



2020 – 2021 Budget



Photo courtesy of Chris Franckowiak

Soul of the Water. Spirit of the Woods.

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Elected Officials & Administration

City Council

Roger Zielinski	Mayor	Third District	rzielinski@manisteemi.gov
James Grabowski	Mayor Pro-Tem	Sixth District	jgrabowski@manisteemi.gov
Dale Cooper	Councilmember	First District	dcooper@manisteemi.gov
Lynda Beaton	Councilmember	Second District	lbeaton@manisteemi.gov
Jermaine Cipcic	Councilmember	Fourth District	jcipcic@manisteemi.gov
Michael Szymanski	Councilmember	Fifth District	mszymanski@manisteemi.gov
Erin Martin Pontiac	Councilmember	Seventh District	epontiac@manisteemi.gov

Administration

Thad Taylor	City Manager	ttaylor@manisteemi.gov
Ed Bradford	Chief Financial Officer	ebradford@manisteemi.gov
Tim Kozal	Public Safety Director	tkozal@manisteemi.gov
Jeff Mikula	Public Works Director	jmikula@manisteemi.gov
Heather Pefley	City Clerk	hpefley@manisteemi.gov

Strategic Plan

The City Council maintains the City of Manistee Strategic Plan. The strategic plan provides direction to staff and is used as a basis for formulating each department's tactical approach and annual operating budget, in order to best meet the goals of the plan.

Our Vision:

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

Our Mission:

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

Our Purpose:

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

The City regularly updates this plan to ensure that it is kept current and remains relevant. The document focuses on big picture items. The areas of focus in the strategic plan are:

1. Economic Development and Jobs
2. Infrastructure and Facilities
3. Beaches, Parks and Recreation Areas
4. Financial Stability and Continuous Improvement
5. Intergovernmental Relationships
6. Housing, Homelessness and Senior Citizens

The annual budget and capital improvement plan are developed with the goal of supporting the strategic plan wherever feasible and economical. The past few years have seen tangible, steady progress in each of these focus areas. This budget continues that trend through both operational and capital items. The City Manager provides quarterly updates to City Council on the status of items in the plan.

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

Budget Overview

Budget Reader's Guide

Welcome to the City of Manistee's Fiscal Year 2020-2021 budget. The Budget is the guiding financial policy document for the City of Manistee and includes all City revenues, expenditures, and capital projects for the fiscal year. The Budget is laid out in an easy to understand and read format. The **Table of Contents** should direct anyone to their particular area of interest.

If you want a quick summary of the document, the **Budget Overview** section provides the reader with the big picture of the City's finances, challenges and important issues. This provides a high-level overview of the City's budget and includes the City Manager's Budget Transmittal Letter, Budget Highlights and Budget Issues, as well as other summary information.

The **General Fund** is the largest part of the document and the place where most public services are discussed, as well as most departmental budgets. Each departmental budget is presented in detail. Reading the narrative pages for each department will give you a good understanding of the responsibilities, operations and challenges of that department, as well as budget assumptions.

The **Component Units** section is comprised of the Downtown Development Authority, Ramsdell Theatre and Brownfield Redevelopment Authority. The DDA's budget must be approved by City Council and is included. The Ramsdell and Brownfield Authority are also discussed.

Enterprise Funds is the next section of the document. These funds include the Water & Sewer Utility, Municipal Marina & Boat Launch. These are Funds that operate as a business and charge user fees to generate operating revenues.

Permanent Funds are those that are intended to be perpetual in nature and where only the earnings can be spent. The City's Oil & Gas fund is a permanent fund.

Special Revenue & Internal Service Funds are presented next. These funds are established for a specific purpose, such as tracking a grant or for State mandated items, and typically have independent revenue sources. Examples of activities that are accounted for in these funds are the Major & Local Street Funds, Refuse Fund & Motor Pool.

If you want to see what general physical improvements the City is planning, the **Capital Project Funds** section is the place to look. These funds track capital expenditures and most current projects. Other specific capital improvements can be found in the Enterprise fund section. Finally, the City does not have a **Debt Service Fund**. Instead, City debt is recorded in the fund that it is associated with.

The **Appendices** provide valuable supplemental information to the reader. This section tracks information over time, such as the number of employees and state equalized value. This information allows the budget to serve as a record of important historic information.

We hope you find this document useful. On behalf of the City of Manistee, thank you for taking the time to review the Fiscal Year 2020-2021 budget document.

Budget Transmittal Letter

April 6, 2020

Honorable Mayor Roger Zielinski
Members of the Manistee City Council

Mayor and Council Members:

The Fiscal Year 2020-2021 City of Manistee budget recommendations are presented for your consideration.

The budget for your review is balanced, without the use of our fund balance, and realistic. The budget reflects a taxable value increase of almost 2.8%, new fees from marijuana licenses and new revenue, albeit small, associated with having SAFEbuilt perform our building permit function. Staff is concerned about possible reductions in State of Michigan statutory revenue sharing and Act 51 street funding due to measures put in place to mitigate the spread of the COVID-19 virus.

The proposed budget does not provide for a blight officer. The police department will ramp up its blight enforcement by creating eight blight districts in the City with an officer assigned to each district. This will provide for a higher level of accountability and increased attention on blight. The proposed budget does include \$12,000 to raze at least one blighted building.

The proposed budget reflects a bond issuance necessary to fund shoreline erosion mitigation efforts, replace infrastructure damaged by high water, make critical repairs to crucial infrastructure, leverage grant funding to replace the remaining marina docks not damaged by the seiche, and re-do the Veteran's Memorial Park and Riverwalk.

The 2020-2021 Budget, DDA Budget and Capital Improvement Plan will be formally introduced to the Council and the Community at the Tuesday, April 7, 2020 meeting. Various budget work sessions have been established: a regular work session on Tuesday, April 14; a public hearing to review these budget recommendations and receive public input on them on Tuesday, April 21; and an optional work session on Tuesday, April 28. Budget adoption is anticipated at the regular meeting of May 6, 2020.

While the enclosed budget recommendations represent the City Manager and Administration's best judgment for spending based on existing City Council policies and priorities, these issues are subject to the Council's review and ultimate decision. Councilmembers are the elected representatives of the people and maintain the right and responsibility of balancing the 2020-2021 budget for the City of Manistee.

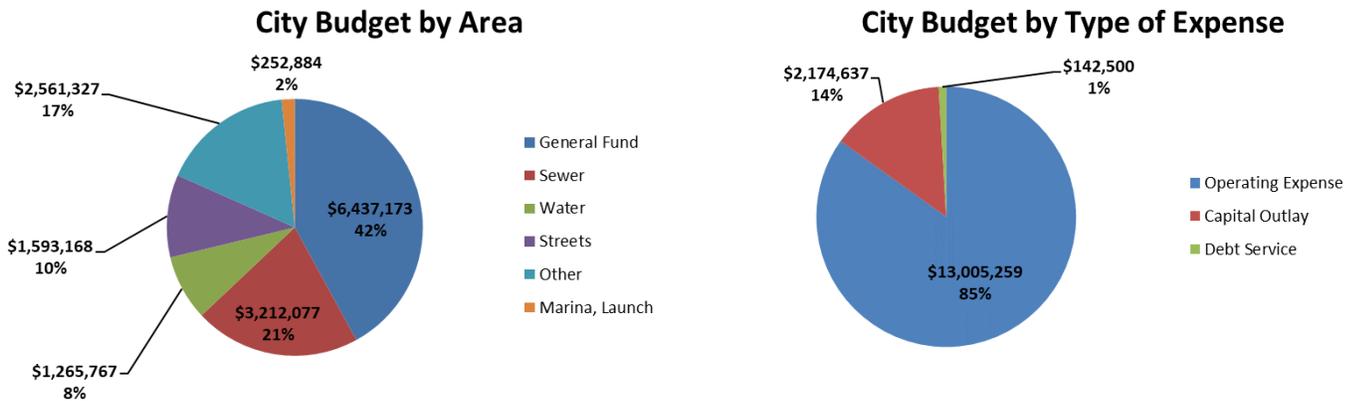
Respectfully submitted,

Thad N. Taylor

Thad N. Taylor, City Manager

Budget Highlights

The budget for all City funds, including capital outlay and debt service, totals **\$15,322,396**. This is a decrease of **\$1,309,183** from the prior year budget.



The **General Fund** has a total budget of **\$6,437,173** or **42%** of total spending. This is up 66,838 or 1.0% from the prior year. The budget is balanced without using reserves. Services most people associate with local government, such as police, fire & EMS, tax collection, assessing, parks, elections and planning & zoning are funded here. Employment is reduced by one full-time position.

The **Water Utility** has budgeted expenditures for operations, capital outlay and debt service of **\$1,265,767** or **8%** of total spending. Water rates are proposed to increase 3.5% consistent with the rate study recommendations.

The **Sewer Utility** has budgeted expenditures for operations, capital outlay and debt service of **\$3,212,077** or **21%** of total spending. Sewer rates are proposed to increase 3.5% consistent with the rate study recommendations. The Sewer Utility will also be financing approximately \$20 million dollars of work over FY 20 and FY 21 to complete the wet weather corrective action program.

The **Street** budgets including Major, Local and City Street funds is **\$1,593,168** or **10%** of total spending. Street work on .55 miles or 8 blocks in the amount of \$961,700 is scheduled. The budget also lays out a proposed three-year transportation improvement plan for FY 2022-2024 with \$3,887,000 in work.

The **Other** City funds account for **\$2,561,327** or **17%** of spending. The primary funds included here are the Capital Improvement, Grant Management, Oil & Gas, Motor Pool and Refuse funds. The City has applied for two sizeable grants for firefighting equipment and to renovate Veteran’s Memorial Park & Riverwalk. Refuse collection is restructuring and simplifying service levels.

The **Boat Launch** and **Marina** account for **\$252,884** or **2%** of expenditures. In recent years, both enterprises have taken on debt to fund significant capital investments. The Boat Launch is generally self-sufficient. The Marina requires a subsidy from the Capital Improvement Fund to pay its debt.

Budget Issues

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

General Fund: The general fund is balanced without the use of fund balance. High priority initiatives and projects such as blight enforcement & demolition, housing, and asset management are included. However, continuing cost pressures relating to labor contracts, retirement contributions and high-water damage resulted in trimming the budget in several areas and postponing some budget requests. The impact of the Coronavirus Pandemic is yet to be determined, but at a minimum will likely have negative effects on our State shared revenue. See **COVID-19 Pandemic and Blight Issue Topics**.

DDA: The DDA development and financing plan, as well as a services agreement, was approved and is reflected in the DDA budget. The DDA is proceeding with some of the improvements identified in the plan and may propose issuing a bond later in the year to fund some of the projects.

Water & Sewer Utilities: The water utility is faced with continuing mandates from the State regarding asset inventory and management, lead service line identification and replacement, and more stringent testing. The sewer utility expects millions of dollars in construction for the wet weather corrective action plan and implementation of service agreements with surrounding townships. Both utilities will be implementing Lucity asset management and work order software.

Municipal Marina: The marina continues to struggle financially. Revenue needs to increase for it to be able to service its debt, or the ongoing support from the capital improvement fund will have to be maintained. Most of the docks (damaged by the seiche) were replaced last year. State waterways commission grant funding is being pursued to help replace the remaining ones this year.

Oil & Gas Fund: The unprecedented self-inflicted economic shutdown caused by the Coronavirus Pandemic has had a severe negative impact on the investment markets. Major stock indexes are down over 20% from their peaks, and volatility has been extreme. The Oil & Gas fund was down about \$1.7 M or 15% since mid-February. The impact of the decline will not be felt in the spendable amount until a future fiscal year and should be muted by the three-year smoothing process used.

Refuse Fund: The refuse fund will undergo several major changes, including a new five-year contract with Republic Services, relocation of the recycling center to MCC, changing the way paper and fiber is recycled by switching to a PCA trailer, implementing a mandatory tote system with an alternative option to use purchased garbage bags, and implementing dumpster corrals for the Downtown.

Streets: The budget includes both Major & Local street projects and the transportation improvement plan anticipates an average of \$1,687,000 annual investment from FY 2020 through FY 2024. This is well above the minimum target of \$600,000 identified in the Street Asset Management Plan.

Capital Improvement Bond: The City is planning to issue a \$5.0 M capital improvement bond to fund a number of projects over the next three years. The bond will address projects for high water shoreline erosion, sewer mains, water mains, water infrastructure, marina docks, park and riverwalk rehabilitation, and building repairs. See **Capital Improvement Bond Issue Topic**.

COVID-19 Pandemic

The emerging and ongoing COVID-19 Pandemic is an unprecedented situation that will have significant, unquantifiable impacts on the Nation, State and City. The situation has many months before it is resolved, and the impacts will likely linger for several years. Hopefully, loss of life can be minimized through the extraordinary steps that are being taken, such as closing schools and non-critical businesses, limiting travel, “Stay Home, Stay Safe order, and social distancing.

Some of the areas that Administration is concerned about for the City are discussed below.

- **Loss of Life:** There is the potential for deaths in the community due to the pandemic.
- **City Employees:** Shelter at home and social distancing policies disrupt the normal work of the City but are currently being managed. A positive test for the virus in the workforce would put extreme strain on operations as people are forced to quarantine and miss work.
- **Job Loss:** There will undoubtedly be some loss of jobs, especially for small businesses that do not have the resources to withstand a prolonged closure. Tourism will suffer for some time.
- **Revenue Sharing:** Lower revenue sharing payments can be expected as the source of these funds is the sales tax which will be greatly reduced as commerce is shut down and grinds to a halt.
- **Act 51 Street Revenue:** Lower street funding should be anticipated as the source of these funds are gas taxes and people sheltering at home do not travel as much and consume gas.
- **Oil & Gas Fund:** The Oil & Gas fund is down 30% +/- and the recovery of the markets is uncertain in the near term. The self-imposed economic shutdown will likely push the economy into a sharp but short recession.
- **Interest Income:** The higher interest rates and resulting income we have been seeing will vanish as the Federal reserve slashes rates in an attempt to stabilize the economy.
- **Costs:** Costs relating to the Pandemic are uncertain, but the Police, Fire and DPW departments will clearly incur more operating supply, PPE and medical supply costs.
- **Bond Issuance:** The lower interest rates should be advantageous to our USDA RD and Capital Improvement bond issues, but the bond market at present is challenging as there are insufficient buyers in the market. This is likely to stabilize before we issue bonds this summer but is not a given.

The proposed budget does not factor these unknown impacts in, since impacts are unknown in magnitude. Flexibility will be needed in the coming months and it is likely that future budget amendments and cost containment will need to occur.

Blight

Blight in the City is a high priority for City Council. There are a number of blighted structures, including in the downtown, that need to be addressed. Blight enforcement is currently carried out by the Police Department.

The public has also been vocal in wanting blight addressed. In response, Council allocated \$15,000 for a part-time blight officer in the FY 2020 budget to ramp up enforcement efforts. Council also appointed an ad-hoc blight committee to study the issue and report back.

The committee met on five separate occasions and presented their recommendations to City Council at the February 11, 2020 work session. It identified several contributing factors including the need to educate the public on the blight ordinance, a lack of a common understanding of what constitutes blight and socio-economic conditions.

The committee established six priorities:

1. Establish and hire a part-time blight officer.
2. Amend the current blight ordinance.
3. Establish escalating fines & costs for violations and repeat offenses.
4. Establish a rubbish collection twice a year for unwanted items.
5. Establish a Standing Committee for blight.
6. Urgently prioritize downtown boarded up businesses.

The City Manager's recommendation is to not hire a part-time blight officer but rather to deploy existing officers in a more efficient manner. The plan is to divide the City into eight sectors and assign one officer to each sector for blight enforcement. This approach will provide a higher level of accountability, enforcement and safety, while not incurring costs that could be better spent on things like education and demolition. The proposed budget includes \$12,000 for blight demolition expenses.

The Public Safety Director, City Manager and City Attorney will lead an effort to draft amendments to the blight ordinance to make it more effective and enforceable.

Once the Ordinance is re-written, the fee schedule will be revised to reflect the new fine structure.

The City Manager's recommendation is to not have a rubbish collection or trash haul. A twice-yearly rubbish collection (trash haul) is extremely expensive and disruptive to both City residents and the DPW staff. The City already offers a month bulky item pickup for all City residents. The local landfill is only a few miles away and is an option for those who don't wish to wait for the pickup or have more rubbish than is allowed. Having a trash haul has an unintended consequence of people saving their garbage in anticipation of the event(s). The City will ramp up resident education on existing options.

The Police Department has already begun ramping up blight enforcement efforts in the Downtown.

Capital Improvement Bond

The City has several large, urgent and/or important projects that it needs to proceed with over the next three years. There are insufficient resources to pay for these projects with cash so they will need to be financed. Given the diverse nature of the projects and their disparate timing, the best option for financing is to issue a Capital Improvement bond under Act 34 of 2001. The specifics of the projects to be funded are shown in the table.

Project	Category	Cost	Bond	Grant	Repayment Source
Shoreline Erosion & Riverwalk Repairs	High Water	1,540,000	1,540,000		General Fund
5th Ave Area Flood Mitigation	High Water	50,000	50,000		General Fund
		-			
North Riverwalk \ Memorial Park Upgrades	Parks	420,000	160,000	260,000	Cap Imp Fund
		-			
Fire Station Structural & Parking	Building	400,000	400,000		General Fund
Fire Station Roof - Shingle	Building	40,000	40,000		General Fund
Waterworks Building Roof - Shingle	Building	30,000	30,000		General Fund
City Hall Roof	Building	100,000	100,000		General Fund
Jackson & VanBuren Watermain Loop	Water	392,000	392,000		Water Utility
Quincy & Cleveland Watermain	Water	273,000	273,000		Water Utility
Washington Street Watermain Improvements	Water	445,000	445,000		Water Utility
M-55 Bridge Main Relocation (MDOT Dir Drill)	Water	200,000	200,000		Water Utility
Maywood Interior Paint	Water	100,000	100,000		Water Utility
Industrial Exterior Paint	Water	200,000	200,000		Water Utility
Well House Roofs	Water	75,000	75,000		Water Utility
M-55 Forcemain Relocation (MDOT Dir Drill)	Sewer	200,000	200,000		Sewer Utility
Quincy & Cleveland Sewer	Sewer	165,000	165,000		Sewer Utility
Remaining Dock Upgrades and Replacements	Marina	390,000	210,000	180,000	Cap Imp Fund
Gas Kiosk Improvements	Marina	50,000	50,000		Cap Imp Fund
Contingency			370,000		
Total		5,070,000	5,000,000	440,000	
			98.6%	8.7%	

This proposed new bond would likely be combined with a refinancing of the existing 2010 Capital Improvement bond which would generate significant annual interest savings. The timeline has the bond being issued in July which should allow work on the more critical projects to proceed in the fall.

More information about the source of funds is shown in the table below.

Source of Funds (Estimated)

General Fund	2,345,000	46.9%
Water Fund	1,870,000	37.4%
Sewer Fund	365,000	7.3%
Capital Improvement Fund	420,000	8.4%
Streets	-	0.0%
Total	5,000,000	100.0%

In order for the General Fund to be able to afford its portion of the annual debt service payment, the bond would be structured to “wrap around” the existing City Hall bond, which is paid off in four years. Once that bond is paid off, about \$273,000 in annual general fund payments are freed up to cover the estimated \$180,000 payment of the new bond. During the first four years of the bond, the General fund portion will be paid for by the Capital Improvement fund.

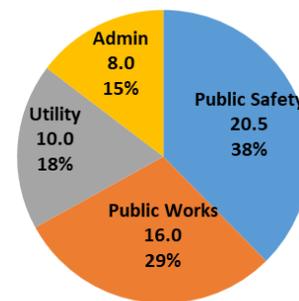
The Water, Sewer and Capital Improvement funds have available resources to cover their portion of the debt service payment.

Employees

The City of Manistee has four different unionized employee groups including the public works employees represented by the United Steelworkers (USW), police officers represented by the Police Officers Association of Michigan (POAM), police sergeants represented by the Command Officers Association of Michigan (COAM), and the firefighters represented by the International Association of Fire Fighters (IAFF). It also has two non-union groups, Department Directors and Non-Supervisory. Group membership and collective bargaining agreements are shown below.

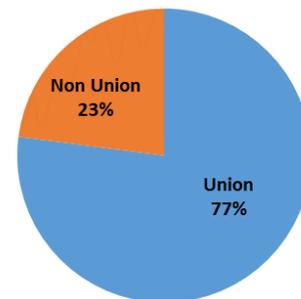
Employee Group	Number of Positions	Contract Expiration
POAM	8	June 30, 2021
COAM	3	June 30, 2021
IAFF	8	June 30, 2022
USW	23	June 30, 2020
Non-Union	7.5	n/a
Supervisory	4	n/a
Manager	1	n/a
Total	54.5	

Employees by Classification



The public safety unions, consisting of the POAM, COAM and IAFF have binding arbitration rights under PA 312, whereas the USW does not. This means that if negotiations reach an impasse, an independent arbitrator will review the issues and make a final decision for these three unions.

Employees by Representation



The City recently went thru arbitration with both the POAM and COAM. A final ruling was issued in late June 2019. The ruling covered a large number of issues, but the most significant were mandating a two week 84-hour schedule rather than an 80-hour schedule; limiting flexibility in scheduling; providing higher year one wages; and disallowing language to bring the contracts into better conformity with other employee groups and the personnel policies. This ruling has raised costs for the City significantly and has put increased pressure on general fund finances.

The USW contract is currently in negotiation and is expected to be wrapped up prior to the end of the current fiscal year.

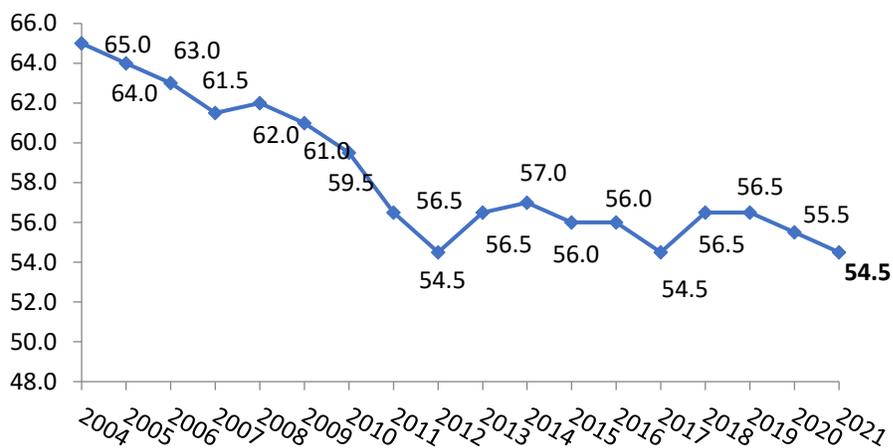
Staffing

The current year budget calls for a reduction of one unfilled Police Department position. This position has been unfilled since an officer left to take a new position in September 2018. Even after this reduction in authorized positions, the department will still be at the same number of regularly scheduled officers as in 2018 because the officer that was previously assigned to the SSCENT drug enforcement team was recalled in late 2019. This reduction in authorized staffing is needed because of the Police Department cost increases mandated by the arbitration ruling and the ongoing general fund financial pressures.

Staffing Trends

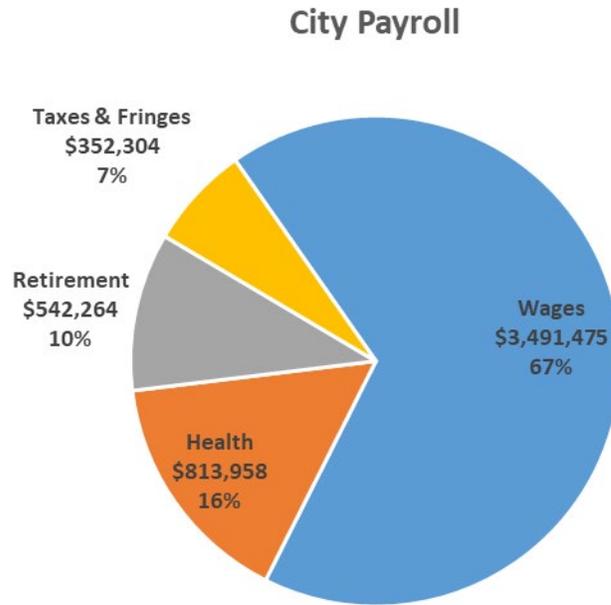
The City workforce has been reduced by 10.5 employees or 16% from FY 2004 to 2021. Staffing has been relatively stable since 2012. The biggest reduction has been in upper management where the number of department heads has been reduced from eight to four through consolidation of departmental oversight and outsourcing. Most of the reductions were the result of attrition, or not replacing an employee when they retire or resign. Future headcount reduction cannot be ruled out if general fund revenues do not start growing at a faster pace, or resource demands on the general fund do not lessen.

Total Employees



Payroll

The charts below show a variety of information about employee wages and benefits City-wide. Each key area is explored in greater detail in the following pages.

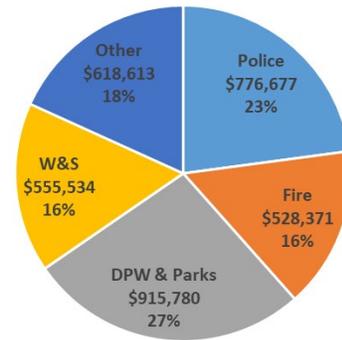


Category	FY 2020 Budget	FY 2021 Budget	Difference	Percentage
Wages	\$3,375,673	\$3,491,475	\$115,802	3.4%
Health	\$761,443	\$813,958	\$52,515	6.9%
Retirement	\$495,852	\$542,264	\$46,412	9.4%
Taxes & Fringes	\$348,106	\$352,304	\$4,198	1.2%
	\$4,981,074	\$5,200,001	\$218,927	4.4%

Wages

Employee group wages are adjusted annually on July 1 and are adopted as part of the overall budget. Each employee group has an established wage and step schedule. A step schedule is a mechanism by which employees’ annual wages are developed. It establishes an introductory wage for a position, and then over a period of years moves employees through a series of wage increases, or steps, as their experience and abilities develop. Eventually, the employee hits the top of the wage scale and no longer receives an annual step increase.

Wages Including OT & Standby

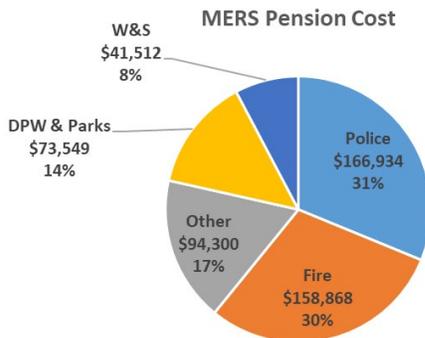


Non-union groups have a wage and step scale based on a comprehensive compensation and classification study done several years ago. Union group wage and step scales are based upon collective bargaining and comparables. To account for inflation, each wage scale is annually adjusted by an inflationary percentage. The budget includes an inflation adjustment and step increases for employees.

Group	Total FT Employees	Wage Scale Inflation	Employees Receiving Steps	Overall Increase	Overall % Increase	Average Base Wage	Average Fringe	Average Fringe Percentage	Average Annual Cost
POAM	8	2.00%	3	\$15,833	3.4%	\$55,667	\$33,700	34%	\$89,367
COAM	3	2.00%	0	\$4,128	2.0%	\$70,085	\$33,700	34%	\$103,785
IAFF	8	2.00%	3	\$24,219	5.8%	\$55,038	\$42,400	42%	\$97,438
USW	23	3.00%	6	\$24,458	3.7%	\$45,844	\$28,600	35%	\$74,444
Supervisory	4	2.25%	2	\$12,668	3.8%	\$87,272	\$28,180	24%	\$115,452
General	7.5	2.25%	5	\$17,575	4.5%	\$57,743	\$23,854	30%	\$81,597

Pension

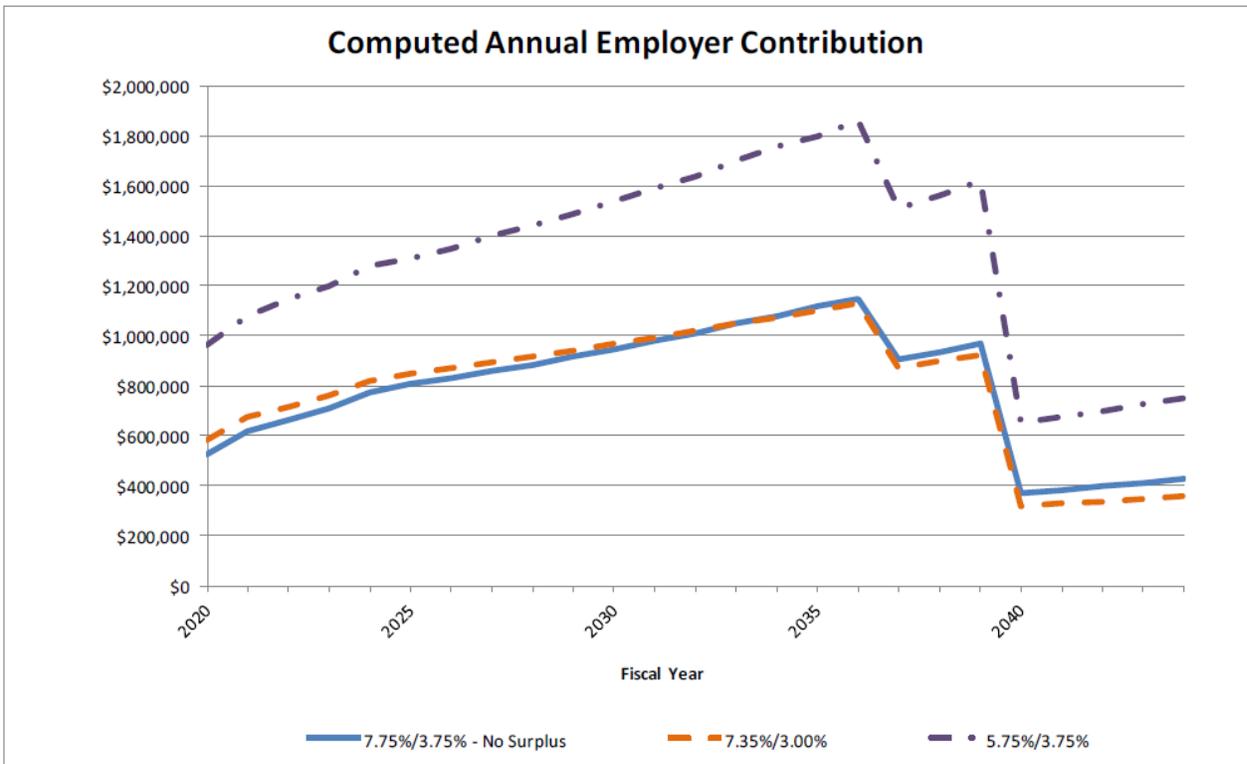
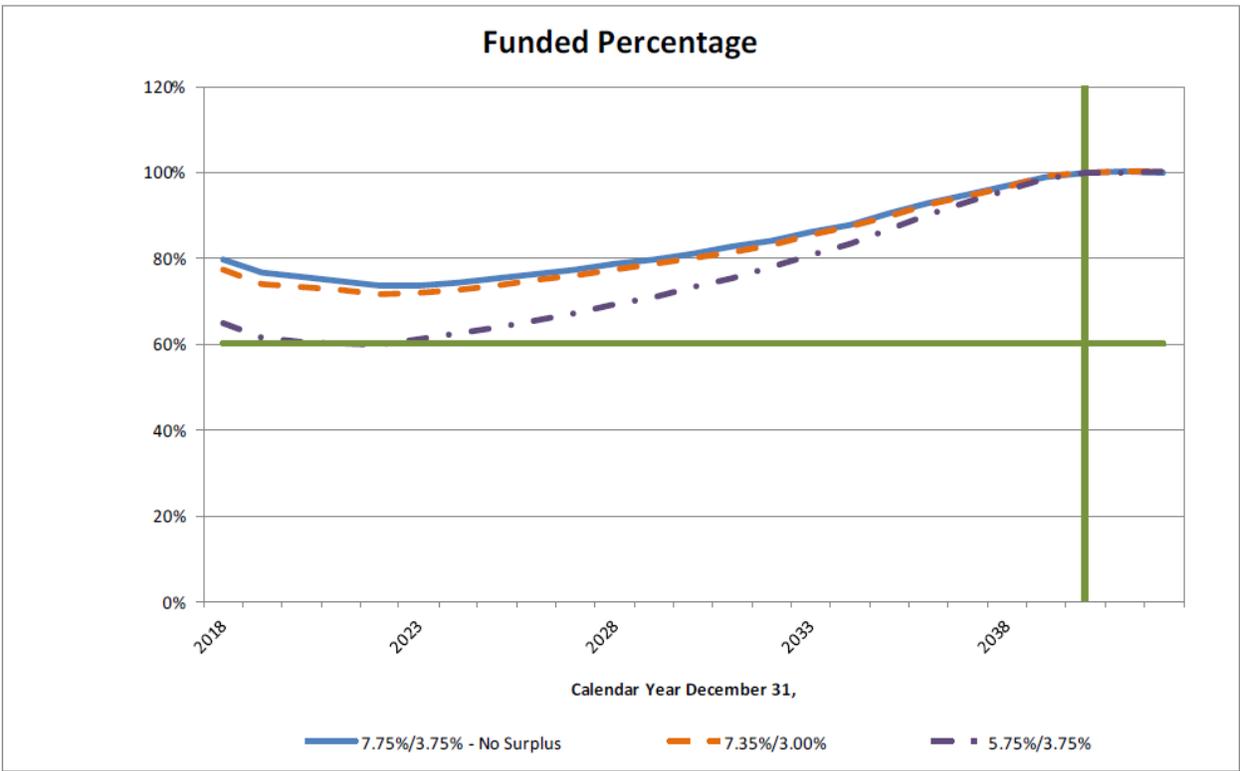
The City is a member of the Municipal Employees’ Retirement System of Michigan (MERS). Most of the City’s employees are covered under one of a number of defined benefit (DB) retirement plans administered through MERS. MERS calculates an annual contribution for each DB plan. As of the most recent actuarial valuation, the retirement plan is funded at 80%. This funded percentage has generally declined over time, primarily due to the market crash of 2008, and more recently, updated MERS experience study. This equates to a higher required annual City contribution. The City has budgeted for the full impact of these new assumptions rather than spreading them over five years as MERS allows, in order to strengthen the funded position. The table below shows relevant pension information.



FY: 2020		AAV: 12/31/2017	
Division	Status	Percent Funded	Estimated Annual Cost
01 Non-Union	Open	73.2%	148,896
02 POAM	Closed	83.2%	88,248
05 IAFF	Closed	64.6%	147,780
10 USW	Closed	93.4%	48,672
11 USW a 7/1/2012	Open	80.1%	20,196
12 USW a 7/1/2011	Closed	117.8%	1,524
13 IAFF after 7/1/2018	Open	n/a	11,088
20 COAM	Closed	86.1%	36,372
21 POAM a 7/1/2015	Open	76.6%	16,608
22 COAM a 7/1/2015	Open	62.5%	15,780
Overall		79.7%	535,164

The estimated annual cost is a MERS actuarial calculation comprised of the normal cost which is the ongoing cost of the retirement benefit and the amortization of the unfunded accrued liability. The current unfunded accrued liability is \$4,175,012. The City has made modifications to pensions for new hires in order to protect the pension system and reduce costs and long-term liabilities in the future. This has already been done for the USW, IAFF, POAM and COAM which all have reduced multipliers. The City also made changes to the department head and non-union benefit for new hires, moving them to a DC plan. Further changes to POAM, COAM were being negotiated in the last contract but were denied by the Arbitrator. All employees also have access to a 457 deferred compensation plan administered by ICMA.

MERS will be making a further adjustment to its actuarial assumptions for the annual valuation ended December 31, 2019. The rate of return will be reduced from 7.75% to 7.35% and the wage inflation will be reduced from 3.75% to. This is a significant change and will result in higher City contributions. If these assumptions had been in place for the last actuarial valuation, the City would have been required to contribute \$56,000 (about 10%) more this year. These changes will also shave 2-3% off of our funded percentage. It is important to note that MERS is adjusting contributions annually to bring municipalities up to 100% over 20 years as shown in the graphs on the following pages. The City’s contributions will continue to rise but will eventually fall off sharply as we approach 100% funding (green line).



Health Insurance

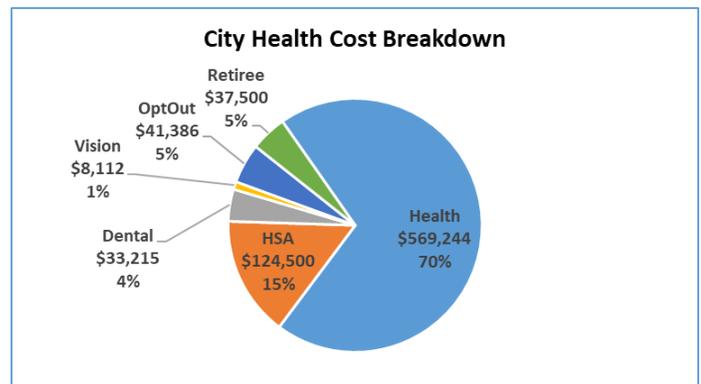
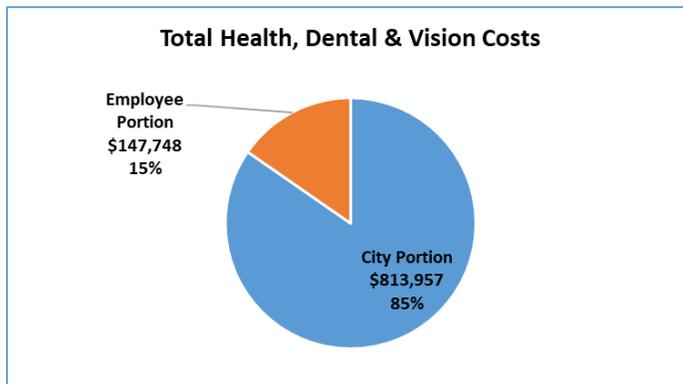
The City provides health insurance to all full-time employees. It has been a long-standing City objective to provide quality, affordable health coverage to employees as a method of attracting and retaining talented staff. However, maintaining quality coverage has become more difficult as health insurance continues to increase faster than inflation and is the second biggest employee expense behind wages. The City switched from Blue Cross to Priority Health in 2018 due to cost savings. In addition to health insurance, the City provides dental & vision insurance to employees. Retiree health insurance is capped and limited to \$250 per month till Medicare or age 65.

