



FY 2013 – 2014 Budget



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Budget Introduction

Welcome to the City of Manistee's Fiscal Year 2013-2014 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. If you want a good overview of the most 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 general 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. Other specific capital improvements can be found in the Enterprise fund section. 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 2013-2014 budget document.

Overview

Budget Transmittal Letter

March 22, 2013

Honorable Mayor Colleen Kenny
Members of the Manistee City Council
City of Manistee
70 Maple Street
Manistee, Michigan 49660

Budget Transmittal Letter

Ladies and Gentlemen:

As it has for the past decade, the State economy continues to be the primary issue when preparing the 2013-2014 fiscal year budget. For the fourth straight year property values in the City continued to fall as they did throughout Manistee County. Like we discussed last year, the fiscal dilemma is complex, not easily solved, and will require strict spending discipline over the next decade to come out ahead. This budget incorporates this strict spending discipline philosophy.

In addition to the constraints of the General Fund budget, the City is also facing serious cash flow issues in the Utilities Department. Over the past several years the City has worked diligently on upgrading utility infrastructure, much of which was State-mandated, which now must be paid back through ratepayer revenues. Just as these new bond payments have started to come due, the City's largest utility customer went through a massive water reduction program which resulted in unanticipated revenue shortages exceeding \$300,000 in 2012-2013. These revenue shortages will also need to be addressed in the new fiscal year 2013-2014 budget. Like the General Fund, the Water and Sewer Fund will also be required to be disciplined on capital expenditures over the next few years.

Whereas it may appear that the City is struggling financially, appearance can also be deceptive. For the fourth straight year the City Departments have come in with a year-end surplus which has allowed the City to increase its fund balance. It is now time to wisely use some of the fund balance to cushion the economic blows, while working to preserve existing services as possible to residents, as well as enhancing some service levels.

With the knowledge of these fiscal challenges, the City continues to improve and put emphasis on strategic planning. In 2012 City Council updated 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.

2013 will be a busy construction season with the main projects being construction of the new First Street Beach Shelter, new Fish Cleaning Station, Kosciusko Street upgrades, infrastructure work at River and Maple Street, and building the new Rotary Park Playground structure. Each of these projects is supported by the City Council Strategic Plan and supports the overall mission to competitively position the City of Manistee as a Community of Choice.

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. Much of them 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. As we mentioned last year, 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 85%.

The 2013-2014 Budget and Capital Improvement Plan will be introduced to the Council and the Community at the Tuesday, April 2, 2013 meeting. Various budget work sessions have been established: a regular work session on Monday, April 8; a work session on Tuesday, April 16; and optional work sessions on Tuesday, April 23 and Tuesday, April 30, 2013. The public hearing to review these budget recommendations and receive public input on them has been scheduled for Tuesday, April 16, 2013. Budget adoption is anticipated at the regular meeting of May 7, 2013.

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 2013-2014 Budget for the City of Manistee.

Respectfully submitted,

Mitchell D. Deisch

City Manager
City of Manistee

mdeisch@manisteemi.gov

MDD:cl

Overview

Executive Summary

The themes of this year's budget are transition, retrenching and planning for the future.

Transitions are occurring in many areas of the City. Some transitions are destabilizing and add uncertainty, while others add stability and provide clarity. Some of the key transitions are:

1. State revenue sharing appears to be stabilizing and growing slightly after years of cuts.
2. We are in an extended period of negative growth in the tax base.
3. We are studying the proposed phase-out of personal property taxes.
4. We are now a full service ALS transport community.
5. We have restructured the Water & Sewer Utility management at the same time it is coming under enormous revenue and spending pressures.
6. We are on the verge of completing a strategic sewer extension into Filer Twp.
7. We are undertaking succession planning for key individuals.

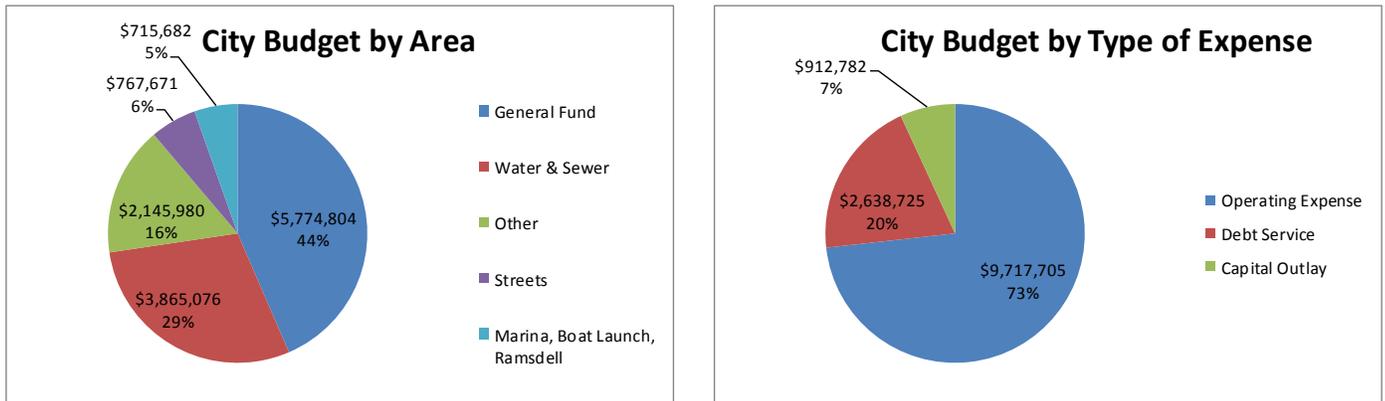
Retrenching will have to occur in the areas of capital investments and service provision. The City has undertaken an impressive array of capital improvement projects over the last several years. This pace cannot continue as the funds are simply not available. Future large projects will be very difficult or impossible without significant grant funding. For the next several years, we need to absorb the past projects and ensure that they are maintained to the best of our ability. We also need to focus on our core municipal services and evaluate what is absolutely needed, and what are optional or expendable, if necessary.

We are planning for the future in several areas. The addition of ALS transport services has not only generated much-needed revenues, but also opened up partnership opportunities. The S2 SSES grant project is identifying areas that will help the water and sewer utility, but will also require significant investment in infrastructure. The departmental white papers are laying out a path for succession planning, continuity of service and potential cost savings. We are exploring collaborative sewer projects with our neighbors to both the north and south.

Recently, it seems as if every time the City addresses a challenge, others appear on the horizon: Just when we thought revenue sharing was stabilizing, property values continue to fall. Just as we anticipate a stabilization of property values with the improving economy, personal property taxes are about to be eliminated. Just as we complete massive infrastructure projects, our biggest water customer significantly reduces consumption. Just as we start to make a noticeable difference in our street quality, a horrible freeze thaw winter is wreaking havoc with our roads.

Each challenge has been met by the City through creativity, fiscal restraint and collaboration. This is a sign of a professional and very resilient yet flexible organization. The City will continue to meet our challenges head on.

In contrast to prior years, when the budget challenges were primarily with the General Fund, the major challenges this year are in the Water & Sewer Utility and Street Funds. The budget for all funds, including capital outlay and debt service totals **\$ 13,269,212** . This is an increase of **\$93,011** from the prior year. Spending by area is shown below.



The General Fund has a total budget of **\$5,774,804** or **44%** of total spending. Services most people associate with local government, such as police, fire & EMS, tax collection, assessing, elections 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 (*General Fund Revenues Issue Page Pg. 13*). Even with reduced tax and state revenue, the General Fund has been resilient thru the addition of ALS revenue, collaboration and departmental cost savings.

General fund expenses are largely stable. Two full-time positions have been added this year, and three part-time positions have been eliminated (*Deputy Building Inspector Issue Page Pg. 15 and Ramsdell Theatre Issue Page Pg. 24*). Pension and health care costs are being managed in a proactive manner, although state and federal mandates and market performance add much uncertainty.

The Water & Sewer Utility has budgeted expenditures for operations, capital outlay and debt service of **\$3,865,076** or **29%** of total City spending. The Water and Sewer Utility is facing a “perfect storm” of events. Reduced revenues from our largest customer coupled with increased debt loads from recent mandated projects and future unavoidable capital projects have created significant management challenges and cash flow issues.

Water and Sewer rates are proposed to increase **10.0%**. A typical customer will see their monthly bill increase by **\$6.13** . This increase is required to address additional debt service needs, make up for lost revenue from the largest customer, and also reflects the fact that revenue raised is not correlated dollar for dollar with rate increases (*Water & Sewer Rates & Revenue Issue Page Pg 16*).

Operational costs decreased from last year. The addition of a Utility Director has reduced the amount of administrative charges from the General Fund and other operational expenses have been paired where possible. Debt service is relatively flat as no new obligations were issued. Capital outlay decreased slightly as needed projects are prioritized and/or deferred.

The overall Street budget is **\$767,671** or **6%** 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 no major street projects this year. Street funds are largely obligated for the next several years (*Obligated Funds Issue Page Pg. 21*). The budget does support the street asset management plan by allocating some money for crack sealing a number of roads.

Other City funds account for **\$1,661,527** or **13%** of spending. Foremost among these funds are the Capital Improvement, Grant Management, Oil & Gas, Motor Pool and Refuse funds. The Capital Improvement fund pays for capital projects throughout the City (*Capital Improvement Fund Issue Page Pg. 22*). This fund has contributed an enormous amount to the City's ability to fund critical infrastructure, but is nearing its capacity.

The Grant Management fund accounts for the Local Revenue Sharing Grants, as well as the MNRTF Beach House Grant and the GLFT Fish Cleaning station grant. Both projects will be completed by the end of this fiscal year (*Construction Projects Issue Page Pg. 23*).

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. Continued positive market performance is crucial to this fund.

The Motor Pool fund accounts for the purchase of vehicles and equipment for use by City departments. The fleet has been reduced somewhat in recent years, and the lifespan of equipment extended in an attempt to reduce costs.

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. **Although our vendor's contract calls for a 4% annual increase, no rate increase will be passed on to customers this year in an attempt to buffer the impact of the water and sewer rate increase.**

The Marina, Boat Launch and Ramsdell Theatre account for **\$715,682** or **5%** of expenditures. All three City enterprises have seen significant capital investments in recent years, and now need to pay back this debt (*City Indebtedness Issue Page Pg. 18*). The Marina should experience higher revenues this year with the completion of the new boater facility. To the extent that this is still insufficient to service its debt, the Capital Improvement fund will serve as a backstop. The Boat Launch should also see increased revenues with the completion of the First Street project resulting in less disruption. The Ramsdell Theatre continues to present a challenging situation as the City attempts to increase revenues (*Ramsdell Theatre Issue Page Pg. 24*).

Budget Change Summary

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:

Council increased the PEG allocation from \$24,000 to \$25,500.

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. Economic Development & Jobs
2. Infrastructure & Facilities
3. Beaches, Parks & Recreation Areas
4. Financial Stability & Continuous Improvement
5. Intergovernmental Relationships
6. 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.

The most recent Strategic Plan update can be found at www.manisteemi.gov

Staff and Council will need to continue their annual strategic planning process in fall 2013.

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.

Council has previously received and discussed the Public Safety White Paper, Assessing White Paper and DPW Whitepaper. Each has led to considerable discussion and ultimately to restructuring within each department. They also proved valuable in preparing the budget and moving forward in a more sustainable fashion.

The Community Development White Paper and Ramsdell Theatre White Paper have been presented and will be discussed as part of the budget process. Recommendations from each, as discussed with City Council, have been incorporated into the proposed budget.

Other departmental white papers that need to be completed are Finance/Clerk and City Manager. The Finance/Clerk department(s) will be next and the process will start in early summer.

Issue Page

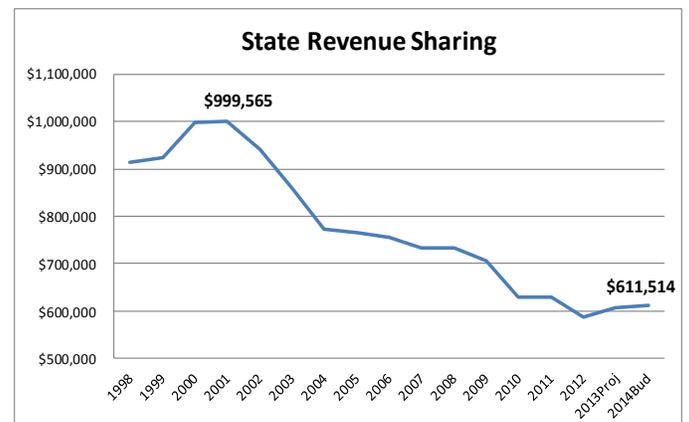
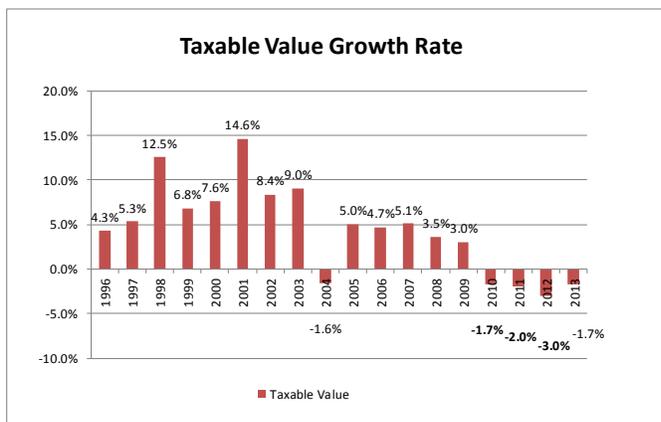
General Fund Revenues

The General fund is the primary City operating fund. It is thru this fund where most City services are provided. Financial stability in the General fund is absolutely vital if high levels of service are to be maintained. Unfortunately, the City is being squeezed on both revenues and expenses. This has caused the General fund to come under enormous financial strains in recent years, making service provision extremely challenging.

On the revenue side, the City continues to confront significant challenges. The two primary sources of revenue to the General Fund are: 1) local property taxes; and 2) sales taxes passed thru to the City from the state in the form of revenue sharing.

Revenue will again be impacted this year by both declining property values and lack of new construction (growth). The taxable value of City property declined 1.75% for 2013 which equates to a reduction in tax revenue of about \$60,000. This is the fourth straight year of decline and totals 8.2% since 2009. The aggregate decline yields approximately \$300,000 (almost 5% of the GF operating budget) less per year in operating property tax revenue.

The City used to receive both constitutional and statutory revenue sharing. Statutory revenue sharing has since been eliminated and replaced with the economic vitality incentive program (EVIP). Unfortunately, EVIP payments are only 67% of the former statutory payment. Total revenue sharing has declined by 39% or \$388,000 (almost 7% of the GF operating budget) since 2001. Total loss of payments since 2001 is \$3,700,000. However, the State's economic and budget crisis appears to be passing and payments are hopefully stabilizing.



The City has very little ability to raise new revenues in the General fund, further complicating the challenge. However, it should be noted that the City is currently levying .4655 mills less than the maximum allowed as the result of a voluntary millage reduction in 2007. Prior to 2007, the City was levying the maximum Headlee rolled back millage rate. The additional .4655 mills, if levied, would raise approximately \$83,000.

General Fund Financial Reserves

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, 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 over 90% or \$70,000 annually since the recession began in 2008.

Third, a fund balance provides stability in the event of an economic downturn, one-time or nonrecurring expenses, volatile commodity prices and unexpected budget 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 issues such as tax refunds, high overtime related to record snowfall and record gasoline prices. However, as a rule Administration and Council have to date made the structural changes necessary to balance the budget without depleting its savings account.

This year, the budget proposes tapping the reserves in the amount of \$72,000. This will fund the Ramsdell Theatre Executive Director and pay for paramedic training for two additional firefighters if a LRSB grant is not received. With the continuing decline in property values there will be increasing pressure to use the fund balance to maintain existing services.

Council has established a General fund balance target of 20% of prior year operating expense, including transfers out for operations and debt service. 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. The 20% fund balance goal provides an appropriate financial cushion.

The June 30, 2012 audit showed a general fund balance of \$1,174,704 an increase of \$193,470 from the prior year. The fund balance is currently right at the 20% target balance.

Deputy Building Inspector

The proposed budget calls for promoting the current permanent part-time City Hall Caretaker to a full-time position of Deputy Building Inspector. This scenario was presented and discussed as part of the Community Development White paper.

This scenario eliminates the Clerical Support Staff for the Building Inspector and creates a new full time Deputy Building Inspector position (with a variety of duties). The City has a unique opportunity for restructuring at this time because of a clerical position retirement and because the City Hall Caretaker is a licensed builder and also is the City's General Contracting Provider of Record. The current permanent part-time City Hall Caretaker position, a vacant permanent part-time Ramsdell Theatre Caretaker position, and the General Contracting Provider of Record could be merged into this full time position.

During the whitepaper presentation, there was discussion about the need for additional clerical assistance. Staff recommendation is to wait and see how this reorganization functions and determine what, if any, adjustments are required in the future.

This reorganization would have the following financial impact.

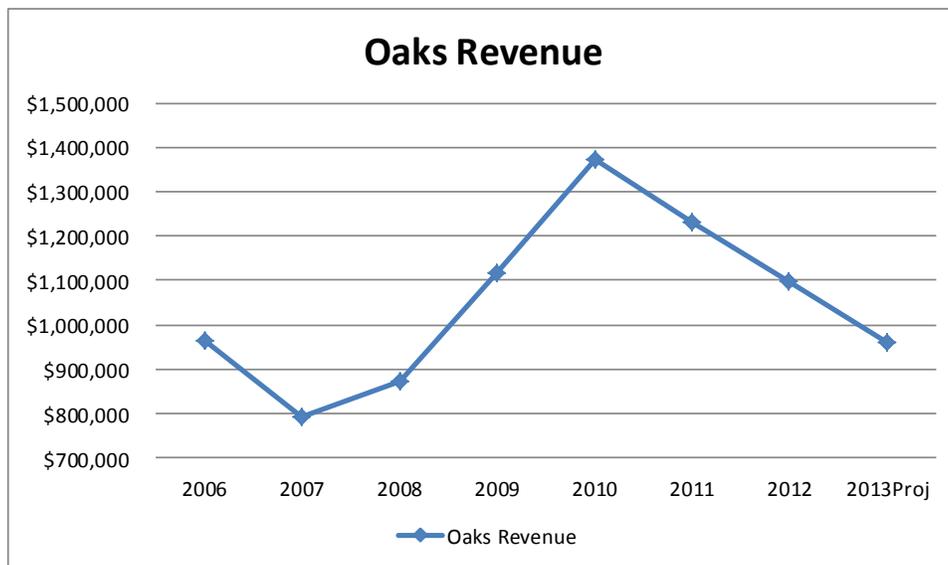
Eliminate permanent PT clerical	(\$15,000)
Eliminate permanent PT City Hall caretaker	(\$15,000)
Eliminate permanent PT Ramsdell caretaker	(\$12,000)
Eliminate some Contractor of Record bills	(\$5,000)
Add FT Deputy Building Inspector	<u>\$52,000</u>
Total Cost Impact	\$5,000

More important than the largely neutral cost impact is the ability to obtain the services of a skilled individual and provide for backup and succession planning for the Building Inspector.

Issue Page

Water & Sewer Rates & Revenue

The primary source of revenue for the City’s water and sewer utility is the money raised by customer charges for water and sewer service. These are billed monthly and are currently \$3.03 per 1000G of water and \$6.06 per 1000G of sewer. The total of these charges typically account for 80% of the annual revenue of the utility. The City’s largest customer, the Oaks Prison made up about 50% of this total from June of 2008 until May of 2012. Since that time, the Oaks has undertaken a significant water saving initiative that has reduced their actual usage from 190,000 GPD to 75,000 GPD, a reduction of 60%! Per their contract with the City, the Oaks has a guaranteed minimum volume of 145,000 GPD. The reduced flows equates to a reduction in revenue of \$300,000 per year from budget.



Since 2006, the City has raised water and sewer rates by 42%, or an average of 5.0% per year. This is about twice the rate of inflation. The expansion of the WWTP and mandated Jones and Cedar St. sewer separation projects are the main reason for the increase. Over this period, it has also become apparent that our customers have somewhat reduced their consumption as prices have increased. This behavior is referred to as price sensitivity, or price elasticity of demand. It is the degree to which the price of a product affects consumers purchasing behaviors. As rates of a product rise, consumption of that product tends to fall. Management believes that this trend will continue, but to a lesser degree than in the past.

The preliminary budget anticipated a \$390,000 deficit without any rate increase. This deficit was after operating and capital expenses had been scrutinized and reduced where possible. In order to make this deficit up, rates would need to be raised 15%. Different scenarios were looked at:

1. Raise rates 15%
2. Raise rates 10% and transfer \$125,000 from the Oil & Gas fund this year.
3. Raise rates 8% and increase the ready to serve charge by 50%.

After much discussion, the proposed budget incorporates Option 2. This increase is 7.6% in addition to the mandatory inflationary increase of 2.4%. This option raises the needed revenue for this year by putting the burden 2/3 on the ratepayer and 1/3 on the Oil & Gas fund thru a one-time transfer of funds.

It is important to keep in mind a few other factors that will determine rate increases in the future.

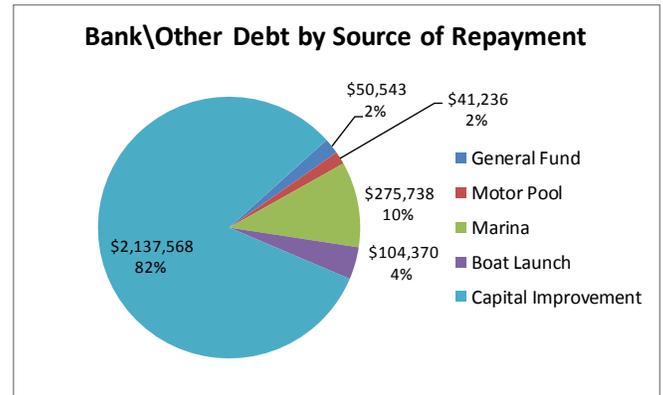
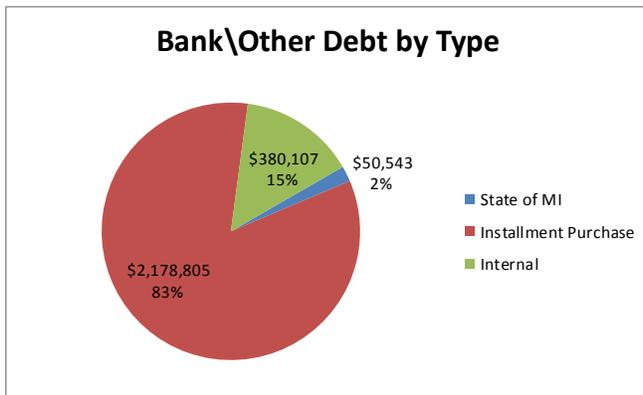
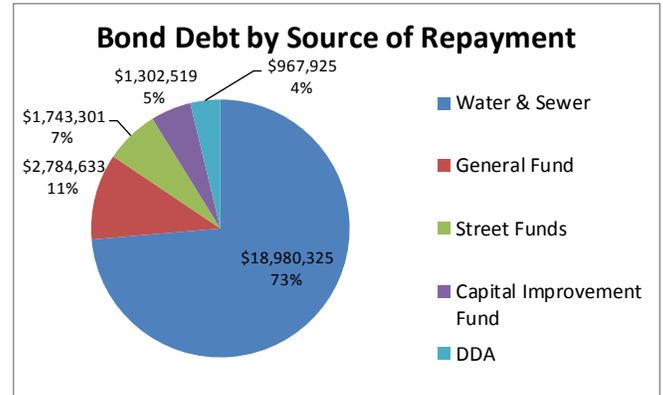
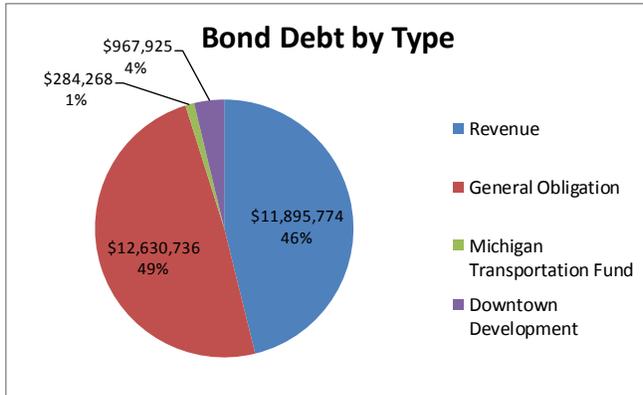
1. The level of consumption at the Oaks Prison.
2. The sensitivity of customers to rate increases.
3. The timing and magnitude of additional customers in Filer and Manistee Townships. It is estimated that Filer Township will contribute an additional 38,000 GPD once hooked up which will generate an additional \$80,000 in revenue. Manistee Township flows are indeterminate at this point.
4. The need for additional capital expenditures. The list is extensive and is outlined in the Capital Improvement Plan.

No one likes to raise rates any more than is necessary. One way to keep rate increases down is to expand the customer base. Our efforts to cooperatively partner with Filer and Manistee Township will help increase our customer base and lower dependency on large customers.

We will also be partnering with the Michigan Rural Water Association over the summer and fall to conduct a rate study to ensure\validate that we are charging appropriate rates for the needs of our system and bring an additional level of transparency to our rate setting.

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 DWRF 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. The City is in the process of advance refunding its 2003 City Hall Capital Improvement Bonds which will save over \$263,000.



2013-2014 Budget

Outstanding Bond Debt (excludes 2013 Refunding Bonds)

As of 7/01/2013

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	2013-2014 Principal Payments	2013-2014 Interest Payments	2013-2014 Total Payments
1	1997 B SRF	CSO	Revenue	94	Water & Sewer	2017	4	\$ 525,000	\$ 125,000	\$ 7,200	\$ 132,200	\$ 30,000	\$ 2,813	\$ 32,813
2	1998 B SRF	CSO	GO LT	451	Water & Sewer	2019	6	\$ 2,715,000	\$ 925,000	\$ 63,956	\$ 988,956	\$ 145,000	\$ 19,181	\$ 164,181
3	1999 MTF	Streetscape	MTF LT	175	Major Street	2015	2	\$ 1,500,000	\$ 270,000	\$ 14,268	\$ 284,268	\$ 130,000	\$ 10,628	\$ 140,628
4	1999 B SRF	CSO	GO LT	451	Water & Sewer	2021	8	\$ 2,285,000	\$ 1,055,000	\$ 109,063	\$ 1,164,063	\$ 120,000	\$ 24,875	\$ 144,875
5	2003 Cap Imp	City Hall	GO LT	34	General Fund	2024	11	\$ 2,950,000	\$ 2,200,000	\$ 584,633	\$ 2,784,633	\$ 125,000	\$ 87,038	\$ 212,038
6	2005 WS Refunding	Refund WS	Revenue	94	Water & Sewer	2028	15	\$ 6,285,000	\$ 4,575,000	\$ 864,331	\$ 5,439,331	\$ 470,000	\$ 174,345	\$ 644,345
7	2006 SRF	WWTP	Revenue	94	Water & Sewer	2027	14	\$ 2,757,270	\$ 2,012,270	\$ 250,035	\$ 2,262,305	\$ 130,000	\$ 32,699	\$ 162,699
8	2010 SRF	CSO	Revenue	94	Water & Sewer	2031	18	\$ 705,000	\$ 650,000	\$ 157,125	\$ 807,125	\$ 30,000	\$ 15,875	\$ 45,875
9	2010 DWRF	CSO	Revenue	94	Water & Sewer	2031	18	\$ 465,000	\$ 425,000	\$ 103,438	\$ 528,438	\$ 20,000	\$ 10,375	\$ 30,375
10	2010 Cap Imp	Various	GO LT	34	W&S, Cl, St	2031	18	\$ 5,800,000	\$ 5,380,000	\$ 2,313,085	\$ 7,693,085	\$ 215,000	\$ 210,135	\$ 425,135
11	2010 DDA Refunding	Streetscape	DDA LT	197	DDA	2020	7	\$ 1,075,000	\$ 860,000	\$ 107,925	\$ 967,925	\$ 115,000	\$ 25,863	\$ 140,863
12	2011 SRF	CSO	Revenue	94	Water & Sewer	2032	19	\$ 1,485,000	\$ 1,425,000	\$ 365,813	\$ 1,790,813	\$ 60,000	\$ 34,875	\$ 94,875
13	2011 DWRF	CSO	Revenue	94	Water & Sewer	2032	19	\$ 775,000	\$ 745,000	\$ 190,563	\$ 935,563	\$ 30,000	\$ 18,250	\$ 48,250
TOTAL								\$29,322,270	\$20,647,270	\$5,131,433	\$25,778,703	\$1,620,000	\$666,951	\$2,286,951

Type of Bond Debt	Total Principal	Total Interest	Total Debt Service
Revenue	\$ 9,957,270	\$ 1,938,504	\$ 11,895,774
General Obligation	\$ 9,560,000	\$ 3,070,736	\$ 12,630,736
Michigan Transportation Fund	\$ 270,000	\$ 14,268	\$ 284,268
Downtown Development	\$ 860,000	\$ 107,925	\$ 967,925
Total	\$20,647,270	\$5,131,433	\$25,778,703

Total Existing Bond Debt by Fiscal Year

	Principal	Interest	Total
2013	\$ -	\$ -	\$ -
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
Total	\$20,647,270	\$5,131,433	\$25,778,703



2013-2014 Budget

Outstanding Bank\Other Debt

As of 7/01/2012

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	2013-2014 Principal Payments	2013-2014 Interest Payments	2013-2014 Total Payments
1	Renaissance Park	Economic Dev	StateLoan	n/a	General Fund	2022	9	\$ 102,000	\$ 50,543	\$ -	\$ 50,543	\$ 5,616	\$ -	\$ 5,616
2	Fire Pumper	Public Safety	IPA	99	Motor Pool	2014	1	\$ 206,771	\$ 24,012	\$ 838	\$ 24,850	\$ 24,012	\$ 838	\$ 24,850
3									\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Ramsdell Roof	Ramsdell	IPA	99	Cap Imp	2017	4	\$ 425,000	\$ 227,944	\$ 17,776	\$ 245,720	\$ 61,576	\$ 8,304	\$ 69,880
5	Bucket Truck	Motor Pool	IPA	99	Motor Pool	2014	1	\$ 60,000	\$ 15,825	\$ 562	\$ 16,386	\$ 15,825	\$ 562	\$ 16,386
6	Marina Building	Marina	IPA	99	CapImp\Marina	2026	13	\$ 380,000	\$ 339,201	\$ 81,823	\$ 421,023	\$ 21,396	\$ 10,990	\$ 32,386
7	Marina Building	Marina	Internal	n/a	Marina	2021	8	\$ 249,851	\$ 249,851	\$ 25,887	\$ 275,738	\$ 24,631	\$ 6,007	\$ 30,638
8	Arthur St. Launch	Boat Launch	Internal	n/a	Boat Launch	2018	5	\$ 135,000	\$ 98,336	\$ 6,034	\$ 104,370	\$ 18,889	\$ 1,985	\$ 20,874
9	Ramsdell HVAC	Ramsdell	IPA	99	Cap Imp	2027	14	\$ 1,250,000	\$ 1,153,252	\$ 317,573	\$ 1,470,825	\$ 67,477	\$ 41,473	\$ 108,950
TOTAL								\$ 2,808,622	\$ 2,158,963	\$ 450,492	\$ 2,609,455	\$ 239,421	\$ 70,158	\$ 309,580

Type of Debt	Total Principal	Total Interest	Total Debt Service
State of MI	\$ 50,543	\$ -	\$ 50,543
Installment Purchase	\$ 1,760,233	\$ 418,571	\$ 2,178,805
Internal	\$ 348,187	\$ 31,921	\$ 380,107
Total	\$ 2,158,963	\$ 450,492	\$ 2,609,455

