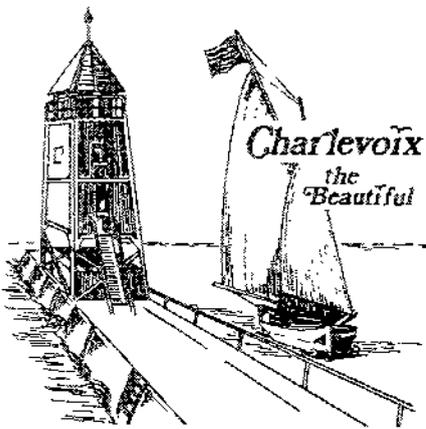


City of Charlevoix 2015 - 2016 CITY BUDGET

Budget Summary

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CITY OF CHARLEVOIX
210 STATE ST. CHARLEVOIX, MICH. 49720

December 22, 2014

The Honorable Gabe Campbell and Members of the City Council:

I am pleased to submit to you the proposed 2015-16 Budget. The budget represents the culmination of many hours of work starting over three months ago. The information contained in this document provides the basis for a comprehensive review of the draft budget by the City Council, Staff, residents and other stakeholders of the City. The purpose and intent is to develop a budget document that acts as a policy statement, an operational and capital improvement guide, as well as a financial plan. The document is also an important communication tool that strives for transparency in how local tax dollars are spent in the City of Charlevoix. I am confident that this document represents a very realistic and achievable plan for the coming year.

The economy on a national, state and local level has shown great improvement over the last year and should continue to strengthen. The City of Charlevoix, after years of stagnating growth attributed to the 2008-09 recession, is finally witnessing signs of commercial and residential growth. Specifically, more downtown storefronts are occupied with new restaurants and retail establishments moving into the community. The Redevelopment Liquor License Program has spurred local investment into the downtown area and will be a valuable incentive measure to recruit new businesses and expand current food establishments. The City is also exploring other measures such as outdoor dining regulations encouraging downtown eateries to utilize City sidewalks for "dining alfresco" opportunities.

There are positive signs that demand for new housing is increasing also. Because of Charlevoix's high quality of life and numerous recreational and cultural opportunities, we are seeing an uptick in new residential housing construction. This includes Charlevoix Pointe, a high-end, seven unit condominium project on Pine River Lane and a large single-family home on the north shore of Round Lake. Both projects will bolster the City's tax base, which has seen little to no growth over the last six to seven years.

Forecasts show no growth in our property tax base for the 2015-16 fiscal year as there is typically a lag of one to two years for increases in property taxes to occur. Consequently, this year has been another challenging year to develop a balanced and sustainable budget. We have forecasted stagnate tax revenues for this year and will be challenged to continue to offer the same high-quality municipal services with lackluster tax revenues. Nonetheless, through

constant pursuit of better and more efficient ways to deliver municipal services, we feel the City will continue to be well-positioned financially.

Over the past several years, the City's fiscally conservative budgeting practices positioned our community to manage the economic downturn with minimal impacts to government services while preserving valuable city jobs. In the last several years, the City's General Fund Balance increased from \$589,000 to an anticipated \$986,531 at the end of fiscal year 2015-16. Even with using some of these reserve funds in 2015-16, the General Fund Balance is anticipated to remain at a comfortable level of nearly 25% of the total General Fund budget.

Contrary to the City's stagnating tax base, the City will be making major investments into an aging infrastructure by utilizing over \$2.3 million in grant funding. Specifically, \$894,000 in MDOT grants will be leveraged to complete a major street improvement rehabilitation project on State Street and construct the Lake to Lake Multi-Use Trail. Additionally, over \$1.5 million in a FAA grant will improve and expand the airport apron area allowing for more and larger aircraft to utilize the Charlevoix Municipal Airport. With an ever-aging infrastructure, these projects are a smart and prudent investment to the long-term financial sustainability of Charlevoix.

We are certainly very fortunate to receive these grants, but need to be cognizant that grant funding will not always be available. With substantial grant funding included, Staff is forecasting General Fund Revenues to increase 4.3% over the 2014-15 Budget. Property taxes, the City's largest revenue source, are forecasted the same as the 2014-15 Estimated Actuals showing no growth in this budget cycle. Charges for Services are down by an estimated \$37,000 attributed mostly to less revenue for fire protection from local townships.

General Fund Expenditures are forecasted to increase 4.7% as compared to the 2014-15 Budget. Noteworthy expenditure increases are included in the Recreation and Culture Budget that are directly tied to the construction costs of the Lake to Lake Multi-Use Trail set to break ground in Spring, 2015. Project costs for this trail are being shared with Charlevoix Township. Both the City and Township will be contributing an estimated \$116,600 towards the project.

Because of the restructuring efforts, the Public Safety Budget has realized valuable cost savings by transitioning to one department head overseeing both the Police and Fire/EMS Departments. General Government and Health and Welfare have also reduced their budgets slightly.

Staff has had to cut various expenditures and use transfers from our Public Infrastructure Funds to minimize the General Fund deficits for the 2015-16 Fiscal Year. Overall, expenditures are forecasted to outpace revenues by an estimated \$108,500. Although not ideal, it is certainly acceptable considering the major scheduled investments in 2015-16 to the City's infrastructure because of grant funding. Past budgets have also shown similar General Fund deficits with year-end figures generally more positive than forecasted. The Fund Balance as a Percentage of Total Expenses remains at a robust and healthy 25%, with the auditors recommending this percentage be in the 15%-30% range. With continued costs savings measures from City Staff

and a slight increase in property taxes, the City should continue to remain in a very positive financial position.

