



# FREMONT Michigan

*“NOW & ALWAYS – A Fine City • A Great Community”*

## ***CITY MANAGER'S FISCAL YEAR 17/18 BUDGET MESSAGE***

To the Honorable James M. Rynberg, Mayor  
and Members of the City Council of the  
City of Fremont, Michigan:

I transmit herewith the Proposed Operating / Capital Budget for the City of Fremont for the fiscal year beginning July 1, 2017 and ending June 30, 2018.

### **CITY'S FINANCIAL CONDITION**

All of the City's Funds are solvent at year-end 6/30/17, however the Sewer, Water, Equipment and Cemetery Perpetual Care Funds did make planned transfers from their fund balances last year. These transfers helped cover costs related to construction projects.

In order to balance the proposed FY 17/18 Budget, there are several funds that will require significant contributions from their fund balances:

- General Fund                      \$ 119,091
- Major Street                      180,331
- Local Street                      213,279
- Capital Projects Fund              25,000
- Sewer Fund                      36,570

Most municipal government financial advisors recommend maintaining an unrestricted General Fund fund balance equal to 15-25% of annual operating costs, to allow for sufficient working capital and emergency funding throughout the upcoming year. The General Fund projected to deduct from the existing fund balance from last year, but fortunately was not necessary. The estimated ending fund balance for 6/30/17 is approximately \$632,637 (19.7 %.) The proposed FY 17/18 General Fund budget does not include any transfer from fund balance, so projected ending fund balance on 6/30/18 is \$513,546, which would equal approximately 15.7 % of this year's projected total expenditures. This will keep the City in a solvent position, but too close to the bottom of the recommended fund balance level of 15-25%. In order to keep the City above the 15%, it was forced to increase the tax millage in 2016, as oppose to continuing to reduce services provided by the General Fund.

Adequate fund balance reserves allows the City to: 1) eliminate any need for short-term, higher interest-rate borrowing; 2) respond to emergency needs; 3) contribute to additional capital projects where needed; and 4) take advantage of sometimes unanticipated opportunities, such as the purchase of properties for public purposes.

The City's ability to maintain a fund balance over the last seven years is certainly positive, considering that only twenty years ago when I started working here the City was looking at a fund balance of only \$50,000 in the General Fund. We have worked hard since then to contain costs, increase efficiencies, trim or postpone equipment needs and capital projects and increase and diversify revenues in order to improve the fund balance situation and to hold the line on any further property tax increases. A \$513,546 fund balance may seem large, but not when you take into account the issues we may face in the coming months and years with declining State Revenues.

Issues include:

1. Use of fund balance from the General Fund as matching money toward state and federal grants for construction of new streets, park features and economic & community development projects.
2. Debt service to pay down capital improvement bonds for the Downtown Development Authority's (DDA's) "Downtown Enhancement Program", which included additional parking lot reconstruction and renovations throughout the entire downtown. Debt service is covered primarily by Tax Increment Finance (TIF) revenues, which will lead to a reduction in property tax revenues flowing to the General Fund from properties in the DDA District. Because this was "new" debt, under the State's "Proposal A" amendment to the Constitution, we can no longer capture tax increments from any school-related jurisdictions, including the Fremont Public Schools operating & debt levies, NC-RESA or the State Education Tax (SET).
3. The loss of \$30 Million in Taxable Value resulting from the designation of a portion of the Nestle Gerber production facility as an Agricultural Renaissance Zone. The use of this incentive tool would result in the total loss of all existing and future property tax revenues from real or personal property located in the Ag Ren Zone for a period of 15 years.
4. Moreover, the City has recently experienced and can expect additional Michigan Tax Tribunal Appeals of real property tax valuations from most of the commercial property owners in town, which create additional decline of tax revenues.
5. The State of Michigan's repeal of the Personal Property Tax (PPT), of which without the promised replacement could lead to a loss of up to 25% of the City's tax revenue. The State has already fallen short of its prior approved elimination of all properties with an SEV/TV valuation of \$40,000 or less, which equals an estimated \$ 30,000 in annual tax revenue.
6. The City's projected principal long-term debt balances remaining at year-end FY 16/17 are as follows:

	Est. Principle Balance <u>June 30, 2017</u>
<b>Compensated Absences:</b>	\$ 318,000
<b>MERS Retirement Debt (est 12/31/2016)</b>	5,000,000
<b>Capital improvement bonds:</b>	
\$1,700,000 – '06 Capital Improvement Bonds; due in semi-annual installment payments of various principal amounts plus interest @ 3.87% through November 2021	<u>700,000</u>
<b>Total Remaining Long-Term Debt @ Year-end FY 16/17:</b>	<b>\$ 6,018,000</b>