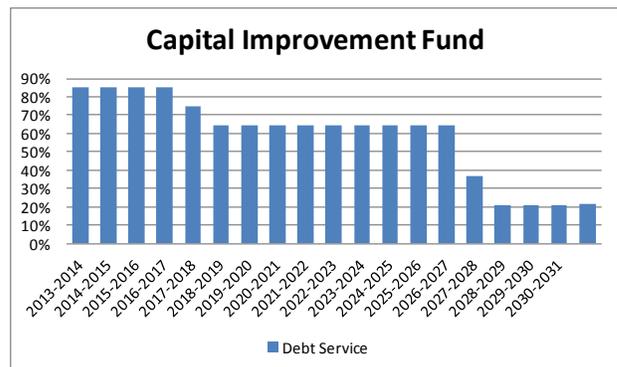
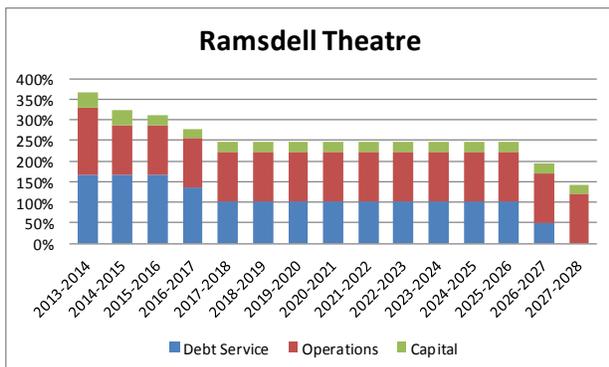
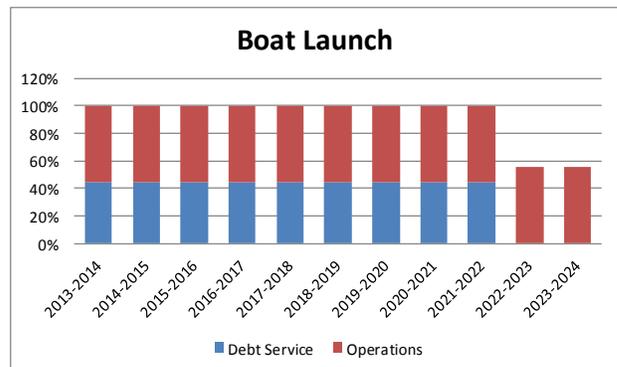
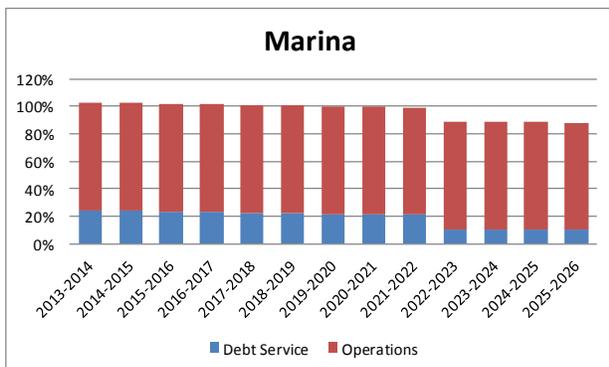
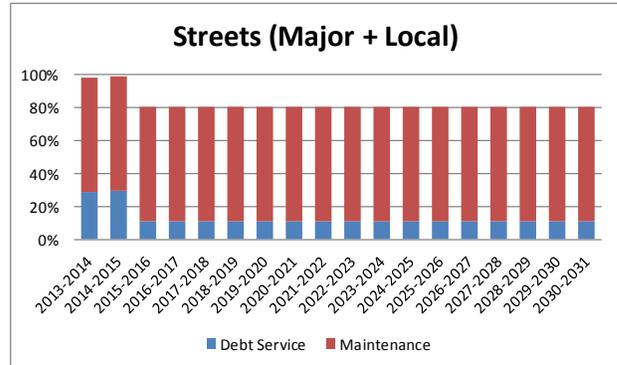
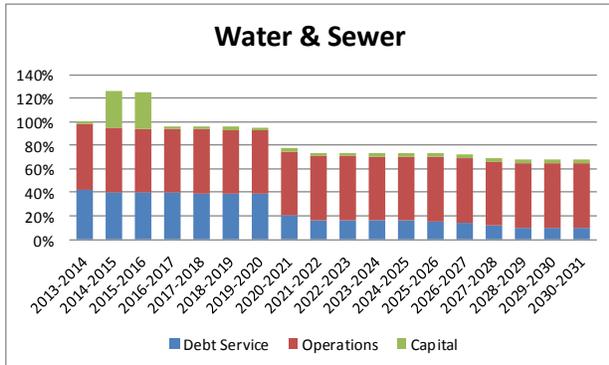
Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
General Fund	\$ 50,543	\$ -	\$ 50,543
Motor Pool	\$ 39,837	\$ 1,400	\$ 41,236
Marina	\$ 249,851	\$ 25,887	\$ 275,738
Boat Launch	\$ 98,336	\$ 6,034	\$ 104,370
Capital Improvement	\$ 1,720,397	\$ 417,172	\$ 2,137,568
Total	\$ 2,158,963	\$ 450,492	\$ 2,609,455

Total Existing Bank\Other Debt by FY			
	Principal	Interest	Total
2012	\$ -	\$ -	\$ -
2013	\$ 240,385	\$ 69,195	\$ 309,580
2014	\$ 207,154	\$ 61,190	\$ 268,344
2015	\$ 213,989	\$ 54,355	\$ 268,344
2016	\$ 187,131	\$ 47,413	\$ 234,544
2017	\$ 156,086	\$ 42,377	\$ 198,464
2018	\$ 139,844	\$ 37,746	\$ 177,590
2019	\$ 144,205	\$ 33,385	\$ 177,590
2020	\$ 148,714	\$ 28,876	\$ 177,590
2021	\$ 153,375	\$ 24,215	\$ 177,590
2022	\$ 121,941	\$ 19,395	\$ 141,336
2023	\$ 126,305	\$ 15,031	\$ 141,336
2024	\$ 130,826	\$ 10,510	\$ 141,336
2025	\$ 135,509	\$ 5,827	\$ 141,336
2026	\$ 53,499	\$ 976	\$ 54,475
Total	\$ 2,158,963	\$ 450,492	\$ 2,609,455

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Obligated Funds

The City has obligated a large amount of funds in future years to fund recent capital investments. These obligations need to be recognized and it needs to be understood that the payback of them will limit future capital projects, as well as making cash flow management extremely important moving forward. The charts below show the percent of annual operating revenue obligated.



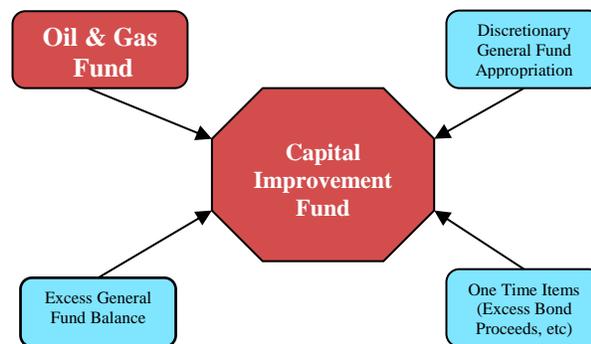
Capital Improvement Fund

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 2012 audit, the general fund is at the 20% threshold, so no transfer will occur in FY 2013.



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 three years ago, annual revenue would be \$300,000+ 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 Fifth 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 now committed out multiple years through financing mechanisms such as installment purchase contracts. As a result, the number and size of future projects will necessarily be impacted.

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Construction Projects

Like 2012, 2013 will be very busy with construction projects. However, the scope and cost of projects will be much reduced from those the last several years. Nonetheless, the projects scheduled are extremely important to the City.

The projects for the upcoming year are:

Kosciusko Street Upgrade
First Street Beach House
Fish Cleaning Station
Rotary Park Playground
Ramsdell Green Room\Substage

As previously discussed, the long term commitments in all City funds due to the pace of construction in recent years will limit the number and scope of capital projects for the next several years.

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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 is currently 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 theatre still has not been completely renovated. Ballpark estimates of work remaining to be done are around \$500,000. The City has recently made substantial investments in the building. The Theatre roof and other areas of the building envelope were addressed in the fall of 2009 at a cost of \$485,000. The HVAC system was completely replaced in the fall of 2011 at a cost of \$1,260,000. Other improvements include the addition of a projector to show movies in the theatre, upgrading the sound system to stereo and renovation of classrooms downstairs. Each of these projects is being funded through the capital improvement fund. The remaining areas of the building that need completing:

- Green room reconfiguration
- Concession area
- Dressing rooms and substage
- Subtheatre floor

Handicap accessible elevator access

The Capital Improvement plan lists these areas and the Capital Improvement fund budget includes money for completing the green room reconfiguration and some substage work.

From an operational standpoint, 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 an 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.

Therein lies the fundamental dilemma of the Ramsdell: An irreplaceable community asset that has widespread support but is not an essential government service and requires heavy, ongoing taxpayer support.

The RGA recently presented a Ramsdell Theatre White Paper to Council in which it made two key recommendations:

- **Make a three-year commitment to fund an Executive Director**
- **Encourage continued exploration of strategic partnerships**

The proposed budget includes funds to hire a Ramsdell Theatre Executive Director. It is funded by an additional \$60,000 contribution from the general fund. The RGA will determine whether this will be an employee or a contractual position and will be responsible for the hiring\contracting of the position.

The RGA is also actively pursuing collaboration with the Vogue Theatre and West Shore Community College.

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). It also has two non-union groups, Department Directors and Non-Supervisory. Collective Bargaining Agreements are in place for all four unions, as shown.

Employee Group	Number of Employees	Contract Expiration
POAM	8	June 30, 2015
COAM	3	June 30, 2015
IAFF	8	June 30, 2015
USW	21	June 30, 2014
Supervisory	7	n/a
General	9	n/a
Manager	1	n/a
Total	57	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 increase in the number of employees of .5; from 56.5 to 57. This is comprised of the creation of the Deputy Building Inspector, a Ramsdell Theatre Executive Director, and the elimination of three permanent part-time staff.

Wages

Employee group wages are adjusted annually on July 1, and are adopted as part of the overall budget. Each existing Union group 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.

Non-union groups have a wage and step scale based on a compensation and classification study done several years ago. The step component of the schedule has not been fully used for several years because of financial conditions.

To account for inflation, each wage scale 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 2.4%.

In this year’s budget, Administration is proposing a modest wage increase of 1% for all employees. The actual wage increase for Union employees is being negotiated, as each contract has a wage re-opener. However, step increases are included. Non-union employees not at the top of their scale receive a partial step this year. City Clerk Michelle Wright will receive an adjustment to achieve parity with department head peers which she has lagged behind since the economic downturn started. This was discussed and agreed to last year by City Council. Final wages will require the POAM, COAM, IAFF, USW and GELC to agree to them in collective bargaining negotiations. The extreme financial challenges brought about by the continued erosion of taxable value 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 100.3%, which is very strongly funded; in the top 10% of all MERS plans. This percentage has generally declined over time, as is expected actuarially, and also because of the recent market performance. The table below shows relevant pension information.

Division	Percent Funded	Normal Cost	Required Minimum	Budgeted Contribution
01 Non-Union	93.9%	5.10%	7.29%	7.29%
02 POAM	101.0%	10.68%	10.28%	10.28%
05 IAFF	84.1%	9.64%	18.13%	18.13%
10 USW	117.0%	0.00%	0.00%	0.00%
USW New	100.0%	2.17%	2.17%	2.17%
20 COAM	117.4%	10.07%	2.79%	2.79%
Overall	100.3%			

Recent benchmarking shows that the City pension 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 generally 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 about \$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. Recent laws passed at the State level may significantly impact this area moving forward.

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. This cost sharing formula resulted in a USW arbitration case which was decided in the City's favor.

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, 2011 City non-union staff switched to a very high deductible plan with an HRA. The estimated savings to the City are over \$100,000. This plan was also implemented with all of the Union groups effective October 1. The budget assumes this plan and the cost sharing formula remain in place. Recent laws passed at the State & Federal level may significantly impact Healthcare.

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. New laws passed by the Legislature will put even more financial burden on our employees.

Issue Page

Interfund Activity

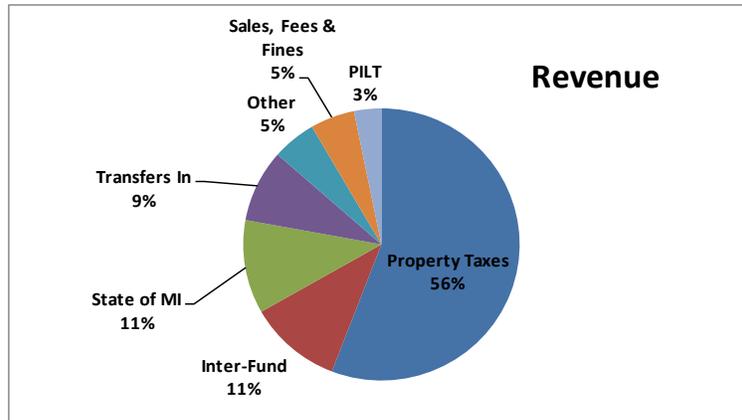
There is considerable interaction among the various accounting funds of the City. The following table shows the transfers, reimbursements and charges that have been budgeted.

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	<u>Reason</u>
<u>Operating Transfers</u>			
Oil & Gas	Water & Sewer	\$ 342,308	Transfer investment earnings in
Water & Sewer	Capital Improvement	\$ 342,308	Transfer investment earnings out
Oil & Gas	Water & Sewer	\$ 125,000	Operating Subsidy
General	Ramsdell Theatre	\$ 47,000	Operating subsidy
<u>Charge for Services</u>			
General	Motor Pool	\$ 180,450	Lease of equipment
Water & Sewer	Motor Pool	\$ 105,000	Lease of equipment
Building Inspector	General	\$ 15,000	Reimbursement
Boat Ramps	General	\$ 9,800	Administration
Local Street	General	\$ 81,000	Reimbursement
Major Street	General	\$ 206,000	Reimbursement
Marina	General	\$ 14,800	Administration
Refuse	General	\$ 16,800	Reimburse for trash haul
Refuse	General	\$ 21,000	Reimburse for yard waste
Refuse	General	\$ 29,600	Administration
Water & Sewer	General	\$ 236,900	Administration
<u>Debt Service</u>			
Capital Improvement	General	\$ 71,980	2010 CI Bond
Major Street	Local Street	\$ 80,629	2010 CI Bond In
Local Street	General	\$ 80,629	2010 CI Bond Out
Water & Sewer	General	\$ 272,526	2010 CI Bond
Capital Improvement	Marina	\$ 40,000	Assist Marina Debt Service
Capital Improvement	Ramsdell	\$ 178,830	Assist Debt Service
Boat Launch	Oil & Gas	\$ 14,536	Internal Loan Pmt
Marina	Oil & Gas	\$ 30,638	Internal Loan Pmt

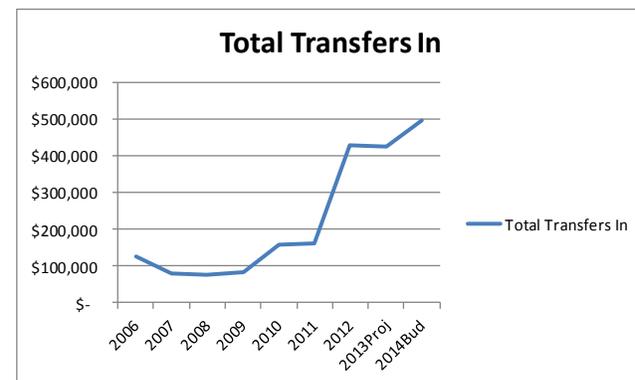
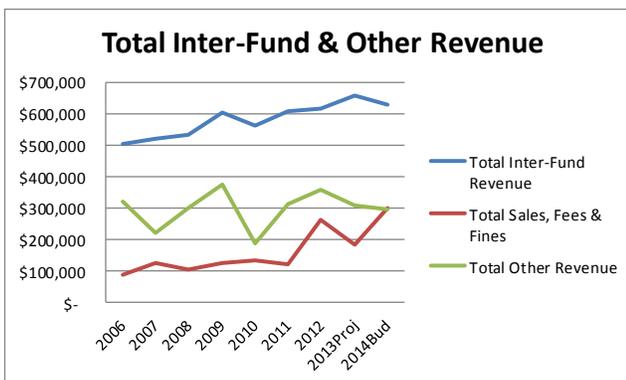
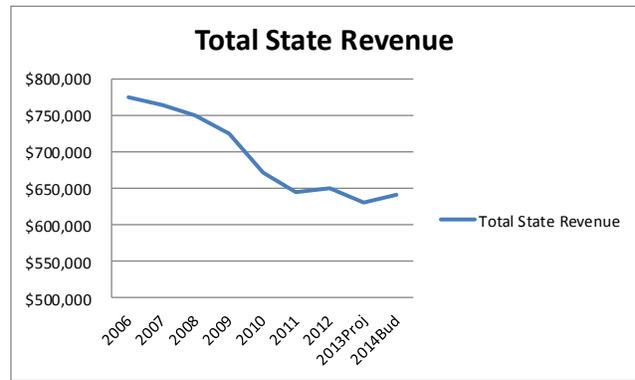
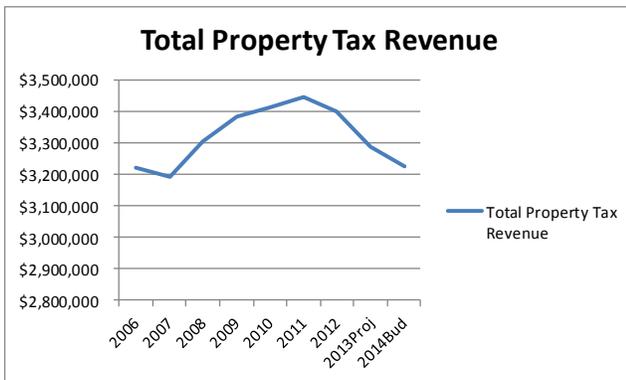
General Fund

Revenue

General Fund revenues come from a variety of sources. Property taxes account for about 60% of the budget, with the remaining coming from the State of Michigan, various charge for services, interest income and miscellaneous other items.



Trends in revenue are shown in the graphs below



Revenue Assumptions & Notes

Total Property Tax Revenue	decreased	(\$63,350)	-1.9%
Total Service Fees	increased	\$15,038	8.9%
Total State Revenue	increased	\$23,885	3.9%
Total Inter-Fund Revenue	decreased	(\$26,599)	-4.0%
Total Sales, Fees & Fines	increased	\$67,500	29.1%
Total Other Revenue	increased	\$8,984	3.1%
Total Transfers In	increased	\$47,750	10.6%
TOTAL REVENUES	increased	\$73,207	1.3%

Overall Revenue: Total revenue increased from the prior year budget. Continuing property tax declines and reduced admin fees from the water and sewer utility were offset partially by higher EMS transport revenue, state revenue, service fees and contribution from fund balance. Without the increased ALS transport revenue, general fund revenue would show a significant decline impacting services provided.

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 1.75%. The impact of this on City taxes was a reduction of over \$63,000.

Service Fee Revenue: Service fee revenue increased from the prior year budget. This revenue relates to the service fees 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 a new payment for the Manistee Place LTD development.

State of Michigan Revenue: State revenue increased from the prior year budget. This category includes revenue sharing, EVIP, liquor license fees and state grants. The combination of constitutional revenue sharing and (EVIP) increased \$75,000 over last year’s budget. The continuous year over year cuts in this area appear to have subsided for now, and this category is starting to show modest growth.

Inter-Fund Revenue: Inter-fund revenue decreased from the prior year. This category includes various reimbursements to the General Fund for personnel, equipment and administration. The decrease in this category is primarily due to downward adjustments in the allocation of administrative staff time to the water & sewer utility, now that there is a full-time utility director in place.

Sales, Fees & Fines: Sales, fees and fines increased from the prior year budget. This is the result of moving fully to Advanced Life Support Transport service and the resulting increased fees, and a mowing contract with the Manistee Housing Commission. Fines and forfeits declined because of fewer road patrol hours.

Other Revenue: Other revenue increased from the prior year budget. This category includes interest income, franchise fees, reimbursement, lease income, refunds and the like. The increase is due to primarily to increased franchise fee income.

Transfers In: Transfers in increased. The increase is the result of committing some general fund reserves to hire an executive director for the Ramsdell Theatre and possibly fund additional paramedic training. See *General Fund Financial Reserves Issue page Pg. 14*.

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

Budget as recommended Budget with changes

Changes:



2013-2014 Budget

REVENUES	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
402.000 Real & Pers Prop Tax	\$ 3,082,077	\$ 2,924,037	\$ 2,925,000	\$ 2,863,753	\$ 2,863,753	\$ (60,284)	-2.1%
411.000 Delinquent Real Prop Tax	\$ 168,064	\$ 220,381	\$ 220,000	\$ 215,698	\$ 215,698	\$ (4,683)	-2.1%
420.000 Delinquent Pers Prop Tax	\$ 14,635	\$ 8,148	\$ 8,000	\$ 12,188	\$ 12,188	\$ 4,039	49.6%
445.000 Tax Penalties & Interest	\$ 35,465	\$ 37,380	\$ 37,000	\$ 36,660	\$ 36,660	\$ (720)	-1.9%
447.000 Tax Administration Fee	\$ 99,018	\$ 97,901	\$ 97,000	\$ 96,200	\$ 96,200	\$ (1,701)	-1.7%
Total Property Tax Revenue	\$ 3,399,259	\$ 3,287,848	\$ 3,287,000	\$ 3,224,498	\$ 3,224,498	\$ (63,350)	-1.9%
640.000 Service Fees	\$ 172,397	\$ 169,125	\$ 170,000	\$ 184,163	\$ 184,163	\$ 15,038	8.9%
Total Service Fees	\$ 172,397	\$ 169,125	\$ 170,000	\$ 184,163	\$ 184,163	\$ 15,038	8.9%
501.000 Federal Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
539.000 State Grant Revenue	\$ 51,182	\$ 14,500	\$ 12,000	\$ 19,000	\$ 19,000	\$ 4,500	31.0%
539.002 Crim Just Training Grant	\$ 2,357	\$ 2,700	\$ 2,500	\$ 2,500	\$ 2,500	\$ (200)	
574.000 State Share Liquor Tax	\$ 8,553	\$ 8,300	\$ 8,500	\$ 8,600	\$ 8,600	\$ 300	3.6%
575.000 State Shared Revenue	\$ 445,402	\$ 449,369	\$ 458,000	\$ 458,454	\$ 458,454	\$ 9,085	2.0%
575.001 State EVIP	\$ 142,848	\$ 142,860	\$ 150,000	\$ 153,060	\$ 153,060	\$ 10,200	7.1%
Total State Revenue	\$ 650,341	\$ 617,729	\$ 631,000	\$ 641,614	\$ 641,614	\$ 23,885	3.9%
627.000 Charge for Serv - Bldg. Insp.	\$ 10,000	\$ 10,000	\$ 10,000	\$ 15,000	\$ 15,000	\$ 5,000	50.0%
628.000 Charge for Serv - Boat Ramp	\$ 9,000	\$ 9,500	\$ 9,500	\$ 9,800	\$ 9,800	\$ 300	3.2%
630.000 Charge for Serv - Local St.	\$ 75,000	\$ 80,000	\$ 80,000	\$ 81,000	\$ 81,000	\$ 1,000	1.3%
631.000 Charge for Serv - Major St.	\$ 189,000	\$ 202,000	\$ 202,000	\$ 206,000	\$ 206,000	\$ 4,000	2.0%
632.000 Charge for Serv - Marina	\$ 13,000	\$ 14,000	\$ 14,000	\$ 14,800	\$ 14,800	\$ 800	5.7%
634.000 Charge for Serv - Refuse	\$ 69,500	\$ 65,000	\$ 65,000	\$ 67,400	\$ 67,400	\$ 2,400	3.7%
635.000 Charge for Serv - W&S	\$ 248,000	\$ 277,000	\$ 277,000	\$ 236,900	\$ 236,900	\$ (40,100)	-14.5%
Total Inter-Fund Revenue	\$ 613,500	\$ 657,499	\$ 657,499	\$ 630,900	\$ 630,900	(\$26,599)	-4.0%
450.000 Business Registration	\$ 1,500	\$ 1,500	\$ 1,000	\$ 1,500	\$ 1,500	\$ -	0.0%
485.000 Permits	\$ 8,471	\$ 7,500	\$ 7,500	\$ 8,000	\$ 8,000	\$ 500	6.7%
626.000 Charge for Service	\$ 52,772	\$ 25,000	\$ 25,000	\$ 49,000	\$ 49,000	\$ 24,000	96.0%
629.000 Charge for Serv - Inspections	\$ 6,750	\$ 11,000	\$ 11,000	\$ 10,000	\$ 10,000	\$ (1,000)	-9.1%
636.000 Charge for Serv - Transport	\$ 83,042	\$ 145,000	\$ 110,000	\$ 201,000	\$ 201,000	\$ 56,000	
642.000 Sales	\$ 84,072	\$ 2,200	\$ 7,000	\$ 4,200	\$ 4,200	\$ 2,000	90.9%
655.000 Fines & Forfeits	\$ 24,513	\$ 40,000	\$ 24,000	\$ 26,000	\$ 26,000	\$ (14,000)	-35.0%
Total Sales, Fees & Fines	\$ 261,120	\$ 232,200	\$ 185,500	\$ 299,700	\$ 299,700	\$ 67,500	29.1%

	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
490.000 Franchise Fees	\$ 91,301	\$ 88,500	\$ 93,000	\$ 97,000	\$ 97,000	\$ 8,500	9.6%
570.000 Local Grants	\$ 2,300	\$ -	\$ -	\$ -	\$ -		
664.000 Interest Income	\$ 1,953	\$ 1,937	\$ 3,000	\$ 3,586	\$ 3,586	\$ 1,649	85.1%
667.000 Rental Income	\$ 4,150	\$ 4,500	\$ 4,500	\$ 4,600	\$ 4,600	\$ 100	2.2%
668.000 Riverfront Lease Income	\$ 21,412	\$ 24,122	\$ 20,844	\$ 20,844	\$ 20,844	\$ (3,278)	-13.6%
671.000 Other Revenue	\$ 150	\$ 1,000	\$ 250	\$ 500	\$ 500	\$ (500)	-50.0%
674.000 Contributions\Donations	\$ 14,846	\$ 1,000	\$ 16,000	\$ 1,000	\$ 1,000	\$ -	0.0%
676.000 Reimbursements	\$ 180,148	\$ 133,750	\$ 146,000	\$ 141,263	\$ 141,263	\$ 7,513	5.6%
687.000 Refunds	\$ 36,501	\$ 23,000	\$ 23,000	\$ 23,000	\$ 23,000	\$ -	0.0%
688.000 Refunds - W.C. Premium	\$ 5,339	\$ 10,000	\$ 700	\$ 5,000	\$ 5,000	\$ (5,000)	-50.0%
695.000 Insurance Settlement	\$ -	\$ -	\$ 100	\$ -	\$ -	\$ -	
Total Other Revenue	\$ 358,100	\$ 287,809	\$ 307,394	\$ 296,793	\$ 296,793	\$ 8,984	3.1%
699.000 Operating Transfer In	\$ 428,585	\$ 424,385	\$ 424,385	\$ 425,135	\$ 425,135	\$ 750	0.2%
Contribution from Fund Balance		\$ 25,000	\$ -	\$ 72,000	\$ 72,000	\$ 47,000	188.0%
Total Transfers In	\$ 428,585	\$ 449,385	\$ 424,385	\$ 497,135	\$ 497,135	\$ 47,750	10.6%
TOTAL REVENUES	\$ 5,883,302	\$ 5,701,596	\$ 5,662,778	\$ 5,774,803	\$ 5,774,803	\$ 73,207	1.28%

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

Total Costs	increased	\$665	1.4%
Employee Costs	increased	\$4	0.0%
Operational Costs	increased	\$661	3.9%

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

Employee Costs: Employee costs increased 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. Travel and training was increased to accommodate Council training preferences.

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

- Budget as recommended Budget with changes

Changes:

101 Legislative	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 27,052	\$ 27,052	\$ 27,052	\$ 27,052	\$ 27,052	\$ -	0.0%
712.001 Costs - Social Security	\$ 1,677	\$ 1,677	\$ 1,677	\$ 1,677	\$ 1,677	\$ -	0.0%
712.002 Costs - Medicare	\$ 392	\$ 392	\$ 392	\$ 392	\$ 392	\$ -	0.0%
712.007 SUTA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.009 Costs - Work Comp	\$ 55	\$ 69	\$ 69	\$ 73	\$ 73	\$ 4	5.3%
Employee Costs	\$ 29,176	\$ 29,191	\$ 29,190	\$ 29,194	\$ 29,194	\$4	0.0%
728.000 Office/Operating	\$ 2,909	\$ 10,865	\$ 10,865	\$ 11,026	\$ 11,026	\$ 161	1.5%
860.000 Travel & Training	\$ 6,092	\$ 6,250	\$ 6,250	\$ 6,750	\$ 6,750	\$ 500	8.0%
Operating Costs	\$ 9,001	\$ 17,115	\$ 17,115	\$ 17,776	\$ 17,776	\$661	3.9%
TOTAL LEGISLATIVE	\$ 38,177	\$ 46,306	\$ 46,305	\$ 46,970	\$ 46,970	\$665	1.4%

General Fund

Manager

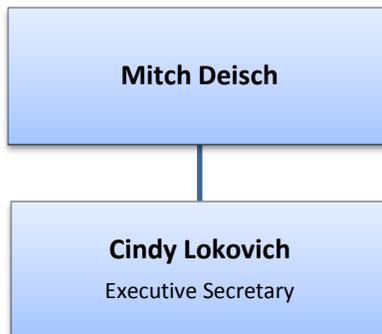


Mitch Deisch is the City Manager for the City of Manistee. He has been with the City for 12 years.

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

Total Costs	increased	\$4,149	2.0%
Employee Costs	increased	\$5,279	2.9%
Operational Costs	decreased	(\$1,130)	-5.1%

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

Employee Costs: Employee costs increased from the prior budget. The budget assumes a modest wage increase, continued cost sharing on health insurance, increased pension costs and decreased unemployment insurance cost. The City Manager opts out of the City health care plan which reduces the overall cost to the City.

Operational Costs: Operational costs decreased from the prior year budget. Operating expenses were reduced in several areas.

