased the state sales and use tax as a means to reduce the reliance on local property taxes for school financing. The property tax portion of this proposal limits individual assessment increases to the rate of inflation to be no more than 5%. For 2026 the increase was 2.7%. Beginning in 1994, taxable value replaced state equalized value as the basis for calculating property taxes. The taxable value for 2026 is the lower of the 2026 state equalized value or the 2025 taxable value adjusted by the rate of inflation for the period. When properties are sold, the limitation period no longer applies and taxable value will increase to one half true cash value (approximately one half market value). Taxable value can also increase or decrease due to physical changes in individual parcels.

The Headlee amendment to the State constitution requires a millage rollback if assessed value, excluding new construction, increases by more than the inflation rate. It currently appears that the City will be subject to a Headlee rollback and that City millage rates will be reduced as shown below:

	2026 Millage Rates	2025 Millage Rates
General Fund:		
Operating	10.6701	10.8173
Public Safety	2.8451	2.8844
Parks and Recreation	0.9483	0.9614
Streets Fund	1.8934	1.9196
	<u>16.3569</u>	<u>16.8252</u>

For 2026 and 2025, taxable value was lower than the state equalized value (SEV), resulting in property being taxed at an average of 70.7% and 70.8% of equalized value, respectively, as shown below:

	2026	2025
Equalized Value	\$ 1,286,330,273	\$ 1,209,269,800
Taxable Value	<u>911,680,541</u>	<u>854,759,600</u>
Difference	<u>\$ 374,649,732</u>	<u>\$ 354,510,200</u>

Although real estate values appear to be trending in a positive fashion, the effects of Proposal A and the Headlee Amendment will continue to limit potential increases in property tax revenue. It is essential that property tax limitations be considered and reviewed on an ongoing basis.

This proposed budget anticipates unrestricted General Fund property tax revenue of \$8.96 million based on a net uncaptured taxable value of \$849,211,000 at the proposed millage rate of 10.6701 mills. In addition, \$3.19 million of property tax revenue will be raised to support Police and Fire operations and Parks and Recreation programs.

G. Property Tax Administration Fee

Included in the General Fund there is a property tax administration fee. This fee is an additional one percent charge added to each property tax bill and is expected to provide \$390,000 in 2026-27. State law allows property tax collecting units like the City to assess a local property tax administration fee. It is defined as “a fee to offset costs incurred by a collecting unit in assessing property values, in collecting the property tax levies, and in the review and appeal process.” Most of the other local units in St. Clair County assess such a fee.

Even with the addition of the administrative fee during 2017-18, residential property owners (both residents and landlords) have seen increases significantly below the rate of inflation in overall property taxes. Because of the effects of Proposal A and the Headlee Amendment, it will be years before the City’s property tax revenue returns to the former levels.

H. User Fees and Other Miscellaneous Revenues

The proposed 2026-27 General Fund budget anticipates approximately \$9.89 million in revenue from user fees, bond proceeds and other revenues. User fee rates are reviewed annually and adjusted as necessary. Following is a list of the City's various categories of user fees and the projected amounts of revenue generated by each for 2026-27.

<u>Source</u>	<u>Anticipated Revenue</u>
Licenses and Permits:	
Cable television	\$ 225,000
Building permits	550,000
Other	106,000
	<u>831,000</u>
Charges for Services:	
Recreation fees	955,000
Blue Water Bridge reimbursement	400,000
School resource officer reimbursement	790,706
County parks millage	175,000
Other	245,540
	<u>2,566,246</u>
Fines and Forfeits:	
Parking violations	100,000
Ordinance fines	250,000
	<u>350,000</u>
Investment Income	475,000
Rents – MOC and other	330,000
Bond proceeds – tainter gate	5,335,000
	<u>\$ 9,887,246</u>

Program fees for recreation activities are based upon the direct program costs for non-residents with resident fees set at 50% of the calculated amount. Further, the recreation department continues to work with local foundations to generate increased grant revenues for both programs and projects.

I. State Shared Revenue

On March 21, 2011, Governor Rick Snyder presented a special message on community development and local government reforms. As part of that message, he announced the new Economic Vitality Incentive Program (EVIP), which replaced statutory revenue sharing, but at approximately 66% of prior levels. The state revenue sharing program distributes sales tax collected by the State of Michigan to local governments as unrestricted revenues. Previous funding of the program consisted of the following dedicated tax revenues:

- Constitutional - 15% of the 4% gross collections of the state sales tax
- Statutory - 21.3% of the 4% gross collections of the state sales tax

Distributions of constitutional revenue sharing are based on population. As a result, estimated revenue for 2026-27 has been based on the 2020 census. The formula for statutory distributions formerly included factors such as taxable value per capita, local unit type, population and a tax rate yield equalization factor. The initial EVIP program implemented by the State had three key aspects as follows:

1. Accountability and Transparency
2. Consolidation of Services Plan
3. Unfunded Accrued Liability Plan

During 2014 the State of Michigan established the City, Village and Township Revenue Sharing (CVTRS) program (a simplified version of the EVIP). Each eligible local unit must meet all of the requirements of Accountability and Transparency in order to receive the full CVTRS payments. A Consolidation of Services Plan and an Unfunded Accrued Liability Plan are not required under the CVTRS program.

The City has successfully met the criteria to receive the CVTRS payments and management believes the City will continue to qualify for these payments in the future. The budget has been prepared based on that assumption and also assumes the State of Michigan will continue to fund the CVTRS program at their estimated levels.

An important difference between the two types of shared revenues is that, with constitutional revenue sharing, the percentage of receipts that must be shared with local units of government is fixed by the state constitution, while the percentage for the CVTRS (formerly EVIP/statutory revenue sharing) is set by the state legislature. Amounts distributed under both methods fluctuate as economic conditions impact the amount of sales tax collected by merchants and remitted to the state treasury. This trend is illustrated by the following table.

The following table shows the breakdown of the constitutional and statutory portions of the City's state revenue sharing received for the past ten years and two years of budgeted amounts:

Fiscal Year	Constitutional	Statutory/EVIP /CVTRS	Total	SSR as % of General Fund Expenditures**
2015-16	2,278,547	1,079,599	3,358,146	15.5%
2016-17	2,410,158	1,079,599	3,489,757	15.4%
2017-18	2,474,977	1,100,019	3,574,996	15.5%
2018-19	2,592,667	1,104,008	3,696,675	14.4%
2019-20	2,677,361	1,125,146	3,802,507	14.1%
2020-21	2,783,073	941,145	3,724,218	13.4%
2021-22	2,890,586	1,419,963	4,310,549	14.4%
2022-23	3,182,003	1,209,556	4,391,559	13.4%
2023-24	3,128,639	1,282,034	4,410,673	13.8%
2024-25	3,121,182	1,375,641	4,496,823	12.4%
*2025-26	3,190,000	1,400,000	4,590,000	13.2%
*2026-27	3,010,000	1,370,000	4,380,000	11.3%

* Budgeted amount

** Fiscal years ending 2022 thru 2027 General Fund Expenditures without regard to ARPA funding and use of restricted cash held for capital purposes.

J. Income Tax Revenues

City income tax revenues have been estimated at \$10.4 million. Over the years income tax revenues have increased modestly through compliance efforts and as hiring by private employers has outpaced reductions in employment for public employers. Projected income tax revenues are the equivalent of 13.025 mills of property tax.

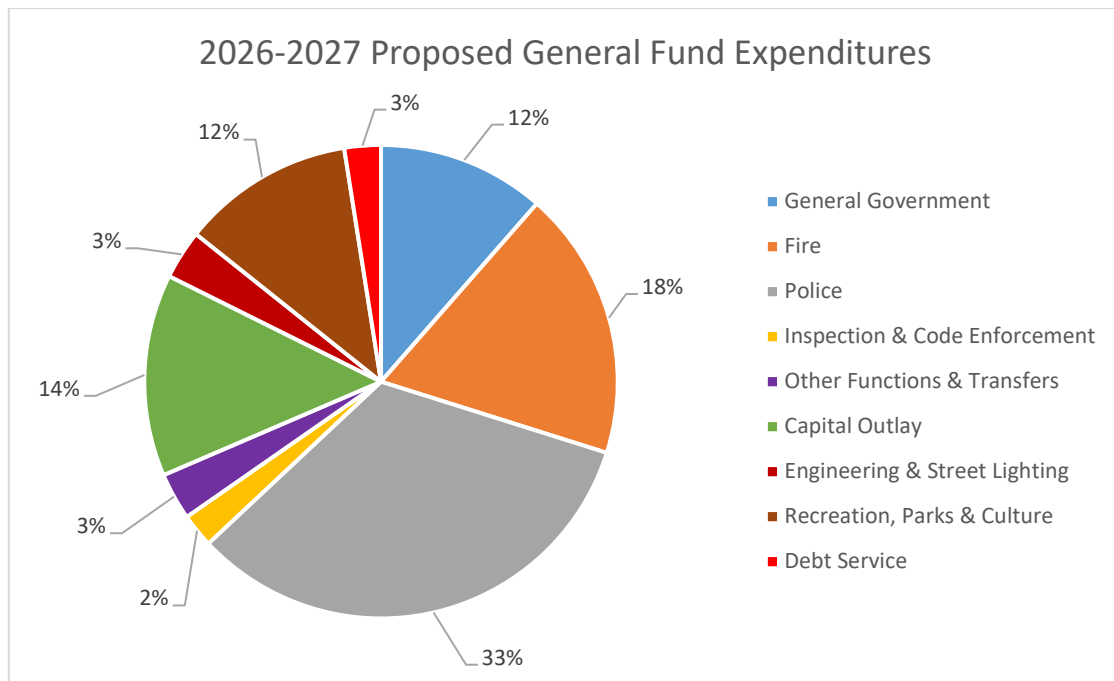
K. Grant Revenues

The 2026-27 budget includes expected grant revenue of \$480,000 for various parks and recreation and public safety grants.