The total cost of all health, dental and vision coverages, including retirees and active opt outs is \$962,000. The total City cost is \$814,000 and the employee cost is \$148,000. The amount the employees pay is based on contractual language that is also applied to Department Directors and General employees. In 2011, a State law was passed that limits the amount that public employers can pay for health insurance. The City is complying with this requirement. The City pays 100% of dental and vision coverages.

Monthly Medical Insurance Premium

Health	Priority Health POS HSA \$2,000 / \$4,000
Prescription	Priority HSA Triple Tier Copay
HSA	Family\Double \$3,000, Single \$1,500
Dental	Delta Dental PPO 50%
Vision	VSP 12/12/24

Category	Single	Double	Family
City	\$402	\$975	\$1,228
Employee	\$114	\$263	\$320
Total	\$516	\$1,238	\$1,548
Employee %	22.2%	21.3%	20.7%



Fringes

Fringes include such items as social security, medicare, worker's compensation, unemployment and life insurance.

Post-Employment Benefits

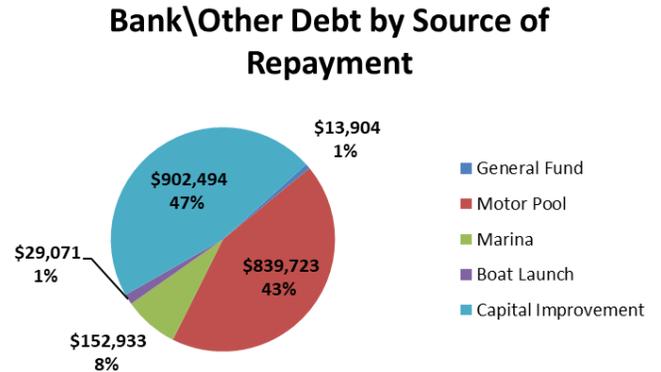
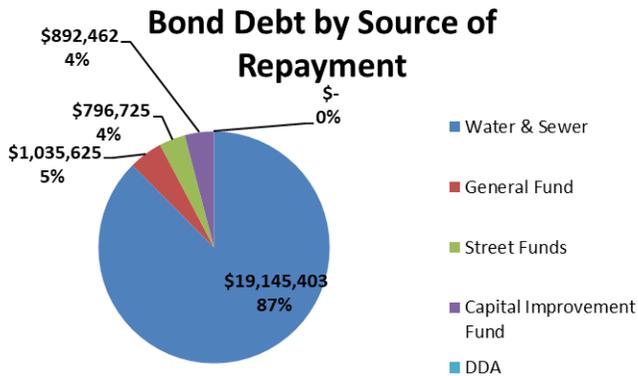
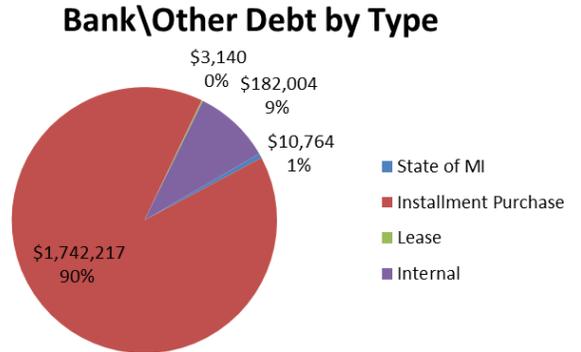
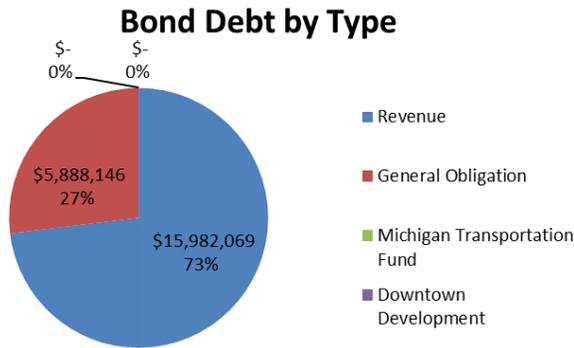
The City generally provides a contribution of \$250 per month for retirees from retirement age until eligibility for Medicare toward health insurance. The City is working toward getting all retirees off the City plan and using the opt out instead. This self-imposed hard cap has generally limited the City's contribution for this benefit to about \$20,000-\$30,000 per year. This is in stark contrast to many other communities where retiree healthcare has created multi-million-dollar unfunded liabilities. Because of the nature of this benefit, the City funds it on a pay as you go basis. This benefit has been eliminated for all new hires.

Conclusion

The City's employees are its most valued asset. None of the high level of services that Manistee residents enjoy would be possible without the City's highly trained and dedicated workforce. The proposed budget has treated employees fairly and equitably.

City Indebtedness

The City has eleven outstanding bond issues for a variety of purposes. It also has eleven outstanding bank installment purchase contracts and internal loans. These bond issues and loans create a first demand on City financial resources, before any discretionary funding. It is necessary to remain aware of these obligations as the City makes decisions on other financial matters.



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

Refunding activity is an important part of the City’s financial management. When market and bond covenants allow, the City will refinance previous debt issues to save money. The City will likely be refunding its 2010 Capital Improvement Bond in the upcoming year, as well as issuing a new capital improvement bond and additional USDA Rural Development sewer financing.

Outstanding Bond Debt

As of 7/01/2020

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	FY 2021 Principal Payments	FY 2021 Interest Payments	FY 2021 Total Payments
1	1999 B SRF	CSO	GO LT	451	Water & Sewer	2021	1	\$ 2,285,000	\$ 145,000	\$ 1,813	\$ 146,813	\$ 145,000	\$ 1,813	\$ 146,813
2	2006 SRF	WWTP	Revenue	94	Water & Sewer	2027	7	\$ 2,757,270	\$ 1,042,270	\$ 67,289	\$ 1,109,559	\$ 145,000	\$ 16,937	\$ 161,937
3	2010 SRF	CSO	Revenue	94	Water & Sewer	2031	11	\$ 705,000	\$ 401,075	\$ 57,657	\$ 458,732	\$ 30,000	\$ 9,652	\$ 39,652
4	2010 DWRP	CSO	Revenue	94	Water & Sewer	2031	11	\$ 465,000	\$ 285,000	\$ 41,313	\$ 326,313	\$ 20,000	\$ 6,875	\$ 26,875
5	2010 Cap Imp	Various	GO LT	34	W&S, CI, St	2031	11	\$ 5,800,000	\$ 3,725,000	\$ 980,709	\$ 4,705,709	\$ 270,000	\$ 155,423	\$ 425,423
6	2011 SRF	CSO	Revenue	94	Water & Sewer	2032	12	\$ 1,485,000	\$ 805,774	\$ 125,405	\$ 931,179	\$ 65,000	\$ 20,144	\$ 85,144
7	2011 DWRP	CSO	Revenue	94	Water & Sewer	2032	12	\$ 775,000	\$ 272,555	\$ 42,378	\$ 314,933	\$ 20,000	\$ 6,814	\$ 26,814
8	2013 CI Refunding	City Hall	GO LT	34	General Fund	2024	4	\$ 2,950,000	\$ 985,000	\$ 50,625	\$ 1,035,625	\$ 225,000	\$ 21,250	\$ 246,250
9	2015 W&S Revenue	W&S	Revenue	94	Water & Sewer	2036	16	\$ 2,770,000	\$ 2,765,000	\$ 851,763	\$ 3,616,763	\$ 85,000	\$ 85,325	\$ 170,325
10	2017 W&S Rev & Refund	W&S	Revenue	94	Water & Sewer	2038	18	\$ 3,475,000	\$ 2,005,000	\$ 791,224	\$ 2,796,224	\$ 80,000	\$ 72,072	\$ 152,072
11	2020 USDA RD 1 A & B	Sewer	Revenue	94	Sewer	2060	40	\$ 4,700,000	\$ 4,700,000	\$ 1,728,367	\$ 6,428,367	\$ 84,000	\$ 76,375	\$ 160,375
TOTAL								\$ 28,167,270	\$ 17,131,674	\$ 4,738,541	\$ 21,870,215	\$ 1,169,000	\$ 472,679	\$ 1,641,679

Type of Bond Debt	Total Principal	Total Interest	Total Debt
Revenue	\$ 12,276,674	\$ 3,705,395	\$ 15,982,069
General Obligation	\$ 4,855,000	\$ 1,033,146	\$ 5,888,146
Michigan Transportation Fund	\$ -	\$ -	\$ -
Downtown Development	\$ -	\$ -	\$ -
Total	\$ 17,131,674	\$ 4,738,541	\$ 21,870,215

Source of Funds to Repay	Total Principal	Total Interest	Total Debt
Water & Sewer	\$ 14,809,527	\$ 4,335,876	\$ 19,145,403
General Fund	\$ 985,000	\$ 50,625	\$ 1,035,625
Street Funds	\$ 630,681	\$ 166,044	\$ 796,725
Capital Improvement Fund	\$ 706,466	\$ 185,996	\$ 892,462
DDA	\$ -	\$ -	\$ -
Total	\$ 17,131,674	\$ 4,738,541	\$ 21,870,215

Total Existing Bond Debt by Fiscal Year

	Principal	Interest	Total
2021	\$ 1,169,000	\$ 472,679	\$ 1,641,679
2022	\$ 1,067,555	\$ 443,183	\$ 1,510,738
2023	\$ 1,113,000	\$ 413,300	\$ 1,526,300
2024	\$ 1,149,000	\$ 381,906	\$ 1,530,906
2025	\$ 900,000	\$ 352,869	\$ 1,252,869
2026	\$ 942,000	\$ 325,941	\$ 1,267,941
2027	\$ 945,270	\$ 296,607	\$ 1,241,877
2028	\$ 954,774	\$ 263,569	\$ 1,218,343
2029	\$ 946,000	\$ 230,388	\$ 1,176,388
2030	\$ 977,000	\$ 196,928	\$ 1,173,928
2031	\$ 1,010,075	\$ 161,698	\$ 1,171,773
2032	\$ 550,000	\$ 133,174	\$ 683,174
2033	\$ 508,000	\$ 116,211	\$ 624,211
2034	\$ 499,000	\$ 100,375	\$ 599,375
2035	\$ 481,000	\$ 85,179	\$ 566,179
2036	\$ 493,000	\$ 70,206	\$ 563,206
2037	\$ 234,000	\$ 59,245	\$ 293,245
2038	\$ 241,000	\$ 52,374	\$ 293,374
2039	\$ 113,000	\$ 47,970	\$ 160,970
2040	\$ 114,000	\$ 46,134	\$ 160,134
2041	\$ 116,000	\$ 44,281	\$ 160,281
2042	\$ 119,000	\$ 42,396	\$ 161,396
2043	\$ 121,000	\$ 40,463	\$ 161,463
2044	\$ 122,000	\$ 38,496	\$ 160,496
2045	\$ 124,000	\$ 36,514	\$ 160,514
2046	\$ 126,000	\$ 34,499	\$ 160,499
2047	\$ 128,000	\$ 32,451	\$ 160,451
2048	\$ 130,000	\$ 30,371	\$ 160,371
2049	\$ 132,000	\$ 28,259	\$ 160,259
2050	\$ 135,000	\$ 26,114	\$ 161,114
2051	\$ 137,000	\$ 23,920	\$ 160,920
2052	\$ 139,000	\$ 21,694	\$ 160,694
2053	\$ 141,000	\$ 19,435	\$ 160,435
2054	\$ 143,000	\$ 17,144	\$ 160,144
2055	\$ 146,000	\$ 14,820	\$ 160,820
2056	\$ 148,000	\$ 12,448	\$ 160,448
2057	\$ 151,000	\$ 10,043	\$ 161,043
2058	\$ 153,000	\$ 7,589	\$ 160,589
2059	\$ 156,000	\$ 5,103	\$ 161,103
2060	\$ 158,000	\$ 2,568	\$ 160,568
	\$ 17,131,674	\$ 4,738,541	\$ 21,870,215

Outstanding Bank\Other Debt

As of 7/01/2020

Issue #	Issue Name	Purpose	Type	Public Act	Paid By	Expires	Years Left	Original Principal Balance	Remaining Principal Balance	Remaining Interest Payments	Total Remaining Payments	FY 2021 Principal Payments	FY 2021 Interest Payments	FY 2021 Total Payments
1	Renaissance Park	Economic Dev	State Loan	n/a	General Fund	2022	2	\$ 102,000	\$ 10,764	\$ -	\$ 10,764	\$ 5,616	\$ -	\$ 5,616
2	Marina Building	Marina	IPA	99	CapImp\Marina	2026	6	\$ 380,000	\$ 174,056	\$ 20,262	\$ 194,319	\$ 26,747	\$ 5,639	\$ 32,386
3	Marina Building	Marina	Internal	n/a	Marina	2021	1	\$ 274,482	\$ 144,092	\$ 8,841	\$ 152,933	\$ 27,678	\$ 2,908	\$ 30,587
4	Arthur St. Launch	Boat Launch	Internal	n/a	Boat Launch	2022	2	\$ 135,000	\$ 28,214	\$ 857	\$ 29,071	\$ 13,966	\$ 569	\$ 14,536
5	Ramsdell HVAC	Ramsdell	IPA	99	Cap Imp	2027	7	\$ 1,250,000	\$ 625,412	\$ 82,763	\$ 708,175	\$ 86,914	\$ 22,036	\$ 108,950
6	Braun Ambulance	Fire	IPA	99	Motor Pool	2023	3	\$ 257,904	\$ 82,509	\$ 4,566	\$ 87,075	\$ 26,735	\$ 2,265	\$ 29,000
7	Kyocera Copier	Manager	Lease	n/a	General Fund	2022	2	\$ 8,500	\$ 2,983	\$ 158	\$ 3,140	\$ 1,850	\$ 134	\$ 1,983
8	Plow Trucks	DPW	IPA	99	Motor Pool	2023	3	\$ 160,000	\$ 121,670	\$ 7,000	\$ 128,670	\$ 38,330	\$ 4,560	\$ 42,890
9	Vactor	DPW	IPA	99	Motor Pool	2025	5	\$ 350,000	\$ 296,954	\$ 34,600	\$ 331,555	\$ 53,046	\$ 13,265	\$ 66,311
10	Loader	DPW	IPA	99	Motor Pool	2023	3	\$ 150,000	\$ 114,460	\$ 8,315	\$ 122,775	\$ 35,540	\$ 5,385	\$ 40,924
11	TA Plow Truck	DPW	IPA	99	Motor Pool	2024	4	\$ 160,000	\$ 160,000	\$ 9,648	\$ 169,648	\$ 38,635	\$ 3,777	\$ 42,412
TOTAL								\$ 3,227,886	\$ 1,761,114	\$ 177,011	\$ 1,938,125	\$ 355,057	\$ 60,539	\$ 415,595

Type of Debt	Total Principal	Total Interest	Total Debt
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State of MI	\$ 10,764	\$ -	\$ 10,764
Installment Purchase	\$ 1,575,061	\$ 167,155	\$ 1,742,217
Lease	\$ 2,983	\$ 158	\$ 3,140
Internal	\$ 172,306	\$ 9,698	\$ 182,004

Total Existing Bank\Other Debt by FY

	Principal	Interest	Total
2021	\$ 359,435	\$ 56,160	\$ 415,596
2022	\$ 369,293	\$ 45,008	\$ 414,301
2023	\$ 360,012	\$ 33,524	\$ 393,536
2024	\$ 258,668	\$ 21,978	\$ 280,646
2025	\$ 224,697	\$ 13,537	\$ 238,234
2026	\$ 135,509	\$ 5,827	\$ 141,336
2027	\$ 53,499	\$ 976	\$ 54,475

Source of Funds to Repay	Total Principal	Total Interest	Total Debt
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General Fund	\$ 13,747	\$ 158	\$ 13,904
Motor Pool	\$ 775,593	\$ 64,130	\$ 839,723
Marina	\$ 144,092	\$ 8,841	\$ 152,933
Boat Launch	\$ 28,214	\$ 857	\$ 29,071
Capital Improvement	\$ 799,469	\$ 103,025	\$ 902,494
Total	\$ 1,761,114	\$ 177,011	\$ 1,938,125

\$ 1,761,114 \$ 177,011 \$ 1,938,125

Budget Adoption

Budget Appropriation

**CITY OF MANISTEE
FY 2021 GENERAL APPROPRIATIONS ACT
BUDGET ADOPTION LIST**

It was moved by **Beaton**, supported by **Szymanski**, that the City of Manistee Budgets for FY 2020-2021 be adopted as presented by the City Manager on April 8, 2020 and modified by Council work sessions, including tax levy, operating expenses, capital outlay, debt service, appropriations, schedule of fees and other matters included in the following:

GENERAL FUND	2021
101 - GENERAL FUND	
Total Revenue	6,437,173
Total Expense	6,437,173
101 - Legislative	48,956
172 - Manager	221,083
215 - Clerk	194,677
247 - Board of Review	3,002
253 - Finance	351,594
257 - Assessor	99,794
262 - Elections	17,833
265 - City Hall	172,466
275 - General Government	445,008
301 - Police	1,353,399
336 - Fire	1,150,579
441 - Public Works	1,471,570
701 - Planning & Zoning	96,361
751 - Parks and Recreation	412,801
801 - Appropriations	151,800
905 - Debt	246,250

DOWNTOWN DEVELOPMENT AUTHORITY	2021
Revenue	256,370
Expense	329,193

ENTERPRISE FUNDS **2021**

592 - WATER UTILITY

Total Revenue	1,413,411
Total Expenses	1,095,848
Total Debt	89,919
Total Capital	80,000

593 - SEWER UTILITY

Total Revenue	3,054,900
Total Expenses	1,474,922
Total Debt	1,674,655
Total Capital	62,500

594 - MUNICIPAL MARINA FUND

Revenue	199,600
Expenses	153,275
Debt	62,972

501 - BOAT LAUNCH FUND

Revenue	35,050
Expenses	22,100
Debt	14,537

PERMANENT FUNDS **2021**

245 - OIL & GAS FUND

Revenue	690,000
Expense	460,147

SPECIAL REVENUE FUNDS **2021**
202 - MAJOR STREET FUND

Revenue	1,065,800
Expense	933,134

203 - LOCAL STREET FUND

Revenue	633,951
Expense	551,350
Debt	80,684

204 - CITY STREET FUND

Revenue	28,000
Expense	28,000

226 - REFUSE FUND

Revenue	695,700
Expense	707,400

272 - PEG COMMISSION

Revenue	15,300
Expense	18,000

INTERNAL SERVICE FUNDS **2021**
661 - MOTOR POOL FUND

Revenue	452,000
Expense	512,389

CAPITAL PROJECT FUNDS **2021**
430 - CAPITAL IMPROVEMENT FUND

Revenue	421,772
Expense	434,071

275 - GRANT MANAGEMENT

Revenue	423,700
Expense	423,700

496 - RENAISSANCE PARK FUND

Revenue	5,620
Expense	0
Debt Service	5,620

The Manistee City Council hereby establishes a property tax levy of 17.7612 mills for General Fund operations and 1.15 mills for Refuse Fund operations for FY 2021.

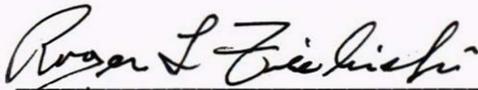
In City water and sewer consumption charges are established at \$3.25 and \$8.90 per 1,000 gallons respectively for bills issued after July 1, 2020.

Refuse residential monthly tote charges are established at \$15.75 per month for once weekly pick-up for bills issued after July 1, 2019.

Other fees and charges are established in the included schedule of fees and/or City ordinance.

Designated depositories for the City for FY 2021 are: Charles Schwab, Chemical Bank, Flagstar Bank, Honor Bank, Huntington Bank, Michigan CLASS, PNC Bank, Shelby State Bank, and West Shore Bank.

Adopted by the Manistee City Council on May 6, 2020.



Roger Zielinski, Mayor



Heather Pefley, City Clerk

Budget Change Summary

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

The changes were as follows:

Council restored \$13,000 in funding for the Alternatives for Area Youth (Teen Center).

Council restored \$69,309 in funding for the authorized but unfilled police officer position that had been removed.

To offset these increases, the following occurred:

Legislative was reduced by \$700.

Manager was reduced by \$650.

Finance was reduced by \$2,090.

Clerk was reduced by \$1,000.

Board of Review was reduced by \$700.

City Hall was reduced by \$2,500.

General operating was reduced by \$3,500.

Police was reduced by \$22,050.

Fire was reduced by \$9,000.

DPW was reduced by \$5,250.

Parks was reduced by \$500.

Appropriations was reduced by \$30,200.

The purchase of the replacement Police Detective vehicle was delayed one year.

General Fund



Overview

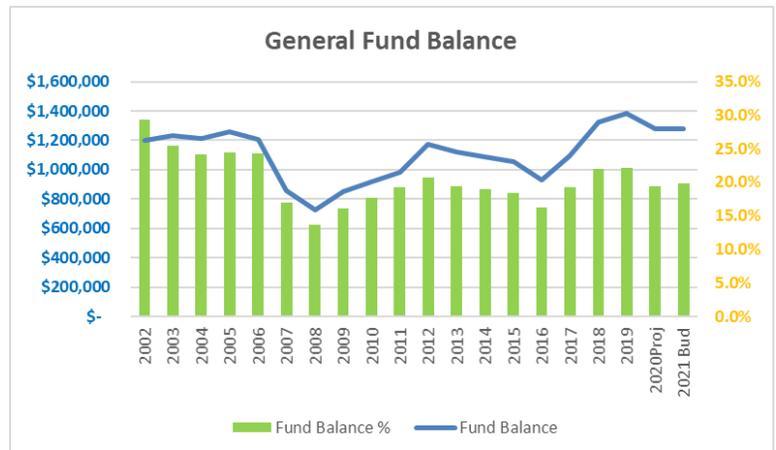
The general fund is the primary City operating fund. It is through this fund that most City services are provided. Financial stability in the general fund is vital if high levels of service are to be maintained. The City, like most Michigan communities, has been challenged on both revenues and expenses for the greater part of a decade since the Great Recession. This has required adjustments in staffing levels, diligent cost containment and finding alternative revenues to ensure general fund stability. The COVID-19 Pandemic is expected to have a negative impact of uncertain magnitude on FY 2021 revenues. This is discussed further in the [COVID-19 Pandemic Issue Page](#).

The FY 2021 budget is balanced at \$6,437,173

<u>101 - GENERAL FUND</u>	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET	DOLLAR CHANGE	PERCENT CHANGE
REVENUES	6,300,590	6,355,335	6,497,011	6,437,173	81,838	1.3%
LEGISLATIVE	51,374	50,113	46,563	49,656	(457)	-0.9%
MANAGER	221,890	225,160	245,453	221,733	(3,427)	-1.5%
CLERK	169,925	185,756	186,271	195,677	9,921	5.3%
BOARD OF REVIEW	1,908	3,162	3,162	3,702	540	17.1%
FINANCE\TREASURER	338,946	342,420	349,032	353,684	11,264	3.3%
ASSESSOR	84,188	97,031	96,552	99,794	2,763	2.8%
ELECTIONS	12,180	15,972	20,517	17,833	1,861	11.7%
CITY HALL\BLDGS	175,043	165,191	170,114	174,966	9,775	5.9%
GENERAL	606,740	487,266	564,326	448,508	(38,758)	-8.0%
POLICE	1,203,780	1,284,737	1,298,569	1,310,509	25,772	2.0%
FIRE	1,070,000	1,105,000	1,134,986	1,159,379	54,379	4.9%
PUBLIC WORKS	1,302,931	1,387,579	1,394,185	1,476,820	89,241	6.4%
PLANNING & ZONING	92,117	90,621	91,421	96,361	5,740	6.3%
PARKS & RECREATION	394,185	395,027	467,560	413,301	18,274	4.6%
APPROPRIATIONS	147,000	162,000	162,000	169,000	7,000	4.3%
DEBT SERVICE	367,700	373,300	373,300	246,250	(127,050)	-34.0%
TOTAL EXPENSE	6,239,907	6,370,335	6,604,011	6,437,173	66,838	1.0%
TOTAL GENERAL FUND	60,683	(15,000)	(107,000)	0		

Financial Reserves

One key to financial stability is adequate, healthy financial reserves or fund balance. This is true for three primary reasons. First, a reasonable fund balance provides insurance against natural disasters or unexpected events and provides resources to address such events. The severe storm in June 2008 or the April 2018 seiche are two good examples. The ongoing high-water issues and the COVID-19 Pandemic will stress our fund balance to a significant degree.



Second, an appropriate fund balance provides an opportunity for investment earnings. Investment earnings can reduce the demand on other revenue sources and provide further stability for municipal operations. Interest rates and improved considerably in the last few years as the Federal Reserve started raising interest rates. However, the dramatic rate cuts in response to the COVID-19 Pandemic will reverse that trend and reduce our interest income.

Third, fund balance provides stability in the event of an economic downturn, one-time or nonrecurring expenses, volatile fuel prices and unexpected budget variances. An adequate cash reserve provides an opportunity to absorb these items without dramatically altering the services provided. The City has tapped the fund balance in the past to address issues such as tax appeal refunds, excess overtime, gasoline price spikes and health insurance. After three years of surpluses primarily due to extra State personal property tax reimbursement and conservative budgeting, a modest deficit is expected in FY 2020 due to a variety of factors.

As a rule, Council and Administration have made the structural changes necessary to balance the budget without unduly depleting the City’s reserves. Projections indicate additional structural changes, or reprioritizing spending, will be needed in a few years absent changes in municipal funding levels. This year, the budget is balanced, but slowly recovering revenues, rising costs and the COVID-19 fallout will continue to present significant challenges.

Council has established a General fund balance target of 20% of prior year operating expense, including transfers out for operations and general fund paid debt service. Pass through debt service is excluded. Depending on priorities, any percentage over 20% may be transferred into the Capital Improvement fund. In 2006 and 2007, a total of \$410,000 was transferred. The June 30, 2019 audit showed a general fund balance of \$1,385,284 an increase of \$60,683 from the prior year. The fund balance percentage was at 22.2%. It is expected to fall to 19.4% at the end of FY 2020.

Revenue

Description

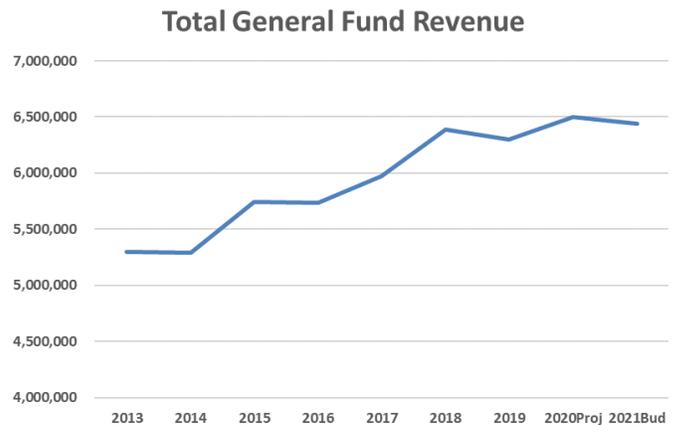
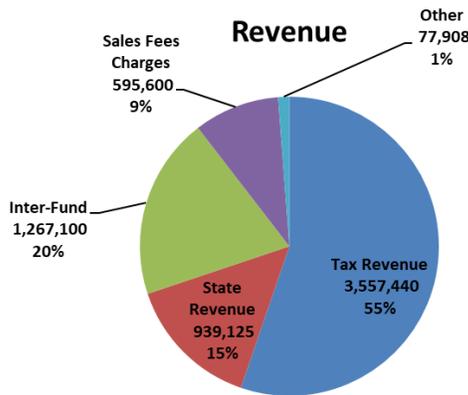
General fund revenue comes from a number of sources, primarily local property taxes and sales taxes from the State in the form of revenue sharing. Interfund transfers in the form of reimbursements and administration fees are also important. Total revenue is budgeted at \$6,437,173 and increase of 1.3%.

Issues

Property taxes and revenue sharing are not growing at an adequate rate to offset rising costs and maintain service levels and funding priorities moving forward. Although the tax base is showing growth this year, it is still not at the pace we would like to see. Likewise, the State has shown no interest in increasing discretionary revenue sharing to local communities, although there is a significant lobbying push to do so. Revenue from marijuana licensing fees and taxes should help in future years.

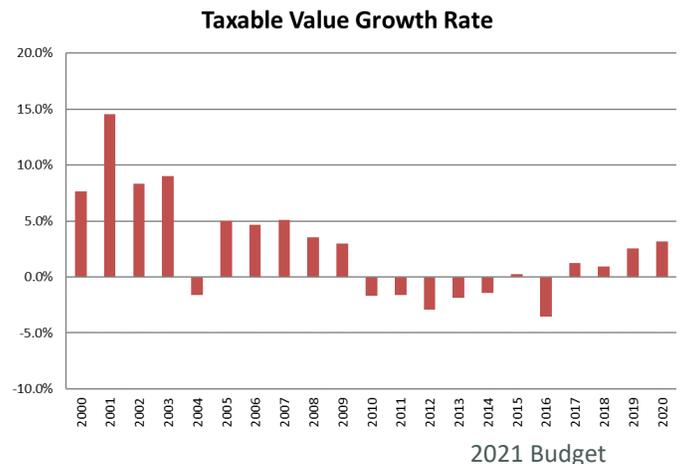
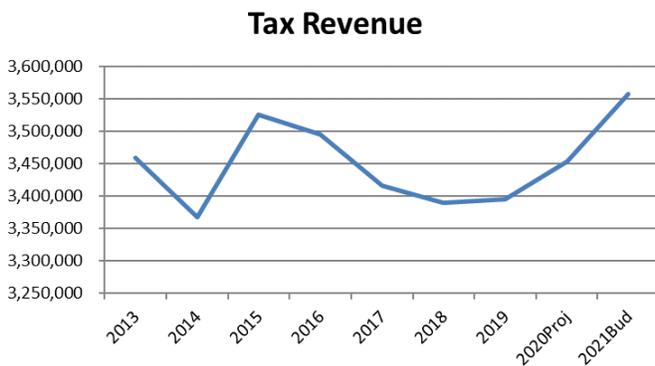
Infographics

Revenue is comprised of a variety of sources.



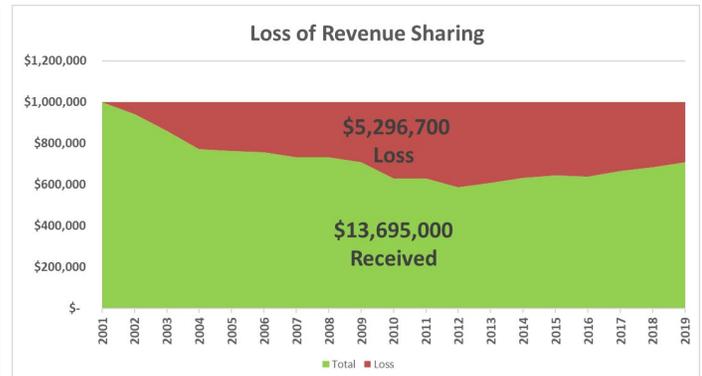
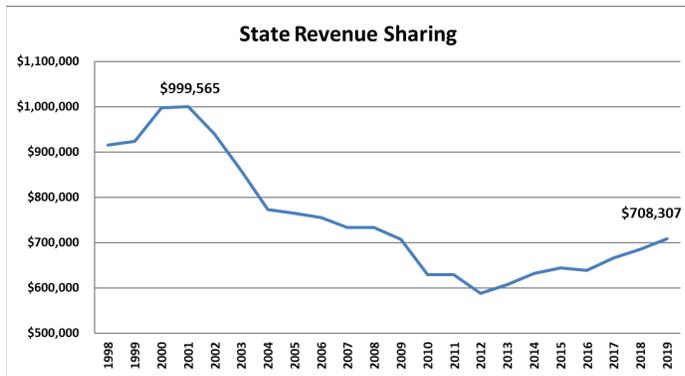
Property Taxes

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



Revenue Sharing

The City used to receive both constitutional and statutory revenue sharing. Statutory revenue sharing has since been eliminated and replaced with the City, Village and Township Revenue Sharing program (CVTRS). Total revenue sharing has declined by 31% since 2001. Total loss of statutory and/or CVTRS payments since 2001 is over \$5,300,000. Many third-party observers have stated that the State’s municipal finance system is broken. The Michigan Municipal League has done extensive research on the matter and discovered a remarkable statistic: Michigan is the only State that spends less on Local Government than it did in 2002. Although there is a concerted effort among local officials to lobby the legislature for additional revenue sharing, efforts have so far fallen flat. The City is hopeful, but not optimistic, that this effort will succeed in the future.



Budget Notes

Total revenue increased \$81,838 or 1.3%.

Tax Revenue: Property tax and related revenue increased \$106,672 or 3.1% from the prior year budget. This category includes taxes, payment in lieu of taxes, penalties and interest, and administration fee. Taxable value in the City showed an increase as property values and assessments rise. PILOT decreased as several start to phase out in the Townships and new housing PILOT’s haven’t yet started.

Sales, Fees & Charges: These revenues increased \$94,000 or 18.7% from the prior year budget. This revenue relates to business registrations, franchise fees, charge for services and sales. The increase is driven by marijuana licenses, the new DDA service agreement and EMS transport fees.

Other Revenue: These revenues decreased by \$162,020 or 67.5%. The large decrease was due to the DDA bond being paid off and the loss of reimbursement revenue (the expense also went away). Interest income is also expected to be less.

State Revenue: These revenues increased \$18,725 or 2.0% from the prior year budget. This category includes various money received from the State, primarily revenue sharing and CVTRS, and local community stabilization fees. Revenue sharing is budgeted to increase, however, the COVID-19 impacts have not been factored in and adjustments will be needed as the impacts become clearer.

Interfund Revenue: These revenues increased by \$24,461 or 2.0% from the prior year budget. This is due to new building inspection revenue and the fact that some administrative charges are based on a flat percentage tied to the revenues of other funds.

