



2016 City of Gladstone Citizen's Guide & Performance Dashboard



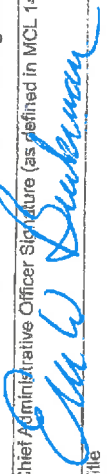
City, Village, and Township Revenue Sharing and County Incentive Program Certification

Issued under authority of 2016 Public Act 268. 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 2016 Public Act 268. 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, 2016**, (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 City of Gladstone	Local Unit County Name Delta County		
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 March, 2016	
PART 2: CITIZEN'S GUIDE			
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 pensions or other post employment benefits (OPEB).			
PART 3: CERTIFICATION			
In accordance with 2016 Public Act 268, 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) 	Printed Name of Chief Administrative Officer (as defined in MCL 141.422b) Eric Buckman		
Title City Manager	Date 11/21/2016		

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 48908

TREASURY USE ONLY			
CYTRSCP Eligible Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Certification Received May 9, 2017	Citizen's Guide Received Projected due to Report Required	
Performance Dashboard Attached Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			
Fiscal Certification Y <input checked="" type="checkbox"/> N <input type="checkbox"/>			

Greetings to the Citizens of Gladstone,

The City of Gladstone is proud to present the 2016 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,

Eric Buckman
City Manager
ebuckman@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.

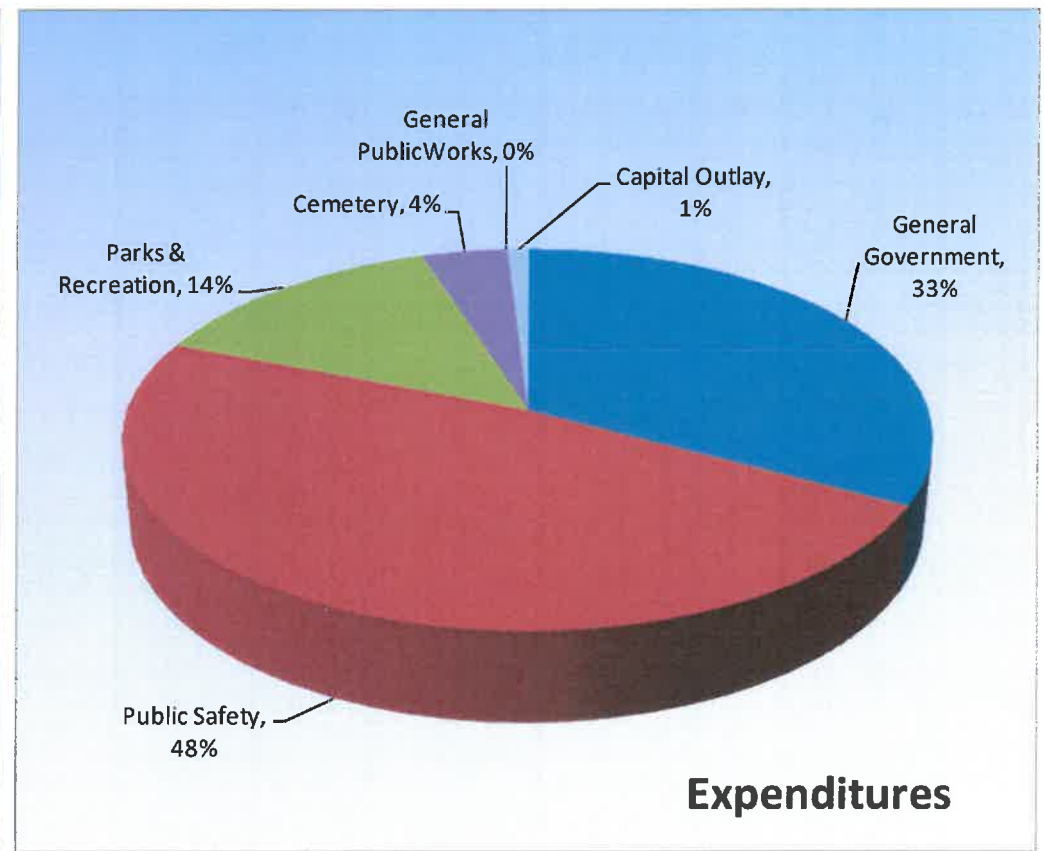
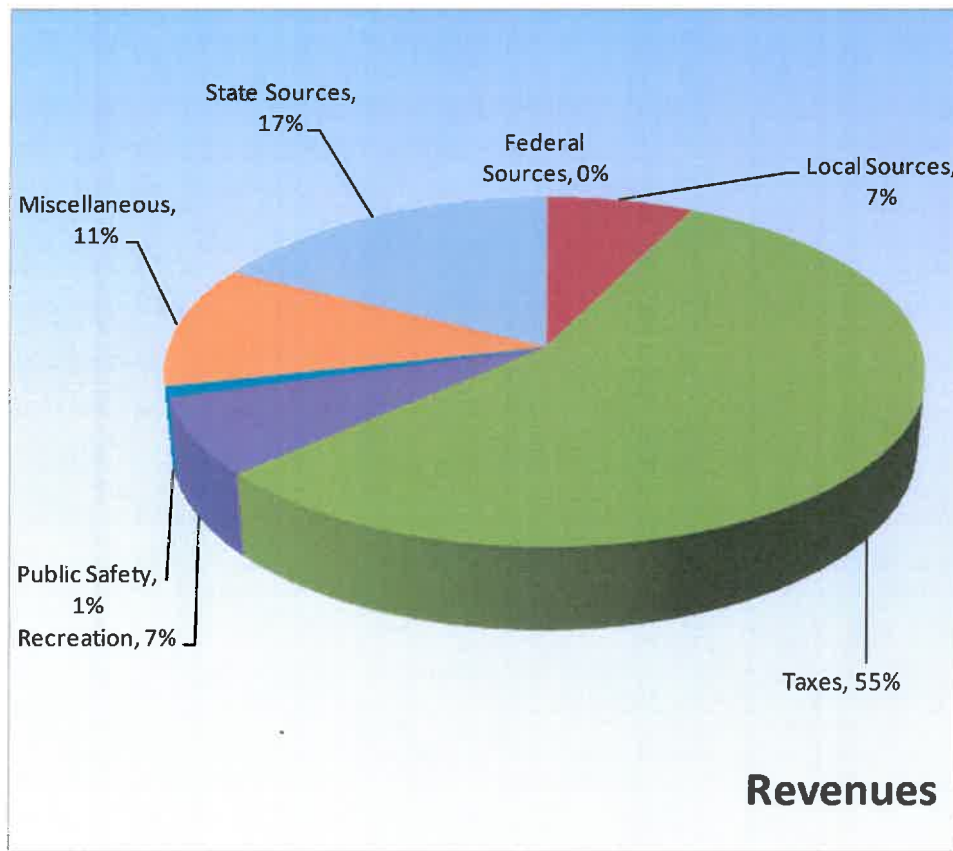
Wastewater Treatment Plant - The Wastewater Treatment Plant (WWTP) is owned by the City of Gladstone and serves the area within the City limits, the Village of Rapid River in Masonville Township, and two customers each in Escanaba Township and Brampton Township. The original collection system was constructed 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.

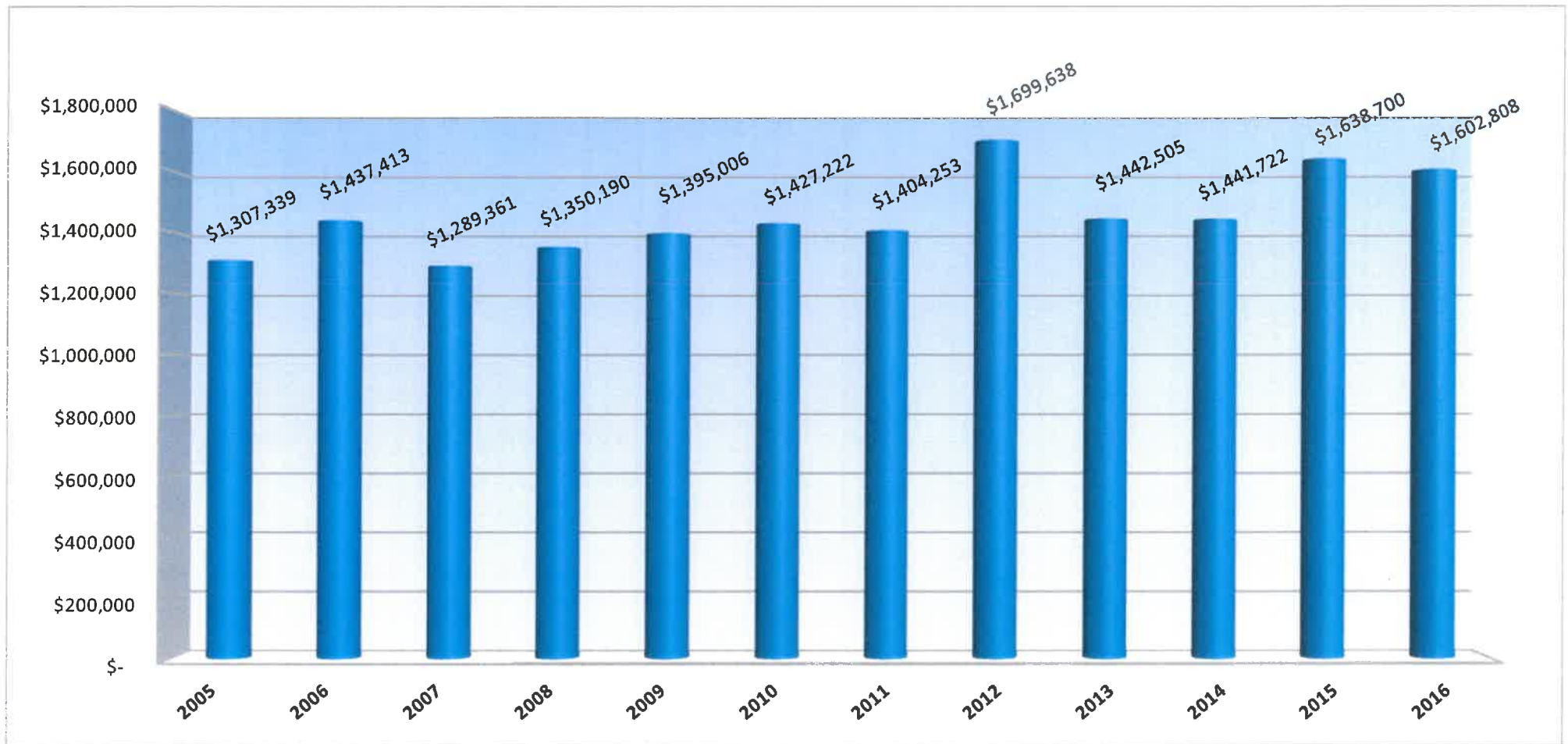
Fiscal Year 2015/2016 General Fund Revenue and Expense



