



## **FY 2015 – 2016 Budget**



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## Budget Introduction

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Welcome to the City of Manistee's Fiscal Year 2015-2016 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.

*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.

*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.

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 *Appendix* provides 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 2015-2016 budget document.

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## Overview

### Budget Transmittal Letter

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March 27, 2015

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

Ladies and Gentlemen:

The 2015-2016 City of Manistee budget recommendations are presented for your consideration.

After six years of declining tax base, the tide appears to have turned. For 2015, overall taxable value increased by a modest 0.8%. Although this level of growth is not as robust as in the past, it nevertheless is a very positive development. The single biggest indicator of a thriving and prosperous Manistee is growth. By this measure, better days appear to be ahead of us.

The budget is an opportunistic one that addresses several key areas of significant importance. First, it makes strategic investments in personnel. For several years, the City has managed the fallout from reduced tax base and state revenue sharing by utilizing attrition and departmental restructuring. Total City employment has declined by 9 FTE or 14% since 2004. The number of department heads has been reduced from 8 to 4. Although this approach has been successful in saving money and preventing layoffs during these challenging times, the trend cannot continue. It is time to make smart staffing choices that strengthen the organization and position it for future success. The budget includes a net increase of 1/2 FTE by eliminating the Building Inspector, adding a Deputy Public Works Director and adding a part-time finance\clerk office staff.

Second, the budget makes significant investments in the street network. After several months of meetings and discussions, the Ad Hoc Street Committee issued its final report in early 2015. The proposed budget implements most of the ad hoc street committee recommendations. The 2015-2016 Transportation Improvement Plan anticipates investing \$412,000 to resurface about 1.3 miles of local streets. It anticipates investing a similar amount into the major street network in 2016-2017. Even with this progress, it must be cautioned that funding for street work will continue to be quite challenging absent more money from the State or significant Council reprioritization of spending. Over 40% of the funds to be invested this year are from one-time sources that won't be available in the future. An additional 26% comes from alternating funding. The level of general fund contribution may also be challenging to sustain in future years.

Third, the water and sewer utility is poised to address not only several critically important infrastructure projects financed by the recent bond issue, but also is in line to receive a \$2,000,000 SAW grant in the fall. The importance of this grant cannot be overstated. It is

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absolutely vital to allow us to collect and analyze the data necessary to map our sewer system and identify the last remaining sources of inflow and infiltration. This information will be used to design a strategy to close the last combined sewer outfall and properly size any retention basin, if needed.

There are also several sizable challenges. Two City enterprises are struggling financially. The Ramsdell Theatre has made significant progress in the areas of professional management and the quality and quantity of programming. However, this has not translated into much improvement in the bottom line. With this budget recommendation, the annual operating subsidy has been reduced by \$17,000 or 16% since 2013-2014. However, in order to continue to reduce its dependence on the City general fund, improvement must be made in the areas of governance, community involvement and fundraising. A recently completed strategic plan and pending market feasibility study, as well as a reformed governance structure, should help make progress.

There are continuing challenges with the Municipal Marina. The renovation of the facility was overdue and needed, but unavoidable cost overruns resulted in the facility incurring more debt than planned. The renovation was expected to lead to increased boater traffic and higher revenues. Unfortunately, this has not materialized, in no small part to the high fuel prices, poor salmon fishing and unseasonably cool summers the last few years. But even without those factors, the Marina, in many regards, is a harder problem to solve than the Ramsdell. It may be the case that even with a new facility and excellent marketing, there simply will not be enough traffic to support both the operations and the increased debt service. Projections show the Marina needing not only the currently budgeted \$40,000 contribution from the capital improvement fund, but also additional general fund support in order to meet its obligations.

The 2015-2016 Budget and Capital Improvement Plan will be introduced to the Council and the Community at the Tuesday, April 7, 2015 meeting. Various budget work sessions have been established: a regular work session on Tuesday, April 14; a work session on Tuesday, April 21; and an optional work sessions on Tuesday, April 28. The public hearing to review these budget recommendations and receive public input on them has been scheduled for Tuesday, April 21. Budget adoption is anticipated at the regular meeting of May 5, 2015.

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 2015-2016 Budget for the City of Manistee.

This will be my last budget as City Manager for Manistee. I have enjoyed my years leading the City and am confident that it is in better shape now than when I started. I am proud of the accomplishments that we have made, proud of the team of employees that has been assembled and proud to call Manistee home, now and in the future.

Warm regards,

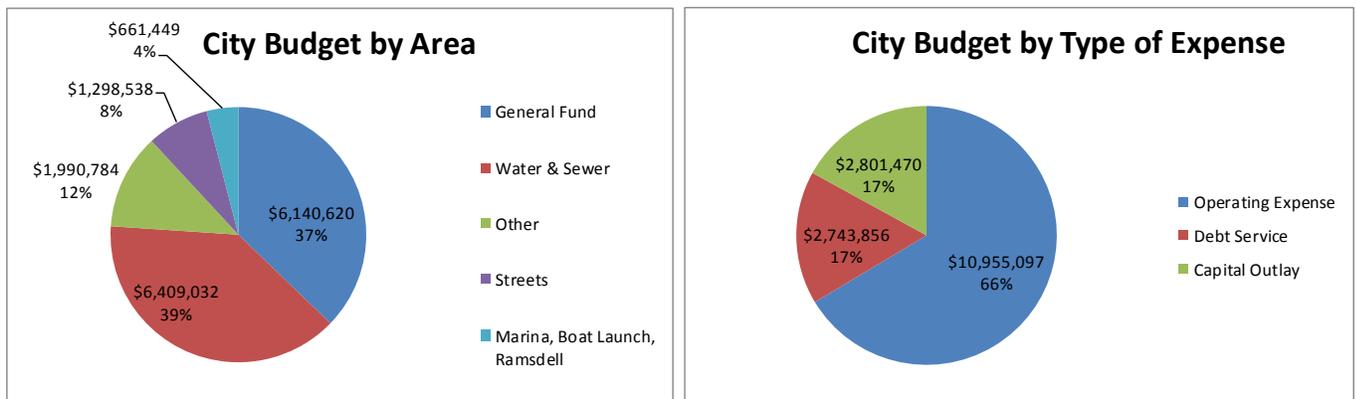
*Mitchell D. Deisch*

City Manager  
City of Manistee

Overview

Executive Summary

The budget for all City funds, including capital outlay and debt service totals **\$16,500,424**. This is a decrease of **(\$682,143)** from the prior year. Spending by area is shown below.



The General Fund has a total budget of **\$6,140,620** or **37%** 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 budget anticipates using \$72,000 of cash reserves to balance the budget.

The General Fund receives its income from a variety of sources, including property taxes, state revenue sharing and charge for services. Total revenue, excluding debt transfers and use of reserves, is up **3.2%**. Total expenses are up **2.3%**. The budget includes a net increase of 1 FTE employment, and makes a new contribution to help fund street improvements.

The Water & Sewer Utility has budgeted expenditures for operations, capital outlay and debt service of **\$6,409,032** or **39%** of total City spending. This includes \$2.1 million dollars in capital expenditures to address infrastructure needs. See [Water & Sewer Issue Page](#) for more details.

Water and sewer rates are proposed to increase consistent with the recommendation made in the 2014 Burton & Associates Rate Study. A typical 6,000 gallon customer will see their monthly bill increase by **\$4.23** per month. Total revenue is expected to increase **9.5%**. Total operational costs increased by **10.6%**. Total debt service will increase by **5.3%** due to the 2015 bond issue.

The overall Street budget including Major and Local Street funds and the City Street fund, is **\$1,298,538** or **8%** of total spending. The budget includes \$500,000 in funding for Street projects. Street money received from the State is insufficient to maintain our street network. Some of the recommendations of the Ad Hoc Street Committee to increase funding are incorporated. See the [Streets Issue Page](#) for more details.

Other City funds account for **\$1,990,784** or **12%** 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. This fund has significant existing obligations, but has some capacity to fund new capital projects. The budget calls for a \$180,000 contribution to fund street projects.

The Grant Management fund accounts for the Local Revenue Sharing Board grants, as well as various other State, Federal and Local grants.

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 streamlined somewhat in recent years, and the lifespan and utility of each piece of equipment is under continuous review by Administration.

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. See [Refuse Issue Page](#) for more details.

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The Marina, Boat Launch and Ramsdell Theatre account for **\$661,449** or **4%** of expenditures. All three City enterprises have seen significant capital investments in recent years, and now need to pay back this debt. See [City Indebtedness Issue Page](#) for details.

The Marina is being well-received by boaters, but this has not translated into additional revenue. The budget anticipates a revenue shortfall requiring additional financial support.

The Boat Launch will benefit from predicted higher water levels, but ultimately its revenue is dependent on the weather and fishing, both of which were less than optimal last year.

The Ramsdell Theatre continues to present a challenging situation as the City attempts to increase revenues and move toward financial sustainability. See [Ramsdell Theatre Issue Page](#) for more details.

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## Budget Change Summary

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During the budget process, changes are often made to the Manager's proposed budget. These changes will be summarized here, and reflected in the executive summary, budget numbers, narratives and annual appropriation act. Issue pages are generally left as they were initially presented.

The primary changes were as follows:

1. Council reduced the water and sewer rate increase from 8.5% to 6%. The discussion was to spread the increase out over two years instead of one.
2. Council chose to use an additional \$83,000 from the Oil & Gas fund for street improvements.
3. Council made the proposed part-time clerk\finance position full-time. This was paid for by tightening up the Police budget based on better information on promotions due to a retirement in the department, and delaying the filling of the position for three months.
4. Clerical errors were corrected in the refuse fund.
5. Several other minor clerical errors were corrected.

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](http://www.manisteemi.gov)

The 2015 update to the strategic plan was not completed in advance of the budget being prepared. Staff and Council will need to continue their annual strategic planning process in fall 2015 to ensure it is completed prior to the preparation of the 2016-2017 fiscal year budget.

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**Issue Page****Streets**

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The condition of City streets and how to upgrade the street network became a significant topic of concern in mid-2013. The City had previously created a state-recognized Street Asset Management Plan in 2008. This plan helped to systematically guide the City's Transportation Improvement Plan (hereinafter "TIP"). The plan was updated as scheduled (every five years) in late 2013. The update identified a pressing need to find additional revenue to invest in the street network in order to simply maintain its current condition.

On December 10, 2013, City administration made an extensive presentation regarding the 2008 Street Asset Management Plan and 2013 update of the plan, including treatment and funding options.

On March 4, 2014 Council adopted a Strategic Plan. The plan included the following strategy:

Strategy 2.1.3 Develop a plan that will increase revenue toward addressing necessary upgrades to both local and major streets. The plan will look at options for increasing revenue, potentially identify which streets need to be upgraded and will include Staff, City Council and resident input."

On March 11, 2014, City administration made a presentation to City Council as a follow-up to the adoption of the strategic plan focusing on street benchmarking data and possible options for funding a TIP.

On April 15, 2014 City administration provided another update on street issues. It recommended following the steps outlined in the City's street asset management plan. It also discussed the amount of money needed to make meaningful difference in streets, current funding limitations and the impact of a possible Headlee override. Council directed administration to go back and come up with a plan to fund street improvements.

On June 10, 2014, City administration presented and discussed a five-year TIP that identified a need for a minimum of \$600,000 in annual investment. The plan identified a property tax increase in the form of a Headlee override as the most viable way to fund such a program, absent any additional funding from the State.

The Ad Hoc Street Committee was appointed by City Council at their July 1, 2014 meeting. The purpose of the Committee was to discuss upgrading the City street network, how it might be paid for, and educating the public about the street network and funding challenges. The Committee issued their final report on January 22, 2015, which was subsequently presented to City Council. The entire report can be found on the City's website. The Committee made several recommendations to City Council regarding how to fund the TIP using a hybrid approach of several funding sources. The committee recommendations and how they are addressed in the proposed budget are shown on the next pages.

**Headlee Override**

The Committee unanimously feels that a full Headlee override (hereinafter “millage”) of 2.2388 mills would fail if presented to the public for a vote. The consensus is that some of the public simply cannot afford any more taxes and that the Citizens want Council to prioritize roads and try to fund them thru existing revenue sources. The Committee wants to see Council have some “skin in the game.”

Committee Recommendation:		Budget Recommendation:
Do not pursue a millage at this time. The Committee was unanimous on this recommendation.		Do not pursue a millage at this time

**Future Millage**

In order to generate sufficient funding, the Committee believes that a millage request would be necessary at some point in the future. If Council can show the public that they are making progress on the roads thru a hybrid funding approach, they may be more receptive to approving a smaller millage in the future. The Committee discussed a possible 1 mill increase dedicated to local streets (to the degree permissible by law).

Committee Recommendation:		Budget Recommendation:
Consider a smaller millage request in the future once progress is shown and the overall funding situation becomes clearer.		Future Councils will have to decide if this is an option they want to pursue in the coming years.

**Capital Improvement Fund**

The Committee unanimously feels that capital improvement funds should be used to help improve the streets. The fund was discussed at length, including its current and estimated future funding, current obligations and the current fiscal year budgeted projects. There was some questioning about the wisdom of past expenditures, particularly the Ramsdell Theatre capital projects and the debt service support for the Municipal Marina. However, the Committee agreed that we must honor the past obligations and instead look toward the future. There was also discussion about the fact that this fund was designed to be the primary source of funding for capital improvement projects City-wide, and that there are no alternative sources of funding. Notwithstanding that, there was consensus that this should be a significant source of ongoing funding for City streets and the TIP.

Committee Recommendation		Budget Recommendation
Commit at least 80% of unobligated oil & gas contributions to the capital improvement fund on an annual basis to help fund improvements to City streets thru the TIP. The Committee is unanimous on this recommendation.		The budget incorporates this recommendation and includes \$67,000 of funding from this source. This will, however, seriously hamper the ability to fund other capital improvements as the need may arise.
As obligations expire, evaluate the appropriate additional amount to be spent on City streets thru the annual budgeting process		Future Councils will have to decide if this is an option they want to pursue in the coming years.
Use 50% of the unallocated Capital Improvement Fund reserves as a boost for funding the TIP.		The budget incorporates this one-time recommendation and includes \$30,000 of funding from this source.

**Oil & Gas Fund**

The Committee discussed the Oil & Gas fund at length and whether it should be tapped to fund City streets and the TIP. There was significant discussion on this issue. The Committee requested several pieces of additional information from City administration, including an opinion from the Oil & Gas fund investment advisor on the sustainability of the current investment policy and spending rule. The Oil & Gas Board also weighed in on the matter and has taken a position that increasing the spendable amount would not be in the best interest of the community. The Committee did not reach a consensus on this issue. Some of the Committee felt that the amount of money coming from the Oil & Gas fund should be increased for a few years until other funding sources could be lined up. Others felt that the existing spending rule should be maintained and that no additional funds should come out of the Oil & Gas fund because that would negatively impact the fund and resources for the future.

Committee Recommendation		Budget Recommendation
Increase the Oil & Gas spending rule allocation from 4% to 4.5% for up to five years and use the additional revenue for the TIP.		The budget does not incorporate this recommendation. The Oil & Gas Board and Administration are both opposed to this change. Since Oil & Gas money is the funding source for the capital improvement fund, some of which has been allocated to streets, in essence Oil & Gas money is already being used to help fund streets.

**General Fund**

The Committee discussed the use of general fund resources to fund the TIP. It was suggested that in addition to the general fund contribution to ongoing routine street maintenance, an additional allocation could be made to help fund the TIP. A figure of 2% of the general fund was discussed, which would be about \$120,000 in the first year. The Committee suggested several areas that Council might review, including operating support for the Ramsdell Theatre and Appropriations; and out a few years, operating support for the community pool and freed-up City Hall bond payments.

Committee Recommendation		Budget Recommendation
Commit at least 2% of the annual general fund budget to the TIP through the annual budgeting process. This would generate approximately \$120,000 the first year. It is up to Council to determine how this would be funded in the context of the overall budget.		The budget does not incorporate this recommendation at the 2% level recommended by the Committee.
		The budget incorporates a smaller amount of general fund dollars in the amount of \$70,000 or about 1.15% of the general fund budget. <u>Continued funding from this source is uncertain and dependent on many future variables.</u>

**Adequacy of Funding**

The Committee acknowledges that our recommended course of action does not generate the additional \$400,000 annually for local streets (\$600,000 total funding) that City administration has indicated is needed to maintain and start improving our overall street network. Nevertheless, the Committee feels strongly that raising the additional \$400,000 to start is asking too much and that a more phased in and incremental hybrid approach is preferred, even though this means the street network will continue to decline at the start.

Committee Recommendation		Budget Recommendation
The Committee recommends using the hybrid approach laid out in the recommendations to begin funding the TIP.		The budget incorporates a hybrid funding approach.

		<p>The budget also incorporates two other components to help boost first year funding and gain economies of scale on the projects. This is explained below.</p>
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City administration has concluded that \$600,000 of annual funding would be needed to maintain the street network in roughly its current condition, with some small level of improvement likely. The plan anticipated a minimum of \$200,000 per year for Major Streets and \$400,000 per year for Local Streets. The \$200,000 would be obtained from existing funding for Major Streets, primarily due to a bond issue expiring which frees up debt service payments for rehabilitation. The \$400,000 for Local Streets would have to be raised from new or reallocated revenue sources, such as the hybrid approach previously discussed.

The budget recommendations modifies the TIP recommendations to better allocate resources to projects, reduce mobilization fees and gain economies of scale. It anticipates a two-year cycle of projects, where funding streams are combined and generally like-kind Local Street projects are completed in Year 1 while like-kind Major Street projects are completed in Year 2. This would result in a funding picture as shown below:

<b>Funding Stream</b>	<b>Year 1 Local</b>	<b>Year 2 Major</b>
Capital Improvement Fund (annual Oil & Gas revenue)	\$67,000	\$67,000
Capital Improvement Fund (one time allocation of reserves)	\$30,000	\$0
General Fund	\$70,000	\$70,000
Major Street Year 1	\$110,000	\$90,000
Major Street Year 2	\$0	\$200,000
Reith-Riley In-Kind (per development agreement, one-time)	\$140,000	\$0
<b>Total Funding</b>	<b>\$417,000</b>	<b>\$427,000</b>

The Rieth-Riley development agreement funding had been suggested to be used to pay for the reconstruction of 12<sup>th</sup> Street between Oak & Maple (near the High School); however, continued difficulty in acquiring the necessary ROW has pushed this project back indefinitely. The budget proposes deploying this now on Local Streets and funding the 12<sup>th</sup> street project in Year 2, assuming the project is ready to proceed.

The budget proposes focusing all resources on Local Streets in Year 1. The additional transfer of money from the Major Street fund to the Local Street fund is allowed, subject to limitations as set forth in Public Act 338 of 2006. This law states:

“Major street funds transferred for use on the local street system shall not be used for construction but may be used for preservation as defined in section 10c. A city or village shall not transfer more than 50% of its annual major street funding for the local street system unless it has adopted and is following an asset management process for its major and local street systems and adopts a resolution with a copy to the department setting forth all of the following:

- (a) A list of the major streets in that city or village.
- (b) A statement that the city or village is adequately maintaining its major streets.
- (c) The dollar amount of the transfer.
- (d) The local streets to be funded with the transfer.
- (e) A statement that the city or village is following an asset management process for its major and local street systems.

The Major Street fund is currently transferring about \$82,000 per year to the Local Street fund to pay the bond debt related to the reconstruction of the Cedar Street Orphan Local Streets. The Major Street fund can only transfer about \$110,000 more annually to stay just below the 50% threshold prescribed by law.

Public Works Director Jeff Mikula and City Engineer Shawn Middleton have created a list of proposed projects to be completed in the TIP over a two year period, based on asset management and long-term planning principles:

**2015-2016 Transportation Improvement Plan \***

<b>Street</b>	<b>(From-To)</b>	<b>Estimated Cost</b>	<b>Length (Feet)</b>	<b>Technique</b>	<b>Category</b>
Third St	(Sycamore -Deadend)	\$ 103,666	1,668	Mill & Fill	Local
9th St	(Cedar - Elm)	\$ 33,642	591	Mill & Fill	Local
9th St	(Davis - Vine)	\$ 108,247	1,732	Mill & Fill	Local
Elm St	(9th - 8th)	\$ 28,535	502	Mill & Fill	Local
St. Mary's Parkway	(Washington - Deadend)	\$ 81,270	1,304	Mill & Fill	Local
Cedar	(8th - Deadend)	\$ 56,470	993	Mill & Fill	Local
		<b>\$ 411,831</b>	<b>6,790 Feet</b>		
			<b>1.29 Miles</b>		

\*Final street improvement segments contingent upon review of street cores and final engineering field reviews.

**2016-2017 Transportation Improvement Plan \***

Street	(From-To)	Estimated Cost	Length (Feet)	Technique	Category
12th St (1)	(Oak - Maple)	\$ 110,000	312	Reconstruct	Major
Division (2)	(River - 1st)	\$ 16,984	1,098	Slurry Seal	Major
Greenbush (2)	(River - 1st)	\$ 12,118	808	Slurry Seal	Major
Poplar (2)	(River - 1st)	\$ 9,337	702	Slurry Seal	Major
Water (2)	(Spruce - Greenbush)	\$ 28,635	\$ 1,896	Slurry Seal	Major
8th St (2)	(Cherry - Cedar)	\$ 23,866	1,684	Slurry Seal	Major
1st St	(Walnut - Pine)	\$ 26,374	1,758	Slurry Seal	Major
Cherry	(1st -12th)	\$ 57,394	3,981	Slurry Seal	Major
River St	(Jones - Spruce)	\$ 58,938	3,511	Slurry Seal	Major
Lakeshore Dr	(5th Ave - Oakwood)	\$ 37,756	2,809	Slurry Seal	Major
Monroe	(Washington - Oakwood)	\$ 23,892	2,899	Slurry Seal	Major
Oakwood	(Monroe - 5th Ave)	\$ 17,107	1,711	Slurry Seal	Major
Maple St	(Memorial -12th)	\$ 80,406	5,285	Slurry Seal	Major
Spruce	(Water - 8th)	\$ 45,065	3,004	Slurry Seal	Major
		<b>\$ 547,870</b>	<b>31,458 Feet</b>		
			<b>5.96 Miles</b>		

Notes:

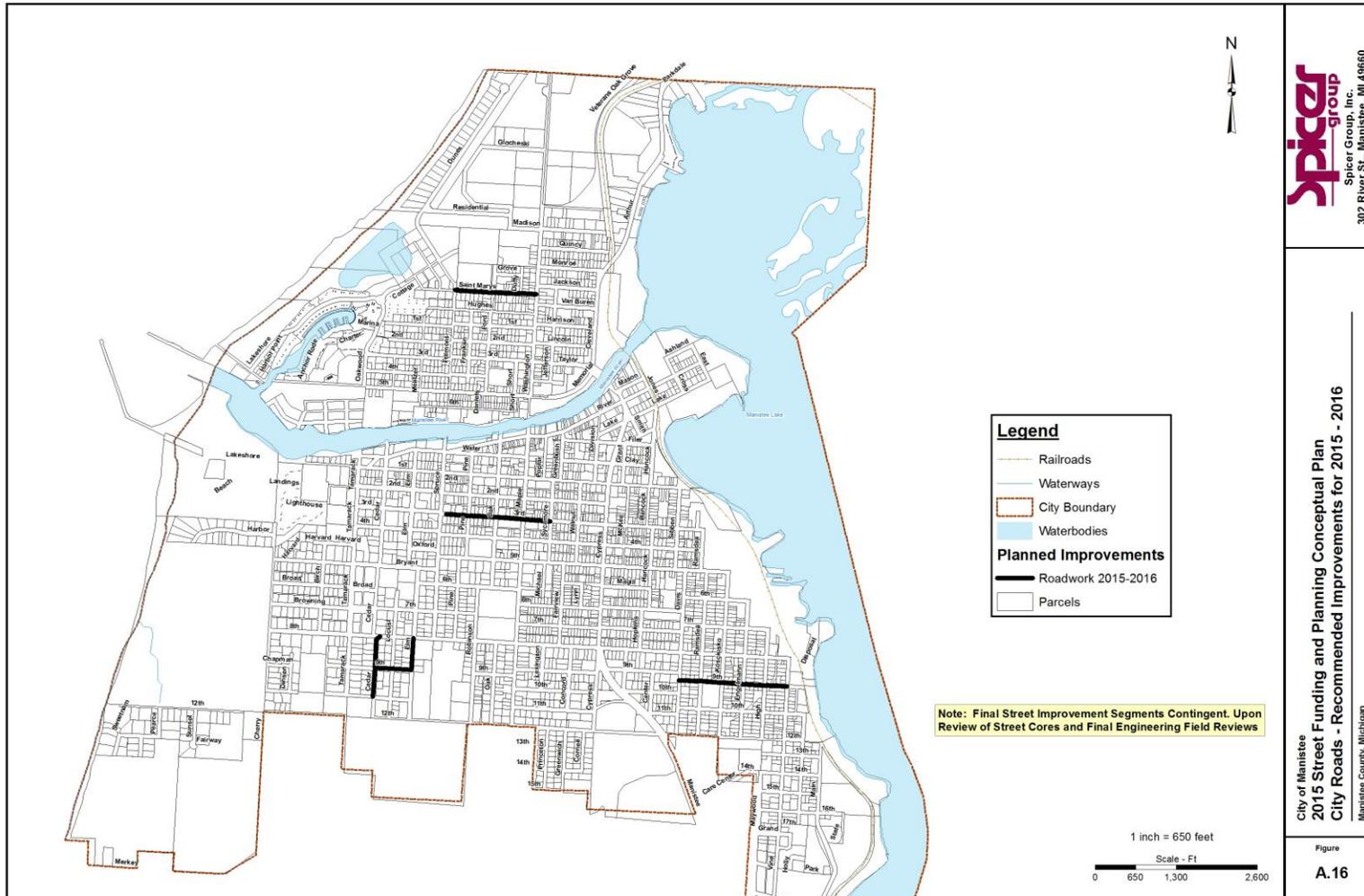
(1) Reconstructing this section of 12th street is contingent upon the City acquiring the necessary ROW.

(2) If 12th Street ROW is obtained, these segments will be deferred; if not, they will be treated.

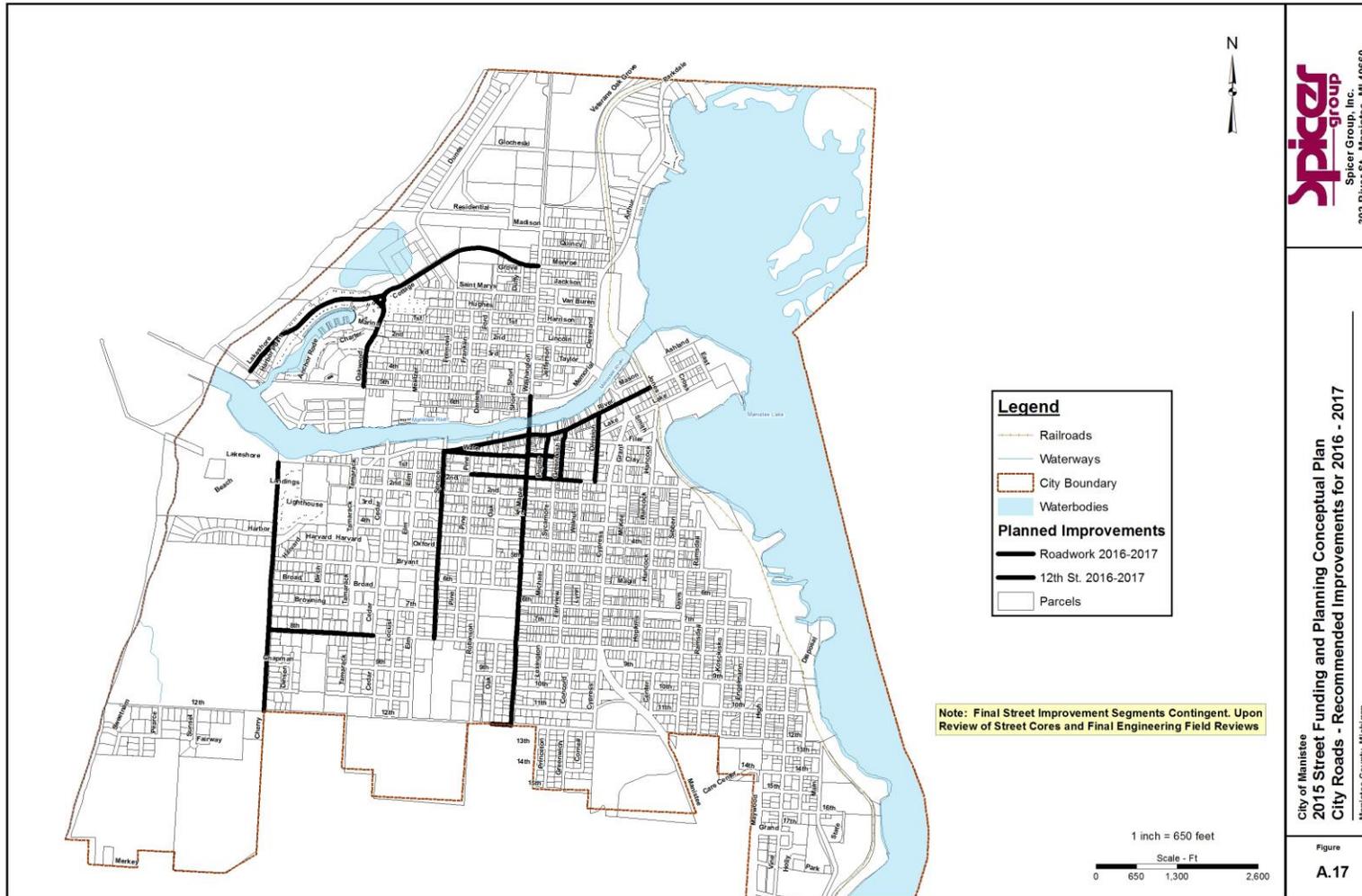
\*Final street improvement segments contingent upon review of street cores and final engineering field reviews.

**City Council Decision:** City Council approved an additional \$83,000 contribution from the Oil & Gas fund earnings to be used for street repairs.

2015 – 2016 Street Projects



## 2016-2017 Street Projects



The proposed budget includes two personnel requests. The net increase in employment for the City is ½ FTE, as the full-time building inspector position was eliminated. These positions are discussed below.

**Part-Time Financial Services\City Clerk Assistant**

The proposed budget includes a permanent part-time position at a total cost of \$18,400, paid for out of the general fund.

The Clerk, Treasury & Financial Services whitepaper (CTFW) was presented and briefly discussed as part of the 2014-2015 budget. The recommendation was to form a consolidated Administrative Services Department as identified on pages 34-39 in the CTFW. This included reassigning the new high level, full-time clerical position that was anticipated to help fill the gap left by not replacing the Community Development Director, and was identified in the Community Development whitepaper. However, budgetary constraints and the hiring of another police officer prevented this recommendation from being implemented and the position was removed from consideration in the 2014-2015 budget. The CTFW was to be revisited in the 2015-2016 budget, or sooner if and when attrition or retirement occurred.

The proposed position deviates from the recommendation in the CTFW in the short-term in that it is a permanent part-time instead of full-time position. Nevertheless, it still helps position the City for the ongoing transition to the Administrative Services Department as envisioned by the CTFW, and provides a period of evaluation to ensure the employee is the right person for eventual advancement. In particular, the position provides much needed capacity to the department, especially in light of the increasing responsibilities of the department. Equally as important, it frees up time to allow for some of the critical training necessary to make sure the succession plan identified on page 47 of the CTFW can reasonably be achieved upon retirement of the Clerk.

**Deputy Public Works Director**

The proposed budget includes creating a full-time Deputy Public Works Director position (anticipated to be filled by promoting from within) and backfilling the vacated union position. The estimated total net cost of this restructuring is \$47,400. The position will be funded half out of the general fund and half out of the water and sewer fund.

The 2012-13 Budget included adding a new Department Director for the Utilities. In February of 2013 the Utility Director position was filled. The Utility Director was responsible for overseeing the four utility departments and their budgets. The DPW whitepaper had recognized that one Department Director (and union lead persons) was not the most effective way to manage the Public Works. Upon the retirement of the Public Works Director in April of 2013, the Utility

Director position and the Public Works Director position were again combined. Funding was not available in the 2014-15 budget for an additional position and it was decided to allow the current DPW Director time to assess how the departments operated prior to recommending any changes to the management structure.

The Department of Public Works Director currently manages nine budget areas with nearly \$6 million in expenditures. This does not include water and sewer projects which will exceed \$2.5 million over the next two years and are projected at \$1.2 million per year in the near future.

Public Works	Water & Sewer Admin	Sewer Collection
Parks	Water	Refuse
Streets (Major & Local)	WWTP	Boat Launch

In addition to the DPW Director, the current structure consists of four union lead person positions in the Parks, Street, Water and WWTP departments. Each lead person is responsible for the day to day operations and scheduling of their department, with overall direction and objectives coming from the DPW Director. Water and WWTP each have one person assigned to be on-call 365 days a year, in order to respond to alarms and emergencies. The Parks lead person is on call during the summer and the DPW lead person is on call seven days a week year-round for emergency call-ins, storm response and other water/sewer assistance. Each on-call person is paid the equivalent of 2 hours daily (2E) stand-by pay to be available to take calls and respond immediately.

The DPW lead person position was created in 2013 and has been able to provide about 20% of their time toward assisting the DPW Director with administrative functions. They also assist daily in organizing and deploying resources between the various departments.

With the overall desire to manage all of the Public Works functions as cost effectively and efficiently as possible, an opportunity exists to promote the DPW lead person to DPW Deputy Director. The position can continue to assist each of the departments while expanding the ability to further department goals in areas such as: responding to resident questions and concerns daily, deploying department resources efficiently, improving department reporting and tracking, bidding/pricing acquisitions and equipment replacements, and maintaining Asset Management Programs for the water, sewer, parks, sidewalks, motor pool, etc.

The Deputy Director position would eliminate the 2E standby pay in both the Parks and DPW and eliminate the DPW lead person pay to help fund the position. The union position would be replaced through normal hiring practices. This restructuring provides much needed capacity, netting an 80% FTE increase in administrative capacity and a 20% FTE increase in DPW capacity.

**City Council Decision:** City Council approved the DPW Deputy Director position and increased the part-time Clerk|Finance position to full-time.

The water and sewer utility has several key issues that it will be facing in the coming year:

1. Completion of the capital projects funded thru the recent \$2,770,000 revenue bond issue. These projects can be completed over a three-year period, although it is anticipated most will be complete in two years. The first projects will be the repainting of the Maywood Tank and the rebuilding of two pump stations.
2. Completion of a comprehensive agreement with Manistee Township to supply water to customers within the Township. It may also address existing customers in the Parkdale area. The agreement, combined with the LRBOI sewer line, should help foster economic development in the US 31 corridor from M-55 to the northeast.
3. Negotiation of a new NPDES permit with the MDEQ. This is a critical negotiation. The City needs to receive additional time to study the inflow and infiltration that is occurring in the system prior to designing a solution to handle the closing of the last combined sewer outfall.
4. Completion of the sanitary sewer evaluation study (SSES) grant report and project plan; and submission to and approval by the MDEQ.
5. Receipt of a Stormwater, Asset Management and Wastewater (SAW) grant. The City is currently 10<sup>th</sup> in line to receive round three SAW grant funding. This should be announced in October. The SAW grant will provide critical information to addressing the closing of the last combined sewer outfall. It will also create a GIS centric asset management plan for our wastewater assets.
6. Re-engaging with Filer Township regarding treatment options for wastewater from their commercial district.
7. Continued implementation of the Burton & Associates Rate Study recommendations.

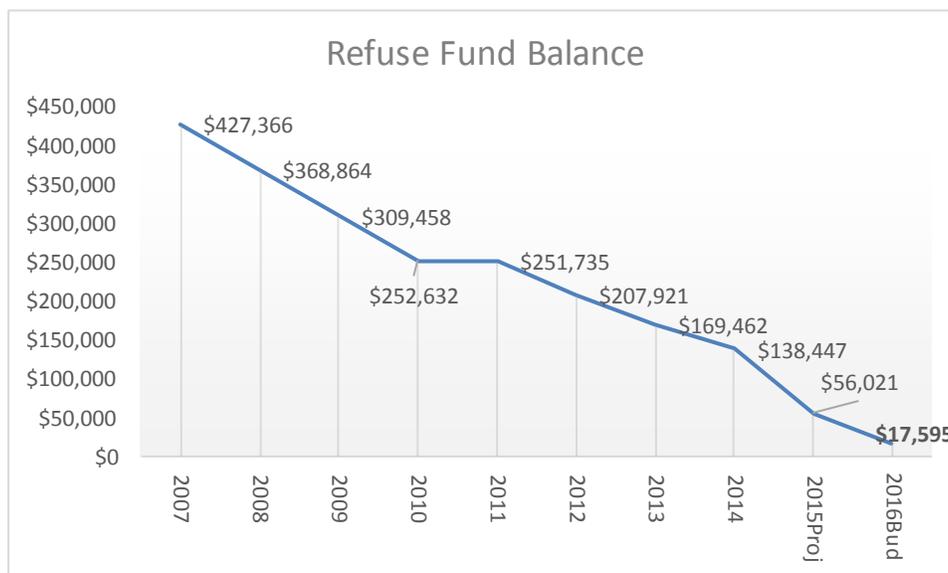
The water and sewer utility is a critical City asset. The initiatives above will help position it for success in the long-term.

