Michigan Department of Treasury
4886 (Rev. 10-20)

City, Village, and Township Revenue Sharing and County Incentive Program Certification

Issued under authority of 2020 Public Act 166. Filing is mandatory to qualify for payments.

Each city/village/township/county applying for City, Village, and Township Revenue Sharing or County Incentive Program payments must:

1. Certify to the Michigan Department of Treasury (Treasury) that the local unit listed below has produced and made available to the public a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report as required by 2020 Public Act 166. The local unit must include in any mailing of general information to its citizens, the Internet website address or the physical location where all the documents are available for public viewing in the clerk's office.
2. Submit to Treasury a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report.

This certification, along with a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report, **must be received by December 1, 2020,** (or the first day of a payment month) in order to qualify for that month's payment. Postmark dates will not be considered. For questions, call 517-335-7484.

PART 1: LOCAL UNIT INFORMATION

Local Unit Name City of Gladstone		Local Unit County Name Delta	
Local Unit Code 21025		Contact E-Mail Address vschroeder@gladstonemi.org	
Contact Name Vicki Schroeder	Contact Title Treasurer	Contact Telephone Number (906) 428-3636	Extension
Website Address, if reports are available online www.gladstonemi.org		Current Fiscal Year End Date 2020	

PART 2: CITIZEN'S GUIDE

Check any of the following that apply:

- [x] The local unit has elected to use Treasury's online Citizen's Guide to comply with the legislative requirements. Therefore, a copy of the Citizen's Guide will not be submitted to Treasury.
- [ ] The local unit does not have any unfunded liabilities (pensions or other postemployment benefits (OPEB)).

PART 3: CERTIFICATION

In accordance with 2020 Public Act 166, the undersigned hereby certifies to Treasury that the above mentioned local unit 1) has produced a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report and 2) will include in any mailing of general information to our citizens, the Internet website address or the physical location where all the documents are available for public viewing in the clerk's office. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report are attached to this signed certification, unless otherwise noted in Part 2.

Chief Administrative Officer Signature (as defined in MCL 141.422b) Eric W Buckman	Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Eric Buckman
Title City Manager	Date 11/23/2020

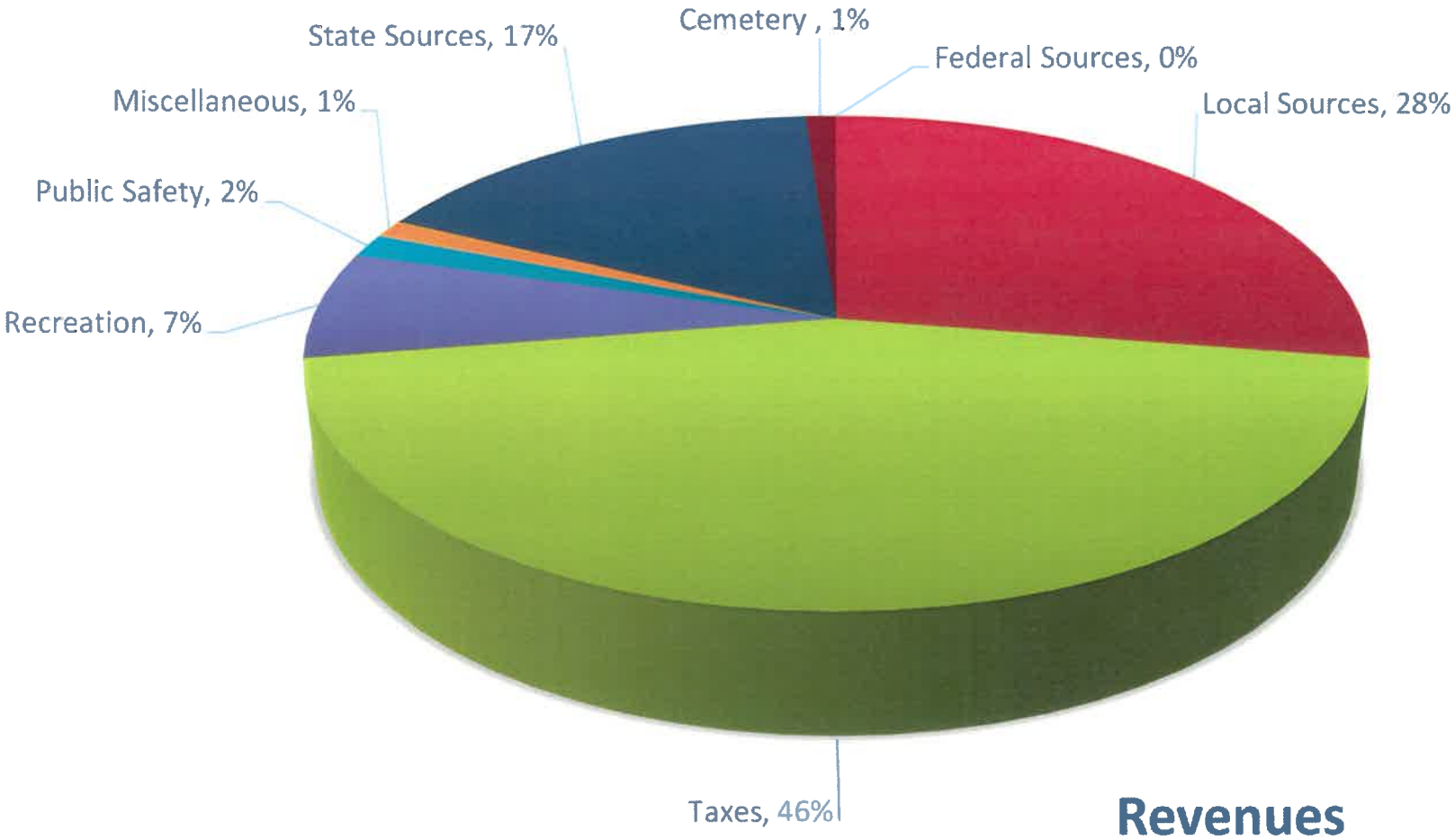
Completed and signed form (including required attachments) should be e-mailed to: **TreasRevenueSharing@michigan.gov**.
If you are unable to submit via e-mail, fax to 517-335-3298 or mail the completed form and required attachments to:

Michigan Department of Treasury
Revenue Sharing and Grants Division
PO Box 30722
Lansing MI 48909

TREASURY USE ONLY		
CVTRS/CIP Eligible Y N	Certification Received	Citizen's Guide Received
Performance Dashboard Received	Debt Service Report Received	Projected Budget Report Received
Final Certification	CVTRS/CIP Notes	

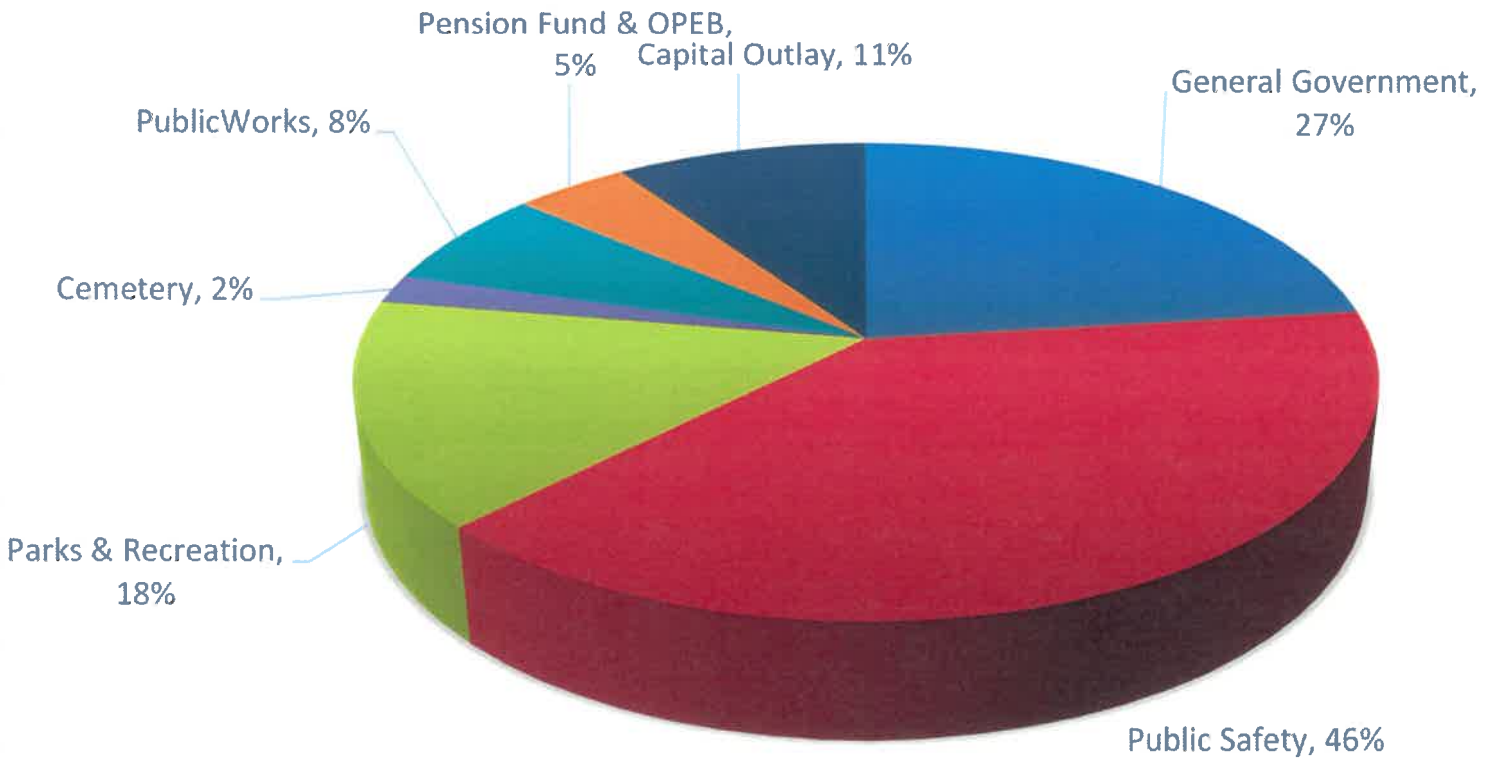
2020 City of Gladstone Performance Dashboard