Staff has also had to defer many capital maintenance projects to balance out this budget. Specifically, City Hall's chiller/HVAC system is old and needs to be replaced. Estimates to replace these two units are \$260,000 that could be broken out into two separate projects. We have spoken to heating and cooling experts and they believe that we may get a couple more years out of the current system with proper monitoring and maintenance. There may be energy efficiency grant opportunities that the City has started to pursue to offset some of the costs of this expensive improvement. Additionally, there are several retaining walls that need to be replaced in the coming years throughout the community and some walkways to Lake Michigan beaches that need to be improved.

We have made strides in some of the deferred capital maintenance items of past years. Improvements to the Ferry Beach bathrooms were completed in 2014-15 and we will be completing improvements to the third and last bathroom in 2015. We are also investing in upkeep of the unique stone work in East Park by hiring private contractors to caulk many areas that need attention. Staff is slowly making improvements to City amenities that have been deferred because of budget constraints over the last several years.

The construction of an \$11 million Wastewater Treatment Plant Upgrade, started in October of 2014, will be completed by the spring, 2016. We have budgeted \$7.3 million dollars this fiscal year to bring the project to completion. The upgrade is required to comply with new ammonia discharge standards that become effective in December, 2015. We are on schedule to meet this deadline. The project includes the following: ultraviolet disinfection negating the use of chlorine gas; new aeration blowers and chemical feed systems; all new electrical equipment as well as new SCADA computer software; new administration building, including an expanded laboratory/testing area; larger sludge storage tanks; and additional media in treatment tanks to enhance the biological treatment process. The project is funded through revenue bonds requiring substantial increases in sewer rates for at least two more additional years to pay off yearly debt service on the bonds. Upon completion of the project, improvements to the 40-year old treatment plant will greatly increase plant effluent quality not only complying with new discharge permit but also assisting to preserve and protect high water quality standards for many generations to come!

Charlevoix Municipal Airport continues to refine and improve airport operations since taking over the airport in 2011. Airport Staff continues to search out new ways to generate revenues while limiting expenses. We have limited the number of full-time staff to two, while using both year-round and seasonal part-time staff. As personnel costs are one of the major expenses at the Airport, the Airport Manager is working to find sufficient staff levels that promote the highest customer service while minimizing labor costs. Staff will continue to monitor airport fuel charges to make our fuel prices competitive, while optimizing revenues for airport operations. With the assistance of airport engineers, the City will be exploring ways to minimize possible future impacts to State and Bridge Street businesses and residences along the east runway approach. Each year, we see more and larger jets frequenting the Airport,

which could lead to a larger runway protection zone requiring removal of some buildings on the east side of the runway. Talks have commenced with St. Marys Cement Company to research the feasibility of an extension to the west side of the airport.

The MDOT-Aeronautics Division has recently completed a Community Benefit Analysis (CBA) showing the Airport generates over \$20 million each year in the community. It is therefore critical to continue to invest in the Airport each and every year. To this end, the City has been very successful in receiving FAA grant monies and this year will be no exception. The FAA has approved over \$1.5 million for an apron expansion project slated for spring, 2015. The City has budgeted \$83,000 or 5% in matching funds for this infrastructure project. Considering the importance of the airport to the local and regional economy, it is wise to continue to invest in this strong economic generator. The City Council should be commended for their bold and visionary decision to take over management of the airport that will assist the City to minimize General Fund subsidies in the future. With 16,000 enplanements each year and up to \$1 million in grant funding for airport infrastructure, the Charlevoix Municipal Airport will remain a very strong economic driver in our community for years to come.

The City has also been fortunate to receive a \$580,000 grant in Surface Transportation Program (STP) funding for a major street project on State Street. Total project costs are anticipated to be \$1.2 million and will include the following: replacing underground utilities including storm water improvements; new road resurfacing; curb and gutter; a retaining wall and landscaping and tree planting. There will also be a realignment of the intersection of Antrim Street and State Street, increasing green space while creating a safer intersection for both pedestrians and motorists alike.

After years of planning and engineering, the City is excited to begin construction on the Lake to Lake Multi-Use Trail in the spring, 2015. The soft-surface trail will connect Ferry Beach to Fisherman's Island State Park and will further enhance Charlevoix's reputation as a biking destination. This unique partnership with Charlevoix Township, MDOT, St. Marys Cement Company and the City is a great example of the synergistic benefits of partnering with other levels of government, as well as the private sector. A \$314,000 MDOT Enhancement Grant has been awarded for the project

Major capital expenditures are proposed to total \$12.4 million. Capital projects include but are not limited to: Lake to Lake Trail, WWTP Improvements, Motor Pool capital purchases, new water line on Pine River Lane, and new LED ballasts for many street lights.

We continue to closely monitor Taxable Value in the Downtown Development Authority District. Similar to the General Fund, the DDA is forecasted to have no increase in property valuations this year; although, there are encouraging signs of new businesses moving into the DDA and the City may realize additional tax revenues in the latter part of the year. Nevertheless, the DDA will be extremely strapped for cash the next several years with bond payments on East Park increasing in future years. Prudent and responsible spending will be critical to the DDA's financial health for many years to come.