L. General Fund Expenditures

The proposed budget generally continues current services and does not provide for any new General Fund programs. However, due to budget constraints the city faced with the 2026-2027 proposed budget, certain programs offered by the city and capital projects were postponed. Proposed expenditures for the fiscal year ending June 30, 2027 are approximately \$8.38 million higher than comparable budgeted expenditures for the proposed budget for fiscal year 2025-26, an increase of 23.5% percent.

The illustration below depicts the major categories of General Fund expenditures for 2025-26 and the relative percentage of each:



After charging other funds for their cost of administrative expenses and receiving MOC rent, net general government expenses are 2.1% of General Fund expenditures.

Proposed expenditures of the General Fund, detailed herein, may be further summarized as follows:

Personal services	\$ 27,287,771
Supplies and materials	1,316,024
Contractual services	<u>7,238,555</u>
Total Operating Expenses	35,842,350
Transfers	794,785
Debt Service	1,091,598
Capital outlay:	
Departmental	417,000
Black river canal tainter gate project	5,050,000
Parks and recreation projects	<u>580,000</u>
Total	<u>\$ 43,775,773</u>

M. Other Effects on Operating Costs

Comparisons for each operating activity, with previous years, are summarized in schedules made part of this report.

Pension costs and health insurance premiums, discussed below, have a significant impact on the City's annual operating costs. These cost can fluctuate annually based valuations studies. Through policy changes and contract negotiations, the City has taken action to counter potential increases and reduce costs. Foremost of these actions is the closing of City's defined benefit and hybrid pension plans as well as the infusion of \$52 million to the City's pension plan, through the issuance of a General Obligation Limited Tax Pension Bond, during March, 2020.

Pension Costs:

Full-time City employees are members of the Municipal Employees Retirement System of Michigan (MERS). MERS released an experience study during the summer of 2025. The results of this study included several changes having an effect on the City's funding levels. The main assumption and methods used are:

- The mortality table was adjusted to reflect longer lifetimes using a 50% male and 50% female blend with rates multiplied by 105%
- The assumed annual rate of investment return, net of all expenses, is 6.93%.
- The asset smoothing period is 5 years.
- The amortization period was moved to a fixed period amortization.
- Final Average Compensation (FAC) used is 4%.

Full-time employees, other than public safety, hired after July 1, 2008, were covered by a MERS hybrid pension plan, which was expected to reduce long-term costs substantially. Full-time public safety employees hired after July 1, 2014 were also covered by the MERS hybrid pension plan. All employees hired prior to July 1, 2008, had employee pension contributions increased by a cumulative 8% of their wages effective July 1, 2013.

Beginning July 1, 2018, those full-time employees covered under the defined benefit pension plan received a bridged benefit according to the MERS bridged pension formula. The employee benefit was reduced on a prospective basis, as a 2.0 percent multiplier was to be earned after July 1, 2018 rather than a 2.5 percent multiplier. Employee pension contributions were also be reduced on a comparable basis. Estimates from MERS indicated that the bridged pension change would ultimately reduce the City's unfunded pension liability by \$10.5 million and reduce annual pension expense by \$800,000.

Further changes were made in 2020 which will reduce pension costs substantially over the next 30 years. All full-time employees hired after February 1, 2020 will be covered by a defined contribution pension plan with MERS. These employees will have a minimum of ten percent of their covered wages set aside in their defined contribution plan. Employees can increase their participation to sixteen percent of wages by voluntarily contributing an additional three percent, with the City matching it.

Closing the current defined benefit and hybrid plans as well as depositing \$52 million with MERS from bond sales during 2019-20 has substantially increased the City's funding percentage. In addition, the annual bond payments (approximately \$2.7 million) combined with the remaining actuarially mandated payment will be approximately \$6 million in 2025-26. This is substantially less than the budgeted payment to MERS for the 2019-20 fiscal year. Additionally, without these steps undertaken during the 2019-20 year, MERS had projected that the annual payment would have escalated to \$11-\$14 million annually. Also MERS has allowed the City to re-set its amortization period to 30 years, which has contributed to the annual savings.

The City's annual required contribution (ARC) to MERS during the last two fiscal years, ended June 30, 2025, and 2024, was \$2,562,900 and \$1,766,688, respectively. The Governmental Accounting Standards Board issued Statement No. 68, *Accounting and Financial Reporting for Pension* effective the year ended June 30, 2015, requiring the City to change its method of accounting for pensions. One of the changes requires the calculation of the actual pension expense to account for the changes in the net pension liability and related deferrals, regardless, of payments made to MERS. The City's recognized pension expense for the years ended June 30, 2025 and 2024, was \$4,855,403 and \$5,623,512, respectively.

Healthcare Insurance Premiums:

The City of Port Huron provides health insurance to full time employees and eligible retirees. The proposed budget anticipates modest savings as negotiations with all of our unions have resulted in an emphasis on preventative care, cost sharing and reduced employer costs. The City has moved to a self-insured program with higher deductibles and co-pays. Cost results to date have been favorable.

Effective January 1, 2022, all Medicare eligible retirees have moved to a Medicare Advantage Plan. These retirees will receive essentially the same or slightly better coverage than before. The City's annual premiums are expected to be reduced by approximately \$500,000 per year once the program is fully realized. In addition, this change has increased the City's OPEB funding ratio from 39 percent to 67 percent. The proposed costs are summarized as follows:

Active Employee Health Costs	\$ 1,600,000
Retired Employee Health Costs	<u>3,400,000</u>
Total	<u>\$ 5,000,000</u>

The City's annual required contribution (ARC) to fund its OPEB liability during the last two fiscal years, ended June 30, 2025, and 2024 was \$1,980,890 and \$1,013,739, respectively. The results of the June 30, 2025 actuarial valuation showed the City's ARC payment for the 2025-26 fiscal year will be \$2 million.

N. Support For Recreation, Parks and Culture

The City of Port Huron recreation department provides recreation programs and other activities at the various public parks, playgrounds, pools and beaches. These facilities are maintained by the parks and forestry division. In addition, the City provides significant annual support to the McMorran Auditorium and Arena, the Port Huron Museum and its various locations and the municipal marinas.

The proposed McMorran subsidy consists of \$805,000 for operations capital improvements (partially funded by the county recreation millage).

The City owns the following facilities which it leases to the Port Huron Museum:

Carnegie Center (Main Museum Facility)
 Thomas Edison Depot
 Huron Lightship
 Fort Gratiot Hospital

Under the current lease terms of these facilities, the City pays all utility, insurance and maintenance costs (with the exception of maintenance costs for the Huron Lightship, as discussed below). In addition, the City has made major improvements to the facilities. This budget proposes that the Museum continues to pay all maintenance expenses of the Huron Lightship, which will continue to make the Museum more self-sufficient and less dependent on City taxpayers.

A subsidiary of the City of Port Huron, Discovery City Children's Museum, formerly Knowlton Ice Museum, opened to the public on October 15, 2024 to offer hands-on and interactive exhibits for children. The City made improvements to the facility as well as purchased many of the exhibits.

In fiscal year 2024 the City started to take over the operation of the River Street Marina to provide services along the Black River in the downtown. For fiscal year 2027 operations are budgeted to bring in operating revenue of \$404,265 and incur operating expenses of \$404,265.

The budget for parks and recreation programs and services is \$5,160,645. This portion of the budget includes the City's parks and playgrounds, museum, children's museum, beaches and pools, boat launches, riverfront parkways, the Palmer Park Recreation Center, Harvey reinvestment center and the City's many forested public areas and boulevards. Recreation and other fees and grants offset certain of these costs. During the past years these fees have been increased to cover direct program costs.

O. General Fund Comparison

The General Fund budget presented herein may be summarized and compared with the adopted budget for the current fiscal year ending June 30, 2027, as follows:

	Proposed Budget 2026-2027	Adopted Budget 2025-2026	Increase Or (Decrease)
Means of Financing:			
Property taxes	\$ 12,840,000	\$ 12,320,000	\$ 520,000
Income tax	10,400,000	9,660,000	740,000
Business licenses and permits	276,000	366,000	(90,000)
Nonbusiness license permits	605,000	583,000	22,000
Grants	480,000	445,000	35,000
State shared revenue	5,675,000	5,850,000	(175,000)
Charges for services	2,566,246	2,428,284	137,962
Fines and Forfeits	350,000	260,000	90,000
Investment income	475,000	400,000	75,000
Rents	330,000	325,000	5,000
Bond proceeds	5,335,000	-	5,335,000
Charges to other funds	3,837,432	2,967,920	869,512
Transfer from other funds	298,585	-	298,585
Total	<u>\$ 43,468,263</u>	<u>\$ 35,605,204</u>	<u>\$ 7,863,059</u>
Estimated Requirements:			
General government	\$ 5,384,378	\$ 5,041,967	\$ 342,411
Public safety	22,617,616	21,089,581	1,528,035
Public works	2,611,524	2,556,435	55,089
Senior Citizens	5,500	4,500	1,000
Recreation, parks and culture	5,160,645	4,637,883	522,762
Other functions	479,687	580,125	(100,438)
Capital outlay	5,630,000	570,000	5,060,000
Debt Service	1,091,598	571,413	520,185
Transfers to other funds	794,785	553,300	241,485
Total	<u>\$ 43,775,733</u>	<u>\$ 35,605,204</u>	<u>\$ 8,170,529</u>

P. Water and Wastewater Funds

The City of Port Huron operates two utility funds, the Water Fund and the Wastewater Fund. The Water Fund accounts for the operation of the City's water treatment plant and distribution system. The City provides water service to all City residents and businesses, as well as to portions of the townships of Fort Gratiot, Port Huron, Kimball and Clyde. Services to those townships are charged based on water usage and rates charged to City of Port Huron users, by contract. The Wastewater Fund accounts for the operation of the City's wastewater treatment facility and collection system. In addition to providing services to City residents, the wastewater treatment facility also provides services to portions of the townships of Fort Gratiot, Port Huron and Kimball. The three townships have purchased capacity in the wastewater treatment facility and share in annual operating expenses based on fixed contractual percentages.

