

**CITY OFFICIALS**

Legislative

Mayor..... Carol A. Shafto  
Mayor Pro Tem ..... Sam W. Eiler  
Member.....David R. Karschnick, Sr.  
Member.....Michael W. Nunneley  
Member.....Shawn S. Sexton

Council Appointees

City Manager .....Thad N. Taylor  
City Clerk/Treasurer/Finance Director ..... Karen L. Hebert  
City Attorney ..... William A. Pfeifer  
City Assessor .....Jeff A. Shea

**DEPARTMENT HEADS**

City Engineer ..... Rich O. Sullenger  
Police Chief ..... Kim M. Miller  
Fire Chief .....William J. Forbush  
City Clerk/Treasurer/Finance Director ..... Karen L. Hebert  
Planning and Development Director..... Greg E. Sundin  
City Assessor ..... Jeff A. Shea

May 2, 2011

To the Honorable Mayor and  
Members of the Municipal Council

Councilmembers:

Under the provisions of Chapter 10 of the Charter of the City of Alpena, the City Budget for the 2011-2012 fiscal year is hereby submitted to the Municipal Council.

This budget has been formulated around the Municipal Council's Vision Statement and Goals: 2009. The preparation of the budget proposal was challenging again this year. The slow economy has persisted far longer than expected. We have used all available surpluses and must now face the challenge of balancing the increasing demands for service in the community with declining state revenue sharing and a decline in property tax revenues.

The budget proposes an unrestricted fund balance of \$1,491,693 at the end of the budget year (June 30, 2012). The unrestricted fund balance represents approximately 17.11% of Total General Fund Expenses and other uses. This percentage provides the City with a reasonable surplus in the event of unforeseen expenses or reductions in revenues. This is consistent with adopted Council policy requiring a 10%-15% fund balance. The City depends largely on its two major sources of revenues, state revenue sharing and property taxes. We have experienced over 2.9 million dollars cumulative loss of state revenue sharing since 2002. The budget stabilization fund has a balance of \$5,000.

Due to a decline in property values, property tax revenue is projected to decrease over \$186,000 for 2011-2012. This source of revenue has also been negatively impacted by tax tribunals and poverty exemptions.

During the budget process, most capital projects had to be eliminated, delayed or reduced in scope. There were cuts to full-time personnel and benefits. Contributions to community activities and citizen services were also cut. Several seasonal positions were eliminated to reduce operating expenses.

The 2011-2012 Budget proposes a tax rate for General Fund operations of 16.2316 mills which is the same as last year; a tax rate for DART of 0.6500 mills, the same as last year; and a tax rate for Debt Retirement for the Public Safety Facility of 0.4800 mills, a decrease of 0.0200 mills. The total City tax rate for 2011-2012 will be 17.3616 mills.

The 2011-2012 Budget is proposed to fund some but not all of the projects from the Capital Improvement Plan listed for 2011-2012. The following CIP projects were reviewed and revised where necessary from the CIP process to the budget process:

	<u>Final CIP</u>	<u>Annual Budget</u>
<u>CITY HALL</u>		
Exterior Sealing	26,500	18,500
City Hall Rehabilitation	10,000	0
Economic Development Marketing Program	25,000	0

	<u>Final CIP</u>	<u>Annual Budget</u>
<u>I.T.</u>		
Email Server Software and Licenses	6,000	0
Utility Billing Software	5,000	0
Public Safety Facility DVR and Security Cameras	9,000	0
Time Management Software	10,000	0
Printer-Engineering Plotter	7,000	0
Security Cameras	5,000	0
City Hall IT Upgrades	2,000	0
Marina Fiber Optic Connections	5,000	0
“Wired City” Infrastructure Upgrades	15,000	0
“Wireless City” Infrastructure Upgrades	10,000	0
New Technology/Complimentary Systems	5,000	0
City Building Network Infrastructure	5,000	0
Upgrade the Phone System	6,000	0
<u>POLICE</u>		
Police Vehicle Replacement	57,000	0
Body Armor Replacement	5,500	0
Digital In-Car Camera Purchase	6,000	0
Taser Purchase	3,500	3,500
Enclosed Trailer Purchase	3,500	0
<u>FIRE</u>		
Mobile Radios Narrow Band Capabilities	7,000	5,000
Washer and Dryer Purchase	7,000	0
Fire Equipment Replacement	0	2,600
<u>AMBULANCE</u>		
Narrowband Radio Equipment	0	1,000
EMS Medical Equipment Replacement	0	1,000
Transfer Medical Equipment Replacement	0	1,000
Ambulance	0	150,000
<u>LIGHT</u>		
City Wide Lighting Energy Efficiency Improvements	45,000	0
Riverwalk Lighting	65,000	0
<u>PUBLIC SAFETY – CONSTRUCTION</u>		
Public Safety Building Flooring	12,500	0
Snow/Ice Break System for PSF Metal Roof	22,000	0
Public Safety Building Gutters	12,000	0
Parking Lots Resurface, Curbing Repairs, and Grate Repairs	20,000	0
<u>PUBLIC WORKS</u>		
Farmer’s Market Parking Lot #1	50,000	7,000
Sidewalk Construction	0	3,000
Sidewalk Replacement	0	15,000

	<u>Final CIP</u>	<u>Annual Budget</u>
<u>PARKS AND RECREATION</u>		
Bay View Park Tennis Court Lighting	38,500	0
Duck Park Canoe Livery	25,000	0
Land Acquisition Payments: LaMarre Park	0	7,912
Island Park & Sanctuary Improvements	0	4,000
<u>DOWNTOWN DEVELOPMENT AUTHORITY</u>		
Signage	80,000	20,000
Downtown Façade Grants	20,000	15,000
Economic Development Fund	5,000	0
Update Master Plan	20,000	0
Bench Replacement	4,000	0
Street Amenities & Parks	3,000	0
Downtown Vehicular Lighting	15,000	0
Downtown Pedestrian Lighting Upgrade	5,000	0
Monitor Parking	0	3,000
Marketing & Promotion	0	13,000
Improved Landscaping to Parks/Maintenance	0	4,000
Maintenance/Snow Removal	0	16,500
Support Business Assistance Program	0	10,000
<u>MAJOR STREET</u>		
Capital Preventative Maintenance	35,000	0
Signage Replacement	9,250	0
Sidewalk Railroad Crossing Improvements	10,000	0
Tree Planting Program	3,000	0
State Street Bi-Path Enhancements	110,000	0
Intersection Improvements	100,000	0
M-32 & Ripley Boulevard Enhancement Improvements	25,000	0
<u>LOCAL STREET</u>		
Capital Preventative Maintenance	35,000	0
Thin Overlay and Resurfacing Project	75,000	100,000
High-Use Alley Paving	25,000	0
Dawson Street Resurfacing	68,500	0
Commercial Street – Miller to Lake Street	105,000	0
Signage Replacement	9,250	0
Lighting Upgrades	15,000	0
Tree Planting Program	3,000	0
Crapo Street Reconstruction	44,200	0
<u>MARINA</u>		
Fixed Dock Replacement	250,000	0
Marina Storm Sewer Improvements	16,000	0
Drainage Improvements	0	16,000
<u>SEWER</u>		
Water (Sewer) Meter and AMR Improvements	720,000	0

	<u>Final CIP</u>	<u>Annual Budget</u>
Washington Avenue Sewer Replacement – MDOT	20,000	20,000
Sanitary Sewer Spot Repairs	15,000	15,000
Sanitary Sewer Main Rehabilitation	50,000	0
Telemetry Improvements	10,000	10,000
Johnson Street Sanitary Sewer	40,000	40,000
Fourth Avenue Sewer Improvements	275,000	0
Lift Station Upgrade	15,500	15,500
Methane Gas Engine Replacement	0	60,000
Grit Collector Upgrades	0	90,000
Steel Pipe Replacement	0	200,000
New Services	0	15,000
Replacement Services	0	35,000
 <u>WATER</u>		
Site Piping Replacement	200,000	0
Water Recycling Plant Circuit Breaker Rebuild/Upgrade	10,000	0
Blower Variable Frequency Drive	50,000	0
Grit Collector Upgrades	90,000	0
Flow Meters	14,000	0
Methane Gas Engine Replacement	25,000	0
Drive and Pavement Resurfacing	35,000	0
Water Meter and AMR Improvements	720,000	0
Ninth Avenue Pump House Aesthetic Improvements	10,000	0
Telemetry Improvements	10,000	10,000
Fourth Avenue Water Improvements	290,000	0
McKinley Water Main Loop	35,000	0
Flash Mixer	30,000	0
Critical Component Replacement	10,000	0
Lab Equipment and Instrumentation	5,000	0
Structural-Mechanical Upgrades	10,000	0
Clear Well Suction Line Valve	20,000	0
Lab Expansion	15,000	0
Hydrant Replacement	0	10,000
Main Valve Replacement	0	15,000
Large Meter Replacement	0	10,000
New Services	0	10,000
Replacement Services	0	18,000
 <u>EQUIPMENT</u>		
Tandem Truck with Dump Box/Spreader	175,000	175,000
Riding Lawn Mowers	17,000	17,000
Replacement for Vehicle #19	25,000	17,000
 <b>TOTAL</b>	 <b>\$4,562,700</b>	 <b>\$1,199,512</b>

The 2011-2012 budget reflects the continued effort to maintain as many services as possible and accomplish some capital projects in an environment of declining State revenue sharing and property tax revenue, and rising employee benefit and gasoline costs.

Though much effort has been put into reducing health care costs, the 2011 rates will increase by 8.3%. The City's contribution to the pension program decreased slightly from \$631,004 in 2010 to \$624,734, due in part to lower than expected employee pay increases and one less pay period in the calendar year. Contribution increases are likely next year unless there is considerable favorable experience. The City's pension system is 99% funded. The Property and Liability Insurance decreased by 0.9%, and while this is a small amount, it is the seventh year of decreased premiums.

The largest source of revenue for the City comes from property taxes. The City's total taxable value decreased from \$275,187,617 in 2010 to \$263,563,355 in 2011, a decrease of 4.22%.

Capital improvement outlay and major project highlights in the 2011-2012 budget follow.

City Hall General Department	\$ 18,500
Police Department	3,500
Fire Department	7,600
Ambulance Department	153,000
Public Works Department	18,000
Parks & Recreation Department	11,912
Local Street Construction and Major Projects	100,000
Marina Fund	16,000
Sewage Treatment Plant Improvements	350,000
Sewage Collection System Improvements	75,000
Sewer New/Replacement Services	75,500
Water Treatment Plant	30,000
Water Distribution System Improvements	10,000
Water New/Replacement Services	63,000
Equipment Fund – Vehicles/Machinery	<u>217,000</u>
 TOTAL	 \$1,149,012

Respectfully Submitted,

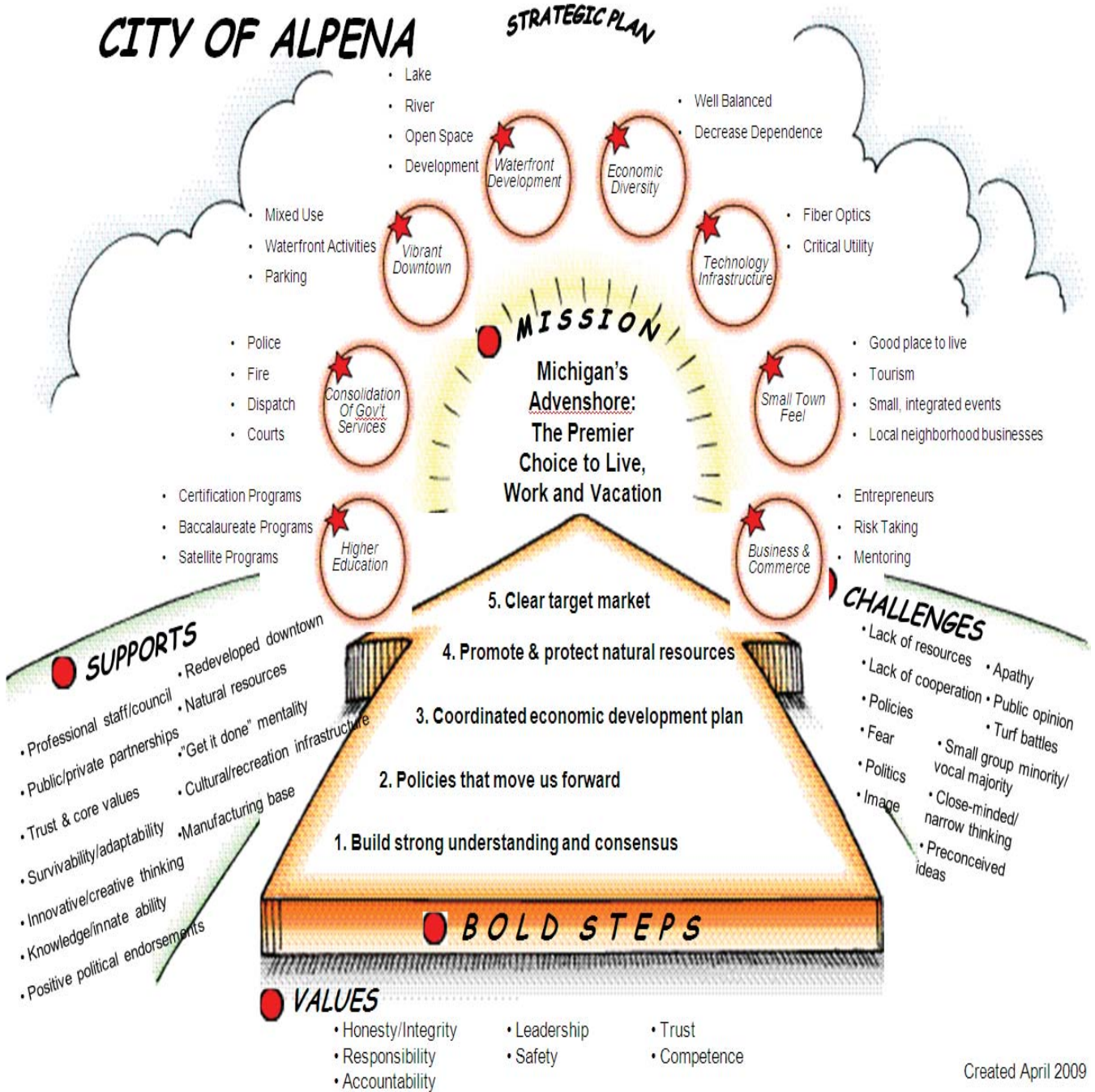
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Thad N. Taylor  
City Manager

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Karen L. Hebert  
City Clerk/Treasurer/Finance Director

# CITY OF ALPENA



Created April 2009

# City of Alpena

CREATING THE FUTURE

## EXECUTIVE SUMMARY

The City Council of Alpena met on April 18 and 25, 2009 to develop a vision for the City, identify the values that are important guiding principles for the City, and to develop a strategic plan identifying key priorities for the City for the next three to five years. Several community members also participated in the April 18 meeting.

