



## 2011 - 2012 Budget



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## Budget Introduction

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Welcome to the City of Manistee's Fiscal Year 2011-2012 budget. The Budget is the guiding financial policy document for the City of Manistee and includes all City revenues, expenditures, 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 Budget Transmittal Letter and the Executive Summary.

Important issues are discussed in greater detail under the heading of Issue Pages. This section addresses important, timely issues that impact the City and its residents. It would include topics such as state revenue sharing and upcoming construction projects. If you want a good overview of the 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 Employees and State Equalized Value. This information allows the budget to serve as a record of important historic 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 2011-2012 budget document.

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Overview

Budget Transmittal Letter

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March 21, 2011

Honorable Mayor Richard Mack  
Members of the Manistee City Council  
City of Manistee  
70 Maple Street  
Manistee, Michigan 49660

Ladies and Gentlemen:

As predicted last year, the economic climate continues to be challenging throughout the State of Michigan and Manistee County. For the third straight year property values decreased in the City and when accompanied with the ever present threat of reduced or eliminated statutory state revenue sharing; we are being served a double-hit to the City's revenue. For the City of Manistee, like all communities, revenue equals desired public services.

Michigan's current economy and state budget look to be every bit as challenging as the past several years. A major difference though is that the Governor and Legislature appear to be convinced that decisive, drastic actions need to be taken now to stabilize the state budget. This undoubtedly will result in impacts to the City's 2011-2012 budget in terms of statutory state revenue sharing. The most current message from the Governor is that statutory state revenue sharing has to be eliminated; however, based upon communities utilizing best practices in their operations there is the ability to recapture some of the eliminated revenue sharing.

What does this mean to Manistee? At this point we do not know and most likely we will not know the full impact of the Governor's and Legislature's decisions until after the City budget has been adopted. Based upon this uncertainty, the City of Manistee continues to wean itself off statutory state revenue sharing. In the past fiscal year the City reduced budgeted statutory revenue sharing by 25%, with the same 25% reduction being proposed for fiscal year 2011-2012. On top of prior cuts, these actions have reduced the amount of revenue sharing in the proposed budget to approximately \$100,000. It is also important to point out that we may also be receiving less constitutional revenue sharing based upon population losses in the 2010 U.S. Census. At this point we do not know the exact amount of that potential loss.

With the uncertainty of the State of Michigan and a continuation of declining property values, proactive, educated decisions by City Council are becoming more crucial toward the economic stability of the community. Decisions made last year in regards to holding the line on employee costs and reducing the work force have set the foundation for the fiscal year 2011-2012 budget. Along with decisions made last year, Administration with Council support has worked diligently over the past several years to manage health care, pension and other post-employment benefit costs that are devastating so many governmental units in the State of Michigan. Over the

past ten years the City has addressed health care insurance four times (reducing costs or placing more costs onto City employees), maintained a 100%+ funding of the retirement system (where the state average is well below 80% funded), maintained a cap on retiree health insurance costs and finally asked employees for the past two years to freeze wages. Department Directors last year not only received no raise, but also took two furlough days, which resulted in a salary reduction for Department Directors and the City Manager.

The overall point is that Council and City employees have been making difficult decisions to maintain and improve the financial health of the City. As we move forward in 2011-2012 and beyond, this quality decision making process that is guided by the Strategic Plan will continue to be critically important for Manistee's future.

With the knowledge of these fiscal challenges, the City continues to improve and put emphasis on strategic planning. Again in 2011, public input was sought to update the Strategic Plan with assistance from the Alliance for Economic Success. 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." This Strategic Plan, like the ones before it, will serve as a guide for future budgetary decisions.

The year 2010 was an exceedingly busy construction year with the Jones Street sewer separation project, the Arthur Street Boat Launch renovation, street resurfacing projects, and a complete rebuild of the Municipal Marina building. The year 2011 will be just as busy with the last remaining and very large Cedar Street sewer separation project, reconstruction of First Street, Phase II Maple Street Bridge upgrades, and Monroe Street resurfacing. It will indeed be a very busy and productive summer.

The Capital Improvement Fund, which is almost entirely funded through oil and gas well investment earnings, has been a driving force over the past few years for completing capital projects. Like all funds, the Capital Improvement Fund has limited resources that are being committed over several years to assist with multi-year funding of capital projects. As these commitments increase, the Capital Improvement Fund will not be able to continue funding the volume of projects like we have for the past few years. After 2011-2012 we are going to need to significantly slow down on capital projects until these multi-year projects are paid off and additional non-committed capital improvement funds are available. Currently the Capital Improvement Fund is committed at approximately 53%.

The 2011-2012 Budget and Capital Improvement Plan will be introduced to the Council and the Community at the Monday, April 4, 2011 meeting. Various budget work sessions have been established: regular work session on Tuesday, April 12, special work session on Tuesday, April 19, with an optional work session on Tuesday, April 26; 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 19, 2011. Budget adoption is anticipated at the regular meeting of May 4, 2011.

While the enclosed budget recommendations represent the City Manager and Administration'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 2011-2012 Budget for the City of Manistee.

Respectfully submitted,

CITY OF MANISTEE

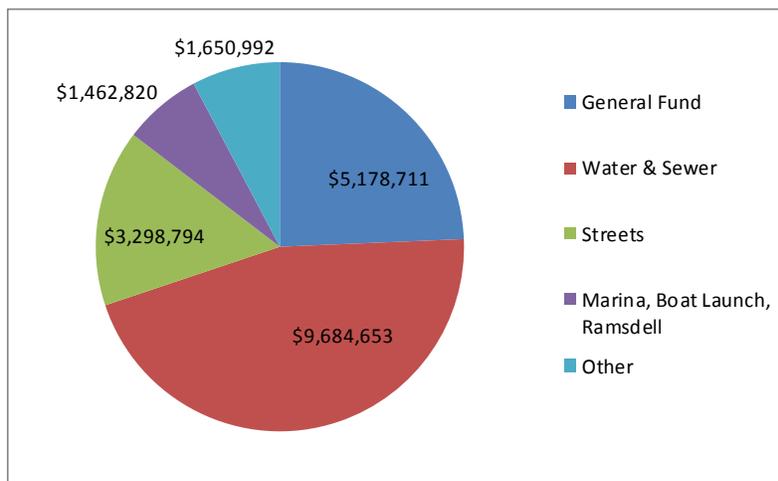
*Mitchell D. Deisch*

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

Overview

Executive Summary

At the onset, the proposed budget was shaping up to be one of the most difficult to prepare in recent years. Preliminary projections showed a General fund deficit of \$300,000+. This is in spite of significant downsizing and reforms in City government over the past several years. The enormous financial challenges posed by a still weak national and state economy and housing market collapse has created budgetary pressures that require significant action. This budget, through the efforts of Administration, the leadership of Council and partnership by employees, addresses the shortfall and continues to make 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 2 FTE. Overall, the City workforce is down 16% since 2004. Continued workforce reduction makes sustaining service levels impossible; however, Administration is striving to mitigate this where possible. The budget continues to fund important capital projects and ensures key infrastructure is being maintained; however, the pace of recent capital projects cannot be maintained in the near term because of limitations imposed by past commitments and finite financial resources. The budget for all funds, including capital outlay and debt service totals **\$21,275,970**



The General Fund is has a balanced budget of **\$5,178,711** or **24%** of total spending. Services most people associate with local government, such as police, fire & EMS, tax collection, assessing and planning & zoning are funded here.

The General Fund receives its income from a variety of sources, including property taxes, state revenue sharing and charge for services. Tax revenue has declined due to a stagnant housing market and less new construction. Revenue sharing from the state is budgeted to decline by 25%. The Governor’s “Special Message on Community Development and Local Government Reforms” has just been released and is being analyzed for its impact on the City budget, including revenue sharing. Expenses are down almost 2%, primarily thru personnel reductions.

The Water & Sewer Utility has budgeted expenditures for operations, capital outlay and debt service of **\$9,684,653** or **46%** of total City spending. Water and Sewer rates are proposed to increase 4%. A typical customer will see their monthly bill increase by \$2.16.

Operational costs declined from last year. The total expenditure number is inflated by the large amount of capital expenditures taking place. Large projects include the state mandated Cedar Street Sewer separation and replacing the failing Riverbank Sewer line.

Bond debt will increase by 7.15 million dollars because of the two recent sewer separation projects and the Riverbank sewer replacement.

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The overall Street budget is **\$3,298,794** or **16%** 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 reconstruction of First Street from the Armory to the beach and the reconstruction of several streets in the Cedar Street sewer district. The budget also supports the street asset management plan by allocating money for crack sealing a number of roads.

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The Marina, Boat Launch and Ramsdell Theatre account for **\$1,462,820** or **7%** of expenditures. This number is much higher than normal because of a significant capital project at the Ramsdell Theatre, the replacement of the HVAC system. Last year's major projects at the Marina and Arthur Street boat launch are or will be complete in time for the summer.

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The remaining funds account for **\$1,650,992** or **8%** of spending. Foremost among these funds are the Capital Improvement, Oil & Gas, Motor Pool and Refuse funds. The Capital Improvement fund pays for capital projects throughout the City. The Oil & Gas fund is a permanent endowment fund that accumulates royalties and investment earnings on City-owned mineral rights. It is the primary source of revenue for the Capital Improvement fund. The Motor Pool fund accounts for the purchase of vehicles and equipment for use by City departments. The Refuse fund accounts for the taxes and fees collected, and payments made, to collect and dispose of refuse and yard waste in the city. The monthly refuse user charge(s) are anticipated to go up 4% for each level of service.

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## Budget Change Summary

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During the budget process, changes are often made to the Manager's proposed budget. These changes will be summarized here, and reflected in the budget numbers, narratives and annual appropriation. Issue pages will not be changed, in order to reflect the issues as they were presented in the proposed budget.

The primary changes were as follows:

1. The annual \$10,000 DDA maintenance stipend was moved from the capital improvement fund budget to the general fund budget.
2. The budget for Well 10 rehabilitation was increased from \$15,000 to \$25,000.
3. Clerical errors were corrected in the Refuse and Clerk budgets.
4. The projected savings in paper, copy charges and postage from moving to electronic packet distribution were removed from the appropriate budgets.

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.

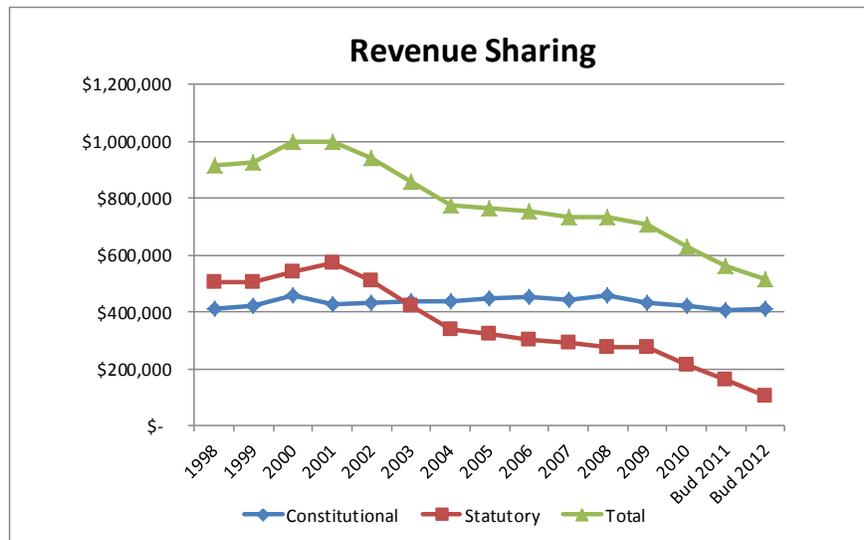
Issue Page

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 general fund employment by 9.5 FTE or 18% since 2004, including 2.0 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.

On the revenue side, the City continues to confront significant challenges. The two primary sources of revenue to the General Fund are local property taxes and sales taxes passed thru to the City from the state in the form of revenue sharing. Both of these have been declining and are largely out of the control of the City. The tax base has declined by about 4% since 2009 yielding less property taxes, although the decline has been much less severe than in other areas of the state. The larger issue is revenue sharing which has declined by \$482,000 or 48% since 2001; or almost 10% of the general fund budget. Total loss of payments since 2001 is in excess of \$3,000,000.



One key to financial stability is adequate, healthy financial reserves, i.e. a 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. However, as a rule Administration and Council have made the structural changes necessary to balance the budget without depleting its savings account.

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. Unfortunately, interest earnings are at their lowest level ever because of the actions of the Federal Reserve to keep rates low to stimulate the economy. Interest income is now down \$70,000 annually since the recession began in 2008, or over 90%

Council has established a General fund balance target of 20% of prior year operating expense, excluding transfers out. 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, 2010 audit showed a general fund balance of \$919,939 an increase of \$66,162 from the prior year. The fund balance is currently below the 20% target balance at 17.7%. With the uncertain financial times in the State of Michigan, there will be increasing pressure to use the fund balance to maintain existing services.

Administration recommended to City Council during the fiscal year 2010-2011 budget process to eliminate the Fire Chief position and create a Public Safety Director position to oversee both Police and Fire Departments. This recommendation generated tremendous community response both inside and outside the City.

Some citizens were in support of the recommendation and many were not in support. Ultimately City Council chose to maintain the Fire Chief in the 2010-2011 fiscal year budget and directed staff to review all public safety options in a White Paper study.

On May 14, 2010 Fire Chief Sid Scrimger submitted his letter of resignation to become effective two weeks later on May 31, 2010. Based upon this decision by Fire Chief Scrimger, the City of Manistee negotiated a Letter of Understanding with Fire Department Captain Timm Smith to serve as Acting Fire Chief on June 14, 2010.

On November 30, 2010 Police Chief David Bachman, Acting Fire Chief Timm Smith, Finance Director Ed Bradford and City Manager Mitch Deisch completed and presented the Public Safety White Paper study to the Manistee City Council and the community.

During the February 8, 2011 Council work session direction was provided to Administration to prepare the 2011-2012 fiscal year budget with the Public Safety Director position incorporated into the draft budget.

Following up on this Council directive, the City Manager complied with City Charter Section 5.4 Appointments and placed before City Council the appointment of Police Chief David Bachman as Public Safety Director to be effective March 15, 2011. Council confirmed the manager appointment at their March 15, 2011 meeting.

The approximate savings attributed to the Public Safety Director position is \$100,000 in the 2011-2012 fiscal year budget.

In 2010 the City of Manistee completed the Operational Services Assessment Study that looked for ways to improve and reduce costs in each City department. Out of the OSA report came direction from Council that Administration would complete a White Paper study on each City department looking for best practice organizational models, privatization opportunities, and intergovernmental cooperation; all with the goal of maintaining the community desired level of service and reducing costs if possible.

Currently Council has received and discussed the Public Safety White Paper study and has received the Assessing White Paper study. The Council direction for the Public Safety White Paper has been incorporated into this proposed budget. The Assessing White Paper will be discussed in conjunction with the proposed 2011-2012 budget, thus the status quo option was budgeted at this time.

Other departmental white papers will commence this summer with the Department of Public Works, Community Development, Finance/Clerk and the City Manager departments still needing to be completed.

The Department of Public Works will be the next white paper study and will start right after the budget is approved.

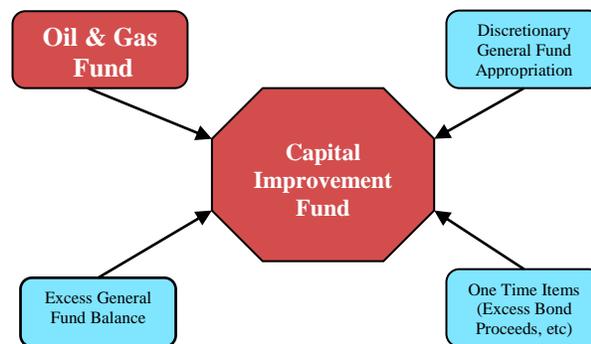
Capital Improvement Fund

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. 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.

The primary source of funding is Oil & Gas fund earnings. This will provide a stable, long-term source of funding for capital projects. However, this source of funds is not inexhaustible.

Secondary sources of funding will be an annual transfer of excess General fund balance, general fund appropriations and one time transfers. An annual evaluation of the General fund balance will be undertaken

each year after getting the audit results 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 2010 audit, the general fund is below the 20% threshold, so no transfer will occur in FY 2011 and none is anticipated in the foreseeable future.

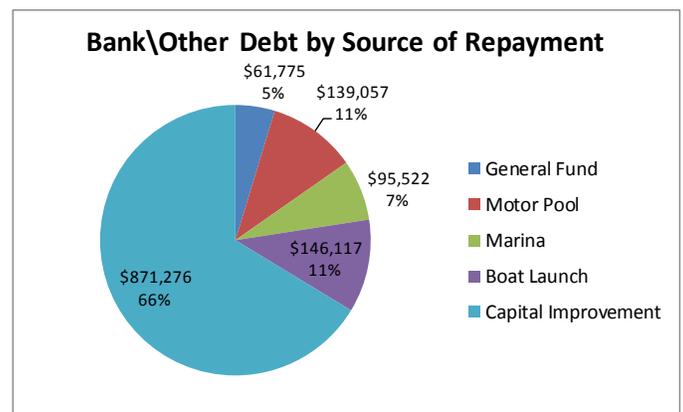
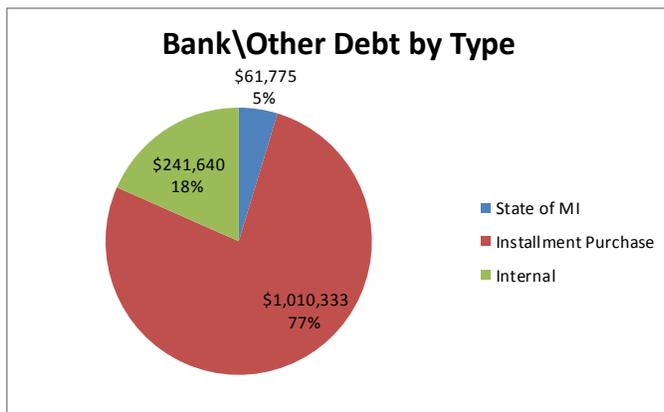
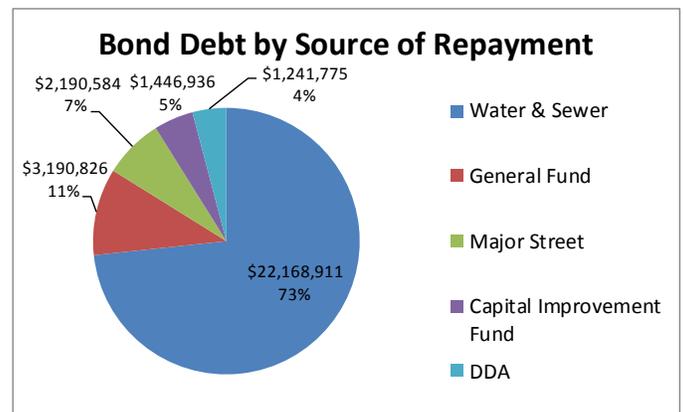
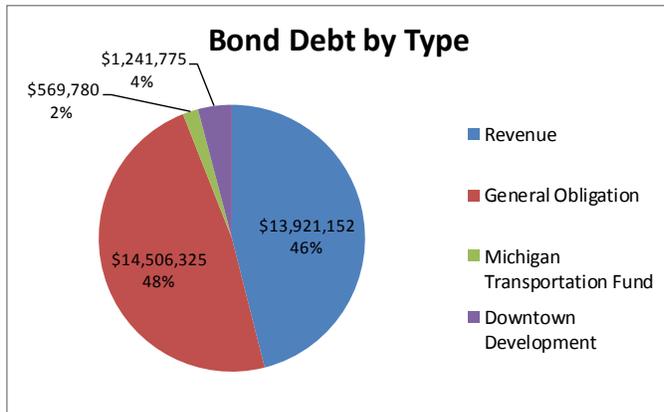


The City’s Capital Improvement fund is a significant financial resource for the City. However, like any other resource, it needs to be managed wisely and is not inexhaustible. Due to proactive actions by Administration relating to allowable investments and the resultant professional investment management of the Oil & Gas fund, revenues provided to the Capital Improvement fund are greatly increased and will provide much needed stability moving forward. Administration estimates that if not for these changes two years ago, annual revenue would be \$250,000+ less than are currently being received.

As the Capital Improvement fund has become the main source of funding capital projects, the demands on it have increased significantly. Initially, the size and scope of projects budgeted allowed for cash payments. Even large projects such as the 5<sup>th</sup> Avenue Beach house were paid for in cash (although this was only accomplished by the use of excess General fund balance that had been transferred in). As the number and size of some of the projects has increased, the ability to finance improvements in cash has declined. The fund is starting to be committed over multiple years through financing mechanisms such as installment purchase contracts. As a result, the number and size of future projects will necessarily be impacted.

City Indebtedness

The City has thirteen outstanding bond issues for a variety of purposes. It has eight outstanding bank installment purchase contracts and internal loans. These bond issues and loans 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.



Detailed information on all of the City’s debt is found on the next two pages. It should be noted that the cost of capital for most of the City’s debt is at quite advantageous rates, particularly the loans thru the SRF and DWRP programs.

Refunding activity is an important part of the City’s financial management. When market and bond covenants allow, the City will refinance previous debt issues to save money. 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. In 2010, the City refinanced the DDA bond, saving over \$60,000.



## 2011-2012 Budget

### Outstanding Bond Debt

As of 7/01/2011

Issue #	Issue Name	Purpose	Type	Public		Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	2011-2012		2011-2012		
				Act	Paid By							Principal Payments	Interest Payments	Principal Payments	Interest Payments	
1	1997 B SRF	CSO	Revenue	94	Water & Sewer	2017	6	\$ 525,000	\$ 185,000	\$ 14,850	\$ 199,850	\$ 30,000	\$ 4,163	\$ 34,163		
2	1998 B SRF	CSO	GO LT	451	Water & Sewer	2019	8	\$ 2,715,000	\$ 1,205,000	\$ 111,881	\$ 1,316,881	\$ 140,000	\$ 25,538	\$ 165,538		
3	1999 MTF	Streetscape	MTF LT	175	Major Street	2015	4	\$ 1,500,000	\$ 515,000	\$ 54,780	\$ 569,780	\$ 120,000	\$ 23,350	\$ 143,350		
4	1999 B SRF	CSO	GO LT	451	Water & Sewer	2021	10	\$ 2,285,000	\$ 1,285,000	\$ 167,563	\$ 1,452,563	\$ 115,000	\$ 30,688	\$ 145,688		
5	2003 Cap Imp	City Hall	GO LT	34	General Fund	2024	13	\$ 2,950,000	\$ 2,420,000	\$ 770,826	\$ 3,190,826	\$ 105,000	\$ 94,956	\$ 199,956		
6	2005 WS Refunding	Refund WS	Revenue	94	Water & Sewer	2028	17	\$ 6,285,000	\$ 5,450,000	\$ 1,268,440	\$ 6,718,440	\$ 430,000	\$ 210,258	\$ 640,258		
7	2006 SRF	WWTP	Revenue	94	Water & Sewer	2027	16	\$ 2,757,270	\$ 2,267,270	\$ 321,690	\$ 2,588,960	\$ 125,000	\$ 36,843	\$ 161,843		
8	2010 SRF	CSO	Revenue	94	Water & Sewer	2031	20	\$ 705,000	\$ 705,000	\$ 191,063	\$ 896,063	\$ 25,000	\$ 17,313	\$ 42,313		
9	2010 DWRP	CSO	Revenue	94	Water & Sewer	2031	20	\$ 465,000	\$ 465,000	\$ 125,688	\$ 590,688	\$ 20,000	\$ 11,375	\$ 31,375		
10	2010 Cap Imp	Various	GO LT	34	W&S, Cl, MjSt	2031	20	\$ 5,800,000	\$ 5,800,000	\$ 2,746,055	\$ 8,546,055	\$ 210,000	\$ 218,585	\$ 428,585		
11	2010 DDA Refunding	Streetscape	DDA LT	197	DDA	2020	9	\$ 1,075,000	\$ 1,075,000	\$ 166,775	\$ 1,241,775	\$ 110,000	\$ 30,500	\$ 140,500		
12	2011 SRF	CSO	Revenue	94	Water & Sewer	2032	21	\$ 1,485,000	\$ 1,485,000	\$ 438,591	\$ 1,923,591	\$ -	\$ 36,403	\$ 36,403		
13	2011 DWRP	CSO	Revenue	94	Water & Sewer	2032	21	\$ 775,000	\$ 775,000	\$ 228,561	\$ 1,003,561	\$ -	\$ 18,998	\$ 18,998		
<b>TOTAL</b>								<b>\$ 29,322,270</b>	<b>\$ 23,632,270</b>	<b>\$ 6,606,762</b>	<b>\$ 30,239,032</b>	<b>\$ 1,430,000</b>	<b>\$ 758,968</b>	<b>\$ 2,188,968</b>		

Type of Bond Debt	Total Principal	Total Interest	Total Debt Service
Revenue	\$ 11,332,270	\$ 2,588,882	\$ 13,921,152
General Obligation	\$ 10,710,000	\$ 3,796,325	\$ 14,506,325
Michigan Transportation Fund	\$ 515,000	\$ 54,780	\$ 569,780
Downtown Development	\$ 1,075,000	\$ 166,775	\$ 1,241,775
<b>Total</b>	<b>\$ 23,632,270</b>	<b>\$ 6,606,762</b>	<b>\$ 30,239,032</b>

#### Total Existing Bond Debt by Fiscal Year

	Principal	Interest	Total
2012	\$ 1,430,000	\$ 758,968	\$ 2,188,968
2013	\$ 1,555,000	\$ 716,361	\$ 2,271,361
2014	\$ 1,620,000	\$ 666,951	\$ 2,286,951
2015	\$ 1,685,000	\$ 613,919	\$ 2,298,919
2016	\$ 1,600,000	\$ 562,661	\$ 2,162,661
2017	\$ 1,660,000	\$ 512,412	\$ 2,172,412
2018	\$ 1,720,000	\$ 459,452	\$ 2,179,452
2019	\$ 1,790,000	\$ 402,686	\$ 2,192,686
2020	\$ 1,865,000	\$ 339,413	\$ 2,204,413
2021	\$ 1,025,000	\$ 289,299	\$ 1,314,299
2022	\$ 930,000	\$ 256,588	\$ 1,186,588
2023	\$ 960,000	\$ 223,801	\$ 1,183,801
2024	\$ 995,000	\$ 189,576	\$ 1,184,576
2025	\$ 730,000	\$ 160,247	\$ 890,247
2026	\$ 745,000	\$ 136,312	\$ 881,312
2027	\$ 732,270	\$ 111,359	\$ 843,629
2028	\$ 625,000	\$ 85,895	\$ 710,895
2029	\$ 580,000	\$ 62,905	\$ 642,905
2030	\$ 610,000	\$ 40,130	\$ 650,130
2031	\$ 630,000	\$ 16,015	\$ 646,015
2032	\$ 145,000	\$ 1,813	\$ 146,813
<b>Total</b>	<b>\$ 23,632,270</b>	<b>\$ 6,606,762</b>	<b>\$ 30,239,032</b>

Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
Water & Sewer	\$ 17,540,270	\$ 4,628,641	\$ 22,168,911
General Fund	\$ 2,420,000	\$ 770,826	\$ 3,190,826
Major Street	\$ 1,615,000	\$ 575,584	\$ 2,190,584
Capital Improvement Fund	\$ 982,000	\$ 464,936	\$ 1,446,936
DDA	\$ 1,075,000	\$ 166,775	\$ 1,241,775
<b>Total</b>	<b>\$ 23,632,270</b>	<b>\$ 6,606,762</b>	<b>\$ 30,239,032</b>



## 2011-2012 Budget

### Outstanding Bank\Other Debt

As of 7/01/2011

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	2011-2012 Principal Payments	2011-2012 Interest Payments	2011-2012 Total Payments
1	Renaissance Park	Economic Dev	StateLoan	n/a	General Fund	2022	11	\$ 102,000	\$ 61,775	\$ -	\$ 61,775	\$ 5,616	\$ -	\$ 5,616
2	Fire Pumper	Public Safety	IPA	99	Motor Pool	2014	3	\$ 206,771	\$ 69,634	\$ 4,916	\$ 74,550	\$ 22,420	\$ 2,430	\$ 24,850
3	Beach Cleaner	Parks	IPA	99	Motor Pool	2012	1	\$ 73,290	\$ 14,658	\$ 690	\$ 15,348	\$ 14,658	\$ 690	\$ 15,348
4	Ramsdell Roof	Ramsdell	IPA	99	Cap Imp	2017	6	\$ 425,000	\$ 343,873	\$ 41,607	\$ 385,480	\$ 56,781	\$ 13,098	\$ 69,880
5	Bucket Truck	Motor Pool	IPA	99	Motor Pool	2014	3	\$ 60,000	\$ 45,866	\$ 3,293	\$ 49,159	\$ 14,759	\$ 1,628	\$ 16,386
6	Marina Building	Marina	IPA	99	CapImp\Marina	2026	15	\$ 380,000	\$ 380,000	\$ 105,796	\$ 485,796	\$ 20,074	\$ 12,312	\$ 32,386
7	Marina Building	Marina	Internal	n/a	Marina	2016	5	\$ 90,000	\$ 90,000	\$ 5,522	\$ 95,522	\$ 17,288	\$ 1,817	\$ 19,104
8	Arthur St. Launch	Boat Launch	Internal	n/a	Boat Launch	2018	7	\$ 135,000	\$ 135,000	\$ 11,117	\$ 146,117	\$ 18,149	\$ 2,725	\$ 20,874
<b>TOTAL</b>								<b>\$ 1,472,061</b>	<b>\$ 1,140,805</b>	<b>\$ 172,943</b>	<b>\$ 1,313,747</b>	<b>\$ 169,745</b>	<b>\$ 34,700</b>	<b>\$ 204,445</b>

Type of Debt	Total Principal	Total Interest	Total Debt Service
State of MI	\$ 61,775	\$ -	\$ 61,775
Installment Purchase	\$ 854,030	\$ 156,303	\$ 1,010,333
Internal	\$ 225,000	\$ 16,640	\$ 241,640
<b>Total</b>	<b>\$ 1,140,805</b>	<b>\$ 172,943</b>	<b>\$ 1,313,747</b>

### Total Existing Bank\Other Debt by FY

	Principal	Interest	Total
2012	\$ 169,745	\$ 34,700	\$ 204,445
2013	\$ 160,124	\$ 28,972	\$ 189,097
2014	\$ 165,307	\$ 23,790	\$ 189,097
2015	\$ 129,437	\$ 18,424	\$ 147,861
2016	\$ 133,539	\$ 14,321	\$ 147,861
2017	\$ 84,746	\$ 10,210	\$ 94,956
2018	\$ 50,384	\$ 8,492	\$ 58,876
2019	\$ 30,710	\$ 7,292	\$ 38,002
2020	\$ 31,523	\$ 6,479	\$ 38,002
2021	\$ 32,363	\$ 5,639	\$ 38,002
2022	\$ 33,229	\$ 4,773	\$ 38,002
2023	\$ 28,508	\$ 3,878	\$ 32,386
2024	\$ 29,432	\$ 2,954	\$ 32,386
2025	\$ 30,386	\$ 2,001	\$ 32,386
2026	\$ 31,370	\$ 1,016	\$ 32,386
<b>Total</b>	<b>\$ 1,140,805</b>	<b>\$ 172,943</b>	<b>\$ 1,313,747</b>

Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
General Fund	\$ 61,775	\$ -	\$ 61,775
Motor Pool	\$ 130,157	\$ 8,899	\$ 139,057
Marina	\$ 90,000	\$ 5,522	\$ 95,522
Boat Launch	\$ 135,000	\$ 11,117	\$ 146,117
Capital Improvement	\$ 723,873	\$ 147,403	\$ 871,276
<b>Total</b>	<b>\$ 1,140,805</b>	<b>\$ 172,943</b>	<b>\$ 1,313,747</b>

Like in the 2010-2011 fiscal year the 2011-2012 fiscal year will be very busy with Capital Improvement construction projects.