Fiscal Year 2019/2020 General Fund Revenue



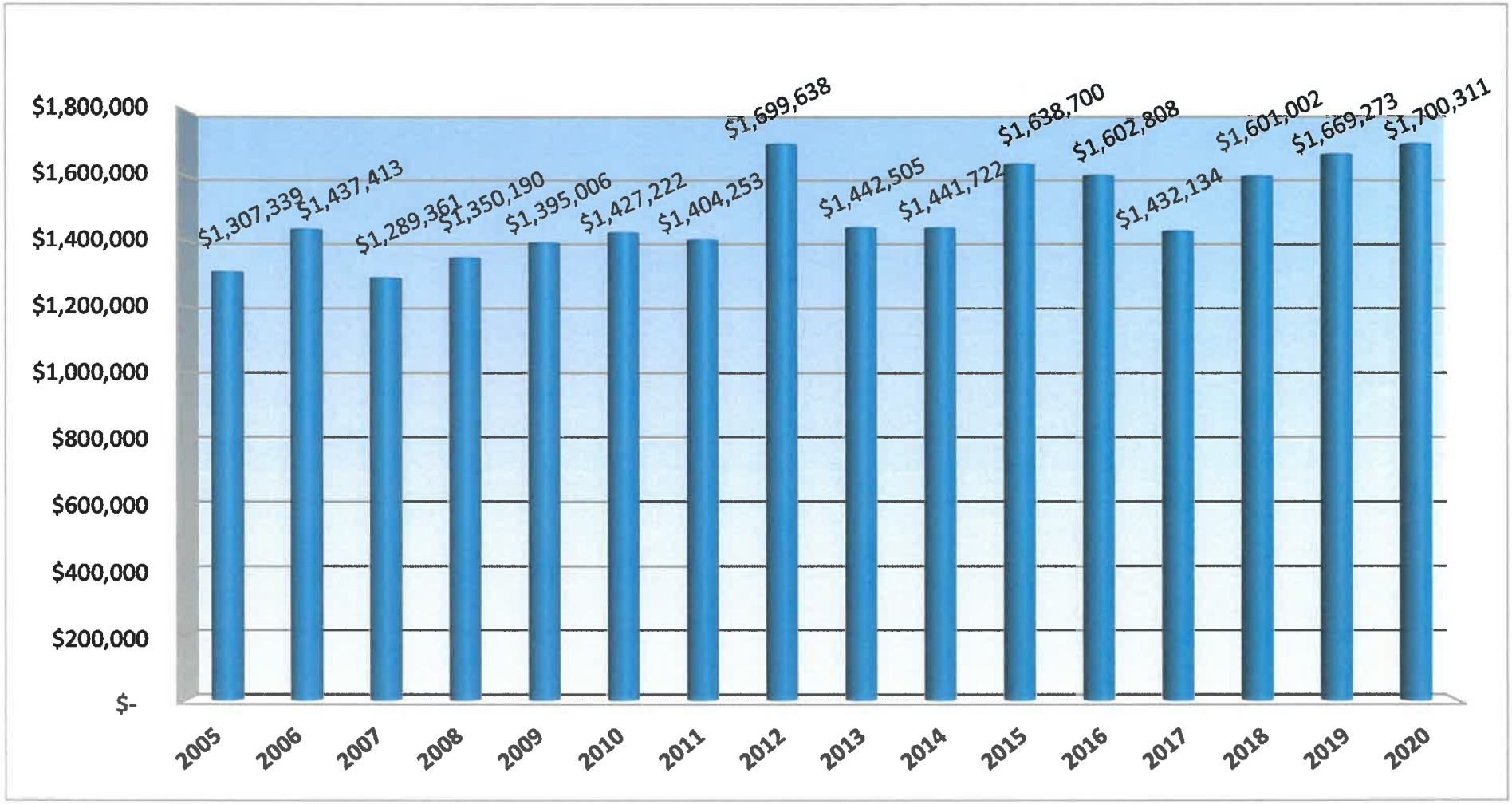
The two largest revenue sources in the General Fund are property taxes ($1.7 million) and state sources ($578 thousand). This revenue represents 63% of all estimated resources to the General Fund Departments. With these sources remaining constant or slightly increasing, it is difficult to maintain the level of services the residents of Gladstone have grown to expect.

Fiscal Year 2019/2020 General Fund Expense



The largest expense in the General Fund is Public Safety at 46%. This department is comprised of public safety officers and volunteer firemen. The next largest expense is general government at 27%. This is consists of the City Commission, Manager, Clerk, Treasurer, Assessor, Community Development, Elections and city hall expenses. The third largest expense is Parks & Recreation at 18%. The City of Gladstone prides itself as the 'Year Round Playground." The recreation areas covered are Gladstone Bay Campground, sports park, beach, playgrounds, parks and trail system.

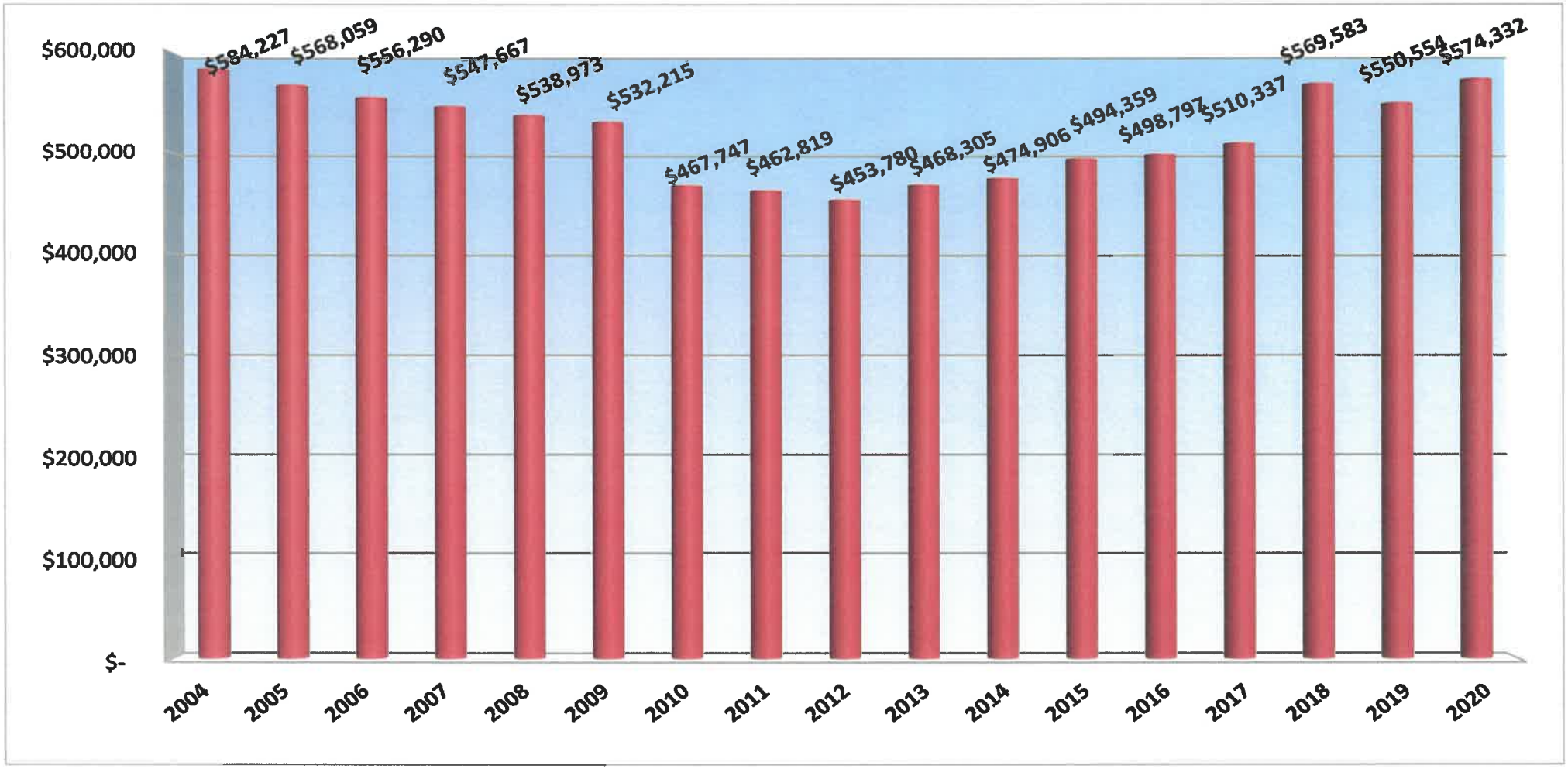
Property Tax Revenues



Taxes are levied by the City to fund services that are performed for the combined benefit of residents. There are several variables that affect the growth or decline of tax revenues including the addition or loss of taxable values and statutory regulations. There are many departments and services that are funded from the property taxes collected. General government, parks & recreation, public safety, property maintenance/zoning just to name a few.

Trend Analysis:
Minimal upward trend.

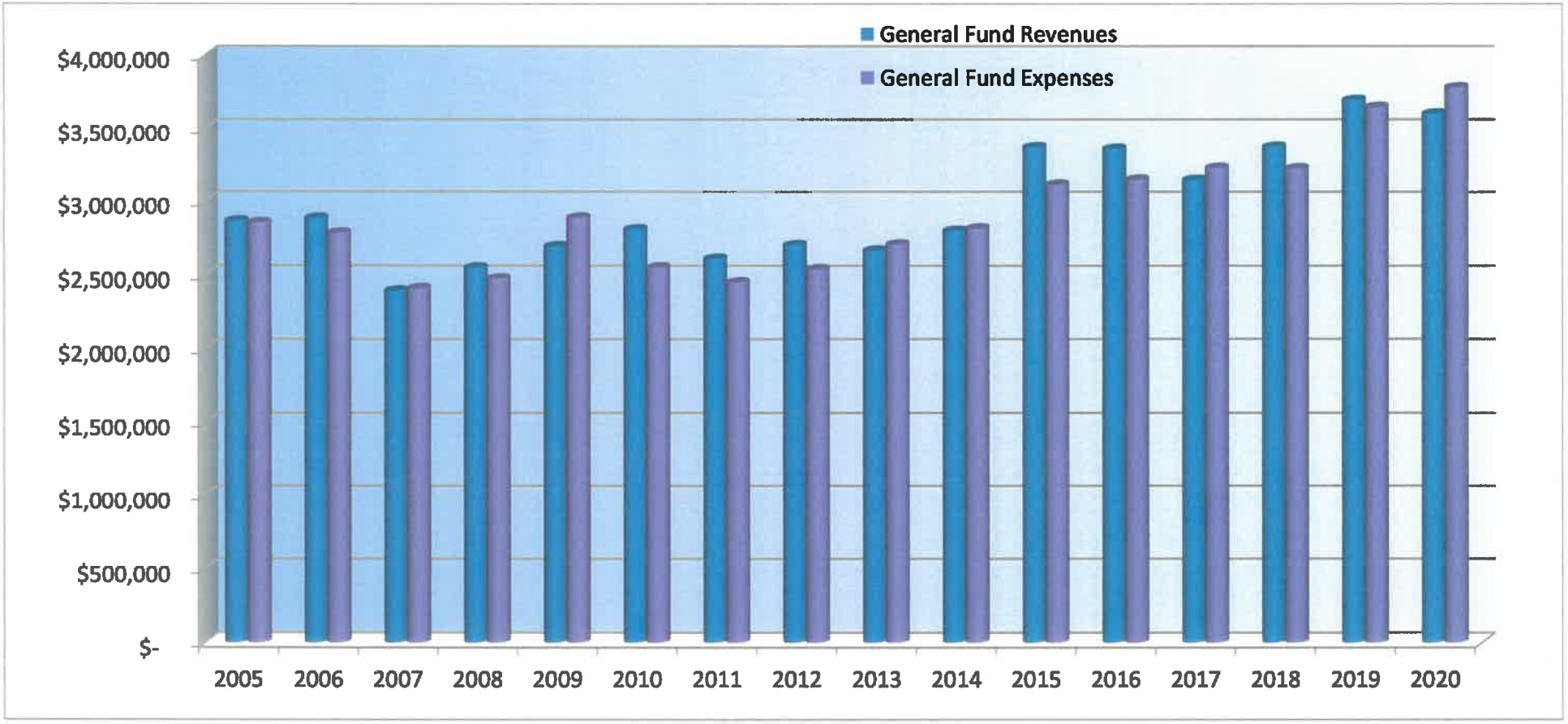
State Shared Revenue



The State Revenue sharing program distributes sales tax collected by the State of Michigan to the local governments as unrestricted revenues. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). Sales tax fluctuations vary depending on the strength of the state economy, actual sales tax revenue, and annual appropriation bills for the statutory portion. This is evident by the decrease of actual disbursements in state shared revenue between 2004 to 2012. Since then, we've been slightly increasing every year and are almost to the level we were in 2004.