The 2015-16 Budget proposes no mill levy increases. The Operating Millage remains at 9.05 mills, the Infrastructure Millage at 2.0593 and 1 mill for trash and rubbish pickup. The total City of Charlevoix mill levy is 12.1093, which is the lowest of any municipality in Charlevoix County.

The City's Sewer and Water Enterprise Funds will see a 22% and 5% increase respectively. The substantial rate increase on sewer charges is needed to pay for debt service on the WWTP project. Staff will work with rate study consultants each year to hopefully propose slight reductions in the rate increases if revenues are better than anticipated. Similar rate increases will be needed for at least one additional year to cover debt service to comply with debt ratio levels required by bonding provisions. There will be a 2% rate increase in the City's municipally-owned electric utility.

There will be many budgetary policy choices and administrative procedure related questions will arise throughout the year and in future years. The challenge we face today is making tough decisions to better-position the City for any additional budgetary shortfalls in the future. We stand ready to assist elected officials with recommendations on how to improve serving our community and create more efficient ways to deliver high quality municipal services. With ingenuity, creativity and tireless efforts from Staff to search out more efficient methods of delivering high quality municipal services, I am confident that our goals will be achieved. I am proud of the efforts that have gone into the development of this budget and look forward to partnering together to make the City a community of continuing successes!

Respectfully submitted,

A handwritten signature in black ink that reads "Rob Straebel". The signature is written in a cursive, flowing style.

Rob Straebel
City Manager

Highlights & Changes of Note: 2015-2016 Budget

BUDGET:

- Property tax values - estimated flat, no final numbers available, they could go up some. There are encouraging of new construction in the community that will eventually increase taxable value. We are budgeting conservat and will recognize any property valuation increases in May 2015.

- The General Fund Reserve balance drops to \$932,695, or about 25% of the General Fund Budget.

TAXES:

- Millage rate is unchange with a total mill levy of 12.1093 mills.
 Operating millage is 9.05 mills - unchanged
 Infrastructure millage is 2.0593 - unchanged
 Refuse millage is 1.000 - unchanged
- No forecasted Taxable Value increase
- No additional TV added for new construction, the budget uses the same TV as last year

STATE OF MICHIGAN:

- State Revenue - The budget assumes a slight increase in State Revenue Sharing. The budget also includes \$314,000 in State funding for the construction of the Lake to Lake Trail in the General Fund Parks division.

GENERAL FUND:

- \$432,932 increase in Proposed Budget revenue vs 2014-15 Estimated Revenue (12.6% increase)
 This increase is from the \$314,000 State grant for the Lake to Lake Trail and a \$116,600 transfer from Infrastructure to fund the City's share of that construction. Additional revenue is provided by increases expected from Day Camp, Ski Hill, Parking revenue, green's fees, and a Chx. Twp. contribution to the Lake to Lake Trail.
- +14.14% in General Fund Expense (+\$501,600) (Proposed Budget compared to 14-15 Estimated Budget)
- Main areas of increased spending are mostly in Parks for the Lake to Lake Trail.

OTHER CHANGES:

- Fringe benefit rates for permanent, full time employees was decreased by an additional 1% to 77%. The Fringe Benefit Fund is well funded and could sustain a lower contribution to cover lower costs in the future for the MERS Pension benefits.
- Projects were still deferred to future years because of the lack of growth in tax revenue. A list of projects which need to be completed but that have been deferred are included in the detail budget book.

DEBT REDUCTION:

- DDA East Park bonds are to be paid off in 2026-27.
- Act 99 Airport terminal loan has been paid off. While the State airport loan has one payment to go.
- LTGO Marina Bonds are a 20 year issue through 2026 and have a call provision in 2018.
- \$31,930 is proposed to be paid on the Electric fund advance to Marina Fund for \$700,000 used to complete East Park & the Marina Project.
- \$11,125 is proposed to be paid on the Electric fund advance to the Airport Fund for \$200,000 used to purchase fuel and take over operations at the Airport.

MAJOR CAPITAL SPENDING:

- Total major capital expenditures for the following projects:
 (Projects Over \$50,000)

| | |
|--|-------------|
| Wastewater Treatment Plant improvements (total estimated project cost) | \$7,376,000 |
| Airport Apron | 1,726,000 |
| Infrastructure Project State Street Major Street Fund | 1,262,700 |
| Lake to Lake Trail Inspection and construction | 584,000 |
| Motor Pool major capital purchases | 352,500 |
| Wastewater Collection System (SAW Grant) | 340,000 |
| Park Ave decorative street lights | 105,600 |
| LED street light upgrades and replacements | 100,000 |
| Pine River Lane Water Upgrade | 93,500 |
| Engineering for capital projects - Electric | 93,000 |
| Industrial Park Fiber Optic Project | 76,500 |
| Water Treatment Plant Filter Media Replacement | 76,300 |
| 12kv 3 Upgrades | 75,000 |
| Water Treatment Plant Roof Replacement | 70,000 |

Total Major Capital Projects: \$12,331,100

- Wage/Benefit changes 4/1/2015

| Unit | Salary increase | Notes |
|-----------------------|-----------------|--|
| Police/Fire | 1.00% | per POLC contract (expires 03/31/2017) |
| Non-union Full-time | 1.00% | |
| Non-union Part-time | 1.00% | |
| Communication Workers | 0.00% | In negotiations (expires 05/31/2015) |

| | | |
|---------------------------------------|--|---|
| EFB rate reduced to .77 for full time | | lower costs in EFB Fund, this lowers costs to all funds Effective 4/1/15 - was .78 last year |
|---------------------------------------|--|---|