Dominating the 2011-2012 fiscal year will be completing the final state-mandated combined sewer separation project in the Cedar, Bryant and Tamarack Streets area in the southwest quadrant of the City. This will complete the City/State of Michigan Combined Sewer Outfall Separation twenty-year agreement that was approved in 1996. Since 1997 the City has spent approximately 20+ million dollars on separating its combined sewer system.

Along with the Cedar Street CSO Project the City will also be upgrading First Street from where the CSO Project ends near the National Guard Armory all the way west to the beach. This project has been desired by the community for many years and was designed utilizing concepts from the Council approved Beach Conceptual Plans.

Starting in December 2011 the Maple Street Bridge will begin the Phase II upgrades, which will be completed by April 2012. Phase I upgrades were completed several years ago. With the completion of Phase I and II upgrades approximately 1.5+ million dollars will have been invested in the city-owned Maple Street Bridge. All the lift bridge components except the decking will be upgraded. These upgrades will serve the City and surrounding industries for years to come.

As with most years, some smaller projects will also be completed in the City like the resurfacing of Monroe Street and the continued planning/permitting of the North Riverbank Sewer Project, well house lightning protection, etc.

As previously discussed the long term commitments in the Capital Improvement Fund will limit the number of capital projects for the next several years.

## Issue Page

## Ramsdell Theatre

The City owns the historic Ramsdell Theatre (“Ramsdell”). The Ramsdell 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 country. In the recent past, 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 day to day management provided entirely by City employees as a secondary responsibility to their main job functions. The work is split primarily between the Financial Services department and the Community Development department.



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 provides a \$60,000 annual 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 transfer provides money to partially fund operations; primarily utility bills and custodial services, and also day to day maintenance. In addition, the RGA recently commissioned a study that provides programming options for generating additional revenue. 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 HVAC system. The old steam boiler failed in the fall of 2010 and is beyond repair, requiring the use of temporary heat for half of the building. In addition, many areas of the building lack air conditioning, making it difficult to rent in the summer. The City commissioned a preliminary study by Fishbeck, Thompson, Carr & Huber (FTCH) to evaluate the building's HVAC needs and provide cost estimates for addressing them. The report was presented to Council in early 2010. In the current budget, funds were allocated for FTCH to complete the design of the HVAC system. This work is progressing and much better cost estimates should be available within a month. Of course, the total cost to complete the HVAC system will not be known until the project is bid out. The earlier study conservatively estimated the complete project to cost approximately \$1,130,000 including engineering.

The budget proposes the HVAC system be constructed and paid for with a multi-year commitment from the Capital Improvement fund.

In addition to the HVAC, there are also several other areas of the building that need completing:

Lower level classrooms.	Green room reconfiguration.
Concession area.	Projection capability and sound system upgrade.
Handicap accessible elevator access.	Dressing room and storage.

The Capital Improvement plan lists these areas and the Capital Improvement fund budget includes costs for addressing the lower level classrooms and equipment, deemed to be the highest priority.

Administration, Council and the Community recognize the extraordinary value of the Ramsdell. However, the reality is that the Ramsdell is not self-supporting operationally, consumes a significant amount of capital improvement resources and cannot effectively be operated by City staff on a part-time basis in the intermediate to long term, particularly if activity levels increase.

The RGA and Administration is starting preliminary investigations into alternative operating models and/or funding sources for the Theatre, including strategic private partnerships, collaborative public partnerships and dedicated revenues thru a county wide millage authority. It will continue to study the various options and provide a report back to Council at a future date.

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	8	June 30, 2011
COAM	3	June 30, 2011
IAFF	7	June 30, 2011
USW	21	June 30, 2011
Supervisory	6	n/a
General	8.5	n/a
Manager	1	n/a
Total	54.5	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 2, from 56.5 to 54.5. This is comprised of the creation of a Public Safety Director from the previous Police and Fire Chief positions and the elimination of one police officer position.

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 (1.7%).

Wages have been frozen for the last two years (unless an employee’s job classification changed), and the year prior to that POAM and COAM gave up a negotiated 4% increase. Additionally, Department directors took two furlough days last year, reducing their wages by about 1%. In this year’s budget, Administration is proposing a modest 2% wage increase for all employees, including all union employees. No step increases are budgeted. The Public Safety director is slated for a 5% total increase because of the additional responsibilities. 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 made for difficult financial times.

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 and/or MERS, 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.

<b>Division</b>	<b>Percent Funded</b>	<b>Normal Cost</b>	<b>Required Minimum</b>	<b>Budgeted Contribution</b>
01 Non-Union	98.3%	5.16%	5.58%	6.58%
02 POAM	104.3%	10.28%	5.30%	10.28%
05 IAFF	87.0%	10.13%	12.66%	13.66%
10 USW	118.6%	4.66%	0.00%	4.66%
20 COAM	101.7%	10.06%	3.91%	10.06%
City	104.5%			

Recent benchmarking shows that the City plan is in much better financial shape than its peers. Specifically, in comparison to its peers, the City’s plan:

1. Is significantly better funded.
2. Costs the City less per active employee
3. Requires a much higher employee contribution.
4. Provides a lower pension benefit.
5. Provides fewer benefit riders

### Post-Employment Benefits

The City provides a contribution of \$250 per month for retirees from retirement age till eligibility for Medicare towards health insurance. This hard cap has generally limited the City's annual expected contribution for this benefit to under \$20,000 per year. This is in stark contrast to many other communities where retiree healthcare has created multi-million dollar unfunded liabilities. Because of the nature of this benefit, the City funds it on a pay as you go basis.

### 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.

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 near future.

This FB2 plan worked well for two years. Then, the City was hit with a 30%+ premium increase. This forced the City to look at other options in order to reduce costs. Effective July 1, City non-union staff will be switching to a very high deductible plan with an HRA. The estimated savings to the City are over \$100,000. This plan will need to be negotiated with the Union groups. The budget assumes that cost sharing/capping is maintained and that employees pay 10% of their premium.

### Other Benefits

The prior year budget abated longevity payments for a year. The proposed budget eliminates longevity payments and looks to reduce or eliminate sick time sell back for groups that still have it. These provisions will have to be negotiated into all four union contracts, but have already been 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.

### Conclusion

The City's employees are its most valued asset. None of the high level of services that Manistee residents enjoy would be possible without the City's highly trained and dedicated workforce. The recent financial crisis in Michigan and across the country has been felt in Manistee too. City employees have taken the brunt of the cuts and have worked in a constructive manner with Administration through these difficult times.

Issue Page

Interfund Activity

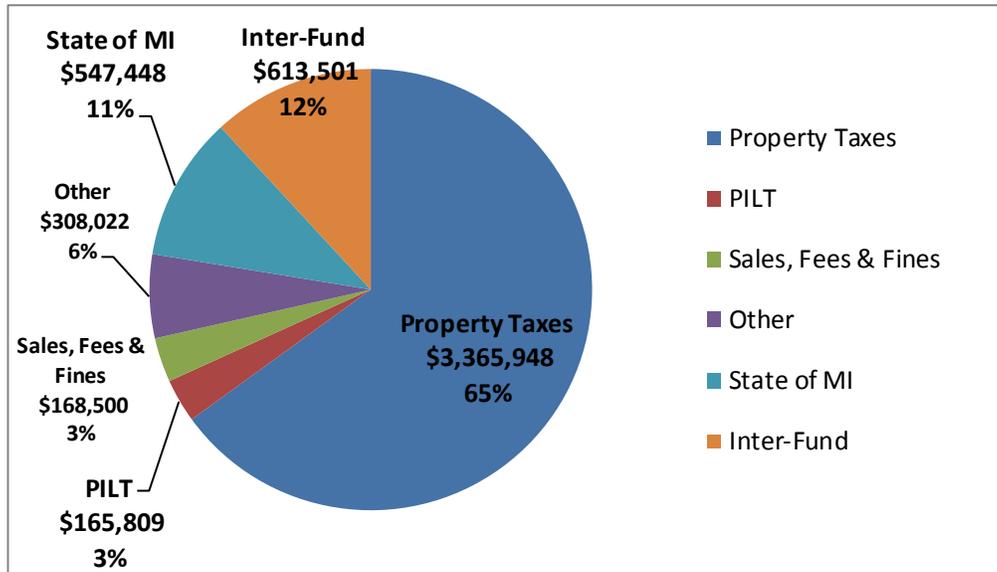
There is considerable interaction among the various accounting funds of the City. The following table shows the transfers, reimbursements and charges that have been budgeted.

<b>From Fund</b>	<b>To Fund</b>	<b>Amount</b>	<b>Reason</b>
<b><u>Operating Transfers</u></b>			
Oil & Gas	Water & Sewer	\$ 342,782	Transfer investment earnings in
Water & Sewer	Capital Improvement	\$ 342,782	Transfer investment earnings out
General	Ramsdell Theatre	\$ 60,000	Operating subsidy
<b><u>Charge for Services</u></b>			
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	\$ 35,000	Administration
Water & Sewer	General	\$ 248,000	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

Revenue Summary			
Total Property Tax Revenue	decreased	(\$53,234)	-1.6%
Total PILT	increased	\$3,108	1.9%
Total State Revenue	decreased	(\$30,049)	-5.2%
Total Inter-Fund Revenue	increased	\$8,000	1.3%
Total Inter-Fund Revenue	increased	\$0	0.0%
Total Sales, Fees & Fines	decreased	(\$29,625)	-15.0%
Total Other Revenue	increased	\$11,365	3.7%
Total Transfers In	increased	\$0	
<b>TOTAL REVENUES</b>	<b>decreased</b>	<b>(\$90,435)</b>	<b>-1.7%</b>

**Overall Revenue:** Budgeted revenue decreased from the prior year budget. Declines in tax revenue, state revenue sharing and sales fines and fees were the primary causes of the decline.

**Property Tax Revenue:** Property tax and related revenue decreased from the prior budget. This category includes taxes, penalties and interest and the administration fee. Taxable value in the City showed a decrease of 1.8%. The impact of this on City taxes was a reduction of over \$53,000.

**Payment in Lieu of Taxes Revenue:** PILT revenue increased from the prior year budget. 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 annual State of Michigan inflationary adjustment.

**State of Michigan Revenue:** State revenue decreased from the prior year budget. This category includes revenue sharing and refundable liquor license fees. This 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 2% due to a combination of higher state sales tax collections offset by a decline in City population.

**Inter-Fund Revenue:** Inter-fund revenue increased from the prior year. This category includes various reimbursements to the General Fund for personnel, equipment and administration. The increase in this category is primarily due to the large number of Water & Sewer Utility projects requiring more staff time offset partially by resolution of the Refuse fund issue of the last several years.

**Sales, Fees & Fines:** Sales, fees and fines decreased from the prior year budget. This was mainly the result of the previous timber sales being completed and a decline in fines and forfeitures related to personnel reductions in the Police department.

**Other Revenue:** Other revenue increased slightly over the prior year budget. This category includes interest income, franchise fees, reimbursement, lease income, refunds and the like. This increase is the result of a decline in interest income coupled with a bonus refund from the City's workers compensation insurance pool.

**Transfers In:** Transfers in were eliminated in the prior year budget and remain flat.

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

Budget as recommended       Budget with changes

**Changes:**



## 2011-2012 Budget

REVENUES	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
402.000 Real & Pers Prop Tax	\$ 3,082,962	\$ 3,044,107	\$ 3,044,107	\$ 2,997,001	\$ 2,997,001	\$ (47,106)	-1.5%
411.000 Delinquent Real Prop Tax	\$ 214,554	\$ 234,170	\$ 234,170	\$ 228,362	\$ 228,362	\$ (5,808)	-2.5%
420.000 Delinquent Pers Prop Tax	\$ 1,419	\$ 5,573	\$ 5,573	\$ 5,779	\$ 5,779	\$ 206	3.7%
445.000 Tax Penalties & Interest	\$ 48,389	\$ 33,853	\$ 33,853	\$ 35,153	\$ 35,153	\$ 1,300	3.8%
447.000 Tax Administration Fee	\$ 64,386	\$ 101,480	\$ 101,480	\$ 99,653	\$ 99,653	\$ (1,826)	-1.8%
<b>Total Tax Revenue</b>	<b>\$ 3,411,710</b>	<b>\$ 3,419,182</b>	<b>\$ 3,419,182</b>	<b>\$ 3,365,948</b>	<b>\$ 3,365,948</b>	<b>(\$53,234)</b>	<b>-1.6%</b>
640.000 In Lieu of Taxes	\$ 143,016	\$ 162,701	\$ 162,701	\$ 165,809	\$ 165,809	\$ 3,108	1.9%
<b>Total PILT</b>	<b>\$ 143,016</b>	<b>\$ 162,701</b>	<b>\$ 162,701</b>	<b>\$ 165,809</b>	<b>\$ 165,809</b>	<b>\$3,108</b>	<b>1.9%</b>
501.000 Federal Grant Revenue	\$ 2,244	\$ -	\$ 4,900	\$ -	\$ -	\$ -	
539.000 State Grant Revenue	\$ 25,608	\$ -	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	
539.002 Crim Just Training Grant	\$ 2,644	\$ 3,000	\$ 2,700	\$ 2,700	\$ 2,700	\$ (300)	
574.000 State Share Liquor Tax	\$ 8,091	\$ 8,300	\$ 8,300	\$ 8,100	\$ 8,100	\$ (200)	-2.4%
575.000 State Shared Revenue	\$ 633,025	\$ 566,197	\$ 610,000	\$ 516,648	\$ 516,648	\$ (49,549)	-8.8%
<b>Total State Revenue</b>	<b>\$ 671,611</b>	<b>\$ 577,497</b>	<b>\$ 625,900</b>	<b>\$ 547,448</b>	<b>\$ 547,448</b>	<b>(\$30,049)</b>	<b>-5.2%</b>
627.000 Charge for Serv - Bldg. Insp.	\$ 8,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
628.000 Charge for Serv - Boat Ramp	\$ 9,857	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ (0)	0.0%
630.000 Charge for Serv - Local St.	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	0.0%
631.000 Charge for Serv - Major St.	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ 189,000	\$ -	0.0%
632.000 Charge for Serv - Marina	\$ 12,152	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 1	0.0%
634.000 Charge for Serv - Refuse	\$ 67,806	\$ 74,500	\$ 74,500	\$ 69,500	\$ 69,500	\$ (5,000)	-6.7%
635.000 Charge for Serv - W&S	\$ 199,076	\$ 235,000	\$ 235,000	\$ 248,000	\$ 248,000	\$ 13,000	5.5%
<b>Total Inter-Fund Revenue</b>	<b>\$ 560,891</b>	<b>\$ 605,500</b>	<b>\$ 605,500</b>	<b>\$ 613,501</b>	<b>\$ 613,501</b>	<b>\$8,000</b>	<b>1.3%</b>
450.000 Business Registration	\$ 1,725	\$ 1,125	\$ 1,125	\$ 1,500	\$ 1,500	\$ 375	33.3%
485.000 Permits	\$ 8,304	\$ 7,500	\$ 7,000	\$ 7,500	\$ 7,500	\$ -	0.0%
626.000 Charge for Service	\$ 40,239	\$ 102,300	\$ 47,300	\$ 100,300	\$ 100,300	\$ (2,000)	-2.0%
629.000 Charge for Serv - Inspections	\$ 14,260	\$ 13,500	\$ 8,000	\$ 11,000	\$ 11,000	\$ (2,500)	-18.5%
642.000 Sales	\$ 30,950	\$ 16,200	\$ 38,000	\$ 8,200	\$ 8,200	\$ (8,000)	-49.4%
655.000 Fines & Forfeits	\$ 39,491	\$ 57,500	\$ 40,000	\$ 40,000	\$ 40,000	\$ (17,500)	-30.4%
<b>Total Sales, Fees &amp; Fines</b>	<b>\$ 134,969</b>	<b>\$ 198,125</b>	<b>\$ 141,425</b>	<b>\$ 168,500</b>	<b>\$ 168,500</b>	<b>(\$29,625)</b>	<b>-15.0%</b>



## 2011-2012 Budget

	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
490.000 Franchise Fees	\$ 85,437	\$ 83,000	\$ 86,000	\$ 86,000	\$ 86,000	\$ 3,000	3.6%
664.000 Interest Income	\$ 10,006	\$ 15,820	\$ 3,000	\$ 4,629	\$ 4,629	\$ (11,191)	-70.7%
667.000 Rental Income	\$ 2,550	\$ 6,000	\$ 6,000	\$ 4,500	\$ 4,500	\$ (1,500)	-25.0%
668.000 Riverfront Lease Income	\$ 22,580	\$ 23,704	\$ 23,704	\$ 24,885	\$ 24,885	\$ 1,181	5.0%
671.000 Other Revenue	\$ 149	\$ 1,000	\$ 500	\$ 1,000	\$ 1,000	\$ -	0.0%
674.000 Contributions\Donations	\$ 2,665	\$ 1,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ -	0.0%
676.000 Reimbursements	\$ 33,243	\$ 162,116	\$ 162,116	\$ 162,491	\$ 162,491	\$ 375	0.2%
687.000 Refunds	\$ 41	\$ -	\$ 100	\$ 23,000	\$ 23,000	\$ 23,000	
688.000 Refunds - W.C. Premium	\$ 24,940	\$ 13,500	\$ 13,500	\$ 10,000	\$ 10,000	\$ (3,500)	-25.9%
695.000 Insurance Settlement	\$ 4,524	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Other Revenue</b>	<b>\$ 186,135</b>	<b>\$ 306,140</b>	<b>\$ 296,920</b>	<b>\$ 317,505</b>	<b>\$ 317,505</b>	<b>\$11,365</b>	<b>3.7%</b>
699.000 Operating Transfer In	\$ 158,740	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Total Transfers In</b>	<b>\$ 158,740</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$0</b>	
<b>TOTAL REVENUES</b>	<b>\$ 5,267,072</b>	<b>\$ 5,269,146</b>	<b>\$ 5,251,629</b>	<b>\$ 5,178,711</b>	<b>\$ 5,178,711</b>	<b>\$ (90,435)</b>	<b>-1.7%</b>

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.

**General Operating Assumptions & Notes**

<b>Departmental Cost Summary</b>			
<b>Total Costs</b>	<b>increased</b>	<b>\$56,311</b>	<b>8.2%</b>
Employee Costs	n/a	n/a	n/a
Operational Costs	increased	\$56,311	8.2%

**Total Costs:** Total costs increased from the prior year budget.

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

**Operational Costs:** Operational costs increased from the prior year budget. Street lighting costs went up dramatically primarily because of rate increases authorized by the MPSC, as well as new streetlights on First St. This could be impacted by additional rate cases, appeals and/or legislation in the upcoming year, but is largely outside of the City’s control. Data and internet services increased because of a switch in carriers that will allow for better service, consolidation of phone service and the elimination of telecommunication costs in other areas. The City Hall bond payment went up as scheduled.

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

- Budget as recommended                       Budget with changes

**Changes:**

Council requested that cost savings associated with moving to ePackets be removed from the budget.



## 2011-2012 Budget

100 General Operating	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
728.000 Operating Expense	\$ 39	\$ -	\$ -	\$ -	\$ -	\$ -	
799.000 Miscellaneous Expense	\$ 5,472		\$ -				
801.000 Professional Services	\$ 71,430	\$ 34,000	\$ 38,000	\$ 34,000	\$ 34,000	\$ -	0.0%
822.000 Insurance	\$ 88,286	\$ 82,000	\$ 78,000	\$ 80,000	\$ 80,000	\$ (2,000)	-2.4%
855.000 Utilities - Cell Phones	\$ 9,331	\$ 8,400	\$ 4,000	\$ 10,000	\$ 10,000	\$ 1,600	19.0%
859.000 Utilities - Data\Internet	\$ 5,633	\$ 6,500	\$ 5,000	\$ 13,000	\$ 13,000	\$ 6,500	100.0%
901.000 Postage	\$ 26,125	\$ 26,000	\$ 26,000	\$ 26,000	\$ 24,950	\$ (1,050)	-4.0%
925.001 Electric - Street Lights	\$ 132,104	\$ 110,000	\$ 135,000	\$ 138,000	\$ 138,000	\$ 28,000	25.5%
940.000 Rent	\$ 4,597	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ -	0.0%
959.000 Bad Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
960.000 Bank Charges	\$ 129	\$ 3,000	\$ 1,500	\$ 1,500	\$ 1,500	\$ (1,500)	-50.0%
945.000 Building Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
964.000 Refunds	\$ -	\$ 2,000	\$ 2,000	\$ 1,000	\$ 1,000	\$ (1,000)	-50.0%
970.000 Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
989.000 Computer Hardware & Software	\$ 4,535	\$ 5,000	\$ 850	\$ 6,000	\$ 6,000	\$ 1,000	20.0%
992.002 Renaissance Park Loan Principa		\$ 5,616	\$ 5,616	\$ 5,616	\$ 5,616	\$ -	0.0%
992.004 Bond Principal (1999 DDA)		\$ 90,000	\$ 90,000	\$ 95,000	\$ 95,000	\$ 5,000	
992.005 2003 Cap Imp Principal		\$ 95,000	\$ 95,000	\$ 105,000	\$ 105,000	\$ 10,000	10.5%
997.004 Bond Interest (1999 DDA)		\$ 56,716	\$ 56,716	\$ 52,091	\$ 52,091	\$ (4,625)	
997.005 2003 Cap Imp Interest		\$ 98,206	\$ 98,206	\$ 94,956	\$ 94,956	\$ (3,250)	-3.3%
Contingency	\$ -	\$ -	\$ -	\$ 21,500	\$ 17,636	\$ 17,636	
999.000 Operating Transfer Out	\$ 256,100	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -	0.0%
<b>TOTAL GENERAL OPERATING</b>	<b>\$ 603,781</b>	<b>\$ 684,238</b>	<b>\$ 697,688</b>	<b>\$ 745,463</b>	<b>\$ 740,549</b>	<b>\$ 56,311</b>	<b>8.2%</b>

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**

<b>Departmental Cost Summary</b>			
<b>Total Costs</b>	<b>increased</b>	<b>\$2,846</b>	<b>6.3%</b>
Employee Costs	decreased	(\$29)	-0.1%
Operational Costs	increased	\$2,875	18.1%

**Total Costs:** Total costs increased from the prior year budget.

**Employee Costs:** Employee costs decreased immaterially from the prior year budget. Council previously rejected a wage increase recommended by the Compensation Commission.

**Operational Costs:** Operational costs increased from the prior year budget. Mayor’s Exchange was restored.

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

- Budget as recommended                       Budget with changes

**Changes:**

<b>101 Legislative</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Budget</b>	<b>Change</b>
						<b>Difference</b>	
702.000 Salaries	\$ 25,667	\$ 27,052	\$ 27,052	\$ 27,052	\$ 27,052	\$ -	0.0%
712.001 Costs - Social Security	\$ 1,591	\$ 1,677	\$ 1,677	\$ 1,677	\$ 1,677	\$ -	0.0%
712.002 Costs - Medicare	\$ 372	\$ 392	\$ 392	\$ 392	\$ 392	\$ -	0.0%
712.007 SUTA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.009 Costs - Work Comp	\$ 64	\$ 69	\$ 69	\$ 40	\$ 40	\$ (29)	-42.0%
<b>Employee Costs</b>	<b>\$ 27,694</b>	<b>\$ 29,190</b>	<b>\$ 29,190</b>	<b>\$ 29,162</b>	<b>\$ 29,162</b>	<b>(\$29)</b>	<b>-0.1%</b>
728.00 Office/Operating Expense	\$ 8,974	\$ 9,625	\$ 9,625	\$ 12,500	\$ 12,500	\$ 2,875	29.9%
860.000 Travel & Training Expense	\$ 1,464	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250	\$ -	0.0%
<b>Operating Costs</b>	<b>\$ 10,439</b>	<b>\$ 15,875</b>	<b>\$ 15,875</b>	<b>\$ 18,750</b>	<b>\$ 18,750</b>	<b>\$2,875</b>	<b>18.1%</b>
<b>TOTAL LEGISLATIVE</b>	<b>\$ 38,133</b>	<b>\$ 45,065</b>	<b>\$ 45,065</b>	<b>\$ 47,912</b>	<b>\$ 47,912</b>	<b>\$2,846</b>	<b>6.3%</b>

General Fund

Manager



Mitch Deisch is the City Manager for the City of Manistee. He has been with the City for 10 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

Manager

**Manager Assumptions & Notes**

<b>Departmental Cost Summary</b>			
<b>Total Costs</b>	<b>decreased</b>	<b>(\$1,722)</b>	<b>-0.8%</b>
Employee Costs	increased	\$1,679	0.9%
Operational Costs	decreased	(\$3,401)	-14.6%

**Total Costs:** Total costs decreased from the prior year budget.

**Employee Costs:** Employee costs increased nominally from the prior budget. A modest wage increase was offset by health insurance reforms and lower pension and workers compensation costs. Health insurance premiums are estimated to increase by 10% at the next renewal with that cost being split between the employees and City.

**Operational Costs:** Operational costs decreased from the prior year budget. The copier lease purchase was paid off and the department is extending the service of the copier as it is still in good shape.

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

- Budget as recommended       Budget with changes

**Changes:**

Council requested that cost savings associated with moving to ePackets be removed from the budget.

172 Manager	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 133,626	\$132,434	\$132,434	\$135,776	\$135,776	\$3,342	2.5%
703.000 Longevity	\$ 825	\$0	\$0	\$0	\$0	\$0	
704.000 Overtime	\$ 355	\$0	\$0	\$0	\$0	\$0	
706.000 Part-Time	\$ -	\$0	\$0	\$0	\$0	\$0	
708.000 V\SH Sell	\$ -	\$0	\$0	\$0	\$0	\$0	
712.001 Costs - Social Security	\$ 9,590	\$9,522	\$9,522	\$9,593	\$9,593	\$71	0.7%
712.002 Costs - Medicare	\$ 2,243	\$2,227	\$2,227	\$2,244	\$2,244	\$17	0.7%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$0	
712.005 Costs - MERS	\$ 13,546	\$14,663	\$14,663	\$14,761	\$14,761	\$98	0.7%
712.006 Costs - In Lieu of BC/BS	\$ 5,117	\$5,640	\$6,035	\$4,190	\$4,190	(\$1,450)	-25.7%
712.007 Costs - SUTA	\$ 317	\$317	\$317	\$416	\$416	\$99	31.3%
712.009 Costs - Work Comp	\$ 560	\$549	\$549	\$342	\$342	(\$208)	-37.8%
712.010 Costs - Blue Cross Insurance	\$ 11,467	\$13,853	\$14,823	\$13,549	\$13,549	(\$304)	-2.2%
712.011 Costs - Life Insurance	\$ 879	\$809	\$809	\$823	\$823	\$13	1.6%
<b>Employee Costs</b>	<b>\$ 178,526</b>	<b>\$ 180,015</b>	<b>\$ 181,379</b>	<b>\$181,693</b>	<b>\$181,693</b>	<b>\$1,679</b>	<b>0.9%</b>
728.000 Operating Expense	\$ 2,225	\$ 4,300	\$ 4,300	\$ 4,300	\$ 4,300	\$ -	0.0%
735.000 Periodicals & Publications	\$ 310	\$ 150	\$ 150	\$ 150	\$ 150	\$ -	0.0%
801.000 Professional Services	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.0%
831.000 Contractual Repairs & Maint.	\$ 876	\$ 1,200	\$ 1,200	\$ 975	\$ 975	(\$225)	-18.8%
860.000 Travel & Training Expense	\$ 3,401	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ -	0.0%
865.000 Vehicle Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
870.000 Memberships & Dues	\$ 1,103	\$ 990	\$ 990	\$ 1,155	\$ 1,155	\$ 165	16.7%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
900.000 Printing & Publishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
957.000 Motor Pool	\$ 9,450	\$ 9,450	\$ 9,450	\$ 9,450	\$ 9,450	\$ -	0.0%
970.000 Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
985.000 Lease Purchase	\$ 3,341	\$ 3,341	\$ 3,341	\$ -	\$ -	(\$3,341)	-100.0%
<b>Operating Costs</b>	<b>\$ 20,706</b>	<b>\$ 23,231</b>	<b>\$ 23,231</b>	<b>\$ 19,830</b>	<b>\$ 19,830</b>	<b>(\$3,401)</b>	<b>-14.6%</b>
<b>TOTAL MANAGER</b>	<b>\$ 199,232</b>	<b>\$ 203,246</b>	<b>\$ 204,610</b>	<b>\$ 201,523</b>	<b>\$ 201,523</b>	<b>(\$1,722)</b>	<b>-0.8%</b>

General Fund

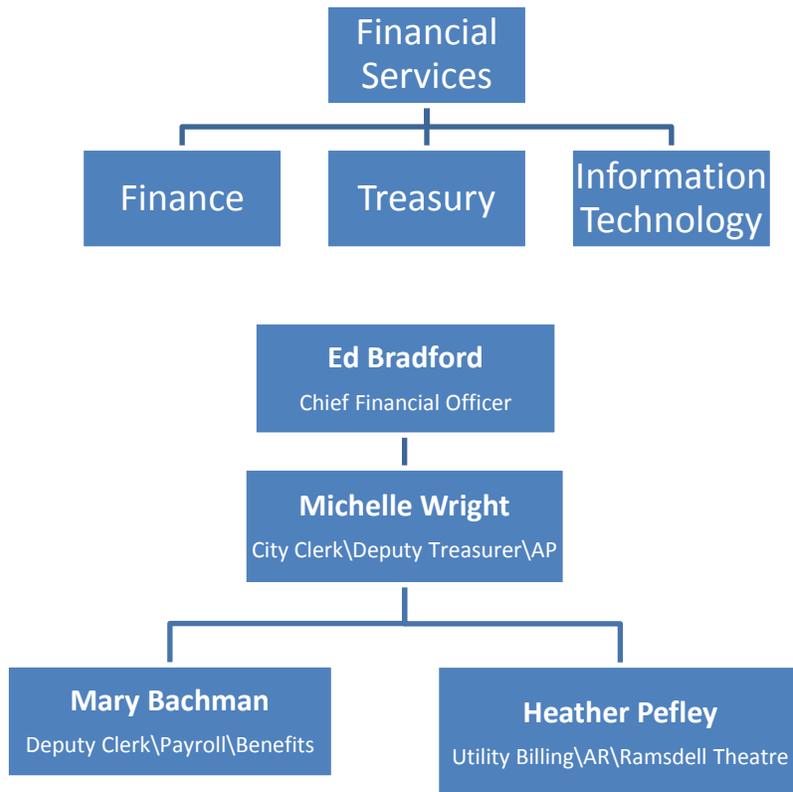
Financial Services

Edward Bradford is the City’s Chief Financial Officer, serving as both Finance Director and Treasurer. He has been with the City for 9 years.



