

March 27, 2006

Harold Leeman, President
Lansing City Council
Lansing City Hall, 10th Floor
124 W. Michigan Ave.

Dear President Leeman, City Council Members, and Citizens of the City of Lansing:

I am pleased to present for your consideration my proposed budget for the Fiscal Year beginning July 1, 2007. It is a vital part of my vision for a new Lansing.

This budget is built upon the three main priorities I have been discussing with the community over the past year: assuring public safety; promoting economic development; and restoring the fiscal solvency of the City. All are essential to improving the quality of life in our community.

- Adequate public safety is the bedrock of a growing community, and Lansing is fortunate to have one of the best police and fire departments in the state. The size of our police force compares well with national standards for like cities, as does our response time to fires and medical emergencies. This budget maintains that level of excellence by keeping the number of sworn police officers and fire fighters at their current staffing levels, and by providing improvements in technology which enhance productivity.
- Support of economic development is equally vital if we are to capture the momentum that is building in our downtown and in our neighborhoods. We must be in a position to actively encourage and support efforts to attract new residents and new jobs. While I have an excellent economic development team in place, their resources are limited. This budget reflects increased staffing and financial support for the Economic Development Corporation. It also continues its support of the Oldsmobile Park, Lansing Center, City Market, and Principal Shopping District, which are integral parts of our efforts to revitalize the downtown.
- Maintaining the long term financial solvency of the City is imperative if we are to consistently provide necessary services to our citizens and visitors. We will do this by living within our means. This budget is balanced without the use of reserves or an increase in property taxes. The initially projected deficit of \$10 million has been addressed by maximizing current revenue streams and by reducing expenses. We have worked to reduce expenses by first eliminating unnecessary expenses and promoting economies before reducing services to our citizens. We are restructuring parts of the city government in order to reduce our expenses while maintaining services.

Unfortunately, it has not been possible to develop a budget which addresses these most important priorities without affecting other important city expenditures, and without

reducing the size of the City's workforce. It has been a difficult task, because all city services are important and have a constituency who benefits from them. We are not choosing between "good" and "bad" services; but we are choosing those services which are most important for Lansing City government to provide.

Within this budget are proposals which reduce the number of golf courses we operate; reduce support for the park system, zoo and cemeteries; and reduce city support for vital human services. There will be less funds available for road and sidewalk construction and repair. These are difficult but necessary decisions.

Even with these reductions, there will still be more than 1,100 employees providing city services. In addition to my commitment to strong public safety and energetic pursuit of new jobs and residents, we remain committed to providing the best levels of service we can in the areas of neighborhood development, road and sidewalk repair, parks, sewer, trash and recycling, building safety and code compliance, and many other areas. Our citizens will be well served and we will see our community improve and grow.

I look forward to discussing this budget with you and will appreciate your favorable consideration. With your help, we will indeed take Lansing from Good to Great!

Sincerely,

Virg Bernero, Mayor

BUDGET OVERVIEW

Tough Choices/Responsible Decisions The Next Step in Moving Lansing from Good to Great

With presentation of his FY2007 budget, Mayor Virg Bernero has taken his next step towards moving Lansing from good to great. As pledged, the Mayor has developed a spending plan for city services which does not use reserves and which does not increase taxes. It is imperative that the City live within its means if it is to consistently provide city services to its residents, businesses, and visitors, and to attract new jobs and residents.

Mayor Bernero's budget reflects his priorities for those city services which he has consistently stated as being critical to improving Lansing – public safety, economic development, and neighborhood support. Residents must feel safe; neighborhoods must be strong; and those who are bringing jobs and housing to the City must be encouraged and supported.

Adequate public safety is the bedrock of a growing community, and Lansing is fortunate to have one of the best police departments and fire departments in the state. The size of the police force compares well with national standards for like cities, as does the response time to fires and medical emergencies. This budget maintains that level of excellence by keeping the number of sworn police officers and fire fighters at their current levels, and by providing improvements in technology which enhance productivity.

Support of economic development is equally vital if the City is to capture the momentum that is building in our downtown and in our neighborhoods. The City must be in a position to actively encourage and support efforts to attract new residents and new jobs. While the Mayor has an excellent economic development team in place, their resources are limited. This budget reflects increased staffing and financial support for the Economic Development Corporation. It also continues its support of the Oldsmobile Park, Lansing Center, and City Market, which are integral parts of the efforts to revitalize the downtown.

Strong neighborhoods are also important to the viability of our City. Unsafe and abandoned housing poses threats to public safety and health and detracts from neighborhoods. This budget increases the City's efforts to enforce Code Compliance and Building Safety codes by adding a Code Compliance Officer dedicated to red-tagged houses and three Housing Premise Inspectors to assist in these efforts. The costs of these additional employees will be recovered from the increased collection of fees associated with code enforcement activities.

Developing a budget which is balanced as pledged and which also meets these priorities has been a significant challenge. The structural funding problem facing most local governments in Michigan, combined with a yet still weak economy and the use of city reserves over the past three years, resulted in a projected gap of more than \$10 million between current levels of spending and anticipated income as the process began.

The deficit has been addressed by maximizing current revenue streams, reducing unnecessary expenses, promoting efficiencies, and ultimately by reducing support for some city services. The Mayor has worked to reduce expenses by first eliminating unnecessary expenses and promoting economies before reducing services to citizens. Parts of the City government have been restructured in order to reduce expenses while maintaining services. The workforce will be reduced by 56 positions, and unfortunately, some city workers may be unemployed.

Even though balancing the budget has required aggressive cost cutting actions, the City's projected expenditures for FY2007 will still approach \$200 million, with \$108 million coming from the General Fund. Even with the necessary reductions, the City's workforce will still total more than 1,100 employees. While public safety, economic development, and housing code enforcement receive priority attention, other city services in areas such as road and sidewalk maintenance; parks and recreation, sewer, trash and recycling; building safety and code compliance, and parks will continue at acceptable levels. The citizens of Lansing will be well served.

