City of Manistee

2010 - 2011 Adopted Budget

Man Made Lake

Table of Contents

Table of Contents 2

Overview:
- 2009-2010 Budget Introduction 5
- City Manager's Transmittal Letter 6
- Executive Summary 8
- Budget Change Summary 10

Issue Pages:
- Strategic Plan 11
- Operational Service Audit 12
- General Fund 13
- Water & Sewer Utility 14
- Ramsdell Theatre 15

- Employees 18
  - Employee Groups 18
  - Restructuring 18
  - Wages 22
  - Pension 22
  - Health Insurance 24
  - Other Benefits 24

- Refuse Fund 25
- Capital Improvement Fund 26
- Oil & Gas Fund 27
- Appropriations 28
- Property Tax Administration Fee 29
- Basic Life Support (BLS) Transport 31
- Accounting Change – GASB 54 33
- Interfund Activity 34

General Fund Budget:
- Revenue 35
- General Operating 40
- Legislative 42
- Manager 44
- Financial Services 47
- Attorney 50
- Clerk 51
- Assessor 54
- Community Development 58

Boards & Commissions 61
Municipal Buildings 62
Police 64
Fire 68
Public Works 71
Engineer 74
Parks & Recreation 75
Appropriations 77

Enterprise Funds
Water & Sewer 78
Revenues 81
Administration 82
Water Operations 83
WWTP Operations 84
Sewer Collection 85
Debt 86
Municipal Marina 87
Boat Launch 91
Ramsdell Theatre 94

Internal Service Funds
Motor Pool 97

Permanent Fund
Oil & Gas Fund 100

Special Revenue Funds:
Street Funds
Major Street Fund 102
Local Street Fund 104
Street Improvement Fund 106
Refuse Fund 108
Building Inspector Fund 110
Local Revenue Sharing Grant Fund 112
Cool Cities Blueprints for Neighborhoods Grant Fund 113

Capital Project Funds:
Capital Improvement Fund 114

Table of Contents

Budget Appropriation Resolution 116

Schedule of Fees 120

Appendices:

Elected Officials & Administration 125
City Organization Chart 126
Number of Employees 128
SEV & Taxable Value 130
Millage 132
Inflation Rates 134
Home Sales\Uncapping 135
Outstanding Debt 136
Water & Sewer Rates 137
General Fund 138
Population 139
Grants Received 140

Budget Introduction

Welcome to the City of Manistee's Fiscal Year 2010-2011 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, Boat Launch and Ramsdell Theatre. These are Funds that operate like a business and 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 Motor Pool, Major & Local Street Funds, Refuse Fund and various grant funds.

Permanent Funds are those that are intended to be perpetual in nature and where only the earnings can be spent. The City's Oil & Gas fund is a permanent fund.

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 City does not have a *Debt Service Fund*. Instead, City debt is recorded in the fund that it is associated with.

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 2010-2011 budget document.

March 12, 2010

Honorable Mayor Ilona Haydon
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 2010-2011 fiscal year.

After years of running to just stay ahead of the crumbling, some would say disastrous State economy; the City of Manistee has finally been caught. With the start of the 2010-2011 fiscal year budget process, the projections were a budget deficit of more than a quarter million dollars. This assumption was again this year based upon 0% raises for all City staff. Simply nibbling around the deficit edges in regards to reducing training and office supply budgets and working to reduce overall operational budgets will no longer achieve the needed results. Structural change is required. Council will recall that the fundamental reason for conducting the Operational Service Assessment was to prepare the City for making these required structural changes in anticipation that ultimately City revenues versus expenditures were not sustainable. The intent of completing the Operational Service Assessment report before these decisions needed to be made was the original goal. However, the fact that it is not completed yet has not detracted me from utilizing the draft Operational Service Assessment report to assist and guide me in making recommendations to City Council.

Last year's budget showed the reduction of two fulltime employees. This year's recommendation is to reduce an additional 3.5 fulltime employees. Unlike last year, where we lost employees through attrition and absorbed the work load, this year the goal was a long-term, progressive, structural reorganization for several departments that I believe will set the right tone and direction for the City of Manistee when our economy turns around.

Eliminating employees is never an easy task. However, through this restructuring process the City will be contracting our assessing functions, resulting in the elimination of the Assessor and the Assessor's Assistant; combining the Police and Fire Chief positions into one Public Safety Director and eliminating the Fire Chief position; and eliminating the part-time clerical help in the Fire Department. In addition, the Department of Public Works will be reorganized to become more efficient and provide a higher level of service. All remaining employees will also be impacted by the struggling State economy with the reduction of existing benefits.

With the knowledge of the fiscal challenges in 2010-2011, the City continues to improve and puts emphasis on strategic planning. Again in 2010, 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."

Numerous large capital projects will be completed in fiscal year 2010-2011, including Marina Building / DDA Restroom renovations, Arthur Street Boat Launch upgrades, Jones Street CSO, Category A Glocheski/Monroe/Oak Grove Veterans Drive street upgrades and Small Urban upgrades to the remaining truck route in Maxwelltown.

Other projects upcoming this year will be focusing on phased implementation of the adopted Beach Conceptual Plans, our second 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. With the City of Manistee and the Charter Township of Filer finally completing the sewer agreement, there is the potential for additional capital projects to be started this 2010-2011 Fiscal Year Budget.

The City Council has established various budget work sessions: an optional one on Tuesday, March 30, one on Tuesday, April 6 following the regular Council meeting, one on Monday, April 12, one on Tuesday, April 27, with an optional one on May 4; 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 20, 2010. Budget adoption is anticipated at a special meeting on May 11, 2010.

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 2010-2011 Budget for the City of Manistee.

Respectfully submitted,

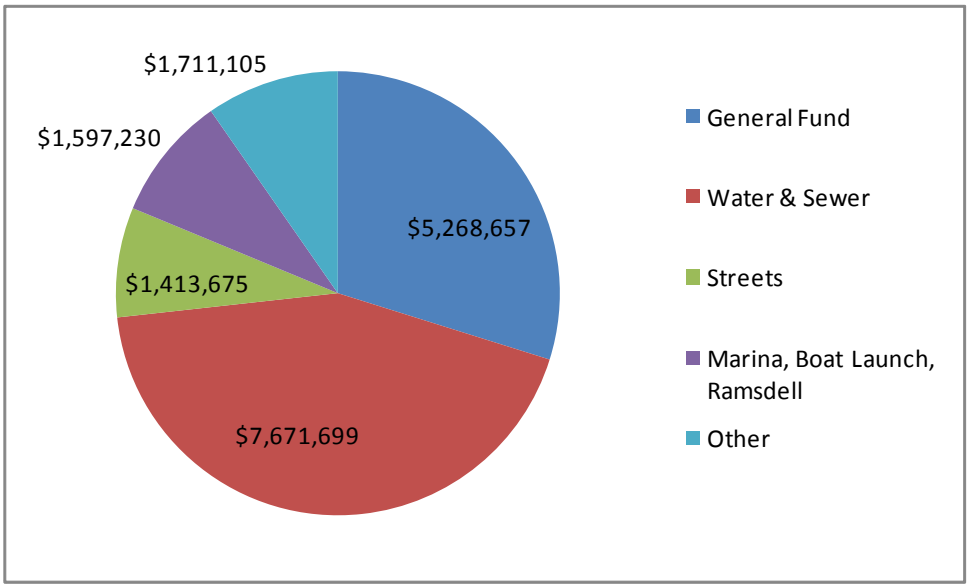
CITY OF MANISTEE

Mitchell D. Deisch

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

Executive Summary

The proposed budget was the most difficult to prepare in recent years. The enormous financial challenges posed by a deep national recession, moribund Michigan economy and housing market collapse has created a structural imbalance that required significant structural reforms. This budget makes those reforms; while still striving to pursue Strategic Plan goals to the extent possible. Reduced revenue has forced the City to incorporate significant spending restraint and reduce the number of existing employees by 3.5 FTE. 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 amount of capital projects over the next two fiscal years totals several million dollars. The budget for all funds, including capital outlay and debt service totals.



The General Fund is has a budget of **$5,268,657** or **30%** of total spending. Services most people associate with local government, such as police, fire, tax collection, planning and zoning are funded here. Significant departmental restructuring proposed in the budget:

- Combine Police and Fire administration under one Public Safety Director
- Create unified Department of Public Works with Director and Assistant Director
- Eliminate Assessing department thru contracting the function out and placing contract oversight under Finance in a new Financial Services Department

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 **$ 5,268,659** Tax revenue has declined due to fewer home sales, less new construction and more tax-exempt development. The budget does propose modest new revenue sources from a 1% tax administration fee on City taxes and transitioning the Fire Department to a Basic Life Support – Transport organization.

The Water & Sewer Utility has budgeted expenditures for operations, capital outlay and debt service of **43%** of total City spending. Water and Sewer rates are proposed to increase by **4.0%**. A typical customer will see their monthly bill increase by **$2.13** .

Operational costs remained consistent with last year. The total expenditure number is inflated by the large amount of capital expenditures taking place. Small projects include replacing electrical transformers at some of the wells, replacing water well and lift station communications and replacing the main boiler at the plant. Large projects include the state mandated Jones Street Sewer separation, building a third final clarifier in conjunction with Filer Charter Township and replacing the failing Riverbank Sewer line.

The overall Street budget is **$1,413,675 8%** of total spending. This includes the Major and Local Street funds, as well as the Street Improvement fund. Street maintenance, repairs and construction is primarily funded by gas tax money passed through by the State to the City. The budget anticipates three major projects; the rehabilitation of the Maple Street Bridge, the resurfacing of the Old US-31 Truck Route and the resurfacing of Veterans Oak Grove and Glocheski Drives in the Industrial Park area. The budget also supports the Street Asset Management Plan by allocating money for crack sealing a number of roads.

The Refuse Fund is budgeted for the status quo in terms of delivery of service and payment method. However, the City is in the process of rebidding the refuse collection function for the City. This pricing information was not available at the time the budget was prepared, but will be discussed prior to Council adopting the budget. Those discussions will determine the types of services to be provided and how those services will be paid for. The outcome of those discussions could have a significant impact on the budget that has been presented.

The Marina, Boat Launch and Ramsdell Theatre account for **$1,597,230** in expenditures. This number is much higher than normal because of significant capital projects at both the Marina and Arthur Street Boat launch. The Marina building is likely to be replaced entirely this summer. The Arthur Street Boat launch will be receiving a complete facelift, including an accessible fishing pier and better parking.

Budget Change Summary

During the budget process, several significant changes were made to the Manager's recommendations. Rather than address these changes on every page in the budget, they will be summarized here, and reflected in the budget numbers, narratives and annual appropriation. Issue pages have not been changed, in order to reflect the issues as they were presented in the proposed budget.

The primary changes were as follows:

- Department of Public Works restructuring was revised to retain current director and utilize lead personnel in each functional area.
- Combining Police Chief and Fire Chief positions into one Public Safety Director position was not approved. Police Chief and Fire Chief positions remain in the budget.
- Contracting out the Assessing Department was not approved. The Assistant Assessor position was eliminated instead.
- Full funding for several community organizations was retained.
- The full-time police secretary was reduced to half time.
- The vacant half-time Finance clerk position was eliminated.
- City manager and Department Directors were assigned two furlough days.
- Eliminate Mayor's exchange
- Eliminate City Hall capital outlay

Issue Page — Strategic Plan

In 2007 the City embarked upon a strategic planning process to focus both Staff and City Council efforts on 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 | Operational Service Audit

The City of Manistee has almost completed a comprehensive Operational Service Assessment. The impetus for this assessment 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 Assessment Committee (OSAC) will continue to 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 2008 and received four responses. One respondent subsequently dropped out. The OSAC interviewed the consultants in February 2009 and chose Matrix Consulting Group as its first choice.

Matrix completed the vast majority of the study by late fall of 2009. Unfortunately, they were unable to complete the project and City Council terminated their contract. The City then contracted with the Citizen's Research Council of Michigan to complete the document. It is expected that the document will be finalized by the end of April 2010. Once the final report is issued, implementation of the recommendations will follow over a multi-year period. However, given the significant budget challenges, the proposed budget does implement some of the recommendations suggested by Matrix thru their work.

Issue Page General Fund

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. Unfortunately, the General fund has been coming under enormous financial strains in recent years. Revenue has been impacted by both declining property values and lack of new construction (growth). In addition, the seemingly permanent State economic and budget crisis has reduced State revenue sharing payments. The City has very little ability to raise new revenues in the General fund, other than levying the full millage rate allowed, further complicating the challenge.

On the expense side, the City has been proactive in addressing benefit costs, including wages, health insurance and pensions. It has also reduced total employment by 8.5 FTE or 13% since 2004, including 3.5 FTE in the proposed budget, while largely maintaining service levels. It is hoped that these moves will allow the City to weather the financial storm and emerge stronger.

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 or unexpected negative budgetary variances. An adequate cash reserve provides an opportunity to absorb these items without dramatically altering the services provided. The City has tapped the fund balance somewhat in the recent past to address such issues as high overtime related to record snowfall and record gasoline prices.

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. 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. 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, 2009 audit showed a general fund balance of $853,777, an increase of $129,349 from the prior year. This was almost entirely due to the reimbursement of storm related labor expenses by FEMA which were already budgeted. The fund balance is currently below the 20% target 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

Overview

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.

Debt Load

The WSU has taken on a significant amount of debt in the recent past to fund State-mandated sewer separation projects. Although most of this work has been done, there are still two more segments to be completed. Over the next two years, the Jones and Cedar Street sewer districts will be separated at a cost of $6,100,000. Low interest loans from the State of Michigan will help finance these projects. As of June 30, 2010, the WSU will have about $11,200,000 of outstanding debt not including the new debt for the upcoming projects (see Appendix). Total debt service payments average about $1,150,000 per year through 2020 and the last bond is paid off in 2028. The new projects will increase this debt load by about 1/3.

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. The annual 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.

Administration is recommending that the 2010-2011 rates be adjusted by 4%. This represents a (.3%) inflationary adjustment and a phased-in increase to cover the sewer separation projects. A typical user using 6,000 gallons per month will see their monthly bill increase $2.13 per month as the table below shows.

	Existing		New	
	Per 1000g	**Per 6000g**	**Per 1000g**	**Per 6000g**
Water	$ 2.60	$ 15.60	$ 2.72	$ 16.31
Sewer	$ 5.20	$ 31.20	$ 5.44	$ 32.62
Fixed	$ 6.60	$ 6.60	$ 6.60	$ 6.60
Total		**$ 53.40**		**$ 55.53**
Increase				**$2.13**

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. Toward 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 Avenue East (Riverbank) sewer line, Jones Street CSO, WWTP Boiler and well communications. The 2011-2015 Capital Improvement plan explains these projects and identifies other capital items for the water and sewer fund in the upcoming years.

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.

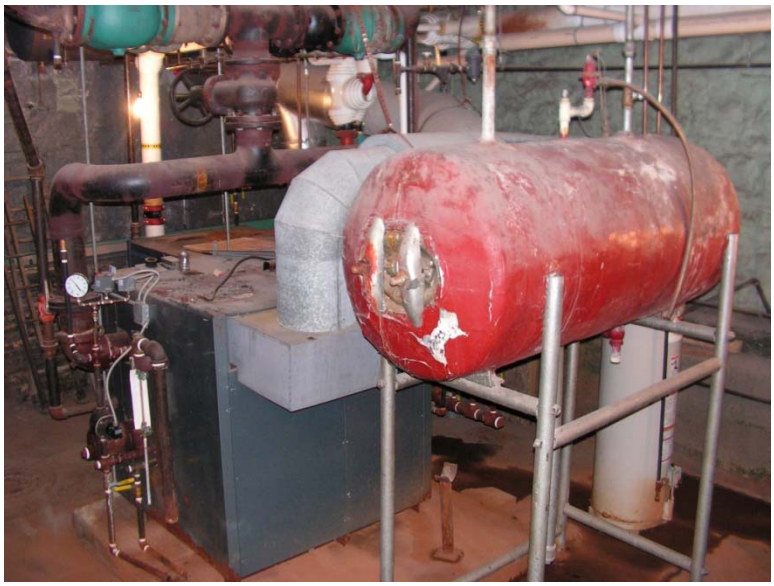
The City, through the Ramsdell Theatre Governing Authority (RGA), manages and operates the facility. It sets the policies for the building and is responsible for ongoing maintenance. The RGA hopes to eventually move the Ramsdell Theatre to a break-even enterprise. However, this is a number of years down 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 $60,000 transfer from the General fund to the Ramsdell Theatre, a reduction of $5,000 from the prior budget. 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.

The City replaced the Theatre roof and addressed other areas of the building envelope at a cost of $425,000 in the fall of 2009. This will be paid for over seven years from the Capital Improvement fund. Another major area of concern 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 City commissioned a study by Fishbeck, Thompson, Carr &

Huber to evaluate the building's HVAC needs and provide cost estimates for addressing them. The report was presented to Council in early 2010.

The engineers estimate that the complete cost of the overhaul is $899,000 to address the heating & cooling in the building, $110,000 to address issues in the Theatre side of the building and $120,000 in engineering costs. The total estimated cost is $1,129,000. It should be noted that the estimates presented are considered to be quite conservative because of their preliminary nature.



To move forward with the project will require committing to engineering costs. Through this effort, it will be possible to value engineer and\or phase the project to help drive down costs. At that point, Council can decide how to proceed with the project.

The proposed Capital Improvement fund budget includes money to complete the engineering of the system and bid it out. This way, Council will know exactly what the cost will be to complete the HVAC system.

There are also several other areas of the building that need completing. The Capital Improvement plan lists these areas and the Capital Improvement fund budget includes costs for addressing the steps from the Theatre down to the new restrooms.

Staff is starting preliminary investigations into alternative operating models and\or funding sources for the Theatre, including partnerships and a dedicated millage thru a county wide authority.

Employee Groups & Numbers

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.

Group	Number of Employees	Contract Expiration
POAM	9	June 30, 2010
COAM	3	June 30, 2010
IAFF	7	June 30, 2010
USW	21	June 30, 2010
Supervisory	7	n/a
General	8.5	n/a
Manager	1	n/a
Total	56.5	n/a

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.

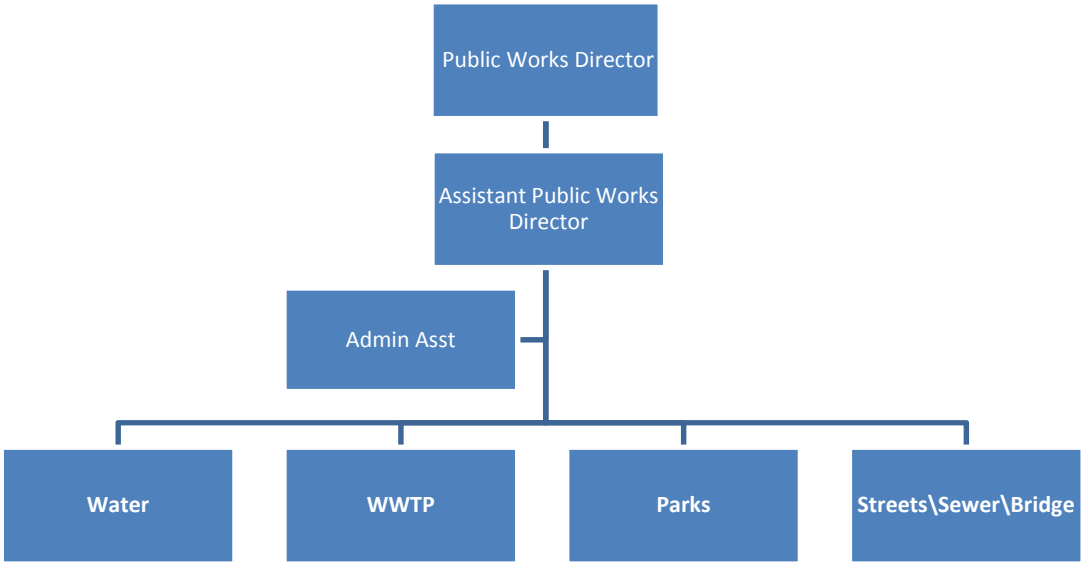
The current year budget calls for a net reduction in the number of employees of 3, from 59.5 to 56.5. This is comprised of the elimination of 3.5 positions and the hiring of a .5 position to replace the City Hall cleaning contract.

Restructuring

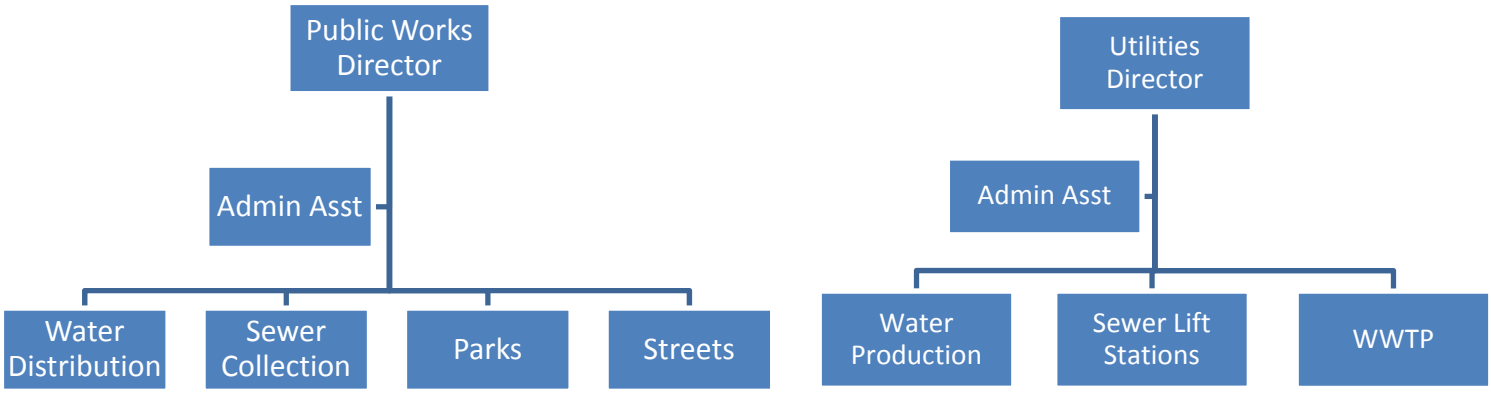
The budget proposes significant restructuring of several City departments. This restructuring will allow the City to meet short term budgetary challenges and at the same time position the City for more efficient operations in the long-term. The first proposed change is reorganizing the Department of Public Works. The retirement of long time utilities superintendent Ed Cote, combined with the recommendations of the Operational Service Assessment have made this an opportune time to restructure this operation. The reorganization will result in one Public Works Director overseeing all aspects of public works, including water, sewer, WWTP, streets, parks and facilities. The current DPW Director, Jack Garber, will stay on as the assistant director and a new Public Works Director will be hired. This change is not expected to save money, but rather makes the operation more streamlined and efficient. The organizational charts below show this change.

DPW Reorganization

Proposed



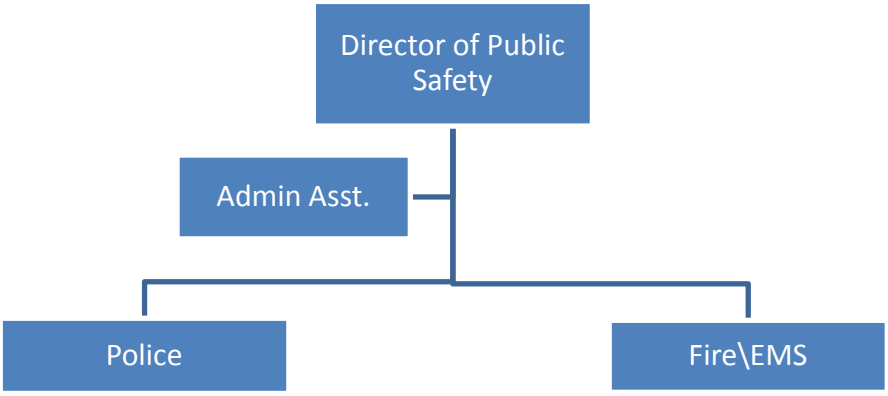
Existing



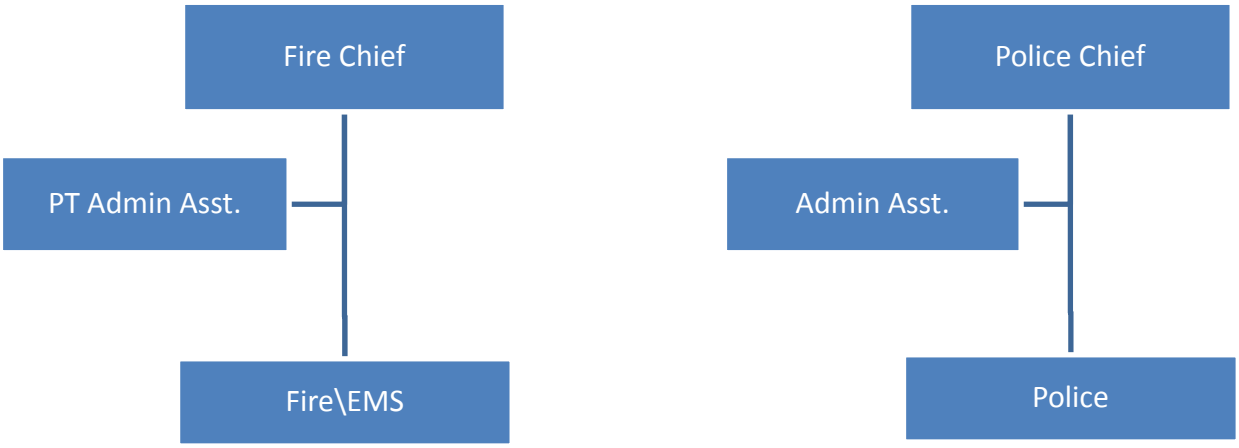
The second proposed change is combining the administration of the Police department and the Fire\EMS department. Police Chief Dave Bachman will become the new Director of Public Safety overseeing both departments. The Fire Chief position and part time fire secretary will be eliminated. This type of structure was mentioned in the Operational Service Assessment. This change will result in estimated savings of $106,000. The organizational charts below show this change.

Police & Fire Reorganization

Proposed



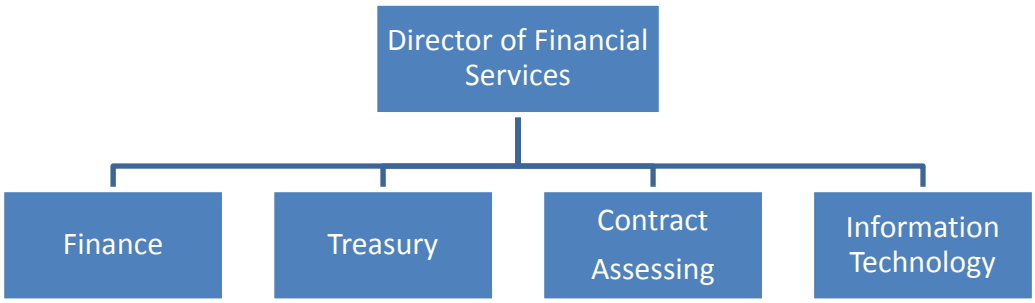
Existing



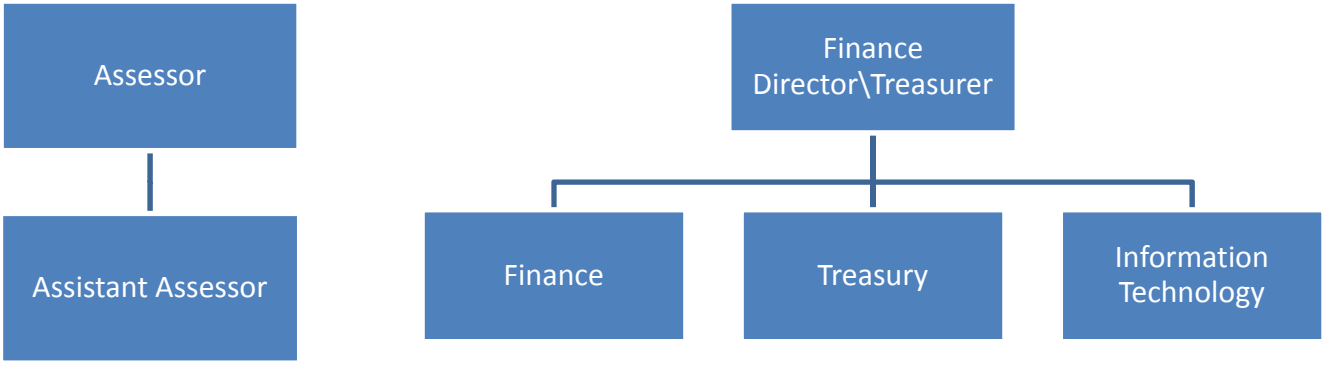
The third proposed change is eliminating the Assessing department and contracting this function out to a third party. The responsibility for this function and the oversight of the contractor will fall under the Finance department, which will be reorganized as the Financial Services department. These changes were a specific recommendation of the Operational Service Assessment. This change will result in estimated savings of $77,000 in the first year and $90,000 thereafter. The organizational charts below show this change.