### **PROPERTY TAX BASE CHANGES**

The economy has improved and property values have finally started increasing, but increased filings with the Michigan Tax Tribunal by local businesses have decreased tax revenues equally. As illustrated in the table on the following page, investment in real and personal property in all

sectors has either flattened or increased some. Obviously, Gerber Products investments of over \$250 million over the last five years and the new Fremont Community Digester (\$22 million) entering into the Industrial Park are welcome investments in terms of tax base and new jobs for our local economy. However, approximately 75% of Gerber's investments fall within the Agricultural Renaissance (tax-free) Zone, which doesn't come back fully on the tax roll till 2024.

Although Ad Valorem real property values increased 1.6%, personal property decreased 7.5%, thus minimizing the total Ad Valorem roll's increase to less than 1%. Fortunately, the State of Michigan had agreed to reimburse municipalities for the loss in tax revenues due to the phasing out of personal property. Gerber's real property valuations will start gradually increasing the Ad Valorem roll in 2021 as it phases out of the tax free Ren-Zone and becoming fully taxable in 2024.

### **PROPERTY TAX LEVIES**

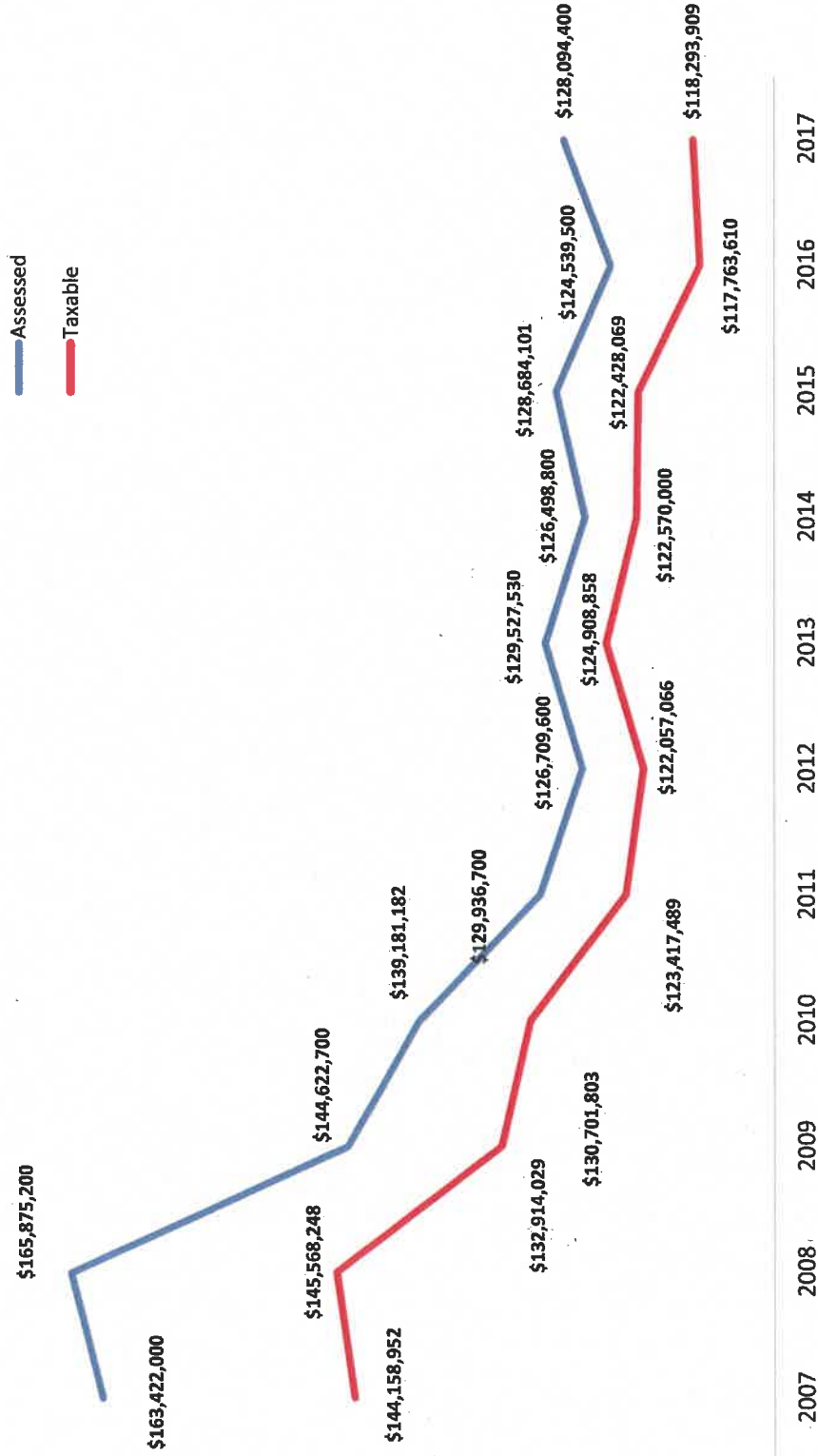
This proposed FY 17/18 budget is based on the property tax levy remaining at 15 mills. The City's Charter permits a maximum tax levy of 20 mills for general operating purposes and it is admirable that the City has been able to keep its levy relatively low through the 2008-2014 recession. It was at 14 mills for eighteen years following establishment of the millage for the then newly created Fremont Area District Library, whereas the City reduced its millage by one (1) to accommodate the District's new operating millage.

