



2015 City of Gladstone Citizen's Guide & Performance Dashboard



City, Village, and Township Revenue Sharing/County Incentive Program Certification of Accountability and Transparency

Issued under authority of 2015 Public Act 84. 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 2015 Public Act 84. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report shall be made available for public viewing in the clerk's office or posted on a publicly accessible Internet site. The local unit must include in any mailing of general information to its citizens, the physical location or Internet website address where all the documents are available for viewing.
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, 2015**, (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.

PART 1: LOCAL UNIT INFORMATION

Local Unit Name		Local Unit County Name	
City of Gladstone		Delta County	
Local Unit Code		Contact E-Mail Address	
21025		vschroeder@gladstonemi.org	
Contact Name	Contact Title	Contact Telephone Number	Extension
Vicki Schroeder	Treasurer	(906) 428-3636	
Website Address, if reports are available online		Current Fiscal Year End Date	
www.gladstonemi.org		March, 2016	

PART 2: CERTIFICATION

In accordance with 2015 Public Act 84, 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; 2) has made the documents available for public viewing in the city, village, township, or county clerk's office or has posted them on a publicly accessible Internet site; and 3) will include in any mailing of general information to our citizens, the physical location or Internet website address where the documents are located. The Citizen's Guide, Performance Dashboard, Debt Service Report, and Projected Budget Report are attached to this signed certification.

Chief Administrative Officer Signature (as defined in MCL 141.422b)		Printed Name of Chief Administrative Officer (as defined in MCL 141.422b)	
		Darla Falcon	
Title		Date	
City Manager		11/24/2015	

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
Office of Revenue and Tax Analysis
PO Box 30722
Lansing MI 48909

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

Greetings to the Citizens of Gladstone,

The City of Gladstone is proud to present the 2015 Citizen's Guide on the City of Gladstone's Financial Health. This report pulls together data from the City's budget and audited financial reports, as well as internal and external data regarding the community's physical and economic health. In addition, this report demonstrates our capacity to support the fiscal health of the City and its public service delivery demands.

Under the leadership of Governor Rick Snyder, this report has been developed and implemented as a way for citizens to better understand the City's scope of activities, financial obligations, and fiscal health. Citizens are invited and encouraged to review the information. By understanding the facts surrounding the fiscal health of the City, citizens can make informed judgments about the fiscal direction of the City, and assist in prioritizing services offered to residents.

On behalf of the City of Gladstone Commission, I thank you for taking the opportunity to review this Citizens Guide. Our staff is proud to serve the Citizens of Gladstone; we thank you for your support as we seek to provide further transparency and financial accountability to our taxpayers. Questions and comments are welcome regarding this report. Citizen feedback is always welcomed and encouraged.

Sincerely,

Darla Falcon

City Manager
dfalcon@gladstonemi.org
906-428-3181

Service Provided by the City of Gladstone

Assessing—The city assessor position is appointed by the City Commission. The assessor values all real and personal property within the city limits; prepares the annual assessment roll; provides a list of known property owners, property descriptions, state equalized and taxable values, including exempt and non-exempt parcels. The assessor maintains accurate maps of all properties and maintains principal residence (homestead) exemptions, property transfer affidavits, industrial facilities tax exemptions, and facilitates board of review meetings in March, July and December.

Treasurer—The Treasurer's office assists the public in financial matters relating to taxes, delinquencies, utility bills, special assessments and other charges. The City Treasurer is responsible for printing and mailing summer and winter tax bills; and disbursing all taxes collected to the appropriate entities; Delta County, Bay College, Delta/Schoolcraft Intermediate School District, Delta Area Transit Authority, Gladstone Schools and State of Michigan. The treasurer also provides a number of administrative services for numerous departments within the city including payroll services, accounts payable and receivable, preparation of monthly financial reports and annual budgets.

City Clerk - The City Clerk position is appointed by the City Commission. The Clerk serves as the official recorder for the City Commission, administers City elections and conducts voter registration. The City Clerk is the Freedom of Information Act (FOIA) coordinator and is the custodian of the City seal and shall affix it to all documents and instruments requiring the seal. The City Clerk certifies, by signature, all ordinances and resolutions enacted or passed by the City Commission. The City Clerk also provides forms for all petitions required to be filed for any purpose by the provisions of the city charter. The City Clerk is empowered to administer oaths of office. In addition the Clerk is responsible for other administrative services for the city that include; cemetery coordination, human resources and personnel issues.

Human Resources—The mission of the Human Resources department is to attract, develop, motivate and retain a diverse and highly qualified workforce. The department is responsible for the recruitment of all full-time and part-time personnel, employee orientation, labor relations, contract administration, payroll, employee policies and all mandatory and fringe benefit programs. In addition to maintaining employee job descriptions, personnel and payroll records, the department administers and enrolls employees in the City's various benefit programs and pension plans. This department is managed by the City Clerk.

Community Development Department—The mission of the Community Development Department is to protect the health, safety and welfare of the citizens while preserving the aesthetic character of Gladstone. The mission is accomplished through the development and enforcement of the City's Planning and Zoning Ordinances and Property Maintenance Codes. This department is responsible for the processing of all zoning requests, building, fence and sign permits and facilitates the rental inspection and certification process with landlords. The department is also responsible for securing and implementing various building restoration/renovation grant programs such as the Rental and Home Rehabilitation Programs and the Downtown District Façade Program. As well as working with all the city departments, Community Development also works closely with the City of Gladstone's Planning Commission, Board of Appeals and Downtown Development Authority.

Public Safety Department—It is the mission of the Gladstone Public Safety Department to protect, serve and enhance the quality of life within the community of Gladstone by providing comprehensive and professional law enforcement and fire fighting services. The department consists of 1 Director of Public Safety, 1 Road Patrol Sergeant, 1 Detective Sergeant, 7 Public Safety Officers and 1 Civilian Dispatcher. All officers are sworn police officers by the Michigan Commission of Law Enforcement Standards (MCOLES) and are also fully trained to the Fire Fighter II level. The department is augmented by the Gladstone Volunteer Fire Department which consists of 20 members trained in fire fighting. Various members of both the Public Safety Department and the Volunteer Fire Department provide training both within and outside the department in specialized law enforcement and fire fighting techniques. The Officers and Volunteers take great pride in their long history of community service which ranges from coaching and participating in local youth sports, to providing community oriented programs.

Utility Billing/Cashier—The utility billing office prepares and mails utility bills for electric, water, wastewater and refuse pickup service for the City of Gladstone. We also assist our residents and customers in matters related to billing issues, high/low consumption, outstanding balances; new customer accounts; changes to existing accounts; landlord utility issues; shut-offs for non-payment; payment plans; winter protection programs for low income and senior citizens; energy optimization programs, move in and move outs; processing assistance agency requests; processing customer payments, assistance payments and voucher/vendor payments; processing heating credit vouchers; loading handhelds for meter reading; processing meter reads for billing.

Electric Department—The City of Gladstone Electric Department serves approximately 3,200 customers within the City limits and several adjoining areas outside of the City limits. The customers served are residential, industrial, and commercial. The City has its own line crew that maintains and upgrades the electrical system, performs meter reading, meter maintenance, and is responsible for emergency calls. The distribution system voltage is 12,470 volts. A substation is fed from a looped 69 kV transmission system. Gladstone purchases its power through Wisconsin Public Power, Inc. (WPPI). Annual electric consumption is approximately 35 million kilowatt-hours. The metering system is managed with electronic, radio-read meters.

Water Treatment Plant - The City of Gladstone began supplying water to its citizens in 1887 with the construction of a wooden intake line, steam pump house and several thousand feet of cast iron distribution pipe. The existing filtration plant was built in 1970 and has been treating Little Bay de Noc water ever since. The Gladstone Water Treatment Plant is located on Saunders Point at the east end of Delta Avenue. The plant is a complete treatment facility which includes disinfection, coagulation/sedimentation, corrosion control, taste and odor control, fluoridation, filtration and storage. The plant has been maintained and upgraded over the years to keep up with modern technology and to continuously improve our finished water quality. The Water Plant staff operates a State Certified Drinking Water Laboratory and we analyze samples for customers throughout Delta County. The Gladstone Water Department operates and maintains the Filtration Plant along with its distribution system which runs throughout the city. The distribution system includes over 38 miles of water main, 1,800 customer laterals, a 500,000 gallon ground storage tank, a 1,000,000 gallon underground elevated reservoir, a 200,000 gallon elevated storage tank, one booster station and 272 fire hydrants. We also serve several customers in Escanaba and Brampton townships and provide fire protection as well as reading water meters and utility billing for the Village of Rock. The department also installs and maintains over 2,100 water meters and provides a variety of other customer services.

