

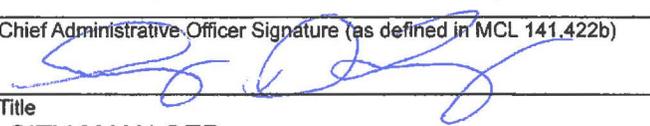
# City, Village, and Township Revenue Sharing and County Incentive Program Certification

Issued under authority of 2018 Public Act 207. 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 2018 Public Act 207. 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.

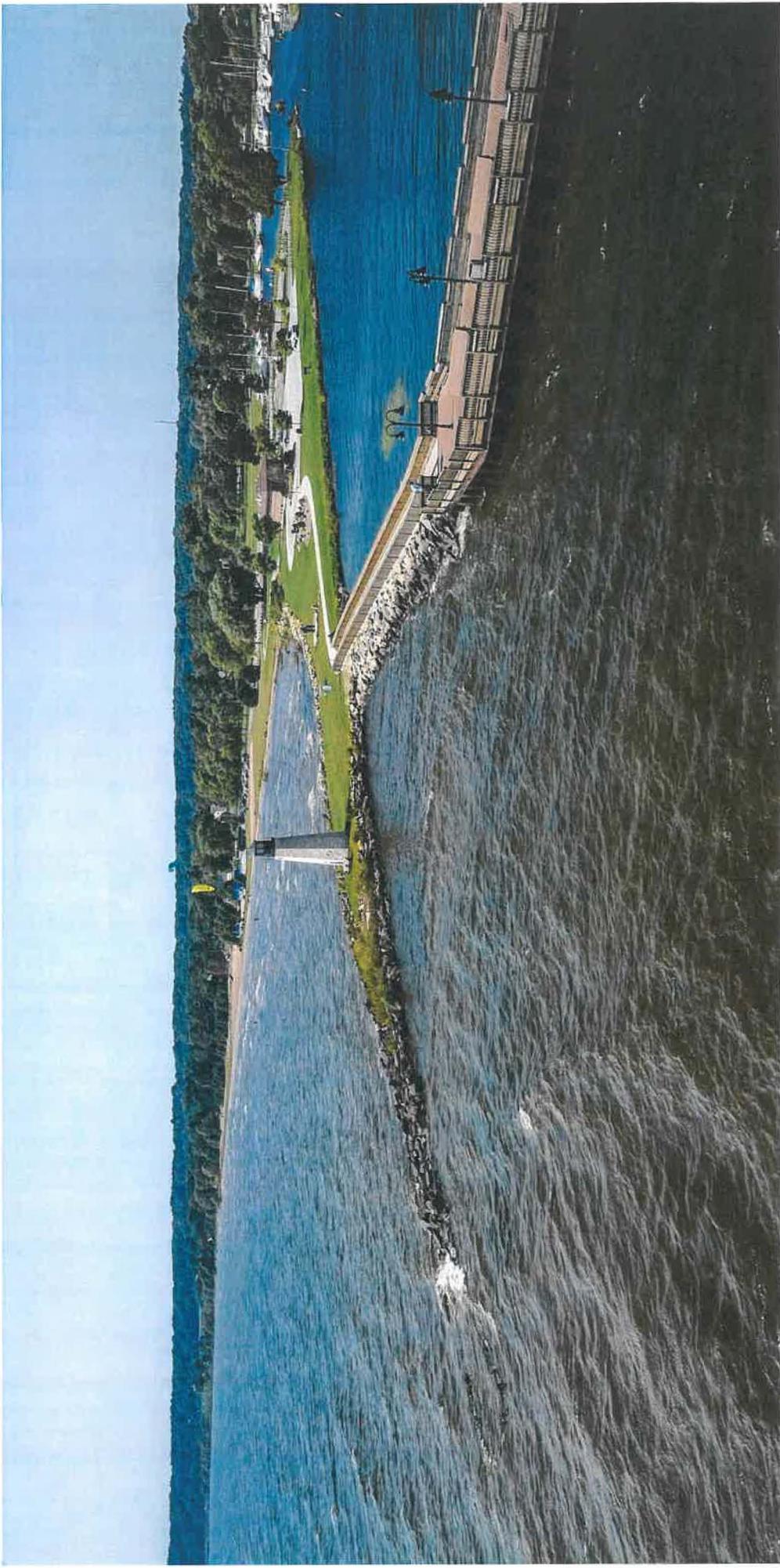
This certification, along with a Citizen's Guide, a Performance Dashboard, a Debt Service Report, and a Projected Budget Report, **must be received by December 1, 2018**, (or the first day of a payment month) in order to qualify for that month's payment. Postmark dates will not be considered. For questions, call 517-373-2697.

<b>PART 1: LOCAL UNIT INFORMATION</b>			
Local Unit Name <b>CITY OF GLADSTONE</b>		Local Unit County Name <b>DELTA</b>	
Local Unit Code <b>21025</b>		Contact E-Mail Address <b>VSCHROEDER@GLADSTONEMI.ORG</b>	
Contact Name <b>VICKI SCHROEDER</b>	Contact Title <b>TREASURER</b>	Contact Telephone Number <b>(906) 428-3636</b>	Extension
Website Address, if reports are available online <b>WWW.DELTAMI.ORG</b>		Current Fiscal Year End Date <b>2018</b>	
<b>PART 2: CITIZEN'S GUIDE</b>			
Check any of the following that apply:			
<input type="checkbox"/> 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.			
<input type="checkbox"/> The local unit does not have any unfunded liabilities (pensions or other postemployment benefits (OPEB)).			
<b>PART 3: CERTIFICATION</b>			
<i>In accordance with 2018 Public Act 207, 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.</i>			
Chief Administrative Officer Signature (as defined in MCL 141.422b) 		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) <b>DARCY D. LONG</b>	
Title <b>CITY MANAGER</b>		Date <b>11/26/2018</b>	

Completed and signed form (including required attachments) should be e-mailed to: [TreasRevenueSharing@michigan.gov](mailto: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:

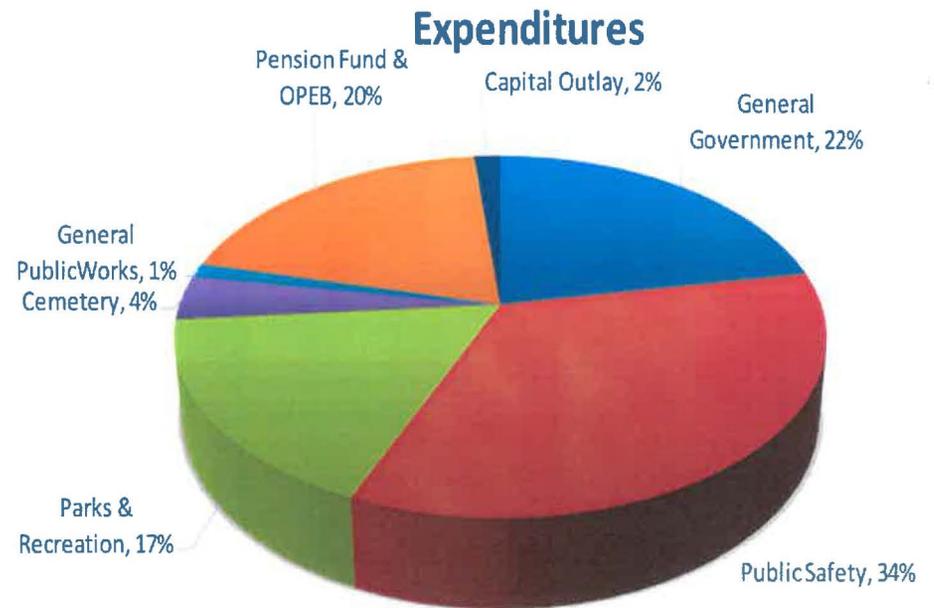
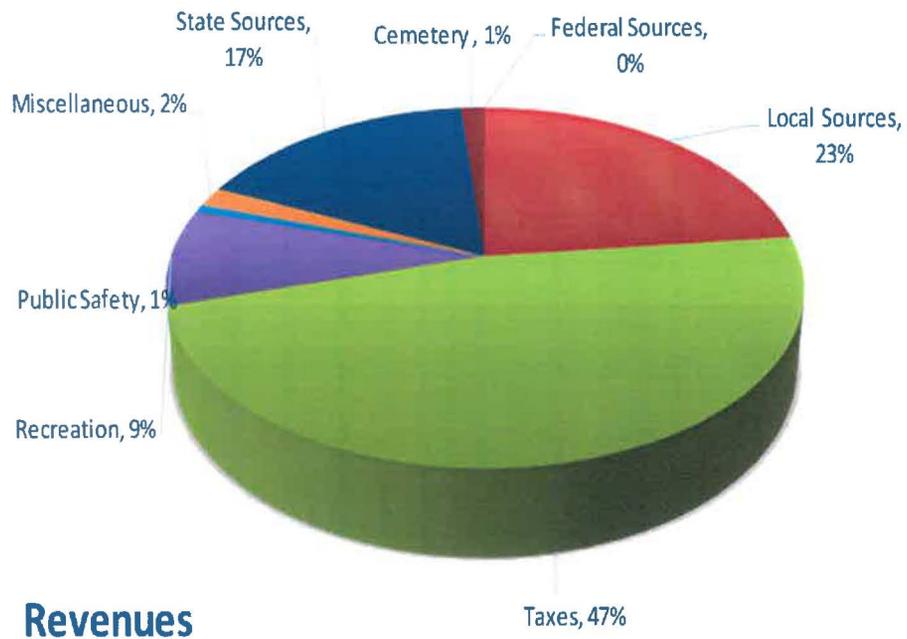
Michigan Department of Treasury  
Revenue Sharing and Grants Division  
PO Box 30722  
Lansing MI 48909