As a comparison, the MI State Tax Commission published data showing that the average property tax rate for cities is approximately 17 mills in Newaygo County. Closer to home, a quick look at the table on page VI shows that Fremont's city levy is still among the lowest 2016 levies of the other full-service communities in Newaygo County. As the pie chart on page VI shows, **the City's levy represents only 24%** of the total millage levied by all jurisdictions upon property in the City.

<b>TAXABLE VALUE CHANGES FY 16/17 TO FY 17/18</b>				
PROPERTY CLASS	FY 16/17 TAXABLE VALUE	FY 17/18 TAXABLE VALUE	% CHANGE TAXABLE VALUE	NUMBER OF PARCELS
<b>Ad Valorem Roll: Real Property</b>				
101- Agricultural Zone	139,990	141,247	0.9%	5
201- Commercial	34,464,586	34,884,982	1.2	227
301- Industrial	21,226,250	21,227,170	0.2	31
401- Residential	55,686,303	56,994,510	2.3	1,409
<b>800- Total Real Property:</b>	<b>\$ 111,517,129</b>	<b>\$ 113,296,909</b>	<b>1.6%</b>	<b>1,672</b>
<b>Ad Valorem Roll: Personal Property</b>				
251- Commercial	5,600,200	6,198,300	10.7%	432
351- Industrial	10,547,500	8,421,700	(20.2)	9
551- Utility	4,052,400	4,072,100	0.5	3
<b>850- Total Personal Prop.:</b>	<b>\$ 20,200,100</b>	<b>\$ 18,692,100</b>	<b>(7.5)%</b>	<b>444</b>
<b>TOTAL ADVALOREM:</b>	<b>\$ 131,717,229</b>	<b>\$ 131,989,009</b>	<b>0.2%</b>	<b>2,116</b>
<i>Tax-Free Agri-Ren Zone Values</i>	<i>(\$ 14,416,697)</i>	<i>(\$ 13,695,100)</i>	<i>(5.0)%</i>	<i>(3)</i>
<b>TOTAL TAXABLE ADVALOREM:</b>	<b>\$ 117,300,532</b>	<b>\$ 118,293,909</b>	<b>0.8%</b>	<b>2,113</b>
<b>IFT "New" Roll (Full Taxable Value; 50% Levy)</b>				
301- Industrial Real	265,000	265,000	0.0	1
351- Industrial Personal	5,529,400	2,299,100	(58.4)%	3
<b>TOTAL IFT "NEW":</b>	<b>5,794,400</b>	<b>2,564,100</b>	<b>(55.7)%</b>	<b>4</b>
<b>EXEMPT PROPERTY *</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>N/A</b>	<b>224</b>
<b>GRAND TOTAL - AD VALOREM / IFT ROLLS:</b>	<b>\$ 137,511,629</b>	<b>\$ 134,553,109</b>	<b>(2.2)%</b>	<b>2,320</b>

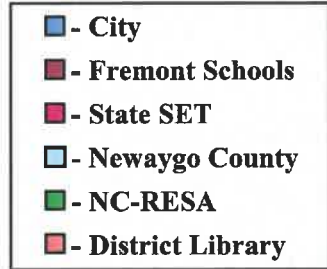
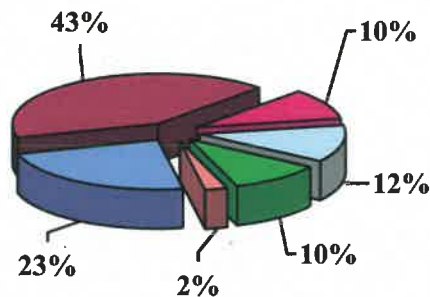
\* = "Exempt property" includes City, school, hospital and other public properties, as well as nonprofit and church properties  
 \*\* = "Renaissance Zone" this value is exempt from all taxes except debt, so there is no city tax revenue from it. The value is split between real and personal property and is included in the Industrial figures.