Trend Analysis:
Minimal upward trend after decreasing trend since 2004.

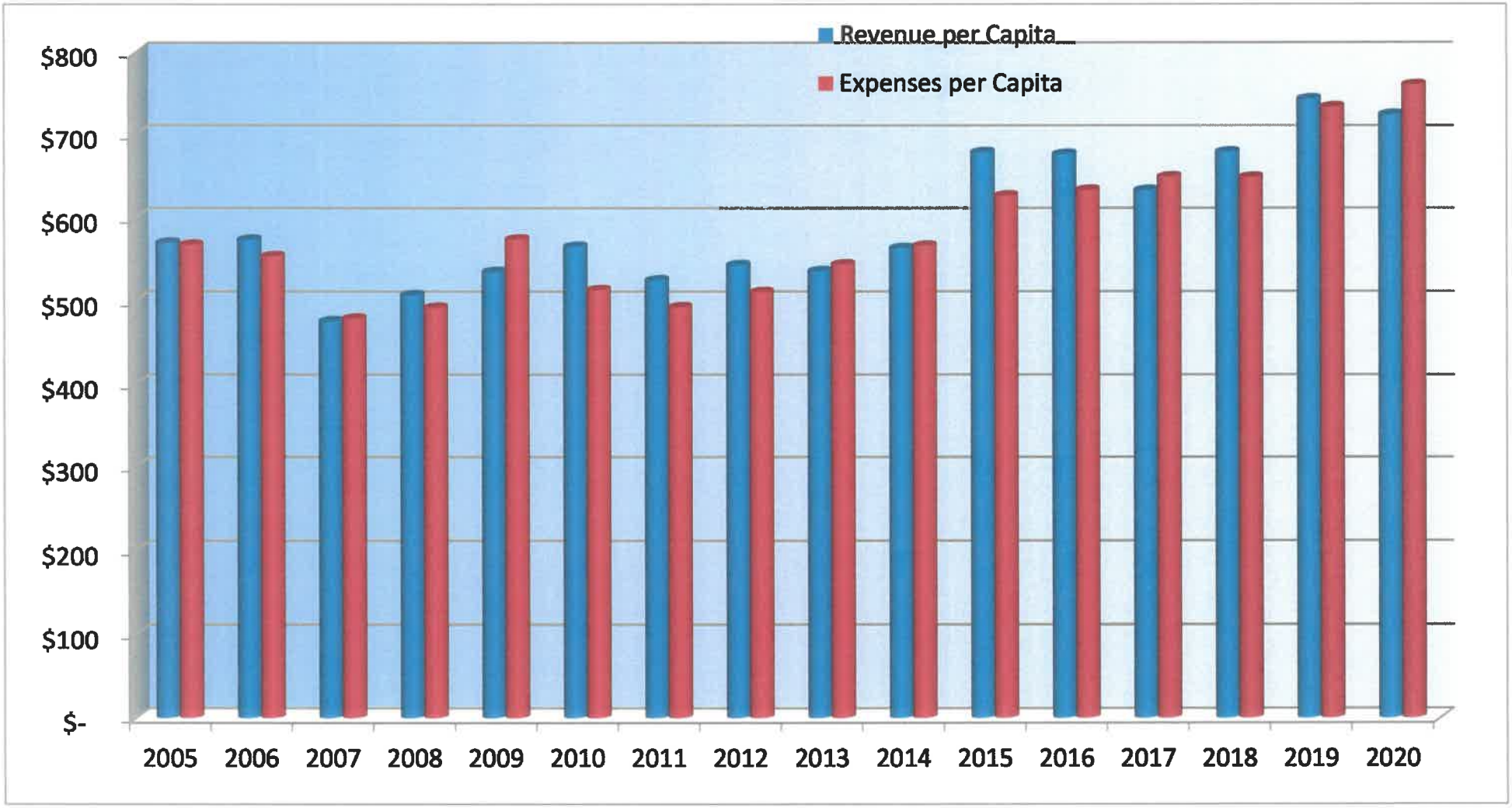
General Fund Revenues and Expenses



The two largest revenue sources in the General Fund are property taxes ($1.7 million) and state sources ($578 thousand). This revenue represents 63% of all estimated resources to fund the General Fund departments. With these sources remaining constant or slightly increasing after large decreases, it is difficult to maintain the level of services the residents of Gladstone have come to love.

The largest General Fund expense is Public Safety at 46%. This department is comprised of Public Safety Officers and Volunteer Firemen. The second largest expense is General Government (27%) which is comprised of City Commission, City Retirees, Manager, Clerk, Treasurer, Assessor, Elections and City Hall expenses. The third largest expense is Parks & Recreation (18%) which Gladstone prides itself as the "Year 'Round Playground." The recreation areas covered are Bay Campground, Sports Park, beach, playgrounds, parks, and the trail system.

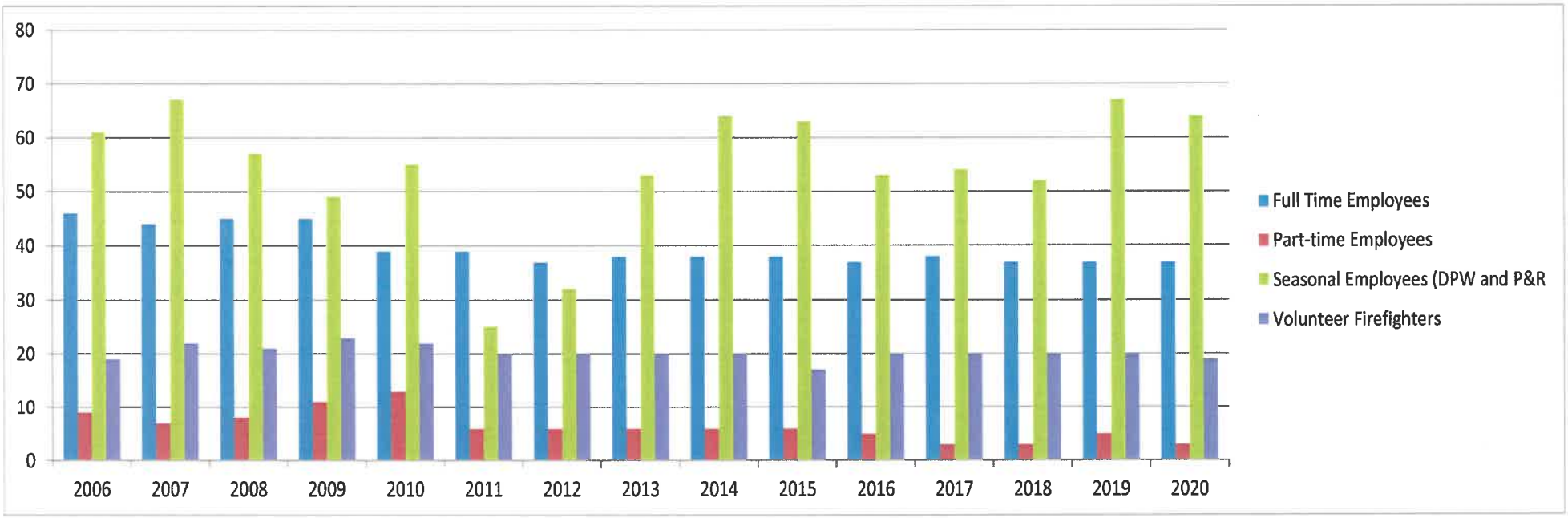
General Fund Revenue and Expenditures per Capita



The General Fund is comprised of the City Commission, City Retirees, Manager, Clerk, Treasurer, Assessor, Elections, Community Development, Public Safety and City Hall expenses and Parks & Recreation.

Employees

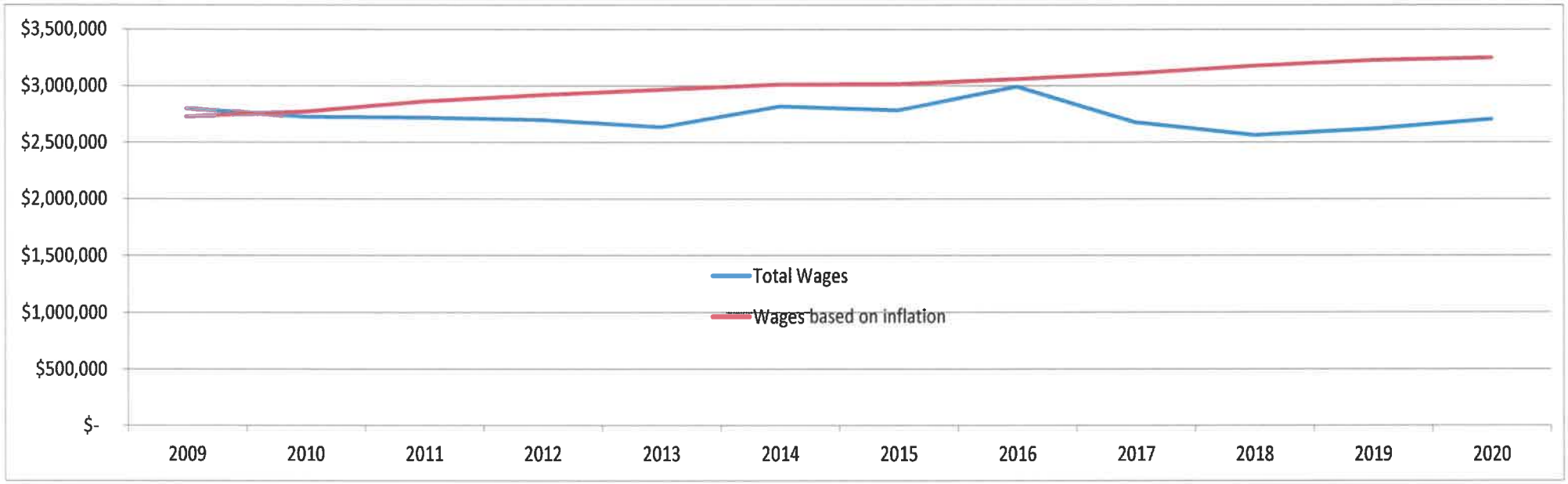
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Full Time Employees	46	44	45	45	39	39	37	38	38	38	37	38	37	37	37
Part Time Employees	9	7	8	11	13	6	6	6	6	6	5	3	3	5	3
Seasonal Employees	61	67	57	49	55	25	32	53	64	63	53	54	52	67	64
Volunteer Firefighters	19	22	21	23	22	20	20	20	20	17	20	20	20	20	19
	135	140	131	128	129	90	95	117	128	121	115	115	112	129	123



Trend Analysis:
Employees in total have decreased. Full time employees since 2006 have through attrition. The city continuously works on controlling all of its expenditures including personnel costs.