The group identified 21 key strategies for achieving the vision. After a rigorous prioritization process, five strategies were selected as critical areas for focus in the next three to five years.

- Build strong understanding of and consensus for what is happening in Alpena
- Ensure that policies support the vision and move Alpena forward (ordinances, charter, etc.)
- Promote and protect natural resources
- Establish a coordinated economic development plan & strategy
- Identify a clear target market (who we are – tourism, manufacturing, seniors, other)

Participants also identified six strategies that are important to continue to perform well. As foundational strategies, these are critical to maintain.

- Strong essential services
- Strong infrastructure
- Adequate resources
- Identify all possible areas of funding
- Public and private partnerships
- Educated staff, board and council

## VALUES

Understanding an organization's values is important – because these represent the “non-negotiable” behaviors that will govern its activities and employees. Council members, staff, and community members identified seven important values for the City, defining them as shown below.

### Honesty and Integrity

We are transparent—always.

#### As Individuals ....

- We say what we mean and do what we say.
- We avoid hidden or personal agendas.
- We act in a selfless manner.

### **As a City ....**

- We encourage openness, through meetings, communication channels and discussions.
- We share the information we can, and trust others when they cannot share information.
- We say what we mean and do what we say.

## **Accountability**

We accept responsibility for our actions.

### **As individuals ...**

- We provide explanations, not excuses.
- We know who to direct others to.
- We are available and respectful of others.

### **As a City ...**

- We are open and transparent.
- We have clearly defined responsibilities for council and staff.
- We have a comprehensive plan and we live by our plan.

## **Responsibility**

We do the right things, in the right way, at the right time.

### **As individuals...**

- We model accountability.
- We demonstrate our commitment.
- We are proud of our accomplishments.

### **As a City...**

- We practice environmental stewardship.
- We are service oriented, with a strong referral and support network.
- We build inclusive and collaborative relationships.

## **Trust**

We have confidence that everyone involved will do the right thing.

### **As individuals...**

- We are willing to be open and vulnerable.
- We accept each other's actions without doubt.
- We are consistent in our actions.

### **As a City ...**

- We encourage an open door policy, with full disclosure whenever appropriate.
- We are transparent and share information freely with our community.
- We provide opportunities for public feedback through surveys, our newsletter, and our website.

## Safety

We protect our community and employees from harm.

### As individuals ...

- We provide funding for safety initiatives.
- We are knowledgeable about safety practices.
- We enforce safety laws, ordinances and regulations.

### As a City ...

- We educate the public about safety practices.
- We update our ordinances to encourage safe practices.
- We issue warnings and/or tickets when necessary to encourage safe practices.

## Leadership

We are willing to take responsibility for making things happen.

### As individuals ...

- We demonstrate strength of character.
- We have strong convictions.
- We are willing to be involved.

### As a City ...

- We cooperate with other governmental units.
- We demonstrate fiscal responsibility.
- We listen to the public and understand its needs.

## Competence

We have the ability (through training and experience) to do things well.

### As individuals ...

- We participate in ongoing, continuous education.
- We demonstrate a positive attitude toward learning.
- We are dedicated to performing tasks well.

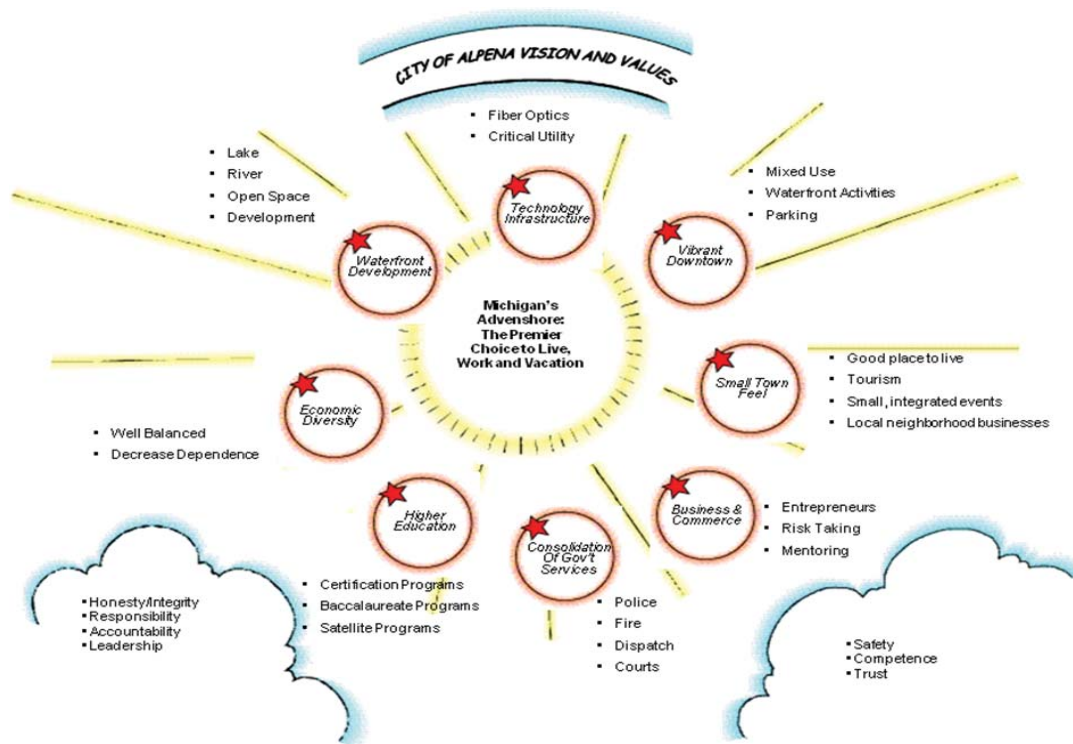
### As a City ...

- We budget for continuing education.
- We attend classes and seminars.
- We identify and hold each other to clear standards of performance.

## VISION

Understanding where an organization is going is a critical part of successful change. Council members, staff, and community members participated in a visioning exercise, which resulted in eight major themes that are important for the City in the future.

- Vibrant Downtown
- Small Town Feel
- Business & Commerce
- Consolidation of Government Services
- Higher Education
- Economic Diversity
- Waterfront Development
- Technology Infrastructure



## CREATING THE FUTURE

### Obstacles

Looking back from great success, what were the obstacles that had to be overcome to achieve the vision for the City of Alpena? Council members and staff identified the following key obstacles.

- Lack of \$/budget
- Lack of cooperation (internal & external)
- Community apathy
- Public Opinion
- Policies (lack of, limiting, too much)
- Turf battles (government and agencies)
- Lack of resources (time, staff, money)
- Fear (failure, unknown, ridicule, re-election)
- Small Group Minority/Vocal Majority
- Politics
- Close-Minded Narrow Thinking
- Image (self & external)
- Pre-conceived ideas
- Having to do more with less
- "No"
- Boundary constraints / lack of room
- Limited staff, time, burnout
- Lack of citizens taking ownership
- Disconnect between staff and elected officials
- "Alpena mentality" - not good enough

A discussion of the Obstacles allowed for clearing the air and served as a springboard for looking forward.

### Enablers

What are the things we have going for us now that can help us create the City that we want? Council members and staff focused on the question, "It's five years from now. You have had great success."

- What "enablers" were available that helped the City to achieve its great success?
- What resources did you take advantage of?

The group identified the following enablers.

- Professional staff & council
- Partnerships
  - Public
  - Private

- Built trust & core values
- Survival ability/adaptability
- Innovative & creative thinking
- Knowledge and innate ability
- Redeveloped downtown
- Natural resources
- Positive political endorsements
- "Get it done" mentality
- Cultural/recreational infrastructure
- Leadership
- Safety
- Manufacturing base
- Trust
- Volunteers/community spirit
- Technology
- Better service
- Cooperation amongst "powers that be"
- Grants

## *STRATEGIC PROFILE*

Having considered the obstacles to success and possible resources that could be employed to achieve the vision for the City, participants then considered possible strategies that could be implemented to achieve success.

After considering many possible strategies, participants identified 21 strategies for success.

- A. Educated staff, boards, council, etc. (training, workshops, abilities, skills)
- B. Built strong consensus and understanding for ideas (joint workshops, staff, council, community) - good communication with staff about what's happening
- C. Multiple opportunities for community involvement (solicited public input, listened with an open mind)
- D. Policies that support the vision and move us forward (ordinance, charters, etc.)
- E. Clear target market (who we are - tourism, manufacturing, other, seniors)
- F. Strong essential services (police, fire etc.)
- G. Strong infrastructure
- H. Great housing options (green/redeveloped/new)
- I. Great communication with state and federal legislators and agencies
- J. Partnerships - public and private (townships, county, MDOT, schools, service organizations, grants, etc.)
- K. Clear organizational priorities and goals
- L. Coordinated economic development plan & strategy
- M. Adequate resources - work together, committed to right things
- N. Marketed Alpena's assets
- O. Promoted and protected natural resources
- P. Found all available sources of funding (grants, private, public internal, external)

- Q. Consolidated government services
- R. Encouraged employees input and participation
- S. Communicate information to public effectively (use technology, etc.)
- T. Empower citizens to find their own solutions and work together
- U. Capitalize on Alpena's small town feel

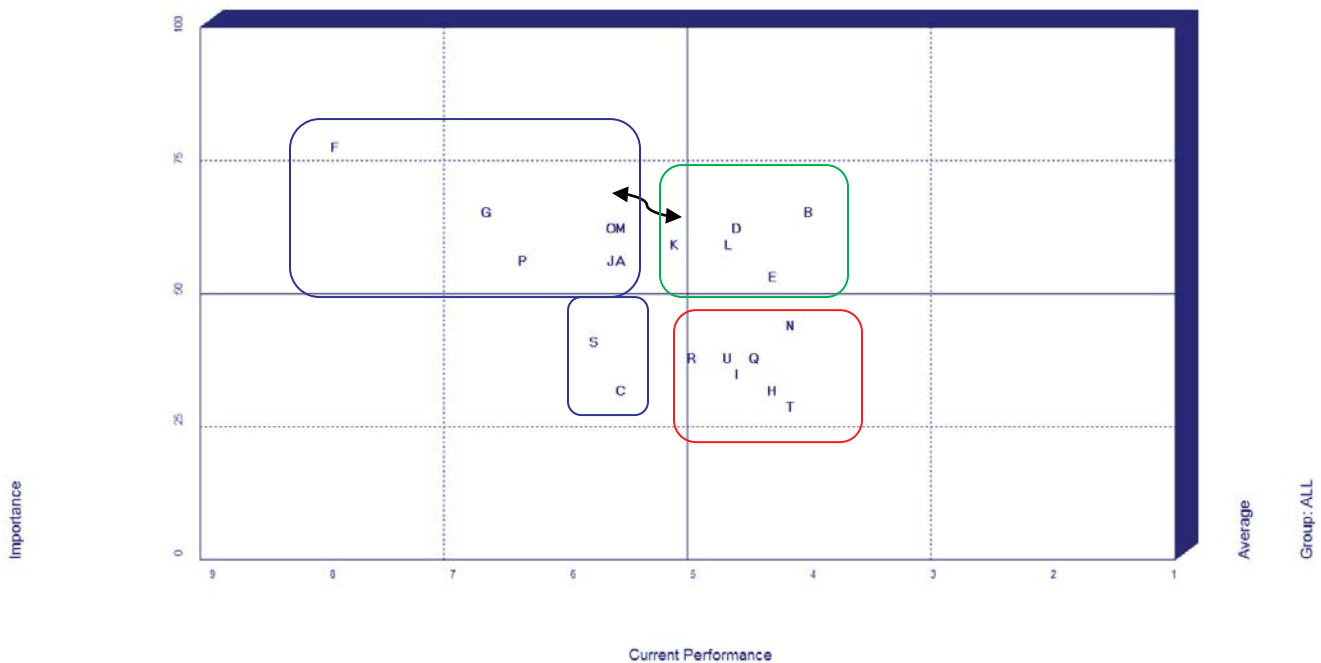
### Strategic Rankings

The 21 strategies were ranked and plotted using Consensys™ technology. They were viewed from two perspectives.

1. Importance – Looking back from great success, having implemented all of these strategies, which were the most important in achieving the City's vision?
2. Current Performance – How well are you currently performing this strategy, as compared to where it needs to be?

The following chart is an opportunity profile displaying the results of the evaluation. Letters on the chart correspond with the letters shown in the list of strategies.

Strategic Opportunity Profile



### Profile Interpretation

The items with the green rectangle around them are the most important strategies to be addressed first.

### High-Leverage Opportunities

Five strategies emerged as high-leverage opportunities (high importance, low performance). They are:

- Built strong consensus and understanding for ideas (B)
- Policies that support the vision and move us forward (D)
- Coordinated economic development plan & strategy (L)
- Clear target market (E)
- Promote & protect natural resources (O)\* (note: this was moved to high-leverage because there is a clear discrepancy between the council's and staff's perception as to current performance—see Appendix 1).

### Foundational Strategies

Nine additional strategies (in blue) were identified as foundational strategies that must be continued. These are strategies that are important to continue, as they are foundational to the success of the City.