One of the strategies to balance the budget involve efforts to collect all of the money which is due the City. Revenues in the proposed budget include:

- Fully collecting property taxes from audits of personal property returns;
- Fully collecting income tax revenues from an aggressive program to identify persons who should, but do not pay, City income tax;
- Increasing revenues from more aggressive investing of city cash; and
- Increasing fees in several areas, including code compliance, trash, golf, and the zoo.

The budget also focuses on restructuring some services and implementing other efficiencies which will improve the delivery of city services while reducing costs. Such actions include:

- Consolidating the Management Services Department with the Finance Department, allowing for the official elimination of a Cabinet level position and the consolidation of administrative support functions;
- Relocating the Assessing and Income Tax Divisions of the Finance Department into one location, allowing for a sharing of clerical and other functions;
- Eliminating currently vacant positions in the Public Services Department without reducing services;
- Reorganizing the Waste Water Treatment plant, allowing for a reduction in staffing without reducing services;
- Officially consolidating garage operations within the Property Management Division of the Finance Department;
- Reorganizing the Human Relations and Community Services Department and utilizing the Capital Area United Way for increased coordination and improved administration of the City's human services grants;

- Transferring the personnel function within the Police Department to the City's Personnel Department, freeing up one sworn officer for patrol duty;
- Consolidating the Cemetery maintenance staff with the Parks Maintenance staff.
- Relocating Public Service Administration and Permit Section to the North Capitol Ramp adjacent to the Department of Planning and Neighborhood Development in order to provide for improved coordination and customer service.

There is also a continuing emphasis on reducing ongoing operational expenses, including:

- Reducing allowances for overtime;
- Reducing use of temporary employees;
- Reducing the use of outside contractors where appropriate;
- Reducing the vehicle fleet and duplicate equipment;
- Continuing the Mayor's Executive Orders which require pre-approval of travel; established a hiring freeze, and reduced the use of color copiers; and
- Reducing the amount of space leased by the City.

Unfortunately, some reductions in City services and staff have also been necessary. These reductions include:

- Eliminating the General Fund subsidy for the City's golf courses, with a recommendation that the Waverly and Red Cedar Courses be sold, with the proceeds dedicated to other uses within the park system;
- Reducing the General Fund subsidy for the City's cemeteries, with a recommendation that steps be taken to determine how the subsidy can be eliminated in FY08;
- Reducing staffing at the Zoo to bring its expenses into line with a \$1.3 million subsidy in FY07, or as an alternative, seeking a regional means for supporting the view, such as a county wide special millage;
- Reducing expenditures for capital improvements at the parks and using a substantial portion of the dedicated parks millage for operations and maintenance purposes at the parks;
- Reducing human services agency grant funding from the current \$1.3 million level (as provided by ordinance) to \$600,000, and also reducing the staffing in the Human Relations and Community Services Department;.
- Reducing the amount of non-restricted funds historically provided for road and sidewalk repair, and for capital improvements generally.

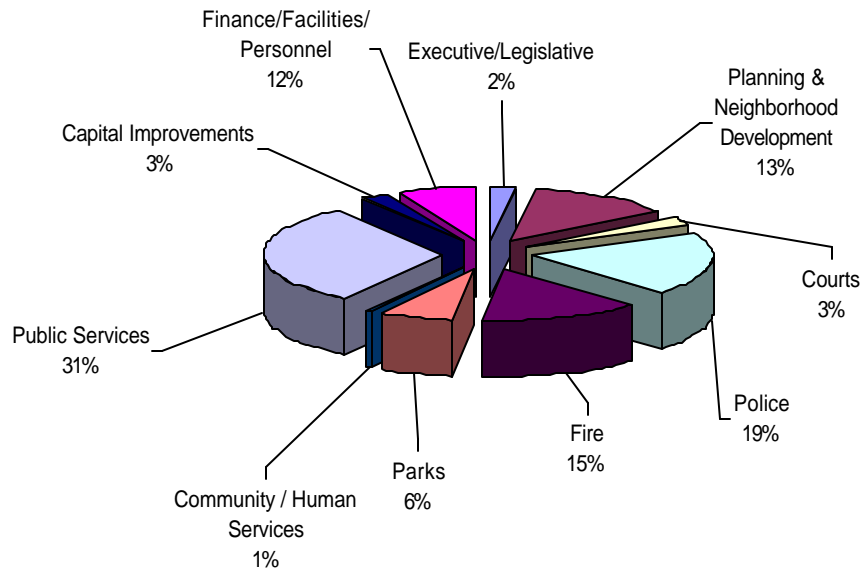
While this budget has met the immediate need of balancing expenses with current revenues, many challenges remain. The time has come to develop regional partnerships which can accomplish improved services at lesser costs. There is a critical need to improve the City's information technology structure and to modernize or replace City Hall if improvements in efficiency are to continue. There is a need to dispose of surplus city property and to determine the amount of park land the City can afford to maintain. There is a need to determine how to finance the City's growing obligations with regards

to CSO and SSO improvements. Uncontrolled growth in personnel related costs, employee health insurance and retirement costs in particular, must be addressed.

The challenges we have faced this year will also need to be faced in future years. While some of our problem this year is attributable to the use of reserves over the past three years, a large portion is attributable to a structural imbalance between revenue sources and expense generators resulting from legislative and constitutional limits and a continuing weak economy. As a result the City will continue to be faced with difficult budgets, although not as severe as this year.