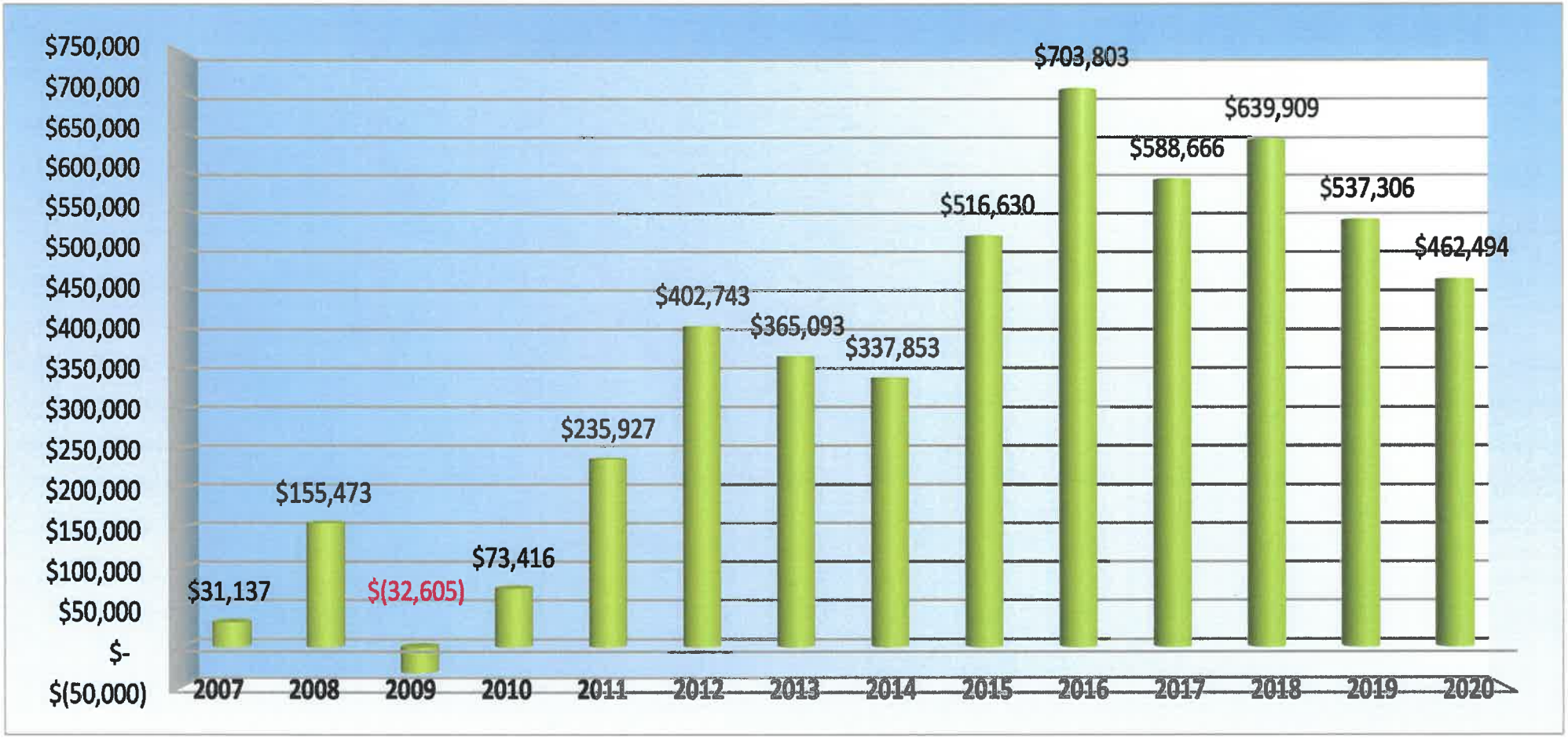
Wages

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Wages	$2,799,821	$2,722,485	$2,718,169	$2,694,049	$2,631,329	$2,818,114	$2,782,063	$2,991,686	2,673,655	2,560,007	2,617,626	2,702,416



Full time employees since 2006 have decreased through attrition. The city continuously works on controlling all of its expenditures including personnel costs. Since 2009 total wages has decreased from $2,799,821 in 2009 to $2,702,416 which is a 4% decrease.

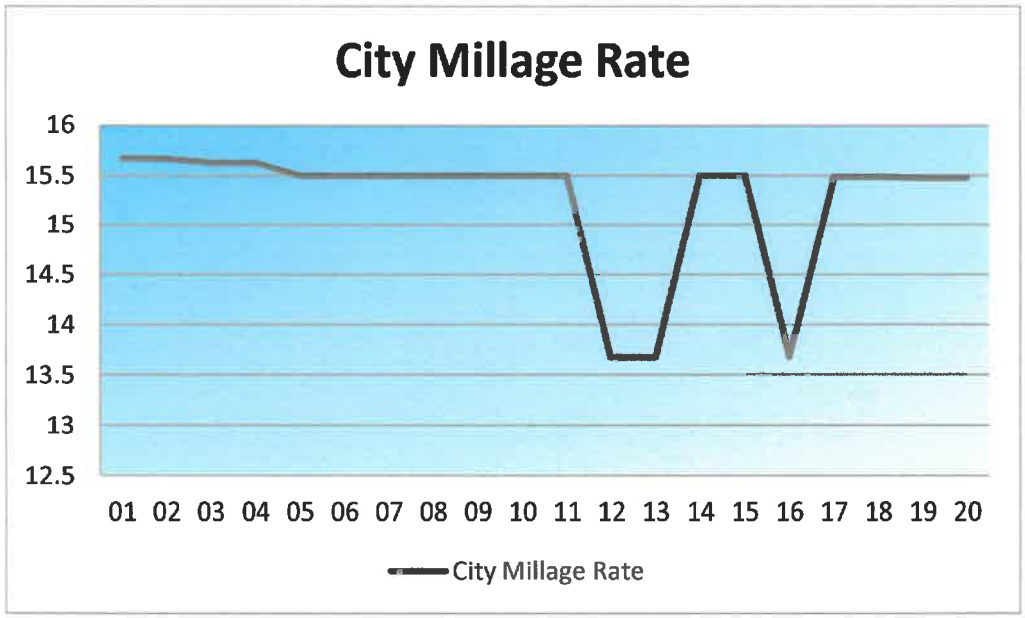
General Fund Fund Balance



It is a sound practice to maintain a positive fund balance. Having a healthy fund balance allows the City to cope with unforeseen circumstances related to either it's revenue and/or expenditure flows. The City of Gladstone considers having a strong fund balance critical to being able to manage it's service delivery during all business cycles.

In 2017, the City Commission adopted a fund balance policy to retain a minimum fund balance levels in all funds.

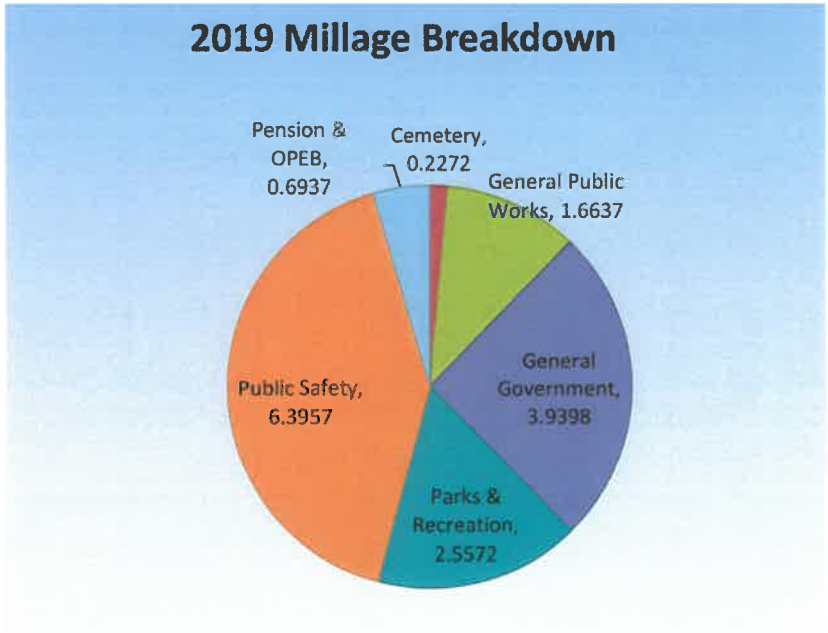
Millage Rates



Below is a breakdown of how the total tax dollars are allocated for services provided to the community. The general operating millage is unrestricted monies that are used to pay for General Government (City Commission, City Retirees, Manager, Clerk, Treasurer, Assessor, Community Development, Elections and city hall expenses), Public Safety Officers and Volunteer Firemen, Parks & Recreation, Cemetery and General Public Works.

Millage Breakdown Per Department

Function	**Mills**
Cemetery	.2272
General Public Works	1.6637
General Government	3.9398
Parks & Recreation	2.5572
Public Safety	6.3957
Pension & OPEB	.6937
Total	15.4773

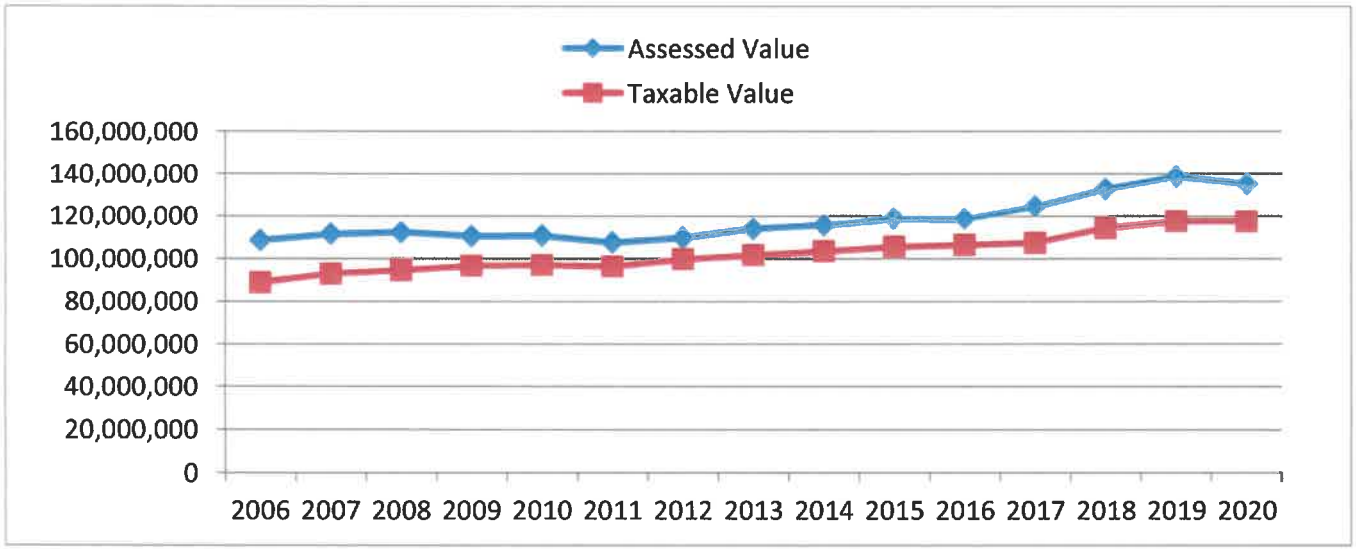


Additional Tax Information

2019 Millage Rates	
County	5.0317
City of Gladstone	**15.4773**
State Education	6.0000
School Operating	18.0000
School Debt	6.2000
Community College	3.3076
I.S.D.	2.3851
Road Patrol	.9000
Community Action	.6000
D.A.T.A.	.6000
911 Dispatch	.4500
Jail Bond	.8350
Recycling	.3000
	60.0867

	Assessed Value	Taxable Value
2006	108,507,500	88,718,800
2007	111,560,000	92,817,890
2008	112,232,932	94,478,627
2009	110,401,928	96,590,918
2010	110,549,448	97,034,975
2011	107,518,678	96,247,342
2012	109,787,158	99,728,947
2013	113,956,801	101,715,342
2014	115,779,895	103,541,306
2015	118,990,562	105,591,113
2016	118,767,277	106,551,791
2017	124,569,411	107,501,344
2018	132,937,854	114,441,506
2019	138,716,354	117,604,657
2020	135,330,635	117,526,749

Property Classes	# of Parcels	
Commercial	193	7%
Industrial	22	1%
Residential	2454	87%
Personal	139	5%
Exempt	0	0



Where Does Your Tax Dollars Go?