Change in Health Care Caps

| | | |
|--|--|--|
| Current caps on health care costs: <i>(per CWA Contract)</i> <i>Effective 10/1/12 to 5/31/15</i> | \$525/month \$1,139/month \$1,470/month \$312/month | Single contract Double contract Family contract Opt out - CWA |
|--|--|--|

| | | |
|---|---|---|
| Current cost share on health care costs: <i>(POLC Contract)</i> <i>Effective 06/1/14 to 3/31/17</i> | 10% 10% 10% \$250.00/month | Single contract Double contract Family contract Opt out - POLC |
|---|---|---|

| | | |
|---|---|--|
| Current cap on health care costs: <i>(non-union)</i> <i>All effective 10/1/14</i> | \$509/month \$1,119/month \$1,424/month \$312.00/month | Single contract Double contract Family contract Opt out - non-union |
|---|---|--|

**Proposed
Rate changes 4/1/2015**

| | | |
|----------------|--------|---|
| Sewer | 22.00% | Avg City residential user rate increase = \$9.70/month or \$116.40/year |
| Water | 5.00% | Avg City residential user rate increase = \$1.59/month or \$19.08/year |
| Electric | 2.00% | Avg City residential user rate increase = \$1.55/month or \$18.60/year |
| Total Increase | | In City residential rate ave user = \$12.84/month , \$154.08/year |

| | | |
|---|--------------|--|
| Golf - season passes increased | ~5% | |
| Dock Fees | No increase | Per Waterways, fees changed to be based on slip size, not boat size Harbormaster has discretion to adjust fees if necessary |
| Mileage rate for travel costs | .575/mile | IRS rate changes with their rate, current was effective 1/1/15 up \$.015/mile |
| Airport Landing/Ramp Fees, Hangar Rents, Parking, After Hours, GPU Connection | Various | Refer to rate sheet in rate section of budget book |
| Parking Fees - Expired Parking | \$15 | Paid within 24 hours; after 24 hours, fee is \$30.00 |
| Parking Fees - Reserved Parking (Acacia Lot) | \$500 | |
| Ferry Beach Boat Launch Fees - Seasonal | \$20 or \$40 | Resident: \$20; Non-Resident: \$40 |
| Ferry Beach Boat Launch Fees - Commercial | \$1,000 | Same rate for resident and non-resident |
| Public Safety Services for Events - New Fee | \$1,000 | Applies to for-profit organizations only |
| Planning & Zoning | \$300 | Sign Variance |
| Planning & Zoning | \$100 | Level A Site Plan Review |
| Planning & Zoning - New Fee | \$50 | Sidewalk Café (Annual Fee) |
| Recreation Pavilion Rental, Youth Sport, Ski Hill Season Pass, Lessons, Skating Rink | Various | Refer to rate sheet in rate section of budget book |

CITY OF CHARLEVOIX, MICHIGAN
2015-2016 Proposed BUDGET
REVENUE AND EXPENSE SUMMARY - ALL FUNDS
 February 6, 2015

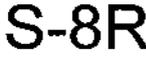
Must update from all funds

| REVENUES | GENERAL FUND | MAJOR STREET | LOCAL STREET | AIRPORT | ELECTRIC | SEWER | WATER | MARINA | DDA | PERPETUAL CARE | TOTAL | 2014-15 |
|------------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|-----------------|---------------------|---------------------|
| Taxes | 2,193,000 | | | | | | | | 410,800 | | \$2,603,900 | \$2,664,300 |
| Licenses & Permits | 4,000 | | | | | | | | | 4,000 | 4,000 | 4,200 |
| State & Federal Grants | 691,900 | 829,505 | 78,693 | 700 | | 306,000 | | | | | 1,918,998 | 1,208,000 |
| Charges for Services | 693,200 | | | 1,368,700 | 7,104,182 | 1,781,900 | 923,200 | 388,710 | 24,500 | 4,000 | 12,268,392 | 11,394,200 |
| Fines & Forfeits | 21,200 | | | | 35,000 | 7,200 | 6,000 | | | | 89,400 | 81,100 |
| Interest & Rents | 124,200 | | | 47,500 | 21,355 | 700 | 200 | 100 | 47,800 | 750 | 242,605 | 239,500 |
| Other | 14,500 | | | 1,644,400 | 3,500 | 7,380,500 | 63,400 | | 88,700 | | 9,195,000 | 3,607,500 |
| Fund Transfers | 137,600 | 350,100 | 40,000 | 97,000 | 69,500 | 109,800 | 260,900 | 331,200 | | | 1,396,100 | 1,247,000 |
| Appropriation-Surplus | 108,500 | | | | 815,663 | 356,600 | 382,700 | 634,290 | | 5,250 | 2,303,003 | 2,539,900 |
| TOTAL REVENUES: | \$3,988,100 | \$1,179,605 | \$118,693 | \$3,158,300 | \$8,049,200 | \$9,942,700 | \$1,636,400 | \$1,354,300 | \$564,100 | \$10,000 | \$30,021,398 | \$22,985,700 |