The Financial Services Department is responsible for all financial activities in the City, with three main areas of responsibility: finance, treasury, 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



General Fund

Financial Services

**Financial Services Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>decreased</b>	<b>(\$3,278)</b>	<b>-1.6%</b>
Employee Costs	increased	\$672	0.5%
Operational Costs	decreased	(\$3,950)	-7.0%

**Total Costs:** Total costs decreased from the prior year budget.

**Employee Costs:** Employee costs increased nominally from the prior budget. A modest wage increase was offset by health insurance reforms and lower pension and workers compensation costs. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs decreased significantly from the prior budget. The cost of contractual services decreased due to a lower charge from 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, thru either mandatory contractual professional services 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

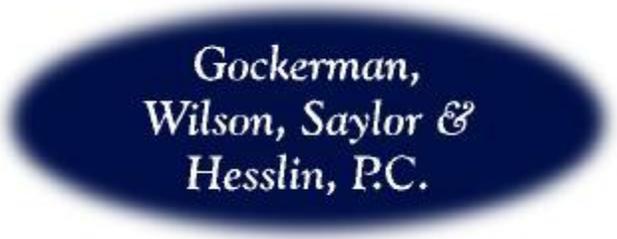
**Changes:**

Council requested that cost savings associated with moving to ePackets be removed from the budget.

<b>253 Finance</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Projected</b>	<b>Manager Budget</b>	<b>Council Adopted</b>	<b>Budget Difference</b>	<b>Percent Change</b>
702.000 Salaries	\$ 108,553	\$108,992	\$107,601	\$110,299	\$110,299	\$ 1,307	1.2%
703.000 Longevity	\$ 425	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ -	\$250	\$250	\$250	\$250	\$ -	0.0%
706.000 Part-Time	\$ 1,364	\$0	\$0	\$0	\$0	\$ -	
708.000 VAS\H Sellback	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.001 Costs - Social Security	\$ 7,237	\$7,331	\$7,331	\$7,500	\$7,500	\$ 170	2.3%
712.002 Costs - Medicare	\$ 1,693	\$1,714	\$1,714	\$1,754	\$1,754	\$ 40	2.3%
712.004 Costs - ICMA Contribution	\$ 7,796	\$7,649	\$7,649	\$7,801	\$7,801	\$ 153	2.0%
712.005 Costs - MERS	\$ 1,551	\$2,823	\$2,823	\$2,625	\$2,625	\$ (198)	-7.0%
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.007 Costs - SUTA	\$ 322	\$317	\$317	\$416	\$416	\$ 99	31.3%
712.009 Costs - Work Comp	\$ 461	\$446	\$446	\$278	\$278	\$ (169)	-37.8%
712.010 Costs - Health Insurance	\$ 15,282	\$16,123	\$17,252	\$15,382	\$15,382	\$ (741)	-4.6%
712.011 Costs - Life Insurance	\$ 728	\$669	\$669	\$679	\$679	\$ 10	1.6%
<b>Employee Costs</b>	<b>\$ 145,412</b>	<b>\$ 146,314</b>	<b>\$ 146,052</b>	<b>\$ 146,985</b>	<b>\$ 146,985</b>	<b>\$672</b>	<b>0.5%</b>
728.000 Operating Expense	\$ 3,619	\$ 4,000	\$ 4,000	\$ 3,650	\$ 3,650	\$ (350)	-8.8%
735.000 Periodicals & Publications	\$ 1,124	\$ 1,050	\$ 1,050	\$ 1,100	\$ 1,100	\$ 50	4.8%
801.000 Professional Services	\$ 32,614	\$ 33,500	\$ 33,500	\$ 31,080	\$ 31,080	\$ (2,420)	-7.2%
831.000 Contractual Repairs & Maint.	\$ 7,571	\$ 8,900	\$ 8,900	\$ 8,900	\$ 8,900	\$ -	0.0%
860.000 Travel & Training Expense	\$ 2,571	\$ 4,000	\$ 4,000	\$ 3,500	\$ 3,500	\$ (500)	-12.5%
870.000 Memberships & Dues	\$ 620	\$ 450	\$ 450	\$ 420	\$ 420	\$ (30)	-6.7%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
900.000 Printing & Publishing	\$ 366	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	0.0%
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
970.000 Capital Outlay	\$ 186	\$ 1,500	\$ 1,500	\$ 1,000	\$ 1,000	\$ (500)	-33.3%
985.000 Lease Purchase	\$ 1,813	\$ 2,000	\$ 2,000	\$ 1,800	\$ 1,800	\$ (200)	-10.0%
<b>Operating Costs</b>	<b>\$ 50,484</b>	<b>\$ 56,600</b>	<b>\$ 56,600</b>	<b>\$ 52,650</b>	<b>\$ 52,650</b>	<b>(\$3,950)</b>	<b>-7.0%</b>
<b>TOTAL FINANCE</b>	<b>\$ 195,896</b>	<b>\$ 202,914</b>	<b>\$ 202,652</b>	<b>\$ 199,635</b>	<b>\$ 199,635</b>	<b>(\$3,278)</b>	<b>-1.6%</b>

General Fund

Attorney



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. The prosecuting attorney fee is also paid here.

**Attorney Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>increased</b>	<b>\$0</b>	<b>0.0%</b>
Employee Costs	n/a	n/a	n/a
Operational Costs	increased	\$0	0.0%

**Total Costs:** Budgeted costs remained the same 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 remained the same from the prior year budget. The budget remains flat from the prior year. However, labor related legal fees could 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	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
802.000 Professional Services - GWSH	\$ 62,267	\$ 45,000	\$ 48,600	\$ 50,600	\$ 50,600	\$ 5,600	12.4%
803.000 Prof Serv - Other Attorneys	\$ 16,277	\$ 35,000	\$ 25,000	\$ 29,400	\$ 29,400	\$ (5,600)	-16.0%
860.000 Travel & Training Expense		\$ -				\$ -	
<b>TOTAL ATTORNEY</b>	<b>\$ 78,544</b>	<b>\$ 80,000</b>	<b>\$ 73,600</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$0</b>	<b>0.0%</b>

General Fund

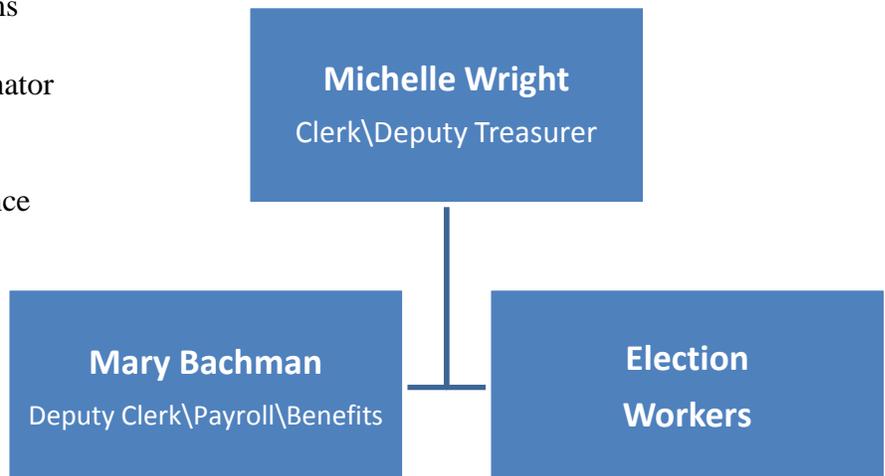
Clerk



Michelle Wright is the Clerk and Deputy Treasurer for the City of Manistee. She has been with the City for 22 years.

The office of City Clerk is staffed by two full-time people; Michelle Wright and Deputy Clerk /Payroll & Benefits Mary Bachman. 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**

Departmental Cost Summary			
<b>Total Costs</b>	<b>decreased</b>	<b>(\$4,344)</b>	<b>-2.3%</b>
Employee Costs	decreased	(\$4,344)	-3.0%
Operational Costs	increased	\$0	0.0%

**Total Costs:** Total costs increased from the prior year budget.

**Employee Costs:** Employee costs increased immaterially from the prior year budget. A modest wage increase was offset by health insurance reforms and lower pension and workers compensation costs. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs remained the same.

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

- Budget as recommended                     
  Budget with changes

**Changes:**

Council requested that cost savings associated with moving to ePackets be removed from the budget.

215 City Clerk	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 96,606	\$96,035	\$96,035	\$98,396	\$98,396	\$ 2,361	2.5%
703.000 Longevity	\$ 775	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ -	\$1,000	\$1,000	\$1,000	\$1,000	\$ -	0.0%
706.000 Part-Time	\$ 1,581	\$12,365	\$12,365	\$12,500	\$12,500	\$ 135	1.1%
708.000 V\SH Sellback	\$ 233	\$0	\$0	\$0	\$0	\$ -	
712.001 Costs - Social Security	\$ 6,306	\$7,292	\$7,292	\$7,378	\$7,378	\$ 86	1.2%
712.002 Costs - Medicare	\$ 1,475	\$1,705	\$1,705	\$1,725	\$1,725	\$ 20	1.2%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.005 Costs - MERS	\$ 3,885	\$6,880	\$6,880	\$6,598	\$6,598	\$ (283)	-4.1%
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.007 Costs - SUTA	\$ 317	\$317	\$317	\$416	\$416	\$ 99	31.3%
712.009 Costs - Work Comp	\$ 399	\$454	\$454	\$282	\$282	\$ (172)	-37.9%
712.010 Costs - Blue Cross Insurance	\$ 18,138	\$20,149	\$23,171	\$13,549	\$13,549	\$ (6,600)	-32.8%
712.011 Costs - Life Insurance	\$ 620	\$569	\$569	\$577	\$577	\$ 8	1.5%
<b>Employee Costs</b>	<b>\$ 130,334</b>	<b>\$ 146,765</b>	<b>\$ 149,788</b>	<b>\$ 142,421</b>	<b>\$ 142,421</b>	<b>(\$4,344)</b>	<b>-3.0%</b>
728.000 Supplies - Operating	\$ 2,512	\$ 3,535	\$ 3,535	\$ 3,535	\$ 3,535	\$ -	0.0%
735.000 Periodicals & Publications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
740.000 Election Expense	\$ 4,440	\$ 10,600	\$ 10,600	\$ 10,600	\$ 10,600	\$ -	0.0%
801.000 Professional Services	\$ 1,437	\$ 3,100	\$ 2,500	\$ 3,100	\$ 3,100	\$ -	0.0%
831.000 Contractual Repairs & Maint.	\$ 6,808	\$ 7,200	\$ 7,200	\$ 7,200	\$ 7,200	\$ -	0.0%
860.000 Travel & Training Expense	\$ 3,237	\$ 5,200	\$ 4,500	\$ 5,200	\$ 5,200	\$ -	0.0%
870.000 Memberships & Dues	\$ 465	\$ 485	\$ 485	\$ 485	\$ 485	\$ -	0.0%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
900.000 Printing/Publishing	\$ 4,755	\$ 6,200	\$ 6,200	\$ 6,200	\$ 6,200	\$ -	0.0%
930.000 Repairs & Maint - Vehicle\Equip		\$ -	\$ -	\$ -	\$ -	\$ -	
970.000 Capital Outlay	\$ 186	\$ -	\$ -	\$ -	\$ -	\$ -	
985.000 Lease Purchase	\$ 2,940	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
<b>Operating Costs</b>	<b>\$ 26,780</b>	<b>\$ 39,320</b>	<b>\$ 38,020</b>	<b>\$ 39,320</b>	<b>\$ 39,320</b>	<b>\$0</b>	<b>0.0%</b>
<b>TOTAL CLERK</b>	<b>\$ 157,114</b>	<b>\$ 186,085</b>	<b>\$ 187,808</b>	<b>\$ 181,741</b>	<b>\$ 181,741</b>	<b>(\$4,344)</b>	<b>-2.3%</b>

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## General Fund

### Assessor

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Julie Beardslee is the Assessor for the City of Manistee. She has been with the City for 20 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.

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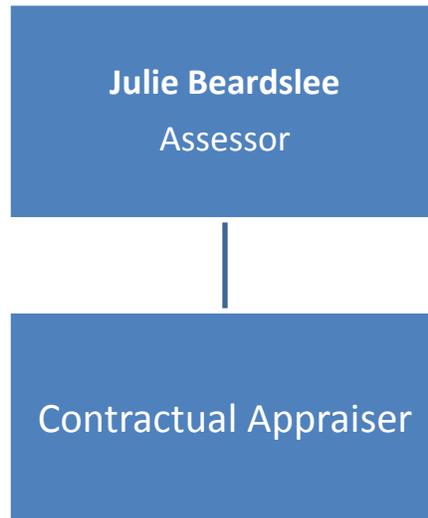
General Fund

Assessor

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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.



General Fund

Assessor

**Assessor Assumptions & Notes**

<b>Departmental Cost Summary</b>			
<b>Total Costs</b>	<b>decreased</b>	<b>(\$4,450)</b>	<b>-3.9%</b>
Employee Costs	increased	\$ 515	0.5%
Operational Costs	decreased	(\$4,965)	-25.9%

**Total Costs:** Total costs decreased from the prior year budget.

**Employee Costs:** Employee costs increased marginally from the prior year budget. A modest wage increase was offset by health insurance reforms and lower pension and workers compensation costs. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs decreased sharply from the prior year budget. The decrease is driven by a reduction in operating costs, professional services and travel and training. The restructuring of the department last year and reduction of a staff member contributed to the ability to make these reductions.

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

- Budget as recommended                       Budget with changes

**Changes:**

257 City Assessor	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 106,888	\$63,208	\$63,208	\$ 64,971	\$ 64,971	\$ 1,763	2.8%
703.000 Longevity	\$ 750	\$0	\$0	\$ -	\$ -	\$ -	
704.000 Overtime	\$ -	\$0	\$0	\$ -	\$ -	\$ -	
706.000 Part-Time	\$ -	\$0	\$0	\$ -	\$ -	\$ -	
708.000 VHS Sellback	\$ -	\$0	\$0	\$ -	\$ -	\$ -	
712.001 Costs - Social Security	\$ 7,180	\$4,496	\$4,496	\$ 4,583	\$ 4,583	\$ 87	1.9%
712.002 Costs - Medicare	\$ 1,679	\$1,052	\$1,052	\$ 1,072	\$ 1,072	\$ 20	1.9%
712.004 Costs - ICMA Contribution	\$ 7,141	\$7,007	\$7,007	\$ 7,147	\$ 7,147	\$ 140	2.0%
712.005 Costs - MERS	\$ 1,746	\$0	\$0	\$ -	\$ -	\$ (0)	-100.0%
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$ -	\$ -	\$ -	
712.007 Costs - SUTA	\$ 317	\$159	\$159	\$ 208	\$ 208	\$ 49	30.9%
712.009 Costs - Work Comp	\$ 1,026	\$751	\$751	\$ 439	\$ 439	\$ (313)	-41.6%
712.010 Costs - Blue Cross Insurance	\$ 30,691	\$16,623	\$17,787	\$ 15,382	\$ 15,382	\$ (1,241)	-7.5%
712.011 Costs - Life Insurance	\$ 680	\$476	\$476	\$ 485	\$ 485	\$ 9	1.9%
<b>Employee Costs</b>	<b>\$ 158,098</b>	<b>\$ 93,772</b>	<b>\$ 94,936</b>	<b>\$ 94,287</b>	<b>\$ 94,287</b>	<b>\$ 515</b>	<b>0.5%</b>
728.000 Operating Expense	\$ 2,311	\$ 4,000	\$ 3,000	\$ 2,000	\$ 2,000	\$ (2,000)	-50.0%
735.000 Periodicals & Publications	\$ 1,182	\$ 940	\$ 940	\$ 995	\$ 995	\$ 55	5.9%
801.000 Professional Services	\$ 7,610	\$ 6,500	\$ 6,500	\$ 5,500	\$ 5,500	\$ (1,000)	-15.4%
831.000 Contractual Repairs & Maint	\$ 2,717	\$ 2,430	\$ 2,430	\$ 2,010	\$ 2,010	\$ (420)	-17.3%
860.000 Travel & Training Expense	\$ 2,578	\$ 2,200	\$ 2,200	\$ 1,560	\$ 1,560	\$ (640)	-29.1%
865.000 Vehicle Allowance	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ -	0.0%
870.000 Memberships & Dues	\$ 670	\$ 720	\$ 720	\$ 360	\$ 360	\$ (360)	-50.0%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
900.000 Printing/Publishing	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -	
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
970.000 Capital Outlay	\$ 888	\$ 600	\$ 600	\$ -	\$ -	\$ (600)	-100.0%
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Operating Costs</b>	<b>\$ 19,906</b>	<b>\$ 19,190</b>	<b>\$ 18,190</b>	<b>\$ 14,225</b>	<b>\$ 14,225</b>	<b>\$ (4,965)</b>	<b>-25.9%</b>
<b>TOTAL ASSESSOR</b>	<b>\$ 178,004</b>	<b>\$ 112,962</b>	<b>\$ 113,126</b>	<b>\$ 108,512</b>	<b>\$ 108,512</b>	<b>\$ (4,450)</b>	<b>-3.9%</b>

General Fund

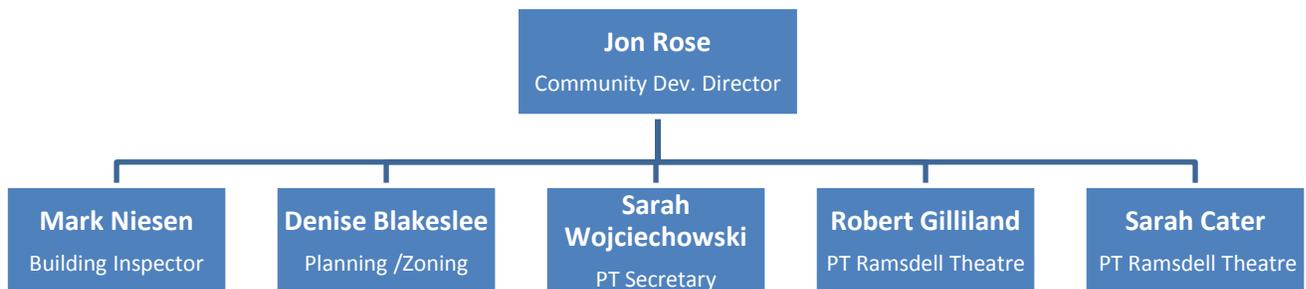
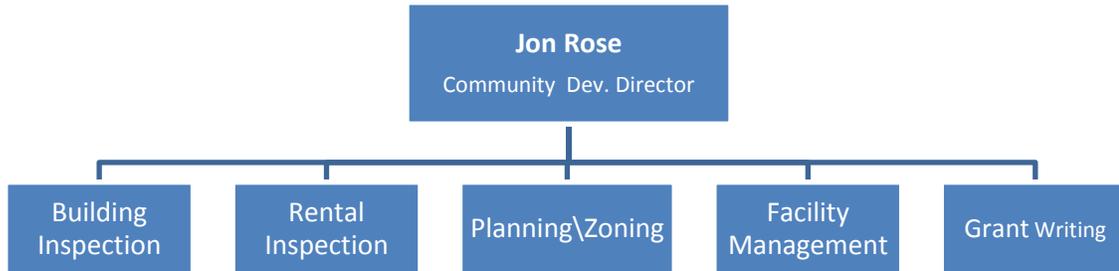
Community Development

Jon Rose is the Community Development Director for the City of Manistee. He has been with the City for 20 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



General Fund

Community Development

**Community Development Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>increased</b>	<b>\$12,378</b>	<b>4.7%</b>
Employee Costs	increased	\$12,668	5.0%
Operational Costs	decreased	(\$290)	-2.6%

**Total Costs:** Total costs increased from the prior year budget.

**Employee Costs:** Employee costs increased from the prior year budget. A modest wage increase was offset by health insurance reforms and lower pension and workers compensation costs. Additionally, a change in employee status caused an increase in health insurance cost. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs decreased from the prior year budget.

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

- Budget as recommended                       Budget with changes

**Changes:**

Community Development	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
<b>748 Community Development</b>							
702.000 Salaries	\$ 165,013	\$162,794	\$162,794	\$166,550	\$166,550	\$ 3,755	2.3%
703.000 Longevity	\$ 1,150	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ 28	\$750	\$750	\$750	\$750	\$ -	0.0%
706.000 Part-Time	\$ 13,431	\$26,260	\$26,260	\$25,459	\$25,459	\$ (801)	-3.0%
708.000 V\SH Sellback	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.001 Costs - Social Security	\$ 11,964	\$13,134	\$13,134	\$12,862	\$12,862	\$ (272)	-2.1%
712.002 Costs - Medicare	\$ 2,798	\$3,072	\$3,072	\$3,008	\$3,008	\$ (64)	-2.1%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.005 Costs - MERS	\$ 6,669	\$11,568	\$11,568	\$11,094	\$11,094	\$ (474)	-4.1%
712.006 Costs - In Lieu of BC/BS	\$ 5,117	\$5,640	\$5,640	\$0	\$0	\$ (5,640)	-100.0%
712.007 Costs - SUTA	\$ 601	\$792	\$792	\$1,040	\$1,040	\$ 248	31.3%
712.009 Costs - Work Comp	\$ 1,733	\$1,706	\$1,706	\$1,004	\$1,004	\$ (702)	-41.1%
712.010 Costs - Blue Cross Insurance	\$ 27,332	\$27,706	\$38,045	\$44,314	\$44,314	\$ 16,608	59.9%
712.011 Costs - Life Insurance	\$ 842	\$775	\$775	\$784	\$784	\$ 10	1.2%
<b>Employee Costs</b>	<b>\$ 236,676</b>	<b>\$ 254,197</b>	<b>\$ 264,536</b>	<b>\$ 266,865</b>	<b>\$ 266,865</b>	<b>\$12,668</b>	<b>5.0%</b>
728.000 Operating Expense	\$ 3,810	\$ 3,650	\$ 3,650	\$3,410	\$3,410	\$ (240)	-6.6%
735.000 Periodicals & Publications	\$ 206	\$ 250	\$ 250	\$250	\$250	\$ -	0.0%
801.000 Professional Services		\$ -	\$ -	\$0	\$0	\$ -	
831.000 Contractual Repairs & Maint	\$ 1,121	\$ 1,000	\$ 1,000	\$1,000	\$1,000	\$ -	0.0%
860.000 Travel & Training Expense	\$ 1,693	\$ 2,200	\$ 2,200	\$2,200	\$2,200	\$ -	0.0%
865.000 Vehicle Allowance	\$ 3,600	\$ 3,800	\$ 3,800	\$3,800	\$3,800	\$ -	0.0%
870.000 Memberships & Dues	\$ 156	\$ 250	\$ 250	\$200	\$200	\$ (50)	-20.0%
873.000 Education	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
900.000 Printing & Publishing	\$ -	\$ 200	\$ 200	\$200	\$200	\$ -	0.0%
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
957.000 Motor Pool	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
970.000 Capital Outlay	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$0	\$0	\$ -	
<b>Operating Costs</b>	<b>\$ 10,586</b>	<b>\$ 11,350</b>	<b>\$ 11,350</b>	<b>\$ 11,060</b>	<b>\$ 11,060</b>	<b>(\$290)</b>	<b>-2.6%</b>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>\$ 247,262</b>	<b>\$ 265,547</b>	<b>\$ 275,886</b>	<b>\$ 277,925</b>	<b>\$ 277,925</b>	<b>\$12,378</b>	<b>4.7%</b>

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**

Departmental Cost Summary			
<b>Total Costs</b>	<b>increased</b>	<b>\$0</b>	<b>0.0%</b>
Employee Costs	n/a	n/a	n/a
Operational Costs	increased	\$0	0.0%

**Total Costs:** Total costs remained the same from the prior year budget.

**Employee Costs:** This department has no employee costs.

**Operational Costs:** Operational costs remained the same from the prior year budget.

290 Boards & Commissions	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
712.001 Costs - Social Security	\$ 88	\$ 100	\$ 100	\$ 100	\$ 100	\$ -	
712.002 Costs - Medicare	\$ 21	\$ 25	\$ 25	\$ 25	\$ 25	\$ -	
881.000 Board of Review	\$ 2,264	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ -	0.0%
883.000 Harbor Commission	\$ 79	\$ 250	\$ 250	\$ 250	\$ 250	\$ -	0.0%
884.000 Historic District Commission	\$ 446	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	0.0%
885.000 Non-Motorized Transportation	\$ 209	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.0%
886.000 Parks & Beautification Commission	\$ 1,903	\$ 850	\$ 850	\$ 850	\$ 850	\$ -	0.0%
887.000 Planning Commission	\$ 3,903	\$ 5,600	\$ 5,600	\$ 5,600	\$ 5,600	\$ -	0.0%
888.000 Tree Commission	\$ 352	\$ 350	\$ 350	\$ 350	\$ 350	\$ -	0.0%
889.000 Zoning Board of Appeals	\$ 405	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
						\$ -	
<b>TOTAL BOARDS &amp; COMMISSIONS</b>	<b>\$ 9,669</b>	<b>\$ 11,425</b>	<b>\$ 11,425</b>	<b>\$ 11,425</b>	<b>\$ 11,425</b>	<b>\$0</b>	<b>0.0%</b>

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

Budget as recommended       Budget with changes

**Changes:**

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**

Departmental Cost Summary			
<b>Total Costs</b>	<b>increased</b>	<b>\$593</b>	<b>0.4%</b>
Employee Costs	n/a	n/a	n/a
Operational Costs	increased	\$593	0.4%

**Total Costs:** Total costs increased slightly from the prior year budget.

**Employee Costs:** Employee costs are not recorded in this department. The costs of part-time staff members to clean City Hall in a pooling arrangement with the Ramsdell Theatre have been budgeted in the Community Development budget, which supervises the employees.

**Operational Costs:** Operational costs increased slightly from the prior year budget.

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

- Budget as recommended                       Budget with changes

**Changes:**

265 Municipal Buildings	2010 Actual	2011 Budget	2010 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
728.000 Operating Supplies	\$ 4,768	\$ 6,000	\$ 8,000	\$ 6,000	\$ 6,000	\$ -	0.0%
801.000 Professional Services	\$ 33,713	\$ 5,357	\$ 5,000	\$ 5,000	\$ 5,000	\$ (357)	-6.7%
831.000 Contractual Repairs & Maint.	\$ 2,866	\$ 4,050	\$ 4,050	\$ 5,000	\$ 5,000	\$ 950	23.5%
850.000 Utilities - Phone	\$ 24,302	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ -	0.0%
920.000 Gas - City Hall	\$ 6,618	\$ 6,700	\$ 6,000	\$ 6,700	\$ 6,700	\$ -	0.0%
920.336 Gas - Fire Dept	\$ 4,534	\$ 4,700	\$ 4,200	\$ 4,700	\$ 4,700	\$ -	0.0%
920.441 Gas - DPW	\$ 21,747	\$ 24,000	\$ 22,000	\$ 24,000	\$ 24,000	\$ -	0.0%
920.446 Gas - Bridge	\$ 949	\$ 1,400	\$ 1,300	\$ 1,400	\$ 1,400	\$ -	0.0%
922.000 Water - City Hall	\$ 2,707	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ -	0.0%
922.336 Water - Fire Dept	\$ 738	\$ 750	\$ 750	\$ 750	\$ 750	\$ -	0.0%
922.441 Water - DPW	\$ 1,692	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	0.0%
922.446 Water - Bridge	\$ 1,173	\$ 700	\$ 700	\$ 700	\$ 700	\$ -	0.0%
925.000 Electric - City Hall	\$ 19,048	\$ 21,500	\$ 21,500	\$ 19,500	\$ 19,500	\$ (2,000)	-9.3%
925.336 Electric - Fire Dept	\$ 4,475	\$ 4,100	\$ 4,100	\$ 4,100	\$ 4,100	\$ -	0.0%
925.441 Electric - DPW	\$ 13,805	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ -	0.0%
925.446 Electric - Bridge	\$ 2,583	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
930.000 Repairs & Maintenance	\$ 4,463	\$ 8,000	\$ 4,000	\$ 7,000	\$ 7,000	\$ (1,000)	-12.5%
931.000 Repairs & Maint - Building	\$ 2,900	\$ -	\$ -	\$ -	\$ -	\$ -	
940.000 Building Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
970.000 Capital Outlay (Expense)	\$ 150	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	
<b>TOTAL MUNICIPAL BUILDINGS</b>	<b>\$ 153,231</b>	<b>\$ 133,057</b>	<b>\$ 127,400</b>	<b>\$ 133,650</b>	<b>\$ 133,650</b>	<b>\$ 593</b>	<b>0.4%</b>

General Fund

Police

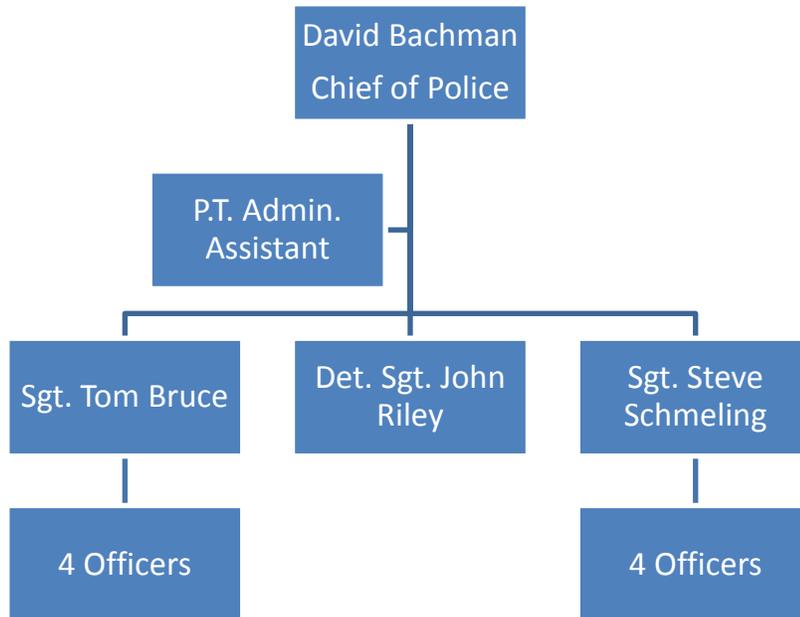


Dave Bachman is the Public Safety Director for the City of Manistee. He will be overseeing the Police and Fire\EMS departments. He also runs the Municipal Marina in conjunction with the Parks Department and serves as Harbor Master. He has been with the City for 14 years.

The Manistee Police Department is a young, progressive department with many plans for the future. The department currently has 12 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 a part-time 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.