County $.08

City $.26

State Education $.10

School Operating $.30

School Debt $.11

College $.06

I.S.D. $.04

Rd. Patrol
Comm Action
D.A.T.A.
Jail Bond
Recycling
$.05

If you are a homeowner in the city, $.26 of every dollar is kept by the City of Gladstone to pay for all general fund services provided. The remaining $.74 of every dollar is remitted to Delta County, State of Michigan, Gladstone School District, Bay de Noc Community College, Delta Schoolcraft Intermediate School District, Delta County Sheriff Department, 911, DATA, Community Action Agency, Delta County Jail and Delta County Landfill.

Long Term Debt & Pension Liabilities

Fund	Description of Loan	Loan Date	Original Loan Amount	Balance as of 3/31/20	Payments required by 3/31/20	Maturity Date
Wastewater	Sludge Storage Tank	12/14/2006	$1,090,718	$470,718	$63,542.92	10/1/2027

Unfunded Post Employment Health Benefits

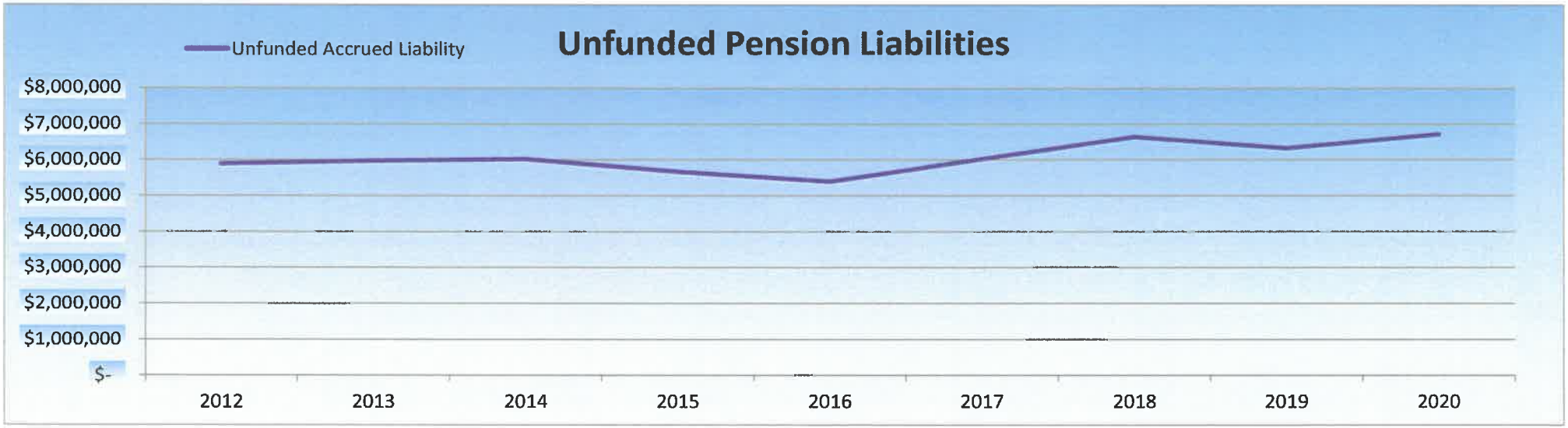
Net OPEB Obligation 3/31/2010	$22,477
Net OPEB Obligation 3/31/2011	$442,339
Net OPEB Obligation 3/31/2012	$654,382
Net OPEB Obligation 3/31/2013	$796,436
Net OPEB Obligation 3/31/2014	$957,248
Net OPEB Obligation 3/31/2015	$1,071,381
Net OPEB Obligation 3/31/2016	$1,043,515
Net OPEB Obligation 3/31/2017	$1,010,944
Net OPEB Obligation 3/31/2018	$961,883
Net OPEB Obligation 3/31/2019	$404,538
Net OPEB Obligation 3/31/2020	$0.00

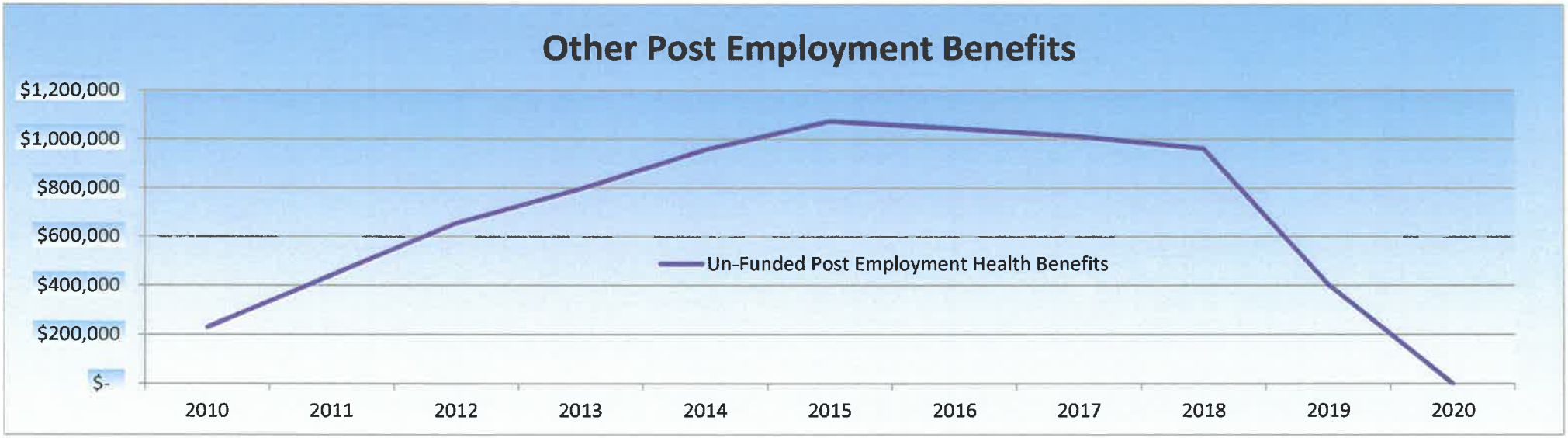
	2013	2014	2015	2016	2017	2018	2019	2020
Actuarial Accrued Liability	$11,487,934	$11,584,977	$12,069,637	$12,207,092	$12,923,689	$13,494,881	$13,493,534	13,499,223
Valuation Assets	$5,894,813	$5,880,892	$5,971,397	$6,017,993	$6,124,401	$6,479,445	$6,711,846	$6,924,254
Unfunded Accrued Liability	$5,543,121	$5,704,085	$6,089,240	$6,189,099	$6,799,288	$7,015,436	$6,781,688	$6,574,969

The City of Gladstone's debt per capita is $1,315 per resident. This is a decrease from 2017. The city issues debt to fund projects or items that were either voter approved, state mandated or are infrastructure improvements. One indicator relative to debt and it's burden is to look at it on a per capital (population related) basis.

The majority of the debt illustrated here is unfunded pension. As a result of P.A. 202, the City bought out the retirees other post employment health benefits which brought that liability to $0.

Long Term Debt & Pension Liabilities





As of 1988 all new City of Gladstone employees are provided with a MERS defined contribution plan vs. a defined benefit plan. A majority of the employees are now participants of this plan. The defined benefit plan consists of 8 active employees and 41 retirees that the City contributes for.

2020-2021 Current FY and 2021/2022 Projected FY Budget—General Fund Only

Revenue	20/21 FY	21/22 FY	Difference
Taxes	$1,738,229	$1,772,994	$34,765
State Sources	$550,400	$550,400	$0
Recreation	$249,800	$249,800	$0
Cemetery	$48,000	$48,000	$0
Transfer From Fund Balance	$0	$0	$0
Other	$1,415,308	$1,183,308	($232,000)
Total	**$4,001,737**	**$3,804,502**	**(197,235)**
Fund Balance	$690,990	$742,071	

Expenses	20/21 FY	21/22 FY	Difference
Public Safety	$1,693,806	$1,727,682	$33,876
General Government	$884,946	$888,875	$3,929
Recreation	$834,208	$550,208	($284,000)
DPW	$378,179	$385,743	$7,564
Cemetery	$99,920	$76,724	($23,196)
Pension & OPEB Fund	$50,000	$50,000	$0
Transfer To Fund Balance	$51,458	$125,270	$73,812
Other	$9,220	$0	($9,220)
Total	**$4,001,737**	**$3,804,502**	**($197,235)**

Revenue Assumptions

- Taxes—-Slight increase.
- State Sources—Remaining flat.
- Recreation—User fees remaining flat.
- Other—Less grant revenue.

