City of Manistee

2009 - 2010 Budget

DPW Crew Removing Snow from River Street

Table of Contents

Table of Contents 2

Overview:

2009-2010 Budget Introduction 5
City Manager's Transmittal Letter 6
Executive Summary 8

Issue Pages:

Strategic Plan 10
General Fund Balance 11
Water & Sewer Utility 12
Employee Wages & Benefits 14
Refuse Fund 18
Ramsdell Theatre 19
Capital Improvement Fund 21
Oil & Gas Fund 22
Interfund Activity 24
Appropriations 25
Property Tax Administration Fee 26
Basic Life Support (BLS) Transport 28
Operational Service Audit 29

General Fund Budget:

Revenue 30
General Operating 34
Legislative 36
Manager 38
Finance 41
Assessor 44
Attorney 48
Clerk 51
Community Development 52
Boards & Commissions 55
Municipal Buildings 56
Police 58
Fire 61
Public Works 64
Engineer 67
Parks & Recreation 68
Appropriations 70

Table of Contents

Enterprise Funds
Water & Sewer 71
Revenues 73
Administration 74
Water Operations 75
WWTP Operations 76
Sewer Collection 77
Debt 78
Municipal Marina 79
Boat Ramp 82

Internal Service Funds
Motor Pool 84

Special Revenue Funds:
Oil & Gas Fund 87
Major Street Fund 89
Local Street Fund 91
Street Improvement Fund 93
Refuse Fund 95
Building Inspector Fund 97
Maple Street Bridge Fund 99
Riverwalk Maintenance Fund 101
Ramsdell Theatre Fund 103
Special Assessment Fund 105
Criminal Justice Training Grant Fund 106
Local Revenue Sharing Grant Fund 107
Cool Cities Blueprints for Neighborhoods Grant Fund 108

Capital Project Funds:
Capital Improvement Fund 112
Industrial Park Fund 114
Renaissance Park Fund 116

Debt Service Funds:
Debt Service Fund 117

Table of Contents

Budget Appropriation Resolution 120

Schedule of Fees 121

Appendices:

Elected Officials & Administration 126
City Organization Chart 127
Number of Employees 128
Population 129
Millage 130
SEV & Taxable Value 131
Inflation Rates 132
Home Sales\Uncapping 133
Outstanding Debt 134
Water & Sewer Rates 135
General Fund 136
Grants Received 137

2009-2010 Budget Introduction

Welcome to the City of Manistee's Fiscal Year 2009-2010 Budget. The Budget is the guiding financial document for the City of Manistee and includes all expenditures, revenues, and capital projects for the fiscal year. The Budget is laid out in an easy to understand and read format. The *Table of Contents* should direct anyone to their particular area of interest.

If you want a quick summary of the document, the *Overview* section provides the reader with the big picture of the City's finances and challenges. This consists of the City Manager's Transmittal Letter and the Executive Summary.

Important issues are discussed in greater detail under the heading of *Issue Pages.* This would include topics such as General Fund, Water & Sewer Utility and Appropriations. If you want a good overview of the more important issues facing the City, this is the place to look.

The *General Fund* is the largest part of the document and the place where most public services are identified, as well as most departmental budgets. Each departmental budget is presented in detail. Reading the narrative pages of each department will give you a good understanding of the responsibilities, operations and challenges of that department, as well as budget assumptions.

Enterprise Funds is the next section of the document. These funds include the Water & Sewer Utility, Municipal Marina and Boat Ramps. These are Funds that do not rely on property taxes for funding, but rather charge user fees to generate operating revenues.

Internal Service & Special Revenue Funds are presented next. These funds are established for a specific purpose, such as tracking a grant or for State mandated items, and typically have independent revenue sources. Examples of activities that are accounted for in these funds are the Major & Local Street Funds, Oil & Gas Fund, Refuse Fund and various Grant Funds.

If you want to see what physical improvements the City is planning, the *Capital Project Funds* section is the place to look. These funds track capital expenditures and most current projects. Finally, the *Debt Service Funds* record debt payments for all City general obligation, DDA and voted debt issues. Water & Sewer Utility debt is shown in the Water & Sewer Fund.

The *Appendices* provide valuable supplemental information to the reader. This section tracks valuable information over time, such as the Number of Fulltime Employees, State Equalized Value and Taxable Values of the City. This information will allow the budget to also serve as a record of important historic information rather than just current financial information.

We hope you find this document useful. On behalf of the City of Manistee, thank you for taking the time to review the Fiscal Year 2009-2010 budget document.

April 29, 2009

Honorable Mayor Cyndy Fuller
Members of the Manistee City Council
City of Manistee
70 Maple Street
Manistee, Michigan 49660

Budget Transmittal Letter

Ladies and Gentlemen:

Transmitted herewith for the City Council's review and consideration are the City Manager's recommendations for the various budgets for the City of Manistee's 2009-2010 fiscal year.

Preparing this budget was full of daunting economic challenges as outlined in the Three-Year Financial Forecast Report. Minimal taxable value growth, greatly reduced interest income and minimal new construction resulted in staff needing to address a situation in which there was significantly less revenue in the upcoming budget than there was in last year's budget. As noted in the previous budget, 2009-2010 is when the City's financial situation due to state and national economic pressures will negatively impact service levels; with the reduction of two fulltime employees in the Department of Public Works through attrition. Even with all of these financial uncertainties being addressed in the upcoming fiscal year, the General Fund proposes a surplus of approximately $30,000.

With the knowledge of the fiscal challenges in 2009-2010, the City continues to improve and puts emphasis on strategic planning. Again in 2009 public input was sought to update the Strategic Plan with assistance from the Alliance for Economic Success Office. This Strategic Plan, like the ones before it, will serve as a guide for future funding. The major goal of the plan is to address the Strategic Mission that states, "To competitively position the City of Manistee as the community of choice and destination for business, industry, tourists and families." Primary emphasis will be on completing and incorporating recommendations that will be produced in the Operational Services Audit. The intent of the study was to review all aspects of the organization and look for greater efficiency opportunities and cost savings through departmental reorganization, consolidation, collaboration, and outsourcing; as well as other innovative ideas with the stated goal of improving efficiency and reducing expenditures.

Numerous large capital projects will be completed in fiscal year 2009-2010, including Phase I Marina Building / DDA Restroom renovations, Arthur Street Boat Launch upgrades and restoring the infrastructure at Twelfth and Sweetnam. The construction at Twelfth and

Sweetnam will complete all restoration efforts from the June 12, 2008 storm event that resulted in a Presidential Declaration of Disaster.

As we enter into the 2009-2010 fiscal year budget, the one large capital unknown is whether or not the City will receive any Federal Economic Stimulus funds. For months prior to the budget adoption, staff has prepared a list of potential projects that would be ready to proceed if Federal Stimulus money is received.

Other projects upcoming this year will be focusing on phased implementation of the adopted Beach Conceptual Plans, our first payment to Manistee Area Public Schools for support of the Community Pool, as well as a continued focus on expanding intergovernmental cooperation with our neighbors. Progress was made in the previous fiscal year with Filer Township about expanding wastewater treatment services into Filer Township's DDA / US-31 business corridor. If these conversations are going to result in an agreement, it should occur in this fiscal year.

The City Council has established two budget work sessions, one on Tuesday, April 7, 2009 following the regular Council meeting and one on Tuesday, April 14, 2009 at 7:00 p.m. in the Council Chambers, City Hall. The public hearing to review these budget recommendations and receive public input on them has been scheduled for Tuesday, April 21, 2009. Budget adoption is anticipated at the regular meeting of Tuesday, May 5, 2009.

While the enclosed budget recommendations represent the City Manager and Staff's best judgment for spending based on existing City Council policies and priorities, these issues are subject to the Council's review and ultimate decision. Councilmembers are the elected representatives of the people and maintain the right and responsibility of balancing the 2009-2010 Budget for the City of Manistee.

Respectfully submitted,

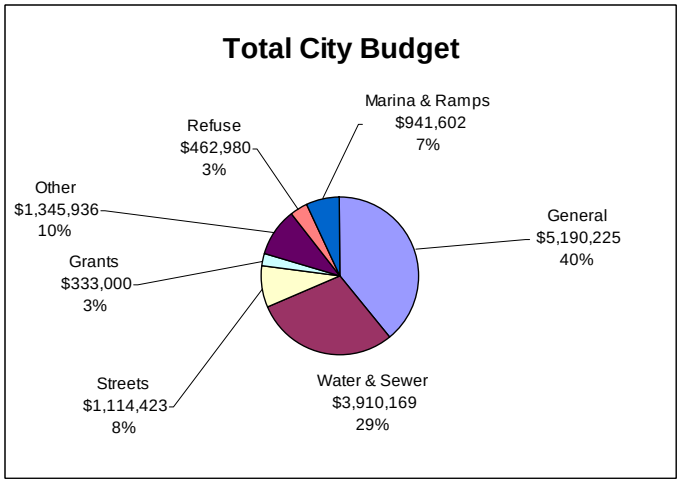
CITY OF MANISTEE

Mitchell D. Deisch

Mitchell D. Deisch, City Manager
mdeisch@ci.manistee.mi.us

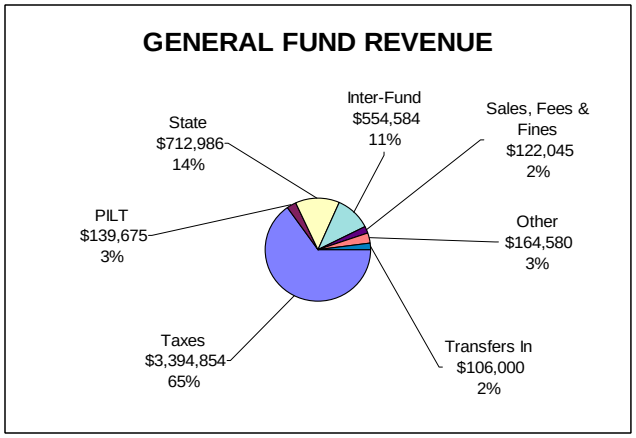
Executive Summary

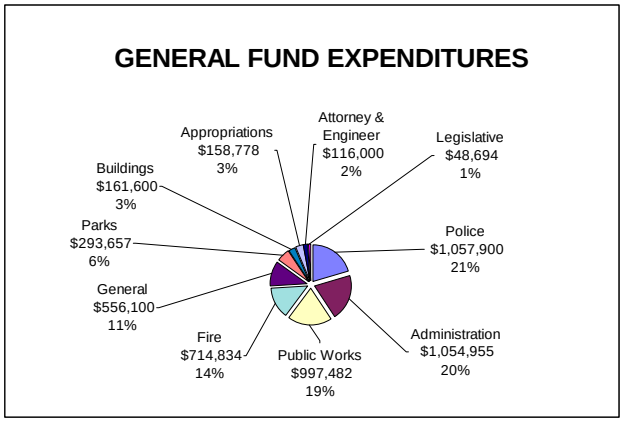
The 2009-2010 City of Manistee budget responds directly to the enormous financial challenges posed by a deep national recession, moribund Michigan economy and housing market collapse; while striving to pursue Strategic Plan goals to the extent possible. The budget was the most challenging to balance in well over a decade. Reduced revenue has forced the City to incorporate significant spending restraint and reduce the number of employees. Cuts of this magnitude will be felt in the delivery of service; however, management is striving to mitigate this where possible. The budget continues to fund important capital projects and ensures key infrastructure is being maintained. The budget for all funds totals $13,037,131. Spending for various areas is shown on the chart to the right.



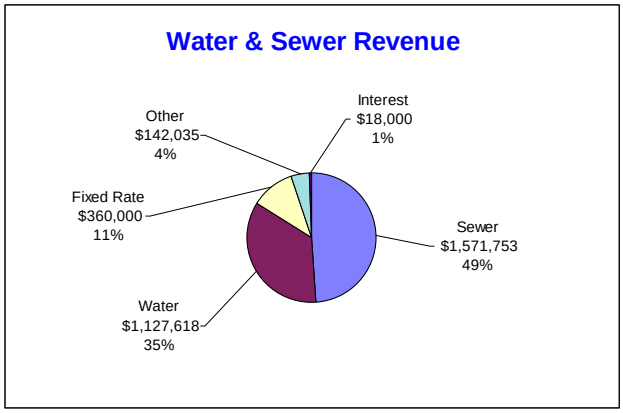
The General Fund is the City's biggest fund at $5,160,000 or 39% of total spending. Services most people associate with local government, such as police, fire, assessing, planning and zoning are funded here. This year's budget declined by $126,110 or 2.4%. General Fund employment declined two and one-half positions through attrition and cuts and is at 48 full time employees.

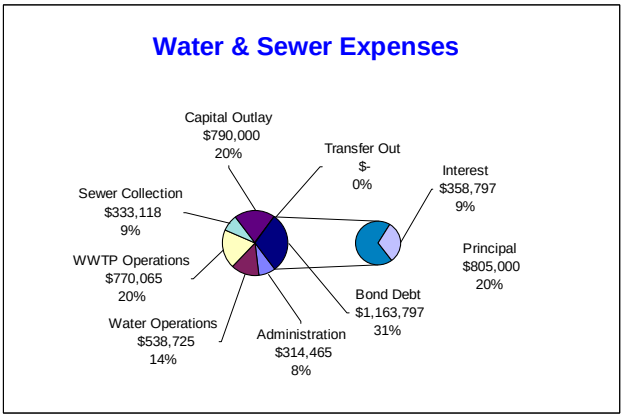
The General Fund receives its income from a variety of sources, including property taxes, state revenue sharing and charge for services. Total revenue is budgeted at $5,190,226. Revenue declined by $72,347 or 1.4%. Tax revenue has dramatically slowed due to fewer home sales, less new construction and more tax-exempt development. The General Fund budget proposes a modest surplus of $30,225. Considerable uncertainty in gasoline and fuel costs, as well as three straight years of deficits, prompted a conservative, surplus budget this year.





The Water & Sewer Utility has budgeted expenditures of $3,910,169 or 29% of total City spending. This year's operating budget of $1,956,372 declined $93,068 or 4.5%. Employment is stable at 11 full time employees. Debt service accounts for $1,163,797 or 31% of total Water & Sewer spending. Revenues are budgeted at $3,213,384, a decline of $26,732 or .8%. Water and Sewer rates are proposed to increase by inflation or 4.4%. A typical customer will see their monthly bill increase by $2.10.





Also included in the budget is $790,000 for capital expenses. Items to be addressed include the final phase of the radio reads, lightning protection, well communications and possibly the Sixth Avenue pump station east sewer line, depending on funding availability.

The Street budget is $1,078,423, or 8% of total spending. This includes the Major and Local Street funds. Street maintenance, repairs and construction is primarily funded by gas tax money passed through by the State to the City. This budget is higher than in the past as it calls for rehabilitating the west end of 12th Street that was washed out last year. This project will be largely funded by FEMA and the NRCS. The budget also supports the Street Asset management Plan by allocating money for crack sealing a number of roads.

The Refuse Fund is budgeted as if the payment system will be privatized this year. This would be accomplished by removing a 1.0 mill from the 1.5 mill charge and having Allied Waste bill the customers directly. This switch in operations is allowed by the current contract. However, in order to try and limit the overall impact on residents, staff is negotiating with Allied Waste for a bag\tote system proposal that will be a true volume based charge. This pricing information was not available at the time the budget was prepared, but will be discussed prior to Council adopting the budget.

Issue Page — Strategic Plan

In 2007 the City embarked upon a strategic planning process to focus both Staff and City Council efforts on the achieving the City's vision:

> **Manistee will be the community of choice on the Northwest Michigan coastline with a strong, diversified economy providing opportunities for all…a city whose prosperity continues into the future.**

The strategic plan provides direction to staff which is used in formulating each department's tactical approach and annual operating budget in order to competitively position the City of Manistee as the community of choice and destination for business, industry, tourists and families.

The City annually updates this plan to ensure that it is kept current. The idea is to keep the focus on the big picture items and ensure that the document remains relevant and that all stakeholders have input into the plan. The most recent areas of focus in the strategic plan are:

1. Forward Looking Plan
2. Economic Development & Jobs
3. City Infrastructure
4. Beaches, Parks & Recreation Areas
5. Financial Stability
6. Intergovernmental Relationships
7. Housing, Homelessness and Senior Citizens

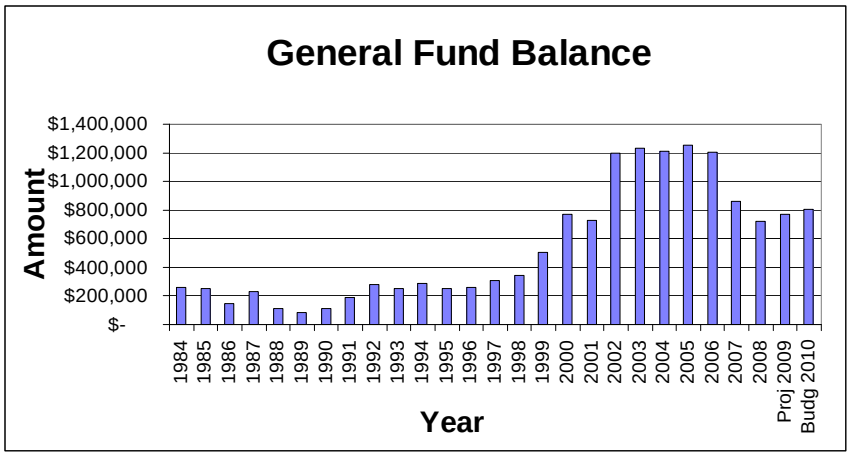
The annual budget and capital improvement plan are developed with the goal of supporting the strategic plan wherever possible and economical. The past few years have seen tangible, steady progress in each of these areas. This budget continues that trend thru both operational and capital items.

Issue Page — General Fund Balance

The General Fund is the primary City operating fund. It is where most City services are provided. Financial stability in the General Fund is crucial if high levels of service are to be maintained. One key to financial stability is adequate, healthy financial reserves, i.e. General Fund Balance. This is true for three primary reasons. First, a reasonable Fund Balance provides insurance against unanticipated major expenses. Major natural or man-made disasters could require the expenditure of significant sums and the Fund Balance provides resources if necessary to address such events. The severe storm in June, 2008 is an example of this.

Second, a Fund Balance provides stability in the event of an economic downturn. A "rainy day fund" provides an opportunity to absorb economic trends over time without dramatically altering the services provided. An example would be tax appeal costs or costs associated with an unforeseen lawsuit.

Third, an appropriate Fund Balance provides an opportunity for investment earnings. Investment earnings can reduce the demand on other revenue sources and provide further stability for municipal operations.



Council has established a General Fund Balance target of 20% of prior year operating expense and operating transfers. Depending on the expenses of the previous year, any percentage over 20% will be transferred into the Capital Improvement Fund. In the past, $410,000 has been transferred from the General Fund to the Capital Improvement Fund. No additional transfers are anticipated for the foreseeable future.

Maintaining a 20% Fund Balance still provides an appropriate cushion that can be used if necessary to balance unforeseen costs, loss of revenue or a drastic downturn in Manistee economy. The June 30, 2008 audit showed a Fund Balance of $724,428, a decrease of $135,693 from the prior year. The fund balance is currently below the 20% target at 13.6%. The current year budget proposes a small surplus to help restore the fund balance

In the 2008-2009 fiscal year, FEMA reimbursement for the June, 2008 storm event for labor and out-of pocket will total approximately $140,000. This will lead to a projected surplus of almost $50,000, helping to restore depleted fund balance.

With the uncertain financial times in the State of Michigan, there will be increasing pressure to use the Fund Balance to maintain existing services.

Issue Page — Water & Sewer Utility

The Water and Sewer Utility (WSU) is an Enterprise Fund and the second biggest in terms of revenue for all City funds. All of the WSU revenues and expenses, capital outlays and debt service are accounted for in one fund. Enterprise Funds should be self-supporting. That is, the users of the system should pay all the costs associated with operating, maintaining and servicing the debt of the system. In fact, the City is required by law and ordinance to ensure that sufficient funds are available to provide for the operation and maintenance of the WSU; and ensure that bond holders receive their scheduled payments.

The WSU has taken on a significant amount of debt in the recent past to fund a State-mandated sewer separation project. Although most of this work has been done, there are still a few more segments that need to be completed. In 2007 the wastewater treatment plant expansion was completed. This was funded by a low interest loan through the State of Michigan revolving loan fund. As of June 30, 2009, the WSU will have about $12,000,000 of outstanding debt in six different bond issues (see Appendix). Total debt service payments average about $1,150,000 per year through 2020 and the last bond is paid off in 2028. Debt service represents approximately 31% of total WSU expense.

Water & Sewer Rates

Water and sewer rates are established annually by ordinance and periodically evaluated. The ordinance calls for a minimum mandatory inflationary adjustment each year. Rates are a combination of a consumption charge and a fixed charge based on meter size. They are calculated and illustrated using a "typical" 6,000 gallon per month usage assumption. Residents are billed in 1,000 gallon increments, and may install an optional separate sprinkling meter.

Administration is recommending that the 2009-2010 rates be adjusted by the minimum inflationary amount of 4.4%. A typical user using 6,000 gallons per month will see their monthly bill increase $2.10 per month as the table below shows.

Proposed Water & Sewer Rates

	Existing		New	
	Per 1000g	**Per 6000g**	**Per 1000g**	**Per 6000g**
Water	$ 2.48	$ 14.88	$ 2.60	$ 15.60
Sewer	$ 4.97	$ 29.82	$ 5.20	$ 31.20
Fixed	$ 6.60	$ 6.60	$ 6.60	$ 6.60
Total		**$ 51.30**		**$ 53.40**

The regular inflationary adjustments to water and sewer rates ensure that the WSU has sufficient resources to respond to maintenance items and system failures. This commitment protects the citizens' enormous investment in the system, and ensures that the City can adequately treat effluent and provide quality drinking water.

Capital Improvements\Maintenance

Even as improvements and upgrades to the system are made, it is important to recognize that the WSU is an aging system, and repairs and major maintenance items are continuing to increase in both frequency and magnitude. In addition, the strategic plan calls for identifying all unsatisfactory WSU infrastructure and determining an approach to repair or replace it. Towards this end, many major items have been addressed in recent years: the Industrial Park water tower was painted both inside and out, work was completed to fix the deteriorating Jones Street storm sewer outfall, improved chemical feed systems were added to some of the City's water wells, water wells have been cleaned, the Parkdale force main was partially replaced, the Jerumbo St. pump station was rehabbed, the Sixth Ave. Pump Station access road was rebuilt and the Sixth Ave. Pump Station is being rebuilt.

The current year budget proposes addressing the failing Sixth Ave. East sewer line pending funding availability. It also anticipates the start of the next sewer separation project in the Peninsula\Jones Street area. The 2010-2014 Capital Improvement plan explains these projects and identifies other capital items for the water and sewer fund in the upcoming years.

Issue Page Employee Wages & Benefits

Employee Groups

The City of Manistee has four different unionized employee groups including the DPW employees represented by the United Steelworkers (USW), police officers represented by the Police Officers Association of Michigan (POAM), police sergeants represented by the Command Officers Association of Michigan (COAM), and the firefighters represented by the International Association of Fire Fighters (IAFF). Supervisory and support staff are nonunion. Collective Bargaining Agreements are in place for all four unions, as shown in the Table.

The public safety unions consisting of the POAM, COAM and IAFF have binding arbitration rights under PA 312, whereas the USW does not. This means that if negotiations reach an impasse, an independent arbitrator will ultimately make the final decision for these three unions. However, no one benefits from going through arbitration, and it is always Administration's goal to settle contracts through good faith negotiation.

Group	Number of Employees	Contract Expiration
POAM	9	June 30, 2010
COAM	3	June 30, 2010
IAFF	7	June 30, 2009
USW	21	June 30, 2009
Supervisory	8	n\a
General	10	n\a
Manager	1	n\a

Wages

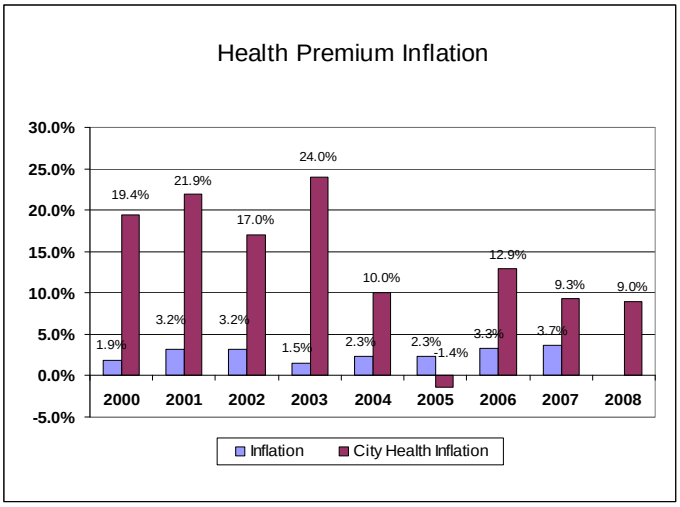
Employee group wages are adjusted annually on July 1, and are adopted as part of the overall budget. Each employee group, whether union or nonunion, follows a wage and step schedule. A step schedule is a mechanism by which employees' annual wages are developed. It establishes an introductory wage for a position, and then over a period of years moves employees through a series of wage increases, or steps, as their experience and abilities develop. Eventually, the employee hits the top of the wage scale and no longer receives an annual step increase.

To account for inflation, each step schedule is annually adjusted by a percentage that is negotiated (union groups) or tied to the Proposal A inflation rate (nonunion groups). For this year, the Proposal A inflation rate is 4.4%.

However, in this year's budget, management is proposing wage freezes for all employees, including all union employees. This will require the POAM and COAM to open their contracts and the IAFF and USW to agree to this request in their new contract. The extreme financial challenges brought about by the housing market decline have left management few options. A wage freeze is an alternative that delivers necessary savings, while maintaining critical services. If the unions do not agree to concessions and\or freezes, then management will have to reevaluate the budget and may have to lay off employee(s) to balance the budget.

Several other changes are being proposed for fiscal year 2009-2010. The most significant change is the elimination of one parks position and one DPW position thru attrition. In addition, the part-time clerical position in the Finance Department that was elevated to a full-time position in the last budget (but not filled pending the outcome of the Operational Service Audit) was returned to part-time.

Health Insurance



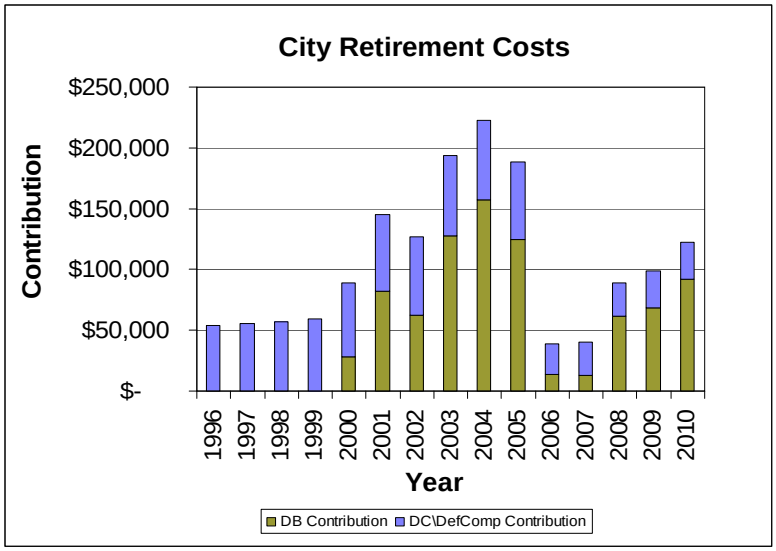
The City provides health insurance to all full-time employees. Coverage is provided through a Blue Cross Blue Shield of Michigan (BCBSM) insurance pool. It has been a long-standing City objective to provide quality, affordable health coverage to employees as a method of attracting and retaining talented staff. However, maintaining quality coverage has become more difficult. Health insurance is the second biggest employee expense behind wages. As is the case throughout the country, the City has seen tremendous increases in the cost of health insurance premiums. Over the past several years, the City's premiums have grown much faster than general inflation and have more than doubled, in spite of reforms undertaken.

To combat the rapid rise in prices, the City has been proactive in addressing these costs. In the late 1990's, it switched from a Master Medical plan to a PPO plan. Cost savings for this move are not available. However, the belief is that there were small savings and improved coverage. In 2003, the City went from a $5 flat co-pay drug card to a $10/$20 generic/brand co-pay drug card. Then in 2005, the City went to a $15/$30 generic/brand drug card. In 2007, the City implemented a choice of plans for non-union, IAFF and USW and required employee participation in premium costs for the more expensive plans.

In the latest negotiations with the POAM and COAM, the City implemented a Flexible Blue 2 (FB2) plan, maintained employee premium payments and added Health Reimbursement Arrangement (HRA). The FB2 is a high deductible plan that reduces premiums and makes pricing more apparent. Under the HRA, the City reimburses the employee their out of pocket costs up to the deductible limits. As part of the plan, the City has also achieved health care capping. The City will be responsible for the first 5% of premium increases. The employee is responsible for the next 5%. The third 5% is split between the employee and the City. Any increase greater than 15% is considered catastrophic and the City picks up those additional costs. The net result is that the City has likely limited its exposure to 7.5% in any given year. This is a vast improvement over the recent premium increases. The non-union staff is also on this plan. In upcoming negotiations with IAFF and USW, similar reforms will be discussed and implemented.

Retirement Benefits

The City is a member of the Municipal Employees' Retirement System of Michigan (MERS). Most of the City's employees are covered under one of a number of defined benefit (DB) retirement plans administered through MERS. A few employees are covered under a 457 deferred comp plan administered by ICMA, or a 401 defined contribution plan provided by MERS; collectively, (DC).