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



# **2018 City of Gladstone Citizen's Guide & Performance Dashboard**

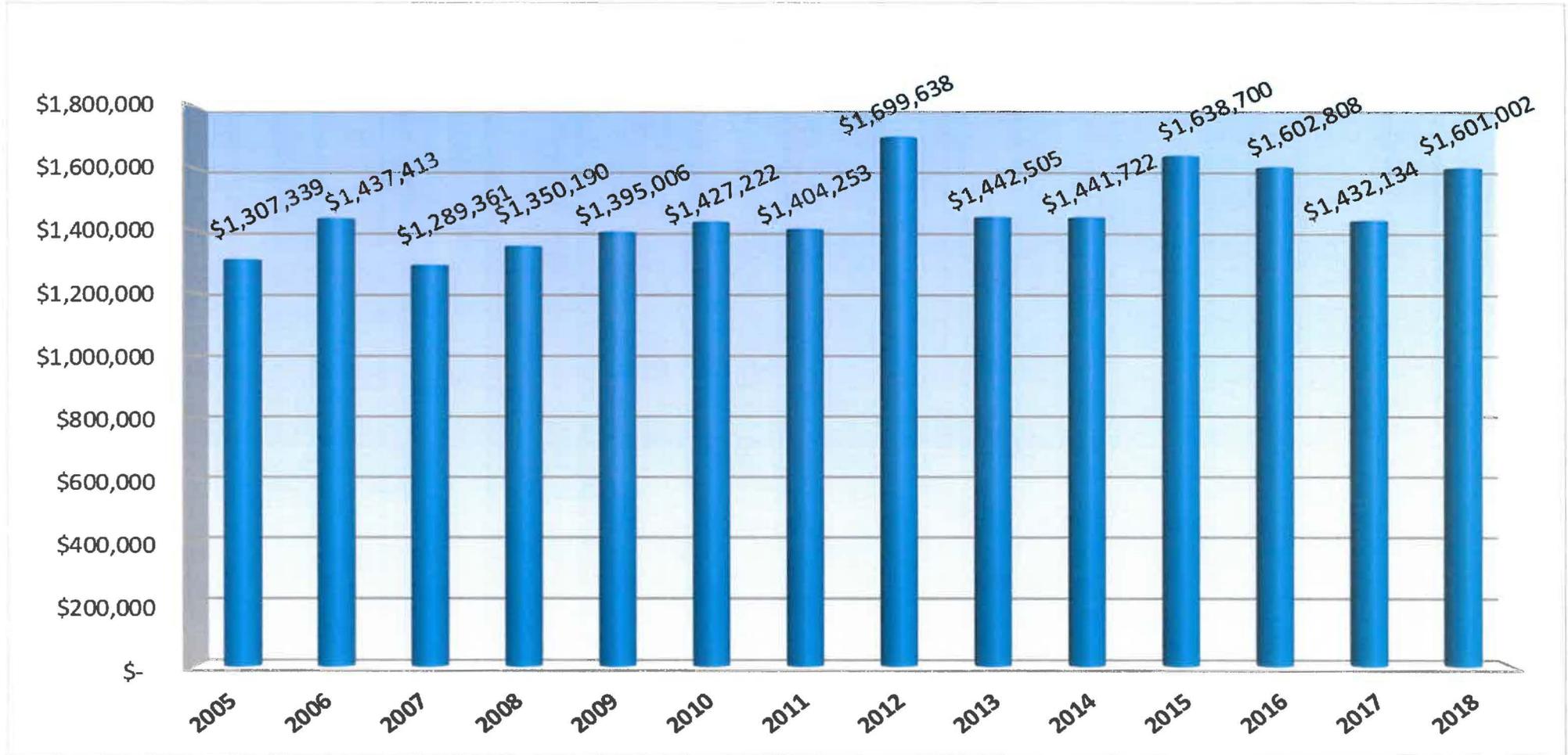
# Fiscal Year 2017/2018 General Fund Revenue and Expense



The two largest revenue sources in the General Fund are property taxes (\$1.6 million) and state sources (\$569 thousand). This revenue represents 64% of all estimated resources to the General Fund Departments. With these sources remaining constant, slightly increasing or even decreasing, it is difficult to maintain the level of services the residents of Gladstone have come to expect.

The largest expense in the General Fund is Public Safety at 34%. This department is comprised of public safety officers and volunteer firemen. The next largest expense is general government at 22%. This is comprised of the City Commission, Manager, Clerk, Treasurer, Assessor, Community Development, Elections and city hall expenses. The third largest expense is Parks & Recreation at 17%. 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

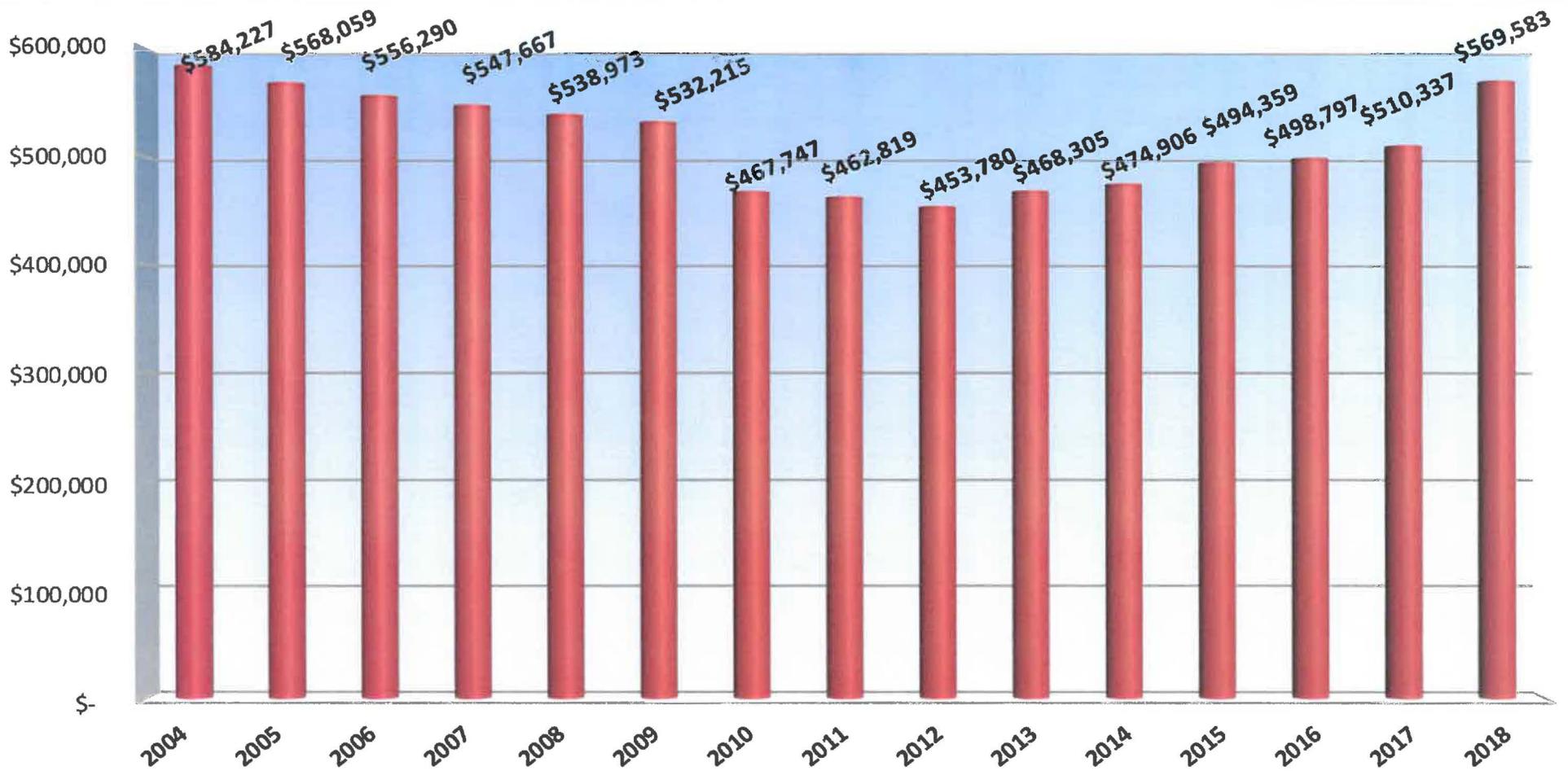


Taxes are levied by the City to fund services that are performed for the combined benefit of residents. There are several variables that affect the growth or decline of tax revenues including the addition or loss of taxable values and statutory regulations. There are many departments and services that 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 after declining trend.

## State Shared Revenue

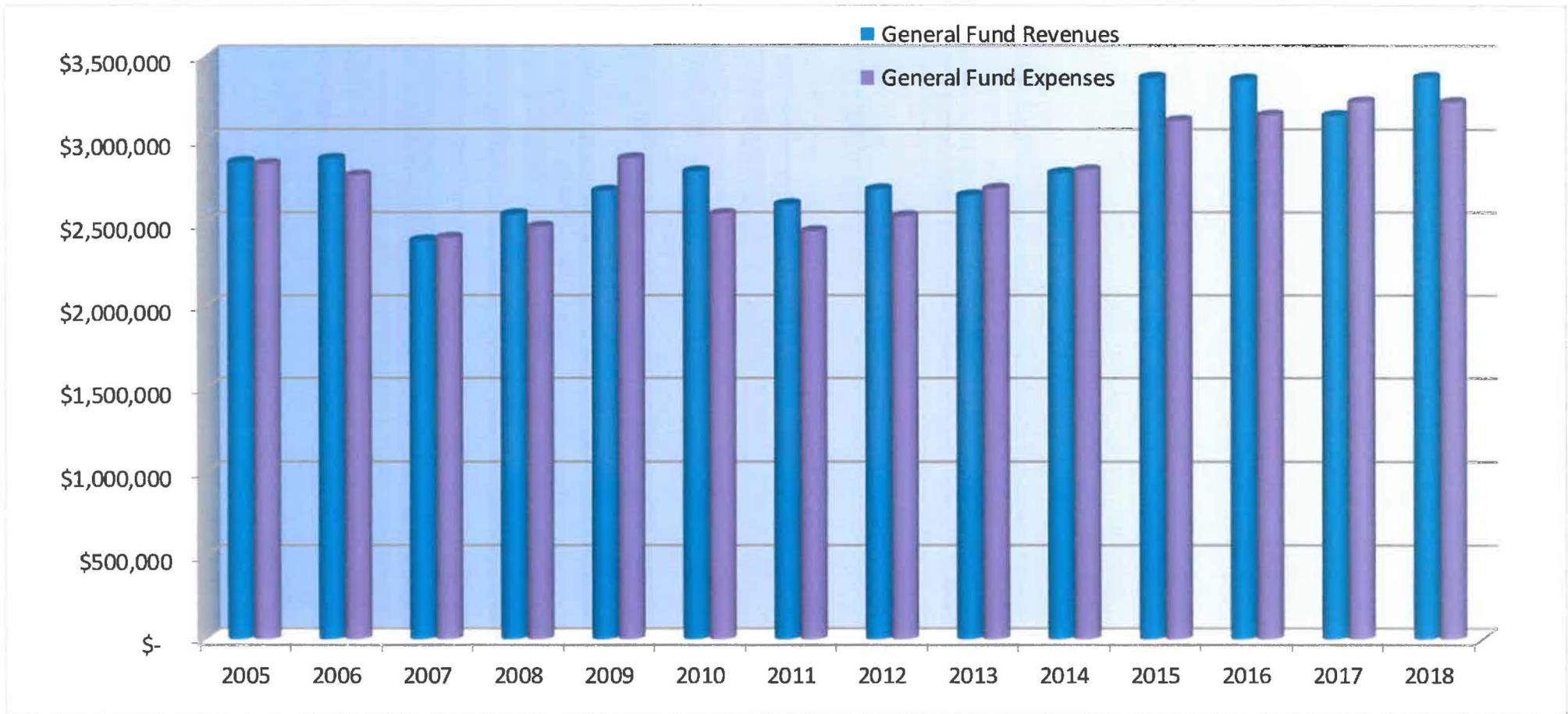


The State Revenue sharing program distributes sales tax collected by the State of Michigan to the local governments as unrestricted revenues. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). Sales tax fluctuations vary depending 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 by nearly \$85,430 2004 to 2016.