Issue Page

Refuse Fund

The City refuse fund is funded partially by property taxes and partially by monthly user fees. At the end of the 2004-2005 fiscal year, the fund had a fund balance of \$515,645. As part of the budget discussion the next year, it was decided to lower the millage rate from 2.0 to 1.5 to start reducing the relatively high level of fund balance. The millage was further reduced in FY 2010-2011 to its current 1.15 mills. In the intervening years, the taxable value of the City declined significantly, the refuse contract included a 4% annual escalator and user rates were not always adjusted each year due to concerns about the impact on customers.

As a result, the refuse fund has been running a planned annual deficit and fund balance has been drawn down as anticipated. This trend was recognized as not being sustainable and a rate increase was put into effect last year. Another rate increase this year is needed to stabilize the fund, which is shown in the chart below.



This assumes no increase in the millage rate, but a 10% increase in user fees. This results in an ending fund balance that is about 4% of annual expenditures, which is just below the bottom of the range for a fund like this.

The refuse contract is up in June of 2015. Council directed administration to negotiate a new contract with Republic Waste. The negotiations are not complete so the budget assumes status quo. There are two key areas that need to be explored as part of the new contract discussion:

- Recycling Services
- Spring Trash Haul

Each of these is discussed below. Council will need have a work session to discuss these topics, decide on a course of action and amend the budget as may be necessary.

### **Recycling Services**

The City currently offers voluntary curbside recycling and a drop-off site at City Garage. The voluntary service costs \$5.50 per month. Only 49 residents use this service.

The City also offers a recycling drop-off site at City Garage. This is used regularly but presents some issues including unauthorized drop-off of trash, inability to secure the City Garage and use by non-City residents.

Republic Waste has proposed offering mandatory curbside single-stream recycling, with an every other week pickup, using 95 gallon totes\cart. This offers residents the convenience of recycling at their home without having to sort their recyclables.

Other options could be to join the County recycling initiative, or improve the current recycling drop off which would entail creating a secure new location for the facility. This would require some capital investment, which is not currently reflected in the budget.

### **Spring Trash Haul**

The City currently offers an every other year trash haul in the spring. This is a collaborative effort between Republic Waste and the City and lasts about two weeks. It involves residents setting their trash out at the curb for pickup. The trash haul helps keep the town clean, but presents some issues including unauthorized drop-off of trash by outside City residents, appearance of the City for several weeks, residents hoarding trash and putting it out all at once and tying up DPW resources that could be used elsewhere.

An option that will be discussed with Republic Waste is allowing residents to set out a bulky item once a month on a given day for pickup. This would be more convenient for residents and prevent many of the issues identified with Spring Trash Haul. This approach is used by some Townships. This was ultimately incorporated in the new contract.

Another option would be to designate one or two days a year as “Trash Day” and allow residents to bring their trash to a central drop off site. This would be less convenient for residents, but would prevent many of the issues identified with Spring Trash Haul. This approach is used by some Townships.

**City Council Decision:** City Council approved a five year contract extension with Republic Services on May 5. A discussion on recycling and trash haul will be held at a later date.

Downtown Development Authority



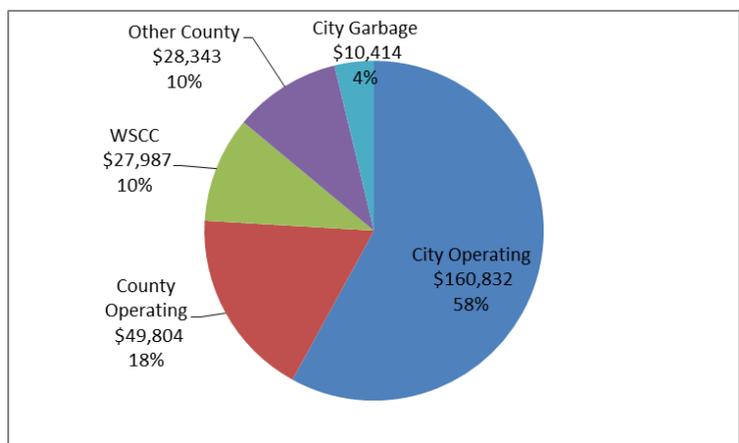
The City of Manistee Downtown Development Authority was originally established via ordinance passed on January 19, 1982. On April 2, 1985, City Council approved the original Development and Tax Increment Financing Plan and Ordinance. The plan estimated that the dissolution of the DDA would occur on or before the year 2000, but had no firm sunset date.

On March 30, 1989 City Council amended the DDA Ordinance to accomplish three major items. First, the ordinance adopts the Central Business District plan (part of the City’s Master Plan) as a guiding document in the DDA’s improvement plan. Second, it permits bonding by the DDA. Third, it establishes a sunset date for the DDA of January 1, 2009 (or if bond obligations exist, when those are paid off).

On September 16, 2008, Council amended the DDA Ordinance to allow for more money to be spent on administration in order to support the hiring of a Main Street\DDA Director.

The DDA currently has a bond obligation that expires in 2020. Absent any additional financing (which would have to be approved by City Council), the DDA will dissolve at that time. Recently, the DDA has been discussing updating the DDA Development and Tax Increment Financing Plan. This would, amongst other things, identify projects and priorities for the DDA moving forward, and extend the sunset date of the DDA.

The DDA is estimated to receive \$277,380 in captured taxes for the upcoming fiscal year. City operating taxes comprise almost 60% of this total. The City views the DDA as an important partner and crucial to the success of the Downtown. However, the City provides an extremely high level of service to the DDA District, far beyond what is delivered in any other area of the City. Although it is providing these enhanced services, it is receiving very little in the way of reimbursement from the DDA. Any discussion of amending the DDA Ordinance to extend the life of the DDA has to have an open and frank discussion of both the level of reimbursement and the prioritization of any capital expenditures.



## Issue Page

## Ramsdell Theatre

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



The City has recently made substantial investments in the building. The failing 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 live events and movies in the theatre, upgrading the sound system to stereo, renovation of classrooms downstairs and renovation of the green room. There are still areas of the theatre that have not been renovated. Ballpark estimates of work remaining to be done are around \$500,000.

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 day to day operations and maintenance. In September of 2013, the City hired its very first Ramsdell Theatre Executive Director. This was an outcome of the Ramsdell Theatre whitepaper which was presented to Council as part of the 2013-2014 budget process. Ramsdell back office operations and ultimate supervision are provided by the Financial Services department.

The City’s General fund provides annual operating support to the theatre. The amount of support is \$90,000 in the proposed budget, down from \$100,000 in 2014-2015 and \$107,000 in 2013-2014 (a reduction of 16%). This support allows the Theatre to keep its doors open, and more importantly, protect the multi-million dollar investment that has been made in the building.

In addition to the annual operating support, the City Capital Improvement fund also contributes \$178,830 toward the roof and HVAC notes. This amount will decline as the notes are paid off. The Capital Improvement fund, as recently as 2013-2014 made a \$25,000 contribution for annual capital improvements at the Ramsdell. This was eliminated in 2014-2015 and has not been revived in the proposed budget.

In the summer of 2014, the RGA collaborated with the non-profit Friends of the Ramsdell to engage a consultant to lead a strategic planning process. A two-day workshop was held to obtain stakeholder input, and a report was issued. The current governance structure was identified as one of the key areas that was hindering the success of the Ramsdell. Creating a new Ramsdell Board\Governance Structure was the top priority. A series of meetings with the same stakeholders after the report was issued validated this finding.

The Council Ordinance Committee discussed this issue at their February 13, 2015 meeting. They were unanimous in their agreement that the governance model needs to change. This would likely involve dissolving the RGA by revoking Chapter 253 and running the Ramsdell as a City department until a new governing structure can be explored and created. Concurrently, the City will need to look for future board members that have the desire, contacts and financial resources to assist the Ramsdell. A Council work session was held at the Ramsdell on March 9, 2015 to discuss this and other Ramsdell matters. Board members from our various Partners, other stakeholders and the general public participated in the discussion.

The hiring of the Executive Director has provided a unique perspective on how to move the Ramsdell forward. It is Mike Terry's professional opinion that the Ramsdell Theatre cannot be self-supported with revenue generated through performances and rentals. The market is simply too small. In order to meet the goal of reducing the recurring City operating support of the Theatre, there will need to be significant, ongoing private donations. It is unlikely in the near to mid-term (if ever) that City support will be able to be removed entirely. This is supported by the fact that nationally, 40% to 60% of theatre revenue is from ongoing public\private support. Earned income is not sufficient.

The strategic plan established a goal of reducing City operating support by 33% (about \$35,000 annually) by fiscal year 2017-2018. In order to realistically meet this goal, the RGA, AES and stakeholders felt it critical that a market study be conducted to help establish what the true needs of the community were in terms of programming, additional possible revenue sources and most importantly, a realistic estimate of the fundraising potential in the community.

Toward this goal, the RGA in coordination with the AES issued a Request for Proposals: Sustainable Business Model for Ramsdell Theatre in mid-January. The primary goal of the RFP is to "develop a realistic, sustainable business model for the Ramsdell Theatre." One of the secondary goals of the study is to identify a recommended governance structure.

Three proposals were received back. The AES is coordinating with the review team which will be evaluating the proposals. The cost for the study ranged from \$14,000 to \$23,000.

The AES and Manistee County Community Foundation is working with the Michigan Economic Development Corporation to help secure funding for the project. They are planning on using the

Public Spaces Community Places crowdfunding initiative. This program allows the community to support an initiative, and if the fundraising goal is met, the MEDC will provide a matching grant. Some funds have already been committed.

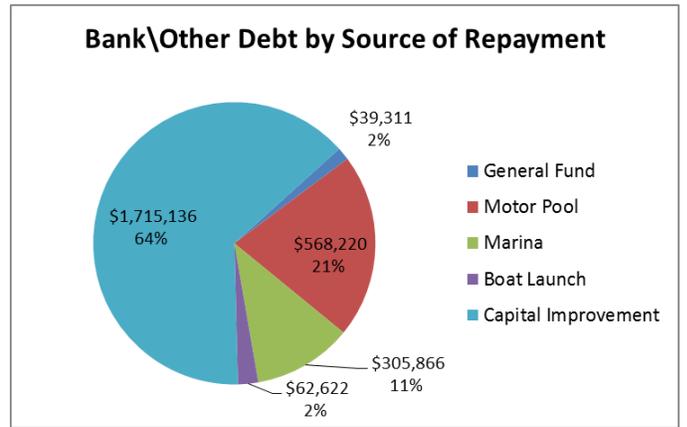
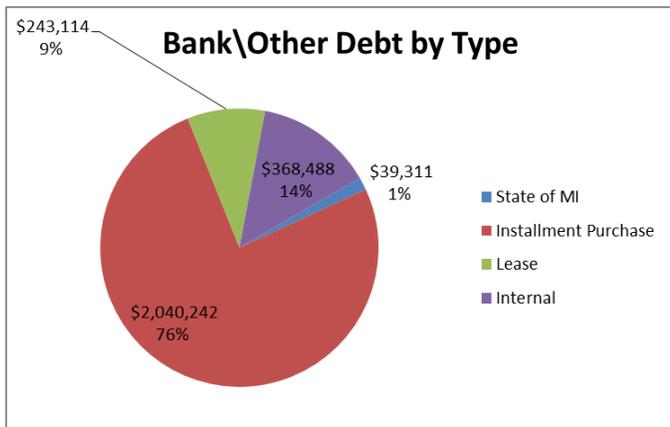
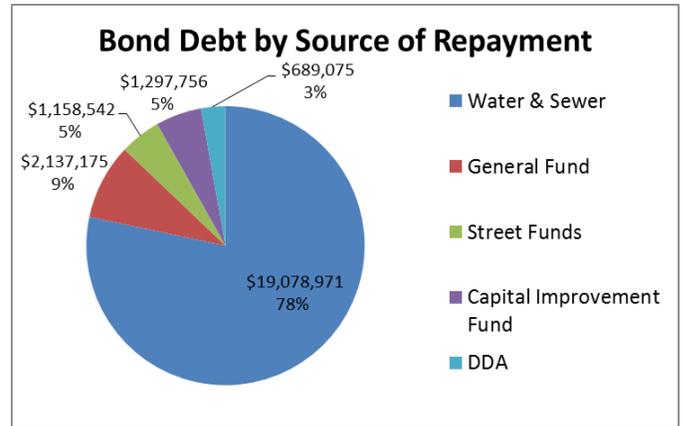
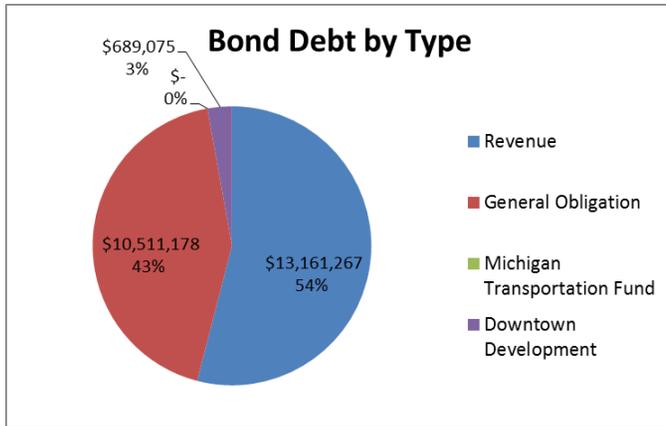
If everything comes together, it is expected that a report could be issued in the month of June. The strategic plan and market feasibility study will lay out a definitive roadmap on how to move the Ramsdell forward.

Execution of that plan will require time and significant community involvement and support beyond where we are at today.



City Indebtedness

The City has thirteen outstanding bond issues for a variety of purposes. It has nine 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, and the most recent water and sewer revenue bond.

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. In 2013, the City refunded its 2003 City Hall Capital Improvement Bonds, saving over \$263,000.



## 2015-2016 Budget

### Outstanding Bond Debt

As of 7/01/2015

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	2015-2016 Principal Payments	2015-2016 Interest Payments	2015-2016 Total Payments
1	1997 B SRF	CSO	Revenue	94	Water & Sewer	2017	2	\$ 525,000	\$ 65,000	\$ 2,250	\$ 67,250	\$ 30,000	\$ 1,463	\$ 31,463
2	1998 B SRF	CSO	GO LT	451	Water & Sewer	2019	4	\$ 2,715,000	\$ 630,000	\$ 28,913	\$ 658,913	\$ 150,000	\$ 12,488	\$ 162,488
3	1999 B SRF	CSO	GO LT	451	Water & Sewer	2021	6	\$ 2,285,000	\$ 810,000	\$ 62,375	\$ 872,375	\$ 125,000	\$ 18,688	\$ 143,688
4	2005 WS Refunding	Refund WS	Revenue	94	Water & Sewer	2028	13	\$ 6,285,000	\$ 3,615,000	\$ 536,604	\$ 4,151,604	\$ 515,000	\$ 133,283	\$ 648,283
5	2006 SRF	WWTP	Revenue	94	Water & Sewer	2027	12	\$ 2,757,270	\$ 1,747,270	\$ 186,749	\$ 1,934,019	\$ 135,000	\$ 28,393	\$ 163,393
6	2010 SRF	CSO	Revenue	94	Water & Sewer	2031	16	\$ 705,000	\$ 551,075	\$ 117,167	\$ 668,242	\$ 30,000	\$ 13,402	\$ 43,402
7	2010 DWRF	CSO	Revenue	94	Water & Sewer	2031	16	\$ 465,000	\$ 385,000	\$ 83,188	\$ 468,188	\$ 20,000	\$ 9,375	\$ 29,375
8	2010 Cap Imp	Various	GO LT	34	W&S, Cl, St	2031	16	\$ 5,800,000	\$ 4,945,000	\$ 1,897,715	\$ 6,842,715	\$ 230,000	\$ 199,035	\$ 429,035
9	2010 DDA Refunding	Streetscape	DDA LT	197	DDA	2020	5	\$ 1,075,000	\$ 630,000	\$ 59,075	\$ 689,075	\$ 120,000	\$ 19,750	\$ 139,750
10	2011 SRF	CSO	Revenue	94	Water & Sewer	2032	17	\$ 1,485,000	\$ 1,110,774	\$ 249,252	\$ 1,360,026	\$ 60,000	\$ 27,769	\$ 87,769
11	2011 DWRF	CSO	Revenue	94	Water & Sewer	2032	17	\$ 775,000	\$ 372,555	\$ 83,947	\$ 456,502	\$ 20,000	\$ 9,314	\$ 29,314
12	2013 CI Refunding	City Hall	GO LT	34	General Fund	2024	9	\$ 2,950,000	\$ 1,920,000	\$ 217,175	\$ 2,137,175	\$ 165,000	\$ 40,550	\$ 205,550
13	2015 W&S Revenue	W&S	Revenue	94	Water & Sewer	2036	21	\$ 2,770,000	\$ 2,770,000	\$ 1,285,438	\$ 4,055,438	\$ -	\$ 86,750	\$ 86,750
<b>TOTAL</b>								<b>\$30,592,270</b>	<b>\$19,551,674</b>	<b>\$4,809,845</b>	<b>\$24,361,519</b>	<b>\$1,600,000</b>	<b>\$600,258</b>	<b>\$2,200,258</b>

Type of Bond Debt	Total Debt Service		
	Principal	Interest	Service
Revenue	\$ 10,616,674	\$ 2,544,593	\$ 13,161,267
General Obligation	\$ 8,305,000	\$ 2,206,178	\$ 10,511,178
Michigan Transportation Fund	\$ -	\$ -	\$ -
Downtown Development	\$ 630,000	\$ 59,075	\$ 689,075
<b>Total</b>	<b>\$ 19,551,674</b>	<b>\$ 4,809,845</b>	<b>\$ 24,361,519</b>

Source of Funds to Repay	Total Debt Service		
	Principal	Interest	Service
Water & Sewer	\$ 15,226,590	\$ 3,852,381	\$ 19,078,971
General Fund	\$ 1,920,000	\$ 217,175	\$ 2,137,175
Street Funds	\$ 837,240	\$ 321,303	\$ 1,158,542
Capital Improvement Fund	\$ 937,845	\$ 359,911	\$ 1,297,756
DDA	\$ 630,000	\$ 59,075	\$ 689,075
<b>Total</b>	<b>\$ 19,551,674</b>	<b>\$ 4,809,845</b>	<b>\$ 24,361,519</b>

### Total Existing Bond Debt by Fiscal Year

	Principal	Interest	Total
2016	\$ 1,600,000	\$ 600,258	\$ 2,200,258
2017	\$ 1,650,000	\$ 552,882	\$ 2,202,882
2018	\$ 1,705,000	\$ 503,467	\$ 2,208,467
2019	\$ 1,770,000	\$ 450,823	\$ 2,220,823
2020	\$ 1,845,000	\$ 392,268	\$ 2,237,268
2021	\$ 1,080,000	\$ 346,099	\$ 1,426,099
2022	\$ 982,555	\$ 316,368	\$ 1,298,923
2023	\$ 1,025,000	\$ 286,622	\$ 1,311,622
2024	\$ 1,060,000	\$ 255,579	\$ 1,315,579
2025	\$ 810,000	\$ 226,656	\$ 1,036,656
2026	\$ 845,000	\$ 199,946	\$ 1,044,946
2027	\$ 832,270	\$ 171,856	\$ 1,004,126
2028	\$ 730,774	\$ 143,166	\$ 873,940
2029	\$ 765,000	\$ 115,732	\$ 880,732
2030	\$ 790,000	\$ 87,332	\$ 877,332
2031	\$ 821,075	\$ 57,278	\$ 878,353
2032	\$ 230,000	\$ 36,563	\$ 266,563
2033	\$ 240,000	\$ 28,925	\$ 268,925
2034	\$ 250,000	\$ 20,963	\$ 270,963
2035	\$ 255,000	\$ 12,756	\$ 267,756
2036	\$ 265,000	\$ 4,306	\$ 269,306

**\$ 19,551,674    \$ 4,809,845    \$ 24,361,519**



## 2015-2016 Budget

### Outstanding Bank\Other Debt

As of 7/01/2015

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	2015-2016 Principal Payments	2015-2016 Interest Payments	2015-2016 Total Payments
1	Renaissance Park	Economic Dev	StateLoan	n/a	General Fund	2022	7	\$ 102,000	\$ 39,311	\$ -	\$ 39,311	\$ 5,616	\$ -	\$ 5,616
2	Ramsdell Roof	Ramsdell	IPA	99	Cap Imp	2017	2	\$ 425,000	\$ 102,263	\$ 3,698	\$ 105,960	\$ 66,732	\$ 3,147	\$ 69,880
3	Marina Building	Marina	IPA	99	CapImp\Marina	2026	11	\$ 380,000	\$ 295,715	\$ 60,536	\$ 356,251	\$ 22,805	\$ 9,581	\$ 32,386
4	Marina Building	Marina	Internal	n/a	Marina	2021	6	\$ 274,482	\$ 274,482	\$ 31,384	\$ 305,866	\$ 25,046	\$ 5,540	\$ 30,587
5	Arthur St. Launch	Boat Launch	Internal	n/a	Boat Launch	2018	3	\$ 135,000	\$ 60,176	\$ 2,445	\$ 62,622	\$ 19,659	\$ 1,215	\$ 20,874
6	Ramsdell HVAC	Ramsdell	IPA	99	Cap Imp	2027	12	\$ 1,250,000	\$ 1,015,814	\$ 237,111	\$ 1,252,925	\$ 72,538	\$ 36,412	\$ 108,950
7	Vactor	Water & Sewer	Lease	n/a	Motor Pool	2019	4	\$ 271,235	\$ 223,939	\$ 19,175	\$ 243,114	\$ 21,106	\$ 5,598	\$ 26,705
8	Braun Ambulance	Fire	IPA	99	Motor Pool	2023	8	\$ 257,904	\$ 205,886	\$ 26,189	\$ 232,075	\$ 23,364	\$ 5,636	\$ 29,000
9	Intl. Plow Truck	DPW	IPA	99	Motor Pool	2018	3	\$ 120,000	\$ 90,595	\$ 2,435	\$ 93,031	\$ 29,798	\$ 1,212	\$ 31,010
<b>TOTAL</b>								<b>\$ 3,215,621</b>	<b>\$ 2,308,182</b>	<b>\$ 382,973</b>	<b>\$ 2,691,154</b>	<b>\$ 286,665</b>	<b>\$ 68,343</b>	<b>\$ 355,008</b>

Type of Debt	Total Principal	Total Interest	Total Debt Service
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State of MI	\$ 39,311	\$ -	\$ 39,311
Installment Purchase	\$ 1,710,273	\$ 329,969	\$ 2,040,242
Lease	\$ 223,939	\$ 19,175	\$ 243,114
Internal	\$ 334,658	\$ 33,829	\$ 368,488
<b>Total</b>	<b>\$ 2,308,182</b>	<b>\$ 382,973</b>	<b>\$ 2,691,154</b>

Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
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General Fund	\$ 39,311	\$ -	\$ 39,311
Motor Pool	\$ 520,421	\$ 47,799	\$ 568,220
Marina	\$ 274,482	\$ 31,384	\$ 305,866
Boat Launch	\$ 60,176	\$ 2,445	\$ 62,622
Capital Improvement	\$ 1,413,791	\$ 301,345	\$ 1,715,136
<b>Total</b>	<b>\$ 2,308,182</b>	<b>\$ 382,973</b>	<b>\$ 2,691,154</b>

#### Total Existing Bank\Other Debt by FY

	Principal	Interest	Total
2016	\$ 286,665	\$ 68,343	\$ 355,008
2017	\$ 261,327	\$ 59,881	\$ 321,208
2018	\$ 231,865	\$ 53,262	\$ 285,128
2019	\$ 322,514	\$ 47,025	\$ 369,539
2020	\$ 168,510	\$ 38,029	\$ 206,539
2021	\$ 173,690	\$ 32,849	\$ 206,539
2022	\$ 179,054	\$ 27,485	\$ 206,539
2023	\$ 179,048	\$ 21,950	\$ 200,998
2024	\$ 155,693	\$ 16,230	\$ 171,923
2025	\$ 160,808	\$ 11,116	\$ 171,923
2026	\$ 135,509	\$ 5,827	\$ 141,336
2027	\$ 53,499	\$ 976	\$ 54,475
<b>Total</b>	<b>\$ 2,308,182</b>	<b>\$ 382,973</b>	<b>\$ 2,691,154</b>

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	9	June 30, 2015
COAM	3	June 30, 2015
IAFF	8	June 30, 2015
USW	22	June 30, 2017
General	9.5	n/a
Supervisory	4	n/a
Manager	1	n/a
<b>Total</b>	<b>56.5</b>	<b>n/a</b>

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 proposal calls for a net increase in the number of employees of ½ FTE by eliminating the Building Inspector position, adding a Deputy Public Works Director and adding a ½ time high level clerical position in the Finance\Clerk department. See Personnel Requests Issue Page for further details.

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 comprehensive compensation and classification study done several years ago. The step component of the schedule has not been implemented 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 1.6%.

In this year’s budget, Administration is proposing a wage increase of 1.5% (inflation) plus applicable steps for the USW, which was agreed to in their contract. It is proposing 1.6% (inflation) plus a partial step (approximately 90%) for non-union and supervisory employees (total of 4.5%). It is proposing an inflationary adjustment plus applicable steps for the POAM, COAM and IAFF. The actual wage increase for POAM, COAM and IAFF Union employees will be negotiated, as each contract is open, however, step increases are typically included. Final wages will require the POAM, COAM, IAFF to agree to them in collective bargaining negotiations.

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. Employees also have access to a 457 deferred compensation plan administered by ICMA.

MERS calculates an annual contribution for each DB plan. Overall, as of the most recent actuarial valuation, the retirement plan is funded at 94.3%, which is quite strongly funded; likely in the top 10% of all MERS plans. This percentage has generally declined over time, primarily due to the market crash of 2008. The table below shows relevant pension information.

<b>FY:</b>	<b>2015-2016</b>	<b>AAV:</b>	<b>12/31/2013</b>	
<b>Division</b>	<b>Percent Funded</b>	<b>Normal Cost</b>	<b>Required Minimum</b>	<b>Budgeted Contribution</b>
01 Non-Union	88.6%	5.46%	9.12%	9.12%
02 POAM	95.6%	10.67%	13.13%	13.13%
05 IAFF	76.3%	9.62%	21.94%	21.94%
10 USW	110.9%	0.00%	0.00%	0.00%
USW New	81.3%	4.14%	4.46%	4.46%
20 COAM	108.5%	10.06%	5.82%	5.82%
<b>Overall</b>	<b>94.3%</b>			

Although still well-funded, the trend for funded position is down. The City will need to consider making changes to pensions for new hires in order to protect the pension system and reduce costs and long-term liabilities in the future. This has already been done for the USW.

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

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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. This benefit has been eliminated for new hires in the USW. The City will need to consider making changes to retiree health insurance for new hires in order to reduce costs and long-term liabilities in the future.

### Health Insurance

The City provides health insurance to all full-time employees. Coverage is provided through Blue Cross Blue Shield of Michigan (BCBSM). 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 was a higher deductible plan that reduced premiums and made pricing more apparent. Under the HRA, the City reimbursed the employee their out of pocket costs up to the deductible limits. As part of the plan, the City also achieved health care capping. The City would be responsible for the first 5% of premium increases. The employee would be responsible for the next 5%. The third 5% is split between the employee and the City. Any increase greater than 15% was considered catastrophic and the City would pick up those additional costs. The net result is that the City 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, in 2011 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 high deductible plan with an HRA. This plan was also implemented with all of the Union groups effective November 1.

Also in 2011, the State law was passed that limits the amount that public employers can pay for health insurance. The City has been complying with this requirement. In 2012, a State law was passed that levies a tax on health insurance premiums, which is passed thru to the City. In 2014, the State tax increased dramatically and a new PPACA (Obamacare) tax was also levied.

Then, in February 2014, our insurance consultant indicated that the premiums on our plan were expected to increase 30%+ again. As a result, the City once again moved to a different insurance plan. It now offers a BCBS Simply Blue HSA plan with high deductibles. The City also funds an HSA account for employees. This allowed the City to maintain a quality health plan, while controlling costs and maintaining compliance with the state-mandated hard cap. The City intends on maintaining this plan in the upcoming year.

### Retirements and Attrition

The City workforce has been reduced by 8.5 full-time equivalent employees or 13.1% since 2004. The biggest reduction has been in upper management where the number of department heads has been reduced from 8 to 4 through consolidation of departmental oversight. Most of the reductions have been the result of attrition, or not replacing an employee when they retire or resign. This is once again the case in the proposed budget. The Building Inspector position is not being replaced saving tens of thousands of dollars.

Recovering the loss of tax base in the City is likely to take several years and will be a slow process. This will lead to continued financial struggles. There are a number of employees that are either eligible or nearly eligible to retire. It is possible that upon retirement, some of these positions may not be filled; services provided by the retiree will be contracted out, or a lower cost employee will be hired to replace the retiring employee in order to save money. Administration is constantly monitoring this situation.

### 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 2008 financial crisis and ongoing sluggish economy is being felt in Manistee. Revenues are stagnant and unable to keep up with escalating costs. City employees have shouldered the brunt of the resulting cuts. In addition, new laws passed by the Legislature and Congress continue to put even more financial burden on our workers. Through all of this, the employees have maintained professionalism and worked in a constructive manner with Administration to address the financial challenges.

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>
<b><u>Operating Transfers</u></b>			
Oil & Gas	Water & Sewer	\$ 374,680	Transfer investment earnings in
Water & Sewer	Capital Improvement	\$ 374,680	Transfer investment earnings out
General	Ramsdell Theatre	\$ 90,000	Operating support
<b><u>Charge for Services</u></b>			
General	Motor Pool	\$ 216,300	Lease of equipment
Water & Sewer	Motor Pool	\$ 108,150	Lease of equipment
Boat Launch	General	\$ 2,381	Administration
Local Street	General	\$ 81,000	Reimbursement
Major Street	General	\$ 206,000	Reimbursement
Marina	General	\$ 10,573	Administration
Refuse	General	\$ 18,000	Reimburse for trash haul
Refuse	General	\$ 36,000	Reimburse for yard waste
Refuse	General	\$ 31,814	Administration
Water & Sewer	General	\$ 320,496	Administration\Reimbursement
Water & Sewer	General	\$ 170,931	Cost of Ownership Fee
<b><u>Debt Service</u></b>			
Capital Improvement	General	\$ 72,640	2010 CI Bond
Major Street	Local Street	\$ 81,369	2010 CI Bond In
Local Street	General	\$ 81,369	2010 CI Bond Out
Water & Sewer	General	\$ 275,026	2010 CI Bond
Capital Improvement	Marina	\$ 40,000	Assist Marina Debt Service
Capital Improvement	Ramsdell	\$ 178,830	Ramsdell Debt Service
Boat Launch	Oil & Gas	\$ 14,536	Internal Loan Pmt
Marina	Oil & Gas	\$ 30,587	Internal Loan Pmt

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General Fund

Reserves

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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.

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, record gasoline prices, health insurance and funding the Ramsdell Theatre Executive Director. 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 one additional firefighter if a LRSB grant is not received.

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, 2014 audit showed a general fund balance of \$1,087,038 a decrease of \$34,868 from the prior year. The fund balance was at the 18.9%, just less than the target percentage.

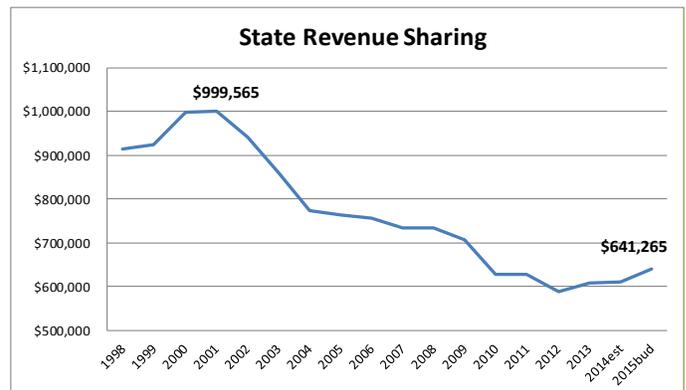
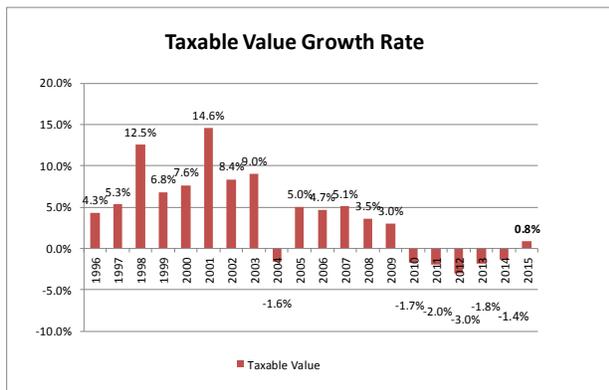
### General Fund

### Revenue

On the revenue side, the City continues to confront significant challenges, although things appear to be looking up. 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.

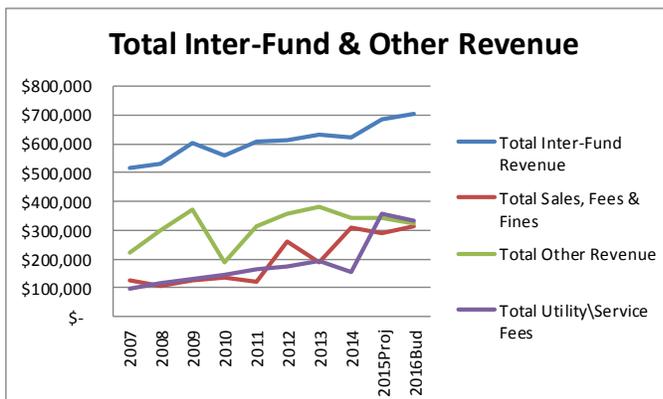
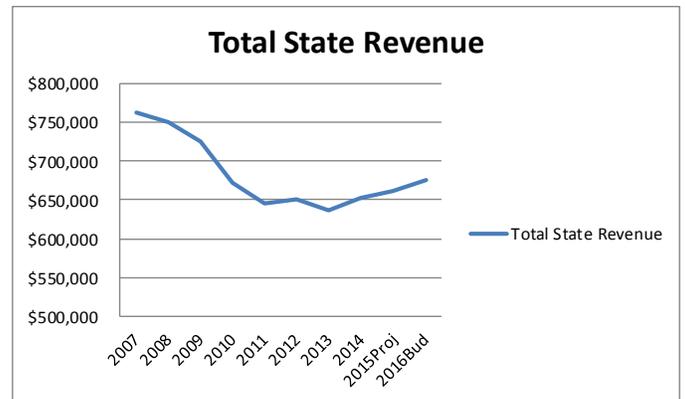
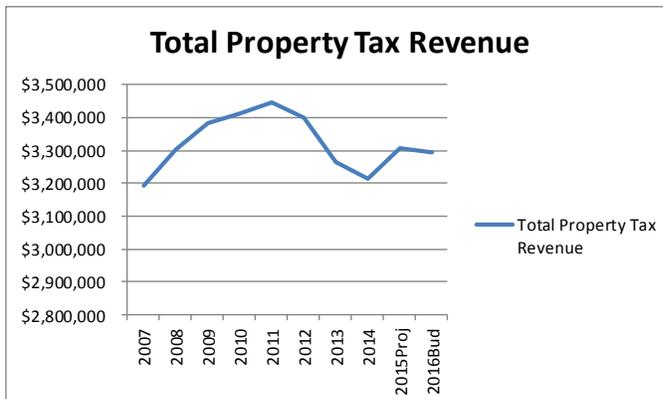
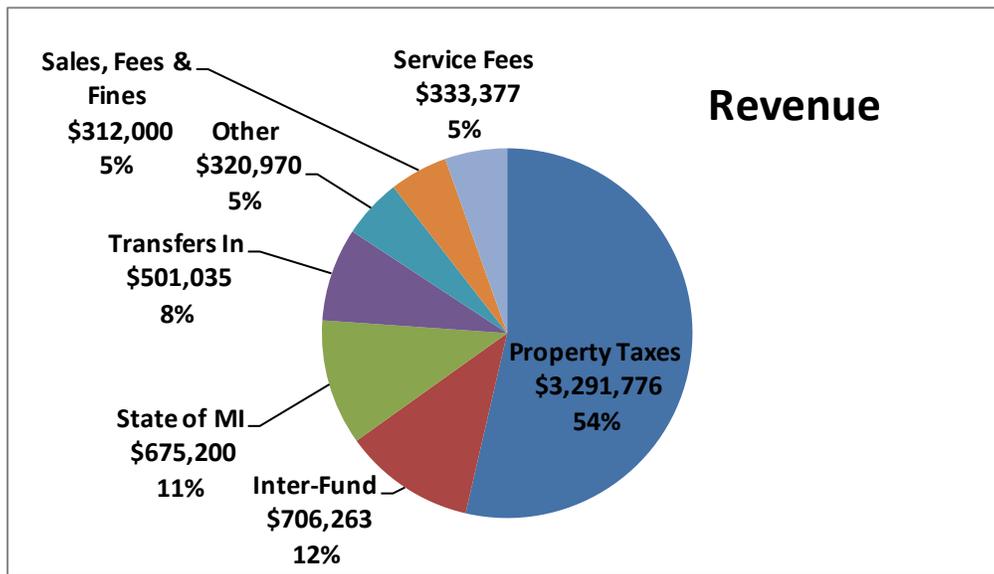
The taxable value of City property increased very slightly this year for the first time since 2009. The 0.8% increase equates to an increase in tax revenue of about \$10,000. Even with this welcome growth, the tax base has declined 8.9% since 2009. The aggregate decline yields approximately \$326,000 (over 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 City, Village and Township Revenue Sharing program (CVTRS). Total revenue sharing has declined by 36% or \$358,000 (almost 6% of the GF operating budget) since 2001. Total loss of statutory and/or EVIP payments since 2001 is about \$4,241,000. Fortunately, the State's economic and budget crisis appears to be passing and these payments have increased the last two years.