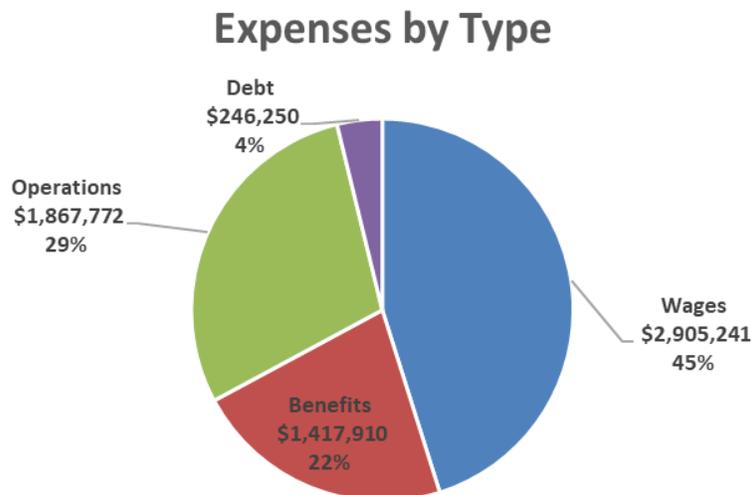
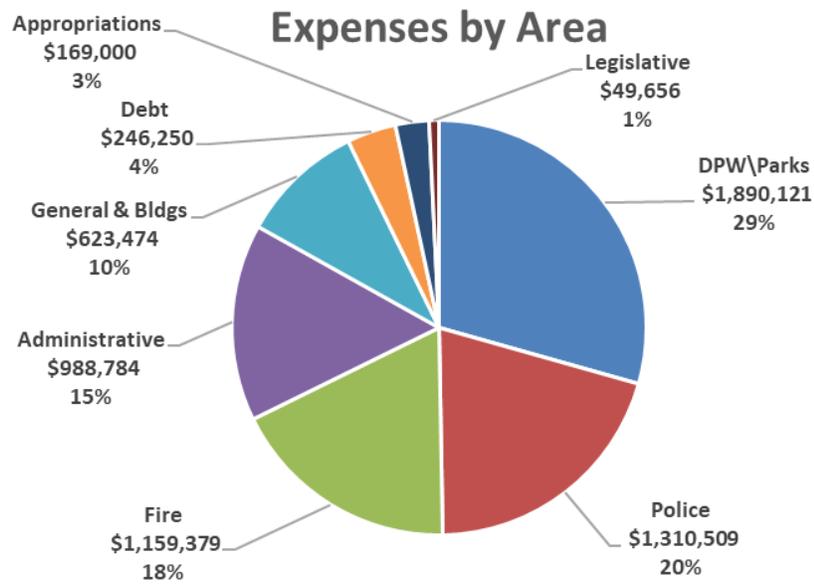
000 - Revenue	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
TAXES - REAL/PERSONAL PROPERT	3,007,003	3,053,070	3,053,000	3,161,000
TAXES - DELINQ REAL PROPERTY	148,415	151,630	151,600	157,000
TAXES - DELINQ PERSONAL PROP	34	3,546	1,000	1,900
TAXES - PAYMENT IN LIEU OF	123,128	137,160	142,194	128,140
TAXES - PENALTIES & INTEREST	16,638	17,625	17,000	18,200
TAXES - ADMINISTRATION FEE	99,527	87,737	88,000	91,200
TAX REVENUE	3,394,745	3,450,768	3,452,794	3,557,440
PERMIT - BUSINESS REGISTRATIO	6,100	22,000	46,000	82,000
PERMIT - FRANCHISE FEES	117,486	121,000	121,000	121,000
PERMIT - NON-BUSINESS	10,160	11,500	14,000	10,000
ELECTIONS	0	2,000	5,000	2,000
CHARGE FOR SERVICE	58,817	67,250	66,950	82,300
CHARGE FOR SERVICE - EMS TRANSP	235,912	258,000	260,000	280,000
SALES	45,119	13,000	6,000	11,000
RENTAL INCOME	4,850	6,850	6,850	7,300
SALES FEES CHARGES	478,444	501,600	525,800	595,600
FINES & FORFEITS	17,291	25,000	20,000	20,000
INVESTMENT - INTEREST	33,005	26,000	26,089	15,733
RIVERFRONT LEASE INCOME	24,203	24,928	24,928	25,675
OTHER REVENUE	1,599	500	700	500
CONTRIBUTIONS / DONATIONS	2,550	2,000	1,600	1,500
REIMBURSEMENT	153,435	146,000	147,700	2,000
REFUNDS	15,212	15,000	14,000	12,000
REFUNDS - WORK/COMP PREMIUM	2,593	500	500	500
INSURANCE SETTLEMENT	75,077	0	70,000	0
TRANSFERS IN	0	0	0	0
OTHER REVENUE	324,965	239,928	305,517	77,908
FEDERAL GRANT - GENERAL GOVT	0	0	0	0
STATE GRANT - OTHER	7,841	0	1,200	0
STATE GRANT - PUBLIC SAFETY (SSCENT)	9,759	8,000	3,200	0
STATE GRANT - UNDERAGE DRINKING	1,234	3,000	0	0
STATE GRANT - CRIMINAL JUSTIC	2,065	2,400	2,100	2,100
STATE GRANT - LOCAL COMM STAB	221,106	175,000	220,000	180,000
STATE GRANT - REVENUE SHARING	539,414	554,000	559,976	570,383
STATE GRANT - CVTRS	168,684	170,000	174,285	178,642
STATE GRANT - LIQUOR LICENSE	7,927	8,000	8,500	8,000
STATE REVENUE	958,030	920,400	969,261	939,125
CHARGE FOR SERVICE - BLDG INS	0	0	1,000	8,000

CHARGE FOR SERVICE - BOAT LAU	2,600	2,700	2,700	2,500
CHARGE FOR SERVICE - LOCAL ST	99,865	141,750	141,750	145,000
CHARGE FOR SERVICE - MAJOR ST	323,896	342,412	342,412	350,000
CHARGE FOR SERVICE - MARINA	11,853	12,175	12,175	12,000
CHARGE FOR SERVICE - REFUSE	141,192	159,564	159,564	168,700
CHARGE FOR SERVICE - WATER	187,500	198,573	198,573	201,100
CHARGE FOR SERVICE - SEWER	187,500	198,573	198,573	201,100
UTILITY OWNERSHIP FEE - WATER	95,000	93,446	93,446	56,500
UTILITY OWNERSHIP FEE - SEWER	95,000	93,446	93,446	122,200
INTERFUND REVENUE	1,144,406	1,242,639	1,243,639	1,267,100
TOTAL REVENUE	6,300,590	6,355,335	6,497,011	6,437,173

Expenses

Description

General fund expenses consist of wages, benefits, operational expenses and debt service. It covers a variety of departments including Police, Fire & EMS, Public Works, Administration, Appropriations and Debt Service as shown below. Total expenses are budgeted at \$6,437,173 an increase of 1.0%.



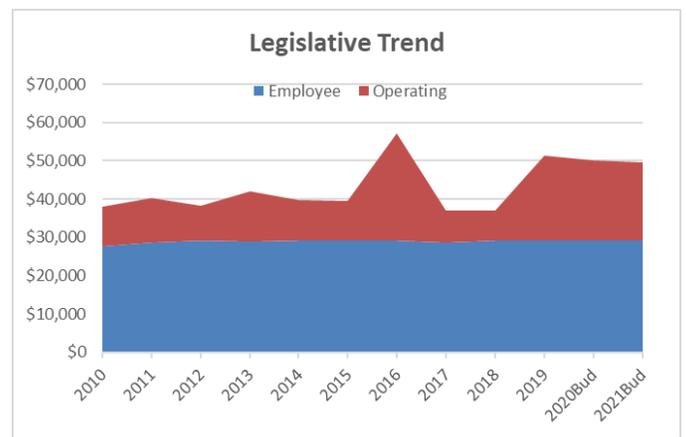
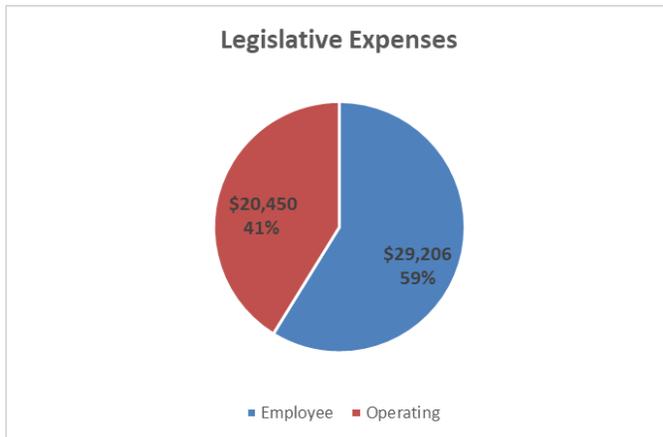
Legislative

Description

The City Council is the governing body for the City of Manistee. The council consists of seven members who serve two-year terms. Members are nominated by district but elected at large by voters. Elections are nonpartisan. Terms are staggered with districts 1, 3, 5 and 7 elected one year while districts 2, 4 and 6 are elected the next year. Once seated after an election, Council elects a mayor from among their members. The mayor is the city’s chief executive official and presides over meetings of the council. The City has two voting precincts. The Legislative department accounts for the expenses of City Council. It includes things such as compensation, fringes, travel & training expense, MML membership and supplies.

Infographics

The large operating spike in FY 2016 was due to the new City Manager search. The spike in 2019 and 2020 was due to the deer cull.



Budget Notes

Total costs decreased \$457 or 0.9% from the prior year budget. Employee costs were flat. Council previously rejected a wage increase recommended by the Compensation Commission. Operational costs decreased because of less travel and training. *The budget was reduced \$700 thru the Council review process.*

Dept 101 - LEGISLATIVE	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	27,052	27,052	27,052	27,052
COSTS - SOCIAL SECURITY	1,677	1,677	1,677	1,677
COSTS - MEDICARE	392	392	392	392
COSTS - WORKERS COMPENSATION	19	92	92	85
EMPLOYEE COSTS	29,140	29,213	29,213	29,206
SUPPLIES - OPERATING	4,361	1,500	1,400	1,200
PROFESSIONAL SERVICES	9,476	10,000	10,000	10,000
TRAVEL & TRAINING	3,080	3,900	500	3,000
MEMBERSHIPS & DUES	5,317	5,500	5,450	5,550
OPERATING COSTS	22,234	20,900	17,350	19,750
TOTAL LEGISLATIVE	51,374	50,113	46,563	48,956

The budget was reduced an additional \$700 thru the Council review process.

Manager

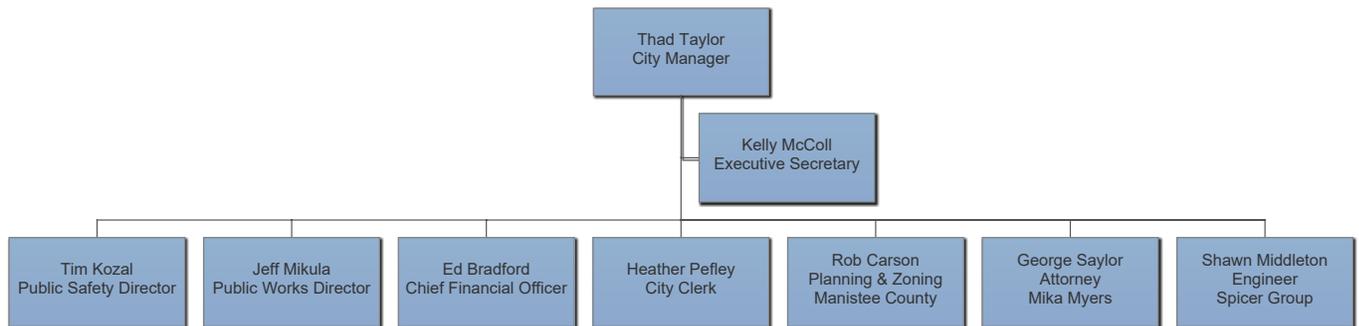
Description

Thad Taylor is the City Manager for the City of Manistee. He has been with the City for 4 years.



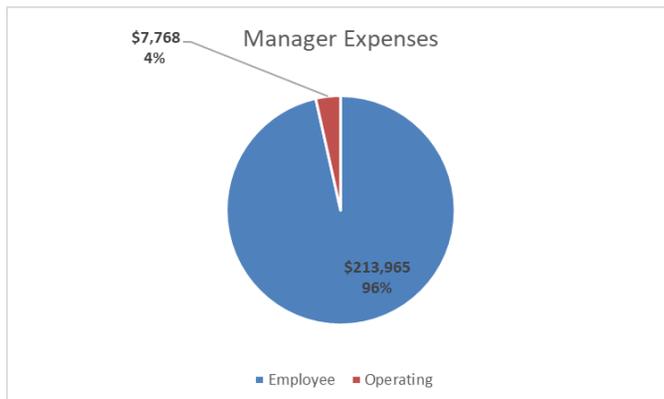
The City Manager is the chief administrative officer of the City and is appointed by City Council. The City Manager is primarily responsible for the efficient administration of all City departments; the enforcement of all City laws and ordinances; the appointment of certain City department heads, with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

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



Infographics

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



Budget Notes

Total costs decreased \$3,427 or 1.5% from the prior year budget. Employee costs decreased due to the retirement of long-time executive assistant Cindy Lokovich offset by normal wage and benefit adjustments and higher MERS contribution. Operational costs decreased due to small reductions in a number of line items. *The budget was reduced \$650 thru the Council review process.*

Dept 172 - MANAGER	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	156,707	165,238	175,010	161,590
COSTS - SUTA	45	45	45	11
COSTS - SOCIAL SECURITY	9,985	10,668	11,615	10,378
COSTS - MEDICARE	2,335	2,495	2,715	2,427
COSTS - IN LIEU OF BC/BS	4,032	4,023	6,465	8,823
WAGES - OVERTIME	0	0	0	500
WAGES - PHYSICAL FITNESS	0	0	500	500
COSTS - MERS CONTRIBUTION	21,042	12,671	12,671	19,853
COSTS - HEALTH INSURANCE	10,338	11,193	6,431	0
COSTS - HSA CONTRIBUTION	3,000	1,500	3,000	0
COSTS - DENTAL INSURANCE	1,295	1,318	980	659
COSTS - VISION / ANCILLIARY	233	237	175	119
COSTS - RETIREE HEALTH STIPEND	0	0	250	3,000
COSTS - VEHICLE ALLOWANCE	4,800	4,800	4,800	4,800
COSTS - LIFE INSURANCE	518	558	558	575
COSTS - WORKERS COMPENSATION	247	771	800	730
WAGES - HOL/VAC/SICK SELLBACK	0	0	11,810	0
EMPLOYEE COSTS	214,577	215,517	237,825	213,965
SUPPLIES - OPERATING	1,825	2,000	1,000	1,000
SUBSCRIPTIONS & PUBLICATIONS	186	190	205	225
PROFESSIONAL & CONSULTING SER	0	500	250	250
TRAVEL & TRAINING	1,517	1,620	1,100	1,000
MEMBERSHIPS & DUES	445	550	510	330
REPAIRS/MAINT - EQUIPMENT	0	0	0	0
SOFTWARE AGREE / COPIER MAINT	1,332	1,900	1,800	1,830
LEASE PURCHASE	2,008	1,983	1,983	1,983
CAPITAL OUTLAY	0	900	780	500
OPERATING COSTS	7,313	9,643	7,628	7,118
TOTAL MANAGER	221,890	225,160	245,453	221,083

Finance

Description

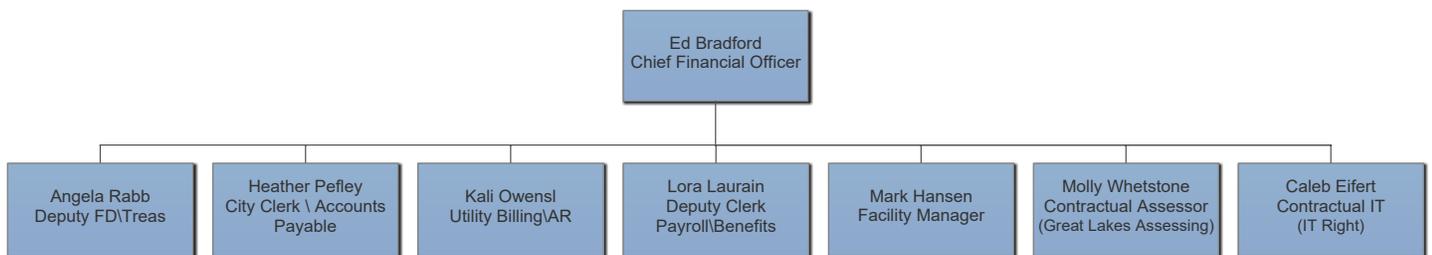
The Finance & Treasury Department is part of the larger Administrative Services Department. The Administrative Services Department is overseen by Edward Bradford who is the City's Chief Financial Officer, serving as both Finance Director and Treasurer. He has been with the City for 18 years and is responsible for all financial activities in the City, with three main areas of responsibility: finance, treasury, and information technology. The department recently completed a multi-year restructuring process.



The main activities of the department include:

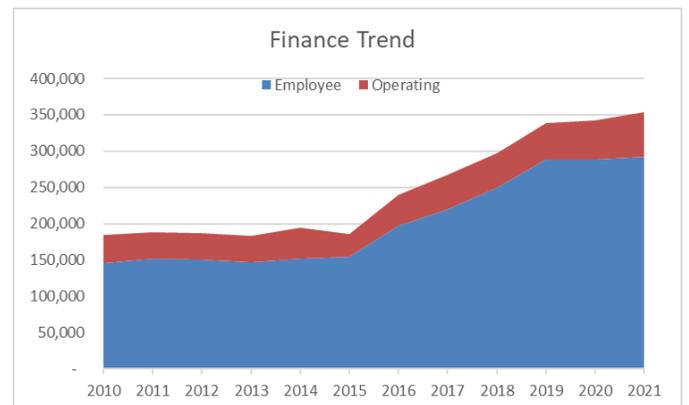
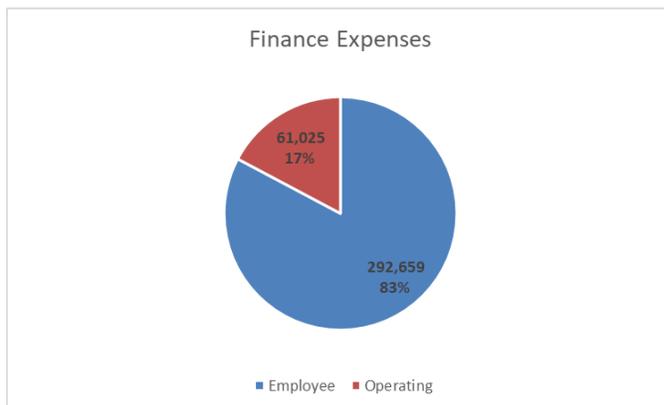
- Receiving all City revenue
- Paying all City bills
- Investing all City funds
- Maintaining City's accounting records
- Managing the annual City audit

- Preparing the annual City budget
- Serving as Chief Technology Officer
- Managing City Assessor contract
- City liaison to Ramsdell Theatre
- Brownfield Redevelopment Authority Admin



Infographics

A multiyear restructuring in the Finance & Treasury department was completed in 2018, resulting in the organizational structure shown in the chart.



Budget Notes

Total costs increased \$11,264 or 3.3% from the prior year budget. Employee costs increased due to normal wage and benefit adjustments and higher MERS contribution. Operational costs increased primarily due to increases in professional services and lease purchase. The City is now mandated to do an OPEB valuation every year and the City anticipates needing a Federal single audit this year. The department is also leasing a new copier and transferring its old one to the Police Department, where it will be an upgrade. Approximately 70% of the department's operational budget is non-discretionary, through either mandatory contractual professional service, such as the annual audit or software maintenance agreements. *The budget was reduced an additional \$2,090 thru the Council review process.*

Dept 253 - FINANCE / TREASURER	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	202,327	210,591	220,045	216,207
COSTS - SUTA	68	68	68	16
COSTS - SOCIAL SECURITY	12,339	13,460	13,675	13,529
COSTS - MEDICARE	2,886	3,148	3,200	3,164
COSTS - IN LIEU OF BC/BS	4,800	4,800	2,400	0
WAGES - OVERTIME	0	200	0	500
WAGES - PHYSICAL FITNESS	500	1,500	1,000	1,500
COSTS - ICMA CONTRIBUTION	0	0	2,615	4,184
COSTS - MERS CONTRIBUTION	29,803	16,894	16,894	19,853
COSTS - HEALTH INSURANCE	26,056	28,193	21,500	24,367
COSTS - HSA CONTRIBUTION	6,000	6,000	5,500	6,000
COSTS - DENTAL INSURANCE	1,618	1,647	1,250	1,372
COSTS - VISION / ANCILLIARY	406	425	350	368
COSTS - RETIREE HEALTH CARE	664	0	0	
COSTS - LIFE INSURANCE	549	611	800	620
COSTS - WORKERS COMPENSATION	360	1,003	925	979
EMPLOYEE COSTS	288,376	288,540	290,222	292,659
SUPPLIES - OPERATING	4,038	4,500	4,500	5,000
SUBSCRIPTIONS & PUBLICATIONS	736	1,570	1,510	1,600
PROFESSIONAL & CONSULTING SER	29,049	27,300	30,800	31,900
PRINTING & PUBLISHING	496	1,000	1,000	750
TRAVEL & TRAINING	6,199	5,500	6,200	6,300
MEMBERSHIPS & DUES	1,135	940	980	980
REPAIRS/MAINT - EQUIPMENT	0	500	200	0
SOFTWARE AGREE / COPIER MAINT	7,849	10,770	10,920	11,405
LEASE PURCHASE	0	0	0	0
CAPITAL OUTLAY	1,068	1,800	2,700	1,000
OPERATING COSTS	50,570	53,880	58,810	58,935
TOTAL FINANCE / TREASURER	338,946	342,420	349,032	351,594

Clerk & Elections

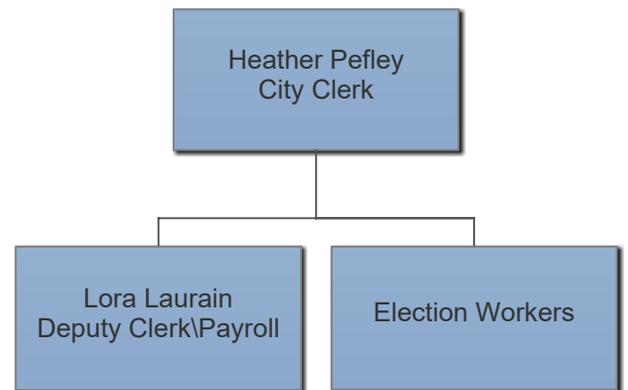
Description

Heather Pefley is the City Clerk for the City of Manistee. She has been with the City for 19 years.

The office of City Clerk is staffed by two full-time people; Heather Pefley and Deputy Clerk / Payroll Lora Laurain. The office also periodically employs 10-20 temporary workers as election inspectors. The office is a division of the Administrative Services department and shares staff and duties with the Finance & Treasury department. Its responsibilities include:

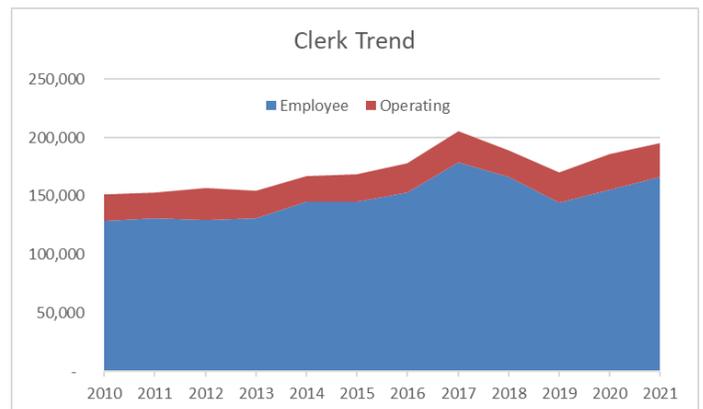
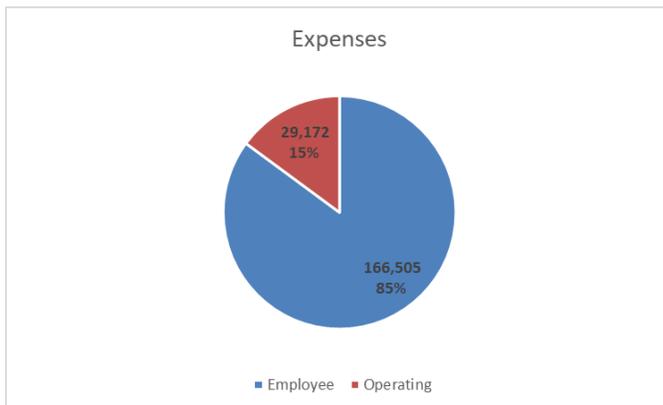


- Preparation of Council Minutes
- Publishing ordinances and board vacancies
- Maintaining voter registration records
- Management of elections
- Business registrations
- Maintains Codified Ordinances
- Payroll & Employee Benefits
- Banner permits
- Records retention coordinator
- Accounts payable
- Retiree health insurance



Infographics

A multiyear restructuring in the Clerk department was completed in 2018, resulting in the organizational structure shown in the chart.



Budget Notes

Total costs increased \$9,921 or 5.3% from the prior year budget. Employee costs increased due to normal wage and benefit adjustments, and higher MERS contribution. Operational costs decreased due to lower travel and training and capital outlay.

Elections are now required to be reported separately by the State as part of its revamping of the official chart of accounts. The budget increased \$1,861 or 11.7% from the prior year due to the number of elections and changes in election law. *The budget was reduced \$1,000 thru the Council review process.*

Dept 215 - CLERK	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	104,662	110,953	110,953	118,039
WAGES - PART-TIME	0	0	0	0
COSTS - SUTA	45	45	45	11
COSTS - SOCIAL SECURITY	6,826	7,505	7,730	7,380
COSTS - MEDICARE	1,596	1,755	1,755	1,726
COSTS - IN LIEU OF BC/BS	7,600	9,600	9,600	9,600
WAGES - OVERTIME	0	0	0	500
WAGES-PHYSICAL FITNESS	0	500	500	500
COSTS - MERS CONTRIBUTION	18,410	21,118	21,118	24,816
COSTS - HEALTH INSURANCE	1,107	0	0	0
COSTS - HSA CONTRIBUTION	0	0	0	0
COSTS - DENTAL INSURANCE	67	0	0	0
COSTS - VISION / ANCILLIARY	17	0	0	0
COSTS - RETIREE HEALTH STIPEND	3,250	3,000	3,000	3,000
COSTS - LIFE INSURANCE	341	381	525	399
COSTS - WORKERS COMPENSATION	106	527	527	534
WAGES - HOL/VAC/SICK SELLBACK	0	0	0	0
EMPLOYEE COSTS	144,027	155,384	155,753	166,505
SUPPLIES - OPERATING	3,074	3,350	2,850	3,900
SUBSCRIPTIONS & PUBLICATIONS	186	190	215	215
PROFESSIONAL & CONSULTING SER	0	0	0	0
PRINTING & PUBLISHING	5,196	5,000	5,000	5,200
TRAVEL & TRAINING	3,865	5,700	6,116	4,750
MEMBERSHIPS & DUES	700	580	580	600
REPAIRS/MAINT - EQUIPMENT	0	500	500	0
SOFTWARE AGREE / COPIER MAINT	9,550	9,420	10,275	10,125
LEASE PURCHASE	3,182	3,382	3,382	3,382
CAPITAL OUTLAY	145	2,250	1,600	0
OPERATING COSTS	25,898	30,372	30,518	28,172
TOTAL CLERK	169,925	185,756	186,271	194,677

Dept 262 - ELECTIONS	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - PART-TIME	6,454	6,690	6,690	9,102
COSTS - SOCIAL SECURITY	12	0	0	0
COSTS - MEDICARE	3	0	0	0
COSTS - WORKERS COMPENSATION	19	32	32	41
SUPPLIES - OPERATING	3,286	3,800	8,295	4,250
PROFESSIONAL & CONSULTING SER	1,970	2,000	2,800	3,240
PRINTING & PUBLISHING	436	3,450	2,700	1,200
TOTAL ELECTIONS	12,180	15,972	20,517	17,833

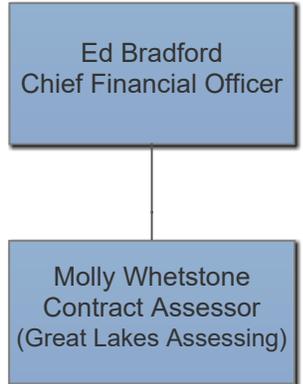
Assessor & Board of Review

Description

Molly Whetstone of Great Lakes Assessing, Inc. is the City Assessor. She and her company have provided Assessing services to the City since 2016. Their current contract expires in June 2021.



The Assessor is responsible for keeping the records for all real and personal property in the City. Real property is all land and improvements. Personal property includes furniture, fixtures, machinery and equipment which are generally owned by commercial and industrial businesses. An assessment roll is prepared on an annual basis. December 31 is Tax Day for the following year's taxes. The assessment roll is completed and certified by the first Monday in March.



Upon completion of the assessment roll taxpayers will be mailed a notice of assessment change. The notice is mailed 10 days before the meeting of the Board of Review. The Board meets to hear appeals the second Monday in March. If you suspect an error, you are entitled to appeal. If you miss the opportunity to appeal to the Board of Review, you will be limited in your ability to further appeal to the Michigan Tax Tribunal. Resident and non-resident taxpayers may file appeals through a letter.

Clerical errors, mutual mistakes of fact, homestead exemption and poverty exemption appeals are heard at the July and December Boards of Review. The July Board of Review is generally held on the Tuesday following the third Monday of the month. The December Board of Review is generally held on the Tuesday following the second Monday of the month.

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

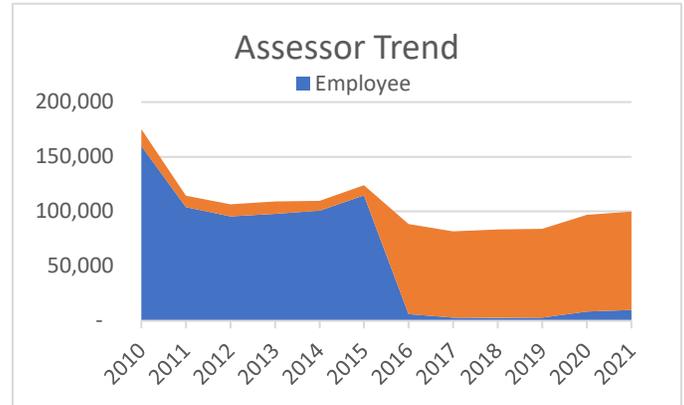
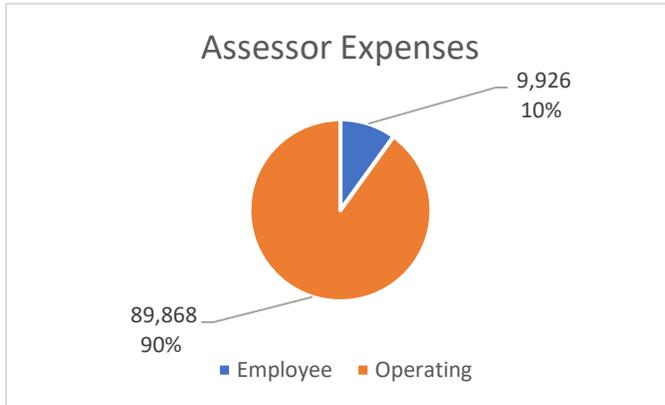
New home or business buyers will experience the taxable value being raised to the level of the state equalized value the year following their purchase of real estate. The cap implemented by Proposal A will then begin again in the second year following purchase and continue until the property sells, not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

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

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

Infographics

Assessing costs fell sharply due to reducing headcount in 2011 and ultimately outsourcing the assessing function in 2016. Since then, they have gradually increased along with inflation.



Budget Notes

Total costs increased \$2,763 or 2.8% from the prior year budget. Employee costs increased due to higher MERS contribution. Operational costs increased due to the assessing contract, offset by lower capital outlay. The Board of Review budget increased \$540 or 17.1% due to higher wage cost relating to State mandated training.

Dept 257 - ASSESSOR	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
COSTS - MERS CONTRIBUTION		8,447	8,448	9,926
COSTS - RETIREE HEALTH CARE	2,957	0		0
EMPLOYEE COSTS	2,957	8,447	8,448	9,926
SUPPLIES - OPERATING	94	300	300	400
PROFESSIONAL & CONSULTING SER	78,788	83,304	83,304	85,808
REPAIRS/MAINT - EQUIPMENT	0	200	100	200
SOFTWARE AGREE / COPIER MAINT	2,349	3,680	3,300	3,460
CAPITAL OUTLAY	0	1,100	1,100	0
OPERATING COSTS	81,231	88,584	88,104	89,868
TOTAL ASSESSOR	84,188	97,031	96,552	99,794

Dept 247 - BOARD OF REVIEW	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - PART-TIME	1,500	2,000	2,000	2,000
COSTS - SOCIAL SECURITY	93	124	124	155
COSTS - MEDICARE	22	29	29	36
COSTS - WORKERS COMPENSATION	3	9	9	11
EMPLOYEE COSTS	1,618	2,162	2,162	2,702
PRINTING & PUBLISHING	290	500	500	500
TRAVEL & TRAINING	0	500	500	300
OPERATING COSTS	290	1,000	1,000	1,000
TOTAL BOARD OF REVIEW	1,908	3,162	3,162	3,002

City Hall

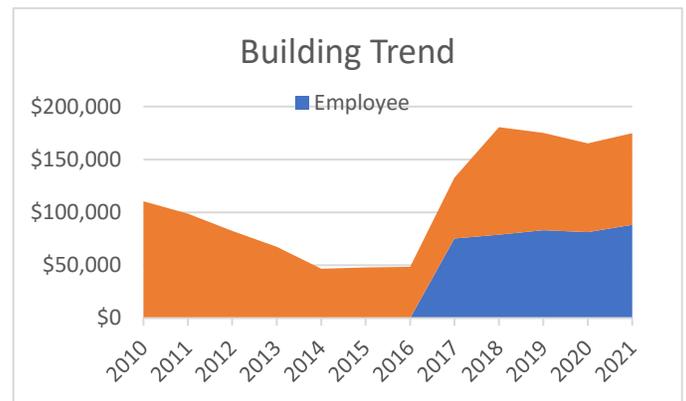
Description

This fund accounts for the expenses associated with the ongoing operation of City Hall, the facility manager, and major repair & maintenance expenses at the Ramsdell Theatre.



Infographics

In FY 2017, Facility Manager Mark Hansen’s wages and benefits were moved to this department from the Community Development department as part of outsourcing the building inspection function and the creation of the Administrative Services department. The large increase in operating costs in FY 2018 were the result of replacing the boilers in City Hall. The increase in FY 2019 is due to a water leak that caused damage in the Police Department.



Budget Notes

Total costs increased \$9,775 or 5.9% from the prior year budget. Employee costs increased due to normal wage and benefit adjustments and higher MERS contribution and worker’s compensation. Operational costs increased from the prior year budget due to higher phone costs resulting from the replacement of the aging on-premise phone system with a modern, hosted offset by lower repairs and maintenance costs. *The budget was reduced \$2,500 thru the Council review process.*

Dept 265 - CITY HALL	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	51,106	54,066	54,066	56,923
COSTS - SUTA	23	23	23	5
COSTS - SOCIAL SECURITY	3,122	3,557	3,557	3,746
COSTS - MEDICARE	730	832	832	876
WAGES - OVERTIME	666	300	300	500
COSTS - MERS CONTRIBUTION	9,302	4,224	4,224	4,963
COSTS - HEALTH INSURANCE	10,338	11,193	11,193	11,700
COSTS - HSA CONTRIBUTION	3,000	3,000	3,000	3,000
COSTS - DENTAL INSURANCE	645	659	659	659
COSTS - VISION / ANCILLIARY	116	119	119	119
COSTS - VEHICLE ALLOWANCE	3,250	3,000	3,000	3,000
COSTS - LIFE INSURANCE	83	111	111	111
COSTS - WORKERS COMPENSATION	627	257	2,500	2,554
EMPLOYEE COSTS	83,008	81,341	83,584	88,156
SUPPLIES - OPERATING	7,977	7,000	7,500	8,200
PROFESSIONAL & CONSULTING SER	853	2,900	2,780	2,600
COMMUNICATIONS - PHONE	8,057	8,600	8,000	15,000
TRAVEL & TRAINING	457	500	100	350
MEMBERSHIPS & DUES	150	150	150	150
UTILITIES - WATER	2,815	2,850	2,850	2,950
UTILITIES - ELECTRIC	23,956	24,000	25,000	25,000
UTILITIES - NATURAL GAS	3,601	4,000	4,000	4,000
REPAIRS/MAINT - BUILDINGS/LAN	42,928	29,500	30,940	22,910
REPAIRS/MAINT - EQUIPMENT	1,193	1,200	500	1,500
SOFTWARE AGREE / COPIER MAINT	48	150	150	150
CAPITAL OUTLAY	0	3,000	2,500	1,500
OPERATING COSTS	92,035	83,850	84,470	84,310
TOTAL CITY HALL	175,043	165,191	168,054	172,466

Planning & Zoning

Description

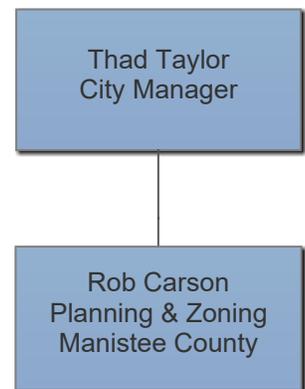
Rob Carson, Manistee County Planner, serves as the City’s planner, as well as staff liaison to the Planning Commission, Historic District Commission and Zoning Board of Appeals. The City outsourced these functions in 2018 after the retirement of the Planning & Zoning Director.



Rob will also serve as the point person for the Redevelopment Ready Communities Program. In 2017 the City received the distinction of becoming the tenth community in the State of Michigan to receive certification (the second community in Northern Michigan). This certification demonstrates that the City of Manistee is ready for development and uses best practices when working with developers.

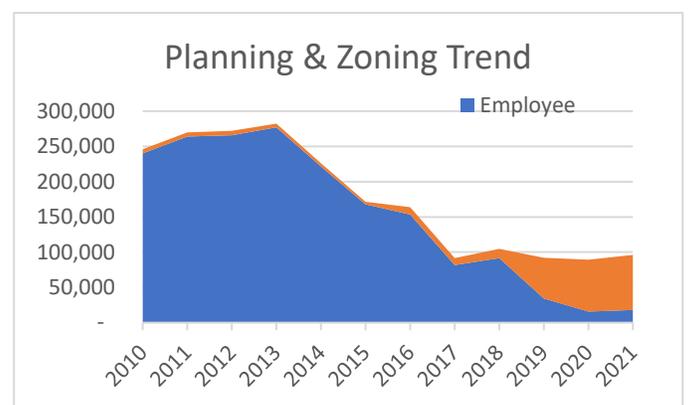
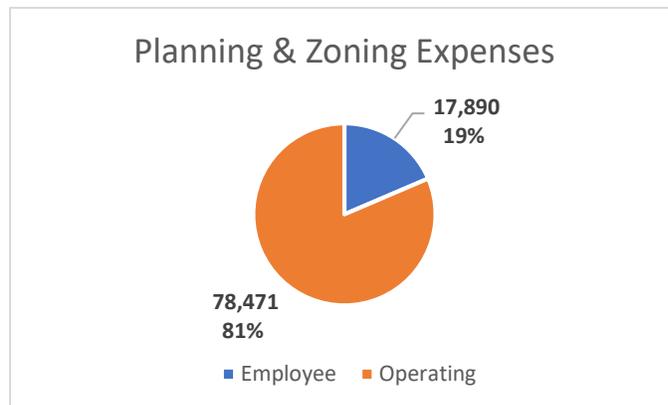
The main activities of the department include:

- Working with Developers on projects
- Processing requests for the Planning Commission
- Processing requests for the Historic District Commission
- Processing requests for the Zoning Board of Appeals
- Issuing Permits
- Maintaining the Zoning Ordinance
- City contact for Rental Registration Program



Infographics

Planning & Zoning (formerly Community Development) costs have fallen sharply due to past restructuring and outsourcing the function to Manistee County.