### Trend Analysis:

Minimal upward trend after decreasing trend since 2004.

# General Fund Revenues and Expenses



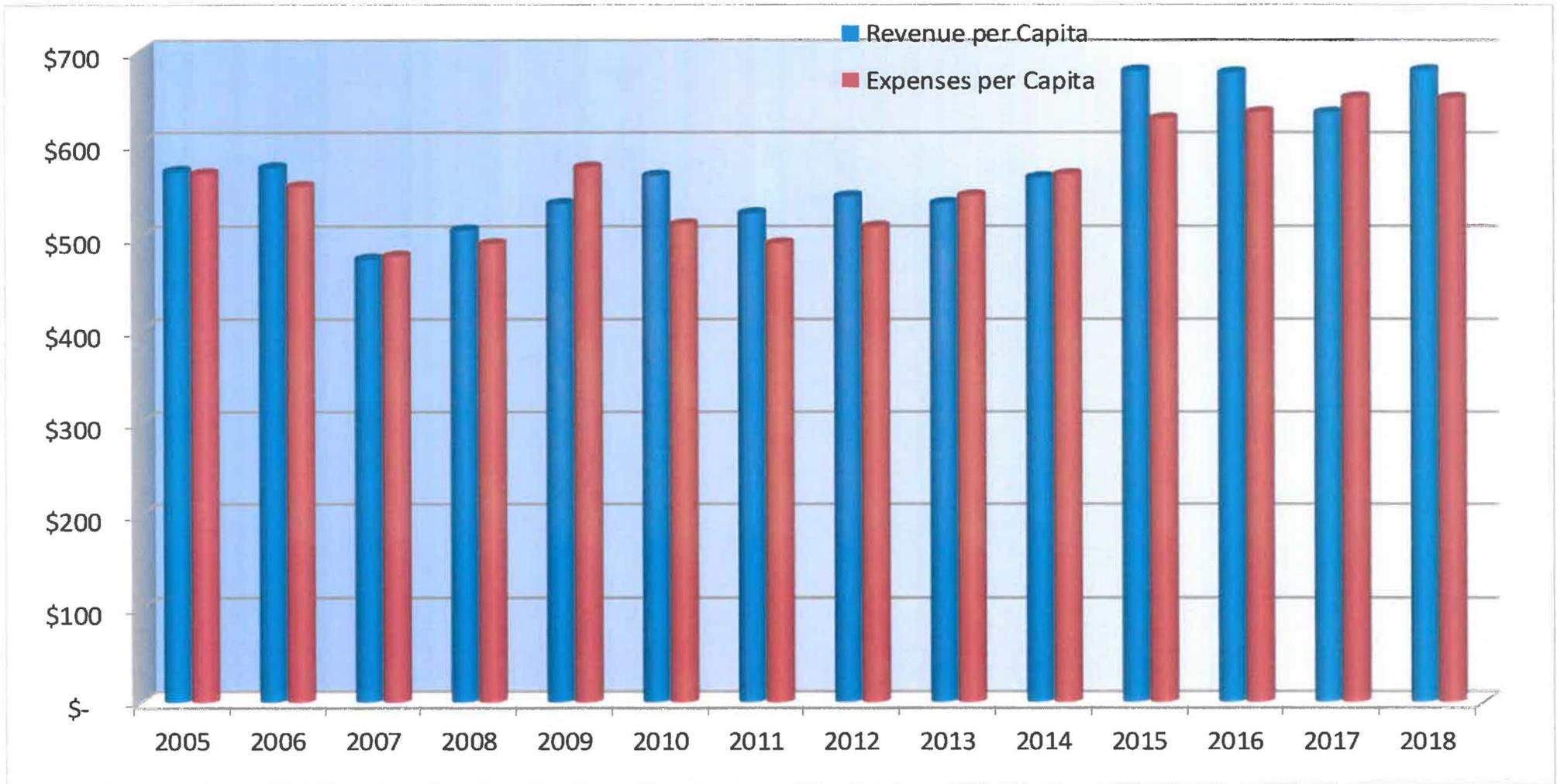
The two largest revenue sources in the General Fund are property taxes (\$1.4 million) and state sources (\$510 thousand). This revenue represents 64% of all estimated resources to fund the General Fund departments. With these sources remaining constant or slightly increasing after large decreases, it 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 34%. This department is comprised of Public Safety Officers and Volunteer Firemen. The second largest expense is General Government (22%) which is comprised of City Commission, city retirees, Manager, Clerk, Treasurer, Assessor, Elections and City Hall expenses. The third largest expense is Parks & Recreation (17%) 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.

## **Trend Analysis:**

Since 2016, decreased revenues, slight increase in expenses.

## General Fund Revenue and Expenditures per Capita



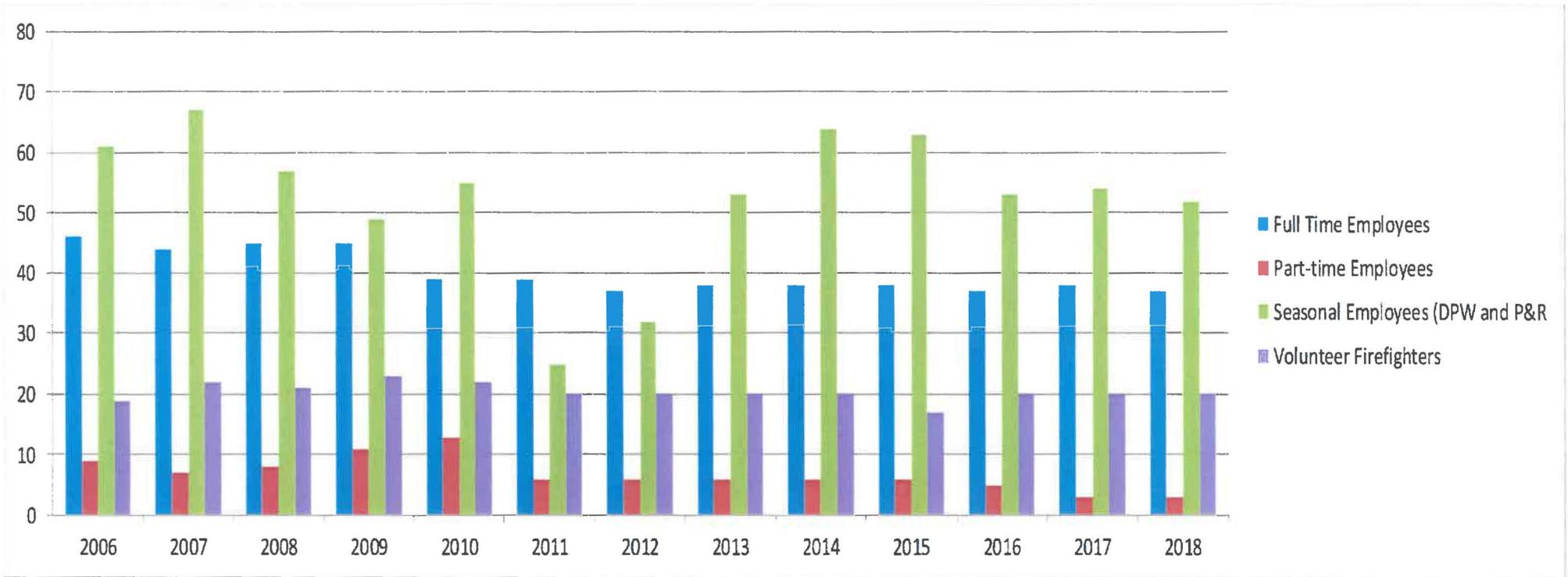
The General Fund is comprised of the City Commission, city retirees, Manager, Clerk, Treasurer, Assessor, Elections, Community Development, Public Safety and City Hall expenses and Parks & Recreation.

### **Trend Analysis:**

Downward Trend—Revenue per capita since 2005 has increased from \$570 per resident to \$633 per resident (10% increase) as well as expenses from \$568 per resident to \$650 per resident (13% increase).

# Employees

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

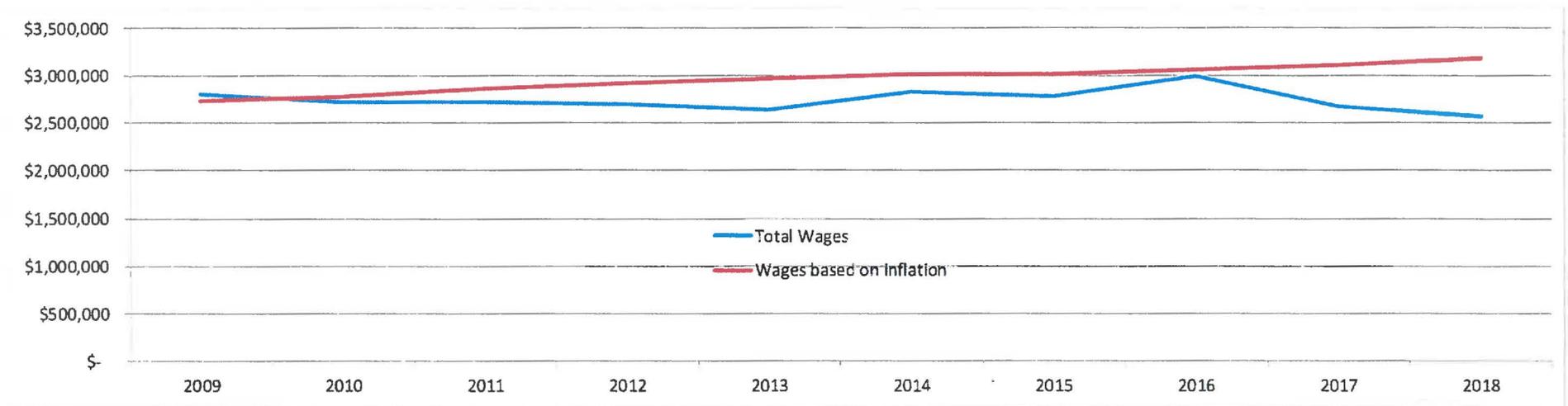


### Trend Analysis:

Employees in total have decreased with a slight increase in the past three years. Full time employees since 2006 have decreased 24% through attrition. The city continuously works on controlling all of its expenditures including personnel costs.

