



2016-2017 Budget

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Elected Officials & Administration

City Council

Colleen Kenny	Mayor	First District	ckenny@manisteemi.gov
Lynda Beaton	Councilmember	Second District	lbeaton@manisteemi.gov
Roger Zielinski	Councilmember	Third District	rzielinski@manisteemi.gov
Chip Goodspeed	Councilmember	Fourth District	cgoodspeed@manisteemi.gov
James Smith	Councilmember	Fifth District	jsmith@manisteemi.gov
Mark Wittlieff	Councilmember	Sixth District	mwittlieff@manisteemi.gov
Eric Gustad	Mayor Pro-Tem	Seventh District	egustad@manisteemi.gov

Administration

Thad Taylor	City Manager	ttaylor@manisteemi.gov
Dave Bachman	Public Safety Director	dbachman@manisteemi.gov
Ed Bradford	Chief Financial Officer	ebradford@manisteemi.gov
Jeff Mikula	Public Works Director	jmikula@manisteemi.gov
Michelle Wright	City Clerk\Deputy Treasurer	mwright@manisteemi.gov

Budget Overview

Budget Reader's Guide

Welcome to the City of Manistee's Fiscal Year 2017 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 Budget Overview section provides the reader with the big picture of the City's finances, challenges and important issues. This provides a high level overview of the City's budget and includes the City Manager's Budget Transmittal Letter, Budget Highlights and Budget Issues, as well as other summary information.

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.

The Downtown Development Authority section discusses the DDA, a component unit of the City.

Enterprise Funds is the next section of the document. These funds include the Water & Sewer Utility, Municipal Marina & Boat Launch. 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.

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 2017 budget document.

Budget Transmittal Letter

March 30, 2016

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

Ladies and Gentlemen:

The Fiscal Year 2016-2017 City of Manistee budget recommendations are presented for your consideration.

The budget for your review is balanced, realistic and continues to focus on Council priorities. You'll note that street project funding has increased by \$47,000 from what was projected last year, the subsidy for the Ramsdell Theatre has decreased by \$20,000, water and sewer rates were increased per the rate study to stabilize the utility's finances and facilitate necessary work, capital investment continues, the use of our fund balance to offset lower revenues and balance the budget was reduced, and the employee count remains stable.

Going forward it will be difficult to maintain the progress we see this year and have seen in prior years. Unfortunately this year our taxable value declined by 2.6%, the seventh decline in the past eight years. Fortunately that was overcome by an increase in the State payment for our personal property loss. The State's revenue sharing payment to the City increased by a meager 0.5%.

To offset the decline in our taxable value and essentially stagnant State revenue sharing, the budget shows an increased reliance on inter-fund transfers to balance the budget. This scenario is unsustainable, especially given that the City is levying the maximum millage allowed by City Charter and the constraints of Headlee and Proposal A.

While the path forward is challenging, it presents an opportunity for Council to engage in thoughtful discussion on the most appropriate use of the City's financial resources and explore options for increasing revenue to ensure that the services and amenities needed by our community are met.

The 2016-2017 Budget and Capital Improvement Plan will be introduced to the Council and the Community at the Tuesday, April 5, 2016 meeting. Various budget work sessions have been established: a regular work session on Tuesday, April 12; a public hearing to review these budget recommendations and receive public input on them has been scheduled for Tuesday, April 19; a work session will follow the regular meeting on Tuesday, April 19; with an optional work session on Tuesday, April 26, 2016. Budget adoption is anticipated at the regular meeting of May 3, 2016.

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 2016-2017 Budget for the City of Manistee.

Respectfully submitted,

CITY OF MANISTEE

Thad N. Taylor

Thad N. Taylor, City Manager
ttaylor@manisteemi.gov

Strategic Plan

The City annually updates the City Council Strategic Plan with assistance of the Alliance for Economic Success. 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.

Our Vision:

Manistee is a safe and positive community to live, work, and play.

Our Mission:

To continue to encourage a rich heritage of successes in industry and business while continuing to enhance our vibrant residential character.

Our Purpose:

To protect the health, safety, and welfare of citizens in order that all may prosper, enjoy, and partake in a vibrant waterfront community that many will be proud to call home.

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 and Jobs
2. Infrastructure and Facilities
3. Beaches, Parks and Recreation Areas
4. Financial Stability and 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. The 2016 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 2016 to ensure it is completed prior to the preparation of the FY 2018 budget.

Budget Appropriation

**CITY OF MANISTEE
FY 2017 GENERAL APPROPRIATIONS ACT
BUDGET ADOPTION LIST**

It was moved by Goodspeed, supported by Wittlieff, that the City of Manistee Budgets for the FY 2017 be adopted as presented by the City Manager on April 5, 2016 and modified by Council work sessions including tax levy, operating expenses, capital outlay, appropriations, schedule of fees and other matters included in the following expenditures:

GENERAL FUND

101 - GENERAL FUND

Total Revenue	\$	6,181,930
Total Expense	\$	6,221,929
100 - General Government	\$	358,816
101 - Legislative	\$	41,155
172 - Manager	\$	212,084
215 - Clerk	\$	200,090
253 - Finance	\$	271,246
257 - Assessor	\$	82,175
265 - Municipal Buildings	\$	200,555
266 - Attorney	\$	88,000
285 - Engineer	\$	12,000
290 - Boards and Commissions	\$	11,850
301 - Police	\$	1,099,418
336 - Fire	\$	1,003,962
441 - Public Works	\$	1,156,837
574 - Debt	\$	775,066
748 - Community Development	\$	94,759
751 - Parks and Recreation	\$	366,398
801 - Appropriations	\$	247,518

ENTERPRISE FUNDS

573 - WATER & SEWER FUND

Total Revenue	\$	5,179,176
Total Expenses	\$	3,237,803
Total Capital & Debt	\$	3,037,748
General	\$	577,893
Administration	\$	557,139
Water	\$	623,240
WWTP	\$	641,123
Sewer	\$	238,408
SAW Grant	\$	600,000
Debt Service	\$	1,703,248
Capital Outlay	\$	1,334,500

594 - MUNICIPAL MARINA FUND

Total Revenue	\$	221,600
Total Expenses	\$	155,224
Total Capital & Debt	\$	62,973
Debt Service	\$	62,973
Capital Outlay	\$	-

508 - BOAT LAUNCH FUND

Total Revenue	\$	37,010
Total Expenses	\$	15,161
Total Capital & Debt	\$	14,536
Debt Service	\$	14,536
Capital Outlay	\$	-

SPECIAL REVENUE FUNDS

202 - MAJOR STREET FUND

Revenue	\$	685,493
Expense	\$	945,618

203 - LOCAL STREET FUND

Revenue	\$	436,790
Expense	\$	261,368

204 - CITY STREET FUND

Revenue	\$	31,503
Expense	\$	32,000

226 - REFUSE FUND

Revenue	\$	468,372
Expense	\$	467,955

275 - GRANT MANAGEMENT

Revenue	\$	50,000
Expense	\$	59,177

CAPITAL PROJECT FUNDS

430 - CAPITAL IMPROVEMENT FUND

Revenue	\$	394,426
Expense	\$	236,256
Debt Service	\$	145,030

490 - RENAISSANCE PARK FUND

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

INTERNAL SERVICE FUNDS

661 - MOTOR POOL FUND

Revenue	\$	362,396
Expense	\$	383,676

PERMANENT FUNDS

245 - OIL & GAS FUND

Revenue	\$	400,000
Expense	\$	444,726

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 FY 2017. In City water and sewer consumption charges are established at \$2.83 and \$7.76 per 1,000 gallons respectively for bills issued after July 1, 2016. Refuse residential monthly user charges are established at \$4.20, \$8.40 and \$12.60, depending on level of service selected, for bills issued after July 1, 2016. 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 10, 2016.



Colleen Kenny, Mayor

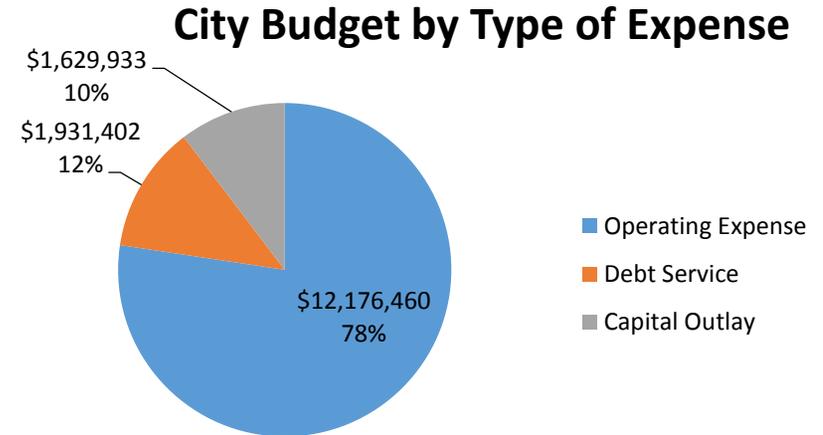
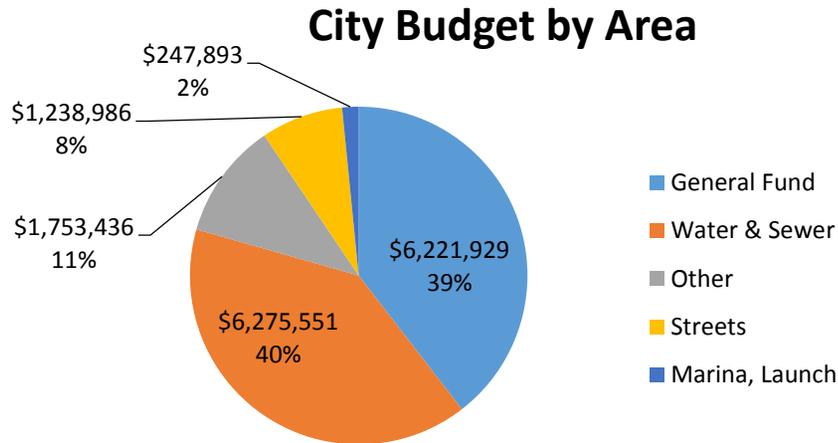
ATTEST:



Michelle Wright, City Clerk

Budget Highlights

The budget for all City funds, including capital outlay and debt service totals **\$15,737,795** . This is a decrease of **(\$762,629)** from the prior year. Spending by area is shown below.



The General Fund has a total budget of **\$6,221,929** or **40%** of total spending. This is up **\$81,308** or **1.3%** from the prior year. The modest increase is due primarily to wage and benefit cost increases. Services most people associate with local government, such as police, fire & EMS, tax collection, assessing, parks, elections and planning & zoning are funded here. The budget anticipates using \$40,000 of cash reserves to balance the budget, down from \$72,000 the prior year.

The General Fund receives its income from a variety of sources, including property taxes, state revenue sharing and charge for services. Total revenue is **\$6,181,930** . Excluding transfers and use of reserves, revenue is up **\$95,723** or **1.7%**.

Employment is expected to decline by 1.5 FTE due to contracting the operation of the Ramsdell Theatre to a non-profit.

The Water & Sewer Utility has budgeted expenditures for operations, capital outlay and debt service of **\$6,275,551** or **40%** of total spending. This includes \$1.35 million dollars in capital expenditures to address infrastructure needs, \$1.7 million dollars in debt service and \$600,000 in SAW grant

expenditures. Water and sewer rates are proposed to increase **6.0%** 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 **\$4.48** per month.

The overall Street budget including Major, Local Street and City Street funds is **\$1,238,986** or **8%** of total spending. The budget includes **\$474,000** in funding for Street projects. Work to be completed is about six (6) miles or ninety-six (96) blocks of light rehabilitation on Major Streets. Supplemental funding in the amount of **\$70,000** from the General fund and **\$80,000** from the Capital Improvement fund are included. The budget also lays out a proposed five year transportation improvement plan (TIP).

Other City funds account for **\$1,753,436** or **11%** of spending. The primary funds included here are the Capital Improvement, Grant Management, Oil & Gas, Motor Pool and Refuse funds.

The Capital Improvement fund pays for capital projects throughout the City. It has revenues of **\$394,426** and expenses of **\$381,286**. This fund has significant existing obligations, but also has some capacity to fund new capital projects. The budget calls for an **\$80,000** transfer 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. The value of the fund is about \$9.8 million dollars.

The Motor Pool fund accounts for the purchase of vehicles and equipment for use by City departments. Equipment with an estimated cost of **\$319,800** has been budgeted. 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. Rates are budgeted to increase **9.1%**. A typical 1-2 bag a week residential customer will see their monthly bill increase by **\$0.35** per month.

The Boat Launch and Marina account for **\$247,893** or **2%** of expenditures. In recent years, both enterprises have taken on debt to fund significant capital investments. The Boat Launch is generally self-sufficient. However, its revenue is dependent on the weather, fishing conditions and fuel prices, all of which are beyond the City's control. The City is installing a pay tube at the Arthur St. launch to generate additional revenue.

The Marina is being well-received by boaters, but this has not translated into the additional traffic needed to drive sales to support its debt service. The Harbor Commission is looking at ways to increase Marina revenue. The budget anticipates a revenue shortfall requiring financial support from the capital improvement fund in the amount **\$65,000**.

Budget Issues

There are a number of important issues, challenges and decisions that the City is facing in the upcoming year. These areas are listed below and discussed more fully in the respective budget section.

General Fund: General fund revenue is not growing at an adequate rate to maintain service levels and fund priorities moving forward. Projections show a widening, unsustainable deficit in future years without additional revenue sources or reductions in spending.

Assessing: A large industrial taxpayer, Morton Salt, is appealing its assessment to the Michigan Tax Tribunal and is asking for a large decrease. If successful, this could reduce total property taxes by \$82,000 per year. The City intends to vigorously defend this appeal.

DDA: The DDA TIF plan is coming up for renewal and discussion about a variety of topics, including focus areas, prioritization of capital projects and adequate reimbursement for City services, needs to occur between the DDA and City.

Water & Sewer: The water and sewer utility has a number of important issues that impacts it, including agreements with surrounding townships, renewal of its NPDES permit, completing the SAW grant and closing the last combined sewer outfall.

Municipal Marina: The marina is struggling financially. Revenue needs to increase for it to be able to service its debt.

Ramsdell Theatre: The Ramsdell Theatre is struggling financially, yet is important to the attractiveness and viability of the community. A citizen group has approached Council about running the theatre as a non-profit under contract with the City. There is a consensus that this is the best way to move forward, but Council will need to consider the matter once a proposal is put forth by the Citizen group.

Oil & Gas Fund: The owner of the oil wells and processing facility, Aztec, has shut down operations due to the low price of oil & gas which will cut off royalty payments. The fund itself is managed as an endowment. Last year, a distribution in excess of the spending rule was approved by Council despite not being endorsed by the Oil & Gas Investment Board. The proposed budget includes the normal spending rule allotment.

Refuse Fund: The City has implemented a once a month bulky item pickup. Trash haul is scheduled for Spring 2016. Residents can also haul their trash to the dump if they choose. The City needs to decide if it wants to continue with the biennial spring Trash Haul in future years.

Streets: The budget includes **\$474,000** in street projects. This is below the minimum target of \$600,000, but is trending in the right direction. The five year TIP lays out projects for the next several years. The recent state funding increase will help with our road maintenance.

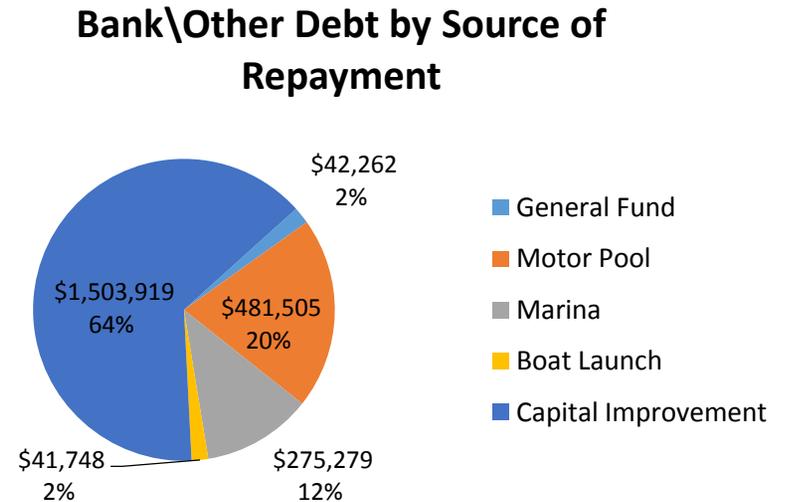
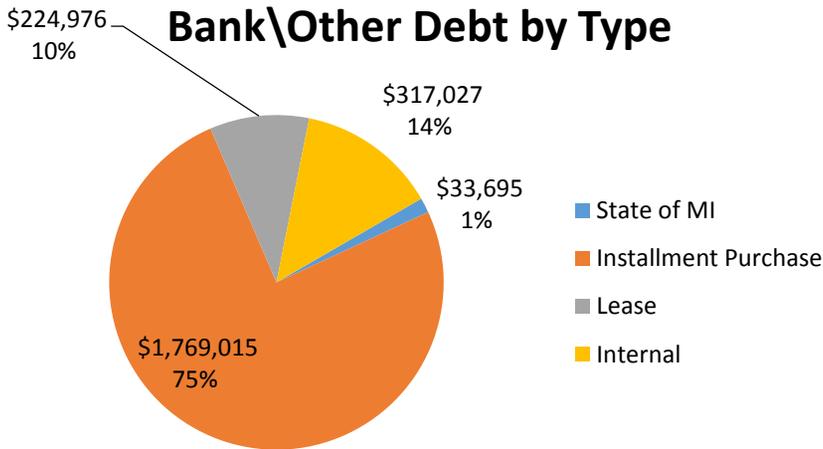
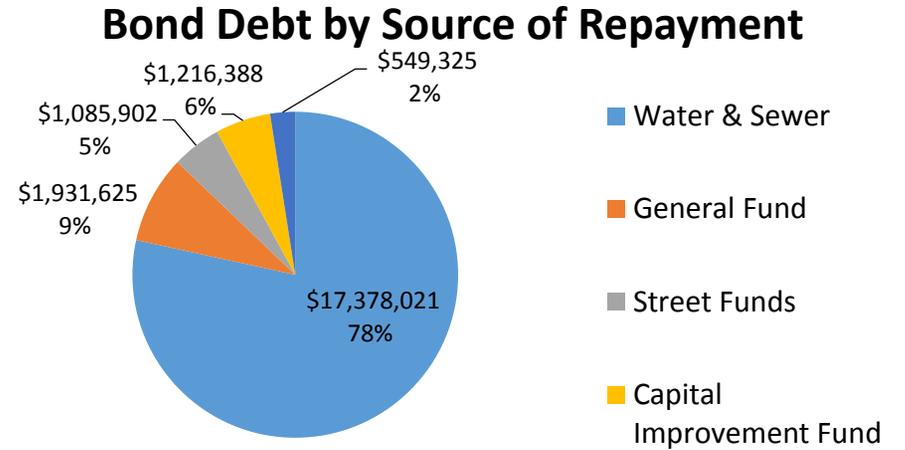
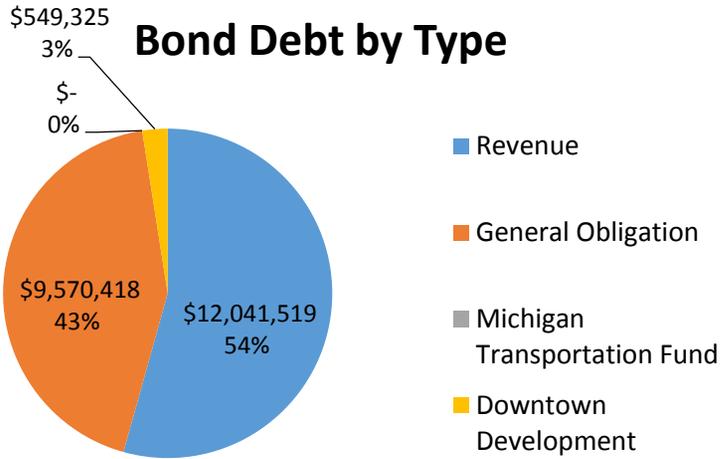
Budget Change Summary

During the budget process, changes are often made to the Manager's proposed budget. These changes will be summarized here, and reflected in the budget numbers, narratives and annual appropriation act.

The primary changes were as follows:

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 DWRP 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.

Outstanding Bond Debt

As of 7/01/2016

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	FY 2017 Principal Payments	FY 2017 Interest Payments	FY 2017 Total Payments
1	1997 B SRF	CSO	Revenue	94	Water & Sewer	2017	1	\$ 525,000	\$ 35,000	\$ 788	\$ 35,788	\$ 35,000	\$ 788	\$ 35,788
2	1998 B SRF	CSO	GO LT	451	Water & Sewer	2019	3	\$ 2,715,000	\$ 480,000	\$ 16,425	\$ 496,425	\$ 155,000	\$ 9,056	\$ 164,056
3	1999 B SRF	CSO	GO LT	451	Water & Sewer	2021	5	\$ 2,285,000	\$ 685,000	\$ 43,688	\$ 728,688	\$ 130,000	\$ 15,500	\$ 145,500
4	2005 WS Refunding	Refund WS	Revenue	94	Water & Sewer	2028	12	\$ 6,285,000	\$ 3,100,000	\$ 403,321	\$ 3,503,321	\$ 530,000	\$ 112,913	\$ 642,913
5	2006 SRF	WWTP	Revenue	94	Water & Sewer	2027	11	\$ 2,757,270	\$ 1,612,270	\$ 158,356	\$ 1,770,626	\$ 140,000	\$ 26,199	\$ 166,199
6	2010 SRF	CSO	Revenue	94	Water & Sewer	2031	15	\$ 705,000	\$ 521,075	\$ 103,765	\$ 624,840	\$ 30,000	\$ 12,652	\$ 42,652
7	2010 DWRP	CSO	Revenue	94	Water & Sewer	2031	15	\$ 465,000	\$ 365,000	\$ 73,813	\$ 438,813	\$ 20,000	\$ 8,875	\$ 28,875
8	2010 Cap Imp	Various	GO LT	34	W&S, CI, St	2031	15	\$ 5,800,000	\$ 4,715,000	\$ 1,698,680	\$ 6,413,680	\$ 235,000	\$ 191,766	\$ 426,766
9	2010 DDA Refunding	Streetscape	DDA LT	197	DDA	2020	4	\$ 1,075,000	\$ 510,000	\$ 39,325	\$ 549,325	\$ 120,000	\$ 16,150	\$ 136,150
10	2011 SRF	CSO	Revenue	94	Water & Sewer	2032	16	\$ 1,485,000	\$ 1,050,774	\$ 221,482	\$ 1,272,256	\$ 60,000	\$ 26,269	\$ 86,269
11	2011 DWRP	CSO	Revenue	94	Water & Sewer	2032	16	\$ 775,000	\$ 352,555	\$ 74,633	\$ 427,188	\$ 20,000	\$ 8,814	\$ 28,814
12	2013 CI Refunding	City Hall	GO LT	34	General Fund	2024	8	\$ 2,950,000	\$ 1,755,000	\$ 176,625	\$ 1,931,625	\$ 175,000	\$ 37,150	\$ 212,150
13	2015 W&S Revenue	W&S	Revenue	94	Water & Sewer	2036	20	\$ 2,770,000	\$ 2,770,000	\$ 1,198,688	\$ 3,968,688	\$ -	\$ 86,750	\$ 86,750
TOTAL								\$30,592,270	\$17,951,674	\$4,209,587	\$22,161,261	\$1,650,000	\$552,882	\$2,202,882

Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service	Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
Water & Sewer	\$ 13,994,152	\$ 3,383,870	\$ 17,378,021	Water & Sewer	\$ 13,994,152	\$ 3,383,870	\$ 17,378,021
General Fund	\$ 1,755,000	\$ 176,625	\$ 1,931,625	General Fund	\$ 1,755,000	\$ 176,625	\$ 1,931,625
Street Funds	\$ 798,298	\$ 287,604	\$ 1,085,902	Street Funds	\$ 798,298	\$ 287,604	\$ 1,085,902
Capital Improvement Fund	\$ 894,224	\$ 322,163	\$ 1,216,388	Capital Improvement Fund	\$ 894,224	\$ 322,163	\$ 1,216,388
DDA	\$ 510,000	\$ 39,325	\$ 549,325	DDA	\$ 510,000	\$ 39,325	\$ 549,325
Total	\$17,951,674	\$ 4,209,587	\$22,161,261	Total	\$17,951,674	\$ 4,209,587	\$22,161,261

Outstanding Bank\Other Debt

As of 7/01/2016

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	FY 2017 Principal Payments	FY 2017 Interest Payments	FY 2017 Total Payments
1	Renaissance Park	Economic Dev	State Loan	n/a	General Fund	2022	6	\$ 102,000	\$ 33,695	\$ -	\$ 33,695	\$ 5,616	\$ -	\$ 5,616
2	Ramsdell Roof	Ramsdell	IPA	99	Cap Imp	2017	1	\$ 425,000	\$ 35,530	\$ 550	\$ 36,080	\$ 35,530	\$ 550	\$ 36,080
3	Marina Building	Marina	IPA	99	CapImp\Marina	2026	10	\$ 380,000	\$ 272,910	\$ 50,955	\$ 323,864	\$ 23,544	\$ 8,842	\$ 32,386
4	Marina Building	Marina	Internal	n/a	Marina	2021	5	\$ 274,482	\$ 249,435	\$ 25,844	\$ 275,279	\$ 25,552	\$ 5,035	\$ 30,587
5	Arthur St. Launch	Boat Launch	Internal	n/a	Boat Launch	2018	2	\$ 135,000	\$ 40,517	\$ 1,231	\$ 41,748	\$ 20,056	\$ 818	\$ 20,874
6	Ramsdell HVAC	Ramsdell	IPA	99	Cap Imp	2027	11	\$ 1,250,000	\$ 943,276	\$ 200,699	\$ 1,143,975	\$ 75,209	\$ 33,741	\$ 108,950
7	Vactor	Water & Sewer	Lease	n/a	Motor Pool	2019	3	\$ 271,235	\$ 202,833	\$ 13,576	\$ 216,409	\$ 21,634	\$ 5,071	\$ 26,705
8	Braun Ambulance	Fire	IPA	99	Motor Pool	2023	7	\$ 257,904	\$ 182,523	\$ 20,552	\$ 203,075	\$ 23,990	\$ 5,010	\$ 29,000
9	Intl. Plow Truck	DPW	IPA	99	Motor Pool	2018	2	\$ 120,000	\$ 60,798	\$ 1,223	\$ 62,021	\$ 30,197	\$ 814	\$ 31,010
10	Kyocera Copier	Finance	Lease	n/a	General Fund	2018	2	\$ 5,990	\$ 2,448	\$ 141	\$ 2,589	\$ 1,603	\$ 123	\$ 1,727
11	Kyocera Copier	Police\Fire	Lease	n/a	General Fund	2020	4	\$ 8,142	\$ 5,434	\$ 543	\$ 5,977	\$ 1,607	\$ 281	\$ 1,888
TOTAL								\$ 3,229,753	\$ 2,029,399	\$ 315,315	\$ 2,344,714	\$ 264,537	\$ 60,285	\$ 324,822

Type of Debt	Total Principal	Total Interest	Total Debt Service	Source of Funds to Repay	Total Principal	Total Interest	Total Debt Service
State of MI	\$ 33,695	\$ -	\$ 33,695	General Fund	\$ 41,577	\$ 685	\$ 42,262
Installment Purchase	\$ 1,495,036	\$ 273,979	\$ 1,769,015	Motor Pool	\$ 446,153	\$ 35,352	\$ 481,505
Lease	\$ 210,715	\$ 14,261	\$ 224,976	Marina	\$ 249,435	\$ 25,844	\$ 275,279
Internal	\$ 289,952	\$ 27,075	\$ 317,027	Boat Launch	\$ 40,517	\$ 1,231	\$ 41,748
				Capital Improvement	\$ 1,251,716	\$ 252,204	\$ 1,503,919
Total	\$ 2,029,399	\$ 315,315	\$ 2,344,714	Total	\$ 2,029,399	\$ 315,315	\$ 2,344,714

Total Existing Bond Debt by Fiscal Year

	Principal	Interest	Total
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
\$	17,951,674	4,209,587	22,161,261

Total Existing Bank\Other Debt by FY

	Principal	Interest	Total
2017	\$ 264,537	\$ 60,285	\$ 324,822
2018	\$ 234,416	\$ 53,463	\$ 287,878
2019	\$ 324,323	\$ 47,103	\$ 371,426
2020	\$ 168,822	\$ 38,031	\$ 206,853
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
\$	2,029,399	315,315	2,344,714

Employees

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, 2018
COAM	3	June 30, 2018
IAFF	8	June 30, 2018
USW	20	June 30, 2017
Supervisory	4	n/a
General	9.5	n/a
Manager	1	n/a
Total	54.5	

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

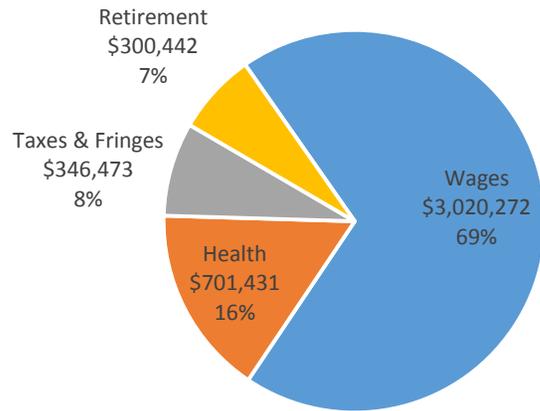
The current year budget calls for a decrease in the number of employees of 1½ FTE. This assumes that the operations of the Ramsdell Theatre are no longer handled by the City and instead contracted to a non-profit. The Ramsdell Theatre Executive Director and permanent part-time custodian would presumably be hired by the non-profit.

Retirements and Attrition

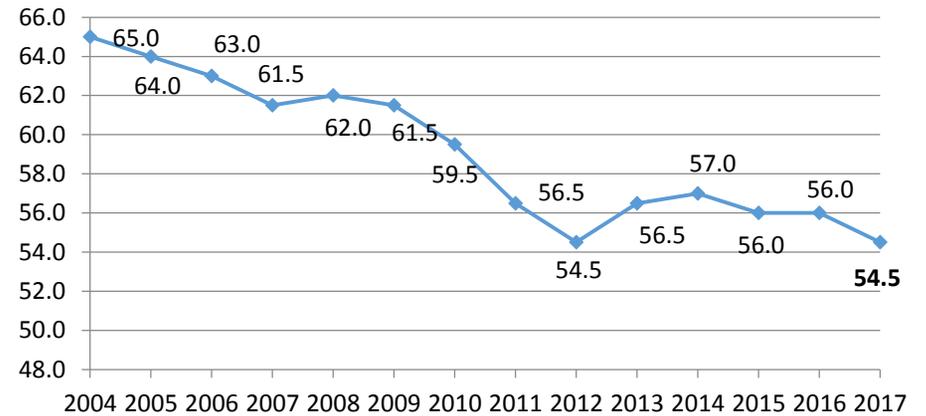
The City workforce has been reduced by nine (9) full-time equivalent employees or 14% since 2004. The biggest reduction has been in upper management where the number of department heads has been reduced from eight (8) to four (4) through consolidation of departmental oversight. Most of the reductions have been the result of attrition, or not replacing an employee when they retire or resign. 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. Upon retirement it will be necessary to evaluate if the position needs to be filled, or if services provided by the retiree can 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. Continued headcount reduction is a distinct possibility down the road.

Analysis & Infographics

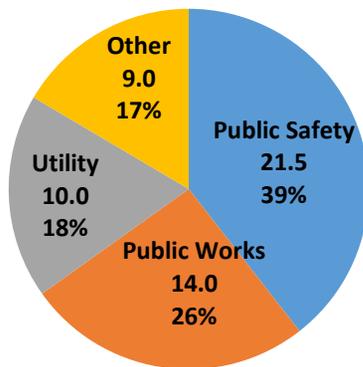
City Payroll



Number of Employees



Employee Breakdown



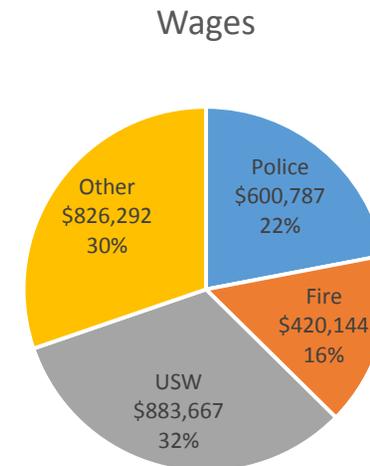
	FY 2016 Budget	FY 2017 Budget	Difference	
Wages	\$2,960,304	\$3,020,272	\$59,968	2.0%
Health	\$689,598	\$701,431	\$11,833	1.7%
Taxes & Fringes	\$342,445	\$346,473	\$4,028	1.2%
Retirement	\$236,844	\$300,442	\$63,598	26.9%
Total	\$4,229,191	\$4,368,618	\$139,427	3.3%

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. 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 (non-union groups). For this year, the Proposal A inflation rate is 0.3%.

The budget includes the negotiated wage and step increases for each of the four union groups. For the non-union and Department Directors, the budget includes the 0.3% inflationary adjustment and applicable step increases. For existing employees, the overall wage increase will be \$85,180. There are also a number of retirements that have or are anticipated to occur in the USW. This will result in four new hires. When the lower wage new hires are factored in, the overall wage increase in the budget is \$70,079, reflecting a savings of \$15,101.

Group	Total FT Employees	Existing FT Employees	Wage Scale Inflation	Employees Receiving Steps	Group Overall Increase	Group Overall % Increase
POAM	9	9	1%, 1%	3	\$16,515	4.1%
COAM	3	3	1%, 1%	1	\$4,398	2.5%
IAFF	8	8	1.60%	3	\$18,286	4.6%
USW	21	17	1.50%	3	\$16,099	2.3%
Supervisory	4	4	0.30%	4	\$11,339	3.5%
General	8	8	0.30%	8	\$15,241	4.0%
Manager	1	1	n/a	n/a	\$3,301	3.5%
Total	54	50		22	\$85,180	3.4%



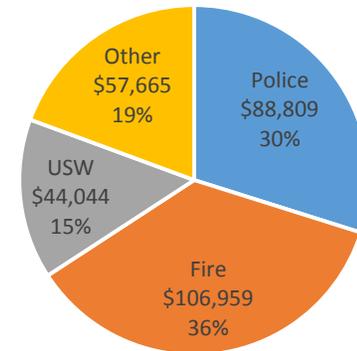
Pension

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 92.3%, which is quite good compared to many plans. This funded percentage has generally declined over time, primarily due to the market crash of 2008. This equates to a higher required annual City contributions. The table below shows relevant pension information.

FY:	2017	AAV:	12/31/2014
Division	Percent Funded	Normal Cost	Required Minimum
01 Non-Union	87.3%	5.38%	10.04%
02 POAM	92.2%	10.64%	14.61%
05 IAFF	75.3%	9.63%	22.33%
10 USW	109.0%	\$3,064\mth	\$0
11 USW New	75.4%	4.14%	4.56%
20 COAM	105.6%	10.09%	7.16%
Overall	92.3%		10.09%

MERS Pension Cost



The normal cost (as a percent of payroll) is the ongoing cost of funding the retirement benefit. The required minimum contribution is the normal cost plus the unfunded accrued liability. This year, the City is funding half the normal cost for the closed, overfunded USW division as a best practice to improve the health of the pension fund. The goal is to fund all of this in the coming year.

Although still well-funded, the trend for funded position has declined (City cost goes up) due almost entirely to investment performance. The current unfunded liability is \$1,333,260. The City has made some 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, POAM and COAM which all have reduced multipliers. The City should consider making similar reforms to the IAFF and non-union and/or requiring increased employee contributions.

Health Insurance

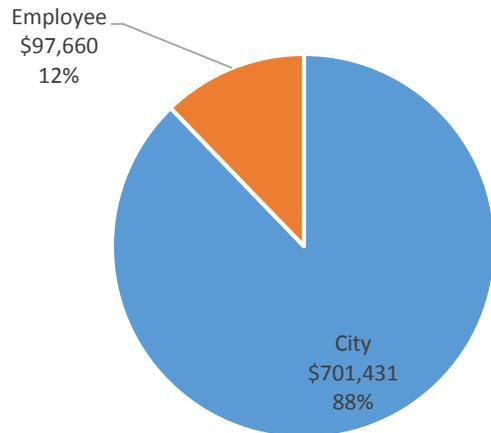
The City provides health insurance to all full-time employees. Coverage is provided through Blue Cross Blue Shield of Michigan (BCBS). It has been a long-standing City objective to provide quality, affordable health coverage to employees as a method of attracting and retaining talented staff. However, 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. The City has been proactive in addressing these cost increases thru changing coverage and requiring more employee cost sharing. In 2011, a 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 passed that levies a tax on health insurance premiums to help pay for Medicare, and in 2014 the tax increased dramatically due to the PPACA. This tax is passed on to the City.

The City currently provides a variety of coverages. The amount the employee pays is based on contractual language that is applied to non-union also. The total cost of all health coverages is \$799,091. The maximum the City can pay for “health costs” as defined by the State (based on current enrollment) is \$661,137 The City anticipates paying \$619,237 for these costs which is \$41,900 or 6.3% below the state hard cap.

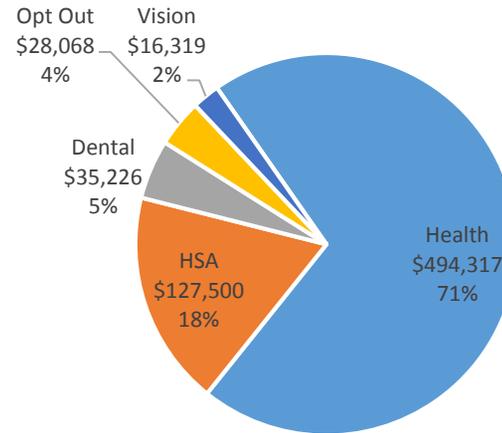
Health	BCBS Simply Blue HSA 2000/4000 0%
Prescription	BCBS Simply Blue HSA LG Triple Tier Copay
HSA	Family\Double \$3,000, Single \$1,500
Dental	Delta Dental PPO 50%
Vision	VSP Exam & Accessory Discount
Ancillary	healthE Shopper, TelaDoc

Category	Single	Double	Family
City	\$518	\$1,162	\$1,392
Employee	\$75	\$169	\$203
Total	\$593	\$1,332	\$1,595
Employee %	13%	13%	13%

Total Health Costs Distribution



City Health Costs Distribution



Post-Employment Benefits

The City generally provides a contribution of \$250 per month for retirees from retirement age until eligibility for Medicare towards health insurance. Public Safety groups can elect to take this payment as cash, where the other groups cannot. This hard cap has generally limited the City's annual contribution for this benefit to about \$20,000 per year. This is in stark contrast to many other communities where retiree healthcare has created multi-million dollar unfunded liabilities. Because of the nature of this benefit, the City funds it on a pay as you go basis. This benefit has been eliminated for new hires in the USW, COAM, POAM and IAFF.

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.

General Fund



Overview

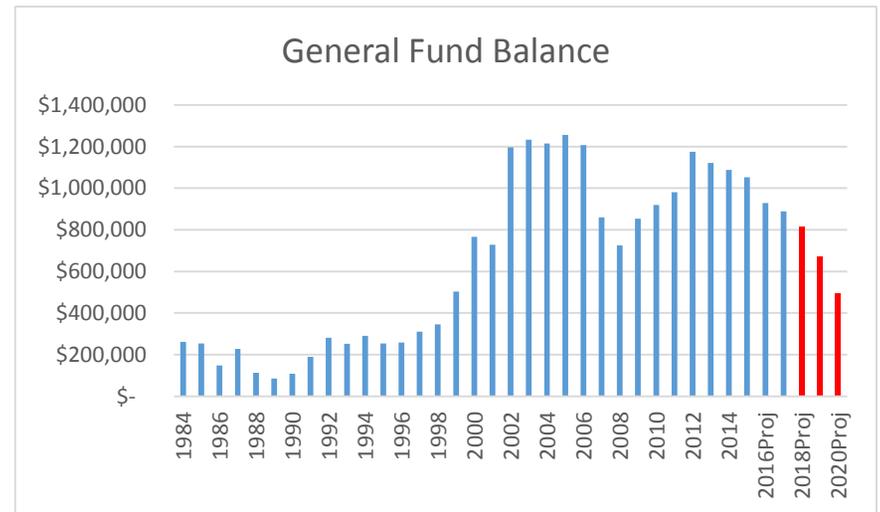
The General fund is the primary City operating fund. It is thru this fund where most City services are provided. Financial stability in the General fund is absolutely vital if high levels of service are to be maintained. Unfortunately, the City is being squeezed on both revenues and expenses. This has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

Fund Balance

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. Council will also be asked to use \$100,000 of fund balance yet in FY 2016 for emergency Riverwalk repairs.

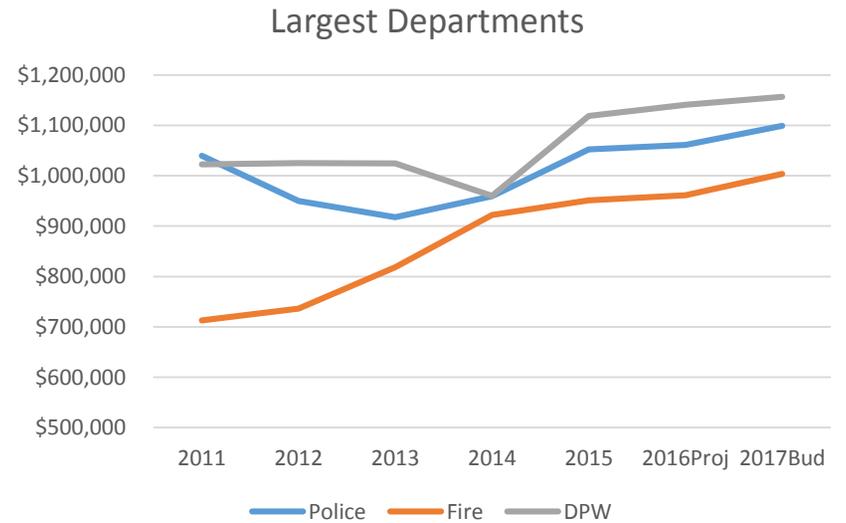
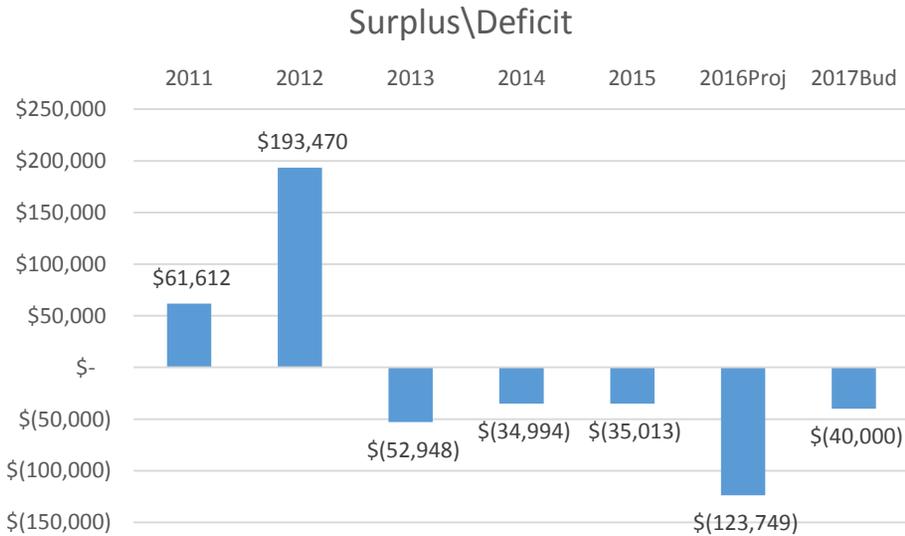
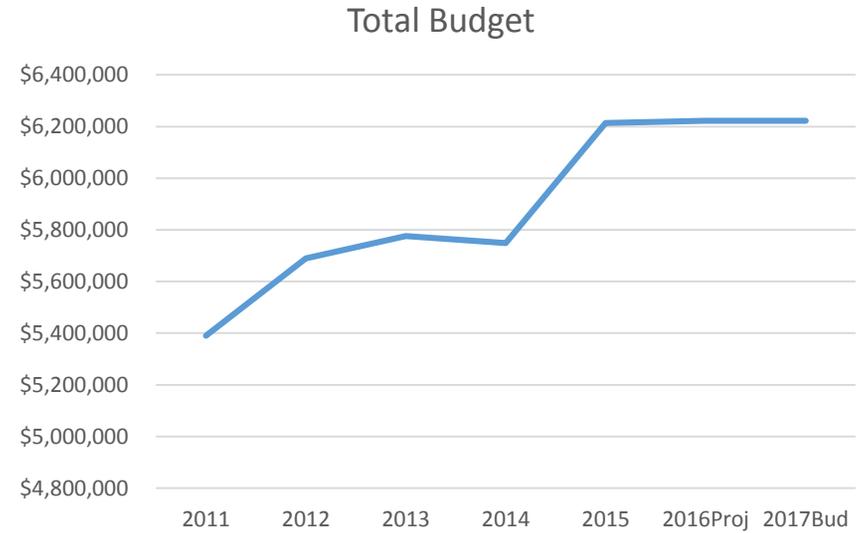
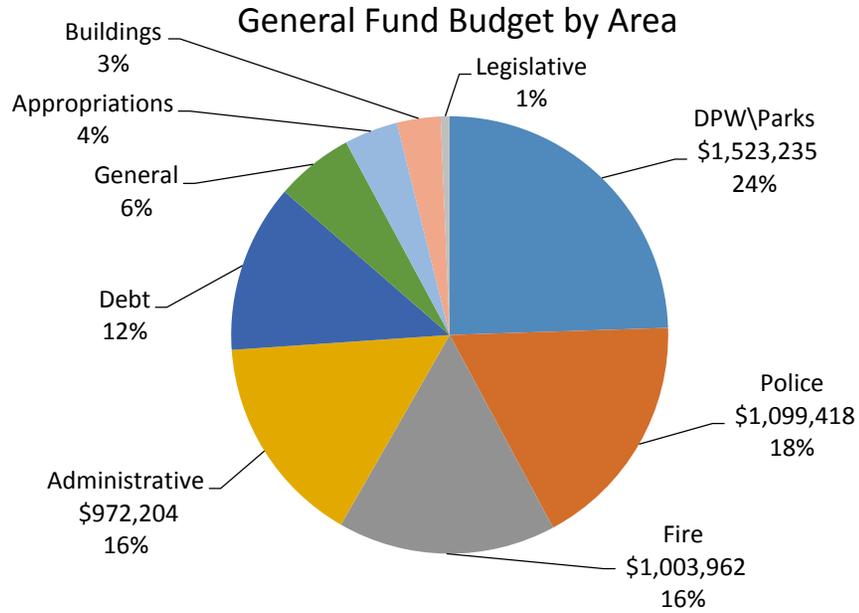
Second, an appropriate fund balance provides an opportunity for investment earnings. Investment earnings can reduce the demand on other revenue sources and provide further stability for municipal operations. Unfortunately, interest earnings are at their lowest level ever because of the actions of the 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, tax appeals, 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. Projections indicate additional structural changes, or more likely reprioritizing spending, will be needed in the near term. This year, the budget proposes tapping the reserves in the amount of \$40,000. Tax revenue is simply not growing at an adequate pace.



