

ISHPEMING CITY COUNCIL SPECIAL MEETING
October 28, 2019 at 4:00 p.m.
Ishpeming City Hall, 100 E. Division Street, Ishpeming, MI 49849
City Hall Telephone Number: 906-485-1091

Meeting Called to Order

Roll Call

Agenda Comment

AGENDA ITEMS

1. Request to waive utility bill from Marquette County Landbank: 314 Canda Street
2. Approval of Relocation Plan for the Greater Ishpeming Commission on Aging
3. 2020 Budget Workshop


Steven Snowaert
Interim City Manager

Cathy Smith

From: Jim Lampman
Sent: Friday, October 25, 2019 2:48 PM
To: Cathy Smith
Subject: Fwd: Re: 314 Canda - Closing
Attachments: ATT00003.png; ATT00004.png; ATT00005.png; ATT00003.png; ATT00004.png; ATT00005.png; ATT00001.bin; ATT00002.bin; ATT00001.bin; ATT00002.bin

James R. Lampman, CPA

Finance Director
City of Ishpeming, Michigan
100 E. Division Street
Ishpeming, MI 49849

E-mail: financedirector@ishpemingcity.org
Phone: (906) 485-1091 ext. 210
Fax: (906) 485-6246

----- Forwarded message -----

From: "Anne Giroux" <agiroux@mqtco.org>
Date: Fri, Oct 25, 2019 at 2:12 PM -0400
Subject: Fwd: Re: 314 Canda - Closing
To: "Kaitlyn Feldbauer" <citytreasurer@ishpemingcity.org>, "Jim Lampman" <financedirector@ishpemingcity.org>, "Steve Snowaert" <policechief@ishpemingcity.org>

I need to speak relatively quickly about this with someone. I'm ready to close next week on this property which as you know has been a difficult one to get rid of. I don't recall being told about an outstanding utility balance. I will have the land bank pay it before I put this on the buyer, however we are already under water on this transaction in that we paid around \$6,000 in taxes for the property and after all closing costs will likely collect \$4,000. Is there any way the city can write off this outstanding balance? We are frankly lucky as heck that we found a young man from a great family who is planning to fix up this half duplex.

>>> Caitlin Mesanovic <cmesanovic@ask-services.com> 10/25/2019 1:05 PM >>>

Hi Anne,

She did say that the Land Bank had a zero balance. However, there is a closed account that she said if left unpaid, it will roll into the taxes. Please let me know what you find out and I can send over the statements for review.

Have a great weekend!

Caitlin

On 10/25/2019 11:28 AM, Anne Giroux wrote:

Date	Packet	Type	Receipt #	Reference	Debits	Credits	Balance
06/07/2019	006098	Deposit		DEPOSIT RETURN-BILL		125.00	1,057.12
06/07/2019	006098	Bill		4/23- 5/17 FINAL	51.90		1,182.12
05/08/2019	006019	Bill		3/28- 4/23 06/03	62.28		1,130.22
05/08/2019	006017	Late Charge			3.11		1,067.94
04/09/2019	005931	Bill		2/28- 3/28 05/06	62.28		1,064.83
04/09/2019	005929	Late Charge			3.11		1,002.55
03/06/2019	005847	Bill		1/28- 2/28 04/01	62.28		999.44
03/06/2019	005845	Late Charge			3.11		937.16
02/08/2019	005779	Bill		12/26- 1/28 03/05	62.28		934.05
02/08/2019	005777	Late Charge			2.84		871.77
01/08/2019	005699	Bill		11/26-12/26 02/04	56.64		868.93
01/08/2019	005697	Late Charge			2.84		812.29
12/06/2018	005623	Bill		10/23-11/26 01/02	56.64		809.45
12/06/2018	005621	Late Charge			2.84		752.81
11/08/2018	005541	Bill		9/21-10/23 12/03	56.64		749.97
11/08/2018	005539	Late Charge			2.84		693.33
10/05/2018	005453	Bill		8/21- 9/21 11/01	56.64		690.49
10/05/2018	005451	Late Charge			2.84		633.85
09/06/2018	005375	Bill		7/23- 8/21 10/02	56.64		631.01
09/06/2018	005373	Late Charge			2.84		574.37
08/06/2018	005289	Bill		6/21- 7/23 09/04	56.64		571.53
08/06/2018	005287	Late Charge			2.84		514.89
07/06/2018	005210	Bill		5/22- 6/21 08/01	56.64		512.05
07/06/2018	005208	Late Charge			2.84		455.41
06/06/2018	005131	Bill		4/24- 5/22 07/02	56.64		452.57
06/06/2018	005129	Late Charge			2.84		395.93
05/07/2018	005049	Bill		3/22- 4/24 06/01	56.64		393.09
05/07/2018	005047	Late Charge			2.84		336.45
04/06/2018	004967	Bill		2/22- 3/22 05/01	56.64		333.61
04/06/2018	004965	Late Charge			2.84		276.97
03/06/2018	004874	Bill		1/24- 2/22 04/02	56.64		274.13
03/06/2018	004872	Late Charge			2.84		217.49
02/07/2018	004796	Bill		12/20- 1/24 03/05	56.64		214.65
02/07/2018	004794	Late Charge			2.48		158.01
01/04/2018	004710	Bill		11/22-12/20 01/29	49.55		155.53
01/04/2018	004708	Late Charge			2.48		105.98
12/06/2017	004644	Bill		10/24-11/22 01/02	49.55		103.50
12/06/2017	004642	Late Charge			1.92		53.95
11/17/2017	004635	Adjustment		TAX LIEN		632.11	52.03
11/06/2017	004568	Bill		9/25-10/24 12/01	49.55		684.14
11/06/2017	004566	Late Charge			2.48		634.59
10/06/2017	004493	Bill		8/24- 9/25 10/31	49.55		632.11
10/06/2017	004491	Late Charge			2.48		582.56
09/06/2017	004401	Bill		7/24- 8/24 10/02	49.55		580.08
09/06/2017	004399	Late Charge			2.48		530.53
08/04/2017	004313	Bill		6/22- 7/24 08/29	49.55		528.05
08/04/2017	004310	Late Charge			2.48		478.50
07/06/2017	004240	Bill		5/23- 6/22 07/31	49.55		476.02
07/06/2017	004238	Late Charge			2.48		426.47
06/06/2017	004157	Bill		4/20- 5/23 07/03	49.55		423.99
06/06/2017	004155	Late Charge			2.48		374.44
05/05/2017	004078	Bill		3/23- 4/20 05/30	49.55		371.96
05/05/2017	004076	Late Charge			2.48		322.41
04/06/2017	004009	Bill		2/21- 3/23 05/01	49.55		319.93
04/06/2017	004007	Late Charge			2.48		270.38
03/06/2017	003928	Bill		1/20- 2/21 03/31	49.55		267.90
03/06/2017	003926	Late Charge			2.48		218.35
02/06/2017	003844	Bill		12/15- 1/20 03/03	49.55		215.87