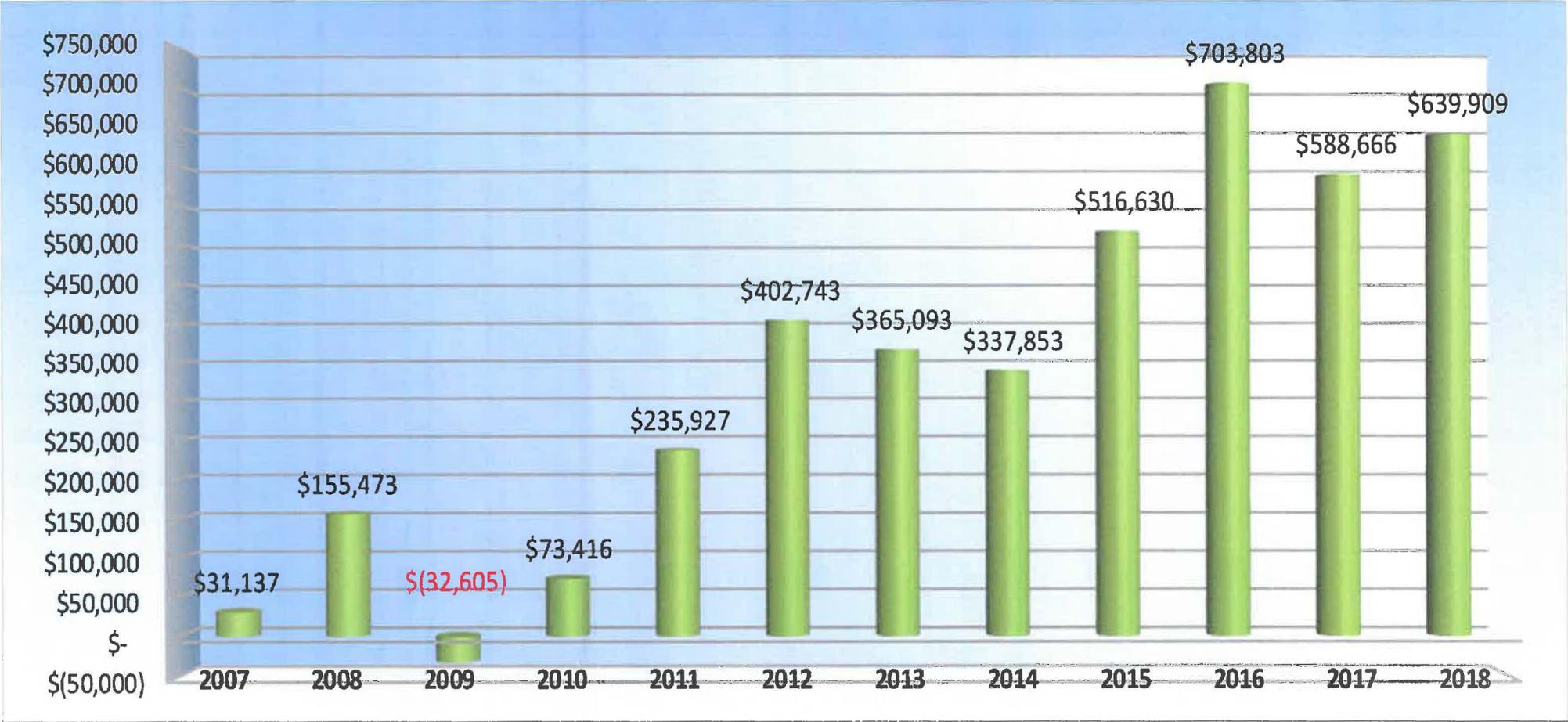
# Wages

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
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



Full time employees since 2006 have decreased 24% 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 \$2,560,007 which is a 9% decrease.

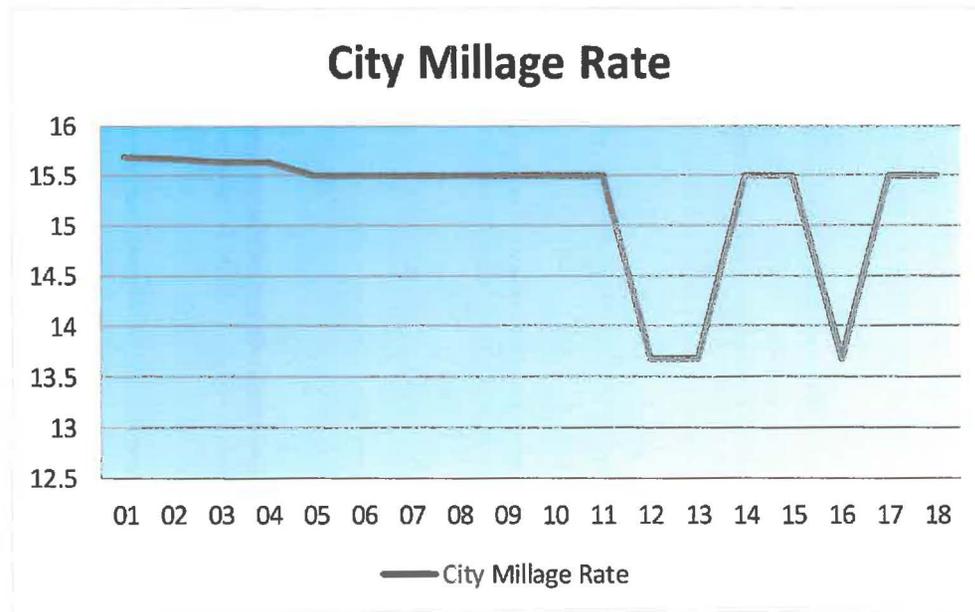
# General Fund Fund Balance



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.

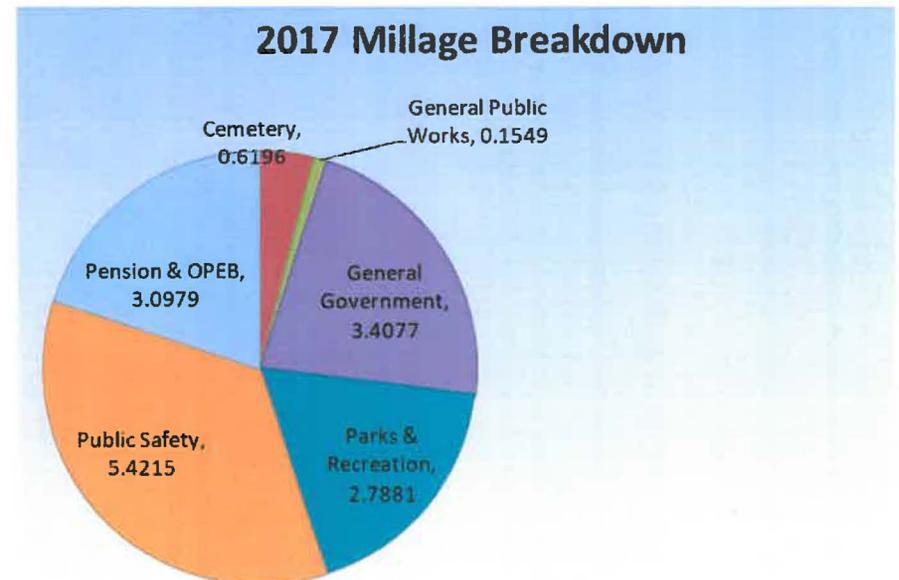
# Millage Rates



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

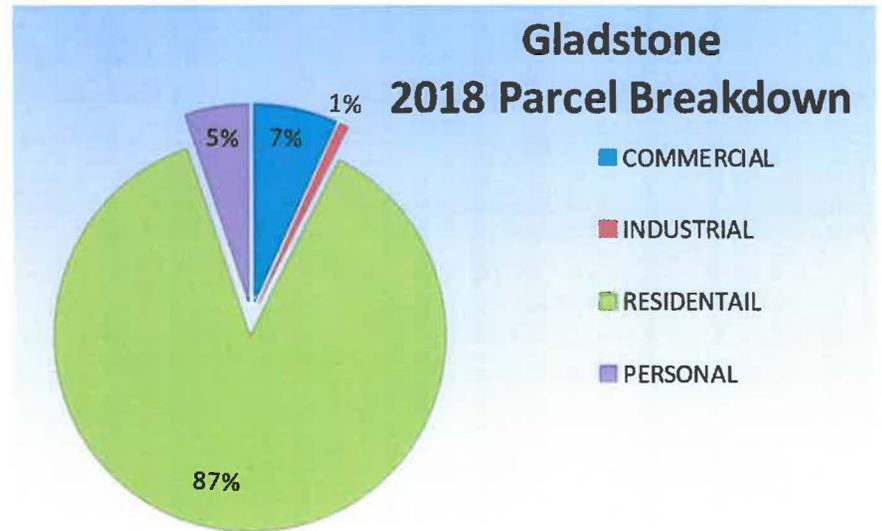
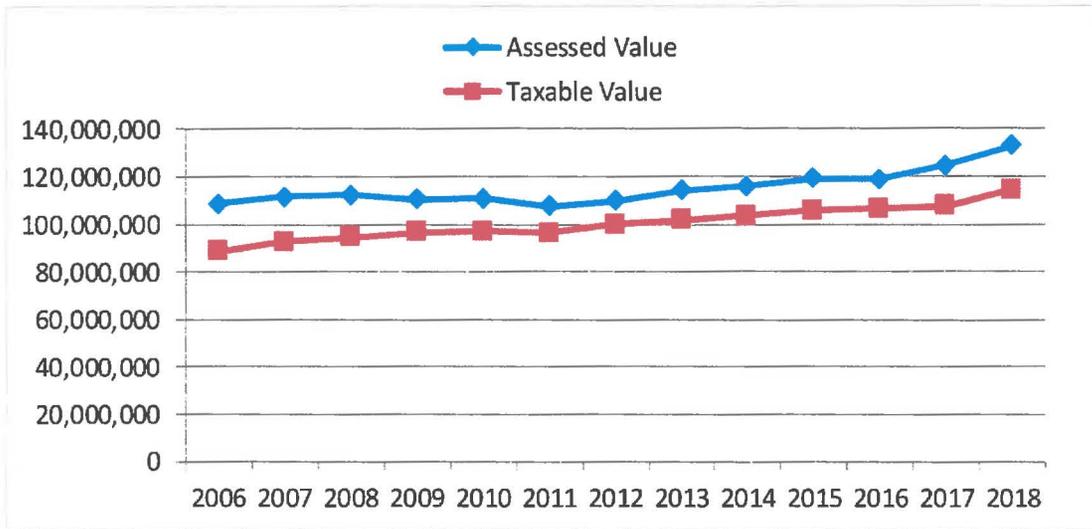
Function	Mills
Cemetery	.06196
General Public Works	.1549
General Government	3.4077
Parks & Recreation	2.7881
Public Safety	5.4215
Pension & OPEB	<u>3.0979</u>
Total	15.4897



# Additional Tax Information

<b>2018 Millage Rates</b>		<b>Assessed Value</b>	<b>Taxable Value</b>
County	5.0317	2006	108,507,500
<b>City of Gladstone</b>	<b>15.4897</b>	2007	111,560,000
State Education	6.0000	2008	112,232,932
School Operating	18.0000	2009	110,401,928
School Debt	6.2000	2010	110,549,448
Community College	3.3076	2011	107,518,678
I.S.D.	2.3852	2012	109,787,158
Road Patrol	.9000	2013	113,956,801
Community Action	.6000	2014	115,779,895
D.A.T.A.	.6000	2015	118,990,562
911 Dispatch	.7500	2016	118,767,277
Jail Bond	.8524	2017	124,569,411
Recycling	<u>.3000</u>	2018	132,937,854
	<b>60.4166</b>		