Financial Services Department Reorganization

Proposed



Existing



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, has an established 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 (.3%).

However, in this year's budget, management is proposing wage freezes for employees, including all union employees. This will require the POAM, COAM, IAFF and USW to agree to this request in collective bargaining negotiations. The extreme financial challenges brought about by the housing market decline and continued erosion of State revenue sharing has 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 freezes, then management will have to reevaluate the budget and will have to take additional steps to balance the budget.

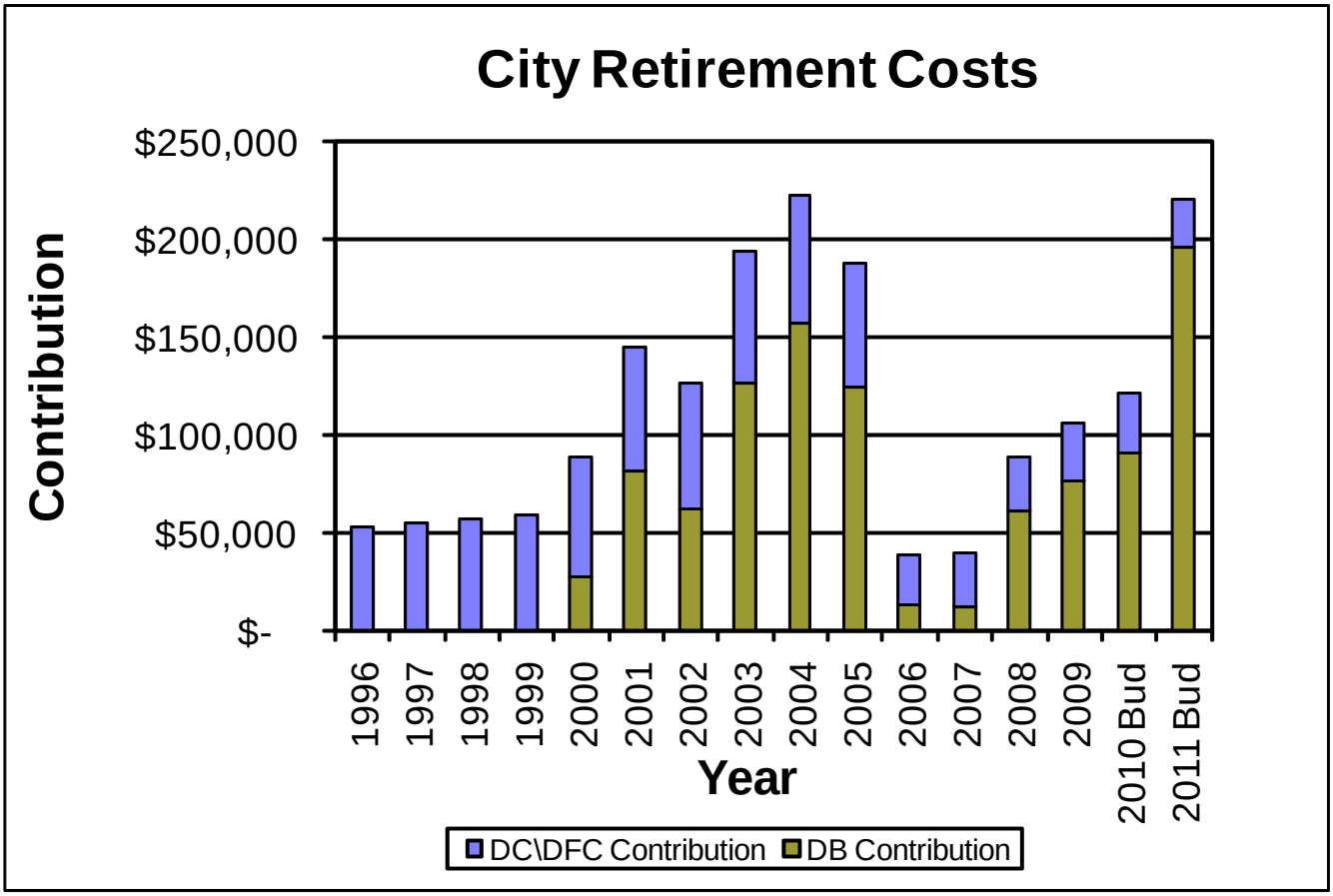
Pension

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 102.1%, which is very strongly funded; in the top 5% of all MERS plans. This percentage has declined over time, as is expected actuarially, and also because of the recent market downturn. The table below shows relevant pension information.

Division	Percent Funded	Normal Cost	Required Minimum	Budgeted Contribution
01 Non-Union	98.3%	5.07%	5.65%	7.00%
02 POAM	104.3%	10.68%	8.11%	10.00%
05 IAFF	87.0%	10.47%	15.72%	17.00%
10 USW	118.6%	4.59%	0.00%	4.00%
20 COAM	101.7%	10.06%	10.12%	11.00%
City	102.1%			

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 $75,000. The required contribution trend has risen sharply in recent years. A slowly rising contribution is actuarially expected, but the reasons for the faster rate of increase 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.



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 2009, 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. Currently, this cost sharing formula has resulted in arbitration cases being filed by both the USW and IAFF, which will be settled in the upcoming budget year. This is a vast improvement over the recent premium increases. The non-union staff is also on this plan. Currently, employees contribute 7.9% of the premium cost which is expected to rise to 13.3% in the proposed budget.

Other Benefits

The budget eliminates longevity payments and sick time sell back for all groups. This will have to be negotiated into all four union contracts, but will be implemented for the non-union staff. The elimination of longevity payments will save approximately $14,000 per year City-wide. Sick time sell back will save at least $5,000 per year, although this amount is highly variable because of each employee's utilization.

Unemployment insurance costs are expected to rise over the next few years as the number of City employees is reduced and more claim unemployment.

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 2009 was $303,235 and is projected to be $264,495 at the end of FY 2010. The current trend is unsustainable without structural reform.

The contract with Allied Waste expires June 30, 2010. As the budget was being prepared, the City was going thru an exhaustive request for proposal process to identify ways in which refuse and recycling services could be provided. It will include a variety of options and costs.

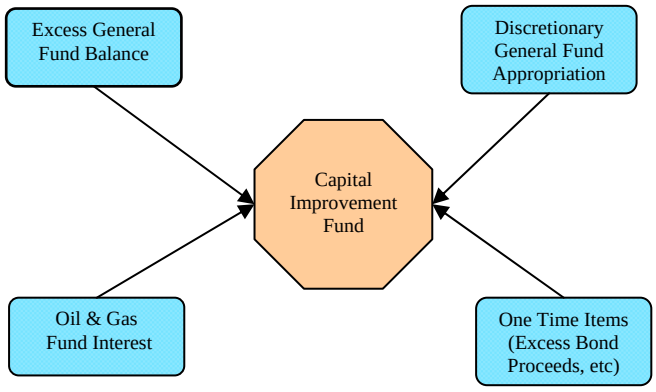
The results of this process were not available to aid in the preparation of the budget. Therefore, the proposed budget reflects the status quo. Prior to the budget being adopted, Council will have reviewed the responses to the RFP and will have reached a consensus on how refuse and recycling services will be provided and paid for in the City of Manistee. The budget will be adjusted at that point, prior to adoption, to reflect this new model.

As part of the Council discussion, it is important to note that the Refuse fund provides $139,000 in revenue to the City's General fund. In addition to reimbursement to the General fund for administration in the amount of $40,000 and trash haul in the amount of $31,000, **the Refuse fund makes a significant operating transfer to the General fund as an operating subsidy. The amount is $68,000.** However, under either the current system, revenues are insufficient to continue this payment into the future. Whatever service delivery and payment system emerges from Council discussions needs to take these financial realities into consideration.

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, Municipal Marina or Boat Launch.

The primary source of funding is Oil & Gas fund earnings. 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 to the Capital Improvement fund. Based on the FY 2009 audit, the general fund is below the 20% threshold, so no transfer will occur in FY 2010 and none is anticipated in the foreseeable future.

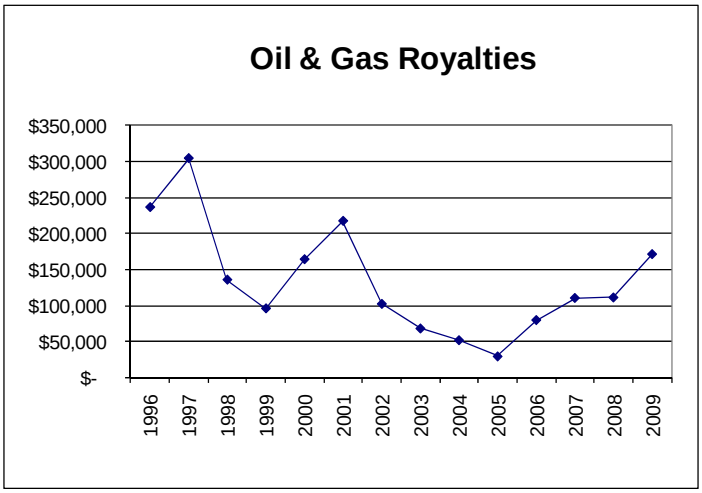
Projects in the Capital Improvement Fund will be supported by case statements that can be found in the Capital Improvement Plan and\or Capital Improvement fund budget.

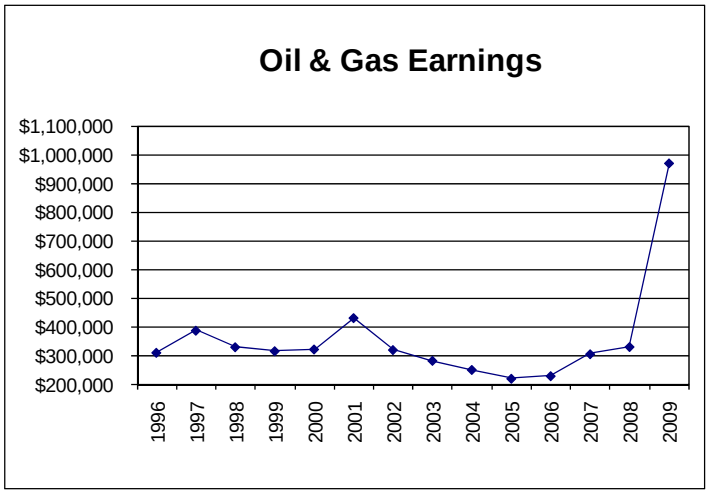
Issue Page — Oil & Gas Fund

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 fluctuated over the past ten years because oil and gas production volumes have varied and the price of oil and gas has moved up and down considerably. 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. 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.





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 Manager is recommending that these requests, where not contractually obligated, be reduced by 5% from the previous year funding level. Challenging financial times require all organizations to operate more efficiently, and in light of the City reorganization and budget challenges, it seems appropriate that our partner organizations help shoulder some of this burden. It would also be the City Manager's recommendation that when economic times improve, the appropriation funding levels be restored.

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. Up until last year, the City had done this on the winter tax bill, but not the summer tax bill. Institutional memory and conventional wisdom indicate that past Councils had not desired to charge this administration fee in the summer since this was the primarily the City's tax collection.

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 was a sharp decrease in the property tax administration fee revenue. In the prior budget, Council approved levying the property tax administration fee on all non-City summer taxes. This resulted in restoring $23,000 in foregone or lost revenue and enhancing revenues by about $10,500.

The proposed budget recommends levying this administration fee on all summer taxes, including City taxes. The inclusion of City taxes would result in an increase in revenue of of approximately $38,500. **The General fund revenue budget assumes this administration fee is approved and incorporates this additional revenue.**

In light of the extreme budget challenges facing the City, and the desire to maintain services to the residents, this additional fee is warranted and advisable. Without this fee, additional budget cuts will have to be implemented.

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. The City is proposing moving to a Basic Life Support – Transport service. This would allow the City to transport patients to the hospital. Fire Chief Sid Scrimger prepared a memo regarding the impact of this:

MEMO TO: Edward Bradford, Finance Director

FROM: Sid Scrimger, Fire Chief

DATE: February 14, 2010

SUBJECT: Budget Issues

Last year, I proposed the fire department upgrade its license and become a BLS transport agency to capture revenues currently being paid for those services. In reviewing the information used to make my projections I have encountered new information that significantly impacts those projections. Simply put, my projections were based on MFD transporting only those patients requiring basic life support, with all patients meeting the advanced life support protocol being transported by West Shore Medical Center.

I have learned that the rules for Manistee County would actually call for MFD to make nearly all ALS transports, increasing the number of billable transports by 80-90%. I am making the same recommendation this year with the anticipated number of billable runs increased by 50%.

Overtime -	Increase by $1500/year to allow for runs at the end of a shift and additional call-ins.
Operating Supplies -	Increase by $7500/year to allow for additional medical supplies.
Professional Services –	Increase by $1500/year to provide for laundering of medical linens and disposal of medical waste.
Repairs and Maintenance –	Increase by $800/year for additional maintenance to rescue.
Capital Outlay-	Increase by $5000 in the first year to allow for purchase of equipment needed to upgrade license.

Additional expenses, year one - $16,300
Additional expense, following years - $11,300

Using Accumed's earlier projections, which I have not increased to allow for increases in Medicare or run volume, anticipated revenues should be between $75,000 and $90,000. I would use the more conservative number for the budget. This gives a net revenue increase of $58,700 in the first year and $63,700 after that.

I should also note that my recent discussions with neighboring fire chiefs leads me to believe that a move to BLS transport licensure would significantly enhance service consolidation discussions with those departments.

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 does include the upgrade to BLS-T.

Issue Page — Accounting Change – GASB 54

The Government Accounting Standards Board (GASB) is the agency charged with establishing accounting standards for governments. It recently issued GASB Statement 54 – Fund Balance Reporting and Governmental Fund Type Definitions. This statement deals with two main areas.

The first area it deals with is the classification of fund balance. The statement establishes an entirely new scheme for reporting this important financial measure. The new requirement creates five different classifications of fund balance, summarized below:

- Non-spendable — Cannot be spent (legally restricted or in unspendable form)
- Restricted — Externally imposed (law, creditor, bond covenant)
- Committed — Constraints approved by Council
- Assigned — Constrained by intent less than Council
- Unassigned — Available to spend, unrestricted

The City will be required to report these classifications in its annual audit and will need to adopt policies which address some of the other aspects of these new categories.

The second area it deals with is the establishment and classification of governmental fund types. In summary, it restricts how special revenue funds can be used and specifies that activities that do not meet the new requirements must be reported in the General fund. In light of this new statement, the City reviewed all of its funds in consultation with its auditor and consolidated and\or eliminated a number of funds as shown below:

245 - OIL & GAS FUND	Reclassified as Permanent
211 - MAPLE STREET BRIDGE FUND	Merged with General
213 - RIVERWALK MAINTENANCE FUND	Merged with General
296 - RAMSDELL THEATRE FUND	Reclassified as Enterprise
280 - SPECIAL ASSESSMENT FUND	Merged with Street Improvement
266 - CRIMINAL JUSTICE TRAINING FUND	Merged with General
412 - INDUSTRIAL PARK	Merged with General
490 - RENAISSANCE PARK	Merged with General
351 - DEBT SERVICE FUND	Merged with various Funds

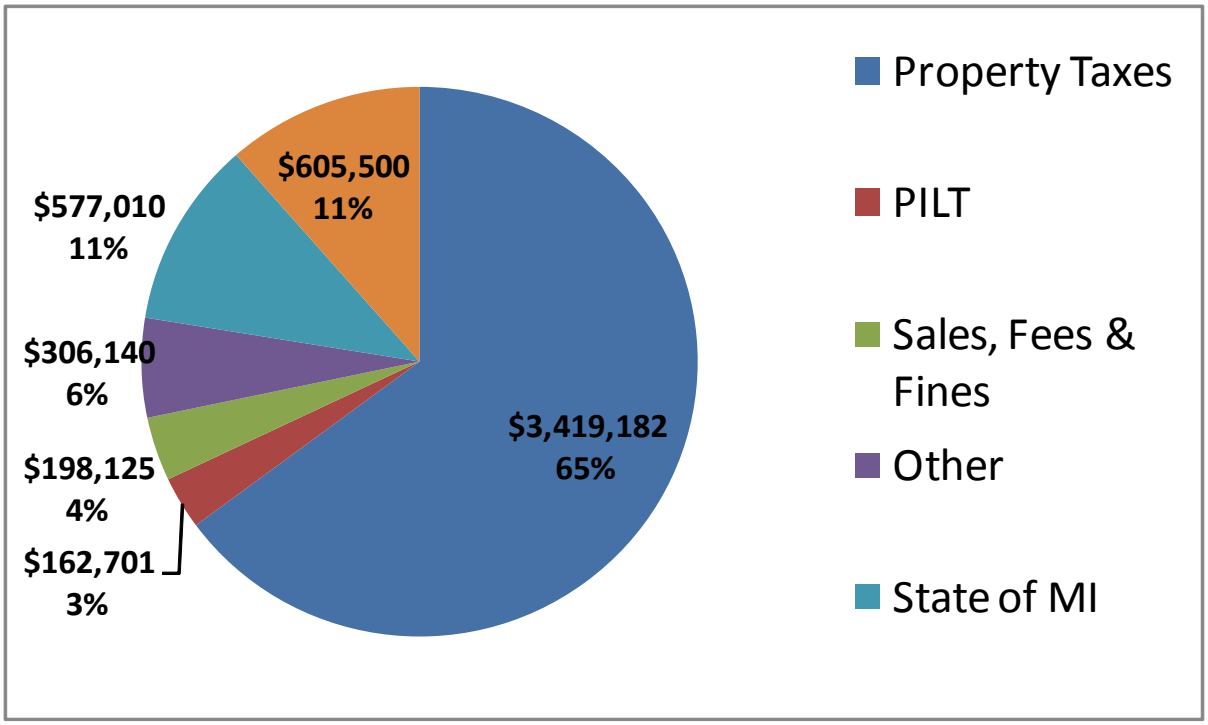
Issue Page — Interfund Activity

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			
Oil & Gas	Water & Sewer	$320,770	Transfer investment earnings in
Water & Sewer	Capital Improvement	$320,770	Transfer investment earnings out
General	Ramsdell Theatre	$ 60,000	Operating subsidy
Cool Cities	Water & Sewer	$400,000	Infrastructure grant
Charge for Services			
General	Motor Pool	$184,275	Lease of equipment
Water & Sewer	Motor Pool	$103,194	Lease of equipment
Building Inspector	General	$ 10,000	Reimbursement
Major Street	General	$189,000	Reimbursement
Local Street	General	$ 75,000	Reimbursement
Refuse	General	$ 15,500	Reimburse for trash haul
Refuse	General	$ 19,000	Reimburse for yard waste
Refuse	General	$ 40,000	Administration
Water & Sewer	General	$235,000	Administration
Marina	General	$ 13,000	Administration
Boat Ramps	General	$ 9,000	Administration

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 **increased $78,433** or **1.5%** from the prior year budget. This number is misleading because it reflects both the results of the restructuring and the results of the changed GASB accounting requirements. Major revenue changes are summarized below and explained further in each section:

	Revenue Impact	Expense Impact	Revenue Impact
Taxable Value Decline	($81,000)	$ -	
State Revenue Reduction	($139,000)	$ (14,000)	
Net Acct Chg	$156,500	$ 168,000	
BLST	$75,000	$ -	
Admin Fee City Taxes	$38,500	$ -	
PILT	$18,000	$ -	
DPW Restructure	$96,000	$ 96,000	
Interest	($4,000)		
Total	**$160,000**	**$250,000**	**($90,000)**

Property Tax Revenue: Property tax and related revenue **increased $24,328** or **0.7%** from the prior budget. This category includes taxes, penalties and interest and the administration fee. Taxable value showed a decrease of 1.7%. The impact of this on City taxes was a reduction of ($81,000). This reduction is offset by applying the property tax administration fee to the City taxes, per the State's recommendations. These changes are summarized below:

Taxable Value Decline	($81,000)
Admin Fee on City Taxes	$38,500
Total	**($42,500)**

Payment in Lieu of Taxes Revenue: PILT revenue **decreased $18,026** or **12.5%**. 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 in Filer Township.

State of Michigan Revenue: State revenue **increased ($135,976)** or **-19.1%**. 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 State's budget crisis. The budget assumes a 25% reduction. It also assumes that constitutional revenue sharing payments will decline by 3% as sales tax revenues decline due to the national recession.

Inter-Fund Revenue: Inter-fund revenue **increased $40,416** or **7.2%** This category includes various reimbursements to the General Fund for personnel, equipment and administration. The increase in this category is primarily the result of the restructuring of the DPW Department. Previously, the Utilities Superintendent was charged 100% to the water and sewer utility. Under the reorganization, the new DPW Director is charged to the DPW. A corresponding cost allocation has been made to the water & sewer utility. The increased expense and reimbursement offset each other. The water & sewer allocation was also increased for the expected increase in work related to the sewer separation projects. This category also assumes administrative fees and reimbursement charges totaling $74,500 from the refuse fund remain. If the refuse fund is restructured, it may impact these charges.

Sales, Fees & Fines: Sales, fees and fines **increased $76,080** or **62.3%**. This was mainly the result of the Fire Department transitioning to a Basic Life Support Transport agency. The budget also includes accounting related changes of $11,000 which will add to the baseline, and a onetime $8,000 item for a timber sale.

Other Revenue: Other revenue **increased $139,560** or **83.8%**. This category includes interest income, franchise fees, reimbursement, lease income, refunds and the like. This increase is almost entirely related to an accounting change with no net impact. The streetscape debt is a City obligation; however, the DDA reimburses the City for the bond payments. With the elimination of the debt service fund, the bond payment and associated reimbursement are now recorded in the general fund. Year over year base income is expected to decline by about $4,000 due to persistently low interest rates and resultant lower interest income.

Transfers In: Transfers in **decreased ($84,000)** or **-100.0%**. The transfer in from the industrial park fund that had paid a portion of the Alliance for Economic Success contract has been eliminated because the Industrial Park fund has been merged with 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:
Council modified the Manager's restructuring recommendations and the agreement with the DDA was altered which reduced revenue.

REVENUES	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
402.000 Real & Pers Prop Tax	$ 3,048,838	$ 3,121,364	$ 3,121,364	$ 2,982,506	$ 2,982,506	$ 3,044,107
411.000 Delinquent Real Prop Tax	$ 253,764	$ 165,358	$ 165,358	$ 229,431	$ 229,431	$ 234,170
420.000 Delinquent Pers Prop Tax	$ 6,279	$ 18,135	$ 18,135	$ 5,460	$ 5,460	$ 5,573
445.000 Tax Penalties & Interest	$ 44,465	$ 25,588	$ 25,588	$ 33,189	$ 33,189	$ 33,853
447.000 Tax Administration Fee	$ 29,941	$ 64,409	$ 64,409	$ 101,480	$ 101,480	$ 101,480
Total Tax Revenue	**$ 3,383,287**	**$ 3,394,854**	**$ 3,394,854**	**$ 3,352,066**	**$ 3,352,066**	**$ 3,419,182**
640.000 In Lieu of Taxes	$ 131,502	$ 144,675	$ 145,000	$ 162,701	$ 162,701	$ 162,701
Total PILT	**$ 131,502**	**$ 144,675**	**$ 145,000**	**$ 162,701**	**$ 162,701**	**$ 162,701**
539.000 State Grant Revenue	$ 13,661	$ 17,290	$ 17,000	$ 3,000	$ 3,000	$ 3,000
574.000 State Share Liquor Tax	$ 8,550	$ 8,300	$ 8,000	$ 8,300	$ 8,300	$ 8,300
575.000 State Shared Revenue	$ 703,064	$ 687,396	$ 629,000	$ 562,710	$ 562,710	$ 565,710
Total State Revenue	**$ 725,275**	**$ 712,986**	**$ 654,000**	**$ 574,010**	**$ 574,010**	**$ 577,010**
627.000 Charge for Serv - Bldg. Insp.	$ 9,800	$ 8,000	$ 8,000	$ 10,000	$ 10,000	$ 10,000
628.000 Charge for Serv - Boat Ramp	$ 8,700	$ 9,857	$ 9,857	$ 11,000	$ 11,000	$ 9,000
630.000 Charge for Serv - Local St.	$ 88,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000	$ 75,000
631.000 Charge for Serv - Major St.	$ 209,000	$ 189,000	$ 189,000	$ 189,000	$ 189,000	$ 189,000
632.000 Charge for Serv - Marina	$ 10,500	$ 12,152	$ 12,152	$ 13,000	$ 13,000	$ 13,000
634.000 Charge for Serv - Refuse	$ 66,945	$ 72,000	$ 72,000	$ 71,000	$ 71,000	$ 74,500
635.000 Charge for Serv - W&S	$ 210,000	$ 199,076	$ 199,076	$ 297,000	$ 297,000	$ 235,000
Total Inter-Fund Revenue	**$ 602,945**	**$ 565,085**	**$ 565,085**	**$ 666,000**	**$ 666,000**	**$ 605,500**
450.000 Business Registration	$ 1,125	$ 1,125	$ 1,500	$ 1,125	$ 1,125	$ 1,125
480.000 Licenses		$ -	$ -	$ -	$ -	$ -
485.000 Permits	$ 15,720	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500
626.000 Charge for Service	$ 43,329	$ 40,500	$ 40,500	$ 120,500	$ 120,500	$ 102,300
629.000 Charge for Serv - Inspections	$ 13,720	$ 13,220	$ 13,500	$ 13,500	$ 13,500	$ 13,500
642.000 Sales	$ 1,544	$ 2,200	$ 42,000	$ 16,200	$ 16,200	$ 16,200
655.000 Fines & Forfeits	$ 48,906	$ 57,500	$ 40,000	$ 57,500	$ 57,500	$ 57,500
				$ -		
Total Sales, Fees & Fines	**$ 124,344**	**$ 122,045**	**$ 145,000**	**$ 216,325**	**$ 216,325**	**$ 198,125**

		Actual	Budget	Projected	Request	Budget	Adopted
490.000	Franchise Fees	$ 82,744	$ 82,000	$ 83,500	$ 83,000	$ 83,000	$ 83,000
664.000	Interest Income	$ 27,676	$ 20,000	$ 14,000	$ 16,000	$ 16,000	$ 15,820
667.000	Rental Income	$ 7,125	$ 7,000	$ 4,000	$ 6,000	$ 6,000	$ 6,000
668.000	Riverfront Lease Income	$ 21,506	$ 22,580	$ 22,580	$ 23,704	$ 23,704	$ 23,704
671.000	Other Revenue	$ 857	$ 500	$ 500	$ 500	$ 500	$ 1,000
674.000	Contributions\Donations	$ 14,410	$ 1,000	$ 500	$ 1,000	$ 1,000	$ 1,000
676.000	Reimbursements	$ 175,730	$ 20,000	$ 28,000	$ 166,716	$ 166,716	$ 162,116
687.000	Refunds	$ 929	$ -	$ -	$ -	$ -	$ -
688.000	Refunds - W.C. Premium	$ 29,466	$ 13,500	$ 13,500	$ 13,500	$ 13,500	$ 13,500
695.000	Insurance Settlement	$ 12,946	$ -	$ 5,000	$ -	$ -	$ -
					$ -		
Total Other Revenue		**$ 373,389**	**$ 166,580**	**$ 171,580**	**$ 310,420**	**$ 310,420**	**$ 306,140**
699.000	Operating Transfer In	$ 82,000	$ 84,000	$ 84,000	$ 68,000	$ 68,000	$ -
Total Transfers In		**$ 82,000**	**$ 84,000**	**$ 84,000**	**$ 68,000**	**$ 68,000**	**$ -**
TOTAL REVENUES		**$ 5,422,742**	**$ 5,190,225**	**$ 5,159,519**	**$ 5,349,522**	**$ 5,349,522**	**$ 5,268,659**

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, debt service & transfers out to other funds for operating needs.