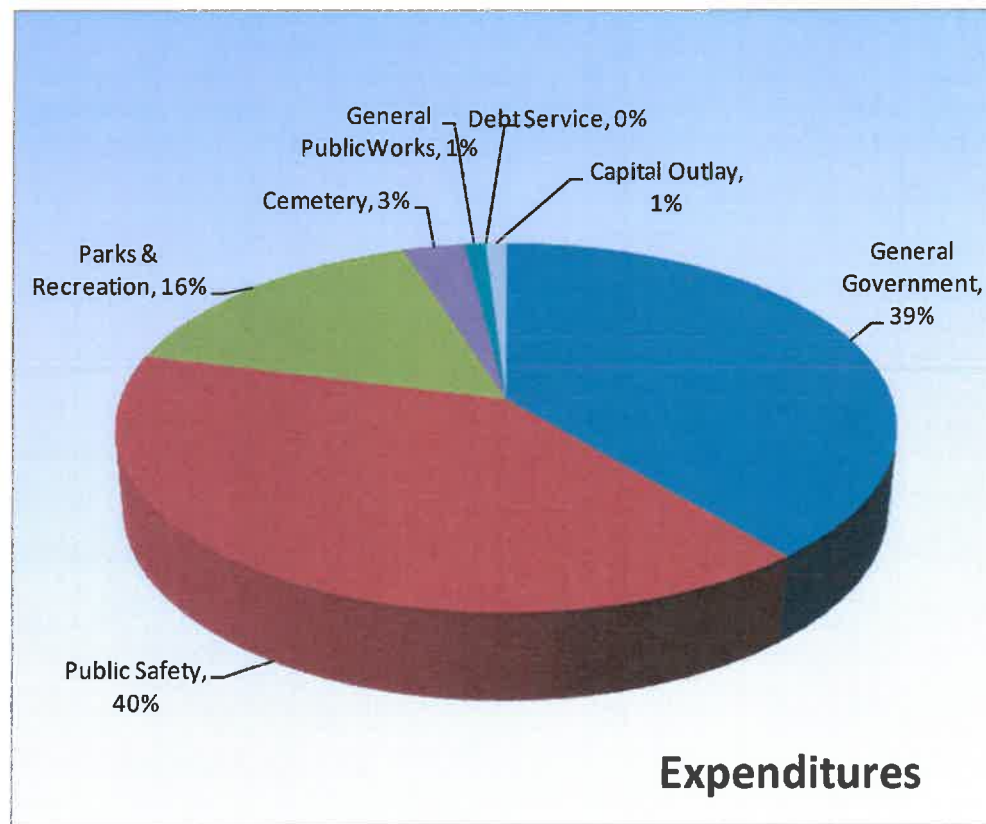
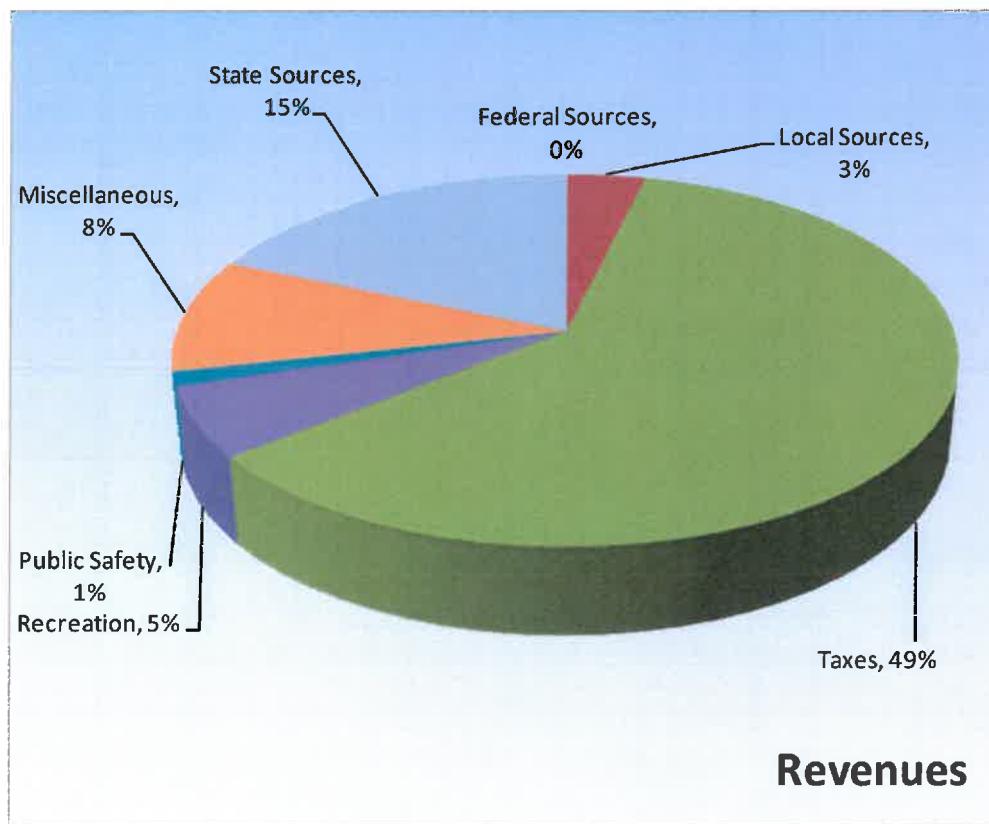
Wastewater Treatment Plant - The Wastewater Treatment Plant (WWTP) is owned by the City of Gladstone and serves the area within the City limits, the Village of Rapid River in Masonville Township, and two customers each in Escanaba Township and Brampton Township. The original collection system was constructed in the 1930's and was expanded to include the Bluff and Kipling areas of City limits in the 1990's. In 2007 the system was extended to the Village of Rapid River. The existing collection system includes 11 lift stations in the City limits and 5 in Masonville Township. The original primary treatment plant was built prior to 1950, and improvements to provide secondary treatment were completed in 1974. A 500,000 gallon sludge storage tank was constructed in 2008. The existing WWTP is designed for an average day capacity of 1.0 million gallons per day and is a rotating biological contactor (RBC) type secondary treatment plant. The present process includes: coarse screening, grit removal, coagulant chemical feed, primary settling, RBC secondary treatment, secondary settling, chlorine disinfection, and anaerobic sludge digestion. The Gladstone Wastewater Department operates and maintains the Wastewater Plant along with over 35 miles of collection system, an EPA remediation site, and our 360 acre biosolid application site in Baldwin Township. The existing facility is meeting all EPA and DEQ regulatory requirements of our discharge permit which insures the receiving waters of Little Bay de Noc will remain clean well into the future.

Department of Public Works - The Department of Public Works (DPW) provides maintenance of; 47.6 miles of streets, 7 city owned parking lots, 8.3 miles of alleys, and 10.5 miles of storm sewers. Services provided include concrete and asphalt patching, grading, street sweeping, snow removal, right-of-way mowing, boulevard tree trimming and removal, pavement marking, and maintenance of all traffic and parking signs. Public Works offers spring clean up in May and June for Gladstone residents. In addition this department is responsible for collecting trash and recyclables from approximately 2100 stops per week and they maintain a state licensed compost facility. DPW maintains the City's equipment pool that provides many of the vehicles and mechanic services for other city departments. Finally DPW provides labor and equipment to all city departments when the need arises, including water and sewer taps and sanitary sewer cleaning as needed.

Fernwood Cemetery - Fernwood cemetery is maintained by the Department Public Works Department and spans 40 acres with 28 acres groomed and used for burials. The cemetery is open year round to the public with personnel available from Mid April to the first of November as weather permits. There are approximately 6000 burials presently in Fernwood Cemetery with single and family lots still available for future use.

Parks & Recreation - The Parks & Recreation Department was developed 25 years ago and the primary function was to maintain the Cemetery and Van Cleve Park. The department grew and today is responsible for Bay Campground, Sports Park, marina, ski hill, beach, trail systems, parks, playgrounds, programming, special events, rentals and beautification. The seven member Recreation Board meets monthly to discuss business. This board is in touch with the community and makes recommendations to the City Commission regarding operations and facility maintenance and improvements. The department is staffed with a full time Director and Assistant Director and employs numerous seasonal workers. This department has been extremely successful in obtaining grants. Some of the projects that were funded recently through outside funding are; the boardwalk, beach house, campground, ball fields, lighthouse and fishing pier. We pride ourselves as being the "Year- Round Playground" and our special events include summer concert series, Crazy Daze/Car show, 4th of July Celebration, Century Ride Bike Tour, Old Fashion Christmas celebration, Ski Swap, Cardboard Classic, Duck Races, numerous sports tournaments and nationally recognized fishing tournaments.

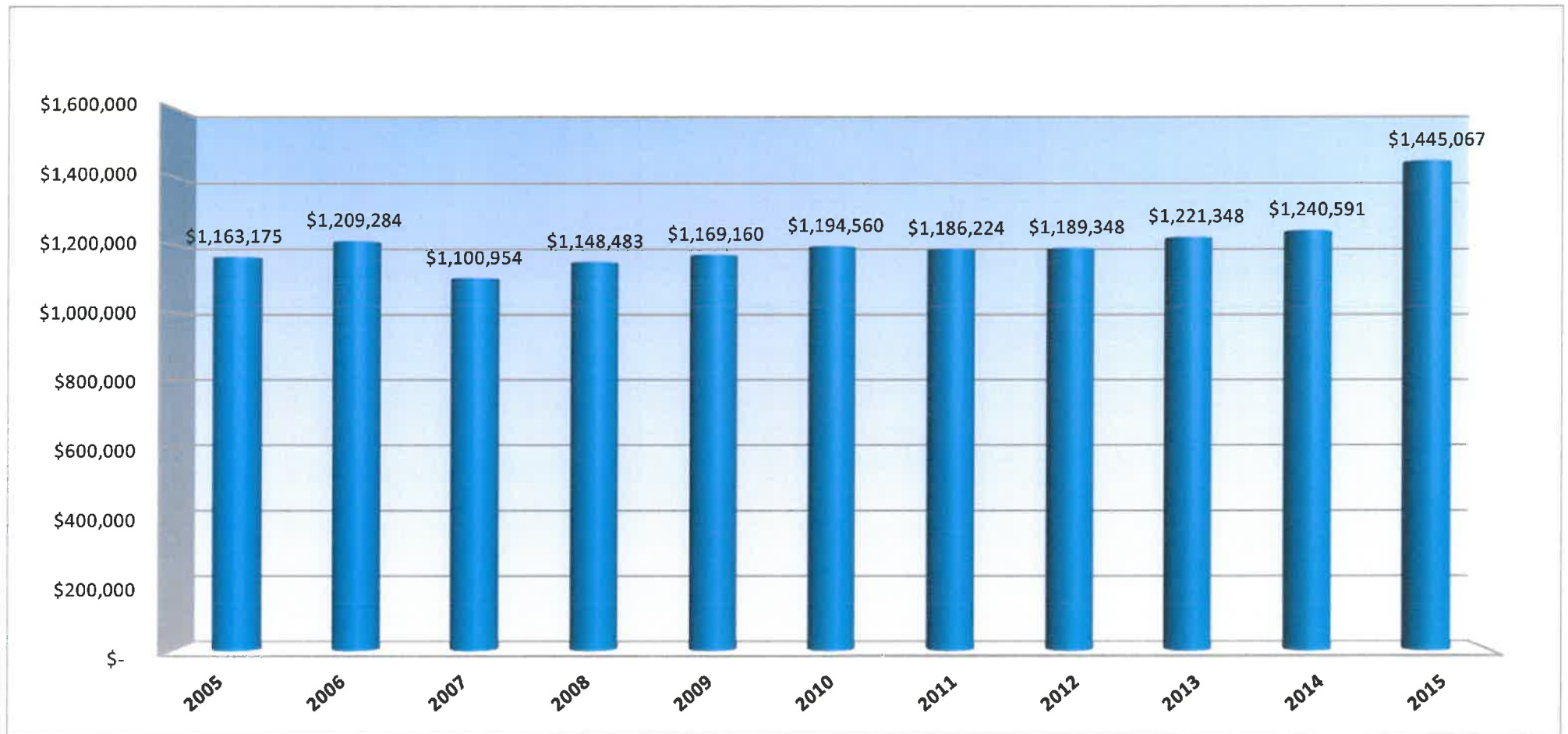
Fiscal Year 2015/2016 General Fund Revenue and Expense



The two largest revenue sources in the General Fund are property taxes (\$1.4 million) and state sources (\$494 thousand). This revenue represents 64% of all estimated resources to the General Fund Departments. With these sources remaining constant or even decreasing, it will be 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 40%. This department is comprised of public safety officers and volunteer firemen. The next largest expense is general government at 39%. This is comprised of the City Commission, city retirees, Manager, Clerk, Treasurer, Assessor, Community Development, Elections and city hall expenses. The third largest expense is Parks & Recreation at 16%. The City of Gladstone prides itself as the 'Year Round Playground.' The recreation areas covered are Bay Campground, sports park, beach, playgrounds, parks and trail system.