# City of Fremont Advelorem Property Values (Less Renaissance Zone Values)





**2016 PROPERTY TAX ALLOCATION**  
(Non-Homestead Properties)



**2016 ACTUAL PROPERTY TAX LEVIES**  
**NEWAYGO COUNTY COMMUNITIES**  
(Levy in mills, equal to \$1.00 per \$1,000 in taxable valuation.)

TAXING UNIT	FREMONT	NEWAYGO	WHITE CLOUD	GRANT	HESPERIA
<b>City, Village or Twp.</b>	<b>15.0</b>	19.17701	17.4792	17.3084	17.2497
<b>Public Schools</b>					
Non-Homesteads	18.0	17.9082	18.0	17.8092	18.0
Debt Service	7.0	6.5	9.5	3.5	7.6
Sinking Fund	0.0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>25.0000</b>	23.9082	27.50	21.3092	25.60
<b>State Education Tax</b>	<b>6.0</b>	6.0	6.0	6.0	6.0
<b>District Libraries</b>	<b>1.4497</b>	1.100	1.2816	2.2652	1.7088
<b>Fremont Comm Rec</b>	<b>0.5</b>				
<b>Newaygo ISD</b>					
Operating	0.1351	0.1351	0.1351	0.1351	0.1351
Special Education	3.0000	3.0000	3.0000	3.0000	3.0000
Vocational Educ.	3.0000	3.0000	3.0000	3.0000	3.0000
<b>Total</b>	<b>6.1351</b>	6.1351	6.1351	6.1351	6.1351
<b>Newaygo County</b>					
Operating	5.3685	5.3685	5.3685	5.3685	5.3685
Sheriff, Aging & Veterans Affairs	1.6151	1.6151	1.6151	1.6151	1.6151
Medical Care Bonds	0.4000	0.4000	0.4000	0.4000	0.4000
<b>Total</b>	<b>7.3836</b>	7.3836	7.3836	7.3836	7.3836
<b>TOTAL TAX LEVY</b>	<b>61.9684</b>	64.79691	65.7795	60.4015	64.0772

**Fremont:**

- City's total millage is 15 mills (Charter allows 20.) No additional mills are levied or special assessed for any City services, including fire.
- Fremont Schools received approval for new bond millage for a new high school, paying off existing and keeping the debt at 7.0.

**Newaygo:**

- City's millage includes general operating and a citywide special assessment for fire protection services.

**Grant:**

- City's millage of 17.3084 includes general operating, roads, public safety, fire protection and a sanitary sewer debt.
- The new District Library levy covers both debt on the new building and general operating.

**Hesperia:**

- Village residents pay a total of 17.2497 mills. This includes the Village's millage for general operating and streets, plus Denver Township levies for general operating, roads and fire protection mills.

**Newaygo County:** Voters approved a 0.5-mill levy for the N.C. Medical Care Facility in 11/04.; first levied on winter '05 bills.

**PROPOSED FISCAL YEAR APPROPRIATIONS**

The table below titled "Total Appropriations All Funds" compares the proposed fiscal year appropriations for each fund with the prior fiscal year's approved budget totals. This chart also accounts for the transfers between funds (interfund transfers), which gives a truer picture of the actual appropriations. Without accounting for these transfers, they would be counted twice: once leaving a Fund and once going into another Fund.

The table below shows an **overall budget increase of 2.7%** from last year. Although the General Fund Budget only increased by 4.4%, half of the other Funds have proposed increases in their net appropriations for the year as well, thus driving the overall budget totals up. The proposed budget does contain appropriations to cover negotiated wage increases with both the Police & Public Works unions & a potential labor market adjustment to salaries for administrative/non-union personnel.