Date	Packet	Type	Receipt #	Reference	Debits	Credits	Balance
02/06/2017	<u>003842</u>	Late Charge			1.98		166.32
01/06/2017	<u>003753</u>	Bill		11/19-12/15 01/31	39.60		164.34
01/06/2017	<u>003751</u>	Late Charge			1.98		124.74
12/06/2016	<u>003684</u>	Bill		10/20-11/19 01/03	39.60		122.76
12/06/2016	<u>003682</u>	Late Charge			1.98		83.16
11/22/2016	<u>003652</u>	Adjustment		TAX LIEN		1,140.09	81.18
11/03/2016	<u>003598</u>	Bill		9/21-10/20 11/28	39.60		1,221.27
11/03/2016	<u>003596</u>	Late Charge			1.98		1,181.67
10/06/2016	<u>003509</u>	Bill		8/22- 9/21 10/31	39.60		1,179.69
10/06/2016	<u>003507</u>	Late Charge			1.98		1,140.09
09/06/2016	<u>003410</u>	Bill		7/21- 8/22 10/03	39.60		1,138.11
09/06/2016	<u>003408</u>	Late Charge			1.98		1,098.51
08/05/2016	<u>003320</u>	Bill		6/21- 7/21 08/30	39.60		1,096.53
08/05/2016	<u>003318</u>	Late Charge			1.98		1,056.93
07/06/2016	<u>003234</u>	Bill		5/19- 6/21 08/02	39.60		1,054.95
07/06/2016	<u>003232</u>	Late Charge			1.98		1,015.35
06/07/2016	<u>003154</u>	Bill		4/21- 5/19 07/05	39.60		1,013.37
06/07/2016	<u>003149</u>	Late Charge			1.98		973.77
05/05/2016	<u>003074</u>	Bill		3/21- 4/21 05/31	39.60		971.79
05/05/2016	<u>003072</u>	Late Charge			1.98		932.19
04/06/2016	<u>002989</u>	Bill		2/19- 3/21 05/02	39.60		930.21
04/06/2016	<u>002987</u>	Late Charge			1.98		890.61
03/04/2016	<u>002919</u>	Bill		1/22- 2/19 03/29	39.60		888.63
03/04/2016	<u>002917</u>	Late Charge			1.98		849.03
02/05/2016	<u>002854</u>	Bill		12/21- 1/22 03/01	39.60		847.05
02/05/2016	<u>002852</u>	Late Charge			1.98		807.45
01/06/2016	<u>002769</u>	Bill		11/18-12/21 01/31	39.60		805.47
01/06/2016	<u>002767</u>	Late Charge			1.91		765.87
12/04/2015	<u>002683</u>	Bill		10/22-11/18 12/29	38.25		763.96
12/04/2015	<u>002679</u>	Late Charge			1.91		725.71
11/06/2015	<u>002604</u>	Bill		9/21-10/22 12/01	38.25		723.80
11/06/2015	<u>002602</u>	Late Charge			1.91		685.55
10/06/2015	<u>002532</u>	Bill		8/20- 9/21 10/31	38.25		683.64
10/06/2015	<u>002530</u>	Late Charge			1.91		645.39
09/04/2015	<u>002470</u>	Bill		7/21- 8/20 09/29	38.25		643.48
09/04/2015	<u>002468</u>	Late Charge			1.91		605.23
08/08/2015	<u>002412</u>	Bill		6/19- 7/21 09/02	38.25		603.32
08/08/2015	<u>002410</u>	Late Charge			1.91		565.07
07/06/2015	<u>002344</u>	Bill		5/21- 6/19 07/31	38.25		563.16
07/06/2015	<u>002342</u>	Late Charge			2.56		524.91
06/05/2015	<u>002279</u>	Bill		4/22- 5/21 06/30	91.10		522.35
06/05/2015	<u>002277</u>	Late Charge			3.29		431.25
05/05/2015	<u>002213</u>	Bill		3/20- 4/22 06/01	65.83		427.96
05/05/2015	<u>002211</u>	Late Charge			3.29		362.13
04/06/2015	<u>002155</u>	Bill		2/20- 3/20 05/01	65.83		358.84
04/06/2015	<u>002153</u>	Late Charge			3.29		293.01
03/06/2015	<u>002098</u>	Bill		1/22- 2/20 03/31	65.83		289.72
03/06/2015	<u>002096</u>	Late Charge			3.29		223.89
02/06/2015	<u>002043</u>	Bill		12/18- 1/22 03/02	65.83		220.60
02/06/2015	<u>002041</u>	Late Charge			3.29		154.77
01/07/2015	<u>001983</u>	Bill		11/18-12/18 02/02	65.83		151.48
01/07/2015	<u>001981</u>	Late Charge			2.30		85.65
12/05/2014	<u>001931</u>	Bill		10/21-11/18 12/30	45.99		83.35
12/05/2014	<u>001929</u>	Late Charge			0.41		37.36
11/10/2014	<u>001893</u>	Payment	<u>107044</u>			40.00	36.95
11/10/2014	<u>001893</u>	Fee	<u>107044</u>		40.00		76.95
11/10/2014	<u>001893</u>	Payment	<u>107044</u>			623.43	36.95
11/10/2014	<u>000000</u>	Memo	<u>107044</u>	Ex CUT-PMT 623.43CR			660.38

City Manager's 2020 Budget Message

3

October 14, 2019

TO: Mayor Lehmann, City Council Members, Key Staff, and General Public
FROM: Steven J. Snowaert, Interim City Manager
SUBJECT: 2020 Budget Message

Executive Summary

The City of Ishpeming 2020 budget is being presented. I would first like to comment on the year end 2018 General Fund budget. We had projected 2018 to end with a loss of \$168,790, however, the actual General Fund budget ended in the positive of \$8,172. This change of \$176,962 gave us a 2019 General Fund start of \$893,834. Since 2013, we have raised the General Fund Budget from \$172,000 to where it is today. We have challenges ahead of us, Healthcare, funding retirement, and flat revenues. With that said, our 2019 General Fund fund balances projected to go down \$191,085. We have reviewed the requests from Department Heads for the 2020 Budget and cut over \$100,000 from those requests, however the 2020 General Fund budget is expected to go down \$198,085.