Council has established a General fund balance target of 20% of prior year operating expense, including transfers out for operations and general fund paid debt service. Pass thru debt service is excluded. Depending on the expenses of the previous year, any percentage over 20% may be transferred into the Capital Improvement fund. In the past, \$410,000 has been transferred.

The June 30, 2015 audit showed a general fund balance of \$1,051,792 a decrease of \$35,013 from the prior year. The fund balance was at 18.6%, or about \$80,000 less than the target goal.



Revenue

Description

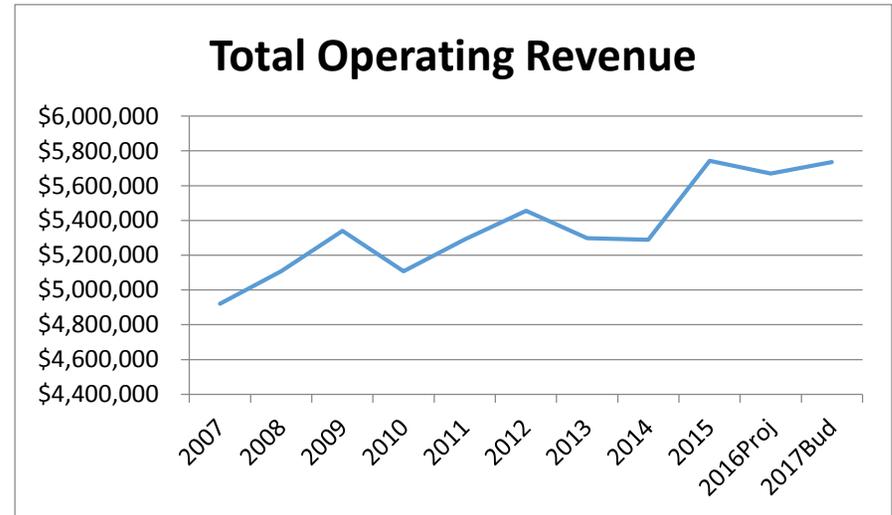
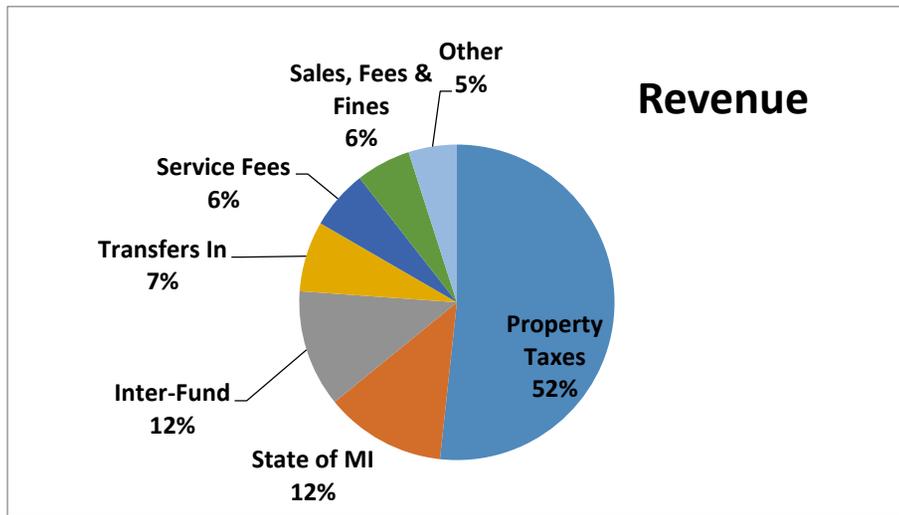
General fund revenue comes from a number of sources, primarily local property taxes and sales taxes passed thru to the City from the State in the form of revenue sharing. Interfund transfers in the form of reimbursements and administration fees are also important sources of revenue.

Issues

General fund revenue is not growing at an adequate rate to maintain service levels and fund priorities moving forward. Projections show a widening, unsustainable deficit in future years without additional revenue sources or reductions in spending.

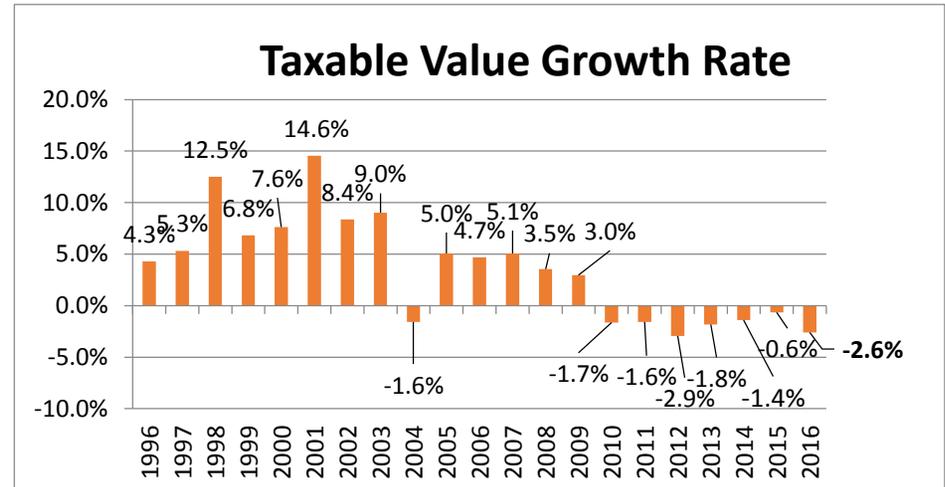
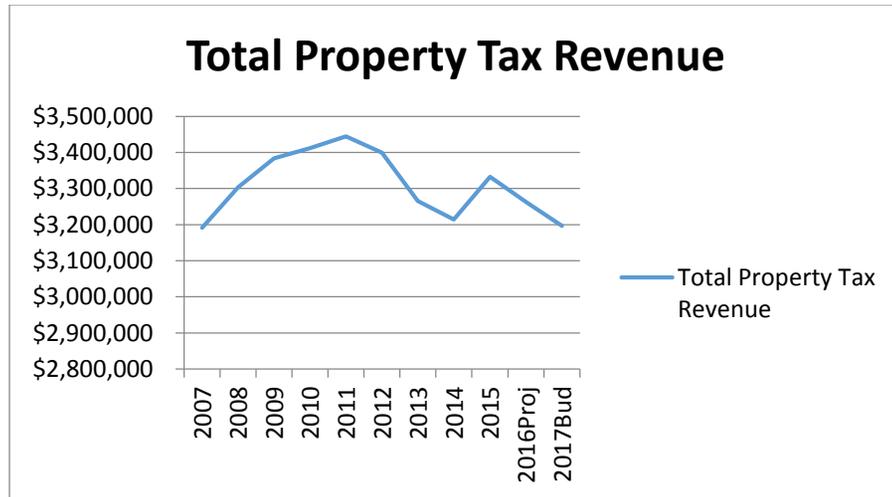
Analysis & Infographics

Revenue is comprised of a variety of sources. Operating revenue has grown at an average rate of 1.6% per year since 2007, trailing inflation.



The City has very little ability to raise new revenues in the General fund which presents a significant 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. The street ad-hoc committee discussed pursuing a Headlee override dedicated for street improvements in their January 2015 report. They felt a millage would be necessary at some future point once progress on Streets is shown and the overall funding situation becomes clearer. This is an option that needs to remain on the table, although it is not being pursued in the proposed budget.

Total property tax revenue is flat since 2007. Taxable value has declined for seven straight years and is down 12% from its peak.



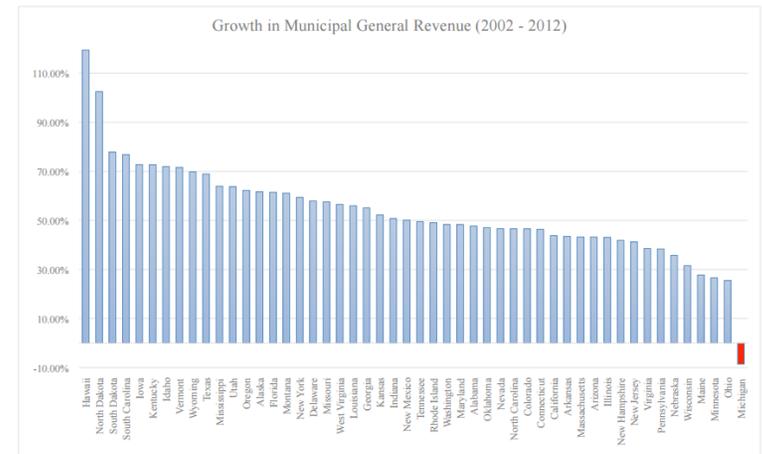
The City used to receive both constitutional and statutory revenue sharing. Statutory revenue sharing has since been eliminated and replaced with the City, Village and Township Revenue Sharing program (CVTRS). Total revenue sharing has declined by 36% or \$355,000 since 2001. Total loss of statutory and/or EVIP payments since 2001 is over \$4,000,000. Many third party observers have stated that the State’s municipal finance system is broken. The Michigan Municipal League has done extensive research on the matter and produced some interesting revenue sharing statistics. Since 2002, Michigan is the only State that spends less on Local Government than it did in 2002.

Did you know?

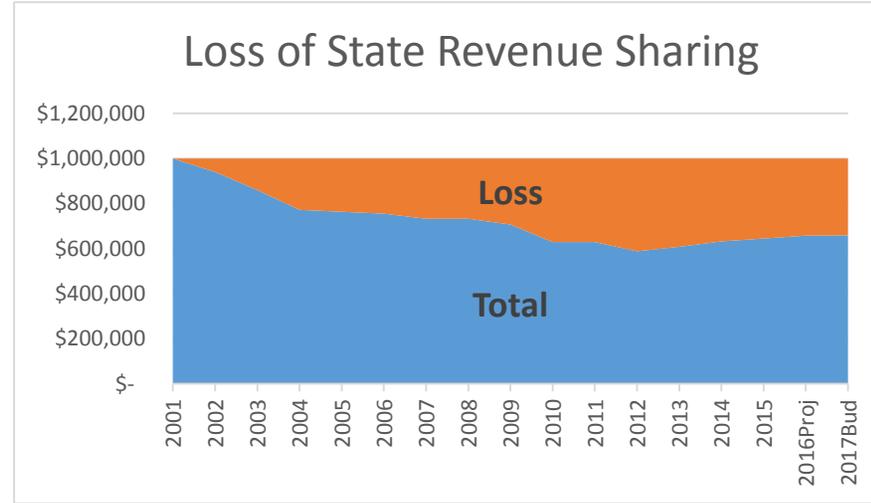
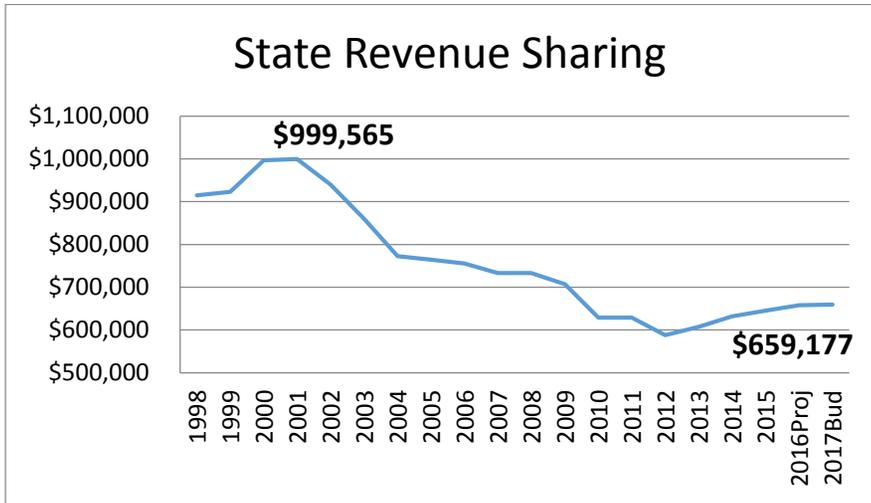
That according to the U.S. Census Bureau, from 2002 – 2012 revenues for the State of Michigan increased 29%, but revenues the state provided to local government for local services like police, fire, and recreation, decreased by more than 56%.

29%

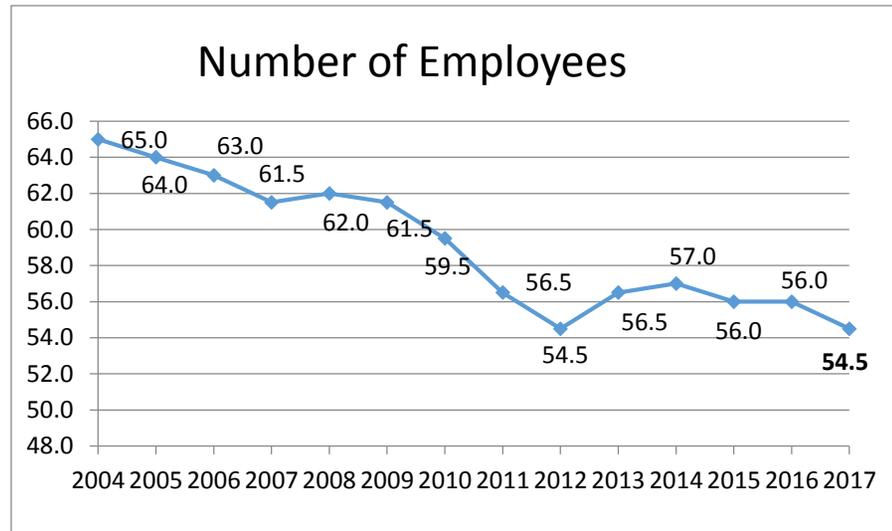
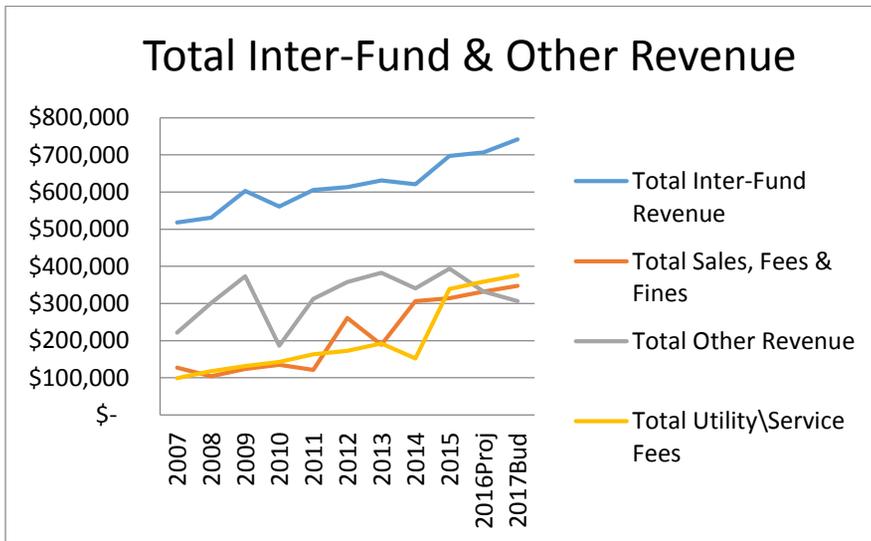
56%



Source: U.S. Census Bureau, 2002 Census of Governments and 2012 Census of Governments: Finance - Surveys of State and Local Government Finances.



The City has been able to manage the one two punch of lower tax revenues and lower revenue sharing by relying on alternative sources of revenue and reducing headcount city-wide by 14% since 2004.



Assumptions & Notes

Total revenue increased **\$113,309** or **1.9%** from the prior year budget.

Property Tax Revenue: Property tax and related revenue decreased **\$(94,820)** from the prior year budget. This category includes taxes, penalties and interest and the administration fee. Taxable value in the City showed an decrease of -2.6%, primarily due to the continued phase in of the personal property tax exemption and tax appeals.

Utility\Service Fee Revenue: These revenues increased **\$42,340** 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 ownership fee and the fee paid by the Housing Commission and similar payments. Most of the increase is due to including PILT payments from Manistee Township now that the timing of their phase-out is better known.

State of Michigan Revenue: State revenue increased **\$91,677** from the prior year budget. This category includes revenue sharing, CVTRS, liquor license fees and state grants. The major difference is that this is the first year of the Local Community Stabilization share, which is State reimbursement for lost personal property taxes.

Inter-Fund Revenue: Inter-fund revenue increased **\$35,762** from the prior year budget. This category includes various reimbursements to the General fund for personnel, equipment and administration. Administration fees are set at 7.5% of revenues for water and sewer, 7% for refuse and boat launch and 5% for the Marina due to its ongoing revenue struggles. These rates are in the generally accepted range of 5% - 10% typically seen.

Sales, Fees & Fines: Sales, fees and fines increased **\$35,325** from the prior year budget. Accumed's estimate of Advanced Life Support Transport fees are projected to increase. Fines and forfeits declined based on our past few years' actual experience.

Other Revenue: Other revenue decreased **\$(14,561)** from the prior year budget. This category includes interest income, franchise fees, reimbursement, lease income, refunds and the like. The decrease is due primarily to the expected elimination of the SSCENT drug forfeiture reimbursement and no election reimbursement due to the type of elections next year.

Transfers In: Transfers in increased **\$17,586** from the prior year budget. The Ramsdell Theatre is refunding \$20,000 of its fund balance prior to its anticipated operation by a non-profit.

<u>Detail</u>		2015	2016	2016	2017				2018	2019	2020	
000 Revenues		Actual	Budget	Projected	Requested	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
402.000	Real & Pers Prop Tax	\$3,026,271	\$2,927,678	\$2,990,000	\$2,859,958	\$2,859,958	\$2,859,958	(\$67,720)	-2.3%	\$2,902,858	\$2,960,915	\$3,020,133
411.000	Delinquent Real Prop Tax	155,371	220,080	158,000	219,206	219,206	219,206	-875	-0.4%	\$222,494	\$226,944	\$231,482
420.000	Delinquent Pers Prop Tax	37,934	16,498	10,000	10,856	10,856	10,856	-5,642	-34.2%	\$10,000	\$8,000	\$6,000
445.000	Tax Penalties & Interest	34,315	32,592	20,000	22,427	22,427	22,427	-10,165	-31.2%	\$22,763	\$23,219	\$23,683
447.000	Tax Administration Fee	78,272	94,928	85,000	84,509	84,509	84,509	-10,419	-11.0%	\$85,776	\$87,492	\$89,242
Total Property Tax Revenue		\$ 3,332,163	\$ 3,291,776	\$ 3,263,000	\$ 3,196,956	\$ 3,196,956	\$ 3,196,956	\$ (94,820)	-2.9%	\$ 3,243,891	\$ 3,306,569	\$ 3,370,541
639.000	Utility Ownership Fee	\$146,062	\$170,931	\$171,000	\$183,167	\$183,167	\$183,167	\$ 12,236	7.2%	\$189,578	\$196,213	\$203,081
640.000	Payment In Lieu of Taxes	193,182	162,446	187,830	192,550	192,550	192,550	30,104	18.5%	\$169,118	\$148,933	\$127,955
Total Utility\Service Fees		\$ 339,244	\$ 333,377	\$ 358,830	\$ 375,717	\$ 375,717	\$ 375,717	\$ 42,340	12.7%	\$ 358,696	\$ 345,146	\$ 331,036
501.000	Federal Grant Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
539.000	State Grant Revenue	9,745	8,500	8,500	7,000	7,000	7,000	-1,500	-17.6%	\$0	\$0	\$0
539.002	Crim Just Training Grant	2,343	2,300	2,400	2,300	2,300	2,300	0	0.0%	\$2,300	\$2,300	\$2,300
573.000	Local Community Stabilization	0	0	400	90,000	90,000	90,000	90,000		\$90,000	\$90,000	\$90,000
574.000	State Share Liquor Tax	8,644	8,500	8,200	8,400	8,400	8,400	-100	-1.2%	\$8,400	\$8,400	\$8,400
575.000	State Shared Revenue	479,599	495,400	493,000	493,841	493,841	493,841	-1,559	-0.3%	\$506,187	\$518,842	\$531,813
575.001	State CVTRS	165,337	160,500	165,000	165,336	165,336	165,336	4,836	3.0%	\$168,643	\$170,329	\$172,032
Total State Revenue		\$ 665,668	\$ 675,200	\$ 677,500	\$ 766,877	\$ 766,877	\$ 766,877	\$91,677	13.6%	\$775,530	\$789,871	\$804,545
627.000	Charge for Serv - Bldg. Insp.	\$12,197	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
628.000	Charge for Serv - Boat Ramp	2,102	2,381	2,400	2,591	2,591	2,591	210	8.8%	\$2,772	\$2,966	\$3,174
630.000	Charge for Serv - Local St.	81,000	81,000	81,000	83,430	83,430	83,430	2,430	3.0%	\$86,767	\$90,238	\$93,847
631.000	Charge for Serv - Major St.	206,000	206,000	206,000	212,180	212,180	212,180	6,180	3.0%	\$220,667	\$229,494	\$238,674
632.000	Charge for Serv - Marina	12,278	10,573	10,600	11,080	11,080	11,080	508	4.8%	\$11,137	\$11,146	\$11,159
634.000	Charge for Serv - Refuse	82,751	85,814	86,000	89,306	89,306	89,306	3,492	4.1%	\$92,664	\$96,180	\$99,941
635.000	Charge for Serv - W&S	301,292	320,496	320,500	343,438	343,438	343,438	22,942	7.2%	\$355,459	\$367,900	\$380,776
Total Inter-Fund Revenue		\$ 697,620	\$ 706,263	\$ 706,500	\$ 742,025	\$ 742,025	\$ 742,025	\$ 35,762	5.1%	\$ 769,465	\$ 797,924	\$ 827,571
450.000	Business Registration	\$600	\$1,500	\$1,125	\$1,125	\$1,125	\$1,125	(\$375)	-25.0%	\$1,148	\$1,170	\$1,194
485.000	Permits	3,751	8,500	6,000	6,500	6,500	6,500	-2,000	-23.5%	\$6,760	\$7,030	\$7,312
626.000	Charge for Service	29,551	28,000	26,650	51,200	31,200	31,200	3,200	11.4%	\$51,576	\$62,010	\$72,451
629.000	Charge for Serv - Inspections	1,590	0	30	0	0	0	0		\$0	\$0	\$0
636.000	Charge for Serv - Transport	251,828	235,000	270,000	278,000	278,000	278,000	43,000	18.3%	\$291,900	\$306,495	\$321,820
642.000	Sales	2,339	6,000	3,050	4,500	4,500	4,500	-1,500	-25.0%	\$4,568	\$4,636	\$4,706
655.000	Fines & Forfeits	24,923	33,000	25,000	26,000	26,000	26,000	-7,000	-21.2%	\$26,390	\$26,786	\$27,188
Total Sales, Fees & Fines		\$ 314,581	\$ 312,000	\$ 331,855	\$ 367,325	\$ 347,325	\$ 347,325	\$ 35,325	11.3%	\$ 382,341	\$ 408,127	\$ 434,669

<u>Detail</u>	2015	2016	2016	2017					2018	2019	2020
000 Revenues	Actual	Budget	Projected	Requested	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
490.000 Franchise Fees	\$108,353	\$108,000	\$109,000	\$110,000	\$110,000	\$110,000	\$2,000	1.9%	\$114,400	\$118,976	\$123,735
570.000 Local Grants	0	0	0	0	0	0	0		0	0	0
664.000 Interest Income	736	1,000	500	1,147	1,147	1,147	147	14.7%	3,000	3,000	3,000
667.000 Rental Income	4,675	4,850	5,100	5,100	5,100	5,100	250	5.2%	5,150	5,250	5,500
668.000 Riverfront Lease Income	20,844	21,470	21,500	22,112	22,112	22,112	642	3.0%	22,444	22,780	23,122
671.000 Other Revenue	476	500	0	500	500	500	0	0.0%	500	500	500
674.000 Contributions\Donations	2,079	1,000	2,000	2,000	2,000	2,000	1,000	100.0%	2,000	2,000	2,000
676.000 Reimbursements	187,468	164,150	163,400	144,550	144,550	144,550	-19,600	-11.9%	148,883	149,416	149,124
687.000 Refunds	65,541	18,000	22,000	20,000	20,000	20,000	2,000	11.1%	20,000	20,000	20,000
688.000 Refunds - W.C. Premium	2,924	2,000	600	1,000	1,000	1,000	-1,000	-50.0%	1,000	1,000	1,000
695.000 Insurance Settlement	665	0	7,700	0	0	0	0		0	0	0
Total Other Revenue	\$ 393,761	\$ 320,970	\$ 331,800	\$ 306,409	\$ 306,409	\$ 306,409	\$ (14,561)	-4.5%	\$ 317,377	\$ 322,922	\$ 327,982
699.000 Transfers In	\$435,570	\$429,035	\$429,035	\$426,621	\$446,621	\$446,621	\$17,586	4.1%	\$429,272	\$425,910	\$426,022
Total Transfers In	\$ 435,570	\$ 429,035	\$ 429,035	\$ 426,621	\$ 446,621	\$ 446,621	\$ 17,586	4.1%	\$ 429,272	\$ 425,910	\$ 426,022
TOTAL REVENUES	\$ 6,178,608	\$ 6,068,621	\$ 6,098,520	\$ 6,181,930	\$ 6,181,930	\$ 6,181,930	\$ 113,309	1.9%	\$ 6,276,572	\$ 6,396,470	\$ 6,522,365

Legislative

Description

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 City has two voting precincts. 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.

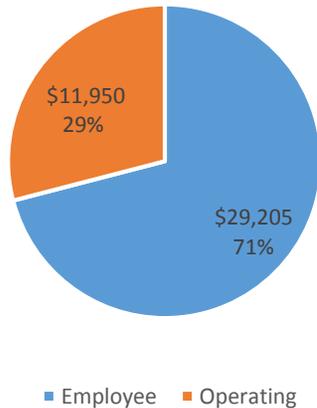
Analysis & Infographics

The large operating spike in FY 2016 was due to the new City Manager search.

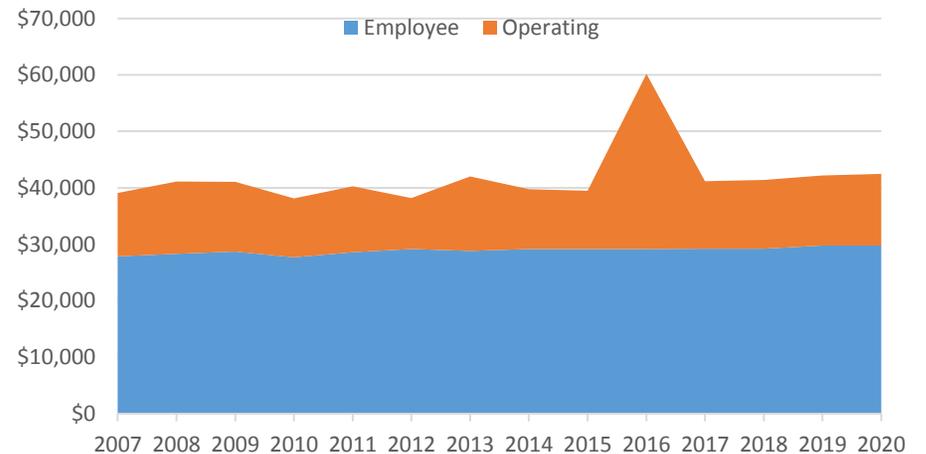
Assumptions & Notes

Total costs decreased **-2.7%** from the prior year budget. Employee costs were flat from the prior year budget. Council previously rejected a slight wage increase recommended by the Compensation Commission. Operational costs decreased from the prior year budget. Mayor’s exchange was removed from the budget.

Legislative Expenses



Legislative Trend



Details

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
101 Legislative										
702.000 Salaries	\$ 27,052	\$ 27,052	\$ 27,000	\$ 27,052	\$ 27,052	\$ -	0.0%	\$ 27,052	\$ 27,593	\$ 27,593
712.001 Costs - Social Security	1,677	1,677	1,700	1,677	1,677	0	0.0%	\$ 1,677	\$ 1,711	\$ 1,711
712.002 Costs - Medicare	393	392	400	392	392	0	0.0%	\$ 392	\$ 392	\$ 392
712.007 SUTA	0	0	0	0	0	0		\$ -	\$ -	\$ -
712.009 Costs - Work Comp	58	80	60	84	84	4	4.5%	\$ 84	\$ 84	\$ 84
Employee Costs	\$ 29,179	\$ 29,202	\$ 29,160	\$ 29,205	\$ 29,205	\$4	0.0%	\$ 29,205	\$ 29,780	\$ 29,780
728.000 Office/Operating	\$ 6,940	\$ 6,600	\$ 27,000	\$ 6,650	\$ 6,650	\$ 50	0.8%	\$ 6,783	\$ 6,919	\$ 7,057
860.000 Travel & Training	3,376	6,500	4,000	5,300	5,300	-1,200	-18.5%	\$ 5,406	\$ 5,514	\$ 5,624
Operating Costs	\$ 10,316	\$ 13,100	\$ 31,000	\$ 11,950	\$ 11,950	(\$1,150)	-8.8%	\$ 12,189	\$ 12,433	\$ 12,681
TOTAL LEGISLATIVE	\$ 39,496	\$ 42,302	\$ 60,160	\$ 41,155	\$ 41,155	(\$1,146)	-2.7%	\$ 41,394	\$ 42,213	\$ 42,461

Manager

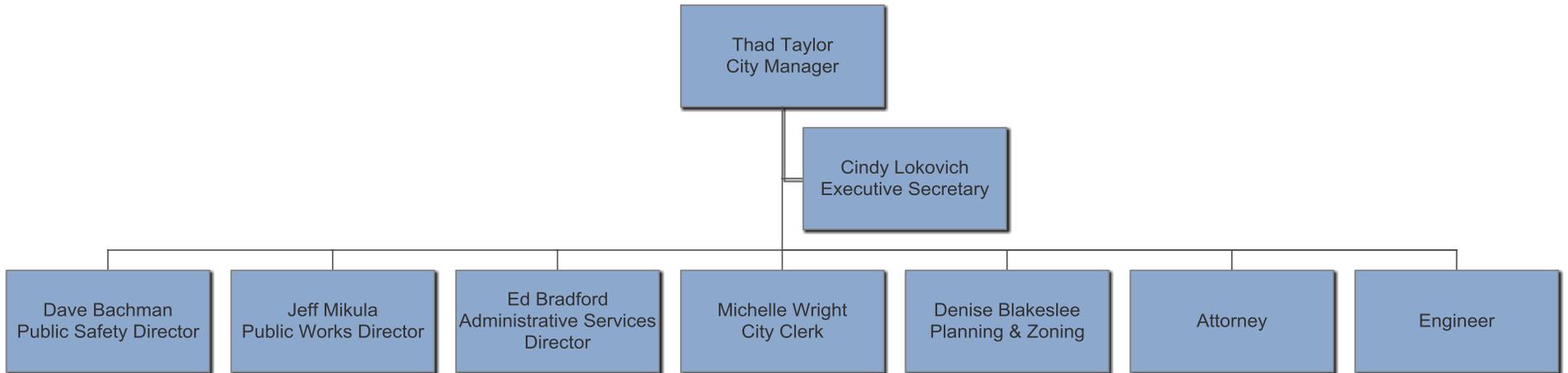
Description

Thad Taylor is the City Manager for the City of Manistee. He started in December, 2015.

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.

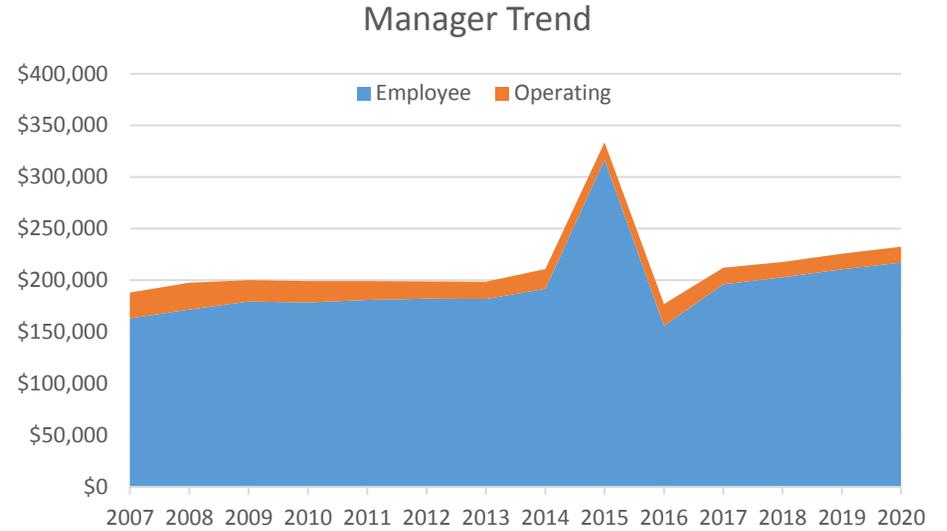
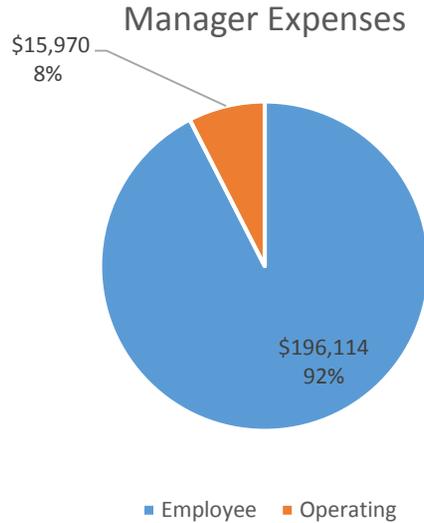


The City Manager maintains a system of accounts which conform to a uniform system required by law, the City Council and generally accepted principles and procedures of government accounting. In addition to this the City Manager performs other duties as may be prescribed by City Charter, City Ordinances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



Analysis & Infographics

The spike in employee costs in FY 2015 was due to the replacement of the City Manager and related severance costs.



Assumptions & Notes

Total costs decreased **-3.4%** from the prior year budget. Employee costs decreased due to changes in the distribution of the status for employee health coverage and normal wage and benefit increases. Operational costs decreased from the prior year budget. The motor pool allocation was eliminated as the new City manager has a car allowance.

Details

172 MANAGER

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$ 245,028	\$142,625	\$114,100	\$148,761	\$148,761	\$6,135	4.3%	\$152,900	\$157,200	\$160,300
703.000 Longevity	0	0	\$0	0	0	0		\$0	\$0	\$0
704.000 Overtime	111	0	\$0	0	0	0		\$200	\$200	\$200
706.000 Part-Time	0	0	\$0	0	0	0		\$0	\$0	\$0
708.000 V/SH Sell	14,335	0	\$0	0	0	0		\$0	\$0	\$0
712.001 Costs - Social Security	15,414	9,649	\$7,200	9,804	9,804	155	1.6%	\$9,740	\$10,010	\$10,200
712.002 Costs - Medicare	4,326	2,257	\$1,700	2,293	2,293	36	1.6%	\$2,280	\$2,340	\$2,390
712.004 Costs - ICMA Contribution	9,661	0	\$0	0	0	0		\$0	\$0	\$0
712.005 Costs - MERS	9,331	13,007	\$10,400	14,936	14,936	1,928	14.8%	\$16,900	\$19,500	\$22,400
712.006 Costs - In Lieu of BC/BS	3,491	0	\$2,200	4,068	4,068	4,068		\$4,000	\$4,000	\$4,000
712.007 Costs - SUTA	410	274	\$270	274	274	0	0.0%	\$280	\$290	\$300
712.009 Costs - Work Comp	618	613	\$610	640	640	26	4.3%	\$650	\$660	\$670
712.010 Costs - Blue Cross Insurance	9,115	21,589	\$13,500	9,894	9,894	-11,696	-54.2%	\$10,400	\$10,700	\$11,000
712.011 Costs - Life Insurance	669	635	\$640	659	659	24	3.8%	\$670	\$680	\$690
712.012 Costs - HSA/HRA	3,040	6,000	\$3,000	3,000	3,000	-3,000	-50.0%	\$3,000	\$3,000	\$3,000
712.014 Costs - Dental Insurance	641	1,619	\$1,620	1,398	1,398	-222	-13.7%	\$1,430	\$1,460	\$1,490
712.015 Costs - Vision/Ancillary	322	708	\$710	389	389	-319	-45.0%	\$400	\$410	\$420
Employee Costs	\$316,511	\$198,977	\$155,950	\$196,114	\$196,114	(\$2,863)	-1.4%	\$202,850	\$210,450	\$217,060
728.000 Operating Expense	\$1,499	\$2,650	\$2,000	\$2,450	\$2,450	(\$200)	-7.5%	\$2,499	\$2,549	\$2,600
735.000 Periodicals & Publications	152	150	150	150	150	0	0.0%	153	156	159
801.000 Professional Services	0	500	0	500	500	0	0.0%	510	520	531
831.000 Contractual Repairs & Maint.	1,039	1,130	1,300	1,300	1,300	170	15.0%	1,300	1,326	1,353
860.000 Travel & Training Expense	2,091	3,350	2,500	3,350	3,350	0	0.0%	3,417	3,485	3,555
865.000 Vehicle Allowance	0	0	2,400	4,800	4,800	4,800		4,800	4,800	4,800
870.000 Memberships & Dues	1,374	1,294	1,300	1,200	1,200	-94	-7.3%	0	0	0
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retiree BCBS	0	0	0	0	0	0		0	0	0
900.000 Printing & Publishing	0	0	0	0	0	0		0	0	0
930.000 Repairs & Maintenance	0	0	0	0	0	0		0	0	0
957.000 Motor Pool	9,000	9,270	9,270	0	0	-9,270	-100.0%	0	0	0
970.000 Capital Outlay	0	0	0	0	0	0		0	0	0
985.000 Lease Purchase	2,037	2,220	2,220	2,220	2,220	0	0.0%	2,220	2,264	2,310
Operating Costs	\$ 17,193	\$ 20,564	\$ 21,140	\$ 15,970	\$ 15,970	\$ (4,594)	-22.3%	\$ 14,899	\$ 15,101	\$ 15,307
TOTAL MANAGER	\$ 333,704	\$ 219,541	\$ 177,090	\$ 212,084	\$ 212,084	\$ (7,457)	-3.4%	\$ 217,749	\$ 225,551	\$ 232,367

Finance

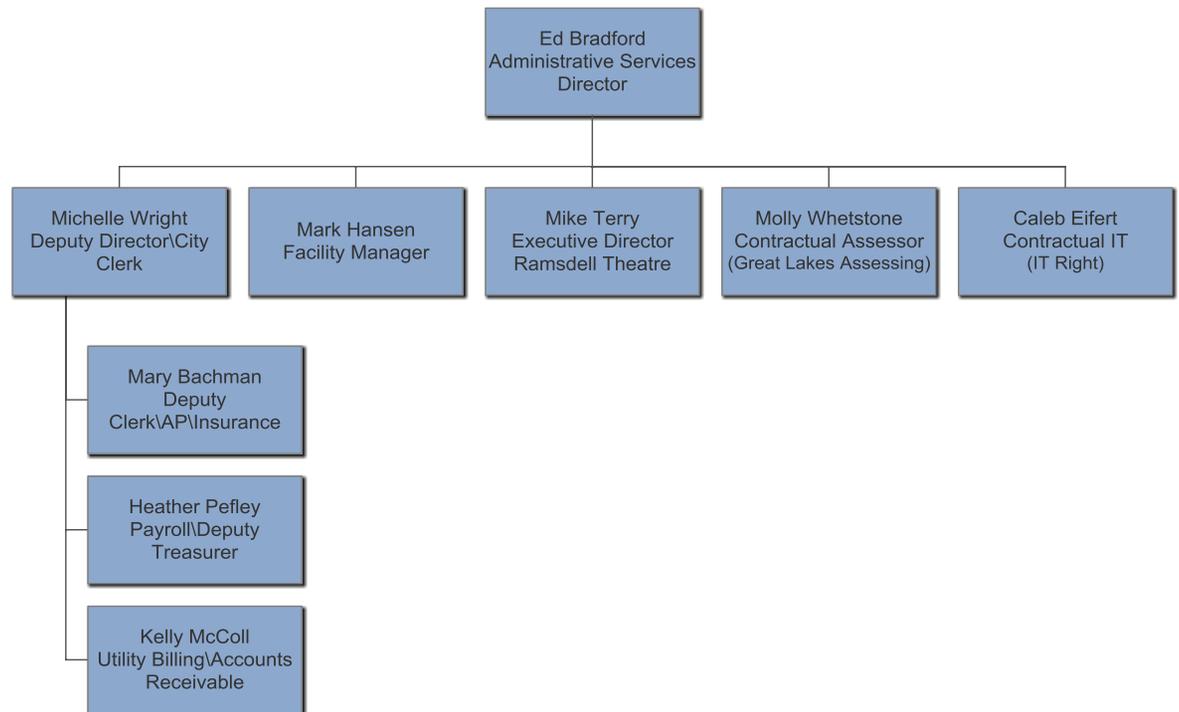
Description

The Finance Department is part of the larger Administrative Services Department. The Administrative Services Department is overseen by Edward Bradford who is the City’s Chief Financial Officer, serving as both Finance Director and Treasurer. He has been with the City for 14 years and is responsible for all financial activities in the City, with three main areas of responsibility: finance, treasury, and information technology.



The main activities of the department include:

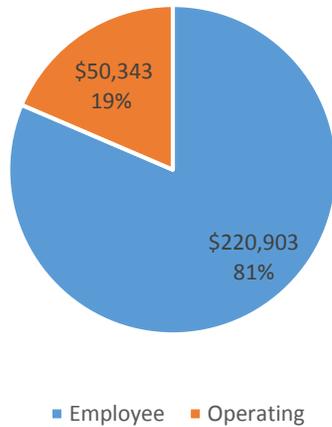
- Receiving all City revenue
- Paying all City bills
- Investing all City funds
- Maintaining City’s accounting records
- Managing the annual audit
- Preparing the annual budget
- Serving as Chief Technology Officer\managing IT contracts
- Supervising Ramsdell Theatre Executive Director & City Assessor



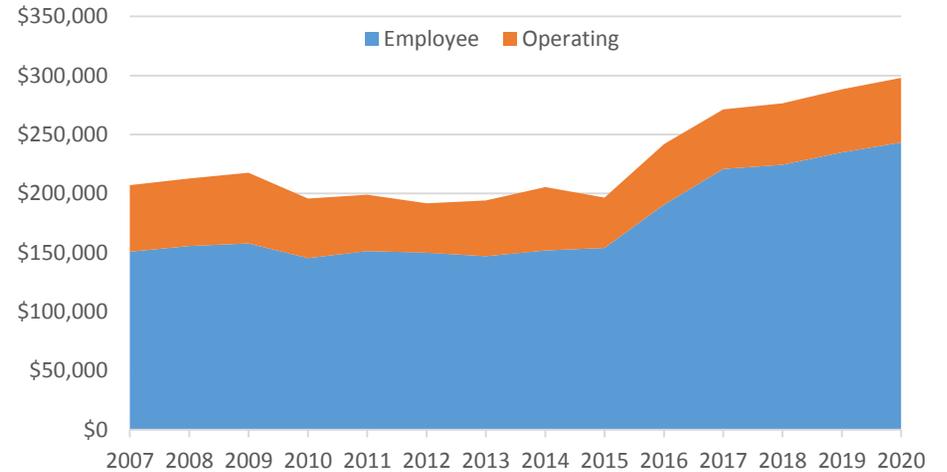
Analysis & Infographics

The increase in employee costs in FY 2016 is due to an additional position in the Finance department in order to implement the creation of the Administrative Services department.

Finance Expenses



Finance Trend



Assumptions & Notes

Total costs increased **7.7%** from the prior year budget. Employee costs increased due to the new position in the department being budgeted for a full year, rather than nine months in the prior budget, changes in the distribution of the status for employee health coverage and normal wage and benefit increases. Operational costs increased from the prior budget. There will likely be a single audit in the upcoming year. Approximately 73% of the department’s operational budget is non-discretionary, thru either mandatory contractual professional services, such as the annual audit or software maintenance agreements.

Details

253 FINANCIAL SERVICES

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$119,213	\$149,360	\$144,400	\$166,495	\$166,495	\$17,134	11.5%	\$172,800	\$179,400	\$184,000
703.000 Longevity	0	0	0	0	0	0		0	0	0
704.000 Overtime	0	1,000	200	1,000	1,000	0	0.0%	200	200	200
706.000 Part-Time	0	0	0	0	0	0		0	0	0
708.000 VSIH Sellback	0	0	0	0	0	0		0	0	0
712.001 Costs - Social Security	7,678	9,715	9,200	10,744	10,744	1,029	10.6%	10,730	11,140	11,420
712.002 Costs - Medicare	1,796	2,272	2,100	2,513	2,513	241	10.6%	2,510	2,600	2,670
712.004 Costs - ICMA Contribution	0	0	0	0	0	0		0	0	0
712.005 Costs - MERS	9,274	13,133	13,100	16,816	16,816	3,684	28.1%	19,000	21,900	25,100
712.006 Costs - In Lieu of BC/BS	0	0	3,200	4,800	4,800	4,800		0	0	0
712.007 Costs - SUTA	274	376	380	410	410	34	9.1%	420	430	440
712.009 Costs - Work Comp	503	619	620	720	720	101	16.3%	730	740	750
712.010 Costs - Health Insurance	10,350	21,035	12,500	12,474	12,474	-8,561	-40.7%	13,100	13,400	13,700
712.011 Costs - Life Insurance	552	654	650	703	703	49	7.6%	710	720	730
712.012 Costs - HSA/HRA	3,145	5,250	3,000	3,000	3,000	-2,250	-42.9%	3,000	3,000	3,000
712.014 Costs - Dental Insurance	801	1,574	1,000	873	\$873	-701	-44.5%	890	910	930
712.015 Costs - Vision/Ancillary	322	620	380	354	\$354	-266	-42.9%	360	370	380
Employee Costs	\$ 153,906	\$ 205,607	\$ 190,730	\$ 220,903	\$ 220,903	\$ 15,295	7.4%	\$ 224,450	\$ 234,810	\$ 243,320
728.000 Operating Expense	\$3,018	\$3,900	\$4,200	\$4,200	\$4,200	\$300	7.7%	\$4,284	\$4,370	\$4,457
735.000 Periodicals & Publications	773	790	835	835	835	45	5.7%	852	869	886
801.000 Professional Services	24,080	24,600	28,100	27,538	27,538	2,938	11.9%	28,404	29,277	29,862
831.000 Contractual Repairs & Maint.	7,689	8,720	9,000	9,100	9,100	380	4.4%	9,490	9,898	10,325
860.000 Travel & Training Expense	4,302	4,500	4,000	4,800	4,800	300	6.7%	4,896	4,994	5,094
870.000 Memberships & Dues	515	605	630	630	630	25	4.1%	643	655	669
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retiree BCBS	0	0	0	0	0	0		0	0	0
900.000 Printing & Publishing	800	650	750	700	700	50	7.7%	714	728	743
930.000 Repairs & Maintenance	0	0	0	0	0	0		0	0	0
970.000 Capital Outlay	0	800	1,875	800	800	0	0.0%	816	832	849
985.000 Lease Purchase	1,583	1,740	1,740	1,740	1,740	0	0.0%	1,775	1,810	1,847
Operating Costs	\$ 42,759	\$ 46,305	\$ 51,130	\$ 50,343	\$ 50,343	\$ 4,038	8.7%	\$ 51,873	\$ 53,434	\$ 54,731
TOTAL FINANCE	\$ 196,665	\$ 251,912	\$ 241,860	\$ 271,246	\$ 271,246	\$ 19,333	7.7%	\$ 276,323	\$ 288,244	\$ 298,051

Clerk

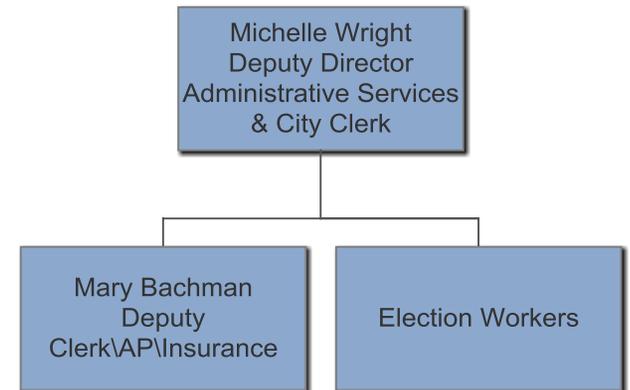
Description

Michelle Wright is the Deputy Director of Administrative Services and City Clerk for the City of Manistee. She has been with the City for 27 years.