<b>FY 17/18 vs. FY 16/17</b> <b>NET OPERATING BUDGETS</b> <b>TOTAL APPROPRIATIONS – ALL FUNDS</b> <small>* (Adjusted for Interfund Transfers)</small>					
FUND	FY 17/18 TOTAL APPROP.	LESS TRANS- FERS OUT TO OTHER FUNDS	NET FY 17/18 APPROP.	NET FY 16/17 APPROP.	PERCENT CHANGE
General	\$ 3,268,385	\$ 95,000	\$ 3,173,385	\$ 3,303,549	(3.9) %
Major Street	1,485,831	70,000	1,415,831	234,141	504.7
Local Street	462,454	0	462,454	87,454	428.8
DDA Operating	473,858	287,418	186,440	185,340	0.6
LDFA Operating	72,756	72,756	0	0	0.0
Cap Imprv. Debt	150,474	0	150,474	154,509	(2.6)
Capital Project	315,000	0	315,000	1,408,000	(77.6)
Sewer	635,570	0	635,570	877,049	(27.5)
Water	714,771	0	714,771	704,540	1.5
Motor Pool	791,708	0	791,708	688,402	15.0
Cemetery Care	1,000	1,000	0	0	0.0
Local Improve.	18,245	18,245	0	0	0.0
<b>TOTAL ALL FUNDS</b>	<b>\$ 8,390,052</b>	<b>\$ 544,419</b>	<b>\$ 7,845,633</b>	<b>\$ 7,643,984</b>	<b>2.7%</b>

• = Year-end appropriations, net of transfers out to other funds per Amended Budget.

The overall effects of "Proposal A" on the City's revenues are now well known in local government finance. While the capped growth in taxable value is one major concern, so is the fact that tax increment financing (TIF) districts now capture virtually no "education" millage, which is made up for by the other taxing bodies. "Proposal A" also increased costs such as: 1) computer updates to differentiate homestead properties; 2) administration of dual assessment rolls due to the assessment

cap; 3) complications with the TIF district captures; and 4) staff time to mail homestead forms and answer hundreds of questions. Unfortunately, our largest taxpayers have chosen to seek reductions in their taxable values through the Michigan Tax Tribunal, in order to lower their operating costs during these tough economic times.

It is unfortunate that local governments must continue to cover this and other similar unfunded State and Federal mandates with fewer dollars in the name of state government reforms and belt-tightening. With the significant reductions in State Revenue Sharing payments from 2001 to 2015, and the State's limitations on local option revenues it makes for a tough balancing act for local communities. In order to manage these challenges, the City may choose to consider other means of raising revenues, such as a City income tax, coupled with a corresponding drop in real property tax.

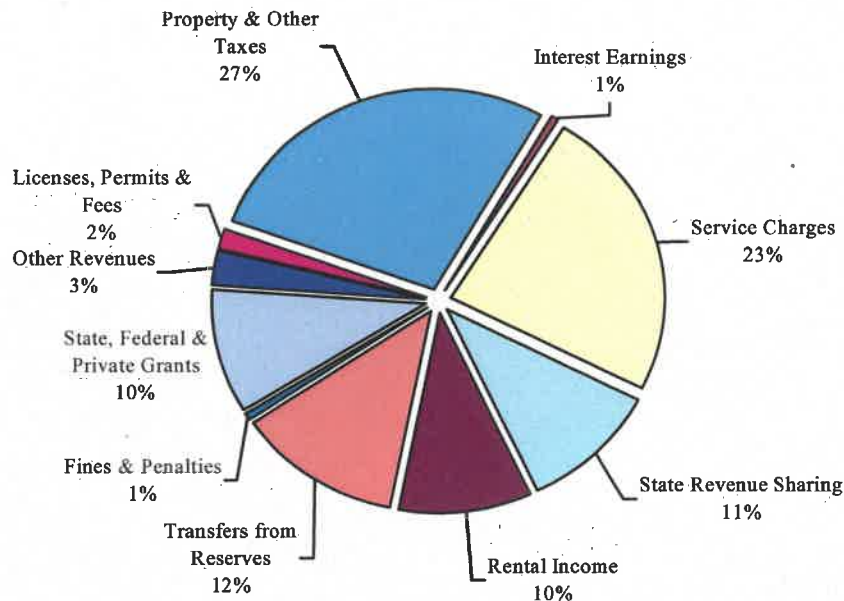
State revenue sharing cuts under Governor Snyder have been damaging in previous years due to reductions in the Statutory portion, but recently slight increases in the Constitutional formula and the Statutory-EVIP have helped.

