

## Highlights & Changes of Note: 2010-2011 Budget

- BUDGET:**
- **\$1,000,000 in Federal grant monies at the Airport**
  - In addition we hope to receive \$461,300 in State Revenues (Act 51, State Trunkline & Revenue Sharing) down from 499,239 last year (-7.6%)
  - Major capital projects totaling \$1.9 Million, down from \$2.6 Million
  - **Millage rate remains the same at 12.1528 mills before any Headlee adjustment**

- TAXES:**
- Operating millage is 9.05 mills - unchanged
  - Infrastructure mills 2.1028 (could be changed further by Headlee)
  - millage for trash & rubbish pickup proposed at 1 mill (same as last year)
  - estimated taxable value (TV) inflation reduction of **-3%** (last year +4.4%) Est. -\$ 745,000 TV
  - no additional TV added for new construction
  - Equalization estimates overall reduction of TV of **6.93%** = \$231,375,054 (was \$248,598,054 in 2009)

**Total change in tax bill for unimproved properties**

Net tax amount change to a household with no improvements - (-.3%) which is -\$2.87/yr for TV of \$85,400  
 \$85,400 is the current average taxable value in the City. Average City portion of the tax bill = \$1,038

Note that this tax calculation may be rolled back by Headlee and this rollback is not accounted for in the 2010-11 budget. It may be possible this year that the Headlee limit is increased, but that adjustment is unknown at this time.

- STATE OF MICHIGAN:**
- State Revenue - The budget assumes that State Revenues will be down 13.5% in the General Fund and be approximately the same for Gas & Weight taxes in the Major & Local Street funds. We could also lose our State funding for police education and training from the State.

- GENERAL FUND:**
- **-5.02%** decrease in Proposed Budget revenue vs 2009-10 Budgeted Revenue
  - The majority of the decrease is from property taxes (-7.3% overall, -\$162,500)
  - **-5.52%** in General Fund Expense (-\$172,843) (Proposed Budget to 09-10 Budget)
  - Largest reductions in spending are from: Public Safety, Public Works and Recreation

- OTHER CHANGES:**
- Fringe benefit rates for permanent, full time employees was increased by 1% to 74% to insure that costs can be paid by that fund for fringe benefits and create enough reserve in the fund to cover the liability for vacation and sick leave due employees upon termination.

- DEBT REDUCTION:**
- the City Hall project is now completely paid off
  - DDA bonds and Act 99 payments to be paid off in 2014/2015 for Bridge Park
  - Act 99 Airport loan to be paid off in 2015, while the State airport loan runs until 2014.
  - LTGO Marina Bonds are a 20 year issue through 2026.
  - Water fund loan for groomer purchase totals \$100,000 as of this budget.
  - Only interest is proposed to be paid on the Electric fund advance to Marina Fund for \$700,000 to complete East Park & the Marina Project.

**MAJOR CAPITAL SPENDING:**

<b>- Total major capital expenditures for the following projects:</b>	
Airport improvements - Master Plan phase 2, terminal design, noise & lease study, design of parkin	\$1,000,000
Motor Pool major capital purchases	256,800
Bridge Street water main project - Carpenter to M-66	200,000
Electrical system improvements 4kv to 12kv + engineering for projects	160,000
Street repaving - Major Streets (to be determined) + engineering	130,000
Use of County Road millage for re-paving Park Ave and State Street	100,000
MPPA Power Study Project	50,000
<b>Total Major Capital Projects:</b>	<b>\$1,896,800</b>

**- Wage/Benefit increases 4/1/2010**

Unit	Salary increase	Notes
Police/Fire	2.00%	per POLC contract
Non-union Full-time	2.00%	
Non-union Part-time	2.00%	
Communication Workers	2.00%	Per CWA contract

EFB rate increase to .74 for full time employees	1.37%	all funds effected - to keep fund in black with proper reserve
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Change in Fringe Benefits	Current	
Current cap on health care costs: <i>(per CWA contract) effective 10/1/2010</i>	\$477/Month \$1,035/Month \$1,335/Month	Single contract Double contract Family contract
	\$332/Month	Opt out - CWA

Increase of the cap on health care costs: <i>(POLC)</i> <i>All effective 9/1/10</i>	\$480/Month	Single contract
	\$980/Month	Double contract
	\$1,225/Month	Family contract hired after 4-1-2004
	\$1,370/Month	Family contract
	\$291.67/Month	Opt out - POLC

Increase of the cap on health care costs: <i>(non-union)</i> <i>All effective 10/1/10</i>	\$480/Month	Single contract
	\$1,035/Month	Double contract
	\$1,335/Month	Family contract hired after 4-1-2004
	\$1,370/Month	Family contract
	\$364.00/month	Opt out - non union

**Proposed  
Rate changes 4/1/2010**

Sewer	6.00%	Ave City residential user rate increase = \$1.84/month or \$22.08/year
Water	4.00%	Ave City residential user rate increase = \$.80/month or \$9.60/year
Electric	0.00%	
Total Increase		In City residential rate ave user = \$2.64/month , \$31.68/year

Ambulance - loaded mileage rate	2.44%	from \$10.25 to 10.50
Response fee for treatment/no transport	to \$400 Resident	to \$450 non resident
See rate sheet for details		\$10 to \$50 increase for all non-resident rates
Marina docking rates	% increase varies	increase dinghy rates to \$610/yr for individual and commercial Waterways rates remain the same (Mackinac Island rates)
NSF Check charge & police bad check processing	+\$20	increase to \$45 (bank is now charging us)
Golf - season passes increased by \$4 to \$10	2 - 5%	
- Resident fee for punchcards down \$10 in summer	-\$10	to encourage more participation and to compete
Skating rink - skate rental increase	to \$2	\$1 increase
Ski Hill - daily fee + \$1/day	to \$13 & \$16	\$1 increase for resident & non-resident
season passes up 5%	\$10 to \$40 increase	
Planning fee - zoning appeals increase	to \$300	was \$225, better reflects our cost
ACH NSF charge	\$35	after 1 warning
Mileage rate for travel costs	.50/mile (current)	Same as the IRS, changes with their rate

**- Personnel Changes**

Eliminate part-time year round police officers	-\$32,600	part-time seasonal and part-time officer not funded but full time secretary maintained
Eliminate part-time help for City Manager & Recreation	-\$15,500	part-time year around secretary eliminated
Eliminate lifeguards all but one beach	-\$15,300	includes supplies, phones - would require signage
all part-time positions will be re-evaluated as duties are reassigned due to personnel changes		evaluating use of Manpower type service to see if we can lower costs