City-Wide Budget Information

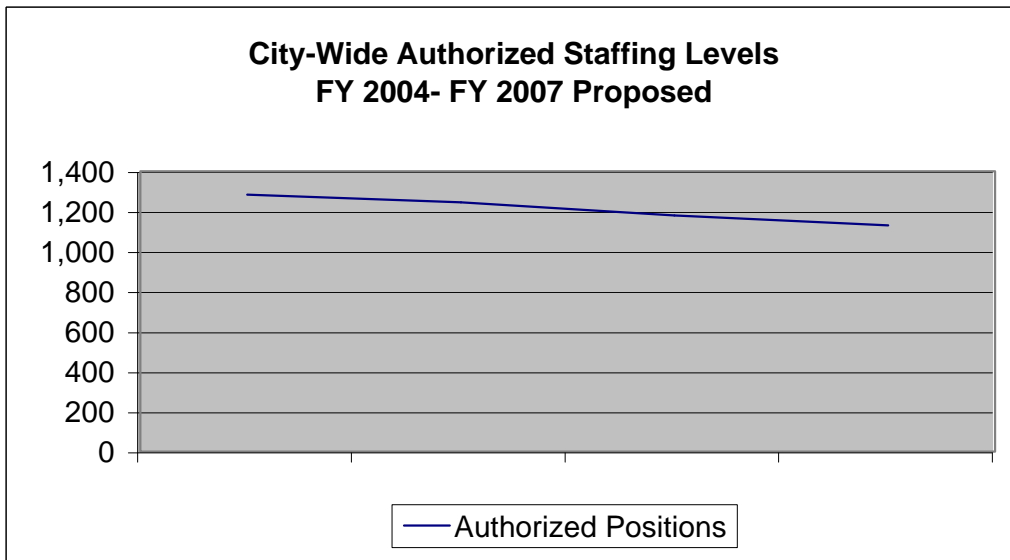
**FY 2006/2007 City-Wide Budget
\$190,699,813**



FY 2006/2007 City-Wide Budget by Department/Service Type

Department	General Fund	Streets Funds	911 Dispatch	Stadium Fund	Building Inspection	CDBG/ESG/HOME	Drug Enforcmt	Principal Shopping District	Debt Service Funds	Parks Millage Fund	Potter Park Zoo	Cemeteries	Golf Fund	Parking Fund	Sewage Disposal	Refuse Disposal	Recycling	Other Funds	Total
Mayor's Office	803,278																		803,278
City Council	740,053																		740,053
Internal Auditor	158,898																		158,898
Cablevision	240,201																		240,201
Attorney's Office	1,374,357																		1,374,357
City Clerk	927,635																		927,635
Subtotal - Executive/Legislative	4,244,422																		4,244,422
Courts	5,025,749																		5,025,749
Police	31,643,300						74,800											74,800	31,718,100
Police - 911 Dispatch	113,200		5,246,800															5,246,800	5,360,000
Subtotal - Police	31,756,500		5,246,800				74,800											5,321,600	37,078,100
Fire	27,183,637																		27,183,637
Fire - Hydrant Rental	1,100,000																		1,100,000
Subtotal - Fire	28,283,637																		28,283,637
Parks Administration	1,001,429																		1,001,429
Parks Maintenance	4,918,986																		4,918,986
Parks Recreation Prog.	2,115,976																		2,115,976
Parks Capital Improvements	844,128																		844,128
Parks - Golf	-												934,357					934,357	934,357
Parks - Cemeteries	150,278											314,766						314,766	465,044
Parks - Zoo	1,300,000										874,542							874,542	2,174,542
Subtotal - Parks	10,330,797										874,542	314,766	934,357					2,123,665	12,454,462
PND - Administration	560,148																		560,148
PND - Planning/Zoning	756,963																		756,963
PND - Code Compliance	1,824,953																		1,824,953
PND - Building Safety	-				2,268,363													2,268,363	2,268,363
PND - Housing	207,710					2,598,017												2,598,017	2,805,727
PND - Traffic Engineering	437,856																		437,856
PND - Parking	-												13,081,875					13,081,875	13,081,875
PND - EDC	254,000																		254,000
PND - PSD	42,075							443,729										443,729	485,804
PND - LEPPFA/Stadium	1,887,365			703,434														703,434	2,590,799
Subtotal - PND	5,971,070			703,434	2,268,363	2,598,017		443,729						13,081,875				19,095,418	25,066,488
HRCS Dept	542,636																		542,636
Human Services App.	600,000																		600,000
City Supported Agencies	376,100																		376,100
Subtotal - Human Relations/Events	1,518,736																		1,518,736
Public Services	2,750,435																		2,750,435
Public Services - Roads	360,000	12,994,789																12,994,789	13,354,789
Public Services - Sewer	-												35,258,475					35,258,475	35,258,475
Public Services - Refuse	-												1,558,521		1,558,521			1,558,521	1,558,521
Public Services - Recycling	-															3,372,945		3,372,945	3,372,945
Public Services - Streetlighting	3,000,000																		3,000,000
Subtotal - Public Services	6,110,435	12,994,789													35,258,475	1,558,521	3,372,945	53,184,730	59,295,165
Capital Improvements	1,580,000																		1,580,000
Library Building Rental	162,438																		162,438
Debt Service	1,569,875							2,140,650										2,140,650	3,710,525
Subtotal - Capital Improvements	3,312,313							2,140,650										2,140,650	5,452,963
Finance - Budget/Accounting/Payroll/																			
Purchasing	2,274,736																		2,274,736
Finance - Treasury/Assessing	3,021,645																		3,021,645
Finance - Information Technology	2,867,368																		2,867,368
Finance - Property Management	3,183,383																		3,183,383
Subtotal - Finance	11,347,132																		11,347,132
Human Resources	1,932,958																		1,932,958
Vacancy Factor	(1,000,000)																		(1,000,000)
	108,833,750	12,994,789	5,246,800	703,434	2,268,363	2,598,017	74,800	443,729	2,140,650		874,542	314,766	934,357	13,081,875	35,258,475	1,558,521	3,372,945	81,866,063	190,699,813

Note: Transfers from other funds are netted out from expenditures so as not to overstate total funding.