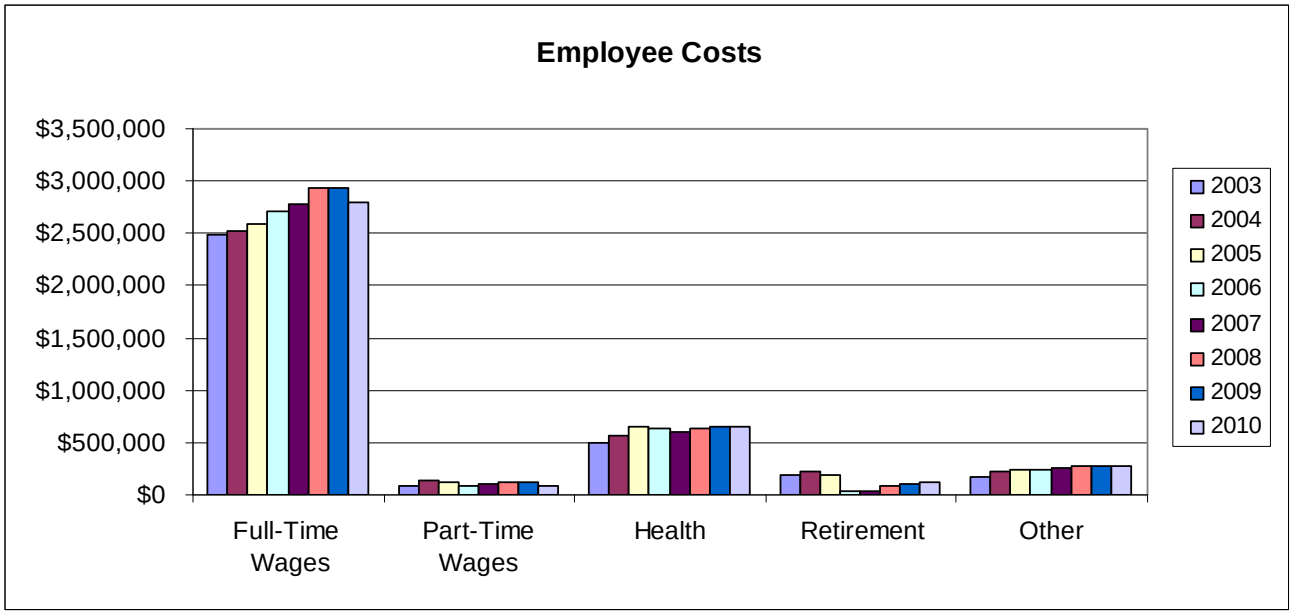


MERS calculates an annual contribution for each DB plan while the DC contribution is a percentage of wages. Overall, the retirement plan is funded at 107%, which is very strongly funded. The graph shows the City's retirement contributions over time. The FY 2006 move to MERS has saved the City a significant amount of money. Annual DB contributions averaged $137,000 from 2003 to 2005. With MERS, the average annual contribution has been $49,000. This has resulted in an annual savings of about $88,000. The required contribution trend has risen sharply in recent years. The reasons for this are the City's actual experience versus plan assumptions, poor market conditions and fiscal responsibility provisions adopted by the MERS Board. The City should consider increasing employee contributions in future years.

Analysis

For the fiscal years from 2003 through budgeted 2010, total employee wages and benefits have increased at an average annual rate of 2.13%. Inflation as measured by the Proposal A rate averaged 3.13%. The State & Local Government Implicit Price Deflator, a more accurate measure of the goods and services purchased by local government, averaged 6.3% from 2003 to 2008, the last year data was available.

To put this in perspective, one can calculate what typical employee cost increases are. Using MERS' assumption of 4.5% average annual wage growth and the Kaiser Family Foundation Survey number of 11% annual health insurance inflation over the last six years, one would expect that average wage and benefit costs for the City would have risen at an approximate annual rate of 5.6%. Thus, employee costs have risen only 41% of the typical growth when compared to these models. The various components of employee costs over this period and the year over year performance are shown in the following chart.



The graph shows that wages have risen in line with union contracts and the non-union wage table. Some attrition is also included in these numbers. Health insurance costs have largely stabilized and are close to 2005 levels due to the reform initiatives undertaken. Future rate increases are expected to be less severe and the City has achieved partial health care capping. Retirement costs continue to show significant savings after moving to MERS, although the trend is up. Overall, the numbers show that the City has done an excellent job controlling employee costs. This is even more apparent when you consider roughly 17% of total employee costs relate to health insurance and it has increased at roughly six times the rate of inflation over this period. In addition, 41 of 59 (70%) full-time employees are covered by a union contract.

Administration has accomplished these results by aggressively pursuing health care reforms, addressing pension issues and negotiating firm, fair contracts with its union groups. In future years, Administration will continue to be proactive in managing costs, including exploring continued ways to control health care costs, as well as through employee attrition.

Issue Page — Refuse Fund

Refuse collection in the City is a public/private partnership. The collection and recycling service has been moved to the private sector through a contract with Allied Waste. The funding is currently a hybrid system, funded largely by a 1.5 mill levy and supplemented by a modest monthly user charge.

Significant discussions have been held the past several years about switching the funding mechanism away from the hybrid system to a private billing\user fee system only. In FY 2006, Council made the decision to maintain the current funding mechanism for refuse collection and reduce the millage rate from 2.0 mills to 1.5 mills. This has resulted in reducing the Refuse Fund balance over time. Fund balance at the end of FY 2008 was $368,864 and is projected to be $323,364 at the end of FY 2009.

It is Staff's recommendation that the billing and payment system be privatized. This recommendation is supported by the findings of the May 2006 Citizen Service Survey compiled by Northwestern Michigan College, which indicated that 77.4% of the respondents felt refuse disposal fees should be based on volume, not SEV. This would involve reducing the millage rate by 1 mill to .5 mills to cover municipal refuse collection, spring trash haul and some administration. In addition, residential and commercial users would pay Allied Waste directly (under an umbrella City contract) based on the level of service they desire and amount of waste they generate.

It is important to note that in addition to reimbursement to the General Fund for administration and trash haul, the Refuse Fund makes a <u>significant transfer to the General Fund</u> as an operating subsidy. The remaining excess Refuse Fund balance would be used to continue this subsidy to the General Fund. However, under either the current system or the proposed system, revenues are insufficient to continue this payment into the future. At some point, the subsidy will be eliminated and this will result in significant revenue loss to the General Fund.

The contract with Allied Waste expires June 30, 2009 and allows this switch in payment method. However, in order to help mitigate the impact to customers, staff has asked Allied to prepare costs for alternative bag\tag\tote system(s) that will allow customers to control their cost. These numbers were unavailable prior to the budget but will be discussed as part of the budget approval process. If the change is not approved, the system will revert to the status quo.

Issue Page — Ramsdell Theatre

The City owns the historic Ramsdell Theatre. The complex is listed on the National Register of Historic Places and serves as the cultural center of Manistee County. It is one of the finest small theatres in the United States. Over the past fifteen years the volunteer, non-profit group Ramsdell Theatre Restoration Project (RTRP) has raised nearly $3,000,000 from generous donors and various grants to renovate and restore the Theatre.

The City has historically made an annual appropriation to the RTRP to assist in applying for matching grants for restoration activities. This year the appropriation will be eliminated as the RTRP is changing its focus from restoration to endowment fundraising.

The RTRP is currently finishing up a 2009 MCACA grant for continuing renovation of Hardy Hall. The primary focus will be on installing acoustic self healing wall panels which will aid in displaying works of art and greatly improve the acoustics of the room.

The City, through the Ramsdell Theatre Governing Authority (RGA), manages and operates the facility. It sets the policies for the building and is responsible for ongoing maintenance. The RGA hopes to eventually move the Ramsdell Theatre to a break-even enterprise. However, this is a number of years down the road. In the short-term, the City's General Fund will have to provide an operating subsidy.

This subsidy allows the Theatre to keep its doors open, and more importantly, protect the multi-million dollar investment that has been made in the building. The budget calls for a $65,000 transfer from the General Fund to the Ramsdell Theatre Fund. The transfer will provide money to partially fund operations; primarily utility bills and custodial services, and also day to day

maintenance. However, the operating budget is not sufficient to address several large infrastructure needs.

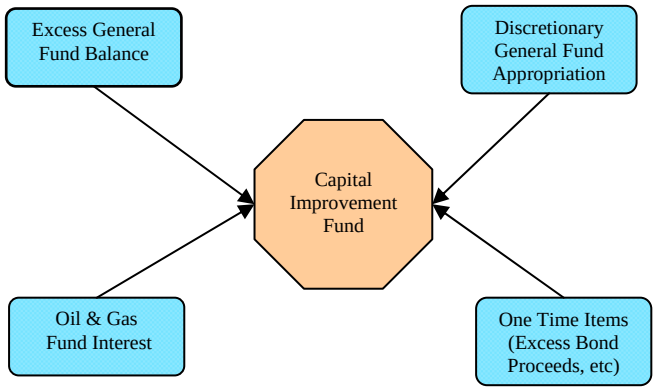
There are two major areas of concern. The first and most important is the Theatre's outside envelope, which is in need of attention. This project would entail all areas from the dentil work up, including the theatre, stage and ballroom roofs (membrane and shingle), eave troughs and downspouts, safe access to roof-mounted HVAC equipment, cupolas and chimney. The City engineer has prepared a preliminary cost estimate of $288,000 to address these areas. The project design has started and if approved, the project will commence this spring and continue into the fall. This project will require a multi-year commitment of funds.

Another major area is the steam boiler system which needs replacement. In addition, many areas of the building lack air conditioning, making it difficult to rent space in the summer. The total cost of this project as estimated in a Wade-Trim study is $250,000 to $300,000. The City is currently interviewing mechanical engineers to provide design services for this project. If approved, the project would begin this summer and be completed in time for the fall heating season.

Issue Page — Capital Improvement Fund

The Capital Improvement Fund was established in 2005 as a method to accumulate money to help pay for capital improvements in the City. All major capital expenditures not required to be recorded in another fund will be recorded and budgeted for in this fund. This will primarily be General Fund items. However, it could include things such as streets and other infrastructure needs, such as other City-owned buildings.

The primary source of funding is Oil & Gas Fund interest. This will provide a stable, long-term source of funding for capital projects.

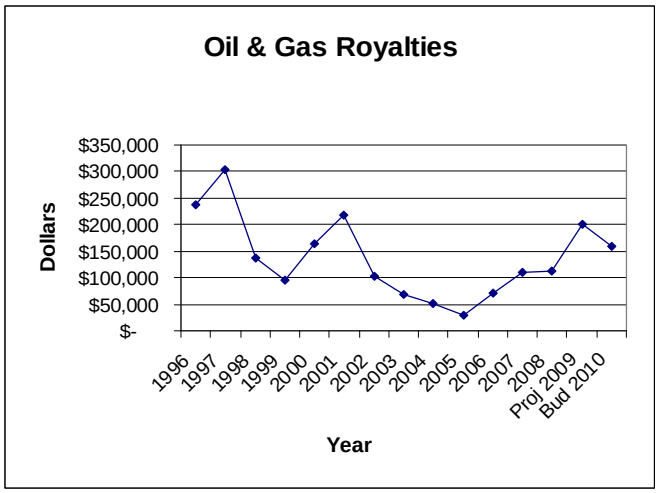


A secondary source of funding will be an annual transfer of excess General Fund balance. An annual evaluation of the General Fund balance will be undertaken each year after getting the audited numbers back. The current policy is to transfer any amount in excess of 20% of General Fund operating expenses and transfers out to the Capital Improvement Fund. Based on the FY 2008 audit, the general fund is below the 20% threshold, so no transfer will occur in FY 2009 and none is anticipated in the foreseeable future.

Projects in the Capital Improvement Fund will be supported by case statements that can be found in the Capital Improvement Plan and\or Capital Improvement Fund budget.

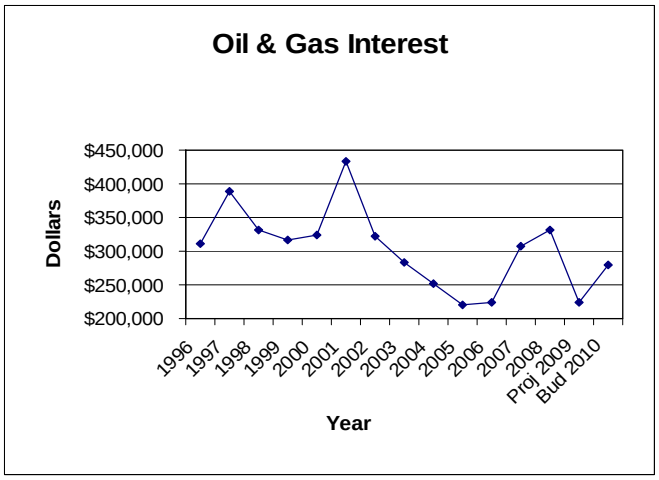
Issue Page — Oil & Gas Fund

The Oil & Gas Fund was established to accumulate the principal generated from oil and gas royalties received from City-owned mineral rights. Charter Section 2-1(B) protects the principal and royalties of this fund from being spent without a vote of the people. Investing the principal of this fund is handled by the Oil & Gas Investment Board, appointed by City Council. The Board consists of five members, including the Mayor and Finance Director. The fund currently has about $6,900,000.



Well production and royalty income have declined over the past ten years because oil and gas production volumes have declined significantly. However, the recent high price of oil and natural gas, and improvements made by Aztec to the processing plant and wells, has helped offset this somewhat. The lifespan of the oil and gas wells is unknown.

In the summer of 2008, The City's legislative initiative to change state law to allow the Oil & Gas fund to be invested like a public pension fund, instead of under the more restrictive PA 20 regulations, was successful. Public Act 220 of 2008 was enacted into law on July 16, 2008 (text of law on next page).



In order to take advantage of the new law, the Oil & Gas Board went thru a rigorous selection process to hire an investment advisor. Bartlett & Co. was chosen in January of 2009 and they began investing the funds in March.

Act No. 220
Public Acts of 2008
Approved by the Governor
July 15, 2008
Filed with the Secretary of State
July 16, 2008
EFFECTIVE DATE: July 16, 2008

STATE OF MICHIGAN
94TH LEGISLATURE
REGULAR SESSION OF 2008

Introduced by Senators McManus, Van Woerkom, Allen, Jansen and Gleason

ENROLLED SENATE BILL No. 658

AN ACT to amend 1943 PA 20, entitled "An act relative to the investment of funds of public corporations of the state; and to validate certain investments," (MCL 129.91 to 129.96) by adding section 7.

The People of the State of Michigan enact:

Sec. 7. Notwithstanding any law or charter provision to the contrary, if a public corporation has a long-term or perpetual trust fund consisting of money and royalties or money derived from oil and gas exploration on property or mineral rights owned by the public corporation, the governing body of the public corporation may by resolution provide its investment officer with the same authority to invest the assets of the long-term or perpetual trust fund as is granted an investment fiduciary under the public employee retirement system investment act, 1965 PA 314, MCL 38.1132 to 38.1140m.

This act is ordered to take immediate effect.

Carol Morey Viventi
Secretary of the Senate

Richard J. Brown
Clerk of the House of Representatives

Approved _____

Issue Page — Interfund Activity

There is considerable interaction among the various accounting funds of the City. The following table shows the transfers, reimbursements and charges that have been budgeted.

From Fund	To Fund	Amount	Reason
Operating Transfers			
Special Assessment	Street Improvement	$ 10,000	Special assessment collections
Oil & Gas	Capital Improvement	$ 200,000	Transfer investment earnings
General	Ramsdell Theatre	$ 65,000	Operating Subsidy
Refuse Fund	General	$ 68,000	Operating Subsidy
Capital Improvement	Riverwalk Maintenance	$ 10,000	Rebuild Riverwalk Maintenance Fund
Charge for Services			
General	Motor Pool	$ 184,275	Lease of equipment
Water & Sewer	Motor Pool	$ 103,194	Lease of equipment
Building Inspector	General	$ 8,000	Reimbursement
Major Street	General	$ 189,000	Reimbursement
Local Street	General	$ 75,000	Reimbursement
Refuse	General	$ 31,000	Reimburse for trash haul
Refuse	General	$ 41,000	Administration
Water & Sewer	General	$ 199,076	Administration
Marina	General	$ 12,152	Administration
Boat Ramps	General	$ 9,857	Administration
Debt Service			
Major Street	Debt Service	$ 139,423	Debt Service (Streetscape)
General	Debt Service	$ 191,100	Debt Service (City Hall)

Issue Page — Appropriations

The City funds a variety of different organizations which undertake public activities on the City's behalf. By law the City may not provide a gift or a contribution of tax dollars for any purpose. However, the City may provide governmental services through other organizations. This distinction is important. In order to document the public purpose being served, the City has requested signed agreements that document the public benefit being provided, when not readily apparent or already documented. The organizations that the City helps fund are listed below with a brief description of the service they provide.

Alternatives for Area Youth	Teen Center, youth activities
211	Social services hotline
Alliance for Economic Success	Economic development services
Junior Baseball	Youth recreation, field maintenance
Manistee Recreation Association	Youth recreation
Manistee Area Historical Museum	City historian, Historical reviews
PEG (Public, Education & Government TV)	Videotape & Broadcast Council meetings
SSCENT	Drug & narcotic enforcement
Veteran's Memorial Day	Memorial Day flags

The partnership with these organizations allows the City to deliver services in a cost effective manner and relieves the administrative and operational burden of these activities. The Appropriation budget lists the amounts requested by the various organizations. The amounts requested are the same as last year. However, the appropriation to the Ramsdell Theatre Restoration Project has been removed as this organization is changing its focus to endowment fundraising.

The Manager is recommending that these requests be honored. This recommendation is intended to provide the Council a point of beginning for discussion. Like other budgetary decisions, allocation decisions are in the hands of the City Council.

Issue Page — Property Tax Administration Fee

The City of Manistee is allowed by law to impose a 1% property tax administration fee on any tax that it collects. Historically, the City has done this on the winter tax bill, but not the summer tax bill. Institutional memory and conventional wisdom on this is that past Councils had not desired to charge this administration fee in the summer since this was the primarily the City's tax collection. It was also believed that the City had to charge the administration fee on all the taxes on the bill, including the City's taxes. However, research into this has indicated that the City can choose which taxes it levies the administration fee on.

In recent years, the State of Michigan has shifted a number of taxes from the winter collection to the summer collection. This includes the entire State Education tax and the County Operating tax. The result of this shift is a sharp decrease in the property tax administration fee revenue.

In 2008, the City collected approximately $30,000 in property tax administration fee. Staff is recommending that this fee be imposed on the entire summer tax bill, <u>except the City taxes</u>. This action would restore the money that has been lost due to the State of Michigan actions, as well as levying the fee on taxes for West Shore College and Manistee ISD, which are also collected in the summer. This action will result in restoring $23,000 in foregone or lost revenue and enhancing revenues by about $10,500. <u>The General Fund revenue budget assumes this administration fee is restored and incorporates this additional revenue.</u> If this fee were levied on the City taxes, this would result in an additional $38,000.

The State Tax Commission has issued a memo (next page) that supports and encourages municipalities to levy this fee as authorized by law.

3500 (Rev. 1-03)

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

ROBERT J. KLEINE
STATE TREASURER

DATE: October 2, 2008

TO: Assessors, Equalization Directors
Township Supervisors and City Managers

FROM: State Tax Commission

SUBJECT: Collection of the Administrative Fee

At their September 16, 2008 meeting, the State Tax Commission adopted the following position regarding the levy, collection, and use of the property tax administration fee authorized under Michigan Compiled Law 211.44:

> It is the position of the State Tax Commission that Cities and Townships should levy and collect the one percent administration fee as authorized under Michigan Compiled Law (MCL) 211.44. The State Tax Commission also believes that Cities and Townships should take all necessary steps to ensure that the funds generated by this property tax administration fee are dedicated solely to the property tax function as specified by MCL 211.44.

Issue Page — BLS Transport

The City currently operates its EMS service at the Basic Life Support level. This means that the City has emergency medical technicians that can perform many routine medical functions when responding. Fire Chief Sid Scrimger has been exploring what the ramifications of moving to Basic Life Support – Transport service. This would allow the City to transport patients to the hospital. His excerpted memo follows:

> I would propose the fire department upgrade its license and become a BLS transport agency. We have done a preliminary projection of costs and revenues with AccuMed, one of the premier medical billing agencies in Michigan. Based on our current run volume and anticipated billing rates, I would make the following changes to the budget.
>
> Overtime: Increase by $1000/year to allow for runs at the end of a shift and additional call-ins.
>
> Operating Supplies: Increase by $5000/year to allow for medical supplies.
>
> Professional Services: Increase by $1000/year to provide for laundering of medical linens and disposal of medical waste.
>
> Repairs & Maintenance: Increase by $500/year for additional maintenance to Rescue 5.
>
> Capital Outlay: Increase by $5000 in the first year only to allow for initial purchase of all equipment needed to upgrade license.
>
> Additional expenses, year one: $12,500
>
> Additional expenses, following years: $7500
>
> In revenues, AccuMed projects an additional $50,000 - $60,000. I would use the more conservative figure for the budget. This gives a net revenue increase of $37,500 in the first budget year and $42,500 after that.

This fundamental change in operations appears to have positive benefits for the City. Of course, it will impact the Hospital as well, although the ultimate effect is less clear and is not necessarily a negative for them. The proposed budget <u>does not</u> include the upgrade to BLS-T. However, staff will continue to explore this option and will bring it back to Council at a work session to explain it in further detail. If there is a consensus to move forward with this, it can be implemented at any time.

Issue Page — Operational Service Audit

The City of Manistee is commissioning an Operational Service Audit. The idea of an audit arose out of the strategic plan and recognition by both Council and staff that the City would be facing significant financial challenges moving forward. The overarching purpose of the study is to provide and develop City services in the most economically efficient manner, in keeping with the vision of the City to be a "community of choice on the northwest Michigan coastline.

The project will focus on departmental efficiencies, consolidation, collaboration with other entities, potential outsourcing of services, and long term reorganization recommendations for various departments. It will involve a thorough analysis of City operations and will result in a document that has actionable, realistic recommendations.

The Operational Service Audit Committee (OSAC) will serve as the steering committee for the project. It consists of three City Council members, the City Manager, the City Finance Director and four members of the public. The OSAC issued an RFQ for the project in November and received four responses. One respondent subsequently dropped out. The OSAC interviewed the consultants in February and chose Matrix Consulting Group as its first choice.

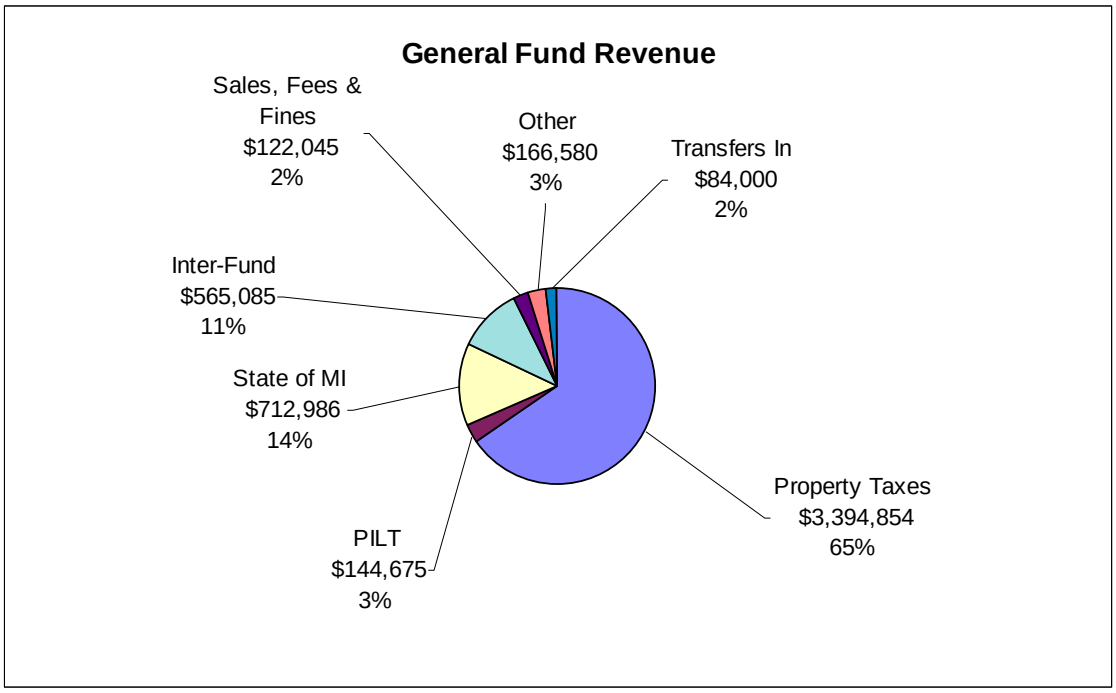
The City is developing a scope of work and negotiating a fee for services with Matrix. The intention is to enter into a contract with Matrix by the end of March. The study is expected to get underway in April and should be complete by August.

matrix consulting group

The estimated cost of the project will be $43,500. The City had budgeted $30,000 in the previous budget and is budgeting $20,000 in the current budget to complete the study. Once the final report is issued, it will require an evaluation of how best to implement the recommendations and a multi-year effort to move in this direction.

General Fund Revenue

General Fund revenues come from a variety of sources. Property taxes account for about two-thirds of the budget, with the remaining coming from the State of Michigan, various charge for services, interest income and miscellaneous other items.



Revenue Assumptions & Notes

Overall Revenue: Budgeted revenue declined $72,347 or 1.4% from the prior year budget.

Property Tax Revenue: Property tax and related revenue increased $2,485 or .1% from the prior budget. This category includes taxes, penalties and interest and the administration fee. Although real taxable value showed an increase of 3.2%, the impact on City tax revenue is nominal. Much of the growth is tax-exempt (Renaissance Zone), tax captured (DDA or Brownfield) or tax-abated (IFT or 328). Tax revenue growth would have been $30,000 less than last year without the proposed reinstatement of the property tax administration fee.

Payment in Lieu of Taxes Revenue: PILT revenue increased by $13,215 or 10.1%. This revenue relates to the payment-in-lieu of taxes charged to water and sewer users outside of the city limits, the fee paid by the Housing Commission and similar payments. The increase was largely due to the construction at the Glen's property and renovation at the Dunham's and Peebles stores, all in Filer Township.

State of Michigan Revenue: State revenue decreased by $45,282 or 6.0%. This category includes revenue sharing and refundable liquor license fees. This conservative estimate is based on the assumption that the State will once again reduce statutory revenue sharing payments to the City to help deal with the budget crisis. It also assumes that constitutional revenue sharing payments will be reduced as sales tax revenues decline due to the national recession.

Inter-Fund Revenue: Inter-fund revenue is projected to decline by $25,115 or 4.4%. This category includes various reimbursements to the General Fund for personnel, equipment and administration. An increase in Water & Sewer charges caused by additional cost allocation was more than offset by a steep decline in Building Inspector charges due to fewer permits being issued and a decline in Refuse Fund administration fee.

Sales, Fees & Fines: Sales, fees and fines declined by $26,725 or 18%. This was mainly caused by removing the Fifth Ave. Beach concession sales from the budget (this was included last year in anticipation of the City running the concession, but ultimately this was contracted out. Related personnel costs have also been removed.) Permits and sales are also expected to decline.

Other Revenue: Other revenue is expected to decline by $16,925 or 9.2%. This category includes interest income, franchise fees, lease income, refunds and the like. This decline is caused primarily by lower interest income. Short-term interest rates are at historical lows and the amount of money available to invest is less because of the lower general fund balance. This reduction was offset somewhat by higher franchise fees.

Transfers In: Transfers in increased by $26,000 or 32.5%. The Refuse fund transfer increased by $10,000 to $90,000. The additional $16,000 came from the Industrial Park fund. Previously, the General Fund and Industrial Park fund had each paid a portion of the Alliance for Economic Success contract. This is now paid entirely out of the General Fund and reimbursed from the Industrial Park fund. The net effect on the General Fund is the same.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: Overall revenue remains unchanged from the proposed budget. Council's decision to maintain the Refuse fund at the status-quo resulted in an increase in administration fee from the Refuse fund, but a decrease in the operating transfer out.

REVENUES	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
402.000 Real & Personal Property Tax	$ 3,060,289	$ 3,117,960	$ 3,117,960	$ 3,121,364	$ 3,121,364
411.000 Delinquent Real Property Tax	$ 167,627	$ 160,120	$ 160,120	$ 165,358	$ 165,358
420.000 Delinquent Pers Property Tax	$ -	$ 40,938	$ 20,000	$ 18,135	$ 18,135
445.000 Tax Penalties & Interest	$ 44,617	$ 41,394	$ 30,000	$ 25,588	$ 25,588
447.000 Tax Administration Fee	$ 30,746	$ 31,957	$ 30,000	$ 64,409	$ 64,409
Total Tax Revenue	**$ 3,303,279**	**$ 3,392,369**	**$ 3,358,080**	**$ 3,394,854**	**$ 3,394,854**
640.000 In Lieu of Taxes	$ 118,175	$ 131,460	$ 131,460	$ 144,675	$ 144,675
Total PILT	**$ 118,175**	**$ 131,460**	**$ 131,460**	**$ 144,675**	**$ 144,675**
539.001 Spotlight Grant Revenue	$ 13,418	$ 17,290	$ 13,000	$ 17,290	$ 17,290
574.000 State Share Liquor Tax	$ 8,286	$ 7,800	$ 8,400	$ 8,300	$ 8,300
575.000 State Shared Revenue	$ 728,588	$ 733,178	$ 733,178	$ 687,396	$ 687,396
Total State Revenue	**$ 750,292**	**$ 758,268**	**$ 754,578**	**$ 712,986**	**$ 712,986**
627.000 Charge for Serv - Bldg. Insp.	$ 20,000	$ 30,000	$ 8,000	$ 8,000	$ 8,000
628.000 Charge for Serv - Boat Ramp	$ 2,000	$ 8,700	$ 8,700	$ 9,857	$ 9,857
630.000 Charge for Serv - Local St.	$ 70,000	$ 75,000	$ 88,000	$ 75,000	$ 75,000
631.000 Charge for Serv - Major St.	$ 180,000	$ 189,000	$ 209,000	$ 189,000	$ 189,000
632.000 Charge for Serv - Marina	$ 3,000	$ 10,500	$ 10,500	$ 12,152	$ 12,152
634.000 Charge for Serv - Refuse	$ 75,833	$ 72,000	$ 72,000	$ 50,000	$ 72,000
635.000 Charge for Serv - W&S	$ 180,000	$ 183,000	$ 210,000	$ 199,076	$ 199,076
Total Inter-Fund Revenue	**$ 530,833**	**$ 568,200**	**$ 606,200**	**$ 543,085**	**$ 565,085**
450.000 Business Registration	$ 950	$ 1,350	$ 1,350	$ 1,125	$ 1,125
480.000 Licenses	$ -	$ -	$ -	$ -	$ -
485.000 Permits	$ 4,527	$ 11,000	$ 7,000	$ 7,500	$ 7,500
626.000 Charge for Service	$ 24,148	$ 40,000	$ 40,000	$ 40,500	$ 40,500
629.000 Charge for Serv - Inspections	$ 13,950	$ 10,420	$ 11,000	$ 13,220	$ 13,220
642.000 Sales	$ 2,746	$ 5,000	$ 2,200	$ 2,200	$ 2,200
647.000 Sales - Concessions	$ -	$ 23,000	$ -	$ -	$ -
655.000 Fines & Forfeits	$ 58,107	$ 58,000	$ 58,000	$ 57,500	$ 57,500
Total Sales, Fees & Fines	**$ 104,428**	**$ 148,770**	**$ 119,550**	**$ 122,045**	**$ 122,045**

		2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
490.000	Franchise Fees	$ 81,865	$ 76,000	$ 81,000	$ 82,000	$ 82,000
539.000	State Grant Revenue	$ -	$ -	$ -	$ -	$ -
664.000	Interest Income	$ 75,954	$ 45,000	$ 22,000	$ 20,000	$ 20,000
667.000	Rental Income	$ 1,072	$ 6,000	$ 15,000	$ 7,000	$ 7,000
668.000	Riverfront Lease Income	$ 20,490	$ 21,505	$ 21,505	$ 22,580	$ 22,580
671.000	Other Revenue	$ 4,380	$ 2,500	$ 1,000	$ 500	$ 500
674.000	Contributions\Donations	$ 8,000	$ 1,000	$ 10,500	$ 1,000	$ 1,000
676.000	Reimbursements	$ 40,097	$ 17,500	$ 161,000	$ 20,000	$ 20,000
687.000	Refunds	$ 55,457	$ -	$ 1,000	$ -	$ -
688.000	Refunds - W.C. Premium	$ 13,134	$ 14,000	$ 14,000	$ 13,500	$ 13,500
695.000	Insurance Settlement	$ 825	$ -	$ -	$ -	$ -
Total Other Revenue		**$ 301,274**	**$ 183,505**	**$ 327,005**	**$ 166,580**	**$ 166,580**
699.000	Operating Transfer In	$ 77,167	$ 80,000	$ 80,000	$ 106,000	$ 84,000
Total Transfers In		**$ 77,167**	**$ 80,000**	**$ 80,000**	**$ 106,000**	**$ 84,000**
TOTAL REVENUES		**$ 5,185,448**	**$ 5,262,572**	**$ 5,376,873**	**$ 5,190,225**	**$ 5,190,225**

General Fund — General Operating

The General Operating department accounts for those items that are City-wide in nature, or ones that do not fit within an existing department. Examples of these items are things such as streetlights, information technology support, insurance, postage, transfers out to other funds for operating needs and debt service for City Hall.