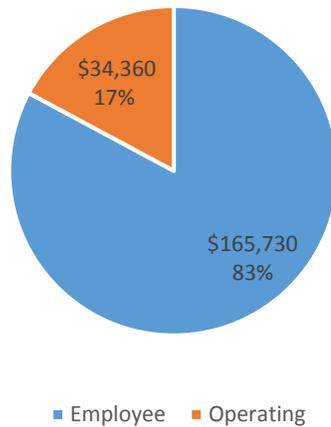
The office of City Clerk is staffed by two full-time people; Michelle Wright and Deputy Clerk / Accounts Payable Mary Bachman. The office also periodically employs 28-34 temporary workers as election inspectors. This office is a division of the Administrative Services department and shares staff and duties with the Finance department. Its responsibilities include:

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

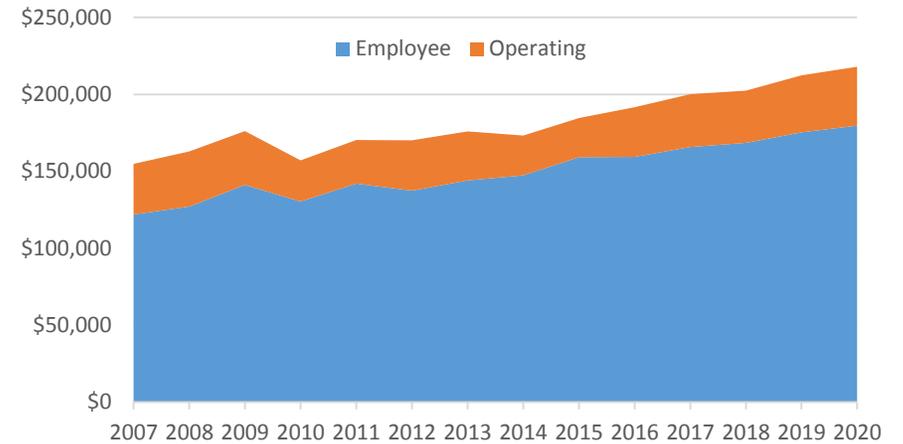


Analysis & Infographics

Clerk Expenses



Clerk Trend



Assumptions & Notes

Total costs decreased **-0.7%** from the prior year budget. Employee costs increased slightly from the prior budget. Normal wage and benefit increases were offset by lower part-time election workers due to a reduction in the number of precincts. Operational costs decreased from the prior year budget. This is based on the number\type of elections, and reduced contractual repairs and maintenance.

Details

215 City Clerk

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$112,225	\$117,047	\$117,000	\$121,291	\$121,291	\$4,244	3.6%	\$123,700	\$126,200	\$128,700
703.000 Longevity	0	0	\$0	0	0	\$0		\$0	\$0	\$0
704.000 Overtime	0	1,000	\$200	1,000	1,000	\$0	0.0%	\$200	\$200	\$200
706.000 Part-Time	13,602	11,200	\$7,000	6,000	6,000	(\$5,200)	-46.4%	\$5,000	\$6,500	\$5,500
708.000 V\SH Sellback	0	0	\$0	0	0	\$0		\$0	\$0	\$0
712.001 Costs - Social Security	7,319	8,712	\$7,700	7,985	7,985	(\$727)	-8.3%	\$7,990	\$8,240	\$8,330
712.002 Costs - Medicare	1,712	2,037	\$1,800	1,867	1,867	(\$170)	-8.3%	\$1,870	\$1,930	\$1,950
712.004 Costs - ICMA Contribution	0	0	\$0	0	0	\$0		\$0	\$0	\$0
712.005 Costs - MERS	8,725	10,766	\$10,800	12,278	12,278	\$1,512	14.0%	\$13,900	\$16,000	\$18,400
712.006 Costs - In Lieu of BC/BS	0	0	\$0	0	0	\$0		\$0	\$0	\$0
712.007 Costs - SUTA	274	274	\$270	274	274	\$0	0.0%	\$280	\$290	\$300
712.009 Costs - Work Comp	474	556	\$560	552	552	(\$4)	-0.7%	\$560	\$570	\$580
712.010 Costs - Blue Cross Insurance	10,270	9,548	\$9,500	9,894	9,894	\$346	3.6%	\$10,400	\$10,700	\$11,000
712.011 Costs - Life Insurance	507	522	\$520	537	537	\$15	2.8%	\$540	\$550	\$560
712.012 Costs - HSA	3,000	3,000	\$3,000	3,000	3,000	\$0	0.0%	\$3,000	\$3,000	\$3,000
712.014 Costs - Dental Insurance	641	720	\$720	699	699	(\$21)	-2.9%	\$710	\$720	\$730
712.015 Costs - Vision\Ancillary	322	354	\$350	354	354	\$0	0.0%	\$360	\$370	\$380
Employee Costs	\$ 159,067	\$ 165,736	\$ 159,420	\$ 165,730	\$ 165,730	(\$6)	0.0%	\$168,510	\$175,270	\$179,630
728.000 Supplies - Operating	\$3,676	\$3,000	\$3,200	\$3,800	\$3,800	\$800	26.7%	\$3,876	\$3,954	\$4,033
735.000 Periodicals & Publications	152	155	155	155	155	0	0.0%	158	161	164
740.000 Election Expense	2,150	7,805	6,000	6,620	6,620	-1,185	-15.2%	5,752	6,887	6,025
801.000 Professional Services	33	2,500	2,000	2,000	2,000	-500	-20.0%	2,040	2,081	2,122
831.000 Contractual Repairs & Maint.	6,967	7,700	6,500	6,500	6,500	-1,200	-15.6%	6,630	6,763	6,898
860.000 Travel & Training Expense	4,966	6,000	6,000	6,700	6,700	700	11.7%	6,834	6,971	7,110
870.000 Memberships & Dues	665	570	775	775	775	205	36.0%	791	806	822
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retiree BCBS	0	0	0	0	0	0		0	1,500	3,000
900.000 Printing/Publishing	4,005	5,110	4,500	4,810	4,810	-300	-5.9%	4,906	5,004	5,104
970.000 Capital Outlay	0	0	0	0	0	0		0	0	0
985.000 Lease Purchase	2,982	3,000	3,000	3,000	3,000	0	0.0%	3,000	3,000	3,060
Operating Costs	\$ 25,597	\$ 35,840	\$ 32,130	\$ 34,360	\$ 34,360	(\$1,480)	-4.1%	\$33,987	\$37,127	\$38,339
TOTAL CLERK	\$ 184,664	\$ 201,576	\$ 191,550	\$ 200,090	\$ 200,090	\$ (1,486)	-0.7%	\$ 202,497	\$ 212,397	\$ 217,969

Assessor

Description

Molly Whetstone of Great Lakes Assessing, Inc. is the City Assessor. She has a one year contract that expires in July, 2016.



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 generally held on the Tuesday following the third Monday of the month. The December Board of Review is generally 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.

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.

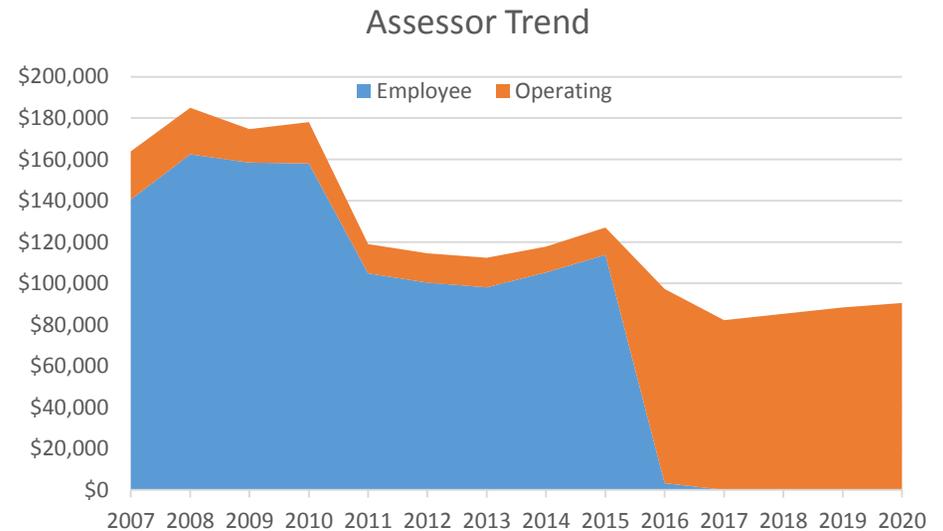
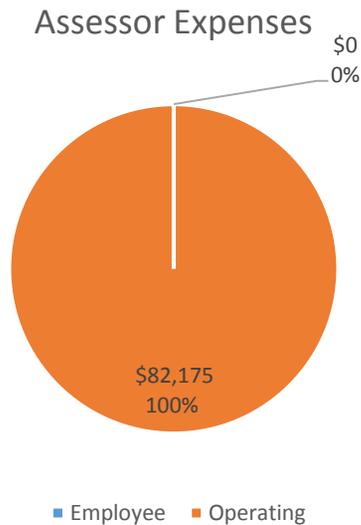


Issues

Morton Salt, a large industrial taxpayer, is appealing its property taxes at the Michigan Tax Tribunal. They are asking for a large reduction. Morton has appealed its taxes several times in the past, each of which the City has settled. The City believes the current appeal is unsupported by the facts and intends to vigorously defend its assessment. The amount of value in dispute is almost \$3,000,000. If granted, it would result in a reduction of taxable value of almost \$1,400,000 and a loss of total taxes of about \$82,000 annually.

Analysis & Infographics

Assessing costs have fallen sharply due to reducing headcount in 2011 and ultimately outsourcing the assessing function in 2016.



Assumptions & Notes

Total costs decreased **-1.3%** from the prior year budget. Employee costs decreased from the prior budget because the assessing function has been outsourced. Operational costs increased from the prior year budget because of outsourcing the assessing function to Great Lakes Assessing.

	Average	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
# of Tax Appeals	13	5	12	25	13	6	3	3	3	5	13	41	4	46	13	3
# July BOR	26	38	25	69	41	38	27	21	25	18	19	14	6	7	26	11
# Dec BOR	16	37	11	23	32	21	9	11	5	9	9	5	9	16	11	30
# of Poverty Exemptions	12			9	15	17	19	19	17	16	12	10	7	5	6	10
# VA Disabled Vets Exemptions	22													15	24	28

Details

257 City Assessor

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$75,116	\$40,000	\$0	\$0	\$0	(\$40,000)	-100.0%	\$0	\$0	\$0
703.000 Longevity	0	0	0	0	0	0		0	0	0
704.000 Overtime	0	0	0	0	0	0		0	0	0
706.000 Part-Time	6,879	0	2,500	0	0	0		0	0	0
708.000 VHS Sellback	5,469	0	0	0	0	0		0	0	0
712.001 Costs - Social Security	5,553	2,706	150	0	0	-2,706	-100.0%	0	0	0
712.002 Costs - Medicare	1,299	633	40	0	0	-633	-100.0%	0	0	0
712.004 Costs - ICMA Contribution	0	0	0	0	0	0		0	0	0
712.005 Costs - MERS	4,030	3,648	0	0	0	-3,648	-100.0%	0	0	0
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0		0	0	0
712.007 Costs - SUTA	238	137	50	0	0	-137	-100.0%	0	0	0
712.009 Costs - Work Comp	610	408	30	0	0	-408	-100.0%	0	0	0
712.010 Costs - Blue Cross Insurance	8,673	12,041	0	0	0	-12,041	-100.0%	0	0	0
712.011 Costs - Life Insurance	328	227	0	0	0	-227	-100.0%	0	0	0
712.012 Costs - HRA	1,560	3,000	0	0	0	-3,000	-100.0%	0	0	0
712.013 Costs HSA	3,000	0	0	0	0	0		0	0	0
712.014 Costs - Dental Insurance	655	900	200	0	0	-900	-100.0%	0	0	0
712.015 Costs - Vision\Ancillary	322	354	250	0	0	-354	-100.0%	0	0	0
Employee Costs	\$113,731	\$64,054	\$3,220	\$0	\$0	(\$64,054)	-100.0%	\$0	\$0	\$0
728.000 Operating Expense	\$2,571	\$2,000	\$350	\$500	\$500	(\$1,500)	-75.0%	\$510	\$520	\$531
735.000 Periodicals & Publications	1,106	1,000	0	0	0	-1,000	-100.0%	0	0	0
801.000 Professional Services	4,348	7,000	87,000	76,000	76,000	69,000	985.7%	78,990	82,099	84,138
831.000 Contractual Repairs & Maint	1,536	2,475	2,600	2,675	2,675	200	8.1%	2,729	2,783	2,839
860.000 Travel & Training Expense	780	1,600	0	0	0	-1,600	-100.0%	0	0	0
865.000 Vehicle Allowance	1,350	0	0	0	0	0		0	0	0
870.000 Memberships & Dues	435	610	0	0	0	-610	-100.0%	0	0	0
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retiree BCBS	1,136	4,500	4,200	3,000	3,000	-1,500	-33.3%	3,000	3,000	3,000
900.000 Printing/Publishing	0	0	0	0	0	0		0	0	0
930.000 Repairs & Maintenance	0	0	0	0	0	0		0	0	0
970.000 Capital Outlay	0	0	0	0	0	0		0	0	0
985.000 Lease Purchase	0	0	0	0	0	0		0	0	0
Operating Costs	\$13,261	\$19,185	\$94,150	\$82,175	\$82,175	\$62,990	328.3%	\$85,229	\$88,402	\$90,507
TOTAL ASSESSOR	\$126,992	\$83,239	\$97,370	\$82,175	\$82,175	(\$1,064)	-1.3%	\$85,229	\$88,402	\$90,507

Facilities

Description

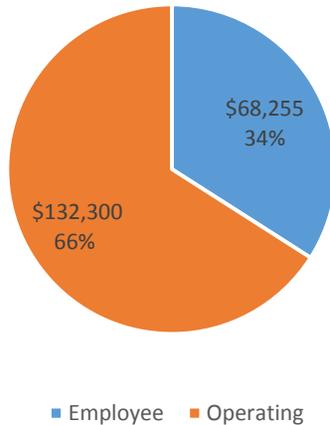
This fund accounts for the expenses associated with the ongoing operation of the City’s buildings, including City Hall, Fire Station, and City Garage. The utilities for all these buildings, as well as maintenance & repairs for City Hall are recorded here. Maintenance and repairs for the Fire Station and City Garage are recorded in the Fire|EMS and DPW budgets, respectively.



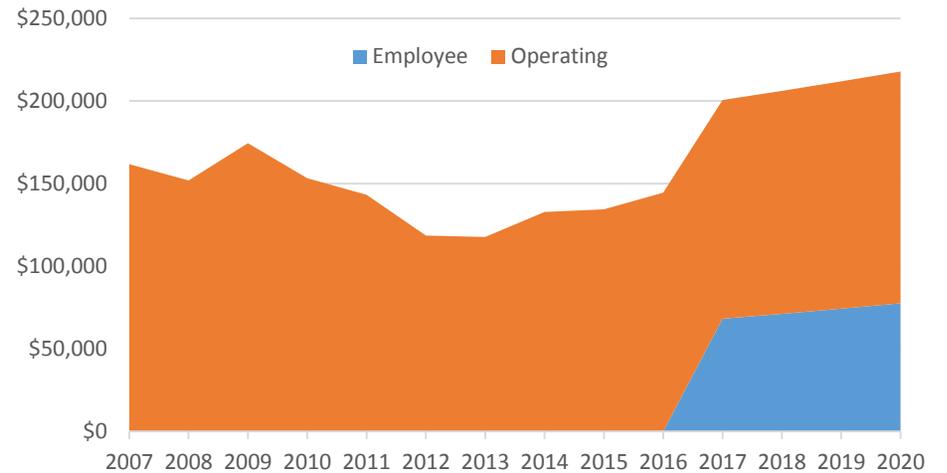
Analysis & Infographics

Facility Manager Mark Hansen’s wages and benefits were moved to the Facility department from the Community Development department as part of outsourcing the building inspection function and the creation of the Administrative Services department.

Building Expenses



Building Trend



Assumptions & Notes

Total costs increased **52.1%** from the prior year budget. The Facility Manager is now budgeted in this department, and employees received normal wage and benefit increases. Operational costs increased from the prior year budget. This was comprised of fluctuations in a variety of line items.

Details

265 Municipal Buildings

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$0	\$0	\$0	\$46,408	\$46,408	\$46,408		\$48,500	\$50,700	\$53,000
704.000 Overtime	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
708.000 V\SH Sellback	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
712.001 Costs - Social Security	0	0	0	\$3,026	\$3,026	\$3,026		\$3,010	\$3,140	\$3,290
712.002 Costs - Medicare	0	0	0	\$708	\$708	\$708		\$700	\$740	\$770
712.004 Costs - ICMA Contribution	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
712.005 Costs - MERS	0	0	0	\$2,116	\$2,116	\$2,116		\$2,400	\$2,800	\$3,200
712.006 Costs - In Lieu of BC/BS	0	0	0	\$0	\$0	\$0		\$0	\$0	\$0
712.007 Costs - SUTA	0	0	0	\$137	\$137	\$137		\$140	\$140	\$140
712.009 Costs - Work Comp	0	0	0	\$1,801	\$1,801	\$1,801		\$1,840	\$1,880	\$1,920
712.010 Costs - Health Insurance	0	0	0	\$9,894	\$9,894	\$9,894		\$10,400	\$10,700	\$11,000
712.011 Costs - Life Insurance	0	0	0	\$113	\$113	\$113		\$110	\$110	\$110
712.012 Costs - HSA\HRA	0	0	0	\$3,000	\$3,000	\$3,000		\$3,000	\$3,000	\$3,000
712.014 Costs - Dental Insurance	0	0	0	\$699	\$699	\$699		\$710	\$720	\$730
712.015 Costs - Vision\Ancillary	0	0	0	\$354	\$354	\$354		\$360	\$370	\$380
Employee Costs	\$ -	\$ -	\$ -	\$ 68,255	\$ 68,255	\$ 68,255		\$ 71,170	\$ 74,300	\$ 77,540
728.000 Operating Supplies	\$6,725	\$7,500	\$7,000	\$7,500	\$7,500	\$0	0.0%	\$7,650	\$7,803	\$7,959
801.000 Professional Services	2,520	2,500	2,000	2,500	2,500	0	0.0%	2,550	2,601	2,653
831.000 Contractual Repairs & Maint.	28,552	12,000	19,000	12,000	12,000	0	0.0%	12,240	12,485	12,734
850.000 Utilities - Phone	10,015	12,000	17,000	13,200	13,200	1,200	10.0%	13,464	13,733	14,008
865.000 Vehicle Allowance	0	0	0	2,400	2,400	2,400		2,400	2,400	2,400
920.000 Gas - City Hall	5,460	6,000	5,700	5,700	5,700	-300	-5.0%	5,814	5,930	6,049
920.336 Gas - Fire Dept	1,786	4,000	3,800	3,800	3,800	-200	-5.0%	3,876	3,954	4,033
920.441 Gas - DPW	24,799	22,000	20,900	20,900	20,900	-1,100	-5.0%	21,318	21,744	22,179
920.446 Gas - Bridge	1,427	1,300	1,000	1,000	1,000	-300	-23.1%	1,020	1,040	1,061
922.000 Water - City Hall	2,648	3,000	1,800	2,200	2,200	-800	-26.7%	2,244	2,289	2,334
922.336 Water - Fire Dept	1,207	1,200	1,400	1,490	1,490	290	24.2%	1,520	1,550	1,581
922.441 Water - DPW	1,590	3,000	2,500	2,650	2,650	-350	-11.7%	2,703	2,757	2,812
922.446 Water - Bridge	1,185	1,100	1,000	1,060	1,060	-40	-3.6%	1,081	1,103	1,125
925.000 Electric - City Hall	20,692	21,500	22,000	21,500	21,500	0	0.0%	21,930	22,369	22,816
925.336 Electric - Fire Dept	5,190	5,000	5,000	5,000	5,000	0	0.0%	5,100	5,202	5,306
925.441 Electric - DPW	15,627	13,500	14,000	14,000	14,000	500	3.7%	14,280	14,566	14,857
925.446 Electric - Bridge	4,526	4,800	4,400	4,400	4,400	-400	-8.3%	4,488	4,578	4,669
930.000 Repairs & Maintenance	451	8,500	13,000	8,000	8,000	-500	-5.9%	8,160	8,323	8,490
970.000 Capital Outlay (Expense)	0	3,000	3,000	3,000	3,000	0	0.0%	3,060	3,121	3,184
Operating Costs	\$ 134,401	\$ 131,900	\$ 144,500	\$ 132,300	\$ 132,300	\$400	0.3%	\$134,898	\$137,548	\$140,251
TOTAL MUNICIPAL BUILDINGS	\$ 134,401	\$ 131,900	\$ 144,500	\$ 200,555	\$ 200,555	\$ 68,655	52.1%	\$ 206,068	\$ 211,848	\$ 217,791

Community Development

Description

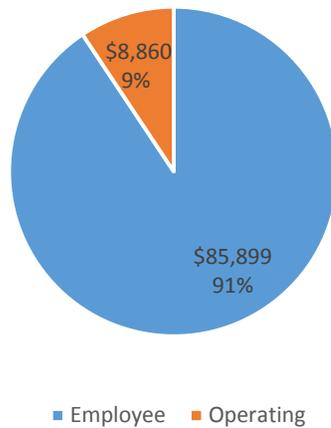
The Community Development office handles many activities within the City, primarily planning & zoning, grant management and website management. Other activities include:

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

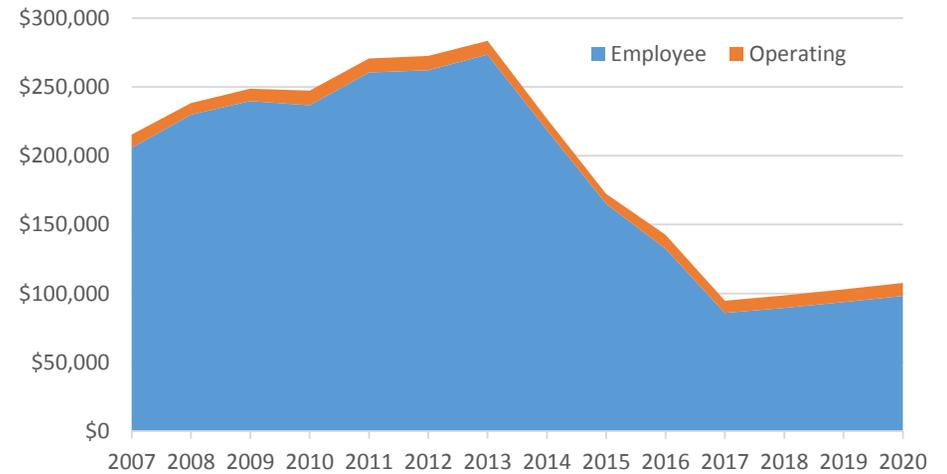
Analysis & Infographics

Community Development costs have fallen sharply due to restructuring and reducing headcount.

Community Development Expenses



Community Development Trend



Calendar Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
\$ Value Land Use Permits	n/a	n/a	n/a	n/a	n/a	\$260	\$590	\$640	675	1,750	2,800	1,675	1,575	1,450	2,150	1,375
# Special Use Applications	2	4	5	4	1	7	7	1	5	2	2	2	2	4	2	1
\$ Value Special Use Permits	\$500	\$1,000	\$1,250	\$1,000	\$250	\$1,750	\$1,750	\$250	1,250	1,000	1,500	1,500	1,500	3,000	1,500	750
# ZBA Requests	12	13	12	4	10	1	2	4	2	2	2	4	2	1	1	1
\$ Value ZBA Requests	\$3,000	\$3,250	\$3,000	\$1,000	\$2,500	\$250	\$500	\$1,000	1,000	1,000	1,000	2,000	1,000	500	500	500
Sign Permits	n/a	24	22	17	34	18	24	21	23	20	21	13	15	24	9	7
\$Value Sign Permit Fees	n/a	\$660	\$550	\$475	\$850	\$425	\$600	\$535	950	1,000	1,050	750	750	1,200	425	350
Historic Overlay Permits	n/a	8	6	15	30	26	6	24	33	28	24	18	22	36	18	19

Assumptions & Notes

Total costs decreased **-36.2%** from the prior year budget. Employee costs decreased due to moving the Facility Manager to the Facilities budget and remaining employee received normal wage and benefit increases. Operational costs decreased from the prior year. Moving the Facility Manager to the Facility department shifted some costs.

Details

748 Community Development

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$105,591	\$91,688	\$0	\$57,429	\$57,429	(\$34,259)	-37.4%	\$60,000	\$62,700	\$65,500
703.000 Longevity	0	0	91,700	0	0	0		\$0	\$0	\$0
704.000 Overtime	0	250	0	250	250	0	0.0%	\$250	\$250	\$250
706.000 Part-Time	0	0	200	0	0	0		\$0	\$0	\$0
708.000 VISA Sellback	9,253	0	0	0	0	0		\$0	\$0	\$0
712.001 Costs - Social Security	7,265	6,263	0	3,972	3,972	-2,291	-36.6%	\$3,740	\$3,900	\$4,080
712.002 Costs - Medicare	1,699	1,465	5,700	929	929	-536	-36.6%	\$870	\$910	\$950
712.004 Costs - ICMA Contribution	0	0	1,300	0	0	0		\$0	\$0	\$0
712.005 Costs - MERS	8,787	6,677	0	5,791	5,791	-886	-13.3%	\$6,500	\$7,500	\$8,600
712.006 Costs - In Lieu of BC/BS	911	0	6,700	0	0	0		\$0	\$0	\$0
712.007 Costs - SUTA	274	274	0	137	137	-137	-50.0%	\$140	\$140	\$140
712.009 Costs - Work Comp	2,143	238	270	577	577	339	142.3%	\$590	\$600	\$610
712.010 Costs - Blue Cross Insurance	20,619	21,589	240	12,474	12,474	-9,116	-42.2%	\$13,100	\$13,400	\$13,700
712.011 Costs - Life Insurance	252	227	21,600	113	113	-113	-50.0%	\$110	\$110	\$110
712.012 Costs - HSA/HRA	6,309	6,000	230	3,000	3,000	-3,000	-50.0%	\$3,000	\$3,000	\$3,000
712.014 Costs - Dental Insurance	1,441	1,619	3,000	873	873	-746	-46.1%	\$890	\$910	\$930
712.015 Costs - Vision/Ancillary	643	708	1,620	354	354	-354	-50.0%	\$360	\$370	\$380
Employee Costs	\$ 165,187	\$ 136,998	\$ 132,560	\$ 85,899	\$ 85,899	\$ (51,099)	-37.3%	\$ 89,550	\$ 93,790	\$ 98,250
728.000 Operating Expense	\$3,100	\$3,650	\$3,000	\$3,200	\$3,200	(\$450)	-12.3%	\$3,264	\$3,329	\$3,396
735.000 Periodicals & Publications	184	250	200	200	200	(\$50)	-20.0%	204	208	212
801.000 Professional Services	0	0	0	0	0	\$0		0	0	0
831.000 Contractual Repairs & Maint	749	2,400	2,400	2,400	2,400	\$0	0.0%	2,448	2,497	2,547
860.000 Travel & Training Expense	244	2,300	1,800	2,200	2,200	(\$100)	-4.3%	2,244	2,289	2,335
865.000 Vehicle Allowance	2,650	2,400	2,400	600	600	(\$1,800)	-75.0%	612	624	637
870.000 Memberships & Dues	54	400	60	60	60	(\$340)	-85.0%	61	62	64
873.000 Education	0	0	0	0	0	\$0		0	0	0
874.000 Retiree BCBS	0	0	0	0	0	\$0		0	0	0
900.000 Printing & Publishing	115	200	200	200	200	\$0	0.0%	204	208	212
930.000 Repairs & Maintenance	0	0	0	0	0	\$0		0	0	0
957.000 Motor Pool	0	0	0	0	0	\$0		0	0	0
970.000 Capital Outlay	0	0	0	0	0	\$0		0	0	0
985.000 Lease Purchase	0	0	0	0	0	\$0		0	0	0
Operating Costs	\$ 7,097	\$ 11,600	\$ 10,060	\$ 8,860	\$ 8,860	\$ (2,740)	-23.6%	\$ 9,037	\$ 9,218	\$ 9,402
TOTAL COMMUNITY DEVELOPMENT	\$ 172,284	\$ 148,598	\$ 142,620	\$ 94,759	\$ 94,759	\$ (53,839)	-36.2%	\$ 98,587	\$ 103,008	\$ 107,652

Police

Description

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.

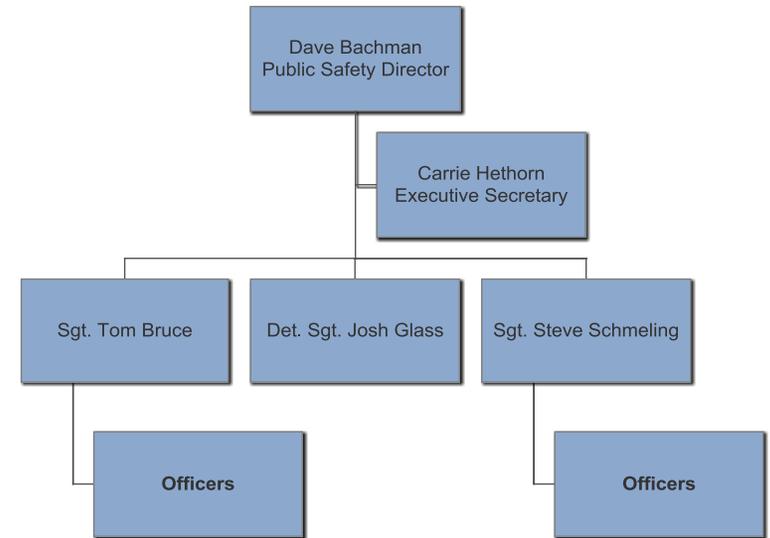


The Manistee Police Department is a progressive department with many plans for the future. The department currently has 13 sworn officers; including the Chief, detective sergeant and two road sergeants. The officers are unionized and represented by the POAM. The Sergeants are also unionized and represented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

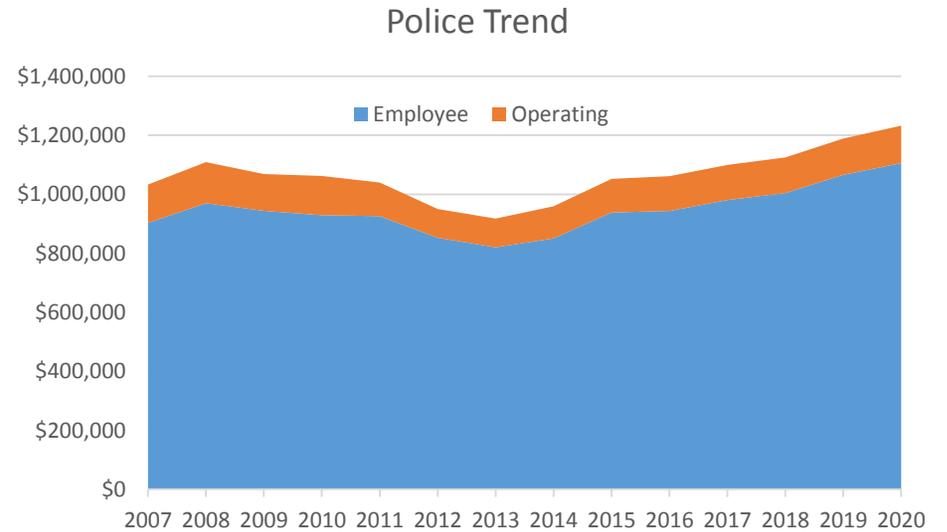
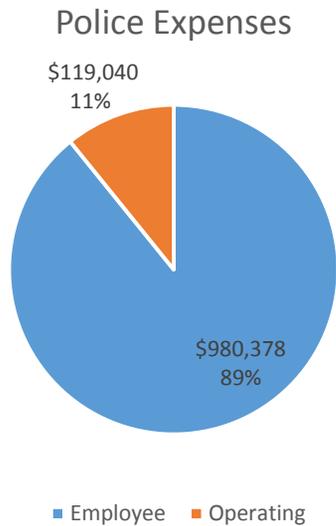
Currently there are 4 patrol cars which patrol 50 miles of City streets. The department also has a car for the detective sergeant’s use. During the summer months there is a bike patrol for community policing and summer events. Officers are expected to do foot patrols daily throughout the downtown area, 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.

Analysis & Infographics

Arrests	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Felonies	71	61	50	61	74	58	81	107	116	108	75	86	102	136	146	109
Misdemeanors	515	645	629	512	494	830	754	927	804	596	559	479	428	493	550	546
OWI											43	32	20	40	40	42
Citations	1724	1579	1071	1012	1521	1043	708	1566	997	743	872	458	392	299	478	461



The increase in 2015 was due to the addition of another police officer.



Assumptions & Notes

Total costs increased **4.4%** from the prior year budget. Employee costs increased due to normal wage and benefit increases. Operational costs increased from the prior year budget primarily due to higher training costs, and retiree health insurance, offset some by lower gasoline prices.

Details

301 Police Department

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$622,066	\$626,625	\$626,600	\$644,882	\$644,882	\$18,257	2.9%	\$665,200	\$686,500	\$704,500
703.000 Longevity	0	0	\$0	\$0	\$0	0		0	0	0
704.000 Overtime	25,703	16,500	\$25,000	\$20,400	\$20,400	3,900	23.6%	20,500	20,750	21,000
704.001 Spotlight Grant Overtime	0	0	\$0	\$0	\$0	0		0	20,750	21,000
706.000 Part-Time	23,249	14,196	\$14,200	\$14,742	\$14,742	546	3.8%	15,000	15,250	15,500
708.000 V\SH Sellback	23,049	15,000	\$15,000	\$15,000	\$15,000	0	0.0%	0	0	0
712.001 Costs - Social Security	1,390	1,444	\$1,180	\$1,205	\$1,205	-239	-16.5%	2,790	2,820	2,850
712.002 Costs - Medicare	10,792	11,132	\$9,900	\$10,457	\$10,457	-675	-6.1%	10,380	10,690	10,960
712.004 Costs - ICMA Contribution	0	0	\$0	\$0	\$0	0		0	0	0
712.005 MERS	58,111	71,270	\$71,300	\$88,809	\$88,809	17,538	24.6%	100,300	115,600	132,700
712.006 Costs - In Lieu of BC/BS	14,856	15,034	\$15,000	\$14,400	\$14,400	-634	-4.2%	15,000	15,000	15,000
712.007 Costs - SUTA	2,176	2,131	\$3,200	\$1,847	\$1,847	-284	-13.3%	1,880	1,920	1,960
712.009 Costs - Work Comp	15,851	16,404	\$16,400	\$17,617	\$17,617	1,213	7.4%	17,970	18,330	18,700
712.010 Costs - Blue Cross Insurance	99,754	106,278	\$106,300	\$110,095	\$110,095	3,817	3.6%	115,600	118,500	121,500
712.011 Costs - Life Insurance	2,924	2,845	\$2,850	\$2,847	\$2,847	2	0.1%	2,880	2,910	2,940
712.013 Costs - HSA	28,859	27,000	\$25,200	\$27,000	\$27,000	0	0.0%	25,200	25,200	25,200
712.014 Costs - Dental Insurance	6,858	7,946	\$7,950	\$7,715	\$7,715	-231	-2.9%	7,870	8,030	8,190
712.015 Costs - Vision\Ancillary	2,609	3,363	\$3,360	\$3,363	\$3,363	0	0.0%	3,430	3,500	3,570
Employee Costs	\$ 938,250	\$ 937,169	\$ 943,440	\$ 980,378	\$ 980,378	\$ 43,209	4.6%	\$ 1,004,000	\$ 1,065,750	\$ 1,105,570
715.000 Uniform & Cleaning Allowance	\$11,782	\$14,650	\$12,000	\$15,400	\$15,400	\$750	5.1%	\$15,708	\$16,022	\$16,343
728.000 Operating Expense	14,931	12,500	15,000	15,600	15,600	3,100	24.8%	15,912	16,230	16,555
735.000 Periodicals & Publications	96	200	0	100	100	-100	-50.0%	102	104	106
770.000 Gasoline	16,152	17,000	14,000	13,900	13,900	-3,100	-18.2%	14,178	14,462	14,751
795.000 Spotlight Grant Expenses	0	0	0	0	0	0		0	0	0
801.000 Professional Services	3,079	5,600	1,250	1,250	1,250	-4,350	-77.7%	765	780	796
831.000 Contractual Repairs & Maint	6,806	8,155	9,000	8,970	8,970	815	10.0%	9,149	9,332	9,519
860.000 Travel & Training Expense	10,340	7,100	7,500	9,600	9,600	2,500	35.2%	9,792	9,988	10,188
865.000 Vehicle Allowance	4,800	4,800	4,800	4,800	4,800	0	0.0%	4,800	4,800	4,800
870.000 Memberships & Dues	515	500	500	500	500	0	0.0%	510	520	531
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retire. Costs - Blue Cross	0	0	3,000	3,000	3,000	3,000		3,000	3,000	4,500
900.000 Printing/Publishing	374	1,100	800	1,000	1,000	-100	-9.1%	1,020	1,040	1,061
930.000 Repairs & Maintenance	12,427	11,000	15,000	11,000	11,000	0	0.0%	11,220	11,444	11,673
957.000 Motor Pool	31,000	31,930	31,930	31,000	31,000	-930	-2.9%	31,620	32,252	32,897
970.000 Capital Outlay	0	0	1,700	1,500	1,500	1,500		1,530	1,561	1,592
985.000 Lease Purchase	1,537	1,800	1,416	1,420	1,420	-380	-21.1%	1,448	1,477	1,507
Operating Costs	\$ 113,839	\$ 116,335	\$ 117,896	\$ 119,040	\$ 119,040	\$ 2,705	2.3%	\$ 120,755	\$ 123,014	\$ 126,818
TOTAL POLICE	\$ 1,052,088	\$ 1,053,504	\$ 1,061,336	\$ 1,099,418	\$ 1,099,418	\$ 45,914	4.4%	\$ 1,124,755	\$ 1,188,764	\$ 1,232,388

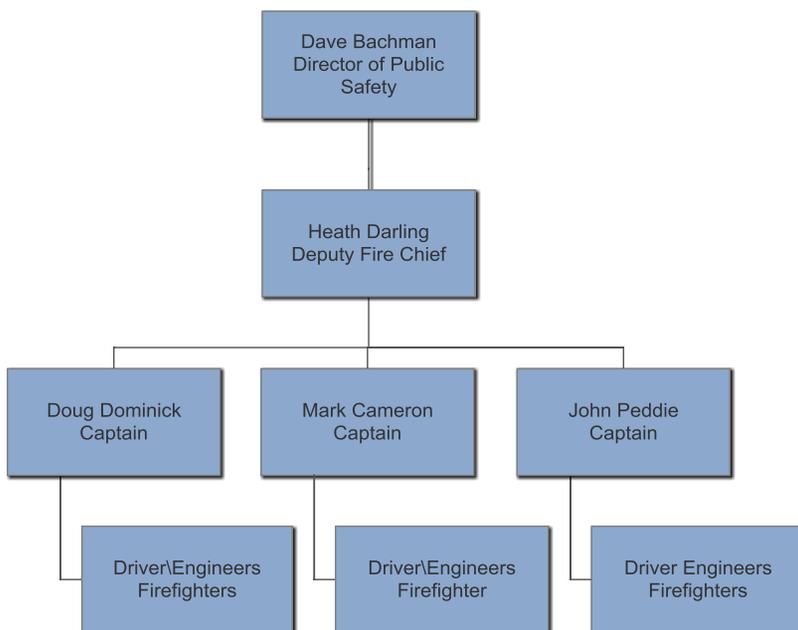
Fire & EMS

Description

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

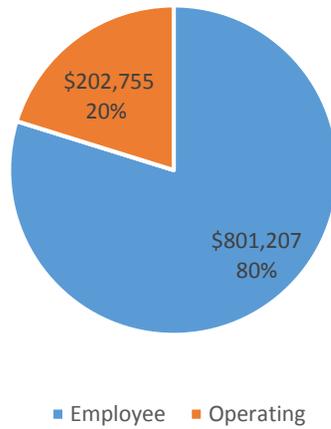
The Fire Department has a budgeted staff of 9 full time employees; seven firefighters, a deputy chief and one public safety director. The department provides the City with fire protection and medical response services at the advanced life support transport level.

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.

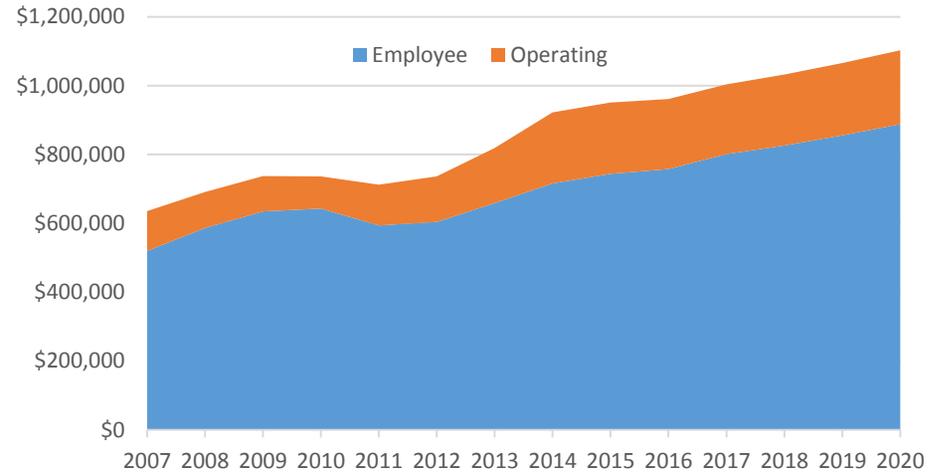


Analysis & Infographics

Fire & EMS Expenses



Fire & EMS Trend



Assumptions & Notes

Total costs increased **3.8%** from the prior year budget. Employee costs increased due to normal wage and benefit increases. Operational costs decreased primarily due to a reduction in education costs and gasoline, offset by increases in a few other line items.

Details

336 Fire & EMS

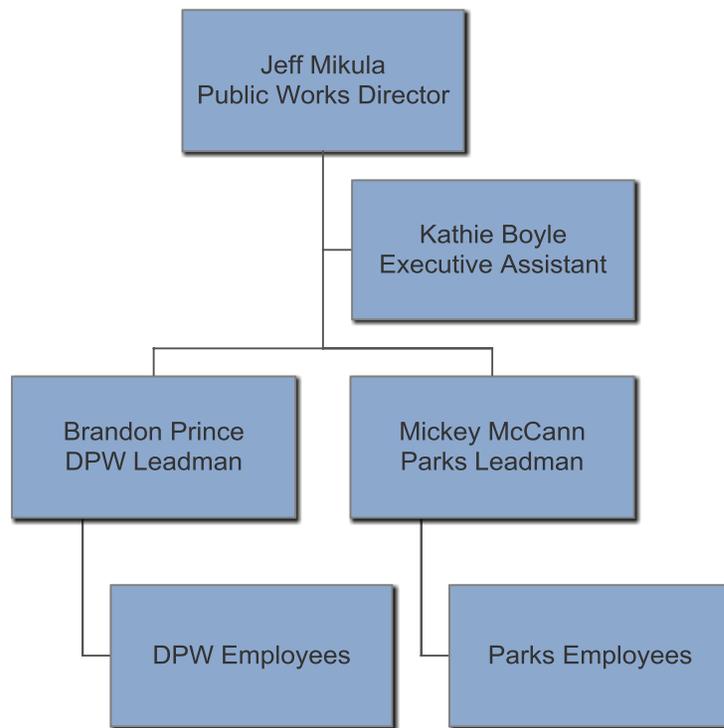
	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$430,035	\$445,256	\$445,300	\$464,239	\$464,239	\$18,983	4.3%	471,600	479,100	486,700
703.000 Longevity	0	0	\$0	\$0	\$0	0		0	0	0
704.000 Overtime	32,297	30,000	\$30,000	\$30,000	\$30,000	0	0.0%	30,500	31,000	32,000
706.000 Part-Time	7,725	5,000	\$5,000	\$5,000	\$5,000	0	0.0%	5,000	5,000	5,000
708.000 V/S/H Sellback	22,653	27,000	\$27,000	\$27,000	\$27,000	0	0.0%	27,000	27,000	27,000
712.001 Costs - Social Security	468	310	\$310	\$310	\$310	0	0.0%	310	310	310
712.002 Costs - Medicare	7,320	8,076	\$7,000	\$6,961	\$6,961	-1,115	-13.8%	7,400	7,500	7,600
712.005 MERS	92,346	100,443	\$100,400	\$106,959	\$106,959	6,516	6.5%	120,800	139,300	159,900
712.006 Costs - In Lieu of BC/BS	2,327	5,011	\$0	\$0	\$0	-5,011	-100.0%	0	0	0
712.007 Costs - SUTA	1,274	1,608	\$1,610	\$1,540	\$1,540	-68	-4.3%	1,570	1,600	1,630
712.009 Costs - Workers Compensation	18,220	17,825	\$17,830	\$19,227	\$19,227	1,402	7.9%	19,610	20,000	20,400
712.010 Costs - Blue Cross Insurance	84,836	82,195	\$82,200	\$97,621	\$97,621	15,426	18.8%	102,500	105,100	107,700
712.011 Costs - Life Insurance	2,057	1,938	\$1,940	\$1,939	\$1,939	2	0.1%	1,960	1,980	2,000
712.012 Costs - HSA/HRA	28,410	21,000	\$24,000	\$24,000	\$24,000	3,000	14.3%	21,000	21,000	21,000
712.014 Costs - Dental Insurance	5,907	6,147	\$6,150	\$6,841	\$6,841	694	11.3%	6,980	7,120	7,260
712.015 Costs - Vision/Ancillary	2,403	2,655	\$2,660	\$3,009	\$3,009	354	13.3%	3,070	3,130	3,190
716.000 Food Allowance	5,736	6,240	\$6,240	\$6,560	\$6,560	320	5.1%	6,560	6,560	6,560
Employee Costs	\$ 744,014	\$ 760,705	\$ 757,640	\$ 801,207	\$ 801,207	\$ 40,502	5.3%	\$ 825,860	\$ 855,700	\$ 888,250
715.000 Uniform & Cleaning Allowance	\$5,158	\$6,000	\$6,000	\$6,000	\$6,000	\$0	0.0%	\$6,120	\$6,242	\$6,367
728.000 Operating Expense	12,246	7,700	10,000	11,000	11,000	3,300	42.9%	11,220	11,444	11,673
732.000 Medical Supplies	15,507	16,000	16,000	16,000	16,000	0	0.0%	16,320	16,646	16,979
735.000 Periodicals & Publications	44	350	0	350	350	0	0.0%	357	364	371
770.000 Gasoline	8,462	8,600	6,750	6,500	6,500	-2,100	-24.4%	6,630	6,763	6,898
790.000 Fire Prevention	1,596	2,200	2,200	2,200	2,200	0	0.0%	2,244	2,289	2,335
801.000 Professional Services	19,881	18,800	19,500	21,325	21,325	2,525	13.4%	21,752	22,187	22,630
831.000 Contractual Repairs & Maint.	2,896	4,300	5,500	5,500	5,500	1,200	27.9%	5,610	5,722	5,837
860.000 Travel & Training Expense	11,270	8,300	8,300	8,300	8,300	0	0.0%	8,466	8,635	8,808
870.000 Memberships & Dues	660	400	400	400	400	0	0.0%	408	416	424
873.000 Education	11,618	13,000	0	7,500	7,500	-5,500	-42.3%	7,650	7,803	7,959
874.000 Retiree BCBS	15,000	15,000	15,000	15,000	15,000	0	0.0%	15,300	15,606	15,918
900.000 Printing/Publishing	407	500	300	400	400	-100	-20.0%	408	416	424
930.000 Repairs & Maintenance	13,039	12,100	18,000	12,000	12,000	-100	-0.8%	12,240	12,485	12,734
942.000 Hydrant Rental	21,600	21,600	21,600	21,600	21,600	0	0.0%	21,600	21,600	21,600
956.000 Mutual Aid	0	200	0	200	200	0	0.0%	204	208	212
957.000 Motor Pool	62,000	63,860	63,860	62,000	62,000	-1,860	-2.9%	63,240	64,505	65,795
970.000 Capital Outlay-Under \$5,000	2,606	7,200	9,500	6,000	6,000	-1,200	-16.7%	6,120	6,242	6,367
985.000 Lease Purchase	2,995	600	480	480	480	-120	-20.0%	490	499	509
Operating Costs	\$ 206,984	\$ 206,710	\$ 203,390	\$ 202,755	\$ 202,755	\$ (3,955)	-1.9%	\$ 206,378	\$ 210,074	\$ 213,843
TOTAL FIRE	\$ 950,998	\$ 967,415	\$ 961,030	\$ 1,003,962	\$ 1,003,962	\$ 36,547	3.8%	\$ 1,032,238	\$ 1,065,774	\$ 1,102,093

Public Works

Description

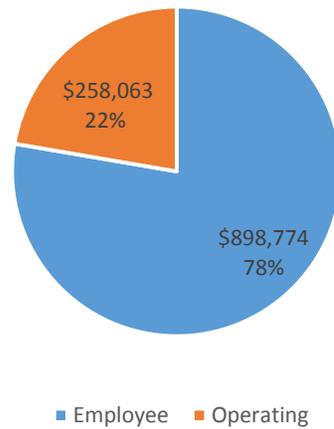
Jeff Mikula is the Public Works Director. He has been with the City for 3 years. He oversees all aspects of the Public Works, Parks and Utility operations, and is the primary project manager for City infrastructure projects.