| EXPENDITURES | GENERAL FUND | MAJOR STREET | LOCAL STREET | AIRPORT | ELECTRIC | SEWER | WATER | MARINA | DDA | PERPETUAL CARE | TOTAL | 2014-15 |
|------------------------|--------------------|--------------------|------------------|--------------------|--------------------|--------------------|--------------------|--------------------|------------------|-----------------|---------------------|---------------------|
| Legislative | 41,700 | | | | | | | | | | \$41,700 | \$43,700 |
| General Government | 588,900 | | | | | | | | | | 588,900 | 598,000 |
| Public Safety | 1,115,900 | | | | | | | | | | 1,115,900 | 1,179,300 |
| Public Works | 233,600 | 248,500 | 115,300 | 1,352,900 | | | | | 217,300 | 10,000 | 2,177,600 | 2,094,600 |
| Health & Welfare | 387,600 | | | | | | | | | | 387,600 | 405,900 |
| Recreation & Culture | 1,518,900 | 930,100 | | | 470,500 | 7,825,800 | 316,200 | 227,500 | | | 1,746,400 | 1,538,900 |
| Capital Outlay | | | | 86,300 | | 248,000 | | | | | 9,628,900 | 4,978,900 |
| Debt Service | | | | 19,300 | 6,821,600 | | | 441,800 | | | 709,100 | 467,700 |
| Electric | | | | | | 1,168,100 | | | | | 6,821,600 | 6,783,000 |
| Sewer | | | | | | | | | | | 1,169,100 | 1,060,000 |
| Water | | | | | | | 1,081,600 | | | | 1,081,600 | 939,600 |
| Fund Transfers | 50,700 | | | 10,000 | 232,100 | 39,800 | 3,600 | 25,000 | 331,200 | | 682,400 | 589,000 |
| Other | 50,800 | | | | | | | 2,500 | 15,000 | | 68,300 | 35,300 |
| Depreciation | | | | 285,000 | 525,000 | 660,000 | 235,000 | 657,500 | | | 2,362,500 | 1,904,100 |
| TOTAL EXPENSES: | \$3,988,100 | \$1,178,600 | \$115,300 | \$1,753,500 | \$8,049,200 | \$9,942,700 | \$1,636,400 | \$1,354,300 | \$563,500 | \$10,000 | \$28,591,600 | \$22,623,000 |

EXPENSES AS % OF TOTAL-ALL FUNDS

| | | | | | | | | | | | | |
|--|----|----|----|-----|-----|----|----|----|----|----|------|--------------------|
| 14% | 4% | 0% | 6% | 28% | 35% | 6% | 8% | 5% | 2% | 0% | 100% | |
| Net Change in Budget from Prior Year: | | | | | | | | | | | | 26.38% |
| | | | | | | | | | | | | \$5,968,600 |