- Strong essential services (F)
- Strong infrastructure (G)
- Found all available sources of funding (P)
- Adequate resources (M)
- Public and private partnerships (J)
- Educated staff, board, and council (A)
- Clear organizational goals and objectives (K)\* (moved to foundational based on discussion and consensus that action planning on the high-leverage opportunities would address performance issues on this strategy).
- Communicate information to public effectively (S)
- Multiple opportunities for community involvement (C)

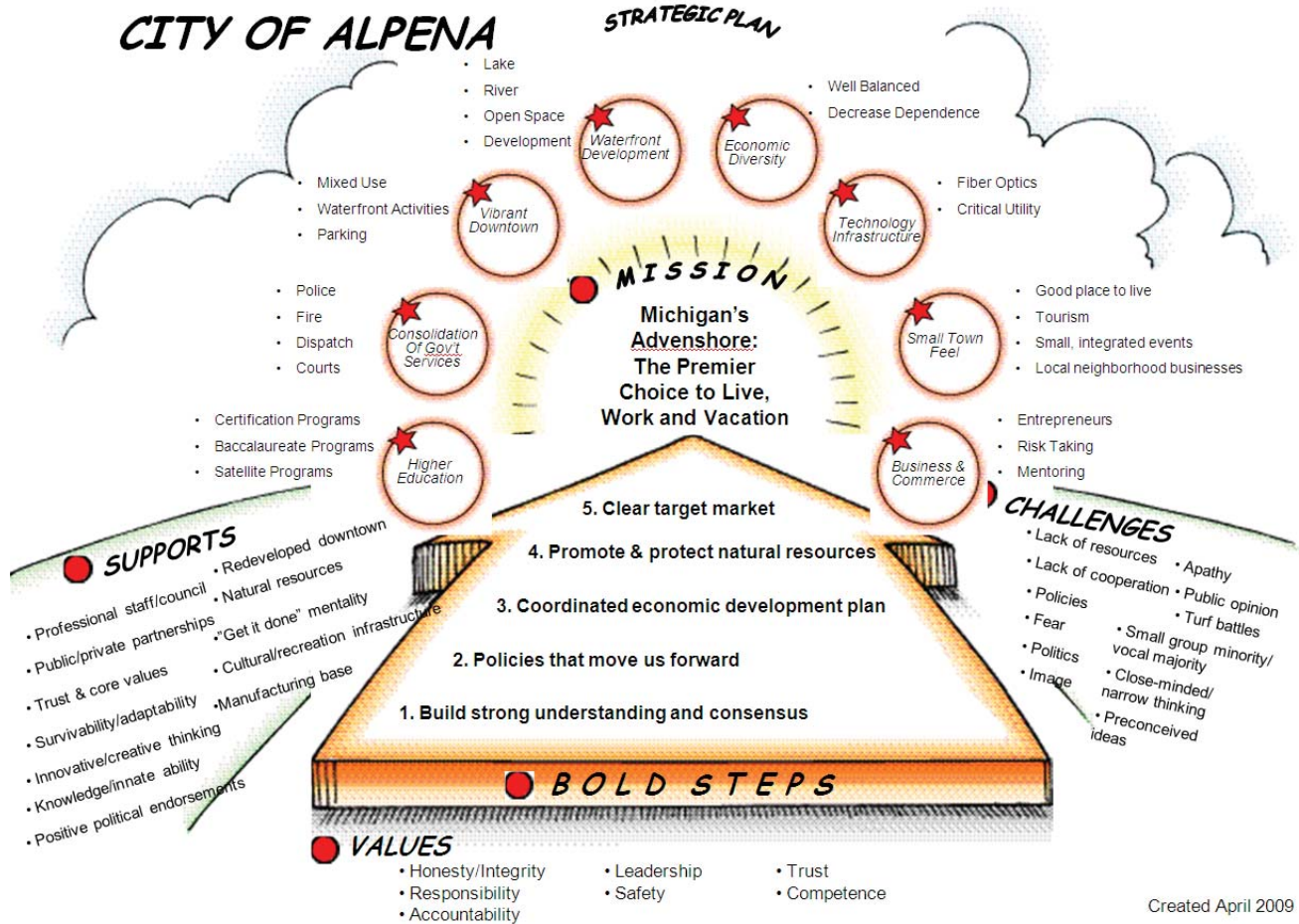
### Mid-Term Opportunities (24-36 months)

Seven additional strategies (in red) were identified as mid-term opportunities that should be explored. While these will take slightly longer to implement, research should be started soon. As performance improves on the high-leverage opportunities, these strategies are likely to increase in importance.

- Marketed Alpena's assets (N)
- Encouraged employees' input and participation (R)
- Capitalize on Alpena's small town feel (U)
- Consolidated government services (Q)
- Great communication with state and federal officials and agencies (I)
- Great housing options (H)
- Empower citizens to find their own solutions and work together. (T)

# FIVE BOLD STEPS

When all of the activities from the strategic planning meetings are combined, the result was the following drawing that represents the vision and plan for the City.



Created April 2009

## ACTION PLANS

Action plans were created for the five high-leverage strategies. These plans will need to be updated on a regular basis as progress takes place.

### Build Strong Understanding and Consensus

<b>WHO:</b>	Staff ↔ City Council
<b>What:</b>	Face to face meetings between council and staff
<b>When:</b>	Semi-annually or quarterly
<b>How:</b>	Specific meeting times with council / work session type environment. Set up specific times when staff is available for council interaction.
<b>Measurement:</b>	Comfort level between staff and the community (based on direction going)

<b>WHO:</b>	Manager ↔ Staff
<b>What:</b>	Manager and key staff member meetings
<b>When:</b>	Bi-weekly with all key department heads; as needed for specific issues
<b>How:</b>	Set regular meeting times (block on calendars)
<b>Measurement:</b>	Comfort level between staff and the community (based on direction going)

<b>WHO:</b>	Public ↔ Staff/City Council
<b>What:</b>	Further promote existing communication channels
<b>When:</b>	Ongoing
<b>How:</b>	Letters, emails, public comment meetings, public information meetings, on-site meetings, presentations, Internet
<b>Measurement:</b>	Comfort level between staff and the community (based on direction going)

<b>WHO:</b>	City ↔ Other Governmental Agencies
<b>What:</b>	Meet with appropriate government officials as needed for specific actions
<b>When:</b>	Dictated by need based upon specific issues
<b>How:</b>	As appropriate and as needed
<b>Measurement:</b>	Comfort level between staff and the community (based on direction going)

### Policies that Move Us Forward

<b>WHO:</b>	City Attorney, Appropriate Staff, Council, Community
<b>What:</b>	Update city policies and charter to align with our vision; Review policies, ordinances, and charter to identify sections that are inconsistent or interfere; Develop new language
<b>When:</b>	Review within 180 days Rewrite within 180 days after review is completed Coordinate charter revisions with scheduled elections
<b>Measurements:</b>	When adopted or approved by Council When passed by the electorate

## Coordinated Economic Development Plan/Strategy

<b>WHO:</b>	Area wide economic development process. Council, staff, citizens DDA, Target, CVB, business community
<b>What:</b>	Determine what we are targeting and build consensus about what we're looking for Modify zoning ordinances, etc. to help promote economic development Identify which tax incentives we want to approve based upon our economic development goals
<b>When:</b>	Need to begin immediately – establish within 6-9 months Zoning done by August/September 2009
<b>Measurements:</b>	Zoning completed

## Promote Natural Resources

<b>WHO:</b>	City council, DDA, CVB, individual citizens, very involved peer groups
<b>What:</b>	Promote educational programs in both government and individuals Better communicate with agencies Market Alpena's water facilities/culture (lakes, rivers, amenities) Strive for cleaner beaches and lakes
<b>When:</b>	As soon as possible → long term Education – institute fairly quickly Some things take more funding or planning Work on long-term as finances allow
<b>Measurements:</b>	Scientific sampling and studies Waste stream collection records Recycling collection records Public surveys Sniff tests Level of cleaner streets (protect catch basins) Reduction of salt Seeing fewer non-redeemable containers along streets and roadways Tourism surveys More people on beaches

## Protect Natural Resources

<b>WHO:</b>	MDEQ, EPA, Large/small industry, private citizens, council, other environmental protection agencies
<b>What:</b>	Better communication with agencies Government and public education Offer solutions for pollution Incentives for environmental responsibility Better understanding of economic/ environmental costs and impact Seek ways to make environmental responsibility cost effective
<b>When:</b>	As soon as possible → long term Education – institute fairly quickly Some things take more funding or planning Work on long-term as finances allow
<b>Measurements:</b>	Scientific sampling and studies Waste stream collection records Recycling collection records Public surveys Sniff tests Level of cleaner streets (protect catch basins) Reduction of salt Seeing fewer non-redeemable containers along streets and roadways Tourism surveys More people on beaches

## Clear Target Market

<b>WHO:</b>	City council, staff, Public citizens, Chamber, CVB, DDA, Businesses, DNR, Sportsmen, media (involved), environmental, seniors, hospital, college, K-12, intergovernmental partners, CRTC, Airport, State & Federal representatives, NEMCOG, contractors, manufacturers, Target ... didn't intentionally exclude anyone
<b>What/When:</b>	Co-champions <ul style="list-style-type: none"> <li>• Staff, elected</li> <li>• 30 days</li> </ul> <p>Create / invite / organize the “Kings &amp; Queens” meeting in a workshop type session. Outside facilitator.</p> <ul style="list-style-type: none"> <li>• Review recent plans</li> <li>• Brainstorm what we want Alpena to be – 120 days</li> </ul> <p>Identify opportunities for target market – create public input forum</p>
<b>Measurements:</b>	Agreed upon target markets

## CONSENSUS

While it is important to look at the overall voting results, it is equally important to consider the level of agreement for each strategy. Appendix 1 includes a complete set of “diversity” profiles, showing the average votes for staff members as compared to council members. In most cases, there is significant agreement among the groups (same quadrant = general agreement). Where there are significant differences, additional dialogue should be considered.

## CONCLUSION AND RECOMMENDATIONS

There is much work to be done to turn these action plans into reality. The City is encouraged to add these items to quarterly Council agendas for the purpose of following up and keeping the focus on the important priorities that have been established.

**NOTICE OF PUBLIC HEARING**  
**ON**  
**PROPOSED 2011-2012 CITY BUDGET**

Notice is Hereby Given that a Public Hearing on the proposed 2011-2012 City Budget will be held on Monday, May 16, 2011, beginning at 7:00 p.m., during the regular Municipal Council meeting at the Alpena City Hall, 208 North First Avenue, Alpena, Michigan 49707.

The Municipal Council will also consider amendments to the 2010-2011 City Budget.

The proposed 2011-2012 City Budget is available for public examination in the office of the City Clerk, City Hall, Alpena, Michigan 49707, the Alpena County Public Library and online at [www.alpena.mi.us](http://www.alpena.mi.us). All persons attending the hearing will have the opportunity to provide written and/or oral comments and ask questions concerning the entire budget. In addition, written comments may be submitted to the City Clerk prior to the public hearing.

The property tax millage rate proposed to be levied to support the proposed budget will be a subject of this hearing.

CITY OF ALPENA

By: Karen Hebert  
City Clerk/Treasurer/Finance Director

**BUDGET ADOPTION RESOLUTION**

**2011-2012**

Moved by Councilman Nunneley, seconded by Councilman Eiler, that the 2011-2012 Budget be adopted; that the Administrative Salaries and Fringe Benefits for 2011-2012 be adopted; and that the Comprehensive Fee Schedule be adopted, with the revised fees effective July 1, 2011, and fees proposed for revision requiring an ordinance change be effective upon the effective date of the ordinance amendment.

Carried by vote as follows:

Ayes: Shafto, Eiler, Karschnick, Nunneley and Sexton

Nays: None

Absent: None

I, Karen Hebert, City Clerk of the City of Alpena, DO HEREBY CERTIFY: that the above is a true copy of a resolution adopted by the Municipal Council at a regular meeting held May 16, 2011.

Karen Hebert  
City Clerk

**RESOLUTION NO. 2011-08**

**APPROPRIATIONS RESOLUTION**  
**2011-2012**

BE IT RESOLVED, that the expenditures for the fiscal year, beginning July 1, 2011, and ending June 30, 2012, are hereby appropriated as follows:

GENERAL	
General Government	\$1,624,811
IT	229,470
Building Authority	38,590
Cemetery	151,954
Police	1,802,821
Fire	1,494,493
Ambulance	1,576,383
Public Works	444,455
Light Department	210,098
Parks and Recreation	486,324
Other Financing Uses	<u>620,623</u>
	\$8,680,022
Contingencies	<u>40,000</u>
TOTAL	\$8,720,022
MAJOR STREET FUND	\$ 619,003
LOCAL STREET FUND	\$ 594,234
MARINA FUND	\$ 120,589
TREE/PARK IMPROVEMENT	\$ 0
DOWNTOWN DEVELOPMENT AUTHORITY #2	\$ 130,425
DOWNTOWN DEVELOPMENT AUTHORITY #5	\$ 24,657
AUTHORITY FOR BROWNFIELD REDEVELOPMENT	\$ 22,010
BUILDING OFFICIAL	\$ 141,471
BUDGET STABILIZATION	\$ 30
DEBT SERVICE FUND	\$ 44,167
1992/2002 G. O. DEBT FUND	\$ 250,420
BUILDING AUTHORITY DEBT FUND	\$ 160,978
BROWNFIELD CAPITAL PROJECTS	\$ 226,875
SEWAGE FUND	\$2,399,344
WATER FUND	\$2,152,280
BROWNFIELD REMEDIATION REVOLVING FUND	\$ 0

BE IT FURTHER RESOLVED: that the revenues for the 2011-2012 fiscal year are estimated as follows:

GENERAL FUND

General Government	\$4,992,987
City Hall	902,840
I.T.	29,232
Cemetery	59,900
Police	106,360
Fire	64,311
Ambulance	1,779,732
Public Works	263,312
Light Department	19,800
Parks and Recreation	7,400
Other Financing Sources	<u>18,540</u>
	\$8,244,414
Accumulated Surplus	<u>475,608</u>
TOTAL	\$8,720,022

MAJOR STREET FUND

Revenues	\$ 683,075
Other Financing Sources	40,000
Accumulated Surplus	<u>(104,072)</u>
TOTAL	\$ 619,003

LOCAL STREET FUND

Revenues	\$ 224,687
Other Financing Sources	275,000
Accumulated Surplus	<u>94,547</u>
TOTAL	\$ 594,234

MARINA FUND

Revenues	\$ 37,100
Other Financing Sources	85,000
Accumulated Surplus	<u>(1,511)</u>
TOTAL	\$ 120,589

TREE/PARK IMPROVEMENT FUND

Revenues	\$ 500
Other Financing Sources	0
Accumulated Surplus	<u>(500)</u>
TOTAL	\$ 0

DOWNTOWN DEVELOPMENT AUTHORITY #2

Tax Increments	\$ 91,044
Other Financing Sources	0
Accumulated Surplus	<u>39,381</u>
TOTAL	\$ 130,425

DOWNTOWN DEVELOPMENT AUTHORITY #5	
Tax Levy – 2.0000 Mills	\$ 21,483
Other Financing Sources	1,250
Accumulated Surplus	<u>1,924</u>
TOTAL	\$ 24,657
AUTHORITY FOR BROWNFIELD REDEVELOPMENT	
Revenues	\$ 14,229
Other Financing Sources	0
Accumulated Surplus	<u>7,781</u>
TOTAL	\$ 22,010
BUILDING OFFICIAL	
Revenues	\$ 91,260
Other Financing Sources	60,000
Accumulated Surplus	<u>(9,789)</u>
TOTAL	\$ 141,471
BUDGET STABILIZATION FUND	
Investment Income	\$ 30
Accumulated Surplus	<u>0</u>
TOTAL	\$ 30
DEBT SERVICE FUND	
Revenues	\$ 100
Other Financing Sources	44,167
Accumulated Surplus	<u>(100)</u>
TOTAL	\$ 44,167
1992/2002 G. O. DEBT FUND	
Debt Service Tax Levy – 0.4800 Mills	\$ 123,562
Other Financing Sources	125,000
Accumulated Surplus	<u>1,858</u>
TOTAL	\$ 250,420
BUILDING AUTHORITY DEBT FUND	
Revenues	\$ 20
Other Financing Sources	160,378
Accumulated Surplus	<u>580</u>
TOTAL	\$ 160,978
BROWNFIELD CAPITAL PROJECTS	
Revenues	\$ 226,875
Other Financing Sources	0
Accumulated Surplus	<u>0</u>
TOTAL	\$ 226,875