Q. Bond Commitments

The State of Michigan, through the Michigan Municipal Bond Authority (MMBA), has approved borrowings under the State Revolving Fund (SRF) and Drinking Water Revolving Fund (DWRF) loan programs subject to certain conditions. Among the conditions are those prescribed by the MMBA's public financial consultants which include, in part, the following two conditions which are similar to those contained in the bond ordinances and agreements.

1. Water and Sewer Use Revenue – Sufficient revenues are generated from water supply and sewage disposal services to satisfy all operations, maintenance and replacement costs. It is projected and understood that annual rate increases will be required over the next few years.
2. Rate Adjustments – All rates, charges and fees shall be reviewed annually and adjusted as necessary to assure that, at the minimum, sufficient revenues will be available to satisfy all operation, maintenance, replacement and debt service costs to the system.

Recorded in the various funds of the City are general obligation bonds and revenue bonds amounting to \$95,970,313 at June 30, 2025 for which the City's full faith and credit is pledged. It is anticipated that the principal and interest on this debt will continue to be serviced by the funds incurring the debt, predominately the Water and Wastewater Funds for the borrowings referred to above, the Insurance and Fringe Benefits Fund for the pension bonds issued during March, 2020 and the General Fund for the bonds issued during December, 2022 for the construction of the new fire station.

The requirements to pay principal and interest on the obligations outstanding at June 30, 2024 are listed below. The annual payments for the first five years are listed individually and thereafter are listed in five-year groupings. They are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 5,635,397	\$ 2,649,694	\$ 8,285,091
2027	4,516,162	2,520,861	7,037,023
2028	4,285,166	2,416,765	6,701,932
2029	4,132,199	2,314,936	6,447,135
2030	4,203,144	2,212,933	6,416,078
2031-2035	19,353,237	9,519,738	28,872,976
2036-2040	18,474,084	7,022,944	25,497,029
2041-2045	18,041,791	4,443,065	22,484,856
2046-2050	15,728,065	1,636,064	17,364,129
2051-2055	<u>1,601,068</u>	<u>105,902</u>	<u>1,706,970</u>
	<u>\$ 95,970,313</u>	<u>\$ 34,842,902</u>	<u>\$ 130,813,215</u>

Continuous review of this significant debt obligation will be necessary to properly manage the City's commitments.

R. Monthly Utility Billings

This budget includes a 4.75% rate increase to water commodity and ready to serve with no changes to the sewer rate. This increase should provide much of the necessary revenue for operations, capital needs and debt retirement during that period. However, budgeted capital projects in the Water and Wastewater Funds will require additional resources. These capital projects have been funded, as much as prudently possible, from cost containment measures and use of cash reserves in recent years. However, new funds are now needed to finance continuing capital needs. As additional resources are needed, issuance of long-term bonds will be necessary.

The effects of the proposed rate increase on the combined water and sewage rate charges for a 5/8 inch residential customer at various consumption levels, per month, are as follows:

	<u>Consumption (Cubic Feet)</u>	<u>Adjusted Rates</u>	<u>Present Rates</u>	<u>Increase</u>	<u>Percent Change</u>
	167	\$ 81.37	\$ 80.58	\$ 0.79	0.98%
	333	93.81	92.86	0.95	1.02%
	500	106.33	105.21	1.12	1.06%
Average Residential	567	111.35	110.17	1.18	1.07%
	667	118.84	117.56	1.28	1.09%
	833	131.28	129.84	1.44	1.11%
	1,000	143.79	142.19	1.60	1.13%
	1,167	156.30	154.54	1.76	1.14%
	1,333	168.74	166.82	1.92	1.15%
	1,500	181.26	179.17	2.09	1.17%

S. Proposed Public Works Projects

Public works projects necessary for street reconstruction may include upgraded sewer and water lines where appropriate. As a result, the costs associated with these projects are recorded in the Streets Fund, the Water Fund and the Wastewater Fund. Certain of these projects could also be recorded in other funds when appropriate.

The current estimated costs of public works projects for the 2026-27 year are as follows:

	Street Funds	Water Fund	Wastewater Fund	Total
Current Projects:				
Water St. -10 th to 13 th	\$ 2,730,000	-	-	\$ 2,730,000
16 th St. Sidewalk	100,000	-	-	100,000
Huron Ave. Road & Utility	286,000	792,000	198,000	1,276,000
24 th St. – Electric to Cleveland	675,000	-	-	675,000
Black River Canal Crossing	-	295,000	-	295,000
Conner St. Reconfiguration	562,000	-	-	562,000
Military St. HAWK Signal	250,000	-	-	250,000
Cottage Homes Access Drive	350,000	350,000	350,000	1,050,000
Total Current	<u>4,953,000</u>	<u>1,437,000</u>	<u>548,000</u>	<u>6,938,000</u>
Carryover Projects:				
McLaren Hospital Area Roads				
Phase II	2,145,000	1,950,000	2,265,000	6,360,000
24 th Street	725,000	320,000	190,000	1,235,000
10 th St. Lapeer to Black River	1,013,000	25,000	95,000	1,133,000
15 th St. Watermain Extension	-	200,000	-	200,000
Oak St. Military to 24 th St.	-	25,000	-	25,000
Lead Service Replacement	-	500,000	-	500,000
Total Carryover	<u>3,883,000</u>	<u>3,020,000</u>	<u>2,550,000</u>	<u>9,453,000</u>
Total Current and Carryover	<u>8,836,000</u>	<u>4,457,000</u>	<u>3,098,000</u>	<u>16,391,000</u>
Sidewalk Projects	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>80,000</u>
Total	<u>\$ 8,916,000</u>	<u>\$ 4,457,000</u>	<u>\$ 3,098,000</u>	<u>\$ 16,471,000</u>

The public works projects are expected to be funded as follows:

	Street Funds	Water Fund	Wastewater Fund	Total
Grants:				
LDFA Funding	725,000	-	-	725,000
Water St. TIF Funding	990,000	-	-	990,000
MDOT Federal Funds	1,608,000	-	-	1,608,000
Sidewalk Projects	80,000	-	-	80,000
Current Revenues and Reserves:				
Street Millage	5,513,000	-	-	5,513,000
Water/Wastewater Fund	<u>-</u>	<u>4,457,000</u>	<u>3,098,000</u>	<u>7,555,000</u>
Total	<u>\$ 8,916,000</u>	<u>\$ 4,457,000</u>	<u>\$ 3,098,000</u>	<u>\$ 16,471,000</u>

T. Special Revenue Funds

The Cemetery Fund continues to face financial pressures. Revenue received in the fund is unable to meet the demand of inflation, increasing operating expenditures. Though City Council previously approved an increase to fees charged, for various cemetery services, in an effort to mitigate cost pressures. These efforts have only delayed the depletion of the reserved fund balance forcing fund operations to be subsidized from either the General Fund or Land Purchase Fund in years past. These other funds are facing the same cost pressures and are unable to subsidize the budgeted operations for the Cemetery Fund in fiscal year 2026-27. While efforts are put forth to brainstorm ideas in an effort to reduce cost in the fund, it was determined to transfer funds needed from the Cemetery Perpetual Care Fund to meet the Cemetery Funds demands.

The Garbage and Rubbish Collection Fund reflects the expected annual charges for the 2026-27 year. The City charges a flat rate assessed on parcels containing a residential dwelling. The annual fee will be at rate equivalent to the value of services provided to ensure the fund will breakeven at year end. The 2026-27 budget provides for a Public Area Program with the costs charged to the Garbage and Rubbish Collection Fund. The Public Area Program provides for trash removal from parks, beaches, marinas and other public areas maintained by the City.

The City has established a separate Rental Certification Fund to segregate all revenues and expenditures of this program so that the fee structure is based upon actual costs. The current budget continues to fund the additional full-time positions for Rental Inspectors. This allows rental properties to be inspected on a more regular basis. Over time, this will help improve the quality of rental properties in the City of Port Huron. The current fees are \$100 for the first unit and \$70 per unit for each additional unit.

The Drug Law Enforcement and Law Enforcement Funds account for property forfeited to the City in connection with drug related activities. The Enhanced 911 Fund was established to account for the revenues and capital outlay, as required by statute, from the user fee as assessed to all city telephone customers. No further revenues are expected from the user fees. The remaining funds are available for future capital needs.

The Community Development Block Grant (CDBG) Fund and the Home Program Fund are budgeted using the allocation of grant funds previously approved by the City Council. Existing staff, with assistance from part-time clerical employees, continue to be able to manage the CDBG and HOME programs.