The City of Ishpeming needs to look at the rising cost of Healthcare, the increasing cost of funding the MERS Retirement System, and need to look at increasing our revenues. We can look at our investments to generate revenue, and look to raise certain fees in order to make some services fiscally balanced. We may also need to look at other options to raise revenue which I have outlined at the end of the Message.

I have also told all Department Heads that they need to make a conscious effort to only spend what is needed for the 4th quarter of this year.

Outline of Budget Message

There are three sections to this budget message:

1. Expected Outcome of 2019—summary of the expected financial position ending 2019
2. Proposals for 2020—highlights of proposed financial plans for on-going services
3. Financial Problems and Opportunities—looking at some options for the future

Note: This budget message does not review every fund. To keep the message brief, I cover only major funds or funds with specific issues.

City Manager's 2020 Budget Message

Section 1--Expected Outcome of 2019

2019 General Fund

Staff projects the Fund Balance for the General Fund to be \$702,749 at the end of 2019—a decrease of \$191,085 due to increased General Fund expenses. Council added a full-time employee at DPW which was not budgeted and there were un-budgeted contributions to MERS. There was some off-setting cost because of vacancies at the Police Department and the vacancy in the City Manager position.

2019 Major and Local Streets

Fund Balance for Major Streets is expected to increase by \$153,536 to \$456,010 at the end of 2019. We are building up the fund to pay for future street construction work. Fund Balance for Local Streets is expected to increase by \$4,700 to \$302,569 at the end of 2019.

2019 Fire Fighter Longevity Fund

Fund Balance is expected to end the year at \$225,469. Payments are made, per policy to Fire fighter retirees.

2019 Waste Disposal Fund

The Waste Disposal Fund (Garbage Fund) balance is expected to end 2019 at \$219,032, down \$10,012. The planned spend-down of this fund was begun in 2014. In 2019 Council raised rates (\$3.50/month). This amount slowed the rate of loss and in 2020 we propose an increase of \$3.70/month to offset the increase in Marquette County Landfill tipping fees.

2019 Downtown Development Authority

For 2019, the DDA Fund Balance is expected to end at \$728,082, down by \$267,480. Note: Most of the DDA Fund Balance is restricted. We released \$250,000 in restricted fund balance for the Lake Bancroft Pavilion Project.

2019 Public Improvement Fund

In 2019, the Fund Balance for the Public Improvement Fund is projected to decrease \$17,040 to \$353,071. 2019 we made a down payment for BS&A, leased to own two police cars, replaced phone systems that had been damaged, and added a generator at the Fire Hall, just to mention a few of the expenses.

City Manager's 2020 Budget Message

2019 Sewer Funds

Sewer Fund is projected to end 2019 with an unrestricted net position of \$658,702 which is up \$317,110. The City needs to build up the fund balance of the Sewer Fund to pay for future capital projects.

2019 Water Fund

The Water Fund is expected to end 2019 with an unrestricted net position of negative \$1,988.331 which is an increase of \$49,195. However, the Deficit Elimination Plan is on track and the Water Fund is expected to have positive working capital in 2020. So, the Deficit Elimination Plan will no longer need to be filed with the Michigan Treasury if things continue to go as planned.

2019 Motor Pool Fund

This fund was established in 2018 with an initial fund balance of \$30,000. It is expected to end 2019 with a Fund Balance of \$158,330, down \$76,035. The decrease is because of the financing of a snow plow and because of the purchase of a front-end loader.

The City's other funds remain healthy and are operating as planned. Please refer to the detailed budget sheets in the budget proposal document.

City Manager's 2020 Budget Message

Section 2--2020 Proposal

Taxable Values and Millage Rate

Based on information from the County Equalization Department, the City's 2019 taxable value (the 2019 value is used to compute the 2020 tax collection) is \$121,306,820 (up slightly from \$119,488,574 in 2018). The City Council has adopted a tax levy (Millage) with revenues:

Tax category	Millage	Tax Revenues* (After DDA Recapture)
Operations:	13.3545	\$1,508,284
Act 345 Retirement:	2.2670	\$243,720
Public Improvement:	4.4514	\$502,946
Fire Equipment	.8940	\$108,670
Total:	20.9669	\$2,363,620

*Note: Tax Revenues are subject to change based on Board of Review, Tax Tribunal, or other adjustments. It is certain there will be some reductions; however, they are not expected to be major. City revenues are reduced by the DDA recapture which is estimated to be \$238,106.

2020 General Fund

Staff projects General Fund revenues of \$2,850,414 and expenses of \$3,048,499, and by adding \$198,085 from Fund Balance this will provide a balanced budget. **At this time, we are proposing to not fill the 2nd part-time position in City Hall, the 2nd Code Enforcement position and not to create (as proposed) additional part-time employee at the Library for 2020. These positions could be added in 2020 after the final numbers for the year are confirmed and the budget allows. The majority of the expense from the General Fund are Health Care cost, MERS Contributions, and Salaries for employees.**

Most revenues and expenses remain about the same in 2020 as in 2019; however, all the funding and expenses for equipment maintenance have been transferred to the Motor Pool Fund. The proposed budget includes an annual contribution to UPSET of \$10,000, and a payment of \$9,000 to the Senior Center.

To preserve the City's financial position, Department Heads voluntarily reduced their requests over \$100,000 in total. So, please note that the Department Request lines already included cuts. Recommendations to change fees will be coming to City Council in a separate document. If the proposed budget is executed as planned, the Fund Balance will be about \$504,664 at the end of 2020. This fund balance level is about 16.6 percent of the 2020 expected expenses.