SEWAGE FUND	
Revenues	\$1,962,850
Other Financing Sources	0
Accumulated Surplus	<u>436,494</u>
TOTAL	\$2,399,344
WATER FUND	
Revenues	\$1,788,500
Other Financing Sources	0
Accumulated Surplus	<u>363,780</u>
TOTAL	\$2,152,280
BROWNFIELD REMEDIATION REVOLVING FUND	
Revenues	\$ 0
Other Financing Sources	25,913
Accumulated Surplus	<u>(25,913)</u>
TOTAL	\$ 0

AND BE IT FURTHER RESOLVED: that 16.2316 mills be levied on the taxable valuation for the purpose of paying the General Fund operating expenses for the 2011-2012 fiscal year; and

BE IT FURTHER RESOLVED: that 0.4800 mills (voted millage) be levied on the taxable valuation for the purpose of meeting 1992/2002 General Obligation Debt Fund requirements (Public Safety Facility) for the fiscal year; and

BE IT FURTHER RESOLVED: that 0.6500 mills (voted millage) be levied on the taxable valuation for the purpose of meeting Dial-A-Ride Operations for the fiscal year; and

BE IT FURTHER RESOLVED: that 2.0000 mills be levied on the taxable valuation in the Downtown Development District as per resolution adopted by the Downtown Development Authority on April 5, 2011, for the purpose of paying Project 5 expenses for the Downtown Development District for the fiscal year; and

BE IT FURTHER RESOLVED: that the City Treasurer is hereby authorized to collect 16.2316 mills for general operation, 0.4800 mills for 1992/2002 General Obligation Unlimited Tax Refunding Bonds requirements, 0.6500 mills for Dial-A-Ride operations, making a total of 17.3616 mills; and also 2.0000 mills be collected on the taxable valuation in the Downtown Development District for Project 5 requirement; and

BE IT FURTHER RESOLVED, pursuant to Section 211.44 of the Michigan General Property Tax Act and Section 11.19 of the Charter of the City of Alpena, the City Treasurer shall add to all summer taxes paid after the 31<sup>st</sup> of July a three percent (3%) collection fee and one-half of one percent (1/2%) for each and every calendar month or fraction thereof that such taxes remain unpaid; and

BE IT FURTHER RESOLVED, pursuant to Section 211.44 of the Michigan General Property Tax Act and Section 11.27 of the Charter of the City of Alpena, the City Treasurer shall add to all winter taxes paid between February 16<sup>th</sup> and February 29<sup>th</sup> a three percent (3%) late penalty charge; and

BE IT FURTHER RESOLVED: that the City Manager and City Clerk/Treasurer/Finance Director are hereby authorized to make budgetary transfers within the departments established through this budget, and that all transfers between departments or funds may be made only by further action of the Municipal Council, pursuant to the provisions of the Michigan Uniform Accounting and Budgeting Act.

Adoption of the above resolution was moved by Councilman Karschnick, seconded by Councilman Nunneley and carried by vote as follows:

Ayes: Eiler, Karschnick, Nunneley, Sexton and Shafto

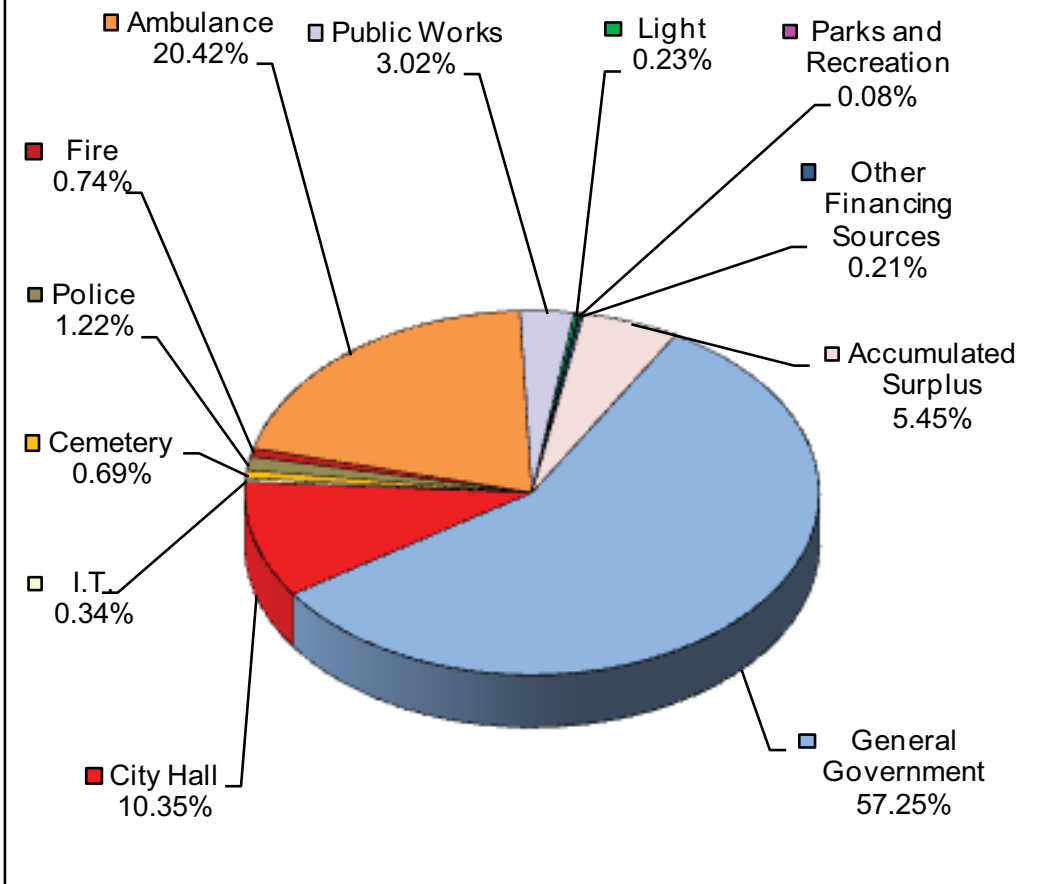
Nays: None

Absent: None

I, Karen Hebert, City Clerk of the City of Alpena, DO HEREBY CERTIFY: that the above is a true copy of a resolution adopted by the Municipal Council at a regular meeting held May 16, 2011.

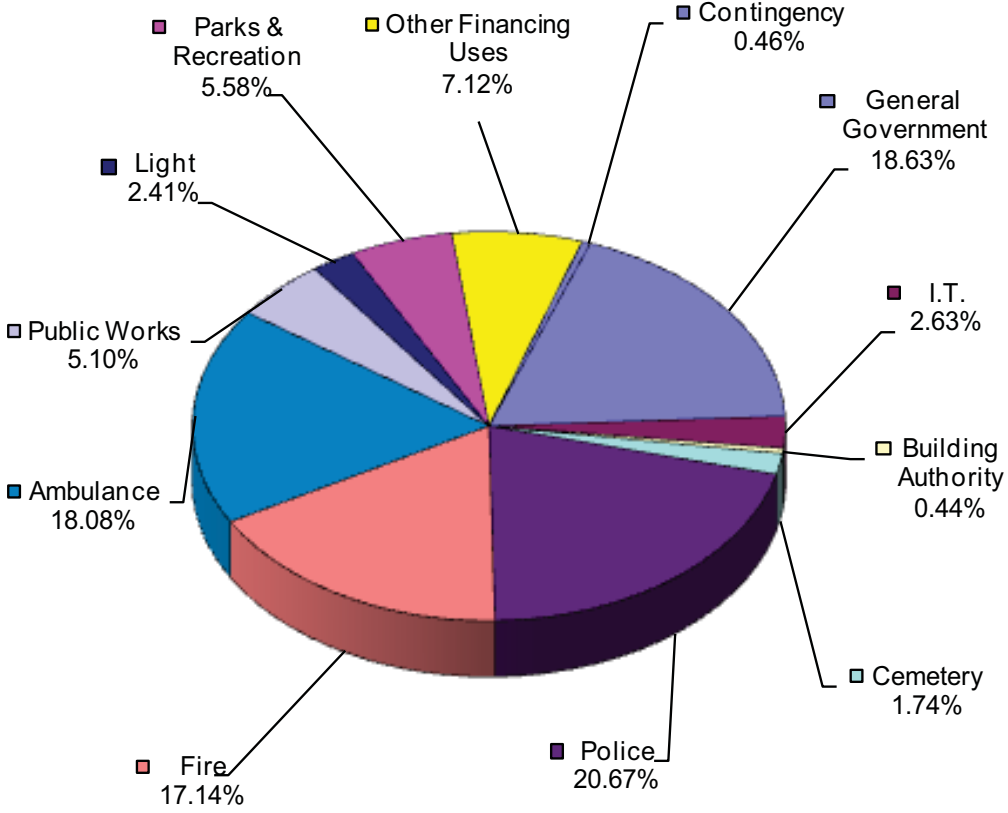
Karen Hebert  
City Clerk

## GENERAL FUND Revenues 2011-2012



General Government	\$ 4,992,987	57.25%
City Hall	902,840	10.35%
I.T.	29,232	0.34%
Cemetery	59,900	0.69%
Police	106,360	1.22%
Fire	64,311	0.74%
Ambulance	1,779,732	20.42%
Public Works	263,312	3.02%
Light	19,800	0.23%
Parks and Recreation	7,400	0.08%
Other Financing Sources	18,540	0.21%
Accumulated Surplus	475,608	5.45%
<b>Total Revenues &amp; Other Sources</b>	<b>\$ 8,720,022</b>	<b>100.00%</b>

## GENERAL FUND Expenditures 2011-2012



General Government	\$ 1,624,811	18.63%
I.T.	229,470	2.63%
Building Authority	38,590	0.44%
Cemetery	151,954	1.74%
Police	1,802,821	20.67%
Fire	1,494,493	17.14%
Ambulance	1,576,383	18.08%
Public Works	444,455	5.10%
Light Department	210,098	2.41%
Parks & Recreation	486,324	5.58%
Other Financing Uses	620,623	7.12%
Contingency	40,000	0.46%
<b>Total Expenditures and Other Uses</b>	<b>\$ 8,720,022</b>	<b>100.00%</b>

## 2011 TRUTH-IN-ASSESSMENT

The State of Michigan enacted Public Act 213 of 1981 on December 31, 1981. This law provides for a reduction in the authorized millage rate if the City's State Equalized Value exceeds its assessed value. Property taxes levied should not exceed that which would have been levied based on the City's assessed values.

Calculations for the 2011 Truth-In-Assessment reveal the City is not penalized for assessing equal to the S.E.V.

### **Old Formula:** (Prior to 1995)

$$\frac{\text{Total 2011 Assessed Value}}{\text{Total 2011 S.E.V.}} = \text{Truth in Assessing rollback}$$

$$\frac{\$ 255,710,100}{\$ 255,710,100} = 1.0000$$

Starting in 1995, the language of MCL 211.34 resulted in a different formula for calculating the "Truth in Assessing" Rollback because, starting in 1995, taxes were levied against Taxable Value, not S.E.V. The following is the formula for calculating the "Truth in Assessing" rollback for 2011.

### **New Formula:**

$$\frac{\text{2011 Taxable Value based on Assessed Value}}{\text{2011 Taxable Value based on S.E.V.}} = \text{Truth in Assessing rollback}$$

$$\frac{\$ 251,223,006}{\$ 251,223,006} = 1.0000$$

**2011 TRUTH-IN-TAXATION**

Effective February 9, 1982, the State of Michigan approved Public Act No. 5 of 1982 or as it is generally known, Truth-In-Taxation. Briefly, this law states that the ensuing fiscal year tax revenues, less additions, cannot exceed the concluding fiscal year tax revenue. If it does, then the ensuing fiscal year millage is rolled back so that the tax revenues generated will be the same as the concluding fiscal year. The figures are provided by the assessor's office and confirmed by the county equalization director. **These reduced millage rates can be overridden by holding a truth in taxation hearing or discussing it at the annual budget meeting.**

2011 Base Tax Rate Computation

Formula: 
$$\frac{2010 \text{ Taxable Value} - 2011 \text{ Taxable Value Losses}}{2011 \text{ Taxable Value} - 2011 \text{ Taxable Value Additions}}$$

Real Property

<b>Losses</b>		<b>Additions</b>	
201 = \$	598,313	201 = \$	568,900
301 =	-0-	301 =	2,900
401 =	556,060	401 =	973,916
<hr/>		<hr/>	
Total Real = \$	1,154,373	Total Real = \$	1,545,716

Personal Property

<b>Losses</b>		<b>Additions</b>	
Total Personal = \$	2,109,900	Total Personal = \$	3,077,500
<hr/>		<hr/>	
<b>Losses</b>		<b>Additions</b>	
Grand Total = \$	3,264,273	Grand Total = \$	4,623,216

Computation: 
$$\frac{\$ 262,913,305 - 3,624,273}{\$ 251,223,006 - 4,623,216}$$

$$\frac{\$ 259,289,032}{\$ 246,599,790} = 1.0514 \text{ Base Tax Rate Fraction}$$
  
 (Cannot exceed 1.0000)

2011 Base Tax Rate Fraction = 1.0000  
 2010 Maximum Millage rate = 16.2316  
**2011 Base Tax Rate** = 16.2316 x 1.0000 = 16.2316  
 2011 Dial-A-Ride millage rate = .6500 x 1.0000 = 0.6500  
 2011 Dial-A-Ride Base Tax Rate = .6500

## 2011 HEADLEE TAX LIMITATION

In 1978, the voters of Michigan approved the Constitutional Amendment Proposal E (the Headlee Amendment). The resulting change in the Constitution and its implementing statutes is a formula that limits the maximum tax rates that may be levied by local governments. These limitations do not apply to pension and debt service levy authorizations.