U. Internal Service Funds

The City operates five internal service funds, consisting of the Central Stores, Data Processing, Motor Vehicle, Energy Performance Services and Fringe Benefit Funds. These funds provide services to other activities of the City. Revenues are derived from the fee charges for the services rendered. The budget for these funds are included in this report. The operations of the Motor Vehicle Fund and Fringe Benefit Fund were previously reviewed. Annual operating costs are budgeted to increase as a result of increased operations as well as increased insurance rates and annual required pension payments. As a result, vehicle lease charges and fringe benefit rates increased to cover the anticipated increase in cost.

V. Tax Increment Funds

The City of Port Huron has used tax increment financing to undertake several economic development projects. This financial tool, authorized by various state statutes, allows a municipality to construct public improvements to provide incentives for industrial, commercial and residential developments. These public improvements are financed from the revenues generated by the new development from the taxes levied on the captured (increased) value of the district.

For the presented budget, it is proposed that commercial development continues to be funded by those tax increment districts which continue to have undeveloped land or significant vacant properties. The districts are noted in the following list.

Each of these districts are budgeted for separately and consist of the following:

- The Peerless Site Tax Increment Fund (captured taxes committed to St. Clair County)
- The Harrington Hotel Tax Increment Fund (taxes no longer captured)
- The Bank Tax Increment Fund (taxes no longer captured)
- The Edison Redevelopment Tax Increment Fund
- The Water Street Tax Increment Fund (taxes no longer captured)
- The MainStreet Tax Increment Fund
- The Industrial Park Expansion Tax Increment Fund (taxes no longer captured)
- The Southside Redevelopment Brownfield Redevelopment Tax Increment Fund
- The Harker Street Redevelopment Brownfield Redevelopment Tax Increment Fund
- Water Street Marina Brownfield Redevelopment Tax Increment Fund
- Wrigley Center Brownfield Redevelopment Tax Increment Fund
- The Southside Neighborhood Initiative Authority Tax Increment Fund

For the Southside Redevelopment Brownfield Redevelopment District, one-half of the incremental non-school and school taxes are captured. For districts where advances are repaid and projects completed, captured taxes are passed on to the appropriate taxing authorities. For other districts, expenditures are projected based upon continuance of current capital projects or development.

Individual Fund Budgets

GENERAL FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Property taxes	\$ 12,840,000	\$ 12,320,000
Income tax	10,400,000	9,660,000
Business licenses and permits	276,000	366,000
Nonbusiness licenses and permits	605,000	583,000
Grants	480,000	445,000
State shared revenues	5,675,000	5,850,000
Charges for services	2,566,246	1,663,040
Fines and forfeits	350,000	260,000
Investment income	475,000	400,000
Rents	330,000	325,000
Other income	5,335,000	-
Charges to other funds	3,837,432	2,967,920
Transfer from other funds	298,585	-
TOTAL MEANS OF FINANCING	43,468,263	34,839,960
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	27,287,771	25,039,408
Supplies and materials	1,316,024	1,131,483
Contractual services	7,238,555	6,944,356
	35,842,350	33,115,247
Transfers	794,785	553,300
Debt Service	1,091,598	571,413
Capital outlay:		
Departmental	417,000	30,000
Parks and recreation projects	580,000	570,000
Black river tainer gate project	5,050,000	-
TOTAL ESTIMATED REQUIREMENTS	43,775,733	34,839,960
INCREASE (DECREASE) IN CASH BALANCE	(307,470)	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	6,500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 6,192,530	

STREET FUNDS MAJOR STREETS

Budget Summary

	<u>Proposed Budget 2026-2027</u>	<u>Adopted Budget 2025-2026</u>
MEANS OF FINANCING:		
State shared revenues:		
Major streets	\$ 3,430,000	\$ 3,030,000
Trunkline maintenance	486,950	455,456
Right of way	120,000	100,000
Federal and State grants	1,608,000	1,172,000
Investment income	85,000	-
Contribution from LDFA	725,000	625,000
Contribution from DDA - Water St	990,000	800,000
Transfer from Municipal streets to Major streets	<u>2,950,000</u>	<u>2,550,000</u>
TOTAL MEANS OF FINANCING	<u>10,394,950</u>	<u>8,732,456</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,674,337	1,665,787
Supplies and materials	331,042	313,386
Contractual services:		
Engineering and other professional services	<u>2,148,571</u>	<u>2,189,162</u>
	4,153,950	4,168,335
Capital outlay:		
Departmental	-	1,000
Street resurfacing and/or reconstruction from:		
Street millage	274,000	437,000
Other sources	<u>5,967,000</u>	<u>4,130,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>10,394,950</u>	<u>8,736,335</u>
INCREASE (DECREASE) IN CASH BALANCE	-	<u><u>\$ (3,879)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>50,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 50,000</u></u>	

STREET FUNDS LOCAL STREETS

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
State shared revenues:		
Local streets	\$ 1,250,000	\$ 1,110,000
Right of way	40,000	30,000
Transfers:		
Transfer from Major streets to Local streets	857,500	757,500
Transfer from Municipal streets to Local streets	1,800,000	625,000
TOTAL MEANS OF FINANCING	3,947,500	2,522,500
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	791,692	781,140
Supplies and materials	138,953	131,209
Contractual services	521,855	526,288
	1,452,500	1,438,637
Capital outlay:		
Departmental	-	1,000
Street resurfacing and/or reconstruction from:		
Street millage	1,250,000	1,087,000
Other sources	1,245,000	-
TOTAL ESTIMATED REQUIREMENTS	3,947,500	2,526,637
INCREASE (DECREASE) IN CASH BALANCE	-	\$(4,137)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	5,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 5,000	

STREET FUNDS MUNICIPAL STREETS

Budget Summary

	<u>Proposed Budget 2026-2027</u>	<u>Adopted Budget 2025-2026</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,430,000	\$ 1,410,000
Personal property taxes	135,000	114,000
BWATC	500,000	450,000
State shared revenue - Local community stabilization authority	190,000	190,000
Charges for services	160,000	160,000
Investment income	350,000	-
TOTAL MEANS OF FINANCING	<u>2,765,000</u>	<u>2,324,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	411,124	30,705
Supplies and materials	2,500	12,789
Contractual services:		
Engineering and other professional services	68,958	69,202
BWATC property taxes	500,000	450,000
Transfers:		
From Municipal streets to Major streets	2,950,000	2,550,000
From Municipal streets to Local streets	1,800,000	625,000
TOTAL ESTIMATED REQUIREMENTS	<u>5,732,582</u>	<u>3,737,696</u>
INCREASE (DECREASE) IN CASH BALANCE	(2,967,582)	<u><u>\$ (1,413,696)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>6,000,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 3,032,418</u></u>	

STREET FUNDS
COMBINED MAJOR, LOCAL AND MUNICIPAL STREETS

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 1,430,000	\$ 1,410,000
Personal property taxes	135,000	114,000
BWATC	500,000	450,000
State shared revenues:		
Major streets	3,430,000	3,030,000
Local streets	1,250,000	1,110,000
Trunkline maintenance	486,950	455,456
Right of way	160,000	130,000
Local community stabilization authority	190,000	190,000
Federal and State grants	1,608,000	1,172,000
Investment income	435,000	-
Charges for services	160,000	160,000
Contribution from LDFA	725,000	625,000
Contribution from DDA - Water St	990,000	800,000
Transfers:		
Transfer from Major streets to Local streets	857,500	757,500
From Municipal streets to Major streets	2,950,000	2,550,000
From Municipal streets to Local streets	1,800,000	625,000
TOTAL MEANS OF FINANCING	17,107,450	13,578,956
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	2,877,153	2,477,632
Supplies and materials	472,495	457,384
Contractual services:		
Engineering and other professional services	2,739,384	2,784,652
BWATC property taxes	500,000	450,000
Transfers:		
From Municipal streets to Major streets	2,950,000	2,550,000
From Municipal streets to Local streets	1,800,000	625,000
	11,339,032	9,344,668
Capital outlay:		
Departmental	-	2,000
Street resurfacing and/or reconstruction from:		
Street millage	1,524,000	1,524,000
Other sources	7,212,000	4,130,000
TOTAL ESTIMATED REQUIREMENTS	20,075,032	15,000,668
INCREASE (DECREASE) IN CASH BALANCE	(2,967,582)	\$(1,421,712)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	6,055,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 3,087,418	

CEMETERY FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Foundations	\$ 25,000	\$ 25,000
Graveside interments	75,000	75,000
Chapel interments	15,000	15,000
Other services	16,500	16,500
Transfer from Cemetery perpetual care fund	505,000	570,000
TOTAL MEANS OF FINANCING	636,500	701,500
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	372,042	440,720
Supplies and materials	28,700	30,950
Contractual services	147,258	205,043
	548,000	676,713
Capital outlay	88,500	24,000
TOTAL ESTIMATED REQUIREMENTS	636,500	700,713
INCREASE (DECREASE) IN CASH BALANCE	-	\$ 787
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	5,000	
ESTIMATED CASH BALANCE - END OF YEAR	5,000	

GARBAGE AND RUBBISH COLLECTION FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 3,165,872	\$ 3,144,193
Investment income	50,000	
TOTAL MEANS OF FINANCING	3,215,872	3,144,193
ESTIMATED REQUIREMENTS:		
Rubbish Collection Program:		
Ordinary recurring expenses:		
Personal services	34,477	18,698
Supplies and materials	4,000	4,000
Contractual services	3,162,345	3,121,495
	<u>3,200,822</u>	<u>3,144,193</u>
Public Area Collection Program:		
Ordinary recurring expenses:		
Personal services	1,785	-
Contractual services	27,858	-
	<u>29,643</u>	<u>-</u>
TOTAL ESTIMATED REQUIREMENTS	3,230,465	3,144,193
INCREASE (DECREASE) IN CASH BALANCE	(14,593)	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	800,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 785,407	