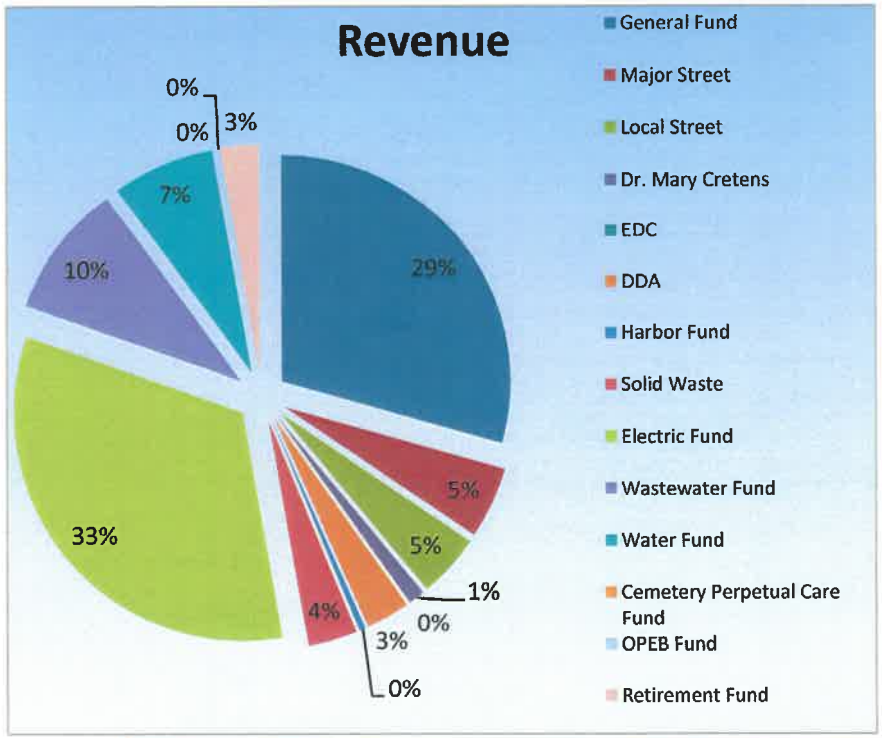
Expense Assumptions

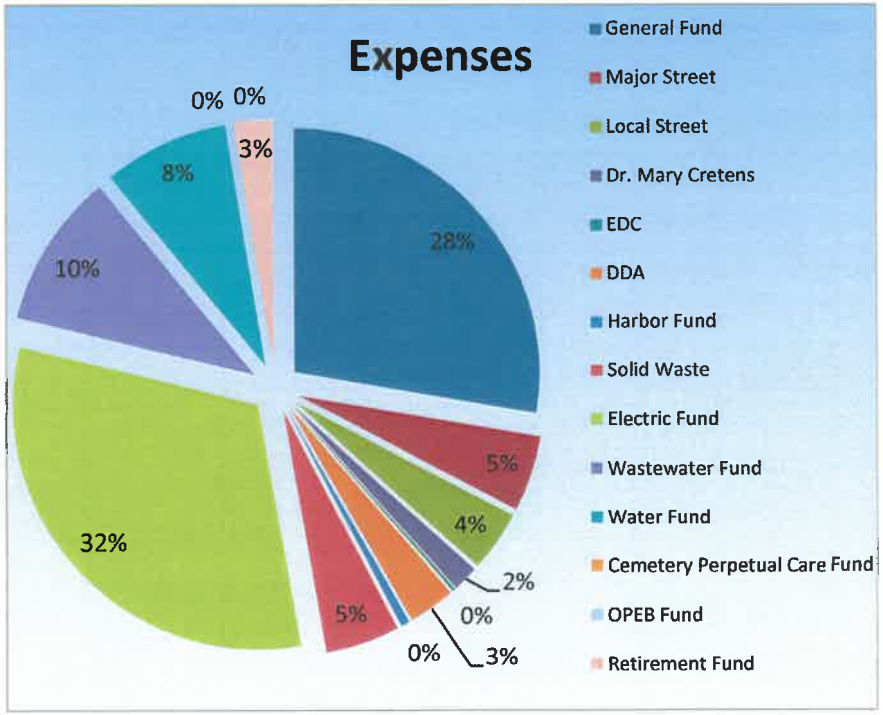
- 2% pay/benefit increase and Wage Openers on Contracts
- 6% increase in MERS
- 3% increase in healthcare.
- Recreation Less grant projects.

- Beginning October 1, 2011, local units of government receiving statutory revenue sharing under PA140 had to meet certain requirements to be eligible to receive a percentage of total revenue sharing appropriated. This was known as Economic Vitality Incentive Program or EVIP.
- Beginning October 1, 2012, a new requirement was added to receive this revenue which was to provide a minimum of 2 years budget information. Current year plus the immediately following fiscal year's revenue and expenses. The projected 2019/2020 fiscal year budget is above, based on certain assumptions.
- Now municipalities are required to comply with the City, Village and Township Revenue Sharing (CVTRS) which consists of the Citizen's Guide, Performance Dashboard, Debt Service Report and Projected Budget Report.

2020/2021 Budget Summary

	Revenue	Expense
General Fund	$4,001,737	$3,950,279
Major Street	$692,422	$710,607
Local Street	$612,600	$579,688
Dr. Mary Cretens	$161,200	$243,250
Economic Development Fund	$0	$27,310
Downtown Development Authority	$426,087	$443,195
Harbor Fund	$63,500	$84,700
Solid Waste Fund	$474,050	$695,601
Electric Fund	$4,511,571	$4,512,623
Wastewater Fund	$1,308,522	$1,460,601
Water Fund	$988,800	$1,182,929
Cemetery Perpetual Care Fund	$2,300	$1,500
OPEB Fund	$0	$0
Retirement Fund	$370,057	$370,057
	$13,612,846	**$14,262,340**

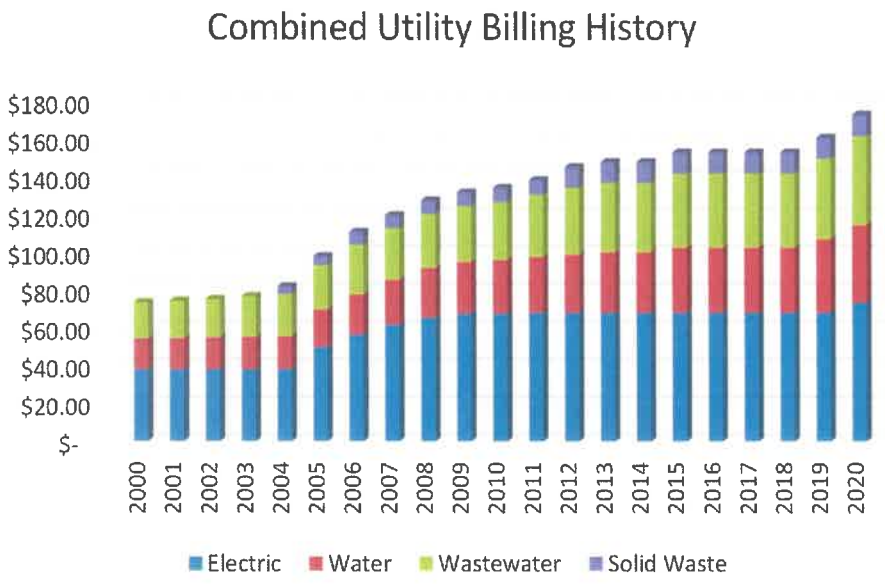


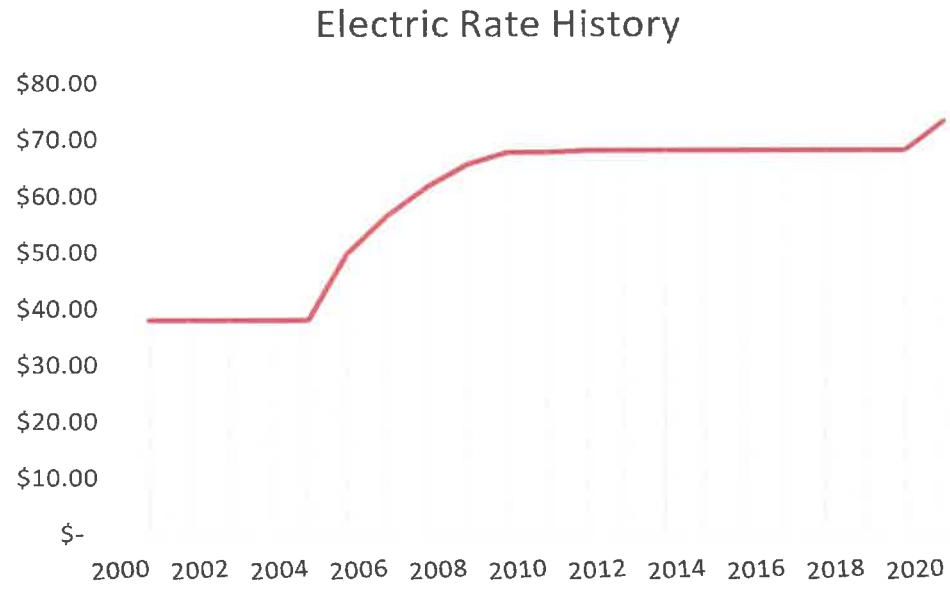


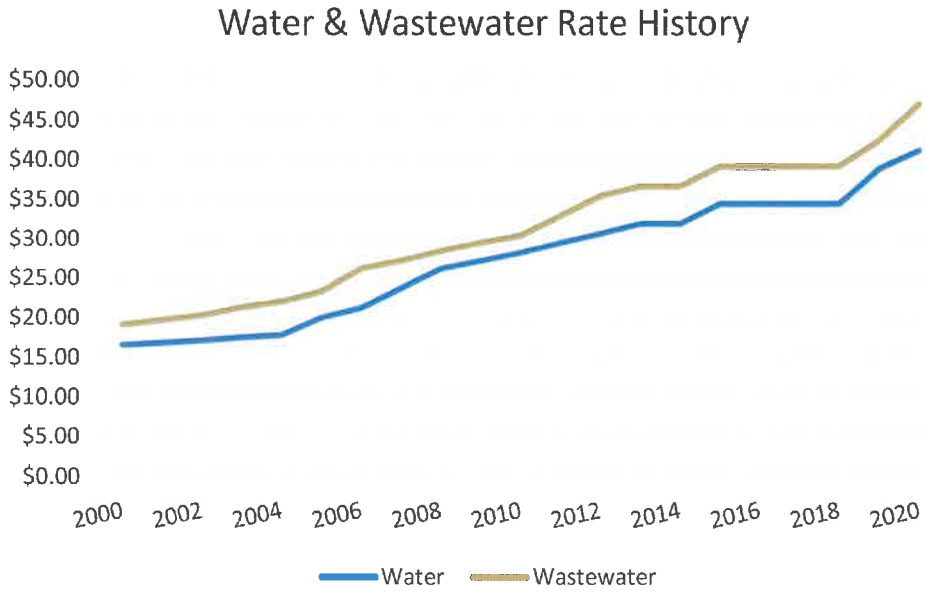
- The City of Gladstone's fiscal year is April-March.
- The above "Budget Summary" is a snapshot of each fund's budget for the current fiscal year.
- Timing of revenue sources per fund are different.
- In the General Fund and DDA Fund, tax revenue collections begin in July of every year.
- The General Fund contains all of the recreation areas, campground, harbor, and sports park. These are all seasonal departments.
- Utility rates are set in June annually, yet the rate adjustments to do not occur until August of each year.

Utility Rate History 2000-2020

- Water & Wastewater based on 5,000 gallons
- Electric based on 500 kWh
- Solid Waste is monthly (began in 2004)







Quality of Life & Economic Strength

The City of Gladstone has 178 acres of park for all residents to enjoy. The mission statement of the Parks & Recreation Department is to provide safe, efficient, quality recreational opportunities and the best possible quality of life in our community. We see ourselves achieving this by involving our citizens.