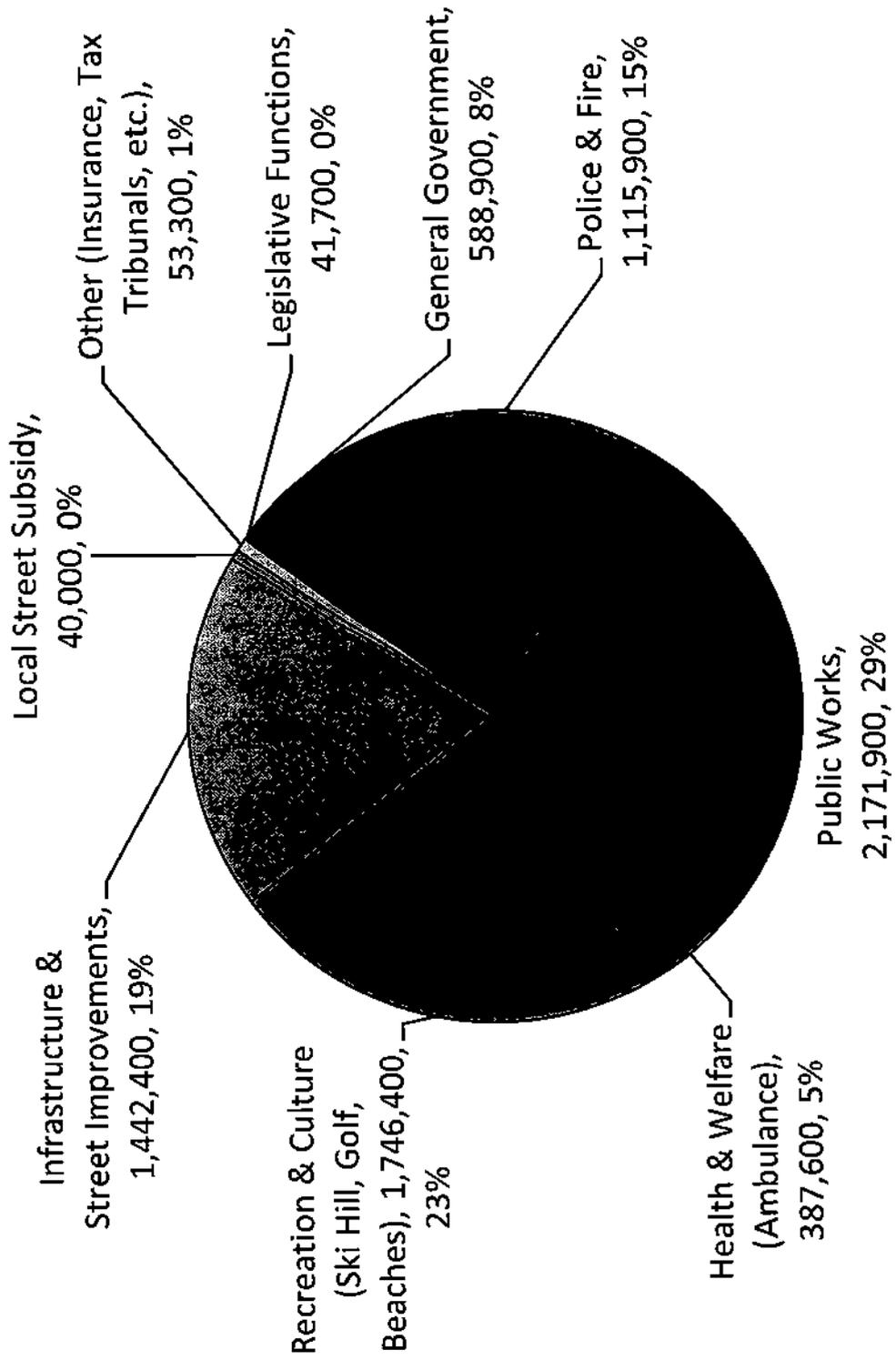


CITY OF CHARLEVOIX, MICHIGAN
2015-2016 Proposed Budget
REVENUE & EXPENSE SUMMARY - INTERNAL SERVICE FUNDS
December 23, 2014

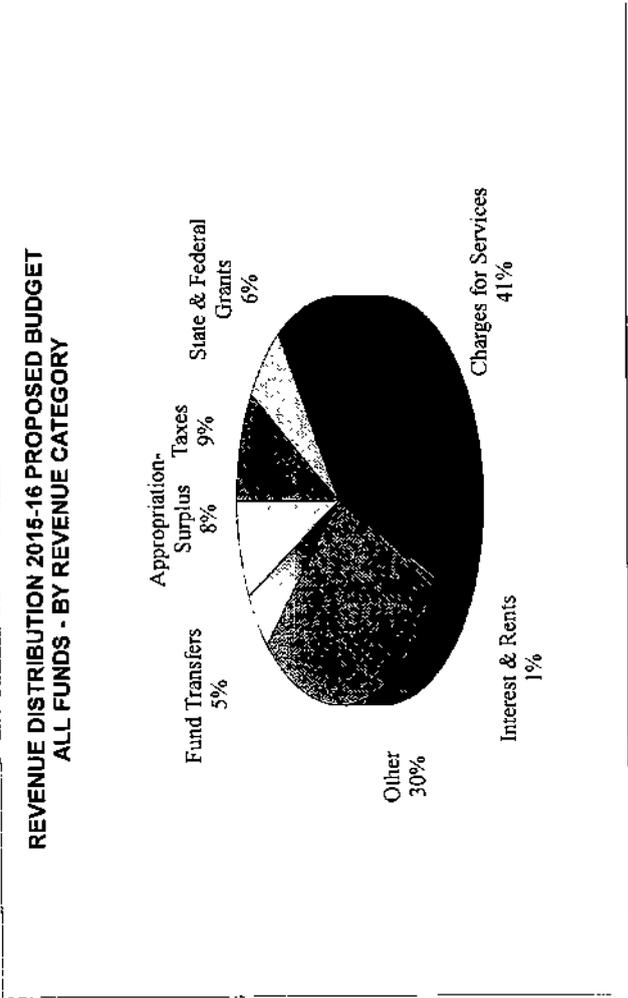
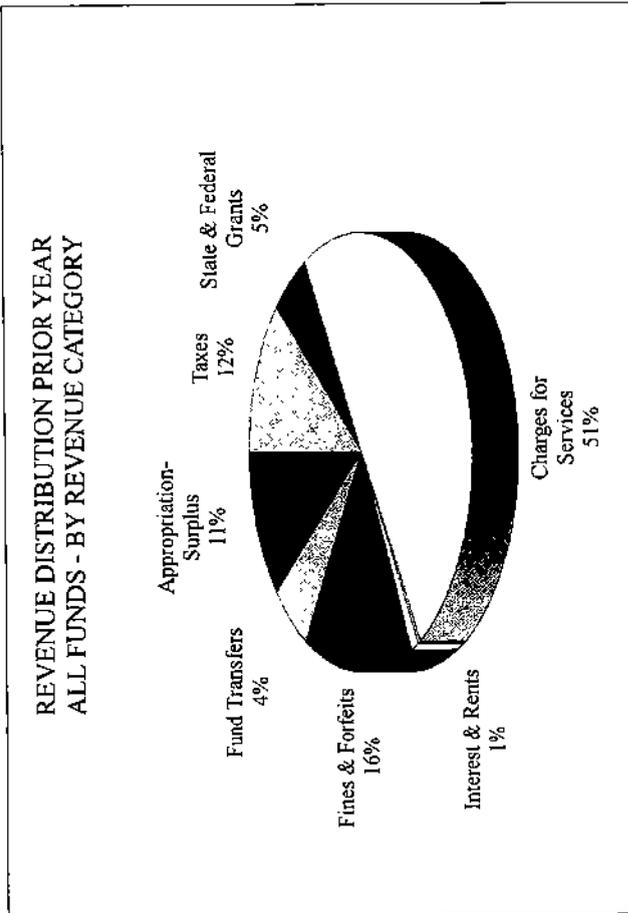
| | EMPLOYEE FRINGE BENEFITS | MOTOR POOL | FIRE & AMBULANCE | SEWER TAP-INS | NORTHSIDE/SOUTHSIDE SEWER | INFRASTRUCTURE IMPROVEMENTS | STREET IMPROVEMENTS | PUBLIC WORKS SITE | INDUSTRIAL PARK | MT MCSAUBA RECREATION | DOWNTOWN PARKING | TOTAL |
|---------------------------|--------------------------|--------------------|------------------|----------------|---------------------------|-----------------------------|---------------------|-------------------|-----------------|-----------------------|------------------|--------------------|
| REVENUES | | | | | | | | | | | | |
| Taxes | | | | | | 451,000 | 220,700 | | | | | \$671,700 |
| Licenses & Permits | | | | | | | | | | | | 0 |
| Federal Grants | | | | | | | | | | | | 0 |
| State Grants | | | | | | | | | 36,000 | | | 36,000 |
| Sale of Land/Fixed Assets | | | | | | | | | | | | 0 |
| Charges for Services | 2,282,400 | 676,100 | | 8,000 | | | | | | | | 2,966,500 |
| Fines & Forfeits | 1,000 | 400 | | 100 | 100 | | | 1,000 | 30 | 5,700 | | 8,330 |
| Interest & Rents | | 2,000 | | | | | | | | | | 2,000 |
| Other | | 100,000 | 76,500 | | | | | 186,500 | | | | 363,000 |
| Fund Transfers | | 306,000 | | | | 252,600 | 49,400 | | 45,470 | | | 653,470 |
| Appropriation-Surplus | | | | | | | | | | | | |
| TOTAL REVENUES: | \$2,283,400 | \$1,084,500 | \$76,500 | \$8,100 | \$100 | \$703,600 | \$270,100 | \$187,500 | \$81,500 | \$5,700 | \$0 | \$4,701,000 |
| EXPENDITURES | | | | | | | | | | | | |
| Legislative | | | | | | | | | | | | \$0 |
| General Government | | | | | | | | | | | | 0 |
| Public Safety | | | | | | | | | | | | 0 |
| Public Works | | 417,600 | | | | 50,000 | | | | | | 467,600 |
| Health & Welfare | | | | | | | | | | | | 0 |
| Capital Outlay | | 352,500 | | | | | | | 47,000 | | | 399,500 |
| Utilities | | | | | | | | | | | | 0 |
| Fringes | 2,242,300 | | | | | | | 4,000 | | | | 2,242,300 |
| Depreciation | | 210,000 | | | | | | | | | | 214,000 |
| Contingency | | | | | | | | | | | | 0 |
| Fund Transfers | | 104,400 | | | | 653,600 | 270,100 | | 34,500 | 4,000 | | 1,066,600 |
| TOTAL EXPENSES: | \$2,242,300 | \$1,084,500 | \$0 | \$0 | \$0 | \$703,600 | \$270,100 | \$4,000 | \$81,500 | \$4,000 | \$0 | \$4,390,000 |