City Manager's 2020 Budget Message

2020 Major and Local Street Funds

Condition of some City streets has significantly improved due to the USDA project. Unfortunately, we still have a lot of streets needing help. Due to action of the State, our Street funding is up somewhat. As we build funding, the City may plan to repair more street segments. In the 2020 budget proposal, we have not laid out specific plans for a major construction project. Our USDA Water Project is set to conclude at the end of 2019.

During 2020, DPW will assess the conditions of the streets and put together specific project plans for the next street repair project. We also have obtained numbers for specific road repairs that were identified by the "Street Committee". Waiting until 2020 will give us one more year to build up the fund for a better project(s). Also, in 2021 the City of Ishpeming is due to receive a Small Urban Grant (SUG) of about \$375,000. The SUG requires the City of Ishpeming to make a local match of \$125,000 to obtain those funds. We must make sure that we have the local match available for the SUG. During 2020, The SUG is scheduled for Empire St., from 3rd St. to Main St. We should also look at Water and Sewer work under the SUG in 2021 if feasible.

State of Michigan action to increase funding, while a positive step, did not fully correct the state-wide shortage in road funding. Even with the increased Act 51 revenue, the City is unable to keep up with basic maintenance expenses, purchase equipment and supplies, and apply the appropriate repairs to maintain deteriorating streets. It is recommended to not repave a street unless the underground infrastructure is in good shape.

The City spent about \$70,000 on routine maintenance on the Major Streets. To reduce the cost of routine maintenance, we will have to improve the quality of most City streets. City residents benefit double from continued use of USDA funding for infrastructure projects. Not only do we fix the water and sewer but also obtain pavement repairs. Continued investment in USDA projects will eventually reduce the cost of maintenance.

In 2020, this budget shows Major Street expenses of \$577,555 with revenue of \$716,750. This results in a Major Street Fund Balance of \$595,205 at the end of 2020.

In 2020 the Local Street Fund, we plan to spend \$315,600 with revenue of \$335,800. The difference of \$20,200 will go into the Fund Balance, resulting in an expected Local Street Fund Balance of \$322,769 at the end of 2020.

If Council chooses to move forward with the recommendations of the "Street Committee" for any of the local road projects, the funding would be a draw-down from the Fund Balance.

2020 Garbage Fund

In 2020, the fund is expected to spend \$756,400 against revenues of \$765,890. The projected 2020 ending Fund Balance of the Garbage Fund is \$228,522, up \$9,490. Staff will be recommending an increase in the Residential Waste Disposal Fee in 2020. The Council may wish to discuss this rate increase during the budget workshop.

City Manager's 2020 Budget Message

2020 Downtown Development Authority

In 2020, the Downtown Development Authority (DDA) Fund continues with reduced spending because of high bond payment levels. However, the DDA is participating in a special project: The Lake Bancroft Pavilion. This project is estimated to cost about \$600,000 with \$50,000 from the DDA (spent in 2018), \$250,000 (in 2019) donation from The Cliffs/Lundin Community Foundation, and \$300,000 from DNR. In 2020 the DDA will have about \$239,356 in new revenue and \$257,565 in expenses. The DDA will have \$709,873 in the Fund Balance of which \$188,414 is unassigned and available for use.

2020 Public Improvement Fund

The fund expects revenues of \$507,696 and expenses of about \$571,505, resulting in a decrease of \$63,809 in the fund balance. Without unplanned capital spending, the fund balance would end 2020 with \$289,262.

The proposed 2020 Public Improvement Fund budget includes the following:

City – Final installment of BS&A, \$60,500.

DPW – New Roof, \$100,000.

Police - \$37,800 for equipment and building Improvement, Main expense in equipment are the purchase of portable radios, \$14,000.

Fire - \$17,000 for truck ramp and driveway. \$24,000 for various Fire Equipment.

Parks - \$2,000 for improvements.

Al Quaal - \$5,000 new heating system for the Al Quaal Lodge.

Library – \$46,800 for building improvements, books, periodicals, video and audio products, and computer work stations.

Contracted Services - \$28,500 and of that \$20,000 is for demolition. Limited funds included for curb and sidewalk repair.

Transfers Out -\$151,357 to pay building debt to Building Authority.

Bond and Interest Payments - \$73,558 for Fire Truck Bond.

City Manager's 2020 Budget Message

2020 Sewer Fund

The Sewer Fund is expected to have \$1,546,000 in revenues against \$1,413,189 in expenses, putting the unrestricted net position at \$791,513 by the end of 2020. We are budgeting \$250,000 for the construction of a new Park Street Lift Station. Also, this is the final year of our Vector Truck payment.

2020 Water Fund

The Water Fund is project to eliminate the deficit by the end of 2020. The deficit was created several years ago by extreme cold weather conditions and by previously unreimbursed expenses related to the USDA project. In 2020, revenues are expected to be \$2,517,313 with expenses of \$2,469,949. However, requirements of the deficit elimination plan and funding the USDA project together will keep the fund balance from growing. The resulting ending unrestricted net position is a negative \$1,940,967.

2020 Motor Pool Fund

This was a new fund for the City of Ishpeming in 2018. It consolidates the revenues and expenses related to DPW equipment operations and maintenance from several other funds, including: General Fund, Public Improvement Fund, Water Fund, Sewer Fund, and Street Funds. The idea of this fund is to provide direct public visibility of the funds used with this important fleet. The Motor Pool Fund started with a \$30,000 fund balance in 2018. Total revenues for this fund are expected to be \$710,850 with expenses of \$630,620, resulting in an ending unrestricted net position of \$238,560.

City Manager's 2020 Budget Message

Section 3 Financial Problems and Opportunities

Topics of discussion here are about some of these important financial consideration for the future. The areas addressed below are not technically part of the 2020 budget; however, they need to be considered going forward.

New Revenue Sources

To keep up with cost growth, the City needs new revenue. Unfortunately, **none** of these may be put in place for the 2020 fiscal year. All would require action in 2020 to implement in 2021.

A. Library Millage

Under Act 164, the City Council is authorized to levy 1 mill to pay for public library expenses. The City currently does not levy this tax, but pays for the entire cost of the Library out of other sources of revenue, including the General Fund. The soonest that the City could use this millage as a source of funding in the 2021 budget. The idea of this millage is that by dedicating this new specific tax to the Library, the City will free up tax revenue for other needs. This increase in taxation would bring in about \$120,000, costing the average tax payer about \$50 per year.