Property Tax Revenues

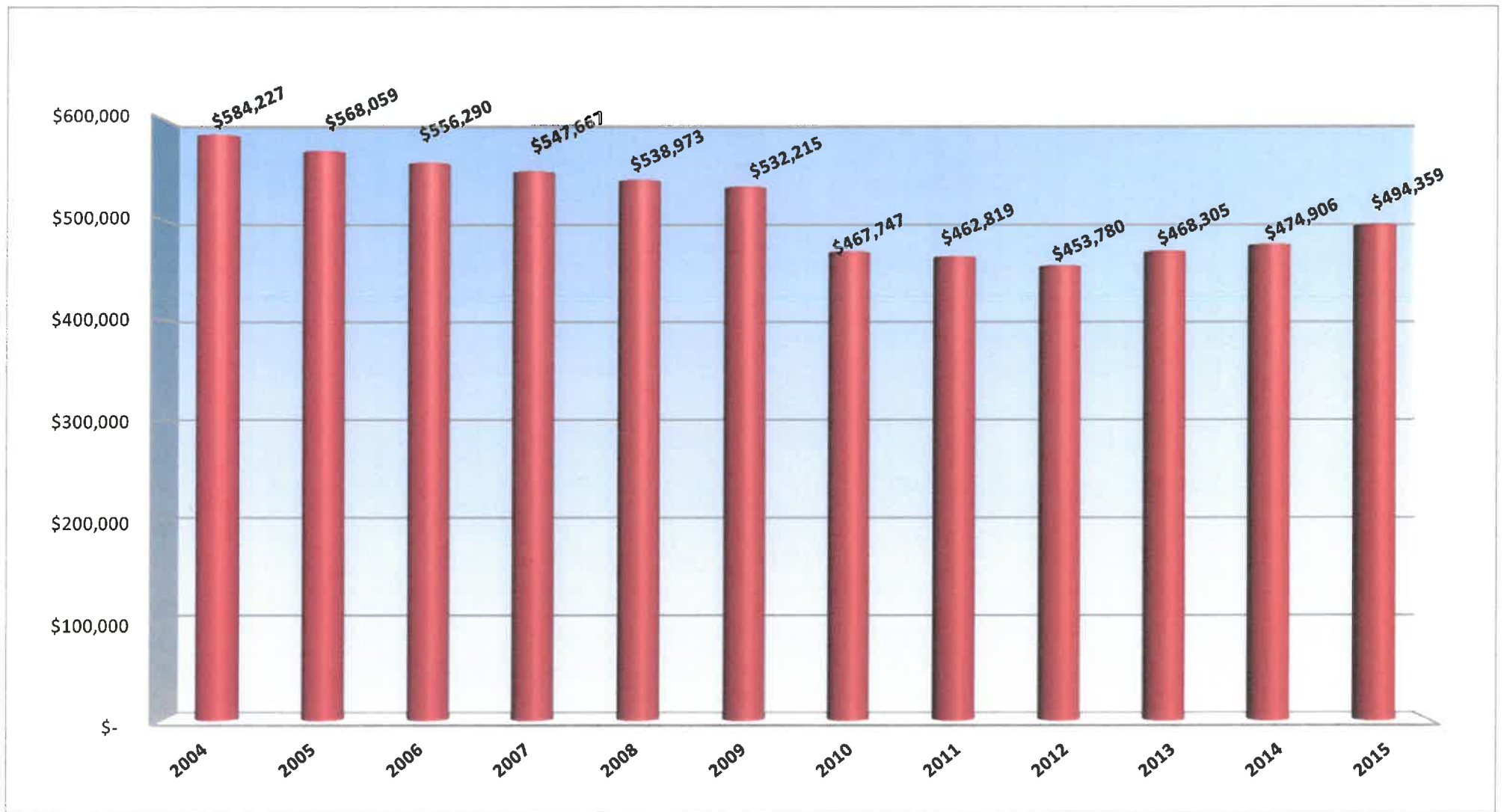


Taxes are levied by the City to fund services that are performed for the combined benefit of residents. There are several variables that affect the growth or decline of tax revenues including the addition or loss of taxable values and statutory regulations.

Trend Analysis:

Tax revenue in the City of Gladstone has remained flat the past number of years. The increase from 2014 to 2015 was due to the county multiplier increase and new construction.

State Shared Revenue

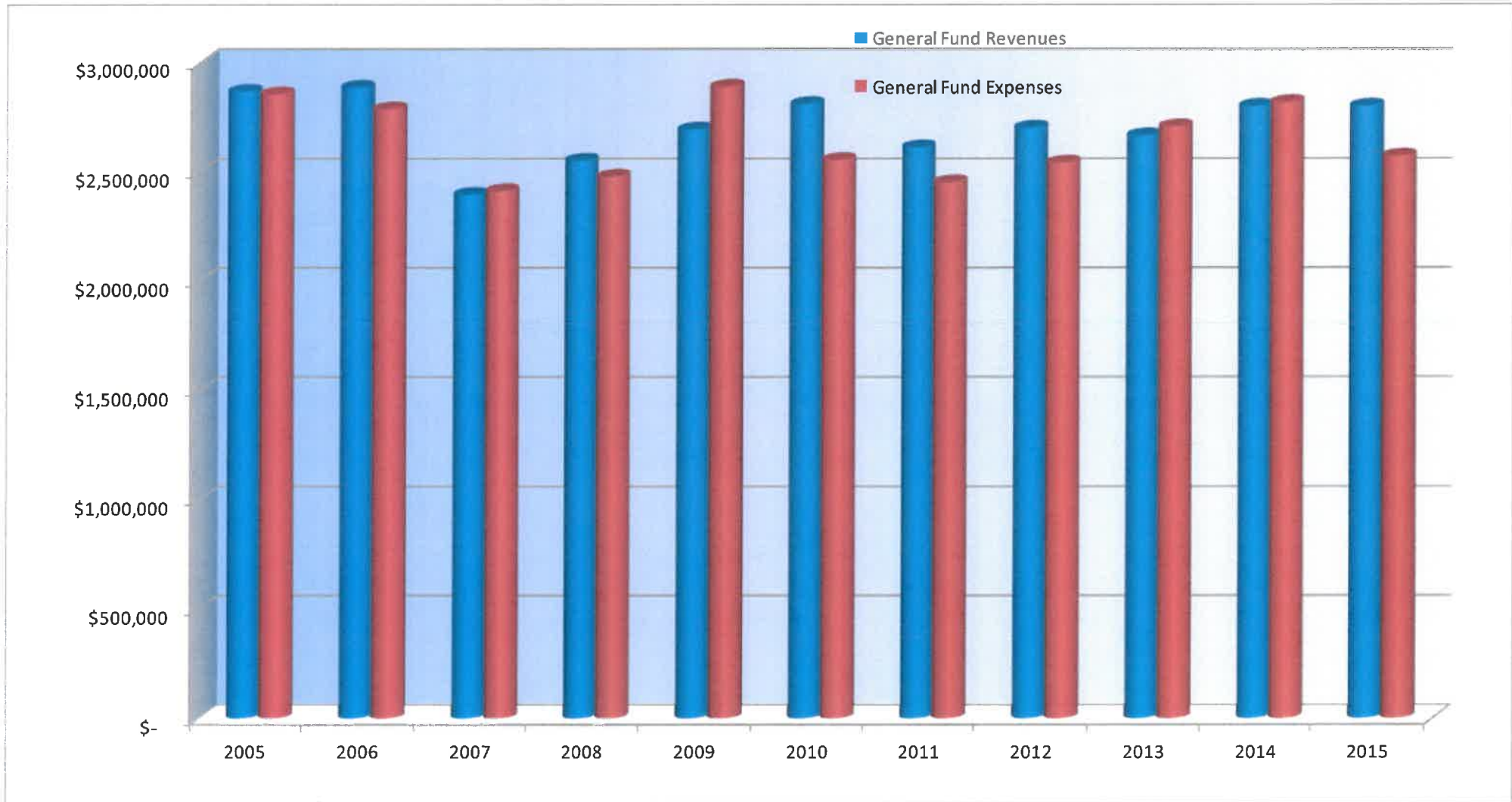


The State Revenue sharing program distributes sales tax collected by the State of Michigan to the local governments as unrestricted revenues. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). Sales tax fluctuations vary depending on the strength of the state economy, actual sales tax revenue, and annual appropriation bills for the statutory portion. This is evidenced by the decrease of actual disbursements in state shared revenue by nearly \$90,000 (15%) from 2004 to 2015.

Trend Analysis:

Minimal up trend.

General Fund Revenues and Expenses



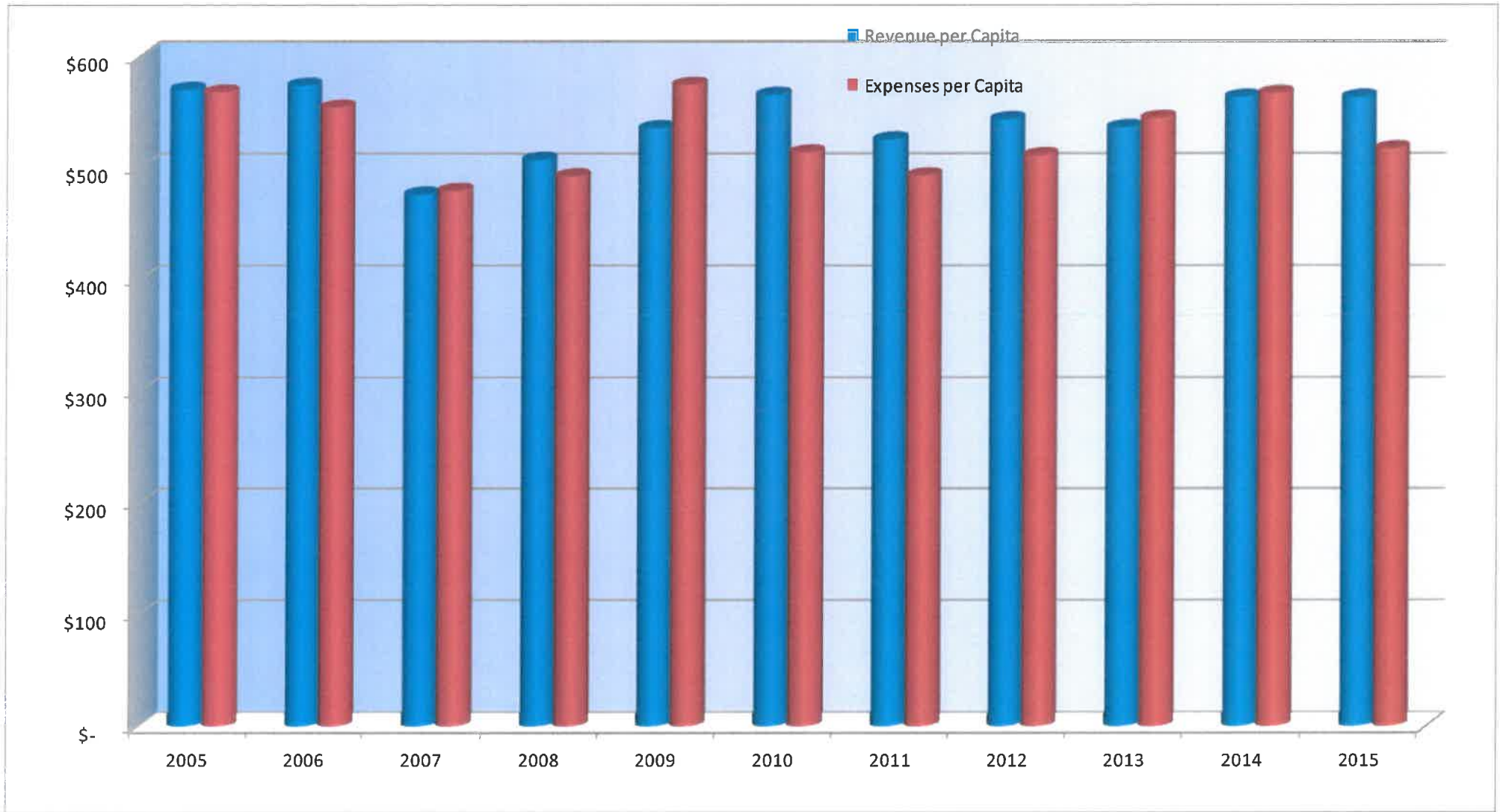
The two largest revenue sources in the General Fund are property taxes (\$1.4 million) and state sources (\$494 thousand). This revenue represents 64% of all estimated resources to fund the General Fund departments. With these sources remaining constant or slightly increasing after large decreases, it 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 40%. This department is comprised of Public Safety Officers and Volunteer Firemen. The second largest expense is General Government (39%) which is comprised of City Commission, city retirees, Manager, Clerk, Treasurer, Assessor, Elections and City Hall expenses. The third largest expense is Parks & Recreation (16%) 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 Anal :

Downward Trend: Both revenues and expenses have decreased since 2005.

