

MANISTEE CITY COUNCIL

MEETING AGENDA

TUESDAY, NOVEMBER 21, 2017 – 7:00 P.M. – COUNCIL CHAMBERS

I. Call to Order.

- a.) PLEDGE OF ALLEGIANCE.
- b.) ROLL CALL.

II. Public Hearings.

III. Citizen Comments on Agenda Related Items.

IV. Consent Agenda. All agenda items marked with an asterisk (*) are on the consent agenda and considered by the City Manager to be routine matters. Prior to approval of the Consent Agenda, any member of Council may have an item from the Consent Agenda removed and taken up during the regular portion of the meeting. Consent agenda items include:

- V. Approval of Minutes.
- VI. a.) Payroll.
b.) Invoices.
- IX. a.) Notification Regarding Next Work Session.

At this time Council could take action to approve the Consent Agenda as presented.

***V. Approval of Minutes.** Approval of the minutes of the November 8, 2017 regular meeting and the November 14, 2017 organizational meeting as attached.

VI. Financial Report.

- *a.) PAYROLL.
- *b.) INVOICES.

VII. Unfinished Business.

VIII. New Business.

- a.) PRESENTATION BY KEN TALSMA OF ANDERSON TACKMAN ON THE JUNE 30, 2017 AUDIT.
- b.) CONSIDERATION OF APPLICATIONS TO BOARDS AND COMMISSIONS.

The City Clerk has taken action to advertise vacancies on the Board of Review, Parks Commission, and the Tree Commission.

Mayoral appointments require a motion, second and Council voted support. Nominations for Council appointments do not require a second. After all nominations are made, Council votes on the nominees until one nominee receives majority support.

The following applications have been received: (*Incumbent)

BOARD OF REVIEW. Two vacancies, one regular member and one alternate member, terms expiring 12/31/20. Applicants must be City taxpaying, registered voters; Council Appointment.

Judianne Sibley, 241 Hughes Street* (regular member)

PARKS COMMISSION. Four vacancies, two terms ending 6/30/18, one term ending 6/30/19, and one term ending 6/30/20. Three appointments may be non-residents but must own real estate or a business/profession having a licensed business location in the City or have a child attending school within the City; Mayoral appointment.

Tom Swedenborg, 562 First Street
Frank Cardelia, 580 Broad Avenue

TREE COMMISSION. One vacancy, term ending 12/31/20; Mayoral appointment.

Patricia Williams, 105 Lighthouse Way*

At this time the Mayor and Council could take action to make appointments as noted above.

IX. Notices, Communications, Announcements.

*a.) NOTIFICATION REGARDING NEXT WORK SESSION.

A Council work session has been scheduled for Tuesday, November 28, 2017 at 7 p.m. A discussion will be conducted on Medical Marijuana Ordinance, Sidewalk Ordinance / Program, Riverfront Leases, Sale of City Property Policy, Recycling Program; and such business as may come before the Council.

No action is required on this item.

X. Concerns and Comments.

- a.) CITIZEN COMMENT. This is an opportunity for citizens to comment on municipal services, activities or areas of City involvement. Citizens in attendance shall be recognized by the Mayor for comments (limited to five minutes). Letters submitted to Council will not be publicly read.
- b.) OFFICIALS AND STAFF.
- c.) COUNCILMEMBERS.

XI. Adjourn.

TNT:cl

COUNCIL AGENDA ATTACHMENTS:

- 1. Council Meeting Minutes – November 8, 2017
- 2. Council Organizational Meeting Minutes – November 14, 2017
- 3. 2017-10-06 Invoices
- 4. 2017-10-23 Invoices
- 5. 2017-06-30 Audit
- 6. Board and Commission Applications

PROCEEDINGS OF THE MANISTEE CITY COUNCIL – November 8, 2017

A regular meeting of the Manistee City Council was called to order by his honor, Mayor James Smith on Wednesday, November 8, 2017 at 7:00 p.m. in the City Hall Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

PRESENT: Dale Cooper, Lynda Beaton, Roger Zielinski, Robert Goodspeed, James Smith, Mark Wittlieff, and Erin Pontiac (*arrived at 7:48 p.m.*).

ALSO PRESENT: City Manager – Thad Taylor, City Attorney – George Saylor, City Clerk – Michelle Wright, Finance Director – Ed Bradford, Public Safety Director – Tim Kozal, and City Engineer – Shawn Middleton / Spicer Group.

CITIZEN COMMENTS ON AGENDA RELATED ITEMS.

None received.

CONSENT AGENDA.

- Minutes - October 17, 2017 - Regular Meeting
- Financial Reports
 - Cash Balances - September 2017
 - Quarterly Financial Update
 - Quarterly Investment Update
- Notification Regarding Next Work Session – November 28, 2017
A discussion will be conducted on Medical Marijuana Ordinance, Sidewalk Ordinance / Program, Riverfront Leases; and such business as may come before the Council.

MOTION by Zielinski, second by Cooper to approve the Consent Agenda as presented.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

CONSIDERATION OF RENEWING THE ANNUAL SSCENT BYRNE GRANT AGREEMENT.

The Manistee Police Department has an officer assigned to the SSCENT multi-jurisdictional drug team. Part of this partnership includes the Byrne Grant distribution. The renewal of this agreement is from October 1, 2017 through September 30, 2018. The agreement will be disbursed through the Michigan State Police Byrne fund in the amount of \$10,142.00 for the SSCENT officer.

MOTION by Zielinski, second by Wittlieff to approve the SSCENT Byrne Grant Agreement. Brief discussion followed.

PROCEEDINGS OF THE MANISTEE CITY COUNCIL – November 8, 2017

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

CONSIDERATION OF APPLICATIONS TO BOARDS AND COMMISSIONS.

The City Clerk has taken action to advertise vacancies on the Board of Review, Brownfield Redevelopment Authority, Compensation Commission, Harbor Commission, Historic District Commission, Housing Commission, Parks Commission, PEG Commission, Planning Commission, Tree Commission, and the Zoning Board of Appeals.

Mayoral appointments require a motion, second and Council voted support. Nominations for Council appointments do not require a second. After all nominations are made, Council votes on the nominees until one nominee receives majority support.

The following applications have been received: (*Incumbent)

BROWNFIELD REDEVELOPMENT AUTHORITY. One vacancy, term ending 6/30/20. Applicants must be City residents or persons with interest in property in the City; Mayoral appointment.

Roger Yoder, 225 Seventh Street

Mayor Smith appointed Roger Yoder, 225 Seventh Street, to the Brownfield Redevelopment Authority for a term ending 6/30/20. MOTION by Goodspeed, second by Beaton to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

COMPENSATION COMMISSION. Two vacancies, both terms ending 9/30/22. Applicants must be registered voters in the City; Mayoral appointment.

Tom Swedenborg, 562 First Street*

Smith appointed Tom Swedenborg, 562 First Street, to the Compensation Commission for a term ending 9/30/22. MOTION by Cooper, second by Goodspeed to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

PROCEEDINGS OF THE MANISTEE CITY COUNCIL – November 8, 2017

HARBOR COMMISSION. One vacancy, term ending 10/31/20. Applicants can be non-residents but must own real estate or a business/profession having a licensed business location in the City; Council appointment.

Roger Zielinski, 529 First Street*

Goodspeed nominated Roger Zielinski, 529 First Street, to the Harbor Commission for a term ending 10/31/20.

With a roll call vote this nomination passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

HOUSING COMMISSION. One vacancy, term ending 5/31/18; Mayoral appointment.

Kelly Tomaszewski, 9693 Valley View Drive, Onkama MI 49675

Smith appointed Kelly Tomaszewski, 9693 Valley View Drive, Onkama, to the Housing Commission for a term ending 5/31/18. MOTION by Wittlieff, second by Beaton to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

PARKS COMMISSION. Five vacancies, two terms ending 6/30/18, one term ending 6/30/19, and two terms ending 6/30/20. Three appointments may be non-residents but must own real estate or a business/profession having a licensed business location in the City or have a child attending school within the City; Mayoral appointment.

Stephen G. Spencer, 111 Pine Street

Smith appointed Stephen G. Spencer, 111 Pine Street, to the Parks Commission for a term ending 5/31/20. MOTION by Goodspeed, second by Wittlieff to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

PEG COMMISSION. Four vacancies, one term ending 12/31/18, one term ending 12/31/19, and two terms ending 12/31/20. Applicants must be Manistee County residents; Council appointment.

James W. Smith, 353 First Street*

PROCEEDINGS OF THE MANISTEE CITY COUNCIL – November 8, 2017

Goodspeed nominated James W. Smith, 353 First Street, to the PEG Commission for a term ending 12/31/20.

With a roll call vote this nomination passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

PLANNING COMMISSION. Three vacancies, terms ending 10/31/20. Applicants must be City residents; Mayoral appointment.

Roger Yoder, 225 Seventh Street*

Maureen Barry, 230 Lighthouse Way South*

Smith appointed Roger Yoder, 225 Seventh Street, to the Planning Commission for a term ending 10/31/20. MOTION by Cooper, second by Beaton to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

Smith appointed Maureen Barry, 230 Lighthouse Way South, to the Planning Commission for a term ending 10/31/20. MOTION by Beaton, second by Wittlieff to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

TREE COMMISSION. Four vacancies, terms ending 12/31/20; Mayoral appointment.

Robert Johnson, 530 Ninth Street*

Kathleen Friedrich, 512 Pine Street*

Janice Waterman, 1010 Maple Street*

Smith appointed Robert Johnson, 530 Ninth Street, to the Tree Commission for a term ending 12/31/20. MOTION by Beaton, second by Goodspeed to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

Smith appointed Kathleen Friedrich, 512 Pine Street, to the Tree Commission for a term ending

12/31/20. MOTION by Goodspeed, second by Wittlieff to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

Smith appointed Janice Waterman, 1010 Maple Street, to the Tree Commission for a term ending 12/31/20. MOTION by Goodspeed, second by Beaton to support the Mayor's appointment.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, and Wittlieff

NAYS: None

Councilmember Pontiac arrived at 7:48 p.m.

A REPORT FROM THE DOWNTOWN DEVELOPMENT AUTHORITY.

Mr. Tyler Leppanen reported on the activities of the Downtown Development Authority and responded to questions the Council had regarding their activities.

DISCUSSION ON DRAFT REQUEST FOR QUALIFICATIONS.

City Manager Taylor asked for feedback from Council on the draft Request for Qualifications (RFQ) for economic development and related services. Questions/Comments received included: are we looking for a consultant of record or to send to other consulting firms; will the Chamber be included; looking at a multi-year contract with an escape clause; how do we measure success; list of some of services expected is included in the RFQ.

CITIZEN COMMENT.

Comments received by:

- Kendra Quick, Manistee Civic Players board member / MCP moving props and costumes out of the Ramsdell; thanked City for partnership with MCP.

OFFICIALS AND STAFF.

Wright congratulated newly elected/re-elected Council members; thanked Wittlieff for his service on the Council.

Bradford stated we had a successful bond sale on Monday, closing will be on December 5th.

PROCEEDINGS OF THE MANISTEE CITY COUNCIL – November 8, 2017

COUNCILMEMBERS.

Cooper congratulated Beaton, Goodspeed, and Grabowski; thanked Wittlieff for his service.

Beaton is grateful for another term on Council; thanked several people for their support; will reach out to Howard Turk to discuss his concerns.

Zielinski thanked Wittlieff for his service and welcomed new members; asked all to remember people affected by the Texas shooting and the people in New York.

Goodspeed stated he will miss Wittlieff; welcomed Jim Grabowski; and reminded people of Veterans Day this weekend.

Wittlieff commented on a blight situation; congratulated Beaton and Goodspeed; welcomed Grabowski; thanked citizens in Manistee to allow him to be able to serve, City staff, and current and past Councils.

Pontiac apologized for being late; congratulated new Council members.

Smith reminded people that City Hall will be closed on Friday in observance of Veteran's Day; welcomed Jim Grabowski and congratulated Beaton and Goodspeed on their elections; wished Wittlieff well on his future endeavors.

ADJOURN.

MOTION to adjourn was made by Goodspeed, second by Zielinski. Meeting adjourned at 8:02 p.m.

Michelle Wright MMC / CPFA, MiCPT
City Clerk/Chief Deputy Treasurer

**PROCEEDINGS OF THE MANISTEE CITY COUNCIL – ORGANIZATIONAL MEETING
NOVEMBER 14, 2017**

The Organizational Meeting of the Manistee City Council was called to order by City Clerk Michelle Wright on Tuesday, November 14, 2017 at 7:30 p.m. in the City Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

ORGANIZATIONAL MEETING OF THE CITY COUNCIL.

In accordance with Section 2-13 of the Charter of the City of Manistee, "the City Council shall meet at 7:30 p.m. on the Tuesday night following the completion of the official canvas at which time the members shall be sworn and assume the duties of their office...."

At the regular election of Tuesday, November 7, 2017 Councilmembers were elected to seats on the Manistee City Council. Members include:

<u>DISTRICT</u>	<u>COUNCILMEMBER</u>	<u>TERM</u>
Second District	Lynda Beaton	Two Years
Fourth District	Robert Goodspeed	Two Years
Sixth District	James Grabowski	Two Years

Wright administered the oath of office to Lynda Beaton, Robert Goodspeed, and James Grabowski as members of the Manistee City Council.

PRESENT: Dale Cooper, Lynda Beaton, Roger Zielinski, Robert Goodspeed, James Smith, James Grabowski, and Erin Pontiac.

ALSO PRESENT: City Manager – Thad Taylor, City Attorney – Paige Szymanski/Mika Meyers, City Clerk – Michelle Wright, and Public Safety Director – Tim Kozal.

CITIZEN COMMENTS ON AGENDA RELATED ITEMS.

None received.

ELECTION OF THE MAYOR FOR THE CITY OF MANISTEE.

At the Organizational Meeting of the City Council held on this date the Council elects from its membership a Mayor and a Mayor Pro-Tem. The Mayor and Mayor Pro-Tem are elected for a one year term. Under Section 2-4 of the Charter "the Council shall elect a Mayor by a majority vote of its members." This provision of the Charter requires four affirmative votes to elect the Mayor, a majority of the Council, regardless of the attendance at the Organizational Meeting. Sections 2-4 and 2-13 of the Charter require that the Mayor be elected at the Organizational Meeting. The voting procedures should continue until a candidate receives four affirmative votes.

Wright asked for nominations to elect a Mayor for the City of Manistee. Zielinski nominated Smith; Goodspeed nominated Beaton. No other nominations were received.

**PROCEEDINGS OF THE MANISTEE CITY COUNCIL – ORGANIZATIONAL MEETING
NOVEMBER 14, 2017**

A roll call vote was taken as follows:

Smith: Cooper, Zielinski, Smith, Grabowski, and Pontiac (5)
Beaton: Beaton and Goodspeed (2)

Councilmember Smith was elected Mayor. Mayor Smith assumed the Chair at this time.

ELECTION OF A MAYOR PRO-TEM FOR THE CITY OF MANISTEE.

The same provisions identified in the Charter for the Mayor apply for the Mayor Pro-Tem. The Mayor Pro-Tem serves as the Mayor in the Mayor's absence.

Mayor Smith opened the floor for nominations to elect a Mayor Pro-Tem for the City of Manistee. Goodspeed nominated Beaton; Cooper nominated Zielinski. No other nominations were received.

A roll call vote was taken as follows:

Beaton: Beaton and Goodspeed (2)
Zielinski: Cooper, Zielinski, Smith, Grabowski, and Pontiac (5)

Councilmember Zielinski was elected Mayor Pro-Tem.

REVIEW OF CITY COUNCIL GUIDELINES.

Under the adopted City Council Guidelines, the Guidelines are reviewed at the Organizational Meeting of the City Council. While the Guidelines may be amended at any time during the year, the Organizational Meeting is the traditional opportunity to review the operating procedures of the Council.

MOTION by Zielinski, second by Goodspeed to modify the City Council Guidelines by amending #30. Depositories, Official Publication – to change the timing of the designation of depositories to be included as part of the budget adoption process.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac
NAYS: None

MOTION by Cooper, second by Zielinski to modify the City Council Guidelines by amending #22. Appointments – make the appointment to the Sands Park Board a mayoral appointment.

With a roll call vote this motion passed unanimously.

**PROCEEDINGS OF THE MANISTEE CITY COUNCIL – ORGANIZATIONAL MEETING
NOVEMBER 14, 2017**

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac

NAYS: None

Other items of discussion included:

- #2. Quorum – questioned if the five affirmative votes for budgetary bonds is a legal requirement – deferred to the City Attorney;
- #3. Council Meeting Agenda – clean up language regarding mailing agendas, not current practice;
- #30. Depositories – add approval of current list of depositories to the next available agenda;
- #6. Work Sessions – would like the ability for any two Councilmembers to call for a special work session, the same as written in #4. Special Meetings.

A revised City Council Guidelines will be brought back to Council for their review.

CONSIDERATION OF ESTABLISHING REGULAR MEETINGS FOR 2018.

In accordance with Section 2-13 of the Charter, the City Council “shall meet in public session at least twice each month at such times as may be prescribed by the rules...” The City Council Guidelines reviewed during the previous agenda item indicate that regular meetings shall be held on the first and third Tuesdays of each month beginning at 7 p.m. with work sessions conducted on the second Tuesday of each month beginning at 7 p.m. This results in the presented schedule for regular meetings and work sessions throughout the year 2018, with exceptions made for known election dates, Michigan Municipal League conferences, and holidays.

MOTION by Goodspeed, second by Zielinski to adopt the schedule for regular meetings and work sessions for the year 2018.

With a roll call vote this motion passed unanimously.

AYES: Cooper, Beaton, Zielinski, Goodspeed, Smith, Grabowski, and Pontiac

NAYS: None

CITIZEN COMMENT.

None received.

OFFICIALS AND STAFF.

None received.

COUNCILMEMBERS.

Councilmembers welcomed Grabowski as a new Councilmember, congratulated Beaton and Goodspeed on another term, congratulated Smith and Zielinski on their re-election as Mayor and Mayor Pro-Tem, and look forward to working together in the next year.

**PROCEEDINGS OF THE MANISTEE CITY COUNCIL – ORGANIZATIONAL MEETING
NOVEMBER 14, 2017**

Pontiac asked if the Parks Commission has enough members for a quorum yet.

Smith stated that DPW worker Jim Polisky has done another great job with the Christmas decorations around town.

ADJOURN.

MOTION to adjourn was made by Goodspeed, second by Zielinski. Meeting adjourned at 7:58 p.m.

Michelle Wright MMC / CPFA, MiCPT
City Clerk/Chief Deputy Treasurer

INVOICE APPROVAL LIST BY FUND REPORT

10-6-17

Date: 10/04/2017

Time: 4:02 pm

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City of Manistee

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Invoice Date	Amount
Fund: 101 GENERAL FUND							
Dept: 253 FINANCE / TREASURE							
101-253-752.000	Supplies - Opera JACKPINE BUSINESS CENTE	420143-0	Epson Ribbon/ Correction Tape	43771	10/29/2017	09/29/2017	18.97
							18.97
101-253-983.000	Lease Purchase TEAM FINANCIAL GROUP INC	154947	Kyocera 3051ci - Finance	20170507	10/19/2017	09/29/2017	143.88
							143.88
Total Dept. FINANCE / TREASURER:							162.85
Dept: 257 ASSESSOR							
101-257-801.000	Professional & C GREAT LAKES ASSESSING II		Professional Assessing Service	20170501	10/01/2017	10/01/2017	6,370.00
							6,370.00
Total Dept. ASSESSOR:							6,370.00
Dept: 262 ELECTIONS							
101-262-752.000	Supplies - Opera MICHIGAN ELECTION RESOL	39236	Maser card/ AV App/ Precinct	43781	10/25/2017	09/25/2017	257.09
							257.09
Total Dept. ELECTIONS:							257.09
Dept: 265 CITY HALL BUILDINGS							
101-265-752.000	Supplies - Opera						
	ALLSHRED SERVICES	105904	Off-Site Destruction	43752	10/05/2017	09/25/2017	57.35
	CHARTER COMMUNICATION	0076258092217	Monthly Service-70 Maple St	43758	09/22/2017	09/22/2017	42.87
	FASTENAL COMPANY	MIMAN128107	Bathroom Tissue/ Bowl Clnr	20170499	10/22/2017	09/22/2017	106.68
	JACKPINE BUSINESS CENTE	419842-0	GOJO soap dispenser	43771	10/19/2017	09/19/2017	54.95
	PURE WATER WORKS INC	300989	Purified Water	43792	10/27/2017	09/27/2017	21.00
	TOP LINE ELECTRIC LLC	9428	Electrical Materials	20170508	09/20/2017	09/20/2017	39.91
							322.76
101-265-850.000	Communications AT&T	0856068301	Monthly Service	43753	10/19/2017	09/19/2017	435.88
							435.88
101-265-918.000	Utilities - Water CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	242.91
							242.91
101-265-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	1,956.54
							1,956.54
101-265-930.000	Repairs/Maint - E						
	CUSTOM SHEET METAL & HE	23946	Condensate Pump/ Labor	20170498	09/27/2017	08/28/2017	355.19
	GREEN COMPANY/JOHN E//	544853	Annual Fire Sprinkler Inspecti	43769	05/31/2017	05/31/2017	357.87
							713.06
CITY HALL BUILDINGS & GROUNDS:							3,671.15
Dept: 275 GENERAL							
101-275-802.000	Attorney MIKA MEYERS BECKETT & J	615419	Professional Serv. thru 8/30	20170503	09/14/2017	09/14/2017	4,050.00
							4,050.00
101-275-804.000	Attorney - Labor MIKA MEYERS BECKETT & J	615418	General Labor - Serv thru 8/30	20170503	09/14/2017	09/14/2017	250.00

INVOICE APPROVAL LIST BY FUND REPORT

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City of Manistee

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Invoice Date	Amount
							250.00
101-275-852.000	Communications CHARTER COMMUNICATION	0088022092217	Monthly Service-70 Maple St CB	43758	09/22/2017	09/22/2017	145.00
							145.00
101-275-920.001	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	333.05
							333.05
							Total Dept. GENERAL: 4,778.05
Dept: 301 POLICE							
101-301-721.000	Costs - Uniform/ KIESZKOWSKI/JAMES// NYE UNIFORM COMPANY	58444 615298	Uniform Cleaning Belt Keepers/Slide Bar Holder	43772 43789	09/22/2017 10/19/2017	09/22/2017 09/19/2017	230.00 41.55
							271.55
101-301-752.000	Supplies - Opera JACKPINE BUSINESS CENTE KOORSEN FIRE AND SECUR KOORSEN FIRE AND SECUR WAHR HARDWARE, INC.	C419918-0 PINV053629 PINV053719 C129263	Return - Notebook Annual fire ext inspec. Extinguisher Bolts/ Stop Kickdown	43771 43773 43773 20170509	10/29/2017 09/24/2017 09/25/2017 10/28/2017	09/29/2017 09/24/2017 09/25/2017 09/28/2017	-1.79 44.00 259.80 7.65
							309.66
101-301-913.000	Travel & Training LAW ENFORCEMENT SEMIN	84721493388586	Seminar Reg. - Goodspeed	43774	04/28/2017	04/28/2017	340.00
							340.00
101-301-932.000	Repairs/Maint - \\ AUTO VALUE \\\ AUTO-WARES	256-959427	Socket Hi Temp H/ Long Life	43754	10/21/2017	09/21/2017	227.53
							227.53
101-301-957.000	Motor Pool CITY OF MANISTEE COMMOI		Equipment Rental - Motor Pool	20170494	10/01/2017	10/01/2017	2,622.08
							2,622.08
101-301-983.000	Lease Purchase TEAM FINANCIAL GROUP INC	154769	Kyocera-Police & Fire	20170507	10/14/2017	09/24/2017	117.98
							117.98
							Total Dept. POLICE: 3,888.80
Dept: 336 FIRE							
101-336-721.000	Costs - Uniform/ NYE UNIFORM COMPANY NYE UNIFORM COMPANY	617500 617502	LS Shirt/ Zipper/ EMT Pant/ LS Shirt/ SS Trop Shirt/ Belt/	43789 43789	10/12/2017 10/12/2017	09/12/2017 09/12/2017	307.62 157.00
							464.62
101-336-752.000	Supplies - Opera VERIZON WIRELESS WAHR HARDWARE, INC.	9793009720 C129687	Monthly Service Carafe	43796 20170509	09/19/2017 11/01/2017	09/19/2017 10/02/2017	14.04 21.99
							36.03
101-336-777.000	Supplies - Medic MUNSON HEALTHCARE MAN	Aug 4 2017	EMS Bags/bkpacks	43783	09/13/2017	09/13/2017	210.00
							210.00
101-336-780.000	Fire Prevention KOORSEN FIRE AND SECUR	PINV013202	Annual Ext Inspect./Recharge	43773	06/22/2017	06/22/2017	170.80
							170.80
101-336-918.000	Utilities - Water CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	127.92

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City of Manistee

Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Invoice Date	Amount
							127.92
101-336-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	371.41
							371.41
101-336-930.000	Repairs/Maint - E GILL-ROYS HARDWARE	1709-660199	Roundup	43765	09/25/2017	09/25/2017	17.99
							17.99
101-336-931.000	Repairs/Maint - E AUTO VALUE \ AUTO-WARES	256-961810	Spark Plug	43754	11/02/2017	10/03/2017	4.29
							4.29
101-336-932.000	Repairs/Maint - \						
	AUTO VALUE \ AUTO-WARES	256-961140	Studs	43754	10/25/2017	09/25/2017	1.67
	AUTO VALUE \ AUTO-WARES	256-961091	Elbow	43754	10/25/2017	09/25/2017	18.38
	CIRCLE K SERVICE CORP	72263	Service Pump Test on Fire Pump	43759	09/21/2017	09/21/2017	349.70
	CIRCLE K SERVICE CORP	72264	Service pump test fire pump/	43759	09/21/2017	09/21/2017	467.93
	CONSOLIDATED FLEET SER	2017EE0123	Inspec.Unit Ladder/ Waterway	43760	09/15/2017	09/15/2017	872.50
	NICKERSON TOWING	13915	Tow from DPW to Grawn	43787	09/25/2017	09/25/2017	375.00
	PIONEER DIESEL SERVICE	W32709	Diagnose/Serv Engine	43791	09/25/2017	09/25/2017	1,295.70
	WEST MICHIGAN INTERNATI	R102003293:01	Labor/ travel time Medic 5	20170511	09/26/2017	09/26/2017	322.15
							3,703.03
101-336-942.000	Hydrant Rental CITY OF MANISTEE WATER		Hydrant Rental - Fire Dept	20170497	10/01/2017	10/01/2017	5,400.00
							5,400.00
101-336-957.000	Motor Pool CITY OF MANISTEE COMM		Equipment Rental - Motor Pool	20170494	10/01/2017	10/01/2017	5,244.17
							5,244.17
101-336-983.000	Lease Purchase TEAM FINANCIAL GROUP INC	154769	Kyocera-Police & Fire	20170507	10/14/2017	09/24/2017	39.32
							39.32
101-336-985.000	Capital Outlay - I ALLIED 100,LLC	841812	CPR Training Aids	43751	09/11/2017	09/11/2017	1,331.92
							1,331.92
						Total Dept. FIRE:	17,121.50
Dept: 441 PUBLIC WORKS							
101-441-721.000	Costs - Uniform/I						
	MODEL COVERALL SERVICE	0673454	Uniform Cleaning-DPW	20170504	06/23/2017	05/24/2017	28.87
	MODEL COVERALL SERVICE	0698443	Uniform Cleaning-DPW	20170504	10/20/2017	09/20/2017	47.06
							75.93
101-441-752.000	Supplies - Opera AUTO VALUE \ AUTO-WARES	256-960541	Protectant Wipes	43754	10/18/2017	09/18/2017	5.49
							5.49
101-441-915.000	Memberships & I MWEA	12912	Membership Dues- J. Mikula	43784	03/29/2017	03/29/2017	70.00
							70.00
101-441-918.000	Utilities - Water CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	310.49
							310.49
101-441-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	849.32

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							849.32
101-441-930.000	Repairs/Maint - E WAHR HARDWARE, INC.	D66261	Semgl Clear Base	20170509	10/19/2017	09/19/2017	83.98
							83.98
101-441-931.000	Repairs/Maint - E AUTO VALUE \ AUTO-WARES TOP LINE ELECTRIC LLC WAHR HARDWARE, INC.	256-959953 9318 D65971	Mini Scr Cla/ Fuel Line Hose/ Discnct air comprssr replce Carriage	43754 20170508 20170509	10/15/2017 08/23/2017 10/12/2017	09/15/2017 08/23/2017 09/12/2017	7.06 841.89 22.99
							871.94
101-441-932.000	Repairs/Maint - \						
	AUTO VALUE \ AUTO-WARES	256-959622	Diesel Add Qt	43754	10/14/2017	09/14/2017	107.88
	AUTO VALUE \ AUTO-WARES	256-959639	Gen Purp Rem	43754	10/15/2017	09/15/2017	15.40
	AUTO VALUE \ AUTO-WARES	256-960497	Screw Clam	43754	10/18/2017	09/18/2017	7.90
	BELL EQUIPMENT COMPANY	0133000	Fill Hose	20170492	10/18/2017	09/18/2017	163.20
	TRUCK & TRAILER SPECIALT	29023A	Ret - Inv 28914A PSI Stem Mnt	43795	08/24/2017	08/24/2017	-58.66
	TRUCK & TRAILER SPECIALT	29249	Mushroom Plow Shoe NI Hard	43795	09/13/2017	09/13/2017	139.00
	WEST MICHIGAN INTERNATI	X102018910:02	Glass, Klt, CNVX, Mirr, Mntng	20170511	09/15/2017	09/15/2017	60.07
							434.79
101-441-957.000	Motor Pool CITY OF MANISTEE COMMOI		Equipment Rental - Motor Pool	20170494	10/01/2017	10/01/2017	6,090.00
							6,090.00
							Total Dept. PUBLIC WORKS: 8,791.94
Dept: 751 PARKS & RECREATIO							
101-751-752.000	Supplies - Opera						
	FASTENAL COMPANY	MIMAN127914	Hand Wash Refill	20170499	10/13/2017	09/13/2017	91.92
	GILL-ROYS HARDWARE	1709-993717	Led Bulbs	43765	09/07/2017	09/07/2017	29.97
	GILL-ROYS HARDWARE	1709-997450	Pry Bar	43765	09/08/2017	09/08/2017	17.99
	GRAMZA/LEROY F//	3901	Keys	43767	10/06/2017	09/06/2017	12.00
	WAHR HARDWARE, INC.	C127308	Bleach	20170509	10/06/2017	09/06/2017	5.58
	WAHR HARDWARE, INC.	D65646	LED Bulbs	20170509	10/07/2017	09/07/2017	8.99
							166.45
101-751-886.000	Parks Commissio						
	JACKPINE BUSINESS CENTE	41871	Butterfly/Winter Garden Brochu	43771	10/06/2017	09/06/2017	80.00
							80.00
101-751-918.000	Utilities - Water						
	CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	1,405.60
							1,405.60
101-751-920.000	Utilities - Electric						
	CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	1,825.48
							1,825.48
101-751-930.000	Repairs/Maint - E						
	OLSON LUMBER COMPANY	110980	Soffit/ Fascia/ Trim Nails	43790	10/08/2017	09/08/2017	58.32
	TOWNLINE UNLIMITED		Paint rolls/ trays/ pliers	43794	06/08/2017	06/08/2017	38.87
							97.19
101-751-931.000	Repairs/Maint - E						
	FREEMAN CREEK EQUIPMEI	9246	Belt Blower	43764	09/06/2017	09/06/2017	18.72
	LINKE LUMBER COMPANY	10201732	Trim Nail Punch	43775	10/02/2017	09/11/2017	21.99
	WAHR HARDWARE, INC.	C127216	Handy Picks/Longnose Pliers	20170509	10/05/2017	09/05/2017	21.46
	WAHR HARDWARE, INC.	C127198	Threadlocker	20170509	10/05/2017	09/05/2017	7.79
	WAHR HARDWARE, INC.	D66133	Wood stain	20170509	10/15/2017	09/15/2017	12.98
							82.94

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101-751-957.000	Motor Pool CITY OF MANISTEE COMM		Equipment Rental - Motor Pool	20170494	10/01/2017	10/01/2017	3,045.00
							3,045.00
							Total Dept. PARKS & RECREATION: 6,702.66
Dept: 801 APPROPRIATIONS							
101-801-892.000	Alliance for Econ ALLIANCE FOR ECONOMIC S		Appropriation	20170491	10/01/2017	10/01/2017	11,629.50
							11,629.50
101-801-893.500	MAPS Paine Poc MANISTEE AREA PUBLIC SCI		Community Pool Agreement	43776	10/01/2017	10/01/2017	10,000.00
							10,000.00
101-801-894.000	Manistee Recrea MANISTEE RECREATION AS:		Appropriation	43780	10/01/2017	10/01/2017	6,750.00
							6,750.00
101-801-897.000	Ramsdell Region RAMSDELL REGIONAL CENT		Appropriation	20170505	10/01/2017	10/01/2017	15,000.00
							15,000.00
							Total Dept. APPROPRIATIONS: 43,379.50
							tal Fund GENERAL FUND: 95,123.54
Fund: 202 MAJOR STREET FUND							
Dept: 000							
202-000-864.000	Preservation Stre CITY OF MANISTEE GENERA		Major & Local Street Reimburse	20170495	10/01/2017	10/01/2017	6,750.00
							6,750.00
202-000-864.001	Preservation Stre SPICER GROUP INC	187684	Task 034 Street Improv Proj	20170506	09/12/2017	09/12/2017	8,900.28
	SPICER GROUP INC	187686	Task 046 FY2018 ST Improv Proj	20170506	09/12/2017	09/12/2017	9,400.00
							18,300.28
202-000-865.000	Routine Mainten CITY OF MANISTEE GENERA		Major & Local Street Reimburse	20170495	10/01/2017	10/01/2017	8,875.00
							8,875.00
202-000-866.000	Winter Maintena CITY OF MANISTEE GENERA		Major & Local Street Reimburse	20170495	10/01/2017	10/01/2017	12,083.33
							12,083.33
202-000-918.000	Utilities - Water CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	89.21
							89.21
202-000-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	193.51
							193.51
							Total Dept. 000: 46,291.33
							id MAJOR STREET FUND: 46,291.33

Fund: 203 LOCAL STREET FUND

Dept: 000

203-000-864.000	Preservation Stre CITY OF MANISTEE GENERA		Major & Local Street Reimburse	20170495	10/01/2017	10/01/2017	5,666.67
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							5,666.67
203-000-866.000	Winter Maintena CITY OF MANISTEE GENERA		Major & Local Street Reimburse	20170495	10/01/2017	10/01/2017	6,583.33
							6,583.33
							Total Dept. 000: 12,250.00
							nd LOCAL STREET FUND: 12,250.00
Fund: 226 CITY REFUSE FUND							
Dept: 000							
226-000-803.000	Administration CITY OF MANISTEE GENERA		Administration - Refuse	20170495	10/01/2017	10/01/2017	8,906.00
							8,906.00
226-000-830.001	Yard Waste City CITY OF MANISTEE GENERA		Reimburse for Yard Waste	20170495	10/01/2017	10/01/2017	6,893.58
							6,893.58
226-000-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	31.98
							31.98
							Total Dept. 000: 15,831.56
							Fund CITY REFUSE FUND: 15,831.56
Fund: 243 BROWNFIELD REDEVI							
Dept: 000							
243-000-210.000	Tax Capture Pay; STATE OF MICHIGAN - MEDC	INV-0000040	Brownfield Redevelopment Fund	43793	09/18/2017	09/18/2017	3.15
							3.15
							Total Dept. 000: 3.15
							EDEVELOPMENT AUTHO: 3.15
Fund: 272 PEG COMMISSION							
Dept: 000							
272-000-801.000	Professional & C BROWN/KEITH R//PHD		MPA Operations - Oct 2017	20170493	10/01/2017	10/01/2017	833.33
							833.33
							Total Dept. 000: 833.33
							Fund PEG COMMISSION: 833.33
Fund: 275 GRANT MANAGEMEN							
Dept: 902 OTHER GRANTS							
275-902-986.105	CDBG - North C HAGER CONSULTING	201727	CDBG Grant Admin. Nth Chnl Bld	43770	08/25/2017	08/25/2017	8,337.50
							8,337.50
							Total Dept. OTHER GRANTS: 8,337.50
							NT MANAGEMENT FUND: 8,337.50
Fund: 297 RAMSDELL REGIONAL							
Dept: 000							
297-000-752.000	Supplies - Opera						

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	JACKPINE BUSINESS CENTE	420101-1	Ink cartridges	43771	10/20/2017	09/20/2017	479.88
	WAHR HARDWARE, INC.	C128215	Roller Cvr/ Roller Frame	20170510	09/15/2017	09/15/2017	1.00
	WAHR HARDWARE, INC.	C128226	Paint exchange	20170510	09/16/2017	09/16/2017	2.00
	WAHR HARDWARE, INC.	C128227	Paint thinner	20170510	09/16/2017	09/16/2017	8.99
							491.87
297-000-880.000	Marketing & Pror						
	JACKPINE BUSINESS CENTE	41980	Flyer/posters -Changes	43771	10/20/2017	09/20/2017	157.00
	JACKPINE BUSINESS CENTE	41975	Ad Layout for MNA Main Stg	43771	10/20/2017	09/20/2017	20.00
	JACKPINE BUSINESS CENTE	41999	Half sheet flyers	43771	10/21/2017	09/21/2017	116.00
							293.00
297-000-881.002	Ramsdell - Prese						
	GOULD/ MICHAEL//		Performance Oct 6, 2017	43766	10/04/2017	10/04/2017	1,000.00
	MYNORTH MEDIA	2017-85393	MyNorth Ticket Fees- Aug	43786	10/13/2017	09/13/2017	4.00
	WOODS HOLE MUSIC LLC		Performance 10/6/17	43798	10/04/2017	10/04/2017	800.00
							1,804.00
297-000-882.000	Fundraising Expe						
	JACKPINE BUSINESS CENTE	41985	Newletter print,fold,design/	43771	10/20/2017	09/20/2017	598.76
							598.76
297-000-900.000	Printing & Publis						
	JACKPINE BUSINESS CENTE	41964	Letterhead/ Design time	43771	10/20/2017	09/20/2017	225.00
	JACKPINE BUSINESS CENTE	41983	Envelopes	43771	10/20/2017	09/20/2017	146.00
							371.00
297-000-918.000	Utilities - Water						
	CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	40.24
							40.24
297-000-920.000	Utilities - Electric						
	CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	1,148.49
							1,148.49
297-000-935.000	Insurance						
	BOYER/CHARLES A./INC	131937	New Business Bond	43757	09/29/2017	09/29/2017	50.00
							50.00
							Total Dept. 000: 4,797.36
							REGIONAL CENTER/ARTS: 4,797.36
Fund: 501 BOAT LAUNCH FUND							
Dept: 000							
501-000-314.000	Advances from C						
	CITY OF MANISTEE COMMOI		Boat Launch Internal Loan	20170494	10/01/2017	10/01/2017	13,153.43
							13,153.43
501-000-850.000	Communications						
	CHARTER COMMUNICATION	0139486091917	Monthly Service-110 S Lakeshor	43758	09/19/2017	09/19/2017	39.99
							39.99
501-000-918.000	Utilities - Water						
	CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	243.48
							243.48
501-000-920.000	Utilities - Electric						
	CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	275.63
							275.63
							Total Dept. 000: 13,712.53

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Dept: 905 DEBT SERVICE							
501-905-992.203	Interest - Internal CITY OF MANISTEE COMMOI		Boat Launch Internal Loan	20170494	10/01/2017	10/01/2017	1,382.15
							1,382.15
							Total Dept. DEBT SERVICE: 1,382.15
							ind BOAT LAUNCH FUND: 15,094.68
Fund: 592 WATER & SEWER UTIL							
Dept: 275 GENERAL							
592-275-961.000	Utility Ownership CITY OF MANISTEE GENERA		Utility Ownership Fee	20170495	10/01/2017	10/01/2017	16,646.67
							16,646.67
							Total Dept. GENERAL: 16,646.67
Dept: 541 ADMINISTRATION							
592-541-803.000	Administration CITY OF MANISTEE GENERA		Administration - Water	20170495	10/01/2017	10/01/2017	30,626.58
							30,626.58
592-541-850.000	Communications AT&T	231398258409	Monthly Service	43753	10/13/2017	09/13/2017	372.06
	VERIZON WIRELESS	9793040206	Monthly Service	43796	09/19/2017	09/19/2017	243.64
							615.70
							Total Dept. ADMINISTRATION: 31,242.28
Dept: 542 WATER OPERATION							
592-542-721.000	Costs - Uniform/ MODEL COVERALL SERVICE	0698447	Uniform Cleaning-Water	20170504	10/20/2017	09/20/2017	27.20
							27.20
592-542-753.000	Supplies - Chem ELHORN ENGINEERING COM	270870	Carus 8150 Dry 50#	43763	10/12/2017	09/12/2017	4,560.00
							4,560.00
592-542-801.000	Professional & C SPICER GROUP INC	187685	Task 037 Water/ Waste Water	20170506	09/12/2017	09/12/2017	500.00
							500.00
592-542-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	117.26
							117.26
592-542-931.000	Repairs/Maint - E MICHIGAN PIPE & VALVE	T80688	Valve/ Cap/ Lugs/ Bolts	20170502	10/08/2017	09/08/2017	655.00
							655.00
592-542-932.000	Repairs/Maint - \\ AUTO VALUE \ AUTO-WARES	256-959558	IC Ventvisor	43754	10/15/2017	09/15/2017	35.99
							35.99
592-542-957.000	Motor Pool CITY OF MANISTEE COMMOI		Equipment Rental - Motor Pool	20170494	10/01/2017	10/01/2017	3,094.33
							3,094.33
							Total Dept. WATER OPERATION: 8,989.78
Dept: 543 SEWER - WWTP							
592-543-721.000	Costs - Uniform/ MODEL COVERALL SERVICE	0698444	Uniform Cleaning - WWTP	20170504	10/20/2017	09/20/2017	41.99

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							41.99
592-543-752.000	Supplies - Opera						
	JACKPINE BUSINESS CENTE	420010-0	8tab Index/ Binder	43771	10/19/2017	09/19/2017	22.62
	WAHR HARDWARE, INC.	C127796	Shovels	20170509	10/12/2017	09/12/2017	19.98
	WAHR HARDWARE, INC.	D66225	Trash Bag/ Pine SOI/ CLR Clnr	20170509	10/18/2017	09/18/2017	54.77
							97.37
592-543-801.000	Professional & C						
	SPICER GROUP INC	187685	Task 037 Water/ Waste Water	20170506	09/12/2017	09/12/2017	500.00
							500.00
592-543-913.000	Travel & Training						
	MICHIGAN RURAL WATER A:	R2019	Class Registration - Szpriet	43782	09/13/2017	09/13/2017	135.00
							135.00
592-543-920.000	Utilities - Electric						
	CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	1,707.93
							1,707.93
592-543-931.000	Repairs/Maint - E						
	AUTO VALUE \ AUTO-WARES	256-960512	Red Grease	43754	10/18/2017	09/18/2017	8.97
	AUTO VALUE \ AUTO-WARES	256-960511	Red Grease	43754	10/18/2017	09/18/2017	2.99
	BERRYMAN EQUIPMENT CO	17-0917	410 Bearings	43755	10/11/2017	09/11/2017	498.12
	BERRYMAN EQUIPMENT CO	17-0918	Gasket Kit	43755	10/11/2017	09/11/2017	76.71
	GALLOUP	S106213078.001	Pipe / elbow/ adapter/ tape	20170500	10/14/2017	09/14/2017	9.57
	GALLOUP	S106213078.002	PVC SOC CPCT Viton Chemtro L	20170500	10/14/2017	09/14/2017	3.85
	GRAND RENTAL STATION	1-553238	Air filter/ Primer Bulb	43768	10/19/2017	09/19/2017	12.29
	MYERS/KIRK//	15094	CK & Repair Panic Bar Chem Rm	43785	09/16/2017	09/16/2017	115.00
	TOWNLINE UNLIMITED	16063	Socket Trays	43794	07/11/2017	07/11/2017	14.46
	TOWNLINE UNLIMITED	16097	Socket Bases/ Mag Tool Holder	43794	08/22/2017	08/22/2017	48.89
	WAHR HARDWARE, INC.	C127844	Bolts	20170509	10/12/2017	09/12/2017	1.13
							791.98
592-543-957.000	Motor Pool						
	CITY OF MANISTEE COMMOI		Equipment Rental - Motor Pool	20170494	10/01/2017	10/01/2017	3,094.34
							3,094.34
							Total Dept. SEWER - WWTP: 6,368.61
Dept: 544 SEWER COLLECTION							
592-544-721.000	Costs - Uniform/I						
	MODEL COVERALL SERVICE	0698446	Uniform Cleaning-SewCollection	20170504	10/20/2017	09/20/2017	18.40
							18.40
592-544-931.000	Repairs/Maint - E						
	AUTO VALUE \ AUTO-WARES	256-959714	Air Tool Oil	43754	10/15/2017	09/15/2017	7.49
	GALLOUP	S106215452.001	Pipe 20ft/ Elbow/ Coupling	20170500	10/15/2017	09/15/2017	131.75
	GRAND RENTAL STATION	1-552576	Air Hammer	43768	09/17/2017	08/18/2017	475.00
	MICHIGAN PIPE & VALVE	T80718	Sewer Pipe/ Cplg/ Valve Turner	20170502	10/11/2017	09/11/2017	406.90
	WAHR HARDWARE, INC.	D66326	Cement/ Purp Primer	20170509	10/20/2017	09/20/2017	7.98
							1,029.12
592-544-957.000	Motor Pool						
	CITY OF MANISTEE COMMOI		Equipment Rental - Motor Pool	20170494	10/01/2017	10/01/2017	3,094.33
							3,094.33
							st. SEWER COLLECTION (STREETS): 4,141.85
Dept: 902 OTHER GRANTS							
592-902-947.000	SAW Grant Expe						
	MANISTEE COUNTY LANDFIL	4235-000012322	SW - Sludge - Removal - WWTP	43777	09/15/2017	09/15/2017	13,025.38
	SPICER GROUP INC	187683	Task 033 SAW Grant	20170506	09/12/2017	09/12/2017	102,587.58

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							115,612.96
Total Dept. OTHER GRANTS:							115,612.96
WATER & SEWER UTILITY:							183,002.15
 Fund: 594 MARINA FUND							
Dept: 000							
594-000-314.000	Advances from C CITY OF MANISTEE COMMOI		Marina Internal Loan Pmt	20170494	10/01/2017	10/01/2017	26,067.63
							26,067.63
594-000-752.000	Supplies - Opera CHARTER COMMUNICATION WAHR HARDWARE, INC. WAHR HARDWARE, INC.	0099730091817 C128500 C128610	Monthly Service - 480 River St CLR Cleaner C Batteries	43758 20170509 20170509	09/18/2017 10/19/2017 10/20/2017	09/18/2017 09/19/2017 09/20/2017	78.48 6.99 5.99
							91.46
594-000-760.000	Supplies - Gasoli BLARNEY CASTLE OIL CO. BLARNEY CASTLE OIL CO.	0909639-IN 0912447-IN	Gasoline - NL Prem Gasoline - NL Prem	43756 43756	10/15/2017 10/26/2017	09/15/2017 09/26/2017	3,119.90 2,175.43
							5,295.33
594-000-761.000	Supplies - Diesel BLARNEY CASTLE OIL CO. BLARNEY CASTLE OIL CO.	0909640-IN 0912448-IN	Diesel #2 - Dyed Diesel #2 - Dyed	43756 43756	10/15/2017 10/26/2017	09/15/2017 09/26/2017	851.66 1,221.64
							2,073.30
594-000-803.000	Administration CITY OF MANISTEE GENERA		Administration - Marina	20170495	10/01/2017	10/01/2017	2,771.00
							2,771.00
594-000-918.000	Utilities - Water CITY OF MANISTEE WATER	8/16/17-9/15/17	Water & Sewage Usage	20170496	09/28/2017	09/28/2017	600.15
							600.15
594-000-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 17	Electric Usage	43761	10/15/2017	09/20/2017	988.22
							988.22
Total Dept. 000:							37,887.09
 Dept: 905 DEBT SERVICE							
594-905-992.203	Interest - Internal CITY OF MANISTEE COMMOI		Marina Internal Loan Pmt	20170494	10/01/2017	10/01/2017	4,518.94
							4,518.94
Total Dept. DEBT SERVICE:							4,518.94
Total Fund MARINA FUND:							42,406.03
 Fund: 661 MOTOR POOL FUND							
Dept: 000							
661-000-981.104	DPW - Pickup NORTHSTAR AUTOMOTIVE	63118	Engine Replacement FD Pickup	43788	07/30/2017	07/30/2017	5,384.30
							5,384.30
Total Dept. 000:							5,384.30
Fund MOTOR POOL FUND:							5,384.30
 Fund: 703 CURRENT TAX COLLE							

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Dept: 000							
703-000-215.000	Due DDA DOWNTOWN DEVELOPMEN		2017 Summer Tax Distribution	43762	11/03/2017	10/04/2017	433.19
							433.19
703-000-221.000	Due City CITY OF MANISTEE GENERA		2017 Summer Tax Distribution	20170495	10/04/2017	10/04/2017	34,642.10
							34,642.10
703-000-221.001	Due Refuse CITY OF MANISTEE COMMOI		2017 Summer Tax Distribution	20170494	10/04/2017	10/04/2017	2,242.83
							2,242.83
703-000-221.002	Due City Admin CITY OF MANISTEE GENERA		2017 Summer Tax Distribution	20170495	10/04/2017	10/04/2017	709.44
							709.44
703-000-221.003	Due City Pen\Int CITY OF MANISTEE GENERA		2017 Summer Tax Distribution	20170495	10/04/2017	10/04/2017	2,921.95
							2,921.95
703-000-222.000	Due County MANISTEE COUNTY TREASL		2017 Summer Tax Dist. Ops	43778	10/04/2017	10/04/2017	10,727.38
							10,727.38
703-000-222.010	Due County - BR MANISTEE COUNTY TREASL		2017 Summer Tax Dist. County	43778	10/04/2017	10/04/2017	95.88
							95.88
703-000-228.001	Due State of MI - MANISTEE COUNTY TREASL		2017 Summer Tax Dist. SET	43778	10/04/2017	10/04/2017	11,797.09
							11,797.09
703-000-234.000	Due to Intermedi MANISTEE INTERMEDIATE S		2017 Summer Tax Distribution	43779	11/03/2017	10/04/2017	4,522.16
							4,522.16
703-000-235.000	Due Community WEST SHORE COMMUNITY (2017 Summer Tax Distribution	43797	11/03/2017	10/04/2017	6,028.06
							6,028.06
						Total Dept. 000:	74,120.08
			RENT TAX COLLECTION:				74,120.08
Fund: 705 DELINQUENT TAX COI							
Dept: 000							
705-000-215.000	Due DDA DOWNTOWN DEVELOPMEN		Delinquent Personal Prop Tax	43762	11/03/2017	10/04/2017	22.76
							22.76
705-000-221.000	Due City CITY OF MANISTEE GENERA		Delinquent Personal Prop Tax	20170495	10/04/2017	10/04/2017	644.72
							644.72
705-000-221.001	Due Refuse CITY OF MANISTEE COMMOI		Delinquent Personal Prop Tax	20170494	10/04/2017	10/04/2017	51.55
							51.55
705-000-221.002	Due City Admin CITY OF MANISTEE GENERA		Delinquent Personal Prop Tax	20170495	10/04/2017	10/04/2017	14.78
							14.78

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705-000-221.003	Due City Pen\Int CITY OF MANISTEE GENERA		Delinquent Personal Prop Tax	20170495	10/04/2017	10/04/2017	211.72
							211.72
705-000-222.000	Due County MANISTEE COUNTY TREASL		Delinquent Personal Prop Tax	43778	10/04/2017	10/04/2017	326.49
							326.49
705-000-225.000	Due MAPS Oper: MANISTEE AREA PUBLIC SCI		Delinquent Personal Prop Tax	43776	10/04/2017	10/04/2017	256.26
							256.26
705-000-225.001	Due MAPS Bond MANISTEE AREA PUBLIC SCI		Delinquent Personal Prop Tax	43776	11/03/2017	10/04/2017	99.09
							99.09
705-000-228.001	Due State of MI - MANISTEE COUNTY TREASL		Delinquent Personal Prop Tax	43778	10/04/2017	10/04/2017	273.54
							273.54
705-000-234.000	Due to Intermedi: MANISTEE INTERMEDIATE S		Delinquent Personal Prop Tax O	43779	11/03/2017	10/04/2017	104.83
							104.83
705-000-235.000	Due Community WEST SHORE COMMUNITY C		Delinquent Personal Prop Tax	43797	11/03/2017	10/04/2017	138.55
							138.55
						Total Dept. 000:	2,144.29
						DELINQUENT TAX COLLECTION:	2,144.29
						Grand Total:	505,619.30

Recap by Fund

Fund #	Fund Name	Amount To Pay	Amount To Relieve
101	GENERAL FUND	95,123.54	0.00
202	MAJOR STREET FUND	46,291.33	0.00
203	LOCAL STREET FUND	12,250.00	0.00
226	CITY REFUSE FUND	15,831.56	0.00
243	BROWNFIELD REDEVELOPMENT AUTH	3.15	0.00
272	PEG COMMISSION	833.33	0.00
275	GRANT MANAGEMENT FUND	8,337.50	0.00
297	RAMSDELL REGIONAL CENTER/ARTS	4,797.36	0.00
501	BOAT LAUNCH FUND	15,094.68	0.00
592	WATER & SEWER UTILITY	183,002.15	0.00
594	MARINA FUND	42,406.03	0.00
661	MOTOR POOL FUND	5,384.30	0.00
703	CURRENT TAX COLLECTION	74,120.08	0.00
705	DELINQUENT TAX COLLECTION	2,144.29	0.00
	Grand Total:	505,619.30	0.00

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Fund: 101 GENERAL FUND							
Dept: 101 LEGISLATIVE							
101-101-913.000	Travel & Training						
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	374.85
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	374.85
							749.70
Total Dept. LEGISLATIVE:							749.70
Dept: 172 MANAGER							
101-172-752.000	Supplies - Opera						
	JACKPINE BUSINESS CENTE	421064-0	Wal Calendar/ Wrist key ring	43822	11/16/2017	10/17/2017	18.11
							18.11
101-172-913.000	Travel & Training						
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	49.00
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	5.00
							54.00
101-172-933.000	Software Agree /						
	KOPY SALES INC.	106522	Cost Per Copy - Manager	20170524	10/13/2017	10/03/2017	45.50
							45.50
101-172-983.000	Lease Purchase						
	TEAM FINANCIAL GROUP INC	155162	Kyocera TA5052ci - Manager	20170534	10/27/2017	10/07/2017	165.26
							165.26
Total Dept. MANAGER:							282.87
Dept: 215 CLERK							
101-215-900.000	Printing & Publis						
	PIONEER GROUP/THE//	41100167	9/30/17 Advertisements	43831	10/20/2017	09/30/2017	37.63
							37.63
101-215-933.000	Software Agree /						
	KOPY SALES INC.	106519	Cost Per Copy - Clerk	20170524	10/13/2017	10/03/2017	63.80
							63.80
Total Dept. CLERK:							101.43
Dept: 253 FINANCE / TREASURE							
101-253-752.000	Supplies - Opera						
	JACKPINE BUSINESS CENTE	420732-0	Ribbon, Brother	43822	11/04/2017	10/05/2017	7.49
	JACKPINE BUSINESS CENTE	C420732-0	Return ribbon tw	43822	11/10/2017	10/11/2017	-7.49
	JACKPINE BUSINESS CENTE	420916-0	Ribbon, Brother	43822	11/11/2017	10/12/2017	7.29
	JACKPINE BUSINESS CENTE	421074-0	Onsite shop labor/ maint. kit/	43822	11/15/2017	10/16/2017	532.96
							540.25
101-253-913.000	Travel & Training						
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	531.92
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	3.00
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	321.30
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	37.95
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	29.39
							923.56
101-253-933.000	Software Agree /						
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	52.99
							52.99
Total Dept. FINANCE / TREASURER:							1,516.80

Dept: 262 ELECTIONS

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101-262-752.000	Supplies - Opera MICHIGAN ELECTION RESOI	39239	OVF Voeter ID Cards	43826	10/25/2017	09/25/2017	24.30
							24.30
101-262-900.000	Printing & Publis MICHIGAN ELECTION RESOI PIONEER GROUP/THE//	39299 41100167 9/30/17	AV Env. Outgoing/ Return, Advertisements	43826 43831	11/02/2017 10/20/2017	10/03/2017 09/30/2017	383.54 126.13
							509.67
						Total Dept. ELECTIONS:	533.97
Dept: 265 CITY HALL BUILDINGS							
101-265-752.000	Supplies - Opera FASTENAL COMPANY FASTENAL COMPANY FASTENAL COMPANY GILL-ROYS HARDWARE PURE WATER WORKS INC	MIMAN128186 MIMAN128356 MIMAN128355 1710-692060 300016	Paper hand towel Clorox wipes Pper hand twl/ Kleenex/ C Btry Blunt Tip Bulb Purified Water	20170520 20170520 20170520 43815 43836	10/27/2017 11/04/2017 11/04/2017 10/04/2017 09/29/2017	09/27/2017 10/05/2017 10/05/2017 10/04/2017 08/30/2017	76.95 19.26 119.15 20.97 26.00
							262.33
101-265-850.000	Communications CHARTER COMMUNICATION CHARTER COMMUNICATION	0138918100117 0140088100217	Monthly Service-70 Maple St SB Monthly Service-280 Washington	43806 43806	10/01/2017 10/02/2017	10/01/2017 10/02/2017	119.97 39.99
							159.96
101-265-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 2017	Electric Usage	43808	10/25/2017	09/30/2017	35.21
							35.21
101-265-921.000	Utilities - Natural DTE ENERGY	Sept 7 17-Oct 4 17	Gas Usage - 70 Maple St	43810	11/09/2017	10/10/2017	31.50
							31.50
101-265-930.000	Repairs/Maint - E GILL-ROYS HARDWARE GILL-ROYS HARDWARE GILL-ROYS HARDWARE GILL-ROYS HARDWARE KOORSEN FIRE AND SECUR	1709-673778 1709-673497 1710-688084 1710-688439 PINV053732	Gray Enamel/ Bristle Brush Rust reformer/ Bristle Brush Grout/ Blade Adhesive & Grout Annual fire ext inspec.City Ha	43815 43815 43815 43815 20170523	09/29/2017 09/29/2017 10/03/2017 10/03/2017 09/25/2017	09/29/2017 09/29/2017 10/03/2017 10/03/2017 09/25/2017	13.58 12.58 47.98 10.99 299.80
							384.93
						CITY HALL BUILDINGS & GROUNDS:	873.93
Dept: 275 GENERAL							
101-275-851.000	Postage EASYPERMIT POSTAGE8000-9090-0723-7170	Oct 17	Postage	20170518	10/08/2017	10/08/2017	2,229.62
							2,229.62
101-275-852.000	Communications CHARTER COMMUNICATION	0140088100217	Monthly Service-280 Washington	43806	10/02/2017	10/02/2017	0.00
							0.00
101-275-853.000	Communications VERIZON WIRELESS	9793266354	Monthly Service	43844	09/23/2017	09/23/2017	667.28
							667.28
101-275-920.001	Utilities - Electric CONSUMERS ENERGY	Sept 2017	Electric Usage	43808	10/25/2017	09/30/2017	8,734.76
							8,734.76
101-275-984.000	Computer Hardw I.T. RIGHT INC	20153350	Fiber Converter	20170522	10/04/2017	10/04/2017	166.59
							166.59

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Total Dept. GENERAL:							11,798.25
Dept: 301 POLICE							
101-301-721.000	Costs - Uniform/ SNYDER SHOE CORP	275022-13506	Boots - Pefley	43838	11/04/2017	10/05/2017	136.00
							136.00
101-301-723.000	Costs - Retiree P BACHMAN/DAVID// RILEY/JOHN S//		In Lieu of Blue Cross Insuranc In Lieu of Blue Cross Insuranc	20170515 20170531	10/25/2017 10/25/2017	10/25/2017 10/25/2017	250.00 250.00
							500.00
101-301-752.000	Supplies - Opera JACKPINE BUSINESS CENTE JACKPINE BUSINESS CENTE JACKPINE BUSINESS CENTE JACKPINE BUSINESS CENTE TRANSUNION RISK VERIZON WIRELESS	420235-0 420303-0 420919-0 421013-0 9/1/17-9/30/17 9793266354	Notebook, WB 3x5 Storage boxes DVD R 4.7 GB 16x Jumbo Clip/ Paper PD Investigations Monthly Service	43822 43822 43822 43822 20170535 43844	10/26/2017 10/27/2017 11/12/2017 11/12/2017 10/01/2017 09/23/2017	09/26/2017 09/27/2017 10/13/2017 10/13/2017 10/01/2017 09/23/2017	37.96 159.88 59.98 64.77 25.00 -249.99
							97.60
101-301-770.000	Vehicle Gas / Die BLARNEY CASTLE FLEET PR	BC177-10/6/17	Fuel Usage	20170516	10/20/2017	10/06/2017	1,176.05
							1,176.05
101-301-913.000	Travel & Training AXON ENTERPRISE, INC. PNC BANK PNC BANK	SI1504082 Sept 2017 Sept 2017	Cartridge - 15 Credit Card Charges Credit Card Charges	43802 43834 43834	10/02/2017 10/24/2017 10/24/2017	10/02/2017 09/29/2017 09/29/2017	322.10 143.19 143.19
							608.48
101-301-931.000	Repairs/Maint - E JACKPINE BUSINESS CENTE	420584-0	LED Display - TFT Activ	43822	11/02/2017	10/03/2017	149.99
							149.99
101-301-932.000	Repairs/Maint - \\ AUTO VALUE \ AUTO-WARES AUTO VALUE \ AUTO-WARES AUTO VALUE \ AUTO-WARES AUTO VALUE \ AUTO-WARES VANS TOWING	256-961809 256-961821 256-961831 256-961887 09150	Reman Starter Air Filter Int Manifold Set/ Supp Sprl PI Univ Comp Test Tow 602 from City hall to DPW	43801 43801 43801 43801 43843	11/02/2017 11/02/2017 11/02/2017 11/03/2017 10/03/2017	10/03/2017 10/03/2017 10/03/2017 10/04/2017 10/03/2017	141.99 12.95 125.27 39.99 50.00
							370.20
101-301-933.000	Software Agree / KOPY SALES INC.	106521	Cost Per Copy - Police	20170524	10/13/2017	10/03/2017	38.40
							38.40
Total Dept. POLICE:							3,076.72
Dept: 336 FIRE							
101-336-721.000	Costs - Uniform/ SPORTS INK SCREEN PRINT	6164	S/S Heliconia Tees w/logo	43839	10/11/2017	10/11/2017	67.20
							67.20
101-336-723.000	Costs - Retiree P JANOWIAK/DANIEL J// MODJESKI/MARK A// SCRIMGER/SID// SMITH/TIMM H//		In Lieu of Blue Cross Insuranc In Lieu of Blue Cross Insuranc In Lieu of Blue Cross Insuranc In Lieu of Blue Cross Insuranc	43824 20170529 20170532 20170533	10/25/2017 10/25/2017 10/25/2017 10/25/2017	10/25/2017 10/25/2017 10/25/2017 10/25/2017	250.00 250.00 250.00 250.00
							1,000.00
101-336-752.000	Supplies - Opera ABSOLUTE SAFETY, INC.	MCFD091017	Funnel for Type 1 gas can	43799	11/08/2017	10/09/2017	18.17

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	FASTENAL COMPANY	MIMAN128392	Paper twl/ Antibac Clnsr/Tissu	20170520	11/05/2017	10/06/2017	332.57
	GILL-ROYS HARDWARE	1710-707107	Paint Cup	43815	10/08/2017	10/08/2017	9.18
							359.92
101-336-770.000	Vehicle Gas / Die						
	BLARNEY CASTLE FLEET PR	BC177-10/6/17	Fuel Usage	20170516	10/20/2017	10/06/2017	596.45
							596.45
101-336-873.000	Education/Tuitior						
	HASKIN/BRENT//		Reimbursement Tuition	43820	10/17/2017	10/17/2017	978.00
	HASKIN/BRENT//		Reimbursement Tuition	43820	10/17/2017	10/17/2017	511.00
							1,489.00
101-336-900.000	Printing & Publis						
	JACKPINE BUSINESS CENTE	42110	Historical Firehouse Brochure	43822	11/08/2017	10/09/2017	105.00
							105.00
101-336-913.000	Travel & Training						
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	406.60
							406.60
101-336-921.000	Utilities - Natural						
	DTE ENERGY	Sep 7 - Oct 4 2017	Gas Usage-281 1st Street	43810	11/09/2017	10/10/2017	56.12
							56.12
101-336-930.000	Repairs/Maint - E						
	WAHR HARDWARE, INC.	C130013	Metal polish/ Steel wool	20170538	11/05/2017	10/06/2017	10.98
							10.98
101-336-931.000	Repairs/Maint - E						
	KOORSEN FIRE AND SECUR	PINV057339	Annual fire ext inspec./Rechrg	20170523	09/29/2017	09/29/2017	376.38
							376.38
101-336-932.000	Repairs/Maint - \						
	AUTO VALUE \ AUTO-WARES	256-962699	DOT AB male conn	43801	11/12/2017	10/13/2017	5.60
	AUTO VALUE \ AUTO-WARES	256-962721	DOT AB M Elbow	43801	11/12/2017	10/13/2017	35.77
	GILL-ROYS HARDWARE	1710-724768	Npple Hex Brs Bag/ Brs Elbow	43815	10/13/2017	10/13/2017	6.08
							47.45
101-336-933.000	Software Agree /						
	KOPY SALES INC.	106518	Cost Per Copy - Fire	20170524	10/13/2017	10/03/2017	30.00
							30.00
							Total Dept. FIRE: 4,545.10
Dept: 441 PUBLIC WORKS							
101-441-721.000	Costs - Uniform/t						
	MODEL COVERALL SERVICE	0699958	Uniform Cleaning-DPW	20170528	10/27/2017	09/27/2017	302.46
							302.46
101-441-752.000	Supplies - Opera						
	AUTO VALUE \ AUTO-WARES	256-961679	new car 3.5oz/ vanilla aroma	43801	11/01/2017	10/02/2017	8.58
	FASTENAL COMPANY	MIMAN128081	Purp glv/ Ice Glv/ Grey Lens/	20170520	10/21/2017	09/21/2017	48.13
	FASTENAL COMPANY	MIMAN128228	Pigskin Drv Glv/ GenPurp Glv	20170520	10/28/2017	09/28/2017	32.31
	JACKPINE BUSINESS CENTE	420310-0	Ppr Twl/ Tissue/Urn/ Scrn/Soap	43822	10/28/2017	09/28/2017	445.29
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	14.41
	PRAXAIR DISTRIBUTION INC	78928670	Oxygen USP K, USP D	20170530	09/15/2017	09/15/2017	54.54
	PRAXAIR DISTRIBUTION INC	79015107	Oxygen USP K, USP D	20170530	09/22/2017	09/22/2017	63.36
	PRAXAIR DISTRIBUTION INC	79123273	Oxygen USP D	20170530	09/28/2017	09/28/2017	45.54
	VERIZON WIRELESS	9793266354	Monthly Service	43844	09/23/2017	09/23/2017	199.99
	WAHR HARDWARE, INC.	C128784	Brush Sash/ Tape Pro Grade	20170538	10/22/2017	09/22/2017	9.98
							922.13
101-441-770.000	Vehicle Gas / Die						

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	BLARNEY CASTLE FLEET PR	BC177-10/6/17	Fuel Usage	20170516	10/20/2017	10/06/2017	2,444.99
	BLARNEY CASTLE FLEET PR	BC177-10/6/17	Fuel Usage	20170516	10/20/2017	10/06/2017	43.97
							2,488.96
101-441-900.000	Printing & Publis PIONEER GROUP/THE//	41100167 9/30/17	Advertisements	43831	10/20/2017	09/30/2017	168.00
							168.00
101-441-921.000	Utilities - Natural DTE ENERGY	9/7/17-10/4/17	Gas Usage - 280 Washington St	43810	11/09/2017	10/10/2017	52.23
							52.23
101-441-930.000	Repairs/Maint - E KOORSEN FIRE AND SECUR	PINV053703	Annual fire ext inspec.- DPW	20170523	09/24/2017	09/24/2017	1,004.81
							1,004.81
101-441-931.000	Repairs/Maint - E GALLOUP WAHR HARDWARE, INC.	S106233980.001 D66426	Hammond Brz 150 Bolts/ Hex Nut/ Bolts	20170521 20170538	10/21/2017 10/22/2017	09/21/2017 09/22/2017	55.68 31.87
							87.55
101-441-932.000	Repairs/Maint - \\ AUTO VALUE \ AUTO-WARES AUTO VALUE \ AUTO-WARES FREDRICKSON SUPPLY LLC TRUCK & TRAILER SPECIALT WEST MICHIGAN INTERNATI	256-960906 256-961400 2471 28914A R102003103:02	8MB-8FPX/ 6MB-8FPX Halogen Capsule/ 50lb gls bead Nipple-Sae/ Coupler PSI Stem Mount Gauge Warranty Work	43801 43801 43814 43841 20170540	10/22/2017 10/28/2017 10/20/2017 07/31/2017 07/21/2017	09/22/2017 09/28/2017 09/20/2017 07/31/2017 07/21/2017	7.88 58.08 219.76 58.66 196.80
							541.18
							Total Dept. PUBLIC WORKS: 5,567.32
Dept: 701 PLANNING & ZONING							
101-701-884.000	Historic District C PRESERVATION FORWARD	2	Historic Pres. Consultation	43835	10/04/2017	10/04/2017	200.00
							200.00
101-701-913.000	Travel & Training PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	19.00
							19.00
101-701-933.000	Software Agree / KOPY SALES INC.	106520	Cost Per Copy - Comm Dev	20170524	10/13/2017	10/03/2017	157.78
							157.78
							Total Dept. PLANNING & ZONING: 376.78
Dept: 751 PARKS & RECREATIOI							
101-751-752.000	Supplies - Opera FASTENAL COMPANY FASTENAL COMPANY JACKPINE BUSINESS CENTE PARKDALE BLOCK & BUILDIN WAHR HARDWARE, INC. WAHR HARDWARE, INC. WAHR HARDWARE, INC. WAHR HARDWARE, INC. WAHR HARDWARE, INC. WAHR HARDWARE, INC. WAHR HARDWARE, INC.	MIMAN128081 MIMAN128220 420312-0 24275 C128531 C128737 C128740 C128950 D66531 C129155 C129265	Purp glv/ Ice Glv/ Grey Lens/ Paper twl Paper Towel Precast Fire Ring Channellock Steel Line, Mason Brd Yel Level Tors Bit OBIT SQ Recess Plier/ Grv Joint Straight 5 gal pail /lid	20170520 20170520 43822 43830 20170538 20170538 20170538 20170538 20170538 20170538 20170538	10/21/2017 10/28/2017 10/28/2017 10/19/2017 10/19/2017 10/22/2017 10/22/2017 10/25/2017 10/25/2017 10/25/2017 10/27/2017 10/28/2017	09/21/2017 09/28/2017 09/28/2017 09/19/2017 09/19/2017 09/22/2017 09/22/2017 09/25/2017 09/25/2017 09/25/2017 09/27/2017 09/28/2017	48.12 140.54 75.98 164.00 17.99 8.49 40.49 2.18 2.98 32.98 11.96
							545.71
101-751-770.000	Vehicle Gas / Die BLARNEY CASTLE FLEET PR	BC177-10/6/17	Fuel Usage	20170516	10/20/2017	10/06/2017	751.02

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							751.02
101-751-850.000	Communications CHARTER COMMUNICATION	0138926100117	Monthly Service-108 Lakeshore	43806	10/01/2017	10/01/2017	39.99
							39.99
101-751-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 2017	Electric Usage	43808	10/25/2017	09/30/2017	84.70
							84.70
101-751-921.000	Utilities - Natural DTE ENERGY	9/4-10/4/17	Gas Usage - 580 Maple St	43810	11/09/2017	10/10/2017	34.74
							34.74
101-751-930.000	Repairs/Maint - E AMOR SIGN STUDIOS INC	10075	Deposit - Riverwalk Ent. Sign	20170514	10/27/2017	10/17/2017	785.50
	GRAMZA/LEROY F//	3911	Dup Keys/ Split Key Rings	43816	10/29/2017	09/29/2017	14.00
	WAHR HARDWARE, INC.	C128586	Anti Freeze	20170538	10/20/2017	09/20/2017	200.88
	WAHR HARDWARE, INC.	C128788	GFI Cvr Outdr/ GFCI Outlet	20170538	10/22/2017	09/22/2017	24.88
	WAHR HARDWARE, INC.	D66936	Blk Spray Paint	20170538	11/03/2017	10/04/2017	3.99
							1,029.25
101-751-931.000	Repairs/Maint - E AUTO VALUE \ AUTO-WARES	256-960793	Forged Pintle/ 10000GTW-7plate	43801	10/21/2017	09/21/2017	144.78
	AUTO VALUE \ AUTO-WARES	256-961896	Gloss Black	43801	11/03/2017	10/04/2017	13.17
	GRAND RENTAL STATION	1-553420	Grommet	43817	10/29/2017	09/29/2017	2.19
	GRAND RENTAL STATION	1-553427	Belt, Matched set	43817	10/29/2017	09/29/2017	68.85
	OLSON LUMBER COMPANY	111048	Treated Lumber/ Gravel Mix	43829	10/22/2017	09/22/2017	27.95
	WAHR HARDWARE, INC.	C129638	Wood Stain	20170538	11/01/2017	10/02/2017	8.99
	WAHR HARDWARE, INC.	D66896	Flat washer/hex nut	20170538	11/02/2017	10/03/2017	10.78
							276.71
Total Dept. PARKS & RECREATION:							2,762.12
Total Fund GENERAL FUND:							32,184.99
Fund: 202 MAJOR STREET FUND							
Dept: 000							
202-000-863.000	Traffic Services MICHAEL TODD & COMPANY	158078	Gal. U Channl Post/ Sch Xing,	43825	10/19/2017	09/19/2017	1,862.79
							1,862.79
202-000-864.000	Preservation Stre ELMER'S CRANE & DOZER, I	486648	6 sack Ext/ Chg Sml Load	43811	10/16/2017	09/22/2017	486.75
	PARKDALE BLOCK & BUILDIN	24166	4in expansion joint	43830	09/07/2017	08/08/2017	42.50
							529.25
Total Dept. 000:							2,392.04
Total Fund MAJOR STREET FUND:							2,392.04
Fund: 275 GRANT MANAGEMEN							
Dept: 901 LOCAL REVENUE SHA							
275-901-965.071	2016 Cycle 2 - Fi GILL-ROYS HARDWARE	1710-695849	Luann/ Wht Latex Enamel/ Hinge	43815	10/05/2017	10/05/2017	62.73
	WAHR HARDWARE, INC.	D67036	Hinge	20170538	11/04/2017	10/05/2017	6.58
							69.31
LOCAL REVENUE SHARING GRANTS:							69.31
GRANT MANAGEMENT FUND:							69.31

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Fund: 297 RAMSDELL REGIONAL							
Dept: 000							
297-000-752.000	Supplies - Opera						
	1000BULBS.COM	W00643291	18W LED Hybrid/ 60W LED	20170512	09/27/2017	09/27/2017	95.91
	FASTENAL COMPANY	MIMAN126461	Antibac soap	20170519	06/28/2017	06/28/2017	48.13
	SAVELA/ DOUG//		Reimbursement - Name Plates	43837	09/23/2017	09/23/2017	48.45
	SAVELA/ DOUG//		Reimbursement - Mirrors	43837	09/28/2017	09/28/2017	70.95
	ULINE, INC	90977633	All purp clnr/ Towels/ Tissue	20170536	10/03/2017	10/03/2017	396.12
	WAHR HARDWARE, INC.	C129836	Bolts	20170539	10/04/2017	10/04/2017	1.62
	WEST SHORE BANK	Sept 2017	Credit Card Charges	43846	09/25/2017	09/25/2017	49.99
	WEST SHORE BANK	Sept 2017	Credit Card Charges	43846	09/25/2017	09/25/2017	51.88
	WEST SHORE BANK	Sept 2017	Credit Card Charges	43846	09/25/2017	09/25/2017	32.56
	WEST SHORE BANK	Sept 2017	Credit Card Charges	43846	09/25/2017	09/25/2017	49.00
							844.61
297-000-801.000	Professional & C						
	VANDERWAL, SPRATTO & RI	12222	Prof. Serv. Sept. 2017	43842	09/30/2017	09/30/2017	100.00
							100.00
297-000-880.000	Marketing & Pror						
	PIONEER GROUP/THE//	00063117 9/30/17	Advertisements - Ramsdell	43832	10/20/2017	09/30/2017	835.00
	TRAVERSE MAGAZINE	2017-85298	MyNorth Newsletters	43840	10/21/2017	09/21/2017	250.00
	VERNA/XAVIER//	1412168138900583-2816705	Reimbursement - Facebook Prom	20170537	09/30/2017	09/30/2017	47.06
							1,132.06
297-000-881.000	Ramsdell - Conc						
	BOYER/CHARLES A.//INC	131964	Liquor Bond	43804	09/21/2017	09/21/2017	50.00
	GRAND RENTAL STATION	1-553421	Rental - Champagne Glasses	43818	10/30/2017	09/30/2017	59.16
	HELGE/SARAH//		Reimbursement GR Ballet Concer	43821	09/29/2017	09/29/2017	84.29
	JAFFE/ ROSALIND//		Reimbursement - GR Ballet Conc	43823	09/20/2017	09/20/2017	64.63
							258.08
297-000-881.001	Ramsdell - Movie						
	METROPOLITAN OPERAASS	HD31891	Norma Live 10/7/17	20170525	10/09/2017	10/09/2017	230.00
							230.00
297-000-881.002	Ramsdell - Prese						
	CLAVEAU/ JEFFREY M.//		Sound Tech - GR Ballet/ S Amer	43807	10/07/2017	10/07/2017	167.50
	MYNORTH MEDIA	2017-85536	MyNorth Ticket Fees-- Sept	43828	11/02/2017	10/03/2017	45.00
	PLUMMER/ RICK//	Payment #1	1st payment -- Director	43833	10/16/2017	10/16/2017	1,000.00
	WEST SHORE BANK	Sept 2017	Credit Card Charges	43846	09/25/2017	09/25/2017	38.74
							1,251.24
297-000-881.006	Ramsdell - Misc.						
	WRZESINSKI/DANIEL J//		Sound Tech - McLeod Wedding	43847	10/07/2017	10/07/2017	60.00
							60.00
297-000-900.000	Printing & Publis						
	JACKPINE BUSINESS CENTE	42042	GR Ballet Progam	43822	10/28/2017	09/28/2017	130.00
	JACKPINE BUSINESS CENTE	42088	Program - South American Sound	43822	11/05/2017	10/06/2017	71.50
							201.50
297-000-913.000	Travel & Training						
	WEST SHORE BANK	Sept 2017	Credit Card Charges	43846	09/25/2017	09/25/2017	44.00
							44.00
297-000-921.000	Utilities - Natural						
	DTE ENERGY	9/7/2017-10/4/2017	Gas Usage-101 Maple St	43810	11/09/2017	10/10/2017	188.31
							188.31
297-000-930.000	Repairs/Maint - E						
	CUSTOM SHEET METAL & HI	71455	Service call/ filter by lights	20170517	10/22/2017	09/22/2017	156.50
	KOORSEN FIRE AND SECUR	PINV053408	Annual fire ext inspec. - Rams	20170523	09/22/2017	09/22/2017	432.54

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592-542-770.000	Vehicle Gas / Die BLARNEY CASTLE FLEET PR	BC177-10/6/17	Fuel Usage	20170516	10/20/2017	10/06/2017	491.48
							491.48
592-542-824.000	Lab Testing WAHR HARDWARE, INC.	D66850	Freight	20170538	11/01/2017	10/02/2017	11.28
	WAHR HARDWARE, INC.	D66949	freight	20170538	11/03/2017	10/04/2017	11.83
							23.11
592-542-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 2017	Electric Usage	43808	10/25/2017	09/30/2017	4,888.46
							4,888.46
592-542-931.000	Repairs/Maint - E FAMILY FARM & HOME - MAN	4039/16	3 ft ST/LK Coil	43812	10/25/2017	09/25/2017	4.47
	MICHIGAN PIPE & VALVE	T81005	Curb stop, Thd Brass 90 Bend	20170526	10/25/2017	09/25/2017	482.85
	WAHR HARDWARE, INC.	D66950	Cartridge Filter	20170538	11/03/2017	10/04/2017	15.99
							503.31
Total Dept. WATER OPERATION:							6,500.28
Dept: 543 SEWER - WWTP							
592-543-721.000	Costs - Uniform/t MODEL COVERALL SERVICE	0699960	Uniform Cleaning - WWTP	20170528	10/27/2017	09/27/2017	41.99
	MODEL COVERALL SERVICE	0701439	Uniform Cleaning - WWTP	20170528	11/03/2017	10/04/2017	41.99
							83.98
592-543-752.000	Supplies - Opera FASTENAL COMPANY	MIMAN128034	Pigskin Glv	20170520	10/19/2017	09/19/2017	19.03
	FASTENAL COMPANY	MIMAN128200	Drvr Glv/ Drill Bit	20170520	10/27/2017	09/27/2017	25.31
	JACKPINE BUSINESS CENTE	420018-0	Toner	43822	10/19/2017	09/19/2017	69.99
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	30.00
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	459.53
	WAHR HARDWARE, INC.	C128982	Mildw Stain Remvr/Sfty Ylw Gal	20170538	10/25/2017	09/25/2017	37.96
	WAHR HARDWARE, INC.	C129051	4in line Marker Refill	20170538	10/26/2017	09/26/2017	7.98
	WAHR HARDWARE, INC.	C129721	4in line marker refill	20170538	11/02/2017	10/03/2017	11.97
							661.77
592-543-753.000	Supplies - Chem MINERAL MASTERS CORPOI	00040417	Chemical Cleaner NOI	20170527	10/29/2017	09/29/2017	1,979.29
							1,979.29
592-543-770.000	Vehicle Gas / Die BLARNEY CASTLE FLEET PR	BC177-10/6/17	Fuel Usage	20170516	10/20/2017	10/06/2017	145.25
							145.25
592-543-913.000	Travel & Training MWEA	E20038	Northern MI Operators Seminar	43827	09/13/2017	09/13/2017	130.00
							130.00
592-543-920.000	Utilities - Electric CONSUMERS ENERGY	Sept 2017	Electric Usage	43808	10/25/2017	09/30/2017	8,233.76
							8,233.76
592-543-921.000	Utilities - Natural DTE ENERGY	Sep 7, 2017 - Oct 4, 2017	Gas Usage - 15 9th St	43810	11/09/2017	10/10/2017	703.47
							703.47
592-543-930.000	Repairs/Maint - E ACTION WDI SPECIALIST INC	6260	General Spray - WWTP	20170513	10/19/2017	09/19/2017	140.00
	KOORSEN FIRE AND SECUR	PINV053695	Annual fire ext inspec. - WWTP	20170523	09/24/2017	09/24/2017	206.28
	WAHR HARDWARE, INC.	C129087	Roller Frame/ Tray Liner	20170538	10/26/2017	09/26/2017	7.36
	WAHR HARDWARE, INC.	C129156	Silicone/ Caulk Gun/ Pnt Thinr	20170538	10/27/2017	09/27/2017	37.26

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							390.90
592-543-931.000	Repairs/Maint - E						
	AUTO VALUE \ AUTO-WARES	256-961081	Oil Mat/ suction gun/ Oil Dri/	43801	10/25/2017	09/25/2017	50.83
	AUTO VALUE \ AUTO-WARES	256-961303	PM HP Syn 75W90	43801	10/27/2017	09/27/2017	32.36
							83.19
592-543-932.000	Repairs/Maint - \						
	AUTO VALUE \ AUTO-WARES	256-961151	12v 1080 CCA	43801	10/25/2017	09/25/2017	209.00
	AUTO VALUE \ AUTO-WARES	256-961157	Return 12V1080 CCA	43801	10/25/2017	09/25/2017	-48.00
							161.00
							Total Dept. SEWER - WWTP: 12,572.61
Dept: 544 SEWER COLLECTION							
592-544-721.000	Costs - Uniform/						
	MODEL COVERALL SERVICE	0699962	Uniform Cleaning-SewCollection	20170528	10/27/2017	09/27/2017	129.20
							129.20
592-544-931.000	Repairs/Maint - E						
	GRAND RENTAL STATION	1-553248	Diamond Disc 16 & 14 Conc Pren	43817	10/20/2017	09/20/2017	438.00
	GRAND RENTAL STATION	1-553426	22 tooth blade 20MM/ blade kit	43817	10/29/2017	09/29/2017	76.98
	PARKDALE BLOCK & BUILDIN	24252	Motar Spec Premix/ Org Rbr Glv	43830	10/08/2017	09/08/2017	18.25
							533.23
							ot. SEWER COLLECTION (STREETS): 662.43
Dept: 905 DEBT SERVICE							
592-905-992.015	2015 W/S Reven						
	BANK OF NEW YORK MELLO	MANIST15 Oct 2017	MNSTE MI WSS DSP SYS REV	43803	10/03/2017	10/03/2017	43,375.00
							43,375.00
							Total Dept. DEBT SERVICE: 43,375.00
							VATER & SEWER UTILITY: 63,742.57
Fund: 594 MARINA FUND							
Dept: 000							
594-000-752.000	Supplies - Opera						
	PNC BANK	Sept 2017	Credit Card Charges	43834	10/24/2017	09/29/2017	34.99
							34.99
594-000-880.000	Marketing & Pro						
	COOK /MARALEE//	7	Marina Facebook Advertising	43809	07/25/2017	07/25/2017	566.30
	COOK /MARALEE//	8	Marina Facebook Advertising	43809	10/09/2017	10/09/2017	457.00
							1,023.30
594-000-921.000	Utilities - Natural						
	DTE ENERGY	Sep 7-Oct 4 17	Gas Usage - 480 River St	43810	11/09/2017	10/10/2017	65.67
							65.67
							Total Dept. 000: 1,123.96
							otal Fund MARINA FUND: 1,123.96
Fund: 661 MOTOR POOL FUND							
Dept: 000							
661-000-981.106	DPW - Loader (S						
	WEST SHORE BANK		Komatsu Loader	43845	11/14/2017	10/16/2017	34,338.30
							34,338.30
							Total Dept. 000: 34,338.30

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Fund/Dept/Acct	Vendor Name	Invoice #	Invoice Desc.	Check #	Due Date	Invoice Date	Amount
							und MOTOR POOL FUND: 34,338.30
							Grand Total: 141,151.30

Recap by Fund

Fund #	Fund Name	Amount To Pay	Amount To Relieve
101	GENERAL FUND	32,184.99	0.00
202	MAJOR STREET FUND	2,392.04	0.00
275	GRANT MANAGEMENT FUND	69.31	0.00
297	RAMSDELL REGIONAL CENTER/ARTS	6,400.85	0.00
430	CAPITAL IMPROVEMENT FUND	750.00	0.00
501	BOAT LAUNCH FUND	149.28	0.00
592	WATER & SEWER UTILITY	63,742.57	0.00
594	MARINA FUND	1,123.96	0.00
661	MOTOR POOL FUND	34,338.30	0.00
	Grand Total:	141,151.30	0.00

City of Manistee, Michigan

BASIC FINANCIAL STATEMENTS

June 30, 2017

CITY OF MANISTEE, MICHIGAN

ORGANIZATION

MEMBERS OF THE CITY COMMISSION

MAYOR

JAMES SMITH

MAYOR PRO-TEM

ROGER ZIELINSKI

COUNCIL MEMBER

LYNDA BEATON

COUNCIL MEMBER

CHIP GOODSPEED

COUNCIL MEMBER

DALE COOPER

COUNCIL MEMBER

MARK WITTLIEFF

COUNCIL MEMBER

ERIN PONTIAC

APPOINTED OFFICERS

CITY MANAGER

THAD TAYLOR

CHIEF FINANCIAL OFFICER

EDWARD BRADFORD

CLERK/DEPUTY TREASURER

MICHELLE WRIGHT

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ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE

SUE A. BOWLBY, CPA, PRINCIPAL
KENNETH A. TALSMA, CPA, PRINCIPAL
AMBER N. MACK, CPA, PRINCIPAL

PHILLIP J. WOLF, CPA

MEMBER AICPA
DIVISION FOR CPA FIRMS

MEMBER MACPA

OFFICES IN
MICHIGAN & WISCONSIN

INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Manistee
Manistee, MI 49660

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, of the City of Manistee, Michigan, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Manistee Housing Commission, which represents 92 percent, 86 percent, and 80 percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Manistee Housing Commission, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the City Council
City of Manistee

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manistee, Michigan, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress and budgetary comparison information on pages 4 through 13, pages 52 through 54, and pages 55 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manistee, Michigan's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

To the City Council
City of Manistee

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2017 on our consideration of the City of Manistee, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Manistee, Michigan's internal control over financial reporting and compliance.



Anderson, Tackman & Company, PLC
Certified Public Accountants
Kincheloe, Michigan

October 5, 2017

Management's Discussion and Analysis

As management of the City of Manistee, Michigan (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that is furnished in the financial statements and notes to the financial statements.

Financial Highlights

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the fiscal year 2017 by \$35,711,324 (*net position*). Of this, \$2,315,612 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The government's total net position (including prior period adjustment) increased by \$2,894,468 or 8.4%.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,985,484, an increase of \$742,697 or 6.6% from the prior year.
- At the end of the current fiscal year, the total General Fund fund balance was \$1,093,119, an increase of \$165,579. Unassigned fund balance was \$1,002,379 or 16% of total General Fund expenditures and transfers out.
- The City's total long-term debt (including vested employee benefits and excluding leases) decreased by \$1,936,778.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise five components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements, 4) required supplementary information, and 5) other information.

Government-wide Financial Statements – The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (for example, earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include the legislative, general government, public safety, public works, community and economic development, recreation and culture, and other. The business-type activities of the City include water and sewer operations, Ramsdell Theatre, marina, and boat ramp.

The government-wide financial statements include not only the City (known as the *primary government*), but also three legally separate authorities – the Downtown Development Authority, the Friends of the Ramsdell and the Manistee Housing Commission – for which the City is financially accountable. Financial information for these *component units* is reported in the other information to these financial statements.

The government-wide financial statements can be found on pages 14-15 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 12 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Major and Local Streets, and Oil and Gas Funds, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

By May 15th of each year the City adopts an annual appropriated budget for general and special revenue funds for the coming fiscal year, which begins July 1st. Budgetary comparison statements have been provided herein to demonstrate compliance with those budgets for the major funds.

The basic governmental fund financial statements can be found on pages 16-18 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its Ramsdell Theatre, water and sewer, marina and boat ramp operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its motor pool. Because the service benefits the General, Major and Local Streets, and Water and Sewer Fund functions, the services have been allocated between the governmental and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water and Sewer Fund and the Ramsdell Theatre Fund, which are considered to be major funds of the City. Data from the other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 19-21 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 22 of this report.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-51 of this report.

Required supplementary information. Required supplementary information related to the City's employee retirement and benefit system and budgetary comparison information related to the City's major governmental funds can be found on pages 52-58 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information including the combining statements referred to earlier in connection with nonmajor governmental and proprietary funds which are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 59-63 of this report.

Component Units. Individual component unit financial statements can be found on pages 64-65.

Government-wide Financial Statements

A condensed version of the Statement of Net Position at June 30, 2017 follows:

City of Manistee
Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets						
Current Assets	\$ 13,108,754	\$ 12,333,852	\$ 1,862,630	\$ 3,550,251	\$ 14,971,384	\$ 15,884,103
Capital Assets	22,452,971	20,847,320	19,697,665	20,763,881	42,150,636	41,611,201
Total Assets	35,561,725	33,181,172	21,560,295	24,314,132	57,122,020	57,495,304
Deferred Outflows of Resources	1,064,822	1,198,810	67,968	80,946	1,132,790	1,279,756
Liabilities						
Current Liabilities	1,616,726	1,168,789	1,337,169	1,543,725	2,953,895	2,712,514
Noncurrent Liabilities	10,503,072	11,519,250	9,086,519	11,141,193	19,589,591	22,660,443
Total Liabilities	12,119,798	12,688,039	10,423,688	12,684,918	22,543,486	25,372,957
Deferred Inflows of Resources	-	550,132	-	35,115	-	585,247
Net Position						
Net Investment in Capital Assets	15,815,339	13,651,897	9,304,324	8,199,773	25,119,663	21,851,670
Restricted	8,276,049	8,196,765	-	51,300	8,276,049	8,248,065
Unrestricted	415,361	(706,851)	1,900,251	3,423,972	2,315,612	2,717,121
Total Net Position	\$ 24,506,749	\$ 21,141,811	\$ 11,204,575	\$ 11,675,045	\$ 35,711,324	\$ 32,816,856

The largest portion of the City’s net position \$25,119,663 (70%) reflects its net investment in capital assets (for example land, buildings, vehicles, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City’s net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot themselves be used to liquidate these liabilities.

A portion of the City’s net position of \$8,276,049 (24%) represents resources that are subject to external restrictions on how they may be used both for the City as a whole, as well as for its separate governmental and business-type activities. The balance in restricted net position reflects the charter-protected Oil and Gas fund, the City’s Bond Debt reserve, as well as other external restrictions. The remaining balance of unrestricted net position of \$2,315,612 (6%) may be used to meet the City’s ongoing obligations to citizens and creditors.

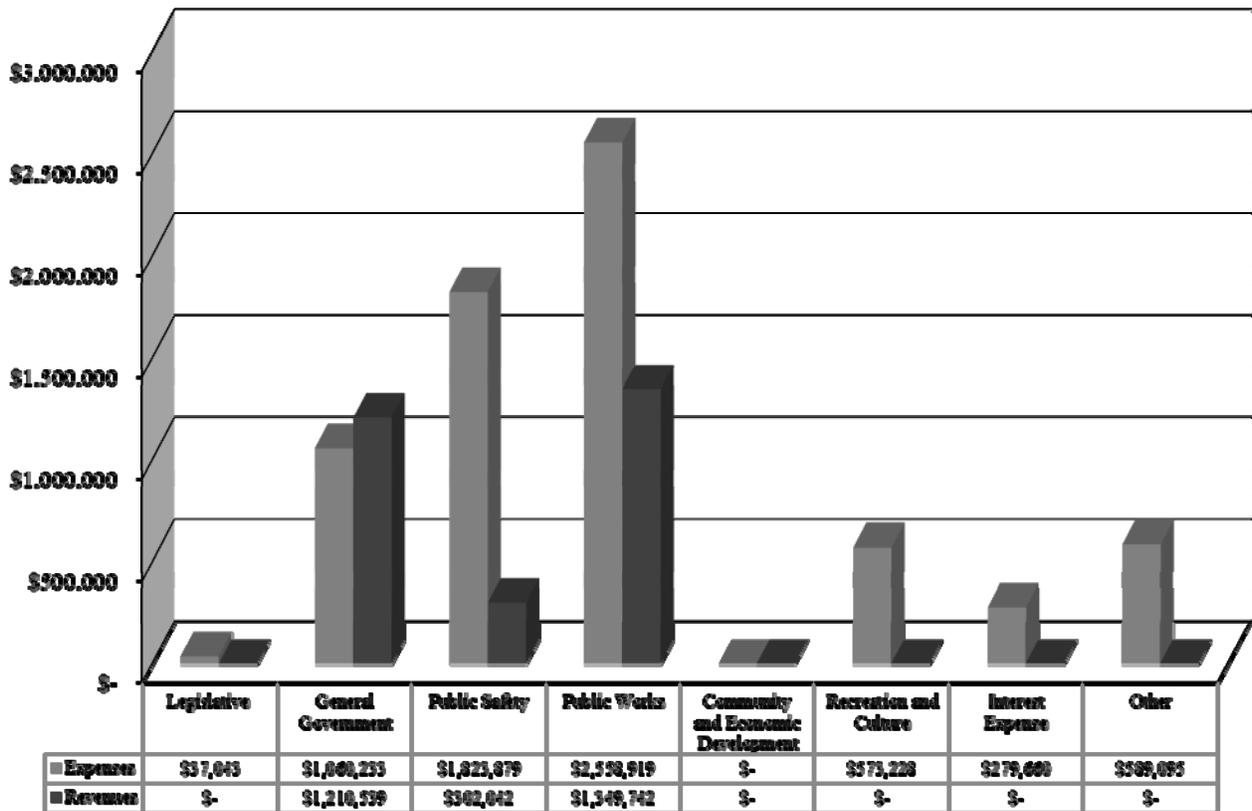
A condensed version of the Statement of Activities follows:

**City of Manistee
Condensed Statement of Changes in Net Position**

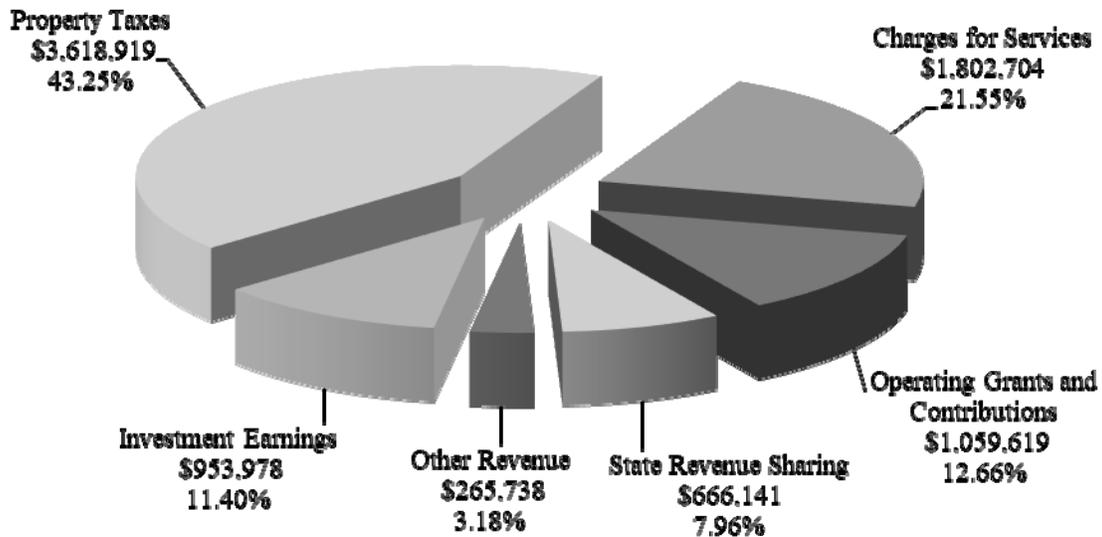
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues						
Program Revenues						
Charges for Services	\$ 1,802,704	\$ 2,080,748	\$ 4,001,512	\$ 4,075,413	\$ 5,804,216	\$ 6,156,161
Operating Grants and Contributions	1,059,619	844,738	923,816	268,545	1,983,435	1,113,283
General Revenues						
Property Taxes	3,618,919	3,519,468	-	-	3,618,919	3,519,468
State Revenue Sharing	666,141	630,626	-	-	666,141	630,626
Other Revenue	265,738	184,194	-	-	265,738	184,194
Appropriation to Non Profit	-	-	(834,500)	-	(834,500)	-
Interest Earnings	953,978	103,499	144,109	137,157	1,098,087	240,656
Total Revenues	8,367,099	7,363,273	4,234,937	4,481,115	12,602,036	11,844,388
Expenses						
Legislative	37,043	57,153	-	-	37,043	57,153
General Government	1,060,233	1,496,177	-	-	1,060,233	1,496,177
Public Safety	1,823,879	3,632,273	-	-	1,823,879	3,632,273
Public Works	2,558,919	2,833,316	-	-	2,558,919	2,833,316
Community and Economic Development	-	222,768	-	-	-	222,768
Recreation and Culture	573,228	677,579	-	-	573,228	677,579
Interest Expense	279,660	251,056	-	-	279,660	251,056
Other	589,095	371,008	-	-	589,095	371,008
Boat Ramp	-	-	36,166	38,897	36,166	38,897
Marina	-	-	220,258	235,432	220,258	235,432
Ramsdell Theatre	-	-	-	298,396	-	298,396
Water and Sewer	-	-	4,220,418	3,701,088	4,220,418	3,701,088
Total Expenses	6,922,057	9,541,330	4,476,842	4,273,813	11,398,899	13,815,143
Changes in Net Position before Transfers	1,445,042	(2,178,057)	(241,905)	207,302	1,203,137	(1,970,755)
Transfers	228,565	(63,819)	(228,565)	63,819	-	-
Changes in Net Position	1,673,607	(2,241,876)	(470,470)	271,121	1,203,137	(1,970,755)
Net Position - Beginning	21,141,811	23,383,687	11,675,045	11,403,924	32,816,856	34,787,611
Prior Period Adjustment	1,691,331	-	-	-	1,691,331	-
Restated Net Position - Beginning	22,833,142	23,383,687	11,675,045	11,403,924	34,508,187	34,787,611
Net Position - Ending	\$ 24,506,749	\$ 21,141,811	\$ 11,204,575	\$ 11,675,045	\$ 35,711,324	\$ 32,816,856

Governmental activities. Governmental activities increased the City’s ending net position by \$3,364,938.

Expenses and Program Revenues – Governmental Activities

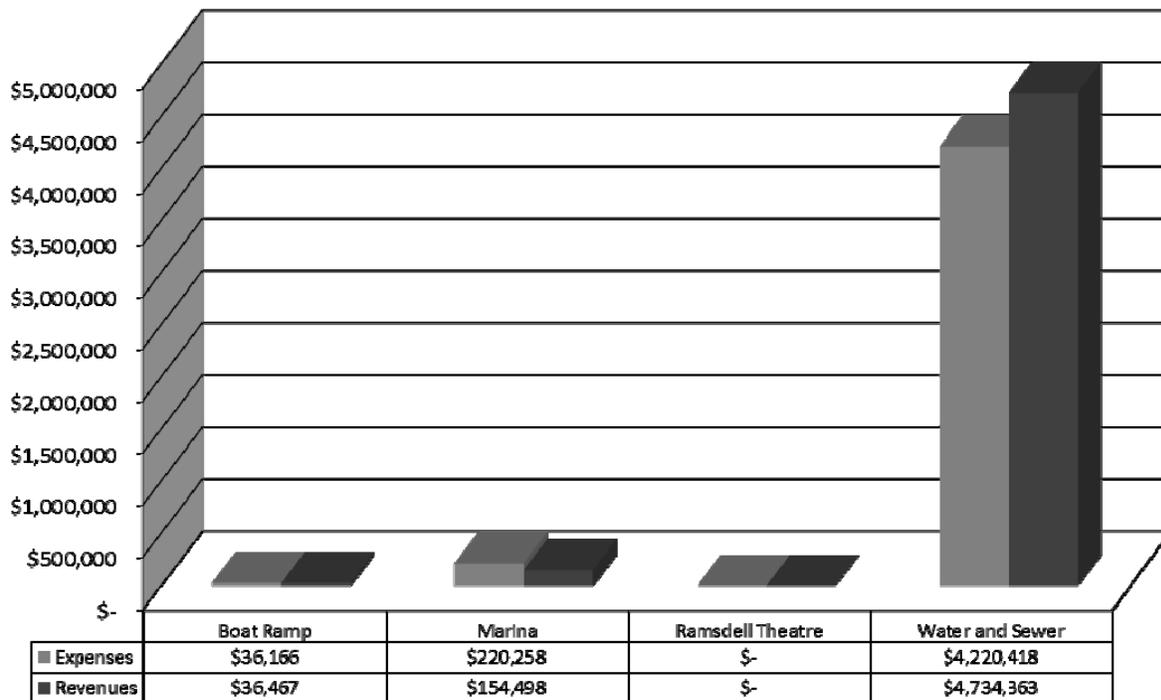


Revenues by Source – Governmental Activities



Business-type activities. Business-type activities decreased the ending City’s net position by \$470,470.

Expenses and Program Revenues – Business-type Activities



Financial Analysis of the Government’s Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City’s financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government’s net resources available for spending at the end of the fiscal year.

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$1,093,119, of which \$1,002,379 was unassigned. As a measure of the General Fund’s liquidity, it may be useful to compare unassigned fund balance to total fund expenditures, including transfers out.

The Oil and Gas Fund has a total fund balance of \$10,137,400, which increased by \$492,842 during the year. This increase is primarily due stronger market returns. The City Charter prevents the principal of this fund to be spent without a vote of the people.

Proprietary funds. The City’s proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Ramsdell Theatre, Water and Sewer, Boat Ramp and Marina Funds at the end of the year amounted to \$1,900,251 and net investment in capital assets, net of related debt amounted to \$9,304,324. The Ramsdell Theatre had a decrease in net position for the year of \$854,500, the Water and Sewer Funds had an increase of 384,489, while the Boat Ramp and Marina have a combined decrease of \$459.

General Fund Budgetary Highlights

During the year, General Fund budget variance of expenditures was underspent by \$161,660 when comparing final budget to actual. This was primarily due to less actual expenditures than anticipated for general government, public safety, and public works. General Fund revenues were more than anticipated by \$236,192. Further detail on budgetary highlights is found in the required supplementary information section of the audit report.

Capital Asset and Debt Administration

Capital Assets

The City’s net investment in capital assets as of June 30, 2017, amounted to \$42,150,636. This investment in capital assets includes land, land improvements, infrastructure, buildings and improvements, furniture and equipment, vehicles, and construction in progress. The total net decrease in the City’s investment in capital assets after depreciation for the current fiscal year was \$539,435. The following table summarizes the capital assets of the City as of year end:

**City of Manistee
Capital Assets
(net of depreciation, where applicable)**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 4,723,930	\$ 4,715,697	\$ 51,974	\$ 60,207	\$ 4,775,904	\$ 4,775,904
Construction in Progress	68,802	243,769	40,410	411,502	109,212	655,271
Land Improvements	3,024,288	3,059,294	256,481	279,210	3,280,769	3,338,504
Infrastructure	7,523,378	7,547,483	17,874,440	16,663,303	25,397,818	24,210,786
Buildings and Improvements	4,714,036	3,228,984	995,577	2,818,328	5,709,613	6,047,312
Vehicles	638,159	697,820	-	-	638,159	697,820
Furniture and Equipment	1,760,378	1,354,273	478,783	531,331	2,239,161	1,885,604
Total Capital Assets, Net	\$ 22,452,971	\$ 20,847,320	\$ 19,697,665	\$ 20,763,881	\$ 42,150,636	\$ 41,611,201

Additional information on the City’s capital assets can be found in Note 4 to the financial statements section of this report.

Long-Term Debt

At the end of the current fiscal year, the City had total long-term debt of \$17,995,685. Of this amount, \$7,330,000 comprises debt backed by the full faith and credit of the government. The remainder of the City’s debt represents loans and bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has capital leases that amounted to \$171,850 at the end of the fiscal year. The City’s total long-term debt (excluding vested employee benefits) decreased by \$1,814,626.

The following table summarizes the City’s outstanding debt as of the end of the year:

**City of Manistee
Outstanding Long-Term Debt**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Bonds	\$ 6,478,080	\$ 6,980,000	\$ 9,851,674	\$ 10,971,674	\$ 16,329,754	\$ 17,951,674
Notes Payable	508,542	533,311	-	-	508,542	533,311
Installment Loans	868,081	33,696	249,308	1,251,630	1,117,389	1,285,326
Total Long-Term Debt	\$ 7,854,703	\$ 7,547,007	\$ 10,100,982	\$ 12,223,304	\$ 17,955,685	\$ 19,770,311

Economic Factors and Next Year’s Budgets and Rates

The City of Manistee continues to weather the ongoing sluggish national and state economic recovery through sound budgeting, strategic planning and increased operational efficiencies. Although state-shared revenue has decreased by nearly 50% from its peak, it appears to have now stabilized. Property values have stabilized and are expected to slowly rise over the next few years. In addition, the phase-in of the personal property tax returns will impact future budgets.

In spite of ongoing revenue challenges, Manistee continues to provide a wide range of services. The last several years have seen aggressive City efforts to control costs through headcount reductions and health care reforms. Strategic restructuring of various departments has occurred to optimize efficiency and better utilize human resources. Room for future headcount reduction and/or increased efficiencies is rather limited without addressing service level expenditures. The City’s pension and retiree healthcare (OPEB) obligations are quite manageable compared to many communities across the State because of modest benefits and caps on health costs. However, recent MERS investment results and revised actuarial assumptions will result in higher pension costs moving forward. OPEB costs are well contained.

A comprehensive water and sewer rate study was implemented July 1, 2015. The new rate structure has raised revenue to address system maintenance needs. Utility agreements with neighboring townships will also be beneficial moving forward.

Component Units

Complete financial statements and management's discussion and analysis may be obtained from the Manistee Downtown Development Authority and the Manistee Housing Commission.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Manistee
Attn: Finance Director
70 Maple Street
Manistee, Michigan 49660 or;

via email at ebradford@manisteemi.gov or;

by visiting our website www.manisteemi.gov

Basic Financial Statements

Statement of Net Position
June 30, 2017

	Primary Government		Totals	Component Units
	Governmental Activities	Business-type Activities		
ASSETS:				
Cash and Equivalents - Unrestricted	\$ 1,161,028	\$ 747,717	\$ 1,908,745	\$ 797,885
Cash and Equivalents - Restricted	-	-	-	49,090
Investments - Restricted	10,930,835	726,531	11,657,366	-
Accounts Receivable	103,021	652,202	755,223	58,446
Notes Receivable	-	-	-	125,182
Due From Governmental Units	523,963	-	523,963	13,252
Internal Loans	296,359	(292,359)	4,000	-
Other Assets	-	-	-	20,697
Prepaid Items and Inventory	93,548	28,539	122,087	-
Capital Assets (Not Depreciated)	4,792,732	92,384	4,885,116	360,272
Capital Assets (Net of Accumulated Depreciation)	17,660,239	19,605,281	37,265,520	3,023,681
TOTAL ASSETS	35,561,725	21,560,295	57,122,020	4,448,505
DEFERRED OUTFLOWS OF RESOURCES:				
Pension Investment Experience and Contributions	1,064,822	67,968	1,132,790	43,657
LIABILITIES:				
Accounts Payable	547,719	42,706	590,425	38,231
Accrued Liabilities	105,194	20,468	125,662	26,452
Due to Other Governmental Units	-	-	-	33,614
Accrued Interest	78,660	41,288	119,948	-
Security Deposits	-	58,400	58,400	52,620
Unearned Revenue	1,218	-	1,218	19,186
Net Pension Obligation - Due in more than one year	3,850,558	109,094	3,959,652	7,578
Installment Loans Payable - Due within one year	5,616	24,307	29,923	-
Installment Loans Payable - Due in more than one year	22,464	225,001	247,465	-
Bonds Payable - Due within one year	555,000	1,150,000	1,705,000	-
Bonds Payable - Due in more than one year	5,895,000	8,701,674	14,596,674	-
Note Payable - Due within one year	159,944	-	159,944	-
Note Payable - Due in more than one year	348,598	-	348,598	500,000
Capital Leases - Due within one year	163,375	-	163,375	35,855
Capital Leases - Due in more than one year	8,475	-	8,475	1,118,148
OPEB Liability - Due in more than one year	123,474	-	123,474	-
Vested Employee Benefits- Due within one year	-	-	-	20,832
Vested Employee Benefits - Due in more than one year	254,503	50,750	305,253	6,997
TOTAL LIABILITIES	12,119,798	10,423,688	22,543,486	1,859,513
NET POSITION:				
Net Investment in Capital Assets	15,815,339	9,304,324	25,119,663	1,729,950
Restricted	8,276,049	-	8,276,049	-
Unrestricted	415,361	1,900,251	2,315,612	902,699
TOTAL NET POSITION	\$ 24,506,749	\$ 11,204,575	\$ 35,711,324	\$ 2,632,649

Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
Legislative	\$ 37,043	\$ -	\$ -	\$ -	(37,043)	\$ -	(37,043)	\$ -
General Government	1,060,233	1,176,239	34,300	-	150,306	-	150,306	-
Public Safety	1,823,879	25	302,017	-	(1,521,837)	-	(1,521,837)	-
Public Works	2,558,919	626,440	723,302	-	(1,209,177)	-	(1,209,177)	-
Recreation and Culture	573,228	-	-	-	(573,228)	-	(573,228)	-
Interest Expense	279,660	-	-	-	(279,660)	-	(279,660)	-
Other	589,095	-	-	-	(589,095)	-	(589,095)	-
Total Governmental Activities	6,922,057	1,802,704	1,059,619	-	(4,059,734)	-	(4,059,734)	-
Business-type Activities:								
Boat Ramp	36,166	36,467	-	-	-	301	301	-
Marina	220,258	154,498	-	-	-	(65,760)	(65,760)	-
Ramsdell Theatre	-	-	-	-	-	-	-	-
Water and Sewer	4,220,418	3,810,547	923,816	-	-	513,945	513,945	-
Total Business-type Activities	4,476,842	4,001,512	923,816	-	-	448,486	448,486	-
Total Primary Government	\$ 11,398,899	\$ 5,804,216	\$ 1,983,435	\$ -	(4,059,734)	448,486	(3,611,248)	-
Component Units:								
Public Works:								
Manistee Housing Commission	\$ 1,532,942	\$ 551,925	\$ 565,482	\$ 348,608	-	-	-	(66,927)
Recreation and Culture:								
Friends of the Ramsdell	206,662	28,660	129,420	-	-	-	-	(48,582)
Economic Development:								
Downtown Development Authority	332,778	66,251	-	-	-	-	-	(266,527)
Total Component Units	\$ 2,072,382	\$ 646,836	\$ 694,902	\$ 348,608	-	-	-	(382,036)
Total								
General Revenues and Transfers:								
Property Taxes	-	-	-	-	3,618,919	-	3,618,919	308,391
State Revenue Sharing	-	-	-	-	666,141	-	666,141	-
Investment Earnings/(Expense)	-	-	-	-	953,978	144,109	1,098,087	25,806
Rental Income	-	-	-	-	-	-	-	45,147
Other Revenue	-	-	-	-	265,738	-	265,738	157,623
Appropriation to Non Profit	-	-	-	-	-	(834,500)	(834,500)	-
Transfers	-	-	-	-	228,565	(228,565)	-	-
Total General Revenues and Transfers	-	-	-	-	5,733,341	(918,956)	4,814,385	536,967
Changes in Net Position	-	-	-	-	1,673,607	(470,470)	1,203,137	154,931
Net Position - Beginning	-	-	-	-	21,141,811	11,675,045	32,816,856	2,456,467
Prior Period Adjustment	-	-	-	-	1,691,331	-	1,691,331	21,251
Restated Net Position - Beginning	-	-	-	-	22,833,142	11,675,045	34,508,187	2,477,718
Net Position - Ending	\$ -	\$ -	\$ -	\$ -	\$ 24,506,749	\$ 11,204,575	\$ 35,711,324	\$ 2,632,649

Balance Sheet
Governmental Funds
June 30, 2017

	General	Major Street	Local Street	Permanent Fund Oil and Gas	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:						
Cash and Equivalents - Unrestricted	\$ 327,288	\$ 253,078	\$ 279,087	\$ 50,357	\$ 136,320	\$ 1,046,130
Investments - Restricted	553,205	251,650	-	9,773,670	-	10,578,525
Accounts Receivable	25,319	-	-	21,014	56,688	103,021
Due from Other Funds	4,000	28,833	-	-	-	32,833
Long-term Advance from Other Funds	-	-	-	292,359	-	292,359
Due from Governmental Units	322,808	168,979	32,176	-	-	523,963
Prepaid Items	90,740	-	-	-	-	90,740
TOTAL ASSETS	\$ 1,323,360	\$ 702,540	\$ 311,263	\$ 10,137,400	\$ 193,008	\$ 12,667,571
LIABILITIES:						
Accounts Payable	\$ 111,792	\$ 395,644	\$ 747	\$ -	\$ 38,659	\$ 546,842
Unearned Revenue	-	-	-	-	1,218	1,218
Accrued Payroll and Related Liabilities	105,194	-	-	-	-	105,194
Due to Other Funds	13,255	-	15,578	-	-	28,833
TOTAL LIABILITIES	230,241	395,644	16,325	-	39,877	682,087
FUND BALANCES:						
Nonspendable	90,740	-	-	7,614,075	-	7,704,815
Restricted	-	306,896	294,938	-	60,140	661,974
Committed	-	-	-	-	22,801	22,801
Assigned	-	-	-	2,523,325	70,190	2,593,515
Unassigned	1,002,379	-	-	-	-	1,002,379
TOTAL FUND BALANCES	1,093,119	306,896	294,938	10,137,400	153,131	11,985,484
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,323,360	\$ 702,540	\$ 311,263	\$ 10,137,400	\$ 193,008	

Reconciliation to amounts reported for governmental activities in the statement of net position:

Capital assets used by governmental activities	20,473,247
Vested employee benefits liability	(254,503)
Net pension obligation and deferred outflows	(2,785,736)
OPEB liability	(123,474)
Long-term notes and bonds payable for governmental activities	(6,490,378)
Accrued interest expense	(73,353)
Internal service funds included in governmental activities	1,775,462
Net position of governmental activities	\$ 24,506,749

**Statement of Revenues, Expenditures, and
Changes in Fund Balance - Governmental Funds
For the Year Ended June 30, 2017**

	General	Major Streets	Local Streets	Permanent Fund Oil and Gas	Nonmajor Governmental Funds	Totals Governmental Funds
REVENUES:						
Taxes	\$ 3,415,927	\$ -	\$ -	\$ -	\$ 202,992	\$ 3,618,919
Licenses and Permits	127,609	-	-	-	-	127,609
State Revenues	901,648	505,838	190,152	-	63,302	1,660,940
Local Revenues	-	-	-	-	34,300	34,300
Charges for Services	1,231,822	169,143	-	-	274,130	1,675,095
Interest and Rents	36,940	1,650	-	939,002	5,949	983,541
Other Revenue	257,555	-	-	-	9,140	266,695
TOTAL REVENUES	<u>5,971,501</u>	<u>676,631</u>	<u>190,152</u>	<u>939,002</u>	<u>589,813</u>	<u>8,367,099</u>
EXPENDITURES:						
Legislative	37,043	-	-	-	-	37,043
General Government	982,580	-	-	51,934	39,580	1,074,094
Public Safety	2,245,719	-	-	-	34,874	2,280,593
Public Works	1,121,064	783,807	172,015	-	486,593	2,563,479
Recreation and Cultural	395,531	-	-	-	3,744	399,275
Other Expenditures	544,200	-	-	-	-	544,200
Capital Outlay	-	-	-	-	42,791	42,791
Debt Service	775,066	-	-	-	144,926	919,992
TOTAL EXPENDITURES	<u>6,101,203</u>	<u>783,807</u>	<u>172,015</u>	<u>51,934</u>	<u>752,508</u>	<u>7,861,467</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(129,702)</u>	<u>(107,176)</u>	<u>18,137</u>	<u>887,068</u>	<u>(162,695)</u>	<u>505,632</u>
OTHER FINANCING SOURCES (USES):						
Lease Proceeds	8,500	-	-	-	-	8,500
Operating Transfers In	446,766	62,210	293,106	-	399,842	1,201,924
Operating Transfers Out	(159,985)	(100,947)	(80,947)	(394,226)	(237,254)	(973,359)
TOTAL OTHER FINANCING SOURCES (USES)	<u>295,281</u>	<u>(38,737)</u>	<u>212,159</u>	<u>(394,226)</u>	<u>162,588</u>	<u>237,065</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	165,579	(145,913)	230,296	492,842	(107)	742,697
FUND BALANCES, JULY 1	<u>927,540</u>	<u>452,809</u>	<u>64,642</u>	<u>9,644,558</u>	<u>153,238</u>	<u>11,242,787</u>
FUND BALANCES, JUNE 30	<u>\$ 1,093,119</u>	<u>\$ 306,896</u>	<u>\$ 294,938</u>	<u>\$ 10,137,400</u>	<u>\$ 153,131</u>	<u>\$ 11,985,484</u>

**Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2017**

Net changes in fund balances - total governmental funds \$ 742,697

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets is capitalized and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,015,857) and loss exceeded capital outlay \$612,683 in the current period. (403,174)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Principal payments 651,072
Proceeds of lease (8,500)

An internal service fund is used by management to charge the costs of certain activities, such as equipment costs, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. 45,977

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds:

Vested employee benefits 17,587
OPEB liability (2,104)
Change in pension Liability 640,792
Accrued interest (10,740)

Changes in net position of governmental activities \$ 1,673,607

**Statement of Net Position
Proprietary Funds
June 30, 2017**

	Business - type Activities Enterprise Funds				Governmental Activities
	Ramsdell Theatre	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
ASSETS:					
Cash and Equivalents - Unrestricted	\$ -	\$ 685,465	\$ 62,252	\$ 747,717	\$ 114,898
Investments - Restricted	-	726,531	-	726,531	352,310
Accounts Receivable	-	650,161	2,041	652,202	-
Prepaid Items	-	16,509	237	16,746	2,808
Inventory	-	-	11,793	11,793	-
Capital Assets (Not Depreciated)	-	45,410	46,974	92,384	-
Capital Assets (Net of Accumulated Depreciation)	-	18,369,301	1,235,980	19,605,281	1,979,724
TOTAL ASSETS	-	20,493,377	1,359,277	21,852,654	2,449,740
DEFERRED OUTFLOWS OF RESOURCES:					
Investments & Employer Contributions	-	67,968	-	67,968	-
LIABILITIES:					
Accounts Payable	-	35,640	7,066	42,706	877
Security Deposits	-	58,400	-	58,400	-
Accrued Payroll and Related Liabilities	-	17,788	2,680	20,468	-
Accrued Interest Payable	-	38,595	2,693	41,288	5,307
Long-term Advance to Other Funds	-	-	292,359	292,359	-
Vested Employee Benefits - Due in more than one year	-	50,750	-	50,750	-
Net Pension Obligation	-	109,094	-	109,094	-
Capital Lease - Due within one year	-	-	-	-	159,552
Installment Loans Payable - Due within one year	-	-	24,307	24,307	159,944
Installment Loans Payable - Due in more than one year	-	-	225,001	225,001	348,598
Bonds Payable - Due within one year	-	1,150,000	-	1,150,000	-
Bonds Payable - Due in more than one year	-	8,701,674	-	8,701,674	-
TOTAL LIABILITIES	-	10,161,941	554,106	10,716,047	674,278
NET POSITION:					
Net Investment in Capital Assets	-	8,563,037	741,287	9,304,324	1,820,172
Unrestricted	-	1,836,367	63,884	1,900,251	(44,710)
TOTAL NET POSITION	\$ -	\$ 10,399,404	\$ 805,171	\$ 11,204,575	\$ 1,775,462

**Statement of Revenues, Expenses, and
Changes in Net Position - Proprietary Funds
For the Year Ended June 30, 2017**

	Business - type Activities Enterprise Funds			Governmental Activities	
	Ramsdell Theatre	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
OPERATING REVENUES:					
Charges for Services	\$ -	\$ 3,774,802	\$ 185,632	\$ 3,960,434	\$ 312,396
Other Revenue	-	35,745	5,333	41,078	47,060
Total Operating Revenues	-	3,810,547	190,965	4,001,512	359,456
OPERATING EXPENSES:					
Personal Services	-	882,256	28,212	910,468	-
Contracted Services	-	873,403	-	873,403	-
Insurance	-	22,676	2,548	25,224	33,422
Administration	-	343,438	13,671	357,109	-
Equipment Rental	-	111,396	-	111,396	-
Supplies	-	120,508	71,570	192,078	-
Utilities	-	214,584	21,880	236,464	-
Repair and Maintenance	-	194,276	4,885	199,161	6,991
Depreciation	-	1,142,374	81,269	1,223,643	257,220
Miscellaneous	-	12,773	17,121	29,894	2,530
Total Operating Expenses	-	3,917,684	241,156	4,158,840	300,163
OPERATING INCOME (LOSS)	-	(107,137)	(50,191)	(157,328)	59,293
NON-OPERATING REVENUES (EXPENSES):					
Interest and Rents	-	144,109	-	144,109	2,310
State Grants	-	923,816	-	923,816	-
Appropriation to Non Profit	(834,500)	-	-	(834,500)	-
Interest Expense	-	(302,734)	(15,268)	(318,002)	(15,626)
Total Non-Operating Revenues (Expenses)	(834,500)	765,191	(15,268)	(84,577)	(13,316)
Income (Loss) Before Transfers	(834,500)	658,054	(65,459)	(241,905)	45,977
Operating Transfers In	-	394,226	65,000	459,226	-
Operating Transfers Out	(20,000)	(667,791)	-	(687,791)	-
CHANGES IN NET POSITION	(854,500)	384,489	(459)	(470,470)	45,977
NET POSITION, JULY 1	854,500	10,014,915	805,630	11,675,045	1,729,485
NET POSITION, JUNE 30	\$ -	\$ 10,399,404	\$ 805,171	\$ 11,204,575	\$ 1,775,462

**Statement of Cash Flows
Proprietary Fund Types
For the Year Ended June 30, 2017**

	Business - type Activities Enterprise Funds			Governmental Activities	
	Ramsdell Theatre	Water and Sewer	Nonmajor Enterprise Funds	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from Customers	\$ (2,020)	\$ 3,806,387	\$ 190,676	\$ 3,995,043	\$ 359,456
Payments to Suppliers	(932)	(2,030,266)	(127,222)	(2,158,420)	(42,339)
Payments to Employees	(8,204)	(878,651)	(27,714)	(914,569)	-
Internal Activity - Payments/Receipts with Other Funds	-	-	(48,445)	(48,445)	-
Net Cash Provided (Used) by Operating Activities	<u>(11,156)</u>	<u>897,470</u>	<u>(12,705)</u>	<u>873,609</u>	<u>317,117</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:					
Operating Transfers In	-	394,226	65,000	459,226	-
Operating Transfers Out	(20,000)	(667,791)	-	(687,791)	-
Net Cash Provided (Used) by Noncapital and Related Financing Activities	<u>(20,000)</u>	<u>(273,565)</u>	<u>65,000</u>	<u>(228,565)</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase/Sale of Capital Assets	1,774,397	(1,931,824)	-	(157,427)	(464,017)
State Grants	-	923,816	-	923,816	-
Note Proceeds	-	-	-	-	100,000
Appropriations	(834,500)	-	-	(834,500)	-
Interest Payments	(14,243)	(307,816)	(15,522)	(337,581)	(16,675)
Principal Payments	(978,778)	(1,120,000)	(23,544)	(2,122,322)	(146,944)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(53,124)</u>	<u>(2,435,824)</u>	<u>(39,066)</u>	<u>(2,528,014)</u>	<u>(527,636)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Net increase/(decrease) in investments	-	1,723,116	-	1,723,116	(352,310)
Interest Income	-	144,109	-	144,109	2,310
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>1,867,225</u>	<u>-</u>	<u>1,867,225</u>	<u>(350,000)</u>
Net Increase (Decrease) in Cash and Equivalents	<u>(84,280)</u>	<u>55,306</u>	<u>13,229</u>	<u>(15,745)</u>	<u>(560,519)</u>
Balances - Beginning of the Year	<u>84,280</u>	<u>630,159</u>	<u>49,023</u>	<u>763,462</u>	<u>675,417</u>
Balances - End of the Year	<u>\$ -</u>	<u>\$ 685,465</u>	<u>\$ 62,252</u>	<u>\$ 747,717</u>	<u>\$ 114,898</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ -	\$ (107,137)	\$ (50,191)	\$ (157,328)	\$ 59,293
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Depreciation Expense	-	1,142,374	81,269	1,223,643	257,220
Pension Obligations	-	(29,857)	-	(29,857)	-
Change in Assets and Liabilities:					
(Increase) Decrease in Assets:					
Accounts Receivable	2,410	(15,760)	(289)	(13,639)	-
Due from Other Funds	-	4,500	-	4,500	-
Prepaid Items and Inventory	1,333	1,604	3,407	6,344	(273)
Increase (Decrease) in Liabilities:					
Accounts Payable	(2,265)	(108,959)	1,046	(110,178)	877
Accrued Liabilities	(1,907)	1,873	498	464	-
Due to Other Funds	-	-	(48,445)	(48,445)	-
Customer Deposits	(4,430)	7,100	-	2,670	-
Vested Employee Benefits	(6,297)	1,732	-	(4,565)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ (11,156)</u>	<u>\$ 897,470</u>	<u>\$ (12,705)</u>	<u>\$ 873,609</u>	<u>\$ 317,117</u>

**Statement of Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2017**

	<u>Delinquent Tax</u>	<u>Payroll Clearing</u>	<u>Current Tax Collection</u>	<u>Totals</u>
ASSETS:				
Cash and Equivalents - Unrestricted	\$ 1,910	\$ 15,577	\$ 189,576	\$ 207,063
 TOTAL ASSETS	 <u>\$ 1,910</u>	 <u>\$ 15,577</u>	 <u>\$ 189,576</u>	 <u>\$ 207,063</u>
LIABILITIES:				
Due to Other Funds	-	4,000	-	4,000
Due to Others	-	-	189,576	189,576
Accrued Liabilities	1,910	11,577	-	13,487
 TOTAL LIABILITIES	 <u>\$ 1,910</u>	 <u>\$ 15,577</u>	 <u>\$ 189,576</u>	 <u>\$ 207,063</u>

Notes to Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Manistee conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the City of Manistee.

A. Reporting Entity

The City of Manistee (the “City”) is governed by a City Council elected by the community at large. The legislative body appoints a City Manager to administer the affairs of the City. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, parks and recreation, public improvements, planning and zoning and general administrative services. The City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14 and Statement No. 61, regarding the definition of the reporting entity.

Discretely Presented Component Units

Friends of the Ramsdell

In accordance with GASB Statement No. 61, the financial statements of the Friends of the Ramsdell are included as a discretely presented component unit in the financial statements of the City. A complete financial statement of the Friends of the Ramsdell is included within these financial Statements.

The Friends of the Ramsdell financial statements are prepared in accordance with the accounting standards established by the Financial Accounting Standards Board and accordingly, a reporting model different from that of the City is used. The Friends of Ramsdell financial statements included within reflect both models.

Manistee City Housing Commission

The Mayor, with approval of the City Council, appoints the members of the governing board of the Commission. The Commission’s fiscal year end is December 31, 2016. A complete financial statement of the Housing Commission can be obtained from the Executive Director, City of Manistee Housing Commission, Century Terrace, Manistee, Michigan 49660.

Downtown Development Authority (“DDA”)

The Mayor, with approval of the City Council, appoints the members of the governing board of the DDA. The City also has the ability to significantly influence the operations of the DDA. A complete financial statement of the DDA can be obtained from the City Finance Director, City of Manistee, 70 Maple Street, Manistee, Michigan 49660-0358.

Blended Component Units

Brownfield Redevelopment Authority

The Mayor, with approval of the City Council, appoints the members of the governing board of the Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority is reported as a blended component unit as a part of the City of Manistee’s financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-Wide Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from the legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as needed.

Fund Financial Statements. The fund financial statements provide information about the City's funds, including its fiduciary funds. Separate statements for each fund category – *governmental*, *proprietary*, and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Major Street Fund* accounts for the use of motor fuel taxes which are restricted by State statutes for major street and highway purposes.

The *Local Street Fund* accounts for the use of motor fuel taxes which are restricted by State statute for local street purposes.

The *Oil and Gas Fund* accounts for the use of money derived from oil and gas royalties which have been endowed in a permanent fund by action of the electors of the City of Manistee. The income from the endowment was previously pledged in prior bond financing arrangements as part of the revenue stream to the Water and Sewer Utility. This pledge is still in effect; however, the City has adjusted water and sewer rates to allow the water and sewer utility to be self-sufficient without this revenue stream and funds calculated pursuant to an endowment spending rule are being used for capital improvements, including streets.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The City reports the following major proprietary funds:

The *Water and Sewer Fund* is the City's major proprietary fund. It accounts for the activities of the City's water distribution, sewage disposal and treatment system.

The *Ramsdell Theatre Fund* accounts for the activities of the Ramsdell Theatre.

Additionally, the City reports the following fund types:

Special Revenue Funds. These funds account for revenue sources that are legally restricted to expenditures for specific purposes not including major capital projects.

Capital Project Funds. These funds account for the acquisition of capital assets or construction of major capital projects not being financed by proprietary funds.

Enterprise Funds. These funds account for the operations of the Boat Ramp and Marina funds.

Internal Service Fund. This fund accounts for operations that provide machinery and equipment to other departments of the City on a cost-reimbursement basis.

Agency Funds. These funds account for assets held for others in an agency capacity.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide, Proprietary and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, except for agency funds which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash is disbursed.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if they are collected within 60 days after year-end. Property taxes, state revenue, and interest are considered to be susceptible to accrual.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, compensated absences, and claims and judgments, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases, if any, are reported as other financing sources.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise and internal service funds are charges to customers for sales and services. Rent from the Ramsdell Theatre is also considered operating revenue. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance***Cash and Equivalents***

The City's cash and equivalents include cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Pooled investment income for all funds is allocated to each fund based on average cash balance. Deposits are recorded at cost.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reports as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes

The City's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through August 20th; as of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Manistee County.

Assessed values are established annually by the City, and subject to acceptance by the County, are equalized by the state at an estimated 50% of current market value. Real and personal property in the City for the 2016 levy were assessed and equalized at \$186,764,847 (not including properties subject to Industrial Facilities Tax Exemption), representing 50% of estimated current market value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government’s general operating tax rate for fiscal year 2017 was 17.7612 mills, with an additional 1.1500 mills levied for the City Refuse Fund.

Property taxes for the DDA are derived from a tax increment financing agreement between the DDA and other related taxing districts. Under this agreement, the DDA receives those property taxes levied on the increment of current taxable valuations (determined as of the preceding December 31, the lien date) over base year assessed valuations on certain property located in the City, which are within the DDA district. Property taxes are recognized in the fiscal year in which they are levied.

Inventories and Prepaids Items

Inventories are valued at cost on the first in, first out basis for proprietary fund types. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both governmental-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, and similar items), reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if any, is included as part of the capitalized value of the assets constructed. No such interest expense was incurred during the current fiscal year.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 to 60 years
Building Improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Roads	10 to 30 years
Other Infrastructure	10 to 30 years
Vehicles	3 to 5 years
Office Equipment	5 to 7 years
Computer Equipment	3 to 7 years

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plan and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Vested Employee Benefits (Vacation, Personal, and Sick Leave)***

Vacation and sick days for the City's salaried and some hourly employees are determined by the City's personnel policies, and the remaining City's hourly employees are determined by the union agreement between the City and the employees' union. The liability for these amounts will be included in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

Housing Commission

It is the Commission's policy to permit employees to accumulate a limited amount of earned but unused sick leave and vacation days. The liability for these compensated absences is recorded as short-term and long-term liabilities based on historical trends. In accordance with the provision of GASB Statement No. 16, no liability is recorded for non-vesting accumulating rights to received sick pay benefits.

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has pension items that qualify for reporting in this category.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has no items that qualify for reporting in this category.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are recorded as deferred inflows and outflows and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as period expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***Fund Balance Classification***

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- **Nonspendable**: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified Prepaid Items and Oil and Gas Principal accumulated royalties as being Nonspendable as these items are not expected to be converted to cash within the next year. The City has \$7,704,815 in Nonspendable fund balance.
- **Restricted**: This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The City has \$661,974 in restricted fund balance for Major and Local Streets, City Refuse, Brownfield Redevelopment Authority, and Grant Management funds.
- **Committed**: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the City. These amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The City has committed \$22,801 for vested employee benefits and capital project funds.
- **Assigned**: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the City through the budgetary process. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The City has assigned funds in the amount of \$2,593,515
- **Unassigned**: This classification includes the residual fund balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The City would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Procedures

Budgetary procedures are established pursuant to PA 621 of 1978, as amended, (MCL 141.421) which requires the City Council to approve a budget for the General Fund and all Special Revenue Funds. The Manager prepares a budget in accordance with the Act which is adopted by the Board at a public hearing each May. All budgets lapse at fiscal year end.

Budget Violations

Public Act 621 of 1978, as amended, requires budget amendments as needed to prevent actual expenditures from exceeding those provided for in the budget. Expenditures that exceeded appropriations by material amounts are listed on page 54 through 56.

NOTE 3 - CASH AND INVESTMENTS

At year end, the City’s cash and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Cash and Equivalents - Unrestricted	\$ 1,161,028	\$ 747,717	\$ 1,908,745	\$ 207,063	\$ 797,885
Cash and Equivalents – Restricted	-	-	-	-	49,090
Investments – Restricted	<u>10,930,835</u>	<u>726,531</u>	<u>11,657,366</u>	-	-
Total	<u>\$ 12,091,863</u>	<u>\$ 1,474,248</u>	<u>\$ 13,566,111</u>	<u>\$ 207,063</u>	<u>\$ 846,975</u>

Cash and investments of the Water and Sewer Fund are restricted by bond debt reserve requirements and for future construction in the amount of \$495,006. Investments in the Oil and Gas Fund are restricted by the related trust agreement.

The breakdown between cash and investments is as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>
Bank Deposits (checking and savings accounts, certificates of deposit and money market accounts)	\$ 1,905,845	\$ 207,063	\$ 846,975
Petty Cash and Cash on Hand	2,900	-	-
Investments	<u>11,657,366</u>	-	-
Total	<u>\$ 13,566,111</u>	<u>\$ 207,063</u>	<u>\$ 846,975</u>

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments

	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 – 5</u>	<u>6 – 10</u>	<u>More Than 10</u>	<u>Ratings</u>
Investments:						
US Treasury Securities \$	931,318	\$ 124,931	500,973	\$ 305,414	\$ -	AAA
Equity Securities	6,219,789	-	-	-	6,219,789	N/A
Asset backed Securities	226,728	-	-	-	226,728	AAA
Mutual Funds	267,355	267,355	-	-	-	AAA
Bond Funds	1,449,930	127,012	862,913	460,005	-	AA+
Money Market	2,482,854	2,482,854	-	-	-	N/A
Other Assets	<u>79,392</u>	<u>79,392</u>	-	-	-	N/A
Total Investments	<u>\$ 11,657,366</u>	<u>\$ 3,081,544</u>	<u>\$ 1,363,886</u>	<u>\$ 765,419</u>	<u>\$ 6,446,517</u>	

The City categorizes its fair value measurements of investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following fair value measurements as of year end:

- The Charles Swab oil and gas fund is valued using quoted market prices (Level 1 inputs).
- The Michigan Class investments are valued using a pricing model utilizing observable fair value measures of fund/pool investments and other observable inputs in determining the fair value of the securities making up the investments fund/pool (Level 2 inputs).
- The city does not have any investments that report fair value based on significant unobservable inputs (Level 3 inputs).

Interest rate risk. State law limits the allowable investments and maturities of some of the allowable investments as identified above. The City’s investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure of fair value losses arising from decreasing interest rates.

Credit risk. State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The City’s investment policy does not have specific limits in excess of state law or investment credit risk.

Custodial deposit credit risk. Custodial deposit credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. As of year end, \$3,604,845 of the City’s bank balance of \$4,204,845 was exposed to credit risk because it was uninsured and uncollateralized.

Concentration of credit risk. State law limits allowable investments but does not limit concentration of credit risk as identified above. The city’s investment policy also does not have specific limits in concentration of credit risk. None of the investments held by the City exceeds five percent of the City’s total investments.

NOTE 3 - CASH AND INVESTMENTS (Continued)

Fair value measurement. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the measurements required judgement and considers factors specific to each asset or liability.

The City has the following fair value measurements as of June 30, 2017:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Various Investments	\$ 10,578,525	\$ 9,773,670	\$ 804,855	\$ -

Statutory Authority:

Public Act 20 of 1943, entitled “An act relative to the investment of funds of public corporations of the state; and to validate certain investments,” by amending section 1 (MCL 129.91), as amended by 2009 PA 21.

Except as provided in section 5, the governing body by resolution may authorize its investment officer to invest the funds of that public corporation in one or more of the following:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, or depository receipts of a financial institution, but only if the financial institution complies with subsection (2); certificates of deposit obtained through a financial institution as provided in subsection (5); or deposit accounts of a financial institution as provided in subsection (6).
- c. Commercial paper rated at the time of purchase within the two highest classifications established by not less than two standard rating services and matures not more than 270 days after the date of purchase.
- d. Repurchase agreements consisting of instruments listed in subdivision (a).
- e. Bankers’ acceptances of United States banks.
- f. Obligations of this state or any of its political subdivisions that at the time of purchase are rated as investment grade by not less than one standard rating service.
- g. Mutual funds registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, with authority to purchase only investment vehicles that are legal for direct investment by a public corporation. However, a mutual fund is not disqualified as a permissible investment solely by reason of any of the following:
 - (i) The purchase of securities on a when-issued or delayed delivery basis.
 - (ii) The ability to lend portfolio securities as long as the mutual fund receives collateral at all times equal to at least 100% of the value of the securities loaned.
 - (iii) The limited ability to borrow and pledge a like portion of the portfolio’s assets for temporary or emergency purposes.

NOTE 3 - CASH AND INVESTMENTS (Continued)

- h. Obligations described in subdivisions (a) through (g) if purchased through an interlocal agreement under the urban cooperation act of 1967, 1967 (Ex Sess) PA 7, MCL 124.501 to 124.512.
- i. Investment pools organized under the surplus funds investment pool act, 1982 PA 367, MCL 129.111 to 129.118.
- j. The investment pools organized under the local government investment pool act, 1985 PA 121, MCL 129.141 to 129.150.

The City’s deposits and investment policy are in accordance with statutory authority.

The Oil and Gas funds are invested pursuant to Section 7 MCL 129.97

These deposits are in various financial institutions in varying amounts. All accounts are in the name of the City and specific funds. They are recorded in City records at cost. Interest is recorded when the deposits mature or is credited to the applicable account.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the primary government for the current year was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 4,715,697	\$ -	\$ 8,233	\$ 4,723,930
Construction in Progress	<u>243,769</u>	<u>13,323</u>	<u>(188,290)</u>	<u>68,802</u>
Subtotal	<u>4,959,466</u>	<u>13,323</u>	<u>(180,057)</u>	<u>4,792,732</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	5,276,592	128,960	-	5,405,552
Infrastructure	11,057,125	462,876	-	11,520,001
Buildings and Improvements	6,525,561	6,060	2,393,981	8,925,602
Vehicles	2,638,513	87,260	(310,349)	2,415,424
Furniture and Equipment	<u>3,152,719</u>	<u>596,737</u>	<u>(114,093)</u>	<u>3,635,363</u>
Subtotal	<u>28,650,510</u>	<u>1,281,893</u>	<u>1,969,539</u>	<u>31,901,942</u>
<i>Less accumulated depreciation for:</i>				
Land Improvements	(2,217,298)	(163,966)	-	(2,381,264)
Infrastructure	(3,509,642)	(486,981)	-	(3,996,623)
Buildings and Improvements	(3,296,577)	(288,159)	(626,830)	(4,211,566)
Vehicles	(1,940,693)	(143,340)	306,768	(1,777,265)
Furniture and Equipment	<u>(1,798,446)</u>	<u>(190,632)</u>	<u>114,093</u>	<u>(1,874,985)</u>
Subtotal	<u>(12,762,656)</u>	<u>(1,273,078)</u>	<u>(205,969)</u>	<u>(14,241,703)</u>
Net Capital Assets Being Depreciated	<u>15,887,854</u>	<u>8,815</u>	<u>1,763,570</u>	<u>17,660,239</u>
Capital Assets – Net	<u>\$ 20,847,320</u>	<u>\$ 22,138</u>	<u>\$ 1,583,513</u>	<u>\$ 22,452,971</u>

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities		
General Government		\$ 146,764
Public Safety		44,622
Public Works		522,599
Recreation and Culture		301,872
Internal Service		<u>257,221</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 1,273,078</u>

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-type Activities:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 60,207	\$ -	\$ (8,233)	\$ 51,974
Construction in Progress	<u>411,502</u>	<u>-</u>	<u>(371,092)</u>	<u>40,410</u>
Subtotal	<u>471,709</u>	<u>-</u>	<u>(379,325)</u>	<u>92,384</u>
<i>Capital assets being depreciated:</i>				
Land Improvements	424,960	-	-	424,960
Building and Improvements	3,850,871	-	(2,393,981)	1,456,890
Infrastructure	35,664,387	2,281,372	-	37,945,759
Equipment	<u>1,300,007</u>	<u>22,531</u>	<u>-</u>	<u>1,322,538</u>
Subtotal	<u>41,240,225</u>	<u>2,303,903</u>	<u>(2,393,981)</u>	<u>41,150,147</u>
<i>Less accumulated depreciation for:</i>				
Land Improvements	(145,750)	(22,729)	-	(168,479)
Building and Improvements	(1,032,543)	(55,600)	626,830	(461,313)
Infrastructure	(19,001,084)	(1,070,235)	-	(20,071,319)
Equipment	<u>(768,676)</u>	<u>(75,079)</u>	<u>-</u>	<u>(843,755)</u>
Subtotal	<u>(20,948,053)</u>	<u>(1,223,643)</u>	<u>626,830</u>	<u>(21,544,866)</u>
Net Capital Assets Being Depreciated	<u>20,292,172</u>	<u>1,080,260</u>	<u>(1,767,151)</u>	<u>19,605,281</u>
Capital Assets – Net	<u>\$ 20,763,881</u>	<u>\$ 1,080,260</u>	<u>\$ (2,146,476)</u>	<u>\$ 19,697,665</u>

Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-type Activities		
Water and Sewer		\$ 1,142,374
Boat Ramp		24,475
Marina		<u>56,794</u>
Total Depreciation Expense - Business-type Activities		<u>\$ 1,223,643</u>

NOTE 4 - CAPITAL ASSETS (Continued)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Manistee Housing Commission:				
<i>Capital assets not being depreciated:</i>				
Land	\$ 360,272	\$ -	\$ -	\$ 360,272
Construction in Progress	<u>135,078</u>	<u>-</u>	<u>(135,078)</u>	<u>-</u>
Subtotal	<u>495,350</u>	<u>-</u>	<u>(135,078)</u>	<u>360,272</u>
<i>Capital assets being depreciated:</i>				
Buildings	10,005,526	473,482	-	10,479,008
Furniture and Equipment – Dwell	259,242	6,319	(12,429)	253,132
Furniture and Equipment – Admin.	<u>520,621</u>	<u>54,305</u>	<u>(21,339)</u>	<u>553,587</u>
Subtotal	<u>10,785,389</u>	<u>534,106</u>	<u>(33,768)</u>	<u>11,285,727</u>
<i>Less accumulated depreciation:</i>				
Buildings	(7,278,311)	(266,715)	-	(7,545,026)
Furniture and Equipment – Dwell	(225,606)	(7,867)	9,924	(223,549)
Furniture and Equipment – Admin.	<u>(491,609)</u>	<u>(23,201)</u>	<u>21,339</u>	<u>(493,471)</u>
Subtotal	<u>(7,995,526)</u>	<u>(297,783)</u>	<u>31,263</u>	<u>(8,262,046)</u>
Net Capital Assets Being Depreciated	<u>2,789,863</u>	<u>236,323</u>	<u>(2,505)</u>	<u>3,023,681</u>
Capital Assets - Net	<u>\$ 3,285,213</u>	<u>\$ 236,323</u>	<u>\$ (137,583)</u>	<u>\$ 3,383,953</u>

Depreciation expense for the year ended December 31, 2016 was \$297,783.

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The City reports interfund balances between many of its funds. Some of the balances are considered immaterial and are aggregated into a single column or row. The total of all balances agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds, proprietary funds, and fiduciary funds. Interfund transactions resulting in interfund receivables and payables are as follows:

		DUE FROM OTHER FUNDS		
		<u>General</u>	<u>Major Streets</u>	<u>Total</u>
DUE TO OTHER FUNDS	General	\$ -	\$ 13,255	\$ 13,255
	Local Streets	-	15,578	15,578
	Fiduciary	<u>4,000</u>	<u>-</u>	<u>4,000</u>
	Total	<u>\$ 4,000</u>	<u>\$ 28,833</u>	<u>\$ 32,833</u>

NOTE 5 - INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (Continued)

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

LONG-TERM ADVANCES TO OTHER FUNDS	LONG-TERM ADVANCES FROM OTHER FUNDS	
		Oil and Gas
Boat Ramp	\$	68,476
Marina		<u>223,883</u>
Total	\$	<u>292,359</u>

TRANSFERS IN	TRANSFERS (OUT)							
	General	Major Streets	Local Streets	Oil and Gas	Nonmajor Governmental	Ramsdell Theater	Water and Sewer	Total
General	\$ -	\$ -	\$ 80,947	\$ -	\$ 72,254	\$ 20,000	\$ 273,565	\$ 446,766
Major Streets	52,210	-	-	-	10,000	-	-	62,210
Local Streets	102,159	100,947	-	-	90,000	-	-	293,106
Nonmajor Governmental	5,616	-	-	-	-	-	394,226	399,842
Water and Sewer	-	-	-	394,226	-	-	-	394,226
Nonmajor Enterprise	-	-	-	-	65,000	-	-	65,000
Total	<u>\$ 159,985</u>	<u>\$ 100,947</u>	<u>\$ 80,947</u>	<u>\$ 394,226</u>	<u>\$ 237,254</u>	<u>\$ 20,000</u>	<u>\$ 667,791</u>	<u>\$ 1,661,150</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) moves receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 6 - LONG-TERM DEBT

Primary Government

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. City contractual agreements and installment purchase agreements are also general obligations of the City. Revenue bonds involve a pledge of specified income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate	Principal Matures	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>Governmental Activities</u>							
Bonds:							
2010 DDA Limited Tax General Obligation Bond	2.00 to 4.00%	2020	510,000	\$ -	\$ 120,000	\$ 390,000	\$ 125,000
2010 Tax General Obligation	2.00 to 4.65%	2031	4,715,000	-	235,000	4,480,000	245,000
2013 General Obligation Refunding Bond	2.00 to 2.50%	2024	1,755,000	-	175,000	1,580,000	185,000
Michigan Economic Development Corporation Loan	0.0%	2022	33,696	-	5,616	28,080	5,616
Notes Payable:							
Braun Ambulance	2.70%	2022	182,514	-	23,990	158,524	24,660
Plow Truck	1.33%	2018	60,797	-	30,197	30,600	30,600
Plow Truck			290,000	-	70,582	219,418	71,846
Small Loader			-	100,000	-	100,000	32,838
Installment Loans:							
Ramsdell Theatre – Roof	3.99%	2017	35,488	-	35,488	-	-
Ramsdell Theatre -- HVAC	3.64%	2027	943,290	-	75,209	868,081	77,978
Subtotal			8,525,785	100,000	771,082	7,854,703	798,538
Vested Employee Benefits			272,090	-	17,587	254,503	-
Total Governmental Activities			<u>8,797,875</u>	<u>100,000</u>	<u>788,669</u>	<u>8,109,206</u>	<u>798,538</u>
<u>Business-type Activities</u>							
Bonds:							
1997 General Obligation Revenue Bonds	2.25%	2017	35,000	-	35,000	-	-
1998 General Obligation Bonds	2.25%	2019	480,000	-	155,000	325,000	160,000
1999 General Obligation Bonds	2.50%	2021	685,000	-	130,000	555,000	135,000
2005 Water & Sewer Refunding Bonds	3.25 to 4.25%	2028	3,100,000	-	530,000	2,570,000	585,000
2006 SRF Water & Sewer Bonds	1.63%	2027	1,612,270	-	140,000	1,472,270	140,000
2010 SRF Water & Sewer Bonds	2.50%	2031	521,075	-	30,000	491,075	30,000
2010 DWRF Water & Sewer Bonds	2.50%	2031	365,000	-	20,000	345,000	20,000
2011 DWRF Water & Sewer Bonds	2.50%	2031	352,555	-	20,000	332,555	20,000
2011 SRF Water & Sewer Bonds	2.50%	2031	1,050,774	-	60,000	990,774	60,000
2015 Water & Sewer Revenue Bonds			2,770,000	-	-	2,770,000	-
Installment Loans:							
Marina Debt	3.24%	2026	272,852	-	23,544	249,308	24,307
Subtotal			11,244,526	-	1,143,544	10,100,982	1,174,307
Vested Employee Benefits			55,315	-	4,565	50,750	-
Total Business-type Activities			<u>11,299,841</u>	<u>-</u>	<u>1,148,109</u>	<u>10,151,732</u>	<u>1,174,307</u>
Total Long-Term Debt – Primary Government			<u>\$20,097,716</u>	<u>\$ 100,000</u>	<u>\$ 1,936,778</u>	<u>\$18,260,938</u>	<u>\$ 1,972,845</u>

NOTE 6 - LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for the above obligations are as follows:

	Governmental Activities		Business-type Activities	
	Bonds/Installment Notes Payable		Bonds/Installment Notes Payable	
	Principal	Interest	Principal	Interest
Fiscal:				
2018	\$ 798,538	\$ 271,447	\$ 1,174,307	\$ 281,249
2019	798,264	249,024	1,215,095	244,505
2020	828,743	224,256	1,265,908	204,425
2021	614,265	200,974	611,747	175,067
2022	643,203	180,749	490,169	160,757
2023-2027	2,606,690	589,318	2,561,907	603,857
2028-2032	1,565,000	147,626	1,771,849	292,445
2033-2036	-	-	1,010,000	66,950
TOTALS	\$ 7,854,703	\$ 1,863,394	\$ 10,100,982	\$ 2,029,255

Component Unit – Housing Commission

MSHDA Mortgages – In 2007, the Commission, through MSHDA, a government agency, borrowed \$326,000 maturing December 2047 and in 2008 borrowed \$174,000 maturing December 2048. These are three forgivable mortgages that are non-interest bearing and secured by property and buildings. If the properties mortgaged are continuously used in the Domestic Violence program, the mortgages are forgivable over the 40 year term; 25% for each 10 years that the houses stay in the program. The Commission is required by the loan agreement to deposit money each year in a reserve account to cover maintenance and repairs for the homes over the term of the loans. The amount deposited in the reserve account as of December 31, 2016 was \$63,599.

Note obligation activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Housing Commission					
Mortgage 1 MSHDA	\$ 166,000	\$ -	\$ -	\$ 166,000	\$ -
Mortgage 2 MSHDA	160,000	-	-	160,000	-
Mortgage 3 MSHDA	<u>174,000</u>	<u>-</u>	<u>-</u>	<u>174,000</u>	<u>-</u>
Total Notes Payable	500,000	-	-	500,000	-
Compensated Absences	<u>26,689</u>	<u>2,280</u>	<u>1,140</u>	<u>27,829</u>	<u>20,832</u>
Total Component Unit Long-Term Debt	\$ 526,689	\$ 2,280	\$ 1,140	\$ 527,829	\$ 20,832

Since the MSHDA mortgage payables are forgivable over 40 years there are no future debt service requirements as of December 31, 2016.

NOTE 7 - LEASES

Capital Lease – Housing Commission – In November 2009, the Commission entered into an equipment lease-purchase agreement to acquire equipment under an energy performance contract to update the heating and efficiency of several properties. The total amount of the contract is \$1,287,635, which began in January 2010 and was all committed as of December 31, 2010. Principal payments commenced March 2010. Interest from inception to March 2010 in the amount of \$19,981 was added to principal. The agreement ends in July 2030. The balance as of December 31, 2016 is \$1,132,373. The current portion is \$31,245 and interest expense is \$73,378

Capital Lease – Housing Commission – In March 2016, the Commission entered into an equipment lease-purchase agreement to acquire equipment. The total amount of the contract is \$25,036, with interest rate of 5.95%. Principal payments commenced April 2016. The agreement ends in March 2021. The balance as of December 31, 2016 is \$21,630. The current portion is \$4,610 and interest expense is \$924.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Beginning Balance</u>	<u>Due Within One Year</u>
EPC Capital Lease	\$ 1,158,264	\$ -	\$ 25,891	\$ 1,132,373	\$ 31,245
Equipment Lease Purchase	-	21,630	-	21,630	4,610
Total Capital Leases	<u>\$ 1,158,264</u>	<u>\$ 21,630</u>	<u>\$ 25,891</u>	<u>\$ 1,154,003</u>	<u>\$ 35,855</u>

Payments under the agreement are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 35,855	\$ 72,730	\$ 108,585
2018	41,971	70,281	112,252
2019	48,622	67,427	116,049
2020	55,850	64,131	119,981
2021	59,280	60,443	119,723
2022-2026	426,138	231,571	635,082
2027-2030	486,287	60,434	546,721
Total	<u>\$ 1,154,003</u>	<u>\$ 627,017</u>	<u>\$ 1,758,393</u>

NOTE 8 - RISK MANAGEMENT

The City is exposed to various risks of losses related to property loss, torts theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which it obtains coverage from commercial insurance companies. The City has had no settled claims resulting from these risks that exceeded their commercial coverage in any of the past three fiscal years.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS

PRIMARY GOVERNMENT

Description of Plan and Plan Assets

The City is in an agent multiple-employer defined benefit pension plan with the Municipal Employees' Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplies by the sum of 1.5% to 2.8% (depending on division) times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2016.

General Information about the Pension Plan

Plan Description. The employer's defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

01 – Non-Union: Open Division	
	<u>2016 Valuation</u>
Benefit Multiplier:	2.00% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	8 Years
Early Retirement (Unreduced):	55/30
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Employee Contributions	4%
Act 88:	Yes (Adopted 1/1/2005)
02 – POAM: Closed to new hires, linked to Division 21	
	<u>2016 Valuation</u>
Benefit Multiplier:	2.80% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	55/25
	50/15
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	4%
Act 88:	Yes (Adopted 1/1/2005)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

05 – IAFF: Open Division	
	2016 Valuation
Benefit Multiplier:	2.80% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
Early Retirement (Reduced):	50/15
Final Average Compensation:	3 years
Employee Contributions	4%
D-2:	D-2 (25%)
Act 88:	Yes (Adopted 1/1/2005)
10 – USWA: Close to new hires, linked to Division 11	
	2016 Valuation
Benefit Multiplier:	2.00% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	8 Years
Early Retirement (Unreduced):	55/30
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Employee Contributions	4%
Act 88:	Yes (Adopted 1/1/2005)
11 – USWA hired after 7/1/2011: Open Division, linked to Division 10	
	2016 Valuation
Benefit Multiplier:	1.50% Multiplier (no max)
Normal Retirement Age:	60
Vesting:	8 Years
Early Retirement (Unreduced):	55/30
Early Retirement (Reduced):	50/25
	55/15
Final Average Compensation:	5 years
Employee Contributions	4%
Act 88:	Yes (Adopted 1/1/2005)
20 – COAM: Closed to new hires, linked to Division 22	
	2016 Valuation
Benefit Multiplier:	2.80% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25
	55/15
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	4%
Act 88:	Yes (Adopted 1/1/2005)

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

21 – POAM after 07/01/2015: Open Division, linked to Division 02

	<u>2016 Valuation</u>
Benefit Multiplier:	2.50% Multiplier (80% max)
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	50/25 55/15
Early Retirement (Reduced):	-
Final Average Compensation:	3 years
Employee Contributions	4%
Act 88:	Yes (Adopted 1/1/2005)

Employees Covered by Benefit Terms

At December 31, 2016, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to but not yet receiving benefits	4
Active employees	<u>53</u>
	108

Funding Policy

The obligation to contribute to and maintain the system for these employees was established by negotiation with the City’s competitive bargaining unit and personnel policy, which require employees to contribute to the plan. The City is required to contribute at an actuarially determined rate.

The contribution rate as a percentage of payroll at June 30, 2016 is as follows:

Non-Union	10.04%
POAM	14.61%
IAFF	22.33%
USWA	-%
USWA hired after 7/1/12	4.56%
COAM	7.16%
POAM after 7/1/15	-%

Net Pension Liability

The City’s net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Salary increases	3.75%
Investment rate of return	7.75%

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study covering the period from January 1, 2009, through December 31, 2013.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.5%	5.02%
Global Fixed Income	20.0%	2.18%
Real Assets	12.5%	4.23%
Diversifying Strategies	10.0%	6.56%

Discount Rate. The discount rate used to measure the total pension liability is 8.0% for 2016. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Changes in the Net Pension Liability:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2015	\$ 18,311,325	\$ 14,119,305	\$ 4,192,020
Service cost	305,785	-	305,785
Interest on total pension liability	1,433,368	-	1,433,368
Changes in benefits	-	-	-
Difference between expected and actual experience	11,166	-	11,166
Changes in assumptions	-	-	-
Employer contributions	-	284,796	(284,796)
Employee contributions	-	144,382	(144,382)
Net investment income	-	1,584,820	(1,584,820)
Benefit payments, including employee refunds	(1,094,230)	(1,094,230)	-
Administrative expense	-	(31,310)	31,310
Other changes	-	-	-
Net changes	656,089	888,458	(232,369)
Balances as of December 31, 2016	\$ 18,967,414	\$ 15,007,763	\$ 3,959,651

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the City, calculated using the discount rate of 8.00% , as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	1% Decrease (7.00%)	Current Discount Rate (8.00%)	1% Increase (9.00%)
City's net pension liability	\$5,957,998	\$3,959,651	\$2,252,609

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MERS financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2016, the City recognized pension expense of (\$969,115). At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 33,394	\$ -
Changes in assumptions	390,164	-
Net difference between projected and actual earnings on pension plan investments	554,400	-
Contributions subsequent to the measurement date	154,832	-
Total	<u><u>\$ 1,132,790</u></u>	<u><u>\$ -</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recorded in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2018	\$ 444,724	\$ -
2019	444,724	-
2020	185,136	-
2021	(96,626)	-
Total	<u><u>\$ 977,958</u></u>	<u><u>\$ -</u></u>

Annual Pension Cost

During the year ended June 30, 2017, the City’s contributions totaling \$313,373 were made in accordance with contribution requirement determined by an actuarial valuation of the plan as of December 31, 2016. The employer contribution rate has been determined based on the entry age normal funding method. Under the entry age normal cost funding method, the total employer contribution is comprised of the normal cost plus the level annual percentage of payroll payment required to normal cost is, for each employee, the level percentage of payroll contribution (from entry age to retirement) required to accumulate sufficient assets at the member’s retirement to pay for his projected benefit. Significant actuarial assumptions used include a long-term investment yield rate of 8 percent and annual salary increases of 4.5 percent based on an age-related scale to reflect merit, longevity, and promotional salary increases. The unfunded actuarial liability is amortized as a level percent of payroll on a closed basis. The remaining amortization period is 26 years.

COMPONENT UNIT – MANISTEE HOUSING COMMISSION

Description of Plan and Plan Assets

The Commission is in an agent multiple-employer defined benefit pension plan with the Municipal Employees’ Retirement System (MERS). The system provides the following provisions: normal retirement, deferred retirement and service retirement to plan members and their beneficiaries. The service requirement is computed using credited service at the time of termination of membership multiplies by the sum of 1.5% to 2.8% (depending on division) times the final compensation (FAC). The most recent period of which actuarial data was available was for year ended December 31, 2015.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

General Information about the Pension Plan

Plan Description. The employer’s defined benefit pension plan provides certain retirement, disability and death benefits to plan members and beneficiaries. The employer participates in the Municipal Employees Retirement System (MERS) of Michigan. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the MERS website at www.mersofmich.com.

TABLE 2

	<u>2015 Valuation</u>
Benefit Multiplier:	1.50%
Normal Retirement Age:	60
Vesting:	10 Years
Early Retirement (Unreduced):	-
Early Retirement (Reduced):	50/25 55/15
Final Average Compensation:	5 years
Employee Contributions	6%
Act 88:	Yes (Adopted 4/1/2005)

Employees Covered by Benefit Terms

At the December 31, 2015 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	3
Inactive employees entitled to but not yet receiving benefits	2
Active employees	<u>7</u>
	12

Funding Policy

The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from \$0 to \$0 based on annual payroll for open divisions. The plan is closed to new employees. The Commission has an annual employer contribution amount of \$0. Employees contribute 6% of their payroll. The amount of employee contributions was \$16,760 as of December 31, 2016.

Net Pension Liability

The employer’s net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Actuarial Assumptions. The total pension liability in the December 31, 2014 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 to 4.0 percent
Salary increases	4.5 percent, average, including inflation
Investment rate of return	8.0 percent

Although no specific price inflation assumptions are needed for the valuation, the 4.5% long-term wage inflation assumption would be consistent with a price inflation of 3% - 4%.

Mortality rates used were based on the 1994 Group Annuity Mortality Table of a 50% Male and 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study in 2008. (MERS Retirement Board is currently conducting an actuarial experience study covering the period from January 1, 2009, through December 31, 2013.)

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	57.5%	5.02%
Global Fixed Income	20.0%	2.18%
Real Assets	12.5%	4.23%
Diversifying Strategies	10.0%	6.56%

Discount Rate. The discount rate used to measure the total pension liability is 8.25% for 2014. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Changes in the Net Pension Liability:

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2014	\$ 436,436	\$ 489,199	\$ (52,763)
Service cost	22,230	-	22,230
Interest on total pension liability	35,452	-	35,452
Changes in benefits	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	-	-	-
Employer contributions	-	-	-
Employee contributions	-	16,760	(16,760)
Net investment income	-	(7,089)	7,089
Benefit payments, including employee refunds	(35,655)	(35,655)	-
Administrative expense	-	(1,047)	1,047
Other changes	11,283	-	11,283
Net changes	33,310	(27,031)	60,341
Balances as of December 31, 2015	\$ 469,746	\$ 462,168	\$ 7,578

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the Commission, calculated using the discount rate of 8.25% , as well as what the Commission’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.25%) or 1-percentage-point higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Net Pension Liability at 12/31/15	-	\$7,578	-
Change in Net Pension Liability	\$51,481	-	(\$40,385)
Calculated Net Pension Liability	\$51,481	-	(\$40,385)

Note: The current discount rate shown for GASB 68 purposes is higher than the MERS assumed rate of return. This is because for GASB 68 purposes, the discount rate must be gross of administrative expenses, whereas for funding purposes it is net of administrative expenses.

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued MERS financial report.

NOTE 9 - EMPLOYEE RETIREMENT AND BENEFIT SYSTEMS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the Commission recognized pension expense of (\$838). At December 31, 2015, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	43,657	-
Contributions subsequent to the measurement date	-	-
Total	\$ 43,657	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recorded in pension expense as follows:

<u>Year Ended June 30:</u>	Deferred Outflows of Resources
2017	\$ 11,444
2018	11,444
2019	11,444
Thereafter	9,325
Total	\$ 43,657

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS

PRIMARY GOVERNMENT

Plan Description

In the fiscal year ending June 30, 2010, the City adopted the provision of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting for Postretirement Benefits Other Than Pension Plans on a prospective basis. The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. In addition to the pension benefits described in Note 9, the City provides a post retirement health insurance premium contribution of up to 50% of the premium, or a maximum of \$250 per month, from normal retirement until age 65 or eligibility for Medicare.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

Funding Policy

There are no required contributions by plan participants. The required contribution is based on pay-as-you-go financing requirements. The City paid \$32,000 in health insurance premiums for participants for the year ended June 30, 2017. The benefit is funded by assets of the City’s General Fund and Water and Sewer Fund depending on what department the employee was employed.

Annual OPEB Cost

The City’s annual other post employment benefit (OPEB) cost (expense) is calculated based on the actual required contribution of the employer. The City is not pre-funding their obligation, choosing to meet the requirements on a pay-as-you-go basis due to the limited and capped nature of the benefit.

Annual required contribution	\$ 24,394
Interest on net OPEB obligation	<u>9,710</u>
Annual OPEB cost (expense)	34,104
Contributions made	<u>(32,000)</u>
increase in net OPEB obligation	2,104
Net OPEB obligation – beginning of year	<u>121,370</u>
Net OPEB obligation – end of year	<u>\$ 123,474</u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years 2015, 2016 and 2017 are as follows:

<u>Fiscal Year End</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2015	\$ 40,626	44%	\$ 124,021
2016	23,871	111%	121,370
2017	34,104	94%	123,474

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the personnel policy currently in place. In the June 30, 2017, actuarial valuation, the alternative valuation method was used. The actuarial assumptions include: (a) a rate of return on investments of 4.50%; (b) projected healthcare benefit increases of 0.0%. The City’s unfunded actuarial accrued liability will be amortized over 30 years in level dollar amounts. There are no assets as the City is funding OPEB on a “pay-as-you-go” basis.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (Continued)

COMPONENT UNIT – MANISTEE HOUSING COMMISSION

The Commission does not participate in a post employment benefits plan. Under the current union contract, the Commission is required to contribute \$100 for each retiree and \$100 for each spouse monthly to help subsidize the premiums for supplemental health insurance.

For the year ended December 31, 2016, the Commission had one covered retire and contributed \$300.

NOTE 11 - RESTATEMENT:

	<u>Governmental Activities</u>	<u>Component Unit DDA</u>
Beginning net position as previously stated at June 30, 2016	\$ 21,141,811	\$ 340,888
Restatement of Net Position - to recognize the Capital Assets and debt of the Ramsdell Theater	<u>1,691,331</u>	
Restatement of Net Position – to record additional assets of the Downtown Development Authority		<u>21,251</u>
Beginning net position as restated at June 30, 2016	<u>\$ 22,833,142</u>	<u>\$ 362,139</u>

Required Supplementary Information

Health Plan:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percent of Covered Payroll ((b - a) / c)
<i>Primary Government</i>						
2015	\$ -	\$ 455,482	\$ 455,482	0.0%	Not Available	-
2016	\$ -	\$ 350,408	\$ 350,408	0.0%	Not Available	-
2017	\$ -	\$ 330,195	\$ 330,195	0.0%	Not Available	-

The health plan is funded on a pay as you go basis and strict benefit caps.

Employee Retirement and Benefit Systems
Schedule of Funding Progress
For the Year Ended June 30, 2017

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Total pension liability			
Service cost	\$ 290,722	\$ 293,554	\$ 305,785
Interest	1,309,986	1,319,718	1,433,368
Change in Benefits	-	(2,973)	-
Difference between expected and actual experience	-	50,037	11,166
Change in Assumptions	-	780,329	-
Benefit payments, including refund of member contributions	(939,727)	(1,028,824)	(1,094,230)
Other Changes	-	35,381	-
	<u>660,981</u>	<u>1,447,222</u>	<u>656,089</u>
Net change in total pension liability			
	<u>16,203,122</u>	<u>16,864,103</u>	<u>18,311,325</u>
Total pension liability - beginning			
	<u>\$ 16,864,103</u>	<u>\$ 18,311,325</u>	<u>\$ 18,967,414</u>
Total pension liability - ending			
	<u>\$ 16,864,103</u>	<u>\$ 18,311,325</u>	<u>\$ 18,967,414</u>
Plan fiduciary net position			
Contributions - employer	\$ 196,069	\$ 216,916	\$ 284,796
Contributions - employee	603,192	132,242	144,382
Net investment income	913,523	(219,279)	1,584,820
Benefit payments, including refunds of member contributions	(939,727)	(1,028,824)	(1,094,230)
Administrative expense	(33,619)	(32,521)	(31,310)
	<u>739,438</u>	<u>(931,466)</u>	<u>888,458</u>
Net change in plan fiduciary net position			
	<u>14,311,333</u>	<u>15,050,771</u>	<u>14,119,305</u>
Plan fiduciary net position - beginning			
	<u>\$ 15,050,771</u>	<u>\$ 14,119,305</u>	<u>\$ 15,007,763</u>
Plan fiduciary net position - ending			
	<u>\$ 1,813,332</u>	<u>\$ 4,192,020</u>	<u>\$ 3,959,651</u>
City's net pension liability - ending			
	<u>\$ 1,813,332</u>	<u>\$ 4,192,020</u>	<u>\$ 3,959,651</u>
Plan fiduciary net position as a percentage of the total pension liability	89%	77%	79%
Covered - employee payroll	\$ 2,760,014	\$ 2,781,946	\$ 2,836,757
City's net pension liability as a percentage of covered-employee payroll	66%	151%	140%
Annual money-weighted rate of return, net of investment expense	6%	6%	6%

**Employee Retirement and Benefit Systems
Schedule of Funding Progress
For the Year Ended June 30, 2017**

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Actuarially determined contribution	\$ 196,069	\$ 243,437	\$ 284,796
Contributions in relation to the actuarially determined contribution	<u>196,069</u>	<u>243,437</u>	<u>284,796</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 2,760,014	\$ 2,781,946	\$ 2,836,757
Contributions as a percentage of covered-employee payroll	7%	9%	10%

Notes to Schedule:

Actuarially determined contribution rates are calculated as of December 31st, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	5-years smoothed market
Inflation	4.50%
Salary increases	4.5%, average, including inflation
Investment rate of return	8.00%
Retirement age	In the 2014 actuarial valuation, expected retirement ages of general employees were adjusted to more closely reflect actual experience
Mortality	Assumptions were based on the 1994 Group Annuity Mortality Table - Blended 50% Male / 50% Female

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 3,196,956	\$ 3,196,956	\$ 3,415,927	\$ 218,971
Licenses and Permits	117,625	117,625	127,609	9,984
State Sources	766,877	766,877	901,648	134,771
Charges for Services	1,431,442	1,431,442	1,231,822	(199,620)
Interest and Rents	28,359	28,359	36,940	8,581
Other Revenue	194,050	194,050	257,555	63,505
TOTAL REVENUES	5,735,309	5,735,309	5,971,501	236,192
EXPENDITURES:				
Legislative:				
City Council	41,155	41,155	37,043	4,112
General Government:				
Manager	212,084	212,084	207,373	4,711
Clerk	200,090	211,540	205,824	5,716
Attorney	88,000	88,000	73,938	14,062
Engineer	12,000	12,000	12,000	-
Finance/Treasurer	271,246	271,246	266,985	4,261
Building and Grounds	200,555	190,555	132,740	57,815
Assessor	82,175	82,175	81,878	297
Boards and Commissions	11,850	11,850	1,842	10,008
Total General Government	1,078,000	1,079,450	982,580	96,870
Public Safety:				
Police Department	1,099,418	1,152,418	1,127,417	25,001
Fire Department	1,003,962	1,020,562	1,026,495	(5,933)
Planning & Zoning	94,759	94,759	91,807	2,952
Total Public Safety	2,198,139	2,267,739	2,245,719	22,020
Public Works:				
Public Works	1,156,837	1,156,837	1,121,064	35,773
Total Public Works	1,156,837	1,156,837	1,121,064	35,773
Recreation and Culture:				
Parks and Recreation	366,398	383,398	395,531	(12,133)
Total Recreation and Culture	366,398	383,398	395,531	(12,133)
Debt Service	775,066	775,066	775,066	-
Other Expenditures:				
Street Lighting	112,000	112,000	107,894	4,106
Other	90,200	118,700	101,574	17,126
Insurance	81,000	81,000	87,214	(6,214)
Appropriations	247,518	247,518	247,518	-
Total Other Expenditures	530,718	559,218	544,200	15,018
TOTAL EXPENDITURES	6,146,313	6,262,863	6,101,203	161,660

**Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(411,004)	(527,554)	(129,702)	397,852
OTHER FINANCING SOURCES (USES):				
Lease Proceeds	-	-	8,500	8,500
Operating Transfers In	446,621	446,621	446,766	145
Operating Transfers Out	(75,616)	(75,616)	(159,985)	(84,369)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (39,999)</u>	<u>\$ (156,549)</u>	165,579	<u>\$ 322,128</u>
FUND BALANCE, JULY 1			<u>927,540</u>	
FUND BALANCE, JUNE 30			<u>\$ 1,093,119</u>	

**Required Supplementary Information
Budgetary Comparison Schedule
Major Street Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
State Sources	\$ 490,793	\$ 490,793	\$ 505,838	\$ 15,045
Charges for Services	184,500	184,500	169,143	(15,357)
Interest	200	200	1,650	1,450
	<u>675,493</u>	<u>675,493</u>	<u>676,631</u>	<u>1,138</u>
TOTAL REVENUES				
EXPENDITURES:				
Public Works	<u>844,680</u>	<u>844,680</u>	<u>783,807</u>	<u>60,873</u>
TOTAL EXPENDITURES	<u>844,680</u>	<u>844,680</u>	<u>783,807</u>	<u>60,873</u>
EXCESS (DEFICINECY) OF REVENUES OVER EXPENDITURES	(169,187)	(169,187)	(107,176)	62,011
OTHER FINANCING SOURCES (USES):				
Operating Transfers In	10,000	10,000	62,210	52,210
Operating Transfers Out	<u>(100,938)</u>	<u>(100,938)</u>	<u>(100,947)</u>	<u>(9)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ (260,125)</u>	<u>\$ (260,125)</u>	(145,913)	<u>\$ 114,212</u>
FUND BALANCE, JULY 1			<u>452,809</u>	
FUND BALANCE, JUNE 30			<u>\$ 306,896</u>	

**Required Supplementary Information
Budgetary Comparison Schedule
Local Street Fund
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
State Sources	\$ 175,772	\$ 175,772	\$ 190,152	\$ 14,380
Interest	80	80	-	(80)
 TOTAL REVENUES	<u>175,852</u>	<u>175,852</u>	<u>190,152</u>	<u>14,300</u>
 EXPENDITURES:				
Public Works	<u>180,430</u>	<u>180,430</u>	<u>172,015</u>	<u>8,415</u>
 EXCESS (DEFICINECY) OF REVENUES OVER EXPENDITURES	(4,578)	(4,578)	18,137	22,715
 OTHER FINANCING SOURCES (USES):				
Operating Transfers In	260,938	260,938	293,106	32,168
Operating Transfers out	<u>(80,938)</u>	<u>(80,938)</u>	<u>(80,947)</u>	<u>(9)</u>
 EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	<u>\$ 175,422</u>	<u>\$ 175,422</u>	230,296	<u>\$ 54,874</u>
 FUND BALANCE, JULY 1			<u>64,642</u>	
 FUND BALANCE, JUNE 30			<u>\$ 294,938</u>	

Other Information

	Special Revenue Funds					Capital Project Funds			Totals
	City Refuse	Peg Commission	Brownfield Redevelopment Authority	Building Inspector	Street Improvement	Grant Management Fund	Capital Improvement	Renaissance Park	
ASSETS:									
Cash and Equivalents - Unrestricted	\$ 26,107	\$ 4,832	\$ 15,282	\$ -	\$ 63,805	\$ 5,365	\$ 19,828	\$ 1,101	\$ 136,320
Receivables	39,049	1,400	-	-	1,427	12,940	-	1,872	56,688
TOTAL ASSETS	\$ 65,156	\$ 6,232	\$ 15,282	\$ -	\$ 65,232	\$ 18,305	\$ 19,828	\$ 2,973	\$ 193,008
LIABILITIES:									
Accounts Payable	\$ 38,603	\$ 56	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,659
Unearned Revenue	-	-	-	-	1,218	-	-	-	1,218
TOTAL LIABILITIES	38,603	56	-	-	1,218	-	-	-	39,877
FUND BALANCES:									
Restricted	26,553	-	15,282	-	-	18,305	-	-	60,140
Committed	-	-	-	-	-	-	19,828	2,973	22,801
Assigned	-	6,176	-	-	64,014	-	-	-	70,190
TOTAL FUND BALANCES	26,553	6,176	15,282	-	64,014	18,305	19,828	2,973	153,131
TOTAL LIABILITIES AND FUND BALANCES	\$ 65,156	\$ 6,232	\$ 15,282	\$ -	\$ 65,232	\$ 18,305	\$ 19,828	\$ 2,973	\$ 193,008

**Combining Statement of Revenues, Expenditures,
and Changes in Fund Balance - Nonmajor Governmental Funds
For the Year Ended June 30, 2017**

	Special Revenue Funds					Capital Project Funds			Totals
	City Refuse	Peg Commission	Brownfield Redevelopment Authority	Building Inspector	Street Improvement	Grant Management Fund	Capital Improvement	Renaissance Park	
REVENUES:									
Taxes	\$ 200,732	\$ -	\$ 342	\$ -	\$ 1,918	\$ -	\$ -	\$ -	\$ 202,992
State Sources	-	-	-	-	27,312	35,990	-	-	63,302
Charges for Services	274,130	-	-	-	-	-	-	-	274,130
Local Sources	-	34,300	-	-	-	-	-	-	34,300
Other Revenues	-	-	9,140	-	-	-	-	-	9,140
Interest and Rents	-	5,797	-	-	152	-	-	-	5,949
TOTAL REVENUES	474,862	40,097	9,482	-	29,382	35,990	-	-	589,813
EXPENDITURES:									
General Government	-	39,580	-	-	-	-	-	-	39,580
Public Safety	-	-	11,115	-	-	23,759	-	-	34,874
Public Works	485,159	-	-	-	1,434	-	-	-	486,593
Recreation and Culture	-	-	-	-	-	-	-	3,744	3,744
Debt Service	-	-	-	-	-	-	144,926	-	144,926
Capital Outlay	-	-	-	-	-	5,400	37,391	-	42,791
TOTAL EXPENDITURES	485,159	39,580	11,115	-	1,434	29,159	182,317	3,744	752,508
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(10,297)	517	(1,633)	-	27,948	6,831	(182,317)	(3,744)	(162,695)
OTHER FINANCING SOURCES (USES):									
Operating Transfers In	-	-	-	-	-	-	394,226	5,616	399,842
Operating Transfers Out	-	-	-	-	(20,000)	-	(217,254)	-	(237,254)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(20,000)	-	176,972	5,616	162,588
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(10,297)	517	(1,633)	-	7,948	6,831	(5,345)	1,872	(107)
FUND BALANCES, JULY 1	36,850	5,659	16,915	-	56,066	11,474	25,173	1,101	153,238
FUND BALANCES, JUNE 30	\$ 26,553	\$ 6,176	\$ 15,282	\$ -	\$ 64,014	\$ 18,305	\$ 19,828	\$ 2,973	\$ 153,131

**Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2017**

	Boat Ramp	Marina	Totals
ASSETS:			
Cash and Investments - Unrestricted	\$ 40,901	\$ 21,351	\$ 62,252
Receivables	-	2,041	2,041
Prepaid Items	-	237	237
Inventory	-	11,793	11,793
Capital Assets Not Depreciated	-	46,974	46,974
Capital Assets Net of Accumulated Depreciation	260,957	975,023	1,235,980
TOTAL ASSETS	\$ 301,858	\$ 1,057,419	\$ 1,359,277
LIABILITIES:			
Accounts Payable	\$ 517	\$ 6,549	\$ 7,066
Accrued Payroll and Related Liabilities	-	2,680	2,680
Accrued Interest Payable	-	2,693	2,693
Long-term Advance to Other Funds	68,476	223,883	292,359
Installment Loans Payable - Due within one year	-	24,307	24,307
Installment Loans Payable - Due in more than one year	-	225,001	225,001
TOTAL LIABILITIES	68,993	485,113	554,106
NET POSITION:			
Net Investment in Capital Assets	192,481	548,806	741,287
Unrestricted	40,384	23,500	63,884
TOTAL NET POSITION	232,865	572,306	805,171
TOTAL LIABILITIES AND NET POSITION	\$ 301,858	\$ 1,057,419	\$ 1,359,277

**Combining Statement of Revenues, Expenses, and
Changes in Net Position - Nonmajor Enterprise Funds
For the Year Ended June 30, 2017**

	<u>Boat Ramp</u>	<u>Marina</u>	<u>Totals</u>
OPERATING REVENUES:			
Charges for Services	\$ 36,467	\$ 149,165	\$ 185,632
Other Revenue	-	5,333	5,333
TOTAL OPERATING REVENUES	<u>36,467</u>	<u>154,498</u>	<u>190,965</u>
OPERATING EXPENSES:			
Personal Services	-	28,212	28,212
Administration	2,591	11,080	13,671
Insurance	-	2,548	2,548
Supplies	321	71,249	71,570
Utilities	6,288	15,592	21,880
Repair and Maintenance	228	4,657	4,885
Depreciation	24,475	56,794	81,269
Miscellaneous	620	16,501	17,121
Total Operating Expenses	<u>34,523</u>	<u>206,633</u>	<u>241,156</u>
OPERATING INCOME (LOSS)	<u>1,944</u>	<u>(52,135)</u>	<u>(50,191)</u>
NON-OPERATING REVENUES (EXPENSES):			
Interest Expense	<u>(1,643)</u>	<u>(13,625)</u>	<u>(15,268)</u>
Total Non-Operating Revenues (Expenses)	<u>(1,643)</u>	<u>(13,625)</u>	<u>(15,268)</u>
Income (Loss) Before Transfers	301	(65,760)	(65,459)
Operating Transfers In	<u>-</u>	<u>65,000</u>	<u>65,000</u>
CHANGES IN NET POSITION	<u>301</u>	<u>(760)</u>	<u>(459)</u>
NET POSITION, JULY 1	<u>232,564</u>	<u>573,066</u>	<u>805,630</u>
NET POSITION, JUNE 30	<u><u>\$ 232,865</u></u>	<u><u>\$ 572,306</u></u>	<u><u>\$ 805,171</u></u>

**Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2017**

	Boat Ramp	Marina	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from Customers	\$ 36,687	\$ 153,989	\$ 190,676
Payments to Suppliers	(10,104)	(117,118)	(127,222)
Payments to Employees	-	(27,714)	(27,714)
Internal Activity - Payments/Receipts with Other Funds	(12,893)	(35,552)	(48,445)
Net Cash Provided (Used) by Operating Activities	13,690	(26,395)	(12,705)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES:			
Operating Transfers In	-	65,000	65,000
Net Cash Provided (Used) by Noncapital and Related Financing Activities	-	65,000	65,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Principal Paid on Capital Debt	-	(23,544)	(23,544)
Interest Paid on Capital Debt	(1,643)	(13,879)	(15,522)
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,643)	(37,423)	(39,066)
Net Increase (Decrease) in Cash and Cash Equivalents	12,047	1,182	13,229
Balances - Beginning of the Year	28,854	20,169	49,023
Balances - End of the Year	\$ 40,901	\$ 21,351	\$ 62,252
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating Income (Loss)	\$ 1,944	\$ (52,135)	\$ (50,191)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Depreciation Expense	24,475	56,794	81,269
Change in Assets and Liabilities:			
(Increase) Decrease in Assets:			
Receivables	220	(509)	(289)
Inventory	-	2,541	2,541
Prepaid Items	-	866	866
Increase (Decrease) in Liabilities:			
Accounts Payable	(56)	1,102	1,046
Accrued Payroll and Related Liabilities	-	498	498
Due to Other Funds	(12,893)	(35,552)	(48,445)
Net Cash Provided (Used) by Operating Activities	\$ 13,690	\$ (26,395)	\$ (12,705)

**Combining Balance Sheet
Component Units
June 30, 2017**

	Downtown Development Authority	Friends of the Ramsdell	Manistee Housing Commission	Totals
ASSETS:				
Cash and Equivalents - Unrestricted	\$ 268,239	\$ 78,330	\$ 451,316	\$ 797,885
Cash and Equivalents - Restricted	-	-	49,090	49,090
Accounts Receivable	35,870	-	22,576	58,446
Notes Receivable	125,182	-	-	125,182
Due from Other Governmental Units	-	-	13,252	13,252
Other Assets	1,183	459	19,055	20,697
Capital Assets Not Depreciated	-	-	360,272	360,272
Capital Assets Net of Accumulated Depreciation	-	-	3,023,681	3,023,681
TOTAL ASSETS	\$ 430,474	\$ 78,789	\$ 3,939,242	\$ 4,448,505
Deferred Outflow of Resources				
Investment & Employer Contributions	\$ -	\$ -	\$ 43,657	\$ 43,657
LIABILITIES:				
Accounts Payable	\$ 1,549	\$ 5,676	\$ 31,006	38,231
Accrued Liabilities	195	-	26,257	26,452
Due to Other Governmental Units	-	747	32,867	33,614
Security Deposits	-	3,530	49,090	52,620
Unearned Revenue	12,550	-	6,636	19,186
Capital Leases - Due within one year	-	-	35,855	35,855
Capital Leases - Due in more than one year	-	-	1,118,148	1,118,148
Note Payable - Due in more than one year	-	-	500,000	500,000
Net Pension Liability	-	-	7,578	7,578
Compensated Absences - Due within one year	-	-	20,832	20,832
Compensated Absences - Due in more than one year	-	-	6,997	6,997
TOTAL LIABILITIES	14,294	9,953	1,835,266	1,859,513
NET POSITION:				
Net Investment in Capital Assets	-	-	1,729,950	1,729,950
Unrestricted	416,180	68,836	417,683	902,699
TOTAL NET POSITION	416,180	68,836	2,147,633	2,632,649
TOTAL LIABILITIES AND NET POSITION	\$ 430,474	\$ 78,789	\$ 3,982,899	\$ 4,492,162

**Combining Statement of Revenues, Expenditures
and Changes in Net Position
Component Units
For the Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Development Authority	Friends of the Ramsdell	Manistee Housing Commission	Total
Public Works:								
Manistee Housing Commission	\$ 1,532,942	\$ 551,925	\$ 565,482	\$ 348,608	\$ -	\$ -	\$ (66,927)	\$ (66,927)
Recreation and Culture:								
Friends of the Ramsdell	206,662	28,660	129,420	-	-	(48,582)	-	(48,582)
Economic Development:								
Downtown Development Authority	332,778	66,251	-	-	(266,527)	-	-	(266,527)
Total Component Units	<u>\$ 2,072,382</u>	<u>\$ 646,836</u>	<u>\$ 694,902</u>	<u>\$ 348,608</u>	<u>(266,527)</u>	<u>(48,582)</u>	<u>(66,927)</u>	<u>(382,036)</u>
General Revenues:								
Property Taxes					308,391	-	-	308,391
Interest Expense					-	-	-	-
Interest Income					12,177	12,542	1,087	25,806
Rental Income					-	45,147	-	45,147
Other Revenue					-	46,657	110,966	157,623
Total General Revenues					<u>320,568</u>	<u>104,346</u>	<u>112,053</u>	<u>536,967</u>
Changes in Net Position					<u>54,041</u>	<u>55,764</u>	<u>45,126</u>	<u>154,931</u>
Net Position - Beginning					<u>340,888</u>	<u>13,072</u>	<u>2,102,507</u>	<u>2,456,467</u>
Prior Period Adjustment					<u>21,251</u>	<u>-</u>	<u>-</u>	<u>21,251</u>
Restated Net Position - Beginning					<u>362,139</u>	<u>13,072</u>	<u>2,102,507</u>	<u>2,477,718</u>
Net Position - Ending					<u>\$ 416,180</u>	<u>\$ 68,836</u>	<u>\$ 2,147,633</u>	<u>\$ 2,632,649</u>

Reports on Compliance



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

KINROSS OFFICE

SUE A. BOWLBY, CPA, PRINCIPAL
KENNETH A. TALSMA, CPA, PRINCIPAL
AMBER N. MACK, CPA, PRINCIPAL

PHILLIP J. WOLF, CPA

MEMBER AICPA
DIVISION FOR CPA FIRMS

MEMBER MACPA

OFFICES IN
MICHIGAN & WISCONSIN

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the City Council
City of Manistee
Manistee, MI 49660

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manistee, Michigan as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Manistee, Michigan's basic financial statements and have issued our report thereon dated October 5, 2017. Our report includes a reference to other auditors who audited the financial statements of the Manistee Housing Commission, as described in or report on the City of Manistee, Michigan's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Manistee, Michigan's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Manistee, Michigan's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Manistee, Michigan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the City Council
City of Manistee

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Manistee, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying scheduled of findings and responses as item 2017-001.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Anderson, Tackman & Company, PLC
Certified Public Accountants
Kincheloe, Michigan

October 5, 2017



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE
WITH MICHIGAN PUBLIC ACT 51 OF 1951, AS AMENDED

Honorable Mayor and Members
of the City Commission
City of Manistee, Michigan

Report on Compliance

We have audited the City of Manistee compliance with the types of compliance requirements describe in Michigan Public Act 51 of 1951, as amended, for the period ended June 30, 2017.

Management’s Responsibility

Management is responsible for compliance with provisions of Michigan Public Act 51 of 1951, as amended.

Auditor’s Responsibility

Our responsibility is to express an opinion on the compliance with provisions of Michigan Public Act 51 of 1951, as amended, based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements indicated above. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City of Manistee’s compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the City of Manistee’s compliance.

Opinion

In our opinion, City of Manistee complied, in all material respects, with the types of compliance requirements referred to above for the year ended June 30, 2017.

Purpose of this Report

The purpose of this report over compliance is solely to describe the scope of our testing over compliance and the results of that testing based on the requirements stated above. Accordingly, this report is not suitable for any other purpose.

Anderson, Tackman and Company, PLC
Certified Public Accountants
Kincheloe, Michigan

October 5, 2017

Internal Control Over Financial Reporting and Compliance and Other Matters

Significant Deficiency – Noncompliance with State Statutes

Expenditures in Excess of Appropriations—Budgetary Funds

Finding 2017-001

Criteria: The expenditures of funds in excess of appropriations are contrary to the provisions of Section 16 of Public Act 2 of 1968, as amended.

Condition: Our examination of procedures used by the City to adopt and maintain operating budgets for the City’s budgetary fund revealed the following instances of noncompliance with the provisions of Public Act 2 of 1968, as amended, the Uniform Budgeting and Accounting Act.

The City’s 2017 General Appropriations Act (budget) provided for expenditures of the General Fund to be controlled to the Departmental and Fund level, respectively. As detailed, some actual 2017 expenditures exceeded the Council’s approved budget allocations for some departments in the general fund (parks and recreation and transfers out).

During the fiscal year ended June 30, 2017, expenditures were incurred in excess of amounts appropriated in the amended budgets by certain functions for the General Fund as listed on pages 55 through 56 of the financial statements.

Effect: Condition’s violate State Statutes.

Cause: The City tries to estimate what year-end expenditures will be at June 30, and prepares a budget amendment for Council in mid-June. Although administration tries to accurately anticipate where expenditures will come in at year-end, there are always a few areas where we underestimate the needed budget amendment amount.

Recommendation: We recommend that the Council personnel responsible for administering the activities of the various funds of the City, develop budgetary control procedures for the General Fund, which will assure that expenditures do not exceed amounts authorized by function or fund level in the General Appropriations Act, or amendments thereof.

Planned Corrective Action: The CFO will continue to work closely with the responsible department heads to refine year-end budget estimates.

- *Contact Person(s) Responsible for Correction:*
Edward Bradford, Chief Financial Officer



ANDERSON, TACKMAN & COMPANY, PLC
CERTIFIED PUBLIC ACCOUNTANTS

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the City Council
City of Manistee
Manistee, MI 49660

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Manistee, Michigan for the year ended June 30, 2017, and have issued our report thereon dated October 5, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, if applicable, Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information about our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated August 21, 2017, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the City of Manistee, Michigan. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City of Manistee, Michigan's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Generally accepted accounting principles provide for certain required supplementary information (RSI) to supplement the basic financial statements. Our responsibility with respect to the management's discussion and analysis and budgetary comparison schedules, which supplement(s) the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on combining fund financial statements, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters on August 21, 2017.

Significant Accounting Policies

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Manistee, Michigan are described in Note 1 to the financial statements. One new accounting policy was adopted regarding GASB Statement No. 72 and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- Management's estimate of the depreciation expense is based on estimated lives. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the accrued vested employee benefits is based on current hourly rates and policies regarding payment of sick and vacation banks.
- Management's estimate of the allowance for uncollectible accounts receivable is based on past experience and future expectations for collection of various account balances and has been determined to be \$0.
- Management's estimate of the Annual Required Contribution for OPEB Obligations and pension benefits were based on various assumptions regarding life expectancies, inflation, premium increases, and investment rates.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreement with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 5, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Comments and Recommendations

The following is a summary of our observations with suggestions for improvements we believe should be brought to your attention. We noted no material matters involving the internal control over financial reporting and compliance, as reported in a separate letter in accordance with Government Auditing Standards of the basic financial statement audit report.

Payroll (Prior Year)

It was noted during our testing of payroll that the client discovered that for multiple years they were charging employee's FICA and Medicare on MERS cost. This was discovered late January 2016 and completely fixed by April 29th payroll. The client has contacted the Federal Government and is receiving this money back up to 4 years retroactive. As the money is returned the city is adding appropriate amounts to employee's net pay.

Response: As noted, this particular issue was discovered by the City and has been both resolved moving forward and retroactively. However, the City will be paying out any required refund to the employees in a lump sum separate form payroll.

Status: Corrected.

Chart of Accounts (Prior Year)

It was noted during our examination of the cities records, that transfer expenses were being charged to accounts not compliant with the uniformed chart of accounts, and that a fund was also noncompliant with the uniformed chart of accounts. We recommend that the city comply in all respects with the State uniformed chart of account authorized by Act 2, Public Acts of 1968, as amended, (MCL 141.421) and Act 71, Public Acts of 1919, as amended, (MCL 21.41).

Response: The accounts in question all have to do with debt service payments either in the Capital Improvement fund or in the Water and Sewer fund. The problem arises when debt that is required to be recorded in one fund is paid for with a transfer from another fund. Our long-standing practice has been to use individual line items to record this so it is easier to budget and monitor.

We will likely continue to do this, but in the future either make these accounts a subset of the 999 Transfer Out account or do a year end journal entry to move the amounts from the individual lines to the 999 Transfer Out account(s).

Status: Implemented.

Uniform Administrative Requirements

During December 2013, the Office of Management and Budget released its final version of the “*Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.*” The guidance is applicable to federal grants and cooperative agreements and provides a comprehensive consolidation and revision of OMB Circulars, which currently govern Federal and some non-Federal entities. The guidance combines A-110 and A-102 into a single set of administrative rules, combines A-21, A-87 and A-122 into a single set of consolidated cost principles and revises the language of A-133. This publication is designed to provide a single document, which will serve as a “one-stop shop” for financial assistance regulatory requirements for all awarding agencies. The new requirements will be effective and applicable for audits of years beginning on or after December 26, 2014.

Status: Implemented.

Revisions Related to Single Audit Requirements (Prior Year)

The Office of Management and Budget set forth new consolidated audit standards for entities receiving Federal financial assistance awards and replaces OMB Circular A-133. The changes within the final guidance primarily combine the guidance in OMB A-133 and A-50 on audit follow-up. The guidance reflects a movement to focus these audits and oversight efforts on higher dollar, higher risk awards and focus oversight on improper payments, waste, fraud, and abuse.

Most significantly, the threshold triggering a single audit or program-specific audit requirements is increased to \$750,000 or more in annual Federal awards. These requirements apply equally to recipients and sub-recipients under Federal programs. The final guidelines incorporate an exception to these audit requirements for non-U.S.-based entities expending Federal awards.

Further, the final guidance increases the minimum threshold for reporting questioned costs from \$10,000 to \$25,000 to focus on the audit findings presenting the greatest risk. OMB believes this will eliminate smaller-dollar audit findings, which require utilization of resources for follow-up audits that are unlikely to indicate significant weaknesses in internal controls.

These changes necessitate a careful review and analysis of an organization's current business practices. Although OMB has raised certain thresholds for audit and materiality, it has also improved mechanisms of oversight related to mandatory disclosures, pre-award review of risks, standards for financial and program management, sub-recipient monitoring, and remedies for noncompliance. The revisions are effective for audits of years beginning on or after December 26, 2014.

Status: Implemented.

Public Act 298 of 2012 "Performance Audit" (Prior Year)

Public Act 298 of 2012 allows the Department of Transportation to request the local agency (road commission, county, city or village expending Act 51 monies) to engage an auditor to conduct a "performance audit" of whether it has expended funds in compliance with Act 51 of 1951, as amended (Act 51). A "performance audit" is different in scope than a "financial audit". A "performance audit" by definition is an independent examination of a program, function, operation or the management systems and procedures of a governmental entity to assess whether the entity is achieving economy, efficiency, and effectiveness in the employment of available resources. All local agencies will be required to have a Performance Audit for periods beginning October 1, 2015. The performance audit under Public Act 298 of 2012 must be performed by an independent certified public accountant that is currently licensed to practice in the State of Michigan or by an employee of the Department of Transportation. We recommend the City arrange to either have an independent CPA or MDOT employee be engaged to perform this "Performance Audit".

Status: Implemented.

Fair Value of Investments (Prior Year)

The Governmental Accounting Standards Board has issued final guidance on accounting and financial reporting issues related to fair value measurements, which primarily apply to investments made by state and local governments. GASB Statement No. 72 – *Fair Value Measurement and Application* defines fair value and describes how fair value should be determined and recorded, what assets and liabilities should be measured by fair value and presented in the government's statement of net position or balance sheet and required disclosures of fair value in the footnotes to the financial statements. Management should be aware of the requirements and valuation techniques as applicable to the governmental entity. The statement is effective for periods beginning after June 15, 2015.

Status: Impemented.

Other Matters

We applied certain limited procedures to the management's discussion and analysis and budgetary comparison schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquires of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and our knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquires of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Conclusion

This information is intended solely for the use of the Mayor, City Council and management of the City of Manistee, Michigan and is not intended to be and should not be used by anyone other than these specified parties.

We would like to express our appreciation, as well as that of our staff for the excellent cooperation we received while performing the audit. If we can be of any further assistance, please contact us.



Anderson, Tackman & Company, PLC
Certified Public Accountants
Kincheloe, Michigan

October 5, 2017



APPLICANTS NEEDED BOARDS and COMMISSIONS VACANCIES

BOARD OF REVIEW. Two vacancies – (1) alternate member, (1) regular member, both terms ending 12/31/20. *Applicants must be City taxpaying, registered voters.* Purpose: Hears property valuation appeals

BROWNFIELD REDEVELOPMENT AUTHORITY. One vacancy – term ending 6/30/20. *Applicants must be City residents or persons with interest in property in the City.* Purpose: Promote revitalization of environmentally distressed and functionally obsolete areas.

COMPENSATION COMMISSION. Two vacancies – both terms ending 9/30/22. *Applicants must be registered voters in the City.* Purpose: Establish compensation for City Council Members.

HARBOR COMMISSION. One vacancy – term ending 10/31/20. *Applicants can be non-residents but must own real estate or a business/profession having a licensed business location in the City.* Purpose: Advisory on marina, harbor development issues.

HISTORIC DISTRICT COMMISSION. One vacancy – term ending 2/28/20. *Applicants must be City residents.* Purpose: Historic preservation.

HOUSING COMMISSION. One vacancy – term ending 5/31/18. Purpose: Oversees senior/low income housing.

PARKS COMMISSION. Five vacancies – (2) terms ending 6/30/18, (1) term ending 6/30/19 and (2) terms ending 6/30/20. *Three appointments may be non-residents but must own real estate or a business/profession having a licensed business location in the City or have a child attending school within the City.* Purpose: Advisory on parks development, maintenance, improvements.

PEG COMMISSION. Four vacancies – (1) term ending 12/31/18, (1) term ending 12/31/19 and (2) terms ending 12/31/20. *Applicants must be Manistee County residents.* Purpose: Oversees operation of Manistee Public Access Television.

PLANNING COMMISSION. Three Vacancies – terms ending 10/31/20. *Applicants must be City residents.* Purpose: Reviews master plan, zoning, site plans, development issues.

TREE COMMISSION: Four Vacancies – terms ending 12/31/20. Purpose: Oversees public (parks/boulevards) tree program.

ZONING BOARD OF APPEALS. One vacancy (regular member) – three year term ending 5/31/20. Purpose: Hears appeals on zoning and building issues.

Application forms are available at the City Clerk's office, 70 Maple Street or on the City website at <http://www.manisteemi.gov/194/Boards-Commissions>. Applications must be returned by Tuesday, October 31, 2017 to be considered for appointment at the November 8, 2017 City Council meeting.



APPLICATION FOR APPOINTMENT

Thank you for your expression of interest in serving this community by volunteering for appointment to a board or commission. Please provide the requested information in addition to any other information you think appropriate for the Mayor and City Council to consider. Please plan on attending the Council meeting at which this matter will be considered. The public notice for this vacancy included that date.

BOARD OR COMMISSION APPLIED FOR: Board of Review

NAME: Judianna L. Sibley

ADDRESS: P.O. Box 38-241 Hughes
Manistee, MI 49760-0038

PHONE: (Home) 231-723-4117 (^{Cell}Work) 231-239-1333

E-MAIL: judianna@sibley@gmail.com (personal or work)

I want to volunteer for this position because:
I have been doing it for the past few years & now
educated in it. I enjoy it & it helps me understand
real estate a bit better. I feel I can help.

Please add any particular education, experience or background you think appropriate to include:
I have gone to the board board training for the past
3 yrs. in Cadillac.

Feel free to attach any additional information.

I (will) (will not) be able to attend the Council meeting. Please circle one.

Judianna L. Sibley 10/23/17
Signature Dated

The City of Manistee does not discriminate on the basis of race, color, religion, sex, national origin, age or disability. If you have a disability and may need accommodation to participate fully on this board or commission, please contact the City ADA Officer, or check this box and someone will contact you to discuss your needs.



APPLICATION FOR APPOINTMENT

Thank you for your expression of interest in serving this community by volunteering for appointment to a board or commission. Please provide the requested information in addition to any other information you think appropriate for the Mayor and City Council to consider. Please plan on attending the Council meeting at which this matter will be considered. The public notice for this vacancy included that date.

BOARD OR COMMISSION APPLIED FOR: PARKS Harbor Commission

NAME: Tom Swedeborg

ADDRESS: 562 1st St
Manistee, MI

PHONE: (Home) 231-723-0114 (Work) 231-690-9971

E-MAIL: _____ () personal or () work

I want to volunteer for this position because:

Interest in Harbor & Shipping
Maritime Background
20 yr city resident

Please add any particular education, experience or background you think appropriate to include:

Feel free to attach any additional information.

I (will) (will not) be able to attend the Council meeting. Please circle one.

[Signature]
Signature

Nov 17
Dated

RECEIVED

NOV 8 2017

CITY OF MANISTEE

The City of Manistee does not discriminate on the basis of race, color, religion, sex, national origin, age or disability. If you have a disability and may need accommodation to participate fully on this board or commission, please contact the City ADA Officer, or check this box and someone will contact you to discuss your needs.



RECEIVED
NOV 13 2017
CITY OF MANISTEE

APPLICATION FOR APPOINTMENT

Thank you for your expression of interest in serving this community by volunteering for appointment to a board or commission. Please provide the requested information in addition to any other information you think appropriate for the Mayor and City Council to consider. Please plan on attending the Council meeting at which this matter will be considered. The public notice for this vacancy included that date.

BOARD OR COMMISSION APPLIED FOR: Parks Commission

NAME: FRANK CARDELLA

ADDRESS: 580 Broad Ave
Manistee, MI 49660

PHONE: (Home) 586-855-8148 (Work) _____

E-MAIL: Cardella87@yahoo.com personal or work

I want to volunteer for this position because:

My family and I recently moved to Manistee this past
summer. I enjoy being outdoors & giving back to the community.
Volunteering for this commission would fulfill my goals of giving back
to the community of Manistee. Thank you!

Please add any particular education, experience or background you think appropriate to include:

Doctor of Nursing Practice - University of Iowa
Certified Nurse Anesthetist - CRNA

Feel free to attach any additional information.

I (will) (will not) be able to attend the Council meeting. Please circle one.

Frank Cardella
Signature

11/10/17
Dated

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RECEIVED

NOV 4 2017

APPLICATION FOR APPOINTMENT

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BOARD OR COMMISSION APPLIED FOR: Tree Commission

NAME: Patricia Williams
ADDRESS: 105 Lighthouse Way
Manistee, MI 49660

PHONE: (Home) 231-723-9863 (Work) _____

E-MAIL: _____ () personal or () work

I want to volunteer for this position because:

I co-wrote the Tree Ordinance and I feel my 25 years of experience on the Tree Comm provides useful information plus the chair, Pat Segala, asked me to return

Please add any particular education, experience or background you think appropriate to include:

WMLU BS BA
Univ of MI MA

I have been most interested in the importance of trees in our lives

Feel free to attach any additional information.

I (will) (will not) be able to attend the Council meeting. Please circle one. (Special reports are too late for my personal schedule otherwise, I would enjoy attending an

Patricia Williams 11/2/17
Signature Dated

Sorry I'm a little late

reporting

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