General Fund

Police

**Police Assumptions & Notes**

<b>Departmental Cost Summary</b>			
<b>Total Costs</b>	<b>decreased</b>	<b>(\$109,696)</b>	<b>-10.3%</b>
Employee Costs	decreased	(\$118,313)	-12.4%
Operational Costs	increased	\$8,617	7.7%

**Total Costs:** Total costs decreased sharply from the prior year budget.

**Employee Costs:** Employee costs decreased sharply from the prior budget. The Police Chief position was eliminated and consolidated into a Public Safety Director. See Public Safety Director issue page. With the creation of a Public Safety Director, the wages and benefits of this position have been split equally between the Police and Fire\EMS departments. The police department also lost one position through attrition that will not be replaced. The POAM and COAM contracts expire 6-30-2011, and the employee budget could change pending the outcome of the collective bargaining negotiations. However, the budget assumes that the two police unions will agree to eliminate\abate longevity and will agree to health insurance reforms. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs increased from the prior year budget. The increase is the result of higher gasoline costs, education reimbursement, repairs & maintenance and the need to replace the departmental shredder.

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

- Budget as recommended                       Budget with changes

**Changes:**



## 2011-2012 Budget

301 Police Department	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 672,789	\$ 658,867	\$ 658,867	\$ 581,845	\$ 581,845	\$ (77,022)	-11.7%
703.000 Longevity	\$ 4,425	\$ -	\$ -	\$ (175)	\$ (175)	\$ (175)	
704.000 Overtime	\$ 14,445	\$ 10,000	\$ 10,000	\$ 9,300	\$ 9,300	\$ (700)	-7.0%
704.001 Spotlight Grant Overtime	\$ 6,133	\$ -	\$ -	\$ -	\$ -	\$ -	
706.000 Part-Time	\$ 16,973	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.0%
708.000 V\SIH Sellback	\$ 7,108	\$ 2,000	\$ 2,000	\$ 6,000	\$ 6,000	\$ 4,000	200.0%
712.001 Costs - Social Security	\$ 3,973	\$ 3,069	\$ 3,069	\$ 2,512	\$ 2,512	\$ (556)	-18.1%
712.002 Costs - Medicare	\$ 10,878	\$ 11,280	\$ 11,280	\$ 9,742	\$ 9,742	\$ (1,538)	-13.6%
712.004 Costs - ICMA Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.005 MERS	\$ 12,967	\$ 67,005	\$ 67,005	\$ 57,653	\$ 57,653	\$ (9,352)	-14.0%
712.006 Costs - In Lieu of BC/BS	\$ 9,781	\$ 5,640	\$ 5,640	\$ 8,380	\$ 8,380	\$ 2,740	48.6%
712.007 Costs - SUTA	\$ 4,510	\$ 2,376	\$ 2,376	\$ 2,807	\$ 2,807	\$ 431	18.1%
712.009 Costs - Work Comp	\$ 15,967	\$ 15,443	\$ 15,443	\$ 7,983	\$ 7,983	\$ (7,461)	-48.3%
712.010 Costs - Blue Cross Insurance	\$ 144,520	\$ 155,430	\$ 155,430	\$ 127,451	\$ 127,451	\$ (27,979)	-18.0%
712.011 Costs - Life Insurance	\$ 4,627	\$ 4,131	\$ 4,131	\$ 3,430	\$ 3,430	\$ (701)	-17.0%
<b>Employee Costs</b>	<b>\$ 929,097</b>	<b>\$ 955,240</b>	<b>\$ 955,240</b>	<b>\$ 836,927</b>	<b>\$ 836,927</b>	<b>(\$118,313)</b>	<b>-12.4%</b>
715.000 Uniform & Cleaning Allowance	\$ 7,959	\$ 7,115	\$ 7,115	\$ 6,575	\$ 6,575	\$ (540)	-7.6%
728.000 Operating Expense	\$ 14,338	\$ 13,000	\$ 11,000	\$ 12,500	\$ 12,500	\$ (500)	-3.8%
735.000 Periodicals & Publications	\$ -	\$ 200	\$ 200	\$ 200	\$ 200	\$ -	0.0%
770.000 Gasoline	\$ 16,647	\$ 20,000	\$ 20,000	\$ 23,725	\$ 23,725	\$ 3,725	18.6%
795.000 Spotlight Grant Expenses	\$ 4,000	\$ -	\$ -	\$ -	\$ -	\$ -	
801.000 Professional Services	\$ 2,036	\$ 5,500	\$ 5,500	\$ 5,500	\$ 5,500	\$ -	0.0%
831.000 Contractual Repairs & Maint	\$ 6,128	\$ 5,757	\$ 5,757	\$ 8,689	\$ 8,689	\$ 2,932	50.9%
860.000 Travel & Training Expense	\$ 5,529	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ -	0.0%
865.000 Vehicle Allowance	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ 4,200	\$ -	0.0%
870.000 Memberships & Dues	\$ 390	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.0%
873.000 Education	\$ -	\$ -	\$ -	\$ 2,500	\$ 2,500	\$ 2,500	
874.000 Retire. Costs - Blue Cross	\$ 2,986	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
900.000 Printing/Publishing	\$ 1,542	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ -	0.0%
930.000 Repairs & Maintenance	\$ 16,508	\$ 10,000	\$ 10,000	\$ 9,000	\$ 9,000	\$ (1,000)	-10.0%
957.000 Motor Pool	\$ 33,075	\$ 33,075	\$ 33,075	\$ 33,075	\$ 33,075	\$ -	0.0%
970.000 Capital Outlay	\$ 17,601	\$ -	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Operating Costs</b>	<b>\$ 132,939</b>	<b>\$ 111,447</b>	<b>\$ 109,447</b>	<b>\$ 120,064</b>	<b>\$ 120,064</b>	<b>\$8,617</b>	<b>7.7%</b>
<b>TOTAL POLICE</b>	<b>\$ 1,062,036</b>	<b>\$ 1,066,687</b>	<b>\$ 1,064,687</b>	<b>\$ 956,991</b>	<b>\$ 956,991</b>	<b>(\$109,696)</b>	<b>-10.3%</b>

General Fund

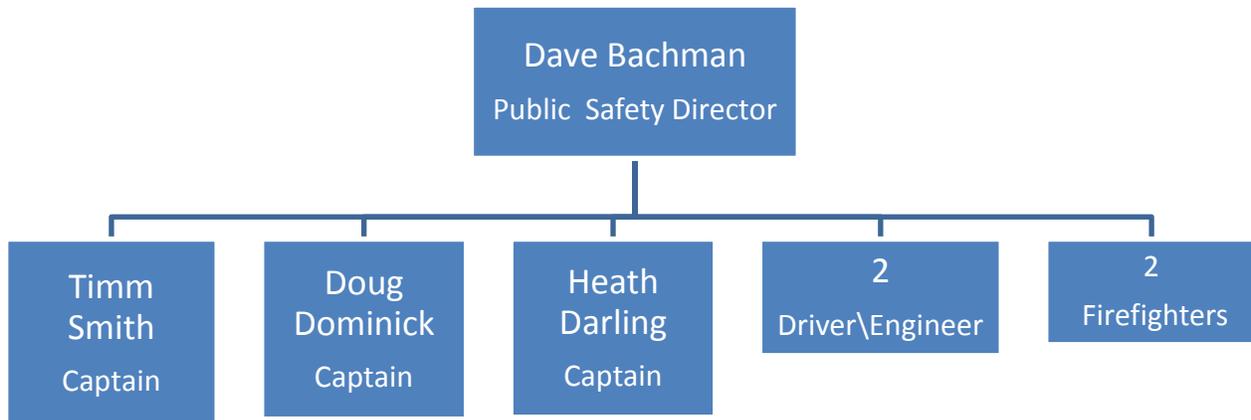
Fire & EMS



Dave Bachman is the Public Safety Director for the City of Manistee. He has been with the City for 14 years.

The Fire Department has a budgeted staff of 8 full time employees; seven firefighters and one public safety director. 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.



General Fund

Fire & EMS

**Fire & EMS Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>decreased</b>	<b>(\$39,954)</b>	<b>-5.4%</b>
Employee Costs	decreased	(\$45,714)	-7.4%
Operational Costs	increased	\$5,760	4.7%

**Total Costs:** Total costs decreased sharply from the prior year budget.

**Employee Costs:** Employee costs decreased from the prior year budget. The Fire Chief position was eliminated and consolidated into a Public Safety Director position. See Public Safety Director issue page. With the creation of a Public Safety Director, the wages and benefits of this position have been split equally between the Police and Fire\EMS departments. The IAFF contract expires 6-30-2011, and the employee budget could change pending the outcome of the collective bargaining negotiations. However, the budget assumes that the union will agree to eliminate\abate longevity and will agree to health insurance reforms. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs increased from the prior year budget. The increase is the result of higher retiree health insurance payments and gasoline costs, offset by lower operating expense.

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

- Budget as recommended                       Budget with changes

**Changes:**

Fire Department	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
<b>336 FIRE</b>							
702.000 Salaries	\$ 384,939	\$379,862	\$349,862	\$342,731	\$342,731	\$ (37,131)	-9.8%
703.000 Longevity	\$ 3,000	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ 35,815	\$30,625	\$40,000	\$30,625	\$30,625	\$ -	0.0%
706.000 Part-Time	\$ 11,487	\$0	\$0	\$0	\$0	\$ -	
708.000 V\SVH Sellback	\$ 14,049	\$10,500	\$10,500	\$18,000	\$18,000	\$ 7,500	71.4%
712.001 Costs - Social Security	\$ 723	\$0	\$0	\$0	\$0	\$ -	
712.002 Costs - Medicare	\$ 4,633	\$5,586	\$5,586	\$4,394	\$4,394	\$ (1,192)	-21.3%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.005 MERS	\$ 60,510	\$68,975	\$68,975	\$47,836	\$47,836	\$ (21,139)	-30.6%
712.006 Costs - In Lieu of BC/BS	\$ 5,283	\$5,640	\$5,640	\$0	\$0	\$ (5,640)	-100.0%
712.007 Costs - SUTA	\$ 1,381	\$1,267	\$1,267	\$1,559	\$1,559	\$ 292	23.0%
712.009 Costs - Workers Compensation	\$ 15,832	\$15,256	\$15,256	\$7,487	\$7,487	\$ (7,769)	-50.9%
712.010 Costs - Blue Cross Insurance	\$ 102,826	\$93,838	\$87,567	\$113,535	\$113,535	\$ 19,697	21.0%
712.011 Costs - Life Insurance	\$ 2,628	\$2,567	\$2,567	\$2,235	\$2,235	\$ (333)	-13.0%
716.000 Food Allowance	in wages						
<b>Employee Costs</b>	<b>\$ 643,106</b>	<b>\$ 614,116</b>	<b>\$ 587,220</b>	<b>\$ 568,402</b>	<b>\$ 568,402</b>	<b>(\$45,714)</b>	<b>-7.4%</b>
715.000 Uniform & Cleaning Allowance	\$ 6,055	\$ 6,820	\$ 6,820	\$ 6,820	\$ 6,820	\$ -	0.0%
728.000 Operating Expense	\$ 8,971	\$ 12,770	\$ 10,000	\$ 9,370	\$ 9,370	\$ (3,400)	-26.6%
735.000 Periodicals & Publications	\$ 1,455	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ -	0.0%
770.000 Gasoline	\$ 4,349	\$ 5,540	\$ 5,540	\$ 6,500	\$ 6,500	\$ 960	17.3%
790.000 Fire Prevention	\$ 9	\$ 1,950	\$ 1,950	\$ 1,950	\$ 1,950	\$ -	0.0%
801.000 Professional Services	\$ -	\$ 1,500	\$ 1,500	\$ 500	\$ 500	\$ (1,000)	-66.7%
831.000 Contractual Repairs & Maint.	\$ 686	\$ 2,350	\$ 2,350	\$ 3,050	\$ 3,050	\$ 700	29.8%
860.000 Travel & Training Expense	\$ 1,896	\$ 4,500	\$ 4,500	\$ 5,500	\$ 5,500	\$ 1,000	22.2%
865.000 Vehicle Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
870.000 Memberships & Dues	\$ 554	\$ 400	\$ 400	\$ 400	\$ 400	\$ -	0.0%
873.000 Education	\$ -	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ -	0.0%
874.000 Retiree BCBS	\$ 8,250	\$9,000	\$9,000	\$15,000	\$15,000	\$ 6,000	66.7%
900.000 Printing/Publishing	\$ 351	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	0.0%
930.000 Repairs & Maintenance	\$ 8,779	\$ 11,850	\$ 10,000	\$ 11,850	\$ 11,850	\$ -	0.0%
942.000 Hydrant Rental	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ -	0.0%
956.000 Mutual Aid	\$ 400	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
957.000 Motor Pool	\$ 28,350	\$ 28,350	\$ 28,350	\$ 28,350	\$ 28,350	\$ -	0.0%
970.000 Capital Outlay	\$ 1,698	\$ 10,190	\$ 10,190	\$ 11,690	\$ 11,690	\$ 1,500	14.7%
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Operating Costs</b>	<b>\$ 93,403</b>	<b>\$ 121,270</b>	<b>\$ 116,650</b>	<b>\$ 127,030</b>	<b>\$ 127,030</b>	<b>\$5,760</b>	<b>4.7%</b>
<b>TOTAL FIRE</b>	<b>\$ 736,509</b>	<b>\$ 735,386</b>	<b>\$ 703,870</b>	<b>\$ 695,432</b>	<b>\$ 695,432</b>	<b>(\$39,954)</b>	<b>-5.4%</b>

General Fund

Public Works

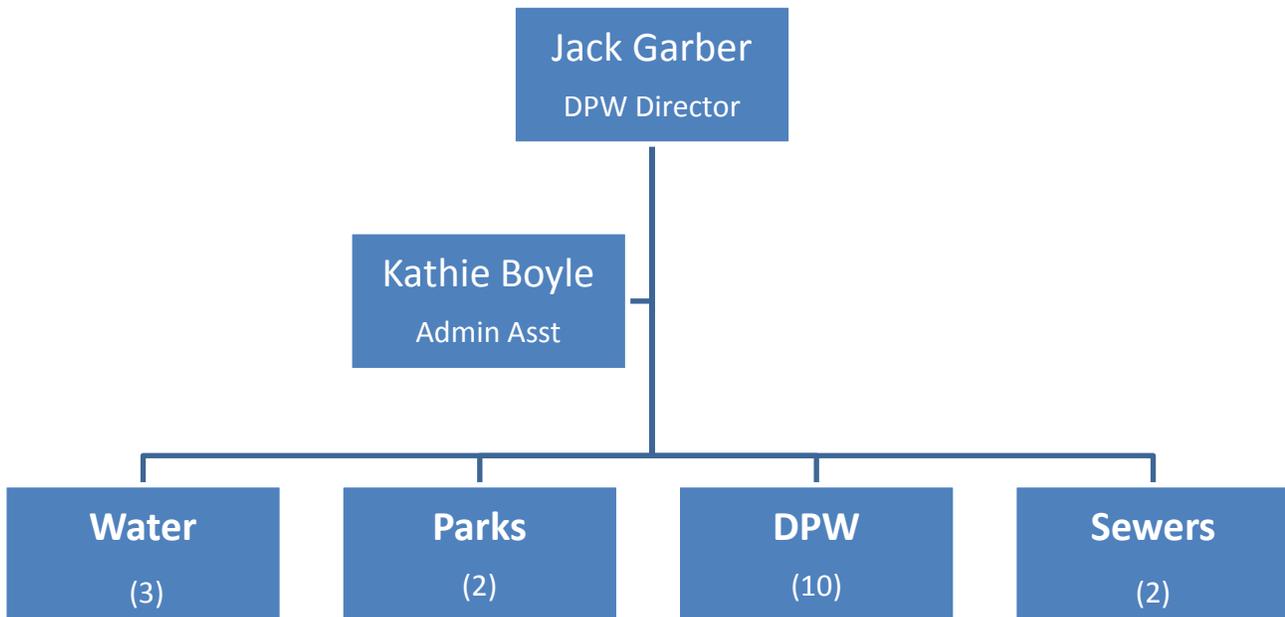


Jack Garber, current DPW Director, has been with the City for 40 years. He oversees all aspects of the Public Works operations.

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.

The DPW is also responsible for operating the City’s Water and Sewer Utility.



General Fund

Public Works

**DPW Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>increased</b>	<b>\$24,030</b>	<b>2.4%</b>
Employee Costs	increased	\$ 1,060	0.1%
Operational Costs	increased	\$22,970	9.0%

**Total Costs:** Total costs increased from the prior year budget.

**Employee Costs:** Employee costs increased from the prior year budget. The USW contract expires 6-30-2011, and the employee budget could change pending the outcome of the collective bargaining negotiations. However, the budget assumes that the union will agree to eliminate\abate longevity and will agree to health insurance reforms. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs increased from the prior year budget. The increase is driven primarily by gasoline costs and the contractual cost related with Old Christmas weekend.

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

- Budget as recommended                       Budget with changes

**Changes:**

Council requested that the \$10,000 DDA maintenance stipend be removed from the capital improvement fund and placed in the general fund budget.



## 2011-2012 Budget

441 DPW	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year		Percent Change
						Budget	Difference	
702.000 Salaries	\$460,881	\$462,813	\$462,813	\$474,012	\$474,012	\$	11,199	2.4%
703.000 Longevity	\$5,750	\$0	\$0	\$0	\$0	\$	-	
704.000 Overtime	\$21,141	\$27,000	\$27,000	\$27,000	\$27,000	\$	-	0.0%
706.000 Part-Time	\$9,621	\$26,208	\$26,208	\$26,208	\$26,208	\$	-	0.0%
708.000 V\SIH Sellback	\$10,613	\$0	\$10,000	\$10,000	\$10,000	\$	10,000	
712.001 Costs - Social Security	\$31,482	\$34,315	\$34,315	\$35,040	\$35,040	\$	725	2.1%
712.002 Costs - Medicare	\$7,363	\$8,025	\$8,025	\$8,195	\$8,195	\$	169	2.1%
712.004 Costs - ICMA Contribution	\$2,522	\$2,698	\$2,698	\$2,752	\$2,752	\$	54	2.0%
712.005 Costs - MERS	\$2,888	\$20,233	\$20,233	\$22,891	\$22,891	\$	2,659	13.1%
712.006 Costs - In Lieu of BC/BS	\$5,366	\$5,640	\$5,640	\$4,190	\$4,190	\$	(1,450)	-25.7%
712.007 Costs - SUTA	\$1,904	\$1,742	\$1,742	\$2,287	\$2,287	\$	545	31.3%
712.009 Costs - Work Comp	\$25,727	\$26,597	\$26,597	\$16,188	\$16,188	\$	(10,409)	-39.1%
712.010 Costs - Blue Cross Insurance	\$131,990	\$127,080	\$135,976	\$114,627	\$114,627	\$	(12,453)	-9.8%
712.011 Costs - Life Insurance	\$2,214	\$2,040	\$2,040	\$2,062	\$2,062	\$	22	1.1%
<b>Employee Costs</b>	<b>\$ 719,461</b>	<b>\$ 744,392</b>	<b>\$ 763,288</b>	<b>\$ 745,452</b>	<b>\$ 745,452</b>	<b>\$</b>	<b>1,060</b>	<b>0.1%</b>
715.000 Uniform & Cleaning Allowance	\$ 3,487	\$ 4,168	\$ 4,168	\$ 4,168	\$ 4,168	\$	-	0.0%
728.000 Operating Expense	\$ 13,544	\$ 11,370	\$ 11,370	\$ 11,370	\$ 11,370	\$	-	0.0%
735.000 Periodicals & Publications	\$ 142	\$ 250	\$ 250	\$ 250	\$ 250	\$	-	0.0%
770.000 Gasoline	\$ 47,790	\$ 74,400	\$ 74,400	\$ 83,850	\$ 83,850	\$	9,450	12.7%
801.000 Professional Services	\$ 25,223	\$ -	\$ -	\$ -	\$ -	\$	-	
831.000 Contractual Repairs & Maint.	\$ 7,066	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$	-	0.0%
860.000 Travel & Training Expense	\$ 3,427	\$ 2,600	\$ 2,600	\$ 2,600	\$ 2,600	\$	-	0.0%
865.000 Vehicle Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
870.000 Dues & Memberships	\$ 456	\$ 465	\$ 465	\$ 465	\$ 465	\$	-	0.0%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
874.000 Retire. Costs - Blue Cross	\$ 2,986	\$ 500	\$ 500	\$0	\$0	\$	(500)	-100.0%
900.000 Printing & Publishing	\$ 271	\$ 500	\$ 500	\$ 500	\$ 500	\$	-	0.0%
930.000 Repairs & Maintenance	\$ 72,346	\$ 70,000	\$ 70,000	\$ 80,000	\$ 80,000	\$	10,000	14.3%
955.000 Christmas Decorations	\$ 9,951	\$ 1,000	\$ 1,000	\$ 7,000	\$ 7,000	\$	6,000	600.0%
957.000 Motor Pool	\$ 75,600	\$ 75,600	\$ 75,600	\$ 75,600	\$ 75,600	\$	-	0.0%
970.000 Capital Outlay	\$ 16,776	\$ -	\$ -	\$ -	\$ -	\$	-	
985.000 Lease Purchase	\$ 1,813	\$ 1,980	\$ 1,980	\$ -	\$ -	\$	(1,980)	-100.0%
<b>Operating Costs</b>	<b>\$ 280,878</b>	<b>\$ 254,833</b>	<b>\$ 254,833</b>	<b>\$ 277,803</b>	<b>\$ 277,803</b>	<b>\$</b>	<b>22,970</b>	<b>9.0%</b>
<b>TOTAL DPW</b>	<b>\$ 1,000,339</b>	<b>\$ 999,225</b>	<b>\$ 1,018,121</b>	<b>\$ 1,023,255</b>	<b>\$ 1,023,255</b>	<b>\$</b>	<b>\$24,030</b>	<b>2.4%</b>

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 help the City write, apply for and administer various grants.

**Engineer Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>increased</b>	<b>\$0</b>	<b>0.0%</b>
Employee Costs	increased	\$0	0.0%
Operational Costs	increased	\$0	

**Total Costs:** Total costs remained flat from the prior year budget.

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

**Operational Costs:** Operational costs remained flat from the prior year budget. This amount is a contractual retainer fee. Total engineering costs are higher than this budget reflects because they are charged to different funds depending on the project.

<b>285 Engineer</b>	<b>2010 Actual</b>	<b>2011 Budget</b>	<b>2011 Projected</b>	<b>Manager Budget</b>	<b>Council Adopted</b>		
801.000 Professional Services (Retainer)	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ -	0.0%
860.000 Travel & Training		\$ -				\$ -	
<b>TOTAL ENGINEER</b>	<b>\$ 36,000</b>	<b>\$ 36,000</b>	<b>\$ 36,000</b>	<b>\$ 36,000</b>	<b>\$ 36,000</b>	<b>\$0</b>	<b>0.0%</b>

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

- Budget as recommended       Budget with changes

**Changes:**

General Fund

Parks & Recreation

**Parks Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>increased</b>	<b>\$4,467</b>	<b>1.3%</b>
Employee Costs	increased	\$2,467	1.5%
Operational Costs	increased	\$2,000	1.1%

**Total Costs:** Total costs increased from the prior year budget.

**Employee Costs:** Employee costs increased from the prior budget. The USW contract expires 6-30-2011, and the employee budget could change pending the outcome of the collective bargaining negotiations. However, the budget assumes a modest wage increase, that the union will agree to eliminate\abate longevity and will agree to health insurance reforms. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City.

**Operational Costs:** Operational costs increased from the prior year budget. The increase is driven primarily by an increase in gasoline costs and electric usage.

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

- Budget as recommended                       Budget with changes

**Changes:**



## 2011-2012 Budget

751 Parks	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 80,042	\$80,082	\$80,082	\$81,689	\$81,689	\$ 1,606	2.0%
703.000 Longevity	\$ 450	\$0	\$0	\$0	\$0	\$ -	-
704.000 Overtime	\$ 2,328	\$6,667	\$8,000	\$6,667	\$6,667	\$ -	0.0%
706.000 Part-Time	\$ 37,599	\$43,320	\$43,320	\$37,620	\$37,620	\$ (5,700)	-13.2%
708.000 V\SH Sellback	\$ -	\$0	\$0	\$500	\$500	\$ 500	-
712.001 Costs - Social Security	\$ 7,580	\$8,374	\$8,374	\$8,098	\$8,098	\$ (275)	-3.3%
712.002 Costs - Medicare	\$ 1,773	\$1,958	\$1,958	\$1,894	\$1,894	\$ (64)	-3.3%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	-
712.005 Costs - MERS	\$ -	\$3,490	\$3,490	\$4,143	\$4,143	\$ 653	18.7%
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$0	\$0	\$ -	-
712.007 Costs - SUTA	\$ 2,797	\$317	\$317	\$416	\$416	\$ 99	31.3%
712.009 Costs - Work Comp	\$ 2,974	\$3,199	\$3,199	\$1,898	\$1,898	\$ (1,301)	-40.7%
712.010 Costs - Blue Cross Insurance	\$ 20,534	\$20,149	\$21,559	\$27,098	\$27,098	\$ 6,950	34.5%
712.011 Costs - Life Insurance	\$ 324	\$299	\$299	\$299	\$299	\$ -	0.0%
<b>Employee Costs</b>	<b>\$ 156,401</b>	<b>\$ 167,854</b>	<b>\$ 170,598</b>	<b>\$ 170,321</b>	<b>\$ 170,321</b>	<b>\$2,467</b>	<b>1.5%</b>
715.000 Uniform & Cleaning	\$ 853	\$ 920	\$ 920	\$ 920	\$ 920	\$ -	0.0%
728.000 Operating Expense	\$ 9,129	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ -	0.0%
735.000 Periodicals & Publications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
770.000 Gasoline	\$ 5,633	\$ 6,000	\$ 6,000	\$ 6,500	\$ 6,500	\$ 500	8.3%
801.000 Professional Services	\$ 1,790	\$ 500	\$ 3,000	\$ 500	\$ 500	\$ -	0.0%
831.000 Contractual Repairs & Maint.	\$ 76,500	\$ 63,600	\$ 63,600	\$ 63,600	\$ 63,600	\$ -	0.0%
860.000 Travel & Training Expense	\$ 575	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
870.000 Dues & Memberships	\$ -	\$ 135	\$ 135	\$ 135	\$ 135	\$ -	0.0%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
900.000 Printing & Publishing	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.0%
920.000 Gas	\$ 942	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
922.000 Water	\$ 3,538	\$ 8,000	\$ 8,000	\$ 6,000	\$ 6,000	\$ (2,000)	-25.0%
925.000 Electric	\$ 16,466	\$ 11,500	\$ 15,000	\$ 15,000	\$ 15,000	\$ 3,500	30.4%
930.000 Repairs & Maintenance	\$ 31,379	\$ 40,000	\$ 30,000	\$ 40,000	\$ 40,000	\$ -	0.0%
931.000 Repairs\Maint - Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
957.000 Motor Pool	\$ 37,800	\$ 37,800	\$ 37,800	\$ 37,800	\$ 37,800	\$ -	0.0%
970.000 Capital Outlay	\$ 479	\$ -	\$ -	\$ -	\$ -	\$ -	-
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Operating Costs</b>	<b>\$ 185,085</b>	<b>\$ 183,955</b>	<b>\$ 179,955</b>	<b>\$ 185,955</b>	<b>\$ 185,955</b>	<b>\$2,000</b>	<b>1.1%</b>
<b>TOTAL PARKS</b>	<b>\$ 341,485</b>	<b>\$ 351,809</b>	<b>\$ 350,553</b>	<b>\$ 356,276</b>	<b>\$ 356,276</b>	<b>\$4,467</b>	<b>1.3%</b>

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General Fund

Appropriations

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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 funded last year 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

This year, the Human Services Collaborating Board has requested a \$2,500 appropriation. The budget recommends not funding this request because it is not directly providing a governmental service. The annual appropriation to SSCENT is recommended for elimination because the City will be providing an officer for the drug team this year, unlike in the past.

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. Unlike last year, the Manager's budget is not recommending any reduction in funding levels.

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.

**Appropriation Assumptions & Notes**

Departmental Cost Summary			
<b>Total Costs</b>	<b>decreased</b>	<b>(\$27,125)</b>	<b>-17.5%</b>
Employee Costs	n/a	n/a	n/a
Operational Costs	decreased	(\$27,125)	-17.5%

**Total Costs:** Total costs decreased from the prior year budget.

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

**Operational Costs:** Operational costs decreased from the prior year budget. The decrease was due to the elimination of the SSCENT appropriation thru dedicating an officer to the team. The HSCB requested funding for the first time. See the Appropriation issue page.

801 Appropriations	2010 Actual	2010 Budget	2010 Projected	Organization Requested	Manager Budget	Council Adopted	Year to Year	
							Budget Difference	Percent Change
890.000 Alternatives for Area Youth	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ -	0.0%
891.001 211	\$ 2,500	\$ 2,375	\$ 2,375	\$ 2,500	\$ 2,500	\$ 2,500	\$ 125	5.3%
892.000 Alliance for Economic Success	\$ 44,278	\$ 45,384	\$ 45,384	\$ 45,384	\$ 45,384	\$ 45,384	\$ -	0.0%
893.000 Junior Baseball	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
894.000 Manistee Recreation Assoc.	\$ 30,000	\$ 28,500	\$ 28,500	\$ 28,500	\$ 28,500	\$ 28,500	\$ -	0.0%
895.000 Museum	\$ 11,000	\$ 10,450	\$ 10,450	\$ 10,500	\$ 10,500	\$ 10,500	\$ 50	0.5%
896.000 PEG	\$ 24,000	\$ 22,800	\$ 22,800	\$ 24,000	\$ 24,000	\$ 24,000	\$ 1,200	5.3%
898.000 SSCENT	\$ 30,000	\$ 28,500	\$ 28,500	\$ -	\$ -	\$ -	\$ (28,500)	-100.0%
899.000 Veteran's Memorial Day	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
HSCB	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ -	\$ -	
<b>TOTAL APPROPRIATIONS</b>	<b>\$158,778</b>	<b>\$155,009</b>	<b>\$155,009</b>	<b>\$ 130,384</b>	<b>\$127,884</b>	<b>\$127,884</b>	<b>(\$27,125)</b>	<b>-17.5%</b>

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

Budget as recommended       Budget with changes

**Changes:**

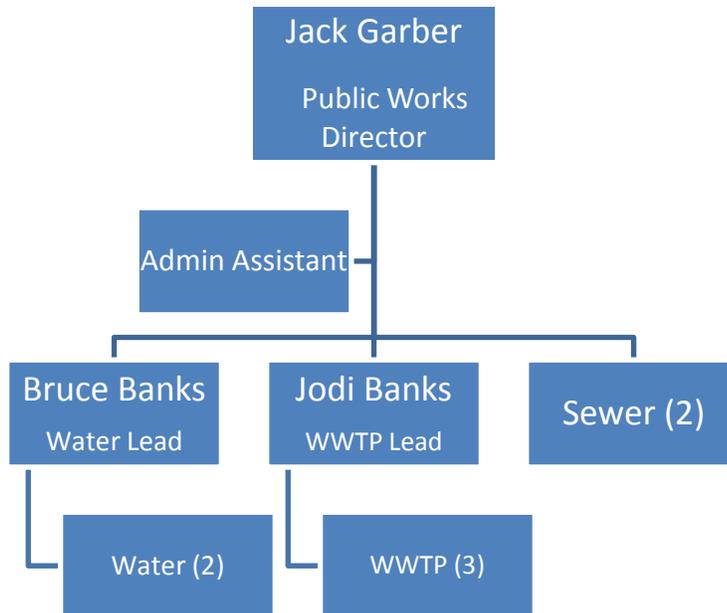
Enterprise Funds

Water & Sewer Utility

Long-time utilities director for the City of Manistee Ed Cote retired in 2010 after 38 years with the City of Manistee. The department was restructured to come under the control of Jack Garber, Public Works Director. As part of the restructuring, working lead persons will be utilized to assist in running 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 wastewater 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.