B. Headlee Override

With the correct legal process, the City has a legal means to override the Headlee Amendment, returning the millage rate for the City of Ishpeming to the maximum constitutional rate of 20 mills. Currently, the City levies 17.8059 mills between General Operating and Public Improvement Fund (only these two mileages are impacted by the Headlee Amendment). Therefore, using this process could gain the City about 2.2 mills (or about \$250,000) of new revenue. This action requires a public vote, which could be defeated.

C. Voted Mileages

Similar to the Fire Truck Ballot Proposal, the City has the authority to place a wide variety of specific ballot initiatives before the voters. This choice could help with various expenses, such as Parks, Cemetery, Library, or roads, and it may be needed at some point in the future.

Reducing Costs Via Employee Healthcare

Healthcare costs have increased significantly. We are still getting quotes for the Healthcare Cost for 2020. The City Healthcare Committee should convene to examine options to reduce costs and still maintain reasonable healthcare benefits for our employees.

Under Public Act 152, the City Council must vote in 2019 by a super majority (4-1) to continue this total support into 2020. Per State law, if this policy is not continued the City must move to either an 80/20 cost share or to pay not more than a fixed "cap" per employee. The State of Michigan sets the cap annually. Either of these options would force the employees to pay a

City Manager's 2020 Budget Message

Reducing Costs Via Employee Healthcare (continued)

substantially larger share of healthcare costs in the form of payroll deductions. Because healthcare costs have increased greatly while our revenue is stagnant, some form of healthcare premium cost-sharing with our employees is going to be necessary at some point.

MERS

This is the most difficult issue facing the City. From 2019 to 2020, our annual required contribution (ARC) has increased from \$686,208 to \$789,324. MERS has informed us that required contributions will continue to increase to pay down the unfunded liability in our MERS plan which is reported to be more than \$9,000,000. Future ARC payments are projected to increase above \$1,000,000 in a few years, depending on mortality rate, investment return, and other factors. Clearly, the City cannot afford expenses like these without deep cuts to services or significant new revenue. I believe that a combination of all techniques—including concessions from the employees, service cuts, new revenue/taxes, and smart money management—will be necessary to weather this storm. We have been meeting with Department Heads, union representatives, and MERS staff to review the facts and discuss the way forward.

Pension Obligation Bonds

We have been exploring the feasibility of Pension Obligation Bonds. We would borrow money at a lower rate of interests and through the pension system, invest it at a higher rate of return. The initial analysis shows the City could save a projected net present value of \$2.8 Million over 20 years. In theory we would have a flat payment for the 20 years. There are other pros and cons to these types of bonds. The first thing that would have to happen to even consider this is we would have to close the MERS Plan to new hires.

Fees and Investments

Because of our financial condition, we need to consider raising fees. There are services we provide that the goal should be to make them financially sustainable. To name a few, Code/Rental Enforcement, the Cemetery, and the Tube-Slide. This could be accomplished by raising fees and taking a serious look at some of the City's investments. We have already started the conversation on investments and are looking at some changes for 2020.

Final Note: City Staff worked together, diligently, and carefully to create this proposed 2020 budget. Thank you to all the staff involved.

Steven J. Snowaert
Interim City Manager



PROPOSED 2020 RATE AND FEE SCHEDULE

3

ASSESSING

Assessor Appraisal Cards	\$3.00 (no charge for property owner)
Neighborhood Enterprise Zone Application Fee (see Ordinance 7-600 on Page 8)	Initial Application - \$60.00 Transfer existing certificate to another party - \$30.00
Industrial Tax Abatements and Personal Property Tax Exemptions	Initial Application - \$60.00 Transfer existing certificate to another party - \$30.00
Obsolete Property Rehabilitation Act Program Tax Abatement	Initial Application - \$60.00 or actual cost Transfer existing certificate to another party - \$30.00

CARNEGIE LIBRARY

Replacement of lost Library card	\$2.00
Overdue Rates	Printed materials, CD's or Videos – \$.10/day per item ** Fines over \$5.00 must be paid before other materials can be checked out.
Minor damages to Library materials	• CD Holder - \$3.00 each
Maximum Library fines	• Hardcover books – replacement cost or \$25.00 if replacement cost is unavailable • Trade paperback books – replacement cost or \$15.00 if replacement cost is unavailable • Mass paperback books – replacement cost or \$10.00 if replacement cost is unavailable • Audio-Visual materials – replacement cost or \$25.00 if replacement cost is unavailable
Computer Printing or Photocopies	\$.25 per page (black) \$1.00 per page (color)
Movie Rental for (7) seven days	\$.50

FIRE DEPARTMENT

Fire Reports - \$10.00

False Fire Alarm Policy

No charge for the first false fire alarm per calendar year.

The building/property owner(s) will be charged for: \$100/hour (or fraction thereof for the first hour or less) for each piece of Fire Department apparatus dispatched to the false alarm. The current hourly rate plus FICA and Workers Comp for the first hour or fraction thereof for each Fire Department personnel answering the alarm. Charges after the first hour shall be billed in no less than one hour increments, at the above rates for fire apparatus and each Fire Department personnel responding.

PARKS AND RECREATION

Horseshoe Fees	\$40.00 per league team/season
Downhill Skiing	\$8.00 per day
Tube Slide	\$8.00 per day \$60.00 – Daily rate for 10 people
Tube Slide Group Rental Rates Monday through Sunday 5:30 p.m. – 8:30 p.m.	1-60 people - \$300.00 61+ people - \$400.00 \$100 cleanup bond for Teal Lake Lodge (refundable)
Sponsor the Tube Slide Saturday or Sunday from noon-5:00 p.m. (cannot prohibit public use of tube slide)	Saturday - \$1,200 Sunday - \$800
Cross-Country Rates	\$35.00 – season pass for adult \$25.00 – season pass for student \$80.00 – season pass for family \$7.00 – daily pass