The City has very little ability to raise new revenues in the General fund, further complicating the challenge. The City is currently levying the maximum operating millage allowed at 17.7612 mills. The City Charter authorizes 20.00 mills, but this has been reduced over the years by Headlee millage rollbacks.

General Fund revenues come from a variety of sources. Property taxes account for about 54% of the budget, with the remaining coming from the State of Michigan, various charge for services, interest income and miscellaneous other items. The breakdown and trends in revenue are shown in the following graphs.



**Revenue Assumptions & Notes**

Total Property Tax Revenue	increased	\$18,266	0.6%
Total Utility\Service Fees	increased	\$126,774	61.4%
Total State Revenue	increased	\$3,135	0.5%
Total Inter-Fund Revenue	increased	\$20,000	2.9%
Total Sales, Fees & Fines	decreased	(\$10,000)	-3.1%
Total Other Revenue	increased	\$17,308	5.7%
Total Transfers In	decreased	(\$38,200)	-7.1%
<b>TOTAL REVENUES</b>	<b>increased</b>	<b>\$137,283</b>	<b>2.3%</b>

**Overall Revenue:** Total revenue increased from the prior year budget. There was slight growth in property tax revenues, inter-fund charges and other revenue. Utility and Service fees increased due to the new rate structure and the phasing out of individual utility service agreements. Transfers in declined because there is less anticipated use of fund cash reserves. The overall increase was just higher than the rate of inflation.

**Property Tax Revenue:** Property tax and related revenue increased from the prior budget. This category includes taxes, penalties and interest and the administration fee. Taxable value in the City showed an increase of 0.8%.

**Utility\Service Fee Revenue:** These revenues 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 utility service (COO) fee and the fee paid by the Housing Commission and similar payments.

**State of Michigan Revenue:** State revenue increased slightly from the prior year budget. This category includes revenue sharing, CVTRS, liquor license fees and state grants. Constitutional revenue sharing is expected to increase by 3% this year. The continuous year over year cuts in this area are now in the past, and this category is starting to show modest growth.

**Inter-Fund Revenue:** Inter-fund revenue increased from the prior year. This category includes various reimbursements to the General fund for personnel, equipment and administration. This year, administration fees are set at 7.5% of revenues for water and sewer, 7% for refuse and boat launch. The marina is set at 5% due to its ongoing revenue struggles. These rates are in the generally accepted range of 5% - 10% typically seen. Using the State for building inspection eliminated the administration fee previously received from the building inspector fund.

**Sales, Fees & Fines:** Sales, fees and fines decreased from the prior year budget. Advanced Life Support Transport fees are projected to increase. Charge for service decreased because the Housing Commission is no longer contracting with the City for mowing. Inspection revenue was eliminated because we will be contracting out rental inspections.

**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 primarily to increased franchise fee income and a reclassification of a reimbursement.

**Transfers In:** Transfers in decreased. General fund reserves are again being used to fund the executive director for the Ramsdell Theatre and fund additional paramedic training, if no grants are received. However, no fund reserve is expected to be needed to offset health insurance expenses, as was done last year.

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

Budget as recommended                       Budget with changes

**Changes:** City Council reduced the rate increase for water & sewer from 8.5% to 6.0%. This reduces the amount of revenue the general fund receives from the water & sewer utility. The loss of revenue is almost \$8,000. This amount will be absorbed by delaying the hiring of a new position in the finance department.



## 2015-2016 Budget

REVENUES	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
402.000 Real & Pers Prop Tax	\$ 2,920,253	\$ 2,924,298	\$ 3,027,000	\$ 2,927,678	\$ 2,927,678	\$ 3,380	0.1%
411.000 Delinquent Real Prop Tax	181,602	213,534	110,000	220,080	220,080	6,546	3.1%
420.000 Delinquent Pers Prop Tax	7,060	12,051	45,000	16,498	16,498	4,446	36.9%
445.000 Tax Penalties & Interest	20,053	31,597	34,000	32,592	32,592	995	3.1%
447.000 Tax Administration Fee	85,662	92,029	92,000	94,928	94,928	2,898	3.1%
<b>Total Property Tax Revenue</b>	<b>\$ 3,214,630</b>	<b>\$ 3,273,510</b>	<b>\$ 3,308,000</b>	<b>\$ 3,291,776</b>	<b>\$ 3,291,776</b>	<b>\$ 18,266</b>	<b>0.6%</b>
639.000 Utility Service Fee	\$ -	\$ -	\$ 157,000	\$ 170,931	\$ 170,931	\$ 170,931	
640.000 Service Fees	152,300	206,603	200,000	162,446	162,446	-44,157	-21.4%
<b>Total Utility/Service Fees</b>	<b>\$ 152,300</b>	<b>\$ 206,603</b>	<b>\$ 357,000</b>	<b>\$ 333,377</b>	<b>\$ 333,377</b>	<b>\$ 126,774</b>	<b>61.4%</b>
501.000 Federal Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
539.000 State Grant Revenue	10,284	20,000	9,400	8,500	8,500	-11,500	-57.5%
539.002 Crim Just Training Grant	2,298	2,300	2,300	2,300	2,300	0	0.0%
574.000 State Share Liquor Tax	8,413	8,500	8,400	8,500	8,500	0	0.0%
575.000 State Shared Revenue	471,285	480,828	481,000	495,400	495,400	14,572	3.0%
575.001 State CVTRS	160,437	160,437	160,500	160,500	160,500	63	0.0%
<b>Total State Revenue</b>	<b>\$ 652,717</b>	<b>\$ 672,065</b>	<b>\$ 661,600</b>	<b>\$ 675,200</b>	<b>\$ 675,200</b>	<b>\$ 3,135</b>	<b>0.5%</b>
627.000 Charge for Serv - Bldg. Insp.	\$ 15,000	\$ 15,000	\$ 12,500	\$ -	\$ -	\$ (15,000)	-100.0%
628.000 Charge for Serv - Boat Ramp	9,500	2,102	2,100	2,381	2,381	279	13.3%
630.000 Charge for Serv - Local St.	81,000	81,000	81,000	81,000	81,000	0	0.0%
631.000 Charge for Serv - Major St.	206,000	206,000	206,000	206,000	206,000	0	0.0%
632.000 Charge for Serv - Marina	14,800	12,278	12,300	10,573	10,573	-1,705	-13.9%
634.000 Charge for Serv - Refuse	57,850	68,591	68,600	85,814	85,814	17,222	25.1%
635.000 Charge for Serv - W&S	236,900	301,292	301,000	320,496	320,496	19,204	6.4%
<b>Total Inter-Fund Revenue</b>	<b>\$ 621,050</b>	<b>\$ 686,263</b>	<b>\$ 683,500</b>	<b>\$ 706,263</b>	<b>\$ 706,263</b>	<b>\$ 20,000</b>	<b>2.9%</b>
450.000 Business Registration	\$ 1,125	\$ 1,500	\$ 1,000	\$ 1,500	\$ 1,500	\$ -	0.0%
485.000 Permits	7,013	8,500	5,000	8,500	8,500	0	0.0%
626.000 Charge for Service	40,744	48,000	30,000	28,000	28,000	-20,000	-41.7%
629.000 Charge for Serv - Inspections	6,840	10,000	3,000	0	0	-10,000	-100.0%
636.000 Charge for Serv - Transport	217,167	220,000	217,000	235,000	235,000	15,000	6.8%
642.000 Sales	6,673	6,000	5,000	6,000	6,000	0	0.0%
655.000 Fines & Forfeits	27,310	28,000	28,000	33,000	33,000	5,000	17.9%
<b>Total Sales, Fees &amp; Fines</b>	<b>\$ 306,872</b>	<b>\$ 322,000</b>	<b>\$ 289,000</b>	<b>\$ 312,000</b>	<b>\$ 312,000</b>	<b>(\$10,000)</b>	<b>-3.1%</b>



## 2015-2016 Budget

	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
490.000 Franchise Fees	\$ 103,008	\$ 102,000	\$ 104,000	\$ 108,000	\$ 108,000	\$ 6,000	5.9%
570.000 Local Grants	0	0	0	0	0		
664.000 Interest Income	764	1,455	800	1,000	1,000	-455	-31.3%
667.000 Rental Income	1,100	4,600	4,300	4,850	4,850	250	5.4%
668.000 Riverfront Lease Income	21,504	20,844	20,850	21,470	21,470	626	3.0%
671.000 Other Revenue	234	500	500	500	500	0	0.0%
674.000 Contributions\Donations	7,116	1,000	2,000	1,000	1,000	0	0.0%
676.000 Reimbursements	170,807	153,263	183,000	164,150	164,150	10,887	7.1%
687.000 Refunds	17,670	18,000	23,000	18,000	18,000	0	0.0%
688.000 Refunds - W.C. Premium	0	2,000	2,900	2,000	2,000	0	0.0%
695.000 Insurance Settlement	18,482	0	1,000	0	0	0	
<b>Total Other Revenue</b>	<b>\$ 340,684</b>	<b>\$ 303,662</b>	<b>\$ 342,350</b>	<b>\$ 320,970</b>	<b>\$ 320,970</b>	<b>\$17,308</b>	<b>5.7%</b>
699.000 Transfers In	\$ 425,135	\$ 425,235	\$ 425,500	\$ 429,035	\$ 429,035	\$ 3,800	0.9%
Contribution from Fund Balance		114,000	60,000	72,000	72,000	-42,000	-36.8%
<b>Total Transfers In</b>	<b>\$ 425,135</b>	<b>\$ 539,235</b>	<b>\$ 485,500</b>	<b>\$ 501,035</b>	<b>\$ 501,035</b>	<b>\$ (38,200)</b>	<b>-7.1%</b>
<b>TOTAL REVENUES</b>	<b>\$ 5,713,388</b>	<b>\$ 6,003,338</b>	<b>\$ 6,126,950</b>	<b>\$ 6,140,621</b>	<b>\$ 6,140,621</b>	<b>\$ 137,283</b>	<b>2.3%</b>

General Fund

Legislative

The City Council is the governing body for the City of Manistee. The council consists of seven members who serve two-year terms. Members are nominated by district but elected at large by voters. Elections are nonpartisan. Terms are staggered with districts 1, 3, 5 and 7 elected one year while districts 2, 4 and 6 are elected the next year.

Once seated after an election, Council elects a mayor from among their members. The mayor is the city’s chief executive official and presides over meetings of the council.

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

**Legislative Assumptions & Notes**

<b>Total Costs</b>	<b>decreased</b>	<b>(\$5,565)</b>	<b>-11.6%</b>
Employee Costs	decreased	(\$1,286)	-4.2%
Operational Costs	decreased	(\$4,279)	-24.6%

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

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

**Operational Costs:** Operational costs decreased sharply from the prior year budget. The employee recognition events and holiday gift certificates were eliminated after review by the City attorney.

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

Budget as recommended       Budget with changes

**Changes:**

101 Legislative	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Year to Year	
					Council Adopted	Budget Difference
702.000 Salaries	\$ 27,052	\$ 28,250	\$ 27,000	\$ 27,052	\$ 27,052	\$ (1,198)
712.001 Costs - Social Security	1,677	1,752	1,700	1,677	1,677	-74
712.002 Costs - Medicare	393	410	400	392	392	-17
712.007 SUTA	0	0	0	0	0	0
712.009 Costs - Work Comp	57	76	60	80	80	4
<b>Employee Costs</b>	<b>\$ 29,178</b>	<b>\$ 30,488</b>	<b>\$ 29,160</b>	<b>\$ 29,202</b>	<b>\$ 29,202</b>	<b>(\$1,286)</b>
728.000 Office/Operating	\$ 7,184	\$ 10,629	\$ 7,500	\$ 6,600	\$ 6,600	\$ (4,029)
860.000 Travel & Training	3,379	6,750	6,500	6,500	6,500	-250
<b>Operating Costs</b>	<b>\$ 10,562</b>	<b>\$ 17,379</b>	<b>\$ 14,000</b>	<b>\$ 13,100</b>	<b>\$ 13,100</b>	<b>(\$4,279)</b>
<b>TOTAL LEGISLATIVE</b>	<b>\$ 39,741</b>	<b>\$ 47,867</b>	<b>\$ 43,160</b>	<b>\$ 42,302</b>	<b>\$ 42,302</b>	<b>(\$5,565)</b>

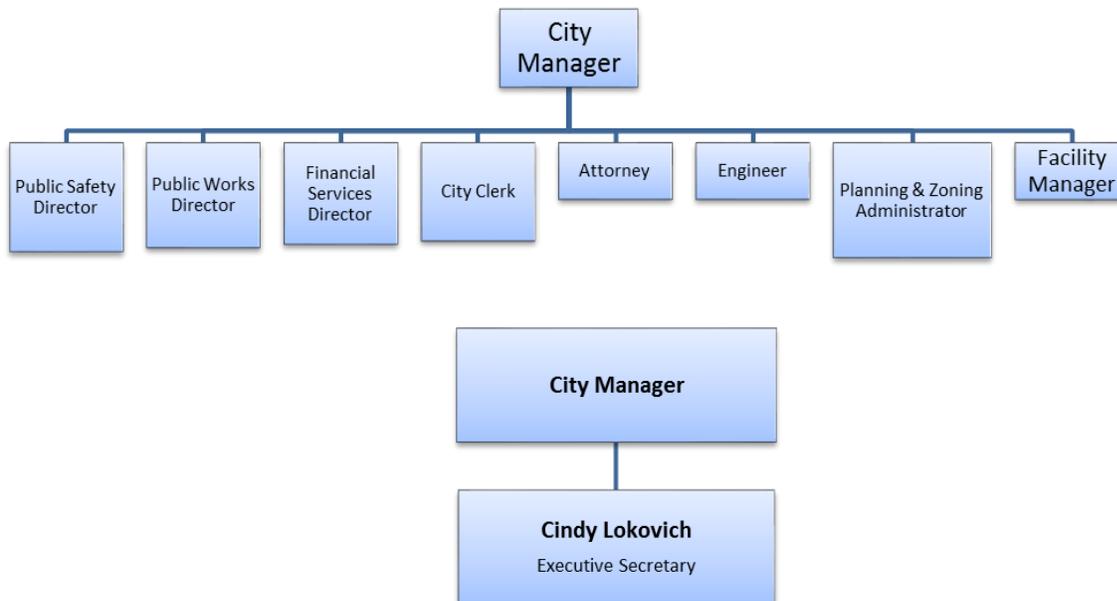
General Fund

Manager

Mitch Deisch was the City Manager for the City of Manistee when this budget was prepared. He had been with the City for 14 years. Mitch and the City separated employment as of April 3, 2015. The City wishes Mitch the best of luck in his new endeavors! Interim City Manager Ben Bifoss was appointed by Council March 31. The City is currently conducting a search for a new permanent City Manager.

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

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



General Fund

Manager

**Manager Assumptions & Notes**

<b>Total Costs</b>	<b>increased</b>	<b>\$4,993</b>	<b>2.3%</b>
Employee Costs	increased	\$4,664	2.4%
Operational Costs	increased	\$329	1.6%

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

**Employee Costs:** Employee costs increased from the prior budget. The budget assumes an employee wage increase, cost increase for the same health insurance plan as last year and a pension cost increase. A new City Manager will be joining the City and their wage and benefit package, and timing, is yet to be determined. The budget assumes some changes from the current Manager’s package.

**Operational Costs:** Operational costs increased slightly from the prior year budget. The motor pool allocation was increased 3% per the motor pool plan.

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

- Budget as recommended       Budget with changes

**Changes:**

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172 Manager	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$ 144,423	\$146,055	\$266,800	\$142,625	\$142,625	(\$3,430)	-2.3%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	0	0	0	0	0	0	
706.000 Part-Time	0	0	0	0	0	0	
708.000 V\SIH Sell	0	0	0	0	0	0	
712.001 Costs - Social Security	10,322	10,347	10,400	9,649	9,649	-698	-6.7%
712.002 Costs - Medicare	2,414	2,420	2,400	2,257	2,257	-163	-6.7%
712.004 Costs - ICMA Contribution	5,269	5,086	5,000	0	0	-5,086	-100.0%
712.005 Costs - MERS	13,609	11,378	11,400	13,007	13,007	1,630	14.3%
712.006 Costs - In Lieu of BC/BS	4,398	4,373	4,400	0	0	-4,373	-100.0%
712.007 Costs - SUTA	314	314	300	274	274	-40	-12.7%
712.009 Costs - Work Comp	599	617	600	613	613	-4	-0.7%
712.010 Costs - Blue Cross Insurance	9,826	10,258	9,000	21,589	21,589	11,331	110.5%
712.011 Costs - Life Insurance	474	466	500	635	635	169	36.4%
712.012 Costs - HSA	243	3,000	3,000	6,000	6,000	3,000	100.0%
712.014 Costs - Dental Insurance		0	720	1,619	1,619	1,619	
712.015 Costs - Vision\Ancillary		0	360	708	708	708	
<b>Employee Costs</b>	<b>\$191,891</b>	<b>\$194,314</b>	<b>\$314,880</b>	<b>\$198,977</b>	<b>\$198,977</b>	<b>\$4,664</b>	<b>2.4%</b>
728.000 Operating Expense	\$2,224	\$2,644	\$2,650	\$2,650	\$2,650	\$6	0.2%
735.000 Periodicals & Publications	152	150	160	150	150	0	0.0%
801.000 Professional Services	0	500	28,250	500	500	0	0.0%
831.000 Contractual Repairs & Maint.	1,226	1,000	1,100	1,130	1,130	130	13.0%
860.000 Travel & Training Expense	2,958	3,350	3,300	3,350	3,350	0	0.0%
865.000 Vehicle Allowance	0	0	0	0	0	0	
870.000 Memberships & Dues	1,461	1,371	1,370	1,294	1,294	-77	-5.6%
873.000 Education	0	0	0	0	0	0	
874.000 Retiree BCBS	0	0	0	0	0	0	
900.000 Printing & Publishing	0	0	0	0	0	0	
930.000 Repairs & Maintenance	0	0	0	0	0	0	
957.000 Motor Pool	9,000	9,000	9,000	9,270	9,270	270	3.0%
970.000 Capital Outlay	0	0	0	0	0	0	
985.000 Lease Purchase	2,037	2,220	2,200	2,220	2,220	0	0.0%
<b>Operating Costs</b>	<b>\$ 19,057</b>	<b>\$ 20,235</b>	<b>\$ 48,030</b>	<b>\$ 20,564</b>	<b>\$ 20,564</b>	<b>\$ 329</b>	<b>1.6%</b>
<b>TOTAL MANAGER</b>	<b>\$ 210,948</b>	<b>\$ 214,549</b>	<b>\$ 362,910</b>	<b>\$ 219,541</b>	<b>\$ 219,541</b>	<b>\$ 4,993</b>	<b>2.3%</b>

General Fund

Financial Services

Edward Bradford is the City’s Chief Financial Officer, serving as both Finance Director and Treasurer. He has been with the City for 13 years.

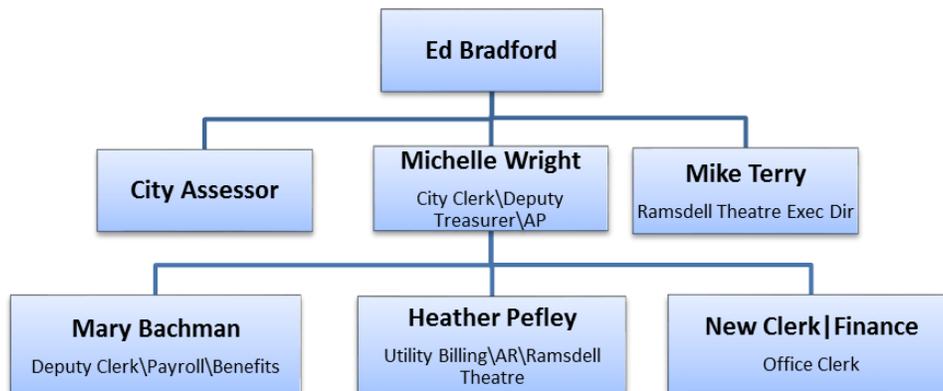
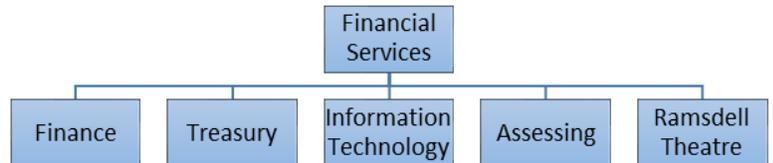


The Financial Services Department is responsible for all financial activities in the City, with three main areas of responsibility: finance, treasury, and information technology.

With the retirement of the City assessor, the budget proposes restructuring the assessing function under the Financial Services department as was recommended in the 2014 Exploring Clerk, Treasury & Finance Services in the City of Manistee report and the prior MATRIX Operational Service Assessment. The assessing budget is still shown as separate for clarity & comparison. The budget also provides for a new full-time position in the department. See Personnel Request Issue Page for more details.

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
- Supervising Ramsdell Theatre Executive Director & City Assessor



General Fund

Financial Services

**Financial Services Assumptions & Notes**

<b>Total Costs</b>	<b>increased</b>	<b>\$51,860</b>	<b>25.9%</b>
Employee Costs	increased	\$49,784	31.9%
Operational Costs	increased	\$2,076	4.7%

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

**Employee Costs:** Employee costs increased from the prior budget. The budget assumes the addition of a full time position in the department. See *Personnel Request Issue Page* for details. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase.

**Operational Costs:** Operational costs increased from the prior budget. Approximately 72% of the department’s operational budget is non-discretionary, thru either mandatory contractual professional services, such as the annual audit 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:** City Council made the proposed part-time position full-time.

253 Financial Services	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year	
						Budget Difference	Percent Change
702.000 Salaries	\$117,672	\$119,051	\$119,100	\$149,360	\$149,360	\$30,309	25.5%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	0	500	300	1,000	1,000	500	100.0%
706.000 Part-Time	0	0	0	0	0	0	
708.000 V\SH Sellback	0	0	0	0	0	0	
712.001 Costs - Social Security	7,636	7,993	8,000	9,715	9,715	1,722	21.5%
712.002 Costs - Medicare	1,786	1,869	1,900	2,272	2,272	403	21.5%
712.004 Costs - ICMA Contribution	2,559	0	0	0	0	0	
712.005 Costs - MERS	6,846	9,366	9,400	13,133	13,133	3,767	40.2%
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	
712.007 Costs - SUTA	313	314	320	376	376	63	20.0%
712.009 Costs - Work Comp	491	505	500	619	619	114	22.6%
712.010 Costs - Health Insurance	13,087	12,843	11,301	21,035	21,035	8,192	63.8%
712.011 Costs - Life Insurance	394	383	420	654	654	270	70.5%
712.012 Costs - HSA	997	3,000	3,000	5,250	5,250	2,250	75.0%
712.014 Costs - Dental Insurance			900	1,574	\$1,574	1,574	
712.015 Costs - Vision\Ancillary			350	620	\$620	620	
<b>Employee Costs</b>	<b>\$ 151,782</b>	<b>\$ 155,823</b>	<b>\$ 155,491</b>	<b>\$ 205,607</b>	<b>\$ 205,607</b>	<b>\$ 49,784</b>	<b>31.9%</b>
728.000 Operating Expense	\$3,925	\$3,644	\$3,700	\$3,900	\$3,900	\$256	7.0%
735.000 Periodicals & Publications	1,213	790	700	790	790	0	0.0%
801.000 Professional Services	31,950	23,700	23,700	24,600	24,600	900	3.8%
831.000 Contractual Repairs & Maint.	7,369	7,750	7,800	8,720	8,720	970	12.5%
860.000 Travel & Training Expense	5,275	4,500	4,500	4,500	4,500	0	0.0%
870.000 Memberships & Dues	671	605	600	605	605	0	0.0%
873.000 Education	0	0	0	0	0	0	
874.000 Retiree BCBS	0	0	0	0	0	0	
900.000 Printing & Publishing	698	700	700	650	650	-50	-7.1%
930.000 Repairs & Maintenance	0	0	0	0	0	0	
970.000 Capital Outlay	795	800	800	800	800	0	0.0%
985.000 Lease Purchase	1,739	1,740	1,740	1,740	1,740	0	0.0%
<b>Operating Costs</b>	<b>\$ 53,635</b>	<b>\$ 44,229</b>	<b>\$ 44,240</b>	<b>\$ 46,305</b>	<b>\$ 46,305</b>	<b>\$2,076</b>	<b>4.7%</b>
<b>TOTAL FINANCE</b>	<b>\$ 205,417</b>	<b>\$ 200,052</b>	<b>\$ 199,731</b>	<b>\$ 251,912</b>	<b>\$ 251,912</b>	<b>\$51,860</b>	<b>25.9%</b>

General Fund

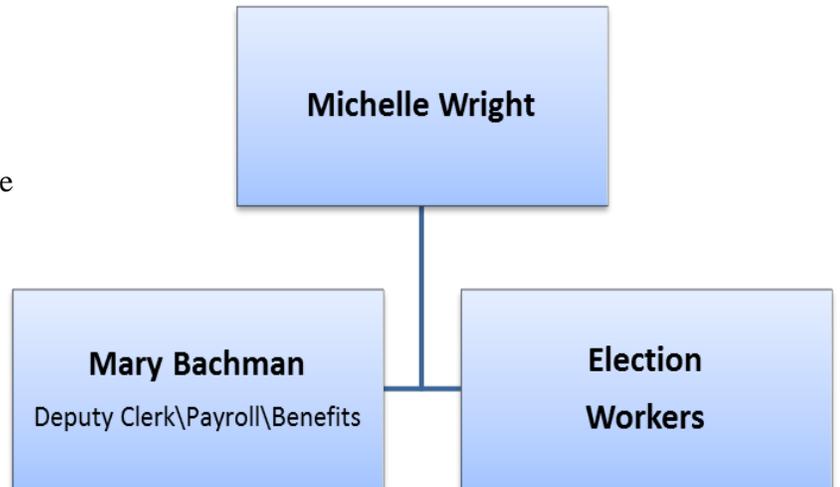
Clerk



Michelle Wright is the Clerk and Deputy Treasurer for the City of Manistee. She has been with the City for 26 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**

<b>Total Costs</b>	<b>increased</b>	<b>\$2,522</b>	<b>1.3%</b>
Employee Costs	increased	\$4,949	3.1%
Operational Costs	decreased	(\$2,427)	-6.3%

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

**Employee Costs:** Employee costs increased from the prior budget. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase. Part-time declined 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, and reduced education tuition reimbursement and printing costs.

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

- Budget as recommended                       Budget with changes

**Changes:**

<b>215 City Clerk</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Budget</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>	<b>Change</b>
702.000 Salaries	\$110,710	\$112,008	\$112,000	\$117,047	\$117,047	\$5,040	4.5%
703.000 Longevity	0	0	0	0	0	\$0	
704.000 Overtime	0	1,000	500	1,000	1,000	\$0	0.0%
706.000 Part-Time	2,424	14,000	14,000	11,200	11,200	(\$2,800)	-20.0%
708.000 VAS\H Sellback	0	0	0	0	0	\$0	
712.001 Costs - Social Security	7,238	8,456	8,500	8,712	8,712	\$256	3.0%
712.002 Costs - Medicare	1,693	1,978	2,000	2,037	2,037	\$60	3.0%
712.004 Costs - ICMA Contribution	0	0	0	0	0	\$0	
712.005 Costs - MERS	8,037	8,883	8,900	10,766	10,766	\$1,883	21.2%
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	\$0	
712.007 Costs - SUTA	313	314	320	274	274	(\$40)	-12.7%
712.009 Costs - Work Comp	419	538	540	556	556	\$18	3.4%
712.010 Costs - Blue Cross Insurance	8,671	10,258	9,027	9,548	9,548	(\$710)	-6.9%
712.011 Costs - Life Insurance	361	352	380	522	522	\$170	48.2%
712.012 Costs - HSA	7,458	3,000	3,000	3,000	3,000	\$0	0.0%
712.014 Costs - Dental Insurance			720	720	720	\$720	
712.015 Costs - Vision\Ancillary			350	354	354	\$354	
<b>Employee Costs</b>	<b>\$ 147,324</b>	<b>\$ 160,787</b>	<b>\$ 160,237</b>	<b>\$ 165,736</b>	<b>\$ 165,736</b>	<b>\$4,949</b>	<b>3.1%</b>
728.000 Supplies - Operating	\$3,691	\$2,944	\$3,000	\$3,000	\$3,000	\$56	1.9%
735.000 Periodicals & Publications	152	155	160	155	155	0	0.0%
740.000 Election Expense	3,752	8,470	8,500	7,805	7,805	-665	-7.9%
801.000 Professional Services	513	3,100	3,100	2,500	2,500	-600	-19.4%
831.000 Contractual Repairs & Maint.	6,717	7,500	7,500	7,700	7,700	200	2.7%
860.000 Travel & Training Expense	3,004	6,150	6,200	6,000	6,000	-150	-2.4%
870.000 Memberships & Dues	480	550	550	570	570	20	3.6%
873.000 Education	0	498	0	0	0	-498	-100.0%
874.000 Retiree BCBS	0	0	0	0	0	0	
900.000 Printing/Publishing	4,720	5,900	5,500	5,110	5,110	-790	-13.4%
970.000 Capital Outlay	0	0	0	0	0	0	
985.000 Lease Purchase	2,961	3,000	3,000	3,000	3,000	0	0.0%
<b>Operating Costs</b>	<b>\$ 25,989</b>	<b>\$ 38,267</b>	<b>\$ 37,510</b>	<b>\$ 35,840</b>	<b>\$ 35,840</b>	<b>(\$2,427)</b>	<b>-6.3%</b>
<b>TOTAL CLERK</b>	<b>\$ 173,314</b>	<b>\$ 199,054</b>	<b>\$ 197,747</b>	<b>\$ 201,576</b>	<b>\$ 201,576</b>	<b>\$ 2,522</b>	<b>1.3%</b>

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General Fund

Assessor

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Long-time City Assessor Julie Beardslee recently retired from the City of Manistee. She had been with the City for 24 years. Congratulations Julie!

City Council decided to replace the assessor position, rather than contract out the services to a private firm or Manistee County Equalization Department. The position was advertised in several venues. A few applications have been received and interviews will soon be scheduled. Per Charter, City Council appoints the City Assessor. The budget anticipates this position being filled before the start of the new fiscal year. It also anticipates restructuring the position to report to the Chief Financial Officer instead of the City Manager, as was recommended by both the MATRIX Operational Service Assessment and the Clerk, Treasury & Financial Services whitepaper.

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

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

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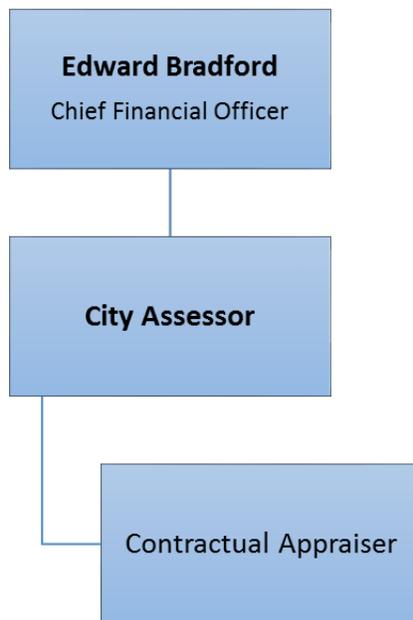
General Fund

Assessor

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The actual taxes you pay are a function of the millage rate and the taxable value (as found on the assessment roll). The City of Manistee has a summer and winter tax bill. The taxing jurisdictions are the County of Manistee, the City of Manistee, Manistee Area Public Schools, Manistee Intermediate Schools, West Shore Community College, and the State of Michigan (receives the State Education Tax).

The City Assessor administers homestead exemptions in conjunction with the State of Michigan. Homeowners are allowed one exemption from the 18 mills of school operating tax on their principal residence or homestead. The Assessor also administers poverty exemptions.



General Fund

Assessor

**Assessor Assumptions & Notes**

<b>Total Costs</b>	<b>decreased</b>	<b>(\$36,624)</b>	<b>-30.6%</b>
Employee Costs	decreased	(\$38,982)	-37.8%
Operational Costs	increased	\$2,358	14.0%

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

**Employee Costs:** Employee costs decreased from the prior budget. The new assessor will be certified MCAO (2) and will have a lower wage and fringes than the prior long-time assessor who was MCAO (3).

**Operational Costs:** Operational costs increased from the prior year budget. This was due to the health insurance portion of the prior assessor’s separation agreement. The vehicle allowance was also removed.