### **PROPOSED FISCAL YEAR REVENUES & EXPENDITURES**

The following two graphs depict proposed revenues and expenditures for next year's budget. This pie chart shows the projected revenues for the fiscal year organized by ten general categories. Footnotes to that chart provide definitions and amounts for each of the categories. The four largest sources of revenue include: property taxes, state/federal/private grants, service charges and transfer from reserves. The graph vividly shows that **revenues from property and other taxes represent the largest percentage of total revenues at a 27%, similar to recent years. Revenues coming from transfers of reserve funds and State/Federal Grants have also increased.** These increases have driven most of the other budget revenue source percentages down.



**FY 2017/18 REVENUES By SOURCE**  
 (% of Total City Revenues)

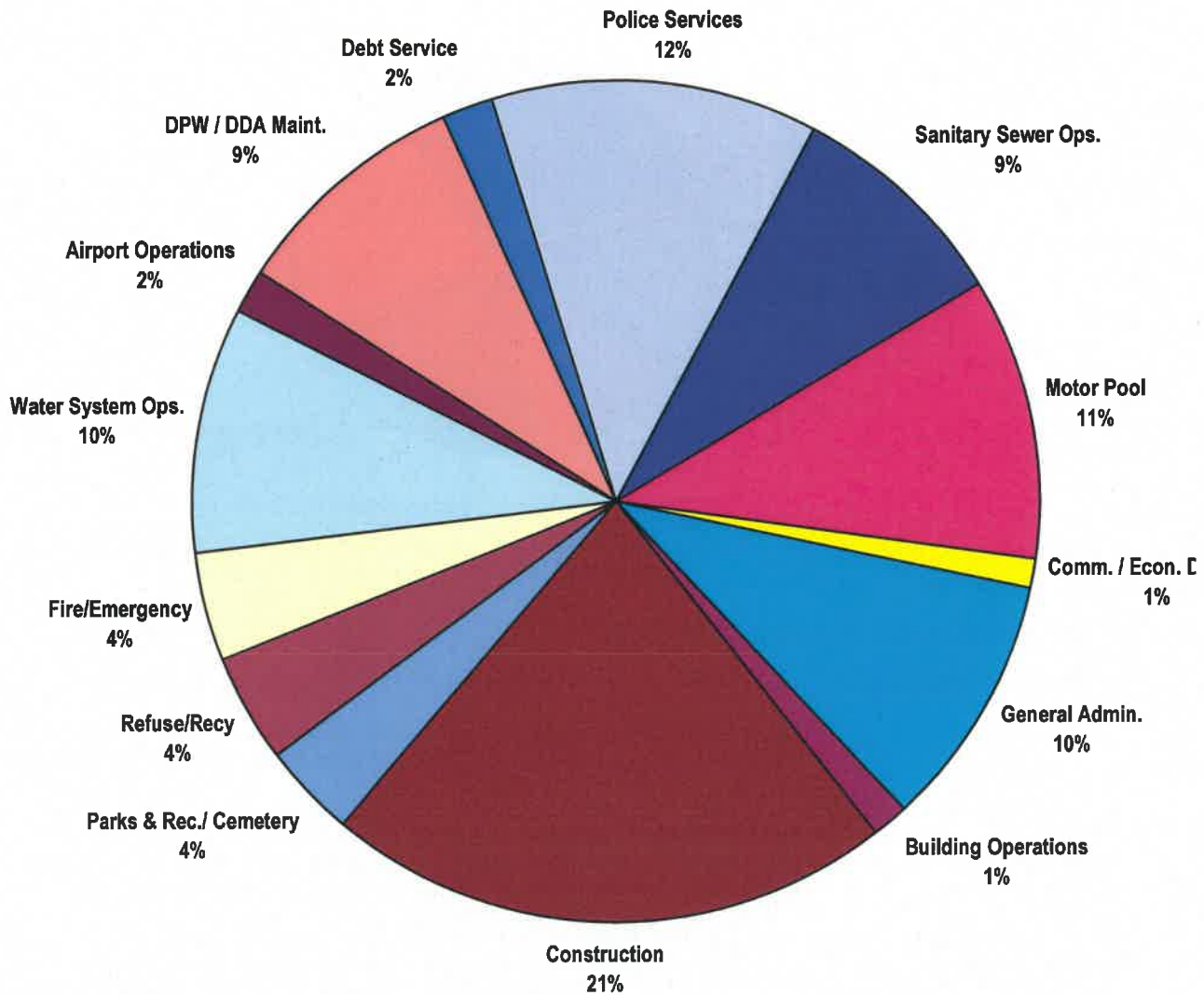


**Definitions of Revenue Sources for Previous Chart:**

<b>Property &amp; Other Taxes:</b>	<b>\$ 2,076,592.</b> Real/personal ad valorem/IFT (abatement) taxes, mobile home taxes, payments-in-lieu-of-taxes (PILOT's)
<b>Service Charges:</b>	<b>\$ 1,790,500.</b> Water/sewer/refuse/recycling use charges, new Township Fire/Sewer Contracts, cemetery foundations/ grave openings, State M-82 Trunkline maintenance reimbursements, sale of water meters, tapping fees
<b>State/Federal/Private Grants:</b>	<b>\$ 170,000.</b> Police Explorer/Safe Community Celebration, airport grants and several grants from the Fremont Area Community Foundation
<b>State Revenue Sharing:</b>	<b>\$ 1,229,000.</b> State sales & use tax, PA 51 gas/weight fuel taxes, State liquor licenses
<b>Rental Income:</b>	<b>\$ 634,330.</b> City Hall, airport T-hangars, land leases, Branstrom Lodge, Fremont Lake Campground, City equipment rental rates
<b>Interest Earnings:</b>	<b>\$ 28,735.</b> Interest earned on investments from all Funds
<b>Other Revenues:</b>	<b>\$ 195,700.</b> Reimbursements, miscellaneous contributions, special assessment payments, and sales of crushed concrete, cemetery lots, Industrial Park lots, land, timber and used equipment & vehicles
<b>Licenses, Permits &amp; Fees:</b>	<b>\$ 77,200.</b> CATV franchise, business & non-business zoning permits, property tax and administration fees, METRO Act ROW fees
<b>Transfers from Reserves:</b>	<b>\$ 968,442.</b> From Fund Balance reserves
<b>Fines &amp; Penalties:</b>	<b>\$ 39,000.</b> Ordinance fines, District Court fines and tax & utility bill penalties

On the following page is a pie chart depicting proposed expenditures by program areas, expressed as a portion of total expenditures. **Expenditures for Construction, Water & Sewer, Equipment Service, General Administration and Police & Fire Emergency Services generally total more than ½ of the chart with just over \$5.3 million this year.** Individually, Police and Fire services are not the highest, but if they were added together as a "Public Safety" category, they would be the 2<sup>nd</sup> highest category of the chart representing proposed expenditures of over \$1.2 million. Footnotes to the chart provide definitions for the expenditure categories.

**FY 2017/18 EXPENDITURES BY PROGRAM**



**Definitions of Program Areas for Above Chart:**

<b>Construction:</b>	Street reconstruction & resurfacing, park improvements, downtown improvements, etc.
<b>General Administration:</b>	City Council, City Manager, elections, City Clerk, Assessor, Attorney, Treasurer, general admin., benefits
<b>Police:</b>	Police operations
<b>DPW Operation &amp; Maintenance:</b>	Streets/storms, sidewalks, DDA, parking, traffic services, snow/ice control & M-82 maintenance
<b>Debt Service:</b>	LDFA, Building Authority & Water Fund Bonds, land purchase payments
<b>Equipment/Motor Pool:</b>	Purchase of new major equipment and vehicles
<b>Sanitary Sewer Operations:</b>	Engineering/supervision, treatment, collection, pumping, meter reading
<b>Water System Operations:</b>	Engineering/supervision, wells, pumping, treatment, transmission, distribution/storage, meter reading
<b>Parks &amp; Recreation/Cemetery:</b>	Park maintenance & minor improvements, cemetery maintenance, Comm. School Recreation contribution
<b>Fire:</b>	Fire & rescue operations
<b>Community/Economic Develop.</b>	Planning, zoning, engineering, public relations, marketing, community & economic development
<b>Refuse/Recycling/Yardwaste:</b>	Contracts for refuse removal & recycling, yardwaste/leaf collection & brush chipping
<b>Municipal Building Operations:</b>	City Hall, Police training/firing range, building systems operations & maintenance
<b>Airport Operations:</b>	Operations, minor capital improvements

**Note:** Insurance (liability, property, health & life), pensions, worker's compensation & payroll taxes are spread across several operating Funds.

## BUDGET FORMAT

Because of the more reliable financial data now available on a regular basis, staff is better able to project year-end estimates for all revenue and expense line items in all Funds. Once we have made these estimates, we are able to also provide the necessary year-end budget amendments by Department in each Fund when necessary. Even so, staff has continued to bring project-based budget amendments to Council throughout the year when the project budgets are approved. Therefore, very few mid-year and/or year-end budget amendments are necessary and are incorporated into the final proposed FY 2017/18 Budget.