Budget Notes

Total costs decreased \$5,740 or 6.3% from the prior year budget. Employee costs increased due to higher MERS contributions. Operational costs increased from the prior year primarily due to contractual increases. The Historic District Commission, Planning Commission and Zoning Board of Appeals are also included in this budget.

Dept 701 - PLANNING & ZONING	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	12,172			
COSTS - SUTA	0			
COSTS - SOCIAL SECURITY	1,522			
COSTS - MEDICARE	356			
COSTS - MERS CONTRIBUTION	3,143	12,671	12,671	14,890
COSTS - BLUE CROSS INSURANCE	1,553			
COSTS - HSA CONTRIBUTION	3,000			
COSTS - DENTAL INSURANCE	109			
COSTS - VISION / ANCILLIARY	10			
COSTS - RETIREE HEALTHCARE	2,281	3,000	3,000	3,000
COSTS - VEHICLE ALLOWANCE	300			
COSTS - LIFE INSURANCE	45			
COSTS - WORKERS COMPENSATION	(73)			
COSTS - HOL/VAC/SICK PAYOUT	10,104			
EMPLOYEE COSTS	34,522	15,671	15,671	17,890
SUPPLIES - OPERATING	719			
SUBSCRIPTIONS & PUBLICATIONS	32			
PROFESSIONAL & CONSULTING SERVICES	52,500	71,050	71,050	72,471
HISTORIC DISTRICT COMMISSION	14	600	250	750
PLANNING COMMISSION	911	1,500	1,300	2,200
ZONING BOARD OF APPEALS	96	500	750	750
PRINTING & PUBLISHING	520	100	600	600
TRAVEL & TRAINING				
MEMBERSHIPS & DUES				
REPAIRS/MAINT - EQUIPMENT				
SOFTWARE AGREE / COPIER MAINT	2,803	1,200	1,800	1,700
OPERATING COSTS	57,595	74,950	75,750	78,471
TOTAL PLANNING & ZONING	92,117	90,621	91,421	96,361

Police

Description

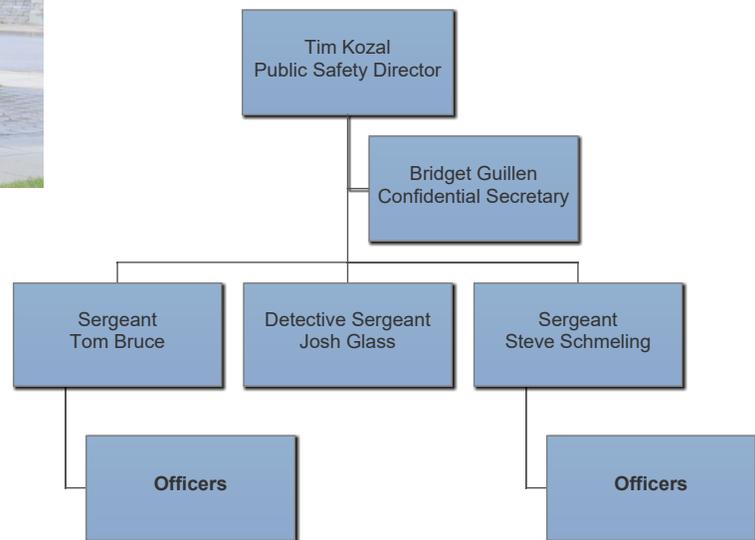
Tim Kozal is the Public Safety Director for the City of Manistee. He has been with the City for 3 years. Chief Kozal has announced his intentions to leave the City in April 2020 for another position. The budget assumes a status quo replacement.

Tim oversees the Police and Fire\EMS departments, and also serves as harbor master and runs the Municipal Marina.



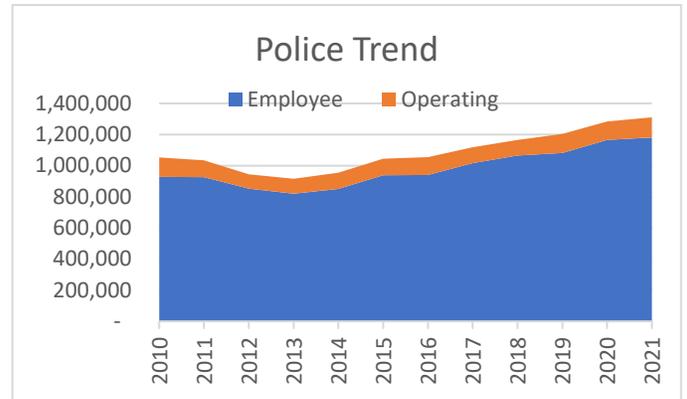
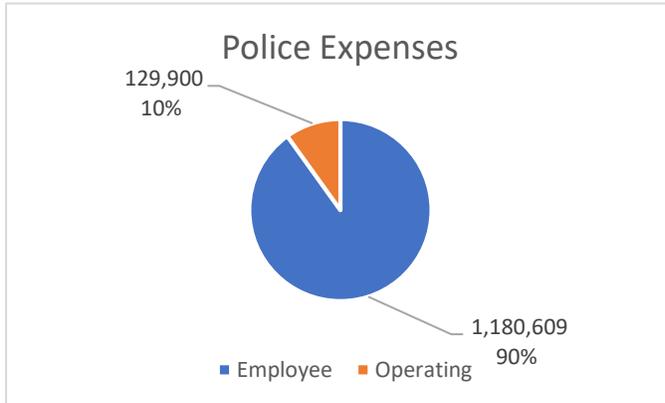
The Police Department currently has 12 sworn officers; including the Chief, detective sergeant and two road sergeants. The officers are unionized and represented by the POAM. The Sergeants are also unionized and represented by the COAM. There is also a part-time office support staff position. The department averages 1,500 documented complaints annually.

Currently there are 4 patrol cars which patrol 50 miles of City streets. The department also has a car for the detective sergeant's use. Officers are expected to do foot patrols daily throughout the downtown area, the Riverwalk and local beaches. A Polaris Ranger beach vehicle allows officers to patrol the beaches more effectively and respond to emergencies more quickly. Officers also assist the fire department at structure fires.



Infographics

Police costs have risen steadily over the past ten years in spite of a reduction in staffing from 14 to 12 since 2010.



Public Safety			
	Prior	Current	Trend
Felony Arrests	111	129	—
Misdemeanor Arrests	425	295	+
Crimes Against People\Society	806	787	+
Property Crimes	237	203	+
Tickets (Civil Infractions)	291	308	—

Budget Notes

Total costs increased \$25,772 or 2.0% from the prior year budget. Employee costs increased by \$15,397 or 1.3% even though the current year budget calls for a reduction of one budgeted but unfilled Police Department position. This position has been unfilled since an officer left to take a new position in September 2018. Even after this reduction in authorized positions, the department will still be at the same number of regularly scheduled officers as in 2018 because the officer that was previously assigned to the SSCENT drug enforcement team was recalled in late 2019. This reduction in authorized staffing is needed because of the Police Department cost increases mandated by the recent adverse Act 312 arbitration ruling and the ongoing general fund financial pressures. Operational costs increased \$10,375 or 8.7% budget primarily due increased capital outlay for replacing bullet proof vests and carriers. *The officer position was restored and the rest of the budget was reduced \$22,050 thru the Council review process.*

Dept 301 - POLICE	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	639,179	687,135	682,000	743,986
WAGES - PART-TIME	16,404	32,615	22,155	26,078
COSTS - SUTA	319	304	70	73
COSTS - SOCIAL SECURITY	1,057	1,092	1,375	1,617
COSTS - MEDICARE	10,366	10,778	11,950	12,077
COSTS - IN LIEU OF BC/BS	16,485	16,282	15,875	11,482
WAGES - OVERTIME	63,531	36,000	75,000	40,000
WAGES - OT UNDERAGE DRINKING GRANT	970	3,000	0	0
WAGES - PHYSICAL FITNESS	5,400	6,500	6,500	6,250
COSTS - MERS CONTRIBUTION	153,988	171,496	176,220	166,934
COSTS - HEALTH INSURANCE	87,044	104,986	95,315	124,450
COSTS - HSA CONTRIBUTION	24,000	22,500	22,500	27,000
COSTS - DENTAL INSURANCE	5,880	6,478	5,725	7,302
COSTS - VISION / ANCILLIARY	1,461	1,610	1,505	1,822
COSTS - UNIFORM/CLEANING ALLO	8,303	10,900	10,900	8,950
COSTS - RETIREE HEALTH STIPEND	6,500	4,500	4,500	3,000
COSTS - VEHICLE ALLOWANCE	0	0	0	0
COSTS - LIFE INSURANCE	2,248	2,179	2,179	2,092
COSTS - WORKERS COMPENSATION	6,889	21,857	22,750	22,386
WAGES - HOL/VAC/SICK SELLBACK	31,129	25,000	35,000	30,000
EMPLOYEE COSTS	1,081,153	1,165,212	1,191,519	1,235,499
SUPPLIES - OPERATING	7,528	9,200	8,000	7,500
VEHICLE GAS / DIESEL	17,797	17,300	17,300	18,100
SUBSCRIPTIONS & PUBLICATIONS	399	100	0	100
PROFESSIONAL & CONSULTING SER	11,881	3,250	3,250	2,260
EDUCATION/TUITION REIMBURSE.	0	5,000	0	0
PRINTING & PUBLISHING	229	850	200	850
TRAVEL & TRAINING	6,629	10,550	10,500	6,050
MEMBERSHIPS & DUES	533	760	700	860
REPAIRS/MAINT - BUILDINGS/LAN	216	0	0	0
REPAIRS/MAINT - EQUIPMENT	0	1,800	500	1,000
REPAIRS/MAINT - VEHICLES	3,919	6,800	6,000	5,000
SOFTWARE AGREE / COPIER MAINT	4,772	6,600	6,100	6,680
MOTOR POOL	32,409	50,000	50,000	52,500
LEASE PURCHASE	1,416	315	0	0
CAPITAL OUTLAY	34,899	7,000	4,500	17,000
OPERATING COSTS	122,627	119,525	107,050	117,900
TOTAL POLICE	1,203,780	1,284,737	1,298,569	1,353,399

Fire & EMS

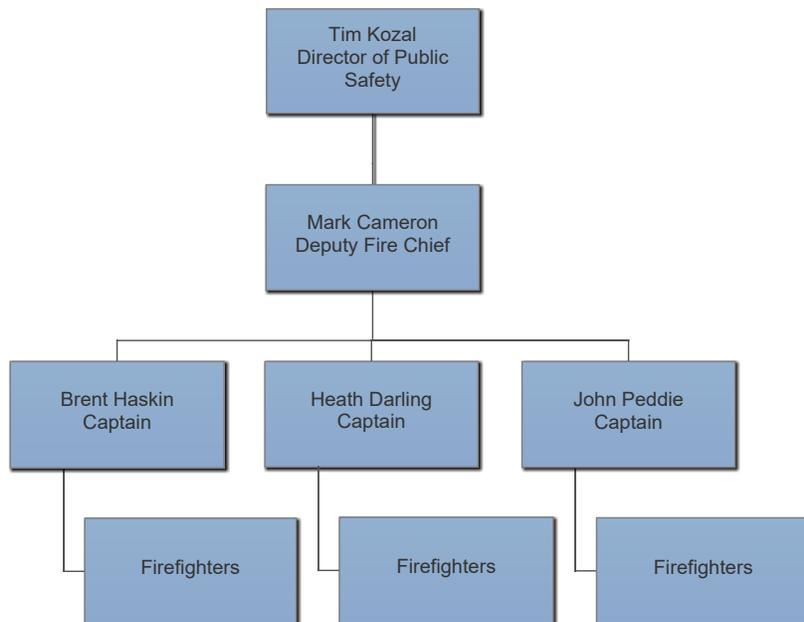
Description

Tim Kozal is the Public Safety Director for the City of Manistee. He has been with the City for 3 years. Chief Kozal has announced his intentions to leave the City in April 2020 for another position. The budget assumes a status quo replacement.

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

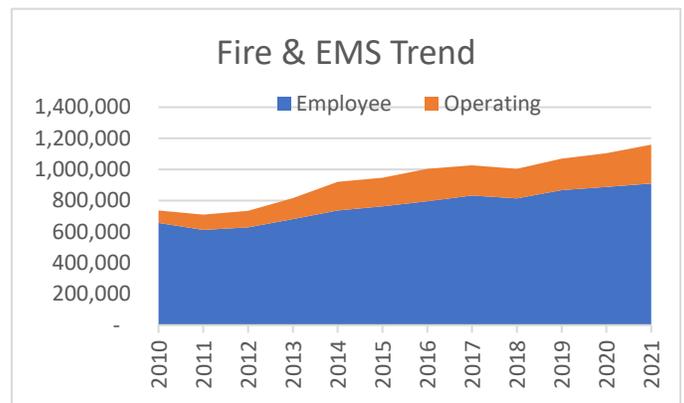
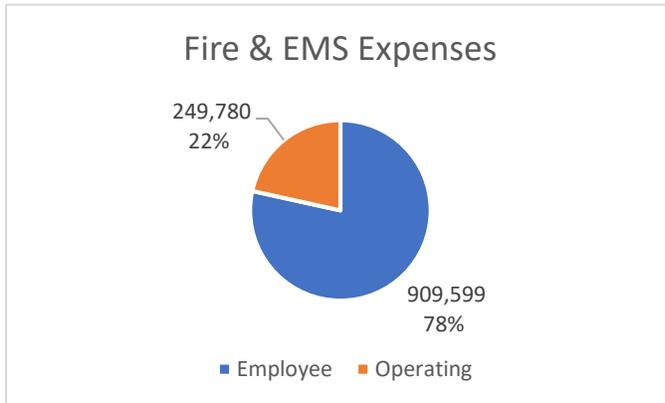
In addition, firefighters conduct an active fire prevention program, conduct fire prevention and preplanning inspections, inspect the City’s fire hydrants, and maintain the City’s 117 year-old fire station. All firefighters are specially trained for cold water and confined space rescue, and some hazmat operations.

On June 17, 2019, The Manistee Fire Station, which opened in 1889, was awarded the title for Oldest Continuously Manned Operating Fire Station by Guinness World Records.



Infographics

The increase in employee costs in FY 2014 was due to creating a Deputy Fire Chief position to support ALS Transport; although overall headcount did not increase.



Public Safety - Fire			
Fire Runs	26	40	-
Medical Runs	903	812	+
Other Runs	277	101	+

Budget Notes

Total costs increased \$54,379 or 4.9% from the prior year budget. Employee costs increased \$22,259 or 2.5% due to normal wage and benefit adjustments. Operational costs increased by \$32,120 or 14.8% due to increased professional fees linked to higher transport revenue, higher motor pool contributions and higher capital outlay because of a grant match for a FEMA AFG grant for turnout and SCBA gear. *The budget was reduced \$9,000 thru the Council review process.*

Dept 336 - FIRE	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	436,179	453,700	453,700	486,771
WAGES - PART-TIME	0	0	0	0
COSTS - SUTA	230	191	191	46
COSTS - SOCIAL SECURITY	14	0	0	0
COSTS - MEDICARE	6,939	6,378	9,265	7,827
COSTS - IN LIEU OF BC/BS	4,893	6,682	10,560	6,682
WAGES - OVERTIME	69,598	38,000	59,000	36,000
WAGES - OT FF PA 604	5,114	5,000	5,000	5,600
WAGES - PHYSICAL FITNESS	2,400	4,000	4,000	4,250
COSTS - MERS CONTRIBUTION	147,683	155,353	158,650	158,868

COSTS - HEALTH INSURANCE	84,553	98,676	84,475	103,113
COSTS - HSA CONTRIBUTION	21,000	24,000	21,375	21,000
COSTS - DENTAL INSURANCE	5,623	6,917	5,100	6,094
COSTS - VISION / ANCILLIARY	1,432	1,761	1,410	1,548
COSTS - UNIFORM/CLEANING ALLO	10,123	8,000	8,000	6,000
COSTS - FOOD ALLOWANCE	12,972	6,560	7,300	6,560
COSTS - RETIREE HEALTH CARE	11,750	0	0	0
COSTS - RETIREE HEALTH STIPEND	0	10,500	10,500	9,000
COSTS - LIFE INSURANCE	1,401	1,514	1,660	1,427
COSTS - WORKERS COMPENSATION	7,538	22,108	24,200	22,813
WAGES - HOL/VAC/SICK SELLBACK	37,490	38,000	45,000	24,000
EMPLOYEE COSTS	866,932	887,340	909,386	907,599
SUPPLIES - OPERATING	6,699	7,000	9,000	7,000
VEHICLE GAS / DIESEL	7,132	7,200	7,200	7,200
SUPPLIES - MEDICAL	13,054	18,400	15,000	18,400
FIRE PREVENTION	634	1,500	1,500	700
SUBSCRIPTIONS & PUBLICATIONS	0	700	0	0
PROFESSIONAL & CONSULTING SER	32,638	26,875	28,750	35,850
CONTRACTUAL SERVICE	0	0	0	0
EDUCATION/TUITION REIMBURSE.	856	5,000	3,000	5,000
PRINTING & PUBLISHING	1,759	1,000	750	750
TRAVEL & TRAINING	6,247	9,800	15,000	9,000
MEMBERSHIPS & DUES	765	710	710	670
UTILITIES - WATER	1,611	1,650	2,700	1,700
UTILITIES - ELECTRIC	4,962	5,250	5,000	5,100
UTILITIES - NATURAL GAS	3,493	3,500	3,400	3,500
REPAIRS/MAINT - BUILDINGS/LAN	2,557	4,000	9,000	2,500
REPAIRS/MAINT - EQUIPMENT	7,051	7,560	7,500	7,760
REPAIRS/MAINT - VEHICLES	14,104	8,250	8,200	9,300
SOFTWARE AGREE / COPIER MAINT	4,086	3,750	3,650	3,650
HYDRANT RENTAL	21,600	21,600	21,600	21,600
MUTUAL AID	0	0	0	0
MOTOR POOL	64,818	76,000	76,000	80,000
LEASE PURCHASE	472	315	40	0
CAPITAL OUTLAY	8,530	7,600	7,600	23,300
OPERATING COSTS	203,068	217,660	225,600	242,980
TOTAL FIRE	1,070,000	1,105,000	1,134,986	1,150,579

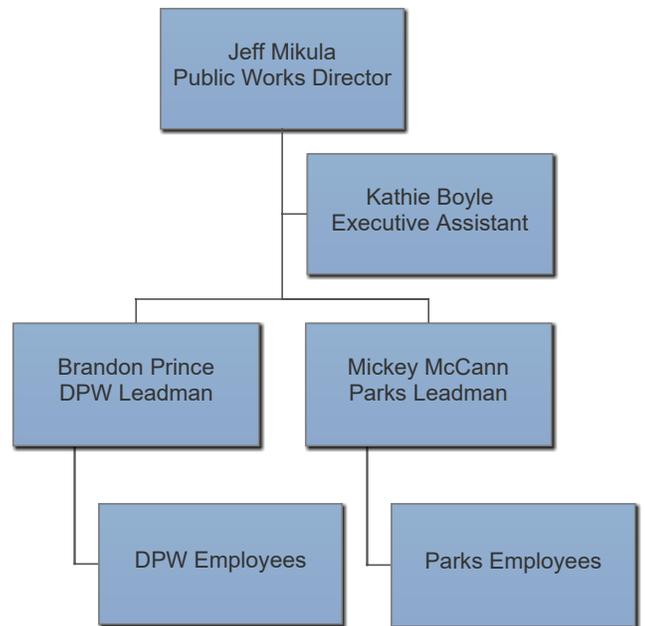
Public Works

Description

Jeff Mikula is the Public Works Director. He has been with the City for 7 years. He oversees all aspects of the Public Works, Parks and Utility operations, and is the primary project manager for City infrastructure projects.

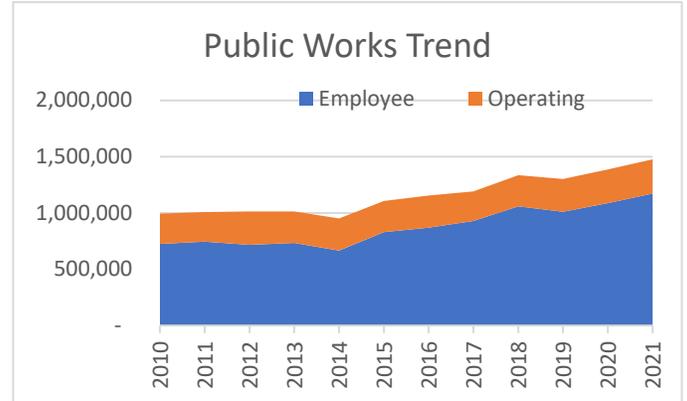
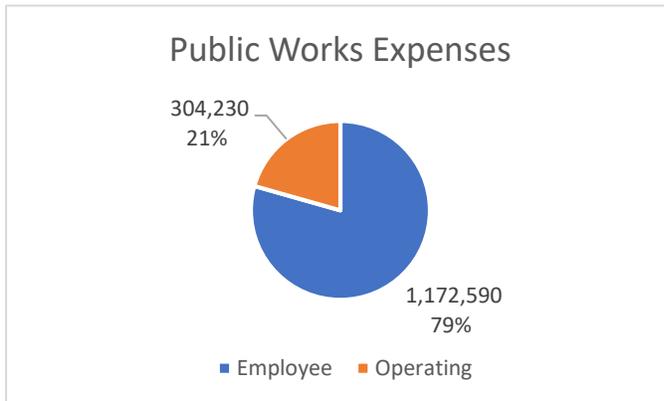


The Department of Public Works (including the Parks department) is the workhorse of the City. It provides such services as snow plowing, sanding, street repairs, traffic control, chipping, leaf pickup, Christmas tree pickup, maintaining parks, flooding ice rink, putting up Christmas decorations, making compost, fleet maintenance, beach grooming and public area maintenance, and operating the Maple and US-31 bridges to name just a few. The DPW also assists other organizations as necessary, especially during the City's festivals and peak summer season.



Infographics

Employee costs increased in 2018 due to the hiring of two new full-time employees to man the Maple St. bridge. All of their time spent working on the bridge is offset by MDOT reimbursement.



Budget Notes

Total costs increased \$89,241 or 6.4% from the prior year budget. Employee costs increased because the prior budget included wage savings from retirements and those positions were filled, and higher MERS contributions. Operational costs increased \$5,130 or 1.7% due to normal fluctuations in a variety of different line items. *The budget was reduced \$5,250 thru the Council review process.*

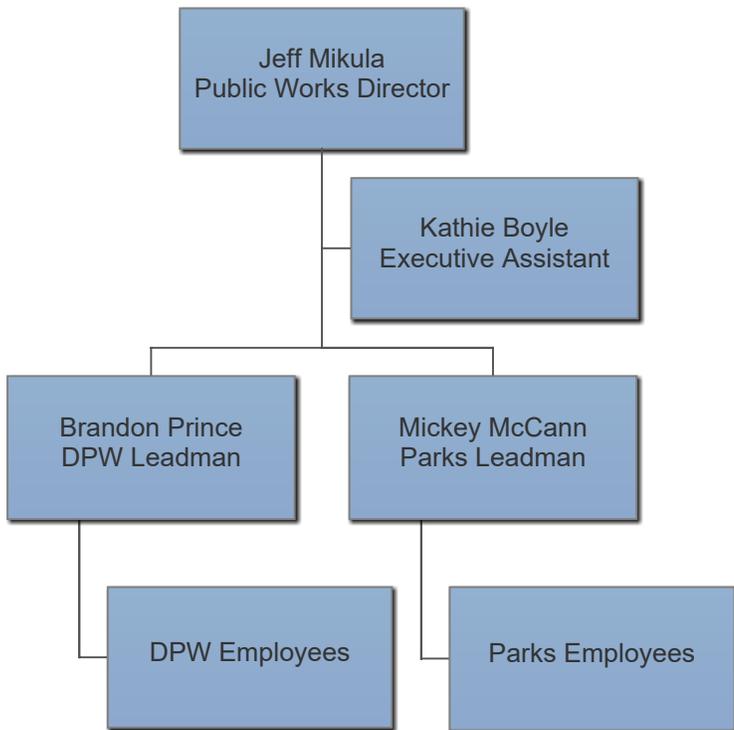
441 - PUBLIC WORKS	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	652,632	629,302	643,000	683,978
WAGES - PART-TIME	14,849	18,000	18,000	18,450
COSTS - SUTA	643	360	360	87
COSTS - SOCIAL SECURITY	42,093	43,929	47,000	48,221
COSTS - MEDICARE	9,844	10,274	11,000	11,278
COSTS - IN LIEU OF BC/BS	11,800	14,400	7,400	4,800
WAGES - OVERTIME	20,751	29,000	43,000	32,500
WAGES - 2E STANDBY PAY	16,212	16,831	17,170	17,334
WAGES-PHYSICAL FITNESS	700	1,000	1,000	1,500
COSTS - ICMA CONTRIBUTION	2,880	2,804	3,300	2,916
COSTS - MERS CONTRIBUTION	41,715	46,362	48,100	63,171
COSTS - HEALTH INSURANCE	120,671	124,470	135,000	149,639
COSTS - HSA CONTRIBUTION	34,500	33,000	33,625	34,500
COSTS - DENTAL INSURANCE	7,543	9,114	7,430	8,400
COSTS - VISION / ANCILLIARY	1,754	2,213	1,900	1,984
COSTS - UNIFORM/CLEANING ALLO	5,632	7,000	8,000	8,800
COSTS - RETIREE HEALTH CARE	6,407	10,250	6,000	3,000
COSTS - RETIREE HEALTH STIPEND	0	0	3,750	9,000
COSTS - LIFE INSURANCE	1,805	1,812	1,950	1,820
COSTS - WORKERS COMPENSATION	14,250	48,358	50,850	47,212

WAGES - HOL/VAC/SICK SELLBACK	5,196	40,000	37,000	24,000
EMPLOYEE COSTS	1,011,877	1,088,479	1,124,835	1,172,590
SUPPLIES - OPERATING	26,214	19,500	20,000	21,500
VEHICLE GAS / DIESEL	47,235	50,000	47,000	52,000
SUBSCRIPTIONS & PUBLICATIONS	186	200	210	210
PROFESSIONAL & CONSULTING SER	20,566	6,500	3,000	5,000
COMMUNICATIONS - PHONE	521	500	500	500
TREE COMMISSION	0	500	250	500
PRINTING & PUBLISHING	2,929	1,500	1,500	1,500
TRAVEL & TRAINING	1,499	2,000	750	750
MEMBERSHIPS & DUES	454	350	770	770
UTILITIES - WATER	802	2,200	1,000	1,200
UTILITIES - ELECTRIC	13,650	15,300	15,500	15,500
UTILITIES - NATURAL GAS	17,272	18,500	15,000	18,500
REPAIRS/MAINT - BUILDINGS/LAN	10,295	15,000	15,000	13,000
REPAIRS/MAINT - EQUIPMENT	26,863	16,000	18,000	20,000
REPAIRS/MAINT - VEHICLES	38,150	50,000	30,000	45,000
SOFTWARE AGREE / COPIER MAINT	2,385	2,750	3,370	3,350
CHRISTMAS DECORATIONS	5,632	6,000	4,500	5,000
MOTOR POOL	75,000	90,000	90,000	92,500
LEASE PURCHASE	0	0	0	1,200
CAPITAL OUTLAY	1,401	2,300	3,000	1,000
OPERATING COSTS	291,054	299,100	269,350	298,980
TOTAL PUBLIC WORKS	1,302,931	1,387,579	1,394,185	1,471,570

Parks

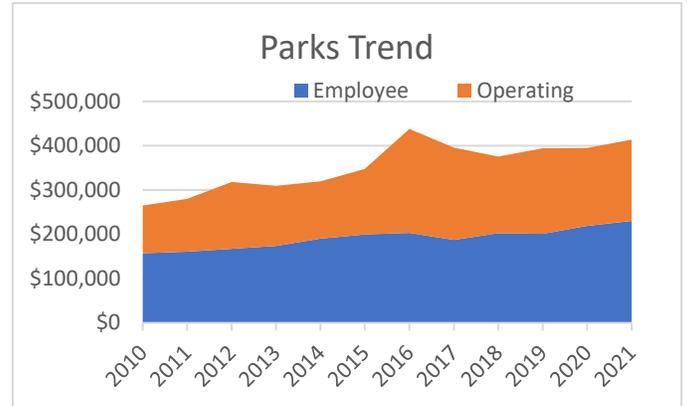
Description

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



Infographics

The spike in operating costs for FY 2016 was due to emergency Riverwalk repairs. The bump up in FY 2019 was due to installing electronic locks on the Parks restrooms.



Budget Notes

Total costs increased \$18,274 or 4.6% from the prior year budget. Employee costs increased due to normal wage and benefit adjustments and higher MERS contribution. Operational costs increased due to beach emergency phone repairs, professional services and electrical costs. *The budget was reduced \$5,00 thru the Council review process.*

Dept 751 - PARKS & RECREATION	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	91,406	92,830	93,000	95,618
WAGES - PART-TIME	43,928	56,000	56,000	57,400
COSTS - SUTA	951	185	185	45
COSTS - SOCIAL SECURITY	8,569	9,816	9,900	10,231
COSTS - MEDICARE	2,004	2,296	2,300	2,393
WAGES - OVERTIME	10,283	8,500	10,500	10,000
WAGES - 2E STANDBY PAY	0	500	200	500
WAGES - PHYSICAL FITNESS	0	500	250	500
COSTS - MERS CONTRIBUTION	6,895	8,054	8,100	10,378
COSTS - HEALTH INSURANCE	23,366	25,290	26,000	26,431
COSTS - HSA CONTRIBUTION	6,000	4,500	6,000	6,000
COSTS - DENTAL INSURANCE	1,456	1,482	1,500	1,482
COSTS - VISION / ANCILLIARY	325	331	325	331
COSTS - UNIFORM/CLEANING ALLO	893	1,200	1,200	1,250
COSTS - RETIREE HEALTH CARE	2,984	1,500	3,000	1,500
COSTS - LIFE INSURANCE	222	222	225	222
COSTS - WORKERS COMPENSATION	1,410	5,021	5,025	4,920
WAGES - HOL/VAC/SICK SELLBACK	0	1,000	1,000	1,000
EMPLOYEE COSTS	200,692	219,227	224,710	230,201
SUPPLIES - OPERATING	18,976	24,000	24,000	24,500
VEHICLE GAS / DIESEL	8,390	8,600	7,800	8,800
PROFESSIONAL & CONSULTING SER	0	1,000	9,500	3,000
COMMUNICATIONS - PHONE	960	1,000	2,000	3,000
HARBOR COMMISSION	0	100	100	100
PARKS COMMISSION	414	800	400	500
PRINTING & PUBLISHING	618	1,000	750	750
TRAVEL & TRAINING	509	1,000	500	1,000
MEMBERSHIPS & DUES	0	0	0	0
UTILITIES - WATER	13,743	22,000	22,000	22,500
UTILITIES - ELECTRIC	24,277	23,000	25,000	25,500
UTILITIES - NATURAL GAS	888	1,000	800	1,000
REPAIRS/MAINT - BUILDINGS/LAN	54,171	34,800	112,000	34,450
REPAIRS/MAINT - EQUIPMENT	12,878	25,000	10,000	26,000
REPAIRS/MAINT - VEHICLES	1,796	2,500	2,500	2,500
MOTOR POOL	37,636	19,000	19,000	20,000
CAPITAL OUTLAY	18,237	11,000	6,500	9,000
OPERATING COSTS	193,493	175,800	242,850	182,600
TOTAL PARKS & RECREATION	394,185	395,027	467,560	412,801

General Operating

Description

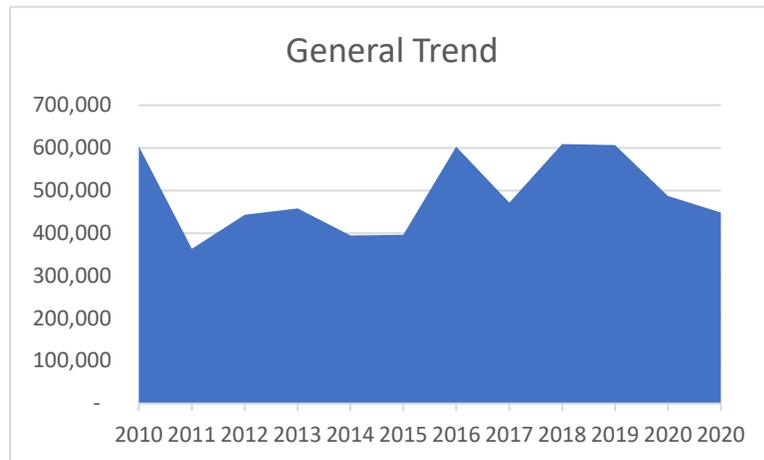
The General Operating department accounts for those items that are City-wide in nature, or ones that do not fit within an existing department. Examples are streetlights, information technology support, insurance, postage, attorney & engineer. The attorney and engineer accounts moved to this department as a result of the new State chart of accounts.

George Saylor, of Mika Meyers Beckett & Jones, is the City Attorney. The firm has been the City’s legal counsel since 1993. Their firm works closely with City staff on a variety of legal issues such as labor, tax appeals and environmental matters; and also prepares or reviews all City contracts. The Spicer Group has been the City’s Engineer of Record since 2013. Shawn Middleton is the primary contact for the City. Spicer assists in many of the daily activities of the City; answering technical questions and working across departments to address their engineering needs.



Infographics

General costs are more volatile than typical departments because of the nature of the expenses recorded here.



Budget Notes

Total costs decreased by \$38,758 or 8.0% from the prior year budget. Several items had changes. Contractual services increased because of the inclusion of funds to demo a blighted structure. Engineering costs increased due to an increase in the retainer. Streetlight costs increased based on the prior year’s bills. Transfers out decreased as the transfer to the Local Street fund was eliminated. *The budget was reduced \$3,500 thru the Council review process.*

Dept 275 - GENERAL	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
SUPPLIES - OPERATING	1,014	1,000	1,000	1,500
PROFESSIONAL & CONSULTING SER	26,888	34,200	30,300	36,600
ATTORNEY	60,101	56,000	56,000	56,000
ATTORNEY - LABOR	100,415	20,000	10,000	20,000
ATTORNEY - TAX APPEALS	0	5,000	0	4,000
ATTORNEY - PROSECUTING ATTY	18,847	12,500	12,760	13,142
ATTORNEY - LITIGATION\PROJECTS	0	7,000	3,500	4,000
CONTRACTUAL SERVICE	0	0	0	12,000
POSTAGE	24,654	29,000	27,000	27,000
COMMUNICATIONS - DATA\INTERNE	4,194	5,000	5,000	5,000
COMMUNICATIONS - CELL PHONES	11,260	12,000	12,000	12,000
UTILITIES - ELECTRIC STR LIGH	124,280	115,000	125,000	125,000
SOFTWARE AGREEMENTS / COPIER				
MAINT	630	750	1,450	1,450
INSURANCE	83,682	87,000	87,000	90,000
RENT	1,650	1,700	1,700	1,700
ENGINEERING SERVICES	13,600	12,000	15,000	18,000
BAD DEBT	0	500	500	500
BANK CHARGES	4,043	6,500	4,500	5,000
REFUNDS		500	0	500
COMPUTER HARDWARE & SOFTWARE	31,065	6,000	6,000	6,000
TRANSFERS OUT	100,417	75,616	165,616	5,616
TOTAL GENERAL	606,740	487,266	564,326	445,008

Debt Service

Description

The Debt Service department accounts for City general obligation bond debt for City Hall. The DDA bond was paid off in FY 2020. It is in lieu of a separate debt service fund. Due to reporting requirements, the 2010 Capital Improvement bond has been moved out of the general fund and split up amongst the three funds that actually pay for it. A proposed 2020 Capital Improvement Bond and possible future DDA Bond will be partially or fully recorded here.

Budget Notes

Debt service costs decreased by \$127,050 or 34.0% compared to the prior year budget. The General fund pays for the 2013 Refunding bond (City Hall renovation) which escalates each year, but the DDA Bond was paid off. The eliminated expense is offset by the DDA no longer reimbursing the City for this bond payment.

Dept 905 - DEBT SERVICE	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
2010 DDA REFUNDING - PRINCIPA	130,000	135,000	135,000	0
2013 CI REFUNDING - PRINCIPAL	200,000	210,000	210,000	225,000
2020 CI - PRINCIPAL (FY 2024)				0
2010 DDA REFUNDING - INTEREST	8,000	2,700	2,700	0
2013 CI REFUNDING - INTEREST	29,700	25,600	25,600	21,250
2020 CI - INTEREST (FY2024)				0
TOTAL DEBT SERVICE	367,700	373,300	373,300	246,250

Appropriations

Description

The City funds a variety of different organizations which undertake public activities on the City's behalf. Each organization is required to annually make a request for funding, unless they have an unexpired contract. By law the City may not provide a gift or a contribution of tax dollars for any purpose. However, the City may provide governmental services through other organizations. This distinction is important. In order to document the public purpose being served, the City requires signed agreements that document the public benefit being provided, when not readily apparent or already documented via contract. The organizations that the City currently funds are listed below with a brief description of the service they provide.

Organization

Alternatives for Area Youth
 Manistee Chamber of Commerce
 Manistee Area Public Schools Paine Pool
 Manistee Recreation Association
 Manistee Saints
 Manistee Area Historical Museum
 Ramsdell Regional Center for the Arts

Services Provided

Teen Center, youth activities
 Economic development services
 Community Pool
 Youth recreation
 Rietz Park ball diamond maintenance
 City historian, Historical reviews
 Operates City-owned Ramsdell Theatre

Budget Notes

The City Attorney has previously reviewed appropriation requests and determined that they are legal. City Council has made some cuts to this area in past budgets. Total costs decreased by \$7,000 or 4.3%. The City Manager is recommending that the \$13,000 allocation to Alternatives for Area Youth be eliminated as it is an underutilized and potentially redundant service. The idea would be to approach the Manistee Recreation Authority and see if they would like to occupy the facility, saving rent and potentially increasing service and convenience due to the proximity of the school and playing field. The Manistee Saints requested \$2,500 but the Manager recommended \$2,000, the same as last year. A new request is for Housing North for \$20,000 to help fund a multi-organizational shared position to advance and assist with housing initiatives. *AAY was restored and the Appropriations budget was reduced \$30,200 thru the Council review process.*

Dept 801 - APPROPRIATIONS	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
ALTERNATIVES FOR AREA YOUTH	13,000	13,000	13,000	11,700
HOUSING NORTH	0	0	0	0
MANISTEE CHAMBER OF COMMERCE	0	20,000	20,000	20,000
MAPS PAINE POOL	40,000	40,000	40,000	40,000
MANISTEE RECREATION ASSOC.	27,000	27,000	27,000	24,300
MANISTEE SAINTS	2,000	2,000	2,000	1,800
MAN. CO. HISTORICAL MUSEUM	10,000	10,000	10,000	9,000
RAMSDELL REGIONAL CENTER FOR	55,000	50,000	50,000	45,000
TOTAL APPROPRIATIONS	147,000	162,000	162,000	151,800

Component Units

Downtown Development Authority



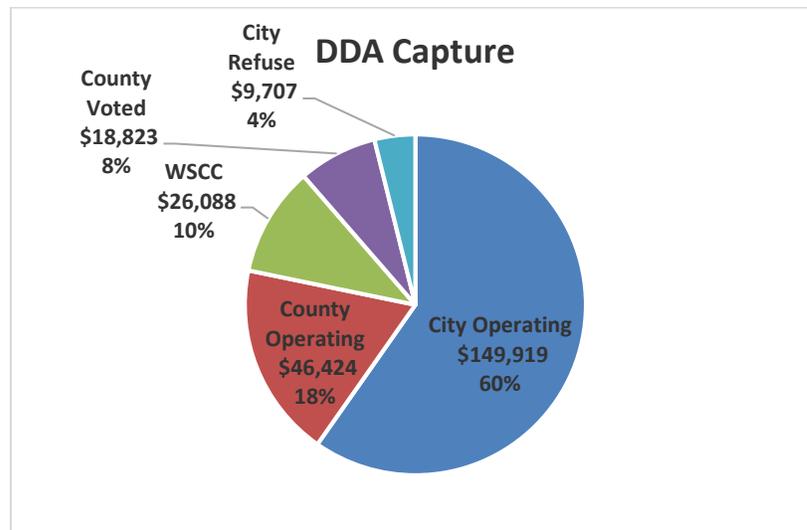
The City of Manistee Downtown Development Authority was originally established via ordinance passed on January 19, 1982. On April 2, 1985, City Council approved the original Development and Tax Increment Financing Plan and Ordinance. The plan estimated that the dissolution of the DDA would occur on or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

On March 30, 1989 City Council amended the DDA Ordinance to accomplish three major items. First, the ordinance adopts the Central Business District plan (part of the City’s Master Plan) as a guiding document in the DDA’s improvement plan. Second, it permits bonding by the DDA. Third, it establishes a sunset date for the DDA of January 1, 2009 (or if bond obligations exist, when those are paid off). The sunset date was March 1, 2020.

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

On February 18, 2020 City Council adopted Ordinance 20-02 approving amendments to the City of Manistee Development Plan and Tax increment Financing plan. The plan was extended for 25 years.

The DDA captures a variety of taxes to fund their operations in the proportions shown below.



The DDA has prepared a narrative and budget for Council consideration. The DDA adjusted their budget process and coordinated it with the City budget timeline this year so the DDA budget could be incorporated in the City’s budget document.

City Council must ultimately approve the annual DDA budget.

DOWNTOWN MANISTEE *michigan*

The mission of the Manistee Downtown Development Authority is to foster the development and promotion of an identifiable and attractive downtown area that will strengthen business a sense of community ownership.

2020-2021 The City of Manistee Downtown Development Authority Budget

The Manistee Downtown Development Authority (Manistee DDA) budget will reflect the mission of the City of Manistee City Council (Council) and expectations addressed during the City Council work session on May 14th, 2019. The budget will reflect the mission and Development and TIF plan amended goals, of the Manistee DDA, for the next twenty-five (25) years. The budget will be approved by the Council and the Manistee DDA for authorization. Amendments to the budget will be approved by the Manistee DDA during its fiscal year, as needed.

Per the City of Manistee Codified ordinances; 282 Downtown Development Authority: 282.09 Fiscal Year; Adoption of Budget; Financial Reports; Audits; the DDA's fiscal year is June to July every year. This upcoming budget report reflects the financial obligations and goals during July 1st, 2020 to June 30th, 2021.

Manistee DDA Revenues

The Manistee DDA has three significant changes in revenue for the July 2020-June 2021 fiscal year including: Loss in taxable revenue; lack of financial participation from the County library; and a decrease number of events the Manistee DDA is hosting.

This upcoming year, the Manistee DDA district anticipates a 4.4% increase in taxable value and decrease of 2.1% in taxable revenue. The largest portion of increase is brownfield increment within the Manistee DDA district. Minimizing the brownfield increment, as incentive within the district, the Manistee DDA will reflect a loss of 2.1% from the previous year. The Manistee DDA is no longer capturing tax dollars from the County Library of one millage, as previous years, due to the State of Michigan Act 57 of 2018. The last contributing factor of less revenue is less events. Since 2018, the Manistee DDA has dropped four events to focus on infrastructure, assets and business development. These three significant changes reflect the recent decline in revenue from the fiscal year 2019-2020 to 2020-2021.

Manistee DDA Expenses

The 2020-2021 City of Manistee DDA budget includes the motivations in the Manistee DDA 2020 Strategic Planning Session; adopted tasks from the City of Manistee Economic Development Plan and Housing Plan; and in negotiation agreements with West Shore Community College (WSCC) for public engagement and concern coverage. With these expectations in mind, the Manistee DDA is planning for

these financial focuses on these immediate areas for the next 2020-2021 fiscal year. Additional projects and goals described in the Development and TIF plan amendment of 2020, City of Manistee Economic Development Plan and Housing Plan will be the boards opportunity to accomplish within the next twenty-five (25) years.

These plans and objectives integrated within the 2020-2021 budget have been adopted through the below dates for budgeting.

- City Council Work Session Minutes- May 14th, 2019
- City of Manistee Economic Development Plan Adopted by the Manistee DDA – October 9, 2019
- City of Manistee Housing Plan Adopted by the Manistee DDA – October 9, 2019
- Approval for the WSCC partnership of Public Initiatives – October 9, 2019
- Manistee DDA Strategic Planning Objectives – January 8, 2020
- Development and TIF Plan amendment officially in effect – February 28, 2020
- Through the Manistee DDA’s board discussion at the Board Meetings on February 12 and Special Board Meeting on March 2, the drafted budget below is prepared for City Council inclusion within the City Budget for the charter date of adoption of May 15, 2020.

2020-2021 Manistee DDA Budget Highlights

Within the Manistee DDA 2020-2021 Budget, significant additions and changes are being addressed. For the 2020-2021 budget, the Manistee DDA will no longer have a bond payment of up to \$150,000.00 a year. As described in the adopted plans above; the Manistee DDA intentions to focus on contractual and staff changes; and growth in public relations. Due to heavier participation in local contracts, the board is reviewing bond options for larger projects outlined in the Development and TIF amendment. More information on the bonding projects below.

Contractual Changes: The 2020-2021 budget includes contractual expenses: the City Service Agreement (\$65,000.00/year); Economic Development Contract with the Manistee Area Chamber of Commerce (\$15,000.00/year); Accounting Services (\$5,000.00/year); and WSCC agreements (\$40,000.00/year).

Manistee DDA Staff Changes: The Manistee DDA Board is planning for staff changes within the next fiscal year. While the payroll number typically included salary only for the executive director position, the 2020-2021 fiscal number includes the following assumptions: Executive Director payroll and benefits (\$59,500/year); Part-time Office Support (\$27,500/year). and Housing Participation (\$8,000.00). These Manistee DDA staff changes are per the recommendations of the past staff and Board conversation. Participation to contribute towards a local Housing position will support the Housing initiatives, the Manistee DDA approved responsibility for, by adopting the City of Manistee Housing Plan at the October 9th, 2019 board meeting. Recommendations will be presented to Council and the Manistee DDA this up-coming Spring.

2020 -2021 Manistee DDA Focus of Public Relations: During the January 8th, 2020 Manistee DDA Strategic Planning session, the Manistee DDA addressed the need to increase public relations. The

Manistee DDA will illustrate this by increasing visibility in the community, adopting a new brand, celebrate the districts success and strengths, developing a public relations campaign and building pride in the DDA District. To show these efforts, the Manistee DDA Development and TIF amendment indicates \$10,000 a year towards public relations and advertising. The Manistee DDA budget has the \$10,000 allocated for the following projects: \$1,500.00 for Promotional Public Service Announcements, \$3,000.00 for Public Relations/Press Releases; \$2,500.00 for Advertising; \$1,000.00 for website development and \$2,000.00 for an updated Downtown Map. This funding will be used through the Manistee DDA board direction and the Business Development Committee recommendations as indicated in the committees 2020 goals.

Events: The Manistee DDA has hosted up to seven events since 2018 including: Men’s and Ladies Night, TGIF, Frostbit, Hops and Props, Sidewalk Sales, Sleighbell and Spark. Many of the Manistee DDA events are being hosted, but by merchant volunteers and other organizations, therefore not included in the Manistee DDA budget. For the 2020-2021 Fiscal year, the Manistee DDA is budgeting for Sleighbell weekend; Hops and Props; and Spark Manistee. *Additional information on Manistee DDA participation in Merchant Led events is below

2020-2021 Manistee DDA Budget Issues

According to the Manistee DDA Development and TIF Plan Amendment, the Manistee DDA intended to provide the following financial obligation to the financial heavy load projects within the first one to five-year allocation. Without a plan for an immediate bond, more of the initial heavy financial loaded priorities will be prioritized in later budgets. In order to accomplish some of these projects in the next couple of years, a bond discussion will begin after the 2020-2021 budget approval. These topics were discussed during the March 11th Manistee DDA board meeting.

These projects indicated in the Development and TIF Plan amendment, but are not included in the initial 2020-2021 budget, include:

- \$30,000.00/year for Rental Rehab Program
- \$20,000.00/year for River Facade and Deck Grants
- \$40,000.00/year for Riverwalk Capital Improvements Plan
- \$20,000.00 for Intersection Enhancements

Requested Bonded Projects for Immediate response

The Manistee DDA has anticipated projects requiring large investment in the immediate future. In order to complete these projects, the Manistee DDA will need to bond within the next three (3) years. The Manistee DDA is interested in a bond for \$1,000,000.00 for twenty (20) years, approved by the both the Manistee DDA and Council. For the anticipated bond of \$1,000,000.00, for twenty (20) years, the Manistee DDA is anticipating an annual payment of \$80,000.00 a year.

- \$200,000.00 for Intersection Improvements – The Manistee DDA takes the intersection from US-31 to River St seriously as a major corridor into the DDA District. With its past blighted sites, lack of access and lack of signage, the Manistee DDA is prioritizing funds to assist with the development of improving this intersection. While conversations surrounding the Gateway project are taking place, the Manistee DDA funding allocation will not occur within the next fiscal year. The funding for these improvements will be large, and at once, with a plan in place

organized by the lead partners of the Manistee Area Chamber of Commerce, Little River Holdings, LLC., Michigan Department of Transportation and the City of Manistee.

- \$25,000.00 for Riverwalk Capital Improvements – The Manistee DDA prioritizes the Riverwalk as a critical pedestrian, residential and tourist destination necessity. It provides access for boaters, walkers, bikers, runners of all kinds to reach the river and the Downtown. Through age and recent water damaging surges, the Riverwalk needs major improvements soon. The Manistee DDA has asked the City Engineer to provide an Asset Management invoice report to the Design Committee for budgeting and planning purposes on the Riverwalk. The Development and TIF amendment allocate \$40,000.00 a year for maintenance of the Riverwalk. Through the extensive amount of work that will need to be done at once, the amount allocated will not be enough for initial budgeting but will be a priority in the bonding process.

- Other allocated projects include the Rental Rehab Program and River Facade and Deck Grants. Both programs are important for the investment in local development for our District. Due to the program structures, they are not eligible for bonding. Conversations on their allocations in the future budgets is immediate priority for the Manistee DDA.

For additional comments or questions regarding the Manistee DDA’s July 2020-June 2021 budget or bonding conversation, please reach out to the Manistee DDA Executive Director.

- *Merchant’s interested in hosting an event with Manistee DDA support must follow the Manistee DDA event workplan process. Merchants may request Manistee DDA for support during an open board meeting. The Manistee DDA is not held responsible for the finances of merchant led events. Merchant led events must be funded on their own minimize the specified additional assistance from the Manistee DDA in the form of insurance coverage, marketing on social media site and other supports that do not accrue the Manistee DDA additional expense.*

**Manistee City
DDA 2018-2019 Proposed Budget**

	2018-2019 Actual	2019-2020 Original Budget	2019-2020 Amended Budget	2019-2020 Projected	2020-2021 Proposed	2020-2021 Proposed Bond	2020-2021 Notes
TIF Revenue	\$ 177,201	\$ 251,884	\$ 251,884	\$ 251,884	\$ 256,370	\$ -	taxable value increased 4.4%, brownfield increment is subtracted. See memo
Delinquent Personal Property Taxes	\$ 9,950						
Local Community Stability	\$ 14,975						
Delinquent Taxes							
Total TIF Revenue	\$ 202,126	\$ 251,884	\$ 251,884	\$ 251,884	\$ 256,370	\$ -	
Personal Property State Reimb.		\$ 20,000	\$ 20,000	\$ 20,000			
Miscellaneous Revenue							
Interest Income	\$ 807	\$ 500	\$ 500	\$ 500			
Event Merchandise							
Misc. Income	\$ 50	\$ 2,000	\$ 2,000				
Loan Application Fees							
Hanging Baskets Sponsors							
Tree Sponsors							
Holiday Decoration Sponsors							
Grants							
Fund Balance		\$ 192,566	\$ 192,566				During the last budgeting process, it was discussed to zero out the fund balance due to the potential of sunseting Dec 2020
Total Miscellaneous Revenue	\$ 857	\$ 195,066	\$ 195,066	\$ 500	\$ -	\$ -	
Total Revenue	\$ 202,983	\$ 466,950	\$ 466,950	\$ 272,384	\$ 256,370	\$ -	

Required Expenditures							
Payroll	\$ 30,719	\$ 110,000	\$ 110,000	\$ 54,500	\$ 87,000		Executive Direct; Office Support; see memo
Housing Position Contribution					\$ 8,000		Housing Position Contribution Annual Contract for Economic Development Participation includes Medicare, social security for Thomas Kaminski and Caitlyn
Manistee Area Chamber of Commerce				\$ 7,000	\$ 15,000		
Employer FICA Expense	\$ 2,480	\$ 8,415	\$ 8,415	\$ 4,169	\$ 6,656		
Unemployment Insurance	\$ 243			\$ 150	\$ 696		
Workmen's Compensation	\$ 351			\$ 350	\$ 392		
Relocation				\$ -	\$ -		
Admin				\$ -	\$ -		
Bond Payment	\$ 138,000	\$ 137,700	\$ 137,700	\$ 137,700	\$ -	\$ 80,000	Assumes a \$1,000,000, 20 year bond - rough estimate at this time
Bond Offering Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Assumes offering costs rolled into will additionally include employee
Insurance	\$ 1,997	\$ 2,350	\$ 2,350	\$ 3,000	\$ 3,000		
Bank Service Charge	\$ 442	\$ 100	\$ 100	\$ 140	\$ 100		
Downtown Dollar Offset	\$ 200			\$ -			Pd Tyler in Downtown Dollars for assistance in employment
Penalties and Interest	\$ 226			\$ 300			
Total Required	\$ 174,232	\$ 258,565	\$ 258,565	\$ 207,309	\$ 120,843	\$ 80,000	

Office Related

Phone		\$ 300	\$ 300	\$ -	\$ -	
Meeting Refreshment	\$ 480	\$ 300	\$ 750	\$ 225	\$ -	
Credit Card	\$ 81	\$ -	\$ -	\$ -	\$ -	
Training		\$ 1,250	\$ 2,500	\$ 1,500	\$ 2,000	Admin Toolbox sessions, summits, leadership, courses- DUE TO CANCELATIONS, AMOUNT LOWER THAN ANTICIPATED
Printing & Reproduction	\$ 28	\$ 250	\$ 250	\$ 250	\$ 250	
Misc. Office Related	\$ 281	\$ 300	\$ 500	\$ 350	\$ 300	
Membership due	\$ 895	\$ 600	\$ 600	\$ 600	\$ 900	To include: Manistee Area Chamber of Commerce, MEDA, To include: job opportunities, legal notices
Advertising		\$ 300	\$ 300	\$ 300	\$ 300	
Rent		\$ -	\$ -	\$ -	\$ -	
Postage	\$ 105	\$ 300	\$ 300	\$ 170	\$ 100	
Office Supplies / Equip	\$ 2,724	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,500	To include: New laptop, Filing System, Office Supplies
Travel/Executive Director Other	\$ 456	\$ 1,000	\$ 1,000	\$ 750	\$ 1,000	To include: gas reimbursement
Subscriptions	\$ 564			\$ -		
Business Expo		\$ -	\$ -	\$ -	\$ -	
Total Office Expenditures	\$ 5,616	\$ 5,600	\$ 7,500	\$ 5,145	\$ 6,350	

Prof. Services

Accounting	\$ 4,800	\$ 5,000	\$ 5,000	\$ 4,800	\$ 5,000
TIF Plan Redevelop	\$ 3,935		\$ -	\$ 608	\$ -
Annual Audit	\$ 1,750	\$ 1,500	\$ 2,500	\$ 1,500	\$ 2,500
Local Banks (\$25,000 Loan)			\$ -	\$ -	\$ -
IRP Loan Program			\$ -	\$ -	\$ -
Revolving loan Fund			\$ -	\$ -	\$ -
Strategic Planning Consulting			\$ 250	\$ 750	
Legal Fees	\$ 543	\$ 1,000	\$ 2,500	\$ 2,500	\$ 1,500
Total Professional Services	\$ 11,028	\$ 7,500	\$ 10,250	\$ 10,158	\$ 9,000

Maintenance									
City Allocation	\$ 22,000	\$ 22,000	\$ 22,000	\$ 22,000	\$ 65,000				See City Service Agreement
Cross Walks			\$ -	\$ -	\$ -				
Downtown Maintenance		\$ 28,400	\$ 28,400	\$ 28,400	\$ 40,000	\$ 300,000			To include: Originally budgeted Paver work \$40,000, painting \$3,000. \$200,000 for streetscape update and refurbishment; \$100,000 Capital Improvements
Total Maintenance	\$ 22,000	\$ 50,400	\$ 50,400	\$ 50,400	\$ 105,000	\$ 300,000			
Beautification									
Trees			\$ -	\$ -	\$ -	\$ -			Development and TIF admin: \$40,000/year for streetscape update and refurbishment. Includes Hanging Baskets.
Hanging Baskets + Watering	\$ 5,600	\$ 13,000	\$ 13,000	\$ 13,000	\$ 4,000				Watering now included in City Within City Service Agreement
Landscaping	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ -				Labor within city service
Holiday Decorations	\$ 14,045	\$ 8,500	\$ 8,500	\$ 8,500	\$ 3,500				As indicated in TIF amendment (+ \$20,000 in River Façade and Deck Grants)
Facade Grant	\$ 5,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 30,000				
Banners	\$ 3,960			\$ 400	\$ -				
Vogue Theatre Redevelopment	\$ 5,000			\$ -	\$ -				
Transfer to Property Acquisition Fund	\$ 6,273	\$ 25,000	\$ 25,000	\$ 25,000	\$ -	\$ -			Not an expense - shown as restricted cash increase
Total Beautification	\$ 57,878	\$ 74,500	\$ 74,500	\$ 74,900	\$ 37,500	\$ -			

Projects							
Loop Signage			\$ -	\$ -	\$ -		
Parking Signage				\$ 4,500	\$ -		
Downtown Map				\$ -	\$ 2,000		PR Goal - Similar number to past invoiced amounts
Window Wraps			\$ -	\$ -	\$ -		
Historic Tour Plaques			\$ -	\$ -	\$ -		
Redevelopment Liquor Licenses			\$ -	\$ -	\$ -		
Mking & Incentive Residential Space			\$ -	\$ -	\$ -		Development and TIF admin: \$30,000 Rental Rehab Program:
Educational Series			\$ -	\$ -	\$ -		
Recruitment Team			\$ -	\$ -	\$ -		
Business Assistance - other			\$ -	\$ -	\$ -		
Property Acquisitions		\$ 78,000	\$ 78,000	\$ -	\$ -		Property Acquisitions/Based on Discussion from 03.11.2020 Board meeting to assist with 440 River if needed
Contribution Farmer's Market			\$ -	\$ -	\$ -		
Downtown Dollars	\$ (178)	\$ 500	\$ 500	\$ 200	\$ 500		
Dumpster Corrals		\$ -	\$ 80,000	\$ 80,000			
Riverwalk Capital Improvements Plan				\$ 5,000	\$ -	\$ 100,000	Development and TIF: \$40,000 for implementation of Spicer recommendations/\$100,000 for immediate infrastructure needs
WSCC Riverwalk Plaza				\$ -	\$ 10,000	\$ 250,000	Development and TIF admin: Development and TIF:
WSCC Partnership					\$ 30,000		Façade/Parking Lease Annual Fee
Intersection Enhancement				\$ -	\$ -	\$ 200,000	Development and TIF admin:
Total Projects	\$ (178)	\$ 78,500	\$ 158,500	\$ 89,700	\$ 42,500	\$ 550,000	

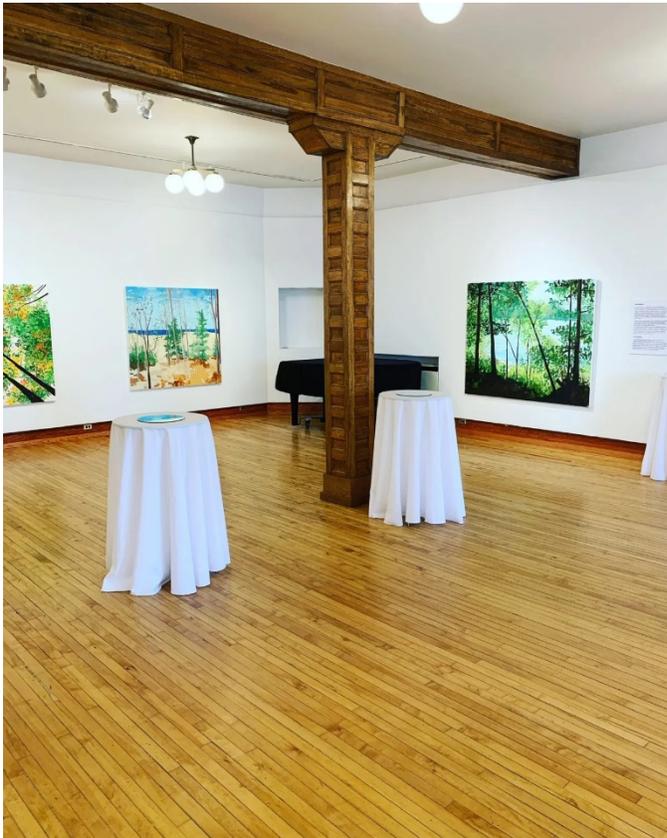
Volunteers							
Volunteer Appreciation			\$	-	\$	-	\$ -
Volunteer Recruitment			\$	-	\$	-	\$ -
Total Volunteer Expenditures			\$	-	\$	-	\$ -
Advertising							
Revenue Co-Op			\$	-	\$	-	\$ -
Promo Expense Pass Through			\$	-	\$	-	\$ -
Co-Op Advertising			\$	-	\$	-	\$ -
Database			\$	-	\$	-	\$ -
Promotions PSA's			\$	-	\$	-	\$ 1,500
PR			\$	-	\$	-	\$ 3,000
Advertising	\$ 1,581	\$ 5,000	\$	5,000	\$	5,000	\$ 2,500
Newsletter + Mailing		\$ 300	\$	300	\$	-	
Retainer for Rightside Design (promos)			\$	-	\$	-	
Website Redevelopment		\$ 500	\$	500	\$	500	\$ 1,000
MSDDA Website (hosting)			\$	-	\$	-	\$ -
Downtown brochure			\$	-	\$	-	
Total Advertising	\$ 1,581	\$ 5,800	\$	5,800	\$	5,500	\$ 8,000
Total Expenditures	\$ 272,157	\$ 480,865	\$	565,515	\$	443,112	\$ 329,193
Income/Loss before Events	\$ (69,174)	\$ (13,915)	\$	(98,565)	\$	(170,728)	\$ (72,823)

Development and TIF: includes

Events							
Men's and Ladies Night Rev	\$ 250	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Men's and Ladies Night Exp	\$ 260						
	\$ (10)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TGIF Manistee Rev	\$ 1,050	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TGIF Manistee Exp	\$ 2,200						
	\$ (1,150)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Frostbite Rev	\$ 900		\$ -	\$ -	\$ -	\$ -	\$ -
Frostbite Exp	\$ 348						
	\$ 552		\$ -	\$ -	\$ -	\$ -	\$ -
Hops & Props Rev	\$ 43,665	\$ 33,500	\$ 33,500	\$ 46,671.67	\$ 48,200	\$ -	\$ -
Hops & Props Exp	\$ 23,509	\$ 21,500	\$ 21,500	\$ 31,463.19	\$ 31,200	\$ -	\$ -
	\$ 20,156	\$ 12,000	\$ 12,000	\$ 15,208.48	\$ 17,000		
Sidewalk Sales Rev	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sidewalk Sales Exp	\$ 136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ (136)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sleighbell Weekend Rev	\$ 20,490	\$ 15,000	\$ 15,000	\$ 12,144.00	\$ 15,000	\$ -	\$ -
Sleighbell TV Production			\$ 5,000			\$ -	\$ -
Sleighbell Weekend Exp	\$ 11,792	\$ 21,500	\$ 15,000	\$ 16,765.66	\$ 15,000	\$ -	\$ -
	\$ 8,698	\$ (6,500)	\$ -	\$ (4,622)	\$ -		
Spark Rev	\$ 6,475	\$ 8,000	\$ 6,475	\$ 5,000.00	\$ 8,350	\$ -	\$ -
Spark Exp	\$ 6,348	\$ 8,000	\$ 6,348	\$ 2,634.53	\$ 5,000	\$ -	\$ -
	\$ 127	\$ -	\$ 127	\$ 2,365	\$ 3,350		
Event Income	\$ 70,630	\$ 56,500	\$ 54,975	\$ 63,816	\$ 71,550	\$ -	event allocated in Development and TIF admin: \$5,000
Event Expense	\$ 41,649	\$ 51,000	\$ 42,848	\$ 50,863	\$ 51,200	\$ -	
Event Income/(Loss)	\$ 28,981	\$ 5,500	\$ 12,127	\$ 12,952	\$ 20,350	\$ -	
Total Income/(Loss)	\$ (40,193)	\$ (8,415)	\$ (86,438)	\$ (157,775)	\$ (52,473)	\$ (930,000)	

Beginning Cash		\$ 322,710	\$ 164,935	\$ -	
Unrestricted\Unassigned		\$ 322,710	\$ 164,935		
Restricted \ Assigned		\$ -			
Ending cash		\$164,935	\$112,462	(\$930,000)	
Unrestricted\Unassigned		\$ 164,935	\$ 92,462		
Restricted \ Assigned		\$ -	\$ 20,000		Additional \$20,000 restricted for property acquisition

Ramsdell Theatre



Description

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

The City has also made substantial investments in the building. The failing roof and other areas of the building envelope were addressed in the fall of 2009 at a cost of \$485,000. The HVAC system was completely replaced in the fall of 2011 at a cost of \$1,260,000. Other improvements include the addition of a projector to show live events and movies in the theatre, upgrading the sound system to stereo, renovation of classrooms downstairs, and renovation of the green room. There are still areas of the theatre that have not been renovated or need improvement. Ballpark estimates of work remaining to be done are around \$500,000.

The Ramsdell has operated under a number of different models, including third-party management and operation by the City. In late 2015 a group of concerned citizens interested in the future of the Ramsdell came together. They believed there was sufficient time, talent and opportunity in the community to manage the Ramsdell as a non-profit organization under contract with the City. The group made a presentation to City Council at the March 2016 work session. The City subsequently entered into an agreement with the Ramsdell Regional Center for the Arts ("RRCA") to manage and operate the Ramsdell.

Execution of their plan has progressed, and the organization is making steady progress toward its objectives. The community has stepped up and has had significant involvement and financial support. Key to the success of the RRCA are board members that have the desire, contacts and passion to assist the Ramsdell. Executive Director, Xavier Verna, was hired in February 2017, and has been instrumental in guiding the organization.

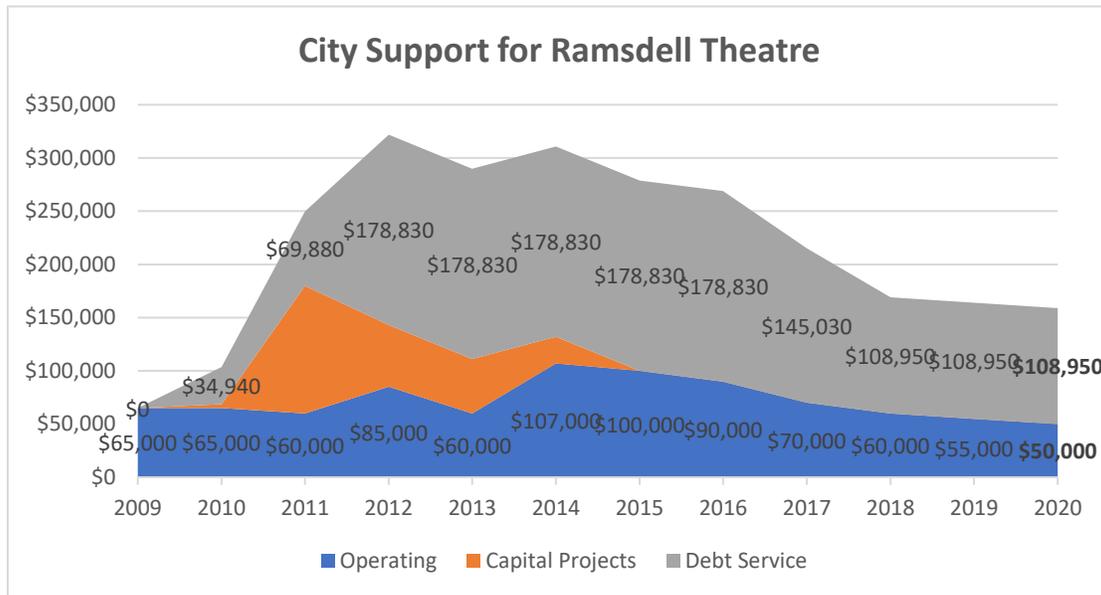
Issues

There is general consensus that the Ramsdell Theatre cannot be self-supported with revenue generated through performances and rentals. The market and venue are simply too small. The RRCA has met the goal of reducing the recurring City operating support thru donations, sponsorships and earned revenue. However, it is unlikely that City support will be able to be removed entirely. This is supported by the fact that nationally, 40% to 60% of theatre revenue is from ongoing public\private support. Earned income is not sufficient.

The current appropriation request is for \$50,000, which is the same as last year. The RRCA Board feels that the \$50,000 is the minimum level of City support for the Ramsdell Theatre. This amount constitutes about 15% of the overall RRCA budget and goes for maintenance, utilities and capital outlay for the City-owned building.

Infographics

Overall City support for the Ramsdell Theatre is down 61% since FY 2009. Operational support is down 53% since its peak. Capital support is down 100%. Debt service is down 39%.



**Ramsdell Theatre
Cash Support**

	Peak*	FY 2020	Reduction	Change
Operations	\$ 107,000	\$ 50,000	\$ (57,000)	-53%
Capital	\$ 119,881	\$ -	\$ (119,881)	-100%
Debt	\$ 178,830	\$ 108,950	\$ (69,880)	-39%
Total	\$ 405,711	\$ 158,950	\$ (246,761)	-61%

*peak support is highest in a given year from FY 2009 to FY 2019

Budget Notes

The draft RRCA budget has been included with their appropriation request. The theatre has been shut down since March 16 due to the COVID-19 Pandemic and the budget and cash flow are extremely tenuous at this point.

The City operating contribution is in the Appropriation budget and the City debt service contribution for the HVAC system is reflected in the Capital Improvement Fund.

Brownfield Redevelopment Authority

Description

The City of Manistee Brownfield Redevelopment Authority (BRA) is an autonomous component unit of the City whose board members are appointed by City Council. Chief Financial Officer Ed Bradford is the designated Brownfield Authority Administrator. The Brownfield Authority meets as needed throughout the year.

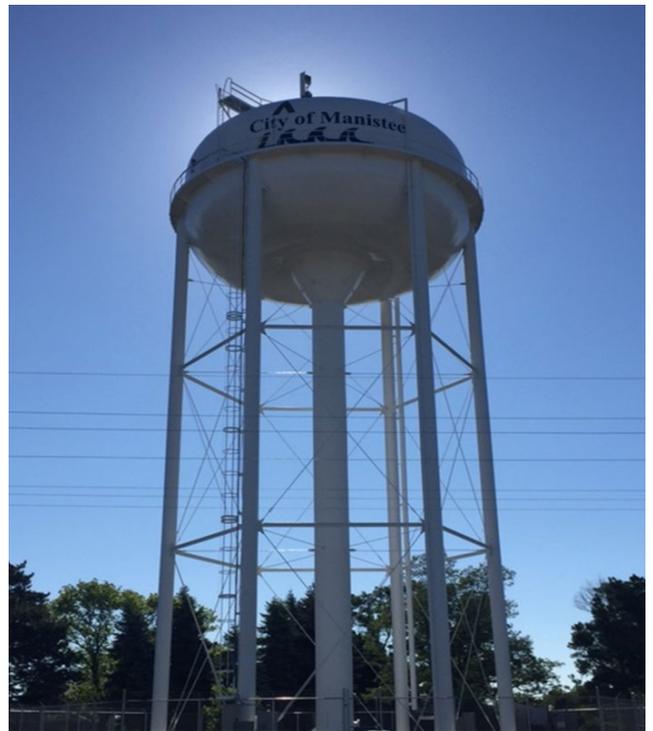
The BRA is responsible for overseeing the City’s brownfield initiatives; including grants, loans, remediation, tax increment financing and coordination with developers.

The City has two active Brownfield projects; 334 River St. and South Washington Area. There will likely be one or more significant Brownfield projects happening over the next 12-36 months.

MICHIGAN ECONOMIC DEVELOPMENT CORPORATION PROUDLY PRESENTS

RIVER PARC PLACE II LLC
Manistee

Enterprise Funds



Water Utility

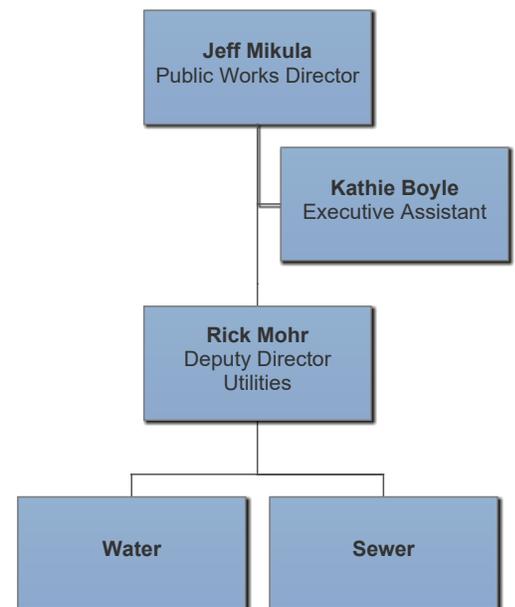
Overview

The Water Utility under the direction of Public Works Director Jeff Mikula. Jeff has been with the City for 7 years.



The Water department is responsible for water production and treatment, monitoring, storage, testing, system maintenance, and ensuring compliance with State and Federal regulations. It works to ensure the highest production and treatment standards are maintained to protect the public health and deliver great quality water.

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



The Water Utility closely coordinates with the DPW and Street department to ensure that water mains and leads are replaced when streets are torn up for reconstruction.

Issues

The Water Utility faces several key issues over the next few years.

1. Since the Flint water crisis, the State has instituted significant regulations to address lead in water systems. The new requirements don't provide financial exceptions; the City must comply. The financial impact on our system hasn't been overwhelming but is consuming resources and will continue to be monitored closely.
2. Implement Lucity asset management software. As part of the SAW grant, the City procured and is implementing advanced software to help manage our Water system assets.
3. Continued implementation of the water agreement with Manistee Township.
4. Relocating the water main across the Manistee River as part of the M-55 construction project.
5. Update the Rate Study to ensure the Water Utility continues to be stable financially.