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

Budget as recommended                       Budget with changes

**Changes:**



## 2015-2016 Budget

<b>257 City Assessor</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Budget</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>	<b>Change</b>
702.000 Salaries	\$68,143	\$68,943	\$76,800	\$40,000	\$40,000	(\$28,943)	-42.0%
703.000 Longevity	0	0	0	0	0	\$0	
704.000 Overtime	0	0	0	0	0	\$0	
706.000 Part-Time	4,514	3,120	2,350	0	0	(\$3,120)	-100.0%
708.000 V\HS Sellback	0	0	4,000	0	0	\$0	
712.001 Costs - Social Security	4,644	5,050	3,800	2,706	2,706	(\$2,343)	-46.4%
712.002 Costs - Medicare	1,086	1,181	900	633	633	(\$548)	-46.4%
712.004 Costs - ICMA Contribution	6,890	7,584	0	0	0	(\$7,584)	-100.0%
712.005 Costs - MERS	391	0	4,000	3,648	3,648	\$3,648	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	\$0	
712.007 Costs - SUTA	245	314	250	137	137	(\$177)	-56.4%
712.009 Costs - Work Comp	719	729	550	408	408	(\$321)	-44.1%
712.010 Costs - Blue Cross Insurance	11,932	12,843	11,301	12,041	12,041	(\$801)	-6.2%
712.011 Costs - Life Insurance	279	273	350	227	227	(\$46)	-16.9%
712.012 Costs - HSA	6,446	3,000	4,560	3,000	3,000	\$0	0.0%
712.014 Costs - Dental Insurance			900	900	900	\$900	
712.015 Costs - Vision\Ancillary			350	354	354	\$354	
<b>Employee Costs</b>	<b>\$ 105,290</b>	<b>\$ 103,035</b>	<b>\$ 110,112</b>	<b>\$ 64,053</b>	<b>\$ 64,053</b>	<b>\$ (38,982)</b>	<b>-37.8%</b>
728.000 Operating Expense	\$1,438	\$1,972	\$1,400	\$2,000	\$2,000	\$ 28	1.4%
735.000 Periodicals & Publications	1,106	1,245	1,200	1,000	1,000	-245	-19.7%
801.000 Professional Services	3,973	7,100	5,000	7,000	7,000	-100	-1.4%
831.000 Contractual Repairs & Maint	1,638	2,465	2,500	2,475	2,475	10	0.4%
860.000 Travel & Training Expense	1,573	1,635	700	1,600	1,600	-35	-2.1%
865.000 Vehicle Allowance	1,800	1,800	1,200	0	0	-1,800	-100.0%
870.000 Memberships & Dues	369	610	450	610	610	0	0.0%
873.000 Education	0	0	0	0	0	0	
874.000 Retiree BCBS	0	0	0	4,500	4,500	4,500	
900.000 Printing/Publishing	0	0	0	0	0	0	
930.000 Repairs & Maintenance	0	0	0	0	0	0	
970.000 Capital Outlay	571	0	0	0	0	0	
985.000 Lease Purchase	0	0	0	0	0	0	
<b>Operating Costs</b>	<b>\$ 12,467</b>	<b>\$ 16,827</b>	<b>\$ 12,450</b>	<b>\$ 19,185</b>	<b>\$ 19,185</b>	<b>\$ 2,358</b>	<b>14.0%</b>
<b>TOTAL ASSESSOR</b>	<b>\$ 117,757</b>	<b>\$ 119,862</b>	<b>\$ 122,562</b>	<b>\$ 83,238</b>	<b>\$ 83,238</b>	<b>\$ (36,624)</b>	<b>-30.6%</b>

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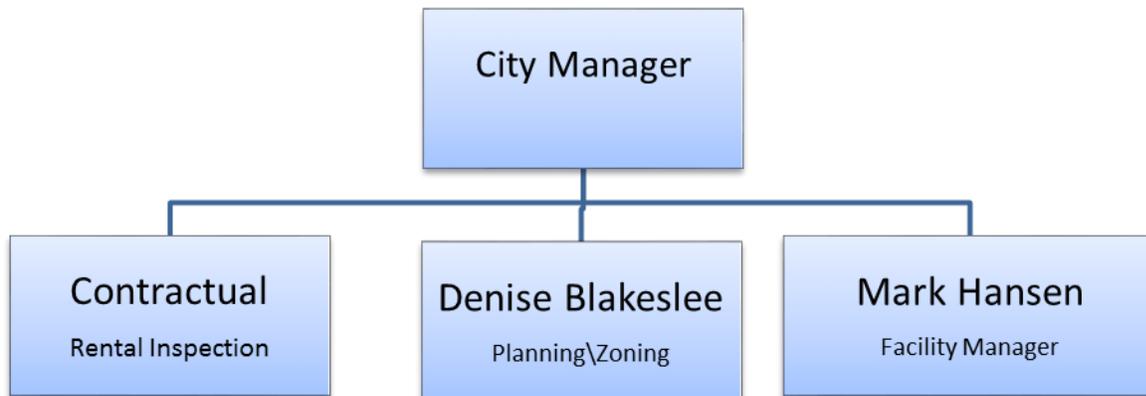
General Fund

Community Development

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The Community Development office handles many activities within the City, primarily planning & zoning, grant management and facility management. Employees in this department report to the City Manager. Other activities include:

- Managing the contractual rental inspection program
- Civil Infractions (Building & Zoning)
- Miscellaneous Permits
- GIS



General Fund

Community Development

**Community Development Assumptions & Notes**

<b>Total Costs</b>	<b>decreased</b>	<b>(\$68,491)</b>	<b>-31.5%</b>
Employee Costs	decreased	(\$69,666)	-33.7%
Operational Costs	increased	\$1,175	11.3%

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

**Employee Costs:** Employee costs decreased sharply from the prior budget. The prior building inspector retired and Council elected to have these services provided by the State of Michigan. That position was previously budgeted in this department. This saves a gross amount of approximately \$81,000 per year. For remaining employees, the budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase.

**Operational Costs:** Operational costs increased from the prior year. With the elimination of the building inspection function, some of the travel and training and software costs that were previously charged to the building inspection fund have been moved here.

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

- Budget as recommended                       Budget with changes

**Changes:**



## 2015-2016 Budget

<b>Community Development</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Budget</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>	<b>Change</b>
<b>748 Community Development</b>							
702.000 Salaries	\$152,058	\$147,695	\$103,000	\$91,688	\$91,688	(\$56,007)	-37.9%
703.000 Longevity	0	0	0	\$0	\$0	\$0	
704.000 Overtime	622	750	0	\$250	\$250	(\$500)	-66.7%
706.000 Part-Time	0	0	0	\$0	\$0	\$0	
708.000 V\S\H Sellback	3,393	0	9,300	\$0	\$0	\$0	
712.001 Costs - Social Security	10,336	10,349	6,400	\$6,263	\$6,263	(\$4,086)	-39.5%
712.002 Costs - Medicare	2,417	2,420	1,700	1,465	1,465	(\$956)	-39.5%
712.004 Costs - ICMA Contribution	0	0	0	0	0	\$0	
712.005 Costs - MERS	11,377	10,496	8,500	6,677	6,677	(\$3,819)	-36.4%
712.006 Costs - In Lieu of BC/BS	4,398	4,373	1,000	0	0	(\$4,373)	-100.0%
712.007 Costs - SUTA	501	470	400	274	274	(\$197)	-41.8%
712.009 Costs - Work Comp	2,335	851	2,300	238	238	(\$614)	-72.1%
712.010 Costs - Blue Cross Insurance	23,581	23,101	20,329	21,589	21,589	(\$1,511)	-6.5%
712.011 Costs - Life Insurance	268	158	230	227	227	\$68	43.2%
712.012 Costs - HSA	7,452	6,000	6,000	6,000	6,000	\$0	0.0%
712.014 Costs - Dental Insurance			1,600	1,619	1,619	\$1,619	
712.015 Costs - Vision\Ancillary			700	708	708	\$708	
<b>Employee Costs</b>	<b>\$ 218,739</b>	<b>\$ 206,664</b>	<b>\$ 161,459</b>	<b>\$ 136,998</b>	<b>\$ 136,998</b>	<b>\$ (69,666)</b>	<b>-33.7%</b>
728.000 Operating Expense	\$3,457	\$3,175	\$3,000	\$3,650	\$3,650	\$475	15.0%
735.000 Periodicals & Publications	152	250	250	250	250	0	0.0%
801.000 Professional Services	0	0	0	0	0	0	
831.000 Contractual Repairs & Maint	634	1,300	1,300	2,400	2,400	1,100	84.6%
860.000 Travel & Training Expense	1,108	1,100	1,100	2,300	2,300	1,200	109.1%
865.000 Vehicle Allowance	2,700	4,200	2,700	2,400	2,400	-1,800	-42.9%
870.000 Memberships & Dues	53	200	200	400	400	200	100.0%
873.000 Education	0	0	0	0	0	0	
874.000 Retiree BCBS	0	0	0	0	0	0	
900.000 Printing & Publishing	37	200	200	200	200	0	0.0%
930.000 Repairs & Maintenance	0	0	0	0	0	0	
957.000 Motor Pool	0	0	0	0	0	0	
970.000 Capital Outlay	0	0	0	0	0	0	
985.000 Lease Purchase	0	0	0	0	0	0	
<b>Operating Costs</b>	<b>\$ 8,140</b>	<b>\$ 10,425</b>	<b>\$ 8,750</b>	<b>\$ 11,600</b>	<b>\$ 11,600</b>	<b>\$ 1,175</b>	<b>11.3%</b>
<b>TOTAL COMMUNITY DEVELOPMENT</b>	<b>\$ 226,878</b>	<b>\$ 217,089</b>	<b>\$ 170,209</b>	<b>\$ 148,598</b>	<b>\$ 148,598</b>	<b>\$ (68,491)</b>	<b>-31.5%</b>

General Fund

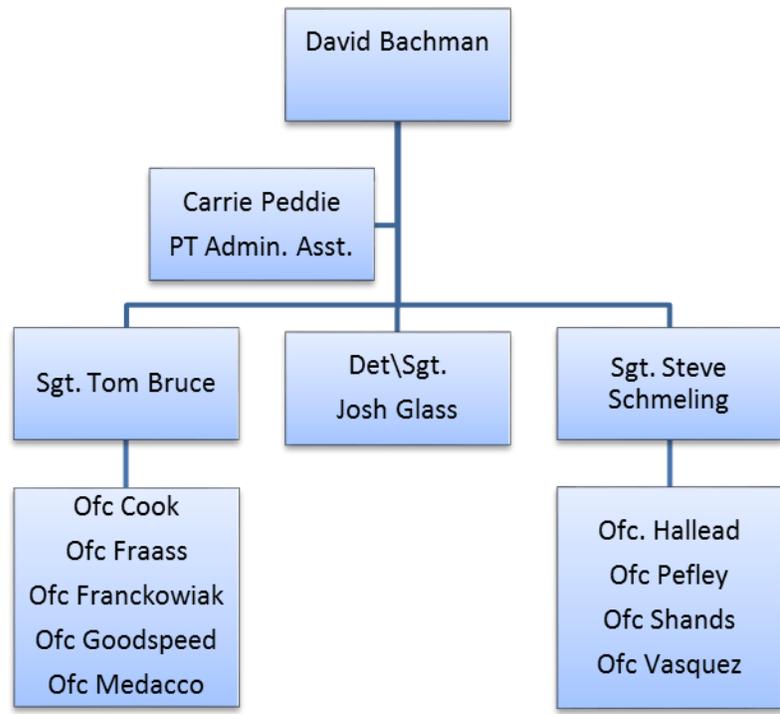
Police



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 18 years.

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

Currently there are 4 patrol cars which patrol 50 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 allows 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 significantly. This results in less police presence and lower revenue from fees and fines.



General Fund

Police

**Police Assumptions & Notes**

<b>Total Costs</b>	<b>increased</b>	<b>\$13,343</b>	<b>1.3%</b>
Employee Costs	increased	\$15,113	1.6%
Operational Costs	decreased	(\$1,770)	-1.5%

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

**Employee Costs:** Employee costs increased from the prior budget. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase. A retirement and the subsequent promotion and replacement helped control costs.

**Operational Costs:** Operational costs decreased from the prior year budget due to a reduction in general operating expense and gasoline.

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

- Budget as recommended                     
  Budget with changes

**Changes:** The budget was tightened up from what was initially proposed once the adjustments relating to the retirement of a long-time detective sergeant, internal promotion and new hire were known.



## 2015-2016 Budget

<b>301 Police Department</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Budget</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>	<b>Change</b>
702.000 Salaries	\$584,048	\$624,008	\$605,000	\$626,625	\$626,625	\$ 2,617	0.4%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	16,326	16,500	24,000	16,500	16,500	0	0.0%
704.001 Spotlight Grant Overtime		0	0	0	0	0	
706.000 Part-Time	13,025	14,196	18,000	14,196	14,196	0	0.0%
708.000 V\SVH Sellback	16,600	17,000	18,000	15,000	15,000	-2,000	-11.8%
712.001 Costs - Social Security	827	1,444	1,400	1,444	1,444	0	0.0%
712.002 Costs - Medicare	9,834	10,537	10,200	11,132	11,132	595	5.6%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	
712.005 MERS	49,145	54,662	52,000	71,270	71,270	16,608	30.4%
712.006 Costs - In Lieu of BC/BS	13,184	13,119	13,200	15,034	15,034	1,915	14.6%
712.007 Costs - SUTA	2,092	2,364	2,400	2,131	2,131	-232	-9.8%
712.009 Costs - Work Comp	14,353	15,739	15,800	16,404	16,404	665	4.2%
712.010 Costs - Blue Cross Insurance	101,181	122,004	107,000	106,278	106,278	-15,726	-12.9%
712.011 Costs - Life Insurance	1,979	1,983	2,800	2,845	2,845	862	43.4%
712.012 Costs - HSA	27,661	28,500	28,500	27,000	27,000	-1,500	-5.3%
712.014 Costs - Dental Insurance			8,500	7,946	7,946	7,946	
712.015 Costs - Vision\Ancillary			3,400	3,363	3,363	3,363	
<b>Employee Costs</b>	<b>\$ 850,255</b>	<b>\$ 922,057</b>	<b>\$ 910,200</b>	<b>\$ 937,169</b>	<b>\$ 937,169</b>	<b>\$ 15,113</b>	<b>1.6%</b>
715.000 Uniform & Cleaning Allowance	\$9,856	\$13,750	\$13,750	\$14,650	\$14,650	\$900	6.5%
728.000 Operating Expense	14,331	14,622	10,000	12,500	12,500	-2,122	-14.5%
735.000 Periodicals & Publications	0	200	200	200	200	0	0.0%
770.000 Gasoline	18,454	18,000	16,200	17,000	17,000	-1,000	-5.6%
795.000 Spotlight Grant Expenses	0	0	0	0	0	0	
801.000 Professional Services	2,592	5,000	5,000	5,600	5,600	600	12.0%
831.000 Contractual Repairs & Maint	4,860	8,833	8,000	8,155	8,155	-678	-7.7%
860.000 Travel & Training Expense	10,389	7,500	7,500	7,100	7,100	-400	-5.3%
865.000 Vehicle Allowance	4,800	4,800	4,800	4,800	4,800	0	0.0%
870.000 Memberships & Dues	445	500	500	500	500	0	0.0%
873.000 Education	0	0	0	0	0	0	
874.000 Retire. Costs - Blue Cross	0	0	0	0	0	0	
900.000 Printing/Publishing	1,277	1,100	1,000	1,100	1,100	0	0.0%
930.000 Repairs & Maintenance	6,520	11,000	13,000	11,000	11,000	0	0.0%
957.000 Motor Pool	31,000	31,000	31,000	31,930	31,930	930	3.0%
970.000 Capital Outlay	4,588	0	0	0	0	0	
985.000 Lease Purchase	0	1,800	1,800	1,800	1,800	0	0.0%
<b>Operating Costs</b>	<b>\$ 109,113</b>	<b>\$ 118,105</b>	<b>\$ 112,750</b>	<b>\$ 116,335</b>	<b>\$ 116,335</b>	<b>\$ (1,770)</b>	<b>-1.5%</b>
<b>TOTAL POLICE</b>	<b>\$ 959,368</b>	<b>\$ 1,040,162</b>	<b>\$ 1,022,950</b>	<b>\$ 1,053,504</b>	<b>\$ 1,053,504</b>	<b>\$ 13,343</b>	<b>1.3%</b>

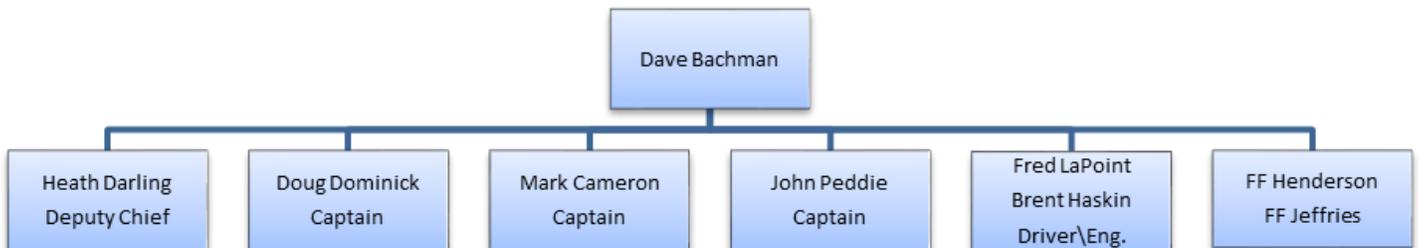
General Fund

Fire & EMS

Dave Bachman is the Public Safety Director for the City of Manistee. He has been with the City for 18 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**

<b>Total Costs</b>	<b>increased</b>	<b>\$30,634</b>	<b>3.3%</b>
Employee Costs	increased	\$29,449	4.0%
Operational Costs	increased	\$1,185	0.6%

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

**Employee Costs:** Employee costs increased from the prior budget. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase.

**Operational Costs:** Operational costs increased slightly from the prior year budget. There were fluctuations in several items both up and down. The budget includes police academy college classes for Deputy Chief Heath Darling.

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

Budget as recommended                       Budget with changes

**Changes:**



## 2015-2016 Budget

Fire Department	2014	2015	2015	Manager	Council	Budget	Percent
	Actual	Budget	Projected	Budget	Adopted	Difference	Change
<b>336 FIRE</b>							
702.000 Salaries	\$413,539	\$425,067	\$425,000	\$445,256	\$445,256	\$20,189	4.7%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	33,388	30,000	33,000	30,000	30,000	0	0.0%
706.000 Part-Time	6,774	5,000	6,500	5,000	5,000	0	0.0%
708.000 V\S\H Sellback	24,598	27,000	25,000	27,000	27,000	0	0.0%
712.001 Costs - Social Security	431	310	500	310	310	0	0.0%
712.002 Costs - Medicare	7,009	7,223	7,300	8,076	8,076	853	11.8%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	
712.005 MERS	80,429	86,188	86,200	100,443	100,443	14,255	16.5%
712.006 Costs - In Lieu of BC/BS	0	0	2,600	5,011	5,011	5,011	
712.007 Costs - SUTA	1,463	1,709	1,700	1,608	1,608	-101	-5.9%
712.009 Costs - Workers Compensation	17,072	16,429	16,500	17,825	17,825	1,396	8.5%
712.010 Costs - Blue Cross Insurance	93,584	100,741	83,000	82,195	82,195	-18,546	-18.4%
712.011 Costs - Life Insurance	1,475	1,350	1,900	1,938	1,938	588	43.6%
712.012 Costs - HSA	29,517	24,000	28,000	21,000	21,000	-3,000	-12.5%
712.014 Costs - Dental Insurance			6,100	6,147	6,147	6,147	
712.015 Costs - Vision\Ancillary			2,700	2,655	2,655	2,655	
716.000 Food\Cleaning Allowance	6,786	6,240	6,240	6,240	6,240	0	0.0%
<b>Employee Costs</b>	<b>\$ 716,066</b>	<b>\$ 731,256</b>	<b>\$ 732,240</b>	<b>\$ 760,705</b>	<b>\$ 760,705</b>	<b>\$ 29,449</b>	<b>4.0%</b>
715.000 Uniform & Cleaning Allowance	\$5,049	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0.0%
728.000 Operating Expense	12,837	7,135	7,135	7,700	7,700	565	7.9%
732.000 Medical Supplies	16,387	16,000	16,000	16,000	16,000	0	0.0%
735.000 Periodicals & Publications	340	350	350	350	350	0	0.0%
770.000 Gasoline	9,448	7,040	7,500	8,600	8,600	1,560	22.2%
790.000 Fire Prevention	2,121	2,200	2,200	2,200	2,200	0	0.0%
801.000 Professional Services	21,935	16,500	18,000	18,800	18,800	2,300	13.9%
831.000 Contractual Repairs & Maint.	2,088	3,900	3,900	4,300	4,300	400	10.3%
860.000 Travel & Training Expense	9,295	8,300	9,000	8,300	8,300	0	0.0%
865.000 Vehicle Allowance	0	0	0	0	0	0	
870.000 Memberships & Dues	455	400	400	400	400	0	0.0%
873.000 Education	8,000	17,000	9,000	13,000	13,000	-4,000	-23.5%
874.000 Retiree BCBS	15,000	15,000	15,000	15,000	15,000	0	0.0%
900.000 Printing/Publishing	466	800	500	500	500	-300	-37.5%
930.000 Repairs & Maintenance	9,501	12,100	12,100	12,100	12,100	0	0.0%
942.000 Hydrant Rental	21,600	21,600	21,600	21,600	21,600	0	0.0%
956.000 Mutual Aid	0	200	0	200	200	0	0.0%
957.000 Motor Pool	62,000	62,000	62,000	63,860	63,860	1,860	3.0%
970.000 Capital Outlay	7,263	7,200	4,200	7,200	7,200	0	0.0%
985.000 Lease Purchase	1,987	1,800	3,000	600	600	-1,200	-66.7%
<b>Operating Costs</b>	<b>\$ 205,772</b>	<b>\$ 205,525</b>	<b>\$ 197,885</b>	<b>\$ 206,710</b>	<b>\$ 206,710</b>	<b>\$ 1,185</b>	<b>0.6%</b>
<b>TOTAL FIRE</b>	<b>\$ 921,838</b>	<b>\$ 936,781</b>	<b>\$ 930,125</b>	<b>\$ 967,415</b>	<b>\$ 967,415</b>	<b>\$ 30,634</b>	<b>3.3%</b>

General Fund

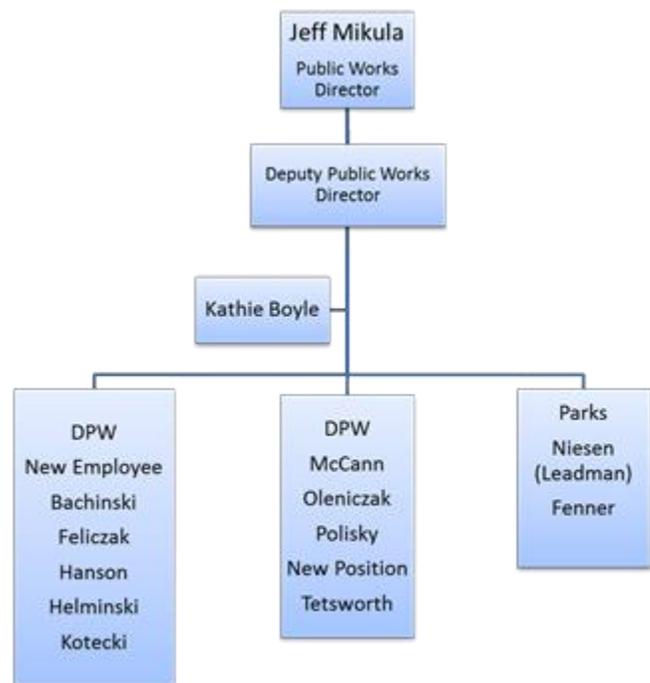
Public Works



Jeff Mikula is the Public Works Director. He has been with the City for 2 years. He oversees all aspects of the Public Works and Utility 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.

The budget assumes the creation of a Deputy Public Works Director thru internal promotion and the hiring of an additional union employee to fill the vacancy. See [Personnel Request Issue Page](#) for more details.



General Fund

Public Works

**DPW Assumptions & Notes**

<b>Total Costs</b>	<b>increased</b>	<b>\$34,332</b>	<b>3.1%</b>
Employee Costs	increased	\$ 38,983	4.6%
Operational Costs	decreased	(\$4,651)	-1.7%

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

**Employee Costs:** Employee costs increased from the prior budget. The budget assumes the creation of a Deputy Public Works Director thru internal promotion and the hiring of an additional union employee to fill the vacancy. See Personnel Request Issue Page for more details. The budget also assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase. Overtime is reduced due to the proposed personnel changes.

**Operational Costs:** Operational costs decreased from the prior year budget. The decrease is made up of variances in many line items. Most of the decrease is in Christmas decorations for the DDA which, unlike last year, the DDA will be purchasing directly.

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

- Budget as recommended                       Budget with changes

**Changes:**

	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Budget Difference	Percent Change
702.000 Salaries	\$408,772	\$531,824	\$531,000	\$563,034	\$563,034	\$31,210	5.9%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	36,595	36,400	40,000	27,000	27,000	-9,400	-25.8%
706.000 Part-Time	29,058	26,936	26,000	29,120	29,120	2,184	8.1%
708.000 V\SH Sellback	11,125	7,500	7,800	9,000	9,000	1,500	20.0%
712.001 Costs - Social Security	29,013	38,356	38,400	40,169	40,169	1,813	4.7%
712.002 Costs - Medicare	6,785	8,970	9,000	9,394	9,394	424	4.7%
712.004 Costs - ICMA Contribution	2,646	2,858	2,900	2,922	2,922	64	2.2%
712.005 Costs - MERS	976	7,953	8,000	10,994	10,994	3,041	38.2%
712.006 Costs - In Lieu of BC/BS	4,398	4,373	6,000	5,011	5,011	638	14.6%
712.007 Costs - SUTA	2,236	2,325	2,300	2,198	2,198	-128	-5.5%
712.009 Costs - Work Comp	25,954	32,973	33,000	37,578	37,578	4,605	14.0%
712.010 Costs - Blue Cross Insurance	81,769	113,420	99,810	103,520	103,520	-9,900	-8.7%
712.011 Costs - Life Insurance	823	1,175	1,800	2,270	2,270	1,094	93.1%
712.012 Costs - HSA	16,044	28,500	29,000	28,500	28,500	0	0.0%
712.014 Costs - Dental Insurance			7,800	7,766	7,766	7,766	
712.015 Costs - Vision\Ancillary			4,000	4,071	4,071	4,071	
<b>Employee Costs</b>	<b>\$656,194</b>	<b>\$843,564</b>	<b>\$846,810</b>	<b>\$882,547</b>	<b>\$882,547</b>	<b>\$38,983</b>	<b>4.6%</b>
715.000 Uniform & Cleaning Allowance	\$7,746	\$5,703	\$5,000	\$7,303	\$7,303	\$1,600	28.1%
728.000 Operating Expense	9,783	10,911	12,000	13,500	13,500	2,589	23.7%
735.000 Periodicals & Publications	151	250	150	250	250	0	0.0%
770.000 Gasoline	95,272	74,000	66,000	72,750	72,750	-1,250	-1.7%
801.000 Professional Services	7,272	3,560	3,500	3,560	3,560	0	0.0%
831.000 Contractual Repairs & Maint.	8,241	8,950	10,000	10,450	10,450	1,500	16.8%
860.000 Travel & Training Expense	3,118	6,450	6,500	5,450	5,450	-1,000	-15.5%
870.000 Dues & Memberships	214	400	350	400	400	0	0.0%
873.000 Education	0	0	0	0	0	0	
874.000 Retire. Costs - Blue Cross	3,000	0	0	0	0	0	
900.000 Printing & Publishing	694	500	500	500	500	0	0.0%
930.000 Repairs & Maintenance	81,110	80,000	85,000	78,000	78,000	-2,000	-2.5%
955.000 Christmas Decorations	13,462	16,300	5,000	9,300	9,300	-7,000	-42.9%
957.000 Motor Pool	72,000	72,000	72,000	74,160	74,160	2,160	3.0%
970.000 Capital Outlay	1,550	1,250	1,250	0	0	-1,250	-100.0%
985.000 Lease Purchase	0	1,560	1,600	1,560	1,560	0	0.0%
<b>Operating Costs</b>	<b>\$303,615</b>	<b>\$281,834</b>	<b>\$268,850</b>	<b>\$277,183</b>	<b>\$277,183</b>	<b>(\$4,651)</b>	<b>-1.7%</b>
<b>TOTAL DPW</b>	<b>\$959,809</b>	<b>\$1,125,398</b>	<b>\$1,115,660</b>	<b>\$1,159,730</b>	<b>\$1,159,730</b>	<b>\$34,332</b>	<b>3.1%</b>

General Fund

Parks & Recreation

**Parks Assumptions & Notes**

<b>Total Costs</b>	<b>increased</b>	<b>\$8,458</b>	<b>2.5%</b>
Employee Costs	decreased	(\$1,678)	-0.9%
Operational Costs	increased	\$10,136	6.7%

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

**Employee Costs:** Employee costs decreased from the prior budget. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase. Overtime is reduced due to the proposed personnel changes in the DPW. See *Personnel Requests Issue Page* for more details.

**Operational Costs:** Operational costs increased from the prior year budget. The largest part of the increase is for repairs and maintenance on the North Riverwalk.

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

- Budget as recommended                       Budget with changes

**Changes:**

<b>751 Parks</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Budget</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>	<b>Change</b>
702.000 Salaries	\$79,461	\$84,693	\$85,000	\$86,611	\$86,611	\$ 1,918	2.3%
703.000 Longevity	0	0	0	0	0	\$ -	
704.000 Overtime	16,736	11,000	15,000	7,960	7,960	\$ (3,040)	-27.6%
706.000 Part-Time	42,688	49,020	45,000	47,190	47,190	\$ (1,830)	-3.7%
708.000 V\S\H Sellback	1,113	500	500	500	500	\$ -	0.0%
712.001 Costs - Social Security	8,433	8,637	9,000	8,820	8,820	\$ 183	2.1%
712.002 Costs - Medicare	1,972	2,020	2,200	2,063	2,063	\$ 43	2.1%
712.004 Costs - ICMA Contribution	0	0	0	0	0	\$ -	
712.005 Costs - MERS	0	0	0	0	0	\$ -	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	\$ -	
712.007 Costs - SUTA	1,269	1,947	1,900	1,907	1,907	\$ (40)	-2.0%
712.009 Costs - Work Comp	3,322	3,781	3,800	3,998	3,998	\$ 217	5.7%
712.010 Costs - Blue Cross Insurance	19,652	20,516	18,000	19,096	19,096	\$ (1,420)	-6.9%
712.011 Costs - Life Insurance	164	158	300	302	302	\$ 144	90.9%
712.012 Costs - HSA	14,438	6,000	6,000	6,000	6,000	\$ -	0.0%
712.014 Costs - Dental Insurance			1,400	1,439	1,439	\$ 1,439	
712.015 Costs - Vision\Ancillary			700	708	708	\$ 708	
<b>Employee Costs</b>	<b>\$ 189,249</b>	<b>\$ 188,272</b>	<b>\$ 188,800</b>	<b>\$ 186,594</b>	<b>\$ 186,594</b>	<b>\$ (1,678)</b>	<b>-0.9%</b>
715.000 Uniform & Cleaning	\$1,113	\$875	\$500	\$1,031	\$1,031	\$156	17.8%
728.000 Operating Expense	9,154	11,000	11,000	10,800	10,800	-200	-1.8%
735.000 Periodicals & Publications	0	0	0	0	0	0	
770.000 Gasoline	7,267	7,000	7,000	6,000	6,000	-1,000	-14.3%
801.000 Professional Services	605	500	300	500	500	0	0.0%
831.000 Contractual Repairs & Maint.	80,067	22,200	23,000	22,500	22,500	300	1.4%
860.000 Travel & Training Expense	115	1,200	0	500	500	-700	-58.3%
870.000 Dues & Memberships	159	250	0	250	250	0	0.0%
874.000 Retiree BCBS	0	0	0	0	0	0	
900.000 Printing & Publishing	306	500	150	500	500	0	0.0%
920.000 Gas	1,230	1,000	1,000	1,000	1,000	0	0.0%
922.000 Water	9,855	10,500	11,500	13,000	13,000	2,500	23.8%
925.000 Electric	20,227	20,000	14,000	20,000	20,000	0	0.0%
930.000 Repairs & Maintenance	28,982	40,000	40,000	48,000	48,000	8,000	20.0%
957.000 Motor Pool	36,000	36,000	36,000	37,080	37,080	1,080	3.0%
970.000 Capital Outlay	15,458	0	22,000	0	0	0	
985.000 Lease Purchase	0	0	0	0	0	0	
<b>Operating Costs</b>	<b>\$ 210,538</b>	<b>\$ 151,025</b>	<b>\$ 166,450</b>	<b>\$ 161,161</b>	<b>\$ 161,161</b>	<b>\$ 10,136</b>	<b>6.7%</b>
<b>TOTAL PARKS</b>	<b>\$ 399,787</b>	<b>\$ 339,297</b>	<b>\$ 355,250</b>	<b>\$ 347,755</b>	<b>\$ 347,755</b>	<b>\$ 8,458</b>	<b>2.5%</b>

General Fund

Attorney

George Saylor, of Mika Meyers Beckett & Jones, is the City Attorney. They have been City Attorney since 1993. 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**

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

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

266 Attorney	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Budget Difference	Percent Change
802.000 Professional Services - GWSH	\$ 45,074	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	0.0%
803.000 Prof Serv - Other Attorneys	\$ 41,218	\$ 30,000	\$ 65,000	\$ 30,000	\$ 30,000	\$ -	0.0%
<b>TOTAL ATTORNEY</b>	<b>\$ 86,291</b>	<b>\$ 80,000</b>	<b>\$ 115,000</b>	<b>\$ 80,000</b>	<b>\$ 80,000</b>	<b>\$0</b>	<b>0.0%</b>

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

Budget as recommended       Budget with changes

**Changes:**

General Fund

Engineer

The Spicer Group is the City’s Engineer of Record. This contract was awarded in 2013. Shawn Middleton is the primary contact for the City. Spicer 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 Spicer. Actual engineering fees are recorded on a project basis in their appropriate fund.



**Engineer Assumptions & Notes**

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

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

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

**Operational Costs:** Operational costs were flat from the prior year budget. This amount is a contractual retainer fee for various day to day services.

<b>285 Engineer</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>Manager Budget</b>	<b>Council Adopted</b>	<b>Budget Difference</b>	<b>Percent Change</b>
801.000 Professional Services (Retainer)	\$ 17,500	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ -	0.0%
<b>TOTAL ENGINEER</b>	<b>\$ 17,500</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$ 12,000</b>	<b>\$0</b>	<b>0.0%</b>

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

- Budget as recommended       Budget with changes

**Changes:**

General Fund

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 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**

<b>Total Costs</b>	<b>increased</b>	<b>\$13,050</b>	<b>11.0%</b>
Operational Costs	increased	\$13,050	11.0%

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

**Employee Costs:** Employee costs are not recorded in this department. The facility manager is budgeted in the Community Development department.

**Operational Costs:** Operational costs increased from the prior year budget. Phone costs are expected to increase because of the end of a very advantageous contract rate for our main PRI line, although other options are being explored. Contractual repairs and maintenance increased because more items need attention as City Hall ages. Various other line items also had increases, primarily utilities.

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

- Budget as recommended       Budget with changes

**Changes:**

<b>265 Municipal Buildings</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Budget</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Difference</b>	<b>Change</b>
728.000 Operating Supplies	\$ 6,283	\$ 7,500	\$ 7,500	\$ 7,500	\$ 7,500	\$ -	0.0%
801.000 Professional Services	\$ 190	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ -	0.0%
831.000 Contractual Repairs & Maint.	\$ 13,068	\$ 8,200	\$ 13,000	\$ 12,000	\$ 12,000	\$ 3,800	46.3%
850.000 Utilities - Phone	\$ 7,340	\$ 7,000	\$ 9,000	\$ 12,000	\$ 12,000	\$ 5,000	71.4%
920.000 Gas - City Hall	\$ 8,282	\$ 6,500	\$ 6,000	\$ 6,000	\$ 6,000	\$ (500)	-7.7%
920.336 Gas - Fire Dept	\$ 5,414	\$ 4,500	\$ 4,000	\$ 4,000	\$ 4,000	\$ (500)	-11.1%
920.441 Gas - DPW	\$ 36,366	\$ 20,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 2,000	10.0%
920.446 Gas - Bridge	\$ 1,811	\$ 1,200	\$ 1,200	\$ 1,300	\$ 1,300	\$ 100	8.3%
922.000 Water - City Hall	\$ 2,548	\$ 2,800	\$ 2,800	\$ 3,000	\$ 3,000	\$ 200	7.1%
922.336 Water - Fire Dept	\$ 1,043	\$ 900	\$ 1,000	\$ 1,200	\$ 1,200	\$ 300	33.3%
922.441 Water - DPW	\$ 2,387	\$ 2,750	\$ 2,700	\$ 3,000	\$ 3,000	\$ 250	9.1%
922.446 Water - Bridge	\$ 566	\$ 700	\$ 1,000	\$ 1,100	\$ 1,100	\$ 400	57.1%
925.000 Electric - City Hall	\$ 20,758	\$ 22,000	\$ 21,000	\$ 21,500	\$ 21,500	\$ (500)	-2.3%
925.336 Electric - Fire Dept	\$ 5,036	\$ 4,500	\$ 4,700	\$ 5,000	\$ 5,000	\$ 500	11.1%
925.441 Electric - DPW	\$ 15,126	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ -	0.0%
925.446 Electric - Bridge	\$ 4,258	\$ 2,800	\$ 4,200	\$ 4,800	\$ 4,800	\$ 2,000	71.4%
930.000 Repairs & Maintenance	\$ 2,344	\$ 8,500	\$ 5,000	\$ 8,500	\$ 8,500	\$ -	0.0%
970.000 Capital Outlay (Expense)	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ -	0.0%
<b>TOTAL MUNICIPAL BUILDINGS</b>	<b>\$ 132,820</b>	<b>\$ 118,850</b>	<b>\$ 124,100</b>	<b>\$ 131,900</b>	<b>\$ 131,900</b>	<b>\$13,050</b>	<b>11.0%</b>

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**

<b>Total Costs</b>	<b>increased</b>	<b>\$88,272</b>	<b>7.6%</b>
Operational Costs	increased	\$ 70,304	17.6%
Debt Service Costs	increased	\$ 17,968	2.4%

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

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

**Operational Costs:** Operational costs increased from the prior year budget. Many line items had changes. Due to increased blight enforcement efforts, professional services includes funds for one typical house demolition. Street lights declined due to ongoing savings from Consumers switching out bulbs. Bank charges are up due to bank and paying agent fee increases. Computer hardware is up due to the need to replace network equipment, including a server. Transfers out are up, reflecting a \$70,000 transfer to the Local Street fund for street maintenance and a \$10,000 reduction in the Ramsdell operating assistance. See [Streets Issue Page](#) and [Ramsdell Issue Page](#) for more details.