Summary of Changes in Positions by Department

(Adjusted for Funding)

Does not include Elected Officials / Part Time / Seasonal

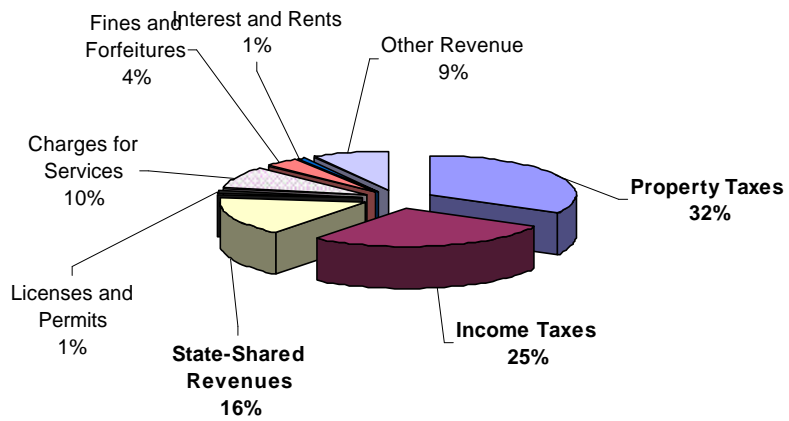
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006 Adopted</u>	<u>FY 2007 Proposed</u>
City Council Staff	4.00	4.00	3.00	3.00
Cable Television	2.00	2.00	2.00	2.00
Internal Audit	2.00	2.00	2.00	1.00
Clerk Staff	6.00	6.00	6.00	6.00
Court/Probation Staff	49.00	50.00	50.00	50.00
Mayor Staff	6.00	6.00	5.00	4.00
Planning & Neighborhood Development	104.00	102.00	100.50	97.50
Finance	64.75	60.75	49.75	43.75
Management Services	66.00	63.00	59.00	40.00
Consolidated Garage	0.00	0.00	0.00	37.00
	130.75	123.75	108.75	120.75
Human Resources	14.00	14.00	11.50	12.00
City Attorney	13.00	12.00	11.50	12.00
Police	354.00	342.00	334.00	335.00
Fire	235.00	235.00	220.00	218.00
Public Service	227.00	220.00	220.00	186.00
Human Relations	11.00	10.00	9.50	4.00
Parks	125.00	116.00	96.00	78.00
Total	1,282.75	1,244.75	1,179.75	1,129.25

General Fund Budget Information

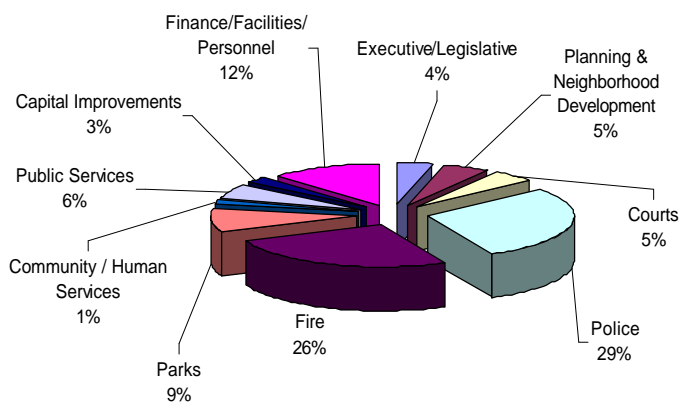
Where the Money Comes From

FY 2006/2007 General Fund Revenues

\$108,833,750



How the Money Is Spent FY 2006/2007 General Fund Budget \$108,833,750



General Fund Revenues

Revenues supporting the proposed general fund budget do not reflect any increase in the general property tax rate or any use of reserves.

In comparison to the FY2006 budget, General Fund revenues are anticipated to increase by \$3,252,204 or 3.1% in total. However, excluding the \$1,600,000 in budgeted use of fund balance, the projected increase in revenues (without use of reserves) is actually \$4.8 million, or 4.8%. The increase is due primarily to increases in projected property tax revenues, income tax revenues, and fees.

The increases in property taxes and income taxes are in part due to additional revenues associated with special efforts to collect all the taxes which should be collected. The significant increase in income tax revenues also reflects an improving economy as reflected in the projected increase in income taxes this year.

Property Taxes

The property tax base for 2006 (FY2007) increased 2.67%. The total City millage rate of 15.88 is not changed, although the amount attributable to debt will be decreased from .98 mills to .93 mills and the operating rate will increase from 14.9 to 14.95 mills.

In addition, \$310,000 is included for additional revenue to be achieved from conducting personal property tax audits of Lansing businesses.

The 425 revenue sharing amount payable to Delta Township is increased from \$260,000 in 2006 to \$400,000 in 2007. This is resulting from the added taxes received at the General Motor's Lansing Delta plant and the surrounding area.

Finally, the administrative fee was increased to reflect that the 1% administrative charge will be assessed on Special Assessment beginning in 2006. This will result in additional revenue of \$30,000.

Income Taxes

Income tax revenue has been increased to reflect full operation of the General Motor's Lansing Delta plant and a general increase in the local wage base. Additionally, \$400,000 has been added due to extended efforts to discover unreported income tax revenue. The proposal for this effort is included in the Finance Department section of this report.

State Revenue Sharing

The FY2007 budget proposes a continuation of the funding level for 2006. The total proposed revenue equals \$17,708,823.

Licenses and Permits

Many fees with the Public Service Department have been increased for 2007. This resulted in additional revenue of \$250,000 in license and permits. The most material change was in the areas of soil erosion permits which generate an additional \$105,000. The budget also includes an increase in sewer permits which enhanced revenues by \$62,700. The remaining \$81,600 is due to increases in a variety of fees. The Fee section of this report details all proposed fee changes.

Charges for Services

The reimbursement from other funds decreased \$600,000 from the previously budgeted levels. This is due to the changes made in other City funds such as golf, zoo and cemetery.

The fee for Code Enforcement activity has been modified for FY2007. These fee changes increase revenue by \$275,000. The fee section of this report details all Code Enforcement fee changes.

Fines and Forfeitures

The 54A District Court will be increasing traffic fines which will increase revenue. In addition, the City Attorney's proposes a new fine for drivers operating with a suspended driver's license. The total of these two changes results in additional revenue of \$200,000.

This results in additional revenue of \$200,000.

Interest and Rent

Interest income is projected to increase significantly as a result of anticipated rate increases and a focused effort on investing city funds. The proposed revenue for FY2007 totals \$815,000.

Return on Equity

The Board of Water and Light is projecting a decrease in their annual payment for Return of Equity from \$9,200,000 to \$8,900,000, due to the reduction in demand from General Motors.

Use of Reserves

There is no use of General Fund or Budget Stabilization reserves included in the proposed budget.

Fee Increases

Attached is a schedule of fees proposed to be increased in this budget. Anticipated revenues have been incorporated into the recommended budget.

City of Lansing
Fiscal Year July 1, 2006 - June 30, 2007
General Fund Revenue Summary

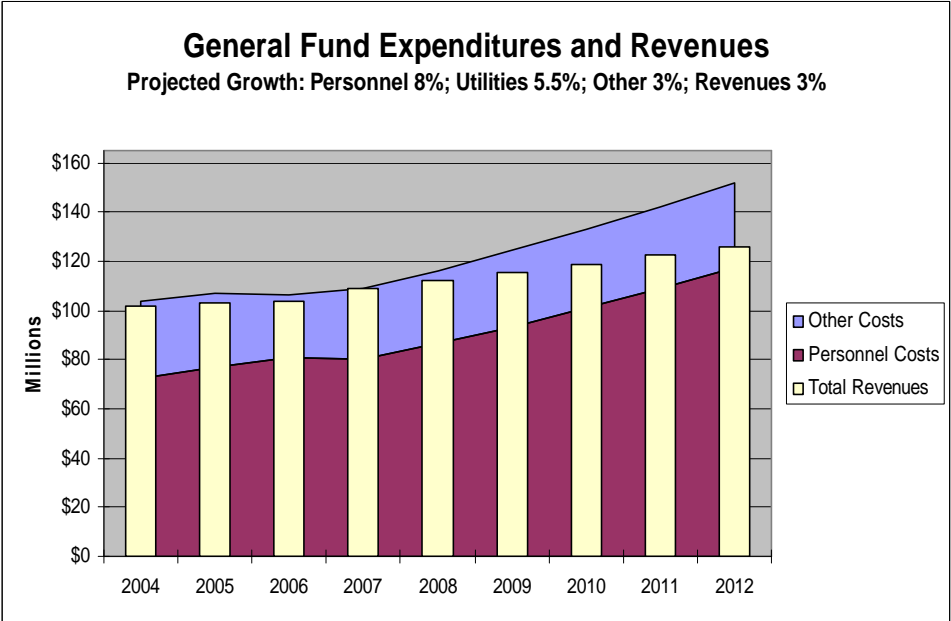
	FY2005 <u>Actual</u>	FY2006 Adopted <u>Budget</u>	FY2006 Projected	FY2007 Proposed	% Change FY06 Adopted FY07 Proposed
Property Taxes	33,706,566	34,535,000	34,263,294	36,114,000	4.6%
Income Taxes	27,497,542	26,400,000	28,123,412	29,651,800	12.3%
<u>State Revenues</u>					
State Revenue Sharing	17,065,687	16,700,000	17,039,823	17,039,823	
Fire Reimbursement Grants	314,860	300,000	638,301	600,000	
Liquor License Fee	67,088	65,000	68,800	69,000	
	<u>17,447,635</u>	<u>17,065,000</u>	<u>17,746,924</u>	<u>17,708,823</u>	3.8%
Federal Grants	41,125	45,000	41,500	42,000	-6.7%
<u>Licenses & Permits</u>					
Business Licenses	25,875	35,500	45,315	43,135	
Building Licenses & Permits	6,801	17,950	7,940	9,325	
Non-Business Licenses	91,906	74,000	62,290	340,060	
Cable Franchise Fees	667,073	698,156	668,500	690,000	
	<u>791,655</u>	<u>825,606</u>	<u>784,045</u>	<u>1,082,520</u>	31.1%
<u>Charges for Services</u>					
Reimbursements	5,546,892	5,684,000	5,494,328	5,018,673	
Appeals & Petitions	30,594	31,400	36,250	35,550	
Code Compliance	738,805	660,500	790,900	1,085,000	
Public Safety	2,602,958	3,031,500	2,763,330	2,956,300	
Subscriptions and Information	3,233	2,750	924	2,820	
Work for Others	455,529	611,700	374,163	423,300	
Central Stores	4,853	5,000	2,700	3,200	
Recreation Fees	676,086	647,600	600,436	590,928	
	<u>10,058,952</u>	<u>10,674,450</u>	<u>10,063,031</u>	<u>10,115,771</u>	-5.2%
Fines & Forfeitures	3,871,763	3,874,200	3,553,600	3,839,895	
<u>Interest & Rents</u>					
Interest Income	343,078	579,100	815,600	855,391	
Rental Income	5,506	5,000	8,200	8,800	
	<u>348,584</u>	<u>584,100</u>	<u>823,800</u>	<u>864,191</u>	48.0%
<u>Return on Equity</u>					
Board of Water and Light	8,795,755	8,900,000	9,200,000	8,900,000	
Sewer Fund	300,000	300,000	300,000	300,000	
	<u>9,095,755</u>	<u>9,200,000</u>	<u>9,500,000</u>	<u>9,200,000</u>	0.0%
<u>Other Revenues</u>					
Sale of Fixed Assets	74,565	337,000	338,501	70,600	
Donations & Contributions	53,188	54,500	86,622	61,100	
Transfers from Other Funds	275,836	314,490	314,490	-	
Miscellaneous	187,378	72,200	81,900	83,050	
	<u>590,966</u>	<u>778,190</u>	<u>821,513</u>	<u>214,750</u>	-72.4%
Use of Reserves	603,799	2,200,000	1,185,798	-	
Total General Fund Revenues	<u><u>104,054,343</u></u>	<u><u>106,181,546</u></u>	<u><u>106,906,918</u></u>	<u><u>108,833,750</u></u>	2.5%