General Operating Assumptions & Notes

Overall Costs: Budgeted costs **increased $128,138** or **23.0%** from the prior year budget.

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

Operational Costs: Operational costs **increased $128,138** or **23.0%**. Estimated streetlight costs increased by $3,000 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 $2,000 based on last year's actual cost and the property and casualty pool's performance. Professional services will decline by $24,000 mainly because of the operational service assessment being completed. The no-interest Renaissance park loan payment of $5,600 and the 1999 Streetscape debt payment (reimbursed by the DDA) is now being recorded in the general fund because of accounting standards changes. This is the reason for the large increase. Actual operational expenses decreased.

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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
728.000 Operating Expense	$ 69	$ -	$ -	$ -	$ -	$ -
801.000 Professional Services	$ 32,060	$ 58,000	$ 58,000	$ 34,000	$ 34,000	$ 34,000
822.000 Insurance	$ 74,169	$ 84,000	$ 84,000	$ 82,000	$ 82,000	$ 82,000
855.000 Utilities - Cell Phones	$ 6,050	$ 7,000	$ 7,000	$ 8,400	$ 8,400	$ 8,400
859.000 Utilities - Data\Internet	$ 5,387	$ 6,000	$ 6,000	$ 6,500	$ 6,500	$ 6,500
901.000 Postage	$ 25,818	$ 25,000	$ 25,000	$ 26,000	$ 26,000	$ 26,000
905.000 Retirement Fund Contribution	$ -	$ -	$ -	$ -	$ -	$ -
915.000 Manistee Co. Airport Payment	$ -	$ -	$ -	$ -	$ -	$ -
925.001 Electric - Street Lights	$ 110,925	$ 107,000	$ 110,000	$ 110,000	$ 110,000	$ 110,000
940.000 Rent	$ 4,914	$ 5,000	$ 5,000	$ 1,800	$ 1,800	$ 1,800
959.000 Bad Debt	$ -	$ -	$ -	$ -	$ -	$ -
960.000 Bank Charges	$ 3,864	$ 1,000	$ 1,000	$ 3,000	$ 3,000	$ 3,000
945.000 Building Rental	$ -	$ -	$ -	$ -	$ -	$ -
964.000 Refunds	$ -	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
970.000 Capital Outlay	$ -	$ -	$ -	$ -	$ -	$ -
989.000 Computer Hardware & Software	$ 971	$ 5,000	$ 5,000	$ 5,000	$ 5,000	$ 5,000
992.002 Renaissance Park Loan Principa	$ -	$ -	$ -	$ 5,616	$ 5,616	$ 5,616
992.004 Bond Principal (1999 DDA)				$ 90,000	$ 90,000	$ 90,000
992.005 2003 Cap Imp Principal				$ 95,000	$ 95,000	$ 95,000
997.004 Bond Interest (1999 DDA)				$ 56,716	$ 56,716	$ 56,716
997.005 2003 Cap Imp Interest				$ 98,206	$ 98,206	$ 98,206
999.000 Operating Transfer Out	$ 248,450	$ 256,100	$ 256,100	$ 60,000	$ 60,000	$ 60,000
TOTAL GENERAL OPERATING	**$512,677**	**$556,100**	**$559,100**	**$684,238**	**$684,238**	**$ 684,238**

General Fund — Legislative

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

Legislative Assumptions & Notes

Overall Costs: Budgeted costs **decreased ($3,629)** or **-7.5%** from the prior year budget.

Employee Costs: Employee costs **decreased ($4)** or **0.0%** from the prior budget. Council previously rejected a wage increase recommended by the Compensation Commission.

Operational Costs: Operational costs **decreased ($3,625)** or **-18.6%**. The decrease was the result of reduced travel and training expense based on the MML annual convention's location, and the elimination of Mayor's Exchange.

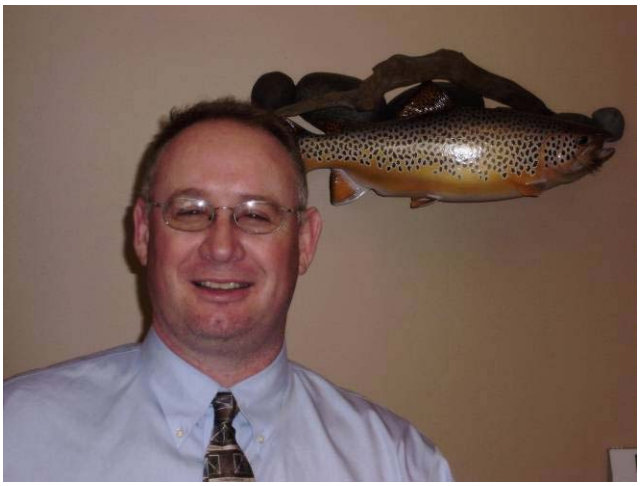
City Council Decision: City Council took the following action on the Manager's recommended budget:

☐ Budget as recommended ☒ Budget with changes

Changes:
Council eliminated Mayor's exchange, but will revisit the issue in the Spring and may reinstate if money allows.

101 Legislative	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 26,659	$ 27,052	$ 27,052	$ 27,052	$ 27,052	$ 27,052
712.001 Costs - Social Security	$ 1,653	$ 1,677	$ 1,677	$ 1,677	$ 1,677	$ 1,677
712.002 Costs - Medicare	$ 387	$ 392	$ 392	$ 392	$ 392	$ 392
712.007 SUTA	$ -	$ -	$ -	$ -	$ -	$ -
712.009 Costs - Work Comp	$ 36	$ 73	$ 73	$ 69	$ 69	$ 69
Employee Costs	**$ 28,735**	**$ 29,194**	**$ 29,194**	**$ 29,191**	**$ 29,191**	**$ 29,191**
728.00 Office/Operating Expense	$ 7,646	$ 12,500	$ 12,500	$ 12,500	$ 12,500	$ 9,625
860.000 Travel & Training Expense	$ 4,664	$ 7,000	$ 7,000	$ 6,250	$ 6,250	$ 6,250
Operating Costs	**$ 12,310**	**$ 19,500**	**$ 19,500**	**$ 18,750**	**$ 18,750**	**$ 15,875**
TOTAL LEGISLATIVE	**$ 41,045**	**$ 48,694**	**$ 48,694**	**$ 47,941**	**$ 47,941**	**$ 45,066**

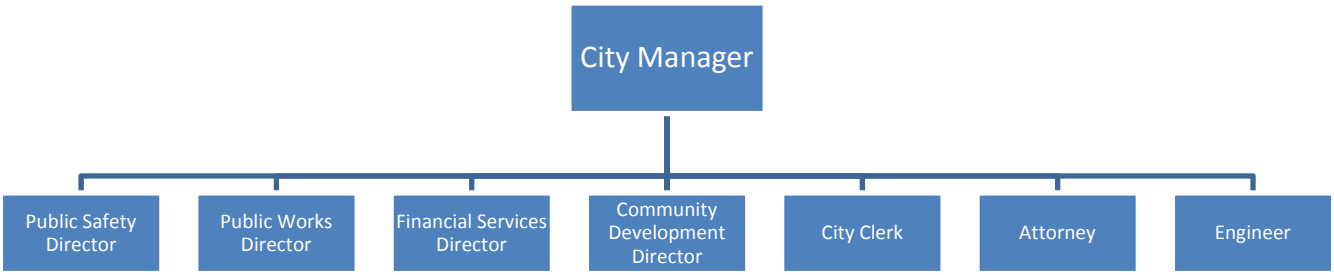
General Fund — City Manager



Mitch Deisch is the City Manager for the City of Manistee. He has been with the City for 9 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.



General Fund City Manager

Manager Assumptions & Notes

Overall Costs: Budgeted costs **decreased ($935)** or **-0.5%** from the prior year budget.

Employee Costs: Employee costs **increased $833** or **0.5%** from the prior budget. Longevity payments were eliminated. Pension costs increased as a result of an increase in the contribution rate for the non-union division. Unemployment costs increased due to the City's experience. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City.

Operational Costs: Operational costs **decreased ($2,500)** or **-9.7%** 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:
Two furlough days for the City Manager were added through the budget process.

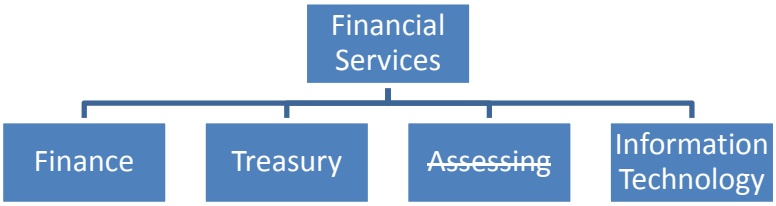
172 Manager	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 133,626	$ 133,114	$ 133,114	$133,114	$133,114	$132,434
703.000 Longevity	$ 800	$ 825	$ 825	$0	$0	$0
704.000 Overtime	$ 541	$ 500	$ 500	$0	$0	$0
706.000 Part-Time	$ -	$ -	$ -	$0	$0	$0
712.001 Costs - Social Security	$ 9,320	$ 9,474	$ 9,474	$9,565	$9,565	$9,522
712.002 Costs - Medicare	$ 2,196	$ 2,216	$ 2,216	$2,237	$2,237	$2,227
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$0	$0	$0
712.005 Costs - MERS	$ 12,858	$ 13,276	$ 13,276	$14,663	$14,663	$14,663
712.006 Costs - In Lieu of BC/BS	$ 4,616	$ 5,094	$ 5,094	$5,640	$5,640	$5,640
712.007 Costs - SUTA	$ 74	$ 74	$ 74	$317	$317	$317
712.009 Costs - Work Comp	$ 490	$ 565	$ 565	$549	$549	$549
712.010 Costs - Blue Cross Insurance	$ 14,161	$ 13,238	$ 13,238	$13,853	$13,853	$13,853
712.011 Costs - Life Insurance	$ 788	$ 808	$ 808	$809	$809	$809
Employee Costs	**$ 179,470**	**$ 179,182**	**$ 179,182**	**$180,748**	**$180,748**	**$180,015**
728.000 Operating Expense	$ 2,679	$ 5,000	$ 5,000	$ 4,300	$ 4,300	$ 4,300
735.000 Periodicals & Publications	$ 304	$ 350	$ 350	$ 150	$ 150	$ 150
801.000 Professional Services	$ 250	$ 1,000	$ 1,000	$ 500	$ 500	$ 500
831.000 Contractual Repairs & Maint.	$ 791	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200
860.000 Travel & Training Expense	$ 2,530	$ 3,700	$ 3,700	$ 3,300	$ 3,300	$ 3,300
865.000 Vehicle Allowance	$ -	$ -	$ -	$ -	$ -	$ -
870.000 Memberships & Dues	$ 992	$ 990	$ 990	$ 990	$ 990	$ 990
873.000 Education	$ -	$ 500	$ 500	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -	$ -
900.000 Printing & Publishing	$ 241	$ 200	$ 200	$ -	$ -	$ -
930.000 Repairs\Maint - Veh & Equip	$ -	$ -	$ -	$ -	$ -	$ -
957.000 Motor Pool	$ 9,450	$ 9,450	$ 9,450	$ 9,450	$ 9,450	$ 9,450
970.000 Capital Outlay	$ -	$ -	$ -	$ -	$ -	$ -
985.000 Lease Purchase	$ 3,370	$ 3,341	$ 3,341	$ 3,341	$ 3,341	$ 3,341
Operating Costs	**$ 20,607**	**$ 25,731**	**$ 25,731**	**$ 23,231**	**$ 23,231**	**$ 23,231**
TOTAL MANAGER	**$ 200,077**	**$ 204,913**	**$ 204,913**	**$ 203,979**	**$ 203,979**	**$ 203,246**

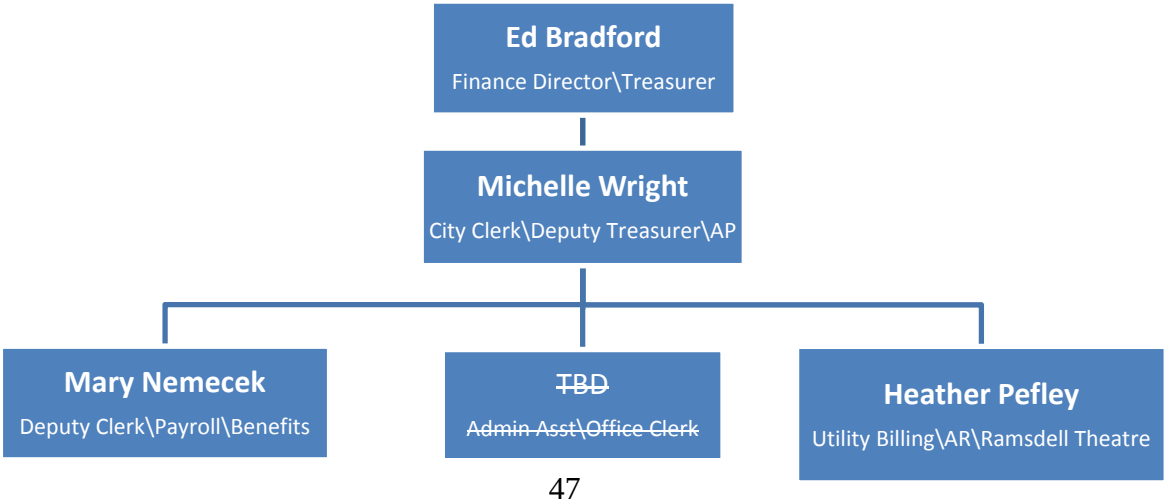
General Fund — Financial Services

Edward Bradford is the Financial Services Director for the City of Manistee, and is the City's Chief Financial Officer. He has been with the City for 8 years.

The Financial Services Department is responsible for all financial activities in the City, with four main areas of responsibility: finance, treasury, ~~assessing~~ and information technology. 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\managing IT contracts
- ~~Managing Assessing contract~~





Financial Services Assumptions & Notes

Overall Costs: Budgeted costs **decreased ($3,483)** or **-1.7%** from the prior year budget. The large increase was the result of an organizational restructuring. See Employee issue page for more details.

Employee Costs: Employee costs **decreased ($11,363)** or **-7.2%** from the prior budget. Longevity payments were eliminated. Pension costs increased as a result of an increase in the contribution rate for the non-union division. Unemployment costs increased due to the City's experience. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. The permanent part-time employee was eliminated from the budget.

Operational Costs: Operational costs **increased $7,880** or **16.2%**. The increase was almost entirely due to professional services. ~~Due to the elimination of in-house assessing, this function will now be contracted out and overseen by this department. The professional services line was increased by $103,000 to cover the cost of the contract and implementation costs.~~ The department is also 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. Approximately 90% of the department's operational budget is non-discretionary, either the contractual professional services previously mentioned or software maintenance agreements.

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

☐ Budget as recommended ☒ Budget with changes

Changes:
The permanent part-time employee was eliminated from the budget and the department head was assigned two furlough days. Assessing will not be reporting to the Finance Director at this time.

253 Finance	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$108,553	$108,136	$108,136	$109,527	$109,527	$108,992
703.000 Longevity	$ 375	$ 425	$ 425	$0	$0	$0
704.000 Overtime	$ 9	$ 250	$ 250	$250	$250	$250
706.000 Part-Time	$ 15,603	$ 13,000	$ 2,000	$13,000	$13,000	$0
708.000 V\S\H Sellback	$ 459	$ -	$ -	$0	$0	$0
712.001 Costs - Social Security	$ 8,053	$ 8,121	$ 8,121	$8,295	$8,295	$7,331
712.002 Costs - Medicare	$ 1,883	$ 1,899	$ 1,899	$1,940	$1,940	$1,714
712.004 Costs - ICMA Contribution	$ 7,643	$ 7,649	$ 7,649	$7,801	$7,801	$7,649
712.005 Costs - MERS	$ 1,144	$ 1,524	$ 1,524	$2,737	$2,737	$2,823
712.006 Costs - In Lieu of BC/BS	$ -	$ -	$ -	$0	$0	$0
712.007 Costs - SUTA	$ 102	$ 111	$ 111	$475	$475	$317
712.009 Costs - Work Comp	$ 467	$ 512	$ 512	$505	$505	$446
712.010 Costs - Blue Cross Insurance	$ 12,775	$ 15,385	$ 15,385	$16,123	$16,123	$16,123
712.011 Costs - Life Insurance	$ 652	$ 666	$ 666	$679	$679	$669
Employee Costs	**$157,718**	**$157,677**	**$146,677**	**$ 161,334**	**$161,334**	**$146,314**
728.000 Operating Expense	$ 3,946	$ 4,000	$ 4,000	$ 3,900	$ 3,900	$ 4,000
735.000 Periodicals & Publications	$ 898	$ 800	$ 800	$ 1,050	$ 1,050	$ 1,050
801.000 Professional Services	$ 39,901	$ 28,925	$ 28,925	$ 133,000	$133,000	$ 33,500
831.000 Contractual Repairs & Maint.	$ 8,121	$ 8,000	$ 8,000	$ 8,300	$ 8,300	$ 8,900
860.000 Travel & Training Expense	$ 2,787	$ 2,800	$ 2,800	$ 4,000	$ 4,000	$ 4,000
870.000 Memberships & Dues	$ 752	$ 595	$ 595	$ 450	$ 450	$ 450
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -	$ -
900.000 Printing/Publishing	$ 978	$ 1,100	$ 1,100	$ 800	$ 800	$ 1,200
930.000 Repairs\Maint - Vehicle & Equip	$ -	$ -	$ -	$ -	$ -	$ -
970.000 Capital Outlay	$ -	$ 500	$ 500	$ 500	$ 500	$ 1,500
985.000 Lease Purchase	$ 2,452	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Operating Costs	**$ 59,835**	**$ 48,720**	**$ 48,720**	**$ 154,000**	**$154,000**	**$ 56,600**
TOTAL FINANCE	**$217,553**	**$206,397**	**$195,397**	**$ 315,334**	**$315,334**	**$202,914**

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 **increased $0** or **0.0%** from the prior year budget.

Employee Costs: There are no employee costs as this is a contractual or fee for service relationship.

Operational Costs: Operational costs **increased $0** or **0.0%**. The budget remains flat from the prior year. However, labor related legal fees are expected to increase because all four union contracts will need to be negotiated.

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

☒ Budget as recommended ☐ Budget with changes

Changes:

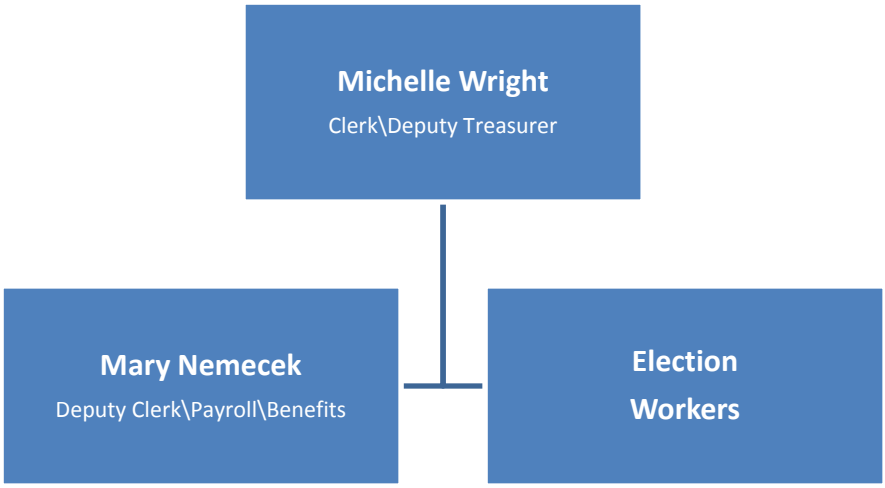
266 Attorney	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget
802.000 Professional Services - GWSH	$ 60,637	$ 45,000	$ 45,000	$45,000	$ 45,000
803.000 Prof Serv - Other Attorneys	$ 20,175	$ 35,000	$ 35,000	$35,000	$ 35,000
860.000 Travel & Training Expense	$ -	$ -			
TOTAL ATTORNEY	**$ 80,812**	**$ 80,000**	**$ 80,000**	**$80,000**	**$ 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 21 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 Financial Services 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



General Fund Clerk

Clerk Assumptions & Notes

Overall Costs: Budgeted costs **increased $3,847** or **2.1%** from the prior year budget.

Employee Costs: Employee costs **increased $3,442** or **2.4%** from the prior budget. Longevity payments were eliminated. Pension costs increased as a result of an increase in the contribution rate for the non-union division. Unemployment costs increased due to the City's experience. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City.

Operational Costs: Operational costs **decreased ($60)** or **-0.2%**. The decrease is the result of normal operational variances.

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

☐ Budget as recommended ☒ Budget with changes

Changes:
The department head was assigned two furlough days.

215 City Clerk	2009 Actual	2010 Budget	2010 Projected	Dept Requested	Manager Budget	Council Adopted
702.000 Salaries	$ 96,838	$ 96,467	$ 96,467	$96,467	$96,467	$96,035
703.000 Longevity	$ 725	$ 775	$ 775	$0	$0	$0
704.000 Overtime	$ -	$ 1,000	$ 1,000	$1,000	$1,000	$1,000
706.000 Part-Time	$ 12,057	$ 12,150	$ 12,150	$12,365	$12,365	$12,365
708.000 V\S\H Sellback	$ 388	$ -	$ -	$0	$0	$0
712.001 Costs - Social Security	$ 6,200	$ 7,082	$ 7,082	$7,318	$7,318	$7,292
712.002 Costs - Medicare	$ 1,450	$ 1,656	$ 1,656	$1,712	$1,712	$1,705
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$0	$0	$0
712.005 Costs - MERS	$ 2,876	$ 3,831	$ 3,831	$6,880	$6,880	$6,880
712.006 Costs - In Lieu of BC/BS	$ -	$ -	$ -	$0	$0	$0
712.007 Costs - SUTA	$ 74	$ 74	$ 74	$317	$317	$317
712.009 Costs - Work Comp	$ 355	$ 464	$ 464	$454	$454	$454
712.010 Costs - Blue Cross Insurance	$ 19,545	$ 19,260	$ 19,260	$20,149	$20,149	$20,149
712.011 Costs - Life Insurance	$ 555	$ 565	$ 565	$569	$569	$569
Employee Costs	**$ 141,063**	**$ 143,324**	**$ 143,324**	**$ 147,230**	**$ 147,230**	**$ 146,765**
728.000 Supplies - Operating	$ 2,807	$ 3,550	$ 3,550	$ 3,535	$ 3,535	$ 3,535
735.000 Periodicals & Publications	$ -	$ -	$ -	$ -	$ -	$ -
740.000 Election Expense	$ 6,902	$ 10,600	$ 10,600	$ 10,600	$ 10,600	$ 10,600
801.000 Professional Services	$ 6,274	$ 3,200	$ 3,200	$ 3,100	$ 3,100	$ 3,100
831.000 Contractual Repairs & Maint.	$ 6,775	$ 7,200	$ 7,200	$ 7,200	$ 7,200	$ 7,200
860.000 Travel & Training Expense	$ 3,280	$ 4,600	$ 4,600	$ 5,200	$ 5,200	$ 5,200
870.000 Memberships & Dues	$ 415	$ 430	$ 430	$ 485	$ 485	$ 485
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -	$ -
900.000 Printing/Publishing	$ 5,693	$ 6,800	$ 6,800	$ 6,200	$ 6,200	$ 6,200
930.000 Repairs & Maint - Vehicle\Equip	$ -	$ -	$ -	$ -	$ -	$ -
970.000 Capital Outlay	$ -	$ -	$ -	$ -	$ -	$ -
985.000 Lease Purchase	$ 2,940	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
Operating Costs	**$ 35,086**	**$ 39,380**	**$ 39,380**	**$ 39,320**	**$ 39,320**	**$ 39,320**
TOTAL CLERK	**$ 176,149**	**$ 182,704**	**$ 182,704**	**$ 186,550**	**$ 186,550**	**$ 186,085**

General Fund — Assessor

Julie Beardslee is the Assessor for the City of Manistee. She has been with the City for 19 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.

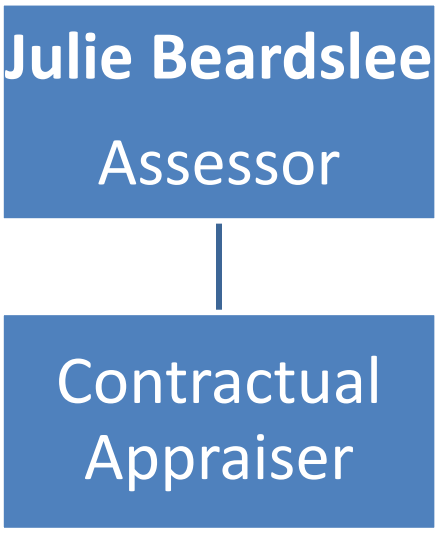
The state equalized value on your tax bill is 50% of the true cash or fair market value. Taxes are now based on taxable value, not state equalized value. Proposal A, which was passed by the electorate in 1994, limits increases in taxable value to 5% or the rate of inflation, whichever is less. New construction 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 **decreased $ (66,618)** or **-37.1%** from the prior year budget.

Employee Costs: Employee costs **decreased $ (64,933)** or **-40.9%** 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. The Assistant Assessor position was eliminated.

Operational Costs: Operational costs **decreased $ (1,685)** or **-8.1%** from the prior year budget. The decrease is driven by a reduction in training expense.

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

☐ Budget as recommended ☒ Budget with changes

Changes:
The original proposal to outsource Assessing thru contract was modified by Council. The Assessor position was maintained and the Assistant Assessor position was eliminated.