**Debt Service Costs:** Debt service costs increased slightly. Three general obligation bonds and one MEDC Note are recorded here: the 2010 DDA Refunding bond, the 2013 Capital Improvement Refunding bond, the 2010 Capital Improvement bond and the Renaissance Park loan. The general fund pays for the 2013 Refunding bond, the DDA reimburses the City 100% for the 2010 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:**



## 2015-2016 Budget

### 100 General Operating & Debt Service

	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Budget Difference	Percent Change
728.000 Operating Expense	\$437	\$0	\$800	\$1,000	\$1,000	\$1,000	
801.000 Professional Services	43,234	32,288	40,000	41,400	41,400	9,112	28.2%
822.000 Insurance	79,945	78,000	80,000	81,000	81,000	3,000	3.8%
855.000 Utilities - Cell Phones	16,918	18,000	16,000	16,500	16,500	-1,500	-8.3%
859.000 Utilities - Data\Internet	2,370	2,000	2,000	2,000	2,000	0	0.0%
901.000 Postage	27,147	23,000	25,000	26,000	26,000	3,000	13.0%
925.001 Electric - Street Lights	102,917	120,000	105,000	110,000	110,000	-10,000	-8.3%
940.000 Rent	1,688	1,800	1,700	1,800	1,800	0	0.0%
959.000 Bad Debt	0	500	2,000	500	500	0	0.0%
960.000 Bank Charges	6,496	2,000	9,800	8,000	8,000	6,000	300.0%
964.000 Refunds	0	558	300	1,000	1,000	442	79.2%
970.000 Capital Outlay	0	0	0	0	0	0	
989.000 Computer Hardware & Software	5,875	6,000	6,000	10,000	10,000	4,000	66.7%
999.000 Transfer Out	107,098	100,000	103,000	160,000	160,000	60,000	60.0%
Contingency	0	16,000	0	11,250	11,250	-4,750	-29.7%
<b>Operating Costs</b>	<b>\$ 394,125</b>	<b>\$ 400,146</b>	<b>\$ 391,600</b>	<b>\$ 470,450</b>	<b>\$ 470,450</b>	<b>\$ 70,304</b>	<b>17.6%</b>
992.002 Renaissance Park Loan - Principa	\$0	\$0	\$5,616	\$5,616	\$5,616	\$5,616	
992.005 2003 Capital Improvement - Principi	125,000	0	0	0	0	0	
992.006 2010 DDA Refunding - Principal	115,000	115,000	115,000	120,000	120,000	5,000	4.3%
992.007 2010 Capital Improvement - Principi	215,000	220,000	220,000	230,000	230,000	10,000	4.5%
992.008 2013 CI Refunding - Principal	25,000	155,000	155,000	165,000	165,000	10,000	6.5%
997.005 2003 Capital Improvement - Interest	2,188	0	0	0	0	0	
997.006 2010 DDA Refunding - Interest	25,863	22,998	22,998	19,750	19,750	-3,248	-14.1%
997.007 2010 Capital Improvement - Interest	210,135	205,235	205,235	199,035	199,035	-6,200	-3.0%
997.008 2013 CI Refunding - Interest	46,059	43,750	43,750	40,550	40,550	-3,200	-7.3%
<b>Debt Service</b>	<b>\$ 764,244</b>	<b>\$ 761,983</b>	<b>\$ 767,599</b>	<b>\$ 779,951</b>	<b>\$ 779,951</b>	<b>\$17,968</b>	<b>2.4%</b>
<b>TOTAL</b>	<b>\$ 1,158,369</b>	<b>\$ 1,162,129</b>	<b>\$ 1,159,199</b>	<b>\$ 1,250,401</b>	<b>\$ 1,250,401</b>	<b>\$ 88,272</b>	<b>7.6%</b>

General Fund

Boards & Commissions

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

**Boards & Commissions Assumptions & Notes**

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

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

**Employee Costs:** Board of Review members are treated like employees and incur social security, medicare and workers compensation costs.

**Operational Costs:** Operational costs were flat from the prior year budget.

<b>290 Boards &amp; Commissions</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2014 Projected</b>	<b>Manager Budget</b>	<b>Council Adopted</b>	<b>Budget Difference</b>	<b>Percent Change</b>
712.001 Costs - Social Security	\$116	\$100	\$120	\$100	\$100	\$0	0.0%
712.002 Costs - Medicare	27	25	30	25	25	0	0.0%
712.009 Costs - Workers Comp	7	5	10	5	5	0	0.0%
881.000 Board of Review	2,342	2,600	2,500	2,600	2,600	0	0.0%
883.000 Harbor Commission	19	250	250	250	250	0	0.0%
884.000 Historic District Commission	366	750	750	750	750	0	0.0%
885.000 Non-Motorized Transportation	15	1,000	1,000	1,000	1,000	0	0.0%
886.000 Parks & Beautification Comm	0	850	850	850	850	0	0.0%
887.000 Planning Commission	2,438	6,000	6,000	6,000	6,000	0	0.0%
888.000 Tree Commission	513	350	350	350	350	0	0.0%
889.000 Zoning Board of Appeals	684	1,300	1,300	1,300	1,300	0	0.0%
<b>TOTAL BOARDS &amp; COMMISSIONS</b>	<b>\$ 6,527</b>	<b>\$ 13,230</b>	<b>\$ 13,160</b>	<b>\$ 13,230</b>	<b>\$ 13,230</b>	<b>\$0</b>	<b>0.0%</b>

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

Budget as recommended                       Budget with changes

**Changes:**

General Fund

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 requires signed agreements that document the public benefit being provided, when not readily apparent or already documented via contract. The organizations that the City funds are listed below with a brief description of the service they provide.

<u>Organization</u>	<u>Services Provided</u>
Alternatives for Area Youth	Teen Center, youth activities
211	Social services hotline
Manistee Saints	Rietz Park ball diamond maintenance
Manistee Area Public Schools Paine Pool	Community Pool
Alliance for Economic Success	Economic development services
Manistee County Baseball League	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**

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

**Total Costs:** Total costs were flat from the prior year budget

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

**Operational Costs:** Operational costs were flat from the prior year. 211 requested an additional \$250 which was not recommended for funding.

<b>801 Appropriations</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>Organization Requested</b>	<b>Manager Budget</b>	<b>Council Adopted</b>	<b>Budget Difference</b>	<b>Percent Change</b>
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	\$ 3,000	\$ 3,000	\$ 3,250	\$ 3,000	\$ 3,000	\$ -	0.0%
891.002 Manistee Saints	\$ -	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	0.0%
891.003 MAPS Paine Pool	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	0.0%
892.000 Alliance for Economic Success	\$ 46,518	\$ 46,518	\$ 46,518	\$ 46,518	\$ 46,518	\$ 46,518	\$ -	0.0%
893.000 Manistee County Baseball League	\$ 3,500	\$ 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 Manistee County Historical Museum	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ 10,500	\$ -	0.0%
896.000 PEG	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ 25,500	\$ -	0.0%
899.000 United Veterans Council	\$ 2,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ -	0.0%
<b>TOTAL APPROPRIATIONS</b>	<b>\$ 132,018</b>	<b>\$ 177,518</b>	<b>\$ 177,518</b>	<b>\$ 177,768</b>	<b>\$ 177,518</b>	<b>\$ 177,518</b>	<b>\$0</b>	<b>0.0%</b>

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

Budget as recommended       Budget with changes

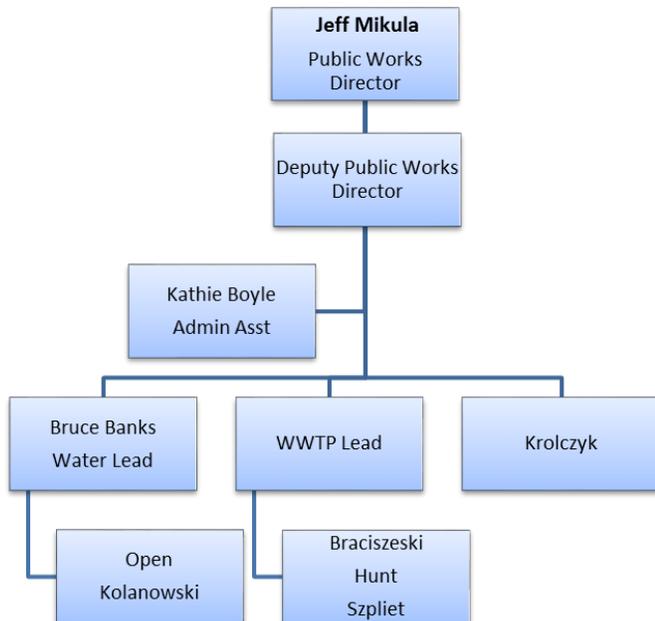
**Changes:**

Enterprise Funds

Water & Sewer Utility

The Water & Sewer Utility (WSU) is under the direction of Public Works Director Jeff Mikula. Jeff has been with the City for 2 years.

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.



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Enterprise Funds

Water & Sewer Utility

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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. More information regarding the WSU can be found on the [Water & Sewer Utility Issue Page](#).

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 street segments have now been completed. Remaining work includes closing off the last outfall by 2016 (unless extended by the new NPDES permit) and addressing inflow and/or infiltration issues. The City recently closed on a \$2,770,000 revenue bond issue to fund capital projects including the Riverbank sewer and Sixth Avenue Pump Station, as well as several others.

The 2014-2015 budget implemented the recommendations of the Burton & Associates 2014 rate study by implementing a new rate structure. The proposed budget recommended continuing to implement the study and proposes an 8.5% increase as was laid out in the financial management portion of the Burton study.

Council directed staff to phase in this rate increase over two years, which resulted in a 6% rate increase.

With a 6% increase, a typical 6,000 gallon per month user will see their bill increase by \$4.23 per month or \$50.70 per year.

**Water & Sewer Utility Assumptions & Notes**

<b>Revenue</b>	<b>increased</b>	<b>\$ 377,530</b>	<b>9.5%</b>
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**Revenue:** Revenue increased compared to the prior year budget. The increase is the result of the proposed rate increase. It also adjusts for removing the sprinkling meter RTS charge and correcting large meter customer billing issues. The rate increase is critical to ensuring the WSU can meet its ongoing obligations. Although we expect to receive a SAW grant this year, the budget does not reflect the bulk of this activity due to uncertainty of the timing.

**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 rate increase from 8.5% to 6%. The discussion was to spread the rate increase in over two years.

REVENUES	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
539.000 State Grant	\$43,096	\$0	\$0	\$0	\$0	\$0	
608.000 Penalties	41,142	36,225	38,000	36,225	36,225	0	0.0%
610.000 Bond DebtWater RTS	349,528	779,005	164,000	199,099	199,099	-579,906	-74.4%
611.000 Sewer RTS	40,379	0	577,000	604,240	604,240	604,240	
612.000 New Service	22,463	2,500	15,000	2,500	2,500	0	0.0%
626.000 Charge for Service	450	1,000	500	1,000	1,000	0	0.0%
648.000 Water Sales	1,033,614	800,539	810,000	867,178	867,178	66,639	8.3%
649.000 Sewer Sales	1,831,164	1,899,055	1,920,000	2,056,413	2,056,413	157,358	8.3%
650.000 Meter Sales	4,678	3,500	5,000	3,500	3,500	0	0.0%
664.000 Interest Income	473	3,361	500	1,500	1,500	-1,861	-55.4%
667.000 Rental Income	74,192	69,922	61,000	69,922	69,922	0	0.0%
669.000 Hydrant & Tunnel Rental	21,600	21,600	21,600	21,600	21,600	0	0.0%
671.000 Other Revenue	9,547	3,500	5,000	3,500	3,500	0	0.0%
676.000 Reimbursement	48,587	0	19,000	0	0	0	
680.000 Capital Cost Recovery	31,924	0	31,300	31,924	31,924	31,924	
687.000 Refunds	1,645	0	0	0	0	0	
695.000 Insurance Settlement	1265	0	0	0	0	0	
699.000 Transfer In	467,308	358,543	386,500	374,680	457,680	99,137	27.6%
<b>TOTAL REVENUES</b>	<b>\$ 4,023,054</b>	<b>\$ 3,978,750</b>	<b>\$ 4,054,400</b>	<b>\$ 4,273,279</b>	<b>\$ 4,356,279</b>	<b>\$ 377,530</b>	<b>9.5%</b>

<b>General</b>	<b>increased</b>	<b>\$ 106,919</b>	<b>20.5%</b>
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<b>Administration</b>	<b>increased</b>	<b>\$ 66,053</b>	<b>16.4%</b>
Employee Costs	increased	\$ 41,221	66.9%
Operating Costs	increased	\$ 24,832	7.3%

**General Expense:** Total expense increased from the prior year budget. The difference is attributable to normal fluctuation in the pass-thru oil & gas fund transfer out and the utility service fee (COO). The amount also increased due to a one-time allocation of oil & gas money to streets which passes thru this fund.

**Administration Expense:** Total expense increased from the prior year budget.

**Employee Costs:** Employee costs increased due to the addition of a Deputy DPW Director position, half of which is paid for out of the water & sewer fund. See Personnel Requests Issue Page. The budget also assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase.

**Operating Costs:** Operating costs increased due to higher administration fees paid to the general fund to reimburse for services and staff provided. The administration fee is set at 7.5% of operating revenues, which is in the generally accepted 5% to 10% range. Professional services also increased due to the inclusion of rate consultant fees.

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

- Budget as recommended                       Budget with changes

**Changes:** The amount of the oil & gas transfer in and transfer out was increased by \$83,000 due to Council directing more oil & gas investment earnings be allocated towards streets.



## 2015-2016 Budget

100 GENERAL	2014	2015	2015	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
799.000 Miscellaneous Expense	\$0	\$0	\$106,400	\$0	\$0	\$0	
961.000 Cost of Ownership	0	163,149	161,000	170,931	170,931	7,782	4.8%
964.000 Refunds	0	0	0	0	0	0	
999.000 Transfer Out	342,294	358,543	\$ 373,543	374,680	457,680	99,137	27.6%
<b>TOTAL GENERAL</b>	<b>\$ 342,294</b>	<b>\$ 521,692</b>	<b>\$ 640,943</b>	<b>\$ 545,611</b>	<b>\$ 628,611</b>	<b>\$ 106,919</b>	<b>20.5%</b>
541 ADMINISTRATION	2014	2015	2015	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
702.000 Salaries	\$111,445	\$40,059	\$40,000	\$68,625	\$68,625	\$28,567	71.3%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	1,699	1,200	1,000	1,200	1,200	0	0.0%
706.000 Part-Time	0	0	0	0	0	0	
708.000 VSIH Sellback	2,275	0	0	0	0	0	
712.001 Costs - Social Security	7,466	2,760	2,700	4,576	4,576	1,816	65.8%
712.002 Costs - Medicare	1,746	646	700	1,070	1,070	425	65.8%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	
712.005 Costs - MERS Contribution	8,344	3,263	3,200	3,984	3,984	722	22.1%
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	
712.007 Costs - SUTA	314	157	150	274	274	117	74.5%
712.009 Costs - Workers Compensation	2,099	176	600	1,055	1,055	879	499.7%
712.010 Costs - Blue Cross Insurance	21,758	10,258	9,027	15,569	15,569	5,311	51.8%
712.011 Costs - Life Insurance	400	79	150	265	265	185	234.1%
712.012 Costs - HSA	9,853	3,000	3,000	4,500	4,500	1,500	50.0%
712.014 Costs - Dental Insurance			720	1,170	1,170	1,170	
712.015 Costs - Vision/Ancillary			350	531	531	531	
<b>Employee Costs</b>	<b>\$ 167,398</b>	<b>\$ 61,597</b>	<b>\$ 61,597</b>	<b>\$ 102,818</b>	<b>\$ 102,818</b>	<b>\$ 41,221</b>	<b>66.9%</b>
728.000 Operating Expense	\$11,207	\$10,922	\$11,000	\$10,900	\$10,900	(\$22)	-0.2%
735.000 Periodicals & Publications	0	500	150	150	150	-350	-70.0%
801.000 Professional Services	38,319	0	1,500	5,000	5,000	5,000	
806.000 Administration	236,900	301,292	301,200	320,496	320,496	19,204	6.4%
831.000 Contractual Repairs & Maint.	460	4,300	1,000	4,300	4,300	0	0.0%
850.000 Phone	8,153	8,000	8,000	8,000	8,000	0	0.0%
860.000 Travel & Training Expense	1,329	3,000	2,500	3,000	3,000	0	0.0%
870.000 Membership & Dues	72	300	150	300	300	0	0.0%
873.000 Education	0	0	0	0	0	0	
874.000 Retiree BCBS	0	0	0	0	0	0	
900.000 Printing/Publishing	7,855	6,000	4,000	6,000	6,000	0	0.0%
930.000 Repairs & Maintenance	0	0	0	0	0	0	
959.000 Bad Debt	0	0	0	0	0	0	
960.000 Bank Charges	9,251	7,000	8,000	8,000	8,000	1,000	14.3%
970.000 Capital Outlay (Expense)	0	1,000	1,000	1,000	1,000	0	0.0%
985.000 Lease Purchase	1,071	0	0				
<b>Operating Costs</b>	<b>\$ 314,617</b>	<b>\$ 342,314</b>	<b>\$ 338,500</b>	<b>\$ 367,146</b>	<b>\$ 367,146</b>	<b>\$24,832</b>	<b>7.3%</b>
<b>TOTAL ADMINISTRATION</b>	<b>\$ 482,015</b>	<b>\$ 403,912</b>	<b>\$ 400,097</b>	<b>\$ 469,964</b>	<b>\$ 469,964</b>	<b>\$66,053</b>	<b>16.4%</b>

<b>Water</b>	<b>increased</b>	<b>\$</b>	<b>73,576</b>	<b>14.3%</b>
Employee Costs	increased	\$	4,441	2.2%
Operating Costs	increased	\$	69,135	22.3%

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

**Employee Costs:** Employee costs increased. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase.

**Operational Costs:** Operating costs increased due to changes in a variety of line items. Meters are up because the City will be more aggressive in replacing old & large meters (which have a quick payback thru increased revenue). Professional services increased due to the inclusion of some grant match dollars for the expected SAW grant. Contractual repairs and maintenance is up due to the inclusion of costs for thawing water lines and an evaluation of Well 7. Capital cost is for water lab upgrades, a valve turning machine, fire hydrant markers and a light boom.

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

- Budget as recommended                       Budget with changes

**Changes:**



## 2015-2016 Budget

### 542 WATER OPERATION

	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
702.000 Salaries	\$128,329	\$128,685	\$125,000	\$131,560	\$131,560	\$2,875	2.2%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	26,585	22,125	24,000	22,242	22,242	116	0.5%
706.000 Part Time	0	0	0	0	0	0	
708.000 V\SH Sellback	0	2,000	0	2,000	2,000	0	0.0%
712.001 Costs - Social Security	9,456	8,423	8,500	8,602	8,602	178	2.1%
712.002 Costs - Medicare	2,212	1,970	2,000	2,012	2,012	42	2.1%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	
712.005 Costs - MERS Contribution	0	0	0	0	0	0	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	
712.007 Costs - SUTA	470	470	500	410	410	-60	-12.7%
712.009 Costs - Workers Compensation	4,971	4,580	5,000	4,859	4,859	279	6.1%
712.010 Costs - Blue Cross Insurance	25,309	27,522	24,219	25,515	25,515	-2,007	-7.3%
712.011 Costs - Life Insurance	246	238	400	454	454	216	90.9%
712.012 Costs - HSA	467	7,500	7,500	7,500	7,500	0	0.0%
712.014 Costs - Dental Insurance			1,700	1,739	1,739	1,739	
712.015 Costs - Vision\Ancillary			1,000	1,062	1,062	1,062	
<b>Employee Costs</b>	<b>\$ 198,045</b>	<b>\$ 203,513</b>	<b>\$ 199,819</b>	<b>\$ 207,954</b>	<b>\$ 207,954</b>	<b>\$ 4,441</b>	<b>2.2%</b>
715.000 Uniform & Cleaning Allowance	\$1,925	\$1,155	\$2,300	\$1,455	\$1,455	\$300	26.0%
728.000 Operating Expense	4,618	3,765	3,000	3,750	3,750	-15	-0.4%
745.000 Chemicals	23,347	35,500	30,000	35,500	35,500	0	0.0%
750.000 Meters	13,047	32,000	32,000	45,000	45,000	13,000	40.6%
770.000 Gasoline\Diesel	9,237	6,500	7,000	7,500	7,500	1,000	15.4%
801.000 Professional Services	8,755	21,000	20,000	28,000	28,000	7,000	33.3%
822.000 Insurance	4,502	3,500	6,800	3,500	3,500	0	0.0%
824.000 Lab Testing	5,384	9,000	9,000	9,000	9,000	0	0.0%
831.000 Contractual Repairs & Maint	66,757	21,000	110,000	57,000	57,000	36,000	171.4%
860.000 Travel & Training Expense	730	2,500	2,000	2,500	2,500	0	0.0%
870.000 Membership & Dues	591	525	400	525	525	0	0.0%
873.000 Education	0	0	0	0	0	0	
874.000 Costs - Retiree BCBS	0	0	0	0	0	0	
920.000 Gas	0	0	0	0	0	0	
925.000 Electric	79,736	70,000	80,000	70,000	70,000	0	0.0%
930.000 Repairs & Maintenance	58,715	63,900	65,000	58,900	58,900	-5,000	-7.8%
957.000 Motor Pool	35,000	35,000	35,000	36,050	36,050	1,050	3.0%
970.000 Capital Outlay (expense)	9,815	5,000	5,000	20,800	20,800	15,800	316.0%
<b>Operating Costs</b>	<b>\$ 322,160</b>	<b>\$ 310,345</b>	<b>\$ 407,500</b>	<b>\$ 379,480</b>	<b>\$ 379,480</b>	<b>\$69,135</b>	<b>22.3%</b>
<b>TOTAL WATER OPERATION</b>	<b>\$ 520,205</b>	<b>\$ 513,858</b>	<b>\$ 607,319</b>	<b>\$ 587,434</b>	<b>\$ 587,434</b>	<b>\$73,576</b>	<b>14.3%</b>

<b>WWTP</b>	<b>decreased</b>	<b>\$ (28,766)</b>	<b>-3.9%</b>
Employee Costs	increased	\$ 20,621	8.8%
Operating Costs	decreased	\$ (49,387)	-9.8%

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

**Employee Costs:** Employee costs increased. The budget assumes a slight wage increase, step increases for those eligible and increased health insurance costs, including a change in status.

**Operational Costs:** Operating costs decreased primarily due to a reduction in repairs and maintenance costs.

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

Budget as recommended       Budget with changes

**Changes:**



## 2015-2016 Budget

### 543 SEWER - WWTP

	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
702.000 Salaries	\$171,978	\$172,371	\$150,000	\$175,365	\$175,365	\$2,994	1.7%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	22,485	12,602	17,000	12,602	12,602	0	0.0%
706.000 Part Time	0	0	0	0	0	0	
708.000 V\SH Sellback	1,889	2,000	1,800	2,000	2,000	0	0.0%
712.001 Costs - Social Security	11,915	11,307	11,500	11,493	11,493	186	1.6%
712.002 Costs - Medicare	2,787	2,644	2,700	2,688	2,688	43	1.6%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	
712.005 Costs - MERS Contribution	0	0	0	0	0	0	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	
712.007 Costs - SUTA	627	627	650	547	547	-80	-12.7%
712.009 Costs - Workers Compensation	4,296	4,124	4,500	4,250	4,250	126	3.0%
712.010 Costs - Blue Cross Insurance	20,121	21,685	19,083	31,934	31,934	10,249	47.3%
712.011 Costs - Life Insurance	328	317	400	605	605	288	90.9%
712.012 Costs - HSA	1,437	6,000	6,000	9,000	9,000	3,000	50.0%
712.014 Costs - Dental Insurance			2,400	2,399	2,399	2,399	
712.015 Costs - Vision\Ancillary			1,400	1,416	1,416	1,416	
<b>Employee Costs</b>	<b>\$ 237,862</b>	<b>\$ 233,677</b>	<b>\$ 217,433</b>	<b>\$ 254,298</b>	<b>\$ 254,298</b>	<b>\$20,621</b>	<b>8.8%</b>
715.000 Uniform & Cleaning Allowance	\$2,857	\$3,328	\$2,500	\$3,728	\$3,728	\$400	12.0%
728.000 Operating Expense	22,036	24,727	27,000	25,040	25,040	313	1.3%
745.000 Chemicals	22,402	30,000	32,000	30,000	30,000	0	0.0%
770.000 Vehicle Gas	4,760	7,200	4,000	4,250	4,250	-2,950	-41.0%
801.000 Professional Services	31,120	24,500	25,000	24,500	24,500	0	0.0%
822.000 Insurance	18,421	20,000	20,000	20,000	20,000	0	0.0%
824.000 Lab Testing	7,637	14,400	14,000	10,900	10,900	-3,500	-24.3%
831.000 Contractual Repairs & Maint.	81,926	75,500	75,000	73,000	73,000	-2,500	-3.3%
860.000 Travel & Training Expense	2,359	4,000	2,000	4,000	4,000	0	0.0%
870.000 Membership & Dues	302	600	450	600	600	0	0.0%
873.000 Education	0	0	0	0	0	0	
874.000 Costs - Retiree BCBS	0	0	0	0	0	0	
920.000 Gas	17,656	21,000	16,000	21,000	21,000	0	0.0%
925.000 Electric	126,174	117,000	120,000	117,000	117,000	0	0.0%
930.000 Repairs & Maintenance	60,213	128,700	130,000	86,500	86,500	-42,200	-32.8%
957.000 Motor Pool	35,000	35,000	35,000	36,050	36,050	1,050	3.0%
970.000 Capital Outlay (expense)	0	0	0	0	0	0	
<b>Operating Costs</b>	<b>\$ 432,863</b>	<b>\$ 505,955</b>	<b>\$ 502,950</b>	<b>\$ 456,568</b>	<b>\$ 456,568</b>	<b>(\$49,387)</b>	<b>-9.8%</b>
<b>TOTAL SEWER - WWTP</b>	<b>\$ 670,725</b>	<b>\$ 739,632</b>	<b>\$ 720,383</b>	<b>\$ 710,866</b>	<b>\$ 710,866</b>	<b>(\$28,766)</b>	<b>-3.9%</b>

<b>Sewer</b>	<b>increased</b>	<b>\$</b>	<b>30,011</b>	<b>19.0%</b>
Employee Costs	increased	\$	1,583	2.4%
Operating Costs	increased	\$	28,428	30.9%

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

**Employee Costs:** Employee costs increased. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase.

**Operational Costs:** Operating costs increased due to changes in a variety of line items. Chemicals are down because inventory needs to be worked down. Professional services increased due to the inclusion of some grant match dollars for the expected SAW grant. Capital outlay is up due to the purchase of a rod head to more effectively clean sewers.

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

- Budget as recommended
  Budget with changes

**Changes:**



## 2015-2016 Budget

<b>544 SEWER COLLECTION</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Budget</b>	<b>Change</b>
						<b>Difference</b>	
702.000 Salaries	\$83,270	\$40,826	\$40,000	\$41,746	\$41,746	\$920	2.3%
703.000 Longevity	0	0	0	0	0	0	
704.000 Overtime	23,264	1,750	3,500	1,750	1,750	0	0.0%
706.000 Part Time	0	0	0	0	0	0	
708.000 V\SIH Sellback	0	2,500	200	2,500	2,500	0	0.0%
712.001 Costs - Social Security	6,437	2,833	2,500	2,890	2,890	57	2.0%
712.002 Costs - Medicare	1,505	663	700	676	676	13	2.0%
712.004 Costs - ICMA Contribution	0	0	0	0	0	0	
712.005 Costs - MERS Contribution	0	0	0	0	0	0	
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0	
712.007 Costs - SUTA	314	157	150	137	137	-20	-12.7%
712.009 Costs - Workers Compensation	3,391	1,456	1,800	1,544	1,544	88	6.1%
712.010 Costs - Blue Cross Insurance	23,864	12,843	11,301	12,041	12,041	-801	-6.2%
712.011 Costs - Life Insurance	161	79	80	151	151	72	90.9%
712.012 Costs - HSA	1,389	3,000	3,000	3,000	3,000	0	0.0%
712.014 Costs - Dental Insurance			900	900	900	900	
712.015 Costs - Vision\Ancillary			350	354	354	354	
<b>Employee Costs</b>	<b>\$ 143,595</b>	<b>\$ 66,106</b>	<b>\$ 64,481</b>	<b>\$ 67,689</b>	<b>\$ 67,689</b>	<b>\$ 1,583</b>	<b>2.4%</b>
715.000 Uniform & Cleaning Allowance	\$979	\$2,266	\$1,000	\$2,366	\$2,366	\$100	4.4%
728.000 Operating Expense	627	2,422	700	5,000	5,000	2,578	106.4%
745.000 Chemicals	0	8,000	2,500	3,000	3,000	-5,000	-62.5%
770.000 Vehicle Gas	0	0	0	0	0	0	
801.000 Professional Services	40,612	12,000	15,000	35,000	35,000	23,000	191.7%
831.000 Contractual Repairs & Maint.	1,000	15,300	14,000	15,300	15,300	0	0.0%
860.000 Travel & Training Expense	115	1,000	500	1,000	1,000	0	0.0%
870.000 Membership & Dues	0	600	0	0	0	-600	-100.0%
873.000 Education	0	0	0	0	0	0	
874.000 Costs - Retiree BCBS	0	0	0	0	0	0	
930.000 Repairs & Maintenance	2,676	15,500	20,000	18,000	18,000	2,500	16.1%
957.000 Motor Pool	35,000	35,000	35,000	36,050	36,050	1,050	3.0%
970.000 Capital Outlay (Expense)	0	0	0	4,800	4,800	4,800	
<b>Operating Costs</b>	<b>\$ 81,010</b>	<b>\$ 92,088</b>	<b>\$ 88,700</b>	<b>\$ 120,516</b>	<b>\$ 120,516</b>	<b>\$28,428</b>	<b>30.9%</b>
<b>TOTAL SEWER COLLECTION</b>	<b>\$ 224,605</b>	<b>\$ 158,194</b>	<b>\$ 153,181</b>	<b>\$ 188,205</b>	<b>\$ 188,205</b>	<b>\$30,011</b>	<b>19.0%</b>

<b>Debt Service</b>	<b>increased</b>	<b>\$ 86,091</b>	<b>5.3%</b>
Interest	increased	\$ 49,681	11.8%
Principal	increased	\$ 36,410	5.3%

<b>Capital Expenditures</b>	<b>decreased</b>	<b>\$(1,475,000)</b>	<b>-41.0%</b>
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**Debt Service:** Debt service increased from the prior year. This is due to the 2015 revenue bond issue and the structure of the overall debt schedule.

**Capital Outlay:** Capital outlay decreased from the prior year, due to the timing and makeup of projects. The capital budget includes several new items, including a pipeline locator, roaming meter reader, Maywood tank fencing and sewer camera. It also includes bond project items return activated sludge pumps, riverbank sewer line, Sixth Ave. pump station, flow monitoring and gallery leaks.

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 will need to be addressed.

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

- Budget as recommended                       Budget with changes

**Changes:**



## 2015-2016 Budget

574 BOND INTEREST	2014	2015	2015	Manager	Council	Year to Year	Percent
	Actual	Budget	Projected	Budget	Adopted	Budget	Change
						Difference	
960.000 Bank Charges	\$241	\$1,500	\$1,600	\$1,500	\$1,500	\$0	0.0%
969.000 Bond Issuance Expenses	0	0	89,210	0	0		
995.003 1997 B SRF Bond Interest	2,812	2,138	2,138	1,463	1,463	-675	-31.6%
995.005 1998 B SRF Bond Interest	19,181	15,863	15,863	12,488	12,488	-3,375	-21.3%
995.007 1999 B SRF Bond Interest	24,875	21,813	21,813	18,688	18,688	-3,125	-14.3%
995.008 2005 Refunding Interest	174,345	153,383	153,383	133,283	133,283	-20,100	-13.1%
995.009 2006 SRF Interest	32,699	30,587	30,587	28,393	28,393	-2,194	-7.2%
995.010 2010 SRF Interest	14,839	14,152	14,152	13,402	13,402	-750	-5.3%
995.011 2010 DWRF Interest	10,375	9,875	9,875	9,375	9,375	-500	-5.1%
TRFOUT 2010 Cap Imp Interest	134,704	131,563	131,563	127,588	127,588	-3,975	-3.0%
995.010 2011 SRF Interest	30,519	29,144	29,144	27,769	27,769	-1,375	-4.7%
995.011 2011 DWRF Interest	10,313	9,814	9,814	9,314	9,314	-500	-5.1%
2015 Revenue Interest	0	0	17,591	86,250	86,250	86,250	
<b>TOTAL DEBT INTEREST</b>	<b>\$ 454,905</b>	<b>\$ 419,832</b>	<b>\$ 526,733</b>	<b>\$ 469,513</b>	<b>\$ 469,513</b>	<b>\$ 49,681</b>	<b>11.8%</b>
300.003 1997 B SRF Bond Principal	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$0	0.0%
300.005 1998 B SRF Bond Principal	145,000	150,000	150,000	150,000	150,000	0	0.0%
300.007 1999 B SRF Bond Principal	120,000	125,000	125,000	125,000	125,000	0	0.0%
300.008 2005 Refunding Principal	470,000	490,000	490,000	515,000	515,000	25,000	5.1%
300.009 2006 SRF Principal	130,000	135,000	135,000	135,000	135,000	0	0.0%
300.010 2010 SRF Principal	25,000	30,000	30,000	30,000	30,000	0	0.0%
300.011 2010 DWRF Principal	20,000	20,000	20,000	20,000	20,000	0	0.0%
TRFOUT 2010 Cap Imp Principal	137,822	141,028	141,028	147,438	147,438	6,410	4.5%
300.010 2011 SRF Principal	55,000	55,000	55,000	60,000	60,000	5,000	9.1%
300.011 2011 DWRF Principal	20,000	20,000	20,000	20,000	20,000	0	0.0%
2015 Revenue Principal	0	0	0	0	0	0	
<b>TOTAL DEBT PRINCIPAL</b>	<b>\$ 1,152,822</b>	<b>\$ 1,196,028</b>	<b>\$ 1,196,028</b>	<b>\$ 1,232,438</b>	<b>\$ 1,232,438</b>	<b>\$ 36,410</b>	<b>3.0%</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$ 1,607,727</b>	<b>\$ 1,615,860</b>	<b>\$ 1,722,761</b>	<b>\$ 1,701,951</b>	<b>\$ 1,701,951</b>	<b>\$ 86,091</b>	<b>5.3%</b>
<b>SURPLUS/DEFICIT BEFORE CAPEX</b>	<b>\$ 175,483</b>	<b>\$ 25,602</b>	<b>\$ (190,286)</b>	<b>\$ 69,247</b>	<b>\$ 69,247</b>		
<b>CAPITAL EXPENDITURES</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Budget</b>	<b>Change</b>
						<b>Difference</b>	
541 Admin Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	
542 Water Capital Outlay	26,243	279,000	270,000	21,000	21,000	\$ (258,000)	
543 WWTP Capital Outlay	69,258	2,288,000	324,900	2,083,500	2,083,500	\$ (204,500)	
544 Sewer Capital Outlay	0	1,030,000	19,700	17,500	17,500	\$ (1,012,500)	-98.3%
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$ 95,501</b>	<b>\$ 3,597,000</b>	<b>\$ 614,600</b>	<b>\$ 2,122,000</b>	<b>\$ 2,122,000</b>	<b>\$ (1,475,000)</b>	<b>-41.0%</b>
<b>CASH IMPACT BEFORE FINANCING</b>	<b>\$ 79,982</b>	<b>\$ (3,571,398)</b>	<b>\$ (804,886)</b>	<b>\$ (2,052,753)</b>	<b>\$ (2,052,753)</b>		
SRF Loan	\$0	\$0	\$0	\$0	\$0		
DWRF Loan	0	0	0	0	0		
2015 Revenue Bond Issue	0	3,597,000	2,770,000	0	0		
2015 Revenue Bond Restricted Balance				2,083,500	2,083,500		
<b>FINANCING SOURCES</b>	<b>\$ -</b>	<b>\$ 3,597,000</b>	<b>\$ 2,770,000</b>	<b>\$ 2,083,500</b>	<b>\$ 2,083,500</b>		
<b>FINAL CASH IMPACT</b>	<b>\$ 79,982</b>	<b>\$ 25,602</b>	<b>\$ 1,965,114</b>	<b>\$ 30,747</b>	<b>\$ 30,747</b>		
<b>BEG UNRESTRICTED CASH &amp; INV</b>			<b>\$ 518,000</b>		<b>\$ 354,225</b>		
<b>ENDING UNRESTRICTED CASH</b>	<b>\$ 518,000</b>		<b>\$ 354,225</b>		<b>\$ 384,972</b>		
RESTRICTED BOND PROCEEDS			\$ 2,128,890		\$ 45,390		
BOND DEBT RESERVE	\$ 488,052	\$ 488,052	\$ 481,114		\$ 481,114		

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Enterprise Funds

Municipal Marina

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

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.