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.

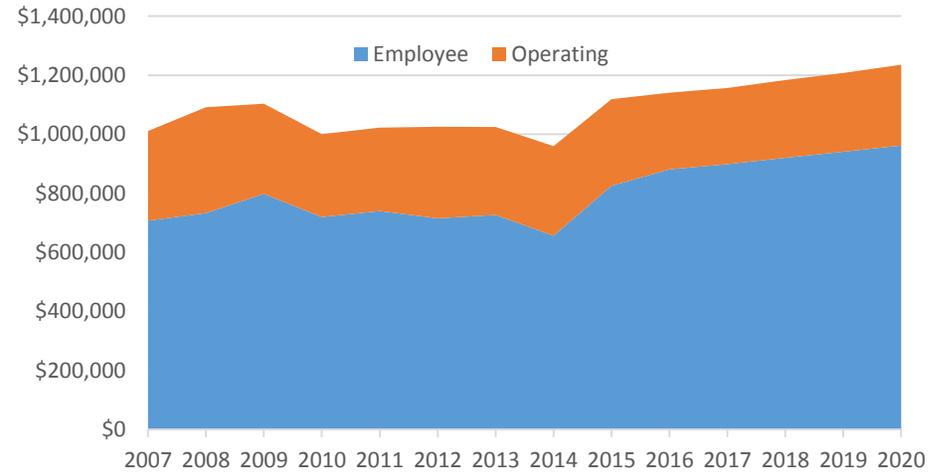


Analysis & Infographics

Public Works Expenses



Public Works Trend



Assumptions & Notes

Total costs decreased **-0.2%** from the prior year budget. Employee costs increased over prior year budget because of a change in the way the proposed DPW\WSU restructuring was implemented in the prior fiscal year and the resultant reallocation of costs between departments; paying half of the MERS normal cost instead of the minimum required for the closed USW division, and normal wage and benefit increases. Operational costs decreased from the prior year budget. The decrease is made up of variances in many line items, but is primarily due to lower fuel costs.

Details

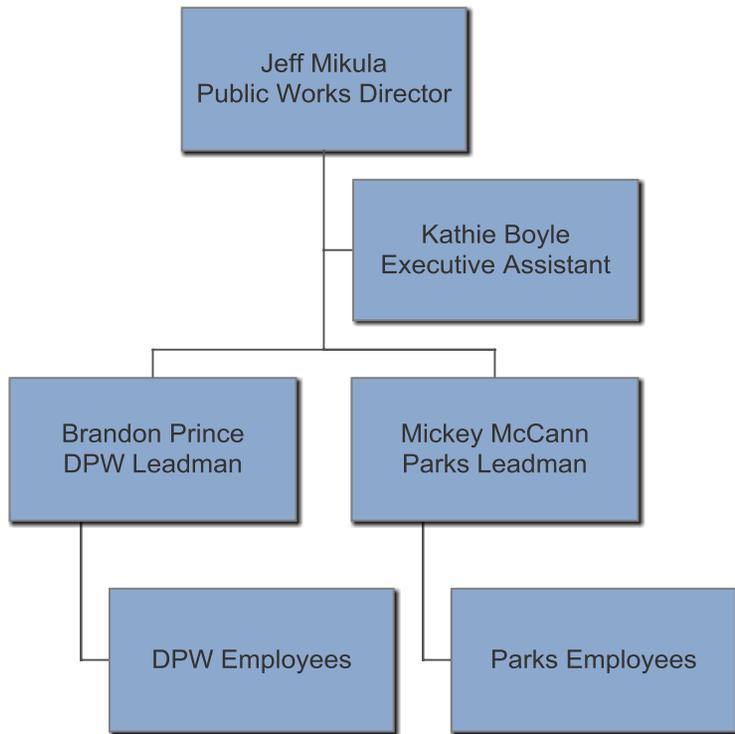
441 DPW

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$512,033	\$563,034	\$546,110	\$544,773	\$544,773	(\$18,260)	-3.2%	\$557,000	\$568,400	\$580,000
703.000 Longevity	0	0	0	0	0	0		\$0	\$0	\$0
704.000 Overtime	51,525	27,000	46,500	42,936	42,936	15,936	59.0%	\$43,000	\$43,000	\$43,000
706.000 Part-Time	28,388	29,120	29,000	29,120	29,120	0	0.0%	\$29,000	\$29,000	\$29,000
708.000 VSIH Sellback	7,750	9,000	11,000	11,000	11,000	2,000	22.2%	\$11,000	\$11,000	\$11,000
712.001 Costs - Social Security	36,320	40,169	39,000	38,468	38,468	-1,700	-4.2%	\$39,480	\$40,190	\$40,910
712.002 Costs - Medicare	8,494	9,394	9,100	8,997	8,997	-398	-4.2%	\$9,230	\$9,400	\$9,570
712.004 Costs - ICMA Contribution	2,842	2,922	2,922	2,966	2,966	44	1.5%	\$3,000	\$3,000	\$3,000
712.005 Costs - MERS	7,593	10,994	11,000	23,702	23,702	12,708	115.6%	\$26,800	\$30,900	\$35,500
712.006 Costs - In Lieu of BC/BS	5,021	5,011	5,011	4,800	4,800	-211	-4.2%	\$4,800	\$4,800	\$4,800
712.007 Costs - SUTA	2,042	2,198	2,200	2,061	2,061	-137	-6.2%	\$2,100	\$2,140	\$2,180
712.009 Costs - Work Comp	32,711	37,578	37,580	38,315	38,315	736	2.0%	\$39,080	\$39,860	\$40,660
712.010 Costs - Blue Cross Insurance	90,455	103,520	103,500	109,418	109,418	5,898	5.7%	\$114,900	\$117,800	\$120,700
712.011 Costs - Life Insurance	1,708	2,270	2,270	2,139	2,139	-130	-5.7%	\$2,160	\$2,180	\$2,200
712.012 Costs - HSA/HRA	28,957	28,500	24,000	28,500	28,500	0	0.0%	\$27,000	\$27,000	\$27,000
712.014 Costs - Dental Insurance	6,387	7,766	7,770	7,686	7,686	-81	-1.0%	\$7,840	\$8,000	\$8,160
712.015 Costs - Vision/Ancillary	3,050	4,071	4,070	3,894	3,894	-177	-4.3%	\$3,970	\$4,050	\$4,130
Employee Costs	\$825,277	\$882,547	\$881,033	\$898,774	\$898,774	\$16,227	1.8%	\$920,360	\$940,720	\$961,810
715.000 Uniform & Cleaning Allowance	\$3,224	\$7,303	\$7,000	\$5,903	\$5,903	(\$1,400)	-19.2%	\$6,021	\$6,141	\$6,264
728.000 Operating Expense	25,613	13,500	13,500	13,500	13,500	0	0.0%	13,770	14,045	14,326
735.000 Periodicals & Publications	152	250	200	200	200	-50	-20.0%	204	208	212
770.000 Gasoline	58,599	72,750	50,000	53,800	53,800	-18,950	-26.0%	54,876	55,974	57,093
801.000 Professional Services	2,285	3,560	3,600	3,500	3,500	-60	-1.7%	3,570	3,641	3,714
831.000 Contractual Repairs & Maint.	12,930	10,450	10,450	10,450	10,450	0	0.0%	10,659	10,872	11,090
860.000 Travel & Training Expense	6,748	5,450	5,450	5,450	5,450	0	0.0%	5,559	5,670	5,784
870.000 Dues & Memberships	269	400	275	300	300	-100	-25.0%	306	312	318
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retire. Costs - Blue Cross	2,798	0	0	0	0	0		0	0	0
900.000 Printing & Publishing	515	500	600	400	400	-100	-20.0%	408	416	424
930.000 Repairs & Maintenance	101,142	78,000	85,000	83,000	83,000	5,000	6.4%	84,660	86,353	88,080
955.000 Christmas Decorations	5,628	9,300	8,000	8,000	8,000	-1,300	-14.0%	8,160	8,323	8,490
957.000 Motor Pool	72,000	74,160	74,160	72,000	72,000	-2,160	-2.9%	73,440	74,909	76,407
970.000 Capital Outlay	0	0	0	0	0	0		0	0	0
985.000 Lease Purchase	1,700	1,560	1,560	1,560	1,560	0	0.0%	1,591	0	1,623
Operating Costs	\$293,603	\$277,183	\$259,795	\$258,063	\$258,063	(\$19,120)	-6.9%	\$263,224	\$266,866	\$273,826
TOTAL DPW	\$1,118,880	\$1,159,730	\$1,140,828	\$1,156,837	\$1,156,837	(\$2,893)	-0.2%	\$1,183,584	\$1,207,586	\$1,235,636

Parks

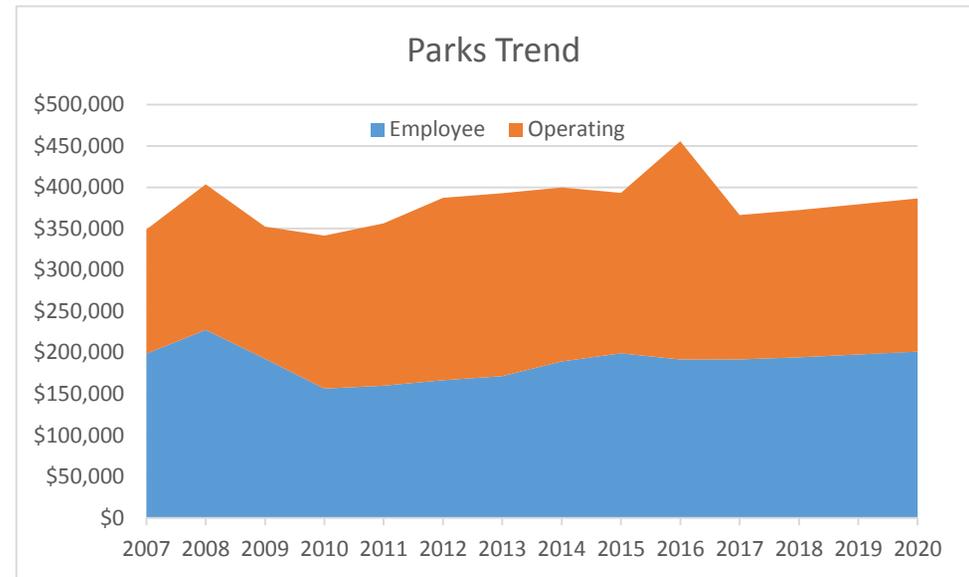
Description

The Parks department is responsible for the maintenance of all of the City’s parks, beaches and most public restrooms. The 16 parks in the City comprise 183 acres, 1.5 miles of Lake Michigan beaches and 3.5 miles of bikeways\walkways. The Parks department employs seasonal help to augment the full-time workforce and keep the Parks looking good.



Analysis & Infographics

The spike in operating costs projected for FY 2016 is due to emergency Riverwalk repairs.



Assumptions & Notes

Total costs increased **5.4%** from the prior year budget. Employee costs increased over prior year budget due to normal wage and benefit increases and paying half the MERS normal cost instead of the required minimum for the closed USW division. Operational costs increased from the prior year budget. The largest part of the increase is for contractual repairs and maintenance relating to landscaping, lawn maintenance and phragmite control.

Details

751 Parks

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$85,408	\$86,611	\$84,002	\$87,901	\$87,901	\$ 1,290	1.5%	\$89,700	\$91,500	\$93,300
703.000 Longevity	0	0	0	0	0	\$ -		0	0	0
704.000 Overtime	17,028	7,960	14,000	8,500	8,500	\$ 540	6.8%	8,000	8,000	8,000
706.000 Part-Time	53,547	47,190	47,000	47,190	47,190	\$ -	0.0%	47,000	47,500	48,000
708.000 V\SIH Sellback	0	500	4,000	1,000	1,000	\$ 500	100.0%	1,000	1,000	1,000
712.001 Costs - Social Security	9,319	8,820	9,000	8,996	8,996	\$ 175	2.0%	8,970	9,110	9,260
712.002 Costs - Medicare	2,180	2,063	2,100	2,089	2,089	\$ 27	1.3%	2,100	2,130	2,160
712.005 Costs - MERS	0	0	0	1,751	1,751	\$ 1,751		2,000	2,300	2,600
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	\$ -		0	0	0
712.007 Costs - SUTA	1,100	1,907	1,910	1,907	1,907	\$ -	0.0%	1,940	1,980	2,020
712.009 Costs - Work Comp	3,960	3,998	4,000	4,178	4,178	\$ 181	4.5%	4,260	4,350	4,440
712.010 Costs - Blue Cross Insurance	18,388	19,096	17,190	19,787	19,787	\$ 691	3.6%	20,800	21,300	21,800
712.011 Costs - Life Insurance	249	302	300	302	302	\$ -	0.0%	310	310	310
712.012 Costs - HSA	6,014	6,000	6,000	6,000	6,000	\$ -	0.0%	6,000	6,000	6,000
712.014 Costs - Dental Insurance	1,281	1,439	1,440	1,398	1,398	\$ (42)	-2.9%	1,430	1,460	1,490
712.015 Costs - Vision\Ancillary	590	708	710	708	708	\$ -	0.0%	720	730	740
Employee Costs	\$ 199,064	\$ 186,594	\$ 191,652	\$ 191,707	\$ 191,707	\$ 5,113	2.7%	\$ 194,230	\$ 197,670	\$ 201,120
715.000 Uniform & Cleaning	\$379	\$1,031	\$1,100	\$1,131	\$1,131	\$100	9.7%	\$1,154	\$1,177	\$1,200
728.000 Operating Expense	14,018	10,800	10,500	10,800	10,800	0	0.0%	11,016	11,236	11,461
735.000 Periodicals & Publications	0	0	0	0	0	0		0	0	0
770.000 Gasoline	8,859	6,000	8,000	7,350	7,350	1,350	22.5%	7,497	7,647	7,800
801.000 Professional Services	960	500	0	500	500	0	0.0%	510	520	531
831.000 Contractual Repairs & Maint.	45,315	22,500	25,000	34,500	34,500	12,000	53.3%	35,190	35,894	36,612
860.000 Travel & Training Expense	0	500	750	750	750	250	50.0%	765	780	796
870.000 Dues & Memberships	0	250	160	160	160	-90	-36.0%	163	166	170
874.000 Retiree BCBS	0	0	0	0	0	0		0	0	0
900.000 Printing & Publishing	488	500	0	500	500	0	0.0%	510	520	531
920.000 Gas	1,056	1,000	1,000	1,000	1,000	0	0.0%	1,020	1,040	1,061
922.000 Water	12,217	13,000	12,500	13,000	13,000	0	0.0%	13,260	13,525	13,796
925.000 Electric	20,114	20,000	20,000	21,000	21,000	1,000	5.0%	21,420	21,848	22,285
930.000 Repairs & Maintenance	32,797	48,000	148,000	48,000	48,000	0	0.0%	48,960	49,939	50,938
957.000 Motor Pool	36,000	37,080	37,080	36,000	36,000	-1,080	-2.9%	36,720	37,454	38,203
970.000 Capital Outlay	21,947	0	0	0	0	0		0	0	0
985.000 Lease Purchase	0	0	0	0	0	0		0	0	0
Operating Costs	\$ 194,150	\$ 161,161	\$ 264,090	\$ 174,691	\$ 174,691	\$ 13,530	8.4%	\$ 178,185	\$ 181,749	\$ 185,383
TOTAL PARKS	\$ 393,214	\$ 347,755	\$ 455,742	\$ 366,398	\$ 366,398	\$ 18,643	5.4%	\$ 372,415	\$ 379,419	\$ 386,503

Attorney

Description

George Saylor, of Mika Meyers Beckett & Jones, is the City Attorney. The firm has been the City’s legal counsel since 1993. Their staff works closely with City staff on a variety of legal issues such as labor, tax appeals and environmental matters; and also prepares or reviews all City contracts. The prosecuting attorney fee is also paid here.



Analysis & Infographics

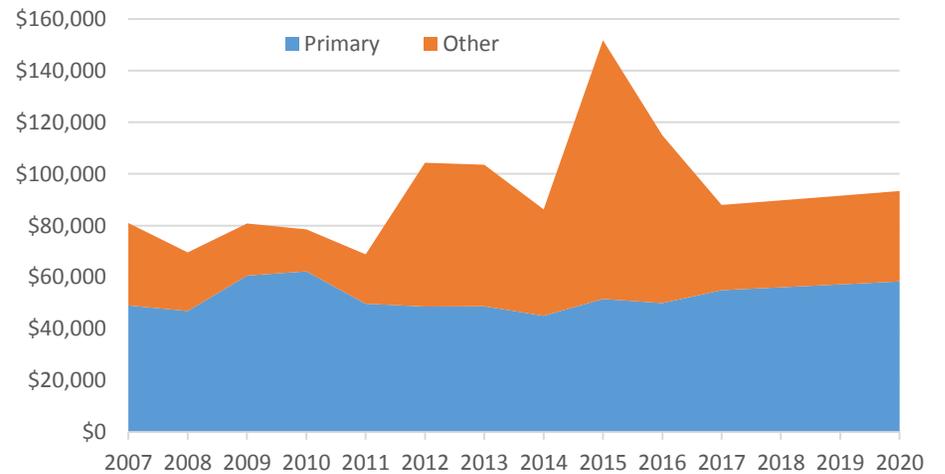
The spike in FY 2015 and FY 2016 were the result of litigation, tax appeals and open meeting act issues.



Attorney Expenses



Attorney Trend



Assumptions & Notes

Total costs were up **10.0%** from the prior year budget. The City has been using attorney services more frequently due to a variety of circumstances and situations, including tax appeals and litigation.

Details

266 Attorney

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
802.000 Prof Serv - Attorney	\$51,593	\$50,000	\$50,000	\$55,000	\$55,000	\$5,000	10.0%	\$56,100	\$57,222	\$58,366
803.000 Prof Serv - Other Attorneys	100,180	30,000	65,000	33,000	33,000	3,000	10.0%	33,660	34,333	35,020
TOTAL ATTORNEY	\$151,774	\$80,000	\$115,000	\$88,000	\$88,000	\$8,000	10.0%	\$89,760	\$91,555	\$93,386

Engineer

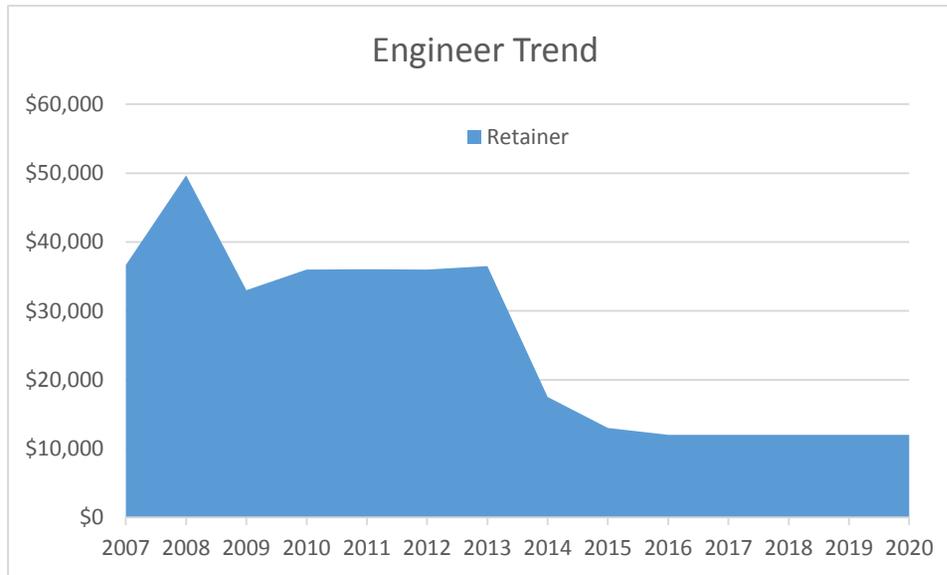
Description

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 daily activities of the City; answering technical questions and working across departments to address their engineering needs. They also help the City write, apply for and administer grants. This fund accounts only for the retainer paid to Spicer. Actual engineering fees are recorded on a project basis in their appropriate fund.



Analysis & Infographics

The monthly retainer was reduced compared to the prior engineer thru negotiation.



Assumptions & Notes

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

Details

285 Engineer

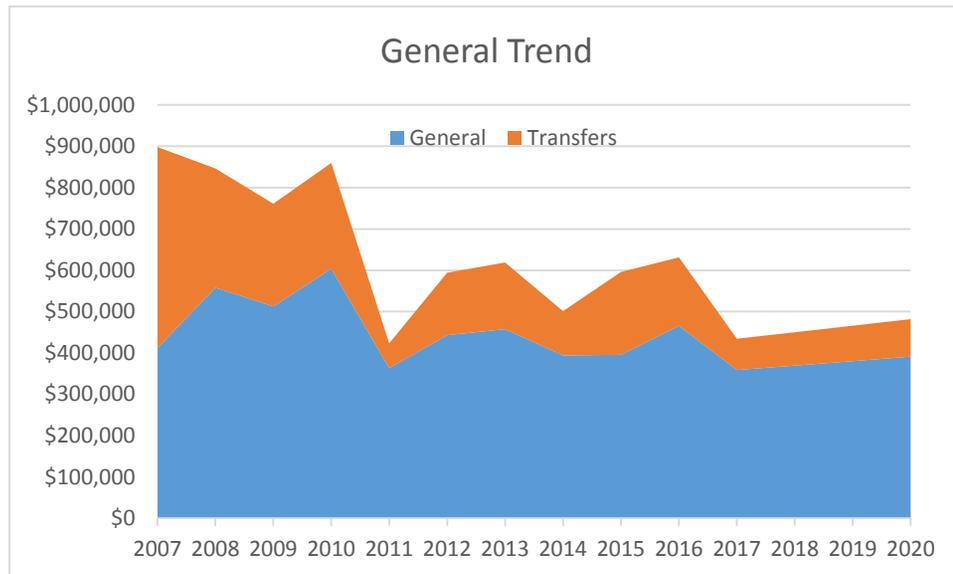
	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
801.000 Professional Services (Retainer)	\$13,000	\$12,000	\$12,000	\$12,000	\$12,000	\$0	0.0%	\$12,000	\$12,000	\$12,000
TOTAL ENGINEER	\$13,000	\$12,000	\$12,000	\$12,000	\$12,000	\$0	0.0%	\$12,000	\$12,000	\$12,000

General Operating

Description

The General Operating department accounts for those items that are City-wide in nature, or ones that do not fit within an existing department. Examples of these items are things such as streetlights, information technology support, insurance, postage & transfers out.

Analysis & Infographics



Assumptions & Notes

Total costs decreased by **-23.7%** from the prior year budget. Many line items had changes. A proactive allotment for blight demo was removed. A cost saving cellular phone contract was entered into. Bank charges are down due to a more favorable negotiated rate structure and consolidation. Computer hardware is down as a server was replaced in the prior year. Transfers out are down about \$85,000 reflecting a switch of the Ramsdell Theatre support from a transfer out to an Appropriation; and an increase of \$5,616 due to absorbing the Renaissance Park loan payments.

Details

100 General Operating

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
728.000 Operating Expense	\$1,097	\$1,000	\$910	\$1,000	\$1,000	\$0	0.0%	\$1,020	\$1,040	\$1,061
801.000 Professional Services	33,680	41,400	35,000	33,000	33,000	-8,400	-20.3%	33,660	34,333	35,020
822.000 Insurance	82,005	81,000	79,000	81,000	81,000	0	0.0%	82,620	84,272	85,958
855.000 Utilities - Cell Phones	15,008	16,500	17,000	12,000	12,000	-4,500	-27.3%	12,240	12,485	12,734
859.000 Utilities - Data\Internet	1,995	2,000	0	2,000	2,000	0	0.0%	2,040	2,081	2,122
901.000 Postage	26,864	26,000	26,000	26,000	26,000	0	0.0%	26,520	27,050	27,591
925.001 Electric - Street Lights	114,363	110,000	112,000	112,000	112,000	2,000	1.8%	114,240	116,525	118,855
940.000 Rent	1,617	1,800	1,700	1,700	1,700	-100	-5.6%	1,734	1,769	1,804
959.000 Bad Debt	0	500	500	500	500	0	0.0%	510	520	531
960.000 Bank Charges	10,096	8,000	10,000	6,000	6,000	-2,000	-25.0%	6,120	6,242	6,367
964.000 Refunds	25	1,000	8,000	1,000	1,000	0	0.0%	1,020	1,040	1,061
970.000 Capital Outlay-Under \$5,000	0	0	0	0	0	0		0	0	0
989.000 Computer Hardware & Software	3,250	10,000	10,000	7,000	7,000	-3,000	-30.0%	7,140	7,283	7,428
999.000 Transfer Out	200,330	160,000	165,616	75,616	75,616	-84,384	-52.7%	80,616	85,616	90,616
966.000 Streets Transfer Contra Account	-94,714	0	0	0	0	0		0	0	0
Contingency	0	11,250	0	0	0	-11,250	-100.0%	0	0	0
TOTAL GENERAL OPERATING	\$ 395,617	\$ 470,450	\$ 465,726	\$ 358,816	\$ 358,816	\$ (111,634)	-23.7%	\$ 369,480	\$ 380,257	\$ 391,150

Debt Service

Description

The Debt Service department accounts for City general obligation bond debt that is not associated with the water & sewer utility. It is in lieu of a separate debt service fund. The City has three of these bond issues recorded here: the 2010 DDA Refunding bond, the 2013 Capital Improvement Refunding bond and the 2010 Capital Improvement bond.

Assumptions & Notes

Debt service costs decreased slightly. For better presentation, the MEDC note support is now shown as a transfer out to the Renaissance Park fund. The General fund pays for the 2013 Refunding bond (City Hall renovation), 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.

Details

574 Debt Service

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
992.002 Renaissance Park Loan - Principa	\$0	\$5,616	\$5,616	\$0	\$0	(\$5,616)	-100.0%	\$0	\$0	\$0
992.006 2010 DDA Refunding - Principal	115,000	120,000	115,000	120,000	120,000	0	0.0%	125,000	130,000	135,000
992.007 2010 Capital Improvement - Principal	220,000	230,000	220,000	235,000	235,000	5,000	2.2%	245,000	250,000	260,000
992.008 2013 CI Refunding - Principal	155,000	165,000	155,000	175,000	175,000	10,000	6.1%	185,000	200,000	210,000
997.006 2010 DDA Refunding - Interest	22,988	19,750	22,998	16,150	16,150	-3,600	-18.2%	12,475	8,000	2,700
997.007 2010 Capital Improvement - Interest	205,235	199,035	205,235	191,766	191,766	-7,269	-3.7%	184,273	175,910	166,023
997.008 2013 CI Refunding - Interest	43,750	40,550	43,750	37,150	37,150	-3,400	-8.4%	33,550	29,700	25,600
TOTAL DEBT SERVICE	\$ 761,973	\$ 779,951	\$ 767,599	\$ 775,066	\$ 775,066	\$ (4,885)	-122.0%	\$ 785,298	\$ 793,610	\$ 799,323

Boards & Commissions

Description

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.

Assumptions & Notes

Total costs decreased **-10.4%** were flat from the prior year budget. A few budgets were reduced to better reflect actual cost experience. Board of Review members are treated like employees and incur social security, medicare and workers compensation costs.

Details

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
290 Boards & Commissions										
712.001 Costs - Social Security	\$69	\$100	\$70	\$75	\$75	(\$25)	-25.0%	\$75	\$75	\$75
712.002 Costs - Medicare	16	25	15	20	20	-5	-20.0%	20	20	20
712.009 Costs - Workers Comp	5	5	5	5	5	0	0.0%	5	5	5
881.000 Board of Review	1,974	2,600	1,500	2,000	2,000	-600	-23.1%	2,040	2,081	2,122
883.000 Harbor Commission	0	250	0	200	200	-50	-20.0%	204	208	212
884.000 Historic District Commission	653	750	500	750	750	0	0.0%	765	780	796
885.000 Non-Motorized Transportation	329	1,000	500	500	500	-500	-50.0%	510	520	531
886.000 Parks Commission	206	850	300	500	500	-350	-41.2%	510	520	531
887.000 Planning Commission	5,923	6,000	6,000	6,000	6,000	0	0.0%	6,120	6,242	6,367
888.000 Tree Commission	422	350	450	500	500	150	42.9%	510	520	531
889.000 Zoning Board of Appeals	758	1,300	1,000	1,300	1,300	0	0.0%	765	780	796
TOTAL BOARDS & COMMISSIONS	\$ 10,355	\$ 13,230	\$ 10,340	\$ 11,850	\$ 11,850	\$ (1,380)	-10.4%	\$ 11,524	\$ 11,752	\$ 11,986

Appropriations

Description

The City funds a variety of different organizations which undertake public activities on the City's behalf. Each organization is required to annually make a request for funding, unless they have an existing contract. 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. 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 increase in funding levels.

Organization

Services Provided

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
Ramsdell Theatre	Operates City-owned Ramsdell Theatre
Veteran's Memorial Day	Memorial Day flags

Issue

The Ramsdell Theatre has been added as a recipient. Their allocation was reduced by \$20,000. This is explained more fully in the Ramsdell Theatre section of the budget.

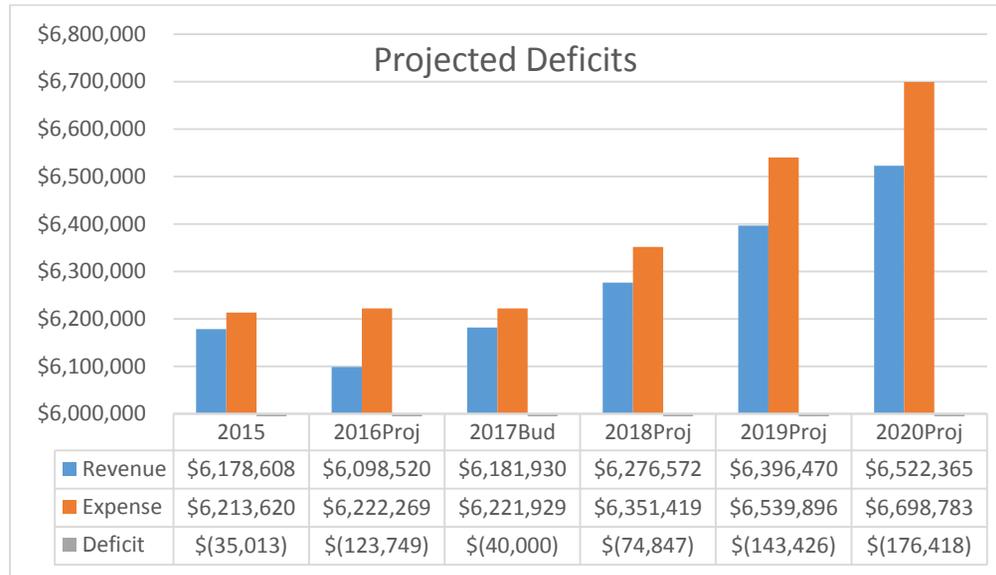
Assumptions & Notes

Total costs increased **39.4%** due to the addition of the Ramsdell Theatre. Requested increases by the AAY and PEG were not recommended. 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.

<i>Details</i>	2015	2016		2017					2018	2019	2020
	Actual	Budget	Projected	Requested	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
801 APPROPRIATIONS											
890.000 Alternatives for Area Youth	\$13,000	\$13,000	\$13,000	\$15,000	\$13,000	\$13,000	\$0	0.0%	\$13,000	\$13,000	\$13,000
891.001 211	3,000	3,000	3,000	3,000	3,000	3,000	0	0.0%	3,000	3,000	3,000
892.000 Alliance for Economic Success	46,518	46,518	46,518	46,518	46,518	46,518	0	0.0%	46,518	46,518	46,518
893.000 Manistee County Baseball League	3,500	3,500	3,500	3,500	3,500	3,500	0	0.0%	3,500	3,500	3,500
893.500 MAPS Paine Pool	40,000	40,000	40,000	40,000	40,000	40,000	0	0.0%	40,000	40,000	40,000
894.000 Manistee Recreation Assoc.	28,500	28,500	28,500	28,500	28,500	28,500	0	0.0%	28,500	28,500	28,500
894.500 Manistee Saints	6,000	6,000	6,000	6,000	6,000	6,000	0	0.0%	6,000	6,000	6,000
895.000 Manistee County Historical Museum	10,500	10,500	10,500	10,500	10,500	10,500	0	0.0%	10,500	10,500	10,500
896.000 PEG	25,500	25,500	25,500	26,000	25,500	25,500	0	0.0%	25,500	25,500	25,500
897.000 Ramsdell Theatre	0	0	0	80,000	70,000	70,000	70,000		65,000	60,000	50,000
899.000 United Veterans Council	1,000	1,000	1,000	1,000	1,000	1,000	0	0.0%	1,000	1,000	1,000
TOTAL APPROPRIATIONS	\$177,518	\$177,518	\$177,518	\$260,018	\$247,518	\$247,518	\$70,000	39.4%	\$242,518	\$237,518	\$227,518

Projections

The budget incorporates three-year financial projections. This addition should help aid in Council and Administration decision making and long-term planning, and prevent the need to produce a separate document. The projections show a widening, unsustainable deficit in future years without additional revenue or reductions in spending.



The projections are based on a wide variety of assumptions and estimates, many of which are outside the direct control of the City. Significant assumptions are as follows: Revenue projections assume that property taxes grow by 1.5%, 2% and 2% over the three year period; revenue sharing increases at about 2% per year; and PILT agreements are phased out as per the pending utility agreements.

Employee wage and benefit costs assume no change in staffing and use available information to model future wage, benefit, pension and fringe costs. The biggest unknown in this area is future investment returns on the MERS retirement portfolio. Health insurance is assumed to maintain the status quo, subject to the State hardcap. Most other expenses are adjusted for inflation, typically 2% per year, unless there is specific information to model. For example, Street contributions go up \$5,000 per year and operating contributions to the Ramsdell Theater decline by \$20,000 in the proposed budget and an additional \$20,000 by FY 2020. Assessing is assumed to continue to be contracted out with a new five-year contract.

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 \$272,000 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.

The proposed budget originally included an additional \$23,200 reimbursement for services bringing the total to \$30,000. This was comprised of the existing \$6,800 reimbursement, the new expected ongoing \$19,000 reimbursement from the State for personal property tax loss and an additional \$4,200. This was discussed with the DDA; however, the draft DDA budget only increases the amount by \$3,200 bringing the total to \$10,000. This helps the DDA to balance their budget absent any significant restructuring. The City budget has been revised to reflect this lower amount. City Council ultimately must approve the DDA budget.

Enterprise Funds

Water & Sewer



Overview

The Water & Sewer Utility (WSU) is under the direction of Public Works Director Jeff Mikula. Jeff has been with the City for 3 years.

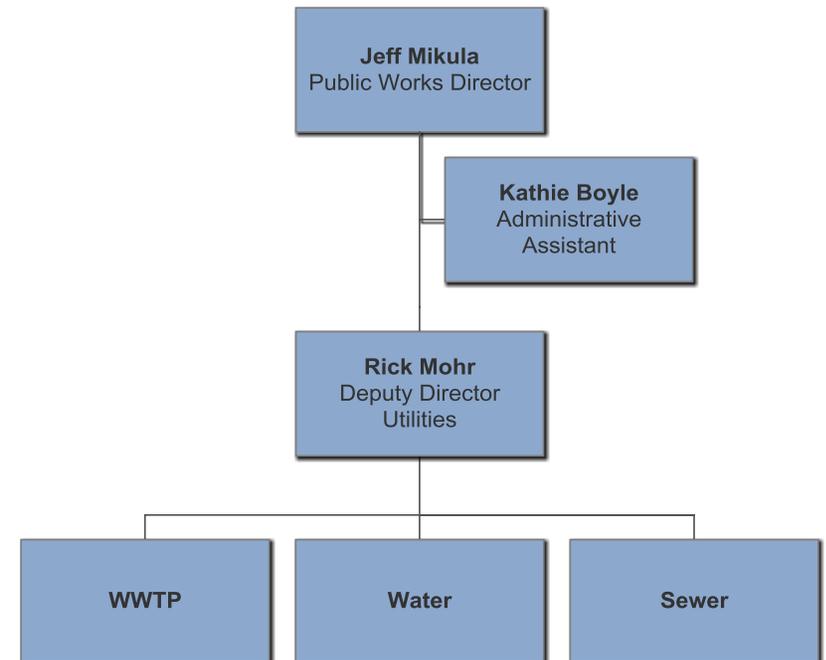
The WSU performs a variety of tasks, all of which are important to the City and its residents. The Water department is responsible for water production and treatment, monitoring, storage, testing, system maintenance and ensuring compliance with State and Federal regulations. The WWTP is responsible for 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 and SSO. All parties work together to ensure the highest treatment standards for both water and sewer so that the public health and environment is protected.



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.

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 as extended by a new NPDES permit and addressing inflow and/or infiltration issues. The City recently issued 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 proposed budget continues to implement the Burton & Associates rate study and proposes an 6% increase. With the increase, a typical 6,000 gallon per month user would see their bill increase by \$4.48 per month or \$53.74 per year. The combined monthly sewer bill for a typical residential customer would be \$79.12.



Issues

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 \$2,770,000 2015 revenue bond issue. Several projects have been completed. The remaining projects are the Riverbank Sewer, Sixth Avenue Pump Station and Return Activated Sludge Pumps.
2. Completion of a comprehensive agreement with Manistee Township to supply water to customers within the Township. The agreement, combined with the LRBOI sewer line, should help foster economic development in the US-31 corridor from M-55 to the northeast. The agreement has been approved by City Council and the Township should be acting on it soon.
3. Completion of a comprehensive agreement with Filer Charter Township to treat wastewater from the township. The agreement should help foster economic development in the US-31 corridor from the south City limits south thru the Filer commercial district. The agreement has been approved by Council and the Township should be acting on it soon.
4. 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.
5. Ongoing work on the Stormwater, Asset Management and Wastewater (SAW) grant. The City received a SAW grant for \$1,757,000 with a local match of \$147,500. The SAW grant will provide critical information to address the closing of the last combined sewer outfall. It will also create a GIS centric asset management plan for our wastewater assets.
6. Continued implementation of the Burton & Associates Rate Study recommendations.

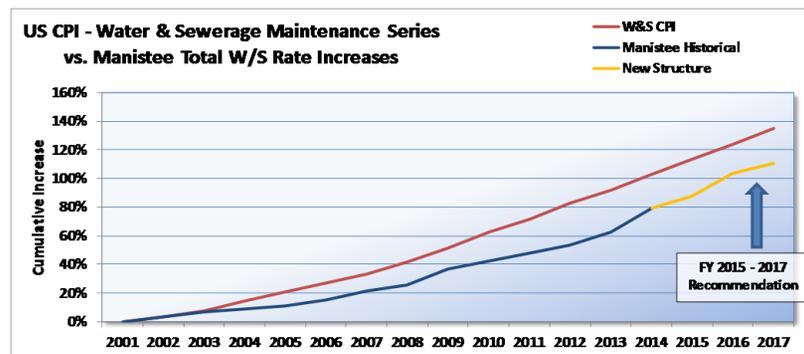
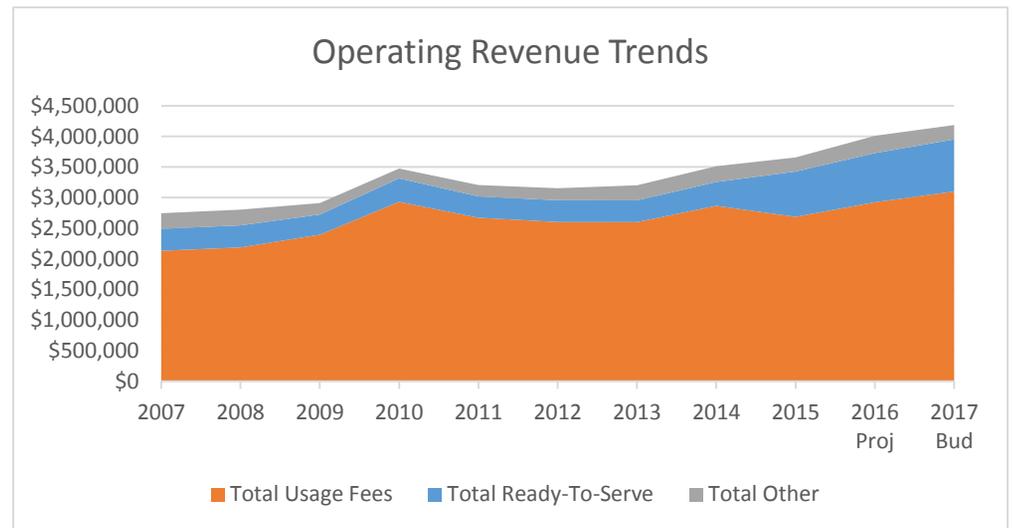
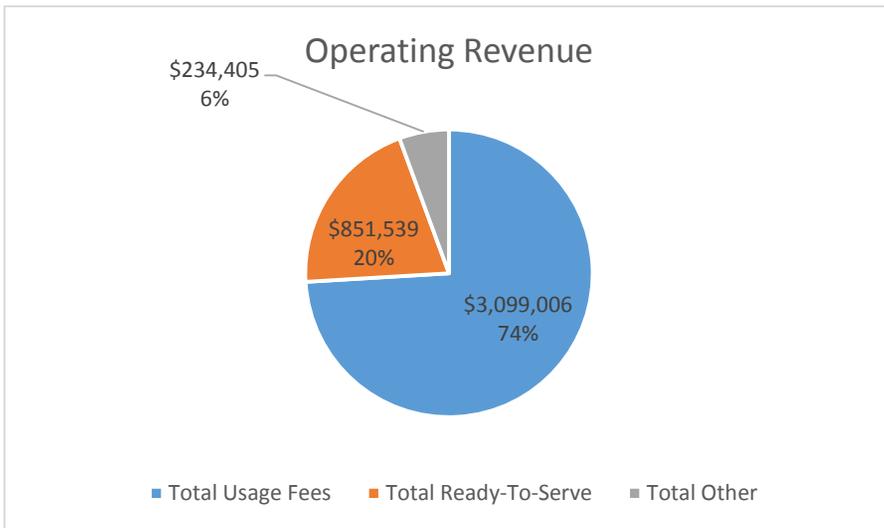
The water and sewer utility is a critical City asset. The initiatives above will help position it for success in the long-term.

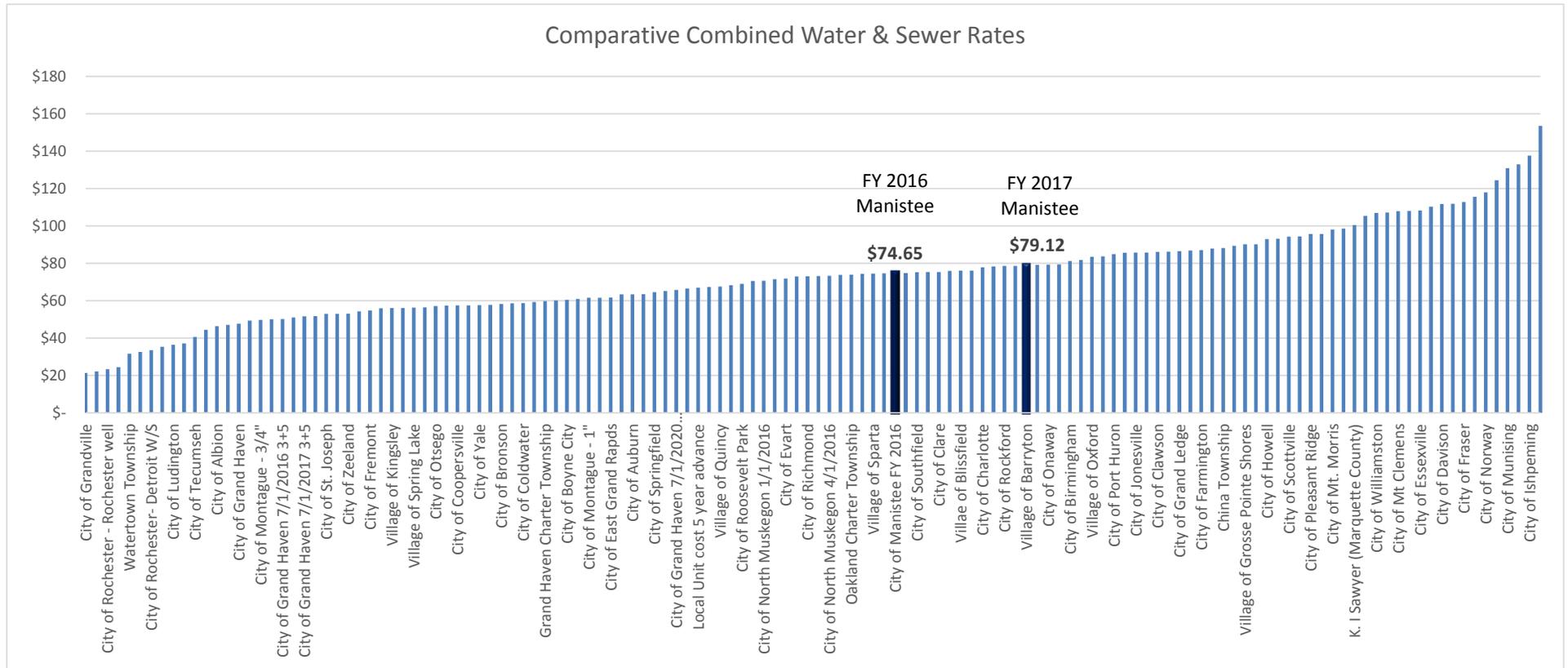
Revenue

Description

Revenue is derived primarily from user rates and charges. It also receives money from leasing space on its water towers, new services and capital cost recovery. Bills are issued monthly. Rates are comprised of ready-to-serve charges based on meter size and water consumption. City rate increases since 2001 have lagged the The U.S. Consumer Price Index (CPI) Water & Sewerage Maintenance Series, which measures the average national change in the cost of water and sewer service to households. City water and sewer rates are just above average when compared with 130 communities across the state. Our water rates are lower while our sewer rates are higher.