Based upon current estimates, the tax limitation formula will result in no adjustment for 2011 tax rates, as follows:

$$\begin{array}{l}
 \text{Formula:} \\
 \frac{\text{(2010 Taxable Value - Losses)} \times \text{CPI}}{\text{2011 Taxable Value - Additions}} = \text{M.R.F} \\
 \\
 \frac{\text{(262,913,305 - 3,624,273)} \times 1.017}{\text{251,223,006 - 4,623,216}} = 1.0693 \\
 \\
 \text{2011 Headlee Millage Reduction Fraction} = \mathbf{1.0000} \\
 \text{(Cannot exceed 1.0000)}
 \end{array}$$

### History of Headlee Reductions

<b>City Operating</b>	<b>Maximum Charter Millage Rate</b>		<b>17.5000</b>
	1993 reduction fraction	x	.9319
	<b>1993 Maximum Millage</b>	=	<b>16.3083</b>
	1994 through 1999 reduction fraction	x	1.0000
	2000 reduction fraction	x	.9995
	<b>2000 Maximum Millage</b>	=	<b>16.3001</b>
	2001 & 2002 reduction fraction	x	1.0000
	2003 reduction fraction	x	0.9972
	<b>2003 Maximum Millage</b>	=	<b>16.2544</b>
	2004 reduction fraction	x	0.9986
	<b>2004 Maximum Millage</b>	=	<b>16.2316</b>
	2005 through 2011 reduction fraction	x	1.0000
	<b>2005 - 2011 Maximum Millage Rate</b>	=	<b>16.2316</b>
<b>Dial-a-Ride</b>	<b>1999 Maximum Millage</b>		<b>.5000</b>
	2000 reduction fraction	x	.9995
	<b>2000 Maximum Millage</b>	=	<b>.4997</b>
	2001 reduction fraction	x	1.0000
	<b>2001 Maximum Millage</b>	=	<b>.4997</b>
	<b>2002 Renewed by Vote</b>		<b>.5000</b>
	<b>2002 Maximum Millage</b>		<b>.5000</b>
	2002 reduction fraction	x	1.0000
	2003 reduction fraction	x	0.9972
	<b>2003 Maximum Millage</b>	=	<b>.4986</b>
	2004 reduction fraction	x	0.9986
	<b>2004 Maximum Millage</b>	=	<b>.4979</b>
	2005 reduction fraction	x	1.0000
<b>2005 Maximum Millage</b>	=	<b>.4979</b>	
<b>2006 Renewed by Vote</b>		<b>.6500</b>	
2006 through 2011 reduction fraction	x	1.0000	
<b>2006 - 2011 Maximum Millage Rate</b>	=	<b>.6500</b>	
<b>Comm. Events Center</b>	<b>2002 Maximum Millage</b>		<b>.2100</b>
	2003 reduction fraction	x	.9972
	<b>2003 Maximum Millage</b>	=	<b>.2094</b>
	2004 reduction fraction	x	.9986
	<b>2004 Maximum Millage</b>	=	<b>.2091</b>
	2005 through 2007 reduction fraction	x	1.0000
	<b>2005 - 2007 Maximum Millage Rate</b>	=	<b>.2091</b>
<b>Millage Expired 2007 – No levy Since</b>		<b>0.0000</b>	

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**2011 TRUTH-IN-ASSESSMENT**

The State of Michigan enacted Public Act 213 of 1981 on December 31, 1981. This law provides for a reduction in the authorized millage rate if the Downtown Development Authority's (DDA) State Equalized Value exceeds its assessed value. Property taxes levied should not exceed that which would have been levied based on the DDA's assessed values.

Calculations for the 2011 Truth-In-Assessment reveal the DDA is not penalized for assessing equal to the S.E.V.

**Old Formula:** (Prior to 1995)

$$\frac{\text{Total 2011 Assessed Value}}{\text{Total 2011 S.E.V.}} = \text{Truth in Assessing rollback}$$
$$\frac{\$ 13,770,800}{\$ 13,770,800} = 1.0000$$

Starting in 1995, the language of MCL 211.34 resulted in a different formula for calculating the "Truth in Assessing" Rollback because, starting in 1995, taxes were levied against Taxable Value, not S.E.V. The following is the formula for calculating the "Truth in Assessing" rollback for 2010.

**New Formula:**

$$\frac{\text{2011 Taxable Value based on Assessed Value}}{\text{2011 Taxable Value based on S.E.V.}} = \text{Truth in Assessing rollback}$$
$$\frac{\$ 13,485,287}{\$ 13,485,287} = 1.0000$$

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**2011 TRUTH IN TAXATION**

Effective February 9, 1982, the State of Michigan approved Public Act No. 5 of 1982 or as it is generally known, Truth-In-Taxation. Briefly, this law states that the ensuing fiscal year tax revenues, less additions, cannot exceed the concluding fiscal year tax revenue. If it does, then the ensuing fiscal year millage is rolled back so that the tax revenues generated will be the same as the concluding fiscal year. The figures are provided by the assessor's office and confirmed by the county equalization director. **These reduced millage rates can be overridden by holding a truth in taxation hearing or discussing it at the annual budget meeting.**

2011 Base Tax Rate Computation

Formula: 
$$\frac{2010 \text{ Taxable Value} - 2011 \text{ Taxable Value Losses}}{2011 \text{ Taxable Value} - 2011 \text{ Taxable Value Additions}}$$

Real Property

	<b>Losses</b>		<b>Additions</b>	
	201 = \$	5,000	201 = \$	79,700
	301 =	-0-	301 =	-0-
	401 =	-0-	401 =	-0-
<hr/>				
Total Real	= \$	5,000	Total Real = \$	79,700

Personal Property

	<b>Losses (x 1.0000)</b>		<b>Additions (x 1.0000)</b>	
Total Personal	= \$	211,000	Total Personal = \$	163,500
<hr/>				
Grand Total	= \$	216,000	Grand Total = \$	243,200

Computation: 
$$\frac{\$ 14,195,261 - 216,000}{\$ 13,485,287 - 243,200}$$

$$\frac{\$ 13,979,261}{\$ 13,242,087} = 1.0557 \text{ Base Tax Rate Fraction}$$

2011 Base Tax Rate Fraction = 1.0000 (Cannot Exceed 1.0000)  
 2010 Millage rate = 2.0000  
 2011 Base Tax Rate = 2.0000 x 1.0000 = 2.0000

**DOWNTOWN DEVELOPMENT AUTHORITY**  
**2011 HEADLEE TAX LIMITATION**

In 1978, the voters of Michigan approved the Constitutional Amendment Proposal E (the Headlee Amendment). The resulting change in the Constitution and its implementing statutes is a formula that limits the maximum tax rates that may be levied by local governments. These limitations do not apply to pension and debt service levy authorizations.

Based upon current estimates, the tax limitation formula will result in no adjustment for 2011 tax rates, as follows:

HEADLEE

2011 Millage Reduction Fraction

Formula:

$$\frac{(2010 \text{ Taxable Value} - \text{Losses}) \times \text{CPI}}{2011 \text{ Taxable Value} - \text{Additions}} = \text{M.R.F.}$$

$$\frac{(14,195,261 - 216,000) \times 1.017}{13,485,287 - 243,200} = \text{M.R.F.}$$

$$\frac{13,979,261 \times 1.017}{14,016,161} = \text{M.R.F.}$$

$$\frac{14,216,908}{13,242,087} = 1.0736$$

**2011 Headlee Millage Reduction Fraction = 1.0000**  
 (Cannot exceed 1.0000)

**History of Headlee Reductions**

<b>Downtown Development Authority</b>	<b>Maximum Authorized Millage Rate</b>	<b>2.0000</b>
	1999 through 2011 Millage Reduction Fraction	1.0000
	<b>2011 Maximum Millage Rate</b>	<b>2.0000</b>

**TAXABLE VALUATION BY YEAR**  
**On Each \$1,000 of Taxable Valuation**  
**Fiscal Year Ending June 30, 2011**

	02-03	03-04	04-05	05-06	06-07	07-08	08-09	09-10	10-11	11-12
<b>CITY OF ALPENA</b>										
General	16.3000	16.2544	16.2316	16.2316	16.2316	16.2316	16.2316	16.2316	16.2316	16.2316
Debt - G.O.	0.9805	1.0305	0.9000	0.8000	0.7600	0.7900	0.7500	0.0000	0.0000	0.0000
Debt - Public Safety	0.4000	0.3500	0.4500	0.3500	0.4900	0.4600	0.5000	0.4500	0.5000	0.4800
Dial-A-Ride	0.5000	0.4986	0.4979	0.4979	0.6500	0.6500	0.6500	0.6500	0.6500	0.6500
Community Events Center	0.2100	0.2094	0.2091	0.2091	0.2091	0.2091	0.0000	0.0000	0.0000	0.0000
Subtotal	18.3905	18.3429	18.2886	18.0886	18.3407	18.3407	18.1316	17.3316	17.3816	17.3616
<b>DOWNTOWN DEVELOPMENT AUTHORITY</b>	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	
Only charged to properties within the DDA										
<b>ALPENA COMMUNITY COLLEGE</b>	2.4749	2.4542	2.4410	2.4373	2.4373	2.4358	2.4358	2.5000	2.5000	
<b>ALPENA PUBLIC SCHOOLS</b>										
State Education Tax	6.0000	5.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	
Operating	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Extra-Voted-Local	18.0000 *	18.0000 *	17.8364 *	17.8364 *	18.0000	18.0000	18.0000	18.0000	18.0000	
Debt	2.3500	2.3000	2.2000	2.1000	2.0000	1.9500	1.8500	1.7500	1.7500	
Enhancement	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Subtotal	26.3500	25.3000	26.0364	25.9364	26.0000	25.9500	25.8500	25.7500	25.7500	
<b>EDUCATIONAL SERVICE DISTRICT</b>	2.1941	2.1705	2.1745	2.1454	2.1447	2.1902	2.1882	2.1882	2.1882	
<b>ALPENA COUNTY</b>										
County Operations	4.8945	4.8538	4.8275	4.8009	4.8004	4.8004	4.8004	4.8004	4.8004	
Hospital Bond Issue	1.0000	0.9917	0.9863	0.9808	0.9807	1.0000	1.0000	1.0000	1.0000	
Ambulance	0.9100	0.9000	0.9000	0.9300	0.9300	0.9720	0.9720	0.9520	0.9700	
Library	0.7433	0.7371	0.7500	0.7458	0.7457	0.7457	0.7457	0.7457	0.7457	
Recreation	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Veterans	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
Senior Citizens	0.5500	0.5454	0.5424	0.5394	0.5500	0.5500	0.5500	0.5500	0.5500	
Subtotal (1)	8.0978	8.0280	8.0062	7.9969	8.0068	8.0681	8.0681	8.0481	8.6911	
<b>TOTAL TAXES PER \$1,000 TAXABLE VALUE</b>	57.5073 **	56.2217 **	56.9287 **	56.6046 **	56.9295	56.9848	56.6737	55.8179	56.5109	
	39.5073 ***	38.2956 ***	39.0923 ***	38.7682 ***	38.9295	38.9848	38.6737	37.8179	38.5109	

Does not include DDA Millage

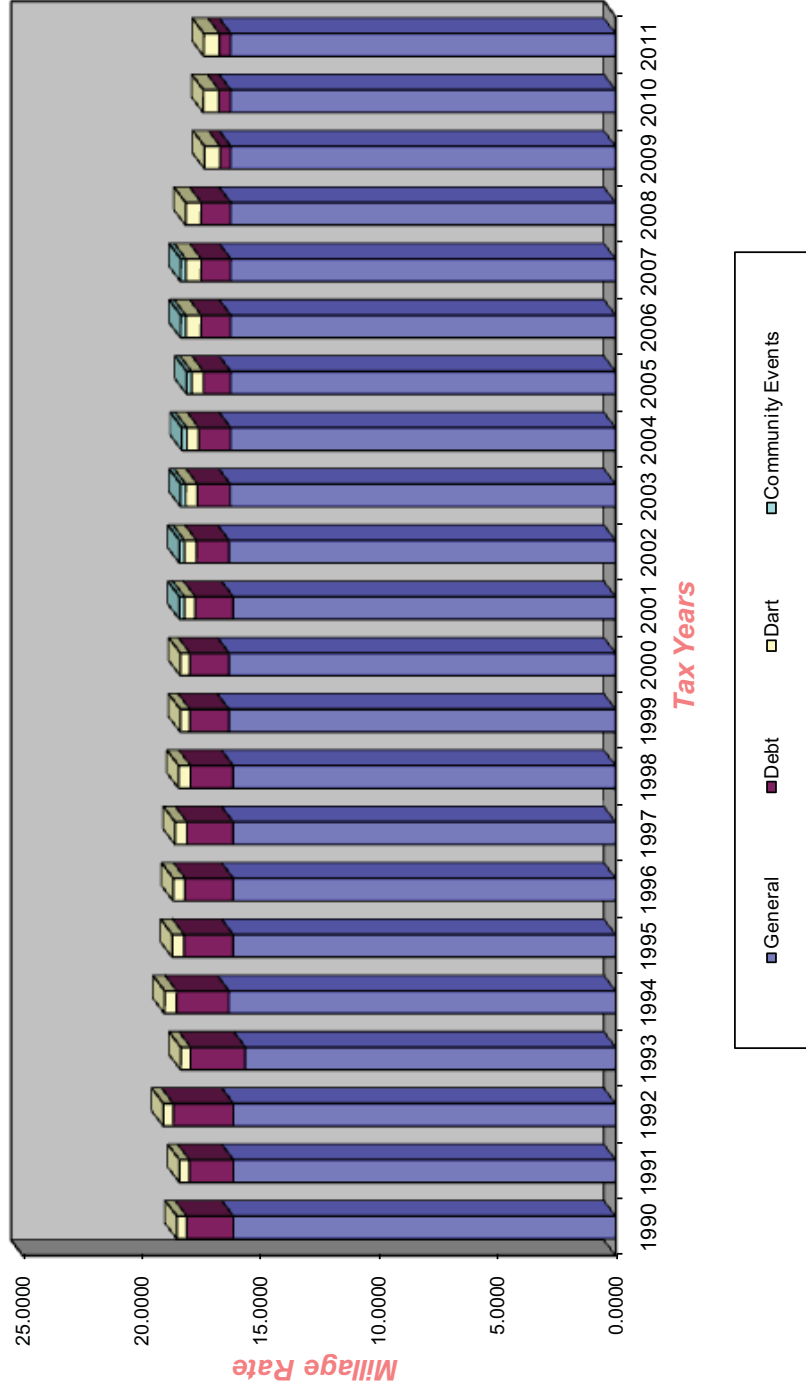
(1) Alpena County's fiscal years end December 31 prior to each June 30 listed herein.

\* Charged to non-principal residences only.