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.

The Marina is struggling financially. Even with \$40,000 per year in debt service support from the capital improvement fund, the budget still anticipates a cash shortage of \$55,000 at the end of the 2014-2015 fiscal year, which will have to be covered by an advance from another fund. The proposed budget anticipates another \$30,000 shortfall. This lack of revenue must be addressed as the current operations are unsustainable.

**Marina Assumptions & Notes**

<b>Revenue</b>	<b>decreased</b>	<b>(\$34,100)</b>	<b>-13.9%</b>
<b>Total Costs</b>	<b>decreased</b>	<b>(\$31,355)</b>	<b>-14.9%</b>
Employee Costs	decreased	(\$739)	-2.5%
Operating Costs	decreased	(\$30,616)	-17.0%
<b>Debt Service</b>	<b>increased</b>	<b>\$25,047</b>	<b>66.0%</b>
Interest	decreased	(\$1,409)	-8.5%
Principal	increased	\$26,455	123.6%
<b>Capital Expenditures</b>	increased	\$0	

**Revenue:** Revenue decreased from the prior year budget. This decrease is primarily due to less fuel sales as the price of gas and diesel has dropped significantly. The City has an approximate 10% profit margin on fuel. Dockage sales have also been adjusted down to about their three year average.

**Employee Costs:** Employee costs decreased slightly from last year.

**Operating Costs:** Operating costs decreased from the prior year budget. The decrease is due to lower fuel costs as the price of gas and diesel has dropped significantly. Water costs are expected to increase as a meter inaccuracy has been corrected. Adjustments to sprinkling frequency will be made to help offset this.

**Debt Service:** Debt service increased 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. Currently, revenues from the Marina are inadequate to fund operations and service debt so a \$40,000 transfer in from the Capital Improvement fund is used as a backstop for the debt service. In addition, the budget anticipates no longer making an interest only payment on the oil & gas loan, as the two year forbearance agreement with the oil & gas board has expired. Revenues are not sufficient to fund operations and debt service, resulting in the need for more cash infusions.

**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:**

<b>594 Municipal Marina Fund</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>Manager Budget</b>	<b>Council Adopted</b>	<b>Year to Year Budget Difference</b>
539.000 State Grant	\$64,750	\$0	-\$4,250	\$0	\$0	\$0
570.000 Local Grant	0	0	0	0	0	0
642.000 Sales	3,185	4,000	3,500	3,500	3,500	-500
645.000 Charge for Sales - Fuel	104,047	125,000	100,000	90,900	90,900	-34,100
646.000 Charge for Sales - Dockage	70,830	75,000	62,000	75,000	75,000	0
664.000 Interest Income	17	50	50	50	50	0
667.000 Rental Income	2,110	1,500	1,500	2,000	2,000	500
671.000 Other Revenue	0	0	0	0	0	0
674.000 Contributions\Donations	0	0	0	0	0	0
695.000 Insurance Settlement	16,859	0	0	0	0	0
699.000 Operating Transfer In	40,000	40,000	40,000	40,000	40,000	0
<b>Total Revenues</b>	<b>\$301,797</b>	<b>\$245,550</b>	<b>\$202,800</b>	<b>\$211,450</b>	<b>\$211,450</b>	<b>(\$34,100)</b>
702.000 Salaries	\$0	\$0	\$0	\$0	\$0	\$0
703.000 Longevity	0	0	0	0	0	0
704.000 Overtime	50	500	100	500	500	0
706.000 Part-Time	24,343	26,000	25,000	25,000	25,000	-1,000
712.001 Costs - Social Security	1,528	1,643	1,550	1,581	1,581	-62
712.002 Costs - Medicare	357	384	380	370	370	-15
712.007 Costs - SUTA	598	8	300	367	367	359
712.009 Costs - Work Comp	900	917	900	895	895	-22
<b>Employee Costs</b>	<b>\$27,776</b>	<b>\$29,452</b>	<b>\$28,230</b>	<b>\$28,713</b>	<b>\$28,713</b>	<b>(\$739)</b>
728.000 Operating Expense	5,979	7,500	6,500	7,500	7,500	\$0
730.000 Operating Supplies - Fuel	91,080	113,400	95,000	81,990	81,990	-31,410
801.000 Professional Services	10,062	500	200	500	500	0
820.000 Administration	14,800	12,278	12,300	10,573	10,573	-1,706
822.000 Insurance	734	1,750	1,800	1,750	1,750	0
831.000 Contractual Repairs & Maint.	7,925	3,500	3,500	3,500	3,500	0
850.000 Phone	0	0	0	0	0	0
892.500 Marketing	3,787	4,000	4,000	4,000	4,000	0
920.000 Gas	2,082	1,400	2,000	1,400	1,400	0
922.000 Water	5,192	4,000	7,000	8,000	8,000	4,000
925.000 Electric	13,754	15,000	14,500	15,000	15,000	0
930.000 Repairs & Maintenance	19,337	3,000	3,500	3,000	3,000	0
958.000 Sales Tax	3,165	4,500	4,000	4,000	4,000	-500
959.000 Bad Debt	0	0	0	0	0	0
960.000 Bank Charges	7,339	9,000	7,000	8,500	8,500	-500
964.000 Refunds	0	0	0	0	0	0
970.000 Capital Outlay	49,376	500	0	0	0	-500
<b>Operating Costs</b>	<b>\$234,612</b>	<b>\$180,328</b>	<b>\$161,300</b>	<b>\$149,713</b>	<b>\$149,713</b>	<b>(\$30,616)</b>

	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference
<b>TOTAL OPERATING EXPENSES</b>	<b>\$262,388</b>	<b>\$209,780</b>	<b>\$189,530</b>	<b>\$178,426</b>	<b>\$178,426</b>	<b>-\$31,355</b>
<b>AVAILABLE FOR DEBT SERVICE</b>	<b>\$39,409</b>	<b>\$35,770</b>	<b>\$13,270</b>	<b>\$33,025</b>	<b>\$33,025</b>	<b>-\$2,745</b>
998.001 Interest - Bank Loan (IPA)	\$10,965	\$10,990	\$10,279	\$9,581	\$9,581	-\$1,409
998.003 Interest - Internal Loan	\$5,540	\$5,540	\$5,540	\$5,540	\$5,540	\$0
<b>TOTAL DEBT INTEREST</b>	<b>\$16,505</b>	<b>\$16,530</b>	<b>\$15,819</b>	<b>\$15,121</b>	<b>\$15,121</b>	<b>-\$1,409</b>
<b>OPERATING RESULT</b>	<b>\$22,903</b>	<b>\$19,240</b>	<b>-\$2,549</b>	<b>\$17,903</b>	<b>\$17,903</b>	
308.001 Principal - Bank Loan (IPA)	\$21,421	\$21,396	\$22,107	\$22,805	\$22,805	\$1,409
214.000 Principal - Internal Loan DTOF	\$0	\$0	\$0	\$25,046	\$25,046	\$25,046
<b>TOTAL DEBT REPAYMENT</b>	<b>\$21,421</b>	<b>\$21,396</b>	<b>\$22,107</b>	<b>\$47,852</b>	<b>\$47,852</b>	<b>\$26,455</b>
<b>SURPLUS\DEFICIT BEFORE CAPEX</b>	<b>\$1,482</b>	<b>-\$2,157</b>	<b>-\$24,656</b>	<b>-\$29,948</b>	<b>-\$29,948</b>	
<b>CAPITAL EXPENDITURES</b>						
	\$0	\$0	\$0	\$0	\$0	
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>CASH IMPACT BEFORE FINANCING</b>	<b>\$1,482</b>	<b>-\$2,157</b>	<b>-\$24,656</b>	<b>-\$29,948</b>	<b>-\$29,948</b>	
S\T Advance	\$103,500	\$0	\$60,000	\$90,000	\$90,000	
Repay S\T Advance			-\$103,500	-\$60,000	-\$60,000	
Installment Purchase	\$0	\$0	\$0	\$0	\$0	
<b>FINANCING SOURCES</b>	<b>\$103,500</b>	<b>\$0</b>	<b>-\$43,500</b>	<b>\$30,000</b>	<b>\$30,000</b>	
<b>FINAL CASH IMPACT</b>	<b>\$104,982</b>		<b>-\$68,156</b>	<b>\$52</b>	<b>\$52</b>	
<b>BEGINNING CASH</b>	<b>\$577</b>		<b>\$64,236</b>		<b>\$5,330</b>	
<b>ENDING CASH</b>	<b>\$64,236</b>		<b>\$5,330</b>		<b>\$5,382</b>	

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Enterprise Funds

Boat Launch

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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 several 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. reconstruction project.

Boaters are charged to launch at the First St. launch. At their August 19, 2014 meeting, the Harbor Commission approved a pay tube at the Arthur St. launch, as well as a pay tube for back up at First St. Implementation details are being worked out.

The Ninth St. launch will remain free.

**Boat Ramp Assumptions & Notes**

<b>Revenue</b>	<b>increased</b>	<b>\$3,985</b>	<b>13.3%</b>
<b>Total Costs</b>	<b>increased</b>	<b>\$3,029</b>	<b>28.4%</b>
Employee Costs	n/a	n/a	n/a
Operating Costs	increased	\$3,029	28.4%
<b>Debt Service</b>	<b>decreased</b>	<b>(\$0)</b>	<b>0.0%</b>
Interest	decreased	(\$251)	-11.7%
Principal	increased	\$250	2.0%
<b>Capital Expenditures</b>	increased	\$0	

**Revenue:** Revenue increased 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.

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

**Operating Costs:** Operating costs increased from the prior year budget. Several line items were adjusted to better reflect actual experience of the new fish cleaning station.

**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. This budget is payment number 4 of 10.

**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:**



## 2015-2016 Budget

508 Boat Launch Fund	2014	2015	2015	Manager	Council	Year to Year	
	Actual	Budget	Projected	Budget	Adopted	Budget	Percent
						Difference	Change
539.000 State Grant	\$0	\$0	\$0	\$0	\$0	\$0	
642.000 Sales	37,370	30,000	34,000	34,000	34,000	4,000	13.3%
664.000 Interest Income	3	25	5	10	10	-15	-60.0%
<b>Total Revenues</b>	<b>\$37,373</b>	<b>\$30,025</b>	<b>\$34,005</b>	<b>\$34,010</b>	<b>\$34,010</b>	<b>\$3,985</b>	<b>13.3%</b>
<b>Employee Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0%</b>
728.000 Operating Expense	\$2,850	\$2,500	\$2,500	\$2,500	\$2,500	\$0	0.0%
801.000 Professional Services	0	500	0	500	500	0	0.0%
820.000 Administration	9,500	2,102	2,100	2,381	2,381	279	13.3%
850.000 Phone	323	230	330	330	330	100	43.5%
892.500 Marketing	0	500	0	500	500	0	0.0%
922.000 Water	685	750	1,600	1,600	1,600	850	113.3%
925.000 Electric	3,393	2,100	3,500	3,500	3,500	1,400	66.7%
930.000 Repairs & Maintenance	135	1,500	300	1,000	1,000	-500	-33.3%
960.000 Bank Charges	506	500	600	600	600	100	20.0%
970.000 Capital Outlay (expense)	0	0		800	800	800	
<b>Operating Costs</b>	<b>\$17,392</b>	<b>\$10,682</b>	<b>\$10,930</b>	<b>\$13,711</b>	<b>\$13,711</b>	<b>\$3,029</b>	<b>28.4%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$17,392</b>	<b>\$10,682</b>	<b>\$10,930</b>	<b>\$13,711</b>	<b>\$13,711</b>	<b>\$3,029</b>	<b>28.4%</b>
<b>AVAILABLE FOR DEBT SERVICE</b>	<b>\$19,981</b>	<b>\$19,343</b>	<b>\$23,075</b>	<b>\$20,299</b>	<b>\$20,299</b>		
998.003 Interest - Internal Loan	\$2,393	\$2,148	\$2,148	\$1,897	\$1,897		
<b>TOTAL DEBT INTEREST</b>	<b>\$2,393</b>	<b>\$2,148</b>	<b>\$2,148</b>	<b>\$1,897</b>	<b>\$1,897</b>	<b>-\$251</b>	<b>-11.7%</b>
<b>OPERATING RESULT</b>	<b>\$17,589</b>	<b>\$17,195</b>	<b>\$20,927</b>	<b>\$18,402</b>	<b>\$18,402</b>		
214.000 Principal - Internal Loan DTOF	\$12,143	\$12,388	\$12,388	\$12,638	\$12,638		
<b>TOTAL DEBT REPAYMENT</b>	<b>\$12,143</b>	<b>\$12,388</b>	<b>\$12,388</b>	<b>\$12,638</b>	<b>\$12,638</b>	<b>\$250</b>	<b>2.0%</b>
<b>SURPLUS/DEFICIT BEFORE CAPEX</b>	<b>\$5,446</b>	<b>\$4,807</b>	<b>\$8,539</b>	<b>\$5,764</b>	<b>\$5,764</b>		
<b>CAPITAL EXPENDITURES</b>							
First Street Launch	\$0	\$0	\$0	\$0	\$0		
Arthur Street Launch	0	0	0	0	0		
Ninth Street Launch	0	0	0	0	0		
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	
<b>CASH IMPACT BEFORE FINANCING</b>	<b>\$5,446</b>	<b>\$4,807</b>	<b>\$8,539</b>	<b>\$5,764</b>	<b>\$5,764</b>		
		\$0	\$0	\$0	\$0		
<b>FINANCING SOURCES</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>FINAL CASH IMPACT</b>		<b>\$4,807</b>	<b>\$8,539</b>	<b>\$5,764</b>	<b>\$5,764</b>		
<b>BEGINNING CASH &amp; INV</b>			<b>\$10,288</b>		<b>\$18,715</b>		
<b>ENDING CASH &amp; INV</b>	<b>\$10,288</b>		<b>\$18,715</b>		<b>\$24,479</b>		

Enterprise Funds

Ramsdell Theatre

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

**Ramsdell Theatre Assumptions & Notes**

<b>Earned Revenue</b>	<b>decreased</b>	<b>-\$68,047</b>	<b>-39.5%</b>
<b>Transfers In</b>	<b>decreased</b>	<b>(\$10,000)</b>	<b>-3.6%</b>
<b>Operating Costs</b>	<b>decreased</b>	<b>(\$39,498)</b>	<b>-15.6%</b>
Employee Costs	decreased	(\$5,069)	-5.5%
Operating Costs	decreased	(\$34,430)	-21.4%
<b>Debt Service</b>	<b>increased</b>	<b>\$0</b>	<b>0.0%</b>
Interest	decreased	(\$5,203)	-11.6%
Principal	increased	\$5,203	3.9%
<b>Capital Expenditures</b>	<b>decreased</b>	<b>(\$20,000)</b>	<b>-100.0%</b>



**Earned Revenue:** Earned revenue decreased from the prior year budget, but is similar to what was projected for the current fiscal year. The prior budget was overly optimistic in a number of areas. The proposed budget is more conservative. It assumes no grants; however, we will be applying for grants if they appear to be a good fit. It assumes a reduction in the number of performances (and the related expense) in order to focus on fewer, bigger events that we may be able to get sponsors for. It assumes nominal increases in our Partner rent, and we will be working with them to adjust their leases to something that both parties can live with. It does assume a modest increase in actual fundraising; however, the success of this will depend partially on restructuring the governance model and largely on more community involvement.

**Transfers In:** Transfers in decreased. The amount of operating support was reduced by 10%.

**Employee Costs:** Employee costs decreased. The amount of seasonal need-based labor for site management, custodial and technical needs was reduced as the Executive Director absorbed some of this work, and there will be fewer performances. The budget assumes an employee wage increase, moderate cost increase for the same health insurance plan as last year and a pension cost increase.

**Operating Costs:** Operating costs also decreased. The biggest decrease is in performance costs related to fewer and bigger programming mentioned above. Repairs and maintenance also was reduced.

**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 outlays are zero in the proposed budget.

**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	2014 Actual	2015 Budget	2015 Projected	Ramsdell Proposed	Council Adopted	Year to Year Budget Difference	Percent Change
539.000 Grant Revenue	\$0	\$11,500	\$1,540	\$0	\$0	(\$11,500)	-100.0%
642.000 Sales	0	0	0	0	0	0	
651.000 Sales - Concessions	363	0	0	0	0	0	
652.000 Sales - Movies\Opera	0	4,300	6,653	6,653	6,653	2,353	54.7%
653.000 Sales - Performances	31,702	55,035	48,139	31,875	31,875	-23,160	-42.1%
664.000 Interest Income	28	50	34	50	50	0	0.0%
667.000 Rental Income	20,493	37,680	22,000	22,440	22,440	-15,240	-40.4%
667.001 Rental Income - Ballroom	21,218	26,400	22,000	27,000	27,000	600	2.3%
667.002 Rental Income - Theatre	5,205	4,700	6,000	4,700	4,700	0	0.0%
667.003 Rental Income - Hardy Hall	5,100	5,000	1,120	1,600	1,600	-3,400	-68.0%
667.004 Rental Income - Studio	270	0	0	0	0	0	
671.000 Other Revenue	575	0	0	0	0	0	
674.000 Contributions\Donations	685	27,700	3,500	10,000	10,000	-17,700	-63.9%
<b>Total Earned Revenue</b>	<b>\$85,637</b>	<b>\$172,365</b>	<b>\$110,986</b>	<b>\$104,318</b>	<b>\$104,318</b>	<b>-\$68,047</b>	<b>-39.5%</b>
699.000 Operating Transfers In	\$107,000	\$100,000	\$100,000	\$90,000	\$90,000	-\$10,000	-10.0%
699.000 Capital Project Transfers In	25,000	0	0	0	0	\$0	
699.000 Debt Service Transfers In	178,830	178,830	178,830	178,830	178,830	\$0	0.0%
<b>Total Transfers In</b>	<b>\$310,830</b>	<b>\$278,830</b>	<b>\$278,830</b>	<b>\$268,830</b>	<b>\$268,830</b>	<b>-\$10,000</b>	<b>-3.6%</b>
<b>Total Revenue</b>	<b>\$396,467</b>	<b>\$451,195</b>	<b>\$389,816</b>	<b>\$373,148</b>	<b>\$373,148</b>	<b>-\$78,047</b>	<b>-17.3%</b>

	2014 Actual	2015 Budget	2015 Projected	Ramsdell Proposed	Council Adopted	Budget Difference	Percent Change
702.000 Salaries	\$36,536	\$45,720	\$45,720	\$47,777	\$47,777	\$2,057	4.5%
703.000 Longevity	0	0		0	0	0	
704.000 Overtime	0	0		0	0	0	
706.000 Part-Time	13,765	21,580	14,000	13,580	13,580	-8,000	-37.1%
708.000 V\S\H Sellback	0	0		0	0	0	
712.001 Costs - Social Security	3,133	4,173	4,173	3,804	3,804	-368	-8.8%
712.002 Costs - Medicare	733	976	976	890	890	-86	-8.8%
712.004 Costs - ICMA Contribution	0	0		0	0	0	
712.005 Costs - MERS	2,586	3,562	3,562	4,357	4,357	796	22.3%
712.006 Costs - In Lieu of BC/BS	0	0		0	0	0	
712.007 Costs - SUTA	645	157	200	137	137	-20	-12.7%
712.009 Costs - Work Comp	536	2,003	730	2,158	2,158	155	7.7%
712.010 Costs - Health Insurance	8,025	10,258	9,027	9,548	9,548	-710	-6.9%
712.011 Costs - Life Insurance	141	79	300	113	113	34	43.2%
712.012 Costs - HSA	70	3,000	3,000	3,000	3,000	0	0.0%
712.014 Costs - Dental Insurance			720	720	720	720	
712.015 Costs - Vision\Ancillary			350	354	354	354	
<b>Employee Costs</b>	<b>\$66,170</b>	<b>\$91,507</b>	<b>\$82,758</b>	<b>\$86,438</b>	<b>\$86,438</b>	<b>-\$5,069</b>	<b>-5.5%</b>
728.000 Office\Operating Expense	\$9,803	\$16,922	\$6,500	\$10,000	\$10,000	(\$6,922)	-70.6%
751.000 Concession Expense	276	0	0	0	0	0	0.0%
752.000 Movie\Opera Expense	3,028	4,090	3,500	4,090	4,090	0	0.0%
753.000 Performance Expense	18,996	50,586	40,000	28,381	28,381	-22,205	-116.9%
754.000 Miscellaneous Events	1,953	0	0	0	0	0	0.0%
801.000 Professional Services	2,654	8,500	8,500	8,500	8,500	0	0.0%
822.000 Insurance	3,549	2,000	4,200	2,000	2,000	0	0.0%
831.000 Contractual Repairs & Maint	39,831	20,000	15,000	18,000	18,000	-2,000	-5.0%
850.000 Phone	553	540	600	600	600	60	10.8%
860.000 Travel & Training	116	0	560	1,000	1,000	1,000	861.6%
870.000 Memberships & Dues	485	485	485	485	485	0	0.0%
892.500 Marketing Expense	3,819	5,000	2,500	5,000	5,000	0	0.0%
900.000 Printing/Publishing	313	1,875	0	2,000	2,000	125	40.0%
901.000 Postage	0	1,668	0	2,000	2,000	332	
920.000 Gas	17,559	13,000	16,000	14,000	14,000	1,000	5.7%
922.000 Water	295	300	450	480	480	180	61.0%
925.000 Electric	12,986	15,000	15,000	15,000	15,000	0	0.0%
930.000 Repairs & Maint	4,602	16,000	5,000	10,000	10,000	-6,000	-130.4%
970.000 Capital Outlay	9,599	5,000	6,000	5,000	5,000	0	0.0%
<b>Operating Costs</b>	<b>\$130,417</b>	<b>\$160,966</b>	<b>\$124,295</b>	<b>\$126,536</b>	<b>\$126,536</b>	<b>-\$34,430</b>	<b>-21.4%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>\$196,587</b>	<b>\$252,473</b>	<b>\$207,053</b>	<b>\$212,975</b>	<b>\$212,975</b>	<b>-\$39,498</b>	<b>-15.6%</b>

	2014 Actual	2015 Budget	2015 Projected	Ramsdell Proposed	Council Adopted	Year to Year Budget Difference	Percent Change
<b>AVAILABLE FOR DEBT SERVICE</b>	<b>\$199,880</b>	<b>\$198,722</b>	<b>\$182,763</b>	<b>\$160,173</b>	<b>\$160,173</b>	<b>-\$38,549</b>	<b>-19.4%</b>
998.000 Ramsdell Roof - Interest	\$8,271	\$5,775	\$5,775	\$3,147	\$3,147	-2,627	-31.8%
998.002 Ramsdell HVAC - Interest	\$41,485	\$38,989	\$38,989	\$36,412	\$36,412	-2,576	-6.2%
<b>TOTAL DEBT INTEREST</b>	<b>\$49,756</b>	<b>\$44,763</b>	<b>\$44,764</b>	<b>\$39,560</b>	<b>\$39,560</b>	<b>-\$5,203</b>	<b>-11.6%</b>
308.000 Ramsdell Roof - Principal	\$61,609	\$64,105	\$64,105	\$66,732	\$66,732	2,627	4.3%
308.002 Ramsdell HVAC - Principal	\$67,550	\$69,961	\$69,961	\$72,538	\$72,538	2,576	3.8%
<b>TOTAL PRINCIPAL</b>	<b>\$129,159</b>	<b>\$134,067</b>	<b>\$134,066</b>	<b>\$139,270</b>	<b>\$139,270</b>	<b>\$5,203</b>	<b>3.9%</b>
<b>TOTAL DEBT SERVICE</b>	<b>\$178,915</b>	<b>\$178,830</b>	<b>\$178,830</b>	<b>\$178,830</b>	<b>\$178,830</b>	<b>\$0</b>	<b>0.0%</b>
<b>SURPLUS\DEFICIT BEFORE CAPEX</b>	<b>\$20,966</b>	<b>\$19,892</b>	<b>\$3,933</b>	<b>-\$18,657</b>	<b>-\$18,657</b>		
<b>CAPITAL EXPENDITURES</b>	<b>\$20,505</b>	<b>\$20,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>-\$20,000</b>	<b>-100.0%</b>
<b>CASH IMPACT BEFORE FINANCING</b>	<b>\$461</b>	<b>-\$108</b>	<b>\$3,933</b>	<b>-\$18,657</b>	<b>-\$18,657</b>		
	\$0	\$0	\$0	\$0	\$0		
<b>FINANCING SOURCES</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		
<b>FINAL CASH IMPACT</b>	<b>\$461</b>	<b>-\$108</b>	<b>\$3,933</b>	<b>-\$18,657</b>	<b>-\$18,657</b>		
BEGINNING CASH			\$85,808		\$89,741		
ENDING CASH			<b>\$89,741</b>		<b>\$71,085</b>		

## Permanent Funds

### Oil & Gas

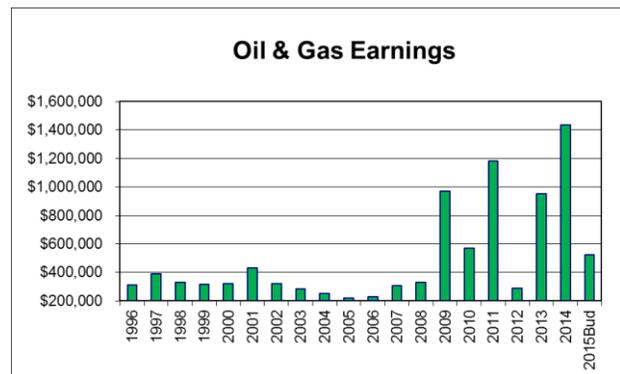
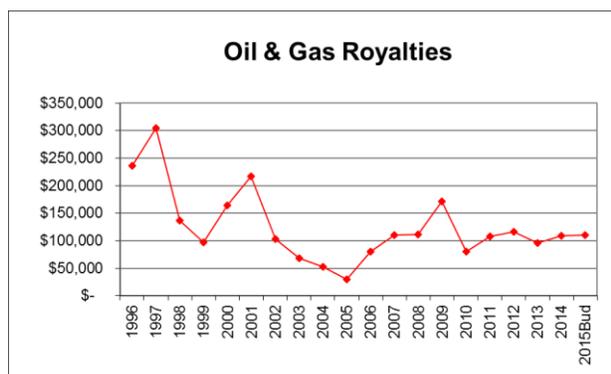
The Oil & Gas Fund was established to accumulate the principal generated from oil and gas royalties received from City-owned mineral rights. Charter Section 2-1(B) protects the principal and royalties of this fund from being spent without a vote of the people.

Investing the assets of this fund is handled by the Oil & Gas Investment Board, consisting of five members including the Mayor. 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. The rule calls for an annual distribution of 4% of the three-year trailing market value. As part of the discussion regarding funding street improvements, the Oil & Gas Investment Board passed a resolution supporting managing the fund as an endowment and not increasing the spending rule percentage.



**Oil & Gas Assumptions & Notes:**

<b>Revenues</b>	decreased	(\$30,000)	-4.6%
<b>Expenses</b>	increased	\$102,137	43.6%

**Revenue:** Revenue is projected to decline from the prior budget. Oil royalties should be lower because of the sharp decline in crude prices on the world market. Dividend and capital gain income is subject to market fluctuations. We are in the middle of a six year bull market; however, economic fundamentals remain positive. Future economic shocks or political instability could have an adverse impact on returns in the short to medium term.

**Expenses:** Expenses increased primarily due to higher transfers out. This amount is determined pursuant to the Spending Rule adopted by the Oil & Gas Board. The increase is due to the continued strong performance of the portfolio. Council also allocated \$83,000 more to streets. The money is transferred to the Capital Improvement fund via the Water & Sewer Utility. The fund also pays an investment advisory fee that is tied to the market value of the portfolio.

**245 Oil & Gas Fund**

	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
664.000 Interest Income	\$238,955	\$250,000	\$230,000	\$250,000	\$250,000	\$0	0.0%
665.001 Unrealized Gain\Loss	1,194,952	\$275,000	100,000	275,000	\$275,000	\$0	0.0%
666.000 Oil Royalties	108,633	\$110,000	75,000	80,000	\$80,000	-\$30,000	-37.1%
<b>Total Revenues</b>	<b>\$1,542,539</b>	<b>\$635,000</b>	<b>\$405,000</b>	<b>\$605,000</b>	<b>\$605,000</b>	<b>-\$30,000</b>	<b>-4.6%</b>
728.000 Office/Operating Expense	\$0	\$200	\$0	\$200	\$200	\$0	
801.000 Professional Services	50,845	\$49,000	49,000	52,000	\$52,000	\$3,000	8.7%
999.000 Operating Transfer Out	467,308	\$358,543	358,543	374,680	\$457,680	\$99,137	49.6%
<b>Total Expenditures</b>	<b>\$518,153</b>	<b>\$407,743</b>	<b>\$407,543</b>	<b>\$426,880</b>	<b>\$509,880</b>	<b>\$102,137</b>	<b>43.6%</b>
<b>TOTAL OIL &amp; GAS FUND</b>	<b>\$1,024,387</b>	<b>\$227,257</b>	<b>-\$2,543</b>	<b>\$178,120</b>	<b>\$95,120</b>		
Beginning Fund Balance	\$9,385,398		\$10,409,785		\$10,407,242		
Ending Fund Balance	\$10,409,785		\$10,407,242		\$10,502,362		
Accumulated Royalty Balance	\$7,388,977		\$7,463,977		\$7,543,977		

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

- Budget as recommended       Budget with changes

**Changes:** Council allocated \$83,000 additional to go to Street: repairs.

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 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 rolling ten-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. Fleet condition will continue to be closely monitored. City mechanics Mickey McCann and Jim Polisky do an excellent job of maintaining the fleet and extending its useful life.

The budget proposes buying the following vehicles and equipment:

1. Tandem Salt Truck	Replace	\$180,000	Finance (5 yr.)	Deferred from 14-15
2. Tandem Plow Truck	Replace	\$170,000	Finance (5 yr.)	
3. Pickup	Replace	\$24,000	Cash	
4. Pickup	Replace	\$28,000	Cash	
5. Utility Vehicle	Replace	\$16,000	Cash	
6. Articulated Loader	New	\$80,000	Cash	
7. Mower	Replace	\$12,000	Cash	

Additional information about the proposed Motor Pool purchases can be found in the Capital Improvement Plan.

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Internal Service Funds

Motor Pool

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**Motor Pool Assumptions & Notes:**

<b>Revenues</b>	increased	\$4,450	1.4%
<b>Expenses</b>	increased	\$24,232	7.3%

**Revenue:** Revenue increased as rental payments from the general fund were increased by a 3% inflationary escalator.

**Expenses:** Expenses increased from last year due to the nature of the vehicles and/or equipment being purchased and the method of payment.

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

Budget as recommended       Budget with changes

**Changes:**

661 Motor Pool	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Year to Year		Percent Change
					Council Adopted	Budget Difference	
664.000 Interest Income	\$195	\$400	\$250	\$400	\$400	\$0	0.0%
670.002 Equipment Rental - City Mgr.	9,000	9,000	9,000	9,270	9,270	\$270	3.0%
670.003 Equipment Rental - Fire	62,000	62,000	62,000	63,860	63,860	\$1,860	3.0%
670.004 Equipment Rental - Parks	36,000	36,000	36,000	37,080	37,080	\$1,080	3.0%
670.005 Equipment Rental - Police	31,000	31,000	31,000	31,930	31,930	\$930	3.0%
670.006 Equipment Rental - DPW	72,000	72,000	72,000	74,160	74,160	\$2,160	3.0%
670.007 Equipment Rental - Sewer Street	35,000	35,000	35,000	36,050	36,050	\$1,050	3.0%
670.008 Equipment Rental - Water	35,000	35,000	35,000	36,050	36,050	\$1,050	3.0%
670.009 Equipment Rental - WWTP	35,000	35,000	35,000	36,050	36,050	\$1,050	3.0%
671.000 Other Revenue	0	0	0	0	0	\$0	
673.000 Sale of Asset	5,500	5,000	0	0	0	-\$5,000	-100.0%
<b>Total Revenue</b>	<b>\$320,695</b>	<b>\$320,400</b>	<b>\$315,250</b>	<b>\$324,850</b>	<b>\$324,850</b>	<b>\$4,450</b>	<b>1.4%</b>
799.000 Miscellaneous Expense	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	
822.000 Insurance	33,457	32,000	35,795	32,640	32,640	\$640	2.0%
971.001 DPW - Plow Trucks	38,596	69,196	34,479	105,788	105,788	\$36,592	52.9%
971.003 DPW - Sidewalk Tractor/Blower		0	0	80,000	80,000	\$80,000	
971.004 DPW - Pickup		50,000	50,000	24,000	24,000	-\$26,000	-52.0%
971.005 DPW - Dump Truck		<u>8,000</u>	<u>0</u>	0	0	-\$8,000	-100.0%
971.008 DPW - Aerial Lift	16,099	0	0	0	0	\$0	
971.014 DPW - Trailer		<u>8,000</u>	<u>0</u>	0	0	-\$8,000	-100.0%
971.015 DPW - Stump Grinder		5,000	5,445	0	0	-\$5,000	-100.0%
972.016 DPW - Power Washer		11,000	10,300	0	0	-\$11,000	-100.0%
972.001 PARKS - Mowers		<u>12,000</u>	<u>0</u>	12,000	12,000	\$0	0.0%
972.004 PARKS - Gator		0	0	16,000	16,000	\$16,000	
974.002 FIRE- Ambulance	32,300	29,276	29,276	29,276	29,276	\$0	0.0%
975.001 WATER - Pickup	32,277	0	0	28,000	28,000	\$28,000	
977.001 WS - Vactor	26,705	26,705	26,705	26,705	26,705	\$0	0.0%
977.002 WS - Backhoe		80,000	82,912	0	0	-\$80,000	-100.0%
978.001 GENERAL - Car		0	0	0	0	\$0	
978.002 MANAGER - Car	23,233	0	0	0	0	\$0	
999.000 Transfer Out		0	<u>28,000</u>	0	0	\$0	
<b>Total Expenses</b>	<b>\$202,667</b>	<b>\$331,177</b>	<b>\$302,912</b>	<b>\$355,409</b>	<b>\$355,409</b>	<b>\$24,232</b>	<b>7.3%</b>
<b>TOTAL MOTOR POOL</b>	<b>\$118,028</b>	<b>-\$10,777</b>	<b>\$12,338</b>	<b>-\$30,559</b>	<b>-\$30,559</b>		
<b>Beginning Cash</b>			<b>\$425,896</b>		<b>\$438,234</b>		
<b>Ending Cash</b>	<b>\$425,896</b>	<b>\$414,941</b>	<b>\$438,234</b>		<b>\$407,674</b>		

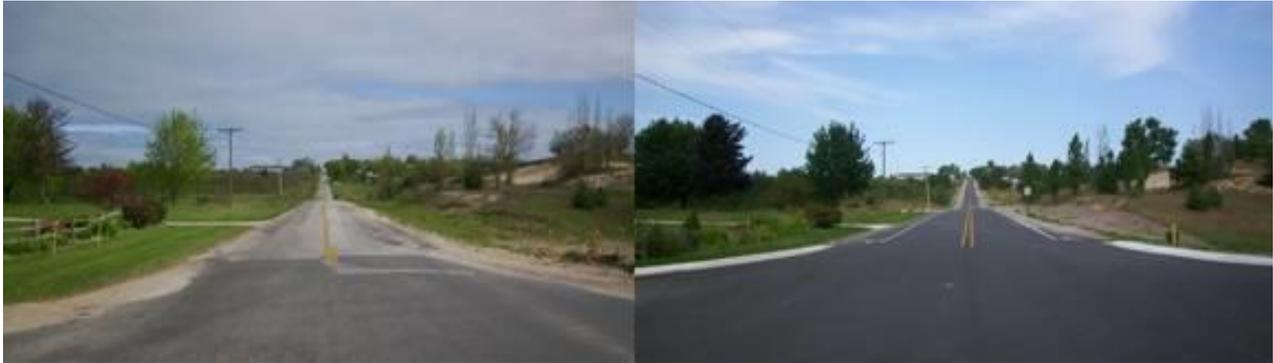
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## Special Revenue Funds

### Major Street

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



The first obligations of this fund are 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 toward the Cedar St. orphan streets is about \$81,000 per year. The bonds will be retired in 2031.