RENTAL CERTIFICATION FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 480,000	\$ 489,000
TOTAL MEANS OF FINANCING	480,000	489,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	540,465	583,808
Supplies and materials	10,500	10,500
Contractual services	60,945	75,080
	<u>611,910</u>	<u>669,388</u>
TOTAL ESTIMATED REQUIREMENTS	611,910	669,388
INCREASE (DECREASE) IN CASH BALANCE	(131,910)	<u>\$(180,388)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	300,000	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 168,090</u>	

O.U.I.L. FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Fines and forfeits	\$ 5,000	\$ 5,000
TOTAL MEANS OF FINANCING	5,000	5,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	1,000	1,000
Contractual services	1,000	1,000
	<u>2,000</u>	<u>2,000</u>
Capital outlay	<u>3,000</u>	<u>3,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>5,000</u>	<u>5,000</u>
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>1,500</u>	<u><u>1,500</u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 1,500</u></u>	

DRUG LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Fines and forfeits	\$ 20,000	\$ 20,000
TOTAL MEANS OF FINANCING	<u>20,000</u>	<u>20,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	5,000	5,000
Contractual services	<u>1,000</u>	<u>1,000</u>
	6,000	6,000
Capital outlay	<u>14,000</u>	<u>14,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>20,000</u>	<u>20,000</u>
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ -</u>	<u>-</u>

LAW ENFORCEMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 10,000	\$ 10,000
TOTAL MEANS OF FINANCING	<u>10,000</u>	<u>10,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	15,000	10,000
	25,000	17,000
	<u>40,000</u>	<u>27,000</u>
Capital outlay	<u>35,000</u>	<u>20,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>75,000</u>	<u>47,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(65,000)	<u><u>\$ (37,000)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>65,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

AMBULANCE FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 425,000	\$ 400,000
TOTAL MEANS OF FINANCING	425,000	400,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services	425,000	400,000
TOTAL ESTIMATED REQUIREMENTS	425,000	400,000
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

OPIOID SETTLEMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 175,000	\$ 175,000
TOTAL MEANS OF FINANCING	<u>175,000</u>	<u>175,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services	<u>175,000</u>	<u>175,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>175,000</u>	<u>175,000</u>
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

COMMUNITY DEVELOPMENT BLOCK GRANT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Federal grant:		
Current allocation	\$ 702,976	\$ 703,151
Federal grant carryover	694,083	663,252
TOTAL MEANS OF FINANCING	1,397,059	1,366,403
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	236,722	122,264
Supplies and materials	2,682	2,250
Contractual services	15,193	12,989
	<u>254,597</u>	<u>137,503</u>
Capital outlay - programs:		
Emergency home repairs	93,500	138,400
Rehabilitation	916,962	899,000
Code enforcement	68,000	97,500
Demolitions	25,000	25,000
Project brush-up	15,000	50,000
Neighborhood clean-up	24,000	19,000
	<u>1,397,059</u>	<u>1,366,403</u>
TOTAL ESTIMATED REQUIREMENTS	1,397,059	1,366,403
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	-
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	-

HOME PROGRAM FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Federal grant		
Current allocation	\$ 182,086	\$ 229,339
Federal grant carryover	1,332,690	1,199,000
TOTAL MEANS OF FINANCING	1,514,776	1,428,339
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Code enforcement/neighborhood preservation:		
Personal services	55,404	16,802
Supplies and materials	-	-
Contractual services	3,312	1,000
	<u>58,716</u>	<u>17,802</u>
Capital outlay:		
CHDO project	350,000	283,000
CHDO administration	60,000	52,000
Urban pioneer	232,000	242,000
HOME ARP	814,060	833,537
TOTAL ESTIMATED REQUIREMENTS	1,514,776	1,428,339
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	-
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	-

STREETSCAPE MAINTENANCE FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 32,665	\$ 34,750
Transfer from General fund	17,485	-
TOTAL MEANS OF FINANCING	50,150	34,750
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	13,200	8,800
Supplies and materials	6,750	2,350
Contractual services	30,200	23,600
TOTAL ESTIMATED REQUIREMENTS	50,150	34,750
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

BEAUTIFICATION COMMISSION FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Transfer from General fund	\$ 3,300	\$ 3,300
TOTAL MEANS OF FINANCING	3,300	3,300
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Supplies and materials	5,650	5,650
Contractual services	150	150
TOTAL ESTIMATED REQUIREMENTS	5,800	5,800
INCREASE (DECREASE) IN CASH BALANCE	(2,500)	\$(2,500)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	2,500	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

MCMORRAN FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 1,731,000	\$ 2,123,350
Transfer from General fund	774,000	550,000
TOTAL MEANS OF FINANCING	2,505,000	2,673,350
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	1,225,521	1,323,893
Supplies and materials	96,649	93,100
Contractual services	1,161,730	1,244,910
	2,483,900	2,661,903
Capital outlay	21,100	9,800
TOTAL ESTIMATED REQUIREMENTS	2,505,000	2,671,703
INCREASE (DECREASE) IN CASH BALANCE	-	\$ 1,647
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	5,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 5,000	

MARINA FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Gas Sales	\$ 110,000	\$ 80,000
Dockage	260,000	285,000
Ice Sales	5,500	4,500
Merchandise Sales	4,000	10,000
TOTAL MEANS OF FINANCING	379,500	379,500
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	192,126	186,947
Supplies and materials	76,500	73,500
Contractual services	129,452	106,494
	398,078	366,941
TOTAL ESTIMATED REQUIREMENTS	398,078	366,941
INCREASE (DECREASE) IN CASH BALANCE	(18,578)	\$ 12,559
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	150,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 131,422	

LAND PURCHASE FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Transfer from tax increment funds:		
Edison redevelopment	\$ 338,300	\$ 390,000
Mainstreet	108,585	186,000
TOTAL MEANS OF FINANCING	446,885	576,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Engineering and other professional services	110,000	107,120
Transfer to:		
General fund	256,885	-
Parking fund	80,000	90,000
TOTAL ESTIMATED REQUIREMENTS	446,885	197,120
INCREASE (DECREASE) IN CASH BALANCE	-	\$ 378,880
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	35,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 35,000	

PARKING FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Annual permits	\$ 30,000	\$ 25,000
Transfer from Land purchase fund	80,000	90,000
TOTAL MEANS OF FINANCING	110,000	115,000
ESTIMATED REQUIREMENTS:		
Parking System - Non Revenue Producing:		
Ordinary recurring expenses:		
Personal services	35,700	36,000
Supplies and materials	13,180	12,180
Contractual services	60,781	70,519
	<u>109,661</u>	<u>118,699</u>
TOTAL ESTIMATED REQUIREMENTS	109,661	118,699
INCREASE (DECREASE) IN CASH BALANCE	339	\$(3,699)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	50,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 50,339	

WATER FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Sale of water	\$ 9,660,000	\$ 9,050,000
Penalty charges	60,000	40,000
Hydrant charges	59,040	59,040
Charges for services	25,000	25,000
Contributions from LDFA	-	325,000
Pro rata share of water administration and meter reading budget reimbursed from Wastewater fund	480,677	750,414
Proceeds from issuance of long-term bonds	10,000,000	10,000,000
TOTAL MEANS OF FINANCING	20,284,717	20,249,454
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	3,177,874	2,870,243
Supplies and materials	596,078	589,593
Contractual services	2,664,249	2,760,106
	<u>6,438,201</u>	<u>6,219,942</u>
Debt service requirements for payment of principal and interest on Revenue and State Drinking Water Revolving Fund bonds	1,009,490	1,642,362
Capital outlay:		
Departmental	8,110,949	5,132,659
Construction projects	4,457,000	3,877,000
	<u>12,567,949</u>	<u>9,009,659</u>
TOTAL ESTIMATED REQUIREMENTS	20,015,640	16,871,963
INCREASE (DECREASE) IN CASH BALANCE	269,077	\$ 3,377,491
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	500,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 769,077	

WASTEWATER FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Sewage charges	\$ 16,540,000	\$ 16,430,000
Penalty charges	175,000	150,000
Other income	-	20,000
Investment income	355,000	200,000
Contributions from LDFA	-	150,000
Proceeds for operating and capital costs:		
Fort Gratiot Township	994,000	1,170,000
Port Huron Township	1,093,000	1,270,000
Kimball Township	501,000	550,000
Proceeds from issuance of long-term bonds	12,000,000	12,000,000
TOTAL MEANS OF FINANCING	31,658,000	31,940,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	4,685,475	4,201,343
Supplies and materials	1,271,062	1,443,011
Contractual services	5,349,533	5,418,863
	11,306,070	11,063,217
Debt service requirements for payment of principal and interest on Revenue and State Revolving Fund bonds	2,787,466	3,001,305
Capital outlay:		
Departmental	23,540,000	22,724,800
Construction projects - Collection system	3,098,000	1,940,000
TOTAL ESTIMATED REQUIREMENTS	40,731,536	38,729,322
INCREASE (DECREASE) IN CASH BALANCE	(9,073,536)	\$(6,789,322)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	17,000,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 7,926,464	

CENTRAL STORES FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 129,300	\$ 131,300
TOTAL MEANS OF FINANCING	<u>129,300</u>	<u>131,300</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	5,782	5,605
Supplies and materials	9,500	9,602
Contractual services	108,159	108,593
	<u>123,441</u>	<u>123,800</u>
Capital outlay	<u>7,500</u>	<u>7,500</u>
TOTAL ESTIMATED REQUIREMENTS	<u>130,941</u>	<u>131,300</u>
INCREASE (DECREASE) IN CASH BALANCE	(1,641)	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>15,000</u>	<u></u>
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 13,359</u>	

DATA PROCESSING FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 922,170	\$ 1,299,712
TOTAL MEANS OF FINANCING	922,170	1,299,712
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	294,295	609,687
Supplies and materials	109,057	145,550
Contractual services	458,818	500,418
	<u>862,170</u>	<u>1,255,655</u>
Capital outlay	<u>60,000</u>	<u>40,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>922,170</u>	<u>1,295,655</u>
INCREASE (DECREASE) IN CASH BALANCE	-	\$ 4,057
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>400,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 400,000</u>	

MOTOR VEHICLE FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 3,337,658	\$ 3,209,767
TOTAL MEANS OF FINANCING	3,337,658	3,209,767
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	995,145	946,402
Supplies and materials	473,830	471,805
Contractual services	982,433	923,210
	<u>2,451,408</u>	<u>2,341,417</u>
Capital outlay	886,250	868,350
TOTAL ESTIMATED REQUIREMENTS	3,337,658	3,209,767
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	5,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 5,000	

ENERGY PERFORMANCE SERVICES FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ -	\$ 330,000
TOTAL MEANS OF FINANCING	-	330,000
ESTIMATED REQUIREMENTS:		
Debt service requirements for principal and interest on energy performance debt	-	399,286
TOTAL ESTIMATED REQUIREMENTS	-	399,286
INCREASE (DECREASE) IN CASH BALANCE	-	\$(69,286)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

INSURANCE AND FRINGE BENEFIT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Charges for services	\$ 18,516,500	\$ 17,200,000
Investment income	43,000	45,000
TOTAL MEANS OF FINANCING	18,559,500	17,245,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services:		
Healthcare premiums	7,861,000	7,800,000
Pension contributions	4,027,728	3,323,100
Payroll taxes	1,160,000	1,160,000
Workers compensation insurance	230,000	210,000
Dental insurance	292,000	290,000
Unemployment insurance	12,000	17,000
Disability benefits	210,000	150,000
Vacation and sick pay	510,000	360,000
Other	1,018,000	847,000
	<u>15,320,728</u>	<u>14,157,100</u>
Supplies and materials	11,000	9,000
Contractual services	3,338,604	3,335,425
TOTAL ESTIMATED REQUIREMENTS	18,670,332	17,501,525
INCREASE (DECREASE) IN CASH BALANCE	(110,832)	\$(256,525)
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	4,000,000	4,000,000
ESTIMATED CASH BALANCE - END OF YEAR	\$ 3,889,168	3,743,475

Tax Increment Authority Fund Budgets

PEERLESS SITE TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 76,000	\$ 74,000
Personal property taxes	18,000	16,000
TOTAL MEANS OF FINANCING	94,000	90,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Payment to St. Clair County - development agreement	94,000	90,000
TOTAL ESTIMATED REQUIREMENTS	94,000	90,000
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

DOWNTOWN DEVELOPMENT AUTHORITY (DDA) OPERATING FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 123,000	\$ 141,000
Personal property taxes	8,000	8,000
Grants - American Rescue Plan	65,000	85,500
Social district stickers	15,000	15,000
Sponsorships	75,000	78,500
Various event fees	65,600	51,500
Rentals	35,000	35,000
Farmer's market	51,000	64,500
Contributions from various DDA plans	76,515	27,705
TOTAL MEANS OF FINANCING	514,115	506,705
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Personal services	151,037	147,403
Supplies and materials	59,630	57,080
Contractual services:		
Physical improvements	25,000	-
Other contractual services	273,783	302,222
TOTAL ESTIMATED REQUIREMENTS	509,450	506,705
INCREASE (DECREASE) IN CASH BALANCE	4,665	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	10,000	
ESTIMATED CASH BALANCE - END OF YEAR	\$ 14,665	

WATER STREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:	\$ -	\$ -
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	1,200,000	1,600
	<u>1,200,000</u>	<u>1,600</u>
Capital outlay:		
Available for infrastructure improvements or other services	-	1,291,000
	<u>-</u>	<u>1,291,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,200,000</u>	<u>1,292,600</u>
INCREASE (DECREASE) IN CASH BALANCE	(1,200,000)	<u><u>\$(1,292,600)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>1,200,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

BANK DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:	<u>\$ -</u>	<u>\$ -</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	<u>63,100</u>	<u>19,605</u>
	63,100	19,605
Capital outlay:		
Available for infrastructure improvements or other services	<u>-</u>	<u>-</u>
TOTAL ESTIMATED REQUIREMENTS	<u>63,100</u>	<u>19,605</u>
INCREASE (DECREASE) IN CASH BALANCE	(63,100)	<u><u>\$(19,605)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>155,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ 91,900</u></u>	

HARRINGTON HOTEL DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
	<u> </u>	<u> </u>
MEANS OF FINANCING	<u>\$ -</u>	<u>\$ -</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	<u> -</u>	<u> 800</u>
	-	800
Transfer to DDA	-	9,700
Capital outlay:		
Available for infrastructure improvements or other services	<u> -</u>	<u> -</u>
TOTAL ESTIMATED REQUIREMENTS	<u> -</u>	<u> 10,500</u>
INCREASE (DECREASE) IN CASH BALANCE	-	<u><u>\$ (10,500)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u> -</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

EDISON REDEVELOPMENT DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 380,000	\$ 390,000
TOTAL MEANS OF FINANCING	380,000	390,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Transfer to Land purchase fund and/or General fund	380,000	390,000
TOTAL ESTIMATED REQUIREMENTS	380,000	390,000
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

MAINSTREET DDA TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 122,000	\$ 186,000
Personal property taxes	-	-
TOTAL MEANS OF FINANCING	122,000	186,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Professional and other services	-	-
Transfer to DDA	13,415	-
Transfer to Land purchase fund	108,585	186,000
	122,000	186,000
TOTAL ESTIMATED REQUIREMENTS	122,000	186,000
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

INDUSTRIAL PARK EXPANSION LOCAL DEVELOPMENT FINANCE TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:	\$ -	\$ -
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Economic development alliance	85,000	85,000
Industrial development - other	-	2,600
	<u>85,000</u>	<u>87,600</u>
Capital outlay:		
Available for infrastructure improvements or other services	<u>985,000</u>	<u>1,104,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>1,070,000</u>	<u>1,191,600</u>
INCREASE (DECREASE) IN CASH BALANCE	(1,070,000)	<u><u>\$(1,191,600)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>1,070,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

SOUTHSIDE REDEVELOPMENT BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND

Budget Summary

	<u>Proposed Budget 2026-2027</u>	<u>Adopted Budget 2025-2026</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 300,000	\$ 285,000
Personal property taxes	<u>16,000</u>	<u>16,000</u>
TOTAL MEANS OF FINANCING	<u>316,000</u>	<u>301,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	<u>316,000</u>	<u>301,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>316,000</u>	<u>301,000</u>
INCREASE (DECREASE) IN CASH BALANCE	-	<u>\$ -</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>-</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

HARKER STREET REDEVELOPMENT BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 28,000	\$ 24,000
Personal property taxes	18,000	16,000
TOTAL MEANS OF FINANCING	46,000	40,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	46,000	40,000
TOTAL ESTIMATED REQUIREMENTS	46,000	40,000
INCREASE (DECREASE) IN CASH BALANCE	-	\$ -
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	-	
ESTIMATED CASH BALANCE - END OF YEAR	\$ -	

WATER STREET MARINA BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND

Budget Summary

	<u>Proposed Budget 2026-2027</u>	<u>Proposed Budget 2025-2026</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 100,000	\$ 100,000
Personal property taxes	<u>12,000</u>	<u>10,000</u>
TOTAL MEANS OF FINANCING	<u>112,000</u>	<u>110,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	<u>112,000</u>	<u>110,000</u>
TOTAL ESTIMATED REQUIREMENTS	<u>112,000</u>	<u>110,000</u>
INCREASE (DECREASE) IN CASH BALANCE	-	<u>\$ -</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>-</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

WRIGLEY CENTER BROWNFIELD REDEVELOPMENT TAX INCREMENT FUND

Budget Summary

	Proposed Budget 2026-2027	Adopted Budget 2025-2026
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 54,000	\$ 52,000
TOTAL MEANS OF FINANCING	54,000	52,000
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer	-	138,000
TOTAL ESTIMATED REQUIREMENTS	-	138,000
INCREASE (DECREASE) IN CASH BALANCE	54,000	<u>\$(86,000)</u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	98,000	
ESTIMATED CASH BALANCE - END OF YEAR	<u>\$ 152,000</u>	

**SOUTHSIDE
NEIGHBORHOOD INITIATIVE AUTHORITY**

Budget Summary

	<u>Proposed Budget 2026-2027</u>	<u>Adopted Budget 2025-2026</u>
MEANS OF FINANCING:		
Taxes:		
Real property taxes	\$ 340,000	\$ 130,000
Personal property taxes	8,000	-
State Grants - DNR Knox Park	<u>250,000</u>	<u>-</u>
TOTAL MEANS OF FINANCING	<u>598,000</u>	<u>130,000</u>
ESTIMATED REQUIREMENTS:		
Ordinary recurring expenses:		
Contractual services:		
Repayment to developer and/or other entities	<u>209,000</u>	<u>264,000</u>
Capital outlay:		
Bridge to home housing project	235,000	-
Knox park	<u>500,000</u>	<u>-</u>
TOTAL ESTIMATED REQUIREMENTS	<u>944,000</u>	<u>264,000</u>
INCREASE (DECREASE) IN CASH BALANCE	(346,000)	<u><u>\$ (134,000)</u></u>
ESTIMATED CASH BALANCE - BEGINNING OF YEAR	<u>346,000</u>	
ESTIMATED CASH BALANCE - END OF YEAR	<u><u>\$ -</u></u>	