Enterprise Funds

Water & Sewer Utility

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



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 2011-2012 rates be adjusted by 4%. This represents the second of a three year phased-in increase to cover the cost of the sewer separation projects. A typical user using 6,000 gallons per month will see their monthly bill increase \$2.16 per month as the table below shows.

**Proposed Water & Sewer Rates**

	Existing		New	
	Per 1000g	Per 6000g	Per 1000g	Per 6000g
Water	\$ 2.72	\$ 16.32	\$ 2.840	\$ 17.04
Sewer	\$ 5.44	\$ 32.64	\$ 5.680	\$ 34.08
Fixed	\$ 6.60	\$ 6.60	\$ 6.60	\$ 6.60
<b>Total</b>		<b>\$ 55.56</b>		<b>\$ 57.72</b>
<b>Increase</b>				<b>\$2.16</b>

The WSU has taken on a significant amount of debt in the recent past to fund State-mandated sewer separation projects. All of the major segments will be completed at the end of this summer. A combination of low interest loans from the State of Michigan and a market rate capital improvement bond will finance these projects. Total debt service payments average about \$1,645,000 per year through 2020 and the last bond is paid off in 2032.

The current year capital budget proposes: addressing Well 10 with a well rehab and chemical feed building addition, providing a generator for Well 8, finishing up well field communications, installing lift station controls at Jerumbo, Oaks, Arthur St. and Renaissance Park, fixing the digester lid and seal at the WWTP, adding a generator at Jerumbo St. and completing the Cedar St. Sewer Separation. The failing Sixth Avenue East (Riverbank) sewer line will also be replaced pending acquisition of easements and a final clarifier paid for by Filer Charter Township may get underway. The 2011-2015 Capital Improvement plan explains these projects and identifies other capital items for the water and sewer fund in the upcoming years.

### Water & Sewer Utility Assumptions & Notes

<b>Water &amp; Sewer Summary</b>			
<b>Revenue</b>	<b>decreased</b>	<b>\$ (247,470)</b>	<b>-6.0%</b>
<b>General</b>	<b>increased</b>		
<b>Administration</b>	<b>increased</b>	<b>\$ 6,853</b>	<b>1.9%</b>
Employee Costs	increased	\$ 2,153	3.6%
Operating Costs	increased	\$ 4,700	1.6%
<b>Water</b>	<b>decreased</b>	<b>\$ (6,253)</b>	<b>-1.2%</b>
Employee Costs	increased	\$ 6,972	3.7%
Operating Costs	decreased	\$ (13,225)	-4.0%
<b>WWTP</b>	<b>decreased</b>	<b>\$ (42,211)</b>	<b>-5.8%</b>
Employee Costs	increased	\$ 12,289	5.6%
Operating Costs	decreased	\$ (54,500)	-10.9%
<b>Sewer</b>	<b>decreased</b>	<b>\$ (27,093)</b>	<b>-10.6%</b>
Employee Costs	increased	\$ 2,907	2.5%
Operating Costs	decreased	\$ (30,000)	-21.5%
<b>Debt Service</b>			
Interest	increased	\$ 202,010	56.8%
Principal	increased	\$ 204,617	25.1%
<b>Capital Expenditures</b>	<b>increased</b>	<b>\$1,674,000</b>	<b>38.6%</b>

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**Revenue:** Revenue decreased compared to the prior year budget. This decrease is the result of the receipt of the Cool Cities grant in the prior year (eliminating it from this year's budget); and a 4% rate increase.

**Administration Expense:** Total expense increased slightly compared to the prior budget year. Employee costs increased. A modest wage increase was offset by lower pension and workers compensation costs. Additionally, a change in employee status caused an increase in health insurance cost. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City. Operating costs increased. This was due to increased administration fee relating to the Cedar St. CSO and proposed shared data services offset by lower professional service costs and operating supplies.

**Water Expense:** Total expense decreased compared to the prior year budget. Employee costs increased. A modest wage increase was offset somewhat by lower workers compensation costs. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City. Operating costs decreased primarily because of reductions in repairs & maintenance, professional services and lab testing.

**WWTP Expense:** Total expense decreased sharply compared to the prior year budget. Employee costs increased. A modest wage increase was offset somewhat by lower workers compensation costs. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City. Operating costs decreased sharply due to lower professional services and repairs and maintenance as many items needing attention have been addressed.

**Sewer Expense:** Total expense decreased sharply from the prior year budget. Employee costs increased. A modest wage increase was offset somewhat by lower workers compensation costs. Health insurance premiums at the next renewal are estimated to increase by 10% with that cost being split between the employees and City. Operating costs decreased due to lower professional services and maintenance.

**Capital Outlay:** Capital outlay increased from the prior year total. This was due to the previously mentioned projects.

**Debt Service:** Debt service increased from the prior year budget because of the additional SRF, DWRF and Capital Improvement bond debt necessary for the Jones & Cedar St. CSO.

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

Budget as recommended       Budget with changes

**Changes:**

Council increased the Well 10 Rehab budget by \$10,000.



## 2011-2012 Budget

REVENUES	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
608.000 Penalties	\$ 33,762	\$ 32,000	\$ 32,000	\$ 32,000	\$ 32,000	\$ -	
610.000 Bond Debt	383,866	360,000	360,000	360,000	360,000	\$ -	
612.000 New Service	2,000	4,000	1,000	4,000	4,000	\$ -	
626.000 Charge for Service	1,625	1,500	500	1,500	1,500	\$ -	
648.000 Water Sales	1,055,565	1,049,096	1,049,096	1,096,186	1,096,186	\$ 47,090	4.5%
649.000 Sewer Sales	1,874,500	1,850,606	1,850,606	1,933,317	1,933,317	\$ 82,711	4.5%
650.000 Meter Sales	2,331	5,000	1,500	5,000	5,000	\$ -	
664.000 Interest Income	4,284	10,000	2,500	3,500	3,500	\$ (6,500)	-65.0%
667.000 Rental Income	36,600	45,600	45,600	51,600	51,600	\$ 6,000	13.2%
669.000 Hydrant & Tunnel Rental	21,600	21,600	21,600	21,600	21,600	\$ -	
671.000 Other Revenue	13,179	5,000	5,000	3,000	3,000	\$ (2,000)	-40.0%
676.000 Reimbursement	9,110	0	0	0	0	\$ -	
680.000 Capital Cost Recovery	34,488	31,511	31,511	31,511	31,511	\$ -	
687.000 Refunds	0	0	0	0	0	\$ -	
695.000 Insurance Settlement	1,261	0	0	0	0	\$ -	
699.000 Operating Transfer In	200,247	720,770	720,770	346,000	346,000	\$ (374,770)	-52.0%
<b>TOTAL REVENUES</b>	<b>\$ 3,674,419</b>	<b>\$ 4,136,684</b>	<b>\$ 4,121,684</b>	<b>\$ 3,889,214</b>	<b>\$ 3,889,214</b>	<b>\$ (247,470)</b>	<b>-6.0%</b>



## 2011-2012 Budget

100 GENERAL	2010	2011	2011	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
999.000 Operating Transfer Out	\$ 208,500	\$ 320,770	\$ 320,770	\$ 320,770	\$ 320,770	\$ -	
<b>TOTAL GENERAL</b>	<b>\$ 208,500</b>	<b>\$ 320,770</b>	<b>\$ 320,770</b>	<b>\$ 320,770</b>	<b>\$ 320,770</b>	<b>\$ -</b>	
541 ADMINISTRATION		2011	2011	Manager	Council		
		Budget	Projected	Budget	Adopted		
702.000 Salaries	\$ 37,665	\$ 37,521	\$ 37,521	\$ 38,271	\$ 38,271	\$ 750	2.0%
703.000 Longevity	\$ 625	\$ -	\$ -	\$ -	\$ -	\$ -	
704.000 Overtime	\$ 386	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	
706.000 Part-Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
708.000 V\SH Sellback	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.001 Costs - Social Security	\$ 2,480	\$ 2,610	\$ 2,610	\$ 2,611	\$ 2,611	\$ 1	0.0%
712.002 Costs - Medicare	\$ 580	\$ 610	\$ 610	\$ 611	\$ 611	\$ 0	0.0%
712.004 Costs - ICMA Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.005 Costs - MERS Contribution	\$ 1,539	\$ 2,754	\$ 2,754	\$ 2,638	\$ 2,638	\$ (116)	-4.2%
712.006 Costs - In Lieu of BC/BS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.007 Costs - SUTA	\$ 158	\$ 158	\$ 158	\$ 208	\$ 208	\$ 50	31.3%
712.009 Costs - Workers Compensati	\$ 171	\$ 161	\$ 161	\$ 100	\$ 100	\$ (61)	-37.9%
712.010 Costs - Blue Cross Insurance	\$ 14,506	\$ 13,853	\$ 14,823	\$ 15,382	\$ 15,382	\$ 1,530	11.0%
712.011 Costs - Life Insurance	\$ 174	\$ 149	\$ 149	\$ 149	\$ 149	\$ -	
<b>Employee Costs</b>	<b>\$ 58,283</b>	<b>\$ 59,018</b>	<b>\$ 59,988</b>	<b>\$ 61,171</b>	<b>\$ 61,171</b>	<b>\$2,153</b>	<b>3.6%</b>
728.000 Operating Expense	\$ 8,743	\$ 12,500	\$ 10,000	\$ 10,000	\$ 10,000	\$ (2,500)	-20.0%
735.000 Periodicals & Publications	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	
801.000 Professional Services	\$ 544	\$ 10,000	\$ 2,500	\$ 2,500	\$ 2,500	\$ (7,500)	-75.0%
806.000 Administration	\$ 199,076	\$ 235,000	\$ 235,000	\$ 248,000	\$ 248,000	\$ 13,000	5.5%
831.000 Contractual Repairs & Maint.	\$ 1,177	\$ 900	\$ 900	\$ 1,000	\$ 1,000	\$ 100	11.1%
850.000 Phone	\$ 33,237	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	
860.000 Travel & Training Expense	\$ 115	\$ 1,400	\$ 500	\$ 1,400	\$ 1,400	\$ -	
870.000 Membership & Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
900.000 Printing\Publishing	\$ 5,734	\$ 3,000	\$ 4,500	\$ 3,000	\$ 3,000	\$ -	
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
959.000 Bad Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
960.000 Bank Charges	\$ 7,296	\$ 5,400	\$ 6,500	\$ 7,000	\$ 7,000	\$ 1,600	29.6%
970.000 Capital Outlay (Expense)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Operating Costs</b>	<b>\$ 255,922</b>	<b>\$ 293,700</b>	<b>\$ 285,400</b>	<b>\$ 298,400</b>	<b>\$ 298,400</b>	<b>\$4,700</b>	<b>1.6%</b>
<b>TOTAL ADMINISTRATION</b>	<b>\$ 314,206</b>	<b>\$ 352,719</b>	<b>\$ 345,388</b>	<b>\$ 359,571</b>	<b>\$ 359,571</b>	<b>\$6,853</b>	<b>1.9%</b>



## 2011-2012 Budget

542 WATER OPERATION	2010	2011	2011	Manager	Council				
	Actual	Budget	Projected	Budget	Adopted				
702.000 Salaries	\$ 125,052	\$ 117,456	\$ 117,456	\$ 121,931	\$ 121,931	\$	4,475	3.8%	
703.000 Longevity	\$ 1,375	\$ -	\$ -	\$ -	\$ -	\$	-		
704.000 Overtime	\$ 11,297	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$	-		
706.000 Part Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-		
708.000 V\SH Sellback	\$ 2,076	\$ -	\$ -	\$ 2,000	\$ 2,000	\$	2,000		
712.001 Costs - Social Security	\$ 8,584	\$ 8,125	\$ 8,125	\$ 8,401	\$ 8,401	\$	276	3.4%	
712.002 Costs - Medicare	\$ 2,008	\$ 1,900	\$ 1,900	\$ 1,965	\$ 1,965	\$	64	3.4%	
712.004 Costs - ICMA Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-		
712.005 Costs - MERS Contribution	\$ -	\$ 4,995	\$ 4,995	\$ 6,030	\$ 6,030	\$	1,035	20.7%	
712.006 Costs - In Lieu of BC/BS	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-		
712.007 Costs - SUTA	\$ 475	\$ 475	\$ 475	\$ 624	\$ 624	\$	149	31.3%	
712.009 Costs - Workers Compensati	\$ 4,728	\$ 3,984	\$ 3,984	\$ 2,472	\$ 2,472	\$	(1,512)	-38.0%	
712.010 Costs - Blue Cross Insurance	\$ 50,809	\$ 43,829	\$ 46,897	\$ 44,314	\$ 44,314	\$	485	1.1%	
712.011 Costs - Life Insurance	\$ 521	\$ 448	\$ 448	\$ 448	\$ 448	\$	-		
<b>Employee Costs</b>	<b>\$ 206,923</b>	<b>\$ 187,212</b>	<b>\$ 190,280</b>	<b>\$ 194,184</b>	<b>\$ 194,184</b>	<b>\$</b>	<b>\$6,972</b>	<b>3.7%</b>	
715.000 Uniform & Cleaning Allowance	\$ 581	\$ 830	\$ 830	\$ 830	\$ 830	\$	-		
728.000 Operating Expense	\$ 1,769	\$ 4,350	\$ 2,500	\$ 4,000	\$ 4,000	\$	(350)	-8.0%	
745.000 Chemicals	\$ 43,217	\$ 47,500	\$ 40,000	\$ 47,500	\$ 47,500	\$	-		
750.000 Meters	\$ 16,823	\$ 25,000	\$ 10,000	\$ 25,000	\$ 25,000	\$	-		
770.000 Vehicle Gas	\$ 3,165	\$ 7,500	\$ 5,000	\$ 8,125	\$ 8,125	\$	625	8.3%	
801.000 Professional Services	\$ 32,969	\$ 18,000	\$ 18,000	\$ 13,500	\$ 13,500	\$	(4,500)	-25.0%	
822.000 Insurance	\$ 3,268	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$	-		
824.000 Lab Testing	\$ 9,084	\$ 12,100	\$ 9,000	\$ 9,100	\$ 9,100	\$	(3,000)	-24.8%	
831.000 Contractual Repairs & Maint	\$ 14,130	\$ 40,000	\$ 10,000	\$ 25,000	\$ 25,000	\$	(15,000)	-37.5%	
860.000 Travel & Training Expense	\$ 1,683	\$ 3,200	\$ 1,600	\$ 3,200	\$ 3,200	\$	-		
870.000 Membership & Dues	\$ 504	\$ 300	\$ 300	\$ 300	\$ 300	\$	-		
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-		
874.000 Costs - Retiree BCBS	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$	-		
920.000 Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-		
925.000 Electric	\$ 72,506	\$ 72,500	\$ 70,000	\$ 75,000	\$ 75,000	\$	2,500	3.4%	
930.000 Repairs & Maintenance	\$ 42,838	\$ 58,500	\$ 50,000	\$ 65,000	\$ 65,000	\$	6,500	11.1%	
957.000 Motor Pool	\$ 34,398	\$ 34,398	\$ 34,398	\$ 34,398	\$ 34,398	\$	-		
970.000 Capital Outlay (expense)	\$ 16,116	\$ -	\$ 15,000	\$ -	\$ -	\$	-		
<b>Operating Costs</b>	<b>\$ 294,051</b>	<b>\$ 327,678</b>	<b>\$ 270,128</b>	<b>\$ 314,453</b>	<b>\$ 314,453</b>	<b>\$</b>	<b>(\$13,225)</b>	<b>-4.0%</b>	
<b>TOTAL WATER OPERATION</b>	<b>\$ 500,974</b>	<b>\$ 514,890</b>	<b>\$ 460,408</b>	<b>\$ 508,637</b>	<b>\$ 508,637</b>	<b>\$</b>	<b>(\$6,253)</b>	<b>-1.2%</b>	



## 2011-2012 Budget

543 SEWER - WWTP	2010	2011	2011	Manager	Council	Year to Year	
	Actual	Budget	Projected	Budget	Adopted	Budget	Percent
						Difference	Change
702.000 Salaries	\$ 211,189	\$ 154,829	\$ 154,829	\$ 162,173	\$ 162,173	\$ 7,344	4.7%
703.000 Longevity	1,625	-	-	-	-	-	-
704.000 Overtime	6,939	7,000	7,000	7,000	7,000	-	-
706.000 Part Time	0	-	-	-	-	-	-
708.000 V\SH Sellback	12,570	-	500	3,000	3,000	3,000	-
712.001 Costs - Social Security	14,752	10,754	10,754	11,251	11,251	498	4.6%
712.002 Costs - Medicare	3,450	2,515	2,515	2,631	2,631	116	4.6%
712.004 Costs - ICMA Contribution	0	-	-	-	-	-	-
712.005 Costs - MERS Contribution	3,058	6,517	6,517	7,939	7,939	1,422	21.8%
712.006 Costs - In Lieu of BC/BS	3,610	-	-	-	-	-	-
712.007 Costs - SUTA	792	634	634	832	832	198	31.3%
712.009 Costs - Workers Compensati	5,368	3,356	3,356	2,096	2,096	(1,261)	-37.6%
712.010 Costs - Blue Cross Insurance	34,230	34,002	36,382	34,973	34,973	971	2.9%
712.011 Costs - Life Insurance	1,112	598	598	598	598	-	-
<b>Employee Costs</b>	<b>\$ 298,694</b>	<b>\$ 220,204</b>	<b>\$ 223,084</b>	<b>\$ 232,493</b>	<b>\$ 232,493</b>	<b>\$12,289</b>	<b>5.6%</b>
715.000 Uniform & Cleaning Allowance	\$ 2,169	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	-	-
728.000 Operating Expense	\$ 25,677	\$ 33,200	\$ 28,000	\$ 32,500	\$ 32,500	(700)	-2.1%
745.000 Chemicals	\$ 30,551	\$ 42,900	\$ 30,000	\$ 39,900	\$ 39,900	(3,000)	-7.0%
770.000 Vehicle Gas	\$ 7,048	\$ 15,100	\$ 10,000	\$ 16,275	\$ 16,275	1,175	7.8%
801.000 Professional Services	\$ 10,580	\$ 37,600	\$ 37,600	\$ 15,000	\$ 15,000	(22,600)	-60.1%
822.000 Insurance	\$ 28,066	\$ 24,375	\$ 29,000	\$ 29,000	\$ 29,000	4,625	19.0%
824.000 Lab Testing	\$ 10,607	\$ 13,550	\$ 9,000	\$ 13,550	\$ 13,550	-	-
831.000 Contractual Repairs & Maint.	\$ 53,360	\$ 83,000	\$ 70,000	\$ 72,000	\$ 72,000	(11,000)	-13.3%
860.000 Travel & Training Expense	\$ 3,800	\$ 3,600	\$ 3,600	\$ 3,600	\$ 3,600	-	-
870.000 Membership & Dues		-	-	-	-	-	-
873.000 Education		-	-	-	-	-	-
874.000 Costs - Retiree BCBS	\$ 750	-	3,000	-	-	-	-
920.000 Gas	\$ 22,348	\$ 17,000	\$ 14,000	\$ 17,000	\$ 17,000	-	-
925.000 Electric	\$ 98,188	\$ 95,000	\$ 95,000	\$ 95,000	\$ 95,000	-	-
930.000 Repairs & Maintenance	\$ 63,896	\$ 99,000	\$ 99,000	\$ 76,000	\$ 76,000	(23,000)	-23.2%
931.000 Repairs & Maintenance - Build	\$ 13,040	-	-	-	-	-	-
957.000 Motor Pool	\$ 34,398	\$ 34,398	\$ 34,398	\$ 34,398	\$ 34,398	-	-
970.000 Capital Outlay (expense)	\$ 11,957	-	-	-	-	-	-
<b>Operating Costs</b>	<b>\$ 416,434</b>	<b>\$ 501,723</b>	<b>\$ 465,598</b>	<b>\$ 447,223</b>	<b>\$ 447,223</b>	<b>(\$54,500)</b>	<b>-10.9%</b>
<b>TOTAL SEWER - WWTP</b>	<b>\$ 715,128</b>	<b>\$ 721,927</b>	<b>\$ 688,682</b>	<b>\$ 679,716</b>	<b>\$ 679,716</b>	<b>(\$42,211)</b>	<b>-5.8%</b>



## 2011-2012 Budget

544 SEWER COLLECTION	2010	2011	2011	Manager	Council	Year to Year	
	Actual	Budget	Projected	Budget	Adopted	Budget	Percent
						Difference	Change
702.000 Salaries	\$ 76,696	\$ 77,098	\$ 77,098	\$ 78,640	\$ 78,640	\$ 1,542	2.0%
703.000 Longevity	\$ 775	\$ -	\$ -	\$ -	\$ -	\$ -	-
704.000 Overtime	\$ 5,440	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	-
706.000 Part Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
708.000 V\SH Sellback	\$ 2,965	\$ -	\$ 3,000	\$ 2,500	\$ 2,500	\$ 2,500	-
712.001 Costs - Social Security	\$ 5,308	\$ 5,373	\$ 5,373	\$ 5,539	\$ 5,539	\$ 166	3.1%
712.002 Costs - Medicare	\$ 1,241	\$ 1,256	\$ 1,256	\$ 1,295	\$ 1,295	\$ 39	3.1%
712.004 Costs - ICMA Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
712.005 Costs - MERS Contribution	\$ -	\$ 3,256	\$ 3,256	\$ 3,866	\$ 3,866	\$ 610	18.7%
712.006 Costs - In Lieu of BC/BS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
712.007 Costs - SUTA	\$ 317	\$ 317	\$ 317	\$ 416	\$ 416	\$ 99	31.3%
712.009 Costs - Workers Compensati	\$ 2,486	\$ 2,605	\$ 2,605	\$ 1,551	\$ 1,551	\$ (1,053)	-40.4%
712.010 Costs - Blue Cross Insurance	\$ 27,176	\$ 22,419	\$ 23,988	\$ 21,424	\$ 21,424	\$ (995)	-4.4%
712.011 Costs - Life Insurance	\$ 311	\$ 299	\$ 299	\$ 299	\$ 299	\$ -	-
<b>Employee Costs</b>	<b>\$ 122,715</b>	<b>\$ 116,122</b>	<b>\$ 120,691</b>	<b>\$ 119,029</b>	<b>\$ 119,029</b>	<b>\$2,907</b>	<b>2.5%</b>
715.000 Uniform & Cleaning Allowance	\$ 1,096	\$ 1,328	\$ 1,328	\$ 1,328	\$ 1,328	\$ -	-
728.000 Operating Expense	\$ 1,759	\$ 5,450	\$ 3,000	\$ 5,450	\$ 5,450	\$ -	-
745.000 Chemicals	\$ 7,500	\$ 7,500	\$ 3,000	\$ 7,500	\$ 7,500	\$ -	-
770.000 Vehicle Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
801.000 Professional Services	\$ 77,572	\$ 25,000	\$ 25,000	\$ 10,000	\$ 10,000	\$ (15,000)	-60.0%
831.000 Contractual Repairs & Maint.	\$ 3,350	\$ 42,000	\$ 10,000	\$ 27,000	\$ 27,000	\$ (15,000)	-35.7%
860.000 Travel & Training Expense	\$ 790	\$ 500	\$ 750	\$ 500	\$ 500	\$ -	-
870.000 Membership & Dues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
874.000 Costs - Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
930.000 Repairs & Maintenance	\$ 22,598	\$ 23,500	\$ 23,500	\$ 23,500	\$ 23,500	\$ -	-
957.000 Motor Pool	\$ 34,398	\$ 34,398	\$ 34,398	\$ 34,398	\$ 34,398	\$ -	-
970.000 Capital Outlay (Expense)	\$ 9,113	\$ -	\$ -	\$ -	\$ -	\$ -	-
<b>Operating Costs</b>	<b>\$ 158,176</b>	<b>\$ 139,676</b>	<b>\$ 100,976</b>	<b>\$ 109,676</b>	<b>\$ 109,676</b>	<b>(\$30,000)</b>	<b>-21.5%</b>
<b>TOTAL SEWER COLLECTION</b>	<b>\$ 280,891</b>	<b>\$ 255,798</b>	<b>\$ 221,667</b>	<b>\$ 228,705</b>	<b>\$ 228,705</b>	<b>(\$27,093)</b>	<b>-10.6%</b>



## 2011-2012 Budget

<b>AVAILABLE FOR DEBT SERVICE</b>	<b>\$ 1,654,721</b>	<b>\$ 1,970,580</b>	<b>\$ 2,084,768</b>	<b>\$ 1,791,814</b>	<b>\$ 1,791,814</b>		
<b>574 BOND INTEREST</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>Manager</b>	<b>Council</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>		
960.000 Bank Charges	\$ 541	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000		
962.000 Accrued Interest Expense		\$ -	\$ -	\$ -	\$ -		
963.000 Amortization Expense		\$ -	\$ -	\$ -	\$ -		
995.002 1997 A Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -		
995.003 1997 B SRF Bond Interest	\$ 5,513	\$ 4,838	\$ 4,838	\$ 4,838	\$ 4,838		
995.004 1998 A Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -		
995.005 1998 B SRF Bond Interest	\$ 31,669	\$ 28,631	\$ 28,631	\$ 28,631	\$ 28,631		
995.006 1999 A Bond Interest	\$ 2,789	\$ -	\$ -	\$ -	\$ -		
995.007 1999 B SRF Bond Interest	\$ 36,250	\$ 33,500	\$ 33,500	\$ 33,500	\$ 33,500		
995.008 2005 Refunding Interest	\$ 237,920	\$ 225,583	\$ 225,583	\$ 225,583	\$ 225,583		
995.009 2006 SRF Interest	\$ 40,906	\$ 38,874	\$ 38,874	\$ 38,874	\$ 38,874		
995.010 2010 SRF Interest		\$ 15,154	\$ 8,813	\$ 17,313	\$ 17,313		
995.011 2010 DWRf Interest		\$ 7,046	\$ 5,813	\$ 11,375	\$ 11,375		
995.012 2010 Cap Imp Interest		\$ -	\$ 70,733	\$ 140,121	\$ 140,121		
995.010 2011 SRF Interest		\$ -	\$ -	\$ 36,403	\$ 36,403		
995.011 2011 DWRf Interest		\$ -	\$ -	\$ 18,998	\$ 18,998		
<b>TOTAL DEBT INTEREST</b>	<b>\$ 355,586</b>	<b>\$ 355,626</b>	<b>\$ 418,785</b>	<b>\$ 557,636</b>	<b>\$ 557,636</b>	<b>\$ 202,010</b>	<b>56.8%</b>
<b>OPERATING RESULT</b>	<b>\$ 1,299,135</b>	<b>\$ 1,614,954</b>	<b>\$ 1,665,983</b>	<b>\$ 1,234,178</b>	<b>\$ 1,234,178</b>		
<b>TOTAL DEBT REPAYMENT</b>	<b>\$ 770,000</b>	<b>\$ 815,000</b>	<b>\$ 815,000</b>	<b>\$ 1,019,617</b>	<b>\$ 1,019,617</b>	<b>\$ 204,617</b>	<b>25.1%</b>
<b>SURPLUS\DEFICIT BEFORE CAPEX</b>	<b>\$ 529,135</b>	<b>\$ 799,954</b>	<b>\$ 850,983</b>	<b>\$ 214,561</b>	<b>\$ 214,561</b>		
<b>CAPITAL EXPENDITURES</b>							
541 Admin Capital Outlay		\$ -	\$ -	\$ -	\$ -		
542 Water Capital Outlay		\$ 50,000	\$ 50,000	\$ 125,000	\$ 135,000		
543 WWTP Capital Outlay		\$ 1,386,000	\$ 200,000	\$ 175,000	\$ 175,000		
544 Sewer Capital Outlay		\$ 2,900,000	\$ 1,980,000	\$ 5,700,000	\$ 5,700,000		
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 441,693</b>	<b>\$ 4,336,000</b>	<b>\$ 2,230,000</b>	<b>\$ 6,000,000</b>	<b>\$6,010,000</b>	<b>\$ 1,674,000</b>	<b>38.6%</b>
<b>CASH IMPACT BEFORE FINANCING</b>	<b>\$ 87,442</b>	<b>\$ (3,536,046)</b>	<b>\$ (1,379,017)</b>	<b>\$ (5,785,439)</b>	<b>\$ (5,795,439)</b>		
SRF Loan			\$ 705,000	\$ 1,370,000	\$ 1,370,000		
DWRf Loan			\$ 465,000	\$ 535,000	\$ 535,000		
Capital Improvement Bond (est)			\$ -	\$ 3,650,000	\$ 3,650,000		
<b>FINANCING SOURCES</b>			<b>\$ 1,170,000</b>	<b>\$ 5,555,000</b>	<b>\$ 5,555,000</b>		
<b>FINAL CASH IMPACT</b>			<b>\$ (209,017)</b>	<b>\$ (230,439)</b>	<b>\$ (240,439)</b>		
<b>BEGINNING CASH &amp; INV</b>			<b>\$ 1,293,032</b>		<b>\$ 1,084,015</b>		
<b>ENDING CASH &amp; INV</b>			<b>\$ 1,084,015</b>		<b>\$ 843,576</b>		

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Enterprise Funds

Municipal Marina

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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 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 nearing completion and is scheduled for a late spring opening. The renovation rebuilt the DDA restrooms, addressed exterior aesthetics and completely upgraded the boater facilities.

**Marina Assumptions & Notes**

<b>Marina Summary</b>			
<b>Revenue</b>	<b>decreased</b>	<b>(\$424,700)</b>	<b>-62.0%</b>
<b>Total Costs</b>	<b>increased</b>	<b>\$1,771</b>	<b>0.9%</b>
Employee Costs	decreased	(\$341)	-1.2%
Operating Costs	increased	\$2,111	1.2%
<b>Debt Service</b>			
Interest	increased	\$14,129	
Principal	increased	\$37,362	
<b>Capital Expenditures</b>	<b>decreased</b>	<b>(\$340,000)</b>	<b>-100.0%</b>

**Revenue:** Revenue decreased sharply from the prior year budget. This decrease is due to the completion of the marina building renovation and the resultant lower grant revenue, offset somewhat by transfers in from the capital improvement fund to service debt.

**Employee Costs:** Employee costs decreased from the prior year budget.

**Operating Costs:** Operating costs increased slightly from the prior year budget, primarily due to the need to maintain\clean a larger structure.

**Debt Service:** Debt service increased from the prior year budget. The increase is due to loans necessary to finance the marina building. The Marina has a loan out from the water & sewer fund and an installment purchase contract with West Shore Bank.