It is recognized that the current State funding mechanism is inadequate to properly maintain our roads. The Legislature acted in late 2014 to enact a multi-faceted package of bills to address the funding crisis. It will depend on the outcome of a state-wide vote to be held in May, 2015. The current 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. Our roads are annually evaluated using the PASER system through Roadsoft, which allows us to systematically manage our Streets.

See [Streets Issue Page](#) for a further discussion about potential funding sources for City streets.

**Major Street Assumptions & Notes:**

<b>Revenue</b>	<b>decreased</b>	<b>(\$99,161)</b>	<b>-14.5%</b>
<b>Expenses</b>	<b>decreased</b>	<b>(\$180,419)</b>	<b>-25.2%</b>

**Revenue:** Revenue is expected to decrease from the prior year. Act 51 revenue is actually expected to increase. Reimbursement from American Materials per their development agreement was not used in the prior year and has been shifted to Local Streets in the proposed budget.

**Expenses:** Expenses are expected to decrease from the prior year budget. The main reason is that the 1999 MDOT bond has been paid off! Reconstruction of 12<sup>th</sup> St between Maple and Oak is not expected until 2016-2017. Transfers out to the Local Street fund are increased per the TIP. See Streets Issue Page for details.

**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	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
539.000 State Grant Revenue	\$0	\$0	\$17,517	\$5,839	\$5,839	\$5,839	
576.000 Act 51 Revenue	395,205	370,000	385,000	385,000	385,000	15,000	4.1%
626.000 Charge for Service	186,932	185,000	185,000	185,000	185,000	0	0.0%
641.000 Snow Removal	0	0	0	0	0	0	
664.000 Interest Income	116	100	120	100	100	0	0.0%
676.000 Reimbursement	57,485	120,000	3,600	0	0	-120,000	-100.0%
699.000 Transfer In	0	10,000	10,000	10,000	10,000	0	0.0%
<b>Total Revenues</b>	<b>\$639,738</b>	<b>\$685,100</b>	<b>\$601,237</b>	<b>\$585,939</b>	<b>\$585,939</b>	<b>-\$99,161</b>	<b>-14.5%</b>
728.000 Operating Expense	\$0	\$500	\$250	\$500	\$500	\$0	0.0%
935.000 Traffic Services	3,041	9,000	9,000	12,000	12,000	3,000	33.3%
936.000 Preservation Streets	209,298	330,000	210,000	150,000	150,000	-180,000	-54.5%
937.000 Routine Maintenance Bridges	8,917	5,000	5,000	5,000	5,000	0	0.0%
938.000 Winter Maintenance Streets	149,700	147,500	147,500	177,000	177,000	29,500	20.0%
960.000 Bank Charges	0	0	0	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)	130,000	140,000	140,000	0	0	-140,000	-100.0%
997.003 Bond Interest (1999 MDOT)	10,628	3,640	3,640	0	0	-3,640	-100.0%
999.000 Transfer Out	80,648	80,648	80,697	191,369	191,369	110,721	137.3%
<b>Total Expenses</b>	<b>\$592,231</b>	<b>\$716,288</b>	<b>\$596,087</b>	<b>\$535,869</b>	<b>\$535,869</b>	<b>-\$180,419</b>	<b>-25.2%</b>
<b>TOTAL MAJOR STREET</b>	<b>\$47,508</b>	<b>-\$31,188</b>	<b>\$5,150</b>	<b>\$50,070</b>	<b>\$50,070</b>		
<b>Beginning Cash</b>			\$156,105		\$266,546		
<b>Ending Cash</b>	\$156,105		\$266,546		<b>\$316,616</b>		

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 of about \$81,000 toward the Cedar/First Street bond is entirely funded thru a transfer from the Major Street fund. The bonds will be retired in 2031.

See [Streets Issue Page](#) for a further discussion about funding Local Streets and the Transportation Improvement Plan.

**Local Street Assumptions & Notes**

<b>Revenue</b>	<b>increased</b>	<b>\$429,560</b>	<b>192.9%</b>
<b>Expenses</b>	<b>increased</b>	<b>\$417,021</b>	<b>181.2%</b>

**Revenue:** Revenue is expected to increase dramatically from the prior year. Act 51 revenue is expected to increase slightly. The biggest increases are from transfers in from the Major Street fund, General Fund and Capital improvement fund.

**Expenses:** Expenses increased dramatically over prior year budget. Road resurfacing is anticipated to cost \$412,000 and address 1.3 miles of streets.

**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	2014 Actual	2015 Budget	2015 Projected	Manager Budget	Council Adopted	Year to Year Budget Difference	Percent Change
501.000 Federal Grant	\$0	\$0	\$0	\$0	\$0	\$0	
539.000 State Grant	0	0	17,517	5,839	5,839	5,839	
576.000 Act 51 Revenue	156,240	132,000	138,000	138,000	138,000	6,000	4.5%
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	56	80	75	80	80	0	0.0%
676.000 Reimbursement	0	0	0	140,000	140,000	140,000	
699.000 Transfers In	80,648	90,648	130,697	368,369	368,369	277,721	306.4%
<b>Total Revenues</b>	<b>\$236,945</b>	<b>\$222,728</b>	<b>\$286,289</b>	<b>\$652,288</b>	<b>\$652,288</b>	<b>\$429,560</b>	<b>192.9%</b>
728.000 Operating Expense	\$0	\$500	\$500	\$500	\$500	0	0.0%
935.000 Traffic Services	1,806	5,000	5,000	5,000	5,000	0	0.0%
936.000 Preservation Streets	69,557	72,000	86,000	482,800	482,800	410,800	570.6%
938.000 Winter Maintenance Streets	83,754	72,000	98,000	77,500	77,500	5,500	7.6%
981.000 Construction Streets	0	0	0	0	0	0	
999.000 Transfers Out	80,648	80,648	80,697	81,369	81,369	721	0.9%
<b>Total Expenditures</b>	<b>\$235,765</b>	<b>\$230,148</b>	<b>\$270,197</b>	<b>\$647,169</b>	<b>\$647,169</b>	<b>\$417,021</b>	<b>181.2%</b>
<b>TOTAL LOCAL STREET</b>	<b>\$1,180</b>	<b>-\$7,420</b>	<b>\$16,092</b>	<b>\$5,119</b>	<b>\$5,119</b>		
<b>Beginning Cash</b>			\$31,287		\$69,731		
<b>Ending Cash</b>	\$31,287		\$69,731		<b>\$74,850</b>		

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 help 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**

<b>Revenue</b>	<b>increased</b>	<b>\$82,360</b>	<b>248.5%</b>
<b>Expenses</b>	<b>increased</b>	<b>\$68,000</b>	<b>143.2%</b>

**Revenue:** Revenue increased from the prior year. METRO Act fees are expected to be slightly less. Council allocated \$83,000 in additional street funding from the oil & gas fund which is recorded here until it is allocated to specific street projects.

**Expenses:** Expenses increased because of the additional street allocation. There was also less contractual repairs and maintenance relating to a project completed last year. Professional services increased because of engineering assistance on the transportation improvement plan. Tree expense was based on actual participation.

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

- Budget as recommended                       Budget with changes

**Changes:** The additional \$83,000 of oil & gas money earmarked for streets is recorded here.

<b>204 City Street Fund</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>Manager Budget</b>	<b>Council Adopted</b>	<b>Year to Year Budget Difference</b>	<b>Percent Change</b>
495.000 ROW Fee	\$22,913	\$24,000	\$23,000	\$23,500	\$23,500	-\$500	-2.1%
539.000 State Grants	0	0	0	0	0	0	
570.000 Local Grants	0	0	0	0	0	0	
626.000 Charge for Service	0	0	0	0	0	0	
664.000 Interest Income	354	500	350	360	360	-140	-28.0%
672.000 Special Assessment	2,735	1,500	1,500	1,500	1,500	0	0.0%
674.000 Contributions\Donations	0	0	0	0	0	0	
676.000 Reimbursement	0	7,143	7,143	7,143	7,143	0	0.0%
699.000 Operating Transfer In	0	0	0	0	83,000	83,000	
<b>Total Revenue</b>	<b>\$26,002</b>	<b>\$33,143</b>	<b>\$31,993</b>	<b>\$32,503</b>	<b>\$115,503</b>	<b>\$82,360</b>	<b>248.5%</b>
728.000 Operating Expense	\$0	\$0	\$0	\$0	\$0	\$0	
801.000 Professional Services	4,459	2,500	11,500	7,500	7,500	\$5,000	200.0%
831.000 Contractual Repairs & Maint.	0	15,000	15,000	0	0	-\$15,000	-100.0%
964.000 Refunds	0	0	0	0	0	\$0	
984.000 Capital Outlay - Trees	0	10,000	0	5,000	5,000	-\$5,000	-50.0%
999.000 Transfer Out	0	20,000	26,000	20,000	103,000	\$83,000	415.0%
<b>Total Expense</b>	<b>\$4,459</b>	<b>\$47,500</b>	<b>\$52,500</b>	<b>\$32,500</b>	<b>\$115,500</b>	<b>\$68,000</b>	<b>143.2%</b>
<b>TOTAL STREET IMPROVEMENT</b>	<b>\$21,544</b>	<b>-\$14,357</b>	<b>-\$20,507</b>	<b>\$3</b>	<b>\$3</b>	<b>\$14,360</b>	
<b>Beginning Cash</b>			\$47,406		\$24,111		
<b>Ending Cash</b>	\$47,406		\$24,111		\$24,114		

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 Republic Waste. The contract is in the process of being renegotiated for the 2015-2016 budget, however, the budget assumes the status quo in terms of service levels. This can be modified upon completion of the negotiations. The funding is a hybrid system, funded by a 1.15 mill levy and a monthly user charge. This budget calls for increasing the user charges by 10%. A multi-year planned drawdown of fund balance is now complete and regular annual adjustments will need to be made to rates. See Refuse Issue Page.



**Refuse Assumptions & Notes**

<b>Revenue</b>	<b>increased</b>	<b>\$36,207</b>	<b>8.7%</b>
<b>Expenses</b>	<b>increased</b>	<b>\$24,999</b>	<b>5.3%</b>

**Revenue:** Revenue increased due to an increase in monthly user fees. Tax revenues increased slightly.

**Expenses:** Expenses increased because spring trash haul is being offered this year. This was offset somewhat by savings thru the City DPW taking over the yard waste bag pickup. A once a month bulky item pickup was also instituted.

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

- Budget as recommended       Budget with changes

**Changes:** The contract with Republic Waste was finalized May 5 and includes a once a month bulky item pickup. The budget also reflects the trash haul contract fees which were omitted by mistake in the original proposed budget.

<b>226 Refuse Fund</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Approved</b>	<b>Budget Difference</b>
402.000 Real & Personal Property Tax	\$194,367	\$189,205	\$195,700	\$197,300	\$197,300	\$8,095
411.000 Delinquent Real Tax	11,746	13,868	10,300	10,380	10,380	-3,488
420.000 Delinquent Personal Tax	277	200	2,000	200	200	0
626.000 Charge for Service	188,581	201,600	212,000	233,200	233,200	31,600
643.000 Yard Bags	8,316	12,250	10,000	12,250	12,250	0
644.000 Trash Bags	1,326	1,000	1,300	1,000	1,000	0
664.000 Interest Income	132	150	140	150	150	0
671.000 Other Revenue	10	0	0	0	0	0
699.000 Operating Transfer In	0	0	0	0	0	0
<b>Total Revenue</b>	<b>\$404,754</b>	<b>\$418,273</b>	<b>\$431,440</b>	<b>\$454,480</b>	<b>\$454,480</b>	<b>\$36,207</b>
728.000 Operating Expense	1,474	\$2,500	\$2,500	\$2,500	\$2,500	\$0
755.000 Yard Bags	\$10,906	\$15,000	\$15,000	\$15,000	\$15,000	0
820.000 Administration	29,600	29,279	29,279	31,814	31,814	2,534
826.000 Refuse Contract Fees	322,461	322,473	322,473	322,713	331,593	9,120
827.000 Municipal Refuse Fees	19,253	24,000	24,000	24,000	24,000	0
828.000 Trash Haul Contract Fees	10,347	0	24,098	34,000	26,000	26,000
829.000 Trash Haul City	0	17,472	34,944	18,000	18,000	528
829.001 Yard Waste Contract Fees	20,729	35,343	0	8,000	8,000	-27,343
829.002 Yard Waste City	21,000	21,840	36,000	36,000	36,000	14,160
999.000 Transfer Out	0	0	0	0	0	0
<b>Total Expenses</b>	<b>\$435,769</b>	<b>\$467,907</b>	<b>\$488,294</b>	<b>\$492,026</b>	<b>\$492,906</b>	<b>\$24,999</b>
<b>TOTAL REFUSE</b>	<b>-\$31,015</b>	<b>-\$49,634</b>	<b>-\$56,854</b>	<b>-\$37,546</b>	<b>-\$38,426</b>	
Beginning Cash			\$130,548		\$56,021	
Ending Cash	\$130,548		\$56,021		\$17,595	

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**

<b>Revenue</b>	<b>decreased</b>	<b>(\$5,000)</b>	<b>-4.9%</b>
<b>Expenses</b>	<b>increased</b>	<b>\$26,162</b>	<b>16.6%</b>

**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 \$48,000 grant from LAWCON for the Rotary Park playground.

**Expenses:** Costs are dependent upon the amount of grant dollars received. Funds should be expended within 6 to 18 months of receipt.

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

- Budget as recommended       Budget with changes

**Changes:**

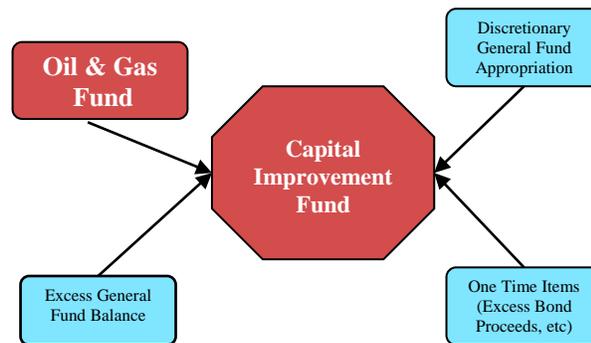
<b>275 Grant Management</b>								
	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Year to Year</b>		<b>Percent</b>	
<b>000 Revenue</b>	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Council</b>	<b>Budget</b>	<b>Difference</b>	<b>Change</b>
					<b>Adopted</b>			
501.000 Federal Grant Revenue	\$50,790	\$0	\$0	\$48,000	\$48,000	\$48,000		
539.000 State Grant Revenue	223,000	0	-4,800	0	0	0	0	
570.000 Local Grant Revenue	0	48,000	0	0	0	-48,000	-100.0%	
570.xxx LSRB Grants	44,030	50,000	50,000	50,000	50,000	0	0.0%	
664.000 Interest Income	0	0	0	0	0	0	0	
674.000 Contributions\Donations	0	5,000	5,000	0	0	-5,000	-100.0%	
699.000 Transfers In	0	0	40,500	0	0	0	0	
<b>Total Revenues</b>	<b>\$317,820</b>	<b>\$103,000</b>	<b>\$90,700</b>	<b>\$98,000</b>	<b>\$98,000</b>	<b>-\$5,000</b>	<b>-4.9%</b>	
<b>275-901 LRSB Grants</b>								
799.000 LRSB Expenditures	57,817	59,419	32,581	75,000	75,000	15,581	26.2%	
<b>Total LRSB</b>	<b>\$57,817</b>	<b>\$59,419</b>	<b>\$32,581</b>	<b>\$75,000</b>	<b>\$75,000</b>	<b>15,581</b>	<b>26.2%</b>	
<b>275-902 Other Grants</b>								
970.001 FEMA SCBA	\$51,019	\$0	\$0	\$0	\$0	\$0	0	
970.002 Rotary Park	\$0	\$98,000	\$5,000	\$93,000	\$93,000	-5,000	-5.1%	
970.003 Blue Fish Kitchen - CDBG Grant	0	0	0	0	0	0	0	
979.005 First Str Beach House-FY 11/12	168,933	0	0	0	0	0	0	
979.011 Fish Cleaning Station-FY 11/12	69,812	0	101	0	0	0	0	
<b>Total Other</b>	<b>\$289,764</b>	<b>\$98,000</b>	<b>\$5,101</b>	<b>\$93,000</b>	<b>\$93,000</b>	<b>-\$5,000</b>	<b>-5.1%</b>	
<b>Total Expenditures</b>	<b>\$347,580</b>	<b>\$157,419</b>	<b>\$37,682</b>	<b>\$168,000</b>	<b>\$168,000</b>	<b>\$26,162</b>	<b>16.6%</b>	
<b>TOTAL GRANT MANAGEMENT</b>	<b>-\$29,760</b>	<b>-\$54,419</b>	<b>\$53,018</b>	<b>-\$70,000</b>	<b>-\$70,000</b>			
<b>Beginning Cash Balance</b>			<b>\$53,594</b>		<b>\$70,000</b>			
<b>Ending Cash Balance</b>	<b>\$53,594</b>		<b>\$70,000</b>		<b>\$0</b>			

Capital Project Funds

Capital Improvement Fund

The Capital Improvement fund was established in 2005 as a method to provide a funding source to help pay for capital improvements in the City. All major capital expenditures not required to be recorded in another fund are recorded and budgeted for in this fund. This will primarily be for projects that could be considered general fund items; however, it could also include things such as streets and other infrastructure needs, such as other City-owned buildings, Municipal Marina or Boat Launch. Current year 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 Capital Improvement fund has provided almost \$3,000,000 in funding since its inception.

The primary source of income to this fund is an annual transfer from the Oil & Gas fund based on a Council-adopted sustainable spending rule. This provides a relatively stable, long-term source of funding for capital projects. However, this source of funds is not inexhaustible.



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

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. About 78% of annual revenue 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.

**Capital Improvement Assumptions & Notes**

<b>Revenue</b>	<b>increased</b>	<b>\$99,137</b>	<b>27.6%</b>
<b>Expenses</b>	<b>increased</b>	<b>\$165,643</b>	<b>47.9%</b>

**Revenue:** Revenue is based upon the 4.0% Oil & Gas spending rule formula. The increase is due to an increase in the spending rule calculation base, and an additional allocation of \$83,000.

**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. The increase is due to allocating more funding for streets. Please see the Capital Improvement Plan for details of the projects anticipated in the budget:

<b>Project</b>	<b>Cost</b>	<b>Notes</b>
Ramsdell Roof Note	\$ 69,880	last payment FY 2016-2017
First Street Bond	\$ 72,640	last payment FY 2031-2032
Municipal Marina Note	\$ 40,000	last payment 2025-2026 (if needed on an annual basis)
Ramsdell Theatre HVAC Note	\$ 108,950	last payment FY 2026-2027
<b>Total Committed Expense</b>	<b>\$ 291,470</b>	
Local Streets (80% uncommitted transfer)	\$ 67,000	
Local Streets (one time transfer)	\$ 30,000	
Additional City Street funding	\$ 83,000	
Wayfinding Signs	\$ 7,500	
Simunitions	\$ 7,500	
Heart Monitor (grant request in)	\$ 25,000	
<b>Total New Expense</b>	<b>\$ 220,000</b>	

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

- Budget as recommended                       Budget with changes

**Changes:** Council allocated \$83,000 more for street repairs.

<b>430 Capital Improvement Fund</b>	<b>2014</b>	<b>2015</b>	<b>2015</b>	<b>Manager</b>	<b>Council</b>	<b>Year to Year</b>	<b>Percent</b>
	<b>Actual</b>	<b>Budget</b>	<b>Projected</b>	<b>Budget</b>	<b>Adopted</b>	<b>Budget</b>	<b>Change</b>
						<b>Difference</b>	
570.000 Local Grants	\$23,000	\$0	\$0	\$0	\$0		
664.000 Interest Income	86	200	200	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	342,308	358,543	358,543	374,680	457,680	99,137	27.6%
<b>Total Revenues</b>	<b>\$365,394</b>	<b>\$358,743</b>	<b>\$358,743</b>	<b>\$374,880</b>	<b>\$457,880</b>	<b>\$99,137</b>	<b>27.6%</b>
801.000 Professional Services	\$0	\$0	\$0	\$0	\$0	\$0	
970.000 Capital Outlay	62,555	55,000	46,000	40,000	40,000	-15,000	-27.3%
999.000 Transfer Out	25,000	0	16,500	97,000	180,000	180,000	
<b>Total Expenses</b>	<b>\$87,555</b>	<b>\$55,000</b>	<b>\$62,500</b>	<b>\$137,000</b>	<b>\$220,000</b>	<b>\$165,000</b>	<b>300.0%</b>
979.003 Ramsdell Roof Note	69,880	\$69,880	\$69,880	69,880	69,880	\$0	0.0%
979.004 Ramsdell HVAC Note	108,950	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	71,975	71,997	71,997	72,640	72,640	643	0.9%
<b>Total Debt Support</b>	<b>\$290,805</b>	<b>\$290,827</b>	<b>\$290,827</b>	<b>\$291,470</b>	<b>\$291,470</b>	<b>\$643</b>	<b>0.2%</b>
<b>Total Expenditures</b>	<b>\$378,360</b>	<b>\$345,827</b>	<b>\$353,327</b>	<b>\$428,470</b>	<b>\$511,470</b>	<b>\$165,643</b>	<b>47.9%</b>
<b>TOTAL CAPITAL IMPROVEMENT</b>	<b>-\$12,966</b>	<b>\$12,916</b>	<b>\$5,416</b>	<b>-\$53,590</b>	<b>-\$53,590</b>		
Beginning Cash Balance			\$68,504		\$75,820		
Ending Cash Balance	\$68,504		\$75,820		\$22,230		



## 2015-2016 Budget

### Capital Improvement Fund

Estimated Cash Flows	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
<b>Revenues</b>	<b>\$ 457,880</b>	<b>\$ 350,000</b>						
<b>Expenses</b>								
<b>Committed</b>								
Ramsdell Roof Note	\$ 69,880	\$ 69,880	\$ 69,880	\$ 69,880	\$ 34,940			
First Street Bond	\$ 72,640	\$ 72,256	\$ 72,680	\$ 72,111	\$ 72,130	\$ 72,029	\$ 72,689	\$ 72,418
Municipal Marina Note	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000
Ramsdell Theatre HVAC Note	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950
<b>Total Committed Expense</b>	<b>\$ 291,470</b>	<b>\$ 291,086</b>	<b>\$ 291,510</b>	<b>\$ 290,941</b>	<b>\$ 256,020</b>	<b>\$ 220,979</b>	<b>\$ 221,639</b>	<b>\$ 221,368</b>
	64%	83%	83%	83%	73%	63%	63%	63%
<b>Uncommitted</b>	<b>\$ 166,410</b>	<b>\$ 58,914</b>	<b>\$ 58,490</b>	<b>\$ 59,059</b>	<b>\$ 93,980</b>	<b>\$ 129,021</b>	<b>\$ 128,361</b>	<b>\$ 128,632</b>
<b>Annual</b>								
Local Streets (80% uncommitted transfer)	\$ 67,000							
Local Streets (one time transfer)	\$ 30,000							
Additional City Street funding	\$ 83,000							
Wayfinding Signs	\$ 7,500							
Simunitions	\$ 7,500							
Heart Monitor (grant request in)	\$ 25,000							
<b>Total New Expense</b>	<b>\$ 220,000</b>							
<b>Estimated Future Annual Available Funds</b>		<b>\$ 40,000</b>	<b>\$ 50,000</b>	<b>\$ 60,000</b>	<b>\$ 100,000</b>	<b>\$ 120,000</b>	<b>\$ 130,000</b>	<b>\$ 130,000</b>
<b>Total Expenses</b>	<b>\$ 511,470</b>	<b>\$ 331,086</b>	<b>\$ 341,510</b>	<b>\$ 350,941</b>	<b>\$ 356,020</b>	<b>\$ 340,979</b>	<b>\$ 351,639</b>	<b>\$ 351,368</b>
<b>Net Result</b>	<b>\$ (53,590)</b>	<b>\$ 18,914</b>	<b>\$ 8,490</b>	<b>\$ (941)</b>	<b>\$ (6,020)</b>	<b>\$ 9,021</b>	<b>\$ (1,639)</b>	<b>\$ (1,368)</b>
Beginning Cash Balance	\$ 75,820	\$ 22,230	\$ 41,144	\$ 49,634	\$ 48,693	\$ 42,673	\$ 51,694	\$ 50,055
Ending Cash Balance	<b>\$ 22,230</b>	\$ 41,144	\$ 49,634	\$ 48,693	\$ 42,673	\$ 51,694	\$ 50,055	\$ 48,687



## 2015-2016 Budget

2023-2024	2024-2025	2025-2026	2026-2027	2027-2028	2028-2029	2029-2030	2030-2031	2031-2032	2032-2033	2033-2034
<b>\$ 350,000</b>										

\$ 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				
<b>\$ 221,003</b>	<b>\$ 221,347</b>	<b>\$ 221,529</b>	<b>\$ 221,546</b>	<b>\$ 221,407</b>	<b>\$ 221,124</b>	<b>\$ 127,046</b>	<b>\$ 72,764</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
63%	63%	63%	63%	63%	63%	36%	21%	0%	0%	0%
<b>\$ 128,997</b>	<b>\$ 128,653</b>	<b>\$ 128,471</b>	<b>\$ 128,454</b>	<b>\$ 128,593</b>	<b>\$ 128,876</b>	<b>\$ 222,954</b>	<b>\$ 277,236</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>	<b>\$ 350,000</b>

\$ 130,000   \$ 130,000   \$ 130,000   \$ 130,000   \$ 130,000   \$ 130,000   \$ 220,000   \$ 270,000   \$ 350,000   \$ 350,000   \$ 350,000

\$ 351,003   \$ 351,347   \$ 351,529   \$ 351,546   \$ 351,407   \$ 351,124   \$ 347,046   \$ 342,764   \$ 350,000   \$ 350,000   \$ 350,000

\$ (1,003)   \$ (1,347)   \$ (1,529)   \$ (1,546)   \$ (1,407)   \$ (1,124)   \$ 2,954   \$ 7,236   \$ -   \$ -   \$ -

\$ 48,687   \$ 47,684   \$ 46,337   \$ 44,808   \$ 43,262   \$ 41,856   \$ 40,732   \$ 43,686   \$ 50,922   \$ 50,922   \$ 50,922

\$ 47,684   \$ 46,337   \$ 44,808   \$ 43,262   \$ 41,856   \$ 40,732   \$ 43,686   \$ 50,922   \$ 50,922   \$ 50,922   \$ 50,922

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 during this fiscal year, at which point the General fund will take over the payments.

**Renaissance Park Assumptions & Notes**

<b>Revenue</b>	<b>decreased</b>	<b>(\$399)</b>	<b>-6.6%</b>
<b>Expenses</b>	<b>increased</b>	<b>\$0</b>	<b>0.0%</b>

**Revenue:** Revenue is down from last year. The budget anticipates no lot sales. The General fund will have to take over the loan payments this year.

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

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

- Budget as recommended       Budget with changes

**Changes:**

<b>490 Renaissance Park</b>	<b>2014 Actual</b>	<b>2015 Budget</b>	<b>2015 Projected</b>	<b>Manager Budget</b>	<b>Council Adopted</b>	<b>Year to Year Budget Difference</b>
569.001 State Grant	\$0	\$0	\$0	\$0	\$0	\$0
664.000 Interest Income	2	15	2	0	\$0	-\$15
671.000 Other Revenue	0	0	0	0	\$0	\$0
677.000 Sale of Asset	0	6,000	0	0	\$0	-\$6,000
699.000 Operating Transfer In	0	0	5,616	5,616	\$5,616	\$5,616
<b>Total Revenues</b>	<b>\$2</b>	<b>\$6,015</b>	<b>\$5,618</b>	<b>\$5,616</b>	<b>\$5,616</b>	<b>-\$399</b>
799.000 Miscellaneous Expense	\$0	\$0	\$0	\$0	\$0	\$0
801.000 Professional Services	0	0	0	0	\$0	\$0
992.002 Renaissance Park Loan Principa	5,616	5,616	5,616	5,616	\$5,616	\$0
<b>Total Expenditures</b>	<b>\$5,616</b>	<b>\$5,616</b>	<b>\$5,616</b>	<b>\$5,616</b>	<b>\$5,616</b>	<b>\$0</b>
<b>TOTAL RENAISSANCE PARK</b>	<b>-\$5,614</b>	<b>\$399</b>	<b>\$2</b>	<b>\$0</b>	<b>\$0</b>	
Beginning Fund Balance	\$6,713		\$1,099		\$1,101	
Projected Ending Fund Balance	\$1,099		\$1,101		\$1,101	

Budget Appropriation

**CITY OF MANISTEE**

**2015-2016 GENERAL APPROPRIATIONS ACT**

**BUDGET ADOPTION LIST**

It was moved by \_\_\_\_\_, supported by \_\_\_\_\_, that the City of Manistee Budgets for the fiscal year 2015-2016 be adopted as presented by the City Manager on April 7, 2015 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	\$	6,068,621
Total Expense	\$	6,140,620
100 - General Government	\$	470,450
100 - General Government Debt	\$	779,951
101 - Legislative	\$	42,302
172 - Manager	\$	219,541
215 - Clerk	\$	201,576
253 - Finance	\$	251,912
257 - Assessor	\$	83,238
265 - Municipal Buildings	\$	131,900
266 - Attorney	\$	80,000
285 - Engineer	\$	12,000
290 - Boards and Commissions	\$	13,230
301 - Police	\$	1,053,504
336 - Fire	\$	967,415
441 - Public Works	\$	1,159,730
748 - Community Development	\$	148,598
751 - Parks and Recreation	\$	347,755
801 - Appropriations	\$	177,518

**ENTERPRISE FUNDS**

**573 - WATER & SEWER FUND \*\***

Total Revenue	\$	4,356,279
Total Expenses	\$	2,585,081
Total Capital & Debt	\$	3,823,951
General	\$	628,611
Administration	\$	469,964
Water	\$	587,434
WWTP	\$	710,866
Sewer	\$	188,205
Debt Service	\$	1,701,951
Capital Outlay	\$	2,122,000

**594 - MUNICIPAL MARINA FUND \*\***

Total Revenue	\$	211,450
Total Expenses	\$	178,426
Total Capital & Debt	\$	62,973
Debt Service	\$	62,973
Capital Outlay	\$	-

**508 - BOAT LAUNCH FUND**

Total Revenue	\$	34,010
Total Expenses	\$	13,711
Total Capital & Debt	\$	14,536
Debt Service	\$	14,536
Capital Outlay	\$	-

**296 - RAMSDELL THEATRE FUND \*\***

Total Revenue	\$	373,148
Total Expenses	\$	212,975
Total Capital & Debt	\$	178,830
Debt Service	\$	178,830
Capital Outlay	\$	-

**SPECIAL REVENUE FUNDS**

**202 - MAJOR STREET FUND**

Revenue	\$	585,939
Expense	\$	535,869

**203 - LOCAL STREET FUND**

Revenue	\$	652,288
Expense	\$	647,169

**204 - CITY STREET FUND**

Revenue	\$	115,503
Expense	\$	115,500

**226 - REFUSE FUND \*\***

Revenue	\$	454,480
Expense	\$	492,906

**275 - GRANT MANAGEMENT \*\***

Revenue	\$	98,000
Expense	\$	168,000

**CAPITAL PROJECT FUNDS**

**430 - CAPITAL IMPROVEMENT FUND \*\***

Revenue	\$	457,880
Expense	\$	511,470

**490 - RENAISSANCE PARK FUND**

Revenue	\$	5,616
Expense	\$	5,616

**INTERNAL SERVICE FUNDS**

**661 - MOTOR POOL FUND\*\***

Revenue	\$	315,250
Expense	\$	302,912

**PERMANENT FUNDS**

**245 - OIL & GAS FUND**

Revenue	\$	605,000
Expense	\$	509,880

\*\* Utilizes cash reserves

<b>Total</b>		<b>\$16,500,424</b>
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The Manistee City Council hereby establishes a property tax levy of 17.7612 mills for General Fund operations and 1.15 mills for Refuse Fund operations for the 2015-2016 fiscal year. In City water and sewer consumption charges are established at \$2.67 and \$7.32 per 1,000 gallons respectively for bills issued after July 1, 2015. Refuse residential monthly user charges are established at \$3.85, \$7.70 and \$11.55, depending on level of service selected, for bills issued after July 1, 2015. All other fees and charges are established in the included schedule of fees and/or City ordinance.

Adopted by the Manistee City Council on May 12, 2015.

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Colleen Kenny, Mayor

ATTEST:

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Michelle Wright, City Clerk

Schedule of Fees

**BUSINESS FEES \ REGISTRATION**

BUSINESS REGISTRATION	\$75
GOING OUT OF BUSINESS	\$50
BICYCLE LICENSE	\$0
STREET PERFORMERS	\$0
TAX ABATEMENT / EXEMPTION	\$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		Actual Charges to be Billed with Labor
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	
MEETING ROOM RENTAL		
First Hour	\$50	
each addl hour	\$25	
MEMORIAL BENCHES		
(whole)	\$850	
(picnic table)	\$450	
WEDDINGS	\$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	\$10		
Resident Seasonal	\$40		
Non-Resident Seasonal	\$40		
MARINA MEETING ROOM		Resident Non-Resident	
One Half Day	\$80	\$100	
Full Day	\$120	\$150	
Security Deposit	\$100	\$100	

**PARKING VIOLATIONS (Ord. Ch. 430)**

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

**DOCUMENTS & COPIES**

ZONING ORDINANCE	\$125
MASTER PLAN	\$75
CHARTER	\$20
CODE OF ORDINANCES	\$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	\$3.85	
	3-6 Bags / week	\$7.70	
	Tidy Tote / week	\$11.55	
Commercial	1-2 Bags / week	\$3.85	
	3-6 Bags / week	\$7.70	
	3-6 Bags 2x / week	\$15.40	
	Tidy Tote / week	\$11.55	
	Tidy Tote 2x / week	\$23.10	
Curbside Recycling		\$5.50	
Extra Bags		\$2.75	
Freon Tag		\$45.00	
Bulky Item		\$15.00	
Yard Waste bags	Cost recovery		Currently \$4.00

**WATER / SEWER RATES (monthly)**

Metered Water (per 1,000)	\$2.73	Inside City
Metered Sewer (per 1,000)	\$7.50	Inside City
Water Ready-To-Serve 5/8" & 3/4"	\$3.87	Higher fees for larger meters per RTS schedule
Sewer Ready-To-Serve 5/8" & 3/4"	\$11.14	Higher fees for larger meters per RTS schedule
4" Fire Suppression	\$20	per month
6" Fire Suppression	\$25	per month
8" Fire Suppression	\$30	per month
Unmetered Water	\$25	per month
Unmetered Sewer	\$50	per month
Escrow Deposit	\$200	
Turn On / Off Service	\$75	
After Hours Service Call	\$100	
Install Meter	\$50	
Install 1" Service (Long)	\$1,850	
Install 1" Service (Short)	\$1,750	
New\Sprinkling Meter	Cost	Cost recovery
New Water Connection 5/8" & 3/4"	\$200	Higher fees for larger meters per SDC schedule
New Sewer Connection 5/8" & 3/4"	\$3,700	Higher fees for larger meters per SDC schedule
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*

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

**RAMSDELL THEATRE**

Ramsdell Theatre rates and charges are set by the Ramsdell Governing Authority and are subject to change. This schedule is not all-inclusive.