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

- Budget as recommended Budget with changes

Changes:



2013-2014 Budget

172 Manager	Year to Year						
	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Budget Difference	Percent Change
702.000 Salaries	\$ 136,900	\$139,848	\$139,848	\$143,755	\$143,755	\$3,907	2.8%
703.000 Longevity	\$ -	\$0	\$0	\$0	\$0	\$0	
704.000 Overtime	\$ 33	\$0	\$0	\$0	\$0	\$0	
706.000 Part-Time	0	\$0	\$0	\$0	\$0	\$0	
708.000 V\H Sell	\$ -	\$0	\$0	\$0	\$0	\$0	
712.001 Costs - Social Security	\$ 9,670	\$9,880	\$9,880	\$10,185	\$10,185	\$306	3.1%
712.002 Costs - Medicare	\$ 2,261	\$2,311	\$2,311	\$2,382	\$2,382	\$72	3.1%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$0	
712.005 Costs - MERS	\$ 15,019	\$15,045	\$15,045	\$16,011	\$16,011	\$966	6.4%
712.006 Costs - In Lieu of BC/BS	\$ 4,010	\$4,454	\$4,454	\$4,515	\$4,515	\$61	1.4%
712.007 Costs - SUTA	\$ 716	\$716	\$716	\$500	\$500	(\$217)	-30.2%
712.009 Costs - Work Comp	\$ 528	\$577	\$577	\$608	\$608	\$31	5.3%
712.010 Costs - Blue Cross Insurance	\$ 8,623	\$9,305	\$9,305	\$9,446	\$9,446	\$141	1.5%
712.011 Costs - Life Insurance	\$ 607	\$447	\$447	\$460	\$460	\$13	2.9%
712.012 Costs - HRA Payments/Fees	\$ 3,770	\$2,343	\$2,343	\$2,343	\$2,343	\$0	0.0%
Employee Costs	\$182,138	\$184,925	\$184,926	\$190,204	\$190,204	\$5,279	2.9%
728.000 Operating Expense	\$ 2,080	\$ 4,300	\$ 4,300	\$ 3,600	\$ 3,600	\$ (700)	-16.3%
735.000 Periodicals & Publications	\$ 147	\$ 150	\$ 150	\$ 150	\$ 150	\$ -	0.0%
801.000 Professional Services	\$ -	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.0%
831.000 Contractual Repairs & Maint.	\$ 792	\$ 1,200	\$ 1,200	\$ 1,000	\$ 1,000	\$ (200)	-16.7%
860.000 Travel & Training Expense	\$ 2,467	\$ 3,300	\$ 3,300	\$ 3,300	\$ 3,300	\$ -	0.0%
865.000 Vehicle Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
870.000 Memberships & Dues	\$ 1,058	\$ 1,180	\$ 1,180	\$ 1,200	\$ 1,200	\$ 20	1.7%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$0	\$0	\$0	\$0	\$ -	
900.000 Printing & Publishing	0	\$ -	\$ -	\$ -	\$ -	\$ -	
930.000 Repairs & Maintenance	0	\$ -	\$ -	\$ -	\$ -	\$ -	
957.000 Motor Pool	\$ 9,450	\$ 9,250	\$ 9,250	\$ 9,000	\$ 9,000	\$ (250)	-2.7%
970.000 Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
985.000 Lease Purchase	\$ 832	\$ 2,220	\$ 2,220	\$ 2,220	\$ 2,220	\$ -	0.0%
Operating Costs	\$ 16,826	\$ 22,100	\$ 22,100	\$ 20,970	\$ 20,970	(\$1,130)	-5.1%
TOTAL MANAGER	\$ 198,965	\$ 207,025	\$ 207,026	\$ 211,174	\$ 211,174	\$4,149	2.0%

General Fund

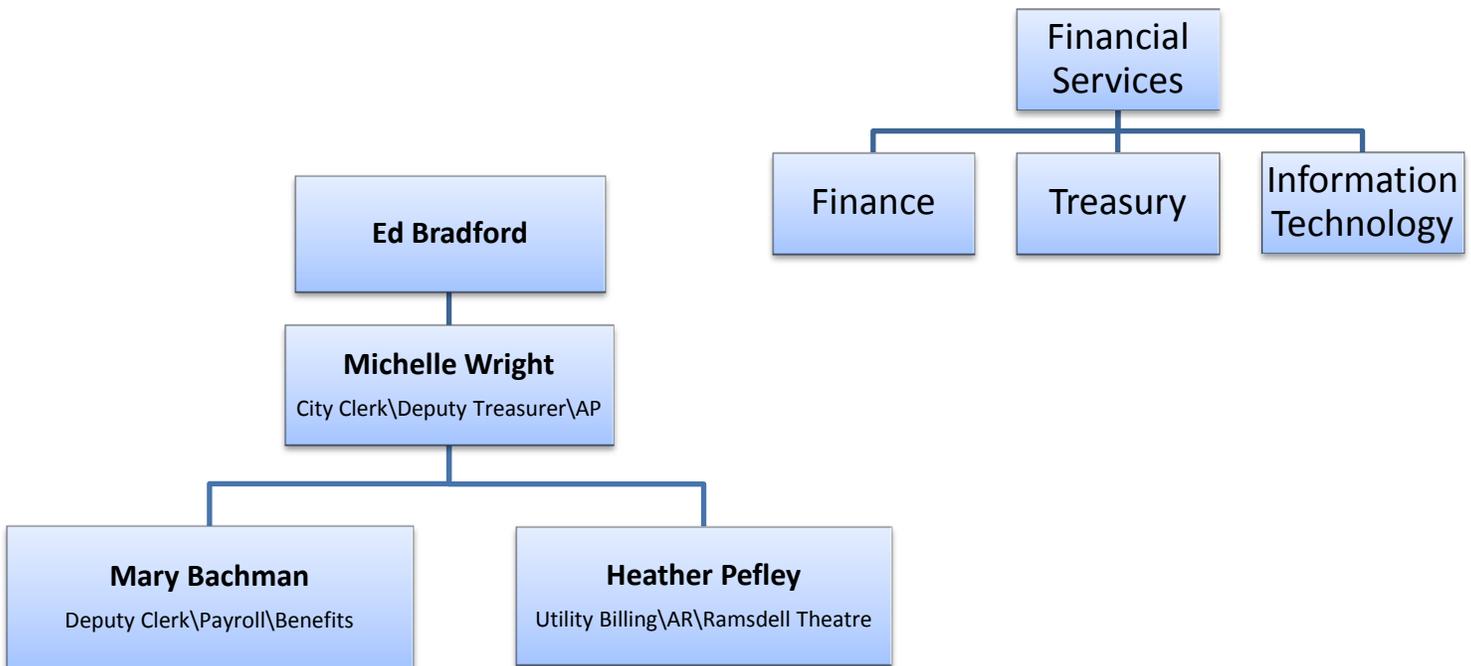
Financial Services

Edward Bradford is the City’s Chief Financial Officer, serving as both Finance Director and Treasurer. He has been with the City for 11 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

Total Costs	increased	\$6,337	3.1%
Employee Costs	increased	\$5,137	3.4%
Operational Costs	increased	\$1,200	2.3%

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

Employee Costs: Employee costs increased from the prior budget. The budget assumes a modest wage increase, continued cost sharing on health insurance, increased pension costs and decreased unemployment insurance cost.

Operational Costs: Operational costs increased from the prior budget. Training costs are up because the A\R Clerk is pursuing some treasury certifications. The cost of annual software maintenance declined because of a prior upgrade. 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:

253 Finance	2012	2013	2013	Manager	Council	Budget	Percent
	Actual	Budget	Projected	Budget	Adopted	Difference	Change
702.000 Salaries	\$ 111,079	\$113,214	\$113,214	\$117,176	\$117,176	\$ 3,962	3.5%
703.000 Longevity	\$ -	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ 1,079	\$500	\$500	\$500	\$500	\$ -	0.0%
706.000 Part-Time	\$ 2,359	\$0	\$0	\$0	\$0	\$ -	
708.000 VAS\H Sellback	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.001 Costs - Social Security	\$ 7,554	\$7,707	\$7,707	\$8,003	\$8,003	\$ 296	3.8%
712.002 Costs - Medicare	\$ 1,767	\$1,802	\$1,802	\$1,872	\$1,872	\$ 69	3.8%
712.004 Costs - ICMA Contribution	\$ 7,952	\$8,035	\$8,035	\$8,317	\$8,317	\$ 281	3.5%
712.005 Costs - MERS	\$ 2,779	\$2,560	\$2,560	\$3,091	\$3,091	\$ 530	20.7%
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.007 Costs - SUTA	\$ 784	\$716	\$716	\$500	\$500	\$ (217)	-30.2%
712.009 Costs - Work Comp	\$ 498	\$469	\$469	\$497	\$497	\$ 28	6.0%
712.010 Costs - Health Insurance	\$ 10,430	\$11,280	\$10,500	\$11,457	\$11,457	\$ 176	1.6%
712.011 Costs - Life Insurance	\$ 496	\$368	\$368	\$379	\$379	\$ 10	2.7%
712.012 Costs - HRA Payments/Fees	\$ 3,257	\$2,877	\$2,877	\$2,877	\$2,877	\$ -	0.0%
Employee Costs	\$ 150,033	\$ 149,530	\$ 148,749	\$ 154,668	\$ 154,668	\$ 5,137	3.4%
728.000 Operating Expense	\$ 3,535	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,800	\$ -	0.0%
735.000 Periodicals & Publications	\$ 1,193	\$ 1,200	\$ 1,200	\$ 1,225	\$ 1,225	\$ 25	2.1%
801.000 Professional Services	\$ 30,641	\$ 31,700	\$ 28,000	\$ 32,500	\$ 32,500	\$ 800	2.5%
831.000 Contractual Repairs & Maint.	\$ 672	\$ 8,000	\$ 7,500	\$ 7,500	\$ 7,500	\$ (500)	-6.3%
860.000 Travel & Training Expense	\$ 3,365	\$ 3,500	\$ 3,500	\$ 4,500	\$ 4,500	\$ 1,000	28.6%
870.000 Memberships & Dues	\$ 435	\$ 430	\$ 430	\$ 605	\$ 605	\$ 175	40.7%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
900.000 Printing & Publishing	\$ 389	\$ 1,000	\$ 600	\$ 700	\$ 700	\$ (300)	-30.0%
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
970.000 Capital Outlay	0	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
985.000 Lease Purchase	\$ 1,440	\$ 1,600	\$ 1,600	\$ 1,600	\$ 1,600	\$ -	0.0%
Operating Costs	\$ 41,670	\$ 52,230	\$ 47,630	\$ 53,430	\$ 53,430	\$1,200	2.3%
TOTAL FINANCE	\$ 191,702	\$ 201,760	\$ 196,379	\$ 208,098	\$ 208,098	\$6,337	3.1%

General Fund

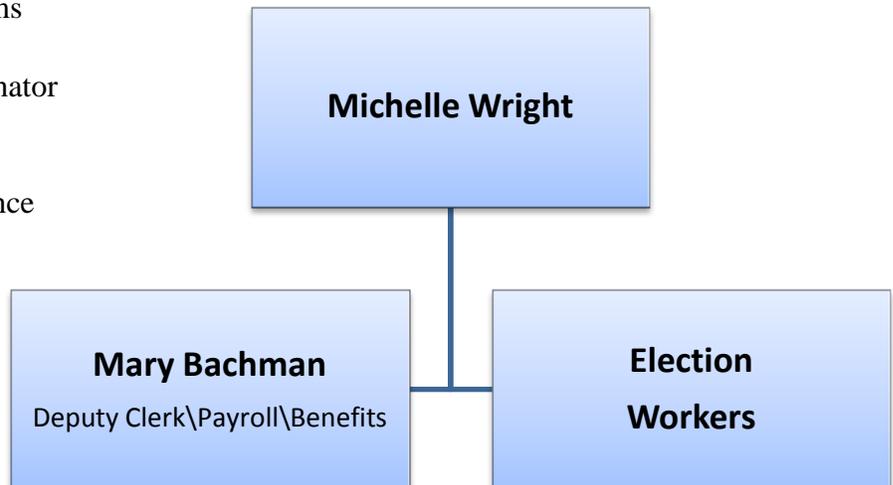
Clerk



Michelle Wright is the Clerk and Deputy Treasurer for the City of Manistee. She has been with the City for 24 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

Total Costs	decreased	(\$8,066)	-4.3%
Employee Costs	decreased	(\$2,428)	-1.6%
Operational Costs	decreased	(\$5,638)	-14.4%

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

Employee Costs: Employee costs decreased from the prior budget. The budget assumes a wage increase, continued cost sharing on health insurance, increased pension costs and decreased unemployment insurance cost. Part-time also decreased based on the number\type of elections.

Operational Costs: Operational costs decreased from the prior year budget. This is based on the number\type of elections.

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

- Budget as recommended Budget with changes

Changes:

215 City Clerk	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 99,235	\$104,945	\$104,945	\$110,244	\$110,244	\$ 5,299	5.0%
703.000 Longevity	\$ -	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ 890	\$1,000	\$1,000	\$1,000	\$1,000	\$ -	0.0%
706.000 Part-Time	\$ 8,083	\$14,000	\$14,000	\$5,000	\$5,000	\$ (9,000)	-64.3%
708.000 V\SH Sellback	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.001 Costs - Social Security	\$ 6,541	\$7,882	\$7,882	\$7,745	\$7,745	\$ (136)	-1.7%
712.002 Costs - Medicare	\$ 1,530	\$1,843	\$1,843	\$1,811	\$1,811	\$ (32)	-1.7%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.005 Costs - MERS	\$ 6,605	\$6,679	\$6,679	\$8,181	\$8,181	\$ 1,501	22.5%
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.007 Costs - SUTA	\$ 716	\$716	\$716	\$500	\$500	\$ (217)	-30.2%
712.009 Costs - Work Comp	\$ 366	\$496	\$496	\$492	\$492	\$ (3)	-0.7%
712.010 Costs - Blue Cross Insurance	\$ 8,623	\$9,305	\$8,700	\$9,446	\$9,446	\$ 141	1.5%
712.011 Costs - Life Insurance	\$ 417	\$329	\$329	\$348	\$348	\$ 19	5.9%
712.012 Costs - HRA Payments/Fees	\$ 4,440	\$2,343	\$1,500	\$2,343	\$2,343	\$ -	0.0%
Employee Costs	\$ 137,446	\$ 149,538	\$ 148,090	\$ 147,110	\$ 147,110	(\$2,428)	-1.6%
728.000 Supplies - Operating	\$ 2,908	\$ 3,600	\$ 3,600	\$ 3,450	\$ 3,450	\$ (150)	-4.2%
735.000 Periodicals & Publications	\$ -	\$ -	\$ -	\$ 150	\$ 150	\$ 150	
740.000 Election Expense	\$ 4,978	\$ 10,643	\$ 9,000	\$ 4,700	\$ 4,700	\$ (5,943)	-55.8%
801.000 Professional Services	\$ 2,566	\$ 3,100	\$ 3,000	\$ 3,100	\$ 3,100	\$ -	0.0%
831.000 Contractual Repairs & Maint.	\$ 7,083	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	0.0%
860.000 Travel & Training Expense	\$ 4,929	\$ 5,200	\$ 5,200	\$ 5,200	\$ 5,200	\$ -	0.0%
870.000 Memberships & Dues	\$ 480	\$ 480	\$ 480	\$ 485	\$ 485	\$ 5	1.0%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
900.000 Printing/Publishing	\$ 6,703	\$ 5,600	\$ 5,600	\$ 5,900	\$ 5,900	\$ 300	5.4%
970.000 Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
985.000 Lease Purchase	\$ 2,940	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
Operating Costs	\$ 32,587	\$ 39,123	\$ 37,380	\$ 33,485	\$ 33,485	(\$5,638)	-14.4%
TOTAL CLERK	\$ 170,033	\$ 188,661	\$ 185,470	\$ 180,595	\$ 180,595	(\$8,066)	-4.3%

General Fund

Assessor



Julie Beardslee is the Assessor for the City of Manistee. She has been with the City for 22 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.

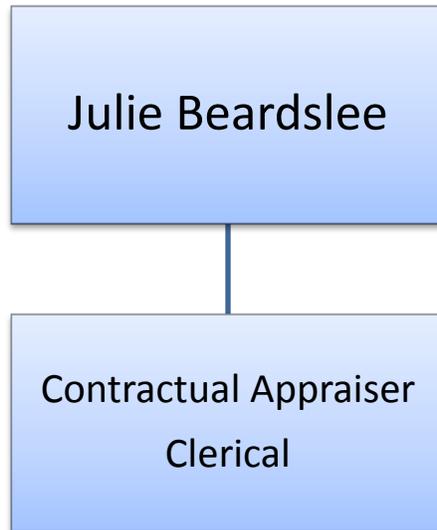
New home or business buyers will experience the taxable value being raised to the level of the state equalized value the year following their purchase of real estate. The cap implemented by Proposal A will then begin again in the second year following purchase and continue until the property sells, not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

General Fund

Assessor

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. The Assessor also administers poverty exemptions.



General Fund

Assessor

Assessor Assumptions & Notes

Total Costs	increased	\$2,249	2.0%
Employee Costs	increased	\$1,734	1.8%
Operational Costs	increased	\$515	3.1%

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

Employee Costs: Employee costs increased from the prior budget. The budget assumes a modest wage increase, continued .1 FTE clerical support and continued cost sharing on health insurance.

Operational Costs: Operational costs increased from the prior year budget. The increase is largely due to software support.

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	2012	2013	2013	Manager	Council	Year to Year		Percent
						Actual	Budget	
702.000 Salaries	\$ 65,358	\$ 66,920	\$ 66,920	\$ 67,857	\$ 67,857	\$	937	1.4%
703.000 Longevity	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
704.000 Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
706.000 Part-Time	\$ 3,194	\$ 2,756	\$ 2,756	\$ 3,120	\$ 3,120	\$	364	13.2%
708.000 VHS Sellback	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
712.001 Costs - Social Security	\$ 4,513	\$ 4,888	\$ 4,888	\$ 4,975	\$ 4,975	\$	87	1.8%
712.002 Costs - Medicare	\$ 1,055	\$ 1,143	\$ 1,143	\$ 1,163	\$ 1,163	\$	20	1.8%
712.004 Costs - ICMA Contribution	\$ 7,284	\$ 7,361	\$ 7,361	\$ 7,464	\$ 7,464	\$	103	1.4%
712.005 Costs - MERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
712.006 Costs - In Lieu of BC/BS	\$ 0	\$ -	\$ -	\$ -	\$ -	\$	-	
712.007 Costs - SUTA	\$ 831	\$ 462	\$ 462	\$ 500	\$ 500	\$	38	8.1%
712.009 Costs - Work Comp	\$ 666	\$ 726	\$ 726	\$ 732	\$ 732	\$	5	0.7%
712.010 Costs - Blue Cross Insurance	\$ 10,430	\$ 11,280	\$ 11,280	\$ 11,457	\$ 11,457	\$	176	1.6%
712.011 Costs - Life Insurance	\$ 380	\$ 265	\$ 265	\$ 269	\$ 269	\$	4	1.4%
712.012 Costs - HRA Payments\Fees	\$ 6,663	\$ 2,877	\$ 2,877	\$ 2,877	\$ 2,877	\$	-	0.0%
Employee Costs	\$ 100,375	\$ 98,679	\$ 98,679	\$ 100,414	\$ 100,414	\$	1,734	1.8%
728.000 Operating Expense	\$ 2,010	\$ 2,050	\$ 2,050	\$ 2,050	\$ 2,050	\$	-	0.0%
735.000 Periodicals & Publications	\$ 914	\$ 1,070	\$ 1,070	\$ 1,180	\$ 1,180	\$	110	10.3%
801.000 Professional Services	\$ 5,960	\$ 7,100	\$ 7,100	\$ 7,100	\$ 7,100	\$	-	0.0%
831.000 Contractual Repairs & Maint	\$ 1,525	\$ 2,040	\$ 2,040	\$ 2,445	\$ 2,445	\$	405	19.9%
860.000 Travel & Training Expense	\$ 1,720	\$ 1,635	\$ 1,635	\$ 1,635	\$ 1,635	\$	-	0.0%
865.000 Vehicle Allowance	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800	\$	-	0.0%
870.000 Memberships & Dues	\$ 310	\$ 560	\$ 560	\$ 560	\$ 560	\$	-	0.0%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
900.000 Printing/Publishing	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
970.000 Capital Outlay	\$ -	\$ 100	\$ 100	\$ 100	\$ 100	\$	-	0.0%
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	
Operating Costs	\$ 14,239	\$ 16,355	\$ 16,355	\$ 16,870	\$ 16,870	\$	515	3.1%
TOTAL ASSESSOR	\$ 114,614	\$ 115,034	\$ 115,034	\$ 117,284	\$ 117,284	\$	2,249	2.0%

General Fund

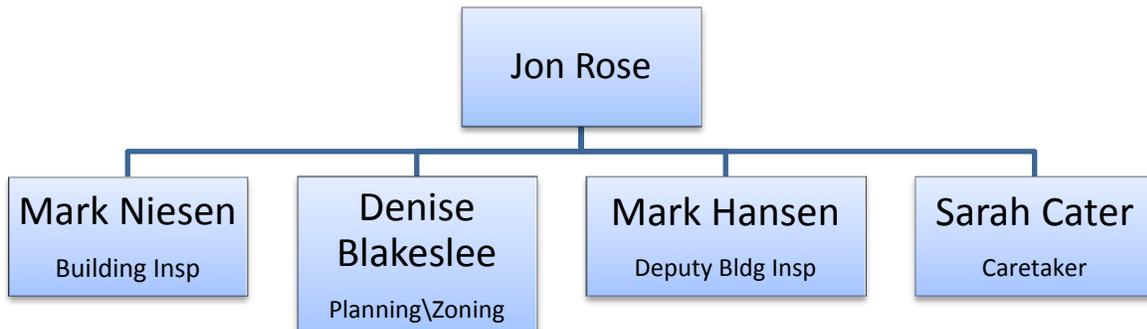
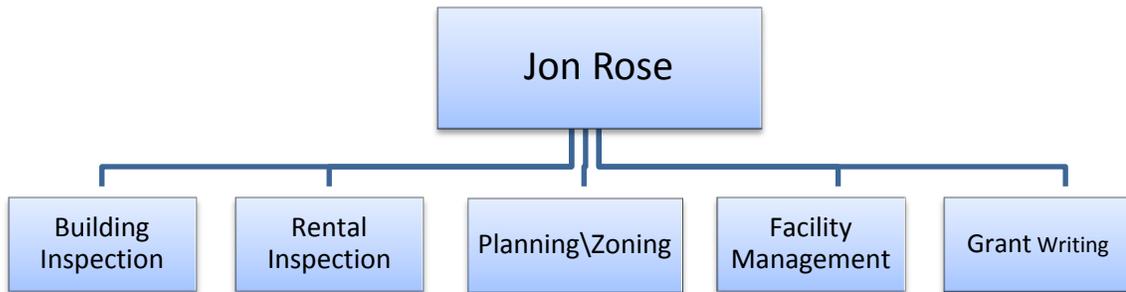
Community Development

Jon Rose is the Community Development Director for the City of Manistee. He has been with the City for 22 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

Total Costs	increased	\$29,747	11.0%
Employee Costs	increased	\$28,847	11.1%
Operational Costs	increased	\$900	8.1%

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

Employee Costs: Employee costs increased from the prior budget. The budget assumes hiring a deputy building inspector (see *Deputy Building Inspector Issue Page* Pg.15). The budget also assumes a modest wage increase, continued cost sharing on health insurance, increased pension costs and decreased unemployment insurance cost.

Operational Costs: Operational costs increased from the prior year. Software maintenance increased and the building inspector vehicle allowance increased from \$150 to \$200 per month.

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

- Budget as recommended Budget with changes

Changes:

Community Development	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
748 Community Development							
702.000 Salaries	\$ 167,932	\$170,530	\$170,530	\$208,011	\$208,011	\$ 37,480	22.0%
703.000 Longevity	\$ -	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ -	\$750	\$750	\$750	\$750	\$ -	0.0%
706.000 Part-Time	\$ 26,699	\$25,990	\$23,000	\$0	\$0	\$ (25,990)	-100.0%
708.000 V\SIH Sellback	\$ 1,384	\$0	\$0	\$0	\$0	\$ -	
712.001 Costs - Social Security	\$ 12,901	\$13,399	\$13,000	\$14,287	\$14,287	\$ 888	6.6%
712.002 Costs - Medicare	\$ 3,017	\$3,134	\$3,000	\$3,341	\$3,341	\$ 208	6.6%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.005 Costs - MERS	\$ 11,034	\$10,791	\$10,791	\$13,564	\$13,564	\$ 2,773	25.7%
712.006 Costs - In Lieu of BC/BS	\$ 4,010	\$4,454	\$4,454	\$4,515	\$4,515	\$ 61	1.4%
712.007 Costs - SUTA	\$ 1,733	\$1,791	\$1,300	\$999	\$999	\$ (791)	-44.2%
712.009 Costs - Work Comp	\$ 1,807	\$1,985	\$1,985	\$1,547	\$1,547	\$ (438)	-22.1%
712.010 Costs - Blue Cross Insurance	\$ 19,053	\$20,585	\$18,500	\$32,359	\$32,359	\$ 11,774	57.2%
712.011 Costs - Life Insurance	\$ 539	\$423	\$423	\$427	\$427	\$ 4	0.9%
712.012 Costs - HRA Payments/Fees	\$ 11,994	\$5,220	\$10,000	\$8,097	\$8,097	\$ 2,877	55.1%
Employee Costs	\$ 262,102	\$ 259,052	\$ 257,734	\$ 287,898	\$ 287,898	\$ 28,847	11.1%
728.000 Operating Expense	\$ 2,443	\$3,410	\$3,410	\$3,410	\$3,410	\$ -	0.0%
735.000 Periodicals & Publications	\$ 128	\$250	\$250	\$250	\$250	\$ -	0.0%
801.000 Professional Services	\$ -	\$0	\$0	\$0	\$0	\$ -	
831.000 Contractual Repairs & Maint	\$ 479	\$1,000	\$1,000	\$1,300	\$1,300	\$ 300	30.0%
860.000 Travel & Training Expense	\$ 2,160	\$2,200	\$2,200	\$2,200	\$2,200	\$ -	0.0%
865.000 Vehicle Allowance	\$ 3,600	\$3,800	\$3,800	\$4,400	\$4,400	\$ 600	15.8%
870.000 Memberships & Dues	\$ 221	\$200	\$200	\$200	\$200	\$ -	0.0%
873.000 Education	\$ -	\$0	\$0	\$0	\$0	\$ -	
874.000 Retiree BCBS	\$ -	\$0	\$0	\$0	\$0	\$ -	
900.000 Printing & Publishing	\$ -	\$200	\$200	\$200	\$200	\$ -	0.0%
930.000 Repairs & Maintenance	\$ 0	\$0	\$0	\$0	\$0	\$ -	
957.000 Motor Pool	\$ -	\$0	\$0	\$0	\$0	\$ -	
970.000 Capital Outlay	\$ 1,350	\$0	\$0	\$0	\$0	\$ -	
985.000 Lease Purchase	\$ -	\$0	\$0	\$0	\$0	\$ -	
Operating Costs	\$ 10,381	\$ 11,060	\$ 11,060	\$ 11,960	\$ 11,960	\$900	8.1%
TOTAL COMMUNITY DEVELOPMENT	\$ 272,483	\$ 270,112	\$ 268,794	\$ 299,858	\$ 299,858	\$29,747	11.0%

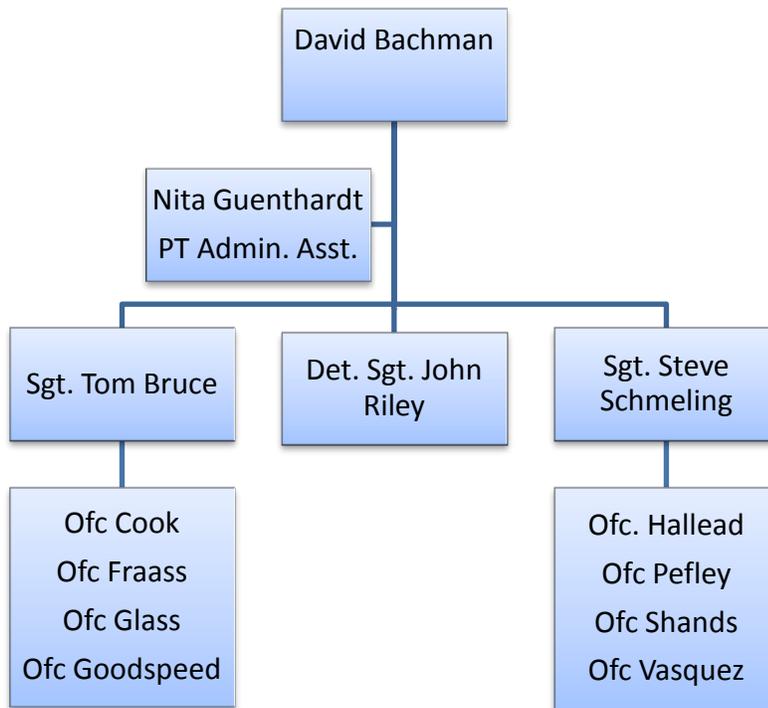
General Fund

Police



Dave Bachman is the Public Safety Director for the City of Manistee. He oversees the Police and Fire\EMS departments. He also runs the Municipal Marina and serves as Harbor Master. He has been with the City for 16 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.



General Fund

Police

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. Officers also assist the fire department at structure fires. Over the past several years, reductions in sworn officers have reduced road patrol time by over 6,000 hours annually. This results in less police presence and lower revenue from fees and fines.

Police Assumptions & Notes

Total Costs	increased	\$19,779	2.1%
Employee Costs	increased	\$20,579	2.5%
Operational Costs	decreased	(\$800)	-0.7%

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

Employee Costs: Employee costs increased from the prior budget. The budget assumes a modest wage increase, continued cost sharing on health insurance, increased pension costs and decreased unemployment insurance cost.

Operational Costs: Operational costs decreased from the prior year budget. The decrease is the result of changes in several budget line items.

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

Budget as recommended Budget with changes

Changes:

301 Police Department	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 554,402	\$ 582,684	\$ 582,684	\$ 584,204	\$ 584,204	\$ 1,519	0.3%
703.000 Longevity	0	0	0	0	0	\$ -	
704.000 Overtime	21,027	15,000	20,000	15,000	15,000	\$ -	0.0%
704.001 Spotlight Grant Overtime	0	0	0	0	0	\$ -	
706.000 Part-Time	17,875	25,000	20,000	21,960	21,960	\$ (3,040)	-12.2%
708.000 V\S\H Sellback	19,319	14,000	16,000	18,000	18,000	\$ 4,000	28.6%
712.001 Costs - Social Security	1,181	2,114	1,200	1,926	1,926	\$ (188)	-8.9%
712.002 Costs - Medicare	9,418	9,613	9,613	9,886	9,886	\$ 273	2.8%
712.004 Costs - ICMA Contribution	0	0	0	0	0	\$ -	
712.005 MERS	61,245	28,751	28,751	46,031	46,031	\$ 17,281	60.1%
712.006 Costs - In Lieu of BC/BS	9,796	8,908	8,908	9,030	9,030	\$ 122	1.4%
712.007 Costs - SUTA	4,726	5,042	3,800	3,518	3,518	\$ (1,525)	-30.2%
712.009 Costs - Work Comp	12,532	13,957	13,957	14,533	14,533	\$ 576	4.1%
712.010 Costs - Blue Cross Insurance	109,978	99,758	93,000	101,316	101,316	\$ 1,558	1.6%
712.011 Costs - Life Insurance	1,954	1,821	1,821	1,823	1,823	\$ 3	0.2%
712.012 Costs - HRA Payments\Costs	29,153	25,552	25,552	25,552	25,552	\$ -	0.0%
Employee Costs	\$ 852,605	\$ 832,201	\$ 825,286	\$ 852,780	\$ 852,780	\$ 20,579	2.5%
715.000 Uniform & Cleaning Allowance	\$ 6,489	\$ 7,400	\$ 8,000	\$ 9,500	\$ 9,500	\$ 2,100	28.4%
728.000 Operating Expense	10,323	12,500	12,000	12,500	12,500	\$ -	0.0%
735.000 Periodicals & Publications	0	200	200	200	200	\$ -	0.0%
770.000 Gasoline	18,018	20,500	20,500	20,500	20,500	\$ -	0.0%
795.000 Spotlight Grant Expenses	0	0	0	0	0	\$ -	
801.000 Professional Services	1,536	4,500	4,500	4,500	4,500	\$ -	0.0%
831.000 Contractual Repairs & Maint	4,726	8,689	8,689	8,689	8,689	\$ -	0.0%
860.000 Travel & Training Expense	5,757	6,500	6,000	6,500	6,500	\$ -	0.0%
865.000 Vehicle Allowance	4,200	4,200	4,200	4,800	4,800	\$ 600	14.3%
870.000 Memberships & Dues	577	500	500	500	500	\$ -	0.0%
873.000 Education	0	2,500	0	0	0	\$ (2,500)	-100.0%
874.000 Retire. Costs - Blue Cross	0	0	0	0	0	\$ -	
900.000 Printing/Publishing	1,194	1,100	1,100	1,100	1,100	\$ -	0.0%
930.000 Repairs & Maintenance	8,515	9,000	8,000	11,000	11,000	\$ 2,000	22.2%
957.000 Motor Pool	33,075	32,500	32,500	31,000	31,000	\$ (1,500)	-4.6%
970.000 Capital Outlay	2,224	1,500	1,500	0	0	\$ (1,500)	-100.0%
985.000 Lease Purchase	832	0	0	0	0	\$ -	
Operating Costs	\$ 97,467	\$ 111,589	\$ 107,689	\$ 110,789	\$ 110,789	\$ (800)	-0.7%
TOTAL POLICE	\$ 950,071	\$ 943,790	\$ 932,975	\$ 963,569	\$ 963,569	\$ 19,779	2.1%

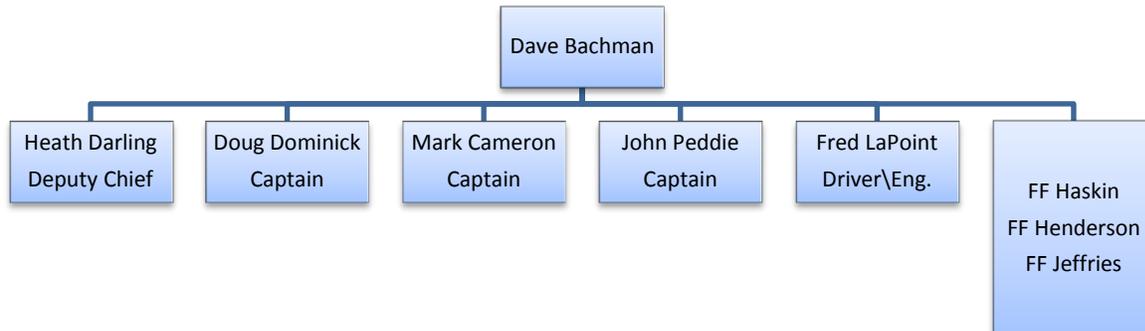
General Fund

Fire & EMS

Dave Bachman is the Public Safety Director for the City of Manistee. He has been with the City for 16 years.