<b>Property Classes</b>	<b># of Parcels</b>	
Commercial	191	7%
Industrial	22	1%
Residential	2457	87%
Personal	147	5%
Exempt	0	0



# Where Does Your Tax Dollars Go?



County \$0.08

City \$0.26

State Education \$0.11

School Operating \$0.32

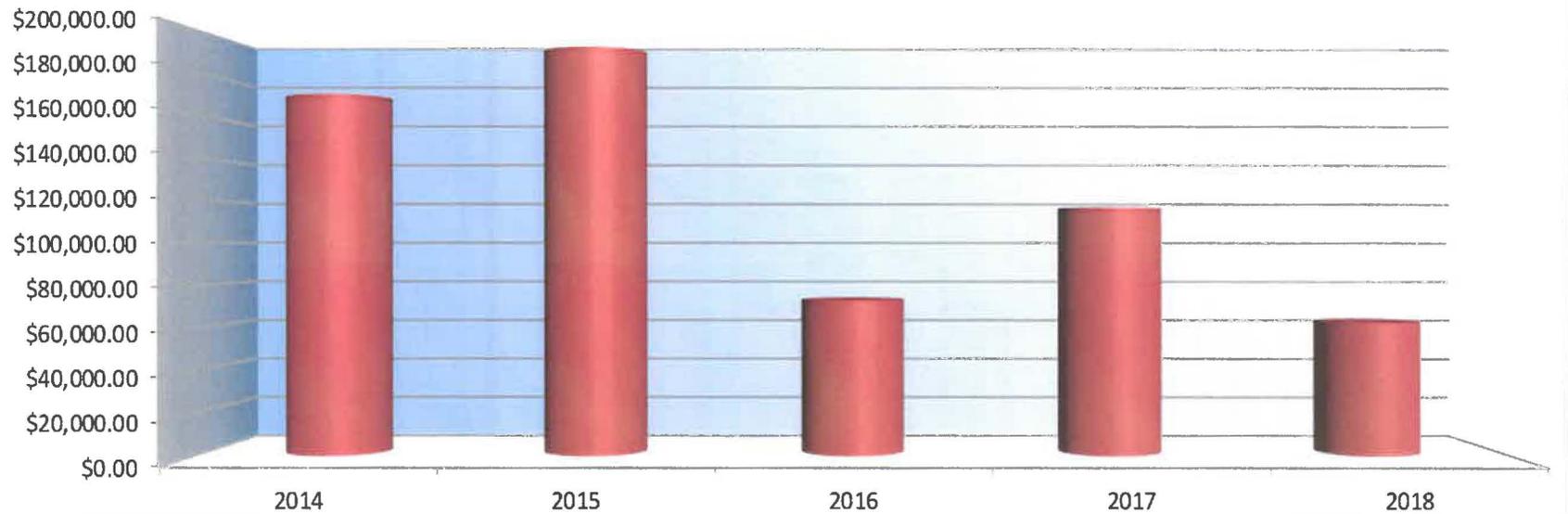
School Debt \$0.08

College \$0.06  
I.S.D. \$0.04

Rd. Patrol  
Comm Action  
D.A.T.A.  
Jail Bond  
Recycling \$0.05

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.

## Parks & Recreation at a Glance



	2014	2015	2016	2017	2018	Average
Recreation Expenses	\$482,644	\$504,478	\$434,241	\$477,682	\$558,712	\$491,551
Recreation Revenue	\$313,4109	\$313,069	\$361,158	\$360,943	\$495,487	\$368,885
<b>Expense Less Revenue</b>	<b>\$169,235</b>	<b>\$191,408</b>	<b>\$73,082</b>	<b>\$116,738</b>	<b>\$62,863</b>	<b>\$122,665</b>

Actual Cost to General Fund with the Dr. Mary Cretens Endowment— **2017 Average Cost Per Capita \$25**

Dr. Mary Cretens Endowment	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018
Recreation Programs	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Maintenance of Fishing Pier	\$10,800	0	0	\$1,159	0
Establish/Maintain Playgrounds	\$57,425	\$70,136	\$33,916	\$48,999	\$72,347
<b>Total</b>	<b>\$72,225</b>	<b>\$74,136</b>	<b>\$37,916</b>	<b>\$54,158</b>	<b>\$76,347</b>

## Long Term Debt & Pension Liabilities

Fund	Description of Loan	Loan Date	Original Loan Amount	Balance as of 3/31/18	Payments required by 3/31/18	Maturity Date
Wastewater	Sludge Storage Tank	12/14/2006	\$1,090,718	\$580,718	\$65,330	10/1/2027

### Unfunded Post Employment Health Benefits

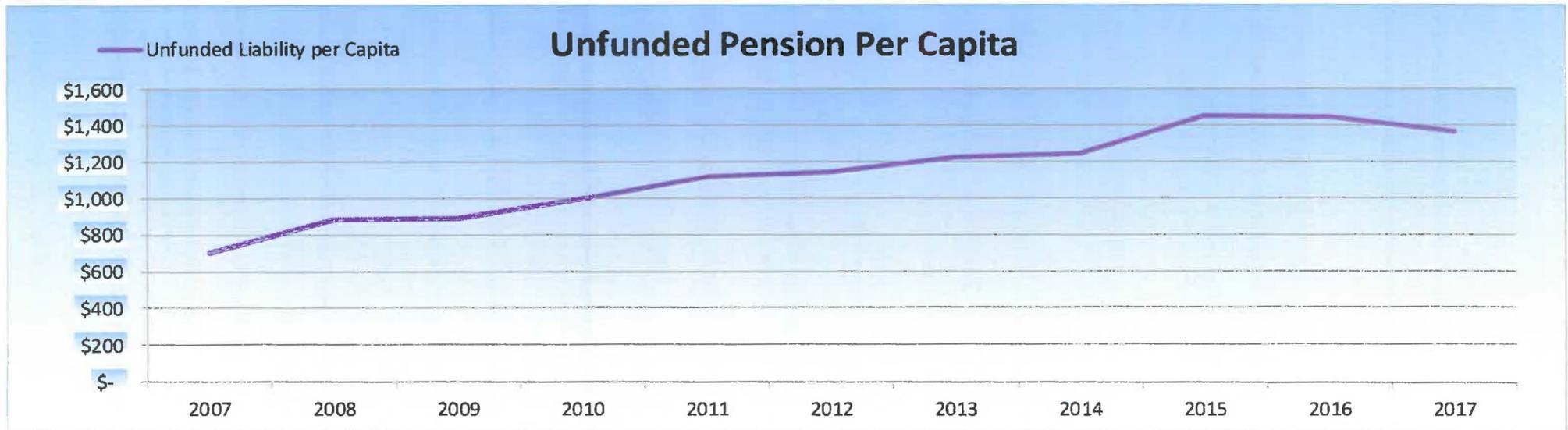
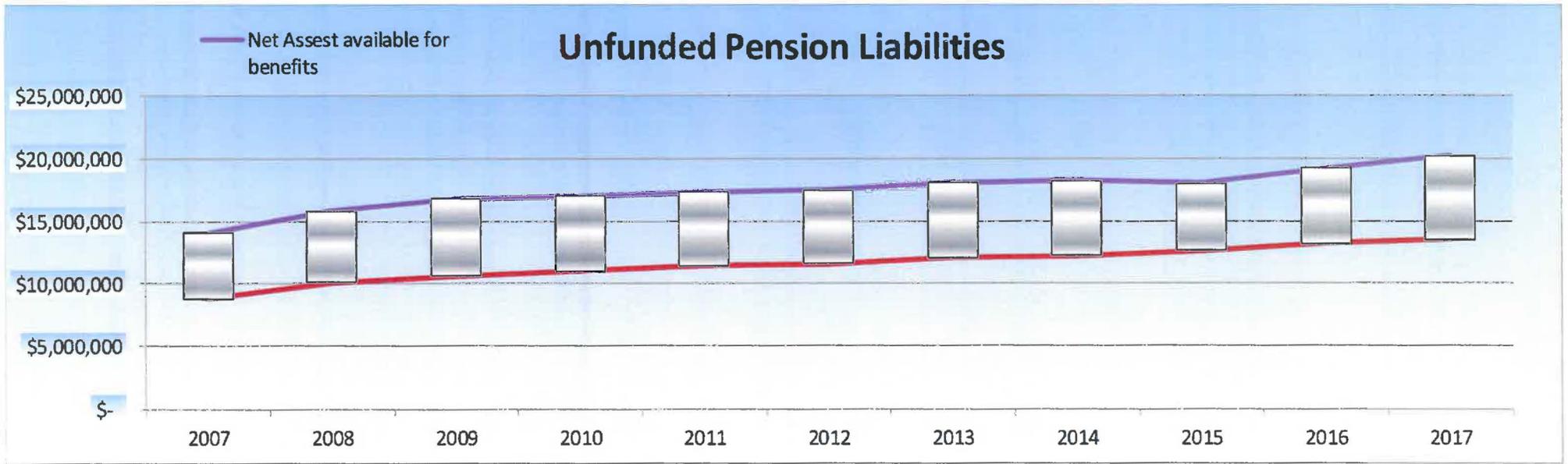
Net OPEB Obligation 3/31/2010	\$22,477
Net OPEB Obligation 3/31/2011	\$442,339
Net OPEB Obligation 3/31/2012	\$654,382
Net OPEB Obligation 3/31/2013	\$796,436
Net OPEB Obligation 3/31/2014	\$957,248
Net OPEB Obligation 3/31/2015	\$1,071,381
Net OPEB Obligation 3/31/2016	\$1,043,515
Net OPEB Obligation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

Pension Liability	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Total Accrued Liability	\$10,106,769	\$10,614,912	\$10,986,694	\$11,437,934	\$11,584,977	\$12,069,637	\$12,207,092	\$12,624,315	\$13,189,003	\$13,493,534
Net Assets Available for Benefits	\$5,728,761	\$6,190,015	\$6,042,437	\$5,894,813	\$5,880,892	\$5,971,397	\$6,017,993	\$5,394,131	\$6,015,667	\$6,711,846
Total Unfunded Liability	\$4,378,008	\$4,424,897	\$4,944,257	\$5,543,121	\$5,704,085	\$6,098,240	\$6,189,099	\$7,230,184	\$7,173,336	\$6,781,688

The City of Gladstone's debt per capita is \$1,664 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 its burden is to look at it on a per capital (population related) basis.

The majority of the debt illustrated here is unfunded pension and health obligations for employees and retirees.

# 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 contribution plan consists of 8 active employees and 41 retirees that the City contributes for. The ratio of pensioners to employees is 1.06 which is down from 2.92 the previous year.