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.

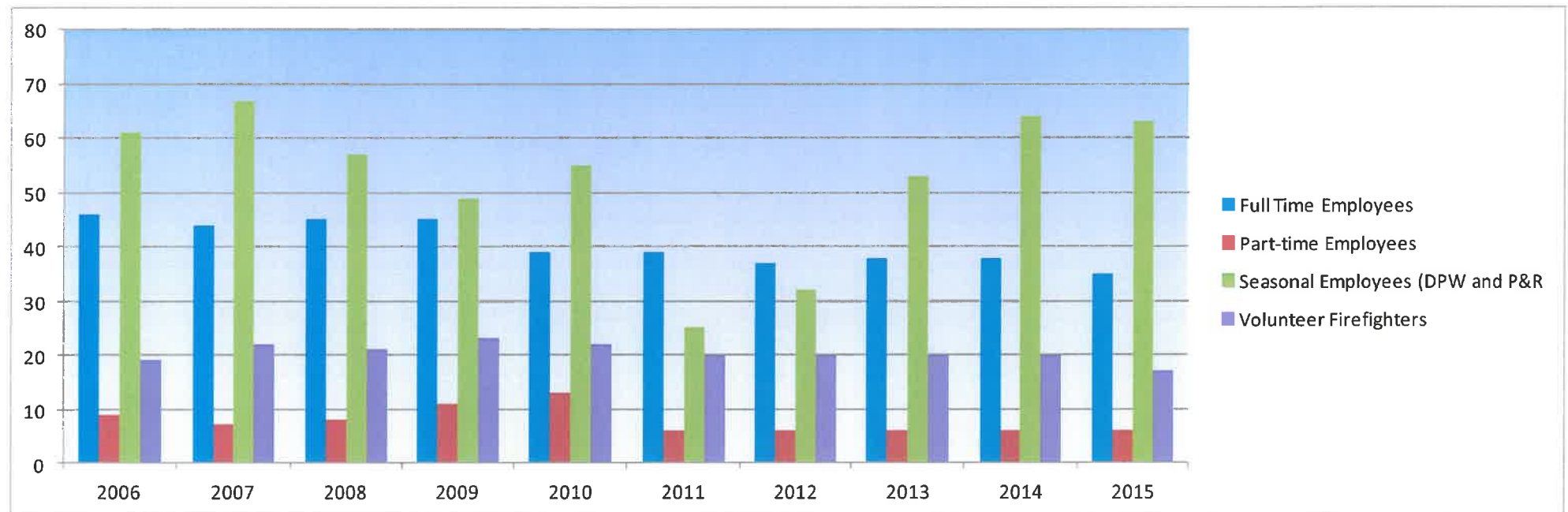
Trend Analysis:

Downward Trend—Revenue per capital since 2005 has decreased from \$570 per resident to \$564 per resident as well as expenses from \$568 per resident to \$517 per resident.

Employees

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Full Time Employees	46	44	45	45	39	39	37	38	38	35
Part Time Employees	9	7	8	11	13	6	6	6	6	6
Seasonal Employees	61	67	57	49	55	25	32	53	64	63
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>
	135	140	131	128	129	90	95	117	128	121

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Wages	\$2,114,582	\$2,152,389	\$2,255,583	\$2,221,398	\$2,258,157	\$2,157,063	\$2,250,445	\$2,254,029	\$2,370,416	\$2,382,265



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.

General Fund Fund Balance

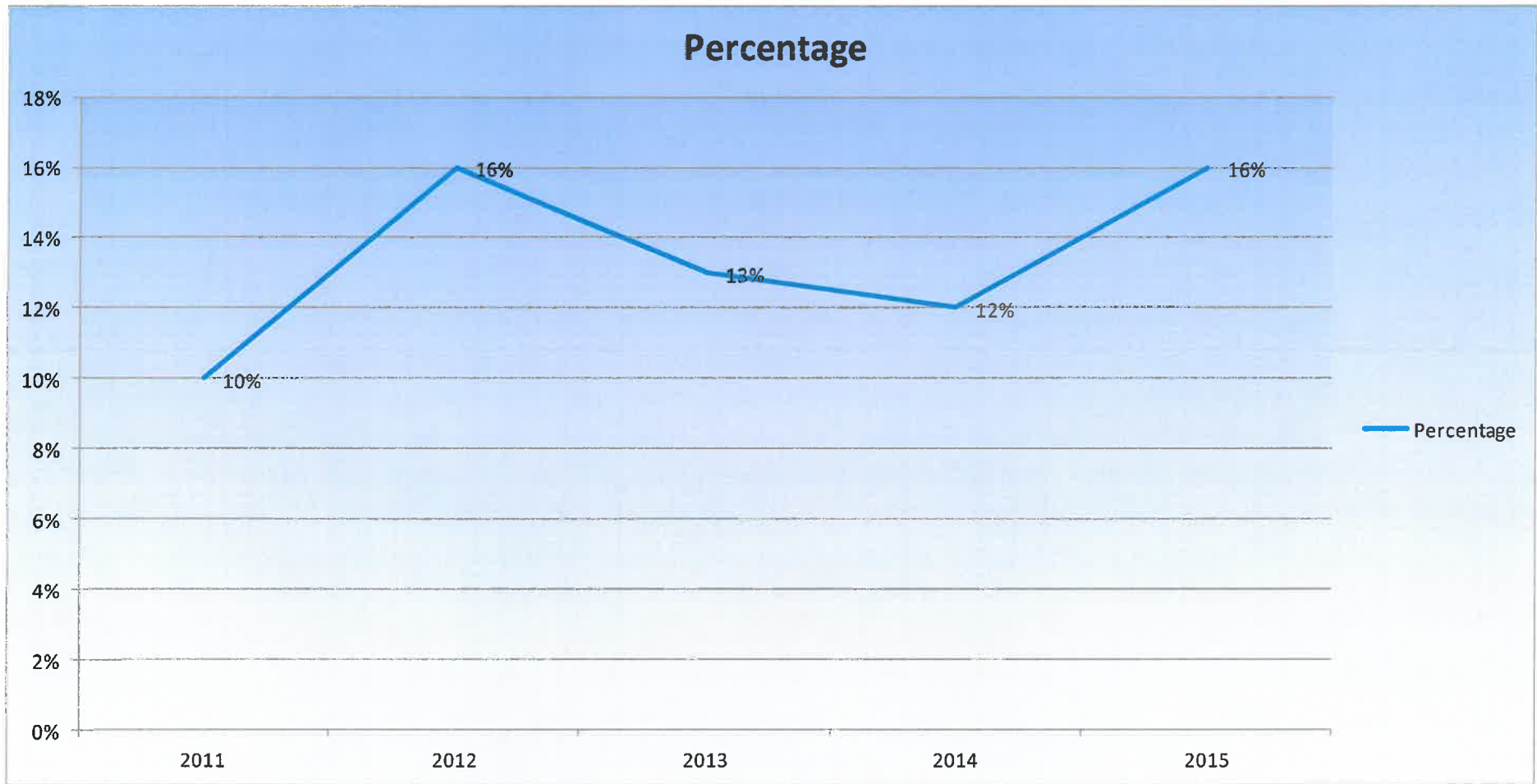


It is a sound practice to maintain a positive fund balance. Having a healthy fund balance will allow the City to cope with unforeseen circumstances related to either it's revenue and/or expenditure flows. The City of Gladstone considers having a strong fund balance critical to being able to manage it's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

Trend Analysis:

Upward Trend—The City Commission has directed a fund balance minimum of two months operations which equates to \$350,000 to insure there is no deviation from that essential concept.

General Fund Fund Balance as a Percentage of Annual Expenditures

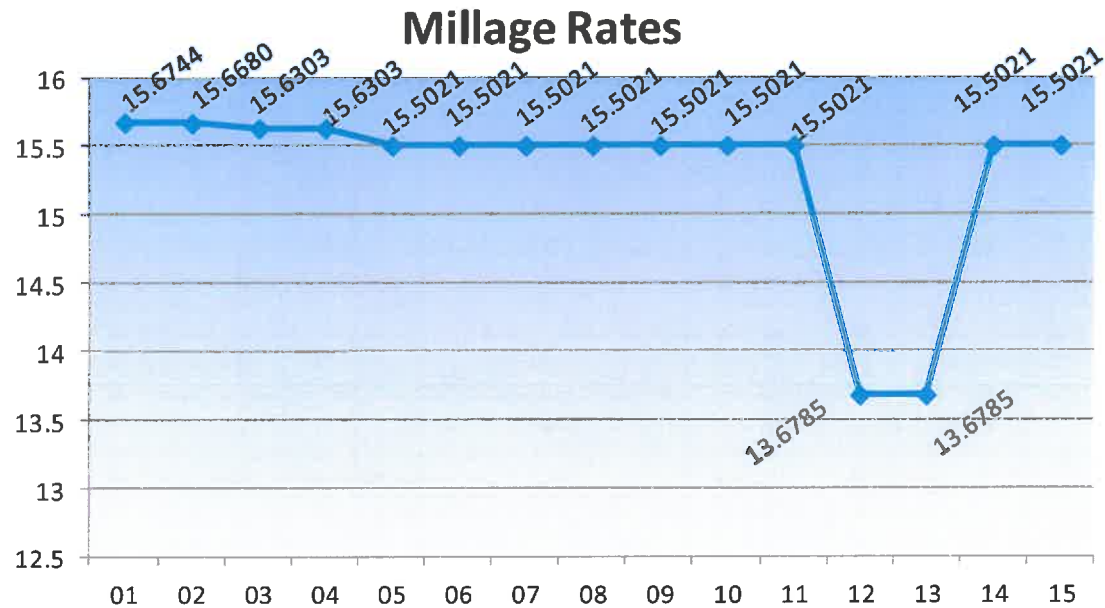


To preserve and maintain the City's sound financial system and to provide a stable financial base, the City Commission has adopted minimum levels at which the unassigned fund balance must be maintained. Fund balances should be maintained at levels which are sufficient to absorb revenue shortfalls, or financial emergencies and to ensure desired cash flow levels.

Trend Analysis:

As indicated above, the General Fund Fund balance has increased in comparison to expenditures primarily due to decreasing expenditures, decreasing staffing levels through attrition and the lack of capital improvements to City Hall.