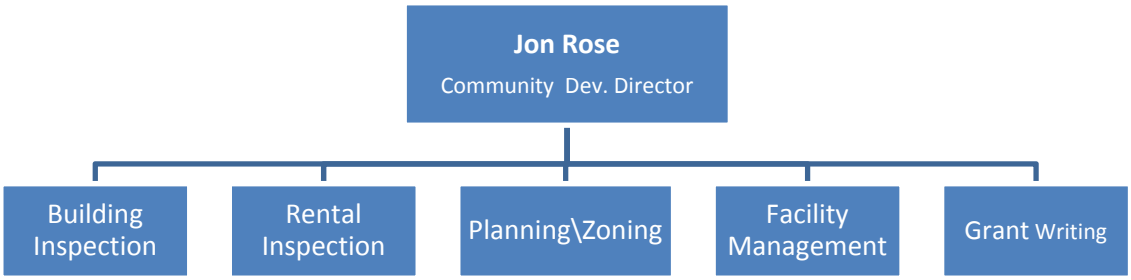
257 City Assessor	2009 Actual	2010 Budget	2010 Projected	Department Requested	Manager Budget	Council Adopted
702.000 Salaries	$ 107,369	$107,128	$107,128	$107,128	$ -	$63,208
703.000 Longevity	$ 700	$750	$750	$800	$ -	$0
704.000 Overtime	$ -	$500	$500	$500	$ -	$0
706.000 Part-Time	$ -	$0	$0	$0	$ -	$0
708.000 V\H\S Sellback	$ 1,399	$0	$0	$0	$ -	$0
712.001 Costs - Social Security	$ 7,134	$7,354	$7,354	$7,423	$ -	$4,496
712.002 Costs - Medicare	$ 1,668	$1,720	$1,720	$1,736	$ -	$1,052
712.004 Costs - ICMA Contribution	$ 7,001	$7,007	$7,007	$7,007	$ -	$7,007
712.005 Costs - MERS	$ 1,329	$1,724	$1,724	$2,499	$ -	$0
712.006 Costs - In Lieu of BC/BS	$ -	$0	$0	$0	$ -	$0
712.007 Costs - SUTA	$ 74	$74	$74	$317	$ -	$159
712.009 Costs - Work Comp	$ 893	$1,058	$1,058	$932	$ -	$751
712.010 Costs - Blue Cross Insurance	$ 30,252	$30,769	$30,769	$32,246	$ -	$16,623
712.011 Costs - Life Insurance	$ 608	$622	$622	$625	$ -	$476
714.001 Retire. Costs - Blue Cross	$ -	$0	$0	$0	$ -	$0
Employee Costs	**$ 158,426**	**$ 158,705**	**$ 158,705**	**$ 161,213**	**$ -**	**$ 93,772**
728.000 Operating Expense	$ 1,282	$ 4,000	$ 4,000	$ 4,000	$ -	$ 4,000
735.000 Periodicals & Publications	$ 932	$ 1,060	$ 1,060	$ 1,060	$ -	$ 940
801.000 Professional Services	$ 6,710	$ 6,500	$ 6,500	$ 6,500	$ -	$ 6,500
831.000 Contractual Repairs & Maint	$ 1,946	$ 2,195	$ 2,195	$ 2,195	$ -	$ 2,430
860.000 Travel & Training Expense	$ 2,660	$ 3,600	$ 3,600	$ 3,600	$ -	$ 2,200
865.000 Vehicle Allowance	$ 1,800	$ 1,800	$ 1,800	$ 1,800	$ -	$ 1,800
870.000 Memberships & Dues	$ 720	$ 720	$ 720	$ 720	$ -	$ 720
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -	$ -
900.000 Printing/Publishing	$ 190	$ -	$ -	$ -	$ -	$ -
930.000 Repairs\Maint - Veh & Equip	$ -	$ -	$ -	$ -	$ -	$ -
970.000 Capital Outlay	$ -	$ 1,000	$ 1,000	$ 1,000	$ -	$ 600
985.000 Lease Purchase	$ -	$ -	$ -	$ -	$ -	$ -
Operating Costs	**$ 16,241**	**$ 20,875**	**$ 20,875**	**$ 20,875**	**$ -**	**$ 19,190**
TOTAL ASSESSOR	**$ 174,667**	**$ 179,580**	**$ 179,580**	**$ 182,088**	**$ -**	**$ 112,962**

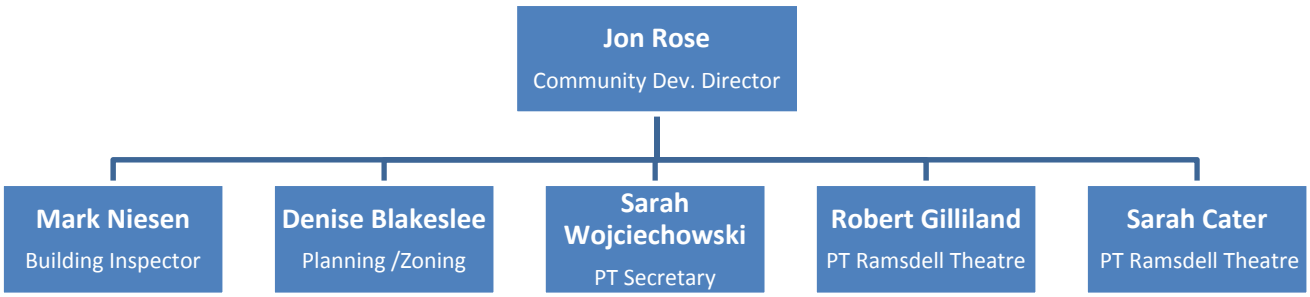
General Fund — Community Development

Jon Rose is the Community Development Director for the City of Manistee. He has been with the City for 19 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





Community Development Assumptions & Notes

Overall Costs: Budgeted costs **increased $9,886** or **3.9%** from the prior year budget.

Employee Costs: Employee costs **increased $8,086** or **3.3%** from the prior budget. The budget reflects an increase of one part-time employee. This employee will clean City Hall and draw on or assist with personnel from the Ramsdell Theatre in a pooling arrangement. As a result, the City Hall cleaning contract will be eliminated, saving over $20,000. Longevity payments were eliminated. Pension costs increased as a result of an increase in the contribution rate for the non-union division. Unemployment costs increased due to the City's experience. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City; however, one employee is expected to opt out this year saving around $10,000.

Operational Costs: Operational costs **increased $1,800** or **18.8%**. The increase was entirely due to an accounting change reclassifying the building inspector's vehicle allowance. It will be offset on the revenue side through an increase in the building inspector administration fee.

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

☐ Budget as recommended ☒ Budget with changes

Changes:
The department head was assigned two furlough days.

Community Development	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
748 Community Development						
702.000 Salaries	$ 164,276	$ 163,284	$ 163,284	$163,284	$163,284	$162,794
703.000 Longevity	$ 1,075	$ 1,150	$ 1,150	$0	$0	$0
704.000 Overtime	$ 378	$ 750	$ 750	$750	$750	$750
706.000 Part-Time	$ 13,466	$ 13,260	$ 13,260	$26,260	$26,260	$26,260
708.000 V\S\H Sellback	$ 1,053	$ -	$ -	$0	$0	$0
712.001 Costs - Social Security	$ 11,590	$ 11,686	$ 11,686	$13,164	$13,164	$13,134
712.002 Costs - Medicare	$ 2,711	$ 2,733	$ 2,733	$3,079	$3,079	$3,072
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$0	$0	$0
712.005 Costs - MERS	$ 5,004	$ 6,442	$ 6,442	$11,568	$11,568	$11,568
712.006 Costs - In Lieu of BC/BS	$ 3,721	$ -	$ -	$5,640	$5,640	$5,640
712.007 Costs - SUTA	$ 141	$ 148	$ 148	$792	$792	$792
712.009 Costs - Work Comp	$ 1,522	$ 1,888	$ 1,888	$1,706	$1,706	$1,706
712.010 Costs - Blue Cross Insurance	$ 34,066	$ 44,007	$ 44,007	$27,706	$27,706	$27,706
712.011 Costs - Life Insurance	$ 751	$ 762	$ 762	$775	$775	$775
Employee Costs	**$ 239,754**	**$ 246,110**	**$ 246,110**	**$ 254,724**	**$ 254,724**	**$ 254,197**
728.000 Operating Expense	$ 2,160	$ 3,650	$ 3,650	$ 3,650	$ 3,650	$ 3,650
735.000 Periodicals & Publications	$ 206	$ 250	$ 250	$ 250	$ 250	$ 250
801.000 Professional Services	$ -	$ -		$ -	$ -	$ -
831.000 Contractual Repairs & Maint	$ 1,076	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
860.000 Travel & Training Expense	$ 1,554	$ 2,200	$ 2,200	$ 2,200	$ 2,200	$ 2,200
865.000 Vehicle Allowance	$ 3,600	$ 2,000	$ 2,000	$ 3,800	$ 3,800	$ 3,800
870.000 Memberships & Dues	$ 256	$ 250	$ 250	$ 250	$ 250	$ 250
873.000 Education	$ -	$ -		$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -		$ -	$ -	$ -
900.000 Printing & Publishing	$ 85	$ 200	$ 200	$ 200	$ 200	$ 200
930.000 Repairs\Maint - Vehicle\Equip	$ -	$ -		$ -	$ -	$ -
957.000 Motor Pool	$ -	$ -		$ -	$ -	$ -
970.000 Capital Outlay		$ -		$ -	$ -	$ -
985.000 Lease Purchase		$ -		$ -	$ -	$ -
Operating Costs	**$ 8,937**	**$ 9,550**	**$ 9,550**	**$ 11,350**	**$ 11,350**	**$ 11,350**
TOTAL COMMUNITY DEVELOPMENT	**$ 248,691**	**$ 255,660**	**$ 255,660**	**$ 266,074**	**$ 266,074**	**$ 265,547**

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 **increased $0** or **0.0%** from the prior year budget.

Employee Costs: This department has no employee costs.

Operational Costs: Operational costs **increased $0** or **0.0%**. The budget reflects the merged Parks and Beautification Committee and the Planning Commission performing the 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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
712.001 Costs - Social Security	$ 70	$ 100	$ 100	$ 100	$ 100	$ 100
712.002 Costs - Medicare	$ 16	$ 25	$ 25	$ 25	$ 25	$ 25
881.000 Board of Review	$ 1,502	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
883.000 Harbor Commission	$ 119	$ 250	$ 250	$ 250	$ 250	$ 250
884.000 Historic District Commission	$ 120	$ 750	$ 750	$ 750	$ 750	$ 750
885.000 Non-Motorized Transportation	$ 265	$ 500	$ 500	$ 500	$ 500	$ 500
886.000 Parks & Beautification Commission	$ 196	$ 350	$ 350	$ 850	$ 850	$ 850
887.000 Planning Commission	$ 3,089	$ 5,600	$ 5,600	$ 5,600	$ 5,600	$ 5,600
888.000 Tree Commission	$ 297	$ 350	$ 350	$ 350	$ 350	$ 350
889.000 Zoning Board of Appeals	$ 848	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
TOTAL BOARDS & COMMISSIONS	**$ 6,522**	**$ 11,425**	**$ 11,425**	**$ 11,425**	**$ 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. Maintenance and repairs for the Fire Station and City Garage are recorded in the Fire|EMS and DPW budgets, respectively.

Municipal Buildings Assumptions & Notes

Overall Costs: Budgeted costs **decreased ($28,543)** or **-17.7%** from the prior year budget.

Employee Costs: The cost of a part-time staff member to clean City Hall in a pooling arrangement with the Ramsdell Theatre has been budgeted in the Community Development budget, which supervises the employee.

Operational Costs: Operational costs **decreased ($28,543)** or **-17.7%**. The contractual cleaning contract was eliminated.

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

☐ Budget as recommended ☒ Budget with changes

Changes:
Capital outlay of $3,000 was removed from the budget.

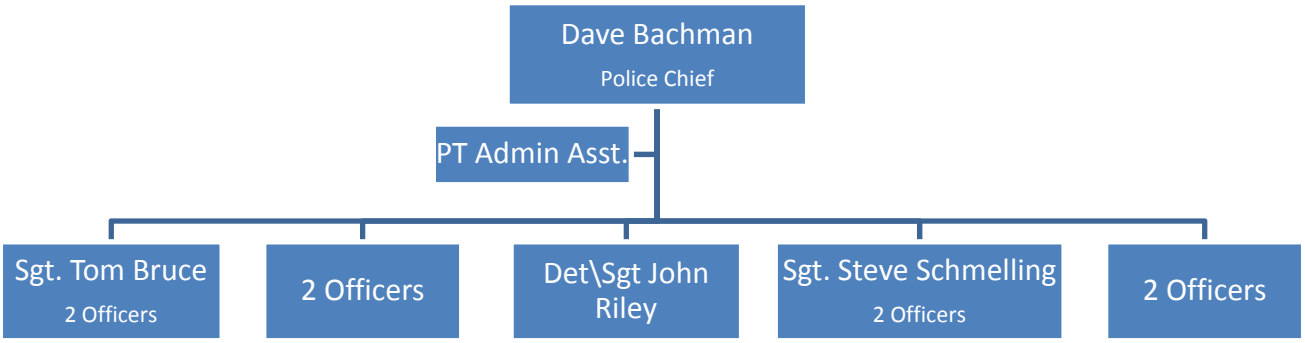
265 Municipal Buildings	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
728.000 Operating Supplies	$ 4,336	$ 6,000	$ 6,000	$ 6,000	$ 6,000	$ 6,000
801.000 Professional Services	$ 40,958	$ 37,000	$ 37,000	$ 40,357	$ 5,357	$ 5,357
831.000 Contractual Repairs & Maint.	$ 4,030	$ 1,500	$ 1,500	$ 4,050	$ 4,050	$ 4,050
850.000 Utilities - Phone	$ 23,272	$ 22,000	$ 22,000	$ 23,000	$ 23,000	$ 23,000
920.000 Gas - City Hall	$ 7,728	$ 6,200	$ 6,200	$ 6,700	$ 6,700	$ 6,700
920.336 Gas - Fire Dept	$ 5,421	$ 4,200	$ 4,200	$ 4,700	$ 4,700	$ 4,700
920.441 Gas - DPW	$ 29,357	$ 24,000	$ 24,000	$ 24,000	$ 24,000	$ 24,000
920.446 Gas - Bridge	$ 1,675	$ 1,200	$ 1,200	$ 1,400	$ 1,400	$ 1,400
922.000 Water - City Hall	$ 2,727	$ 2,700	$ 2,700	$ 2,800	$ 2,800	$ 2,800
922.336 Water - Fire Dept	$ 780	$ 700	$ 700	$ 750	$ 750	$ 750
922.441 Water - DPW	$ 1,700	$ 4,000	$ 4,000	$ 3,500	$ 3,500	$ 3,500
922.446 Water - Bridge	$ 691	$ 1,500	$ 1,500	$ 1,400	$ 1,400	$ 700
925.000 Electric - City Hall	$ 20,395	$ 20,000	$ 20,000	$ 21,500	$ 21,500	$ 21,500
925.336 Electric - Fire Dept	$ 4,244	$ 4,100	$ 4,100	$ 4,100	$ 4,100	$ 4,100
925.441 Electric - DPW	$ 13,493	$ 13,000	$ 13,000	$ 13,500	$ 13,500	$ 13,500
925.446 Electric - Bridge	$ 2,544	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
930.000 Repairs & Maintenance	$ 6,610	$ 3,500	$ 3,500	$ 8,000	$ 8,000	$ 8,000
931.000 Repairs & Maint - Building	$ 4,462	$ 5,000	$ 5,000	$ -	$ -	$ -
940.000 Building Rental	$ -	$ -	$ -	$ -	$ -	$ -
970.000 Capital Outlay (Expense)	$ -	$ 2,000	$ 2,000	$ 3,000	$ 3,000	$ -
TOTAL MUNICIPAL BUILDINGS	**$ 174,423**	**$ 161,600**	**$ 161,600**	**$ 171,757**	**$ 136,757**	**$ 133,057**

General Fund — Police

Dave Bachman is the Police Chief ~~Public Safety Director~~ for the City of Manistee. He will be overseeing the Police ~~and Fire\EMS departments.~~ He also runs the Municipal Marina in conjunction with the Parks Department and serves as Harbor Master. He has been with the City for 12 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 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.


Dave Bachman
Police Chief
PT Admin Asst.
Sgt. Tom Bruce
2 Officers
2 Officers
Det\Sgt John Riley
Sgt. Steve Schmelling
2 Officers
2 Officers

Police Assumptions & Notes

Overall Costs: Budgeted costs **increased $8,947** or **0.8%** from the prior year budget.

Employee Costs: Employee costs **increased $22,919** or **2.5%** from the prior budget. The budget assumes that the two police unions, the POAM and COAM will accept no wage increase, will agree to eliminate longevity and will agree to eliminate sick sell back, subject to collective bargaining negotiations. The spotlight grant program has been discontinued and the overtime budget has been reduced accordingly. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. Pension costs increased dramatically as a result of an increase in the contribution rate for the COAM and POAM divisions. Unemployment costs increased due to the City's experience. The POAM and COAM contracts expire 6-30-2010, and the employee budget could change pending the outcome of the collective bargaining negotiations.

Operational Costs: Operational costs **decreased ($13,972)** or **-11.1%**. The decrease is the result of a variety of reductions, including no spotlight grant expenses, less gasoline, no education reimbursement; offset somewhat by increases in repairs and maintenance and training.

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

☐ Budget as recommended ☒ Budget with changes

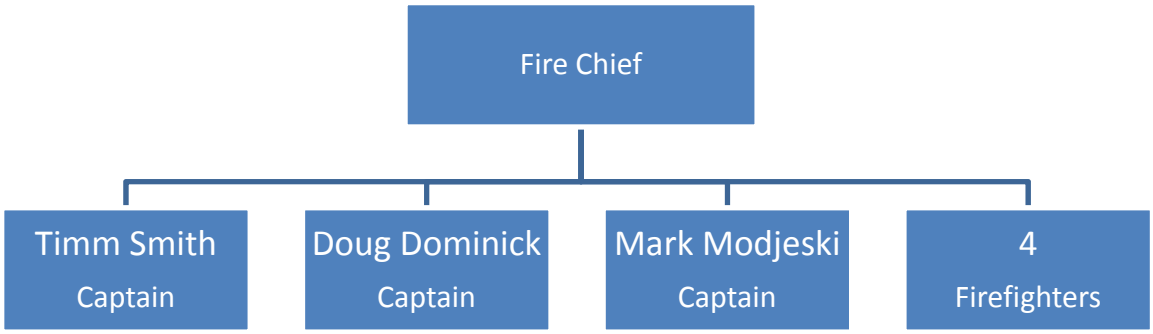
Changes:
The full-time police secretary was reduced to part-time. The Public Safety Director proposal was not implemented in FY 2010/2011.

301 Police Department	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 677,746	$ 679,319	$ 679,319	$ 680,779	$ 680,779	$ 658,867
703.000 Longevity	$ 3,725	$ 4,100	$ 4,100	$ -	$ -	$ -
704.000 Overtime	$ 13,501	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
704.001 Spotlight Grant Overtime	$ 8,105	$ 10,500	$ 10,500	$ -	$ -	$ -
706.000 Part-Time	$ 15,980	$ 10,000	$ 10,000	$ 20,000	$ 20,000	$ 20,000
708.000 V\S\H Sellback	$ 29,052	$ 10,000	$ 3,000	$ 2,000	$ 2,000	$ 2,000
712.001 Costs - Social Security	$ 3,769	$ 3,747	$ 3,747	$ 4,652	$ 4,652	$ 3,069
712.002 Costs - Medicare	$ 11,076	$ 10,748	$ 10,748	$ 11,730	$ 11,730	$ 11,280
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$ -	$ -	$ -
712.005 MERS	$ 6,498	$ 12,807	$ 12,807	$ 69,971	$ 69,971	$ 67,005
712.006 Costs - In Lieu of BC/BS	$ 13,232	$ 10,187	$ 10,187	$ 11,281	$ 11,281	$ 5,640
712.007 Costs - SUTA	$ 547	$ 554	$ 554	$ 2,376	$ 2,376	$ 2,376
712.009 Costs - Work Comp	$ 14,282	$ 15,735	$ 15,735	$ 15,559	$ 15,559	$ 15,443
712.010 Costs - Blue Cross Insurance	$ 142,281	$ 150,507	$ 150,507	$ 155,430	$ 155,430	$ 155,430
712.011 Costs - Life Insurance	$ 4,171	$ 4,278	$ 4,278	$ 4,291	$ 4,291	$ 4,131
Employee Costs	**$ 943,965**	**$ 932,481**	**$ 925,481**	**$ 988,069**	**$ 988,069**	**$ 955,240**
715.000 Uniform & Cleaning Allowance	$ 6,212	$ 7,115	$ 7,115	$ 7,115	$ 7,115	$ 7,115
728.000 Operating Expense	$ 12,389	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 13,000
735.000 Periodicals & Publications	$ -	$ 200	$ 200	$ 200	$ 200	$ 200
770.000 Gasoline	$ 18,943	$ 25,000	$ 25,000	$ 20,000	$ 20,000	$ 20,000
795.000 Spotlight Grant Expenses	$ 6,463	$ 6,900	$ 6,900	$ -	$ -	$ -
801.000 Professional Services	$ 7,528	$ 5,500	$ 5,500	$ 5,500	$ 5,500	$ 5,500
831.000 Contractual Repairs & Maint	$ 6,078	$ 5,907	$ 5,907	$ 5,757	$ 5,757	$ 5,757
860.000 Travel & Training Expense	$ 4,059	$ 4,600	$ 4,600	$ 8,000	$ 8,000	$ 8,000
865.000 Vehicle Allowance	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200	$ 4,200
870.000 Memberships & Dues	$ 920	$ 500	$ 500	$ 500	$ 500	$ 500
873.000 Education	$ 7,500	$ 2,500	$ 2,500	$ -	$ -	$ -
874.000 Retire. Costs - Blue Cross	$ 2,876	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
900.000 Printing/Publishing	$ 1,210	$ 1,100	$ 1,100	$ 1,100	$ 1,100	$ 1,100
930.000 Repairs\Maint - Vehicle\Equip	$ 11,598	$ 9,000	$ 9,000	$ 10,000	$ 10,000	$ 10,000
957.000 Motor Pool	$ 33,075	$ 33,075	$ 33,075	$ 33,075	$ 33,075	$ 33,075
970.000 Capital Outlay	$ 389	$ 1,500	$ 1,500	$ -	$ -	$ -
985.000 Lease Purchase	$ 1,179	$ 2,322	$ 2,322	$ -	$ -	$ -
Operating Costs	**$ 124,619**	**$ 125,419**	**$ 125,419**	**$ 111,447**	**$ 111,447**	**$ 111,447**
TOTAL POLICE	**$1,068,584**	**$1,057,900**	**$1,050,900**	**$1,099,516**	**$1,099,516**	**$1,066,687**

~~Dave Bachman is the Public Safety Director for the City of Manistee. He has been with the City for 12 years.~~

The Fire Department has a budgeted staff of 8 full time employees; seven firefighters and one fire chief. The department provides the City with fire protection and medical response services. The department will also begin to provide basic life support transport services this year.

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 $18,751** or **2.6%** from the prior year budget.

Employee Costs: Employee costs **increased $1,276** or **0.2%** from the prior budget~~. The Fire Chief position was eliminated and consolidated into a Public Safety Director position. See Employee issue page.~~ The part-time secretary position is also eliminated. The budget assumes that the fire union, the IAFF will accept no wage increase, will agree to eliminate longevity and will agree to eliminate sick sell back, subject to collective bargaining negotiations. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. Pension costs increased as a result of an increase in the contribution rate for the IAFF division. Unemployment costs increased due to the City's experience. The IAFF contract expires 6-30-2010, and the employee budget could change pending the outcome of the collective bargaining negotiations.

Operational Costs: Operational costs **increased $17,475** or **16.8%**. The increase is driven by expenditures related to transitioning to a Basic Life Support Transport organization, including some capital outlay. See Basic Life Support – Transport issue page.

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

☐ Budget as recommended ☒ Budget with changes

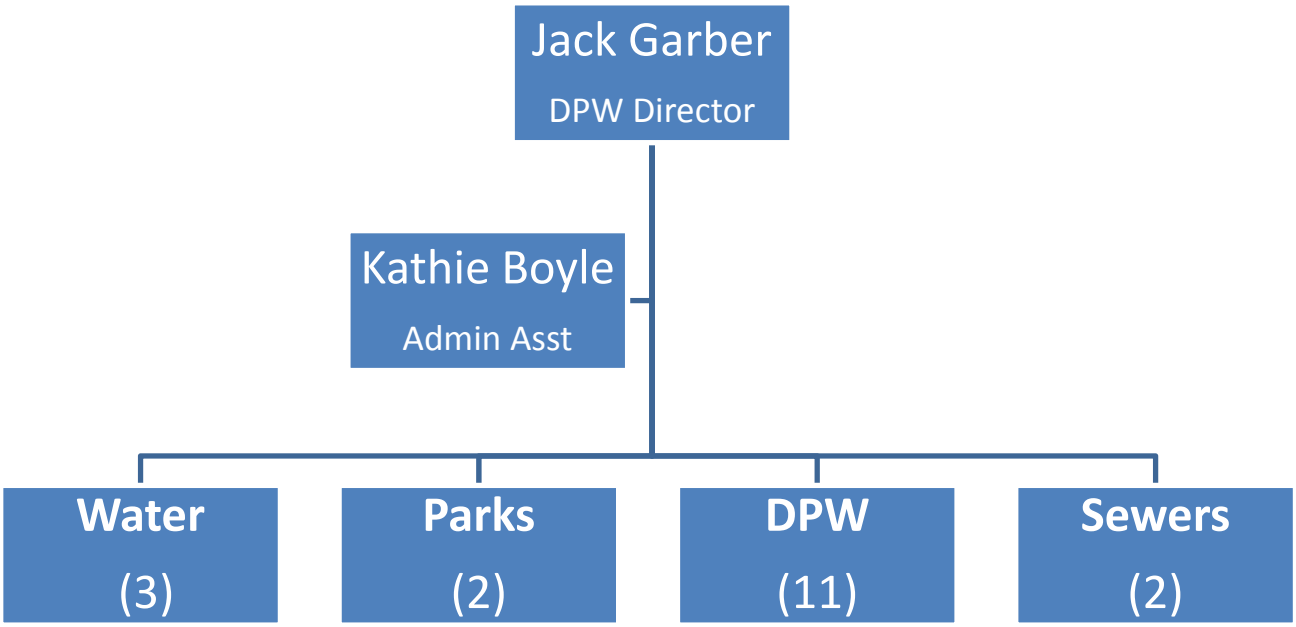
Changes:
Council did not accept the Manager's recommendation to eliminate the Fire Chief position and move to a Public Safety Director. The Fire Chief position remains in the budget.