**Capital Outlay:** No capital outlay is budgeted.

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

Budget as recommended                       Budget with changes

**Changes:**



## 2011-2012 Budget

594 Municipal Marina Fund	2010 Actual	2011 Budget	2011 Projected	Harbor	Manager Budget	Council Adopted	Year to Year	
				Comm. Request			Budget Difference	Percent Change
539.000 State Grant	\$0	\$329,800	\$329,800	\$0	\$0	\$0	-\$329,800	-100.0%
570.000 Local Grant	5,000	150,000	150,000	0	0	0	-150,000	-100.0%
642.000 Sales	3,719	4,000	4,000	4,000	4,000	4,000	0	0.0%
645.000 Charge for Sales - Fuel	114,885	125,000	90,000	125,000	125,000	125,000	0	0.0%
646.000 Charge for Sales - Dockage	57,751	75,000	50,000	91,000	91,000	91,000	16,000	21.3%
664.000 Interest Income	292	1,000	100	100	100	100	-900	-90.0%
671.000 Other Revenue	0	0	0	0	0	0	0	
695.000 Insurance Settlement	0	0	0	0	0	0	0	
699.000 Operating Transfer In	0	0	0	40,000	40,000	40,000	40,000	
<b>Total Revenues</b>	<b>\$181,647</b>	<b>\$684,800</b>	<b>\$623,900</b>	<b>\$260,100</b>	<b>\$260,100</b>	<b>\$260,100</b>	<b>(\$424,700)</b>	<b>-62.0%</b>
702.000 Salaries	\$22,090	\$ 25,000	\$ 25,000	\$25,000	\$ 25,000	\$ 25,000	\$0	0.0%
703.000 Longevity	210	0	0	0	0	0	0	
704.000 Overtime	0	1,000	700	1,000	1,000	1,000	0	0.0%
706.000 Part-Time	0	0	0	0	0	0	0	
712.001 Costs - Social Security	1,483	1,612	1,612	1,612	1,612	1,612	0	0.0%
712.002 Costs - Medicare	347	377	377	377	377	377	0	0.0%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	0	
712.005 Costs - MERS	0	0	0	0	0	0	0	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	0	
712.007 Costs - SUTA	189	0	0	0	0	0	0	
712.009 Costs - Work Comp	1,131	850	850	510	510	510	-341	-40.1%
712.010 Costs - Blue Cross Insurance	0	0	0	0	0	0	0	
712.011 Costs - Life Insurance	0	0	0	0	0	0	0	
714.001 Retire. Costs - Blue Cross	0	0	0	0	0	0	0	
<b>Employee Costs</b>	<b>\$25,449</b>	<b>\$28,839</b>	<b>\$28,539</b>	<b>\$28,499</b>	<b>\$28,499</b>	<b>\$28,499</b>	<b>(\$341)</b>	<b>-1.2%</b>
728.000 Operating Expense	8,198	13,000	13,000	13,000	13,000	13,000	0	0.0%
730.000 Operating Supplies - Fuel	106,345	115,000	81,000	112,500	112,500	112,500	-2,500	-2.2%
801.000 Professional Services	390	2,000	1,000	2,000	2,000	2,000	0	0.0%
820.000 Administration	12,152	13,000	13,000	4,000	13,000	13,000	0	0.0%
822.000 Insurance	269	700	1,000	700	700	700	0	0.0%
831.000 Contractual Repairs & Maint.	0	1,000	500	1,000	1,000	1,000	0	0.0%
850.000 Phone	840	500	0	500	500	500	0	0.0%
892.500 Marketing	0	0	0	4,000	4,000	4,000	4,000	
920.000 Gas	681	800	800	800	800	800	0	0.0%
922.000 Water	5,546	4,500	2,500	4,500	4,500	4,500	0	0.0%
925.000 Electric	10,200	11,500	5,000	11,500	11,500	11,500	0	0.0%
930.000 Repairs & Maintenance	1,016	4,000	2,000	4,000	4,000	4,000	0	0.0%
958.000 Sales Tax	4,905	3,000	9,000	3,000	3,000	3,000	0	0.0%
959.000 Bad Debt	0	0	0	0	0	0	0	
960.000 Bank Charges	8,349	8,000	5,000	8,611	8,611	8,611	611	7.6%
964.000 Refunds	0	0	0	0	0	0	0	
970.000 Capital Outlay (expense)	605	0	4,000	0	0	0	0	
<b>Operating Costs</b>	<b>\$159,497</b>	<b>\$177,000</b>	<b>\$137,800</b>	<b>\$170,111</b>	<b>\$179,111</b>	<b>\$179,111</b>	<b>\$2,111</b>	<b>1.2%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$184,947</b>	<b>\$205,839</b>	<b>\$166,339</b>	<b>\$198,610</b>	<b>\$207,610</b>	<b>\$207,610</b>	<b>\$1,771</b>	<b>0.9%</b>

<b>AVAILABLE FOR DEBT SERVICE</b>	<b>-\$3,299</b>	<b>\$478,961</b>	<b>\$457,561</b>	<b>\$61,490</b>	<b>\$52,490</b>	<b>\$52,490</b>	<b>-\$426,471</b>
Water & Sewer Loan Int	\$0		\$1,500	\$1,817	\$1,817	\$1,817	1,817
Installment Purchase Int	\$0		\$0	\$12,312	\$12,312	\$12,312	12,312
<b>TOTAL DEBT INTEREST</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,500</b>	<b>\$14,129</b>	<b>\$14,129</b>	<b>\$14,129</b>	<b>14,129</b>
<b>OPERATING RESULT</b>	<b>-\$3,299</b>	<b>\$478,961</b>	<b>\$456,061</b>	<b>\$47,362</b>	<b>\$38,362</b>	<b>\$38,362</b>	
Water & Sewer Loan	\$0			\$17,288	\$17,288	\$17,288	17,288
Installment Purchase	\$0			\$20,074	\$20,074	\$20,074	20,074
<b>TOTAL DEBT REPAYMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,362</b>	<b>\$37,362</b>	<b>\$37,362</b>	<b>37,362</b>
<b>SURPLUS/DEFICIT BEFORE CAPEX</b>	<b>-\$3,299</b>	<b>\$478,961</b>	<b>\$456,061</b>	<b>\$10,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	
<b>CAPITAL EXPENDITURES</b>							
Marina Building Replacement	\$94,129	\$340,000	\$850,000	\$0	\$0	\$0	
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$94,129</b>	<b>\$340,000</b>	<b>\$850,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$340,000) -100.0%</b>
<b>CASH IMPACT BEFORE FINANCING</b>	<b>-\$97,428</b>	<b>\$138,961</b>	<b>-\$393,939</b>	<b>\$10,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	
Water & Sewer Loan	\$90,000	\$0	\$0	\$0	\$0	\$0	
Installment Purchase		\$275,000	\$380,000	\$0	\$0	\$0	
<b>FINANCING SOURCES</b>	<b>\$90,000</b>	<b>\$275,000</b>	<b>\$380,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>FINAL CASH IMPACT</b>	<b>-\$7,428</b>	<b>\$413,961</b>	<b>-\$13,939</b>	<b>\$10,000</b>	<b>\$1,000</b>	<b>\$1,000</b>	
<b>BEGINNING CASH</b>			<b>\$34,972</b>			<b>\$21,033</b>	
<b>ENDING CASH</b>	<b>\$34,972</b>		<b>\$21,033</b>			<b>\$22,033</b>	

Enterprise Funds

Boat Launch



The Boat Launch 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 Arthur Street launch recently received a complete makeover. The project was funded by the City, Waterways Commission and Great Lakes Fishery Trust. The project included refurbishing the restrooms, reconfiguring the parking, expanding the launch, adding an accessible fishing pier and landscaping.

**Boat Ramp Assumptions & Notes**

<b>Boat Launch Summary</b>			
<b>Revenue</b>	<b>decreased</b>	<b>(\$254,223)</b>	<b>-87.9%</b>
<b>Total Costs</b>	<b>increased</b>	<b>\$340</b>	<b>2.0%</b>
Employee Costs	n/a	n/a	n/a
Operating Costs	increased	\$340	2.0%
<b>Debt Service</b>	increased	\$18,149	
<b>Capital Expenditures</b>	decreased	(\$358,000)	-100.0%

**Revenue:** Revenue decreased from the prior year budget. This decrease is due to the reduction of grant funding since the Arthur St. project was completed.

**Employee Costs:** The boat launch has no employees.

**Operating Costs:** Operating costs increased slightly from the prior year budget.

**Debt Service:** Debt service increased from the prior year budget. The increase is due to a loan from the Water & Sewer fund necessary to finance the Arthur St. Boat launch renovations.

**Capital Outlay:** No Capital outlay is budgeted. If grant funding materializes for the proposed Ninth St. Boat launch renovation, this project may proceed.

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

Budget as recommended                       Budget with changes

**Changes:**



## 2011-2012 Budget

508 Boat Launch Fund	2010 Actual	2011 Projected	HC Request	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
539.000 State Grant	\$0	\$110,941	\$0	\$0	\$0	-\$249,748	-100.0%
642.000 Sales	35,196	35,000	35,000	\$35,000	\$35,000	-4,000	-10.3%
664.000 Interest Income	348	59	25	\$25	\$25	-475	-95.0%
<b>Total Revenues</b>	<b>\$35,544</b>	<b>\$146,000</b>	<b>\$35,025</b>	<b>\$35,025</b>	<b>\$35,025</b>	<b>(\$254,223)</b>	<b>-87.9%</b>
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	
<b>Employee Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
728.000 Operating Expense	\$485	\$800	\$800	\$2,300	\$2,300	\$1,500	187.5%
801.000 Professional Services	9,857	1,000	500	500	500	-500	-50.0%
820.000 Administration	0	9,000	3,000	9,000	9,000	0	0.0%
850.000 Phone	411	400	400	400	400	40	11.1%
892.500 Marketing	0	0	1,000	1,000	1,000	1,000	
922.000 Water	1,513	1,500	1,600	1,600	1,600	-400	-20.0%
925.000 Electric	1,374	1,500	1,400	1,400	1,400	200	16.7%
930.000 Repairs & Maintenance	3,063	5,500	2,500	1,000	1,000	-1,500	-60.0%
960.000 Bank Charges	430	600	400	400	400	0	0.0%
970.000 Capital Outlay (expense)	168	0	0	0	0	0	
<b>Operating Costs</b>	<b>\$17,302</b>	<b>\$20,300</b>	<b>\$11,600</b>	<b>\$17,600</b>	<b>\$17,600</b>	<b>\$340</b>	<b>2.0%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$17,302</b>	<b>\$20,300</b>	<b>\$11,600</b>	<b>\$17,600</b>	<b>\$17,600</b>	<b>\$340</b>	<b>2.0%</b>
<b>AVAILABLE FOR DEBT SERVICE</b>	<b>\$18,243</b>	<b>\$125,700</b>	<b>\$23,425</b>	<b>\$17,425</b>	<b>\$17,425</b>		
Water & Sewer Loan (Interest)	\$0	\$0	\$2,725	\$2,725	\$2,725		
Installment Purchase (Interest)							
<b>TOTAL DEBT INTEREST</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,725</b>	<b>\$2,725</b>	<b>\$2,725</b>		
<b>OPERATING RESULT</b>	<b>\$18,243</b>	<b>\$125,700</b>	<b>\$20,700</b>	<b>\$14,700</b>	<b>\$14,700</b>		
Water & Sewer Loan (Principal)	\$0	\$0	\$18,149	\$18,149	\$18,149		
Installment Purchase (Principal)							
<b>TOTAL DEBT REPAYMENT</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,149</b>	<b>\$18,149</b>	<b>\$18,149</b>	<b>\$18,149</b>	
<b>SURPLUS\DEFICIT BEFORE CAPEX</b>	<b>\$18,243</b>	<b>\$125,700</b>	<b>\$2,551</b>	<b>-\$3,449</b>	<b>-\$3,449</b>		
<b>CAPITAL EXPENDITURES</b>							
First Street Launch	\$20,736	\$0	\$0	\$0	\$0		
Arthur Street Launch	28,523	296,217	0	0	0		
Ninth Street Launch		0	0	0	0		
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$49,259</b>	<b>\$296,217</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$358,000</b>	<b>-100.0%</b>
<b>CASH IMPACT BEFORE FINANCING</b>	<b>-\$31,016</b>	<b>-\$170,517</b>	<b>\$2,551</b>	<b>-\$3,449</b>	<b>-\$3,449</b>		
Water & Sewer Loan (Proceeds)	\$0	\$135,000	\$0	\$0	\$0		
Installment Purchase (Proceeds)	0	0	0	0	0		
<b>FINANCING SOURCES</b>	<b>\$0</b>	<b>\$135,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>FINAL CASH IMPACT</b>	<b>-\$31,016</b>	<b>-\$35,517</b>	<b>\$2,551</b>	<b>-\$3,449</b>	<b>-\$3,449</b>		
<b>BEGINNING CASH &amp; INV</b>		<b>\$45,712</b>			<b>\$10,194</b>		
<b>ENDING CASH &amp; INV</b>	<b>\$45,712</b>	<b>\$10,194</b>			<b>\$6,745</b>		

Enterprise Funds

Ramsdell Theatre

This fund accounts for the operations of the Ramsdell Theatre. The City owns and operates the theatre and 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 over the prior year budget. This is the result of higher projected rental income and sales. The usage of the building is ramping up as people are becoming more aware of it.

**Employee Costs:** Employee costs increased slightly. 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 decreased somewhat due to a variety of line item fluctuations.

**Capital Outlay:** Capital outlay increased significantly. This includes \$1,000,000 for the HVAC system replacement\upgrade and \$50,000 for ongoing building renovations. Both projects will be paid for out of the capital improvement fund.

<b>Revenue</b>	<b>increased</b>	<b>\$10,520</b>	<b>10.8%</b>
<b>Total Costs</b>	<b>decreased</b>	<b>(\$2,143)</b>	<b>-2.2%</b>
Employee Costs	increased	\$438	1.7%
Operating Costs	decreased	(\$2,581)	-3.6%
<b>Debt Service</b>			
Interest	decreased	(\$3,020)	-19.7%
Principal	increased	\$3,028	5.5%
<b>Capital Expenditures</b>	<b>increased</b>	<b>\$880,000</b>	<b>733.3%</b>

**Debt Service:** Debt service remained flat as the Ramsdell Roof loan is repaid.

**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	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
539.000 Grant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	
642.000 Sales	2,075	0	0	5,000	5,000	\$5,000	
664.000 Interest Income	183	500	15	20	20	-\$480	-96.0%
667.000 Rental Income	42,747	37,000	41,000	43,000	43,000	\$6,000	16.2%
671.000 Other Revenue	0	0	0	0	0	\$0	
674.000 Contributions\Donations	2,000	0	0	0	0	\$0	
699.000 Operating Transfer In	103,663	60,000	60,000	60,000	60,000	\$0	0.0%
<b>Total Revenues</b>	<b>\$150,669</b>	<b>\$97,500</b>	<b>\$101,015</b>	<b>\$108,020</b>	<b>\$108,020</b>	<b>\$10,520</b>	<b>10.8%</b>
702.000 Salaries	\$22,177	\$22,880	\$22,880	\$23,338	\$23,338	\$458	2.0%
704.000 Overtime	698	0	0	0	0	\$0	
712.001 Costs - Social Security	1,440	1,419	1,419	1,447	1,447	\$28	2.0%
712.002 Costs - Medicare	337	332	332	338	338	\$7	2.0%
712.007 Costs - SUTA	234	634	832	832	832	\$198	31.2%
712.009 Costs - Workers Comp	569	655	395	403	403	-\$252	-38.5%
<b>Employee Costs</b>	<b>\$25,453</b>	<b>\$25,919</b>	<b>\$25,857</b>	<b>\$26,358</b>	<b>\$26,358</b>	<b>\$438</b>	<b>1.7%</b>
728.000 Office/Operating Expense	\$10,298	\$8,000	\$12,000	\$12,000	\$12,000	\$4,000	50.0%
799.000 Miscellaneous Expense	595	0	0	0	0	\$0	
801.000 Professional Services	865	5,000	4,500	5,000	5,000	\$0	0.0%
822.000 Insurance	2,878	1,481	1,647	1,700	1,700	\$219	14.8%
831.000 Contractual Repairs & Maint	1,413	4,000	5,000	3,000	3,000	-\$1,000	-25.0%
850.000 Phone	848	400	900	900	900	\$500	125.0%
870.000 Memberships & Dues	0	0	0	0	0	\$0	
892.500 Marketing Expense	\$1,598	3,000	\$1,000	3,000	3,000	\$0	0.0%
900.000 Printing/Publishing	314	1,000	0	0	0	-\$1,000	-100.0%
901.000 Postage	0	200	0	0	0	-\$200	-100.0%
920.000 Gas	23,589	26,000	18,000	18,000	18,000	-\$8,000	-30.8%
922.000 Water	258	500	350	400	400	-\$100	-20.0%
925.000 Electric	6,490	7,000	7,500	10,000	10,000	\$3,000	42.9%
930.000 Repairs & Maint	13,587	9,000	16,000	15,000	15,000	\$6,000	66.7%
964.000 Refunds	0	0	0	0	0	\$0	
970.000 Capital Outlay	10,908	6,000	6,500	0	0	-\$6,000	-100.0%
<b>Operating Costs</b>	<b>\$73,641</b>	<b>\$71,581</b>	<b>\$73,397</b>	<b>\$69,000</b>	<b>\$69,000</b>	<b>-\$2,581</b>	<b>-3.6%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$99,094</b>	<b>\$97,500</b>	<b>\$99,254</b>	<b>\$95,358</b>	<b>\$95,358</b>	<b>-\$2,143</b>	<b>-2.2%</b>

<b>AVAILABLE FOR DEBT SERVICE</b>	<b>\$51,575</b>	<b>\$0</b>	<b>\$1,761</b>	<b>\$12,662</b>	<b>\$12,662</b>		
998.000 IPA Interest	\$8,389	\$15,306	\$15,306	\$12,286	\$12,286		
<b>TOTAL DEBT INTEREST</b>	<b>\$8,389</b>	<b>\$15,306</b>	<b>\$15,306</b>	<b>\$12,286</b>	<b>\$12,286</b>	<b>-\$3,020</b>	<b>-19.7%</b>
<b>OPERATING RESULT</b>	<b>\$43,186</b>	<b>-\$15,306</b>	<b>-\$13,545</b>	<b>\$376</b>	<b>\$376</b>		
Ramsdell Roof Installment		\$54,573	\$54,573	\$57,601	\$57,601		
<b>TOTAL DEBT REPAYMENT</b>	<b>\$0</b>	<b>\$54,573</b>	<b>\$54,573</b>	<b>\$57,601</b>	<b>\$57,601</b>	<b>\$3,028</b>	<b>5.5%</b>
<b>SURPLUS\DEFICIT BEFORE CAPEX</b>	<b>\$43,186</b>	<b>-\$69,879</b>	<b>-\$68,118</b>	<b>-\$57,225</b>	<b>-\$57,225</b>		
<b>CAPITAL EXPENDITURES</b>							
Theatre Steps		\$30,000	\$30,000	\$0	\$0		
Theatre HVAC Design		\$90,000	\$90,000	\$0	\$0		
Theatre HVAC		\$0	\$0	\$950,000	\$950,000		
Theatre				\$50,000	\$50,000		
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$120,000</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$880,000</b>	<b>733.3%</b>
<b>CASH IMPACT BEFORE FINANCING</b>	<b>-\$189,879</b>	<b>-\$188,118</b>	<b>-\$188,118</b>	<b>-\$1,057,225</b>	<b>-\$1,057,225</b>		
Transfer from Capital Improvement	\$105,000	\$105,000		\$0	\$0		
Transfer from Capital Improvement	\$69,880	\$69,880		\$69,880	\$69,880		
IPA\Bond				\$1,000,000	\$1,000,000		
<b>FINANCING SOURCES</b>	<b>\$174,880</b>	<b>\$174,880</b>	<b>\$174,880</b>	<b>\$1,069,880</b>	<b>\$1,069,880</b>		
<b>FINAL CASH IMPACT</b>	<b>-\$14,999</b>	<b>-\$13,238</b>	<b>-\$13,238</b>	<b>\$12,655</b>	<b>\$12,655</b>		
<b>BEGINNING CASH &amp; INV</b>			<b>\$13,266</b>		<b>\$28</b>		
<b>ENDING CASH &amp; INV</b>	<b>\$13,266</b>		<b>\$28</b>		<b>\$12,683</b>		

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Internal Service Funds

Motor Pool

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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 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 significant revision in case of unforeseen circumstances, changing economic conditions and evaluation of vehicle and equipment condition.



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.

Internal Service Funds

Motor Pool

**Motor Pool Assumptions & Notes:**

Motor Pool Cost Summary			
<b>Revenues</b>	increased	\$0	0.0%
<b>Expenses</b>	increased	\$71,503	39.0%

**Revenue:** Revenue remained flat as rental payments were not adjusted.

**Expenses:** Expenses increased from last year due to more vehicle and equipment purchases this year. Additionally, these are being paid for in cash rather than being financed due to interest rate conditions. The budget proposes buying the following vehicles and equipment:

1. Police - Three (3) Cruisers
2. DPW - Chipper
3. DPW\Parks – Two (2) Pickups

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	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
664.000 Interest Income	\$1,279	\$4,000	\$400	\$4,000	\$4,000	\$0	0.0%
670.002 Equipment Rental - City Mgr.	9,450	9,450	9,450	9,450	9,450	\$0	0.0%
670.003 Equipment Rental - Fire	28,350	28,350	28,350	28,350	28,350	\$0	0.0%
670.004 Equipment Rental - Parks	37,800	37,800	37,800	37,800	37,800	\$0	0.0%
670.005 Equipment Rental - Police	33,075	33,075	33,075	33,075	33,075	\$0	0.0%
670.006 Equipment Rental - Public Works	75,600	75,600	75,600	75,600	75,600	\$0	0.0%
670.007 Equipment Rental - Sewer Street	33,075	34,398	34,398	34,398	34,398	\$0	0.0%
670.008 Equipment Rental - Water	33,075	34,398	34,398	34,398	34,398	\$0	0.0%
670.009 Equipment Rental - WWTP	33,075	34,398	34,398	34,398	34,398	\$0	0.0%
671.000 Other Revenue	0	0	0	0	0	\$0	
673.000 Sale of Asset	0	5,000	7,500	5,000	5,000	\$0	0.0%
<b>Total Revenue</b>	<b>\$284,779</b>	<b>\$296,469</b>	<b>\$295,369</b>	<b>\$296,469</b>	<b>\$296,469</b>	<b>\$0</b>	<b>0.0%</b>
799.000 Miscellaneous Expense	\$0	\$500	\$0	\$500	\$500	\$0	0.0%
822.000 Insurance	31,836	30,000	29,930	30,600	30,600	\$600	2.0%
971.001 DPW - Plow Trucks	47,146	0	0	0	0	\$0	
971.002 DPW - Loader (Big)	0	0	0	0	0	\$0	
971.003 DPW - Sidewalk Tractor/Blower	0	0	0	0	0	\$0	
971.004 DPW - Pickup	11,299	20,906	869	42,000	42,000	\$21,094	100.9%
971.005 DPW - Dump Truck	0	0	0	0	0	\$0	
971.006 DPW - Loader (Small)	0	0	0	0	0	\$0	
971.007 DPW - Hot Patch Trailer	0	0	0	0	0	\$0	
971.008 DPW - Aerial Lift	0	0	91,815	16,386	16,386	\$16,386	
971.009 DPW - Sweeper	31,725	31,725	31,464	0	0	-\$31,725	-100.0%
971.010 DPW - Snow Blower	0	0	0	0	0	\$0	
971.011 DPW - Skid Steer	0	0	0	0	0	\$0	
971.012 DPW - Chipper	0	0	0	35,000	35,000	\$35,000	
971.013 DPW - Sidewalk Spreader	0	0	0	0	0	\$0	
972.001 PARKS - Mowers	0	0	0	0	0	\$0	
972.002 PARKS - Beach Cleaner	16,747	16,039	16,066	15,348	15,348	-\$691	-4.3%
972.003 PARKS - Pickup	5,650	0	435	0	0	\$0	
972.004 PARKS - Gator	0	0	0	0	0	\$0	
973.001 POLICE - Patrol Car	1,359	0	512	90,000	90,000	\$90,000	
973.002 POLICE - Detective Car	0	24,000	18,001	0	0	-\$24,000	-100.0%
973.003 POLICE - Polaris	0	0	0	0	0	\$0	
974.003 FIRE - Pumper	24,850	24,850	24,850	24,850	24,850	\$0	0.0%
974.004 FIRE - Pickup	0	0	0	0	0	\$0	
974.005 FIRE - Aerial Lift Truck	0	0	0	0	0	\$0	
975.001 WATER - Pickup	5,650	0	435	0	0	\$0	
975.002 WATER - Cargo Van	0	0	0	0	0	\$0	
976.001 WWTP - Pickup	0	0	0	0	0	\$0	
977.001 WS - Vactor	35,161	35,161	34,832	0	0	-\$35,161	-100.0%
977.002 WS - Backhoe	0	0	0	0	0	\$0	
978.001 GENERAL - Car	5,650	0	435	0	0	\$0	
978.002 MANAGER - Car	0	0	0	0	0	\$0	
999.000 Operating Transfer Out	0	0	0	0	0	\$0	
<b>Total Expenses</b>	<b>\$217,072</b>	<b>\$183,181</b>	<b>\$249,643</b>	<b>\$254,684</b>	<b>\$254,684</b>	<b>\$71,503</b>	<b>39.0%</b>
<b>TOTAL MOTOR POOL</b>	<b>\$67,707</b>	<b>\$113,288</b>	<b>\$45,726</b>	<b>\$41,785</b>	<b>\$41,785</b>		
<b>Beginning Cash</b>			<b>\$376,324</b>		<b>\$422,050</b>		
<b>Ending Cash</b>	<b>\$376,324</b>		<b>\$422,050</b>		<b>\$463,835</b>		

## Permanent Funds

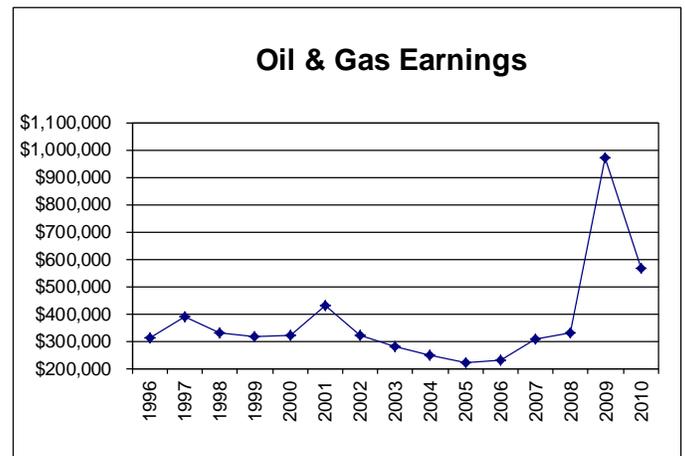
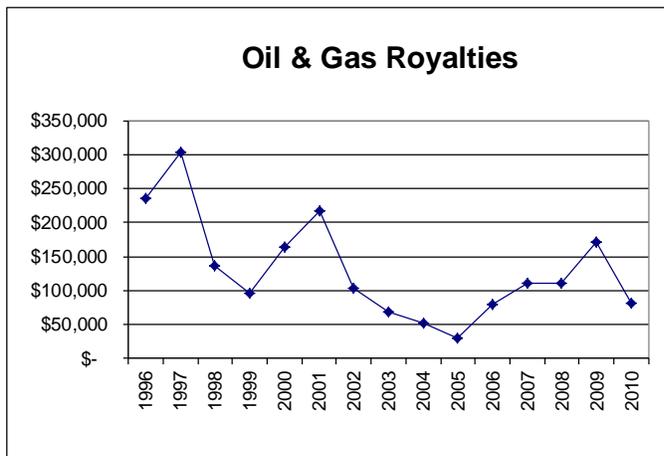
### Oil & Gas

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 assets 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. In the summer of 2008, the City's legislative initiative 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.



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.



**Oil & Gas Assumptions & Notes:**

<b>Oil &amp; Gas Cost Summary</b>			
<b>Revenues</b>	increased	\$70,000	10.8%
<b>Expenses</b>	increased	\$29,230	12.5%

**Revenue:** Revenue increased because of better than expected portfolio performance. However, the current economic doldrums and inflation fears could have an adverse impact on returns in the short term.

**Expenses:** Expenses increased slightly. 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:**

<b>245 Oil &amp; Gas Fund</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>
							<b>Budget</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>
664.000 Interest Income	\$296,338	\$287,330	\$125,000	\$300,000	\$300,000	\$300,000	\$175,000
665.001 Unrealized Gain\Loss	406,894	280,655	375,000	300,000	250,000	\$250,000	-\$125,000
666.000 Oil Royalties	171,469	80,782	80,000	80,000	100,000	\$100,000	\$20,000
671.000 Other Revenue		0	0	0	0	\$0	\$0
<b>Total Revenues</b>	<b>\$874,701</b>	<b>\$648,768</b>	<b>\$580,000</b>	<b>\$680,000</b>	<b>\$650,000</b>	<b>\$650,000</b>	<b>\$70,000</b>
728.000 Office/Operating Expense	\$456	\$0	\$1,000	\$700	\$1,000	\$1,000	\$0
801.000 Professional Services	6,426	34,502	38,000	40,000	42,000	\$42,000	\$4,000
999.000 Operating Transfer Out	200,000	200,000	320,770	320,770	346,000	\$346,000	\$25,230
<b>Total Expenditures</b>	<b>\$206,882</b>	<b>\$234,502</b>	<b>\$359,770</b>	<b>\$361,470</b>	<b>\$389,000</b>	<b>\$389,000</b>	<b>\$29,230</b>
<b>TOTAL OIL &amp; GAS FUND</b>	<b>\$667,819</b>	<b>\$414,266</b>	<b>\$220,230</b>	<b>\$318,530</b>	<b>\$261,000</b>	<b>\$261,000</b>	
Beginning Fund Balance	\$6,724,178			\$7,391,997		\$7,710,527	
Projected Ending Fund Balance	\$7,391,997			\$7,710,527		\$7,971,527	
Accumulated Royalty Balance	\$6,895,647	\$6,976,429		\$6,975,647		\$0	

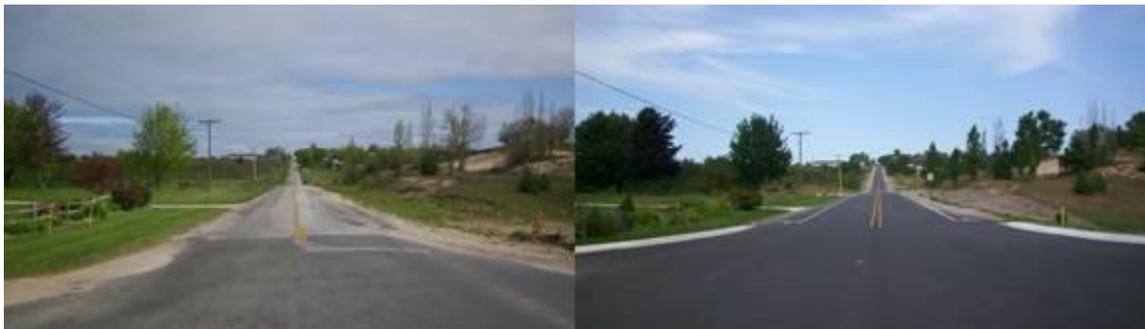
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Special Revenue Funds

Major Street

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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 River Street streetscape as well as paying part of the debt service on bonds that were issued for Cedar St. orphan streets and First Street reconstruction. The payment for the River Street bond is about \$140,000 per year and the bonds will be retired in 2015. The payment toward the Cedar\First Street bond will be about \$81,000 and the bonds will be retired in 2031.