- 6. Replace water mains in coordination with Street work as funds allow.

Rates

Per the Burton rate study, water & sewer rates are budgeted to be increased 3.5%. With the increase, a 6,000 gallon per month water and sewer customer would see their bill increase by \$3.06 per month or \$36.72 per year. The combined monthly water & sewer bill for a 6,000 gallon per month customer would be \$90.74.

Illustrative Monthly Bill

Gallons	1000	2000	3000	4000	5000	6000
Water	\$7.85	\$11.10	\$14.35	\$17.60	\$20.85	\$24.10
Sewer	\$22.14	\$31.04	\$39.94	\$48.84	\$57.74	\$66.64
Total	\$29.99	\$42.14	\$54.29	\$66.44	\$78.59	\$90.74

Budget Presentation Changes

Significant changes were made in the budget presentation for FY 2020 and are continued. The City has received a USDA Rural Development (RD) loan to fund significant construction projects related to the wet weather corrective action plan. RD requires that the utility report water and sewer activities separately in the audit. This conflicts with our bond covenants which require us to run the system as a combined entity. In order to meet the RD requirements efficiently and maintain compliance with bond covenants, the City has combined all water activities under the Water Utility and all sewer and treatment plant activities under the Sewer Utility. By doing so, we have eliminated the admin, street sewer and general department budgets. We have also separated out capital outlay and debt service by water and sewer. Funds may still have to flow between water and sewer occasionally.

Revenue

Description

Revenue is derived primarily from user rates and charges. It is also received from leasing space on water towers, new services and capital cost recovery. Bills are issued monthly. Rates are made up of commodity consumption charges and ready-to-serve charges based on meter size. City rate increases since 2001 have lagged the U.S. Consumer Price Index (CPI) Water & Sewerage Maintenance Series, which measures the average national change in the cost of water and sewer service to households. The rates are proposed to increase 3.5% in accordance with the Burton & Associates rate study recommendations.

Budget Notes

Operating revenues decreased \$292 or 0.0%. The decrease was due to the 3.5% rate increase offset by no grant revenue since the SAW grant completed.

Dept 542 - WATER OPERATION	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
STATE GRANT - OTHER	100,000	100,000	0
PENALTIES	13,000	22,000	20,000
WATER READY TO SERVE	227,630	233,258	241,400
NEW SERVICE	500	500	10,000
CHARGE FOR SERVICE	500	2,000	2,000
SALES - WATER	703,490	747,535	773,700
SALES - WATER SPRINKLERS	195,700	186,332	192,900
SALES - METERS	6,000	6,000	10,000
INVESTMENT - INTEREST	6,500	1,200	2,000
RENTAL INCOME	108,613	110,841	113,931
RENTAL - HYDRANT & TUNNEL	21,600	21,600	21,600
OTHER REVENUE	3,315	5,200	4,000
REIMBURSEMENT	3,000	500	2,000
CAPITAL COST RECOVERY INSURANCE SETTLEMENT TRANSFERS IN	23,855	23,855	19,880
TOTAL WATER REVENUE	1,413,703	1,460,821	1,413,411

Water Operations

Description

Water operations accounts for the day-to day operations of the Water Utility. The water department is responsible for water production and treatment, monitoring, storage, testing, system maintenance and ensuring compliance with State and Federal regulations.

Budget Notes

Water operations increased \$43,391 or 4.1%. Employee costs increased \$13,890 or 3.9% due to normal wage and benefit increases and higher MERS contributions. Operating costs increased \$29,501 or 4.2% due to a variety of fluctuations in various line items.

Dept 542 - WATER OPERATION	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	204,993	205,000	212,385
COSTS - SUTA	91	80	22
COSTS - SOCIAL SECURITY	14,422	14,560	14,067
COSTS - MEDICARE	3,373	3,405	3,290
WAGES - OVERTIME	9,250	11,500	12,000
WAGES - 2E STANDBY PAY	17,363	17,000	18,000
WAGES - PHYSICAL FITNESS	1,000	1,000	1,000
COSTS - MERS CONTRIBUTION	16,635	16,700	22,561
COSTS - HEALTH INSURANCE	54,935	52,000	57,407
COSTS - HSA CONTRIBUTION	11,250	12,000	12,000
COSTS - DENTAL INSURANCE	3,212	3,000	3,212
COSTS - VISION / ANCILLIARY	804	800	804
COSTS - UNIFORM/CLEANING ALLO	3,500	3,500	4,100
COSTS - RETIREE HEALTH CARE	3,000	3,000	3,000
COSTS - RETIREE HEALTH STIPEND	0	0	0
COSTS - LIFE INSURANCE	444	450	444
COSTS - WORKERS COMPENSATION	7,616	7,600	1,486
WAGES - HOL/VAC/SICK SELLBACK	1,500	250	1,500
EMPLOYEE COSTS	353,388	351,845	367,278
SUPPLIES - OPERATING	12,050	13,500	16,750
SUPPLIES - CHEMICALS	25,000	23,000	25,650
SUPPLIES - METERS	50,000	30,000	44,000
VEHICLE GAS / DIESEL	7,000	5,500	7,000
PROFESSIONAL & CONSULTING SER	24,000	15,000	35,250
ATTORNEY	250	0	0
ADMINISTRATION	198,573	198,573	201,100
LAB TESTING	23,300	8,000	12,900
COMMUNICATIONS - PHONE	4,500	3,000	3,000

COMMUNICATIONS - CELL PHONES	1,250	5,000	5,500
PRINTING & PUBLISHING	3,250	3,600	4,750
TRAVEL & TRAINING	2,250	1,000	1,500
MEMBERSHIPS & DUES	575	500	570
UTILITIES - ELECTRIC	72,000	75,000	76,000
REPAIRS/MAINT - BUILDINGS/LAN	3,000	1,800	7,100
REPAIRS/MAINT - EQUIPMENT	106,700	105,000	138,750
REPAIRS/MAINT - VEHICLES	1,500	1,250	1,200
SOFTWARE AGREE / COPIER MAINT	5,675	5,500	7,550
INSURANCE	6,000	10,000	10,000
MOTOR POOL	50,000	50,000	60,000
BANK CHARGES	1,000	300	500
UTILITY OWNERSHIP FEE	93,446	93,500	56,500
REFUND	0	0	0
CAPITAL OUTLAY	7,750	13,000	13,000
TRANSFERS OUT	0	482,890	0
OPERATING COSTS	699,069	1,144,913	728,570
TOTAL WATER OPERATIONS	1,052,457	1,496,758	1,095,848

Debt Service

Description

Debt Service accounts for the bonded indebtedness of the Water Utility. The Water Utility has \$557,555 of outstanding debt. It is anticipated that more debt will be incurred to fund capital projects. See **Capital Improvement Bond Issue Page**.

Budget Notes

Debt service increased by \$34,230 or 61.5% primarily due to the issuance of the aforementioned debt.

Dept 905 - DEBT SERVICE	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
BANK CHARGES	0	0	0
ACCRUED INTEREST EXPENSE	1,000	1,000	1,000
BOND ISSUANCE EXPENSE	0	0	0
PRINCIPAL PORTION OF PAYMENTS	40,000	40,000	41,870
2010 DWRP BOND INTEREST	7,375	7,375	6,875
2011 DWRP BOND INTEREST	7,314	7,314	6,814
2020 CI INTEREST			33,360
	55,689	55,689	89,919

Capital Outlay

Description

Capital outlay accounts for the proposed capital outlays for the Water Utility. Capital outlays are projects that have a cost of greater than \$5,000 and are for new assets or investments that extend the useful life of existing assets. Ideally, annual investment in capital assets roughly equals annual depreciation. This means that assets are being replaced at the same rate as they are wearing out. However, water assets are very long-lived, and their life often exceeds the length they are depreciated over. On a more practical note, rates would have to be much higher to achieve this goal. Nonetheless, the rate study has set us on a path to fund depreciation at a much higher level once the system debt is completely paid off.

Budget Notes

The budget anticipates \$80,000 in capital outlay for a generator at Well 10. Additionally, the proposed bond issue will fund \$1,685,000 of capital improvements over a three-year period.

Dept 903 - CAPITAL OUTLAY WATER	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
CAPITAL OUTLAY	122,000	5,000	80,000
TOTAL CAPITAL OUTLAY	122,000	5,000	80,000

Results

Description

The Water Utility budget anticipates a healthy surplus and strong ending cash position, helping offset an anticipated deficit this year.

TOTAL WATER FUND	183,557	(96,626)	147,644	191,597
Beginning Cash		285,762	253,487	401,131
Ending Cash		253,487	401,131	592,728

Sewer Utility

Overview

The Sewer Utility is responsible for treating and disposal of the City wastewater stream, operating lift stations, testing, system maintenance, ensuring compliance with the City’s NPDES permit and Local, State and Federal regulations, maintaining the sewer infrastructure, and monitoring. It works to ensure the highest collection and treatment standards so that the public health and environment is protected.

The Sewer Utility significant amount of debt in the recent past to fund State-mandated combined sewer separation projects. All the sewer districts have been completed. Remaining work includes closing off the last outfall as required by the new NPDES permit, constructing a holding facility for wet weather flows and addressing inflow and/or infiltration issues. The City has started this work and will be financing it thru low interest USDA Rural Development loans.

Issues

The Sewer Utility faces several key issues over the next few years.

1. Implement Lucity asset management software. As part of the SAW grant, the City procured and will be implementing advanced software to help manage our utility assets.
2. Continued implementation of agreements with Manistee and Filer Charter Townships.
3. Implementing the wet weather corrective action plan and close the last combined sewer outfall by December 2020. This will require significant engineering and construction efforts and will necessitate incurring additional debt. Total cost is about \$19,400,000.
4. Relocating sewer mains across the Manistee River as part of the M-55 construction project.
5. Update the Rate Study to ensure the Sewer Utility continues to be stable financially.

Rates

Per the Burton rate study, water & sewer rates are budgeted to be increased 3.5%. With the increase, a 6,000 gallon per month water and sewer customer would see their bill increase by \$3.06 per month or \$36.72 per year. The combined monthly water & sewer bill for a 6,000 gallon per month customer would be \$90.74.

Illustrative Monthly Bill

Gallons	1000	2000	3000	4000	5000	6000
Water	\$7.85	\$11.10	\$14.35	\$17.60	\$20.85	\$24.10
Sewer	\$22.14	\$31.04	\$39.94	\$48.84	\$57.74	\$66.64
Total	\$29.99	\$42.14	\$54.29	\$66.44	\$78.59	\$90.74

Revenue

Description

Revenue is derived primarily from user rates and charges. Bills are issued monthly. Rates are made up of commodity consumption charges and ready-to-serve charges based on meter size. City rate increases since 2001 have lagged the U.S. Consumer Price Index (CPI) Water & Sewerage Maintenance Series, which measures the average national change in the cost of water and sewer service to households. The rates are proposed to increase 3.5% in accordance with the Burton & Associates rate study recommendations.

Budget Notes

Operating revenues (excluding previously budgeted bond proceeds) increased \$97,950 or 3.3%. The decrease was due to the 3.5% rate increase offset by lower investment interest.

Dept 000 - REVENUES	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
STATE GRANT - OTHER	0	0	0
PENALTIES	37,000	35,000	36,000
SEWER READY TO SERVE	655,080	653,977	678,000
NEW SERVICE	9,500	1,000	20,000
CHARGE FOR SERVICE	2,233,555	2,232,717	2,310,900
INVESTMENT - INTEREST	18,500	16,000	10,000
OTHER REVENUE	3,315	0	0
REIMBURSEMENT	0	0	0
INSURANCE SETTLEMENT	0	0	0
TRANSFERS IN	0	482,890	0
BOND PROCEEDS			
TOTAL SEWER REVENUE	2,956,950	3,421,584	3,054,900

Sewer Operations

Description

Sewer operations accounts for the water resource recovery operations. This includes both the street sewers and the Clean Water Recovery Facility. Sewer operations are responsible for treating and disposal of the City wastewater stream, operating lift stations, testing, system maintenance, and ensuring compliance with the City’s NPDES permit and Local, State and Federal regulations.

Budget Notes

Sewer operations increased \$120,814 or 8.9%. Employee costs increased \$45,258 or 10.4% due normal wage and benefit increases, enhanced by change in new employee mix and benefits. Operating costs increased \$75,556 or 8.2%. The increase was due to higher utilities associated with the new plant operation, higher repairs and maintenance due to the chemical building roof replacement, higher motor pool and re-allocated utility ownership fee.

Dept 543 - SEWER	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
WAGES - FULL TIME	283,914	284,000	281,649
COSTS - SUTA	136	40	32
COSTS - SOCIAL SECURITY	19,367	19,425	19,601
COSTS - MEDICARE	4,530	4,545	4,584
COSTS - IN LIEU OF INSURANCE	0	200	0
WAGES - OVERTIME	26,250	27,000	30,000
WAGES - 2E STANDBY PAY	1,200	1,200	1,500
WAGES - PHYSICAL FITNESS	1,000	500	500
COSTS - MERS CONTRIBUTION	19,123	22,375	18,951
COSTS - HEALTH INSURANCE	51,755	62,135	86,868
COSTS - HSA CONTRIBUTION	11,250	15,000	18,000
COSTS - DENTAL INSURANCE	3,047	3,500	4,859
COSTS - VISION / ANCILLIARY	730	790	1,229
COSTS - UNIFORM/CLEANING ALLO	4,620	4,600	5,000
COSTS - RETIREE HEALTH CARE	111	0	0
COSTS - RETIREE HEALTH STIPEND	0	0	0
COSTS - LIFE INSURANCE	1,510	650	665
COSTS - WORKERS COMPENSATION	5,296	4,000	5,659
WAGES - HOL/VAC/SICK SELLBACK	2,500	600	2,500
EMPLOYEE COSTS	436,339	450,560	481,597
SUPPLIES - OPERATING	39,450	42,000	42,000
SUPPLIES - CHEMICALS	25,000	30,000	30,500
VEHICLE GAS / DIESEL	3,500	3,000	3,800
PROFESSIONAL & CONSULTING SERV	33,500	15,000	28,500
ATTORNEY	250	0	0

ADMINISTRATION	198,573	199,000	201,100
LAB TESTING	5,500	5,500	6,000
COMMUNICATIONS - PHONE	4,500	3,000	3,500
COMMUNICATIONS - CELL PHONES	1,250	1,725	1,800
PRINTING & PUBLISHING	3,250	4,200	3,250
TRAVEL & TRAINING	7,000	4,000	6,000
MEMBERSHIPS & DUES	625	450	625
UTILITIES - ELECTRIC	135,000	150,000	150,000
UTILITIES - NATURAL GAS	17,000	16,000	17,000
REPAIRS/MAINT - BUILDINGS/LAND	16,000	16,000	38,000
REPAIRS/MAINT - EQUIPMENT	179,400	179,000	168,800
REPAIRS/MAINT - VEHICLES	3,000	3,000	3,000
SOFTWARE AGREE / COPIER MAINT	3,775	3,925	6,750
INSURANCE	24,000	22,500	24,000
MOTOR POOL	116,000	116,000	130,000
BANK CHARGES	1,000	0	0
UTILITY OWNERSHIP FEE	93,446	94,000	122,200
CAPITAL OUTLAY	6,750	6,700	6,500
OPERATING COSTS	917,769	915,000	993,325
TOTAL SEWER OPERATIONS	1,354,108	1,365,560	1,474,922

Debt Service

Description

The Debt Service department accounts for the utility’s bonded indebtedness. There is currently \$16.5M in debt issues outstanding. The \$19.4M investment needed to comply with the wet weather corrective action plan and close off the last remaining combined sewer overflow will require additional debt. The improvements are being financed with low interest loans and grants thru USDA Rural Development. The fall-off in existing debt in FY 2021 should accommodate all of the increased debt service and allow for orderly rate increases. It is also anticipated that more debt will be incurred to fund additional capital projects. See **Capital Improvement Bond Issue Page.** It is hoped that most normal capital expenditures moving forward will be able to be funded without additional debt issuance

Budget Notes

Debt service decreased \$457,051 or 21.4% from the prior budget. The reduction was caused by the paying off of an existing bond offset by the issuance and timing of the USDA Rural Development debt and the capital improvement bond.

Dept 905 - DEBT SERVICE	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
BANK CHARGES	2,500	2,500	2,500
ACCRUED INTEREST EXPENSE	4,000	4,000	4,000
BOND ISSUANCE EXPENSE	50,000	0	0
PRINCIPAL PORTION OF PAYMENTS	1,500,328	1,381,669	1,055,444
1999 B SRF BOND INTEREST	5,375	5,375	1,813
2006 SRF BOND INTEREST	19,293	19,293	16,937
2010 SRF BOND INTEREST	10,402	10,402	9,652
2010 CAPITAL IMP BOND INTERES	106,426	106,426	99,631
2011 SRF BOND INTEREST	21,769	21,769	20,144
2015 W/S REVENUE BOND - INT	86,675	86,675	85,325
2017 W/S REVENUE & REFUNDING - INTEREST	81,172	81,172	72,072
2018 USDA RD 1a SEWER REHAB INTEREST	55,287	0	71,500
2018 USDA RD 1b SEWER REHAB INTEREST	0	0	4,875
2018 USDA RD 2 BASIN CONVEYANCE INTEREST	188,479	0	224,250
2020 CI INTEREST			6,511
Total Debt Service	2,131,706	1,719,281	1,674,655

Capital Outlay

Description

Capital outlay accounts for the proposed capital outlays for the Sewer Utility. This section presents the proposed capital outlays for the Sewer Utility. Capital outlays are projects that have a cost of greater than \$5,000 and are for new assets or investments that extend the useful life of existing assets. Ideally, annual investment in capital assets roughly equals annual depreciation. This means that assets are being replaced at the same rate as they are wearing out. However, sewer assets are very long-lived, and their life often exceeds the length they are depreciated over. On a more practical note, rates would have to be much higher to achieve this goal. However, the rate study is setting us on a path to fund depreciation at a much higher level once the system debt is paid off.

Budget Notes

The budget anticipates \$0 in capital outlay from current resources. However, the proposed bond issues will fund almost \$20,000,000 of capital improvements over a three-year period, primarily for the wet weather corrective action program.

Dept 904 - CAPITAL OUTLAY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
CAPITAL OUTLAY	62,500	172,000	0
TOTAL CAPITAL OUTLAY	62,500	172,000	0

Results

Description

The Sewer Utility budget anticipates a deficit, offset by a projected surplus in the current year. Ending cash position is sufficient.

TOTAL SEWER FUND	164,743	(94,677)
Beginning Cash	855,622	336,862
Ending Cash	336,862	242,185

Municipal Marina



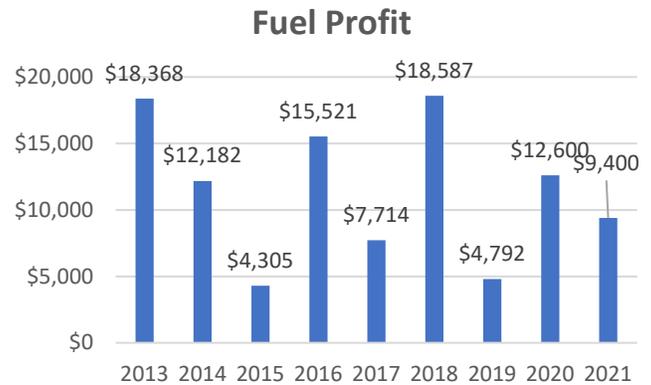
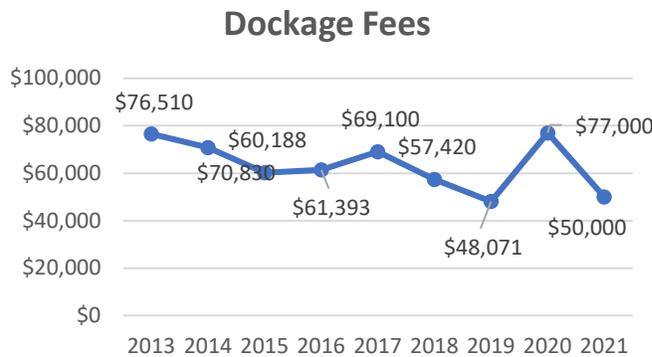
Description

The Municipal Marina fund accounts for the activities of the Manistee Municipal Marina. Recognized as one of the finest public marinas on Lake Michigan, our marina hosts hundreds of boats a year and also serves as the home port for several large fishing tournaments. The facility boasts state of the art boater amenities including comfortable day room, children’s area, spacious showers, restrooms and laundry facilities. Public restrooms are also accessible from River Street and serve downtown pedestrian traffic. A public gathering room available for rent is located on the upper level. The marina has 36 slips ranging in length from 30 to 60 feet. It can also accommodate larger vessels (up to 100’) with a broadside tie against the Riverwalk seawall. The State recently approved an increase in the number of seasonal docks to eighteen. It offers a full array of services including gasoline and diesel fuel, pump out, bath facilities, water and electric hookup and wi-fi.

In April 2018 a strong seiche destroyed several docks on the west side of the marina and damaged the gas dock kiosk. Insurance covered the physical losses and compensated for business interruption, and the docks were reconstructed last spring. A grant is being written to replace the remaining docks on the east side of the marina. The new docks are adjustable to handle the variable water levels.

The Marina is struggling financially, primarily due to its debt load. Debt service is about \$63,000 per year and is supported by a transfer in from the capital improvement fund. This lack of revenue must be addressed if the debt service support is to be lessened and redirected to other priorities. The Harbor Commission has made it their number one strategic priority to increase Marina revenue. If successful, this will help ease the burden on the capital improvement fund.

Infographics



Budget Notes

Overall revenue decreased \$43,900 or 18% from the prior year budget. Anticipated revenue increases budgeted last year did not materialize and the proposed budget was adjusted accordingly. Transfers in are flat at \$65,000.

Employee costs decreased \$117 or 0.4% from last year. Operating costs decreased \$30,875 or 19.8%. Most of the decrease is due to lower fuel costs as the amount of fuel sales is expected to decrease and trend towards our averages. Less repairs and maintenance is anticipated. Although some electrical and water costs incurred by the Marina actually benefit the Parks; no adjustment is made in the budget as there are many services provided by the General fund to the Marina that are not billed nor adequately covered by the administration fee. Summer grass mowing and facility manager time are two examples.

Debt service is flat. The outstanding loans have level amortization. The grant applied for is not budgeted but if received, the match will come from the capital improvement bond being issued.

Without significant additional boater traffic to drive dockage fees and fuel sales, the Marina is expected to continue to struggle. Cash flow will continue to be tight and will likely require periodic short-term advances from the General fund.

594 - MARINA	2018-19 ACTIVITY	2019-2020 BUDGET	2019-2020 PROJECTED	2020-21 BUDGET
SALES	1,538	2,500	2,700	2,500
SALES - FUEL	84,765	90,000	102,000	72,000

SALES - DOCKAGE	48,071	77,000	55,000	50,000
INVESTMENT - INTEREST	0	0	250	100
RENTAL INCOME	15,780	9,000	6,000	10,000
OTHER REVENUE	22	0	0	0
REFUNDS	1,255	0	0	0
TRANSFERS IN	65,000	65,000	65,000	65,000
INSURANCE SETTLEMENT	650,767	0	9,600	0
TOTAL REVENUES	867,198	243,500	240,550	199,600
WAGES - PART-TIME	22,124	25,000	25,000	25,000
COSTS - SUTA	542	63	63	15
COSTS - SOCIAL SECURITY	1,339	1,562	1,562	1,562
COSTS - MEDICARE	313	365	365	365
WAGES - OVERTIME	165	200	200	200
COSTS - WORKERS COMPENSATION	277	902	902	833
EMPLOYEE COSTS	24,760	28,092	28,092	27,975
SUPPLIES - OPERATING	4,152	5,000	4,500	5,000
SUPPLIES - GASOLINE	50,379	54,180	62,100	43,800
SUPPLIES - DIESEL FUEL	27,594	23,220	26,600	18,800
PROFESSIONAL & CONSULTING SER	325	1,000	3,000	1,000
ADMINISTRATION	11,853	12,175	12,175	12,000
MARKETING & PROMOTION	425	2,000	800	1,000
UTILITIES - WATER	9,857	9,000	9,500	9,500
UTILITIES - ELECTRIC	8,825	9,500	9,000	9,500
UTILITIES - NATURAL GAS	2,991	3,500	3,000	3,200
REPAIRS/MAINT - BUILDINGS/LAN	4,520	10,000	15,000	8,000
REPAIRS/MAINT - SEICHE DAMAGE	199,223	10,000	529,100	0
REPAIRS/MAINT - EQUIPMENT	10,311	2,000	1,500	2,000
INSURANCE	1,833	2,500	2,000	2,000
SALES TAX	5,538	5,800	2,000	4,500
BANK CHARGES	5,088	5,500	6,000	5,000
CAPITAL OUTLAY	2,287	800	800	0
OPERATING COSTS	345,201	156,175	687,075	125,300
MARINA BLDG - PRINCIPAL	0	25,908	25,908	26,747
PRINCIPAL - INTERNAL LOAN	0	27,131	27,131	27,678
MARINA BLDG - INTEREST	7,292	6,479	6,479	5,639
INTEREST - INTERNAL LOAN	4,519	3,456	3,456	2,908
DEBT SERVICE	11,811	62,974	62,974	62,972
TOTAL EXPENSES	381,772	247,241	778,141	216,247
TOTAL MARINA	485,426	(3,741)	(537,591)	(16,647)

Boat Launch



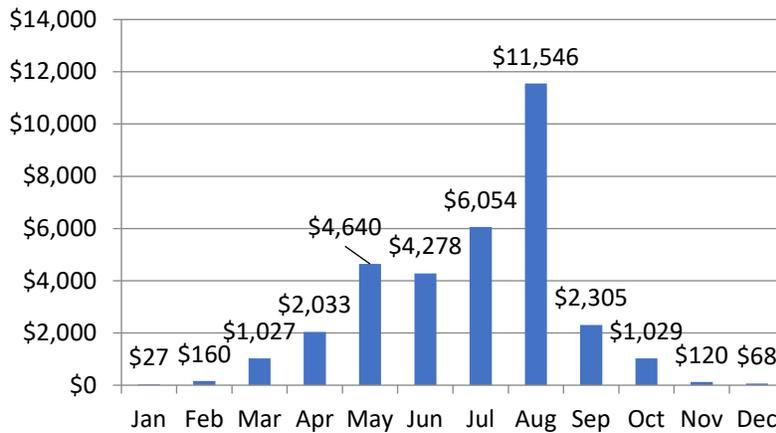
Description

The Boat Launch fund accounts for the activities of the First Street, Arthur Street and Ninth Street Boat launches. Both First Street and Arthur Street launches have seen significant investment in recent years. Arthur Street received a complete makeover including refurbishing the restrooms, reconfiguring the parking, expanding the launch, adding an accessible fishing pier and landscaping. Ingress and egress to the First Street Boat launch was reconfigured as part of the First Street reconstruction project. Ninth Street also needs work, but construction at this site is probably several years out due to funding limitations, the complexity of the project and higher funding priorities.

Boaters are charged to launch at the First Street and Arthur Street launches. Rates are \$45 for a seasonal and \$10 for a daily pass. The Ninth Street launch remains free.

Infographics

Average Sales by Month



Yearly Sales



Budget Notes

Revenue is flat from the prior year as fundamentals have not changed. Revenue is largely dependent on weather and fishing conditions and the price of fuel. Expenses are also similar to last year’s budget. The boat launch has a loan from the oil & gas fund to finance the Arthur Street Boat launch renovations that is paid off in FY 2022. The auto-attendant will need replacement at some point after the loan has been paid off and resources are available.

501 - BOAT LAUNCH	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
SALES	30,483	38,000	30,000	35,000
INVESTMENT - INTEREST	0	50	50	50
INSURANCE SETTLEMENT	25,405	0	7,400	0
TOTAL REVENUES	55,888	38,050	37,450	35,050
SUPPLIES - OPERATING	1,246	3,000	800	3,000
PROFESSIONAL & CONSULTING SER	0	500	0	500
ADMINISTRATION	2,600	2,664	2,664	2,500
COMMUNICATIONS - PHONE	440	480	480	500
MARKETING & PROMOTION	0	500	0	500
UTILITIES - WATER	2,094	2,500	2,300	2,500
UTILITIES - ELECTRIC	3,808	3,800	3,900	4,000
REPAIRS/MAINT - BUILDINGS/LAN	549	3,000	20,500	4,500
REPAIRS/MAINT - EQUIPMENT	2,385	500	14,000	3,500
BANK CHARGES	439	700	550	600
CAPITAL OUTLAY	4,652	0	0	0
TOTAL OPERATING COSTS	18,213	17,644	45,194	22,100
PRINCIPAL - INTERNAL LOAN	0	13,690	13,690	13,967
INTEREST - INTERNAL LOAN	1,382	846	846	570
TOTAL DEBT SERVICE	1,382	14,536	14,536	14,537
TOTAL EXPENSES	19,595	32,180	59,730	36,637
TOTAL BOAT LAUNCH	36,293	5,870	(22,280)	(1,587)

Permanent Funds

Oil & Gas Fund



Description

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

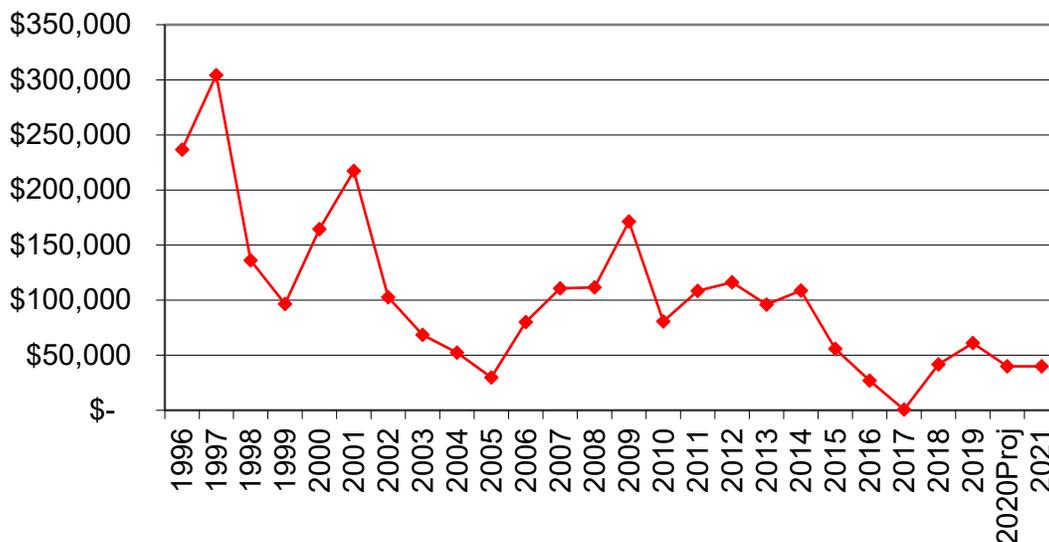
Investing the assets of this fund is handled by the Oil & Gas Investment Board, consisting of five members including the Mayor. In the summer of 2008, the City’s legislative initiative to allow the Oil & Gas fund to be invested like a public pension fund, instead of under the more restrictive PA 20 regulations, was successful. Public Act 220 of 2008 was enacted into law on July 16, 2008. In order to take advantage of the new law, the Oil & Gas Board went through a rigorous selection process to hire an investment advisor. Bartlett & Co. was chosen in January of 2009 and they began investing the funds in March.

Well production and royalty income fluctuate because of variable oil and gas production volumes and the price of oil and gas. The lifespan of the oil and gas wells is unknown. In the recent past, the wells were shut down for over a year due to the low price of oil & gas, although production has resumed. The budget anticipates the wells being in production.

Infographics

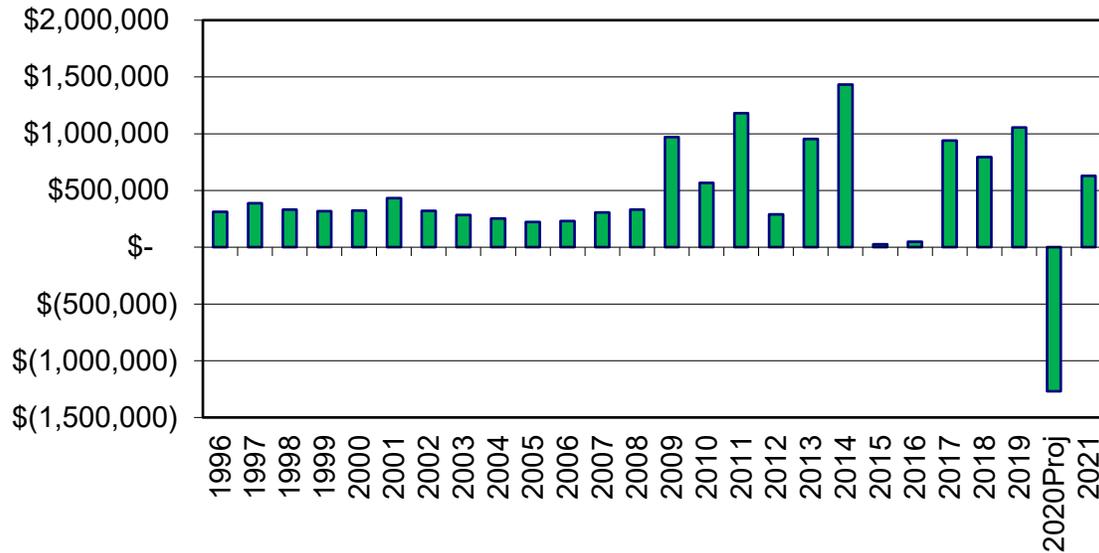
Royalties have steadily declined over time as the wells become less productive. Total protected royalties are just under \$7,600,000.

Oil & Gas Royalties



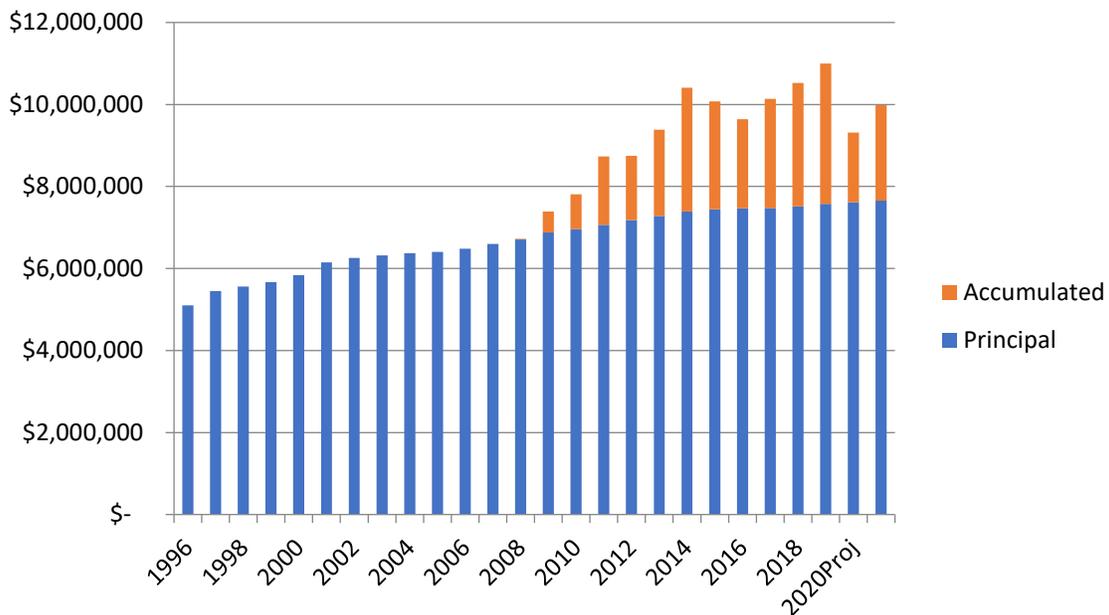
Earnings and the value of the fund have increased since it has been invested in the broader market, but earnings are also more variable.

Oil & Gas Earnings



The fund value is projected to exceed accumulated royalties by about \$2,300,000.

Oil & Gas Principal & Accumulated Earnings



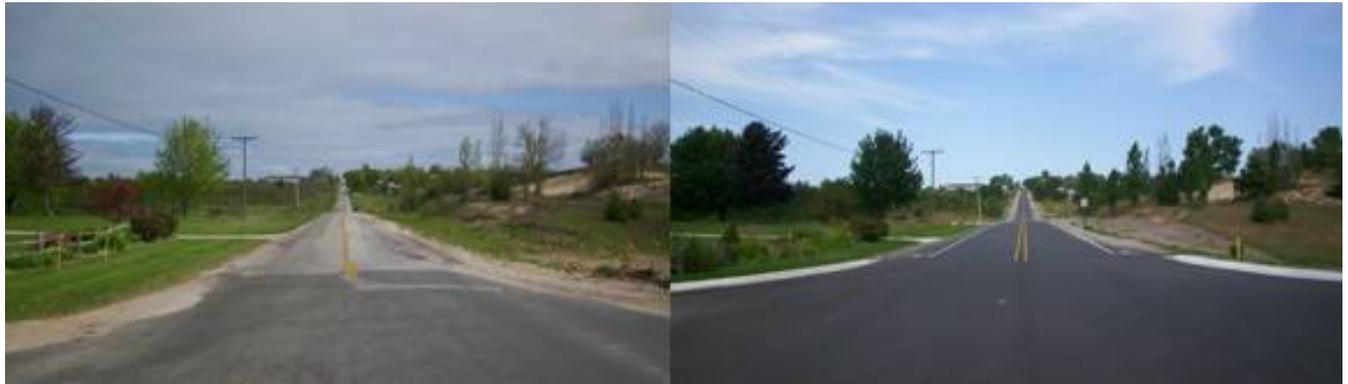
Budget Notes

Revenue is projected to be similar to the prior budget. Oil royalties are budgeted lower because of the global oil glut and plummeting prices due to the COVID-19 Pandemic. The budget assumes the oil wells and processing facility remain open. Dividend and capital gain income are subject to market fluctuations. The COVID-19 Pandemic brought the 10-year bull market to a crashing halt with major stock indices down 30% +/- . The near-term outlook is highly uncertain as the economic impacts of the pandemic may last several more months. The intermediate-term outlook and economic fundamentals are still favorable, but lasting economic damage from the pandemic will slow growth.