Fire Department	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
336 FIRE						
702.000 Salaries	$ 362,681	$379,372	$379,372	$315,675	$315,675	$379,862
703.000 Longevity	$ 2,850	$3,025	$3,025	$0	$0	$0
704.000 Overtime	$ 61,557	$29,125	$29,125	$30,625	$30,625	$30,625
706.000 Part-Time	$ 11,484	$11,700	$11,700	$0	$0	$0
708.000 V\S\H Sellback	$ 24,772	$10,000	$10,000	$10,500	$10,500	$10,500
712.001 Costs - Social Security	$ 709	$601	$601	$0	$0	$0
712.002 Costs - Medicare	$ 4,305	$5,595	$5,595	$4,498	$4,498	$5,586
712.004 Costs - ICMA Contribution	$ -	$0	$0	$0	$0	$0
712.005 MERS	$ 52,382	$55,811	$55,811	$58,147	$58,147	$68,975
712.006 Costs - In Lieu of BC/BS	$ 5,626	$5,094	$5,094	$5,640	$5,640	$5,640
712.007 Costs - SUTA	$ 323	$332	$332	$1,109	$1,109	$1,267
712.009 Costs - Workers Compsensation	$ 12,770	$13,425	$13,425	$12,861	$12,861	$15,256
712.010 Costs - Blue Cross Insurance	$ 93,210	$96,184	$96,184	$86,912	$86,912	$93,838
712.011 Costs - Life Insurance	$ 1,729	$2,576	$2,576	$2,092	$2,092	$2,567
716.000 Food Allowance	in wages	in wages	in wages			
Employee Costs	**$ 634,398**	**$612,840**	**$612,840**	**$528,057**	**$528,057**	**$614,116**
715.000 Uniform & Cleaning Allowance	$ 4,826	$ 5,950	$ 6,820	$ 6,820	$ 6,820	$ 6,820
728.000 Operating Expense	$ 9,744	$ 7,635	$ 5,270	$ 12,770	$ 12,770	$ 12,770
735.000 Periodicals & Publications	$ 1,090	$ 950	$ 1,200	$ 1,150	$ 1,150	$ 1,150
770.000 Gasoline	$ 4,447	$ 5,250	$ 5,540	$ 5,540	$ 5,540	$ 5,540
790.000 Fire Prevention	$ 1,428	$ 1,650	$ 2,150	$ 1,950	$ 1,950	$ 1,950
801.000 Professional Services	$ 4,840	$ -	$ -	$ 1,500	$ 1,500	$ 1,500
831.000 Contractual Repairs & Maint.	$ 716	$ 1,950	$ 2,850	$ 2,350	$ 2,350	$ 2,350
860.000 Travel & Training Expense	$ 2,103	$ 5,500	$ 5,500	$ 4,500	$ 4,500	$ 4,500
865.000 Vehicle Allowance	$ -	$ -	$ -	$ -	$ -	$ -
870.000 Memberships & Dues	$ 559	$ 550	$ 400	$ 400	$ 400	$ 400
873.000 Education	$ -	$ -	$ -	$ 1,500	$ 1,500	$ 1,500
874.000 Retiree BCBS	$ 9,000	$9,000	$9,000	$9,000	$9,000	$9,000
900.000 Printing/Publishing	$ 943	$ 800	$ 800	$ 800	$ 800	$ 800
930.000 Repairs & Maintenance	$ 10,682	$ 8,500	$ 8,400	$ 11,850	$ 11,850	$ 11,850
942.000 Hydrant Rental	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600	$ 21,600
956.000 Mutual Aid	$ 80	$ 1,500	$ 1,400	$ 1,000	$ 1,000	$ 1,000
957.000 Motor Pool	$ 28,350	$ 28,350	$ 28,350	$ 28,350	$ 28,350	$ 28,350
970.000 Capital Outlay	$ 2,855	$ 4,610	$ 5,690	$ 10,190	$ 10,190	$ 10,190
985.000 Lease Purchase		$ -	$ -	$ -	$ -	$ -
Operating Costs	**$ 103,263**	**$103,795**	**$104,970**	**$121,270**	**$121,270**	**$121,270**
TOTAL FIRE	**$ 737,661**	**$716,635**	**$717,810**	**$649,327**	**$649,327**	**$735,386**

~~The Department of Public Works is being reorganized. A new Public Works Director will be hired to oversee all aspects of public works operations.~~

Jack Garber, current DPW Director, has been with the City for 39 years. ~~He will be staying on as the Assistant Director of Public Works.~~

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.



DPW Assumptions & Notes

Overall Costs: Budgeted costs **increased $1,743** or **0.2%** from the prior year budget.

Employee Costs: Employee costs **increased $ 55,721** or **8.1%** from the prior budget. ~~As part of the reorganization, the new Director of Public Works' salary has been charged to this department. It will be partially offset by a cost allocation to the water & sewer utility.~~ In addition, the bridge tending contract has been terminated and the bridge will be operated by seasonal help, increasing the part-time line item. The budget assumes that the USW will accept no wage increase, will agree to eliminate longevity and will agree to eliminate sick sell back, subject to collective bargaining negotiations. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. Pension costs increased dramatically as a result of an increase in the contribution rate for the USW division. Unemployment costs increased due to the City's experience. The USW contract expires 6-30-2010, and the employee budget could change pending the outcome of the collective bargaining negotiations.

Operational Costs: Operational costs **decreased $ (53,978)** or **-17.5%**. The increase is driven primarily by the elimination of the contractual bridge tenders which are being replaced by seasonal help.

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

☐ Budget as recommended ☒ Budget with changes

Changes:
Council modified the restructuring proposal by retaining the current DPW Director and utilizing lead men in functional areas. Two furlough days will be assigned to the department head. The arrangement with the DDA has changed and Christmas decoration expense will be reduced accordingly.

441 DPW	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 519,282	$459,862	$459,862	$532,955	$532,955	$462,813
703.000 Longevity	$ 5,625	$5,225	$5,225	$0	$0	$0
704.000 Overtime	$ 46,390	$20,000	$20,000	$27,000	$27,000	$27,000
706.000 Part-Time	$ -	$0	$0	$26,208	$26,208	$26,208
708.000 V\S\H Sellback	$ 10,832	$6,000	$6,000	$0	$0	$0
712.001 Costs - Social Security	$ 35,958	$31,105	$31,105	$38,970	$38,970	$34,315
712.002 Costs - Medicare	$ 8,410	$7,275	$7,275	$9,114	$9,114	$8,025
712.004 Costs - ICMA Contribution	$ 2,697	$2,698	$2,698	$2,698	$2,698	$2,698
712.005 Costs - MERS	$ 2,130	$2,819	$2,819	$25,166	$25,166	$20,233
712.006 Costs - In Lieu of BC/BS	$ 5,626	$5,094	$5,094	$5,640	$5,640	$5,640
712.007 Costs - SUTA	$ 480	$406	$406	$1,901	$1,901	$1,742
712.009 Costs - Work Comp	$ 25,889	$24,775	$24,775	$30,473	$30,473	$26,597
712.010 Costs - Blue Cross Insurance	$ 132,715	$121,467	$121,467	$141,062	$141,062	$127,080
712.011 Costs - Life Insurance	$ 2,173	$1,946	$1,946	$2,586	$2,586	$2,040
Employee Costs	**$ 798,207**	**$688,671**	**$688,671**	**$ 843,773**	**$ 843,773**	**$ 744,392**
715.000 Uniform & Cleaning Allowance	$ 2,484	$ 6,061	$ 6,061	$ 4,168	$ 4,168	$ 4,168
728.000 Operating Expense	$ 18,016	$ 11,370	$ 11,370	$ 11,370	$ 11,370	$ 11,370
735.000 Periodicals & Publications	$ 142	$ 250	$ 250	$ 250	$ 250	$ 250
770.000 Gasoline	$ 62,277	$ 77,400	$ 77,400	$ 75,000	$ 75,000	$ 74,400
801.000 Professional Services	$ 37,707	$ 38,000	$ 38,000	$ -	$ -	$ -
831.000 Contractual Repairs & Maint.	$ 2,927	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 12,000
860.000 Travel & Training Expense	$ 2,549	$ 2,600	$ 2,600	$ 2,600	$ 2,600	$ 2,600
865.000 Vehicle Allowance	$ -	$ -	$ -	$ -	$ -	$ -
870.000 Dues & Memberships	$ 452	$ 550	$ 550	$ 465	$ 465	$ 465
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Retire. Costs - Blue Cross	$ 493	$ 3,000	$ 3,000	$ 500	$ 500	$ 500
900.000 Printing & Publishing	$ 232	$ 500	$ 500	$ 500	$ 500	$ 500
930.000 Repairs & Maintenance	$ 74,544	$ 73,500	$ 70,000	$ 71,000	$ 71,000	$ 70,000
955.000 Christmas Decorations	$ 8,861	$ 6,000	$ 6,000	$ 9,000	$ 9,000	$ 1,000
957.000 Motor Pool	$ 75,600	$ 75,600	$ 75,600	$ 75,600	$ 75,600	$ 75,600
970.000 Capital Outlay	$ 16,547	$ -	$ -	$ -	$ -	$ -
985.000 Lease Purchase	$ 2,452	$ 1,980	$ 1,980	$ 1,980	$ 1,980	$ 1,980
Operating Costs	**$ 305,283**	**$308,811**	**$305,311**	**$ 264,433**	**$ 264,433**	**$ 254,833**
TOTAL DPW	**$1,103,490**	**$997,482**	**$993,982**	**$1,108,206**	**$1,108,206**	**$ 999,225**

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.

Engineer Assumptions & Notes

Overall Costs: Budgeted costs **increased $0** or **0.0%** from the prior year budget.

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

Operational Costs: Operational costs **increased $0** or **0.0%**. 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. The City is expected to incur significant engineering costs over the next two years as CSO and other projects are designed and built.

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

☒ Budget as recommended ☐ Budget with changes

Changes:

285 Engineer	**2009 Actual**	**2010 Budget**	**2010 Projected**	**Dept Request**	**Manager Budget**	**Council Adopted**
801.000 Professional Services (Retainer)	$ 33,000	$ 36,000	$ 39,000	$36,000	$ 36,000	$ 36,000
860.000 Travel & Training		$ -				
TOTAL ENGINEER	**$ 33,000**	**$ 36,000**	**$ 39,000**	**$36,000**	**$ 36,000**	**$ 36,000**

Parks Assumptions & Notes

Overall Costs: Budgeted costs **increased** by **$18,152** or **5.4%** from the prior year budget. In order to ensure compliance with Council strategic goals, the budget places emphasis on maintaining and upgrading our incredible park system.

Employee Costs: Employee costs **increased $25,217** or **17.7%** from the prior budget. This increase is mainly caused by higher expense for seasonal employees. There has not been an increase in employees, but rather there was a calculation error in last year's budget and this has been corrected in the proposed budget. The budget assumes that the USW will accept no wage increase, will agree to eliminate longevity and will agree to eliminate sick sell back, subject to collective bargaining negotiations. Unemployment costs increased due to the City's experience. Health insurance premiums are estimated to increase by 10% with that cost being split between the employees and City. Pension costs increased dramatically as a result of an increase in the contribution rate for the USW division. The (USW) contract expires 6-30-2010, and the employee budget could change pending the outcome of the collective bargaining negotiations.

Operational Costs: Operational costs **decreased ($7,065)**or **-3.7%**. The increase is driven primarily by an increase in contractual repairs and maintenance costs.

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

☒ Budget as recommended ☐ Budget with changes

Changes:

751 Parks	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 95,475	$80,082	$80,082	$80,082	$80,082	$80,082
703.000 Longevity	$ 400	$450	$450	$0	$0	$0
704.000 Overtime	$ 7,141	$6,667	$6,667	$6,667	$6,667	$6,667
706.000 Part-Time	$ 48,043	$23,560	$40,000	$43,320	$43,320	$43,320
708.000 V\S\H Sellback	$ -	$1,000	$1,000	$0	$0	$0
712.001 Costs - Social Security	$ 9,462	$6,929	$6,929	$8,374	$8,374	$8,374
712.002 Costs - Medicare	$ 2,213	$1,621	$1,621	$1,958	$1,958	$1,958
712.004 Costs - ICMA Contribution	$0	$0	$0	$0	$0	$0
712.005 Costs - MERS	$0	$0	$0	$3,490	$3,490	$3,490
712.006 Costs - In Lieu of BC/BS	$0	$0	$0	$0	$0	$0
712.007 Costs - SUTA	$ 134	$74	$74	$317	$317	$317
712.009 Costs - Work Comp	$ 3,599	$2,714	$2,714	$3,199	$3,199	$3,199
712.010 Costs - Blue Cross Insurance	$ 25,714	$19,260	$19,260	$20,149	$20,149	$20,149
712.011 Costs - Life Insurance	$ 357	$281	$281	$299	$299	$299
Employee Costs	**$192,538**	**$142,637**	**$159,077**	**$167,854**	**$167,854**	**$167,854**
715.000 Uniform & Cleaning	$ 291	$ 2,120	$ 2,120	$ 920	$ 920	$ 920
728.000 Operating Expense	$ 13,442	$ 13,200	$ 13,200	$ 13,000	$ 13,000	$ 13,000
735.000 Periodicals & Publications	$ -	$ -	$ -	$ -	$ -	$ -
770.000 Gasoline	$ 4,135	$ 6,750	$ 6,750	$ 6,000	$ 6,000	$ 6,000
801.000 Professional Services	$ 12,395	$ -	$ -	$ 500	$ 500	$ 500
831.000 Contractual Repairs & Maint.	$ 34,957	$ 66,900	$ 66,900	$ 78,600	$ 78,600	$ 63,600
860.000 Travel & Training Expense	$ 734	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
870.000 Dues & Memberships	$ 135	$ 250	$ 250	$ 135	$ 135	$ 135
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -	$ -
900.000 Printing & Publishing	$ -	$ 500	$ 500	$ 500	$ 500	$ 500
920.000 Gas	$ 1,035	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 1,000
922.000 Water	$ 4,498	$ 10,000	$ 10,000	$ 8,000	$ 8,000	$ 8,000
925.000 Electric	$ 15,004	$ 11,500	$ 11,500	$ 11,500	$ 11,500	$ 11,500
930.000 Repairs & Maintenance	$ 35,427	$ 35,000	$ 35,000	$ 42,000	$ 42,000	$ 40,000
931.000 Repairs\Maint - Building	$ -	$ 5,000	$ 5,000	$ -	$ -	$ -
957.000 Motor Pool	$ 37,800	$ 37,800	$ 37,800	$ 37,800	$ 37,800	$ 37,800
970.000 Capital Outlay	$ -	$ -	$ -	$ -	$ -	$ -
985.000 Lease Purchase		$ -	$ -	$ -	$ -	$ -
Operating Costs	**$159,853**	**$191,020**	**$191,020**	**$200,955**	**$200,955**	**$183,955**
TOTAL PARKS	**$352,391**	**$333,657**	**$350,097**	**$368,809**	**$368,809**	**$351,809**

General Fund — Appropriations

Appropriation Assumptions & Notes

Overall Costs: Budgeted costs **decreased ($3,769)** or **-2.4%** from the prior year budget.

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

Operational Costs: Budgeted costs **decreased ($3,769)** or **-2.4%**. This amount is comprised of imposing a 5% cut on all non contractual amounts in this budget. See Appropriation issue page.

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

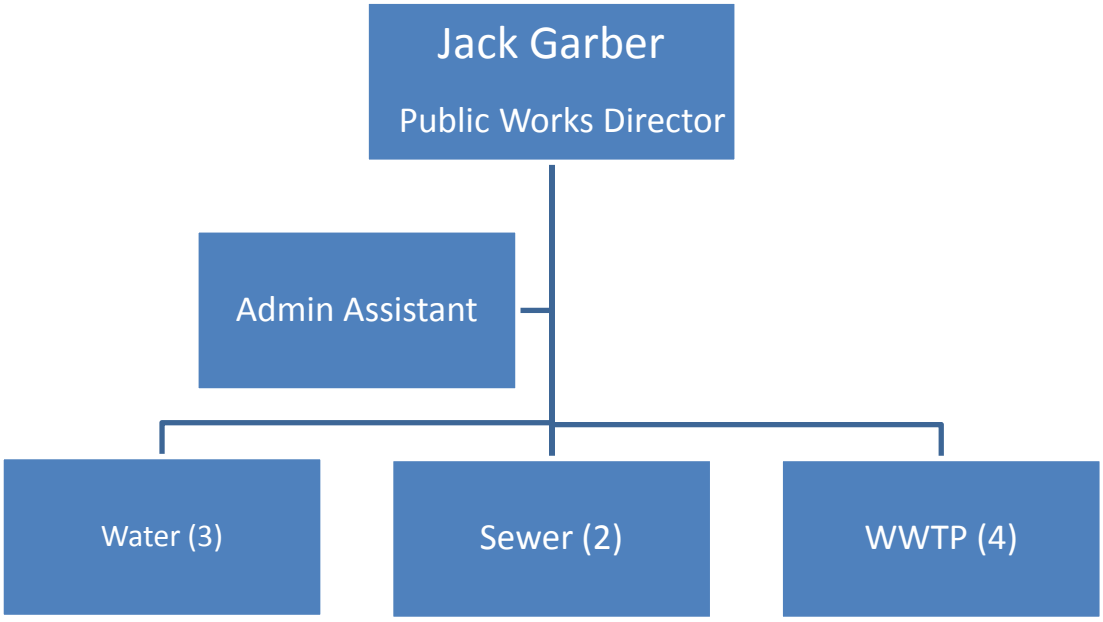
☐ Budget as recommended ☒ Budget with changes

Changes:
Council restored funding to AAY, Junior Baseball and Veteran's Memorial Day.

801 Appropriations	2009 Actual	2010 Budget	2010 Projected	Organization Requested	Manager Budget	Council Adopted
890.000 Alternatives for Area Youth	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 12,350	$ 13,000
891.001 211	$ 2,500	$ 2,500	$ 2,500	$ 2,500	$ 2,375	$ 2,375
892.000 Alliance for Economic Success	$ 27,840	$ 44,278	$ 44,278	$ 45,384	$ 45,384	$ 45,384
893.000 Junior Baseball	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 2,850	$ 3,000
894.000 Manistee Recreation Assoc.	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 28,500	$ 28,500
895.000 Museum	$ 11,000	$ 11,000	$ 11,000	$ 11,000	$ 10,450	$ 10,450
896.000 PEG	$ 24,000	$ 24,000	$ 24,000	$ 26,000	$ 22,800	$ 22,800
897.000 Ramsdell Restoration	$ 20,000	$ -	$ -	$ -	$ -	$ -
898.000 SSCENT	$ 30,000	$ 30,000	$ 30,000	$ 30,000	$ 28,500	$ 28,500
899.000 Veteran's Memorial Day	$ 1,000	$ 1,000	$ 1,000	$ 1,000	$ 950	$ 1,000
969.016 Civic Players - Ramsdell		$ -	$ -	$ -	$ -	$ -
TOTAL APPROPRIATIONS	**$162,340**	**$158,778**	**$158,778**	**$ 161,884**	**$154,159**	**$155,009**

Long-time utilities director for the City of Manistee Ed Cote retired after 38 years with the City of Manistee. The department is being restructured to come under the control of a single Public Works Director. As part of the restructuring, working lead persons will be utilized to run day-to-day operations in both the water and wastewater departments.

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 **increased $ 723,300** or **21.2%** compared to the prior budget. This increase is the result of a $400,000 transfer in from the Cool Cities grant for Jones St., a 4% rate increase, much higher flows from the Oaks prison and higher revenue from the Oil & Gas fund (which is netted out thru a transfer out).

Administration Expense: Total expense **increased $38,253** or **12.2%** compared to the prior budget.

Employee costs **increased $1,429** or **2.5%** due to higher retirement and health insurance costs.

Operating costs **increased $36,824** or **14.3%**, primarily due to increased administration fee. The increase is due to the restructuring of the department of public works and the Director of Public Works salary being recorded in the general fund instead of the water and sewer fund.

Water Expense: Total expense **decreased ($23,836)** or **-4.4%** compared to the prior budget.

Employee costs **increased $5,644** or **3.1%** due to higher retirement and insurance costs.

Operating costs **decreased ($29,480)** or **-8.3%** due to normal operational variances.

WWTP Expense: Total expense **decreased ($49,169)** or **-6.4%** compared to the prior budget.

Employee costs **decreased ($78,406)** or **-26.3%** due to the Department of Public Works restructuring.

Operating costs **increased $29,237** or **6.2%** due mainly to higher biosolids removal and the replacement of some electronics at the plant.

Sewer Expense: Total expense **decreased ($77,320)** or **-23.2%** compared to the prior budget.

Employee costs **decreased ($3,748)** or **-3.1%** due to a variety of items, including higher retirement costs and lower health insurance costs.

Operating costs **decreased ($73,572)** or **-34.5%** due to lower professional services, primarily because the SRF and DWRF applications have been completed.

Capital Outlay: Capital outlay is expected to total **$4,336,000** . This includes the Sixth Ave. East (Riverbank) sewer line, Jones Street CSO, new boiler for the WWTP, replacement of electrical transformers, improved well and lift station communications and a third final clarifier.

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

☐ Budget as recommended ☒ Budget with changes

Changes:
The Administration fee was reduced when the original DPW restructuring plan was altered during the budget process.

REVENUES		2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
608.000	Penalties	$ 35,847	$ 32,000	$ 32,000	$ 32,000	$ 32,000	$ 32,000
610.000	Bond Debt	329,716	360,000	360,000	360,000	360,000	360,000
612.000	New Service	4,000	6,000	2,000	4,000	4,000	4,000
626.000	Charge for Service	450	0	0	1,500	1,500	1,500
648.000	Water Sales	964,669	1,127,618	1,000,000	1,049,096	1,049,096	1,049,096
649.000	Sewer Sales	1,428,845	1,565,731	1,700,000	1,850,606	1,850,606	1,850,606
650.000	Meter Sales	8,347	5,000	5,000	5,000	5,000	5,000
664.000	Interest Income	18,052	18,000	5,000	10,000	10,000	10,000
667.000	Rental Income	41,950	39,600	30,000	45,600	45,600	45,600
669.000	Hydrant & Tunnel Rental	21,600	21,600	21,600	21,600	21,600	21,600
671.000	Other Revenue	10,842	6,000	21,000	5,000	5,000	5,000
676.000	Reimbursement	0	0	0	0	0	0
680.000	Capital Cost Recovery	29,359	31,835	31,835	31,511	31,511	31,511
687.000	Refunds	0	0	0	0	0	0
695.000	Insurance Settlement	16,907	0	2,000	0	0	0
699.000	Operating Transfer In	486,501	200,000	200,000	720,770	720,770	720,770
TOTAL REVENUES		**$ 3,397,085**	**$3,413,384**	**$3,410,435**	**$ 4,136,684**	**$ 4,136,684**	**$ 4,136,684**

100 GENERAL	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
999.000 Operating Transfer Out	$ 200,000	$ 200,000	$ 200,000	$ 320,770	$ 320,770	$ 320,770
TOTAL GENERAL	**$ 200,000**	**$ 200,000**	**$ 200,000**	**$ 320,770**	**$ 320,770**	**$ 320,770**

541 ADMINISTRATION	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 37,004	$ 37,521	$ 37,521	$ 37,521	$ 37,521	$ 37,521
703.000 Longevity	$ 625	$ 625	$ 625	$ -	$ -	$ -
704.000 Overtime	$ 1,081	$ 1,200	$ 1,200	$ 1,200	$ 1,200	$ 1,200
706.000 Part-Time	$ -	$ -	$ -	$ -	$ -	$ -
708.000 V\S\H Sellback		$ -	$ -	$ -	$ -	$ -
712.001 Costs - Social Security	$ 2,485	$ 2,535	$ 2,535	$ 2,610	$ 2,610	$ 2,610
712.002 Costs - Medicare	$ 581	$ 593	$ 593	$ 610	$ 610	$ 610
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$ -	$ -	$ -
712.005 Costs - MERS Contribution	$ 1,157	$ 1,535	$ 1,535	$ 2,754	$ 2,754	$ 2,754
712.006 Costs - In Lieu of BC/BS	$ -	$ -	$ -	$ -	$ -	$ -
712.007 Costs - SUTA	$ 37	$ 37	$ 37	$ 158	$ 158	$ 158
712.009 Costs - Workers Compsensati	$ 129	$ 165	$ 165	$ 161	$ 161	$ 161
712.010 Costs - Blue Cross Insurance	$ 12,704	$ 13,238	$ 13,238	$ 13,853	$ 13,853	$ 13,853
712.011 Costs - Life Insurance	$ 132	$ 140	$ 140	$ 149	$ 149	$ 149
Employee Costs	**$ 55,935**	**$ 57,589**	**$ 57,589**	**$ 59,018**	**$ 59,018**	**$ 59,018**
728.000 Operating Expense	$ 8,701	$ 12,000	$ 12,000	$ 12,500	$ 12,500	$ 12,500
735.000 Periodicals & Publications	$ -	$ 500	$ 500	$ 500	$ 500	$ 500
801.000 Professional Services	$ -	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
806.000 Administration	$ 210,000	$ 199,076	$ 199,076	$ 235,000	$ 235,000	$ 235,000
831.000 Contractual Repairs & Maint.	$ 344	$ 500	$ 500	$ 900	$ 900	$ 900
850.000 Phone	$ 27,741	$ 25,000	$ 28,000	$ 25,000	$ 25,000	$ 25,000
860.000 Travel & Training Expense	$ 196	$ 1,400	$ 1,400	$ 1,400	$ 1,400	$ 1,400
870.000 Membership & Dues	$ -	$ -	$ -	$ -	$ -	$ -
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Retiree BCBS	$ -	$ -	$ -	$ -	$ -	$ -
900.000 Printing\Publishing	$ 4,811	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 3,000
930.000 Repairs & Maintenance		$ -	$ -	$ -	$ -	$ -
959.000 Bad Debt		$ -	$ -	$ -	$ -	$ -
960.000 Bank Charges	$ 5,372	$ 5,400	$ 5,400	$ 5,400	$ 5,400	$ 5,400
970.000 Capital Outlay (Expense)		$ -	$ -	$ -	$ -	$ -
Operating Costs	**$ 257,165**	**$ 256,876**	**$ 259,876**	**$ 293,700**	**$ 293,700**	**$ 293,700**
TOTAL ADMINISTRATION	**$ 313,100**	**$ 314,465**	**$ 317,465**	**$ 352,719**	**$ 352,719**	**$ 352,719**

542 WATER OPERATION	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 122,931	$ 117,456	$ 117,456	$117,456	$ 117,456	$ 117,456
703.000 Longevity	$ 1,325	$ 1,375	$ 1,375	$0	$ -	$ -
704.000 Overtime	$ 11,945	$ 6,000	$ 6,000	$6,000	$ 6,000	$ 6,000
706.000 Part Time		$ -	$ -	$0	$ -	$ -
708.000 V\S\H Sellback	$ 593	$ 1,000	$ 2,100	$0	$ -	$ -
712.001 Costs - Social Security	$ 8,230	$ 7,740	$ 7,740	$8,125	$ 8,125	$ 8,125
712.002 Costs - Medicare	$ 1,925	$ 1,810	$ 1,810	$1,900	$ 1,900	$ 1,900
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$0	$ -	$ -
712.005 Costs - MERS Contribution	$ -	$ -	$ -	$4,995	$ 4,995	$ 4,995
712.006 Costs - In Lieu of BC/BS	$ -	$ -	$ -	$0	$ -	$ -
712.007 Costs - SUTA	$ 111	$ 111	$ 111	$475	$ 475	$ 475
712.009 Costs - Workers Compsensati	$ 3,476	$ 3,795	$ 3,795	$3,984	$ 3,984	$ 3,984
712.010 Costs - Blue Cross Insurance	$ 37,507	$ 41,860	$ 41,860	$43,829	$ 43,829	$ 43,829
712.011 Costs - Life Insurance	$ 395	$ 421	$ 421	$448	$ 448	$ 448
Employee Costs	**$ 188,438**	**$ 181,568**	**$ 182,668**	**$ 187,212**	**$ 187,212**	**$ 187,212**
715.000 Uniform & Cleaning Allowance	$ 397	$ 1,110	$ 1,110	$ 830	$ 830	$ 830
728.000 Operating Expense	$ 2,922	$ 3,950	$ 3,950	$ 4,350	$ 4,350	$ 4,350
745.000 Chemicals	$ 50,891	$ 42,200	$ 42,200	$ 47,500	$ 47,500	$ 47,500
750.000 Meters	$ 18,995	$ 28,400	$ 28,400	$ 25,000	$ 25,000	$ 25,000
770.000 Vehicle Gas	$ 3,389	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500
801.000 Professional Services	$ 35,736	$ 13,500	$ 30,000	$ 18,000	$ 18,000	$ 18,000
822.000 Insurance	$ 2,657	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500
824.000 Lab Testing	$ 4,886	$ 12,100	$ 12,100	$ 12,100	$ 12,100	$ 12,100
831.000 Contractual Repairs & Maint	$ 9,488	$ 95,000	$ 50,000	$ 40,000	$ 40,000	$ 40,000
860.000 Travel & Training Expense	$ 2,244	$ 3,200	$ 3,200	$ 3,200	$ 3,200	$ 3,200
870.000 Membership & Dues	$ 557	$ 300	$ 300	$ 300	$ 300	$ 300
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Costs - Retiree BCBS	$ 2,750	$ 1,000	$ 1,000	$ -	$ -	$ -
920.000 Gas	$ -	$ -	$ -	$ -	$ -	$ -
925.000 Electric	$ 63,762	$ 65,000	$ 65,000	$ 72,500	$ 72,500	$ 72,500
930.000 Repairs & Maintenance - Vehi	$ 51,542	$ 46,000	$ 46,000	$ 58,500	$ 58,500	$ 58,500
957.000 Motor Pool	$ 33,075	$ 34,398	$ 34,398	$ 34,398	$ 34,398	$ 34,398
970.000 Capital Outlay (expense)	$ 10,779	$ -	$ 25,000	$ -	$ -	$ -
Operating Costs	**$ 294,070**	**$ 357,158**	**$ 353,658**	**$ 327,678**	**$ 327,678**	**$ 327,678**
TOTAL WATER OPERATION	**$ 482,508**	**$ 538,726**	**$ 536,326**	**$ 514,890**	**$ 514,890**	**$ 514,890**