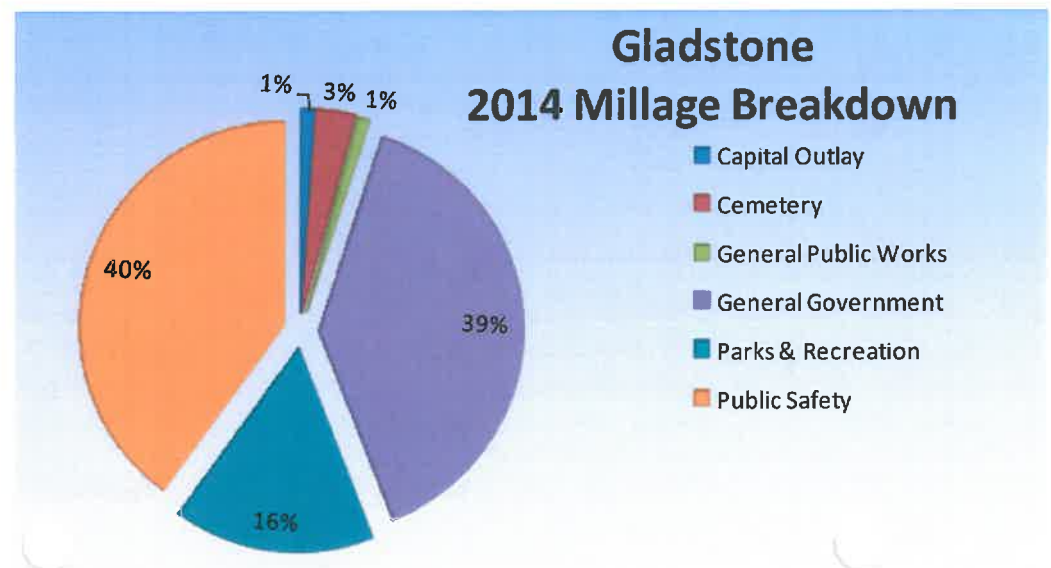
Millage Rates



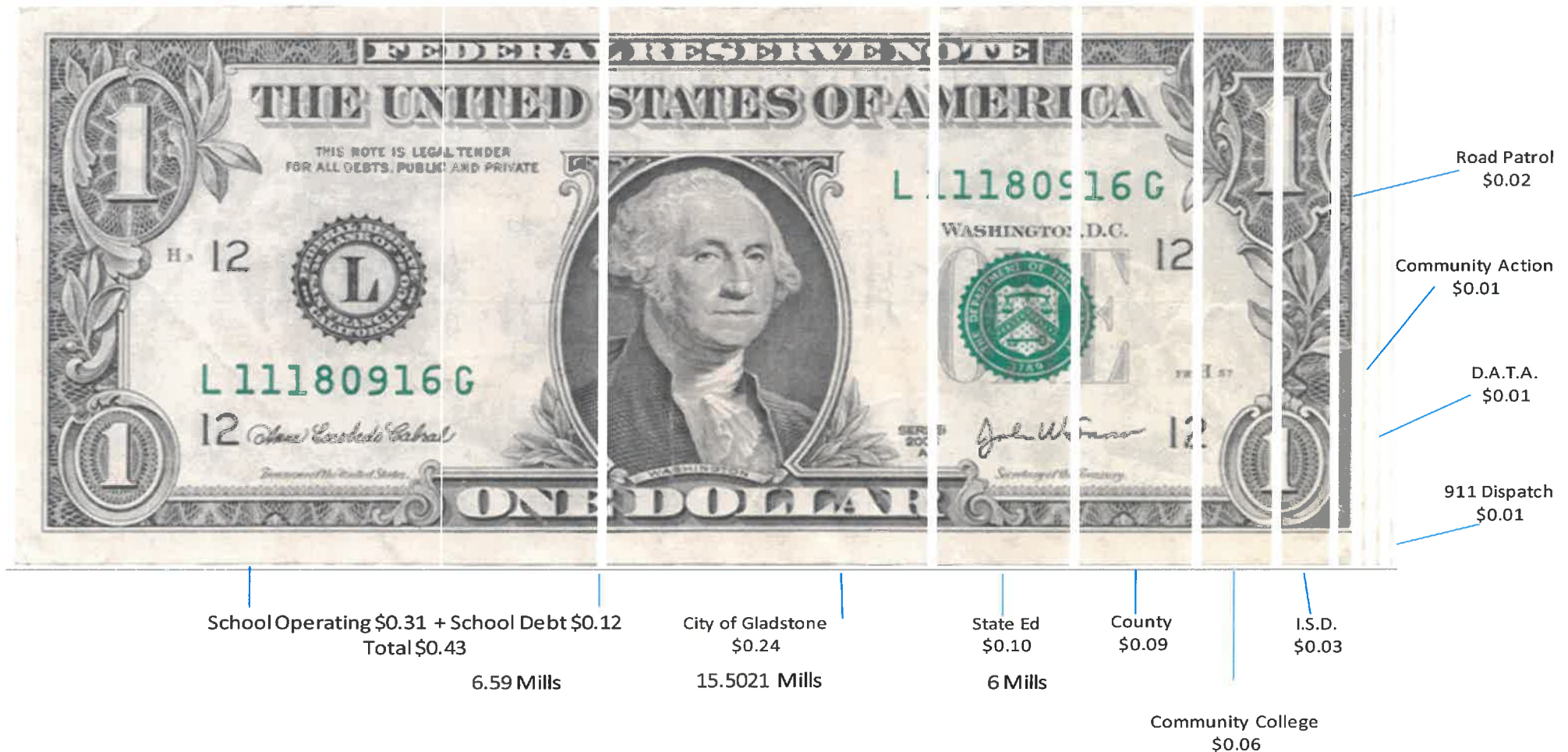
Below is a breakdown of how the total tax dollars are allocated for services provided to the community. The general operating millage is unrestricted monies that are used to pay for General Government (City Commission, city retirees, Manager, Clerk, Treasurer, Assessor, Community Development, Elections and city hall expenses), public safety officers and volunteer firemen, Parks & Recreation, Cemetery and general public works.

Millage Breakdown Per Department

Function	Mills	Dollars
Capital Outlay	.1550	\$14,000
Cemetery	.4651	\$42,000
General Public Works	.1550	\$14,000
General Government	6.0458	\$546,000
Parks & Recreation	2.4803	\$224,000
Public Safety	<u>6.2008</u>	<u>\$560,000</u>
Total	15.5021	\$1,400,000



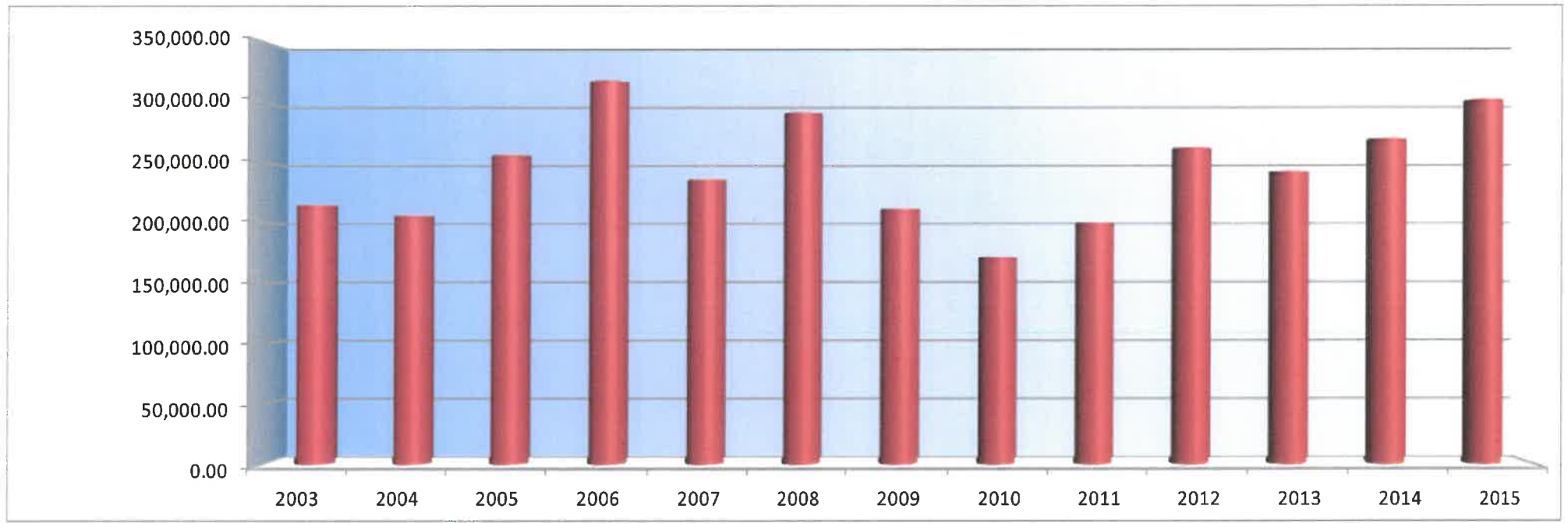
Where Does Your Tax Dollars Go?



Breakdown of how each tax dollar is allocated based on millage rate for each entity you are taxed on.

If you are a homeowner in the city, 26% (15.5021) of your total property tax bill is kept by the City of Gladstone to pay for all general fund services provided. The remaining 74% (43.8913) 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 and the Community Action Agency.

Parks & Recreation at a Glance



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Recreation Expenses	\$419,338	\$513,948	\$475,317	\$529,297	\$456,936	\$496,224	\$423,550	\$409,714	\$388,252	\$496,630	\$408,071	\$452,376	\$472,734
Recreation Revenue	\$204,618	\$307,896	\$219,113	\$211,683	\$220,933	\$204,852	\$211,931	\$238,305	\$188,213	\$234,406	\$165,563	\$182,764	\$170,800
Expense Less Revenue	\$214,721	\$206,053	\$256,204	\$317,614	\$236,003	\$291,373	\$211,620	\$171,410	\$200,039	\$262,245	\$242,509	\$269,613	\$301,934

Actual Cost to General Fund with the Dr. Mary Cretens Endowment— **2015 Cost Per Capita \$43**

Dr. Mary Cretens Endowment	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015
\$13,000 Recreation Programs/Cemetery	\$13,000	\$13,000	0	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
5% Maintenance of Fishing Pier	\$10,638	\$12,548	0	\$15,764	\$15,431	\$10,0900	\$10,800	\$10,800	0
15% Establish/Maintain Playgrounds	\$31,915	\$37,644	0	\$46,361	\$47,695	\$33,191	\$40,384	\$57,425	\$70,136
Total	\$55,554	\$63,192	0	\$75,125	\$76,126	\$56,191	\$64,184	\$81,225	\$83,136

Long Term Debt & Pension Liabilities

Fund	Description of Loan	Loan Date	Original Loan Amount	Payments made 4/1/14 to 3/31/15	Balance as of 3/31/15	Payments required by 3/31/16	Maturity Date
Wastewater	Sludge Storage Tank	12/14/2006	\$1,090,718	\$62,930	\$745,718	\$67,118	10/1/2027
Equipment	2013 Pickup	6/21/2013	\$20,485	\$3,164	\$15,658	\$3,163	6/821/2020
General Fund	Recreation (due to Electric Fund)	3/31/2011	\$213,851	\$23,820	\$154,102	\$23,820	1/31/2021
Solid Waste	Garbage Carts/Truck (Due to Electric Fund)	3/31/2012	\$318,395	\$35,157	\$227,884	\$35,157	3/31/2022
Harbor	New Docking System (Due to Electric Fund)	4/1/2013	\$104,903	\$22,256	\$84,745	\$22,256	3/31/2018