City of Lansing
Fiscal Year July 1, 2006 - June 30, 2007
General Fund Expenditure Summary - Net of Fringes & Allocations

	FY 2005/2006 Adopted Budget			FY 2006/2007 Proposed Budget				% Change FY06 Adopted FY07 Proposed Net of Fringe Benefits & Allocations
	Adopted Budget	FY 2006 Fringe Benefits ⁽¹⁾	Department Budgets Net of Fringes	FY2007 Proposed	FY 2007 Fringe Benefits ⁽¹⁾	FY 2007 Allocations ⁽²⁾	Department Budgets Net of Fringes & Allocations	
Expenditures:								
Council	556,106	(180,730)	375,376	740,053	(271,177)	(45,876)	423,000	12.7%
Cable Access	200,300	(49,990)	150,310	240,201	(75,399)	(2,202)	162,600	8.2%
Internal Audit	245,816	(86,100)	159,716	158,898	(64,976)	(4,662)	89,260	-44.1%
Courts	4,372,108	(1,254,267)	3,117,841	5,025,749	(1,767,179)	(88,570)	3,170,000	1.7%
Mayor's Office	671,915	(191,679)	480,236	803,278	(296,365)	(28,053)	478,860	-0.3%
City Clerk's Office	858,525	(212,233)	646,292	927,635	(277,017)	(33,918)	616,700	-4.6%
Planning & Neighborhood Development	2,889,688	(894,263)	1,995,425	4,041,630	(1,313,069)	(238,477)	2,490,084	24.8%
Finance - Accounting/Treasury/Assessing	4,765,408	(1,640,252)	3,125,156	5,296,381	(1,870,717)	(579,460)	2,846,204	-8.9%
Finance - Information Technology/ Property Management	8,792,335	(1,806,825)	6,985,510	6,050,751	(2,603,975)	4,250,306	7,697,082	10.2%
Personnel	1,203,316	(358,310)	845,006	1,932,958	(561,167)	(444,491)	927,300	9.7%
City Attorney's Office	1,129,708	(366,486)	763,222	1,374,357	(535,073)	(39,284)	800,000	4.8%
General Administration	11,207,259		11,207,259	-	-	6,454,889	6,454,889	-42.4%
Vacancy Factor	(800,000)			(1,000,000)				
Police	26,050,279	(8,906,540)	17,143,739	31,480,052	(11,432,837)	(1,883,415)	18,163,800	6.0%
Fire	21,748,464	(7,187,559)	14,560,905	28,063,637	(10,140,666)	(3,009,571)	14,913,400	2.4%
Public Services	3,181,566	(953,970)	2,227,596	5,750,435	(382,979)	(3,536,904)	1,830,552	-17.8%
Human Relations & Community Serv's	994,782	(343,447)	651,335	542,636	(210,214)	(28,941)	303,481	-53.4%
Parks & Recreation	6,899,191	(2,159,724)	4,739,467	8,036,391	(2,382,282)	(741,371)	4,912,738	3.7%
Human Services	1,300,000			600,000	-			-53.8%
City Supported Agencies	408,000			376,100	-			-7.8%
Library Building Rental	270,000			162,438	-			-39.8%
Debt Service	1,457,300			1,376,950	-			-5.5%
Transfers:								
911 Dispatch Center	92,000			113,200				23.0%
Stadium Fund	250,000			715,000				186.0%
Building Safety Fund	279,612			-				-100.0%
Emergency Shelter Grant Match	-			-				
State & Federal Grant Matches	123,900			383,250				209.3%
Principal Shopping District	45,000			42,075				-6.5%
Debt Service Funds	175,275			192,925				10.1%
Major Streets Fund	-			360,000				
Capital Improvements Fund	1,230,500			1,418,000				15.2%
Parks Millage Fund	2,267,000			844,128				-62.8%
Potter Park Zoo Fund	1,264,028			1,300,000				2.8%
Cemeteries Fund	604,274			150,278				-75.1%
Golf Fund	277,855			-				-100.0%
Sewer Fund	500,000			-				-100.0%
Garbage & Rubbish Fund	-			-				
Recycling Fund	45,000			-				-100.0%
Service Garage Fund	-			162,000				
LEPFA	625,036			1,172,365				87.6%
Total Expenditures	106,181,546			108,833,750				2.5%

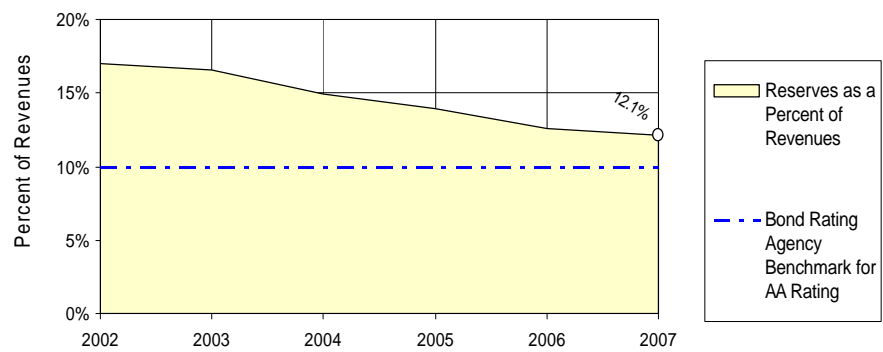
⁽¹⁾ Fringe benefits are subtracted so as to demonstrate the rate of increase in operating expenses without benefits, since fringe benefits have increased at a faster rate than other operating costs.

⁽²⁾ In FY 2006, the General Administration category was comprised of a number of unallocated costs, such as training, property & liability insurance, street lighting, and fire hydrant costs. Likewise, the majority of vehicle costs were recorded in Property Management (formerly Management Services). In the FY 2007 budget, these costs are distributed among the departments and other funds according to estimated usage. As a result, these allocated costs are netted out from departments' budgets for comparison purposes.