	Rent	Security Deposit	
Weddings & Receptions			
Theatre Ceremony/Ballroom Reception	\$2,000	\$500	
Hardy Hall Ceremony/Ballroom Reception	\$1,800	\$350	
Ballroom	\$1,500	\$325	
Theatre	\$500	\$125	
Hardy Hall			
Theatre Rental			
First Performance	\$500	\$250	+ \$1 per ticket endowment fee
Subsequent Performance	\$300		+ \$1 per ticket endowment fee
Rehearsal	\$125		
Meeting/Lecture	\$300		
Labor			
Ticket Office (per event)	\$50		
Sound Tech (per hour rate)	\$15		
Light Tech (per hour rate)	\$15		
Stagehands (per hour rate)	\$10		
Special Events			
Ballroom (6 hr min)	\$100	per hour	
Hardy Hall (4 hr min)	\$50	per hour	
Classroom (2 hr min)	\$25	per hour	

**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
STREETVALLEY 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)	\$20	
First Inspection	\$50	
Compliance Certificate (every 3 yrs)	\$50	
Additional Units in Building (ea)	\$50	
SITE PLAN REVIEW		Additional Charges May Apply
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	<a href="mailto:ckenny@manisteemi.gov">ckenny@manisteemi.gov</a>
Ed Cote	Councilmember	Second District	<a href="mailto:ecote@manisteemi.gov">ecote@manisteemi.gov</a>
Roger Zielinski	Councilmember	Third District	<a href="mailto:rzielinski@manisteemi.gov">rzielinski@manisteemi.gov</a>
Chip Goodspeed	Councilmember	Fourth District	<a href="mailto:cgoodspeed@manisteemi.gov">cgoodspeed@manisteemi.gov</a>
James Smith	Mayor Pro-Tem	Fifth District	<a href="mailto:jsmith@manisteemi.gov">jsmith@manisteemi.gov</a>
Mark Wittlieff	Councilmember	Sixth District	<a href="mailto:mwittlieff@manisteemi.gov">mwittlieff@manisteemi.gov</a>
Eric Gustad	Councilmember	Seventh District	<a href="mailto:egustad@manisteemi.gov">egustad@manisteemi.gov</a>

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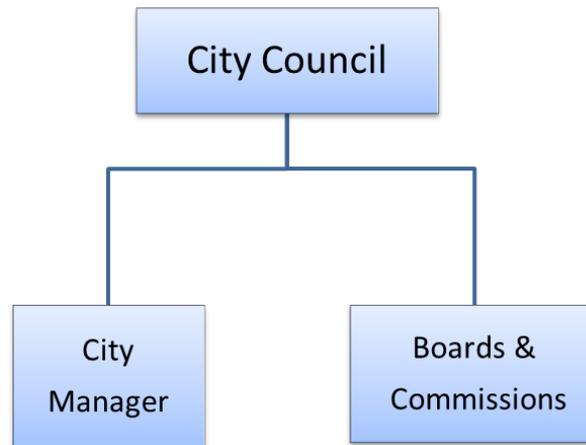
R. Ben Bifoss	Interim City Manager	<a href="mailto:bbifoss@manisteemi.gov">bbifoss@manisteemi.gov</a>
Dave Bachman	Public Safety Director	<a href="mailto:dbachman@manisteemi.gov">dbachman@manisteemi.gov</a>
Ed Bradford	Chief Financial Officer	<a href="mailto:ebradford@manisteemi.gov">ebradford@manisteemi.gov</a>
Jeff Mikula	Public Works Director	<a href="mailto:jmikula@manisteemi.gov">jmikula@manisteemi.gov</a>
Michelle Wright	City Clerk\Deputy Treasurer	<a href="mailto:mwright@manisteemi.gov">mwright@manisteemi.gov</a>

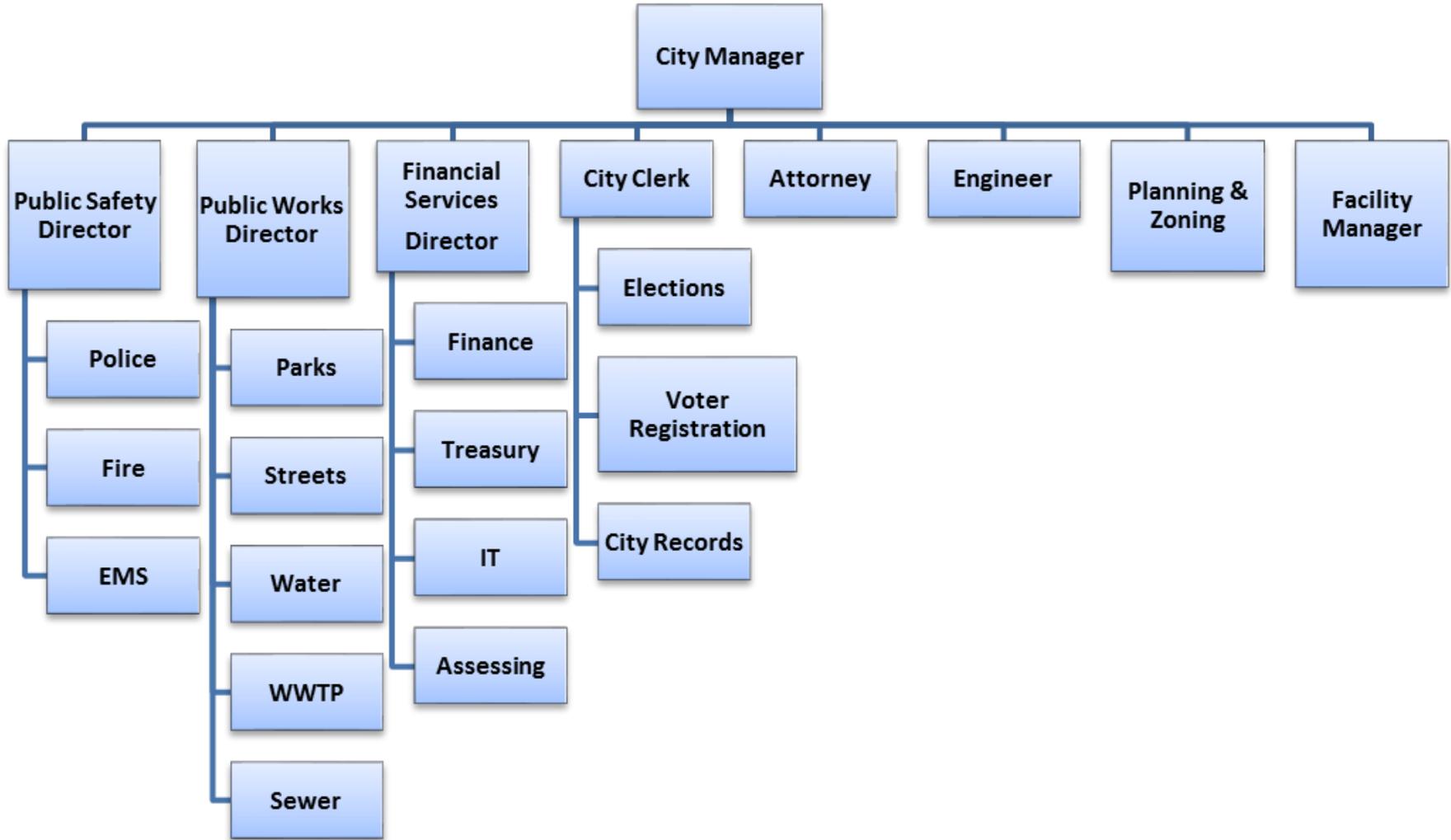
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Appendix

City Organization Chart

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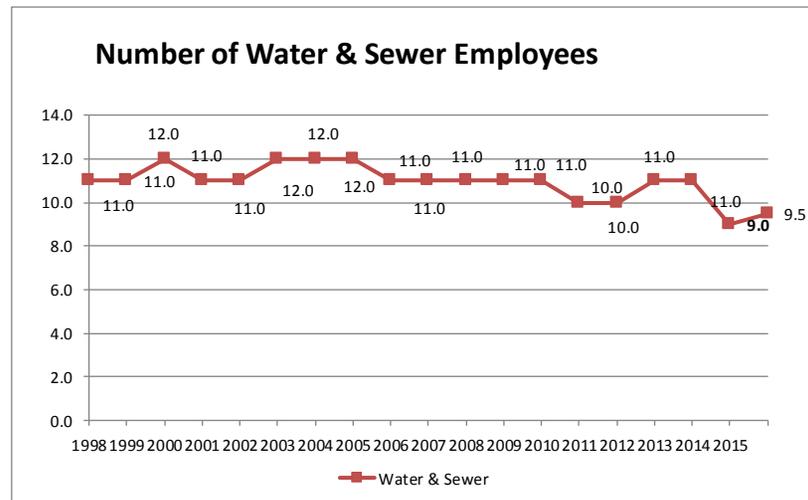
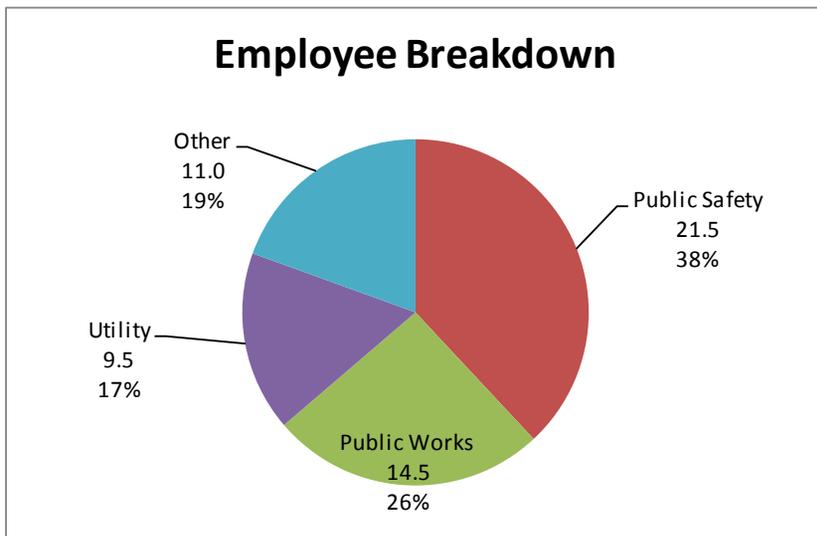
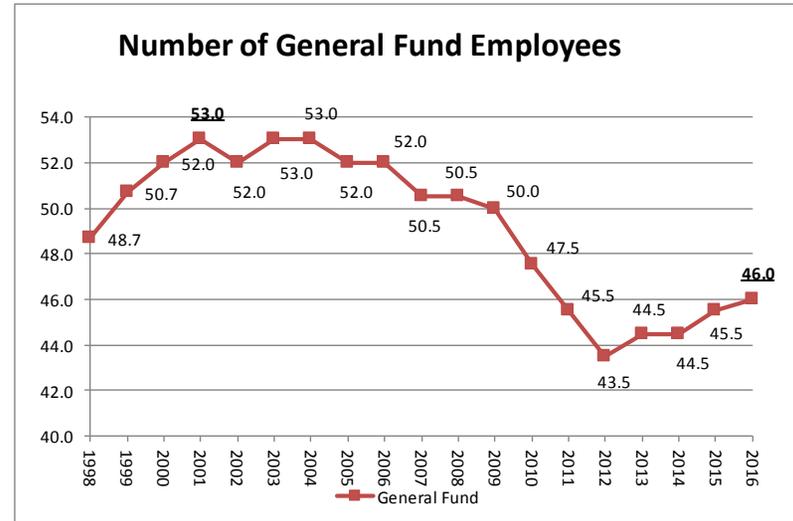
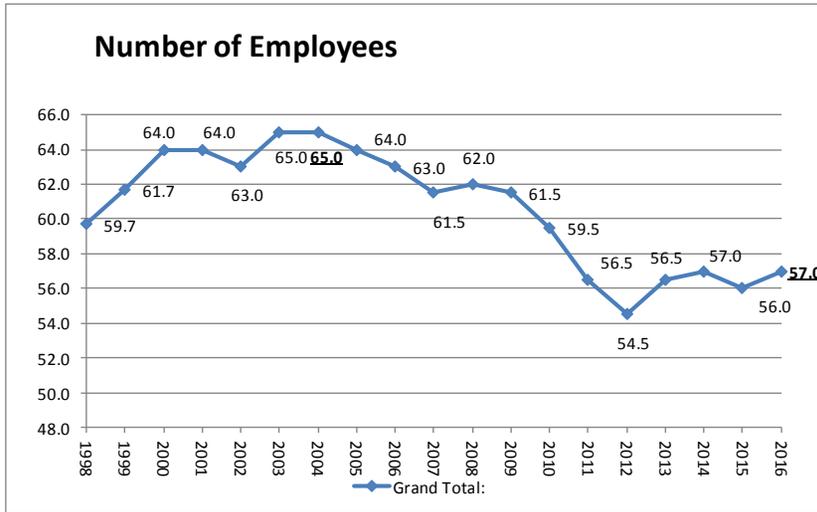




Appendix

Number of Employees

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



Appendix

Breakdown of Employees

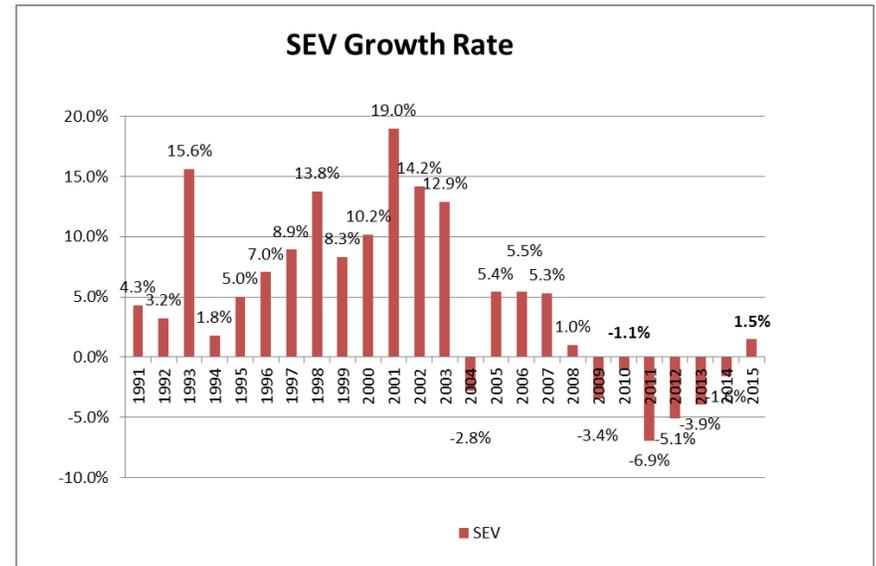
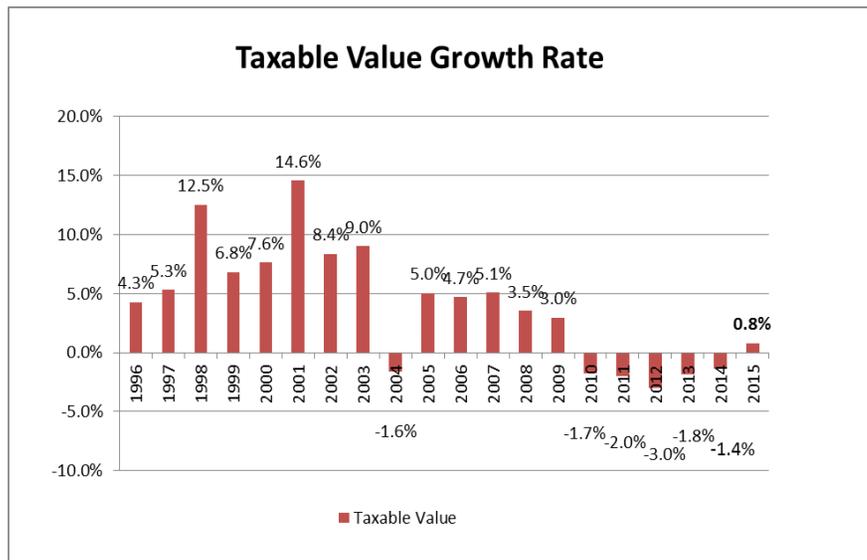
NUMBER OF EMPLOYEES (Full-Time & Permanent Part-Time Only, Excludes Seasonal)

	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	Actual 2014	Actual 2015	Budget 2016
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	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	4.0	5.0
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	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	3.0	2.0
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	0.0	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	13.0	13.0
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	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	12.0	12.5
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	2.0	2.0
<b>General Fund</b>	<b>48.7</b>	<b>50.7</b>	<b>52.0</b>	<b>53.0</b>	<b>52.0</b>	<b>53.0</b>	<b>53.0</b>	<b>52.0</b>	<b>52.0</b>	<b>50.5</b>	<b>50.5</b>	<b>50.0</b>	<b>47.5</b>	<b>45.5</b>	<b>43.5</b>	<b>44.5</b>	<b>44.5</b>	<b>45.5</b>	<b>46.0</b>
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.5
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	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	4.0	4.0
Sewer	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
<b>Water &amp; Sewer</b>	<b>11.0</b>	<b>11.0</b>	<b>12.0</b>	<b>11.0</b>	<b>11.0</b>	<b>12.0</b>	<b>12.0</b>	<b>12.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>11.0</b>	<b>10.0</b>	<b>10.0</b>	<b>11.0</b>	<b>11.0</b>	<b>9.0</b>	<b>9.5</b>
Ramsdell Theatre											0.5	0.5	1.0	1.0	1.0	1.0	1.5	1.5	1.5
<b>Ramsdell Theatre</b>	<b>0.0</b>	<b>0.5</b>	<b>0.5</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>									
<b>Grand Total:</b>	<b>59.7</b>	<b>61.7</b>	<b>64.0</b>	<b>64.0</b>	<b>63.0</b>	<b>65.0</b>	<b>65.0</b>	<b>64.0</b>	<b>63.0</b>	<b>61.5</b>	<b>62.0</b>	<b>61.5</b>	<b>59.5</b>	<b>56.5</b>	<b>54.5</b>	<b>56.5</b>	<b>57.0</b>	<b>56.0</b>	<b>57.0</b>
General	48.7	50.7	52.0	53.0	52.0	53.0	53.0	52.0	52.0	50.5	51.0	50.5	48.5	46.5	44.5	45.5	46.0	47.0	47.5
Water & Sewer	11.0	11.0	12.0	11.0	11.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0	11.0	9.0	9.5

Appendix

SEV & Taxable Value Charts

From 2008 to 2014, the City’s SEV declined by \$52,163,000 or 21%. From 2009 to 2014 the City’s taxable value declined by 9.6% or \$20,388,035. For 2015, there were small increases in each; however, several tax appeals are still pending.



Appendix

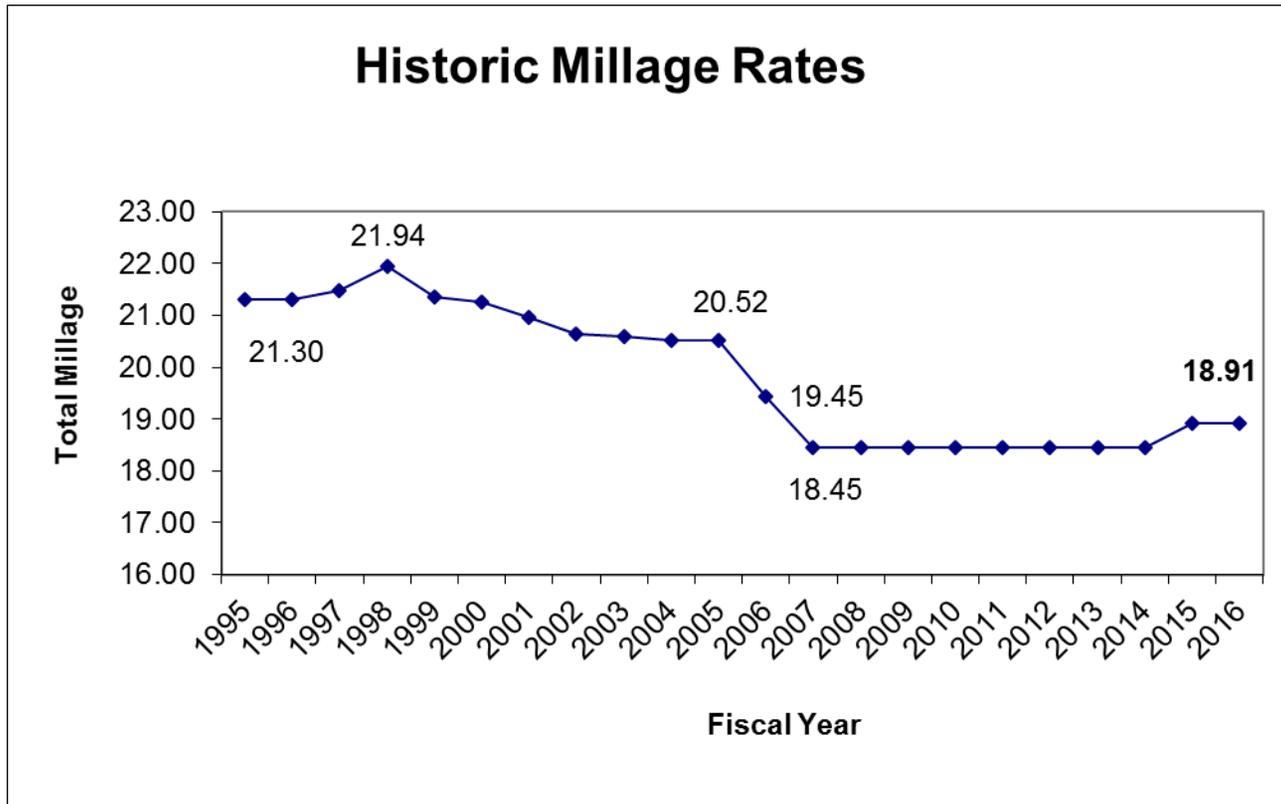
SEV & Taxable Values

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	\$ 208,595,400	-3.9%	\$ 194,796,427	-1.8%
2014	\$ 205,231,000	-1.6%	\$ 192,050,904	-1.4%
2015	\$ 208,229,000	1.5%	\$ 193,602,172	0.8%
2008	\$ (52,163,000)		2009	\$ (20,388,035)
to			to	
2014	<b>-21.0%</b>		2014	<b>-9.6%</b>

Appendix

Millage Rates

Historic City millage rates are presented below.



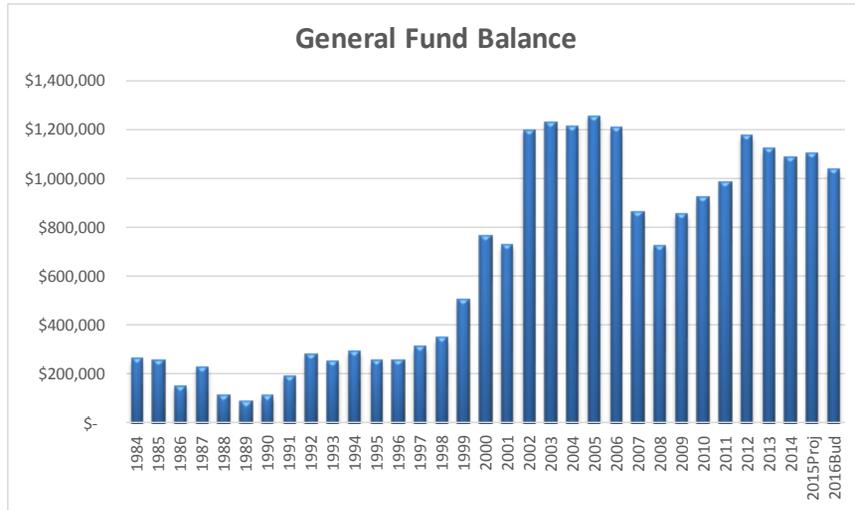
Appendix

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	2015	2016
<b>General</b>	18.52	18.52	18.52	18.52	18.52	18.50	18.50	18.19	18.13	18.07	18.07	17.95	16.95	16.95	16.95	16.95	17.30	17.30	17.30	17.30	17.76	17.76
<b>Refuse</b>	2.78	2.78	2.95	2.78	2.25	2.25	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.15	1.15	1.15	1.15	1.15	1.15
<b>Voted Fire</b>	0.00	0.00	0.00	0.64	0.60	0.50	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>21.30</b>	<b>21.30</b>	<b>21.47</b>	<b>21.94</b>	<b>21.37</b>	<b>21.25</b>	<b>20.95</b>	<b>20.64</b>	<b>20.58</b>	<b>20.52</b>	<b>20.52</b>	<b>19.45</b>	<b>18.45</b>	<b>18.91</b>	<b>18.91</b>							
<b>Reduction Amount</b>	0.00	0.17	0.47	(0.57)	(0.12)	(0.30)	(0.31)	(0.06)	(0.06)	(0.00)	(1.08)	(1.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.00
<b>Cumulative Reduction</b>	0.00	0.17	0.64	(0.57)	(0.69)	(0.99)	(1.30)	(1.35)	(1.41)	(1.42)	(2.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.49)	(3.03)	(3.03)
<b>Percent Change</b>			0.0%	-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%	2.5%	0.0%
<b>Cumulative Change</b>			0.0%	-2.6%	-3.1%	-4.5%	-5.9%	-6.2%	-6.4%	-6.5%	-11.4%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-15.9%	-13.8%	-13.8%

Appendix

General Fund Balance



Year	Fund Balance	Change	Percent Change
1984	\$ 261,983		
1985	\$ 253,905	\$ (8,078)	-3.1%
1986	\$ 147,590	\$ (106,315)	-41.9%
1987	\$ 227,944	\$ 80,354	54.4%
1988	\$ 113,117	\$ (114,827)	-50.4%
1989	\$ 84,508	\$ (28,609)	-25.3%
1990	\$ 108,814	\$ 24,306	28.8%
1991	\$ 189,768	\$ 80,954	74.4%
1992	\$ 281,768	\$ 92,000	48.5%
1993	\$ 252,763	\$ (29,005)	-10.3%
1994	\$ 289,859	\$ 37,096	14.7%
1995	\$ 253,721	\$ (36,138)	-12.5%
1996	\$ 258,724	\$ 5,003	2.0%
1997	\$ 309,869	\$ 51,145	19.8%
1998	\$ 345,869	\$ 36,000	11.6%
1999	\$ 502,871	\$ 157,002	45.4%
2000	\$ 766,962	\$ 264,091	52.5%
2001	\$ 728,008	\$ (38,954)	-5.1%
2002	\$ 1,197,158	\$ 469,150	64.4%
2003	\$ 1,233,804	\$ 36,646	3.1%
2004	\$ 1,214,416	\$ (19,388)	-1.6%
2005	\$ 1,256,500	\$ 42,084	3.5%
2006	\$ 1,206,658	\$ (49,842)	-4.0%
2007	\$ 860,121	\$ (346,537)	-28.7%
2008	\$ 724,428	\$ (135,693)	-15.8%
2009	\$ 853,777	\$ 129,349	17.9%
2010	\$ 919,939	\$ 66,162	7.7%
2011	\$ 981,234	\$ 61,295	6.7%
2012	\$ 1,175,303	\$ 194,069	19.8%
2013	\$ 1,121,904	\$ (53,399)	-4.5%
2014	\$ 1,087,038	\$ (34,866)	-3.1%
2015Proj	\$ 1,107,000	\$ 19,962	1.8%
2016Bud	\$ 1,035,000	\$ (72,000)	-6.5%



## 2015-2016 Budget

### Appendix

### Water & Sewer Rates

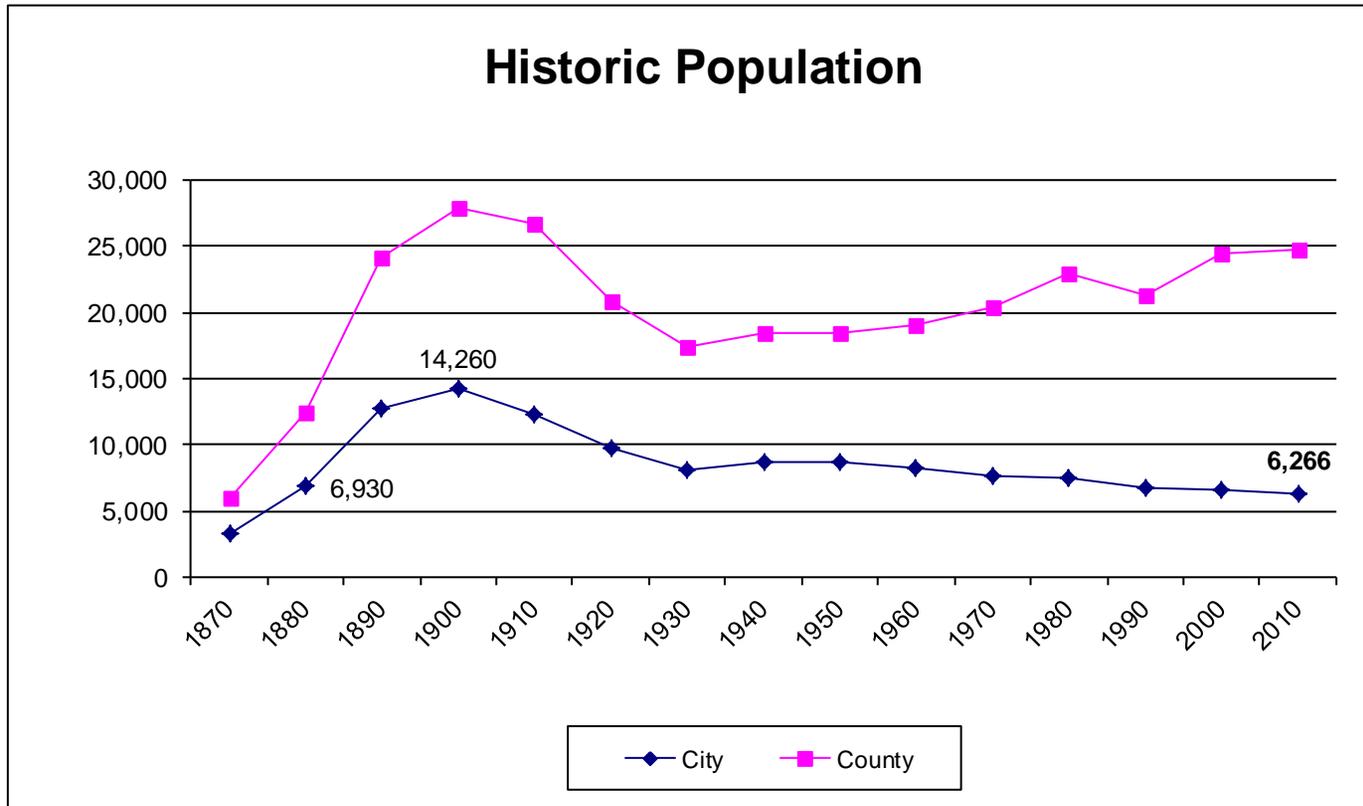
The chart below shows historical water & sewer rates. A professional rate study was commissioned in 2014 which resulted in a change in

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	New Rate Structure Budget	
															2015	2016
<b>Water per 1000G</b>	\$1.63	\$1.79	\$1.86	\$1.90	\$1.95	\$2.04	\$2.16	\$2.25	\$2.48	\$2.60	\$2.72	\$2.84	\$3.03	\$3.37	\$2.52	\$2.67
<b>Sewer per 1000G</b>	\$3.53	\$3.57	\$3.71	\$3.80	\$3.90	\$4.08	\$4.32	\$4.50	\$4.97	\$5.20	\$5.44	\$5.68	\$6.06	\$6.74	\$6.91	\$7.32
<b>Bond Debt 5/8"</b>	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60	\$6.60		
<b>Water RTS</b>															\$3.57	\$3.78
<b>Sewer RTS</b>															\$10.27	\$10.89
<b>Typical Bill</b> (6,000 G per Month)	\$37.56	\$38.76	\$40.02	\$40.80	\$41.70	\$43.32	\$45.48	\$47.10	\$51.30	\$53.40	\$55.56	\$57.72	\$61.20	\$67.26	\$ 70.42	\$74.65
<b>Dollar Increase</b>		\$1.20	\$1.26	\$0.78	\$0.90	\$1.62	\$2.16	\$1.62	\$4.20	\$2.10	\$2.16	\$2.16	\$3.48	\$6.06	\$3.16	\$4.23
<b>Percent Increase</b>		3.2%	3.3%	1.9%	2.2%	3.9%	5.0%	3.6%	9.0%	4.4%	4.0%	4.0%	6.0%	10.0%	4.7%	6.0%

Appendix

Population

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

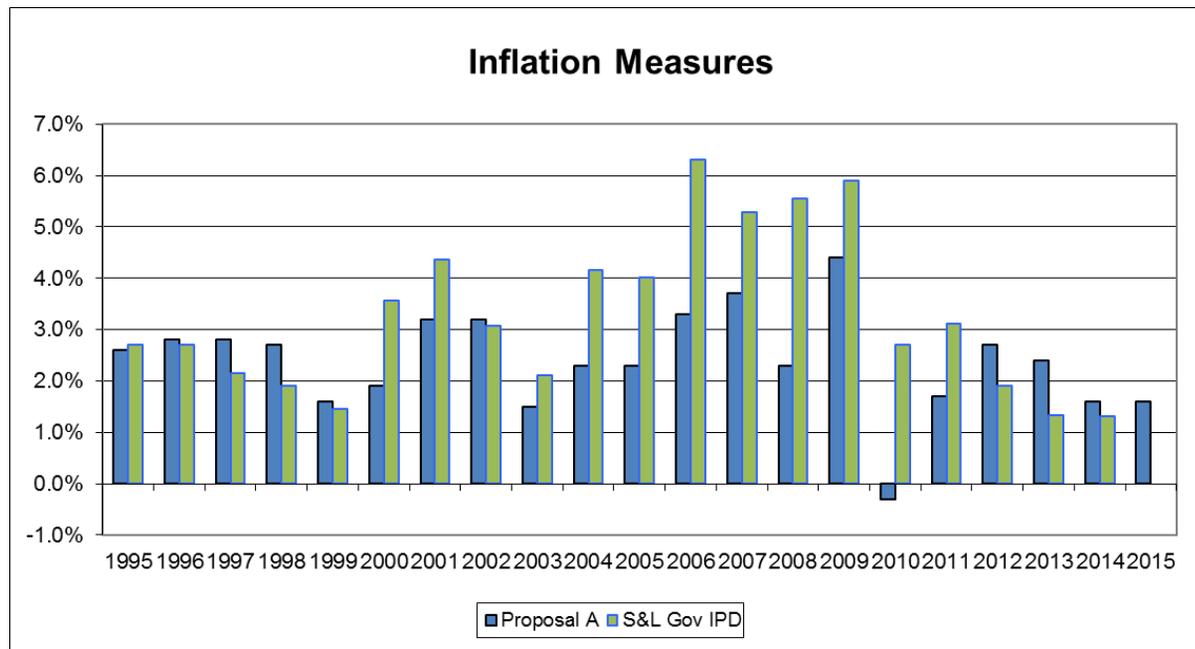


Appendix

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. 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	2013	2014	2015
Proposal 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%	2.4%	1.6%	1.6%
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%	2.7%	3.1%	1.9%	1.3%	1.3%	



Appendix

Grants Received

**City of Manistee Grants**

Year	Name	Project	Amount
2002	MSHDA Rental Rehab	Rehab Apts.	\$ 350,000
2002	MCACA	Ramsdell Theatre	\$ 52,000
2003	Michigan Rural Health	Rescue 5	\$ 40,000
2003	MDEQ Abandoned Well Mgt.	Plug old wells	\$ 35,000
2003	MCACA	Ramsdell Theatre	\$ 49,000
2003	Waterways Commision	1 <sup>st</sup> St Launch	\$ 37,000
2004	MSHDA Neighborhood	Infrastructure	\$ 829,000
2004	MSHDA New Homes	Grove St. Homes	\$ 430,000
2004	EPA Brownfield Pilot	Assessment	\$ 200,000
2004	MCACA	Ramsdell Theatre	\$ 47,500
2005	MDOT	Memorial Dr. Paving	\$ 30,000
2005	EPA Brownfield #2	Inventory	\$ 195,000
2005	Cool Cities	Peninsula Plan	\$ 400,000
2005	Corps of Engineers	Wave Study	\$ 35,000
2005	MEDC	5th Ave Paving	\$ 250,000
2005	MSHDA CBD	Downtown Apts.	\$ 465,000
2005	MCACA	Ramsdell Theatre	\$ 22,200
2006	MEDC	Wash St. Paving	\$ 292,000
2006	State of Michigan	Voting Machines	\$ 37,000
2006	State of Michigan	Voting Access	\$ 13,000
2006	Waterways Commission	Marina Docks	\$ 34,500
2006	MCACA	Ramsdell Theatre	\$ 18,200
2007	MDOT Category F	Old US 31 Truck Route	\$ 232,000
2007	MDOT Small Urban	Old US 31 Truck Route	\$ 350,000
2007	Federal Appropriation	Maple Street Bridge	\$ 341,500
2007	MCACA	Ramsdell Bathrooms	\$ 20,500
2007	Waterways Commission	Marina Gas Dock Kiosk	\$ 21,600
2008	MDOT Local Bridge Fund	Maple Street Bridge	\$ 500,000
2008	MNRTF	Man-Made Lake	\$ 2,016,000
2008	EPA Hazardous	Assessment	\$ 195,000
2008	EPA Petroleum	Assessment	\$ 195,000
2008	Waterways Commission	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	Consumers Energy	Trees	\$ 1,275
2011	Local Revenue Sharing	Variety of Items	\$ 194,331
2011	Great Lakes Fishery Trust	Fish Cleaning Station	\$ 75,000
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	\$ 172,804
2013	Land and Water Conservation Fund	Playground	\$ 48,000
2013	MDEQ	Dredge	\$ 58,500
2013	Local Revenue Sharing	Variety of Items	\$ 43,030
2013	FEMA	SCBA Gear	\$ 49,590
2014	Local Revenue Sharing	Variety of Items	\$ 28,220
	<b>Total</b>	<b>152</b>	<b>\$ 11,367,164</b>