	Resident	Non-Resident
Al Quaal Recreation Area Lodges (Al Quaal and Teal Lake) Daily Rate Cleanup Bond (refundable)*	\$150.00 \$175 \$100.00	\$200.00 \$225 \$100.00
Al Quaal Restrooms Daily Rate Cleanup Bond (refundable)*	\$60.00 \$100.00	\$85.00 \$100.00
Al Quaal Pavilion/Ballfield <ul style="list-style-type: none"> First two hours Each additional hour Cleanup Bond (refundable) Large event 	\$60.00 \$10.00 \$100.00 \$450.00	\$85.00 \$15.00 \$100.00 \$450.00
Lake Bancroft Gazebo/Park Daily Rate Cleanup Bond (refundable)* Large events	\$60.00 \$100.00 \$450.00	\$85.00 \$100.00 \$450.00
Lake Bancroft Pavilion Daily Rate Cleanup Bond (Refundable)* (Fees will be re-evaluated by the Parks and Rec Commission when garage doors are installed)	\$175.00 \$100.00	\$225.00 \$100.00
----- *Renter responsible for cleanup before and after		

Baseball User Fees	\$350 per team per season
Tournaments and Concessions	\$200.00 per field/per event \$250.00 per field/per event (after September 1) \$100.00 cleanup bond (refundable)
Private Party Field Usage <i>(not a regularly scheduled event, not associated with leagues)</i>	\$30.00
Little League/Girls Softball	\$1,600 per year

PLANNING AND ZONING

Zoning Board of Appeals Public Hearings	\$225.00 non-refundable for residential requests \$325.00 non-refundable for commercial requests
Planning Commission Public Hearings	\$225.00 non-refundable for residential requests \$325.00 non-refundable for commercial requests
Zoning Compliance Permits	\$30.00 Residential \$60.00 Commercial
Alley or Street Vacations	\$225.00 non-refundable for residential requests \$325.00 non-refundable for commercial requests
Fence Permits	\$10.00

POLICE DEPARTMENT

Police reports	\$10.00
Breathalyzer tests (PBT)	\$5.00 per test
NSF Check Complaint Processing Fee	\$40.00 per complaint
Finger Prints	Ink - \$25.00 LiveScan - \$65.00
Liquor License Approvals	\$25.00 (Fee can be waived at discretion of the Chief of Police for special licenses converting to open license)
Serving of Eviction Papers	\$30.00

LAKE BANCROFT MEMORIAL WALKWAY

	4" x 8" Brick	12" x 12" Brick
One Brick	\$50.00	\$100.00
Two Bricks	\$90.00	\$180.00
Three Bricks	\$120.00	\$270.00

OTHER CHARGES

- **City of Ishpeming Charter** \$5.00 per copy
- **City Budget Document** \$15.00
- **City Zoning Ordinance** \$15.00
- **City Recreation Plan** \$ 10.00
- **City Master Plan** \$ 10.00
- **Photocopy Charge** ~~\$.25~~ .50 per page

Other Pemit

- **Sidewalk Permit** \$30.00
- **Utility/Excavation Permit** \$50.00

- **Bad Checks/Electronic Payment** \$30.00 per NSF Check

- **Dog Licenses**

One Year	\$16.00 (\$8.00 if spayed or neutered)
Three Year	\$40.00 (\$20.00 if spayed or neutered)

- **Freedom of Information Requests**

Please refer to the City of Ishpeming, Freedom of Information Act Policy. Copy is available on the City website www.ishpemingcity.org or a paper copy is available at City Hall.

- **West End Transfer Station Tickets**

\$7.00** per ticket (up to 100 pounds)

\$5.00** per ticket – Tires normal size (without rim)

\$9.00** per ticket – Tires (with rims)

***** This fee includes a \$1.00 processing fee added to the transfer station rates.***

CITY ORDINANCES THAT RELATE TO RATES AND FEES

Ordinance 2-100: Discharge of Firearms

Permit Fee for indoor shooting range\$100.00

Ordinance 2-700: Inoperable Motor Vehicles

First Violation Civil Infraction\$100.00

Second Violation Civil Infraction\$500.00

Ordinance 3-400: Transient Photographers

License fee for transient photographers

Applicant\$20/day

Agent's\$5.00/day

Cash Bond.....\$500.00

Ordinance 3-500: Taxicabs

Taxi Cab License\$20.00

Taxi Cab Driver's License\$25.00

Ordinance 3-600: Bicycles

Bicycle Registration.....\$.50

Duplicate copy of registration\$.25

Ordinance 3-700: Carnivals, Circuses, Menageries, Transient Exhibitions

License for Carnivals, Circuses, Menageries, and Transient Street Exhibitions

○ **Circus**

▪ First Performance\$100.00

▪ Each Subsequent Performance\$50.00

○ **Equestrian Exhibit/Wild West Show**

▪ First Performance\$50.00

▪ Each Subsequent Performance\$25.00

○ **Other** - Each Performance\$25.00

Ordinance 3-900: Registration of Dealers in Precious Items

Registration Fee for Dealers of Precious Items\$50.00

Misdemeanor Fine (not to exceed)\$100.00

Ordinance 3-1100: Telecommunications Ordinance

Telecommunications Provider Permit\$500.00

Ordinance 3-1200: Second Hand and Junk Dealers

Initial Application Fee for Secondhand Dealer or Junk Dealer License\$100.00

Municipal Civil Infraction (not to exceed).....\$500.00

Ordinance 3-1300: Permit and Regulate Mobile Food Vendors

Mobile Food Vendors Non-refundable License Fee\$100.00

(if vending on City and/or private property)

Licenses valid for the timeframe January 1 through December 31 of the following year.

Ordinance 4-400: Disposal of Solid Waste and Abatement of Accumulations

Solid Waste Disposal

○ **For Availability of Service:**

Single Family Home.....\$17.20/month

Separate living units in multi-family housing

With not more than (2) two units \$17.20/ per unit

○ **Late payment penalty of 5% on each delinquent bill.**

Every person and licensed solid waste hauler authorized by the City to haul directly to the Marquette County Landfill shall pay the landfill fee plus a permit application fee as follows:

○ **Haulers**

▪ **Companies based within City Limits.....\$65.00/year**

Annual permit which runs from January to December each year, pro-rated by full month for new applications throughout the years.