The Fire Department has a budgeted staff of 9 full time employees; seven firefighters, a deputy chief and one public safety director. The department provides the City with fire protection and medical response services at the advanced life support transport level.

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

Total Costs	increased	\$62,003	7.8%
Employee Costs	increased	\$30,383	4.5%
Operational Costs	increased	\$31,620	25.2%

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

Employee Costs: Employee costs increased from the prior budget. The budget assumes a modest wage increase, as well as paramedic bonuses, continued cost sharing on health insurance, sharply increased pension costs and decreased unemployment insurance cost.

Operational Costs: Operational costs increased from the prior year budget. The increase is the result of higher third party billing charges as the number of transport runs increase, more medical supply costs and a large increase in the education line item for paramedic training. This training will be paid for either by a LRSB grant or through use of general fund reserves.

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

- Budget as recommended Budget with changes

Changes:

Fire Department	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
336 FIRE							
702.000 Salaries	\$ 349,403	\$405,236	\$405,236	\$412,534	\$412,534	\$ 7,299	1.8%
703.000 Longevity	\$ -	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ 34,036	\$35,000	\$35,000	\$30,000	\$30,000	\$ (5,000)	-14.3%
706.000 Part-Time	\$ 7,738	\$5,000	\$7,500	\$5,000	\$5,000	\$ -	0.0%
708.000 V\SVH Sellback	\$ 15,807	\$30,000	\$38,000	\$30,000	\$30,000	\$ -	0.0%
712.001 Costs - Social Security	\$ 404	\$310	\$500	\$310	\$310	\$ -	0.0%
712.002 Costs - Medicare	\$ 4,589	\$5,647	\$6,000	\$6,948	\$6,948	\$ 1,301	23.0%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.005 MERS	\$ 49,959	\$56,864	\$56,864	\$74,916	\$74,916	\$ 18,052	31.7%
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.007 Costs - SUTA	\$ 3,650	\$3,572	\$3,572	\$2,501	\$2,501	\$ (1,071)	-30.0%
712.009 Costs - Workers Compensation	\$ 13,124	\$15,152	\$15,152	\$15,548	\$15,548	\$ 396	2.6%
712.010 Costs - Blue Cross Insurance	\$ 92,367	\$88,478	\$80,000	\$89,860	\$89,860	\$ 1,382	1.6%
712.011 Costs - Life Insurance	\$ 1,320	\$1,345	\$1,345	\$1,348	\$1,348	\$ 3	0.2%
712.012 Costs - HRA Payments/Fees	\$ 31,733	\$22,675	\$27,000	\$24,458	\$24,458	\$ 1,783	7.9%
716.000 Food\Cleaning Allowance	in wages	\$ -	in wages	\$6,240	\$6,240	\$ 6,240	
Employee Costs	\$ 604,129	\$ 669,279	\$ 676,169	\$ 699,662	\$ 699,662	\$ 30,383	4.5%
715.000 Uniform & Cleaning Allowance	\$ 8,984	\$ 5,400	\$ 5,400	\$ 6,000	\$ 6,000	\$ 600	11.1%
728.000 Operating Expense	\$ 11,725	\$ 9,370	\$ 9,370	\$ 7,300	\$ 7,300	\$ (2,070)	-22.1%
732.000 Medical Supplies	\$ 2,948	\$ -	\$ 2,000	\$ 4,000	\$ 4,000	\$ 4,000	
735.000 Periodicals & Publications	\$ 1,279	\$ 1,150	\$ 1,150	\$ 1,150	\$ 1,150	\$ -	0.0%
770.000 Gasoline	\$ 6,634	\$ 6,500	\$ 6,500	\$ 7,040	\$ 7,040	\$ 540	8.3%
790.000 Fire Prevention	\$ 1,686	\$ 1,950	\$ 1,950	\$ 2,200	\$ 2,200	\$ 250	12.8%
801.000 Professional Services	\$ 8,083	\$ 7,500	\$ 7,500	\$ 15,000	\$ 15,000	\$ 7,500	100.0%
831.000 Contractual Repairs & Maint.	\$ 1,896	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ -	0.0%
860.000 Travel & Training Expense	\$ 5,764	\$ 5,500	\$ 5,500	\$ 8,300	\$ 8,300	\$ 2,800	50.9%
865.000 Vehicle Allowance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
870.000 Memberships & Dues	\$ 355	\$ 400	\$ 400	\$ 400	\$ 400	\$ -	0.0%
873.000 Education	\$ 1,500	\$ 2,500	\$ 2,500	\$ 17,000	\$ 17,000	\$ 14,500	580.0%
874.000 Retiree BCBS	\$ 15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$ -	0.0%
900.000 Printing/Publishing	\$ 104	\$ 800	\$ 800	\$ 800	\$ 800	\$ -	0.0%
930.000 Repairs & Maintenance	\$ 10,688	\$ 10,000	\$ 10,000	\$ 12,100	\$ 12,100	\$ 2,100	21.0%
942.000 Hydrant Rental	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ 21,600	\$ -	0.0%
956.000 Mutual Aid	\$ -	\$ 400	\$ 400	\$ 200	\$ 200	\$ (200)	-50.0%
957.000 Motor Pool	\$ 28,350	\$ 27,700	\$ 27,700	\$ 27,000	\$ 27,000	\$ (700)	-2.5%
970.000 Capital Outlay	\$ 5,800	\$ 5,900	\$ 5,900	\$ 8,200	\$ 8,200	\$ 2,300	39.0%
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Costs	\$ 132,396	\$ 125,570	\$ 127,570	\$ 157,190	\$ 157,190	\$31,620	25.2%

General Fund

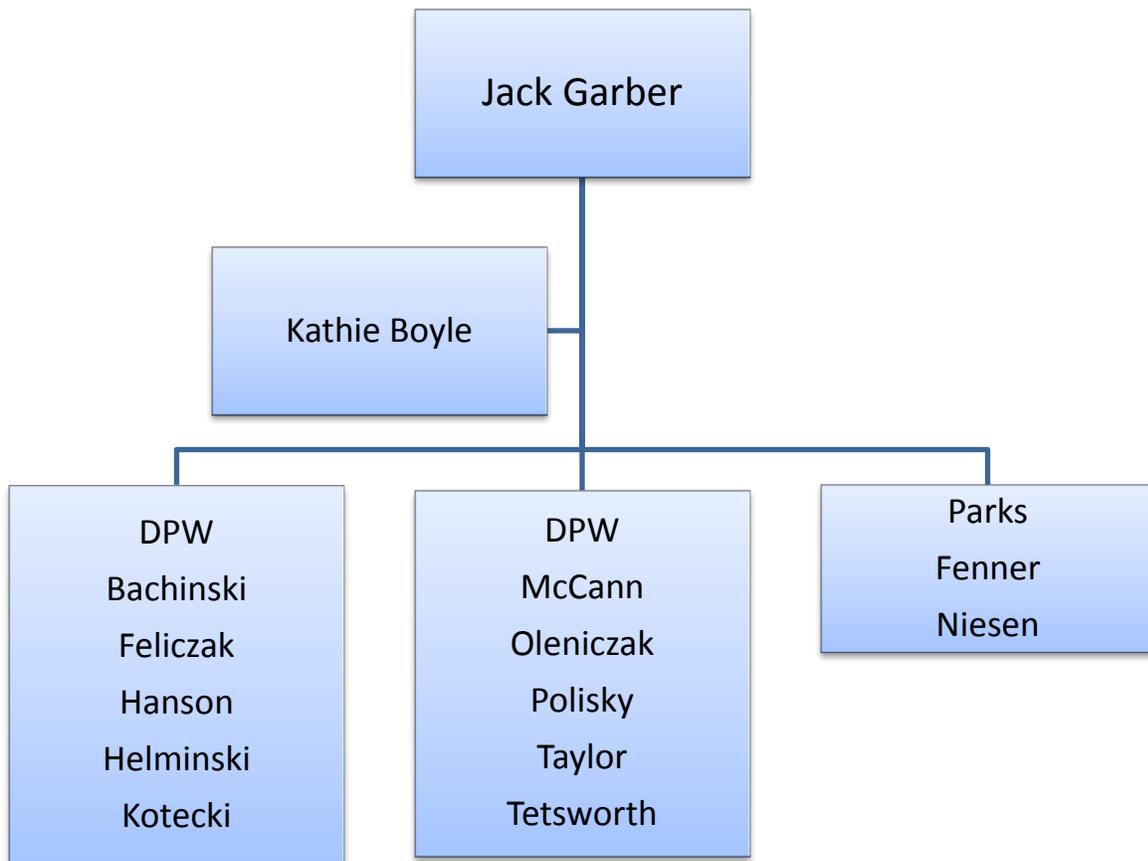
Public Works



Jack Garber, current DPW Director, has been with the City for 42 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, and operating the Maple and US 31 bridges to name just a few. The DPW also assists other organizations as necessary, especially during the City's festivals and peak summer season.



General Fund

Public Works

DPW Assumptions & Notes

Total Costs	decreased	(\$3,140)	-0.3%
Employee Costs	decreased	\$ (1,240)	-0.2%
Operational Costs	decreased	(\$1,900)	-0.7%

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

Employee Costs: Employee costs decreased from the prior budget. The budget assumes a modest wage increase, continued cost sharing on health insurance, increased pension costs, decreased unemployment insurance cost and reduced sellback.

Operational Costs: Operational costs decreased from the prior year budget. The decrease is driven primarily by a reduction in Motor Pool and Christmas decorations (better reflecting actual past expense).

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

- Budget as recommended Budget with changes

Changes:

441 DPW

	Year to Year						
	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Budget Difference	Percent Change
702.000 Salaries	\$465,840	\$481,250	\$481,250	\$483,195	\$483,195	\$ 1,946	0.4%
703.000 Longevity	\$0	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$18,021	\$30,000	\$20,000	\$27,000	\$27,000	\$ (3,000)	-10.0%
706.000 Part-Time	\$21,841	\$26,936	\$26,936	\$26,936	\$26,936	\$ -	0.0%
708.000 V\SH Sellback	\$5,915	\$10,000	\$11,000	\$7,500	\$7,500	\$ (2,500)	-25.0%
712.001 Costs - Social Security	\$31,645	\$34,845	\$34,845	\$34,677	\$34,677	\$ (169)	-0.5%
712.002 Costs - Medicare	\$7,401	\$8,149	\$8,149	\$8,110	\$8,110	\$ (39)	-0.5%
712.004 Costs - ICMA Contribution	\$2,889	\$2,807	\$2,807	\$2,835	\$2,835	\$ 28	1.0%
712.005 Costs - MERS	\$23,443	\$5,775	\$5,775	\$6,523	\$6,523	\$ 747	12.9%
712.006 Costs - In Lieu of BC/BS	\$4,902	\$4,454	\$4,454	\$4,515	\$4,515	\$ 61	1.4%
712.007 Costs - SUTA	\$8,178	\$4,955	\$4,000	\$3,457	\$3,457	\$ (1,498)	-30.2%
712.009 Costs - Work Comp	\$24,700	\$27,855	\$27,855	\$29,785	\$29,785	\$ 1,931	6.9%
712.010 Costs - Blue Cross Insurance	\$90,502	\$81,214	\$85,000	\$82,472	\$82,472	\$ 1,258	1.5%
712.011 Costs - Life Insurance	\$1,213	\$1,099	\$1,099	\$1,094	\$1,094	\$ (5)	-0.4%
712.012 Costs - HRA Payments/Fees	\$8,540	\$21,108	\$21,108	\$21,108	\$21,108	\$ -	0.0%
Employee Costs	\$ 715,030	\$ 740,448	\$ 734,279	\$ 739,207	\$ 739,207	\$ (1,240)	-0.2%
715.000 Uniform & Cleaning Allowance	\$ 3,289	\$ 4,700	\$ 4,700	\$ 4,900	\$ 4,900	\$ 200	4.3%
728.000 Operating Expense	\$ 11,190	\$ 11,500	\$ 11,500	\$ 11,400	\$ 11,400	\$ (100)	-0.9%
735.000 Periodicals & Publications	\$ 147	\$ 250	\$ 250	\$ 250	\$ 250	\$ -	0.0%
770.000 Gasoline	\$ 66,104	\$ 74,000	\$ 74,000	\$ 74,000	\$ 74,000	\$ -	0.0%
801.000 Professional Services	\$ 2,250	\$ -	\$ 3,500	\$ 1,000	\$ 1,000	\$ 1,000	
831.000 Contractual Repairs & Maint.	\$ 10,434	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ -	0.0%
860.000 Travel & Training Expense	\$ 1,921	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	0.0%
865.000 Vehicle Allowance	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	
870.000 Dues & Memberships	\$ 319	\$ 465	\$ 465	\$ 465	\$ 465	\$ -	0.0%
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retire. Costs - Blue Cross	\$ -	\$ -	\$ 0	\$ -	\$ -	\$ -	
900.000 Printing & Publishing	\$ 540	\$ 300	\$ 300	\$ 300	\$ 300	\$ -	0.0%
930.000 Repairs & Maintenance	\$ 92,820	\$ 80,000	\$ 75,000	\$ 80,000	\$ 80,000	\$ -	0.0%
955.000 Christmas Decorations	\$ 3,847	\$ 8,500	\$ 6,000	\$ 7,500	\$ 7,500	\$ (1,000)	-11.8%
957.000 Motor Pool	\$ 75,600	\$ 74,000	\$ 74,000	\$ 72,000	\$ 72,000	\$ (2,000)	-2.7%
970.000 Capital Outlay	\$ 41,830	\$ -	\$ -	\$ -	\$ -	\$ -	
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Costs	\$ 310,291	\$ 267,215	\$ 263,215	\$ 265,315	\$ 265,315	\$ (1,900)	-0.7%
TOTAL DPW	\$ 1,025,321	\$ 1,007,663	\$ 997,494	\$ 1,004,522	\$ 1,004,522	(\$3,140)	-0.3%

General Fund

Parks & Recreation

Parks Assumptions & Notes

Total Costs	increased	\$8,059	2.2%
Employee Costs	increased	\$13,459	8.1%
Operational Costs	decreased	(\$5,400)	-2.8%

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

Employee Costs: Employee costs increased from the prior budget. The budget assumes a modest wage increase, continued cost sharing on health insurance, and decreased unemployment insurance cost. Part-time went up because of the need to hire more seasonal staff to fulfill the mowing contract with the Housing Commission.

Operational Costs: Operational costs decreased from the prior year budget. The decrease is driven primarily by a reduction in operating costs to align it with past experience, as well as variations in several other items.

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

- Budget as recommended Budget with changes

Changes:



2013-2014 Budget

751 Parks	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 76,500	\$83,273	\$83,273	\$84,043	\$84,043	\$ 770	0.9%
703.000 Longevity	\$ -	\$0	\$0	\$0	\$0	\$ -	
704.000 Overtime	\$ 6,728	\$6,667	\$7,000	\$6,500	\$6,500	\$ (167)	-2.5%
706.000 Part-Time	\$ 36,148	\$37,620	\$37,000	\$49,020	\$49,020	\$ 11,400	30.3%
708.000 V\SH Sellback	\$ -	\$500	\$500	\$500	\$500	\$ -	0.0%
712.001 Costs - Social Security	\$ 7,331	\$7,940	\$7,940	\$8,684	\$8,684	\$ 744	9.4%
712.002 Costs - Medicare	\$ 1,714	\$1,857	\$1,857	\$2,031	\$2,031	\$ 174	9.4%
712.004 Costs - ICMA Contribution	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.005 Costs - MERS	\$ 4,069	\$0	\$0	\$0	\$0	\$ -	
712.006 Costs - In Lieu of BC/BS	\$ -	\$0	\$0	\$0	\$0	\$ -	
712.007 Costs - SUTA	\$ 1,792	\$2,349	\$2,000	\$2,133	\$2,133	\$ (216)	-9.2%
712.009 Costs - Work Comp	\$ 2,654	\$3,230	\$3,230	\$3,702	\$3,702	\$ 472	14.6%
712.010 Costs - Blue Cross Insurance	\$ 20,962	\$18,609	\$17,000	\$18,892	\$18,892	\$ 283	1.5%
712.011 Costs - Life Insurance	\$ 158	\$158	\$158	\$158	\$158	\$ 0	0.3%
712.012 Costs - HRA Payments/Fees	\$ 8,514	\$4,685	\$4,685	\$4,685	\$4,685	\$ 0	0.0%
Employee Costs	\$ 166,571	\$ 166,888	\$ 164,643	\$ 180,347	\$ 180,347	\$13,459	8.1%
715.000 Uniform & Cleaning	\$ 1,000	\$ 920	\$ 920	\$ 920	\$ 920	\$ -	0.0%
728.000 Operating Expense	\$ 7,475	\$ 15,000	\$ 10,000	\$ 11,000	\$ 11,000	\$ (4,000)	-26.7%
735.000 Periodicals & Publications	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
770.000 Gasoline	\$ 9,148	\$ 6,500	\$ 6,500	\$ 7,000	\$ 7,000	\$ 500	7.7%
801.000 Professional Services	\$ 5,631	\$ 4,000	\$ 4,000	\$ 2,500	\$ 2,500	\$ (1,500)	-37.5%
831.000 Contractual Repairs & Maint.	\$ 68,987	\$ 67,000	\$ 67,000	\$ 67,600	\$ 67,600	\$ 600	0.9%
860.000 Travel & Training Expense	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
870.000 Dues & Memberships	\$ 160	\$ 135	\$ 135	\$ 135	\$ 135	\$ -	0.0%
873.000 Education	\$ 98	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
900.000 Printing & Publishing	\$ 711	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	0.0%
920.000 Gas	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
922.000 Water	\$ 3,488	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ -	0.0%
925.000 Electric	\$ 19,826	\$ 18,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 1,000	5.6%
930.000 Repairs & Maintenance	\$ 40,896	\$ 40,000	\$ 40,000	\$ 39,000	\$ 39,000	\$ (1,000)	-2.5%
957.000 Motor Pool	\$ 37,800	\$ 37,000	\$ 37,000	\$ 36,000	\$ 36,000	\$ (1,000)	-2.7%
970.000 Capital Outlay	\$ 25,440	\$ -	\$ 7,000	\$ -	\$ -	\$ -	
985.000 Lease Purchase	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Costs	\$ 220,661	\$ 196,055	\$ 199,055	\$ 190,655	\$ 190,655	(\$5,400)	-2.8%
TOTAL PARKS	\$ 387,231	\$ 362,943	\$ 363,698	\$ 371,002	\$ 371,002	\$8,059	2.2%

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

Total Costs	decreased	(\$25,000)	-23.8%
Employee Costs	n/a	n/a	n/a
Operational Costs	decreased	(\$25,000)	-23.8%

Total Costs: Total costs decreased 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 decreased from the prior year budget due to the removal of extra legal fees for tax appeal costs which should be largely complete.

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

Budget as recommended Budget with changes

Changes:

266 Attorney	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
802.000 Professional Services - GWSH	\$ 48,639	\$ 49,600	\$ 49,600	\$ 50,000	\$ 50,000	\$ 400	0.8%
803.000 Prof Serv - Other Attorneys	\$ 55,691	\$ 55,400	\$ 45,400	\$ 30,000	\$ 30,000	\$ (25,400)	-45.8%
TOTAL ATTORNEY	\$104,330	\$ 105,000	\$ 95,000	\$ 80,000	\$ 80,000	(\$25,000)	-23.8%

General Fund

Engineer



Abonmarche is the City’s Engineer of Record. This contract was awarded to Abonmarche in August of 2007 and renewed in 2010 until August, 2012. It is currently month-to-month until the City issues a request for qualifications for engineering services. Corey Kadow 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. This fund accounts only for the retainer paid to Abonmarche. Actual engineering fees are recorded on a project by project basis in their appropriate fund.

Engineer Assumptions & Notes

Total Costs	decreased	(\$24,000)	-66.7%
Employee Costs	increased	\$0	0.0%
Operational Costs	increased	\$0	

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

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

Operational Costs: Operational costs decreased the prior year budget. This amount is a contractual retainer fee. It is expected that the new EOR contract will reduce the retainer.

285 Engineer	2012	2013	2013	Manager	Council	Budget	Percent
	Actual	Budget	Projected	Budget	Adopted	Difference	Change
801.000 Professional Services (Retainer)	\$ 36,000	\$ 36,000	\$ 36,000	\$ 12,000	\$ 12,000	\$ (24,000)	-66.7%
860.000 Travel & Training						\$ -	
TOTAL ENGINEER	\$ 36,000	\$ 36,000	\$ 36,000	\$ 12,000	\$ 12,000	(\$24,000)	-66.7%

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

Total Costs	decreased	(\$9,100)	-7.1%
Employee Costs	n/a	n/a	n/a
Operational Costs	decreased	(\$9,100)	-7.1%

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

Employee Costs: Employee costs are not recorded in this department. The cost of a proposed full-time staff member to has been budgeted in the Community Development budget, which supervises the employee. See *Deputy Building Inspector Issue Page Pg. 15*.

Operational Costs: Operational decreased moderately from the prior year budget. The biggest contributor was a reduction in phone expense. The City was able to take advantage of the MIDeal website to get a better price for its main phone service. Electric costs rose.

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	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Year to Year		Percent Change
					Council Adopted	Budget Difference	
728.000 Operating Supplies	\$ 6,424	\$ 6,000	\$ 6,000	\$ 7,000	\$ 7,000	\$ 1,000	16.7%
801.000 Professional Services	\$ 321	\$ 5,000	\$ 1,500	\$ 2,500	\$ 2,500	\$ (2,500)	-50.0%
831.000 Contractual Repairs & Maint.	\$ 7,482	\$ 5,500	\$ 15,000	\$ 7,000	\$ 7,000	\$ 1,500	27.3%
850.000 Utilities - Phone	\$ 20,104	\$ 19,000	\$ 9,000	\$ 9,600	\$ 9,600	\$ (9,400)	-49.5%
920.000 Gas - City Hall	\$ 4,218	\$ 6,700	\$ 6,000	\$ 6,500	\$ 6,500	\$ (200)	-3.0%
920.336 Gas - Fire Dept	\$ 2,954	\$ 4,700	\$ 4,200	\$ 4,500	\$ 4,500	\$ (200)	-4.3%
920.441 Gas - DPW	\$ 11,279	\$ 22,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ (2,000)	-9.1%
920.446 Gas - Bridge	\$ 817	\$ 1,400	\$ 1,200	\$ 1,200	\$ 1,200	\$ (200)	-14.3%
922.000 Water - City Hall	\$ 2,435	\$ 2,700	\$ 3,000	\$ 2,700	\$ 2,700	\$ -	0.0%
922.336 Water - Fire Dept	\$ 1,078	\$ 850	\$ 1,000	\$ 850	\$ 850	\$ -	0.0%
922.441 Water - DPW	\$ 2,584	\$ 2,500	\$ 2,800	\$ 2,500	\$ 2,500	\$ -	0.0%
922.446 Water - Bridge	\$ 725	\$ 700	\$ 800	\$ 700	\$ 700	\$ -	0.0%
925.000 Electric - City Hall	\$ 21,940	\$ 20,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 2,000	10.0%
925.336 Electric - Fire Dept	\$ 4,585	\$ 3,700	\$ 4,000	\$ 4,500	\$ 4,500	\$ 800	21.6%
925.441 Electric - DPW	\$ 14,082	\$ 13,500	\$ 12,500	\$ 13,500	\$ 13,500	\$ -	0.0%
925.446 Electric - Bridge	\$ 5,388	\$ 2,700	\$ 2,800	\$ 2,800	\$ 2,800	\$ 100	3.7%
930.000 Repairs & Maintenance	\$ 3,122	\$ 8,000	\$ 3,000	\$ 8,000	\$ 8,000	\$ -	0.0%
940.000 Building Rental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
970.000 Capital Outlay (Expense)	\$ 8,975	\$ 3,000	\$ 5,000	\$ 3,000	\$ 3,000	\$ -	0.0%
TOTAL MUNICIPAL BUILDINGS	\$ 118,513	\$ 127,950	\$ 119,800	\$ 118,850	\$ 118,850	(\$9,100)	-7.1%

General Fund

General Operating & Debt Service

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. In addition, debt service for general obligation bonds is recorded here.

General Operating Assumptions & Notes

Total Costs	increased	\$8,291	0.7%
Operational Costs	increased	\$ 13,637	3.6%
Debt Service Costs	decreased	\$ (5,346)	-0.7%

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 somewhat from the prior year budget. Professional services declined significantly because of a more cost effective IT contract. Data and internet costs were reduced because of the ability to share services across the network. Street light costs are expected to decline because of Consumers Energy replacing less efficient streetlights. Transfer out increased by \$47,000 because of a proposed Ramsdell Theatre Executive Director. See *Ramsdell Theatre Issue Page Pg. 24*.

Debt Service Costs: Debt service costs decreased slightly. Four general obligation bonds are recorded here: the 2003 Capital Improvement Bond (City Hall), the 2005 DDA Refunding Bond (Streetscape), the 2010 Capital Improvement Bond (water & street projects) and the 2013 Refunding Bond (refund 2003 City Hall bond). The general fund pays for the 2003 CI bond and the 2013 Refunding bond, the DDA reimburses the City 100% for the 2005 DDA Refunding Bond and the capital improvement fund, water and sewer fund and street fund(s) reimburse the general fund 100% for the 2010 CI bond.

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

- Budget as recommended Budget with changes

Changes:

Council reduced the contingency by \$1,500 to fund the enhanced PEG Appropriation.



2013-2014 Budget

100 General Operating & Debt Service

	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
728.000 Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
801.000 Professional Services	\$ 29,926	\$ 53,000	\$ 30,000	\$ 28,000	\$ 28,000	\$ (25,000)	-47.2%
822.000 Insurance	\$ 75,777	\$ 79,000	\$ 78,000	\$ 78,000	\$ 78,000	\$ (1,000)	-1.3%
855.000 Utilities - Cell Phones	\$ 14,105	\$ 13,200	\$ 13,500	\$ 13,500	\$ 13,500	\$ 300	2.3%
859.000 Utilities - Data\Internet	\$ 3,921	\$ 6,500	\$ 4,500	\$ 5,000	\$ 5,000	\$ (1,500)	-23.1%
901.000 Postage	\$ 19,722	\$ 25,000	\$ 21,000	\$ 21,279	\$ 21,279	\$ (3,721)	-14.9%
925.001 Electric - Street Lights	\$ 138,622	\$ 138,000	\$ 130,000	\$ 128,000	\$ 128,000	\$ (10,000)	-7.2%
940.000 Rent	\$ 1,792	\$ 1,800	\$ 1,700	\$ 1,800	\$ 1,800	\$ -	0.0%
959.000 Bad Debt	\$ -	\$ 500	\$ -	\$ 500	\$ 500	\$ -	0.0%
960.000 Bank Charges	\$ 684	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
964.000 Refunds	\$ -	\$ -	\$ 500	\$ 558	\$ 558	\$ 558	
970.000 Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
989.000 Computer Hardware & Software	\$ 7,485	\$ 6,000	\$ 13,000	\$ 6,000	\$ 6,000	\$ -	0.0%
999.000 Transfer Out	\$ 151,030	\$ 60,000	\$ 60,000	\$ 107,000	\$ 107,000	\$ 47,000	78.3%
Contingency		\$ -	\$ -	\$ 7,000	\$ 7,000	\$ 5,500	
Operating Costs	\$ 443,063	\$ 384,000	\$ 353,200	\$ 397,637	\$ 397,637	\$ 12,137	3.2%
992.002 Renaissance Park Loan - Principa	\$ -	\$ 5,616	\$ 5,616	\$ -	\$ -	\$ (5,616)	-100.0%
992.005 2003 Capital Improvement - Principal	\$ 105,000	\$ 115,000	\$ 115,000	\$ 125,000	\$ 125,000	\$ 10,000	8.7%
992.006 2010 DDA Refunding - Principal	\$ 110,000	\$ 105,000	\$ 105,000	\$ 115,000	\$ 115,000	\$ 10,000	9.5%
992.007 2010 Capital Improvement - Principal	\$ 210,000	\$ 210,000	\$ 210,000	\$ 215,000	\$ 215,000	\$ 5,000	2.4%
992.008 2013 CI Refunding - Principal	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	
997.005 2003 Capital Improvement - Interest	\$ 94,956	\$ 91,238	\$ 91,238	\$ 2,188	\$ 2,188	\$ (89,051)	-97.6%
997.006 2010 DDA Refunding - Interest	\$ 30,500	\$ 28,350	\$ 28,350	\$ 25,863	\$ 25,863	\$ (2,487)	-8.8%
997.007 2010 Capital Improvement - Interest	\$ 218,585	\$ 214,385	\$ 214,385	\$ 210,135	\$ 210,135	\$ (4,250)	-2.0%
997.008 2013 CI Refunding - Interest	\$ -	\$ -	\$ -	\$ 46,058	\$ 46,058	\$ 46,058	
Debt Service	\$ 769,041	\$ 769,589	\$ 769,589	\$ 764,243	\$ 764,243	\$ (5,346)	-0.7%
TOTAL GENERAL OPERATING	\$1,212,105	\$ 1,153,589	\$ 1,122,789	\$ 1,161,880	\$ 1,161,880	\$ 6,791	0.6%

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

Total Costs	increased	\$950	8.1%
Employee Costs	n/a	n/a	n/a
Operational Costs	increased	\$300	0.0%

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

Employee Costs: This department has no employee costs.

Operational Costs: Operational costs increased due to an increased allocation to the non-motorized transportation committee, planning commission and ZBA.

