

# City of Mason

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April 3, 2014

The Honorable Leon Clark  
Mayor of the City of Mason and  
Mason City Councilmembers  
Mason, Michigan 48854

RE: Annual Budget Report  
Fiscal Year 2014/2015

Dear Mayor and Councilmembers:

The proposed 2014/2015 budget for the City of Mason is being submitted to you inclusive of the budget message for your review and consideration. This budget provides the valued services the City of Mason has historically provided its citizens. The City continues to have budget constraints due to impacts, predominately from the devaluation of properties. In particular, the State of Michigan Tax Tribunal continues to devalue industrial and commercial properties, which has a significant impact on the property tax revenues. Due to the outcome of tax tribunals, City staff continues to pursue a conservative approach to our 2014-2015 budget.

The first decade of the new millennium saw municipalities take a significant loss of state shared revenues due to the determinations of the Michigan State Legislature. Fortunately, with our growth and conservative approach to budgeting, as well as towards several types of services, Mason continues to stay healthy. The State of Michigan has restructured the corporate taxes and is currently in the process of eliminating the Personal Property Tax (PPT). The loss of the PPT alone would have had a double-digit percent loss of property tax to the City if the State Legislature had not recently announced their intent to make the municipalities whole through legislation. However, there still is a requirement that a vote of the people of Michigan be taken in August 2014, to determine whether or not the Personal Property Tax will be eliminated. Due to the State's significant change in policy supporting making municipalities whole, I can wholeheartedly support that the Personal Property Tax be eliminated to benefit both the business climate as well as municipalities not having to track the personal property and enforce that policy.

The City has participated in the State's Economic Vitality Incentive Program (EVIP). The State Legislation continues to change and develop the requirements which City staff has been able to match, therefore capturing additional state shared revenues which assists our bottom line. Other recent legislation and requirements are the change of healthcare benefits. This new state law is mandating that local government

agencies weigh in and limit the benefits, either capping them, requiring more participation by the employees, or opting out.

The City policy has been to implement for all personnel, including the management and non-union, as well as through negotiations with the unions and implementation of state law, to reduce future liabilities through the changing of healthcare plans and addressing a lesser defined benefit retirement for future employees. The current practice and policy is to honor the current agreements and commitments as previously negotiated to employees. The City still maintains very good health care plans for our staff.

Both national and state economic trends are demonstrating slow positive growth. Traditionally, government revenues trend after private investment. In this case, we would expect to see slow positive growth in our revenues. This has been more difficult with the very wide negative swing of the economy for Michigan versus the nation as a whole. Secondly, with Michigan rebounding, we started in a much deeper hole than the rest of the nation. The City does continue to see foreclosed properties, and this year there are 30 foreclosed properties within the City. To maintain operations with human and material resources, this year's budget is inclusive of an additional .5 mill property tax.

### **ZONING AND DEVELOPMENT**

Several major projects will positively impact the City, including the development at 124 and 140 E. Ash St. which will see the oldest historical properties along the Courthouse square revitalized. The investment is by developers Kincaid & Henry Building Group, Inc. and Oracle Financial Group who will fill the first floor commercial space. This joint effort involved the Ingham County Land Bank, the Michigan State Housing Development Authority (MSHDA), Michigan Economic Development Corporation (MEDC), the Mason Downtown Development Authority (MDDA), and the City of Mason. Staff has been working with all these entities, establishing the structural organization of the numerous different grants and organizations involved. The City is receiving support from a third party administrator to implement the rehabilitation grants from MSHDA: Bruce Johnston of Revitalization, Inc. The environmental are complete on the properties and the funds are in the process of being released to the City. The City will administer both the MSHDA Rehabilitation grant of \$350,000 as well as the MEDC for blight elimination of \$446,000. We will also work with the Mason DDA on the additional \$50,000 they are contributing to this project.

The first floor will be commercial space. The second and third floors will be rehabilitated for ten single bedroom apartment/lofts. This will add value to the downtown as the property is currently owned by the Ingham County Land Bank, and therefore has no taxable value. The apartments will bring additional citizens and customers to the downtown business district.

Another significant investment planned for downtown Mason is from Dart Bank, who has been a part of this community for 90 years. The plans and intent is to tear down the old INCO Graphics and construct a three story office building in its location. The development is inclusive of a Brownfield Redevelopment Tax Increment Finance District to assist with eligible costs to remediate the property. Once occupied, Dart Bank would eliminate their bank currently located at 368 S. Park Street. This will allow Dart Bank to have a beautified and modern banking complex, which will benefit the community for many years to come.

The City of Mason continues to see positive development for commercial office and industrial buildings. The MSU Federal Credit Union is currently under construction and should be in operation this summer. Service Master, which burnt down in 2012, has been totally reconstructed and enhanced and is now in

service. Efficiency Productions, Inc. an industry on the south side of the City, is doing an enhancement to their current facilities as they grow, adding several more jobs.

Other impacts within the City that have a negative impact are the loss of LEAR industries. LEAR held contracts for manufacturing of the Cadillac car seats for many years. They have confirmed that they will be leaving their rental properties located at 454 North Street. They are down to 20 employees and they intend to move out of this facility by the end of June 2014. The City of Mason acquired 67 acres adjacent to South Temple Street in 2012 due to foreclosure. It required a tax repayment of \$376,980 to Ingham County. These properties were part of a development agreement between the City of Mason and the Jewett Trust. Infrastructure was placed throughout the property, including roads, water and sanitary lines, electrical, cable and gas. To date, the two properties being served are the City's Water Treatment Plant and one doctor's office. We have created a marketing brochure and forwarded to organizations such as Lansing Economic Area Partnership (LEAP), and numerous real estate offices. The properties designated on the southern portion are for industrial use, whereas the northern portion is planned for mixed use, which would include offices, commercial retail services, possibly medical or assisted living facilities. The land adjacent to this area along the corner of Kipp and Dexter Trail (56 acres) is also owned by the City of Mason and is currently controlled through an Option Agreement by the Anderson's and Jewett Trust through December 2014. I am recommending that additional emphasis be placed on attempting to market and sell these properties, placing them in both a productive tax base as well as job creation for the development of the City. The properties are all incorporated within the future land use plan of the Mason Master Plan.

We saw 15 housing starts in 2013. The majority of these are in Summerwood subdivision, although several are along Sanctuary Drive. Currently, there are 12 buildable lots left in the Summerwood subdivision on the west side of the City, 29 buildable lots within the Riverwalk subdivision, and about half dozen lots in the Rayner Ponds that are currently buildable. Rayner Ponds however does have future site plan drawings within the subdivision. We have seen a site plan update of the Rayner Ponds the Landings condominiums. This has been presented by Mayberry Homes, which we have experience with through the construction of the Bailey Park subdivision several years ago. They are attempting to revitalize areas that had not been developed as the original developer had been foreclosed upon. We are hopeful that the project will proceed as it is healthy to have a diversity of available housing stock; however, there is a legal requirement that the developer have an agreement with the homeowners association in regard to several stipulations. Staff has been meeting with and discussing potential developments at several other locations in the City on the east, north, and west sides.

The need for updated and expanded medical facilities still exists. Sparrow Urgent Care Center cut the hours of operations, and historically has downgraded the facilities as it has aged. We are working with Sparrow staff and their real estate representative on potential locations to place a new facility. A site plan concept has been presented to Sparrow through a local developer, however they are still in the negotiation phase. A critical element of our future growth and expansion of the community is to have and maintain adequate health care facilities within Mason. We expect this to be a growing industry due to the aging of our population base.

We have been working cooperatively with Dart Container Corporation. They are finishing the construction of a half million square foot, three story warehouse and a three story, approximately 107,000 square foot office building. Although this development is outside of the City limits, the City has had the T-1 Agreement with Alaiedon Township in place since the mid-1990's which allows an allocation within our Wastewater Treatment Plant to treat sanitary from this area. The City has accepted the sanitary from the Dart expansion which is within the scope of the allowance of Alaiedon township.

The City has had great success with the housing rehabilitation loan programs. Our positive working relationship with the Ingham County Housing Commission and MSHDA has allowed us to complete 26 loft units, which have been upgraded to meet code in our historic downtown. The Housing Commission no longer administers grants, but the Ingham County Land Bank will start administering the Community Development Block Grants (CDBG). Staff is currently communicating with the Ingham County Treasurer, who is the chairperson of the Ingham County Land Bank Authority, about pursuing and administering future blight reduction grants for the Cities of Mason, Leslie and Williamston.

“Placemaking” is a concept spoken within government agencies and communities to spur creativity and investment. It can be inclusive of meeting housing needs, to public art, creation of open spaces, urban forestry to walkability issues. It is what you make it. The Mason DDA continues to address this issue as well as the Mason City Council, working in collaboration with Lansing Economic Area Partnership (LEAP) with a \$10,000 grant for a significant piece of public art. That piece of art, “Silver Respite,” was placed at 848 S. Jefferson Street this past year, which used to be the location of a blighted house, demolished through a CDBG blight reduction grant. A community spin off of this endeavor has been a creation of a private effort of AIM: Arts Initiative, Mason, which is now a component of the Mason Historical Society. Their mission is to promote community involvement, awareness and appreciation of the Arts through presentation, advocacy and collaboration. AIM would like to work cooperatively with the City and any other partners to continue to pursue arts of the many different disciplines in Mason. Their initial effort will be to raise funds to place a second significant art piece in the City of Mason. Creating this sense of a place is a philosophy that recognizes the value of the tangible activities within downtown areas and throughout municipalities. Public art will assist in creating an ambiance that citizens will value. Placemaking particularly targets younger people so that they will make their home in the communities of Michigan instead of moving outside of the state. This endeavor is also intended to continue the success of the voluntary investment in the community. Recent significant endeavors include the Rotary Stage at Rayner Park, the Little League baseball fields at Rayner Park, the Hayhoe Riverwalk and numerous other efforts Citywide.

The City, working with the Capital Area District Library (CADL), provides facilities and services for our local Mason branch library. This library was originally built in 1938 and has a unique and beautiful architectural style that continues to enhance the historical Mason downtown. Our architecture counts when it comes to the creation of “Sense of Place.” CADL intends to renew its 1.56 millage this August. CADL has provided very positive services within the Library facility that the City of Mason provides. City staff works creatively to assist in keeping the building maintained as it is older and is showing its age at times. The roof continues to have leaks from time to time. This budget will provide a roof replacement for the Children’s room as well as repairs in the valleys of the primary portion of the library building.

In June 2009, the City of Mason pursued an ordinance allowing the City to acquire the responsibilities as the municipal enforcing agency of soil erosion and sedimentation control. This regulatory duty had previously been conducted by the Ingham County Drain Commissioner’s office. It was believed that the City could conduct these service more efficiently and user friendly to local contractors. MDEQ provides oversight and in 2012 conducted an audit of our municipal program. They determined additional oversight and field inspections were necessary by the City. This has escalated costs for required inspection to satisfy the oversight requirement. We have identified that residential inspections do not cover costs. Staff recommends turning this responsibility back over to the ICDC. Amending the current ordinance would be necessary to implement this recommendation.

## **FINANCE DEPARTMENT**

For the fourth straight year, property values in the City continue to fall as they have throughout much of the State of Michigan. The City continues to conduct our activities in a responsible manner, keeping the City's financial health positive. That does not mean that there have not been significant demands and pressures placed on the services that we provide as the City continues to grow.

There are many influences that impact the financial health of a city. Government Accounting Standard Board (GASB) Statement 45 required the implementation of post employment benefits that local governments have to acknowledge future liability. This includes retirees' health care benefits, as well as future retirement liabilities. Additional GASB requirements issued through Statement 54, Fund Balance Reporting and Governmental Type Definitions, requires that the Finance Director establish a new hierarchy for reporting fund balance into five new classifications: Non-Spendable, Restricted, Committed, Assigned and Un-Assigned. Our real property values citywide appear to have bottomed out. The property values rise by the inflationary factor of 1.6% taxable, however we do continue to take losses on commercial and industrial properties through the Michigan Tax Tribunal Process.

The CPI (inflation rate) is annually determined by the Michigan Department of Treasury. For 2014, it is 1.6%. The ad valorem Taxable Value (TV) for the City was increased from \$213,305,155 in 2013 to \$213,562,001 in 2014, the total TV decreased from \$252,664,685 to \$239,601,001.

In utilities, Consumers Energy representatives state that electrical rates will be going up while the gas rates go down. This has placed us in a position of placing a inflationary factor of 1.5% overall on utility rate increases. Utilities have significant impact on the budget. The Wastewater Treatment Plant, Water Treatment Plant and street lighting all are heavy users of utilities and an expense to the budget. The City has been assertive on identifying means of cutting utility costs. We inventoried all the street lights and have now received not only a credit due to the changing of the inventory and types of lighting, but the number of lights that we have implemented with LEDS. The City owns several banks of lighting in the historical downtown, as well as along the North Cedar Street entryway into the City. We have implemented placing LED lights within those lighting banks, and have seen a decrease overall in utility costs. As the use of LED lights within the City owned lights are a positive influence in bringing costs down, they are a small portion of the overall lighting systems throughout the City. Consumers is not pursuing implementing an LED lighting system.

The City has implemented the requirements of the state legislature addressing and controlling the escalating costs of healthcare benefits. The employees, starting November 1, 2012, for all management and non-union personnel, went to paying 20% of their healthcare benefits. Those employees who chose to opt out of healthcare benefits saw the reduction in the opt-out payment due to the change of the Blue Cross Blue Shield health care benefit plan. This plan had a higher deductible, and a higher prescription requirement. The Union employee requirements are also 20%.

Investment income continues to be at very low levels. Staff has worked diligently, taking advantage of the strategic investment opportunities and doing well on rate of return comparatively. Interest income is estimated at \$8,500 within the General Fund. The General Fund pays for many governmental services, including Police, Fire, City Council, Administration, City Clerk, Elections, Finance, Treasury, Zoning, Code Enforcement, Building Inspections, Cemetery, Parks and Forestry, Assessing, Crossing Guards, facilities maintenance, street and sidewalk repairs, cable services and library maintenance.

Estimates for property taxes are based on updated valuations through the City assessor's office. It includes recent deductions from the tax tribunal cases, as well as additions of new investments of industrial, commercial and residential. The overall property tax collections are estimated at \$2,934,678, which is more than last year, due to a one-half mill increase. This places the one mill value at \$213,431.

Our State Shared Revenues are experiencing modest growth, specifically due to our higher 2010 higher population count. Our collections based on meeting the EVIP requirements and the growth of higher sales tax collections in the state has been positive. Revenue sharing is up approximately \$25,000 compared to initial estimates for our previous budget year. Legislation from the governor's office continues to proceed with the elimination of the Personal Property Tax for commercial and industrial taxpayers with less than \$40,000 in taxable values beginning 2014. The most recent stance of the legislature will now make municipalities whole. The new law augments reimbursement using expiring tax credits. Statewide approval by a vote of the people will be necessary for the Personal Property Tax elimination to proceed.

The fund balance for the general fund for the fiscal year for 2013/2014 will leave us with an estimated \$2,377,370. Of this, \$107,245 is restricted for the building and development, leaving us with a general fund reserve of \$2,270,125, to cash flow the City. Of the estimated budget, this leaves us with a 38.85% General Fund reserve. This will prepare us for the following year when we currently have no additional funds from other sources to assist with funding our street program.

The City has currently completed technology upgrades budgeted for the 2013/14 budget year. The first was the installation of a 24 port network switch. The switch will serve to not only increase capacity, but also enhance network performance. It was also a necessary upgrade because our current switch was being utilized to capacity. The second upgrade was to the City Hall wireless access. The previous wireless access points (WAP) had limited capacity and a lower signal strength limiting its effectiveness in both the training room and council chambers during functions of any numbers. The new WAP are a commercial grade allowing for increased capacity and better performance during larger events. We also added an additional WAP in the Police department to expand the overall wireless coverage of City Hall. The original contractor has finally found the problem of echoing of the sound system within the Council Chambers. It was a wiring and routing issue. The Laser Fiche document scanner system upgrade has just been installed.

## **ADMINISTRATION**

For the upcoming fiscal year, the City is currently required to hold two elections. There has been discussion on the possible updating of our electronic voting devices. These have now been in place for a decade. Although not used often, they are sensitive and have mechanical issues from time to time. I am expecting that there will be further discussions and at some point, an expectation that there be an investment in updating and upgrading the voting devices.

The first election is the primary election on August 5 and is the primary election for local, state and US congressional seats. The general election will be held on Tuesday, November 4. We are expecting a couple of millage ballot questions to be on the ballot this year. As previously mentioned, CADL is currently at 1.56. The second millage being discussed is for Ingham County Parks. A half mill would be for Ingham County Parks, raising approximately \$3.2 million annually for a five-year period. These funds would be directed towards three regional County parks, local government parks operations that meet the County's criteria of "regional service" and trail ways throughout the county. Although there has been demonstrated interest by the City concerning pursuing trail ways exemplified by the Hayhoe Riverwalk, I do not expect that any of these funds will be put towards Rayner Park, formerly operated by Ingham County. The City of Mason has

taken on that responsibility over the past four years. The current lease with option to purchase Rayner Park will be hitting the four-year mark of its six-year life this summer. The City will determine whether to purchase the park for a total of \$1 at the end of the lifespan of the agreement in 2016.

Over the last four years, the City has made some significant changes in overall staffing. Some services such as building inspections and assessing have been contracted out. A position in the police department was not filled through attrition; neither the school nor the City was able to budget for the School Resource Officer, originally grant funded. Two positions had been cut through the Cemetery, Parks and Forestry, leaving 50% or two positions open. This has put a significant constraint on City staff as far as meeting some of the service mission. This past year we did a much better job than the previous year in maintaining our parks and cemetery, but not without continued significant support through volunteers. The City also lost the Department of Public Works Director when he passed away on December 10, 2009. I will be addressing staffing within this budget message by department.

### **POLICE DEPARTMENT**

The Police Department is currently manned with 12 certified officers. At our peak, we had 13 officers. The City had two Federally Funded COPS grants, and collaborated with the Mason Public School District, splitting the cost 50/50 for a school resource officer. At that time, we agreed that if one party could not fund their portion then the position would be eliminated after three years, which was the lifespan of the grant. The School District, within a couple years after the grant period ended, dropped their funding to this position, due to budget cuts. The City chose to continue funding that position for an additional three years, however at this time that position has been eliminated for three years. I am recommending that a thirteenth officer be added to the Police Department staffing to further law enforcement coverage within the City.

A recommendation is made to start a Police Reserve Officer Program. The Reserve Officer Program would have two primary functions: augment the Patrol Division and cultivate police officers. They would work with and under control of a Mason Police Officer. The Reserve Officer would be uniformed and equipped by the City. They would also be utilized for special events such as parades and festivals. Chief Stressman has received confirmation that the Jackson Police Department will accept our candidates into the Jackson Police Reserve 2014 Academy at no cost to the City. Estimated costs for uniforms, equipment and weapons is \$7,200.00. Initially, two officers would be trained. As we experience and evaluate the success of the program, we may want to grow this program to five officers.

The City policy for the Police Department is to have two officers on any given shift. Our intent with the additional staffing is to support this policy, supporting the school system issues and providing a training and recruitment program for the department. Police departments back each other up on emergency calls when necessary, and that should continue, however, there have been fewer Ingham County Patrol Officers in recent years. We have one officer who is eligible to retire, but has communicated no intent to retire this year.

As Police Chief Stressman stated to City Council in March, we have outstanding technology and facilities and many agencies tour our facilities, using it as an example as they prepare for upgrades within their organizations. This past year we upgraded cameras within the interview rooms. Those cameras have been purchased with funding assistance from RAP grants through MMRMA, our liability company. The City has added computers, upgraded software and other programs such as our MS reporting system and digital tickets in the vehicles. We also have individual computers mounted within each vehicle and at each

officer's workstations. The Chief is working with a consortium of departments looking at a new reporting system that allows easier sharing of information from department to department as well as the Courts.

Officers continue to conduct in-service training for self-defense methods as well as the use of a TASER. As you review the Annual Report from the Police Department, Chief Stressman had submitted a Use of Force Five Year Study for the Mason Police Department. This study has been published on the national level. TASER is a device that looks much like a pistol, and when deployed, it incapacitates a suspect's neural muscle structure with an electronic charge. Over the five-year period, you can see where a TASER was pointed at an individual, but only deployed seven times over the five-year period. Fortunately, although weapons have had to be pointed at subjects through this period a total of nine times in five years, to date have not actually had to shoot a threatening subject. Recent incidents nationwide with mass shootings have brought more attention to social services and their needs and how to serve portions of the populations that have factors negatively influencing behavior. In events with the City of Mason, the most common problem and contributing factor is the use of alcohol and drugs. The second is mental illness, and third, domestic situations in which officers are called to require some use of force. At times all three of these factors play into a circumstance when an officer is called upon. The TASER is an effective non-lethal option for the police officer to implement.

Other activities that the Police Department oversees are the school crossing guards. This program is funded 50/50 between the schools and the City. The crossing guards are trained by the Mason Police Department and equipped with portable radios. The radio system supports the crossing guards with communications providing for the public safety of the children. Code enforcement is also provided through the Mason Public Department. We have progressed successfully with many property improvements and towing of vehicles. We have had several very difficult cases to include the property on Park Street being declared a dangerous building. That property has now been demolished and the property cleaned up. We have found during the harder economic times that there have been more properties abandoned, foreclosed on and not maintained. We attempt to work as effectively as possible to maintain the community standards.

In this budget for capital expenditures, we have one police sedan being replaced. The budgeted expense for that vehicle is \$32,000.

## **FIRE DEPARTMENT**

The Mason Fire Department continues to be a leader, not only within Ingham County and the out county area, but also within the region as a whole. Chief Kerry Minshall was recently appointed by Governor Snyder to the Michigan Homeland Security Council, Citizen Community Emergency Response Coordinating Council. This committee interacts with state staff and makes recommendations to the State of Michigan planning and leadership. Mason has also been a sponsoring agency and the location of training new fire fighter I and II trainees. This is a program sponsored through the Fire Chief's Association. There were 16 students within the program this year. This strengthens the region with trained and certified firefighters and strengthens Mason Fire Department's working relationship with all agencies participating.

We currently have a roster of 37 fire fighters, with 36 authorized for pay and one trainee. We are fortunate that unlike nationwide trends, where there has been a reduction of approximately 40,000 firefighters, the City of Mason actually has a waiting list of potentially qualified individuals wanting to be a part of the Mason Fire Department. Chief Kerry Minshall, Assistant Chief Mark Howe and the Officer Corp within MFD offer outstanding leadership and training to the City of Mason and the townships they serve.

The City is also incorporated into the Tanker Task Force, which has two divisions, west and east. There are currently ten tankers from numerous agencies that cover all of Ingham County and portions of other Counties, such as Eaton, Livingston and Jackson Counties. At our annual meeting with Vevay and Aurelius Township Supervisors, they have expressed appreciation for the services provided and it is their desire to continue with the contracts in place. Beginning this January 1, 2014, Mason has subcontracted through Delhi Township priority primary fire protection services within the southern third of Aurelius Township, expanding our area of services. Fire Chief Minshall has applied for a US Homeland Security FEMA grant to replace Tanker 807 which is a 1984 3,000 gallon tanker. The estimated cost of the truck is \$250,000, and the City would have to match 10%, or \$25,000. This is not included in this budget.

Chief Minshall continues to emphasize training. The MFD holds 26 mandatory live training dates throughout the year. They are now conducting Fire fighting I and II training on site, which also provides additional instructor time for many of our firefighters, and in turn assists them with their training. They conduct live fire-controlled events when possible and have a wide variety of training activities for their fire practices, including search and rescue, ice rescue and recovery methods. This budget demonstrates the City making one loan payment, combining Rescue 806 and the balance on Pumper 811 for approximately \$97,000. This loan has three years of payments left. We continue to make a commitment to maintaining our protective equipment for our firefighters, and this budget includes five sets of PPE, inclusive of turn out coats, boots, helmets, hoods, gloves and shields. We maintain a cycle of the PPE to meet the MFPA requirements of rotating the PPE once every five years for firefighters and once every ten years for our engineers. Also in this budget is the replacement of six pagers. The most significant individual reinvestment into the Fire Station is the front aprons leading from the individual fire bays onto Ash St. The reinforced concrete is deteriorating to the point where we have been filling it in with asphalt. This project is planned for spring 2014.

We have met the requirements of our radios switching over to the narrow band radios and upgrades to our citywide tornado sirens. We have coordinated with Ingham County Emergency Operation Center in which they had an established grant Countywide for sirens. They have assisted with enhancing two of our tornado sirens, and replaced the third siren, now located within the DPW. Recent threats of tornados in the past few years have occurred through Michigan and Mason areas, as well as nationwide. This makes it imperative that we maintain our siren system. A digital paging encoder will allow police and fire departments to initiate the tornado sirens from their vehicles, as well as manually at the Fire Department (\$3,600.00). The upgrades will also allow the 911 Center to initialize.

This past year Mason joined the Ingham County Division of the Mutual Aid Box Alarm System (MABAS). This mutual aid system is designed to streamline requesting and providing emergency and fire services across Michigan and the Great Lakes Region. On major incidents, mutual aid can automatically be called upon and statutory powers for liability, reimbursement and workers compensation coverage. We had a higher than normal year on vehicle repairs at \$35,000. This budget demonstrates \$30,700, a five year average.

#### **LOCAL DEVELOPMENT FINANCE AUTHORITY**

Within the current LDFA Plan, there is an inclusion of two water wells. We utilized these funds for one water well, Well #8 and are currently developing Well #9 along South Temple Street on City owned property. We pursued drilling a well to replace the lost capacity of Well #1. To date, the test wells and well production have been drilled. The water production was rated at 325 gallons per minute but we have run into collapses at the 270' level. The raw water line from the Water Treatment Plant to Well #9 has been

completed. The City Engineer's office is putting together a plan to address the technical problems that will address the collapses by adding slotted casing and end basket. The well was estimated at \$625,000, and we expect to be completed within budget and within Fiscal Year 2014-2015, so the funding will be carried over into the 2014-2015 Fiscal Year. Well No. 8 was to be cleaned, but upon finding the same collapse problem, will require additional improvements to maintain a healthy producing well. Staff is working with the City Engineer and MDEQ on an appropriate remedy.

We have met with the LDFA Board in coordination with the MDOT Safety Grant for the box lights and sidewalk project along Kipp Road. This includes sidewalk improvements along the south side of the street, which is within the LDFA. This would predominately be concrete sidewalk work. Supervisor Howe of Vevay Township has agreed to go to bid on two years of sidewalk work that would connect Mason's sidewalk program to Vevay Township Hall. Their portion of funding would be in cooperation with Mason to complete the project.

### **DOWNTOWN DEVELOPMENT AUTHORITY**

The Mason Downtown Development Authority has seen its revenue source from property taxes shrink from \$100,000 annually. Due to adjustments with the tax tribunals settlements with Consumers Energy and the devaluation of properties to include the commercial properties of the DDA, the estimated revenue is now down to \$55,950 annually. A means of addressing cost savings by the DDA Board was to choose not to replace their Director three years ago, which has provided significant savings. This year's budget is inclusive of the streetscape program with the flowerpots, as well as an additional \$2,000 directed toward an art project. They have historically wanted to do a mural within the downtown area. The traditional programs such as the Façade Grant and loan program is still in place, as well as \$18,000 set aside for a liquor license, as authorized under state law towards redevelopment licenses. The Façade Grant program has \$21,350 dedicated towards it and \$25,000 is planned to improve a parking lot.

The DDA budget also includes contract services to paint the light poles downtown and provide additional maintenance (\$10,000). There is also the commitment of \$25,000 for a portion of the total \$50,000 commitment towards blight reduction and the redevelopment of 124 and 140 E. Ash St. and an additional \$15,000 toward sidewalk improvements. The development of 124 and 140 E. Ash St. is a consortium of different entities working together, inclusive of the Ingham County Land Bank, Michigan EDC, MSHDA, the Mason Downtown Development Authority, and the City of Mason. The City is sponsoring a \$350,000 MSHDA grant and a \$446,000 MEDC grant. This project is inclusive of lofts on the second and third floor and commercial space on the main floor and should take approximately one year to conduct the improvements. This project will provide significant blight removal from two historical buildings within the DDA downtown district.

The DDA desires to do more with regard to area promotion. The Sun Dried Music Festival has been very successful and a non-profit has been created as the parent organization. The DDA is associated as having one Board member as a member of the Sun Dried non-profit Board. A commitment of \$8,000 from the DDA to the Sun Dried event, which will be held in downtown Mason on August 23-24, 2014. Also inclusive within this budget is \$2,000 for promotional videos for Mason DDA and \$1,000 to sponsor events at the 150<sup>th</sup> anniversary of the City of Mason coming up in 2015. Mark Howe is the current Chairperson, with Jamie Robinson as vice chair. I am serving as the Secretary to the DDA Board, providing support as they proceed forward in their project.

## **FIDUCIARY FUNDS**

The Rayner Bond Fund was created to assist with improvement to the parks. Mrs. Iva Bond passed away in 1961, leaving part of the trust to the City in 1963. The assets we gained were from her checking, savings, CDs, stocks and bonds, and oil and gas leases. The total value of the gift at the time was \$154,912. Since then, the City has received oil royalties and interest into the fund. With the escalation of values on oil and gas leases, our investments from properties are rising, and current funds and fund balances are growing. City Council recently extended a contract with all companies for an additional two wells, allowing access to City owned properties and mineral rights to expand development of the oil and gas fields. This should continue the development and growing financial wealth of this fund. The City also garners 1/6 royalties from the initial wells and 3/16 from the sixth and additional wells. Recent success of the most recent drilled well is adding to this fund.

## **PARKS**

The City forestry has had an extremely tough time with regard to the health of trees Citywide. In recent years we have addressed the Emerald Ash Borer and the damage that it has done to the ash trees citywide. In May 2011, the City of Mason experienced a tornado going through the area, damaging a lot of trees. Since then we have had several very strong wind events that have continued to do substantial damage. Most recently in November 2013, we again had strong winds and an ice storm in December that was traumatic to the City forestry, both public and private. The City has historically added 20-30 trees each year. We are currently marketing the Sesquicentennial 150 Legacy Tree program on the City website. With the upcoming sesquicentennial in 2015, I am hopeful that this will augment the addition of trees in our parks, byways and by public buildings.

Maintaining the Cemetery, Parks and Forestry Division has been challenging, as we have reduced our staffing from four full time employees to two. This past year we did hire seasonal employees that augmented and helped us to keep up with the maintenance of these City properties. We also had assistance with a number of volunteers, ranging from volunteers from the Friends of Rayner Park, other groups and organizations, as well as Council member Mulvany taking care of much of the needs of Griffin Park.

The City's inventory of parks is inclusive of eight parks and 2.5 miles of the Hayhoe Riverwalk, totaling nearly 91 acres that we maintain. We also have significant acreage and green space in the cemetery that requires maintenance. In 2010, the City of Mason and Ingham County entered into a lease with option to buy Agreement of Rayner Park. Ingham County turned this park over to the City as it was originally abandoning it due to financial cutbacks. This is a six-year agreement in which the City is now four years in. We maintained and made improvements to the park beyond their previous standards. The City has garnered support to maintain this beautiful Rayner Park from volunteers including organizations helping with financial donations through Rayner Park Rally Club. The Rally Club helps by mobilizing the community twice a year, in the spring and fall, to provide clean ups of the park. Materials purchased by the Rally Club include two bridges, new asphalt for the basketball court, the funds to maintain a mower, replacing the pump for the aerators and making a donation towards the Rayner Park Rotary Stage. Their efforts continue and we look forward to their support, as they are a mainstay to care for Rayner Park. To meet the growing demands of our growing green spaces, as well as attempting to catch up on the maintenance of the many trees and facilities, this budget is inclusive of an additional full time laborer within the Parks Division. This will bring us to three full time employees within that division.

In 2008, the Maple Grove Cemetery expansion plan was developed to allow the addition of the cemetery lots. We were getting to a critical level of available spaces to sell. This past year the City added a street, allowing the expansion of one of the sections within the cemetery so that it can be plotted out and lots be made available for sale.

The Mason Softball Association (MSA) helps maintain the softball fields at Bond and Hayes Park. They recently purchased a fence cap for the Hayes Park, which will be installed by the Softball Association, as it is an important safety item to protect the ball players while reaching over the outfield fence for fly balls. The MSA has also purchased two jox (batting boxes). MSA has taken on the responsibility of additional mowing at Bond and Hayes Park and maintaining those fields. This has been advantageous to allow staff to perform other activities at those and other parks. The MSA is working towards establishing their own non-profit status so that they can set up agreements to sell signage. The concept and agreement with them is that 50% of the funds netted will be going to the City. The MSA's intent is to reinvest their portion of the funds back into the ball fields. The Cemetery, Parks and Forestry Division will also benefit with the purchase of one mower, with an estimated expense of \$10,100. This budget also includes roof replacement of the pavilion at Hayes Park for \$10,000.

### **WATER AND SEWER FUND**

The Water Treatment Plant has been online for over five years. The City invested over \$8 million to address removal of radium, but we have also benefited by reducing iron content in our water. This treatment of our water has also reduced corrosiveness within the residential copper pipes, which had been an issue for additional testing from the Department of Environmental Quality. Due to the reduction of corrosiveness, our amount of testing has been reduced significantly, thus saving costs. As with any equipment that is running 24 hours a day, 7 days a week, 365 days per year, we are seeing typical maintenance as well as equipment fatigue. Staff is learning how to maintain these facilities and continue to improve the quality of water that the City of Mason provides.

To be proactive, the City has been conducting sanitary line taping and spot repairs. This continues to be a budgeted item at \$30,000. This is also a risk management issue as we document and make repairs upon need. We also provide documentation if necessary when claims arise to demonstrate that the City has been conducting due diligence on ongoing maintenance.

This past winter has been very hard and severe upon our infrastructure. To date we have had 24 water breaks, several of them with multiple breaks during the winter of 2013-14. The City has experienced not only high levels of snow but extreme arctic vortex cold several times throughout the winter. Our region has been significantly colder than the average. It has taken a toll on some of our infrastructure. Staff will continue to make repairs on City streets as the weather allows. Due to the unusually high number of water breaks, as well as additional snow required significantly more overtime than normal. Fortunately, the State of Michigan has released some street maintenance funding that benefits municipalities. The City of Mason's portion of these funds is estimated to be \$31,226.00. Winter took a toll upon our inventories of salt, sand and gravel, as well as necessitating additional maintenance on our trucks as they have been running many more hours snow plowing.

The Water and Sewer fund has an annual review undertaken by the Utility Rate Commission which is made up of five citizens from throughout the community. They are appointed by the City Council. Staff, working with Tom Traciak, Professional Financial Planner, and the Utility Rate Study Commission conducted a study, a presentation and a series of work sessions with City Council to analyze the future maintenance and

operational costs within the realm of expenses within the Water and Sewer Fund. This presentation also included a protracted view of estimated costs of the staffing and capital investments. This is inclusive of significant repairs within the Waste Water Treatment Plant as this facility has not had major improvements for nearly four decades. The analysis provided several options and ultimately the selection of a onetime rate increase of 15.8%.

The Mason Wastewater Treatment Plant was constructed in the 1930s with a major rehabilitation in the mid-1970s. Since then the City has added sludge-holding tanks, and other minor improvements including the recent sanitary sewer overflow bypass locks. The bypass is one of the items we added to our system due to past sanitary sewer overflows. These are overflows from our Wastewater Treatment Plant when there is a large wet event in which the capacity of our plant cannot handle the proper treatment of the excess water. This flooding is then relieved by bypassing the Wastewater Treatment Plant and placing directly into Sycamore Creek. This is not acceptable under Federal law, and the City currently has an Administrative Consent Order (ACO) in place with the Michigan Department of Environmental Quality. The City continues to analyze water flows at the Plant, as well as points within the system in an attempt to identify Inflow and infiltration (I & I). This budget accommodates the purchase of one additional sanitary meter at a cost of \$4,200 to assist in measuring and identifying those particularly during wet events.

Staff has submitted the application as approved by Resolution of the City Council to apply through the US EPA for the 2009 Federal appropriation of \$500,000 that previously had been denied to the City due to ineligibility as interpreted by the State of Michigan and the United States EPA for the Water Treatment Plant improvements. The US EPA however does recognize waste water treatment plant projects as a "water project" therefore this application for replacing the entrance works and other ancillary improvements of \$1.6 million is forwarded as an eligible project to receive the \$500,000 of the congressional appropriation. The entrance works is a vital component of the plant as it is the entryway of the wastewater flowing through the transmissions system into the plant itself for treatment. The primary problems are the aging of the entrance works as well as the lack of technology that we have. It does not filter large pieces of materials, making it difficult to treat, and can damage components of the treatment plant as large items and plastics enter into the system. This is the first stage of a four-stage improvement investment within our wastewater treatment plant. Proceeding may vary depending on how we succeed in meeting the requirements within our Administrative Consent Order as designated by the Michigan Department of Environmental Quality.

This budget is also inclusive of hiring a Department of Public Works Director. In December of 2009 our DPW Director, Rolly Olney passed away. Since then, the Council appointed myself as DPW Director and I have been attempting to meet the many needs and requirements of this position. This structure was only intended to be short term until we could restructure our financial situation within the Water and Sewer Fund. With the hiring of the DPW Director, my duties will focus on overall City operations, economic development, budget, personnel and administrative duties.

## **STREETS**

The City of Mason streets have taken a horrendous pounding this winter with the extreme arctic vortex pushing the frost line 3.5-4 feet deep. We have had numerous water breaks, as well as the heaving of the streets. To date we have had 24 water breaks this winter, several of those were multiple breaks within one repair. Staff will be spending additional time in regard to the repairs. The freeze/thaws, creating potholing and cracks within the asphalt are worse than usual. The region has also already received more than 30% of the annual average snowfall for the season. This has created a much heavier work load, placing staff on

overtime many times throughout the night or on weekends. With the ice storm four days before Christmas, this has created an additional complication. We have not been able to pick up much of the debris due to the snow blizzards and high level of snow on top. Much of this is frozen in place and it will be later in the spring before we are able to pick it all up. Due to the extreme cold, salt is ineffective below 16 degrees so we used more sand. Between the roads being rougher, more snow and using sand, there has been significantly more wear and tear on our equipment. This has required more repairs.

The City of Mason continues to place an emphasis on street maintenance and improvements. The Public Works Department, using Act 51 funding, continues to maintain the day-to-day street maintenance. This includes spot repairs, potholing, replacing asphalt from water breaks, crack sealing, street sweeping, minor curb and sidewalk repair and replacements and cleaning the storm drains. We have work along the streets as we clean debris, trim or cut down trees, work on the water sanitary system, replace valves, fix water breaks, flush hydrants, clean sanitary lines and pick up trash and dead varmints. As we spend more time in one area of responsibility, that gives way to some of the others.

In 1996, a Charter Amendment was voted on and accepted, establishing a minimum of a five mill appropriation of funds for street capital maintenance and improvements. In 2003, a Charter Amendment was accepted which clarified that the funds appropriated were based on taxable value and not assessed value. In 2005, a Charter Amendment was accepted which reduces the required five mills to four mills. It also allows that exceptions upon need be made for less millage two of every five years if requested, and approved by City Council. Due to timing and good prices on the last couple of significant projects this last year in completing West Columbia, Temple and North Street, City Council has accelerated the Street Program to include in the 2013/2014 budget Hunting Meadows, Stag Thicket, Eagles Nest, Monroe Street and West Columbia between Cedar St. and the railroad tracks. In the 2014/2015 budget, we will continue with street improvements to include South Lansing St. between Maple St. and Ash St. and Washington Street from Maple St. to Ash St. We have also been awarded Federal Highways grant to address S. Cedar St. from Oak St. south to Willow Creek. Due to the federal requirements of not being allowed to start these projects until the beginning of their fiscal year 2015, we will not be able to start engineering this project until October 1, 2014, which means construction will begin the following spring. Also inclusive of this year's street projects will be the first stage of E. Maple St. For planning and bidding purposes, this project is intended to spread over two budget years but one summer, pushing into 2015/2016 to get our best prices and planning, as well as the least amount of disturbance as possible to the citizens as they travel the streets of Mason. Maple Street, although not considered a major street from Act 51 is still a major thoroughfare of traffic as it leads across the City to include a primary route to the Middle School. The first portion of Maple St. from Temple St. to Mark St. will be in the current budget and the next components of the Maple St. leading from Mark St. up to Rogers St. will be completed in the same summer but the upcoming fiscal year 2015/2016.

In fiscal 2013/2014 our budget was inclusive of a safety grant, which was addressing placing box traffic lights and sidewalk on the north side of Kipp road to the overpass of 127. This project is still on track, however it was delayed due to an illness of a state employee and the severe winter.

The street sweeping and leaf pick up within the City, also assists the City to document our progress and the requirements of the Phase II Storm water regulations, meeting the requirements of our new National Discharge Permit. The staff provided a presentation this spring of the application process and requirements of ongoing maintenance and documentation of our storm water system. We continue to provide other services such as maintaining our compost center, on N. Mason St. Several years ago, it became a state requirement to have the compost center licensed. There are service requirements to the compost center

that staff maintains to keep it properly licensed. This facility is a must as it meets a community need. Not all citizens have the capacity, much less the will to actually conduct these services, or have the location to conveniently dispose of leaves. The facility cannot be disposed of as it is in this location that we place the leaves from the City pick up. Being a Tree City USA, we have encouraged the growth of public and private trees.

The Street Department conducted itself very well during the severe winter. They have been pushing it hard and becoming exhausted. We will need to recover in terms of getting our equipment back in functioning order as well as giving a little time to our employees to recoup. We had two injuries this winter—only one job related—that did reduce man power during this time. As our equipment ages, so does the maintenance escalate. This year, in addition to the capital improvements earlier referenced, our motor vehicle pool purchases will include a five-yard dump truck, with plow for approximately \$29,000 annually over a five year period at 2.5% interest. We can get very low interest rates at this time and it will place less pressure on the motor vehicle pool fund funding the truck this way. We will also be replacing a one half ton truck with Public Works with an estimated cost of \$21,000. Also within the capital outlay expenses are a zero turn mower estimated at \$10,100 and a three-inch centrifugal pump which is replacing one unable to be repaired for \$1,260.

### TAX LEVY

The Headlee Amendment, ratified in 1978, was designed to limit the ability of local governments to levy new taxes and limit growth of property taxes. It also controls how authorized millage rates are calculated as it relates to growth on property. When growth on existing property is greater than inflation, then the local government must roll back its maximum authorized millage rate so that increases in property tax revenue caused by growth on existing property does not exceed the annual inflation rate. This is called the “Headlee rollback.”

In 1994, Proposal A was passed. This legislation created differences in Taxable Value (TV) and State Equalized Value (SEV) because a growth cap was placed on taxable value. The growth on taxable value of individual parcels was limited to the lesser of inflation or 5%. As time has passed and due to the market value growth of real property in Mason, Michigan, the difference was becoming substantial. However, we are seeing this recede this year. This is due to the state and national economy negative market impacts and the slow movement of housing sales and construction. Unlike many communities that are seeing a reduction in overall property tax collections, ours is still a slow growth.

When properties are sold, they become “uncapped” and their new market values are reset from their TV to the SEV. Unfortunately, these “uncapped” properties are not exempt property for the purpose of the “Headlee rollback.” The product of these changes in state law is to penalize communities that have had market growth. The rollback formula reduces the cap of property taxing capacity that a local government has. State law authorizes Mason a maximum capacity of 20 mills. Today, our maximum capacity to levy local property tax due to Headlee Rollback is 18.4853 mills.

The City’s property tax levy for the current fiscal year of 2014-2015 as proposed is 13.75 mills.

Other 2013 millages in Ingham County are:

East Lansing	22.8369	Up 1 Mill from 2012
Lansing	19.7000	Same as 2012
Leslie	17.4500	Down 0.14 Mills from 2012
Williamston	15.1342	Same as 2012

Total SEV (including IFT's) for the City is \$241,772,680. Total Taxable Value (including IFT's) for the City is \$239,601,001. Ad Valorem Taxable Value is \$213,562,001. Our millage estimate for the value of one mill for the City of Mason this year is \$213,431.

### SUMMARY

This year's budget is placing an emphasis on primary services as well as recovering from the damage of the ice storm and severe winter. This includes street projects and traffic lights along Kipp Road. Expenditures from the Water/Sewer Fund include improvements to the Waste Water Treatment Plant entrance works. It replaces key pieces of equipment and vehicles.

Union negotiations are continuing with both FOP groups. Health care benefits are an expensive component and we have factored a 10% increase.

The City will continue to work at maintaining community standards by working on code enforcement as well as garnering investment and blight reduction by working with the Ingham County Landbank, on the project at 124 and 140 E. Ash St.

There are investments that continue to work towards "Place Making." This includes the investments of Arts and Culture by supporting the Downtown Development Authority projects, funding for the 150<sup>th</sup> City anniversary, the Sun Dried Music Festival, Arts Initiative, Mason (AIM) as well as many other community activities and initiatives. Mason continues to be a growing community that is a great place to live and work.

To support the General Fund activities, the budget is inclusive of a one-half mill increase. The proposed FY2014-2015 budget demonstrates a surplus from fund balance of \$20,200 to the General Fund. It is also inclusive of a 15.8% increase to the Water/Sewer rate, supplementing that fund. This budget is also inclusive of adjusting work assignments and adding additional staffing of a DPW Director, police officer and laborer within the Cemetery, Parks and Forestry Division in support of our mission.

The City will continue to seek and create opportunities to create a healthy community, providing the "Quality of Life" that our citizens enjoy. I thank the City Council for providing these resources, and the entire staff for continuing to provide essential and quality services within our community, truly making Mason the greatest place to live. I thank the Division and Department heads, and especially Finance Director Eric Smith and Asst. Finance Director Michelle Pietsch and my Executive Assistant Ingrid Nova with the compilation and efforts placed into this budget.

I hereby submit to you a balanced budget for the Fiscal Year 2014-2015.

Respectfully,



Martin A. Colburn  
City Administrator

MAC/icn

# City of Mason

201 W. Ash St.  
P.O. Box 370  
Mason, MI 48854-0370  
www.mason.mi.us



City Hall 517 676-9155  
Police 517 676-2458  
Fax 517 676-1330  
TDD 1-800-649-3777

April 28, 2014

Re: 2014/2015 Budget Message Addendum

Dear Honorable Mayor Clark and City Council Members:

City Council met on April 9 and 15 for budget hearings. Detailed discussion was held regarding all City funds. Specific services and programs were further defined, determining whether they would meet the evolving needs of the community or should be eliminated from our inventory. Continued pressure of potential negative impacts on the General Fund exist including the Personal Property Tax (PPT) legislation, the loss of LEAR and tax tribunals and future street projects not funded through grants. Specifically, Council requested to adjust down  $\frac{1}{2}$  mill (approximately -\$107,000) from the initial proposal to 13.25 mills.

As currently established, several positions previously eliminated due to attrition and funding challenges have been incorporated. This is inclusive of one additional certified police officer, raising the total to 13 officers within the Mason Police Department. It is also inclusive of adding one labor position to Cemetery, Parks and Forestry raising it to three positions total. Within the Water Sewer Fund, the position of DPW Director is added. The Reserve Officer Program for the MPD has been removed from the proposed budget. These adjustments are due to the changing available revenues and needs of the community and the services we provide.

This budget is inclusive of placing a roof on the children's part of the library, inclusive of a 2% grade to allow drainage, a membrane roof, and replacing gutters. Other repairs will be made along the gutters and valleys of the library roof (\$20,000).

The \$5,000 public art appropriation has been removed and adjustments made within the budget for earlier purchase of landscaping at City Hall (\$20,000). The ongoing maintenance and other incidental costs are (estimated at \$3,000) inclusive in the 2014/2015 budget.

The initial proposed budget was requiring \$20,200 from the surplus of fund balance. To keep this budget within a reasonable reduction of reserve fund balance the position of Human Resources Coordinator has been removed, with the duties being assigned to the Administration and Finance Departments, as services were previously provided pre-2009. This leaves the General Fund drawing from the surplus of \$50,040.

In fiscal year 2015/2016, we are estimating a significant decrease in the General Fund surplus.

Sincerely,



Martin A. Colburn  
City Administrator

MAC/icn

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## MEMORANDUM

**To:** Honorable Mayor and City Council Members  
**From:** *mac* Marty Colburn, City Administrator & DPW Director  
**Date:** May 21, 2014  
**Re:** Addendum to Fiscal Year 2014/2015 Budget

A Public Hearing was held by the Mason City Council on Monday, May 19, 2014 at 7:30 PM to allow comments by the general public regarding the FY 2014/2015 annual budget for the City of Mason. After the Public Hearing, deliberations were conducted by City Council to make amendments to the budget. Changes made reduced the Police Department patrolling by \$52,395 to \$997,765; added \$88,465 to Administrative Services totaling \$76,435; increased Fund Balance Transfer by \$36,070, totaling \$86,110.

The City budget for FY 2014/2015 was approved by a vote of 6-1 for a total of \$14,276,890. The amount raised by taxes is \$2,240,820, or a levy of 13.25 mills upon real and personal property within the City of Mason. This is the same millage amount as the previous year, and the lowest amount of a city within Ingham County.

MAC/icn

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	SURPLUS FROM FUND BALANCE			86,110
	TRANSFERS IN	1,685		
Totals for dept 000.00-		1,685		86,110
Dept 215.00-CLERK				
	CHARGES FOR SERVICES	146	75	50
Totals for dept 215.00-CLERK		146	75	50
Dept 254.00-TREASURER/FINANCE				
	ADMIN CONTR FR OTHER FUNDS	484,005	1,054,315	1,124,980
	FRINGE BENEFITS	6,600	6,600	6,600
	CHARGES FOR SERVICES - FEES	370	1,050	750
	CHARGES FOR SERVICES	90,411	91,470	92,275
	CONTRIBUTIONS FROM OTHER FUNDS	151,662	144,335	138,960
	INTEREST INCOME	7,207	8,000	8,500
	LICENSE AND PERMITS	93,242	103,000	78,000
	RENTALS	31,733	38,935	39,235
	STATE REVENUE SHARING	651,025	660,000	675,000
	SUNDRY	659	5	
	TAX REVENUE	2,880,873	2,904,800	2,846,680
Totals for dept 254.00-TREASURER/FINANCE		4,397,787	5,012,510	5,010,980
Dept 262.00-ELECTIONS				
	CHARGES FOR SERVICES	5,792		
Totals for dept 262.00-ELECTIONS		5,792		
Dept 271.00-FORESTRY				
	CHARGES FOR SERVICES	29,770	29,770	29,770
	DONATIONS FROM PRIVATE SOURCES	100		
	GRANT REVENUE		3,000	
Totals for dept 271.00-FORESTRY		29,870	32,770	29,770
Dept 276.00-CEMETERY				
	CHARGES FOR SERVICES - FEES	17,586	16,500	15,000
	CHARGES FOR SERVICES-SALES	6,626	5,000	5,000
	CHARGES FOR SERVICES	12,523	19,000	16,500
	CONTRIBUTIONS FROM OTHER FUNDS	815	700	700
Totals for dept 276.00-CEMETERY		37,550	41,200	37,200
Dept 301.00-POLICE DEPARTMENT				
	CHARGES FOR SERVICES - FEES	2,481	5,095	4,100
	CHARGES FOR SERVICES	20,683	22,590	21,950
	DONATIONS FROM PRIVATE SOURCES	8,423	19,790	3,635
	FINES AND FORFEITURES	27,190	30,635	30,500
	GRANT REVENUE	2,010	5,680	4,240
	LICENSE AND PERMITS	4,950	4,510	4,000
	SUNDRY	4,296	2,660	
Totals for dept 301.00-POLICE DEPARTMENT		70,033	90,960	68,425
Dept 336.00-FIRE DEPARTMENT				
	CHARGES FOR SERVICES - FEES	150,947	164,745	164,305
	CHARGES FOR SERVICES	31	30	30
	FINES AND FORFEITURES	1,200	1,200	1,200
	LICENSE AND PERMITS	3,325	2,000	2,000
Totals for dept 336.00-FIRE DEPARTMENT		155,503	167,975	167,535
Dept 528.00-REFUSE COLLECTION				
	CHARGES FOR SERVICES - FEES	326,631	334,250	339,350
	CONTRIBUTIONS FROM OTHER FUNDS	6,915	7,935	8,055
Totals for dept 528.00-REFUSE COLLECTION		333,546	342,185	347,405
Dept 747.00-COMMUNITY GARDEN				
	CHARGES FOR SERVICES-SALES	620	650	375
Totals for dept 747.00-COMMUNITY GARDEN		620	650	375
Dept 751.00-RECREATION				
	DONATIONS FROM PRIVATE SOURCES	1,500	10,520	
	RENTALS	4,830	4,250	4,250
Totals for dept 751.00-RECREATION		6,330	14,770	4,250
Dept 758.00-PUBLIC ART				
	DONATIONS FROM PRIVATE SOURCES	5,000	5,000	
Totals for dept 758.00-PUBLIC ART		5,000	5,000	
Dept 775.00-SENIOR CITIZENS				

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 775.00-SENIOR CITIZENS				
	CONTRIBUTIONS FROM OTHER FUNDS	4,000		
	Totals for dept 775.00-SENIOR CITIZENS	4,000		
Dept 850.00-WORKERS COMPENSATION				
	WK COMP INS CONTRIBUTION	40,267	47,860	47,860
	Totals for dept 850.00-WORKERS COMPENSATION	40,267	47,860	47,860
<b>TOTAL ESTIMATED REVENUES</b>		<b>5,088,129</b>	<b>5,755,955</b>	<b>5,799,960</b>
<b>APPROPRIATIONS</b>				
101.00	COUNCIL	34,563	39,985	41,555
172.00	ADMINISTRATOR	177,229	247,210	293,425
209.00	ASSESSING	47,696	49,030	48,705
215.00	CLERK			138,165
247.00	BOARD OF REVIEW	690	650	650
254.00	TREASURER/FINANCE	360,607	480,050	592,735
260.00	TECHNOLOGY	47,139	80,945	70,445
262.00	ELECTIONS	112,272	118,500	
265.00	BUILDING OFFICIAL/CITY HALL	150,947	176,125	162,685
266.00	LEGAL/ATTORNEY	87,430	101,625	90,000
268.00	PARK STREET PROPERTY	41,982	41,985	41,985
269.00	PROPERTY	434,703	479,455	479,420
271.00	FORESTRY	54,844	65,390	72,135
272.00	ADMINISTRATIVE SERVICES	167,109	239,650	276,435
276.00	CEMETERY	100,543	205,030	185,040
305.00	POLICE ADMINISTRATION	285,967	318,420	313,190
315.00	CROSSING GUARDS	19,459	23,975	24,080
316.00	POLICE PATROLLING	818,807	953,120	997,765
336.00	FIRE DEPARTMENT	386,694	498,020	465,095
380.00	PLANNING/ZONING OFFICIAL	104,218	117,645	126,435
426.00	CIVIL DEFENSE	7,550	1,065	5,455
428.00	DISASTER ACCOUNT			100
441.00	PUBLIC SERVICES	3,406	5,765	5,655
447.00	ENGINEERING		290	295
448.00	STREET LIGHTING	114,255	107,660	115,465
458.00	SIDEWALK CONSTRUCTION-REPAIR			5,050
528.00	REFUSE COLLECTION	317,241	340,540	346,750
747.00	COMMUNITY GARDEN	458	675	550
756.00	PARKS AND BALL DIAMONDS	95,836	131,175	157,520
758.00	PUBLIC ART		10,000	
775.00	SENIOR CITIZENS	6,700	8,040	8,060
790.00	LIBRARY	6,589	9,785	27,120
806.00	CHRISTMAS DECORATIONS	4,394	7,325	5,355
807.00	CABLE COMMISSION	3,553	4,560	4,560
808.00	PLANNING COMMISSION	885	1,065	720
850.00	WORKERS COMPENSATION	39,382	47,860	47,860
855.00	RETIREE BENEFITS	82,700	90,190	99,210
890.00	CONTINGENCIES	64,085	66,480	61,980
999.00	SURPLUS	68,165	938,520	488,310
<b>TOTAL APPROPRIATIONS</b>		<b>4,248,098</b>	<b>6,007,805</b>	<b>5,799,960</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 101</b>		<b>840,031</b>	<b>(251,850)</b>	
	BEGINNING FUND BALANCE	1,766,707	2,606,740	2,354,890
	ENDING FUND BALANCE	2,606,738	2,354,890	2,354,890

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	CHARGES FOR SERVICES-SALES	1,227	1,250	750
	GRANT REVENUE	366,453	390,000	737,000
	INTEREST INCOME	1,521	1,450	1,250
	SUNDRY	185	2,415	
	TRANSFERS IN	68,165	762,140	218,780
Totals for dept 000.00-		437,551	1,157,255	957,780
<b>TOTAL ESTIMATED REVENUES</b>		<b>437,551</b>	<b>1,157,255</b>	<b>957,780</b>
<b>APPROPRIATIONS</b>				
000.00		15,196	49,310	101,330
451.00	STREET/ROAD CONSTRUCTION	68,165	762,140	585,780
463.00	STREET MAINTENANCE	125,257	138,435	135,335
474.00	TRAFFIC SERVICES	20,282	23,505	23,725
478.00	WINTER MAINTENANCE	28,405	53,145	39,205
482.00	STREET ADMIN/GEN EXP	63,480	65,000	72,405
<b>TOTAL APPROPRIATIONS</b>		<b>320,785</b>	<b>1,091,535</b>	<b>957,780</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 202</b>		<b>116,766</b>	<b>65,720</b>	
BEGINNING FUND BALANCE		607,200	723,966	789,686
ENDING FUND BALANCE		723,966	789,686	789,686

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	CHARGES FOR SERVICES-SALES	3,204	1,250	750
	CHARGES FOR SERVICES	23,958	21,000	21,000
	GRANT REVENUE	126,640	134,000	127,500
	INTEREST INCOME	301	300	250
	SUNDRY	1,500		
	TRANSFERS IN	15,010	225,690	370,860
Totals for dept 000.00-		170,613	382,240	520,360
<b>TOTAL ESTIMATED REVENUES</b>		170,613	382,240	520,360
<b>APPROPRIATIONS</b>				
000.00				
451.00	STREET/ROAD CONSTRUCTION	1,500	176,380	269,530
463.00	STREET MAINTENANCE	127,445	145,245	145,520
474.00	TRAFFIC SERVICES	8,912	7,850	7,870
478.00	WINTER MAINTENANCE	20,083	40,115	32,880
482.00	STREET ADMIN/GEN EXP	12,660	12,650	64,560
<b>TOTAL APPROPRIATIONS</b>		170,600	382,240	520,360
<b>NET OF REVENUES/APPROPRIATIONS - FUND 203</b>		13		
BEGINNING FUND BALANCE		156,090	156,106	156,106
ENDING FUND BALANCE		156,103	156,106	156,106

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	DONATIONS FROM PRIVATE SOURCES	5,204		
	INTEREST INCOME	494	450	400
	SUNDRY	19,500		
	SURPLUS FROM FUND BALANCE			78,605
	TAX REVENUE	59,989	48,680	54,995
Totals for dept 000.00-		<u>85,187</u>	<u>49,130</u>	<u>134,000</u>
TOTAL ESTIMATED REVENUES		<u>85,187</u>	<u>49,130</u>	<u>134,000</u>
<b>APPROPRIATIONS</b>				
000.00				
TOTAL APPROPRIATIONS		<u>55,696</u>	<u>55,500</u>	<u>134,000</u>
NET OF REVENUES/APPROPRIATIONS - FUND 248		<u>29,491</u>	<u>(6,370)</u>	
	BEGINNING FUND BALANCE	195,778	225,269	218,899
	ENDING FUND BALANCE	225,269	218,899	218,899

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	INTEREST INCOME	5,191	5,000	5,000
	SURPLUS FROM FUND BALANCE			65,530
	TAX REVENUE	393,363	414,880	317,285
Totals for dept 000.00-		<u>398,554</u>	<u>419,880</u>	<u>387,815</u>
<b>TOTAL ESTIMATED REVENUES</b>		<u>398,554</u>	<u>419,880</u>	<u>387,815</u>
<b>APPROPRIATIONS</b>				
691.00	L.D.F.A.	137,549	296,075	387,815
<b>TOTAL APPROPRIATIONS</b>		<u>137,549</u>	<u>296,075</u>	<u>387,815</u>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 250</b>		<u>261,005</u>	<u>123,805</u>	
	BEGINNING FUND BALANCE	606,827	867,832	991,637
	ENDING FUND BALANCE	867,832	991,637	991,637

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	INTEREST INCOME	63	60	70
	Totals for dept 000.00-	63	60	70
<b>TOTAL ESTIMATED REVENUES</b>		63	60	70
<b>APPROPRIATIONS</b>				
000.00				70
<b>TOTAL APPROPRIATIONS</b>				70
<b>NET OF REVENUES/APPROPRIATIONS - FUND 297</b>		63	60	
	BEGINNING FUND BALANCE	21,700	21,763	21,823
	ENDING FUND BALANCE	21,763	21,823	21,823

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	CONTRIBUTIONS FROM OTHER FUNDS			60,000
Totals for dept 000.00-				60,000
<b>TOTAL ESTIMATED REVENUES</b>				
				60,000
<b>APPROPRIATIONS</b>				
000.00				60,000
<b>TOTAL APPROPRIATIONS</b>				
				60,000
<b>NET OF REVENUES/APPROPRIATIONS - FUND 401</b>				
	BEGINNING FUND BALANCE	387	387	387
	ENDING FUND BALANCE	387	387	387

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	BOND REVENUE			1,100,000
	CHARGES FOR SERVICES - FEES	721		
	CHARGES FOR SERVICES-SALES	2,390,609	2,405,500	2,780,320
	CHARGES FOR SERVICES	15,755	15,770	15,750
	CONTRIBUTIONS FROM OTHER FUNDS	79,758	238,570	306,670
	DONATIONS FROM PRIVATE SOURCES		4,425	
	FINES AND FORFEITURES	39,574	39,500	45,710
	GRANT REVENUE		4,870	500,000
	INTEREST INCOME	10,053	10,000	10,000
	LICENSE AND PERMITS	49,825	93,500	42,900
	RENTALS	500	500	500
	SUNDRY	1,676		
	SURPLUS FROM FUND BALANCE			596,500
Totals for dept 000.00-		2,588,471	2,812,635	5,398,350
<b>TOTAL ESTIMATED REVENUES</b>		<b>2,588,471</b>	<b>2,812,635</b>	<b>5,398,350</b>
<b>APPROPRIATIONS</b>				
545.00	WATER & SEWER ADMINISTRATION	38,945	41,770	77,600
546.00	SEWER IMPROVEMENT	45,958	44,310	42,660
548.00	SEWER MAINTENANCE	147,852	274,045	170,210
555.00	WASTEWATER TREATMENT PLANT	817,170	856,330	2,475,305
556.00	WATER MAINTENANCE	377,780	396,790	429,355
557.00	STORM SEWER PROGRAM	16,192	33,045	9,425
558.00	WATER IMPROVEMENT	132,429	704,535	689,060
559.00	WATER TREATMENT PLANT	436,301	839,965	839,735
566.00	ALLOWANCE FOR DEPRECIATION	621,699	650,000	665,000
<b>TOTAL APPROPRIATIONS</b>		<b>2,634,326</b>	<b>3,840,790</b>	<b>5,398,350</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 592</b>		<b>(45,855)</b>	<b>(1,028,155)</b>	
	BEGINNING FUND BALANCE	14,220,213	14,174,356	13,146,201
	ENDING FUND BALANCE	14,174,358	13,146,201	13,146,201

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	CONTRIBUTIONS FROM OTHER FUNDS	242,826	285,210	286,685
	INTEREST INCOME	52		
Totals for dept 000.00-		<u>242,878</u>	<u>285,210</u>	<u>286,685</u>
<b>TOTAL ESTIMATED REVENUES</b>		<u>242,878</u>	<u>285,210</u>	<u>286,685</u>
<b>APPROPRIATIONS</b>				
000.00		275,326	285,205	286,685
<b>TOTAL APPROPRIATIONS</b>		<u>275,326</u>	<u>285,205</u>	<u>286,685</u>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 612</b>		<u>(32,448)</u>	<u>5</u>	
	BEGINNING FUND BALANCE	32,980	532	537
	ENDING FUND BALANCE	532	537	537

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	CHARGES FOR SERVICES-SALES	4,648		
	EQUIPMENT RENTAL	177,697	243,175	263,280
	INTEREST INCOME	1,471	1,250	750
	SUNDRY	35,956		
	SURPLUS FROM FUND BALANCE			135,840
Totals for dept 000.00-		219,772	244,425	399,870
<b>TOTAL ESTIMATED REVENUES</b>		219,772	244,425	399,870
<b>APPROPRIATIONS</b>				
567.00	SHOP & BLDG. MAINTENANCE	47,368	46,585	47,840
568.00	EQUIPMENT MAINTENANCE	161,816	169,725	176,285
901.00	EQUIPMENT-CAPITAL OUTLAY	65,276	130,835	175,745
<b>TOTAL APPROPRIATIONS</b>		274,460	347,145	399,870
<b>NET OF REVENUES/APPROPRIATIONS - FUND 661</b>		(54,688)	(102,720)	
BEGINNING FUND BALANCE		750,142	695,455	592,735
ENDING FUND BALANCE		695,454	592,735	592,735

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	INTEREST INCOME	1,125	900	1,000
	ROYALTIES	44,201	80,000	150,000
Totals for dept 000.00-		45,326	80,900	151,000
<b>TOTAL ESTIMATED REVENUES</b>		<b>45,326</b>	<b>80,900</b>	<b>151,000</b>
<b>APPROPRIATIONS</b>				
000.00		20,915	7,940	151,000
<b>TOTAL APPROPRIATIONS</b>		<b>20,915</b>	<b>7,940</b>	<b>151,000</b>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 702</b>		<b>24,411</b>	<b>72,960</b>	
	BEGINNING FUND BALANCE	583,272	607,683	680,643
	ENDING FUND BALANCE	607,683	680,643	680,643

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	CHARGES FOR SERVICES	4,515	3,500	3,500
	INTEREST INCOME	815	700	700
Totals for dept 000.00-		<u>5,330</u>	<u>4,200</u>	<u>4,200</u>
<b>TOTAL ESTIMATED REVENUES</b>		<u>5,330</u>	<u>4,200</u>	<u>4,200</u>
<b>APPROPRIATIONS</b>				
000.00		815	700	4,200
<b>TOTAL APPROPRIATIONS</b>		<u>815</u>	<u>700</u>	<u>4,200</u>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 711</b>		<u>4,515</u>	<u>3,500</u>	
	BEGINNING FUND BALANCE	331,215	335,730	339,230
	ENDING FUND BALANCE	335,730	339,230	339,230

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
<b>ESTIMATED REVENUES</b>				
Dept 000.00				
	INTEREST INCOME	75,779	47,500	41,165
	SURPLUS FROM FUND BALANCE			23,675
	TAX REVENUE	364,682	119,495	111,960
Totals for dept 000.00-		<u>440,461</u>	<u>166,995</u>	<u>176,800</u>
<b>TOTAL ESTIMATED REVENUES</b>		<u>440,461</u>	<u>166,995</u>	<u>176,800</u>
<b>APPROPRIATIONS</b>				
000.00		204,723	193,720	176,800
<b>TOTAL APPROPRIATIONS</b>		<u>204,723</u>	<u>193,720</u>	<u>176,800</u>
<b>NET OF REVENUES/APPROPRIATIONS - FUND 812</b>		<u>235,738</u>	<u>(26,725)</u>	
	BEGINNING FUND BALANCE	224,687	460,426	433,701
	ENDING FUND BALANCE	460,425	433,701	433,701

ACCOUNT CLASSIFICATION AND DEPARTMENT	DESCRIPTION	2012-13 ACTIVITY	2013-14 PROJECTED ACTIVITY	2014-15 ADOPTED BUDGET
ESTIMATED REVENUES - ALL FUNDS		9,722,335	11,358,885	14,276,890
APPROPRIATIONS - ALL FUNDS		8,343,293	12,508,655	14,276,890
NET OF REVENUES/APPROPRIATIONS - ALL FUNDS		1,379,042	(1,149,770)	