▪ **Companies outside City Limits.....\$10.00/month**

Plus a deposit of\$150.00

(to be applied against landfill fee for new haulers or previously delinquent accounts)

▪ **All outstanding bills/invoices must be paid in full prior to the issue of new permits.**

○ **Civil Infraction (not-to-exceed).....\$200.00**

Ordinance 4-500: Noxious Weeds and Miscellaneous Debris

Cutting long grass and noxious weeds\$200.00

(or cost of the time and materials, whichever is greater)

Ordinance 4-800: Charges for Fire Department Services Rendered at Vehicle Accidents

Fire Department Fees for Motor Vehicle Accident Services (including standby):

- **\$100.00/hour (or fraction thereof for the first hour or less) for each piece of apparatus dispatched to accident. Current hourly rate plus FICA and Worker's Comp for the first hour or fraction thereof per fire person answering the alarm. Charges after the first hour shall be billed in no less than one hour increments, at the above rates.**

Ordinance 4-1000: Charges for Fire Department Services Rendered at a Structure Fires

Fire Department services at a structure fire:

- **\$100/hour for the first hour (or any part thereof) for each fire apparatus dispatched to the scene of a structure fire.**
- **\$100/hour for each hour (or any part thereof) for each fire apparatus at the scene after the first full hour.**
- **Current hourly rate plus FICA and Worker's Comp for the first hour (or any part thereof) for each employee dispatched to the scene of a structure fire.**
- **Current hourly rate plus FICA and Worker's Comp (or any part thereof) for each employee at the scene after the first full hour, to be billed in not less than one hour increments.**

Ordinance 4-1100: Open Burning Without a Permit

Dispatching fire apparatus and personnel to extinguish open burning:

- **\$100 per hour, per fire apparatus dispatched**
- **Current hourly rate plus FICA and Worker's Comp for each firefighter dispatched.**

Ordinance 5-100: Parking on City Streets and Parking Lots

Overnight parking permit in City lots	\$25.00/month
Permit for contractors.....	\$5.00/week
	20.00/month

Fines:

Two hour violation.....	\$10.00
Occupy more than one space	\$10.00
Collection after 30 days for above.....	\$15.00
Overnight parking in parking lots from November 1 to April 30	\$50.00
Collection after 30 days	\$55.00
Parking more than 12 inches from curb	\$20.00
Collection after 30 days	\$25.00

Ordinance 5-200: Parking Violations

- Angle parking violations.....\$20.00
- Obstructing traffic.....\$20.00
- Prohibited Parking (signs unnecessary)
 - On sidewalk except November 1 – April 30 where not regularly cleared of snow
 - In front of public or private drive.....
 - Within intersection
 - Within 15 feet of hydrant.....
 - On crosswalk
 - Within 30 feet of any traffic sign or signal located at the side of a street
 - Within 20 feet of fire station entrance
 - Beside street excavation when traffic obstructed.....
 - Double parking
 - Within 200 feet of accident where police in attendance
 - In front of theater
 - Blocking emergency exit.....
 - Blocking fire escape
- In Prohibited Zone (signs required).....\$20.00
- In Handicapped Parking Spaces (signs required).....\$50.00
- Night parking(1:00-6:00 a.m., November 1 – April 30)
- Collection after 30 days.....\$55.00
- Night parking in a City-owned designated parking lot without a permit or with an expired permit.....\$50.00
- Collection after 30 days.....\$55.00
- Illegal day parking in City Hall parking lot
- In alley (except loading and unloading).....\$20.00
- Parking for certain prohibited purposes:
 - Displaying vehicle for sale
 - Working or repairing vehicle
 - Display advertising.....
 - Selling Merchandise
 - Over 48 hours
- Bus Stop (signs required).....\$20.00
- Failure to set brake, turn wheels, or remove ignition key
- Parking where no other fine is specified

Ordinance 5-500: Operation and Parking upon Property of the Ishpeming Board of Education
Ishpeming School District no parking zones\$20.00

Ordinance 5-800: Operation of Certain Vehicles on Snowmobile Route

Reclaim possession of motor vehicle, motorcycle, three-wheeled motor vehicle,
Four-wheeled motor vehicle, or moped operated on the Snowmobile trail
Storage and Handling Fee.....\$50.00

Ordinance 6-401: Fees and Charges for Removal of Snow and Ice

Removal of snow placed improperly onto City Right of Way
○ Truck load using bucket loader\$50.00
○ Truck load using sno go\$90.00
○ By hand or using hand implements.....\$25.00/hour
Per employee

Ordinance 7-400: Registration of Residential Rental Dwelling Units

Late rental registration fee\$50.00 per
Rental dwelling unit

Ordinance 7-500: Inspection of Residential Rental Dwelling Units

Initial Inspection\$100.00/unit

Renewal Inspection (including one follow-up)

- 1-2 Units (Inspected at the same time and location).....\$85/unit
- 3-10 Units (Inspected at the same time and location).....\$80/unit
- 10+ Units (Inspected at the same time and location).....\$75/unit
- Re-inspection (following second failure)\$70.00/unit

Failure to pay fee for initial/renewal inspection or re-inspection

- Base fee plus \$10.00/unit for 1st 10 days late;\$10.00/unit for every subsequent 10 days until paid

Appeal Fee for appeal to Housing Appeals Board\$25.00

(Fees for tenants may be waived by the City Manager upon demonstration of financial hardship)

Missed appointment or if unable to gain entry for rental dwelling unit

inspection because no one is present\$100.00

(missed original date and one rescheduled date)

Ordinance 7-600: Inspection of New or Rehabilitated Residential Facilities Prior to Sale

Neighborhood Enterprise Zone

- Pre-sale inspection (includes one follow-up inspection)\$60.00/unit
- Re-Inspection (all re-inspections after first follow up inspection).....\$70.00/unit
- Missed appointments\$70.00/unit
- Late Payment Fee\$25.00/month
- Appeals\$25.00

Ordinance 10-100: Owning and Keeping Dogs and Cats

Section 10-105(a)

Impounding of Dogs and Cats \$35 first day
\$20/day after

Transfer fee from Ishpeming Township Pound to UPAWS (Negaunee Location) . \$40.00

Transfer fee from Ishpeming Township Pound to UPAWS (Sands Location).....\$60.00

Section 10-106

- Civil fine of not more than \$100.00, plus costs, and if applicable damages and expenses as provided by law.