## 2018-2019 Current FY and 2019-2020 Projected FY Budget—General Fund Only

<u>Revenue</u>	<u>18/19FY</u>	<u>19/20 FY</u>	<u>Difference</u>	<u>Expenses</u>	<u>18/19 FY</u>	<u>19/20 FY</u>	<u>Difference</u>
Taxes	\$1,897,944	\$1,897,944	\$0	Public Safety	\$1,460,618	\$1,478,100	\$17,482
State Sources	\$561,000	\$561,000	\$0	General Government	\$695,132	\$728,690	\$33,558
Recreation	\$299,500	\$239,500	(\$60,000)	Recreation	\$539,159	\$539,159	\$0
Cemetery	\$44,000	\$44,000	\$0	DPW	\$310,003	\$332,754	\$22,751
Transfer From Fund Balance	\$0	\$0	\$0	Cemetery	\$110,914	\$110,914	\$0
Other	<u>1,102,307</u>	<u>\$1,102,307</u>	<u>\$0</u>	Pension & OPEB Fund	\$674,725	\$540,934	(\$133,791)
<b>Total</b>	<b>\$3,904,751</b>	<b>\$3,844,751</b>	<b>(\$60,000)</b>	Transfer To Fund Balance	\$0	\$0	\$0
				Other	<u>\$114,200</u>	<u>\$114,200</u>	<u>\$0</u>
<b>Fund Balance</b>	\$690,990	\$742,071		<b>Total</b>	<b>\$3,904,751</b>	<b>\$3,844,751</b>	<b>(\$60,000)</b>

### Revenue Assumptions

- Taxes—Remaining flat.
- State Sources—Remaining flat.
- Recreation—User fees remaining flat, less grant \$ in 18/19 FY.
- Other—remaining flat.

### Expense Assumptions

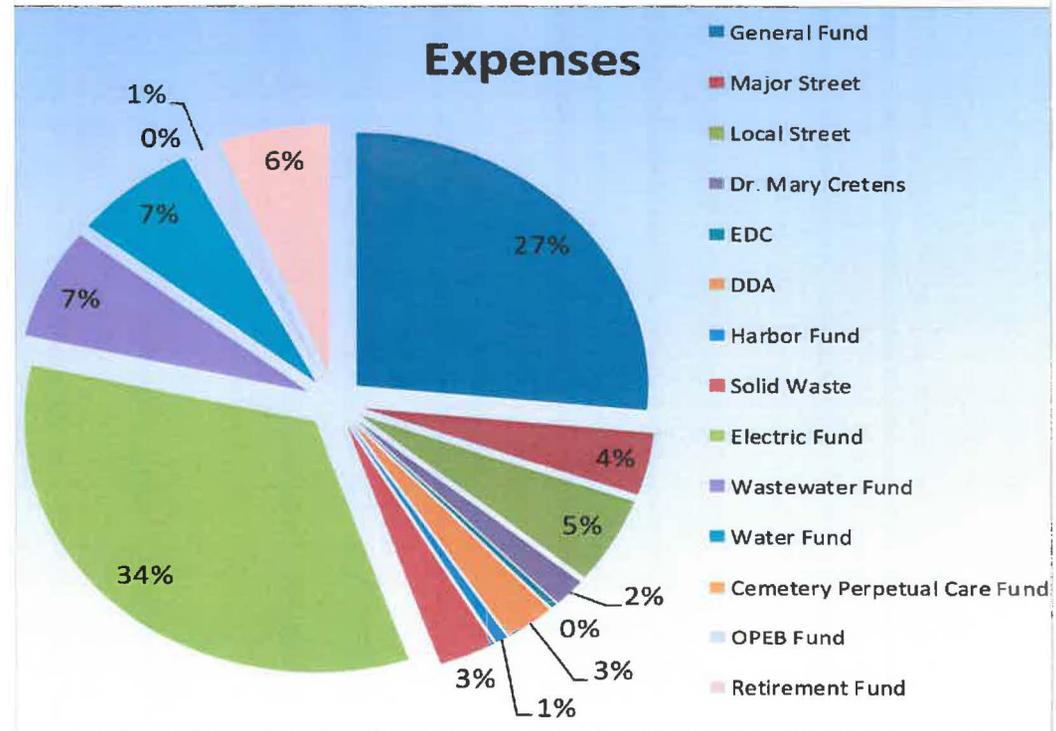
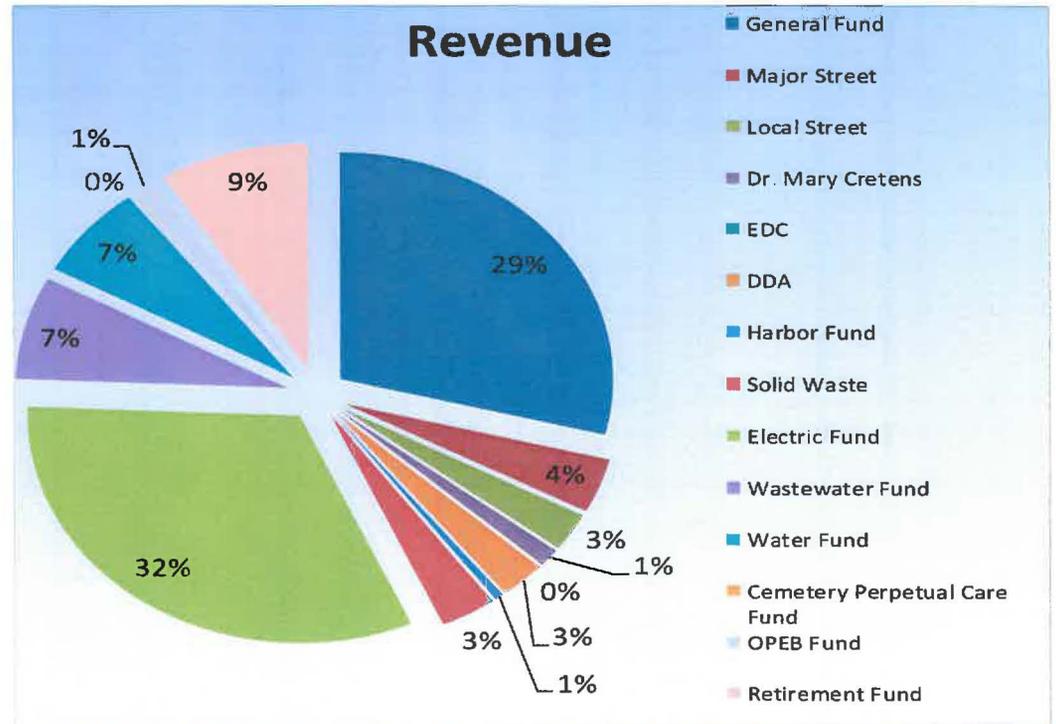
- 2% pay/benefit increase and Wage Openers on Contracts
- 6% increase in MERS
- 3% increase in healthcare.

- 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.

# 2017-2018 Budget Summary

	Revenue	Expense
<b>General Fund</b>	\$3,904,751	\$3,853,670
<b>Major Street</b>	\$522,543	\$582,896
<b>Local Street</b>	\$363,790	\$796,790
<b>Dr. Mary Cretens</b>	\$171,000	\$262,450
<b>Economic Development Fund</b>	\$0	\$51,600
<b>Downtown Development Authority</b>	\$368,671	\$403,082
<b>Harbor Fund</b>	\$72,000	\$93,380
<b>Solid Waste Fund</b>	\$449,046	\$463,772
<b>Electric Fund</b>	\$4,365,381	\$4,898,808
<b>Wastewater Fund</b>	\$989,125	\$1,027,812
<b>Water Fund</b>	\$911,867	\$1,002,439
<b>Cemetery Perpetual Care Fund</b>	\$4,950	\$950
<b>OPEB Fund</b>	\$190,303	\$190,303
<b>Retirement Fund</b>	\$1,199,222	\$889,332
	<b>\$13,512,649</b>	<b>\$14,517,284</b>

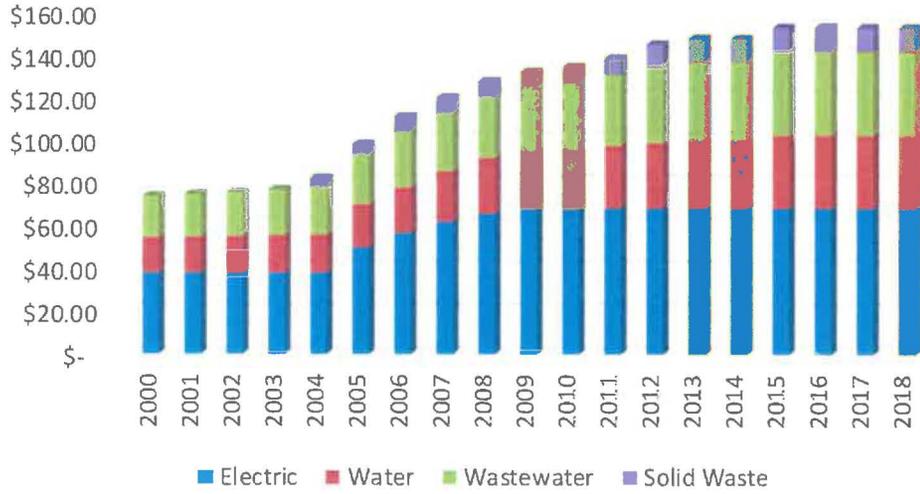
- The City of Gladstone's fiscal year is April-March.
- The above "Budget Summary" is a snapshot of each fund's budget for the current fiscal year.
- Timing of revenue sources per fund are different.
- In the General Fund and DDA Fund, tax revenue collections begin in July of every year.
- The General 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 do not occur until August of each year.