EXPENSES AS % OF TOTAL INTERNAL SERVICE FUNDS: 51% 25% 0% 0% 0% 0% 16% 6% 0% 2% 0% 0% 100%

What Your City Taxes Pay For:



**Revenue Source Comparison
2014-15 To 2015-16 Budget**



**CITY OF CHARLEVOIX
ORDINANCE NO. 770 of 2015
BUDGET APPROPRIATION ACT**

THE CITY OF CHARLEVOIX ORDAINS:

WHEREAS, the City Council of the City of Charlevoix did give notice of the time and place when a public hearing would be held in conformity with provisions of Section 7.8, Article VII of the City Charter, which Public Hearing was duly held pursuant to said notice and in conformity therewith.

THEREFORE, BE IT RESOLVED, that the revenues and expenditures for the fiscal year commencing on April 1, 2015 and ending March 31, 2016 are hereby appropriated on a fund level basis (a detailed breakdown by activity level can be found in the Budget Details document) as summarized by the following:

GENERAL FUND

| | | |
|----------|-----------------|----------------------|
| REVENUE: | TOTAL REVENUES: | \$3,988,100 ===== |
| EXPENSE: | TOTAL EXPENSE: | \$3,988,100 ===== |

BE IT FURTHER RESOLVED, that the City Council of the City of Charlevoix does hereby levy a tax of 11.1093 mills (9.05 mills operating and 2.0593 mills infrastructure) for the period of April 1, 2015 through March 31, 2016 on all real and eligible personal property in the City of Charlevoix according to the valuation of the same. This tax is levied for the purpose of defraying the general expense and liability of the City of Charlevoix and for infrastructure improvements, and is levied pursuant to Section 8.1, Article VIII of the City Charter; and

BE IT FURTHER RESOLVED, that the City Council does hereby levy a tax not to exceed 1.3631 mills for the period April 1, 2015 through March 31, 2016 on all real and eligible personal property in the Downtown Development District, according to the valuation of the same within the district; and

BE IT FURTHER RESOLVED, that the City Council does hereby levy a tax not to exceed 1 mill for the period April 1, 2015 through March 31, 2016 on all real and eligible personal property in the City of Charlevoix, according to the valuation of the same. This tax is levied for the purpose of defraying the cost of rubbish collection and other related services provided citizens allowed by the act, and is levied pursuant to Michigan Public Act 213 of 1969; and