General Fund Reserves

Use of Reserves



*Should the City continue its use of reserves,
"it could affect the overall health of the City and place pressure on
the [bond] rating."*

- Standard & Poors, December, 2005

Accordingly, the FY2007 proposed budget includes no use of reserves

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
Public Services			
Refuse			
Refuse Bags	\$1.85	\$1.90	Refuse Disposal
21 Gallon Cart	\$32.10/QT	\$35.28/QT	Refuse Disposal
32 Gallon Cart	\$34.95/QT	\$38.43/QT	Refuse Disposal
65 Gallon Cart	\$39.30/QT	\$44.00/QT	Refuse Disposal
95 Gallon Cart	\$47.70/QT	\$50.00/QT	Refuse Disposal
Bulk Stickers	\$32.00	\$33.00	Refuse Disposal
Bulk Stickers - in 5 Packs	\$31.20	\$32.50	Refuse Disposal
Trash in Row	\$280.00	\$270.00	Refuse Disposal
Recycling	\$70/Homestead	\$72/Homestead	Municipal Recycling
Sewer	N/A	4% Rate Increase	Sewage Disposal
Utility Cuts			
Major Steet	\$21.70/Sq FT	\$20.09/Sq FT	Major Street Fund
Local Street	\$12.20/Sq FT	\$9.91/Sq FT	Local Street Fund
Soil Erosion Permits	200.00	1,370.00	General
Site Plan Review			
Less than 1 acre with 1 review	180.00	250.00	General
Less than 1 acre - additional review	120.00	170.00	General
1 to 3 acres with 1 review	300.00	430.00	General
1 to 3 acres - additional review	150.00	210.00	General
More than 3 acres with 1 review	480.00	550.00	General
More than 3 acres - additional review	240.00	340.00	General
SLU/ACT Review			
Less than 1 acre	N/A	125.00	General
1 to 3 acres	N/A	230.00	General
More than 3 acres	N/A	390.00	General
ROW Permit			

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
one day	150.00	125.00	General
21 day	150.00	170.00	General
30 day	150.00	200.00	General
one year	150.00	425.00	General
Sidewalk Permit			
New	N/A	\$3.35/FT	General
Repair	N/A	\$3.35/FT	General
Sanitary Sewer Permit			
Filing Fee	110.00	150.00	Sewage Disposal
Permit per foot	N/A	\$1.50/FT	Sewage Disposal
Storm Sewer Permit			
Filing Fee	110.00	150.00	General
Permit per foot	N/A	\$1.50/FT	General
Sewer Cleaning License	75.00	200.00	Sewage Disposal
Drain Layer License	75.00	200.00	General
Special Events Permit			
Block Closure	N/A	100.00	General
Parade	N/A	200.00	General
MDOT Permit	300.00	200.00	General
Aerial Site Evaluation	N/A	100.00	General
Prints	1.50	20.00	General
Snow Ticket			
Tier 1	50.00	200.00	General
Tier 2	25.00	200.00	General
Demolition Cap-off	N/A	80.00	General

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
Court/Legal			
Suspended Drivers License		N/A Judge's Determination	General
Basic Traffic Violations	105.00	110.00	General
Careless Driving	180.00	185.00	General
Handicap Parking	110.00	115.00	General
No Proof of Insurance	120.00	125.00	General
Refuse PBT	115.00	120.00	General
School Bus Violation	140.00	145.00	General
Seat Belt Violation	65.00	70.00	General
Speeding, 11-15 over	110.00	115.00	General
Speeding, 16-20 over	115.00	120.00	General
Assessing			
Property Tax Administrative Fees on Special Assessments		N/A 1% of assessment	General
Fire			
Ambulance Runs	\$500.00	\$600.00	General
Ambulance Mileage	\$8/mile	\$9/mile	General
Medical - Treatment no Transport	N/A	\$50.00	General
Police			
Notary Fee	\$2.00	\$5.00	General
OWI			
Police Officer	.879/minute	.926/minute	General
Fire Officer	.628/minute	.812/minute	General
Fire Engine	.171/minute	.812/minute	General
Fire Ladder	.710/minute	1.875/minute	General
Haz-Mat	.117/minute	.514/minute	General
Parking			
Downtown Lots (All rates/month)			
2	71.00	73.00	Municipal Parking
6	85.00	86.00	Municipal Parking

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
6 Reserved	109.00	110.00	Municipal Parking
15	40.00	N/A	Municipal Parking
44	40.00	41.00	Municipal Parking
49	40.00	41.00	Municipal Parking
50	16.00	20.00	Municipal Parking
55	45.00	47.00	Municipal Parking
Outlying Lots (All rates/month)			
7	16.00	20.00	Municipal Parking
8	16.00	20.00	Municipal Parking
9	16.00	20.00	Municipal Parking
17	16.00	20.00	Municipal Parking
24	16.00	20.00	Municipal Parking
56	16.00	20.00	Municipal Parking
Evening	5.00	7.00	Municipal Parking
24 Hr.	21.00	25.00	Municipal Parking
South Grand (All rates/month)			
Roof	77.00	78.00	Municipal Parking
Level 4	101.00	102.00	Municipal Parking
Level 1	129.00	132.00	Municipal Parking
Basement	109.00	111.00	Municipal Parking
Lot 18	109.00	111.00	Municipal Parking
South Capital (All rates/month)			
Roof	70.00	72.00	Municipal Parking
Covered	94.00	97.00	Municipal Parking
Reserved	129.00	132.00	Municipal Parking
Lot - Reserved	109.00	N/A	Municipal Parking
Basement	95.00	98.00	Municipal Parking
North Grand (All rates/month)			
Roof	70.00	72.00	Municipal Parking
4th Reserved	129.00	132.00	Municipal Parking
4th Restricted	109.00	112.00	Municipal Parking
4th General	109.00	112.00	Municipal Parking