Unfunded Post Employment Health Benefits

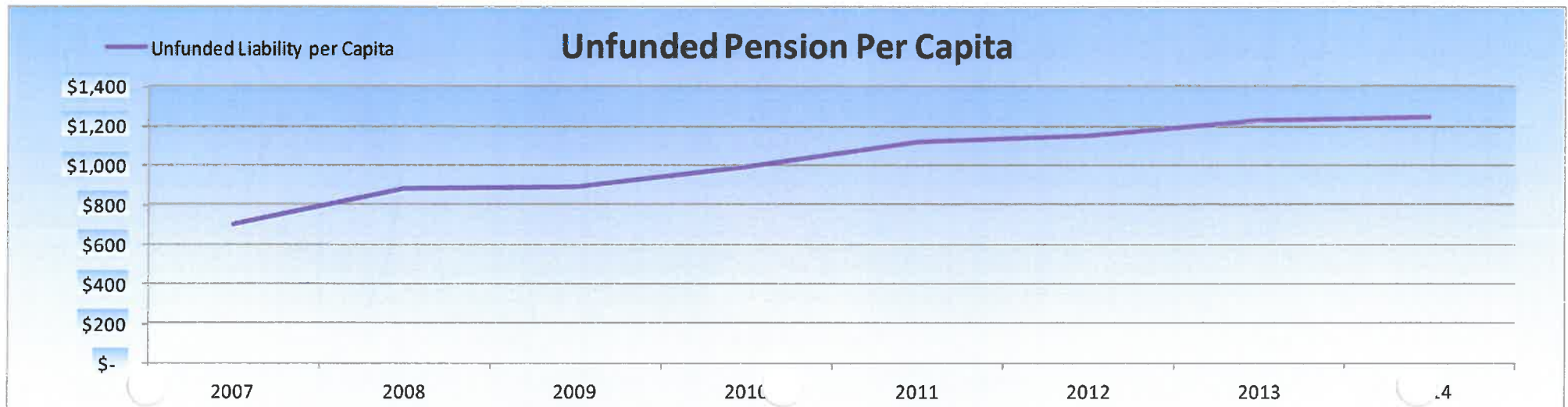
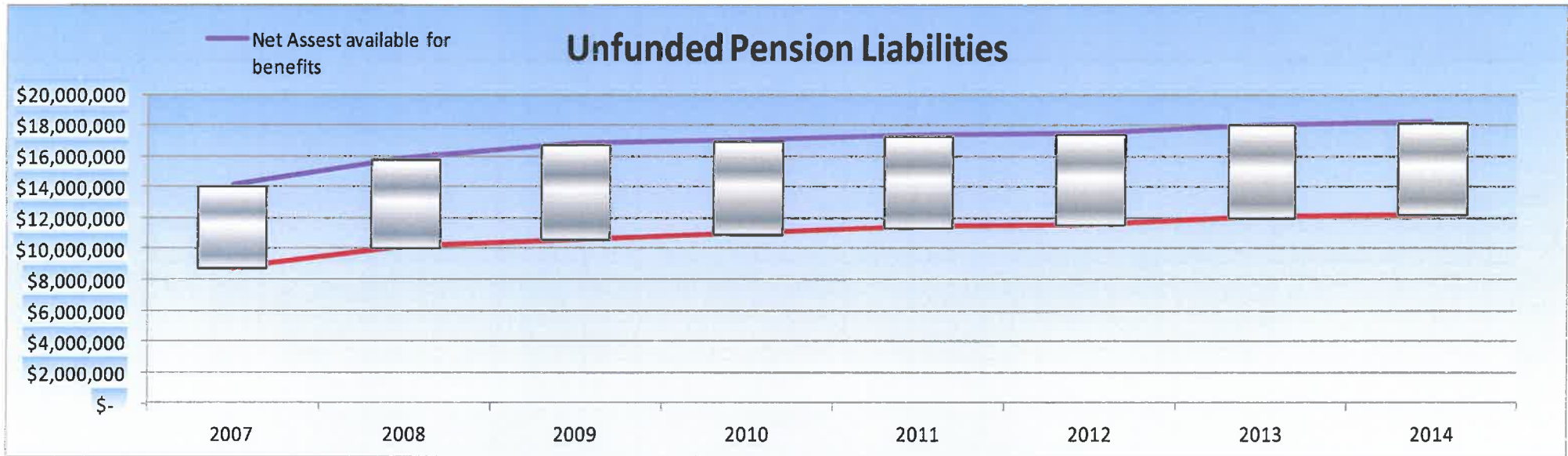
Net OPEB Obligation 3/31/2010	\$22,477
Net OPEB Obligation 3/31/2011	\$442,339
Net OPEB Obligation 3/31/2012	\$654,382
Net OPEB Obligation 3/31/2013	\$796,436
Net OPEB Obligation 3/31/2014	\$957,248
Net OPEB Obligation 3/31/2015	\$1,071,381

The City of Gladstone's debt per capita is \$1,707 per resident. 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 and health obligations for employees and retirees.

Long Term Debt & Pension Liabilities

Pension Liability	2007	2008	2009	2010	2011	2012	2013	2014
Total Accrued Liability	\$8,798,812	\$10,106,769	\$10,614,912	\$10,986,694	\$11,437,934	\$11,584,977	\$12,069,637	\$12,207,092
Net Assets Available for Benefits	\$5,310,617	\$5,728,761	\$6,190,015	\$6,042,437	\$5,894,813	\$5,880,892	\$5,971,397	\$6,017,993
Total Unfunded Liability	\$3,488,195	\$4,378,008	\$4,424,897	\$4,944,257	\$5,543,121	\$5,704,085	\$6,098,240	\$6,189,099



2015-2016 Current FY and 2016-2017 Projected FY Budget—General Fund Only

<u>Revenue</u>	<u>15/16 FY</u>	<u>16/17 FY</u>	<u>Difference</u>	<u>Expenses</u>	<u>15/16 FY</u>	<u>16/17 FY</u>	<u>Difference</u>
Taxes	\$1,529,101	\$1,555,291	\$26,190	Public Safety	\$1,371,825	\$1,293,901	(\$77,924)
State Sources	\$494,896	\$507,814	\$12,918	General Government	\$1,032,323	\$1,051,462	\$19,139
Recreation	\$198,100	\$198,100	\$0	Recreation	\$498,992	\$503,279	\$4,287
Transfer From Fund Balance	\$0	\$0	\$0	Transfer To Fund Balance	\$7,169	\$22,692	\$15,523
Other	<u>\$820,479</u>	<u>\$750,479</u>	<u>(\$70,000)</u>	Other	<u>\$132,267</u>	<u>\$140,350</u>	<u>\$8,083</u>
Total	\$3,042,576	\$3,011,684	(\$30,892)	Total	\$3,042,576	\$3,011,684	(\$30,892)
 Fund Balance	 \$484,762	 \$507,454	 \$22,692				

Revenue Assumptions

- Taxes—Factored in CPI increase to taxable value.
- State Sources—Slightly increasing per state website.
- Recreation—User fees remaining flat.
- Other—remaining flat.

Expense Assumptions

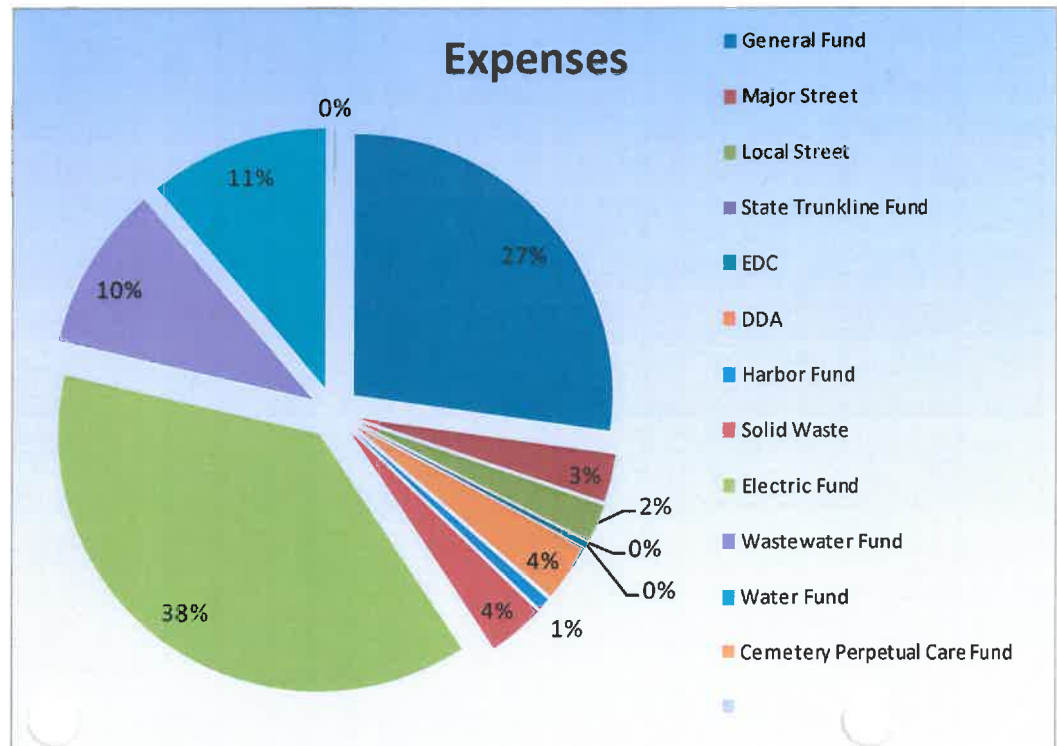
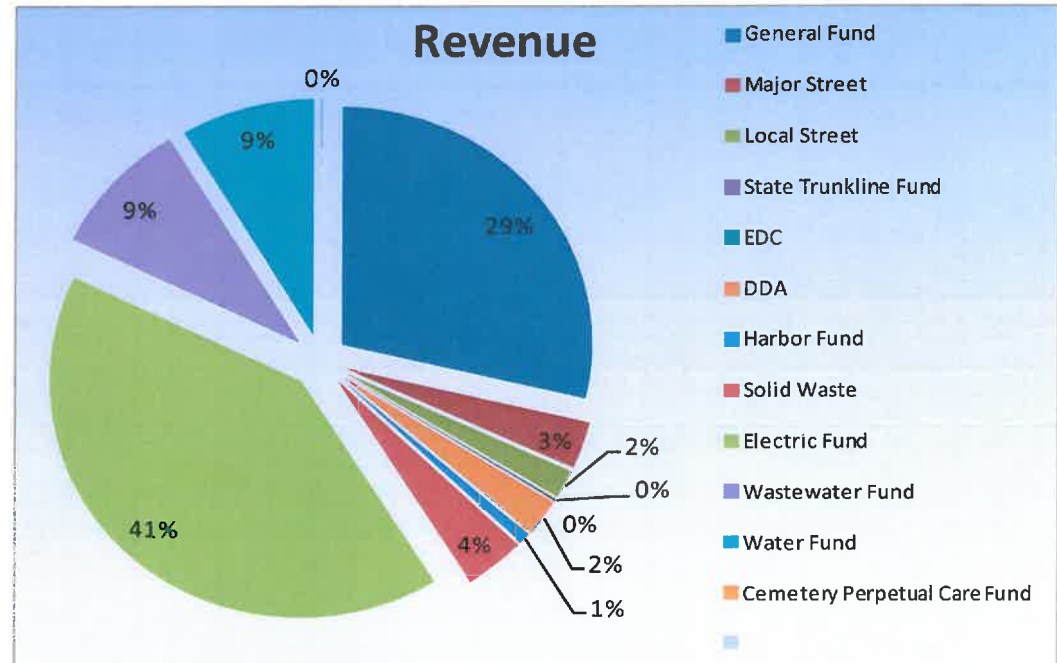
- 1% pay/benefit increase.
- 6% increase in MERS.
- .4% increase in healthcare.

- 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 2016/2017 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.