General Operating Assumptions & Notes

Overall Costs: Budgeted costs increased by $4,375 or .8% from the prior year budget.

Employee Costs: No employee costs are charged to this department.

Operational Costs: Estimated streetlight costs increased by $7,000 because of a rate increase authorized by the MPSC. This could also be impacted by additional rate cases and\or legislation in the upcoming year. Insurance is projected to decline by $8,000 based on last year's actual cost and the property and casualty pool's performance. Professional services include $20,000 for completing the operational service audit and $5,000 for support of the branding initiative. The IT contract with Terrapin is also up for renewal and is expected to increase; as is the transfer out for debt service..

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

100 General Operating	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
728.000 Operating Expense	$ 445	$ -	$ -	$ -	$ -
801.000 Professional Services	$ 27,666	$ 62,305	$ 60,000	$ 58,000	$ 58,000
822.000 Insurance	$ 90,517	$ 92,000	$ 81,000	$ 84,000	$ 84,000
855.000 Utilities - Cell Phones	$ 6,048	$ 5,500	$ 6,500	$ 7,000	$ 7,000
859.000 Utilities - Data\Internet	$ 5,378	$ 6,520	$ 6,000	$ 6,000	$ 6,000
901.000 Postage	$ 25,640	$ 22,000	$ 24,000	$ 25,000	$ 25,000
905.000 Retirement Fund Contribution	$ -	$ -	$ -	$ -	$ -
915.000 Manistee Co. Airport Payment	$ -	$ -	$ -	$ -	$ -
925.001 Electric - Street Lights	$ 101,966	$ 100,000	$ 108,000	$ 107,000	$ 107,000
940.000 Rent	$ 4,640	$ 6,450	$ 5,000	$ 5,000	$ 5,000
959.000 Bad Debt	$ -	$ -	$ -	$ -	$ -
960.000 Bank Charges	$ 270	$ 500	$ 3,000	$ 1,000	$ 1,000
945.000 Building Rental	$ -	$ -	$ -	$ -	$ -
964.000 Refunds	$ 293	$ 2,000	$ 500	$ 2,000	$ 2,000
970.000 Capital Outlay	$ -	$ -	$ -	$ -	$ -
989.000 Computer Hardware & Software	$ 6,798	$ 6,000	$ 3,000	$ 5,000	$ 5,000
999.000 Operating Transfer Out	$ 288,388	$ 248,450	$ 248,450	$ 256,100	$ 256,100
TOTAL GENERAL OPERATING	**$ 558,048**	**$ 551,725**	**$ 545,450**	**$ 556,100**	**$ 556,100**

General Fund — Legislative

The Legislative department accounts for the expenses of City Council. It includes things such as compensation, fringes, travel & training expense and MML membership.

Legislative Assumptions & Notes

Overall Costs: Budgeted costs increased $923 or 1.9% from the prior year budget.

Employee Costs: Employee costs increased by $423 or 1.5% from the prior budget. This was largely due to a wage increase previously recommended by the compensation commission and approved by a previous Council.

Operational Costs: Operational costs increased by $500 or 1.9%. The increase was the result of timing differences for this year's mayor's exchange which increased costs and a reduction in MML convention expense because of its location.

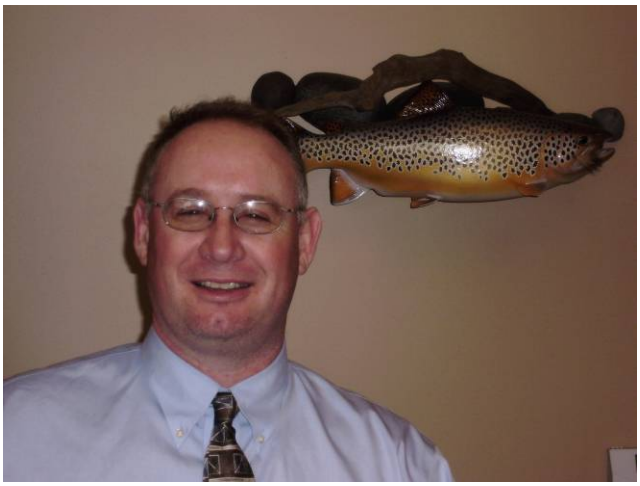
City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

101 Legislative	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 26,265	$ 26,659	$ 26,659	$ 27,052	$ 27,052
712.001 Costs - Social Security	$ 1,628	$ 1,653	$ 1,653	$ 1,677	$ 1,677
712.002 Costs - Medicare	$ 381	$ 387	$ 387	$ 392	$ 392
712.007 SUTA	$ -	$ -	$ -	$ -	$ -
712.009 Costs - Work Comp	$ 53	$ 73	$ 73	$ 73	$ 73
Employee Costs	**$ 28,328**	**$ 28,771**	**$ 28,772**	**$ 29,194**	**$ 29,194**
728.00 Office/Operating Expense	$ 7,560	$ 11,200	$ 10,300	$ 12,500	$ 12,500
860.000 Travel & Training Expense	$ 5,252	$ 7,800	$ 6,000	$ 7,000	$ 7,000
Operating Costs	**$ 12,812**	**$ 19,000**	**$ 16,300**	**$ 19,500**	**$ 19,500**
TOTAL LEGISLATIVE	**$ 41,139**	**$ 47,771**	**$ 45,072**	**$ 48,694**	**$ 48,694**

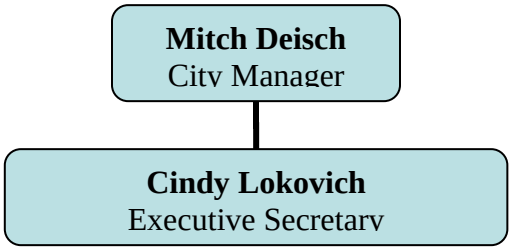
General Fund — City Manager



Mitch Deisch is the City Manager for the City of Manistee. He has been with the City for 8 years.

The City Manager is the chief administrative officer of the City and is appointed by City Council. The City Manager is primarily responsible for the efficient administration of all City Departments; the enforcement of all City laws and ordinances; the appointment of certain City department heads, with the consent of City Council; to fully advise the Council on policies, affairs, financial conditions and the needs of the City; the enforcement of any franchises, contracts or agreements; and the recommendation and administration of an annual City budget.

The City Manager maintains a system of accounts which conform to a uniform system required by law, the City Council and generally accepted principles and procedures of government accounting. In addition to this the City Manager performs other duties as may be prescribed by City Charter, City Ordinances or City Council.



Manager Assumptions & Notes

Overall Costs: Budgeted costs increased $3,952 or 2.0% from the prior year budget.

Employee Costs: Employee costs increased by $4,452 or 2.5% from the prior budget. Although wages are budgeted to be frozen, there was a clerical error in last year's budget that slightly understated wages and makes this year look like there was an increase. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. MERS retirement costs also increased as a result of an increase in the contribution rate for the non-union division.

Operational Costs: Operational costs decreased by $500 or 1.9% due to general cuts in office expenditures.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

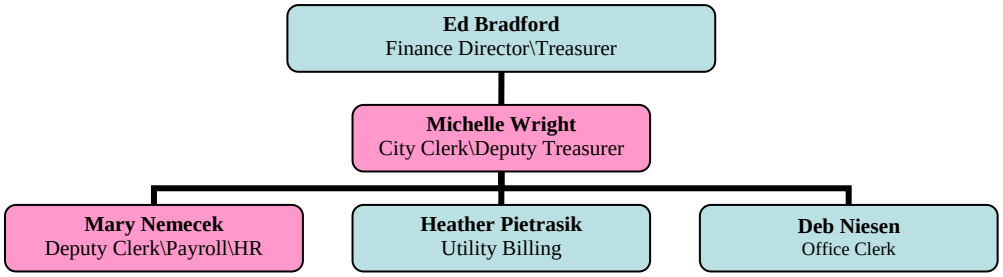
172 Manager	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 129,703	$ 130,468	$ 133,114	$133,114	$ 133,114
703.000 Longevity	$ 775	$ 800	$ 800	$825	$ 825
704.000 Overtime	$ 1,147	$ 1,000	$ 550	$500	$ 500
706.000 Part-Time	$ -	$ -	$ -	$0	$ -
712.001 Costs - Social Security	$ 8,956	$ 9,266	$ 9,452	$9,474	$ 9,474
712.002 Costs - Medicare	$ 2,134	$ 2,167	$ 2,210	$2,216	$ 2,216
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$0	$ -
712.005 Costs - MERS	$ 11,964	$ 12,501	$ 12,845	$13,276	$ 13,276
712.006 Costs - In Lieu of BC/BS	$ 4,121	$ 4,686	$ 4,686	$5,094	$ 5,094
712.007 Costs - SUTA	$ 11	$ 11	$ 11	$74	$ 74
712.009 Costs - Work Comp	$ 553	$ 556	$ 567	$565	$ 565
712.010 Costs - Blue Cross Insurance	$ 11,689	$ 12,532	$ 12,532	$13,238	$ 13,238
712.011 Costs - Life Insurance	$ 684	$ 742	$ 761	$808	$ 808
Employee Costs	**$ 171,737**	**$ 174,730**	**$ 177,528**	**$179,182**	**$179,182**
728.000 Operating Expense	$ 3,775	$ 5,500	$ 4,000	$ 5,000	$ 5,000
735.000 Periodicals & Publications	$ 299	$ 350	$ 350	$ 350	$ 350
801.000 Professional Services	$ -	$ 1,000	$ 250	$ 1,000	$ 1,000
831.000 Contractual Repairs & Maint.	$ 772	$ 1,200	$ 1,200	$ 1,200	$ 1,200
860.000 Travel & Training Expense	$ 5,199	$ 3,700	$ 2,700	$ 3,700	$ 3,700
865.000 Vehicle Allowance	$ -	$ -		$ -	$ -
870.000 Memberships & Dues	$ 1,164	$ 990	$ 990	$ 990	$ 990
873.000 Education	$ -	$ 500	$ -	$ 500	$ 500
874.000 Retiree BCBS	$ -	$ -		$ -	$ -
900.000 Printing & Publishing	$ 56	$ 200	$ 250	$ 200	$ 200
930.000 Repairs\Maint - Veh & Equip	$ -	$ -		$ -	$ -
957.000 Motor Pool	$ 10,500	$ 9,450	$ 9,450	$ 9,450	$ 9,450
970.000 Capital Outlay	$ 729	$ -	$ -	$ -	$ -
985.000 Lease Purchase	$ 3,341	$ 3,341	$ 3,341	$ 3,341	$ 3,341
Operating Costs	**$ 25,836**	**$ 26,231**	**$ 22,531**	**$ 25,731**	**$ 25,731**
TOTAL MANAGER	**$ 197,573**	**$ 200,961**	**$ 200,059**	**$ 204,913**	**$ 204,913**

General Fund — Finance\Treasurer

Edward Bradford is the Finance Director and Treasurer for the City of Manistee. He is also responsible for the City's technology. He has been with the City for 7 years.

The Finance Director\Treasurer is the Chief Financial Officer of the City. The Finance Department is responsible for all financial activities in the City. The main activities of the department include:

- Receiving all City revenue
- Paying all City bills
- Investing all City funds
- Maintaining City's accounting records
- Managing the annual audit
- Preparing the annual budget
- Drafting policies and procedures
- Serving as Chief Technology Officer



Michelle & Mary are charged to the Clerk's Department

Finance Assumptions & Notes

Overall Costs: Budgeted costs declined $15,200 or 6.5% from the prior year budget.

Employee Costs: Employee costs were reduced by $16,532 or 9.5% from the prior budget. This was largely due to a wage freeze and reducing a budgeted full-time office clerk position to part-time. The position was made full-time in the 2008-2009 budget, but was held open pending the outcome of the Operational Service Audit. The audit will help determine whether this position should again be considered for elevation to full-time. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. MERS retirement costs also increased as a result of an increase in the contribution rate for the non-union division.

Operational Costs: Operational costs increased by $1,332 or 2.3%. The increase was almost entirely due to professional services. The Finance Department is charged for both the contractual audit expense as well as the contractual expense with the County for maintaining the assessment roll, printing assessment notices and tax bills and maintaining the parcel map. The City is going out for bids on the audit this year and I would expect that this may result in a cost reduction. Approximately 80% of the finance department's operational budget is non-discretionary, either the contractual professional services previously mentioned or software maintenance agreements that are mandatory.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: Audit bids came in after the budget was prepared and lowered the cost by about $10,000. In addition, sick sellback will be eliminated thru a policy change.

253 Finance	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$104,354	$137,000	$109,000	$108,136	$108,136
703.000 Longevity	$ 325	$ 375	$ 375	$425	$ 425
704.000 Overtime	$ 309	$ 500	$ 250	$250	$ 250
706.000 Part-Time	$ 13,858	$ -	$ 13,000	$13,000	$ 13,000
708.000 V\S\H Sellback	$ -	$ -	$ -	$500	$ -
712.001 Costs - Social Security	$ 7,876	$ 9,146	$ 9,000	$8,121	$ 8,121
712.002 Costs - Medicare	$ 1,842	$ 2,139	$ 2,000	$1,899	$ 1,899
712.004 Costs - ICMA Contribution	$ 7,362	$ 7,649	$ 7,650	$7,649	$ 7,649
712.005 Costs - MERS	$ 601	$ 1,997	$ 2,000	$1,524	$ 1,524
712.006 Costs - In Lieu of BC/BS	$ 3,023	$ -	$ -	$0	$ -
712.007 Costs - SUTA	$ 17	$ 16	$ 20	$111	$ 111
712.009 Costs - Work Comp	$ 498	$ 579	$ 580	$512	$ 512
712.010 Costs - Blue Cross Insurance	$ 14,897	$ 14,538	$ 14,538	$15,385	$ 15,385
712.011 Costs - Life Insurance	$ 562	$ 769	$ 769	$666	$ 666
Employee Costs	**$155,523**	**$174,709**	**$159,182**	**$158,177**	**$157,677**
728.000 Operating Expense	$ 3,764	$ 4,500	$ 4,000	$ 4,000	$ 4,000
735.000 Periodicals & Publications	$ 882	$ 750	$ 750	$ 800	$ 800
801.000 Professional Services	$ 37,336	$ 37,303	$ 39,000	$ 39,000	$ 28,925
831.000 Contractual Repairs & Maint.	$ 6,456	$ 7,900	$ 7,900	$ 8,000	$ 8,000
860.000 Travel & Training Expense	$ 2,868	$ 2,800	$ 2,800	$ 2,800	$ 2,800
870.000 Memberships & Dues	$ 585	$ 610	$ 610	$ 595	$ 595
873.000 Education	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -
900.000 Printing/Publishing	$ 731	$ 1,100	$ 800	$ 1,100	$ 1,100
930.000 Repairs\Maint - Vehicle & Equip	$ -	$ -	$ -	$ -	$ -
970.000 Capital Outlay	$ 2,919	$ 500	$ 250	$ 500	$ 500
985.000 Lease Purchase	$ 1,723	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Operating Costs	**$ 57,265**	**$ 57,463**	**$ 58,110**	**$ 58,795**	**$ 48,720**
TOTAL FINANCE	**$212,788**	**$232,172**	**$217,292**	**$216,972**	**$206,397**

General Fund — Assessor

Julie Beardslee is the Assessor for the City of Manistee. She has been with the City for 18 years.

The City Assessor is an administrative officer appointed by the City Council, working under the direction of the City Manager. The Assessor is responsible for keeping the records for all real and personal property in the City. Real property is all land and improvements. Personal property includes furniture, fixtures, machinery and equipment which are generally owned by commercial and industrial businesses. An assessment roll is prepared on an annual basis. December 31 is tax day for the following year's taxes. The assessment roll is completed and certified by the first Monday in March.

Upon completion of the assessment roll, if there is a change in the assessment of your property, you will be mailed a notice of assessment change. The notice is mailed 10 days before the meeting of the Board of Review. The Board meets to hear appeals the second Monday in March. If you suspect an error you may want to appeal. This is a very tight time schedule; if you miss the opportunity to appeal to the Board of Review, you will be limited in your ability to further appeal to the Michigan Tax Tribunal. Resident and non-resident taxpayers may file appeals through a letter.

Clerical errors, mutual mistakes of fact, homestead exemption and poverty exemption appeals are heard at the July and December Boards of Review. The July Board of Review is on the Tuesday following the third Monday of the month. The December Board of Review is held on the Tuesday following the second Monday of the month.

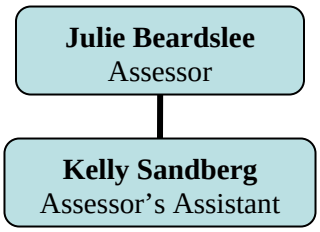
The state equalized value on your tax bill is 50% of the true cash or fair market value. Taxes are now based on taxable value, not state equalized value. Proposal A, which was passed by the electorate in 1994, limits increases in taxable value to 5% or the rate of inflation, whichever is less. New construction and equipment are added to the tax roll at 50% of the current true cash value.

New home or business buyers will experience the taxable value being raised to the level of the state equalized value the year following their purchase of real estate. The cap implemented by Proposal A will then begin again in the second year following purchase and continue until the property sells, not including new construction and improvements.

The actual taxes you pay are a function of the millage rate and the taxable value (as found on the assessment roll). The City of Manistee has a summer and winter tax bill. The taxing

jurisdictions are the County of Manistee, the City of Manistee, Manistee Area Public Schools, Manistee Intermediate Schools, West Shore Community College, and the State of Michigan (receives the State Education Tax).

The City Assessor administers homestead exemptions in conjunction with the State of Michigan. Homeowners are allowed one exemption from the 18 mills of school operating tax on their principal residence or homestead. Questions about homestead exemptions should be directed to the City Assessor's office.



Assessor Assumptions & Notes

Overall Costs: Budgeted costs increased $341 or .2% from the prior year budget.

Employee Costs: Employee costs increased by $3,816 or 2.4% from the prior budget. Wages are budgeted to be frozen. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. MERS retirement costs also increased as a result of an increase in the contribution rate for the non-union division.

Operational Costs: Operational costs decreased by $3,475 or 14.3%. The decrease is driven by a reduction in professional services due to moving the cyclical reappraisal from a three to five year cycle. Capital outlay was also reduced by eliminating the proposed purchase of a printer.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: Sick sellback will be eliminated thru a policy change.

257 City Assessor		2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000	Salaries	$ 103,518	$107,128	$107,128	$107,128	$107,128
703.000	Longevity	$ 650	$700	$700	$750	$750
704.000	Overtime	$ -	$500	$500	$500	$500
706.000	Part-Time	$ 8,610	$0	$0	$0	$0
708.000	V\H\S Sellback	$ -	$0	$1,400	$1,400	$0
712.001	Costs - Social Security	$ 7,217	$7,231	$7,231	$7,354	$7,354
712.002	Costs - Medicare	$ 1,688	$1,691	$1,691	$1,720	$1,720
712.004	Costs - ICMA Contribution	$ 6,744	$7,007	$7,007	$7,007	$7,007
712.005	Costs - MERS	$ 677	$1,294	$1,294	$1,724	$1,724
712.006	Costs - In Lieu of BC/BS	$ -	$0	$0	$0	$0
712.007	Costs - SUTA	$ 16	$16	$16	$74	$74
712.009	Costs - Work Comp	$ 1,068	$1,058	$1,058	$1,058	$1,058
712.010	Costs - Blue Cross Insurance	$ 31,715	$29,077	$29,077	$30,769	$30,769
712.011	Costs - Life Insurance	$ 523	$588	$588	$622	$622
714.001	Retire. Costs - Blue Cross	$ -	$0	$0	$0	$0
Employee Costs		**$ 162,426**	**$ 156,290**	**$ 157,690**	**$ 160,105**	**$ 158,705**
728.000	Operating Expense	$ 3,190	$ 4,000	$ 4,000	$ 4,000	$ 4,000
735.000	Periodicals & Publications	$ 684	$ 985	$ 985	$ 1,060	$ 1,060
801.000	Professional Services	$ 8,990	$ 9,300	$ 5,800	$ 6,500	$ 6,500
831.000	Contractual Repairs & Maint	$ 645	$ 1,775	$ 1,775	$ 2,195	$ 2,195
860.000	Travel & Training Expense	$ 2,423	$ 3,600	$ 3,600	$ 3,600	$ 3,600
865.000	Vehicle Allowance	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ 1,800
870.000	Memberships & Dues	$ 672	$ 690	$ 690	$ 720	$ 720
873.000	Education	$ -	$ -	$ -	$ -	$ -
874.000	Retiree BCBS	$ -	$ -	$ -	$ -	$ -
900.000	Printing/Publishing	$ 194	$ -	$ -	$ -	$ -
930.000	Repairs\Maint - Veh & Equip	$ -	$ -	$ -	$ -	$ -
970.000	Capital Outlay	$ 3,997	$ 2,200	$ -	$ 1,000	$ 1,000
985.000	Lease Purchase	$ -	$ -	$ -	$ -	$ -
Operating Costs		**$ 22,594**	**$ 24,350**	**$ 18,650**	**$ 20,875**	**$ 20,875**
TOTAL ASSESSOR		**$ 185,020**	**$ 180,640**	**$ 176,340**	**$ 180,980**	**$ 179,580**

Gockerman, Wilson, Saylor & Hesslin, P.C.

Gockerman, Wilson, Saylor & Hesslin is the City Attorney. Their staff works closely with City staff on a variety of legal issues and prepares or reviews all contracts entered into by the City. The City also uses several other legal firms on various matters such as labor issues, tax appeals and environmental matters.

Attorney Assumptions & Notes

Overall Costs: Budgeted costs decreased by $7,500 or 8.6% from the prior year budget.

Employee Costs: There are no employee costs as this is a contractual relationship.

Operational Costs: Operational costs decreased by $7,500 or 8.6%. The decrease is driven by a reduction in anticipated specialty legal costs, primarily because there are no large anticipated tax appeals on the horizon.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

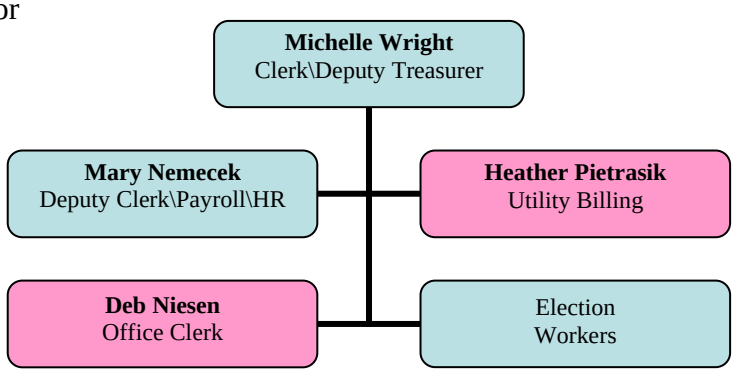
266 Attorney		2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
802.000	Professional Services - GWSH	$ 46,932	$ 45,000	$ 52,000	$ 45,000	$ 45,000
803.000	Prof Serv - Other Attorneys	$ 22,681	$ 42,500	$ 22,000	$ 35,000	$ 35,000
860.000	Travel & Training Expense	$ -	$ -		$ -	$ -
TOTAL ATTORNEY		**$ 69,613**	**$ 87,500**	**$ 74,000**	**$ 80,000**	**$ 80,000**

General Fund — Clerk

Michelle Wright is the Clerk and Deputy Treasurer for the City of Manistee. She has been with the City for 20 years.

The office of City Clerk is staffed by two full-time people; Michelle Wright and Deputy Clerk /Payroll & Benefits Mary Nemecek. The office also periodically employs 28-34 temporary workers as election inspectors. This office shares staff and duties with the Finance Department. Its responsibilities are:

- Safekeeping all City documents
- Preparation of Council Minutes
- Publishing ordinances and board vacancies
- Maintaining voter registration records
- Management of school, local, state and federal elections
- Business registrations
- Payroll management and maintenance
- Employee benefits
- Retiree insurance
- Processes insurance claims
- Banner permits
- Records retention coordinator
- Accounts payable
- Bank reconciliations
- General ledger maintenance



Deb & Heather are charged to the Finance Department

Clerk Assumptions & Notes

Overall Costs: Budgeted costs decreased $1,994 or 1.1% from the prior year budget.

Employee Costs: Employee costs increased by $1,766 or 1.2% from the prior budget. Wages are budgeted to be frozen. Part-time wages decreased slightly due to the type of elections being held. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. MERS retirement costs also increased as a result of an increase in the contribution rate for the non-union division.

Operational Costs: Operational costs decreased by $3,760 or 8.7%. The decrease is driven by a reduction in professional services due to cutting the amount of outside scanning of documents being contracted out as part of the LaserFiche implementation. Capital outlay was also reduced.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: Sick sellback will be eliminated thru a policy change.

215 City Clerk

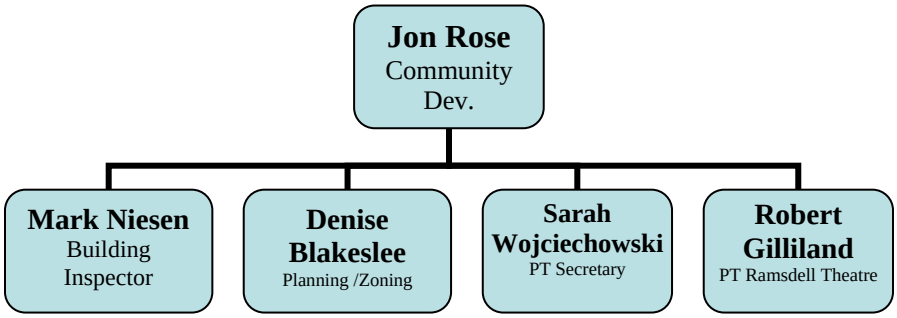
	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
215 Clerk					
702.000 Salaries	$ 93,298	$ 96,467	$ 96,467	$96,467	$ 96,467
703.000 Longevity	$ 675	$ 725	$ 725	$775	$ 775
704.000 Overtime	$ 526	$ 1,000	$ 250	$1,000	$ 1,000
706.000 Part-Time	$ 4,579	$ 14,000	$ 12,500	$12,150	$ 12,150
708.000 V\S\H Sellback	$ -	$ -	$ -	$500	$ -
712.001 Costs - Social Security	$ 5,912	$ 6,266	$ 6,816	$7,082	$ 7,082
712.002 Costs - Medicare	$ 1,383	$ 1,465	$ 1,594	$1,656	$ 1,656
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$0	$ -
712.005 Costs - MERS	$ 1,516	$ 2,877	$ 2,855	$3,831	$ 3,831
712.006 Costs - In Lieu of BC/BS	$ -	$ -	$ -	$0	$ -
712.007 Costs - SUTA	$ 11	$ 11	$ 11	$74	$ 74
712.009 Costs - Work Comp	$ 397	$ 471	$ 462	$464	$ 464
712.010 Costs - Blue Cross Insurance	$ 18,222	$ 18,241	$ 18,241	$19,260	$ 19,260
712.011 Costs - Life Insurance	$ 480	$ 534	$ 534	$565	$ 565
Employee Costs	**$ 126,999**	**$ 142,058**	**$ 140,455**	**$ 143,824**	**$ 143,324**
728.000 Supplies - Operating	$ 4,202	$ 3,050	$ 3,000	$ 3,550	$ 3,550
735.000 Periodicals & Publications	$ -	$ -	$ -	$ -	$ -
740.000 Election Expense	$ 4,124	$ 11,240	$ 10,000	$ 10,600	$ 10,600
801.000 Professional Services	$ 1,104	$ 8,200	$ 6,000	$ 3,200	$ 3,200
831.000 Contractual Repairs & Maint.	$ 3,277	$ 3,600	$ 7,200	$ 7,200	$ 7,200
860.000 Travel & Training Expense	$ 4,185	$ 4,500	$ 4,000	$ 4,600	$ 4,600
870.000 Memberships & Dues	$ 430	$ 400	$ 400	$ 430	$ 430
873.000 Education	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -
900.000 Printing/Publishing	$ 8,503	$ 7,150	$ 6,500	$ 6,800	$ 6,800
930.000 Repairs & Maint - Vehicle\Equip	$ -	$ -	$ -	$ -	$ -
970.000 Capital Outlay	$ 7,050	$ 2,000	$ -	$ -	$ -
985.000 Lease Purchase	$ 2,940	$ 3,000	$ 2,940	$ 3,000	$ 3,000
Operating Costs	**$ 35,814**	**$ 43,140**	**$ 40,040**	**$ 39,380**	**$ 39,380**
TOTAL CLERK	**$ 162,813**	**$ 185,198**	**$ 180,495**	**$ 183,204**	**$ 182,704**

General Fund — Community Development

Jon Rose is the Community Development Director for the City of Manistee. He has been with the City for 18 years.

The Community Development office coordinates many activities within the City. It also includes the Building Inspection and Facility Management function. Activities include:

- City Planning Department
- Zoning Administration
- Construction Code Enforcement
- Grant Writing/Administration
- Construction Project Administration
- Rental Inspection Program
- Risk Management Administration
- Facility Management
- Civil Infractions (Building & Zoning)
- Miscellaneous Permits



Robert is charged to the Ramsdell Theatre fund

Community Development Assumptions & Notes

Overall Costs: Budgeted costs increased by $13,861 or 5.7% from the prior year budget.

Employee Costs: Employee costs increased by $14,211 or 6.1% from the prior budget. Wages were frozen. The increase was mainly due to a change in status regarding health insurance. In addition, health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. MERS retirement costs also increased as a result of an increase in the contribution rate for the non-union division.

Operational Costs: Operational costs decreased by $350 or 3.5%. The decrease was due to a reduction in office expense.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: Sick sellback will be eliminated thru a policy change.

Community Development	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
748 Community Development					
702.000 Salaries	$ 160,131	$ 163,284	$ 163,284	$163,284	$ 163,284
703.000 Longevity	$ 1,000	$ 1,075	$ 1,075	$1,150	$ 1,150
704.000 Overtime	$ 2,405	$ 750	$ 400	$750	$ 750
706.000 Part-Time	$ 12,798	$ 13,000	$ 13,000	$13,260	$ 13,260
708.000 V\S\H Sellback	$ -	$ -	$ -	$1,800	$ -
712.001 Costs - Social Security	$ 11,266	$ 11,633	$ 11,633	$11,686	$ 11,686
712.002 Costs - Medicare	$ 2,635	$ 2,721	$ 2,721	$2,733	$ 2,733
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$0	$ -
712.005 Costs - MERS	$ 2,681	$ 4,838	$ 4,838	$6,442	$ 6,442
712.006 Costs - In Lieu of BC/BS	$ 4,121	$ 4,686	$ 3,586	$0	$ -
712.007 Costs - SUTA	$ 22	$ 22	$ 22	$148	$ 148
712.009 Costs - Work Comp	$ 1,876	$ 1,886	$ 1,886	$1,888	$ 1,888
712.010 Costs - Blue Cross Insurance	$ 30,253	$ 29,077	$ 32,577	$44,007	$ 44,007
712.011 Costs - Life Insurance	$ 652	$ 728	$ 728	$762	$ 762
Employee Costs	**$ 229,840**	**$ 233,700**	**$ 235,749**	**$ 247,910**	**$ 246,110**
728.000 Operating Expense	$ 2,341	$ 4,000	$ 3,000	$ 3,650	$ 3,650
735.000 Periodicals & Publications	$ 142	$ 250	$ 250	$ 250	$ 250
801.000 Professional Services	$ -	$ -		$ -	$ -
831.000 Contractual Repairs & Maint	$ 1,105	$ 1,000	$ 1,000	$ 1,000	$ 1,000
860.000 Travel & Training Expense	$ 2,237	$ 2,200	$ 1,400	$ 2,200	$ 2,200
865.000 Vehicle Allowance	$ 1,809	$ 2,000	$ 2,000	$ 2,000	$ 2,000
870.000 Memberships & Dues	$ 104	$ 250	$ 250	$ 250	$ 250
873.000 Education	$ -	$ -		$ -	$ -
874.000 Retiree BCBS	$ -			$ -	$ -
900.000 Printing & Publishing	$ -	$ 200	$ 100	$ 200	$ 200
930.000 Repairs\Maint - Vehicle\Equip	$ -	$ -		$ -	$ -
957.000 Motor Pool	$ -	$ -		$ -	$ -
970.000 Capital Outlay	$ -	$ -		$ -	$ -
985.000 Lease Purchase	$ 678	$ -		$ -	$ -
Operating Costs	**$ 8,415**	**$ 9,900**	**$ 8,000**	**$ 9,550**	**$ 9,550**
TOTAL COMMUNITY DEVELOPMENT	**$ 238,254**	**$ 243,600**	**$ 243,749**	**$ 257,460**	**$ 255,660**

General Fund — Boards & Commissions

This department accounts for the many Boards and Commissions that have been established by Council or through ordinance. Some are State mandated and others are purely a local creation; however they all make significant contributions to the Community and its betterment.

Boards & Commissions Assumptions & Notes

Overall Costs: Budgeted costs decreased by $6,100 or 34.8% from the prior year budget.

Employee Costs: This department has no employee costs.

Operational Costs: Operational costs decreased by $6,100 or 34.8%. The decrease was due to a reduction in Beautification Committee capital outlays and the planning commission performing Master Plan review themselves as opposed to hiring a consultant.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

290 Boards & Commissions	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
712.001 Costs - Social Security	$ 94	$ 100	$ 100	$ 100	$ 100
712.002 Costs - Medicare	$ 22	$ 25	$ 25	$ 25	$ 25
880.000 Beautification Committee	$ 3,371	$ 2,000	$ 2,500	$ 500	$ 500
881.000 Board of Review	$ 2,022	$ 1,800	$ 2,000	$ 2,000	$ 2,000
882.000 Brownfield Redevelopment Auth.	$ 203	$ -	$ -	$ -	$ -
883.000 Harbor Commission	$ 78	$ 250	$ 100	$ 250	$ 250
884.000 Historic District Commission	$ 195	$ 750	$ 750	$ 750	$ 750
885.000 Non-Motorized Transportation	$ -	$ 500	$ 500	$ 500	$ 500
886.000 Parks Commission	$ 281	$ 200	$ 200	$ 350	$ 350
887.000 Planning Commission	$ 10,456	$ 10,600	$ 5,000	$ 5,600	$ 5,600
888.000 Tree Commission	$ 161	$ 300	$ 300	$ 350	$ 350
889.000 Zoning Board of Appeals	$ 1,919	$ 1,000	$ 1,000	$ 1,000	$ 1,000
TOTAL BOARDS & COMMISSIONS	**$ 18,801**	**$ 17,525**	**$ 12,475**	**$ 11,425**	**$ 11,425**

General Fund | Municipal Buildings

This fund accounts for the expenses associated with the ongoing operation of the City's buildings, including City Hall, Fire Station, and City Garage. The utilities for all these buildings, as well as maintenance, repairs and the cleaning contract for City Hall are recorded here.

Municipal Buildings Assumptions & Notes

Overall Costs: Budgeted costs decreased by $2,000 or 1.2% from the prior year budget.

Employee Costs: This department has no employee costs. Custodial work is contracted out or self performed by existing staff.

Operational Costs: Operational costs decreased by $2,000 or 1.2%. The decrease was due to a small reduction in professional services due to more economical snow removal for City Hall.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

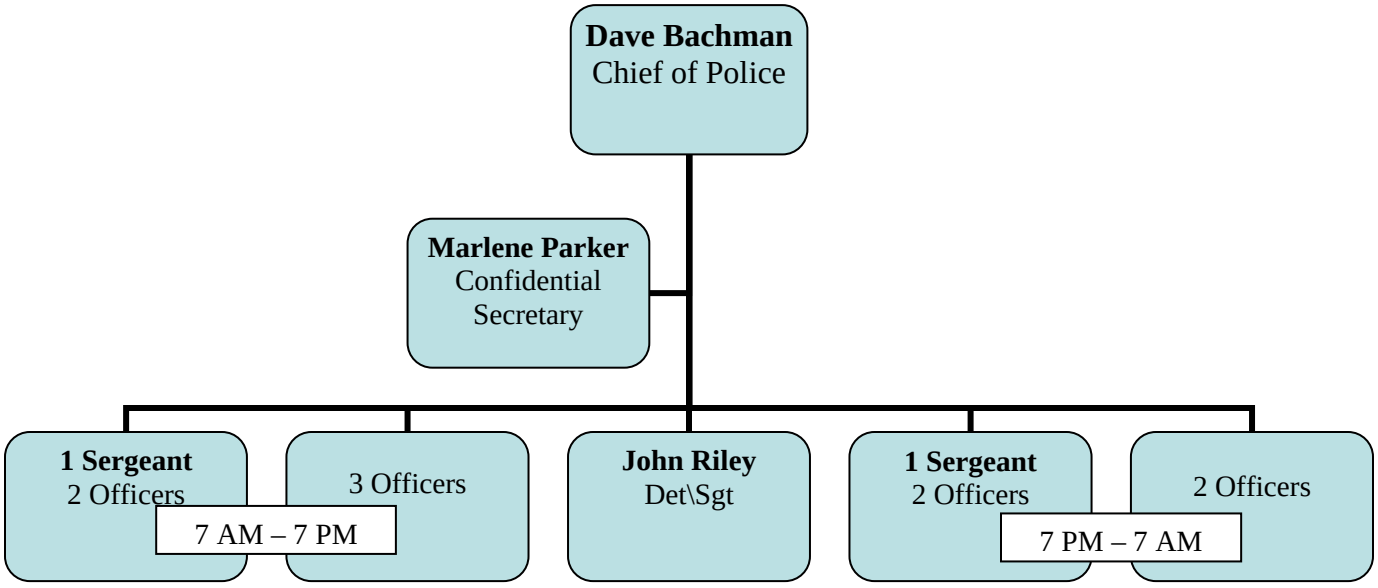
265 Municipal Buildings		2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
728.000	Operating Supplies	$ 4,860	$ 6,000	$ 4,000	$ 6,000	$ 6,000
801.000	Professional Services	$ 36,499	$ 39,000	$ 39,000	$ 37,000	$ 37,000
831.000	Contractual Repairs & Maint.	$ 372	$ 1,500	$ 2,000	$ 1,500	$ 1,500
850.000	Utilities - Phone	$ 22,493	$ 22,000	$ 23,000	$ 22,000	$ 22,000
920.000	Gas - City Hall	$ 6,405	$ 6,200	$ 6,200	$ 6,200	$ 6,200
920.336	Gas - Fire Dept	$ 4,461	$ 4,200	$ 4,200	$ 4,200	$ 4,200
920.441	Gas - DPW	$ 22,830	$ 24,000	$ 24,000	$ 24,000	$ 24,000
920.446	Gas - Bridge	$ 1,121	$ 1,200	$ 1,200	$ 1,200	$ 1,200
922.000	Water - City Hall	$ 2,393	$ 2,700	$ 2,800	$ 2,700	$ 2,700
922.336	Water - Fire Dept	$ 702	$ 700	$ 800	$ 700	$ 700
922.441	Water - DPW	$ 2,721	$ 4,000	$ 4,000	$ 4,000	$ 4,000
922.446	Water - Bridge	$ 1,280	$ 1,500	$ 1,500	$ 1,500	$ 1,500
925.000	Electric - City Hall	$ 20,566	$ 20,000	$ 20,000	$ 20,000	$ 20,000
925.336	Electric - Fire Dept	$ 4,385	$ 4,100	$ 4,100	$ 4,100	$ 4,100
925.441	Electric - DPW	$ 14,587	$ 13,000	$ 13,000	$ 13,000	$ 13,000
925.446	Electric - Bridge	$ 2,926	$ 3,000	$ 3,000	$ 3,000	$ 3,000
930.000	Repairs - Equipment/Vehicles	$ -	$ 3,500	$ 4,500	$ 3,500	$ 3,500
931.000	Repairs - Building	$ 3,284	$ 5,000	$ 5,000	$ 5,000	$ 5,000
940.000	Building Rental	$ -	$ -	$ -	$ -	$ -
970.000	Capital Outlay (Expense)	$ -	$ 2,000	$ 1,300	$ 2,000	$ 2,000
TOTAL MUNICIPAL BUILDINGS		**$ 151,885**	**$ 163,600**	**$ 163,600**	**$ 161,600**	**$ 161,600**

General Fund — Police

Dave Bachman is the Chief of Police for the City of Manistee. He also runs the Municipal Marina and serves as Harbor Master. He has been with the City for 11 years.

The Manistee Police Department is a young, progressive department with many plans for the future. The department currently has 13 sworn officers, including the Chief, detective sergeant and two road sergeants. The officers are unionized and represented by the POAM. The Sergeants are also unionized and represented by the COAM. There is also an office support staff position. The department averages 1,400 documented complaints annually.

Currently there are 5 patrol cars which patrol 40 miles of City streets. The department also has a car for the detective sergeant's use. During the summer months there is a bike patrol for community policing and summer events. Officers are expected to do foot patrols daily throughout the downtown area, the Riverwalk and local beaches. A new Polaris Ranger beach vehicle funded by a Local Revenue Sharing Grant will allow officers to patrol the beaches more effectively and respond to emergencies more quickly.



Police Assumptions & Notes

Overall Costs: Budgeted costs increased $16,216 or 1.6% from the prior year budget.

Employee Costs: Employee costs increased by $13,184 or 1.4% from the prior budget. The budget assumes that the two police unions, the POAM and COAM will accept wage concessions in their contract and agree to a wage freeze. The contract calls for a 4% increase. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. MERS retirement costs also increased as a result of an increase in the contribution rate for the non-union division.

Operational Costs: Operational costs decreased by $3,032 or 1.6%. The increase is the result of a clerical error in last year's budget that excluded the department's obligation to pay retiree healthcare, which is included in this year's budget.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

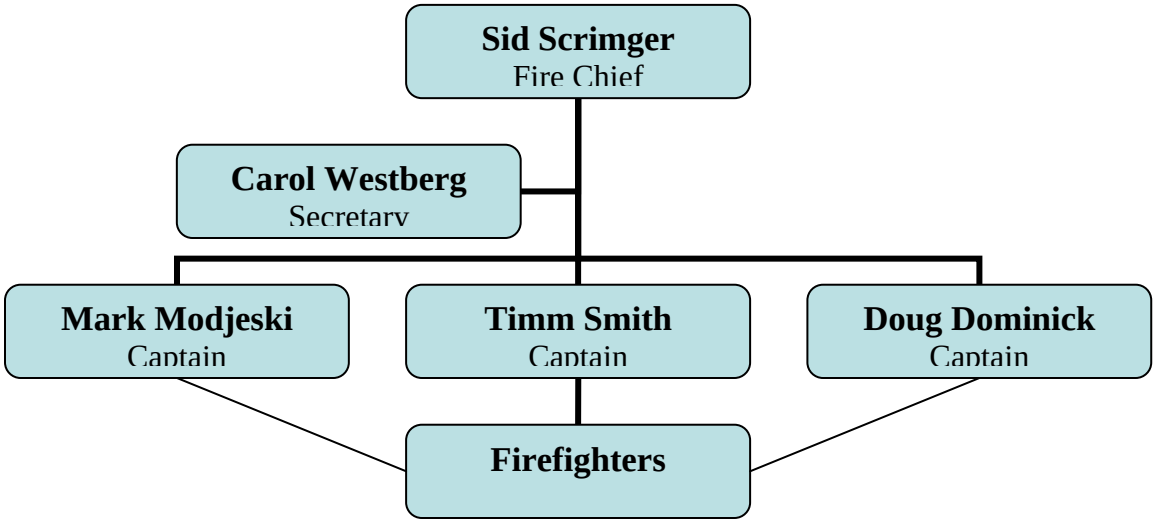
Changes:

301 Police Department	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 714,162	$ 684,734	$ 684,734	$ 679,319	$ 679,319
703.000 Longevity	$ 3,325	$ 3,750	$ 3,750	$ 4,100	$ 4,100
704.000 Overtime	$ 18,828	$ 13,500	$ 13,500	$ 10,000	$ 10,000
704.001 Spotlight Grant Overtime	$ 11,483	$ 10,500	$ 10,500	$ 10,500	$ 10,500
706.000 Part-Time	$ 8,320	$ 8,323	$ 8,323	$ 10,000	$ 10,000
708.000 V\S\H Sellback	$ 918	$ 7,000	$ 24,000	$ 10,000	$ 10,000
712.001 Costs - Social Security	$ 5,005	$ 3,318	$ 3,318	$ 3,747	$ 3,747
712.002 Costs - Medicare	$ 11,240	$ 10,410	$ 10,410	$ 10,748	$ 10,748
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$ -	$ -
712.005 MERS	$ 13,606	$ 6,279	$ 6,279	$ 12,807	$ 12,807
712.006 Costs - In Lieu of BC/BS	$ 8,336	$ 9,373	$ 9,373	$ 10,187	$ 10,187
712.007 Costs - SUTA	$ 86	$ 81	$ 81	$ 554	$ 554
712.009 Costs - Work Comp	$ 15,954	$ 15,742	$ 15,742	$ 15,735	$ 15,735
712.010 Costs - Blue Cross Insurance	$ 154,919	$ 142,264	$ 142,264	$ 150,507	$ 150,507
712.011 Costs - Life Insurance	$ 3,532	$ 4,023	$ 4,023	$ 4,278	$ 4,278
Employee Costs	**$ 969,713**	**$ 919,297**	**$ 936,297**	**$ 932,481**	**$ 932,481**
715.000 Uniform & Cleaning Allowance	$ 7,867	$ 7,115	$ 7,200	$ 7,115	$ 7,115
728.000 Operating Expense	$ 13,181	$ 12,968	$ 12,000	$ 13,000	$ 13,000
735.000 Periodicals & Publications	$ -	$ 200	$ 200	$ 200	$ 200
770.000 Gasoline	$ 30,985	$ 25,000	$ 25,000	$ 25,000	$ 25,000
795.000 Spotlight Grant Expenses	$ 1,376	$ 6,900	$ 6,900	$ 6,900	$ 6,900
801.000 Professional Services	$ 3,242	$ 5,500	$ 3,500	$ 5,500	$ 5,500
831.000 Contractual Repairs & Maint	$ 5,842	$ 5,907	$ 5,900	$ 5,907	$ 5,907
860.000 Travel & Training Expense	$ 9,861	$ 4,600	$ 4,600	$ 4,600	$ 4,600
865.000 Vehicle Allowance	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200
870.000 Memberships & Dues	$ 466	$ 500	$ 500	$ 500	$ 500
873.000 Education	$ 7,500	$ 2,500	$ 7,500	$ 2,500	$ 2,500
874.000 Retire. Costs - Blue Cross	$ 3,433	$ -	$ 3,000	$ 3,000	$ 3,000
900.000 Printing/Publishing	$ 934	$ 1,100	$ 1,500	$ 1,100	$ 1,100
930.000 Repairs\Maint - Vehicle\Equip	$ 9,643	$ 9,000	$ 11,000	$ 9,000	$ 9,000
957.000 Motor Pool	$ 36,750	$ 33,075	$ 33,075	$ 33,075	$ 33,075
970.000 Capital Outlay	$ 1,619	$ 1,500	$ 1,500	$ 1,500	$ 1,500
985.000 Lease Purchase	$ 2,274	$ 2,322	$ 2,322	$ 2,322	$ 2,322
Operating Costs	**$ 139,171**	**$ 122,387**	**$ 129,897**	**$ 125,419**	**$ 125,419**
TOTAL POLICE	**$ 1,108,884**	**$ 1,041,684**	**$ 1,066,194**	**$ 1,057,900**	**$ 1,057,900**

Sid Scrimger is the Fire Chief for the City of Manistee. He has been with the City for 14 years.

The Fire Department has a budgeted staff of eight full time employees and a part time secretary. The department provides the City with fire protection and rescue services.

In addition, firefighters conduct an active fire prevention program, conduct fire prevention and preplanning inspections, inspect the City's fire hydrants, and maintain the City's 117 year-old fire station. All firefighters are specially trained for cold water and confined space rescue, and some hazmat operations.



Fire & EMS Assumptions & Notes

Overall Costs: Budgeted costs increased $9,470 or 1.3% from the prior year budget.

Employee Costs: Employee costs increased by $11,745 or 2.0% from the prior budget. The fire union (IAFF) contract expires 6-30-2009. The budget assumes that the IAFF will agree to a contract that calls for a wage freeze. It also assumes that the IAFF will agree to switch their health insurance to the exact HRA plan that several of the city groups currently have. Overtime was reduced due to the filling of the 8th firefighter position. MERS increased sharply because of an increase in contribution rates.

Operational Costs: Operational costs decreased by $2,275 or 2.2%. The decrease is driven by small reductions in many line items.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

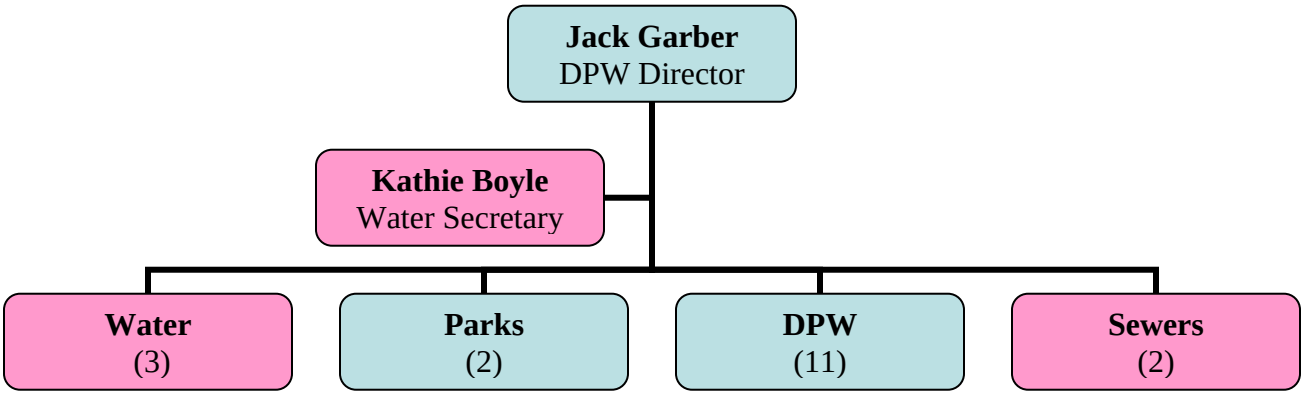
Changes: Ongoing contract negotiations will likely raise the life insurance cost and physical fitness assessment cost by $1,800.

336 Fire Department	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 358,414	$375,992	$365,375	$379,372	$379,372
703.000 Longevity	$ 2,700	$2,850	$2,850	$3,025	$3,025
704.000 Overtime	$ 63,090	$31,125	$50,172	$29,125	$29,125
706.000 Part-Time	$ 11,647	$11,440	$11,400	$11,700	$11,700
708.000 V\S\H Sellback	$ -	$7,000	$20,600	$10,000	$10,000
712.001 Costs - Social Security	$ 719	$709	$709	$601	$601
712.002 Costs - Medicare	$ 3,884	$5,110	$5,110	$5,595	$5,595
712.004 Costs - ICMA Contribution	$ -	$0	$0	$0	$0
712.005 MERS	$ 41,686	$44,290	$44,290	$55,811	$55,811
712.006 Costs - In Lieu of BC/BS	$ 5,767	$5,629	$5,629	$5,094	$5,094
712.007 Costs - SUTA	$ 43	$49	$49	$332	$332
712.009 Costs - Workers Compsensation	$ 12,969	$13,317	$13,317	$13,425	$13,425
712.010 Costs - Blue Cross Insurance	$ 83,713	$101,124	$101,124	$96,184	$96,184
712.011 Costs - Life Insurance	$ 1,424	$1,758	$1,758	$1,876	$2,576
716.000 Food Allowance	in wages	in wages			
Employee Costs	**$ 586,058**	**$ 600,394**	**$ 622,383**	**$ 612,139**	**$ 612,839**
715.000 Uniform & Cleaning Allowance	$ 4,848	$ 6,820	$ 4,500	$ 5,950	$ 5,950
728.000 Operating Expense	$ 11,662	$ 5,270	$ 7,270	$ 6,535	$ 7,635
735.000 Periodicals & Publications	$ 750	$ 1,200	$ 1,100	$ 950	$ 950
770.000 Gasoline	$ 5,306	$ 5,540	$ 5,540	$ 5,250	$ 5,250
790.000 Fire Prevention	$ 766	$ 2,150	$ 1,800	$ 1,650	$ 1,650
801.000 Professional Services	$ -	$ -	$ 2,000	$ -	$ -
831.000 Contractual Repairs & Maint.	$ 639	$ 2,850	$ 800	$ 1,950	$ 1,950
860.000 Travel & Training Expense	$ 3,991	$ 5,500	$ 3,000	$ 5,500	$ 5,500
865.000 Vehicle Allowance	$ -	$ -	$ -	$ -	$ -
870.000 Memberships & Dues	$ 605	$ 400	$ 400	$ 550	$ 550
873.000 Education	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ 9,500	$9,000	$9,000	$9,000	$9,000
900.000 Printing/Publishing	$ 381	$ 800	$ 980	$ 800	$ 800
930.000 Repairs\Maint - Vehicle\Equip	$ 9,100	$ 6,200	$ 9,668	$ 6,300	$ 6,300
931.000 Repairs\Maint - Building	$ 2,114	$ 2,200	$ 2,200	$ 2,200	$ 2,200
942.000 Hydrant Rental	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600
956.000 Mutual Aid	$ 50	$ 1,400	$ 600	$ 1,500	$ 1,500
957.000 Motor Pool	$ 31,500	$ 28,350	$ 28,350	$ 28,350	$ 28,350
970.000 Capital Outlay	$ 1,952	$ 5,690	$ 5,690	$ 4,610	$ 4,610
985.000 Lease Purchase	$ -	$ -		$ -	$ -
Operating Costs	**$ 104,764**	**$ 104,970**	**$ 104,498**	**$ 102,695**	**$ 103,795**
TOTAL FIRE	**$ 690,822**	**$ 705,364**	**$ 726,881**	**$ 714,834**	**$ 716,634**

General Fund — Public Works

Jack Garber is the Department of Public Works and Parks Department Director. He has been with the City for 38 years.

The Department of Public Works (including the Parks department) is the workhorse of the City. It provides such services as snow plowing, sanding, street repairs, traffic control, chipping, leaf pickup, Christmas tree pickup, maintaining parks, flooding ice rink, putting up Christmas decorations, making compost, fleet maintenance, beach grooming and public area maintenance, to name just a few. The DPW also assists other organizations as necessary, especially during the City's festivals and peak summer season.



Charged to Water & Sewer Utility.

DPW Assumptions & Notes

Overall Costs: Budgeted costs decreased by $29,689 or 2.9% from the prior year budget.

Employee Costs: Employee costs decreased by $51,839 or 7.0% from the prior budget. Department headcount has been reduced by one thru attrition. The DPW union (USW) contract expires 6-30-2009. The budget assumes that the USW will agree to a contract that calls for a wage freeze. It also assumes that the USW will agree to switch their health insurance to the exact HRA plan that several of the city groups currently have.

Operational Costs: Operational costs increased by $22,150 or 7.7%. The increase is driven primarily by a large increase in budgeted gasoline and diesel costs, and smaller increases in maintenance, and retiree health care.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: Ongoing contract negotiations will likely result in an increase in employee costs of $2,700.

441 DPW		2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000	Salaries	$ 498,776	$505,014	$502,014	$459,862	$459,862
703.000	Longevity	$ 5,425	$5,650	$5,650	$5,225	$5,225
704.000	Overtime	$ 34,461	$20,000	$47,000	$20,000	$20,000
706.000	Part-Time	$ -	$0	$0	$0	$0
708.000	V\S\H Sellback	$ 525	$4,000	$11,000	$6,000	$6,000
712.001	Costs - Social Security	$ 32,712	$33,801	$33,801	$31,105	$31,105
712.002	Costs - Medicare	$ 7,650	$7,905	$7,905	$7,275	$7,275
712.004	Costs - ICMA Contribution	$ 2,637	$2,762	$2,762	$2,698	$2,698
712.005	Costs - MERS	$ 1,120	$2,118	$2,118	$2,819	$2,819
712.006	Costs - In Lieu of BC/BS	$ 5,017	$5,629	$5,629	$5,094	$5,094
712.007	Costs - SUTA	$ 65	$65	$65	$406	$406
712.009	Costs - Work Comp	$ 26,307	$27,259	$27,259	$24,775	$24,775
712.010	Costs - Blue Cross Insurance	$ 116,193	$124,722	$124,722	$121,467	$121,467
712.011	Costs - Life Insurance	$ 1,874	$1,586	$2,047	$1,946	$4,646
Employee Costs		**$ 732,763**	**$ 740,510**	**$ 771,972**	**$ 688,671**	**$ 691,371**
715.000	Uniform & Cleaning Allowance	$ 4,310	$ 6,061	$ 4,000	$ 6,061	$ 6,061
728.000	Operating Expense	$ 27,246	$ 10,920	$ 16,500	$ 11,370	$ 11,370
735.000	Periodicals & Publications	$ -	$ 250	$ 250	$ 250	$ 250
770.000	Gasoline	$ 85,932	$ 60,000	$ 75,000	$ 77,400	$ 77,400
801.000	Professional Services	$ 37,568	$ 35,700	$ 35,700	$ 38,000	$ 38,000
831.000	Contractual Repairs & Maint.	$ 23,688	$ 9,000	$ 7,000	$ 12,000	$ 12,000
860.000	Travel & Training Expense	$ 2,837	$ 2,600	$ 1,500	$ 2,600	$ 2,600
865.000	Vehicle Allowance	$ -	$ -		$ -	$ -
870.000	Dues & Memberships	$ -	$ 550	$ 550	$ 550	$ 550
873.000	Education	$ -	$ -		$ -	$ -
874.000	Retire. Costs - Blue Cross	$ -	$ -	$ 1,500	$ 3,000	$ 3,000
900.000	Printing & Publishing	$ -	$ 500	$ 500	$ 500	$ 500
930.000	Repairs & Maint - Vehicle\Equip	$ 82,037	$ 70,000	$ 70,000	$ 70,000	$ 70,000
931.000	Repairs & Maint - Building	$ -	$ 3,500	$ 3,500	$ 3,500	$ 3,500
955.000	Christmas Decorations	$ 8,067	$ 10,000	$ 9,000	$ 6,000	$ 6,000
957.000	Motor Pool	$ 84,000	$ 75,600	$ 75,600	$ 75,600	$ 75,600
970.000	Capital Outlay	$ 1,282	$ -	$ 2,600	$ -	$ -
985.000	Lease Purchase	$ 1,813	$ 1,980	$ 1,980	$ 1,980	$ 1,980
Operating Costs		**$ 358,779**	**$ 286,661**	**$ 305,180**	**$ 308,811**	**$ 308,811**
TOTAL DPW		**$ 1,091,542**	**$ 1,027,171**	**$ 1,077,152**	**$ 997,482**	**$ 1,000,182**

General Fund Engineer

Abonmarche is the City's Engineer of Record. The engineer of record contract was awarded to Abonmarche in August of 2007. Jeff Mikula, Vice-President Manistee office, is the primary contact for the City. Abonmarche assists in many of the day to day activities of the City; answering technical questions and working across all departments to address their engineering needs. They also helps the City write, apply for and administer various grants, and are an active participant in drafting various asset management plans for the City.

Engineer Assumptions & Notes

Overall Costs: Budgeted costs remained flat from the prior year budget.

Employee Costs: There are no employee costs as this is a contractual relationship.

Operational Costs: Operational costs remained flat. This amount is a contractual retainer fee. It is important to note that total City engineering costs are higher than those reflected in this budget, because they are charged to different funds depending on the project or grant.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

285 Engineer	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
801.000 Professional Services (Retainer)	$ 49,677	$ 36,000	$ 36,000	$ 36,000	$ 36,000
860.000 Travel & Training	$ -	$ -		$ -	$ -
TOTAL ENGINEER	**$ 49,677**	**$ 36,000**	**$ 36,000**	**$ 36,000**	**$ 36,000**

Parks Assumptions & Notes

Overall Costs: Budgeted costs decreased by $108,185 or 26.9% from the prior year budget.

Employee Costs: Employee costs decreased by $107,805 or 43.0% from the prior budget. Department headcount has been reduced by one thru an employee transfer to the water and sewer utility and not replacing this position. Part-time wages were reduced sharply by reducing the number of seasonal employees. This was made possible by expanding the scope of the Parks maintenance contract with an outside vendor, changing the scheduling of staff, pooling Parks and DPW staff when needed and re-engineering the aspects of the Parks maintenance program.

The Parks union (USWA) contract expires 6-30-2009. The budget assumes that the USW will agree to a contract that calls for a wage freeze. It also assumes that the USW will agree to switch their health insurance to the exact HRA plan that several of the city groups currently have.

Operational Costs: Operational costs decreased by $380 or 0.3%. The increase is driven primarily by an increase in contractual repairs and maintenance and a decrease in operating expenses.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: The City council removed the $40,000 per year commitment to the community pool from the Capital Improvement fund and it was placed into the Parks department budget.

751 Parks		2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000	Salaries	$ 110,397	$116,551	$102,551	$80,082	$80,082
703.000	Longevity	$ 450	$525	$525	$450	$450
704.000	Overtime	$ 8,668	$10,000	$10,000	$6,667	$6,667
706.000	Part-Time	$ 58,809	$68,704	$60,000	$23,560	$23,560
708.000	V\S\H Sellback	$ -	$1,345	$500	$1,000	$1,000
712.001	Costs - Social Security	$ 10,981	$12,222	$12,222	$6,929	$6,929
712.002	Costs - Medicare	$ 2,569	$2,858	$2,858	$1,621	$1,621
712.004	Costs - ICMA Contribution	$0	$0	$0	$0	$0
712.005	Costs - MERS	$0	$0	$0	$0	$0
712.006	Costs - In Lieu of BC/BS	$0	$0	$0	$0	$0
712.007	Costs - SUTA	$ 51	$16	$16	$74	$74
712.009	Costs - Work Comp	$ 4,435	$4,797	$4,797	$2,714	$2,714
712.010	Costs - Blue Cross Insurance	$ 30,693	$33,003	$33,003	$19,260	$19,260
712.011	Costs - Life Insurance	$ 374	$421	$421	$281	$281
Employee Costs		**$ 227,427**	**$ 250,442**	**$ 226,893**	**$ 142,637**	**$ 142,637**
715.000	Uniform & Cleaning	$ 1,100	$ 2,950	$ 2,500	$ 2,120	$ 2,120
728.000	Operating Expense	$ 12,747	$ 19,300	$ 19,000	$ 13,200	$ 13,200
735.000	Periodicals & Publications	$ -	$ 400	$ -	$ -	$ -
770.000	Gasoline	$ 6,415	$ 6,800	$ 6,000	$ 6,750	$ 6,750
801.000	Professional Services	$ 4,060	$ -	$ 12,000	$ -	$ -
831.000	Contractual Repairs & Maint.	$ 30,331	$ 19,000	$ 33,000	$ 26,900	$ 66,900
860.000	Travel & Training Expense	$ 1,003	$ 1,900	$ 1,000	$ 1,000	$ 1,000
870.000	Dues & Memberships	$ -	$ 250	$ 250	$ 250	$ 250
873.000	Education	$ -	$ -	$ -	$ -	$ -
874.000	Retiree BCBS	$ -	$ -	$ -	$ -	$ -
900.000	Printing & Publishing	$ -	$ 500	$ 200	$ 500	$ 500
920.000	Gas	$ 926	$ 1,000	$ 900	$ 1,000	$ 1,000
922.000	Water	$ 7,886	$ 10,000	$ 10,000	$ 10,000	$ 10,000
925.000	Electric	$ 13,867	$ 11,500	$ 13,500	$ 11,500	$ 11,500
930.000	Repairs\Maint - Vehicle\Equip	$ 42,134	$ 35,000	$ 35,000	$ 35,000	$ 35,000
931.000	Repairs\Maint - Building	$ -	$ 5,000	$ 3,000	$ 5,000	$ 5,000
957.000	Motor Pool	$ 42,000	$ 37,800	$ 37,800	$ 37,800	$ 37,800
970.000	Capital Outlay	$ 13,657	$ -	$ -	$ -	$ -
985.000	Lease Purchase	$ -	$ -	$ -	$ -	$ -
Operating Costs		**$ 176,126**	**$ 151,400**	**$ 174,150**	**$ 151,020**	**$ 191,020**
TOTAL PARKS		**$ 403,553**	**$ 401,842**	**$ 401,043**	**$ 293,657**	**$ 333,657**

Appropriation Assumptions & Notes

Overall Costs: Budgeted costs declined by $4,579 or 2.8% from the prior year budget.

Employee Costs: There are no employee costs in this budget.

Operational Costs: Appropriations declined by $4,579 or 2.8%. This amount is comprised of eliminating the $20,000 appropriation to the Ramsdell Restoration Project, which will be reorganizing for the purpose of endowment fundraising as of July 1, and an increase in the AES line item. The AES increase is an accounting change only and will be offset by additional revenue from the Industrial Park fund.

City Council Decision: City Council took the following action on the Manager's recommended budget:

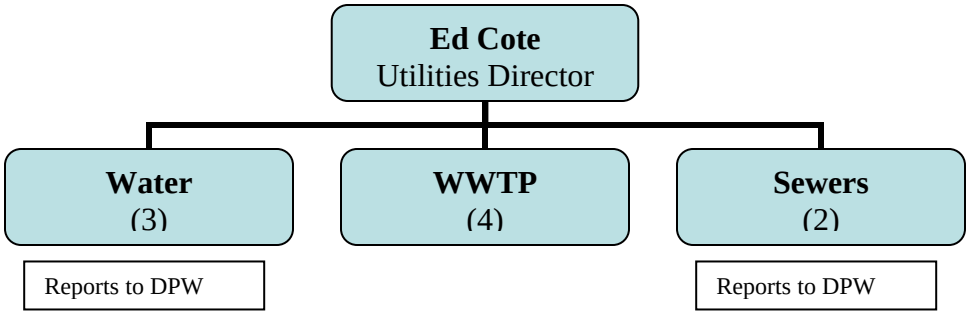
☒ Budget as recommended ☐ Budget with changes

Changes:

801 Appropriations		2008 Actual	2009 Budget	2009 Projected	Organization Requested	Manager Budget
890.000	Alternatives for Area Youth	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000
891.001	211	$ -	$ 2,500	$ 2,500	$ 2,500	$ 2,500
892.000	Alliance for Economic Success	$ 29,276	$ 28,857	$ 28,857	$ 44,278	$ 44,278
893.000	Junior Baseball	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
894.000	Manistee Recreation Assoc.	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
895.000	Museum	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 11,000
896.000	PEG	$ -	$ 24,000	$ 24,000	$ 24,000	$ 24,000
897.000	Ramsdell Restoration	$ 25,000	$ 20,000	$ 20,000	$ -	$ -
898.000	SSCENT	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 30,000
899.000	Veteran's Memorial Day	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
969.016	Civic Players - Ramsdell	$ -	$ -	$ -	$ -	$ -
TOTAL APPROPRIATIONS		**$ 142,276**	**$ 163,357**	**$ 163,357**	**$ 158,778**	**$ 158,778**

Ed Cote is the Utilities Director for the City of Manistee. He has been with the City for 38 years.

The Water and Sewer Utility performs a variety of tasks, all of which are important to the City and its residents. The Water department is responsible for water production and treatment, monitoring, storage, testing, system maintenance and ensuring compliance with State and Federal regulations. The WWTP is responsible for treating and disposal of the City waste stream, operating lift stations, testing, system maintenance, and insuring compliance with the City's NPDES permit and Local, State and Federal regulations. The Sewer department is responsible for maintaining the sewer infrastructure, and monitoring CSO's and SSO's. All parties work together to ensure the highest treatment standards for both water and sewer so that the public health and environment is protected.



Water & Sewer Utility Assumptions & Notes

Revenue: Revenue is expected to decrease by $26,732 or .8% compared to the prior budget. This slight decrease is due to a combination of inflationary rate increase and the effect of netting out the Oil & Gas transfers in, which have finally been eliminated this year thereby eliminating the user subsidy.

Administration Expense: Total expense increased by $9,502 or 3.1% compared to the prior budget. Employee costs decreased by $1,324 or 2.2% while operating costs increased by $10,826 or 4.4%, primarily due to increased administration fee.

Water Expense: Total expense increased by $12,008 or 2.3% compared to the prior budget. Employee costs increased by $3,485 or 2.0%. Operating costs increased by $8,523 or 2.4%. The operating increase was due primarily to additional money for line stopping.

WWTP Expense: Total expense decreased by $6,965 or .9% compared to the prior budget. Employee costs increased by $749 or .3%. Operating costs decreased by $7,714 or 1.6%.

Sewer Expense: Total expense increased by $93,068 or 38.4% compared to the prior budget. Employee costs increased by $315 or .3%. Operating costs increased by $92,073 or 76%. The sharp increase in operating costs is almost entirely due to engineering for the upcoming sewer separation projects, as well as the addition of a retiree health care.

Capital Outlay: Capital outlay is expected to total $790,000 depending on funding availability. This includes the Sixth Ave. East sewer line, water well lightning protection, final phase of radio meter reads and communication for the water system.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

REVENUES	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
608.000 Penalties	$ 31,960	$ 30,000	$ 32,000	$ 32,000	$ 32,000
610.000 Bond Debt	$ 360,394	$ 360,000	$ 360,000	$ 360,000	$ 360,000
612.000 New Service	$ 1,050	$ 11,000	$ 6,000	$ 6,000	$ 6,000
626.000 Charge for Service	$ 4,119	$ -	$ -	$ -	$ -
648.000 Water Sales	$ 892,858	$ 966,178	$ 1,100,000	$ 1,127,618	$ 1,127,618
649.000 Sewer Sales	$ 1,293,399	$ 1,413,823	$ 1,524,000	$ 1,565,731	$ 1,565,731
650.000 Meter Sales	$ 8,055	$ 5,000	$ 5,000	$ 5,000	$ 5,000
664.000 Interest Income	$ 65,711	$ 50,000	$ 24,000	$ 18,000	$ 18,000
667.000 Rental Income	$ 48,350	$ 49,680	$ 43,680	$ 39,600	$ 39,600
669.000 Hydrant & Tunnel Rental	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600
671.000 Other Revenue	$ 7,608	$ 8,500	$ 6,000	$ 6,000	$ 6,000
676.000 Reimbursement	$ 83		$ -		
680.000 Capital Cost Recovery	$ 32,361	$ 31,835	$ 31,835	$ 31,835	$ 31,835
687.000 Refunds	$ 29	$ -	$ -	$ -	$ -
695.000 Insurance Settlement	$ 35,761	$ -	$ -	$ -	$ -
699.000 Operating Transfer In	$ 412,072	$ 292,500	$ 225,000	$ -	$ -
TOTAL REVENUES	**$ 3,215,409**	**$ 3,240,116**	**$ 3,379,115**	**$ 3,213,384**	**$ 3,213,384**

100 GENERAL	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
999.000 Operating Transfer Out	$ 175,000	$ 200,000	$ 200,000	$ -	$ -
TOTAL GENERAL	**$ 175,000**	**$ 200,000**	**$ 200,000**	**$ -**	**$ -**

541 ADMINISTRATION	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 36,991	$ 37,954	$ 37,954	$ 37,521	$ 37,521
703.000 Longevity	$ 625	$ 625	$ 625	$ 625	$ 625
704.000 Overtime	$ 1,267	$ 1,200	$ 1,300	$ 1,200	$ 1,200
706.000 Part-Time	$ -	$ -		$ -	$ -
708.000 V\S\H Sellback	$ -	$ -		$ -	$ -
712.001 Costs - Social Security	$ 2,374	$ 2,538	$ 2,538	$ 2,535	$ 2,535
712.002 Costs - Medicare	$ 555	$ 594	$ 594	$ 593	$ 593
712.004 Costs - ICMA Contribution	$ -	$ -		$ -	$ -
712.005 Costs - MERS Contribution	$ 613	$ 1,153	$ 1,153	$ 1,535	$ 1,535
712.006 Costs - In Lieu of BC/BS	$ -	$ -		$ -	$ -
712.007 Costs - SUTA	$ 5	$ 5	$ 5	$ 37	$ 37
712.009 Costs - Workers Compsensati	$ 158	$ 165	$ 165	$ 165	$ 165
712.010 Costs - Blue Cross Insurance	$ 16,838	$ 14,538	$ 14,538	$ 13,238	$ 13,238
712.011 Costs - Life Insurance	$ 129	$ 140	$ 140	$ 140	$ 140
Employee Costs	**$ 59,556**	**$ 58,913**	**$ 59,012**	**$ 57,589**	**$ 57,589**
728.000 Operating Expense	$ 9,841	$ 13,500	$ 13,500	$ 12,000	$ 12,000
735.000 Periodicals & Publications	$ -	$ 500	$ 500	$ 500	$ 500
801.000 Professional Services	$ 974	$ 10,000	$ 10,000	$ 10,000	$ 10,000
806.000 Administration	$ 180,000	$ 190,000	$ 190,000	$ 199,076	$ 199,076
831.000 Contractual Repairs & Maint.	$ 314	$ 500	$ 500	$ 500	$ 500
850.000 Phone	$ 25,225	$ 21,750	$ 25,000	$ 25,000	$ 25,000
860.000 Travel & Training Expense	$ 62	$ 1,400	$ 700	$ 1,400	$ 1,400
870.000 Membership & Dues	$ -	$ -		$ -	$ -
873.000 Education	$ -	$ -		$ -	$ -
874.000 Retiree BCBS	$ -	$ -		$ -	$ -
900.000 Printing\Publishing	$ 2,387	$ 3,000	$ 4,000	$ 3,000	$ 3,000
930.000 Repairs - Vehicles\Equip	$ -	$ -		$ -	$ -
959.000 Bad Debt	$ -	$ -	$ 420	$ -	$ -
960.000 Bank Charges	$ 5,385	$ 5,400	$ 5,400	$ 5,400	$ 5,400
970.000 Capital Outlay (Expense)	$ -	$ -		$ -	$ -
Operating Costs	**$ 224,188**	**$ 246,050**	**$ 250,020**	**$ 256,876**	**$ 256,876**
TOTAL ADMINISTRATION	**$ 283,744**	**$ 304,963**	**$ 309,032**	**$ 314,465**	**$ 314,465**

542 WATER OPERATION	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 110,768	$ 116,646	$115,146	$ 117,456	$ 117,456
703.000 Longevity	$ 1,275	$ 1,325	$1,325	$ 1,375	$ 1,375
704.000 Overtime	$ 11,862	$ 6,000	$10,000	$ 6,000	$ 6,000
706.000 Part Time	$ -	$ -		$ -	$ -
708.000 V\S\H Sellback	$ -	$ -	$700	$ 1,000	$ 1,000
712.001 Costs - Social Security	$ 7,424	$ 7,686	$7,686	$ 7,740	$ 7,740
712.002 Costs - Medicare	$ 1,736	$ 1,798	$1,798	$ 1,810	$ 1,810
712.004 Costs - ICMA Contribution	$ -	$ -		$ -	$ -
712.005 Costs - MERS Contribution	$ -	$ -		$ -	$ -
712.006 Costs - In Lieu of BC/BS	$ -	$ -		$ -	$ -
712.007 Costs - SUTA	$ 16	$ 16	$16	$ 111	$ 111
712.009 Costs - Workers Compsensati	$ 3,625	$ 3,738	$3,738	$ 3,795	$ 3,795
712.010 Costs - Blue Cross Insurance	$ 37,229	$ 40,451	$40,451	$ 41,860	$ 41,860
712.011 Costs - Life Insurance	$ 386	$ 421	$421	$ 421	$ 421
Employee Costs	**$ 174,321**	**$ 178,082**	**$ 181,281**	**$ 181,567**	**$ 181,567**
715.000 Uniform & Cleaning Allowance	$ 1,175	$ 1,110	$ 1,110	$ 1,110	$ 1,110
728.000 Operating Expense	$ 4,390	$ 4,950	$ 4,950	$ 3,950	$ 3,950
745.000 Chemicals	$ 35,212	$ 40,000	$ 40,000	$ 42,200	$ 42,200
750.000 Meters	$ 39,762	$ 28,400	$ 28,400	$ 28,400	$ 28,400
770.000 Vehicle Gas	$ 7,519	$ 7,000	$ 7,000	$ 7,500	$ 7,500
801.000 Professional Services	$ 13,838	$ 18,500	$ 18,500	$ 13,500	$ 13,500
822.000 Insurance	$ 2,872	$ 3,500	$ 3,500	$ 3,500	$ 3,500
824.000 Lab Testing	$ 6,483	$ 12,100	$ 9,000	$ 12,100	$ 12,100
831.000 Contractual Repairs & Maint	$ 16,823	$ 82,500	$ 75,000	$ 95,000	$ 95,000
860.000 Travel & Training Expense	$ 921	$ 3,200	$ 3,200	$ 3,200	$ 3,200
870.000 Membership & Dues	$ 424	$ 300	$ 300	$ 300	$ 300
873.000 Education	$ -	$ -		$ -	$ -
874.000 Costs - Retiree BCBS	$ 3,000	$ 3,000	$3,000	$ 1,000	$ 1,000
920.000 Gas	$ -	$ -		$ -	$ -
925.000 Electric	$ 59,080	$ 65,000	$ 65,000	$ 65,000	$ 65,000
930.000 Repairs & Maintenance - Vehic	$ 81,989	$ 46,000	$ 69,000	$ 46,000	$ 46,000
957.000 Motor Pool	$ 31,500	$ 33,075	$ 33,075	$ 34,398	$ 34,398
970.000 Capital Outlay (expense)	$ 11,169	$ -		$ -	$ -
Operating Costs	**$ 316,158**	**$ 348,635**	**$ 361,035**	**$ 357,158**	**$ 357,158**
TOTAL WATER OPERATION	**$ 490,478**	**$ 526,717**	**$ 542,316**	**$ 538,725**	**$ 538,725**

543 SEWER - WWTP	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 218,582	$ 221,797	$ 221,797	$ 217,622	$ 217,622
703.000 Longevity	$ 1,425	$ 1,525	$ 1,525	$ 1,625	$ 1,625
704.000 Overtime	$ 15,473	$ 7,000	$ 7,000	$ 7,000	$ 7,000
706.000 Part Time	$ -	$ -	$ -	$ -	$ -
708.000 V\S\H Sellback	$ 516	$ -	$ -	$ 3,000	$ 3,000
712.001 Costs - Social Security	$ 14,928	$ 14,865	$ 14,865	$ 14,804	$ 14,804
712.002 Costs - Medicare	$ 3,491	$ 3,477	$ 3,477	$ 3,462	$ 3,462
712.004 Costs - ICMA Contribution	$ -	$ -		$ -	$ -
712.005 Costs - MERS Contribution	$ 2,855	$ 3,814	$ 3,814	$ 4,438	$ 4,438
712.006 Costs - In Lieu of BC/BS	$ 7,783	$ 5,629	$ 5,629	$ 5,094	$ 5,094
712.007 Costs - SUTA	$ 27	$ 27	$ 27	$ 185	$ 185
712.009 Costs - Workers Compsensati	$ 4,713	$ 4,683	$ 4,683	$ 4,661	$ 4,661
712.010 Costs - Blue Cross Insurance	$ 30,693	$ 33,003	$ 33,003	$ 34,645	$ 34,645
712.011 Costs - Life Insurance	$ 886	$ 1,009	$ 1,010	$ 1,043	$ 1,043
Employee Costs	**$ 301,371**	**$ 296,830**	**$ 296,830**	**$ 297,579**	**$ 297,579**
715.000 Uniform & Cleaning Allowance	$ 2,631	$ 3,600	$ 3,600	$ 3,813	$ 3,813
728.000 Operating Expense	$ 30,706	$ 29,000	$ 29,000	$ 29,000	$ 29,000
745.000 Chemicals	$ 40,359	$ 40,400	$ 30,000	$ 40,400	$ 40,400
770.000 Vehicle Gas	$ 16,688	$ 11,575	$ 13,500	$ 15,100	$ 15,100
801.000 Professional Services	$ 43,024	$ 50,000	$ 70,000	$ 30,000	$ 30,000
822.000 Insurance	$ 12,083	$ 17,000	$ 24,375	$ 24,375	$ 24,375
824.000 Lab Testing	$ 8,326	$ 13,550	$ 11,500	$ 13,550	$ 13,550
831.000 Contractual Repairs & Maint.	$ 51,813	$ 64,000	$ 64,000	$ 64,000	$ 64,000
860.000 Travel & Training Expense	$ 2,692	$ 3,600	$ 3,600	$ 3,600	$ 3,600
870.000 Membership & Dues	$ -			$ -	$ -
873.000 Education	$ -			$ -	$ -
874.000 Costs - Retiree BCBS	$ -	$ -		$ -	$ -
920.000 Gas	$ 20,670	$ 17,000	$ 17,000	$ 17,000	$ 17,000
925.000 Electric	$ 84,316	$ 87,000	$ 90,000	$ 90,000	$ 90,000
930.000 Repairs - Vehicles\Equipment	$ 88,528	$ 105,400	$ 100,000	$ 102,250	$ 102,250
931.000 Repairs & Maintenance - Buildi	$ -	$ 5,000	$ 5,000	$ 5,000	$ 5,000
957.000 Motor Pool	$ 31,500	$ 33,075	$ 33,075	$ 34,398	$ 34,398
970.000 Capital Outlay (expense)	$ 16,603	$ -	$ -	$ -	$ -
Operating Costs	**$ 449,939**	**$ 480,200**	**$ 494,650**	**$ 472,486**	**$ 472,486**
TOTAL SEWER - WWTP	**$ 751,310**	**$ 777,030**	**$ 791,480**	**$ 770,065**	**$ 770,065**

544 SEWER COLLECTION	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
702.000 Salaries	$ 77,189	$ 78,598	$ 72,000	$ 77,098	$ 77,098
703.000 Longevity	$ 1,225	$ 1,250	$ 1,250	$ 1,275	$ 1,275
704.000 Overtime	$ 8,095	$ 3,500	$ 5,000	$ 3,500	$ 3,500
706.000 Part Time	$ -	$ -		$ -	$ -
708.000 V\S\H Sellback	$ -		$ -	$ 2,000	$ 2,000
712.001 Costs - Social Security	$ 5,263	$ 5,168	$ 5,168	$ 5,200	$ 5,200
712.002 Costs - Medicare	$ 1,231	$ 1,209	$ 1,209	$ 1,216	$ 1,216
712.004 Costs - ICMA Contribution	$ -	$ -		$ -	$ -
712.005 Costs - MERS Contribution	$ -	$ -		$ -	$ -
712.006 Costs - In Lieu of BC/BS	$ -	$ -		$ -	$ -
712.007 Costs - SUTA	$ 11	$ 11	$ 11	$ 74	$ 74
712.009 Costs - Workers Compsensati	$ 2,759	$ 2,750	$ 2,750	$ 2,751	$ 2,751
712.010 Costs - Blue Cross Insurance	$ 23,498	$ 26,790	$ 26,790	$ 26,475	$ 26,475
712.011 Costs - Life Insurance	$ 281	$ 281	$ 281	$ 281	$ 281
Employee Costs	**$ 119,552**	**$ 119,555**	**$ 114,459**	**$ 119,870**	**$ 119,870**
715.000 Uniform & Cleaning Allowance	$ 1,091	$ 1,900	$ 1,500	$ 1,900	$ 1,900
728.000 Operating Expense	$ 5,517	$ 2,700	$ 6,000	$ 5,450	$ 5,450
745.000 Chemicals	$ -	$ 7,500	$ 7,500	$ 7,500	$ 7,500
770.000 Vehicle Gas	$ -	$ -		$ -	$ -
801.000 Professional Services	$ 21,768	$ 20,000	$ 20,000	$ 105,000	$ 105,000
831.000 Contractual Repairs & Maint.	$ 3,500	$ 32,000	$ 20,000	$ 32,000	$ 32,000
860.000 Travel & Training Expense	$ -	$ 500	$ 500	$ 500	$ 500
870.000 Membership & Dues	$ -	$ -		$ -	$ -
873.000 Education	$ -	$ -		$ -	$ -
874.000 Costs - Retiree BCBS	$ -	$ -		$ 3,000	$ 3,000
930.000 Repairs - Vehicles\Equipment	$ 49,937	$ 23,500	$ 23,500	$ 23,500	$ 23,500
957.000 Motor Pool	$ 31,500	$ 33,075	$ 33,075	$ 34,398	$ 34,398
970.000 Capital Outlay (Expense)	$ 13,712	$ -	$ 11,086	$ -	$ -
Operating Costs	**$ 127,024**	**$ 121,175**	**$ 123,161**	**$ 213,248**	**$ 213,248**
TOTAL SEWER COLLECTION	**$ 246,576**	**$ 240,730**	**$ 237,620**	**$ 333,118**	**$ 333,118**

TOTAL OPERATING EXPENSES	**$ 1,947,108**	**$ 2,049,440**	**$ 2,080,448**	**$ 1,956,372**	**$ 1,956,372**
AVAILABLE FOR DEBT SERVICE	**$ 1,268,301**	**$ 1,190,676**	**$ 1,298,667**	**$ 1,257,012**	**$ 1,257,012**
574 BOND INTEREST	**2008 Actual**	**2009 Budget**	**2009 Projected**	**Manager Budget**	**Council Adopted**
960.000 Bank Charges	$ 1,141	$ 2,000	$ 1,200	$ 2,000	$ 2,000
962.000 Accrued Interest Expense					
963.000 Amortization Expense					
995.200 1997 A Bond Interest	$ 2,333	$ 2,333	$ 2,333	$ -	$ -
995.300 1997 B SRF Bond Interest	$ 6,863	$ 6,863	$ 6,863	$ 5,513	$ 5,513
995.400 1998 A Bond Interest	$ 13,523	$ 13,523	$ 13,523	$ -	$ -
995.500 1998 B SRF Bond Interest	$ 37,519	$ 37,519	$ 37,519	$ 31,669	$ 31,669
995.600 1999 A Bond Interest	$ 13,244	$ 13,244	$ 13,244	$ 2,789	$ 2,789
995.700 1999 B SRF Bond Interest	$ 41,563	$ 41,563	$ 41,563	$ 36,250	$ 36,250
995.800 2005 Refunding Interest	$ 245,189	$ 245,189	$ 245,189	$ 237,920	$ 237,920
995.900 2006 SRF Interest	$ 40,966	$ 46,638	$ 41,556	$ 42,656	$ 42,656
TOTAL BOND INTEREST	**$ 402,338**	**$ 408,872**	**$ 402,990**	**$ 358,797**	**$ 358,797**
OPERATING RESULT	**$ 865,963**	**$ 781,804**	**$ 895,677**	**$ 898,215**	**$ 898,215**
TOTAL DEBT REPAYMENT	**$ 750,000**	**$ 750,000**	**$ 680,000**	**$ 805,000**	**$ 805,000**
SURPLUS\DEFICIT BEFORE CAPEX	$ 115,963	$ 31,804	$ 215,677	$ 93,215	$ 93,215
CAPITAL EXPENDITURES					
541 Admin Capital Outlay	$ -	$ -	$ -	$ -	$ -
542 Water Capital Outlay	$ 165,527	$ 180,000	$ 130,000	$ 80,000	$ 80,000
543 WWTP Capital Outlay	$ 80,002	$ 10,000	$ 60,000	$ 10,000	$ 10,000
544 Sewer Capital Outlay	$ 285,709	$ 200,000	$ 374,000	$ 700,000	$ 700,000
TOTAL CAPITAL EXPENDITURES	**$ 531,238**	**$ 390,000**	**$ 564,000**	**$ 790,000**	**$ 790,000**
PROJECTED CASH IMPACT	**$ (415,275)**	**$ (358,196)**	**$ (348,323)**	**$ (696,785)**	**$ (696,785)**
BEGINNING CASH & INV			**$ 2,070,150**		**$ 1,721,827**
ENDING CASH & INV	**$ 2,070,150**		**$ 1,721,827**		**$ 1,025,042**

Enterprise Funds — Municipal Marina

The Municipal Marina fund accounts for the activities of the Manistee Municipal Marina. Police Chief Dave Bachman serves as harbormaster and directs the operations of the Marina. An enthusiastic staff of young adults manages the day-to-day activities and provides first rate service to the boaters.

Recognized as one of the finest public marinas on Lake Michigan, our marina hosts hundreds of boats a year and also serves as the home port for several large fishing tournaments. The marina has 36 slips ranging in length from 30 to 60 feet. It can also accommodate larger vessels (up to 100') with a broadside tie against the Riverwalk seawall. It offers a full array of services including fuel, pump out, bath facilities, water and electric hookup. Several times a year, Manistee is visited by cruise ships that bring passengers to visit our Victorian Port City.

The marina has undergone several improvements over the past few years, including lowering all the docks to accommodate lower water levels, upgrading its fuel delivery system, improving bathroom facilities and offering free wi-fi internet access to our boating guests. Last year, an office kiosk located on the end of the gas dock was completed.

A two-phase upgrade of the Marina building is planned, with Phase I starting late spring or early summer. This part of the project will rebuild the DDA restrooms and correct a foundation issue, as well as addressing exterior aesthetics. Phase II is contingent on receiving additional grant funding and will focus on the marina boater facilities.

Marina Assumptions & Notes

Revenue: Revenue is expected to increase by $310,000 or 170% over the prior year. This increase is due to Waterways grant revenue and the DDA contribution related to the Marina Building upgrade.

Employee Costs: Employee costs are expected to remain the same as the prior year.

Operating Costs: Operating costs are expected to decrease by $6,348 or 4.2%, primarily due to a reduction in fuel prices and the resulting cost of goods sold.

Capital Outlay: Capital outlay for the Marina building\DDA restroom totaling $340,000 is expected to be incurred during the year.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

594 Municipal Marina Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 State Grant	$0	$0	$17,200	$160,000	$160,000
570.000 Local Grant	$15,000	$6,000	$0	$150,000	$150,000
642.000 Sales	4,109	0	4,000	$4,000	$4,000
642.004 Charge for Services	0	0	0	$0	$0
645.000 Charge for Sales - Fuel	104,033	100,000	110,000	$102,000	$102,000
646.000 Charge for Sales - Dockage	88,185	75,000	70,000	$75,000	$75,000
664.000 Interest Income	3,502	1,000	700	$1,000	$1,000
671.000 Other Revenue	41	0	0	$0	$0
695.000 Insurance Settlement	0	0	0	$0	$0
Total Revenues	**$214,870**	**$182,000**	**$201,900**	**$492,000**	**$492,000**
702.000 Salaries	$25,589	$25,000	$25,000	$ 25,000	$25,000
703.000 Longevity	$0	$0	$0	$ -	$ -
704.000 Overtime	$171	$1,000	$1,000	$ 1,000	$ 1,000
706.000 Part-Time	$0	$0	$0	$ -	$ -
712.001 Costs - Social Security	$1,561	$1,612	$1,612	$ 1,612	$ 1,612
712.002 Costs - Medicare	$365	$377	$377	$ 377	$ 377
712.007 Costs - SUTA	$15	$0	$10	$ -	$ -
712.009 Costs - Work Comp	$928	$894	$884	$ 894	$ 894
Employee Costs	**$28,628**	**$28,883**	**$28,883**	**$28,883**	**$28,883**
959.000 Bad Debt	$0	$0	$0	$0	$0
728.000 Operating Expense	12,907	12,500	9,000	$13,000	$13,000
730.000 Operating Supplies - Fuel	96,026	93,000	95,000	$85,000	$85,000
801.000 Professional Services	24,067	2,000	500	$2,000	$2,000
820.000 Administration	3,000	10,500	10,500	$12,152	$12,152
822.000 Insurance	661	700	700	$700	$700
831.000 Contractual Repairs & Maint.	0	1,000	1,000	$1,000	$1,000
850.000 Phone	0	1,000	1,000	$500	$500
920.000 Gas	719	700	800	$800	$800
922.000 Water	4,165	4,400	4,200	$4,500	$4,500
925.000 Electric	11,422	12,000	11,500	$11,500	$11,500
930.000 Repairs & Maint - Equip\Vehicles	341	1,500	8,500	$2,000	$2,000
931.000 Repairs & Maint - Buildings	0	1,500	1,500	$2,000	$2,000
958.000 Sales Tax	1,345	1,700	7,000	$3,000	$3,000
960.000 Bank Charges	11,032	10,000	8,000	$8,000	$8,000
964.000 Refunds	0	0	0	$0	$0
970.000 Capital Outlay (expense)	3,992	0	0	$0	$0
970.000 Capital Outlay (investment)	0	0	70,000	$340,000	$340,000
Operating Costs	**$169,677**	**$152,500**	**$229,200**	**$486,152**	**$486,152**
Total Expenditures	**$198,305**	**$181,383**	**$258,083**	**$515,035**	**$515,035**
OPERATING RESULT	**$16,565**	**$617**	**-$56,183**	**-$23,035**	**-$23,035**
Beginning Cash			**$86,691**		**$30,508**
Ending Cash	**$86,691**		**$30,508**		**$7,473**

Enterprise Funds — Boat Launch

The Boat Ramp fund accounts for the activities of the First Street Boat launch, as well as other City launches. It operates as a stand-alone enterprise. The City is planning several capital improvements at these facilities.

The First Street launch is in need of the placement of rock at the end of the launch skids, as wave action has eroded the existing stone and created a hazardous situation. This is likely to occur in the current fiscal year. The City also received a Waterways grant for upgrading some of the docks at this launch. This is likely to be bid in the spring for summer construction.

The Arthur Street launch is scheduled to receive a complete makeover. The total project cost is $370,000 which is being funded by the City, Waterways Commission and Great Lakes Fishery Trust. The project includes refurbishing the restrooms, reconfiguring the parking, expanding the launch, adding an accessible fishing pier and landscaping.

Boat Ramp Assumptions & Notes

Revenue: Revenue is expected to increase by $297,450 or 416.7% over the prior year. This huge increase is due to grant revenue for the previously mentioned projects.

Operating Costs: Operating costs are expected to increase by $6,417 or 42.4%, primarily due to charging refuse (fish offal) removal costs to the fund, since it is an enterprise fund.

Capital Outlay: Capital outlay of $405,000 includes the Arthur St. Launch makeover and accessible docks at the First Street launch.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

508 Boat Ramp Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 State Grant	$36,810	$18,000	$18,500	$269,500	$269,500
642.000 Sales	31,675	42,000	38,000	$38,000	$38,000
664.000 Interest Income	2,897	750	700	$700	$700
Loan Proceeds				$50,000	$50,000
Total Revenues	**$71,382**	**$60,750**	**$57,200**	**$358,200**	**$358,200**
702.000 Salaries	$6,734	$0	$0	$0	$0
704.000 Overtime	0	0	0	0	0
712.001 Costs - Social Security	448	0	0	0	0
712.002 Costs - Medicare	105	0	0	0	0
712.007 Costs - SUTA	4	0	0	0	0
712.009 Costs - Workers Comp	241	0	0	0	0
Employee Costs	**$7,531**	**$0**	**$0**	**$0**	**$0**
728.000 Operating Expense	$5,308	$800	$800	$800	$800
801.000 Professional Services	11,162	2,000	1,000	1,000	1,000
820.000 Administration	2,000	8,700	8,700	9,857	9,857
827.000 Municipal Refuse	0	0	6,000	6,000	6,000
850.000 Phone	99	0	360	360	360
922.000 Water	7	300	50	50	50
925.000 Electric	351	350	700	700	700
930.000 Repairs\Maint - Vehicle\Equip	4,391	3,000	2,500	2,500	2,500
960.000 Bank Charges	130	0	350	300	300
970.000 Capital Outlay (expense)	9,744	0	0	0	0
Operating Costs	**$33,192**	**$15,150**	**$20,460**	**$21,567**	**$21,567**
Total Employee & Operating Costs	**$40,724**	**$15,150**	**$20,460**	**$21,567**	**$21,567**
Profit\Loss before Capital Outlay	**$30,658**	**$45,600**	**$36,740**	**$336,633**	**$336,633**
Capital Outlay (Investment)	$9,744	$36,000	$20,000	$405,000	$405,000
Loan Repayments	0	0	0	0	0
TOTAL BOAT RAMP	**$20,914**	**$9,600**	**$16,740**	**-$68,367**	**-$68,367**
Beginning Cash			**$63,137**		**$79,877**
Projected Ending Cash	**$63,137**		**$79,877**		**$11,510**

Internal Service Funds — Motor Pool

The City operates a Motor Pool which provides capital funding for significant equipment purchases. It receives payments from the operating departments and pays out money for purchasing equipment and insurance; accruing capital for equipment replacement, or funding emergency purchases if necessary. In this regard, the Motor Pool provides a cushion against the unexpected. The Motor Pool was originally established with the $551,000 sale proceeds from the Dunes Subdivision auction. The budgeted FY 2010 fund balance is $301,871.

The overall condition of the City's fleet is very good. With the Motor Pool, vehicles have been acquired in a cost-effective manner and replaced on a regular basis. This maintains vehicle efficiency and reduces maintenance costs. Administration has established a 10 year forecast horizon for Motor Pool equipment purchases. This schedule serves as a guide to Motor Pool purchases, but is subject to revision in case of unforeseen circumstances or changing economic conditions.

The condition of the fleet will continue to be closely monitored by Department Heads. City mechanics Mickey McCann and Jim Polisky do an excellent job of maintaining the fleet and extending the useful life of the equipment.

Motor Pool Assumptions & Notes

Revenue: Revenue is expected to remain flat.

Capital Outlay: Capital outlay is expected to increase by $41,011 or 15.4%. Capital outlay is made up of payments on various pieces of equipment. The budget proposes buying five pieces of equipment:

1. Aerial lift truck and lift - $67,000.
2. Pickup trucks with plows (3) - $77,000
3. Police 4X4 - $27,000

More information about these purchases can be found in the Capital Improvement Plan.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

661 Motor Pool	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
664.000 Interest Income	10,429	$8,775	$6,000	4,710	$4,710
670.002 Equipment Rental - City Mgr.	10,500	$9,450	$9,450	9,450	$9,450
670.003 Equipment Rental - Fire	31,500	$28,350	$28,350	28,350	$28,350
670.004 Equipment Rental - Parks	42,000	$37,800	$37,800	37,800	$37,800
670.005 Equipment Rental - Police	36,750	$33,075	$33,075	33,075	$33,075
670.006 Equipment Rental - Public Works	84,000	$75,600	$75,600	75,600	$75,600
670.007 Equipment Rental - Sewer Street	31,500	$33,075	$33,075	34,398	$34,398
670.008 Equipment Rental - Water	31,500	$33,075	$33,075	34,398	$34,398
670.009 Equipment Rental - WWTP	31,500	$33,075	$33,075	34,398	$34,398
673.000 Sale of Asset	0	$5,000	$5,000	5,000	$5,000
Total Revenue	**$309,679**	**$297,275**	**$294,500**	**$297,179**	**$297,179**
799.000 Miscellaneous Expense	6,272	500	500	500	500
822.000 Insurance	30,352	31,263	30,044	30,945	30,945
971.001 DPW - Plow Trucks	63,932	55,736	55,736	47,540	47,540
971.002 DPW - Loader (Big)	14,508	7,254	7,254	0	0
971.003 DPW - Sidewalk Tractor/Blower	1,781	0	0	0	0
971.004 DPW - Pickup	16,240	11,299	11,300	31,264	31,264
971.007 DPW - Hot Patch Trailer	39,400	0	0	0	0
971.008 DPW - Aerial Lift	0	0	0	8,884	8,884
971.009 DPW - Sweeper	31,725	31,725	31,725	31,725	31,725
971.010 DPW - Snow Blower	21,366	5,342	5,342	0	0
971.011 DPW - Skid Steer	1,736	0	0	0	0
971.013 DPW - Sidewalk Spreader	4,200	0	0	0	0
972.002 PARKS - Beach Cleaner	29,161	16,727	17,458	16,758	16,758
972.003 PARKS - Pickup	5,650	11,300	5,650	25,000	25,000
973.001 POLICE - Patrol Car	28,810	28,810	35,885	27,000	27,000
973.003 POLICE - Polaris	15,370	0	0	0	0
974.003 FIRE - Pumper	24,850	24,850	24,850	24,850	24,850
974.004 FIRE - Pickup	1,135	0	0	0	0
975.001 WATER - Pickup	5,650	5,650	5,645	0	0
976.001 WWTP - Pickup	0	0	0	27,000	27,000
977.001 WS - Vactor	35,161	35,161	35,161	35,161	35,161
978.001 GENERAL - Car	5,650	0	0	0	0
Total Expenses	**$382,949**	**$265,616**	**$266,550**	**$306,627**	**$306,627**
TOTAL MOTOR POOL	**-$73,270**	**$31,659**	**$27,950**	**-$9,448**	**-$9,448**
Beginning Cash	$371,414		$298,144		$326,094
Ending Cash	$298,144		$326,094		$316,646

Special Revenue Funds — Oil & Gas

This fund records revenues from oil and gas royalties generated by leases on City-owned property. The principal is protected by City Charter as a permanent fund. A Council appointed Oil & Gas Board oversees the investments of this fund. Pursuant to state law, this fund is now invested in the same manner as a public pension fund. This will be the first year that the budget will reflect this type of enhanced investments. For more information, see the Oil & Gas Issue Page.

Oil & Gas Assumptions & Notes

Revenue: Revenue is expected to increase by $132,000 or 42.9% because of better return opportunities now available to the fund. However, the current recession may last longer than expected and could have an adverse impact on returns in the short term.

Expenses: Expenses represent 4.5% of the year end principal pursuant to the Spending Rule adopted by the Oil & Gas Board. This money is transferred to the Capital Improvement fund as needed. The fund also pays the investment advisory fee.

City Council Decision: City Council took the following action on the Manager's recommended budget:

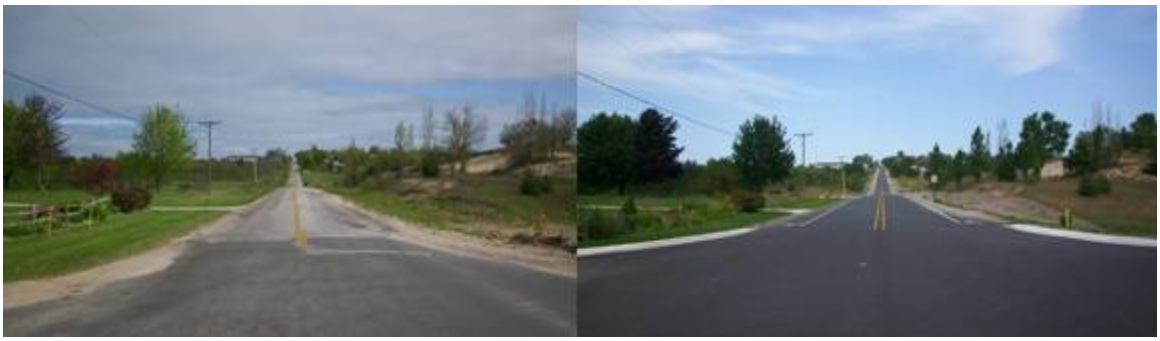
☒ Budget as recommended ☐ Budget with changes

Changes:

245 Oil & Gas Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
664.000 Interest Income	$332,277	$233,000	$225,000	$160,000	$160,000
666.000 Oil Royalties	111,461	75,000	200,000	100,000	$100,000
Change in Investment Value	0	0	0	180,000	$180,000
671.000 Other Revenue	0	0	0	0	$0
Total Revenues	**$443,738**	**$308,000**	**$425,000**	**$440,000**	**$440,000**
728.000 Office/Operating Expense	$208	$1,000	$700	$1,000	$1,000
801.000 Professional Services	0	0	0	30,000	$30,000
999.000 Operating Transfer Out	332,069	233,000	225,000	200,000	$200,000
Total Expenditures	**$332,277**	**$234,000**	**$225,700**	**$231,000**	**$231,000**
TOTAL OIL & GAS FUND	**$111,461**	**$74,000**	**$199,300**	**$209,000**	**$209,000**
Beginning Fund Balance	$6,612,717		$6,724,178		$6,923,478
Projected Ending Fund Balance	$6,724,178		$6,923,478		$7,132,478

Special Revenue Funds — Major Street

This fund records revenue the City receives from the State of Michigan for its major streets. It is authorized by Public Act 51 of 1951, and is funded by gasoline taxes. The City has 18.35 miles of Major Streets. The City files a report with the Michigan Department of Transportation every year detailing how its Act 51 dollars are spent. The Major Street fund pays for things like road construction, road maintenance and plowing of streets. The fund also is responsible for the debt service on bonds that were issued for the Streetscape. The payment is about $140,000 per year and the bonds will be retired in 2015. A State approved Street Asset Management Plan has been drafted to systematically guide the City's future street projects and maintenance.



Major Street Assumptions & Notes

Revenue: Revenue is expected to decrease by $1,000 or .2% because of lower gas and weight taxes passed thru from the State. These are offset somewhat by higher US 31 contract payments.

Expenses: Expenses are expected to increase by $21,652 or 5.1%. The increase is almost entirely related to money for crack sealing.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

202 Major Street Fund

	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 Grant Revenue	$0	$0	$0	$0	$0
576.000 Act 51 Revenue	373,735	$365,000	365,000	360,000	$360,000
626.000 Charge for Service	163,198	$140,000	150,000	150,000	$150,000
641.000 Snow Removal	0	$0	0	0	$0
664.000 Interest Income	11,390	$9,000	3,500	3,000	$3,000
699.000 Operating Transfer In	0	$0	0	0	$0
Total Revenues	**$548,323**	**$514,000**	**$518,500**	**$513,000**	**$513,000**
799.000 Miscellaneous Expense	$8,133	$6,000	$3,000	$2,000	$2,000
935.000 Traffic Services	3,813	15,000	7,000	3,000	3,000
936.000 Preservation Streets	367,938	117,000	180,000	154,000	154,000
937.000 Routine Maintenance Bridges	0	0	0	15,000	15,000
938.000 Winter Maintenance Streets	117,891	130,000	150,000	130,000	130,000
981.000 Construction Streets	14,376	14,376	15,000	0	0
982.000 Construction Bridges	0	0	0	0	0
999.000 Operating Transfer Out	139,028	139,395	289,395	139,423	139,423
Total Expenses	**$651,178**	**$421,771**	**$644,395**	**$443,423**	**$443,423**
TOTAL MAJOR STREET	**-$102,855**	**$92,229**	**-$125,895**	**$69,577**	**$69,577**
Beginning Fund Balance	$572,164		$469,309		$343,414
Projected Ending Fund Balance	$469,309		$343,414		$412,991

Special Revenue Funds — Local Street

This fund records revenue the City receives from the State of Michigan for its local streets. It is authorized by Public Act 51 of 1951, and is funded by gasoline taxes. The City has 29.5 miles of Local Streets. The City files a report with the Michigan Department of Transportation every year detailing how its Act 51 dollars are spent. The Local Street fund pays for things like road construction, road maintenance and plowing of streets. Any construction of local streets requires a 50% match of locally raised dollars (special assessment, general fund, etc.). A State approved Street Asset Management Plan has been drafted to systematically guide the City's future street projects and maintenance.

Local Street Assumptions & Notes

Revenue: Revenue is expected to increase by $452,000 or 334.8% because of revenue received from FEMA, the State and the NRCS for repairs to 12th Street west.

Expenses: Expenses are expected to increase by $501,000 or 404.0% because of the 12th Street west repairs.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

203 Local Street Fund

	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 Grant Revenue	$0	$0	$240,000	$462,500	$462,500
576.000 Act 51 Revenue	134,247	125,000	125,000	123,000	123,000
626.000 Charge for Service	0	0	0	0	0
641.000 Snow Removal	0	0	0	0	0
664.000 Interest Income	12,361	10,000	1,800	1,500	1,500
699.000 Operating Transfer In	0	0	150,000	0	0
Total Revenues	**$146,608**	**$135,000**	**$516,800**	**$587,000**	**$587,000**
935.000 Traffic Services	$100	$2,000	$7,500	$3,000	$3,000
936.000 Preservation Streets	322,940	60,000	460,000	560,000	$560,000
938.000 Winter Maintenance Streets	61,925	62,000	75,000	62,000	$62,000
981.000 Construction Streets	0	0	0	0	$0
Total Expenditures	**$384,965**	**$124,000**	**$542,500**	**$625,000**	**$625,000**
TOTAL LOCAL STREET	**-$238,357**	**$11,000**	**-$25,700**	**-$38,000**	**-$38,000**
Beginning Fund Balance	$462,765		$224,408		$198,708
Projected Ending Fund Balance	$224,408		$198,708		$160,708

Special Revenue Funds — Street Improvement

This fund records locally generated and other revenues that are used for street and right-of-way improvements. Funding sources include money generated from the METRO Act, charges for road breakage and also transfers in from the Special Assessment Fund. This fund pays for the sidewalk replacement program and also for the tree program. This fund may also provide the local match required for any local street projects.

Street Improvement Assumptions & Notes

Revenue: Revenue is expected to decrease by $1,800 or 5.1% because of a decrease in interest income.

Expenses: Expenses are expected to decrease by $5,000 or 9.8% because of a reduction in professional services.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

204 Street Improvement Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
495.000 ROW Fee	$23,890	$24,000	$24,000	$24,000	$24,000
539.000 Grant Revenue	0	0	0		0
626.000 Charge for Service	1,625	4,000	1,000	1,000	1,000
664.000 Interest Income	2,362	3,000	1,500	1,200	1,200
699.000 Operating Transfer In	0	7,000	7,000	10,000	10,000
Total Revenue	**$27,877**	**$38,000**	**$33,500**	**$36,200**	**$36,200**
801.000 Professional Services	$1,955	$10,000	$5,000	$5,000	$5,000
831.000 Contractual Repairs & Maint.	0	1,000	1,000	1,000	1,000
964.000 Refunds	0	0	0	0	0
983.000 Capital Outlay - Sidewalks	133	30,000	30,000	30,000	30,000
984.000 Capital Outlay - Trees	0	10,000	15,600	10,000	10,000
999.000 Operating Transfer Out	0	0	0	0	0
Total Expense	**$2,088**	**$51,000**	**$51,600**	**$46,000**	**$46,000**
TOTAL STREET IMPROVEMENT	**$25,788**	**-$13,000**	**-$18,100**	**-$9,800**	**-$9,800**
Beginning Fund Balance	$40,410		$66,198		$48,098
Projected Ending Fund Balance	$66,198		$48,098		$38,298

Special Revenue Funds — Refuse

The refuse fund records revenues and expenditures relating to refuse collection and disposal. Please see the Refuse Fund Issue Page for more information.

Refuse Assumptions & Notes

Revenue: Revenue is expected to decrease by $320,522 or 74.4%. The decrease is the result of privatizing the payment system and reducing the millage rate by 1 mill.

Expenses: Expenses are expected to decrease by $250,500 or 53.6% because of the move to a privatized payment system. Refuse fund revenues at .5 mill are sufficient to cover all refuse related expenses and a portion of the administration fee. The remaining administration fee and general fund operating subsidy will have to come out of fund balance. Once depleted, this revenue will either have to be replaced by other sources, or the General fund will have to make additional cuts.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: City Council discussed the refuse fund extensively at several work sessions. After much discussion, there was a consensus to stay with the current system and prepare the budget accordingly. Therefore, the millage rate will remain at 1.5 and the City will continue to bill customers. There was also a consensus to set up an ad hoc committee to explore the refuse issue, develop an RFP and bid the services out. The current contract with Allied Waste expires June 30, 2010.

226 Refuse Fund

	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Approved
402.000 Real & Personal Property Tax	$270,763	$275,996	$275,000	$92,000	$275,000
411.000 Delinquent Real Tax	14,734	14,173	14,000	5,000	14,000
420.000 Delinquent Personal Tax	0	1,853	1,000	500	500
614.000 Dumpster Fees	0	0	0	0	0
626.000 Charge for Service	114,084	115,000	115,000	0	115,000
643.000 Yard Bags	9,984	11,000	9,000	11,000	11,000
644.000 Trash Bags	415	500	500	500	500
664.000 Interest Income	20,227	12,000	5,000	3,000	3,000
671.000 Other Revenue	0	0	7,000	0	0
699.000 Operating Transfer In	0	0	0	0	0
Total Revenue	**$430,206**	**$430,522**	**$426,500**	**$112,000**	**$419,000**
755.000 Yard Bags	$26,469	$13,000	$8,000	$11,500	$11,500
799.000 Miscellaneous Expense	1,425	1,500	10,000	1,500	1,500
820.000 Administration	40,000	41,000	41,000	19,000	41,000
826.000 Refuse Contract Fees	262,075	247,000	248,000	0	255,440
827.000 Municipal Refuse Fees	16,177	18,000	18,000	18,000	18,540
828.000 Trash Haul Contract Fees	42,563	36,000	36,000	36,000	36,000
829.000 Trash Haul City	30,000	31,000	31,000	31,000	31,000
999.000 Operating Transfer Out	70,000	80,000	80,000	90,000	68,000
Total Expenses	**$488,709**	**$467,500**	**$472,000**	**$207,000**	**$462,980**
TOTAL REFUSE	**-$58,503**	**-$36,978**	**-$45,500**	**-$95,000**	**-$43,980**
Beginning Fund Balance	$427,366		$368,864		$323,364
Projected Ending Fund Balance	$368,864		$323,364		$279,384

This fund accounts for the activities of the building inspector. It is a State mandated fund. Municipalities are not allowed to use the building inspection function as a revenue generator; rather, it should be run as a break-even operation. The City's building inspector splits his time between the building inspector and general fund; however, his wages are paid from the general fund. The administration fee is paid to the general fund to reimburse it for these wages and benefits. If it is a slow year for issuing permits, the amount of the administration fee will be reduced accordingly. The Building Inspector also handles enforcement of the blight ordinance and facility management\maintenance duties at City Hall & the Ramsdell Theatre.

Building Inspector Assumptions & Notes

Revenue: Revenue is expected to decrease by $21,950 or 59.3% because of a sharp decrease in building permit revenue due to the economic slowdown.

Expenses: Expenses are expected to decrease by $22,450 or 61.7% because of a reduction in the amount of administration fee that can be paid to the general fund.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

249 Building Inspector

	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
629.000 Charge for Serv - Inspections	$0	$0	$0	$0	$0
633.000 Charge for Service - Permits	24,253	37,000	15,000	15,000	15,000
664.000 Interest Income	581	0	300	50	50
671.000 Other Revenue	0	0	0	0	0
Total Revenues	**$24,834**	**$37,000**	**$15,300**	**$15,050**	**$15,050**
728.000 Operating Expense	$568	$1,300	$1,300	$1,000	$1,000
735.000 Periodicals & Publications	0	650	0	500	500
820.000 Administration	20,000	30,000	10,000	8,000	8,000
831.000 Contractual Repairs & Maint	690	725	725	725	725
860.000 Travel & Training Expense	0	1,500	1,000	1,500	1,500
865.000 Vehicle Allowance	1,800	1,800	1,800	1,800	1,800
870.000 Memberships & Dues	100	325	325	325	325
880.000 Education	0	0	0	0	0
900.000 Printing/Publishing	0	75	75	75	75
930.000 Repairs\Maint - Vehicle\Equip	0	0	0	0	0
957.000 Motor Pool	0	0	0	0	0
964.000 Refunds	0	0	0	0	0
970.000 Capital Outlay	0	0	0	0	0
Total Expenses	**$23,158**	**$36,375**	**$15,225**	**$13,925**	**$13,925**
TOTAL BUILDING INSPECTOR		**$625**	**$75**	**$1,125**	**$1,125**
Beginning Fund Balance	$8,237		$8,237		$8,312
Projected Ending Fund Balance	$8,237		$8,312		$9,437

Special Revenue Funds — Maple Street Bridge

This fund accounts for revenue received from commercial vessels that require after hour bridge openings. It was established pursuant to the City of Manistee bridge opening policy. The purpose of the fund is to build money to help offset repairs and maintenance on the bridge. The Maple Street Bridge is one of only a handful of bascule bridges in the State. It is in need of major electrical repairs and upgrades. The City recently completed Phase I of these upgrades.

It has received a $500,000 State of Michigan Local Bridge Fund to assist in Phase II repairs. Phase II consists of replacing controls and equipment at the bridge house and is estimated to cost $890,000. Due to inadequate funding, the City has requested an additional $500,000 in grant assistance. If awarded, these funds would be available by October of 2010 for a winter 2011 project.

Maple Street Bridge Assumptions & Notes

Revenue: Revenue from bridge openings is expected to increase by $2,000 or 25% because of a increased freighter traffic due to the Rieth-Riley asphalt terminal.

Expenses: Expenses are expected to remain flat.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

211 Maple Street Bridge Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 Grant Revenue	$0	$500,000	$0	$0	$0
626.000 Charge for Service	5,850	8,000	8,000	10,000	$10,000
664.000 Interest Income	40	250	50	100	$100
699.000 Operating Transfer In	6,000	0	0	0	$0
Total Revenues	**11,890**	**508,250**	**8,050**	**10,100**	**10,100**
801.000 Professional Services	$11,093	$5,000	$0	$5,000	$5,000
970.000 Capital Outlay	0	500,000	0	0	$0
999.000 Operating Transfer Out	0	0	0	0	$0
Total Expenditures	**$11,093**	**$505,000**	**$0**	**$5,000**	**$5,000**
TOTAL MAPLE STREET BRIDGE FUND	**$797**	**$3,250**	**$8,050**	**$5,100**	**$5,100**
Beginning Fund Balance	$1,227		$2,024		$10,074
Projected Ending Fund Balance	$2,024		$10,074		$15,174

Special Revenue Funds — Riverwalk Maintenance

The Manistee Riverwalk is one of the City's crown jewels. Stretching from US-31 all the way to Lake Michigan, the walk is nearly two miles long. This Riverwalk Maintenance fund was established by a $100,000 allotment from the DDA several years ago. Its purpose is to allow for a reserve to maintain and\or repair the Riverwalk as needed. Recent repairs have included replacing aging decking, power washing and sealing and repainting the handrail.

Riverwalk Maintenance Assumptions & Notes

Revenue: Budgeted revenue is expected to decline by $3,000 or 22.2% because of a reduction in interest income. The budget again proposes a $10,000 transfer in from the Capital Improvement fund to help replenish this fund from prior year expenditures.

Expenses: Expenses are expected to decline by $23,000 or 69.7% as no power washing or deck sealing is necessary this year.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

213 Riverwalk Maintenance Fund

		2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
664.000	Interest Income	$2,935	$3,500	$700	$500	$500
699.000	Operating Transfer In	0	10,000	10,000	10,000	$10,000
Total Revenues		**$2,935**	**$13,500**	**$10,700**	**$10,500**	**$10,500**
728.000	Operating Expense	$0	$0	$0	$0	$0
831.000	Contractual Repairs & Maint.	10,438	15,000	25,000	0	0
930.000	Repair & Maint - Vehicles\Equip	957	18,000	3,000	10,000	10,000
970.000	Capital Outlay	0	0	0	0	0
Total Expenditures		**$11,395**	**$33,000**	**$28,000**	**$10,000**	**$10,000**
TOTAL RIVERWALK MAINT FUND		**-$8,460**	**-$19,500**	**-$17,300**	**$500**	**$500**
Beginning Fund Balance		$80,807		$72,347		$55,047
Projected Ending Fund Balance		$72,347		$55,047		$55,547

Special Revenue Funds — Ramsdell Theatre

This fund accounts for the operations of the Ramsdell Theatre. The City owns and operates this historic theatre. The Ramsdell Governing Authority, appointed by Council, oversees operations of the complex. See the Ramsdell Theatre Issue Page for more details.

Ramsdell Theatre Assumptions & Notes

Revenue: Revenue is expected to decrease by $1,000 or 1.0% over the prior year budget

Employee Costs: Employee costs are expected to decline by $169 or .6%

Operating Costs: Operating costs are expected to decline by $831 or 1.2%

Capital Outlay: A significant amount of capital outlay for the roof project and the HVAC project are expected to be incurred in the Capital Improvement fund.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

296 Ramsdell Theatre Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 Grant Revenue	$0	$0	$0	$0	$0
642.000 Sales	9,375	5,000	0	0	0
664.000 Interest Income	158	305	100	305	305
667.000 Rental Income	35,225	28,000	32,000	32,000	32,000
671.000 Other Revenue	293	0	1,000	0	0
674.000 Contributions\Donations	2,500	0	0	0	0
699.000 Operating Transfer In	80,000	65,000	65,000	65,000	65,000
Total Revenues	**$127,552**	**$98,305**	**$98,100**	**$97,305**	**$97,305**
702.000 Salaries	$21,265	$23,835	$23,835	$23,440	$23,440
704.000 Overtime	342	0	0	0	0
708.000 Hol/Vac/Sick Sellback	0	0	0	0	
712.001 Costs - Social Security	1,281	1,478	1,478	1,453	1,453
712.002 Costs - Medicare	300	346	346	340	340
712.007 Costs - SUTA	12	32	32	221	221
712.009 Costs - Workers Comp	357	514	514	581	581
Employee Costs	**$23,557**	**$26,205**	**$26,205**	**$26,036**	**$26,036**
728.000 Office/Operating Expense	$6,933	$5,000	$8,000	$5,000	$5,000
799.000 Miscellaneous Expense	0	0	0	0	0
801.000 Professional Services	22,631	10,000	1,000	10,000	10,000
822.000 Insurance	1,580	1,600	1,700	1,600	1,600
831.000 Contractual Repairs & Maint	1,148	1,500	1,500	1,500	1,500
850.000 Phone	402	400	600	400	400
870.000 Memberships & Dues	0	0	0	0	0
892.500 Marketing Expense	$2,014	4,000	$1,500	$4,000	$4,000
900.000 Printing/Publishing	967	1,000	300	1,000	1,000
901.000 Postage	0	200	0	200	200
920.000 Gas	27,813	22,000	24,000	22,000	22,000
922.000 Water	244	400	600	400	400
925.000 Electric	5,137	6,000	5,500	6,000	6,000
930.000 Repairs\Maint - Veh\Equip	16,414	5,000	10,000	5,000	5,000
931.000 Repairs - Building	0	10,000	7,000	8,000	8,000
964.000 Refunds	75	0	0	169	169
970.000 Capital Outlay	16,520	5,000	8,000	6,000	6,000
Total Operating Costs	**$101,877**	**$72,100**	**$69,700**	**$71,269**	**$71,269**
Total Expenditures	**$125,434**	**$98,305**	**$95,905**	**$97,305**	**$97,305**
TOTAL RAMSDELL THEATRE	**$2,118**	**$0**	**$2,195**	**$0**	**$0**
Beginning Fund Balance	$4,456		$6,574		$8,769
Projected Ending Fund Balance	$6,574		$8,769		$8,769

Special Revenue Funds — Special Assessment

This fund accounts for revenue received from special assessments levied on property owners. Revenue received is transferred to the Street Improvement fund and used for things such as sidewalk replacement and tree planting. The City has one outstanding special assessment relating to the River Street\Streetscape project.

Special Assessment Assumptions & Notes

Revenue: Budgeted revenue is expected to remain flat. Special Assessments can be paid off at any time making this budget difficult to anticipate. All assessments are due by 2011.

Expenses: Expenses are expected to increase by $2,000 due to increased transfers out to the Street Improvement fund.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

280 Special Assessment Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
664.000 Interest Income	$0	$0	$0	$0	$0
672.000 Special Assessment Revenue	8,365	8,000	7,200	7,200	7,200
Total Revenues	**$8,365**	**$8,000**	**$7,200**	**$7,200**	**$7,200**
999.000 Operating Transfer Out	0	8,000	8,000	10,000	10,000
Total Expenditures	**$0**	**$8,000**	**$8,000**	**$10,000**	**$10,000**
TOTAL SPECIAL ASSESSMENT FUND	**$8,365**	**$0**	**-$800**	**-$2,800**	**-$2,800**
Beginning Fund Balance	$10,220		$18,585		$17,785
Projected Ending Fund Balance	$18,585		$17,785		$14,985

Special Revenue Funds — Criminal Justice Training

This fund accounts for revenue received from the State of Michigan for training of our police officers. It can only be used for this purpose. It is used as a supplement to our police training budget in the general fund. In the past, some of these funds have been used to send an officer to the school of staff and command. No one in the department is scheduled for this training in the current year.

Criminal Justice Training Assumptions & Notes

Revenue: Budgeted revenue is expected to remain essentially flat.

Expense: Training costs are expected to remain flat.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

266 Criminal Justice Training Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 State Grant	$3,033	$3,000	$2,900	$3,000	$3,000
664.000 Interest Income	47	40	40	50	50
676.000 Reimbursement	50	0			
Total Revenues	**$3,130**	**$3,040**	**$2,940**	**$3,050**	**$3,050**
860.000 Travel & Training Expense	4,982	3,000	3,125	3,000	3,000
Total Expenditures	**$4,982**	**$3,000**	**$3,125**	**$3,000**	**$3,000**
TOTAL CRIMINAL JUSTICE FUND	**-$1,852**	**$40**	**-$185**	**$50**	**$50**
Beginning Fund Balance	$2,114		$262		$77
Projected Ending Fund Balance	$262		$77		$127

Special Revenue Funds — Local Revenue Sharing Grant

This fund accounts for grants received from the Local Revenue Sharing Board. This three member board (which has a City representative) distributes money to local units of government as prescribed in a compact with the Little River Band of Ottawa Indians, under which they operate their casino. The mechanism for receiving this money is to apply to the board for grants. The board evaluates these grants and distributes money twice per year. The City has seen a steady decline in the amount of grant dollars received over the past few years. This trend is expected to continue as the tribe expands its non-gaming facilities, and a greater portion of the available grant money must be paid out as payments in lieu of taxes.

Local Revenue Sharing Grant Assumptions & Notes

Revenue: Revenue is an estimate of grants that may be received.

Expenses: Costs are dependent upon the amount of grant dollars received.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

275 Local Revenue Sharing Board Fu	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
570.000 Local Grant Revenue	$41,830	$30,000	$30,000	$30,000	$30,000
664.000 Interest Income	0	0	0	0	0
Total Revenues	**$41,830**	**$30,000**	**$30,000**	**$30,000**	**$30,000**
799.000 Expenditures	$47,639	$30,000	$61,170	$30,000	$30,000
Total Expenditures	**$47,639**	**$30,000**	**$61,170**	**$30,000**	**$30,000**
TOTAL LOCAL REVENUE SHARING FUND	**-$5,809**	**$0**	**-$31,170**	**$0**	**$0**
Beginning Fund Balance	$31,170		$31,170		$0
Projected Ending Fund Balance	$25,360		$0		$0

Special Revenue Funds — Cool Cities Blueprint Grant

In the fall of 2005 the City was the recipient of a Cool Cities Blueprint for Neighborhoods grant. We were one of only three communities across the state to be selected. Residents should be proud of the fact that the City is recognized statewide as a progressive, up-and-coming community. The grant will provide funding for infrastructure improvements at the east end of River Street on the Peninsula. The amount of the grant has yet to be determined, but should be in the range of $300,000-$400,000. The City matched $24,500 in planning costs in FY 2007.

Cool Cities Grant Assumptions & Notes

Revenue: Revenue is an estimate of the grant amount that may be received.

Expenses: Costs are dependent upon the amount of grant dollars received. The expenditures will go towards infrastructure needs on the Peninsula and will complement the Jones St. Sewer separation project.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

281 Cool Cities Blueprints	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
539.000 State Grant Revenue	$0	$300,000	$0	$300,000	$300,000
699.000 Operating Transfer in	0	0	0	0	0
Total Revenues	**$0**	**$300,000**	**$0**	**$300,000**	**$300,000**
799.000 Miscellaneous Expense	$0	$0	$0	$0	$0
810.000 Prof Services - Engineering	0	0	0	0	0
860.000 Travel & Training Expense	0	0	0	0	0
970.000 Capital Outlay	0	300,000	0	300,000	300,000
Total Expenses	**$0**	**$300,000**	**$0**	**$300,000**	**$300,000**
TOTAL COOL CITIES BLUEPRINT	**$0**	**$0**	**$0**	**$0**	**$0**
Beginning Fund Balance	$0	$0	$0	$0	$0
Projected Ending Fund Balance	$0	$0	$0	$0	$0

Capital Project Funds — Capital Improvement Fund

The Capital Improvement fund was established in 2005 to set aside money for capital improvements throughout the City. Its primary source of revenue is the interest earnings from the Oil & Gas fund. Recent projects include the Fifth Avenue Beach House, Duffy Park soccer drainage, Sands Park Tennis court resurfacing and a Fire Station furnace.

The Capital Improvement fund will play an increasingly important role in City operations in the future as it will provide a reliable source of income for capital improvements.

Capital Improvement Assumptions & Notes

Revenue: Revenue is expected to be matched to the number and size of capital projects proposed in the budget. It is advantageous to only transfer the amount of money necessary to cover budgeted expenses and leave the rest in the Oil and Gas fund to be invested and grow.

Expenses: The budget anticipates $213,000 in capital expenditures. Total cost of the proposed projects is $1,103,000. The projects anticipated in the budget are:

	Budget	Total Cost	Number of Years
Ramsdell Theatre Roof\HVAC	$ 60,000	$ 500,000	10
Community Pool	$ 40,000	$ 400,000	10
Dune Stabilization	$ 30,000	$ 120,000	4
Man-Made Lake Walkway	$ 50,000	$ 50,000	1
Riverwalk Maintenance	$ 10,000	$ 10,000	1
File Server	$ 8,000	$ 8,000	1
Reitz Park	$ 7,500	$ 7,500	1
Mack Park	$ 7,500	$ 7,500	1
Total	**$ 213,000**	**$ 1,103,000**	

It is important to note that the budgeted expenditure only represents the current year portion of the expense for some items that will be paid for over a number of years. Adopting this proposed budget makes a multi-year commitment of funds.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes: Council shifted the $40,000 per year community pool fee to the General fund.

430 Capital Improvement Fund	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
664.000 Interest Income	$4,717	$5,000	$200	$1,000	$1,000
671.000 Other Revenue	0	0	0	0	$0
674.000 Contributions\Donations	600	0	0	0	$0
676.000 Reimbursement	9,784	0	4,700	0	$0
699.000 Operating Transfer In	189,574	200,000	200,000	200,000	$200,000
Total Revenues	**$204,675**	**$205,000**	**$204,900**	**$201,000**	**$201,000**
799.000 Miscellaneous Expense	$0	$0	$0	$0	$0
801.000 Professional Services	0	0	0	0	$0
831.000 Contractual Repairs\Maint	0	0	0	0	$0
970.000 Capital Outlay	328,248	288,000	288,000	213,000	$173,000
999.000 Operating Transfer Out	0	0	0	0	$0
Total Expenditures	**$328,248**	**$288,000**	**$288,000**	**$213,000**	**$173,000**
TOTAL CAPITAL IMPROVEMENT	**-$123,573**	**-$83,000**	**-$83,100**	**-$12,000**	**$28,000**
Beginning Fund Balance	$424,519		$300,946		$217,846
Projected Ending Fund Balance	$300,946		$217,846		$245,847

Capital Project Funds — Industrial Park

The City's Industrial Park is located at the end of Washington Street on the north side of town. The Industrial Park fund accounts for the revenue and expenses associated with this park. This fund also pays a portion of the City's contribution to the AES, which helps to market the City to potential industries. The park has a number of existing companies and room to accommodate growth. Lots are currently listed at $6,000 per acre.

Industrial Park Assumptions & Notes

Revenue: Revenue assumes the sale of one lot.

Expenses: Expenses represent a portion of the annual contractual fee with the AES. In future years, more of this expense will have to be absorbed by the General Fund as cash reserves dwindle.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

412 Industrial Park Fund

	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
664.000 Interest Income	$1,140	$500	$250	$500	$500
673.000 Sale of Asset	12,964	12,000	0	6,000	6,000
Total Revenues	**$14,104**	**$12,500**	**$250**	**$6,500**	**$6,500**
799.000 Miscellaneous Expense	$0	$0	$0	$0	$0
892.500 Marketing - AES	16,100	16,438	16,440	16,000	16,000
970.000 Capital Outlay	0	5,000	5,000	0	0
999.000 Operating Transfer Out	0	0	0	0	0
Total Expenditures	**$16,100**	**$21,438**	**$21,440**	**$16,000**	**$16,000**
INDUSTRIAL PARK DEVELOPMENT	**-$1,996**	**-$8,938**	**-$21,190**	**-$9,500**	**-$9,500**
Beginning Fund Balance	$34,585		$34,585		$13,395
Projected Ending Fund Balance	$32,589		$13,395		$3,895

Capital Project Funds — Renaissance Park

The Renaissance Industrial Park is located just east of US-31 on M-55. The Renaissance Park fund accounts for activity relating to the park, including lot sales, marketing and infrastructure.

This park was built in 1997 with funding from the Michigan Economic Development Corporation in the form of a loan and grant, as well as with local funds. In 2007, the City successfully met the job creation goal necessary to convert most of the loan balance into a grant.

The remaining balance of $110,000 was also altered by the MEDC to become a no interest loan. The City will make annual payments of $5,616 until the loan is paid off. These funds will come from the Renaissance Park fund, Industrial Park fund and General fund, if necessary.

Renaissance Park Assumptions & Notes

Revenue: No lot sales are anticipated.

Expenses: Expenses represent the annual loan repayment to the State of Michigan.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

490 Renaissance Park	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
569.001 State Grant	$0	$0	$0	$0	$0
664.000 Interest Income	427	100	300	150	$150
671.000 Other Revenue	32,925	0	0	0	$0
677.000 Sale of Asset	0	20000	0	0	$0
699.000 Operating Transfer In	0	0	0	0	$0
Total Revenues	**33,352**	**20,100**	**300**	**150**	**150**
799.000 Miscellaneous Expense	$0	$0	$0	$0	$0
801.000 Professional Services	375	5000	0	0	$0
992.002 Renaissance Park Loan Principa	7,488	5616	5,616	5,616	$5,616
Total Expenditures	**7,863**	**10,616**	**5,616**	**5,616**	**5,616**
TOTAL RENAISSANCE PARK	**$25,489**	**$9,484**	**-$5,316**	**-$5,466**	**-$5,466**
Beginning Fund Balance	$9,888		$35,377		$30,061
Projected Ending Fund Balance	$35,377		$30,061		$24,595

Debt Service Funds — Debt Service

This fund serves as a central fund to account for all of the City's outstanding debt, except for Water & Sewer Utility debt. It receives monies from the funds which the debt is associated with and makes payments according to a fixed schedule. The fund also pays some bank (paying agent) fees for debt administration. More information on the City's Debt can be obtained in the Appendix.

Debt Service Assumptions & Notes

Revenue: Revenue represents payments into the fund from various other funds and the DDA to provide cash for debt service payments.

Expenses: Expenses represent the outstanding obligations of the various debt issues, including both principal and interest.

City Council Decision: City Council took the following action on the Manager's recommended budget:

☒ Budget as recommended ☐ Budget with changes

Changes:

351 Debt Service Fund

	2008 Actual	2009 Budget	2009 Projected	Manager Budget	Council Adopted
664.000 Interest Income	$180	$150	$50	$50	$50
671.000 Other Revenue	0	$0	0	0	$0
686.000 DDA Reimbursement	143,998	$145,216	145,216	146,091	$146,091
699.000 Operating Transfer In	319,415	$322,845	322,845	330,523	$330,523
Total Revenues	**$463,593**	**$468,211**	**$468,111**	**$476,664**	**$476,664**
801.000 Professional Services	$0	$0	$0	$0	$0
960.000 Bank Charges	850	$850	850	$850	$850
992.001 1996 Riverwalk Principal	0	0	0	0	0
992.003 Bond Principal (1999 MDOT)	95,000	100,000	100,000	105,000	105,000
992.004 Bond Principal (1999 DDA)	75,000	80,000	80,000	85,000	85,000
992.005 2003 Cap Imp Prin	75,000	80,000	80,000	90,000	90,000
997.001 1996 Riverwalk Interest	0	0	0	0	0
997.003 Bond Interest (1999 MDOT)	44,028	39,395	39,395	34,423	34,423
997.004 Bond Interest (1999 DDA)	68,998	65,216	65,216	61,091	61,091
997.005 2003 Cap Imp Int	105,388	103,450	103,450	101,100	101,100
999.000 Operating Transfers Out	0	0	0	0	0
Total Expenditures	**$464,263**	**$468,911**	**$468,911**	**$477,464**	**$477,464**
TOTAL DEBT SERVICE FUND	**-$670**	**-$700**	**-$800**	**-$800**	**-$800**
Beginning Fund Balance	$7,842		$7,172		$5,462
Projected Ending Fund Balance	$7,172		$5,462		$4,662

CITY OF MANISTEE

2009-2010 GENERAL APPROPRIATIONS ACT

BUDGET ADOPTION LIST

It was moved by _____, supported by _____, that the City of Manistee Budgets for the fiscal year 2009-2010 be adopted as presented by the City Manager on March 13, 2009 and modified by Council work sessions including tax levy, capital outlay, appropriations, schedule of fees and other matters included in the following expenditures:

GENERAL FUND	COUNCIL APPROVED
101 - GENERAL FUND	
Total Revenue	$ 5,190,225
Total Expense	$ 5,190,225
100 - General Government	$ 556,100
101 - Legislative	$ 48,694
172 - Manager	$ 204,913
215 - Clerk	$ 182,704
253 - Finance	$ 206,397
257 - Assessor	$ 179,580
265 - Municipal Buildings	$ 161,600
266 - Attorney	$ 80,000
285 - Engineer	$ 36,000
290 - Boards and Commissions	$ 11,425
301 - Police	$ 1,057,900
336 - Fire	$ 716,634
441 - Public Works	$ 1,000,182
748 - Community Development	$ 255,660
751 - Parks and Recreation	$ 333,657
801 - Appropriations	$ 158,778
ENTERPRISE FUNDS	
573 - WATER & SEWER FUND	
Revenue	$ 3,213,384
Expenses	$ 3,910,169
Administration	$ 314,465
Water	$ 538,725
WWTP	$ 770,065
Sewer	$ 333,118
Debt Service	$ 1,163,797

594 - MUNICIPAL MARINA FUND		
Revenue	$	492,000
Expense	$	515,035
508 - BOAT RAMP FUND		
Revenue	$	358,200
Expense	$	426,567

SPECIAL REVENUE FUNDS

245 - OIL & GAS FUND		
Revenue	$	440,000
Expense	$	231,000
202 - MAJOR STREET FUND		
Revenue	$	513,000
Expense	$	443,423
203 - LOCAL STREET FUND		
Revenue	$	587,000
Expense	$	625,000
204 - STREET IMPROVEMENT FUND		
Revenue	$	36,200
Expense	$	46,000
226 - REFUSE FUND		
Revenue	$	419,000
Expense	$	462,980
249 - BUILDING INSPECTOR		
Revenue	$	15,050
Expense	$	13,925
211 - MAPLE STREET BRIDGE FUND		
Revenue	$	10,100
Expense	$	5,000
213 - RIVERWALK MAINTENANCE FUND		
Revenue	$	10,500
Expense	$	10,000
296 - RAMSDELL THEATRE FUND		
Revenue	$	97,305
Expense	$	97,305
280 - SPECIAL ASSESSMENT FUND		
Revenue	$	7,200
Expense	$	10,000
281 - COOL CITIES BLUEPRINT FUND		
Revenue	$	300,000
Expense	$	300,000

266 - CRIMINAL JUSTICE TRAINING FUND		
Revenue	$	3,050
Expense	$	3,000
275 - LOCAL REVENUE SHARING GRANT		
Revenue	$	30,000
Expense	$	30,000

CAPITAL PROJECT FUNDS		**COUNCIL APPROVED**
430 - CAPITAL IMPROVEMENT FUND		
Revenue	$	201,000
Expense	$	173,000
412 - INDUSTRIAL PARK		
Revenue	$	6,500
Expense	$	16,000
490 - RENAISSANCE PARK		
Revenue	$	150
Expense	$	5,616
DEBT SERVICE FUNDS		
351 - DEBT SERVICE FUND		
Revenue	$	476,664
Expense	$	477,464
INTERNAL SERVICE FUNDS		
661 - MOTOR POOL FUND		
Revenue	$	297,179
Expense	$	306,627

The Manistee City Council hereby establishes a property tax levy of 16.9457 mills for General Fund operations and 1.5 mills for Refuse Fund operations for the 2009-2010 fiscal year. Water and Sewer consumption charges are established at $2.60 and $5.20 per 1,000 gallons respectively for bills issued after July 1, 2009.

Adopted by the Manistee City Council on May 5, 2009.

_____
Cynthia A. Fuller, Mayor

ATTEST:

_____
Michelle Wright, City Clerk

Schedule of Fees

BUSINESS FEES \ REGISTRATION

AMUSEMENT LICENSE			
Phonographs		$5	
Bowlers		$10	
Pool Tables		$15	
BUSINESS REGISTRATION		$75	
GOING OUT OF BUSINESS		$50	
BICYCLE LICENSE		$0	
STREET PERFORMERS		$0	
TAX ABATEMENT / EXEMPTION		$1,000	
VENDORS		$10	

SERVICES\RENTAL

PERSONNEL CHARGES (per hour)			
Supervisory		$40	
Regular Full Time		$30	
EQUIPMENT CHARGES			State published rates
BANNER PERMIT (River St Arch)		$50	
BRIDGE OPENING (off hours - commercial)		$150	
CLEAN MANISTEE PROGRAM			
Brush Pick Up - First 15 Minutes		$0	
For Each Additional 15 Minutes		$30	
Trash Pick Up - Minimum		$30	
Trash - Per Item		$30	
White Metal - Per Item		$30	
Per Half Cubic Yard		$15	
			Actual Charges to be Billed with Labor
MEETING ROOM RENTAL			
	First Hour	$50	
	each addl hour	$25	
MEMORIAL BENCHES	(whole)	$850	
	(picnic table)	$450	
WEDDINGS		$50	
WEED CUTTING		$250	First Hour
			Addtl Hrs; Per Person / Per Hour + Equip Chg
HANDGUN APPLICATIONS		$5	
RETURN CHECK FEE		$30	
ROAD BREAKAGE DEPOSIT		$600	
(deposit applied to actual and remainder billed)			

MARINA \ BOAT RAMP

MARINA		Rates Set by State of Michigan
BOAT RAMP		
Daily	$5	
Resident Seasonal	$35	
Non-Resident Seasonal	$35	

PARKING VIOLATIONS (Ord. Ch. 430)

Alternate Parking	$40
after 14 days	$100
Handicap Violations	$50
after 4 days	$100
Overtime Parking	
Overtime Parking	$40
after 14 days	$100

DOCUMENTS & COPIES

ZONING ORDINANCE	$75
MASTER PLAN	$75
CHARTER	$20
CODE OF ORDINANCES	$80
BUDGET	$50
AUDIT	$40
COPIES	
first page	$1
each addl page	$0.5
Police / Fire Reports	$5
Pol/Fire - each addl page	$0.5
FAX	
first page	$5
each addl page	$1
VOTER REGISTRATION LIST	
1 District - Electronic	$10
1 District - Paper	$15
All Districts - Electronic	$15
All Districts - Paper	$25

REFUSE RATES (monthly)

Refuse to be billed by contractor

Freon Tag	$40
Extra Garbage Tag	$1.5
Yard Waste bags	$3

WATER / SEWER RATES (monthly)

Metered Water (per 1,000)		see budget ordinance
Metered Sewer (per 1,000)		see budget ordinance
Bonded Debt	varies	
Escrow Deposit	$200	
Unmetered Water	$15	
Unmetered Sewer	$45	
Turn On / Off Service	$75	
After Hours Service Call	$75	
Sprinkling Meter 5/8"	$90	
New Water Connection	$1,000	
New Sewer Connection	$1,000	
Utility Extension - Connection to New Line	$1,000	
Additional Meter Installation	$50	
WWTP - accept contaminated discharge/gal	$0.03	+ operator cost $25/hr
(after hours rate)	$0.05	+ operator cost $45/hr
WWTP - Industrial Pretreatment Program	varies	

OTHER

Utility Connection - per lot	
- Sweetnam & Lakeview Subdivision	$2,050
+ Sewer Lift Station charge per/unit	$250
Industrial Park lots	$6,000
Renaissance Park lots	$6,000

CIVIL INFRACTIONS (Ord. Ch. 203)

See Ord.202.99 - $500 max

	First Offense	Additional Offense within 30 Days
Chapter 415 - Abandoned Vehicles,etc.	$100	$250
Section 606.10 - Nuisances by Animals	$50	$250
Chapter 654 - Nuisances	$50	$250
Section 662.02 - Noise Creating Activities	$50	$250
Section 670.03 - Swimming in River	$50	$250
Chapter 1022 - Excavations	$50	$250
Chapter 1024 - Sidewalks	$50	$250
Chapter 1026 - Trees	$50	$250
Chapter 1062 - Parks and Recreation	$50	$250
Part Twelve/Title Six - Zoning Ordinance	$50	$500
Part Fourteen - Building & Housing Codes	$100	$500
Chapter 1610 - Fire Prevention Code	$50	$250
Other Unspecified	$50	

PLANNING & ZONING \ BUILDING \ RENTAL

CONSTRUCTION BOARD OF APPEALS	$150	
DRIVEWAY PERMITS	$25	
FENCE PERMITS	$25	
PARCEL COMBINATION	$50	
PARCEL SPLIT/COMBINATION		
First	$100	
Each Additional	$50	
MAPS		
Medium	$2	
Large	$4	
SIGN PERMITS	$50	
RESIDENTIAL LAND USE PERMITS		
under 200 sq ft	$25	
over 200 sq ft	$75	
COMMERCIAL LAND USE PERMITS	$200	
PUD REQUESTS	$750	Minimum
STREET\ALLEY VACATION REQUESTS	$750	
ZONING ORDINANCE AMENDMENT	$1,000	
ZONING BOARD OF APPEALS	$500	
SPECIAL USE PERMIT	$750	Minimum
HISTORIC DISTRICT PERMITS		
BUILDING PERMITS		State of Michigan Rates
annual renewal	$75	
demolition	$75	
CONSTRUCTION PARKING PERMIT		
per space / per week	$10	
RENTAL ORDINANCE		
Registration Certificate (one time)	$10	
First Inspection	$40	
Compliance Certificate (every 3 yrs)	$40	
Additional Units in Building (ea)	$20	
		Additional Charges May Apply
SITE PLAN REVIEW		
Level I (new residential,additions,accessory)	$10	
Level II (new residential, commercial)	$20	
Level III (special use and PUD)	$150	

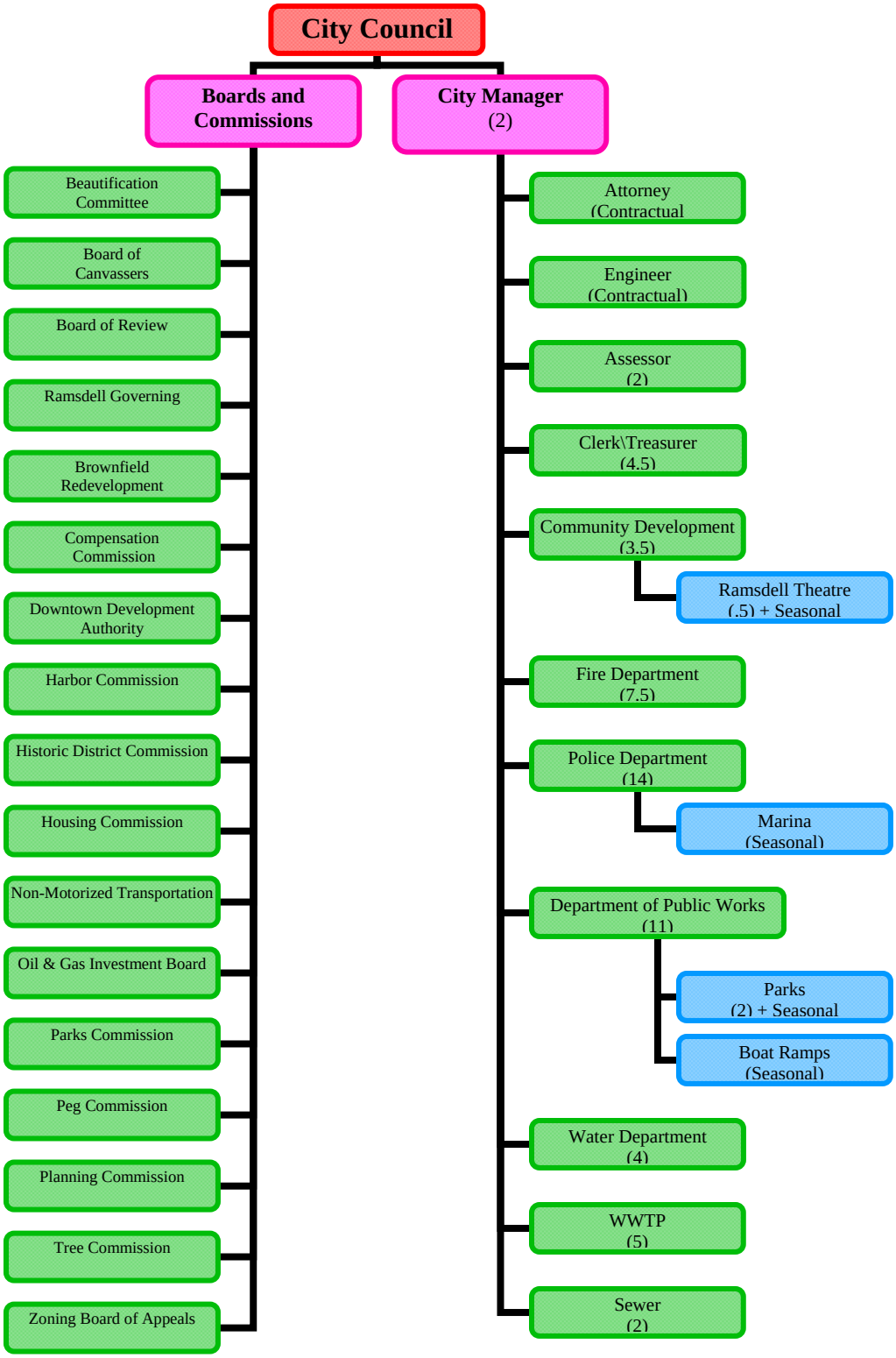
Elected Officials

Cyndy Fuller	Mayor	Second District	cfuller@harbor-village.com
Robert Hornkohl	Mayor Pro-Tem	Third District	rmhornkohl@sbcglobal.net
Colleen Kenny	Councilmember	First District	ckenny@packagingcorp.com
Ilona Haydon	Councilmember	Fourth District	bestnshow49660@gmail.com
Hank Yonkman	Councilmember	Fifth District	hyonkman@yahoo.com
Richard Mack	Councilmember	Sixth District	rlmayor@yahoo.com
Alan Marshall	Councilmember	Seventh District	alupnorth@webtv.net

Administration

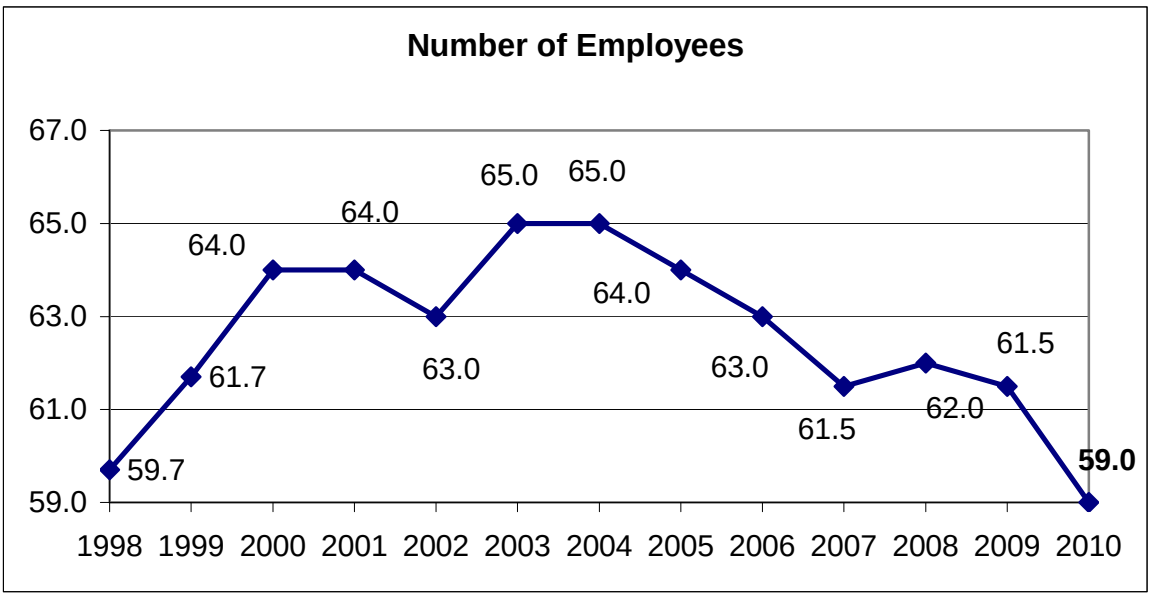
Mitch Deisch	City Manager	mdeisch@ci.manistee.mi.us
Dave Bachman	Police Chief	dbachman@ci.manistee.mi.us
Julie Beardslee	Assessor	jbeardslee@ci.manistee.mi.us
Ed Bradford	Finance Director\Treasurer	ebradford@ci.manistee.mi.us
Ed Cote	Utilities Director	ecote@ci.manistee.mi.us
Jack Garber	Public Works Director	jgarber@ci.manistee.mi.us
Jon Rose	Community Development Director	jrose@ci.manistee.mi.us
Sid Scrimger	Fire Chief	sscrimger@ci.manistee.mi.us
Michelle Wright	Clerk\Deputy Treasurer	mwright@ci.manistee.mi.us

Appendix — City Organization Chart



Appendix — Number of Employees

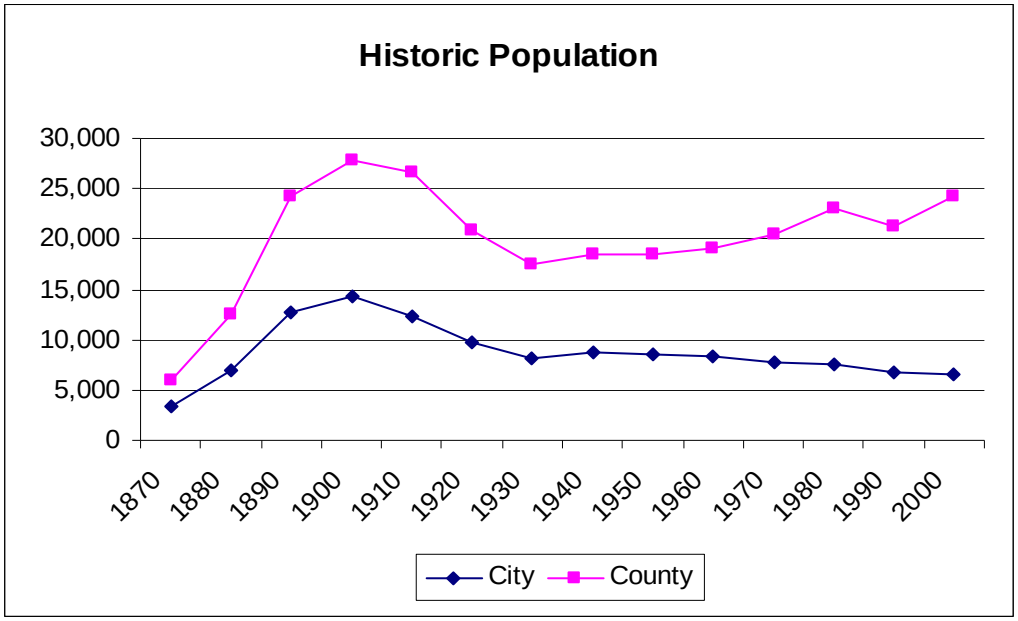
The number of City employees over time is listed below. This excludes seasonal employees.



	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Budget 2010
City Manager	3.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance/Clerk	3.0	4.0	4.0	4.0	4.0	4.0	4.5	4.5	4.5	4.5	4.5	5.0	4.5
Assessor	1.7	1.7	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
ComDev/BldgInsp	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.5	3.5	3.5	3.5
Municipal Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5
Police	16.0	17.0	17.0	17.0	17.0	17.0	17.0	16.0	16.0	15.0	15.0	14.0	14.0
Fire	8.0	8.0	8.0	8.0	8.0	9.0	9.5	9.5	9.5	8.5	8.5	8.5	8.5
Public Works/Bridge	12.0	12.0	12.5	13.5	12.5	12.5	12.5	12.5	12.0	12.0	12.0	12.0	11.0
Parks	3.0	3.0	3.5	3.5	3.5	3.5	2.5	2.5	3.0	3.0	3.0	3	2.0
General Fund	**48.7**	**50.7**	**52.0**	**53.0**	**52.0**	**53.0**	**53.0**	**52.0**	**52.0**	**50.5**	**51.0**	**50.5**	**48.0**
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Water	4.5	4.5	4.5	3.5	3.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
WWTP	3.5	3.5	4.5	4.5	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water & Sewer	**11.0**	**11.0**	**12.0**	**11.0**	**11.0**	**12.0**	**12.0**	**12.0**	**11.0**	**11.0**	**11.0**	**11.0**	**11.0**
Grand Total:	**59.7**	**61.7**	**64.0**	**64.0**	**63.0**	**65.0**	**65.0**	**64.0**	**63.0**	**61.5**	**62.0**	**61.5**	**59.0**

Appendix Population

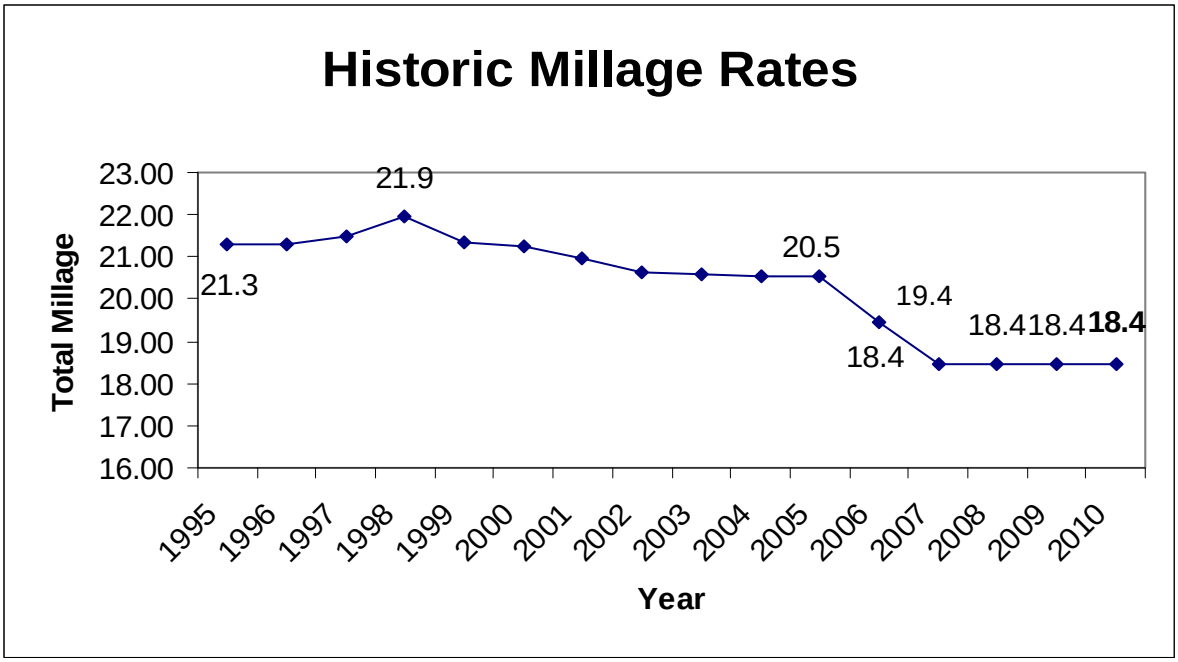
A history of census data counts has been prepared.



Year	City	County
1870	3,342	5,988
1880	6,930	12,532
1890	12,812	24,233
1900	14,260	27,856
1910	12,381	26,690
1920	9,694	20,899
1930	8,078	17,409
1940	8,694	18,447
1950	8,642	18,524
1960	8,324	19,042
1970	7,723	20,393
1980	7,566	23,019
1990	6,734	21,265
2000	6,586	24,150

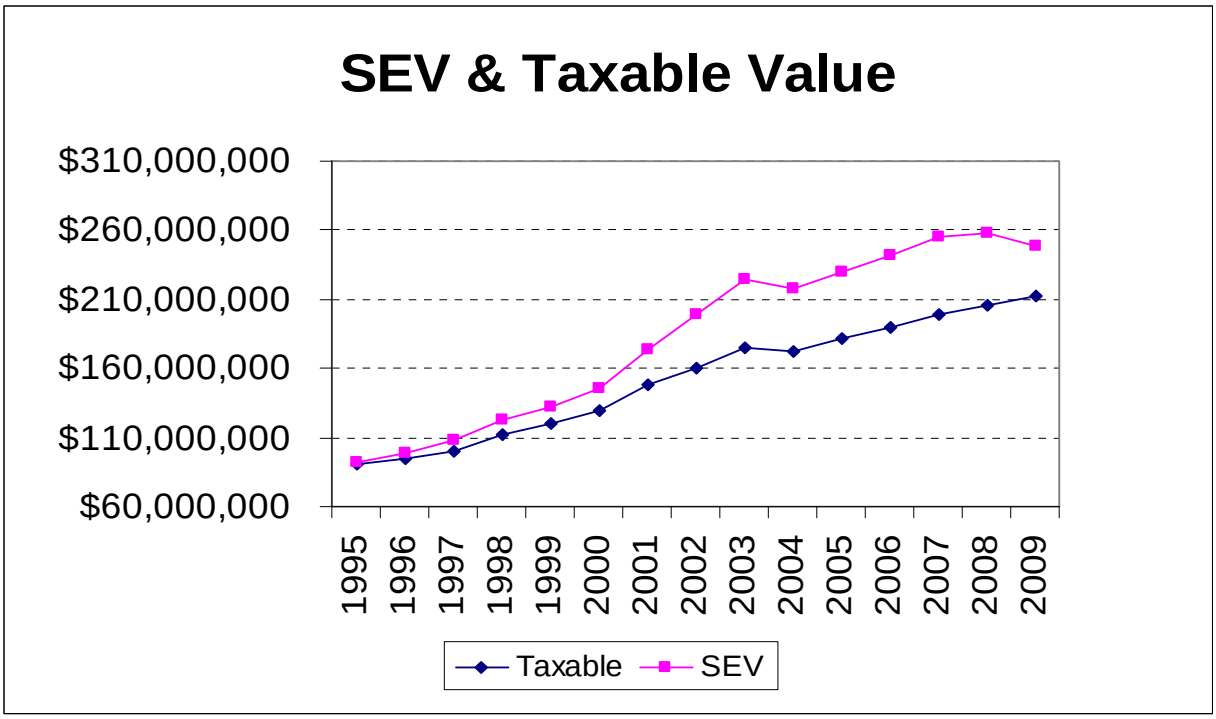
Appendix Millage

Historic City millage rates are presented below.



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General	18.52	18.52	18.52	18.52	18.52	18.50	18.50	18.19	18.13	18.07	18.07	17.95	16.95	16.95	16.95	16.95
Refuse	2.78	2.78	2.95	2.78	2.25	2.25	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50
Voted Fire	0.00	0.00	0.00	0.64	0.60	0.50	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00	0.00
Total	**21.30**	**21.30**	**21.47**	**21.94**	**21.37**	**21.25**	**20.95**	**20.64**	**20.58**	**20.52**	**20.52**	**19.45**	**18.45**	**18.45**	**18.45**	**18.4457**
Reduction Amount		0.00	0.17	0.47	(0.57)	(0.12)	(0.30)	(0.31)	(0.06)	(0.06)	(0.00)	(1.08)	(1.00)	0.00	0.00	0.00
Cumulative Reduction		0.00	0.17	0.64	0.07	(0.05)	(0.35)	(0.66)	(0.72)	(0.78)	(0.78)	(1.85)	(2.85)	**(2.85)**	**(2.85)**	**(2.85)**
Percent Change		0.0%	0.8%	2.2%	-2.6%	-0.6%	-1.4%	-1.5%	-0.3%	-0.3%	0.0%	-5.2%	-5.1%	0.0%	0.0%	0.0%
Cumulative Change		0.0%	0.8%	3.0%	0.4%	-0.2%	-1.6%	-3.1%	-3.3%	-3.6%	-3.6%	-8.9%	-14.0%	**-14.0%**	**-14.0%**	**-14.0%**

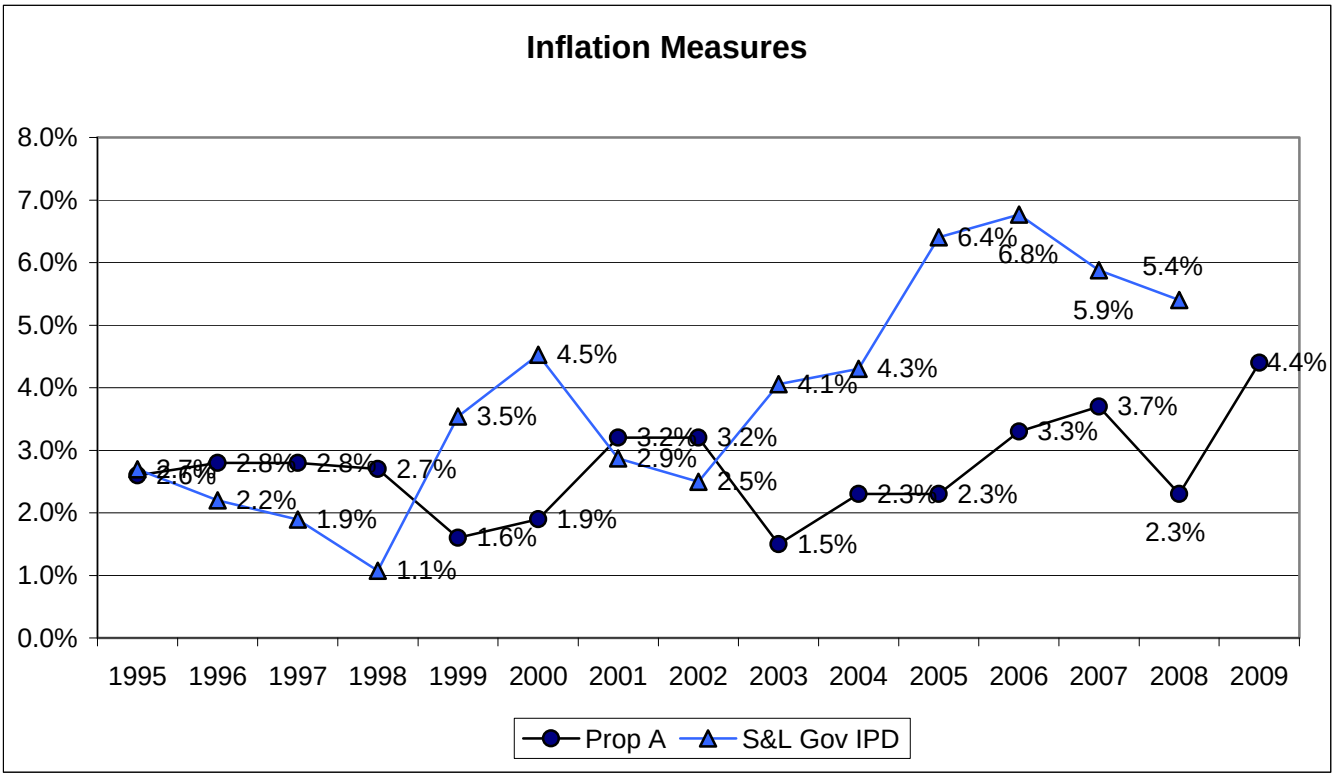
Appendix SEV & Taxable Value



Year	SEV	SEV Growth	Taxable Value	Taxable Value Growth
1990	$ 69,346,762			
1991	$ 72,328,192	4.3%		
1992	$ 74,662,923	3.2%		
1993	$ 86,335,306	15.6%		
1994	$ 87,868,352	1.8%		
1995	$ 92,276,049	5.0%	$ 91,170,863	
1996	$ 98,777,799	7.0%	$ 95,065,215	4.3%
1997	$ 107,576,400	8.9%	$ 100,105,513	5.3%
1998	$ 122,376,906	13.8%	$ 112,633,190	12.5%
1999	$ 132,539,856	8.3%	$ 120,320,668	6.8%
2000	$ 146,033,156	10.2%	$ 129,495,380	7.6%
2001	$ 173,749,756	19.0%	$ 148,341,437	14.6%
2002	$ 198,421,736	14.2%	$ 160,733,605	8.4%
2003	$ 223,975,606	12.9%	$ 175,212,684	9.0%
2004	$ 217,777,056	-2.8%	$ 172,431,911	-1.6%
2005	$ 229,542,700	5.4%	$ 181,139,334	5.0%
2006	$ 242,067,200	5.5%	$ 189,639,514	4.7%
2007	$ 254,905,300	5.3%	$ 199,258,541	5.1%
2008	$ 257,394,000	1.0%	$ 206,309,448	3.5%
2009	$ 249,064,100	-3.2%	$ 212,862,439	3.2%

Appendix — Inflation Rates

The following graph shows two measures of inflation. The first is the State of Michigan Proposal A rate. This is the rate used in helping determine taxable value and is a rough proxy for City property tax growth. The second is the State and Local Government Implicit Price Deflator, which is a more accurate measure of inflation experienced by units of government.



Appendix — Properties Uncapped

The table below shows the number of properties uncapped (sold, transferred) in the City of Manistee.

Year	Properties Uncapped	Change
2000	274	
2001	240	(34)
2002	245	5
2003	236	(9)
2004	249	13
2005	217	(32)
2006	184	(33)
2007	173	(11)
2008	163	(10)
Average	220	

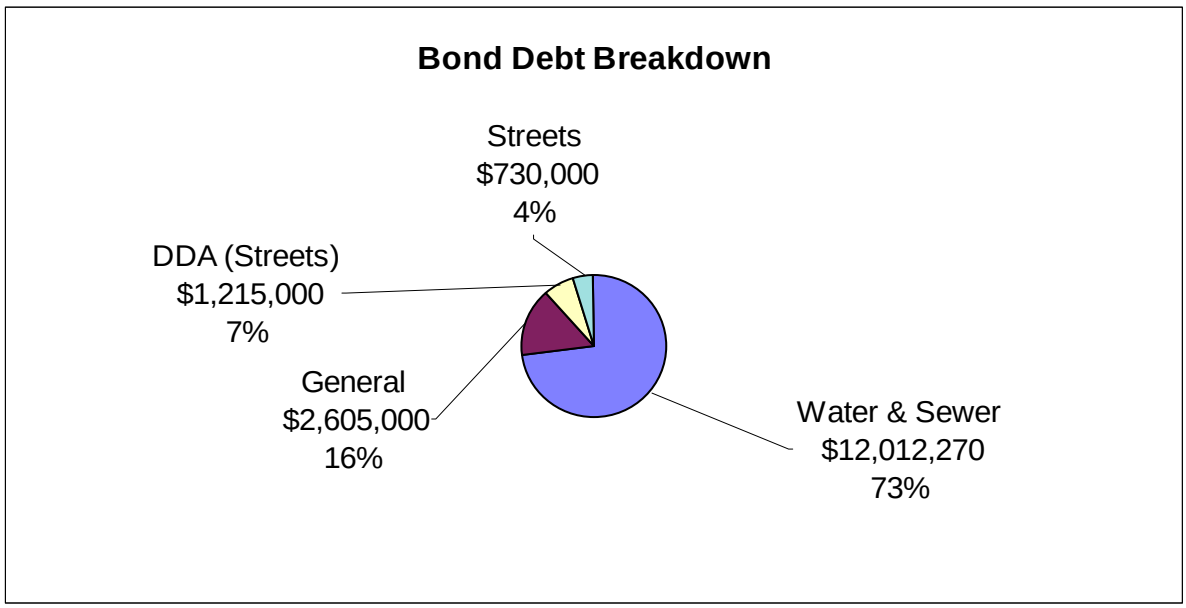
Appendix — Outstanding Debt

The City has ten outstanding bond issues for a variety of purposes. These bond issues create a first demand on City financial resources, before any discretionary funding. It is necessary to remain aware of these obligations as the City makes decisions on other financial matters.

Outstanding Debt
As of 6/30/2009
For 2009 - 2010 FY

Bond Issue	Purpose	Paid By	Expires	Years Left	Original Balance	Principal Balance	Principal Payments	Interest Payments	Total Payments
1997 B Revenue	CSO (SRF)	Water & Sewer	2017	8	$ 525,000	$ 245,000	$ 30,000	$ 5,513	$ 35,513
1998 B Revenue	CSO (SRF)	Water & Sewer	2019	10	$ 2,715,000	$ 1,475,000	$ 135,000	$ 31,669	$ 166,669
1999 A Revenue	CSO	Water & Sewer	2010	1	$ 2,850,000	$ 115,000	$ 115,000	$ 2,789	$ 117,789
1999 B Revenue	CSO (SRF)	Water & Sewer	2021	12	$ 2,285,000	$ 1,505,000	$ 110,000	$ 36,250	$ 146,250
1999 DDA	Streetscape	DDA	2020	11	$ 1,500,000	$ 1,215,000	$ 85,000	$ 61,091	$ 146,091
1999 MTF	Streetscape	Major Street	2015	6	$ 1,500,000	$ 730,000	$ 105,000	$ 34,423	$ 139,423
2003 Cap Imp	City Hall	General Fund	2024	15	$ 2,950,000	$ 2,605,000	$ 90,000	$ 101,100	$ 191,100
2006 WWTP	WWTP (SRF)	Water & Sewer	2027	18	$ 2,757,270	$ 2,517,270	$ 125,000	$ 40,906	$ 165,906
2005 WS Refunding	Refund WS	Water & Sewer	2028	19	$ 6,285,000	$ 6,155,000	$ 290,000	$ 237,520	$ 527,520
		TOTAL			**$ 23,367,270**	**$ 16,562,270**	**$ 1,085,000**	**$ 551,261**	**$ 1,636,261**

In August of 2005, the City refunded three Water & Sewer revenue bonds. This refunding saved the City $282,000 over the life of the bonds.

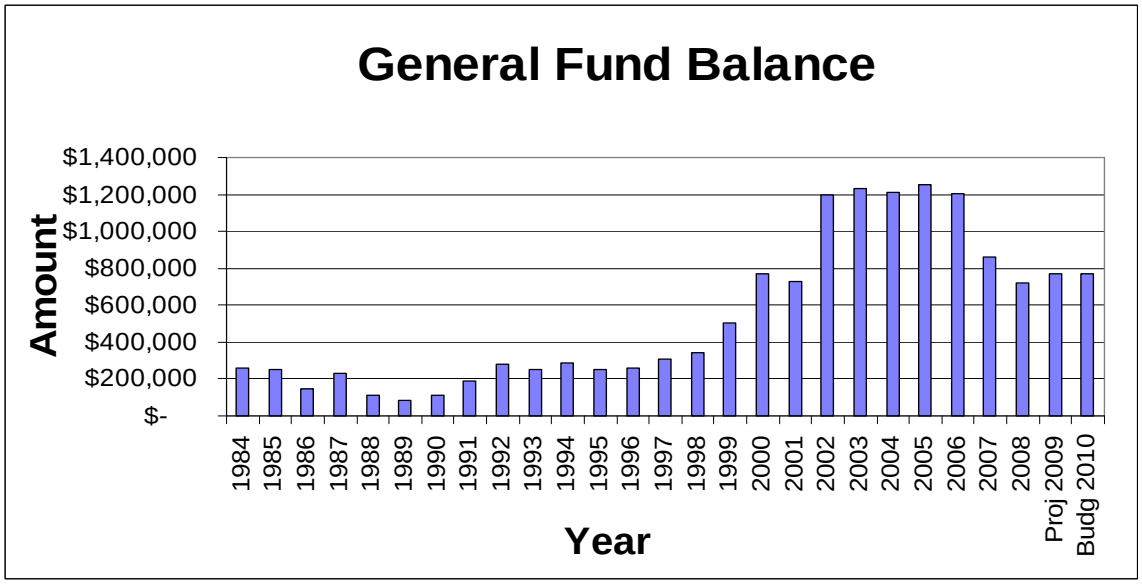


Appendix Water & Sewer Rates

The chart below shows historical water & sewer rate increases.

Water & Sewer Rate History

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Water per 1000G	$1.63	$1.79	$1.86	$1.90	$1.95	$2.04	$2.16	$ 2.25	$2.48	$2.60
Sewer per 1000G	$3.53	$3.57	$3.71	$3.80	$3.90	$4.08	$4.32	$ 4.50	$4.97	$5.20
Fixed Charge	$6.60	$6.60	$6.60	$6.60	$6.60	$6.60	$6.60	$ 6.60	$6.60	$6.60
Typical Bill (6,000 G per Month)	$37.56	$38.76	$40.02	$40.80	$41.70	$43.32	$45.48	$47.10	$51.30	$53.40
Dollar Increase		$1.20	$1.26	$0.78	$0.90	$1.62	$2.16	$1.62	$4.20	$2.10
Percent Increase		3.2%	3.3%	1.9%	2.2%	3.9%	5.0%	3.6%	9.0%	4.4%



General Fund Balance

Year		Fund Balance		Change	Percent Change
1984	$	261,983			
1985	$	253,905	$	(8,078)	-3.1%
1986	$	147,590	$	(106,315)	-41.9%
1987	$	227,944	$	80,354	54.4%
1988	$	113,117	$	(114,827)	-50.4%
1989	$	84,508	$	(28,609)	-25.3%
1990	$	108,814	$	24,306	28.8%
1991	$	189,768	$	80,954	74.4%
1992	$	281,768	$	92,000	48.5%
1993	$	252,763	$	(29,005)	-10.3%
1994	$	289,859	$	37,096	14.7%
1995	$	253,721	$	(36,138)	-12.5%
1996	$	258,724	$	5,003	2.0%
1997	$	309,869	$	51,145	19.8%
1998	$	345,869	$	36,000	11.6%
1999	$	502,871	$	157,002	45.4%
2000	$	766,962	$	264,091	52.5%
2001	$	728,008	$	(38,954)	-5.1%
2002	$	1,197,158	$	469,150	64.4%
2003	$	1,233,804	$	36,646	3.1%
2004	$	1,214,416	$	(19,388)	-1.6%
2005	$	1,256,500	$	42,084	3.5%
2006	$	1,206,658	$	(49,842)	-4.0%
2007	$	860,121	$	(346,537)	-28.7%
2008	$	724,428	$	(135,693)	-15.8%
Proj 2009	$	772,141	$	47,713	6.6%
Budg 2010	$	772,141	$	-	0.0%

City of Manistee Grants

Year	Name	Project	Amount		
2002	MSHDA Rental Rehab	Rehab Apts.	$	350,000	
2002	MCACA	Ramsdell Theatre	$	52,000	
2003	Michigan Rural Health	Rescue 5	$	40,000	
2003	MDEQ Abandoned Well Mgt.	Plug old wells	$	35,000	
2003	MCACA	Ramsdell Theatre	$	49,000	
2003	Waterways Commision	1st St Launch	$	37,000	
2004	MSHDA Neighborhood	Infrastructure	$	829,000	
2004	MSHDA New Homes	Grove St. Homes	$	430,000	
2004	EPA Brownfield Pilot	Assessment	$	200,000	
2004	MCACA	Ramsdell Theatre	$	47,500	
2005	MDOT	Memorial Dr. Paving	$	30,000	
2005	EPA Brownfield #2	Inventory	$	195,000	
2005	Cool Cities	Peninsula Plan	$	300,000	TBD
2005	Corps of Engineers	Wave Study	$	35,000	
2005	MEDC	5th Ave Paving	$	250,000	
2005	MSHDA CBD	Downtown Apts.	$	465,000	
2005	MCACA	Ramsdell Theatre	$	22,200	
2006	MEDC	Wash St. Paving	$	292,000	
2006	State of Michigan	Voting Machines	$	37,000	
2006	State of Michigan	Voting Access	$	13,000	
2006	Waterways Commission	Marina Docks	$	34,500	
2006	MCACA	Ramsdell Theatre	$	18,200	
2007	MDOT Category F	Old US 31 Truck Route	$	232,000	
2007	MDOT Small Urban	Old US 31 Truck Route	$	350,000	
2007	Federal Appropriation	Maple Street Bridge	$	341,500	
2007	MCACA	Ramsdell Bathrooms	$	20,500	
2007	Waterways Commission	Marina Gas Dock Kiosk	$	21,600	
2008	MDOT Local Bridge Fund	Maple Street Bridge	$	500,000	
2008	MNRTF	Man-Made Lake	$	2,016,000	
2008	EPA Hazardous	Assessment	$	195,000	
2008	EPA Petroleum	Assessment	$	195,000	
2008	Waterways Commission	1st St Launch	$	17,435	
2008	Access to Recreation (WK Kellogg)	Marina Handicap Lift	$	20,000	
2008	Great Lakes Fishery Trust	Arthur St. Boat Launch	$	102,833	
2008	Waterways Commission	Marina Building Improvements	$	160,000	
	Local Revenue Sharing	Variety of Items	$	585,000	
	Total		**$**	**8,518,268**	