Governmental Funds Summary

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2026-2027

Governmental Fund	Estimated Designated Fund Balance July 1, 2026	Budget 2026 - 2027		Estimated Change In Fund Balance June 30, 2027
		Means of Financing	Estimated Requirements	
General fund	\$ 307,470	\$ 43,468,263	\$ 43,775,733	\$ -
Major streets fund	\$ -	\$ 10,394,950	\$ 10,394,950	\$ -
Local streets fund	\$ -	\$ 3,947,500	\$ 3,947,500	\$ -
Municipal streets fund	\$ 2,967,582	\$ 2,765,000	\$ 5,732,582	\$ -
Cemetery fund	\$ -	\$ 636,500	\$ 636,500	\$ -
Garbage and rubbish collection fund	\$ 14,593	\$ 3,215,872	\$ 3,230,465	\$ -
Rental certification fund	\$ 131,910	\$ 480,000	\$ 611,910	\$ -
O.U.I.L. fund	\$ -	\$ 5,000	\$ 5,000	\$ -
Drug law enforcement fund	\$ -	\$ 20,000	\$ 20,000	\$ -
Law enforcement fund	\$ 65,000	\$ 10,000	\$ 75,000	\$ -
Community development block grant fund	\$ -	\$ 1,397,059	\$ 1,397,059	\$ -
Home program fund	\$ -	\$ 1,514,776	\$ 1,514,776	\$ -
Streetscape maintenance fund	\$ -	\$ 50,150	\$ 50,150	\$ -
Beautification commission fund	\$ 2,500	\$ 3,300	\$ 5,800	\$ -
Peerless site tax increment fund	\$ -	\$ 94,000	\$ 94,000	\$ -
Downtown development fund	\$ -	\$ 514,115	\$ 509,450	\$ 4,665
Water Street tax increment fund	\$ 1,200,000	\$ -	\$ 1,200,000	\$ -
Bank tax increment fund	\$ 63,100	\$ -	\$ 63,100	\$ -
Harrington Hotel tax increment fund	\$ -	\$ -	\$ -	\$ -

Continued

GOVERNMENTAL FUNDS SUMMARY

Budget Summary

2026-2027

Governmental Fund	Estimated Designated Fund Balance July 1, 2026	Budget 2026 - 2027		Estimated Change In Fund Balance June 30, 2027
		Means of Financing	Estimated Requirements	
Edison redevelopment tax increment fund	\$ -	\$ 380,000	\$ 380,000	\$ -
Mainstreet tax increment fund	\$ -	\$ 122,000	\$ 122,000	\$ -
Industrial park expansion tax increment fund	\$ 1,070,000	\$ -	\$ 1,070,000	\$ -
Brownfield redevelopment tax increment funds:				
Southside redevelopment	\$ -	\$ 316,000	\$ 316,000	\$ -
Harker Street redevelopment	\$ -	\$ 46,000	\$ 46,000	\$ -
Water Street Marina redevelopment	\$ -	\$ 112,000	\$ 112,000	\$ -
Wrigley center	\$ -	\$ 54,000	\$ -	\$ 54,000
Neighborhood Initiative Authority:				
Southside	\$ 346,000	\$ 598,000	\$ 944,000	\$ -

Projected Revenues and Expenditures

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND
2026-2027

	Actual		Budget		Budget Projection		
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TAXES:							
Real property taxes	9,516,174	10,048,904	10,780,000	11,110,000	11,409,970	11,718,039	12,034,426
Personal property taxes	718,787	759,023	870,000	1,040,000	1,068,080	1,096,918	1,126,535
Property tax administration fee	399,259	396,002	375,000	390,000	400,530	411,344	422,451
Income tax	9,585,727	10,402,746	9,660,000	10,400,000	10,680,800	10,969,182	11,265,350
Payment in lieu of taxes	73,249	24,794	70,000	25,000	25,675	26,368	27,080
Penalties and interest on taxes	226,426	414,718	225,000	275,000	282,425	290,050	297,882
	<u>20,519,622</u>	<u>22,046,187</u>	<u>21,980,000</u>	<u>23,240,000</u>	<u>23,867,480</u>	<u>24,511,902</u>	<u>25,173,723</u>
BUSINESS LICENSES AND PERMITS:							
Demolitions	440	1,760	1,000	1,000	1,027	1,055	1,083
C.A.T.V.	307,592	267,019	300,000	225,000	231,075	237,314	243,722
Miscellaneous	70,680	113,170	65,000	50,000	51,350	52,736	54,160
	<u>378,712</u>	<u>381,949</u>	<u>366,000</u>	<u>276,000</u>	<u>283,452</u>	<u>291,105</u>	<u>298,965</u>
NONBUSINESS LICENSES AND PERMITS:							
Building	310,721	385,624	300,000	300,000	308,100	316,419	324,962
Electrical	103,977	102,978	100,000	100,000	102,700	105,473	108,321
Heating	113,080	100,527	110,000	110,000	112,970	116,020	119,153
Plumbing	37,935	47,825	40,000	40,000	41,080	42,189	43,328
Right-of-way	31,792	6,194	30,000	5,000	5,135	5,274	5,416
Black river canal permit	-	-	-	50,000	51,350	52,736	54,160
Miscellaneous	3,635	500	3,000	-	-	-	-
	<u>601,140</u>	<u>643,648</u>	<u>583,000</u>	<u>605,000</u>	<u>621,335</u>	<u>638,111</u>	<u>655,340</u>
GRANTS:							
American Rescue Plan	1,728,277	2,761,000	-	-	-	-	-
Other grants	315,012	1,135,509	445,000	480,000	50,000	50,000	50,000
	<u>2,043,289</u>	<u>3,896,509</u>	<u>445,000</u>	<u>480,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Continued

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND
2026-2027

	Actual		Budget		Budget Projection		
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
STATE SHARED REVENUE:							
Sales and use tax - constitutional	\$ 3,128,639	\$ 3,658,987	\$ 3,190,000	\$ 3,010,000	\$ 3,091,270	\$ 3,174,734	\$ 3,260,452
Sales and use tax - statutory	1,282,034	1,589,254	1,400,000	1,370,000	1,406,990	1,444,979	1,483,993
Local community stabilization authority	916,626	1,080,406	925,000	1,000,000	1,027,000	1,054,729	1,083,207
Adult-use marijuana payments	-	232,915	290,000	270,000	277,290	284,777	292,466
Liquor licenses	46,886	23,902	45,000	25,000	25,675	26,368	27,080
	<u>5,374,185</u>	<u>6,585,464</u>	<u>5,850,000</u>	<u>5,675,000</u>	<u>5,828,225</u>	<u>5,985,587</u>	<u>6,147,198</u>
CHARGES FOR SERVICES:							
Zoning board of appeals	5,700	4,000	5,000	5,000	5,135	5,274	5,416
20th and Court pool	-	-	-	-	-	-	-
Sanborn pool	31,001	44,749	30,000	30,000	30,810	31,642	32,496
Lakeside parking	270,193	335,946	325,000	350,000	359,450	369,155	379,122
Boat launch fees	42,638	39,782	40,000	90,000	92,430	94,926	97,489
Recreational fees	389,252	287,734	240,000	310,000	318,370	326,966	335,794
Children's museum	-	156,446	200,000	175,000	179,725	184,578	189,561
Lot splits	2,160	2,160	2,500	500	514	527	542
Fort Gratiot township canal reimbursement	-	-	-	25,000	25,675	26,368	27,080
Port Huron township canal reimbursement	-	-	-	35,000	35,945	36,916	37,912
Hydrant maintenance	59,040	59,040	59,040	59,040	60,634	62,271	63,953
Blue Water Bridge reimbursement	300,000	350,000	400,000	400,000	400,000	400,000	400,000
DTF/School resource officer reimbursement	455,044	647,631	765,244	790,706	812,055	833,981	856,498
Summer tax collection fee	1,662	3,312	1,500	3,000	3,081	3,164	3,250
County parks millage	155,835	166,830	160,000	175,000	179,725	184,578	189,561
Miscellaneous	105,057	307,107	200,000	118,000	121,186	124,458	127,818
	<u>1,817,582</u>	<u>2,404,737</u>	<u>2,428,284</u>	<u>2,566,246</u>	<u>2,624,735</u>	<u>2,684,802</u>	<u>2,746,492</u>
FINES AND FORFEITS:							
Parking violations	66,910	63,187	70,000	100,000	102,700	105,473	108,321
Ordinance fines	187,169	190,351	190,000	250,000	256,750	263,682	270,802
	<u>254,079</u>	<u>253,538</u>	<u>260,000</u>	<u>350,000</u>	<u>359,450</u>	<u>369,155</u>	<u>379,122</u>
INVESTMENT INCOME	<u>542,199</u>	<u>498,690</u>	<u>400,000</u>	<u>475,000</u>	<u>487,825</u>	<u>500,996</u>	<u>514,523</u>
RENTS	<u>324,237</u>	<u>321,454</u>	<u>325,000</u>	<u>330,000</u>	<u>338,910</u>	<u>348,061</u>	<u>357,458</u>
SALE OF ASSETS	<u>\$ 3,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Continued