290 Boards & Commissions	2012	2013	2013	Manager	Council	Year to Year		Percent
	Actual	Budget	Projected			Budget	Adopted	
712.001 Costs - Social Security	\$ 70	\$ 100	\$ 100	\$ 100	\$ 100	\$ -		
712.002 Costs - Medicare	\$ 16	\$ 25	\$ 25	\$ 25	\$ 25	\$ -		
712.009 Costs - Workers Comp	\$ 5	\$ 5	\$ 5	\$ 5	\$ 5	\$ -		
881.000 Board of Review	\$ 1,886	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ -		
883.000 Harbor Commission	\$ -	\$ 250	\$ 250	\$ 250	\$ 250	\$ -		
884.000 Historic District Commission	\$ 401	\$ 750	\$ 750	\$ 750	\$ 750	\$ -		
885.000 Non-Motorized Transportation	\$ 774	\$ 750	\$ 750	\$ 1,000	\$ 1,000	\$ 250		
886.000 Parks & Beautification Commission	\$ 654	\$ 850	\$ 850	\$ 850	\$ 850	\$ -		
887.000 Planning Commission	\$ 2,073	\$ 5,600	\$ 5,600	\$ 6,000	\$ 6,000	\$ 400		
888.000 Tree Commission	\$ 744	\$ 350	\$ 350	\$ 350	\$ 350	\$ -		
889.000 Zoning Board of Appeals	\$ 253	\$ 1,000	\$ 1,000	\$ 1,300	\$ 1,300	\$ 300		
TOTAL BOARDS & COMMISSIONS	\$ 6,877	\$ 11,680	\$ 11,680	\$ 12,630	\$ 12,630	\$ 950		8.1%

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

- Budget as recommended Budget with changes

Changes:

General Fund

Appropriations

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

<u>Organization</u>	<u>Services Provided</u>
Alternatives for Area Youth 211	Teen Center, youth activities 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
Veteran's Memorial Day	Memorial Day flags

The partnership with these organizations allows the City to deliver services in a cost effective manner and relieves the administrative and operational burden of these activities. The 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

Total Costs	increased	\$284	0.2%
Employee Costs	n/a	n/a	n/a
Operational Costs	increased	\$284	0.2%

Total Costs: Total costs increased from the prior year budget

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

Operational Costs: Operational costs increased slightly from the prior year budget. The AES had a 2.5% contractual increase starting 9-30-2012.

801 Appropriations	2012 Actual	2013 Budget	2013 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	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	0.0%
892.000 Alliance for Economic Success	\$ 45,384	\$ 46,235	\$ 46,235	\$ 46,518	\$ 46,518	\$ 46,518	\$ 284	0.6%
893.000 Junior Baseball	\$ 3,000	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	0.0%
894.000 Manistee Recreation Assoc.	\$ 28,500	\$ 28,500	\$ 28,500	\$ 28,500	\$ 28,500	\$ 28,500	\$ -	0.0%
895.000 Museum	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ -	0.0%
896.000 PEG	\$ 24,000	\$ 24,000	\$ 24,000	\$ 28,000	\$ 24,000	\$ 25,500	\$ 1,500	6.3%
898.000 SSCENT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
899.000 Veteran's Memorial Day HSCB	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
TOTAL APPROPRIATIONS	\$126,884	\$129,235	\$129,235	\$ 133,518	\$129,518	\$131,018	\$1,784	1.4%

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

Budget as recommended Budget with changes

Changes:

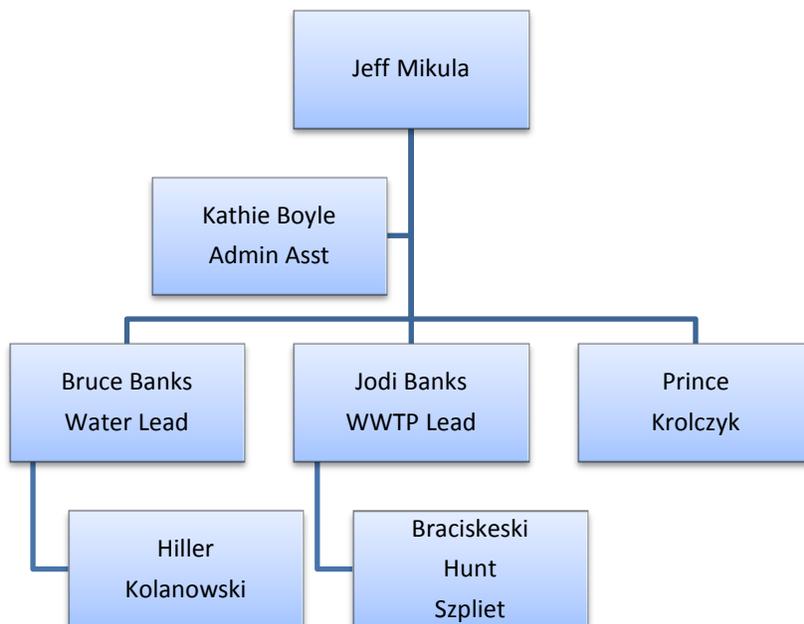
Council increased the PEG allocation from \$24,000 to \$25,500.

Enterprise Funds

Water & Sewer Utility

The Water & Sewer Utility (WSU) is under the direction of Utility Supervisor Jeff Mikula. Jeff joined the City in 2013.

The WSU 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 ensuring 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 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.

Rate increases beyond inflation may be needed to ensure the WSU can meet its legal operational and debt service requirements. Administration is recommending that the 2013-2014 rates be adjusted by 10% (*Water & Sewer Rates and Revenues Issue Page*). A typical user would see their bill increase by \$6.13 per month or \$73.61 per year. This represents a needed rate increase to cover the lost revenue from reduced flows from the Oaks Prison.

The WSU has taken on a significant amount of debt in the recent past to fund State-mandated combined sewer separation projects. All of the major segments have now been completed. Remaining work includes closing off the last outfall by 2016 and addressing inflow and/or infiltration issues. Total debt service payments average about \$1,600,000 per year through 2020 and the last bond is paid off in 2032.

The capital budget is significantly scaled back from recent years. Several remaining large projects will also need to be pushed back a few years in order for financial resources to accrue. This includes Riverbank Sewer and Sixth Ave. Lift Station. Current year projects include: Well 6 VFD, Well 8 Rehab, Fencing and Eighth & Vine Pump Station control panel. The Capital Improvement plan explains these projects and identifies other capital items for the water and sewer fund in the upcoming years.

Delaying capital projects due to lack of funds or financing sources does not mean they “go away”. Instead, an environment is created where emergency funds may have to be spent if infrastructure fails before it can be replaced, repaired or upgraded. It is far better to anticipate and schedule capital expenditures so they can be prioritized and a plan put in place to pay for them. Also, some state mandates remain which cannot be pushed back.

Water & Sewer Utility Assumptions & Notes

Revenue	decreased	\$ (102,623)	-2.6%
General	decreased		-6.4%
Administration	increased	\$ 11,214	2.6%
Employee Costs	increased	\$ 59,203	58.7%
Operating Costs	decreased	\$ (47,989)	-14.7%
Water	decreased	\$ (60,179)	-11.4%
Employee Costs	decreased	\$ (1,534)	-0.8%
Operating Costs	decreased	\$ (58,645)	-17.5%
WWTP	decreased	\$ (3,475)	-0.5%
Employee Costs	decreased	\$ (11,883)	-5.0%
Operating Costs	increased	\$ 8,408	1.8%
Sewer	decreased	\$ (229,803)	-52.3%
Employee Costs	increased	\$ 1,155	0.9%
Operating Costs	decreased	\$ (230,958)	-73.5%
Debt Service			
Interest	decreased	\$ (37,830)	-7.7%
Principal	increased	\$ 375	0.0%
Capital Expenditures	decreased	\$ (6,000)	-6.3%

Revenue: Revenue decreased compared to the prior year budget. This decrease is the result of reduced flows from the Oaks Prison, offset partially by higher user rates.

Administration Expense: Total expense increased from the prior year budget. Employee costs increased primarily due to the addition of a Utility Director. The budget assumes a modest wage increase, continued cost sharing on health insurance, increased pension costs and decreased unemployment insurance cost.

Operating costs decreased due to lower administration fees paid to the general fund and a reduction in phone expense due to technology upgrades.

Water Expense: Total expense decreased compared to the prior year budget. Employee costs decreased. The budget assumes a modest wage increase, continued cost sharing on health insurance, and decreased unemployment insurance cost.

Operating costs decreased primarily because of lower volumes being pumped, less anticipated maintenance, and deferring some optional maintenance.

WWTP Expense: Total expense decreased compared to the prior year budget. The budget assumes a modest wage increase, continued cost sharing on health insurance, and decreased unemployment insurance cost.

Operating costs increased slightly due to a variety of expense account changes, both up and down. Maintenance increased, while operating expense declined.

Sewer Expense: Total expense decreased from the prior year budget. The budget assumes a modest wage increase, continued cost sharing on health insurance and decreased unemployment insurance cost.

Operating costs decreased sharply because of the completion of the \$227,000 S2 Grant. Repairs and maintenance were also lower.

Debt Service: Debt service was flat from the prior year budget.

Capital Outlay: Capital outlay decreased slightly from the prior year total.

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

Budget as recommended Budget with changes

Changes:



2013-2014 Budget

REVENUES	2012	2013	2013	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
539.000 State Grant	\$ -	\$ 204,300	\$ 204,300	\$ -	\$ -	\$ (204,300)	
608.000 Penalties	33,033	34,500	34,500	36,225	36,225	\$ 1,725	5.0%
610.000 Bond Debt	356,228	355,000	355,000	360,000	360,000	\$ 5,000	1.4%
612.000 New Service	0	2,500	27,000	2,500	2,500	\$ -	
626.000 Charge for Service	108	1,000	1,000	1,000	1,000	\$ -	
648.000 Water Sales	963,600	1,028,233	965,000	1,060,525	1,060,525	\$ 32,292	3.1%
649.000 Sewer Sales	1,637,149	1,846,892	1,640,000	1,802,185	1,802,185	\$ (44,706)	-2.4%
650.000 Meter Sales	1,821	3,500	6,000	3,500	3,500	\$ -	
664.000 Interest Income	6,807	3,000	2,500	1,000	1,000	\$ (2,000)	-66.7%
667.000 Rental Income	94,155	62,640	71,640	69,922	69,922	\$ 7,282	11.6%
669.000 Hydrant & Tunnel Rental	21,600	21,600	21,600	21,600	21,600	\$ -	
671.000 Other Revenue	6,464	3,500	3,500	3,500	3,500	\$ -	
676.000 Reimbursement	0	0	32,000	0	0	\$ -	
680.000 Capital Cost Recovery	32,056	31,511	31,835	31,836	31,836	\$ 325	1.0%
687.000 Refunds	0	0	700	0	0	\$ -	
695.000 Insurance Settlement	0	0	0	0	0	\$ -	
699.000 Operating Transfer In	2,468,541	365,548	432,894	467,308	467,308	\$ 101,760	27.8%
TOTAL REVENUES	\$ 5,621,563	\$ 3,963,724	\$ 3,829,469	\$ 3,861,101	\$ 3,861,101	\$ (102,623)	-2.6%



2013-2014 Budget

100 GENERAL	2012	2013	2013	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
999.000 Transfer Out	\$ 3,797,226	\$ 365,548	\$ 365,548	\$ 342,308	\$ 342,308	\$ (23,240)	93.6%
TOTAL GENERAL	\$ 3,797,226	\$ 365,548	\$ 366,732	\$ 342,308	\$ 342,308	\$ (23,240)	-6.4%
541 ADMINISTRATION	2012	2013	2013	Manager	Council		
	Actual	Budget	Projected	Budget	Adopted		
702.000 Salaries	\$ 38,504	\$ 69,037	\$ 69,037	\$ 111,961	\$ 111,961	\$ 42,923	62.2%
703.000 Longevity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
704.000 Overtime	\$ 745	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ -	-
706.000 Part-Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
708.000 V\SH Sellback	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
712.001 Costs - Social Security	\$ 2,502	\$ 4,629	\$ 4,629	\$ 7,530	\$ 7,530	\$ 2,901	62.7%
712.002 Costs - Medicare	\$ 585	\$ 1,083	\$ 1,083	\$ 1,761	\$ 1,761	\$ 678	62.7%
712.004 Costs - ICMA Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
712.005 Costs - MERS Contribution	\$ 2,698	\$ 4,429	\$ 4,429	\$ 8,295	\$ 8,295	\$ 3,866	87.3%
712.006 Costs - In Lieu of BC/BS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
712.007 Costs - SUTA	\$ 358	\$ 537	\$ 537	\$ 500	\$ 500	\$ (38)	-7.0%
712.009 Costs - Workers Compensation	\$ 151	\$ 1,128	\$ 1,128	\$ 2,603	\$ 2,603	\$ 1,476	130.9%
712.010 Costs - Blue Cross Insurance	\$ 9,658	\$ 14,945	\$ 13,500	\$ 20,902	\$ 20,902	\$ 5,958	39.9%
712.011 Costs - Life Insurance	\$ 79	\$ 79	\$ 79	\$ 79	\$ 79	\$ -	-
712.012 HRA Payments	\$ 9,647	\$ 3,781	\$ 3,781	\$ 5,220	\$ 5,220	\$ 1,439	-
Employee Costs	\$ 64,928	\$ 100,848	\$ 99,403	\$ 160,051	\$ 160,051	\$ 59,203	58.7%
728.000 Operating Expense	\$ 14,727	\$ 10,000	\$ 10,500	\$ 11,000	\$ 11,000	\$ 1,000	10.0%
735.000 Periodicals & Publications	\$ -	\$ 500	\$ 250	\$ 500	\$ 500	\$ -	-
801.000 Professional Services	\$ 675	\$ 500	\$ 500	\$ 150	\$ 150	\$ (350)	-70.0%
806.000 Administration	\$ 248,000	\$ 277,000	\$ 277,000	\$ 236,836	\$ 236,836	\$ (40,164)	-14.5%
831.000 Contractual Repairs & Maint.	\$ 542	\$ 4,300	\$ 4,300	\$ 4,300	\$ 4,300	\$ -	-
850.000 Phone	\$ 32,219	\$ 19,000	\$ 7,000	\$ 8,000	\$ 8,000	\$ (11,000)	-57.9%
860.000 Travel & Training Expense	\$ 68	\$ 1,400	\$ 1,400	\$ 2,500	\$ 2,500	\$ 1,100	78.6%
870.000 Membership & Dues	\$ -	\$ 75	\$ 75	\$ 300	\$ 300	\$ 225	-
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
874.000 Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
900.000 Printing\Publishing	\$ 3,281	\$ 4,800	\$ 5,500	\$ 6,000	\$ 6,000	\$ 1,200	25.0%
930.000 Repairs & Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
959.000 Bad Debt	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -	-
960.000 Bank Charges	\$ 9,743	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ -	-
970.000 Capital Outlay (Expense)	\$ -	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	-
Operating Costs	\$ 309,255	\$ 325,575	\$ 314,525	\$ 277,586	\$ 277,586	(\$47,989)	-14.7%
TOTAL ADMINISTRATION	\$ 374,183	\$ 426,424	\$ 413,929	\$ 437,638	\$ 437,638	\$ 11,214	2.6%



2013-2014 Budget

542 WATER OPERATION

	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
702.000 Salaries	\$ 130,207	\$ 129,326	\$ 129,326	\$ 127,662	\$ 127,662	\$ (1,664)	-1.3%
703.000 Longevity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
704.000 Overtime	\$ 10,640	\$ 6,000	\$ 8,000	\$ 6,000	\$ 6,000	\$ -	
706.000 Part Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
708.000 V\SIH Sellback	\$ -	\$ 2,000	\$ -	\$ 2,000	\$ 2,000	\$ -	
712.001 Costs - Social Security	\$ 8,639	\$ 8,485	\$ 8,485	\$ 8,360	\$ 8,360	\$ (125)	-1.5%
712.002 Costs - Medicare	\$ 2,020	\$ 1,984	\$ 1,984	\$ 1,955	\$ 1,955	\$ (29)	-1.5%
712.004 Costs - ICMA Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.005 Costs - MERS Contribution	\$ 5,444	\$ -	\$ -	\$ -	\$ -	\$ -	
712.006 Costs - In Lieu of BC/BS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.007 Costs - SUTA	\$ 1,074	\$ 1,074	\$ 600	\$ 750	\$ 750	\$ (325)	-30.2%
712.009 Costs - Workers Compensation	\$ 4,180	\$ 4,379	\$ 4,379	\$ 4,530	\$ 4,530	\$ 151	3.5%
712.010 Costs - Blue Cross Insurance	\$ 34,914	\$ 29,890	\$ 27,800	\$ 30,348	\$ 30,348	\$ 459	1.5%
712.011 Costs - Life Insurance	\$ 238	\$ 238	\$ 238	\$ 238	\$ 238	\$ -	
712.012 HRA Payments	\$ 9,984	\$ 7,562	\$ 7,562	\$ 7,562	\$ 7,562	\$ -	
Employee Costs	\$ 207,340	\$ 190,939	\$ 188,375	\$ 189,405	\$ 189,405	\$ (1,534)	-0.8%
715.000 Uniform & Cleaning Allowance	\$ 439	\$ 800	\$ 800	\$ 1,155	\$ 1,155	\$ 355	44.4%
728.000 Operating Expense	\$ 3,508	\$ 3,000	\$ 3,000	\$ 4,000	\$ 4,000	\$ 1,000	33.3%
745.000 Chemicals	\$ 27,076	\$ 47,500	\$ 40,000	\$ 35,500	\$ 35,500	\$ (12,000)	-25.3%
750.000 Meters	\$ 21,924	\$ 27,000	\$ 18,000	\$ 24,000	\$ 24,000	\$ (3,000)	-11.1%
770.000 Vehicle Gas	\$ 7,648	\$ 6,500	\$ 7,000	\$ 6,500	\$ 6,500	\$ -	
801.000 Professional Services	\$ 7,503	\$ 15,000	\$ 12,000	\$ 15,000	\$ 15,000	\$ -	
822.000 Insurance	\$ 2,708	\$ 3,500	\$ 3,000	\$ 3,500	\$ 3,500	\$ -	
824.000 Lab Testing	\$ 6,367	\$ 9,000	\$ 7,500	\$ 9,000	\$ 9,000	\$ -	
831.000 Contractual Repairs & Maint	\$ 20,938	\$ 40,000	\$ 25,000	\$ 21,000	\$ 21,000	\$ (19,000)	-47.5%
860.000 Travel & Training Expense	\$ 1,357	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	
870.000 Membership & Dues	\$ 601	\$ 525	\$ 525	\$ 525	\$ 525	\$ -	
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Costs - Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
920.000 Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
925.000 Electric	\$ 66,289	\$ 75,000	\$ 50,000	\$ 62,000	\$ 62,000	\$ (13,000)	-17.3%
930.000 Repairs & Maintenance	\$ 32,104	\$ 70,000	\$ 70,000	\$ 57,000	\$ 57,000	\$ (13,000)	-18.6%
957.000 Motor Pool	\$ 34,398	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	
970.000 Capital Outlay (expense)	\$ 6,079	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Costs	\$ 238,937	\$ 335,325	\$ 274,325	\$ 276,680	\$ 276,680	\$ (58,645)	-17.5%
TOTAL WATER OPERATION	\$ 446,278	\$ 526,264	\$ 462,700	\$ 466,085	\$ 466,085	\$ (60,179)	-11.4%



2013-2014 Budget

543 SEWER - WWTP

	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
702.000 Salaries	\$ 167,294	\$ 170,379	\$ 170,379	\$ 170,090	\$ 170,090	\$ (289)	-0.2%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	9,493	7,000	9,000	7,000	7,000	0	
706.000 Part Time	0	0	0	0	0	0	
708.000 V\SIH Sellback	0	3,000	5,000	2,000	2,000	-1,000	
712.001 Costs - Social Security	10,821	10,983	10,983	11,166	11,166	183	1.7%
712.002 Costs - Medicare	2,531	2,569	2,569	2,611	2,611	43	1.7%
712.004 Costs - ICMA Contribution		0	0	0	0	0	
712.005 Costs - MERS Contribution	7,258	0	0	0	0	0	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	
712.007 Costs - SUTA	1,433	1,433	1,000	999	999	-433	-30.2%
712.009 Costs - Workers Compensation	3,433	3,788	3,788	3,962	3,962	174	4.6%
712.010 Costs - Blue Cross Insurance	25,607	29,890	27,500	19,328	19,328	-10,561	-35.3%
712.011 Costs - Life Insurance	317	317	317	317	317	0	
712.012 HRA Payments	1,192	7,562	4,000	7,562	7,562	0	
Employee Costs	\$ 229,379	\$ 236,919	\$ 234,535	\$ 225,036	\$ 225,036	(\$11,883)	-5.0%
715.000 Uniform & Cleaning Allowance	\$ 2,372	\$ 3,000	\$ 3,000	\$ 3,208	\$ 3,208	\$ 208	6.9%
728.000 Operating Expense	19,688	30,000	25,000	25,000	25,000	-5,000	-16.7%
745.000 Chemicals	25,307	31,000	30,000	30,000	30,000	-1,000	-3.2%
770.000 Vehicle Gas	5,530	8,400	7,200	7,200	7,200	-1,200	-14.3%
801.000 Professional Services	31,941	16,500	12,000	21,500	21,500	5,000	30.3%
822.000 Insurance	25,417	29,000	22,000	29,000	29,000	0	
824.000 Lab Testing	10,189	12,000	11,000	10,900	10,900	-1,100	-9.2%
831.000 Contractual Repairs & Maint.	51,797	68,000	60,000	60,000	60,000	-8,000	-11.8%
860.000 Travel & Training Expense	3,523	4,000	4,000	4,000	4,000	0	
870.000 Membership & Dues	0	450	450	450	450	0	
873.000 Education	0	0	0	0	0	0	
874.000 Costs - Retiree BCBS	1,000	0	0	0	0	0	
920.000 Gas	18,542	21,000	21,000	21,000	21,000	0	
925.000 Electric	116,497	115,000	117,000	117,000	117,000	2,000	1.7%
930.000 Repairs & Maintenance	68,038	100,000	75,000	117,500	117,500	17,500	17.5%
931.000 Repairs & Maintenance - Buildings	0	0	0	0	0	0	
957.000 Motor Pool	34,398	35,000	35,000	35,000	35,000	0	
970.000 Capital Outlay (expense)	2,870	0	0	0	0	0	
Operating Costs	\$ 417,109	\$ 473,350	\$ 422,650	\$ 481,758	\$ 481,758	\$8,408	1.8%
TOTAL SEWER - WWTP	\$ 646,488	\$ 710,269	\$ 657,185	\$ 706,794	\$ 706,794	(\$3,475)	-0.5%



2013-2014 Budget

544 SEWER COLLECTION

	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
702.000 Salaries	\$ 65,613	\$ 80,196	\$ 80,196	\$ 80,998	\$ 80,998	\$ 802	1.0%
703.000 Longevity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
704.000 Overtime	\$ 3,385	\$ 3,500	\$ 3,500	\$ 3,500	\$ 3,500	\$ -	
706.000 Part Time	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
708.000 V\SIH Sellback	\$ 907	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	
712.001 Costs - Social Security	\$ 4,143	\$ 5,397	\$ 5,397	\$ 5,448	\$ 5,448	\$ 51	1.0%
712.002 Costs - Medicare	\$ 969	\$ 1,262	\$ 1,262	\$ 1,274	\$ 1,274	\$ 12	1.0%
712.004 Costs - ICMA Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.005 Costs - MERS Contribution	\$ 3,629	\$ -	\$ -	\$ -	\$ -	\$ -	
712.006 Costs - In Lieu of BC/BS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
712.007 Costs - SUTA	\$ 716	\$ 716	\$ 500	\$ 500	\$ 500	\$ (217)	-30.2%
712.009 Costs - Workers Compensation	\$ 1,950	\$ 2,646	\$ 2,646	\$ 2,800	\$ 2,800	\$ 154	5.8%
712.010 Costs - Blue Cross Insurance	\$ 18,011	\$ 22,560	\$ 21,500	\$ 22,913	\$ 22,913	\$ 353	1.6%
712.011 Costs - Life Insurance	\$ 119	\$ 158	\$ 158	\$ 158	\$ 158	\$ -	
712.012 HRA Payments	\$ 2,245	\$ 5,755	\$ 4,000	\$ 5,755	\$ 5,755	\$ -	
Employee Costs	\$ 101,686	\$ 124,692	\$ 121,660	\$ 125,847	\$ 125,847	\$ 1,155	0.9%
715.000 Uniform & Cleaning Allowance	\$ 946	\$ 1,390	\$ 1,390	\$ 1,432	\$ 1,432	\$ 42	3.0%
728.000 Operating Expense	\$ 563	\$ 3,000	\$ 2,000	\$ 2,500	\$ 2,500	\$ (500)	-16.7%
745.000 Chemicals	\$ -	\$ 8,000	\$ 5,000	\$ 8,000	\$ 8,000	\$ -	
770.000 Vehicle Gas	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
801.000 Professional Services	\$ 13,978	\$ 239,500	\$ 300,000	\$ 12,000	\$ 12,000	\$ (227,500)	-95.0%
831.000 Contractual Repairs & Maint.	\$ 307	\$ 10,000	\$ 5,000	\$ 10,000	\$ 10,000	\$ -	
860.000 Travel & Training Expense	\$ 123	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	
870.000 Membership & Dues	\$ -	\$ 450	\$ 450	\$ 450	\$ 450	\$ -	
873.000 Education	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
874.000 Costs - Retiree BCBS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
930.000 Repairs & Maintenance	\$ 12,693	\$ 16,000	\$ 16,000	\$ 13,000	\$ 13,000	\$ (3,000)	-18.8%
957.000 Motor Pool	\$ 34,398	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ -	
970.000 Capital Outlay (Expense)	\$ 6,230	\$ -	\$ -	\$ -	\$ -	\$ -	
Operating Costs	\$ 69,238	\$ 314,340	\$ 365,840	\$ 83,382	\$ 83,382	(\$230,958)	-73.5%
TOTAL SEWER COLLECTION	\$ 170,924	\$ 439,032	\$ 487,500	\$ 209,229	\$ 209,229	(\$229,803)	-52.3%



2013-2014 Budget

TOTAL OPERATING EXPENSES	\$ 5,435,098	\$ 2,467,536	\$ 2,388,046	\$ 2,162,054	\$ 2,162,054	\$ (305,483)	-12.4%
AVAILABLE FOR DEBT SERVICE	\$ 186,465	\$ 1,496,188	\$ 1,441,423	\$ 1,699,047	\$ 1,699,047		
574 BOND INTEREST							
	2012	2013	2013	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
960.000 Bank Charges	\$ 250	\$ 1,000	\$ 491	\$ 500	\$ 500	\$ (500)	-50.0%
962.000 Accrued Interest Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
963.000 Amortization Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
995.002 1997 A Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
995.003 1997 B SRF Bond Interest	\$ 4,163	\$ 3,488	\$ 3,488	\$ 2,813	\$ 2,813	\$ (675)	-19.4%
995.004 1998 A Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
995.005 1998 B SRF Bond Interest	\$ 25,538	\$ 22,388	\$ 22,388	\$ 19,181	\$ 19,181	\$ (3,207)	-14.3%
995.006 1999 A Bond Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
995.007 1999 B SRF Bond Interest	\$ 30,688	\$ 27,813	\$ 27,813	\$ 24,875	\$ 24,875	\$ (2,938)	-10.6%
995.008 2005 Refunding Interest	\$ 210,258	\$ 193,851	\$ 193,851	\$ 174,345	\$ 174,345	\$ (19,506)	-10.1%
995.009 2006 SRF Interest	\$ 36,843	\$ 34,812	\$ 34,812	\$ 32,699	\$ 32,699	\$ (2,113)	-6.1%
995.010 2010 SRF Interest	\$ 15,451	\$ 16,625	\$ 15,455	\$ 15,875	\$ 15,875	\$ (750)	-4.5%
995.011 2010 DWRP Interest	\$ 11,049	\$ 10,875	\$ 10,871	\$ 10,375	\$ 10,375	\$ (500)	-4.6%
TRFOUT 2010 Cap Imp Interest	\$ -	\$ 137,428	\$ 137,421	\$ 134,704	\$ 134,704	\$ (2,724)	-2.0%
995.010 2011 SRF Interest	\$ 16,870	\$ 32,875	\$ 31,758	\$ 30,519	\$ 30,519	\$ (2,356)	-7.2%
995.011 2011 DWRP Interest	\$ 5,084	\$ 12,875	\$ 10,738	\$ 10,314	\$ 10,314	\$ (2,561)	-19.9%
TOTAL DEBT INTEREST	\$ 356,191	\$ 494,030	\$ 489,086	\$ 456,200	\$ 456,200	\$ (37,830)	-7.7%
300.003 1997 B SRF Bond Principal	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ -	0.0%
300.005 1998 B SRF Bond Principal	\$ 140,000	\$ 140,000	\$ 140,000	\$ 145,000	\$ 145,000	\$ 5,000	3.6%
300.007 1999 B SRF Bond Principal	\$ 115,000	\$ 115,000	\$ 115,000	\$ 120,000	\$ 120,000	\$ 5,000	4.3%
300.008 2005 Refunding Principal	\$ 445,000	\$ 445,000	\$ 445,000	\$ 470,000	\$ 470,000	\$ 25,000	5.6%
300.009 2006 SRF Principal	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ 130,000	\$ -	0.0%
300.010 2010 SRF Principal	\$ 25,000	\$ 30,000	\$ 25,000	\$ 30,000	\$ 30,000	\$ -	0.0%
300.011 2010 DWRP Principal	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.0%
TRFOUT 2010 Cap Imp Principal		\$ 134,617	\$ 134,610	\$ 137,822	\$ 137,822	\$ 3,205	2.4%
300.010 2011 SRF Principal	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ -	0.0%
300.011 2011 DWRP Principal	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ -	0.0%
TOTAL DEBT PRINCIPAL	\$ 980,000	\$ 1,119,617	\$ 1,114,610	\$ 1,157,822	\$ 1,157,822	\$ 38,205	3.4%
TOTAL DEBT SERVICE	\$ 1,336,191	\$ 1,613,647	\$ 1,603,696	\$ 1,614,022	\$ 1,614,022	\$ 375	0.0%

CAPITAL EXPENDITURES	Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
541 Admin Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
542 Water Capital Outlay	\$ 262,959	\$ 50,000	\$ 20,000	\$ 48,000	\$ 48,000	\$ (2,000)	-4.0%
543 WWTP Capital Outlay	\$ 381,994	\$ 45,000	\$ 8,000	\$ 41,000	\$ 41,000	\$ (4,000)	-8.9%
544 Sewer Capital Outlay	\$ 1,178,829	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL CAPITAL EXPENDITURES	\$ 1,823,782	\$ 95,000	\$ 28,000	\$ 89,000	\$89,000	\$ (6,000)	-6.3%
CASH IMPACT BEFORE FINANCING		\$ (212,459)	\$ (190,273)	\$ (3,975)	\$ (3,975)		
SRF Loan		\$ -	\$ -	\$ -	\$ -		
DWRF Loan		\$ -	\$ -	\$ -	\$ -		
Capital Improvement Bond		\$ -	\$ -	\$ -	\$ -		
FINANCING SOURCES		\$ -	\$ -	\$ -	\$ -		
FINAL CASH IMPACT		\$ (212,459)	\$ (190,273)	\$ (3,975)	\$ (3,975)		
BEG UNRESTRICTED CASH & INV			\$ 469,481		\$ 684,867		
ENDING UNRESTRICTED CASH	\$ 469,481		\$ 684,867		\$ 680,892		

Enterprise Funds

Municipal Marina



The Municipal Marina fund accounts for the activities of the Manistee Municipal Marina.