With state gas tax revenues declining, the City is receiving less revenue each year for street projects. It is hoped that the Legislature will address this funding crisis at some point. In any event, even without these decreases, the Act 51 revenue does not nearly cover the full costs associated with maintaining our streets. It is necessary to supplement these funds with other locally generated funds and\or thru grants.

A State approved and award winning 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 by allowing more flexibility to transfer dollars between the Major and Local Street funds. The plan is updated annually in the fall after our streets are rated by the DPW, in order to prepare for the next year's budget.



**Major Street Assumptions & Notes:**

<b>Major Street Summary</b>			
<b>Revenue</b>	<b>increased</b>	<b>\$497,000</b>	<b>41.4%</b>
<b>Expenses</b>	<b>increased</b>	<b>\$1,785,336</b>	<b>144.7%</b>

**Revenue:** Revenue is expected to increase. Act 51 revenue is expected to decline slightly because of lower gas and weight taxes passed thru from the State. The sharp increase in overall revenues is due to the receipt of a state local bridge grant to finish the renovation of the Maple Street bridge, including electrical, tail locks and the approaches. Proceeds from the 2010 Capital improvement bond are also being transferred in to support construction projects.

**Expenses:** Expenses are expected to increase. Two major projects are being constructed. The first is the complete renovation, including utility work, of First Street from the Armory to the beach at a cost of \$1,377,000. The second is the rehabilitation of the Maple Street bridge at a cost of \$1,387,000. 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	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
539.000 State Grant Revenue	\$378,000	\$488,000	\$0	\$1,182,000	\$1,182,000	\$694,000	142.2%
576.000 Act 51 Revenue	351,104	350,000	350,000	345,000	345,000	-5,000	-1.4%
626.000 Charge for Service	148,309	170,000	170,000	170,000	170,000	0	0.0%
641.000 Snow Removal	0	0	0	0	0	0	
664.000 Interest Income	408	500	500	500	500	0	0.0%
676.000 Reimbursement	0	192,000	185,000	0	0	-192,000	-100.0%
699.000 Operating Transfer In	0	0	0	0	0	0	
2010 CI Bond In	0	\$0	169,089	1,412,911	\$1,412,911		
<b>Total Revenues</b>	<b>\$877,820</b>	<b>\$1,200,500</b>	<b>\$874,589</b>	<b>\$3,110,411</b>	<b>\$3,110,411</b>	<b>\$497,000</b>	<b>41.4%</b>
799.000 Miscellaneous	\$121	\$1,000	\$300	\$1,000	\$1,000	\$0	0.0%
935.000 Traffic Services	18,654	10,000	10,000	20,000	20,000	10,000	100.0%
936.000 Preservation Streets	240,043	898,575	850,000	1,422,330	1,422,330	523,755	58.3%
937.000 Routine Maintenance Bridges	6,665	5,000	60,000	1,306,581	1,306,581	1,301,581	26031.6%
938.000 Winter Maintenance Streets	148,777	130,000	130,000	130,000	130,000	0	0.0%
981.000 Construction Streets	0	0	0	0	0	0	
982.000 Construction Bridges	4,720	0	0	0	0	0	
992.003 Bond Principal (1999 MDOT)	0	110,000	110,000	110,000	110,000	0	0.0%
997.003 Bond Interest (1999 MDOT)	0	29,100	29,100	29,100	29,100	0	0.0%
2010 CI Bond Out	0	0	20,927	81,283	81,283		
999.000 Operating Transfer Out	289,423	50,000	0	0	0	-50,000	-100.0%
<b>Total Expenses</b>	<b>\$708,402</b>	<b>\$1,233,675</b>	<b>\$1,210,327</b>	<b>\$3,100,294</b>	<b>\$3,100,294</b>	<b>\$1,785,336</b>	<b>144.7%</b>
<b>TOTAL MAJOR STREET</b>		<b>-\$33,175</b>	<b>-\$335,738</b>	<b>\$10,117</b>	<b>\$10,117</b>		
Beginning Fund Balance			\$398,871		\$63,133		
Projected Ending Fund Balance	\$398,871		\$63,133		\$73,250		

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**

Local Street Summary	
Revenue decreased	(\$51,722) -29.8%
Expenses decreased	(\$2,500) -1.7%

**Revenue:** Revenue decreased because of a decline in Act 51 money due to lower gas tax revenues received. Also, the operating transfer in from the Major Street fund to help shore up the Local Street fund finances was not needed this year.

**Expenses:** Expenses decreased slightly because of a small reduction in budgeted sidewalk replacement expenses.

**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	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Year to Year		Percent Change
					Council Adopted	Budget Difference	
501.000 Federal Grant	\$332,207	\$0	\$29,103	\$0	\$0	\$0	
539.000 State Grant	32,232	0	0	0	0	\$0	
576.000 Act 51 Revenue	126,706	123,000	123,000	121,278	121,278	-\$1,722	-1.4%
626.000 Charge for Service	0	0	4,065	0	0	\$0	
641.000 Snow Removal	0	0	0	0	0	\$0	
664.000 Interest Income	529	300	500	300	300	\$0	0.0%
676.000 Reimbursement	10,572	0	26,246	0	0	\$0	
699.000 Operating Transfer In	150,000	50,000	0	0	0	-\$50,000	-100.0%
<b>Total Revenues</b>	<b>\$652,246</b>	<b>\$173,300</b>	<b>\$182,914</b>	<b>\$121,578</b>	<b>\$121,578</b>	<b>-\$51,722</b>	<b>-29.8%</b>
799.000 Miscellaneous	\$0	\$0	\$0	\$1,000			
935.000 Traffic Services	3,500	5,000	5,000	5,000	5,000	0	0.0%
936.000 Preservation Streets	518,932	77,500	77,500	75,000	75,000	-2,500	-3.2%
938.000 Winter Maintenance Streets	48,608	62,000	62,000	62,000	62,000	0	0.0%
981.000 Construction Streets	5,503	0	0	0	0	0	
999.000 Operating Transfer Out	0	0	0				
<b>Total Expenditures</b>	<b>\$576,543</b>	<b>\$144,500</b>	<b>\$144,500</b>	<b>\$143,000</b>	<b>\$142,000</b>	<b>-\$2,500</b>	<b>-1.7%</b>
<b>TOTAL LOCAL STREET</b>		<b>\$28,800</b>	<b>\$38,414</b>		<b>-\$20,422</b>		
Beginning Fund Balance			\$119,540		\$157,955		
Projected Ending Fund Balance	\$119,540		\$157,955		\$137,533		

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**

Street Improvement Summary			
Revenue	increased	\$22,500	67.2%
Expenses	increased	\$20,000	56.3%

**Revenue:** Revenue is projected to increase. Two tree planting grants (DTE and National Urban) were received. This was offset by the final special assessment payments being received.

**Expenses:** Expenses increased because of the additional trees to be planted due to the tree grants. There was a reduction in sidewalk expenditures as 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. In total, \$30,000 worth of sidewalk repairs are budgeted in various funds.

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

- Budget as recommended                       Budget with changes

**Changes:**

<b>204 Street Improvement Fund</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Budget</b>	<b>Change</b>
						<b>Difference</b>	<b></b>
495.000 ROW Fee	\$24,605	\$24,000	\$24,000	\$24,000	\$24,000	\$0	0.0%
539.000 Grant Revenue		0	1,275	30,000	30,000	\$30,000	
626.000 Charge for Service		1,000	0	1,000	1,000	\$0	0.0%
664.000 Interest Income	38	1,000	0	1,000	1,000	\$0	0.0%
672.000 Special Assessment		7,500	7,500	0	0	-\$7,500	-100.0%
676.000 Reimbursement		0	0	0	0	\$0	
699.000 Operating Transfer In	22,750	0	0	0	0	\$0	
<b>Total Revenue</b>	<b>\$47,393</b>	<b>\$33,500</b>	<b>\$32,775</b>	<b>\$56,000</b>	<b>\$56,000</b>	<b>\$22,500</b>	<b>67.2%</b>
801.000 Professional Services	\$341	\$5,000	\$2,500	\$5,000	\$5,000	\$0	0.0%
831.000 Contractual Repairs & Maint.		500	0	500	500	\$0	0.0%
964.000 Refunds		0	0	0	0	\$0	
983.000 Capital Outlay - Sidewalks	29,088	15,000	15,000	10,000	10,000	-\$5,000	-33.3%
984.000 Capital Outlay - Trees	14,005	15,000	15,000	40,000	40,000	\$25,000	166.7%
999.000 Operating Transfer Out		0	0	0	0	\$0	
<b>Total Expense</b>	<b>\$43,434</b>	<b>\$35,500</b>	<b>\$32,500</b>	<b>\$55,500</b>	<b>\$55,500</b>	<b>\$20,000</b>	<b>56.3%</b>
<b>TOTAL STREET IMPROVEMENT</b>		<b>-\$2,000</b>	<b>\$275</b>	<b>\$500</b>	<b>\$500</b>	<b>\$2,500</b>	
Beginning Fund Balance			\$48,649		\$48,924		
Projected Ending Fund Balance	\$48,649		\$48,924		\$49,424		

Special Revenue Funds

Refuse



The refuse fund records revenues and expenditures relating to refuse collection and disposal.

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 current contract runs thru 2015. The funding is currently a hybrid system, funded largely by a 1.15 mill levy and supplemented by a modest monthly user charge of \$3, \$6, or \$9 per month based on the level of service desired. The contract calls for a 4% increase annually. This budget calls for increasing the monthly user charge by the same percentage to partially defray this cost increase.

**Refuse Assumptions & Notes**

Refuse Summary			
Revenue	increased	\$2,505	0.6%
Expenses	increased	\$28,307	7.1%

**Revenue:** Revenue increased due to an increase in the monthly customer charge of 4% and higher projected yard bag sales offset by a decline in tax revenue.

**Expenses:** Expenses increased mainly because of spring trash haul being offered this year and an increase in contractual waste fees.

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

- Budget as recommended                       Budget with changes

**Changes**

226 Refuse Fund	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Year to Year		
					Council Approved	Budget Difference	Percent Change
402.000 Real & Personal Property	\$271,859	\$206,617	\$206,000	\$202,898	\$202,898	-\$3,719	-1.8%
411.000 Delinquent Real Tax	20,022	10,733	10,000	10,540	10,540	-\$193	-1.8%
420.000 Delinquent Personal Tax	118	383	100	400	400	\$17	4.4%
614.000 Dumpster Fees	0	0	0	0	0	\$0	
626.000 Charge for Service	117,210	172,500	176,000	179,400	179,400	\$6,900	4.0%
643.000 Yard Bags	12,149	11,000	11,000	12,000	12,000	\$1,000	9.1%
644.000 Trash Bags	559	500	500	500	500	\$0	0.0%
664.000 Interest Income	2,083	2,500	750	1,000	1,000	-\$1,500	-60.0%
671.000 Other Revenue		0	0	0	0	\$0	
699.000 Operating Transfer In		0	0	0	0	\$0	
<b>Total Revenue</b>	<b>\$424,000</b>	<b>\$404,233</b>	<b>\$404,350</b>	<b>\$406,738</b>	<b>\$406,738</b>	<b>\$2,505</b>	<b>0.6%</b>
755.000 Yard Bags	\$12,470	\$11,000	\$11,000	\$12,000	\$12,000	\$1,000	9.1%
799.000 Miscellaneous	4,169	5,000	5,000	5,000	5,000	\$0	0.0%
820.000 Administration	41,000	40,000	40,000	35,000	35,000	-\$5,000	-12.5%
826.000 Refuse Contract Fees	272,117	246,000	250,000	260,000	260,000	\$14,000	5.7%
827.000 Municipal Refuse Fees	22,131	20,000	22,000	23,000	23,000	\$3,000	15.0%
828.000 Trash Haul Contract Fees	34,134	17,000	0	35,000	35,000	\$18,000	105.9%
829.000 Trash Haul City	26,806	15,500	15,500	15,500	15,500	\$0	0.0%
829.001 Yard Waste Contract Fees	0	27,000	23,373	24,308	24,308	-\$2,692	-10.0%
829.002 Yard Waste City	0	19,000	19,000	19,000	19,000	\$0	0.0%
999.000 Operating Transfer Out	68,000	0	0	0	0	\$0	
<b>Total Expenses</b>	<b>\$480,826</b>	<b>\$400,500</b>	<b>\$385,873</b>	<b>\$428,807</b>	<b>\$428,807</b>	<b>\$28,307</b>	<b>7.1%</b>
<b>TOTAL REFUSE</b>	<b>-\$56,827</b>	<b>\$3,733</b>	<b>\$18,477</b>	<b>-\$22,070</b>	<b>-\$22,070</b>		
Beginning Fund Balance			\$252,632		\$271,109		
Projected Ending Fund Balance	\$252,632		\$271,109		\$249,039		

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 inspection and general or other fund activities; 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, rental inspection program and facility management\maintenance duties at City Hall & the Ramsdell Theatre.

**Building Inspector Assumptions & Notes**

Building Inspector Summary			
Revenue	decreased	(\$30)	-0.2%
Expenses	increased	\$0	0.0%

**Revenue:** Revenue decreased slightly due to lower interest income. Construction in the City is expected to remain flat from the prior year as the economy struggles to recover.

**Expenses:** Expenses remained flat from the prior year.

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

- Budget as recommended                       Budget with changes

**Changes:**

<b>249 Building Inspector</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>Manager</b>	<b>Year to Year</b>		
					<b>Actual</b>	<b>Budget</b>	<b>Projected</b>
				<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>	<b>Change</b>
633.000 Charge for Service - Permits	16,461	15,000	15,000	15,000	15,000	0	0.0%
664.000 Interest Income	74	50	20	20	20	-30	-60.0%
671.000 Other Revenue	0	0	0	0	0	0	
<b>Total Revenues</b>	<b>\$16,536</b>	<b>\$15,050</b>	<b>\$15,020</b>	<b>\$15,020</b>	<b>\$15,020</b>	<b>(\$30)</b>	<b>-0.2%</b>
728.000 Operating Expense	\$860	\$1,000	\$700	\$1,000	\$1,000	\$0	0.0%
735.000 Periodicals & Publications	0	650	650	650	650	0	0.0%
820.000 Administration	8,000	10,000	10,000	10,000	10,000	0	0.0%
831.000 Contractual Repairs & Maint	730	725	730	725	725	0	0.0%
860.000 Travel & Training Expense	449	1,500	750	1,500	1,500	0	0.0%
865.000 Vehicle Allowance	0	0	0	0	0	0	
870.000 Memberships & Dues	250	325	325	325	325	0	0.0%
880.000 Education	0	0	0	0	0	0	
900.000 Printing/Publishing	0	75	75	75	75	0	0.0%
930.000 Repairs\Maint - Vehicle\Equip	0	0	0	0	0	0	
957.000 Motor Pool	0	0	0	0	0	0	
964.000 Refunds	0	0	0	0	0	0	
970.000 Capital Outlay	0	0	0	0	0	0	
<b>Total Expenses</b>	<b>\$10,289</b>	<b>\$14,275</b>	<b>\$13,230</b>	<b>\$14,275</b>	<b>\$14,275</b>	<b>\$0</b>	<b>0.0%</b>
<b>TOTAL BUILDING INSPECTOR</b>	<b>\$6,247</b>	<b>\$775</b>	<b>\$1,790</b>	<b>\$745</b>	<b>\$745</b>		
Beginning Fund Balance	\$13,009		\$19,255		\$21,045		
Projected Ending Fund Balance	\$19,255		\$21,045		\$21,790		

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 amount of funds available for distribution in the form of grants had declined over the past several years. However, a reappraisal of the casino and a change in the way the amount available for distribution is calculated was changed recently which should provide for some additional grant funds. Public safety grants will still be the primary ones awarded to the City.

**Local Revenue Sharing Grant Assumptions & Notes**

Local Revenue Sharing Summary			
Revenue	increased	\$0	0.0%
Expenses	increased	\$0	0.0%

**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	2010 Actual	2011 Budget	2011 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
570.000 Local Grant Revenue	\$32,490	\$30,000	\$48,800	\$30,000	\$30,000	\$0	0%
664.000 Interest Income		0	0	0	0	\$0	
<b>Total Revenues</b>	<b>\$32,490</b>	<b>\$30,000</b>	<b>\$48,800</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>0%</b>
799.000 Expenditures	\$29,289	\$30,000	\$62,000	\$30,000	\$30,000	\$0	0%
<b>Total Expenditures</b>	<b>\$29,289</b>	<b>\$30,000</b>	<b>\$62,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$0</b>	<b>0%</b>
<b>TOTAL LOCAL REVENUE SHARING FUND</b>	<b>\$3,201</b>	<b>\$0</b>	<b>-\$13,200</b>	<b>\$0</b>	<b>\$0</b>		
Beginning Fund Balance	\$13,623		\$16,824		\$3,624		
Projected Ending Fund Balance	\$16,824		\$3,624		\$3,624		

Capital Project Funds

Capital Improvement Fund

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



**Capital Improvement Assumptions & Notes**

Capital Improvement Summary			
Revenue increased	\$25,230	7.8%	
Expenses increased	\$200,064	57.6%	

**Revenue:** Revenue of is based upon the 4.5% Oil & Gas spending rule formula.

**Expenses:** The budget anticipates several capital projects, in addition to the funds already committed for multiple years for prior projects. A comprehensive cash flow for this fund is also presented to demonstrate the impact of multi-year commitments. Please see the 2010-2011 Capital Improvement Plan for details of the projects anticipated in the budget:

Project	Capital Improvement Cost	Notes
Ramsdell Theatre HVAC	\$ 1,000,000	Multi-Year
First Street Beach House	\$ 100,000	Contingent on Grant, \$400,000 total
Council Computers	\$ 10,000	
Park Wayfinding Signage	\$ 15,000	
Network Bldg\Phones	\$ 20,000	
Playground Equipment	\$ 10,000	
Ramsdell Renovations\Equip	\$ 50,000	
Fish Cleaning Station	\$ 75,000	Contingent on Grant, \$150,000 total
DDA Maintenance	\$ 10,000	

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

- Budget as recommended       Budget with changes

**Changes:**

<b>430 Capital Improvement Fund</b>	<b>2010</b>	<b>2011</b>	<b>2011</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>	
						<b>Actual</b>	<b>Budget</b>
664.000 Interest Income	\$1,045	\$1,000	\$1,000	\$1,000	\$1,000	\$0	0.0%
671.000 Other Revenue		\$0	0	0	0	\$0	
674.000 Contributions\Donations		\$0	0	0	0	\$0	
676.000 Reimbursement		\$0	0	0	0	\$0	
699.000 Operating Transfer In	200,000	\$320,770	320,770	346,000	346,000	\$25,230	7.9%
<b>Total Revenues</b>	<b>\$201,045</b>	<b>\$321,770</b>	<b>\$321,770</b>	<b>\$347,000</b>	<b>\$347,000</b>	<b>\$25,230</b>	<b>7.8%</b>
799.000 Miscellaneous Expense		\$0	\$0	\$0	\$0	\$0	
801.000 Professional Services		\$0	0	0	0	\$0	
831.000 Contractual Repairs\Maint		\$0	0	0	0	\$0	
970.000 Capital Outlay	75,424	\$347,380	303,000	547,444	547,444	\$200,064	57.6%
999.000 Operating Transfer Out	38,663	\$0	0	0	0	\$0	
<b>Total Expenditures</b>	<b>\$114,087</b>	<b>\$347,380</b>	<b>\$303,000</b>	<b>\$547,444</b>	<b>\$547,444</b>	<b>\$200,064</b>	<b>57.6%</b>
<b>TOTAL CAPITAL IMPROVEMENT</b>	<b>\$86,958</b>	<b>-\$25,610</b>	<b>\$18,770</b>	<b>-\$200,444</b>	<b>-\$200,444</b>		
Beginning Fund Balance			\$411,172		\$429,942		
Projected Ending Fund Balance	\$411,172		\$429,942		\$229,498		



## 2011-2012 Budget

### Capital Improvement Fund

Estimated Cash Flows

			2011-2012	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
<b>Revenues</b>	<b>Total Cost</b>	<b>Estimated CapImpCost</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>
<b>Expenses</b>									
<b>Committed</b>									
Ramsdell Roof Note	\$ 425,000	\$ 425,000	\$ 69,880	\$ 69,880	\$ 69,880	\$ 69,880	\$ 69,880	\$ 34,940	
First Street\Maple St. Bridge	\$ 2,764,000	\$ 982,000	\$72,564	\$71,853	\$71,980	\$71,997	\$72,640	\$72,256	\$72,680
Municipal Marina	\$ 380,000	\$ 380,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
<b>Total Committed</b>			\$ 182,444	\$ 181,733	\$ 181,860	\$ 181,877	\$ 182,520	\$ 147,196	\$ 112,680
			53%	53%	53%	53%	53%	43%	33%
Ramsdell Theatre HVAC	\$ 1,000,000	\$ 1,000,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
<b>Total Committed w\ Ramsdell HVAC</b>			\$ 257,444	\$ 256,733	\$ 256,860	\$ 256,877	\$ 257,520	\$ 222,196	\$ 187,680
			74%	74%	74%	74%	74%	64%	54%
First Street Beach House	\$ 400,000	\$ 100,000	\$ 100,000						
Council Computers	\$ 10,000	\$ 10,000	\$ 10,000						
Park Wayfinding Signage	\$ 15,000	\$ 15,000	\$ 15,000						
Network Bldg\Phones	\$ 20,000	\$ 20,000	\$ 20,000						
Playground Equipment	\$ 10,000	\$ 10,000	\$ 10,000						
Ramsdell Renovations\Equip	\$ 50,000	\$ 50,000	\$ 50,000						
Fish Cleaning Station	\$ 150,000	\$ 75,000	\$ 75,000						
DDA Maintenance	\$ 10,000	\$ 10,000	\$ 10,000						
Year 2 - 20				\$ 150,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000	\$ 125,000
<b>Total Expenses</b>			<b>\$ 547,444</b>	<b>\$ 406,733</b>	<b>\$ 381,860</b>	<b>\$ 381,877</b>	<b>\$ 382,520</b>	<b>\$ 347,196</b>	<b>\$ 312,680</b>
<b>Net Result</b>			<b>\$ (201,444)</b>	<b>\$ (60,733)</b>	<b>\$ (35,860)</b>	<b>\$ (35,877)</b>	<b>\$ (36,520)</b>	<b>\$ (1,196)</b>	<b>\$ 33,320</b>
Beginning Fund Balance			\$ 429,942	\$ 228,498	\$ 167,765	\$ 131,906	\$ 96,029	\$ 59,509	\$ 58,313
Ending Fund Balance			\$ 228,498	\$ 167,765	\$ 131,906	\$ 96,029	\$ 59,509	\$ 58,313	\$ 91,633



## 2011-2012 Budget

2018-2019	2019-2020	2019-2021	2019-2022	2019-2023	2019-2024	2019-2025	2019-2026	2019-2027	2019-2028	2019-2029	2019-2030	2019-2031
<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>	<b>\$ 346,000</b>
\$72,111	\$72,130	\$72,029	\$72,689	\$72,418	\$72,053	\$72,397	\$72,579	\$72,596	\$72,457	\$72,174	\$72,571	\$72,764
\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000						
\$ 112,111	\$ 112,130	\$ 112,029	\$ 112,689	\$ 112,418	\$ 112,053	\$ 112,397	\$ 72,579	\$ 72,596	\$ 72,457	\$ 72,174	\$ 72,571	\$ 72,764
32%	32%	32%	33%	32%	32%	32%	21%	21%	21%	21%	21%	21%
\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000	\$ 75,000
\$ 187,111	\$ 187,130	\$ 187,029	\$ 187,689	\$ 187,418	\$ 187,053	\$ 187,397	\$ 147,579	\$ 147,596	\$ 147,457	\$ 147,174	\$ 147,571	\$ 147,764
54%	54%	54%	54%	54%	54%	54%	43%	43%	43%	43%	43%	43%
\$ 150,000	\$ 150,000	\$ 150,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 175,000	\$ 200,000	\$ 200,000	\$ 200,000
<b>\$ 337,111</b>	<b>\$ 337,130</b>	<b>\$ 337,029</b>	<b>\$ 362,689</b>	<b>\$ 362,418</b>	<b>\$ 362,053</b>	<b>\$ 362,397</b>	<b>\$ 322,579</b>	<b>\$ 322,596</b>	<b>\$ 322,457</b>	<b>\$ 347,174</b>	<b>\$ 347,571</b>	<b>\$ 347,764</b>
<b>\$ 8,889</b>	<b>\$ 8,870</b>	<b>\$ 8,971</b>	<b>\$ (16,689)</b>	<b>\$ (16,418)</b>	<b>\$ (16,053)</b>	<b>\$ (16,397)</b>	<b>\$ 23,421</b>	<b>\$ 23,404</b>	<b>\$ 23,543</b>	<b>\$ (1,174)</b>	<b>\$ (1,571)</b>	<b>\$ (1,764)</b>
<b>\$ 91,633</b>	<b>\$ 100,522</b>	<b>\$ 109,392</b>	<b>\$ 118,363</b>	<b>\$ 101,674</b>	<b>\$ 85,256</b>	<b>\$ 69,203</b>	<b>\$ 52,806</b>	<b>\$ 76,227</b>	<b>\$ 99,631</b>	<b>\$ 123,175</b>	<b>\$ 122,001</b>	<b>\$ 120,430</b>
<b>\$ 100,522</b>	<b>\$ 109,392</b>	<b>\$ 118,363</b>	<b>\$ 101,674</b>	<b>\$ 85,256</b>	<b>\$ 69,203</b>	<b>\$ 52,806</b>	<b>\$ 76,227</b>	<b>\$ 99,631</b>	<b>\$ 123,175</b>	<b>\$ 122,001</b>	<b>\$ 120,430</b>	<b>\$ 118,666</b>

Budget Appropriation

**CITY OF MANISTEE**

**2011-2012 GENERAL APPROPRIATIONS ACT**

**BUDGET ADOPTION LIST**

It was moved by \_\_\_\_\_, supported by \_\_\_\_\_, that the City of Manistee Budgets for the fiscal year 2011-2012 be adopted as presented by the City Manager on March 25, 2011 and modified by Council work sessions including tax levy, operating expenses, capital outlay, appropriations, schedule of fees and other matters included in the following expenditures:

**GENERAL FUND**

**101 - GENERAL FUND**

Total Revenue	\$ 5,178,711
Total Expense	\$ 5,178,711
100 - General Government	\$ 740,549
101 - Legislative	\$ 47,912
172 - Manager	\$ 201,523
215 - Clerk	\$ 181,741
253 - Finance	\$ 199,635
257 - Assessor	\$ 108,512
265 - Municipal Buildings	\$ 133,650
266 - Attorney	\$ 80,000
285 - Engineer	\$ 36,000
290 - Boards and Commissions	\$ 11,425
301 - Police	\$ 956,991
336 - Fire	\$ 695,432
441 - Public Works	\$ 1,023,255
748 - Community Development	\$ 277,925
751 - Parks and Recreation	\$ 356,276
801 - Appropriations	\$ 127,884

**ENTERPRISE FUNDS**

**573 - WATER & SEWER FUND**

Total Revenue	\$ 3,889,214
Total Expenses	\$ 2,097,400
Total Capital & Debt	\$ 7,587,253
General	\$ 320,770
Administration	\$ 359,571
Water	\$ 508,637
WWTP	\$ 679,716
Sewer	\$ 228,705
Debt Service	\$ 1,577,253
Capital Outlay	\$ 6,010,000

**594 - MUNICIPAL MARINA FUND**

Total Revenue	\$ 260,100
Total Expenses	\$ 207,610
Total Capital & Debt	\$ 51,491
Debt Service	\$ 51,491
Capital Outlay	\$ -

**508 - BOAT LAUNCH FUND**

Total Revenue	\$ 35,025
Total Expenses	\$ 17,600
Total Capital & Debt	\$ 20,874
Debt Service	\$ 20,874
Capital Outlay	\$ -

**296 - RAMSDELL THEATRE FUND**

Total Revenue	\$ 108,020
Total Expenses	\$ 95,358
Total Capital & Debt	\$ 1,069,888
Debt Service	\$ 69,888
Capital Outlay	\$ 1,000,000

**SPECIAL REVENUE FUNDS**

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**202 - MAJOR STREET FUND**

Revenue	\$ 3,110,411
Expense	\$ 3,100,294

**203 - LOCAL STREET FUND**

Revenue	\$ 121,578
Expense	\$ 143,000

**204 - STREET IMPROVEMENT FUND**

Revenue	\$ 56,000
Expense	\$ 55,500

**226 - REFUSE FUND**

Revenue	\$ 406,738
Expense	\$ 428,807

**249 - BUILDING INSPECTOR**

Revenue	\$ 15,020
Expense	\$ 14,275

**275 - LOCAL REVENUE SHARING GRANT**

Revenue	\$ 30,000
Expense	\$ 30,000

**CAPITAL PROJECT FUNDS**

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**430 - CAPITAL IMPROVEMENT FUND**

Revenue	\$ 347,000
Expense	\$ 537,444

**INTERNAL SERVICE FUNDS**

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**661 - MOTOR POOL FUND**

Revenue	\$ 296,469
Expense	\$ 254,684

**PERMANENT FUNDS**

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**245 - OIL & GAS FUND**

Revenue	\$ 650,000
Expense	\$ 385,782

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 2011-2012 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, 2011. Refuse monthly user charges are established at \$3.12, \$6.24 and \$9.36, depending on level of service selected, for bills issued after July 1, 2011.

Adopted by the Manistee City Council on May 4, 2011.