The two largest revenue sources in the General Fund are property taxes (\$1.6 million) and state sources (\$497 thousand). This revenue represents 72% 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 48%. This department is comprised of public safety officers and volunteer firemen. The next largest expense is general government at 33%. 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 14%. 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

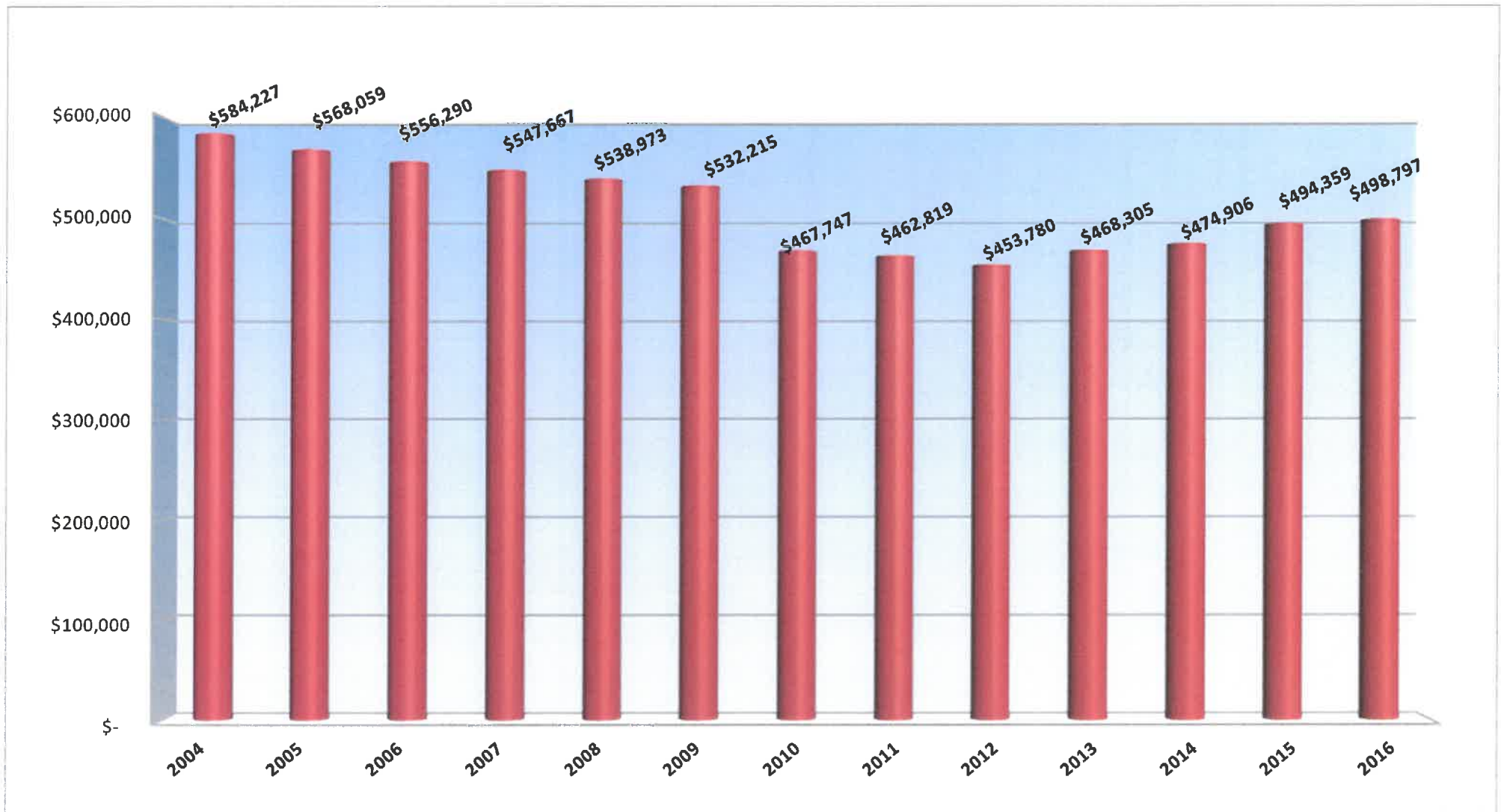


Taxes are levied by the City to fund services that are performed for the combined benefit of residents. There are several variables that affect the growth or decline of tax revenues including the addition or loss of taxable values and statutory regulations. There are many departments and services that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

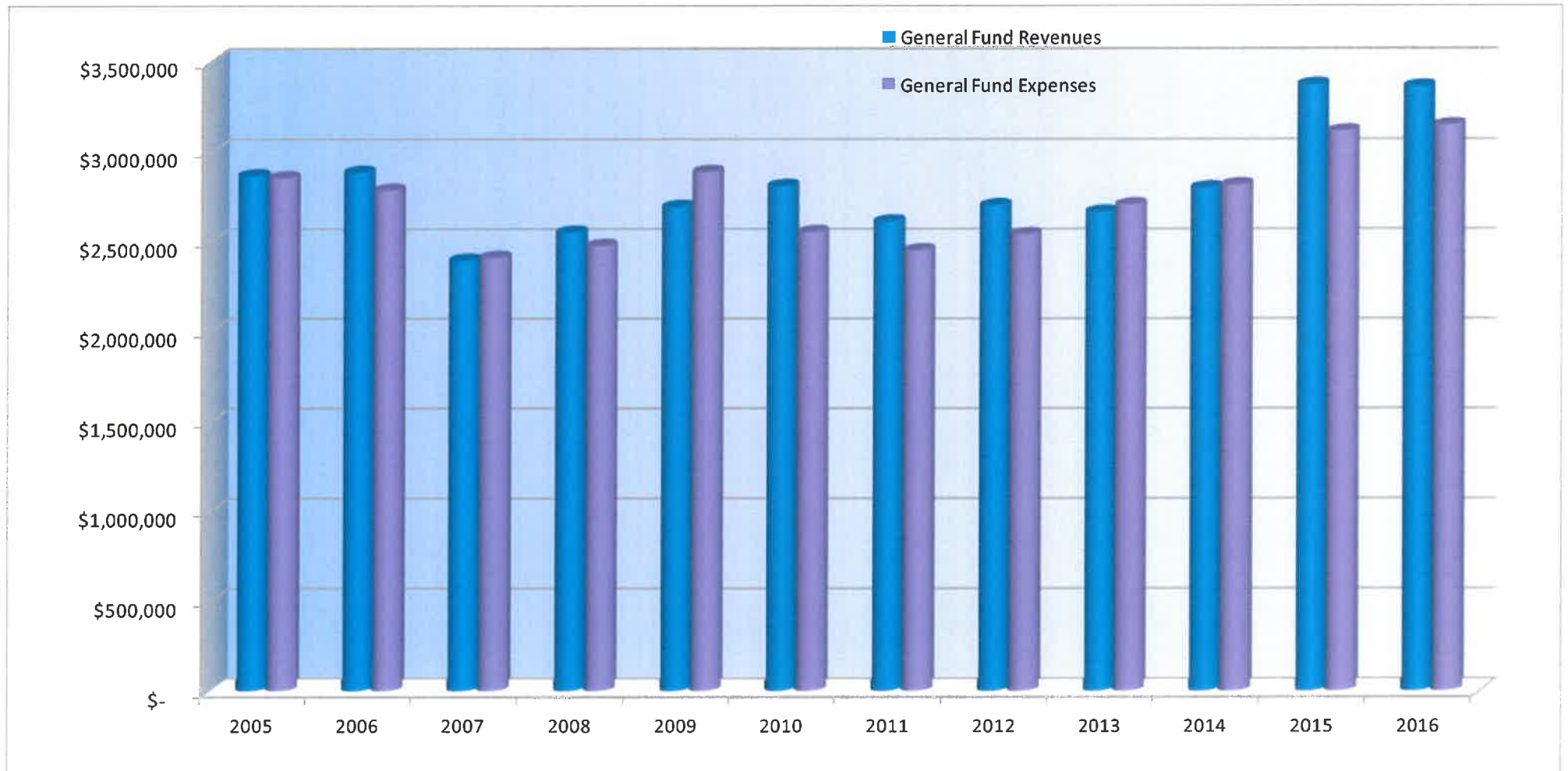


The State Revenue sharing program distributes sales tax collected by the State of Michigan to the local governments as unrestricted revenues. The distribution of funds is authorized by the State Revenue Sharing Act, Public Act 140 of 1971, as amended (MCL 141.901). Sales tax fluctuations vary depending 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 up 1 trend after decreasing trend since 2004.

General Fund Revenues and Expenses



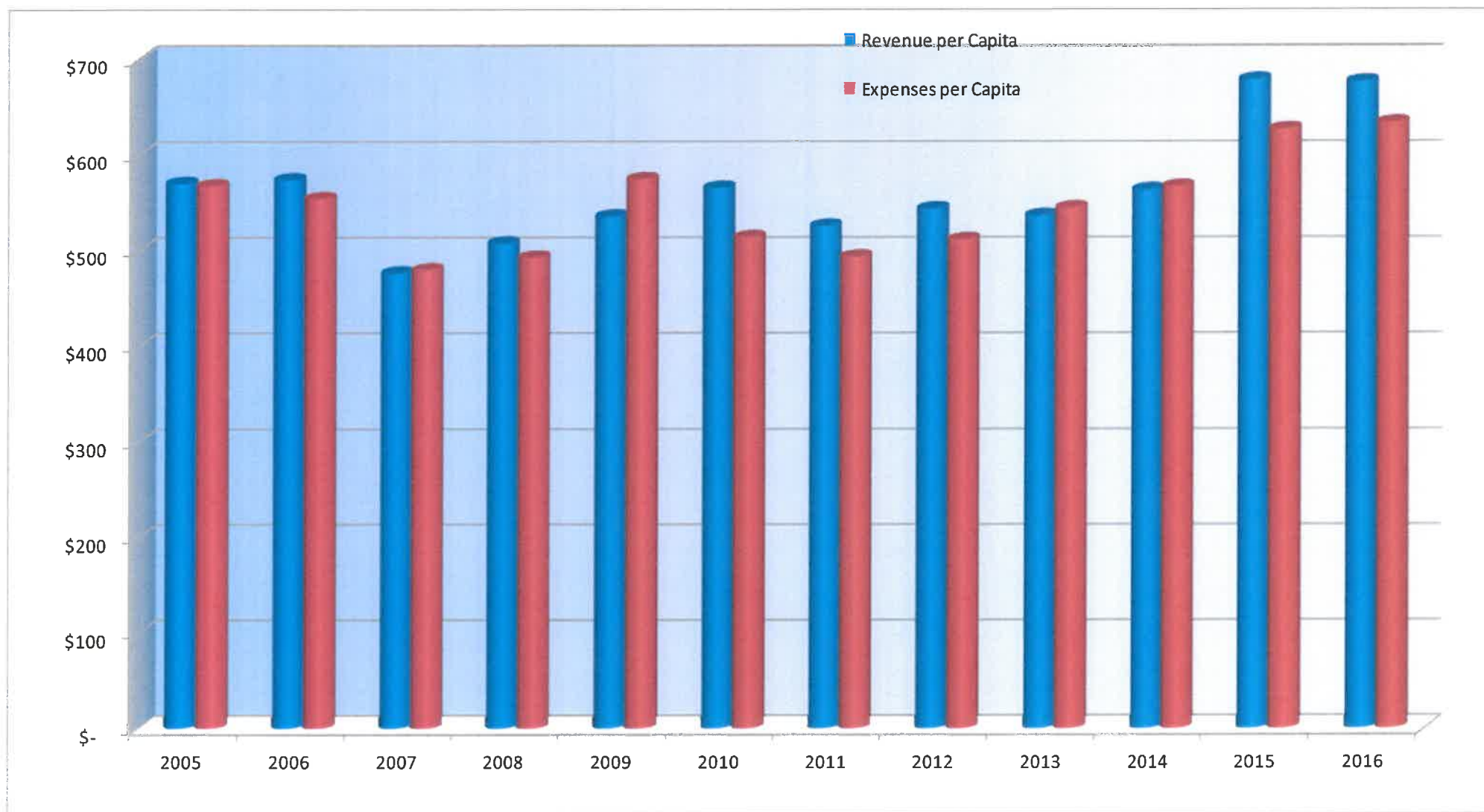
The two largest revenue sources in the General Fund are property taxes (\$1.6 million) and state sources (\$498 thousand). This revenue represents 72% of all estimated resources to fund the General Fund departments. With these sources remaining constant or slightly increasing after large decreases, it 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 48%. This department is comprised of Public Safety Officers and Volunteer Firemen. The second largest expense is General Government (33%) which is comprised of City Commission, city retirees, Manager, Clerk, Treasurer, Assessor, Elections and City Hall expenses. The third largest expense is Parks & Recreation (14%) 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:

Upward trend

General Fund Revenue and Expenditures per Capita



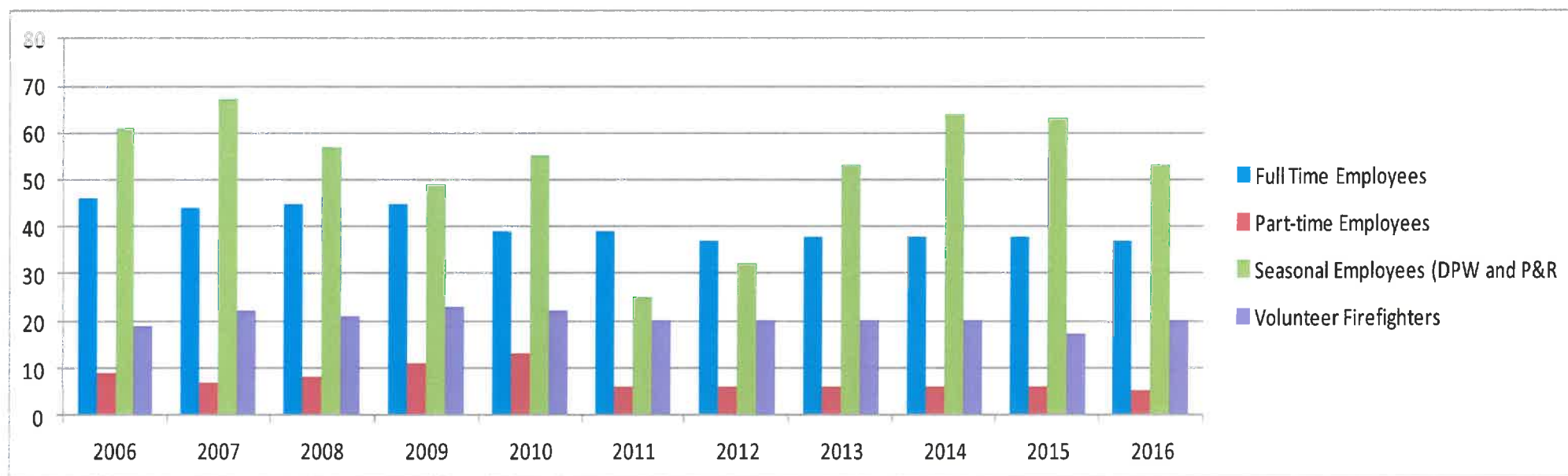
The General Fund is comprised of the City Commission, city retirees, Manager, Clerk, Treasurer, Assessor, Elections, Community Development, Public Safety and City Hall expenses and parks & recreation.

Trend Analysis:

Downward Trend—Revenue per capital since 2005 has increased from \$570 per resident to \$677 per resident as well as expenses from \$568 per resident to \$634 per resident. This is a net increase of 7% which is a 2% decrease from the previous year.

Employees

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Full Time Employees	46	44	45	45	39	39	37	38	38	38	37
Part Time Employees	9	7	8	11	13	6	6	6	6	6	5
Seasonal Employees	61	67	57	49	55	25	32	53	64	63	53
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>
	135	140	131	128	129	90	95	117	128	121	115

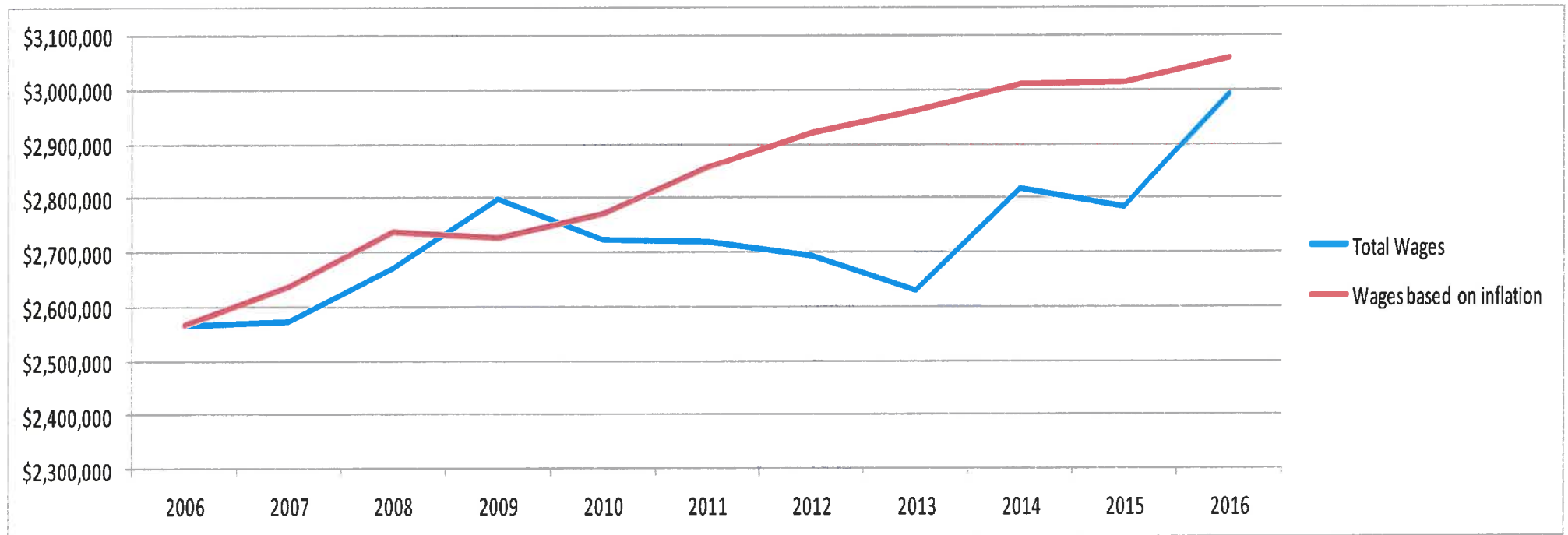


Trend Analysis:

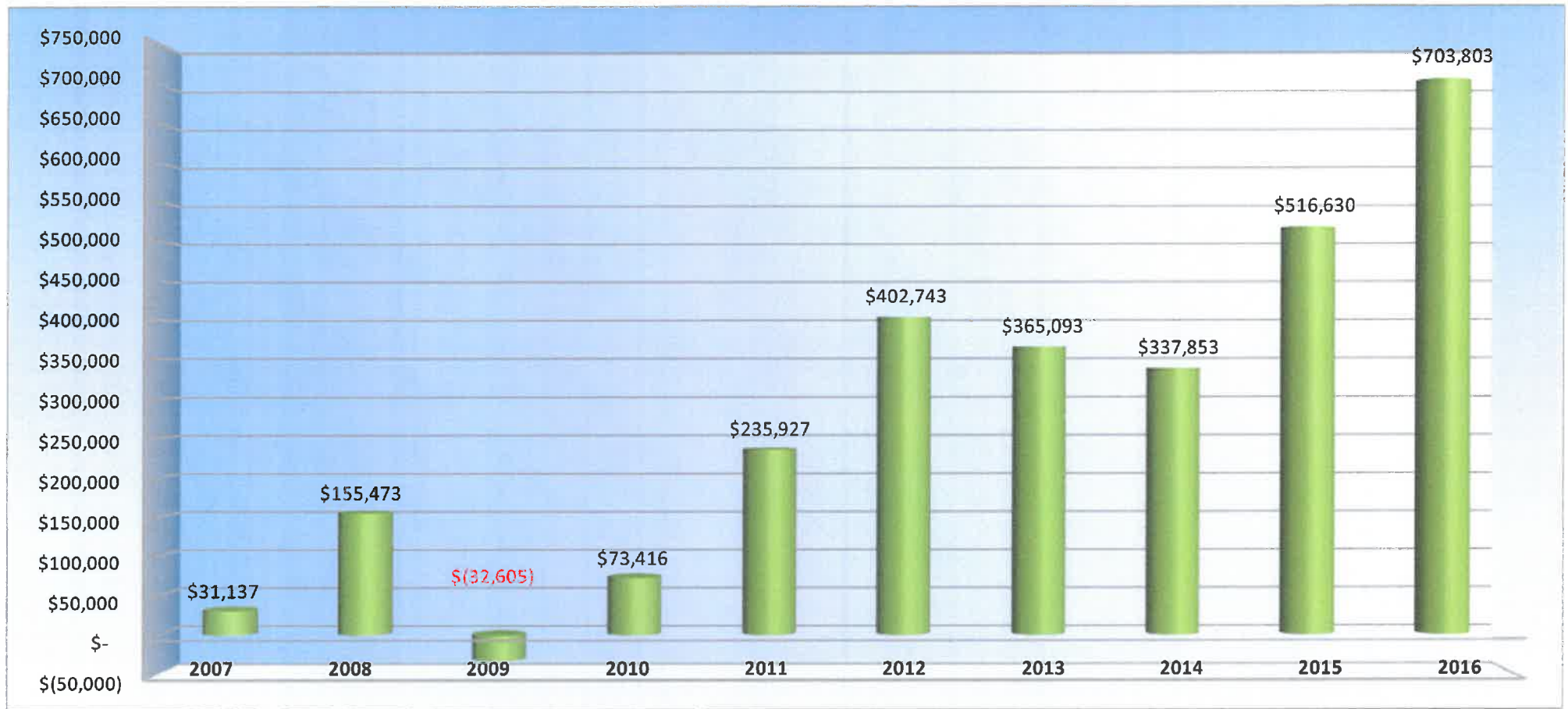
Employees in total have decreased with a slight increase in the past three years. Full time employees since 2006 have decreased 24% through attrition. The city continuously works on controlling all of its expenditures including personnel costs.

Wages

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Total Wages	\$2,566,227	\$2,574,153	\$2,669,561	\$2,799,821	\$2,722,485	\$2,718,169	\$2,694,049	\$2,631,329	\$2,818,114	\$2,782,063	\$2,991,686



General Fund Fund Balance

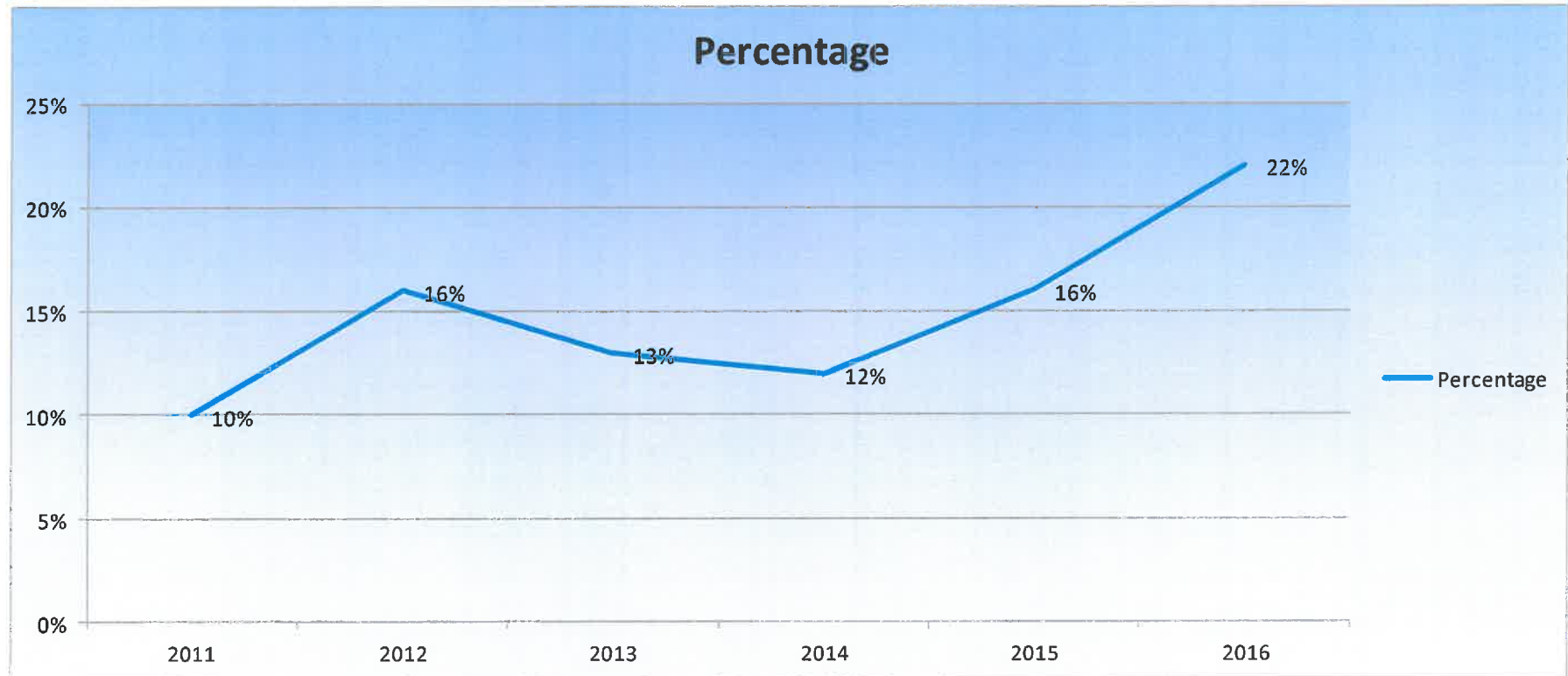


It is a sound practice to maintain a positive fund balance. Having a healthy fund balance will allow the City to cope with unforeseen circumstances related to either it's revenue and/or expenditure flows. They City of Gladstone considers having a strong fund balance critical to being able to manage it's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

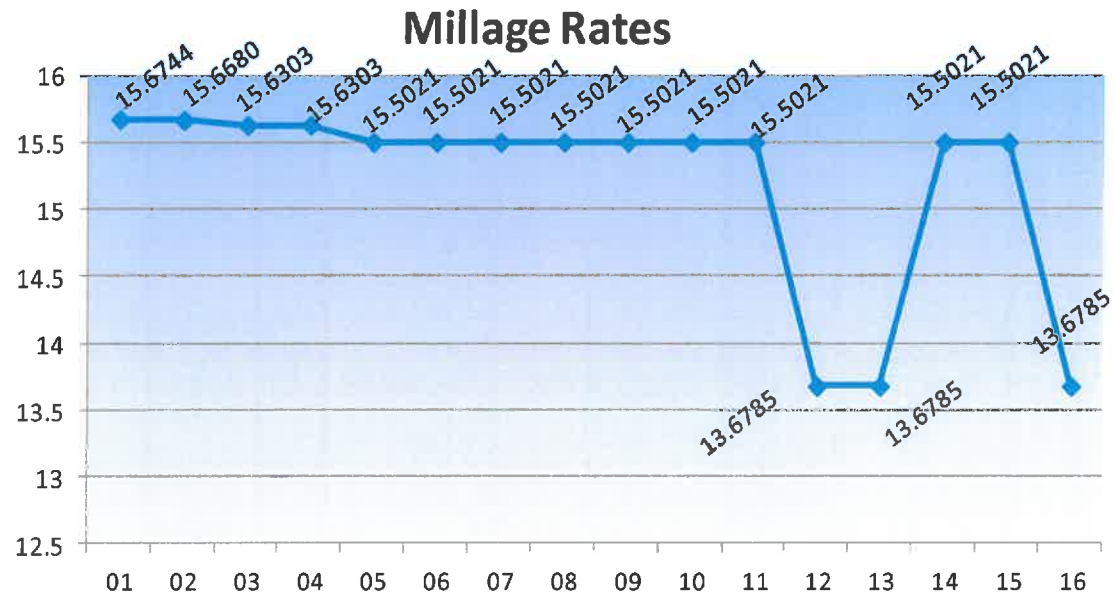


To preserve and maintain the City's sound financial system and to provide a stable financial base, the City Commission has adopted minimum levels at which the unassigned fund balance must be maintained. Fund balances should be maintained at levels which are sufficient to absorb revenue shortfalls, or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