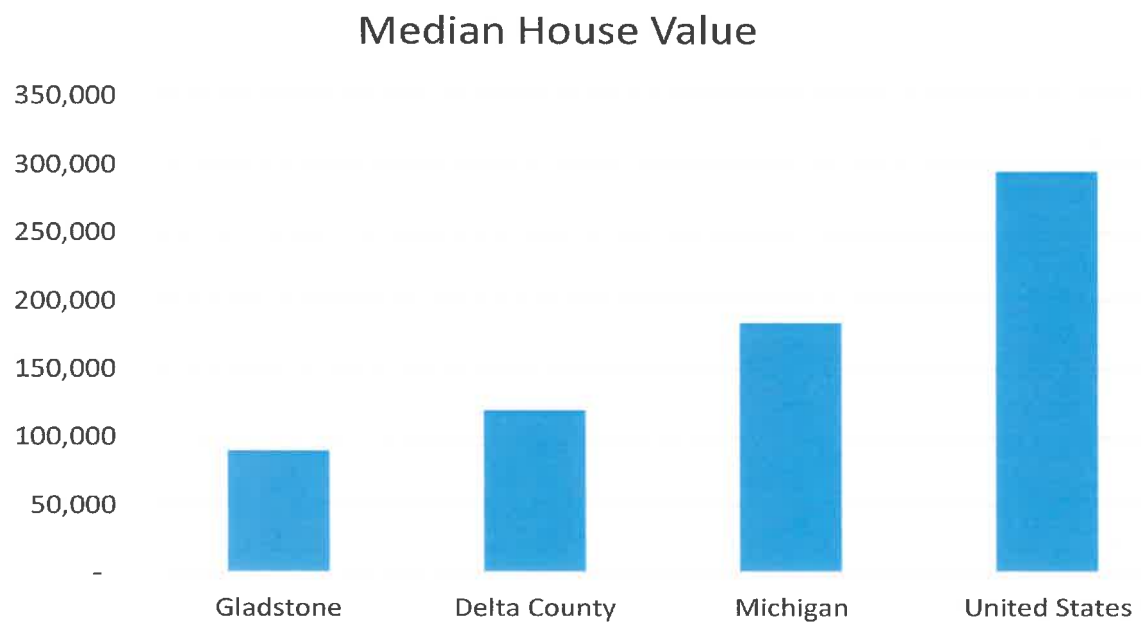
Gladstone Main Street 1910

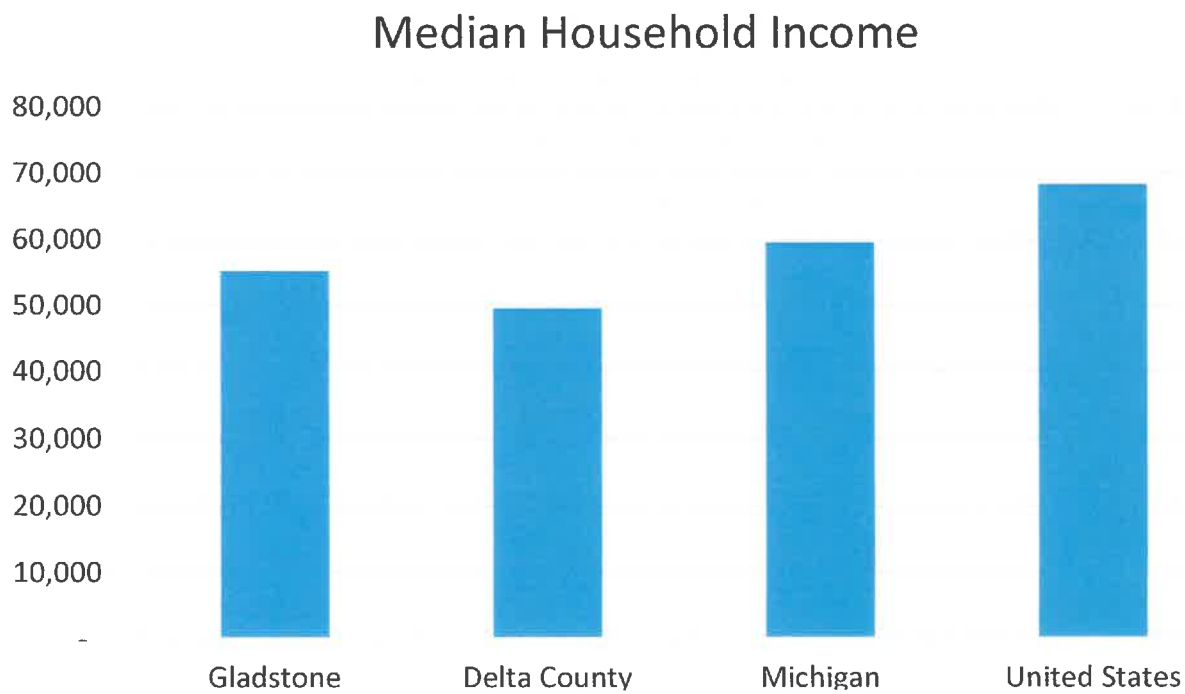
Population by Age, 2010 to 2020

	2010	%Total	2020	% Total	% Change
0-4 Years	293	5.89%	293	5.93%	-0.04%
5-17 Years	836	16.81%	836	16.91%	-0.10%
18-64 Years	2,795	56.20%	2,776	56.14%	-0.06%
65 + Years	1,049	21.09%	1,040	21.03%	-0.06%
Total	4,973		4,945		-0.26%

	2015	2016	2017	2018	2019	2020	Trend
Miles of sidewalks and non-motorized paths/trails as a factor of total miles of local/major streets	.86	.86	.86	.86	.86	.86	Neutral
Percent of General Fund Expenditures committed to Arts, Culture and Recreation	18%	14%	15%	17%	19%	18%	Negative
Acres of park per thousand residents	35.8	35.8	35.8	35.8	35.8	35.8	Neutral
Percent of community being provided with curbside recycling	100%	100%	100%	100%	100%	100%	Neutral

Quality of Life & Economic Strength

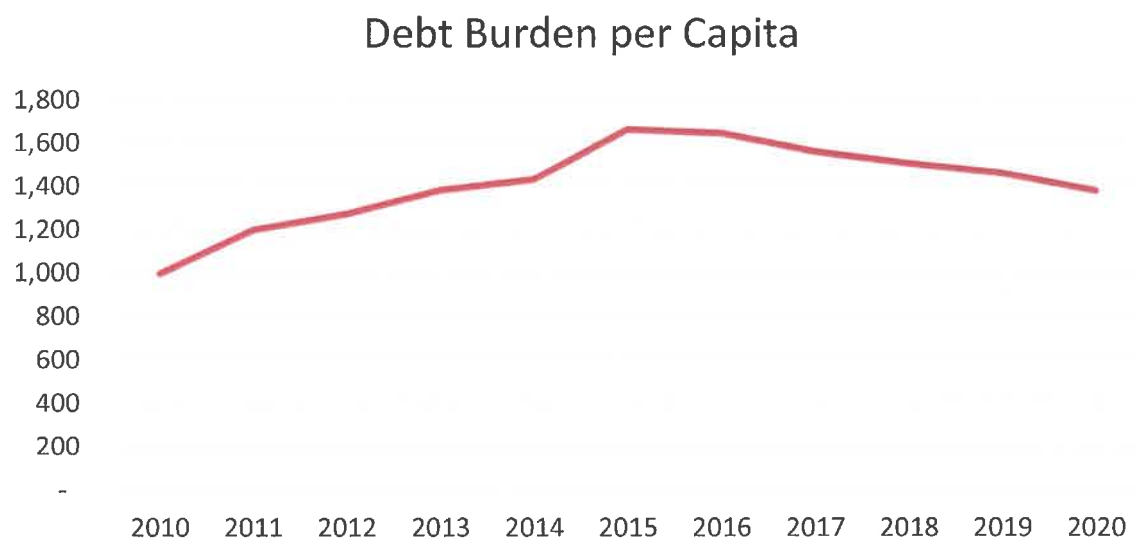




Quality of Life & Economic Strength

Top 14 Employers

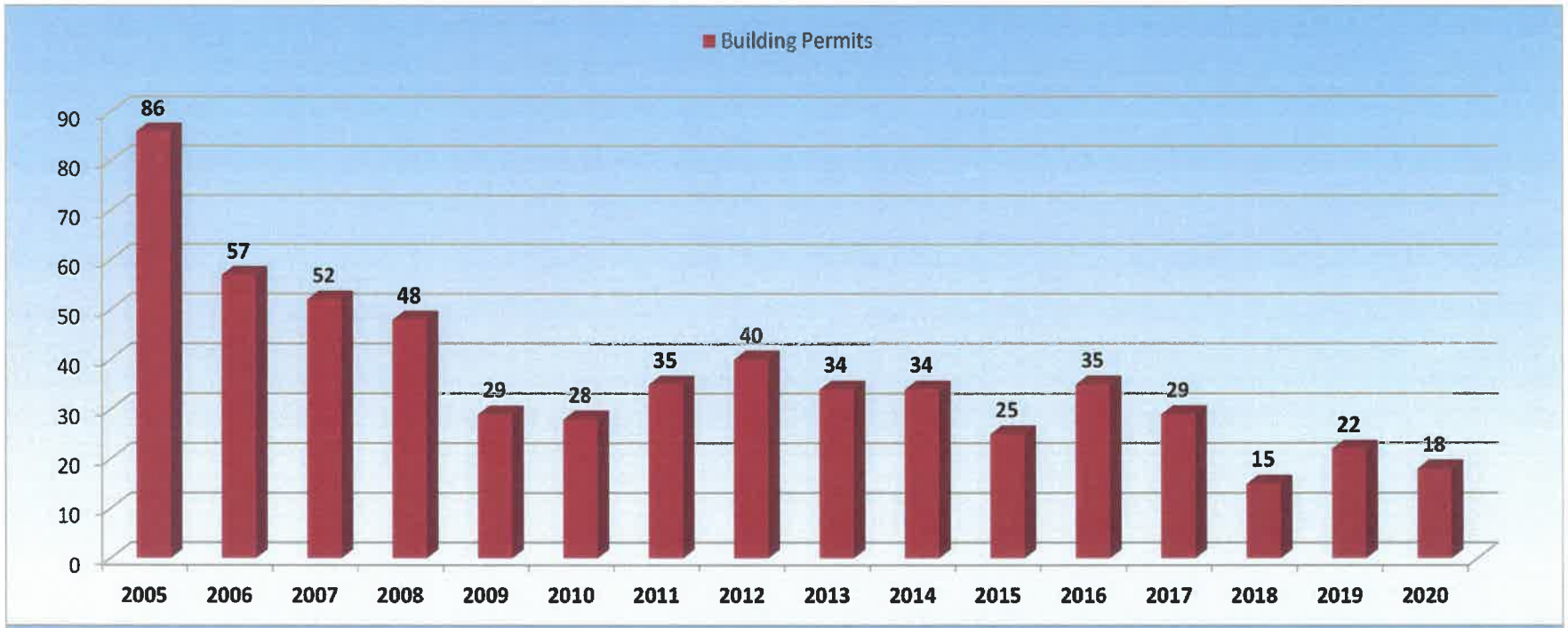
Company	# of Employees
Gladstone Schools	148
Canadian National	82
VanAire	73
Besse Forest Products	60
US Forest Service	50
First Bank	49
City of Gladstone	36
Lakeview Assisted Living	29
Marble Arms	26
Baybank	24
Pardon	18
USDA Service Center	18
Alger Delta Cooperative	13