SCHEDULE OF PROJECTED REVENUES
GENERAL FUND
2026-2027

	Actual		Budget		Budget Projection		
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
OTHER INCOME	-	-	-	5,335,000	-	-	-
CHARGES TO OTHER FUNDS:							
Streets Fund	-	-	-	421,200	432,572	444,252	456,247
Garbage and rubbish collection fund	143,884	153,519	159,732	163,946	168,373	172,919	177,587
Marina fund	74,981	45,071	35,168	38,152	39,182	40,240	41,327
Parking fund	10,940	10,728	11,376	10,510	10,794	11,085	11,385
Water fund	809,940	839,860	905,677	1,014,165	1,041,547	1,069,669	1,098,550
Wastewater fund	1,386,057	1,468,324	1,499,390	1,835,314	1,884,867	1,935,759	1,988,024
Central stores fund	9,203	9,051	11,831	11,831	12,150	12,478	12,815
Data processing fund	99,350	114,874	120,343	82,369	84,593	86,877	89,223
Motor vehicle fund	194,498	219,548	224,403	234,945	241,289	247,803	254,494
Southside neighborhood improvement authority	-	-	-	25,000	25,675	26,368	27,080
	<u>2,728,853</u>	<u>2,860,975</u>	<u>2,967,920</u>	<u>3,837,432</u>	<u>3,941,043</u>	<u>4,047,451</u>	<u>4,156,732</u>
Subtotal	<u>34,587,098</u>	<u>39,893,151</u>	<u>35,605,204</u>	<u>43,169,678</u>	<u>38,402,454</u>	<u>39,427,171</u>	<u>40,479,554</u>
TRANSFERS FROM OTHER FUNDS:							
Land purchase fund	-	-	-	256,885	-	-	-
Edison redevelopment fund	-	359,500	-	41,700	-	-	-
	<u>-</u>	<u>359,500</u>	<u>-</u>	<u>298,585</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 34,587,098</u>	<u>\$ 40,252,651</u>	<u>\$ 35,605,204</u>	<u>\$ 43,468,263</u>	<u>\$ 38,402,454</u>	<u>\$ 39,427,171</u>	<u>\$ 40,479,554</u>

Concluded

SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND
2026-2027

	Actual		Budget		Budget Projection		
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
General Government:							
City council	\$ 125,126	\$ 141,759	\$ 176,815	\$ 104,990	\$ 107,825	\$ 111,167	\$ 114,613
City manager	416,743	497,278	402,990	501,860	515,410	531,388	547,861
Elections	99,435	87,916	102,080	140,353	144,143	148,611	153,218
Finance and accounting	751,737	715,989	766,466	775,611	796,552	821,246	846,704
Income tax	502,661	561,424	586,786	589,314	605,225	623,987	643,331
Assessor	460,499	426,930	480,040	411,471	422,581	435,681	449,187
Legal	130,329	117,819	160,000	160,000	164,320	169,414	174,666
Clerk	369,737	386,097	409,432	432,900	444,588	458,371	472,580
Human Resources	452,903	456,922	471,399	511,267	525,071	541,348	558,130
Purchasing	85,690	87,154	90,140	91,573	94,045	96,961	99,967
Board of review	2,123	2,133	2,800	2,800	2,876	2,965	3,057
Treasurer	279,597	322,563	301,790	337,629	346,745	357,494	368,576
Municipal office center	895,736	1,929,733	1,091,229	1,324,610	1,360,374	1,402,546	1,446,025
	<u>4,572,316</u>	<u>5,733,717</u>	<u>5,041,967</u>	<u>5,384,378</u>	<u>5,529,756</u>	<u>5,701,179</u>	<u>5,877,915</u>
Public Safety:							
Police administration	1,939,969	1,923,438	2,107,651	2,187,614	2,246,680	2,316,327	2,388,133
Detectives	1,505,576	1,376,106	1,849,433	1,929,498	1,981,594	2,043,024	2,106,358
Patrol	7,960,769	10,297,296	9,565,324	10,322,787	10,601,502	10,930,149	11,268,983
Communications	41,093	49,178	64,080	73,580	75,567	77,909	80,324
Fire	7,156,953	7,279,663	7,503,093	8,104,137	8,322,949	8,580,960	8,846,970
	<u>18,604,360</u>	<u>20,925,681</u>	<u>21,089,581</u>	<u>22,617,616</u>	<u>23,228,292</u>	<u>23,948,369</u>	<u>24,690,768</u>
Public Works:							
Inspection	538,364	525,313	569,016	559,060	574,155	591,953	610,304
Emergency management	796,042	254,661	35,348	26,604	27,322	28,169	29,043
Public works administration	153,557	156,669	166,858	103,971	106,778	110,088	113,501
Engineering	539,988	529,482	481,919	574,358	589,866	608,152	627,004
Street lighting	864,266	855,472	892,405	896,960	921,178	949,734	979,176
Blight and code enforcement	390,562	435,489	410,889	450,571	462,736	477,081	491,871
	<u>3,282,779</u>	<u>2,757,086</u>	<u>2,556,435</u>	<u>2,611,524</u>	<u>2,682,035</u>	<u>2,765,178</u>	<u>2,850,899</u>
Senior Citizens:							
Wastewater and water discounts	3,798	4,892	4,500	5,500	5,649	5,824	6,004
	<u>3,798</u>	<u>4,892</u>	<u>4,500</u>	<u>5,500</u>	<u>5,649</u>	<u>5,824</u>	<u>6,004</u>

Continued

SCHEDULE OF PROJECTED EXPENDITURES
GENERAL FUND
2026-2027

	Actual		Budget		Budget Projection		
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030
Recreation, Parks and Culture:							
Parks and forestry	\$ 2,473,457	\$ 2,200,888	\$ 2,169,102	\$ 2,375,963	\$ 2,440,114	\$ 2,515,758	\$ 2,593,746
Boat launch ramps	17,436	15,578	17,472	16,207	16,645	17,161	17,693
Recreation	827,705	856,457	709,029	956,700	982,531	1,012,989	1,044,392
Rockin the rivers	37,916	42,240	27,942	24,476	25,137	25,916	26,719
20th and Court pool	193,709	136,199	193,392	183,008	187,949	193,776	199,783
Sanborn pool	277,714	203,207	226,200	265,483	272,651	281,103	289,817
Chillyfest	36,351	30,852	38,050	-	-	-	-
Parades and special events	45,228	34,750	54,100	55,725	57,230	59,004	60,833
Lighthouse park	27,918	33,540	88,823	72,959	74,929	77,252	79,646
Lakeside park	302,937	338,644	359,115	316,906	325,462	335,552	345,954
Palmer park recreation center	457,987	362,649	374,691	397,912	408,656	421,324	434,385
Harvey reinvestment center	-	-	-	93,173	95,689	98,655	101,713
Library	8,000	8,000	8,000	8,000	8,000	8,000	8,000
Children's museum	264,506	371,728	304,304	294,839	302,800	312,186	321,864
Museum	120,786	111,981	67,663	99,294	101,975	105,136	108,395
	<u>5,091,650</u>	<u>4,746,713</u>	<u>4,637,883</u>	<u>5,160,645</u>	<u>5,299,766</u>	<u>5,463,811</u>	<u>5,632,941</u>
Other Functions:							
Planning	340,572	335,182	298,584	242,612	249,163	256,887	264,850
Telephone service	4,533	13,242	9,004	8,742	8,978	9,256	9,543
Contingencies	-	-	40,000	40,000	40,000	41,240	42,518
Insurance, health and safety	108,455	112,344	132,994	123,333	126,663	130,590	134,638
Taxes written off	-	-	15,000	15,000	15,000	15,000	15,000
Demolitions	22	152,460	84,543	50,000	50,000	50,000	50,000
Other community and economic development	95,552	-	-	-	-	-	-
	<u>549,134</u>	<u>613,228</u>	<u>580,125</u>	<u>479,687</u>	<u>489,804</u>	<u>502,972</u>	<u>516,550</u>
Public Improvements:							
Parks and recreation projects	657,059	2,334,686	570,000	580,000	1,368,000	2,385,000	835,000
MOC capital	-	-	-	-	2,390,000	1,570,000	1,605,000
Black river canal tainer gate project	-	-	-	5,050,000	-	-	-
Fire station #1 & #3 construction	6,895,783	303,898	-	-	-	-	-
Other public improvements	-	-	-	-	825,000	475,000	-
	<u>7,552,842</u>	<u>2,638,584</u>	<u>570,000</u>	<u>5,630,000</u>	<u>4,583,000</u>	<u>4,430,000</u>	<u>2,440,000</u>
Debt Service	<u>570,513</u>	<u>569,113</u>	<u>571,413</u>	<u>1,091,598</u>	<u>910,572</u>	<u>903,571</u>	<u>906,169</u>
Transfer to Other Funds:							
Land purchase fund	255,000	-	-	-	-	-	-
Streetscape fund	1,600	17,500	-	17,485	17,485	17,485	17,485
Beautification commission fund	3,300	3,300	3,300	3,300	3,300	3,300	3,300
McMorran fund	800,000	965,000	550,000	774,000	600,000	600,000	600,000
	<u>1,059,900</u>	<u>985,800</u>	<u>553,300</u>	<u>794,785</u>	<u>620,785</u>	<u>620,785</u>	<u>620,785</u>
TOTAL GENERAL FUND	<u>\$ 41,287,292</u>	<u>\$ 38,974,814</u>	<u>\$ 35,605,204</u>	<u>\$ 43,775,733</u>	<u>\$ 43,349,658</u>	<u>\$ 44,341,689</u>	<u>\$ 43,542,031</u>

Concluded