543 SEWER - WWTP	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 224,818	$ 217,622	$ 217,622	$ 153,925	$ 153,925	$ 153,925
703.000 Longevity	$ 1,525	$ 1,625	$ 1,625	$ -	$ -	$ -
704.000 Overtime	$ 7,694	$ 7,000	$ 7,000	$ 7,000	$ 7,000	$ 7,000
706.000 Part Time	$ -	$ -	$ -	$ -	$ -	$ -
708.000 V\S\H Sellback	$ 545	$ 3,000	$ 13,000	$ -	$ -	$ -
712.001 Costs - Social Security	$ 14,863	$ 14,804	$ 14,804	$ 10,695	$ 10,695	$ 10,695
712.002 Costs - Medicare	$ 3,476	$ 3,462	$ 3,462	$ 2,501	$ 2,501	$ 2,501
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$ -	$ -	$ -
712.005 Costs - MERS Contribution	$ 3,824	$ 4,438	$ 4,438	$ 6,481	$ 6,481	$ 6,481
712.006 Costs - In Lieu of BC/BS	$ 4,250	$ 5,094	$ 5,094	$ -	$ -	$ -
712.007 Costs - SUTA	$ 185	$ 185	$ 185	$ 634	$ 634	$ 634
712.009 Costs - Workers Compsensati	$ 3,698	$ 4,661	$ 4,661	$ 3,338	$ 3,338	$ 3,338
712.010 Costs - Blue Cross Insurance	$ 30,893	$ 34,645	$ 34,645	$ 34,002	$ 34,002	$ 34,002
712.011 Costs - Life Insurance	$ 955	$ 1,043	$ 1,043	$ 598	$ 598	$ 598
Employee Costs	**$ 296,726**	**$ 297,579**	**$ 307,579**	**$ 219,173**	**$ 219,173**	**$ 219,173**
715.000 Uniform & Cleaning Allowance	$ 2,227	$ 3,813	$ 3,813	$ 3,000	$ 3,000	$ 3,000
728.000 Operating Expense	$ 27,881	$ 29,000	$ 29,000	$ 33,200	$ 33,200	$ 33,200
745.000 Chemicals	$ 22,857	$ 40,400	$ 40,400	$ 42,900	$ 42,900	$ 42,900
770.000 Vehicle Gas	$ 10,966	$ 15,100	$ 10,000	$ 15,100	$ 15,100	$ 15,100
801.000 Professional Services	$ 13,653	$ 30,000	$ 30,000	$ 37,600	$ 37,600	$ 37,600
822.000 Insurance	$ 22,344	$ 24,375	$ 24,375	$ 24,375	$ 24,375	$ 24,375
824.000 Lab Testing	$ 8,190	$ 13,550	$ 13,550	$ 13,550	$ 13,550	$ 13,550
831.000 Contractual Repairs & Maint.	$ 44,779	$ 64,000	$ 64,000	$ 83,000	$ 83,000	$ 83,000
860.000 Travel & Training Expense	$ 2,985	$ 3,600	$ 3,600	$ 3,600	$ 3,600	$ 3,600
870.000 Membership & Dues	$ -	$ -	$ -	$ -	$ -	$ -
873.000 Education	$ -	$ -	$ -	$ -	$ -	$ -
874.000 Costs - Retiree BCBS	$ -	$ -	$ -	$ -	$ -	$ -
920.000 Gas	$ 19,340	$ 17,000	$ 17,000	$ 17,000	$ 17,000	$ 17,000
925.000 Electric	$ 86,735	$ 90,000	$ 90,000	$ 95,000	$ 95,000	$ 95,000
930.000 Repairs & Maintenance	$ 73,140	$ 107,250	$ 80,000	$ 99,000	$ 99,000	$ 99,000
957.000 Motor Pool	$ 33,075	$ 34,398	$ 34,398	$ 34,398	$ 34,398	$ 34,398
970.000 Capital Outlay (expense)	$ 5,242	$ -	$ -	$ -	$ -	$ -
Operating Costs	**$ 373,414**	**$ 472,486**	**$ 440,136**	**$ 501,723**	**$ 501,723**	**$ 501,723**
TOTAL SEWER - WWTP	**$ 670,140**	**$ 770,065**	**$ 747,715**	**$ 720,896**	**$ 720,896**	**$ 720,896**

544 SEWER COLLECTION	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
702.000 Salaries	$ 58,633	$ 77,098	$ 77,098	$ 77,098	$ 77,098	$ 77,098
703.000 Longevity	$ 1,375	$ 1,275	$ 1,275	$ -	$ -	$ -
704.000 Overtime	$ 6,675	$ 3,500	$ 3,500	$ 3,500	$ 3,500	$ 3,500
706.000 Part Time	$ -	$ -	$ -	$ -	$ -	$ -
708.000 V\S\H Sellback	$ 2,224	2000	3000	$ -	$ -	$ -
712.001 Costs - Social Security	$ 4,303	$ 5,200	$ 5,200	$ 5,373	$ 5,373	$ 5,373
712.002 Costs - Medicare	$ 1,006	$ 1,216	$ 1,216	$ 1,256	$ 1,256	$ 1,256
712.004 Costs - ICMA Contribution	$ -	$ -	$ -	$ -	$ -	$ -
712.005 Costs - MERS Contribution	$ -	$ -	$ -	$ 3,256	$ 3,256	$ 3,256
712.006 Costs - In Lieu of BC/BS	$ 1,563	$ -	$ -	$ -	$ -	$ -
712.007 Costs - SUTA	$ 61	$ 74	$ 74	$ 317	$ 317	$ 317
712.009 Costs - Workers Compsensati	$ 1,601	$ 2,751	$ 2,751	$ 2,605	$ 2,605	$ 2,605
712.010 Costs - Blue Cross Insurance	$ 15,112	$ 26,475	$ 26,475	$ 22,419	$ 22,419	$ 22,419
712.011 Costs - Life Insurance	$ 214	$ 281	$ 281	$ 299	$ 299	$ 299
Employee Costs	**$ 92,767**	**$ 119,870**	**$ 120,870**	**$ 116,122**	**$ 116,122**	**$ 116,122**
715.000 Uniform & Cleaning Allowance	$ 1,148	$ 1,900	$ 1,900	$ 1,328	$ 1,328	$ 1,328
728.000 Operating Expense	$ 4,886	$ 5,450	$ 5,450	$ 5,450	$ 5,450	$ 5,450
745.000 Chemicals	$ -	$ 7,500	$ 7,500	$ 7,500	$ 7,500	$ 7,500
770.000 Vehicle Gas	$ -	$ -	$ -	$ -	$ -	$ -
801.000 Professional Services	$ -	$ 105,000	$ 220,000	$ 25,000	$ 25,000	$ 25,000
831.000 Contractual Repairs & Maint.	$ 2,534	$ 32,000	$ 10,000	$ 42,000	$ 42,000	$ 42,000
860.000 Travel & Training Expense	$ 969	$ 500	$ 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	$ 24,111	$ 23,500	$ 23,500	$ 23,500	$ 23,500	$ 23,500
957.000 Motor Pool	$ 21,989	$ 34,398	$ 34,398	$ 34,398	$ 34,398	$ 34,398
970.000 Capital Outlay (Expense)		$ -	$ 37,750	$ -	$ -	$ -
Operating Costs	**$ 55,637**	**$ 213,248**	**$ 343,998**	**$ 139,676**	**$ 139,676**	**$ 139,676**
TOTAL SEWER COLLECTION	**$ 148,404**	**$ 333,118**	**$ 464,868**	**$ 255,798**	**$ 255,798**	**$ 255,798**
TOTAL OPERATING EXPENSES	**$ 1,814,152**	**$ 2,156,374**	**$ 2,266,374**	**$ 2,165,073**	**$ 2,165,073**	**$ 2,165,073**

AVAILABLE FOR DEBT SERVICE	**$ 1,582,933**	**$ 1,257,010**	**$ 1,144,061**	**$ 1,971,611**	**$ 1,971,611**	**$ 1,971,611**
574 BOND INTEREST	**2009 Actual**	**2010 Budget**	**2010 Projected**	**Dept Request**	**Manager Budget**	**Council Adopted**
960.000 Bank Charges	$ 1,141	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
995.002 1997 A Bond Interest	$ 780	$ -	$ -	$ -	$ -	$ -
995.003 1997 B SRF Bond Interest	$ 6,188	$ 5,513	$ 5,513	$ 4,838	$ 4,838	$ 4,838
995.004 1998 A Bond Interest	$ 4,600	$ -	$ -	$ -	$ -	$ -
995.005 1998 B SRF Bond Interest	$ 34,650	$ 31,669	$ 31,669	$ 28,631	$ 28,631	$ 28,631
995.006 1999 A Bond Interest	$ 8,190	$ 2,789	$ 2,789	$ -	$ -	$ -
995.007 1999 B SRF Bond Interest	$ 38,938	$ 36,250	$ 36,250	$ 33,500	$ 33,500	$ 33,500
995.008 2005 Refunding Interest	$ 243,726	$ 237,920	$ 237,920	$ 225,583	$ 225,583	$ 225,583
995.009 2006 SRF Interest	$ 41,556	$ 42,656	$ 40,906	$ 38,874	$ 38,874	$ 38,874
995.010 2010 SRF Interest				$ 15,154	$ 15,154	$ 15,154
995.010 2010 DWRF Interest				$ 7,046	$ 7,046	$ 7,046
TOTAL DEBT INTEREST	**$ 379,769**	**$ 358,797**	**$ 357,047**	**$ 355,626**	**$ 355,626**	**$ 355,626**
OPERATING RESULT	**$ 1,203,164**	**$ 898,213**	**$ 787,014**	**$ 1,615,985**	**$ 1,615,985**	**$ 1,615,985**
TOTAL DEBT REPAYMENT	**$ 770,000**	**$ 805,000**	**$ 805,000**	**$ 815,000**	**$ 815,000**	**$ 815,000**
SURPLUS\DEFICIT BEFORE CAPEX	$ 433,164	$ 93,213	$ (17,986)	$ 800,985	$ 800,985	$ 800,985
CAPITAL EXPENDITURES						
541 Admin Capital Outlay		$ -	$ -	$ -	$ -	$ -
542 Water Capital Outlay		$ 80,000	$ 80,000	$ 50,000	$ 50,000	$ 50,000
543 WWTP Capital Outlay		$ 10,000	$ 10,000	$ 1,386,000	$ 1,386,000	$ 1,386,000
544 Sewer Capital Outlay		$ 700,000	$ -	$ 2,900,000	$ 2,900,000	$ 2,900,000
TOTAL CAPITAL EXPENDITURES	**$ 732,184**	**$ 790,000**	**$ 90,000**	**$ 4,336,000**	**$ 4,336,000**	**$4,336,000**
CASH IMPACT BEFORE FINANCING	**$ (299,021)**	**$ (696,787)**	**$ (107,986)**	**$(3,535,015)**	**$(3,535,015)**	**$ (3,535,015)**
SRF Loan				$ 805,000	$ 805,000	$ 805,000
DWRF Loan				$ 385,000	$ 385,000	$ 385,000
Capital Improvement Bond (est)				$ 1,200,000	$ 1,200,000	$ 1,200,000
Filer Charter Twp (clarifier)				$ 1,200,000	$ 1,200,000	$ 1,200,000
FINANCING SOURCES			**$ -**	**$ 3,590,000**	**$ 3,590,000**	**$ 3,590,000**
FINAL CASH IMPACT			**$ (107,986)**	**$ 54,985**	**$ 54,985**	**$ 54,985**
BEGINNING CASH & INV			**$ 1,293,032**			**$ 1,185,046**
ENDING CASH & INV	**$ 1,293,032**		**$1,185,046**			**$ 1,240,031**

Enterprise Funds — Municipal Marina

The Municipal Marina fund accounts for the activities of the Manistee Municipal Marina. Public Safety Director Dave Bachman serves as harbormaster and in conjunction with the Parks Department, 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 and creating an office kiosk located on the end of the gas dock.

A complete renovation of the Marina building is planned starting late spring or early summer. The renovation will rebuild the DDA restrooms and correct a foundation issue, address exterior aesthetics and completely upgrade the boater facilities, including day room, restrooms, showers and laundry facilities.

Marina Assumptions & Notes

Revenue: Revenue **increased $192,800** or **39.2%** over the prior year. This increase is due to the anticipated combining of phase I and phase II of the marina building replacement, and the resultant higher grant revenue.

Employee Costs: Employee costs **decreased ($44)** or **-0.2%** from the prior year.

Operating Costs: Operating costs **increased $30,848** or **21.1%** primarily due to an increase in fuel prices and the resulting cost of goods sold.

Capital Outlay: Capital outlay of **$660,000** is budgeted for the marina building replacement.

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	2009 Actual	2010 Budget	2010 Projected	Department Requested	Manager Budget	Council Adopted
539.000 State Grant	$17,170	$160,000	$0	$329,800	$329,800	$329,800
570.000 Local Grant	0	150,000	5,000	150,000	150,000	150,000
642.000 Sales	3,113	4,000	4,000	4,000	4,000	4,000
645.000 Charge for Sales - Fuel	105,021	102,000	125,000	125,000	125,000	125,000
646.000 Charge for Sales - Dockage	53,869	75,000	65,000	75,000	75,000	75,000
664.000 Interest Income	519	1,000	1,000	1,000	1,000	1,000
671.000 Other Revenue	150	0	0		0	0
695.000 Insurance Settlement	0	0	0		0	0
Total Revenues	**$179,842**	**$492,000**	**$200,000**	**$684,800**	**$684,800**	**$684,800**
702.000 Salaries	$22,749	$25,000	$ 25,000	$25,000	$ 25,000	$ 25,000
703.000 Longevity	0	0	0	0	0	0
704.000 Overtime	784	1,000	1,000	1,000	1,000	1,000
706.000 Part-Time	0	0	0	0	0	0
712.001 Costs - Social Security	1,423	1,612	1,612	1,612	1,612	1,612
712.002 Costs - Medicare	333	377	377	377	377	377
712.004 Costs - ICMA Contribution	0	0	0	0	0	0
712.005 Costs - MERS	0	0	0	0	0	0
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0
712.007 Costs - SUTA	38	0	0	0	0	0
712.009 Costs - Work Comp	323	894	894	850	850	850
712.010 Costs - Blue Cross Insurance	0	0	0	0	0	0
712.011 Costs - Life Insurance	0	0	0	0	0	0
714.001 Retire. Costs - Blue Cross	0	0	0	0	0	0
Employee Costs	**$25,650**	**$28,883**	**$28,883**	**$28,839**	**$28,839**	**$28,839**
959.000 Bad Debt	$0	$0	$0	$0	$0	$0
728.000 Operating Expense	11,660	13,000	13,000	13,000	13,000	13,000
730.000 Operating Supplies - Fuel	90,448	85,000	110,000	115,000	115,000	115,000
801.000 Professional Services	0	2,000	7,000	2,000	2,000	2,000
820.000 Administration	10,500	12,152	12,152	13,000	13,000	13,000
822.000 Insurance	654	700	700	700	700	700
831.000 Contractual Repairs & Maint.	0	1,000	1,000	1,000	1,000	1,000
850.000 Phone	0	500	500	500	500	500
920.000 Gas	875	800	800	800	800	800
922.000 Water	2,900	4,500	4,500	4,500	4,500	4,500
925.000 Electric	11,074	11,500	11,500	11,500	11,500	11,500
930.000 Repairs & Maint - Equip\Vehicles	8,024	2,000	2,000	2,000	2,000	2,000
931.000 Repairs & Maint - Buildings	0	2,000	2,000	2,000	2,000	2,000
958.000 Sales Tax	7,430	3,000	6,000	3,000	3,000	3,000
960.000 Bank Charges	7,232	8,000	8,000	8,000	8,000	8,000
964.000 Refunds		0	0	0	0	0
970.000 Capital Outlay (expense)		0	0	0	0	0
Operating Costs	**$150,797**	**$146,152**	**$179,152**	**$177,000**	**$177,000**	**$177,000**
TOTAL OPERATING EXPENSES	**$176,447**	**$175,035**	**$208,035**	**$205,839**	**$205,839**	**$205,839**

AVAILABLE FOR DEBT SERVICE	**$3,395**	**$316,965**	**-$8,035**	**$478,961**	**$478,961**	**$478,961**
Water & Sewer Loan			$750	$1,500	$1,500	$1,500
Installment Purchase			$0	$6,250	$6,250	$6,250
TOTAL DEBT INTEREST		**$0**	**$750**	**$7,750**	**$7,750**	**$7,750**
OPERATING RESULT		**$316,965**	**-$8,785**	**$471,211**	**$471,211**	**$471,211**
TOTAL DEBT REPAYMENT		$0	$0	$60,000	$60,000	$60,000
SURPLUS\DEFICIT BEFORE CAPEX		**$316,965**	**-$8,785**	**$411,211**	**$411,211**	**$411,211**
CAPITAL EXPENDITURES						
Marina Building Replacement		$340,000	$25,000	$660,000	$660,000	$660,000
TOTAL CAPITAL EXPENDITURES		**$340,000**	**$25,000**	**$660,000**	**$660,000**	**$660,000**
CASH IMPACT BEFORE FINANCING		**-$23,035**	**-$33,785**	**-$248,789**	**-$248,789**	**-$248,789**
Water & Sewer Loan			$30,000	$0	$0	$0
Installment Purchase				$275,000	$275,000	$275,000
FINANCING SOURCES		**$0**	**$30,000**	**$275,000**	**$275,000**	**$275,000**
FINAL CASH IMPACT		**-$23,035**	**-$3,785**	**$26,211**	**$26,211**	**$26,211**
BEGINNING CASH & INV			**$16,295**			**$12,510**
ENDING CASH & INV	**$16,295**		**$12,510**			**$38,721**

Enterprise Funds — Boat Launch

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

The Arthur Street launch is scheduled to receive a complete makeover. The total project cost is estimated to be $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 **decreased ($18,952)** or **-6.1%** over the prior year. This decrease is due to better estimates of grant revenue for the previously mentioned projects.

Employee Costs: Employee costs **increased $0** or **0.0%**. The boat launch has no employees.

Operating Costs: Operating costs **decreased ($4,307)** or **-20.0%**. The decrease was a combination of several operating variances from the prior budget, including admin, water and refuse.

Capital Outlay: Capital outlay of **$358,000** is budgeted for the Arthur Street renovations. Some of the Arthur St. makeover costs have already been incurred.

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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
539.000 State Grant	$18,500	$269,500	$0	$249,748	$249,748	$249,748
642.000 Sales	35,487	38,000	38,000	39,000	$39,000	$39,000
664.000 Interest Income	780	700	500	500	$500	$500
Total Revenues	**$54,767**	**$308,200**	**$38,500**	**$289,248**	**$289,248**	**$289,248**
702.000 Salaries	$0	$0	$0	$0	$0	$0
704.000 Overtime	0	0	0	0	0	0
712.001 Costs - Social Security	0	0	0	0	0	0
712.002 Costs - Medicare	0	0	0	0	0	0
712.007 Costs - SUTA	0	0	0	0	0	0
712.009 Costs - Workers Comp	0	0	0	0	0	0
Employee Costs	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
728.000 Operating Expense	$1,027	$800	$800	$800	$800	$800
801.000 Professional Services	1,650	1,000	1,000	1,000	1,000	1,000
820.000 Administration	8,700	9,857	9,857	9,000	9,000	9,000
827.000 Municipal Refuse	0	6,000	0	0	0	0
850.000 Phone	355	360	360	360	360	360
922.000 Water	46	50	2,000	2,000	2,000	2,000
925.000 Electric	969	700	1,200	1,200	1,200	1,200
930.000 Repairs & Maintenance	3,485	2,500	2,000	2,500	2,500	2,500
960.000 Bank Charges	358	300	400	400	400	400
970.000 Capital Outlay (expense)	0	0	0	0	0	0
Operating Costs	**$16,590**	**$21,567**	**$17,617**	**$17,260**	**$17,260**	**$17,260**
TOTAL OPERATING EXPENSES	**$16,590**	**$21,567**	**$17,617**	**$17,260**	**$17,260**	**$17,260**

AVAILABLE FOR DEBT SERVICE	**$38,177**	**$286,633**	**$20,883**	**$271,988**	**$271,988**	**$271,988**
Water & Sewer Loan	$0	$0	$0	$1,000	$1,000	$1,000
Installment Purchase	$0	$0	$0	$0	$0	$0
TOTAL DEBT INTEREST	**$0**	**$0**	**$0**	**$1,000**	**$1,000**	**$1,000**
OPERATING RESULT	**$38,177**	**$286,633**	**$20,883**	**$270,988**	**$270,988**	**$270,988**
TOTAL DEBT REPAYMENT	$0	$0	$0	$0	$0	$0
SURPLUS\DEFICIT BEFORE CAPEX	**$38,177**	**$286,633**	**$20,883**	**$270,988**	**$270,988**	**$270,988**
CAPITAL EXPENDITURES						
First Street Launch			$18,000	$0	$0	$0
Arthur Street Launch	$20,741	$405,000	$12,000	$358,000	$358,000	$358,000
Ninth Street Launch						
TOTAL CAPITAL EXPENDITURES	**$20,741**	**$405,000**	**$30,000**	**$358,000**	**$358,000**	**$358,000**
CASH IMPACT BEFORE FINANCING	**$17,436**	**-$118,367**	**-$9,117**	**-$87,012**	**-$87,012**	**-$87,012**
Water & Sewer Loan	$0	$50,000	$0	$75,000	$75,000	$75,000
Installment Purchase	$0	$0	$0	$0	$0	$0
FINANCING SOURCES	**$0**	**$50,000**	**$0**	**$75,000**	**$75,000**	**$75,000**
FINAL CASH IMPACT	**$17,436**	**-$68,367**	**-$9,117**	**-$12,012**	**-$12,012**	**-$12,012**
BEGINNING CASH & INV			**$70,153**			**$61,036**
ENDING CASH & INV	**$70,153**		**$61,036**			**$49,023**

Enterprise 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 **increased $195** or **0.2%** over the prior year budget. This was the result of a combination of higher rental income and lower General fund subsidy. The usage of the building is ramping up as people are becoming more aware of it.

Employee Costs: Employee costs **decreased -$116** or **-0.4%**. The Ramsdell employs two permanent part-time employees, who help maintain the building, set up for events and serve as site managers.

Operating Costs: Operating costs **increased $311** or **0.4%**.

Capital Outlay: Capital outlay in the amount of **$120,000** is budgeted. This includes $30,000 to reconstruct the entrance and steps from the Theatre to the new basement restrooms, and $90,000 in engineering for the Theatre HVAC system replacement\upgrade. The entire HVAC engineering and a portion of the reconstructed entrance will be funded thru 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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
539.000 Grant Revenue	$0	$0	$0	$0	$0	$0
642.000 Sales	437	0	2,100	0	0	0
664.000 Interest Income	76	305	200	500	500	500
667.000 Rental Income	35,717	32,000	35,000	37,000	37,000	37,000
671.000 Other Revenue	623	0	0	0	0	0
674.000 Contributions\Donations	0	0	2,000	0	0	0
699.000 Operating Transfer In	65,000	65,000	65,000	60,000	60,000	60,000
Total Revenues	**$101,853**	**$97,305**	**$104,300**	**$97,500**	**$97,500**	**$97,500**
702.000 Salaries	$20,462	$23,440	$23,440	$22,880	$22,880	$22,880
704.000 Overtime	981	0	0	0	0	0
708.000 Hol/Vac/Sick Sellback	0	0	0	0	0	0
712.001 Costs - Social Security	1,338	1,453	1,453	1,419	1,419	1,419
712.002 Costs - Medicare	313	340	340	332	332	332
712.007 Costs - SUTA	43	221	221	634	634	634
712.009 Costs - Workers Comp	418	581	581	655	655	655
Employee Costs	**$23,555**	**$26,035**	**$26,035**	**$25,919**	**$25,919**	**$25,919**
728.000 Office/Operating Expense	$8,944	$5,000	$8,000	$8,000	$8,000	$8,000
799.000 Miscellaneous Expense	0	0	1,000	0	0	0
801.000 Professional Services	3,727	10,000	5,000	5,000	5,000	5,000
822.000 Insurance	1,477	1,600	3,000	1,481	1,481	1,481
831.000 Contractual Repairs & Maint	2,580	1,500	3,000	4,000	4,000	4,000
850.000 Phone	679	400	600	400	400	400
870.000 Memberships & Dues	0	0	0	0	0	0
892.500 Marketing Expense	$972	$4,000	$2,000	$3,000	3,000	3,000
900.000 Printing/Publishing	139	1,000	300	1,000	1,000	1,000
901.000 Postage	0	200	0	200	200	200
920.000 Gas	26,073	22,000	22,000	26,000	26,000	26,000
922.000 Water	495	400	400	500	500	500
925.000 Electric	6,275	6,000	6,000	7,000	7,000	7,000
930.000 Repairs & Maint	9,896	13,000	10,000	9,000	9,000	9,000
964.000 Refunds	0	170	0	0	0	0
970.000 Capital Outlay	474	6,000	5,000	6,000	6,000	6,000
Operating Costs	**$61,730**	**$71,270**	**$66,300**	**$71,581**	**$71,581**	**$71,581**
TOTAL OPERATING EXPENSES	**$85,285**	**$97,305**	**$92,335**	**$97,500**	**$97,500**	**$97,500**

AVAILABLE FOR DEBT SERVICE	**$16,569**	**$0**	**$11,965**	**$0**	**$0**	**$0**
998.000 Installment Purchase Interest			$8,386	$15,306	$15,306	$15,306
TOTAL DEBT INTEREST	**$0**	**$0**	**$8,386**	**$15,306**	**$15,306**	**$15,306**
OPERATING RESULT	**$16,569**	**$0**	**$3,579**	**-$15,307**	**-$15,307**	**-$15,307**
TOTAL DEBT REPAYMENT			$26,554	$54,573	$54,573	$54,573
SURPLUS\DEFICIT BEFORE CAPEX	**$16,569**	**$0**	**-$22,975**	**-$69,880**	**-$69,880**	**-$69,880**
CAPITAL EXPENDITURES						
Theatre steps, bathroom access				$30,000	$30,000	$30,000
Theatre HVAC				$90,000	$90,000	$90,000
TOTAL CAPITAL EXPENDITURES	**$0**	**$0**	**$0**	**$120,000**	**$120,000**	**$120,000**
CASH IMPACT BEFORE FINANCING	**$16,569**	**$0**	**-$22,975**	**-$189,880**	**-$189,880**	**-$189,880**
Transfer from Capital Improvement	$0	$0	$34,940	$105,000	$105,000	$105,000
Transfer from Capital Improvement				$69,880	$69,880	$69,880
FINANCING SOURCES	**$0**	**$0**	**$34,940**	**$174,880**	**$174,880**	**$174,880**
FINAL CASH IMPACT	**$16,569**	**$0**	**$11,965**	**-$15,000**	**-$15,000**	**-$15,000**
BEGINNING CASH & INV			**$27,569**			**$39,534**
ENDING CASH & INV	**$27,569**		**$39,534**			**$24,534**

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 2011 fund balance is **$436,625**

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 **decreased -$710** or **-0.2%** .