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 gorgeous facility boasts state of the art boater amenities including comfortable day room, children's area, spacious showers, restrooms and laundry facilities. Public restrooms are also accessible from River Street and serve downtown pedestrian traffic. A public gathering\meeting room available for rent is located on the upper level. More marketing of this space needs to occur to generate revenues.

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 gasoline and diesel fuel, pump out, bath facilities, water and electric hookup and wi-fi. Several times a year, Manistee is visited by cruise ships that bring passengers to visit our Victorian Port City.

Marina Assumptions & Notes

Revenue	increased	\$11,875	4.4%
Total Costs	increased	\$18,982	9.0%
Employee Costs	decreased	(\$943)	-3.1%
Operating Costs	increased	\$19,925	11.0%
Debt Service	decreased	(\$1)	0.0%
Interest	decreased	(\$1,636)	-9.3%
Principal	increased	\$1,635	3.6%
Capital Expenditures	increased	\$0	

Revenue: Revenue increased from the prior year budget. This increase is due to a possible dredging grant being proposed by the State. It is uncertain whether we will receive\accept this, but dredging will only occur if the grant is received. Fuel and dockage revenue is expected to decline. Prior year estimates were overly optimistic.

Employee Costs: Employee costs decreased from the prior year budget. The decrease is due to lower unemployment costs.

Operating Costs: Operating costs increased from the prior year budget. The increase is entirely due to the previously mentioned dredging. With the facility being so new, the cost structure of the building is still not well understood. Maintenance costs should decline, but utility costs will go up due to the addition of air conditioning.

Debt Service: Debt service was flat from the prior year budget. The Marina has a loan out from the oil & gas fund and an installment purchase contract with West Shore Bank. If revenues from the Marina are inadequate to fund both operations and service debt, the transfer in from the Capital Improvement fund is used as a backstop for the debt service.

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:

594 Municipal Marina Fund	2012	2013	2013	Manager	Council	Year to Year	
						Actual	Budget
539.000 State Grant	\$18,841	\$0	\$0	\$24,000	\$24,000	\$24,000	
570.000 Local Grant	0	0	0	0	0	0	
642.000 Sales	741	4,000	4,000	4,000	4,000	0	0.0%
645.000 Charge for Sales - Fuel	133,864	130,000	125,000	120,875	120,875	-9,125	-7.0%
646.000 Charge for Sales - Dockage	67,145	95,000	92,000	92,000	92,000	-3,000	-3.2%
664.000 Interest Income	188	100	75	100	100	0	0.0%
671.000 Other Revenue	12	0	0	0	0	0	
674.000 Contributions\Donations	0	0	0	0	0	0	
695.000 Insurance Settlement	27,675	0	0	0	0	0	
699.000 Operating Transfer In	40,000	40,000	40,000	40,000	40,000	0	0.0%
Total Revenues	\$288,465	\$269,100	\$261,075	\$280,975	\$280,975	\$11,875	4.4%
702.000 Salaries	\$27,041	\$ 26,000	\$ 26,000	\$0	\$0	-\$26,000	-100.0%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	176	500	700	500	500	0	0.0%
706.000 Part-Time	0	0	0	26,000	26,000	26,000	
712.001 Costs - Social Security	1,784	1,643	1,643	1,643	1,643	0	0.0%
712.002 Costs - Medicare	417	384	384	384	384	0	0.0%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	
712.005 Costs - MERS	0	0	0	0	0	0	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	
712.007 Costs - SUTA	771	999	999	13	13	-986	-98.7%
712.009 Costs - Work Comp	812	872	1,000	914	914	42	4.9%
712.010 Costs - Blue Cross Insurance	0	0	0	0	0	0	
712.011 Costs - Life Insurance	0	0	0	0	0	0	
714.001 Retire. Costs - Blue Cross	0	0	0	0	0	0	
Employee Costs	\$31,002	\$30,398	\$30,726	\$29,455	\$29,455	(\$943)	-3.1%
728.000 Operating Expense	9,427	12,000	10,000	9,500	9,500	-2,500	-20.8%
730.000 Operating Supplies - Fuel	122,148	110,500	110,000	112,925	112,925	2,425	2.2%
801.000 Professional Services	413	1,000	700	500	500	-500	-50.0%
820.000 Administration	13,000	14,000	14,000	14,800	14,800	800	5.7%
822.000 Insurance	1,361	750	1,500	1,750	1,750	1,000	133.3%
831.000 Contractual Repairs & Maint.	525	1,000	3,500	1,500	1,500	500	50.0%
850.000 Phone	0	0	0	0	0	0	
892.500 Marketing	5,877	4,000	3,500	4,000	4,000	0	0.0%
920.000 Gas	1,067	2,000	1,200	1,200	1,200	-800	-40.0%
922.000 Water	2,653	5,000	3,000	3,000	3,000	-2,000	-40.0%
925.000 Electric	12,319	14,000	12,500	13,000	13,000	-1,000	-7.1%
930.000 Repairs & Maintenance	9,723	4,000	2,500	27,000	27,000	23,000	575.0%
958.000 Sales Tax	3,176	4,000	4,000	4,000	4,000	0	0.0%
959.000 Bad Debt	0	0	0	0	0	0	
960.000 Bank Charges	7,649	9,000	9,000	8,000	8,000	-1,000	-11.1%
964.000 Refunds	0	0	0	0	0	0	
970.000 Capital Outlay	0	0	0	0	0	0	
Operating Costs	\$189,338	\$181,250	\$175,400	\$201,175	\$201,175	\$19,925	11.0%

	2012 Actual	2012 Budget	2012 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
TOTAL OPERATING EXPENSES	\$220,339	\$211,648	\$206,126	\$230,630	\$230,630	\$18,982	9.0%
AVAILABLE FOR DEBT SERVICE	\$68,125	\$57,452	\$54,949	\$50,345	\$50,345	-\$7,107	
Water & Sewer Loan Int	\$6,007	\$6,007	\$6,007	\$5,043	\$5,043	-964	-16.0%
Installment Purchase Int	\$12,312	\$11,662	\$12,312	\$10,990	\$10,990	-672	-5.8%
TOTAL DEBT INTEREST	\$18,319	\$17,669	\$18,319	\$16,033	\$16,033	-1,636	-9.3%
OPERATING RESULT	\$49,806	\$39,783	\$36,630	\$34,312	\$34,312		
Water & Sewer Loan	\$0	\$24,631	\$24,631	\$25,594	\$25,594	963	3.9%
Installment Purchase	\$20,074	\$20,725	\$20,725	\$21,396	\$21,396	671	3.2%
TOTAL DEBT REPAYMENT		\$45,356	\$45,356	\$46,991	\$46,991	1,635	3.6%
SURPLUS\DEFICIT BEFORE CAPEX	\$49,806	-\$5,573	-\$8,726	-\$12,679	-\$12,679		
CAPITAL EXPENDITURES							
Marina Building Replacement	\$138,189	\$0	\$0	\$0	\$0		
TOTAL CAPITAL EXPENDITURES	\$138,189	\$0	\$0	\$0	\$0		
CASH IMPACT BEFORE FINANCING	-\$88,383	-\$5,573	-\$8,726	-\$12,679	-\$12,679		
Water & Sewer Loan		\$0	\$0	\$0	\$0		
Installment Purchase		\$0	\$0	\$0	\$0		
FINANCING SOURCES	\$0	\$0	\$0	\$0	\$0		
FINAL CASH IMPACT	-\$88,383	-\$5,573	-\$8,726	-\$12,679	-\$12,679		
BEGINNING CASH			\$28,249		\$19,523		
ENDING CASH	\$28,249		\$19,523		\$6,844		

Enterprise Funds

Boat Launch



The Boat Launch fund accounts for the activities of the First Street, Arthur Street and Ninth Street Boat launches. It operates as a stand-alone enterprise.

Both First St. and Arthur St. launches have seen significant investment in recent years. Arthur St. received a complete makeover including refurbishing the restrooms, reconfiguring the parking, expanding the launch, adding an accessible fishing pier and landscaping. Ninth St. also needs work, but construction at this site is probably a few years out due to funding limitations and the complexity of the project.

Ingress and egress to the First St. Boat Launch was reconfigured as part of the First St. project.

Boat Ramp Assumptions & Notes

Revenue	decreased	(\$2,000)	-5.7%
Total Costs	decreased	(\$770)	-4.0%
Employee Costs	n/a	n/a	n/a
Operating Costs	decreased	(\$770)	-4.0%
Debt Service	decreased	(\$0)	0.0%
Interest	increased	\$495	26.1%
Principal	decreased	(\$495)	-3.9%
Capital Expenditures	increased	\$0	

Revenue: Revenue decreased from the prior year budget. Revenues are largely dependent on weather and fishing conditions and the price of fuel. This projection is based on historical data. Low water levels may also adversely impact boater traffic.

Employee Costs: The boat launch has no employees.

Operating Costs: Operating costs decreased slightly from the prior year budget. Some costs were reallocated into more appropriate accounts, explaining individual line item variances from last year's budget.

Debt Service: Debt service remained flat from the prior year budget. The boat launch has a loan from the oil & gas fund to finance the Arthur St. Boat launch renovations that is fully in place and will be amortized over 10 years.

Capital Outlay: No Capital outlay is budgeted. If grant funding materializes for the proposed Ninth St. Boat launch renovation, this project could proceed, but is not likely this year.

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

Budget as recommended Budget with changes

Changes:



2013-2014 Budget

508 Boat Launch Fund	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
539.000 State Grant	\$0	\$0	\$0	\$0	\$0	\$0	
642.000 Sales	24,233	\$35,000	30,000	\$33,000	\$33,000	-2,000	-5.7%
664.000 Interest Income	13	\$25	20	\$25	\$25	0	0.0%
Total Revenues	\$24,246	\$35,025	\$30,020	\$33,025	\$33,025	(\$2,000)	-5.7%
Employee Costs	\$0	\$0	\$0	\$0	\$0	\$0	0.0%
728.000 Operating Expense	\$370	\$3,000	\$400	\$2,500	\$2,500	-\$500	-16.7%
801.000 Professional Services	0	500	0	500	500	0	0.0%
820.000 Administration	9,000	9,500	9,500	9,800	9,800	300	3.2%
850.000 Phone	607	250	240	230	230	-20	-8.0%
892.500 Marketing	0	1,000	0	500	500	-500	-50.0%
922.000 Water	491	1,000	600	750	750	-250	-25.0%
925.000 Electric	1,969	1,400	2,100	2,100	2,100	700	50.0%
930.000 Repairs & Maintenance	463	2,000	700	1,500	1,500	-500	-25.0%
960.000 Bank Charges	233	500	400	500	500	0	0.0%
970.000 Capital Outlay (expense)	0	0	0	0	0	0	
Operating Costs	\$13,132	\$19,150	\$13,940	\$18,380	\$18,380	-\$770	-4.0%
TOTAL OPERATING EXPENSES	\$13,132	\$19,150	\$13,940	\$18,380	\$18,380	(\$770)	-4.0%
AVAILABLE FOR DEBT SERVICE	\$11,114	\$15,875	\$16,080	\$14,645	\$14,645		
Water & Sewer Loan (Interest)	\$4,176	\$1,898	\$1,898	\$2,393	\$2,393		
TOTAL DEBT INTEREST	\$4,176	\$1,898	\$1,898	\$2,393	\$2,393	\$495	26.1%
OPERATING RESULT	\$6,937	\$13,977	\$14,182	\$12,252	\$12,252		
Water & Sewer Loan (Principal)	\$3,824	\$12,638	\$12,638	\$12,143	\$12,143		
Installment Purchase (Principal)	\$0	0	0	0	0		
TOTAL DEBT REPAYMENT	\$3,824	\$12,638	\$12,638	\$12,143	\$12,143	-\$495	-3.9%
SURPLUS\DEFICIT BEFORE CAPEX	\$3,114	\$1,339	\$1,544	\$109	\$109		
CAPITAL EXPENDITURES							
First Street Launch	\$0	\$0	\$0	\$0	\$0		
Arthur Street Launch	0	0	0	0	0		
Ninth Street Launch	0	0	0	0	0		
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	
CASH IMPACT BEFORE FINANCING	\$3,114	\$1,339	\$1,544	\$109	\$109		
Water & Sewer Loan (Proceeds)	\$0	\$0	\$0	\$0	\$0		
Installment Purchase (Proceeds)	0	0	0	0	0		
FINANCING SOURCES	\$0	\$0	\$0	\$0	\$0		
FINAL CASH IMPACT	\$3,114	\$1,339	\$1,544	\$109	\$109		
BEGINNING CASH & INV			\$8,992	\$10,536	\$10,536		
ENDING CASH & INV	\$8,992		\$10,536	\$10,645	\$10,645		

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 Pg. 24* for more details.



Ramsdell Theatre Assumptions & Notes

Revenue	increased	\$51,100	13.9%
Operating Costs	increased	\$43,929	34.3%
Employee Costs	increased	\$43,904	167.9%
Operating Costs	increased	\$25	0.0%
Debt Service	increased	\$0	0.0%
Interest	increased	\$0	0.0%
Principal	increased	\$0	0.0%
Capital Expenditures	decreased	(\$10,000)	-20.0%

Revenue: Revenue increased over the prior year budget. This is primarily due to greater transfers in and greater activity. Operating transfers in increased by a net of \$47,000. New transfers for hiring an executive director were offset by reduced transfers for general operations. Operating income increased due to more performances, rentals and annual giving.

Employee Costs: Employee costs increased. The budget anticipates hiring an executive director (*see Ramsdell Theatre Issue Page Pg. 24*). One permanent part-time caretaker position has been eliminated.

Operating Costs: Operating costs were flat. The mix of costs related to operating and programming changed, but magnitude remained flat. Projecting utility costs will be challenging until we gain some experience with the new HVAC system. Savings are expected.

Debt Service: Debt service costs were flat. This reflects the HVAC system and roof loan payments. Both of these are funded entirely by the Capital Improvement fund.

Capital Outlay: Capital outlay decreased as the allocation from the capital improvement fund was reduced. Ongoing building renovations include the green room and substage.

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	2012 Actual	2013 Budget	2013 Projected	RGA Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
539.000 Grant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	
642.000 Sales	6,953	500	0	500	500	\$0	0.0%
651.000 Sales - Concessions	2,078	9,000	2,000	3,000	3,000	-\$6,000	-66.7%
652.000 Sales - Movies	1,233	12,500	500	3,000	3,000	-\$9,500	-76.0%
653.000 Sales - Performances	2,612	0	20,000	28,000	28,000	\$28,000	
664.000 Interest Income	1,585	50	30	50	50	\$0	0.0%
667.000 Rental Income	36,453	23,000	24,000	30,000	30,000	\$7,000	30.4%
667.001 Rental Income - Ballroom	5,315	24,000	22,000	24,000	24,000	\$0	0.0%
667.002 Rental Income - Theatre	1,340	3,500	5,000	4,500	4,500	\$1,000	28.6%
667.003 Rental Income - Hardy Hall	870	2,000	2,500	2,000	2,000	\$0	0.0%
667.004 Rental Income - Studio	440	100	200	200	200	\$100	100.0%
671.000 Other Revenue	668	500	2,300	0	0	-\$500	-100.0%
674.000 Contributions\Donations	5,917	2,500	500	11,500	11,500	\$9,000	360.0%
699.000 Transfers In	321,878	288,830	288,830	310,830	310,830	\$22,000	7.6%
Total Revenues	\$387,342	\$366,480	\$367,860	\$417,580	\$417,580	\$51,100	13.9%
702.000 Salaries	\$0	\$0	\$0	\$40,000	\$40,000	\$40,000	
703.000 Longevity				\$0	\$0	\$0	0.0%
704.000 Overtime				0	\$0	\$0	
706.000 Part-Time	\$20,983	\$23,270	\$20,000	10,660	\$10,660	-\$12,610	-873.9%
708.000 V\S\H Sellback	346	0	0	0	\$0	\$0	0.0%
712.001 Costs - Social Security	1,354	1,443	1,300	3,141	\$3,141	\$1,698	
712.002 Costs - Medicare	317	337	300	735	\$735	\$398	
712.004 Costs - ICMA Contribution				0	\$0	\$0	
712.005 Costs - MERS				2,916	\$2,916	\$2,916	
712.006 Costs - In Lieu of BC/BS				0	\$0	\$0	0.0%
712.007 Costs - SUTA				250	\$250	\$250	33.7%
712.009 Costs - Work Comp	415	358	600	1,733	\$1,733	\$1,375	
712.010 Costs - Health Insurance	370	742	500	9,446	\$9,446	\$8,704	
712.011 Costs - Life Insurance			0	79	\$79	\$79	
712.012 Costs - HRA Payments/Fees				1,095	\$1,095	\$1,095	4.2%
Employee Costs	\$23,785	\$26,150	\$22,700	\$70,054	\$70,054	\$43,904	167.9%
728.000 Office/Operating Expense	\$17,636	\$14,000	\$10,000	\$12,000	\$12,000	-\$2,000	-14.3%
751.000 Concession Expense	1,005	5,750	2,500	3,000	3,000	-\$2,750	-47.8%
752.000 Movie Expense	2,890	7,500	1,000	2,500	2,500	-\$5,000	-66.7%
753.000 Performance Expense	6,919	3,000	12,000	10,750	10,750	\$7,750	258.3%
801.000 Professional Services	28,783	5,500	5,600	8,000	8,000	\$2,500	45.5%
822.000 Insurance	1,397	1,600	2,000	2,000	2,000	\$400	25.0%
831.000 Contractual Repairs & Maint	4,350	6,500	7,500	6,500	6,500	\$0	0.0%
850.000 Phone	1,042	540	600	540	540	\$0	0.0%
870.000 Memberships & Dues	55	460	485	485	485	\$25	5.4%
892.500 Marketing Expense	10,404	5,000	3,000	5,000	5,000	\$0	0.0%
900.000 Printing/Publishing	99	500	500	1,500	1,500	\$1,000	200.0%
901.000 Postage	0	0	0	1,000	1,000	\$1,000	
920.000 Gas	10,244	17,000	15,000	16,000	16,000	-\$1,000	-5.9%
922.000 Water	348	400	350	500	500	\$100	25.0%
925.000 Electric	14,545	21,000	18,000	19,000	19,000	-\$2,000	-9.5%
930.000 Repairs & Maint	13,654	8,000	6,000	8,000	8,000	\$0	0.0%
970.000 Capital Outlay	1,356	5,000	2,500	5,000	5,000	\$0	0.0%
Operating Costs	\$114,727	\$101,750	\$87,035	\$101,775	\$101,775	\$25	0.0%
TOTAL OPERATING EXPENSES	\$138,512	\$127,900	\$109,735	\$171,829	\$171,829	\$43,929	34.3%



2013-2014 Budget

	2012 Actual	2013 Budget	2013 Projected	RGA Budget	Council Adopted	Year to Year Budget Difference	Percent Change
AVAILABLE FOR DEBT SERVICE	\$248,829	\$238,580	\$258,125	\$245,751	\$245,751		
998.000 Ramsdell Roof - Interest	\$13,079	\$10,733	\$13,098	\$10,733	\$10,733		
998.002 Ramsdell HVAC - Interest	\$11,839	\$43,870	\$22,807	\$43,870	\$43,870		
TOTAL DEBT INTEREST	\$24,918	\$54,603	\$35,905	\$54,603	\$54,603	\$0	0.0%
308.000 Ramsdell Roof - Principal	\$56,781	\$57,601	\$56,781	\$57,601	\$57,601		
308.002 Ramsdell HVAC - Principal	\$31,668	\$65,080	\$31,668	\$65,080	\$65,080		
TOTAL PRINCIPAL	\$88,449	\$122,682	\$88,449	\$122,682	\$122,682	\$0	0.0%
TOTAL DEBT SERVICE	\$113,367	\$177,284	\$124,354	\$177,284	\$177,284	\$0	0.0%
SURPLUS\DEFICIT BEFORE CAPEX	\$135,462	\$61,296	\$133,771	\$68,467	\$68,467		
CAPITAL EXPENDITURES	\$1,295,566	\$50,000	\$90,000	\$40,000	\$40,000	-\$10,000	-20.0%
CASH IMPACT BEFORE FINANCING	-\$1,160,104	\$11,296	\$43,771	\$28,467	\$28,467		
HVAC Loan	\$1,246,000	\$0	\$0	\$0	\$0		
FINANCING SOURCES	\$1,246,000	\$0	\$0	\$0	\$0		
FINAL CASH IMPACT		\$11,296	\$43,771	\$28,467	\$28,467		
BEGINNING CASH			\$13,266		\$57,037		
ENDING CASH	\$32,164		\$57,037		\$85,504		
Beginning Fund Balance							
Ending Fund Balance	\$600,791		\$57,037		\$85,504		

Internal Service Funds

Motor Pool

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



The 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 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:

Revenues	decreased	(\$650)	-0.2%
Expenses	increased	\$89,800	36.1%

Revenue: Revenue decreased as rental payments from the general fund were reduced. This was offset somewhat by the sale of some old equipment.

Expenses: Expenses increased from last year due to the nature of the vehicles and/or equipment being purchased and the method of payment. These are anticipated being paid for in cash (with the exception of the street sweeper) rather than being financed due to interest rate conditions. The budget proposes buying the following vehicles and equipment:

1. DPW – Sander\Blade Truck
2. DPW – Street Sweeper
3. Manager - Vehicle
4. Parks - Mowers

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:



2013-2014 Budget

661 Motor Pool	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
664.000 Interest Income	\$603	\$600	\$400	\$400	\$400	-\$200	-33.3%
670.002 Equipment Rental - City Mgr.	9,450	9,250	9,250	9,000	9,000	-\$250	-2.7%
670.003 Equipment Rental - Fire	28,350	27,700	27,700	27,000	27,000	-\$700	-2.5%
670.004 Equipment Rental - Parks	37,800	37,000	37,000	36,000	36,000	-\$1,000	-2.7%
670.005 Equipment Rental - Police	33,075	32,500	32,500	31,000	31,000	-\$1,500	-4.6%
670.006 Equipment Rental - Public Works	75,600	74,000	74,000	72,000	72,000	-\$2,000	-2.7%
670.007 Equipment Rental - Sewer Street	34,398	35,000	35,000	35,000	35,000	\$0	0.0%
670.008 Equipment Rental - Water	34,398	35,000	35,000	35,000	35,000	\$0	0.0%
670.009 Equipment Rental - WWTP	34,398	35,000	35,000	35,000	35,000	\$0	0.0%
671.000 Other Revenue	0	0	0	0	0	\$0	
673.000 Sale of Asset	2,000	0	0	5,000	5,000	\$5,000	
Total Revenue	\$290,072	\$286,050	\$285,850	\$285,400	\$285,400	-\$650	-0.2%
799.000 Miscellaneous Expense	\$0	\$0	\$9,200	\$500	\$500	\$500	-\$8,700
822.000 Insurance	33,695	37,000	35,600	36,000	36,000	-\$1,000	-\$36,600
971.001 DPW - Plow Trucks	0	100,000	0	160,000	160,000	\$60,000	\$60,000
971.002 DPW - Loader (Big)	0	0	0	0	0	\$0	\$0
971.003 DPW - Sidewalk Tractor/Blower	0	0	0	0	0	\$0	\$0
971.004 DPW - Pickup	40,524	0	0	0	0	\$0	\$0
971.005 DPW - Dump Truck	0	0	0	0	0	\$0	\$0
971.006 DPW - Loader (Small)	0	0	0	0	0	\$0	\$0
971.007 DPW - Hot Patch Trailer	0	0	0	0	0	\$0	\$0
971.008 DPW - Aerial Lift	16,386	16,386	16,386	16,386	16,386	\$0	-\$16,386
971.009 DPW - Sweeper	0	0	0	33,000	33,000	\$33,000	\$33,000
971.010 DPW - Snow Blower	0	0	0	0	0	\$0	\$0
971.011 DPW - Skid Steer	0	0	0	0	0	\$0	\$0
971.012 DPW - Chipper	25,000	0	0	0	0	\$0	\$0
971.013 DPW - Sidewalk Spreader	0	0	0	0	0	\$0	\$0
972.001 PARKS - Mowers	0	10,000	22,000	15,000	15,000	\$5,000	-\$17,000
972.002 PARKS - Beach Cleaner	15,313	0	0	0	0	\$0	\$0
972.003 PARKS - Pickup	0	0	0	0	0	\$0	\$0
972.004 PARKS - Gator	0	0	0	0	0	\$0	\$0
973.001 POLICE - Patrol Car	87,627	0	0	0	0	\$0	\$0
973.002 POLICE - Detective Car	0	0	0	0	0	\$0	\$0
973.003 POLICE - Polaris	0	0	0	0	0	\$0	\$0
974.003 FIRE - Pumper	24,850	24,850	24,850	24,850	24,850	\$0	-\$24,850
974.004 FIRE - Pickup	0	0	0	0	0	\$0	\$0
974.005 FIRE - Aerial Lift Truck	0	0	0	0	0	\$0	\$0
975.001 WATER - Pickup	0	0	0	0	0	\$0	\$0
975.002 WATER - Cargo Van	0	0	0	0	0	\$0	\$0
976.001 WWTP - Pickup	0	25,000	21,500	0	0	-\$25,000	-\$46,500
977.001 WS - Vactor	0	35,700	27,000	27,000	27,000	-\$8,700	-\$35,700
977.002 WS - Backhoe	0	0	0	0	0	\$0	\$0
978.001 GENERAL - Car	0	0	0	0	0	\$0	\$0
978.002 MANAGER - Car	0	0	0	26,000	26,000	\$26,000	\$26,000
999.000 Operating Transfer Out	0	0	0	0	0	\$0	\$0
Total Expenses	\$243,395	\$248,936	\$156,536	\$338,736	\$338,736	\$89,800	36.1%
TOTAL MOTOR POOL	\$46,677	\$37,114	\$129,314	-\$53,336	-\$53,336		
Beginning Cash			\$365,423		\$494,737		
Ending Cash	\$365,423		\$494,737		\$441,401		

Permanent Funds

Oil & Gas

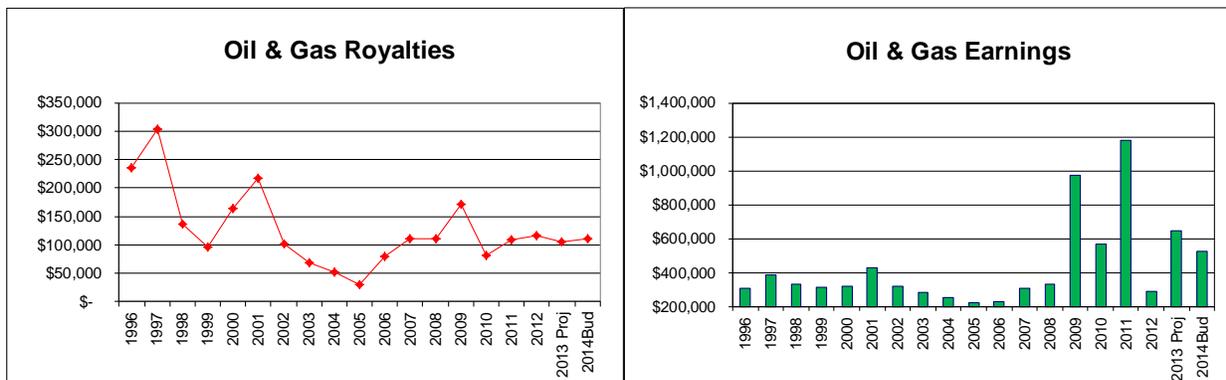
The Oil & Gas Fund was established to accumulate the principal generated from oil and gas royalties received from City-owned mineral rights. Charter Section 2-1(B) protects the principal and royalties of this fund from being spent without a vote of the people.

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.

Annually, money is transferred from the Oil & Gas fund thru the Water & Sewer fund and into the City’s Capital Improvement fund pursuant to the Investment Policy and Spending rule.



Oil & Gas Assumptions & Notes:

Revenues	increased	\$10,000	1.5%
Expenses	increased	\$101,760	43.4%

Revenue: Revenue increased slightly because of projected royalty increases from higher crude and gas prices. Dividend and capital gain income remained flat. However, the economic recovery is tenuous and unexpected economic shocks or political instability could have an adverse impact on returns in the short term.

Expenses: Expenses decreased due to lower transfers out. This amount is determined pursuant to the Spending Rule adopted by the Oil & Gas Board. The money is transferred to the Capital Improvement fund via the Water & Sewer Utility. The reduction was the result of an adjustment to the spending rule. The fund also pays an investment advisory fee that is tied to the market value of the portfolio.

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

Budget as recommended Budget with changes

Changes:

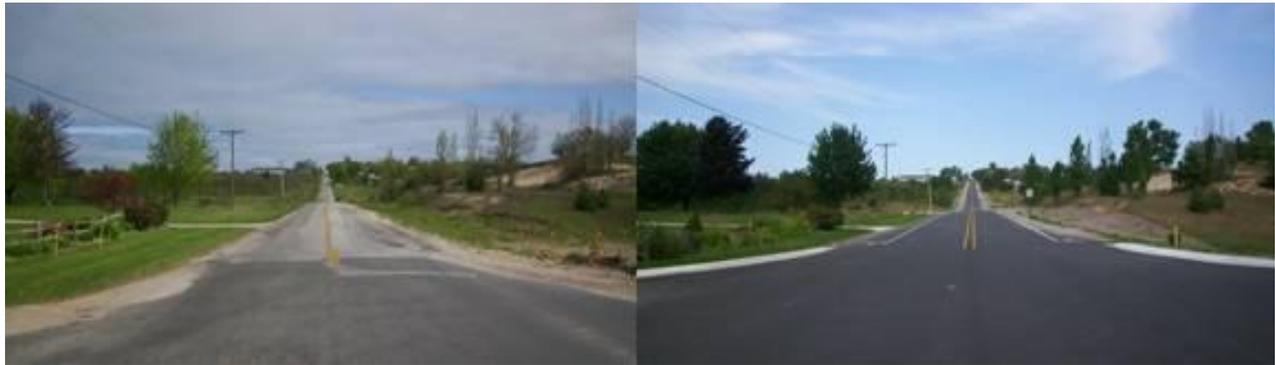
245 Oil & Gas Fund

	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
664.000 Interest Income	\$240,761	\$275,000	\$250,000	\$250,000	\$250,000	-\$25,000	-8.7%
665.001 Unrealized Gain\Loss	49,579	250,000	400,000	275,000	\$275,000	\$25,000	8.9%
666.000 Oil Royalties	116,157	100,000	106,000	110,000	\$110,000	\$10,000	12.4%
Total Revenues	\$406,498	\$625,000	\$756,000	\$635,000	\$635,000	\$10,000	1.5%
728.000 Office/Operating Expense	\$0	\$200	\$0	\$200	\$200	\$0	
801.000 Professional Services	45,423	47,000	47,000	47,000	\$47,000	\$0	0.0%
999.000 Operating Transfer Out	342,782	365,548	365,548	467,308	\$467,308	\$101,760	50.9%
Total Expenditures	\$388,205	\$412,748	\$412,548	\$514,508	\$514,508	\$101,760	43.4%
TOTAL OIL & GAS FUND	\$18,292	\$212,252	\$343,452	\$120,492	\$120,492		
Beginning Fund Balance	\$8,730,279		\$8,748,571		\$9,092,023		
Projected Ending Fund Balance	\$8,748,571		\$9,092,023		\$9,212,515		
Accumulated Royalty Balance	\$7,184,269		\$7,290,269		\$7,400,269		

Special Revenue Funds

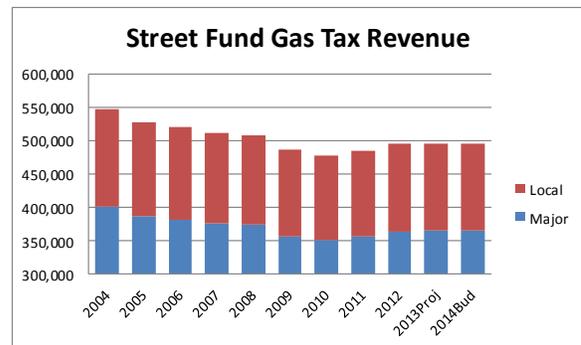
Major Street

This fund records revenue the City receives from the State of Michigan for its major streets. It is authorized by Public Act 51 of 1951, and is funded by gasoline taxes. The City has 18.35 miles of Major Streets. The City files a report with the Michigan Department of Transportation every year detailing how its Act 51 dollars are spent. The Major Street fund pays for things like road construction, road maintenance and plowing of streets.



The first obligations of this fund are the debt service on bonds issued for the River Street streetscape and part of the debt service on the capital improvement bond issued to fund the Cedar St. orphan streets (via a transfer to the Local Street fund). 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 St. orphan streets will be about \$81,000 per year. These bonds will be retired in 2031.

Over the last decade, City’s street funding has declined. Since 2004, the City is receiving \$52,000 or 9.5% less annually. This negative trend has reversed in recent years and it is hoped that the Legislature will address this funding crisis. In any event, even without these decreases, the Act 51 revenue does not cover the full costs of maintaining our streets. It is necessary to supplement these funds with other locally generated funds and/or thru grants.



A State approved, award winning Street Asset Management Plan has been drafted to 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:

Revenue	increased	\$19,600	3.7%
Expenses	decreased	(\$12,858)	-2.5%

Revenue: Revenue is expected to increase from the prior year. Act 51 revenue is expected to stay flat from the prior year which is an increase over what had been budgeted.

Expenses: Expenses are expected to decrease from the prior year budget. No major street projects are anticipated as funds are inadequate at this time. Crack sealing per the asset management plan will continue. Winter salt budget has been increased to reflect actual usage. Transfers out to the Local Street fund are to allow it to service the debt on the Cedar St. orphan street project.

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	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Year to Year		Percent Change
					Council Adopted	Budget Difference	
539.000 State Grant Revenue	\$45,113	\$0	\$0	\$0	\$0	\$0	
576.000 Act 51 Revenue	364,303	345,000	365,000	365,000	365,000	20,000	5.8%
626.000 Charge for Service	174,883	182,000	177,000	182,000	182,000	0	0.0%
641.000 Snow Removal	15,452	0	0	0	0	0	
664.000 Interest Income	176	500	55	100	100	-400	-80.0%
676.000 Reimbursement	0	0	30,843	0	0	0	
699.000 Transfer In	1,161,571	5,000	256,838	5,000	5,000	0	0.0%
Total Revenues	\$1,761,498	\$532,500	\$829,736	\$552,100	\$552,100	\$19,600	3.7%
728.000 Operating Expense	\$0	\$500	\$100	\$500	\$500	\$0	0.0%
935.000 Traffic Services	17,966	10,000	9,000	9,000	9,000	-1,000	-10.0%
936.000 Preservation Streets	1,266,518	144,500	356,200	127,000	127,000	-17,500	-12.1%
937.000 Routine Maintenance Bridges	93,413	5,000	98,000	5,000	5,000	0	0.0%
938.000 Winter Maintenance Streets	141,536	122,000	148,000	147,500	147,500	25,500	20.9%
960.000 Bank Charges	300	0	300	0	0	0	
981.000 Construction Streets	0	0	0	0	0	0	
982.000 Construction Bridges	0	0	0	0	0	0	
992.003 Bond Principal (1999 MDOT)	120,000	125,000	125,000	125,000	125,000	0	0.0%
997.003 Bond Interest (1999 MDOT)	23,350	17,163	17,163	17,163	17,163	0	0.0%
999.000 Transfer Out	70,000	100,487	80,487	80,629	80,629	-19,858	-19.8%
Total Expenses	\$1,733,083	\$524,650	\$834,250	\$511,792	\$511,792	-\$12,858	-2.5%
TOTAL MAJOR STREET	\$28,415	\$7,850	-\$4,514	\$40,308	\$40,308		
Beginning Cash			\$15,463		\$1,233		
Ending Cash	\$15,463		\$1,233		\$41,541		
Beginning Fund Balance							
Ending Fund Balance	\$102,275		\$1,233		\$41,541		

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.



The first obligation of this fund is the debt service on bonds that were issued for the Cedar Street orphan streets. The payment toward the Cedar\First Street bond will be about \$81,000 and the bonds will be retired in 2031.

Local Street Assumptions & Notes

Revenue	decreased	(\$9,858)	-4.4%
Expenses	increased	\$892	0.4%

Revenue: Revenue decreased mainly because of the elimination of a budget stabilization transfer in from the Major Street fund. Act 51 revenue is expected to stay flat from the prior year which is an increase over what had been budgeted.

Expenses: Expenses increased slightly over prior year budget. Street maintenance was reduced while winter maintenance was increased.

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	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Year to Year		Percent Change
					Council Adopted	Budget Difference	
501.000 Federal Grant	\$0	\$0	\$0	\$0	\$0	\$0	
539.000 State Grant	0	0	0	0	0	0	
576.000 Act 51 Revenue	130,854	120,000	130,000	130,000	130,000	10,000	8.3%
626.000 Charge for Service	0	0	0	0	0	0	
641.000 Snow Removal	0	0	0	0	0	0	
664.000 Interest Income	67	50	15	50	50	0	0.0%
676.000 Reimbursement	0	0	0	0	0	0	
699.000 Transfers In	1,170,000	105,487	80,487	85,629	85,629	-19,858	-18.8%
Total Revenues	\$1,300,920	\$225,537	\$210,502	\$215,679	\$215,679	-\$9,858	-4.4%
728.000 Operating Expense	\$0	\$1,000	\$0	\$500	\$500		
935.000 Traffic Services	2,909	5,000	2,500	5,000	5,000	0	0.0%
936.000 Preservation Streets	1,153,573	74,500	60,000	60,250	60,250	-14,250	-19.1%
938.000 Winter Maintenance Streets	74,284	57,000	78,000	72,000	72,000	15,000	26.3%
981.000 Construction Streets	0	0	0	0	0	0	
999.000 Transfers Out	111,062	80,487	80,506	80,629	80,629	142	0.2%
Total Expenditures	\$1,341,828	\$217,987	\$221,006	\$218,379	\$218,379	\$892	0.4%
TOTAL LOCAL STREET	-\$40,908	\$7,550	-\$10,504			-\$2,700	
Beginning Cash			\$18,559		\$8,055		
Ending Cash	\$18,559		\$8,055		\$5,355		
Beginning Fund Balance	\$81,017		\$40,109		\$8,055		
Ending Fund Balance	\$40,109		\$8,055		\$5,355		

Special Revenue Funds

City Street Fund



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.

City Street Assumptions & Notes

Revenue	increased	\$9,143	33.9%
Expenses	increased	\$7,500	25.0%

Revenue: Revenue is projected to increase. This was caused by a payment from Amptech as part of their agreement with the City and a DTE tree grant is also expected. As part of the development agreement with American Materials LLC for the asphalt terminal, Rieth-Riley is required to contribute \$20,000 per year for ten years toward paving projects. None of these funds have yet been used; and no projects are budgeted here; however, there is the possibility that some of these funds could be used this fiscal year if a viable project is found.

Expenses: Expenses increased because of maintenance to downtown sidewalks and street infrastructure (DDA maintenance). Sidewalk replacements are being funded out of Major & Local; streets, per MDOT, so they can be counted toward required non-motorized transportation expenditures.

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

- Budget as recommended Budget with changes

Changes:

204 City Street Fund	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Year to Year		Percent Change
					Council Adopted	Budget Difference	
495.000 ROW Fee	\$23,759	\$24,000	\$24,000	\$24,000	\$24,000	\$0	0.0%
539.000 State Grants	0	0	0	0			
570.000 Local Grants	0	0	0	3,000	3,000	3,000	
626.000 Charge for Service	242	1,000		0	0	-1,000	-100.0%
664.000 Interest Income	893	500	900	500	500	0	0.0%
672.000 Special Assessment	4,574	1,500	1,540	1,500	1,500	0	0.0%
674.000 Contributions\Donations	0	0	0	0	0	0	
676.000 Reimbursement	21,429	0	7,143	7,143	7,143	7,143	
699.000 Operating Transfer In	0	0	0	0	0	0	
Total Revenue	\$50,897	\$27,000	\$33,583	\$36,143	\$36,143	\$9,143	33.9%
728.000 Operating Expense	\$0	\$0	\$250	\$0	\$0	\$0	
801.000 Professional Services	0	5,000	500	2,500	2,500	-\$2,500	-50.0%
831.000 Contractual Repairs & Maint.	0	0	0	10,000	10,000	\$10,000	
964.000 Refunds	0	0	0	0	0	\$0	
983.000 Capital Outlay - Sidewalks	2,027	0	16,800	0	0	\$0	
984.000 Capital Outlay - Trees	13,440	15,000	10,252	15,000	15,000	\$0	0.0%
999.000 Transfer Out	0	10,000	100,000	10,000	10,000	\$0	0.0%
Total Expense	\$15,467	\$30,000	\$127,802	\$37,500	\$37,500	\$7,500	25.0%
TOTAL STREET IMPROVEMENT	\$35,430	-\$3,000	-\$94,219	-\$1,357	-\$1,357	\$1,643	
Beginning Cash			\$89,757		\$20,104		
Ending Cash	\$89,757		\$20,104		\$18,747		
Beginning Fund Balance							
Ending Fund Balance	\$114,323		\$20,104		\$18,747		

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 a hybrid system, funded largely by a 1.15 mill levy and supplemented by a modest monthly user charge of \$3.12, \$6.24, or \$9.36 per month based on the level of service desired. The contract calls for a 4% increase annually. This budget calls for maintaining the user charges at 2011 rates in recognition of the need to increase water and sewer rates by a relatively large amount and the desire to lessen that impact on residents. However, this results in a continued drawdown of refuse fund cash reserves, which is not sustainable in future years. If tax base continues to decline, user fees and/or millage rates will have to be raised, or service levels altered.

Refuse Assumptions & Notes

Revenue	decreased	(\$2,000)	-0.5%
Expenses	increased	\$71,176	17.2%

Revenue: Revenue decreased due to a decrease in tax revenue. Monthly user charges are held flat this year.

Expenses: Expenses increased because spring trash haul is being offered this year and the contract fees are being increased per the contract. Yard waste increased because of the need to rent a compost screen annually. This was offset somewhat by lower municipal (City parks and buildings) refuse 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	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Year to Year		Percent Change
					Council Approved	Budget Difference	
402.000 Real & Personal Property	\$204,966	\$197,000	\$199,000	\$191,000	\$191,000	-\$6,000	-3.0%
411.000 Delinquent Real Tax	11,083	10,250	8,250	14,000	14,000	3,750	36.6%
420.000 Delinquent Personal Tax	1,202	200	200	200	200	0	0.0%
626.000 Charge for Service	183,496	180,000	180,000	180,000	180,000	0	0.0%
643.000 Yard Bags	11,456	12,000	11,500	12,250	12,250	250	2.1%
644.000 Trash Bags	643	700	700	700	700	0	0.0%
664.000 Interest Income	3,543	250	250	250	250	0	0.0%
671.000 Other Revenue	0	0	0	0	0	0	
699.000 Operating Transfer In	0	0	0	0	0	0	
Total Revenue	\$416,389	\$400,400	\$399,900	\$398,400	\$398,400	-\$2,000	-0.5%
728.000 Operating Expense	\$2,203	\$5,000	\$2,500	\$2,500	\$2,500	-\$2,500	-50.0%
755.000 Yard Bags	\$11,865	\$15,000	\$12,000	\$15,000	\$15,000	0	0.0%
820.000 Administration	35,000	29,000	29,000	29,600	29,600	600	2.1%
826.000 Refuse Contract Fees	301,442	275,000	305,000	310,761	310,761	35,761	13.0%
827.000 Municipal Refuse Fees	21,258	28,000	22,500	23,500	23,500	-4,500	-16.1%
828.000 Trash Haul Contract Fees	29,550	0	0	31,000	31,000	31,000	
829.000 Trash Haul City	15,500	16,000	16,000	16,800	16,800	800	5.0%
829.001 Yard Waste Contract Fees	24,384	25,277	33,000	34,291	34,291	9,014	35.7%
829.002 Yard Waste City	19,000	20,000	20,000	21,000	21,000	1,000	5.0%
999.000 Transfer Out	0	0	0	0	0	0	
Total Expenses	\$460,202	\$413,277	\$440,000	\$484,453	\$484,453	\$71,176	17.2%
TOTAL REFUSE	-\$43,814	-\$12,877	-\$40,100	-\$86,053	-\$86,053		
Beginning Fund Balance \ Cash	\$251,735		\$207,921		\$167,821		
Ending Fund Balance \ Cash	\$207,921		\$167,821		\$81,769		

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

Revenue	increased	\$0	0.0%
Expenses	increased	\$4,600	32.2%

Revenue: Revenue remained flat from last year’s budget. Although actual building permit revenue was down in 2012, it is expected to rebound as the economy slowly improves.

Expenses: Expenses increased from the prior year. The administrative reimbursement increased to more fully offset employee costs.

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

- Budget as recommended Budget with changes

Changes:

249 Building Inspector

	2012	2013	2013	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
633.000 Charge for Service - Permits	12,048	15,000	12,000	15,000	15,000	0	0.0%
664.000 Interest Income	27	20	20	20	20	0	0.0%
671.000 Other Revenue		0		0	0	0	
Total Revenues	\$12,075	\$15,020	\$12,020	\$15,020	\$15,020	\$0	0.0%
728.000 Operating Expense	\$3,136	\$1,000	\$1,000	\$1,000	\$1,000	\$0	0.0%
735.000 Periodicals & Publications	0	650	300	650	650	0	0.0%
820.000 Administration	10,000	10,000	10,000	15,000	15,000	5,000	50.0%
831.000 Contractual Repairs & Maint	740	750	1,100	1,100	1,100	350	46.7%
860.000 Travel & Training Expense	1,921	1,500	750	750	750	-750	-50.0%
865.000 Vehicle Allowance	0	0		0	0	0	
870.000 Memberships & Dues	125	310	310	310	310	0	0.0%
880.000 Education		0		0	0	0	
900.000 Printing/Publishing		75	75	75	75	0	0.0%
930.000 Repairs\Maint - Vehicle\Equip		0		0	0	0	
957.000 Motor Pool		0		0	0	0	
964.000 Refunds		0		0	0	0	
970.000 Capital Outlay		0		0	0	0	
Total Expenses	\$15,922	\$14,285	\$13,535	\$18,885	\$18,885	\$4,600	32.2%
TOTAL BUILDING INSPECTOR	-\$3,846	\$735	-\$1,515	-\$3,865	-\$3,865		
Beginning Cash Balance			\$17,835		\$16,320		
Projected Ending Cash Balance	\$17,835		\$16,320		\$12,455		
Beginning Fund Balance	\$21,681		\$17,835		\$16,320		
Ending Fund Balance	\$17,835		\$16,320		\$12,455		

Special Revenue Funds

Grant Management

This fund accounts for grants received from the Local Revenue Sharing Board and State and Federal grants not required to be accounted for elsewhere. For LRSB grants, there is a three member board (with a City representative) that distributes money to local units of government as prescribed in a compact with the Little River Band of Ottawa Indians. Grant applications are accepted twice per year. Public safety grants are the primary ones awarded to the City.

Grant Management Assumptions & Notes

Revenue	increased	\$10,000	20.5%
Expenses	increased	\$30,000	46.5%

Revenue: Revenue is an estimate of grants that may be received. In addition to an estimated \$50,000 in LRSB grants, the City also expects to receive a portion of the \$75,000 grant for the fish cleaning station (remaining funds not received in FY 2012-2013), a \$280,000 grant from the MNRTF for the First St. Beach House and a \$48,000 grant from LAWCON.

Expenses: Costs are dependent upon the amount of grant dollars received. Funds should be expended within 6 to 12 months of receipt.

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

- Budget as recommended Budget with changes

Changes:

275 Grant Management

	2012 Actual	2013 Budget	2013 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
501.000 Federal Grant Revenue	\$61,055	\$0	\$36,213	\$0	\$0	\$0	
539.000 State Grant Revenue	0	280,000	0	325,000	325,000	\$45,000	16.1%
570.000 Local Grant Revenue	11,250	75,000	53,750	0	0	-\$75,000	-100.0%
570.001 LSRB Grants	194,331	30,000	163,250	50,000	50,000	\$20,000	66.7%
664.000 Interest Income	0	0	0	0	0	\$0	
699.000 Transfers In	195,000	0	21,000	20,000	20,000	\$20,000	
Total Revenues	\$461,636	\$385,000	\$274,213	\$395,000	\$395,000	\$10,000	20%
799.000 LRSB Expenditures	57,216	30,000	202,520	60,000	60,000	30,000	100.0%
970.001 FEMA SCBA	61,055	0	36,213	0	0		
979.005 First St Beach House	33,182	310,000	225,000	241,818	241,818		0.0%
979.011 Fish Cleaning Station Rotary Park	15,546 0	135,000 0	75,000 0	59,454 65,000	59,454 65,000		0.0%
Total Expenditures	\$166,999	\$475,000	\$538,733	\$426,272	\$426,272	\$30,000	47%
TOTAL GRANT MANAGEMENT	\$294,637	-\$90,000	-\$264,520	-\$31,272	-\$31,272		
Beginning Cash Balance			\$358,288		\$31,273		
Ending Cash Balance	\$358,288		\$31,273		\$0		
Beginning Fund Balance			\$295,793		\$31,273		

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. Many worthy community projects have been funded since then. It has provided over \$2,000,000 in funding since its inception.



Capital Improvement Assumptions & Notes

Revenue	decreased	(\$23,240)	-6.4%
Expenses	decreased	(\$13,800)	-3.7%

Revenue: Revenue is based upon the 4.0% Oil & Gas spending rule formula. The decline was due to a change in the spending rule offset mostly by higher fund balances, resulting in a small decline.

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 2013-2014 Capital Improvement Plan for details of the projects anticipated in the budget:

Project	Cost	Notes
Ramsdell Roof Note	\$ 69,880	last payment FY 2016-2017
First Street	\$ 71,980	last payment FY 2031-2032
Municipal Marina	\$ 40,000	last payment 2025-2026 (if needed on an annual basis)
Ramsdell Theatre HVAC	\$ 108,950	last payment FY 2026-2027
Rear Garage Door Fire Station	\$ 26,700	support second ambulance
Ramsdell Office\GreenRoom\Substage	\$ 25,000	green room, office, storage
Playground Sidewalks\Concrete	\$ 10,000	grant match for LAWCON
Bleacher Concrete	\$ 5,000	under bleachers

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

- Budget as recommended Budget with changes

Changes:

430 Capital Improvement Fund	2012	2013	2013	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	Change
664.000 Interest Income	\$553	\$200	\$80	\$200	\$200	\$0	0.0%
671.000 Other Revenue	0	0	0	0	0	\$0	
674.000 Contributions\Donations	0	0	0	0	0	\$0	
676.000 Reimbursement	0	0	0	0	0	\$0	
699.000 Operating Transfer In	342,782	\$365,548	\$365,548	342,308	342,308	-\$23,240	-6.4%
Total Revenues	\$343,335	\$365,748	\$365,628	\$342,508	\$342,508	-\$23,240	-6.4%
801.000 Professional Services	\$0	\$0	\$0	\$0	\$0	\$0	
970.000 Capital Outlay	154,233	80,500	75,700	66,700	66,700	-13,800	-17.1%
999.000 Transfer Out	245,000	0	101,000	0	0	0	
Total Expenses	\$399,233	\$80,500	\$176,700	\$66,700	\$66,700	-\$13,800	
979.003 Ramsdell Roof Note	69,880	\$69,880	69,880	69,880	69,880	\$0	0.0%
979.004 Ramsdell HVAC Note	54,475	108,950	108,950	108,950	108,950	\$0	0.0%
979.018 Marina Building Note Support	40,000	40,000	40,000	40,000	40,000	\$0	0.0%
979.019 First St.\Maple St. Bridge Bond	72,564	71,853	71,853	71,980	71,980	\$127	0.2%
Total Debt Support	\$236,919	\$290,683	\$290,683	\$290,810	\$290,810		
Total Expenditures	\$636,152	\$371,183	\$467,383	\$357,510	\$357,510	-\$13,800	-3.7%
TOTAL CAPITAL IMPROVEMENT	-\$292,818	-\$5,435	-\$101,755	-\$15,002	-\$15,002		
Beginning Cash Balance			\$179,844		\$55,936		
Ending Cash Balance	\$179,844		\$55,936		\$40,934		
Beginning Fund Balance			\$157,691		\$55,936		
Ending Fund Balance	\$157,691		\$55,936		\$40,934		



2013-2014 Budget

Capital Improvement Fund

Estimated Cash Flows	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021
Revenues	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508
Expenses								
Committed								
Ramsdell Roof Note	\$ 69,880	\$ 69,880	\$ 69,880	\$ 69,880	\$ 34,940			
First Street	\$ 71,980	\$ 71,980	\$ 71,997	\$ 72,640	\$ 72,256	\$ 72,680	\$ 72,111	\$ 72,130
Municipal Marina	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Ramsdell Theatre HVAC	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950
Total Committed	\$ 290,810	\$ 290,810	\$ 290,827	\$ 291,470	\$ 256,146	\$ 221,630	\$ 221,061	\$ 221,080
	85%	85%	85%	85%	75%	65%	65%	65%
Annual								
Rear Garage Door Fire Station	\$ 26,700							
Ramsdell Office\GreenRoom\Substage	\$ 25,000							
Playground Sidewalks\Concrete	\$ 10,000							
Ballfield Concrete	\$ 5,000							
Total Annual Expense	\$ 66,700							
Estimated Future Annual Available Funds		\$ 45,000	\$ 50,000	\$ 50,000	\$ 90,000	\$ 120,000	\$ 120,000	\$ 120,000
Total Expenses	\$ 357,510	\$ 335,810	\$ 340,827	\$ 341,470	\$ 346,146	\$ 341,630	\$ 341,061	\$ 341,080
Net Result	\$ (15,002)	\$ 6,698	\$ 1,681	\$ 1,038	\$ (3,638)	\$ 878	\$ 1,447	\$ 1,428
Beginning Cash Balance	\$ 55,936	\$ 40,934	\$ 47,632	\$ 49,313	\$ 50,351	\$ 46,714	\$ 47,591	\$ 49,038
Ending Cash Balance	\$ 40,934	\$ 47,632	\$ 49,313	\$ 50,351	\$ 46,714	\$ 47,591	\$ 49,038	\$ 50,466



2013-2014 Budget

2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032
\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508	\$ 342,508

\$ 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					
\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 54,475				
\$ 220,979	\$ 221,639	\$ 221,368	\$ 221,003	\$ 221,347	\$ 221,529	\$ 127,071	\$ 72,457	\$ 72,174	\$ 72,571	\$ 72,764
65%	65%	65%	65%	65%	65%	37%	21%	21%	21%	21%

\$ 120,000	\$ 120,000	\$ 120,000	\$ 123,000	\$ 125,000	\$ 125,000	\$ 210,000	\$ 270,000	\$ 270,000	\$ 270,000	\$ 270,000
\$ 340,979	\$ 341,639	\$ 341,368	\$ 344,003	\$ 346,347	\$ 346,529	\$ 337,071	\$ 342,457	\$ 342,174	\$ 342,571	\$ 342,764
\$ 1,529	\$ 869	\$ 1,140	\$ (1,495)	\$ (3,839)	\$ (4,021)	\$ 5,437	\$ 51	\$ 334	\$ (63)	\$ (256)
\$ 50,466	\$ 51,996	\$ 52,865	\$ 54,005	\$ 52,509	\$ 48,671	\$ 44,650	\$ 50,087	\$ 50,138	\$ 50,473	\$ 50,409
\$ 51,996	\$ 52,865	\$ 54,005	\$ 52,509	\$ 48,671	\$ 44,650	\$ 50,087	\$ 50,138	\$ 50,473	\$ 50,409	\$ 50,154

Capital Project Funds

Renaissance Park Fund

The Renaissance Industrial Park is located just east of US-31 on M-55. The Renaissance Park fund accounts for activity relating to the park, including lot sales, marketing and infrastructure. This park was built in 1997 with funding from the Michigan Economic Development Corporation in the form of a loan and grant; as well as local funds. In 2007, the City successfully met the job creation goal necessary to convert most of the loan balance into a grant.



The remaining balance of \$110,000 was also altered by the MEDC to become a no interest loan. The City will make annual payments of \$5,616 until the loan is paid off. These funds will come from the Renaissance Park fund, or General fund, if necessary. Absent any lot sales or other revenue, this fund is expected to run out of money after this fiscal year, at which point the General fund will take over the payments.

Renaissance Park Assumptions & Notes

Revenue	increased	\$0	0.0%
Expenses	increased	\$0	0.0%

Revenue: Revenue is flat from last year. Absent lot sale(s), interest income is immaterial.

Expenses: Expenses are flat and represent one year’s repayment of the MEDC loan.

Budget Appropriation

CITY OF MANISTEE**2013-2014 GENERAL APPROPRIATIONS ACT****BUDGET ADOPTION LIST**

It was moved by _____, supported by _____, that the City of Manistee Budgets for the fiscal year 2013-2014 be adopted as presented by the City Manager on April 2, 2013 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:

101 - GENERAL FUND **

Total Revenue	\$ 5,774,803
Total Expense	\$ 5,774,804
100 - General Government	\$ 396,137
100 - General Government Debt	\$ 764,243
101 - Legislative	\$ 46,970
172 - Manager	\$ 211,174
215 - Clerk	\$ 180,595
253 - Finance	\$ 208,098
257 - Assessor	\$ 117,284
265 - Municipal Buildings	\$ 118,850
266 - Attorney	\$ 80,000
285 - Engineer	\$ 12,000
290 - Boards and Commissions	\$ 12,630
301 - Police	\$ 963,569
336 - Fire	\$ 856,852
441 - Public Works	\$ 1,004,522
748 - Community Development	\$ 299,858
751 - Parks and Recreation	\$ 371,002
801 - Appropriations	\$ 131,018

ENTERPRISE FUNDS

573 - WATER & SEWER FUND

Total Revenue	\$	3,861,101
Total Expenses	\$	2,162,054
Total Capital & Debt	\$	1,703,022
General	\$	342,308
Administration	\$	437,638
Water	\$	466,085
WWTP	\$	706,794
Sewer	\$	209,229
Debt Service	\$	1,614,022
Capital Outlay	\$	89,000

594 - MUNICIPAL MARINA FUND **

Total Revenue	\$	281,475
Total Expenses	\$	230,630
Total Capital & Debt	\$	63,024
Debt Service	\$	63,024
Capital Outlay	\$	-

508 - BOAT LAUNCH FUND

Total Revenue	\$	33,025
Total Expenses	\$	18,380
Total Capital & Debt	\$	14,536
Debt Service	\$	14,536
Capital Outlay	\$	-

296 - RAMSDELL THEATRE FUND

Total Revenue	\$	417,580
Total Expenses	\$	171,829
Total Capital & Debt	\$	217,284
Debt Service	\$	177,284
Capital Outlay	\$	40,000

SPECIAL REVENUE FUNDS

202 - MAJOR STREET FUND

Revenue	\$	552,100
Expense	\$	511,792

203 - LOCAL STREET FUND **

Revenue	\$	215,679
Expense	\$	218,379

204 - STREET IMPROVEMENT FUND **

Revenue	\$	36,143
Expense	\$	37,500

226 - REFUSE FUND **

Revenue	\$	398,400
Expense	\$	484,453

249 - BUILDING INSPECTOR **

Revenue	\$	15,020
Expense	\$	18,885

275 - GRANT MANAGEMENT **

Revenue	\$	395,000
Expense	\$	426,272

CAPITAL PROJECT FUNDS

430 - CAPITAL IMPROVEMENT FUND **

Revenue	\$	342,508
Expense	\$	357,510

490 - RENAISSANCE PARK FUND **

Revenue	\$	15
Expense	\$	5,616

INTERNAL SERVICE FUNDS

661 - MOTOR POOL FUND **

Revenue	\$	285,400
Expense	\$	338,736

PERMANENT FUNDS

245 - OIL & GAS FUND

Revenue	\$	635,000
Expense	\$	514,508

** Utilizes cash reserves

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 2013-2014 fiscal year. Water and Sewer consumption charges are established at \$3.37 and \$6.74 per 1,000 gallons respectively for bills issued after July 1, 2013. 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, 2013.

Adopted by the Manistee City Council on May 7, 2013.