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
Expansion	82.00	84.00	Municipal Parking
1st Restricted	129.00	132.00	Municipal Parking
Radisson	109.00	111.00	Municipal Parking
North Capital (All rates/month)			
Roof	68.00	69.00	Municipal Parking
Covered	84.00	86.00	Municipal Parking
Covered - Restricted	129.00	132.00	Municipal Parking
Townsend (All rates/month)			
General 6/8	124.00	127.00	Municipal Parking
General 2/6	152.00	156.00	Municipal Parking
Reserved B/1	165.00	169.00	Municipal Parking
Attended			
Cash/half hour	0.90	0.90	Municipal Parking
Cash- Daily Max	8.00	8.25	Municipal Parking
VIP/ half hour	35.00	0.55	Municipal Parking
VIP - Daily Max	8.00	8.25	Municipal Parking
Lot Rental (Per space)			
Outlying Lots	N/A	4.00	Municipal Parking
Baseball			
Individual Game	5.50	5.00	Municipal Parking
Season/Game	6.50	6.00	Municipal Parking
Meter Rates			
Minimum	0.25	0.30	Municipal Parking
Maximum	1.00	1.20	Municipal Parking
Merchant Validation	50%	40%	Municipal Parking
Token Discount			
10 Rolls	25%	20%	Municipal Parking

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
Late Payment Fee	N/A	10.00	Municipal Parking
Meter Capping Fee			Municipal Parking
Minimum Fee	5x hrly	15.00	Municipal Parking
Code Compliance			
Rental Housing Registration			
New Registration	325.00	335.00	General
Change in Ownership	160.00	175.00	General
Rental Inspections			
Per Building	195.00	205.00	General
Multiple Family	160.00	175.00	General
No Show Fee	50.00	60.00	General
Appointment Made by Certified Mail	20.00	25.00	General
Adminstrative Service Fee			
Second Notice Fee	55.00	60.00	General
Red Tag Monitoring Fee	N/A	\$100/Month	General
Trash and Grass Abatement Fee	200.00	225.00	General
Disabled Abatement Fee	200.00	225.00	General
Emergency Board-up	200.00	225.00	General
Police Call-Out	N/A	225.00	General
Unregistered Rental Investigation Fees	N/A	225.00	General
Non-Compliance Monitoring Fees	200.00	225.00	General
Parks and Recreation			
Potter Park Zoo			
Admission - adult resident	4.00	5.00	Potter Park Zoo /General
Admission - adult non-resident	6.00	8.00	Potter Park Zoo /General
Admission - senior resident	2.00	3.00	Potter Park Zoo /General
Admission - senior non-resident	3.00	5.00	Potter Park Zoo /General
Parking - Regular Cars	3.00	5.00	Potter Park Zoo /General
Parking Oversized Vehicles	5.00	7.00	Potter Park Zoo /General

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
Cemetery			
Adult Interment	550.00	625.00	Municipal Cemeteries/General
Large Child Interment	250.00	325.00	Municipal Cemeteries/General
Infant Interment	110.00	150.00	Municipal Cemeteries/General
Showmobile			
Inside Lansing			
Basic Set-up	150.00	300.00	General
Full Stage	150.00	700.00	General
Sound System	N/A	50.00	General
Outside Lansing			
Basic Set-up	150.00	600.00	General
Full Stage	150.00	1,500.00	General
Sound System	N/A	1,000.00	General
Golf			
Groesback			
9 holes	13.00	14.00	Municipal Golf Courses/General
18 holes	22.00	23.00	Municipal Golf Courses/General
Twilight	10.00	11.00	Municipal Golf Courses/General
Discount period - 9 holes	9.00	10.00	Municipal Golf Courses/General
Discount period - 18 holes	15.00	16.00	Municipal Golf Courses/General
Discount period - senior 9 holes	7.00	8.00	Municipal Golf Courses/General
Discount period - senior 18 holes	11.00	12.00	Municipal Golf Courses/General
Discount period - junior 9 holes	7.00	8.00	Municipal Golf Courses/General
Discount period - junior 18 holes	11.00	12.00	Municipal Golf Courses/General
Discount period - twilight	7.00	8.00	Municipal Golf Courses/General
Small bucket of balls	N/A	8.00	Municipal Golf Courses/General
Large bucket of balls	N/A	6.00	Municipal Golf Courses/General
X-Large bucket of balls	N/A	8.00	Municipal Golf Courses/General
Large bucket of balls - discount card (10 buckets)	N/A	50.00	Municipal Golf Courses/General
X-Large bucket of balls - discount card (10 buckets)	N/A	70.00	Municipal Golf Courses/General

2006-07 Budget
 Fee Increase/Changes
 March 27, 2006

	Current	2007 Proposed	Fund
Senior Discount Pass			
Gold - resident	325.00	425.00	Municipal Golf Courses/General
Gold - non-resident	375.00	475.00	Municipal Golf Courses/General
Silver - resident	225.00	275.00	Municipal Golf Courses/General
Silver - non-resident	275.00	325.00	Municipal Golf Courses/General
 Cart Season Pass	 350.00	 400.00	 Municipal Golf Courses/General
Junior Discount Pass			
Gold - resident	175.00	225.00	Municipal Golf Courses/General
Gold - non-resident	225.00	275.00	Municipal Golf Courses/General
Silver - resident	125.00	175.00	Municipal Golf Courses/General
Silver - non-resident	175.00	225.00	Municipal Golf Courses/General
 Junior Monthly Resident Pass			
Gold	60.00	75.00	Municipal Golf Courses/General
Silver	45.00	60.00	Municipal Golf Courses/General
 High School Team Pass - Range	 N/A	 250.00	 Municipal Golf Courses/General
 Carts			
Per Player - 9 holes	7.00	8.00	Municipal Golf Courses/General
Per Player - 18 holes	14.00	16.00	Municipal Golf Courses/General
 Leisure Services			
Fenner Nature Center			
Birthday Parties - building rental	55.00	60.00	General
Toddler Class	20.00	25.00	General
 Therapeutic Recreation			
Adaptive Swimming - resident	18.00	20.00	General
Adaptive Swimming - non-resident	27.00	30.00	General
 Bowling - resident	 14.00	 16.00	 General
Bowling - non-resident	21.00	24.00	General