\*\* Non-Principal Residence property tax rate.

\*\*\* Principal Residence property tax rate.

**CITY MILLAGE RATES  
TAX YEARS  
1990-2011**



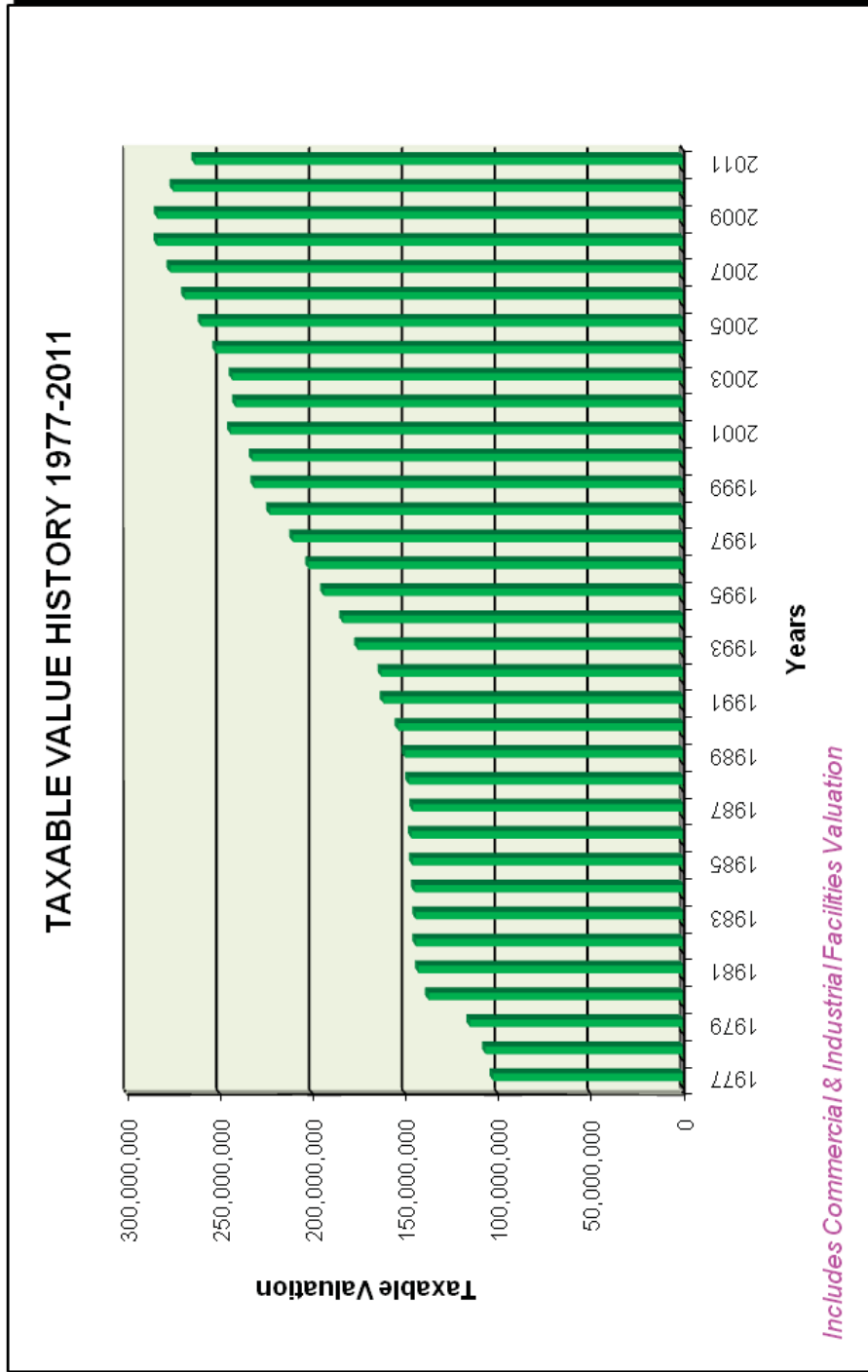
**TAXABLE VALUE HISTORY**  
**1977-2011**

Year	Total City Taxable Valuation	Change Amount From Prior Year	Percent Change
1977	102,757,201		
1978	106,917,822	4,160,621	4.05%
1979	115,358,425	8,440,603	7.89%
1980	137,635,518	22,277,093	19.31%
1981	143,038,962	5,403,444	3.93%
1982	144,411,200	1,372,238	0.96%
1983	144,463,100	51,900	0.04%
1984	145,068,900	605,800	0.42%
1985	146,259,500	1,190,600	0.82%
1986	146,844,500	585,000	0.40%
1987	146,042,500	-802,000	-0.55%
1988	148,224,700	2,182,200	1.49%
1989	150,311,300	2,086,600	1.41%
1990	153,920,200	3,608,900	2.40%
1991	161,933,200	8,013,000	5.21%
1992	163,181,100	1,247,900	0.77%
1993	175,751,100	12,570,000	7.70%
1994	183,800,200	8,049,100	4.58%
1995	194,040,476	10,240,276	5.57%
1996	202,199,796	8,159,320	4.20%
1997	210,770,430	8,570,634	4.24%
1998	223,247,078	12,476,648	5.92%
1999	231,578,994	8,331,916	3.73%
2000	232,597,633	1,018,639	0.44%
2001	244,354,733	11,757,100	5.05%
2002	241,488,060	-2,866,673	-1.17%
2003	243,361,991	1,873,931	0.78%
2004	252,148,258	8,786,267	3.61%
2005	260,126,284	7,978,026	3.16%
2006	268,987,838	8,861,554	3.41%
2007	276,903,917	7,916,079	2.94%
2008	283,914,270	7,010,353	2.53%
2009	283,681,706	-232,564	-0.08%
2010	275,187,617	-8,494,089	-2.99%
2011	263,563,355	-11,624,262	-4.22%

The years 1983 - Present include Commercial and Industrial Facilities Valuation  
The years 2003 and after also include Renaissance Zone Valuation  
The years 2006 and after also include NEZ, DNR PILT, REN. ZONE, and OPRA  
Source: Alpena City Assessor's Office

**TAXABLE VALUE HISTORY**

**1977-2011**



**CITY OF ALPENA**

**2011 STATE EQUALIZED VALUE = \$ 255,710,100**

**2011 TAXABLE VALUATION = \$ 251,223,006**

<b><u>Name</u></b>	<b><u>Taxable Real Prop.</u></b>	<b><u>Taxable Pers. Prop.</u></b>	<b><u>Total Taxable</u></b>	<b><u>Percent of Total Taxable</u></b>
*Lafarge Corporation	\$ 13,795,738	\$ 19,447,200	\$ 33,242,938	13.232%
*Besser Company	4,412,193	2,237,100	6,649,293	2.647%
Decorative Panels Int.	2,393,000	2,121,800	4,514,800	1.797%
*Panel Processing, Inc.	598,797	1,428,600	2,027,397	0.807%
ATI Casting Service	1,453,700	1,396,200	2,849,900	1.134%
*Miscellaneous Industry	<u>4,758,315</u>	<u>3,080,100</u>	<u>7,838,415</u>	<u>3.120%</u>
Total	\$ 27,411,743	\$ 29,711,000	\$ 57,122,743	22.737%
<b><u>Utilities</u></b>				
Alpena Power Company	\$ 770,714	\$ 4,633,700	\$ 5,404,414	2.151%
Michigan Cons. Gas Co.	0	828,200	828,200	.330%
Thunder Bay Power Co.	432,100	27,400	459,500	.183%
Charter Communications	<u>0</u>	<u>399,700</u>	<u>399,700</u>	<u>.159%</u>
Total Utilities	\$ 1,202,814	\$ 5,889,000	\$ 7,091,814	2.823%
<b><u>Breakdown by Class</u></b>				
Industrial & Utility Total	\$ 27,411,743	\$ 35,600,000	\$ 63,011,743	25.082%
Commercial Total	\$ 40,030,710	\$ 6,292,000	\$ 46,322,710	18.439%
Residential Total	<u>\$ 141,888,553</u>	<u>\$ 0</u>	<u>\$ 141,888,553</u>	<u>56.479%</u>
Grand Total	\$ 209,331,006	\$ 41,892,000	\$ 251,223,006	100.00%
Percentage	83.32%	16.68%	100.00%	

\*Excludes Industrial Facilities Valuation  
Ad Valorem Roll Only, No Renaissance Zone, OPRA, DNR PILT, or NEZs included.

Source: Alpena City Assessor's Office

**CITY OF ALPENA**

**Industrial Facilities Tax Roll**

2011 I.F.T. Equivalent S.E.V. = \$8,387,500  
 2011 I.F.T. Taxable Value = \$8,387,500

<u>Name</u>	<u>Real Property Taxable Value</u>	<u>Personal Property Taxable Value</u>	<u>Total Taxable value</u>	<u>Percent</u>
<b><u>IFT - After Proposal "A"</u></b>				
Conveyor Systems	\$ 748,600	\$ 0	\$ 748,600	9.82%
Panel Processing	778,000	216,600	995,600	13.07%
Lafarge Corporation	726,200	5,150,500	5,876,700	77.11%
Mantech	0	0	0	0.00%
S & A Company	0	0	0	0.00%
Total after Prop. "A"	\$ 2,252,800	\$ 5,368,100	\$ 7,620,900	100.00%
<b>Total IFT</b>	<b>\$ 2,252,800</b>	<b>\$ 5,368,100</b>	<b>\$ 7,620,900</b>	<b>100.00%</b>
Percentage	29.56%	70.44%	100.00%	

**Renaissance Zone Roll**

2011 Equivalent S.E.V. = \$ 3,453,400  
 2011 Taxable Value = \$ 3,394,780

	<u>Real Property Taxable Value</u>	<u>Pers. Property Taxable Value</u>	<u>Total Taxable Value</u>
Renaissance Zone	\$ 3,037,280	\$ 263,900	\$ 3,027,730
Renaissance Zone DDA	\$ 88,500	\$ 5,100	\$ 93,400
Total Renaissance Zone	\$ 3,125,780	\$ 269,000	\$ 3,394,780

<p><b><u>Neighborhood Enterprise Zone Roll</u></b>                      2011 State Equalized Value = \$ 383,100                      2011 Taxable Value = \$ 153,432</p>	<p><b><u>DNR Payment in Lieu of Taxes Roll</u></b>                      2011 State Equalized Value = \$ 66,300                      2011 Taxable Value = \$ 50,937</p>
<p><b><u>Obsolete Properties Rehabilitation Act Roll</u></b>                      2011 State Equalized Value = \$ -0-                      2011 Taxable Value = \$ -0-</p>	<p><b><u>Sr. Cit./Disabled Housing PILT Roll</u></b>                      2011 State Equalized Value = \$ 1,071,900                      2011 Taxable Value = \$ 1,071,900</p>
<p><b><u>Renaissance Zone With IFT Roll</u></b>                      2011 State Equalized Value = \$ 48,400                      2011 Taxable Value = \$ 48,400</p>	

Source: City of Alpena, Assessor's Office

**2011 TOP TEN TAXPAYERS**

<b>Taxpayer</b>	<b>Real Property Taxable Value</b>	<b>Personal Property Taxable Value</b>	<b>Total 2011 Taxable Value</b>	<b>Estimated City Taxes</b>	<b>Percent of Total Taxable</b>
*-Lafarge	\$ 14,521,938	\$ 24,597,700	\$ 39,119,638	\$ 628,889	14.84%
*-Besser Co.	4,421,193	2,237,100	6,658,293	115,732	2.53%
Alpena Power Co.	770,714	4,663,700	5,434,414	94,459	2.06%
Decorative Panels Int.	2,423,000	2,121,800	4,544,800	78,527	1.72%
ATI Casting Service	1,453,700	1,396,200	2,849,900	49,536	1.08%
*-Panel Processing	1,376,797	1,646,200	3,022,997	43,892	1.15%
*-Conveyor Sys. Inc.	964,300	1,250,000	2,214,300	31,982	0.84%
Alpena Hotel, LLC	1,684,700	150,700	1,835,400	31,902	0.70%
Alpena Wholesale Groc	1,445,600	280,500	1,726,100	30,002	0.66%
Alpena Marc, LLC	1,617,475	43,800	1,661,275	28,876	0.63%
<b>TOTAL</b>	<b>\$30,679,417</b>	<b>\$ 38,387,700</b>	<b>\$ 69,067,117</b>	<b>\$1,133,796</b>	<b>26.21%</b>

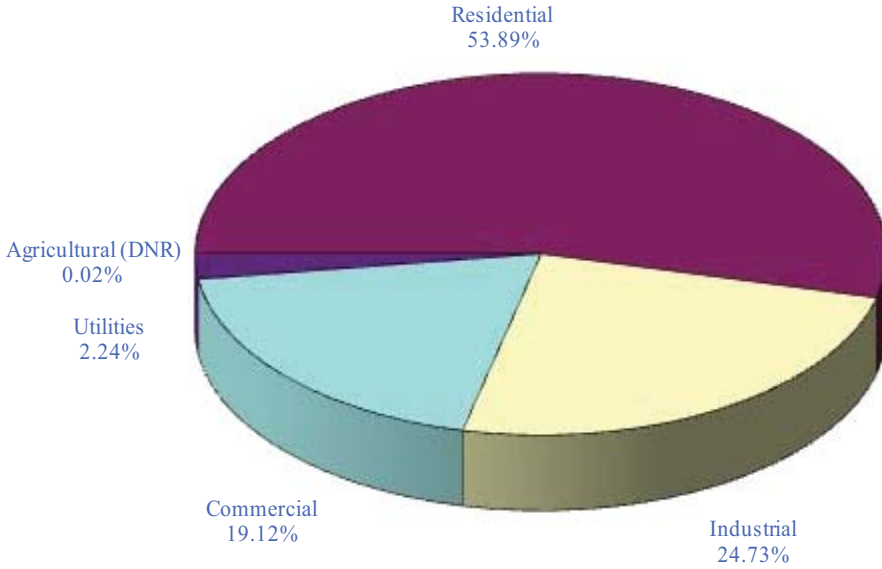
\* Includes I.F.T.

Total Taxable Value with IFT's, Obsolete Properties Rehabilitation, Neighborhood Enterprise Zone, DNR PILT, and Renaissance Zone = \$ 263,563,355

NOTE: City taxes based on 2010 Millage rate of 17.3816  
& 2011 New Facility IFT Millage Rate of 8.6908

Source: Alpena City Assessor's Office

**TAXABLE VALUATION  
BY TYPE  
2011**



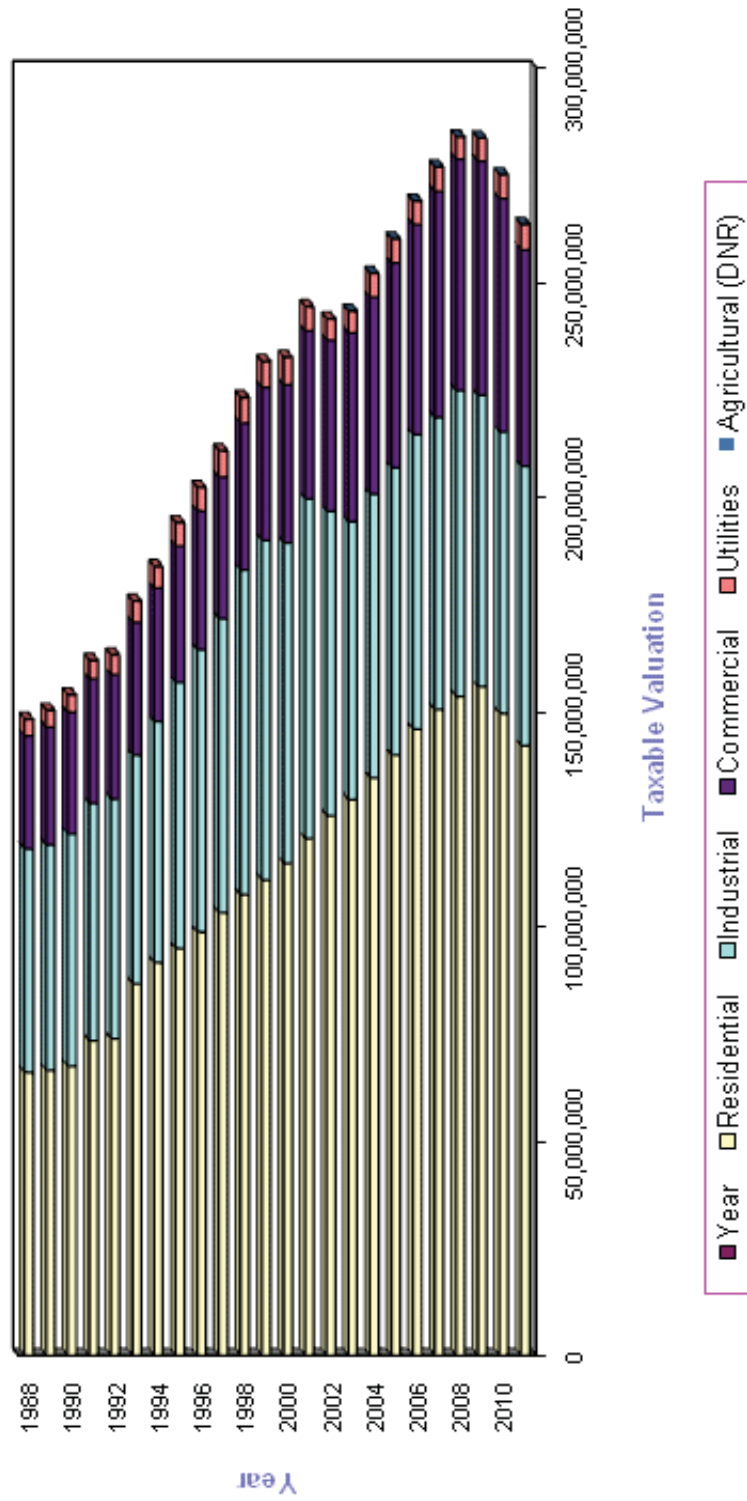
*Includes Ad Valorem and All Special Rolls*

Agricultural (DNR)	\$50,937	0.02%
Residential	\$142,041,985	53.89%
Industrial	\$65,177,028	24.73%
Commercial	\$50,404,405	19.12%
Utilities	\$5,889,000	2.24%
<b>Total *</b>	<b>\$263,563,355</b>	<b>100.00%</b>

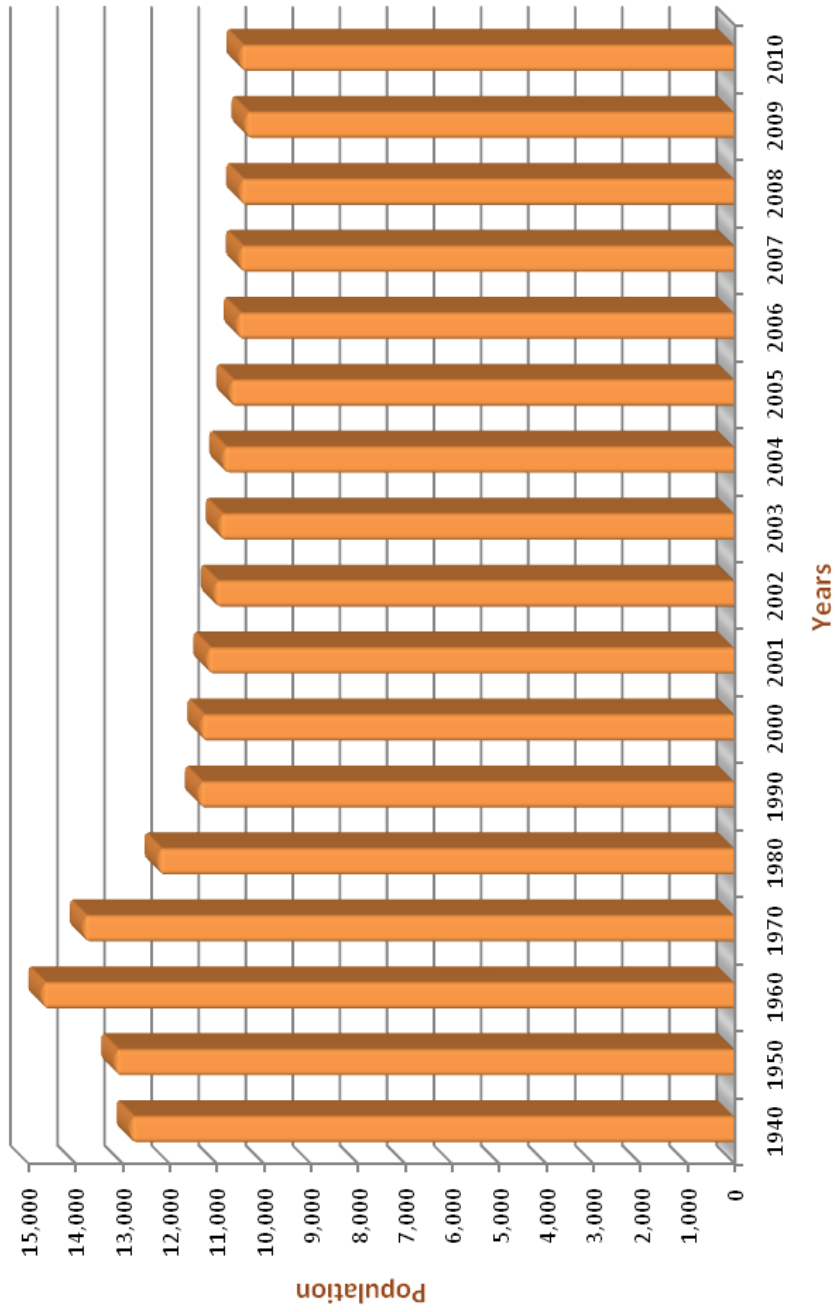
\* Includes Industrial Facilities Assessments and Renaissance Zones

Source: Alpena City Assessor's Office

# TAXABLE VALUATION BY TYPE 1988-2011



## POPULATION TRENDS 1940-2010



Source: Census Bureau

## SUMMARY OF TAX LEVY AND TAXABLE VALUATION

### 2011-2012 BUDGET

	2010-2011	2011-2012	Over or (Under)
<b>TAX LEVY</b> Before TIFA Deductions			
Includes IFT, NEZ, Ren. Zone & DNR PILT			
<i>Operating</i>	\$4,328,988.39	\$4,142,918.28	(\$186,070.11)
<i>Dial-A-Ride</i>	\$173,348.21	\$165,904.59	(\$7,443.62)
<i>Debt</i>	\$0.00	\$0.00	\$0.00
<i>Debt - Fire/Police Bldg</i>	\$134,908.70	\$124,143.65	(\$10,765.05)
<i>Community Events Center</i>	\$0.00	\$0.00	\$0.00
	<u>\$4,637,245.30</u>	<u>\$4,432,966.52</u>	<u>(\$204,278.78)</u>
 <b>TAX RATE</b>			
<i>Operating</i>	16.2316	16.2316	0.0000
<i>Dial-A-Ride</i>	0.6500	0.6500	0.0000
<i>Debt</i>	0.0000	0.0000	0.0000
<i>Debt - Fire/Police Bldg</i>	0.5000	0.4800	(0.0200)
<i>Community Events Center</i>	0.0000	0.0000	0.0000
	<u>17.3816</u>	<u>17.3616</u>	<u>(0.0200)</u>
 <b>Ad Valorem Taxable Value</b>	\$262,313,305	\$251,223,006	(\$11,090,299)
<b>Industrial Facilities Tax. Value</b>			
<i>*New</i>	\$8,387,500	\$7,620,900	(\$766,600)
<i>Rehabilitation</i>	\$0	\$0	\$0
<b>TOTAL IND. FACILITIES</b>	<u>\$8,387,500</u>	<u>\$7,620,900</u>	<u>(\$766,600)</u>
 <b>Renaissance Zone Tax. Value</b>	\$3,121,130	\$3,394,780	\$273,650
<b>Neighborhood Ent. Zone T. V.</b>	\$144,132	\$153,432	\$9,300
<b>DNR PILT Taxable Value</b>	\$50,086	\$50,937	\$851
<b>Obsolete Prop. Rehab. T. V.</b>	\$44,964	\$0	(\$44,964)
<b>Ren. Zone, IFT Taxable Value</b>	\$54,600	\$48,400	(\$6,200)
<b>Non-Prof. Housing T. V.</b>	\$1,071,900	\$1,071,900	\$0
 <b>TOTAL TAXABLE VALUE INCLUDING IFT, NEZ, DNR PILT, OPRA, REN. ZONE and NON -PROF. HOUSING</b>	<u>\$275,187,617</u>	<u>\$263,563,355</u>	<u>(\$11,624,262)</u>

Continued on next page.

DOWNTOWN DEVELOPMENT AUTHORITY

	2010-2011	2011-2012	Over or (Under)
<b>**Taxable Valuation</b>	\$14,212,161	\$13,485,287	(\$726,874)
<b>2010 Tax Levy = 2.0000 mills</b>			
<b>2011 Tax Levy = 2.0000 mills</b>	\$28,424.32	\$26,970.57	(\$1,453.75)

\* New Industrial Facilities Valuation subject to one-half of tax levy.

\*\* Levy authorized by resolution of Municipal Council pursuant to Ordinance creating Downtown Development Authority and District.

Per the City's Tax Increment Financing Ordinance, the 2011 taxable value of the Downtown Development Authority District exceeds the initial base year taxable value creating captured taxable value of \$2,744,022. Property taxes (City, county, etc.), except schools collected on the captured taxable value are paid to the DDA to implement the approved Downtown Development Plan. The effect of this will be a reduction of property taxes available to the following funds:

<b>General Fund</b>		<b>44,540</b>
<b>Debt Fund</b>	<b>No Levy - Expired 2008</b>	
<b>Debt Fund-Bldg</b>		<b>1,317</b>
<b>DART Fund</b>		<b>1,784</b>
<b>DDA Fund No. 5</b>	<b>No Levy - Expired 2009</b>	
<b>Comm. Events</b>	<b>No Levy - Expired 2007</b>	
<b>TOTAL</b>		<b>47,641</b>

Two Brownfield Redevelopment Authority Tax Increment Financing (BRA TIF) Plans were adopted that capture taxes from the various funds on the increase in taxable value over the base year amount. In the Lafarge BRA TIF \$3,181,550 is the incremental increase and in the NOAA BRA TIF \$907,100 is the incremental increase. This will also result in reductions to the following funds:

<u>Lafarge BRA TIF</u>		
<b>General Fund</b>		<b>51,642</b>
<b>Debt Fund</b>	<b>No Levy - Expired 2008</b>	
<b>Debt Fund-Bldg</b>		<b>1,527</b>
<b>DART Fund</b>		<b>2,068</b>
<b>Comm. Events</b>	<b>No Levy - Expired 2007</b>	
<b>TOTAL</b>		<b>55,237</b>

<u>NOAA BRA TIF</u>		
<b>General Fund</b>		<b>14,724</b>
<b>Debt Fund</b>	<b>No Levy - Expired 2008</b>	
<b>Debt Fund-Bldg</b>		<b>435</b>
<b>DART Fund</b>		<b>590</b>
<b>Comm. Events</b>	<b>No Levy - Expired 2007</b>	
<b>TOTAL</b>		<b>15,749</b>

**ANALYSIS OF HISTORY OF POVERTY EXEMPTIONS GRANTED IN CITY OF ALPENA AND IMPACT ON REVENUE**

Year	March Board of Review		July Board of Review		December Board of Review		Total Number of Exemptions	Total Taxable Value Exempted	Impact on City Revenues			
	# of 100% Ex.	# of Partial Ex.	T. V. Exempted	# of 100% Ex.	# of Partial Ex.	T. V. Exempted				# of 100% Ex.	# of Partial Ex.	T. V. Exempted
2000	8	2	\$156,832	0	0	\$0	0	0	\$0	10	\$156,832	-\$2,529.78
2001	9	3	\$186,231	1	0	\$22,127	0	0	\$0	13	\$208,358	-\$3,360.92
2002	11	3	\$243,941	0	0	\$0	0	0	\$0	14	\$243,941	-\$3,976.24
2003	16	3	\$318,150	0	0	\$0	0	0	\$0	19	\$318,150	-\$5,171.34
2004	19	3	\$405,137	4	0	\$72,690	1	0	\$13,127	27	\$490,954	-\$7,968.97
2005	22	1	\$448,120	7	0	\$140,554	6	0	\$130,699	36	\$719,373	-\$11,676.57
2006	28	2	\$610,518	10	3	\$266,248	6	1	\$167,314	50	\$1,044,080	-\$16,947.09
2007	57	6	\$1,495,785	9	0	\$278,259	4	0	\$92,082	76	\$1,866,126	-\$30,290.21
2008	63	5	\$1,563,940	5	1	\$128,088	10	1	\$309,788	85	\$2,001,816	-\$32,492.68
2009	66	2	\$1,745,628	10	1	\$311,858	8	1	\$249,938	88	\$2,307,424	-\$37,453.18
2010	95	7	\$2,377,167	7	2	\$206,607	4	1	\$86,664	116	\$2,670,438	-\$43,345.48
*2011	90	7	\$2,007,212							97	\$2,007,212	-\$32,580.26
Totals	484	44	\$11,558,661	53	7	\$1,426,431	39	4	\$1,049,612	631	\$14,034,704	-\$227,792.72

\* = Only March Board of Review totals available for this report.

## HISTORY OF FORECLOSURES IN CITY OF ALPENA

<b>Year</b>	<b>Commercial Foreclosures</b>	<b>Residential Foreclosures</b>	<b>Total for Year</b>
2010	1	43	44
2009	4	33	37
2008	1	31	32
2007	4	42	46
2006	1	51	52
2005	0	31	31
2004	0	25	25
Total	11	256	267

**CITY OF ALPENA WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM  
COUNTY OF ALPENA, STATE OF MICHIGAN  
1998 WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM  
REVENUE BONDS (\$4,000,000)**

**CITY OF ALPENA WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM  
SERVICE AREA AND CUSTOMERS**

The City of Alpena Water Supply and Sewage Disposal System serves approximately 4,762 customers in a 8.7 square mile area of Alpena County. The City supplies its own water supply and sewage treatment. The System has not had any significant growth or reduction in the number of customers for the last 10 years.

**HISTORY OF WATER PURCHASED AND SOLD**

<u>Fiscal Year Ended June 30</u>	<u>Number of Customers</u>	<u>Water Pumped (in 1,000 gallons)</u>	<u>Water Sold (in 1,000 gallons)</u>
2010	4,798	737,800	527,080
2009	4,798	731,670	545,159
2008	4,797	762,850	566,028
2007	4,762	772,820	543,425
2006	4,757	765,330	577,475
2005	4,747	731,160	565,290
2004	4,743	718,380	577,990
2003	4,722	762,770	604,635
2002	4,713	745,150	549,513
2001	4,707	801,910	599,463
2000	4,703	802,635	637,404

**RATIO OF METERS**

FISCAL YEAR ENDED JUNE 30, 2010

	<u>NUMBER OF METERS</u>
RESIDENTIAL	91.5%
COMMERCIAL/INDUSTRIAL	8.5%
	<u>100.0%</u>

### AVERAGE DAILY USE - WATER\*

<u>Fiscal Year</u> <u>Ending</u>	<u>Production Plant</u> <u>Average Daily Use</u>
2010	2,021
2009	2,005
2008	2,090
2007	2,117
2006	2,091
2005	2,079
2004	2,083
2003	2,089
2002	2,042
2001	2,197
2000	2,199

\*In 1,000 gallons

### AVERAGE DAILY USE - SEWER\*

<u>Fiscal Year</u> <u>Ending</u>	<u>Treatment Plant</u> <u>Average Daily Use</u>
2010	3,000
2009	2,977
2008	2,415
2007	3,053
2006	2,876
2005	3,575
2004	3,869
2003	2,386
2002	3,207
2001	2,609
2000	2,340

\*In 1,000 gallons

### MAJOR USERS

<u>Customer</u>	<u>Volume of Water Used (in</u> <u>1,000 gallons annually)**</u>
Alpena Township	229,535
LaFarge Midwest	30,222
Sevan K. Inc.	5,169
Alpena Regional Medical Ctr.	10,951
Decorative Panels Int'l	1,292
Alpena Schools	5,594
Alpena Hotel, Inc.	4,423
Tendercare	8,980
Alpena Dialysis	2,055
Alpena Housing Commission	3,299

\*\*Also equal to the volume of sewer billed in thousand gallons

## WATER AND SEWER RATE STRUCTURE

The following rate adjustments have been made over the last five years:

### *Water Rates\**

Effective July 1	0-50,000 Gallons	50,001-100,000 Gallons	100,001-200,000 Gallons	Over 200,000 Gallons	Minimum Commodity Charge Per Quarter (6,000 Gallons)
2010	\$3.14	\$3.04	\$2.95	\$2.92	\$18.84
2009	\$3.14	\$3.04	\$2.95	\$2.92	\$18.84
2008	\$3.01	\$2.91	\$2.83	\$2.79	\$18.06
2007	\$2.92	\$2.83	\$2.75	\$2.71	\$17.52
2006	\$2.63	\$2.55	\$2.48	\$2.44	\$15.78
2005	\$2.31	\$2.25	\$2.19	\$2.15	\$13.86

### *Sewer Rates\**

Effective July 1	Per 1,000 Gallons	Customer Service Charge Per Quarter	Minimum Commodity Charge Per Quarter (6,000 Gallons)
2010	\$3.93	\$4.53	\$28.11
2009	\$3.93	\$4.53	\$28.11
2008	\$3.76	\$4.34	\$26.90
2007	\$3.65	\$4.21	\$26.11
2006	\$3.12	\$4.06	\$22.78
2005	\$2.75	\$3.93	\$16.50

\*Per 1,000 gallons

## CURRENT RATE IN EFFECT

Each customer of the water supply system pays charges based upon the quantity of water used (Commodity Charge). The net rate charged for treated and filtered water to consumers within the limits of the City shall be the Commodity Charge.

The Commodity Charge, based upon the amount of water used, is as follows:

Water: \$18.84 per quarter (first 6,000 gallons included in minimum charge).

Sewer: \$28.11 per quarter (first 6,000 gallons included in minimum charge), plus customer service charge of \$4.53 quarterly.

Sewer Usage                      \$3.93 per 1,000 gallons

<u>Water Usage</u>	<u>Charge Per</u> <u>1,000 gallons</u>
0-50,000	\$ 3.14
50,001-100,000	3.04
100,001-200,000	2.95
200,001 and over	2.92

## BILLING AND COLLECTION PROCEDURES

All users are billed quarterly. All bills are mailed the first of the month following the billing period. The users of the system have 15 days to pay without penalty. Delinquent customers are charged a 5% penalty on the unpaid balance. All delinquent accounts which are six months or more past due are certified by the City Treasurer to the City Assessor on a semi-annual basis and may be added to the July 1 tax bills.

**HISTORICAL REVENUES AND EXPENDITURES  
WATER AND SEWER FUND**

FISCAL YEAR ENDED JUNE 30	OPERATING REVENUE	OPERATING EXPENSES	ADD BACK DEPRECIATION (NON-CASH EXPENSE)	NET NON-OPERATING REVENUE (EXPENSES)	SYSTEM REVENUES AVAILABLE FOR REVENUE BONDS
2010	\$ 3,691,665	\$ 3,567,217	\$ 889,209	\$ (263,213)	\$ 750,444
2009	3,847,801	3,499,516	827,965	(218,076)	958,174
2008	3,766,542	3,273,625	746,912	(79,750)	1,160,079
2007	3,393,186	3,067,703	722,744	1,708,766	2,756,993
2006	3,119,374	3,054,908	725,237	63,773	853,476
2005	3,070,024	2,956,916	731,903	272,915	1,117,926
2004	3,154,886	2,805,433	685,236	216,728	1,251,417
2003	3,019,582	2,783,916	652,671	90,449	978,786
2002	3,146,591	2,665,107	640,389	935,427	2,057,300
2001	3,048,264	2,577,162	582,213	1,144	1,054,459
2000	2,841,624	2,267,026	385,624	474,376	1,434,598

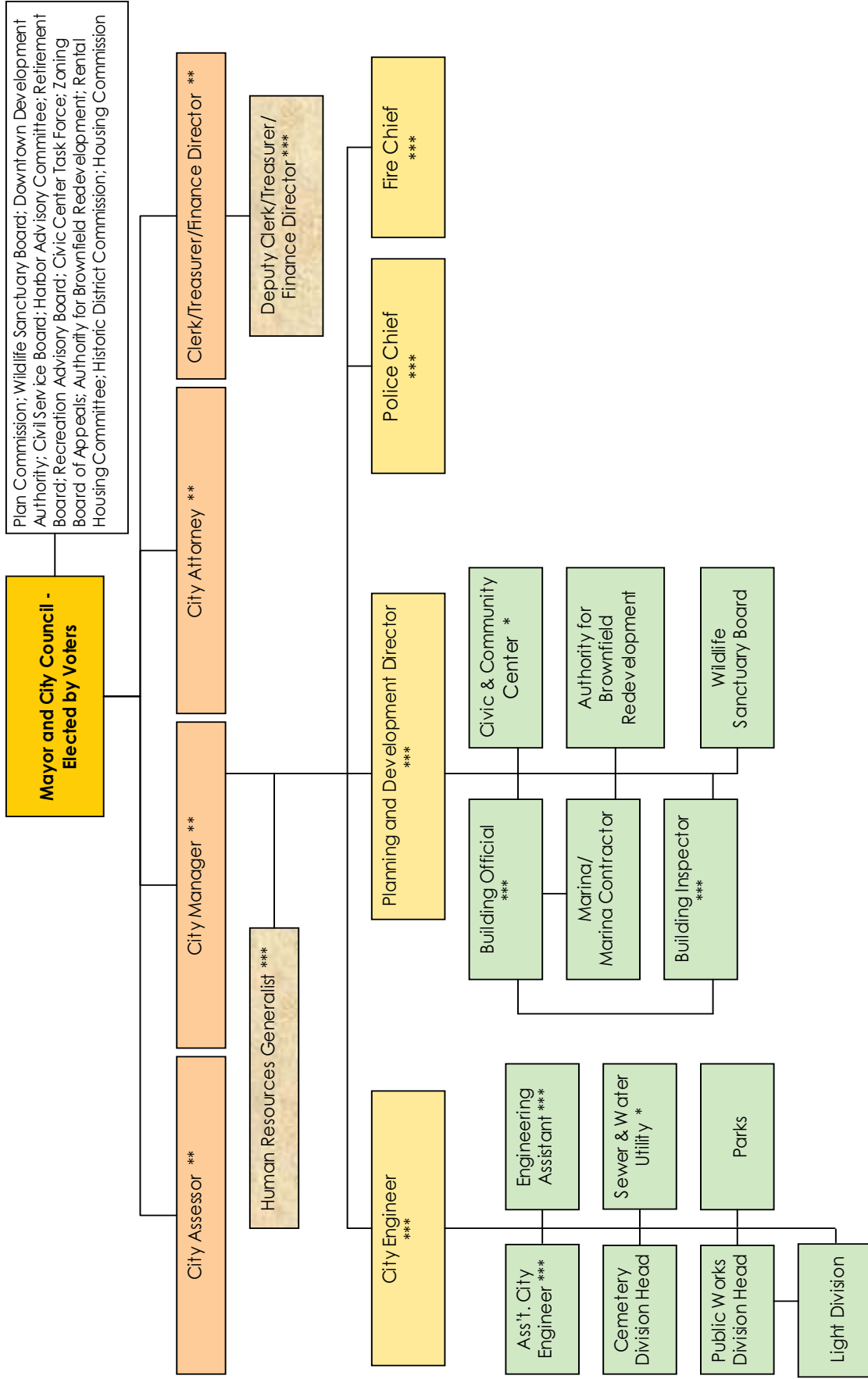
Source: Comprehensive Annual Financial Report of the City of Alpena

**WATER SUPPLY AND SEWAGE DISPOSAL SYSTEM FUND EQUITY**

The System's fund equity (net assets) for the last five years has been as follows;

<u>Fiscal Year Ended June 30</u>	<u>Retained Earnings</u>
2010	\$ 22,623,889
2009	22,762,654
2008	22,632,445
2007	22,219,278
2006	20,127,959
2005	19,999,720

Source: Comprehensive Annual Financial Report of the City of Alpena



\* Contracted Operations  
 \*\* Appointed by City Council  
 \*\*\* Appointed by City Manager

**FY 2011-2012  
CITY OF ALPENA  
CLASSIFICATION AND COMPENSATION STRUCTURE**

<b>PAY GRADE</b>	<b>CLASSIFICATION</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>
1	Building Inspector	34,181	35,892	37,601	39,313	41,023	42,731	44,441
2	Cemetery Div Head	37,601	39,486	41,364	43,241	45,122	47,000	48,886
2A	Engineering Asst Human Res. Generalist	40,210	42,402	44,590	46,775	48,964	51,157	53,345
3	PW Div Head	42,821	45,318	47,820	50,314	52,809	55,315	57,806
4	Assessor Asst City Engineer Building Official Dep Clerk/Treas/FD	47,903	50,697	53,492	56,286	59,083	61,875	64,671
5	Planning & Dev Dir Fire Chief	49,736	53,050	56,365	59,681	63,000	66,316	69,631
6	City Engineer Clerk/Treasurer/FD Police Chief	58,817	62,739	66,659	70,583	74,506	78,428	82,343
	City Attorney							57,167
	City Manager							90,506

**Notes:**

- 1) Classification 1 -7, Pay Grades 1-6 represents a 0% increase for F/Y 2011 - 2012
- 2) There are no step increases for F/Y 2011-2012

## CITY COUNCIL COMPENSATION

### 2011 ANNUAL SALARIES:

MAYOR	-	\$5,065.42
COUNCIL MEMBERS	-	\$3,506.83

### COMMITTEES/BOARDS APPROVED FOR MEETING COMPENSATION:

D.A.R.E. BOARD  
HUNT BOARD  
TARGET ALPENA  
DOWNTOWN DEVELOPMENT AUTHORITY (DDA)  
ALPENA AUTHORITY FOR BROWNFIELD REDEVELOPMENT (AABR)  
NEMCOG REGIONAL ECONOMIC DEV ADVISORY COMM (REDAC)  
TBNMS SANCTUARY ADVISORY COUNCIL (SAC)  
HISTORIC DISTRICT COMMISSION  
ALPENA AREA RECREATION COMMISSION (AARC)  
ALP CO CENTRAL DISPATCH POLICY & PROCEDURES COMM  
CITY PROPERTY COMMITTEE  
IG AIR/WATER QUALITY COMMITTEE  
IG ROADS  
IG COMMUNICATIONS  
IG PUBLIC SAFETY  
IG RECYCLING COMMITTEE  
ELECTION COMMISSION  
PERSONNEL COMMITTEE  
CIVIC CENTER COMMITTEE  
MEDICAL MARIJUANA COMMITTEE  
MML REGIONAL & BOARD MEETINGS  
MICHIGAN ARTS CULTURE NORTHEAST (MACNE)  
BOARD OF REVIEW  
VISIONING AND GOAL SETTING  
INTERGOVERNMENTAL COUNCIL (IGC)

Fee structure for the above meetings is as follows:

Meetings 1 hour or greater	-	\$50.00
Meetings 3 hours or greater	-	\$70.00
Meetings 6 hours or greater	-	\$100.00

### BOARD OF REVIEW:

Rate per half-day session	-	\$70.00
Rate per full day session	-	\$150.00