Capital Outlay: Capital outlay **decreased -$147,446** or **-48.1%**. Capital outlay is made up of payments on various pieces of equipment. The decrease was due to prior equipment purchases getting paid off and fewer vehicle purchases this year. The budget proposes buying two pieces of equipment:

1. Police Sergeant vehicle
2. Tractor with Snowplow (Sidewalks)

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	2009 Actual	2010 Budget	2010 Projected	Manager Budget	Council Adopted
664.000 Interest Income	$3,287	$4,710	$4,710	$4,000	$4,000
670.002 Equipment Rental - City Mgr.	9,450	9,450	9,450	9,450	9,450
670.003 Equipment Rental - Fire	28,350	28,350	28,350	28,350	28,350
670.004 Equipment Rental - Parks	37,800	37,800	37,800	37,800	37,800
670.005 Equipment Rental - Police	33,075	33,075	33,075	33,075	33,075
670.006 Equipment Rental - Public Works	75,600	75,600	75,600	75,600	75,600
670.007 Equipment Rental - Sewer Street	33,075	34,398	34,398	34,398	34,398
670.008 Equipment Rental - Water	33,075	34,398	34,398	34,398	34,398
670.009 Equipment Rental - WWTP	33,075	34,398	34,398	34,398	34,398
671.000 Other Revenue	0	0	0	0	0
673.000 Sale of Asset	1,300	5,000	5,000	5,000	5,000
695 Insurance Settlement	7,149				
699.000 Operating Transfer In	12,500				
Total Revenue	**$307,736**	**$297,179**	**$297,179**	**$296,469**	**$296,469**
799.000 Miscellaneous Expense	$0	$500	$500	$500	$500
822.000 Insurance	27,540	30,945	32,000	30,000	30,000
971.001 DPW - Plow Trucks	55,733	47,540	47,540	0	0
971.002 DPW - Loader (Big)	3,627	0	0	0	0
971.003 DPW - Sidewalk Tractor/Blower	0	0	0	0	0
971.004 DPW - Pickup	11,299	31,264	33,000	20,906	20,906
971.007 DPW - Hot Patch Trailer	0	0	0	0	0
971.008 DPW - Aerial Lift	0	8,884	21,000	0	0
971.009 DPW - Sweeper	31,725	31,725	31,725	31,725	31,725
971.010 DPW - Snow Blower	3,561	0	0	0	0
971.011 DPW - Skid Steer	0	0	0	0	0
971.013 DPW - Sidewalk Spreader	0	0	0	0	0
972.002 PARKS - Beach Cleaner	17,479	16,758	16,758	16,039	16,039
972.003 PARKS - Pickup	5,650	25,000	27,000	0	0
973.001 POLICE - Patrol Car	35,864	27,000	29,000	0	0
973.003 POLICE - Polaris	0	0	0	0	0
974.003 FIRE - Pumper	24,850	24,850	24,850	24,850	24,850
974.004 FIRE - Pickup	0	0	0	0	0
975.001 WATER - Pickup	5,650	0	5,700	0	0
976.001 WWTP - Pickup	0	27,000	27,500	0	0
977.001 WS - Vactor	35,161	35,161	35,161	35,161	35,161
978.001 GENERAL - Car	5,650	0	5,700	0	0
Total Expenses	**$263,788**	**$306,627**	**$337,434**	**$159,181**	**$159,181**
TOTAL MOTOR POOL	**$43,948**	**-$9,448**	**-$40,255**	**$137,288**	**$137,288**
Beginning Cash			**$339,591**		**$299,336**
Ending Cash	**$339,591**		**$299,336**		**$436,625**

Permanent 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. For more information, see the Oil & Gas issue page.

Oil & Gas Assumptions & Notes

Revenue: Revenue **increased $140,000** or **31.8%** 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 **increased $128,770** or **55.7%**. The transfer out was responsible for most of this increase. The amount was determined pursuant to the Spending Rule adopted by the Oil & Gas Board. This money is transferred to the Capital Improvement fund via the Water & Sewer Utility 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	2009 Actual	2010 Budget	2010 Projected	Manager Budget	Council Adopted
664.000 Interest Income	$296,338	$160,000	$125,000	$125,000	$125,000
665.001 Unrealized Gain\Loss	406,894	180,000	500,000	375,000	$375,000
666.000 Oil Royalties	171,469	100,000	80,000	80,000	$80,000
671.000 Other Revenue		0	0	0	$0
Total Revenues	**$874,701**	**$440,000**	**$705,000**	**$580,000**	**$580,000**
728.000 Office/Operating Expense	$456	$1,000	$700	$1,000	$1,000
801.000 Professional Services	6,426	30,000	35,000	38,000	$38,000
999.000 Operating Transfer Out	200,000	200,000	200,000	320,770	$320,770
Total Expenditures	**$206,882**	**$231,000**	**$235,700**	**$359,770**	**$359,770**
TOTAL OIL & GAS FUND	**$667,819**	**$209,000**	**$469,300**	**$220,230**	**$220,230**
Beginning Fund Balance	$6,724,178		$7,391,997	$7,391,997	$7,391,997
Projected Ending Fund Balance	$7,391,997		$7,861,297	$7,861,297	$7,861,297
Accumulated Royalty Balance	$6,895,647		$6,975,647	$6,975,647	$6,975,647

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. This has given us increased flexibility in using our street dollars.

Major Street Assumptions & Notes

Revenue: Revenue **increased $687,500** or **134.0%**. The City anticipates receiving two MDOT grants in the fiscal year, a Category F grant for the truck route in the amount of $110,000 and a Category A grant for the Industrial Park in the amount of $378,000. This will be supplemented by $192,000 in money per previously signed development agreements with Rieth-Riley and AmpTech. Act 51 revenue is expected to decline because of lower gas and weight taxes passed thru from the State. These are offset somewhat by higher US 31 contract payments.

Expenses: Expenses **increased $790,252** or **178.2%**. The increase is almost entirely related to the previously mentioned street projects. Crack sealing per the asset management plan will also continue.

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		2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
539.000	State Grant Revenue	$0	$0	$0	$488,000	$488,000	$488,000
576.000	Act 51 Revenue	357,468	360,000	350,000	350,000	350,000	350,000
626.000	Charge for Service	170,779	150,000	170,000	170,000	170,000	170,000
641.000	Snow Removal	0	0	0	0	0	0
664.000	Interest Income	3,464	3,000	500	500	500	500
676.000	Reimbursement	5,114	0	0	192,000	192,000	192,000
699.000	Operating Transfer In	0	0	0	0	0	0
Total Revenues		**$536,825**	**$513,000**	**$520,500**	**$1,200,500**	**$1,200,500**	**$1,200,500**
799.000	Miscellaneous	$84	$2,000	$1,000	$1,000	$1,000	$1,000
935.000	Traffic Services	9,504	3,000	10,000	10,000	10,000	10,000
936.000	Preservation Streets	233,753	154,000	220,000	898,575	898,575	898,575
937.000	Routine Maintenance Bridges	112,863	15,000	5,000	5,000	5,000	5,000
938.000	Winter Maintenance Streets	181,082	130,000	130,000	130,000	130,000	130,000
981.000	Construction Streets	0	0	0	0	0	0
982.000	Construction Bridges	0	0	0	0	0	0
992.003	Bond Principal (1999 MDOT)	100,000	105,000	105,000	110,000	110,000	110,000
997.003	Bond Interest (1999 MDOT)	39,395	34,423	34,423	29,100	29,100	29,100
999.000	Operating Transfer Out	100,000	0	50,000	50,000	50,000	50,000
Total Expenses		**$776,682**	**$443,423**	**$555,423**	**$1,233,675**	**$1,233,675**	**$1,233,675**
TOTAL MAJOR STREET			**$69,577**	**-$34,923**	**-$33,175**	**-$33,175**	**-$33,175**
Beginning Fund Balance				$229,453			$194,530
Projected Ending Fund Balance		$229,453		$194,530			$161,355

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. This has given us increased flexibility in using our street dollars.

Local Street Assumptions & Notes

Revenue: Revenue **decreased -$413,700** or **-70.5%** because of a decline in revenue received from FEMA, the State and the NRCS for repairs to 12th Street west. This was buffered somewhat by an operating transfer from the Major Street fund to help shore up the Local Street fund finances.

Expenses: Expenses **decreased -$479,500** or **-76.8%** because of the 12th Street west repairs being completed.

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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
501.000 Federal Grant	$154,477	$0	$335,621	$0	$0	$0
539.000 State Grant	26,246	462,500	55,349	0	0	0
576.000 Act 51 Revenue	128,967	123,000	123,000	123,000	123,000	123,000
626.000 Charge for Service	0	0	0	0	0	0
641.000 Snow Removal	0	0	0	0	0	0
664.000 Interest Income	1,564	1,500	1,800	300	300	300
676.000 Reimbursement	49,366	0	11,000	0	0	0
699.000 Operating Transfer In	100,000	0	50,000	50,000	50,000	50,000
Total Revenues	**$460,621**	**$587,000**	**$576,770**	**$173,300**	**$173,300**	**$173,300**
799.000 Miscelaneous	$0	$0	$0	$1,000	$1,000	
935.000 Traffic Services	0	2,000	5,000	5,000	5,000	5,000
936.000 Preservation Streets	547,827	560,000	520,000	77,500	77,500	77,500
938.000 Winter Maintenance Streets	94,364	62,000	37,000	62,000	62,000	62,000
981.000 Construction Streets	0	0	0	0	0	0
999.000 Operating Transfer Out	0	0	0	0		
Total Expenditures	**$642,191**	**$624,000**	**$562,000**	**$145,500**	**$145,500**	**$144,500**
TOTAL LOCAL STREET	**-$181,570**	**-$37,000**	**$14,770**	**$27,800**		**$28,800**
Beginning Fund Balance			$42,838			$57,608
Projected Ending Fund Balance	$42,838		$57,608			$86,408

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 special assessments. This fund pays for part of the sidewalk replacement program and also for the tree program. This fund may also provide the local match required for any local street projects. MDOT recommends that locally generated revenues be recorded here, to ensure maximum flexibility.

Street Improvement Assumptions & Notes

Revenue: Revenue **decreased** **-$2,700** or **-7.5%** because of a decrease in projected special assessment collections.

Expenses: Expenses **decreased** **-$10,500** or **-22.8%** because of a reduction in sidewalk expenditures and a smaller increase in tree expenditures. A portion of sidewalk expenditures will now be charged to Major & Local streets to ensure compliance with state law relating to non-motorized transportation expenditures.

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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
495.000 ROW Fee	$24,031	$24,000	$24,000	$24,000	$24,000	$24,000
539.000 Grant Revenue	0	0	5,000	0	0	0
626.000 Charge for Service	109	1,000	500	1,000	1,000	1,000
664.000 Interest Income	2,079	1,200	1,000	1,000	1,000	1,000
672.000 Special Assessment	0	0	10,000	7,500	7,500	7,500
676.000 Reimbursement	4,683	0	0	0	0	0
699.000 Operating Transfer In	8,000	10,000	0	0	0	0
Total Revenue	**$38,901**	**$36,200**	**$40,500**	**$33,500**	**$33,500**	**$33,500**
801.000 Professional Services	$5,500	$5,000	$0	$5,000	$5,000	$5,000
831.000 Contractual Repairs & Maint.	0	1,000	0	500	500	500
964.000 Refunds	0	0	0	0	0	0
983.000 Capital Outlay - Sidewalks	29,494	30,000	30,000	15,000	15,000	15,000
984.000 Capital Outlay - Trees	15,601	10,000	14,000	15,000	15,000	15,000
999.000 Operating Transfer Out	0	0	0	0	0	0
Total Expense	**$50,594**	**$46,000**	**$44,000**	**$35,500**	**$35,500**	**$35,500**
TOTAL STREET IMPROVEMENT	**-$11,693**	**-$9,800**	**-$3,500**	**-$2,000**	**-$2,000**	**-$2,000**
Beginning Fund Balance			$54,505			$51,005
Projected Ending Fund Balance	$54,505		$51,005			$49,005

Special Revenue Funds — Refuse

The refuse fund records revenues and expenditures relating to refuse collection and disposal. This year's budget assumes status quo from last year; however, the entire refuse contract is being bid out as the budget was being prepared so it is likely this budget will change in some fashion. Please see the Refuse Fund issue page for more information.

Refuse Assumptions & Notes

Revenue: Revenue **decreased -$14,767** or **-3.5%**. ~~The decrease is the result of a decline in taxable value.~~ The decrease is the result of the combination of a decline in taxable value, lowering the millage rate and increasing the monthly user fee

Expenses: Expenses **decreased -$62,480** or **-13.5%**. ~~Refuse contract fees were the primary source of this increase, as budgeted amounts were less than prior year actual~~. This decrease was the result of a combination of higher contract fees, eliminating the general fund subsidy, increasing reimbursement for yard waste and reducing trash haul to every other year

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

☐ Budget as recommended ☒ Budget with changes

Changes
After an RFP process and numerous work session discussions, Council stayed with the hybrid payment system, but reduced spring trash haul to once every other year, increased monthly user fees and reduced the refuse millage.

226 Refuse Fund	2009 Actual	2010 Budget	2010 Projected	Manager Budget	Council Approved
402.000 Real & Personal Property	$270,064	$275,000	$275,000	$269,500	$206,617
411.000 Delinquent Real Tax	24,462	14,000	14,000	13,720	10,733
420.000 Delinquent Personal Tax	193	500	300	500	383
614.000 Dumpster Fees	0	0	0	0	0
626.000 Charge for Service	115,501	115,000	115,000	115,000	172,500
643.000 Yard Bags	12,934	11,000	11,000	11,000	11,000
644.000 Trash Bags	507	500	500	500	500
664.000 Interest Income	4,747	3,000	2,000	2,500	2,500
671.000 Other Revenue	0	0	0	0	0
699.000 Operating Transfer In	0	0	0	0	0
Total Revenue	**$428,408**	**$419,000**	**$417,800**	**$412,720**	**$404,233**
755.000 Yard Bags	$11,254	$11,500	$9,000	$11,500	$11,000
799.000 Miscellaneous	10,674	1,500	5,000	5,000	5,000
820.000 Administration	41,000	41,000	41,000	40,000	40,000
826.000 Refuse Contract Fees	265,673	255,440	248,000	265,000	246,000
827.000 Municipal Refuse Fees	23,847	18,540	18,540	18,000	20,000
828.000 Trash Haul Contract Fees	29,420	36,000	36,000	36,000	17,000
829.000 Trash Haul City	25,945	31,000	31,000	31,000	15,500
829.001 Yard Waste Contract Fees	0	0	0	0	27,000
829.002 Yard Waste City	0	0	0	0	19,000
999.000 Operating Transfer Out	80,000	68,000	68,000	68,000	0
Total Expenses	**$487,814**	**$462,980**	**$456,540**	**$474,500**	**$400,500**
TOTAL REFUSE	**-$59,406**	**-$43,980**	**-$38,740**	**-$61,780**	**$3,733**
Beginning Fund Balance			$303,235		$264,495

Special Revenue Funds — Building Inspector

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 and car allowance 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 **increased $0** or **0.0%**. Construction in the City is expected to remain flat from the prior year as the economy recovers.

Expenses: Expenses **increased $350** or **2.5%** . The building inspector's car allowance was removed from this department and placed in the Community Development department for administrative ease; and the administration fee was slightly increased.

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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
629.000 Charge for Serv - Inspections	$0	$0	$0	$0	$0	$0
633.000 Charge for Service - Permits	14,439	15,000	15,000	15,000	15,000	15,000
664.000 Interest Income	289	50	50	0	50	50
671.000 Other Revenue		0	0	0	0	0
Total Revenues	**$14,728**	**$15,050**	**$15,050**	**$15,000**	**$15,050**	**$15,050**
728.000 Operating Expense	$735	$1,000	$1,000	$1,000	$1,000	$1,000
735.000 Periodicals & Publications	365	500	500	650	650	650
820.000 Administration	9,800	8,000	10,000	10,000	10,000	10,000
831.000 Contractual Repairs & Maint	710	725	725	725	725	725
860.000 Travel & Training Expense		1,500	1,500	1,500	1,500	1,500
865.000 Vehicle Allowance		1,800	1,800	0	0	0
870.000 Memberships & Dues		325	325	325	325	325
880.000 Education		0	0	0	0	0
900.000 Printing/Publishing	23	75	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	**$11,633**	**$13,925**	**$15,925**	**$14,275**	**$14,275**	**$14,275**
TOTAL BUILDING INSPECTOR	**$3,095**	**$1,125**	**-$875**	**$725**	**$775**	**$775**
Beginning Fund Balance	$9,914		$13,009			$12,134
Projected Ending Fund Balance	$13,009		$12,134			$12,909

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. Public safety grants will be the only ones awarded to the City for the foreseeable future.

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. Funds should be expended within 6 months of receipt.

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	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
570.000 Local Grant Revenue	$14,614	$30,000	$30,000	$30,000	$30,000	$30,000
664.000 Interest Income	0	0	0	0	0	0
Total Revenues	**$14,614**	**$30,000**	**$30,000**	**$30,000**	**$30,000**	**$30,000**
799.000 Expenditures	$26,352	$30,000	$61,170	$30,000	$30,000	$30,000
Total Expenditures	**$26,352**	**$30,000**	**$61,170**	**$30,000**	**$30,000**	**$30,000**
TOTAL LOCAL REVENUE SHARING FUND	**-$11,738**	**$0**	**-$31,170**	**$0**	**$0**	**$0**
Beginning Fund Balance	$25,360		$31,170			$0
Projected Ending Fund Balance	$13,623		$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 is $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 toward 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	2009 Actual	2010 Budget	2010 Projected	Manager Budget	Council Adopted
539.000 State Grant Revenue	$0	$300,000	$0	$400,000	$400,000
699.000 Operating Transfer in		0	0	0	0
Total Revenues	**$0**	**$300,000**	**$0**	**$400,000**	**$400,000**
810.000 Prof Services - Engineering	$0	$0	$0	$0	$0
999.000 Operating Transfer Out	0	300,000	0	400,000	400,000
Total Expenses	**$0**	**$300,000**	**$0**	**$400,000**	**$400,000**
TOTAL COOL CITIES BLUEPRINT	**$0**		**$0**		**$0**
Beginning Fund Balance	$0		$0		$0
Projected Ending Fund Balance	$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, Fire Station furnace and Ramsdell Theatre Roof replacement. 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 of **$321,770** is based upon the 4.5% Oil & Gas spending rule formula. 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. The difference will be tracked as a receivable on the balance sheet.

Expenses: The budget anticipates **$347,380** in capital expenditures. Please see the 2010-2011 Capital Improvement Plan for details of these projects. The projects anticipated in the budget are:

Proposed Item	Budget	Comment
Ramsdell Roof Installment Note (1 of 7)	$ 69,880	
BSA Software Upgrade	$ 16,000	
Cyclical Computer - Surv Cameras	$ 12,500	
DDA Maintenance	$ 10,000	
Fire Dept Mobile Data Terminals	$ 14,000	Applied for LRSB grant
Fire Dept Gas Monitors	$ 5,000	
Sand-Dune Stabilization	$ 30,000	
Fish Cleaning Station	$ 75,000	City match for possible grant - $150,000 total
Ramsdell Theatre Steps	$ 15,000	Ramsdell fund to also pay $15,000 - $30,000 total
Ramsdell HVAC Engineering	$ 90,000	Council to discuss options to move forward
Energy Efficiency Improvements	$ 10,000	
Total	**$347,380**	

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

☒ Budget as recommended ☐ Budget with changes

Changes:

430 Capital Improvement Fund	2009 Actual	2010 Budget	2010 Projected	Dept Request	Manager Budget	Council Adopted
664.000 Interest Income	$334	$1,000	$1,000	$1,000	$1,000	$1,000
671.000 Other Revenue	0	$0	0	0	0	0
674.000 Contributions\Donations	0	$0	0	0	0	0
676.000 Reimbursement	4,669	$0	0	0	0	0
699.000 Operating Transfer In	234,900	$200,000	200,000	320,770	320,770	320,770
Total Revenues	**$239,903**	**$201,000**	**$201,000**	**$321,770**	**$321,770**	**$321,770**
799.000 Miscellaneous Expense	$0	$0	$0	$0	$0	$0
801.000 Professional Services	0	$0	0	0	0	0
831.000 Contractual Repairs\Maint	0	$0	0	0	0	0
970.000 Capital Outlay	128,077	$173,000	180,000	347,380	347,380	347,380
999.000 Operating Transfer Out	100,000	$0	0	0	0	0
Total Expenditures	**$228,077**	**$173,000**	**$180,000**	**$347,380**	**$347,380**	**$347,380**
TOTAL CAPITAL IMPROVEMENT	**$11,826**	**$28,000**	**$21,000**	**-$25,610**	**-$25,610**	**-$25,610**
Beginning Fund Balance	$300,946		$312,772			$333,772
Projected Ending Fund Balance	$312,772		$333,772			$308,162

CITY OF MANISTEE

2010-2011 GENERAL APPROPRIATIONS ACT

BUDGET ADOPTION LIST

It was moved by **Mack**, supported by **Kenny**, that the City of Manistee Budgets for the fiscal year 2010-2011 be adopted as presented by the City Manager on March 12, 2010 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

101 - GENERAL FUND

Total Revenue	$	5,268,659
Total Expense	$	5,268,657
100 - General Government	$	684,238
101 - Legislative	$	45,066
172 - Manager	$	203,246
215 - Clerk	$	186,085
253 - Finance	$	202,914
257 - Assessor	$	112,962
265 - Municipal Buildings	$	133,057
266 - Attorney	$	80,000
285 - Engineer	$	36,000
290 - Boards and Commissions	$	11,425
301 - Police	$	1,066,687
336 - Fire	$	735,386
441 - Public Works	$	999,225
748 - Community Development	$	265,547
751 - Parks and Recreation	$	351,809
801 - Appropriations	$	155,009

ENTERPRISE FUNDS

573 - WATER & SEWER FUND

Total Revenue	$	4,136,684
Total Expenses	$	2,165,073
Total Capital & Debt	$	5,506,626
General	$	320,770
Administration	$	352,719
Water	$	514,890
WWTP	$	720,896
Sewer	$	255,798
Debt Service	$	1,170,626
Capital Outlay	$	4,336,000

594 - MUNICIPAL MARINA FUND

Total Revenue	$	684,800
Total Expenses	$	205,840
Total Capital & Debt	$	727,750
Debt Service	$	67,750
Capital Outlay	$	660,000

508 - BOAT LAUNCH FUND

Total Revenue	$	289,248
Total Expenses	$	17,260
Total Capital & Debt	$	359,000
Debt Service	$	1,000
Capital Outlay	$	358,000

296 - RAMSDELL THEATRE FUND

Total Revenue	$	97,500
Total Expenses	$	97,500
Total Capital & Debt	$	189,880
Debt Service	$	69,880
Capital Outlay	$	120,000

SPECIAL REVENUE FUNDS

202 - MAJOR STREET FUND		
Revenue	$	1,200,500
Expense	$	1,233,675
203 - LOCAL STREET FUND		
Revenue	$	173,300
Expense	$	144,500
204 - STREET IMPROVEMENT FUND		
Revenue	$	33,500
Expense	$	35,500
226 - REFUSE FUND		
Revenue	$	404,233
Expense	$	400,500
249 - BUILDING INSPECTOR		
Revenue	$	15,050
Expense	$	14,275
281 - COOL CITIES BLUEPRINT FUND		
Revenue	$	400,000
Expense	$	400,000
275 - LOCAL REVENUE SHARING GRANT		
Revenue	$	30,000
Expense	$	30,000

CAPITAL PROJECT FUNDS

430 - CAPITAL IMPROVEMENT FUND		
Revenue	$	321,770
Expense	$	347,380

INTERNAL SERVICE FUNDS

661 - MOTOR POOL FUND		
Revenue	$	296,469
Expense	$	159,181

PERMANENT FUNDS

245 - OIL & GAS FUND		
Revenue	$	580,000
Expense	$	359,770

The Manistee City Council hereby establishes a property tax levy of 17.2957 mills for General Fund operations and 1.15 mills for Refuse Fund operations for the 2010-2011 fiscal year. Water and Sewer consumption charges are established at $2.72 and $5.44 per 1,000 gallons respectively for bills issued after July 1, 2010.

Adopted by the Manistee City Council on May 11, 2010.