Ordinance 11-600: Regulating the Ishpeming Cemetery**City Residents**

Interment or Disinterment	April 1 – November 30	December 1 to March 31
Casket	\$650.00	\$1,300.00
Urn in Ground	\$250.00	\$ 500.00
Children 5 & under (casket or urn)	\$200.00	\$400.00
Urn in Niche	No Charge	No Charge
Disinterment and Reinterment <i>(Transfer within Cemetery)</i>		
Casket	\$1,300.00	\$2,600.00
Urn in Ground	\$ 500.00	\$1,000.00
Children 5 & under (casket or urn)	\$400.00	\$800.00
Urn in Niche	No Charge	No Charge

Non Resident

Interment or Disinterment	April 1 – November 30	December 1 to March 31
Casket	\$1,300.00	\$1,950.00
Urn in Ground	\$ 500.00	\$ 750.00
Children 5 & under (casket or urn)	\$400.00	\$600.00
Urn in Niche	No Charge	No Charge
Disinterment and Reinterment <i>(Transfer within Cemetery)</i>		
Casket	\$2,600.00	\$3,900.00
Urn in Ground	\$1,000.00	\$1,500.00
Children 5 & under (casket or urn)	\$800.00	\$1,200.00
Urn in Niche	No Charge	No Charge

After 3:00 p.m. weekdays and Saturdays, the following rates are in addition to the rates above.

- Casket\$450.00
- Urn in Ground\$150.00
- Urn in Niche.....\$50.00

Sundays and Holidays, the following rates are in addition to the rates above.

- Casket\$600.00
- Urn in Ground\$200.00
- Urn in Niche.....\$100.00

Special Services, the following rates are in addition to the rates above.

Graveside Services	Resident	Non-Resident
Tent, greens, lowering device, and chairs	\$200.00	\$400.00
Greens, lowering device, and chairs	\$90.00	\$180.00
Greens, lowering device	\$65.00	\$130.00
Lowering Device	\$40.00	\$80.00

Section 11-627: Indigent Rates

As stipulated by Department of Social Services or State of Michigan.

.....

Purchase of Lots and Niches

Lot Size	Resident	Non-Resident
1 grave space	\$550	\$1,100
2 grave spaces	\$1,100	\$2,200
3 grave spaces	\$1,650	3,300
5 grave spaces	\$2,750	\$5,500

Niche	Resident	Non-Resident
Bottom Row	\$1,075	\$2,050
Second Row	\$1,125	\$2,150
Third Row	\$1,175	\$2,250
Top Row	\$1,225	\$2,350

****Prices for Lots and Niches include 50% to the Perpetual Care Fund**

Placement of an Additional Monument on a Lot.....\$100.00/Additional Monument

Ordinance 12-100: Water and Sewer Utility

Section 12-102(1a)

- Minimum monthly charge of \$45.08 for the first 0-2,500 gallons of water per month; for all metered water consumption greater than 2,500 gallons per month, an additional charge of \$18.03 per 1,000 gallons (or any part thereof).
- Above rates will be increased by 5% effective January 1 of each year

Section 12-102(2)

- Temporary Service based on average water usage

Section 12-102(3)

- Permit to install tap from City water main\$100.00
- If City does work to connect a line to a City water main\$500.00
- If private contractor does work to connect a line to a City water main...\$300.00

Section 12-102(4)

- Late Fee Penalty: 5% of past due utility bill

Section 12-102(5)

- Door Hanger\$25.00
- Opening or closing a street stop-cock
 - April through October\$25.00
 - April through October if due to delinquency\$40.00
 - November through March.....\$50.00
 - November through March if due to delinquency.....\$80.00
- Removal of water meter (for other than City purposes)\$35.00
- Overtime charge: Actual cost, with a minimum of \$200.00
- Thawing of frozen lines or pipes
 - Thawing from curb stop valve to water meter, actual cost with minimum charge of \$125.00 during normal hours
 - Minimum of \$250.00 if done on overtime
 - Minimum of \$350 if done on a Sunday or holiday

Section 12-102(6)

- Guarantee Deposit:
 - Single family residence user and other individual users.....\$250.00
 - Multiple family dwelling - \$250.00 per unit up to four (4) units.
 - Business, commercial, and industrial users, and large residential of more than four (4) units – an amount equal to the estimated usage for a one month period based on the usage of similar users.

Section 12-103(4)

- Damaged Meter – Actual cost of repairs if damage caused by neglect on the part of the consumer.

Section 12-103(9)

- Repairing leaks between curb stop and water meter – responsibility of property owner unless the leak is caused by conditions existing on public property and no fault of the property owner, for which the City Council may waive costs.
- If leak is not repaired in five business days, a service fee of \$25.00 per day can be assessed until leak is repaired.

Section 12-104

- Civil fine of not more than \$200.00, plus costs, and if applicable damages and expenses as provided by law.

Ordinance 12-500: Separate Meter for Water Consumption not entering Sanitary Sewer System

- Separate meter for water not entering the sanitary sewer system.
 - Purchase and installation of new meter.....\$75.00
 - Inspection and installation of used meter\$20.00

Ordinance 12-700: Sewer Use

- Permit to work on public sewer.....\$90.00
- New construction to install sewer lateral
 - If City does work – reimbursement for all actual costs incurred.
 - If work done by contractor-connection fee of \$250.00
- Must post a \$5,000 bond unless exempted by State law.
- All costs for installation, connection, or repair of building sewer to be borne by the owner. If damage to sewer originated in public sewer, cost can be waived by the City Council.
- Appeals to requirements of ordinance - \$100.00.

Ordinance 12-800: Wastewater Treatment Service Charges

- Rental charge for a water meter for persons discharging into public sanitary sewer system but not receiving water from public system:

5/8" and 3/4" meters	\$.75/quarter plus an installation charge and cost of meter testing
1" and larger	\$1.00/quarter plus an installation charge and cost of meter testing

- Residential sewer user served by a private well and discharging sewage into the public sewer system has the option of paying a "flat rate" user charge. The flat rate shall be based on the average metered residential usage rate.
- Minimum monthly sewer charge of \$33.51 for the first 0-2,500 gallons of water per month; for all metered water consumption greater than 2,500 gallons per month, an additional sewer charge of \$13.40 per \$1,000 gallons.
 - The above rates will increase by 5% effective January 1st of each year.

The City of Ishpeming is an equal opportunity provider and employer.

Adopted: