

Paine Pool – 10-years later, \$400,000 of City Subsidy, will we renew the obligation another 10 years?

Much debate and questions to be answered from the December 11th City Council Work Session. The first comment I have is of gratitude to the Paine family for their generosity to MAPS and the community. The Community Foundation was there to speak in favor of continued funding – but failed to mention any activity or status of the “Friends of Paine Pool Endowment” they manage (for a fee). It would be interesting to see what contributions have been made, how the investments have fared, and what the balance looks like.

The City is about to rescind the Lighthouse Park endowment as the Community Foundation fees are eroding the principal (see City Council Agenda for December 18th, 2018) due to lack of investment earnings and contributions – I’d suspect the same situation with the “Friends of Paine Pool Endowment.” I’ve mentioned it for the past 4 years in Budget sessions – and how it has languished. No one has stepped forward to report the viability of fund-raising efforts to date. It started soon after the pool was built with the intent of establishing a permanent endowment to supplement or eventually take the place of taxpayer funding. Let me share where the funding came from and how it has evolved:

January 16, 2008 Council agreed to and signed an agreement with MAPS:

Council discussed the Capital Improvement Fund Budget at length and reduced the Budget by \$40,000 **by cutting funds for parks enhancements**. (2008 – 2009 Budget, page 86) *The initial funding came from the Capital Improvement Fund.*

The following year -

Changes: The City council removed the \$40,000 per year commitment to the community pool from the Capital Improvement fund and it was placed into the Parks department budget. (2009 – 2010 Budget, page 68)

The expense was thereafter logged as an “Appropriation” and moved from the Parks Department budget.

One of the questions to be ask would be is this a valid “Government” function and expense – it is certainly not an “essential service” -

By law the City may not provide a gift or a contribution of tax dollars to any purpose. However, *the City may provide governmental services through other organizations*. This distinction is important. In order to document the public purpose being served, the City has requested signed agreements that document the public benefit being provided, when not readily apparent or already documented. (2007 – 2008 Budget, page 23)

In the past 4 years I did not see an annual report from MAPS accounting for the expenses covered by the City of Manistee contribution. Mayor Zielinski requested a copy of minutes from the board that oversees this function – along with who the members are, when they meet, and other relevant data. The City has no representation on this board or control over the expenditures from the taxpayer provided revenue. I question the legitimacy of the expense.

It is interesting that we provide this annual funding, yet don't obligate funds for Tennis Courts or respond to requests for Pickle Ball courts and other activities. How many residents use the pool? How was the amount of \$40,000 annually arrived at? What would the charge for use be without the appropriation? What do others pay and how many users do they have (Filer Township and Munson Medical)? We don't have resources for Sands Park and 1st Tennis Courts (Sands Park has deteriorated beyond repair and now requires total reconstruction), yet we supplement MAPS, in addition to millage.

I suggested at the Work Session on December 11th that this is little more than a "back door" millage provided to MAPS and should be addressed as a Headlee Override millage request on the next ballot and let the resident voters decide if they want to provide a .21 mill override to continue supplementing MAPS expenses for the pool. I've attached a PDF of the December 11, 2018 Agenda that includes the agreement and Council Minutes from 2008.

I know this will not be popular with some members of the community. Fiscal control and responsibility – what best serve the community as a whole needs to be considered. What is your favorite sport or activity – and do you get the benefit of tax dollar subsidies for it?

The pool could remain a community asset with those who use it supplementing the operating and maintenance cost instead of the tax payer. This is not a payment I would make by eroding the Fund Balance or at the expense of maintaining City Park assets.