Analysis & Infographics





Assumptions & Notes

Operating revenue (excluding grants and transfers) increased **7.3%** compared to the prior year budget. The increase is primarily due to the proposed 6% rate increase. This increase was calculated as part of the recent rate study, as modified by Council in last year’s budget. Future rate increases are expected to be 3.5% per year barring any large unforeseen or unanticipated issues. The rate increase is critical to ensure the WSU can meet its ongoing obligations, and fund its depreciation in the future. SAW grant proceeds also impacts overall revenue but is offset by spending and our grant match requirement.

<u>Details</u>	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
000 REVENUES										
539.000 State Grant	\$0	\$0	\$400,000	\$600,000	\$600,000	\$600,000		\$757,500	\$0	\$0
608.000 Penalties	44,921	36,225	40,996	43,456	43,456	7,231	20.0%	44,977	46,551	48,180
610.000 Water RTS	202,006	199,099	199,099	211,045	211,045	11,946	6.0%	218,432	226,077	233,989
611.000 Sewer RTS	538,260	604,240	604,240	640,494	640,494	36,255	6.0%	662,912	686,114	710,128
612.000 New Service	12,800	2,500	15,000	15,000	15,000	12,500	500.0%	15,525	16,068	16,631
626.000 Charge for Service	503	1,000	500	500	500	-500	-50.0%	518	536	554
648.000 Water Sales	809,938	867,178	867,178	919,209	919,209	52,031	6.0%	951,381	984,679	1,019,143
649.000 Sewer Sales	1,875,240	2,056,413	2,056,413	2,179,798	2,179,798	123,385	6.0%	2,256,091	2,335,054	2,416,781
650.000 Meter Sales	7,460	3,500	5,500	6,700	6,700	3,200	91.4%	6,935	7,177	7,428
664.000 Interest Income	1,264	1,500	7,200	2,500	2,500	1,000	66.7%	2,588	2,678	2,772
667.000 Rental Income	81,418	69,922	96,600	99,293	99,293	29,371	42.0%	102,061	104,471	106,949
669.000 Hydrant & Tunnel Rental	21,600	21,600	21,600	21,600	21,600	0	0.0%	21,600	21,600	21,600
671.000 Other Revenue	7,457	3,500	7,500	7,500	7,500	4,000	114.3%	7,763	8,034	8,315
676.000 Reimbursement	17,091	0	21,000	10,000	10,000	10,000		10,350	10,712	11,087
680.000 Capital Cost Recovery	31,399	31,924	61,950	23,856	23,856	-8,068	-25.3%	23,856	23,856	23,856
687.000 Refunds	4,500	0	4,000	4,000	4,000	4,000		4,000	4,000	4,000
695.000 Insurance Settlement	0	0	0	0	0	0		0	0	0
699.000 Transfer In	358,543	457,680	457,680	394,226	394,226	-63,454	-13.9%	382,000	370,000	370,000
TOTAL REVENUES	\$ 4,014,399	\$ 4,356,279	\$ 4,866,456	\$ 5,179,176	\$ 5,179,176	\$ 822,897	18.9%	\$ 5,468,485	\$ 4,847,607	\$ 5,001,414

General

Description

Expenses impacting the overall WSU and not relating to a specific department or function are presented here.

Assumptions & Notes

Total expense decreased **-8.1%** from the prior year budget. The difference is attributable to reduction in the pass-thru oil & gas fund transfer out and normal inflation of the rate study implemented utility ownership fee.

Details

100 GENERAL

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
799.000 Miscellaneous Expense	\$106,335	\$0	\$0	\$500	\$500	\$500		\$ 510	\$ 520	\$ 531
961.000 Utility Ownership Fee	146,062	170,931	170,931	183,167	183,167	12,236	7.2%	189,578	196,213	203,081
964.000 Refunds	0	0	0	0	0	0		0	0	0
999.000 Transfer Out	373,775	457,680	\$ 457,680	\$ 394,226	\$ 394,226	-63,454	-13.9%	382,000	370,000	370,000
TOTAL GENERAL	\$ 626,172	\$ 628,611	\$ 628,611	\$ 577,893	\$ 577,893	\$ (50,718)	-8.1%	\$ 572,088	\$ 566,733	\$ 573,611

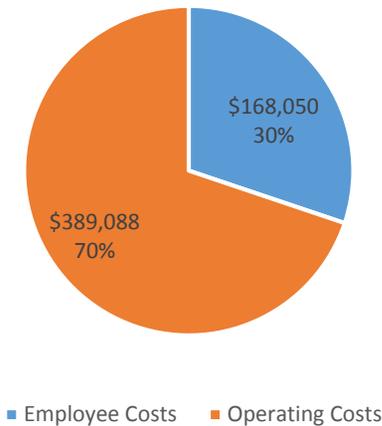
Admin

Description

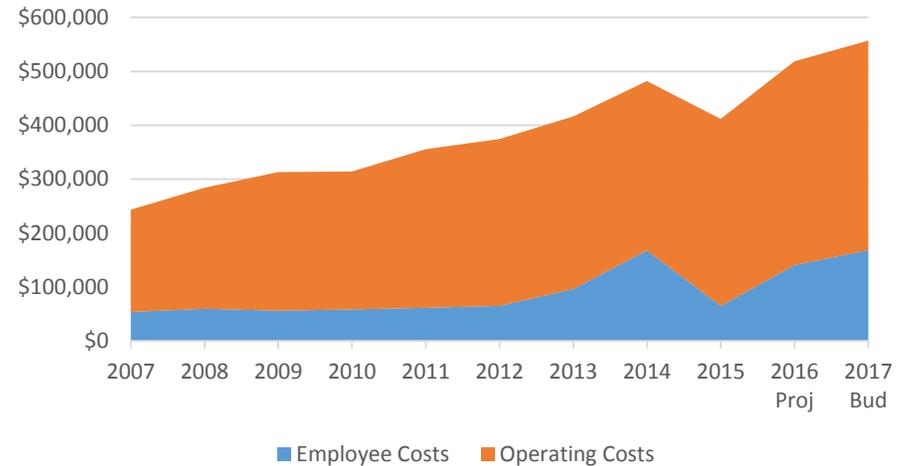
The WSU Admin department records the administrative expenses of the WSU. It includes the cost of administrative employees, as well as the 7.5% administration fee paid to the City’s general fund.

Analysis & Infographics

Admin Expenses



Admin Expense Trends



Assumptions & Notes

Total expense increased **18.5%** from the prior budget. Employee costs increased over prior year budget because of a change in the way the proposed DPW\WSU restructuring was implemented and the resultant reallocation of costs between departments; and normal wage and benefit increases. Operating costs increased because of the normal inflation in the administrative fee which is tied to revenue.

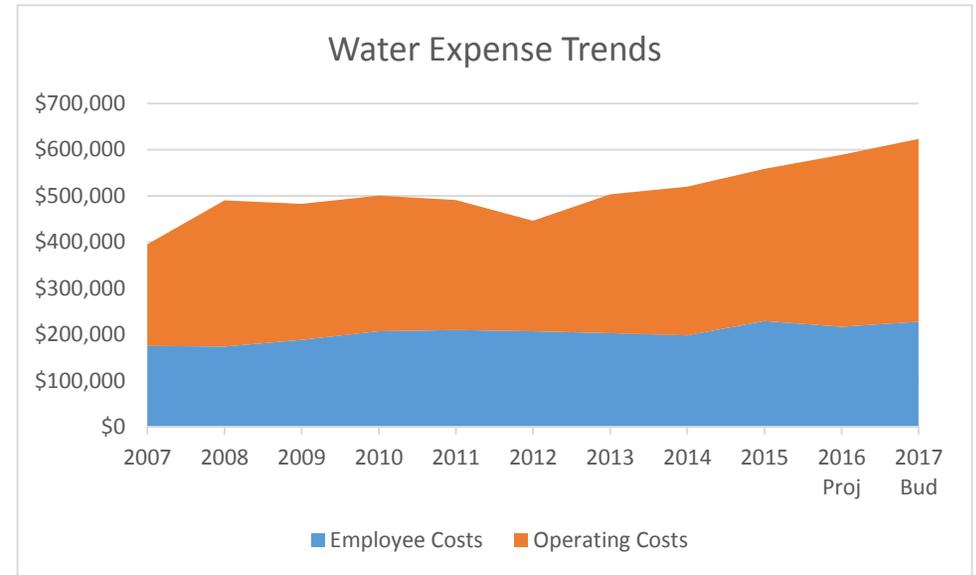
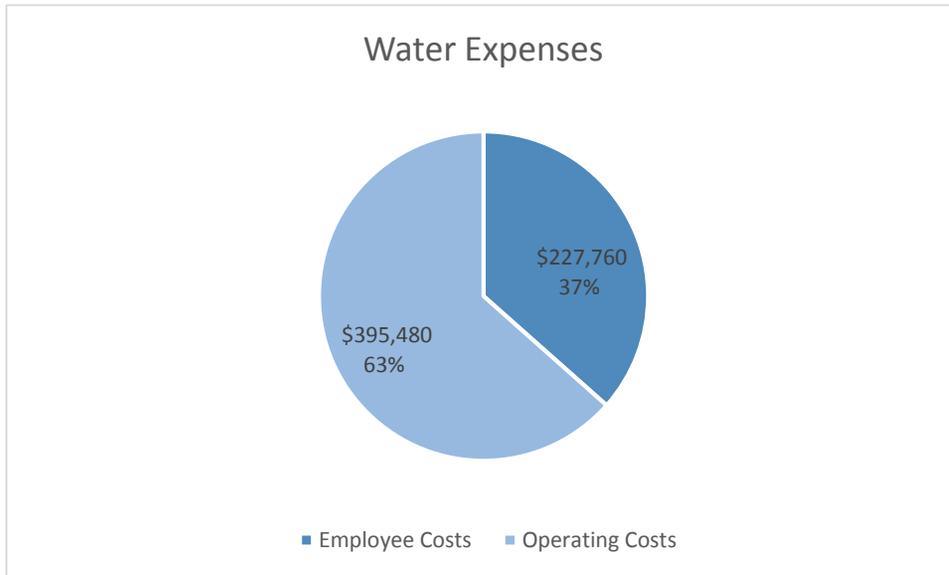
<u>Details</u>	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
541 ADMINISTRATION										
702.000 Salaries	\$40,264	\$68,625	\$93,000	\$113,728	\$113,728	\$45,103	65.7%	\$117,800	\$122,000	\$124,400
703.000 Longevity	0	0	\$0	\$0	\$0	0		\$0	\$0	\$0
704.000 Overtime	1,250	1,200	\$500	\$1,000	\$1,000	-200	-16.7%	\$500	\$500	\$500
706.000 Part-Time	1,152	0	\$0	\$0	\$0	0		\$0	\$0	\$0
708.000 VISA Sellback	0	0	\$0	\$0	\$0	0		\$0	\$0	\$0
712.001 Costs - Social Security	2,677	4,576	\$5,800	\$7,122	\$7,122	2,546	55.6%	\$7,330	\$7,600	\$7,740
712.002 Costs - Medicare	626	1,070	\$1,400	\$1,666	\$1,666	595	55.6%	\$1,720	\$1,780	\$1,810
712.004 Costs - ICMA Contribution	0	0	\$0	\$0	\$0	0		\$0	\$0	\$0
712.005 Costs - MERS Contribution	3,218	3,984	\$10,000	\$11,519	\$11,519	7,534	189.1%	\$13,000	\$15,000	\$17,200
712.006 Costs - In Lieu of BC/BS	0	0	\$0	\$0	\$0	0		\$0	\$0	\$0
712.007 Costs - SUTA	153	274	\$270	\$274	\$274	0	0.0%	\$280	\$290	\$300
712.009 Costs - Workers Compensation	581	1,055	\$1,050	\$1,830	\$1,830	775	73.5%	\$1,870	\$1,910	\$1,950
712.010 Costs - Blue Cross Insurance	10,270	15,569	\$20,600	\$22,367	\$22,367	6,799	43.7%	\$23,500	\$24,100	\$24,700
712.011 Costs - Life Insurance	128	265	\$260	\$265	\$265	0	0.0%	\$270	\$270	\$270
712.012 Costs - HSA/HRA	3,520	4,500	\$6,000	\$6,000	\$6,000	1,500	33.3%	\$6,000	\$6,000	\$6,000
712.014 Costs - Dental Insurance	641	1,170	\$1,170	\$1,572	\$1,572	403	34.4%	\$1,600	\$1,630	\$1,660
712.015 Costs - Vision/Ancillary	322	531	\$530	\$708	\$708	177	33.3%	\$720	\$730	\$740
Employee Costs	\$ 64,800	\$ 102,818	\$ 140,580	\$ 168,050	\$ 168,050	\$ 65,232	63.4%	\$ 174,590	\$ 181,810	\$ 187,270
728.000 Operating Expense	\$10,562	\$10,900	\$10,500	\$10,900	\$10,900	\$0	0.0%	\$11,118	\$11,340	\$11,567
735.000 Periodicals & Publications	0	150	0	0	0	-150	-100.0%	0	0	0
801.000 Professional Services	6,766	5,000	4,500	5,000	5,000	0	0.0%	5,100	5,202	5,306
806.000 Administration	301,292	320,496	320,496	343,438	343,438	22,942	7.2%	355,459	367,900	380,776
831.000 Contractual Repairs & Maint.	1,537	4,300	3,200	3,600	3,600	-700	-16.3%	3,672	3,745	3,820
850.000 Phone	9,190	8,000	22,000	8,000	8,000	0	0.0%	8,160	8,323	8,490
860.000 Travel & Training Expense	46	3,000	1,000	2,000	2,000	-1,000	-33.3%	2,040	2,081	2,122
870.000 Membership & Dues	74	300	150	150	150	-150	-50.0%	153	156	159
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Retiree BCBS	0	0	0	0	0	0		0	0	0
900.000 Printing/Publishing	6,533	6,000	6,500	6,500	6,500	500	8.3%	6,630	6,763	6,898
930.000 Repairs & Maintenance	0	0	0	0	0	0		0	0	0
959.000 Bad Debt	0	0	0	0	0	0		0	0	0
960.000 Bank Charges	10,908	8,000	8,400	8,500	8,500	500	6.3%	8,670	8,843	9,020
970.000 Capital Outlay (under \$5,000)	0	1,000	1,000	1,000	1,000	0	0.0%	1,020	1,040	1,061
985.000 Lease Purchase		0								
Operating Costs	\$ 346,908	\$ 367,146	\$ 377,746	\$ 389,088	\$ 389,088	\$21,942	6.0%	\$402,022	\$415,394	\$429,220
TOTAL ADMINISTRATION	\$ 411,709	\$ 469,964	\$ 518,326	\$ 557,139	\$ 557,139	\$87,174	18.5%	\$576,612	\$597,204	\$616,490

Water

Description

The water department accounts for the water operations of the WSU. The department is responsible for water production and treatment, monitoring, storage, testing, system maintenance and ensuring compliance with State and Federal regulations. There are three people budgeted in the department.

Analysis & Infographics



Assumptions & Notes

Total expense increased **6.1%** from the prior budget. Employee costs increased due to normal wage and benefit increases, paying half the MERS normal cost instead of the minimum required for the closed USW division, and changes in the distribution of the family status for employee health coverage. Operating costs increased due to a variety of items. Lower chemicals, contractual repairs and maintenance and capital outlay were offset by higher repair and maintenance costs, primarily for replacing hydrants and valves at the corner of River & Oak prior to expected street work.

Details

542 WATER OPERATION

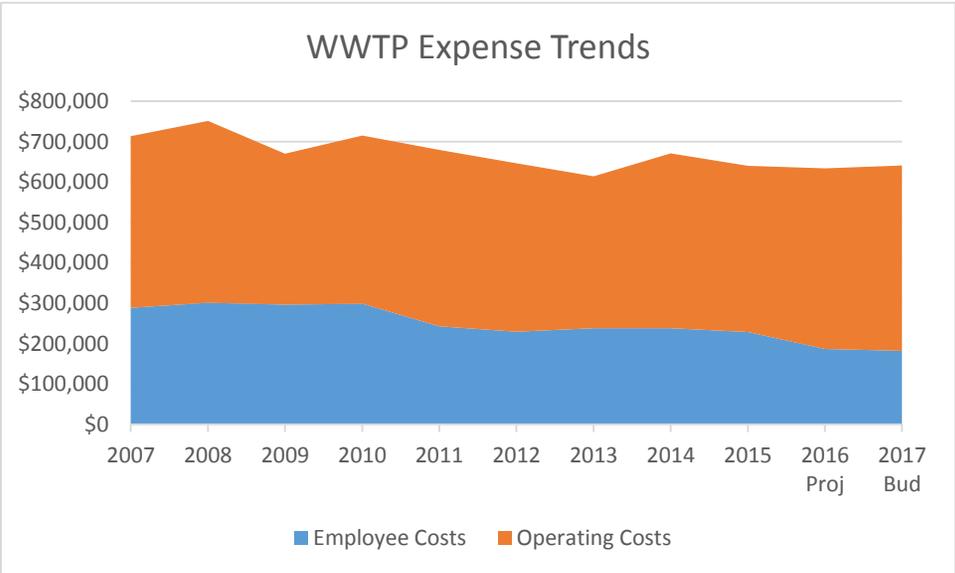
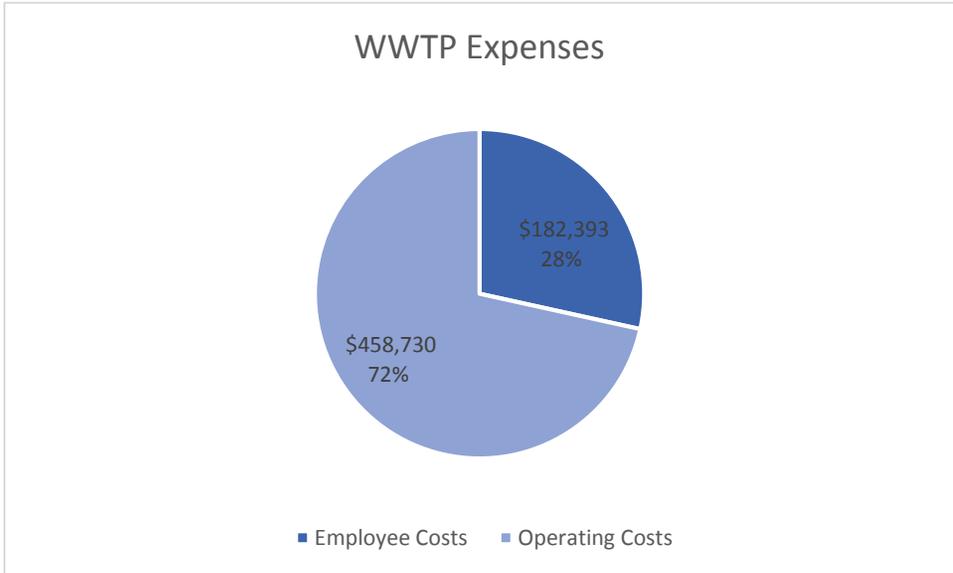
	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$129,383	\$131,560	\$130,000	\$131,498	\$131,498	(\$62)	0.0%	\$135,100	\$137,800	\$140,600
703.000 Longevity	0	0	0	0	0	0		\$0	\$0	\$0
704.000 Overtime	37,503	22,242	22,000	22,742	22,742	500	2.2%	\$23,000	\$23,250	\$23,500
706.000 Part Time	0	0	0	0	0	0		\$0	\$0	\$0
708.000 V\SIH Sellback	4371.84	2,000	2,000	3,000	3,000	1,000	50.0%	\$1,000	\$1,000	\$1,000
712.001 Costs - Social Security	10,270	8,602	9,400	8,796	8,796	195	2.3%	\$9,800	\$9,990	\$10,170
712.002 Costs - Medicare	2,402	2,012	2,200	2,057	2,057	45	2.3%	\$2,290	\$2,340	\$2,380
712.004 Costs - ICMA Contribution	0	0	0	0	0	0		\$0	\$0	\$0
712.005 Costs - MERS Contribution	998.2	0	3,900	6,648	6,648	6,648		\$7,500	\$8,600	\$9,900
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0		\$0	\$0	\$0
712.007 Costs - SUTA	451	410	410	410	410	0	0.0%	\$420	\$430	\$440
712.009 Costs - Workers Compensation	5,265	4,859	4,860	4,982	4,982	122	2.5%	\$5,080	\$5,180	\$5,280
712.010 Costs - Blue Cross Insurance	26,654	25,515	30,000	34,841	34,841	9,326	36.6%	\$36,600	\$37,500	\$38,400
712.011 Costs - Life Insurance	372	454	450	454	454	0	0.0%	\$460	\$460	\$460
712.012 Costs - HSA	8,655	7,500	8,500	9,000	9,000	1,500	20.0%	\$9,000	\$9,000	\$9,000
712.014 Costs - Dental Insurance	1,866	1,739	1,740	2,271	2,271	532	30.6%	\$2,320	\$2,370	\$2,420
712.015 Costs - Vision\Ancillary	900	1,062	1,060	1,062	1,062	0	0.0%	\$1,080	\$1,100	\$1,120
Employee Costs	\$ 229,092	\$ 207,954	\$ 216,520	\$ 227,760	\$ 227,760	\$ 19,806	9.5%	\$ 233,650	\$ 239,020	\$ 244,670
715.000 Uniform & Cleaning Allowance	\$1,637	\$1,455	\$2,500	\$2,830	\$2,830	\$1,375	94.5%	\$2,887	\$2,944	\$3,003
728.000 Operating Expense	5,016	3,750	5,000	4,500	4,500	750	20.0%	4,590	4,682	4,775
745.000 Chemicals	14,688	35,500	22,000	21,000	21,000	-14,500	-40.8%	21,420	21,848	22,285
750.000 Meters	29,061	45,000	30,000	40,000	40,000	-5,000	-11.1%	40,800	41,616	42,448
770.000 Gasoline\Diesel	8,438	7,500	7,500	7,500	7,500	0	0.0%	7,650	7,803	7,959
801.000 Professional Services	34,565	28,000	20,000	28,000	28,000	0	0.0%	28,560	29,131	29,714
822.000 Insurance	6,332	3,500	5,500	6,000	6,000	2,500	71.4%	6,120	6,242	6,367
824.000 Lab Testing	7,766	9,000	9,000	13,000	13,000	4,000	44.4%	13,260	13,525	13,796
831.000 Contractual Repairs & Maint	75,073	57,000	28,000	17,000	17,000	-40,000	-70.2%	17,340	17,687	18,041
860.000 Travel & Training Expense	1,431	2,500	3,000	3,000	3,000	500	20.0%	0	0	0
870.000 Membership & Dues	169	525	600	600	600	75	14.3%	612	624	637
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Costs - Retiree BCBS	0	0	0	0	0	0		0	0	0
920.000 Gas	0	0	0	0	0	0		0	0	0
925.000 Electric	68,799	70,000	70,000	72,000	72,000	2,000	2.9%	73,440	74,909	76,407
930.000 Repairs & Maintenance	41,679	58,900	125,000	136,000	136,000	77,100	130.9%	138,720	141,494	144,324
957.000 Motor Pool	35,000	36,050	36,050	36,050	36,050	0	0.0%	36,771	37,506	38,257
970.000 Capital Outlay (under \$5,000)	0	20,800	8,000	8,000	8,000	-12,800	-61.5%	8,160	8,323	8,490
Operating Costs	\$ 329,653	\$ 379,480	\$ 372,150	\$ 395,480	\$ 395,480	\$16,000	4.2%	\$400,330	\$408,336	\$416,503
TOTAL WATER OPERATION	\$ 558,745	\$ 587,434	\$ 588,670	\$ 623,240	\$ 623,240	\$35,806	6.1%	\$633,980	\$647,356	\$661,173

WWTP

Description

The Wastewater Treatment Plant department accounts for the water resource recovery operations of the WSU. 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.

Analysis & Infographics



Assumptions & Notes

Total costs decreased **-9.8%** from the prior budget. Employee costs decreased due to a change in the way the prior year DPW\WSU restructuring was implemented and the resultant reallocation of costs between departments. Other changes include paying half the MERS normal cost instead of the required minimum for the closed USW division and changes in the distribution of the family status for employee health coverage; and normal wage and benefit increases. Operating costs were generally flat with reductions in professional services, and repairs offset by higher electric costs.

Details

543 WWTP

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$152,236	\$175,365	\$120,000	\$117,749	\$117,749	(\$57,616)	-32.9%	\$121,000	\$123,400	\$125,900
703.000 Longevity	0	0	0	0	0	0		\$0	\$0	\$0
704.000 Overtime	22,860	12,602	20,625	5,250	5,250	-7,352	-58.3%	\$20,000	\$20,000	\$20,000
706.000 Part Time	0	0	0	0	0	0		\$0	\$0	\$0
708.000 VSIH Sellback	5,605	2,000	2,000	2,000	2,000	0	0.0%	\$1,000	\$1,000	\$1,000
712.001 Costs - Social Security	11,024	11,493	8,700	7,818	7,818	-3,674	-32.0%	\$8,740	\$8,890	\$9,050
712.002 Costs - Medicare	2,578	2,688	2,000	1,828	1,828	-859	-32.0%	\$2,040	\$2,080	\$2,120
712.004 Costs - ICMA Contribution	0	0	0	0	0	0		\$0	\$0	\$0
712.005 Costs - MERS Contribution	0	0	2,500	4,401	4,401	4,401		\$5,000	\$5,800	\$6,700
712.006 Costs - In Lieu of BC/BS	0	0	0	0	0	0		\$0	\$0	\$0
712.007 Costs - SUTA	547	547	550	410	410	-137	-25.0%	\$420	\$430	\$440
712.009 Costs - Workers Compensation	3,865	4,250	4,250	2,866	2,866	-1,384	-32.6%	\$2,920	\$2,980	\$3,040
712.010 Costs - Blue Cross Insurance	19,139	31,934	16,900	29,017	29,017	-2,917	-9.1%	\$30,500	\$31,300	\$32,100
712.011 Costs - Life Insurance	452	605	600	454	454	-151	-25.0%	\$460	\$460	\$460
712.012 Costs - HSA\HRA	8,539	9,000	5,250	7,500	7,500	-1,500	-16.7%	\$7,500	\$7,500	\$7,500
712.014 Costs - Dental Insurance	1,334	2,399	2,400	2,038	2,038	-361	-15.0%	\$2,080	\$2,120	\$2,160
712.015 Costs - Vision\Ancillary	885	1,416	1,420	1,062	1,062	-354	-25.0%	\$1,080	\$1,100	\$1,120
Employee Costs	\$ 229,065	\$ 254,298	\$ 187,195	\$ 182,393	\$ 182,393	(\$71,905)	-28.3%	\$ 202,740	\$ 207,060	\$ 211,590
715.000 Uniform & Cleaning Allowance	\$2,276	\$3,728	\$3,000	\$2,940	\$2,940	(\$788)	-21.1%	\$2,999	\$3,059	\$3,120
728.000 Operating Expense	33,527	25,040	25,000	25,540	25,540	500	2.0%	26,051	26,572	27,103
745.000 Chemicals	30,131	30,000	25,000	29,900	29,900	-100	-0.3%	30,498	31,108	31,730
770.000 Vehicle Gas	3,007	4,250	3,500	4,250	4,250	0	0.0%	4,335	4,422	4,510
801.000 Professional Services	17,701	24,500	30,000	16,000	16,000	-8,500	-34.7%	16,320	16,646	16,979
822.000 Insurance	17,572	20,000	20,000	21,000	21,000	1,000	5.0%	21,420	21,848	22,285
824.000 Lab Testing	7,146	10,900	8,000	10,000	10,000	-900	-8.3%	10,200	10,404	10,612
831.000 Contractual Repairs & Maint.	62,437	73,000	60,000	64,150	64,150	-8,850	-12.1%	65,433	66,742	68,076
860.000 Travel & Training Expense	3,624	4,000	3,800	4,000	4,000	0	0.0%	4,080	4,162	4,245
870.000 Membership & Dues	248	600	550	400	400	-200	-33.3%	408	416	424
873.000 Education	0	0	0	0	0	0		0	0	0
874.000 Costs - Retiree BCBS	0	0	750	3,000	3,000	3,000		3,000	3,000	3,000
920.000 Gas	18,535	21,000	18,000	18,000	18,000	-3,000	-14.3%	18,360	18,727	19,102
925.000 Electric	146,478	117,000	138,000	140,000	140,000	23,000	19.7%	142,800	145,656	148,569
930.000 Repairs & Maintenance	33,643	86,500	75,000	83,500	83,500	-3,000	-3.5%	85,170	86,873	88,611
957.000 Motor Pool	35,000	36,050	36,050	36,050	36,050	0	0.0%	36,771	37,506	38,257
970.000 Capital Outlay (expense)	0	0	0	0	0	0		0	0	0
Operating Costs	\$ 411,325	\$ 456,568	\$ 446,650	\$ 458,730	\$ 458,730	\$ 2,162	0.5%	\$ 467,845	\$ 477,141	\$ 486,624
TOTAL WWTP	\$ 640,390	\$ 710,866	\$ 633,845	\$ 641,123	\$ 641,123	\$ (69,743)	-9.8%	\$ 670,585	\$ 684,201	\$ 698,214

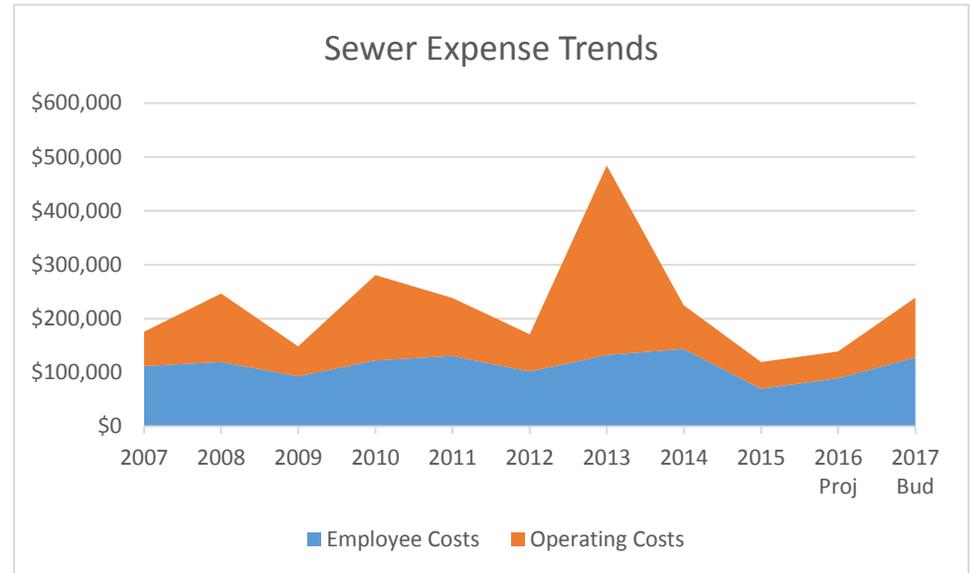
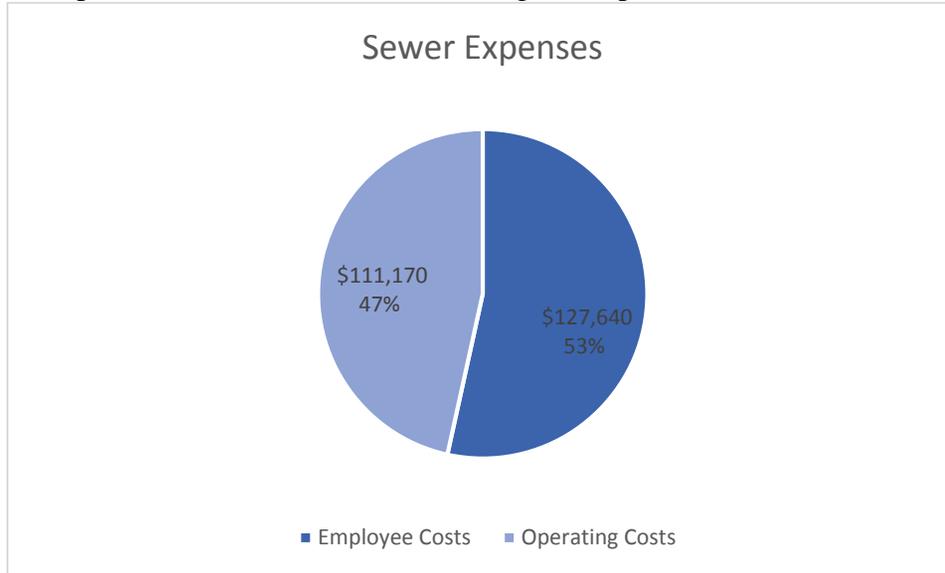
Sewer

Description

The Sewer department is responsible for maintaining the sewer infrastructure, including pipes and manholes, and monitoring CSO and SSO.

Analysis & Infographics

The spike in 2013 was due to the SSES grant expenses.



Assumptions & Notes

Total costs increased **26.7%** from the prior budget. Employee costs decreased due to a change in the way the proposed DPW\WSU restructuring was implemented and the resultant reallocation of costs between departments. Other changes include paying half the MERS normal cost instead of the minimum for the closed USW division; and normal wage and benefit increases. Operating costs decreased due to reductions in chemicals and repairs and maintenance.

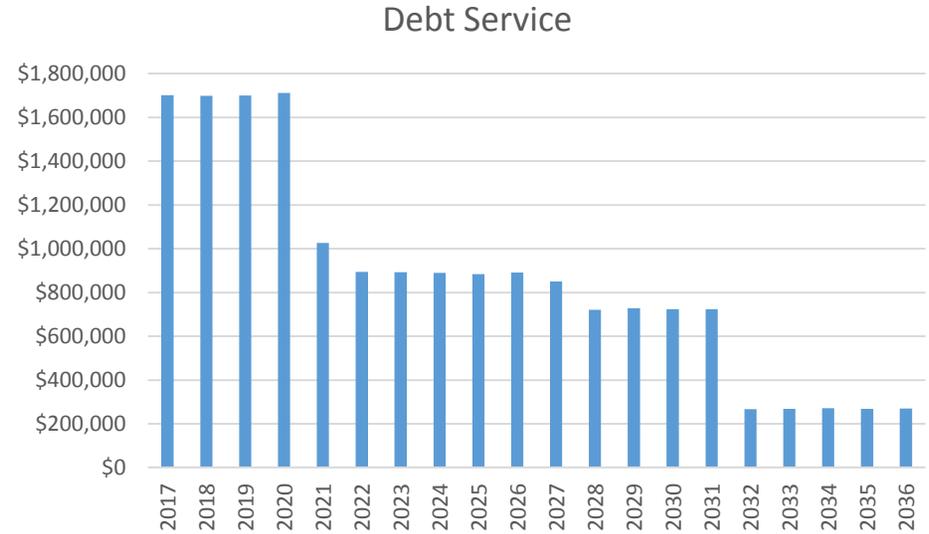
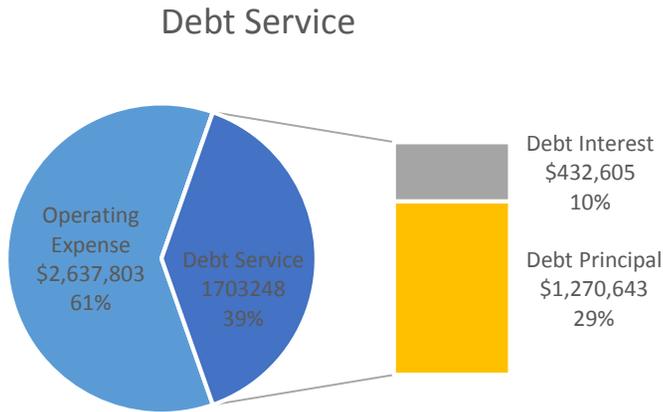
<u>Details</u>		2015	2016		2017				2018	2019	2020
		Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
544 SEWER COLLECTION											
702.000	Salaries	\$40,906	\$41,746	\$57,800	\$85,738	\$85,738	\$43,992	105.4%	\$88,100	\$89,900	\$91,700
703.000	Longevity	0	0	0	0	0	0		0	0	0
704.000	Overtime	6,569	1,750	5,000	5,000	5,000	3,250	185.7%	5,000	5,000	5,000
706.000	Part Time	0	0	0	0	0	0		0	0	0
708.000	VIS\H Sellback	119	2,500	500	2,000	2,000	-500	-20.0%	2,000	2,000	2,000
712.001	Costs - Social Security	2,774	2,890	3,900	5,790	5,790	2,900	100.3%	5,770	5,880	6,000
712.002	Costs - Medicare	649	676	900	1,354	1,354	678	100.3%	1,350	1,380	1,400
712.004	Costs - ICMA Contribution	0	0	0	0	0	0		0	0	0
712.005	Costs - MERS Contribution	0	0	0	1,751	1,751	1,751		2,000	2,300	2,600
712.006	Costs - In Lieu of BC/BS	0	0	0	0	0	0		0	0	0
712.007	Costs - SUTA	137	137	140	274	274	137	100.0%	280	290	300
712.009	Costs - Workers Compensation	1,674	1,544	1,540	2,114	2,114	570	36.9%	2,160	2,200	2,240
712.010	Costs - Blue Cross Insurance	12,758	12,041	15,000	16,543	16,543	4,502	37.4%	17,400	17,800	18,200
712.011	Costs - Life Insurance	131	151	150	302	302	151	100.0%	310	310	310
712.012	Costs - HSA/HRA	3,074	3,000	3,000	4,500	4,500	1,500	50.0%	4,500	4,500	4,500
712.014	Costs - Dental Insurance	801	900	900	1,164	1,164	265	29.4%	1,190	1,210	1,230
712.015	Costs - Vision\Ancillary	295	354	350	708	708	354	100.0%	720	730	740
Employee Costs		\$ 69,887	\$ 67,689	\$ 89,180	\$ 127,238	\$ 127,238	\$ 59,549	88.0%	\$ 130,780	\$ 133,500	\$ 136,220
715.000	Uniform & Cleaning Allowance	\$600	\$2,366	\$1,300	\$1,620	\$1,620	(\$746)	-31.5%	\$1,652	\$1,685	\$1,719
728.000	Operating Expense	847	5,000	2,000	3,500	3,500	-1,500	-30.0%	3,570	3,641	3,714
745.000	Chemicals	0	3,000	200	1,000	1,000	-2,000	-66.7%	1,020	1,040	1,061
770.000	Vehicle Gas	0	0	0	0	0	0		0	0	0
801.000	Professional Services	0	35,000	5,000	35,000	35,000	0	0.0%	35,700	36,414	37,142
831.000	Contractual Repairs & Maint.	230	15,300	5,000	15,000	15,000	-300	-2.0%	15,300	15,606	15,918
860.000	Travel & Training Expense	28	1,000	200	750	750	-250	-25.0%	765	780	796
870.000	Membership & Dues	0	0	0	0	0	0		0	0	0
873.000	Education	0	0	0	0	0	0		0	0	0
874.000	Costs - Retiree BCBS	0	0	0	0	0	0		0	0	0
930.000	Repairs & Maintenance	12,758	18,000	0	14,000	14,000	-4,000	-22.2%	14,280	14,566	14,857
957.000	Motor Pool	35,000	36,050	36,050	36,050	36,050	0	0.0%	36,771	37,506	38,257
970.000	Capital Outlay (Expense)	0	4,800	0	4,250	4,250	-550	-11.5%	4,335	4,422	4,510
Operating Costs		\$ 49,463	\$ 120,516	\$ 49,750	\$ 111,170	\$ 111,170	(\$9,346)	-7.8%	\$ 113,393	\$ 115,661	\$ 117,974
TOTAL SEWER COLLECTION		\$ 119,350	\$ 188,205	\$ 138,930	\$ 238,408	\$ 238,408	\$50,203	26.7%	\$ 244,173	\$ 249,161	\$ 254,194

Debt Service

Description

The Debt Service department accounts for the WSU bonded indebtedness. There are currently twelve different debt issues outstanding. It is hoped that most capital expenditures moving forward will be able to be funded without additional debt issuance. The exception would be for unforeseen events and/or a large investment needed to close off the last remaining combined sewer overflow.

Analysis & Infographics



Assumptions & Notes

Debt service increased **0.1%** from the prior budget. The debt schedule is designed to have relatively level payments.

<u>Details</u>	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
574 DEBT SERVICE										
960.000 Bank Charges	\$1,553	\$1,500	\$1,500	\$1,500	\$1,500	\$0	0.0%	\$1,500	\$1,500	\$1,500
969.000 Bond Issuance Expenses	60,924	0	0	0	0			0	0	0
995.003 1997 B SRF Bond Interest	2,138	1,463	1,463	788	788	-675	-46.1%	0	0	0
995.005 1998 B SRF Bond Interest	15,863	12,488	12,488	9,056	9,056	-3,432	-27.5%	5,513	1,856	0
995.007 1999 B SRF Bond Interest	21,813	18,688	18,688	15,500	15,500	-3,188	-17.1%	12,188	8,813	5,375
995.008 2005 Refunding Interest	153,383	133,283	133,283	112,913	112,913	-20,370	-15.3%	91,435	68,035	39,743
995.009 2006 SRF Interest	30,587	28,393	28,393	26,199	26,199	-2,194	-7.7%	23,924	21,649	19,293
995.010 2010 SRF Interest	14,152	13,402	13,402	12,652	12,652	-750	-5.6%	11,902	11,152	41,152
995.011 2010 DWRP Interest	9,875	9,375	9,375	8,875	8,875	-500	-5.3%	8,375	7,875	7,375
995.012 TRFOUT 2010 Cap Imp Interest	131,556	127,588	127,588	122,929	122,929	-4,659	-3.7%	118,125	112,764	106,426
995.013 2011 SRF Interest	29,144	27,769	27,769	26,629	26,629	-1,140	-4.1%	24,769	23,269	21,769
995.014 2011 DWRP Interest	9,814	9,314	9,314	8,814	8,814	-500	-5.4%	8,314	7,814	7,314
995.015 2015 W/S Revenue Interest	45,151	86,250	86,750	86,750	86,750	500	0.6%	86,750	86,750	86,675
TOTAL DEBT INTEREST	\$ 525,951	\$ 469,513	\$ 470,013	\$ 432,605	\$ 432,605	\$ (36,908)	-7.9%	\$ 392,795	\$ 351,477	\$ 336,622
300.003 1997 B SRF Bond Principal	\$30,000	\$30,000	\$30,000	\$35,000	\$35,000	\$5,000	16.7%	\$0	\$0	\$0
300.005 1998 B SRF Bond Principal	150,000	150,000	150,000	155,000	155,000	5,000	3.3%	160,000	165,000	0
300.007 1999 B SRF Bond Principal	125,000	125,000	125,000	130,000	130,000	5,000	4.0%	135,000	135,000	140,000
300.008 2005 Refunding Principal	490,000	515,000	515,000	530,000	530,000	15,000	2.9%	585,000	615,000	815,000
300.009 2006 SRF Principal	135,000	135,000	135,000	140,000	140,000	5,000	3.7%	140,000	145,000	145,000
300.010 2010 SRF Principal	30,000	30,000	30,000	30,000	30,000	0	0.0%	30,000	30,000	30,000
300.011 2010 DWRP Principal	20,000	20,000	20,000	20,000	20,000	0	0.0%	20,000	20,000	20,000
300.012 TRFOUT 2010 Cap Imp Principal	141,020	147,438	147,438	150,643	150,643	3,205	2.2%	157,053	160,259	166,669
300.010 2011 SRF Principal	55,000	60,000	60,000	60,000	60,000	0	0.0%	60,000	60,000	65,000
300.011 2011 DWRP Principal	20,000	20,000	20,000	20,000	20,000	0	0.0%	20,000	20,000	20,000
2015 Revenue Principal	0	0	0	0	0	0		0	0	5,000
TOTAL DEBT PRINCIPAL	\$ 1,196,020	\$ 1,232,438	\$ 1,232,438	\$ 1,270,643	\$ 1,270,643	\$ 38,205		\$ 1,307,053	\$ 1,350,259	\$ 1,406,669
TOTAL DEBT SERVICE	\$ 1,721,971	\$ 1,701,951	\$ 1,702,451	\$ 1,703,248	\$ 1,703,248	\$ 1,297	0.1%	\$ 1,699,848	\$ 1,701,736	\$ 1,743,291

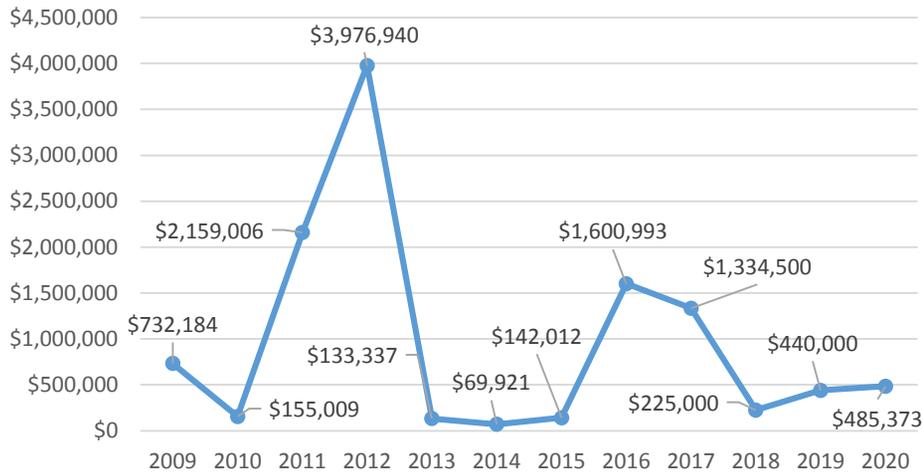
Capital Outlay

Description

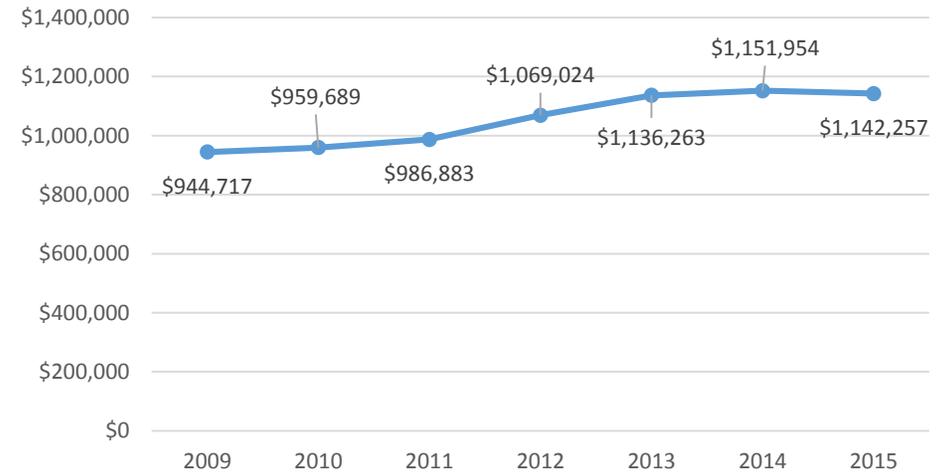
This section presents the proposed capital outlays for the WSU.