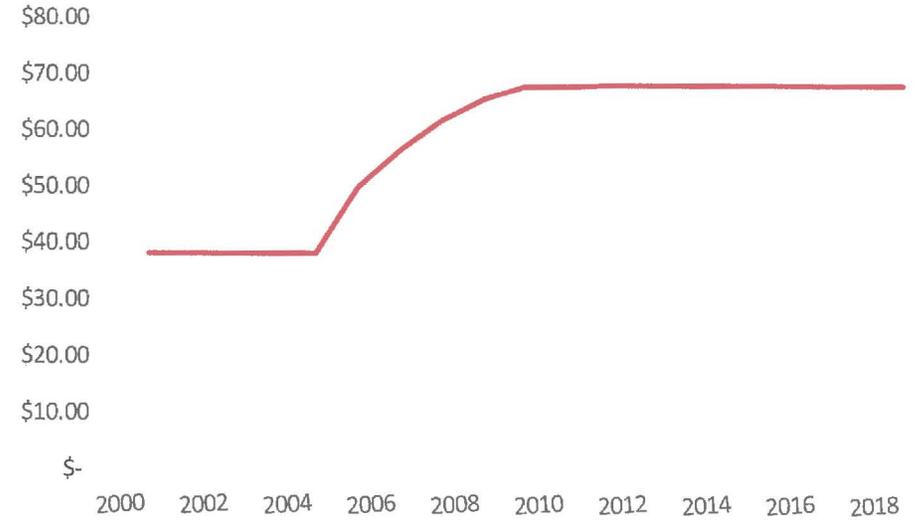
# Utility Rate History 2000-2018

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

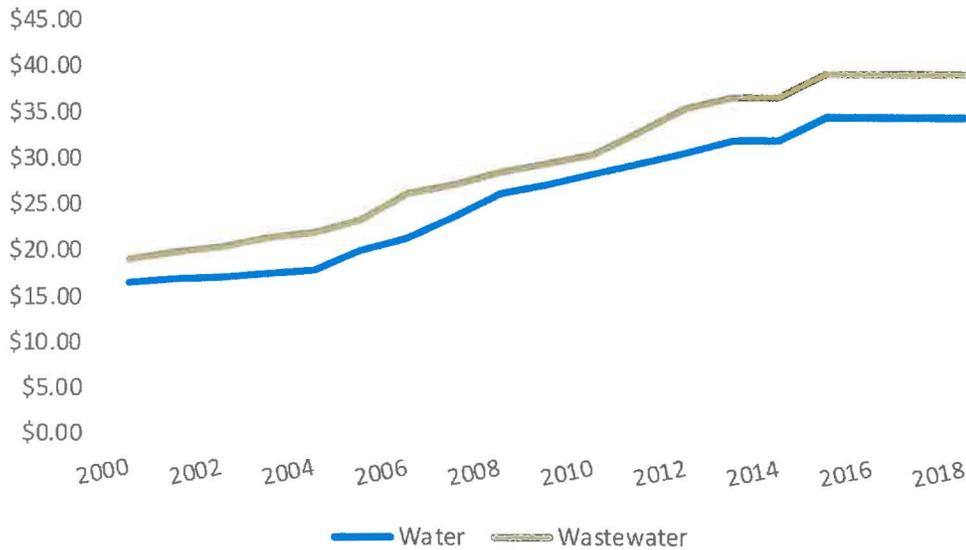
## Combined Utility Billing History



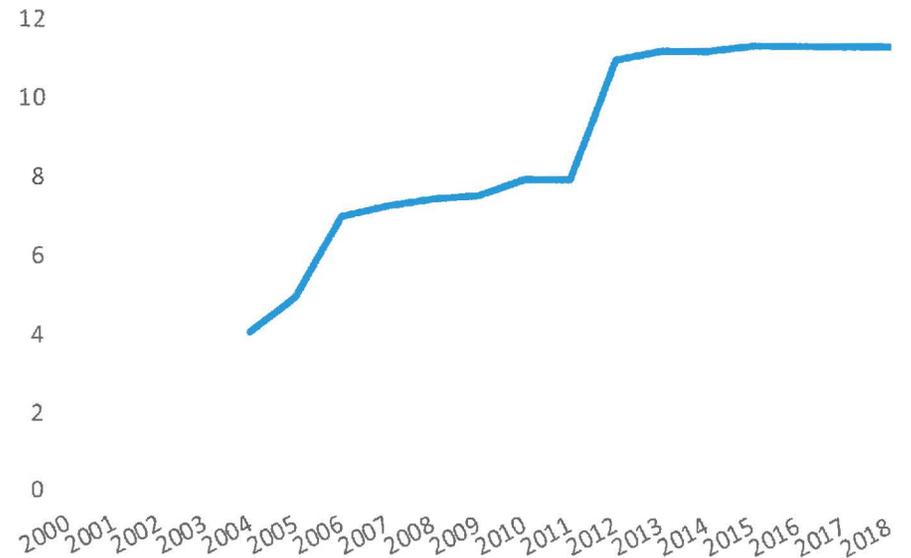
## Electric Rate History



## Water & Wastewater Rate History



## Solid Waste

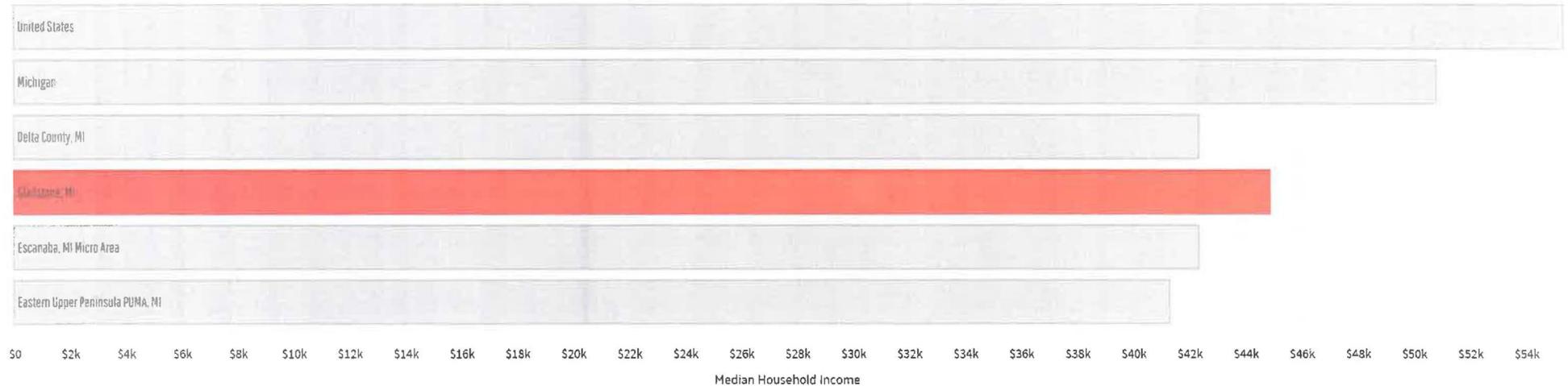




# Quality of Life & Economic Strength

<b>Housing Statistics</b> Both Gladstone & Michigan increases are higher than the National Average Homeownership Rate is 76.3%			
	2015 Median Property Value	2016 Median Property Value	% Change
Gladstone	\$80,900	\$82,200	1.61% Increase
Michigan	\$137,500	\$147,100	6.98% Increase

Income, 2016-2018			
	2016	2018	% Change
<b>Gladstone</b> Median Household Income	\$44,155	\$44,898	1.68%
<b>Delta County</b> Median Household Income	\$42,031	\$42,353	.77%
<b>Michigan</b> Median Household Income	\$51,084	\$52,492	2.76%



# Quality of Life & Economic Strength

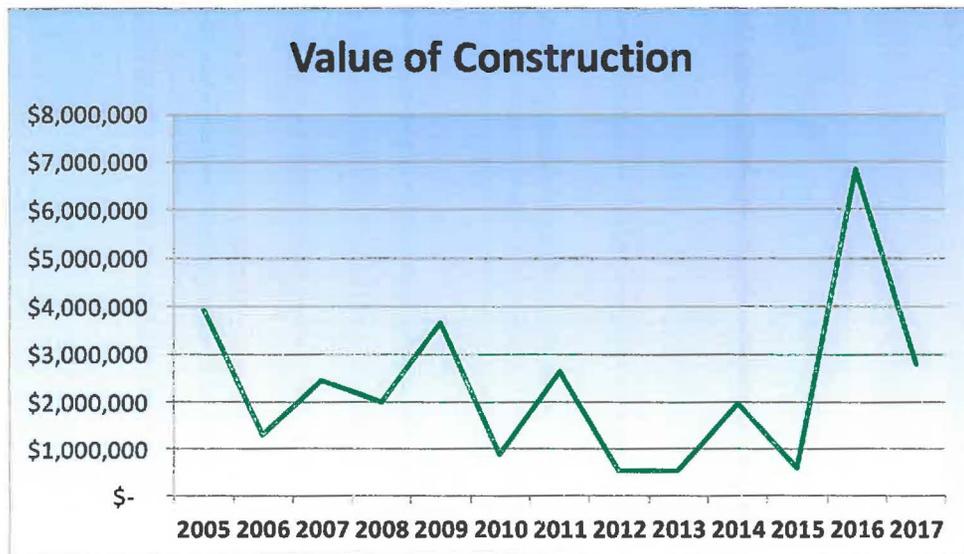
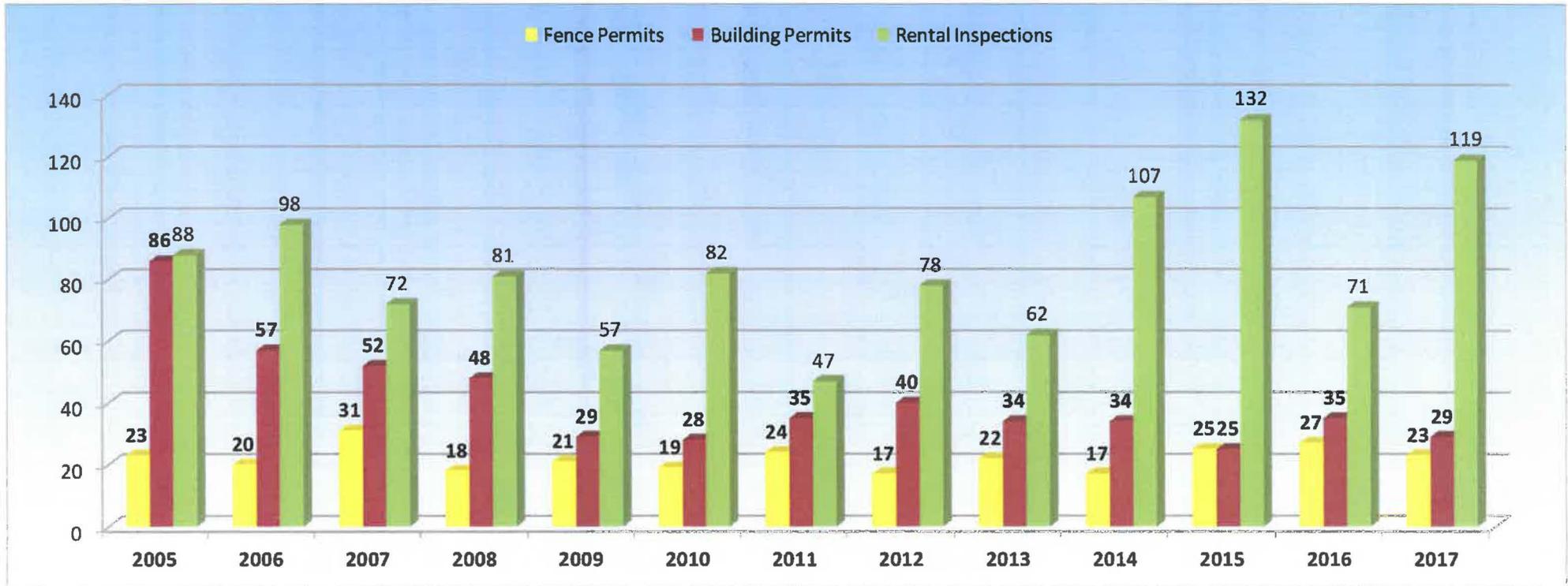
## Top 14 Employers