2015-2016 Budget Summary

	Revenue	Expense
General Fund	\$3,042,576	\$3,035,407
Major Street	\$339,750	\$330,681
Local Street	\$205,250	\$259,696
State Trunkline Fund	\$5,600	\$5,600
Economic Development Fund	\$10,000	\$25,497
Downtown Development Authority	\$264,050	\$399,700
Harbor Fund	\$78,090	\$84,620
Solid Waste Fund	\$414,800	\$391,452
Electric Fund	\$4,365,962	\$4,233,390
Wastewater Fund	\$977,560	\$1,141,620
Water Fund	\$912,570	\$1,235,070
Cemetery Perpetual Care Fund	<u>\$2,500</u>	<u>\$2,500</u>
	\$10,618,708	\$11,145,233

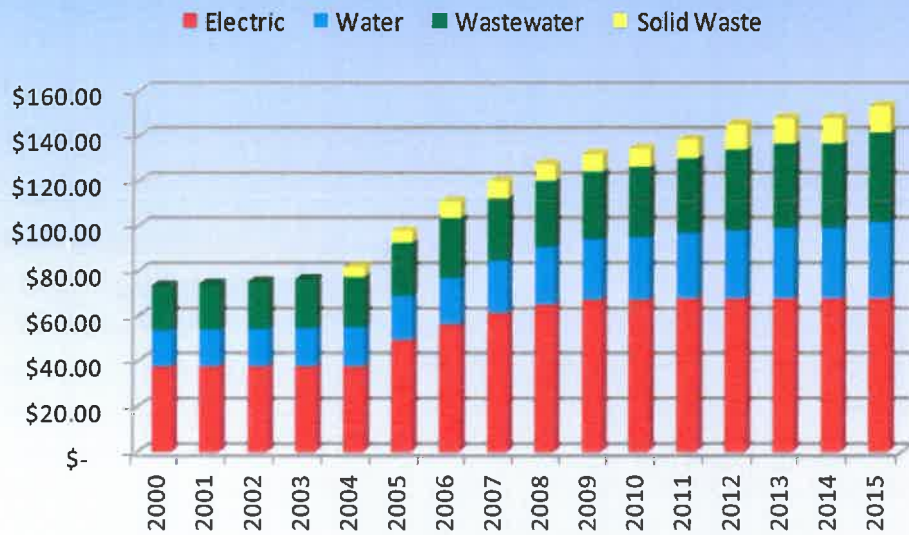
- The City of Gladstone's fiscal year is April-March.
- The above "Budget Summary" is a snapshot of each fund's budget for the current fiscal year.
- Timing of revenue sources per fund are different.
- In the General Fund and DDA Fund, tax revenue collections begin in July of every year.
- The General 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.



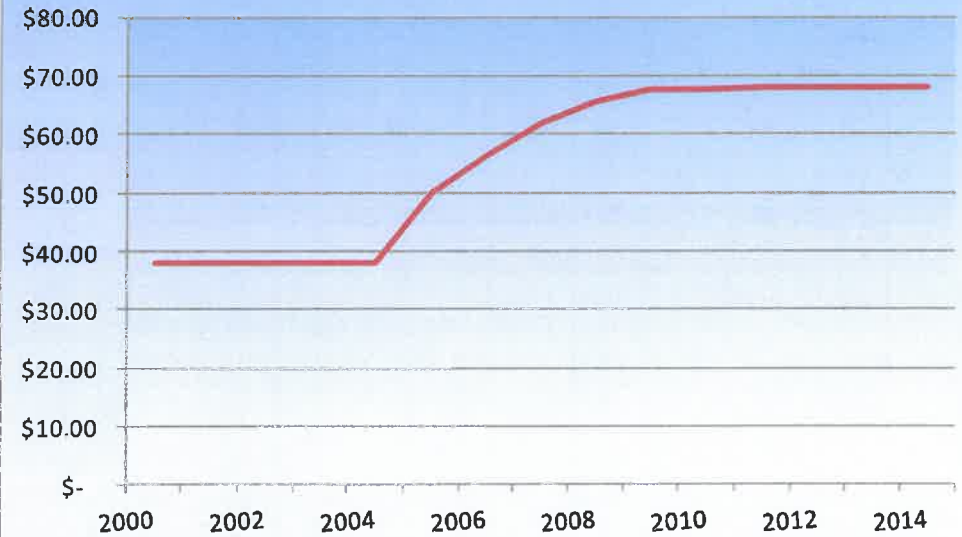
Utility Rate History 2000-2015

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

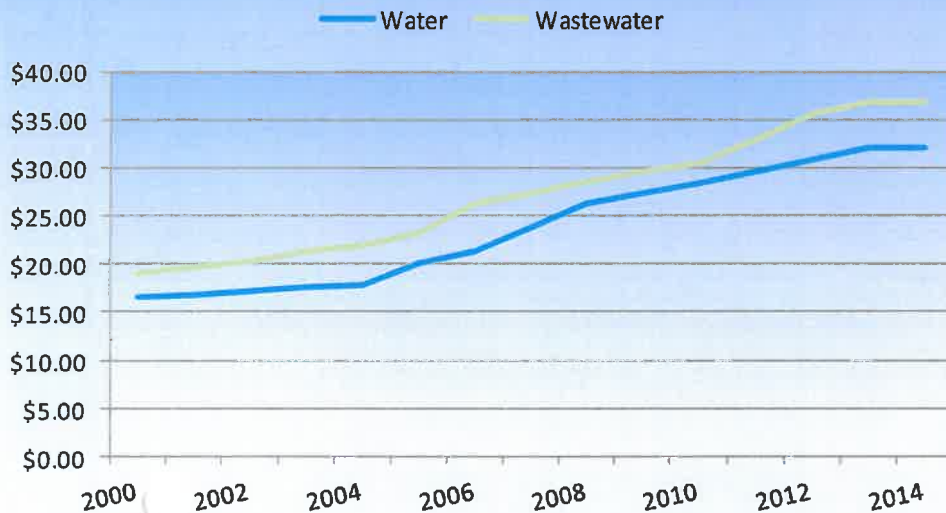
Combined Utility Billing History



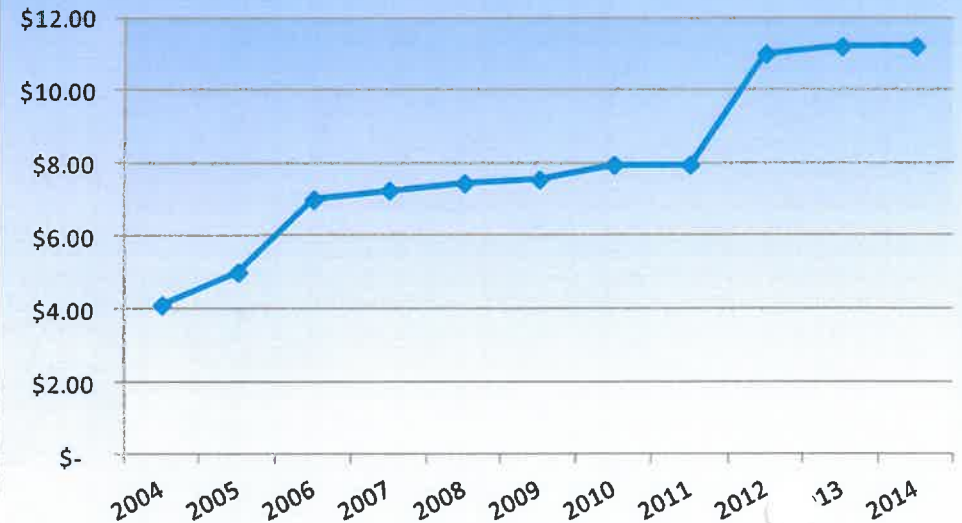
Electric Rate History



Water & Wastewater Rate History



Solid Waste



Quality of Life & Economic Strength

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.



	2011	2012	2013	2014	2015	Trend
Miles of sidewalks and non-motorized paths/trails as a factor of total miles of local/major streets	.86	.86	.86	.86	.86	Neutral
Percent of General Fund Expenditures committed to Arts, Culture and Recreation	16.8%	15.5%	26.5%			
Acres of park per thousand residents	35.4	35.8	35.8	35.8	35.8	Neutral
Percent of community being provided with curbside recycling	100%	100%	100%	100%	100%	Neutral

Population by Age, 2000 and 2010

	2000	%Total	2010	% Total	% Change
Under 5 Years	315	6.3%	293	5.9%	-7.0%
5-9 Years	323	6.4%	303	6.1%	-6.2%
10-14 Years	382	7.6%	345	6.9%	-9.7%
15-19 Years	373	7.4%	306	6.2%	-18.0%
20-24 Years	228	4.5%	202	4.1%	-11.4%
25-34 years	547	10.9%	792	15.9%	44.8%
35-44 Years	747	14.8%	577	11.6%	-22.8%
45-54 Years	676	13.4%	698	14.0%	3.3%
55-64 Years	487	9.7%	670	13.5%	37.6%
65-74 Years	478	9.5%	486	9.8%	1.7%
75 Years+	476	9.5%	563	11.3%	18.3%
Total	5,032		4,973		-1.2%

Quality of Life & Economic Strength

Housing					
	2000	% Total	2010	% Total	% Change
Occupied	2,216	93.1%	2,182	89.8%	2.6%
Vacant	163	7.1%	249	10.2%	52.8%
Owner-Occupied	1,683	79.2%	1,676	76.8%	-0.4%
Renter-Occupied	443	20.8%	506	23.2%	14.2%
Total	2,284		2,431		6.4%

Race Composition	
One Race	
White	4881
African American	11
American Indian	96
Asian	16
Other	14
Two or more races	92

Income, 2000-2010			
	2000	2010	% Change
Gladstone			
Median Household Income	\$43,990	\$41,458	-5.8%
Per Capita Income	\$22,759	\$20,629	-9.4%
Delta County			
Median Household Income	\$44,637	\$41,951	-6.0%
Per Capita Income	\$23,638	\$22,064	-6.7%
Michigan			
Median Household Income	\$56,392	\$48,432	-14.1%
Per Capita Income	\$28,071	\$25,135	-10.5%



Employment Status, 2012				
	Total Pop Over 16	In Labor Force	Employed	Unemployment Rate
Gladstone	3,820	55.7%	52.6%	5.5%
Michigan	7,849,558	62.3%	54.4%	12.1%

Quality of Life & Economic Strength

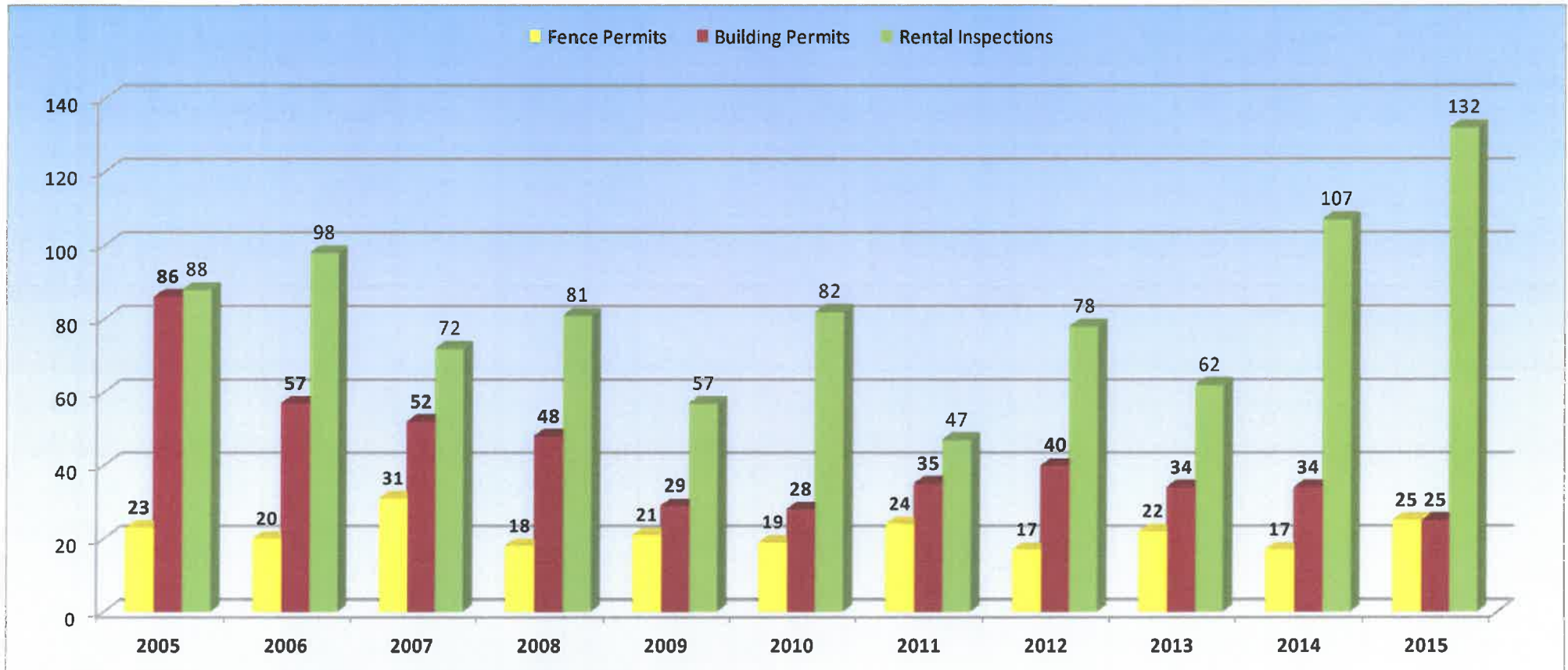
Top 14 Employers

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
Independent Machine	23
Pardon	18
USDA Service Center	18
Alger Delta Cooperative	13

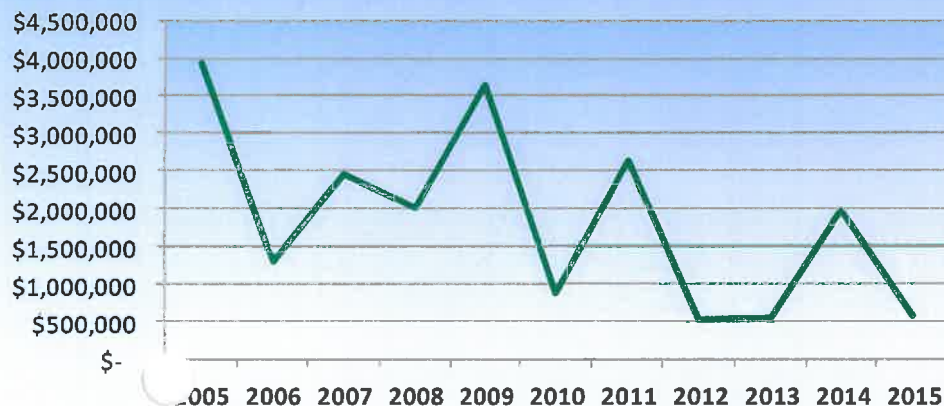
Fiscal Stability						
	2011	2012	2013	2014	2015	Trend
Annual GF Expenditures per Capita	\$489	\$512	\$542	\$567	\$524	Negative
Fund Balance as % of Annual GF Expenditures	10%	16%	13%	12%	16%	Positive
Unfunded Pension & Retiree Health Care Liability, as % of Annual GF Revenue	226%	235%	258%	255%	215%	Positive
Debt Burden Per Capita	\$534	\$558	\$580	\$342	\$247	Positive
Ratio of Pensioners to Employees	3.57	3.71	3.71	3.71	3.71	Neutral
Number of Services Delivered via Cooperative Venture	10	11	11	11	11	Neutral

Community Development

Permits, Rental Inspections and New Construction



Value of Construction

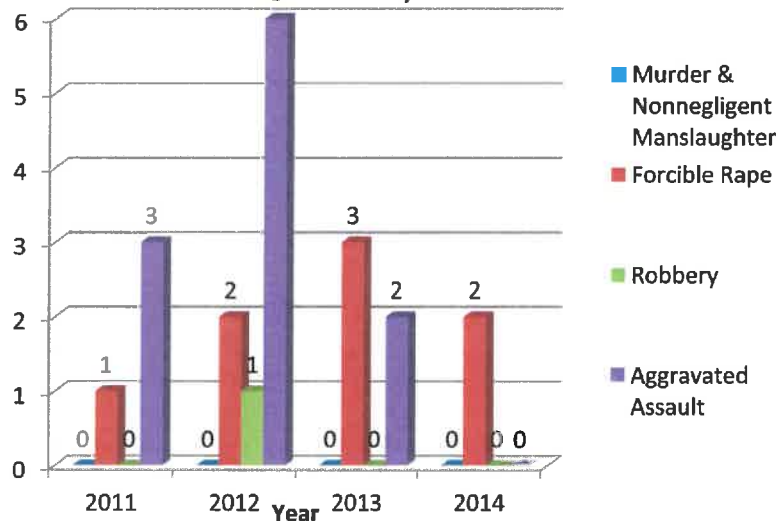


The number of building permits issued within a community provides some indication of the local economy's health. Fluctuations in building permits and construction are generally an indication of the strength or weakness of the local or national economy.

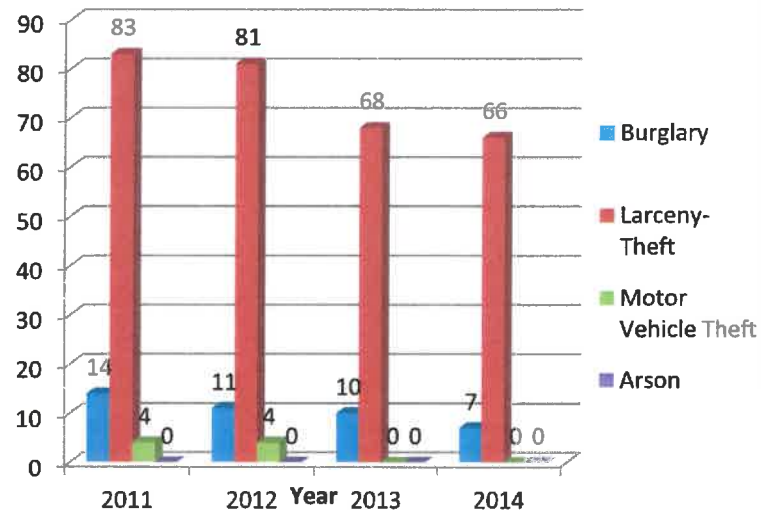
Trend Analysis:
Downward Trend

Protecting and Serving Our Year 'Round Playground

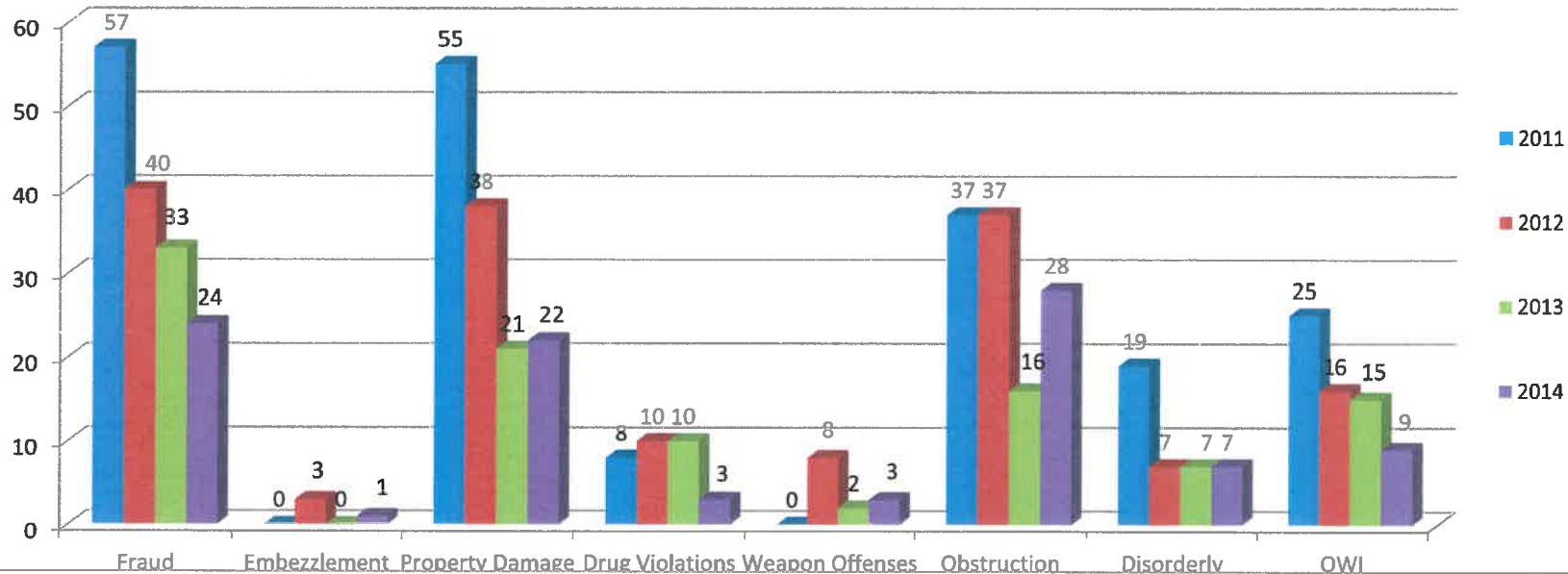
Part I Offenses, 2011-2014 Violent Crime



Part I Offenses, 2011-2014 Property Crime

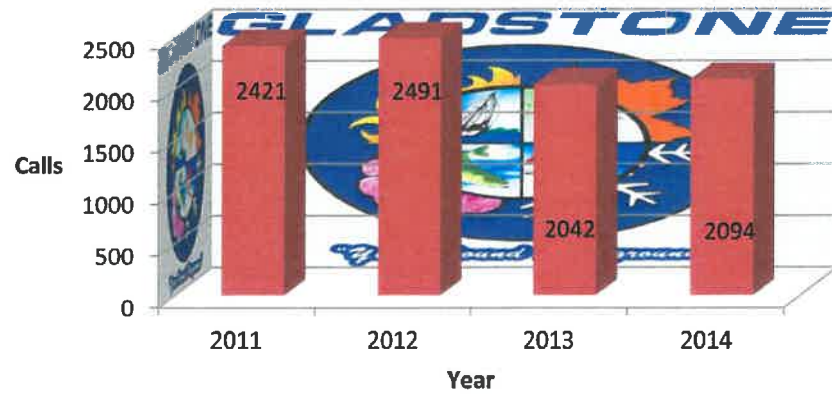


Selected Part II Offenses, 2011-2014



Protecting and Serving Our Year 'Round Playground

Calls for service



GLADSTONE





Public Safety Data

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>Trend (13-14)</u>
Violent Crime Per 1000 residents	1.38	0.20	0.80	1.81	1.02	0.41	↓
Property Crime Per 1,000 residents	18.94	22.92	20.33	19.27	15.87	14.85	↓
Traffic Crashes w/ Injuries / Fatalities	20	22	20	21	14	22	↑
Total Traffic Crashes	114	105	127	111	83	115	↑
Calls for Service	2377	2363	2421	2491	2042	2094	↑
Fire Calls	29	47	24	20	23	18	↓

Protecting & Serving Our Year 'Round Playground.