Analysis & Infographics

Capital Investments



Depreciation



Assumptions & Notes

The capital budget includes several items. The biggest are two projects that were included as part of the 2015 revenue bond, the Riverbank Sewer and Sixth Ave. Pump Station. These projects may get started yet this fiscal year, depending on the timing of awarding bids. Other items include an electric gate for City Garage (50%), and an upgraded sewer camera that was postponed from FY 2016. 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.

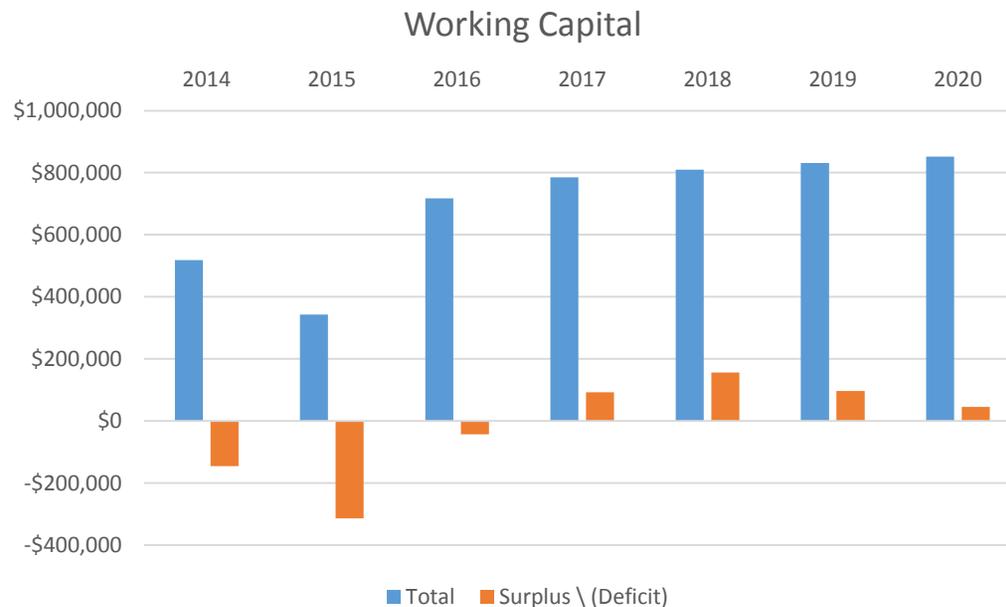
<u>Details</u>	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
902 OTHER GRANTS										
988.000 SAW Grant		\$0	\$290,930	\$600,000	\$600,000	\$600,000		\$757,500	\$0	\$0
TOTAL SAW Grant	\$ -	\$ -	\$ 290,930	\$ 600,000	\$ 600,000	\$ 600,000		\$ 757,500	\$ -	\$ -
CAPITAL EXPENDITURES										
541 Admin Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
542 Water Capital Outlay	47,795	21,000	188,980	0	0	-21,000	-100.0%	115,000	145,000	125,000
543 WWTP Capital Outlay	193,394	2,083,500	1,412,013	1,306,500	1,306,500	-777,000	-37.3%	110,000	145,000	50,000
544 Sewer Capital Outlay	192,380	17,500	0	28,000	28,000	10,500	60.0%	0	150,000	310,373
TOTAL CAPITAL EXPENDITURES	\$ 433,569	\$ 2,122,000	\$ 1,600,993	\$ 1,334,500	\$ 1,334,500	\$ (787,500)	-37.1%	\$ 225,000	\$ 440,000	\$ 485,373
CASH IMPACT BEFORE FINANCING	\$ (497,507)	\$(2,052,753)	\$(1,236,300)	\$(1,096,375)	\$(1,096,375)	\$ 187,500		\$ 88,700	\$ (38,785)	\$ (30,933)
SRF Loan	\$0	\$0	\$0	\$0	\$0					
DWRF Loan	0	0	0	0	0					
2015 Revenue Bond Issue	2,770,000	0	0	0	0					
2015 Revenue Bond Restricted Balance		2,083,500	1,567,993	1,300,000	1,300,000					
FINANCING SOURCES	\$ 2,770,000	\$ 2,083,500	\$ 1,567,993	\$ 1,300,000	\$ 1,300,000			\$ -	\$ -	\$ -
FINAL CASH IMPACT	\$ 2,272,493	\$ 30,747	\$ 331,693	\$ 203,625	\$ 203,625			\$ 88,700	\$ (38,785)	\$ (30,933)
BEG UNRESTRICTED CASH & INV			\$ 342,388		\$ 674,081			\$ 877,707	\$ 966,407	\$ 927,622
ENDING UNRESTRICTED CASH	\$ 342,388		\$ 674,081		\$ 877,707			\$ 966,407	\$ 927,622	\$ 896,689
Working Capital Needs (35% O&M)	\$ 656,690		\$ 717,746		\$ 785,077			\$ 810,224	\$ 830,948	\$ 851,603
Working Capital Surplus\(\Deficit)	\$ (314,301)		\$ (43,664)		\$ 92,630			\$ 156,182	\$ 96,674	\$ 45,086

Projections

Projections for the water and sewer fund reflect continued implementation of the rate increases recommended by the Burton & Associates rate study. Revenue increases so far have tracked well with the implemented rate increases.

Expenses are assumed to increase at an inflationary rate, unless particular items are identified as current year only. Capital expenditures are included to the degree identified; as well as a placeholder for unknown future work. A possible debt issue is assumed in FY 2020 to fund the storage retention basin and CSO #18 closure; however, there is still a great deal of uncertainty as to the direction and costs for this. The completion of the SAW grant will help to answer these questions.

Working capital is trending towards acceptable levels after being short in FY 2015 and causing some cash flow issues.



Municipal Marina



Description

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.

Issues

The Marina is struggling financially, primarily due to its debt load. Debt service is about \$63,000 per year. Projections for FY 2016 show that even with a budgeted \$40,000 in debt service support from the capital improvement fund, the budget still anticipates a cash shortage of \$30,000 which will have to be covered by additional transfers. The proposed budget anticipates a slightly less \$25,000 shortfall (\$65,000 total). This lack of revenue must be addressed as the current operations are unsustainable. The Harbor Commission has made it their number one strategic priority to increase Marina revenue. If successful, this will help ease the burden on the Capital Improvement Fund.

Analysis & Infographics

Dockage Fees



Fuel Profit



Assumptions & Notes

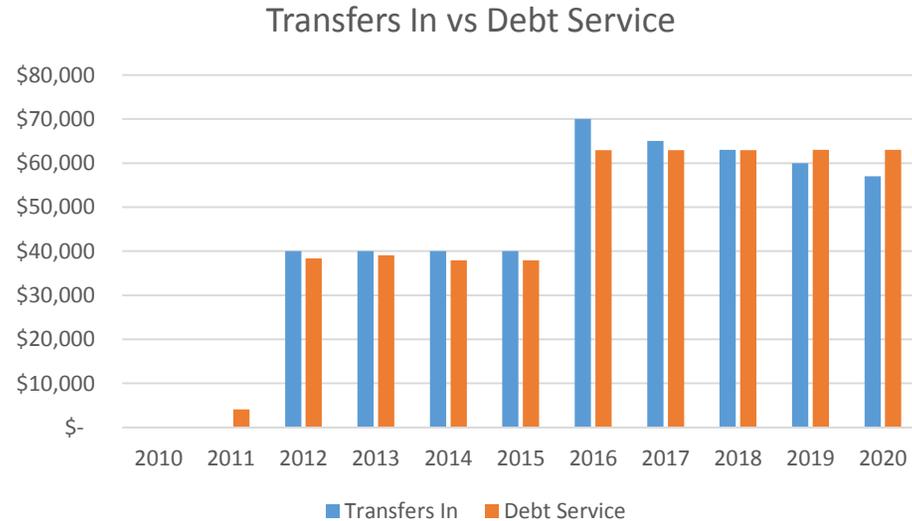
Overall revenue increased **4.8%** from the prior year. Dockage sales are budgeted as flat from the prior year budget, but an increase from the FY 2016 projected due to the Harbor Commission’s focus on profitability and the apparent early spring. Fuel sales are down (but with similar profitability) due to the lower cost of fuel. Transfers in are up by \$25,000 as previously discussed.

Employee costs decreased from last year due to more conservative staffing. Operating costs decreased from the prior year budget. Most of the decrease is due to lower fuel costs as the price of gas and diesel has dropped significantly. Utility costs have been reviewed and adjusted to reflect anticipated usage based on past history. Although some electrical and water costs incurred by the Marina actually benefit the Parks; no adjustment is made in the budget as there are many services provided by the General fund to the Marina that are not billed nor adequately covered by the administration fee. Summer grass mowing and significant facility manager time are two examples. Bank charges are expected to decrease because of lower State reservation system credit card charges.

Debt service is flat. The outstanding loans have level amortization. No capital outlay is budgeted.

Projections

Without significant additional boater traffic to drive dockage fees and fuel sales, the Marina is expected to continue to struggle. Projections assume that a slight increase in boater traffic and continued cost management will result in less need for debt service assistance, but only marginally. Cash flow will continue to be tight and will likely require periodic short term advances from the General fund.



Details

594 MUNICIPAL MARINA

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
539.000 State Grant	-\$4,250	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
570.000 Local Grant	0	0	0	0	0	0		0	0	0
642.000 Sales	2,011	3,500	2,100	3,000	3,000	-500	-14.3%	3,060	3,121	3,184
645.000 Charge for Sales - Fuel	106,185	90,900	91,000	76,050	76,050	-14,850	-16.3%	77,571	79,122	80,705
646.000 Charge for Sales - Dockage	60,188	75,000	60,000	75,000	75,000	0	0.0%	76,500	78,030	79,591
664.000 Interest Income	28	50	5	50	50	0	0.0%	50	50	50
667.000 Rental Income	2,400	2,000	2,000	2,500	2,500	500	25.0%	2,550	2,601	2,653
671.000 Other Revenue	0	0	0	0	0	0		0	0	0
674.000 Contributions\Donations	0	0	0	0	0	0		0	0	0
695.000 Insurance Settlement	0	0	0	0	0	0		0	0	0
699.000 Operating Transfer In	40,000	40,000	70,000	65,000	65,000	25,000	62.5%	63,000	60,000	57,000
Total Revenues	\$206,561	\$211,450	\$225,105	\$221,600	\$221,600	\$10,150	4.8%	\$222,731	\$222,925	\$223,182

Details

594 MUNICIPAL MARINA

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
702.000 Salaries	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
703.000 Longevity	0	0	0	0	0	0		0	0	0
704.000 Overtime	0	500	0	200	200	-300	-60.0%	200	200	200
706.000 Part-Time	19,889	25,000	22,000	22,000	22,000	-3,000	-12.0%	22,100	22,200	22,300
712.001 Costs - Social Security	1,240	1,581	1,400	1,376	1,376	-205	-12.9%	1,380	1,390	1,400
712.002 Costs - Medicare	290	370	300	322	322	-48	-12.9%	320	320	330
712.007 Costs - SUTA	1,294	367	370	320	320	-48	-12.9%	330	340	350
712.009 Costs - Work Comp	713	895	900	786	786	-109	-12.2%	800	820	840
Employee Costs	\$23,426	\$28,713	\$24,970	\$25,004	\$25,004	(\$3,709)	-12.9%	\$25,130	\$25,270	\$25,420
728.000 Operating Expense	5,125	7,500	5,000	6,000	6,000	-\$1,500	-20.0%	6,120	6,242	6,367
730.000 Operating Supplies - Fuel	97,043	81,990	81,900	67,140	67,140	-14,850	-18.1%	68,483	69,852	71,250
801.000 Professional Services	0	500	0	500	500	0	0.0%	510	520	531
820.000 Administration	12,278	10,573	10,573	11,080	11,080	508	4.8%	11,137	11,146	11,159
822.000 Insurance	1,517	1,750	1,670	1,750	1,750	0	0.0%	1,785	1,821	1,857
831.000 Contractual Repairs & Maint.	5,923	3,500	3,500	4,500	4,500	1,000	28.6%	4,590	4,682	4,775
850.000 Phone	0	0	0	0	0	0		0	0	0
892.500 Marketing	643	4,000	3,000	4,000	4,000	0	0.0%	4,080	4,162	4,245
920.000 Gas	2,206	1,400	2,000	2,000	2,000	600	42.9%	2,040	2,081	2,122
922.000 Water	4,214	8,000	6,500	6,750	6,750	-1,250	-15.6%	6,885	7,023	7,163
925.000 Electric	10,336	15,000	11,000	12,000	12,000	-3,000	-20.0%	12,240	12,485	12,734
930.000 Repairs & Maintenance	8,845	3,000	3,000	4,500	4,500	1,500	50.0%	4,590	4,682	4,775
958.000 Sales Tax	4,024	4,000	4,000	4,000	4,000	0	0.0%	4,080	4,162	4,245
959.000 Bad Debt	0	0	0	0	0	0		0	0	0
960.000 Bank Charges	5,815	8,500	6,000	6,000	6,000	-2,500	-29.4%	6,120	6,242	6,367
964.000 Refunds	0	0	0	0	0	0		0	0	0
970.000 Capital Outlay	0	0	7,700	0	0	0		0	0	0
Operating Costs	\$157,969	\$149,713	\$145,843	\$130,220	\$130,220	(\$19,493)	-13.0%	\$132,659	\$135,099	\$137,591
TOTAL OPERATING EXPENSES	\$181,395	\$178,426	\$170,813	\$155,224	\$155,224	-\$23,202	-13.0%	\$157,789	\$160,369	\$163,011

Details

594 MUNICIPAL MARINA

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
AVAILABLE FOR DEBT SERVICE	\$25,166	\$33,025	\$54,292	\$66,376	\$66,376	\$33,352		\$64,942	\$62,555	\$60,171
998.001 Interest - Bank Loan (IPA)	\$10,280	\$9,581	\$9,581	\$8,842	\$8,842			\$8,079	\$7,292	\$6,479
998.003 Interest - Internal Loan	\$5,540	\$5,540	\$5,540	\$5,035	\$5,035			\$4,519	\$3,993	\$3,456
TOTAL DEBT INTEREST	\$15,820	\$15,121	\$15,121	\$13,877	\$13,877	\$0	0.0%	\$12,598	\$11,285	\$9,935
308.001 Principal - Bank Loan (IPA)	\$22,107	\$22,805	\$22,805	\$23,544	\$23,544			\$24,307	\$25,095	\$25,908
214.000 Principal - Internal Loan DTOF	\$0	\$25,046	\$25,046	\$25,552	\$25,552			\$26,068	\$26,594	\$27,131
TOTAL DEBT PRINCIPAL	\$22,107	\$47,852	\$47,851	\$49,096	\$49,096	\$0	0.0%	\$50,375	\$51,689	\$53,039
TOTAL DEBT SERVICE	\$37,927	\$62,973	\$62,972	\$62,973	\$62,973	\$0	0.0%	\$62,973	\$62,974	\$62,974
SURPLUS/DEFICIT BEFORE CAPEX	-\$12,761	-\$29,948	-\$8,680	\$3,403	\$3,403			\$1,969	-\$419	-\$2,803
CAPITAL EXPENDITURES										
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
CASH IMPACT BEFORE FINANCING	-\$12,761	-\$29,948	-\$8,680	\$3,403	\$3,403			\$1,969	-\$419	-\$2,803
S\T Advance		\$0	\$0	\$0	\$0			\$0	\$0	\$0
Repay S\T Advance	-\$103,500		\$0	\$0	\$0			\$0	\$0	\$0
Installment Purchase		\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINANCING SOURCES	-\$103,500	\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINAL CASH IMPACT	-\$116,261		-\$8,680	\$3,403	\$3,403			\$1,969	-\$419	-\$2,803
BEGINNING CASH	\$64,236		\$12,174		\$3,494			\$6,897	\$8,866	\$8,447
ENDING CASH	\$12,174		\$3,494		\$6,897			\$8,866	\$8,447	\$5,644

Boat Launch



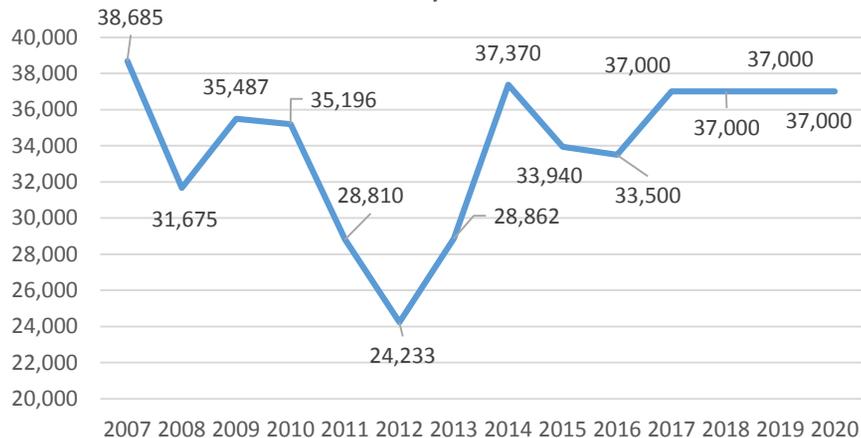
Description

The Boat Launch fund accounts for the activities of the First Street, Arthur Street and Ninth Street Boat launches. 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. Ingress and egress to the First St. Boat launch was reconfigured as part of the First St. reconstruction project. Ninth St. also needs work, but construction at this site is probably several years out due to funding limitations, the complexity of the project and higher priorities.

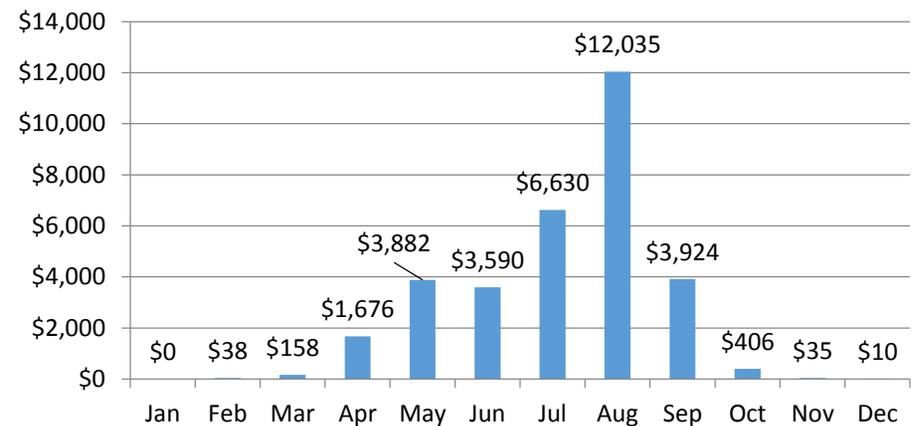
Boaters are charged to launch at the First St. launch. Rates are \$40 for a seasonal and \$10 for a daily pass. A pay tube at the Arthur St. launch will be added this spring. The Ninth St. launch will remain free.

Analysis & Infographics

Yearly Sales



Average Sales by Month



Assumptions & Notes

Revenue shows an increase from the prior year due to the addition of a pay tube at Arthur Street, but is largely dependent on weather and fishing conditions and the price of fuel. Expenses show an increase due to higher utility costs. 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.

Projections

Projections are based on flat revenue and inflationary cost increases. If the Lake Michigan salmon fishery collapses like it has on Lake Huron, these projections will dramatically change for the worse. The auto-attendant is slated for replacement in FY 2020.

Details

508 BOAT LAUNCH

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
539.000 State Grant	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
642.000 Sales	33,940	34,000	33,500	37,000	37,000	3,000	8.8%	37,000	37,000	37,000
664.000 Interest Income	7	10	4	10	10	0	0.0%	20	20	20
Total Revenues	\$33,947	\$34,010	\$33,504	\$37,010	\$37,010	\$3,000	8.8%	\$37,020	\$37,020	\$37,020
Employee Costs	\$0	\$0	\$0	\$0	\$0	\$0	0.0%	\$0	\$0	\$0
728.000 Operating Expense	\$1,036	\$2,500	\$700	\$2,800	\$2,800	\$300	12.0%	\$2,856	\$2,913	\$2,971
801.000 Professional Services	0	500	0	500	500	0	0.0%	510	520	531
820.000 Administration	2,102	2,381	2,345	2,591	2,591	210	8.8%	2,772	2,966	3,174
850.000 Phone	329	330	1,140	1,140	1,140	810	245.5%	600	612	624
892.500 Marketing	0	500	200	500	500	0	0.0%	510	520	531
922.000 Water	2,211	1,600	2,150	2,280	2,280	680	42.5%	2,360	2,442	2,528
925.000 Electric	3,527	3,500	3,700	3,700	3,700	200	5.7%	3,774	3,849	3,926
930.000 Repairs & Maintenance	87	1,000	200	1,000	1,000	0	0.0%	1,020	1,040	1,061
960.000 Bank Charges	679	600	650	650	650	50	8.3%	663	676	690
970.000 Capital Outlay (expense)	0	800	2,000	0	0	-800	-100.0%	0	0	0
Operating Costs	\$9,972	\$13,711	\$13,085	\$15,161	\$15,161	\$1,450	10.6%	\$15,065	\$15,541	\$16,038
TOTAL OPERATING EXPENSES	\$9,972	\$13,711	\$13,085	\$15,161	\$15,161	\$1,450	10.6%	\$15,065	\$15,541	\$16,038

Details

508 BOAT LAUNCH

	2015 Actual	2016 Budget Projected		Proposed	Adopted	Difference	Change	2018 Projection	2019 Projection	2020 Projection
AVAILABLE FOR DEBT SERVICE	\$23,975	\$20,299	\$20,419	\$21,849	\$21,849			\$21,955	\$21,479	\$20,982
998.003 Interest - Internal Loan	\$2,148	\$1,897	\$1,897	\$1,642	\$1,642			\$1,382	\$1,117	\$846
TOTAL DEBT INTEREST	\$2,148	\$1,897	\$1,897	\$1,642	\$1,642	-\$255	-13.4%	\$1,382	\$1,117	\$846
214.000 Principal - Internal Loan DTOF	\$12,388	\$12,638	\$12,638	\$12,893	\$12,893			\$13,153	\$13,419	\$13,690
TOTAL DEBT PRINCIPAL	\$12,388	\$12,638	\$12,638	\$12,893	\$12,893	\$255	2.0%	\$13,153	\$13,419	\$13,690
TOTAL DEBT REPAYMENT	\$14,536	\$14,536	\$14,536	\$14,536	\$14,536	\$0	0.0%	\$14,536	\$14,536	\$14,536
SURPLUS/DEFICIT BEFORE CAPEX	\$9,439	\$5,764	\$5,883	\$7,314	\$7,314			\$7,420	\$6,943	\$6,447
CAPITAL EXPENDITURES										
First Street Launch	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$15,000
Arthur Street Launch	0	0	0	0	0			0	0	0
Ninth Street Launch	0	0	0	0	0			0	0	0
TOTAL CAPITAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$15,000
CASH IMPACT BEFORE FINANCING	\$9,439	\$5,764	\$5,883	\$7,314	\$7,314			\$7,420	\$6,943	-\$8,553
None		\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINANCING SOURCES	\$0	\$0	\$0	\$0	\$0			\$0	\$0	\$0
FINAL CASH IMPACT	\$9,439	\$5,764	\$5,883	\$7,314	\$7,314			\$7,420	\$6,943	-\$8,553
BEGINNING CASH & INV			\$20,772		\$26,499			\$33,813	\$41,232	\$48,176
ENDING CASH & INV	\$20,772		\$26,499		\$33,813			\$41,232	\$48,176	\$39,622

Ramsdell Theatre



Description

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 past, the volunteer, non-profit group Ramsdell Theatre Restoration Project (“RTRP”) raised around \$3,000,000 from generous donors and various grants to renovate and restore the Theatre.

The City has also made substantial investments in the building. The failing 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 or need improvement. Ballpark estimates of work remaining to be done are around \$500,000.

The Ramsdell has been operating for a number of years under direct City control, first under the supervision of the now dissolved Ramsdell Theatre Governing Authority, and more recently as a City department. In the summer of 2014, the City 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 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. However, additional stakeholder meetings did not result in a path forward.

The Council Ordinance Committee discussed this issue at their February 13, 2015 meeting. They were unanimous in their agreement that the governance model needed to change. A Council work session was held at the Ramsdell on March 9, 2015 to discuss this and other Ramsdell matters. Participants included Board members from our various Partners, other stakeholders and the general public. This ultimately resulted in Council dissolving the Ramsdell Governing Authority by revoking Chapter 253 and running the Ramsdell as a City department until a new governing structure could be explored and created.

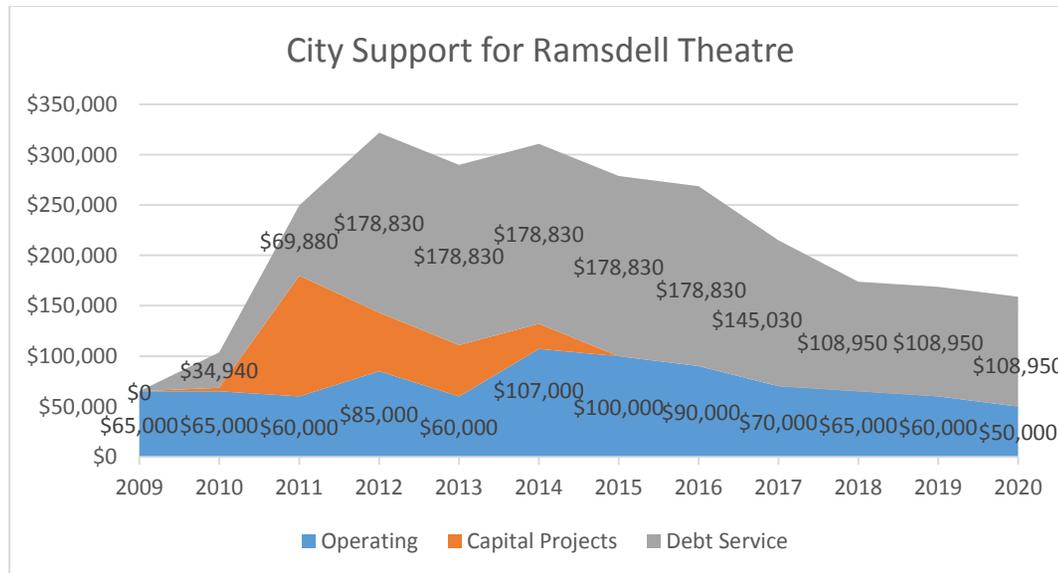
Issues

The two major issues facing the Ramsdell are its governance and management structure and the need to become more financially self-supporting. The 2014 Ramsdell stakeholder strategic planning session established a goal of reducing City operating support by 33% (about \$35,000 annually) by FY 2017 (which has been accomplished). In order to realistically meet this goal, the group 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 City in coordination with the AES issued a Request for Proposals: Sustainable Business Model for Ramsdell Theatre in January, 2015. The primary goal of the RFP was 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. The AES entered into a contract with Johnson Consulting to complete the study. The draft product was completely unsatisfactory and the AES is currently seeking a refund from Johnson.

Recently, a group of concerned citizens began meeting with Executive Director Mike Terry to discuss the future direction of the Ramsdell. They believe that there is sufficient time, talent and opportunity in the community to manage the Ramsdell as a non-profit organization under contract with the City. Their intention would be to repurpose the existing Friends of the Ramsdell corporation as this entity. The group made a presentation to City Council at the March, 2016 work session. Council appeared to support this idea and the consensus was for the group to come back to Council at a later date with a business plan and contract for consideration. Execution of that plan will require time and significant community involvement and support beyond where we are at today. Key to the success of this approach will be board members that have the desire, contacts and financial resources to assist the Ramsdell

There is general consensus 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. Nevertheless, progress has been made towards reducing the City’s financial contribution.

Analysis & Infographics



Ramsdell Theatre				
Cash Support				
	Peak*	FY 2017	Reduction	Change
Operations	\$ 107,000	\$ 70,000	\$ (37,000)	-35%
Capital	\$ 119,881	\$ -	\$ (119,881)	-100%
Debt	\$ 178,830	\$ 145,030	\$ (33,800)	-19%
Total	\$ 405,711	\$ 215,030	\$ (190,681)	-47%

*peak support is highest in a given year from FY 2009 to FY 2017

Assumptions & Notes

The budget has been prepared assuming that the management and operations of the Ramsdell Theatre will be conducted under a contract with a non-profit organization. The City operating contribution has been moved to the **Appropriation** budget; and the City debt service contribution is reflected in the **Capital Improvement Fund**.

The non-profit organization will be providing a budget for the Theatre as part of future Council consideration of the contract between the City and the non-profit. The contract will address, among other things, financial considerations between the non-profit and the City, including the annual operating support and allocation of retained earnings.

The budget assumes that the Ramsdell will be returning \$20,000 of its cash reserves to the General fund and retaining the remainder for working capital.

Permanent Funds

Oil & Gas Fund



Description

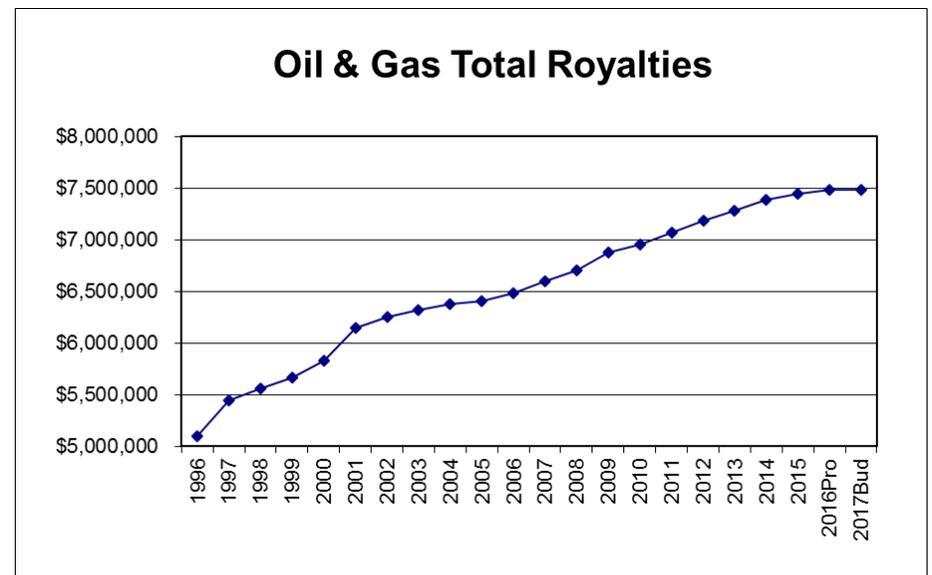
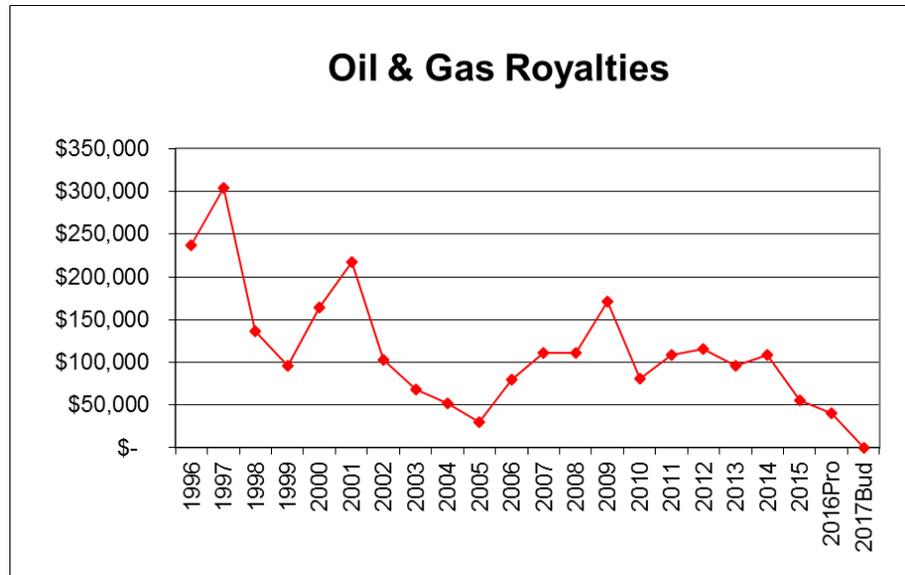
The Oil & Gas Fund was established to accumulate the principal generated from oil and gas royalties received from City-owned mineral rights. Charter Section 2-1(B) protects the principal and royalties of this fund from being spent without a vote of the people.

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.

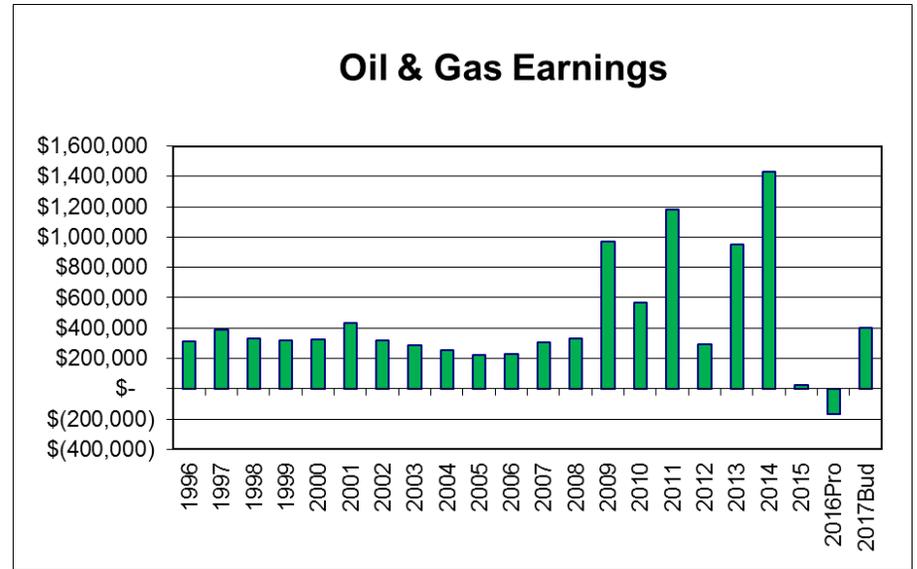
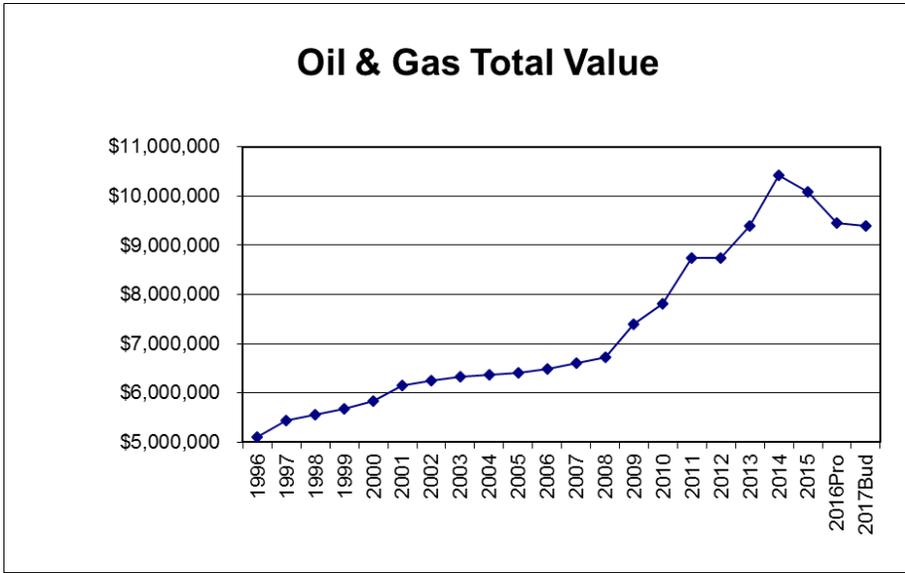
Well production and royalty income fluctuate because of variable oil and gas production volumes and the price of oil and gas. The lifespan of the oil and gas wells is unknown; however, the well owner, Aztec, recently shut down production at both the wells and the processing plant. The plant operator said they have been losing money due to the low price of oil & gas. The plant could re-open once prices rebound.

Analysis & Infographics

Royalties have steadily declined over time as the wells become less productive. Total accumulated royalties is just under \$7,500,000

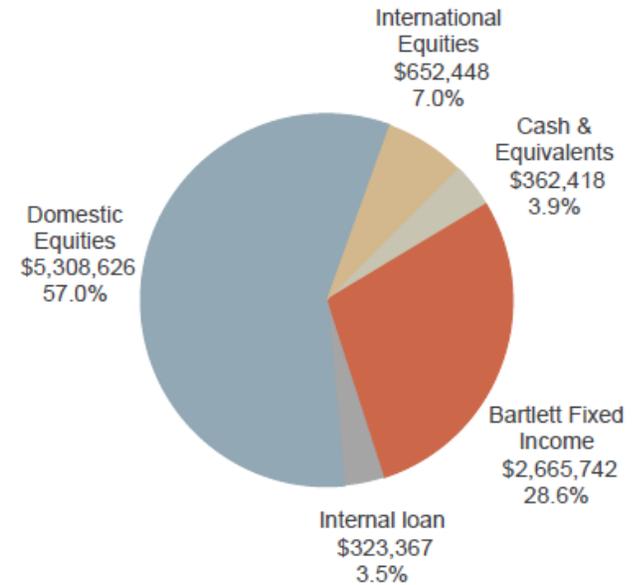
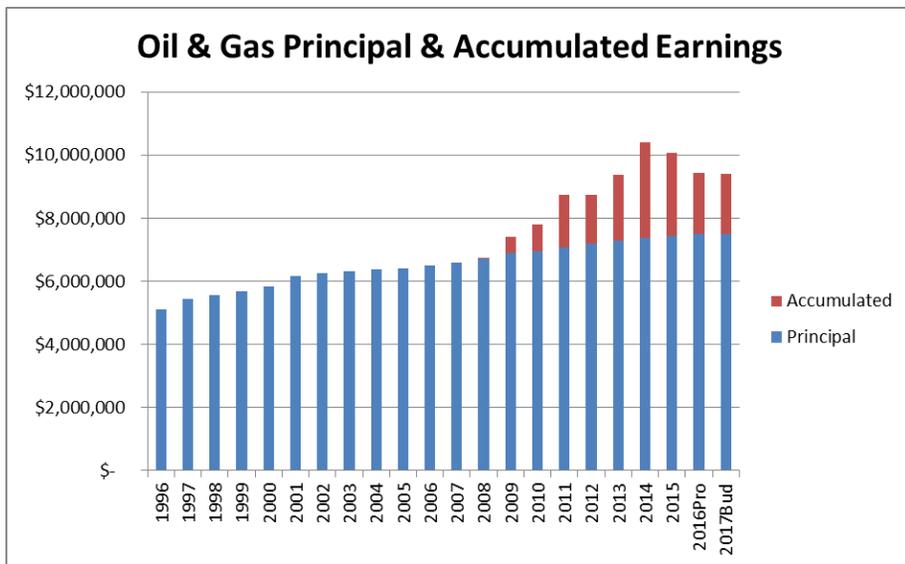


Earnings and the value of the fund have increased since the fund has been invested in the broader market, but earnings are also more variable.



The fund value exceeds accumulated royalties by about \$1,900,000.

Portfolio asset allocation as of December 31, 2015



Assumptions & Notes

Revenue is projected to decline from the prior budget. Oil royalties are budgeted at \$0 because the oil wells and processing facility are currently shut down by the owner, Aztec. Dividend and capital gain income is subject to market fluctuations. We are in the middle of an extended bull market but there has been a recent decline in the stock market, driven primarily by low oil prices. However, economic fundamentals continue to remain positive. Future economic shocks or political instability could have an adverse impact on returns in the short to medium term.

Issues

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 FY 2016 budget discussion regarding funding street improvements, the Oil & Gas Investment Board passed a resolution supporting the ongoing management of the fund as an endowment and not increasing the spending rule percentage.

Council considered but did not follow this recommendation and allocated an additional \$83,000 transfer. The proposed budget uses the 4% spending rule calculation amount of \$394,226. This is an increase of \$19,546 or 5.2% over the prior year spending rule base amount. Investment advisor fees are expected to decrease as the value of the portfolio has declined by about 9% from its peak in June of 2014.

Projections

Barring an economic downturn or recession, the oil & gas fund is projected to continue to grow at a moderate pace. Forecasting future markets is always tenuous at best, so this projection should be viewed with caution. However, barring a catastrophic decline in the market, the three year smoothing used by the investment policy and restraint imposed by the spending rule should help buffer the impact on spendable amounts of any typical market downturns.

<u>Details</u>	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
245 Oil & Gas Fund										
664.000 Interest Income	\$228,644	\$250,000	\$230,000	\$200,000	\$200,000	-\$50,000	-17.4%	\$203,000	\$206,045	\$210,166
665.001 Unrealized Gain\Loss	-203,692	\$275,000	-400,000	200,000	200,000	-\$75,000	-26.7%	\$203,000	\$206,045	\$210,166
666.000 Oil Royalties	55,771	\$80,000	40,000	0	0	-\$80,000	-99.0%	\$0	\$25,000	\$30,000
Total Revenues	\$80,724	\$605,000	-\$130,000	\$400,000	\$400,000	-\$205,000	-31.6%	\$406,000	\$437,090	\$450,332
728.000 Office/Operating Expense	\$0	\$200	\$0	\$2,500	\$2,500	\$2,300		\$2,550	\$2,601	\$2,653
801.000 Professional Services	53,627	\$52,000	49,000	48,000	48,000	-\$4,000	-11.6%	\$48,960	\$49,939	\$50,938
999.000 Operating Transfer Out	358,543	\$457,680	457,680	394,226	394,226	-\$63,454	-31.7%	\$382,000	\$370,000	\$370,000
Total Expenditures	\$412,170	\$509,880	\$506,680	\$444,726	\$444,726	-\$65,154	-27.8%	\$433,510	\$422,540	\$423,591
TOTAL OIL & GAS FUND	-\$331,446	\$95,120	-\$636,680	-\$44,726	-\$44,726			-\$27,510	\$14,550	\$26,741
Beginning Fund Balance	\$10,409,785		\$10,409,785		\$9,773,105			\$9,728,379	\$9,700,869	\$9,715,419
Ending Fund Balance	\$10,078,339		\$9,773,105		\$9,728,379			\$9,700,869	\$9,715,419	\$9,742,160
Accumulated Royalty Balance	\$7,444,748		\$7,484,748		\$7,484,748			\$7,484,748	\$7,509,748	\$7,539,748

Internal Service Funds

Motor Pool

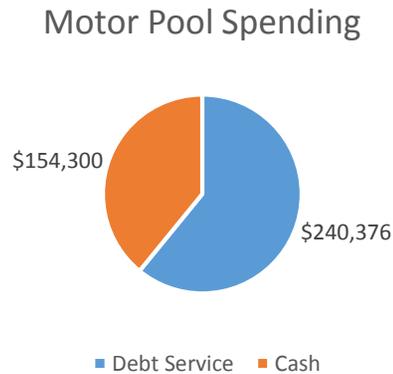


Description

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 do an excellent job of maintaining the fleet and extending its useful life. The budget proposes buying the following vehicles and equipment:

Analysis & Infographics



Description	Department	Type	Est. Cost	Method
Pickup with Utility Box	Fire	Replaces Two	\$60,000	Cash
Police Interceptor Utility	Police	Replace	\$38,000	Cash
Loader	DPW	Replace	\$200,000	Finance
V-Plow F-350	DPW	New	\$7,000	Cash
V-Plow Kubota	Parks	New	\$3,800	Cash
Diagnostic Equipment		New	\$6,000	Cash
Maintenance Management Software		New	\$5,000	Cash
Total			\$319,800	

Assumptions & Notes

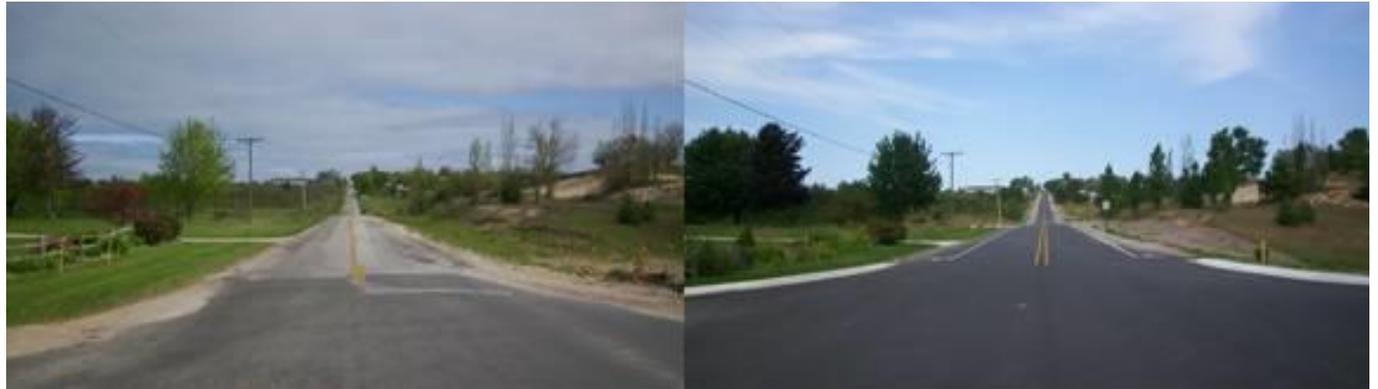
Revenue increased **11.6%**, mainly due to the sale or trade-in of some equipment that is being replaced. Rental payments decreased due to the elimination of the Manager allocation, since he now has a vehicle allowance. Expenses increased from last year due to the nature of the vehicles and/or equipment being purchased and the method of payment.

661 Motor Pool	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
664.000 Interest Income	\$196	\$400	\$75	\$500	\$500	\$100	25.0%	\$1,000	\$1,500	\$2,000
670.002 Equipment Rental - City Mgr.	9,000	9,270	9,270	0	0	-\$9,270	-100.0%	0	0	0
670.003 Equipment Rental - Fire	62,000	63,860	63,860	62,000	62,000	-\$1,860	-2.9%	63,860	65,776	67,749
670.004 Equipment Rental - Parks	36,000	37,080	37,080	36,000	36,000	-\$1,080	-2.9%	37,080	38,192	39,338
670.005 Equipment Rental - Police	31,000	31,930	31,930	33,500	33,500	\$1,570	4.9%	34,505	35,540	36,606
670.006 Equipment Rental - DPW	72,000	74,160	74,160	72,000	72,000	-\$2,160	-2.9%	74,160	76,385	78,676
670.007 Equipment Rental - Sewer Street	35,000	36,050	36,050	37,132	37,132	\$1,082	3.0%	38,246	39,393	40,575
670.008 Equipment Rental - Water	35,000	36,050	36,050	37,132	37,132	\$1,082	3.0%	38,246	39,393	40,575
670.009 Equipment Rental - WWTP	35,000	36,050	36,050	37,132	37,132	\$1,082	3.0%	38,246	39,393	40,575
671.000 Other Revenue	0	0	0	0	0	\$0		0	0	0
673.000 Sale of Asset	0	0	0	47,000	47,000	\$47,000		5,000	5,000	5,000
695.000 Insurance Settlement	0	0	0	0	0	\$0		0	0	0
699.000 Operating Transfer In	0	0	0	0	0	\$0		0	0	0
Total Revenue	\$315,196	\$324,850	\$324,525	\$362,396	\$362,396	\$37,546	11.6%	\$330,343	\$340,573	\$351,095
799.000 Miscellaneous Expense	\$0	\$1,000	\$0	\$12,000	\$12,000	\$11,000	1100.0%			
822.000 Insurance	32,856	32,640	33,177	\$33,500	33,500	\$860	2.6%			
971.001 DPW - Plow Trucks	31,019	105,788	110,452	105,010	105,010	-\$778	-0.7%			
971.003 DPW - Sidewalk Tractor/Blower	0	80,000	79,930	0	0	-\$80,000	-100.0%			
971.004 DPW - Pickup	24,853	24,000	25,968	7,000	7,000	-\$17,000	-70.8%			
971.006 DPW - Loader (Small)	0	0	0	79,661	79,661	\$79,661				
971.007 DPW - Hot Patch\Sealer	0	0	0	0	0	\$0				
971.015 DPW - Stump Grinder	5,445	0	0	0	0	\$0				
972.016 DPW - Power Washer	10,300	0	0	0	0	\$0				
972.001 PARKS - Mowers	0	12,000	8,750	0	0	-\$12,000	-100.0%			
972.004 PARKS - Gator	0	16,000	19,850	3,800	3,800	-\$12,200	-76.3%			
973.001 POLICE - Patrol Car	0	0	0	38,000	38,000	\$38,000				
974.002 FIRE- Ambulance	0	29,276	29,000	29,000	29,000	-\$276	-0.9%			
974.004 FIRE - Pickup	0	0	0	60,000	60,000	\$60,000				
975.001 WATER - Pickup	0	28,000	26,085	0	0	-\$28,000	-100.0%			
977.001 WS - Vactor	26,705	26,705	26,705	26,705	26,705	\$0	0.0%			
977.002 WS - Backhoe	82,912	0	0	0	0	\$0				
999.000 Transfer Out		0	0	0	0	\$0				
Total Expenses	\$214,089	\$355,409	\$359,917	\$394,676	\$394,676	\$39,267	11.0%	\$375,000	\$375,000	\$375,000
TOTAL MOTOR POOL	\$101,107	-\$30,559	-\$35,392	-\$32,280	-\$32,280			-\$44,657	-\$34,427	-\$23,905
Beginning Cash			\$526,858		\$491,466			\$459,186	\$414,529	\$380,102
Ending Cash	\$526,858		\$491,466		\$459,186			\$414,529	\$380,102	\$356,197

Special Revenue Funds



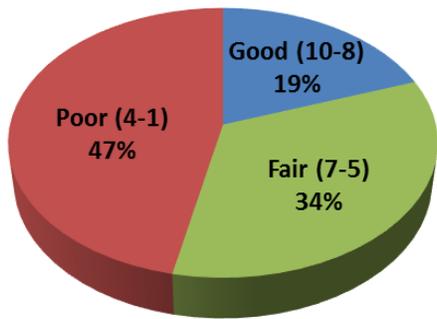
Streets



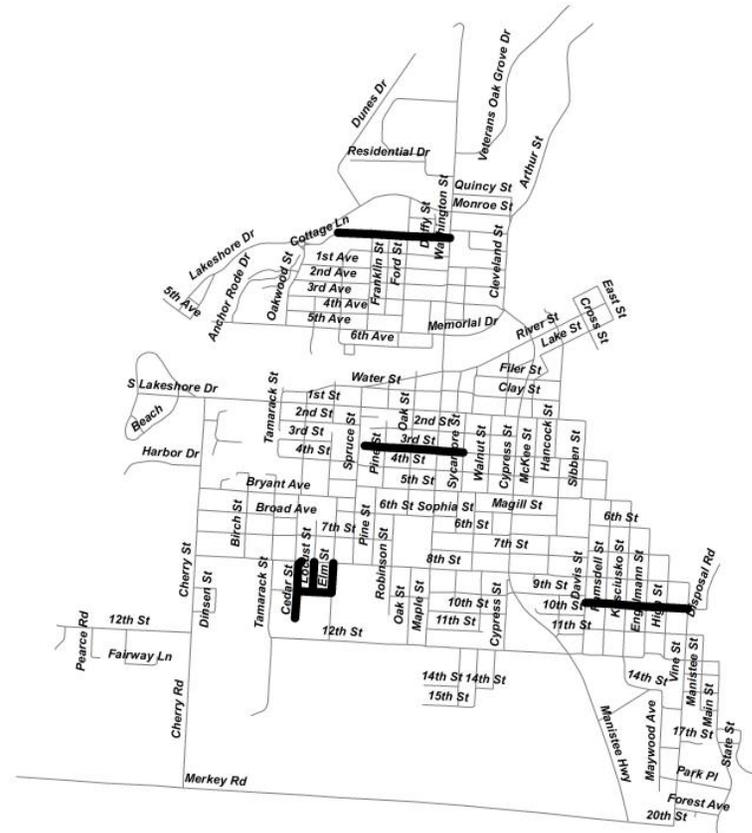
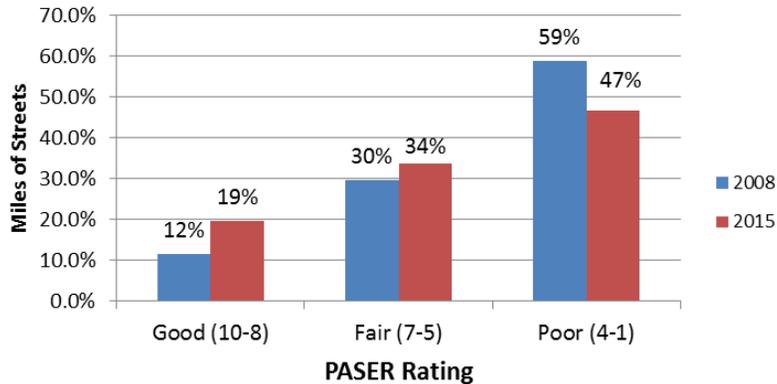
State of the Streets

The City has been managing its streets under a Street Asset Management Plan since 2008. The condition of the streets as of the last rating in the fall of 2015 is shown below. The City issued its first State of the Streets report in January and intends to do so annually moving forward. The City completed the resurfacing of about 1.42 miles of Local Streets in 2015 at a cost of \$364,465. The work was a mixture of standard resurfacing and milling and resurfacing. Additional work on Local and Major streets should occur in the Spring of 2016 (FY 2016).

Condition of All Streets 2015



All Streets 2008 vs 2015



Recent History

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.

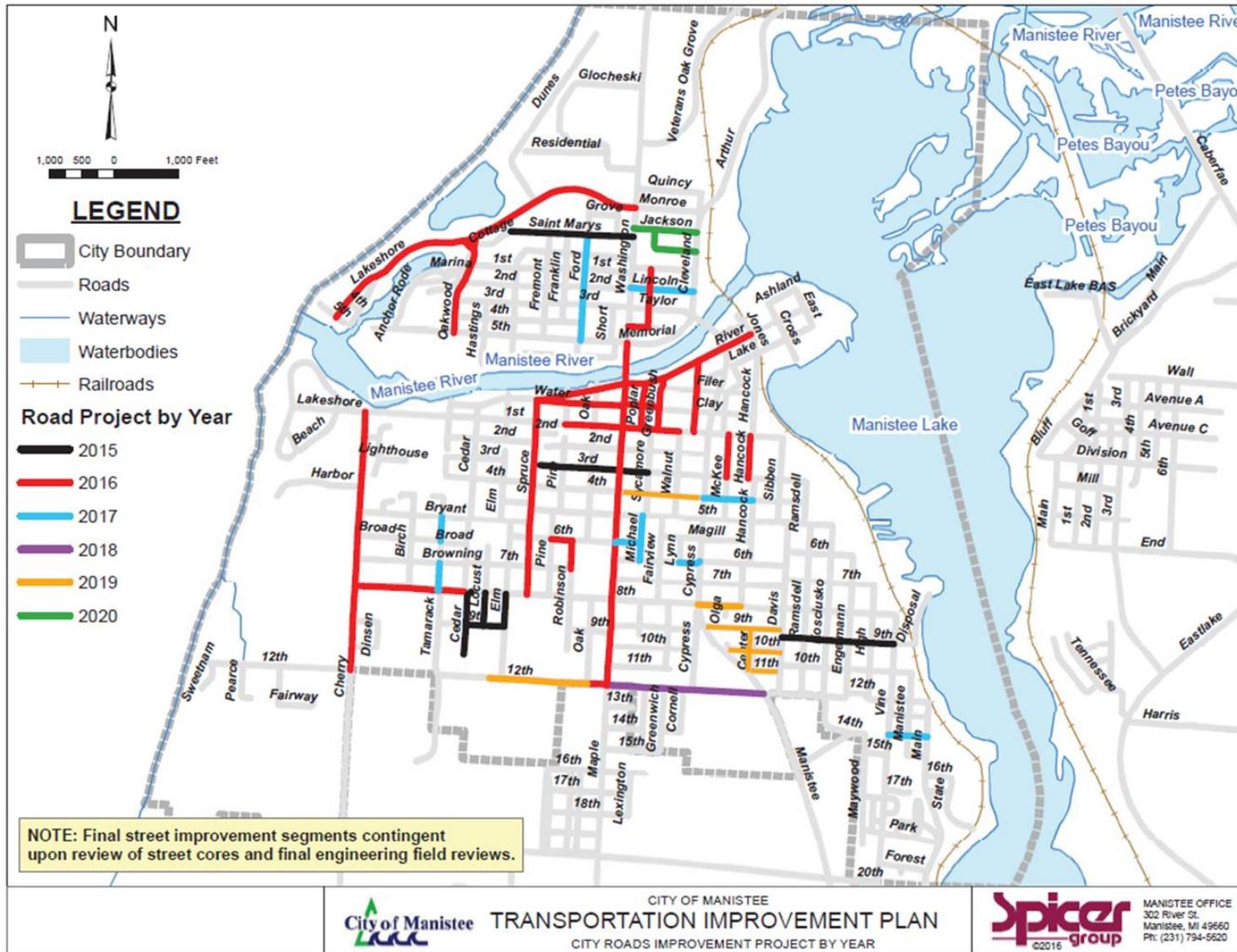
On April 15, 2014 City administration provided another update on street issues. It recommended following the steps outlined in the City's street asset management plan. It also discussed the amount of money needed to make meaningful difference in streets, current funding limitations and the impact of 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.

An 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. In the FY 2016 budget, 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 were partially incorporated into the FY 2016 budget. The FY 2017 budget builds on last year's work and continues to make investments in the street network.

Transportation Improvement Plan

The budget incorporates the second year of the proposed FY 2016-2021 TIP. Public Works Director Jeff Mikula and City Engineer Shawn Middleton have created a list of proposed projects to be completed in the TIP based on asset management and long-term planning principles, available revenue and grant opportunities. It is sensitive to key assumptions on future funding levels and receipt of grants and should be considered a fluid plan.



FY 2016 - 2021 Transportation Improvement Plan

Major Streets	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total	Average
Investment	\$170,000	\$474,000	\$0	\$790,000	\$665,000	\$0	\$2,099,000	\$349,833
Miles	0.06	6.03	0.00	0.46	0.41	0.00	6.96	1.16
Treatment	Reconstruction w/ Storm	Light Rehab Microsurface		Reconstruction w/ Storm & Sidewalk	Reconstruction w/ Storm			
Funding Source								
General Fund	\$0	\$0	\$0	\$0	\$0	\$0		
Cap. Imp. Fund	\$0	\$0	\$110,000	\$0	\$0	\$0		
Major Streets Cash	\$170,000	\$474,000	\$0	\$415,000	\$290,000	\$0		
Local Streets	\$0	\$0	\$0	\$0	\$0	\$0		
Grants	\$0	\$0	\$0	\$375,000	\$375,000	\$0		
Total	\$170,000	\$474,000	\$110,000	\$790,000	\$665,000	\$0		
Local Streets								
Investment	\$524,000	\$0	\$440,000	\$0	\$367,000	\$540,000	\$1,871,000	\$311,833
Miles	1.84	0.00	1.17	0.00	0.91	0.36	4.27	0.71
Treatment	Heavy Rehab Resurface Mill & Fill		Heavy Rehab Resurface Mill & Fill		Heavy Rehab Resurface Mill & Fill	Reconstruction w/ Storm		
Funding Source								
General Fund	\$70,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000		
Cap. Imp. Fund	\$180,000	\$80,000	\$0	\$110,000	\$115,000	\$115,000		
Major Streets	\$110,000	\$20,000	\$152,000	\$82,000	\$97,000	\$200,000		
Local Street Cash	\$24,000	\$0	\$213,000	\$0	\$70,000	\$135,000		
Grants	\$0	\$0	\$0	\$0	\$0	\$0		
Rieth-Riley	\$140,000	\$0	\$0	\$0	\$0	\$0		
Total	\$524,000	\$170,000	\$440,000	\$272,000	\$367,000	\$540,000		
Total Cost	\$694,000	\$474,000	\$440,000	\$790,000	\$1,032,000	\$540,000	\$3,970,000	\$661,667
Total Miles	1.89	6.03	1.17	0.46	1.32	0.36	11.23	1.87

CONST YEAR	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Road Area (SYD)	Estimated Const Cost (\$)	Estimated Constn Cost with Contingency (\$)	Concept Design, PD, FD, Bidding, Permitting	Constr Eng, Inspection, Material. Testing, Staking	Total Project Cost Estimate
2016 Summer July +	2016- 2017	Major	Light Rehab - Microsurface	1st St	Walnut	Pine	1,764	7,054	\$ 26,000	\$ 28,000	\$ 1,000	\$ 1,000	\$ 30,000
		Major	Light Rehab - Microsurface	8th St	Cherry	Cedar	1,684	6,355	\$ 23,000	\$ 25,000	\$ 1,000	\$ 1,000	\$ 27,000
		Major	Light Rehab - Microsurface	Cherry	1st Street	12th St	3,981	15,305	\$ 56,000	\$ 61,000	\$ 2,000	\$ 2,000	\$ 65,000
		Major	Light Rehab - Microsurface	Division	River	1st St	1,098	4,529	\$ 16,000	\$ 18,000	\$ 1,000	\$ 1,000	\$ 20,000
		Major	Light Rehab - Microsurface	Greenbush	River	1st St	807	3,231	\$ 12,000	\$ 13,000	\$ 1,000	\$ 1,000	\$ 15,000
		Major	Light Rehab - Microsurface	Lakeshore Dr	5th Ave	Oakwood	2,809	1,068	\$ 4,000	\$ 4,000	\$ 1,000	\$ 1,000	\$ 6,000
		Major	Light Rehab - Microsurface	Maple	Memorial	12th St	5,285	21,441	\$ 78,000	\$ 86,000	\$ 3,000	\$ 2,000	\$ 91,000
		Major	Light Rehab - Microsurface	Monroe	Washington	Oakwood	2,899	6,216	\$ 23,000	\$ 25,000	\$ 1,000	\$ 1,000	\$ 27,000
		Major	Light Rehab - Microsurface	Oakwood	Monroe	5th Ave	1,716	4,576	\$ 17,000	\$ 18,000	\$ 1,000	\$ 1,000	\$ 20,000
		Major	Light Rehab - Microsurface	Poplar	River	1st St	702	2,490	\$ 9,000	\$ 10,000	\$ 1,000	\$ 1,000	\$ 12,000
		Major	Light Rehab - Microsurface	River	Jones	Spruce	4,198	18,133	\$ 66,000	\$ 73,000	\$ 2,000	\$ 2,000	\$ 77,000
		Major	Light Rehab - Microsurface	Spruce	Water	8th St	3,004	12,017	\$ 44,000	\$ 48,000	\$ 2,000	\$ 1,000	\$ 51,000
		Major	Light Rehab - Microsurface	Water	Spruce	Greenbush	1,896	7,636	\$ 28,000	\$ 31,000	\$ 1,000	\$ 1,000	\$ 33,000
								31,843	110,051	\$ 402,000	\$ 440,000	\$ 18,000	\$ 16,000
						31,843 6.03 96	110,051 Miles Blocks +/-	\$ 402,000	\$ 440,000	\$ 18,000	\$ 16,000	\$ 474,000	

CONST YEAR	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Road Area (SYD)	Estimated Const Cost (\$)	Estimated Constn Cost with Contingency (\$)	Concept Design, PD, FD, Bidding, Permitting	Constr Eng, Inspection, Material. Testing, Staking	Total Project Cost Estimate		
2017 July +	2017-2018														
		Local	Heavy Rehab - Mill & Fill	6th St	US-31	Lynn	327	1,455	\$ 24,000	\$ 27,000	\$ 2,000	\$ 2,000	\$ 31,000		
		Local	Heavy Rehab - Mill & Fill	Lincoln	US-31	Washington	972	2,791	\$ 47,000	\$ 52,000	\$ 4,000	\$ 4,000	\$ 60,000		
		Local	Heavy Rehab - Mill & Fill	Ford	5th Ave	St. Marys	1631	6043	\$ 102,000	\$ 112,000	\$ 7,000	\$ 7,000	\$ 126,000		
		Local	Heavy Rehab - Mill & Fill	Michaels	6th Ave	5th	703	1873	\$ 32,000	\$ 35,000	\$ 3,000	\$ 3,000	\$ 41,000		
		Local	Heavy Rehab - Mill & Fill	Sofia	Michael	Maple	396	1056	\$ 18,000	\$ 20,000	\$ 2,000	\$ 2,000	\$ 24,000		
		Local	Heavy Rehab - Mill & Fill	4th	Cypress	Hancock	755	3020	\$ 51,000	\$ 56,000	\$ 4,000	\$ 4,000	\$ 64,000		
		Local	Heavy Rehab - Mill & Fill	Tamarack	8th	Browning	417	1483	\$ 25,000	\$ 27,000	\$ 2,000	\$ 2,000	\$ 31,000		
		Local	Heavy Rehab - Mill & Fill	Tamarack	Broad	Bryant	364	1295	\$ 22,000	\$ 24,000	\$ 2,000	\$ 2,000	\$ 28,000		
		Local	Heavy Rehab - Mill & Fill	14th	Main	Vine	597	1653	\$ 28,000	\$ 31,000	\$ 2,000	\$ 2,000	\$ 35,000		
								6,162	20,669	\$ 349,000	\$ 384,000	\$ 28,000	\$ 28,000	\$ 440,000	
					Update TIP							\$ 5,000		\$ 5,000	
					Non Destructive Testing/ Cores (SME)								\$ 10,000		\$ 10,000
							6,162 1.17 19	20,669 Miles Blocks +/-	\$ 349,000	\$ 384,000	\$ 43,000	\$ 28,000	\$ 455,000		

CONST YEAR	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Road Area (SYD)	Estimated Const Cost (\$)	Estimated Constn Cost with Contingency (\$)	Concept Design, PD, FD, Bidding, Permitting	Constr Eng, Inspection, Material. Testing, Staking	Total Project Cost Estimate	
2018 July +	2018-2019	Major	Reconstruct w/ Stm & Sidewalk	12th St	US-31	Maple	2424	6842	\$ 650,000	\$ 700,000	\$ 47,000	\$ 43,000	\$ 790,000	
			Update TIP									\$ 5,000		\$ 5,000
			Non Destructive Testing/ Cores (SME)									\$ 10,000		\$ 10,000
							2,424 0.46 7	6,842 Miles Blocks +/-	\$ 9,266	\$ 700,000	\$ 62,000	\$ 43,000	\$ 805,000 \$ (375,000) \$ 430,000	

CONST YEAR	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Road Area (SYD)	Estimated Const Cost (\$)	Estimated Constn Cost with Contingency (\$)	Concept Design, PD, FD, Bidding, Permitting	Constr Eng, Inspection, Material. Testing, Staking	Total Project Cost Estimate	
2019 July +	2019-2020	Major	Reconstr w/ Stm (Crush & Shape)	12th St	Oak	Locust ext	1,505	5,350	\$ 330,000	\$ 360,000	\$ 30,000	\$ 25,000	\$ 415,000	
		Major	Reconstruct with Stm Sewer	8th St	US 31	Hopkins	660	3,080	\$ 200,000	\$ 220,000	\$ 17,000	\$ 13,000	\$ 250,000	
							2,165	8,430	\$ 530,000	\$ 580,000	\$ 47,000	\$ 38,000	\$ 665,000	
		Local	Heavy Rehab - Mill & Fill	4th St	US-31	Maple	1,325	5,301	\$ 89,000	\$ 98,000	\$ 8,000	\$ 7,000	\$ 113,000	
		Local	Heavy Rehab - Mill & Fill	9th St	US-31	Davis	1,436	4,530	\$ 76,000	\$ 84,000	\$ 7,000	\$ 6,000	\$ 97,000	
		Local	Heavy Rehab - Mill & Fill	Center St	US-31	9th St	729	2,678	\$ 45,000	\$ 50,000	\$ 4,000	\$ 4,000	\$ 58,000	
		Local	Heavy Rehab - Mill & Fill	11th St	Center	Davis	428	1,711	\$ 29,000	\$ 32,000	\$ 3,000	\$ 2,000	\$ 37,000	
		Local	Heavy Rehab - Mill & Fill	10th St	Davis	Manistee	876	2,915	\$ 49,000	\$ 54,000	\$ 4,000	\$ 4,000	\$ 62,000	
							4,794	17,135	\$ 288,000	\$ 318,000	\$ 26,000	\$ 23,000	\$ 367,000	
					Update TIP							\$ 5,000		\$ 5,000
					Non Destructive Testing/ Cores (SME)							\$ 10,000		\$ 10,000
									6,959 1.32 21	25,565 Miles Blocks +/-	818,000	898,000		

CONST YEAR	FISCAL YEAR	STREET TYPE	Treatment	Street	From	To	Street Length (Feet)	Road Area (SYD)	Estimated Const Cost (\$)	Estimated Constn Cost with Contingency (\$)	Concept Design, PD, FD, Bidding, Permitting	Constr Eng, Inspection, Material. Testing, Staking	Total Project Cost Estimate	
2020 July +	2020- 2021	Local	Reconstruction w/ Stm	Jackson	US-31	Washington	977	3,256	\$ 245,000	\$ 270,000	\$ 20,000	\$ 18,000	\$ 308,000	
		Local	Reconstruction w/ Stm	Vanburen	US-31	Jackson	924	2,464	\$ 185,000	\$ 204,000	\$ 16,000	\$ 12,000	\$ 232,000	
							1,901	5,720	\$ 430,000	\$ 474,000	\$ 36,000	\$ 30,000	\$ 540,000	
					Update TIP							\$ 5,000		\$ 5,000
					Non Destructive Testing/ Cores (SME							\$ 10,000		\$ 10,000
							1,901 0.36 6	Miles Blocks +/-		\$ 474,000	\$ 41,000	\$ 30,000	\$ 555,000	

Major Street Fund

Description:

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 19.62 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.

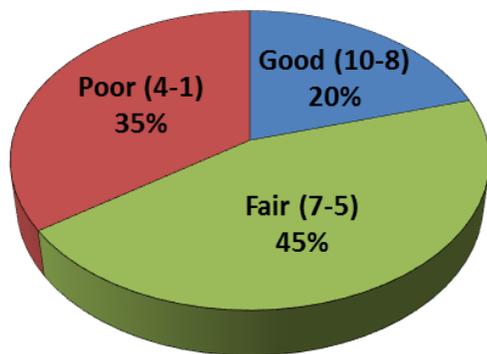
The first obligations of this fund are part of the debt service on the capital improvement bond issued to fund the Cedar St. orphan streets (via a transfer to the Local Street fund). The payment toward the Cedar St. orphan streets is about \$81,000 per year. The bonds will be retired in FY 2031.

The previous State funding mechanism was inadequate to provide for proper maintenance of the street network. In late 2015, new laws were passed that should raise significant additional revenue for roads. Even with the expected increase, 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.

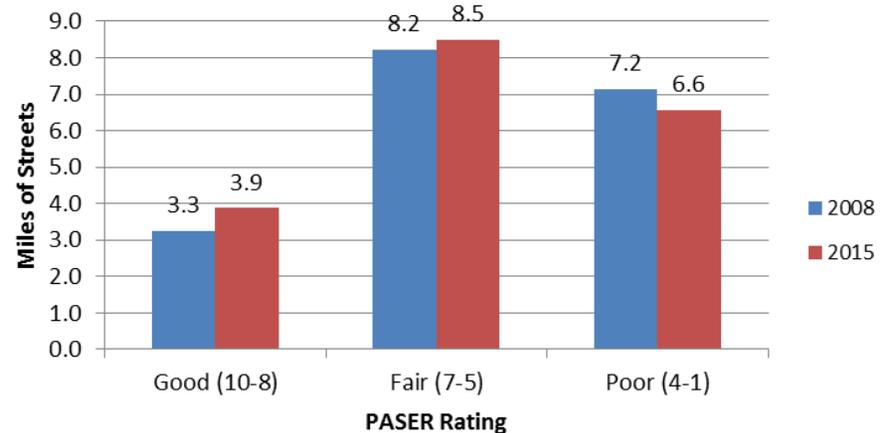
A State approved, award winning Street Asset Management Plan has been drafted to guide the City’s future street projects and maintenance. This has given us increased flexibility in using our street dollars. Our roads are annually evaluated using the PASER system through Roadsoft, which allows us to systematically manage our Streets.

Analysis & Infographics

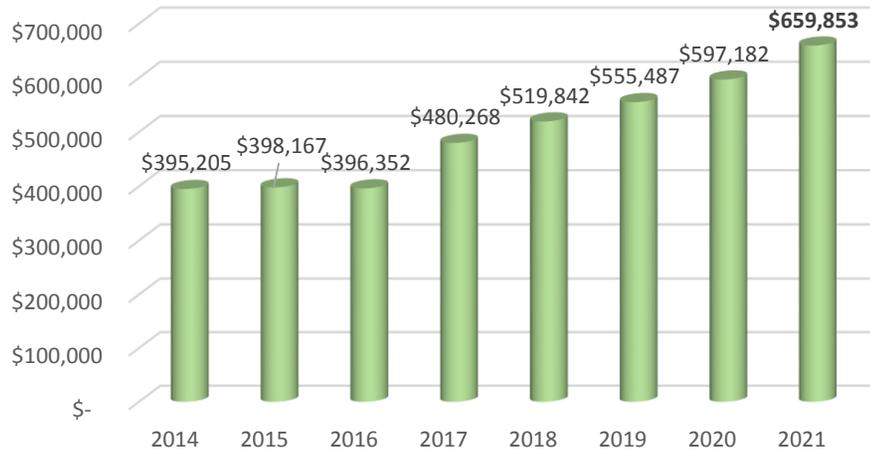
Condition of Major Streets 2015



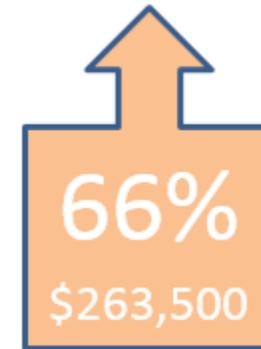
Major Streets 2008 vs 2015



Major Street Revenue from State



Change in State Revenues Expected 2016-2021



Assumptions & Notes

Revenue is expected to increase **17.0%** from the prior year budget. Act 51 revenue is expected to increase as the State road funding plan is implemented. Expenses are expected to decrease **-12.0%** from the prior year budget. Transfers out decreased per the TIP. However, significant light rehab work per the TIP is included. A crack sealing and/or asphalt patch machine is expected to be purchased as well, shared with Local Streets.

Projections

Projections are based on work in the TIP and assume increases in State revenue per the recently enacted funding package. It also assumes some support from the Capital Improvement fund.

<u>Details</u> 202 MAJOR STREETS		2015	2016		2017			2018	2019	2020	2021
		Actual	Budget	Projected	Adopted	Difference	Change	Projection	Projection	Projection	Projection
539.000	State Grant Revenue	\$17,517	\$5,839	\$37,414	\$10,525	\$4,686	80.3%	\$0	\$375,000	\$375,000	\$0
576.000	Act 51 Revenue	395,566	385,000	396,352	480,268	95,268	24.7%	519,842	555,487	597,182	659,853
626.000	Charge for Service	145,160	185,000	185,000	184,500	-500	-0.3%	187,680	191,434	195,262	199,168
641.000	Snow Removal	0	0	0	0	0		0	0	0	0
664.000	Interest Income	197	100	100	200	100	100.0%	200	220	250	280
676.000	Reimbursement	3,581	0	26,825	0	0		0	0	0	0
699.000	Transfer In	33,212	10,000	10,000	10,000	0	0.0%	120,200	10,404	10,612	10,824
Total Revenues		\$595,233	\$585,939	\$655,692	\$685,493	\$99,554	17.0%	\$827,922	\$1,132,544	\$1,178,306	\$870,125
728.000	Operating Expense	\$222	\$500	\$500	\$500	\$0	0.0%	\$510	\$520	\$520	\$531
935.000	Traffic Services	8,985	12,000	12,000	12,000	0	0.0%	12,240	12,485	12,734	12,989
936.000	Preservation Streets	98,818	150,000	143,000	172,400	22,400	14.9%	116,296	120,336	124,525	128,869
936.000	Preservation Streets - Projects	0	0	201,500	474,000			5,000	795,000	670,000	0
937.000	Routine Maintenance Bridges	3,312	5,000	2,500	5,000	0	0.0%	5,100	5,202	5,306	5,412
938.000	Winter Maintenance Streets	206,218	177,000	153,300	180,780	3,780	2.1%	186,991	193,430	200,106	207,028
960.000	Bank Charges	0	0	0	0	0		0	0	0	0
981.000	Construction Streets	0	0	0	0	0		0	0	0	0
982.000	Construction Bridges	0	0	0	0	0		0	0	0	0
992.003	Bond Principal (1999 MDOT)	140,000	0	0	0	0		0	0	0	0
997.003	Bond Interest (1999 MDOT)	3,640	0	0	0	0		0	0	0	0
999.000	Transfer Out	80,697	191,369	191,369	100,938	-90,431	-47.3%	233,414	162,776	177,797	280,684
Total Expenses		\$541,892	\$535,869	\$704,169	\$945,618	-\$64,251	-12.0%	\$559,551	\$1,289,749	\$1,190,990	\$635,513
TOTAL MAJOR STREET		\$53,341	\$50,070	-\$48,477	-\$260,125			\$268,371	-\$157,205	-\$12,683	\$234,612
Beginning Cash				\$231,134	\$266,258			\$6,134	\$274,505	\$117,300	\$104,617
Ending Cash		\$231,134		\$266,258	\$6,134			\$ 274,505	\$ 117,300	\$ 104,617	\$ 339,229

Local Street Fund

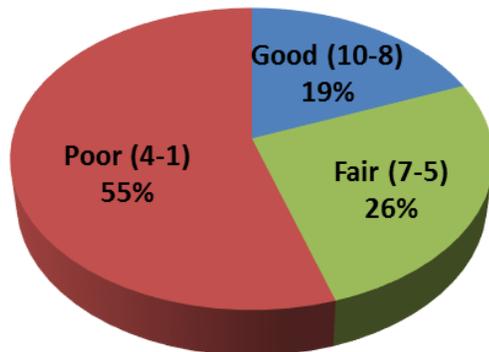
Description:

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 29.59 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.

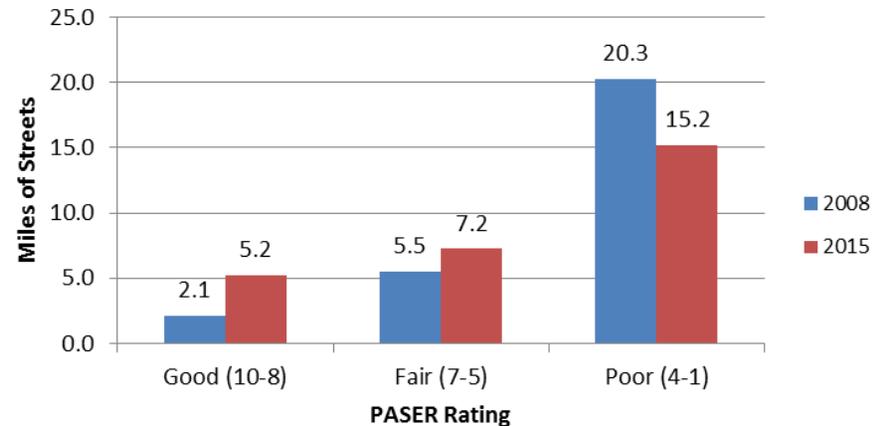
The first obligation of this fund is the debt service on bonds that were issued for the Cedar Street orphan streets. The payment of about \$81,000 toward the Cedar\First Street bond is entirely funded thru a transfer from the Major Street fund. The bonds will be retired in FY 2031.

Analysis & Infographics

Condition of Local Streets 2015



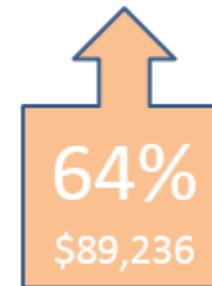
Local Streets 2008 vs 2015



Local Street Revenue from State



Change in State Revenues Expected 2016-2021



Assumptions & Notes

Revenue is expected to decrease **-33.0%** from the prior year budget. Act 51 revenue is expected to increase as the State road funding plan is implemented. Transfers in are expected to decrease per the TIP. Expenses decreased **-59.6%** from the prior year budget. The TIP does not anticipate any Local Street work this year. A crack sealing and/or asphalt patch machine is expected to be purchased as well, shared with Major Streets.

Projections

Projections are based on work in the TIP and assume increases in State revenue per the recently enacted funding package. It also assumes ongoing support from the General Fund and the Capital Improvement fund.

<u>Details</u>	2015	2016		2017			2018	2019	2020	2021
	Actual	Budget	Projected	Adopted	Difference	Change	Projection	Projection	Projection	Projection
203 LOCAL STREETS										
501.000 Federal Grant	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
539.000 State Grant	17,517	5,839	37,414	10,525	4,686	80.3%	0	0	0	0
576.000 Act 51 Revenue	137,227	138,000	138,666	165,247	27,247	19.7%	179,412	191,780	206,247	227,992
626.000 Charge for Service	0	0	0	0	0		0	0	0	0
641.000 Snow Removal	0	0	0	0	0		0	0	0	0
664.000 Interest Income	61	80	120	80	0	0.0%	82	85	90	100
676.000 Reimbursement	0	140,000	140,000	0	-140,000	-100.0%	0	0	0	0
699.000 Transfers In	162,199	368,369	451,369	260,938	-107,431	-29.2%	318,614	363,180	388,409	496,508
Total Revenues	\$317,004	\$652,288	\$767,569	\$436,790	-\$215,498	-33.0%	\$498,108	\$555,045	\$594,746	\$724,600
728.000 Operating Expense	\$0	\$500	\$500	\$500	0	0.0%	\$510	\$520	\$531	\$541
935.000 Traffic Services	1,180	5,000	2,000	5,000	0	0.0%	5,100	5,202	5,306	5,412
936.000 Preservation Streets	91,087	482,800	604,277	96,200	-386,600	-80.1%	581,296	145,336	516,525	688,869
938.000 Winter Maintenance Streets	135,540	77,500	53,000	78,730	1,230	1.6%	81,149	83,651	86,237	88,912
981.000 Construction Streets	0	0	0	0	0		0	0	0	0
999.000 Transfers Out	80,697	81,369	81,369	80,938	-431	-0.5%	81,414	80,776	80,797	80,684
Total Expenditures	\$308,505	\$647,169	\$741,146	\$261,368	-\$385,801	-59.6%	\$749,469	\$315,485	\$689,396	\$864,418
TOTAL LOCAL STREET	\$8,500	\$5,119	\$26,423	\$175,422			-\$251,361	\$239,560	-\$94,650	-\$139,818
Beginning Cash			\$42,861	\$88,562			\$263,983	\$12,622	\$252,182	\$157,532
Ending Cash	\$42,861		\$88,562	\$263,983			\$12,622	\$252,182	\$157,532	\$17,714

City Street Fund

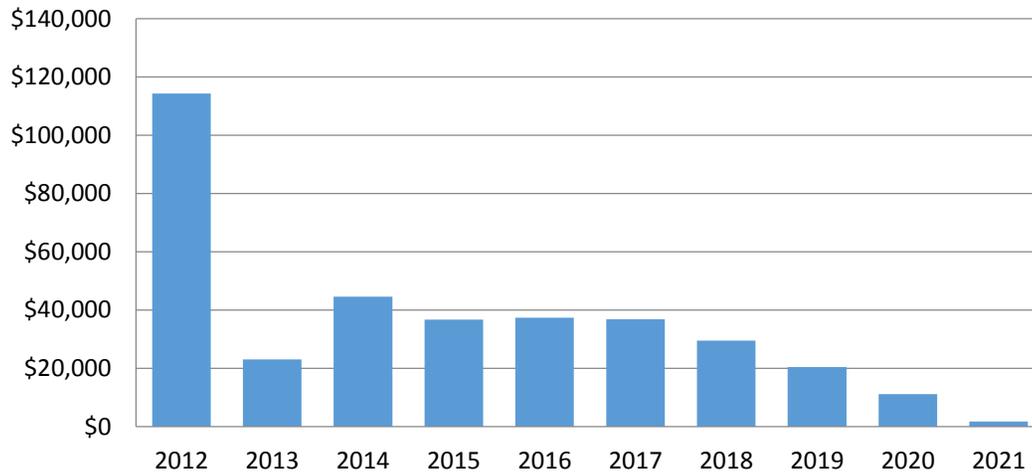
Description:

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.

Analysis & Infographics

Cash reserves are being drawn down as revenue sources disappear.

City Street Cash Reserves



Assumptions & Notes

Revenue is projected to decrease by **-72.7%** due to a change in the way the City budgeted for local transfers into the Street funds. Without that change, revenue is down slightly because METRO Act fees are expected to be less. Expenses decreased **-72.3%** because of the budgeting change.

Projections

Projections show that because of the expiration of the Amptech reimbursement, the fund will slowly deplete its cash reserves. Either a locally generated source of revenue needs to be created or the fund will have to cut back expenditures either on the sidewalk program or the tree program.

Details

204 City Street Fund

	2015	2016		2017			2018	2019	2020	2021
	Actual	Budget	Projected	Adopted	Difference	Change	Projection	Projection	Projection	Projection
495.000 ROW Fee	\$20,741	\$23,500	\$22,000	\$22,500	-\$1,000	-4.3%	\$22,500	\$22,500	\$22,500	\$22,500
539.000 State Grants	0	0	0	0			0	0	0	0
570.000 Local Grants	0	0	0	0	0		0	0	0	0
626.000 Charge for Service	0	0	0	0	0		0	0	0	0
664.000 Interest Income	331	360	225	360	0	0.0%	300	50	50	50
672.000 Special Assessment	1,411	1,500	1,471	1,500	0	0.0%	1,500	0	0	0
674.000 Contributions\Donations	0	0	0	0	0		0	0	0	0
676.000 Reimbursement	7143	7,143	7,143	7,143	0	0.0%	0	0	0	0
699.000 Operating Transfer In	0	83,000	0	0	-83,000	-100.0%	0	0	0	0
Total Revenue	\$29,626	\$115,503	\$30,839	\$31,503	-\$84,000	-72.7%	\$24,300	\$22,550	\$22,550	\$22,550
728.000 Operating Expense	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0	\$0
801.000 Professional Services	11,653	7,500	5,000	7,000	-\$500	-6.7%	6,500	6,500	6,500	6,500
831.000 Contractual Repairs & Maint.	0	0	0	0	\$0		0	0	0	0
964.000 Refunds	0	0	0	0	\$0		0	0	0	0
984.000 Capital Outlay - Trees	0	5,000	5,000	5,000	\$0	0.0%	5,100	5,202	5,306	5,412
999.000 Transfer Out	25,860	103,000	20,000	20,000	-\$83,000	-80.6%	20,000	20,000	20,000	20,000
Total Expense	\$37,513	\$115,500	\$30,000	\$32,000	-\$83,500	-72.3%	\$31,600	\$31,702	\$31,806	\$31,912
Projected Change							\$ (400)	\$ 102	\$ 104	\$ 106
							-1.3%	0.3%	0.3%	0.3%
TOTAL STREET IMPROVEMENT	-\$7,887	\$3	\$839	-\$497	-\$500		-\$7,300	-\$9,152	-\$9,256	-\$9,362
Beginning Cash			\$35,782	\$37,362			\$36,865	\$29,565	\$20,413	\$11,157
Ending Cash	\$35,782		\$37,362	\$36,865			\$29,565	\$20,413	\$11,157	\$1,795

Refuse



Description

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 Services. They are under contract thru June, 2020. The billing, collection and some of the administrative functions are handled by the City. The funding is a hybrid system, funded by a 1.15 mill levy and a monthly user charge. The City currently offers voluntary curbside recycling and a drop-off recycling center. The new recycling center in the Industrial Park recently opened and has been receiving positive reviews.

Issues

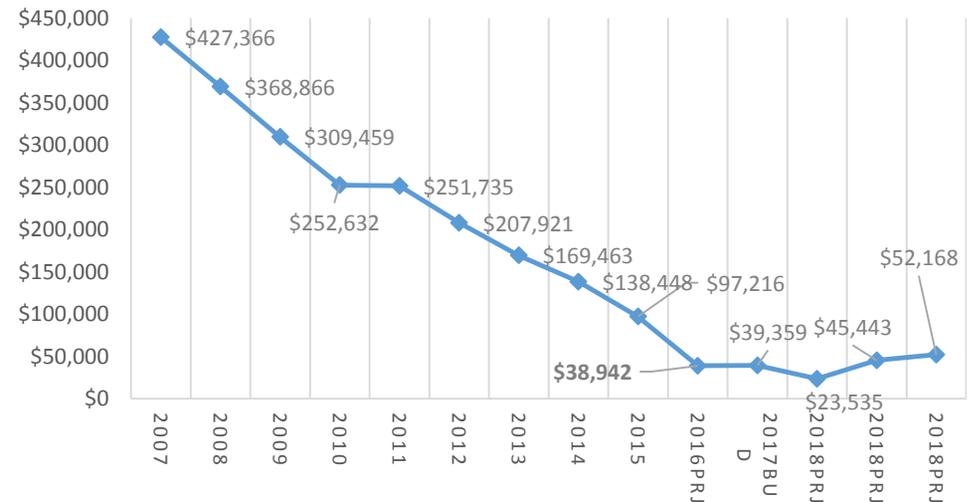
The City needs to determine whether it wants to continue with Spring Trash Haul. It is scheduled for Spring 2016 and is offered every other year. This is a collaborative effort between Republic Waste and the City and lasts about two weeks. It involves residents setting their trash out at the curb for pickup. The trash haul certainly 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. In the most recent contract, the City negotiated a once a month bulky item pickup that allows residents to dispose of one large item per month. This is intended to be more convenient for residents and prevent many of the issues identified with Spring Trash Haul.

The elimination of the trash haul would save the Refuse Fund between \$60,000 and \$70,000 over the two year cycle. It would cost the General Fund around \$18,000 per year in revenue. At the March 8, 2016 worksession, Council directed staff to prepare the budget as a status quo and will discuss the Spring trash haul during the budget process.

Analysis & Infographics

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 (and eventually to the current 1.15) to start reducing the high level of fund balance. In the intervening years, the taxable value of the City declined significantly, the refuse contract included an 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 annual user fee increases have been implemented. A 9.1% rate increase this year is needed to help stabilize the fund, as shown in the chart. This is projected to result in an ending fund balance of about 8% of annual expenditures.

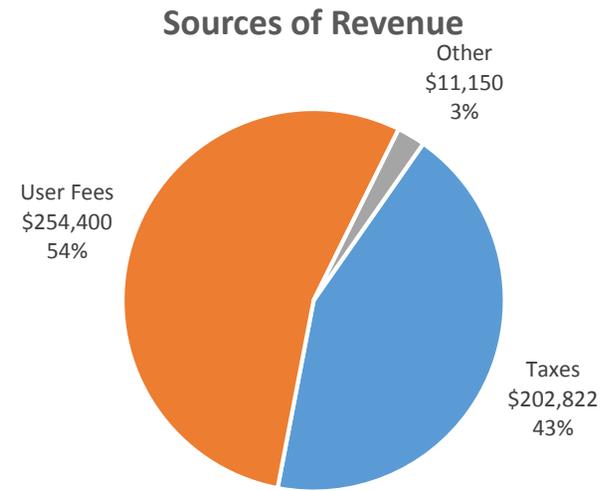
REFUSE FUND BALANCE



Refuse rates are budgeted to go up per the chart below. User rate increases are necessary until the tax base starts growing again. The millage only generates 43% of the Refuse Fund revenue.

Refuse Rates	FY 2016	FY 2017	Monthly Increase	Annual Increase	Percent Increase
Residential					
1-2 Bags / week	\$ 3.85	\$ 4.20	\$ 0.35	\$ 4.20	9.1%
3-6 Bags / week	\$ 7.70	\$ 8.40	\$ 0.70	\$ 8.40	9.1%
Tidy Tote / week	\$ 11.55	\$ 12.60	\$ 1.05	\$ 12.60	9.1%
Commercial					
1-2 Bags / week	\$ 3.85	\$ 4.20	\$ 0.35	\$ 4.20	9.1%
3-6 Bags / week	\$ 7.70	\$ 8.40	\$ 0.70	\$ 8.40	9.1%
3-6 Bags 2x / week	\$ 15.40	\$ 16.80	\$ 1.40	\$ 16.80	9.1%
Tidy Tote / week	\$ 11.55	\$ 12.60	\$ 1.05	\$ 12.60	9.1%
Tidy Tote 2x / week	\$ 23.10	\$ 25.20	\$ 2.10	\$ 25.20	9.1%
		\$ -			
Curbside Recycling	\$ 5.50	\$ 6.75	\$ 1.25	\$ 15.00	22.7%
Extra Bags	\$ 2.75	\$ 2.75	\$ -	\$ -	0.0%
Freon Tag	\$ 45.00	\$ 45.00	\$ -	\$ -	0.0%
Bulky Item	\$ 15.00	\$ 15.00	\$ -	\$ -	0.0%
Yard Waste bags	\$ 4.00	\$ 4.00	\$ -	\$ -	0.0%

(adjusted as bag price goes up)



Assumptions & Notes

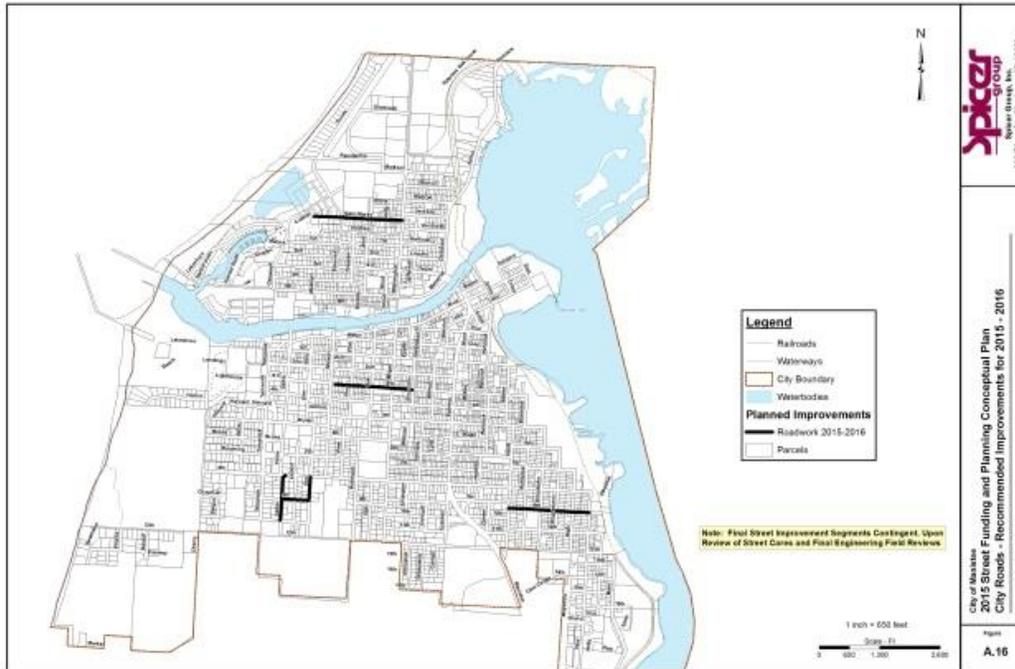
Revenue increased due to an increase in monthly user fees which offset a decrease in tax revenue. The budget calls for increasing the user charges by 9.1%. Curbside recycling increases by \$1.25 per month to \$6.75 which brings it up close to the cost of service. Expenses decreased because of every other year spring trash haul and the City DPW taking over the yard waste bag pickup. These savings were partially offset by higher contract fees.

Projections

Projections show the Refuse Fund stabilizing and fund balance no longer being consumed. This is based on modest tax revenue increase and 7% annual rate increases, as well as contracted cost increases. It also assumes every other year spring trash haul.

<i>Details</i>		2015		2016		2017				2018	2019	2020
226 REFUSE		Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection	
402.000	Real & Personal Property Tax	\$196,043	\$197,300	\$200,000	\$192,176	\$192,176	-\$5,124	-2.6%	\$195,059	\$197,985	\$201,944	
411.000	Delinquent Real Tax	9,199	10,380	7,000	10,446	10,446	66	0.6%	10,603	10,762	10,977	
420.000	Delinquent Personal Tax	2,025	200	200	200	200	0	0.0%	203	206	210	
626.000	Charge for Service	213,227	233,200	233,000	254,400	254,400	21,200	9.1%	272,208	291,263	311,651	
643.000	Yard Bags	9,357	12,250	9,500	10,000	10,000	-2,250	-18.4%	10,150	10,302	10,508	
644.000	Trash Bags	1,823	1,000	1,000	1,000	1,000	0	0.0%	1,015	1,030	1,051	
664.000	Interest Income	133	150	50	150	150	0	0.0%	152	155	158	
671.000	Other Revenue	0	0	0	0	0	0		0	0	0	
699.000	Operating Transfer In	0	0	0	0	0	0		0	0	0	
Total Revenue		\$431,807	\$454,480	\$450,750	\$468,372	\$468,372	\$13,892	3.1%	\$489,390	\$511,702	\$536,499	
728.000	Operating Expense	2,253	\$2,500	\$2,500	\$2,500	\$2,500	\$0	0.0%	\$2,550	\$2,601	\$2,653	
755.000	Yard Bags	\$14,857	\$15,000	\$10,000	\$12,000	\$12,000	-3,000	-20.0%	\$12,240	\$12,485	\$12,734	
820.000	Administration	29,279	31,814	31,814	32,786	32,786	972	3.1%	34,257	35,819	37,555	
826.000	Refuse Contract Fees	331,412	331,593	336,700	343,149	343,149	11,556	3.5%	349,480	357,043	364,590	
827.000	Municipal Refuse Fees	17,667	24,000	37,500	21,000	21,000	-3,000	-12.5%	21,240	21,485	21,734	
828.000	Trash Haul Contract Fees	24,098	26,000	26,000	0	0	-26,000	-100.0%	27,040	0	28,122	
829.000	Trash Haul City	17,472	18,000	18,000	18,720	18,720	720	4.0%	19,094	19,476	19,866	
829.001	Yard Waste Contract Fees	0	8,000	10,500	0	0	-8,000	-100.0%	0	0	0	
829.002	Yard Waste City	36,000	36,000	36,000	37,800	37,800	1,800	5.0%	39,312	40,884	42,520	
999.000	Transfer Out	0	0	0	0	0	0		0	0	0	
Total Expenses		\$473,038	\$492,907	\$509,014	\$467,955	\$467,955	-\$24,952	-5.1%	\$505,214	\$489,794	\$529,774	
TOTAL REFUSE		-\$41,231	-\$38,427	-\$58,264		\$417			-\$15,824	\$21,908	\$6,725	
Beginning Cash				\$140,821		\$38,942			\$39,359	\$23,535	\$45,443	
Ending Cash		\$140,821		\$38,942		\$39,359			\$23,535	\$45,443	\$52,168	
Ending Fund Balance		\$97,216		\$38,942		\$39,359			\$23,535	\$45,443	\$52,168	
Fund Balance Percent		20.6%		7.7%		8.4%			4.7%	9.3%	9.8%	

Capital Project Funds



Capital Improvement Fund

Description

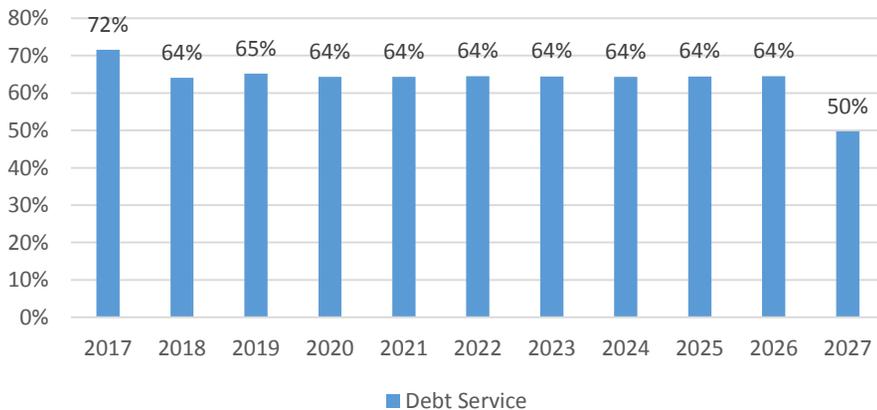
The Capital Improvement fund was established in 2005 as a method to provide a funding source to help pay for capital improvements in the City. All major capital expenditures not required to be recorded in another fund are recorded and budgeted for in this fund. This will primarily be for projects that 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.

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. Council policy is to transfer any amount in excess of 20% of General fund operating expenses to the Capital Improvement fund.

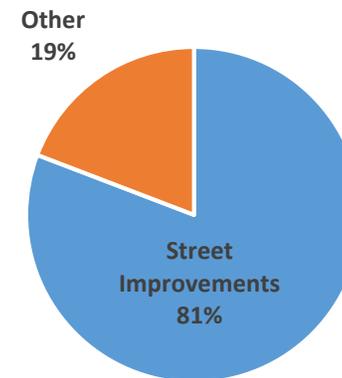
Analysis & Infographics

As General fund tax revenue has declined and State aid been reduced, the capital improvement fund has become the main source of funding capital projects (non water & sewer). As a result, the demands on it have increased significantly. Several projects have been financed over time, obligating a significant portion of the fund’s annual revenue. As these obligation are paid off, the fund gains flexibility. Council has recently made the City street network a priority for use of these funds.

Obligated Funds Spending



Non-Obligated Funds Spending



Assumptions & Notes

Revenue is based upon the 4.0% oil & gas spending rule formula with no additional contribution as was made last year. However, the base spending rule amount increased by almost \$20,000 due to an increase in the smoothed spending rule calculation base. The budget anticipates several capital projects, in addition to the funds already committed for multiple years for prior projects. Details can be found in the Transportation Improvement Plan and the Capital Improvement Plan.

Project	Cost	Notes
Ramsdell Roof Note	\$ 36,080	last payment FY 2017
First Street Bond	\$ 108,950	last payment FY 2032
Municipal Marina Note	\$ 65,000	last payment FY 2026 (if needed on an annual basis)
Ramsdell Theatre HVAC Note	\$ 72,256	last payment FY 2027
Total Committed Expense	\$ 282,286	
Major Streets	\$ -	
Local Streets	\$ 80,000	
DPW Electric Gate 1/2	\$ 6,500	
Marina Accessible Door	\$ 6,500	
FEMA Grant Match (JAWS & Lucas)	\$ 6,000	
Total New Expense	\$ 99,000	

Projections

Projections are based primarily on estimated allocations from the oil & gas fund. These are expected to decline somewhat in year 1 and 2 and then are held flat for purposes of years 8-10. Obligated fund spending is based on debt schedules and the remaining funds are shown as available for use. The projections assume a target \$25,000 ending fund balance.

<u>Details</u>	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
430 Capital Improvement Fund										
570.000 Local Grants	\$0	\$0	\$0	\$0	\$0					
664.000 Interest Income	73	200	25	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	358,543	457,680	457,680	394,226	394,226	-63,454	-13.9%			
Total Revenues	\$358,616	\$457,880	\$457,705	\$394,426	\$394,426	-\$63,454	-13.9%	\$382,000	\$370,000	\$370,000
801.000 Professional Services	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
970.000 Capital Outlay	21,655	40,000	66,300	99,000	99,000	59,000	147.5%			
999.000 Transfer Out	6,338	180,000	180,000	0	0	-180,000				
Total Expenses	\$27,993	\$220,000	\$246,300	\$99,000	\$99,000	-\$121,000	-55.0%	\$127,000	\$127,000	\$132,000
979.003 Ramsdell Roof Note	69,880	\$69,880	\$69,880	36,080	36,080	-\$33,800	-48.4%			
979.004 Ramsdell HVAC Note	108,950	108,950	108,950	108,950	108,950	0	0.0%			
979.019 Marina Building Note Support	40,000	40,000	70,000	65,000	65,000	25,000	62.5%			
979.020 First St.\Maple St. Bridge Bond	71,962	72,640	72,640	72,256	72,256	-384	-0.5%			
Total Debt Support	\$290,792	\$291,470	\$321,470	\$282,286	\$282,286	\$24,616	8.4%	\$244,630	\$241,061	\$238,080
Total Expenditures	\$318,785	\$511,470	\$567,770	\$381,286	\$381,286	-\$96,384	-18.8%	\$371,630	\$368,061	\$370,080
TOTAL CAPITAL IMPROVEMENT	\$39,831	-\$53,590	-\$110,065	\$13,140	\$13,140	\$32,930		\$10,370	\$1,939	-\$80
Beginning Cash Balance			\$103,498		\$170			\$13,310	\$23,679	\$25,618
Ending Cash Balance	\$103,498		\$170		\$13,310			\$23,679	\$25,618	\$25,538

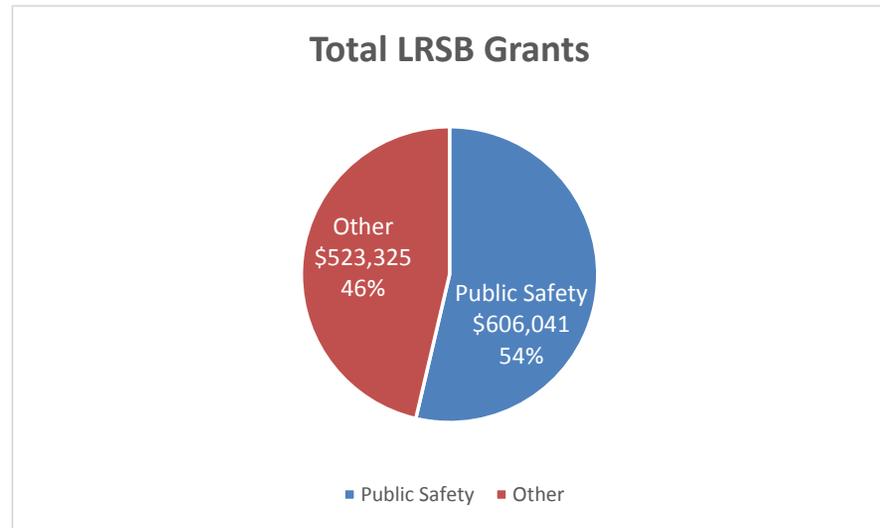
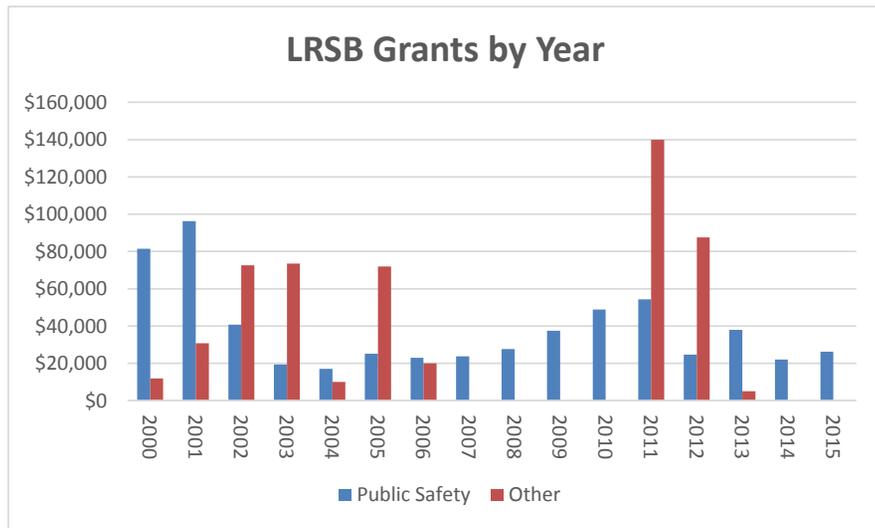
Capital Improvement Fund	FY	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Estimated Cash Flows	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues	\$ 394,426	\$ 382,000	\$ 370,000								
<hr/>											
Expenses											
Committed											
Ramsdell Roof Note	\$ 36,080										
Ramsdell Theatre HVAC Note	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 108,950	\$ 54,475
Municipal Marina Note	\$ 65,000	\$ 63,000	\$ 60,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000	\$ 57,000
First Street Bond	\$ 72,256	\$ 72,680	\$ 72,111	\$ 72,130	\$ 72,029	\$ 72,689	\$ 72,418	\$ 72,053	\$ 72,397	\$ 72,579	\$ 72,596
Total Committed Expense	\$ 282,286	\$ 244,630	\$ 241,061	\$ 238,080	\$ 237,979	\$ 238,639	\$ 238,368	\$ 238,003	\$ 238,347	\$ 238,529	\$ 184,071
	72%	64%	65%	64%	64%	64%	64%	64%	64%	64%	50%
Uncommitted	\$ 112,140	\$ 137,370	\$ 128,939	\$ 131,920	\$ 132,021	\$ 131,361	\$ 131,632	\$ 131,997	\$ 131,653	\$ 131,471	\$ 185,929
Annual											
Major Streets		\$ 110,000									
Local Streets	\$ 80,000		\$ 110,000	\$ 115,000	\$ 115,000						
DPW Electric Gate 1/2	\$ 6,500										
Marina Accessible Door	\$ 6,500										
FEMA Grant Match (JAWS & Lucas)	\$ 6,000										
Total New Expense	\$ 99,000	\$ 110,000	\$ 110,000	\$ 115,000	\$ 115,000						
Future Annual Available Funds		\$ 17,000	\$ 17,000	\$ 17,000	\$ 18,000	\$ 131,000	\$ 131,000	\$ 132,000	\$ 132,000	\$ 132,000	\$ 185,000
Total Expenses	\$ 381,286	\$ 371,630	\$ 368,061	\$ 370,080	\$ 370,979	\$ 369,639	\$ 369,368	\$ 370,003	\$ 370,347	\$ 370,529	\$ 369,071
Net Result	\$ 13,140	\$ 10,370	\$ 1,939	\$ (80)	\$ (979)	\$ 361	\$ 632	\$ (3)	\$ (347)	\$ (529)	\$ 929
Beginning Cash Balance	\$ 170	\$ 13,310	\$ 23,679	\$ 25,618	\$ 25,538	\$ 24,560	\$ 24,921	\$ 25,553	\$ 25,550	\$ 25,203	\$ 24,674
Ending Cash Balance (\$25K target)	\$ 13,310	\$ 23,679	\$ 25,618	\$ 25,538	\$ 24,560	\$ 24,921	\$ 25,553	\$ 25,550	\$ 25,203	\$ 24,674	\$ 25,603

Grant Management

Description

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.

Analysis & Infographics



Assumptions & Notes

Revenue is an estimate of grants that may be received. We typically apply for and receive several LRSB grants each year. Expenses are dependent upon the amount of grant dollars received. Funds are typically expended within 6 to 18 months of receipt, unless the grant is a reimbursement basis.

Projections

The City is not anticipating any generic State or Federal grants at this time. However, if a grant opportunity arises that fits the City’s priorities, it will likely apply. We anticipate continuing to receive LRSB grants in the future.

Details

000 Revenue

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
501.000 Federal Grant Revenue	\$0	\$48,000	\$95,620	\$0	\$0	-\$48,000	-100.0%	\$0	\$0	\$0
539.000 State Grant Revenue	-4,811	0	0	0	0	0		0	0	0
570.000 Local Grant Revenue	0	0	20,000	0	0	0		0	0	0
570.xxx LSRB Grants	28,220	50,000	26,214	50,000	50,000	0	0.0%	50,000	50,000	50,000
664.000 Interest Income	0	0	0	0	0	0		0	0	0
674.000 Contributions\Donations	0	0	3,000	0	0	0		0	0	0
699.000 Transfers In	30,476	0	0	0	0	0		0	0	0
Total Revenues	\$53,885	\$98,000	\$144,834	\$50,000	\$50,000	-\$48,000	-49.0%	\$50,000	\$50,000	\$50,000
901 LRSB Grants										
799.000 LRSB Expenditures	19,747	75,000	51,000	59,177	59,177	-15,823	-21.1%	50,000	50,000	50,000
Total LRSB	\$19,747	\$75,000	\$51,000	\$59,177	\$59,177	-15,823	-21.1%	\$50,000	\$50,000	\$50,000
902 Other Grants										
970.001 FEMA SCBA	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
970.002 Rotary Park	15,766	98,000	70,168	0	0	-98,000	-100.0%	0	0	0
979.011 Fish Cleaning Station-FY 11/12	101	0	0	0	0	0		0	0	0
979.004 FEMA Grant Fire Exhaust	0	0	49,950	0	0	0		0	0	0
Total Other	\$15,867	\$98,000	\$120,118	\$0	\$0	-\$98,000	-100.0%	\$0	\$0	\$0
Total Expenditures	\$35,614	\$173,000	\$171,117	\$59,177	\$59,177	-\$129,646	-74.9%	\$50,000	\$50,000	\$50,000
TOTAL GRANT MANAGEMENT		-\$75,000	-\$26,283	-\$9,177	-\$9,177			\$0	\$0	\$0
Beginning Cash Balance			\$48,588		\$9,177			\$0	\$0	\$0
Ending Cash Balance	\$48,588		\$9,177		\$0			\$0	\$0	\$0

Renaissance Park Fund

Description

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 Renaissance Zone designation has expired.

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 in 2022. Since there have been no lot sales recently, the General fund is making these loan payments thru a transfer to the Renaissance Park fund.

Analysis & Infographics



Assumptions & Notes

Revenue consists of a general fund transfer. The budget anticipates no lot sales. Expenses are flat and represent one year's repayment of the loan.

Projections

Projections are conservative and show no lot sales and an annual transfer in from the General fund to service the MEDC debt.

Details

490 Renaissance Park

	2015	2016		2017				2018	2019	2020
	Actual	Budget	Projected	Proposed	Adopted	Difference	Change	Projection	Projection	Projection
569.001 State Grant	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
664.000 Interest Income	1	0	0	0	0	0		0	0	0
671.000 Other Revenue	0	0	0	0	0	0		0	0	0
677.000 Sale of Asset	0	0	0	0	0	0		0	0	0
699.000 Operating Transfer In	5,616	5,616	5,616	5,616	5,616	0	0.0%	5,616	5,616	5,616
Total Revenues	\$5,617	\$5,616	\$5,616	\$5,616	\$5,616	\$0	0.0%	\$5,616	\$5,616	\$5,616
799.000 Miscellaneous Expense	\$0	\$0	\$0	\$0	\$0	\$0		\$0	\$0	\$0
801.000 Professional Services	0	0	0	0	0	0		0	0	0
992.002 Ren Park Loan Principa	5,616	5,616	5,616	5,616	5,616	0	0.0%	5,616	5,616	5,616
Total Expenditures	\$5,616	\$5,616	\$5,616	\$5,616	\$5,616	\$0	0.0%	\$5,616	\$5,616	\$5,616
TOTAL RENAISSANCE PARK	\$1	\$0	\$0	\$0	\$0			\$0	\$0	\$0
Beginning Cash Balance	\$1,099		\$1,100		\$1,100			\$1,100	\$1,100	\$1,100
Ending Cash Balance	\$1,100		\$1,100		\$1,100			\$1,100	\$1,100	\$1,100

Interfund Activity

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

<u>From Fund</u>	<u>To Fund</u>	<u>Amount</u>	<u>Reason</u>
<u>Operating Transfers</u>			
Oil & Gas	Water & Sewer	\$457,680	Transfer investment earnings in
Water & Sewer	Capital Improvement	\$457,680	Transfer investment earnings out
General	Local Streets	\$ 70,000	Street maintenance support
Capital Improvement	Local Streets	\$ 80,000	Street maintenance support
Major	Local Streets	\$ 20,000	Street maintenance support
<u>Charge for Services</u>			
General	Motor Pool	\$203,500	Lease of equipment
Water & Sewer	Motor Pool	\$111,396	Lease of equipment
Boat Launch	General	\$ 2,591	Administration
Local Street	General	\$ 83,430	Reimbursement
Major Street	General	\$212,180	Reimbursement
Marina	General	\$ 11,080	Administration
Refuse	General	\$ 18,720	Reimburse for trash haul
Refuse	General	\$ 37,800	Reimburse for yard waste
Refuse	General	\$ 32,786	Administration
Water & Sewer	General	\$343,438	Administration\Reimbursement
Water & Sewer	General	\$183,167	Utility Ownership fee

From Fund	To Fund	Amount	Reason
Debt Service			
Capital Improvement	General	\$ 72,256	2010 CI Bond (First St.)
Capital Improvement	Marina	\$ 65,000	Assist Marina Debt Service
Major Street	Local Street	\$ 80,938	2010 CI Bond In
Local Street	General	\$ 80,938	2010 CI Bond Out
Water & Sewer	General	\$273,572	2010 CI Bond
Boat Launch	Oil & Gas	\$ 14,536	Internal Loan Pmt
Marina	Oil & Gas	\$ 30,587	Internal Loan Pmt
General	Renaissance Park	\$ 5,616	MEDC Loan

Schedule of Fees

BUSINESS FEES \ REGISTRATION

BUSINESS REGISTRATION	\$75
GOING OUT OF BUSINESS	\$50
BICYCLE LICENSE	\$0
TAX ABATEMENT / EXEMPTION	\$1,500

SERVICES \ RENTAL

PERSONNEL CHARGES (per hour)		
Supervisory	\$40	
Regular Full Time	\$30	
O/T	\$45	
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
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	\$4.20	
	3-6 Bags / week	\$8.40	
	Tidy Tote / week	\$12.60	
Commercial	1-2 Bags / week	\$4.20	
	3-6 Bags / week	\$8.40	
	3-6 Bags 2x / week	\$16.80	
	Tidy Tote / week	\$12.60	
	Tidy Tote 2x / week	\$25.20	
Curbside Recycling		\$6.75	
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)	\$2.83	Inside City
Metered Sewer (per 1,000)	\$7.76	Inside City
Water Ready-To-Serve 5/8" & 3/4"	\$4.01	Higher fees for larger meters per RTS schedule
Sewer Ready-To-Serve 5/8" & 3/4"	\$11.54	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	\$300	
Regular Turn On / Off Service	\$25	
Delinquent Turn On / Off Service	\$100	
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"	\$212	Higher fees for larger meters per SDC schedule
New Sewer Connection 5/8" & 3/4"	\$3,922	Higher fees for larger meters per SDC schedule
WWTP - accept contaminated discharge/gal	\$0.03	
(after hours rate)	\$0.05	
WWTP - Industrial Pretreatment Program	varies	+ operator cost \$30/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	Inquire
Renaissance Park lots	Inquire

CIVIL INFRACTIONS (Ord. Ch. 203)

See Ord.202.99 - \$500 max

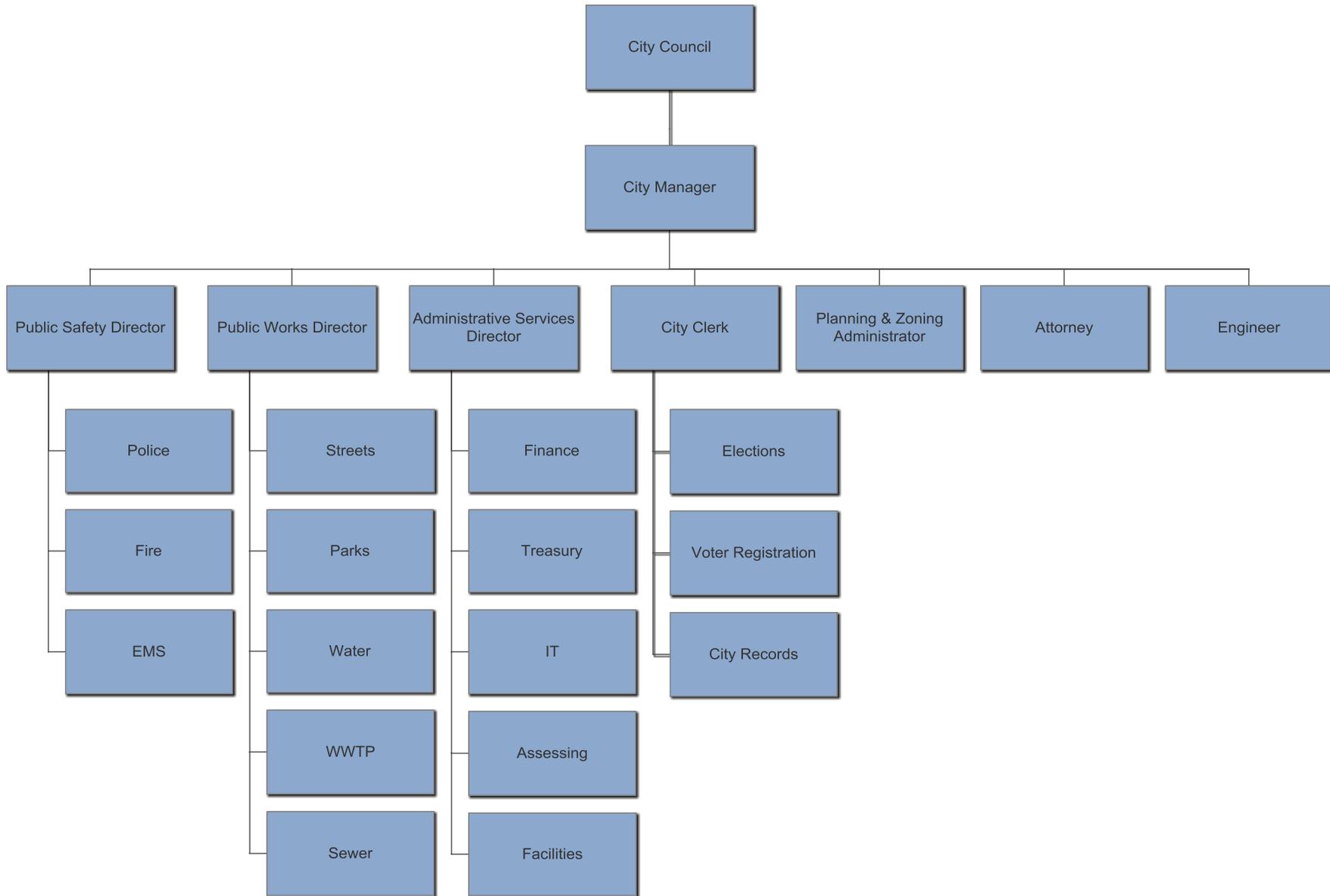
	First Offense	Additional Offense
Chapter 415 - Abandoned Vehicles, etc.	\$100	\$500
Chapter 654 - Nuisances	\$100	\$500
Section 662.02 - Noise Creating Activities	\$100	\$500
Section 670.03 - Swimming in River	\$100	\$500
Chapter 1022 - Excavations	\$100	\$500
Chapter 1024 - Sidewalks	\$100	\$500
Chapter 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	

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	\$5	
Large	\$10	
SIGN PERMITS	\$50	
RESIDENTIAL LAND USE PERMITS		
under 200 sq ft	\$25	
over 200 sq ft	\$75	
COMMERCIAL LAND USE PERMITS	\$200	
PUD REQUESTS	\$750	Minimum
STREET/VALLEY VACATION REQUESTS	\$750	
ZONING ORDINANCE AMENDMENT	\$1,000	
ZONING BOARD OF APPEALS	\$500	
SPECIAL USE PERMIT	\$750	Minimum
HISTORIC DISTRICT PERMITS		
CONSTRUCTION PARKING PERMIT		
per space / per week	\$10	
RENTAL ORDINANCE		
Registration Certificate (one time)	\$40	
First Inspection	\$90	
Reinspection	\$70	
Missed/Broken Scheduled	\$40	

Appendices

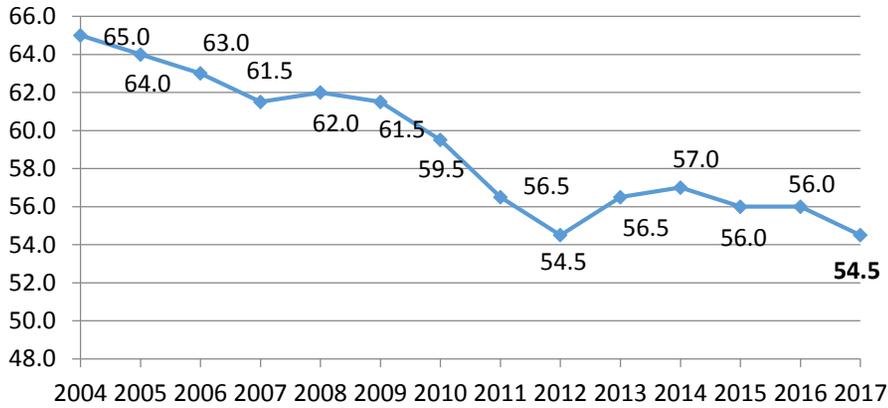
Organization Chart



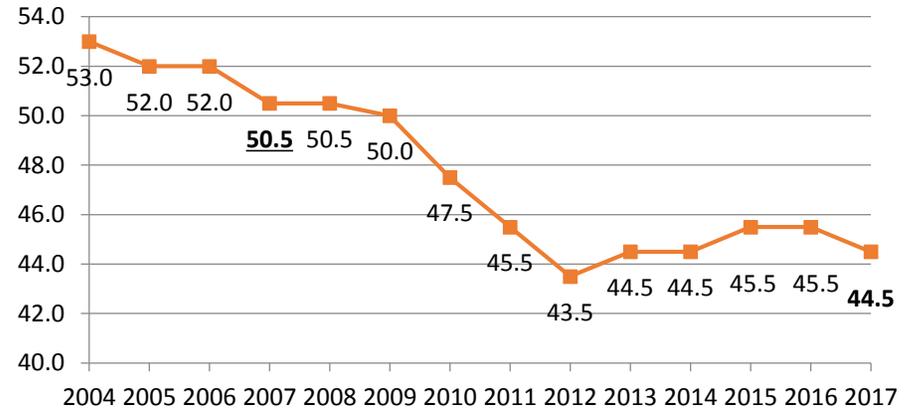
Number of Employees

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

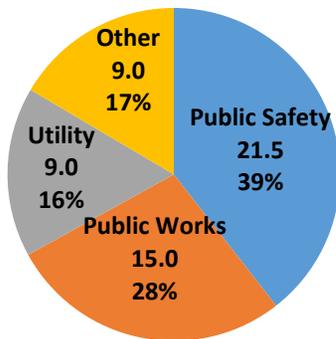
Number of Employees



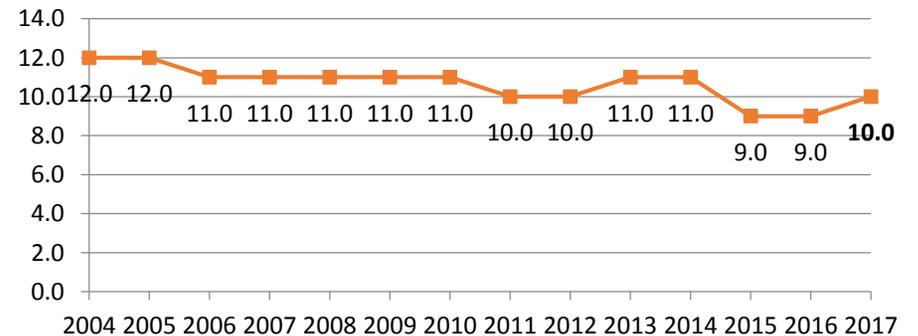
Number of General Fund Employees



Employee Breakdown



Number of Water & Sewer Employees



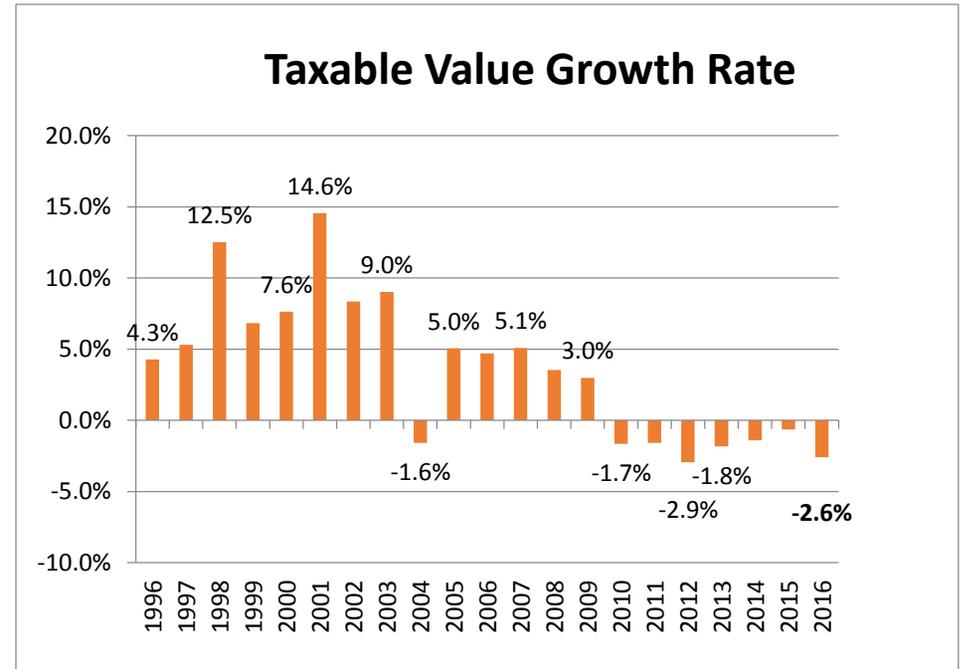
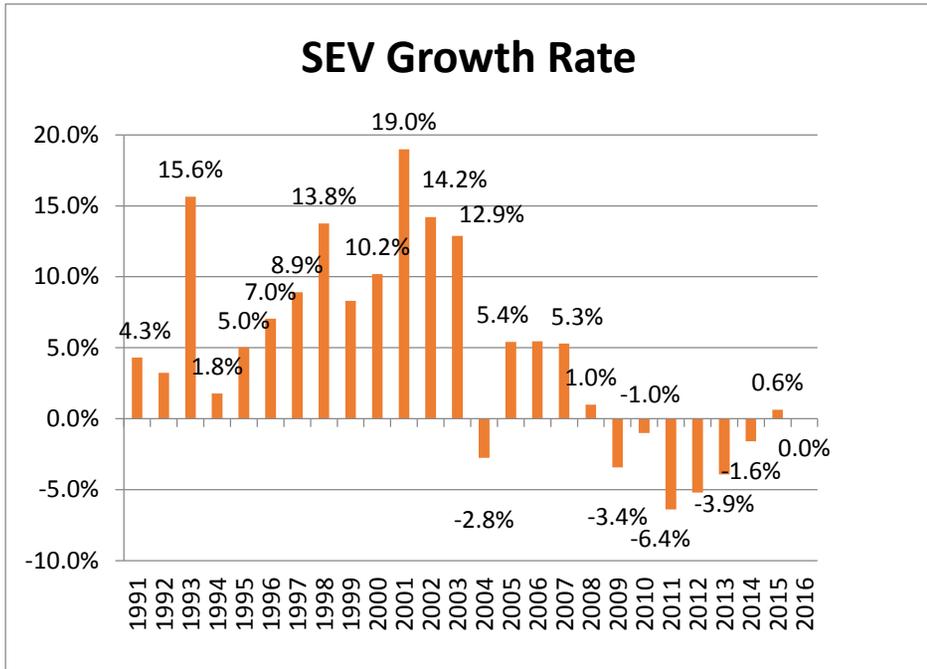
Breakdown of Employees

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

	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Budget 2017
City Manager	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	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	5.0
Assessor	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0
ComDev/BldgInsp	3.0	3.0	3.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5	4.0	3.0	1.0	1.0
Municipal Building	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5	0.0	0.0	1.0	1.0
Police	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	13.0
Fire\EMS	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	8.5
Public Works	12.5	12.5	12.0	12.0	12.0	12.0	11.0	11.0	11.0	11.0	11.0	12.0	13.0	12.0
Parks	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	2.0
General Fund	53.0	52.0	52.0	50.5	50.5	50.0	47.5	45.5	43.5	44.5	44.5	45.5	45.5	44.5
Administration	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
Water	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	3.0
WWTP	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	4.0	5.0	5.0	4.0	3.0	3.0
Sewer	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	2.0
Water & Sewer	12.0	12.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0	11.0	9.0	9.0	10.0
Ramsdell Theatre					0.5	0.5	1.0	1.0	1.0	1.0	1.5	1.5	1.5	0.0
Ramsdell Theatre	0.0	0.0	0.0	0.0	0.5	0.5	1.0	1.0	1.0	1.0	1.5	1.5	1.5	0.0
Grand Total:	65.0	64.0	63.0	61.5	62.0	61.5	59.5	56.5	54.5	56.5	57.0	56.0	56.0	54.5
General	53.0	52.0	52.0	50.5	51.0	50.5	48.5	46.5	44.5	45.5	46.0	47.0	47.0	44.5
Water & Sewer	12.0	12.0	11.0	11.0	11.0	11.0	11.0	10.0	10.0	11.0	11.0	9.0	9.0	10.0

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.



2008 \$ (49,841,100)
to
2016 **-20.1%**

2009 \$ (25,533,505)
to
2014 **-12.0%**

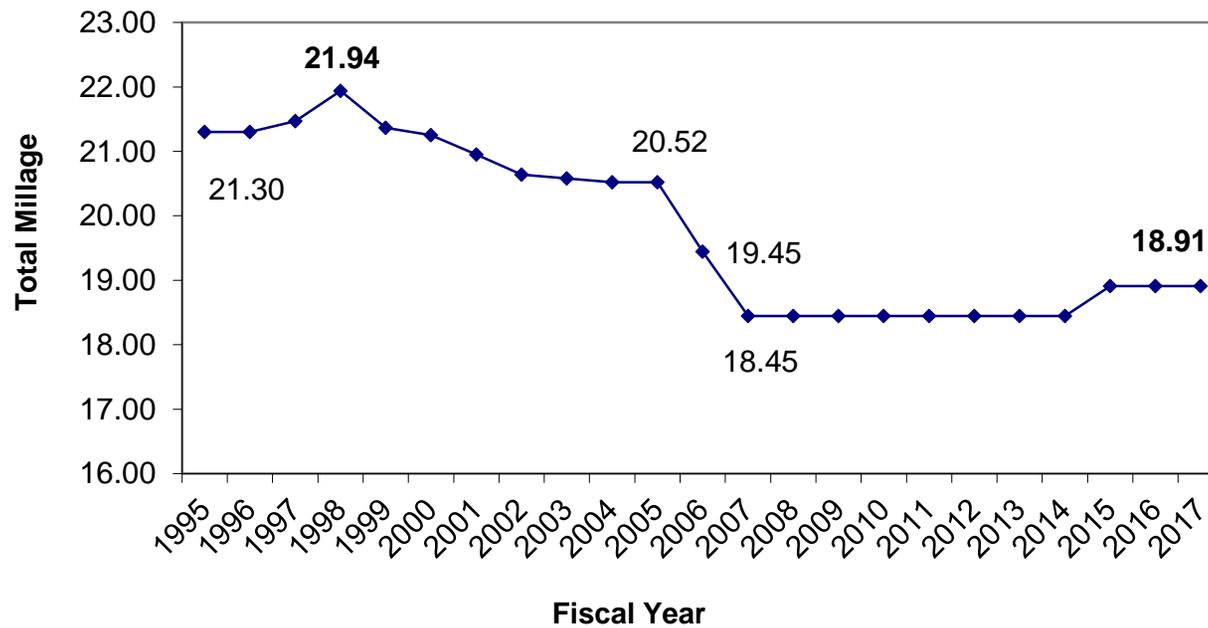
SEV & Taxable Values

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	\$ 246,003,300	-1.0%	\$ 208,913,165	-1.7%
2011	\$ 230,251,100	-6.4%	\$ 205,578,994	-1.6%
2012	\$ 218,254,900	-5.2%	\$ 199,533,902	-2.9%
2013	\$ 209,670,500	-3.9%	\$ 195,871,527	-1.8%
2014	\$ 206,306,100	-1.6%	\$ 193,126,004	-1.4%
2015	\$ 207,580,000	0.6%	\$ 191,878,441	-0.6%
2016	\$ 207,552,900	0.0%	\$ 186,905,434	-2.6%

Millage Rates

Historic City millage rates are presented below.

Historic Millage Rates



Millage Rates

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
General	18.52	18.52	18.52	18.52	18.52	18.50	18.50	18.19	18.13	18.07	18.07	17.95	16.95	16.95	16.95	16.95	17.30	17.30	17.30	17.30	17.76	17.76	17.76	
Refuse	2.78	2.78	2.95	2.78	2.25	2.25	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.50	1.50	1.50	1.15	1.15	1.15	1.15	1.15	1.15	1.15	
Voted Fire	0.00	0.00	0.00	0.64	0.60	0.50	0.45	0.45	0.45	0.45	0.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Total	21.30	21.30	21.47	21.94	21.37	21.25	20.95	20.64	20.58	20.52	20.52	19.45	18.45	18.91	18.91	18.91								
Reduction Amount	0.00	0.17	0.47	(0.57)	(0.12)	(0.30)	(0.31)	(0.06)	(0.06)	(0.00)	(1.08)	(1.00)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.47	0.00	0.00	
Cumulative Reduction	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)	(3.03)	
Percent Change				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%	0.0%
Cumulative Change				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%	-13.8%

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%
2015	\$ 1,051,792	\$ (35,246)	-3.2%
2016Proj	\$ 928,043	\$ (123,749)	-11.8%
2017Bud	\$ 888,043	\$ (40,000)	-4.3%
2018Proj	\$ 813,197	\$ (74,846)	-8.4%
2019Proj	\$ 669,770	\$ (143,427)	-17.6%
2020Proj	\$ 493,352	\$ (176,418)	-26.3%

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 the rate structure in FY 2015. The primary difference was putting a greater reliance on the Ready-To-Serve charge.

Fiscal Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	New Rate		
															Structure	Budget	Budget
															2015	2016	2017
Water per 1000G	\$1.63	\$1.79	\$1.86	\$1.90	\$1.95	\$2.04	\$2.16	\$2.25	\$2.48	\$2.60	\$2.72	\$2.84	\$3.03	\$3.37	\$2.52	\$2.67	\$2.83
Sewer per 1000G	\$3.53	\$3.57	\$3.71	\$3.80	\$3.90	\$4.08	\$4.32	\$4.50	\$4.97	\$5.20	\$5.44	\$5.68	\$6.06	\$6.74	\$6.91	\$7.32	\$7.76
Bond Debt 5/8"	\$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			
Water RTS															\$3.57	\$3.78	\$4.01
Sewer RTS															\$10.27	\$10.89	\$11.54
Typical Bill (6,000 G per Month)	\$37.56	\$38.76	\$40.02	\$40.80	\$41.70	\$43.32	\$45.48	\$47.10	\$51.30	\$53.40	\$55.56	\$57.72	\$61.20	\$67.26	\$ 70.42	\$74.65	\$79.12
Dollar Increase		\$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	\$4.48
Percent Increase		3.2%	3.3%	1.9%	2.2%	3.9%	5.0%	3.6%	9.0%	4.4%	4.0%	4.0%	6.0%	10.0%	4.7%	6.0%	6.0%

Grants Received

Year	Name	Project	Amount	Year	Name	Project	Amount
2002	MSHDA Rental Rehab	Rehab Apts.	\$ 350,000	2009	MDOT Category F	Old US 31 Truck Route	\$ 110,000
2002	MCACA	Ramsdell Theatre	\$ 52,000	2009	MDOT Category A	Industrial Park Roads	\$ 378,000
2003	Michigan Rural Health	Rescue 5	\$ 40,000	thru 2009	Local Revenue Sharing	Variety of Items	\$ 716,745
2003	MDEQ Abandoned Well Mgt.	Plug old wells	\$ 35,000	2010	Local Revenue Sharing	Variety of Items	\$ 48,800
2003	MCACA	Ramsdell Theatre	\$ 49,000	2010	MDOT Local Bridge Fund	Maple Street Bridge	\$ 682,000
2003	Waterways Commission	1 st St Launch	\$ 37,000	2011	Consumers Energy	Trees	\$ 1,275
2004	MSHDA Neighborhood	Infrastructure	\$ 829,000	2011	Local Revenue Sharing	Variety of Items	\$ 194,331
2004	MSHDA New Homes	Grove St. Homes	\$ 430,000	2011	Great Lakes Fishery Trust	Fish Cleaning Station	\$ 75,000
2004	EPA Brownfield Pilot	Assessment	\$ 200,000	2011	MNRTF	Beach House	\$ 280,000
2004	MCACA	Ramsdell Theatre	\$ 47,500	2011	MDEQ Abandoned Well Mgt.	S2 Sewer Study	\$ 204,300
2005	MDOT	Memorial Dr. Paving	\$ 30,000	2011	MDEQ	Principal Forgiveness	\$ 78,000
2005	EPA Brownfield #2	Inventory	\$ 195,000	2012	Local Revenue Sharing	Variety of Items	\$ 112,246
2005	Cool Cities	Peninsula Plan	\$ 400,000	2012	MDOT	Kosciusko Street	\$ 172,804
2005	Corps of Engineers	Wave Study	\$ 35,000	2012	FEMA	Turn-Out Gear	\$ 36,000
2005	MEDC	5th Ave Paving	\$ 250,000	2013	Consumers Energy	Trees	\$ 3,000
2005	MSHDA CBD	Downtown Apts.	\$ 465,000	2013	Land and Water Conservation Fund	Playground	\$ 48,000
2005	MCACA	Ramsdell Theatre	\$ 22,200	2013	MDEQ	Dredge	\$ 58,500
2006	MEDC	Wash St. Paving	\$ 292,000	2013	Local Revenue Sharing	Variety of Items	\$ 43,030
2006	State of Michigan	Voting Machines	\$ 37,000	2013	FEMA	Air Station & SCBA	\$ 49,590
2006	State of Michigan	Voting Access	\$ 13,000	2014	LRSB	Variety of Items	\$ 28,220
2006	Waterways Commission	Marina Docks	\$ 34,500	2015	LRSB	Variety of Items	\$ 26,214
2006	MCACA	Ramsdell Theatre	\$ 18,200	2015	FEMA	Exhaust Handling	\$ 47,620
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	\$ 200,000				
						Grand Total	\$11,796,743

Population

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