Annually, money is transferred from the Oil & Gas fund into the Capital Improvement fund pursuant to bond covenants and the oil & gas investment policy and spending rule. The rule is designed to make the fund operate as an endowment and calls for an annual distribution of 4% of the twelve-quarter trailing market value. The Oil & Gas Investment Board approved and recommended following the 4% spending rule for the proposed budget in the amount of \$427,722.

245 OIL & GAS FUND	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
INVESTMENT - INTEREST	233,154	230,000	230,000	230,000
INVESTMENT - OIL ROYALTIES	60,919	60,000	40,000	25,000
INVESTMENT - GAINS & LOSSES	821,667	400,000	(1,500,000)	400,000
TOTAL REVENUES	1,115,740	690,000	(1,230,000)	655,000
SUPPLIES - OPERATING	0	500	0	500
PROFESSIONAL & CONSULTING SER	56,166	58,000	60,000	54,000
TRANSFERS OUT	591,042	401,647	401,647	421,722
TOTAL EXPENSES	647,208	460,147	461,647	476,222
TOTAL FOR OIL & GAS	468,532	229,853	(1,691,647)	178,778

Special Revenue Funds

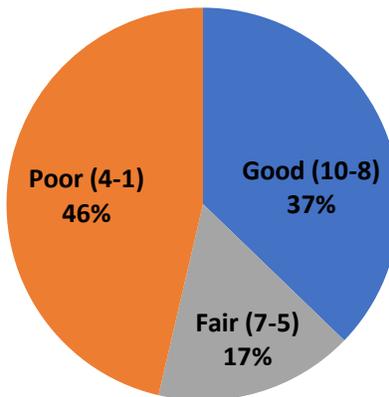


Streets

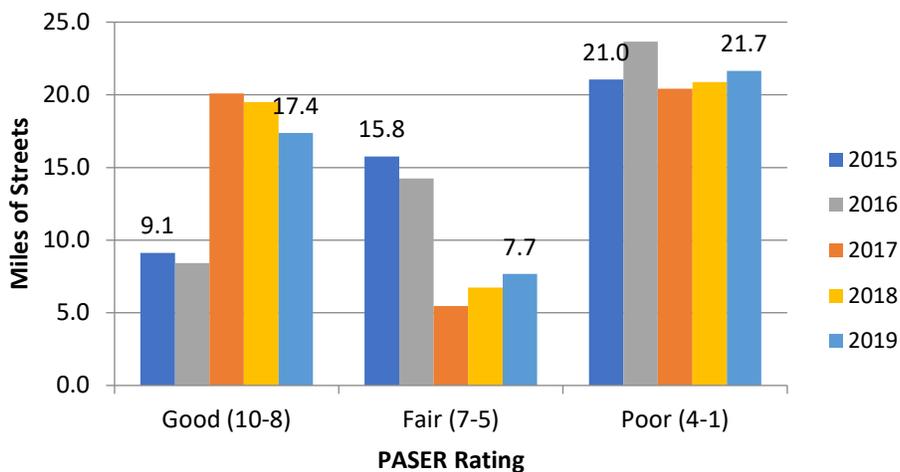
State of the Streets

The City has been managing its streets under a Street Asset Management Plan since 2008. The condition of the streets as of the last rating in the fall of 2019 is shown below. The City issued its State of the Streets report in January and will continue to do so annually. In 2019 the City performed full reconstruction with storm sewer improvements on .45 miles of Major Streets at a cost of \$809,000. Average PASER rating has improved from 4.339 to 5.349 since 2008.

Condition of All Streets 2019



All Streets 5 Year History



Transportation Improvement Plan

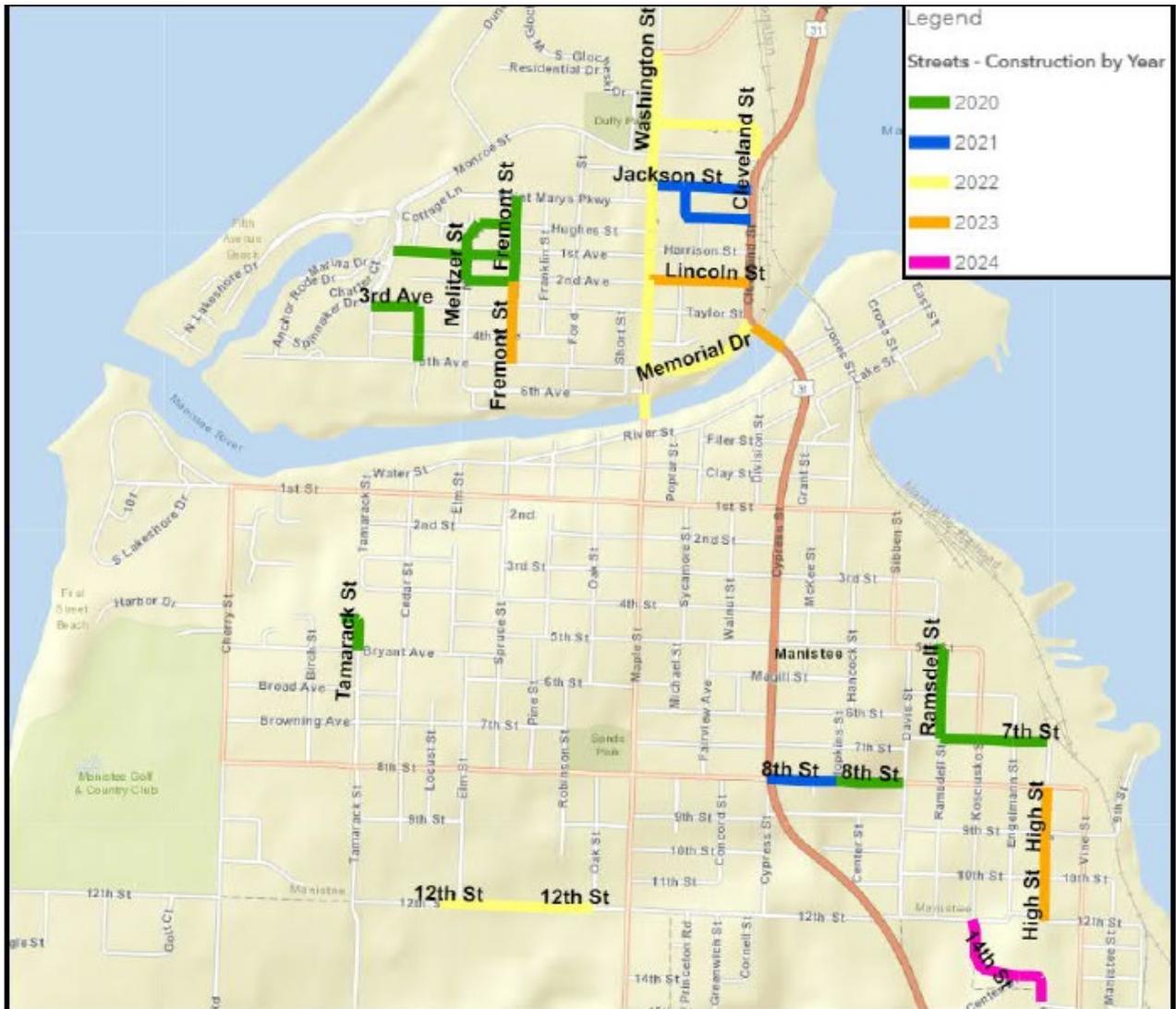
A four-year transportation improvement plan has been created by Public Works Director Jeff Mikula and City Engineer Shawn Middleton. The plan details a list of projects proposed to be completed based on asset management and long-term planning principles, available revenue and grant opportunities. It is quite sensitive to key assumptions on future funding levels and receipt of grants and should be considered a fluid plan. The plan includes costs for the entire project and all components including street, sidewalk, curb, storm, water and sewer, as applicable. The table below excludes water and sewer utility costs. A total of \$8,430,000 in investment is planned over the five-year period.

CY 2020 - 2024 Transportation Improvement Plan

Local Streets	2020	2021	2022	2023	2024	Total	Average
Investment	\$3,324,985	\$639,200	\$438,200	\$492,000	\$215,000	\$5,109,385	\$1,021,877
Miles	1.22	0.30	0.32	0.50	0.60	2.94	0.59
Blocks +/-	21	4	4	7	3	39	8
Major Streets						Total	Average
Investment	\$264,603	\$322,500	\$2,075,700	\$300,000	\$366,000	\$3,328,803	\$665,761
Miles	1.25	0.25	1.10	0.20	0.20	3.00	0.60
Blocks +/-	22	4	19	4	4	53	11
All Streets						Total	Average
Total Investment	\$3,589,588	\$961,700	\$2,513,900	\$792,000	\$581,000	\$8,438,188	\$1,687,638
Total Miles	2.47	0.55	1.42	0.70	0.80	5.94	1.19
Total Blocks +/-	43	8	23	11	7	92	18



The map below shows the work scheduled over the next five years.



Street Funding

The City has committed a significant amount of non-street resources to Major and particularly Local streets since Council prioritized street resurfacing. More recently, the State committed more resources to streets thru a gas tax increase and general revenue funding plan. Sewer separation projects have also allowed the City to resurface many streets. In order to prioritize streets, the City has had to divert money from a number of sources. This has allowed street work to occur at a much faster pace than would have been possible absent the additional resources.

Flow of Funds to Local Streets	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	Total
From:								
General Fund	75,000	70,000	70,000	-	-	-	-	355,000
Capital Improvement Fund	113,000	304,000	80,000	80,000	80,000	80,000	80,000	1,077,000
Major Streets (to Local Streets)	50,000	100,000	100,000	220,000	220,000	220,000	220,000	1,260,000
City Streets	-	-	-	-	-	-	-	-
	238,000	474,000	250,000	300,000	300,000	300,000	300,000	2,692,000

As mentioned in the past few budgets, this trend cannot continue without Council adjusting its priorities. The budget in future years will have a difficult time supporting the past level of investment, as operating cost pressures and competing capital needs will require attention and resources; and the transfer to streets will likely have to be scaled back. The proposed budget reflects this reality as the General Fund contribution has been eliminated. However, overall transfers to Local Streets actually increased by \$50,000 or 20%. Future action by the State to enhance road funding could provide significant resources and lessen the need for other City funding.

As previously mentioned, and as identified by the street ad-hoc committee, absent additional State funding, the only viable way to sustainably address street maintenance is to raise additional dedicated revenue. One way to do this is to pursue additional millage thru a Headlee override. A successful Headlee override vote would restore 2.4 mills and would raise approximately \$425,000 annually that could be dedicated to streets. This level of additional annual resources would allow for significant work:

- Reconstruction 4+/- Blocks or
- Heavy Rehab 18+/- Blocks or
- Light Rehab 60+/- Blocks

An alternative approach would be to have the public vote a dedicated millage to support a bond issue that accelerates work and is paid off over a number of years. This approach has several advantages including putting the voters on record as to how high a priority street work is, increasing the amount of work that can be done, and providing higher transparency and accountability.

Major Street Fund

Description:

The City has 19.6 miles of major streets. This fund records revenue the City receives from the State of Michigan for its major streets. It is authorized by Public Act 51 of 1951 and is funded by gasoline taxes. The City files a report with the Michigan Department of Transportation every year detailing how its Act 51 dollars are spent. One obligation of this fund is the debt service on the capital improvement bond issued to fund the Cedar Street local orphan street project (via a transfer to the Local street fund). The payment toward the Cedar Street local orphan streets is about \$81,000 per year. The bonds will be retired in FY 2031.

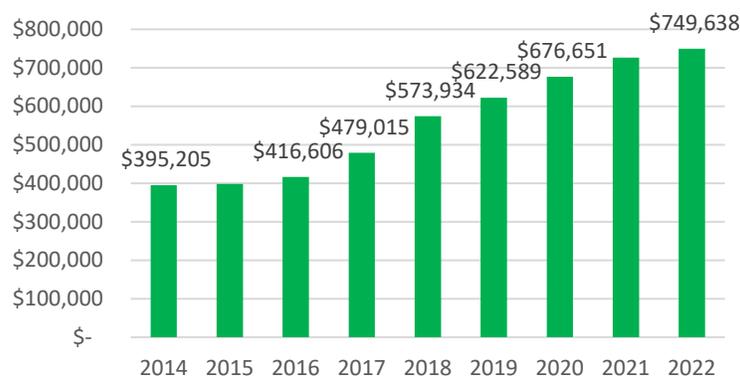
Another obligation of the fund is to pay for operation and maintenance of the Maple Street bridge. The State through MDOT reimburses communities for their costs in operating moveable bridges, but not for repairs and maintenance.

A third obligation of the fund is to pay for routine maintenance of the streets, including sweeping, plowing, salting, snow removal, right-of-way maintenance, forestry, patching and crack sealing. This involves reimbursing the general fund for labor and equipment; although at present administrative costs that can rightfully be charged to the street funds are still being absorbed by the general fund.

A fourth obligation of the fund is to pay for street resurfacing and reconstruction. This aspect has been a Council priority and is the focus of the street asset management plan and transportation improvement plan. Our roads are annually evaluated using the PASER system through Roadsoft, which allows us to systematically manage our streets, and our asset management plan has given us increased flexibility in using our street dollars.

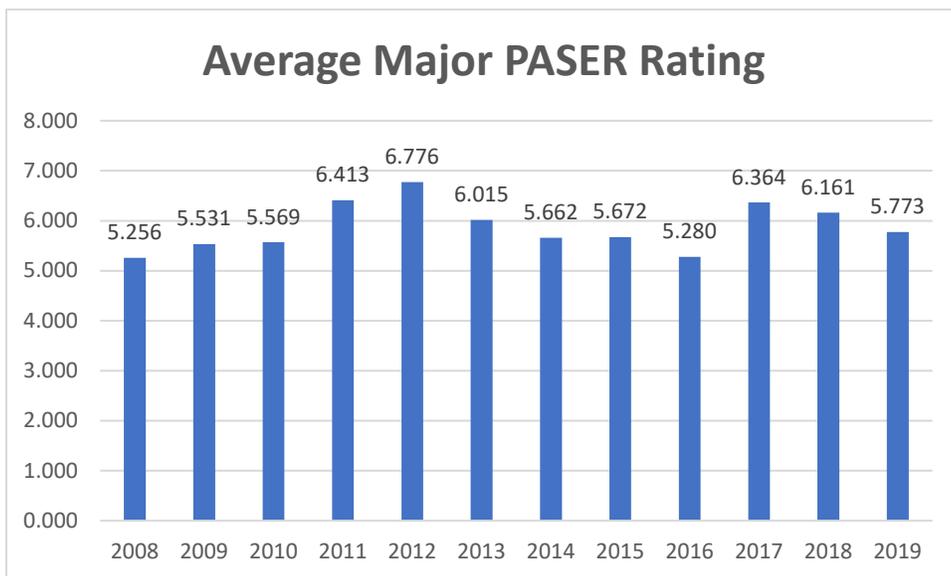
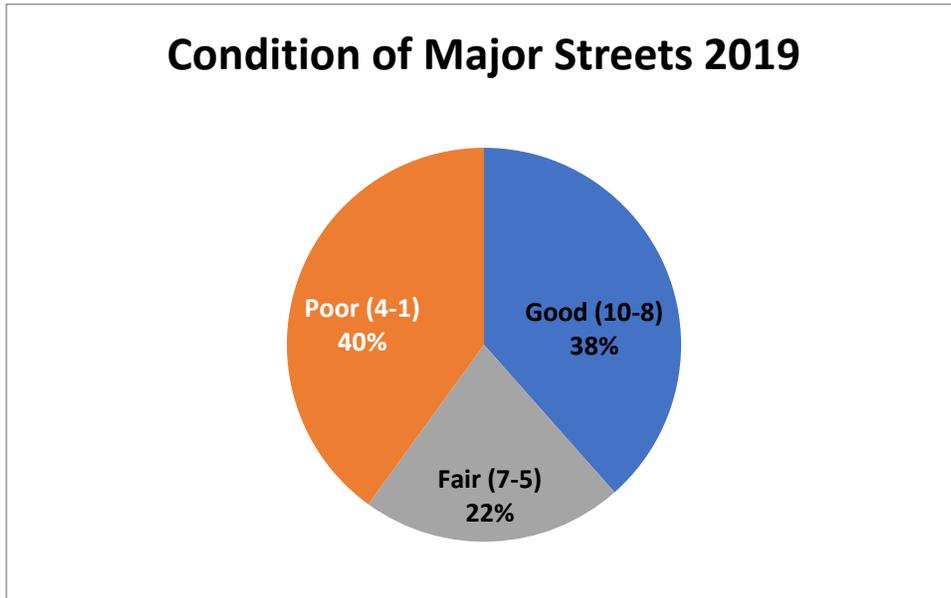
The previous State funding mechanism was inadequate to provide for proper maintenance of the street network. In late 2015, new laws were passed that will raise significant additional revenue for roads. This includes raising the gas tax and indexing it for inflation, increasing vehicle registration fees and supplementing Act 51 money with State general fund dollars. MDOT projections show a 80% increase in State funding over FY 2016 levels by FY 2022. This amounts to over \$300,000 annually. Even with the expected increase, Act 51 revenue does not cover the full costs of maintaining our streets. It is necessary to supplement these funds with other locally generated funds and/or through grants.

Major Street Revenue from State

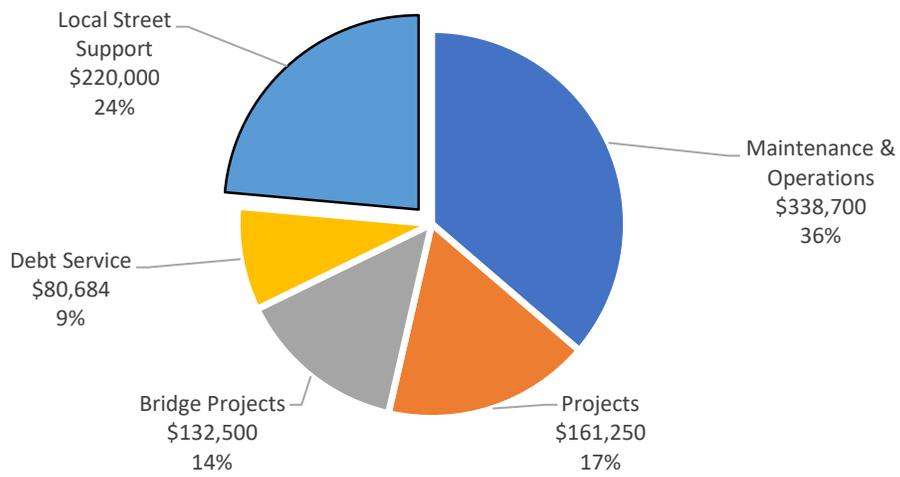


Infographics

There was a decrease in the condition of the major streets when compared to last year and the average rating for the Major Streets is 5.8 for 2019. The trend from 2008 to 2018 continues to show an increase based on average condition ratings. However, the condition has declined each of the last two years as funds have been shifted to local Streets and reconstruction instead of rehabilitation projects.



Major Street Expenses



Major Street Resurfacing\Reconstruction



Budget Notes

Revenue (non-grant) is expected to increase \$59,109 or 5.9% from the prior year budget. Act 51 revenue will increase as the State road funding plan is implemented. Reimbursement for moveable bridge operating costs continues. Expenses are expected to decrease \$591,618 or 38.8%. Street projects are budgeted per the TIP.

202-MAJOR STREETS	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
FEDERAL GRANT	72,414	0	0	0
STATE GRANT - OTHER	96,900	195,000	0	0
STATE GRANT - ACT 51 REVENUE	612,413	672,516	676,651	726,800
STATE GRANT - MOVEABLE BRIDGES	107,680	119,175	119,000	125,000
SNOW REMOVAL	0	10,000	0	10,000
CHARGE FOR SERVICE	177,469	180,000	180,000	189,000
INVESTMENT - INTEREST	10,643	5,000	8,000	5,000
REIMBURSEMENT	25,518	10,000	10,000	0
TRANSFERS IN	60,000	10,000	10,000	10,000
TOTAL REVENUES	1,163,037	1,201,691	1,003,651	1,065,800
SUPPLIES - OPERATING	274	500	500	500
ADMINISTRATION	0	0	9,000	9,000
TRAFFIC SERVICES	23,309	15,000	15,000	23,500
PRESERVATION STREETS	85,580	113,250	113,250	117,000
PRESERVATION STREETS -PROJECT	218,057	875,543	487,550	161,250
ROUTINE MAINTENANCE BRIDGES	8,060	40,000	40,000	15,500
OPERATIONS - BRIDGE	106,000	111,412	111,412	117,000
WINTER MAINTENANCE STREETS	176,436	167,250	153,075	167,500
SIDEWALKS	10,480	12,500	12,500	12,500
UTILITIES - WATER	972	2,500	2,500	2,600
UTILITIES - ELECTRIC	4,256	4,500	4,500	4,600
UTILITIES - NATURAL GAS	1,050	1,500	1,500	1,500
TRANSFERS OUT	180,776	180,797	180,797	300,684
TOTAL OPERATING COSTS	815,250	1,524,752	1,131,584	933,134
TOTAL MAJOR STREETS	347,787	(323,061)	(127,933)	132,666

Local Street Fund

Description:

The City has 29.6 miles of Local Streets. This fund records revenue the City receives from the State of Michigan for its local streets. It is authorized by Public Act 51 of 1951 and is funded by gasoline taxes. The City files a report with the Michigan Department of Transportation every year detailing how its Act 51 dollars are spent.

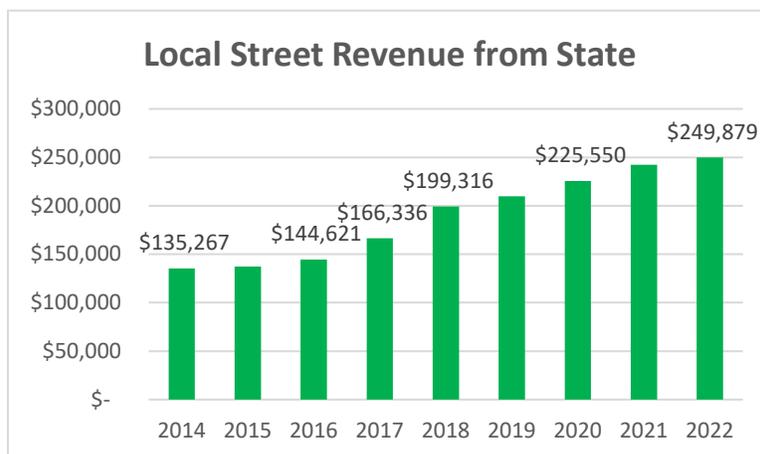
One obligation of the fund is to pay for routine maintenance of the streets, including sweeping, plowing, salting, snow removal, right-of-way maintenance, patching and crack sealing. This involves reimbursing the general fund for labor and equipment; although at present administrative costs that can rightfully be charged to the street funds are still being absorbed by the general fund.

Another obligation of the fund is to pay for street resurfacing and reconstruction. This aspect has been a Council priority and is the focus of our street asset management plan and transportation improvement plan. Our roads are annually evaluated using the PASER system through Roadsoft, which allows us to systematically manage our streets, and our asset management plan has given us increased flexibility in using our street dollars.

Any construction of new local streets requires a 50% match of locally raised dollars (special assessment, general fund, etc.).

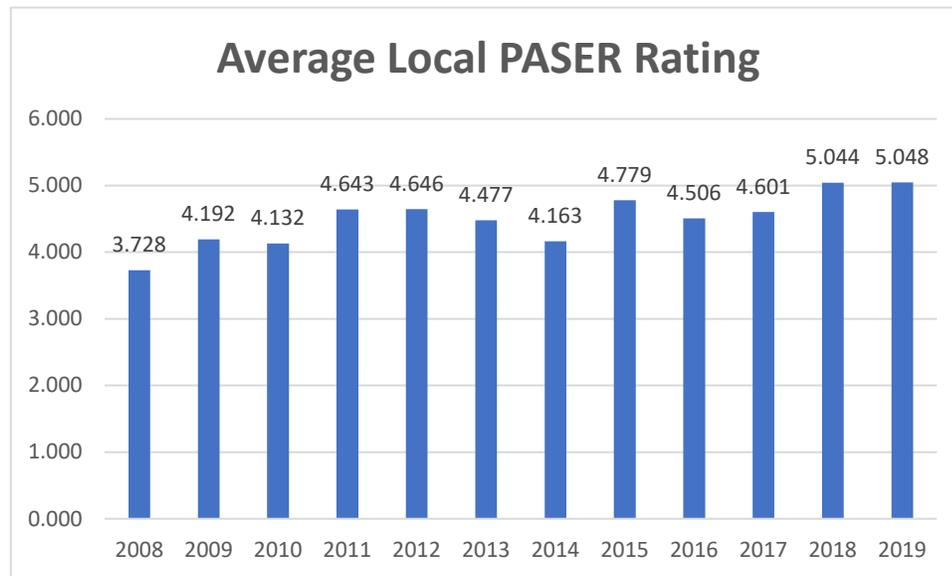
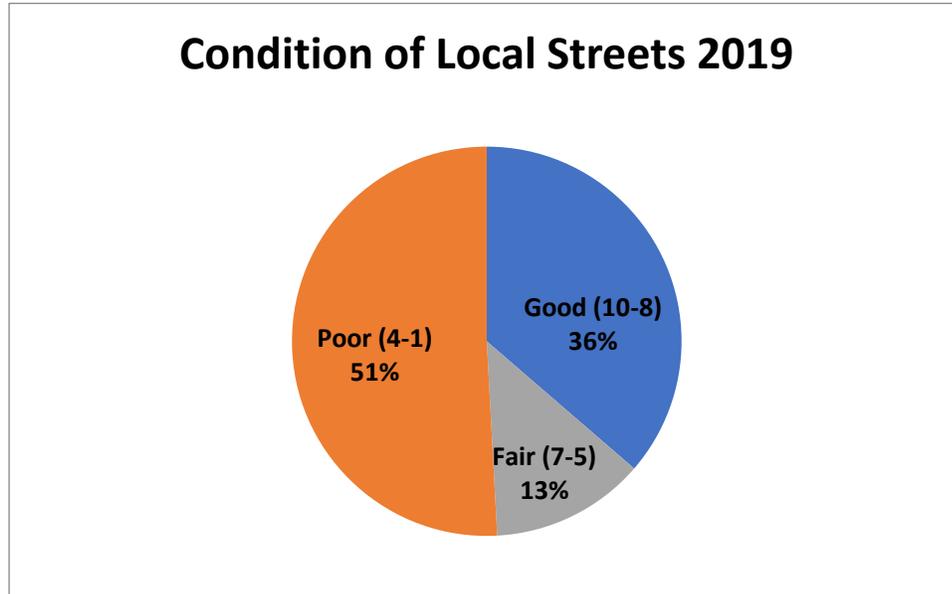
Local street resurfacing and reconstruction will always be more constrained than Major street reconstruction due to State funding limitations. Local resources have to fill in the gap.

The previous State funding mechanism was inadequate to provide for proper maintenance of the street network. In late 2015, new laws were passed that will raise significant additional revenue for roads. This includes raising the gas tax and indexing it for inflation, increasing vehicle registration fees and supplementing Act 51 money with State general fund dollars. MDOT projections show a 73% increase in State funding over FY 2016 levels by FY 2022. This amounts to about \$105,000 annually. Even with the expected increase, Act 51 revenue does not cover the full costs of maintaining our streets. It is necessary to supplement these funds with other locally generated funds.

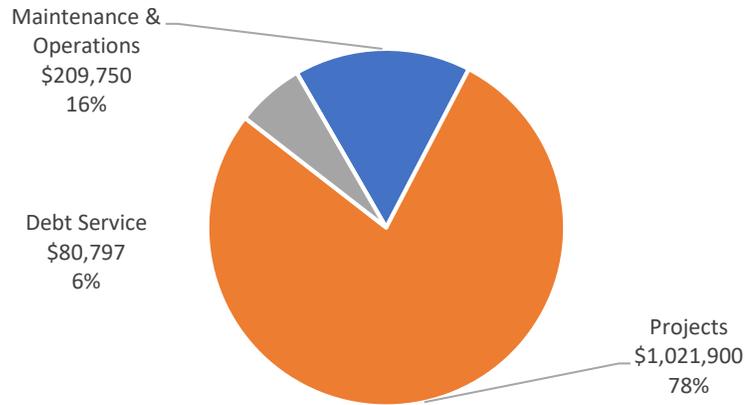


Infographics

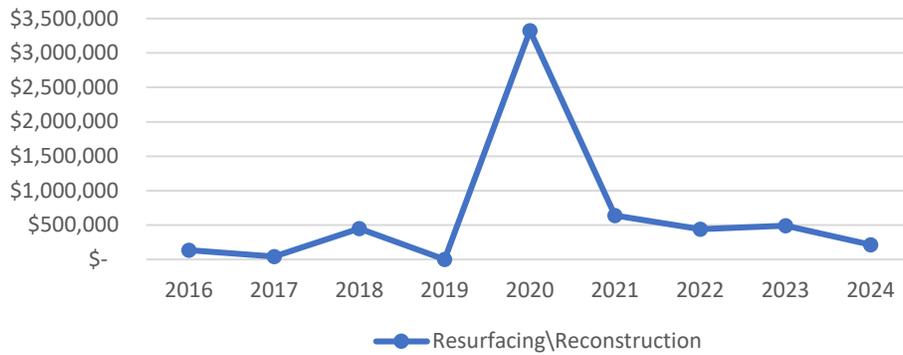
There was an improvement in condition of the local streets when compared to last year and the average rating for the Local Streets is 5.0 for 2019. The trend from 2008 to 2019 continues to show an increase based on average condition ratings.



Local Street Expenses



Local Street Resurfacing\Reconstruction



Budget Notes

Revenue (excluding grants) increased \$67,982 or 12.0% from the prior year budget. Act 51 revenue is expected to increase as the State road funding plan is implemented. Transfers in are up. Expenses decreased as the grants weren't received and projects not done. Projections are based on work in the TIP and assume increases in State revenue per the recently enacted funding package. It also assumes ongoing support from the Major Street Fund and the Capital Improvement fund.

203 - LOCAL STREETS	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2019-20 BUDGET
STATE GRANT - OTHER	0	376,600	0	0
STATE GRANT - ACT 51 REVENUE	212,691	224,172	225,550	242,267
SNOW REMOVAL	0	500	0	500
LOCAL GRANTS	0	0	0	0
INVESTMENT - INTEREST	864	500	1,500	500
REIMBURSEMENT	0	0	0	0
TRANSFERS IN	539,573	340,797	340,797	390,684
TOTAL REVENUES	753,128	942,569	567,847	633,951
SUPPLIES - OPERATING	298	500	500	500
ADMINISTRATION	0	0	8,500	8,500
TRAFFIC SERVICES	2,025	6,000	6,000	6,000
PRESERVATION STREETS	58,530	93,250	86,425	95,000
PRESERVATION STREETS -PROJECTS	88,034	1,021,900	460,276	329,850
WINTER MAINTENANCE STREETS	88,552	97,500	90,150	99,000
SIDEWALKS	3,248	12,500	12,500	12,500
TOTAL OPERATING COSTS	240,687	1,231,650	664,351	551,350
PRINCIPLE PORTION OF PAYMENTS	47,414	49,310	49,310	51,207
2010 CAPITAL IMP BOND INTEREST	33,362	31,487	31,487	29,477
TOTAL DEBT SERVICE	80,776	80,797	80,797	80,684
TOTAL EXPENSES	321,463	1,312,447	745,148	632,034
TOTAL LOCAL STREETS	431,665	(369,878)	(177,301)	1,917

City Street Fund

Description

This fund records locally generated and other revenues that are used for street and right-of-way improvements. Funding sources include money generated from the METRO Act and special assessments. This fund pays for part of the sidewalk replacement program and also for the tree program. It may also help provide the local match required for any local street construction projects. MDOT recommends that locally generated revenues be recorded here, to ensure maximum flexibility. A future Headlee override street millage, if implemented, would be accounted for here. Cash reserves are stable.

Budget Notes

Revenue is projected to be flat. Expenses are also flat with no programmatic changes from the prior year.

204 - CITY STREETS	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
SPECIAL ASSESSMENT REVENUE	0	0	0	0
STATE GRANT - ROW FEE	27,587	28,000	28,000	28,000
LOCAL GRANTS	0	0	0	0
INVESTMENT - INTEREST	0	0	0	0
TOTAL REVENUES	27,587	28,000	28,000	28,000
PROFESSIONAL & CONSULTING SER	0	0	0	0
TREES	5,417	8,000	8,000	8,000
TRANSFERS OUT	20,000	20,000	20,000	20000
TOTAL OPERATING COSTS	25,417	28,000	28,000	28,000
TOTAL CITY STREETS	2,170	0	0	0

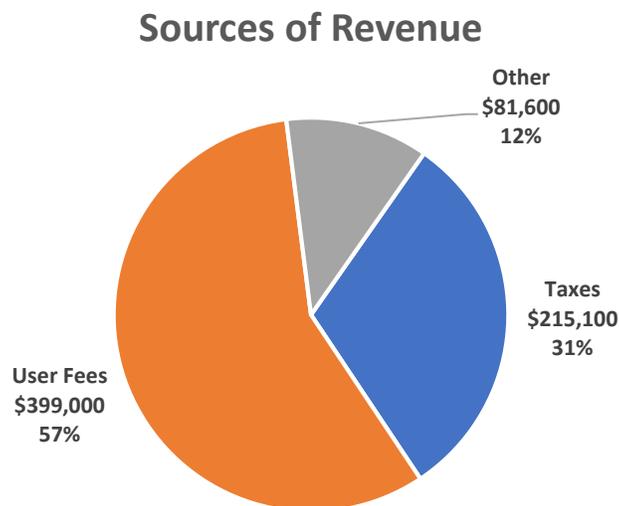
Refuse

Description

The refuse fund records revenues and expenditures relating to refuse collection and disposal. Refuse collection in the City is a public/private partnership. The trash collection and recycling services are provided by the private sector through a contract with Republic Services which runs through June 2020. A new contract has been drafted and will be considered by City Council. Yard waste, compost and leaf collection is handled by the City. The billing, collection and some administrative functions are also handled by the City. The funding is a hybrid system, comprised of a 1.15 mill property tax levy and a monthly user charge. The City offers a drop-off recycling center at Manistee Catholic Central.

The new contract makes significant changes to the refuse collection scheme. First, it implements a mandatory residential tote system, with an option to purchase individual bags. Second, it eliminates curbside recycling. Third, it institutes a dumpster corral program in the downtown.

Infographics



Rates for the new service levels in the Refuse program are shown below.

Residential

Tidy Tote (1x /week)	\$15.75
Bag (Per Bag)	\$2.50

Commercial

Tidy Tote (1x /week)	\$15.75
Tidy Tote (2x / week)	\$31.50
Bag (Per Bag)	\$2.50

Downtown Dumpster Corral Program

TBD

Budget Notes

Revenue increased 11.7% due to the new refuse collection structure and the need to offset the contractor price increase. Expenses increased because of contractor costs, City labor costs and the purchase of a piece of leaf collection equipment that should greatly increase efficiency. Recycling costs have been broken out for greater transparency.

226 - REFUSE	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
TAXES - REAL/PERSONAL PROPERT	194,685	197,680	202,000	205,000
TAXES - DELINQ REAL PROPERTY	9,677	9,812	9,900	10,000
TAXES - DELINQ PERSONAL PROP	1	230	100	100
STATE GRANT - OTHER	0	0	0	0
PENALTIES	8,863	8,400	8,800	9,000
CHARGE FOR SERVICE	375,690	390,600	390,000	399,000
SALES - YARD BAGS	14,049	11,000	6,000	0
SALES - TRASH BAGS	1,376	1,000	600	72,000
SALES - COMPOST	360	3,000	500	500
INVESTMENT - INTEREST	1,271	1,000	200	100
TOTAL REVENUES	605,972	622,722	618,100	695,700
SUPPLIES - OPERATING	12,078	12,000	12,000	12,500
SUPPLIES - BAGS	11,958	14,000	23,100	12,000
ADMINISTRATION	40,699	44,753	44,753	48,700
RESIDENTIAL CONTRACT FEES	396,634	399,200	415,000	427,000
RESIDENTIAL RECYCLING FEES	0	0	0	45,000
MUNICIPAL CONTRACT FEES	20,683	19,000	20,000	21,000
YARD WASTE CONTRACT FEES	0	3,000	3,000	3,200
YARD WASTE CITY	100,493	114,811	115,000	120,000
UTILITIES - ELECTRIC	404	500	400	18,000
TOTAL OPERATING COSTS	582,949	607,264	633,253	707,400
TOTAL REFUSE	23,023	15,458	(15,153)	(11,700)

PEG Commission

Description

The PEG Commission is a City Commission organized under Chapter 288 of the codified ordinances. The mission of Manistee PEG-TV (Public, Education, Government Television) is to provide access to local content that informs, educates and entertains the community we serve. It operates TV 189/190 and provides services to the City of Manistee, Manistee Township, Manistee County and Filer Township. The PEG budget is required to be approved by City Council, but the City does not fund this commission.

PEG is in a state of transition. They do not have an executive director and are saving resources to upgrade their equipment once their strategic plan is complete.

Budget Notes

The budget assumes revenue from neighboring townships and a Charter cable grant. It also proposes using \$2,700 of its fund balance.

272 PEG COMMISSION	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
CONTRIBUTION FROM LOCAL UNITS	8,800	8,800	8,800	8,800
UNDERWRITERS FEE	0	0	0	0
CHARGE FOR SERVICE	0	500	0	500
CABLE GRANT	5,056	5,000	5,050	5,000
OTHER REVENUE	0	1,000	0	1,000
TOTAL REVENUES	13,856	15,300	13,850	15,300
SUPPLIES - OPERATING	580	1,000	0	1,000
PROFESSIONAL & CONSULTING SER	500	10,000	0	10,000
MARKETING & PROMOTION		3,000	0	3,000
MEMBERSHIPS & DUES	0	0	0	0
REPAIRS/MAINT - EQUIPMENT	0	1,000	0	1,000
CAPITAL OUTLAY		3,000	0	3,000
TOTAL EXPENSES	1,080	18,000	0	18,000
TOTAL PEG COMMISSION	12,776	(2,700)	13,850	(2,700)

Internal Service Funds

Motor Pool



Description

The City operates a Motor Pool which provides capital funding for significant equipment purchases. It receives payments from the operating departments and pays out money for purchasing equipment and insurance; accruing capital for equipment replacement, or funding emergency purchases if necessary. In this regard, the Motor Pool provides a cushion against the unexpected. The Motor Pool was originally established in 1990 with the \$551,000 sale proceeds from the Dunes Subdivision auction.

The overall condition of the City's fleet is good. With the Motor Pool, vehicles have been acquired in a cost-effective manner and replaced on a regular basis. This maintains vehicle efficiency and reduces maintenance costs. Administration has established a rolling ten-year forecast for Motor Pool equipment purchases. This schedule serves as a guide to Motor Pool purchases but is subject to significant revision in case of unforeseen circumstances, changing economic conditions and evaluation of vehicle and equipment condition.

Recently, the forecast was updated to calculate a truer cost of equipment needs by department. Departmental rent adjustments are being phased in. The conclusion is that motor pool revenues need to increase, or equipment costs decrease, or fleet size be reduced, or the useful life of the fleet be extended, if the Motor Pool is going to be sustainable in future years. Fleet condition will continue to be closely monitored. City mechanics do an excellent job of maintaining the fleet and extending its useful life. The budget proposes buying the following vehicles and equipment:

Infographics

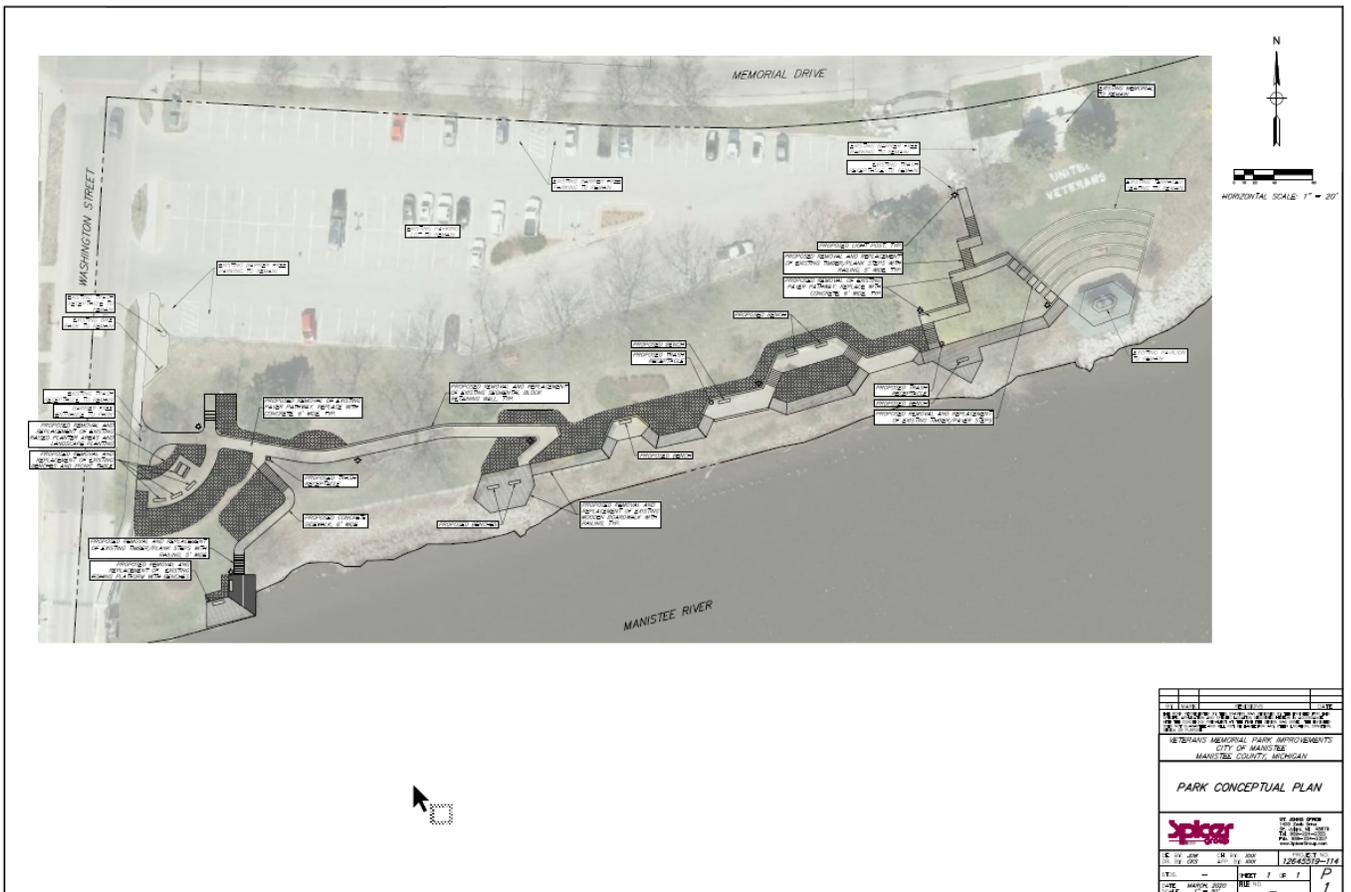
Description	Department	Type	Estimated Cost	Method
Pickup	DPW	Replace	\$30,000	Cash
Skid Steer Loader	DPW	Annual Lease	\$2,200	Lease
Escape	Police	Replace	\$28,000	Cash
Ambulance	Fire\EMS	Replace	\$265,000	Finance
HD Pickup	Sewer	Replace	\$46,000	Cash
Pickup	Water	Replace	\$31,000	Cash
Mower	Parks	Replace	\$25,500	Cash
New Holland Tractor	Parks	Annual Lease	\$3,500	Lease
Total			\$431,200	

Budget Notes

The Motor Pool budget shows revenue in from the various departments and cash payments made for equipment purchased outright in cash, and payments made various financing arrangements. At the end of the year, adjustments are made to capitalize purchases, record depreciation, record interest and accrued interest expense, and relieve or increase debt. The previous year activity column reflects the activity after these adjustments and matches the annual audit. *The purchase of the replacement Police Detective vehicle was delayed one year thru the Council review process.*

661 - MOTOR POOL	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
SALES	23,115	5,000	2,000	5,000
INVESTMENT - INTEREST	8,651	5,000	5,500	2,000
EQUIPMENT RENTAL - FIRE	64,817	76,000	76,000	85,000
EQUIPMENT RENTAL - PARKS	37,637	19,000	19,000	20,000
EQUIPMENT RENTAL - POLICE	32,409	50,000	50,000	55,000
EQUIPMENT RENTAL - PUBLIC WOR	75,000	90,000	90,000	95,000
EQUIPMENT RENTAL - WATER	50,000	50,000	50,000	130,000
EQUIPMENT RENTAL - SEWER	100,000	116,000	116,000	60,000
OTHER REVENUE	0	0	0	0
INSURANCE SETTLEMENT	0	0	0	0
TOTAL REVENUES	391,629	411,000	408,500	452,000
INSURANCE	38,766	35,000	39,000	40,000
EQUIPMENT - DPW		436,027	367,821	198,428
EQUIPMENT - PARKS		15,500	46,500	29,100
EQUIPMENT - POLICE		53,000	53,500	0
EQUIPMENT - FIRE		29,000	29,000	74,000
EQUIPMENT - WATER		0	0	31,000
EQUIPMENT - SEWER		91,311	66,311	112,311
EQUIPMENT - OTHER	3,082			
INTEREST EXPENSE	24,354			
DEPRECIATION	341,869			
TOTAL EXPENSES	408,071	659,838	602,132	484,839
TOTAL MOTOR POOL	(16,442)	(248,838)	(193,632)	(32,839)
Beginning Cash				225,357
Ending Cash			225,357	164,518

Capital Project Funds



Capital Improvement Fund

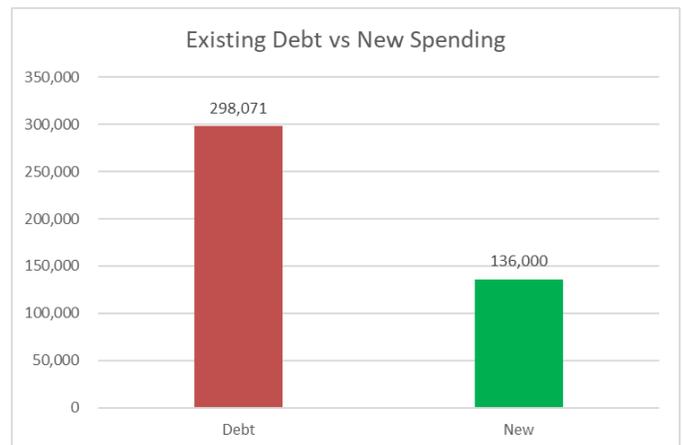
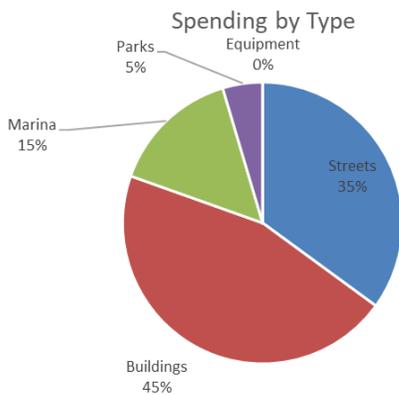
Description

The Capital Improvement fund was established in 2005 as a method to provide a funding source to help pay for capital improvements in the City. Major capital expenditures not required to be recorded in another fund are recorded and budgeted for in this fund. Historically, the fund has been used to pay for and supplement general capital needs such as buildings & equipment; however, more recently the focus has shifted to fund street improvements. Current year projects in the Capital Improvement fund are briefly discussed here and also supported by case statements that can be found in the Capital Improvement Plan.

The primary source of income to the fund is an annual transfer from the Oil & Gas fund based on a Council-adopted sustainable spending rule. This provides a stable, long-term source of funding for capital projects. Secondary and unlikely sources of funding may include an annual transfer of excess general fund balance, general fund appropriations, and one-time transfers.

Infographics

As general fund revenues have struggled to keep pace with rising costs, the capital improvement fund has become an important source of funding general capital needs. As a result, the demands on it have increased significantly. Several projects have been financed over time, obligating a portion of the fund’s annual revenue.



Budget Notes

Revenue is based on the 4.0% oil & gas spending rule allocation. The budget anticipates five capital projects, in addition to funds committed for multiple years for prior projects. The first new project is paying for a portion of the proposed **Capital Improvement Bond**. The second project is replacing the hydraulic valve on the elevator at the Ramsdell Theatre. The valve has failed several times necessitating costly service calls, and the type of valve is no longer made. Schindler elevator recommends replacing it to extend the life of the elevator. The third project is funding some upgrades at City Garage in the restrooms, replacing some flooring and other minor improvements. The fourth project is an allocation to the Local Street fund to support paving projects. The fifth project is funding for tennis court improvements as part of a Community Foundation grant match.

Project	Cost	Notes
Ramsdell HVAC Debt	108,950	last payment FY 2027
Marina Debt Support	65,000	last payment FY 2026 (if needed)
First Street Debt	72,029	last payment FY 2027
2020 CI Bond (Proposed)	52,092	
Total Committed Expense	298,071	69%
Ramsdell Elevator	16,000	
City Garage Improvements	20,000	
Tennis Courts	20,000	
Major Street Support	0	
Local Street Support	80,000	
Total New Expense	136,000	31%
Total Expense	434,071	

430 - CAPITAL IMPROVEMENT	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
INTEREST	0	0	50	50
TRANSFERS IN	591,042	401,647	401,647	421,722
TOTAL REVENUES	591,042	401,647	401,697	421,772
CAPITAL OUTLAY	15,500	90,000	90,000	56,000
MARINA BLDG NOTE SUPPORT	65,000	65,000	65,000	65,000
LOCAL STREETS	254,000	80,000	80,000	80,000
MAJOR STREETS	50,000	0	0	0
TOTAL COSTS	384,500	235,000	235,000	201,000
RAMSDELL - HVAC NOTE	108,950	108,950	108,950	108,950
2010 CAP IMP BOND (FIRST ST)	72,111	69,590	72,130	72,029
2020 CAP IMP BOND				52,092
TOTAL DEBT SERVICE	181,061	178,540	181,080	233,071
TOTAL EXPENSES	565,561	413,540	416,080	434,071
TOTAL CAPITAL IMPROVEMENT	25,481	(11,893)	(14,383)	(12,299)

Grant Management

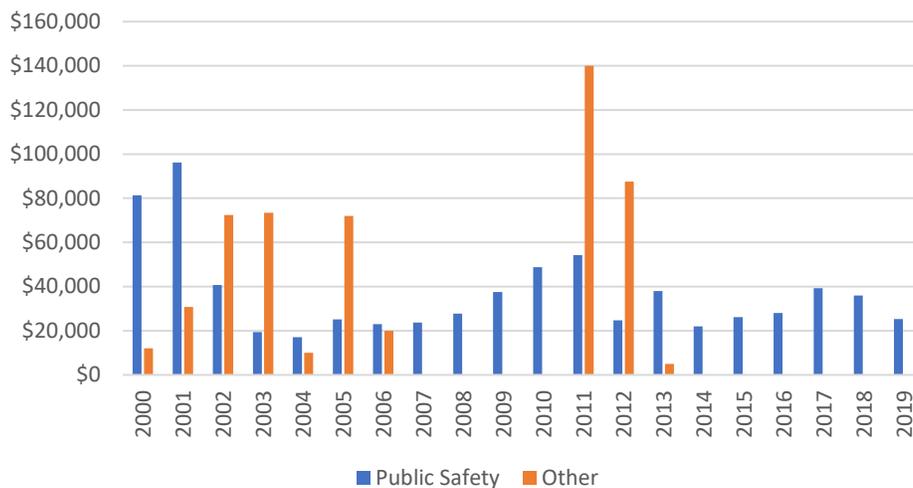
Description

This fund accounts for grants received from the Local Revenue Sharing Board and State and Federal grants not required to be accounted for elsewhere.

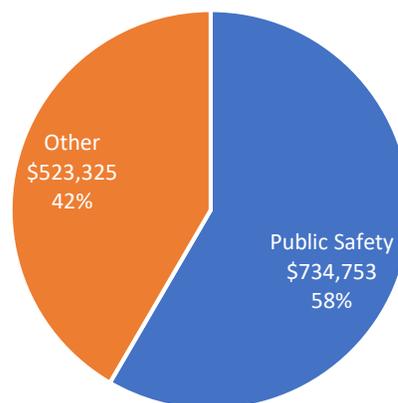
For LRSB grants, there is a three-member board (with a City representative) that distributes money to local units of government as prescribed in a compact between the Little River Band of Ottawa Indians and State of Michigan. Grant applications are accepted twice per year. Public safety grants are the primary ones awarded to the City.

Infographics

LRSB Grants by Year



Total LRSB Grants



Budget Notes

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

The City has applied for a FEMA AFG grant to fund turn-out gear and other equipment. It has also applied for an MEDC CDBG grant for updating the Ramsdell Theatre master plan. We anticipate continuing to receive LRSB grants in the future.

275 - GRANT MANAGEMENT	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
FEDERAL GRANT - GENERAL GOVT	6,014	0	19,000	0
FEDERAL GRANT - PUBLIC SAFETY	104,500	0	0	288,000
FEDERAL GRANT - CDBG	0	0	0	27,500
STATE GRANTS	0	0	0	0
LOCAL GRANTS	38,063	50,000	59,500	50,000
REIMBURSEMENT	0	0	0	45,800
TRANSFERS IN	0	0	0	12,400
TOTAL REVENUES	148,577	50,000	78,500	423,700
LRSB GRANT EXPENSE	37,564	50,000	71,310	50,000
TOTAL LRSB GRANTS	37,564	50,000	71,310	50,000
FEDERAL GRANT EXPENSE	105,622	0	23,175	373,700
STATE GRANT EXPENSE				
LOCAL GRANT EXPENSE				
TOTAL OTHER GRANTS	105,622	0	23,175	373,700
TOTAL GRANT COSTS	143,186	50,000	94,485	423,700
TOTAL GRANT MANAGEMENT	5,391	0	(15,985)	0

Renaissance Park Fund

Description

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

The remaining loan balance of \$110,000 was altered by the MEDC to become a no interest loan. The City will make annual payments of \$5,616 until the loan is paid off in 2022. Since there have been few lot sales recently, the General fund is making these loan payments through a transfer to the Renaissance Park fund.

Infographics



Budget Notes

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

496 - RENAISSANCE PARK	2018-19 ACTIVITY	2019-20 BUDGET	2019-20 PROJECTED	2020-21 BUDGET
SALE OF ASSET	0	0	0	
TRANSFERS IN	5,620	5,620	5,620	5,620
TOTAL REVENUES	5,620	5,620	5,620	5,620
RENAISSANCE PARK - PRINCIPAL	5,616	5,620	5,620	5,620
TRANSFERS OUT	0	0	0	0
TOTAL EXPENSES	5,616	5,620	5,620	5,620
TOTAL RENAISSANCE PARK	4	0	0	0

Schedule of Fees

Below is the City of Manistee Schedule of fees as may be amended from time to time.

BUSINESS FEES \ REGISTRATION

BUSINESS REGISTRATION	\$75
OUTDOOR SEATING IN ROW	\$25
BICYCLE LICENSE	\$0
MEDICAL MARIJUANA (PER LICENSE)	\$5,000
TAX ABATEMENT / EXEMPTION	\$1,500

SERVICES\RENTAL

PERSONNEL CHARGES (per hour)		
Supervisory		\$40
Regular Full Time		\$30
O\T		\$45
EQUIPMENT CHARGES		
BANNER PERMIT (River St Arch)		\$50
BRIDGE OPENING (off hours - commercial)		\$150
CLEAN MANISTEE PROGRAM		
Brush Pick Up - First 15 Minutes		\$0
For Each Additional 15 Minutes		\$30
Trash Pick Up - Minimum		\$30
Trash - Per Item		\$30
White Metal - Per Item		\$45
Per Half Cubic Yard		\$15
MEETING ROOM RENTAL		
	First Hour	\$50
	each addl hour	\$25
MEMORIAL BENCHES	(whole)	\$850
	(picnic table)	\$450
WEDDINGS		\$100
WEED CUTTING		\$250
HANDGUN APPLICATIONS		\$5
RETURN CHECK FEE		\$30
ROAD BREAKAGE DEPOSIT		\$1,000
	(deposit applied to actual and remainder billed)	

MARINA \ BOAT RAMP

MARINA			
BOAT RAMP			
Daily		\$10	
Resident Seasonal		\$45	
Non-Resident Seasonal		\$45	
MARINA MEETING ROOM	Resident		Non-Res
Full Day	\$120		\$150
Security Deposit	\$100		\$100

PARKING VIOLATIONS (Ord. Ch. 430)

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

DOCUMENTS & COPIES

ZONING ORDINANCE	\$125
MASTER PLAN	\$75
CHARTER	\$20
CODE OF ORDINANCES	\$125
BUDGET	\$50
AUDIT	\$40
COPIES	
first page	\$1
each addl page	\$0.5
Police / Fire Reports	\$5
Pol/Fire - each addl page	\$0.5
FAX	
first page	\$5
each addl page	\$1
VOTER REGISTRATION LIST	
1 District - Electronic	\$10
1 District - Paper	\$15
All Districts - Electronic	\$15
All Districts - Paper	\$25

REFUSE RATES (monthly)

Residential	
Tidy Tote (1x /week)	\$15.75
Bag (Per Bag)	\$2.50
Commercial	
Tidy Tote (1x /week)	\$15.75
Tidy Tote (2x / week)	\$31.50
Bag (Per Bag)	\$2.50
Downtown Dumpster Corral Program	
	TBD
Extra Bags	\$2.75
Freon Tag	\$50.00
Bulky Item	\$15.00

WATER / SEWER RATES (monthly)

Metered Water (per 1,000)	\$3.25	Inside City
Metered Sewer (per 1,000)	\$8.90	Inside City
Water Ready-To-Serve 5/8" & 3/4"	\$4.60	Higher fees for larger meters per RTS schedule
Sewer Ready-To-Serve 5/8" & 3/4"	\$13.24	Higher fees for larger meters per RTS schedule
> 2" Fire Suppression	\$10	
2" Fire Suppression	\$15	
4" Fire Suppression	\$20	per month
6" Fire Suppression	\$25	per month
8" Fire Suppression	\$30	per month
10" Fire Suppression	\$40	
Unmetered Water	\$25	per month
Unmetered Sewer	\$60	per month
Escrow Deposit	\$300	
Regular Turn On / Off Service	\$25	
Delinquent Turn On / Off Service	\$100	
After Hours Service Call	\$100	
Install Meter	\$50	
Install 1" Service (Long)	\$1,850	
Install 1" Service (Short)	\$1,750	
New\Sprinkling Meter	Cost	Cost recovery
New Water Connection 5/8" & 3/4"	\$200	Higher fees for larger meters per SDC schedule
New Sewer Connection 5/8" & 3/4"	\$3,700	Higher fees for larger meters per SDC schedule
WWTP - accept contaminated discharge/gal	\$0.03	
(after hours rate)	\$0.05	
WWTP - Industrial Pretreatment Program	varies	+ operator cost \$30/hr + operator cost \$45/hr

OTHER

Utility Connection - per lot	
- Sweetnam & Lakeview Subdivision	\$2,050
+ Sewer Lift Station charge per/unit	\$250
Industrial Park lots	Inquire
Renaissance Park lots	Inquire

CIVIL INFRACTIONS (Ord. Ch. 203)

See Ord.202.99 - \$500 max

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

FREEDOM OF INFORMATION ACT REQUESTS

Cost per copy	\$0.10	per page
Labor	Hourly Rate/Benefits of lowest paid employee capable of performing compliance task (includes fringe benefit billed in ¼ hour increments).	
Outside Counsel (separate exempt from non-exempt)	\$ 51.00	
Mailing Costs	actual cost	
Specialty Costs (plans, audio tapes, discs, etc)	actual cost	
Deposit	50% is required if estimated cost exceeds \$50.00	

Additional information and FOIA forms can be found on City website: www.manisteemi.gov.

Special Events

Varies based on event - see Special Event Request Policy

PLANNING & ZONING \ BUILDING \ DEVELOPMENT

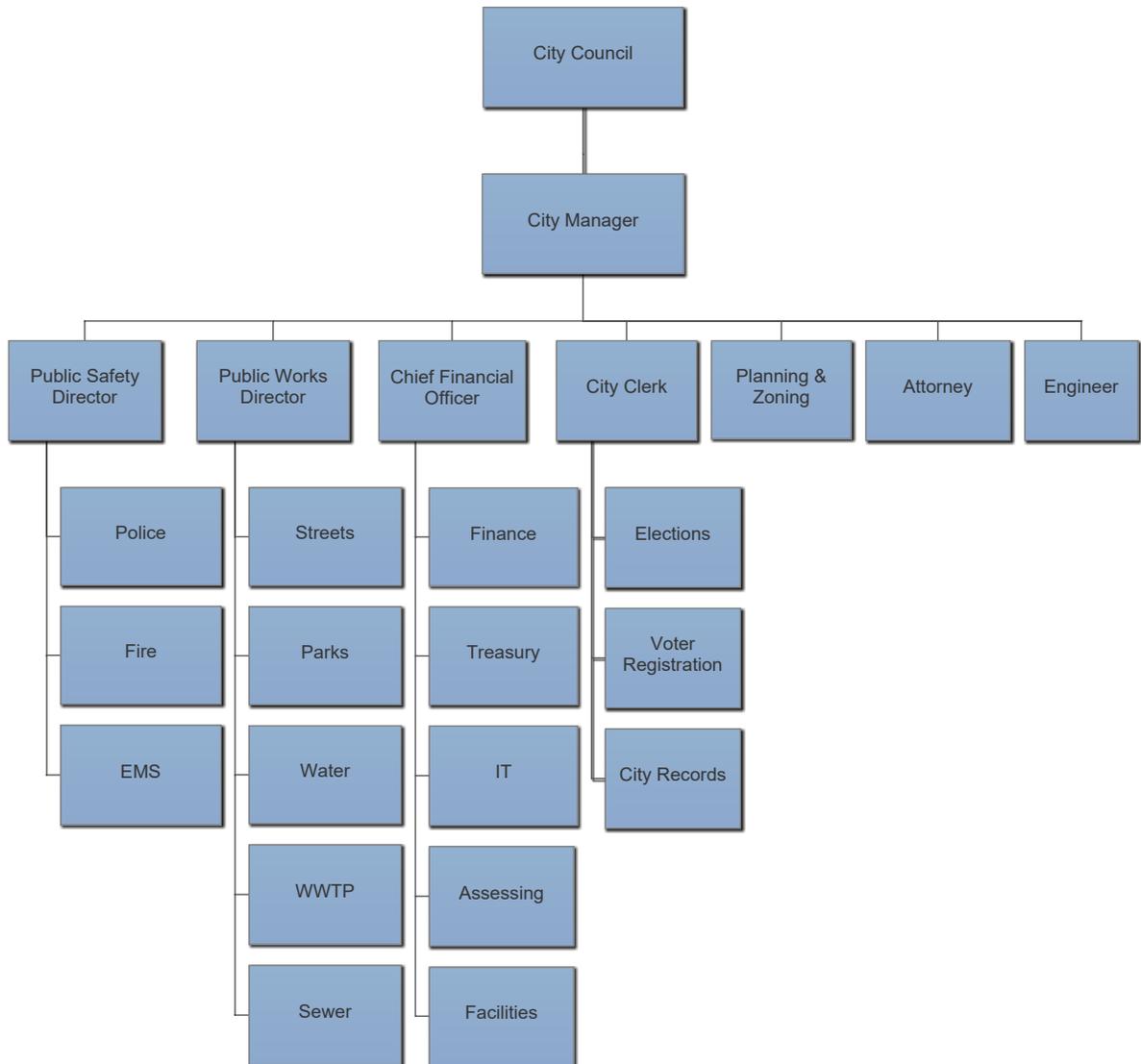
SPECIAL MEETING	\$200
CONSTRUCTION BOARD OF APPEALS	\$150
DRIVEWAY PERMITS	\$25
PARCEL COMBINATION	\$50
PARCEL SPLIT/COMBINATION	
First	\$200
Each Additional	\$75
MAPS	
Medium	\$5
Large	\$10
SIGN PERMITS	\$50
RESIDENTIAL LAND USE PERMITS	
under 200 sq ft	\$25
over 200 sq ft	\$75
COMMERCIAL LAND USE PERMITS LEVEL 1	\$100
COMMERCIAL LAND USE PERMITS LEVEL 2	\$200
PUD REQUESTS	\$1,200
STREET/ALLEY VACATION REQUESTS	\$1,000
ZONING ORDINANCE AMENDMENT	\$1,000
ZONING BOARD OF APPEALS	\$750
SPECIAL USE PERMIT	\$1,000
HISTORIC DISTRICT PERMITS	
OUTSIDE SEATING IN ROW	\$25 Annually
CONSTRUCTION PARKING PERMIT	
per space / per week	\$10
INCENTIVE PROGRAM FEES	
Brownfield	Varies
PILOT	\$1,500
OPRA	\$1,500
NEZ	\$1,500
CRA	\$1,500
Other	\$1,500

EMS TRANSPORT FEES

ALS Emergency	\$ 700.00
ALS II Emergency	\$ 850.00
ALS Non Emergency	\$ 510.00
BLS Emergency	\$ 575.00
BLS Non Emergency	\$ 410.00
Mileage	\$ 15.75
Oxygen	\$ 50.00
Treat/No Transport	\$ 455.00

Appendices

Organization Chart



Employees by Department

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

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019	Budget 2020	Budget 2021
City Manager	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Finance/Clerk	4.5	4.0	4.0	4.0	4.0	4.0	5.0	5.0	5.0	5.0	5.0	5.0
Assessor	2.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0
Planning & Zoning	3.5	3.5	3.5	3.5	4.0	3.0	1.0	1.0	1.0	1.0	0.0	0.0
Municipal Building	0.0	0.5	0.5	0.5	0.0	0.0	1.0	1.0	1.0	1.0	1.0	1.0
Police	14.0	13.5	12.0	12.0	12.0	13.0	13.0	13.0	13.0	13.0	13.0	12.0
Fire\EMS	8.5	8.0	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5	8.5
Public Works	11.0	11.0	11.0	11.0	11.0	12.0	13.0	12.0	14.0	14.0	14.0	14.0
Parks	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
General Fund	47.5	45.5	43.5	44.5	44.5	45.5	45.5	44.5	46.5	46.5	45.5	44.5
Water	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Sewer	7.0	6.0	6.0	7.0	7.0	5.0	5.0	6.0	6.0	6.0	6.0	6.0
Water & Sewer	11.0	10.0	10.0	11.0	11.0	9.0	9.0	10.0	10.0	10.0	10.0	10.0
Ramsdell Theatre	1.0	1.0	1.0	1.0	1.5	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Ramsdell Theatre	1.0	1.0	1.0	1.0	1.5	1.5	1.5	0.0	0.0	0.0	0.0	0.0
Grand Total:	59.5	56.5	54.5	56.5	57.0	56.0	56.0	54.5	56.5	56.5	55.5	54.5

SEV & Taxable Value

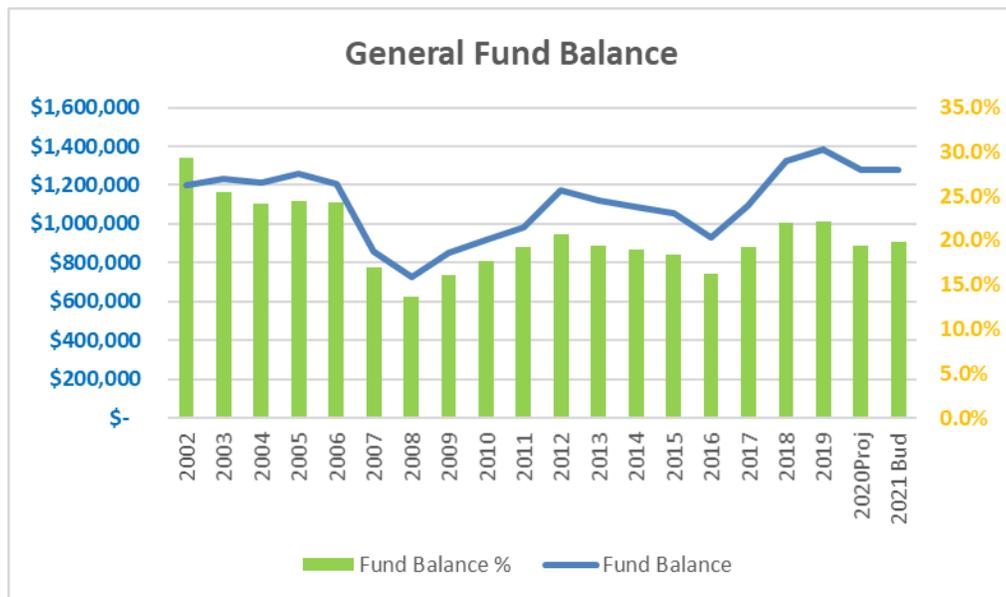
Tax Year	SEV	SEV Growth	Taxable Value	Taxable Value Growth
2000	\$ 146,033,156	10.2%	\$ 129,495,380	7.6%
2001	\$ 173,749,756	19.0%	\$ 148,341,437	14.6%
2002	\$ 198,421,736	14.2%	\$ 160,733,605	8.4%
2003	\$ 223,975,606	12.9%	\$ 175,212,684	9.0%
2004	\$ 217,777,056	-2.8%	\$ 172,431,911	-1.6%
2005	\$ 229,542,700	5.4%	\$ 181,139,334	5.0%
2006	\$ 242,067,200	5.5%	\$ 189,639,514	4.7%
2007	\$ 254,905,300	5.3%	\$ 199,258,541	5.1%
2008	\$ 257,394,000	1.0%	\$ 206,309,448	3.5%
2009	\$ 248,539,700	-3.4%	\$ 212,438,939	3.0%
2010	\$ 246,003,300	-1.0%	\$ 208,913,165	-1.7%
2011	\$ 230,251,100	-6.4%	\$ 205,578,994	-1.6%
2012	\$ 218,254,900	-5.2%	\$ 199,533,902	-2.9%
2013	\$ 209,670,500	-3.9%	\$ 195,871,527	-1.8%
2014	\$ 206,306,100	-1.6%	\$ 193,126,004	-1.4%
2015	\$ 208,290,900	1.0%	\$ 193,602,172	0.2%
2016	\$ 207,401,200	-0.4%	\$ 186,707,047	-3.6%
2017	\$ 207,245,600	-0.1%	\$ 189,040,598	1.2%
2018	\$ 213,660,000	3.1%	\$ 190,818,900	0.9%
2019	\$ 224,152,300	4.9%	\$ 195,633,084	2.5%
2020	\$ 239,281,100	6.7%	\$ 201,806,088	3.2%
2008 to 2019	\$ (18,112,900) -7.3%	2009 to 2019 -5.0%	\$ (10,632,851) -5.0%	

Millage Rates

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General	17.30	17.30	17.30	17.30	17.76	17.76	17.76	17.76	17.76	17.76	17.76
Refuse	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15
Voted Fire	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	18.45	18.45	18.45	18.45	18.91						

General Fund Balance

Year	Fund Balance	Change	Percent Change	Fund Balance %
2002	\$ 1,197,158	\$ 469,150	64.4%	29.4%
2003	\$ 1,233,804	\$ 36,646	3.1%	25.5%
2004	\$ 1,214,416	\$ (19,388)	-1.6%	24.2%
2005	\$ 1,256,500	\$ 42,084	3.5%	24.4%
2006	\$ 1,206,658	\$ (49,842)	-4.0%	24.2%
2007	\$ 860,121	\$ (346,537)	-28.7%	16.9%
2008	\$ 724,428	\$ (135,693)	-15.8%	13.6%
2009	\$ 853,777	\$ 129,349	17.9%	16.1%
2010	\$ 919,939	\$ 66,162	7.7%	17.7%
2011	\$ 981,234	\$ 61,295	6.7%	19.3%
2012	\$ 1,175,303	\$ 194,069	19.8%	20.7%
2013	\$ 1,121,904	\$ (53,399)	-4.5%	19.4%
2014	\$ 1,087,038	\$ (34,866)	-3.1%	18.9%
2015	\$ 1,051,792	\$ (35,246)	-3.2%	18.5%
2016	\$ 927,540	\$ (124,252)	-11.8%	16.3%
2017	\$ 1,093,119	\$ 165,579	17.9%	19.2%
2018	\$ 1,324,601	\$ 231,482	21.2%	22.0%
2019	\$ 1,385,284	\$ 60,683	4.6%	22.2%
2020Proj	\$ 1,278,284	\$ (107,000)	-7.7%	19.4%
2021 Bud	\$ 1,278,284	\$ -	0.0%	19.9%



Water & Sewer Rates

The chart below shows historical water & sewer rates. A professional rate study was commissioned in 2014 which resulted in a change in the rate structure in FY 2015. The primary difference was putting a greater reliance on the Ready-To-Serve charge.

Fiscal Year	New Rate Structure						Budget
	2015	2016	2017	2018	2019	2020	2021
Water per 1000G	\$2.52	\$2.67	\$2.83	\$2.93	\$3.03	\$3.14	\$3.25
Sewer per 1000G	\$6.91	\$7.32	\$7.76	\$8.03	\$8.31	\$8.60	\$8.90
Bond Debt 5/8"							
Water RTS	\$3.57	\$3.78	\$4.01	\$4.15	\$4.30	\$4.45	\$4.60
Sewer RTS	\$10.27	\$10.89	\$11.54	\$11.94	\$12.36	\$12.79	\$13.24
Typical Bill (6,000 G per Month)	\$ 70.42	\$74.61	\$79.09	\$81.86	\$84.70	\$87.68	\$90.74
Dollar Increase	\$3.16	\$4.19	\$4.48	\$2.77	\$2.84	\$2.98	\$3.06
Percent Increase	4.7%	6.0%	6.0%	3.5%	3.5%	3.5%	3.5%
Annual Increase		\$50.28	\$53.76	\$33.22	\$34.10	\$35.76	\$36.72