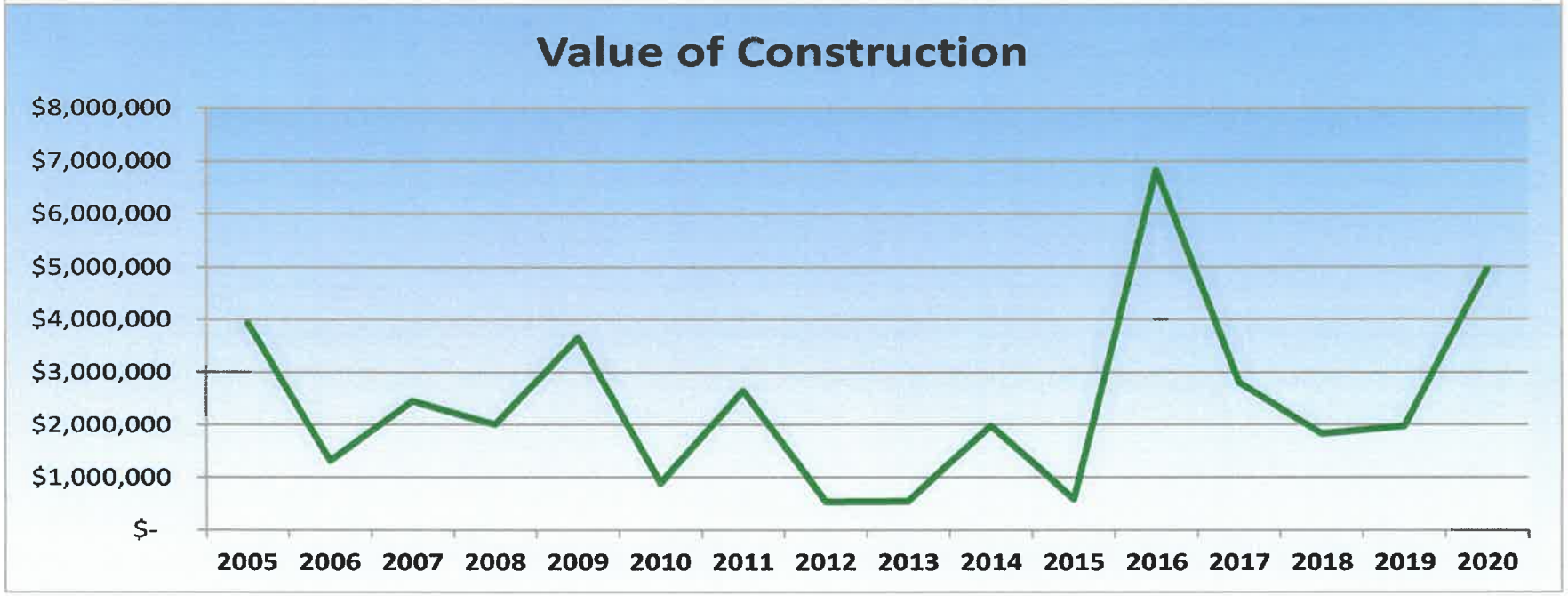


Fiscal Stability										
	2012	2013	2014	2015	2016	2017	2018	2019	2020	Trend
Gen Fund Expenditures per Capita	$512	$542	$567	$524	$634	$650	$649	$738	$761	Positive
Debt Burden Per Capita	$1,272	$1,379	$1,429	$1,660	$1,643	$1,559	$1,503	$1,458	$1,377	Positive

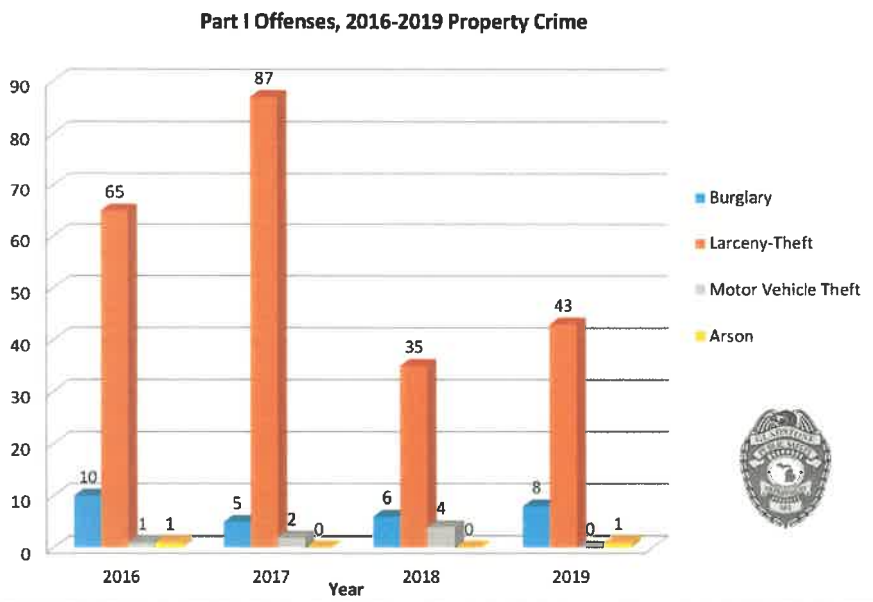
Community Development

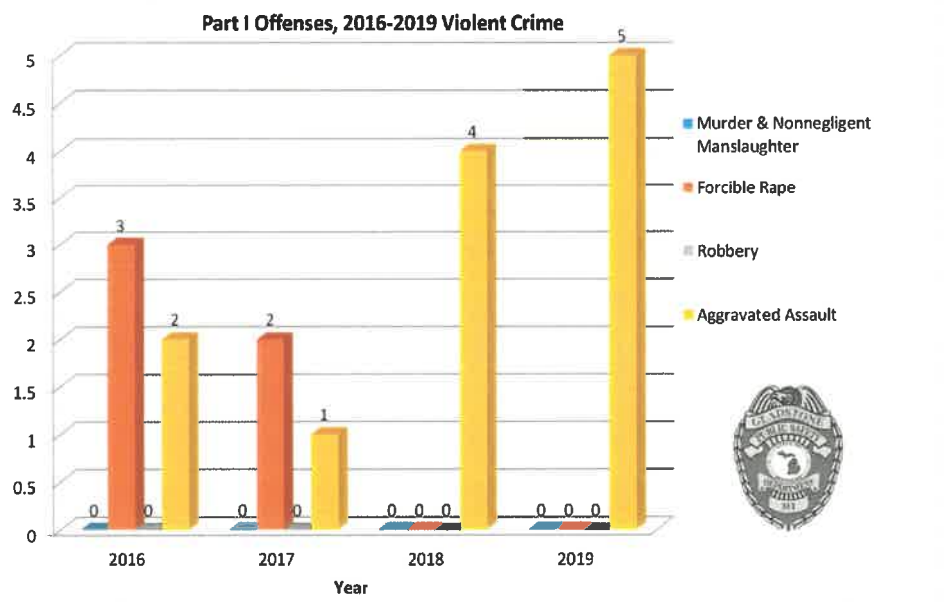
Permits, Rental Inspections and New Construction

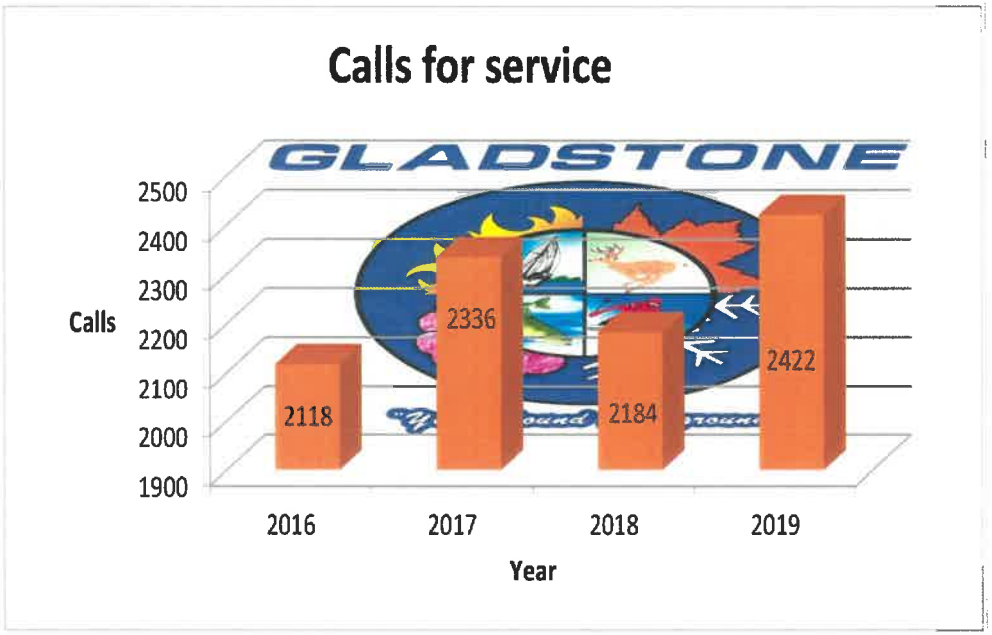


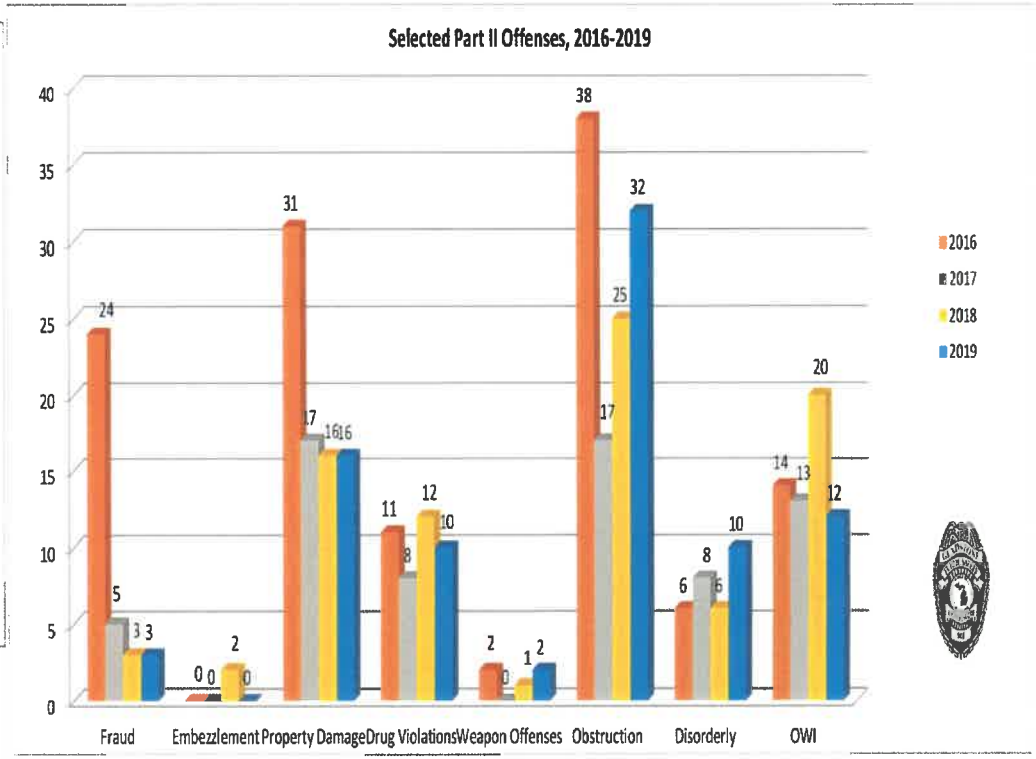


Public Safety









City of Gladstone Debt Service Report

Debt Name	Sewer Bond
Issuance Date	12/14/2006
Issuance Amount	$1,090,718
Debt Instrument	Bond
Repayment Source	Sewer Revenue

Years Ending	Principal	Interest	Outstanding Balance
2013	$50,000	$13,743	$795,718
2014	$50,000	$12,930	$745,718
2015	$55,000	$12,118	$690,718
2016	$55,000	$11,224	$635,718
2017	$55,000	$10,330	$580,718
2018	$55,000	$9,437	$525,718
2019	$55,000	$8,543	$470,718
2020	$55,000	$7,649	$415,718
2021	$55,000	$6,755	$360,718
2022	$60,000	$5,862	$300,718
2023	$60,000	$4,887	$240,718
2024	$60,000	$3,912	$180,718
2025	$60,000	$2,937	$120,718
2026	$60,000	$1,962	$60,718
2027	$60,718	$987	$0.00
Totals	**$845,718**	**$113,276**	