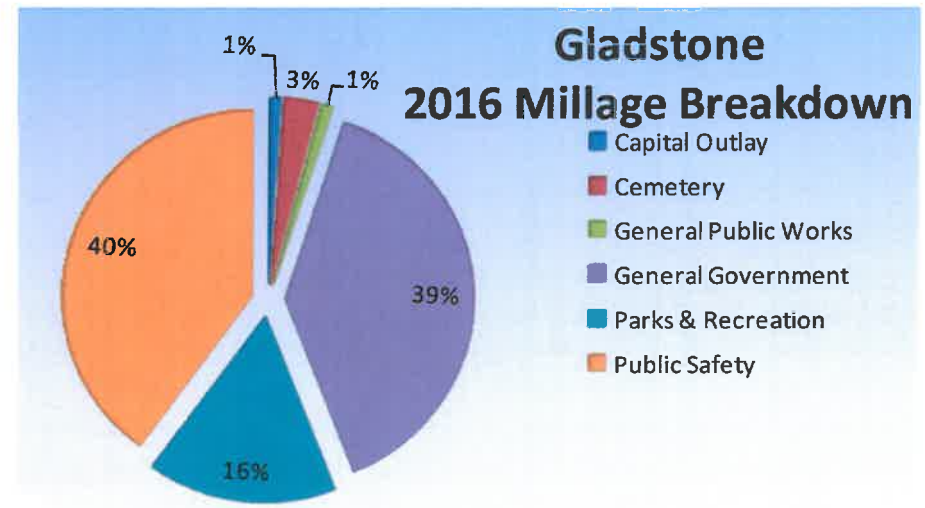
Millage Rates



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	.1368	\$16,000
Cemetery	.4104	\$48,000
General Public Works	.1368	\$16,000
General Government	5.3346	\$624,000
Parks & Recreation	2.1886	\$256,000
Public Safety	<u>5.4714</u>	<u>\$640,000</u>
Total	13.6785	\$1,600,000



Additional Tax Information

2016 Millage Rates

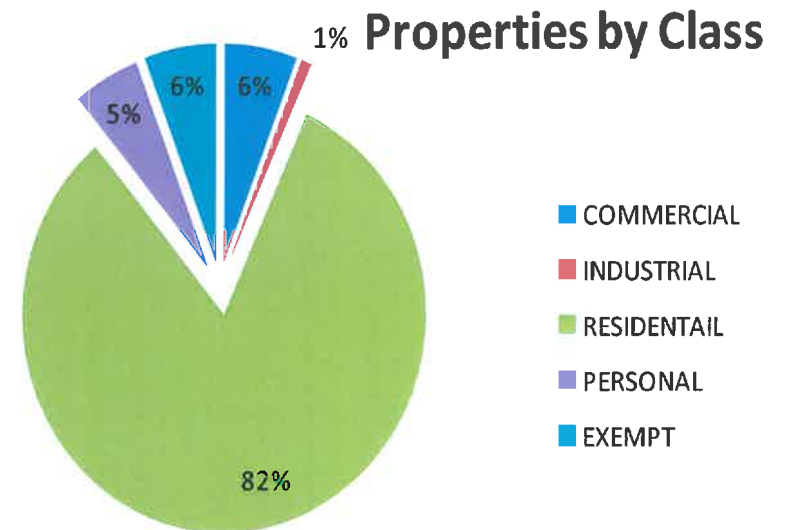
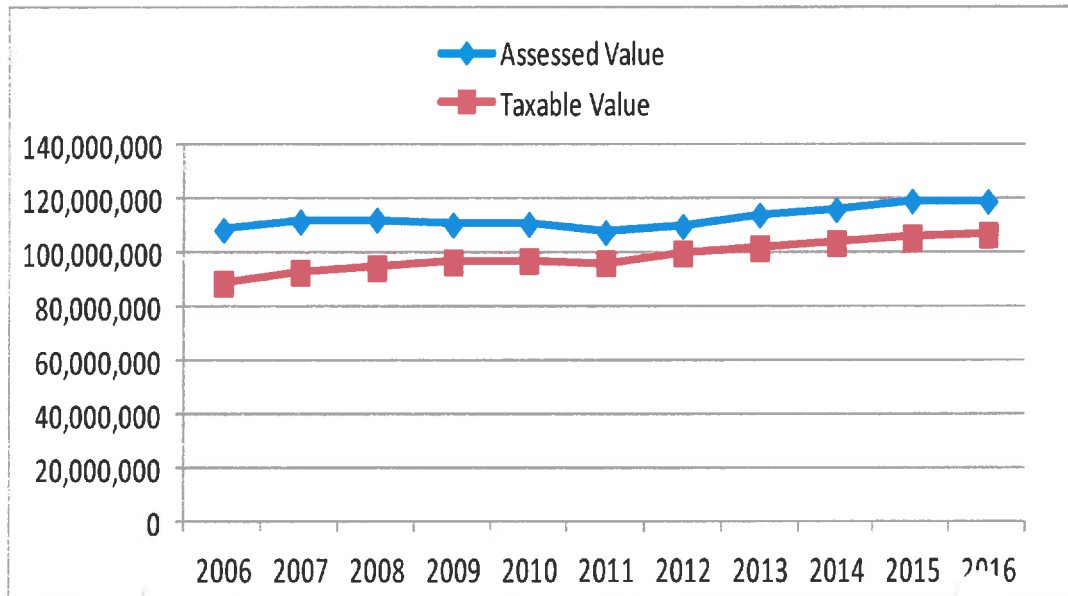
County	5.0317
City of Gladstone	13.6785
State Education	6.0000
School Operating	18.0000
School Debt	6.3000
Community College	3.3076
I.S.D.	2.3851
Road Patrol	.9000
Community Action	.6000
D.A.T.A.	.6000
911 Dispatch	.2000
Recycling	<u>.3000</u>
	57.3029

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

Property Classes # of Parcels

Commercial	179	6%
Industrial	25	1%
Residential	2480	82%
Personal	165	5%
Exempt	177	6%



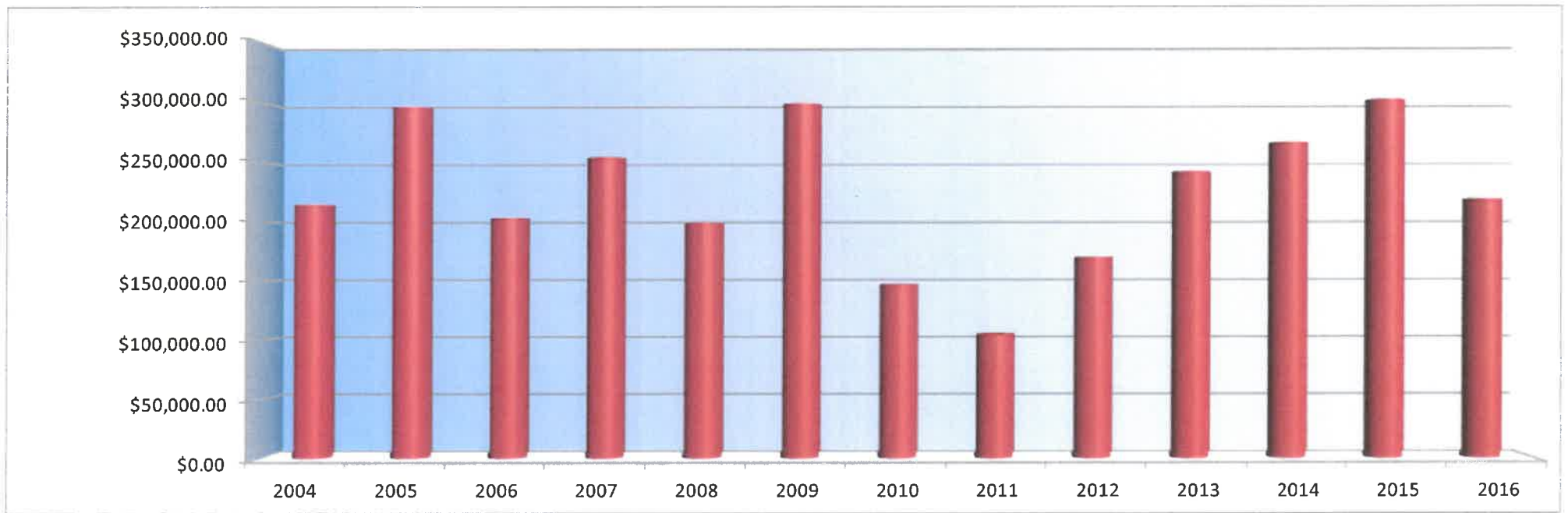
Where Does Your Tax Dollars Go?



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% (13.6785) of your total property tax bill is kept by the City of Gladstone to pay for all general fund services provided. The remaining 74% (43.8844) 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



	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average
Recreation Expenses	\$418,643	\$513,948	\$435,476	\$510,086	\$473,176	\$505,572	\$433,357	\$409,822	\$418,928	\$448,456	\$509,801	\$546,870	\$443,842	\$466,767
Recreation Revenue	\$204,618	\$139,835	\$136,693	\$173,201	\$182,933	\$123,881	\$195,957	\$305,040	\$249,037	\$206,762	\$243,910	\$244,936	\$238,604	\$203,477
Expense Less Revenue	\$214,025	\$374,113	\$298,783	\$336,885	\$290,243	\$381,691	\$237,400	\$104,782	\$169,892	\$241,694	\$265,892	\$301,934	\$205,438	\$263,290

Actual Cost to General Fund with the Dr. Mary Cretens Endowment— **2016 Average Cost Per Capita \$53**

Dr. Mary Cretens Endowment	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
\$13,000 Recreation Programs/ Cemetery	\$4,000	\$4,000	0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
5% Maintenance of Fishing Pier	\$10,638	\$12,548	0	\$15,764	\$15,431	\$10,000	\$10,800	\$10,800	0	0
15% Establish/Maintain Playgrounds	\$31,915	\$37,644	0	\$46,361	\$47,695	\$33,191	\$40,384	\$57,425	\$70,136	\$33,916
Total	\$46,554	\$54,192	0	\$66,125	\$67,126	\$47,191	\$55,184	\$72,225	\$74,136	\$37,916

Long Term Debt & Pension Liabilities

Fund	Description of Loan	Loan Date	Original Loan Amount	Payments made 4/1/15 to 3/31/16	Balance as of 3/31/16	Payments required by 3/31/17	Maturity Date
Wastewater	Sludge Storage Tank	12/14/2006	\$1,090,718	\$66,224	\$635,718	\$65,330	10/1/2027

Unfunded Post Employment Health Benefits

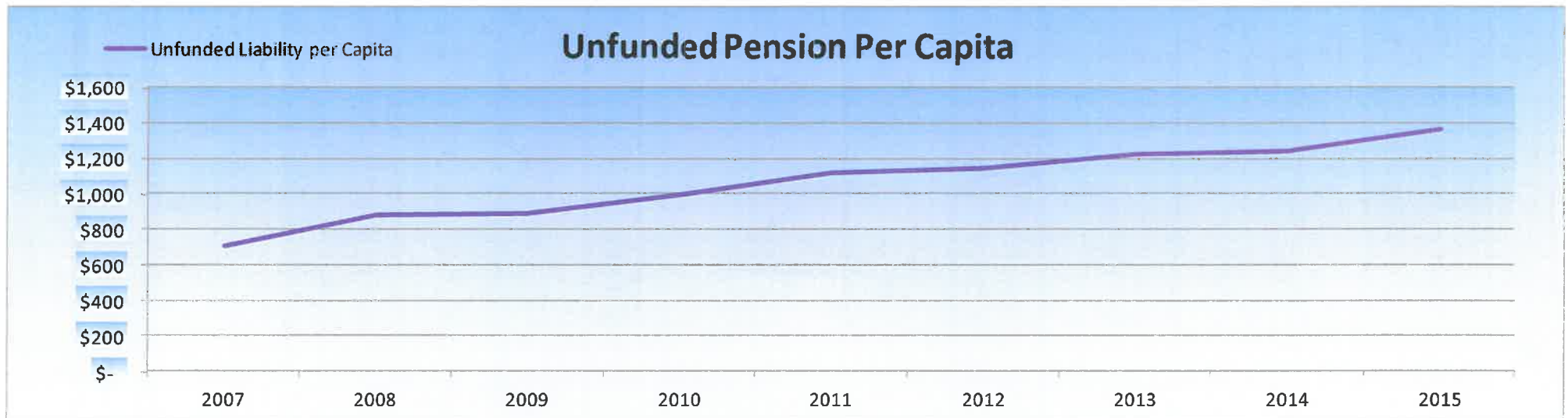
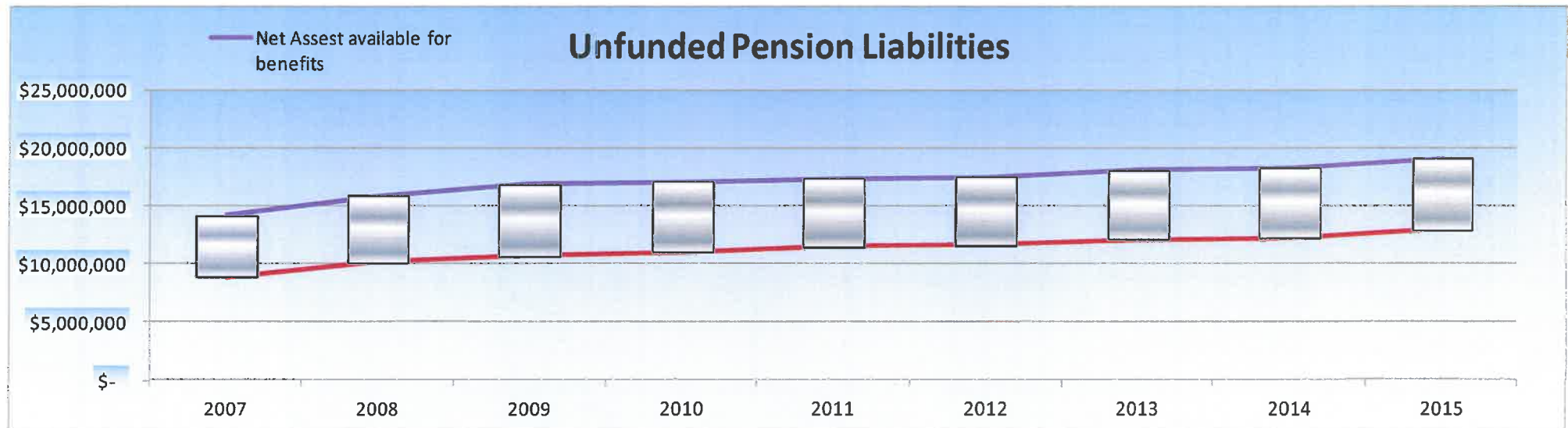
Net OPEB Obligation 3/31/2010	\$22,477
Net OPEB Obligation 3/31/2011	\$442,339
Net OPEB Obligation 3/31/2012	\$654,382
Net OPEB Obligation 3/31/2013	\$796,436
Net OPEB Obligation 3/31/2014	\$957,248
Net OPEB Obligation 3/31/2015	\$1,071,381
Net OPEB Obligation 3/31/2016	\$1,043,515

Pension Liability	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	\$12,923,689
Net Assets Available for Benefits	<u>\$5,310,617</u>	<u>\$5,728,761</u>	<u>\$6,190,015</u>	<u>\$6,042,437</u>	<u>\$5,894,813</u>	<u>\$5,880,892</u>	<u>\$5,971,397</u>	<u>\$6,017,993</u>	<u>\$6,124,401</u>
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	\$6,799,288

The City of Gladstone's debt per capita is \$1,705 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



As of 1988 all new City of Gladstone employees are provided with a MERS defined contribution plan versus a defined benefit plan. A majority of the employees are now participants of this plan. The defined contribution plan consists of 13 active employees and 38 retirees that the City contributes for. The ratio of pensioners to employees is 2.92 which is down from 3.71 the previous year.

2016-2017 Current FY and 2017-2018 Projected FY Budget—General Fund Only

<u>Revenue</u>	<u>16/17 FY</u>	<u>17/18 FY</u>	<u>Difference</u>	<u>Expenses</u>	<u>16/17 FY</u>	<u>17/18 FY</u>	<u>Difference</u>
Taxes	\$1,398,489	\$1,440,444	\$41,955	Public Safety	\$1,348,525	\$1,388,981	\$40,456
State Sources	\$498,797	\$513,761	\$14,964	General Government	\$1,052,777	\$1,084,360	\$31,583
Recreation	\$223,100	\$229,793	\$6,693	Recreation	\$494,100	\$508,923	\$14,823
Transfer From Fund Balance	\$228,946	\$338,813	\$109,867	Transfer To Fund Balance	\$0	\$0	\$0
Other	\$764,388	\$787,320	\$22,932	Other	\$218,318	\$327,867	\$109,549
Total	\$3,113,720	\$3,310,131	\$196,411	Total	\$3,113,720	\$3,310,131	\$196,411
 Fund Balance	 \$474,857	 \$136,044	 \$338,813				

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

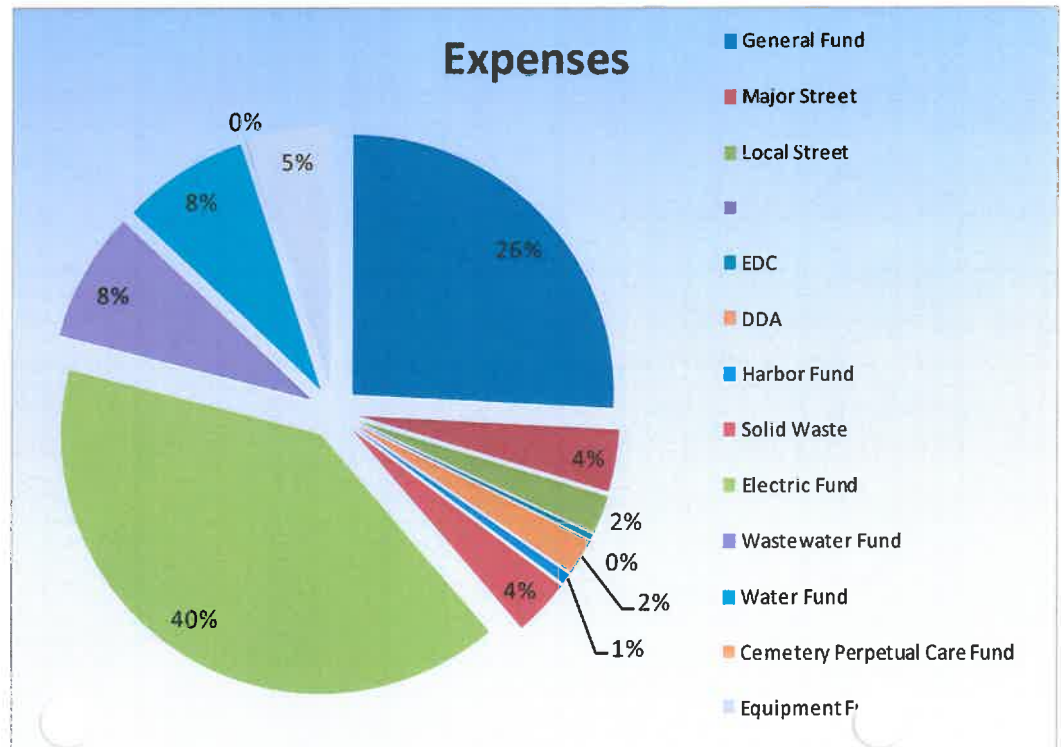
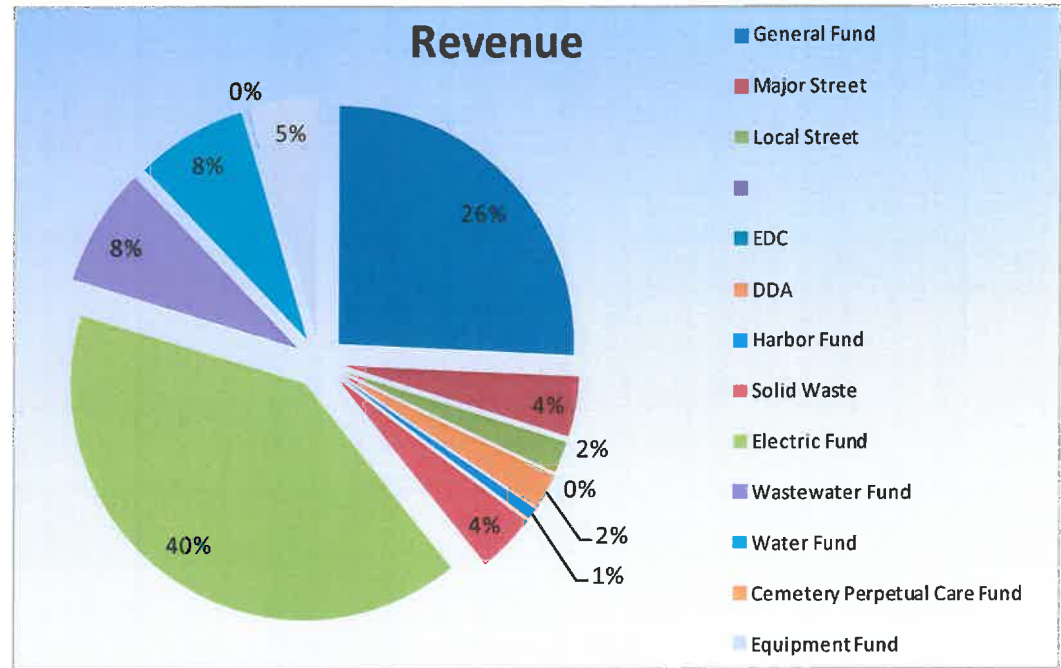
- 3% pay/benefit increase.
- 10% increase in MERS.
- 5% increase in healthcare.

- 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.

2016-2017 Budget Summary

	Revenue	Expense
General Fund	\$2,884,774	\$3,113,720
Major Street	\$459,036	\$466,329
Local Street	\$243,642	\$284,642
Economic Development Fund	\$0	\$35,130
Downtown Development Authority	\$271,849	\$269,740
Harbor Fund	\$81,770	\$76,707
Solid Waste Fund	\$449,101	\$474,720
Electric Fund	\$4,532,075	\$4,846,500
Wastewater Fund	\$903,900	\$971,780
Water Fund	\$852,120	\$946,015
Cemetery Perpetual Care Fund	\$2,500	\$2,500
Equipment Fund	\$516,824	\$609,424
	\$11,197,591	\$12,047,207

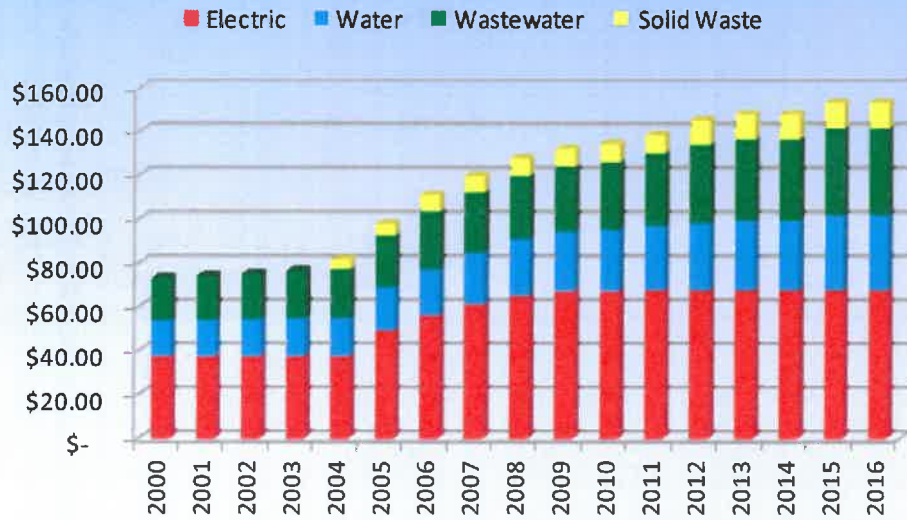
- The City of Gladstone's fiscal year is April-March.
- The above "Budget Summary" is a snapshot of each fund's budget for the current fiscal year.
- Timing of revenue sources per fund are different.
- In the General Fund and DDA Fund, tax revenue collections begin in July of every year.
- The General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



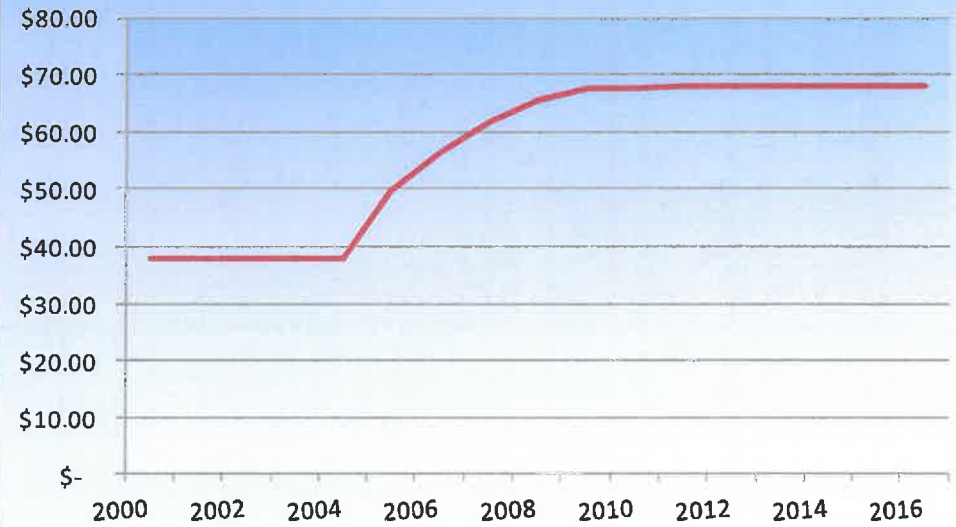
Utility Rate History 2000-2016

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

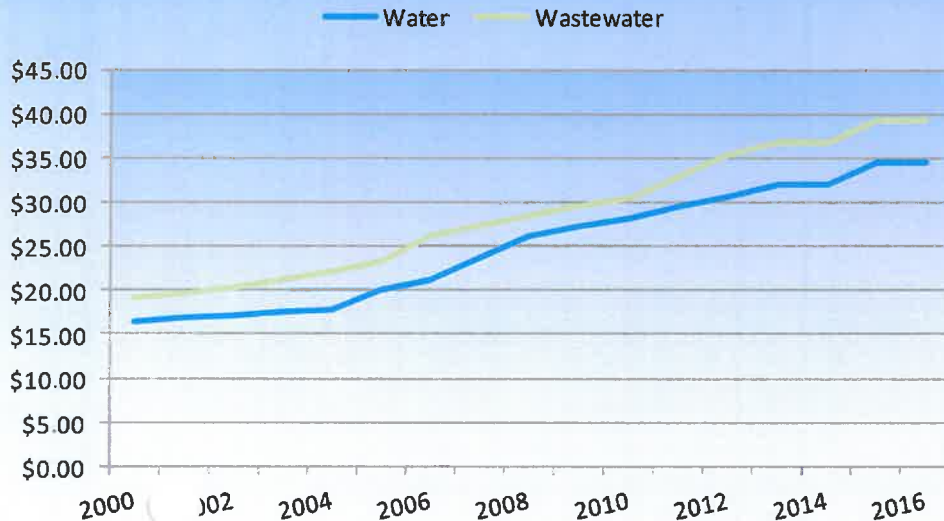
Combined Utility Billing History



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

Quality of Life & Economic Strength

Top 14 Employers

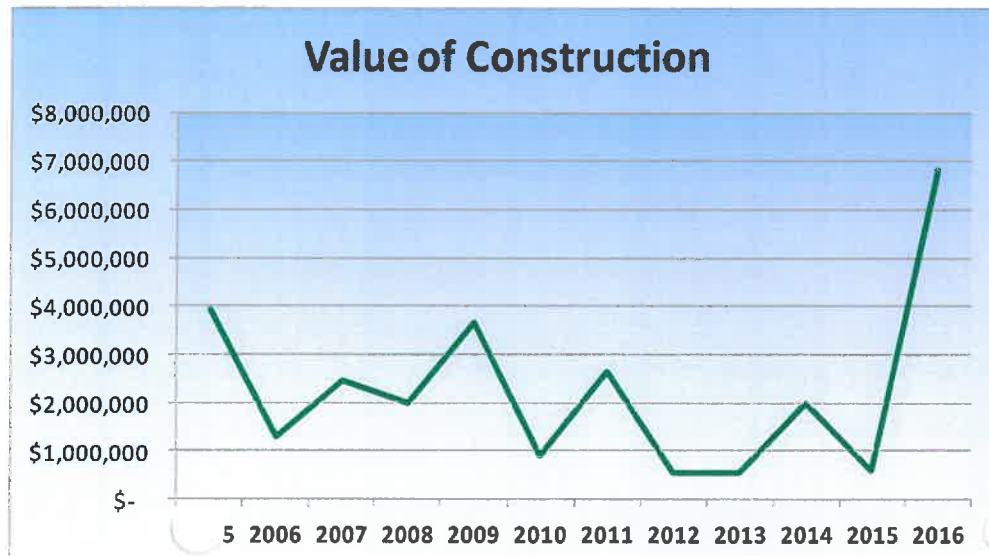
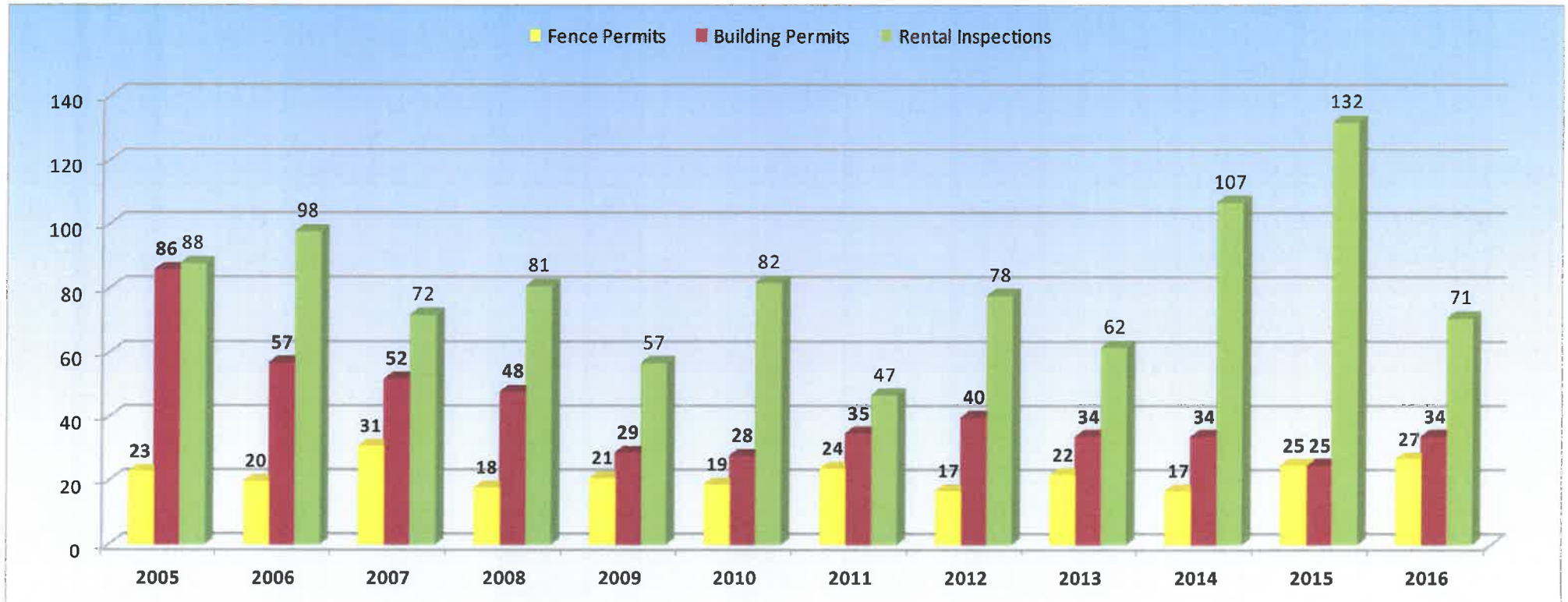
Company	# of Employees
Gladstone Schools	148
Canadian National	82
VanAire	73
Besse Forest Products	60
US Forest Service	50
First Bank	49
City of Gladstone	36
Lakeview Assisted Living	29
Marble Arms	26
Baybank	24
Independent Machine	23
Pardon	18
USDA Service Center	18
Alger Delta Cooperative	13

Fiscal Stability

	2011	2012	2013	2014	2015	2016	Trend
Annual GF Expenditures per Capita	\$489	\$512	\$542	\$567	\$524	\$634	Negative
Fund Balance as % of Annual GF Expenditures	10%	16%	13%	12%	16%	22%	Positive
Unfunded Pension & Retiree Health Care Liability, as % of Annual GF Revenue	226%	235%	258%	255%	215%	233%	Negative
Debt Burden Per Capita	\$534	\$558	\$580	\$342	\$247	\$128	Positive
Ratio of Pensioners to Employees	3.57	3.71	3.71	3.71	3.71	2.92	Positive
Number of Services Delivered via Cooperative Venture	10	11	11	11	11	11	Neutral

Community Development

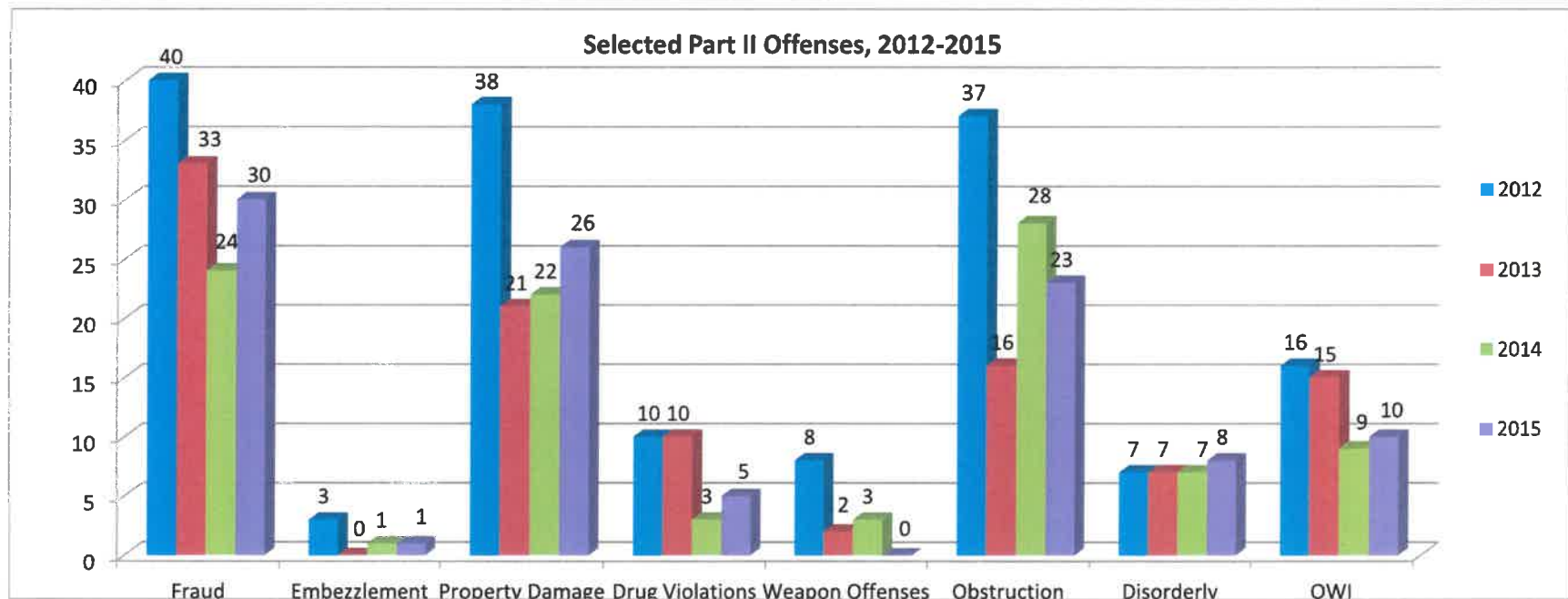
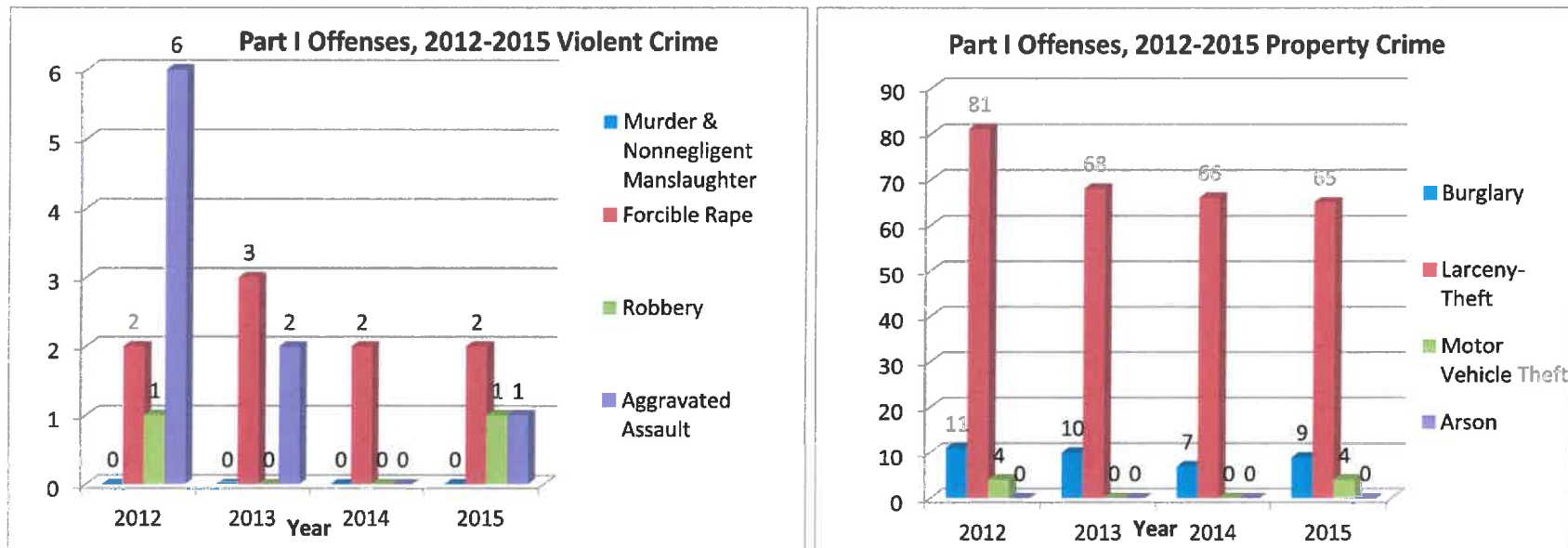
Permits, Rental Inspections and New Construction



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.

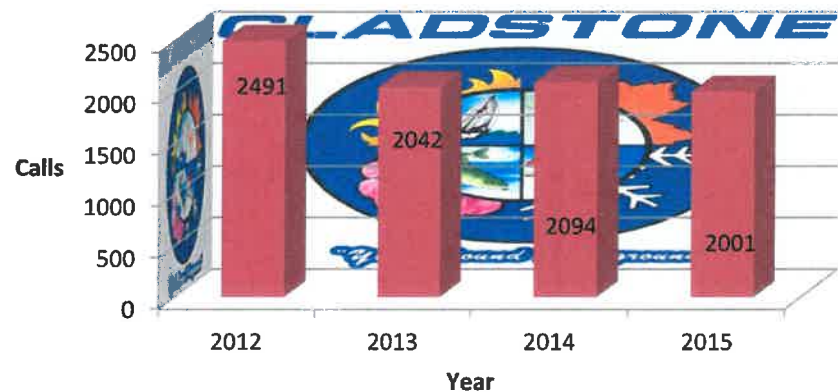
Trend Analysis:
Upward Trend

Protecting and Serving Our Year 'Round Playground



Protecting and Serving Our Year 'Round Playground

Calls for service



GLADSTONE





Public Safety Data

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>Trend (14-15)</u>
Violent Crime Per 1000 residents	0.20	0.80	1.81	1.02	0.41	0.83	↑
Property Crime Per 1,000 residents	22.92	20.33	19.27	15.87	14.85	16.11	↑
Traffic Crashes w/ Injuries / Fatalities	22	20	21	14	22	15	↓
Total Traffic Crashes	105	127	111	83	115	125	↑
Calls for Service	2363	2421	2491	2042	2094	2001	↓
Fire Calls	47	24	20	23	18	21	↑

Protecting & Serving Our Year 'Round Playground.

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	