As discussed last year, the accumulation of various projects required the City to play "catch up" during recent construction seasons in order to provide the services and infrastructure to which our citizens have become accustomed. However, it is important that the General Fund not be used to subsidize other funds on a regular basis. Contributions from the General Fund are acceptable for one-time projects or capital, equipment or study/analysis needs but the Fund should not subsidize the ongoing operating costs of the other Funds.

This proposed Budget no longer allows General Fund subsidy of various major construction projects in the Major, Local and Capital Projects Funds. Water/Sewer utility extensions and repairs drive most of the street construction projects that have taken place. Funds receiving a General Fund subsidy include only the Capital Projects Fund (as local match for airport and parks capital projects) and on occasion the Local Street Fund (to meet Act 51 matching requirements for street construction projects on Local Streets.)

The City also maintains an internal service fund (Equipment & Motor Pool Fund 661) that has allowed for the consolidation of significant equipment and vehicle leases, purchases and repayment of vehicle purchase loans from the other Funds for ease of tracking and reporting. Any remaining unspent appropriations in this Fund remain with the Fund to be applied toward future leases/purchase/debt and to meet emergency needs for equipment or vehicle repair or replacement. Also, by segregating the equipment and vehicle expenses from other operating expenses, we create a truer picture of both. We have included a copy of the 5-yr Equipment Plan for Fund 661 in Appendix K.

Ten years ago we added a new fund: the Fremont Community Joint Planning Commission Fund-268 (Appendix R.) This Fund helps in tracking revenues & expenditures for joint planning in the area, which has been aligned with the City's fiscal year for ease of accounting.

The City also established a Parks Trust Fund four years ago, to act as a temporary fiduciary for the newly created Fremont Community Recreation Authority. The Authority has taken over ownership of the Recreation Center from Fremont Public Schools as of June 2016. With the Rec Center's perceived financial stability with passage of an operating millage, there should be no need for the City to act as fiduciary and accountant for the Fremont Community Recreation Authority moving forward.

## CONCLUSION

Fremont continues to evolve from a relatively wealthy rural community with few amenities, to a regionalized commercial center. Our community is known for providing high quality services and visitors frequently marvel at our quality of life that they "never knew was here." Unfortunately, this standard can be endangered over time if property values do not rise back to the levels they once were. Due to the State of Michigan's elimination of the Personal Property Tax (PPT) with a questionable replacement tool that will most likely phase it out over time, communities like

Fremont that have large industrial employers like Nestle Gerber and numerous commercial properties (Wal-Mart, our historic downtown and west commercial corridor) may struggle.

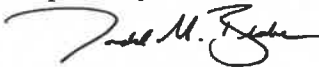
Limitations on our revenue streams have forced us to look internally on ways to live within our budgetary means. Retiring staff positions have not all been refilled and new employees will receive lesser benefits. Pay increases for current employees have flattened-out and we will continue to retrench our benefits levels as health insurance and retirement costs continue to increase. Each year it becomes hard to reduce expenses while ensuring that we are not reducing the quality of our service to the public.

Recent and upcoming projects in Fremont:

- The new Fremont High School that opened in 2012, a \$40 Million investment, is ranked in the top ten "techiest" schools in the state.
- Local governments partnered in the establishment of the Fremont Community Recreation Authority to repurpose the southern half of the old high school as a community recreation center and took over community recreational programming previously ran by Fremont Public Schools. They were successful in 2016 with their tax millage campaign for a ½ mill.
- The Gateway retiree housing project purchased the remaining north half of the old high school, renovated it into a 38-unit senior housing facility and opened in May 2015.
- In the Industrial Park, the Fremont Community Digester was sold and reopened by securing its energy producing contract with Consumers Energy. It's still an innovative "bio-digester" facility that will use local agricultural food waste products to produce electricity.
- MPH, located in the Industrial Park is planning to expand its packaging operations in coordination with Nestle/Gerber.
- The City plans to finish the final phase of Cedar Street extending to from Gerber to Stone to complete the south alternate route to the Industrial Park.
- The City plans to close several blocks in the downtown area to implement a walkable greenspace with art nodes, connecting downtown with the Rec Center, the Gateway and the District Library.
- An fundraising campaign for a major art piece is being planned, partnering with the State MEDC's Patronicity program, with final completion in 2018.

It is important that we continue to promote the community and highlight our successes while realistically addressing our challenges. The community will continue to evolve and age, but we should be prepared to adjust with it and work to provide the quality of life that originally attracted people to our city. City staff is to be commended for their commitment and endeavor to provide quality services to residents.

Respectfully Submitted,



Todd M. Blake  
City Manager/Finance Director