_____
Ilona Haydon, 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)

Curbside Recycling		$4
Residential	1-2 Bags / week	$2
3-6 Bags / week		$4
Tidy Tote / week		$6
Commercial	1-2 Bags / week	$2
3-6 Bags / week		$4
3-6 Bags twice/ week		$8
Tidy Tote / week		$6
Apartments	Tidy Tote / week	$6
3-6 Bags / week- each Unit		$4
Extra Bags		$2
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	

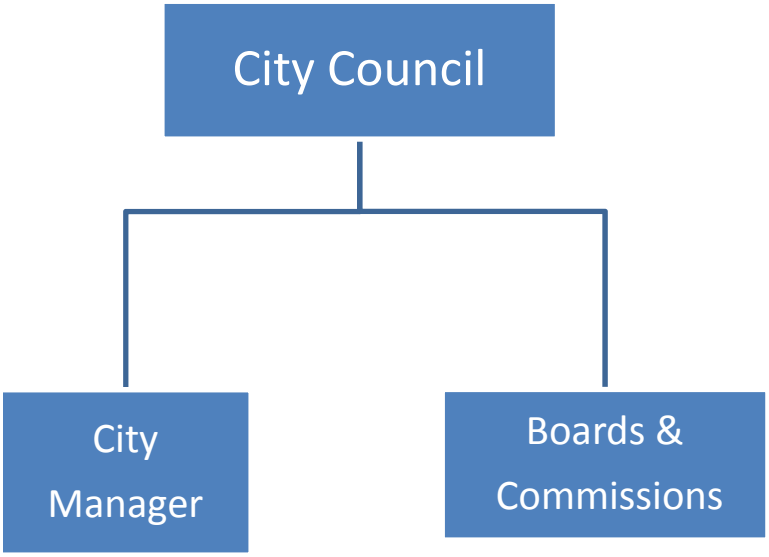
Appendix — Elected Officials & Administration

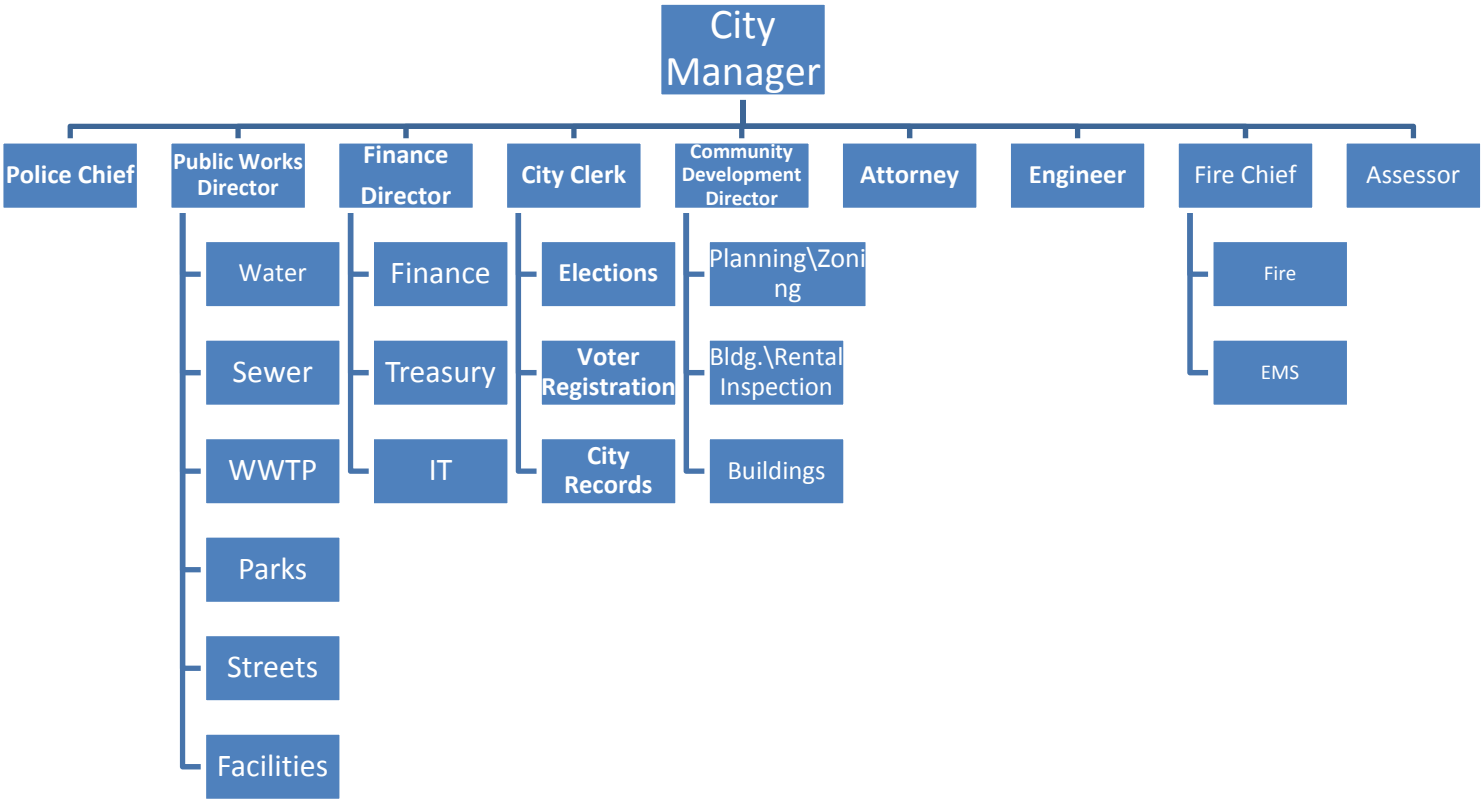
Elected Officials

Ilona Haydon	Mayor	Fourth District	bestnshow49660@gmail.com
Colleen Kenny	Mayor Pro-Tem	First District	ckenny@packagingcorp.com
Vacant Seat		Second District	
Robert Hornkohl	Councilmember	Third District	rmhornkohl@sbcglobal.net
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

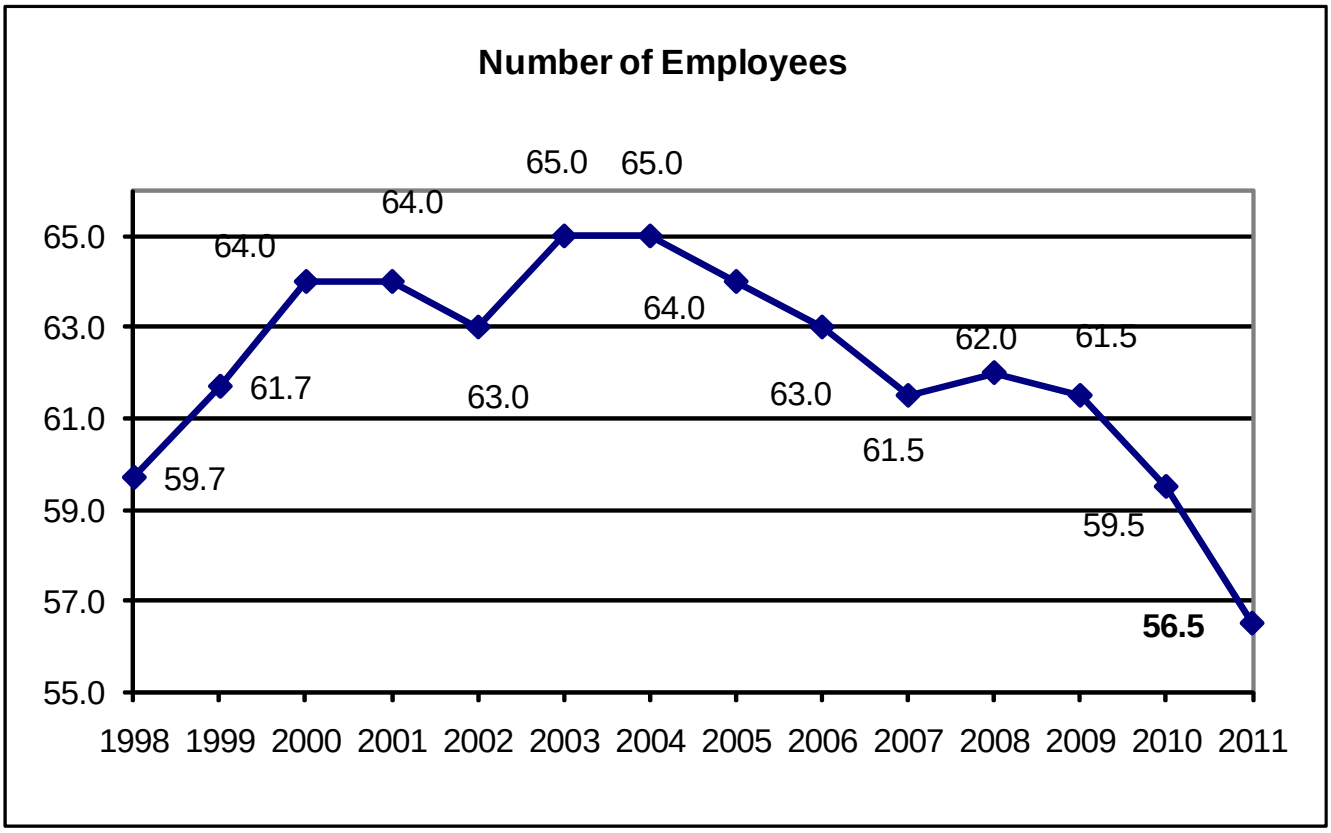
Mitch Deisch	City Manager	mdeisch@ci.manistee.mi.us
Dave Bachman	Police Chief	dbachman@ci.manistee.mi.us
Jack Garber	Public Works Director	jgarber@ci.manistee.mi.us
Ed Bradford	Financial Services Director	ebradford@ci.manistee.mi.us
Jon Rose	Community Development Director	jrose@ci.manistee.mi.us
Michelle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


City Council
City Manager
Boards & Commissions


City Manager
Police Chief
Public Works Director
Finance Director
City Clerk
Community Development Director
Attorney
Engineer
Fire Chief
Assessor
Water
Sewer
WWTP
Parks
Streets
Facilities
Finance
Treasury
IT
Elections
Voter Registration
City Records
Planning\Zoning
Bldg.\Rental Inspection
Buildings
Fire
EMS

Appendix — Number of Employees

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

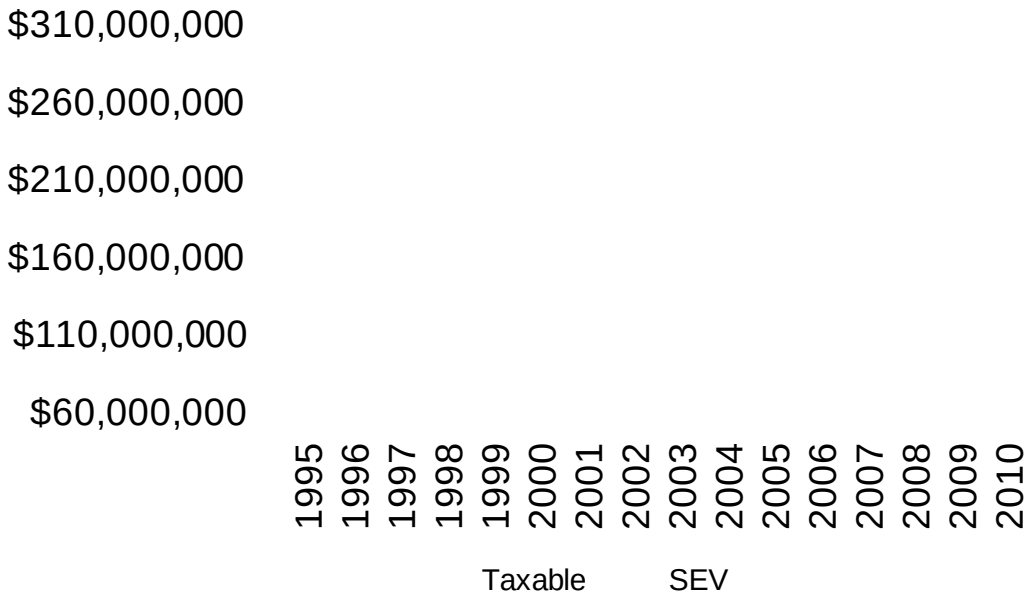


Appendix — Breakdown of Employees

NUMBER OF EMPLOYEES (Full-Time & Permanent Part-Time Only, Excludes Seasonal)

	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Budget 2011
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	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	4.0
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	1.0
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	3.5
Municipal Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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	13.5
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	8.0
Public Works	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	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	3.0	2.0	2.0
General Fund	**48.7**	**50.7**	**52.0**	**53.0**	**52.0**	**53.0**	**53.0**	**52.0**	**52.0**	**50.5**	**50.5**	**50.0**	**47.5**	**45.5**
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	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	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	4.0
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	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**	**10.0**
Ramsdell Theatre											0.5	0.5	1.0	1.0
Ramsdell Theatre											**0.5**	**0.5**	**1.0**	**1.0**
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**	**59.5**	**56.5**
General	48.7	50.7	52.0	53.0	52.0	53.0	53.0	52.0	52.0	50.5	51.0	50.5	48.5	46.5
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	10.0

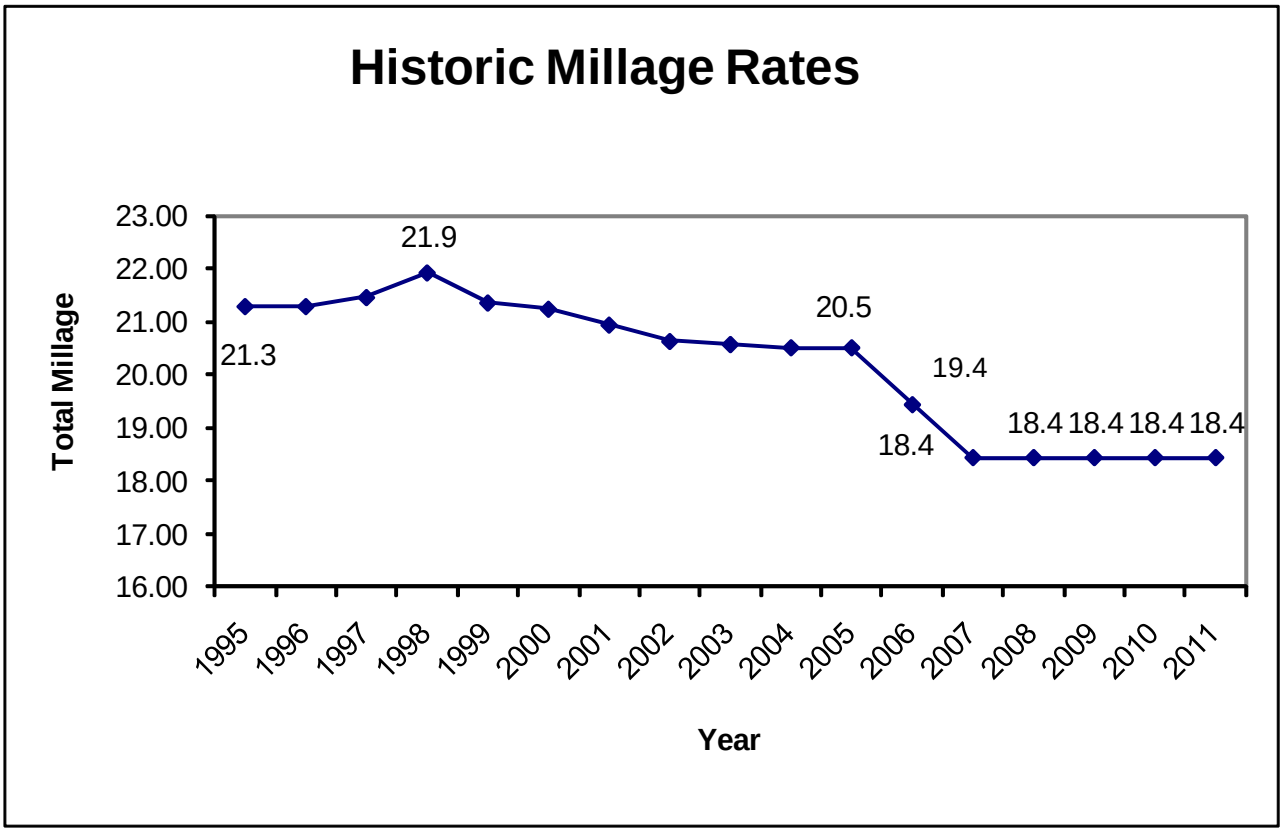
SEV & Taxable Value



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	$ 249,539,700	-3.1%	$ 212,439,939	3.0%
2010	$ 245,823,500	-1.5%	$ 208,759,415	-1.7%

Appendix Millage

Historic City millage rates are presented below.



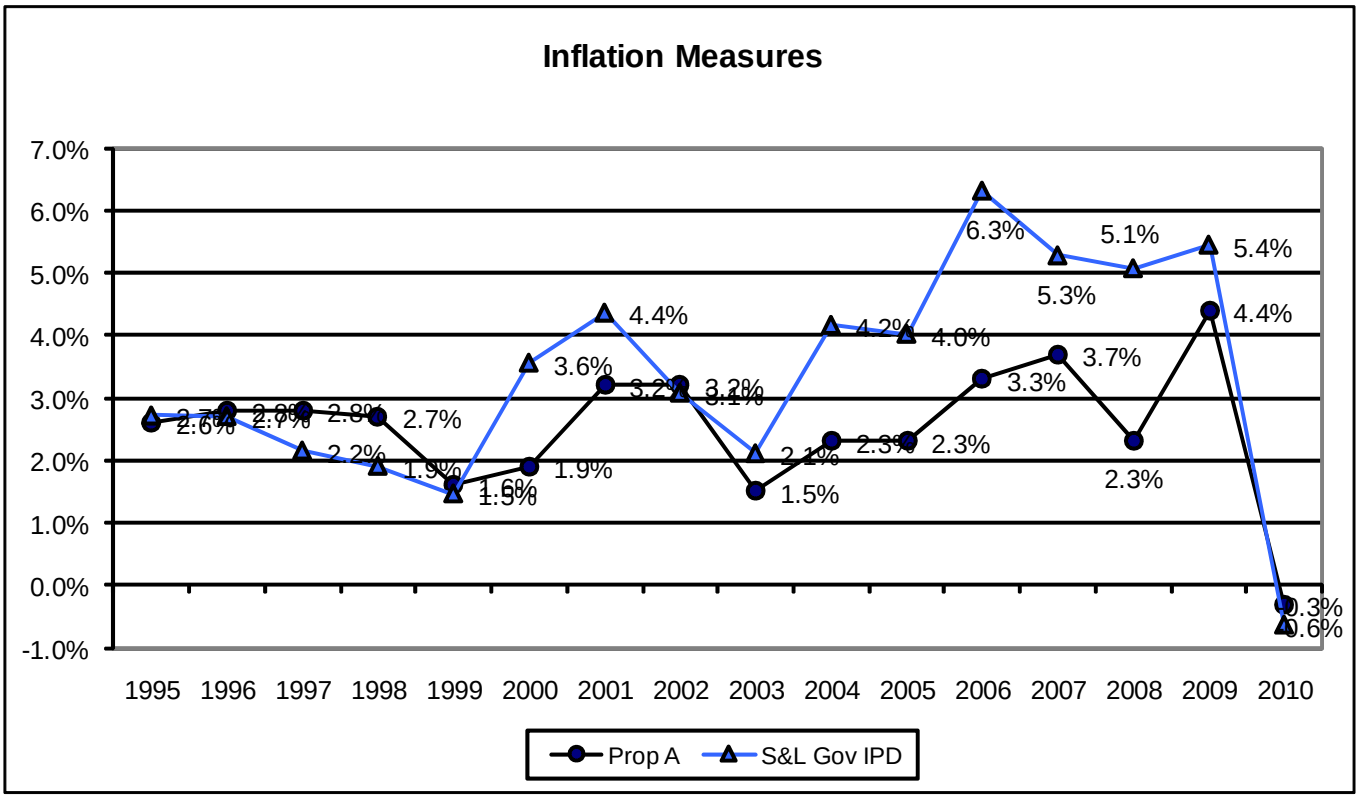
Appendix Millage

Millage Rates

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	17.30
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	1.15
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	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**	**18.45**	**18.45**
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	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)**	**(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%	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%	-14.0%

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)
2009	191	28
Average	217	

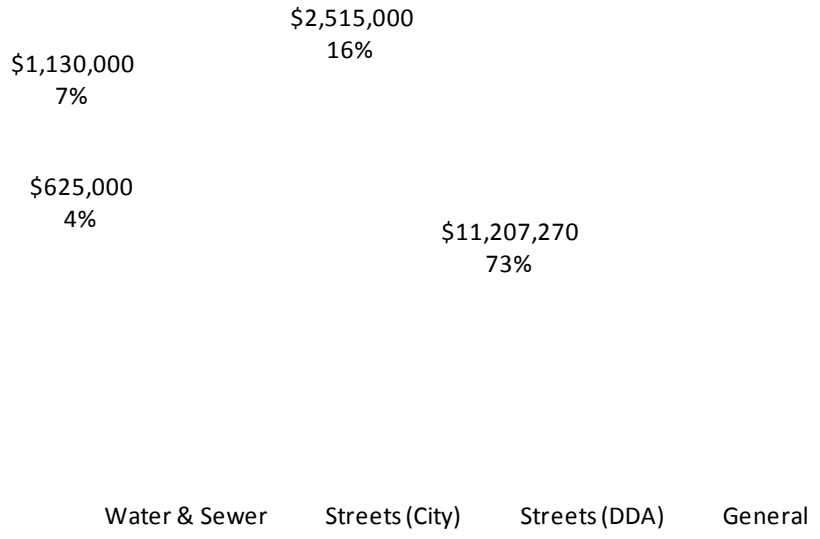
Appendix — Outstanding Debt

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 6/30/2010

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	7	$ 525,000	$ 215,000	$ 30,000	$ 4,838	$ 34,838
1998 B Revenue	CSO (SRF)	Water & Sewer	2019	9	$ 2,715,000	$ 1,340,000	$ 135,000	$ 28,631	$ 163,631
1999 B Revenue	CSO (SRF)	Water & Sewer	2021	11	$ 2,285,000	$ 1,395,000	$ 110,000	$ 33,500	$ 143,500
1999 DDA	Streetscape	DDA	2020	10	$ 1,500,000	$ 1,130,000	$ 90,000	$ 56,716	$ 146,716
1999 MTF	Streetscape	Major Street	2015	5	$ 1,500,000	$ 625,000	$ 110,000	$ 29,100	$ 139,100
2003 Cap Imp	City Hall	General Fund	2024	14	$ 2,950,000	$ 2,515,000	$ 95,000	$ 98,206	$ 193,206
2006 WWTP	WWTP (SRF)	Water & Sewer	2027	17	$ 2,757,270	$ 2,392,270	$ 125,000	$ 38,874	$ 163,874
2005 WS Refunding	Refund WS	Water & Sewer	2028	18	$ 6,285,000	$ 5,865,000	$ 415,000	$ 225,583	$ 640,583
		TOTAL			**$ 20,517,270**	**$ 15,477,270**	**$ 1,110,000**	**$ 515,448**	**$ 1,625,448**

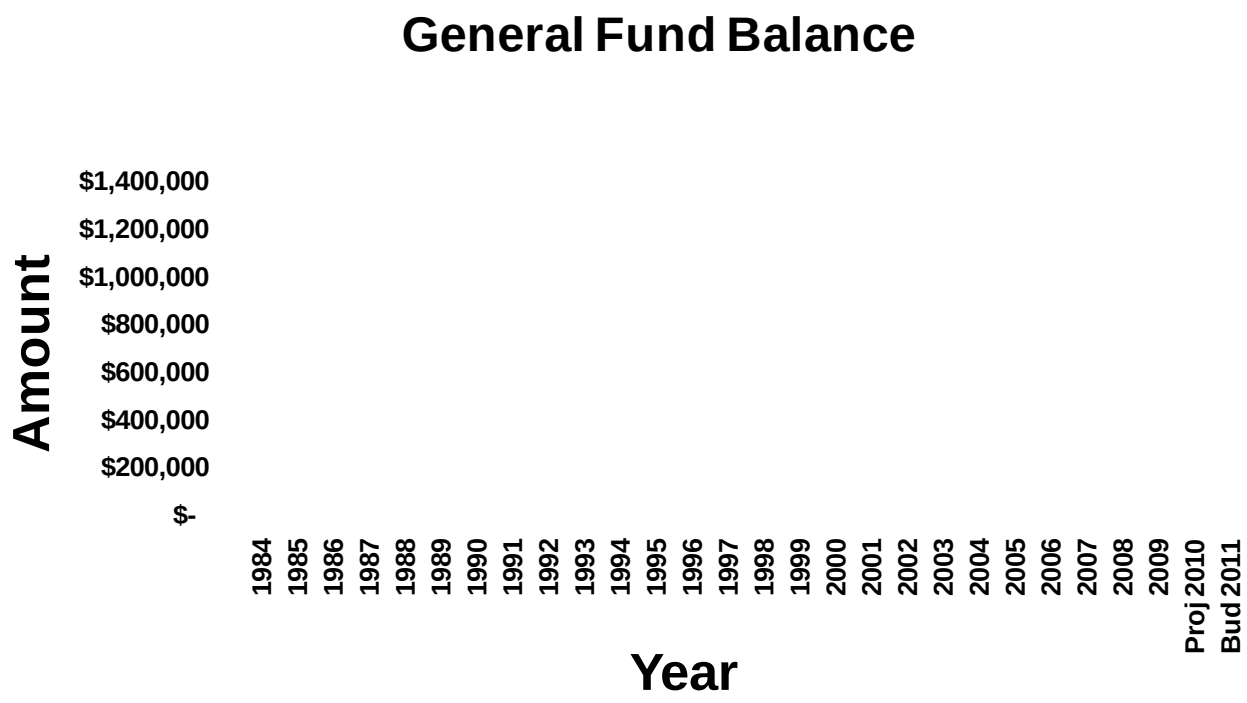
In August of 2005, the City refunded three Water & Sewer revenue bonds. This refunding saved the City $282,000 over the life of the bonds.



The chart below shows historical water & sewer rate increases.

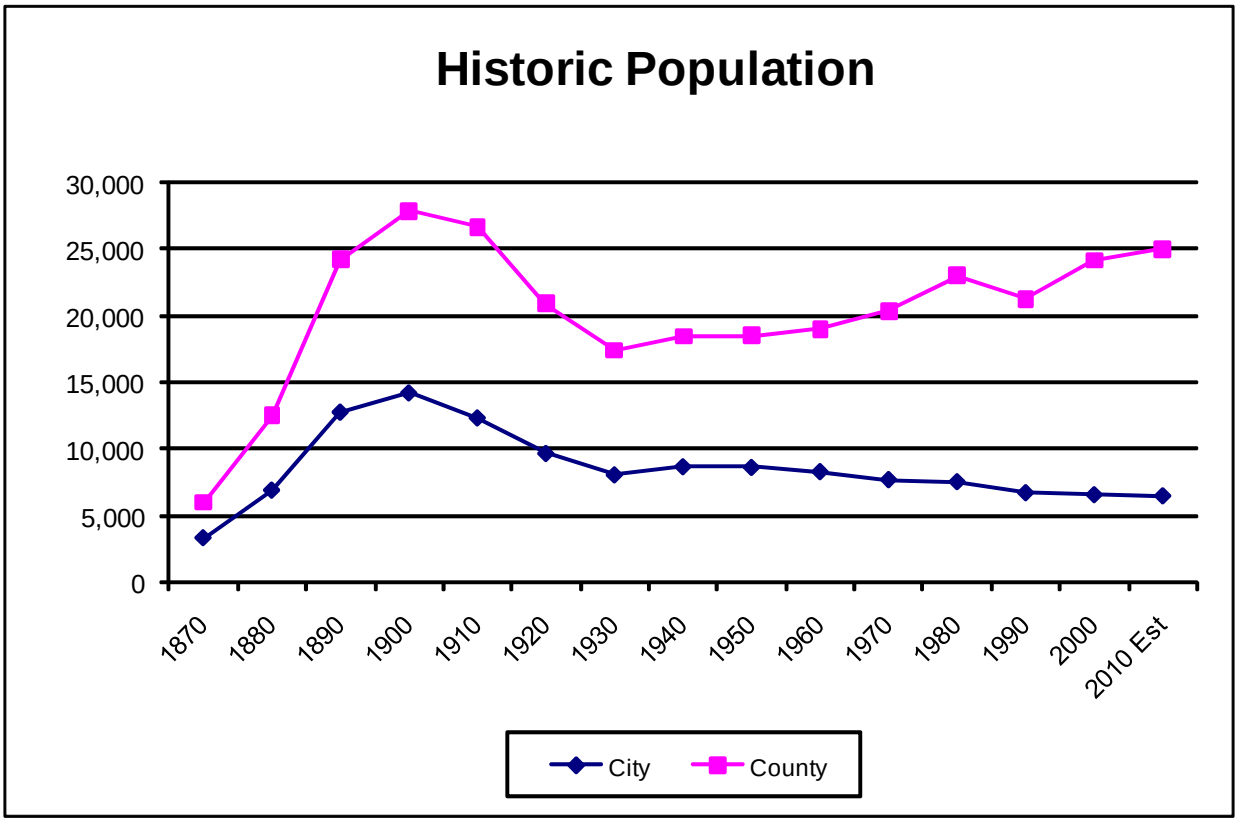
Water & Sewer Rate History

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Water per 1000G	$1.63	$1.79	$1.86	$1.90	$1.95	$2.04	$2.16	$ 2.25	$2.48	$2.60	$2.72
Sewer per 1000G	$3.53	$3.57	$3.71	$3.80	$3.90	$4.08	$4.32	$ 4.50	$4.97	$5.20	$5.44
Fixed Charge	$6.60	$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	$55.53
Dollar Increase		$1.20	$1.26	$0.78	$0.90	$1.62	$2.16	$1.62	$4.20	$2.10	$2.14
Percent Increase		3.2%	3.3%	1.9%	2.2%	3.9%	5.0%	3.6%	9.0%	4.4%	4.0%


General Fund Balance
Amount
$1,400,000
$1,200,000
$1,000,000
$800,000
$600,000
$400,000
$200,000
$-
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
Proj 2010
Bud 2011
Year

Appendix Population

A history of census data counts has been prepared.



Appendix — Grants Received

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	$	400,000
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	Waterways Commission	Arthur St. Boat Launch	$	102,833
2008	Waterways Commission	Marina Building Improvements	$	329,800
2008	Great Lakes Fishery Trust	Arthur St. Boat Launch		TBD
2009	MDOT Category F	Old US 31 Truck Route	$	110,000
2009	MDOT Category A	Industrial Park Roads	$	378,000
thru 2009	Local Revenue Sharing	Variety of Items	$	600,000
	Total		**$**	**9,291,068**