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	Trend
Annual GF Expenditures per Capita	\$512	\$542	\$567	\$524	\$634	\$650	\$649	Positive
Debt Burden Per Capita	\$558	\$580	\$342	\$247	\$128	\$116	\$116	Neutral
Ratio of Pensioners to Employees	3.71	3.71	3.71	3.71	2.92	3.17	1.06	Positive

# Community Development

## Permits, Rental Inspections and New Construction

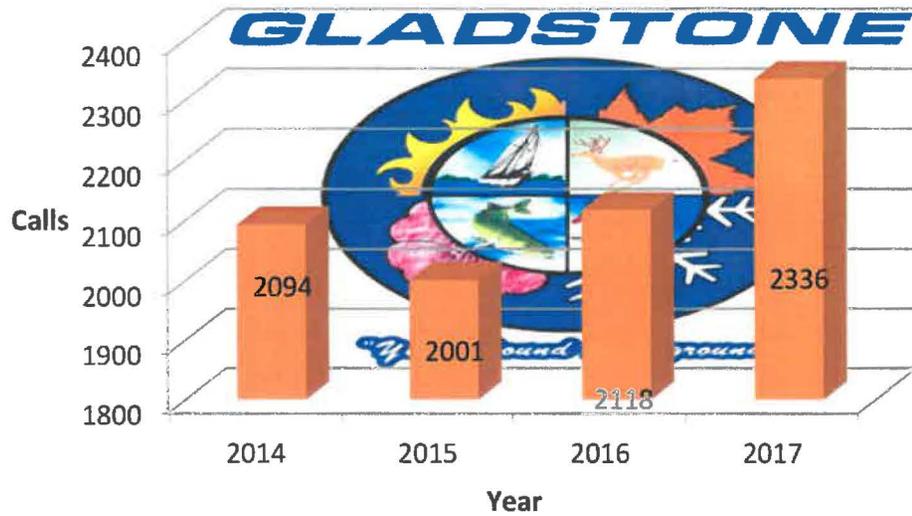


The number of building permits issued within a community provides some indication of the local economy's health. Fluctuations in building permits and construction are generally an indication of the strength or weakness of the local or national economy.

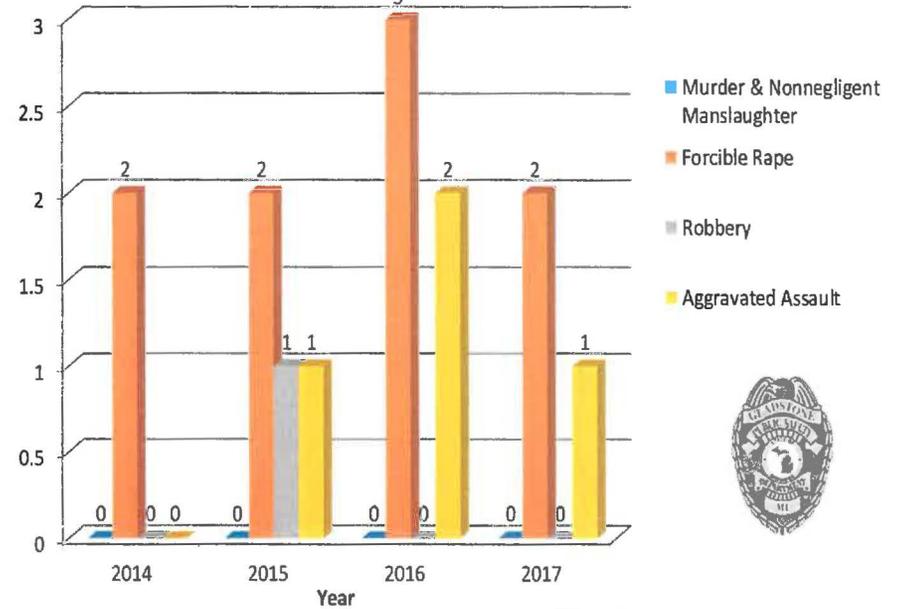
**Trend Analysis:**  
Upward Trend

# Public Safety

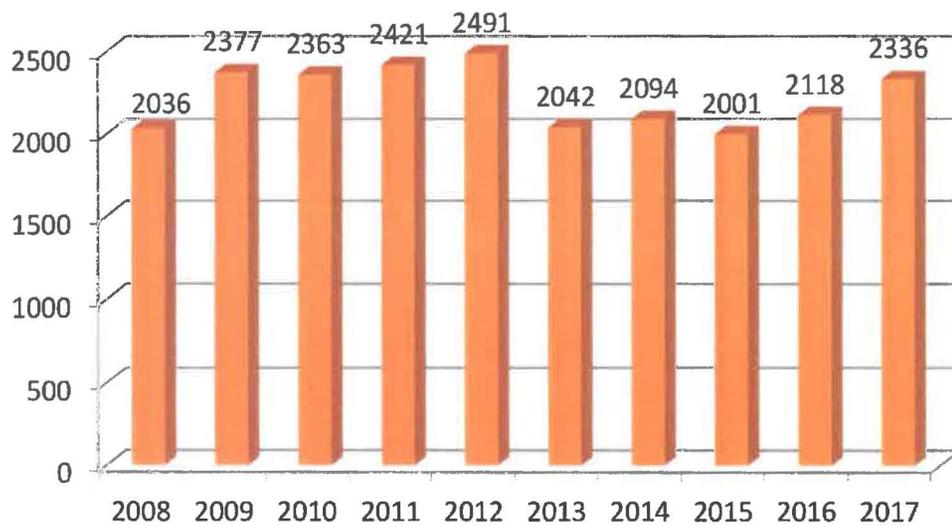
## Calls for service



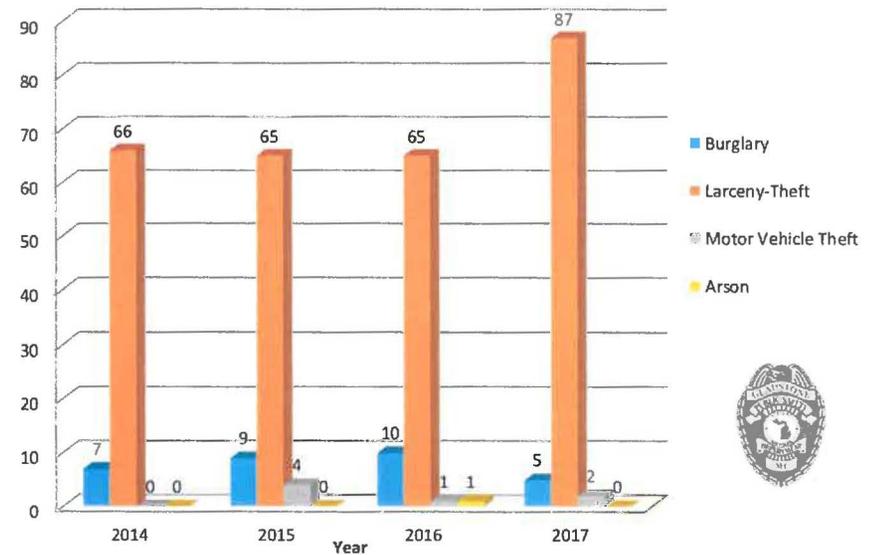
## Part I Offenses, 2014-2017 Violent Crime



## Calls for Service



## Part I Offenses, 2014-2017 Property Crime

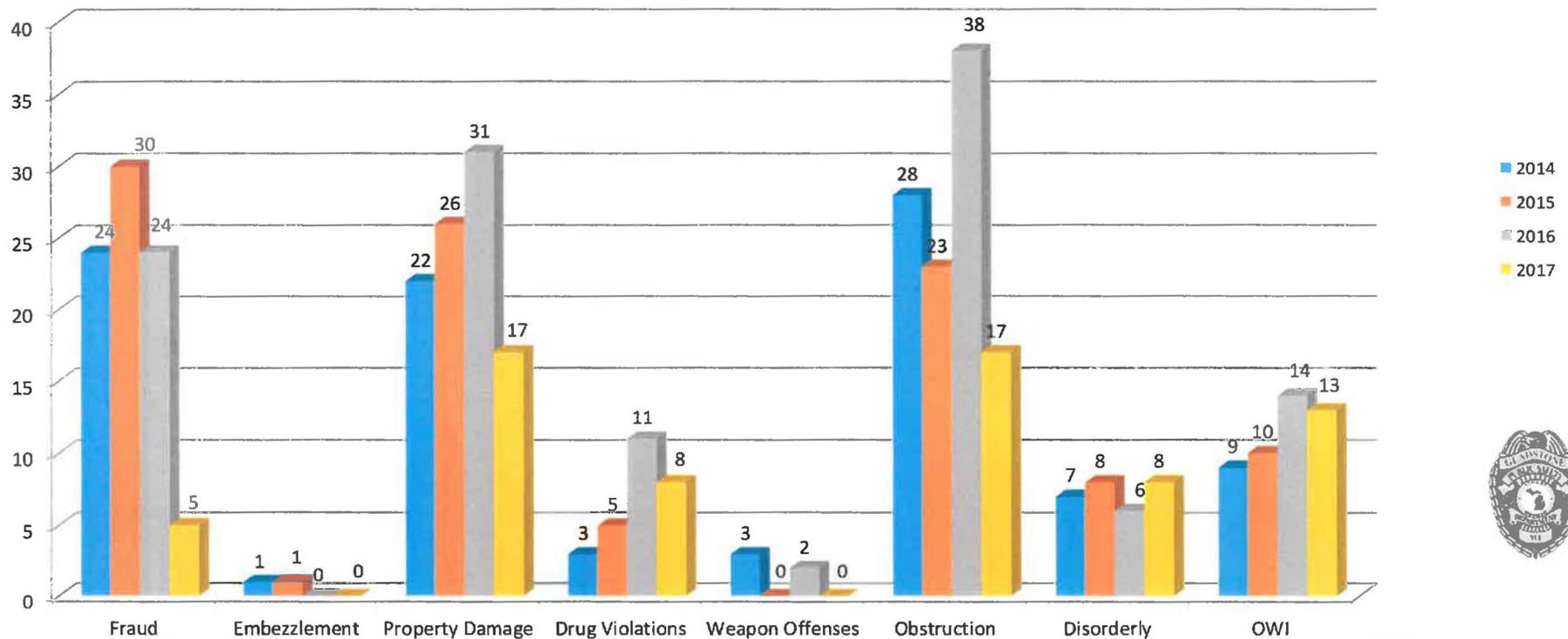


# Public Safety

## PROTECTING AND SERVING OUR YEAR 'ROUND PLAYGROUND



Selected Part II Offenses, 2014-2017\*



## City of Gladstone Debt Service Report

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

<b>Years Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Outstanding Balance</b>
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
<b>Totals</b>	<b>\$845,718</b>	<b>\$113,276</b>	