Colleen Kenny, Mayor

ATTEST:

Michelle Wright, City Clerk

Schedule of Fees

BUSINESS FEES \ REGISTRATION

AMUSEMENT LICENSE		
Phonographs	\$5	
Bowlers	\$10	
Pool Tables	\$15	
BUSINESS REGISTRATION	\$75	
GOING OUT OF BUSINESS	\$50	
BICYCLE LICENSE	\$0	
STREET PERFORMERS	\$0	
TAX ABATEMENT / EXEMPTION	\$1,000	\$1,500
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	\$45		
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	\$100	
WEED CUTTING	\$250		First Hour
			Addtl Hrs; Per Person / Per Hour + Equip Chg
HANDGUN APPLICATIONS	\$5		
RETURN CHECK FEE	\$30		
ROAD BREAKAGE DEPOSIT	\$1,000		
(deposit applied to actual and remainder billed)			

MARINA \ BOAT RAMP

MARINA			Rates Set by State of Michigan
BOAT RAMP			
Daily	\$5	\$10	
Resident Seasonal	\$35	\$40	
Non-Resident Seasonal	\$35	\$40	

PARKING VIOLATIONS (Ord. Ch. 430)

Alternate Parking	\$40		
after 14 days	\$100		
Handicap Violations	\$50	\$100	
after 4 days	\$100	\$150	Needs ordinance amendment
Overtime Parking			
Overtime Parking	\$40		
after 14 days	\$100		

DOCUMENTS & COPIES

ZONING ORDINANCE	\$75	\$125	
MASTER PLAN	\$75		
CHARTER	\$20		
CODE OF ORDINANCES	\$80	\$125	
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	Cost +\$.25

WATER / SEWER RATES (monthly)

Metered Water (per 1,000)	\$3.37	
Metered Sewer (per 1,000)	\$6.74	
Bonded Debt	varies	
Escrow Deposit	\$200	
Unmetered Water	\$25	
Unmetered Sewer	\$50	
Turn On / Off Service	\$75	
After Hours Service Call	\$75	
Sprinkling Meter 5/8"	\$105	
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 (after hours rate)	\$0.03	
	\$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

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

PLANNING & ZONING \ BUILDING \ RENTAL

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

Appendix

Elected Officials & Administration

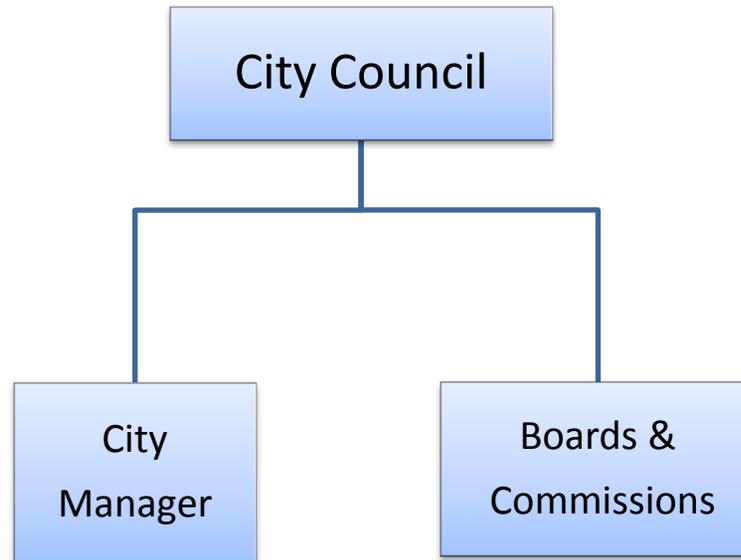
Colleen Kenny	Mayor	First District	ckenny@manisteemi.gov
Ed Cote	Councilmember	Second District	ecote@manisteemi.gov
Robert Hornkohl	Councilmember	Third District	rhornkohl@manisteemi.gov
Chip Goodspeed	Councilmember	Fourth District	cgoodspeed@manisteemi.gov
Catherine Zaring	Mayor Pro-Tem	Fifth District	czaring@manisteemi.gov
Beth Adams	Councilmember	Sixth District	badams@manisteemi.gov
Eric Gustad	Councilmember	Seventh District	egustad@manisteemi.gov

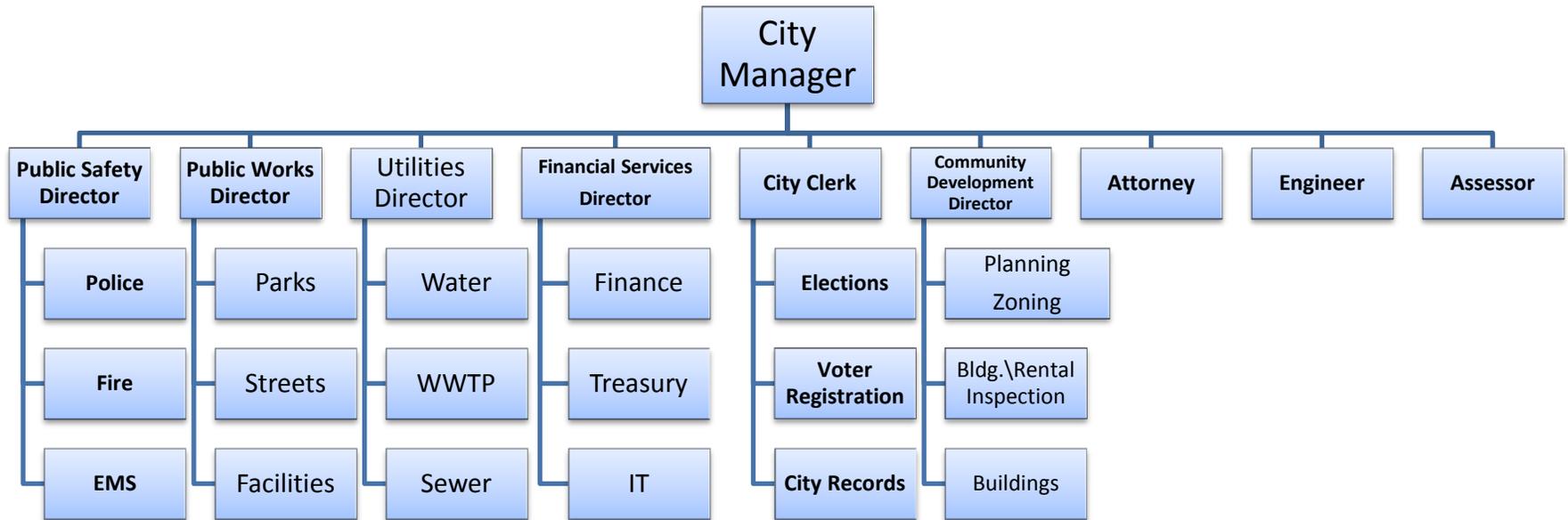
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Mitch Deisch	City Manager	mdeisch@manisteemi.gov
Dave Bachman	Public Safety Director	dbachman@manisteemi.gov
Julie Beardslee	City Assessor	jbeardslee@manisteemi.gov
Ed Bradford	Financial Services Director	ebradford@manisteemi.gov
Jack Garber	Public Works Director	jgarber@manisteemi.gov
Jeff Mikula	Utilities Director	jmikula@manisteemi.gov
Jon Rose	Community Development Director	jrose@manisteemi.gov
Michelle Wright	City Clerk\Deputy Treasurer	mwright@manisteemi.gov

Appendix

City Organization Chart

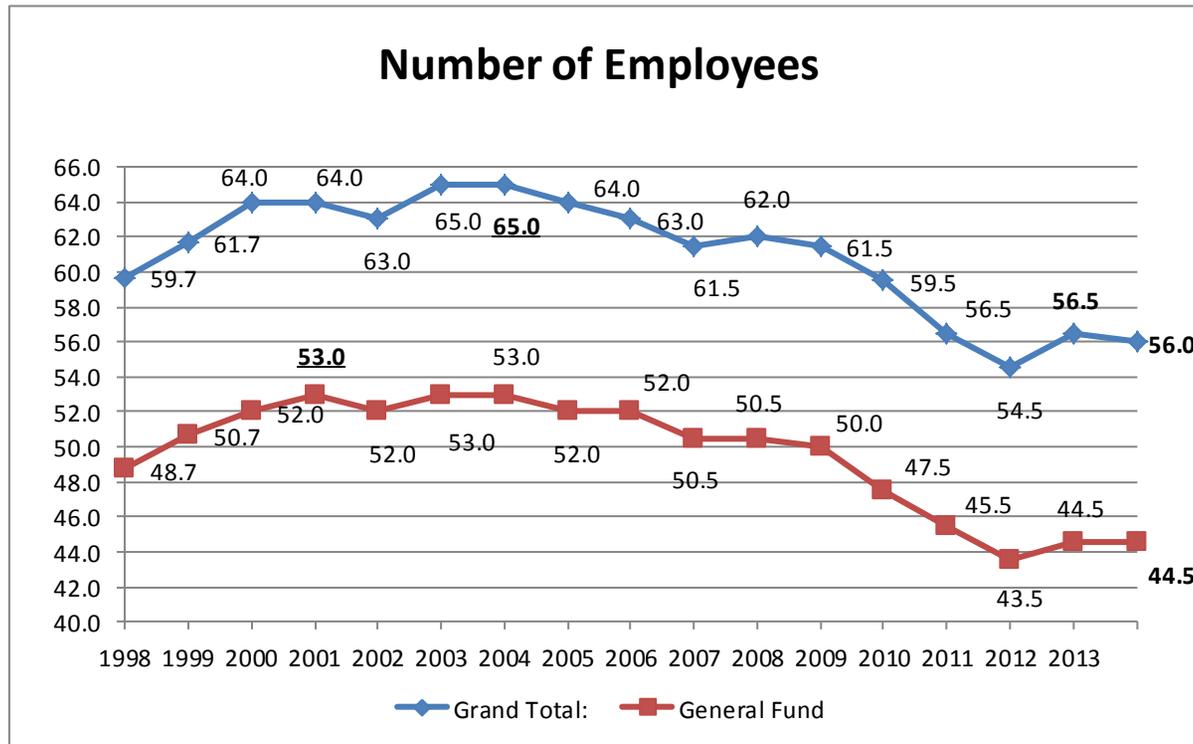




Appendix

Number of Employees

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



Appendix

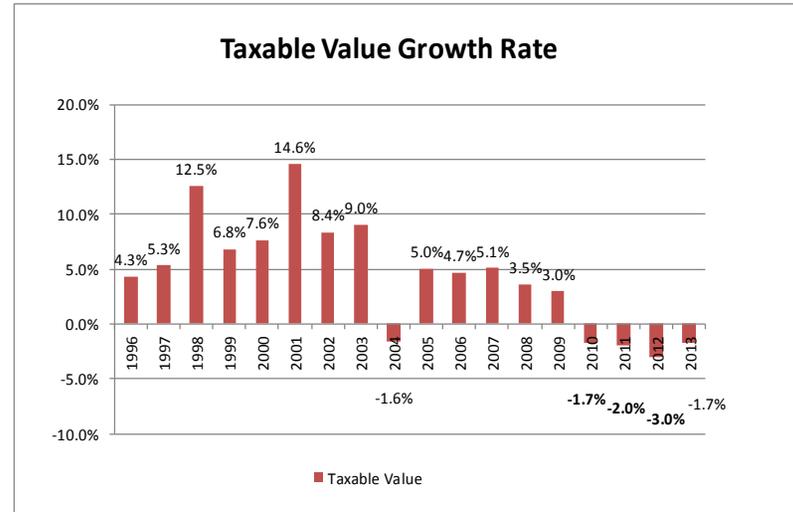
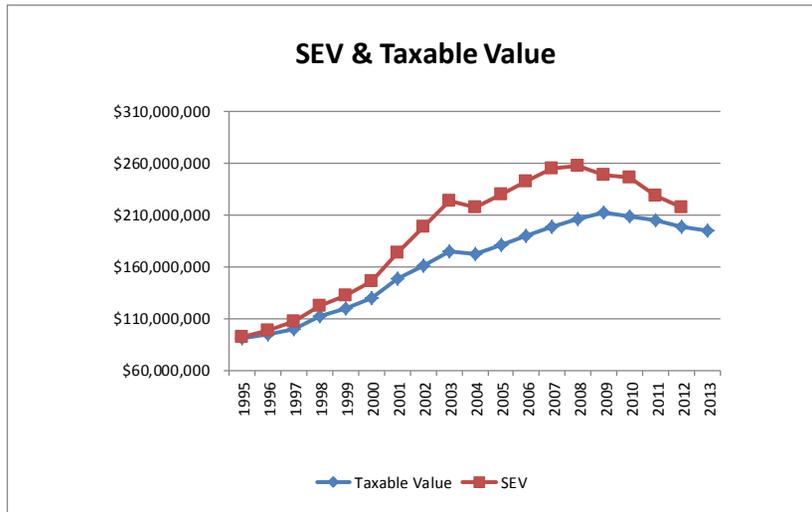
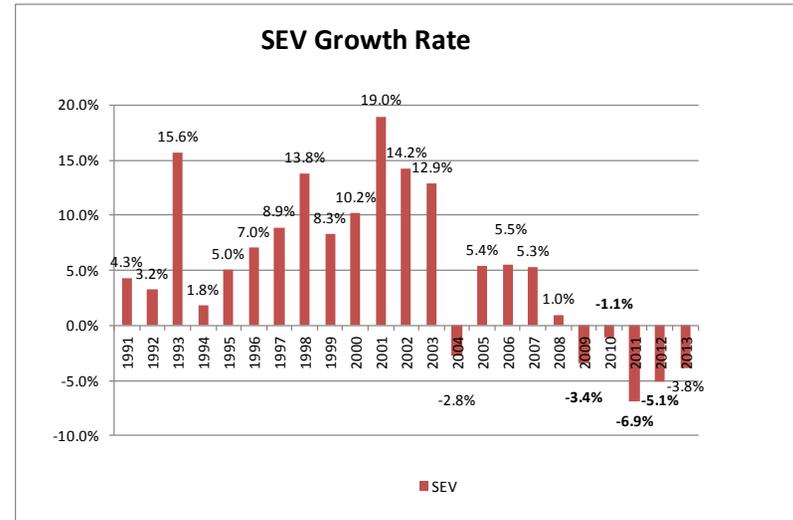
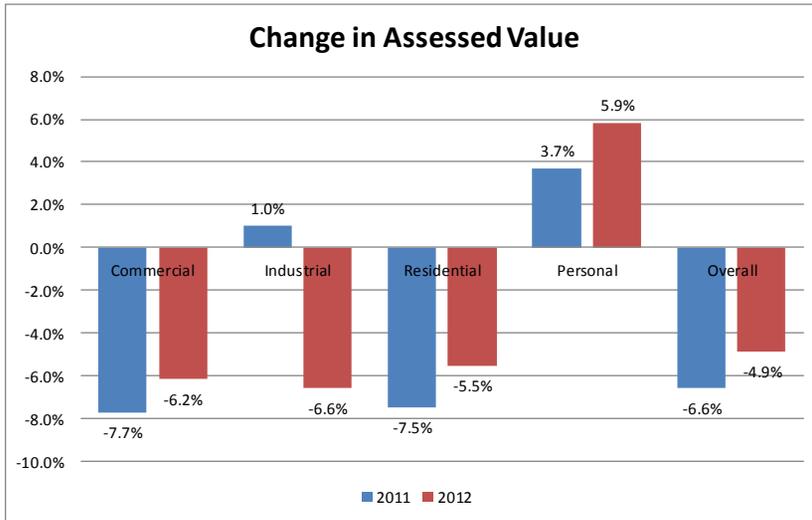
Breakdown of Employees

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	Actual 2012	Actual 2013	Budget 2014Bud
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	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	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	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	3.5	4.0
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	0.5	0.0
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	12.0	12.0
Fire\EMS	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	8.5	8.5
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	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	2.0	2.0
General Fund	48.7	50.7	52.0	53.0	52.0	53.0	53.0	52.0	52.0	50.5	50.5	50.0	47.5	45.5	43.5	44.5	44.5
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	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	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	5.0	5.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Water & Sewer	11.0	11.0	12.0	11.0	11.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0	11.0
Ramsdell Theatre											0.5	0.5	1.0	1.0	1.0	1.0	0.5
Ramsdell Theatre											0.5	0.5	1.0	1.0	1.0	1.0	0.5
Grand Total:	59.7	61.7	64.0	64.0	63.0	65.0	65.0	64.0	63.0	61.5	62.0	61.5	59.5	56.5	54.5	56.5	56.0

Appendix

SEV & Taxable Value Charts



Appendix

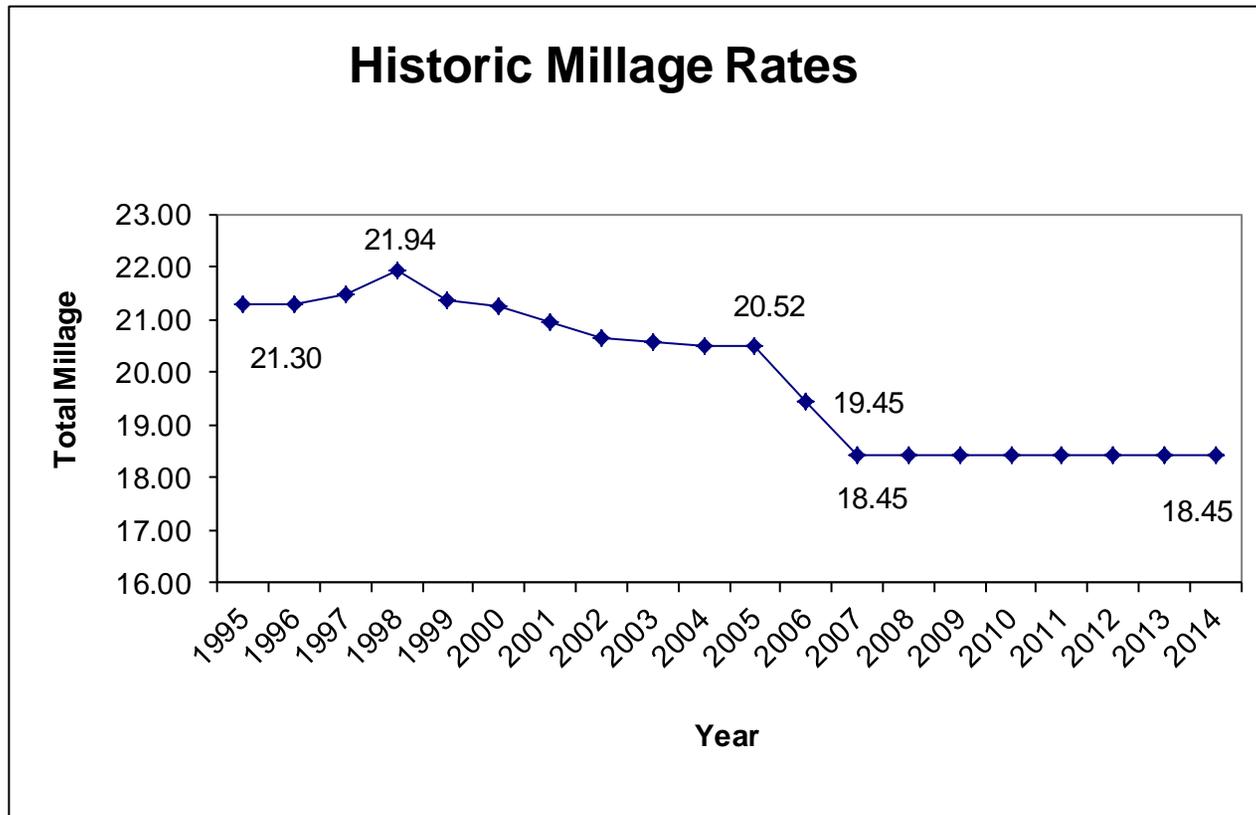
SEV & Taxable Values

Year	SEV	SEV Growth	Taxable Value 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	\$ 248,539,700	-3.4%	\$ 212,438,939	3.0%
2010	\$ 245,823,500	-1.1%	\$ 208,759,415	-1.7%
2011	\$ 228,785,500	-6.9%	\$ 204,529,817	-2.0%
2012	\$ 217,101,200	-5.1%	\$ 198,380,202	-3.0%
2013	\$ 208,763,700	-3.8%	\$ 194,937,465	-1.7%
2008 to 2013	\$ (48,630,300)	-19.6%	2009 to 2012	\$ (17,501,474)
				-8.2%

Appendix

Millage Rates

Historic City millage rates are presented below.



Appendix

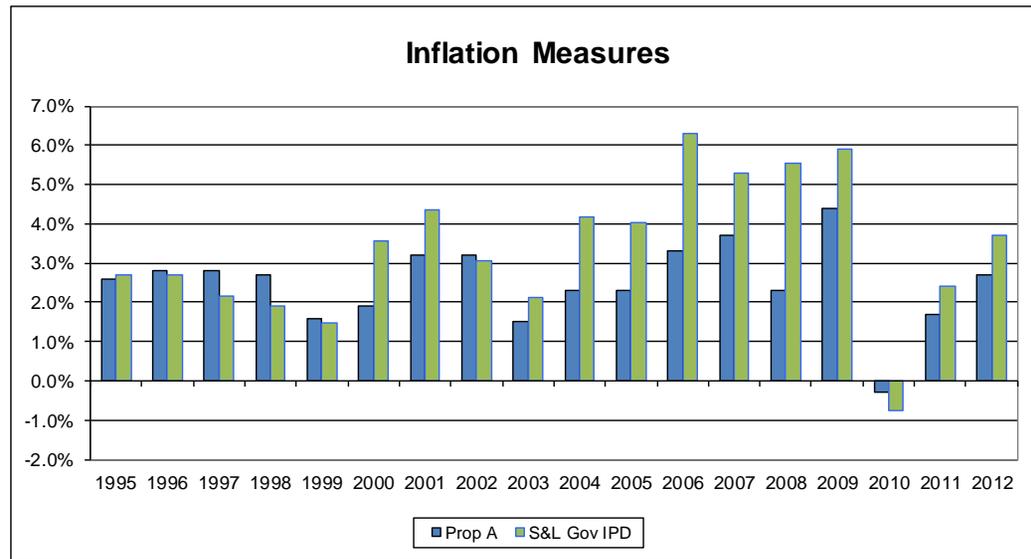
Millage Rates

Millage Rates	Fiscal Year Ended																			
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General	18.52	18.52	18.52	18.52	18.52	18.50	18.50	18.19	18.13	18.07	18.07	17.95	16.95	16.95	16.95	16.95	17.30	17.30	17.2957	17.2957
Refuse	2.78	2.78	2.95	2.78	2.25	2.25	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.15	1.15	1.15	1.15
Voted Fire	0.00	0.00	0.00	0.64	0.60	0.50	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	21.30	21.30	21.47	21.94	21.37	21.25	20.95	20.64	20.58	20.52	20.52	19.45	18.45							
Reduction Amount	0.00	0.17	0.47	(0.57)	(0.12)	(0.30)	(0.31)	(0.06)	(0.06)	(0.00)	(1.08)	(1.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Cumulative Reduction	0.00	0.17	0.64	0.07	(0.05)	(0.35)	(0.66)	(0.72)	(0.78)	(0.78)	(1.85)	(2.85)	(2.85)	(2.85)	(2.85)	(2.85)	(2.85)	(2.85)	(2.85)	(2.85)
Percent Change	0.0%	0.8%	2.2%	-2.6%	-0.6%	-1.4%	-1.5%	-0.3%	-0.3%	0.0%	-5.2%	-5.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cumulative Change	0.0%	0.8%	3.0%	0.4%	-0.2%	-1.6%	-3.1%	-3.3%	-3.6%	-3.6%	-8.9%	-14.0%	-14.0%	-14.0%	-14.0%	-14.0%	-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.



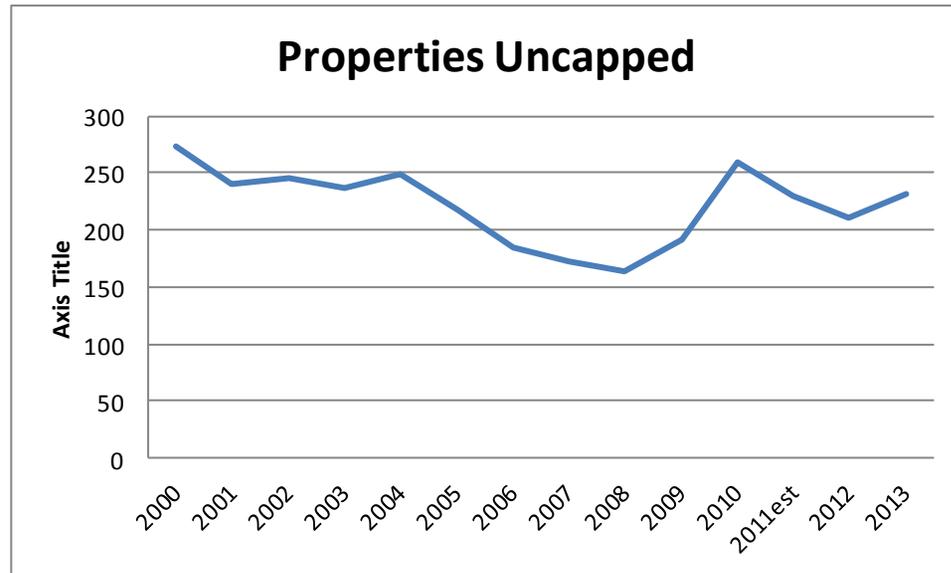
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Prop A	2.6%	2.8%	2.8%	2.7%	1.6%	1.9%	3.2%	3.2%	1.5%	2.3%	2.3%	3.3%	3.7%	2.3%	4.4%	-0.3%	1.7%	2.7%
S&L Gov IPD	2.7%	2.7%	2.2%	1.9%	1.5%	3.6%	4.4%	3.1%	2.1%	4.2%	4.0%	6.3%	5.3%	5.5%	5.9%	-0.8%	2.4%	3.7%

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
2011est	230	(30)
2012	211	(19)
2013	231	20
Average	222	



Appendix

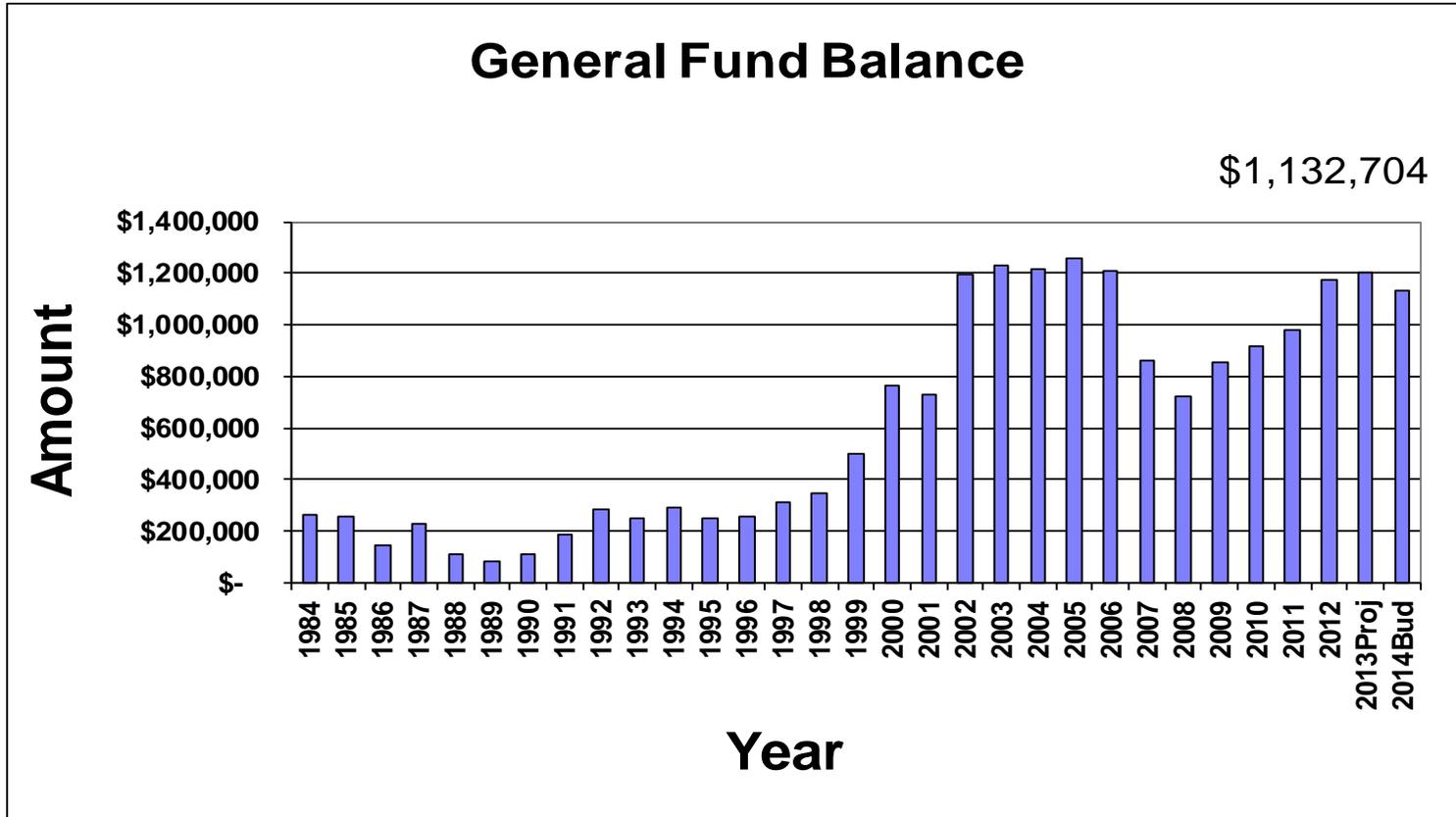
Water & Sewer Rates

The chart below shows historical water & sewer rate increases.

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Water per 1000G	\$1.63	\$1.79	\$1.86	\$1.90	\$1.95	\$2.04	\$2.16	\$ 2.25	\$2.48	\$2.60	\$2.72	\$2.84	\$3.03	\$3.37
Sewer per 1000G	\$3.53	\$3.57	\$3.71	\$3.80	\$3.90	\$4.08	\$4.32	\$ 4.50	\$4.97	\$5.20	\$5.44	\$5.68	\$6.06	\$6.74
Fixed Charge	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$ 6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60
Typical Bill (6,000 G per Month)	\$37.56	\$38.76	\$40.02	\$40.80	\$41.70	\$43.32	\$45.48	\$47.10	\$51.30	\$53.40	\$55.56	\$57.72	\$61.20	\$67.27
Dollar Increase		\$1.20	\$1.26	\$0.78	\$0.90	\$1.62	\$2.16	\$1.62	\$4.20	\$2.10	\$2.14	\$2.18	\$3.48	\$6.13
Percent Increase		3.2%	3.3%	1.9%	2.2%	3.9%	5.0%	3.6%	9.0%	4.4%	4.0%	4.0%	6.0%	10.0%

Appendix

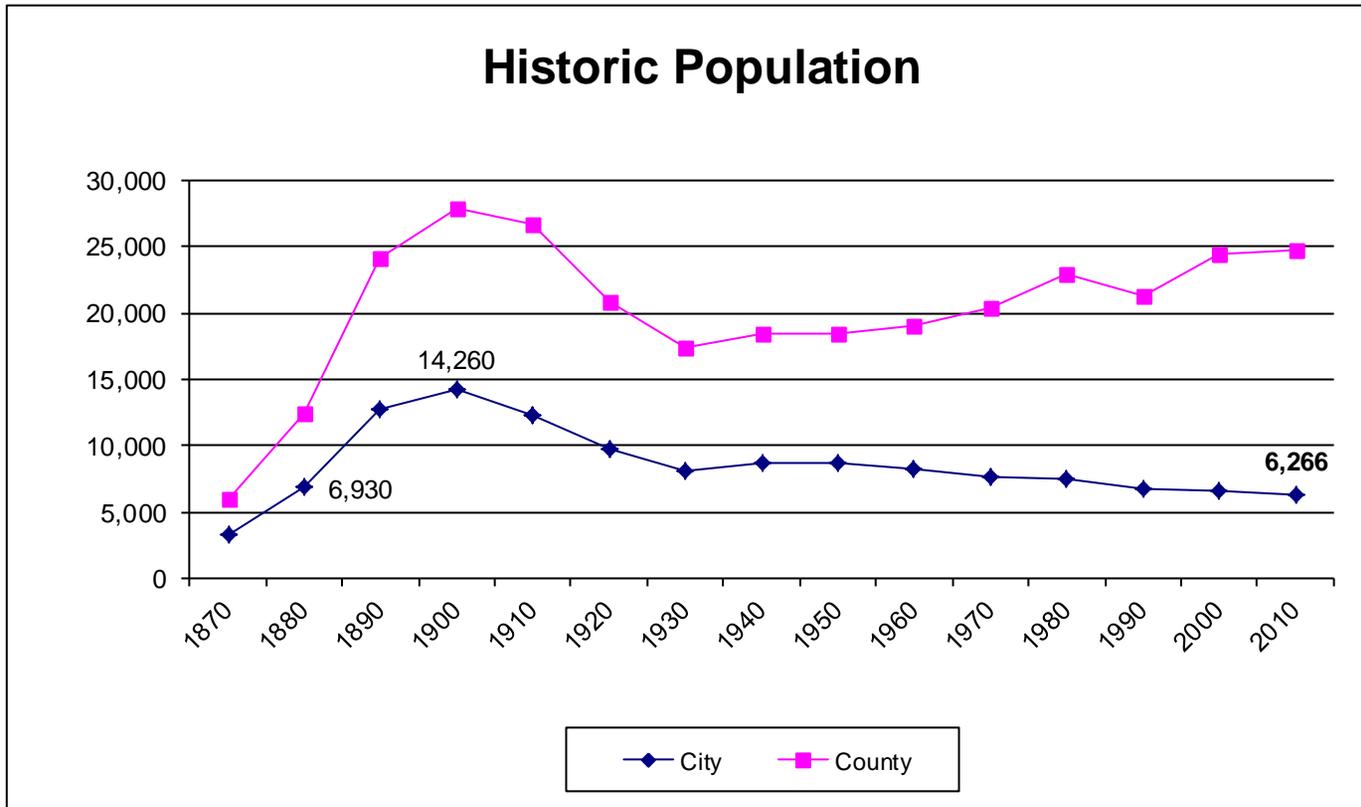
General Fund Balance



Appendix

Population

A history of census data counts has been prepared. The official 2010 census data showed a loss of 320 people from 2000.



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 Commission	1 st 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	First Street 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	Local Revenue Sharing	Variety of Items	\$ 194,331
2011	MNRTF	Beach House	\$ 280,000
2011	MDEQ Abandoned Well Mgt.	S2 Sewer Study	\$ 204,300
2011	MDEQ	Principal Forgiveness	\$ 78,000
2012	Local Revenue Sharing	Variety of Items	\$ 112,246
2012	MDOT	Kosciusko Street	\$ 203,951
2012	DTE Tree Planting	Trees	\$ 3,000
Total			\$ 11,097,696