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Richard Mack, Mayor

ATTEST:

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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)**

Residential	1-2 Bags / week	\$3.12
	3-6 Bags / week	\$6.24
	Tidy Tote / week	\$9.36
Commercial	1-2 Bags / week	\$3.12
	3-6 Bags / week	\$6.24
	3-6 Bags 2x / week	\$12.48
	Tidy Tote / week	\$9.36
	Tidy Tote 2x / week	\$18.72
Curbside Recycling		\$4.16
Extra Bags		\$2.00
Freon Tag		\$45.00
Bulky Item		\$12.00
Yard Waste bags		\$3.50

**WATER / SEWER RATES (monthly)**

Metered Water (per 1,000)	\$2.84
Metered Sewer (per 1,000)	\$5.68
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
(after hours rate)	\$0.05
WWTP - Industrial Pretreatment Program	varies + operator cost \$25/hr + operator cost \$45/hr

**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*

	<b>First Offense</b>	<b>Additional Offense within 30 Days</b>
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/VALLEY 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	

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Appendix

Elected Officials & Administration

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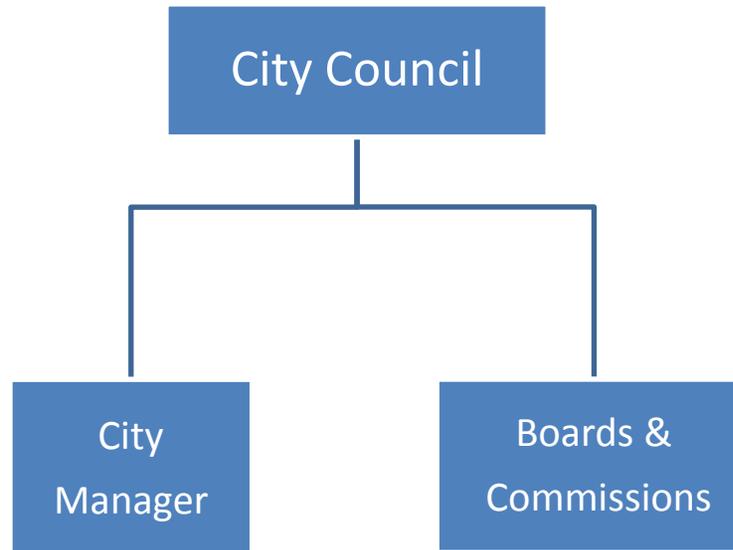
Richard Mack	Mayor	Sixth District	<a href="mailto:rlmayor@yahoo.com">rlmayor@yahoo.com</a>
Colleen Kenny	Mayor Pro-Tem	First District	<a href="mailto:ckenny@packagingcorp.com">ckenny@packagingcorp.com</a>
Ed Cote	Councilmember	Second District	<a href="mailto:edbon71@yahoo.com">edbon71@yahoo.com</a>
Robert Hornkohl	Councilmember	Third District	<a href="mailto:rmhornkohl@sbcglobal.net">rmhornkohl@sbcglobal.net</a>
Iлона Haydon	Councilmember	Fourth District	<a href="mailto:bestnshow49660@gmail.com">bestnshow49660@gmail.com</a>
Catherine Zaring	Councilmember	Fifth District	<a href="mailto:clzaring@gmail.com">clzaring@gmail.com</a>
Alan Marshall	Councilmember	Seventh District	<a href="mailto:alupnorth@webtv.net">alupnorth@webtv.net</a>
Mitch Deisch	City Manager		<a href="mailto:mdeisch@ci.manistee.mi.us">mdeisch@ci.manistee.mi.us</a>
Dave Bachman	Public Safety Director		<a href="mailto:dbachman@ci.manistee.mi.us">dbachman@ci.manistee.mi.us</a>
Jack Garber	Public Works Director		<a href="mailto:jgarber@ci.manistee.mi.us">jgarber@ci.manistee.mi.us</a>
Ed Bradford	Financial Services Director		<a href="mailto:ebradford@ci.manistee.mi.us">ebradford@ci.manistee.mi.us</a>
Jon Rose	Community Development Director		<a href="mailto:jrose@ci.manistee.mi.us">jrose@ci.manistee.mi.us</a>
Michelle Wright	City Clerk\Deputy Treasurer		<a href="mailto:mwright@ci.manistee.mi.us">mwright@ci.manistee.mi.us</a>
Julie Beardslee	City Assessor		<a href="mailto:jbeardslee@ci.manistee.mi.us">jbeardslee@ci.manistee.mi.us</a>

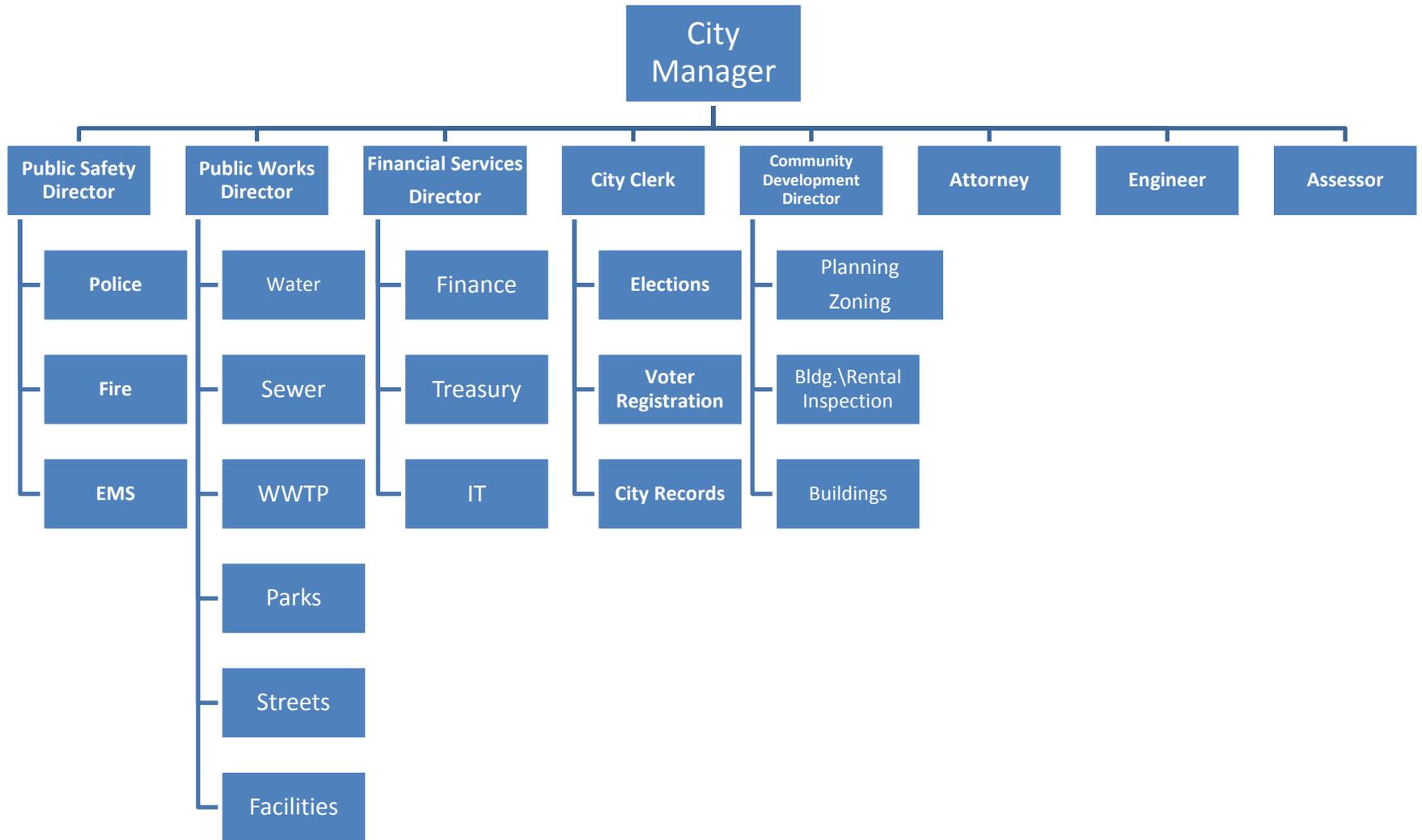
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Appendix

City Organization Chart

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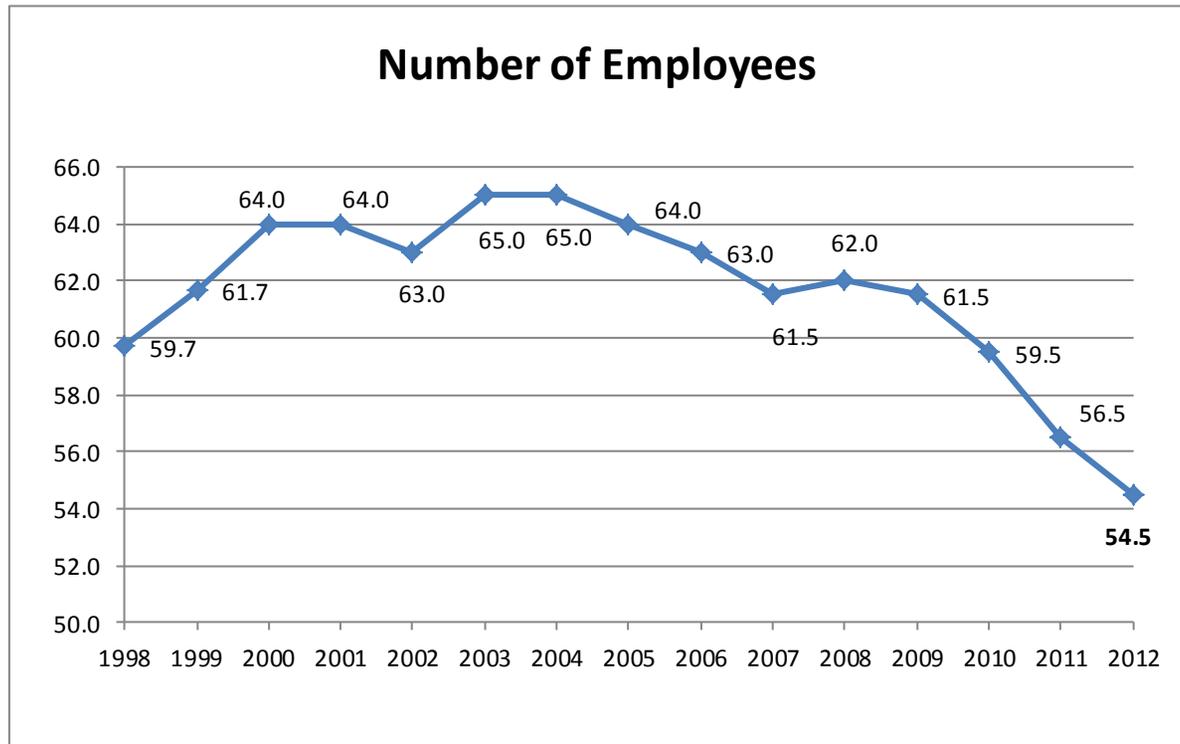




Appendix

Number of Employees

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



Appendix

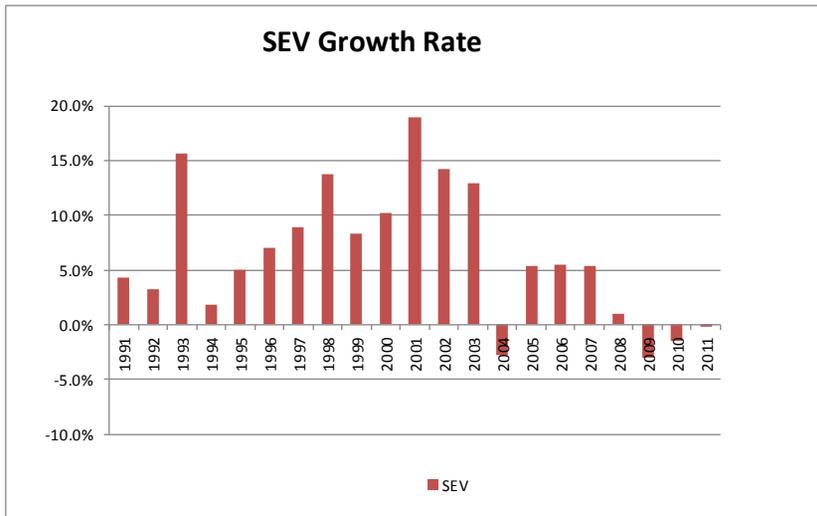
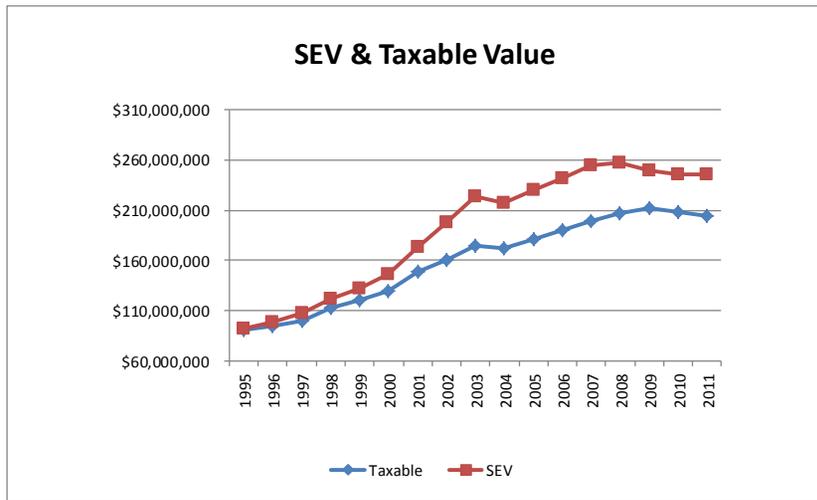
Breakdown of Employees

**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	Actual 2011	Budget 2012
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	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	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	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	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	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	12.0
Fire	8.0	8.0	8.0	8.0	8.0	9.0	9.5	9.5	9.5	8.5	8.5	8.5	8.5	8.0	7.5
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	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	2.0
<b>General Fund</b>	<b>48.7</b>	<b>50.7</b>	<b>52.0</b>	<b>53.0</b>	<b>52.0</b>	<b>53.0</b>	<b>53.0</b>	<b>52.0</b>	<b>52.0</b>	<b>50.5</b>	<b>50.5</b>	<b>50.0</b>	<b>47.5</b>	<b>45.5</b>	<b>43.5</b>
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	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	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	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	2.0
<b>Water &amp; Sewer</b>	<b>11.0</b>	<b>11.0</b>	<b>12.0</b>	<b>11.0</b>	<b>11.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>10.0</b>	<b>10.0</b>
Ramsdell Theatre											0.5	0.5	1.0	1.0	1.0
<b>Ramsdell Theatre</b>											<b>0.5</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>
<b>Grand Total:</b>	<b>59.7</b>	<b>61.7</b>	<b>64.0</b>	<b>64.0</b>	<b>63.0</b>	<b>65.0</b>	<b>65.0</b>	<b>64.0</b>	<b>63.0</b>	<b>61.5</b>	<b>62.0</b>	<b>61.5</b>	<b>59.5</b>	<b>56.5</b>	<b>54.5</b>

Appendix

SEV & Taxable Value

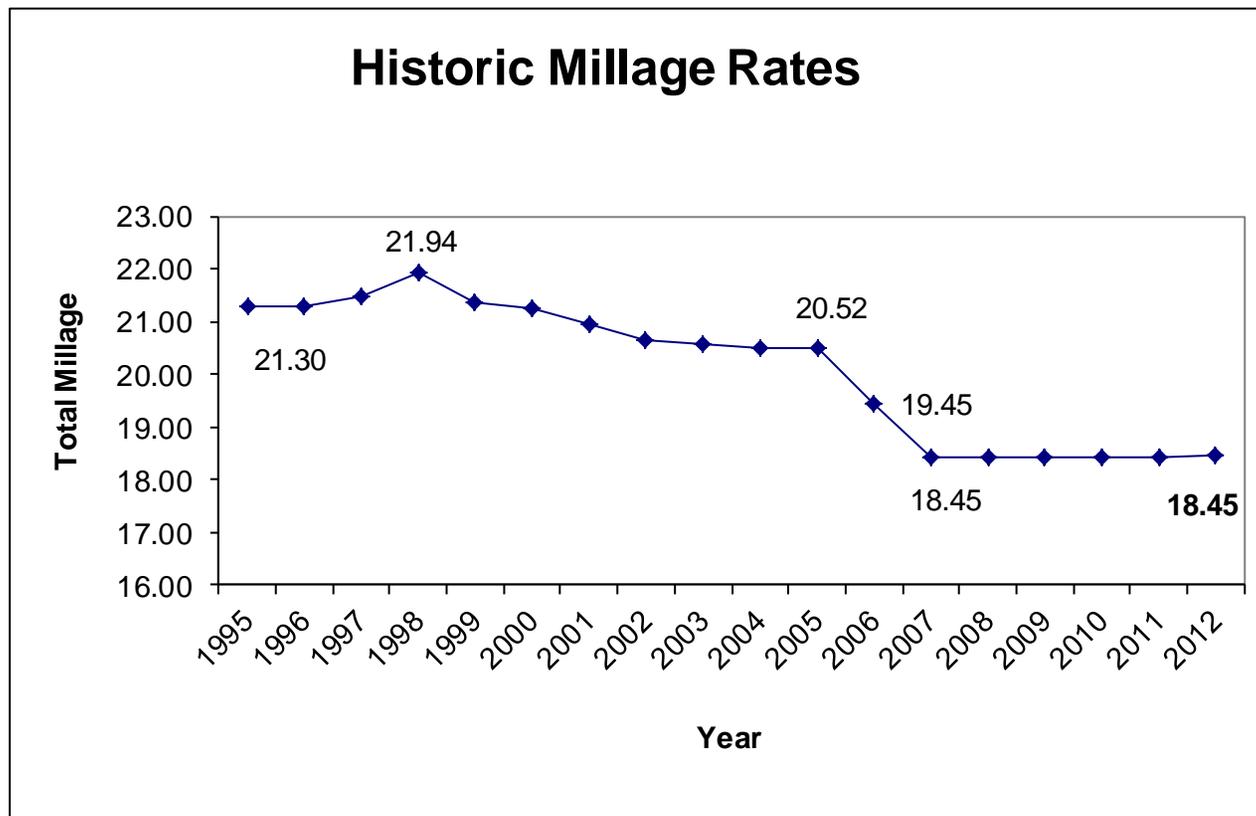


Year	SEV	SEV Growth	Taxable Value	Taxable Value Growth
1990	\$ 69,346,762			
1991	\$ 72,328,192	4.3%		
1992	\$ 74,662,923	3.2%		
1993	\$ 86,335,306	15.6%		
1994	\$ 87,868,352	1.8%		
1995	\$ 92,276,049	5.0%	\$ 91,170,863	
1996	\$ 98,777,799	7.0%	\$ 95,065,215	4.3%
1997	\$ 107,576,400	8.9%	\$ 100,105,513	5.3%
1998	\$ 122,376,906	13.8%	\$ 112,633,190	12.5%
1999	\$ 132,539,856	8.3%	\$ 120,320,668	6.8%
2000	\$ 146,033,156	10.2%	\$ 129,495,380	7.6%
2001	\$ 173,749,756	19.0%	\$ 148,341,437	14.6%
2002	\$ 198,421,736	14.2%	\$ 160,733,605	8.4%
2003	\$ 223,975,606	12.9%	\$ 175,212,684	9.0%
2004	\$ 217,777,056	-2.8%	\$ 172,431,911	-1.6%
2005	\$ 229,542,700	5.4%	\$ 181,139,334	5.0%
2006	\$ 242,067,200	5.5%	\$ 189,639,514	4.7%
2007	\$ 254,905,300	5.3%	\$ 199,258,541	5.1%
2008	\$ 257,394,000	1.0%	\$ 206,309,448	3.5%
2009	\$ 249,539,700	-3.1%	\$ 212,439,939	3.0%
2010	\$ 245,823,500	-1.5%	\$ 208,412,585	-1.9%
2011	\$ 245,381,700	-0.2%	\$ 204,529,817	-1.9%

## Appendix

## Millage Rates

Historic City millage rates are presented below.



Appendix

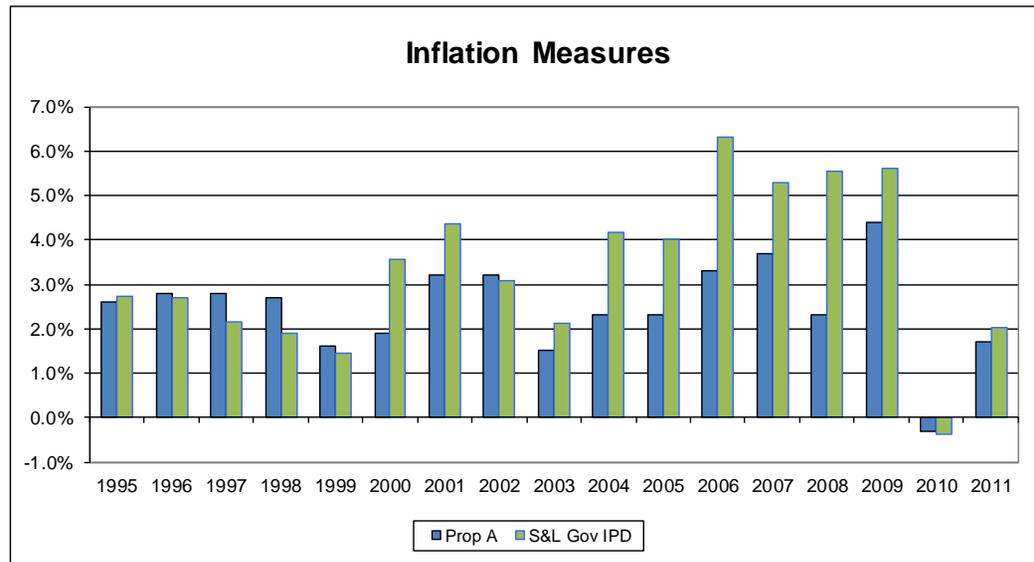
Millage Rates

Millage Rates	Fiscal Year Ended																		
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<b>General</b>	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	17.30	
<b>Refuse</b>	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	1.15	
<b>Voted Fire</b>	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	0.00	
<b>Total</b>	<b>21.30</b>	<b>21.30</b>	<b>21.47</b>	<b>21.94</b>	<b>21.37</b>	<b>21.25</b>	<b>20.95</b>	<b>20.64</b>	<b>20.58</b>	<b>20.52</b>	<b>20.52</b>	<b>19.45</b>	<b>18.45</b>	<b>18.45</b>	<b>18.45</b>	<b>18.45</b>	<b>18.45</b>	<b>18.45</b>	
<b>Reduction Amount</b>	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	0.00	0.00	
<b>Cumulative Reduction</b>	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)	(2.85)	(2.85)	
<b>Percent Change</b>	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%	0.0%	0.0%	
<b>Cumulative Change</b>	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%	-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 determining 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.



	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Prop A	2.6%	2.8%	2.8%	2.7%	1.6%	1.9%	3.2%	3.2%	1.5%	2.3%	2.3%	3.3%	3.7%	2.3%	4.4%	-0.3%	1.7%
S&L Gov IPD	2.7%	2.7%	2.2%	1.9%	1.5%	3.6%	4.4%	3.1%	2.1%	4.2%	4.0%	6.3%	5.3%	5.5%	5.6%	-0.4%	2.0%

## 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
2010	260	69
Average	221	

Appendix

Water & Sewer Rates

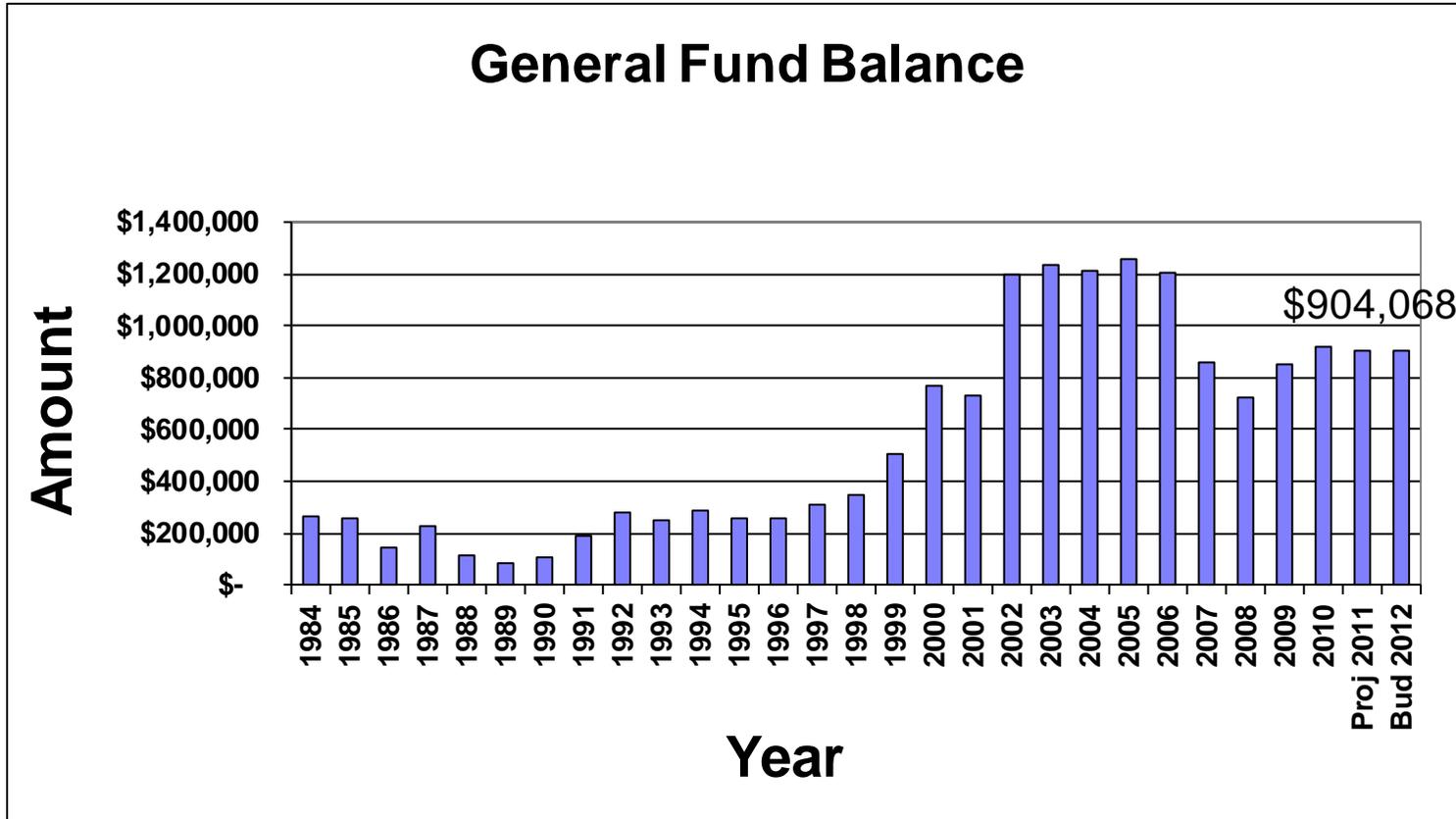
The chart below shows historical water & sewer rate increases.

**Water & Sewer Rate History**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Water per 1000G</b>	\$1.63	\$1.79	\$1.86	\$1.90	\$1.95	\$2.04	\$2.16	\$ 2.25	\$2.48	\$2.60	\$2.72	\$2.84
<b>Sewer per 1000G</b>	\$3.53	\$3.57	\$3.71	\$3.80	\$3.90	\$4.08	\$4.32	\$ 4.50	\$4.97	\$5.20	\$5.44	\$5.68
<b>Fixed Charge</b>	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$ 6.60	\$6.60	\$6.60	\$6.60	\$6.60
<b>Typical Bill</b> (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	\$55.56	\$57.74
<b>Dollar Increase</b>		\$1.20	\$1.26	\$0.78	\$0.90	\$1.62	\$2.16	\$1.62	\$4.20	\$2.10	\$2.14	2.18
<b>Percent Increase</b>		3.2%	3.3%	1.9%	2.2%	3.9%	5.0%	3.6%	9.0%	4.4%	4.0%	4.0%

Appendix

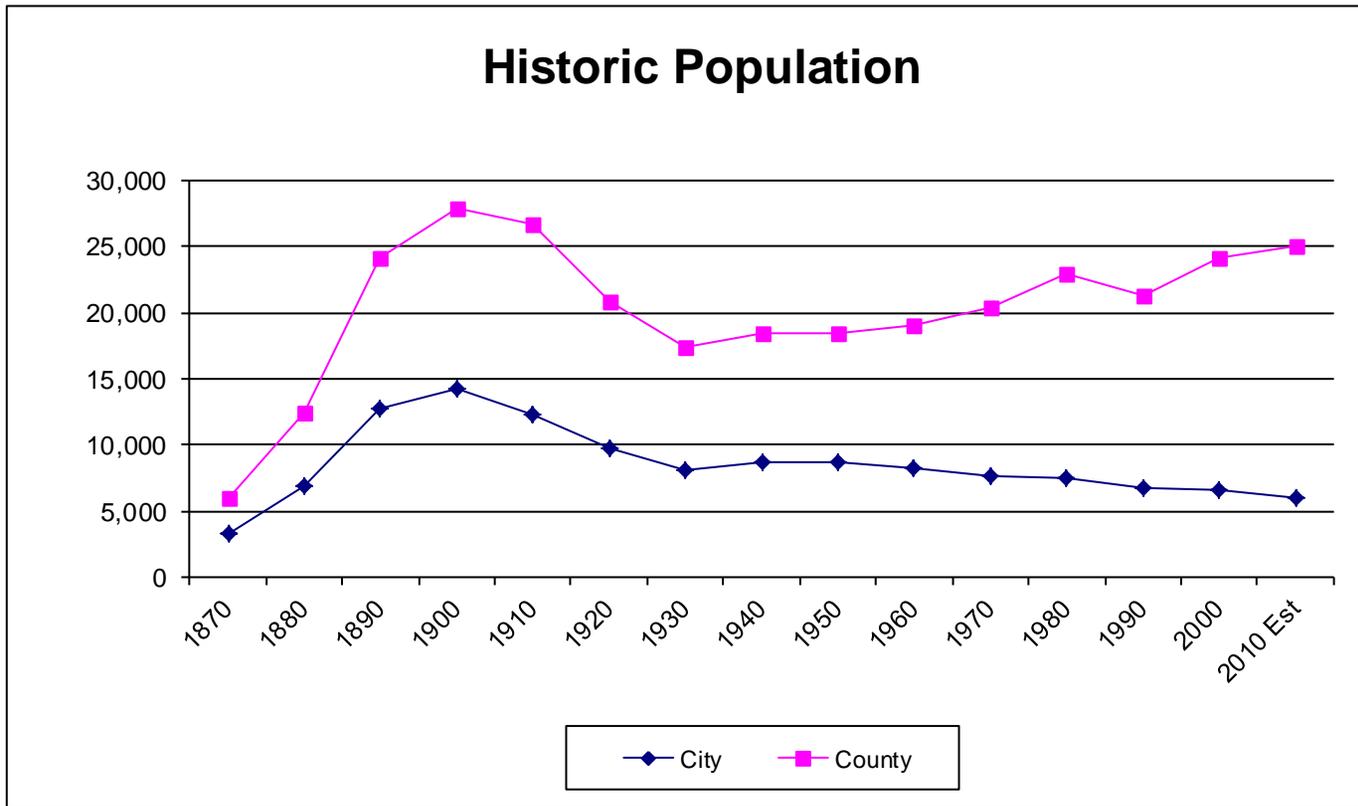
General Fund Balance



Appendix

Population

A history of census data counts has been prepared. The official 2010 U.S. census data was not available, but early indications are a loss of about 500 people.



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	1 <sup>st</sup> 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	1 <sup>st</sup> 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
2010	Local Revenue Sharing	Variety of Items	\$ 48,800
2010	MDOT Local Bridge Fund	Maple Street Bridge	\$ 682,000
2011	DTE Tree	Tree Planting	\$ 10,000
2011	National Urban	Tree Planting	\$ 20,000
<b>Total</b>			<b>\$ 10,051,868</b>