BE IT FURTHER RESOLVED, that the City Council does hereby approve the following budgets for the period April 1, 2015 through March 31, 2016 in the amounts set forth below by fund:

| <u>FUND</u> | <u>REVENUE</u> | <u>EXPENSE</u> |
|---------------------------------|----------------|----------------|
| Major Street Fund | \$1,179,605 | \$1,178,600 |
| Local Street Fund | 118,693 | 115,300 |
| Electric Fund | 8,049,200 | 8,049,200 |
| Sewer Fund | 9,942,700 | 9,942,700 |
| Water Fund | 1,636,400 | 1,636,400 |
| Marina Fund | 1,354,300 | 1,354,300 |
| Airport Fund | 3,158,300 | 1,753,500 |
| Downtown Development Auth | 584,100 | 563,500 |
| Employee Fringe Benefit | 2,283,400 | 2,242,300 |
| Motor Vehicle Fund | 1,084,500 | 1,084,500 |
| Perpetual Care Trust Fund | 10,000 | 10,000 |
| Fire/Ambulance Fund | 76,500 | 0 |
| Sewer Tap-in Fund* | 8,100 | 0 |
| Northside/Southside Sewer Fund* | 100 | 0 |

BE IT FURTHER RESOLVED, That the City Council does hereby approve the following budgets for the period April 1, 2015 through March 31, 2016 in the amounts set forth below by fund:

| FUND | REVENUE | EXPENSE |
|---------------------------------|----------------|----------------|
| Major Street Fund | \$1,179,605 | \$1,178,600 |
| Local Street Fund | 118,693 | 115,300 |
| Electric Fund | 8,049,200 | 8,049,200 |
| Sewer Fund | 9,942,700 | 9,942,700 |
| Water Fund | 1,636,400 | 1,636,400 |
| Marina Fund | 1,354,300 | 1,354,300 |
| Airport Fund | 3,158,300 | 1,753,500 |
| Downtown Development Auth | 584,100 | 563,500 |
| Employee Fringe Benefit | 2,283,400 | 2,242,300 |
| Motor Vehicle Fund | 1,084,500 | 1,084,500 |
| Perpetual Care Trust Fund | 10,000 | 10,000 |
| Fire/Ambulance Fund | 76,500 | 0 |
| Sewer Tap-in Fund* | 8,100 | 0 |
| Northside/Southside Sewer Fund* | 100 | 0 |
| Infrastructure Improvement | 703,600 | 703,600 |
| Road Improvements | 270,100 | 270,100 |
| Public Works Site Fund | 187,500 | 4,000 |
| Industrial Park Fund | 81,500 | 81,500 |
| Mt. McSauba Recreation Fund | 5,700 | 4,000 |

* These funds are part of the Sewer Fund.

| | | |
|-----------------------------|---------|---------|
| Infrastructure Improvement | 703,600 | 703,600 |
| Road Improvements | 270,100 | 270,100 |
| Public Works Site Fund | 187,500 | 4,000 |
| Industrial Park Fund | 81,500 | 81,500 |
| Mt. McSauba Recreation Fund | 5,700 | 4,000 |

* These funds are part of the Sewer Fund.

Ordinance # 770 was enacted on the 16th day of February, A.D. 2015, by the Charlevoix City Council as follows:

Motion by:

Second by:

YEAS:

NAYS:

ABSENT:

State of Michigan)
) ss
City of Charlevoix)

Joyce M. Golding

Clerk

Gabriel Campbell

Mayor

CERTIFICATION

I, the undersigned, the Clerk of the City of Charlevoix, Charlevoix County, Michigan, do hereby certify that the foregoing is a true and complete copy of Ordinance No. 770 of 2015 adopted by the City Council of the City of Charlevoix, County of Charlevoix, State of Michigan, at a regular meeting held on February 16, 2015 and published in the *Charlevoix Courier* on February 20, 2015, the original of which is on file in my office and available to the public. Public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267 of the Michigan Public Acts of 1976.

Dated: 02/17/2015

Joyce M. Golding, Clerk

**CITY OF CHARLEVOIX
RESOLUTION NO.**

RESOLUTION TO ADOPT RATES & FEES ASSOCIATED WITH THE 2015-16 BUDGET

WHEREAS, the City of Charlevoix annually must adopt a balanced budget to comply with the City Charter; and

WHEREAS, the City of Charlevoix in preparing the budget, assumes the adoption of rates and fees for various services they provide in order to pay for those services in whole or in part as proposed in their annual budget; and

WHEREAS, the City of Charlevoix defines all of their rates and fees in the rate section of the proposed budget; and

WHEREAS, the City of Charlevoix proposes to make these rates and fees effective on April 1, 2015; and

NOW, THEREFORE, IT IS RESOLVED that the City of Charlevoix adopts all rates and fees included in the 2015-16 Proposed Budget with changes to the rates and fees for the following areas: Utility rates for electric, sewer and water and fees for the following services: airport, golf, parking fines, fees and spaces, Ferry Beach boat launch ramp parking fees, miscellaneous fees, FOIA Requests, golf, planning and zoning and recreation.

RESOLVED, this 16th day of February, 2015.

Resolution adopted by the following yea and nay votes:

Yeas:

Nays:

Absent: