

Rising Tide:

If you don't do any more than read the first paragraph of the agenda attached literature for Rising Tide, you get the impression Manistee is "in trouble" or under scrutiny (at risk) from the State of Michigan. Getting to the second paragraph, you find Manistee described as "vibrant," so what is it? Manistee was selected, not for oversight – but recognition of its potential to explore opportunities to rise in prosperity and receive assistance at no cost from the State of Michigan.

Manistee is "at risk" of falling behind the benchmarks for economic recovery from the 2008 recession. For a community that is 75% residential tax supported, that is not a shocking revelation, most cities derive most of their tax base from commercial or industrial sources. The last major manufacturer to shut down in Manistee was nearly 20 years ago. Attracting new industry is a competitive and challenging proposition. The last business that got an incentive (Amptec) to locate in the industrial park failed to achieve the promised employment goals, and I'm not sure the jobs were "living wage" and much in the way of benefits (Council waived the penalty against my recommendation).

So where does AES and the Chamber of Commerce come in? Really don't know. The City of Manistee paid "over and above" County taxes for "premium" services from AES for 10 years, how many jobs were created? We got Rietz Park and Manistee Place, both low-income housing with Payment In Lieu Of Taxes (PILOT) that increased the burden on City services without the tax base to support it. The last two efforts from AES were similar, the proposed development of the form Glik building (same contractor who did Rietz Park) and a low-income Senior Housing project to accompany the Save-a-Lot store (Third Coast) that would have made a lot of money for the developers and added even more low-income residents (the City of Manistee has 90% of the County low-income housing units now) to the City, without taxes to support it. Both projects were looking for abatements, Brownfield, and/or PILOT and were to be largely financed by tax credits through the State, not the developers. The Chamber proposes a partnership for the County (with private contributions from non-city businesses) and to "focus" on the City with City funding. I'm not seeing clear goals and measurables. The presentation and debate will possibly clear the issues I have with the proposal thus far.

I've seen a statement that taxes "have doubled in the past 12 years." The truth tells a different story. In 2005 the millage was 20.52, 2006 it was 19.45, 2007 it was 18.45. It increased to 18.91 in 2014 when an additional Police Officer was hired. That goes along with the Refuse millage that was 2.0 in 2005, reduced to 1.5 thereafter, and has been since lowered to 1.15 mills. The City has still not recovered the taxable base it had prior to 2009.

My previous update reflects the City millage, without our full-time Public Safety Department (that no other community in the County has) as comparable to other communities in the County. The residents of the City of Manistee provide approximately 27% of the County tax revenue and fund the Sheriff Department like all other communities. It is the resident desire to support local full-time (24/7) services in addition to those provided by the County. Talks have stagnated on creating a local Fire District where equipment and service costs could be shared. The creation of City Basic and Advanced Life Support Transport was addressed in a 2009/2010 study as a "duplication" of service and competitive with the area hospital but approved by City Council. We just eliminated the "soft billing" of residents that was costing residents tens of thousands of dollars a year. Council has still not been provided with who authorized those charges in the past (2014). I'd suggest when you hear or see a statement that seems

remarkable you ask a council member or look at budget data yourself to see if it is true – it is not always true.

The combined cost of Public Safety services in the 2017-2018 budget are \$2,193,769 and our tax revenue was \$3,192,000 including penalties, interest, and administrative fees. Property taxes make up 50% of General Fund revenues. Public Safety costs is 68.73% of property tax revenue. Just some numbers to consider.

I've read where we've had the same City Engineer for the past 20 years and that is not accurate. We have Spicer Group now (past 5 years), had Abonmarhe, and Wade-Trim as City Engineer in the past 20 years.

I've also seen postings that suggest we've mispent resources on Marina, Beach Shelters, the Ramsdell and other projects at the expense of necessary sewer and infrastructure needs. There are several categories of funding in the budget – the General Fund, Special Funds, and Enterprise Funds. The Water and Sewer Funds are specifically intended to operate and maintain those services and are intended to be self-funded. General fund revenue does not pay for those services, Water and Sewer rates pay for the operation and bond debt for that infrastructure. The City has spent over \$20 million on sanitary sewer separation over the years and has one remaining Sanitary Sewer overflow (SSO) out of the original 18 to close to comply with licensing requirements. It will be expensive and is under a tight deadline with DEQ. No one like to see a reported SSO event and work is being done to eliminate the single remaining point (CSO 18). Ground water and possible illicit inflows contribute to the condition.

I'll return from New Mexico the 27th of May (visiting my 90 year old mother) and have coffee daily at the House of Flavors 7:00 am (every other Thursday I miss for an appointment) and welcome you to stop by and discuss issues you may want to address. If that's not convenient, call or email and make an appointment. I don't cater to any group or economic level of resident, I represent everyone.

I thank you for the opportunity to serve the community. Jim